

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Edges Down in September

**Embargoed for release:  
October 29, 2007  
Noon Eastern Time  
11:00 am Central Time**

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**2007 and 2008 Release Dates:  
November 27, 2007  
December 27, 2007  
January 28, 2008  
March 17, 2008  
April 3, 2008  
April 28, 2008  
May 27, 2008  
June 26, 2008  
July 28, 2008  
August 27, 2008  
September 29, 2008  
October 27, 2008  
November 26, 2008  
December 29, 2008**

The Chicago Fed Midwest Manufacturing Index (CFMMI) slipped 0.1% in September, to a seasonally adjusted level of 105.2 (2002 = 100). Revised data show the index declined 0.6% in August, to 105.4. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was unchanged in September. Regional output in September was 0.5% higher than a year earlier, below the 1.6% increase in national output.

Two of the four regional industry sectors decreased in September:

- Regional auto sector production declined 1.2%;
- Regional steel sector output decreased 0.3%;
- Regional resource sector output inched up 0.1%; and
- Regional machinery sector output rose 0.7%.

The Midwest's auto sector production declined 1.2% in September after rising 0.5% in August. The nation's auto output was also down 1.2% in September. The Midwest's automotive output was unchanged in September relative to its year-ago value, while the nation's auto output was up 2.5%.

The region's steel sector output was down 0.3% in September after decreasing 0.9% in August. The nation's steel output was up 0.6% in September. Regional steel output was up 0.3% from its September 2006 level, while the national steel output increased 1.7%.

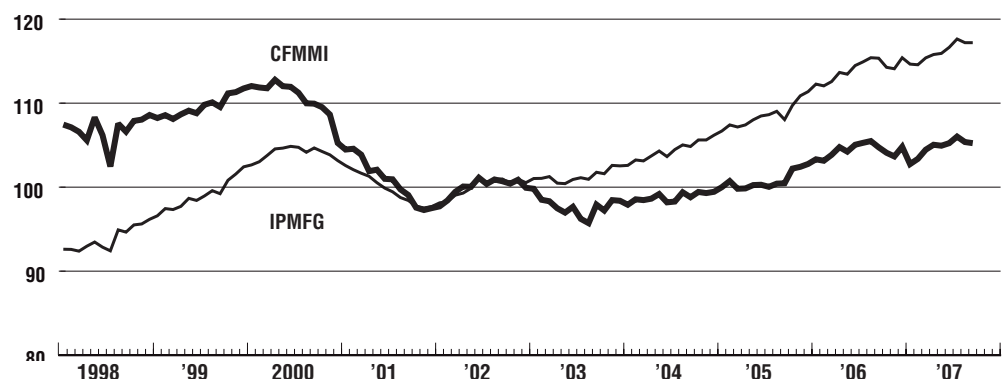
The Midwest resource sector's output edged up 0.1% in September after declining 1.0% in August. One of the five subsectors of the resource sector—chemicals—increased, while food was unchanged and nonmetallic minerals, paper, and wood production decreased from August to September. The national resource sector's output increased 0.3% in September. Compared with a year ago, regional resource output was up 1.8% in September, higher than the 1.3% increase in the national resource output.

The Midwest's machinery sector output increased 0.7% in September after falling 1.1% in August. The nation's machinery output was up 0.3% in September. Regional machinery output in September was 0.1% above year-earlier levels, while national machinery output was up 4.9%.

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

### Chicago Fed Midwest Manufacturing Index

Index, 2002=100



**The next CFMMI will be released:  
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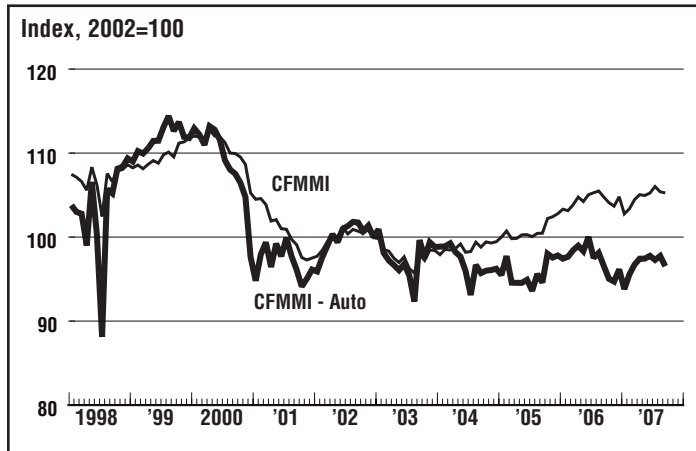
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### Manufacturing output indexes—September

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.1	0.0	0.5
US Industrial Production-Manufacturing (IPMFG)	0.0	0.5	1.6

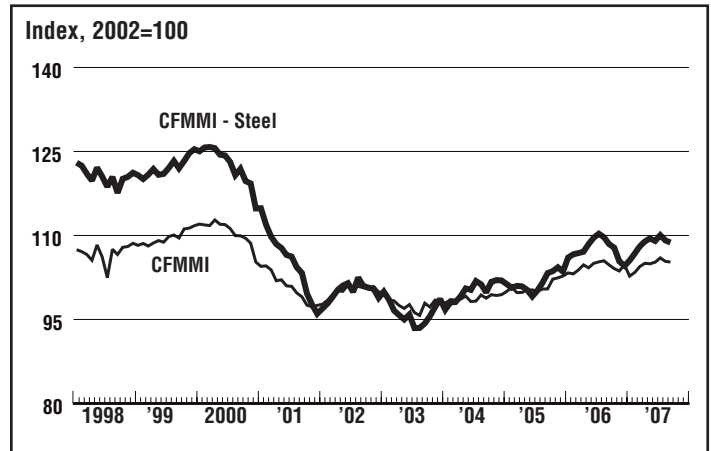
# Tracking Midwest Manufacturing Activity by Sectors — September 2007

## Auto Sector



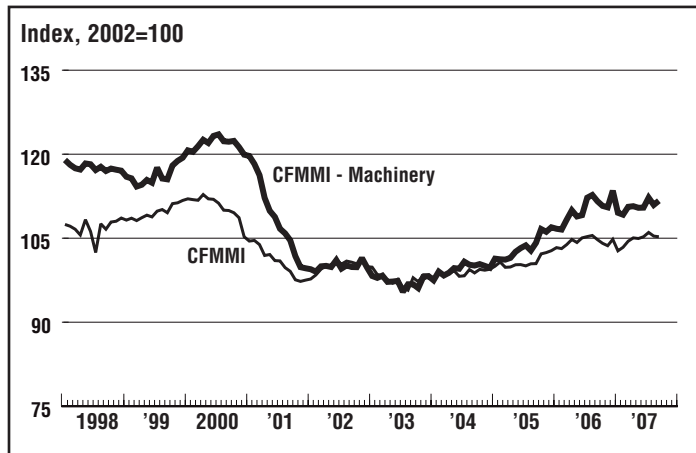
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



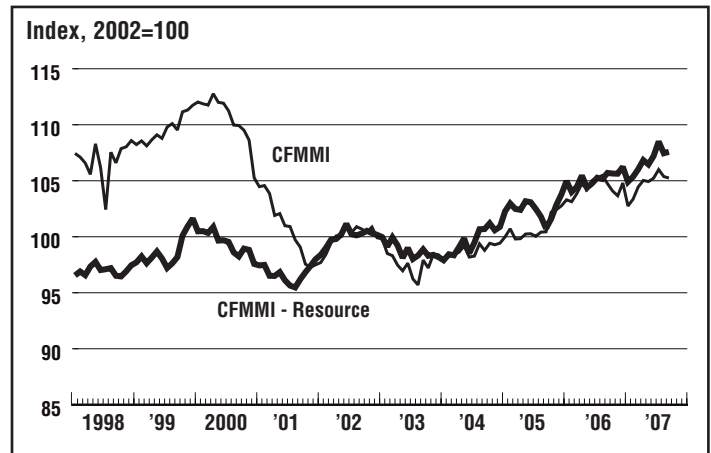
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Jul 07	Aug 07	Sep 07	Monthly		Annual	Sep 06-Sep 07
				Jul 07	Aug 07		
<b>CFMMI</b>	106.0	105.4	105.2	0.7	-0.6	-0.1	0.5
<b>CFMMI - Auto</b>	97.3	97.7	96.5	-0.5	0.5	-1.2	0.0
<b>CFMMI - Steel</b>	110.1	109.1	108.8	0.9	-0.9	-0.3	0.3
<b>CFMMI - Machinery</b>	112.2	110.9	111.7	1.6	-1.1	0.7	0.1
<b>CFMMI - Resource</b>	108.5	107.5	107.6	1.2	-1.0	0.1	1.8
<b>IPMFG</b>	117.6	117.2	117.2	0.8	-0.4	0.0	1.6

Note: One of the fifteen industries in the CFMMI is not included in any of the four sectors above. This industry is 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>.