

CHICAGO BUSINESS ACTIVITY INDEX – November 2018

CBAI decreased in September

The Chicago Business Activity Index (CBAI) decreased to 100.9 in September from 103.1 in August. The decrease is mainly attributed to negative non-manufacturing job growth and a decline in nationwide economic activities measured by the Chicago Fed National Activity Index (CFNAI)..

In September, the national and regional economies presented mixed features. The Federal Reserve Board announced industrial production increased 0.3 percent in September, about the same rate of change as in the previous two months. Manufacturing output moved up 0.2 percent for its fourth consecutive monthly increase. Capacity utilization for the industrial sector was unchanged at 78.1 percent, a rate that is 1.7 percentage points below its long-run (1972–2017) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved down to +0.21 in September from +0.27 in August. In the Chicago region, employment in the manufacturing increased 0.56 percent and employment in the nonmanufacturing sector decreased 0.04 percent in September. Employment in the construction sector increased 0.35 percent and retail sales are estimated to have increased 0.19 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 rose by 250,000 in October, and the unemployment rate was unchanged at 3.7 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.

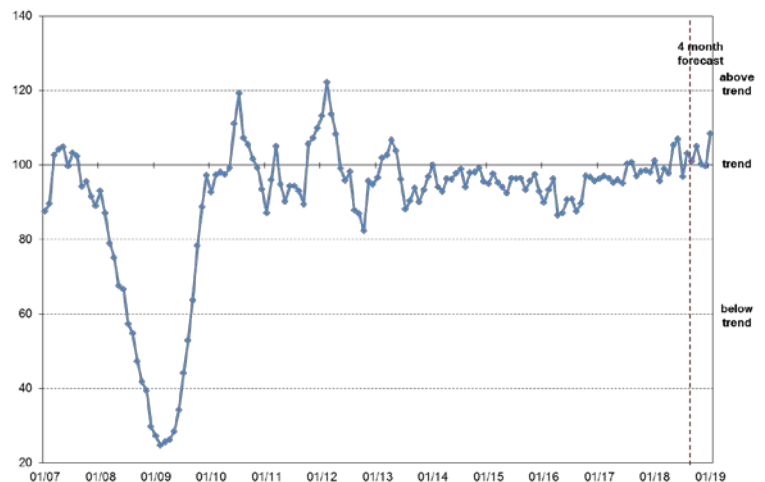
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CBAI (Current:100.9)			
	1 month	3 month	1 year
Historical (ago)	103.1	106.9	96.9
Forecast (ahead)	105.0	99.7	-

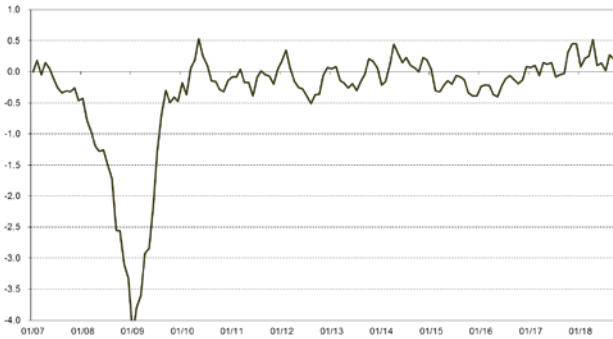
Chicago Business Activity Index



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* January 2007 = 100

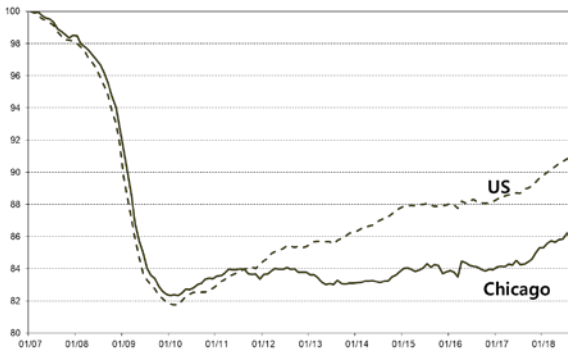
Chicago Fed National Activity Index(CFNAI-MA3)



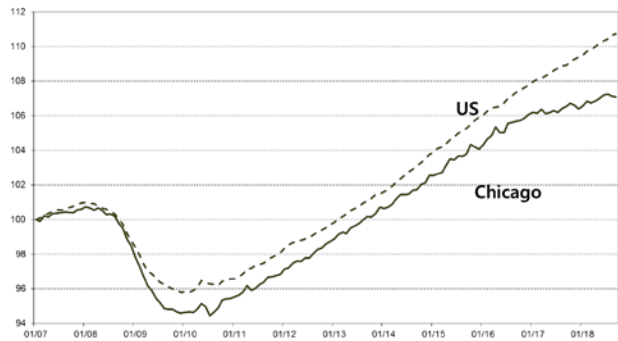
Retail Sales



Manufacturing Employment



Non-manufacturing Employment



Construction Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	2.28	0.40	0.14	2.41	0.67	0.56
NMfgn	1.68	0.38	0.07	0.51	-0.09	-0.04
Cons	4.55	0.97	0.28	3.38	-0.25	0.35
Retail	4.40	0.92	0.37	4.49	0.72	0.19

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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For more information, please contact:
 Haozhi Pan, Post-doctoral Researcher
hpan8@illinois.edu

University of Illinois at Urbana-Champaign
 67 Mumford Hall, 1301 West Gregory Drive
 Urbana, IL 61801; www.real.illinois.edu