

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Unchanged in January

The Chicago Fed Midwest Manufacturing Index (CFMMI) was unchanged in January, at a seasonally adjusted level of 118.4 (1997=100). Revised data show the index edged down 0.1% in December, to 118.3. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 0.4% in January. Regional output in January was 3.1% higher than a year earlier, a bit lower than the nation's 5.0% increase.

A large decrease in regional auto output was offset by gains in Midwest steel, machinery and resource sector output. Regional auto output declined 1.5% from its December level, output in the steel sector rose 1.4%, the machinery sector gained 0.7% and the resource sector increased 0.5%.

Midwest auto sector production fell 1.5% in January after falling 0.3% in December. The nation's auto output decreased 1.2% in January. Compared with a year earlier, Midwest automotive output was 1.5% lower in January compared with a 1.7% increase for the nation.

The region's steel sector output rose a solid 1.4% in January, after declining 0.2% in December. The nation's steel output increased a more moderate 0.3% in January. Regional steel output was 5.0% above its January 2004 level compared with a 3.3% increase in the nation.

Midwest machinery sector output increased 0.7% in January after rising 0.4% in December. The nation's machinery output rose 1.2% in January. Regional machinery output in January was 6.8% above year-earlier levels while national output was up 12.5%.

The Midwest resource sector output rose 0.5% in January after falling 0.3% in December. The nation's resource sector output was up 0.6% in January. Increases in regional wood, chemical, and food production were somewhat offset by declines in paper and nonmetallic mineral production in January. Compared with a year ago, regional resource output was up 5.3% in January while national output was up 4.1%.

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

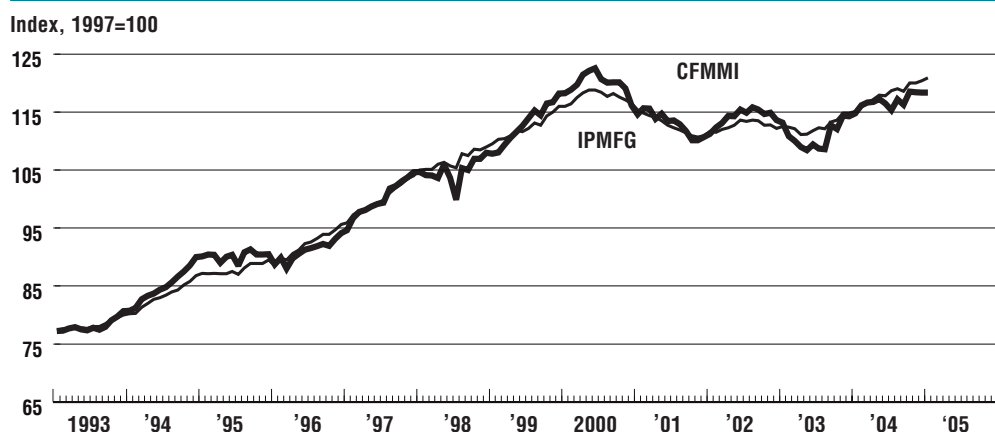
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Noon Eastern Time  
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**2005 Release Dates:  
April 5, 2005  
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July 27, 2005  
August 25, 2005  
September 27, 2005  
October 27, 2005  
November 29, 2005  
December 27, 2005**

**Chicago Fed Midwest Manufacturing Index**



**The next CFMMI will be released:  
April 5, 2005  
Noon Eastern Time  
11:00 am Central Time**

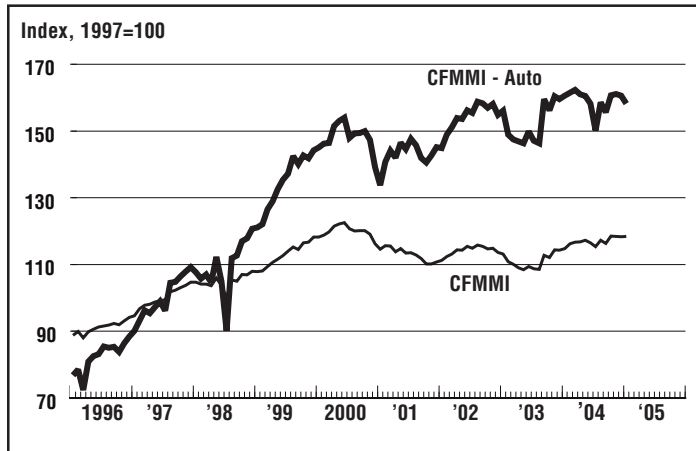
**FEDERAL RESERVE BANK  
OF CHICAGO**

**Manufacturing output indexes—January**

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.0	-0.1	3.1
US Industrial Production-Manufacturing (IPMFG)	0.4	0.8	5.0

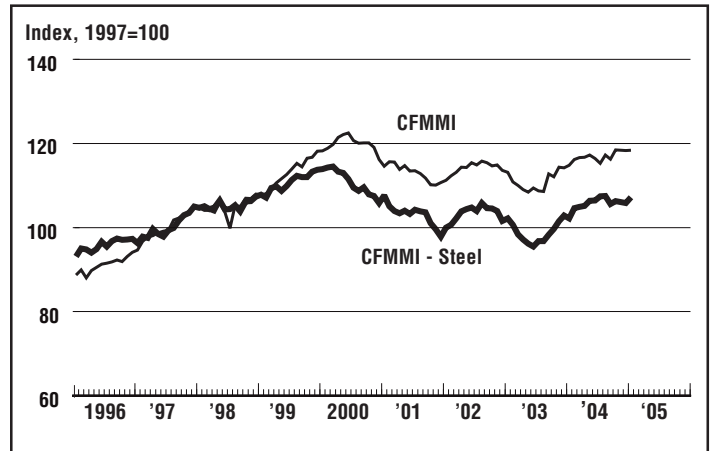
# Tracking Midwest Manufacturing Activity by Sectors — January 2005

## Auto Sector



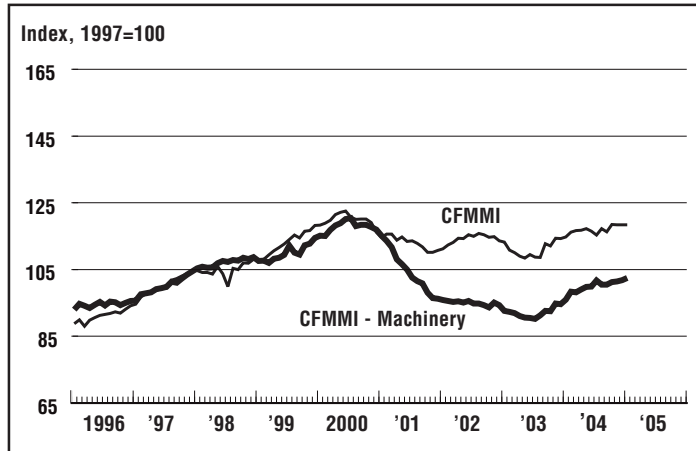
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



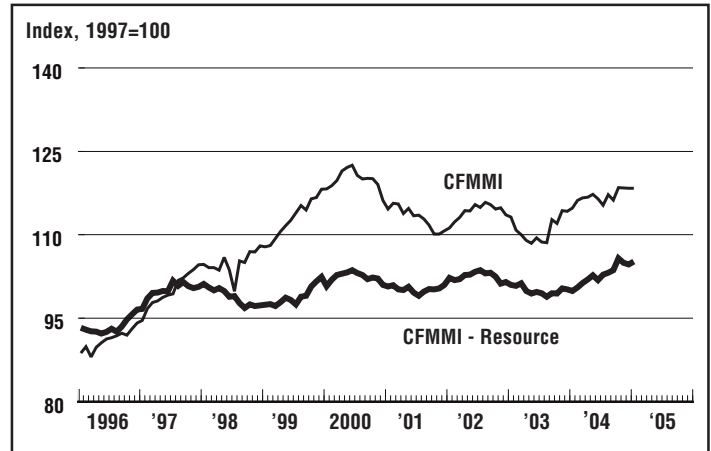
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Nov 04	Dec 04	Jan 05	Monthly		Annual	Jan 04–Jan 05
				Nov 04	Dec 04		
<b>CFMMI</b>	118.4	118.3	118.4	-0.1	-0.1	0.0	3.1
<b>CFMMI - Auto</b>	161.1	160.6	158.2	0.3	-0.3	-1.5	-1.5
<b>CFMMI - Steel</b>	106.1	105.8	107.2	-0.2	-0.2	1.4	5.0
<b>CFMMI - Machinery</b>	101.4	101.8	102.5	0.2	0.4	0.7	6.8
<b>CFMMI - Resource</b>	105.0	104.7	105.2	-0.7	-0.3	0.5	5.3
<b>IPMFG</b>	120.0	120.4	120.9	0.0	0.3	0.4	5.0

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>