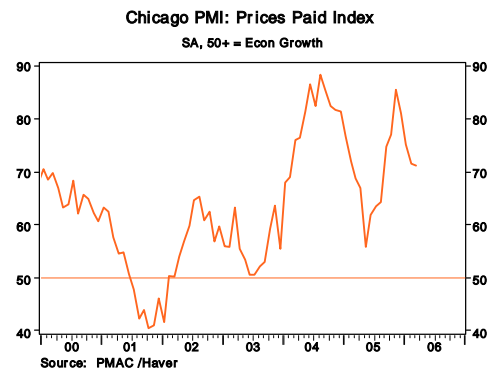
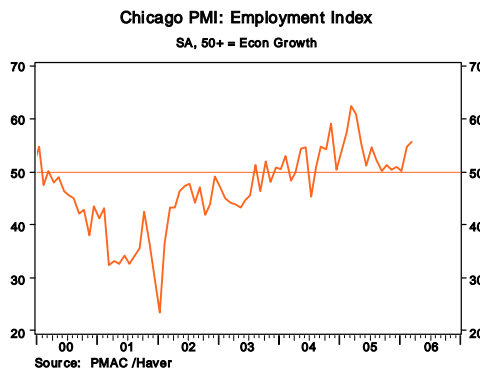
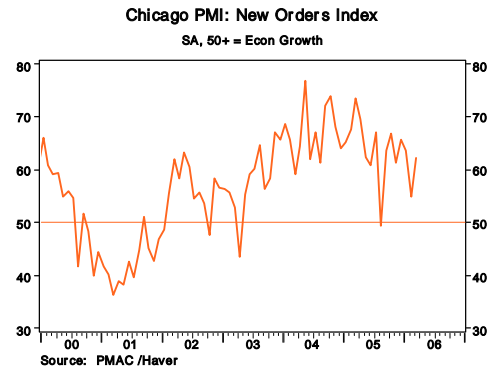
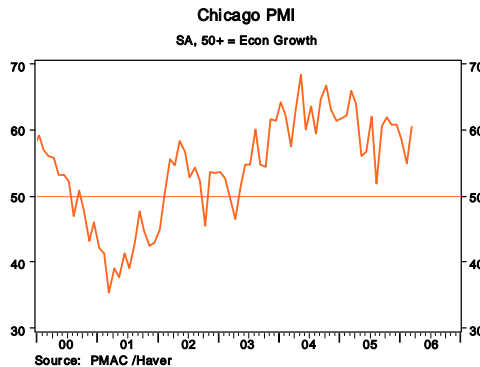


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MARCH CHICAGO PMI

- The Chicago Purchasing Managers' Index (PMI) jumped to 60.4 in March versus 54.9 in February. The index has been above 50 for over three years.
- The employment component rose to 55.6 in March, its highest level in 11 months.
- The prices paid component retreated to 71.1 in March from 71.6 in February. Nonetheless, the prices paid index has been above 70 for seven consecutive months.



Implications: Manufacturing activity in the Chicago-region accelerated in March with the Chicago PMI rising to 60.4, higher than its 12-month average of 59.1. The new orders index jumped to 62.2 (from 54.9), while the production component rose to 65.1 (from 56.0). The employment component of the Chicago survey rose to an 11-month high of 55.6 last month, suggesting that the recent strengthening in the national labor market has made its way to Chicago. The strong report from the Chicago region comes on the heels of the Richmond Fed Manufacturing survey, which rose to a two-year high in March. We expect this great start in 2006 will continue, as massive gains in technology-driven productivity continue to drive an unheralded renaissance in US manufacturing.

Chicago PMI <i>All data seasonally adjusted; 50+ = Econ Growth</i>	Mar-06	Feb-06	Jan-06	6 month moving avg	12 month moving avg	Year-ago level
Business Barometer	60.4	54.9	58.5	59.6	59.1	66.0
Production	65.1	56.0	60.6	62.7	62.8	73.2
New Orders	62.2	54.9	63.7	62.5	62.3	73.5
Order Backlog	51.6	50.6	48.3	53.6	51.9	54.6
Inventories	53.0	56.0	53.9	55.0	54.3	49.0
Employment	55.6	54.9	50.2	52.2	53.1	62.5
Deliveries	61.9	59.2	57.8	61.1	56.9	51.9
Prices Paid	71.1	71.6	75.3	77.0	70.8	68.8

Source: Purchasing Management Assoc. of Chicago