

CHICAGO BUSINESS ACTIVITY INDEX – MARCH 2016

CBAI increased in March

The Chicago Business Activity Index (CBAI) increased to 97.2 in March from 94.7 in February. The increase is attributed to the job growth in the nonmanufacturing and construction sectors and to the improved retail activities in the Chicago area.

In March, the national and regional economies shared mixed features. The Federal Reserve Board announced that the industrial production index decreased 0.6 percent in March to 103.4 after having fallen 0.6 percent in February. Capacity utilization for the industrial sector fell 0.6 percentage point in March to 74.8 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) edged down to -0.44 in March from -0.38 in February. In the Chicago region, employment in the nonmanufacturing and construction sectors rose 0.19 percent and 1.96 percent, respectively, in March. Employment in the manufacturing sector decreased 0.19 percent in March. Retail sales are estimated to have increased 0.06 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 slightly below its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment increased by 160,000 and the unemployment rate was little unchanged at 5.0 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.

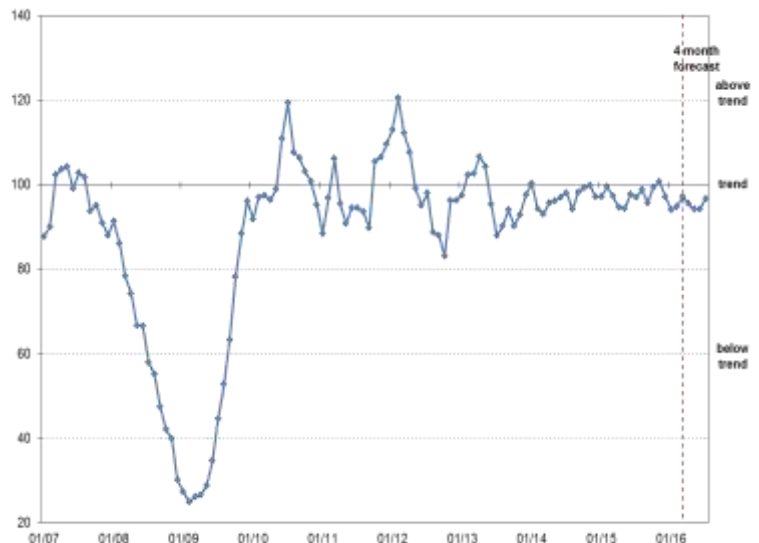
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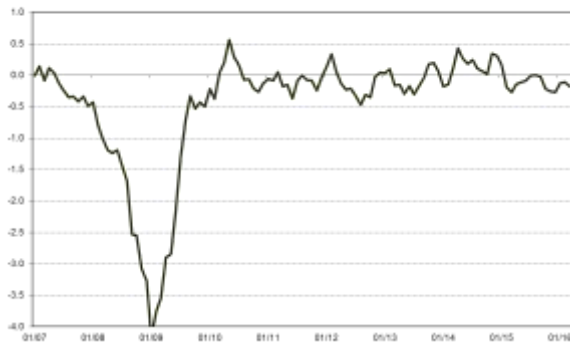
CBAI (Current: 97.2)			
	1 month	3 month	1 year
Historical (ago)	94.7	97.1	97.2
Forecast (ahead)	95.5	94.2	-

Chicago Business Activity Index



* January 2007 = 100

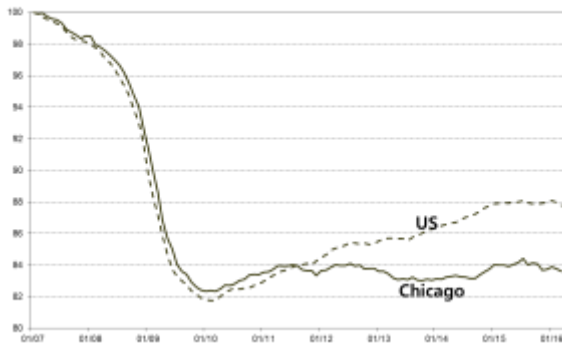
Chicago Fed National Activity Index (CFNAI-MA3)



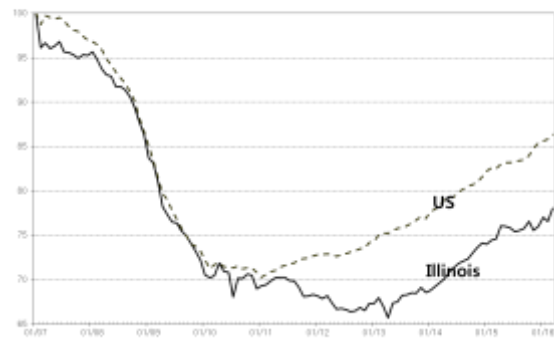
Retail Sales



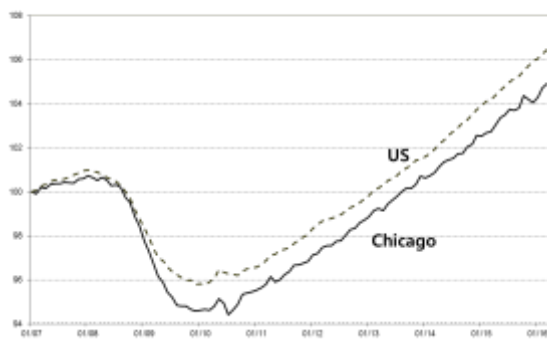
Manufacturing Employment



Construction



Non-manufacturing Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-0.20	-0.22	-0.24	-0.48	-0.17	-0.19
NMfgn	2.18	0.49	0.18	2.13	0.82	0.19
Cons	4.68	1.09	0.62	4.65	2.70	1.96
Retail	1.60	-0.53	-0.32	1.07	-0.13	0.06

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.