

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in June

The Chicago Business Activity Index (CBAI) was 37.9 in June, up from 30.1 in May. The decline of CBAI had flattened out since February. The recent movement of the index exhibits a favorable sign that regional economic activity is finally emerging from the downward trend.

In June the national and regional economy showed mixed features. The Chicago Fed National Activity Index (CFNAI) was -1.80 in June, up from -2.30 in May. The Federal Reserve Board's industrial production index decreased 0.4% in June after having dropped 1.2% in May. Retail sales (excluding food services) increased 0.9% in June. Non-farm payroll employment continued to decline in June (-443,000), and the unemployment rate was little changed at 9.5% in June. The Chicago Fed Midwest Manufacturing Index (CFMMI) decreased 0.3% in June, after declining 3.0% in May. In the Chicago region, the manufacturing, non-manufacturing and construction employment decreased 0.98%, 0.26% and 3.12% respectively in June.

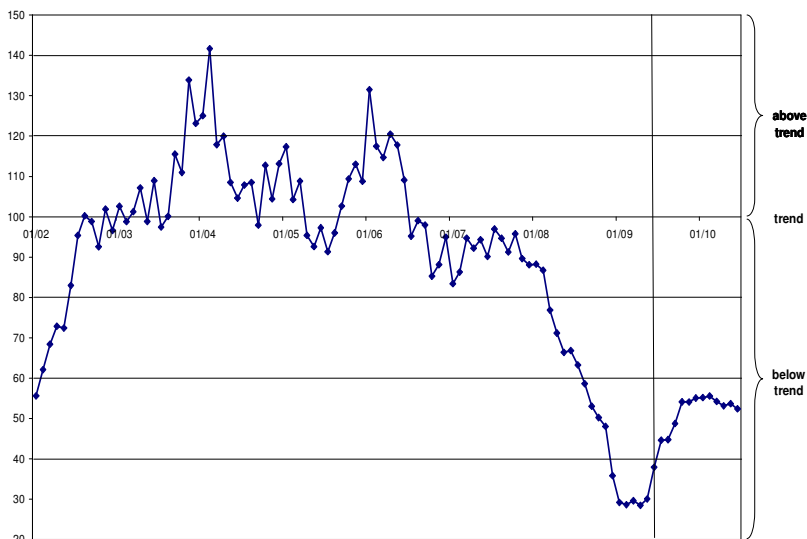
Looking further ahead, a number of uncertainties surround the national and regional economies. More than anything else, consumers remain quite pessimistic about the outlook of economic activities while the employment condition remained sluggish. The Conference Board's Consumer Confidence Index (CCI), which had retreated in June, declined further in July: The index now stands at 46.6 (1985=100), down from 49.3 in June. In addition, CBAI still continued to be far below the long-term trend, suggesting that it would take considerable time for the regional economy to gain the momentum of sustainable growth.

Chicago Business Activity Index

Release Date:
September 1, 2009

Next Release Date:
September 15, 2009

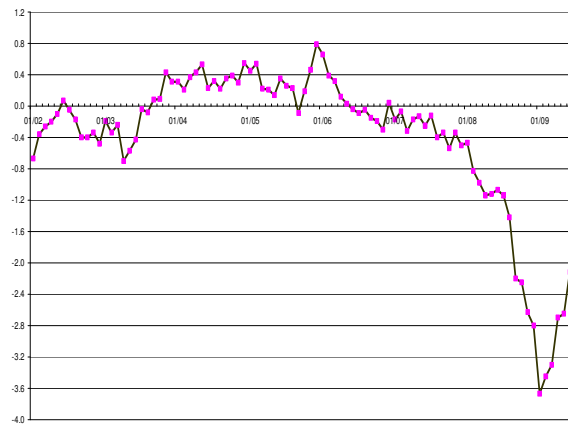
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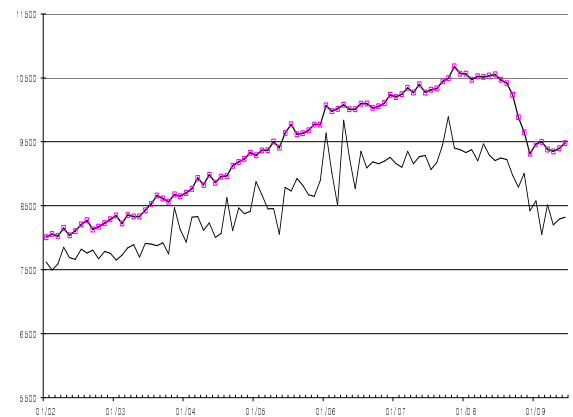
CBAI (Current: 37.9)			
	1 month	3 month	1 year
Historical (ago)	30.1	29.6	66.8
Forecast (ahead)	44.6	48.7	52.4

Chicago Business Activity Index

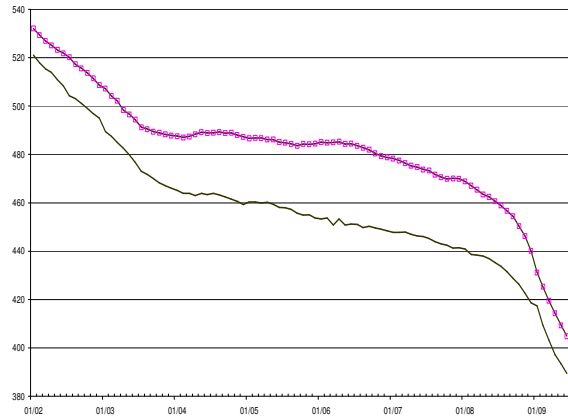
Chicago Fed National Activity Index (CFNAI-MA3)



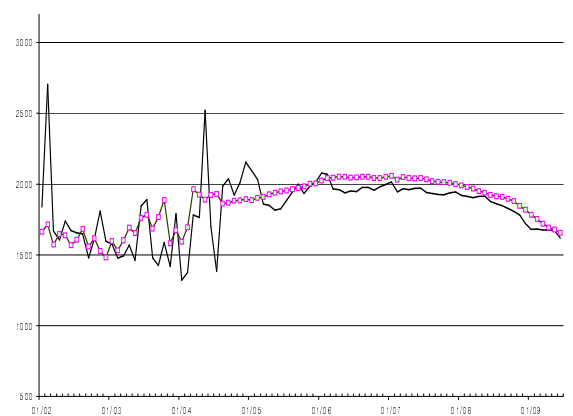
Chicago & National Retail Sales



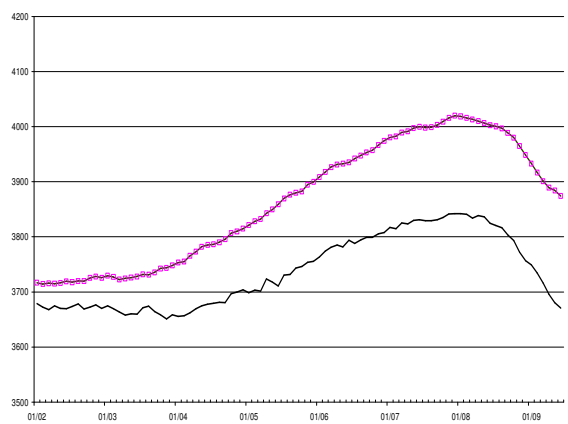
Chicago & National Manufacturing Employment



Illinois & National Construction



Chicago & National Non-manufacturing Employment



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

Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-12.11	-3.47	-1.09	-10.54	-3.42	-0.98
NMfgn	-3.22	-0.69	-0.26	-4.02	-1.21	-0.26
Cons	-13.94	-3.80	-1.36	-13.78	-3.42	-3.12
Retail	-10.17	1.08	0.90	-9.62	-2.29	0.37

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.

REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

For more information please contact:
Tae-Jeong Kim, Research Assistant
T. 217/244-7226; tkim35@illinois.edu

University of Illinois
220 Davenport Hall, 607 S. Mathews Ave.
Urbana, IL 61801-3671, www.real.uiuc.edu