

CHICAGO BUSINESS ACTIVITY INDEX – February 2017

CBAI increased in DECEMBER

The Chicago Business Activity Index (CBAI) increased to 96.9 in December from 96.0 in November. The rise is attributed mainly to an increase in nationwide economic activities measured by the Chicago Fed National Activity Index (CFNAI).

In December, the national and regional economies presented mixed features. The Federal Reserve Board announced that the industrial production index rose 0.8 percent in December after falling 0.7 percent in November. Capacity utilization for the industrial sector increased 0.6 percentage point in December to 75.5 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) increased to +0.14 in December from -0.33 in November due to positive contributions of all but employment-related indicators: production, consumption, and sales. In the Chicago region, employment in the manufacturing and the nonmanufacturing sector decreased 0.46 percent and 0.02 percent, respectively, in December. Employment in the construction sector declined 4.18 percent and retail sales are estimated to have decreased 0.55 percent during the same period.

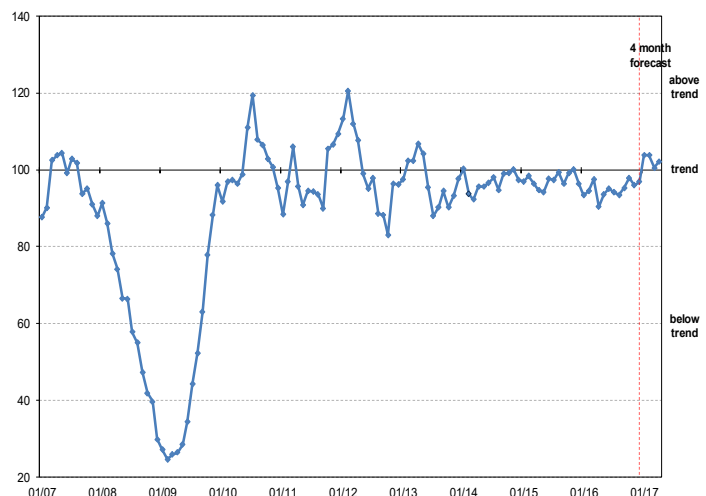
In the coming months, the national economy is likely to stay on the expansion phase. The economic growth reflected in the CFNAI-MA3 suggests that growth in national economic activity is slightly below its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment increased by 227,000 and the unemployment rate was little changed at 4.8 percent in January. 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:
February 18, 2017

Next Release Date:
March 18, 2017

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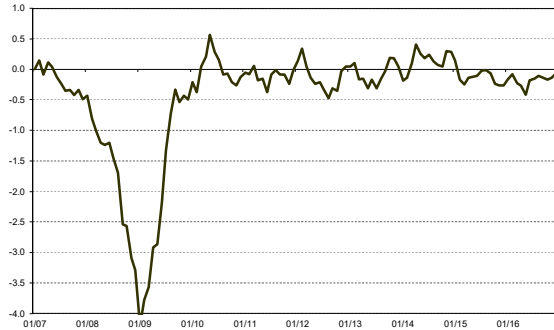


CBAI (Current: 96.9)			
	1 month	3 month	1 year
Historical (ago)	96.0	95.4	96.4
Forecast (ahead)	103.9	100.5	-

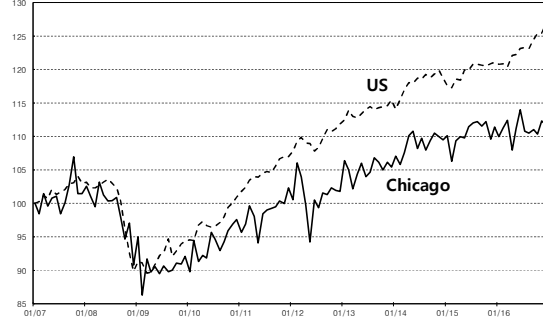
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* January 2007 = 100

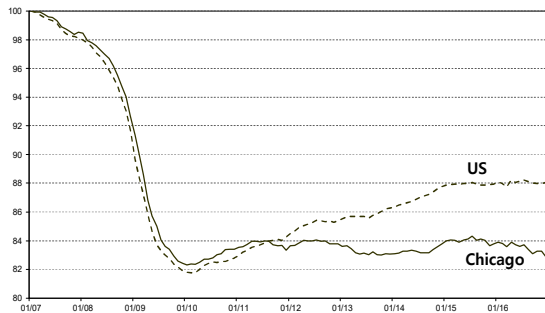
Chicago Fed National Activity Index (CFNAI-MA3)



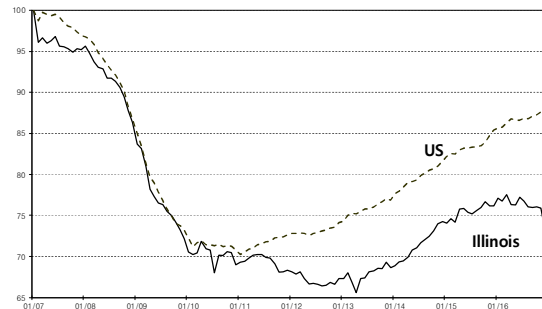
Retail Sales



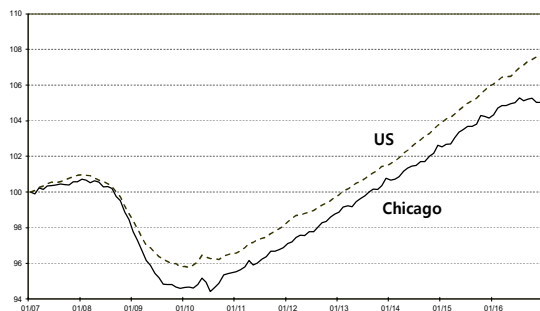
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	0.13	0.05	0.09	-1.06	-0.27	-0.46
NMfgn	1.65	0.33	0.11	0.85	-0.17	-0.02
Cons	2.67	0.68	0.03	-4.48	-4.23	-4.18
Retail	4.87	2.06	1.24	0.24	0.59	-0.55

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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