

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Rises in November

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.3% in November 2006, to a seasonally adjusted level of 104.4 (2002 = 100). Revised data show the index fell 0.6% in October, to 104.1. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was also up 0.3% in November. Regional output in November was 2.2% higher than a year earlier, lower than the 3.7% increase in national output.

Three of the four regional sectors increased in November:

- Regional resource sector output was up 0.5%;
- Regional Midwest machinery sector output also rose by 0.5%;
- Regional auto sector output ticked up 0.3%; and
- Regional steel sector output fell by 0.7%.

The Midwest resource sector's output increased 0.5% in November after falling 0.1% in October. The nation's resource sector's output was down 0.1% in November. Four of the subsectors of the resource sector—paper, wood, chemicals, and nonmetallic minerals production—decreased in November, while the food production subsector increased. Compared with a year ago, regional resource output was up 3.2% in November, and national resource output was up 1.7%.

Midwest machinery sector output rose 0.5% in November after falling 0.4% in October. The nation's machinery output rose 1.1% in November. Regional machinery output in November was 5.3% above year-earlier levels, while national machinery output was up 13.6%.

Midwest auto sector production rose 0.3% in November after decreasing 1.6% in October. The nation's auto output was up 2.0% in November. Compared with a year earlier, Midwest automotive output was down 1.4%, while national auto output was up 3.0%.

The region's steel sector output was down 0.7% in November, after falling 0.9% in October. The nation's steel output was down 0.8% in November. Regional steel output was 2.2% above its November 2005 level, slightly higher than the 1.8 % increase in the nation's steel output.

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

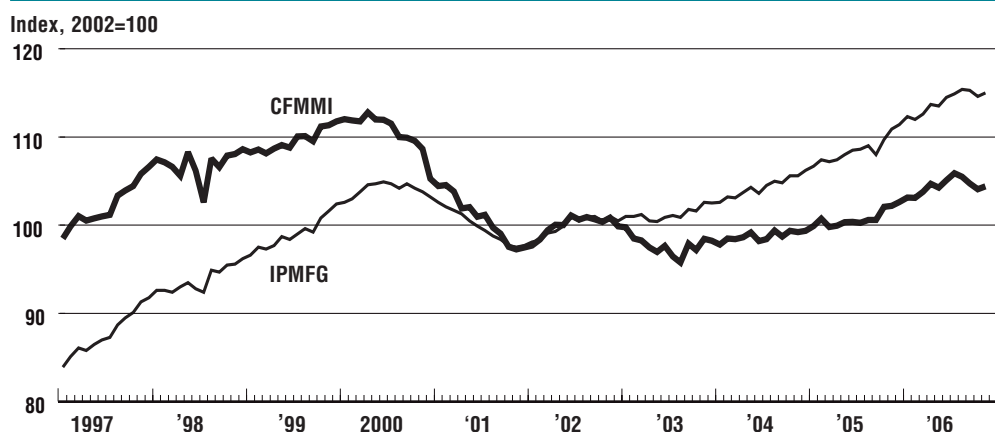
**Embargoed for release:
Noon Eastern Time
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**2007 Release Dates:
January 29, 2007
March 19, 2007
April 5, 2007
April 26, 2007
May 29, 2007
June 27, 2007
July 26, 2007
August 27, 2007
September 27, 2007
October 29, 2007
November 27, 2007
December 27, 2007**

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**The next CFMMI will be released:
January 29, 2007
Noon Eastern Time
11:00 am Central Time**

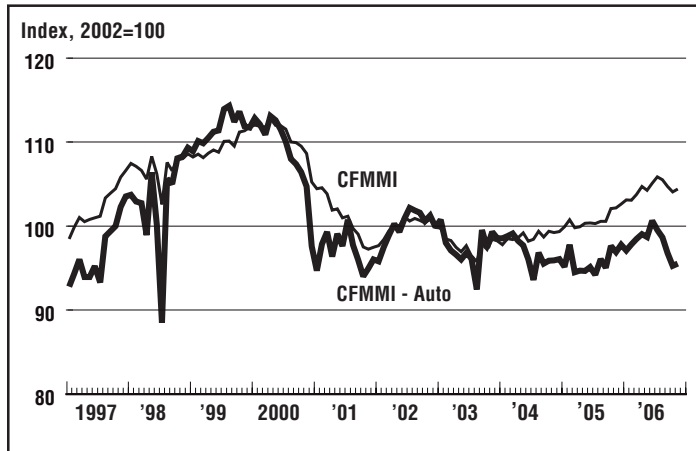
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OF CHICAGO**

Manufacturing output indexes—November

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.3	-1.0	2.2
US Industrial Production-Manufacturing (IPMFG)	0.3	-0.3	3.7

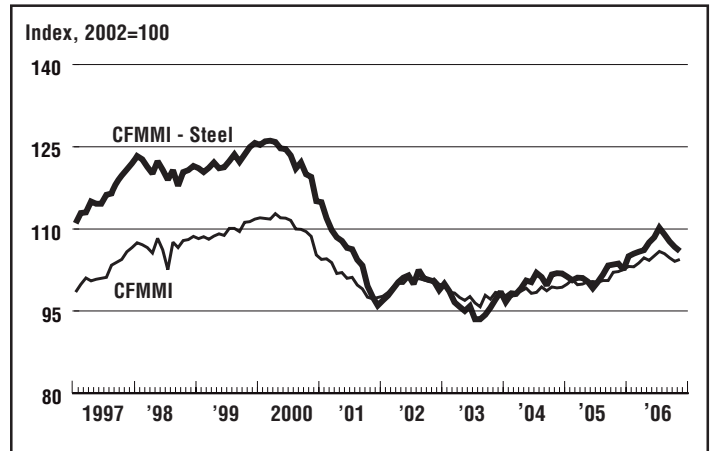
Tracking Midwest Manufacturing Activity by Sectors — November 2006

Auto Sector



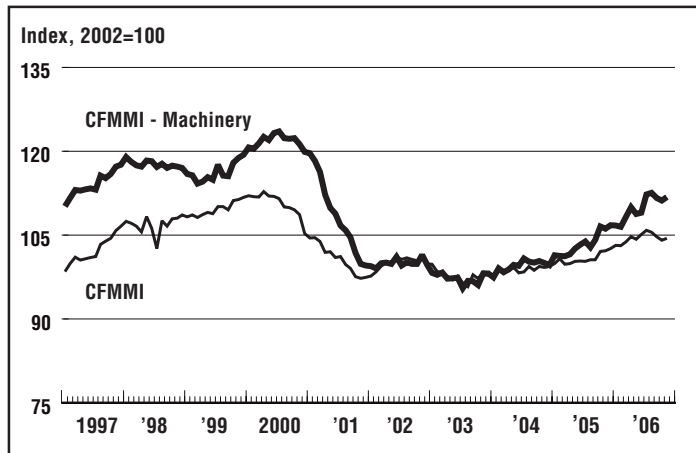
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



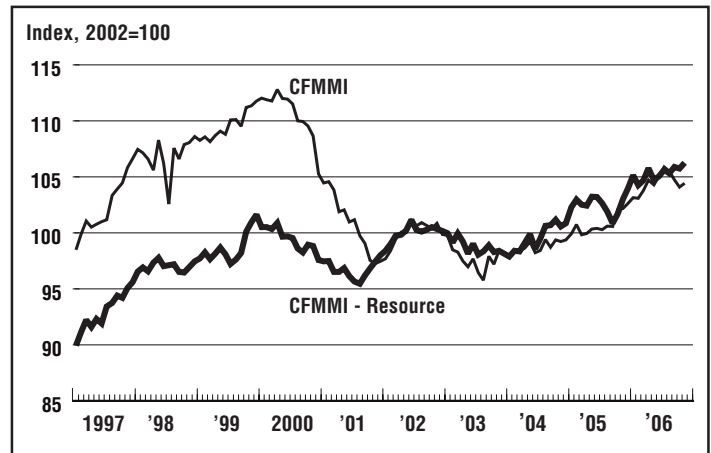
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

Machinery Sector



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

Resource Sector



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

Manufacturing Activity: Summary Table

	Index, 2002=100			Percent change			
	Sep 06	Oct 06	Nov 06	Monthly		Nov 05–Nov 06	Annual
				Sep 06	Oct 06		
CFMMI	104.7	104.1	104.4	-0.7	-0.6	0.3	2.2
CFMMI - Auto	96.8	95.3	95.6	-1.9	-1.6	0.3	-1.4
CFMMI - Steel	107.7	106.7	106.0	-1.1	-0.9	-0.7	2.2
CFMMI - Machinery	111.6	111.2	111.8	-0.8	-0.4	0.5	5.3
CFMMI - Resource	105.9	105.7	106.3	0.5	-0.1	0.5	3.2
IPMFG	115.3	114.6	115.0	-0.1	-0.6	0.3	3.7

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 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 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>.