

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Rises in February

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December 27, 2005**

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 1.4% in February, to a seasonally adjusted level of 120.0 (1997=100). Revised data show the index edged up 0.1% in January, to 118.3. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 0.7% in February. Regional output in February was 3.3% higher than a year earlier, lower than the nation's 4.8% increase.

The strong showing in February was driven by a large increase in regional auto output. Regional auto output rose 3.9% from its January level; output in the resource sector rose 0.7%; the steel sector's output was unchanged and the machinery sector fell 0.2%.

Midwest auto sector production surged, rising 3.9% in February after falling 1.8% in January. The nation's auto output increased 2.7% in February. Compared with a year earlier, Midwest automotive output was 1.4% higher in February compared with a 3.6% national increase.

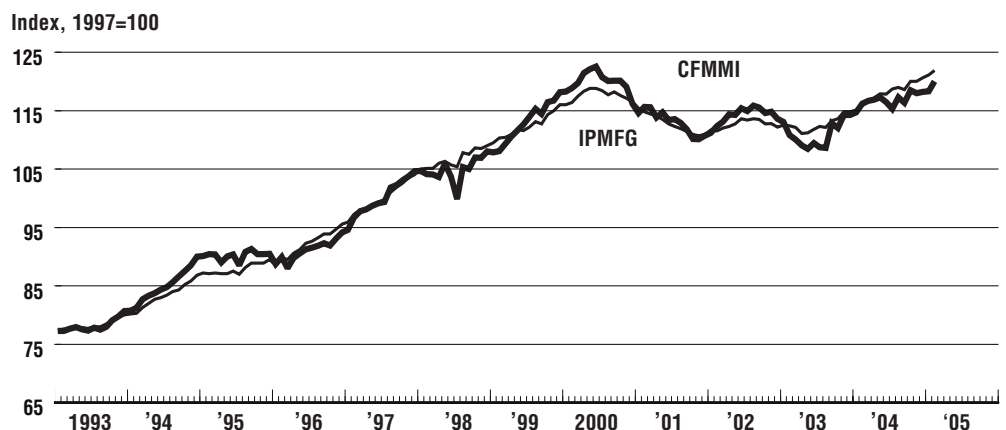
The Midwest resource sector's output rose 0.7% in February after rising 1.0% in January. The nation's resource sector's output was up 0.3% in February. Increases in regional food and chemical production were somewhat offset by declines in wood, paper and nonmetallic mineral production in February. Compared with a year ago, regional resource output was up 4.8% in February while national output was up 3.9%.

The region's steel sector output was unchanged in February, after rising 1.0% in January. The nation's steel output edged down 0.1% in February. Regional steel output was 2.6% above its February 2004 level compared with a 2.4% increase in the nation.

Midwest machinery sector output decreased 0.2% in February after rising 1.1% in January. The nation's machinery output rose 1.6% in February. Regional machinery output in February was 5.0% above year-earlier levels while national output was up 14.9%.

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

Chicago Fed Midwest Manufacturing Index



**The next CFMMI will be released:
April 27, 2005
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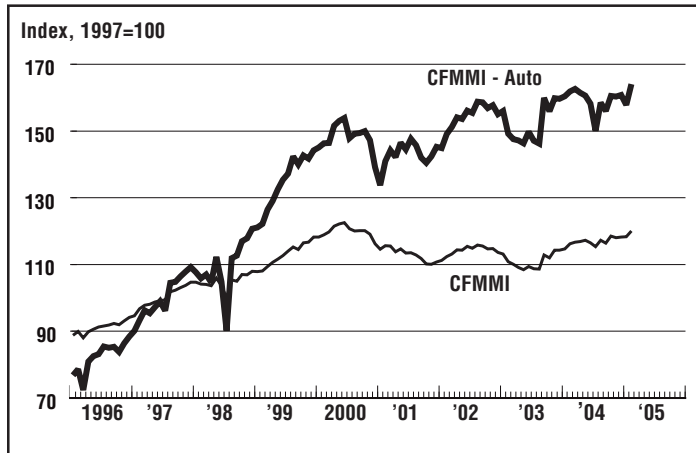
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Manufacturing output indexes—February

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	1.4	1.7	3.3
US Industrial Production-Manufacturing (IPMFG)	0.7	1.6	4.8

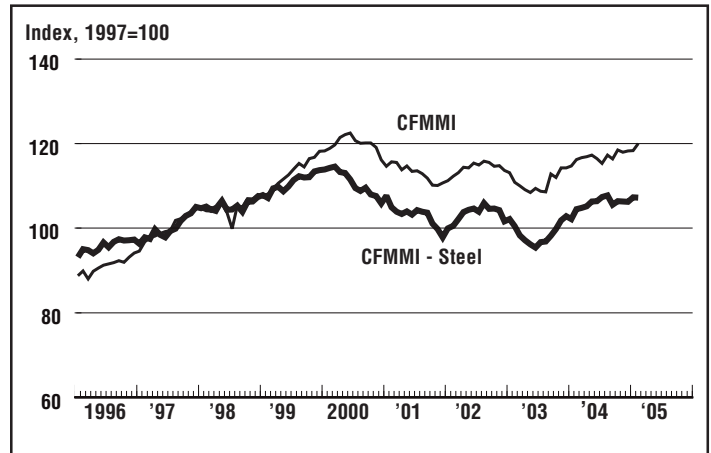
Tracking Midwest Manufacturing Activity by Sectors — February 2005

Auto Sector



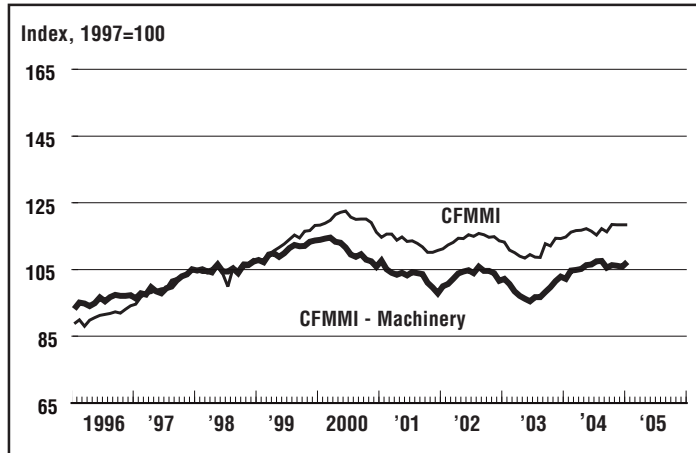
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



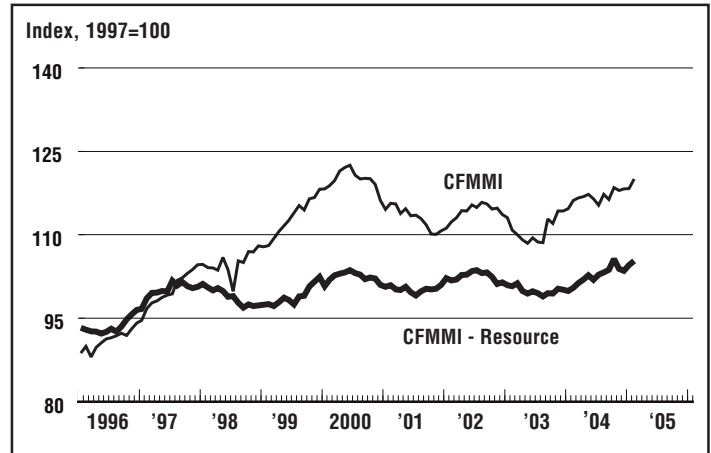
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

Machinery Sector



Machinery Sector CFMMI Components:
Machinery; Computer and Electronic Product; Electrical Equipment, Appliance, and Components Manufacturing

Resource Sector



Resource Sector CFMMI Components:
Food; Wood Product; Paper; Chemicals; Nonmetallic Mineral Products

Manufacturing Activity: Summary Table

	Index, 1997=100			Percent change			
	Dec 04	Jan 05	Feb 05	Monthly			Annual Feb 04–Feb 05
				Dec 04	Jan 05	Feb 05	
CFMMI	118.2	118.3	120.0	0.2	0.1	1.4	3.3
CFMMI - Auto	160.8	157.9	164.1	0.3	-1.8	3.9	1.4
CFMMI - Steel	106.2	107.3	107.2	-0.1	1.0	0.0	2.6
CFMMI - Machinery	102.2	103.3	103.1	0.7	1.1	-0.2	5.0
CFMMI - Resource	103.5	104.5	105.3	-0.3	1.0	0.7	4.8
IPMFG	120.6	121.1	121.9	0.5	0.4	0.7	4.8

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>