

CHICAGO BUSINESS ACTIVITY INDEX – SEPTEMBER 2015

CBAI decreased in September

The Chicago Business Activity Index (CBAI) decreased to 96.1 in September from 99.3 in August. The fall is attributed to the negative job growth in the construction sector in the Chicago area.

In September, the national and regional economies shared negative features. The Federal Reserve Board announced that the industrial production index decreased 0.2 percent in September after having increased 0.1 percent in August. Capacity utilization for the industrial sector fell 0.3 percentage point in September to 77.7 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) fell to -0.37 in September from -0.39 in August, led by a fall in the employment and consumption-related indicators. In the Chicago region, employment in the manufacturing sector increased 0.19 percent in September. Employment in the nonmanufacturing sector was unchanged. Employment in the construction sector fell 0.43 percent in September. Retail sales are estimated to have declined 0.01 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 is slightly below its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment increased by 271,000 and the unemployment rate was unchanged at 5.0 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.

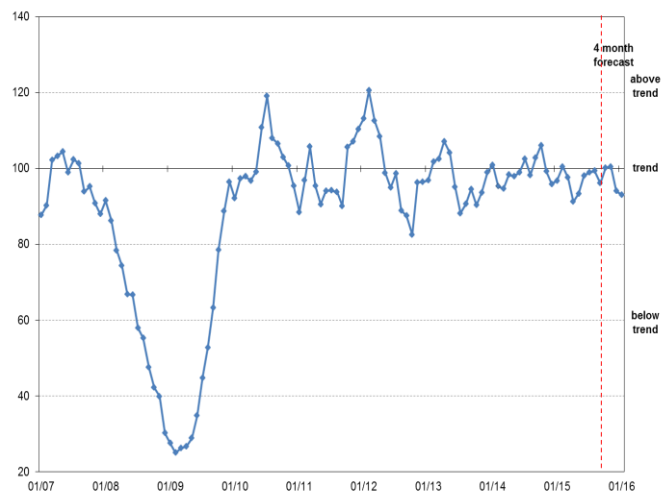
Release Date:
November 18, 2015

Next Release Date:
December 18, 2015

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|-----------------------------|---------|---------|--------|
| CBAI (Current: 96.1) | | | |
| | 1 month | 3 month | 1 year |
| Historical (ago) | 99.3 | 98.0 | 102.7 |
| Forecast (ahead) | 100.1 | 94.0 | - |

Chicago Business Activity Index

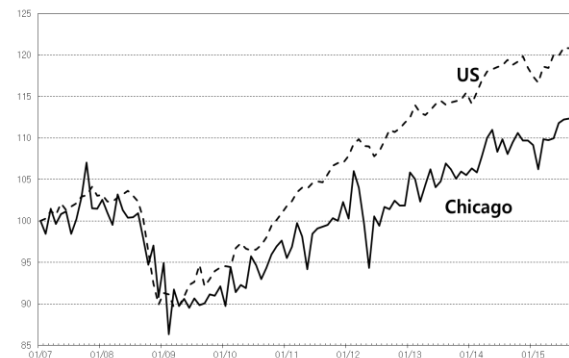


* January 2007 = 100

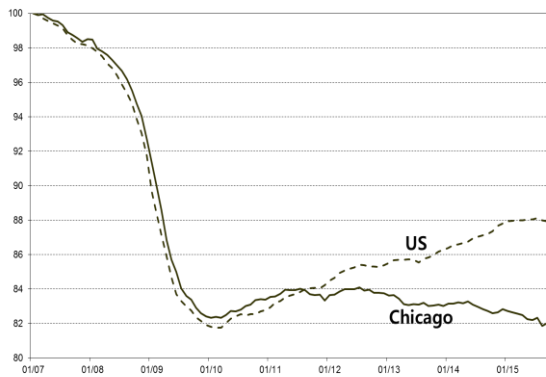
Chicago Fed National Activity Index (CFNAI-MA3)



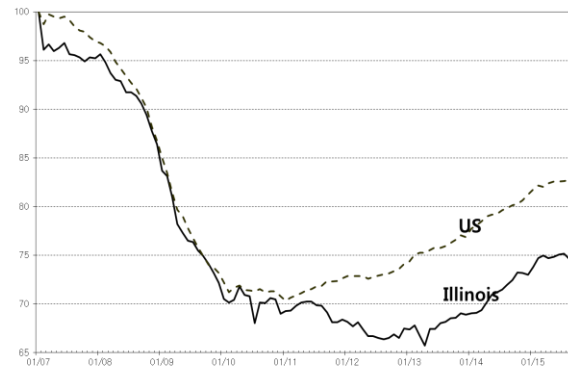
Retail Sales



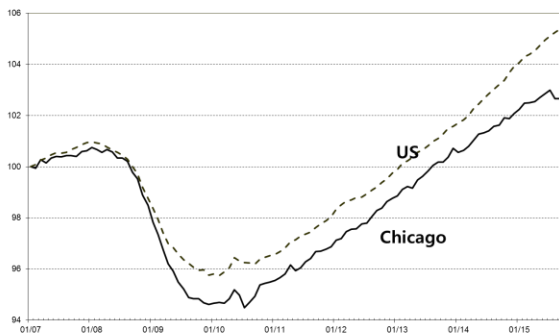
Manufacturing Employment



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 | 0.84 | -0.14 | -0.07 | -0.85 | -0.20 | 0.19 |
| NMfgn | 2.09 | 0.41 | 0.11 | 1.02 | -0.19 | 0.00 |
| Cons | 3.42 | 0.39 | 0.19 | 2.63 | -0.96 | -0.43 |
| Retail | 1.67 | 0.76 | 0.00 | 2.58 | 0.45 | 0.01 |

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.