Chicago Fed National Activity Index

Index shows economic growth decreased in January

Led by declines in production-related indicators, the Chicago Fed National Activity Index (CFNAI) decreased to –0.05 in January from +0.18 in December. Three of the four broad categories of indicators that make up the index decreased from December, and two of the four categories made negative contributions to the index in January.

The index’s three-month moving average, CFNAI-MA3, edged down to –0.03 in January from –0.02 in December. January’s CFNAI-MA3 suggests that growth in national economic activity was near its historical trend. The economic growth reflected in this level of the CFNAI-MA3 suggests limited inflationary pressure from economic activity over the coming year.

The CFNAI Diffusion Index, which is also a three-month moving average, ticked down to –0.04 in January from –0.03 in December. Thirty-six of the 85 individual indicators made positive contributions to the CFNAI in January, while 49 made negative contributions. Thirty-nine indicators improved from December to January, while 45 indicators deteriorated and one was unchanged. Of the indicators that improved, 14 made negative contributions.

The next CFNAI will be released: March 20, 2017
8:30 am Eastern Time
7:30 am Central Time

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The contribution from production-related indicators to the CFNAI fell to –0.07 in January from +0.18 in December. Total industrial production decreased 0.3 percent in January after increasing 0.6 percent in December, but manufacturing production increased 0.2 percent for the second consecutive month in January.

The contribution of the personal consumption and housing category to the CFNAI decreased to –0.05 in January from –0.03 in December. Housing starts decreased to 1,246,000 annualized units in January from 1,279,000 in December, but housing permits increased to 1,285,000 annualized units in January from 1,228,000 in the previous month.

Employment-related indicators contributed +0.06 to the CFNAI in January, up from –0.01 in December. Nonfarm payrolls rose by 227,000 in January after increasing by 157,000 in the previous month, but the civilian unemployment rate edged up to 4.8 percent in January from 4.7 percent in December.

The sales, orders, and inventories category made a contribution of +0.02 to the CFNAI in January, down slightly from +0.04 in December.

The CFNAI was constructed using data available as of February 17, 2017. At that time, January data for 51 of the 85 indicators had been published. For all missing data, estimates were used in constructing the index. The December monthly index value was revised to +0.18 from an initial estimate of +0.14, and the November monthly index value was revised to –0.22 from last month’s estimate of –0.33. 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 December monthly index value was primarily due to the latter, while the revision to the November monthly index value was primarily due to the former.