Chicago Fed National Activity Index

Index shows slower economic activity in April

Led by declines in production-related indicators, the Chicago Fed National Activity Index (CFNAI) decreased to –0.53 in April from –0.23 in March. Three of the four broad categories of indicators that make up the index decreased from March, and none of the categories made a positive contribution to the index in April.

The index’s three-month moving average, CFNAI-MA3, ticked up to –0.04 in April from –0.05 in March. April’s CFNAI-MA3 suggests that growth in national economic activity was very near its historical trend. The economic growth reflected in this level of the CFNAI-MA3 suggests subdued inflationary pressure from economic activity over the coming year.

The CFNAI Diffusion Index increased to –0.03 in April from –0.04 in March. Thirty-two of the 85 individual indicators made positive contributions to the CFNAI in April, while 53 made negative contributions. Forty-four indicators improved from March to April, while 41 indicators deteriorated. Of the indicators that improved, eighteen made negative contributions.

Current and Previous values reflect index values as of the May 20, 2013, release and April 22, 2013, release, respectively. N/A indicates not applicable.
Production-related indicators contributed –0.34 to the CFNAI in April, down from –0.04 in March. Industrial production declined 0.5 percent in April after increasing 0.3 percent in March, and manufacturing production decreased 0.4 percent in April after moving down 0.3 percent in the previous month.

Employment-related indicators made a neutral contribution to the CFNAI in April, down from +0.01 in March. While the unemployment rate decreased slightly in April, growth in nonfarm payrolls made a neutral contribution to the employment, unemployment, and hours category for the second straight month.

The sales, orders, and inventories category contributed –0.01 to the CFNAI in April, up from –0.04 in March.

The consumption and housing category contributed –0.17 to the CFNAI in April, down slightly from –0.15 in March. Housing starts decreased to 853,000 annualized units in April from 1,021,000 in March, although housing permits increased to 1,017,000 annualized units in April from 890,000 in the previous month.

The CFNAI was constructed using data available as of May 17, 2013. At that time, April data for 51 of the 85 indicators had been published. For all missing data, estimates were used in constructing the index. The March monthly index was unchanged at –0.23 after data revisions. Revisions to the monthly index can be attributed to two main factors: revisions in previously published data and differences between the estimates of previously unavailable data and subsequently published data. For the March monthly index, the two factors offset each other.