

CHICAGO BUSINESS ACTIVITY INDEX – FEBRUARY 2016

CBAI increased in February

The Chicago Business Activity Index (CBAI) increased to 95.5 in February from 94.8 in January. The increase is attributed to the job growth in the nonmanufacturing sector and to the improved retail activities in the Chicago area.

In February, the national and regional economies shared mixed features. The Federal Reserve Board announced that the industrial production index decreased 0.6 percent in February to 104.0 after having risen 0.5 percent in January. Capacity utilization for the industrial sector fell 0.5 percentage point in February to 75.3 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) fell up to -0.29 in February from +0.41 in January. In the Chicago region, employment in the manufacturing and construction sectors declined 0.17 percent and 0.62 percent, respectively, in February. Employment in the nonmanufacturing sector rose 0.40 percent in February. Retail sales are estimated to have increased 1.15 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 slightly below its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment increased by 215,000 and the unemployment rate was little unchanged at 5.0 percent in March. 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:
April 18, 2016

Next Release Date:
May 18, 2016

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Chicago Business Activity Index



CBAI (Current: 95.5)			
	1 month	3 month	1 year
Historical (ago)	94.8	101.4	100.8
Forecast (ahead)	98.2	98.1	-

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* January 2007 = 100

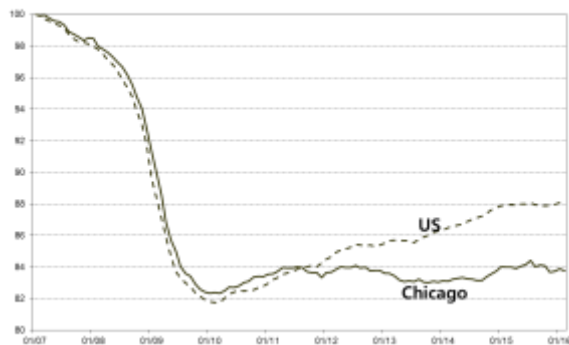
Chicago Fed National Activity Index (CFNAI-MA3)



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	0.04	0.05	-0.15	-0.30	0.10	-0.17
NMfgn	2.07	0.52	0.20	1.97	0.49	0.40
Cons	4.03	1.31	0.30	2.83	1.32	-0.62
Retail	2.77	-0.31	-0.21	4.50	1.15	1.15

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.

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