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Media Release



Chicago Business Barometer™ – Rose to 46.3 in November

Key Points – November Report

The Chicago Business Barometer™, produced with MNI, rose 3.1 points in November, hitting a two-month high 46.3.

However, the index remains in contraction for the third month straight, resulting in a further fall of the 3-month average to 45.5.

The New Orders and Order Backlogs indices saw the largest monthly improvements in November, while Supplier Deliveries revealed the largest fall.

Production slipped to 42.3 in November after October's uptick. However, demand improved significantly, indicated by New Orders which rose by 12.5 points to 49.4, just a touch below the 50-mark. There was, though, anecdotal evidence of firms being concerned about the outlook due to wider economic issues.

Order Backlogs recovered to 45.0 in November after October's sharp decline to 33.1. Nevertheless, the indicator is below 50 for a third straight month.

Inventories fell by 8.7% to 43.0, indicating that firms continue to run down their stocks. The indicator revealed a fourth sub-50 reading in November.

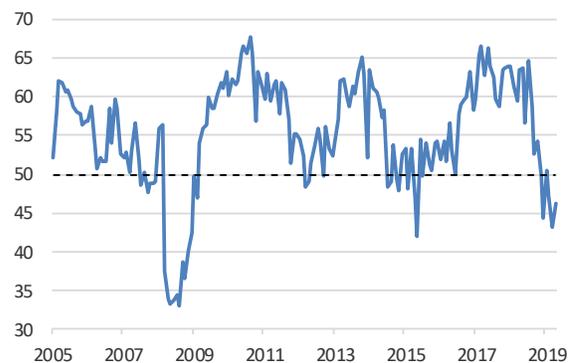
Employment demand ticked down by 0.2 points to 49.6, leaving the three-month average at 48.3.

Supplier delivery times saw the largest monthly decline to 50.2, hitting the lowest level since June 2016. However, the index is the only one among the main five components which remains above the 50-mark

Prices at the factory gate cooled further to 53.5 in November, registering the lowest level since April.

November's special question asked, "Are you passing the costs of tariffs on or absorbing the costs?" The majority of 57% said they are not passing on the costs of tariffs in contrast to 43% who said they are passing on the costs.

Chicago Business Barometer™



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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. MNI Indicators produces the renowned Chicago Business Barometer™, a key leading indicator of the US economy. MNI Indicators is part of Market News International, Inc., a leading provider of news and intelligence.

Notes to Editors

Production: MNI Indicators, part of Market News International Inc.

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Release Date: Last working day of the month

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Collection method: Survey data is collected online each month from manufacturing and non-manufacturing firms in the Chicago area. Respondents are purchasing/supply-chain professionals, primarily drawn from the membership of the ISM-Chicago (Institute for Supply Management – Chicago).

Calculation method: Respondents are asked their opinion on whether a particular business activity has increased, decreased or remained the same compared with the previous month. E.g. Is Production Higher/Same/Lower compared with a month ago?

A diffusion indicator is then calculated by adding the percentage share of positive responses to half the percentage of those respondents reporting no change. The three questions related to Buying Policy are measured in days and are not diffusion indicators. The Chicago Business Barometer™ and all sub-indicators are then seasonally adjusted. An indicator reading above 50 shows 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.

Headline indicator: The Chicago Business Barometer™ is a weighted composite indicator made up of five sub-indicators, namely New Orders, Production, Employment, Order Backlogs and Supplier Deliveries. It is designed to predict future changes in gross domestic product (GDP).

Other indicators: The survey also asks companies about changes in their input prices, inventories and lead times to source production materiel, MRO supplies and capital equipment.

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