

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI increased in May**

The Chicago Business Activity Index (CBAI) was 88.6 in May, showing a modest increase from 86.2 in April. The slight increase of the index in May could be attributed mainly to the increase of manufacturing employment and the positive contribution of consumption.

In May, the national and regional economy presented mixed features. The Federal Reserve Board announced that Industrial production index maintained its upward trend in May. It increased 1.2 percent in May after having risen 0.7 percent in April. In addition, national retail sales decreased 1.2 percent in May. The number of unemployed persons was 15.0 million in May. The unemployment rate edged down to 9.7 percent, the same rate as in the first 3 months of 2010. The Chicago Fed reported that its Chicago Fed National Activity Index (CFNAI) decreased to 0.21 in May, from 0.25 in April. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) increased 1.8 percent in May, after a 1.3 percent increase in April. In the Chicago region in May, manufacturing employment increased 0.24 percent while non-manufacturing employment increased 0.04 percent and construction employment decreased by 1.5 percent. Regional retail sales are estimated to have increased 0.43 percent in May.

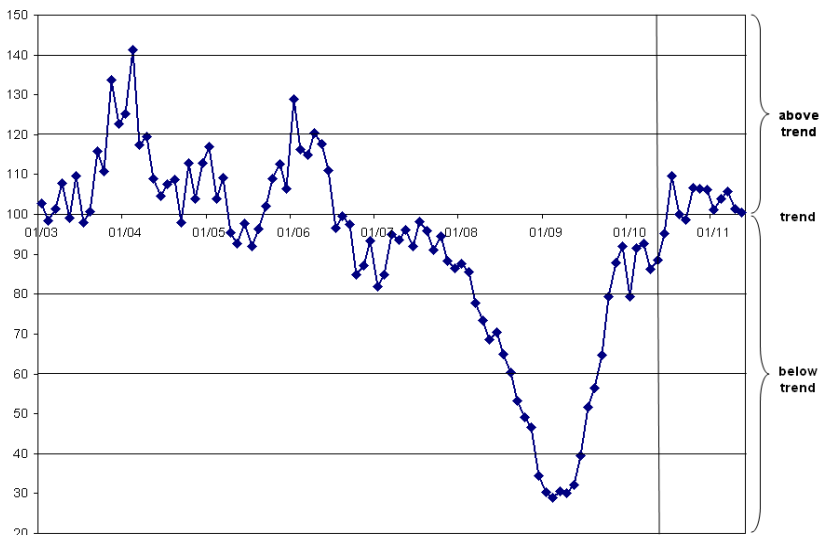
In the coming months, the national economy is likely to continue on a recovery trend. During the past few months, the national employment situation has continued to improve. The Bureau of Labor Statistics reported the total nonfarm payroll employment grew by 431,000 in May, reflecting the hiring of 411,000 temporary employees to work on Census 2010. Private-sector employment changed little (+41,000). 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.

**Chicago Business Activity Index**

*Release Date:*  
July 17, 2010

*Next Release Date:*  
August 17, 2010

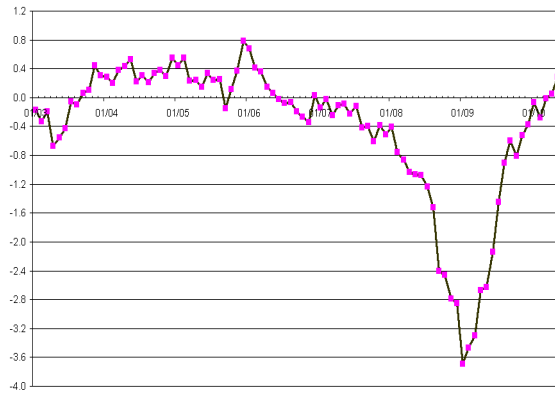
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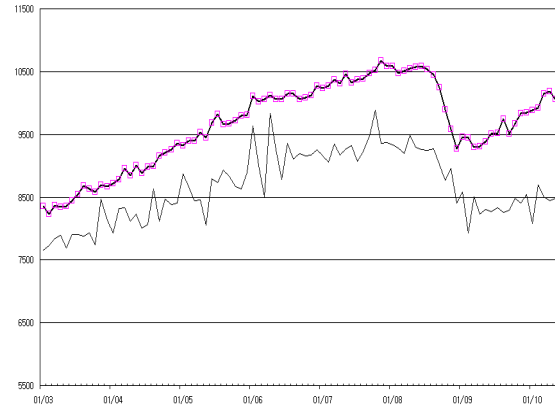
<b>CBAI</b> (Current: 88.6)			
	1 month	3 month	1 year
Historical (ago)	86.2	91.6	32.1
Forecast (ahead)	95.2	100.0	100.6

# Chicago Business Activity Index

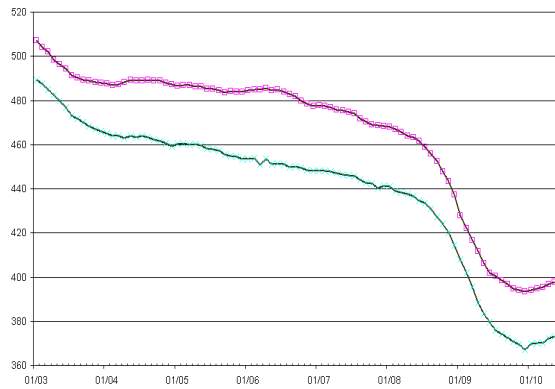
Chicago Fed National Activity Index (CFNAI-MA3)



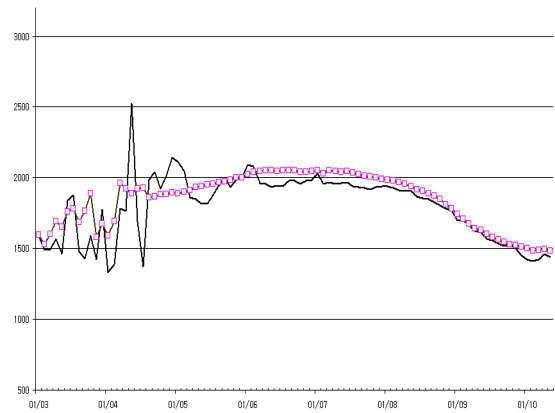
Chicago & National Retail Sales



Chicago & National Manufacturing Employment

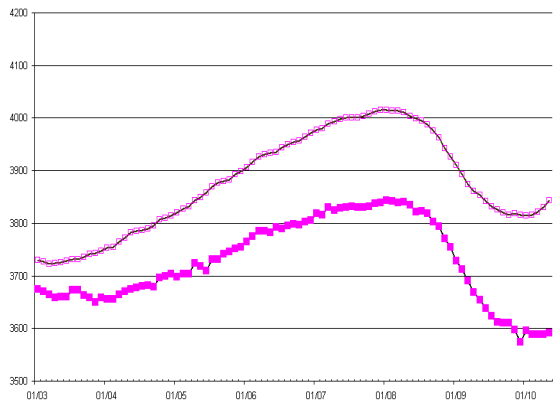


Illinois & National Construction



\* Black lines show Chicago indicators.

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	-2.10	0.77	0.28	-2.71	0.80	0.24
NMfgn	-0.26	0.73	0.34	-1.72	0.08	0.09
Cons	-8.64	0.11	-0.62	-10.75	2.06	-1.50
Retail	7.26	1.46	-1.20	2.04	-2.45	0.43

Note: All series are seasonally adjusted.

National indicators are rescaled for comparison.

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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