Chicago Fed 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

NOTE: The Chicago Fed’s Midwest Manufacturing Index (CFMMI) has been updated with data that was previously unavailable.
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.

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.