

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Drops in September

The Chicago Fed Midwest Manufacturing Index (CFMMI) declined 2.6% in September, to a seasonally adjusted level of 100.6 (2002 = 100). Revised data show the index decreased 2.6% in August, to 103.3. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) decreased 2.7% in September. Regional output in September was 7.4% lower than a year earlier, below the 4.8% decrease in national output.

All four regional industry sectors decreased in September:

- Regional auto sector production dropped 5.4%;
- Regional machinery sector output declined 2.0%;
- Regional steel sector output decreased 1.9%; and
- Regional resource sector output moved down 1.6%.

The Midwest's auto sector production dropped 5.4% in September after falling 10.8% in August. The nation's auto output decreased 5.2% in September. The Midwest's automotive output was down 21.7% in September relative to its year-ago value, while the nation's auto output was down 13.5%.

The Midwest's machinery sector output moved down 2.0% in September after edging up 0.5% in August. The nation's machinery output declined 0.7% in September. Regional machinery output in September was 2.1% below year-earlier levels, while national machinery output was up 5.8%.

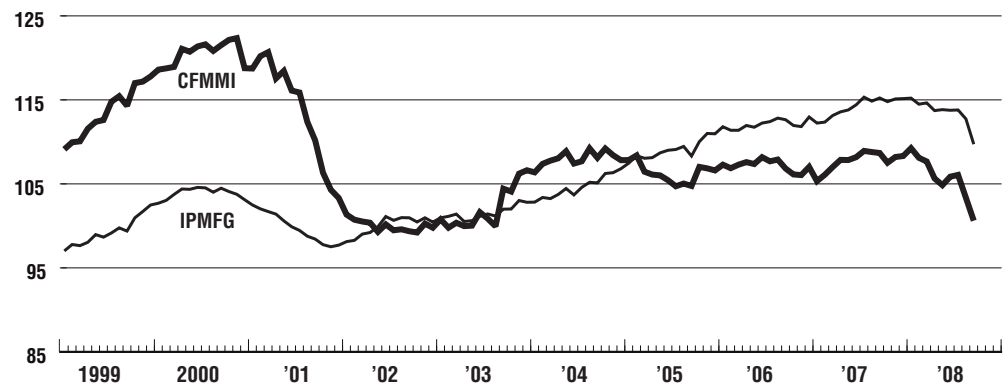
The region's steel sector output decreased 1.9% in September after edging up 0.3% in August. The nation's steel output was down 0.8% in September. Regional steel output declined 3.7% from its September 2007 level, while the national steel output dropped 2.5%.

The Midwest resource sector's output declined 1.6% in September after edging down 0.3% in August. All of the five subsectors of the resource sector—food, paper, chemical, wood, and nonmetallic mineral production—decreased from August to September. The national resource sector's output was down 1.8% in September. Compared with a year ago, regional resource output was down 3.7% in September, and the national resource output declined 3.6%.

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

### Chicago Fed Midwest Manufacturing Index

Index, 2002=100



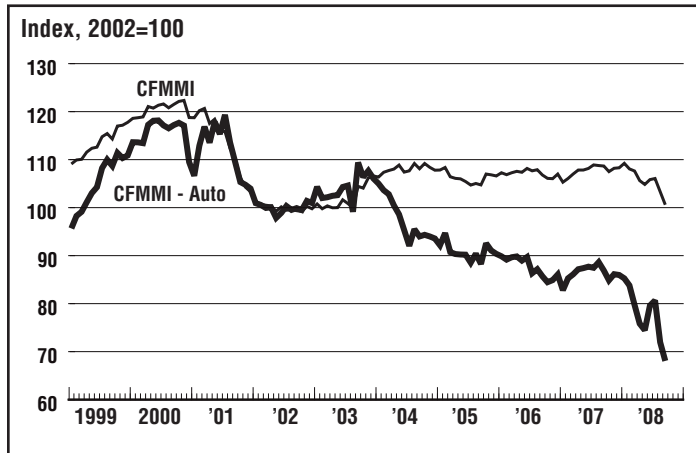
The next CFMMI will be released:  
**November 26, 2008**  
 Noon Eastern Time  
 11:00 am Central Time

### Manufacturing output indexes—September

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-2.6	-5.0	-7.4
US Industrial Production-Manufacturing (IPMFG)	-2.7	-3.6	-4.8

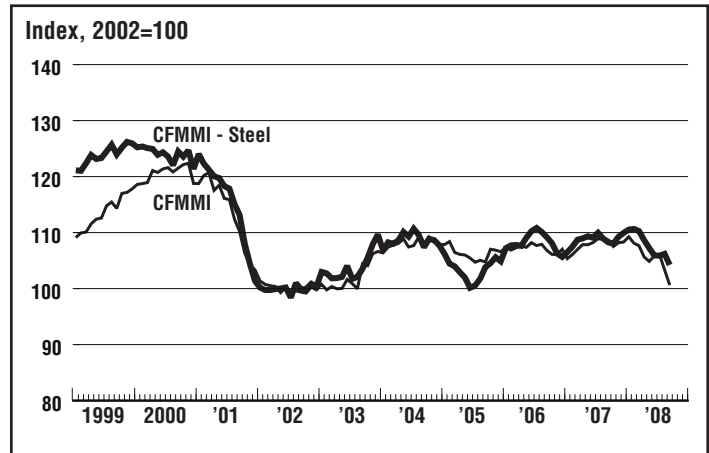
# Tracking Midwest Manufacturing Activity by Sectors — September 2008

## Auto Sector



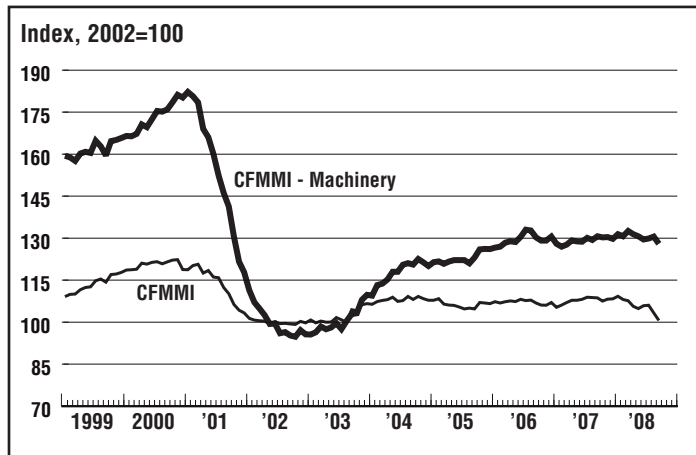
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



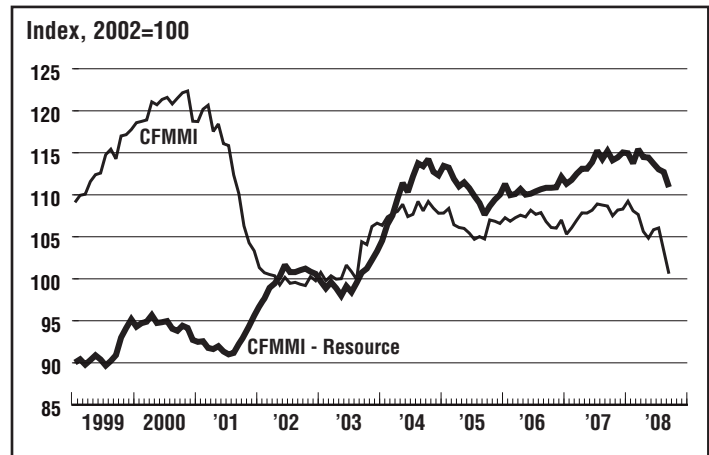
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Jul 08	Aug 08	Sep 08	Monthly		Annual	Sep 07-Sep 08
				Jul 08	Aug 08		
CFMMI	106.1	103.3	100.6	0.2	-2.6	-2.6	-7.4
CFMMI - Auto	80.7	72.0	68.1	1.4	-10.8	-5.4	-21.7
CFMMI - Steel	105.9	106.2	104.2	0.0	0.3	-1.9	-3.7
CFMMI - Machinery	129.9	130.5	128.0	0.3	0.5	-2.0	-2.1
CFMMI - Resource	113.0	112.7	110.9	-0.6	-0.3	-1.6	-3.7
IPMFG	113.8	112.7	109.7	0.0	-0.9	-2.7	-4.8

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>.