

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Rises in June

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2005 Release Dates:
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September 27, 2005
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The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.5% in June, to a seasonally adjusted level of 119.1 (1997=100). Revised data show the index rose 0.3% in May, to 118.6. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 0.4% in June. Regional output in June was 2.5% higher than a year earlier, lower than the nation's 3.7% increase.

Two of the four regional subsectors rose in June. The increase in June was driven by a solid increase in regional auto output. Regional auto output rose 1.8% from its May level and output in the machinery sector edged higher by 0.1%. The resource sector output edged lower by 0.1% and the steel sector's output decreased 1.1%.

Midwest auto sector production rose 1.8% in June after edging higher by 0.1% in May. The nation's auto output increased 1.7% in June. Compared with a year earlier, Midwest automotive output was 3.3% higher in June compared with a 5.7% increase for the nation.

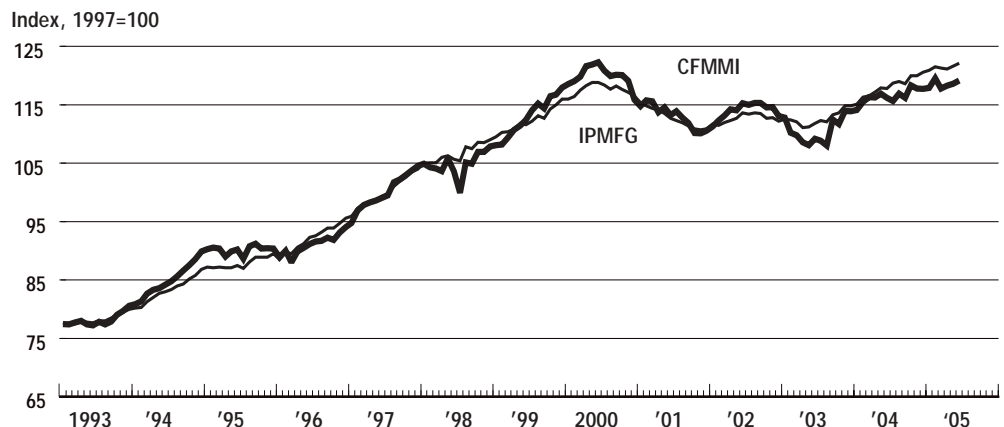
Midwest machinery sector output edged 0.1% higher in June after gaining 1.1% in May. The nation's machinery output rose 0.5% in June. Regional machinery output in June was 4.9% above year-earlier levels while national output was up 13.6%.

The Midwest resource sector's output edged 0.1% lower in June after rising 0.9% in May. The nation's resource sector's output was unchanged in June. Decreases in regional wood, paper and food production were somewhat offset by an increase in nonmetallic mineral production in June. Compared with a year ago, regional resource output was up 2.2% in June, slightly ahead of the nation's 2.0% rise.

The region's steel sector output decreased 1.1% in June, after falling 0.9% in May. The nation's steel output fell 0.8% in June. Regional steel output was 4.0% below its June 2004 level compared with a 2.6% decrease in the nation.

— 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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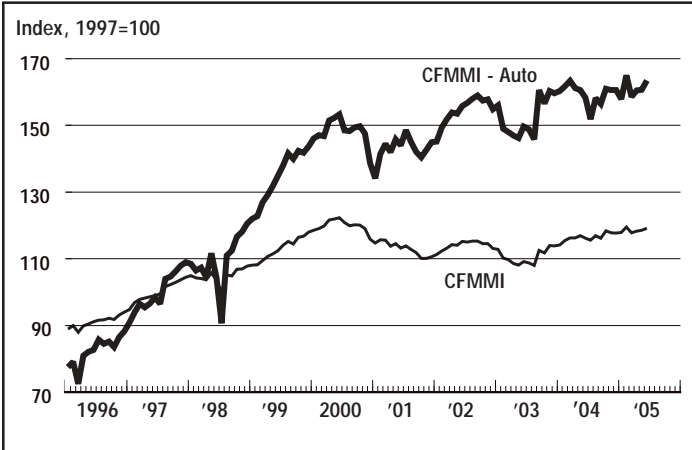
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Manufacturing output indexes—May

| | percent change from | | |
|---|---------------------|--------------|------------|
| | 1 month ago | 3 months ago | 1 year ago |
| Chicago Fed Midwest Manufacturing Index (CFMMI) | 0.5 | 1.1 | 2.5 |
| US Industrial Production-Manufacturing (IPMFG) | 0.4 | 0.7 | 3.7 |

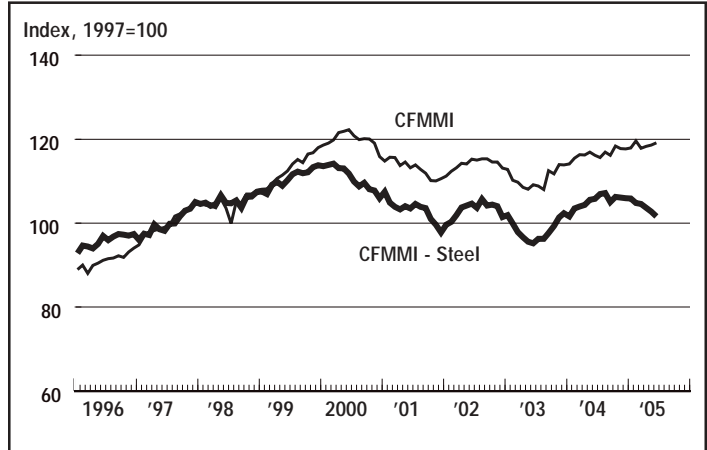
Tracking Midwest Manufacturing Activity by Sectors — June 2005

Auto Sector



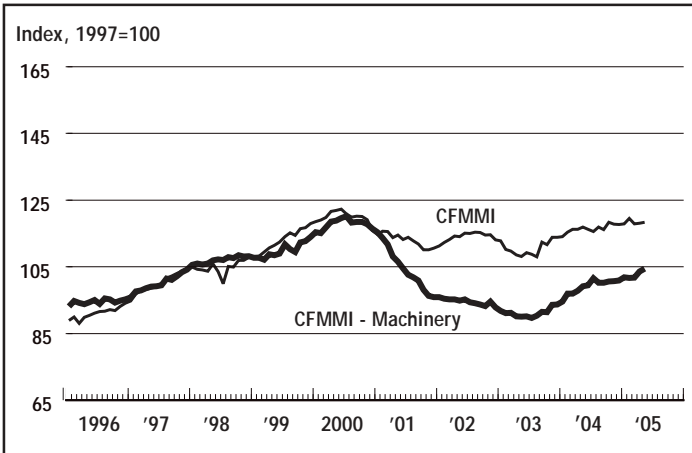
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



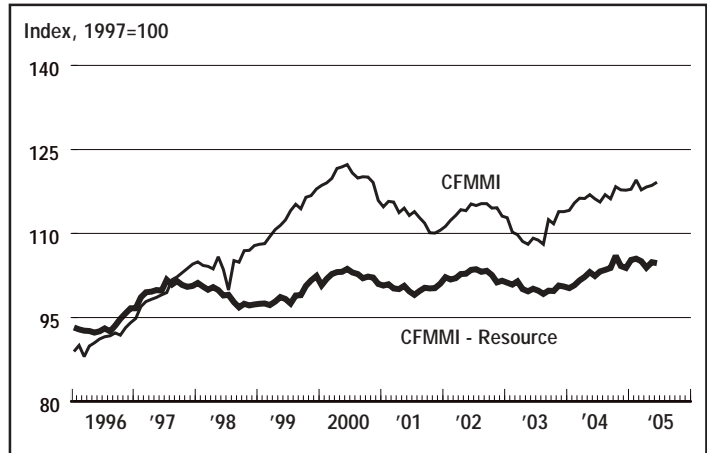
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

Machinery Sector



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

Resource Sector



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

Manufacturing Activity: Summary Table

| | Index, 1997=100 | | | Percent change | | | |
|-------------------|-----------------|--------|--------|----------------|--------|--------|--------|
| | Apr 05 | May 05 | Jun 05 | Monthly | | | Annual |
| | | | | Apr 05 | May 05 | Jun 05 | |
| CFMMI | 118.3 | 118.6 | 119.1 | 0.4 | 0.3 | 0.5 | 2.5 |
| CFMMI - Auto | 160.4 | 160.6 | 163.5 | 1.2 | 0.1 | 1.8 | 3.3 |
| CFMMI - Steel | 103.7 | 102.7 | 101.6 | -0.9 | -0.9 | -1.1 | -4.0 |
| CFMMI - Machinery | 103.1 | 104.2 | 104.3 | 1.4 | 1.1 | 0.1 | 4.9 |
| CFMMI - Resource | 103.9 | 104.8 | 104.7 | -1.1 | 0.9 | -0.1 | 2.2 |
| IPMFG | 121.1 | 121.6 | 122.1 | -0.2 | 0.4 | 0.4 | 3.7 |

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>.