

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI increased in February**

The Chicago Business Activity Index (CBAI) was 105.2 in February, a slight increase from 104.8 in January. The increase is attributed mainly to the improvement of retail sector and positive job growth in manufacturing and non-manufacturing sectors in the Chicago region.

In February, the national and regional economy presented mixed features. The Federal Reserve Board announced that manufacturing industrial output moved up 0.3% in February after having risen 1.1% in January. Capacity utilization in manufacturing changed little, 77.4% from 77.3% in the past month. Meanwhile, output and capacity utilization for total industry were changed little in January. The nation's unemployment rate also showed little change at 8.2% in February.

The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to -0.09 in February from +0.33 in January, but the 3-month moving average (+0.30) of CFNAI suggests growth in national economic activity was above its historical trend. In the Chicago region in February, manufacturing and non-manufacturing employment increased 0.17% and 0.08% respectively while construction employment fell 0.06%. Retail sales are estimated to have increased 1.13% in February after having decreased 0.64% in January.

In the coming months, the national economy is likely to continue its bumpy recovery trend. The Bureau of Labor Statistics reported total nonfarm payroll employment increased by 120,000 in March, and the unemployment rate was little changed at 8.2%. The CFNAI-MA3 suggests limited inflationary pressure from economic activity over the coming year. 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.

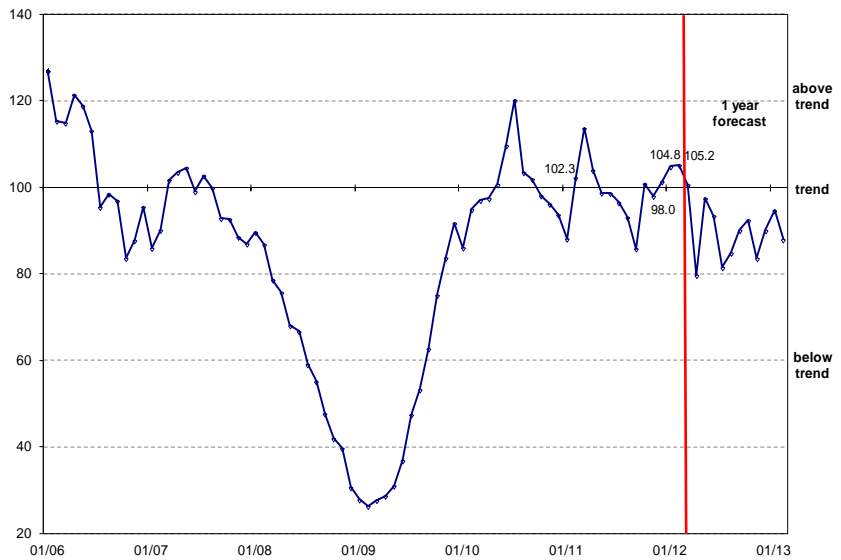
**Chicago Business Activity Index**

*Release Date:*  
April 18, 2012

*Next Release Date:*  
May 18, 2012

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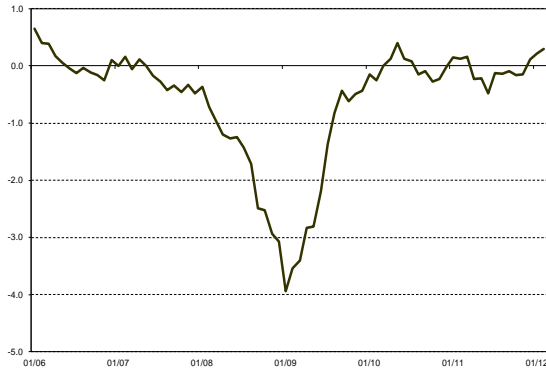
<b>CBAI</b> (Current: 105.2)			
	1 month	3 month	1 year
Historical (ago)	104.8	98.0	102.3
Forecast (ahead)	100.6	97.5	88.0



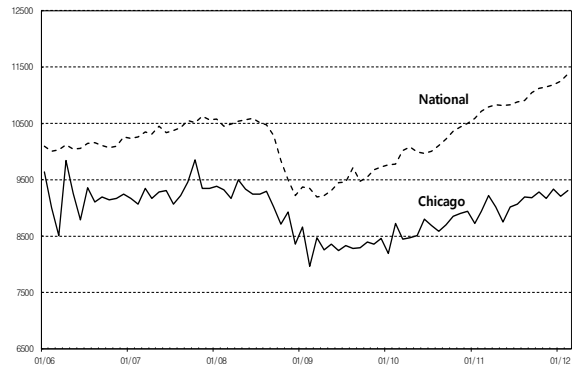
# Chicago Business Activity Index

\* National indicators are rescaled for comparison.

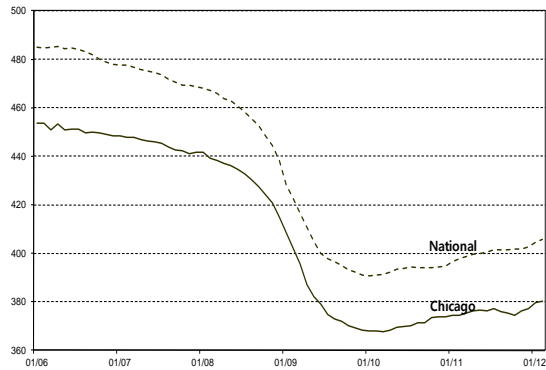
**Chicago Fed National Activity Index (CFNAI-MA3)**



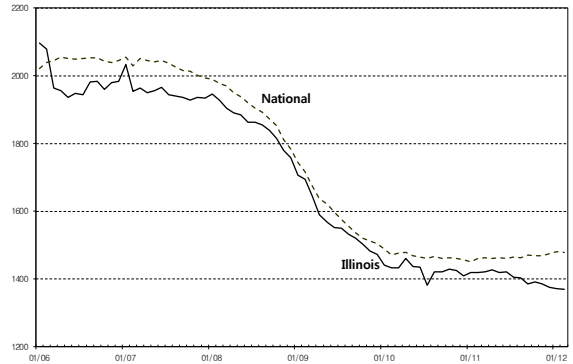
**Chicago & National Retail Sales**



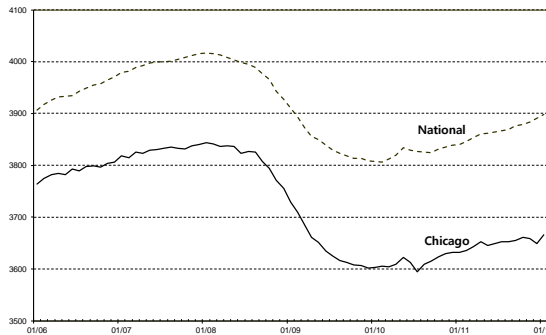
**Chicago & National Manufacturing Employment**



**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	1.94	0.94	0.26	1.56	1.07	0.17
NMfgn	1.51	0.52	0.17	0.93	0.30	0.08
Cons	1.26	0.69	-0.11	-3.46	-1.01	-0.06
Retail	6.10	1.99	1.06	4.04	1.47	1.13

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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