

CHICAGO BUSINESS ACTIVITY INDEX

CBAI decreased in February

The Chicago Business Activity Index (CBAI) decreased to 100.1 in February from 103.1 in January. The decrease is attributed to a decline in job growth in both manufacturing and nonmanufacturing sectors in the Chicago area.

In February, the national and regional economies shared mixed features. The Federal Reserve Board announced that the industrial production index increased 1.2 percent in February after having declined 0.2 percent in January. Capacity utilization for the industrial sector increased 0.6 percentage points to 78.8 in February after having fallen to 78.1 in January. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) increased to +0.14 in February from -0.45 in January, led by a rise in production and consumption. In the Chicago region, the employment in manufacturing and nonmanufacturing fell 0.20 percent and 0.01 percent respectively in February. Construction employment increased 0.02 percent and retail sales are estimated to have risen 0.55 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 below its historical trend. The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 192,000 in March, and the unemployment rate was unchanged at 6.7 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.

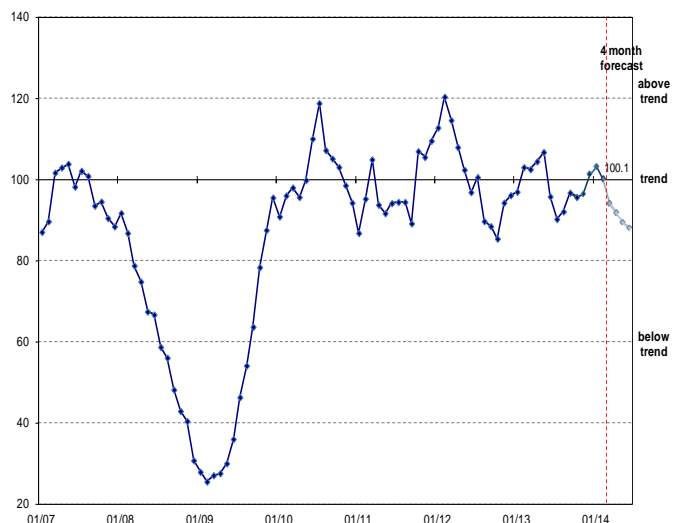
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CBAI (Current: 100.1)			
	1 month	3 month	1 year
Historical (ago)	103.1	96.4	103.0
Forecast (ahead)	94.1	89.5	-

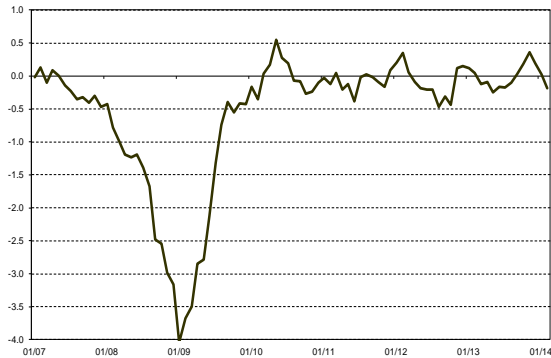
Chicago Business Activity Index



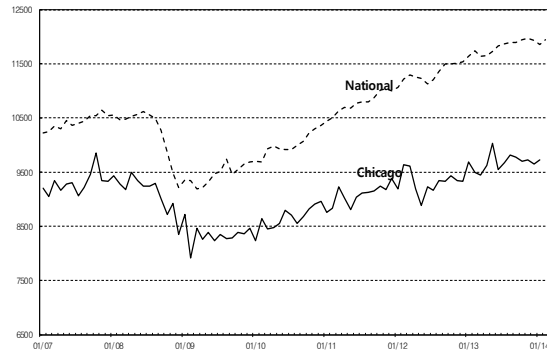
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* National indicators are rescaled for comparison

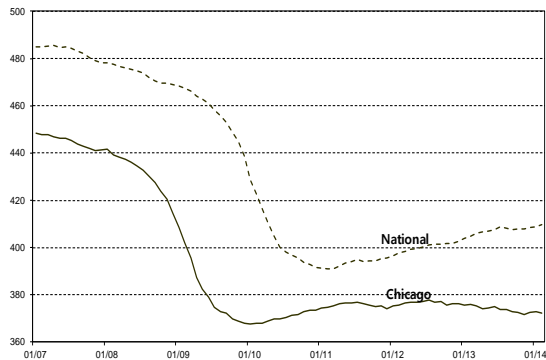
Chicago Fed National Activity Index (CFNAI-MA3)



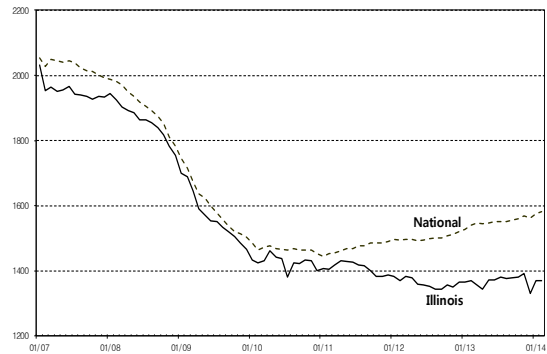
Chicago & National Retail Sales



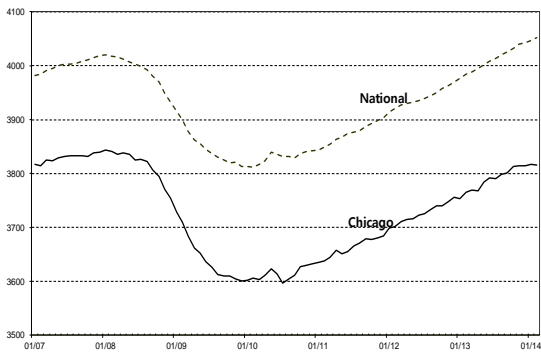
Chicago & National Manufacturing Employment



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	0.63	0.28	0.16	-1.01	0.18	-0.20
NMfgn	1.72	0.31	0.14	1.33	0.04	-0.01
Cons	2.69	0.83	0.30	0.06	-1.59	0.02
Retail	1.76	-0.15	0.72	3.00	0.63	0.55

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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