

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Falls in August

Embargoed for release:
Noon Eastern Time
11:00 am Central Time
October 9, 2003

Contact: James Pieper
312-322-2387

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

2003 Release Dates:
November 10
December 11

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 0.2% in August, to a seasonally adjusted level of 107.7 (1997=100). It was the seventh consecutive monthly decline in Midwest manufacturing production. Revised data show the index declined 0.1%, to 107.8 in July. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) fell 0.1% in August. August output in the region was 6.0% lower than a year earlier, while output in the nation was 1.6% below year-ago levels.

Output in three of the four CFMMI sub-sectors fell in August. Regional resource sector output posted the largest decline, falling 0.8% in August. Output for the Midwest auto sector was down 0.6% in August. Regional steel sector output declined 0.2% in August. Midwest machinery sector output posted the only gain, rebounding strongly 1.4% in August.

The Midwest resource sector's output decreased 0.8% in August, more than the nation's 0.1% decline. August losses in regional chemical, food, and wood product production were tempered somewhat by gains in nonmetallic mineral and paper production. Compared with a year ago, regional resource output was 4.3% lower in August while the nation's output was down 0.9%.

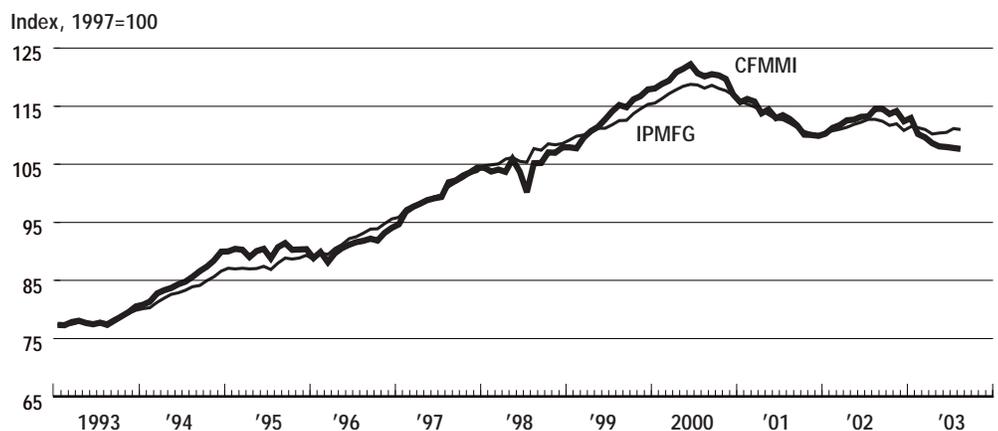
Midwest automotive output fell 0.6% in August, less than the nation's 1.2% decrease. Compared with a year earlier, Midwest automotive output was 6.7% lower in August while national output was down 1.9%.

The region's steel sector output decreased 0.2% in August while the nation's steel output fell 0.9%. Weakness was concentrated in regional primary metals production which dropped 1.9%, while regional fabricated metal production gained 0.5%. Regional steel output was 8.2% below its August 2002 level compared with a 5.4% decrease in the nation.

Midwest machinery output rose 1.4% in August while the nation's output increased 1.8%. The regional machinery sector's increase was the first in nine months. Regional machinery output in August was 4.9% below year-earlier levels while national machinery output was up 4.7%.

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

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The next CFMMI will be released:
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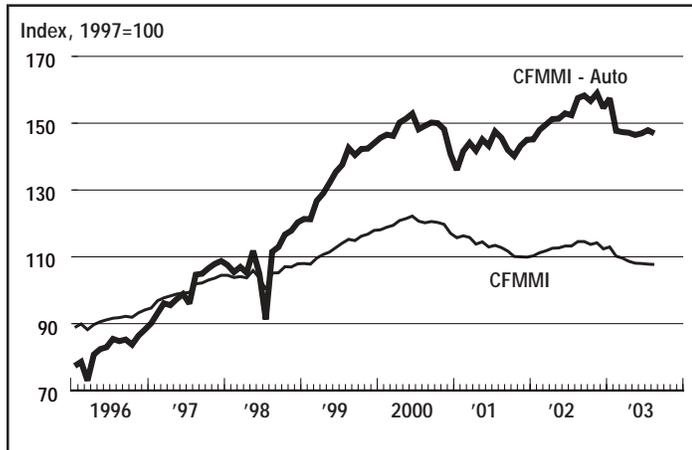
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Manufacturing output indexes—August 2003

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.2	-0.4	-6.0
US Industrial Production-Manufacturing (IPMFG)	-0.1	0.6	-1.6

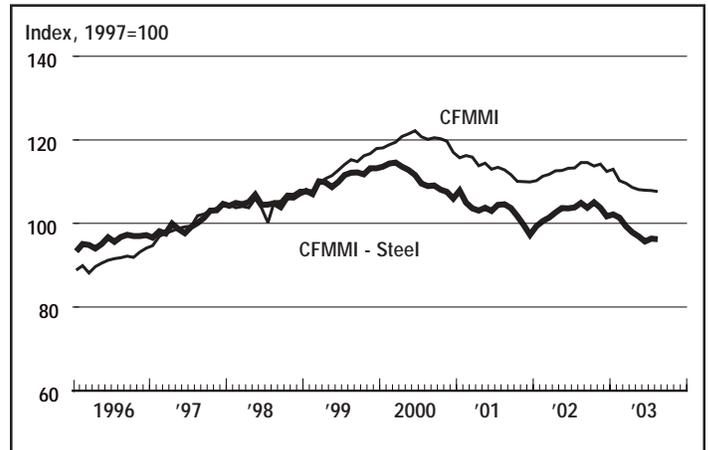
Tracking Midwest Manufacturing Activity by Sectors — August 2003

Auto Sector



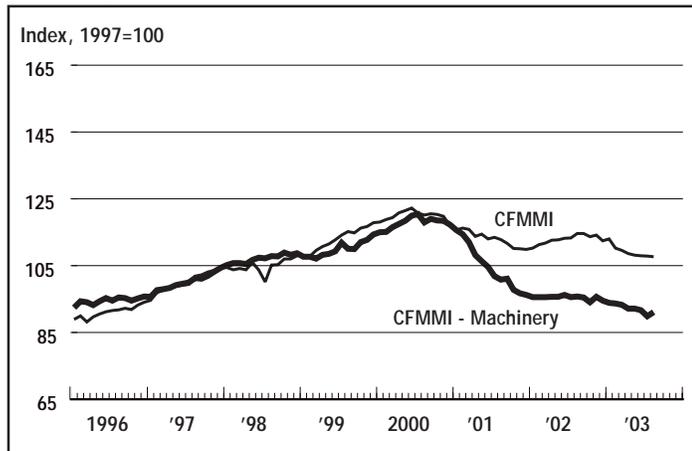
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



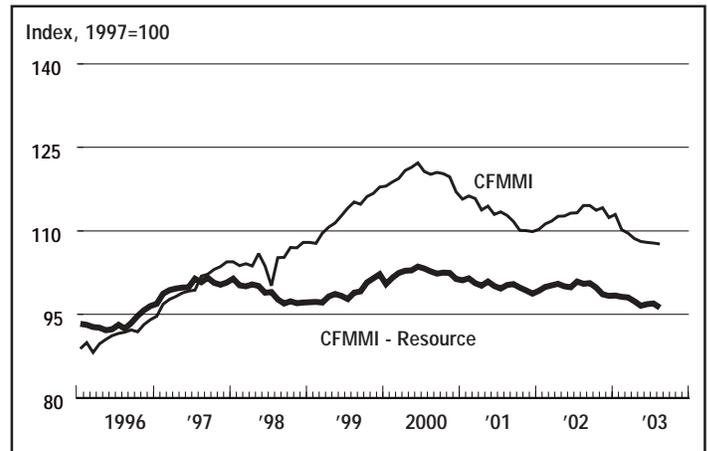
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

Machinery Sector



Machinery Sector CFMMI Components:
Machinery; Computer and Electronic Product; Electrical Equipment, Appliance, and Components Manufacturing

Resource Sector



Resource Sector CFMMI Components:
Food; Wood Product; Paper; Chemicals; Nonmetallic Mineral Products

Manufacturing Activity: Summary Table

	Index, 1997=100			Percent change			
	Jun 03	Jul 03	Aug 03	Monthly		Annual	Aug 02-Aug 03
				Jun 03	Jul 03		
CFMMI	108.0	107.8	107.7	-0.1	-0.1	-0.2	-6.0
CFMMI - Auto	147.0	147.9	147.0	0.3	0.7	-0.6	-6.7
CFMMI - Steel	95.7	96.4	96.2	-1.3	0.8	-0.2	-8.2
CFMMI - Machinery	91.7	89.8	91.1	-0.5	-2.0	1.4	-4.9
CFMMI - Resource	96.8	97.0	96.2	0.3	0.2	-0.8	-4.3
IPMFG	110.5	111.1	111.0	0.1	0.6	-0.1	-1.6

Note: Three of the seventeen industries in the CFMMI are not included in any of the four sectors above. These are Furniture and Related Products; Printing and Related Support Activities; Miscellaneous Manufacturing.

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 15 manufacturing industries (identified by 3-digit NAICS 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>