

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Rises in October

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 1.8% in October, to a seasonally adjusted level of 118.2 (1997=100). Revised data show the index decreased 1.0% in September, to 116.1. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose a more moderate 0.7% in October. Regional output in October was 6.0% higher than a year earlier, slightly more than the nation's 5.7% increase.

Output in all four CFMMI sub-sectors rose in October; the last time all four sectors increased was March 2004. Regional auto output moved up 3.1% from its September level, steel sector production gained 2.9%, output in the machinery sector rose 0.8%, and resource sector output increased 0.6%.

Midwest auto sector production climbed a strong 3.1% in October after falling 2.5% in September. The nation's auto output rose by a more modest but still solid 1.6% in October. Compared with a year earlier, Midwest automotive output was 1.4% higher in October, while national output was up 3.3%.

The region's steel sector output increased 2.9% in October after decreasing 1.6% in September. The nation's steel output rose 1.1% in October. Both primary metal and fabricated metal production contributed to the strong performance in Midwest steel output. Regional steel output was 11.3% above its October 2003 level compared with a 6.0% increase in the nation.

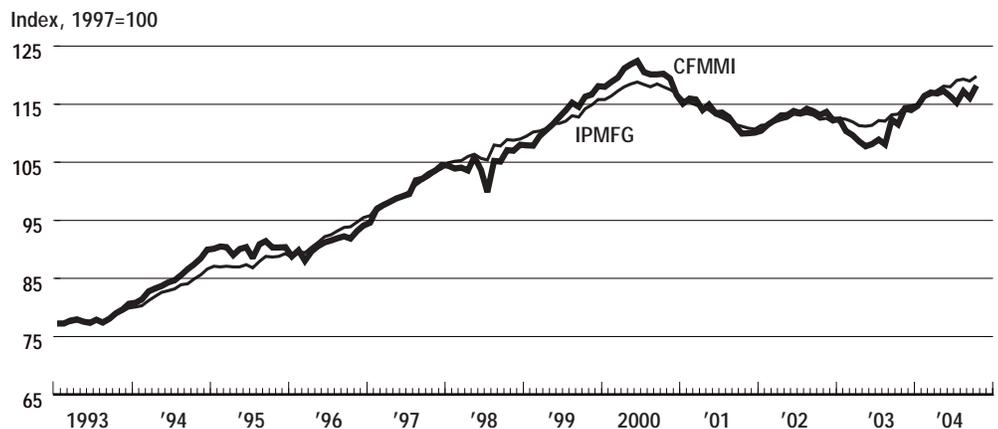
Midwest machinery sector output increased 0.8% in October after rising 0.6% in September. The nation's machinery output also rose 0.8% in October. Regional machinery output in October was 10.5% above year-earlier levels, while national output was up 11.8%.

The Midwest resource sector's output rose 0.6% in October after falling 0.2% in September. The nation's resource sector's output ticked up 0.3% in October. Increases in regional resource production were widespread in October, with gains in paper, wood, nonmetallic mineral, and chemical production more than offsetting a loss in food production. Compared with a year ago, regional resource output was up 5.6% in October, while national output was up 4.3%.

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

NOTE: The November CFMMI will be released on Tuesday, December 28, and, in the future, the index will be published more quickly than it was in the past. As a result of new estimation methods, the CFMMI can be released soon after the state employment data becomes available. The complete 2005 release schedule appears on the left.

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

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2004 and 2005 Release Dates:
December 28, 2004
January 27, 2005
March 15, 2005
April 5, 2005
April 27, 2005
May 26, 2005
June 27, 2005
July 27, 2005
August 25, 2005
September 27, 2005
October 27, 2005
November 29, 2005
December 27, 2005

The next CFMMI will be released:
December 28, 2004
Noon Eastern Time
11:00 am Central Time

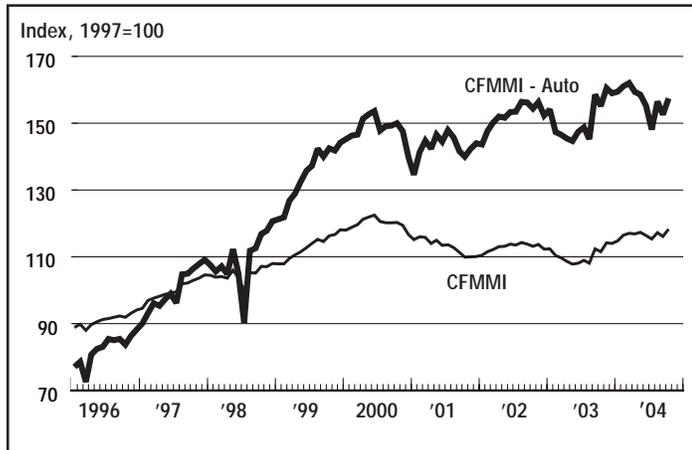
FEDERAL RESERVE BANK
OF CHICAGO

Manufacturing output indexes—October

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	1.8	2.6	6.0
US Industrial Production-Manufacturing (IPMFG)	0.7	0.6	5.7

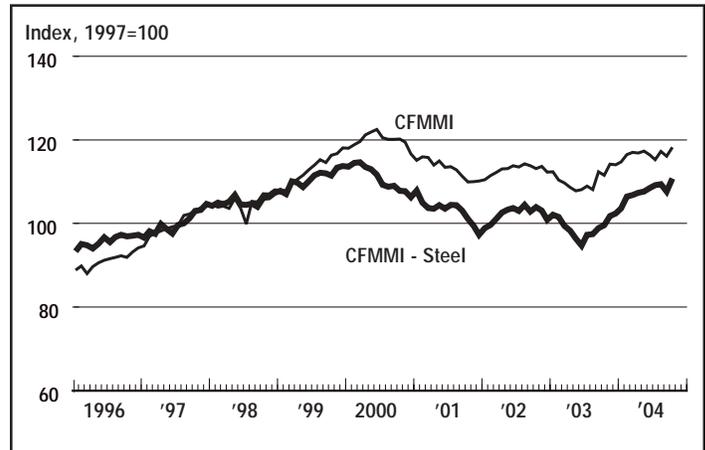
Tracking Midwest Manufacturing Activity by Sectors — October 2004

Auto Sector



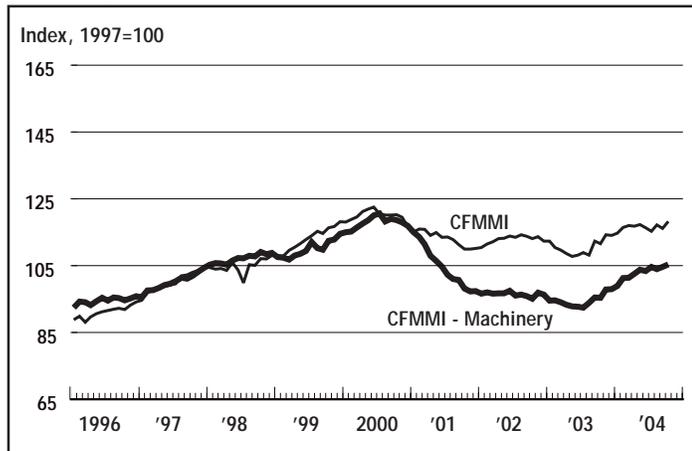
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



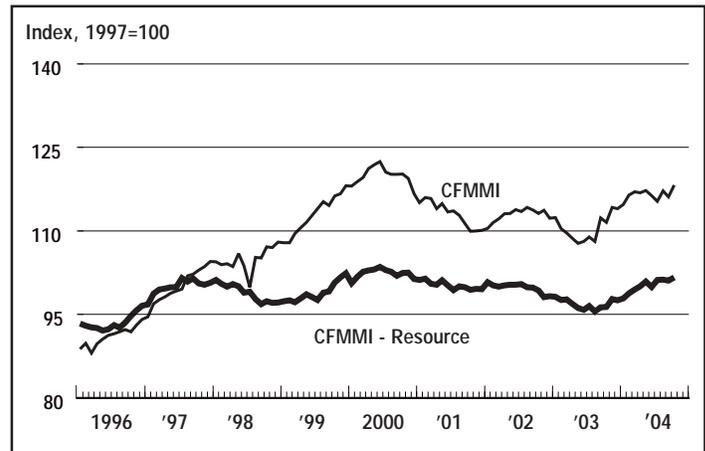
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Aug 04	Sep 04	Oct 04	Monthly			Annual Oct 03–Oct 04
				Aug 04	Sep 04	Oct 04	
CFMMI	117.2	116.1	118.2	1.7	-1.0	1.8	6.0
CFMMI - Auto	156.5	152.6	157.4	5.6	-2.5	3.1	1.4
CFMMI - Steel	109.4	107.6	110.8	0.2	-1.6	2.9	11.3
CFMMI - Machinery	103.9	104.6	105.4	-0.7	0.6	0.8	10.5
CFMMI - Resource	101.3	101.1	101.7	0.1	-0.2	0.6	5.6
IPMFG	119.3	119.0	119.8	0.2	-0.3	0.7	5.7

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>