

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI increased in November**

The Chicago Business Activity Index (CBAI) was 0.19 in November 2004. This was mainly attributed to the increase of retail sales. Considering that the CBAI leads the local business cycle and positive values of this index are associated with above-trend growth, the Chicago economy likely continues on a strong expansion path.

In November, the national economy presented a bright feature. The coincident index of the Conference Board increased 0.1 percent. Construction, retail sales and non-manufacturing employment were up 7.1 percent, 0.1 percent and 0.1 percent, respectively.

The economic performance in Chicago showed a mixed feature in November. Retail sales rose 4.8 percent. However, construction, the Chicago Fed Midwest manufacturing production, and non-manufacturing employment decreased 0.7 percent, 0.3 percent and 0.3 percent, respectively.

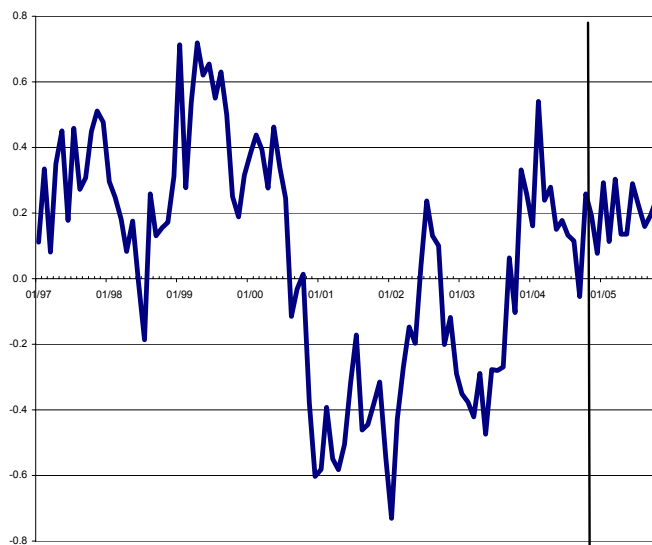
Both the national economy and regional economy are expected to continue on an economic expansion. The leading index of the Conference Board increased 0.2 percent in November and its consumer confidence index, which had been on the decline since August 2004, rebounded to 102.3 from 92.6 in December. The consumers' outlook suggests that the economy will continue to expand in the first half of this year. The regional economy also continues to benefit from the expansion of the national economy. However, the relative loss in employment the Chicago region compared with the nation as a whole will require more job creation to maintain pace with the rest of the nation.

**Chicago Business Activity Index**

*Release Date:*  
January 14, 2005

*Next Release Date:*  
February 15, 2005

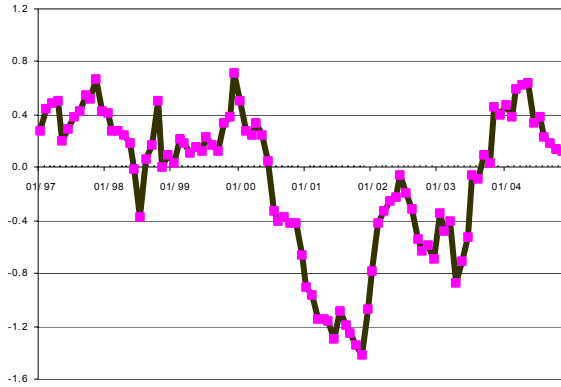
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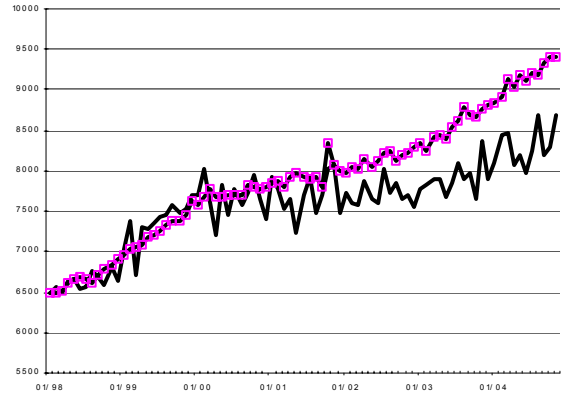
<b>CBAI</b> (Current: 0.191)			
	1 month	3 month	1 year
Historical (ago)	0.258	0.116	0.332
Forecast (ahead)	0.077	0.113	0.300

# Chicago Business Activity Index

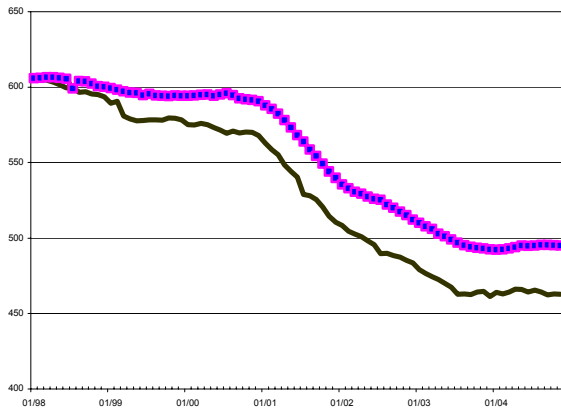
**Chicago Fed National Activity Index (CFNAI-M A3)**



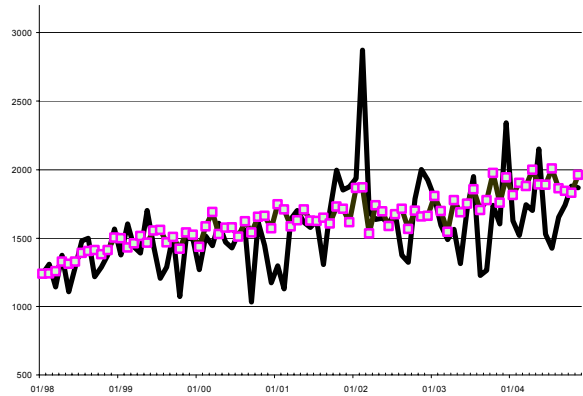
**Chicago & National Retail Sales**



**Chicago & National Manufacturing Employment**

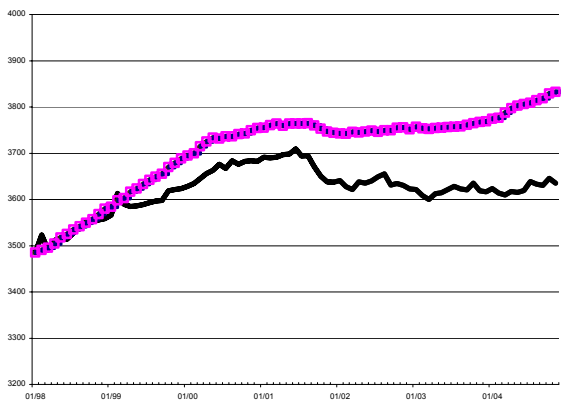


**Illinois & National Construction**



\* Black lines show Chicago indicators.  
National indicators are rescaled for comparison.

**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	0.39	-0.08	-0.03	-0.39	-0.32	-0.03
NMfgn	1.72	0.47	0.10	0.46	0.06	-0.28
Cons	11.55	5.18	7.07	16.44	12.99	-0.69
Retail	7.20	2.47	0.09	3.82	-0.15	4.75

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 principle components regression method, directs attention to the relationship between local and national business cycle.

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