

CHICAGO BUSINESS ACTIVITY INDEX – August 2020

CBAI decreased in June

The Chicago Business Activity Index (CBAI) decreased to 96.1 in June from 107.1 in May. However, we can observe a positive manufacturing, nonmanufacturing, and construction job growth, and an improvement in expected retail sales from the base effect.

In June, total industrial production rose 5.4 percent after increasing 1.4 percent in May. Even so, it remained 10.9 percent below its pre-pandemic level in February. Manufacturing output climbed 7.2 percent in June, as all major industries posted increases. At 97.5 percent of its 2012 average, the level of total industrial production was 10.8 percent lower in June than it was a year earlier. Capacity utilization for the industrial sector increased 3.5 percentage points to 68.6 percent in June, a rate that is 11.2 percentage points below its long-run (1972–2019) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to 5.33 in June from 4.24 in May.¹ In the Chicago region, employment in the manufacturing sector increased 2.61 percent and employment in the nonmanufacturing sector increased 2.33 percent in June. Employment in the construction sector increased 1.19 percent and retail sales are estimated to have increased 1.22 percent during the same period.

Total nonfarm payroll employment rose by 1.8 million in July, and the unemployment rate fell to 10.2 percent. A limited resumption of economic activity that had been curtailed is expected in the coming months.

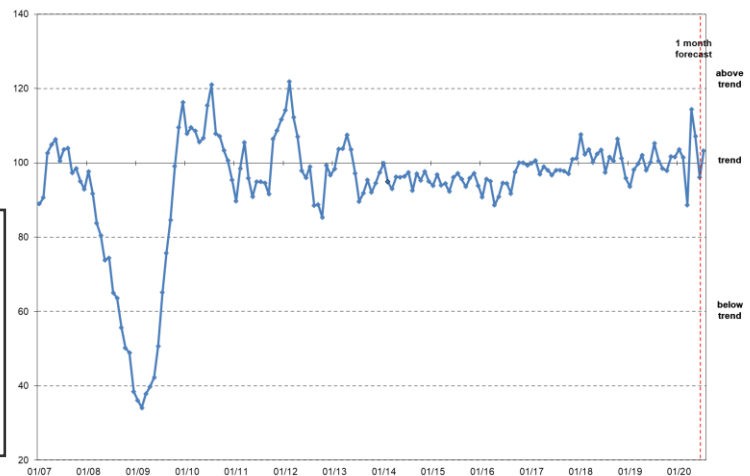
Chicago Business Activity Index

Release Date:
August 18, 2020

Next Release Date:
September 18, 2020

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CBAI (Current: 96.1)			
	1 month	3 month	1 year
Historical (ago)	107.1	88.7	100.1
Forecast (ahead)	103.2	219.3	-

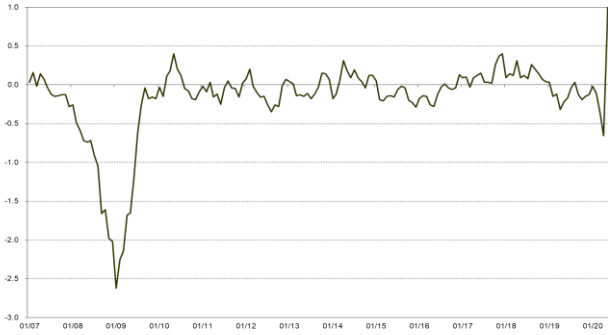


¹ The CBAI this month adjusted the CFNAI in March and April to keep a CFNAI-MA3 value above -0.70, which prevents the CBAI undershooting.

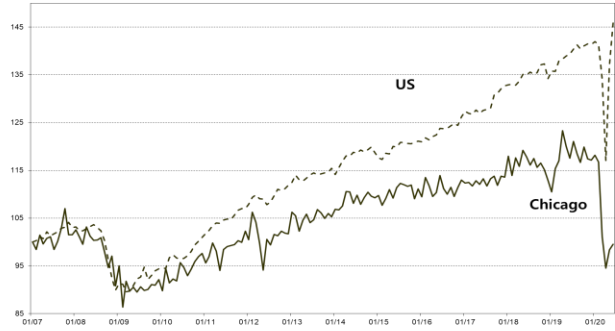
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* January 2007 = 100

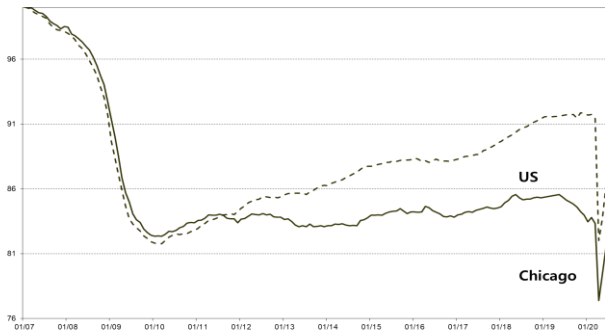
Chicago Fed National Activity Index(CFNAI-MA3)



Retail Sales



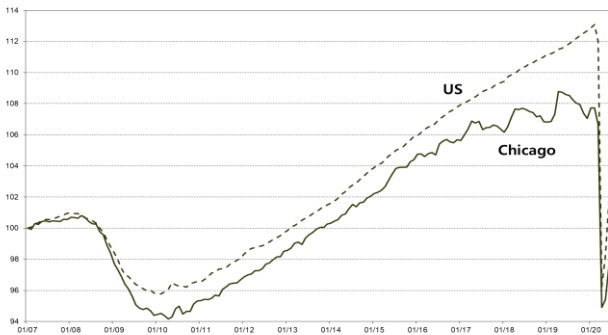
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-5.86	-5.62	3.04	-4.53	-2.20	2.61
NMfgn	-8.84	-9.08	3.66	-10.08	-8.46	2.33
Cons	-4.30	-5.27	2.32	-5.02	-1.24	1.19
Retail	4.68	8.82	6.40	-15.30	-1.50	1.22

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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