

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Rises in June

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The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.7% in June, to a seasonally adjusted level of 107.0 (2002=100). Revised data show the index fell 0.1% in May, to 106.2. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) also rose 0.7% in June. Regional output in June was 5.7% higher than a year earlier, lower than the national output's 5.9% increase.

Three of the four regional sectors expanded in June. The auto sector increased its production by 2.1%, while output in the regional steel sector rose by 0.8%, and the Midwest machinery sector increased 0.4%. During the same time period, the regional resource output was down 0.1%.

Midwest auto sector production rose 2.1% in June after decreasing 0.2% in May. The nation's auto output was up 2.0% in June. Compared with a year earlier, Midwest automotive output was 6.1% higher in June, and national auto output was up 6.6%.

The region's steel sector output was up 0.8% in June, after rising 1.9% in May. The nation's steel output was up 0.7% in June. Regional steel output was 9.8% above its June 2005 level, slightly higher than the 9.4% increase in the nation's steel output.

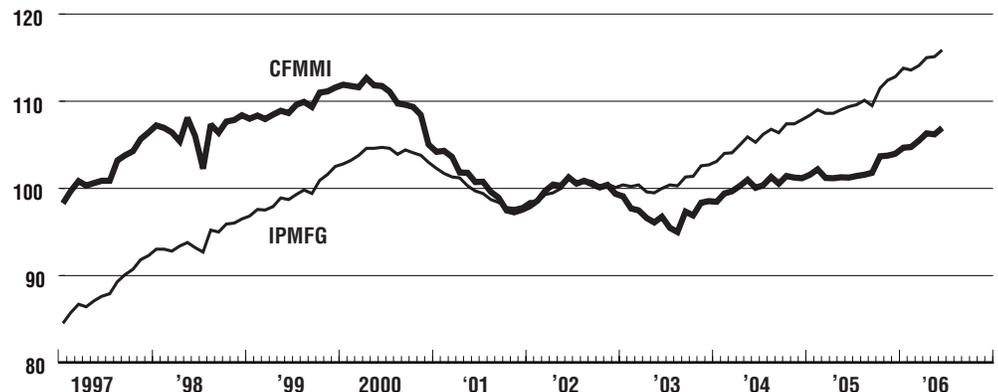
Midwest machinery sector output increased 0.4% in June after falling 1.0% in May. The nation's machinery output rose 1.0% in June. Regional machinery output in May was 8.1% above year-earlier levels, while national machinery output was up 14.7%.

The Midwest resource sector's output decreased 0.1% in June after a decrease of 0.5% in May. The nation's resource sector's output was up 0.2% in June. Decrease in food production in June was offset by increases in paper, wood, and nonmetallic mineral production; regional chemical was unchanged. Compared with a year ago, regional resource output was up 2.6% in June, while national resource output was up 2.0%.

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

Chicago Fed Midwest Manufacturing Index

Index, 2002=100



**The next CFMMI will be released:
August 28, 2006
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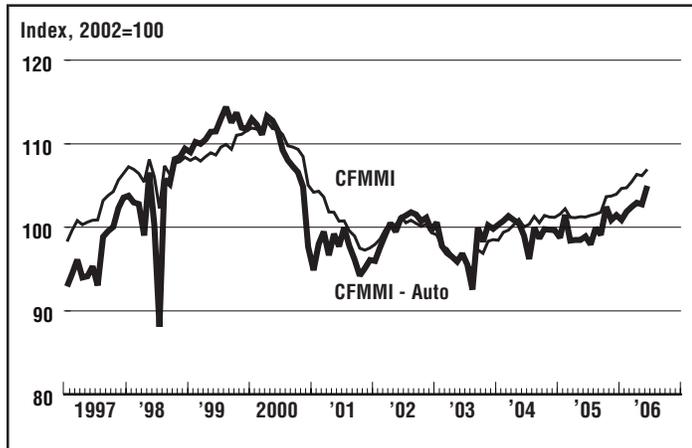
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Manufacturing output indexes—June

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.7	1.4	5.7
US Industrial Production-Manufacturing (IPMFG)	0.7	1.6	5.9

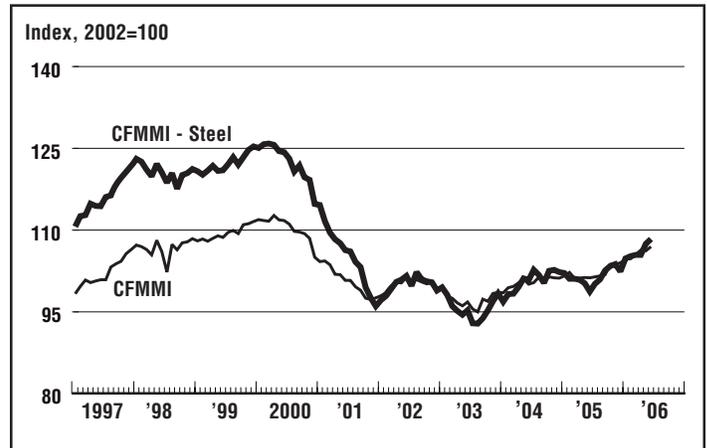
Tracking Midwest Manufacturing Activity by Sectors — June 2006

Auto Sector



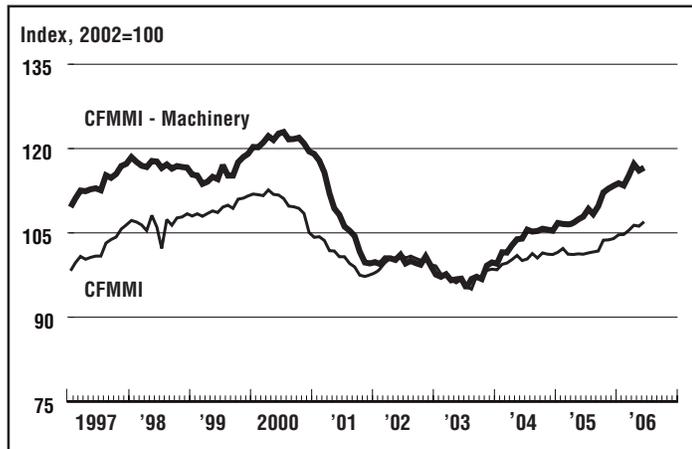
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



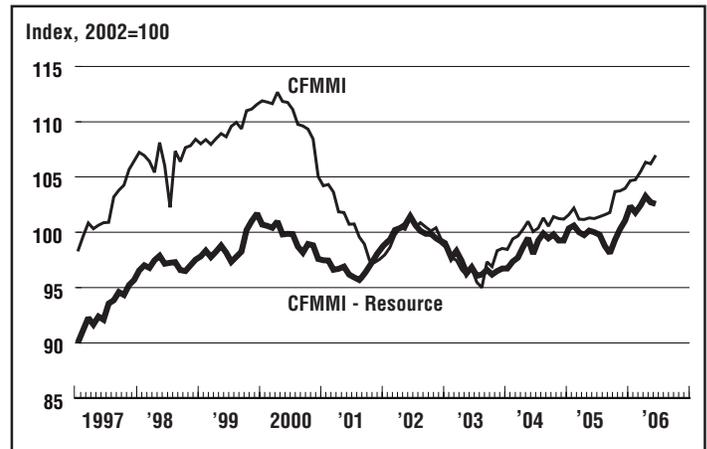
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Apr 06	May 06	Jun 06	Monthly			Annual Jun 05–Jun 06
				Apr 06	May 06	Jun 06	
CFMMI	106.3	106.2	107.0	0.8	-0.1	0.7	5.7
CFMMI - Auto	103.0	102.8	105.0	0.5	-0.2	2.1	6.1
CFMMI - Steel	105.5	107.5	108.3	0.0	1.9	0.8	9.8
CFMMI - Machinery	117.2	116.1	116.6	1.8	-1.0	0.4	8.1
CFMMI - Resource	103.3	102.7	102.6	0.8	-0.5	-0.1	2.6
IPMFG	115.0	115.1	115.9	0.8	0.1	0.7	5.9

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>.