

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI increased in September**

The Chicago Business Activity Index (CBAI) increased to 104.7 in September from 97.7 in July. The rise is attributed to positive job growth in the nonmanufacturing and construction sectors and to an improvement in retail activity in the Chicago area.

In September, the national and regional economies shared positive features. The Federal Reserve Board announced that the industrial production index increased 0.1 percent in September after having decreased 0.2 percent in August. Capacity utilization for the industrial sector rose 0.6 percentage point to 79.3 in September. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) rose to +0.47 in September from -0.25 in August, led by a rise in production- and employment-related indicators. In the Chicago region, the employment in manufacturing fell 0.51 percent in September. The employment in nonmanufacturing and construction increased 0.22 percent and 0.25 percent respectively. Retail sales are estimated to have risen 1.24 percent in September.

In the coming months, the national economy is likely to stay on the path to recovery. The economic growth reflected in the CFNAI-MA3 suggests that national economic activity was slightly above its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 214,000 and the unemployment rate declined to 5.8 percent in October. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its recovery trend over the next several months.

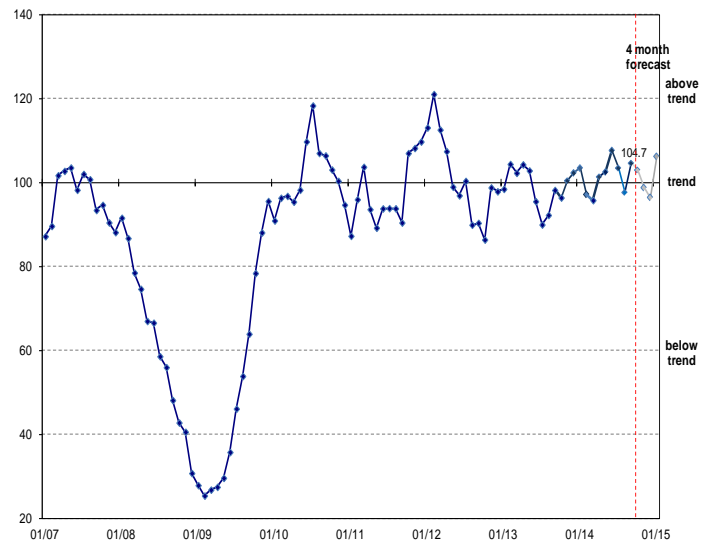
*Release Date:*  
November 18, 2014

*Next Release Date:*  
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<b>CBAI</b> (Current: 104.7)			
	1 month	3 month	1 year
Historical (ago)	97.7	107.5	98.2
Forecast (ahead)	103.0	96.3	109.2

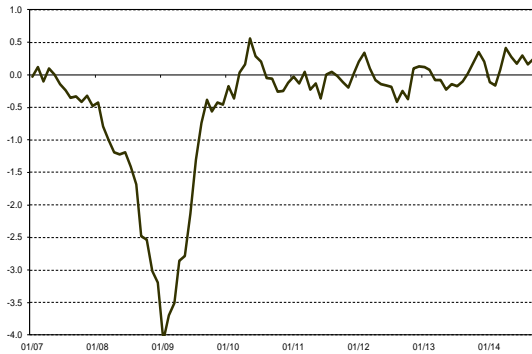
**Chicago Business Activity Index**



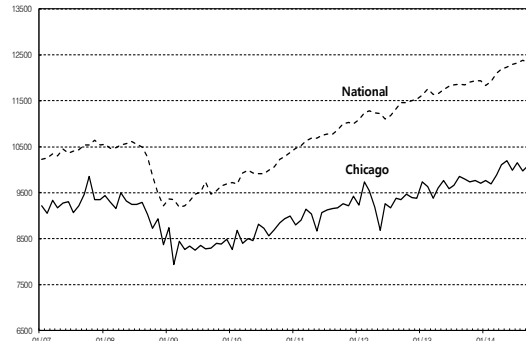
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\* National indicators are rescaled for comparison

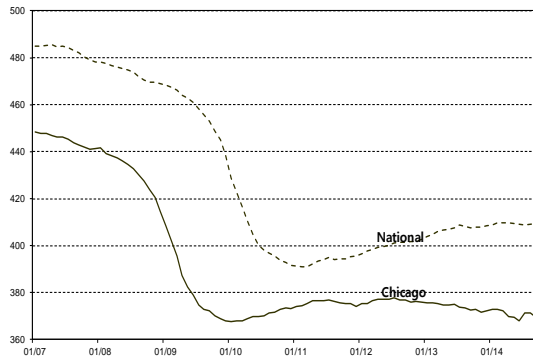
**Chicago Fed National Activity Index (CFNAI-MA3)**



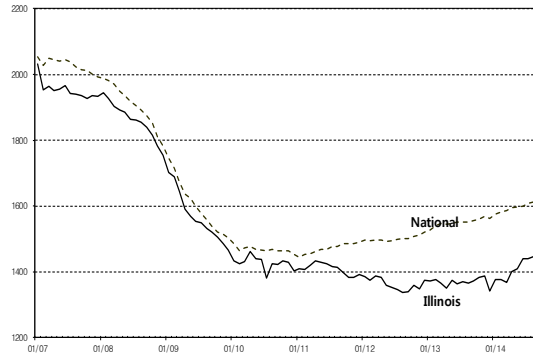
**Chicago & National Retail Sales**



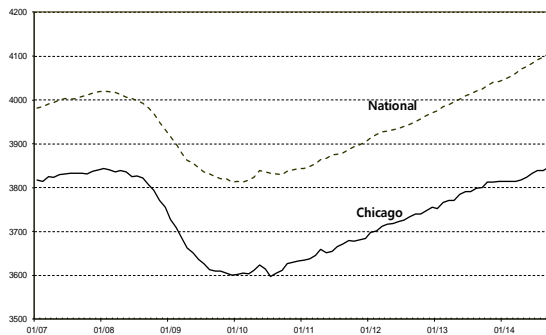
**Chicago & National Manufacturing Employment**



**Illinois & National Construction**



**Chicago & National Non-manufacturing Employment**



**Economic Activity: Summary**

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.44	0.30	0.07	-0.89	0.38	-0.51
NMfgn	2.00	0.53	0.19	1.24	0.38	0.22
Cons	4.00	1.10	0.31	5.66	0.71	0.25
Retail	4.21	0.44	-0.38	3.07	1.03	1.24

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 six-county Chicago region. 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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