

CHICAGO BUSINESS ACTIVITY INDEX – APRIL 2016

CBAI decreased in April

The Chicago Business Activity Index (CBAI) decreased to 94.1 in April from 98.2 in March. The decrease is attributed to the negative job growth in the construction sector and to the slowed retail activities in the Chicago area.

In April, the national and regional economies shared mixed features. The Federal Reserve Board announced that the industrial production index increased 0.7 percent in April to 104.1 after having fallen 0.9 percent in March. Capacity utilization for the industrial sector rose 0.5 percentage point in April to 75.4 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) rose to +0.10 in April from -0.55 in March. In the Chicago region, employment in the manufacturing and nonmanufacturing rose 0.42 percent and 0.06 percent, respectively, in April. Employment in the manufacturing sector decreased 2.21 percent in April. Retail sales are estimated to have declined 0.95 percent during the same period.

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 the unemployment rate declined by 0.3 percentage point to 4.7 percent in May, and nonfarm payroll employment changed little (+38,000). 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.

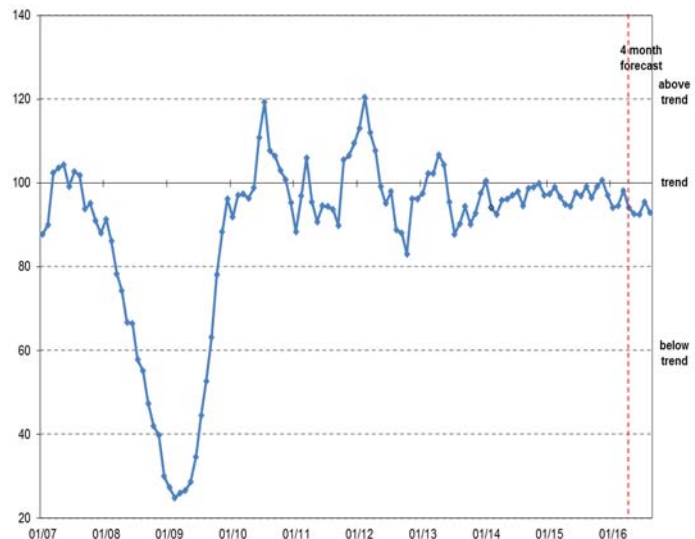
Release Date:
June 18, 2016

Next Release Date:
July 18, 2016

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|-----------------------------|---------|---------|--------|
| CBAI (Current: 94.1) | | | |
| | 1 month | 3 month | 1 year |
| Historical (ago) | 98.2 | 94.1 | 94.9 |
| Forecast (ahead) | 92.6 | 95.5 | - |

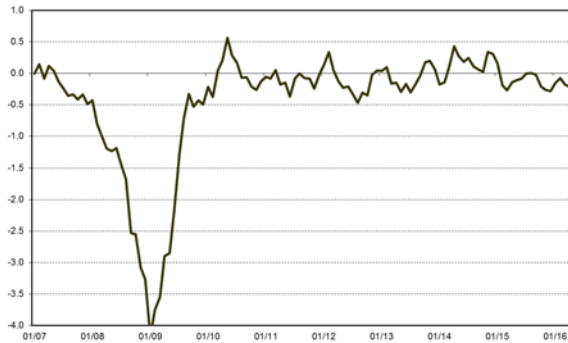
Chicago Business Activity Index



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* January 2007 = 100

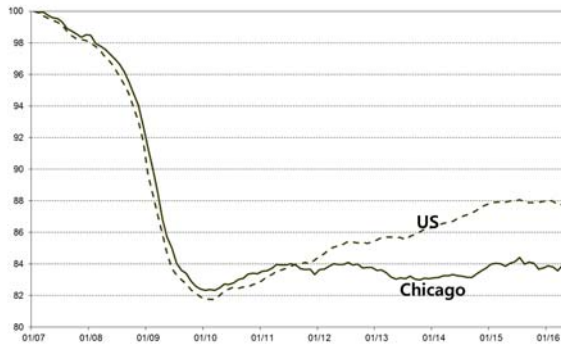
Chicago Fed National Activity Index (CFNAI-MA3)



Retail Sales



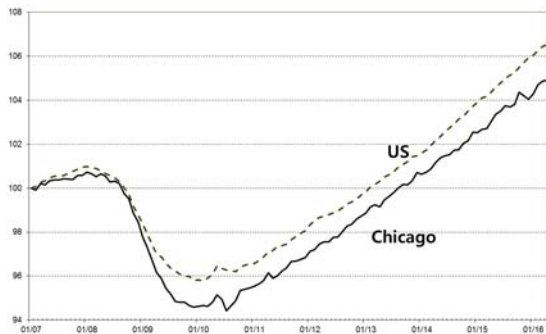
Manufacturing Employment



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 | -0.17 | -0.35 | 0.02 | 0.08 | 0.06 | 0.42 |
| NMfgn | 2.06 | 0.45 | 0.09 | 1.82 | 0.61 | 0.06 |
| Cons | 3.92 | 0.68 | -0.08 | 0.81 | -1.11 | -2.21 |
| Retail | 3.09 | 1.09 | 1.38 | 1.60 | 1.48 | -0.95 |

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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For more information please contact:
 Kijin Kim, Research Assistant
 T. (217) 244-7226; kkim96@illinois.edu

University of Illinois
 220 Davenport Hall, 607 S. Mathews Ave.
 Urbana, IL 61801-3671; www.real.illinois.edu