MBOS

Manufacturing Business Outlook Survey

FEDERAL RESERVE BANK PHILADELPHIA

November 2026

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Manufacturing activity in the region was less widespread but continued to expand overall, according to the firms responding to the November *Manufacturing Business Outlook Survey*. The survey's indicator for general activity fell to a six-month low but remained positive. The new orders index fell to a near-zero reading, while the shipments index moved higher. The employment index rose, continuing to suggest overall gains in employment. Both price indexes increased from already elevated readings. Most future indicators declined this month but continued to suggest expectations for overall growth over the next six months.

Current Indicators Are Mixed

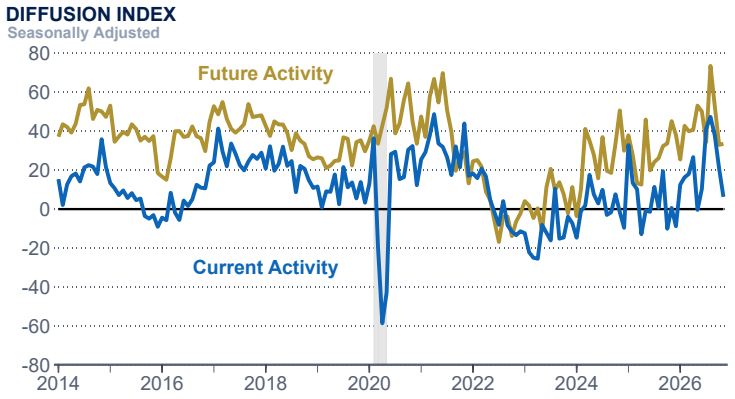
The diffusion index for current general activity fell from 20.9 in October to 6.3 in November, its lowest reading since May (see Chart 1). More than 36 percent of the firms reported increases in activity, while 30 percent reported decreases; 33 percent of the firms reported no change in activity. The current new orders index dropped 5 points to -0.4, its lowest reading since May and the index's fourth consecutive decline. More than 32 percent of the firms reported decreases in new orders (down from 34 percent last month), while 32 percent reported increases (down from 39 percent); 35 percent reported no change (up from 22 percent). The shipments index rose 10 points to 25.7, offsetting most of the previous month's decline.

The employment index rose 3 points to 11.6, its first increase in three months. More than 21 percent of the firms reported an increase in employment levels, 10 percent reported decreases, and 69 percent reported no change. The average workweek index rose from 7.5 to 11.2.

Price Indexes Remain Elevated

Both price indexes rose further above their long-run nonrecession averages in November. The prices paid index rose 15 points to 58.2, its highest reading since April

Chart 1. Current and Future General Activity Indexes
January 2014 to November 2026



Notes: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease. Shaded areas indicate NBER recessions.

(see Chart 2). More than 58 percent of the firms reported increases in input prices (up from 43 percent last month), while none reported decreases (unchanged); 39 percent reported no change in input prices (down from 52 percent). The current prices received index increased 7 points to 47.0, its highest reading since June 2022. More than 48 percent of the firms reported increases in the prices of their own goods, 1 percent reported decreases, and 51 percent reported no change.

More Than Half of the Firms Expect Near-Term Changes to Industry Costs

In this month's special questions, manufacturers were asked about their plans for different categories of capital expenditures next year (see Special Questions on page 3). More than 42 percent of the firms reported that customers have become more price sensitive since last quarter, while 54 percent reported customers' sensitivity was about the same. Fifty-six percent of the firms indicated they anticipate changes in their industry's costs in the near term (up from 44 percent last quarter), and 79 percent of those

Note: Survey responses were collected from November 9 to November 16.
The next *Manufacturing Business Outlook Survey* will be released on December 17, 2026.

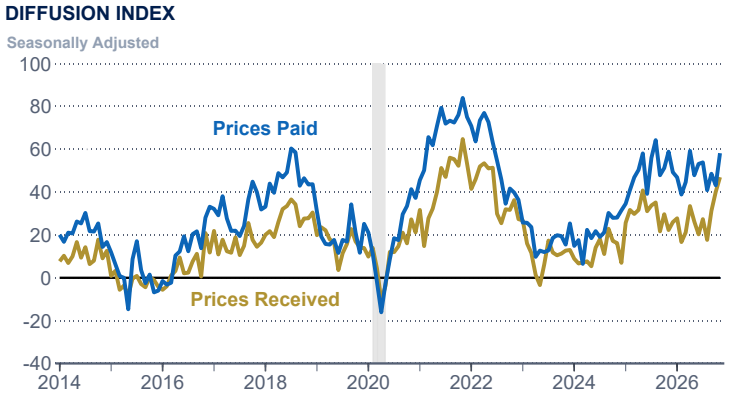
The 2026 Q4 Price and Inflation Expectations Survey will be released on Wednesday, November 25, 2026.

firms expect their competitors to raise prices in response. Regarding when these price changes will occur, the firms' median expectation was for competitors to change prices in the next three months, down from four months last quarter.

Most Future Indicators Weaken

The diffusion index for future general activity was little changed at 33.6 this month, following two consecutive declines (see Chart 1). More than 50 percent of the firms expect an increase in activity over the next six months, and 17 percent expect a decrease; 23 percent expect no change. The future new orders index declined 5 points to 31.7, and the future shipments index fell 10 points to 25.4, each reaching its lowest reading in more than a year. The firms continue to expect increases in employment over the next six months, but the future employment index declined 5 points to 24.9, its lowest reading since February. Both future price indexes were little changed this month, well above their long-run averages. The future prices paid index edged up to 63.3, and the future prices received index ticked up 1 point to 62.9. The index for future capital expenditures fell 16 points to 18.9, its third consecutive decline and lowest reading since February.

Chart 2. Current Prices Paid and Prices Received Indexes
January 2014 to November 2026



Notes: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease. Shaded areas indicate NBER recessions.

Summary

Responses to the November *Manufacturing Business Outlook Survey* suggest that the region's manufacturing activity continued to expand overall but was less widespread this month. The indicators for current activity and new orders declined to six-month lows, while the shipments index increased this month. The employment index rose, continuing to suggest overall gains in employment. Price increases were more widespread this month, and both price indexes remained well elevated. The survey's broad indicators for future activity declined but continued to suggest expectations for growth over the next six months. ■

MANUFACTURING BUSINESS OUTLOOK SURVEY November 2026	November vs. October					Six Months from Now vs. November				
	Previous Diffusion Index	Increase	No Change	Decrease	**Diffusion Index**	*Previous Diffusion Index*	Increase	No Change	Decrease	**Diffusion Index**
What is your evaluation of the level of general business activity?	20.9	36.1	32.7	29.8	**6.3**	33.0	50.7	23.1	17.1	**33.6**
Company Business Indicators										
New Orders	4.3	31.7	35.4	32.1	**-0.4**	37.0	49.3	24.7	17.7	**31.7**
Shipments	15.3	43.4	39.0	17.6	**25.7**	35.2	43.7	29.1	18.3	**25.4**
Unfilled Orders	2.4	23.2	46.0	27.5	**-4.4**	-1.6	24.7	51.8	15.6	**9.1**
Delivery Times	8.5	17.6	68.2	14.1	**3.5**	-7.5	23.6	60.2	9.1	**14.5**
Inventories	-12.8	19.2	59.0	13.9	**5.3**	23.4	36.0	36.5	17.6	**18.4**
Prices Paid	43.2	58.2	38.9	0.0	**58.2**	62.9	67.6	17.7	4.3	**63.3**
Prices Received	40.1	48.1	50.8	1.1	**47.0**	62.1	67.9	21.9	5.0	**62.9**
Number of Employees	9.1	21.1	69.4	9.5	**11.6**	30.1	32.4	50.4	7.5	**24.9**
Average Employee Workweek	7.5	17.0	77.3	5.8	**11.2**	10.1	35.6	50.7	5.7	**29.9**
Capital Expenditures	--	--	--	--	**--**	34.9	26.6	56.0	7.8	**18.9**

NOTES:
(1) Diffusion indexes represent the percentage indicating an increase minus the percentage indicating a decrease.
(2) All data are seasonally adjusted.
(3) Percentages may not sum to 100 because of rounding, omission by respondents, or both.
(4) Survey results reflect data received through November 16, 2026.

1. Since last quarter, have your core customers become more or less price sensitive?	
	Percent (%)
More sensitive	42.3
About the same	53.8
Less sensitive	3.8
Don't know	0.0

2. Over the near term (roughly the next six months or so), can you clearly anticipate any changes in your industry's costs?	
	Percent (%)
Yes	56.0
No	44.0
2a. How do you anticipate that your competitors will respond?*	
	Percent (%)
Raise prices	78.6
Hold prices steady	14.3
Lower prices	7.1
Don't know	0.0
*Only firms that responded "yes" to question 2 responded to question 2a.	
2b. How soon do you anticipate your competitors will change prices?**	
	Number of months
Median response	3.0
**Only firms that responded "raise prices" or "lower prices" to question 2a responded to question 2b.	