

CHICAGO BUSINESS ACTIVITY INDEX – April 2019

CBAI increased in February

The Chicago Business Activity Index (CBAI) increased to 98.1 in February from 95.2 in January. The increase is mainly attributed to positive manufacturing job growth and an improvement in retail sales.

In February, the national and regional economies presented mixed features. The Federal Reserve Board announced industrial production edged up 0.1 percent in February after decreasing 0.4 percent in January. At 109.7 percent of its 2012 average, total industrial production was 3.5 percent higher in February than it was a year earlier. Capacity utilization for the industrial sector edged down 0.1 percentage point in February to 78.2 percent, a rate that is 1.6 percentage points below its long-run (1972–2018) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved down to -0.29 in February from -0.25 in January. In the Chicago region, employment in the manufacturing increased 0.07 percent and employment in the nonmanufacturing sector decreased 0.21 percent in February. Employment in the construction sector decreased 1.97 percent and retail sales are estimated to have increased 3.01 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 below its historical trend. Total nonfarm payroll employment increased by 196,000 in March, and the unemployment rate was unchanged at 3.8 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.

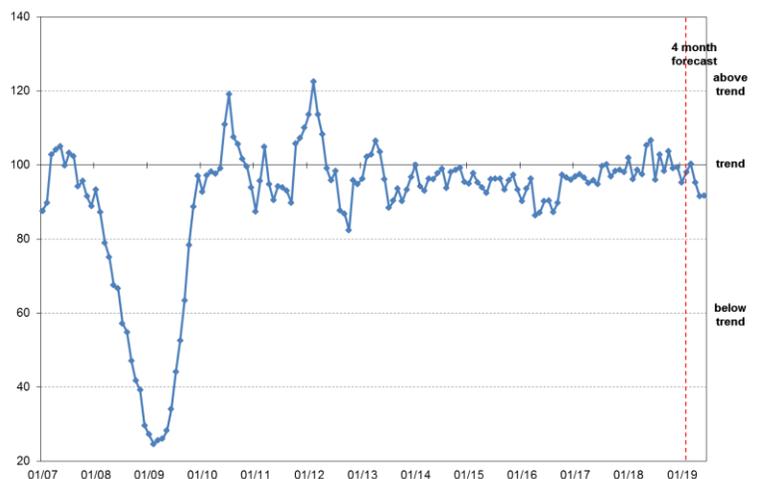
Chicago Business Activity Index

Release Date:
April 18, 2019

Next Release Date:
May 18, 2019

Visit our web-site at www.real.illinois.edu

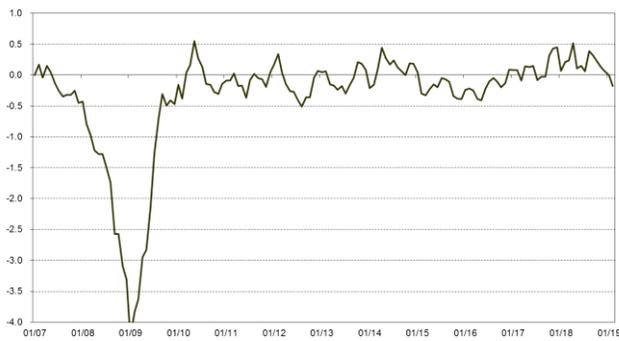
CBAI (Current: 98.1)			
	1 month	3 month	1 year
Historical (ago)	95.2	99.0	96.2
Forecast (ahead)	100.3	91.5	-



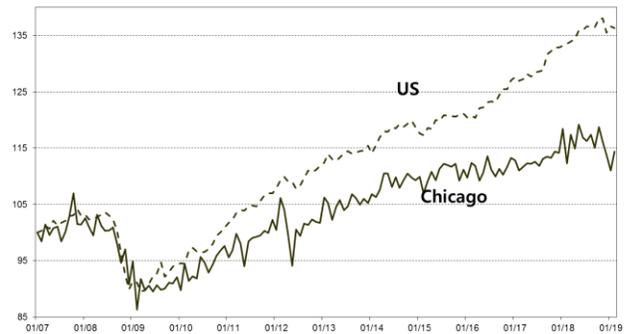
REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

* January 2007 = 100

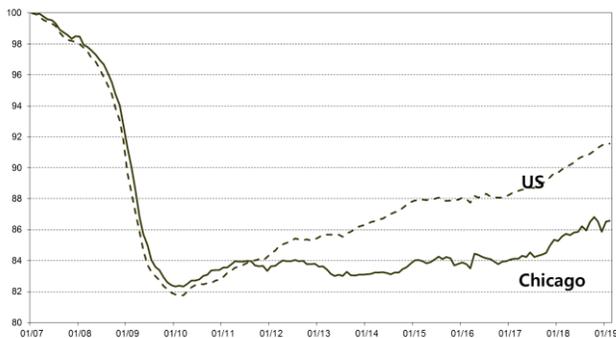
Chicago Fed National Activity Index(CFNAI-MA3)



Retail Sales



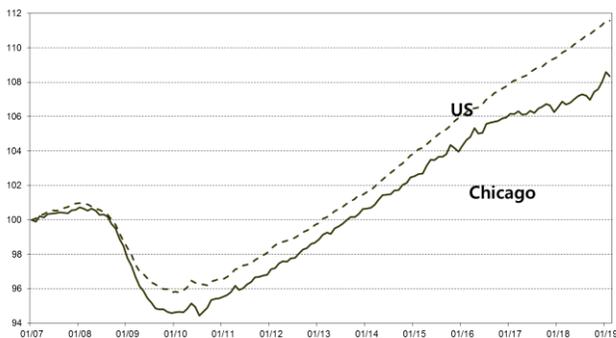
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.87	0.30	0.01	1.18	0.06	0.07
NMfgn	1.69	0.39	0.02	1.38	0.72	-0.21
Cons	3.22	0.64	-0.34	-1.00	-0.42	-1.97
Retail	2.07	-1.24	-0.23	1.86	-1.53	3.01

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.

REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

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