

CHICAGO BUSINESS ACTIVITY INDEX – March 2017

CBAI increased in JANUARY

The Chicago Business Activity Index (CBAI) increased to 98.7 in January from 97.3 in December. The increase is attributed to positive job growth in manufacturing, nonmanufacturing and construction and to the improvement of retail activities in the Chicago area.

In January, the national and regional economies presented mixed features. The Federal Reserve Board announced that the industrial production index decreased 0.3 percent in January following a 0.6 percent increase in December. Capacity utilization for the industrial sector fell 0.3 percentage point in January to 75.3 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to -0.05 in January from +0.18 in December. In the Chicago region, employment in the manufacturing and the nonmanufacturing sector increased 0.39 percent and 0.13 percent, respectively, in January. Employment in the construction sector rose 4.20 percent and retail sales are estimated to have increased 0.22 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 near its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment increased by 235,000 and the unemployment rate was little changed at 4.7 percent in February. 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.

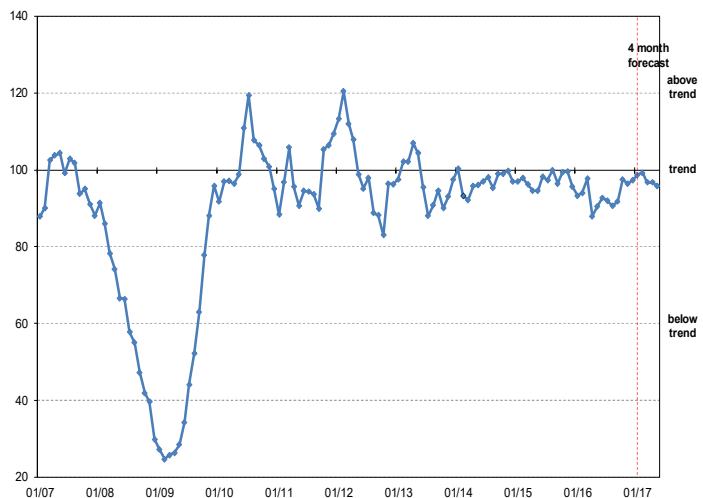
Chicago Business Activity Index

Release Date:
March 18, 2017

Next Release Date:
April 18, 2017

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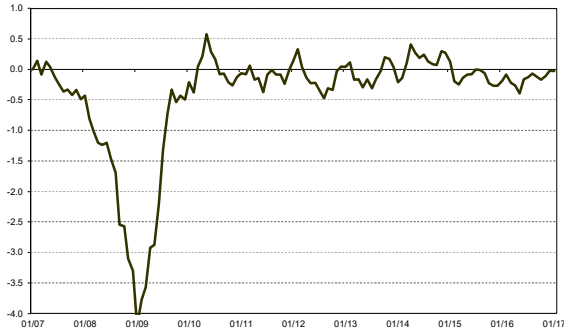
CBAI (Current: 96.9)			
	1 month	3 month	1 year
Historical (ago)	97.3	97.6	93.3
Forecast (ahead)	99.2	96.7	-



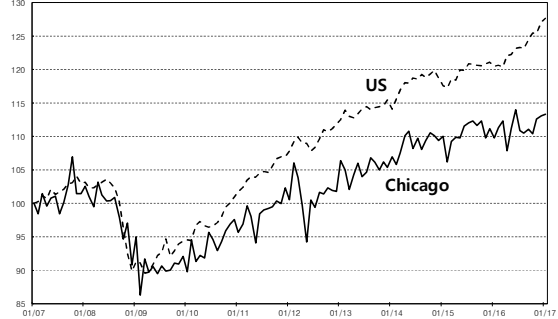
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* January 2007 = 100

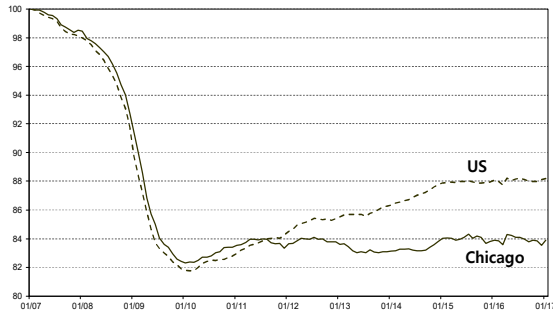
Chicago Fed National Activity Index (CFNAI-MA3)



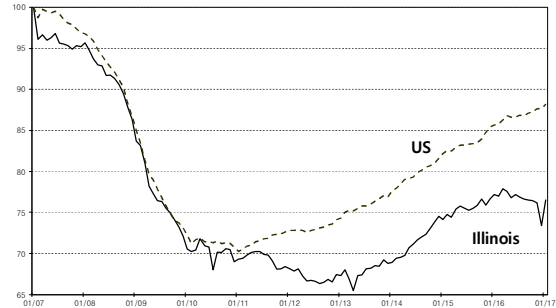
Retail Sales



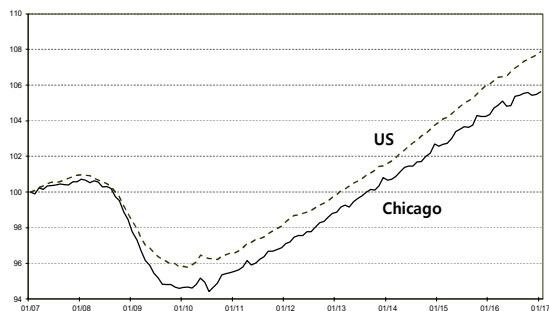
Manufacturing Employment



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	0.13	0.24	0.09	-0.01	-0.01	0.39
NMfgn	1.70	0.40	0.17	1.22	0.02	0.13
Cons	2.93	0.98	0.53	-0.86	0.07	4.20
Retail	5.96	1.77	0.49	3.25	2.64	0.22

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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