

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in February

The Chicago Business Activity Index (CBAI) was 0.227 in February, the seventh consecutive positive reading since August 2005. This was mainly attributed to the increase of manufacturing production and non-manufacturing employment. Considering that the CBAI leads the local business cycle and positive values of this index are associated with above-trend growth, the Chicago economy will continue to grow. The CBAI prediction also indicates growth over the next 12 months will be higher than the last 12 months.

In February, the national economy presented several favorable features. The coincident index of the Conference Board increased 0.3 percent. Construction and non-manufacturing employment rose 4.1 percent and 0.2 percent, respectively. However, retail sales decreased 1.3 percent.

The economic performance in Chicago showed several good features in February. Manufacturing production and non-manufacturing employment increased 0.5 percent and 0.2 percent, respectively. However, retail sales and construction decreased 7.3 percent and 0.5 percent, respectively.

The national economy and regional economy are expected to continue on an economic expansion. Even though the leading index of the Conference Board in February decreased 0.2 percent following four consecutive increases, the consumer confidence index of the Conference Board in March rose to 107.2 from 102.7, the highest level since May 2002, and the national economy created 211,000 jobs in March. For the local economy, considering the favorable national economic conditions, the Chicago region is also expected to continue on an expansion trend. However, Chicago's relatively weak employment performance compared with the nation as a whole in February generates concern as to whether the Chicago region will maintain the momentum for continued expansion.

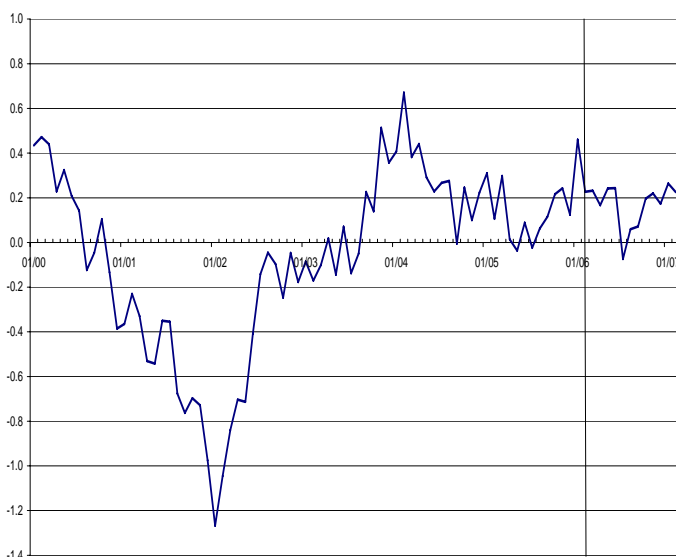
Release Date:
April 12, 2006

Next Release Date:
May 15, 2006

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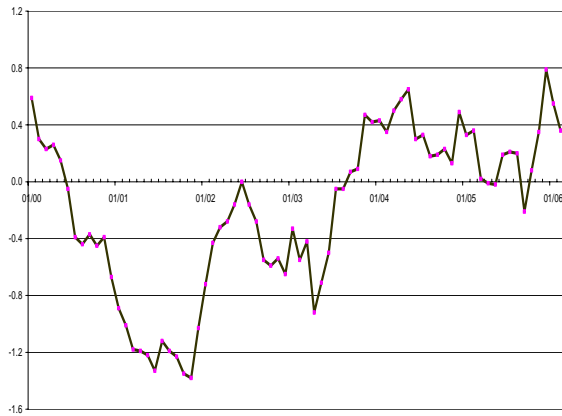
CBAI (Current: 0.227)			
	1 month	3 month	1 year
Historical (ago)	0.460	0.242	0.106
Forecast (ahead)	0.232	0.242	0.225

Chicago Business Activity Index

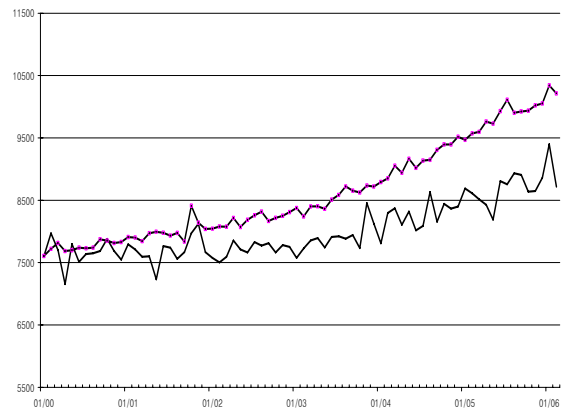


Chicago Business Activity Index

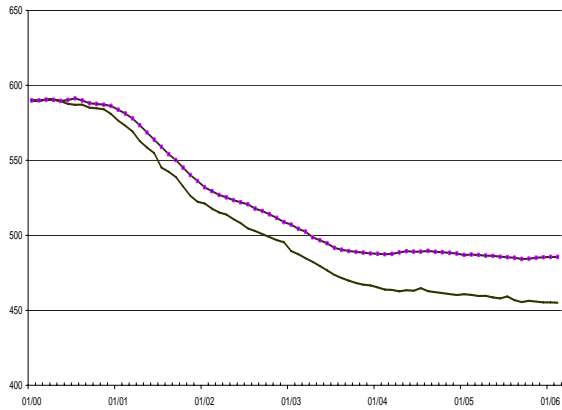
Chicago Fed National Activity Index (CFNAI-MA3)



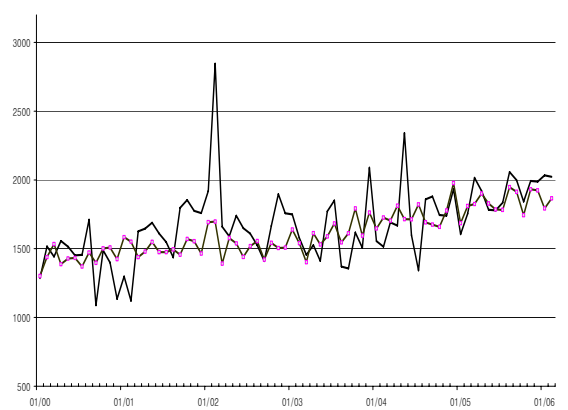
Chicago & National Retail Sales



Chicago & National Manufacturing Employment

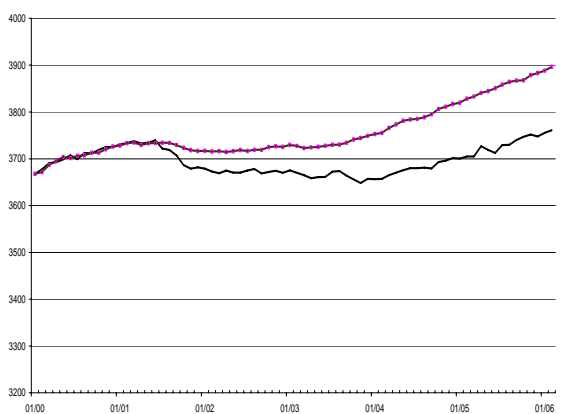


Illinois & National Construction



* Black lines show Chicago indicators.
National indicators are rescaled for comparison.

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	-0.34	0.10	-0.01	-1.15	-0.16	-0.04
NMfgn	1.77	0.45	0.20	1.51	0.25	0.15
Cons	3.07	-3.38	4.08	15.28	1.54	-0.52
Retail	6.69	1.90	-1.26	1.23	0.81	-7.26

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

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