

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in May

The Chicago Business Activity Index (CBAI) was 102.4 in May, up from 100.2 in April. The rise is attributed mainly to the increase in manufacturing employment and retail activity in the Chicago region.

In May, the national and regional economy presented mixed features. The Federal Reserve Board announced that total industrial production edged down 0.1% in May after having gained 1.0% in April. Capacity utilization in total industry decreased to 79.0% from 79.2% in the past month. The nation’s unemployment rate was little changed at 8.2% in May. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to -0.45 in May from +0.08 in April mainly due to a negative contribution of the production and consumption category. In the Chicago region, manufacturing output, measured by the Chicago Fed Midwest Manufacturing Index (CFMMI), decreased 1.0% and was mainly attributed by a decline in auto sector production. Employment in nonmanufacturing and construction fell 0.12% and 0.41 respectively. Meanwhile, employment in manufacturing increased 0.29% and retail sales are estimated to have risen 2.21% in May.

In the coming months, the national economy is likely to continue to show signs of weak recovery. The Bureau of Labor Statistics reported total nonfarm payroll employment edged up in June (+80,000), and the unemployment rate was unchanged at 8.2%. The CFNAI-MA3 suggests that growth in national economic activity was below its historical trend. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its weak economic activity over the next several months.

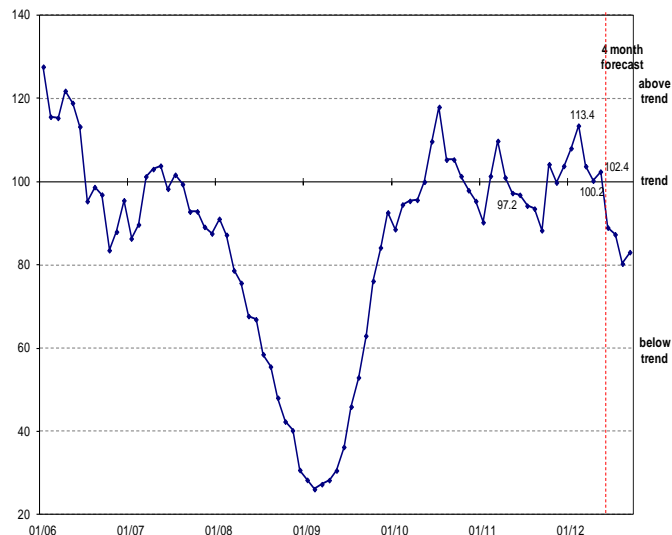
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July 18, 2012

Next Release Date:
August 17, 2012

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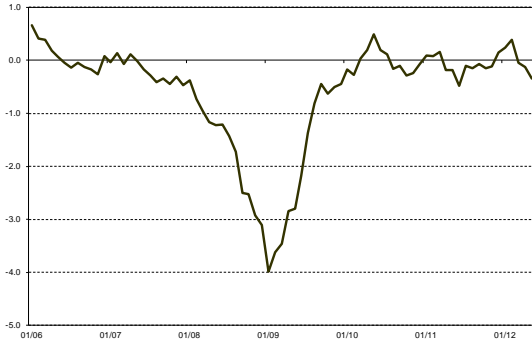
CBAI (Current: 102.4)			
	1 month	3 month	1 year
Historical (ago)	100.2	113.4	97.2
Forecast (ahead)	88.9	80.3	-

Chicago Business Activity Index

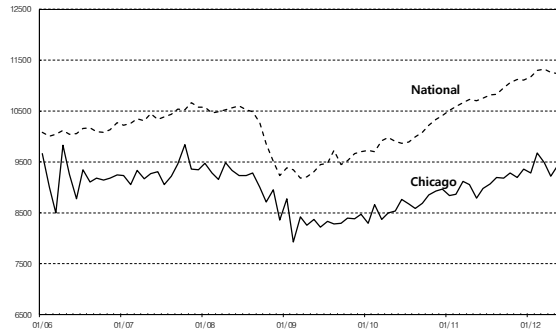


Chicago Business Activity Index

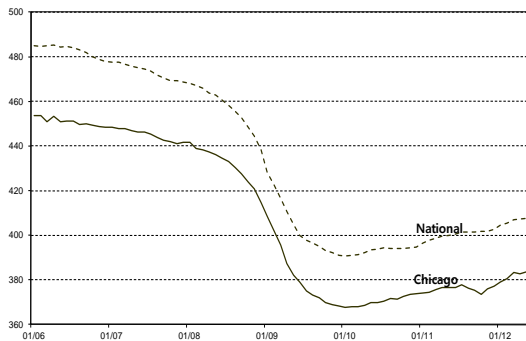
* National indicators are rescaled for comparison.
Chicago Fed National Activity Index (CFNAI-MA3)



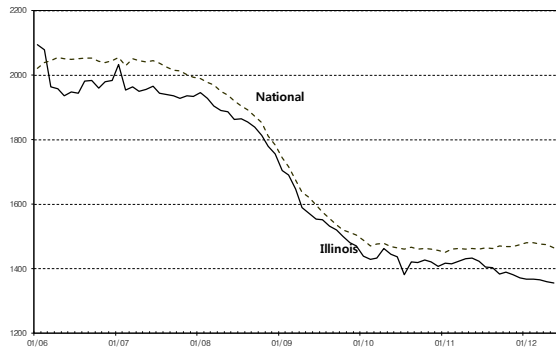
Chicago & National Retail Sales



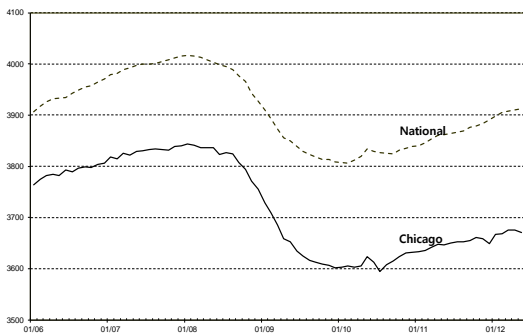
Chicago & National Manufacturing Employment



Illinois & National Construction



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	1.92	0.51	0.08	1.90	0.87	0.29
NMfgn	1.30	0.19	0.06	0.65	0.05	-0.12
Cons	0.16	-1.01	-0.63	-5.48	-0.97	-0.41
Retail	4.96	-0.48	-0.15	7.25	-2.55	2.21

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

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