

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Rises Again in February

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The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.5% from January to February, reaching a seasonally adjusted level of 148.0 (1992=100). Revised data show the index was at 147.3 in January and increased 0.4% from December. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was up 0.3% in February, matching the increase in January. February output in the region was 7.6% lower than a year earlier, while output in the nation was down 4.1%.

Output in three of the four CFMMI sub-sectors rose in February. Midwest auto sector output posted the largest increase, rising 2.2% after increasing 0.4% the month prior. Output in the regional steel sector rose 1.4%, following a 1.6% gain the month before. The Midwest resource sector output was up 0.4% in February after output declined 0.4% in January. The regional machinery output recorded the only sub-sector decline in February, as output decreased 0.6%, following a 0.7% increase in the month prior.

With vehicle inventories remaining low, Midwest automotive output rose 2.2% in February, its fourth consecutive increase. By comparison, the nation's auto output was up 0.1%. Midwest automotive output was 2.0% above last year's level, while national output was 0.4% lower than a year earlier.

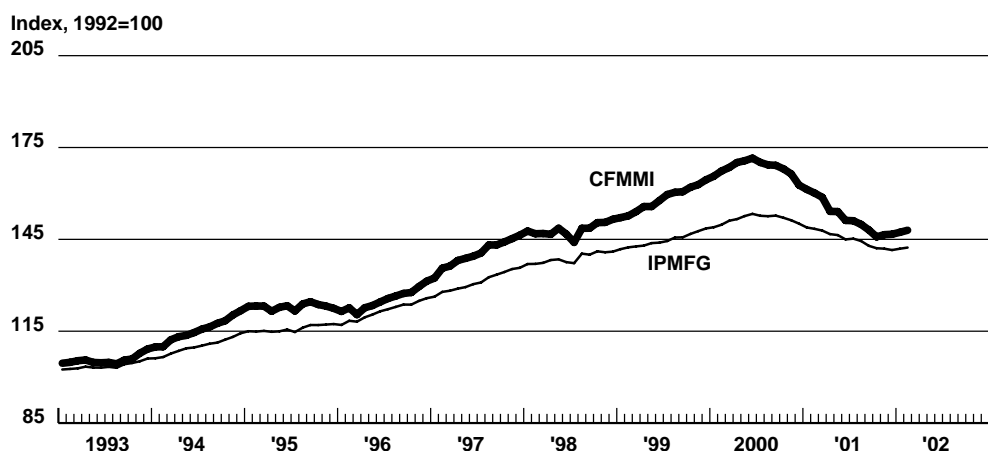
Regional steel output rose 1.4% in February, double the national steel output increase of 0.7%. In the Midwest, fabricated metal output growth was twice as strong as the rise in primary metal production. Regional steel output was 6.8% below its February 2001 level, compared with a 5.1% decrease in the nation.

The Midwest resource sector's output increased 0.4% in February, while output in the nation's resource sector was up 0.5%. Output in the regional lumber and petroleum refining industries registered the largest increases. Compared with a year ago, Midwest resource output was 1.6% lower in February and national output was down 0.4%.

Midwest machinery output fell 0.6% in February, while the nation's output increased 0.3%. Regional machinery output was down 13.6% from a year earlier, while national machinery output was 9.3% lower than a year ago.

— Michael Munley • Associate Economist • 312-322-6401

**Chicago Fed Midwest Manufacturing Index**



The next CFMMI will be released:  
 May 9, 2002  
 Noon Eastern Time  
 11:00 am Central Time

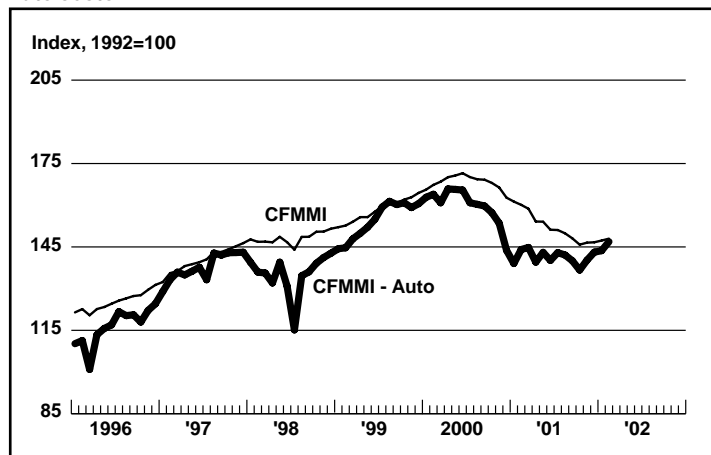
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**Manufacturing output indexes – February 2002**

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.5	1.0	-7.6
US Industrial Production-Manufacturing (IPMFG)	0.3	0.3	-4.1

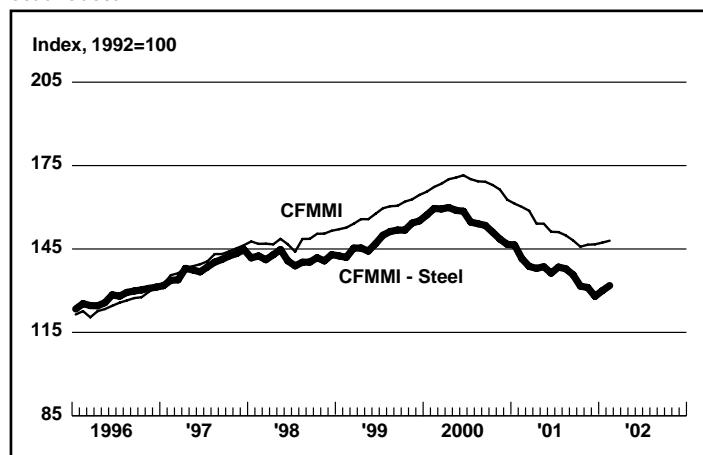
# Tracking Midwest Manufacturing Activity by Sectors — February 2002

## Auto Sector



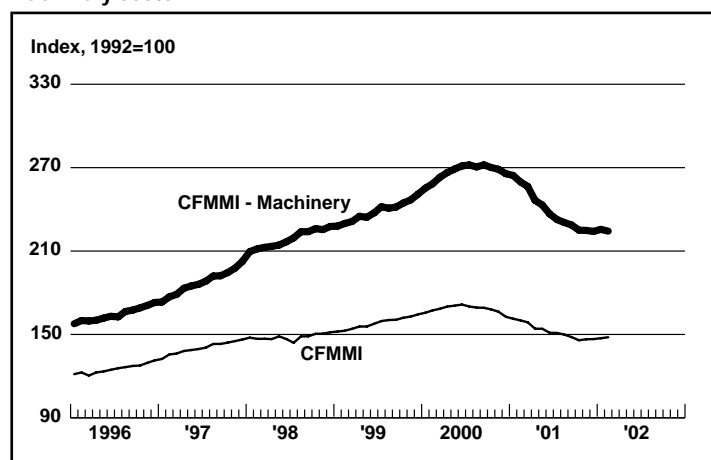
Auto Sector CFMMI Components:  
Rubber and Miscellaneous Plastics Products; Transportation Equipment

## Steel Sector



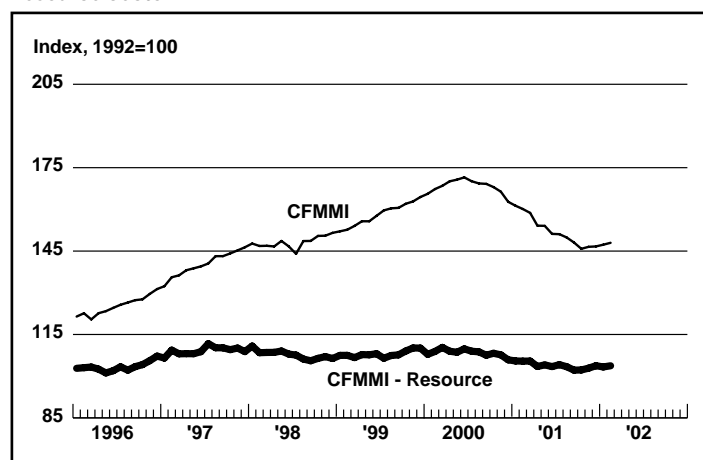
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Dec 01	Jan 02	Feb 02	Monthly			Annual Feb 01-Jan 02
				Dec 01	Jan 02	Feb 02	
CFMMI	146.7	147.3	148.0	0.1	0.4	0.5	-7.6
CFMMI - Auto	143.1	143.7	146.9	2.1	0.4	2.2	2.0
CFMMI - Steel	128.0	130.0	131.8	-2.4	1.6	1.4	-6.8
CFMMI - Machinery	224.1	225.6	224.3	-0.3	0.7	-0.6	-13.6
CFMMI - Resource	103.8	103.3	103.7	0.9	-0.4	0.4	-1.6
IPMFG	141.5	141.9	142.3	-0.3	0.3	0.3	-4.1

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>