

CHICAGO BUSINESS ACTIVITY INDEX – MARCH 2015

CBAI decreased in March

The Chicago Business Activity Index (CBAI) decreased to 96.3 in March from 101.6 in February. The fall is attributed to negative job growth in the manufacturing sector in the Chicago area.

In March, the national and regional economies shared negative features. The Federal Reserve Board announced that the industrial production index decreased 0.6 percent in March after having risen 0.1 percent in February. Capacity utilization for the industrial sector fell 0.6 percentage points to 78.4 in March. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved down to -0.42 in March from -0.18 in February, led by a fall in production-, employment- and housing-related indicators. In the Chicago region, manufacturing employment fell 0.14 percent in March. Employment in the nonmanufacturing and construction sectors rose 0.02 percent and 1.54 percent, respectively, in March. Retail sales are estimated to have increased 1.91 percent.

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 was somewhat below its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 223,000 and the unemployment rate was unchanged to 5.4 percent in April. 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.

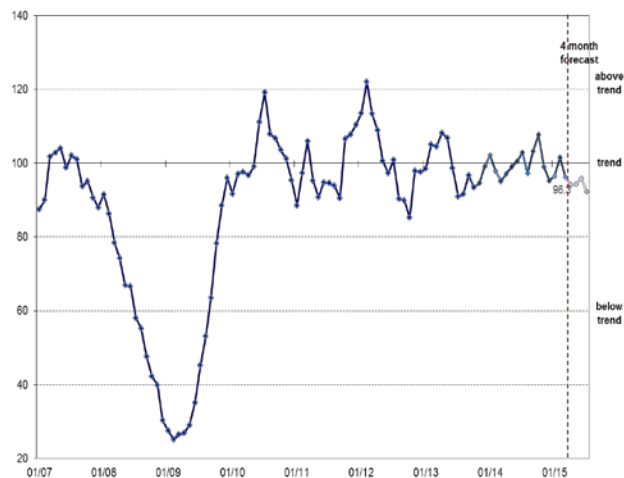
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CBAI (Current: 101.1)			
	1 month	3 month	1 year
Historical (ago)	101.6	95.2	95.2
Forecast (ahead)	94.1	95.9	-

Chicago Business Activity Index



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* National indicators are rescaled for comparison

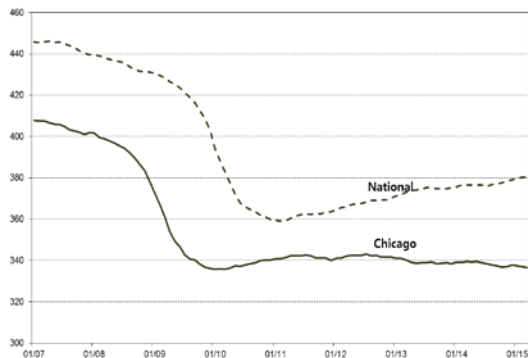
Chicago Fed National Activity Index (CFNAI-MA3)



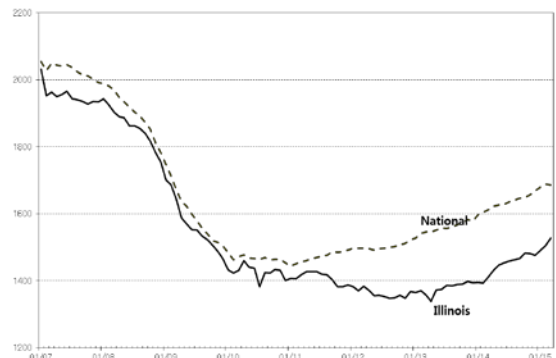
Chicago & National Retail Sales



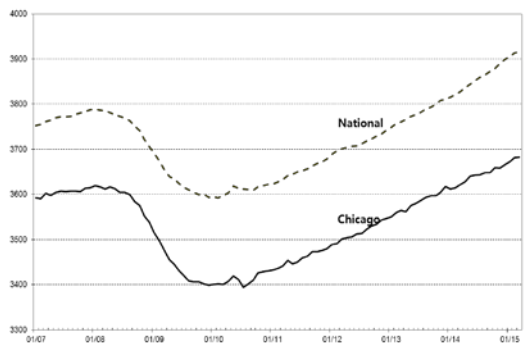
Chicago & National Manufacturing Employment



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	1.57	0.16	0.00	-0.86	-0.40	-0.14
NMfgn	2.30	0.41	0.07	1.67	0.44	0.02
Cons	4.55	1.00	-0.14	8.25	3.49	1.54
Retail	0.92	-0.34	1.16	0.78	-0.61	1.91

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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