

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Declines Sharply in November

Embargoed for release:
 Noon Eastern Time
 11:00 am Central Time
 January 11, 2001

Contact: Suzanne Heffner
 Senior Manager, Media Relations
 312-322-5108

Federal Reserve Bank of Chicago
 230 South LaSalle Street
 Chicago, IL 60604

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 1.1% from October to November, reaching a seasonally adjusted level of 170.4 (1992=100). Revised data show the index was at 172.4 in October, and had fallen 0.4% from September. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) declined 0.5% in November after having fallen by 0.1% in October. November output in the region was 5.5% higher than a year earlier, while output in the nation was 4.7% higher.

Output in all four CFMMI sub-sectors declined in November, the first time since July 1995 that this has occurred. The regional auto sector output experienced the largest decline, falling 2.4% in November following a 2.1% drop the previous month. The Midwest steel sector output fell 2.2% in November, compared with a 2.0% decrease in October. The Midwest resource sector's November output was 1.3% lower than in October after rising 0.4% the prior month. Output in the regional machinery sector fell 0.2% in November, following a 0.4% increase the month before.

Midwest automotive output fell 2.4% in November while the nation's auto output declined 1.0%. This was the fourth output decline in the past five months for the regional auto sector. Production continues to be cut in this sector in response to a lower selling pace for vehicles. Midwest automotive output was 4.3% below last year's level while national output was 2.1% lower.

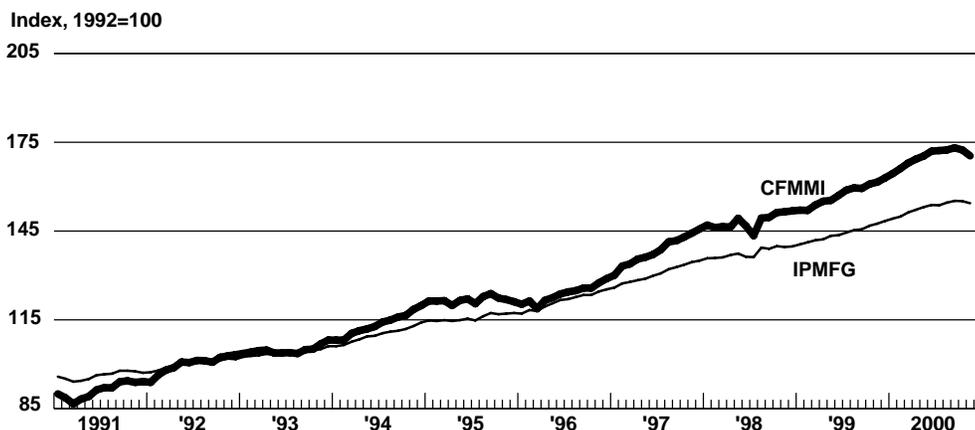
Regional steel output decreased by 2.2% in November, while the nation's steel sector output fell by 1.3%. Midwest steel output has fallen in six of the past seven months. The primary metals segment accounted for most of the weakness exhibited in this sector. Regional steel output was 4.1% below its November 1999 level, compared with a 1.6% decrease in the nation.

The Midwest resource sector's output decreased 1.3% in November, while the nation's resource sector fell by 0.4%. The weakness in the region was reflected across all the industries included in the resource sector. The last time all the resource sector industries declined in the same month was in February 1995. Compared with a year ago, Midwest resource output was 2.0% lower in November and national output was 0.4% lower.

Midwest machinery output fell 0.2% in November, while national machinery output rose 0.5%. Relative to a year ago, the machinery sector continued to outperform other sectors in both the region and the nation, with regional output 19.9% higher and national output up 28.1%.

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

Chicago Fed Midwest Manufacturing Index



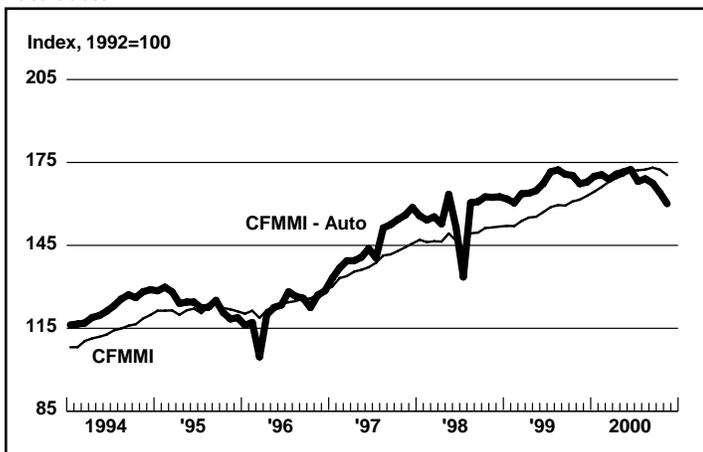
The next CFMMI will be released:
 February 12, 2001
 Noon Eastern Time
 11:00 am Central Time

FEDERAL RESERVE BANK
 OF CHICAGO

Manufacturing output indexes – November 2000	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-1.1	-1.2	5.5
US Industrial Production-Manufacturing (IPMFG)	-0.5	-0.1	4.7

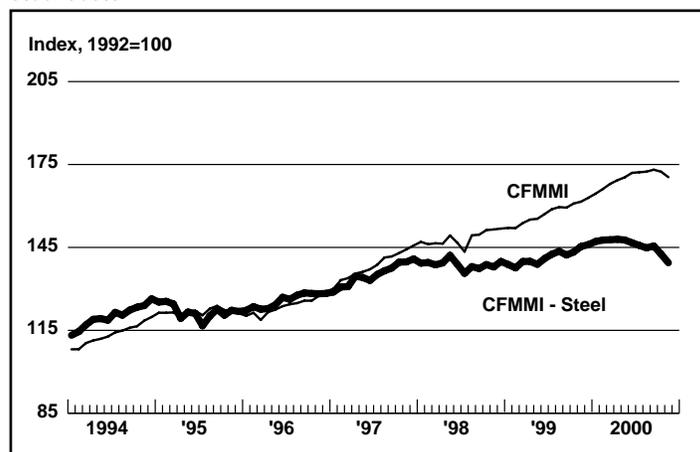
Tracking Midwest Manufacturing Activity by Sectors — November 2000

Auto Sector



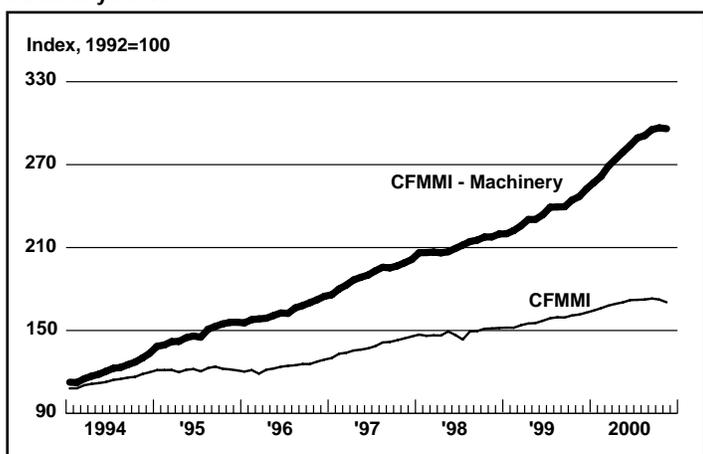
Auto Sector CFMMI Components:
Rubber and Miscellaneous Plastics Products; Transportation Equipment

Steel Sector



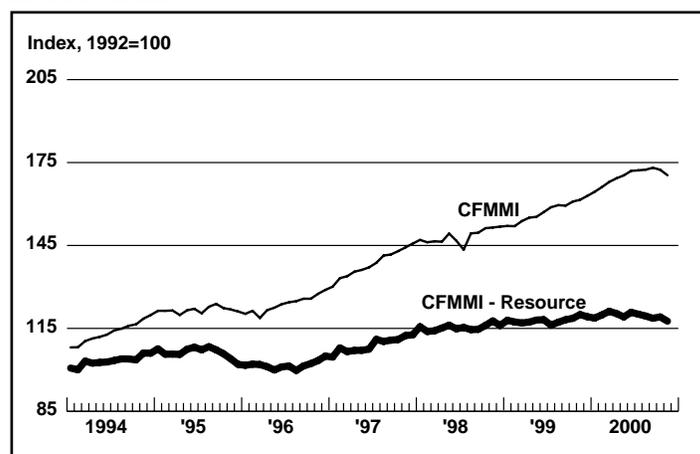
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Sep 00	Oct 00	Nov 00	Monthly			Annual Nov 99–Nov 00
				Sep 00	Oct 00	Nov 00	
CFMMI	173.1	172.4	170.4	0.4	-0.4	-1.1	5.5
CFMMI - Auto	167.5	164.1	160.1	-0.9	-2.1	-2.4	-4.3
CFMMI - Steel	145.5	142.6	139.4	0.5	-2.0	-2.2	-4.1
CFMMI - Machinery	295.4	296.6	296.0	1.5	0.4	-0.2	19.9
CFMMI - Resource	118.7	119.2	117.6	-0.7	0.4	-1.3	-2.0
IPMFG	155.2	155.1	154.4	0.4	-0.1	-0.5	4.7

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>