

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Falls in October

Embargoed for release:  
Noon Eastern Time  
11:00 am Central Time  
December 11, 2002

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**2003 Release Dates:**

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

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 1.2% in October to a seasonally adjusted level of 148.4 (1992=100). Revised data show the index was down 0.9% to 150.1 in September. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was down 0.7% in October after falling 0.4% in September. October output in the region was 1.8% higher than a year earlier, while output in the nation was 1.3% higher.

Output in three of the four CFMMI sub-sectors fell in October. Midwest auto sector output posted the largest decline, dropping 4.3% in October after falling 0.8% in the month prior. The machinery sector's output fell 0.8% after declining 1.2% in September. Regional steel sector output decreased 0.1% in October after falling 1.3% the previous month. Output in the Midwest resource sector rose 0.4% in October after falling by the same rate the month before.

Midwest automotive output fell 4.3% in October, while the nation's auto output was down 2.8%. Vehicle inventories had risen above desirable levels as a result of vehicle sales slowing from the robust summer pace. Compared with a year earlier, Midwest automotive output was 6.5% higher while national output was up 2.9%.

Midwest machinery output declined 0.8% in October while the nation's output decreased 0.4%. Regional machinery output in October was 0.5% above year earlier levels while national machinery output was up 5.4%.

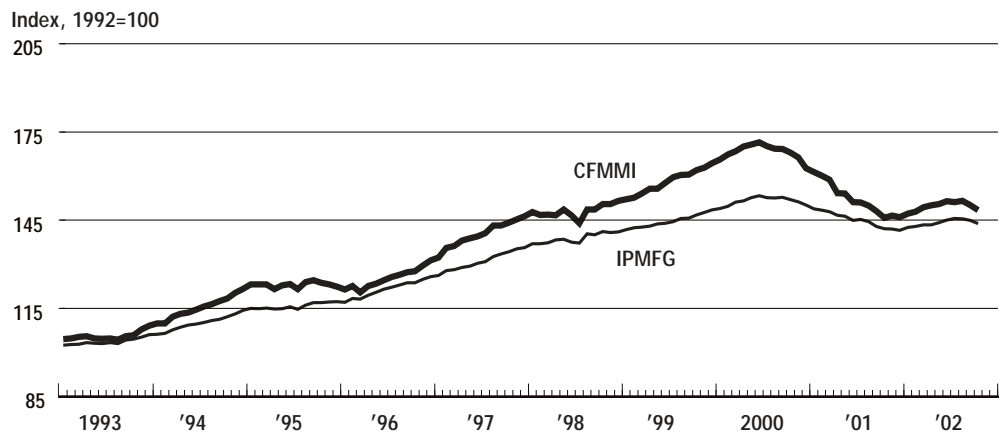
The region's steel sector output edged down 0.1% in October, the same decline experienced by the nation. Regional steel output was 4.6% above its October 2001 level, compared with a 2.2% increase in the nation.

The Midwest resource sector's output increased 0.4% in October while the nation's output decreased 0.2%. Gains in the regional food and petroleum industries more than offset output reductions in the paper, construction materials and lumber industries. Compared with a year ago, regional resource output was 0.1% higher in October, compared with a 0.5% gain for the nation.

\*National comparisons are based upon industrial production data using the U.S. Standard Industrial Classification (SIC) codes, not the recently released industrial production series using the North American Industry Classification System (NAICS).

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

**Chicago Fed Midwest Manufacturing Index**



The next CFMMI will be released:  
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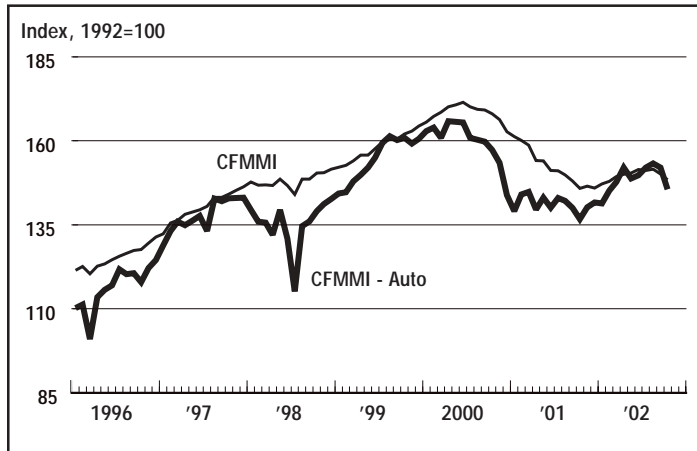
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**Manufacturing output indexes—October 2002**

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-1.2	-1.8	1.8
US Industrial Production-Manufacturing (IPMFG)	-0.7	-1.2	1.3

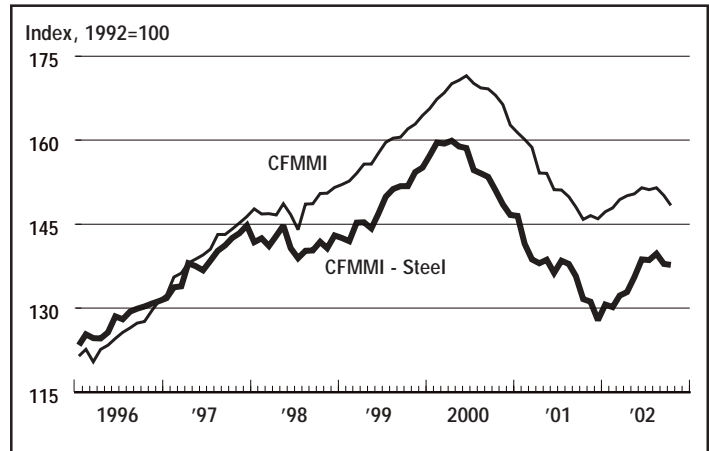
# Tracking Midwest Manufacturing Activity by Sectors — October 2002

## Auto Sector



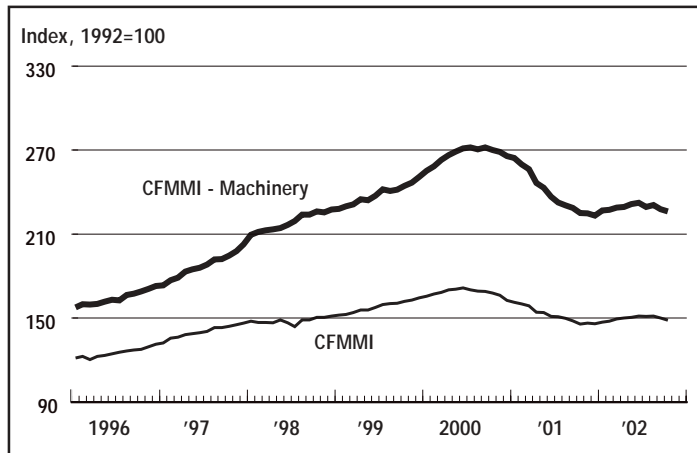
Auto Sector CFMMI Components:  
Rubber and Miscellaneous Plastics Products; Transportation Equipment

## Steel Sector



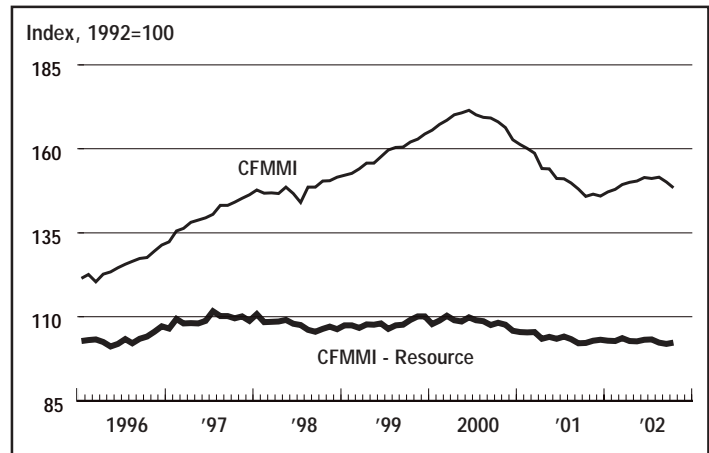
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Aug 02	Sep 02	Oct 02	Monthly		Oct 01–Oct 02	Annual
				Aug 02	Sep 02		
CFMMI	151.5	150.1	148.4	0.2	-0.9	-1.2	1.8
CFMMI - Auto	153.2	152.1	145.5	0.8	-0.8	-4.3	6.5
CFMMI - Steel	139.7	137.9	137.7	0.8	-1.3	-0.1	4.6
CFMMI - Machinery	230.7	227.9	226.2	0.5	-1.2	-0.8	0.5
CFMMI - Resource	102.3	101.9	102.4	-1.0	-0.4	0.4	0.1
IPMFG	145.5	145.0	143.9	-0.1	-0.4	-0.7	1.3

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>