

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in February

The Chicago Business Activity Index (CBAI) increased to 99.3 in February from 89.3 in January. The rise is attributed to the increase in Chicago area employment in non-manufacturing and construction and to improved nationwide economic activities in major sectors.

In February, the national and regional economy shared positive features. The Federal Reserve Board announced that total industrial (manufacturing) production increased 0.7% (0.8%) in February and that capacity utilization in all industry (manufacturing) recorded 79.6% (78.3%) in February, up from 79.2% (77.8%) in the previous month. The Chicago Fed reported that CFNAI increased to +0.44 in February from -0.49 in January due to positive contributions of all four categories: production, employment, consumption, and sales. In the Chicago region, compared with the previous month, employment in non-manufacturing and construction increased 0.16% and 0.42% in February, respectively. Employment in manufacturing decreased 0.17% and retail sales are estimated to have fallen 1.64% in February.

In the coming months, the national economy is likely to maintain its modest 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 edged up by 88,000 in March, and the unemployment rate was little changed at 7.6%. 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.

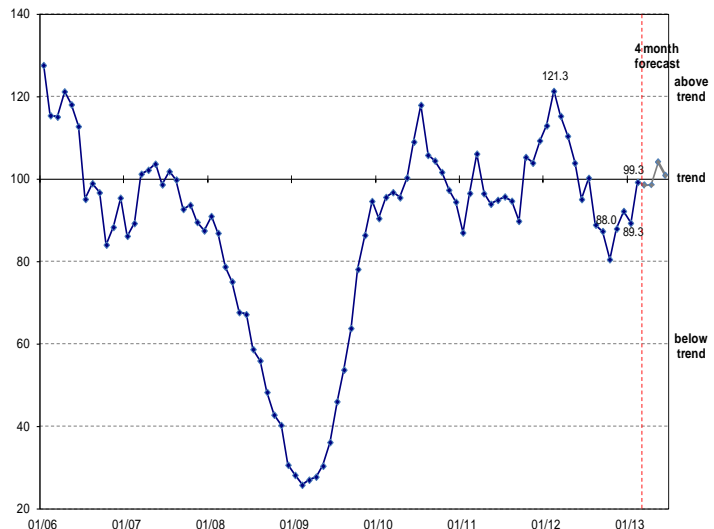
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April 18, 2013

Next Release Date:
May 20, 2013

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CBAI (Current: 99.3)			
	1 month	3 month	1 year
Historical (ago)	89.3	88.0	121.3
Forecast (ahead)	98.4	104.1	-

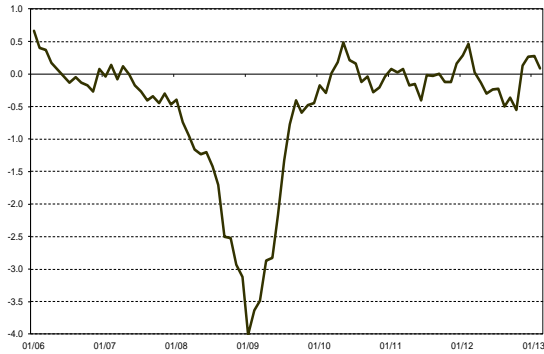
Chicago Business Activity Index



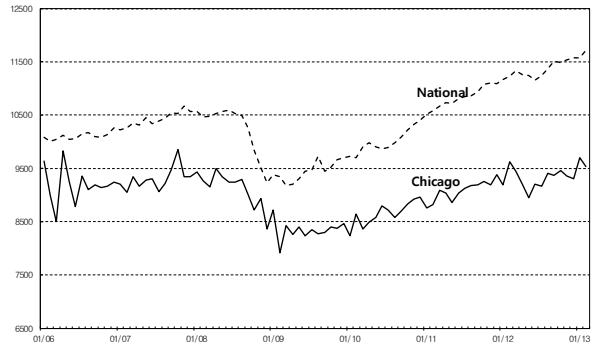
Chicago Business Activity Index

* National indicators are rescaled for comparison.

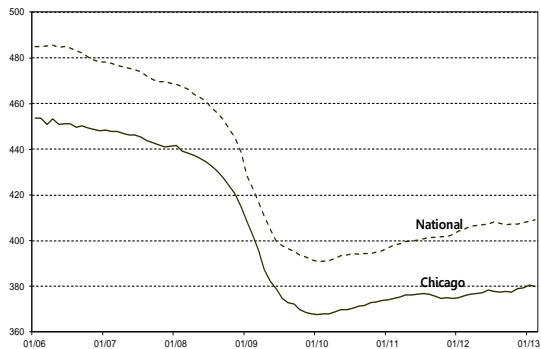
Chicago Fed National Activity Index (CFNAI-MA3)



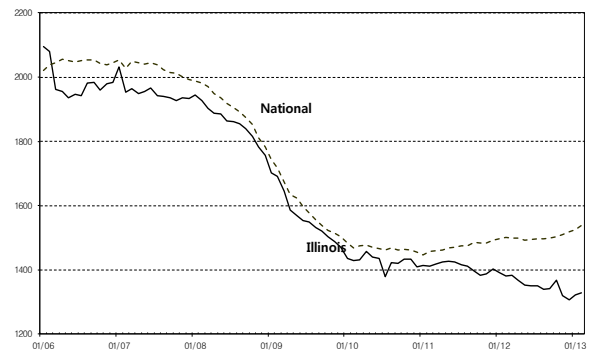
Chicago & National Retail Sales



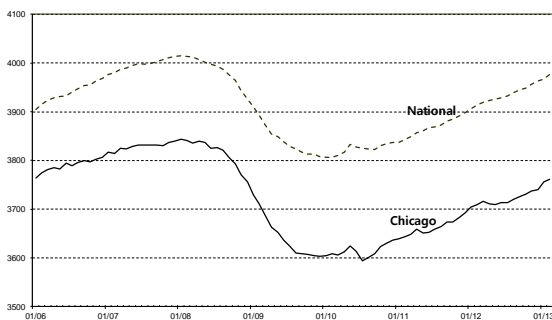
Chicago & National Manufacturing Employment



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	0.96	0.39	0.16	1.09	0.22	-0.17
NMfgn	1.58	0.48	0.20	1.39	0.64	0.16
Cons	2.48	1.96	0.85	-3.81	0.60	0.42
Retail	4.29	1.61	1.22	-0.90	2.00	-1.64

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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