

CHICAGO BUSINESS ACTIVITY INDEX – FEBRUARY 2015

CBAI increased in February

The Chicago Business Activity Index (CBAI) increased to 101.1 in February from 97.1 in January. The rise is attributed to positive job growth in the construction and nonmanufacturing sectors and to improvement in retail activities in the Chicago area.

In February, the national and regional economies shared mixed features. The Federal Reserve Board announced that the industrial production index increased 0.1 percent in February after having fallen 1.1 percent in January. Capacity utilization for the industrial sector fell 0.1 percentage points to 79.0 in February. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) edged lower to -0.11 in February from -0.10 in January, led by a fall in production- and consumption-related indicators. In the Chicago region, manufacturing employment fell 0.08 percent in February. Employment in the nonmanufacturing and construction sectors rose 0.22 percent and 1.27 percent, respectively, in February. Retail sales are estimated to have increased 1.09 percent.

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 decreased to a neutral reading in February. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 126,000 and the unemployment rate was unchanged to 5.5 percent in March. 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.

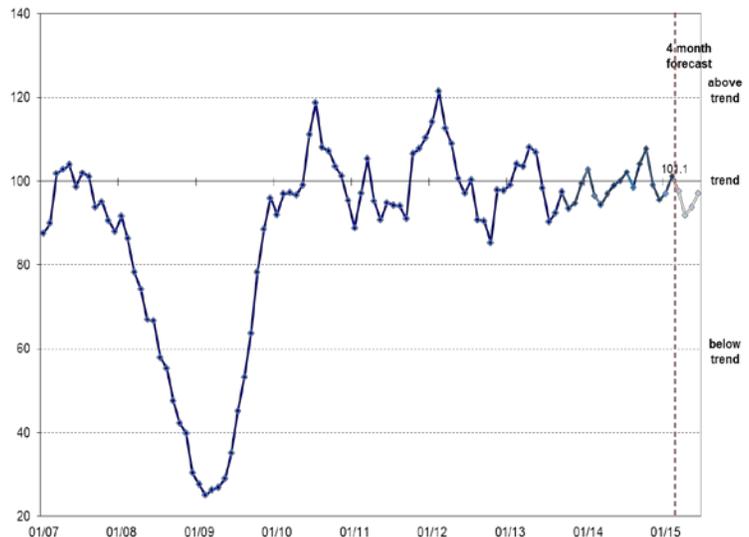
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CBAI (Current: 101.1)			
	1 month	3 month	1 year
Historical (ago)	97.1	99.2	96.6
Forecast (ahead)	97.7	93.8	-

Chicago Business Activity Index



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* National indicators are rescaled for comparison

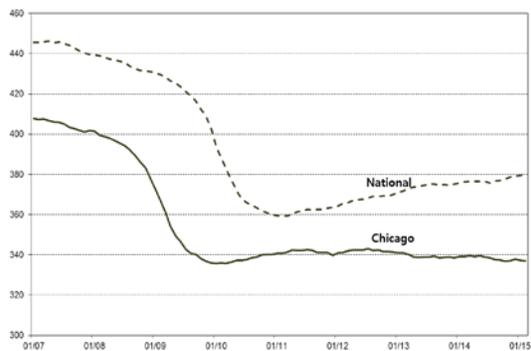
Chicago Fed National Activity Index (CFNAI-MA3)



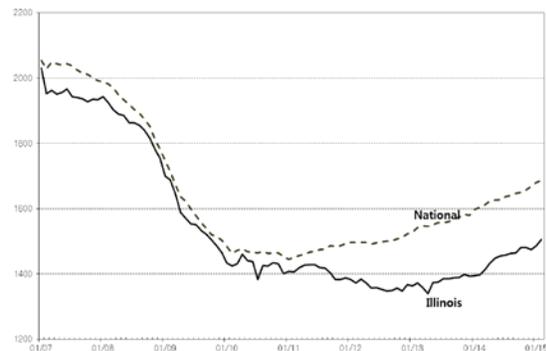
Chicago & National Retail Sales



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	1.63	0.31	0.02	-0.60	-0.01	-0.08
NMfgn	2.41	0.59	0.20	1.80	0.61	0.22
Cons	5.19	1.83	0.46	7.79	1.65	1.27
Retail	1.07	-2.57	-0.55	5.71	1.05	1.09

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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