

CHICAGO BUSINESS ACTIVITY INDEX – JULY 2016

CBAI unchanged in JULY

The Chicago Business Activity Index (CBAI) was unchanged at 94.0 in July. This is attributed to the fact that the positive job growth in the manufacturing and the nonmanufacturing sector was offset by the negative job growth in the construction sector and the decline in retail activities in the Chicago area.

In July, the national and regional economies presented mixed features. The Federal Reserve Board announced that the industrial production index increased 0.7 percent in July to 104.9 after having risen 0.4 percent in June. Capacity utilization for the industrial sector increased 0.5 percentage point in July to 75.9 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) rose to +0.27 in July from +0.05 in June. In the Chicago region, employment in the manufacturing and the nonmanufacturing sector rose 0.18 percent and 0.17 percent, respectively, in July. Employment in the construction sector decreased 0.64 percent in July. Retail sales are estimated to have declined 1.50 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 increased by 151,000 and the unemployment rate remained at 4.9 percent in August. 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.

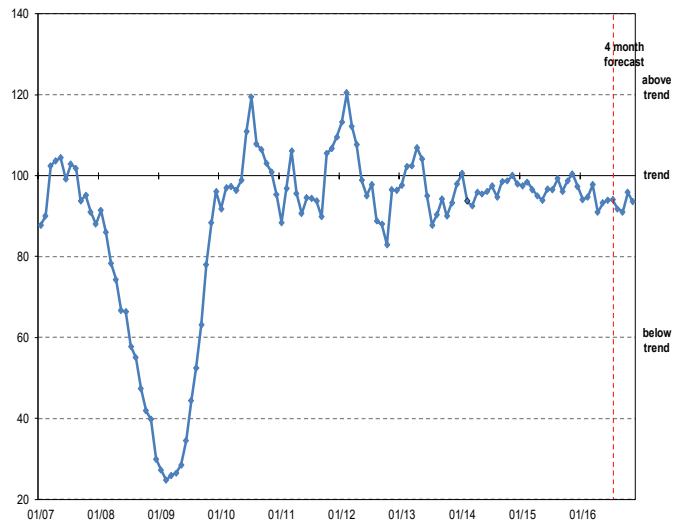
Chicago Business Activity Index

Release Date:
September 18, 2016

Next Release Date:
October 18, 2016

Visit our web-site at www.real.illinois.edu

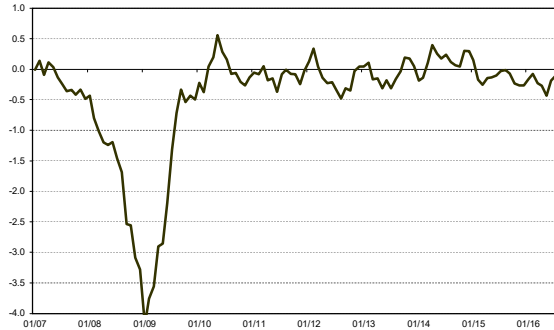
CBAI (Current: 94.0)			
	1 month	3 month	1 year
Historical (ago)	94.0	90.9	96.6
Forecast (ahead)	91.8	95.9	-



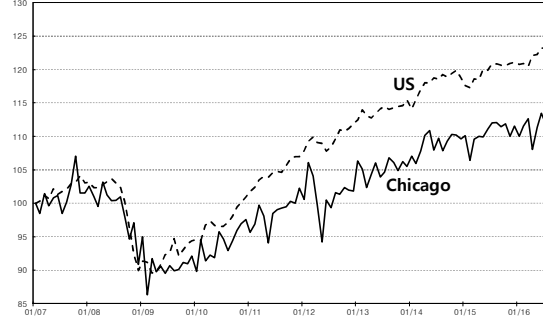
REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

* January 2007 = 100

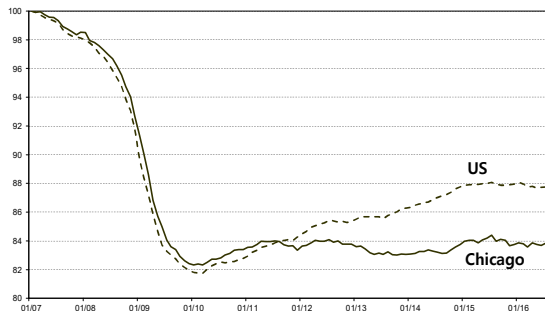
Chicago Fed National Activity Index (CFNAI-MA3)



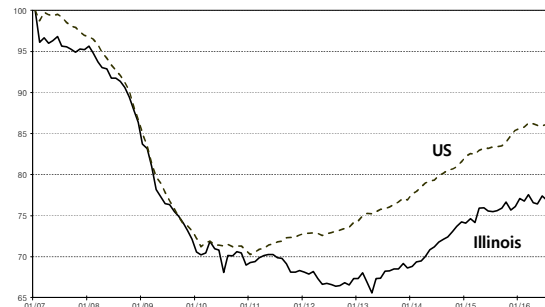
Retail Sales



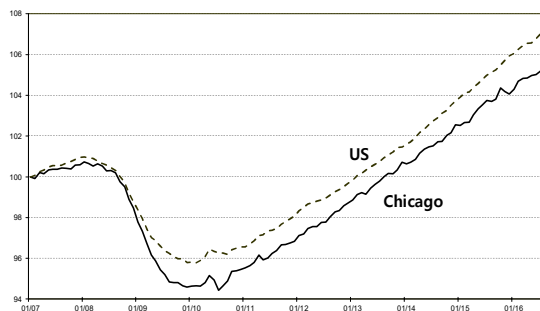
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-0.33	-0.02	0.05	-0.66	-0.03	0.18
NMfgn	1.92	0.44	0.20	1.41	0.33	0.17
Cons	3.34	-0.11	0.21	1.94	0.46	-0.64
Retail	1.97	0.94	0.07	-0.17	3.45	-1.50

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.

REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

For more information, please contact:
 Whayoung Jung, Research Assistant
wjung16@illinois.edu

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