

CHICAGO BUSINESS ACTIVITY INDEX – SEPTEMBER 2016

CBAI increased in SEPTEMBER

The Chicago Business Activity Index (CBAI) increased to 96.8 in September from 94.1 in August. The increase is attributed to the job growth in the nonmanufacturing sector and to the improved retail activities in the Chicago area.

In September, the national and regional economies presented mixed features. The Federal Reserve Board announced that the industrial production index edged up 0.1 percent in September to 104.2 after having fallen 0.5 percent in August. Capacity utilization for the industrial sector edged up 0.1 percentage point in September to 75.4 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) increased to -0.14 in September from -0.72 in August. In the Chicago region, employment in the nonmanufacturing sector increased 0.11 percent in September. Employment in the manufacturing and the construction sector decreased 0.31 percent and 0.08 percent, respectively, in September. Retail sales are estimated to have increased 1.19 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 somewhat below its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 161,000 and the unemployment rate was little changed at 4.9 percent in October. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its expansion trend over the next several months.

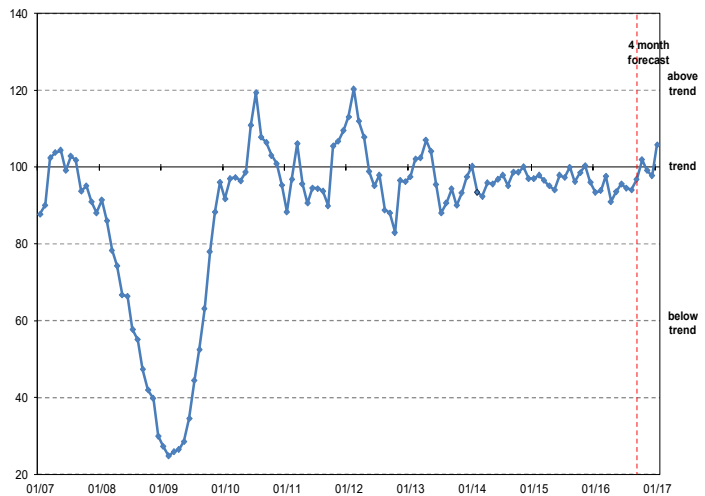
Chicago Business Activity Index

Release Date:
November 18, 2016

Next Release Date:
December 18, 2016

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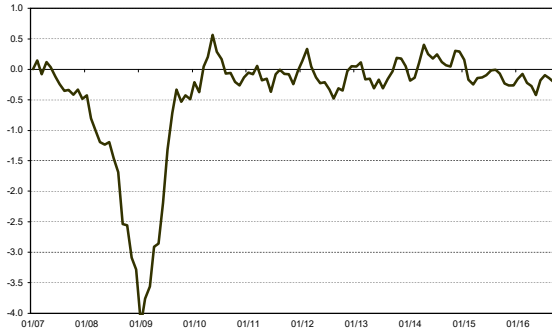
CBAI (Current: 96.8)			
	1 month	3 month	1 year
Historical (ago)	94.1	95.5	96.2
Forecast (ahead)	101.9	97.7	-



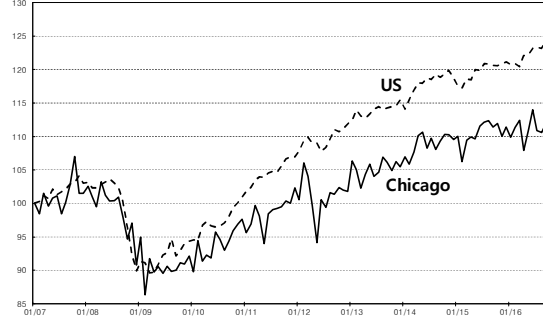
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* January 2007 = 100

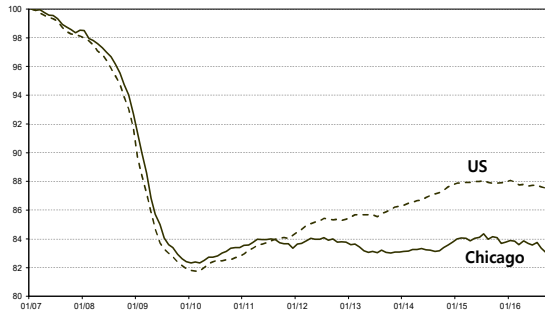
Chicago Fed National Activity Index (CFNAI-MA3)



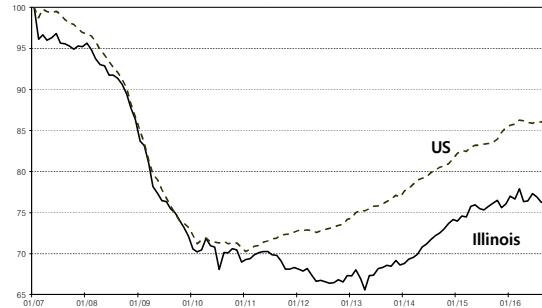
Retail Sales



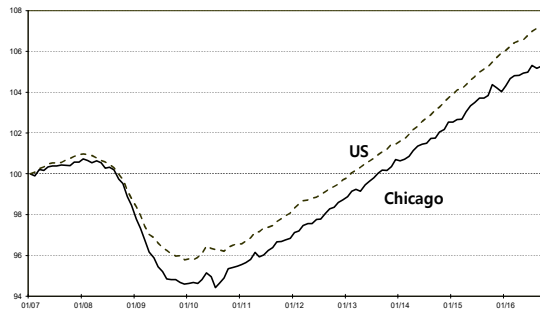
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-0.38	-0.22	-0.11	-1.28	-0.61	-0.31
NMfgn	1.92	0.46	0.13	1.38	0.27	0.11
Cons	3.38	0.51	0.35	0.09	-1.45	-0.08
Retail	3.11	1.01	0.99	0.45	-1.85	1.19

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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