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Media Release



Chicago Business Barometer™ – Rose to 63.1 in December

Key Points – December Report

The Chicago Business Barometer™, produced with MNI, rose to 63.1 in December, picking up again after last month's decline. Inventories hit a four-year high as firms created buffers for longer lead times.

Among the main five indicators, Production and New Orders were higher. Order Backlogs, Employment and Supplier Deliveries fell across the month.

In December, Production continued to increase, rising modestly by 0.4 point to the highest reading since July 2021.

Employment dipped again for the second month in a row, dropping 7.0 points to the lowest since June 2021. Firms stated that finding new hires to fill empty positions is challenging.

After the sharp November fall, New Orders recovered almost to October's level, picking up 8.2 points to stand at 66.5.

Supplier Deliveries dropped through December to 80.5, with firms again reporting port congestion and trucking issues. Deliveries were slow, due to labour and raw material shortages.

Order Backlogs dropped 5.2 points to the lowest reading this year.

Inventories rose for the third consecutive month, rising 3.0 points to 62.7. Firms expressed the importance of stocking up due to persistent supply chain disruptions.

Prices Paid dropped 4.2 points to a seven-month low of 89.6 in December. This is still above the 12-month average of 88.0, as shortages of certain materials led to inflated costs.

This month we asked firms what they anticipated was "the biggest challenge to executing plans for the holiday season?" The largest share (36.4%) said global shortages, followed by logistics (25.0%) and staff shortages (22.7%).

Chicago Business Barometer™



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Next Release: January 31, 2022

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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.

Date range: Monthly since 1946

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.

For more information please contact us at info@mni-indicators.com or visit www.marketnews.com