

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Rebound Continues in May

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

**Contact: James Pieper
312-322-2387**

**Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60604**

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.3% from April to May, reaching a seasonally adjusted level of 150.7 (1992=100). Revised data show the index was at 150.2 in April, up 0.4% from March. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 0.2% in May, matching the increase in April. May output in the region was 2.2% below a year earlier, while output in the nation was 1.6% lower.

Output changes in the four CFMMI sub-sectors were mixed in May. The machinery sector had the only advance, up 1.4%, following no change in April. Midwest steel sector output was unchanged in May, after it rose 1.0% in the month prior. Resource sector output was down 0.2% in May, following a 0.4% decrease in April. Output in the auto sector was down 0.9%, after it increased 2.1% in the previous month.

Midwest machinery output rose 1.4% from April to May, while national output was up 1.3%. In the Midwest, output increases were roughly equal in the industrial and the electrical machinery sectors. Regional machinery output was still 4.4% below its May 2001 level, while national machinery output was down just 0.6%.

Regional steel output was unchanged in May, compared to the 0.3% increase in national steel output. In the region, a rise in fabricated metal production offset a decline in primary metal output. Regional steel output was 3.8% below a year earlier and national steel output was down 3.1%.

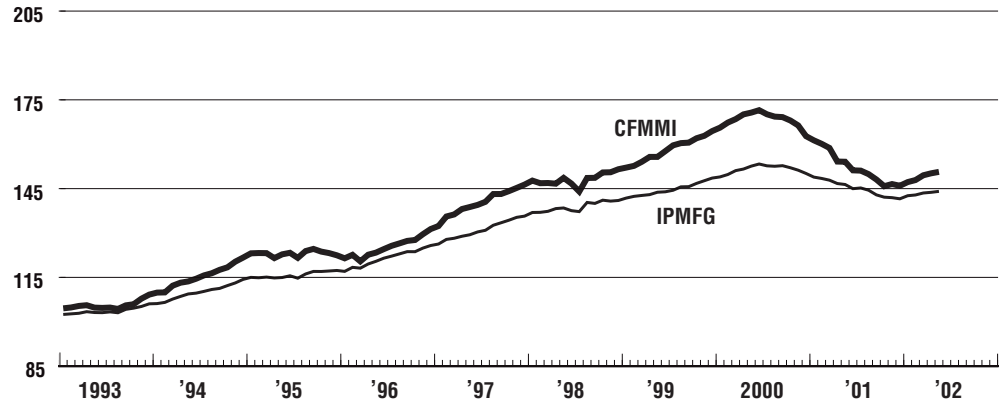
Midwest resource output fell 0.2% in May, while resource output for the nation rose 0.1%. In the Midwest, food, paper, and petroleum output all declined. Compared with a year ago, Midwest resource output was 1.1% lower in May but national resource output was 0.6% higher.

May auto output fell 0.9% in the Midwest, while auto output was down 0.7% in the nation. A decrease in regional transportation equipment output more than offset an increase in rubber and plastics output. Auto output in the region was up 4.6% from May 2001, while output for the nation was down 2.0% from a year earlier.

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

Chicago Fed Midwest Manufacturing Index

Index, 1992=100



**The next CFMMI will be released:
August 12, 2002
Noon Eastern Time
11:00 am Central Time**

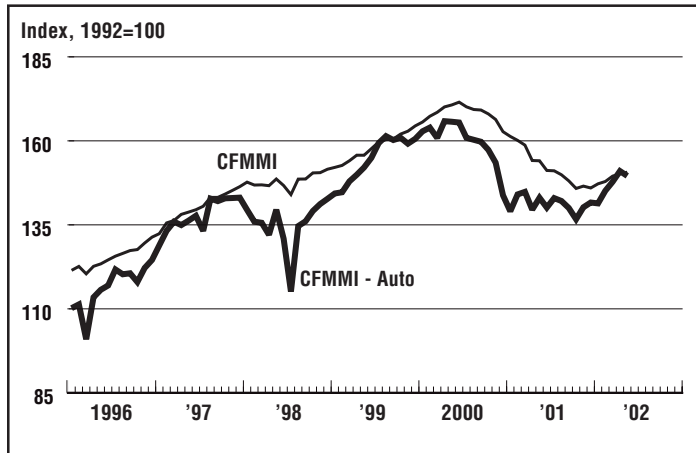
**FEDERAL RESERVE BANK
OF CHICAGO**

Manufacturing output indexes—May 2002

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.3	1.9	-2.2
US Industrial Production-Manufacturing (IPMFG)	0.2	0.9	-1.6

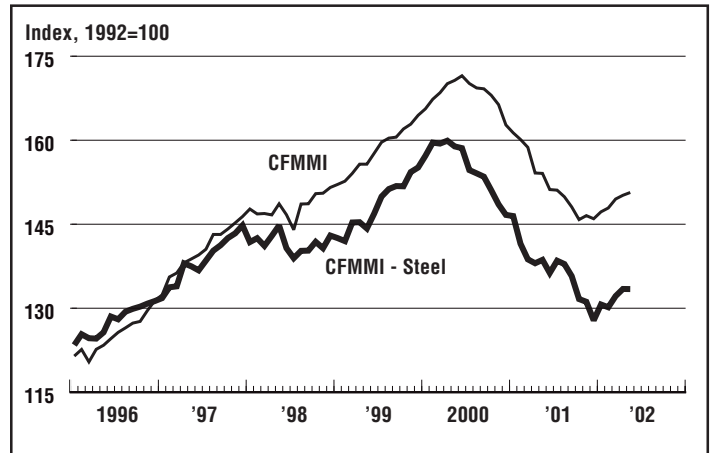
Tracking Midwest Manufacturing Activity by Sectors — May 2002

Auto Sector



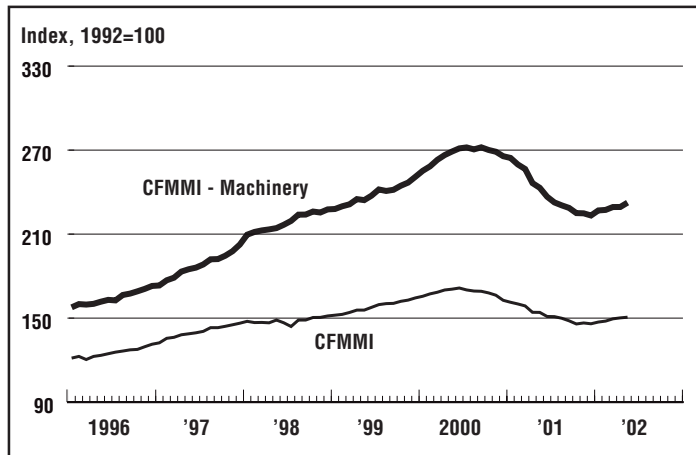
Auto Sector CFMMI Components:
Rubber and Miscellaneous Plastics Products; Transportation Equipment

Steel Sector



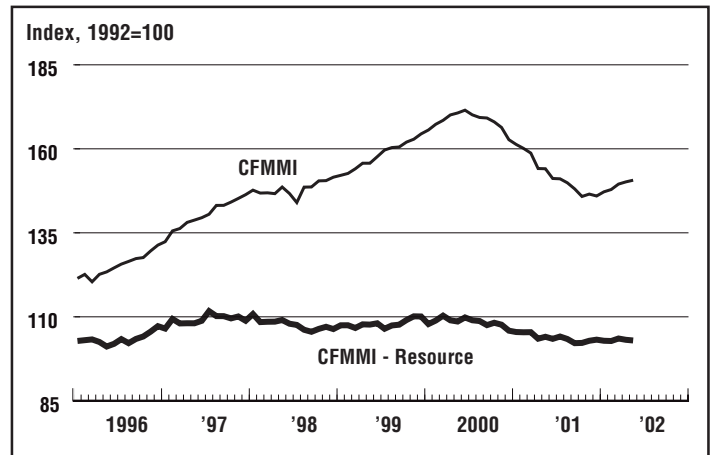
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Mar 02	Apr 02	May 02	Monthly			Annual May 01–May 02
				Mar 02	Apr 02	May 02	
CFMMI	149.5	150.2	150.7	1.1	0.4	0.3	-2.2
CFMMI - Auto	147.8	151.0	149.6	1.8	2.1	-0.9	4.6
CFMMI - Steel	132.2	133.4	133.4	1.5	1.0	0.0	-3.8
CFMMI - Machinery	229.3	229.4	232.5	0.9	0.0	1.4	-4.4
CFMMI - Resource	103.5	103.2	103.0	0.7	-0.4	-0.2	-1.1
IPMFG	143.5	143.8	144.1	0.5	0.2	0.2	-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>