

**CHICAGO BUSINESS ACTIVITY INDEX – May 2019**

**CBAI decreased in March**

The Chicago Business Activity Index (CBAI) decreased to 92.2 in March from 94.0 in February. The decrease is mainly attributed to negative nonmanufacturing and construction job growth and an decline in retail sales.

In the coming months, the In March, the national and regional economies presented mixed features. Industrial production edged down 0.1 percent in March; for the first quarter as a whole, the index slipped 0.3 percent at an annual rate. At 110.2 percent of its 2012 average, total industrial production was 2.8 percent higher in March than it was a year earlier. Capacity utilization for the industrial sector decreased 0.2 percentage point in March to 78.8 percent, a rate that is 1.0 percentage point below its long-run (1972–2018) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to -0.15 in March from -0.31 in February. In the Chicago region, employment in the manufacturing increased 0.12 percent and employment in the nonmanufacturing sector decreased 0.21 percent in March. Employment in the construction sector decreased 0.25 percent and retail sales are estimated to have decreased 0.36 percent during the same period.

In the coming months, 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 below its historical trend. Total nonfarm payroll employment increased by 263,000 in April, and the unemployment rate declined to 3.6 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.

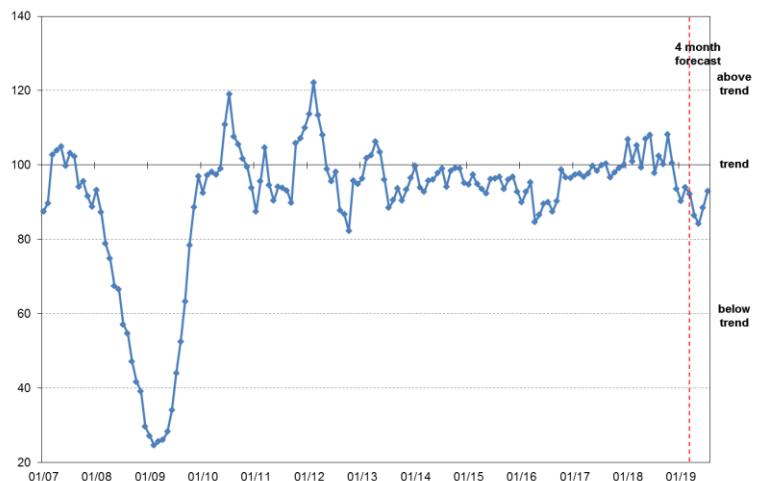
**Chicago Business Activity Index**

Release Date:  
*May 18, 2019*

Next Release Date:  
*June 18, 2019*

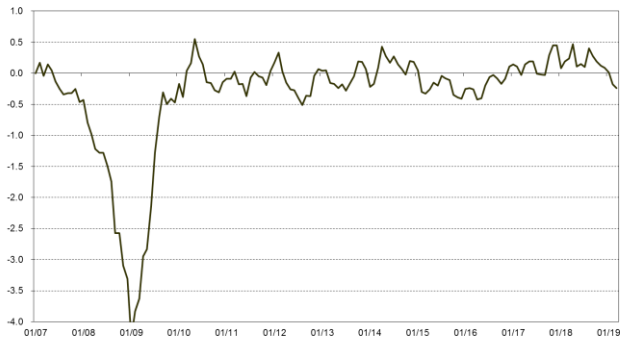
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<b>CBAI (Current: 92.2)</b>			
	1 month	3 month	1 year
Historical (ago)	94.0	93.5	105.2
Forecast (ahead)	86.4	88.5	-

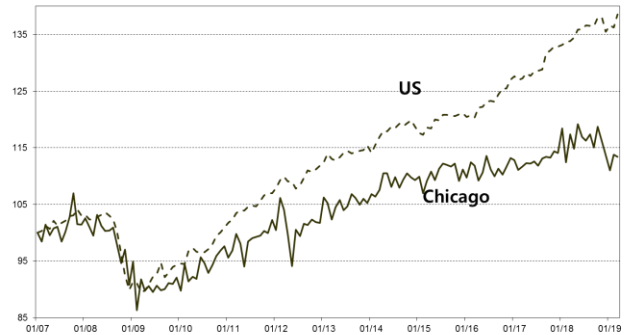


\* January 2007 = 100

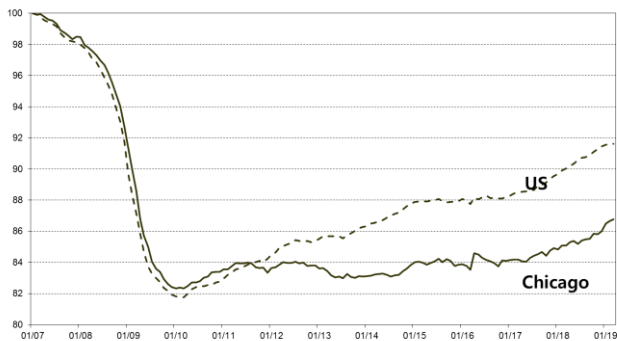
**Chicago Fed National Activity Index(CFNAI-MA3)**



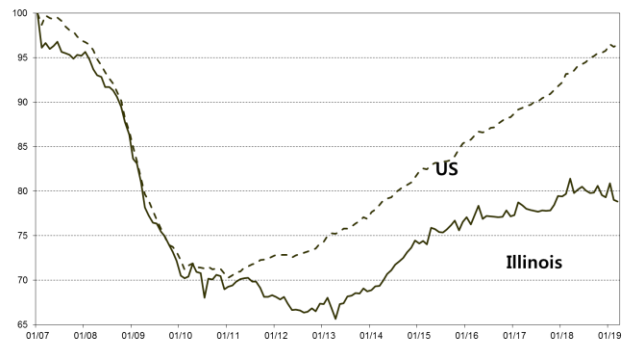
**Retail Sales**



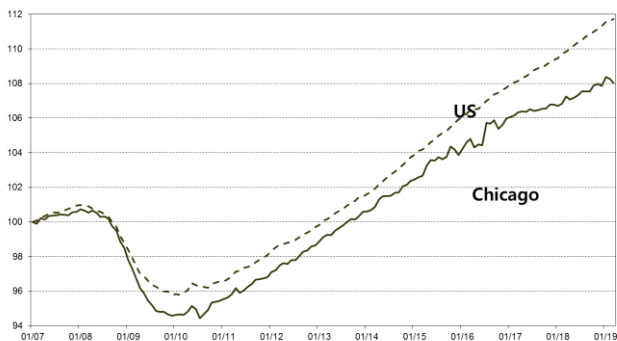
**Manufacturing Employment**



**Construction Employment**



**Non-manufacturing Employment**



**Economic Activity: Summary**

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.76	0.20	0.00	1.98	0.89	0.12
NMfgn	1.72	0.39	0.14	0.74	0.16	-0.21
Cons	3.50	0.72	0.27	-3.18	-0.59	-0.25
Retail	3.54	2.23	1.68	-3.40	-0.29	-0.36

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.