

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Moves Higher in August

Embargoed for release:  
Noon Eastern Time  
11:00 am Central Time  
September 27, 2005

Media Contact:  
Deborah Baratz  
deborah.baratz@chi.frb.org  
312-322-2387

Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, IL 60604

2005 Release Dates:  
October 27, 2005  
November 29, 2005  
December 27, 2005

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.3% in August, to a seasonally adjusted level of 111.1 (1997=100). Revised data shows the index rose 0.2% in July, to 110.8. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 0.3% in August. Regional output in August was 1.9% higher than a year earlier, lower than the nation's 3.0% increase.

Two of the four regional subsectors expanded in August. The increase in August was driven by both a solid increase in regional auto and steel output. Regional auto output rose 2.2% from its July level and output in the steel sector increased 0.8%. The resource sector output decreased 0.9% and the machinery sector's output fell 1.8%.

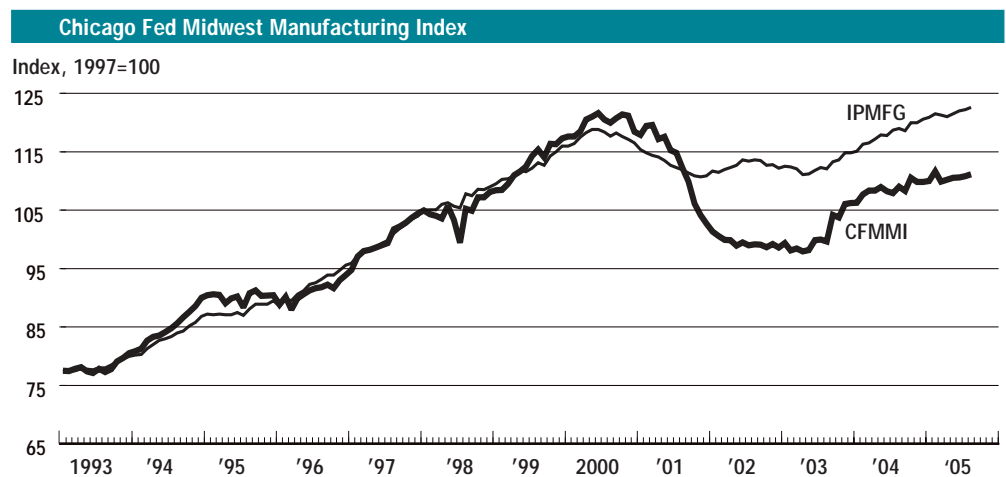
Midwest auto sector production rose 2.2% in August after falling 1.3% in July. The nation's auto output increased 2.7% in August. Compared with a year earlier, Midwest automotive output was 3.0% higher in August compared with a 5.5% increase for the nation.

The region's steel sector output increased 0.8% in August, after rising 1.7% in July. The nation's steel output rose 0.9% in August. Regional steel output was 3.4% below its August 2004 level compared with a 2.1% decrease in the nation.

The Midwest resource sector's output decreased 0.9% in August after falling 0.3% in July. The nation's resource sector's output fell 0.6% in August. Decreases in regional chemical, food, wood and paper production were somewhat offset by an increase in nonmetallic mineral production in August. Compared with a year ago, regional resource output was up 0.1% in August, the same rate as the nation.

Midwest machinery sector output fell 1.8% in August after rising 2.6% in July. The nation's machinery output rose 1.9% in August. Regional machinery output in August was 5.4% above year earlier levels while national output was up 15.7%.

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



The next CFMMI will be released:  
October 27, 2005  
Noon Eastern Time  
11:00 am Central Time

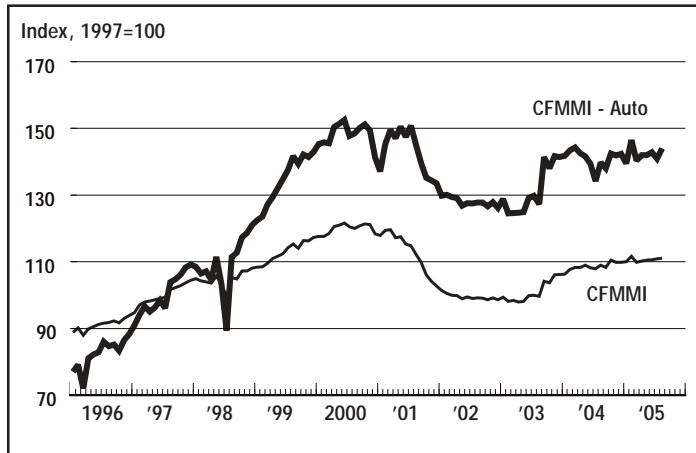
FEDERAL RESERVE BANK  
OF CHICAGO

### Manufacturing output indexes—August

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.3	0.5	1.9
US Industrial Production-Manufacturing (IPMFG)	0.3	0.9	3.0

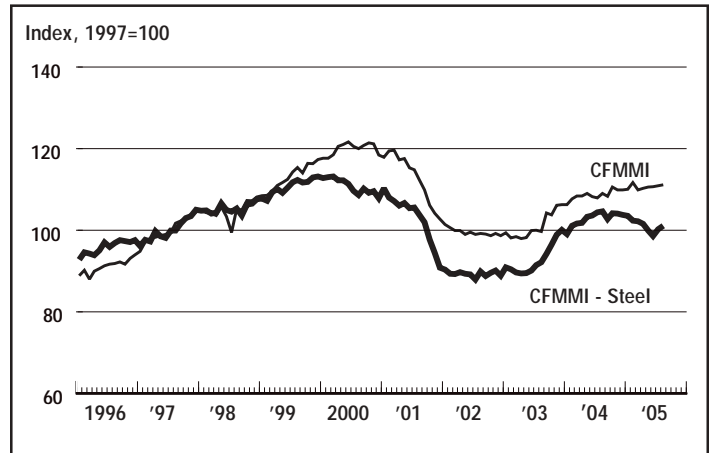
# Tracking Midwest Manufacturing Activity by Sectors — August 2005

## Auto Sector



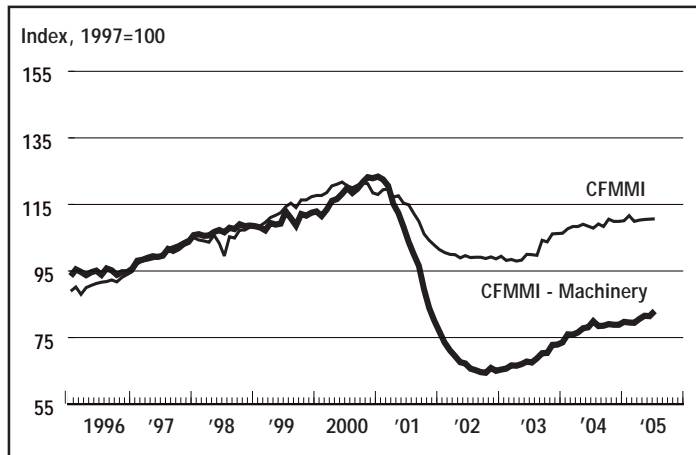
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



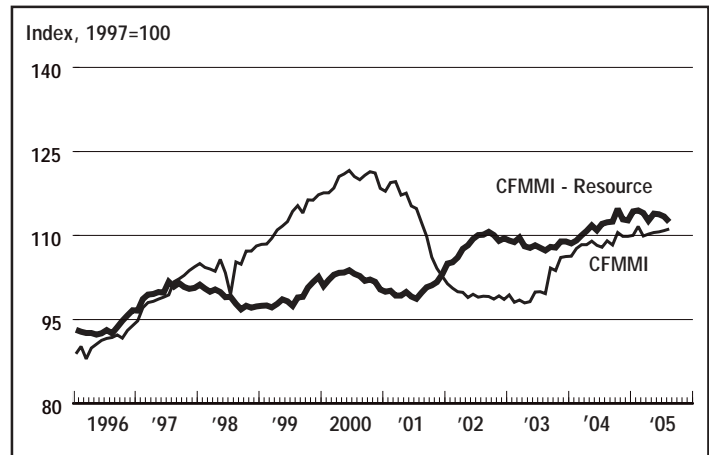
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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, 1997=100			Percent change			
	Jun 05	Jul 05	Aug 05	Monthly		Aug 04	Annual Aug 04–Aug 05
				Jun 05	Jul 05		
CFMMI	110.6	110.8	111.1	0.1	0.2	0.3	1.9
CFMMI - Auto	142.8	140.9	144.0	0.6	-1.3	2.2	3.0
CFMMI - Steel	98.6	100.2	101.0	-1.3	1.7	0.8	-3.4
CFMMI - Machinery	82.0	84.1	82.6	0.3	2.6	-1.8	5.4
CFMMI - Resource	113.8	113.4	112.4	-0.1	-0.3	-0.9	0.1
IPMFG	122.0	122.2	122.6	0.4	0.2	0.3	3.0

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 electrical power and 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 electrical power and 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>.