

CHICAGO BUSINESS ACTIVITY INDEX

CBAI decreased in November

The Chicago Business Activity Index (CBAI) decreased to 93.5 in November from 103.1 in October. The fall is attributed to negative job growth in the non-manufacturing sector and to the decline in retail activities in the Chicago area.

In November, the national and regional economies shared mixed features. The Federal Reserve Board announced that the industrial production index increased 1.3 percent in November after having unchanged in October. Capacity utilization for the industrial sector rose 0.8 percentage point to 80.0 in November. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) rose to +0.73 in November from +0.31 in October, led by a rise in production- and employed-related indicators. In the Chicago region, the employment in manufacturing and construction rose 0.29 percent and 0.64 percent, respectively, in November. The employment in nonmanufacturing decreased 0.04 percent. Retail sales are estimated to have declined 0.1 percent.

In the coming months, the national economy is likely to stay on the path to recovery. The economic growth reflected in the CFNAI-MA3 suggests that national economic activity was above its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 252,000 and the unemployment rate declined to 5.6 percent in December. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its recovery trend over the next several months.

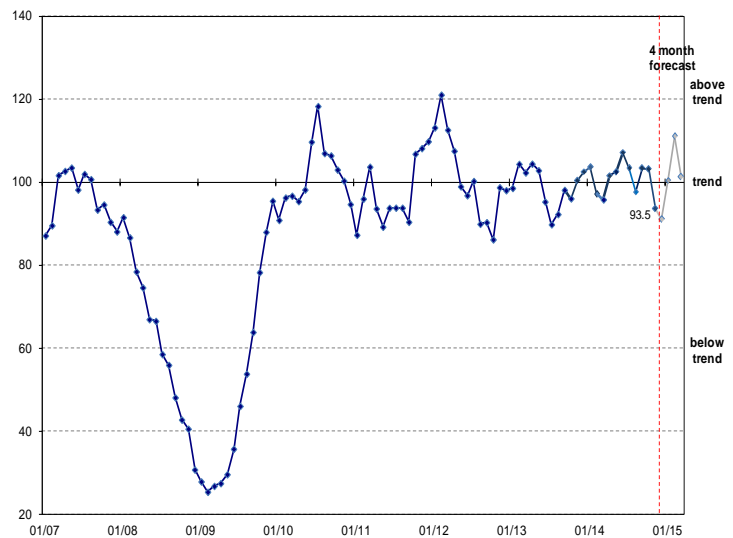
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CBAI (Current: 93.5)			
	1 month	3 month	1 year
Historical (ago)	103.1	97.7	100.4
Forecast (ahead)	91.1	111.0	-

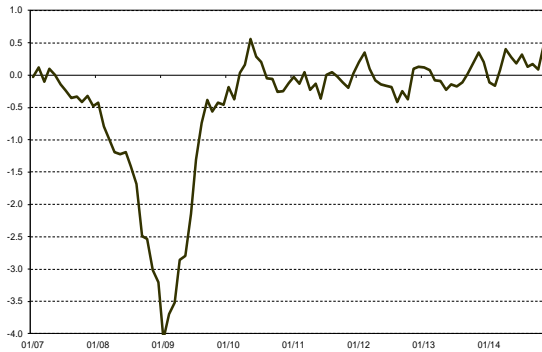
Chicago Business Activity Index



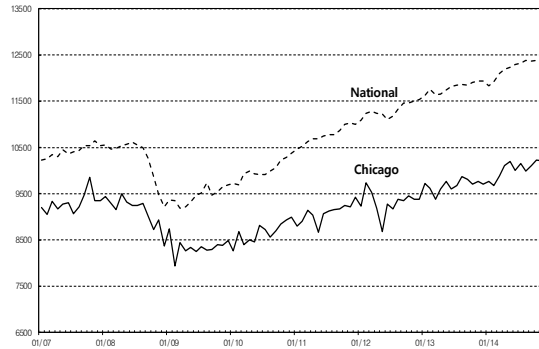
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* National indicators are rescaled for comparison

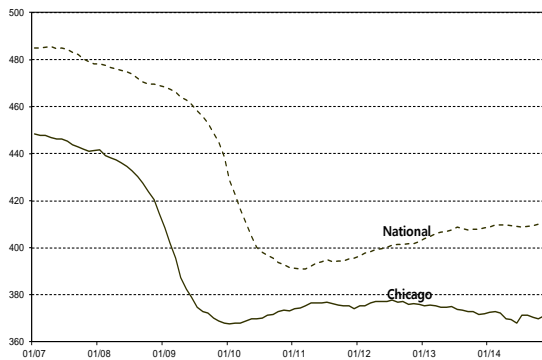
Chicago Fed National Activity Index (CFNAI-MA3)



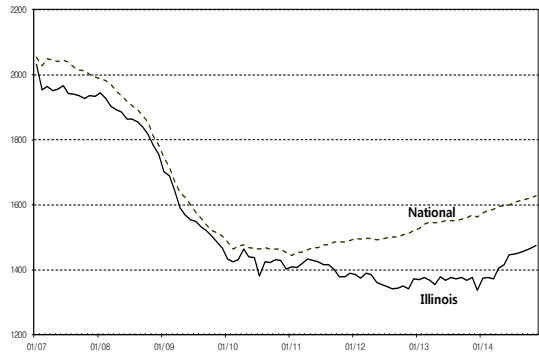
Chicago & National Retail Sales



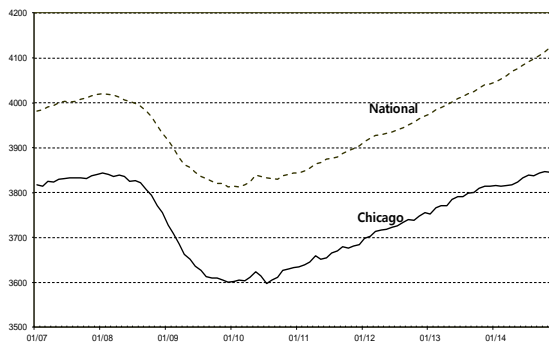
Chicago & National Manufacturing Employment



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	1.46	0.53	0.24	-0.19	-0.09	0.29
NMfgn	2.08	0.65	0.25	0.84	0.20	-0.04
Cons	3.77	0.89	0.33	7.14	1.51	0.64
Retail	4.21	0.40	0.42	4.62	2.28	-0.10

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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