

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in April

The Chicago Business Activity Index (CBAI) was 0.13 in April, the seventh consecutive positive reading since October 2004. This was mainly attributed to the increase of retail sales and manufacturing production. Considering that the CBAI leads the local business cycle and positive values of this index are associated with above-trend growth, the Chicago economy as a whole will continue to grow. However, CBAI prediction shows that the next 12 month growth rate will be lower than the previous 12 months.

In April, the national economy presented a favorable feature. The coincident index of the Conference Board increased 0.2 percent. Construction, retail sales and non-manufacturing employment were up 4.2 percent, 1.4 percent and 0.2 percent, respectively.

The economic performance in Chicago was mixed in April. Retail sales, the Chicago Fed Midwest manufacturing production and non-manufacturing employment increased 1.7 percent, 0.4 percent and 0.1 percent, respectively. However, construction and manufacturing employment decreased 4.5 percent and 0.3 percent, respectively.

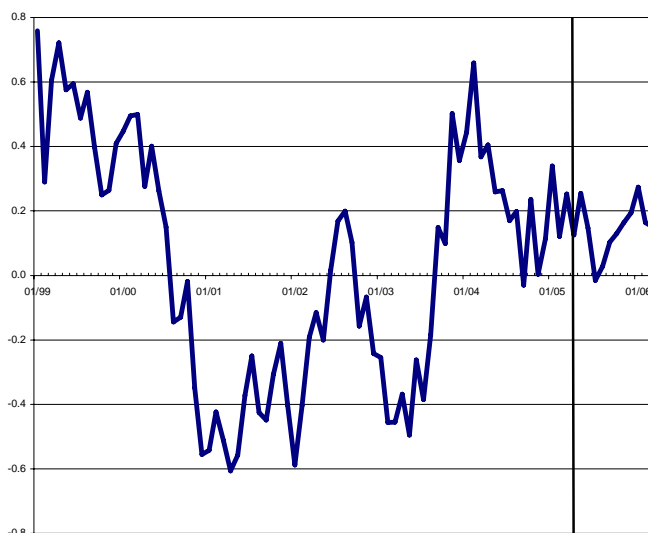
The national economy and regional economy seems to suggest a temporary slowdown. The leading index of the Conference Board decreased 0.2 percent and job gains in May were just 78,000, the weakest job creation since August 2003. However, amid the gloomy data, the Conference Board's consumer confidence index in May rose to 102.2 from 97.5 in April, showing that consumers' concerns about the economy and jobs have eased. For the local economy, the Chicago region is also expected to take a short breath. Chicago's relative employment loss compared with the nation as a whole in April suggests that the region's economy requires more job creation to fully share the benefit from the future rebound and ride on an expansion trend with the rest of the nation.

Chicago Business Activity Index

Release Date:
June 10, 2005

Next Release Date:
July 15, 2005

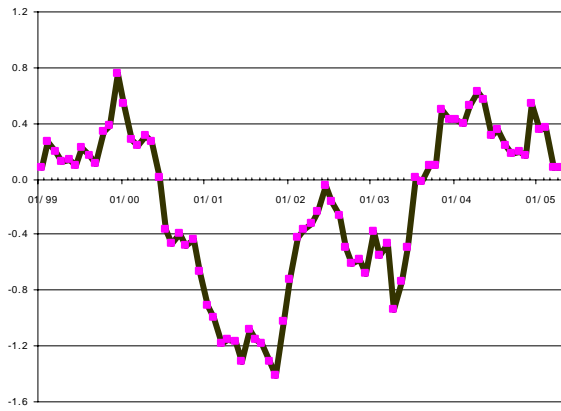
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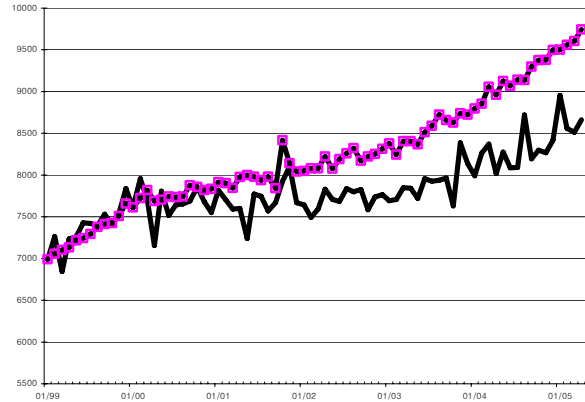
CBAI (Current: 0.125)			
	1 month	3 month	1 year
Historical (ago)	0.253	0.340	0.405
Forecast (ahead)	0.254	-0.016	0.081

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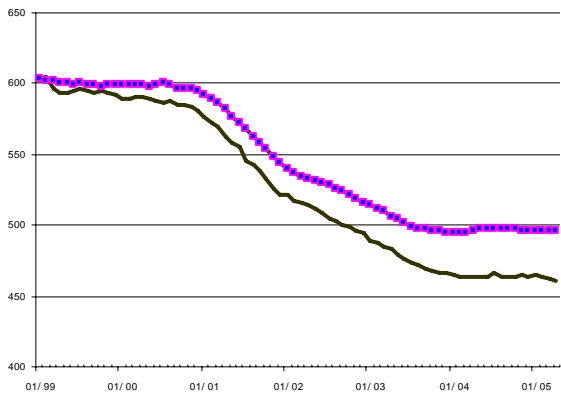
Chicago Fed National Activity Index (CFNAI-M A3)



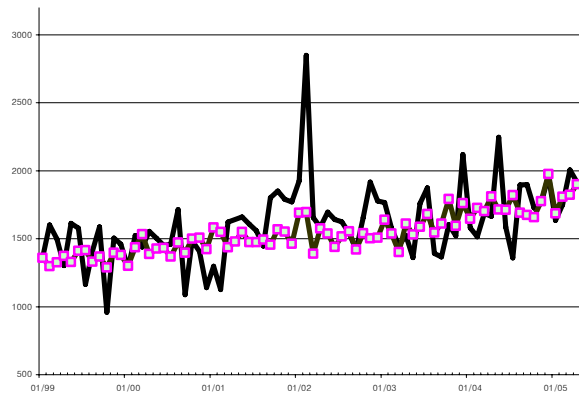
Chicago & National Retail Sales



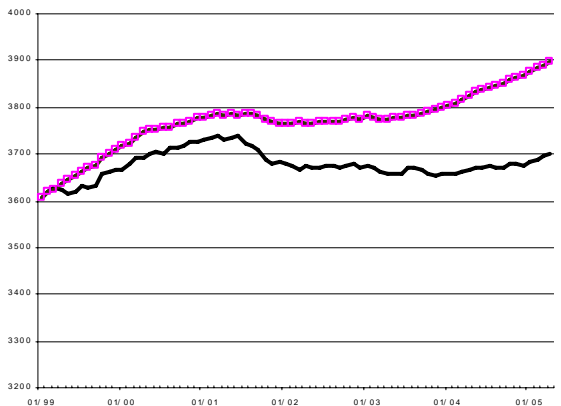
Chicago & National Manufacturing Employment



Illinois & National Construction



Chicago & National Non-manufacturing Employment



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

Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	-0.10	0.01	-0.04	-0.45	-0.62	-0.29
NMfgn	1.87	0.61	0.24	0.89	0.42	0.11
Cons	4.89	12.67	4.24	15.19	17.31	-4.46
Retail	8.74	2.53	1.44	7.99	-3.26	1.72

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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