

CHICAGO BUSINESS ACTIVITY INDEX – March 2018

CBAI increased in January

The Chicago Business Activity Index (CBAI) increased to 100.2 in January from 98.2 in December. The increase is mainly attributed to the positive manufacturing, nonmanufacturing, and construction job growth and an improvement in retail sales.

In January, the national and regional economies presented mixed features. The Federal Reserve Board announced that the industrial production edged down 0.1 percent in January following four consecutive monthly increases. Manufacturing production was unchanged in January. Capacity utilization for the industrial sector fell 0.2 percentage point in January to 77.5 percent, a rate that is 2.3 percentage points below its long-run (1972–2017) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) went down to +0.02 in January from +0.22 in December. In the Chicago region, employment in the manufacturing increased 0.11 percent and employment in the nonmanufacturing sector increased 0.04 percent in January. Employment in the construction sector increased 4.40 percent and retail sales are estimated to have increased 0.83 percent during the same period.

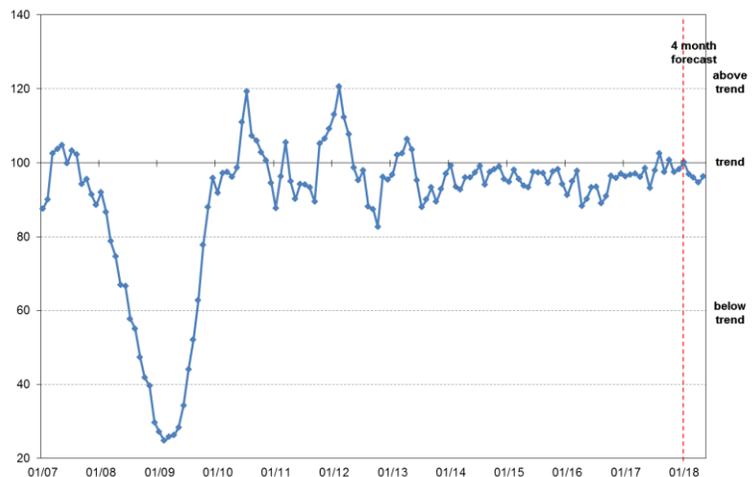
In the coming months, the national economy is likely to stay on the expansion phase. The economic growth reflected in the CFNAI-MA3 suggests that growth in national economic activity is above its historical trend. Total nonfarm payroll employment increased by 313,000 in February, and the unemployment rate was unchanged at 4.1 percent. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to slow down its expansion trend over the next several months.

Chicago Business Activity Index

Release Date:
March 18, 2017

Next Release Date:
April 18, 2018

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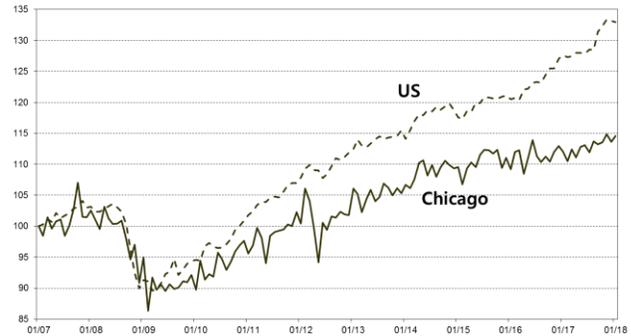
CBAI (Current: 100.2)			
	1 month	3 month	1 year
Historical (ago)	98.2	100.8	96.4
Forecast (ahead)	97.0	94.7	-

* January 2007 = 100

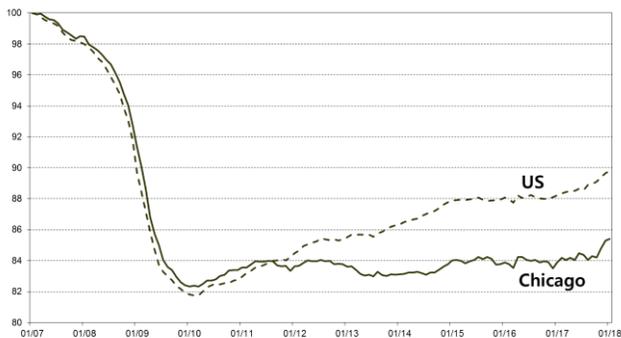
Chicago Fed National Activity Index(CFNAI-MA3)



Retail Sales



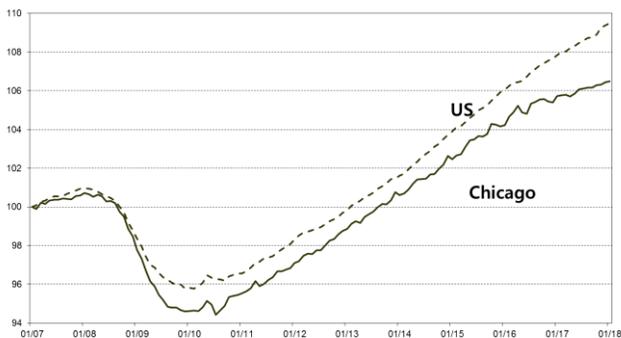
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.80	0.76	0.16	1.79	1.43	0.11
NMfgn	1.53	0.54	0.10	0.71	0.18	0.04
Cons	3.48	1.77	0.57	7.12	4.97	4.40
Retail	4.21	0.49	-0.14	2.28	0.91	0.83

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.