

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Increased in January

The Chicago Fed Midwest Manufacturing Index (CFMMI) increased 1.9% in January, to a seasonally adjusted level of 83.1 (2002 = 100). Revised data show the index decreased 0.5% in December to 81.5. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) increased 1.0% in January. Regional output in January edged up 0.6% from a year earlier, and national output increased 2.1%.

All four sectors increased in January:

- Regional auto sector production rose 4.5%;
- Regional machinery sector production grew 1.4%;
- Regional steel sector output increased 1.3%; and
- Regional resource sector output also increased 1.3%.

Regional auto sector production rose 4.5% in January after decreasing 0.8% in December. The nation's auto output grew 2.3% in January. The Midwest's automotive output was up 22.7% in January relative to its year-ago level, and the nation's auto output was up 9.2%.

The Midwest's machinery sector output moved up 1.4% in January after increasing 0.7% in December. The nation's machinery output increased 1.9% in January. Regional machinery output in January was down 15.9% from year-earlier levels, and national machinery output was up 0.9%.

The region's steel sector output increased 1.3% in January after rising 2.2% in December. The nation's steel output was up 0.7% in January. Regional steel output fell 7.6% from its January 2009 level, and national steel output decreased 2.9%.

The Midwest resource sector's output moved up 1.3% in January after decreasing 1.4% in December. The national resource sector's output was up 1.1% in January. Four of the five subsectors of the regional resource sector—food, wood, chemical, and nonmetallic production—increased from December to January, while paper production decreased. Compared with a year ago, regional resource output was up 5.4% in January and national resource output was up 5.7%.

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

**Embargoed for release:
March 18, 2010
Noon Eastern Time
11:00 am Central Time**

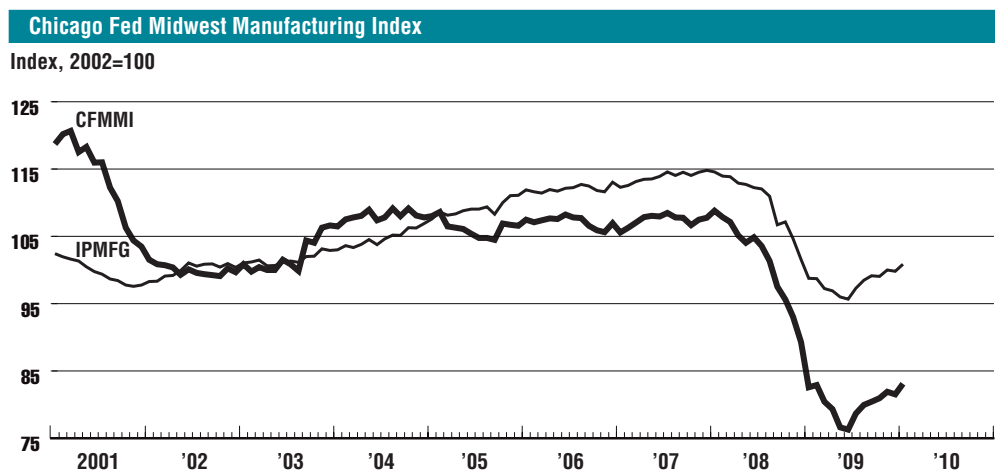
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**2010 Release Dates:
April 6, 2010
April 27, 2010
May 27, 2010
June 28, 2010
July 27, 2010
August 26, 2010
September 27, 2010
October 27, 2010
November 29, 2010
December 27, 2010**

**The next CFMMI will be released:
April 6, 2010
Noon Eastern Time
11:00 am Central Time**

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OF CHICAGO**

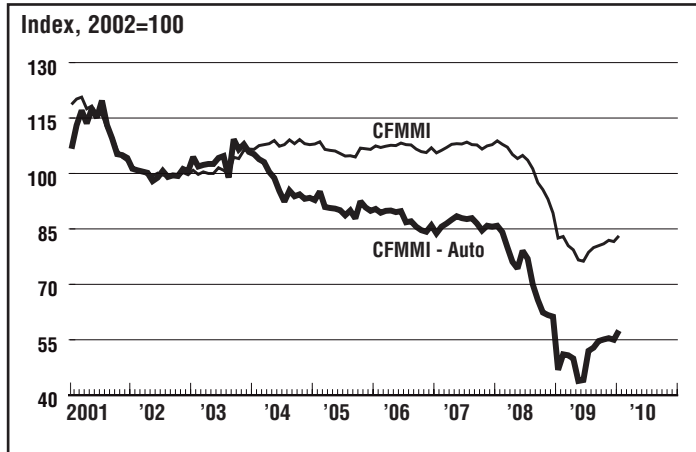


Manufacturing output indexes—January

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	1.9	2.6	0.6
US Industrial Production-Manufacturing (IPMFG)	1.0	1.9	2.1

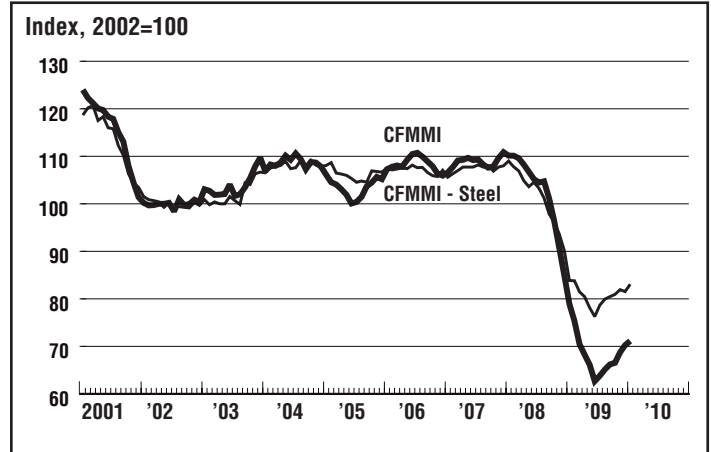
Tracking Midwest Manufacturing Activity by Sectors — January 2010

Auto Sector



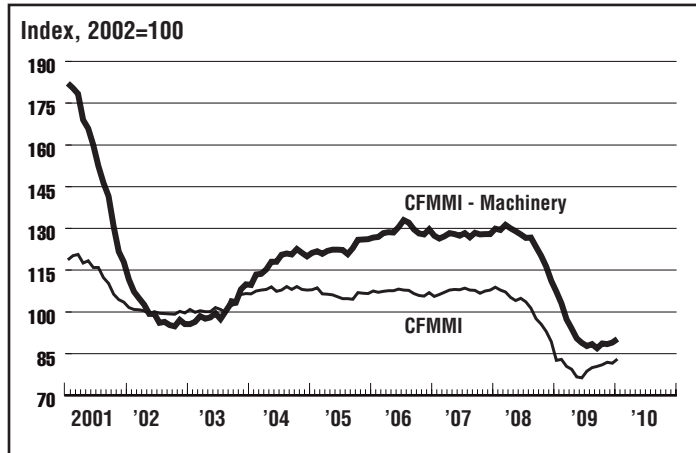
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



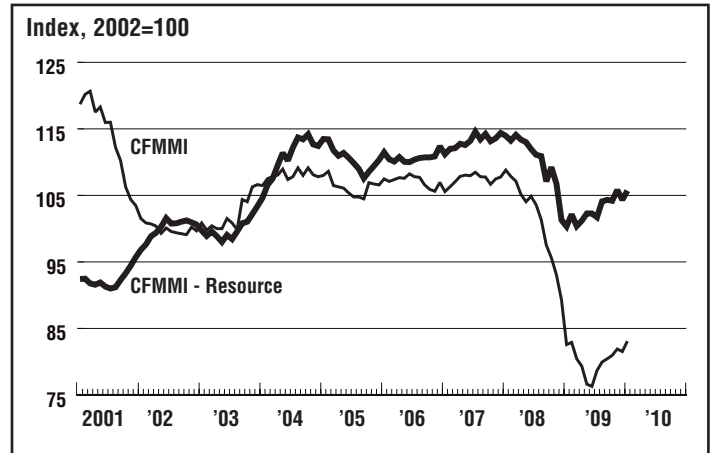
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Nov 09	Dec 09	Jan 10	Monthly		Jan 09	Annual Jan 09–Jan 10
				Nov 09	Dec 09		
CFMMI	81.9	81.5	83.1	1.2	-0.5	1.9	0.6
CFMMI - Auto	55.5	55.0	57.5	0.6	-0.8	4.5	22.7
CFMMI - Steel	68.8	70.3	71.2	3.4	2.2	1.3	-7.6
CFMMI - Machinery	88.4	89.0	90.2	-0.3	0.7	1.4	-15.9
CFMMI - Resource	105.8	104.3	105.7	1.6	-1.4	1.3	5.4
IPMFG	100.0	99.8	100.9	1.0	-0.2	1.0	2.1

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>.