

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Falls in October

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 0.2% from September to October, reaching a seasonally adjusted level of 172.7 (1992=100). Revised data show the index was at 173.0 in September, and had risen 0.3% from August. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was unchanged in October after having risen by 0.3% in September. October output in the region was 7.3% higher than a year earlier, while output in the nation was 5.6% higher.

Output in two of the four CFMMI sub-sectors increased in October. The Midwest resource sector had the larger gain of the two in October, with output 1.7% higher than in September after falling 1.5% the prior month. Output in the regional machinery sector rose 0.8% in October, following a 1.7% increase the month before. In contrast, the Midwest steel sector output fell 2.0% in October, compared with a 0.2% decrease in September. Regional auto sector output experienced a sharper contraction, falling 3.6% in October following a 0.8% loss the previous month.

The Midwest resource sector's output increased 1.7% in October, while the nation's resource sector rose by 0.8%. Strong industries in October for the region included food processing, paper, chemicals and petroleum. Compared with a year ago, Midwest resource output was 0.7% higher in October and national output was 1.3% higher.

Midwest machinery output growth continued to lag the nation's rate. Midwest machinery output in October was 0.8% higher than in September, while national machinery output rose 1.4%. Relative to a year ago, the machinery sector continued to outperform other sectors in both the region and the nation, with regional output 22.6% higher and national output up 30.7%.

Regional steel output decreased by 2.0% in October, while the nation's steel sector output decreased by 0.9%. October marked the sixth consecutive month that Midwest steel production has fallen. Most of the weakness exhibited in this sector came from the primary metals segment. Regional steel output was 1.1% below its October 1999 level, compared with a 0.3% increase in the nation.

Midwest automotive output fell 3.6% in October while the nation's auto output declined 2.9%. This was the third output decline in the past four months for the regional auto sector. Midwest automotive output was 5.2% below last year's level while national output was 3.0% lower.

— William A. Strauss • Senior Economist and Economic Advisor • 312-322-8151

Embargoed for release:  
Noon Eastern Time  
11:00 am Central Time  
December 11, 2000

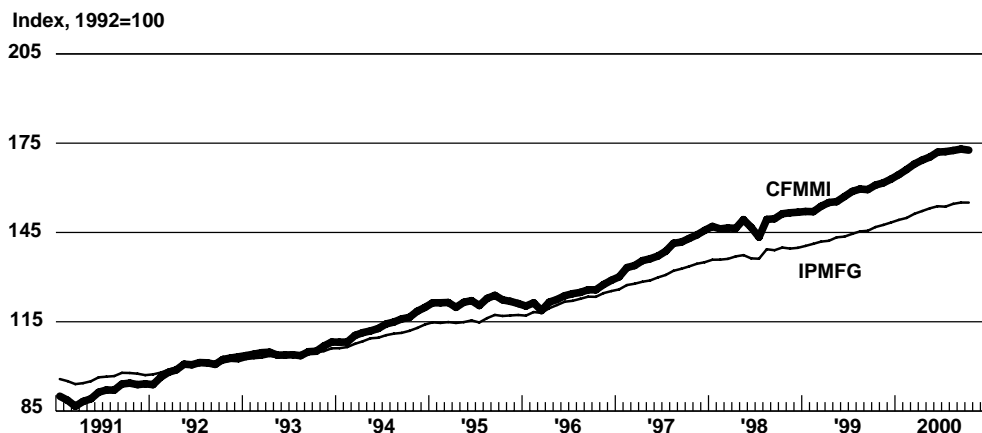
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**2001 Release Dates**

- January 11
- February 12
- March 12
- April 11
- May 10
- June 11
- July 11
- August 9
- September 11
- October 11
- November 12
- December 11

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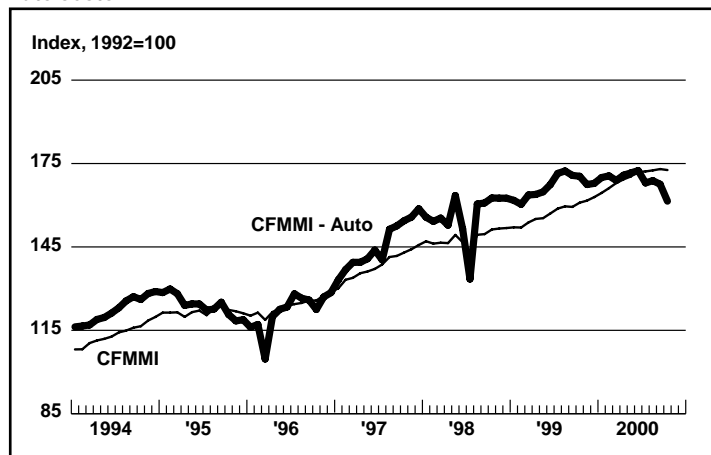
The next CFMMI will be released:  
January 11, 2001  
Noon Eastern Time  
11:00 am Central Time

FEDERAL RESERVE BANK  
OF CHICAGO

Manufacturing output indexes – October 2000	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.2	0.3	7.3
US Industrial Production-Manufacturing (IPMFG)	0.0	0.9	5.6

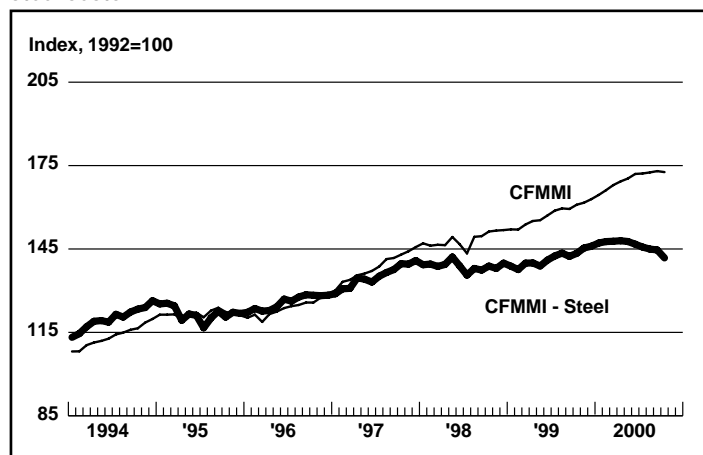
# Tracking Midwest Manufacturing Activity by Sectors — October 2000

## Auto Sector



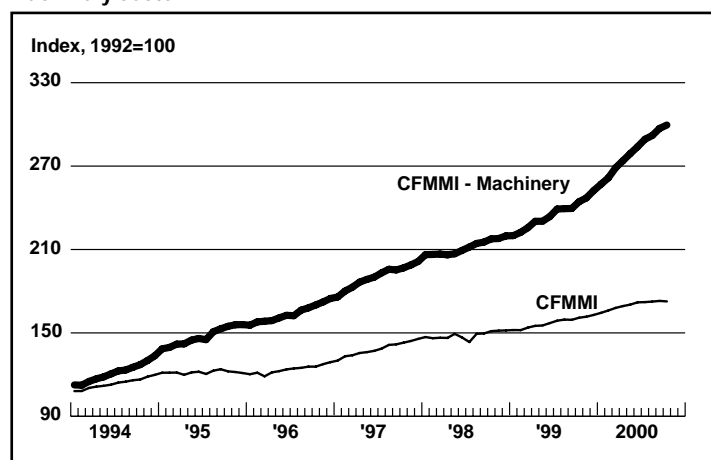
Auto Sector CFMMI Components:  
Rubber and Miscellaneous Plastics Products; Transportation Equipment

## Steel Sector



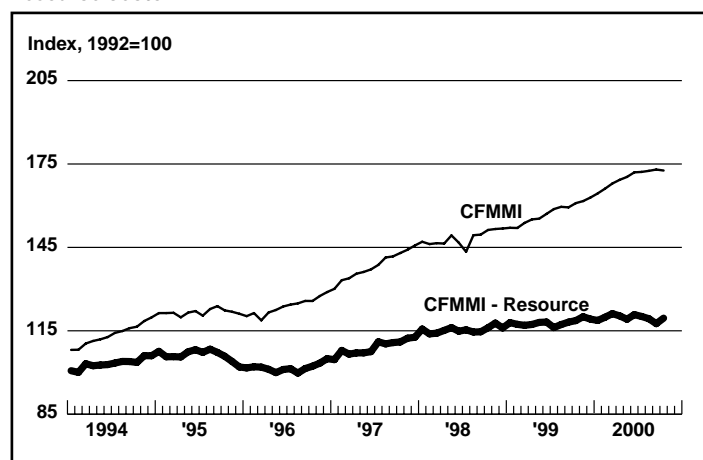
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## Machinery Sector



Machinery Sector CFMMI Components:  
Industrial Machinery and Equipment; Electronic and Other Electric Equipment;  
Instruments and Related Products

## Resource Sector



Resource Sector CFMMI Components:  
Food and Kindred Products; Lumber and Wood Products, Paper and Allied Products,  
Chemicals and Allied Products; Petroleum and Coal Products; Stone, Clay, and Glass  
Products

## Manufacturing Activity: Summary Table

	Index, 1992=100			Percent change			
	Aug 00	Sep 00	Oct 00	Monthly			Annual Oct 99–Oct 00
				Aug 00	Sep 00	Oct 00	
CFMMI	172.5	173.0	172.7	0.2	0.3	-0.2	7.3
CFMMI - Auto	168.8	167.5	161.5	0.5	-0.8	-3.6	-5.2
CFMMI - Steel	145.0	144.7	141.8	-0.5	-0.2	-2.0	-1.1
CFMMI - Machinery	292.0	297.1	299.6	0.9	1.7	0.8	22.6
CFMMI - Resource	119.3	117.6	119.5	-0.7	-1.5	1.7	0.7
IPMFG	154.6	155.0	155.0	0.6	0.3	0.0	5.6

Note: Three of the sixteen industries in the CFMMI are not included in any of the four sectors above. These are Furniture and Fixtures, Printing and Publishing, and Miscellaneous Manufacturing Industries.

The Chicago Fed Midwest Manufacturing Index (CFMMI) is a monthly estimate of manufacturing output in the region by major industry. The Midwest is defined as the five states comprising the Seventh Federal Reserve District: Illinois, Indiana, Iowa, Michigan, and Wisconsin. The CFMMI is a composite index of 16 manufacturing industries (identified by 2-digit SIC codes) that uses electrical power and hours worked data to measure monthly changes in regional activity. The CFMMI provides a regional comparison with the manufacturing component of the Industrial Production Index (IPMFG) compiled by the Federal Reserve Board. Although the IPMFG is constructed differently than the CFMMI, it also uses electrical power and hours worked data as measures of industry output for about 60 percent of its total production index.

CFMMI and IPMFG historical data are available on the Federal Reserve Bank of Chicago's Web site at <http://www.frbchi.org>