

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI fell in April**

The Chicago Business Activity Index (CBAI) was -0.180 in April, the seventh consecutive negative reading since October 2006. This was mainly attributed to the negative contribution in the consumption and manufacturing production. Considering that the CBAI leads the local business cycle and negative values of this index are associated with below-trend growth, the Chicago economy likely continues to be on a downward trend. The CBAI prediction also suggests that the Chicago economy will remain weak over the next 12 months.

In April, the national economy presented mixed features. The coincident index of the Conference Board increased 0.2 percent. However, the Chicago Fed National Activity Index was -0.10, little changed from -0.11 in March. The retail sales decreased slightly at -0.09 percent.

The economic performance in Chicago also presented mixed features in April. Though the Chicago Fed Midwest Manufacturing index and construction rose 0.6 percent and 0.55 percent respectively, the retail sales decreased 0.28 percent.

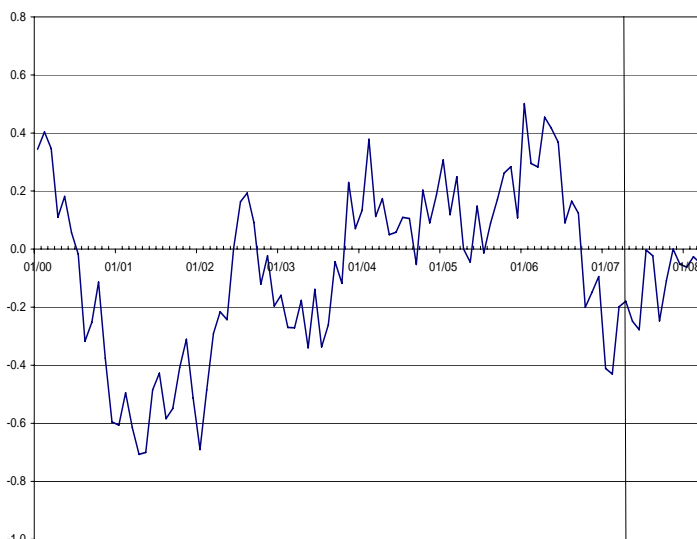
The national economy and regional economy seem to remain on a slower economic growth trend. For the national economy, the cumulative strain of high gas prices and higher mortgage rates on the finances of households could slow the pace of consumer spending. The leading index of the Conference Board decreased 0.5 percent. For the local economy, the CBAI index suggests that economic growth will be below its historical trend, in large part because of the slowing national economic activity.

*Release Date:*  
June 17, 2007

*Next Release Date:*  
July 15, 2007

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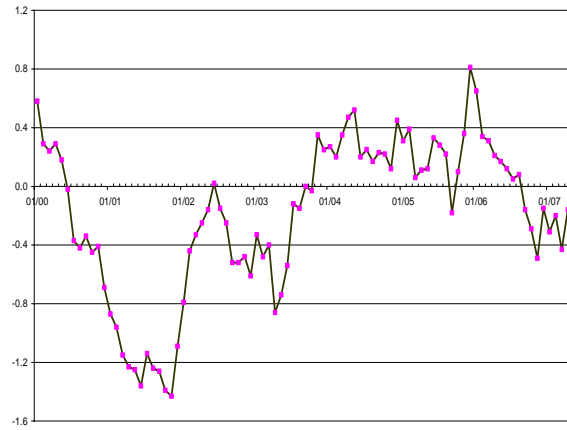
**Chicago Business Activity Index**



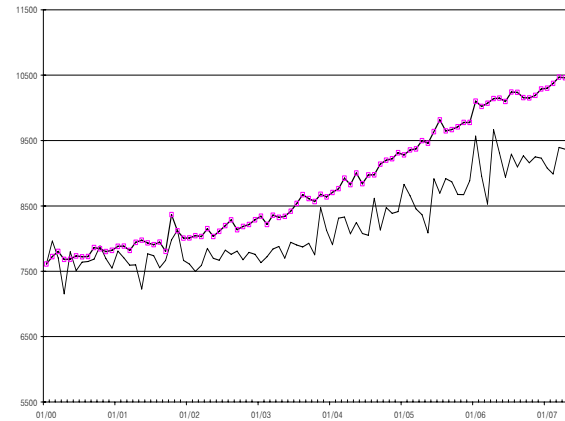
<b>CBAI</b> (Current: -0.180)			
	1 month	3 month	1 year
Historical (ago)	-0.199	-0.411	0.454
Forecast (ahead)	-0.248	-0.003	-0.096

# Chicago Business Activity Index

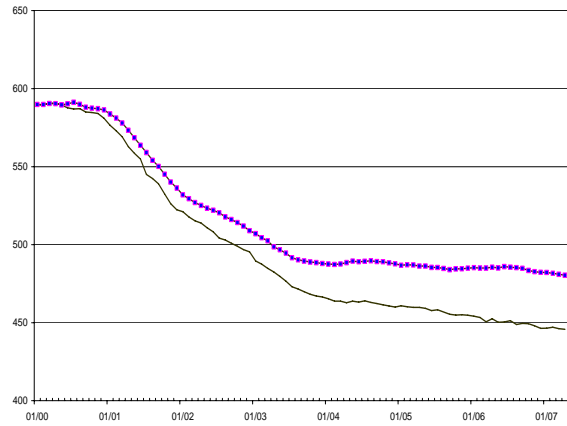
Chicago Fed National Activity Index (CFNAI-MA3)



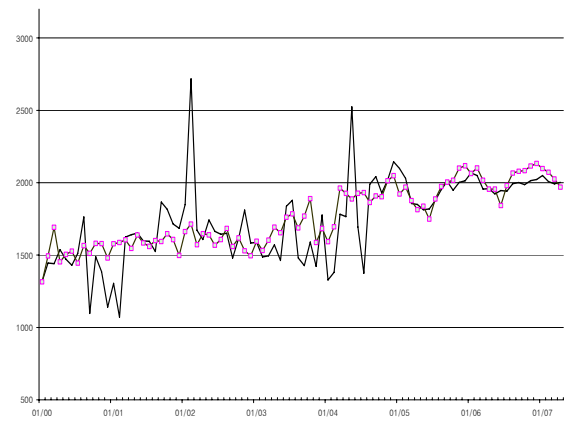
Chicago & National Retail Sales



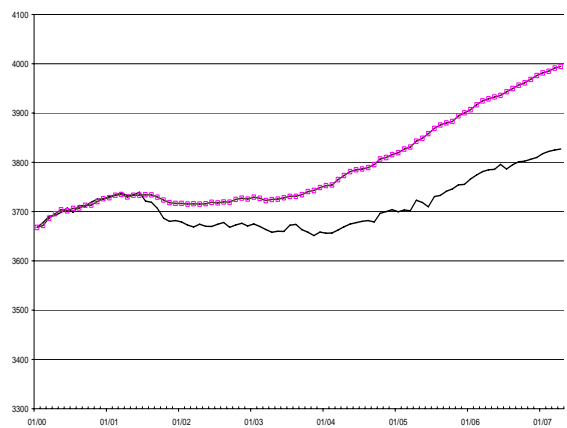
Chicago & National Manufacturing Employment



Illinois & National Construction



Chicago & National Non-manufacturing Employment



\* Black lines show Chicago indicators.  
National indicators are rescaled for comparison

## Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-1.06	-0.38	-0.13	-1.50	-0.17	-0.11
NMfgn	1.67	0.33	0.09	1.11	0.25	0.05
Cons	0.72	-6.13	-2.76	2.25	-2.32	0.55
Retail	3.14	1.55	-0.09	-3.10	3.17	-0.28

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 six-county Chicago region. The CBAI leads the local business cycle by three-to-four months. REAL's approach to constructing this index, using the principle components regression method, directs attention to the relationship between local and national business cycle.

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