

CHICAGO BUSINESS ACTIVITY INDEX – July 2017

CBAI increased in May

The Chicago Business Activity Index (CBAI) increased to 96.5 in May from 95.5 in April. The rise is attributed to the positive job growth in construction and nonmanufacturing, and to the improvement of retail activities in the Chicago area.

In May, the national and regional economies presented mixed features. The Federal Reserve Board announced that the industrial production was unchanged in May following a 1.1 percent increase in April. Capacity utilization for the industrial sector edged down 0.1 percentage point in May to 76.6 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved down to -0.26 in May from +0.57 in April. In the Chicago region, employment in the construction and the nonmanufacturing sector increased 3.05 percent and 0.08 percent, respectively, in May. Employment in the manufacturing sector decreased 0.21 percent in May. Retail sales are estimated to have increased 0.28 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 222,000 in June, and the unemployment rate was little changed at 4.4 percent. 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.

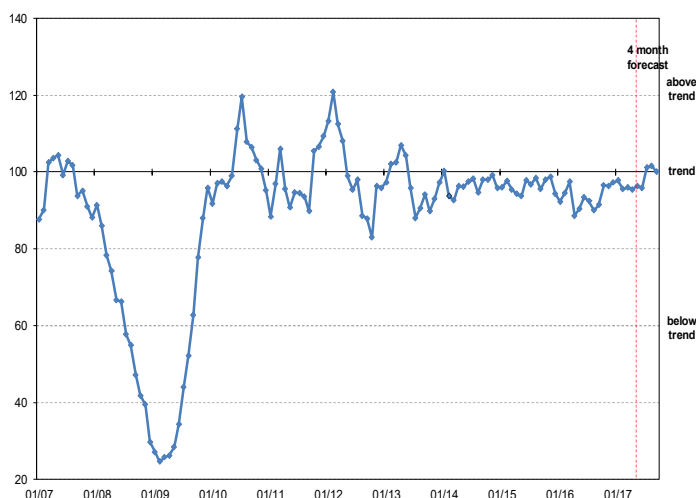
Chicago Business Activity Index

Release Date:
July 18, 2017

Next Release Date:
August 18, 2017

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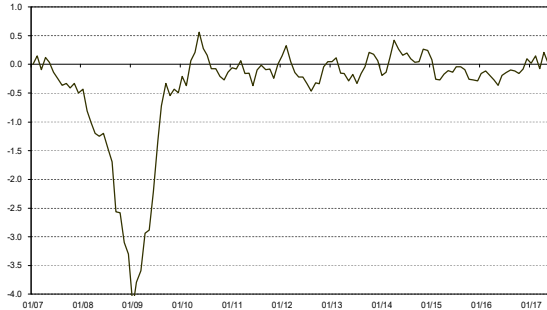
CBAI (Current: 96.5)			
	1 month	3 month	1 year
Historical (ago)	95.5	95.6	90.4
Forecast (ahead)	95.9	101.6	-



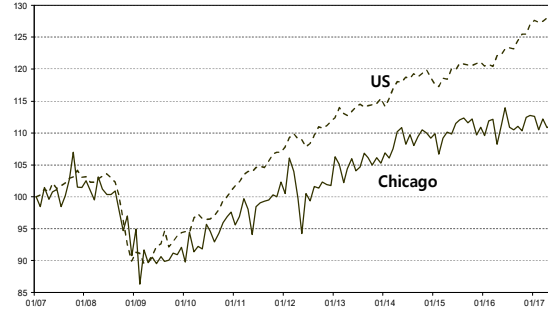
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* January 2007 = 100

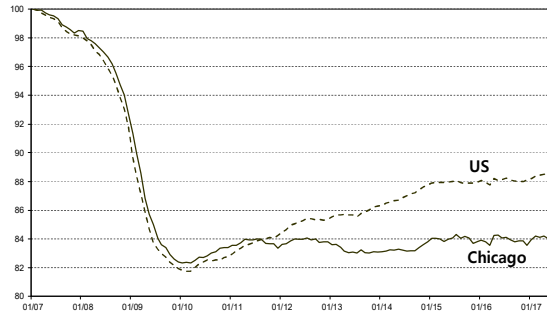
Chicago Fed National Activity Index(CFNAI-MA3)



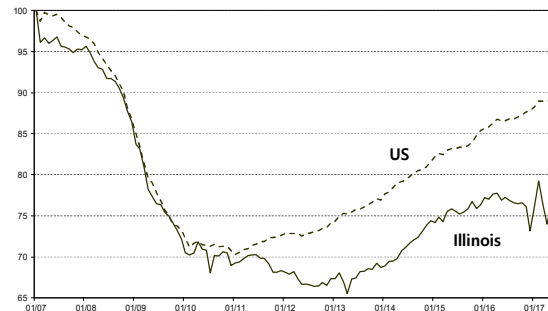
Retail Sales



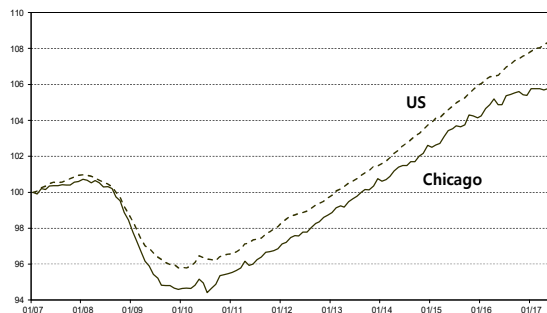
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	Percentage change compared to the previous period					
	National			Chicago		
	12	3	1	12	3	1
Mfgn	0.49	0.15	-0.02	-0.28	-0.22	-0.21
NMfgn	1.71	0.29	0.12	0.87	0.00	0.08
Cons	2.84	0.13	0.13	-0.84	-3.75	3.05
Retail	4.59	0.41	-0.12	-0.18	0.58	0.28

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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