

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Falls in September

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 1.0% in September, to a seasonally adjusted level of 115.7 (1997=100). Revised data show the index increased 1.5% in August, to 116.9. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) declined a more moderate 0.3% in September. Regional output in September was 3.0% higher than a year earlier, less than the nation's 4.9% increase.

Output in all four CFMMI sub-sectors fell in September. Regional auto output declined 1.3% from its August level, steel sector production also was down 1.3%, output in the resource sector fell 0.8%, and machinery sector output declined 0.6%.

Midwest auto sector production fell 1.3% in September after rising a sharp 5.6% in August. The nation's auto output fell by a more modest 0.5% in September. Compared with a year earlier, Midwest auto output was 2.9% lower in September, while national output was up 0.8%.

The region's steel sector output fell 1.3% in September after decreasing 0.2% in August. The nation's steel output edged up 0.1% in September. Regional steel output was 8.7% above its September 2003 level, compared with a 5.7% increase in the nation.

The Midwest resource sector's output declined 0.8% in September after falling 0.2% in August. The nation's resource sector's output was down 0.5% in September. Decreases in regional resource production were widespread, with declines in paper, wood, chemical, nonmetallic mineral, and food production in September. Compared with a year ago, regional resource output was up 3.9% in September, similar to the nation's 3.8% rise.

Midwest machinery sector output fell 0.6% in September after declining 0.9% in August. The nation's machinery output increased 0.5% in September. Regional machinery output in September was 8.3% above year-earlier levels, while national output was up 12.9%.

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

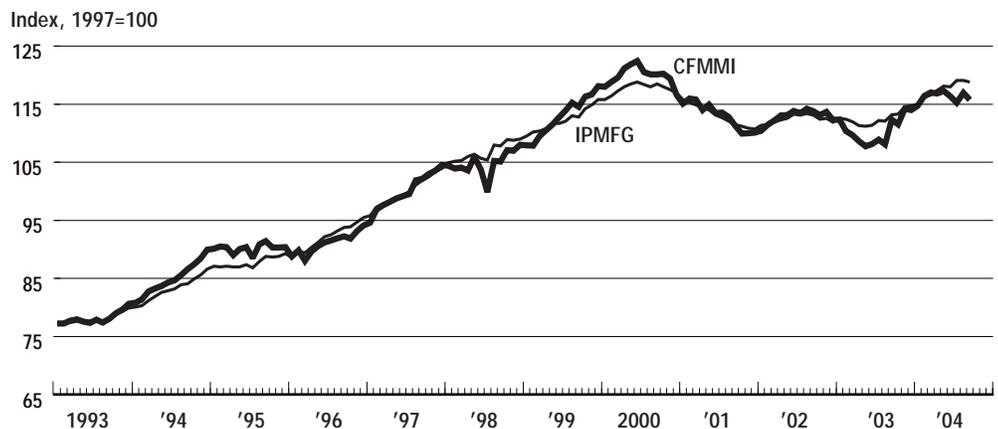
Embargoed for release:  
Noon Eastern Time  
11:00 am Central Time  
November 10, 2004

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2004 and 2005 Release Dates:  
December 9, 2004  
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March 15, 2005  
April 5, 2005  
April 27, 2005  
May 26, 2005  
June 27, 2005  
July 27, 2005  
August 25, 2005  
September 27, 2005  
October 27, 2005  
November 29, 2005  
December 27, 2005

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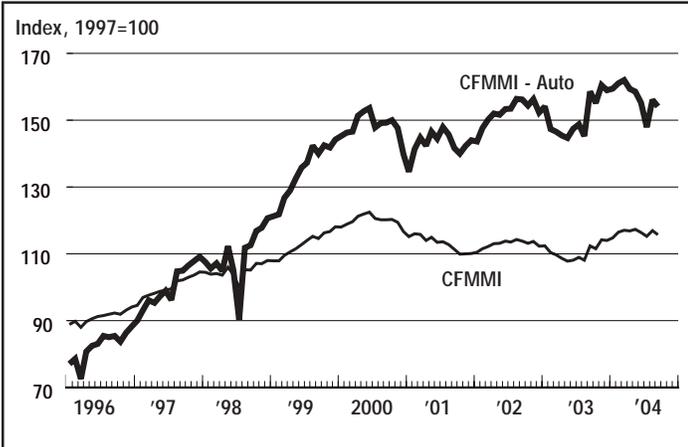
The next CFMMI will be released:  
December 9, 2004  
Noon Eastern Time  
11:00 am Central Time

FEDERAL RESERVE BANK  
OF CHICAGO

Manufacturing output indexes—September	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-1.0	-0.5	3.0
US Industrial Production-Manufacturing (IPMFG)	-0.3	0.7	4.9

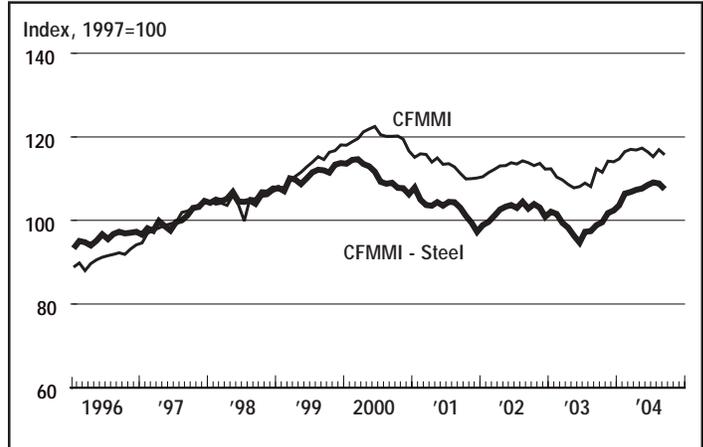
# Tracking Midwest Manufacturing Activity by Sectors — September 2004

## Auto Sector



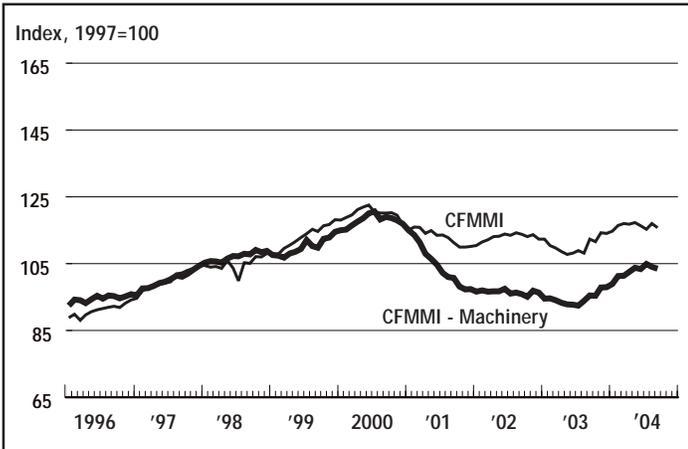
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



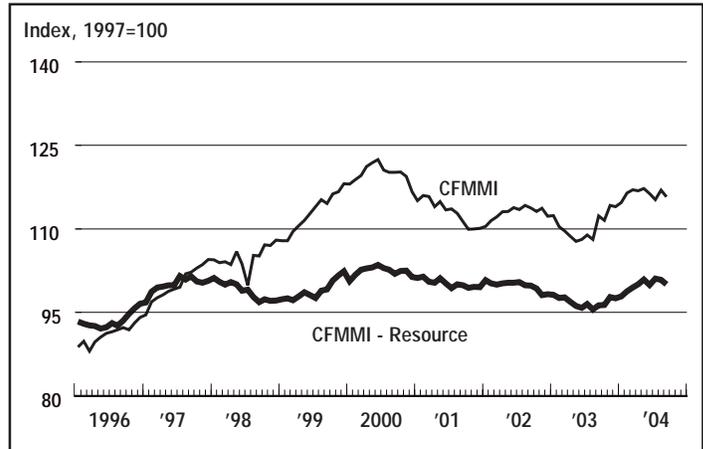
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Jul 04	Aug 04	Sep 04	Monthly			Annual Sep 03-Sep 04
				Jul 04	Aug 04	Sep 04	
CFMMI	115.2	116.9	115.7	-1.0	1.5	-1.0	3.0
CFMMI - Auto	147.9	156.1	154.1	-4.8	5.6	-1.3	-2.9
CFMMI - Steel	109.1	108.9	107.5	0.6	-0.2	-1.3	8.7
CFMMI - Machinery	104.9	104.0	103.4	1.5	-0.9	-0.6	8.3
CFMMI - Resource	101.1	100.9	100.1	1.1	-0.2	-0.8	3.9
IPMFG	119.1	119.1	118.8	0.9	0.0	-0.3	4.9

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>