

CHICAGO BUSINESS ACTIVITY INDEX – March 2020

CBAI increased in January

The Chicago Business Activity Index (CBAI) increased to 102.7 in January from 98.8 in December. The increase is mainly attributed to an improvement in retail sales, positive nonmanufacturing and construction job growth.

In January, 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 up to -0.25 in January from -0.51 in December. In the Chicago region, employment in the manufacturing sector decreased 0.69 percent and employment in the nonmanufacturing sector increased 0.58 percent in January. Employment in the construction sector increased 2.53 percent and retail sales are estimated to have increased 0.64 percent during the same period.

In February, national economy is likely to stay on the expansion phase because CFNAI-MA3 suggests that growth in national economic activity is below its historical trend. Total nonfarm payroll employment rose by 273,000 in February, and the unemployment rate was little changed at 3.5 percent. However, from March, when the economy began to be hit hard by the spread of COVID-19, a harsh recession is expected to emerge on the index.

Chicago Business Activity Index

Release Date:
March 18, 2020

Next Release Date:
April 18, 2020

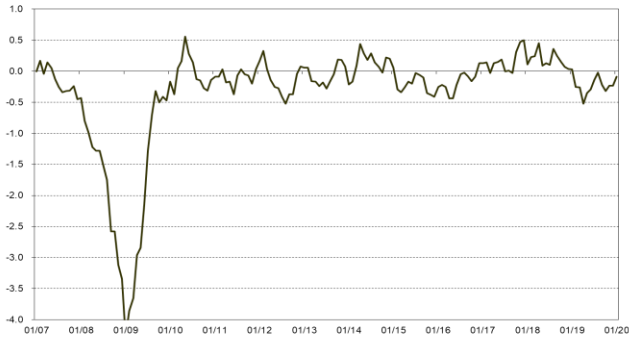
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CBAI (Current: 102.7)			
	1 month	3 month	1 year
Historical (ago)	98.8	96.9	94.5
Forecast (ahead)	107.1	101.6	-

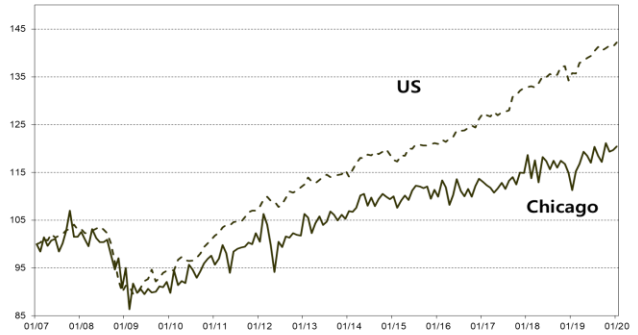


* January 2007 = 100

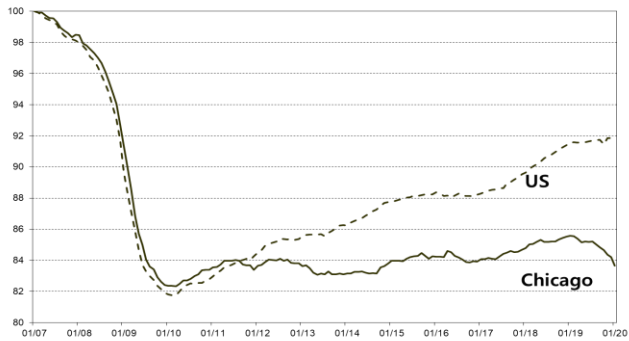
Chicago Fed National Activity Index(CFNAI-MA3)



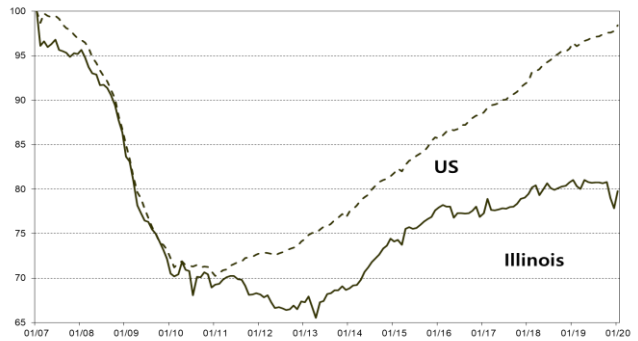
Retail Sales



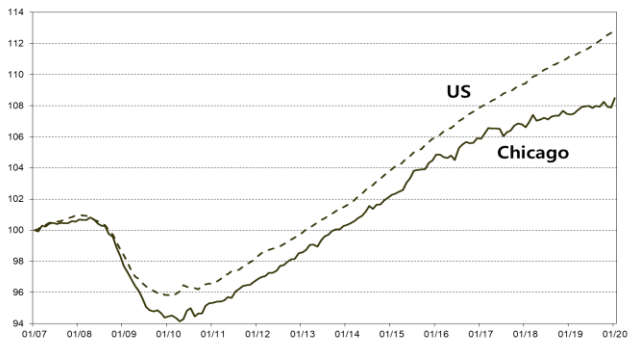
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	0.16	0.28	-0.16	-2.27	-1.21	-0.69
NMfgn	1.54	0.49	0.21	0.99	0.24	0.58
Cons	2.04	0.84	0.65	-1.54	-1.24	2.53
Retail	4.70	0.82	0.60	8.30	-0.55	0.64

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.