

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Falls Slightly in May

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 0.2% in May, to a seasonally adjusted level of 106.0 (2002=100). Revised data show the index rose 0.7% in April, to 106.2. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) fell 0.1% in May. Regional output in May was 4.6% higher than a year earlier, lower than the national output's 5.4% increase.

Two of the four regional subsectors expanded in May. Output in the regional steel sector rose by 1.1% in May and auto increased 0.1% during the same time period. The regional resource output was down 0.4% in May, while the Midwest machinery sector decreased 1.2%.

The region's steel sector output was up 1.1% in May, after being unchanged in April. The nation's steel output was unchanged in May. Regional steel output was 6.4% above its May 2005 level compared with a 6.7% increase in the nation.

Midwest auto sector production rose 0.1% in May after increasing 0.4% in April. The nation's auto output was down 0.7% in May. Compared with a year earlier, Midwest automotive output was 4.7% higher in May and national output was up 5.8%.

The Midwest resource sector's output decreased 0.4% in May after an increase of 0.7% in April. The nation's resource sector's output was down 0.2% in May. Decreases in regional chemical and food production in May were offset by increases in paper, wood, and nonmetallic mineral production. Compared with a year ago, regional resource output was up 2.5% in May while national output was up 1.7%.

Midwest machinery sector output decreased 1.2% in May after rising 1.7% in April. The nation's machinery output rose 0.3% in May. Regional machinery output in May was 7.7% above year-earlier levels while national output was up 13.4%.

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

**Embargoed for release:
Noon Eastern Time
11:00 am Central Time
June 27, 2006**

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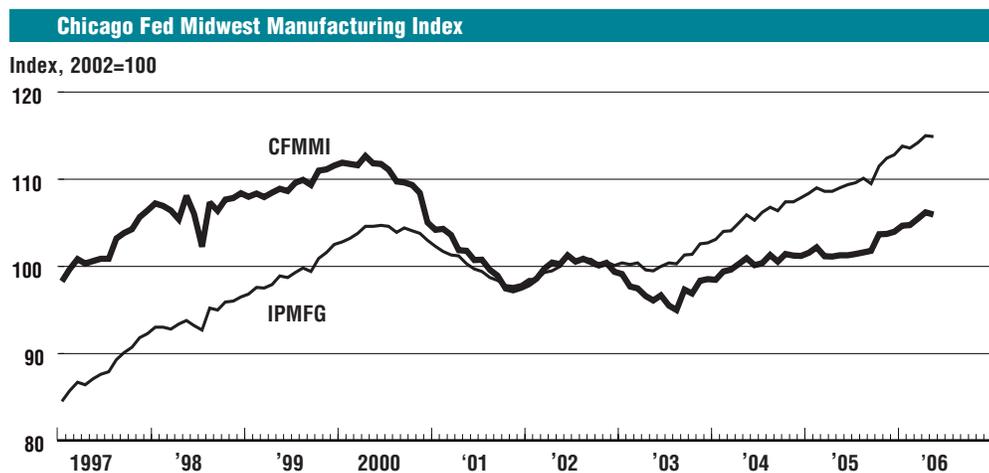
**Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60604**

**2006 Release Dates:
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) has been updated with data that was previously unavailable.

**The next CFMMI will be released:
July 27, 2006
Noon Eastern Time
11:00 am Central Time**

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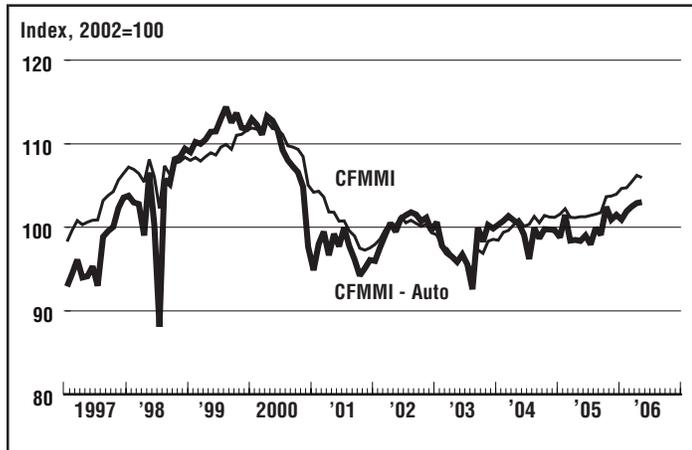


Manufacturing output indexes—May

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.2	1.2	4.6
US Industrial Production-Manufacturing (IPMFG)	-0.1	1.1	5.4

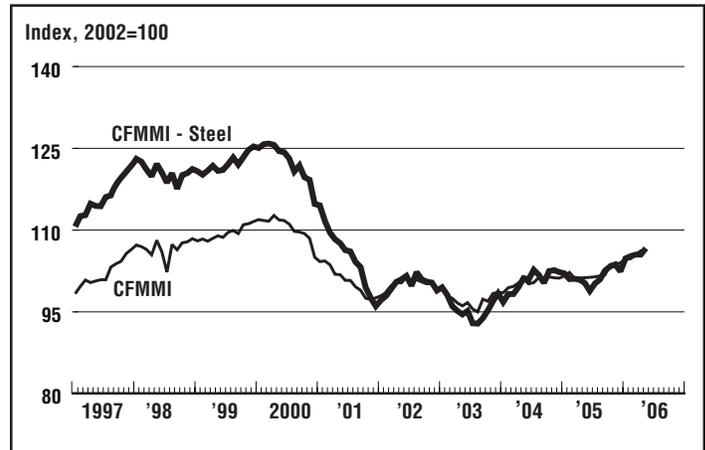
Tracking Midwest Manufacturing Activity by Sectors — May 2006

Auto Sector



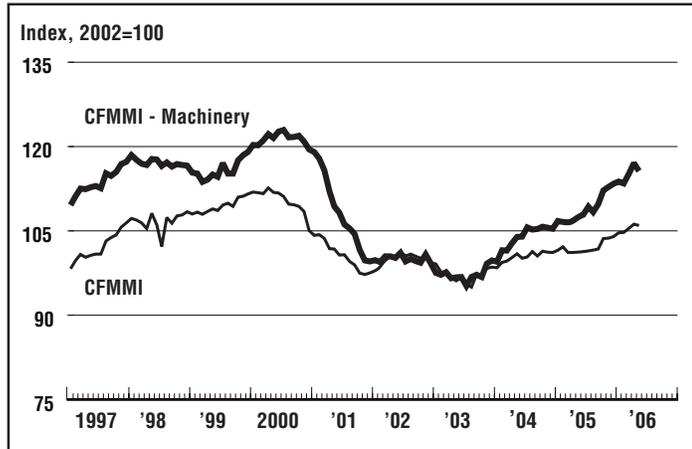
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



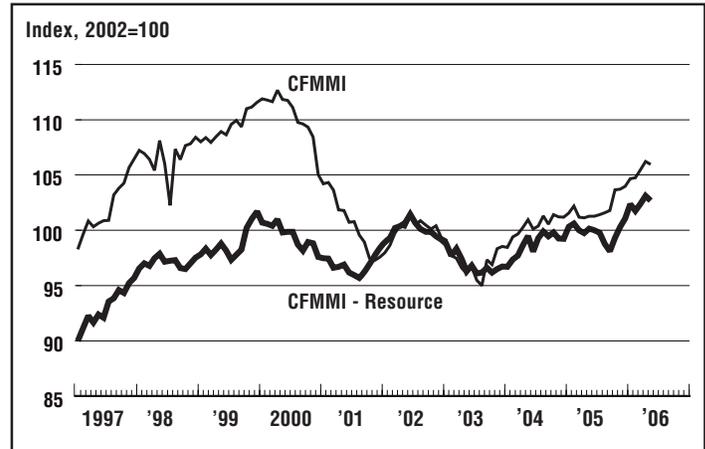
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Mar 06	Apr 06	May 06	Monthly			Annual May 05–May 06
				Mar 06	Apr 06	May 06	
CFMMI	105.5	106.2	106.0	0.7	0.7	-0.2	4.6
CFMMI - Auto	102.5	102.9	103.0	0.5	0.4	0.1	4.7
CFMMI - Steel	105.5	105.5	106.7	0.3	0.0	1.1	6.4
CFMMI - Machinery	115.1	117.0	115.6	1.5	1.7	-1.2	7.7
CFMMI - Resource	102.4	103.1	102.7	0.6	0.7	-0.4	2.5
IPMFG	114.2	115.0	114.9	0.5	0.7	-0.1	5.4

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>.