

## CHICAGO BUSINESS ACTIVITY INDEX – AUGUST 2016

### CBAI increased in AUGUST

The Chicago Business Activity Index (CBAI) slightly increased to 94.6 in August from 94.4 in July. The increase is attributed to the improved retail activities in the Chicago area.

In July, the national and regional economies presented mixed features. The Federal Reserve Board announced that the industrial production index decreased 0.4 percent in August to 104.4 after having risen 0.6 percent in July. Capacity utilization for the industrial sector decreased 0.4 percentage point in August to 75.5 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) fell to -0.55 in August from +0.24 in July. In the Chicago region, employment in the manufacturing and the nonmanufacturing sector decreased 0.40 percent and 0.02 percent, respectively, in August. Employment in the construction sector fell 0.82 percent in August. Retail sales are estimated to have increased 0.66 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 156,000 and the unemployment rate was little changed at 5.0 percent in September. 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.

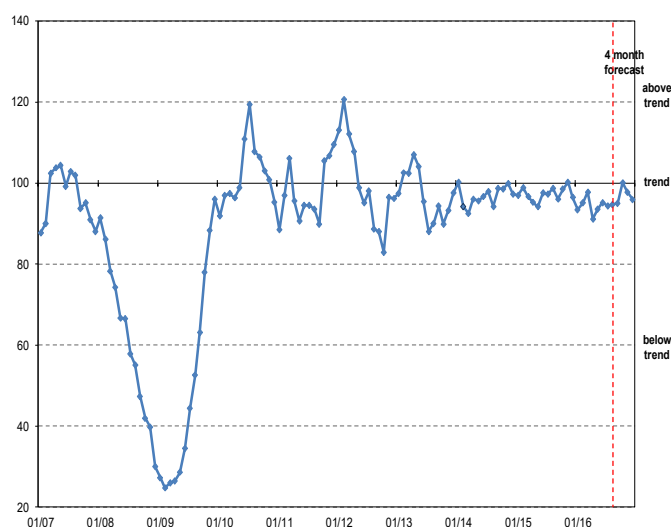
Release Date:  
*October 18, 2016*

Next Release Date:  
*November 18, 2016*

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<b>CBAI</b> (Current: 94.6)			
	1 month	3 month	1 year
Historical (ago)	94.4	93.6	98.7
Forecast (ahead)	95.0	97.7	-

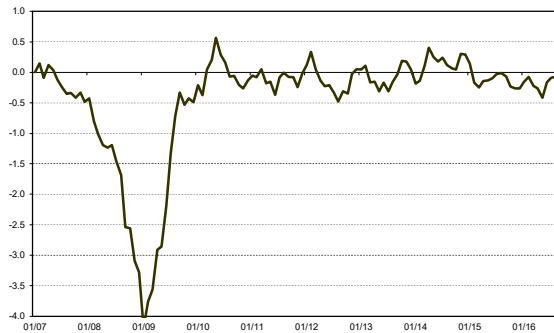
### Chicago Business Activity Index



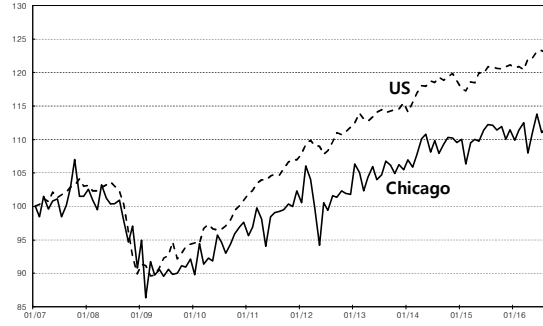
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\* January 2007 = 100

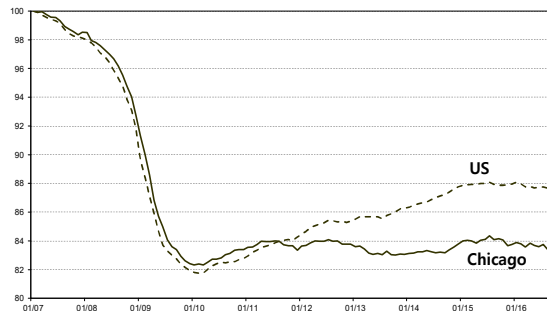
**Chicago Fed National Activity Index (CFNAI-MA3)**



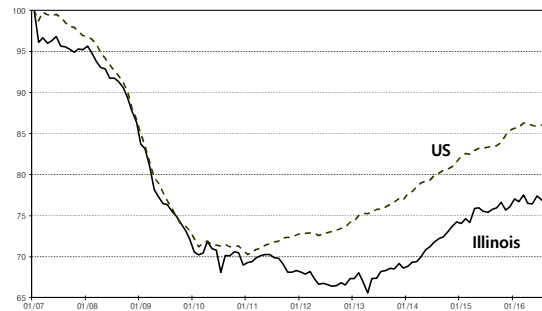
**Retail Sales**



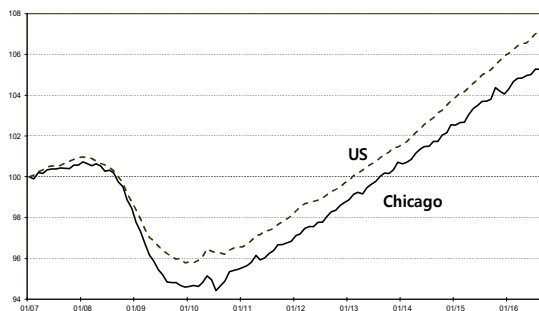
**Manufacturing Employment**



**Construction Employment**



**Non-manufacturing Employment**



**Economic Activity: Summary**

Months ago	Percentage change compared to the previous period					
	National			Chicago		
	12	3	1	12	3	1
Mfgn	-0.30	0.00	-0.11	-0.80	-0.35	-0.40
NMfgn	1.91	0.53	0.12	1.50	0.30	-0.02
Cons	3.09	-0.02	-0.09	0.77	-0.09	-0.82
Retail	1.74	0.56	-0.32	-0.28	0.52	0.66

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.

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