

CHICAGO BUSINESS ACTIVITY INDEX – JULY 2015

CBAI increased in July

The Chicago Business Activity Index (CBAI) increased to 98.2 in July from 97.4 in June. The rise is attributed to the job growth in the manufacturing, nonmanufacturing and construction sectors in the Chicago area.

In July, the national and regional economies shared positive features. The Federal Reserve Board announced that the industrial production index increased 0.9 percent in July after having little changed in June. Capacity utilization for the industrial sector rose 0.6 percentage point in July to 78 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) rose to +0.34 in July from -0.07 in June, led by a rise in the production, consumption and housing-related indicators. In the Chicago region, employment in the manufacturing and nonmanufacturing sectors rose 0.15 percent and 0.18 percent, respectively, in July. Employment in the construction sector increased 0.09 percent in July. Retail sales are estimated to have declined 0.57 percent.

In the coming months, the national economy is likely to stay on the expansion phase. The economic growth reflected in the CFNAI-MA3 suggests that growth in national economic activity edged up to a neutral reading. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 173,000 and the unemployment rate edged down to 5.1 percent in August. 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.

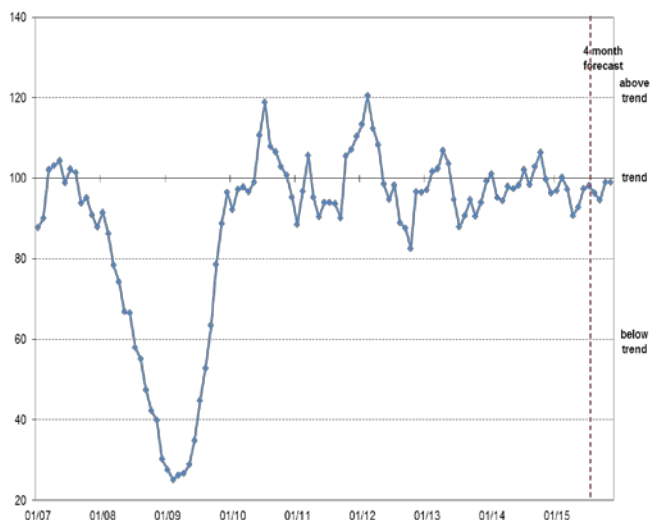
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September 18, 2015

Next Release Date:
October 16, 2015

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CBAI (Current: 98.2)			
	1 month	3 month	1 year
Historical (ago)	97.4	90.7	102.1
Forecast (ahead)	94.6	99.0	-

Chicago Business Activity Index



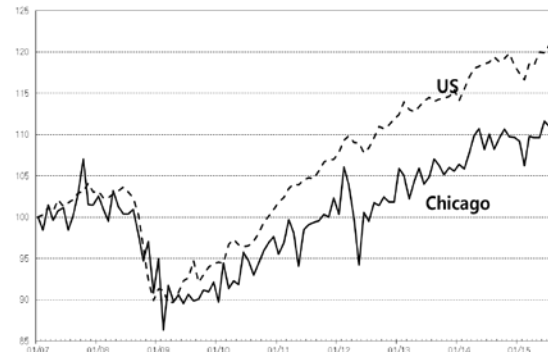
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* January 2007 = 100

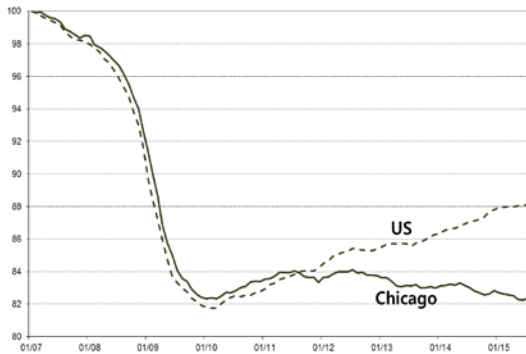
Chicago Fed National Activity Index (CFNAI-MA3)



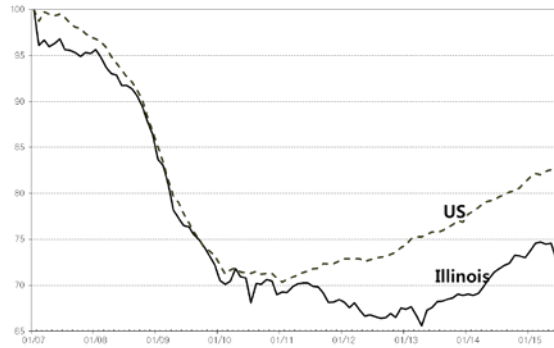
Retail Sales



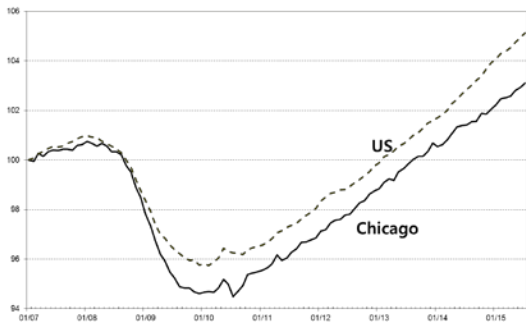
Manufacturing Employment



Construction



Non-manufacturing Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.27	0.15	0.10	-0.78	-0.18	0.15
NMfgn	2.21	0.57	0.18	1.67	0.51	0.18
Cons	3.79	0.31	0.11	5.10	0.60	0.09
Retail	1.73	1.98	0.76	0.85	1.24	-0.57

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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