

CHICAGO BUSINESS ACTIVITY INDEX – October 2020

CBAI increased in August

The Chicago Business Activity Index (CBAI) increased to 60.8 in August from 38.7 in July. The increase is mainly attributed to positive manufacturing and nonmanufacturing job growth.

In August, total industrial production rose 0.4 percent. Even if it is the fourth consecutive monthly increase, the index was 7.3 percent below its pre-pandemic February level. Manufacturing output continued to improve in August, rising 1.0 percent, but the gains for most manufacturing industries have gradually slowed since June. At 101.4 percent of its 2012 average, the level of total industrial production was 7.7 percent lower in August than it was a year earlier. Capacity utilization for the industrial sector increased 0.3 percentage point in August to 71.4 percent, a rate that is 8.4 percentage points below its long-run (1972–2019) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved down to 0.79 in August from 2.54 in July. In the Chicago region, employment in the manufacturing sector increased 0.15 percent and employment in the nonmanufacturing sector increased 0.32 percent in August. Employment in the construction sector decreased 0.88 percent and retail sales are estimated to have decreased 6.56 percent during the same period.

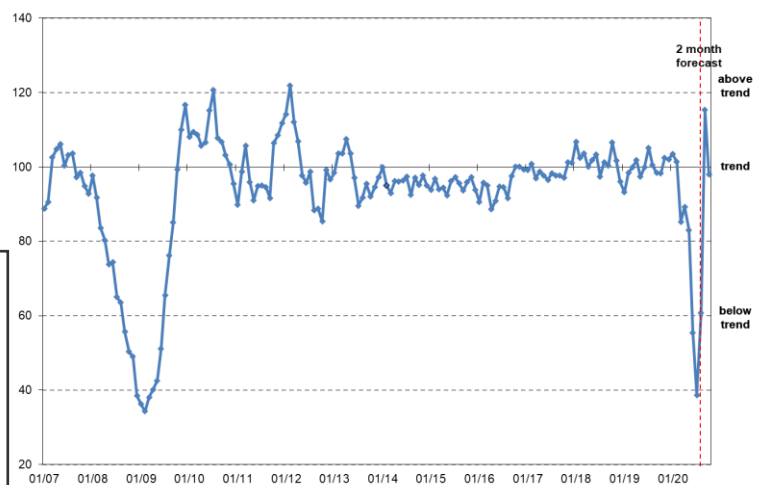
Total nonfarm payroll employment rose by 661,000 in September, and the unemployment rate declined to 7.9 percent. A limited resumption of economic activity that had been curtailed is expected in the coming months, but a resurgence of COVID-19 become a risk that may hinder economic recovery.

Chicago Business Activity Index

Release Date:
October 18, 2020

Next Release Date:
November 18, 2020

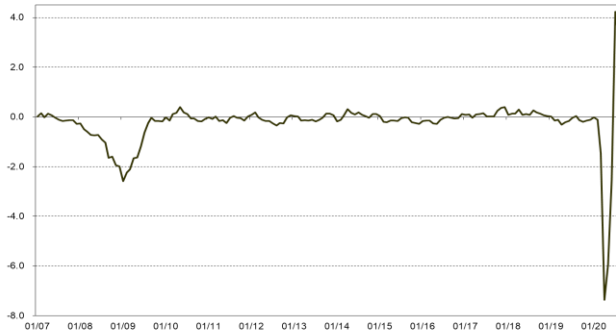
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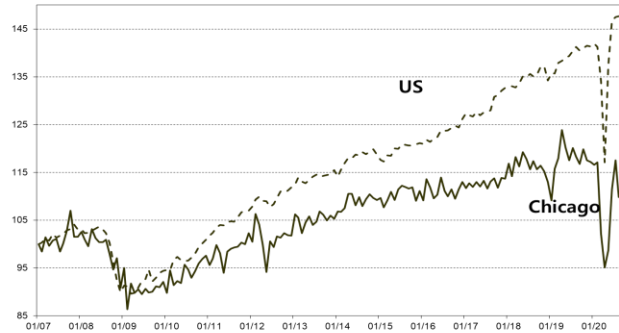
CBAI (Current: 60.8)			
	1 month	3 month	1 year
Historical (ago)	38.7	83.0	100.4
Forecast (ahead)	115.3	69.8	-

* January 2007 = 100

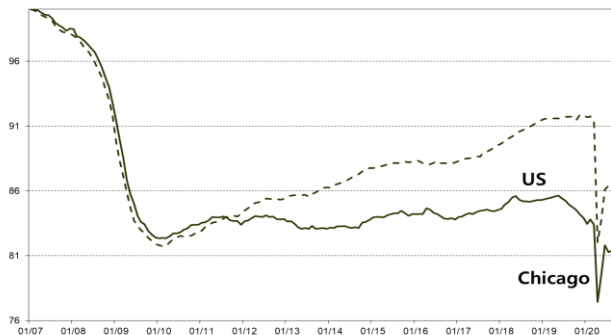
Chicago Fed National Activity Index(CFNAI-MA3)



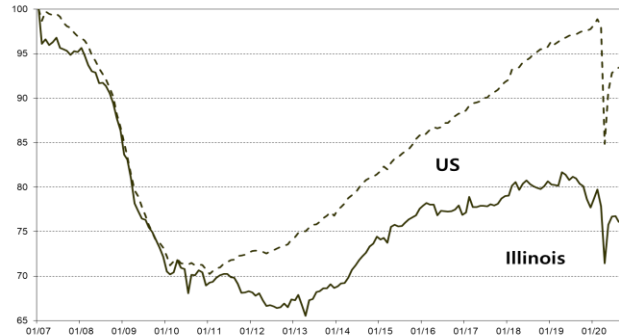
Retail Sales



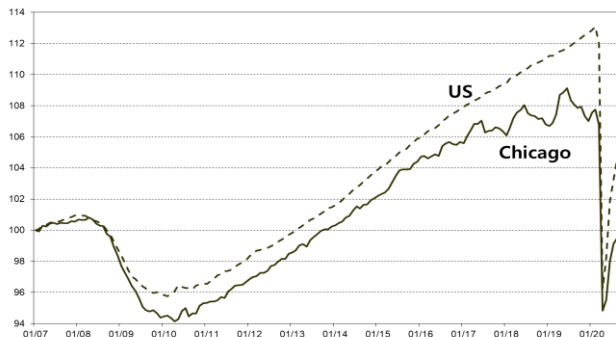
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-5.52	3.50	0.30	-4.18	2.36	0.15
NMfgn	-6.79	6.28	1.14	-7.99	4.11	0.32
Cons	-3.85	2.95	0.24	-6.06	0.39	-0.88
Retail	4.54	7.60	0.11	-7.15	11.26	-6.56

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.