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FOR IMMEDIATE RELEASE**Chicago Fed Introduces National Financial Conditions Index (NFCI)**

CHICAGO- (April 5, 2011) — Economists at the Federal Reserve Bank of Chicago recently unveiled a new index based on 100 indicators of financial activity that provides a comprehensive weekly update on U.S. financial conditions.

The National Financial Conditions Index (NFCI) measures risk, liquidity and leverage in money markets and debt and equity markets as well as in the traditional and “shadow” banking systems. Positive values of the NFCI indicate financial conditions that are tighter than average, while negative values indicate financial conditions that are looser than average.

Because U.S. economic and financial conditions tend to be highly correlated, the Chicago Fed will also release an adjusted NFCI (ANFCI), which provides an update on financial conditions relative to current economic conditions. A positive value of the ANFCI indicates financial conditions are tighter than would typically be suggested by economic conditions, while a negative value indicates the opposite

Both indexes will be released each Wednesday at 8:30 a.m. ET, covering the time period through the previous Friday. When a federal holiday falls on Wednesday or earlier in a week, the indexes will be updated on Thursday. They can be viewed at www.chicagofed.org/nfci beginning April 13, 2011.

Accompanying the upload of the data each week will be an email alert containing a caption summarizing current financial conditions along with a graphical and tabular description of the data. To receive these alerts, please fill out the subscription form found at <http://chicagofed.org/webpages/utilities/subscribe.cfm>.

“The NFCI and ANFCI will help to formulate a weekly snapshot of the health of the financial system,” said Dan Sullivan, Chicago Fed research director.

For more information about the index, go to:

http://www.chicagofed.org/webpages/publications/economic_perspectives/2011/1q_brave_butters.cfm

http://www.chicagofed.org/webpages/publications/working_papers/2010/wp_07.cfm