

**CHICAGO BUSINESS ACTIVITY INDEX – July 2020**

**CBAI decreased in May**

The Chicago Business Activity Index (CBAI) decreased to 85.1 in May from 91.1 in April. However, with an improvement in expected retail sales, we can observe a positive manufacturing, nonmanufacturing, and construction job growth from the base effect.

In May, total industrial production increased 1.4 percent, as many factories resumed at least partial operations following suspensions related to COVID-19. Even so, total industrial production in May was 15.4 percent below its pre-pandemic level in February. Manufacturing output rose 3.8 percent in May. At 92.6 percent of its 2012 average, the level of total industrial production was 15.3 percent lower than it was a year earlier. Capacity utilization for the industrial sector increased 0.8 percentage point to 64.8 percent in May, a rate that is 15.0 percentage points below its long-run (1972–2019) average and 1.9 percentage points below its trough during the Great Recession. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to 2.61 in May from -17.89 in April. In the Chicago region, employment in the manufacturing sector increased 2.79 percent and employment in the nonmanufacturing sector increased 0.92 percent in May. Employment in the construction sector increased 6.69 percent and retail sales are estimated to have increased 8.26 percent during the same period.

Total nonfarm payroll employment rose by 4.8 million in June, and the unemployment rate declined to 11.1 percent. A limited resumption of economic activity that had been curtailed is expected in the coming months.

**Chicago Business Activity Index**

Release Date:  
*July 18, 2020*

Next Release Date:  
*August 18, 2020*

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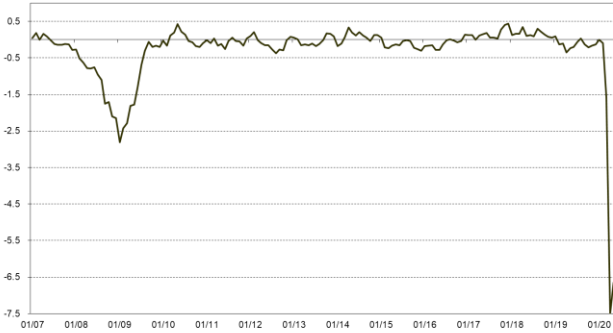


<b>CBAI (Current: 85.1)</b>			
	1 month	3 month	1 year
Historical (ago)	91.1	103.4	98.7
Forecast (ahead)	53.7	44.6	-

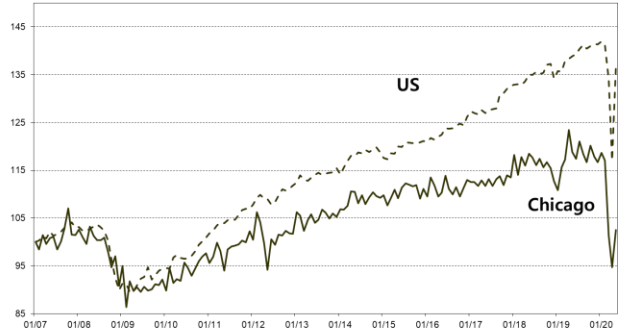
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\* January 2007 = 100

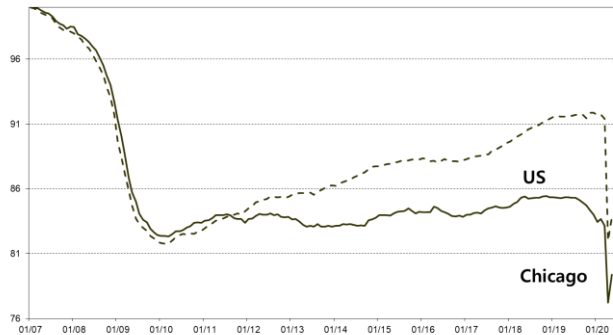
**Chicago Fed National Activity Index(CFNAI-MA3)**



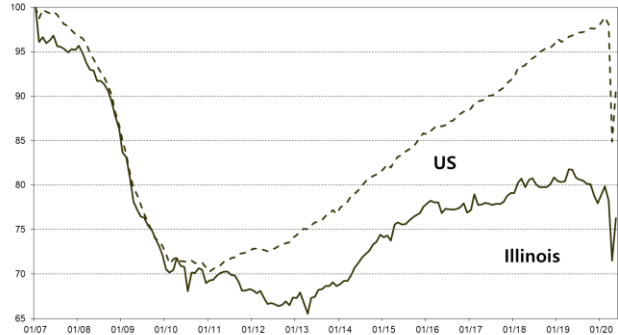
**Retail Sales**



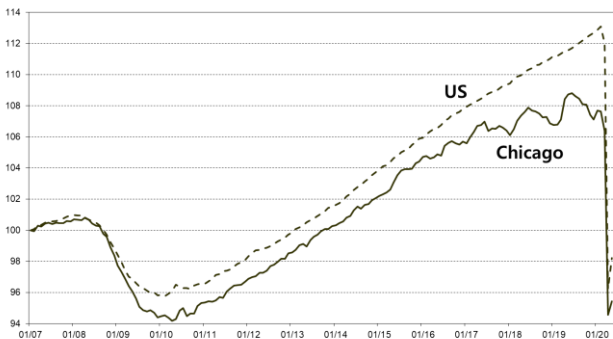
**Manufacturing Employment**



**Construction Employment**



**Non-manufacturing Employment**



**Economic Activity: Summary**

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-8.50	-8.66	2.18	-7.01	-5.15	2.79
NMfgn	-11.97	-13.14	2.06	-12.23	-11.35	0.92
Cons	-6.27	-8.25	6.91	-6.67	-4.49	6.69
Retail	-1.59	-3.25	16.79	-13.75	-12.42	8.26

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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