

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI decreased in October**

The Chicago Business Activity Index (CBAI) decreased to 101.4 in October from 103.5 in September. The fall is attributed to negative job growth in the manufacturing sector in the Chicago area.

In October, the national and regional economies shared mixed features. The Federal Reserve Board announced that the industrial production index increased 0.1 percent in October after having increased 0.9 percent in September. Capacity utilization for the industrial sector fell 0.2 percentage point to 79.3 in October. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) fell to +0.14 in October from +0.29 in September, led by a decline in production- and consumption-related indicators. In the Chicago region, the employment in manufacturing fell 0.1 percent in October. The employment in nonmanufacturing and construction increased 0.13 percent and 2.0 percent, respectively. Retail sales are estimated to have been unchanged in October.

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 near its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 321,000 and the unemployment rate was unchanged at 5.8 percent in November. 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.

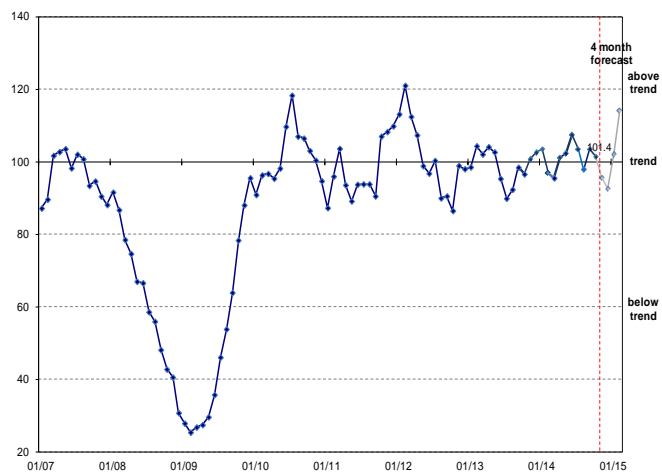
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December 18, 2014

*Next Release Date:*  
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<b>CBAI</b> (Current: 101.4)			
	1 month	3 month	1 year
Historical (ago)	103.5	103.5	96.6
Forecast (ahead)	95.6	102.0	108.4

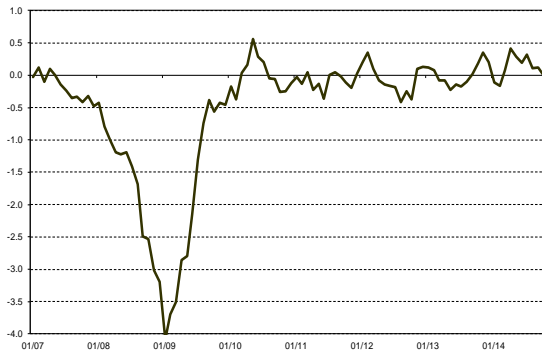
**Chicago Business Activity Index**



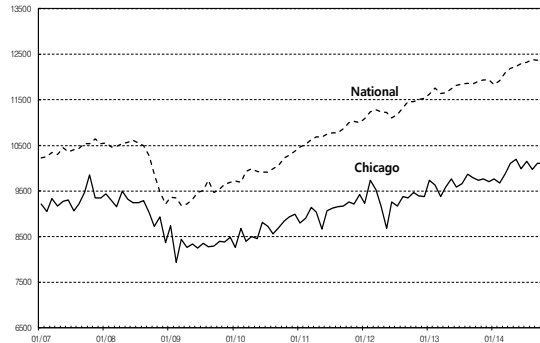
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\* National indicators are rescaled for comparison

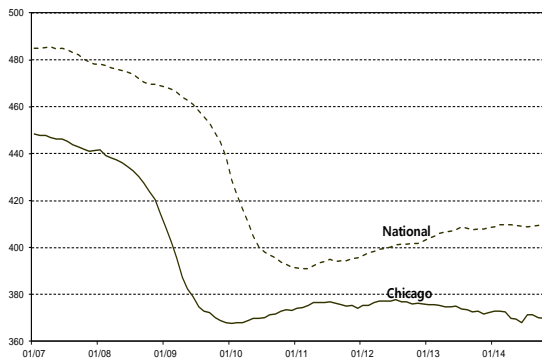
**Chicago Fed National Activity Index (CFNAI-MA3)**



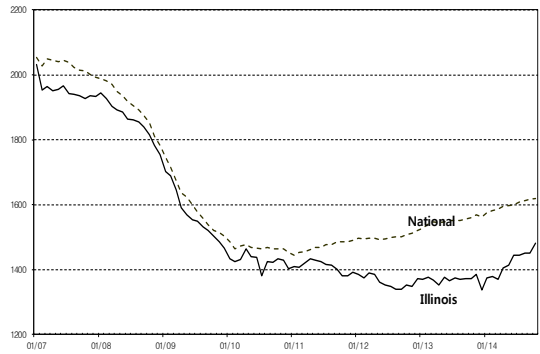
**Chicago & National Retail Sales**



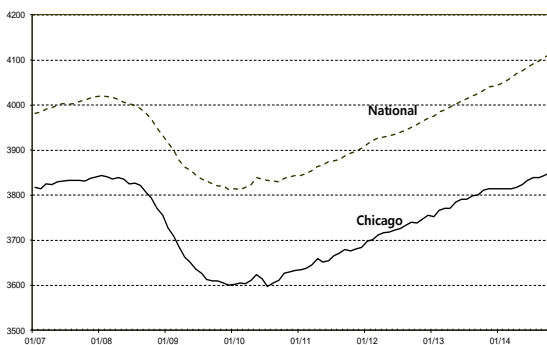
**Chicago & National Manufacturing Employment**



**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	1.48	0.29	0.16	-0.81	-0.41	-0.10
NMfgn	2.01	0.54	0.18	1.00	0.28	0.13
Cons	3.84	0.69	0.12	7.92	2.46	2.00
Retail	4.26	0.77	0.40	3.78	-0.47	0.01

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 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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