

CHICAGO BUSINESS ACTIVITY INDEX

CBAI held steady in March

The Chicago Business Activity Index (CBAI) was 90.0 in March, showing a slight increase from 89.8 in February. The slight increase of the index in February could be attributed mainly to the improvement in construction activity.

In March, the national and regional economy presented mixed features. The Federal Reserve Board announced that industrial production increased 0.2 percent in March. In addition, national retail sales increased 2.3 percent in March. The number of unemployed persons was little changed at 15.0 million, and the unemployment rate remained at 9.7 percent in March. The Chicago Fed reported that its Chicago Fed National Activity Index (CFNAI) increased to -0.07 in March, from -0.64 in February. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) increased 1.5 percent in March, after a 0.6 percent decrease in February. In the Chicago region in March, manufacturing employment increased 0.02 percent while non-manufacturing employment declined 0.05 percent and construction employment increased by 0.49 percent in March. Regional retail sales are estimated to have decreased 3.37 percent.

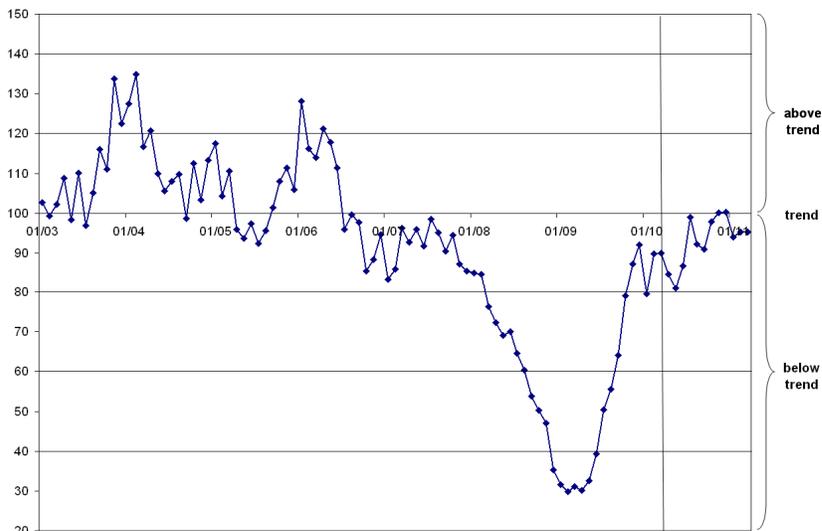
In the coming months, the national economy is likely to continue on a recovery trend, thanks to the rapid improvement in the labor market situation. During the past few months, the national employment situation has continued to improve (the Bureau of Labor Statistics reported the total nonfarm payroll employment rose by 162,000 in March. Job growth continued in temporary help services and in health care.) For the local economy, considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to be on an improving trend in the near future.

Release Date:
May 17, 2010

Next Release Date:
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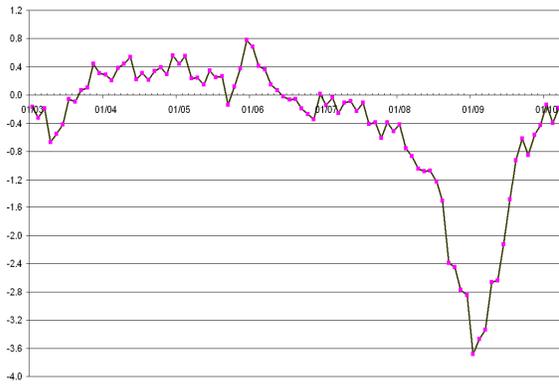
Chicago Business Activity Index



CBAI (Current: 90.0)			
	1 month	3 month	1 year
Historical (ago)	89.8	92.1	31.0
Forecast (ahead)	84.6	86.7	95.2

Chicago Business Activity Index

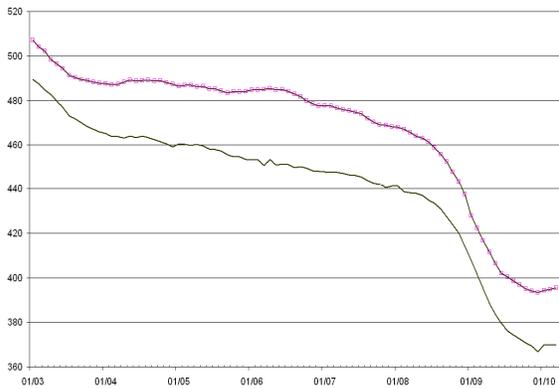
Chicago Fed National Activity Index (CFNAI-MA3)



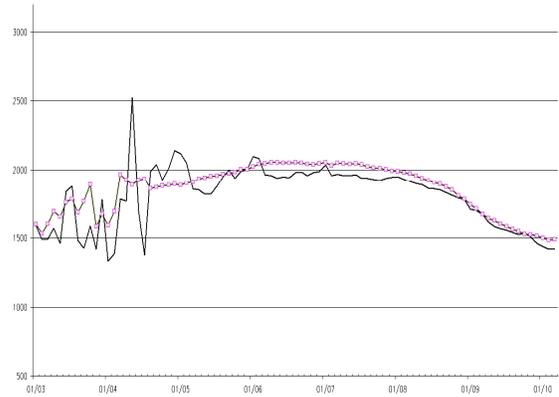
Chicago & National Retail Sales



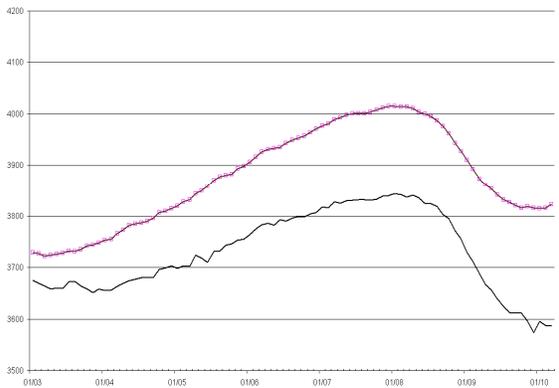
Chicago & National Manufacturing Employment



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	-5.09	0.49	0.16	-6.40	0.85	0.02
NMfgn	-1.32	0.19	0.18	-2.75	0.35	-0.05
Cons	-11.14	-1.83	0.27	-14.73	-2.49	0.49
Retail	9.24	3.07	2.32	-1.61	-1.74	-3.37

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.

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