

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in October

The Chicago Business Activity Index (CBAI) was 96.3 in October, a significant increase from 82.9 in September. The jump in the index in October is attributed mainly to the improvement in the construction sector and the increase in non-manufacturing employment in the Chicago region.

In October, the national and regional economy presented several positive features. The Federal Reserve Board announced that industrial production expanded 0.7 percent in October. The capacity utilization for total industry increased to 77.8 percent. In addition, national retail sales increased 0.62 percent in October. Both the number of unemployed persons (13.9 million) and the unemployment rate (9.0 percent) changed little over the month.

The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) increased to -0.13 in October, from -0.20 in September. Meanwhile, the Chicago Fed Midwest Manufacturing Index (CFMMI) increased 0.71 percent in October. Both of national indicators provide a positive substantial support to the CBAI index. In the Chicago region in October, manufacturing employment decreased 0.21 percent after two months of continuous decreases in August and September; while non-manufacturing employment increased 0.17 percent and construction employment decreased by 0.73 percent. Regional retail sales are estimated to have decreased 0.56 percent in October.

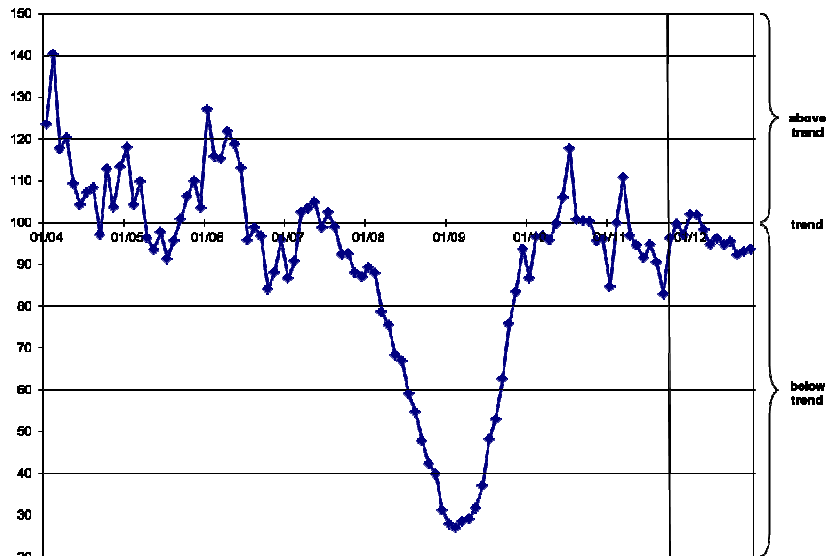
In the coming months, the national economy is likely to maintain its bumpy recovery trend. The Bureau of Labor Statistics reported total nonfarm payroll employment continued to trend up in October (+80,000). For the local economy, the projected time series show that non-farm and construction sectors will decrease and retail sector will increase in the next month. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to experience a period of fluctuations and continue its weak improving trend over the next several months.

Chicago Business Activity Index

Release Date:
December 16, 2011

Next Release Date:
January 19, 2012

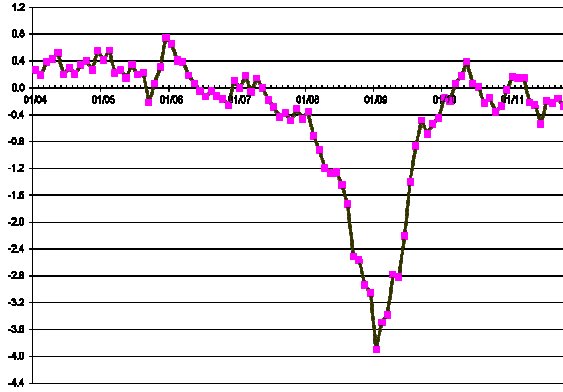
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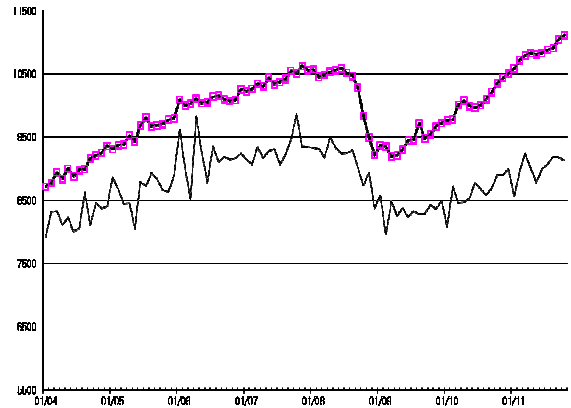
CBAI (Current: 96.3)			
	1 month	3 month	1 year
Historical (ago)	82.9	94.6	100.3
Forecast (ahead)	99.6	101.9	93.6

Chicago Business Activity Index

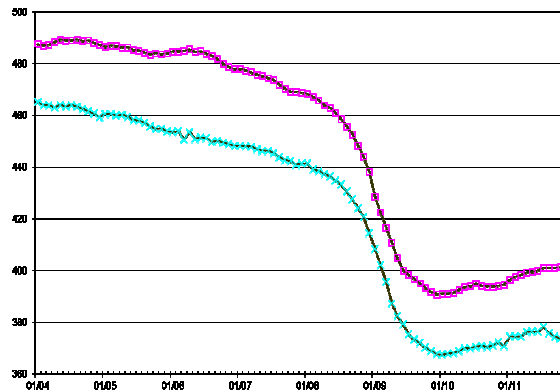
Chicago Fed National Activity Index (CFNAI-MA3)



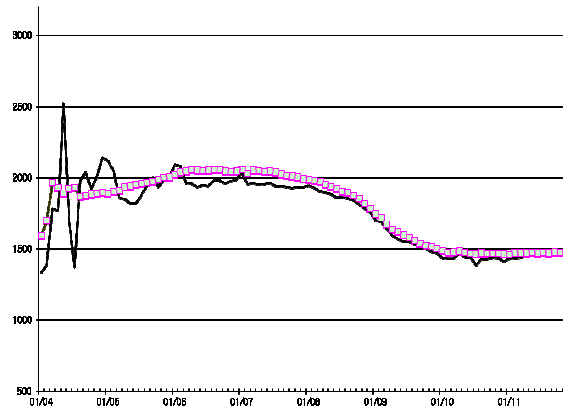
Chicago & National Retail Sales



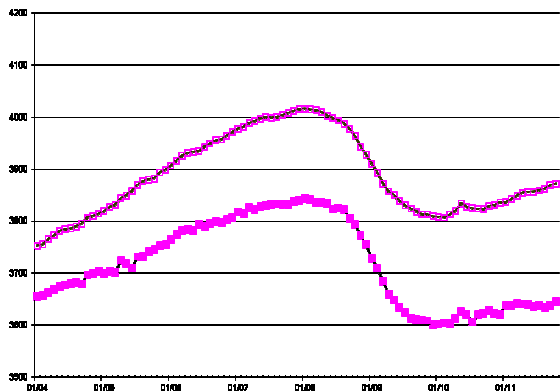
Chicago & National Manufacturing Employment



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	1.93	0.03	0.05	0.69	-1.21	-0.21
NMfgn	1.14	0.34	0.08	0.45	0.20	0.17
Cons	0.40	0.04	-0.27	2.10	-0.55	0.73
Retail	7.34	2.16	0.62	2.60	0.71	-0.56

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.

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