

**CHICAGO BUSINESS ACTIVITY INDEX – September 2018**

**CBAI decreased in July**

The Chicago Business Activity Index (CBAI) decreased to 95.2 in July from 106.6 in June. The decrease is mainly attributed to the negative construction job growth and a decline in nationwide economic activities measured by the Chicago Fed National Activity Index (CFNAI).

In July, the national and regional economies presented mixed features. The Federal Reserve Board announced industrial production edged up 0.1 percent in July after rising at an average pace of 0.5 percent over the previous five months. Manufacturing production increased 0.3 percent, the output of utilities moved down 0.5 percent in July. Capacity utilization for the industrial sector was unchanged in July at 78.1 percent, a rate that is 1.7 percentage points below its long-run (1972–2017) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) went down to +0.13 in July from +0.48 in June. In the Chicago region, employment in the manufacturing increased 0.93 percent and employment in the nonmanufacturing sector increased 0.10 percent in July. Employment in the construction sector decreased 1.67 percent and retail sales are estimated to have increased 0.10 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 201,000 in August, and the unemployment rate was unchanged at 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:  
*September 18, 2018*

Next Release Date:  
*October 18, 2018*

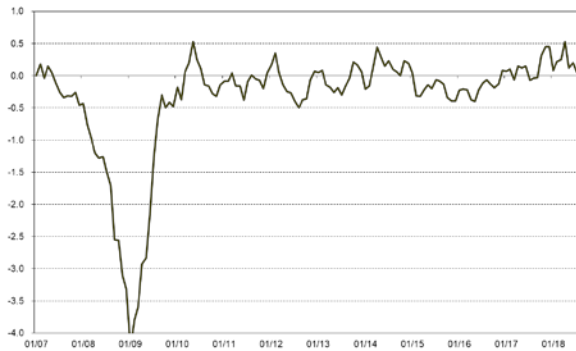
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<b>CBAI (Current:95.2)</b>			
	1 month	3 month	1 year
Historical (ago)	106.8	97.3	100.1
Forecast (ahead)	96.2	98.3	-



\* January 2007 = 100

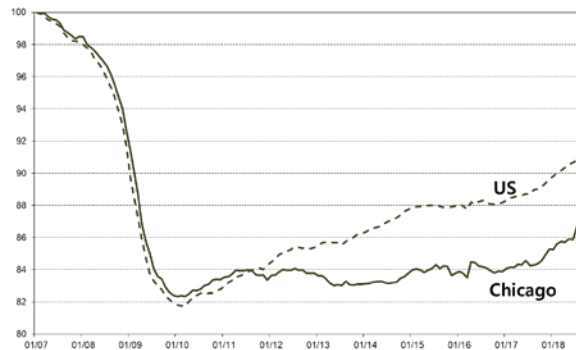
**Chicago Fed National Activity Index(CFNAI-MA3)**



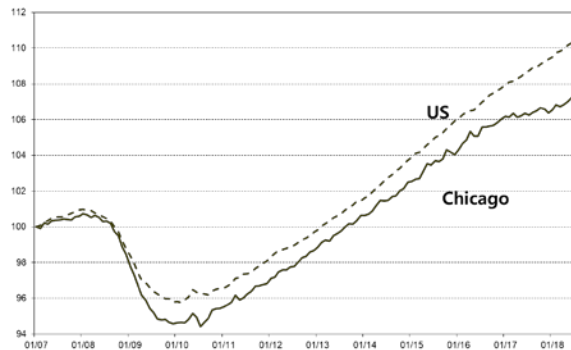
**Retail Sales**



**Manufacturing Employment**



**Non-manufacturing Employment**



**Construction Employment**



**Economic Activity: Summary**

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	2.38	0.49	0.14	2.88	1.14	0.93
NMfgn	1.53	0.41	0.09	1.03	0.47	0.10
Cons	4.36	0.78	0.25	2.17	0.88	-1.67
Retail	6.24	1.64	0.55	5.03	2.64	0.10

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.