

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Falls in March

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2005 Release Dates:
May 26, 2005
June 27, 2005
July 27, 2005
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September 27, 2005
October 27, 2005
November 29, 2005
December 27, 2005

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 1.4% in March, to a seasonally adjusted level of 118.8 (1997=100). Revised data show the index rose 1.6% in February, to 120.5. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) fell 0.2% in March. Regional output in March was 1.7% higher than a year earlier, lower than the nation's 4.0% increase.

The weakness in March was driven by a large decrease in regional auto output. Regional auto output fell 4.1% from its February level; output in the resource sector fell 0.3%; the machinery sector's output increased 0.2%; and steel sector's output rose 0.3%.

Midwest auto sector production plunged 4.1% in March after rising a very strong 5.7% in February. The nation's auto output decreased 1.4% in March. Compared with a year earlier, Midwest automotive output was 1.9% lower in March compared with a 3.2% increase for the nation.

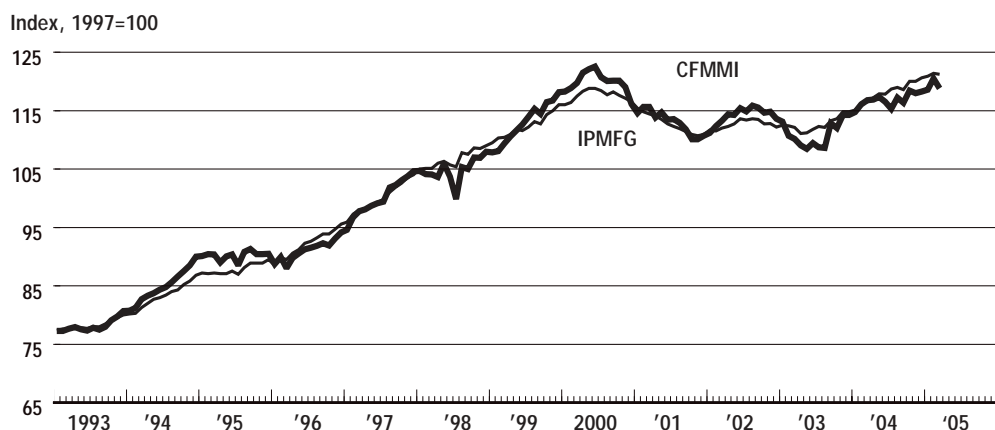
The Midwest resource sector's output fell 0.3% in March after falling 0.1% in February. The nation's resource sector's output was down 0.2% in March. Decreases in regional nonmetallic mineral, food, chemical, and paper production were somewhat offset by an increase in wood production in March. Compared with a year ago, regional resource output was up 3.2% in March while national output was up 2.5%.

Midwest machinery sector output increased 0.2% in March after falling 0.4% in February. The nation's machinery output rose 0.9% in March. Regional machinery output in March was 5.8% above year-earlier levels while national output was up 15.0%.

The region's steel sector output rose 0.3% in March, after falling 1.5% in February. The nation's steel output edged up 0.1% in March. Regional steel output was 0.9% above its March 2004 level compared with a 1.4% increase in the nation.

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

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The next CFMMI will be released:
May 26, 2005
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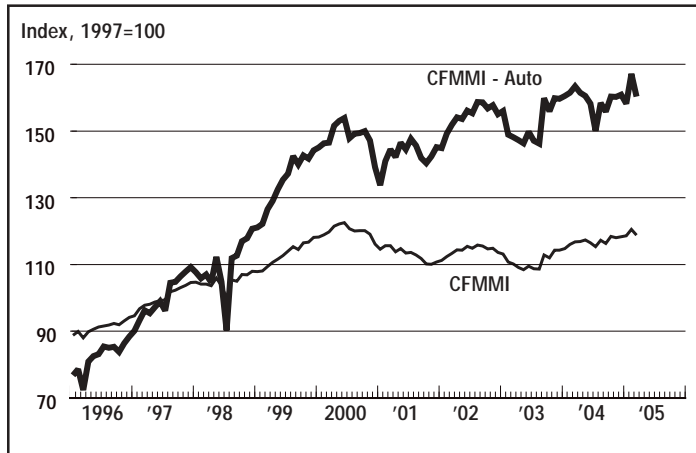
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Manufacturing output indexes—March

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-1.4	0.4	1.7
US Industrial Production-Manufacturing (IPMFG)	-0.2	0.5	4.0

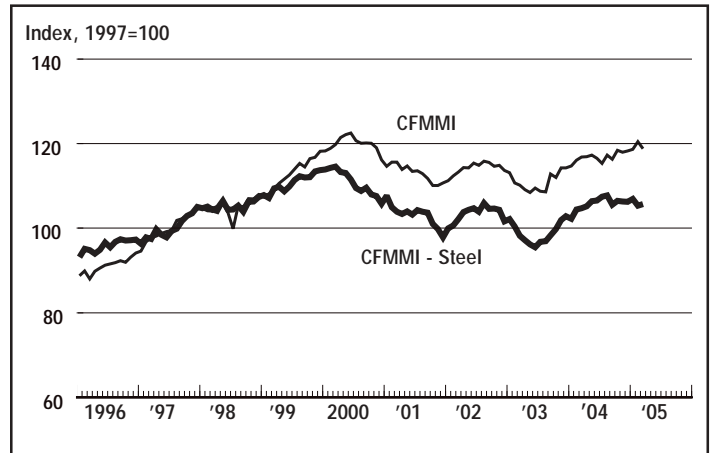
Tracking Midwest Manufacturing Activity by Sectors — March 2005

Auto Sector



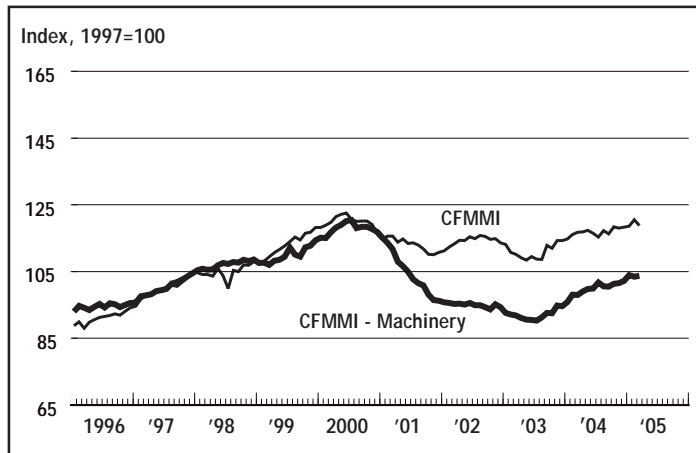
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



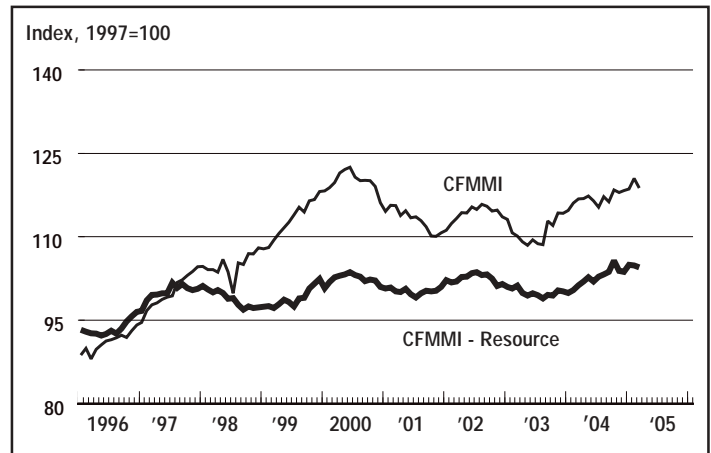
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

Machinery Sector



Machinery Sector CFMMI Components:
Machinery; Computer and Electronic 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			
	Jan 05	Feb 05	Mar 05	Monthly			Annual
				Jan 05	Feb 05	Mar 05	
CFMMI	118.6	120.5	118.8	0.3	1.6	-1.4	1.7
CFMMI - Auto	158.2	167.2	160.3	-1.6	5.7	-4.1	-1.9
CFMMI - Steel	106.9	105.3	105.7	0.7	-1.5	0.3	0.9
CFMMI - Machinery	103.9	103.5	103.7	1.7	-0.4	0.2	5.8
CFMMI - Resource	105.0	104.9	104.5	1.2	-0.1	-0.3	3.2
IPMFG	120.9	121.4	121.2	0.2	0.4	-0.2	4.0

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>