

CHICAGO BUSINESS ACTIVITY INDEX – JANUARY 2015

CBAI increased in January

The Chicago Business Activity Index (CBAI) increased to 100.0 in January from 92.9 in December. The rise is attributed to positive job growth in the nonmanufacturing and construction sectors and to improved retail activities in the Chicago area.

In January, the national and regional economies shared mixed features. The Federal Reserve Board announced that the industrial production index decreased 0.3 percent in January after having declined 0.2 percent in December. Capacity utilization for the industrial sector fell 0.3 percentage points to 79.1 in January. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) edged up to +0.13 in January from -0.07 in December, led by a fall in employment- and production-related indicators. In the Chicago region, employment in nonmanufacturing and construction rose 0.21 percent and 0.54 percent, respectively, in January while manufacturing employment fell 0.24 percent. Retail sales are estimated to have increased 1.56 percent in January.

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 above its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 295,000 and the unemployment rate edged down to 5.5 percent in February. 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.

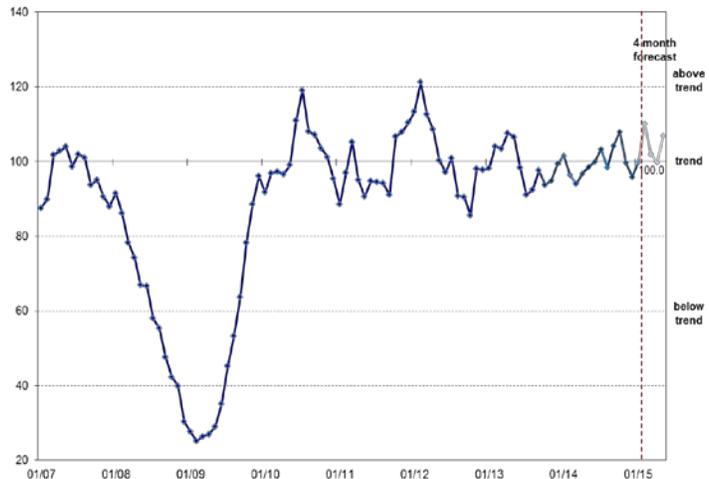
Chicago Business Activity Index

Release Date:
March 18, 2015

Next Release Date:
April 17, 2015

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CBAI (Current: 100.0)			
	1 month	3 month	1 year
Historical (ago)	92.9	107.9	101.6
Forecast (ahead)	110.1	99.9	-



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* National indicators are rescaled for comparison

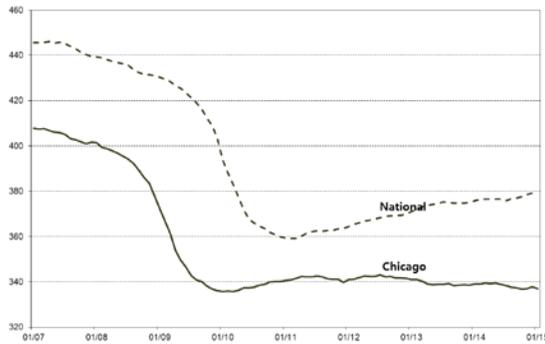
Chicago Fed National Activity Index (CFNAI-MA3)



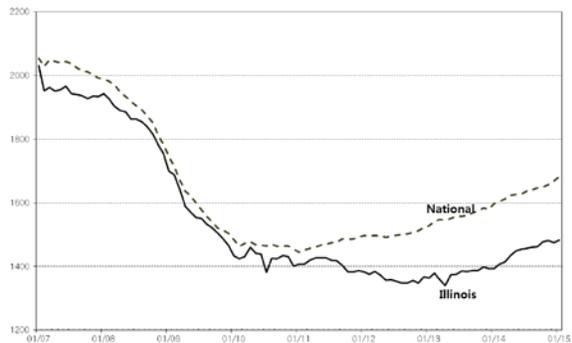
Chicago & National Retail Sales



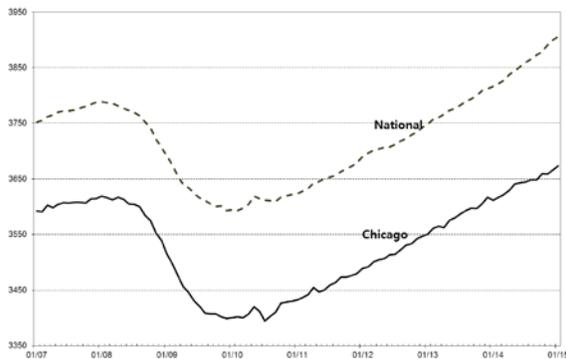
Chicago & National Manufacturing Employment



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	1.82	0.69	0.17	-0.61	0.09	-0.24
NMfgn	2.36	0.71	0.17	1.72	0.40	0.21
Cons	5.29	1.98	0.78	6.45	0.39	0.54
Retail	2.36	-1.65	-0.89	5.54	0.76	1.56

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 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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