

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in November

The Chicago Business Activity Index (CBAI) increased to 83.0 in November from 74.0 in October. The rise is attributed mainly to the increase in manufacturing and nonmanufacturing employment in both the U.S. and the Chicago region.

In November, the national and regional economy shared favorable features. The Federal Reserve Board announced that total industrial (manufacturing) production rose 1.1% (1.1%) in November after having decreased 0.7% (1.0%) in October. Capacity utilization in all industry (manufacturing) increased to 78.4% (76.6%) in November from 77.7% (75.9%) in October. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) increased to +0.10 in November from -0.64 in October due to positive contributions of the production and income category. In the Chicago region, manufacturing output, measured by the Chicago Fed Midwest Manufacturing Index (CFMMI), increased 1.6% in November and was mainly attributed by improvement of production in all four sectors: auto, steel, resource and machinery. Employment in manufacturing and nonmanufacturing increased 0.19% and 0.11% respectively in November while employment in construction decreased 3.74%. Retail sales are estimated to have fallen 0.46% in November.

In the coming months, the national economy is likely to continue to maintain its bumpy recovery trend. The CFNAI-MA3 suggests that growth in national economic activity was below its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment increased by 155,000 in December, and the unemployment rate was unchanged at 7.8%. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its weak economic activities over the next several months.

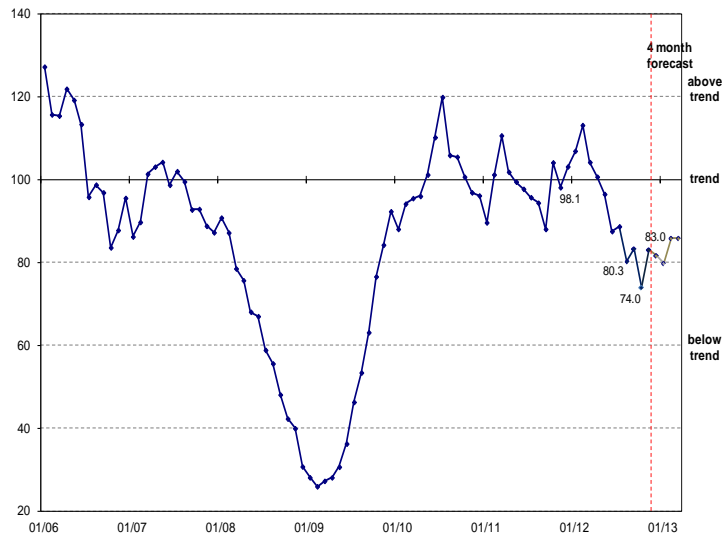
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CBAI (Current: 83.0)			
	1 month	3 month	1 year
Historical (ago)	74.0	80.3	98.1
Forecast (ahead)	81.6	85.8	-

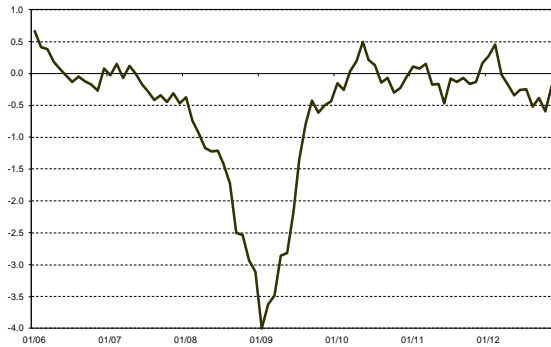
Chicago Business Activity Index



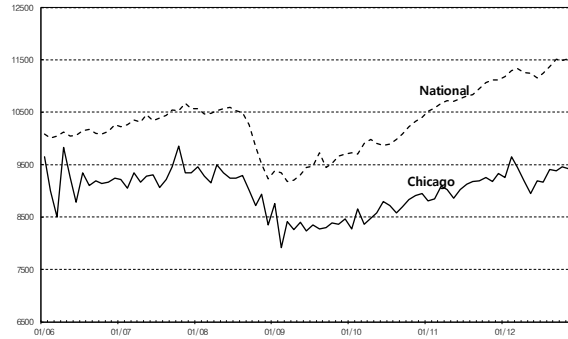
Chicago Business Activity Index

* National indicators are rescaled for comparison.

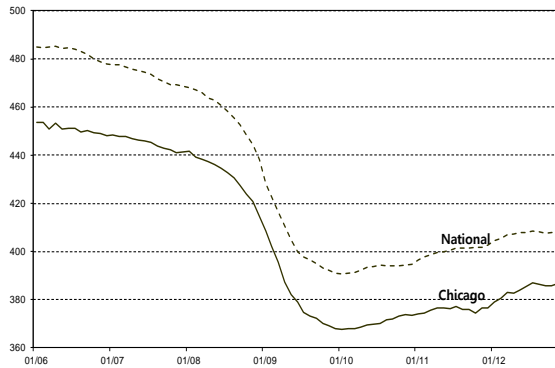
Chicago Fed National Activity Index (CFNAI-MA3)



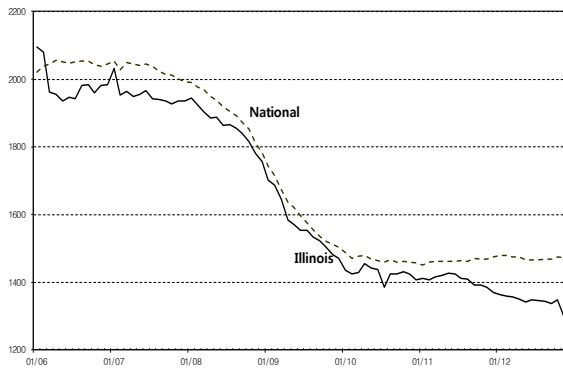
Chicago & National Retail Sales



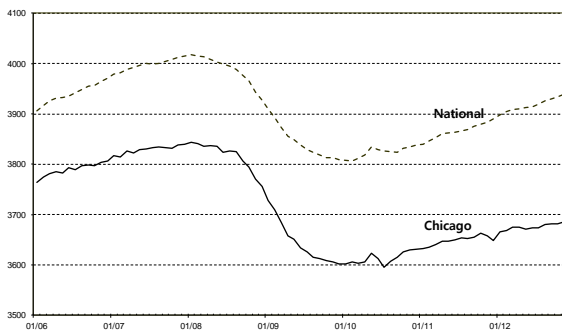
Chicago & National Manufacturing Employment



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	1.55	-0.03	0.04	2.65	0.08	0.19
NMfgn	1.43	0.36	0.13	0.76	0.14	0.11
Cons	0.25	0.25	-0.18	-6.39	-3.48	-3.74
Retail	3.63	1.30	0.29	2.66	0.10	-0.46

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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