

CHICAGO BUSINESS ACTIVITY INDEX – February 2018

CBAI increased in December

The Chicago Business Activity Index (CBAI) increased to 99.0 in December from 97.1 in November. The increase is mainly attributed to the positive manufacturing and nonmanufacturing job growth and an improvement 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 rose 0.9 percent in December even though manufacturing output only edged up 0.1 percent. Capacity utilization for the industrial sector was 77.9 percent, a rate that is 2.0 percentage points below its long-run (1972–2016) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) went up to +0.27 in December from +0.11 in November. In the Chicago region, employment in the manufacturing increased 1.91 percent and employment in the nonmanufacturing sector increased 0.79 percent in December. Employment in the construction sector decreased 1.99 percent and retail sales are estimated to have decreased 0.76 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 above its historical trend. Total nonfarm payroll employment increased by 200,000 in January, 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.

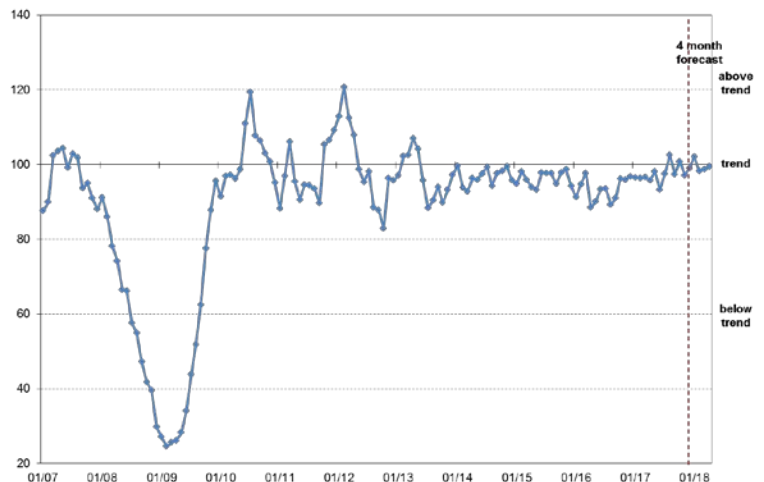
Chicago Business Activity Index

Release Date:
February 18, 2017

Next Release Date:
March 18, 2018

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CBAI (Current: 99.0)			
	1 month	3 month	1 year
Historical (ago)	97.1	97.4	96.8
Forecast (ahead)	102.0	98.7	-



* January 2007 = 100

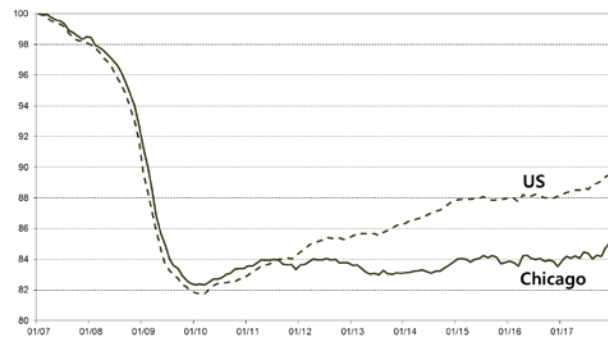
Chicago Fed National Activity Index(CFNAI-MA3)



Retail Sales



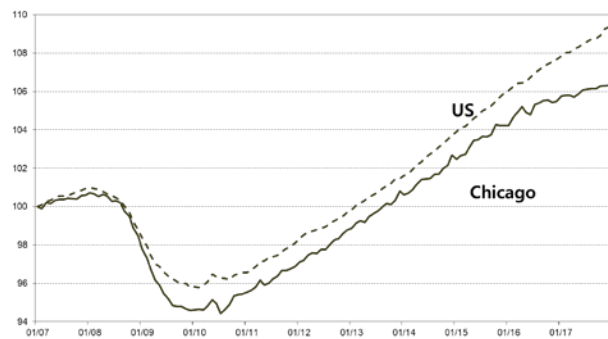
Manufacturing Employment



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	1.60	0.64	0.17	1.91	1.00	0.43
NMfgn	1.57	0.57	0.10	0.79	0.17	0.04
Cons	4.13	2.05	0.47	3.10	-1.02	-1.99
Retail	4.90	1.41	-0.08	1.03	0.70	-0.76

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.