

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Up Sharply in December

Embargoed for release:  
Noon Eastern Time  
11:00 am Central Time  
February 11, 2004

Contact: James Pieper  
312-322-2387

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

2004 Release Dates:

March 11  
April 12  
May 11  
June 10  
July 12  
August 11  
September 9  
October 12  
November 10  
December 9

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 2.0% in December, to a seasonally adjusted level of 115.9 (1997=100). Revised data show the index also increased 2.0% in November, to 113.7. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was up 0.3% in December. Regional output during December was 2.9% higher than a year earlier, the first month since January 2003 that output exceeded year-earlier levels. Output in the nation was 2.7% above year-ago levels.

Output in three of the four CFMMI sub-sectors rose in December and was unchanged in the fourth. Regional auto sector output posted the strongest gain in December, rising 5.0%. Midwest steel sector output in December rose 0.7%. Regional resource sector output in December increased 0.3%. Midwest machinery sector output in December was unchanged.

Midwest auto manufacturing posted in December its second consecutive significant gain. Midwest automotive output rose in December by 5.0% and 2.2% in November after falling 2.2% in October. The region's auto sector output gain in December was larger than the nation's 0.5% increase. Compared with a year earlier, Midwest automotive output in December was 8.4% higher than the month prior while national output was up 2.9%.

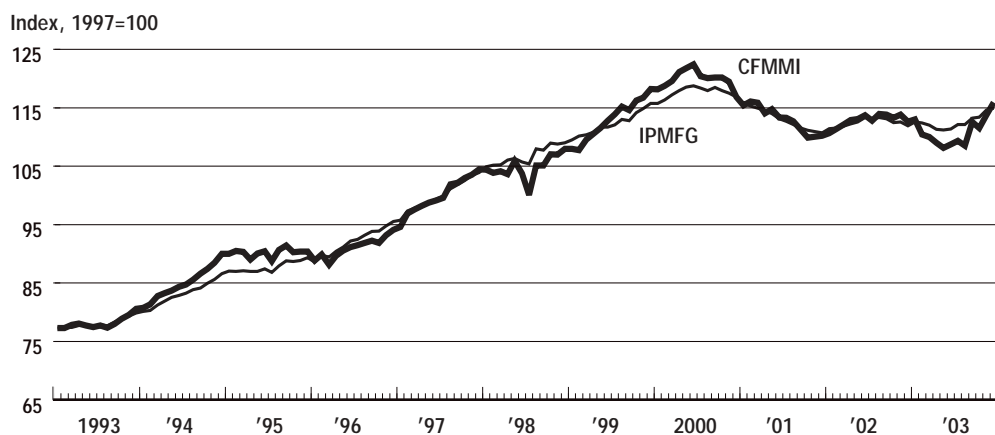
The region's steel sector output in December increased 0.7%, following a 2.8% gain in November. The nation's steel output in December rose 0.6%. The region's increase in December was balanced between primary metal output and fabricated metal production. Regional steel output was 2.9% above its December 2002 level, compared with a 0.9% increase in the nation.

The Midwest resource sector's output in December was up 0.3%, smaller than November's 1.1% increase, but similar to the nation's 0.4% gain in December. Increases in regional paper, nonmetallic mineral, chemical and wood production in December were offset slightly by a moderate drop in food production. Compared with a year ago, regional resource output in December was 0.5% lower while the nation's output was up 2.0%.

Midwest machinery sector output in December was unchanged after a very strong 2.3% increase in November, while the nation's output increased 0.2%. Regional machinery output in December was 0.7% above year-earlier levels while national machinery output was up 13.0%

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

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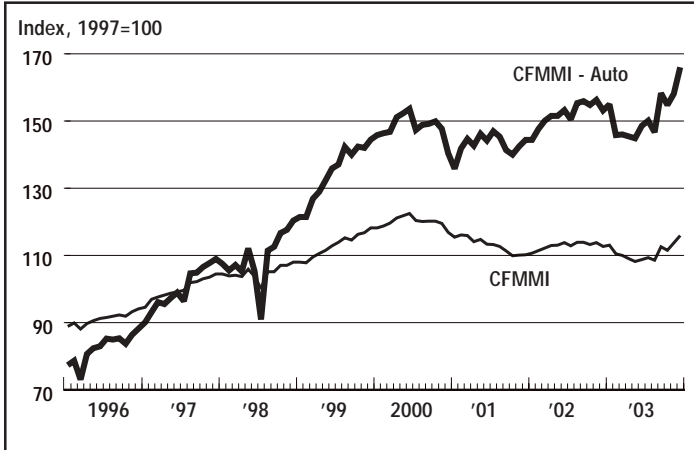
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Manufacturing output indexes—December

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	2.0	3.0	2.9
US Industrial Production-Manufacturing (IPMFG)	0.3	1.5	2.7

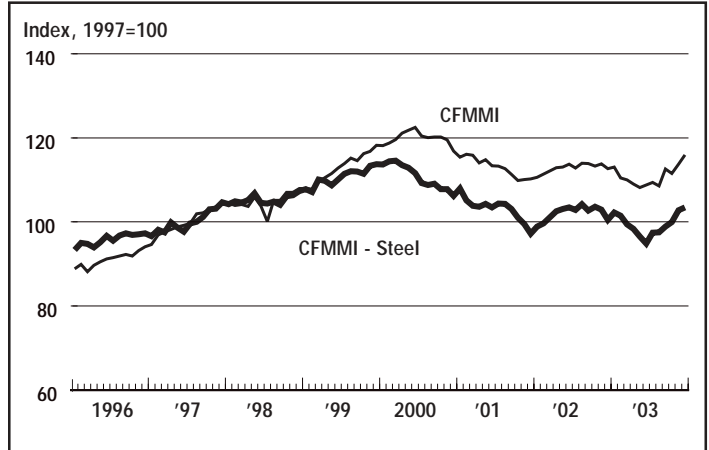
# Tracking Midwest Manufacturing Activity by Sectors — December 2003

## Auto Sector



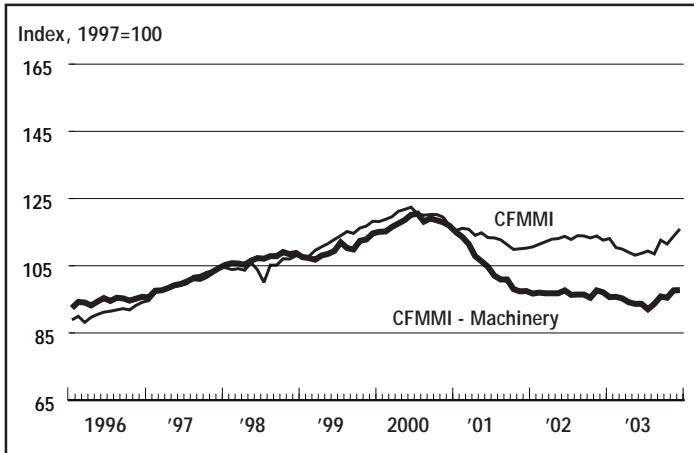
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



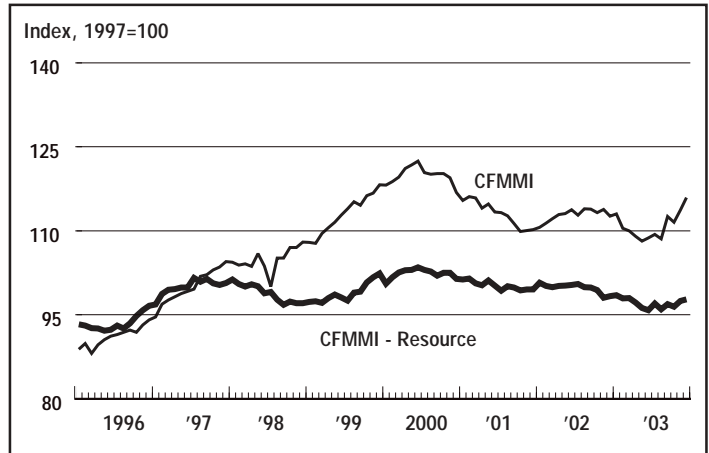
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## Machinery Sector



Machinery Sector CFMMI Components:  
Machinery; Computer and Electronic Product; Electrical Equipment, Appliance, and Components Manufacturing

## Resource Sector



Resource Sector CFMMI Components:  
Food; Wood Product; Paper; Chemicals; Nonmetallic Mineral Products

## Manufacturing Activity: Summary Table

	Index, 1997=100			Percent change			
	Oct 03	Nov 03	Dec 03	Monthly		Annual	
				Oct 03	Nov 03		Dec 03
CFMMI	111.5	113.7	115.9	-0.9	2.0	2.0	2.9
CFMMI - Auto	154.8	158.1	166.0	-2.2	2.2	5.0	8.4
CFMMI - Steel	100.0	102.7	103.4	1.1	2.8	0.7	2.9
CFMMI - Machinery	95.5	97.7	97.7	-0.4	2.3	0.0	0.7
CFMMI - Resource	96.4	97.5	97.8	-0.5	1.1	0.3	-0.5
IPMFG	113.4	114.6	114.9	0.2	1.0	0.3	2.7

Note: Three of the seventeen industries in the CFMMI are not included in any of the four sectors above. These are Furniture and Related Products; Printing and Related Support Activities; Miscellaneous Manufacturing.

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 15 manufacturing industries (identified by 3-digit NAICS 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>