

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Growth Slows in April

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The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.4% from March to April, reaching a seasonally adjusted level of 163.9 (1992=100). Revised data show the index was at 163.2 in March, and had risen 1.1% from February. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) increased 0.8% in April, after rising 0.9% in March. April output in the region was 7.6% higher than a year earlier, while output in the nation was 6.6% higher.

Output in three of the four CFMMI sub-sectors increased in April. The Midwest machinery sector experienced the largest gain in output from the prior month. Midwest machinery output rose 1.2% in April, following a revised 2.8% increase in March. Output in the regional auto sector rose 0.7% in April, following a 0.7% decrease the month before. Midwest steel sector output increased 0.1% in April, compared with a 0.7% increase in March. The regional resource sector was the only sector to experience a decline, down 0.6% in April, following a rise of 0.1% the previous month.

Midwest machinery output growth continued to lag behind the nation's. Midwest machinery output increased 1.2% from March to April, while national machinery output rose 1.7%. For the region, growth in the electric equipment and instrument segment was stronger than growth in the industrial machinery segment. Relative to a year ago, the machinery sector continued to outperform other sectors in the region and the nation, with regional output 17.0% higher and national output up 22.8%.

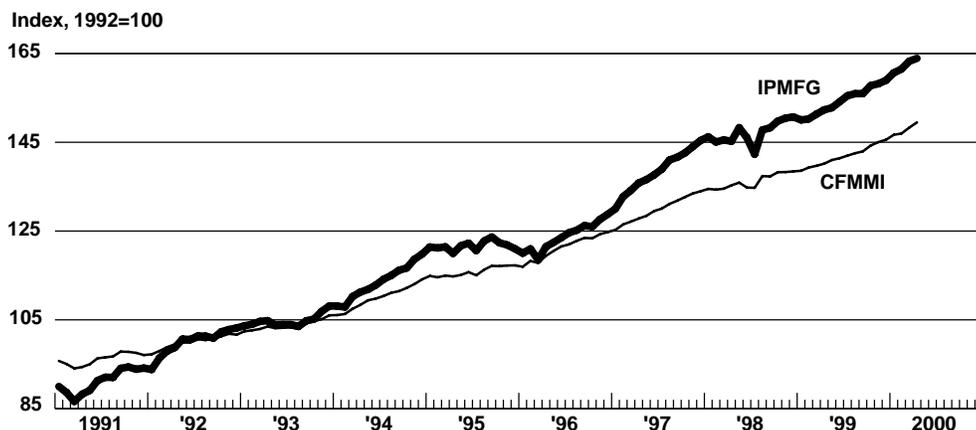
The 0.7% gain in Midwest automotive output in April was slightly lower than the 0.8% increase nationally. However, regional automotive output was 2.7% above last year's level while national output was 0.7% above its April 1999 level. The relatively better performance of domestic passenger car sales compared with the past few years has benefited the Midwest, which has a greater concentration of passenger car production.

Regional steel output increased by 0.1% in April, while the nation's steel sector increased output by a more robust 1.0%. Regional fabricated metal product output had a better month in April than did primary metals output. Regional steel output was 5.7% above its April 1999 level while national steel output was virtually the same at 5.5%.

The Midwest resource sector's output decreased 0.6% in April, while the nation's resource sector rose by 0.1%. Weakness in petroleum refining and stone, clay, glass and concrete products was the major reason for the decline in regional resource output. Compared with a year ago, Midwest resource output was 0.2% higher in April and national resource output was 2.9% higher.

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

Chicago Fed Midwest Manufacturing Index



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

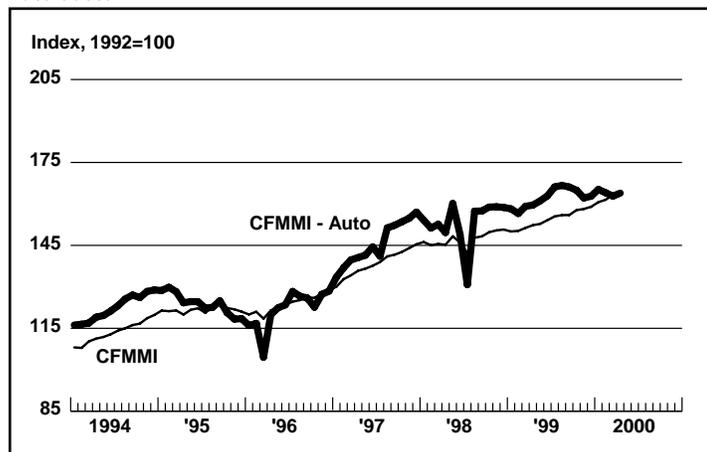
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Manufacturing output indexes – April 2000

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.4	2.0	7.6
US Industrial Production-Manufacturing (IPMFG)	0.8	1.9	6.6

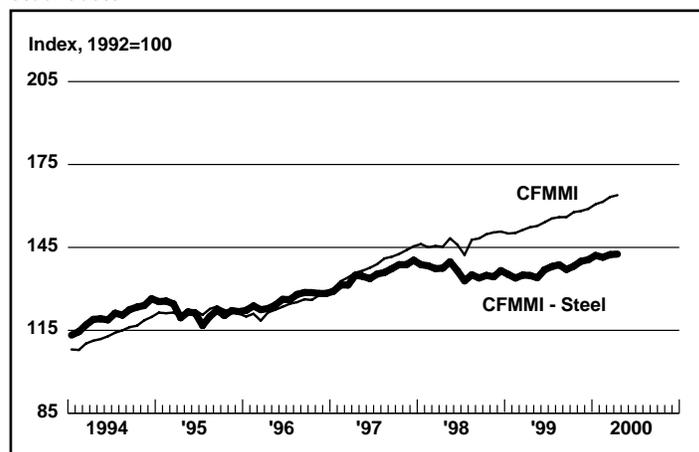
Tracking Midwest Manufacturing Activity by Sectors — April 2000

Auto Sector



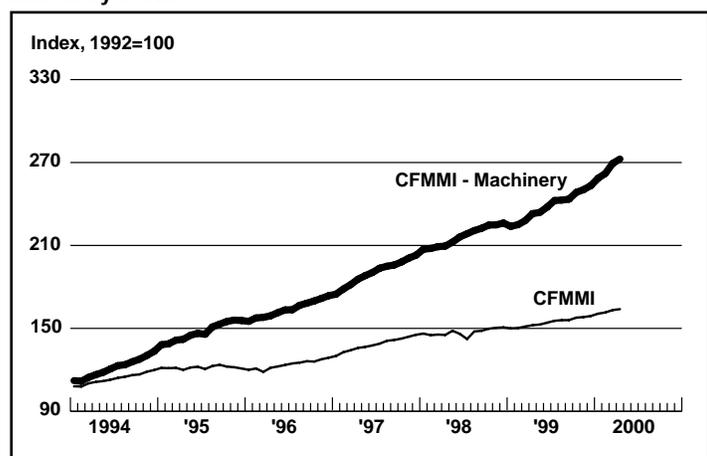
Auto Sector CFMMI Components:
Rubber and Miscellaneous Plastics Products; Transportation Equipment

Steel Sector



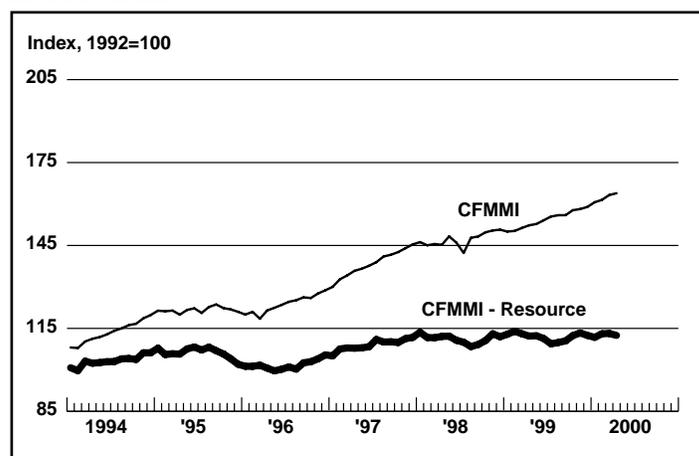
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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 00	Mar 00	Apr 00	Monthly			Annual Apr 99-Apr 00
				Feb 00	Mar 00	Apr 00	
CFMMI	161.5	163.2	163.9	0.5	1.1	0.4	7.6
CFMMI - Auto	164.0	162.8	163.9	-0.7	-0.7	0.7	2.7
CFMMI - Steel	141.4	142.4	142.6	-0.5	0.7	0.1	5.7
CFMMI - Machinery	262.1	269.3	272.5	1.3	2.8	1.2	17.0
CFMMI - Resource	113.1	113.2	112.5	1.2	0.1	-0.6	0.2
IPMFG	147.0	148.3	149.5	0.2	0.9	0.8	6.6

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>