

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Rises in December

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.6% in December 2006, to a seasonally adjusted level of 104.5 (2002 = 100). Revised data show the index fell 0.2% in November, to 103.9. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was up 0.7% in December. Regional output in December was 1.8% higher than a year earlier, lower than the 3.5% increase in national output.

Three of the four regional sectors increased in December:

- Regional auto sector output was up 1.7%;
- Regional Midwest machinery sector output rose by 1.3%;
- Regional resource sector output ticked up 0.1%; and
- Regional steel sector output fell by 1.2%.

Midwest auto sector production rose 1.7% in December after remaining unchanged in November. The nation's auto output was up 1.3% in December. Compared with a year earlier, Midwest automotive output was down 0.5%, while national auto output was up 3.8%.

Midwest machinery sector output rose 1.3% in December after rising 0.1% in November. The nation's machinery output rose 1.6% in December. Regional machinery output in December was 4.9% above year-earlier levels, while national machinery output was up 13.7%.

The Midwest resource sector's output ticked up 0.1% in December after falling 0.2% in November. The nation's resource sector's output was up 0.2% in December. Three of the subsectors of the resource sector—paper, wood, and food production—increased in December, while the chemicals production subsector was unchanged and nonmetallic minerals production decreased. Compared with a year ago, regional resource output was up 1.9% in December, and national resource output was up 0.8%.

The region's steel sector output was down 1.2% in December, after falling 1.7% in November. The nation's steel output was unchanged in December. Regional steel output was 0.9% above its December 2005 level, slightly lower than the 1.3% increase in the nation's steel output.

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

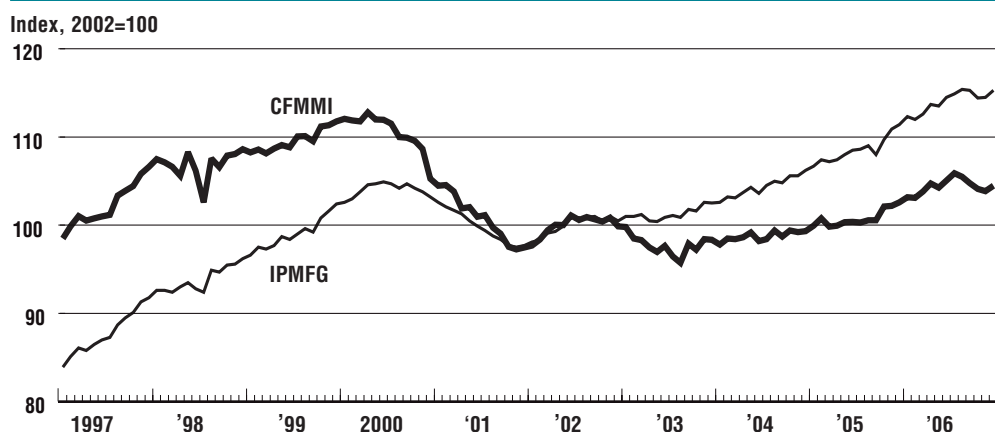
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**2007 Release Dates:
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April 5, 2007
April 26, 2007
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June 27, 2007
July 26, 2007
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September 27, 2007
October 29, 2007
November 27, 2007
December 27, 2007**

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**The next CFMMI will be released:
March 19, 2007
Noon Eastern Time
11:00 am Central Time**

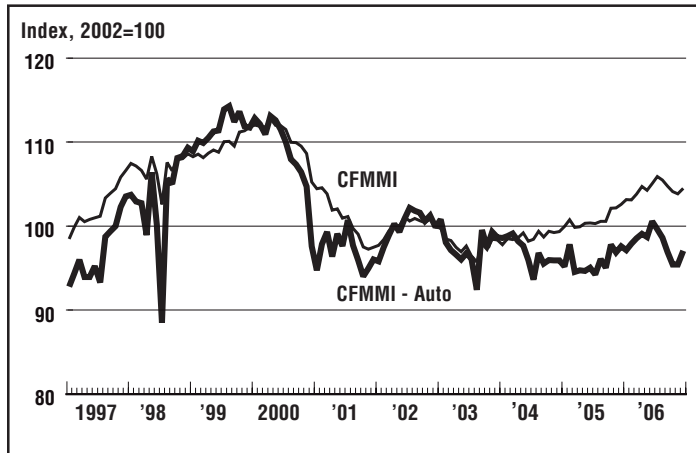
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Manufacturing output indexes—December

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.6	-0.3	1.8
US Industrial Production-Manufacturing (IPMFG)	0.7	0.0	3.5

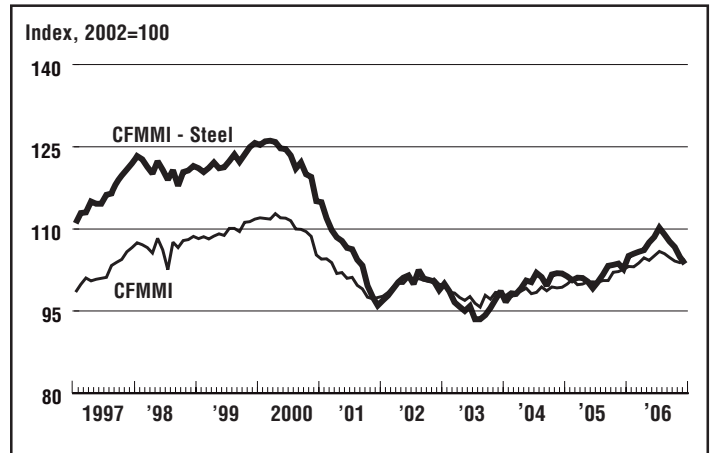
Tracking Midwest Manufacturing Activity by Sectors — December 2006

Auto Sector



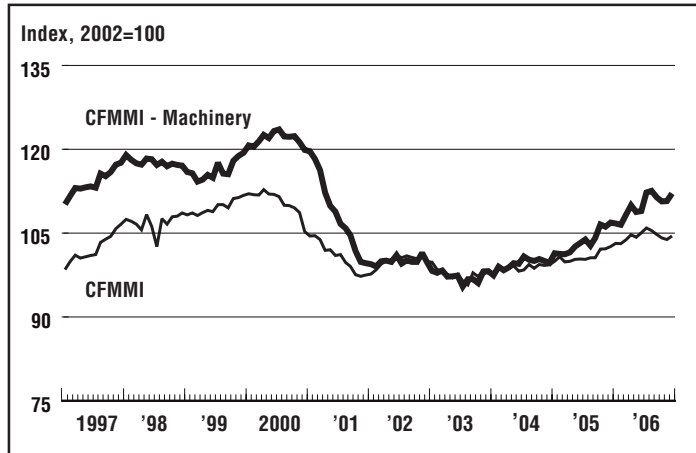
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



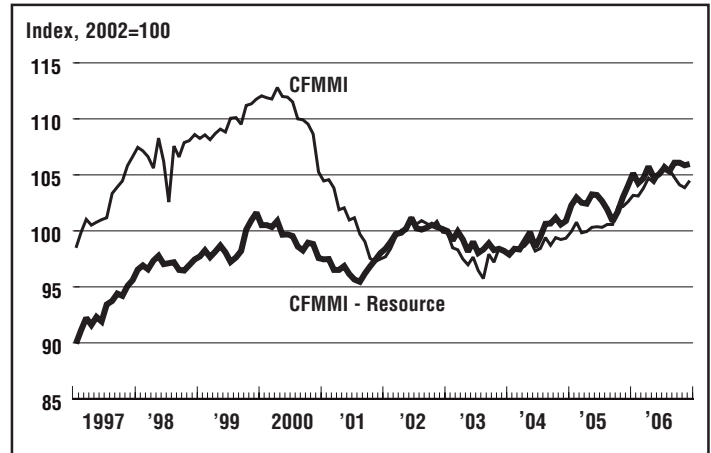
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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, 2002=100			Percent change			
	Oct 06	Nov 06	Dec 06	Monthly			Annual
				Oct 06	Nov 06	Dec 06	Dec 05–Dec 06
CFMMI	104.1	103.9	104.5	-0.6	-0.2	0.6	1.8
CFMMI - Auto	95.4	95.4	97.1	-1.5	0.0	1.7	-0.5
CFMMI - Steel	106.7	104.9	103.6	-0.9	-1.7	-1.2	0.9
CFMMI - Machinery	110.6	110.7	112.1	-0.7	0.1	1.3	4.9
CFMMI - Resource	106.1	105.9	106.0	0.0	-0.2	0.1	1.9
IPMFG	114.4	114.5	115.3	-0.8	0.1	0.7	3.5

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 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 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>.