

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Edges Higher in July

The Chicago Fed Midwest Manufacturing Index (CFMMI) edged up 0.1% in July, to a seasonally adjusted level of 110.7 (1997=100). Revised data shows the index rose 0.1% in June, to 110.5. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 0.2% in July. Regional output in July was 2.7% higher than a year earlier, slightly lower than the nation's 2.9% increase.

Two of the four regional subsectors grew in July. The increase in July was driven by both a solid increase in regional steel and machinery output. Regional steel output rose 2.8% from its June level and output in the machinery sector increased 1.8%. The resource sector output decreased 0.2% and the auto sector's output fell 1.5%.

The region's steel sector output increased 2.8% in July, after falling 1.6% in June. The nation's steel output rose 0.9% in July. Regional steel output was 3.4% below its July 2004 level compared with a 2.4% decrease in the nation.

Midwest machinery sector output rose 1.8% in July after losing 0.2% in June. The nation's machinery output rose 2.3% in July. Regional machinery output in July was 3.8% above year-earlier levels while national output was up 14.4%.

The Midwest resource sector's output decreased 0.2% in July after rising 0.3% in June. The nation's resource sector's output edged down by 0.1% in July. Decreases in regional paper, chemical, metallic mineral, and food production were somewhat offset by an increase in wood production in July. Compared with a year ago, regional resource output was up 1.7% in July, slightly ahead of the nation's 1.4% rise.

Midwest auto sector production fell 1.5% in July after rising 0.6% in June. The nation's auto output decreased 1.2% in July. Compared with a year earlier, Midwest automotive output was 5.2% higher in July compared with a 4.1% increase for the nation.

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

**Embargoed for release:
Noon Eastern Time
11:00 am Central Time
August 25, 2005**

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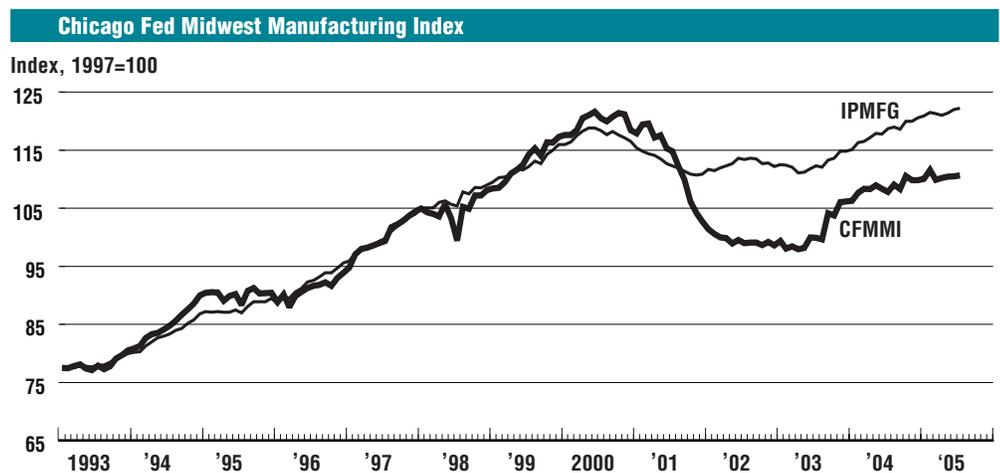
**Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60604**

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

NOTE: The Chicago Fed Midwest Manufacturing Index (CFMMI) underwent a benchmark revision with the July release. It incorporated newly released annual value-added data for 2002 and 2003, which was published by the U.S. Census Bureau.

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

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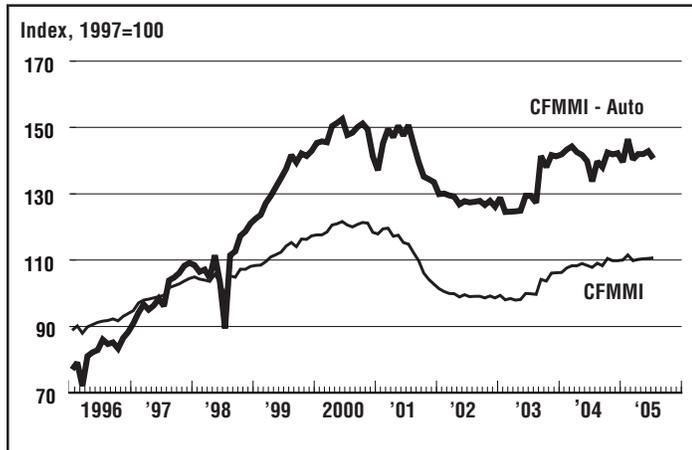


Manufacturing output indexes—July

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.1	0.4	2.7
US Industrial Production-Manufacturing (IPMFG)	0.2	1.0	2.9

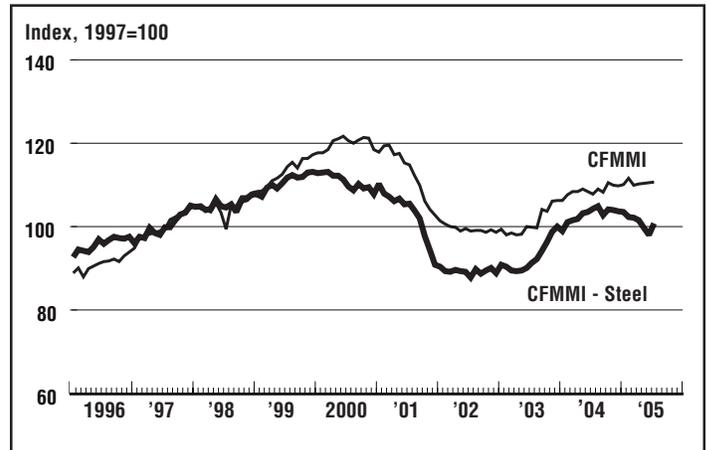
Tracking Midwest Manufacturing Activity by Sectors — July 2005

Auto Sector



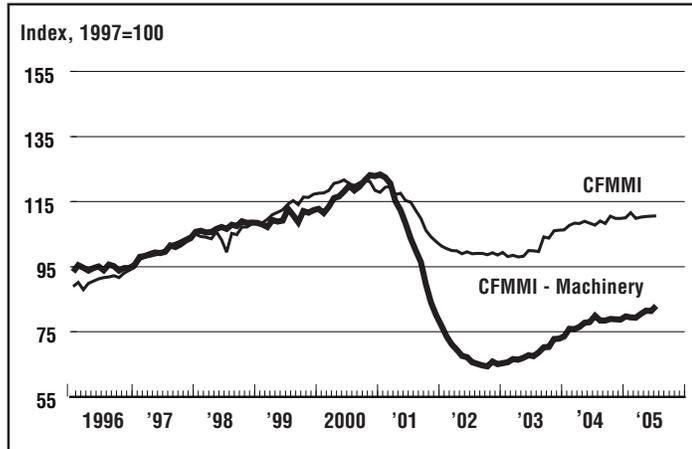
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



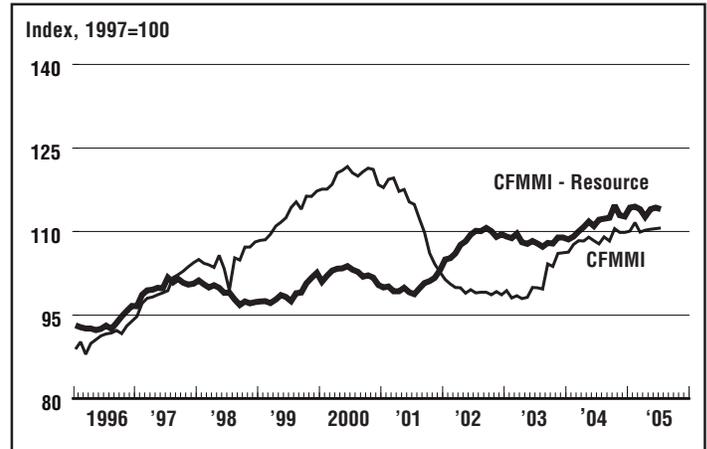
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	May 05	Jun 05	Jul 05	Monthly			Annual Jul 04–Jul 05
				May 05	Jun 05	Jul 05	
CFMMI	110.4	110.5	110.7	0.2	0.1	0.1	2.7
CFMMI - Auto	142.0	142.9	140.7	0.0	0.6	-1.5	5.2
CFMMI - Steel	99.7	98.1	100.8	-1.9	-1.6	2.8	-3.4
CFMMI - Machinery	81.5	81.4	82.9	1.3	-0.2	1.8	3.8
CFMMI - Resource	114.0	114.3	114.0	1.2	0.3	-0.2	1.7
IPMFG	121.4	122.0	122.2	0.3	0.5	0.2	2.9

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>.