

CHICAGO BUSINESS ACTIVITY INDEX – DECEMBER 2016

CBAI increased in OCTOBER

The Chicago Business Activity Index (CBAI) increased to 98.8 in October from 95.2 in September. The increase is attributed to the job growth in the manufacturing sector and to the improved retail activities in the Chicago area.

In October, the national and regional economies presented mixed features. The Federal Reserve Board announced that the industrial production index was unchanged in October at 104.3 after having decreased 0.2 percent in September. Capacity utilization for the industrial sector edged down 0.1 percentage point in October to 75.3. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) increased to -0.08 in October from -0.23 in September. In the Chicago region, employment in the manufacturing and the nonmanufacturing sector increased 0.14 percent and 0.01 percent, respectively, in October. Employment in the construction sector decreased 1.52 percent in October. Retail sales are estimated to have increased 0.24 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 increased by 178,000 and the unemployment rate declined to 4.6 percent in November. 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.

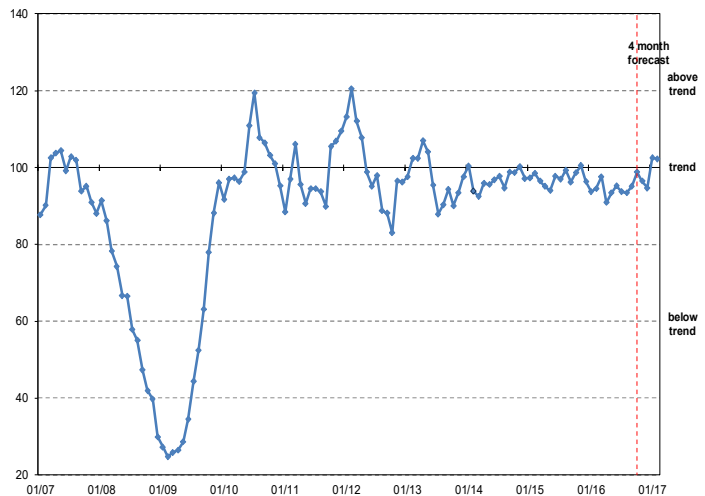
Chicago Business Activity Index

Release Date:
December 18, 2016

Next Release Date:
January 18, 2017

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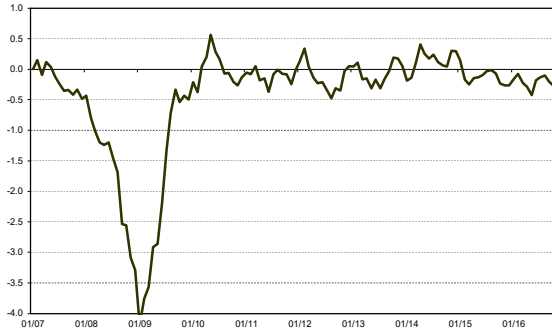
CBAI (Current: 98.8)			
	1 month	3 month	1 year
Historical (ago)	95.2	93.7	98.6
Forecast (ahead)	96.5	102.5	-



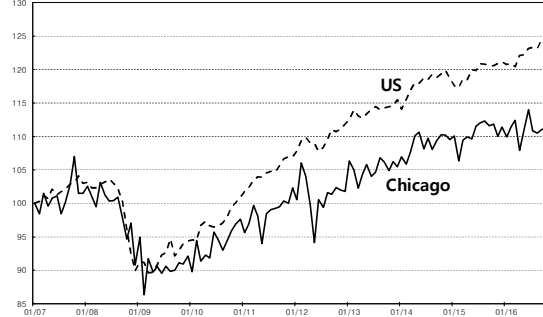
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* January 2007 = 100

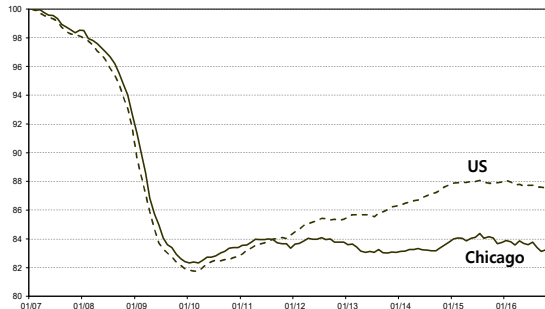
Chicago Fed National Activity Index (CFNAI-MA3)



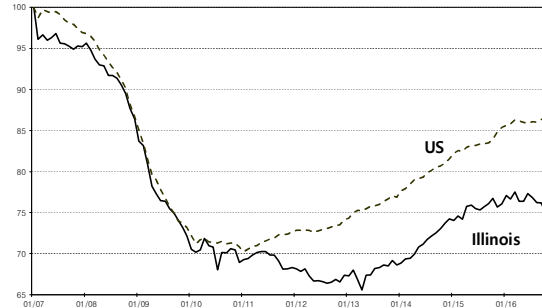
Retail Sales



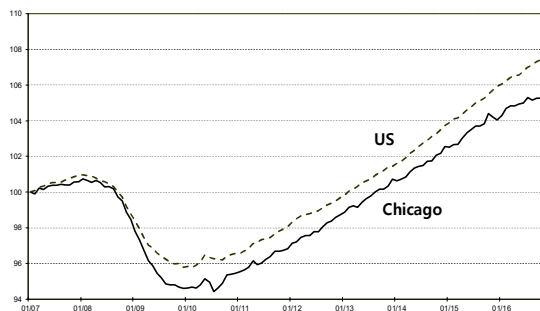
Manufacturing Employment



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	-0.38	-0.22	-0.04	-0.97	-0.63	0.14
NMfgn	1.84	0.42	0.11	0.83	-0.04	0.01
Cons	3.10	0.51	0.21	-2.20	-2.37	-1.52
Retail	3.22	0.94	0.00	-0.48	0.39	0.24

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:
 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