

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in February

The Chicago Business Activity Index (CBAI) was 84.2 in February, showing a modest increase from 80.6 in January. The slight increase of the index in February could be attributed mainly to the increase of private consumption.

In February 2010, the national and regional economy presented mixed features. The Federal Reserve Board announced that the industrial production edged up 0.1 percent in February following a gain of 0.9 percent in January. The number of unemployed persons was little changed (+34,000) in February; consequently, the unemployment rate held at 9.7 percent. National retail sales increased 0.2 percent in February. The Chicago Fed reported that its Chicago Fed National Activity Index (CFNAI) decreased to -0.64 in February, down from -0.04 in January. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) decreased 0.8 percent in February, after registering 2.0 percent increase in January. In the Chicago region, manufacturing employment increased 0.1 percent while non-manufacturing and construction employment declined 0.2 percent and 2.4 percent respectively in February. Regional retail sales are estimated to have increased 1.2 percent in February.

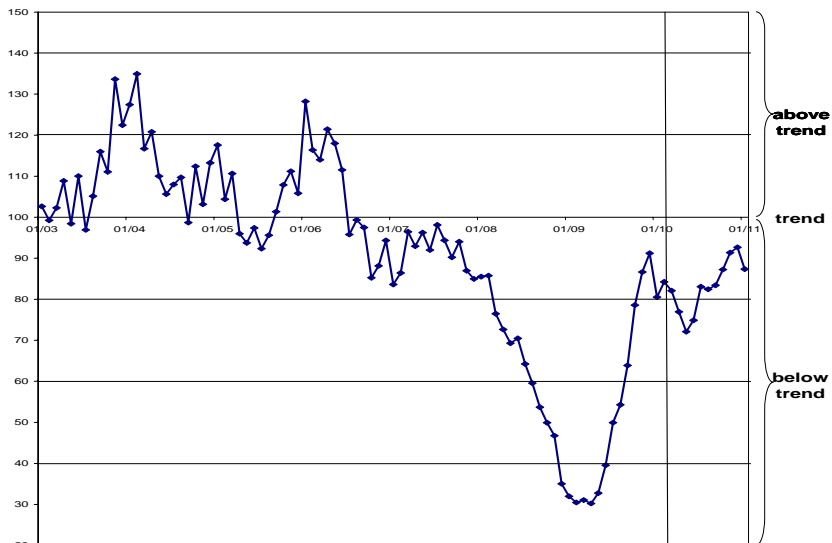
In the coming months, the national economy is likely to continue on a recovering trend. During the past few months, the national employment situation has staged a modest recovery (the Bureau of Labor Statistics reported that the nonfarm payroll employment increased by 162,000 in March while the number of unemployed persons was little changed at 15.0 million in March). The recent improvement in labor market conditions is expected to have a positive effect on the growth path of private demand in the future. For the local economy, considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to be on a gradually improving trend in the near future.

Chicago Business Activity Index

Release Date:
April 19, 2010

Next Release Date:
May 17, 2010

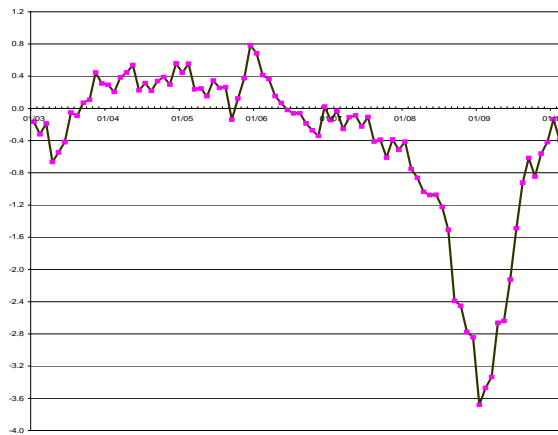
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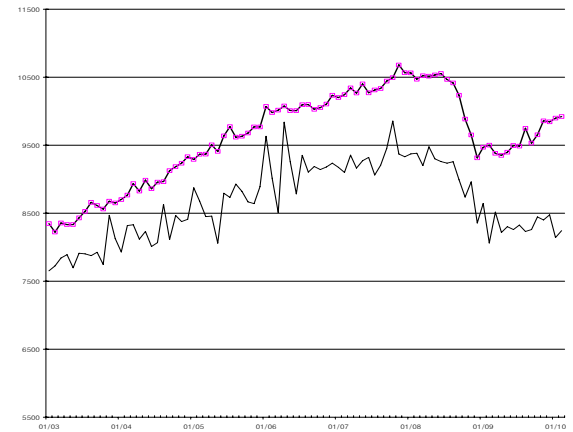
CBAI (Current: 84.2)			
	1 month	3 month	1 year
Historical (ago)	80.6	86.7	30.5
Forecast (ahead)	82.1	72.1	87.9

Chicago Business Activity Index

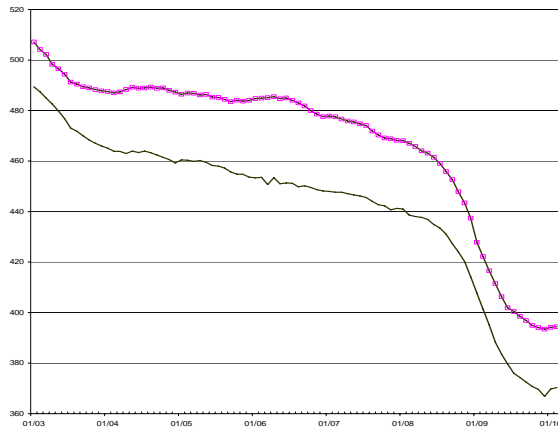
Chicago Fed National Activity Index (CFNAI-MA3)



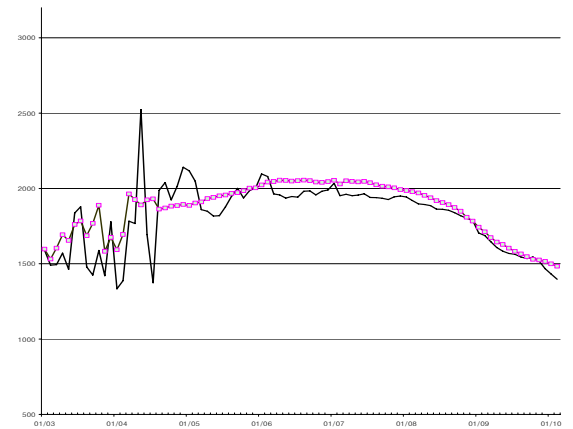
Chicago & National Retail Sales



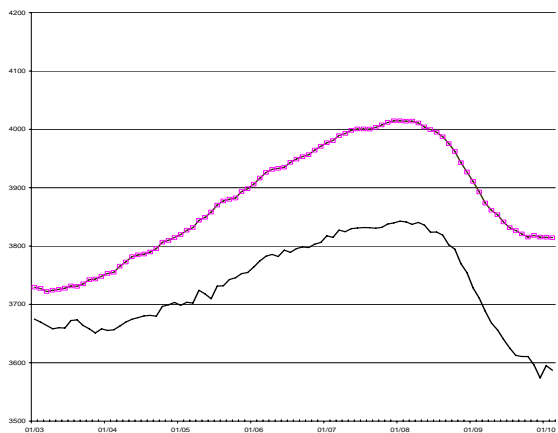
Chicago & National Manufacturing Employment



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	-6.58	0.09	0.05	-7.75	0.18	0.15
NMfgn	-2.01	-0.10	-0.02	-3.32	-0.25	-0.22
Const	-13.33	-2.70	-1.05	-17.16	-7.98	-2.43
Retail	4.43	0.63	0.23	2.23	-1.86	1.25

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.

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