

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Increases in November

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The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.3% from October to November, reaching a seasonally adjusted level of 136.4 (1992=100). Revised data show the index was at 136.0 in October, and had risen 0.8% from September. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) increased 0.5% in November, after increasing 0.8% in October. November output in the region was 3.9% higher than a year earlier, while output in the nation was 4.6% higher.

Output in three of the four CFMMI sub-sectors increased in November. The automotive sector had the only decrease in November, down 1.2%, following a decrease of 1.3% in October. Output in the steel sector increased 1.1%, following a 0.9% increase the month before. Midwest machinery sector output rose 0.2% in November, compared with a 1.4% increase in October. Resource sector output was up 1.4% in November, following a revised 1.6% increase in October.

The resource sector was the only sector in which Midwest output growth exceeded that of the nation's. Midwest resource output was up 1.4% in November while resource output for the nation grew 0.6%. Growth in food product industry output led the increase in regional resource output. Compared with a year ago, Midwest resource output was 1.8% higher in November and national resource output was 1.9% higher.

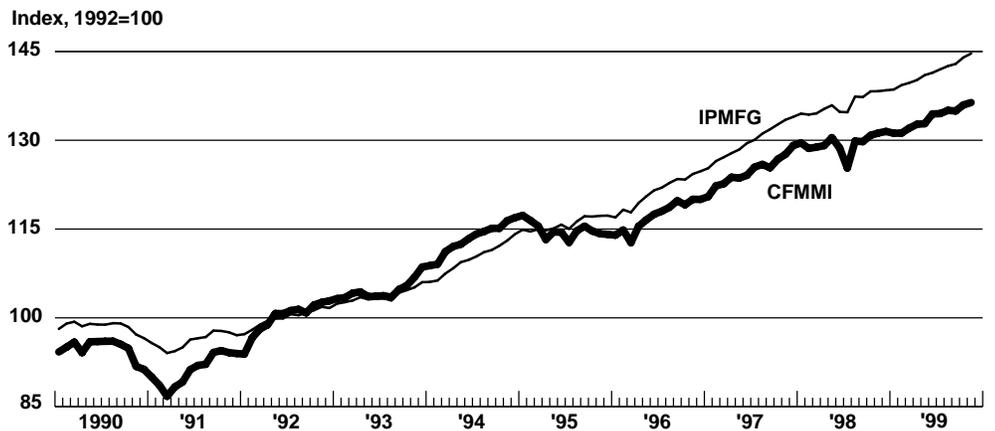
Regional steel output increased 1.1% in November, equal to the increase in national steel output. Large increases in primary metal industry output for the region and the nation led the increase in steel output. Regional steel output was 3.4% above its November 1998 level and national steel output was 3.8% greater than last year.

Midwest machinery output growth continued to lag behind national machinery output growth. Midwest machinery output rose 0.2% from November to October, while national machinery output rose 0.8%. Growth in the industrial machinery segment was weaker than growth in the electric equipment and instrument segment for both the region and nation. The machinery sector continued to have the strongest growth from last year, with regional output 8.6% above last year's level and national output up 16.0% from a year earlier.

Auto output fell in November but still remains above its level of a year earlier. Midwest automotive output decreased 1.2%, while automotive output for the entire nation increased 0.1%. A 1.8% decrease in transportation equipment output in the region was responsible for most of the decline. Regional automotive output was 1.4% above last year's level and national output was 0.8% below its November 1998 level.

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

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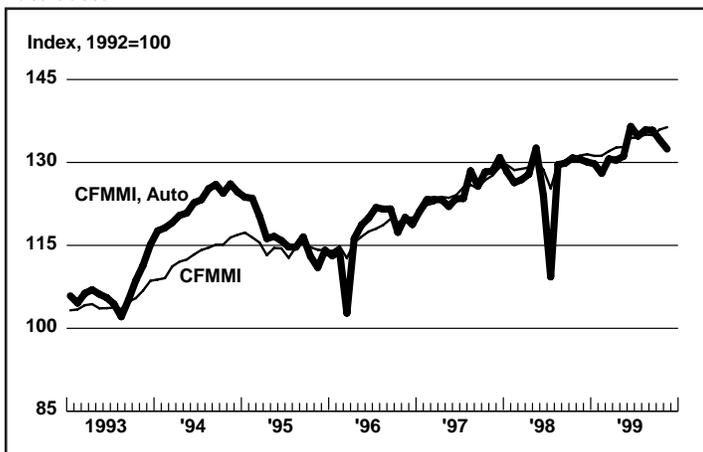
**The next CFMMI will be released:
February 10, 2000
Noon Eastern Time
11:00 am Central Time**

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Manufacturing output indexes – November 1999	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.3	1.0	3.9
US Industrial Production-Manufacturing (IPMFG)	0.5	1.5	4.6

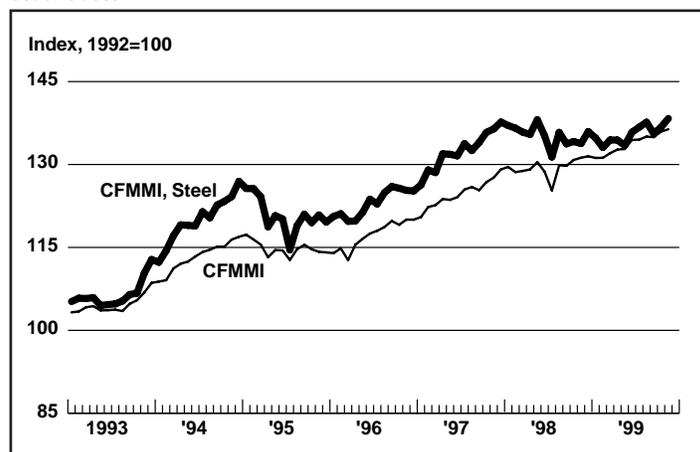
Tracking Midwest Manufacturing Activity by Sectors — November 1999

Auto Sector



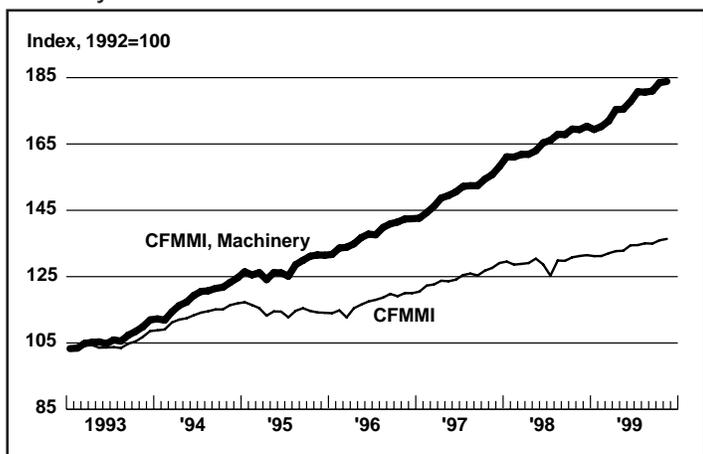
Auto Sector CFMMI Components:
Rubber and Miscellaneous Plastics Products; Transportation Equipment

Steel Sector



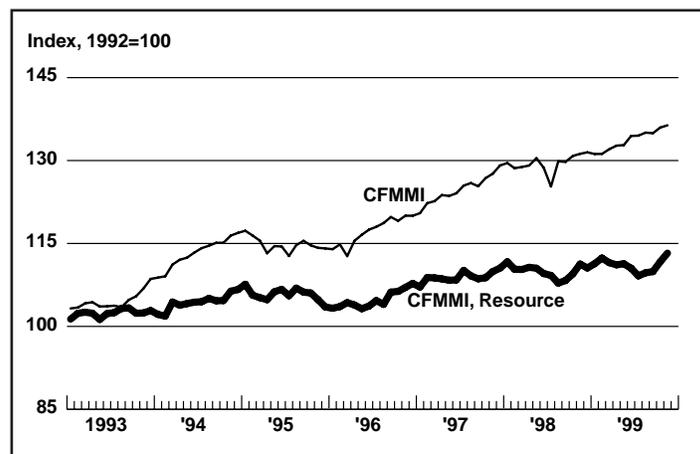
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Sep 99	Oct 99	Nov 99	Monthly			Annual Nov 98–Nov 99
				Sep 99	Oct 99	Nov 99	
CFMMI	134.9	136.0	136.4	-0.1	0.8	0.3	3.9
CFMMI - Auto	135.8	134.0	132.4	0.0	-1.3	-1.2	1.4
CFMMI - Steel	135.6	136.8	138.3	-1.5	0.9	1.1	3.4
CFMMI - Machinery	181.0	183.5	183.8	0.2	1.4	0.2	8.6
CFMMI - Resource	109.9	111.7	113.3	0.2	1.6	1.4	1.8
IPMFG	142.9	144.0	144.6	0.3	0.8	0.5	4.6

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>