

CHICAGO BUSINESS ACTIVITY INDEX – JUNE 2016

CBAI increased in JUNE

The Chicago Business Activity Index (CBAI) slightly increased to 93.7 in June from 93.6 in May. The increase is attributed to the job growth in the construction sector and to the improved retail activities in the Chicago area.

In June, the national and regional economies shared positive features. The Federal Reserve Board announced that the industrial production index increased 0.6 percent in June to 104.1 after having fallen 0.3 percent in May. Capacity utilization for the industrial sector increased 0.5 percentage point in June to 75.4 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) rose to +0.16 in June from -0.56 in May. In the Chicago region, employment in the nonmanufacturing and construction sector rose 0.07 percent and 1.52 percent, respectively, in June. Employment in the manufacturing sector decreased 0.21 percent in June. Retail sales are estimated to have increased 0.38 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 total nonfarm payroll employment rose by 255,000 and the unemployment rate was unchanged at 4.9 percent in July. 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.

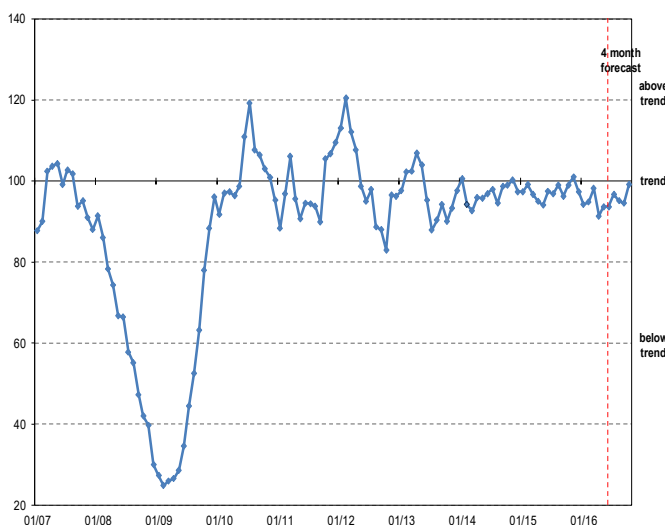
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August 18, 2016

Next Release Date:
September 18, 2016

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CBAI (Current: 93.7)			
	1 month	3 month	1 year
Historical (ago)	93.6	98.2	97.4
Forecast (ahead)	96.7	94.5	-

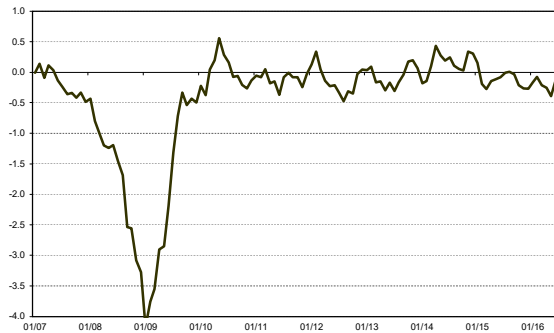
Chicago Business Activity Index



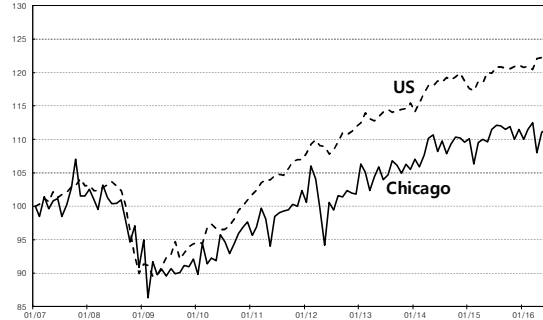
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* January 2007 = 100

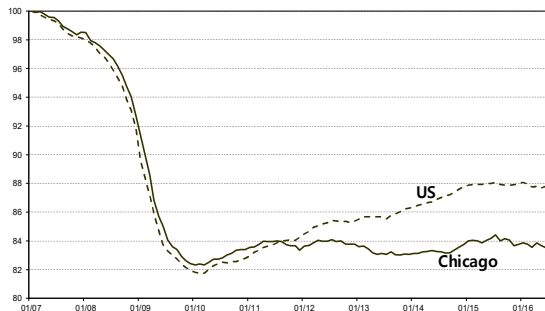
Chicago Fed National Activity Index (CFNAI-MA3)



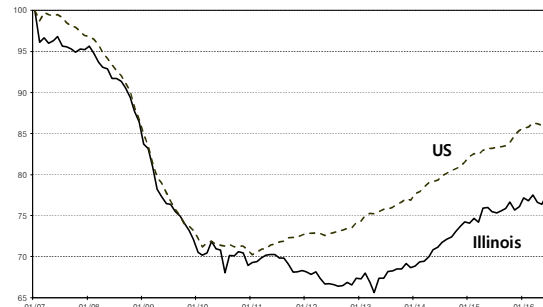
Retail Sales



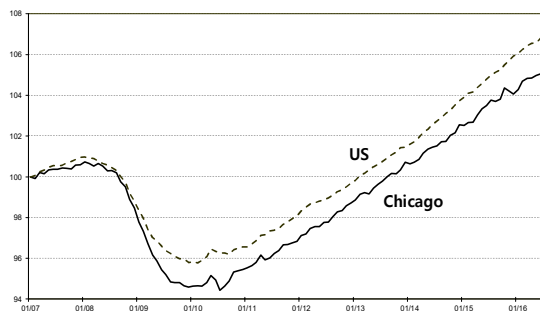
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	Percentage change compared to the previous period					
	National			Chicago		
	12	3	1	12	3	1
Mfgn	-0.24	0.02	0.12	-0.75	-0.04	-0.21
NMfgn	1.93	0.35	0.21	1.49	0.19	0.07
Cons	3.30	-0.41	-0.05	2.71	0.02	1.52
Retail	2.87	2.39	0.90	-0.04	-0.93	0.38

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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