

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Rises in September

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The Chicago Fed Midwest Manufacturing Index (CFMMI) increased 2.7% in September, to a seasonally adjusted level of 110.0 (1997=100). This was the first monthly gain in Midwest manufacturing production since June, helping the CFMMI return near its February levels. Revised data show the index declined 1.1% in August, to 107.1. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) increased 0.8% in September. September output in the region was 4.0% lower than a year earlier, while output in the nation was 0.6% below year-ago levels.

Output in three of the four CFMMI sub-sectors rose in September. Output for the Midwest auto sector rebounded 7.1% in September, after a 3.0% decline in August. Midwest machinery sector output rose 1.1% in September. Regional steel sector output increased 0.3% in September. Regional resource sector output posted the only decline, falling 0.2% in September.

Midwest automotive output increased sharply by 7.1% in September, more than the nation's 3.3% increase. Compared with a year earlier, Midwest automotive output was 1.6% lower in September while national output was up 1.9%.

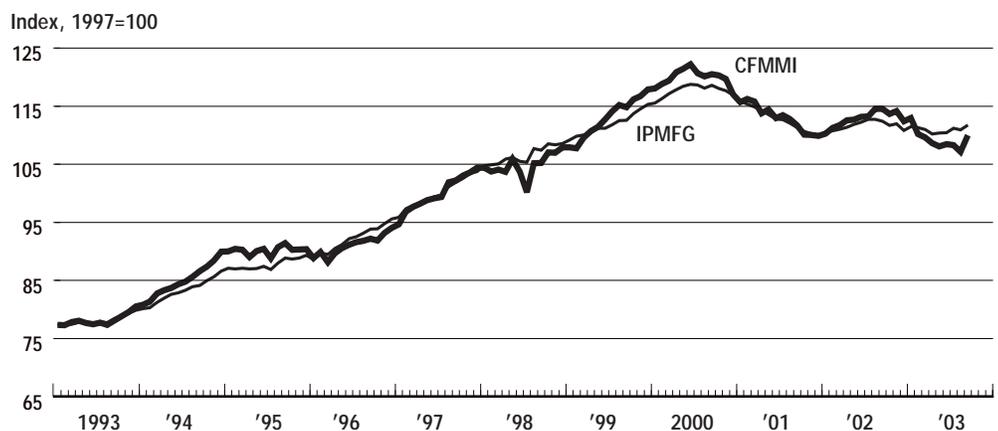
Both Midwest and national machinery output rose 1.1%. Regional machinery output in September was 3.2% below year-earlier levels while national machinery output was up 6.9%.

The region's steel sector output increased 0.3% in September while the nation's steel output rose 0.1%. Both regional primary metals production and regional fabricated metal production increased 0.8% and 0.1% respectively. Regional steel output was 7.4% below its September 2002 level compared with a 4.3% decrease in the national steel output.

The Midwest resource sector's output decreased 0.2% in September while the national output gained 0.1%. The paper manufacturing sector was hit the hardest, experiencing a 1.6% decline. Compared with a year ago, regional resource output was 5.4% lower in September, a greater decline than the national one of 1.4%.

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

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The next CFMMI will be released:
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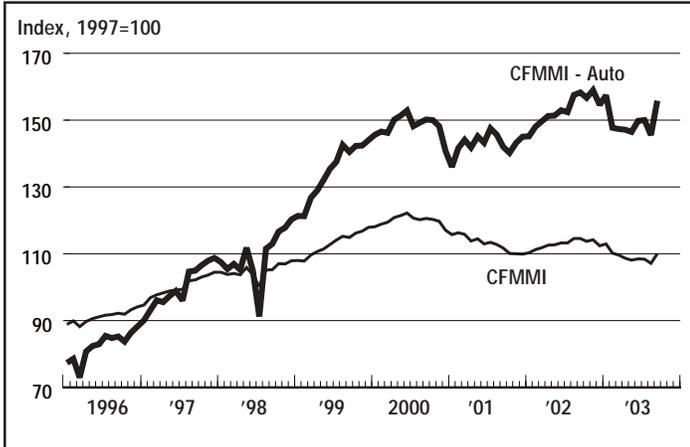
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Manufacturing output indexes—September

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	2.7	1.4	-4.0
US Industrial Production-Manufacturing (IPMFG)	0.8	1.2	-0.6

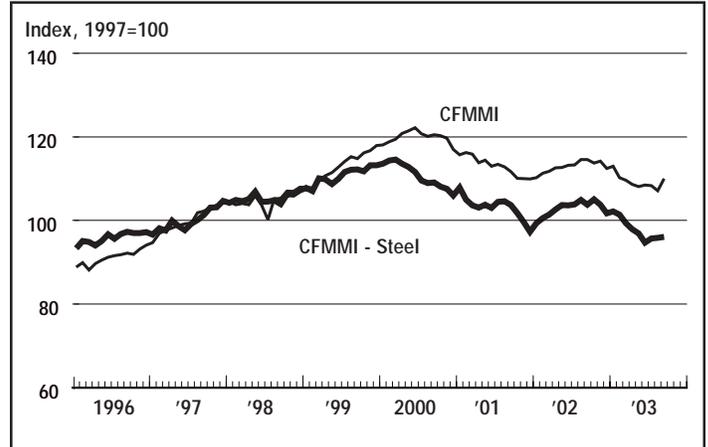
Tracking Midwest Manufacturing Activity by Sectors — September 2003

Auto Sector



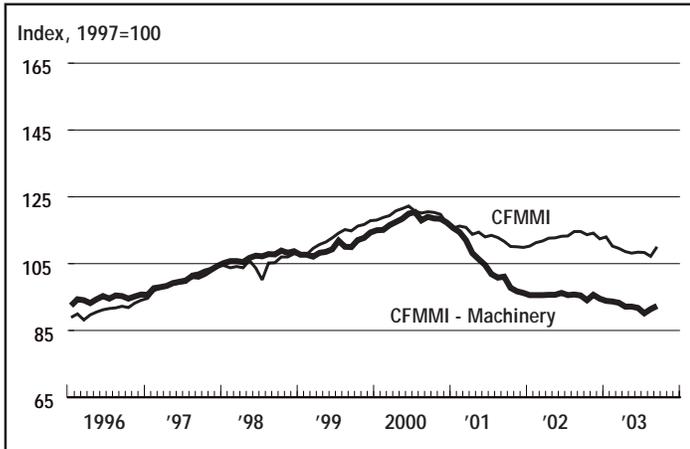
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



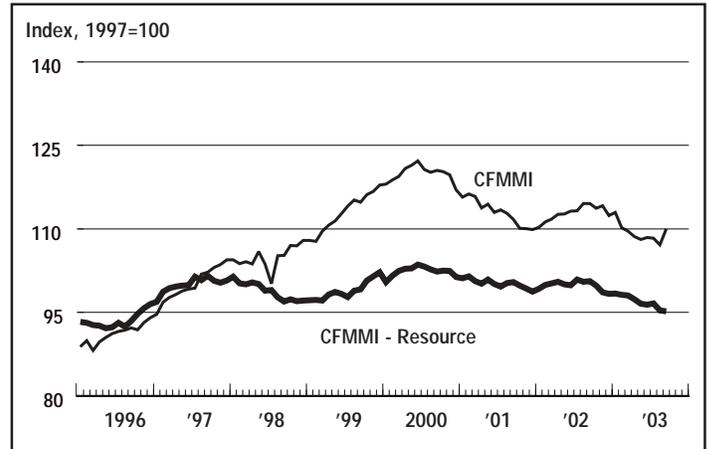
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Jul 03	Aug 03	Sep 03	Monthly			Annual Sep 02-Sep 03
				Jul 03	Aug 03	Sep 03	
CFMMI	108.3	107.1	110.0	-0.1	-1.1	2.7	-4.0
CFMMI - Auto	149.9	145.5	155.8	0.1	-3.0	7.1	-1.6
CFMMI - Steel	95.7	95.8	96.1	1.1	0.1	0.3	-7.4
CFMMI - Machinery	90.1	91.4	92.4	-1.8	1.4	1.1	-3.2
CFMMI - Resource	96.6	95.4	95.2	0.3	-1.3	-0.2	-5.4
IPMFG	111.2	110.9	111.8	0.7	-0.3	0.8	-0.6

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>