

CHICAGO BUSINESS ACTIVITY INDEX – August 2017

CBAI increased in June

The Chicago Business Activity Index (CBAI) increased to 96.9 in June from 96.8 in May. The rise is mainly attributed to the positive job growth in construction, nonmanufacturing and manufacturing in the Chicago area.

In June, the national and regional economies shared positive features. The Federal Reserve Board announced that the industrial production rose 0.4 percent in June. Capacity utilization for the industrial sector increased 0.2 percentage point in June to 76.6 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to +0.13 in June from -0.30 in May. In the Chicago region, employment in the manufacturing and the nonmanufacturing sector increased 0.23 percent and 0.28 percent, respectively, in June. Employment in the construction sector rose 0.77 percent and retail sales are estimated to have increased 0.04 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 above its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment increased by 209,000 in July, and the unemployment rate was little changed at 4.3 percent. 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.

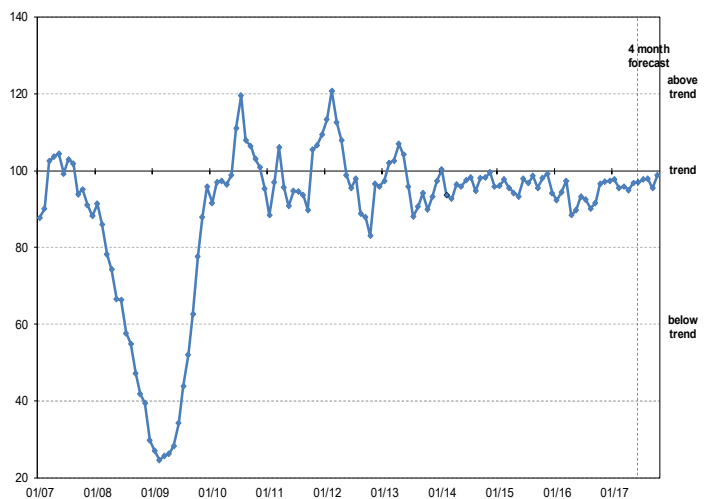
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CBAI (Current: 96.9)			
	1 month	3 month	1 year
Historical (ago)	96.8	95.9	93.3
Forecast (ahead)	97.6	95.4	-

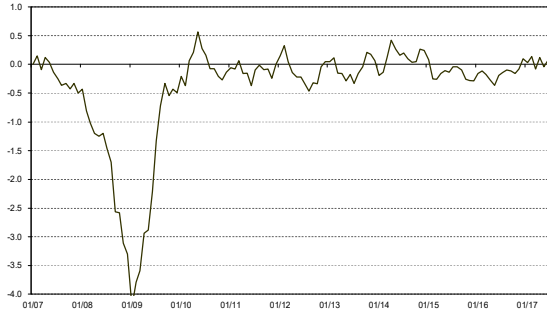
Chicago Business Activity Index



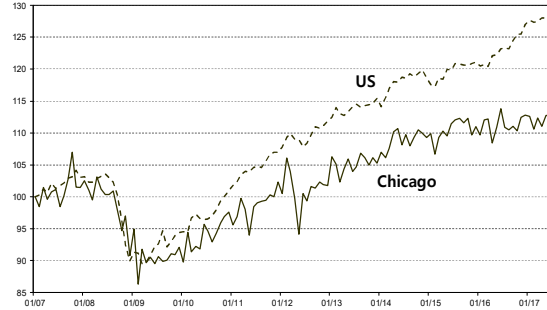
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* January 2007 = 100

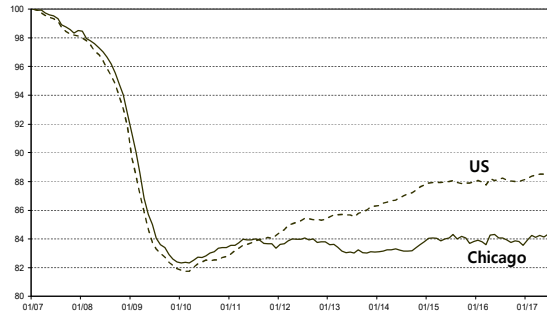
Chicago Fed National Activity Index(CFNAI-MA3)



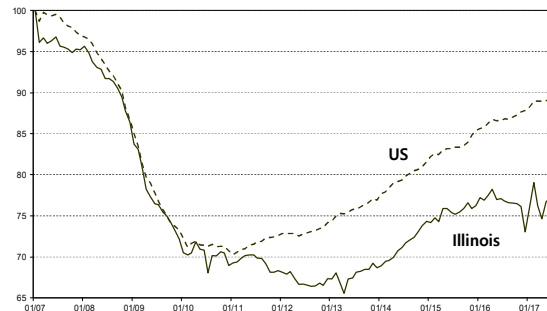
Retail Sales



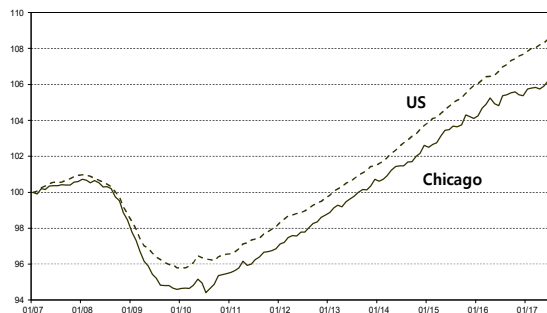
Manufacturing Employment



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	0.50	0.17	0.10	0.30	0.24	0.23
NMfgn	1.65	0.42	0.16	1.31	0.35	0.28
Cons	3.03	0.32	0.22	0.17	1.27	0.77
Retail	4.18	0.65	0.25	-0.92	0.34	0.04

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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