

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased slightly in August

The Chicago Business Activity Index (CBAI) increased slightly to 90.9 in August from 90.1 in July. The rise is attributed to the nationwide employment increase in manufacturing and nonmanufacturing sectors and improved activities in retail in the Chicago region.

In August, the national and regional economy shared positive features. The Federal Reserve Board announced that total industrial production index advanced 0.4 percent in August to 99.4 after having been unchanged in July. Capacity utilization for all industry increased 0.2 percentage point in August to 77.8 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) increased to +0.14 in August from -0.43 in July due to positive contributions of production, sales and employment. Midwest manufacturing output measured by the Chicago Fed Midwest Manufacturing Index (CFMMI) increased 1.5 percent in August due to production increases in auto, machinery and resource sectors. In the Chicago region, employment in manufacturing and construction fell 0.36 percent and 1.08 percent in August while nonmanufacturing employment little changed. Retail sales are estimated to have risen 0.61% in August.

In the coming months, the national economy is likely to maintain its modest recovery trend. The economic growth reflected in the CFNAI-MA3 suggests that national economic activity was below its historical trend. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its modest improving trend over the next several months.

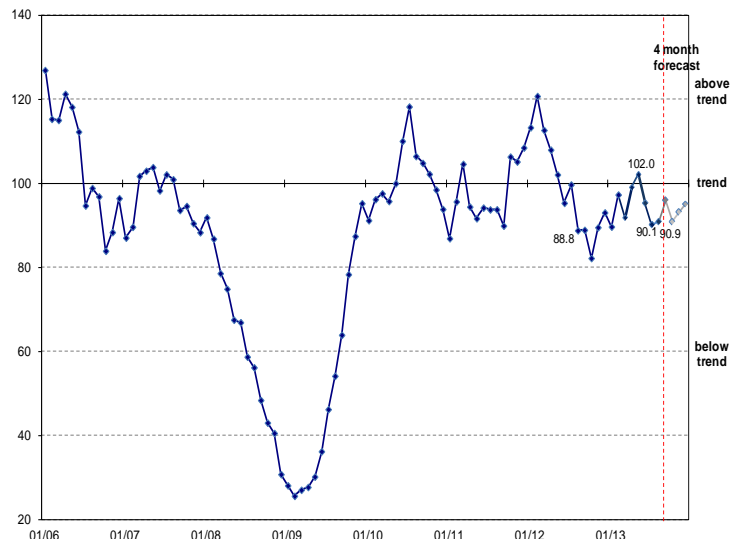
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CBAI (Current: 90.9)			
	1 month	3 month	1 year
Historical (ago)	90.1	102.0	88.8
Forecast (ahead)	95.9	93.1	-

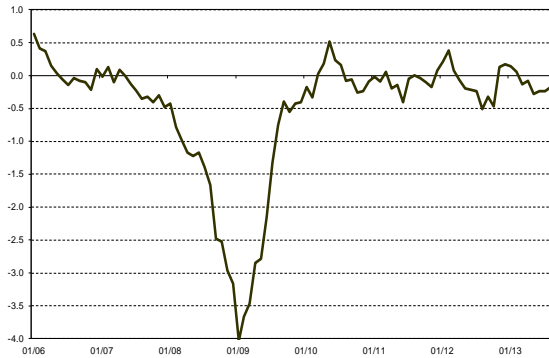
Chicago Business Activity Index



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* National indicators are rescaled for comparison.

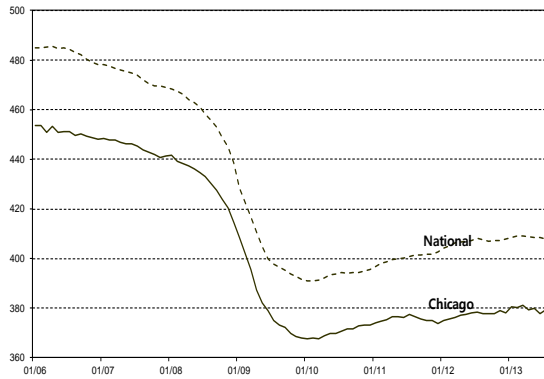
Chicago Fed National Activity Index (CFNAI-MA3)



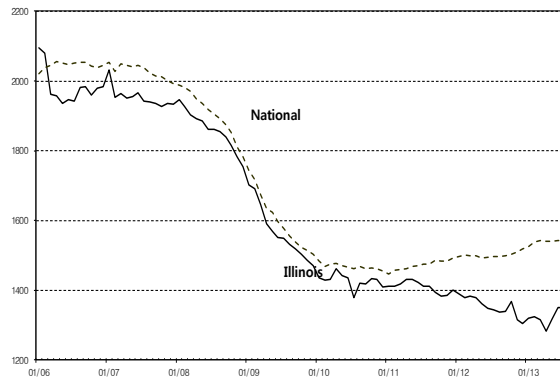
Chicago & National Retail Sales



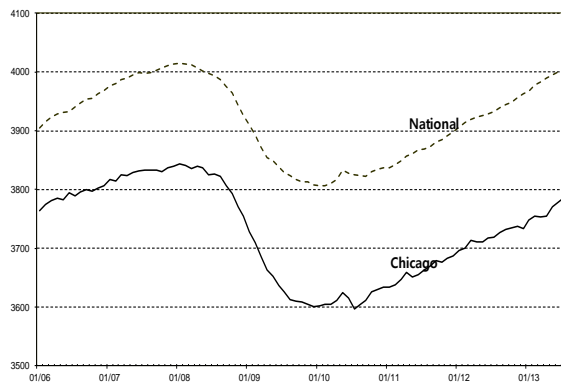
Chicago & National Manufacturing Employment



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	0.17	-0.08	0.12	-0.08	-0.60	-0.36
NMfgn	1.79	0.37	0.12	1.48	0.32	-0.02
Cons	2.98	0.12	0.0	0.01	1.50	-1.08
Retail	N/A	N/A	N/A	3.89	-2.92	0.61

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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