

**CHICAGO BUSINESS ACTIVITY INDEX**

**CBAI increased in December**

The Chicago Business Activity Index (CBAI) increased to 85.6 in December from 82.8 in November. The rise is attributed mainly to nationwide improvement in major sectors such as manufacturing, nonmanufacturing, construction, and retail.

In December, the national and regional economy shared mixed features. The Federal Reserve Board announced that total industrial (manufacturing) production rose 0.3% (0.8%) in December after having increased 1.0% (1.3%) in November. Capacity utilization in all industry (manufacturing) increased to 78.8% (77.4%) in December from 78.7% (76.9%) in November. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to +0.02 in December from +0.27 in November due to negative contributions of the consumption and housing category. In the Chicago region, manufacturing output, measured by the Chicago Fed Midwest Manufacturing Index (CFMMI), increased 0.7% in December and was mainly attributed by improvement of production in auto industry. Employment in manufacturing was unchanged while nonmanufacturing employment decreased 0.06% in December. Employment in construction decreased 0.51% and retail sales are estimated to have fallen 0.02% in December.

In the coming months, the national economy is likely to continue to maintain its modest, but slow 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 157,000 in January, and the unemployment rate was unchanged at 7.9%. 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.

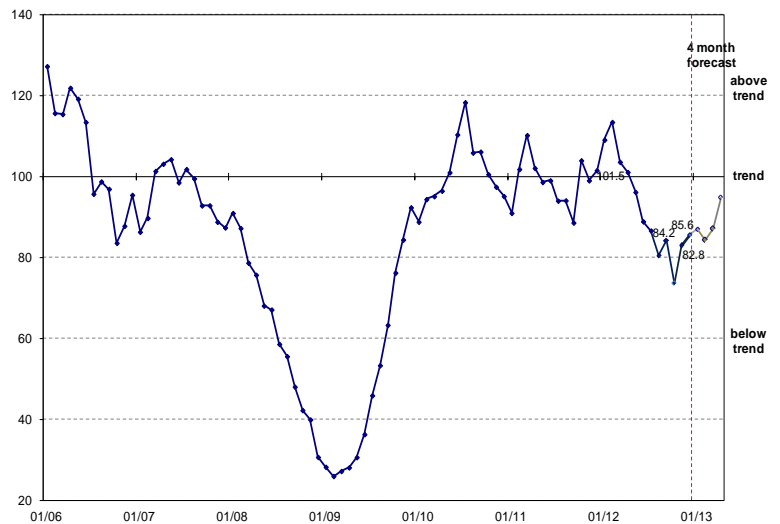
**Chicago Business Activity Index**

*Release Date:*  
February 18, 2013

*Next Release Date:*  
March 19, 2013

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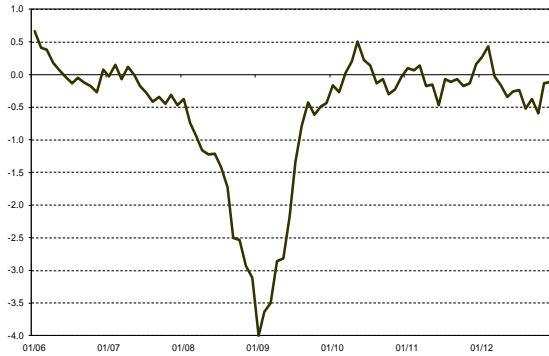
<b>CBAI</b> (Current: 85.6)			
	1 month	3 month	1 year
Historical (ago)	82.8	84.2	101.5
Forecast (ahead)	87.0	87.1	-



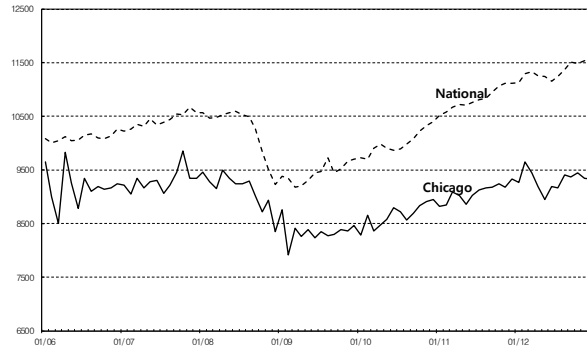
# Chicago Business Activity Index

\* National indicators are rescaled for comparison.

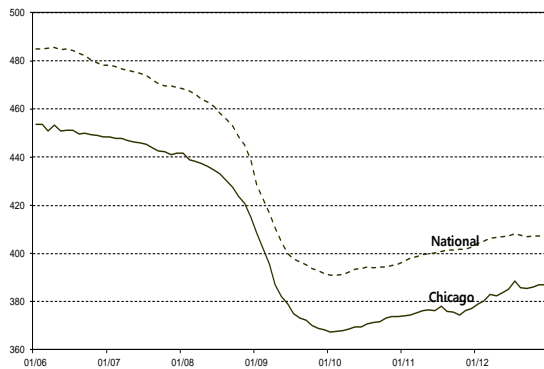
Chicago Fed National Activity Index (CFNAI-MA3)



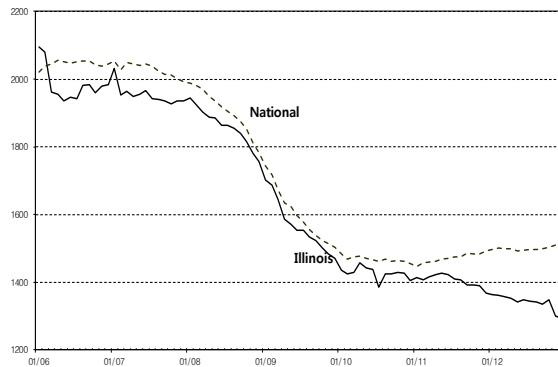
Chicago & National Retail Sales



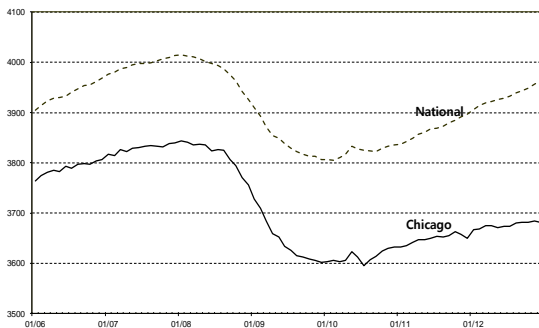
Chicago & National Manufacturing Employment



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	1.26	0.18	0.07	2.62	0.47	0.01
NMfgn	1.67	0.48	0.15	0.87	0.00	-0.06
Cons	1.62	1.24	0.53	-5.35	-3.16	-0.51
Retail	4.16	0.55	0.39	0.01	-0.36	-0.02

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.

## REGIONAL | ECONOMICS | APPLICATIONS | LABORATORY

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