

CHICAGO BUSINESS ACTIVITY INDEX – September 2019

CBAI increased in July

The Chicago Business Activity Index (CBAI) increased to 96.6 in July from 91.9 in June. The increase is mainly attributed to positive manufacturing, construction job growth, and an improvement in expected retail sales.

In July, the national and regional economies presented mixed features. Industrial production declined 0.2 percent in July. Manufacturing output decreased 0.4 percent last month. At 109.2 percent of its 2012 average, total industrial production was 0.5 percent higher in July than it was a year earlier. Capacity utilization for the industrial sector decreased 0.3 percentage point in July to 77.5 percent, a rate that is 2.3 percentage points below its long-run (1972–2018) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved down to -0.36 in July from 0.03 in June. In the Chicago region, employment in the manufacturing sector increased 0.01 percent and employment in the nonmanufacturing sector decreased 0.06 percent in July. Employment in the construction sector increased 0.2 percent and retail sales are estimated to have increased 1.44 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 rose by 130,000 in August, and the unemployment rate was unchanged 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.

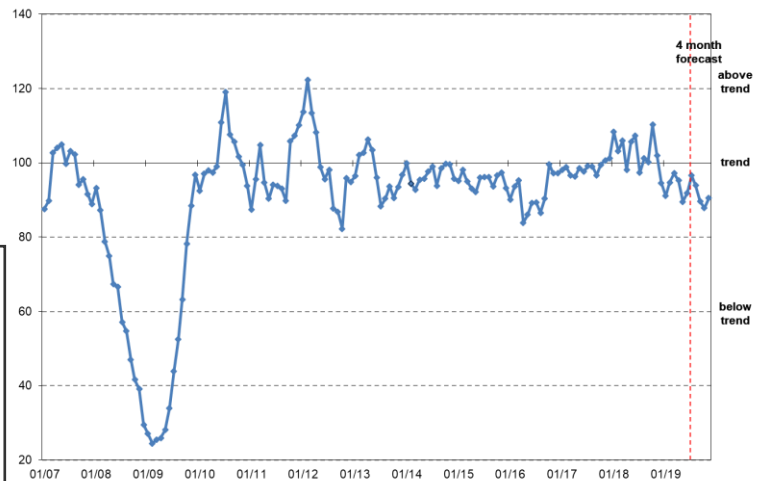
Chicago Business Activity Index

Release Date:
September 18, 2019

Next Release Date:
October 18, 2019

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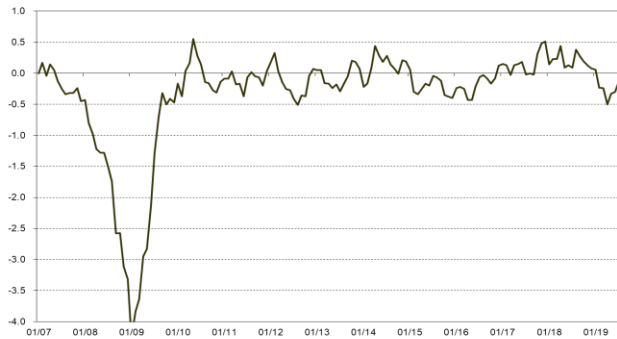
CBAI (Current: 96.6)			
	1 month	3 month	1 year
Historical (ago)	91.9	95.2	97.3
Forecast (ahead)	93.9	87.9	-



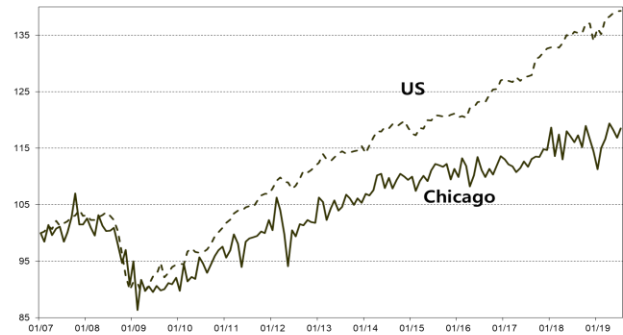
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* January 2007 = 100

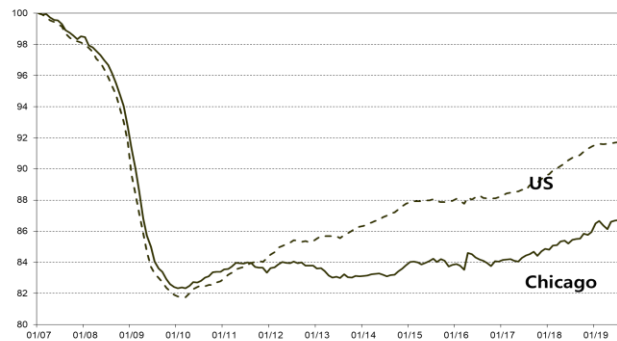
Chicago Fed National Activity Index(CFNAI-MA3)



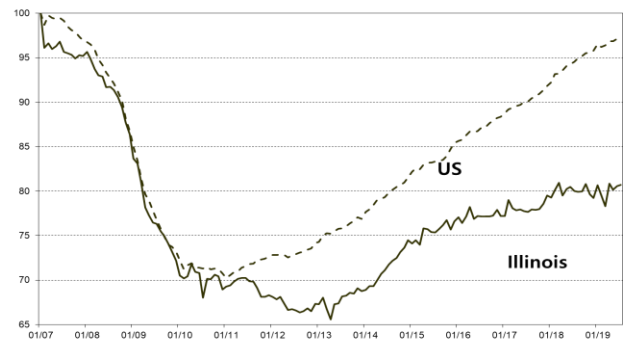
Retail Sales



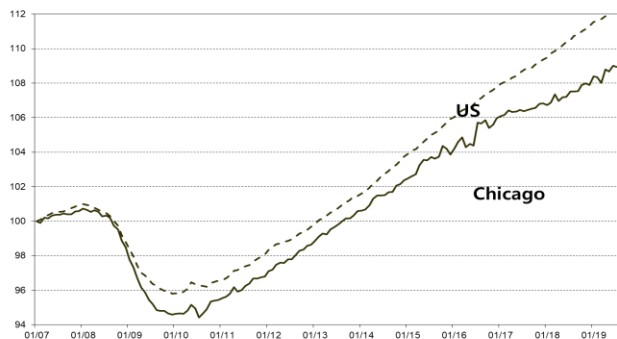
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.13	0.12	0.03	1.49	0.65	0.01
NMfgn	1.53	0.28	0.11	1.34	0.14	-0.06
Cons	2.70	0.24	-0.03	0.86	-0.17	0.20
Retail	2.72	0.73	0.03	2.08	-0.77	1.44

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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