

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Declines in October

The Chicago Fed Midwest Manufacturing Index (CFMMI) declined 1.0% in October, to a seasonally adjusted level of 98.6 (2002 = 100). Revised data show the index decreased 3.6% in September, to 99.5. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) edged up 0.6% in October. Regional output in October was 8.3% lower than a year earlier—below the 5.2% decrease in national output.

Three of the four regional industry sectors decreased in October:

- Regional steel sector output dropped 3.1%;
- Regional auto sector production declined 3.0%;
- Regional machinery sector output decreased 1.2%; and
- Regional resource sector output moved up 1.7%.

The region's steel sector output dropped 3.1% in October after declining 3.2% in September. The nation's steel output was down 2.5% in October. Regional steel output dropped 7.9% from its October 2007 level, while the national steel output declined 6.3%.

The Midwest's auto sector production dropped 3.0% in October after falling 6.0% in September. The nation's auto output decreased 2.9% in October. The Midwest's automotive output was down 23.1% in October relative to its year-ago value, while the nation's auto output was down 15.8%.

The Midwest's machinery sector output moved down 1.2% in October after decreasing 2.4% in September. The nation's machinery output edged down 0.7% in October. Regional machinery output in October was 3.2% below year-earlier levels, while national machinery output was up 2.5%.

The Midwest resource sector's output rose 1.7% in October after declining 3.4% in September. Two of the five subsectors of the resource sector—food and chemical—increased from September to October, while paper, wood, and nonmetallic mineral production decreased. The national resource sector's output was up 2.4% in October. Compared with a year ago, regional resource output was down 3.0% in October, and the national resource output declined 3.7%.

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

**Embargoed for release:
November 26, 2008
Noon Eastern Time
11:00 am Central Time**

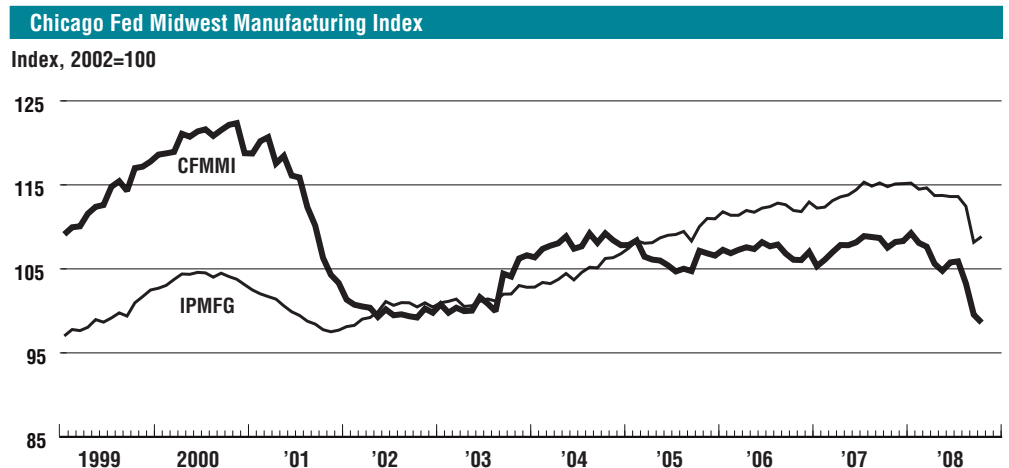
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**2008 and 2009 Release Dates:
December 29, 2008
January 29, 2009
March 18, 2009
April 6, 2009
April 27, 2009
May 28, 2009
June 29, 2009
July 27, 2009
August 24, 2009
September 30, 2009
October 26, 2009
November 30, 2009
December 28, 2009**

**The next CFMMI will be released:
December 29, 2008
Noon Eastern Time
11:00 am Central Time**

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OF CHICAGO**

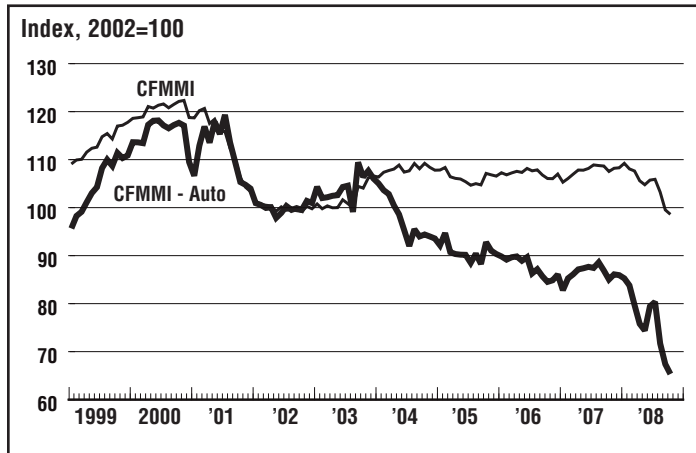


Manufacturing output indexes—October

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-1.0	-6.9	-8.3
US Industrial Production-Manufacturing (IPMFG)	0.6	-4.2	-5.2

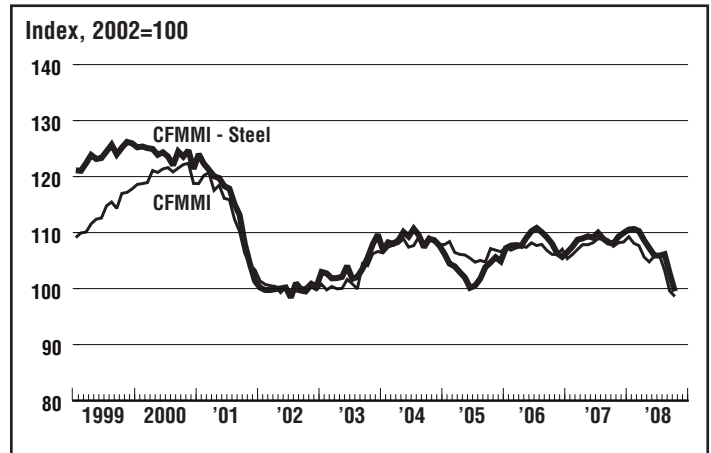
Tracking Midwest Manufacturing Activity by Sectors — October 2008

Auto Sector



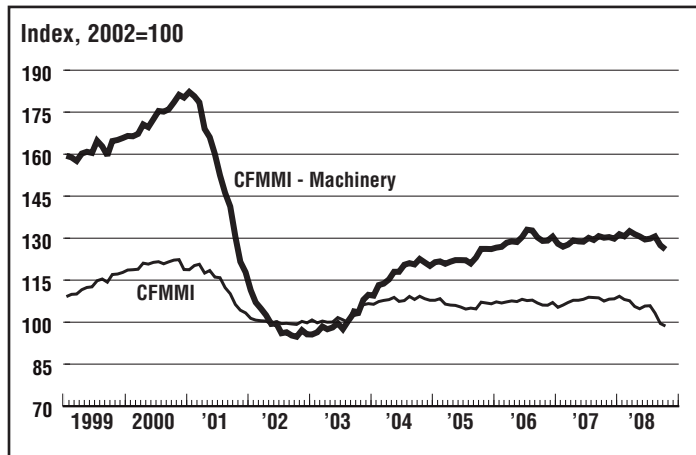
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



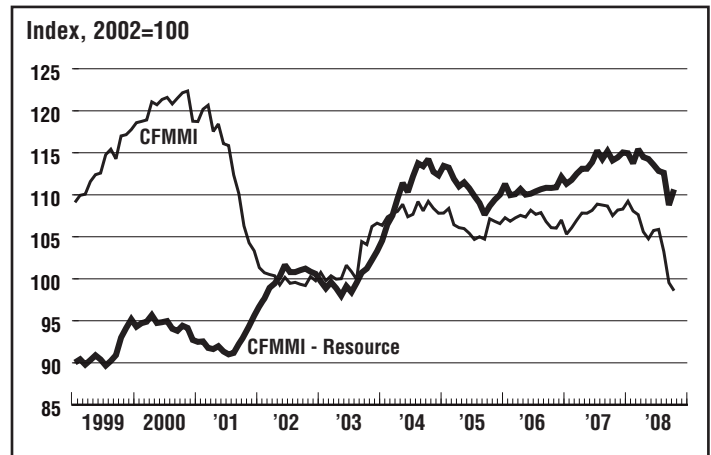
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Aug 08	Sep 08	Oct 08	Monthly			Annual
				Aug 08	Sep 08	Oct 08	Oct 07–Oct 08
CFMMI	103.3	99.5	98.6	-2.5	-3.6	-1.0	-8.3
CFMMI - Auto	71.7	67.4	65.4	-10.8	-6.0	-3.0	-23.1
CFMMI - Steel	106.1	102.7	99.5	0.2	-3.2	-3.1	-7.9
CFMMI - Machinery	130.6	127.5	126.0	0.6	-2.4	-1.2	-3.2
CFMMI - Resource	112.6	108.8	110.6	-0.2	-3.4	1.7	-3.0
IPMFG	112.4	108.1	108.8	-1.0	-3.8	0.6	-5.2

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>.