

CHICAGO BUSINESS ACTIVITY INDEX – May 2018

CBAI decreased in March

The Chicago Business Activity Index (CBAI) decreased to 93.6 in March from 94.1 in February. The decrease is mainly attributed to the negative nonmanufacturing job growth and a decline in nationwide economic activities measured by the Chicago Fed National Activity Index (CFNAI).

In March, the national and regional economies presented mixed features. The Federal Reserve Board announced industrial production rose 0.5 percent in March after increasing 1.0 percent in February. Manufacturing production edged up 0.1 percent in March. Capacity utilization for the industrial sector moved up 0.3 percentage point in March to 78.0 percent, a rate that is 1.8 percentage points below its long-run (1972–2017) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) went down to +0.10 in March from +0.98 in February. In the Chicago region, employment in the manufacturing increased 0.25 percent and employment in the nonmanufacturing sector increased 0.22 percent in February. Employment in the construction sector increased 3.90 percent and retail sales are estimated to have decreased 0.32 percent during the same period.

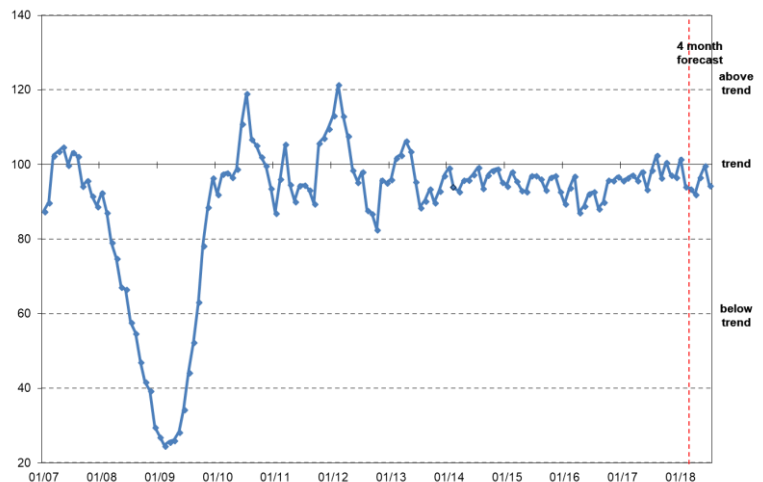
In the coming months, the national economy is likely to stay on the expansion phase. The economic growth reflected in the CFNAI-MA3 suggests that growth in national economic activity is above its historical trend. Total nonfarm payroll employment increased by 164,000 in April, and the unemployment rate edged down to 3.9 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.

Chicago Business Activity Index

Release Date:
April 18, 2017

Next Release Date:
May 18, 2018

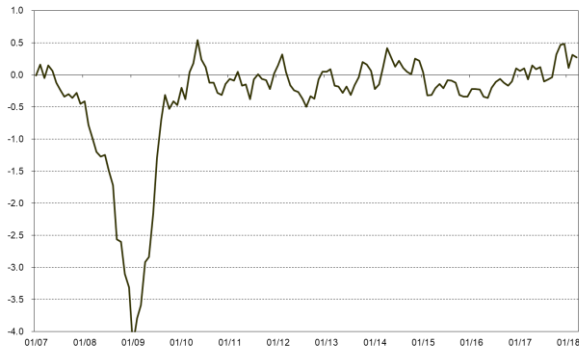
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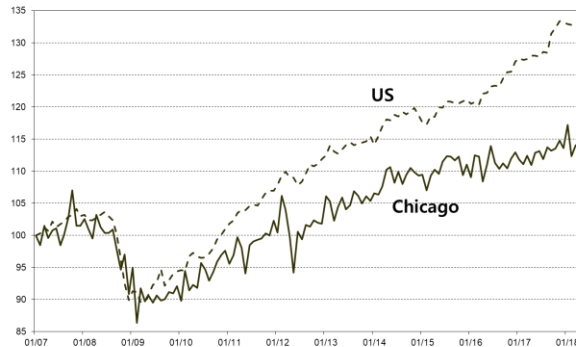
CBAI (Current: 93.6)			
	1 month	3 month	1 year
Historical (ago)	94.1	96.6	97.3
Forecast (ahead)	92.0	99.7	-

* January 2007 = 100

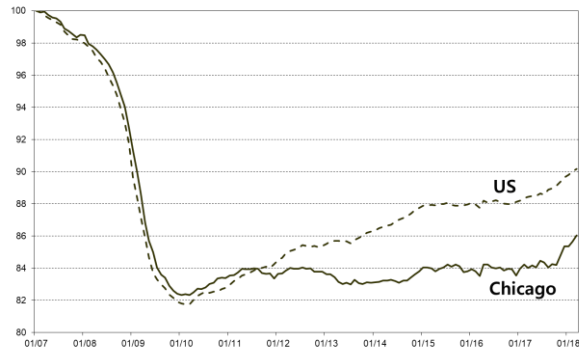
Chicago Fed National Activity Index(CFNAI-MA3)



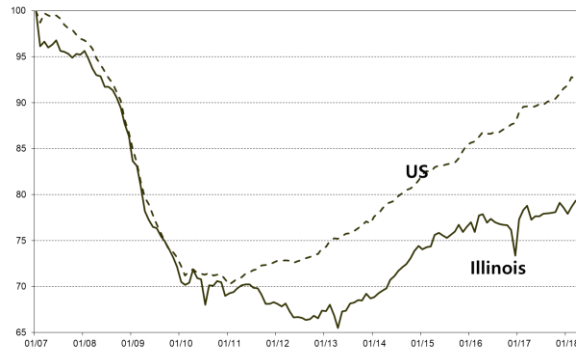
Retail Sales



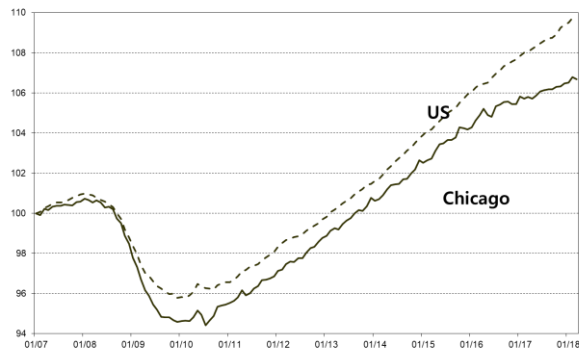
Manufacturing Employment



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	1.96	0.58	0.17	2.39	0.80	0.44
NMfgn	1.64	0.40	0.08	0.84	0.19	-0.09
Cons	3.39	1.20	-0.14	0.72	0.92	0.84
Retail	4.76	0.28	0.58	1.43	0.40	1.53

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.