

CHICAGO BUSINESS ACTIVITY INDEX

CBAI increased in December

The Chicago Business Activity Index (CBAI) increased to 100.5 in December from 97.3 in November. The increase is attributed to positive job growth in manufacturing and nonmanufacturing and the improvement of retail activities in the Chicago area.

In December, the national and regional economies shared mixed features. The Federal Reserve Board announced that industrial production index increased 0.3 percent in December after having risen 0.7 percent in November. Capacity utilization for the industrial sector was little changed in December at 78.9 percent. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) decreased to +0.16 in December from +0.69 in November, led by a fall in employment, production and consumption. In the Chicago region, the employment in manufacturing and nonmanufacturing rose 0.29 percent and 0.03 percent in December respectively. Construction employment decreased 3.66 percent. Retail sales are estimated to have risen 0.15 percent.

In the coming months, the national economy is likely to maintain its recovery trend. The economic growth reflected in the CFNAI-MA3 suggests that national economic activity was above its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 113,000 in January, and the unemployment rate was little changed at 6.6 percent. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its recovery trend over the next several months.

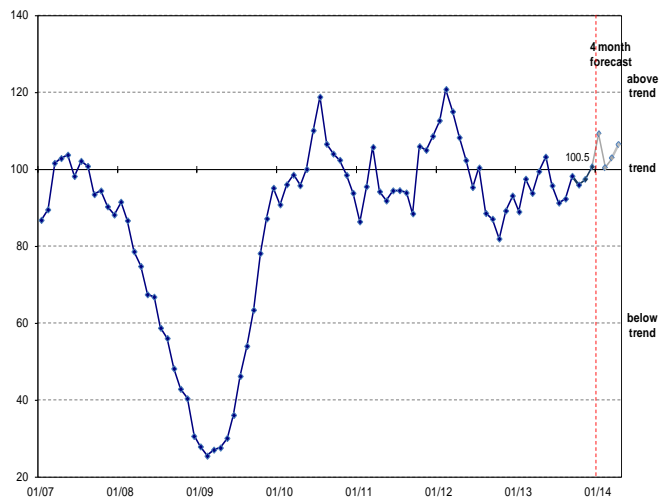
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CBAI (Current: 100.5)			
	1 month	3 month	1 year
Historical (ago)	97.3	98.3	93.2
Forecast (ahead)	109.2	102.9	-

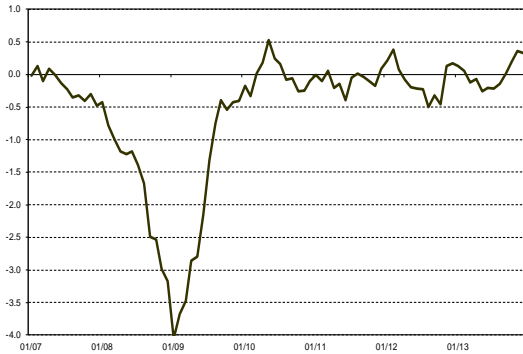
Chicago Business Activity Index



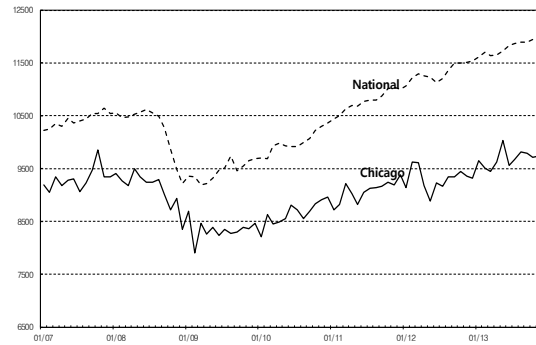
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* National indicators are rescaled for comparison

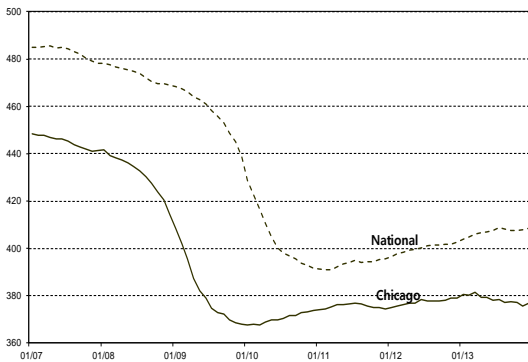
Chicago Fed National Activity Index (CFNAI-MA3)



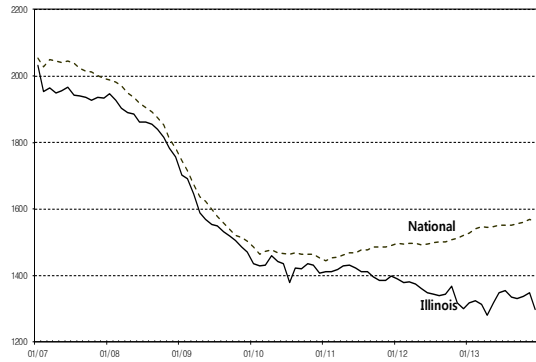
Chicago & National Retail Sales



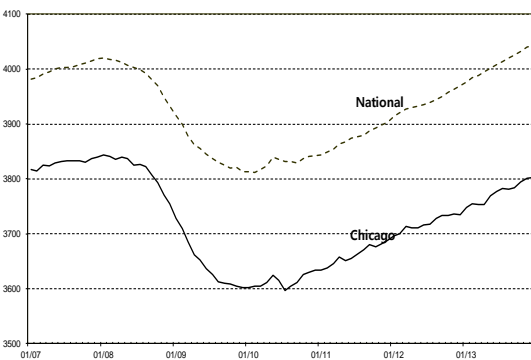
Chicago & National Manufacturing Employment



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	0.74	0.51	0.07	-0.57	-0.17	0.29
NMfgn	1.81	0.42	0.05	1.80	0.50	0.03
Cons	2.69	0.43	-0.37	-0.17	-2.38	-3.66
Retail	3.68	0.50	-0.04	4.66	-0.41	0.15

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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