

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in September

The Chicago Business Activity Index (CBAI) was 0.187 in September. This was mainly attributed to the increase of non-manufacturing employment. Considering that the CBAI leads the local business cycle and positive values of this index are associated with above-trend growth, the Chicago economy will continue to grow. However, CBAI prediction indicates the regional economy will experience a temporary slowdown after its short, continued expansion earlier this year.

In September, the national economy presented mixed features. The coincident index of the Conference Board decreased 0.1 percent. While retail sales increased 0.2 percent, construction and manufacturing employment declined 1.9 percent and 0.2 percent, respectively.

The economic performance in Chicago was also mixed in September. Non-manufacturing employment increased 0.4 percent. However, construction, retail sales and manufacturing employment decreased 3.0 percent, 1.2 percent and 0.5 percent, respectively

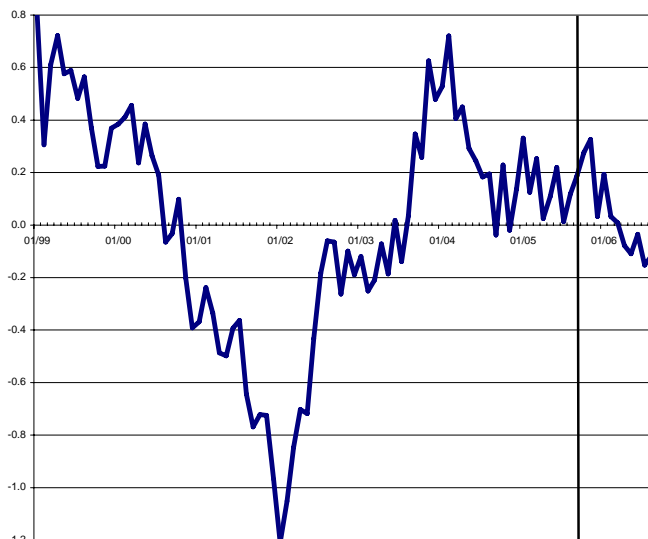
The national economy presented evidence of a temporary slowdown. Key economic indicators declined sharply as fallout from the Gulf Coast hurricanes filtered its way. The leading index of the Conference Board decreased 0.7 percent in September and its consumer confidence index, which had plummeted in September, declined again in October. However, the U.S. economy gained 56,000 jobs in October. For the local economy, the Chicago region also seems to suggest a temporary slowdown after showing short favorable momentum for continued expansion.

Chicago Business Activity Index

Release Date:
November 16, 2005

Next Release Date:
December 15, 2005

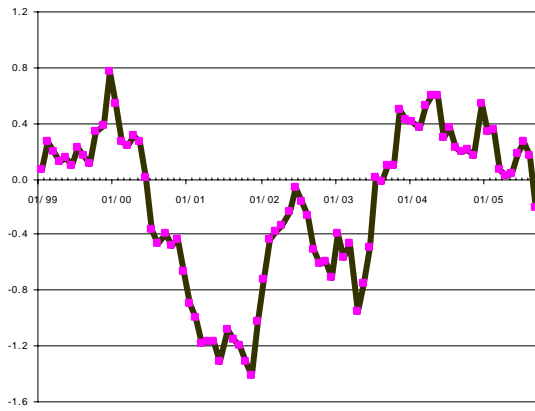
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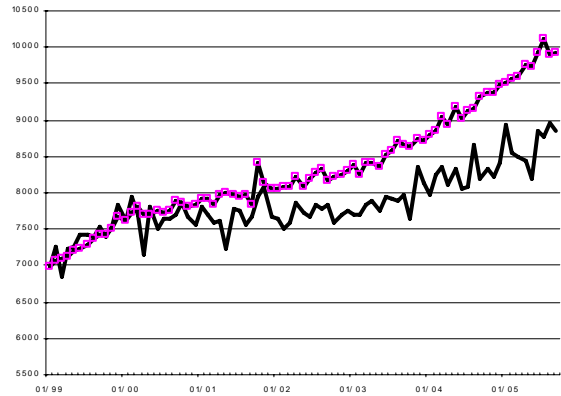
CBAI (Current: 0.187)			
	1 month	3 month	1 year
Historical (ago)	0.119	0.220	-0.039
Forecast (ahead)	0.276	0.033	-0.101

Chicago Business Activity Index

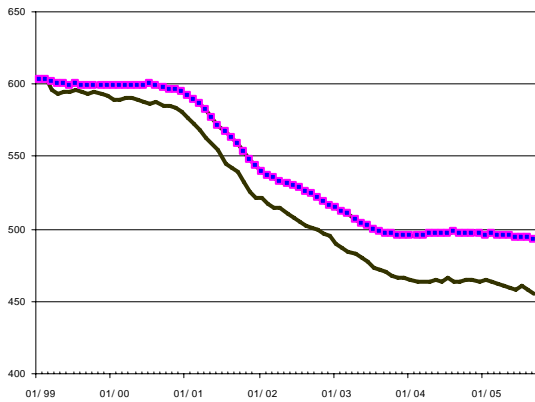
Chicago Fed National Activity Index (CFNAI-M A3)



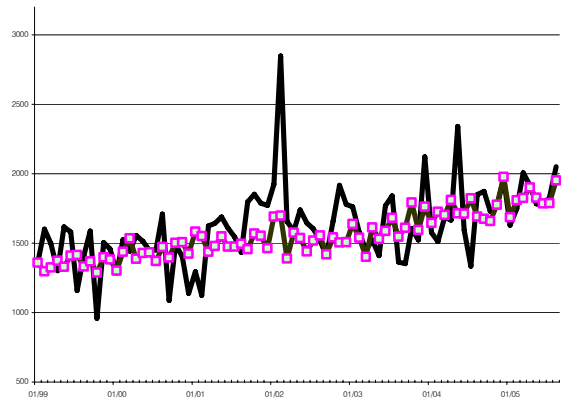
Chicago & National Retail Sales



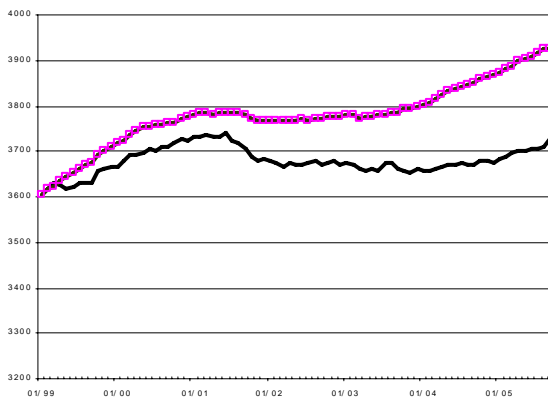
Chicago & National Manufacturing Employment



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	-0.82	-0.29	-0.19	-1.63	-0.53	-0.45
NMfgn	1.94	0.41	-0.01	1.55	0.55	0.43
Cons	14.24	7.07	-1.94	6.18	12.03	-2.96
Retail	6.69	-0.01	0.24	7.89	0.10	-1.17

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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