

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Rose in July

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.2% from June to July, reaching a seasonally adjusted level of 154.5 (1992=100). Revised data show the index was at 154.2 in June and had fallen 1.9% from May. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was unchanged in July after falling 1.0% in June. July output in the region was 8.9% lower than a year earlier, while output in the nation was down 3.9%.

Output in two of the four CFMMI sub-sectors rose in July, but declined in the other two. Midwest auto sector output posted the largest increase, rising 4.8% in July after falling 0.9% the prior month. Regional steel sector output also rose in July, increasing 0.9% after output fell 2.5% the previous month. The Midwest resource sector's output fell 0.5% in July after decreasing 1.7% in June. Output in the regional machinery sector had the largest decline, falling 0.8% in July, following a 2.3% loss the month before.

Midwest automotive output rose a strong 4.8% in July while the nation's auto output increased 2.0%. Midwest auto sector output has risen in four of the past six months. The July increase in output was primarily concentrated in the transportation equipment sector, but rubber also increased moderately. Midwest automotive output was 7.4% below last year's level, while national output was 1.4% lower.

Regional steel output increased by 0.9% in July, and was up 0.2% nationally. The Midwest steel sector's output has risen in two of the past three months. Regional steel output was 11.2% below its July 2000 level, compared with a 7.6% decrease in the nation.

The Midwest resource sector's output decreased 0.5% in July, while output in the nation's resource sector fell 0.1%. The weakness in the region was concentrated in the food; and stone, clay, glass and concrete industries. Compared with a year ago, Midwest resource output was 6.9% lower in July and national output was down 3.2%.

Midwest machinery output fell 0.8% in July, while the nation's output decreased 1.7%. The relatively better recent performance in the Midwest is in part due to the lower concentration of high-tech industry in the region. High-tech production has been the weakest industry in manufacturing this year. Regional machinery output in July was down 9.7% from a year earlier, while national machinery output fell 5.0%.

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

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

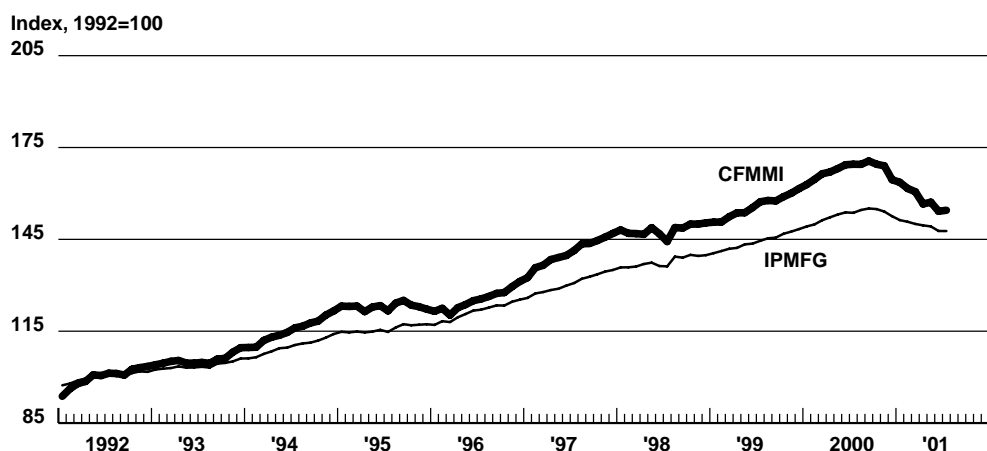
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The next CFMMI will be released:  
October 11, 2001  
Noon Eastern Time  
11:00 am Central Time

**Please Note:**  
The new date for release of the  
November CFMMI is:  
Tuesday, November 13

### Chicago Fed Midwest Manufacturing Index

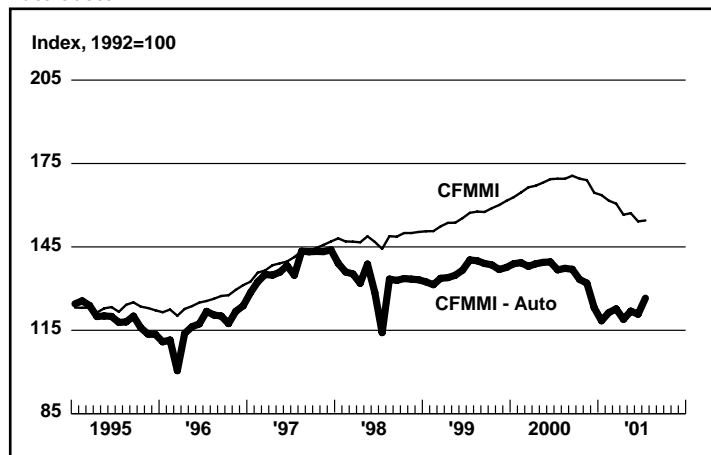


### Manufacturing output indexes – July 2001

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.2	-1.3	-8.9
US Industrial Production-Manufacturing (IPMFG)	0.0	-1.2	-3.9

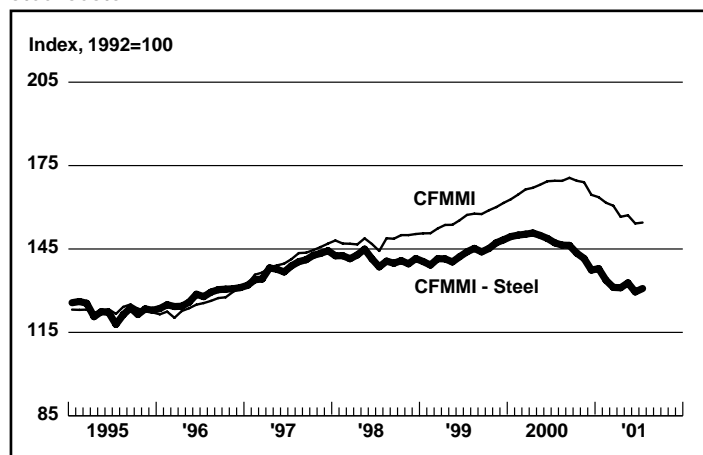
# Tracking Midwest Manufacturing Activity by Sectors — July 2001

## Auto Sector



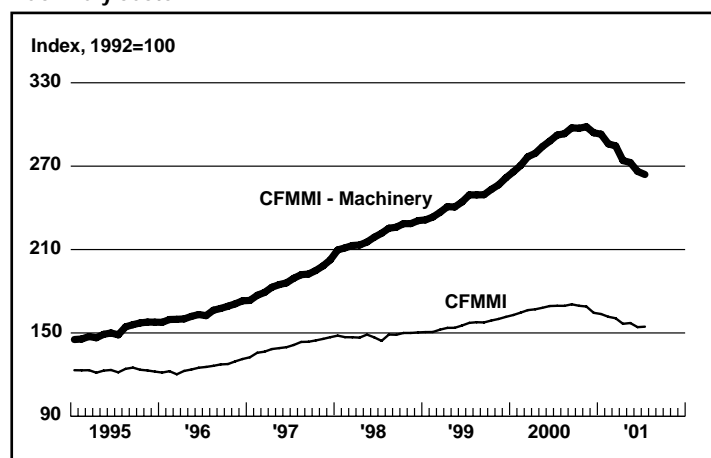
Auto Sector CFMMI Components:  
Rubber and Miscellaneous Plastics Products; Transportation Equipment

## Steel Sector



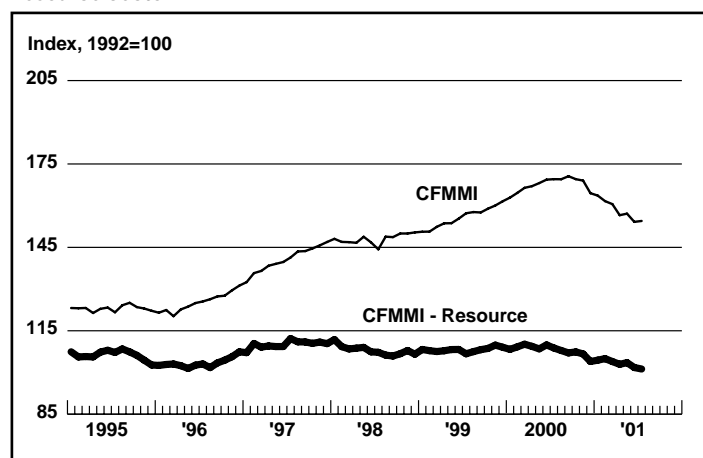
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	May 01	Jun 01	Jul 01	Monthly			Annual Jul 00–Jul 01
				May 01	Jun 01	Jul 01	
CFMMI	157.1	154.2	154.5	0.4	-1.9	0.2	-8.9
CFMMI - Auto	121.9	120.8	126.6	2.5	-0.9	4.8	-7.4
CFMMI - Steel	132.8	129.6	130.8	1.3	-2.5	0.9	-11.2
CFMMI - Machinery	272.6	266.2	264.0	-0.5	-2.3	-0.8	-9.7
CFMMI - Resource	103.5	101.8	101.2	0.6	-1.7	-0.5	-6.9
IPMFG	149.2	147.7	147.7	-0.2	-1.0	0.0	-3.9

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>