Chicago Fed National Activity Index

Index points to an uptick in economic growth in December

Led by improvements in production-related indicators, the Chicago Fed National Activity Index (CFNAI) increased to +0.52 in December from +0.31 in November. Three of the four broad categories of indicators used to construct the index made positive contributions in December, but three categories decreased from November. The index’s three-month moving average, CFNAI-MA3, ticked up to +0.61 in December from +0.59 in November.

The CFNAI Diffusion Index, which is also a three-month moving average, ticked down to +0.54 in December from +0.55 in November. Fifty-three of the 85 individual indicators made positive contributions to the CFNAI in December, while 32 made negative contributions. Forty-five indicators improved from November to December, while 40 indicators deteriorated. Of the indicators that improved, seven made negative contributions.

The next CFNAI will be released:
February 22, 2021
8:30 am Eastern Time
7:30 am Central Time

FEDERAL RESERVE BANK OF CHICAGO
Production-related indicators contributed +0.44 to the CFNAI in December, up from +0.13 in November. Industrial production rose 1.6 percent in December after increasing 0.5 percent in November. The contribution of the sales, orders, and inventories category to the CFNAI moved down to +0.05 in December from +0.09 in November.

Employment-related indicators contributed +0.13 to the CFNAI in December, down slightly from +0.15 in November. Nonfarm private payrolls declined by 95,000 in December, after rising by 417,000 in the previous month. Notably, while payrolls in private service-providing industries fell by 188,000 in December, payrolls in goods-producing industries increased by 93,000. The contribution of the personal consumption and housing category to the CFNAI decreased to −0.09 in December from −0.06 in November. On balance, consumption indicators weakened, pushing down the category’s overall contribution in December.

The CFNAI was constructed using data available as of January 21, 2021. At that time, December data for 50 of the 85 indicators had been published. For all missing data, estimates were used in constructing the index. The November monthly index value was revised to +0.31 from an initial estimate of +0.27, and the October monthly index value was unrevised at +1.01. 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. The revision to the November monthly index value was primarily due to the former.