

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in December 2009

The Chicago Business Activity Index (CBAI) was 84.4 in December 2009, up slightly from 82.8 in November. The recent movement of the index implies that the improving trend in the regional economic activities has been maintained.

In December 2009, the national and regional economy presented mixed features. The Federal Reserve Board’s industrial production index maintained its upward trend in December: it increased 0.6 percent in December after registering an increase of 0.6 percent in November. The national unemployment rate was unchanged at 10.0 percent while non-farm payroll employment edged down (-85,000) in December. Meanwhile, the Chicago Fed National Activity Index (CFNAI) decreased to -0.61 in December, down from -0.39 in November. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) declined 0.3 percent in December after five consecutive months’ increase since July 2009. In the Chicago region, manufacturing, non-manufacturing and construction employment decreased 0.4 percent, 0.3 percent and 4.2 percent respectively in December. The retail sales in the Chicago region are estimated to have decreased 0.2 percent in December.

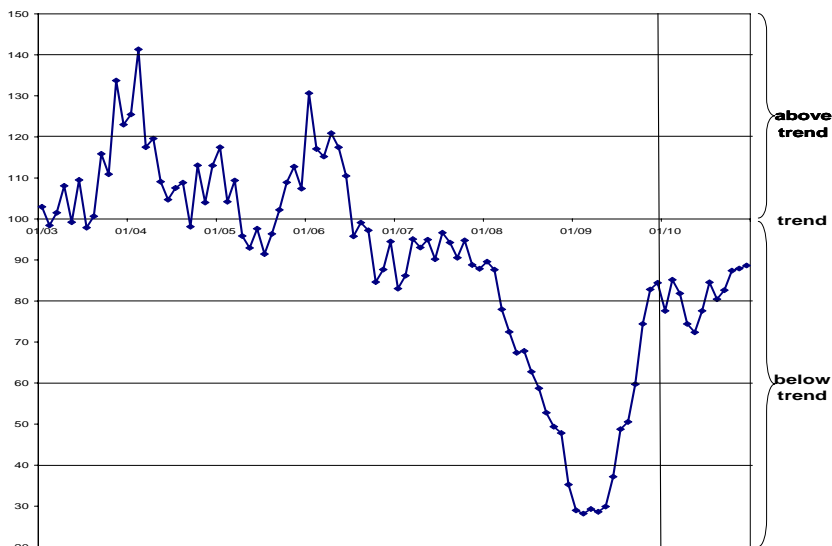
In the coming months, the national economy is likely to maintain its improving pattern: the Conference Board reported that its Leading Economic Index (LEI) for the U.S. increased 1.1 percent in December, following a 1.0 percent gain in November, and a 0.3 percent rise in October. For the local economy, considering recent national economic conditions, the Chicago economy is expected to continue on an improving trend in the near future. However, the CBAI still continues to be notably below the long-term trend, suggesting that there exist uncertainties surrounding the actual pace of the improvement.

Chicago Business Activity Index

Release Date:
February 15, 2010

Next Release Date:
March 15, 2010

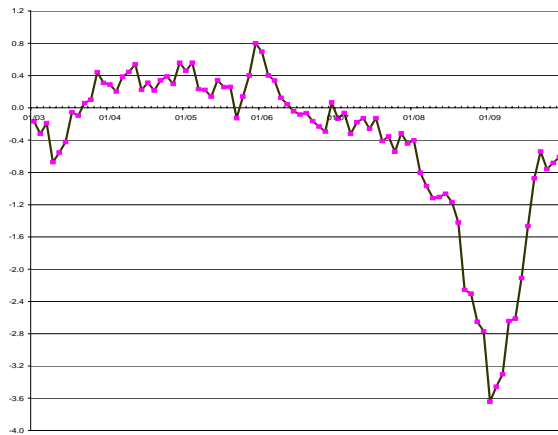
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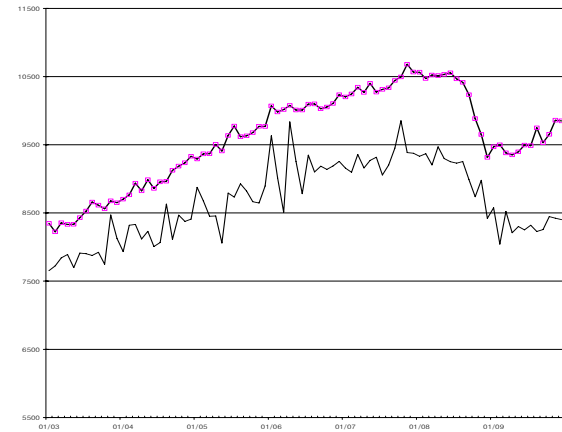
CBAI (Current: 84.4)			
	1 month	3 month	1 year
Historical (ago)	82.8	59.7	35.2
Forecast (ahead)	77.6	81.8	88.7

Chicago Business Activity Index

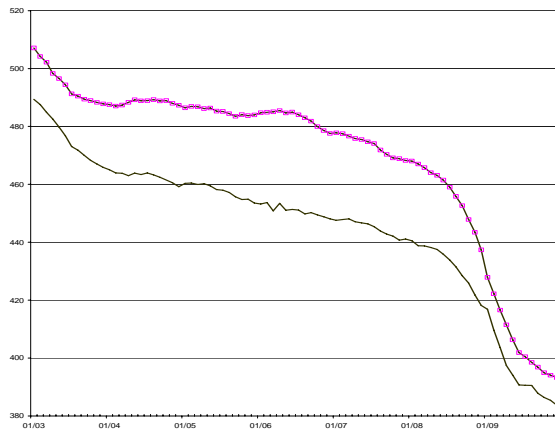
Chicago Fed National Activity Index (CFNAI-MA3)



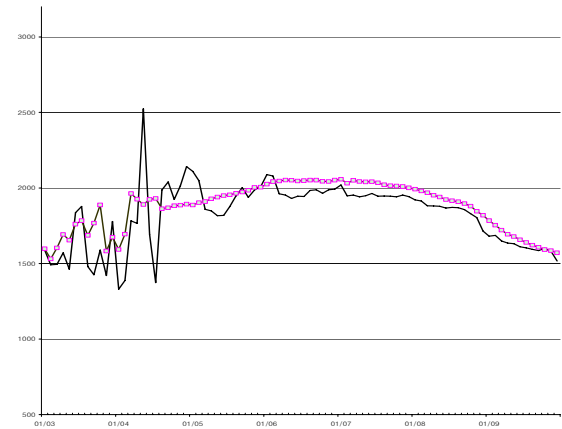
Chicago & National Retail Sales



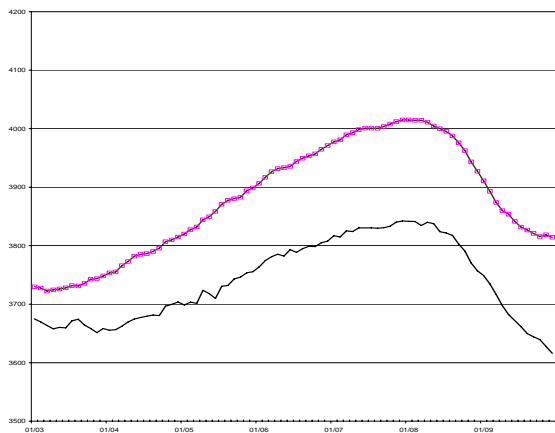
Chicago & National Manufacturing Employment



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	-10.08	-0.90	-0.20	-8.25	-1.06	-0.44
NMfgn	-2.87	-0.17	-0.11	-3.76	-0.77	-0.32
Cons	-13.65	-2.25	-0.89	-11.54	-4.32	-4.18
Retail	5.74	3.35	-0.10	-0.23	1.77	-0.25

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

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