

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Increases in January

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.6% from December to January, reaching a seasonally adjusted level of 136.4 (1992=100). Revised data show the index was at 135.5 in December, and had risen 0.2% from November. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) increased 0.9% in January, after rising 0.2% in December. January output in the region was 4.9% higher than a year earlier, while output in the nation was 5.8% higher.

Output in all four CFMMI sub-sectors increased in January. The last time all four sectors expanded was in October 1998. The regional automotive sector had the strongest output gain in January, up 1.3%, following an increase of 0.1% in the month. Resource sector output rose by 0.6% in January, following a revised 0.7% decrease in December. Midwest machinery sector output rose 0.5% in January, compared with a 0.9% increase in December. Output in the steel sector rose 0.5%, following a 0.3% increase the month before.

The 1.3% gain in Midwest automotive output in January was a bit lower than the 1.5% increase nationally. Regional automotive output was 3.9% above last year's level while national output was 0.9% above its January 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.

The Midwest resource sector's output increased 0.6% in January from December, while the nation's resource sector expanded by 0.4% in January. Growth in petroleum and food output led the increase in regional resource output. Compared with a year ago, Midwest resource output was 0.8% higher in January and national resource output was 2.2% higher.

Midwest machinery output growth continued to lag behind the nation's. Midwest machinery output increased 0.5% from December to January, while national machinery output rose 2.5%. Growth in the industrial machinery segment was stronger than growth in the electric equipment and instrument segment for the region. Relative to a year ago, the machinery sector continued to outperform other sectors in the region and the nation, with regional output 10.0% above last year's level and national output up 20.1% from a year earlier.

Regional steel output increased 0.5% in January, just a bit higher than the increase in national steel output, 0.4%. This was the fourth consecutive month that regional output growth exceeded the nation's gain. An increase in fabricated metals sector output led the way for the steel sector. Regional steel output was 4.6% above its January 1999 level and national steel output was 3.3% greater than last year.

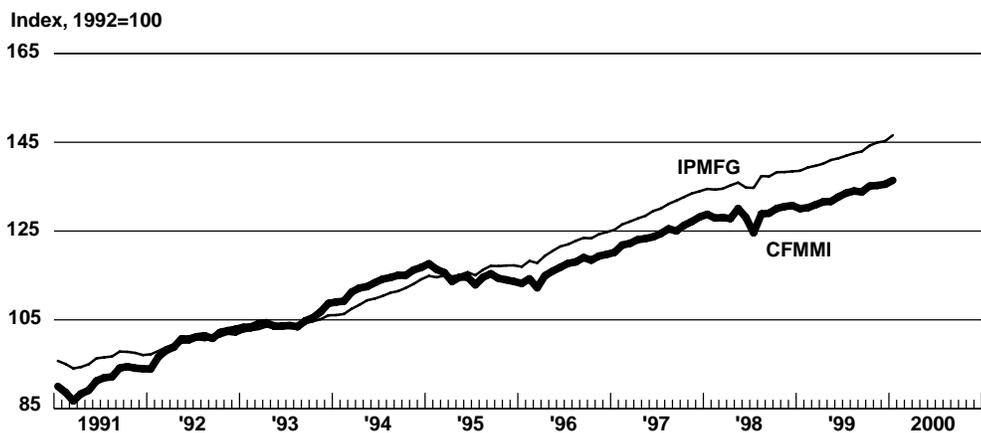
— William A. Strauss • Senior Economist and Economic Advisor • 312-322-8151

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The next CFMMI will be released:  
April 11, 2000  
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11:00 am Central Time

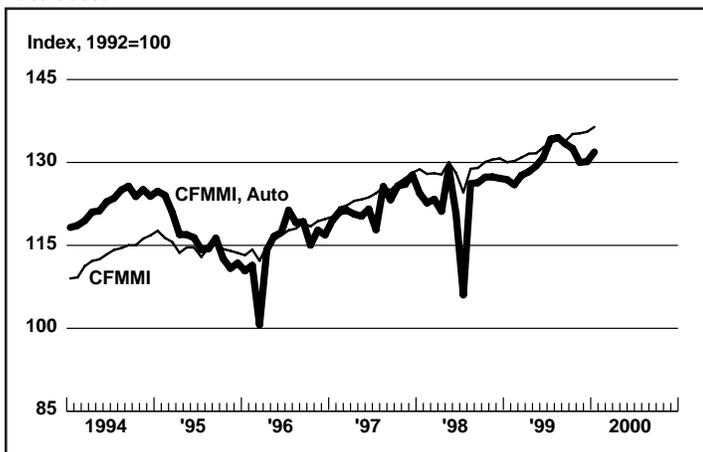
FEDERAL RESERVE BANK  
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Manufacturing output indexes – January 2000

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.6	0.9	4.9
US Industrial Production-Manufacturing (IPMFG)	0.9	1.6	5.8

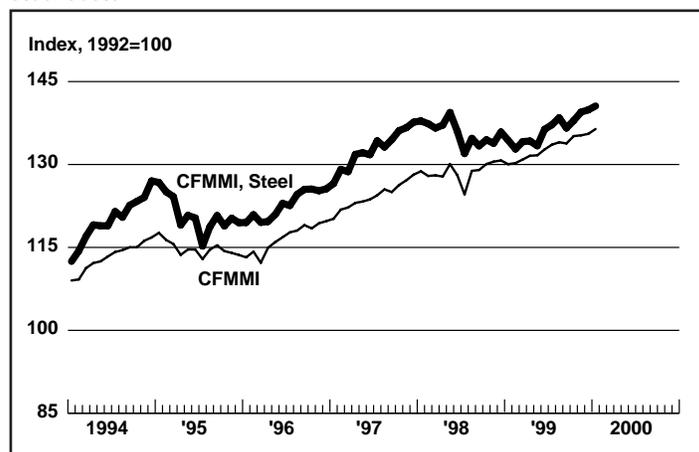
# Tracking Midwest Manufacturing Activity by Sectors — January 2000

## Auto Sector



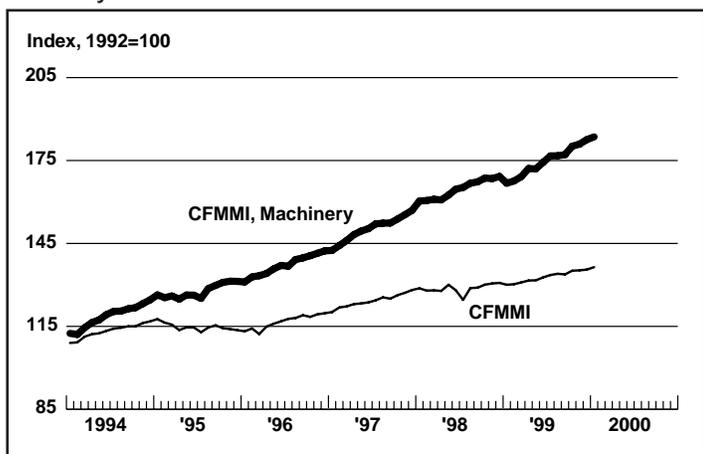
Auto Sector CFMMI Components:  
Rubber and Miscellaneous Plastics Products; Transportation Equipment

## Steel Sector



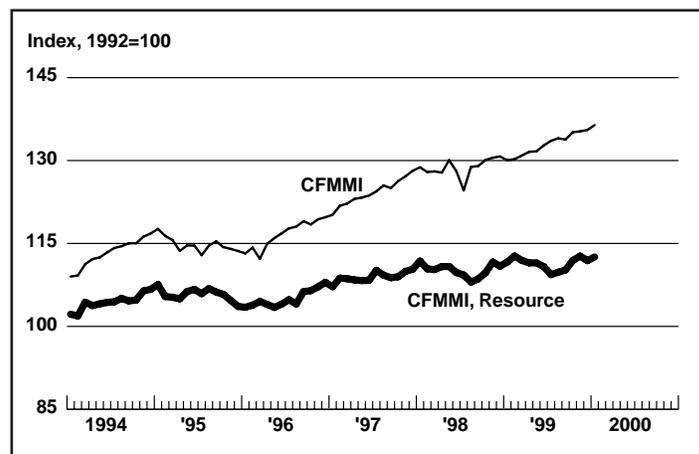
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Nov 99	Dec 99	Jan 00	Monthly			Annual Jan 99-Jan 00
				Nov 99	Dec 99	Jan 00	
CFMMI	135.3	135.5	136.4	0.1	0.2	0.6	4.9
CFMMI - Auto	130.0	130.2	131.9	-1.9	0.1	1.3	3.9
CFMMI - Steel	139.5	139.9	140.6	1.1	0.3	0.5	4.6
CFMMI - Machinery	180.9	182.6	183.6	0.4	0.9	0.5	10.0
CFMMI - Resource	112.7	111.9	112.6	0.7	-0.7	0.6	0.8
IPMFG	144.9	145.2	146.6	0.5	0.2	0.9	5.8

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>