

Embargoed until 9:45 A.M. E.T., 30 November 2016

Media Release

November Chicago Business Barometer Up 7.0 Points to 57.6

New Orders Increase to the Highest Since June

The MNI Chicago Business Barometer rose 7.0 points to 57.6 in November from 50.6 in October, the highest since January 2015.

The increase added momentum to the fourth quarter, with the three-month trend ascending to 54.1 this month, up from 52.1 in the three months to October.

Four of the five Barometer components increased, with only Employment falling. Although the Barometer has been volatile in recent months, the latest results are positive given that the Barometer was in contractionary territory in the same period last year.

The rise in New Orders contributed the most to the increase in the Barometer, increasing 10.7 points to 63.2 in November. Production also rose, regaining virtually all of October's fall. Order Backlogs jumped out of contractionary territory, where it had been over the past three months, while Supplier Deliveries saw a smaller rise. Despite higher orders and output, demand for labor fell. Employment slipped back into contraction, making last month's recovery short-lived.

This month's special question asked firms how they expected business activity to fare in 2017. Most respondents expected businesses to do somewhat better than in 2016. Most respondents expected their business to grow less than 5% next year but there were many who were more optimistic and expected growth to be above 10%. The path of interest rates and the election outcome were said to be important factors that could impact activity in the coming year.

Companies increased their stock levels at the fastest pace since October 2015, with the Inventories Indicator moving back into expansion in November.

Inflationary pressures at the factory-gate eased slightly

after picking up last month. Prices Paid fell to 56.8 in November, though above the 12-month average of 52.2.

"The November reading for the Business Barometer marked the sixth month of expansionary business activity in the US. Strength in orders, a recovery in oil prices and the stronger dollar have all impacted businesses with varying degrees."

"Respondents to our survey also remain optimistic about business activity in 2017 although the new government's policies and the Fed's approach towards monetary tightening would impact the course of business activity over the next year." said Shaily Mittal, senior economist at MNI Indicators.

Chicago Business Barometer™



For more information:

Caroline O'Dea
Media Relations
Market News International
T: +1-212-669-6458
E: info@mni-indicators.com
www.mni-indicators.com

 @MNIIndicators

 MNI Indicators

Editorial content:

Shaily Mittal
Senior Economist
MNI Indicators



About MNI Indicators

MNI Indicators specialises in producing business and consumer surveys designed to present an advance picture of the economic landscape and highlight changing trends in business and consumer activity. The timely reports explore attitudes, perspectives and sentiment across the globe, including China, India and Russia. Alongside MNI Indicators' core focus on consumer and business surveys in emerging markets, MNI Indicators produces the renowned Chicago Business Barometer (Chicago PMI), a key leading indicator of the US economy. MNI Indicators is part of Market News International Inc., a leading provider of news and intelligence.

About ISM-Chicago

ISM-Chicago is a non-profit association dedicated to strengthening the community of purchasing and supply management professionals in the Chicagoland area. As an affiliate of the Institute of Supply Management (ISM), the organization is committed to the ongoing professional development of its members and the purchasing and supply management profession through education, research and communication. For more information on becoming a part of ISM-Chicago, call (847) 298-1940.

Notes to Editors

Please source all information to MNI Indicators.

The MNI Chicago Report is published by MNI Indicators, part of Market News International Inc., in partnership with the ISM-Chicago.

The MNI Chicago Report is published monthly and contains the Chicago Business BarometerTM and a number of other Business Activity and Buying Policy indicators. The data is seasonally adjusted.

The Chicago Business BarometerTM is a closely watched leading indicator of U.S. economic activity and is based on a survey panel of purchasing/supply-chain professionals, primarily drawn from membership of the Institute for Supply Management-Chicago (ISM-Chicago). The survey panel contains both manufacturing and non-manufacturing firms, many with global operations.

The Chicago Business BarometerTM is a composite diffusion indicator made up of the Production, New Orders, Order Backlogs, Employment and Supplier Deliveries indicators and is designed to predict future changes in US gross domestic product (GDP).

An indicator reading above 50 indicates expansion compared with a month earlier while below 50 indicates contraction. A result of 50 is neutral. The farther an indicator is above or below 50, the greater or smaller the rate of change.