

CHICAGO BUSINESS ACTIVITY INDEX

CBAI fell in February

NOTE: CBAI has been revised due to Chicago Fed Midwest Manufacturing Index (CFMMI) revision.

The Chicago Business Activity Index (CBAI) was 78.8 in February, the seventh consecutive below the long-term trend reading since August 2007. This was mainly attributed to the weak national economy and the negative contribution of construction. Considering that the CBAI leads the local business cycle and the values of this index under 100 are associated with below-trend growth, the Chicago economy will experience below trend growth over the next 12 months.

In February, the national economy showed weak features. The Chicago Fed National Activity Index (CFNAI) was -1.04, down from -0.68 in January. This is the lowest level since May 2003. Real GDP growth fell to 0.6 percent in the fourth quarter of 2007. The economic performance in Chicago presented mixed features. While construction and manufacturing decreased by 1.72 percent and 0.34 percent, consumption increased by 2.27 percent.

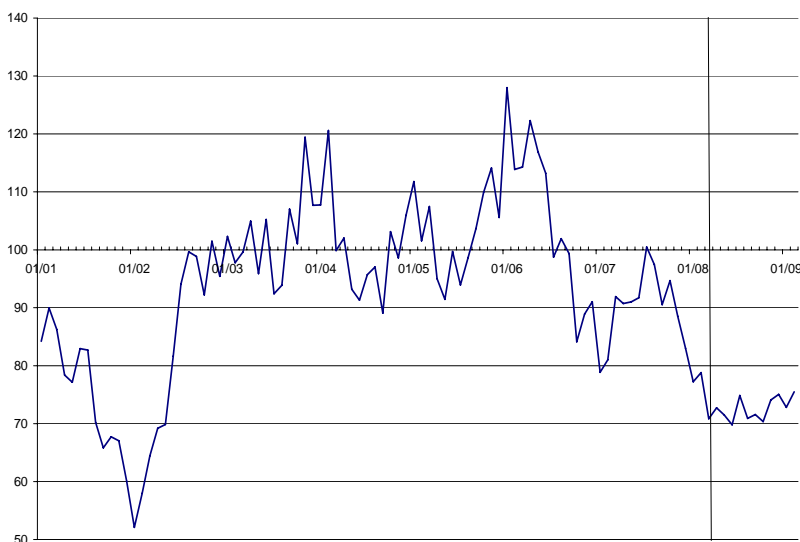
The national economy and regional economy seem to continue on a slower economic growth trend. For the national economy, the leading index announced by the Conference Board declined for the fifth straight month. Surveys of Consumers said that “consumers were nearly unanimous in the opinion that the economy had already slipped into recession” and “high fuel and food prices cause widespread households financial distress.” For the local economy, the CBAI index suggests that economic growth will be below its historical trend, in large part because of the slowing national economic activity.

Chicago Business Activity Index

Release Date:
April 15, 2008

Next Release Date:
May 15, 2008

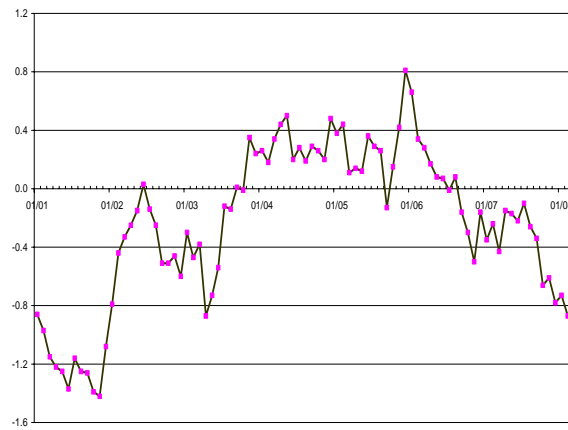
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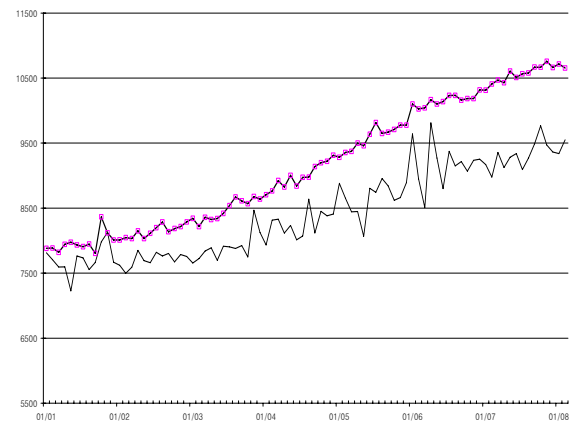
CBAI (Current: 78.8)			
	1 month	3 month	1 year
Historical (ago)	77.2	88.6	81.0
Forecast (ahead)	70.8	71.5	75.5

Chicago Business Activity Index

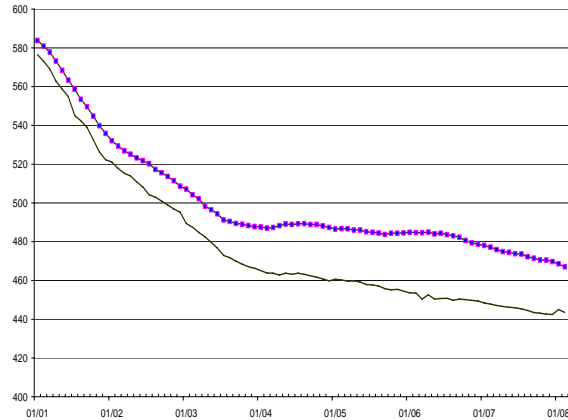
Chicago Fed National Activity Index (CFNAI-MA3)



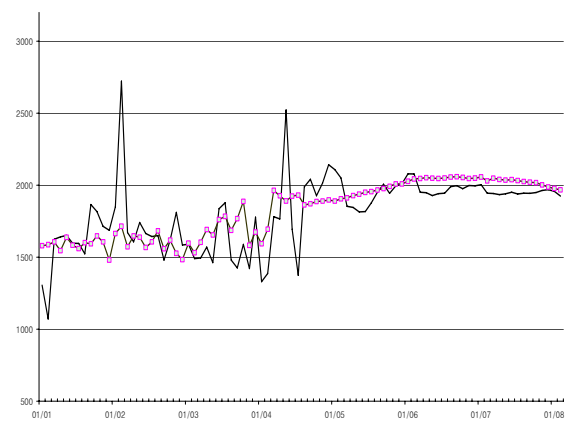
Chicago & National Retail Sales



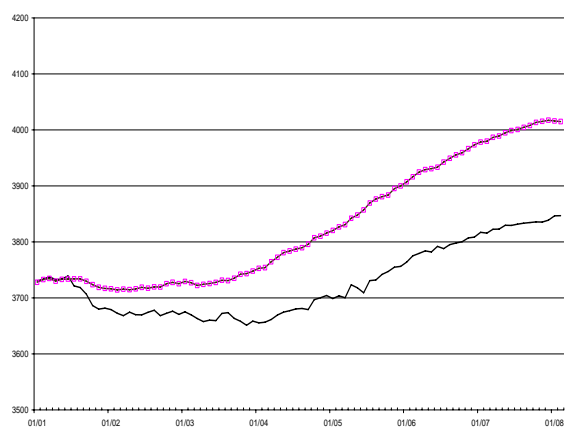
Chicago & National Manufacturing Employment



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	-2.12	-0.75	-0.33	-0.95	0.22	-0.34
NMfgn	0.89	-0.01	-0.02	0.82	0.30	0.01
Cons	-3.07	-1.74	-0.50	-1.07	-2.02	-1.72
Retail	2.36	-0.96	-0.57	6.38	0.84	2.27

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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