

News Release

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8:30 am Eastern Time

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What is the National Activity Index?

The index is a weighted average of 85 indicators of national economic activity. The indicators are drawn from four broad categories of data: 1) production and income; 2) employment, unemployment, and hours; 3) personal consumption and housing; and 4) sales, orders, and inventories.

A zero value for the index indicates that the national economy is expanding at its historical trend rate of growth; negative values indicate below-average growth; and positive values indicate above-average growth.

Why are there two index values?

Each month, we provide a monthly index number, which reflects economic activity in the latest month for which we have data, and a three-month moving average. Month-to-month movements can be volatile, so the index's three-month moving average, the CFNAI-MA3, provides a more consistent picture of national economic growth.

What do the numbers mean?

When the CFNAI-MA3 value moves below -0.70 following a period of economic expansion, there is an increasing likelihood that a recession has begun. Conversely, when the CFNAI-MA3 value moves above -0.70 following a period of economic contraction, there is an increasing likelihood that a recession has ended.

When the CFNAI-MA3 value moves above $+0.70$ more than two years into an economic expansion, there is an increasing likelihood that a period of sustained increasing inflation has begun.

The next CFNAI will be released:

April 28, 2011

8:30 am Eastern Time

7:30 am Central Time

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Chicago Fed National Activity Index

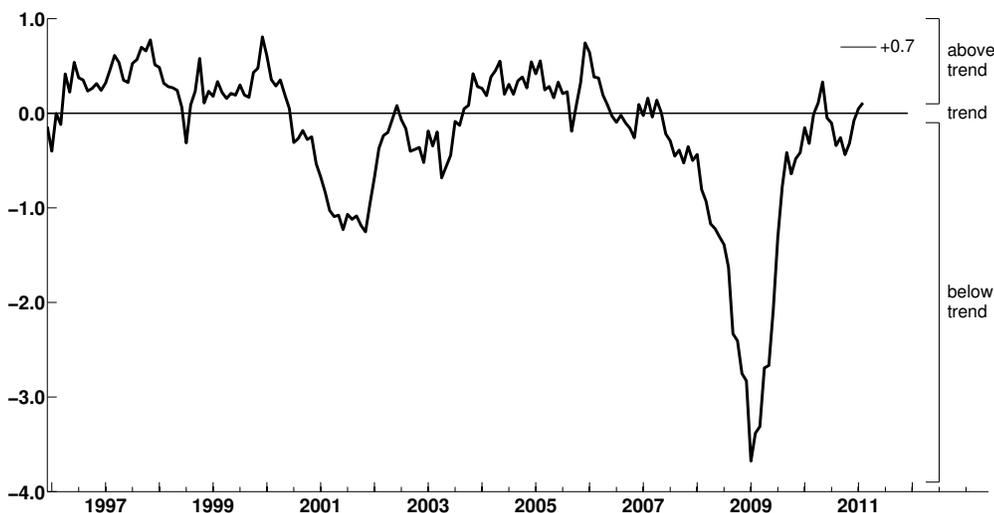
Index shows economic growth near average in February

The Chicago Fed National Activity Index ticked down to -0.04 in February from -0.01 in January. Three of the four broad categories of indicators that make up the index made positive contributions in February, but for the second consecutive month they were offset by continued weakness in the consumption and housing category.

The index's three-month moving average, CFNAI-MA3, increased to $+0.11$ in February from $+0.05$ in January, coming in positive for two consecutive months for the first time since April and May of 2010. February's CFNAI-MA3 suggests that growth in national economic activity was slightly above its historical trend. With regard to inflation, the CFNAI-MA3 indicates limited inflationary pressure from economic activity over the coming year.

Employment-related indicators made a contribution of $+0.30$ to the index in February, up from $+0.06$ in January. Total nonfarm payroll employment rose by 192,000 in February after increasing by 63,000 in January. Also in February, the unemployment rate edged lower to 8.9 percent, and average weekly initial unemployment insurance claims declined below 400,000 for the first time since June 2008.

Chicago Fed National Activity Index, Three-Month Moving Average (CFNAI-MA3)



CFNAI and CFNAI-MA3 for the latest six months and year-ago month

	Feb '11	Jan '11	Dec '10	Nov '10	Oct '10	Sep '10	Feb '10
CFNAI							
Current	-0.04	-0.01	+0.38	-0.22	-0.39	-0.34	-0.54
Previous	N/A	-0.16	+0.18	-0.33	-0.29	-0.32	-0.66
CFNAI-MA3							
Current	+0.11	+0.05	-0.08	-0.32	-0.44	-0.26	-0.32
Previous	N/A	-0.10	-0.14	-0.31	-0.41	-0.26	-0.34

Current and Previous values reflect index values as of the March 21, 2011, release and February 24, 2011, release, respectively. N/A indicates not applicable.

Production-related indicators made a contribution of +0.03 to the index in February, down from +0.29 in January. Total industrial production decreased 0.1 percent in February after increasing 0.3 percent in January. In contrast, the Institute for Supply Management's Manufacturing Purchasing Managers' Index increased to 61.4 in February from 60.8 in January. The sales, orders, and inventories category contributed +0.08 to the index in February, up slightly from +0.06 in January.

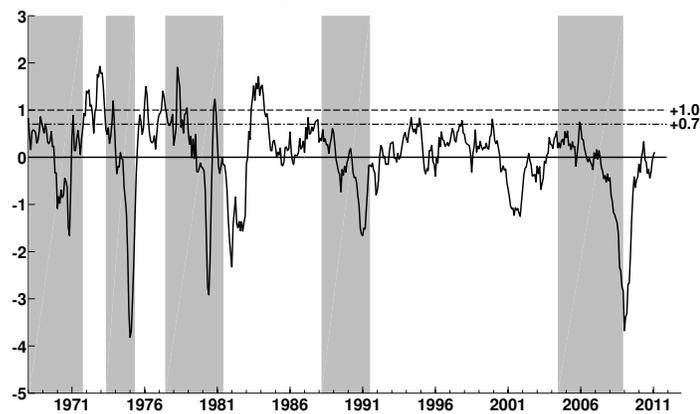
The consumption and housing category contributed -0.45 to the index in February, down from -0.39 in January. Housing starts declined to 479,000 annualized units in February from 618,000 in January, and building permits decreased to 517,000 annualized units in February from 563,000 in the previous month.

Fifty-three of the 85 individual indicators made positive contributions to the index in February, while 32 made negative contributions.

Forty-five indicators improved from January to February, while 40 indicators deteriorated. Of the indicators that improved, nine made negative contributions. The index was constructed using data available as of March 17, 2011. At that time, February data for 52 of the 85 indicators had been published. For all missing data, estimates were used in constructing the index.

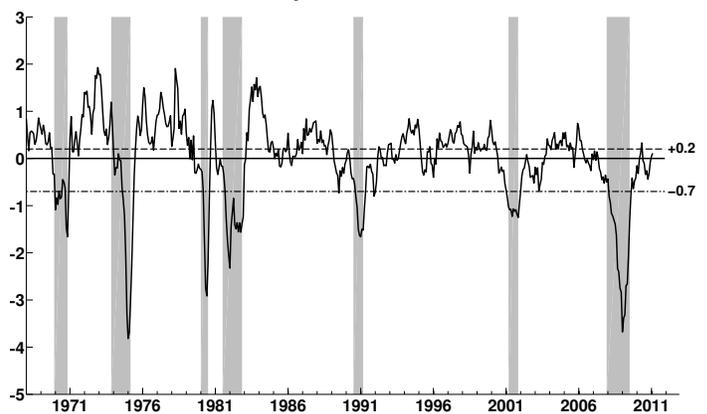
The January monthly index was revised to -0.01 from an initial estimate of -0.16. Revisions to the monthly index can be attributed to two main factors: revisions in previously published data and differences between the estimates of previously unavailable data and subsequently published data. The upward revision to the January monthly index was due primarily to revisions in previously published data.

CFNAI-MA3 and Inflation Cycles



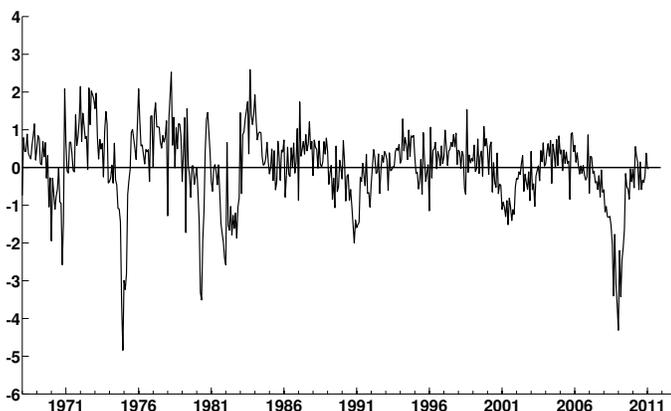
Notes: Shading represents periods of substantial inflation increases. A CFNAI-MA3 value above +0.70 more than two years into an economic expansion indicates an increasing likelihood that a period of sustained increasing inflation has begun. A CFNAI-MA3 value above +1.00 more than two years into an economic expansion indicates a substantial likelihood that a period of sustained increasing inflation has begun.

CFNAI-MA3 and Business Cycles



Notes: Shading indicates official periods of recession as identified by the National Bureau of Economic Research. A CFNAI-MA3 value below -0.70 following a period of economic expansion indicates an increasing likelihood that a recession has begun. A CFNAI-MA3 value above -0.70 following a period of economic contraction indicates an increasing likelihood that a recession has ended. A CFNAI-MA3 value above +0.20 following a period of economic contraction indicates a significant likelihood that a recession has ended.

CFNAI, Monthly Index



2011 CFNAI Release Dates

<i>Date of Release</i>	<i>Monthly Data for</i>
April 28, 2011	March 2011
May 23, 2011	April 2011
June 23, 2011	May 2011
July 25, 2011	June 2011
August 22, 2011	July 2011
September 26, 2011	August 2011
October 24, 2011	September 2011
November 21, 2011	October 2011
December 22, 2011	November 2011