

CHICAGO BUSINESS ACTIVITY INDEX – December 2018

CBAI increased in October

The Chicago Business Activity Index (CBAI) increased to 103.3 in October from 98.4 in September. The increase is mainly attributed to positive non-manufacturing, manufacturing, and construction job growth, an improvement in retail sales, and a increase in nationwide economic activities measured by the Chicago Fed National Activity Index (CFNAI)..

In October, the national and regional economies presented positive features. The Federal Reserve Board announced industrial production edged up 0.1 percent in October, as a gain for manufacturing outweighed decreases elsewhere. In October, manufacturing output rose 0.3 percent for its fifth consecutive monthly increase. Capacity utilization for the industrial sector was 78.4 percent, a rate that is 1.4 percentage points below its long-run (1972–2017) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to +0.24 in October from +0.14 in September. In the Chicago region, employment in the manufacturing increased 0.20 percent and employment in the nonmanufacturing sector decreased 0.47 percent in October. Employment in the construction sector increased 1.09 percent and retail sales are estimated to have increased 1.37 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 155,000 in November, and the unemployment rate remained 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.

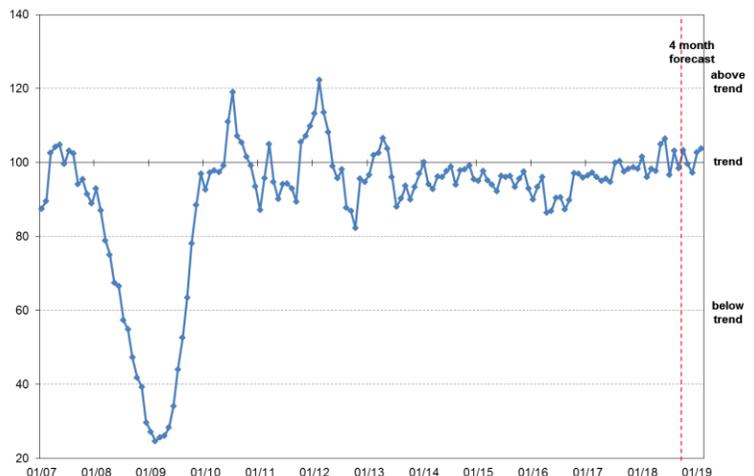
Chicago Business Activity Index

Release Date:
December 18, 2018

Next Release Date:
January 18, 2019

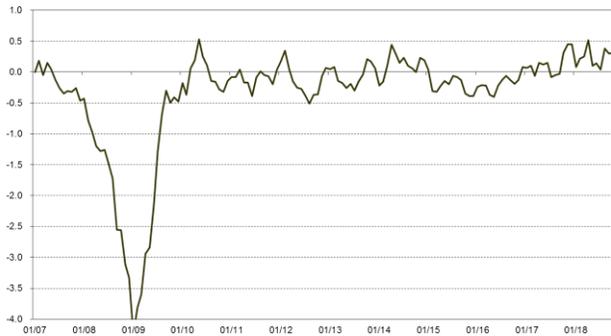
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CBAI (Current:103.3)			
	1 month	3 month	1 year
Historical (ago)	98.4	96.6	98.2
Forecast (ahead)	99.6	102.7	-



* January 2007 = 100

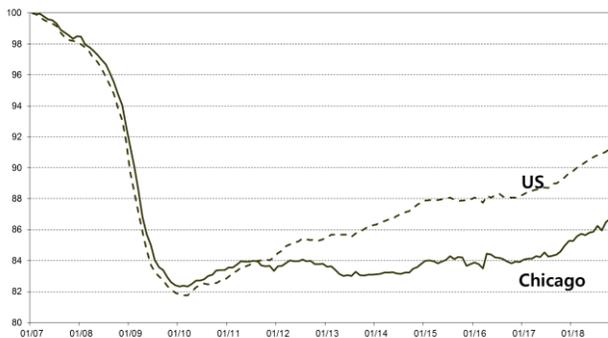
Chicago Fed National Activity Index(CFNAI-MA3)



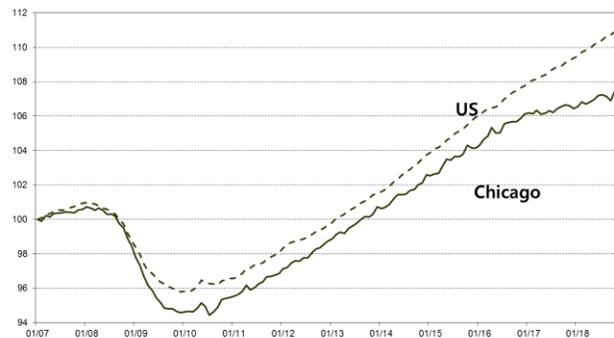
Retail Sales



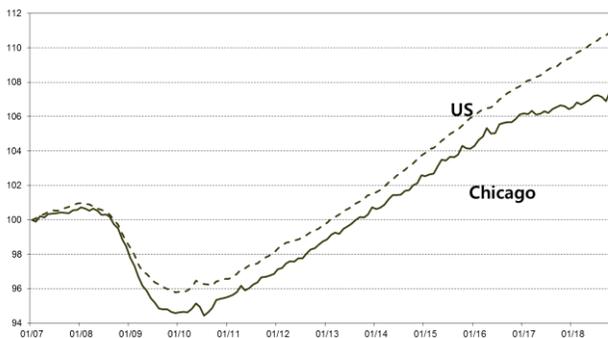
Manufacturing Employment



Non-manufacturing 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	2.33	0.44	0.20	2.47	0.51	0.20
NMfgn	1.64	0.43	0.15	0.71	0.14	0.47
Cons	4.56	1.23	0.33	4.25	0.36	1.09
Retail	4.47	1.07	1.17	2.95	0.49	1.37

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.