

CHICAGO BUSINESS ACTIVITY INDEX – January 2020

CBAI increased in November

The Chicago Business Activity Index (CBAI) increased to 95.5 in November from 90.4 in October. The increase is mainly attributed to an increase in nationwide economic activities measured by the Chicago Fed National Activity Index (CFNAI).

In November, the national and regional economies presented mixed features. Industrial production declined 0.3 percent in December, as a decrease of 5.6 percent for utilities outweighed increases of 0.2 percent for manufacturing and 1.3 percent for mining. At 109.4 percent of its 2012 average, total industrial production was 1.0 percent lower in December than it was a year earlier. Capacity utilization for the industrial sector fell 0.4 percentage point in December to 77.0 percent, a rate that is 2.8 percentage points below its long-run (1972–2018) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to 0.56 in November from -0.76 in October. In the Chicago region, employment in the manufacturing sector decreased 0.19 percent and employment in the nonmanufacturing sector decreased 0.24 percent in November. Employment in the construction sector decreased 2.43 percent and retail sales are estimated to have decreased 1.1 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 145,000 in December, and the unemployment rate was unchanged at 3.5 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.

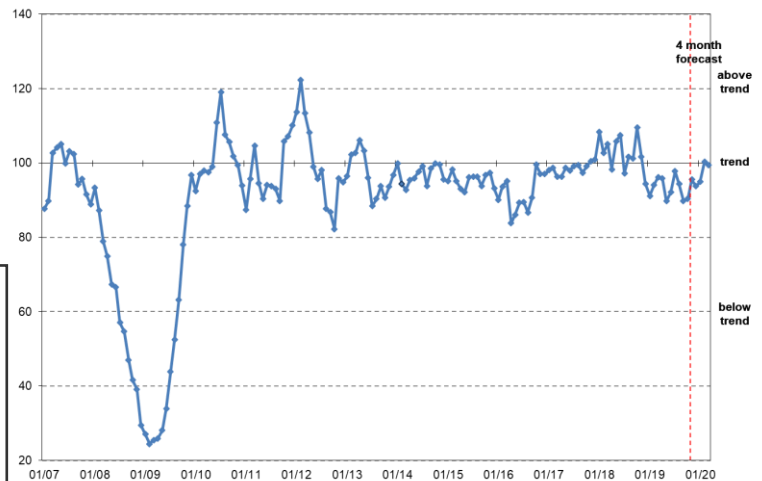
Chicago Business Activity Index

Release Date:
January 18, 2020

Next Release Date:
February 18, 2020

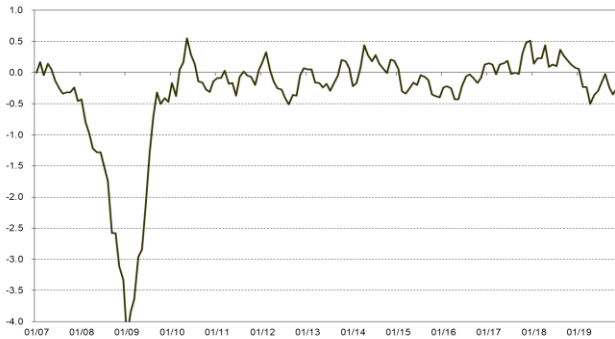
Visit our web-site at www.real.illinois.edu

CBAI (Current: 95.5)			
	1 month	3 month	1 year
Historical (ago)	90.4	94.3	101.7
Forecast (ahead)	93.7	100.3	-

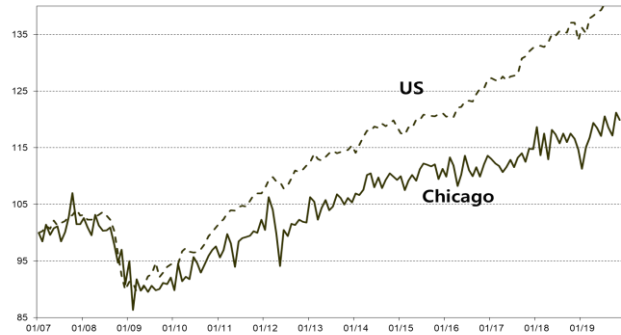


* January 2007 = 100

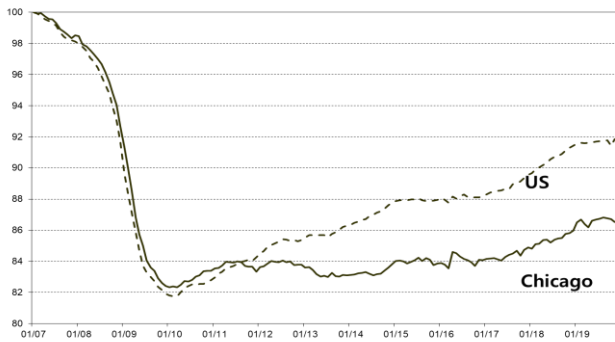
Chicago Fed National Activity Index(CFNAI-MA3)



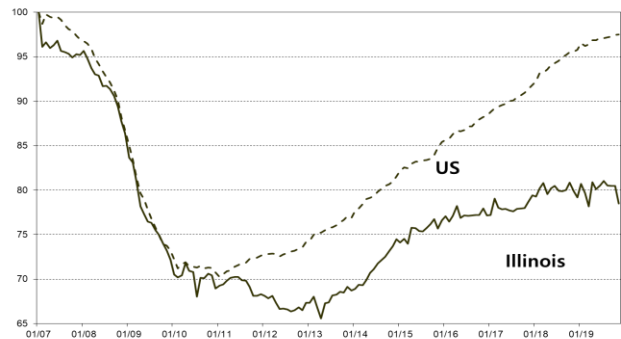
Retail Sales



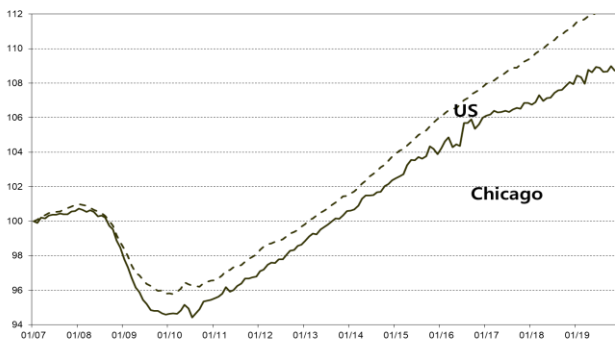
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	Percentage change compared to the previous period					
	National			Chicago		
	12	3	1	12	3	1
Mfgn	0.61	0.12	0.45	0.85	-0.33	-0.19
NMfgn	1.54	0.42	0.14	0.62	0.07	-0.24
Cons	1.99	0.33	0.03	-1.69	-2.52	-2.43
Retail	3.25	0.21	0.40	2.84	1.10	-1.10

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.