

## Chicago Business Barometer™ - Increases to 48.7

### August 2023 Chicago Report™

- The Chicago Business Barometer™, produced with MNI, improved by 5.9 points to 48.7 in August. This represents the third consecutive monthly increase and the highest level since August 2022. With the exception of Order Backlogs, all of the subcomponents rose.
- New Orders, Production and Employment all showed significant gains, albeit with the Employment component remaining in contractionary territory.
- New Orders increased by +12.6 points. This was the first time the subcomponent has been above 50 since May 2022.
- Production jumped by +12.0 points to 57.1, also the highest reporting since May 2022.
- Employment rose by +8.6 points to 48.3. Despite the biggest single-month increase since 2017, Employment is at similar levels to May 2023, and remains in contractive territory.
- Order Backlogs was the only subcomponent to fall this month, down -6.9 points to the lowest level since May 2020.

- Supplier Deliveries advanced by +0.5 points.
- Prices Paid increased substantially by +11.9 points to 74.0. This was the highest level since October 2022. Fewer respondents saw prices unchanged, with over 50% reporting having paid higher prices.
- Inventories grew by +9.8 points. Despite remaining in contractionary territory, this was the first time the component rose since March 2023.
- The survey ran from 1 August to 14 August.

For more details on the Chicago Business Barometer™, including the subindices and historical data, please contact [sales@marketnews.com](mailto:sales@marketnews.com)

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Embargoed until 9:45 am, Eastern Time, August 31, 2023  
Next Release: September 29, 2023

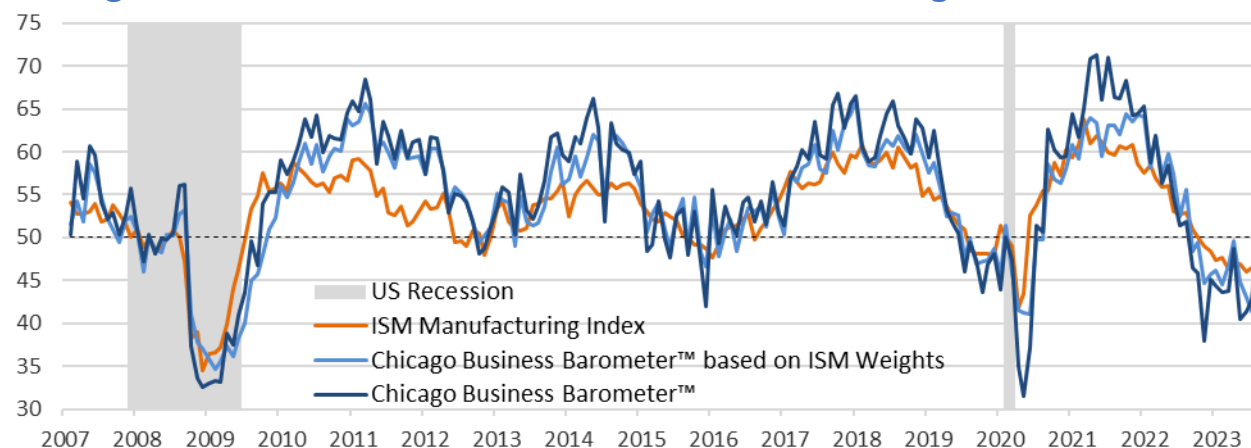
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### Chicago Business Barometer™ and ISM Manufacturing Index



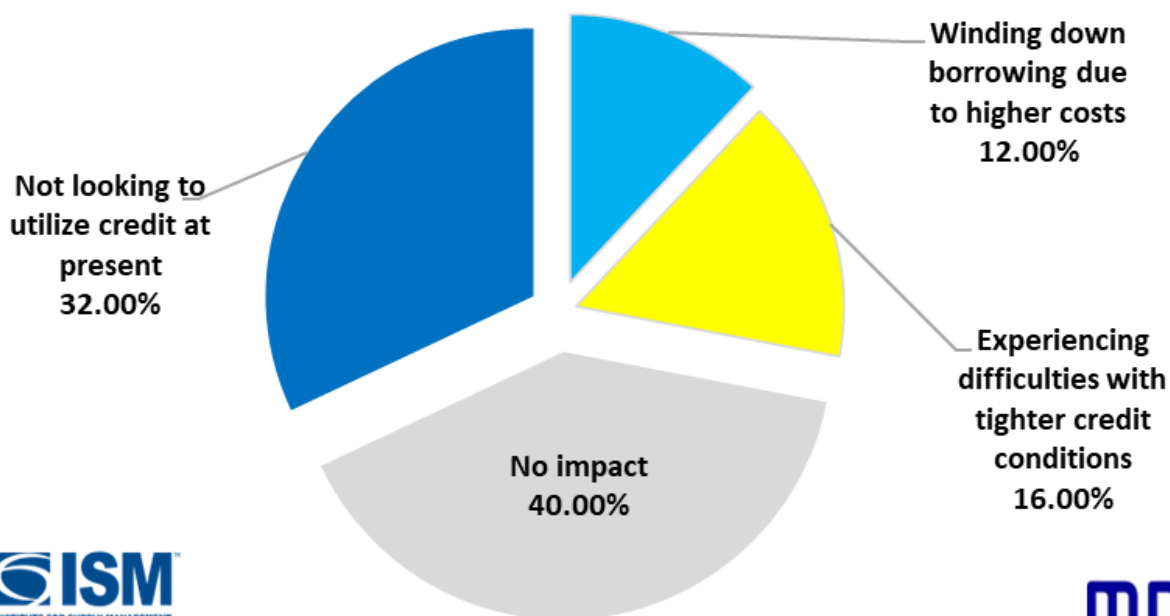
Chicago Business Barometer™ Report – August 2023

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Special Questions in August 2023

## How have changes in financial conditions affected your access to borrowing?



## About MNI Indicators

MNI Indicators specializes 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

**Bloomberg ticker:** <CHPMINDX>

**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 U.S. gross domestic product (GDP).

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

For more information please contact us at [info@mni-indicators.com](mailto:info@mni-indicators.com) or visit [www.marketnews.com](http://www.marketnews.com)