

**CHICAGO BUSINESS ACTIVITY INDEX – JANUARY 2016**

**CBAI increased in January**

The Chicago Business Activity Index (CBAI) increased to 99.3 in January from 98.4 in December. The increase is attributed to the job growth in the manufacturing, nonmanufacturing and construction sectors and to the improved retail activities in the Chicago area.

In January, the national and regional economies shared positive features. The Federal Reserve Board announced that the industrial production index increased 0.8 percent in January to 106.9 after having fallen 0.5 percent in December. Capacity utilization for the industrial sector rose 0.6 percentage point in January to 77.1 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) rose up to +0.28 in January from -0.34 in December. In the Chicago region, employment in the manufacturing and nonmanufacturing sectors increased 0.40 percent and 0.23 percent, respectively, in January. Employment in the construction sector rose 1.44 percent in January. Retail sales are estimated to have increased 1.01 percent.

In the coming months, the national economy is likely to stay on the expansion phase. The economic growth reflected in the CFNAI-MA3 suggests that growth in national economic activity is somewhat below its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment increased by 242,000 and the unemployment rate was little unchanged at 4.9 percent in February. 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, 2016*

Next Release Date:  
*April 18, 2016*

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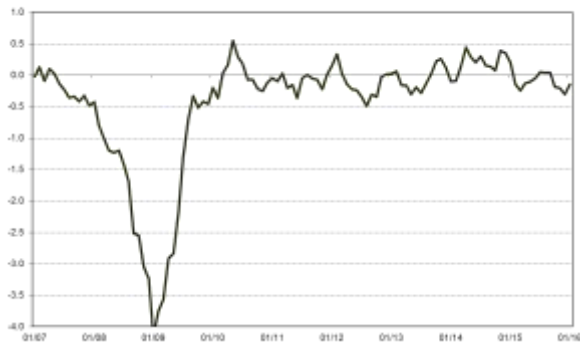
**Chicago Business Activity Index**



<b>CBAI</b> (Current: 99.3)			
	1 month	3 month	1 year
Historical (ago)	98.4	100.4	97.6
Forecast (ahead)	98.9	100.3	-

\* January 2007 = 100

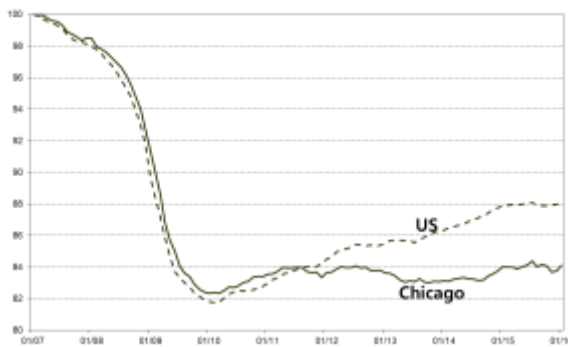
Chicago Fed National Activity Index (CFNAI-MA3)



Retail Sales



Manufacturing Employment



Construction



Non-manufacturing Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	0.26	0.26	0.19	0.09	0.00	0.40
NMfgn	2.08	0.53	0.11	1.76	-0.04	0.23
Cons	4.11	1.97	0.23	4.38	0.60	1.44
Retail	2.69	0.14	-0.30	3.40	0.74	1.01

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 Chicago metropolitan area. 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.