

**CHICAGO BUSINESS ACTIVITY INDEX – January 2018**

**CBAI decreased in November**

The Chicago Business Activity Index (CBAI) decreased to 97.0 in November from 101.1 in October. The decrease is mainly attributed to the negative nonmanufacturing job growth and a decrease in nationwide economic activities measured by the Chicago Fed National Activity Index (CFNAI).

In November, the national and regional economies presented mixed features. The Federal Reserve Board announced that the industrial production moved up 0.2 percent in November after posting an upwardly revised increase of 1.2 percent in October. Capacity utilization for the industrial sector was 77.1 percent in November, a rate that is 2.8 percentage points below its long-run (1972–2016) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) went down to +0.15 in November from +0.76 in October. In the Chicago region, employment in the manufacturing increased 0.56 percent and employment in the nonmanufacturing sector decreased 0.04 percent in November. Employment in the construction sector increased 1.12 percent and retail sales are estimated to have increased 0.34 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 148,000 in December, and the unemployment rate was unchanged at 4.1 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.

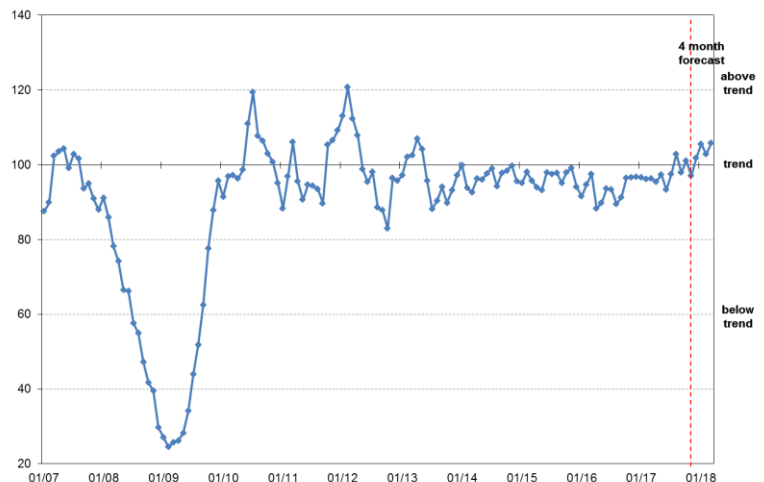
**Chicago Business Activity Index**

Release Date:  
*January 18, 2017*

Next Release Date:  
*February 18, 2018*

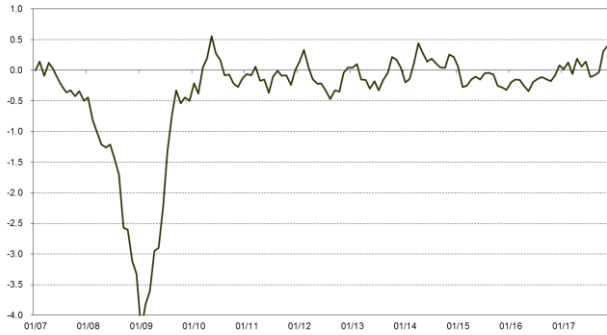
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<b>CBAI</b> (Current: 97.0)			
	1 month	3 month	1 year
Historical (ago)	101.1	102.9	96.6
Forecast (ahead)	101.9	102.8	-

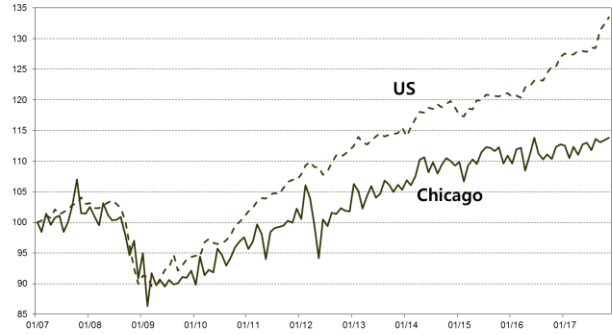


\* January 2007 = 100

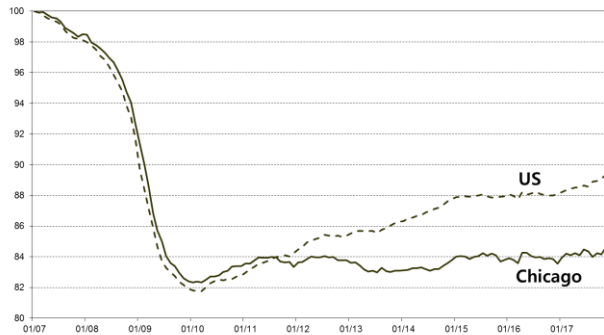
**Chicago Fed National Activity Index(CFNAI-MA3)**



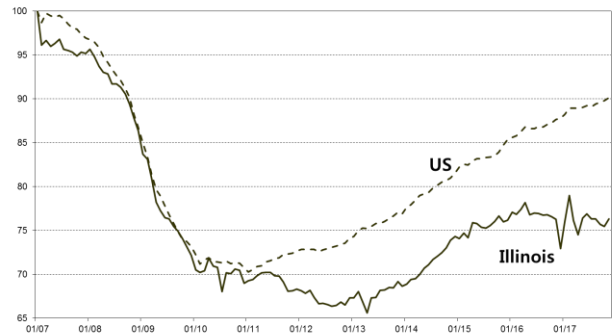
**Retail Sales**



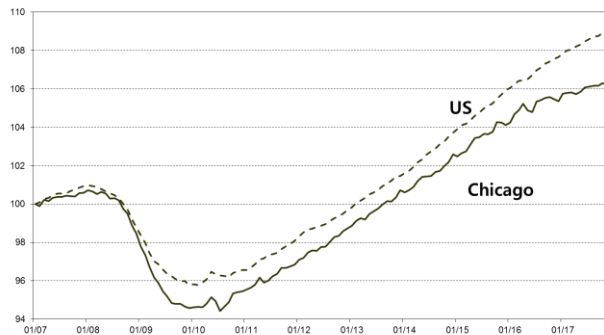
**Manufacturing Employment**



**Construction Employment**



**Non-manufacturing Employment**



**Economic Activity: Summary**

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.53	0.51	0.25	0.93	0.76	0.56
NMfgn	1.41	0.33	0.16	0.75	0.09	-0.04
Cons	2.84	0.80	0.39	0.01	-0.04	1.12
Retail	6.42	3.96	0.91	1.32	0.20	0.34

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.