

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in October

The Chicago Business Activity Index (CBAI) was 97.2 in October, an increase from the 93.6 recorded in September. The increase in October could be attributed mainly to the increase of private consumption and the improvement in construction activity in Chicago region.

In October, the national and regional economy presented mixed features. The Federal Reserve Board announced that industrial production decreased 0.2 percent in October. The capacity utilization rate for total industry edged down to 74.9 percent. On the other hand, national retail sales increased 1.8 percent in October. The number of unemployed persons, at 14.8 million, was little changed in October, and the unemployment rate remained at 9.6 percent and has been essentially unchanged since May.

The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) increased to -0.28 in October, from -0.52 in September. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) increased 0.75 percent in October, after a 0.25 percent increase in September. In the Chicago region in October, manufacturing employment decreased 0.09 percent while non-manufacturing employment decreased 0.05 percent and construction employment increased by 0.37 percent. Regional retail sales are estimated to have increased 0.26 percent in October.

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 increased by 151,000 in October. Government employment overall was little changed in October. Private-sector payroll employment rose by 159,000 over the month. 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.

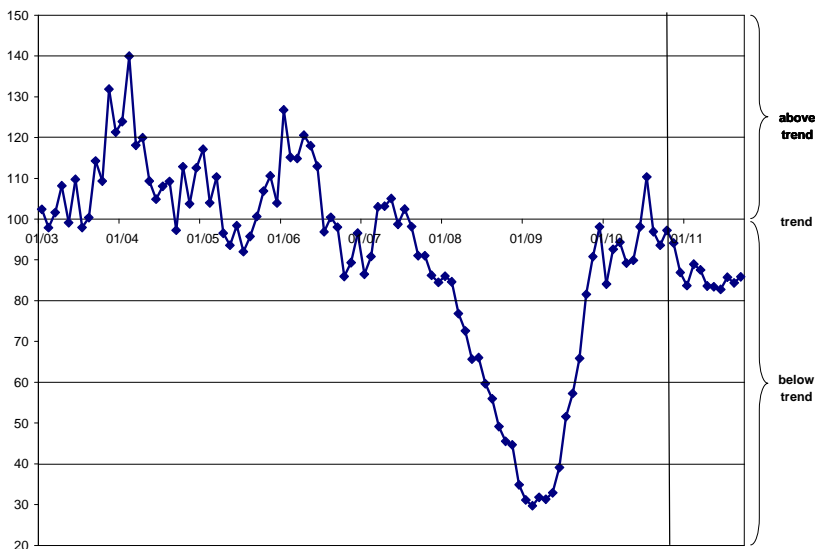
Chicago Business Activity Index

Release Date:
December 17, 2010

Next Release Date:
January 17, 2011

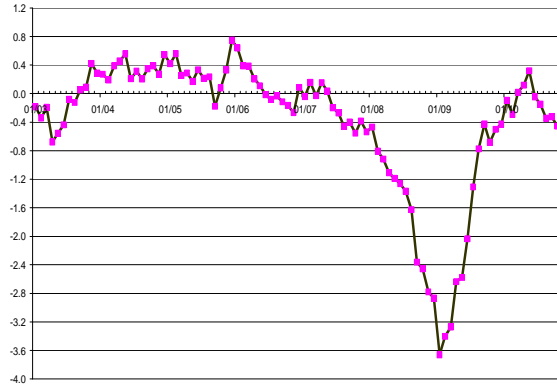
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CBAI (Current: 97.2)			
	1 month	3 month	1 year
Historical (ago)	93.6	110.3	81.5
Forecast (ahead)	94.1	83.7	88.7

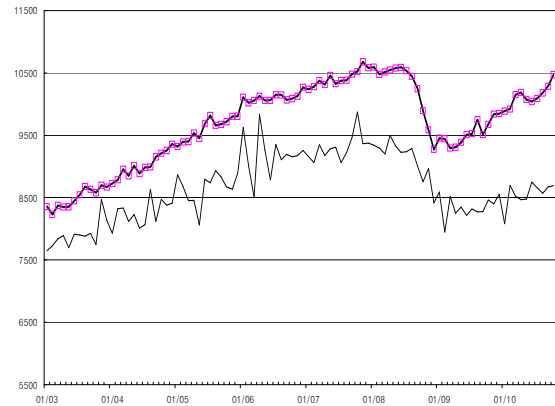


Chicago Business Activity Index

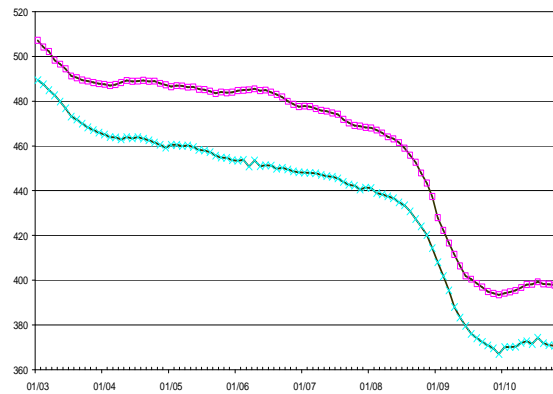
Chicago Fed National Activity Index (CFNAI-MA3)



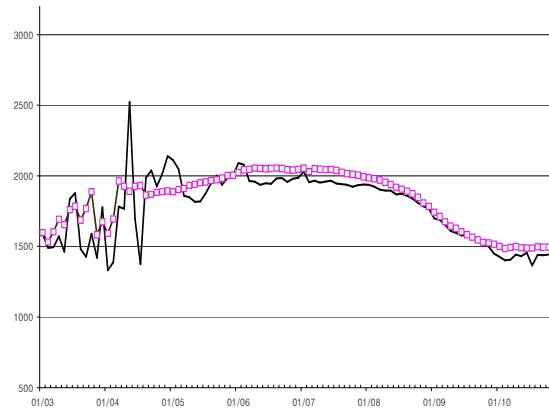
Chicago & National Retail Sales



Chicago & National Manufacturing Employment

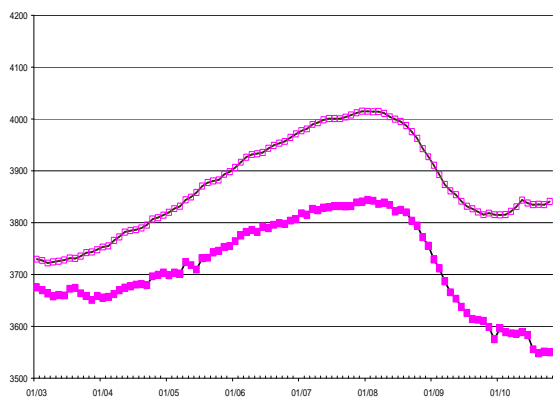


Illinois & National Construction



* 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	0.73	-0.37	-0.09	-0.03	-0.96	-0.09
NMfgn	0.66	0.16	0.15	-1.68	-0.18	-0.05
Cons	-2.21	0.46	0.05	-5.90	5.66	0.37
Retail	8.22	3.78	1.80	2.76	0.43	0.26

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.

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For more information please contact:
Chun-Hua Wu, Research Assistant
T. 217/244-7226; wu31@illinois.edu

University of Illinois
220 Davenport Hall, 607 S. Mathews Ave.
Urbana, IL 61801-3671, www.real.illinois.edu