

CHICAGO BUSINESS ACTIVITY INDEX

CBAI decreased in September

The Chicago Business Activity Index (CBAI) was 83.5 in September, a decrease from 90.3 in August. The drop of the index in September could be attributed mainly to the sluggishness in private consumption and the drop in manufacturing employment in the Chicago region.

In September, the national and regional economy presented mixed features. The Federal Reserve Board announced that industrial production increased 0.2 percent in September after having been unchanged in August. The capacity utilization for total industry edged up to 77.4 percent in September. In addition, national retail sales increased 1.13 percent in September. The number of unemployed persons at 14.0 million, was essentially unchanged in September, and the unemployment rate held at 9.1 percent.

The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) increased to -0.22 in September, from -0.59 in August. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) increased 0.47 percent in September. In the Chicago region in September, manufacturing employment decreased 0.44 percent after 0.59 percent decrease in August; while non-manufacturing employment increased 0.17 percent and construction employment decreased by 0.84 percent. Regional retail sales are estimated to have decreased 1.12 percent in September.

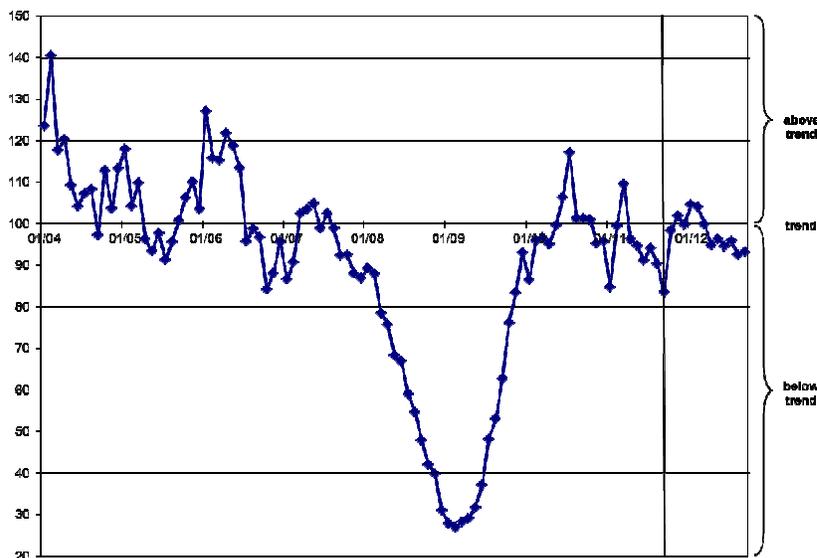
In the coming months, the national economy is likely to maintain its weak recovery trend. The Bureau of Labor Statistics reported total nonfarm payroll employment edged up by 103,000 in September, job gains occurred in professional and business services, health care, and construction. Government employment continued to trend down. With regard to inflation, the economic slack reflected in September's CFNAI-MA3 suggests subdued inflationary pressure from economic activity over the coming year. The risk of double-dip recession has risen. For the local economy, considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to experience a period of fluctuations and continue its weak improving trend over the next several months.

Chicago Business Activity Index

Release Date:
November 17, 2011

Next Release Date:
December 19, 2011

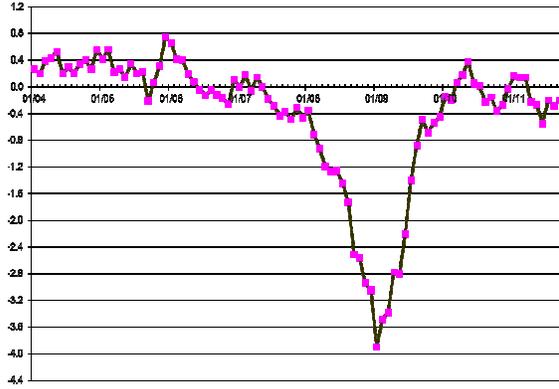
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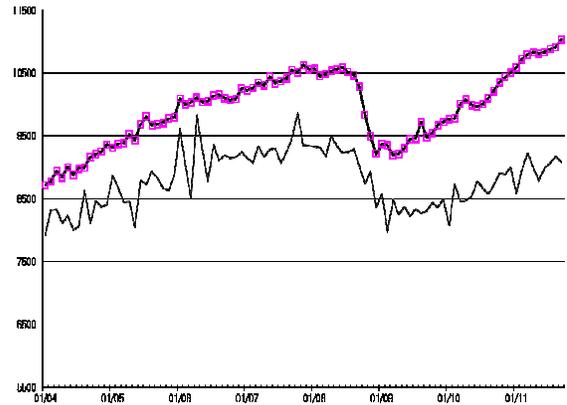
CBAI (Current: 83.5)			
	1 month	3 month	1 year
Historical (ago)	90.3	91.2	101.2
Forecast (ahead)	98.4	99.7	93.2

Chicago Business Activity Index

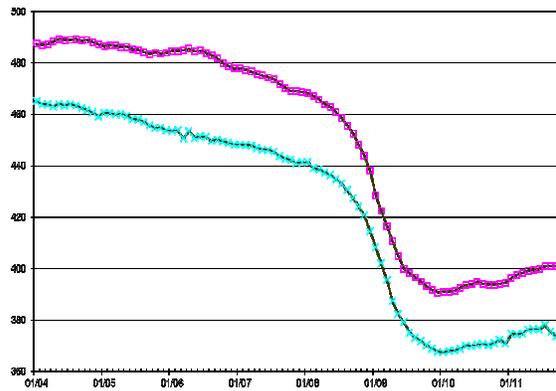
Chicago Fed National Activity Index (CFNAI-MA3)



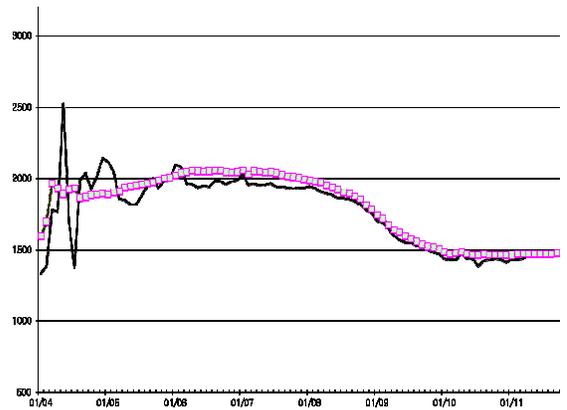
Chicago & National Retail Sales



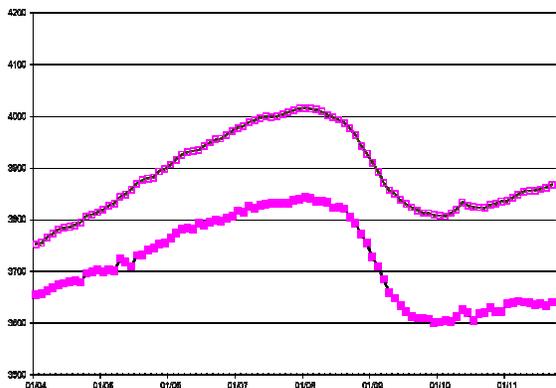
Chicago & National Manufacturing Employment



Illinois & National Construction



Chicago & National Non-manufacturing Employment



* Black lines show Chicago indicators.

Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.81	0.26	-0.03	0.97	-0.66	-0.44
NMfgn	1.17	0.30	0.13	0.55	0.13	0.17
Cons	0.56	0.42	0.49	2.57	-1.67	-0.84
Retail	8.00	1.88	1.13	4.12	0.98	-1.12

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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