

CHICAGO BUSINESS ACTIVITY INDEX – January 2019

CBAI decreased in November

The Chicago Business Activity Index (CBAI) decreased to 98.9 in November from 104.0 in October. The increase is mainly attributed to negative manufacturing, and construction job growth and a decline in retail sales.

In November, the national and regional economies presented positive features. The Federal Reserve Board announced industrial production rose 0.6 percent in November after moving down 0.2 percent in October; the index for October was previously reported to have edged up 0.1 percent. In November, manufacturing production was unchanged. Capacity utilization for the industrial sector rose 0.4 percentage point in November to 78.5 percent, a rate that is 1.3 percentage points below its long-run (1972–2017) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to +0.22 in November from 0.00 in October. In the Chicago region, employment in the manufacturing decreased 0.02 percent and employment in the nonmanufacturing sector increased 0.10 percent in November. Employment in the construction sector decreased 0.58 percent and retail sales are estimated to have decreased 0.73 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 312,000 in December, and the unemployment rate rose to 3.9 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.

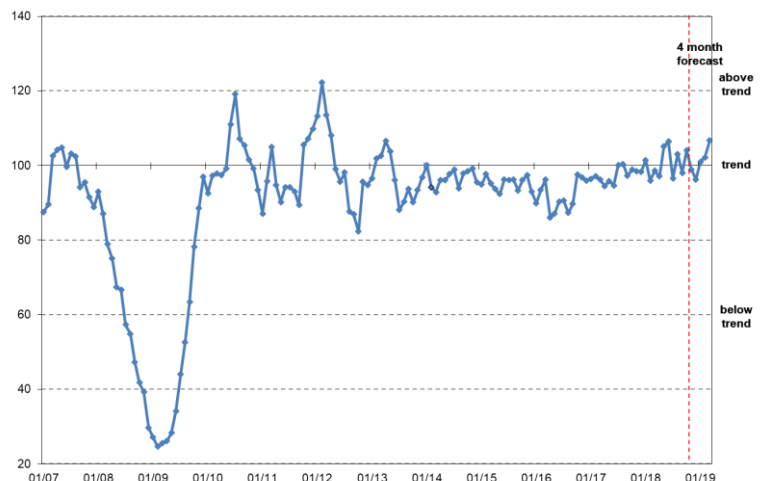
Chicago Business Activity Index

Release Date:
January 18, 2019

Next Release Date:
February 18, 2019

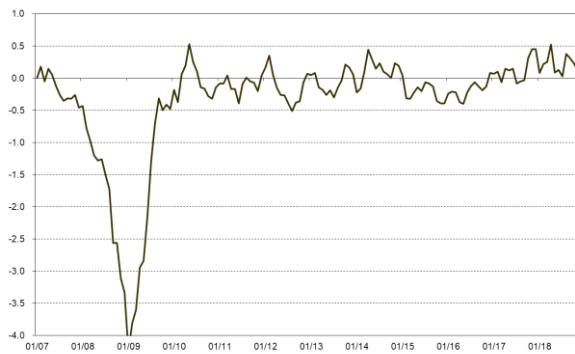
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CBAI (Current:98.9)			
	1 month	3 month	1 year
Historical (ago)	104.0	103.1	98.5
Forecast (ahead)	96.3	102.2	-

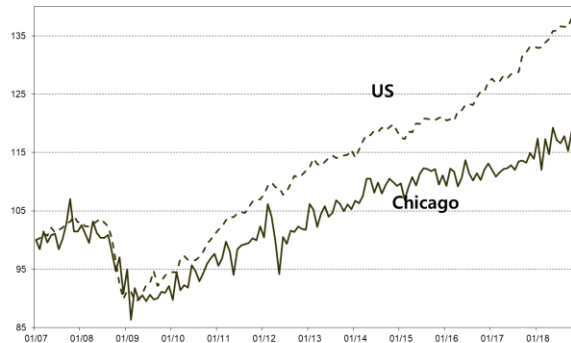


* January 2007 = 100

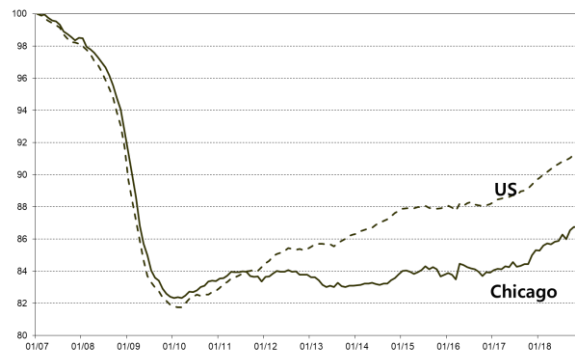
Chicago Fed National Activity Index(CFNAI-MA3)



Retail Sales



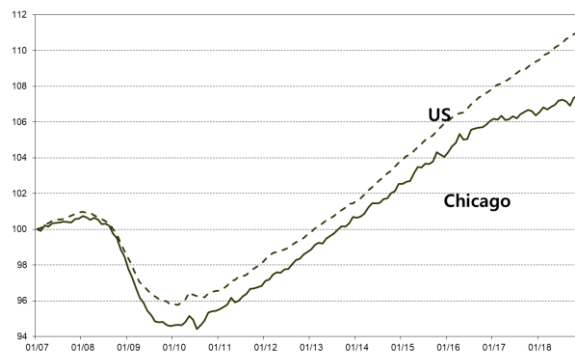
Manufacturing Employment



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	2.32	0.59	0.21	2.05	0.87	-0.02
NMfgn	1.64	0.36	0.11	0.82	0.29	0.10
Cons	4.04	0.63	0.00	2.01	0.42	-0.58
Retail	4.04	1.47	0.33	2.55	0.01	-0.73

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.