

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Falls Slightly in July

**Embargoed for release:
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**Contact: James Pieper
312-322-2387**

**Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60604**

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 0.1% in July to a seasonally adjusted level of 152.0 (1992=100). Revised data show the index was at 152.1 in June, an increase of 0.8% from May. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was up 0.1% in July after rising 0.6% in June. July output in the region was 0.6% higher than a year earlier, while output in the nation was unchanged.

Output changes were mixed for the four CFMMI sub-sectors in July. Midwest auto sector output posted the largest gain, rising 2.2% in July after being unchanged in the month prior. The steel sector's output increased 1.2% after rising 2.7% in June. Output in the Midwest machinery sector fell 0.6% after rising 0.3% the month before. Regional resource sector output decreased 1.5% in July after rising 1.0% the previous month.

The strong selling pace for motor vehicles has kept regional auto production at a solid pace. Midwest automotive output rose a very strong 2.2% in July, while the nation's auto output was up 1.5%. Compared with a year earlier, Midwest automotive output was 8.0% higher while national output was up 0.3%.

Reflecting the strength in the auto sector's performance, the regional steel sector's output increased 1.2% in July compared with a 0.7% gain for the nation. Regional steel output was 1.4% above its July 2001 level, compared with a 0.1% decrease in the nation.

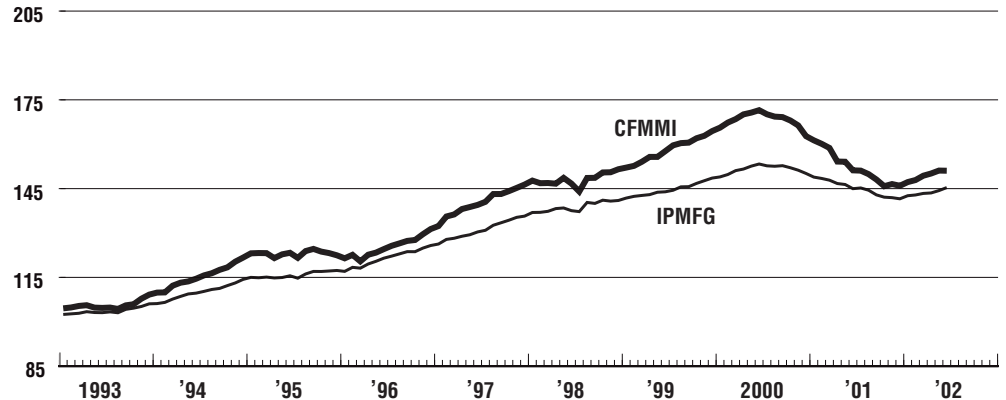
Midwest machinery output fell 0.6% in July while the nation's output decreased 0.1%. Regional machinery output in July was down 0.4% from a year earlier while national machinery output was up 4.2%.

The Midwest resource sector's output decreased 1.5% in July while output in the nation's resource sector fell 0.5%. Losses in output in the regional food, paper, and petroleum industries outpaced gains in the construction materials industry. Compared with a year ago, regional resource output was 1.9% lower in July, compared with a 0.3% gain for the nation.

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

Chicago Fed Midwest Manufacturing Index

Index, 1992=100



**The next CFMMI will be released:
October 10, 2002
Noon Eastern Time
11:00 am Central Time**

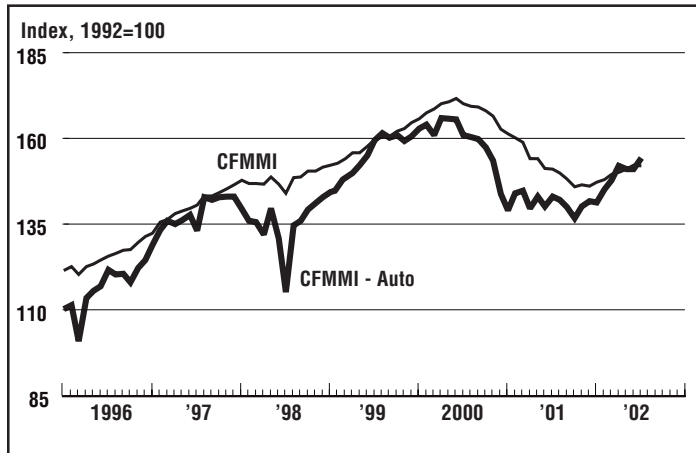
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Manufacturing output indexes—July 2002

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.1	1.3	0.6
US Industrial Production-Manufacturing (IPMFG)	0.1	1.3	0.0

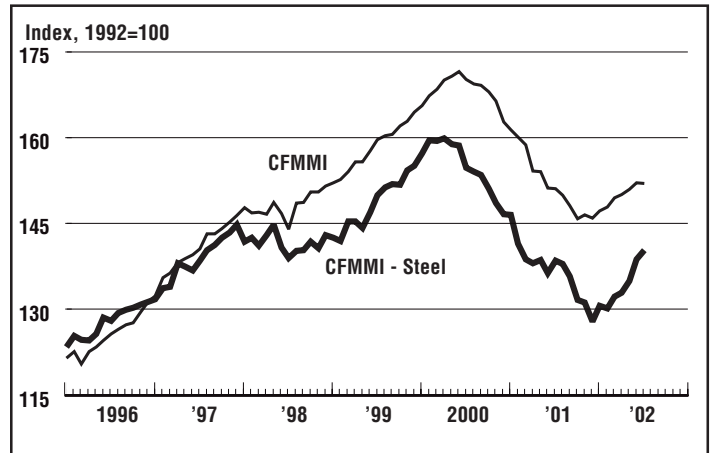
Tracking Midwest Manufacturing Activity by Sectors — July 2002

Auto Sector



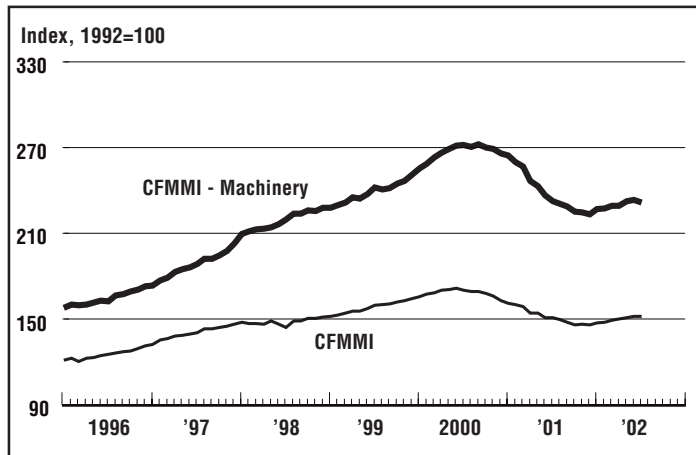
Auto Sector CFMMI Components:
Rubber and Miscellaneous Plastics Products; Transportation Equipment

Steel Sector



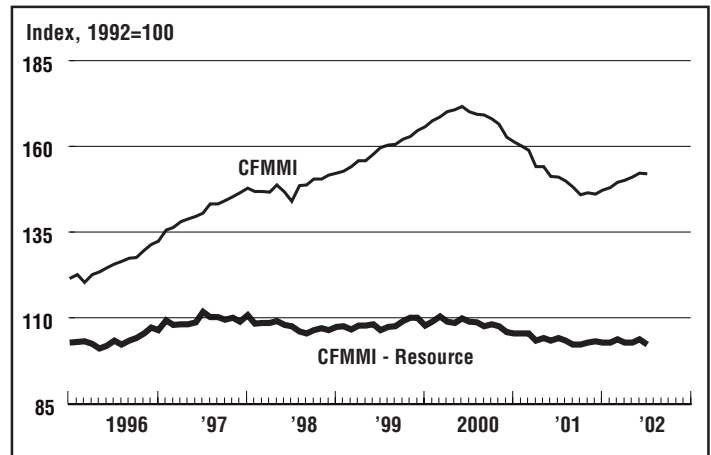
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	May 02	Jun 02	Jul 02	Monthly			Annual Jul 01–Jul 02
				May 02	Jun 02	Jul 02	
CFMMI	151.0	152.1	152.0	0.6	0.8	-0.1	0.6
CFMMI - Auto	151.0	151.0	154.3	-0.7	0.0	2.2	8.0
CFMMI - Steel	135.0	138.7	140.4	1.6	2.7	1.2	1.4
CFMMI - Machinery	232.3	233.1	231.7	1.3	0.3	-0.6	-0.4
CFMMI - Resource	102.7	103.8	102.2	-0.1	1.0	-1.5	-1.9
IPMFG	144.2	145.1	145.2	0.6	0.6	0.1	0.0

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.chicagofed.org>