

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in November

The Chicago Business Activity Index (CBAI) was 94.4 in November, down from 98.5 in October. The drop of the index in November could be attributed mainly to the sluggishness of private demand and the decrease of non-manufacturing employment and construction activities in the Chicago region.

In November, the national and regional economy presented mixed features. The Federal Reserve Board announced that industrial production increased 0.4 percent in November. The capacity utilization rate for total industry rose to 75.2 percent, a rate 5.4 percentage points below its average from 1972 to 2009. On the other hand, national retail sales increased 0.86 percent in November. The number of unemployed persons was 15.1 million in November. The unemployment rate edged up to 9.8 percent; it was 9.6 percent in each of the prior 3 months.

The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to -0.46 in November, from -0.25 in October. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) increased 0.37 percent in November, after a 0.25 percent increase in October. In the Chicago region in November, manufacturing employment increased 0.03 percent while non-manufacturing employment decreased 0.12 percent and construction employment decreased by 0.25 percent. Regional retail sales are estimated to have decreased 1.85 percent in November.

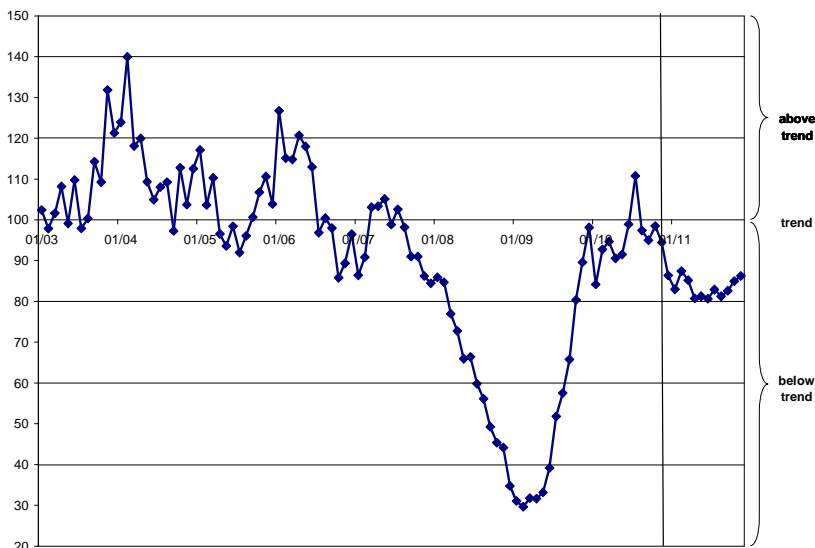
In the coming months, the national economy is likely to maintain its modest recovery trend; but a number of uncertainties remain. The Bureau of Labor Statistics reported total nonfarm payroll employment changed little in November (+39,000). Job gains continued in temporary help services and in health care, while employment fell in retail trade. For the local economy, considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to be on a modest improving trend over the next several months.

Chicago Business Activity Index

Release Date:
January 17, 2011

Next Release Date:
February 17, 2011

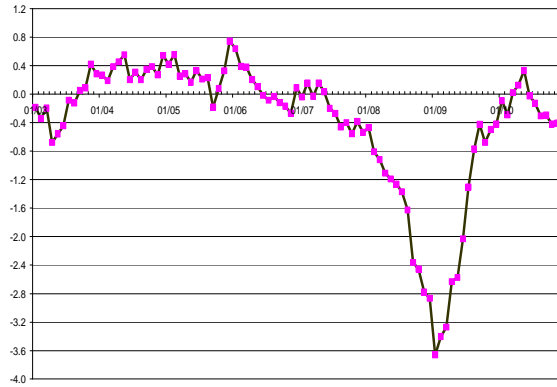
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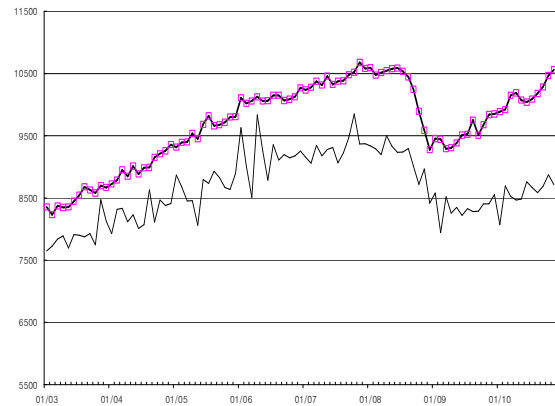
CBAI (Current: 94.4)			
	1 month	3 month	1 year
Historical (ago)	98.5	97.4	89.6
Forecast (ahead)	86.4	87.4	86.3

Chicago Business Activity Index

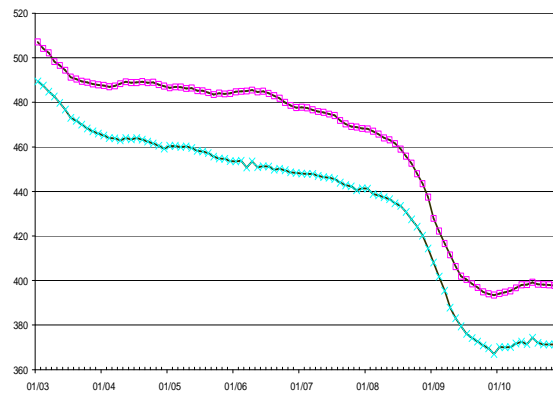
Chicago Fed National Activity Index (CFNAI-MA3)



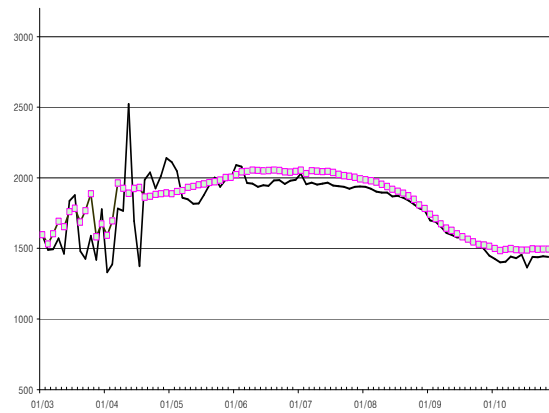
Chicago & National Retail Sales



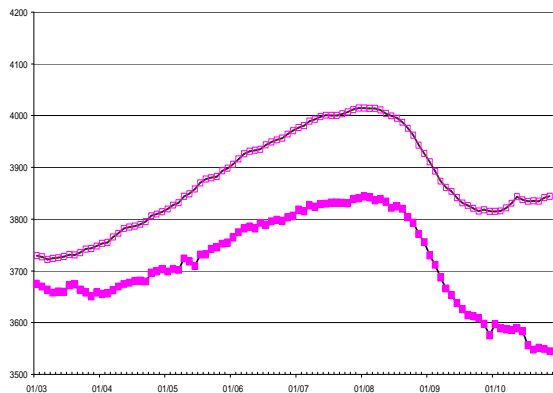
Chicago & National Manufacturing Employment



Illinois & National Construction



Chicago & National Non-manufacturing Employment



* Black lines show Chicago indicators.

Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	0.93	-0.15	-0.07	0.50	-0.16	0.03
NMfgn	0.68	0.23	0.07	-1.47	-0.09	-0.12
Cons	-1.97	-0.16	-0.04	-3.78	0.05	-0.25
Retail	7.31	3.72	0.86	3.69	1.49	-1.85

Note: All series are seasonally adjusted.

National indicators are rescaled for comparison.

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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