

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Rises in January

Embargoed for release:  
 Noon Eastern Time  
 11:00 am Central Time  
 March 11, 2002

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The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.3% from December to January, reaching a seasonally adjusted level of 146.1 (1992=100). Revised data show the index was at 145.6 in December and declined 0.3% from November. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was unchanged in January after decreasing 0.4% in December. January output in the region was 9.5% lower than a year earlier, while output in the nation was down 5.1%.

Output in three of the four CFMMI sub-sectors rose in January. Midwest auto sector output posted the largest increase, rising 2.1% in January after increasing 0.7% the month prior. Output in the regional steel sector rose 1.4%, following a 2.0% loss the month before. The Midwest machinery sector's output increased 0.2% after decreasing 0.8% in December. The regional resource sector output was the only sector to post a decrease, falling 1.5% in January after output rose 0.9% the previous month.

With vehicle inventories remaining extremely low, Midwest automotive output rose 2.1% in January, its third consecutive increase, while the nation's auto output declined 0.8%. Midwest automotive output was 3.2% above last year's level, the first positive reading for this measure since June 2000. National output was 1.2% higher compared with a year earlier.

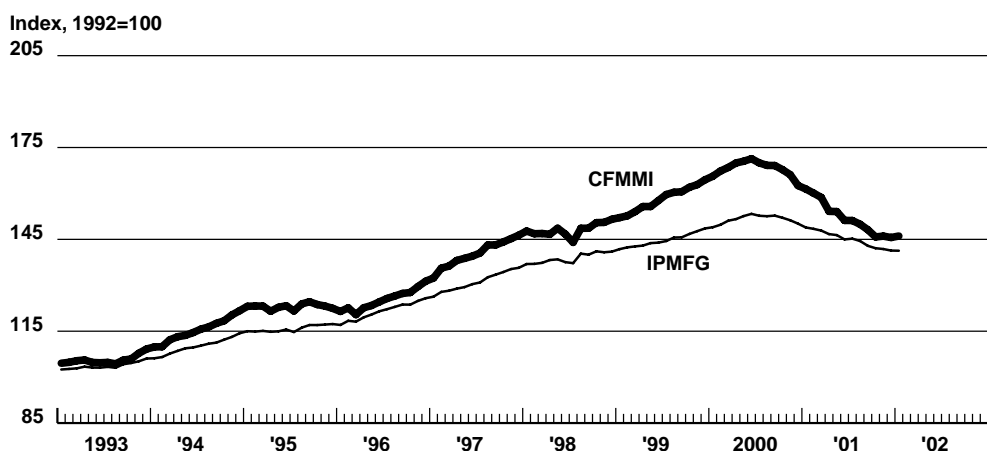
Regional steel output increased 1.4% in January, its first gain in six months. National steel output was up 1.2% in January. Regional steel output was 11.5% below its January 2001 level, compared with an 8.7% decrease in the nation.

Midwest machinery output rose 0.2% in January, while the nation's output decreased 0.2%. Regional machinery output in January was down 15.8% from a year earlier, while national machinery output fell 12.6%.

The Midwest resource sector's output decreased 1.5% in January from December, while output in the nation's resource sector was unchanged. Output in the regional paper, food, and lumber industries registered the largest declines. Compared with a year ago, Midwest resource output was 3.5% lower in January and national output was down 0.6%.

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

Chicago Fed Midwest Manufacturing Index



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

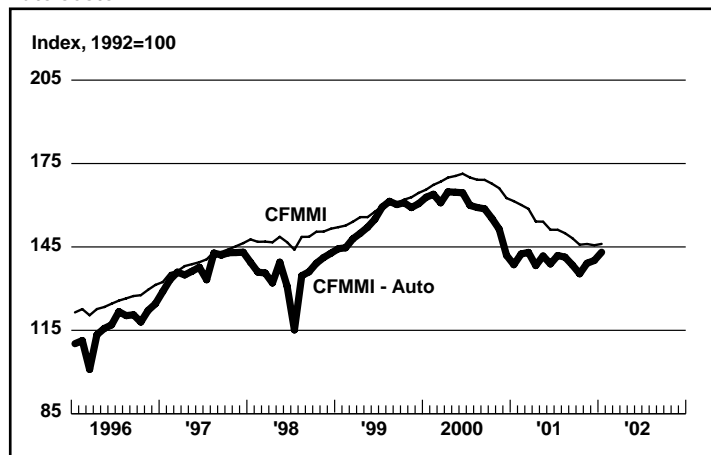
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Manufacturing output indexes – January 2002

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.3	0.2	-9.5
US Industrial Production-Manufacturing (IPMFG)	0.0	-0.6	-5.1

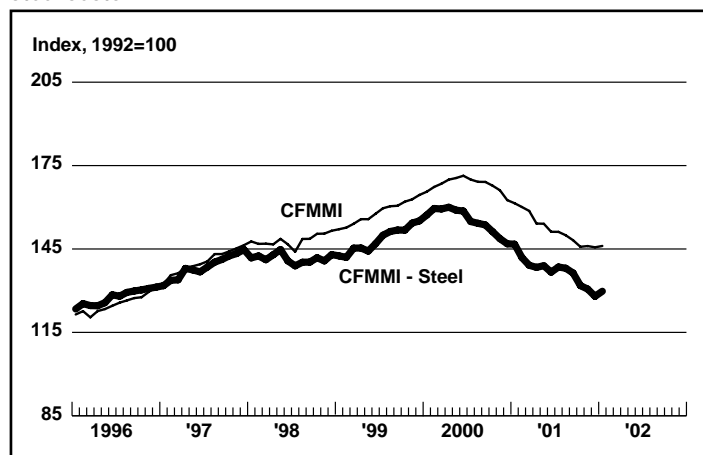
# Tracking Midwest Manufacturing Activity by Sectors — January 2002

## Auto Sector



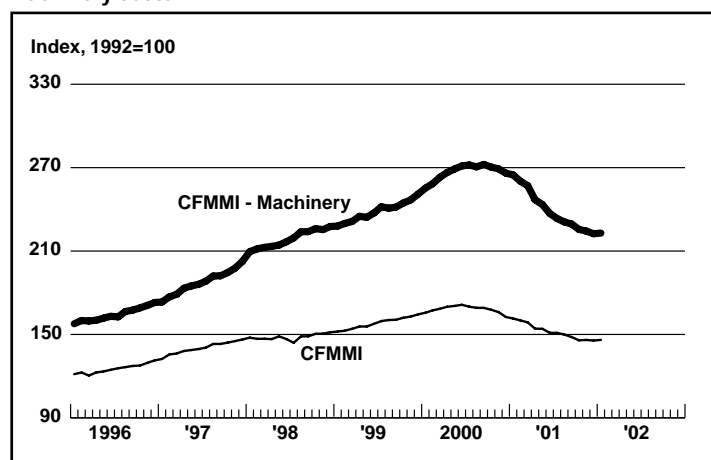
Auto Sector CFMMI Components:  
Rubber and Miscellaneous Plastics Products; Transportation Equipment

## Steel Sector



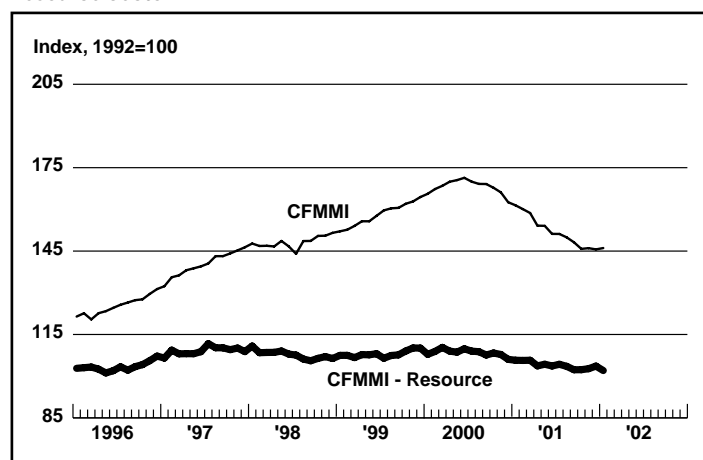
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Nov 01	Dec 01	Jan 02	Monthly			Annual Jan 01-Jan 02
				Nov 01	Dec 01	Jan 02	
CFMMI	146.0	145.6	146.1	0.2	-0.3	0.3	-9.5
CFMMI - Auto	139.1	140.1	143.1	2.8	0.7	2.1	3.2
CFMMI - Steel	130.6	128.0	129.8	-1.0	-2.0	1.4	-11.5
CFMMI - Machinery	224.4	222.5	222.9	-0.5	-0.8	0.2	-15.8
CFMMI - Resource	102.7	103.6	102.0	0.4	0.9	-1.5	-3.5
IPMFG	141.8	141.3	141.3	-0.2	-0.4	0.0	-5.1

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>