

CHICAGO BUSINESS ACTIVITY INDEX

CBAI decreased in March

The Chicago Business Activity Index (CBAI) was 104.4 in March, a decline from 111.5 in February. The decrease is attributed mainly to the weak national economy and the negative contribution of retail and construction sectors in the Chicago region.

In March, the national and regional economy presented mixed features. The Federal Reserve Board announced that manufacturing industrial output declined 0.2% in March after having risen 0.8% in February while output index for total industry was unchanged at 96.6 (2007=100). Capacity utilization in manufacturing fell to 77.8% from 78.0% in the past month. Capacity utilization for all industry showed a slight decrease to 78.6% in March from 78.7% in February. The nation’s unemployment rate was little changed at 8.2% in March. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to -0.29 in March from +0.07 in February mainly due to declines in production-related indicators. In the Chicago region, manufacturing output, measured by the Chicago Fed Midwest Manufacturing Index (CFMMI), showed little change at 92.2 (2007=100) in March. Manufacturing and non-manufacturing employment increased 0.63% and 0.20% in March respectively while construction employment fell 0.07%. Retail sales are estimated to have fell 2.24% in March after having increased 3.97% in February.

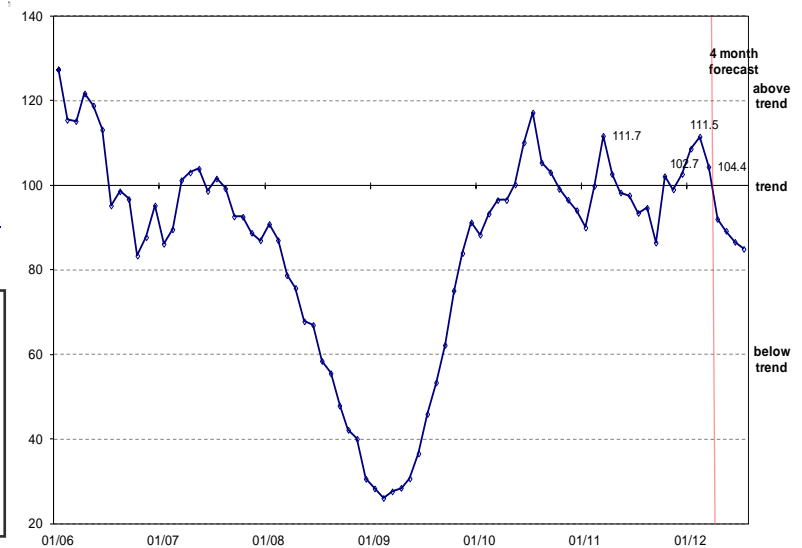
In the coming months, the national economy is likely to continue its weak recovery trend. The Bureau of Labor Statistics reported total nonfarm payroll employment increased by 114,000 in March, down from 154,000 in February, and the unemployment rate was little changed at 8.1%. The CFNAI-MA3 suggests subdued inflationary pressure from economic activity over the coming year. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its weak economic activity over the next several months.

Chicago Business Activity Index

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Next Release Date:
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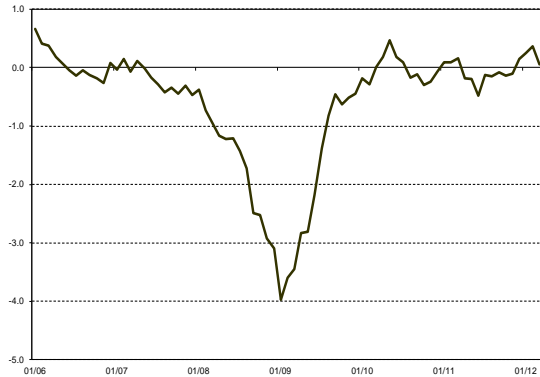


CBAI (Current: 104.4)			
	1 month	3 month	1 year
Historical (ago)	111.5	102.7	111.7
Forecast (ahead)	92.1	86.7	-

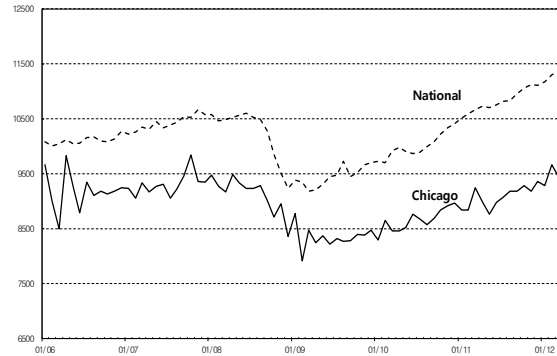
Chicago Business Activity Index

* National indicators are rescaled for comparison.

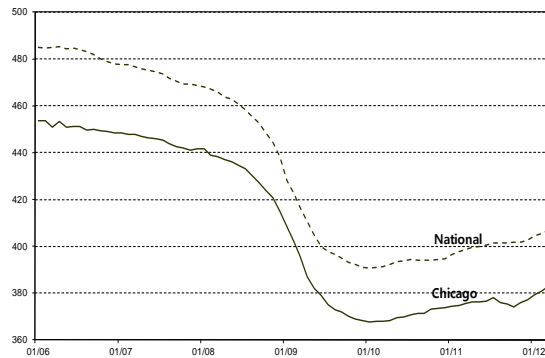
Chicago Fed National Activity Index (CFNAI-MA3)



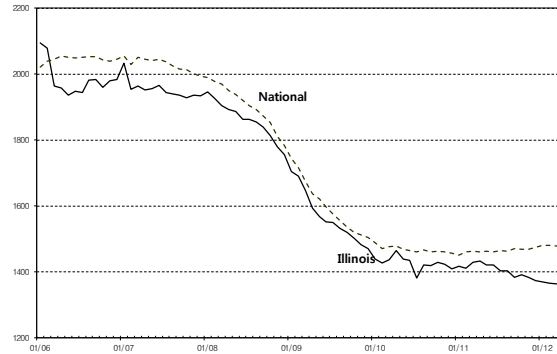
Chicago & National Retail Sales



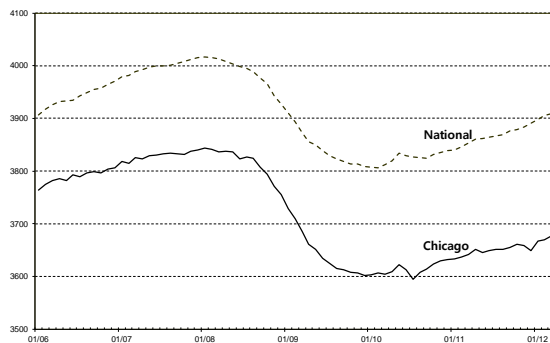
Chicago & National Manufacturing Employment



Illinois & National Construction



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	2.06	1.04	0.34	2.00	1.56	0.63
NMfgn	1.44	0.47	0.09	0.96	0.75	0.20
Cons	1.16	0.25	-0.05	-4.56	-0.71	-0.07
Retail	6.55	2.30	0.66	2.15	0.86	-2.24

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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