

CHICAGO BUSINESS ACTIVITY INDEX – JANUARY 2017

CBAI decreased in NOVEMBER

The Chicago Business Activity Index (CBAI) decreased to 94.8 in November from 97.6 in October. The decrease is attributed to the negative job growth in the nonmanufacturing and construction sectors in the Chicago area.

In November, the national and regional economies presented mixed features. The Federal Reserve Board announced that the industrial production index declined 0.4 percent in November after edging up 0.1 percent in October. Capacity utilization for the industrial sector decreased 0.4 percentage point in November to 75.0 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to -0.27 in November from -0.05 in October. In the Chicago region, employment in the manufacturing sector increased 0.01 percent in November. Employment in the nonmanufacturing and the construction sector decreased 0.15 percent and 1.05 percent, respectively, in November. Retail sales are estimated to have increased 0.98 percent during the same period.

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 156,000 and the unemployment rate was little changed at 4.7 percent in December. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its expansion trend over the next several months.

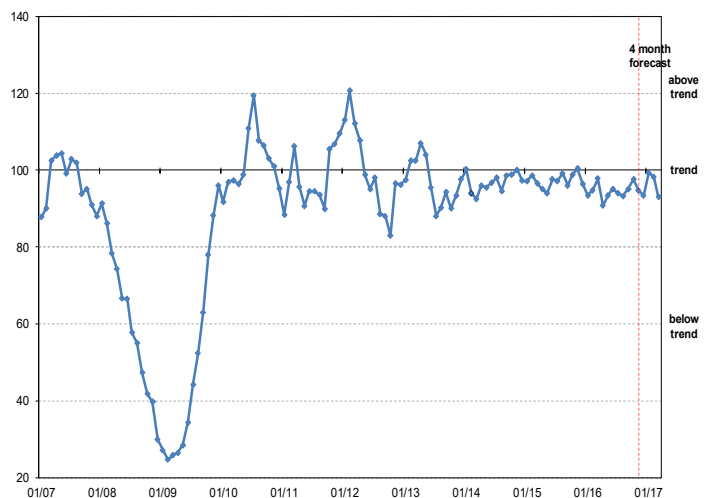
Chicago Business Activity Index

Release Date:
January 18, 2017

Next Release Date:
February 18, 2017

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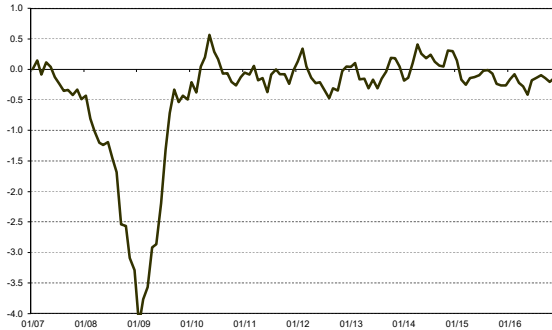
CBAI (Current: 94.8)			
	1 month	3 month	1 year
Historical (ago)	97.6	93.3	100.4
Forecast (ahead)	93.4	98.2	-



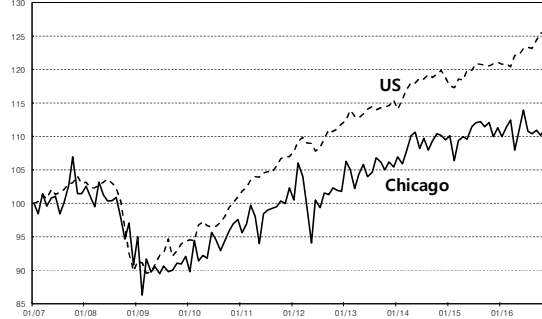
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* January 2007 = 100

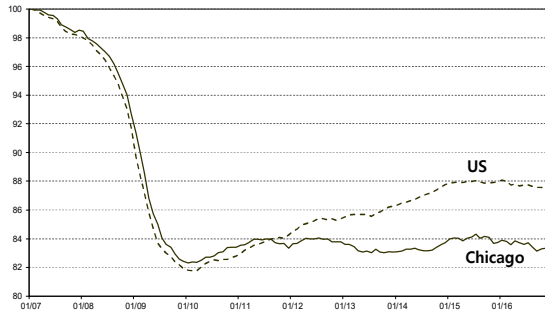
Chicago Fed National Activity Index (CFNAI-MA3)



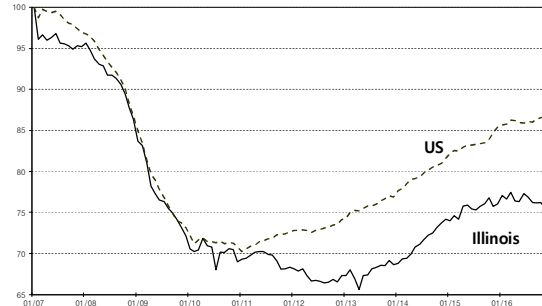
Retail Sales



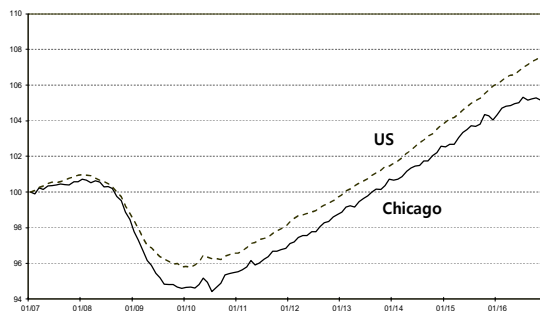
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-0.45	-0.14	-0.06	-0.42	-0.11	0.01
NMfgn	1.78	0.43	0.16	0.84	0.00	-0.15
Cons	2.34	0.86	0.25	-0.46	-1.05	-1.05
Retail	3.80	1.88	0.04	1.19	0.79	0.98

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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