

CHICAGO BUSINESS ACTIVITY INDEX

CBAI decreased in April

The Chicago Business Activity Index (CBAI) was 97.2 in April, a decrease from the value of 110.8 recorded in March. The drop of the index in April could be attributed mainly to the sluggishness in national economic activity and the weakness in private demand.

In April, the national and regional economy presented mixed features. The Federal Reserve Board announced that industrial production was unchanged in April after having increased 0.7 percent in March. The capacity utilization for total industry edged down 0.1 percentage points to 76.9 percent. In addition, national retail sales increased 0.41 percent in April. The number of unemployed persons, at 13.7 million, changed little in April and the unemployment rate edged up to 9.0.

The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to -0.45 in April, from 0.32 in March. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) decreased 1.65 percent in April. In the Chicago region in April, manufacturing employment increased 0.25 percent while non-manufacturing employment increased 0.06 percent and construction employment increased by 0.77 percent. Regional retail sales are estimated to have decreased 1.36 percent in April.

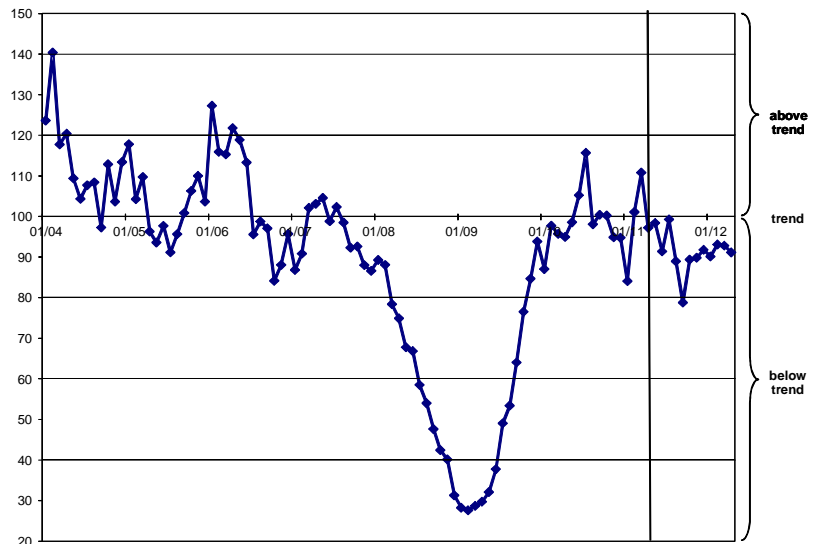
In the coming months, the national economy is likely to maintain its recovery trend. The Bureau of Labor Statistics reported total nonfarm payroll employment increased by 244,000 in April, and the private sector added 268,000 jobs. Employment rose in a number of service-providing industries, manufacturing, and mining. With regard to inflation, the CFNAI-MA3 suggests subdued inflationary pressure from economic activity over the coming year. For the local economy, considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its modest improving trend over the next several months.

Chicago Business Activity Index

Release Date:
June 17, 2011

Next Release Date:
July 18, 2011

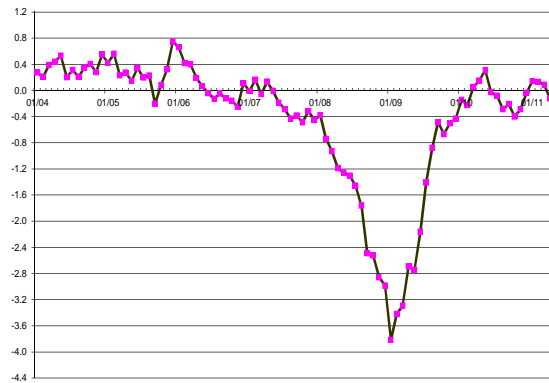
Visit our web-site at
www.real.illinois.edu



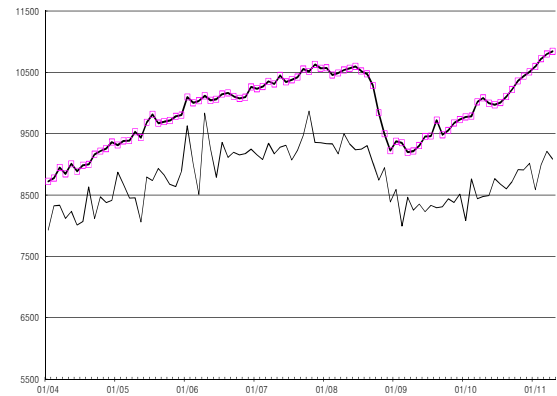
CBAI (Current: 97.2)			
	1 month	3 month	1 year
Historical (ago)	110.8	84.1	95.0
Forecast (ahead)	98.4	99.3	91.1

Chicago Business Activity Index

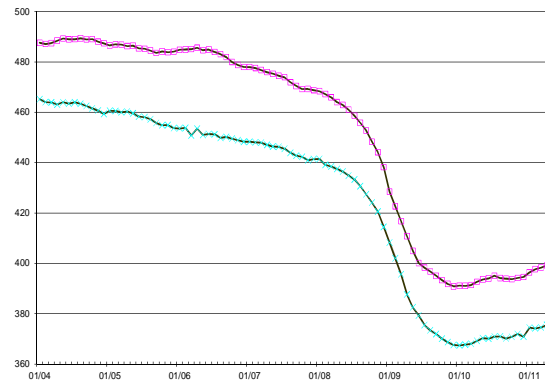
Chicago Fed National Activity Index (CFNAI-MA3)



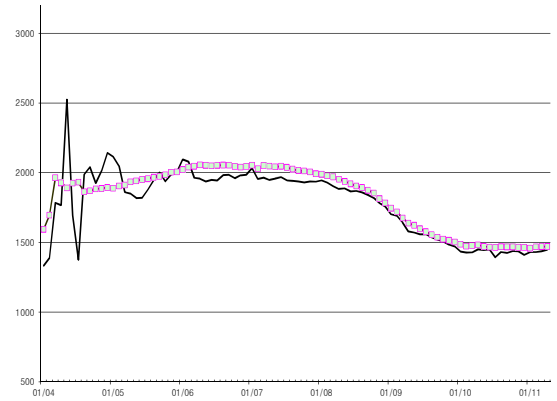
Chicago & National Retail Sales



Chicago & National Manufacturing Employment

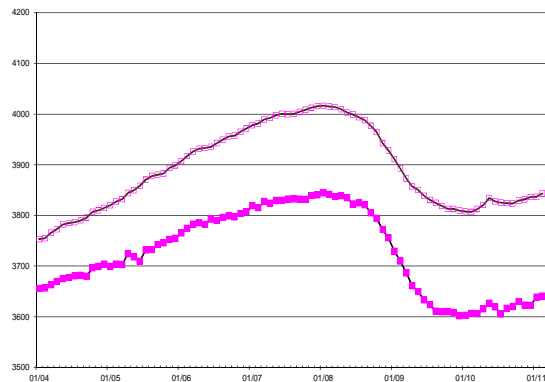


Illinois & National Construction



* Black lines show Chicago indicators.

Chicago & National Non-manufacturing Employment



Economic Activity: Summary

Percentage change compared to the previous period

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.65	0.70	0.21	1.70	0.28	0.25
NMfgn	0.92	0.49	0.17	0.88	0.24	0.06
Cons	-0.70	0.89	0.09	-0.14	1.21	0.77
Retail	7.53	2.34	0.41	7.23	5.80	-1.36

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

For more information please contact:
Chun-Hua Wu, Research Assistant
T. 217/244-7226; wu31@illinois.edu

University of Illinois
220 Davenport Hall, 607 S. Mathews Ave.
Urbana, IL 61801-3671, www.real.illinois.edu