

CHICAGO BUSINESS ACTIVITY INDEX

CBAI decreased in January

The Chicago Business Activity Index (CBAI) was 83.5 in January, down from 92.5 in December. The drop of the index in January could be attributed mainly to the weakness in private demand.

In January, the national and regional economy presented mixed features. The Federal Reserve Board announced that industrial production rose 0.3 percent in January. The capacity utilization rate for all industry edged to 76.4 percent. In addition, national retail sales increased 0.79 percent in January. The number of unemployed persons decreased by about 600,000 in January to 13.9 million, and the unemployment rate declined by 0.4 percentage points to 9.0 percent.

The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to -0.16 in January, from 0.18 in December. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) increased 1.08 percent in January, after a 0.73 percent increase in December. In the Chicago region in January, manufacturing employment increased 0.91 percent while non-manufacturing employment increased 0.41 percent and construction employment increased by 0.9 percent. Regional retail sales are estimated to have decreased 1.3 percent in January.

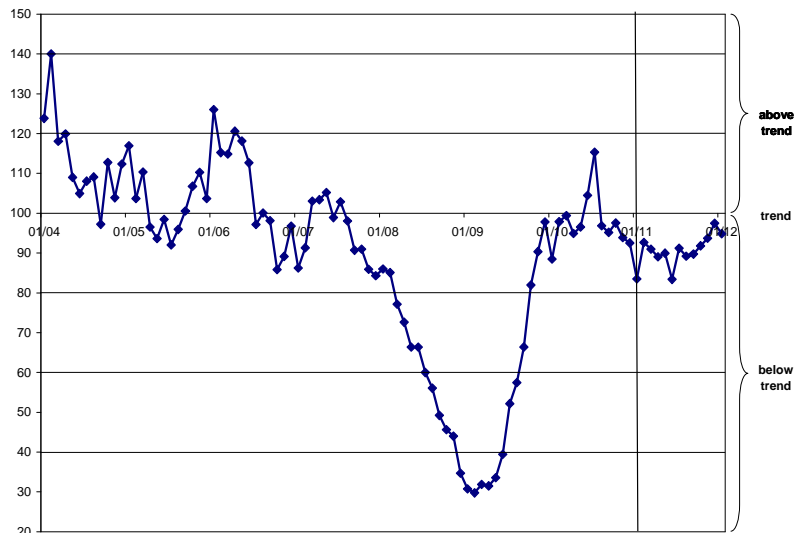
In the coming months, the national economy is likely to maintain its modest recovery trend; but a number of uncertainties remain. The Bureau of Labor Statistics reported total nonfarm payroll employment changed little in January (+36,000). For the local economy, considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to be on a modest improving trend over the next several months.

Chicago Business Activity Index

Release Date:
March 18, 2011

Next Release Date:
April 18, 2011

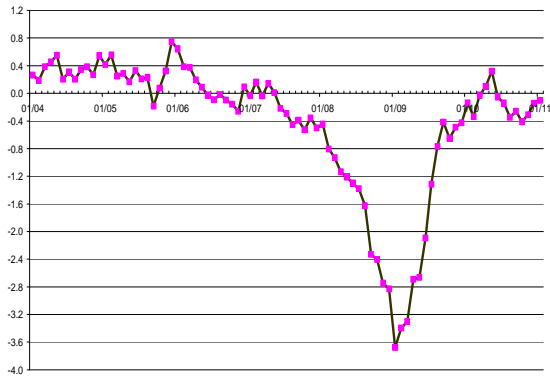
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CBAI (Current: 83.5)			
	1 month	3 month	1 year
Historical (ago)	92.5	97.5	88.5
Forecast (ahead)	92.6	89.0	94.8

Chicago Business Activity Index

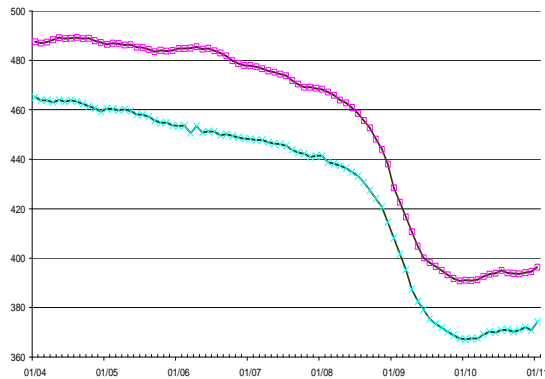
Chicago Fed National Activity Index (CFNAI-MA3)



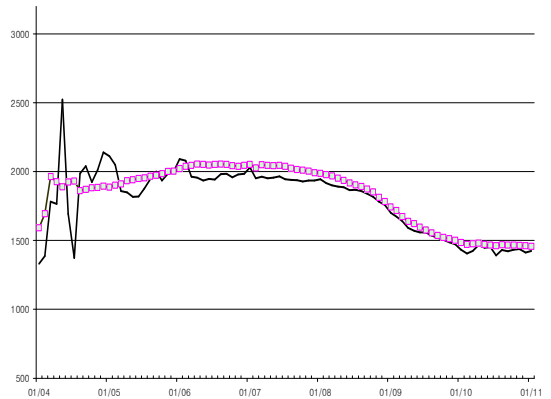
Chicago & National Retail Sales



Chicago & National Manufacturing Employment

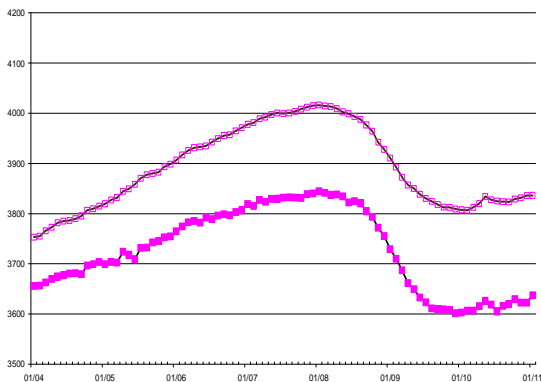


Illinois & National Construction



* 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	1.33	0.68	0.43	1.89	0.89	0.91
NMfgn	0.75	0.19	0.01	0.95	0.21	0.41
Cons	-1.95	-0.65	-0.40	-0.61	-0.73	0.90
Retail	8.50	2.33	0.79	10.13	-0.20	-1.30

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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