

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Moves Higher in January

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.7% in January, to a seasonally adjusted level of 113.7 (2002=100). Revised data shows the index rose 0.2% in December, to 112.9. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) also rose 0.7% in January. Regional output in January was 4.2% higher than a year earlier, lower than the nation's 4.8% increase.

All four regional subsectors expanded in January. Regional steel output rose 1.3% from its December level. Output in the Midwest machinery sector increased 1.1%. Both the regional auto production and resource output increased 0.3%.

The region's steel sector output increased 1.3% in January, after falling 1.3% in December. The nation's steel output rose 0.4 in January. Regional steel output was 2.5% above its January 2005 level compared with a 2.9% increase in the nation.

Midwest machinery sector output rose 1.1% in January after rising 0.2% in December. The nation's machinery output rose 0.4% in January. Regional machinery output in January was 7.9% above year-earlier levels while national output was up 15.4%.

Midwest auto sector production rose 0.3% in January after rising 0.5% in December. The nation's auto output increased 1.2% in January. Compared with a year earlier, Midwest automotive output was 4.4% higher in January compared with a 5.7% increase for the nation.

The Midwest resource sector's output increased 0.3% in January after rising 0.9% in December. The nation's resource sector's output rose 0.2% in January. Increases in regional chemical, nonmetallic mineral and food production were somewhat offset by a decrease in wood and paper production in January. Compared with a year ago, regional resource output was up 2.6% in January while national output was up 1.3%.

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

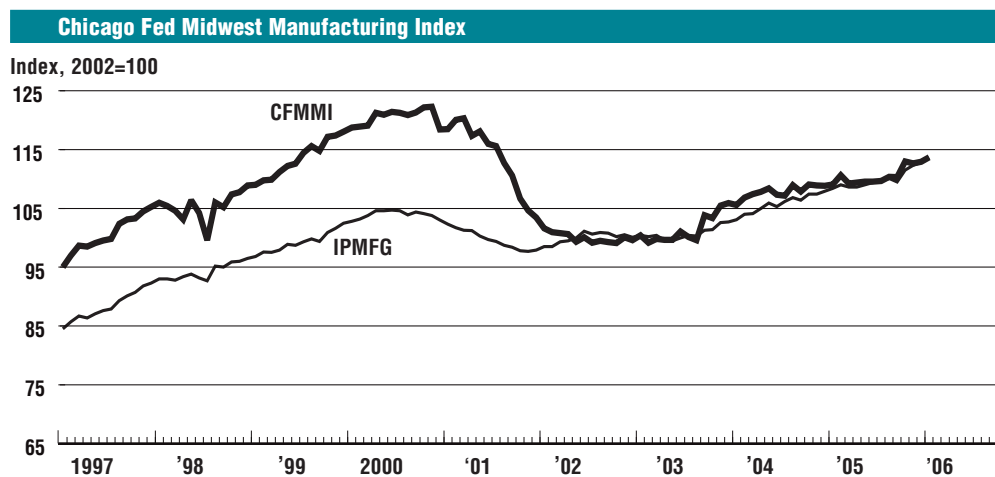
**Embargoed for release:  
Noon Eastern Time  
11:00 am Central Time  
March 14, 2006**

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**2006 Release Dates:  
April 3, 2006  
April 27, 2006  
May 30, 2006  
June 27, 2006  
July 27, 2006  
August 28, 2006  
September 27, 2006  
October 30, 2006  
November 27, 2006  
December 27, 2006**

NOTE: The Chicago Fed's Midwest Manufacturing Index (CFMMI) will no longer include data on industrial electric power use.



**The next CFMMI will be released:  
April 3, 2006  
Noon Eastern Time  
11:00 am Central Time**

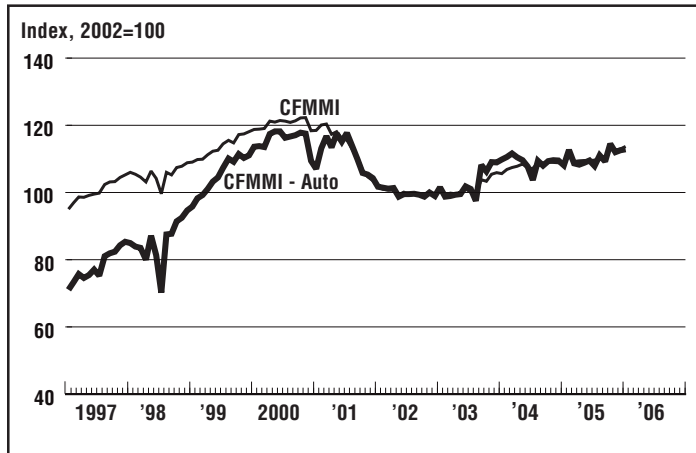
FEDERAL RESERVE BANK  
OF CHICAGO

### Manufacturing output indexes—January

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.7	0.6	4.2
US Industrial Production-Manufacturing (IPMFG)	0.7	1.9	4.8

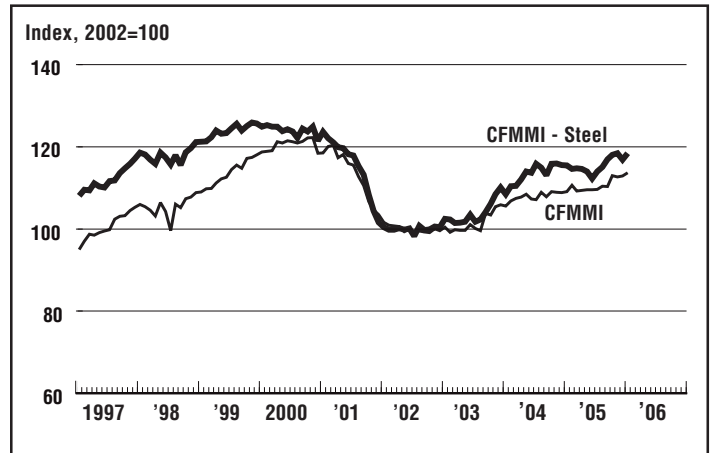
# Tracking Midwest Manufacturing Activity by Sectors — January 2006

## Auto Sector



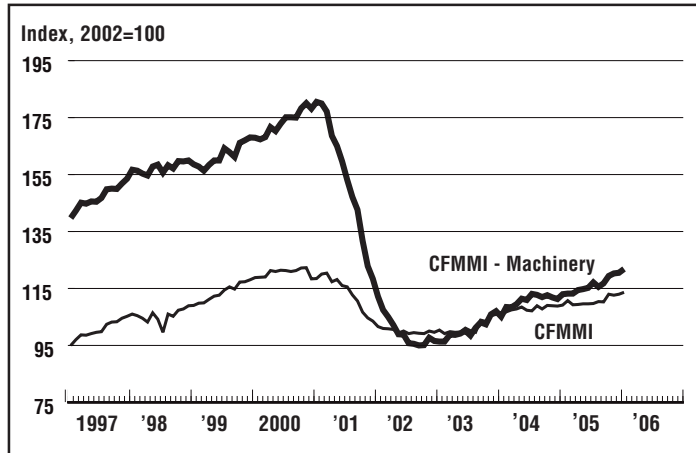
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



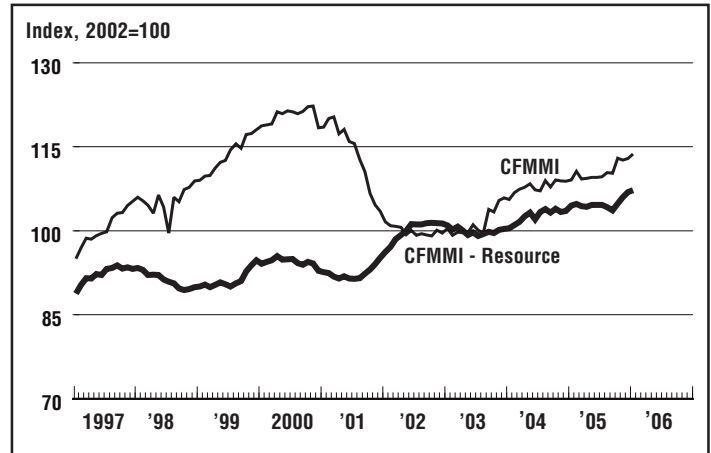
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Nov 05	Dec 05	Jan 06	Monthly		Annual	Jan 05–Jan 06
				Nov 05	Dec 05		
<b>CFMMI</b>	112.6	112.9	113.7	-0.3	0.2	0.7	4.2
<b>CFMMI - Auto</b>	111.9	112.6	112.8	-2.2	0.5	0.3	4.4
<b>CFMMI - Steel</b>	118.4	116.9	118.4	0.3	-1.3	1.3	2.5
<b>CFMMI - Machinery</b>	120.2	120.5	121.8	0.7	0.2	1.1	7.9
<b>CFMMI - Resource</b>	106.0	106.9	107.3	1.0	0.9	0.3	2.6
<b>IPMFG</b>	112.3	112.8	113.6	0.7	0.4	0.7	4.8

*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>.**