

CHICAGO BUSINESS ACTIVITY INDEX – July 2019

CBAI decreased in May

The Chicago Business Activity Index (CBAI) decreased to 89.2 in May from 95.2 in April. The decrease is mainly attributed to negative nonmanufacturing and construction job growth and a sharp decline in retail sales.

In May, the national and regional economies presented mixed features. Industrial production rose 0.4 percent in May after falling 0.4 percent in April. At 109.6 percent of its 2012 average, total industrial production was 2.0 percent higher in May than it was a year earlier. Capacity utilization for the industrial sector moved up 0.2 percentage point in May to 78.1 percent, a rate that is 1.7 percentage points below its long-run (1972–2018) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to -0.05 in May from -0.48 in April. In the Chicago region, employment in the manufacturing sector increased 0.3 percent and employment in the nonmanufacturing sector decreased 0.12 percent in May. Employment in the construction sector decreased 1.76 percent and retail sales are estimated to have decreased 2.35 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 224,000 in June, and the unemployment rate was little changed at 3.7 percent. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy expansion trend is expected to slow down over the next several months.

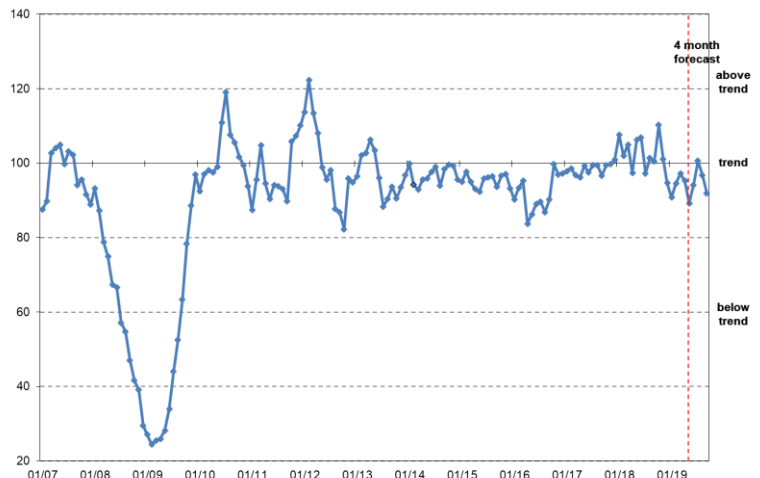
Chicago Business Activity Index

Release Date:
July 18, 2019

Next Release Date:
August 18, 2019

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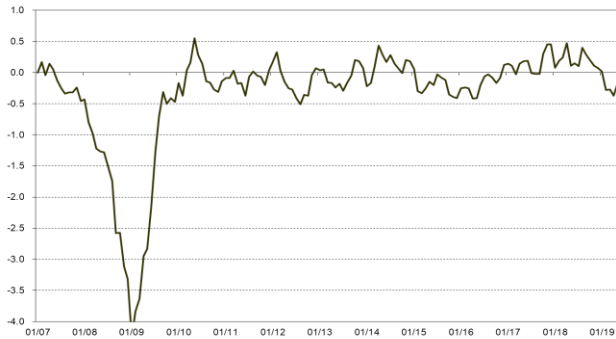
CBAI (Current: 89.2)			
	1 month	3 month	1 year
Historical (ago)	95.2	94.6	106.3
Forecast (ahead)	94.2	96.8	-



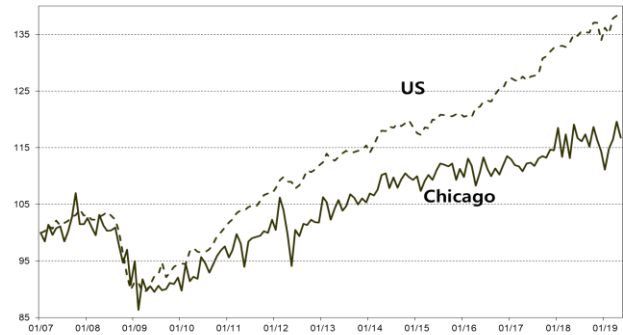
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* January 2007 = 100

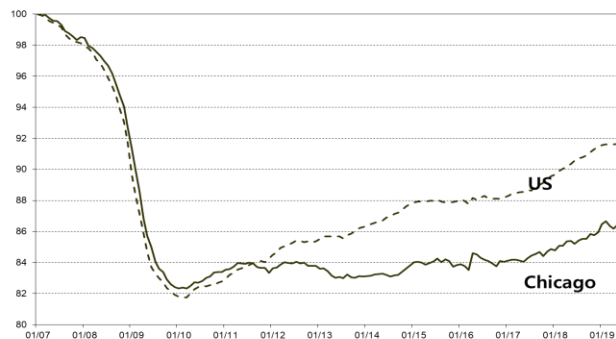
Chicago Fed National Activity Index(CFNAI-MA3)



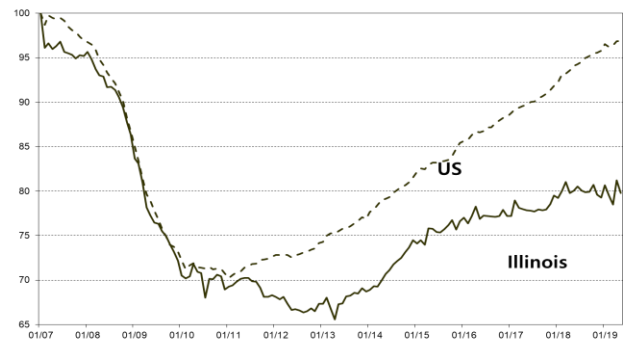
Retail Sales



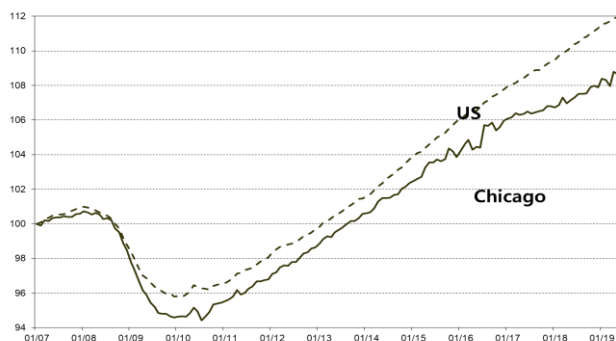
Manufacturing Employment



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	1.44	0.02	0.02	1.23	-0.25	0.30
NMfgn	1.58	0.32	0.05	1.40	0.31	-0.12
Cons	3.03	0.73	0.07	-0.30	0.36	-1.76
Retail	2.75	2.64	0.33	-1.94	1.70	-2.35

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.

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