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| **Volatility of Output Growth and ISM Index** | | | |
|  |  | *1972-2010.5* |  |
|  |  | Fraction of Variance | Fraction of Variance |
|  | Std. Dev. | in Business Cycles | at High Frequencies |
|  |  | 2 years <p<8years | p<2years |
| Output Growth | 8.35 | 23.90 | 68.57 |
| Diffusion Index | 7.85 | 54.15 | 30.03 |

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| **Autocorrelation and Cross-correlation Structure of Output Growth** | | | | | | | |
| **and the ISM index** | | | | | | | |
| *Autocorrelations (1972-2010.5)* | | | | | | | |
| *k* | 0 | 1 | 2 | 3 | 4 | 5 | 6 |
| *(xt,xt-k)* | 1.00 | 0.36 | 0.33 | 0.27 | 0.16 | 0.10 | 0.10 |
| *(t,t-k)* | 1.00 | 0.89 | 0.78 | 0.66 | 0.54 | 0.44 | 0.35 |
| *Cross-Correlations (1972-2010.5)* | | | | | | | |
| *k* | -3 | -2 | -1 | 0 | 1 | 2 | 3 |
| *(xt,t+k)* | 0.23 | 0.34 | 0.47 | 0.58 | 0.62 | 0.56 | 0.47 |

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| **Volatility of the Manufacturing ISM Diffusion and Synthetic**  **Diffusion Indices** | | | |
|  |  | *1972-2010.5* |  |
|  |  | Fraction of Variance | Fraction of Variance |
|  | Std. Dev. | in Business Cycles | at High Frequencies |
|  |  | 2 years <p<8years | p<2years |
| Diffusion Index | 7.85 | 54.15 | 30.03 |
| Pseudo Diffusion Index | 6.08 | 49.8 | 31.74 |

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| **Autocorrelation and Cross-correlation Structure of the ISM** | | | | | | | |
| **Diffusion and Synthetic Diffusion indices** | | | | | | | |
| *Autocorrelations (1972-2010.5)* | | | | | | | |
| *k* | 0 | 1 | 2 | 3 | 4 | 5 | 6 |
| *(t,t-k)* | 1.00 | 0.89 | 0.78 | 0.66 | 0.54 | 0.44 | 0.35 |
| *(t,t-k) pseudo* | 1.00 | 0.90 | 0.76 | 0.61 | 0.47 | 0.36 | 0.28 |
| *Cross-Correlations (1972-2010.5)* | | | | | | | |
| *k* | -3 | -2 | -1 | 0 | 1 | 2 | 3 |
| *(xt,t+k)* | 0.23 | 0.34 | 0.47 | 0.58 | 0.62 | 0.56 | 0.47 |
| *(xt,t+k) pseudo* | 0.22 | 0.31 | 0.40 | 0.59 | 0.73 | 0.67 | 0.58 |

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| **Volatility of Manufacturing Output Growth and the Synthetic** | | | |
| **Diffusion Index with Fully Informed Respondents, ** = 1** | | | |
|  |  | *1972-2010.5* |  |
|  |  | Fraction of Variance at | Fraction of Variance |
|  | Standard Deviation | Business Cycle Frequencies | at High Frequencies |
|  |  | 2 years <p<8years | p<2years |
| Output Growth | 8.35 | 23.90 | 68.57 |
| Pseudo Index | 11.74 | 28.13 | 61.80 |

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| **Autocorrelation of Manufacturing Output Growth and the** | | | | | | | |
| **Synthetic Diffusion Index with Fully Informed Respondents, ** = 1** | | | | | | | |
| *Autocorrelations (1972-2010.5)* | | | | | | | |
| *k* | 0 | 1 | 2 | 3 | 4 | 5 | 6 |
| *(xt,xt-k)* | 1.00 | 0.36 | 0.33 | 0.27 | 0.16 | 0.10 | 0.10 |
| *(t,t-k) pseudo* | 1.00 | 0.39 | 0.40 | 0.42 | 0.22 | 0.18 | 0.20 |

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|  | **Most Informative Sectors Ranked According to R2j (F)** | | |
|  | Sector | R2j (F) | Weight |
| 1. | Plastics Products | 0.65 | 2.27 |
| 2. | Household and Institutional Furniture | 0.51 | 0.86 |
| 3. | Other Miscellaneous Manufacturing | 0.48 | 1.35 |
| 4. | Metal Valves Except Ball and Roller Bearings | 0.47 | 1.15 |
| 5. | Commercial and Service Industry Machinery | 0.45 | 2.16 |
| 6. | Reconstituted Wood Products | 0.45 | 0.09 |
| 7. | Architectural and Structural Metal Products | 0.45 | 1.16 |
| 8. | Metalworking Machinery | 0.43 | 0.83 |
| 9. | Fabricated Metals: Forging and Stamping | 0.42 | 0.50 |
| 10. | Foundries | 0.42 | 0.76 |
| 11. | Sawmills and Wood Preservation | 0.41 | 0.43 |
| 12. | Fabricated Metals: Spring and Wire Products | 0.38 | 0.20 |
| 13. | Textile Furnishings Mills | 0.38 | 0.35 |
| 14. | Motor Vehicle Bodies | 0.37 | 0.20 |
| 15. | Other Electrical Equipment | 0.36 | 0.47 |

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|  | **Least Informative Sectors Ranked According to R2j (F)** | | |
|  | Sector | R2j (F) | Weight |
| 1. | Aircraft and Parts | 0.001 | 2.438 |
| 2. | Guided Missile and Space Vehicles and Propulsion | 0.002 | 0.749 |
| 3. | Fluid Milk | 0.004 | 0.377 |
| 4. | Coffee and Tea | 0.007 | 0.18 |
| 5. | Dry, Condensed, and Evaporated Dairy Products | 0.009 | 0.155 |
| 6. | Primary Smelting/Refining of Nonferrous Metal | 0.01 | 0.069 |
| 7. | Farm Machinery and Equipment | 0.011 | 0.396 |
| 8. | Heavy Duty Trucks | 0.013 | 0.152 |
| 9. | Animal Food | 0.017 | 0.411 |
| 10. | Wineries and Distilleries | 0.018 | 0.273 |
| 11. | Copper and Nonferrous Metal Rolling | 0.021 | 0.35 |
| 12. | Mining and Oil and Gas Field Machinery | 0.021 | 0.296 |
| 13. | Grain and Oilseed Milling | 0.025 | 0.773 |
| 14. | Soft Drinks and Ice | 0.025 | 0.598 |
| 15. | Seafood Product Preparation and Packaging | 0.027 | 0.139 |