

**Midwest Manufacturing Index Rises in April**

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The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.3% in April from March to a level of 125.7 (1992=100), following a revised decrease of 0.2% in March. By comparison, the Federal Reserve Board's industrial production index for manufacturing (IP-MFG) also rose by 0.3% in April from March, after also falling by 0.2% in March. Output in the region was 3.0% above a year ago in April while the nation's output was up 4.3%.

Three sectors in the region expanded in April, while only the regional steel sector declined. The regional resource sector experienced the largest increase, rising 0.7% in April following March's 1.2% decrease. Midwest machinery sector output expanded by 0.4% in March after a 0.3% increase in March. The auto sector increased by 0.3% in April after having risen by 1.0% in March. Midwest steel sector output contracted 0.3% in April after a 0.7% decrease in March.

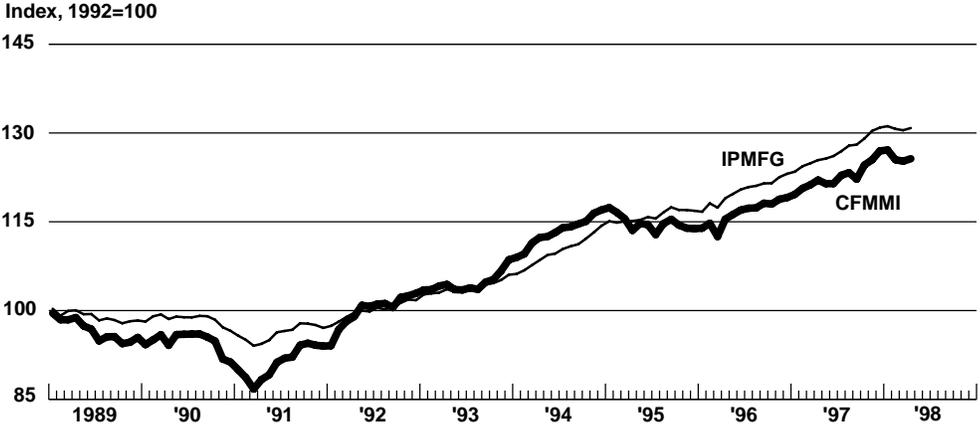
The April increase in the region's resource sector output reflected strong growth in food processing, petroleum refining, and lumber and wood products. The strength in food processing was a partial rebound from the prior month when it experienced the weakest growth of any of the manufacturing industries in the region. Compared with a year ago, the Midwest resource sector output was up 2.3% while the nation expanded at a somewhat weaker 1.7%.

Of the four sectors, machinery output continued to show the strongest growth relative to a year ago in both the region and the nation. In April, regional machinery output stood 5.6% above its April 1997 level, down from the 6.7% gain recorded the prior month. The nation's growth rate from the prior year moderated to a still very strong 11.2% in April from 11.7% in March.

In April, Midwest auto output was 3.4% above a year ago, compared with a stronger national increase of 7.3%. The strength in the regional auto sector was primarily due to a strong increase in April from March in rubber and miscellaneous plastic products.

The weakest industrial sector in the Midwest in April was the steel sector. The regional steel sector posted its fourth consecutive month-to-month decline in April. Compared with a year earlier, Midwest steel sector output was up 0.8%, the smallest 12-month gain in nearly two years. The nation's steel sector was somewhat stronger than the region with output 1.7% above April 1997. Most of the decline in the regional steel sector occurred in the fabricated metals industry which fell 1.2% in April from March.

**Chicago Fed Midwest Manufacturing Index**



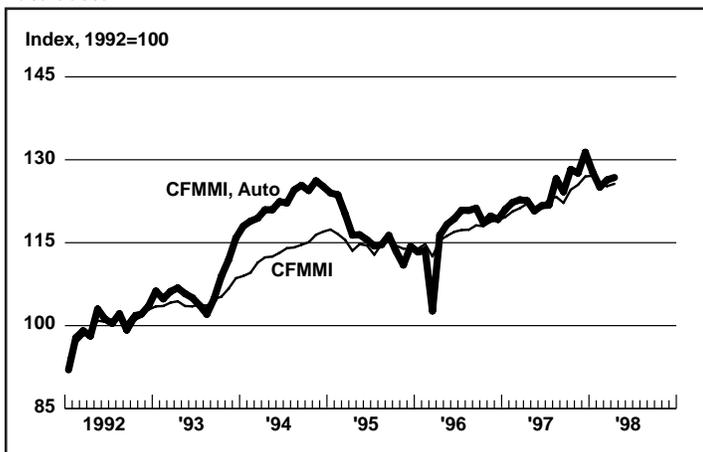
**The next CFMMI will be released:  
Friday, July 10, 1998  
Noon Eastern Time  
11:00 am Central Time**

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Manufacturing output indexes – April 1998	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.3	-1.2	3.0
US Industrial Production-Manufacturing (IPMFG)	0.3	-0.2	4.3

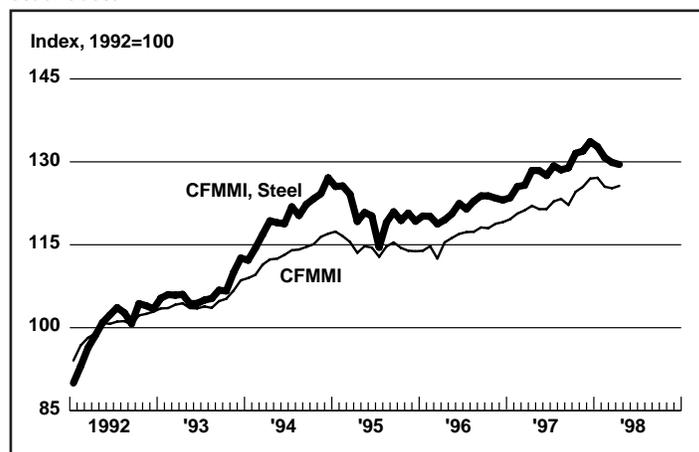
# Tracking Midwest Manufacturing Activity by Sectors — April 1998

## Auto Sector



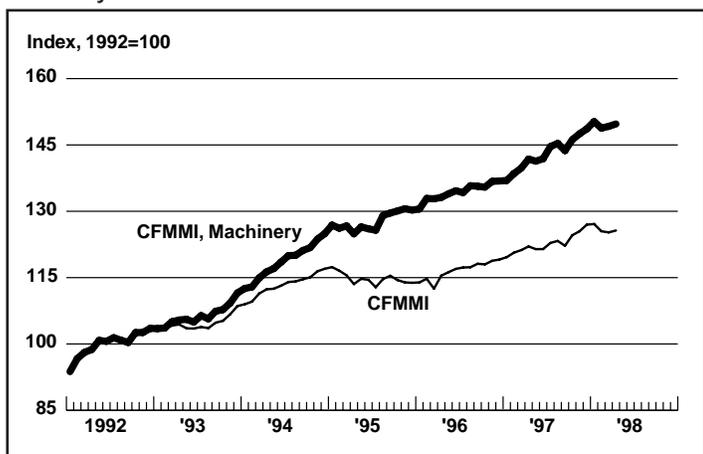
Auto Sector CFMMI Components:  
Rubber and Miscellaneous Plastics Products; Transportation Equipment

## Steel Sector



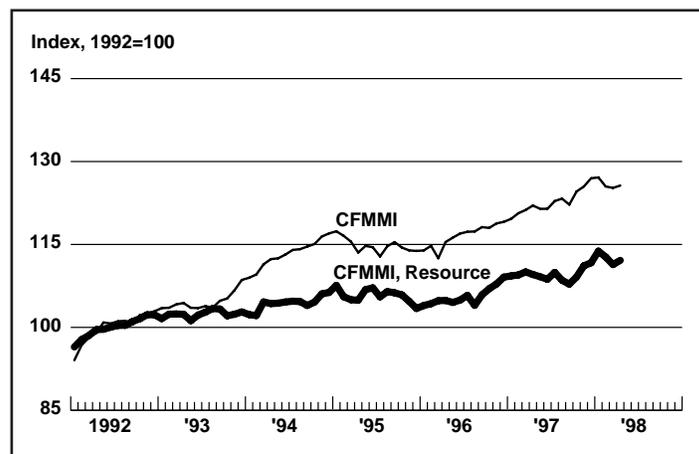
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## Machinery Sector



Machinery Sector CFMMI Components:  
Industrial Machinery and Equipment; Electronic and Other Electric Equipment;  
Instruments and Related Products

## Resource Sector



Resource Sector CFMMI Components:  
Food and Kindred Products; Lumber and Wood Products, Paper and Allied Products,  
Chemicals and Allied Products; Petroleum and Coal Products; Stone, Clay, and Glass  
Products

## Manufacturing Activity: Summary Table

	Index, 1992=100			Percent change			
	Feb 98	Mar 98	Apr 98	Monthly			Annual Apr 97-Apr 98
				Feb 98	Mar 98	Apr 98	
CFMMI	125.5	125.2	125.7	-1.3	-0.2	0.3	3.0
CFMMI - Auto	125.0	126.4	126.8	-2.1	1.0	0.3	3.4
CFMMI - Steel	130.8	129.9	129.5	-1.5	-0.7	-0.3	0.8
CFMMI - Machinery	148.8	149.2	149.7	-1.0	0.3	0.4	5.6
CFMMI - Resource	112.7	111.4	112.1	-0.9	-1.2	0.7	2.3
IPMFG	130.7	130.5	130.8	-0.4	-0.2	0.3	4.3

Note: Three of the sixteen industries in the CFMMI are not included in any of the four sectors above. These are Furniture and Fixtures, Printing and Publishing, and Miscellaneous Manufacturing Industries.

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 16 manufacturing industries (identified by 2-digit SIC 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.frbchi.org>