

CHICAGO BUSINESS ACTIVITY INDEX – February 2020

CBAI decreased in December

The Chicago Business Activity Index (CBAI) decreased to 93.1 in December from 94.6 in November. The decrease is mainly attributed to negative manufacturing and construction job growth. In December, the national and regional economies presented mixed features. Industrial production declined 0.3 percent in January, as unseasonably warm weather held down the output of utilities and as a major manufacturer significantly slowed production of civilian aircraft. At 109.2 percent of its 2012 average, total industrial production was 0.8 percent lower in January than it was a year earlier. Capacity utilization for the industrial sector fell 0.3 percentage point in January to 76.8 percent, a rate that is 3.0 percentage points below its long-run (1972–2019) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved down to -0.35 in December from 0.41 in November. In the Chicago region, employment in the manufacturing sector decreased 0.08 percent and employment in the nonmanufacturing sector increased 0.07 percent in December. Employment in the construction sector decreased 0.9 percent and retail sales are estimated to have increased 0.29 percent during the same period.

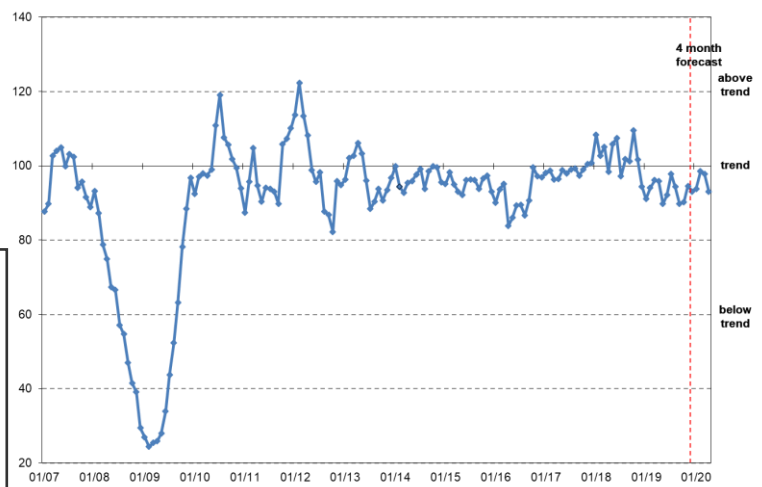
In the coming months, national economy is likely to stay on the expansion phase. The economic growth reflected in the CFNAI-MA3 suggests that growth in national economic activity is below its historical trend. Total nonfarm payroll employment rose by 225,000 in January, and the unemployment rate was little changed at 3.6 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:
February 18, 2020

Next Release Date:
March 18, 2020

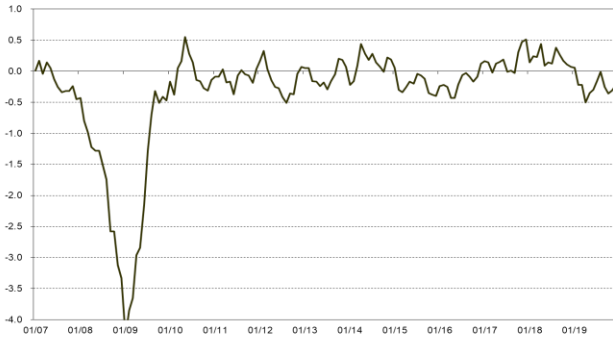
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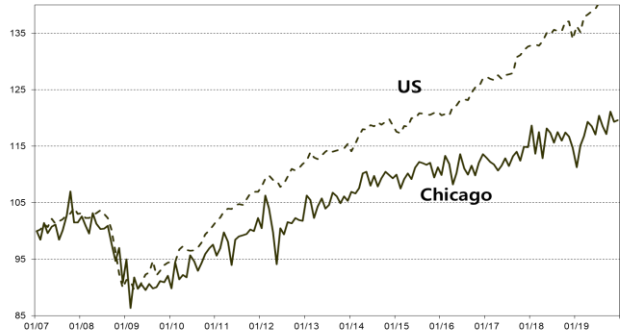
CBAI (Current: 93.1)			
	1 month	3 month	1 year
Historical (ago)	94.6	89.7	94.4
Forecast (ahead)	93.9	97.9	-

* January 2007 = 100

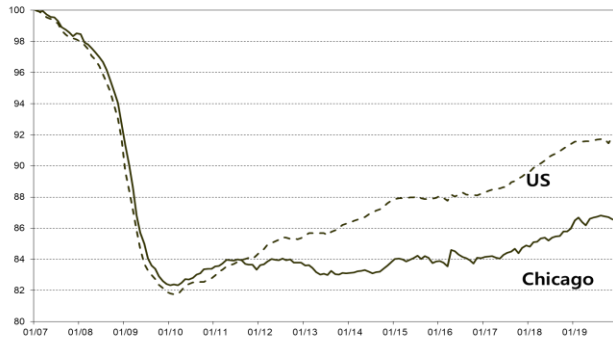
Chicago Fed National Activity Index(CFNAI-MA3)



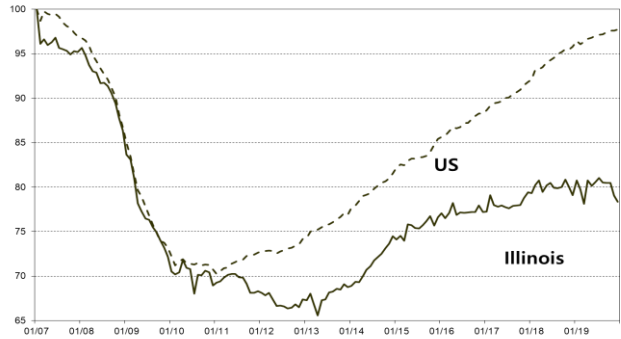
Retail Sales



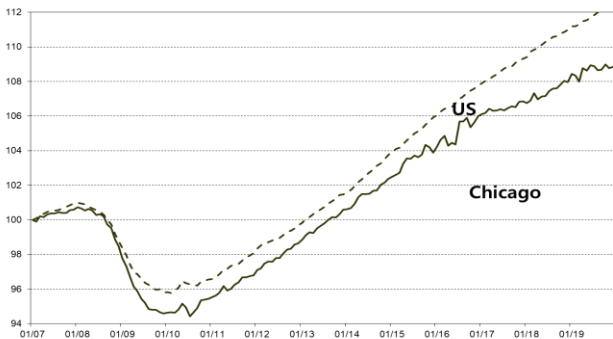
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	0.45	0.09	-0.04	0.63	-0.28	-0.08
NMfgn	1.49	0.42	0.11	0.82	0.17	0.07
Cons	2.00	0.35	0.15	-0.92	-2.66	-0.90
Retail	5.62	0.74	0.02	4.24	2.10	0.29

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.