

CHICAGO BUSINESS ACTIVITY INDEX – February 2019

CBAI decreased in December

The Chicago Business Activity Index (CBAI) decreased to 96.8 in December from 99.3 in November. The decrease is mainly attributed to negative construction job growth.

In December, the national and regional economies presented mixed features. The Federal Reserve Board announced industrial production increased 0.3 percent in December after rising 0.4 percent in November. For the fourth quarter as a whole, total industrial production moved up at an annual rate of 3.8 percent. In December, manufacturing output increased 1.1 percent, its largest gain since February 2018. Capacity utilization for the industrial sector rose 0.1 percentage point in December to 78.7 percent, a rate that is 1.1 percentage points below its long-run (1972–2017) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to +0.16 in December from +0.12 in November. In the Chicago region, employment in the manufacturing increased 0.16 percent and employment in the nonmanufacturing sector increased 0.12 percent in December. Employment in the construction sector decreased 1.78 percent and retail sales are estimated to have increased 0.21 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 304,000 in January, and the unemployment rate edged up to 4.0 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.

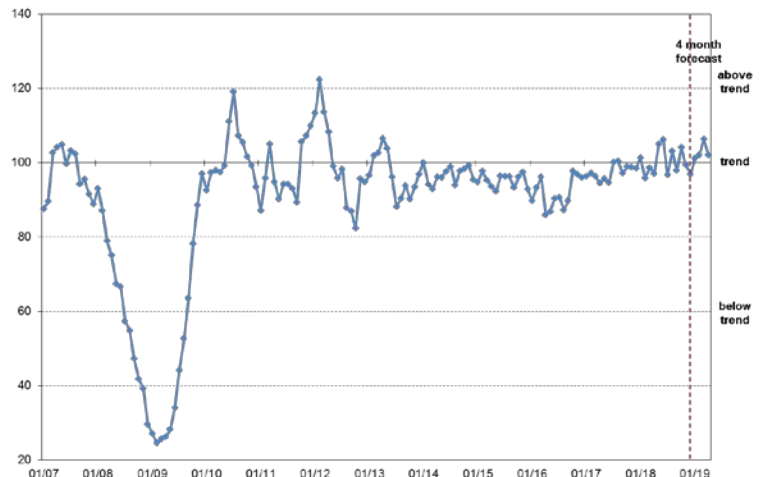
Chicago Business Activity Index

Release Date:
February 18, 2019

Next Release Date:
March 18, 2019

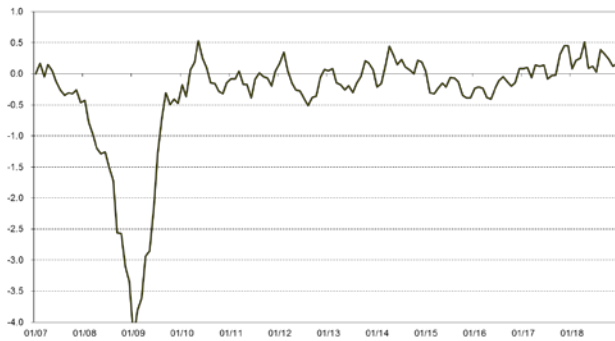
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CBAI (Current: 96.3)			
	1 month	3 month	1 year
Historical (ago)	99.3	97.9	98.5
Forecast (ahead)	101.1	106.3	-



* January 2007 = 100

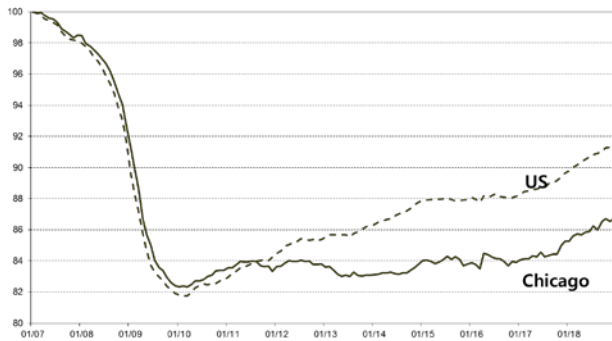
Chicago Fed National Activity Index(CFNAI-MA3)



Retail Sales



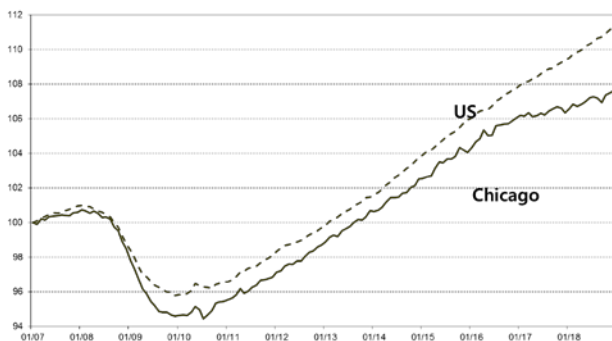
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	2.00	0.43	0.16	1.66	0.20	0.16
NMfgn	1.77	0.52	0.15	1.19	0.64	0.12
Cons	4.81	1.77	0.38	1.60	-1.34	-1.78
Retail	2.65	-0.04	-1.32	2.77	1.64	0.21

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.