

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Falls in October

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2004 Release Dates:

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

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 1.8% in October, to a seasonally adjusted level of 111.0 (1997=100). Revised data show the index rose a very strong 3.9%, to 112.9 in September. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was unchanged in October. October output in the region was 2.2% lower than a year earlier, while output in the nation was 0.5% above year-ago levels.

Output in all four CFMMI sub-sectors fell in October. Regional auto sector output posted the largest decline, falling 2.2% in October. Output for the Midwest resource sector was down 2.1% in October. Regional steel sector output declined 1.5% in October. Midwest machinery sector output fell 1.0% in October.

Midwest auto manufacturing has been on a rollercoaster ride over the past few months. Midwest automotive output fell 2.2% in October after rising an astounding 8.7% in September. The region's auto output decline in October was more than the nation's 1.7% decrease. Compared with a year earlier, Midwest automotive output was 0.4% higher in October while national output was up 0.8%.

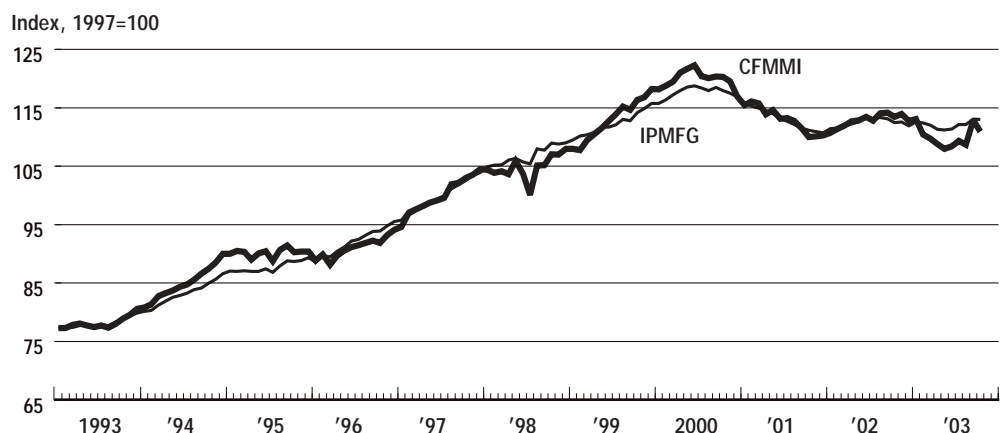
The Midwest resource sector's output decreased 2.1% in October, more than the nation's 0.3% decline. October losses in regional chemical, food, nonmetallic mineral and paper product production were tempered somewhat by gains in wood production. Compared with a year ago, regional resource output was 4.6% lower in October while the nation's output was down 0.5%.

The region's steel sector output decreased 1.5% in October while the nation's steel output rose 1.3%. Weakness was concentrated in regional fabricated metal production which dropped 2.6%, while regional primary metal output gained 1.2%. Regional steel output was 5.4% below its October 2002 level compared with a 2.7% decrease in the nation.

Midwest machinery output fell 1.0% in October while the nation's output increased 1.9%. Regional machinery output in October was 1.2% below year-earlier levels while national machinery output was up 11.7%.

— 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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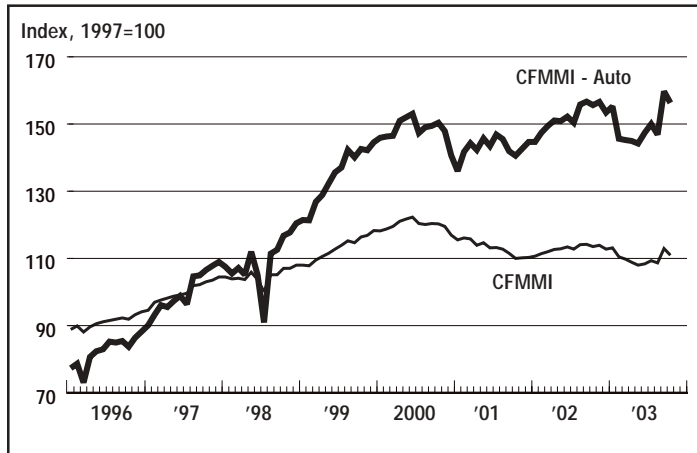
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Manufacturing output indexes—October

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-1.8	1.5	-2.2
US Industrial Production-Manufacturing (IPMFG)	0.0	0.8	0.5

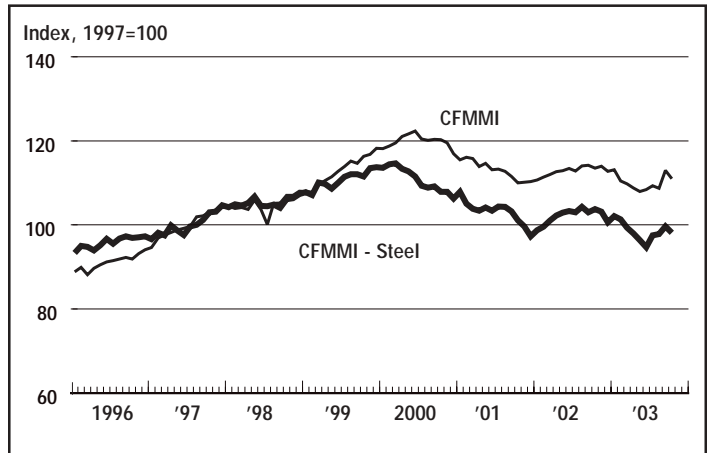
Tracking Midwest Manufacturing Activity by Sectors — October 2003

Auto Sector



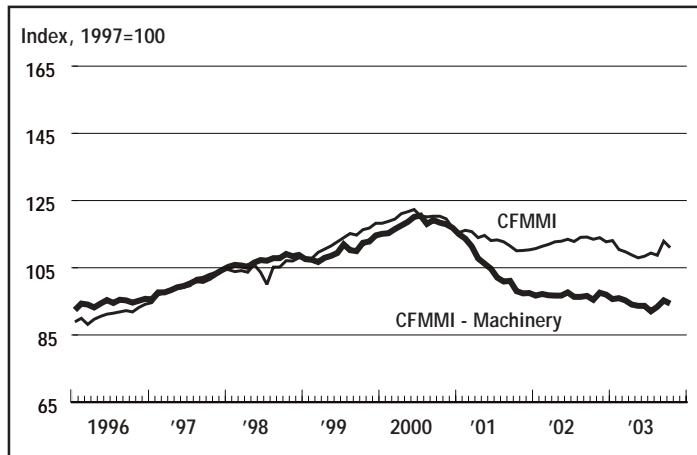
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



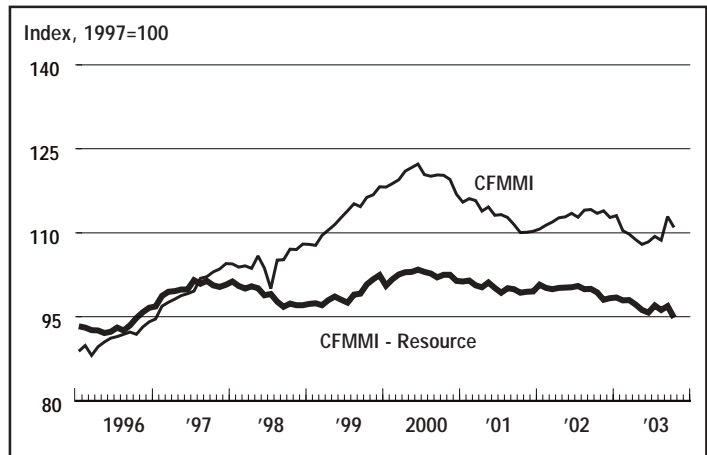
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Aug 03	Sep 03	Oct 03	Monthly		Annual	Oct 02–Oct 03
				Aug 03	Sep 03		
CFMMI	108.7	112.9	111.0	-0.6	3.9	-1.8	-2.2
CFMMI - Auto	146.9	159.7	156.2	-2.1	8.7	-2.2	0.4
CFMMI - Steel	97.8	99.6	98.1	0.3	1.8	-1.5	-5.4
CFMMI - Machinery	93.4	95.3	94.3	1.5	2.1	-1.0	-1.2
CFMMI - Resource	96.2	96.9	94.9	-0.8	0.7	-2.1	-4.6
IPMFG	112.2	113.1	113.0	0.0	0.8	0.0	0.5

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>