

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI decreased in July**

The Chicago Business Activity Index (CBAI) decreased to 102.2 in July from 106.9 in June. The fall is attributed to a decrease in job growth in construction in the Chicago area.

In July, the national and regional economies shared mixed features. The Federal Reserve Board announced that the industrial production index increased 0.4 percent in July after having increased 0.4 percent in June. Capacity utilization for the industrial sector edged up 0.1 percentage point to 79.2 in July. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) increased to +0.39 in July from +0.21 in June, led by a rise in production, employment and sales. In the Chicago region, the employment in manufacturing and nonmanufacturing rose 0.92 percent and 0.11 percent in July, respectively. Construction employment decreased 0.14 percent in July. Retail sales are estimated to have risen 1.40 percent in July.

In the coming months, the national economy is likely to stay on the path to recovery. The economic growth reflected in the CFNAI-MA3 suggests that national economic activity was slightly above its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 142,000 in August, and the unemployment rate was little changed at 6.1 percent. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its recovery trend over the next several months.

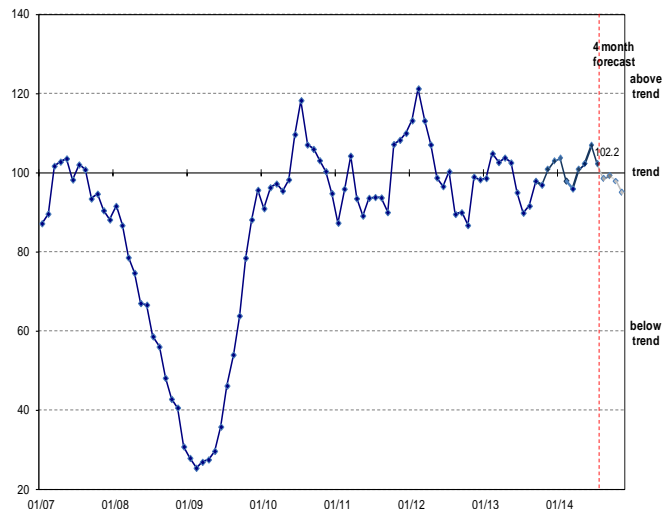
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*Next Release Date:*  
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<b>CBAI</b> (Current: 102.2)			
	1 month	3 month	1 year
Historical (ago)	106.9	100.7	89.9
Forecast (ahead)	98.4	97.9	110.3

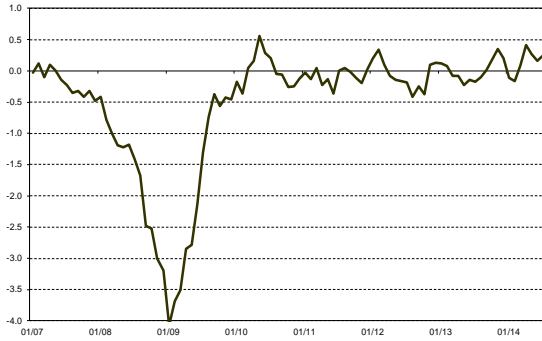
**Chicago Business Activity Index**



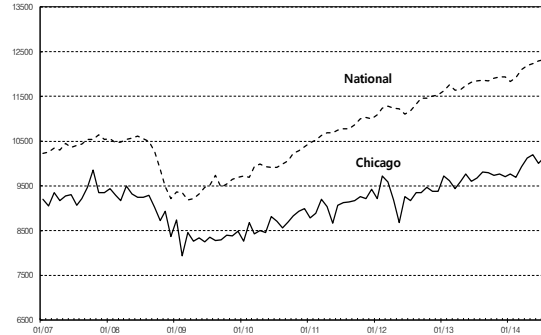
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\* National indicators are rescaled for comparison

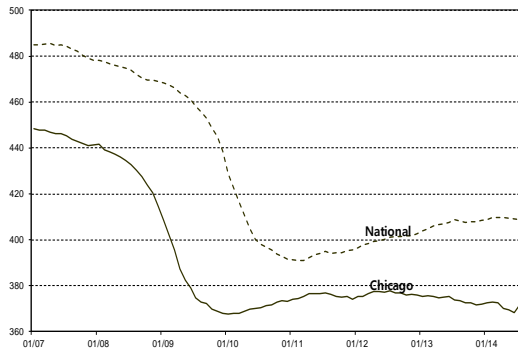
**Chicago Fed National Activity Index (CFNAI-MA3)**



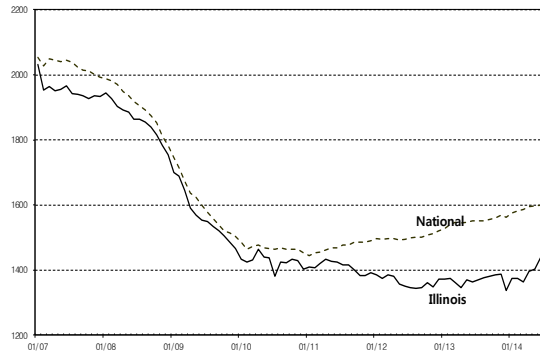
**Chicago & National Retail Sales**



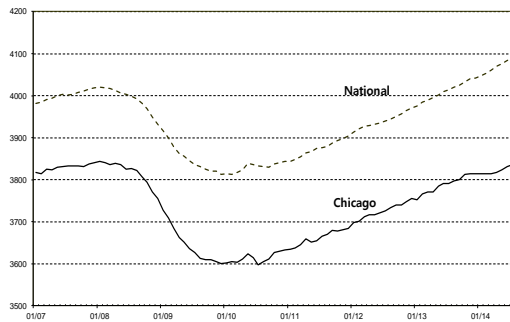
**Chicago & National Manufacturing Employment**



**Illinois & National Construction**



**Chicago & National Non-manufacturing Employment**



**Economic Activity: Summary**

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.47	0.53	0.23	-0.59	0.45	0.92
NMfgn	1.90	0.51	0.15	1.20	0.51	0.11
Cons	3.74	0.80	0.52	4.82	2.90	-0.14
Retail	4.00	1.09	0.33	4.81	0.22	1.40

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 six-county Chicago region. 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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