

CHICAGO BUSINESS ACTIVITY INDEX

CBAI held steady in April

The Chicago Business Activity Index (CBAI) was 30.2 in April, up slightly from 29.6 in March. The decline of CBAI has flattened out since February, pointing to the moderation of the abrupt slowdown of the local economy. Nevertheless, the index still continued to be far below the long-term trend, suggesting that it would take considerable time for the regional economy to evidence a robust recovery.

In April, the national and regional economy showed mixed features. The Chicago Fed National Activity Index (CFNAI) was -2.06 in April, up from -3.36 in March. The Federal Reserve Board’s industrial production index decreased 0.5 percent and retail sales (excluding food services) declined 0.3 percent in April. However, it should be noted that their declines in April were significantly smaller than the previous month: the industrial production index had decreased 1.7 percent and retail sales had reduced 1.2 percent in March. Steep job-losses continued in April: The Bureau of Labor Statistics reported that non-farm payroll employment declined in April (-504,000), and the unemployment rate rose from 8.5 to 8.9 percent. The Chicago Fed Midwest Manufacturing Index (CFMMI) was down 1.1 percent in April, after having dropped by 2.9 percent in March. In the Chicago region, manufacturing, non-manufacturing and construction employment decreased 1.5 percent, 0.6 percent and 0.5 percent respectively, while retail sales increased 0.3 percent in April.

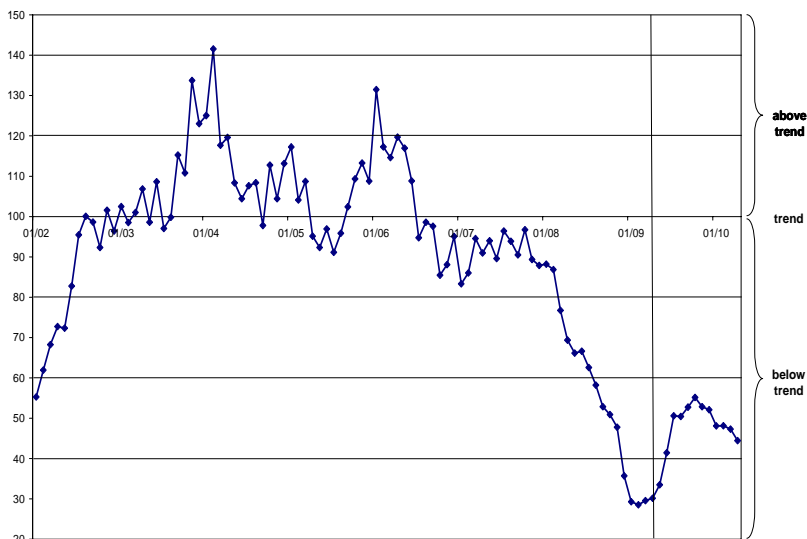
National and regional economies are likely to continue to slowdown in the near future. It is still hard to point to favorable signs indicating imminent recovery of employment- and investment-related indicators. However, in response to recent favorable financial developments and better-than-expected consumers’ confidence, the national and regional economies are likely to show relatively improved patterns of movements in the coming months, compared to the previous months. The Conference Board Leading Economic Index (LEI) for the US economy increased 1.0 percent in April, following a 0.2 percent decline in March and a 0.5 percent decline in February. Reuter and University of Michigan’s Consumer Sentiment Index was 68.7 in May, up from 65.1 in April and 57.3 in March. Also, CBAI has improved moderately for two consecutive months even though it is located still far below the long term trend.

Chicago Business Activity Index

Release Date:
June 22, 2009

Next Release Date:
July 15, 2009

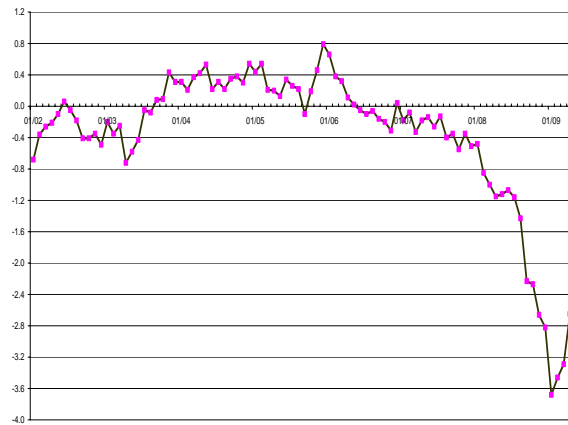
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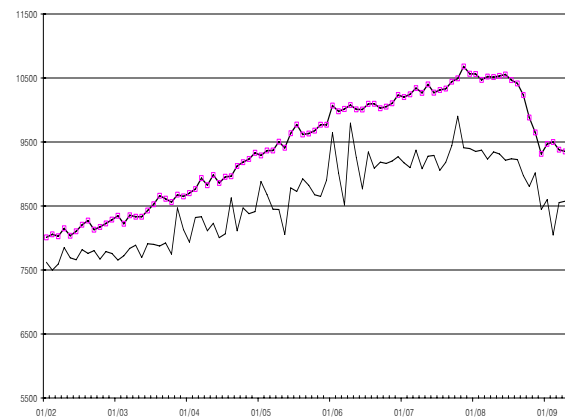
CBAI (Current: 30.2)			
	1 month	3 month	1 year
Historical (ago)	29.6	29.3	69.4
Forecast (ahead)	33.5	50.6	44.4

Chicago Business Activity Index

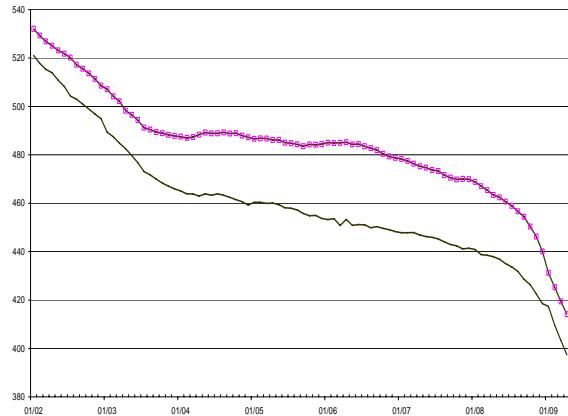
Chicago Fed National Activity Index (CFNAI-MA3)



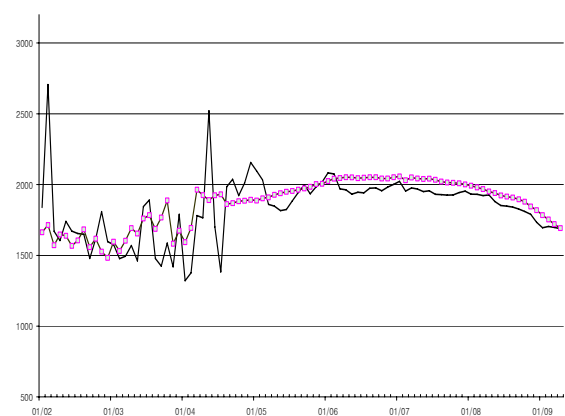
Chicago & National Retail Sales



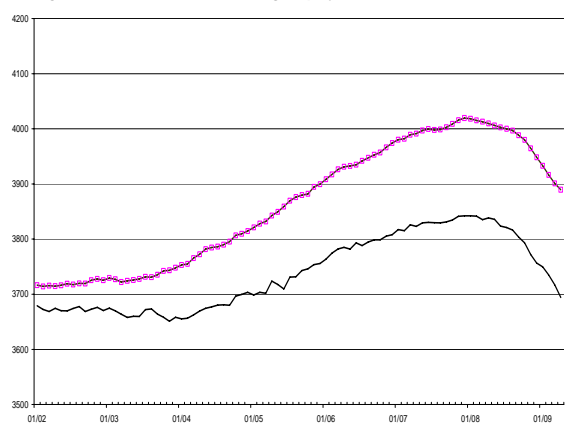
Chicago & National Manufacturing Employment



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	-10.63	-3.94	-1.25	-9.27	-4.79	-1.49
NMfgn	-2.99	-1.10	-0.29	-3.75	-1.47	-0.61
Cons	-13.29	-5.13	-1.67	-12.39	-0.44	-0.50
Retail	-11.05	-1.23	-0.30	-8.22	-0.27	0.29

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.

REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

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