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Empire State Survey: Solid

The headline January Empire State Manufacturing index rises a more-than-expected 5.3 points (Consensus: +1.5 points; Decision Economics: +2.1 points), to +13.5, from a prior-month level revised down by 1.3 points. That revision was part of an annual updating that changed no significant recent messages of the report.

Key independent activity indexes confirmed the improvement, and then some, with the new orders index up 7.7 points to +13.7, and the employment index up 9.8 points, to +12.1. In an indication that the employment increase was not overdone, the average workweek index rose 8.9 points, to +6.6.

This pattern of solid improvement to moderate-strength levels, following on a basically similar pattern last month, suggests a trundling, and probably well-based, strengthening in New York manufacturing activity.

Whether the message will carry over to national results, or even to the neighboring Philadelphia region, is never certain--but the fact that the improvement is moderate, and now two-months lasting, suggests that it will.

That sort of development would support confidence that the economy in general is sustaining growth, or even accelerating. But, Fed doves will remain impatient, and hawks gain no meaningful new leverage.

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