

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI increased in January**

The Chicago Business Activity Index (CBAI) increased to 102.5 in January from 100.4 in December. The increase is attributed to positive job growth in manufacturing, nonmanufacturing and construction and to the improvement of retail activities in the Chicago area.

In January, the national and regional economies shared mixed features. The Federal Reserve Board announced that industrial production index decreased 0.2 percent in January after having little changed in December. Capacity utilization for the industrial sector decreased 0.3 percentage points to 78.5 in January after being unchanged in December. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to -0.39 in January from -0.04 in December, led by a fall in production. In the Chicago region, the employment in manufacturing and nonmanufacturing rose 0.36 percent and 0.07 percent respectively in January. Construction employment increased 2.96 percent and retail sales are estimated to have risen 1.56 percent.

In the coming months, the national economy is likely to maintain its recovery trend. The economic growth reflected in the CFNAI-MA3 suggests that national economic activity was above its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 175,000 in February, and the unemployment rate was little changed at 6.7 percent. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its recovery trend over the next several months.

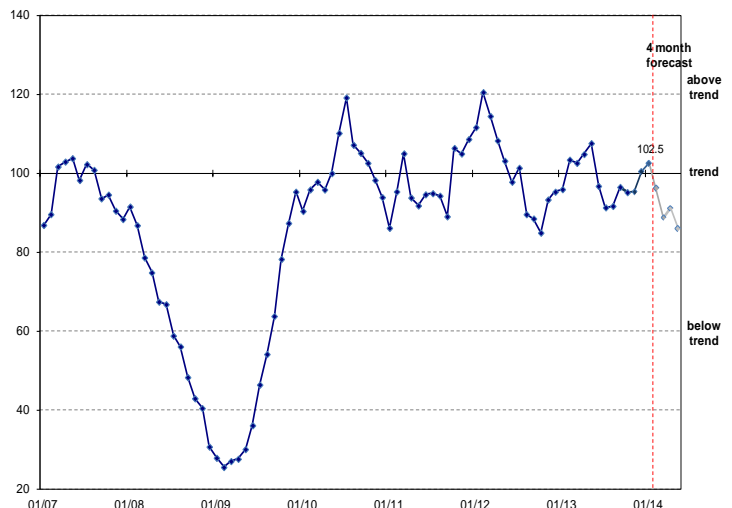
*Release Date:*  
March 18, 2014

*Next Release Date:*  
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<b>CBAI</b> (Current: 102.5)			
	1 month	3 month	1 year
Historical (ago)	100.4	95.2	95.9
Forecast (ahead)	96.1	91.2	-

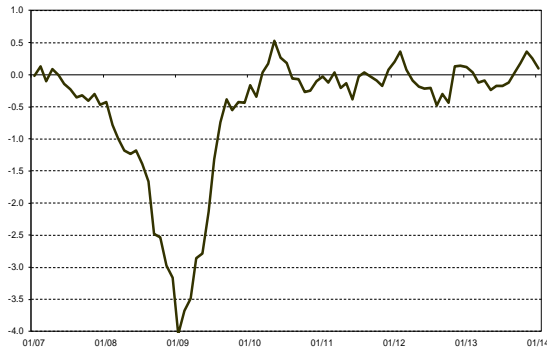
**Chicago Business Activity Index**



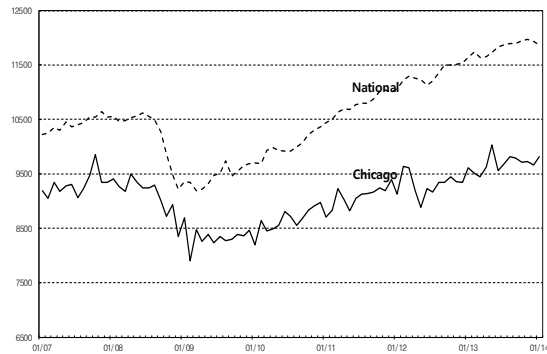
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\* National indicators are rescaled for comparison

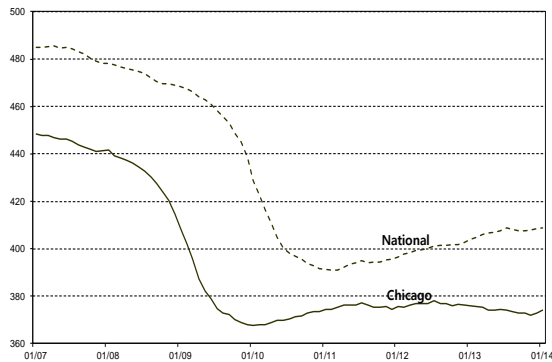
**Chicago Fed National Activity Index (CFNAI-MA3)**



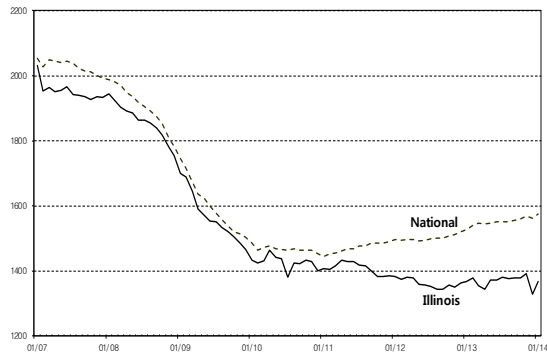
**Chicago & National Retail Sales**



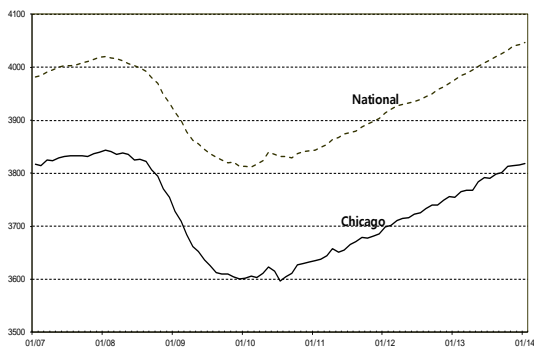
**Chicago & National Manufacturing Employment**



**Illinois & National Construction**



**Chicago & National Non-manufacturing Employment**



**Economic Activity: Summary**

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	0.64	0.40	0.05	-0.50	0.31	0.36
NMfgn	1.77	0.35	0.10	1.67	0.14	0.07
Cons	3.19	1.06	0.85	0.00	-0.82	2.96
Retail	1.99	-0.68	-0.61	2.05	1.06	1.56

Note: All series are seasonally adjusted.

The Chicago Business Activity Index (CBAI) is a monthly statistic that measures the changes in the business cycle status of the six-county Chicago region. The CBAI leads the local business cycle by three-to-four months. REAL's approach to constructing this index, using the principal components regression method, directs attention to the relationship between local and national business cycle.

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