

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Increases in September

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.2% from August to September, reaching a seasonally adjusted level of 167.5 (1992=100). Revised data show the index was at 167.2 in August, and had fallen 0.6% from July. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) increased 0.3% in September, after having risen by 0.2% in August. September output in the region was 7.4% higher than a year earlier, while output in the nation was 6.2% higher.

Output in two of the four CFMMI sub-sectors increased in September. The Midwest machinery sector had the largest sectoral gain in September, with output 1.4% higher than in August after falling 0.1% the prior month. Output in the regional resource sector rose 0.5% in September, following a 2.1% decrease the month before. The Midwest steel sector output fell 0.5% in September, compared with a 0.7% decrease in August. Regional auto sector output experienced the sharpest contraction, falling 2.2% in September following a 0.2% gain the previous month.

Midwest machinery output growth continued to lag the nation's. Midwest machinery output in September was 1.4% higher than in August, while national machinery output rose 1.6%. Most of the strength exhibited in this sector came from the electric equipment and instrument segment. Relative to a year ago, the machinery sector continued to outperform other sectors in both the region and the nation, with regional output 21.6% higher and national output up 28.7%.

The Midwest resource sector's output increased 0.5% in September, while the nation's resource sector rose by 0.4%. Strong industries in September for the regional resource sector included lumber, chemicals and petroleum. Compared with a year ago, Midwest resource output was 0.8% higher in September and national resource output was 1.5% higher.

Regional steel output decreased by 0.5% in September, while the nation's steel sector output increased by 0.2%. September marked the fifth consecutive month that Midwest steel production has fallen. Regional steel output was 0.4% above its September 1999 level, compared with a 1.5% increase in the nation.

Midwest automotive output fell 2.2% in September while the nation's auto output declined 1.7%. Midwest automotive output was 4.0% below last year's level while national output was 2.9% lower.

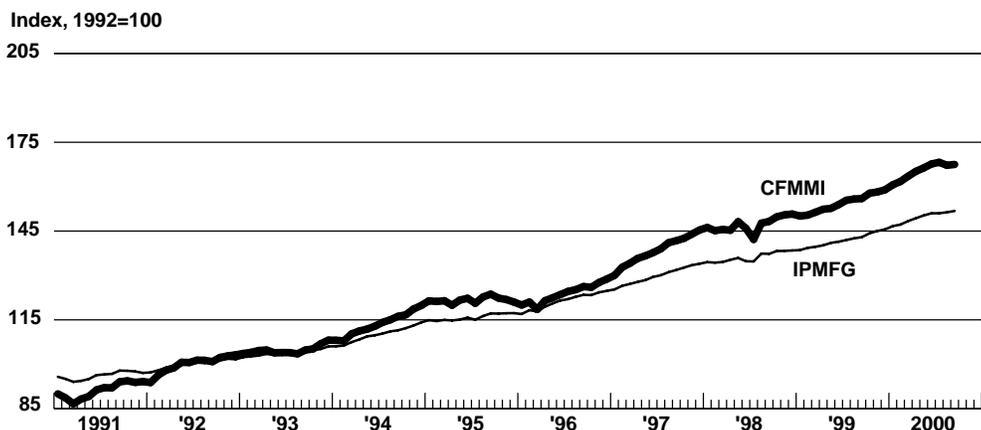
— William A. Strauss • Senior Economist and Economic Advisor • 312-322-8151

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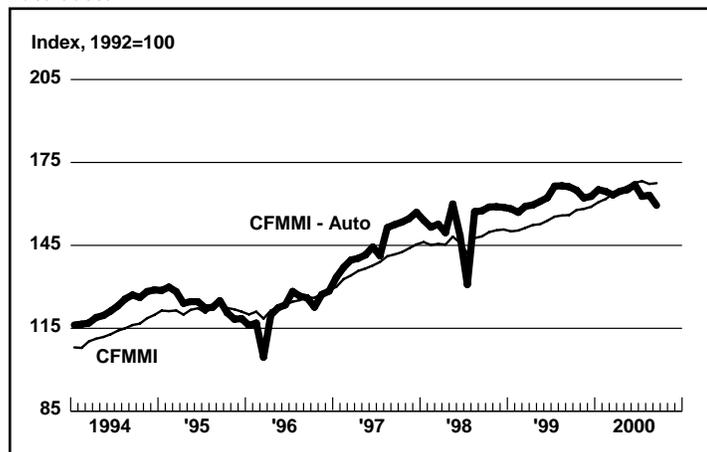
The next CFMMI will be released:  
December 11, 2000  
Noon Eastern Time  
11:00 am Central Time

FEDERAL RESERVE BANK  
OF CHICAGO

Manufacturing output indexes – September 2000	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.2	-0.1	7.4
US Industrial Production-Manufacturing (IPMFG)	0.3	0.5	6.2

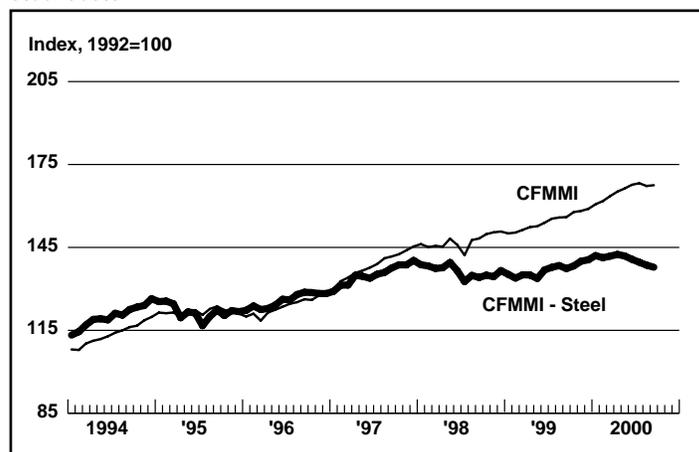
# Tracking Midwest Manufacturing Activity by Sectors — September 2000

## Auto Sector



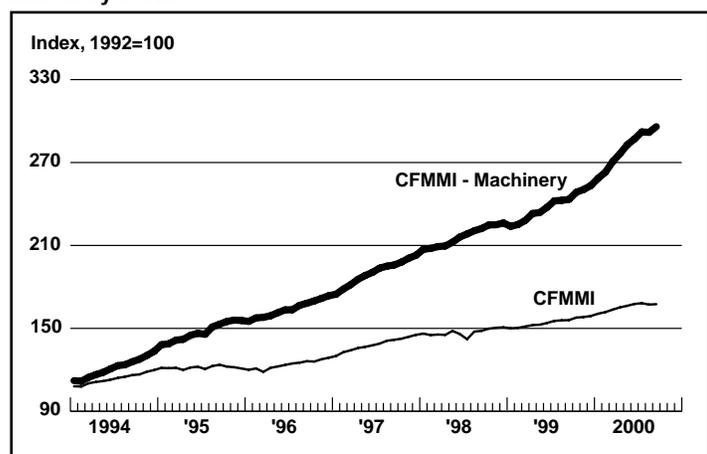
Auto Sector CFMMI Components:  
Rubber and Miscellaneous Plastics Products; Transportation Equipment

## Steel Sector



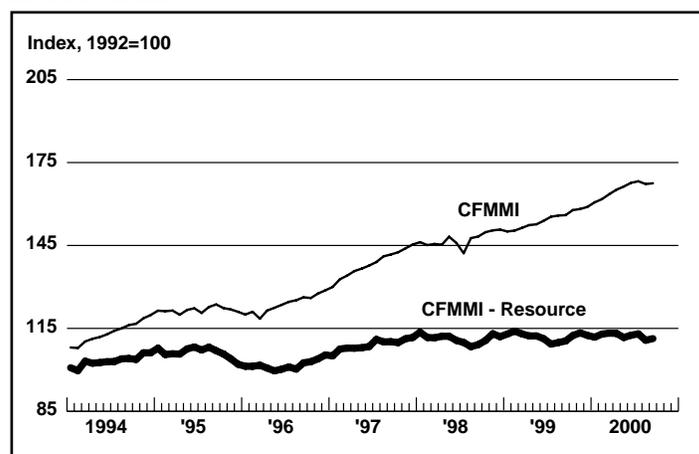
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Jul 00	Aug 00	Sep 00	Monthly			Annual Sep 99–Sep 00
				Jul 00	Aug 00	Sep 00	
CFMMI	168.2	167.2	167.5	0.3	-0.6	0.2	7.4
CFMMI - Auto	162.7	163.1	159.5	-2.5	0.2	-2.2	-4.0
CFMMI - Steel	139.6	138.6	137.8	-0.7	-0.7	-0.5	0.4
CFMMI - Machinery	292.1	291.8	295.9	1.8	-0.1	1.4	21.6
CFMMI - Resource	113.0	110.7	111.3	0.4	-2.1	0.5	0.8
IPMFG	151.0	151.3	151.8	0.0	0.2	0.3	6.2

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>