Chicago Fed National Activity Index

Index shows economic growth slowed in February

Led by declines in production-related indicators, the Chicago Fed National Activity Index (CFNAI) fell to −0.29 in February from +0.41 in January. All four broad categories of indicators that make up the index decreased from January, and three of the four categories made negative contributions to the index in February.

The index's three-month moving average, CFNAI-MA3, edged up to −0.07 in February from −0.12 in January. February's CFNAI-MA3 suggests that growth in national economic activity was slightly below 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, which is also a three-month moving average, ticked down to −0.10 in February from −0.07 in January. Twenty-seven of the 85 individual indicators made positive contributions to the CFNAI in February, while 58 made negative contributions. Twenty-nine indicators improved from January to February, while 55 indicators deteriorated and one was unchanged. Of the indicators that improved, 17 made negative contributions.

Current and Previous values reflect index values as of the March 21, 2016, release and February 22, 2016, release, respectively. N/A indicates not applicable.
The contribution from production-related indicators to the CFNAI declined to –0.21 in February from +0.29 in January. Industrial production decreased by 0.5 percent in February after increasing by 0.8 percent in January. Moreover, manufacturing production increased by 0.2 percent in February after rising by 0.5 percent in the previous month. The sales, orders, and inventories category made a contribution of –0.03 to the CFNAI in February, down slightly from –0.02 in January.

Employment-related indicators contributed +0.03 to the CFNAI in February, down from +0.19 in January. Civilian employment increased by 530,000 in February after increasing by 615,000 in January. However, nonfarm payrolls rose by 242,000 in February after increasing by 172,000 in the previous month.

The contribution of the personal consumption and housing category to the CFNAI moved down to –0.09 in February from –0.05 in January. Housing permits decreased to 1,167,000 annualized units in February from 1,204,000 in January, but housing starts increased to 1,178,000 annualized units in February from 1,120,000 in the previous month.

The CFNAI was constructed using data available as of March 17, 2016. At that time, February data for 51 of the 85 indicators had been published. For all missing data, estimates were used in constructing the index. The January monthly index value was revised to +0.41 from an initial estimate of +0.28. Revisions to the monthly index value 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. The revision to the January monthly index value was due primarily to the latter.