

CHICAGO BUSINESS ACTIVITY INDEX

CBAI decreased in January

The Chicago Business Activity Index (CBAI) decreased to 83.2 in January from 88.0 in December. The fall is attributed mainly to a decline in nationwide economic activities measured by the Chicago Fed National Activity Index (CFNAI).

In January, the national and regional economy shared mixed features. The Federal Reserve Board announced that total industrial production unchanged in January after having increased 0.3% in December. Capacity utilization in all industry little changed at 79.2% in January. The Chicago Fed reported that CFNAI decreased to -0.32 in January from +0.25 in December due to negative contributions of all but employment-related indicators: production, consumption, and sales. In the Chicago region, employment in manufacturing and nonmanufacturing increased 0.66% and 0.38% in January, respectively. Employment in construction increased 1.08% and retail sales are estimated to have risen 2.50% in January.

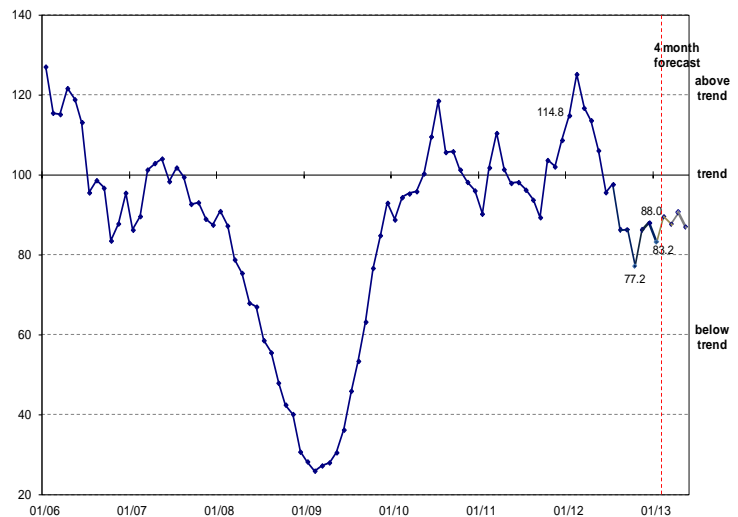
In the coming months, the national economy is likely to continue to maintain its modest, but slow recovery trend. The economic growth reflected in the CFNAI-MA3 suggests limited inflationary pressure from economic activity over the coming year. The Bureau of Labor Statistics reported that total nonfarm payroll employment increased by 236,000 in February, and the unemployment rate edged down to 7.7%. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its modest improving trend over the next several months.

Chicago Business Activity Index

Release Date:
March 19, 2013

Next Release Date:
April 18, 2013

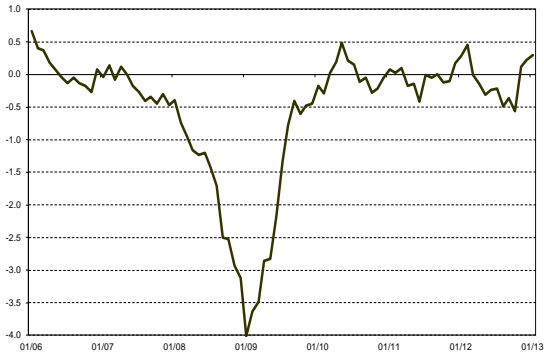
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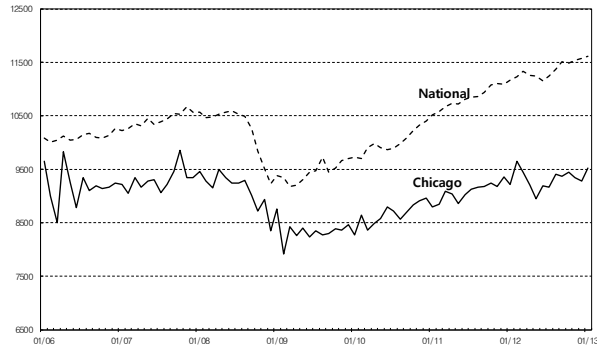
CBAI (Current: 83.2)			
	1 month	3 month	1 year
Historical (ago)	88.0	77.2	114.8
Forecast (ahead)	89.5	90.5	-

Chicago Business Activity Index

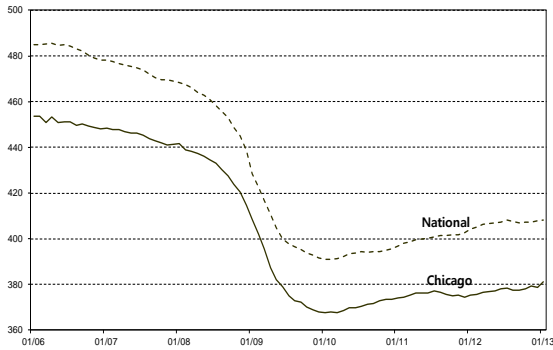
* National indicators are rescaled for comparison.
Chicago Fed National Activity Index (CFNAI-MA3)



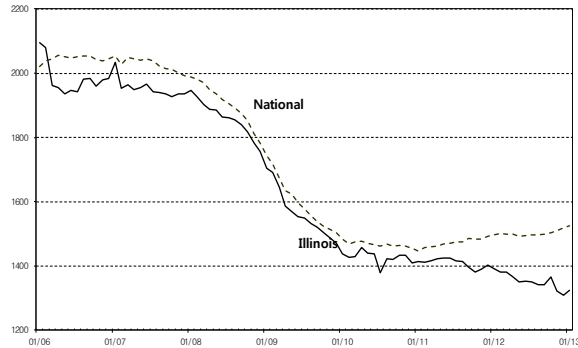
Chicago & National Retail Sales



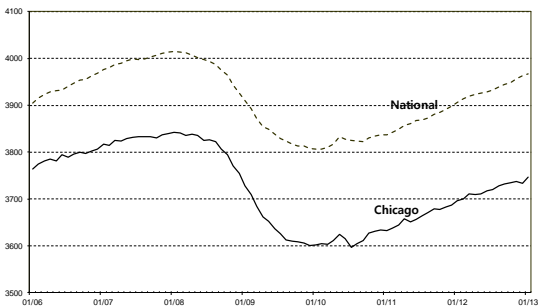
Chicago & National Manufacturing Employment



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	1.03	0.27	0.10	1.60	0.87	0.66
NMfgn	1.55	0.45	0.09	1.38	0.32	0.38
Cons	1.90	1.54	0.44	-4.98	-3.04	1.08
Retail	4.02	1.13	0.33	3.20	0.72	2.50

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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