

CHICAGO BUSINESS ACTIVITY INDEX

CBAI decreased in September

The Chicago Business Activity Index (CBAI) was 92.7 in September, down from 97.1 in August. The decrease in September could be attributed mainly to the decline in both the manufacturing and construction sectors in the Chicago region.

In September, the national and regional economy presented mixed features. The Federal Reserve Board announced that industrial production moved down 0.2 percent in September. The capacity utilization rate for total industry edged down to 74.7 percent. In addition, national retail sales increased 0.79 percent in September. The number of unemployed persons, at 14.8 million, was essentially unchanged in September, and the unemployment rate held at 9.6 percent.

The Chicago Fed reported that its Chicago Fed National Activity Index (CFNAI) decreased to -0.58 in September, from -0.49 in August. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) increased 0.12 percent in September, after a 1.35 percent decrease in August. In the Chicago region in September, manufacturing employment decreased 0.21 percent while non-manufacturing employment held and construction employment decreased by 0.34 percent. Regional retail sales are estimated to have increased 0.6 percent in September.

In the coming months, the national economy is likely to maintain its modest recovery trend; but a number of uncertainties remain. The Bureau of Labor Statistics reported total nonfarm payroll employment edged down 95,000 in September. Government employment declined 159,000, reflecting both a drop in the number of temporary jobs for Census 2010 and job losses in local government. Private-sector payroll employment continued to trend up modestly 64,000. For the local economy, considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to be on a modest improving trend over the next several months.

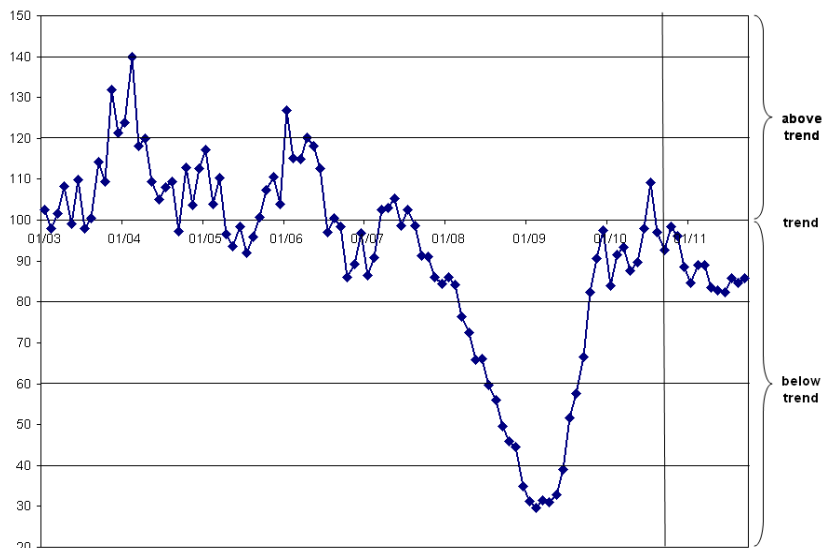
Release Date:
November 17, 2010

Next Release Date:
December 17, 2010

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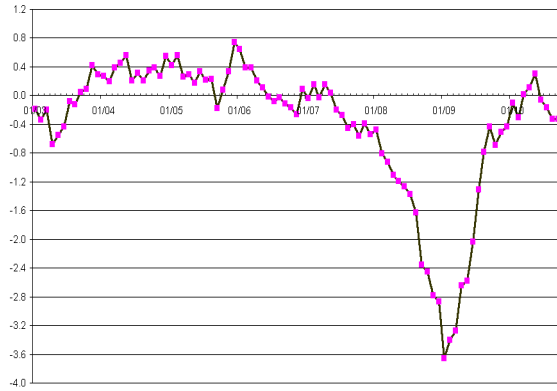
CBAI (Current: 92.7)			
	1 month	3 month	1 year
Historical (ago)	97.1	97.9	66.4
Forecast (ahead)	98.5	88.5	85.8

Chicago Business Activity Index

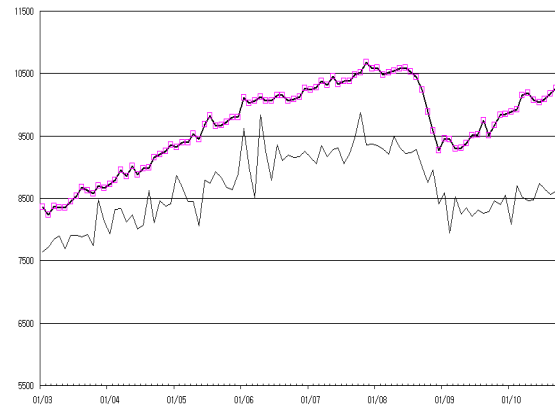


Chicago Business Activity Index

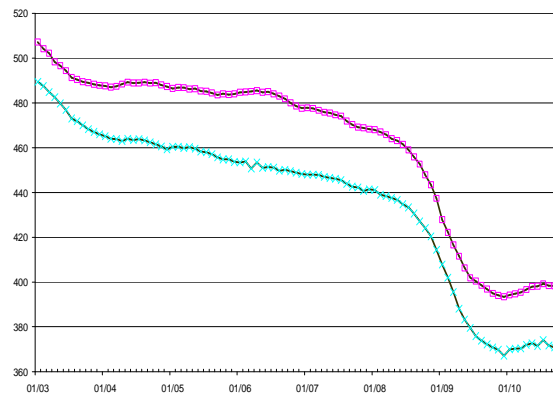
Chicago Fed National Activity Index (CFNAI-MA3)



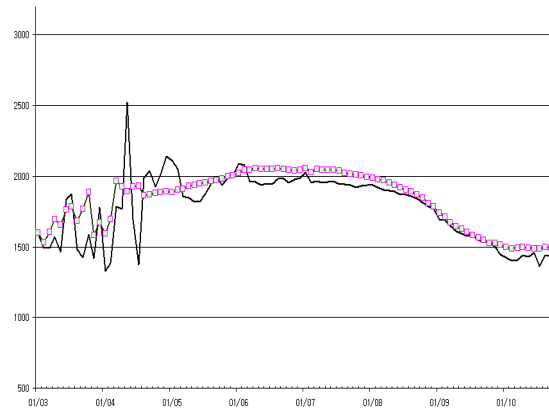
Chicago & National Retail Sales



Chicago & National Manufacturing Employment

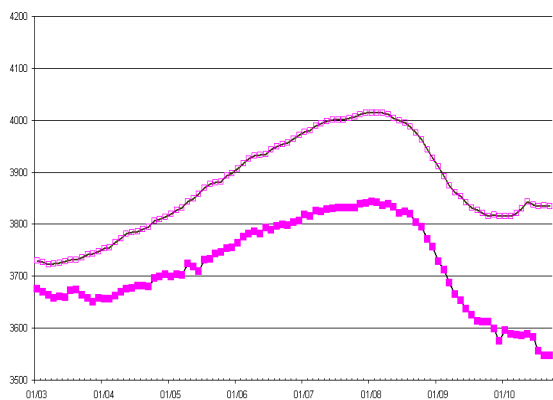


Illinois & National Construction



* Black lines show Chicago indicators.

Chicago & National Non-manufacturing Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	0.36	0.03	-0.02	-0.36	-0.17	-0.21
NMfgn	0.35	-0.09	-0.03	-1.80	-0.99	0.00
Cons	-3.34	0.43	-0.14	-6.47	-1.50	-0.34
Retail	7.88	2.19	0.79	3.97	-1.49	0.60

Note: All series are seasonally adjusted.

National indicators are rescaled for comparison.

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 principal components regression method, directs attention to the relationship between local and national business cycle.

REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

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