

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI increased in January 2012**

The Chicago Business Activity Index (CBAI) was 100.0 in January 2012, a slight increase from 99.3 in December. The increase is attributed mainly to the improvement of manufacturing and non-manufacturing employment in the Chicago region.

In January, the national and regional economy presented mixed features. The Federal Reserve Board announced that manufacturing output rose 0.7% in January after having increased 1.5% in December. Capacity utilization for manufacturing moved up 0.5%p to 77.0%. Meanwhile, output and capacity utilization for total industry changed little in January. The nation’s unemployment rate decreased to 8.3% in January from the previous month’s 8.5%.

The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to +0.22 in January, from +0.54 in December, but remained positive for the second straight month for the first time in a year. In the Chicago region in January, manufacturing and non-manufacturing employment increased 0.47% and 0.49% respectively while construction employment fell 1.57% and retail sales are estimated to have decreased 0.64% in January.

In the coming months, the national economy is likely to continue on its modest recovering trend. The Bureau of Labor Statistics reported total nonfarm payroll employment rose by 227,000, and the unemployment rate was unchanged at 8.3% in February. January’s CFNAI-MA3 suggests that growth in national economic activity was slightly above its historical trend. For local economy, considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to experience a period of fluctuations and continue its weak improving trend over the next several months.

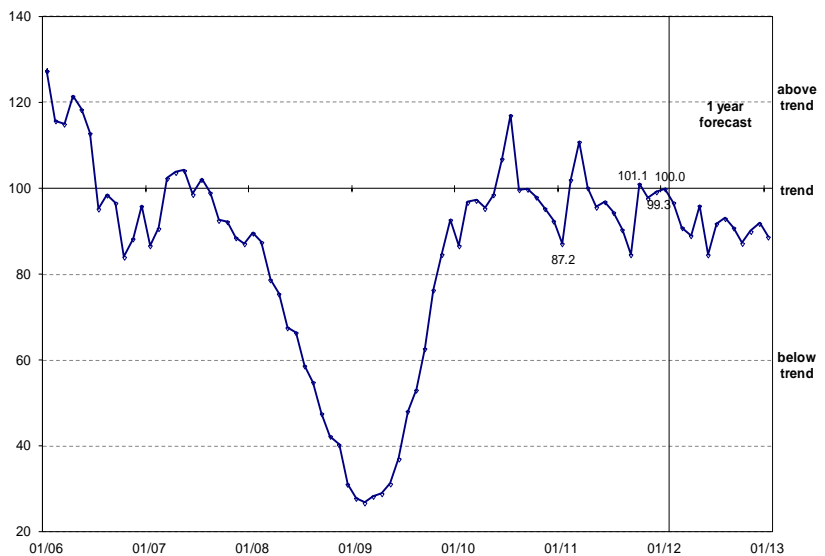
**Chicago Business Activity Index**

*Release Date:*  
March 16, 2012

*Next Release Date:*  
April 18, 2012

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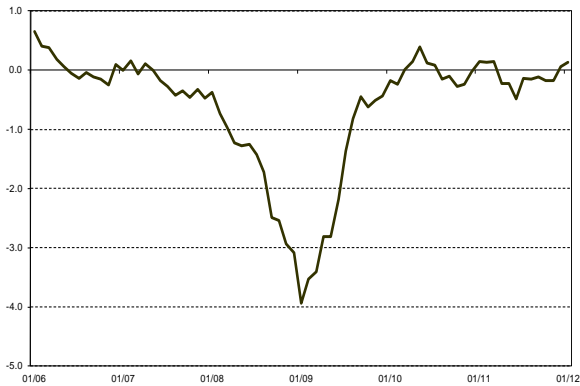
<b>CBAI</b> (Current: 100.0)			
	1 month	3 month	1 year
Historical (ago)	99.3	101.1	87.2
Forecast (ahead)	96.7	89.0	88.7



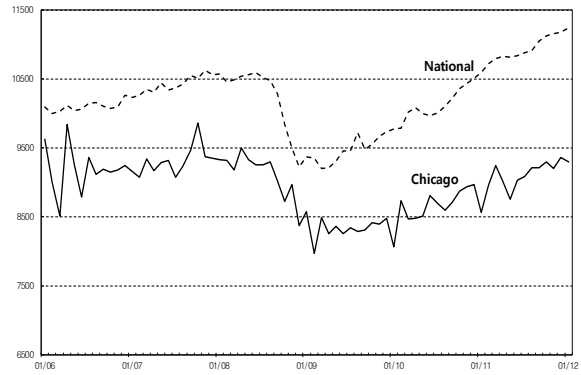
# Chicago Business Activity Index

\* National indicators are rescaled for comparison.

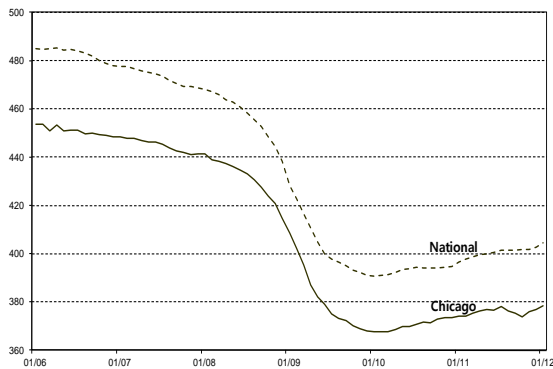
**Chicago Fed National Activity Index (CFNAI-MA3)**



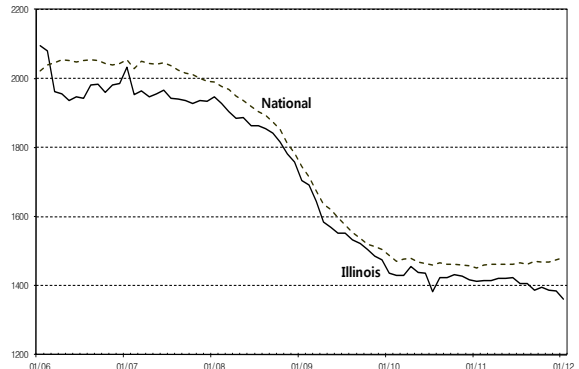
**Chicago & National Retail Sales**



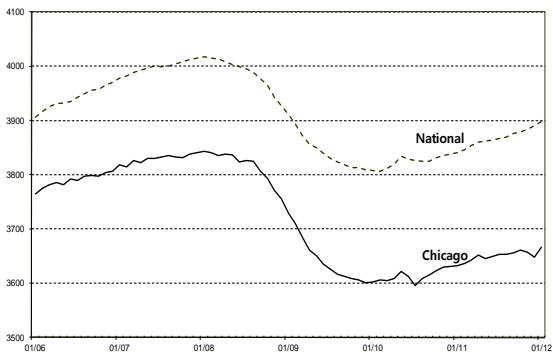
**Chicago & National Manufacturing Employment**



**Illinois & National Construction**



**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	2.00	0.70	0.44	1.16	1.24	0.47
NMfgn	1.50	0.48	0.19	0.93	0.14	0.49
Cons	2.03	0.87	0.38	-3.58	-2.35	-1.57
Retail	6.12	1.09	0.53	8.61	-0.06	-0.64

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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