

**CHICAGO BUSINESS ACTIVITY INDEX – October 2018**

**CBAI increased in August**

The Chicago Business Activity Index (CBAI) increased to 103.0 in August from 97.0 in July. The decrease is mainly attributed to an improvement in expected retail sales.

In August, the national and regional economies presented mixed features. The Federal Reserve Board announced industrial production rose 0.4 percent in August for its third consecutive monthly increase. Manufacturing output moved up 0.2 percent. Capacity utilization for the industrial sector moved up in August to 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) stayed at +0.18 in August from +0.18 in August. In the Chicago region, employment in the manufacturing decreased 0.43 percent and employment in the nonmanufacturing sector decreased 0.16 percent in August. Employment in the construction sector decreased 0.72 percent and retail sales are estimated to have increased 0.69 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. The unemployment rate declined to 3.7 percent in September, and total nonfarm payroll employment increased by 134,000. 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:  
*October 18, 2018*

Next Release Date:  
*November 18, 2018*

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<b>CBAI (Current:103.0)</b>			
	1 month	3 month	1 year
Historical (ago)	97.0	105.5	101.0
Forecast (ahead)	103.6	103.5	-



\* January 2007 = 100

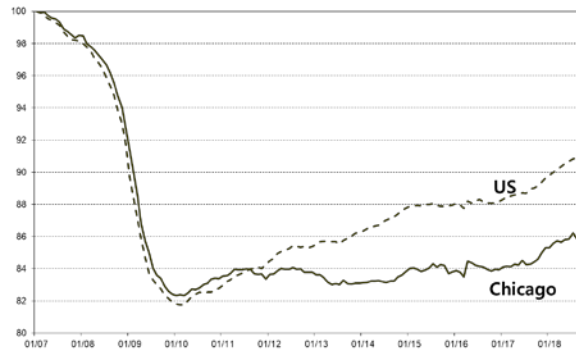
**Chicago Fed National Activity Index(CFNAI-MA3)**



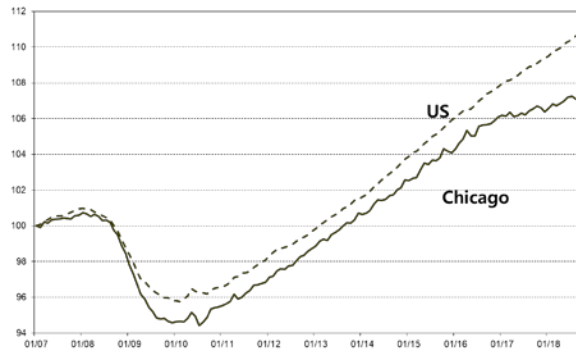
**Retail Sales**



**Manufacturing Employment**



**Non-manufacturing Employment**



**Construction Employment**



**Economic Activity: Summary**

Months ago	Percentage change compared to the previous period					
	National			Chicago		
	12	3	1	12	3	1
Mfgn	2.13	0.38	0.04	1.87	0.08	-0.43
NMfgn	1.60	0.44	0.19	0.59	0.09	-0.16
Cons	4.32	0.74	0.36	3.16	0.16	-0.72
Retail	6.07	0.60	0.02	3.30	-1.59	0.69

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.