

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Falls in July

Embargoed for release:  
Noon Eastern Time  
11:00 am Central Time  
September 9, 2004

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2004 Release Dates:  
October 12  
November 10  
December 9

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 0.6% in July, to a seasonally adjusted level of 115.1 (1997=100). Revised data show the index decreased 1.0% in June, to 115.8. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 0.5% in July. Regional output in July was 5.8% higher than a year earlier, slightly larger than the nation's 5.5% increase.

Output in only one of the four CFMMI sub-sectors fell in July. Regional auto output dropped 3.2% from its June level. Midwest steel sector production rose 0.3% in July. Output of the Midwest resource sector was up 0.4% in July. Regional machinery sector output posted the largest increase, rising 1.0% in July.

Midwest auto sector production declined 3.2% in July after falling 2.0% in June. The nation's auto output was down a more modest 0.2% in July. Compared with a year earlier, Midwest automotive output was 0.9% higher in July while national output was up 2.4%.

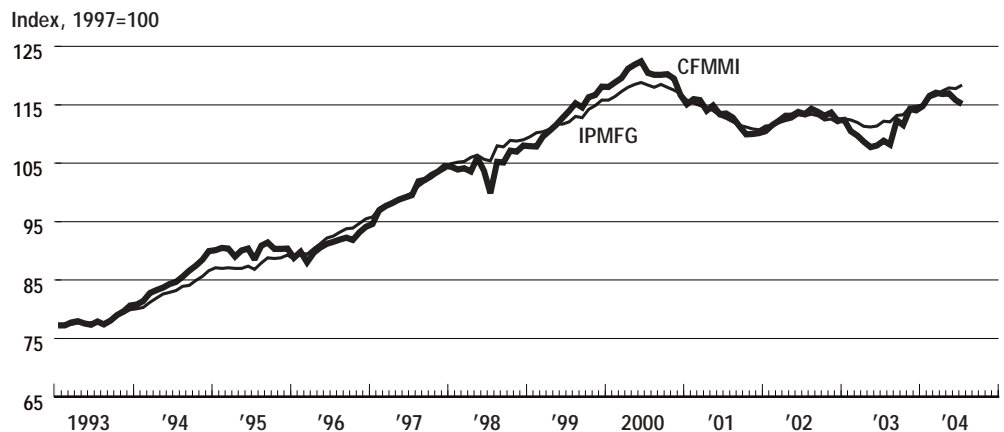
The region's steel sector output rose 0.3% in July, after increasing 0.6% in June. The nation's steel output fell 0.1% in July. Regional steel output was 11.2% above its July 2003 level compared with a 5.0% increase in the nation.

The Midwest resource sector's output rose 0.4% in July after declining 1.1% in June. The nation's resource sector's output was up 0.3% in July. Increases in regional paper, nonmetallic mineral and chemical production in July were offset slightly by a fall in wood and food production. Compared with a year ago, regional resource output was up 4.0% in July while the nation's output was up 3.9%.

Midwest machinery sector output rose 1.0% in July after falling 0.3% in June. The nation's machinery output increased 2.6% in July. Regional machinery output in July was 12.9% above year-earlier levels while national output was up 18.1%.

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

Chicago Fed Midwest Manufacturing Index



The next CFMMI will be released:  
October 12, 2004  
Noon Eastern Time  
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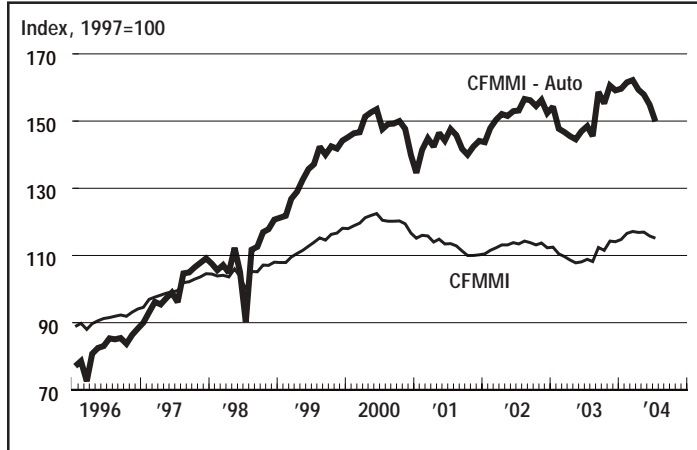
FEDERAL RESERVE BANK  
OF CHICAGO

### Manufacturing output indexes—July

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.6	-1.5	5.8
US Industrial Production-Manufacturing (IPMFG)	0.5	0.9	5.5

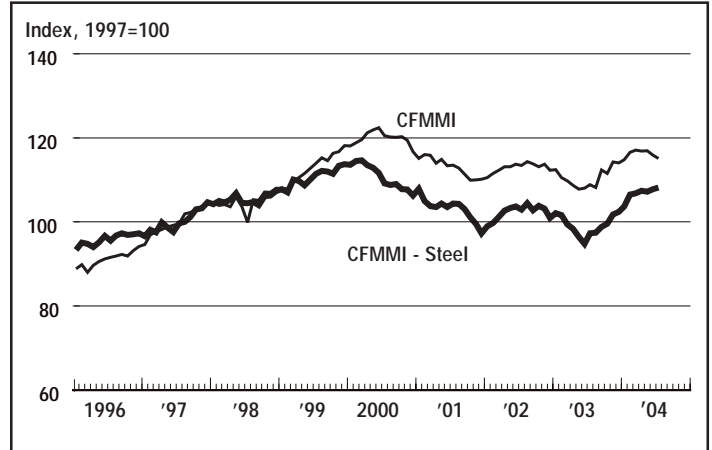
# Tracking Midwest Manufacturing Activity by Sectors — July 2004

## Auto Sector



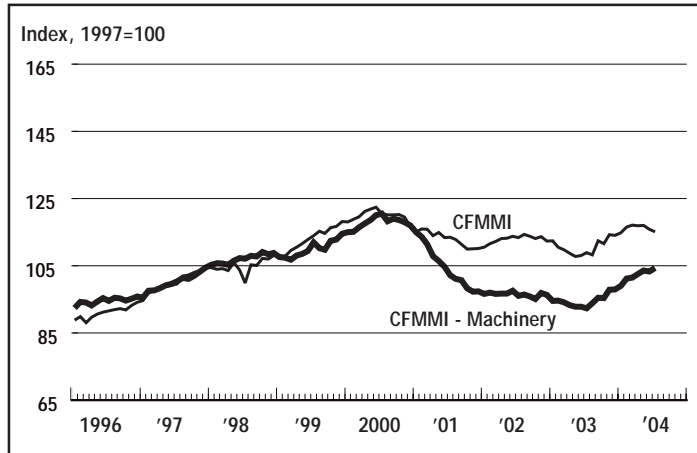
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



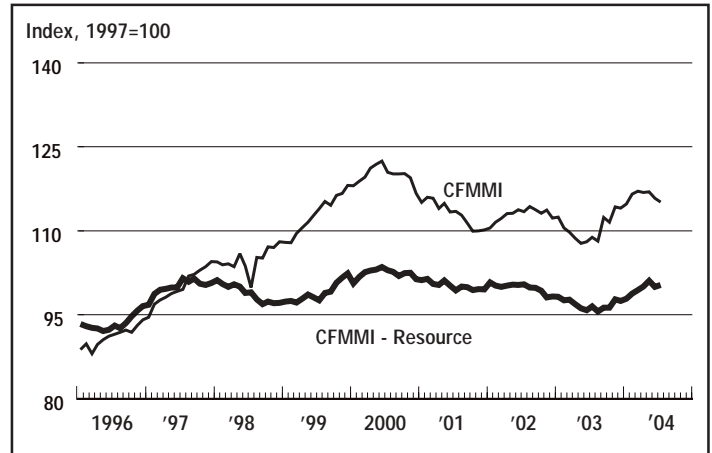
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	May 04	Jun 04	Jul 04	Monthly			Annual Jul 03–Jul 04
				May 04	Jun 04	Jul 04	
CFMMI	117.0	115.8	115.1	0.1	-1.0	-0.6	5.8
CFMMI - Auto	157.9	154.8	149.9	-0.9	-2.0	-3.2	0.9
CFMMI - Steel	107.2	107.8	108.2	-0.2	0.6	0.3	11.2
CFMMI - Machinery	103.6	103.3	104.3	1.0	-0.3	1.0	12.9
CFMMI - Resource	101.1	100.0	100.4	1.0	-1.1	0.4	4.0
IPMFG	117.9	117.8	118.4	0.4	-0.1	0.5	5.5

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>