

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Falls for the Seventh Consecutive Month

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The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 2.2% from March to April, reaching a seasonally adjusted level of 157.3 (1992=100). Revised data show the index was at 160.9 in March and had fallen 0.5% from February. April was the seventh consecutive month that the CFMMI declined. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) fell 0.3% in April after falling 0.2% in March. April output in the region was 5.8% lower than a year earlier, while output in the nation was 1.6% lower. This was the largest decline from a year-earlier period for the region since August 1991.

Output in all four CFMMI sub-sectors fell in April. Regional machinery sector output experienced the largest decline, falling 3.5% in April after output dropped by 0.1% the previous month. Output in the regional auto sector decreased 2.2% in April, following a 1.3% gain the month before. Midwest steel sector output fell 0.5% in April after decreasing 1.7% in March. The Midwest resource sector's output was down 0.4% in April after falling 1.2% the prior month.

Midwest machinery output fell 3.5% in April, while the nation's output decreased 1.0% from the prior month. Relative to a year ago, the machinery sector continued to outperform other sectors in both the region and the nation, with regional output down 1.1% and national output up 9.0%. These growth rates, however, are substantially slower than those registered in mid-2000.

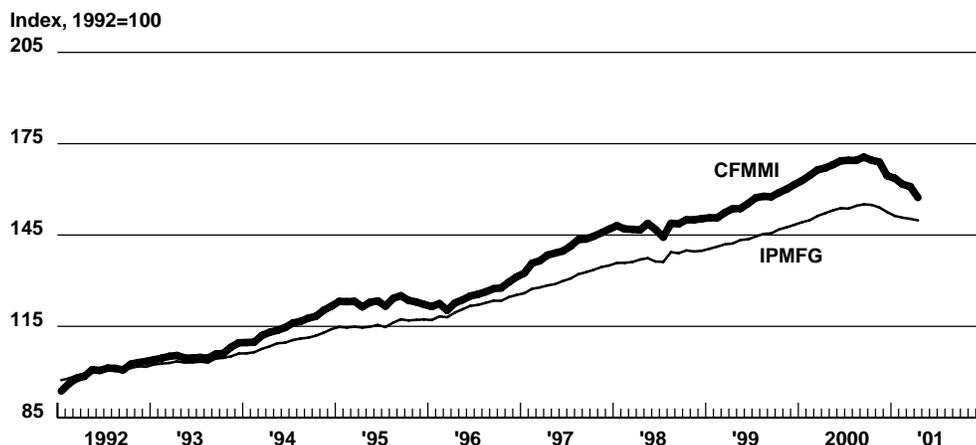
Midwest automotive output fell 2.2% in April, while the nation's auto output was unchanged. The regional decline followed two consecutive months of increased output. The declines in output occurred in the transportation equipment sector, while rubber output actually rose in April. Midwest automotive output was 14.0% below last year's level while national output was 6.1% lower.

Regional steel output decreased by 0.5% in April, while steel sector output declined 1.1% nationally. The Midwest steel sector's output has fallen in 11 of the past 12 months. Regional steel output was 13.0% below its April 2000 level, compared with an 8.7% decrease in the nation.

The Midwest resource sector's output decreased 0.4% in April, while output in the nation's resource sector rose 0.1%. The weakness in the region was concentrated in the petroleum, food, lumber, and paper industries. Compared with a year ago, Midwest resource output was 5.6% lower in April and national output was down 2.8%.

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

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The next CFMMI will be released:
 July 11, 2001
 Noon Eastern Time
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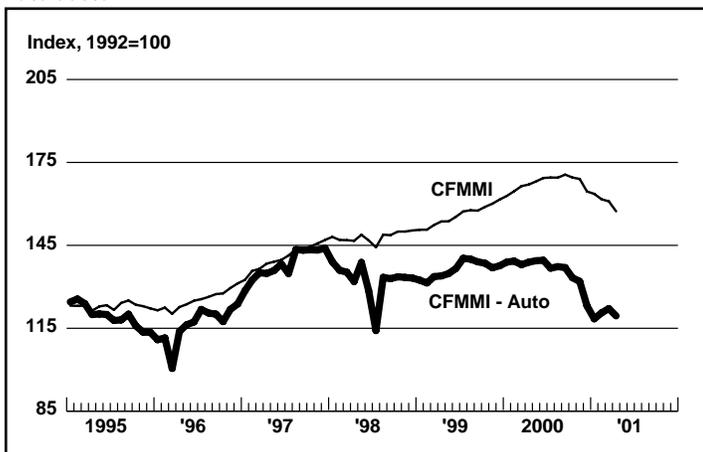
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Manufacturing output indexes – April 2001

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-2.2	-3.9	-5.8
US Industrial Production-Manufacturing (IPMFG)	-0.3	-1.0	-1.6

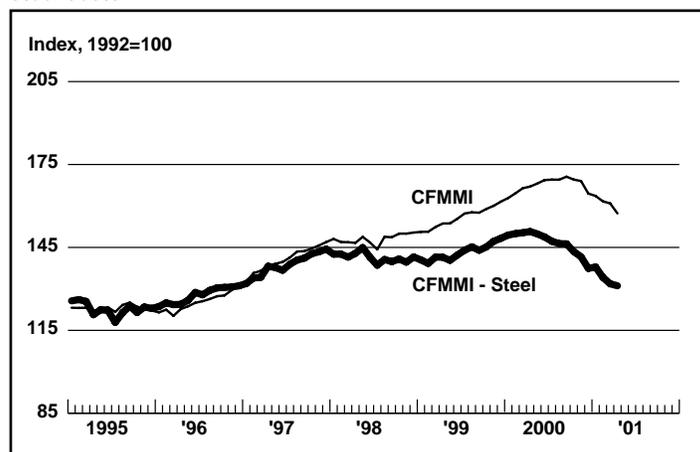
Tracking Midwest Manufacturing Activity by Sectors — April 2001

Auto Sector



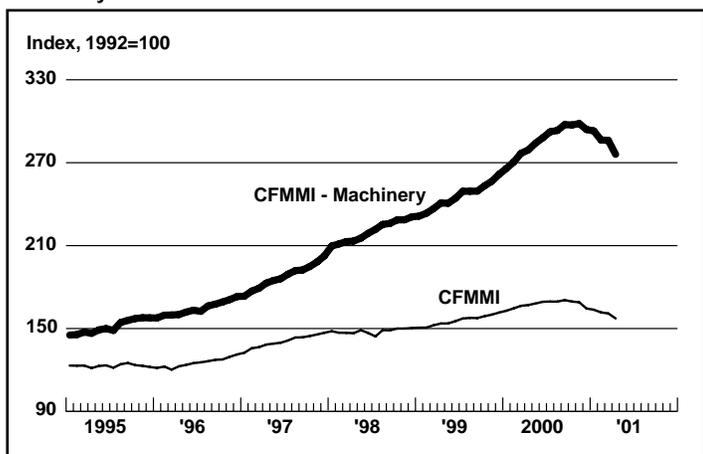
Auto Sector CFMMI Components:
Rubber and Miscellaneous Plastics Products; Transportation Equipment

Steel Sector



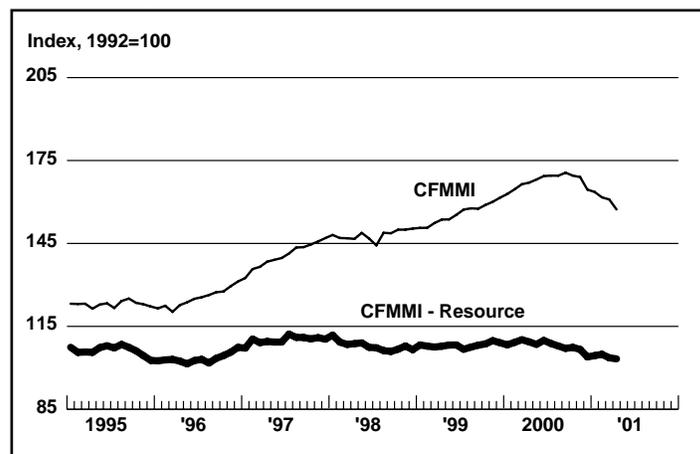
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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 01	Mar 01	Apr 01	Monthly			Annual Apr 00-Apr 01
				Feb 01	Mar 01	Apr 01	
CFMMI	161.7	160.9	157.3	-1.2	-0.5	-2.2	-5.8
CFMMI - Auto	120.6	122.1	119.5	1.8	1.3	-2.2	-14.0
CFMMI - Steel	134.2	131.8	131.1	-2.7	-1.7	-0.5	-13.0
CFMMI - Machinery	286.4	286.1	276.0	-2.2	-0.1	-3.5	-1.1
CFMMI - Resource	104.9	103.6	103.2	0.5	-1.2	-0.4	-5.6
IPMFG	150.7	150.3	149.8	-0.4	-0.2	-0.3	-1.6

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.chicagofed.org>