

CHICAGO BUSINESS ACTIVITY INDEX – November 2017

CBAI decreased in September

The Chicago Business Activity Index (CBAI) decreased to 97.9 in September from 103.1 in August. The decrease is mainly attributed to the negative construction job growth and to the decline of retail activities in the Chicago area.

In August, the national and regional economies presented mixed features. The Federal Reserve Board announced that the industrial production rose 0.3 percent in September. Capacity utilization for the industrial sector increased 0.2 percentage point in September to 76.0 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) leveled at -0.16 in September from July. In the Chicago region, employment in the manufacturing increased 0.27 percent and employment in the nonmanufacturing sector increased 0.01 percent in September. Employment in the construction sector decreased 0.72 percent and retail sales are estimated to have decreased 0.32 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 rose by 261,000 in October, and the unemployment rate edged down to 4.1 percent. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to slow down its expansion trend over the next several months.

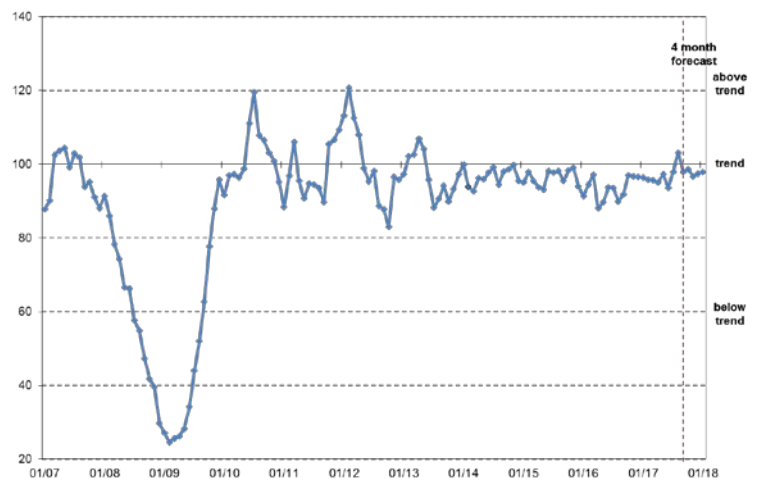
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CBAI (Current: 97.9)			
	1 month	3 month	1 year
Historical (ago)	103.1	93.6	91.8
Forecast (ahead)	98.7	97.4	-

Chicago Business Activity Index



* January 2007 = 100

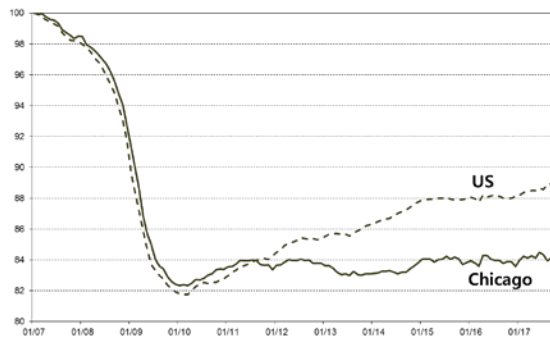
Chicago Fed National Activity Index(CFNAI-MA3)



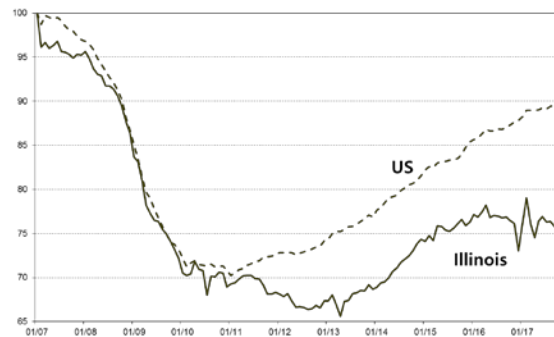
Retail Sales



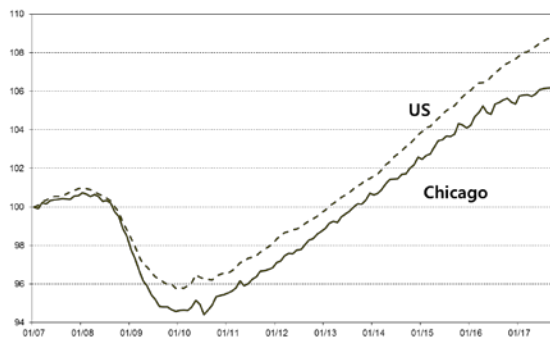
Manufacturing Employment



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	1.03	0.31	0.05	0.44	-0.39	0.27
NMfgn	1.31	0.24	0.01	0.59	0.09	0.01
Cons	2.85	0.38	0.16	-1.37	-1.45	-0.72
Retail	5.37	2.56	2.11	1.96	0.22	-0.32

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.