

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Falls in October

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 0.4% in October, to a seasonally adjusted level of 106.1 (2002=100). Revised data show the index fell 1.0% in September, to 106.5. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was down 0.3% in October. Regional output in October was 2.4% higher than a year earlier, lower than the national output's 4.4% increase.

Three of the four of the regional sectors decreased in October:

- Regional auto sector output was down 1.4%,
- Regional steel sector output dropped by 0.6%,
- Regional resource sector output decreased by 0.4%, and
- Regional Midwest machinery sector output rose by 0.3%.

Midwest auto sector production dropped 1.4% in October after decreasing 2.1% in September. The nation's auto output was down 1.7% in October. Compared with a year earlier, Midwest automotive output was down 3.1%, while the national auto output was down 0.6%.

The region's steel sector output was down 0.6% in October, after falling 1.0% in September. The nation's steel output was also down 0.6% in October. Regional steel output was 3.2% above its October 2005 level, slightly lower than the 3.3% increase in the nation's steel output.

The Midwest resource sector's output decreased 0.4% in October after rising 0.2% in September. The nation's resource sector's output was down 0.2% in October. Four of the subsectors of the resource sector — paper production, wood, chemical, and food production — decreased in October, while the nonmetallic mineral subsector increased. Compared with a year ago, regional resource output was up 4.0% in October, and national resource output was up 3.3%.

Midwest machinery sector output rose 0.3% in October after falling 1.1% in September. The nation's machinery output rose 1.2% in October. Regional machinery output in October was 6.7% above year-earlier levels, while national machinery output was up 14.7%.

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

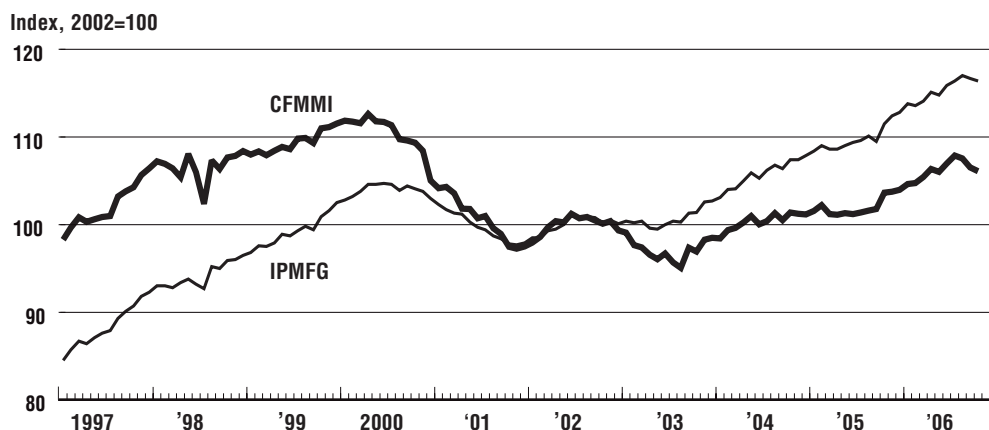
**Embargoed for release:
Noon Eastern Time
November 27, 2006**

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**2006 and 2007 Release Dates:
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July 26, 2007
August 27, 2007
September 27, 2007
October 29, 2007
November 27, 2007
December 27, 2007**

Chicago Fed Midwest Manufacturing Index



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

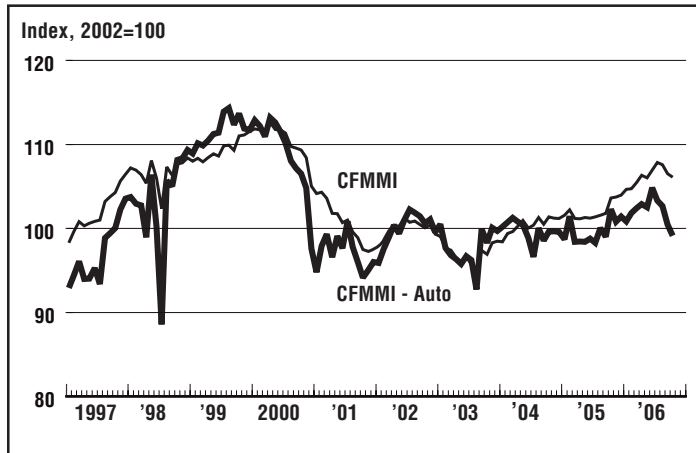
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Manufacturing output indexes—October

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.4	-1.6	2.4
US Industrial Production-Manufacturing (IPMFG)	-0.3	0.0	4.4

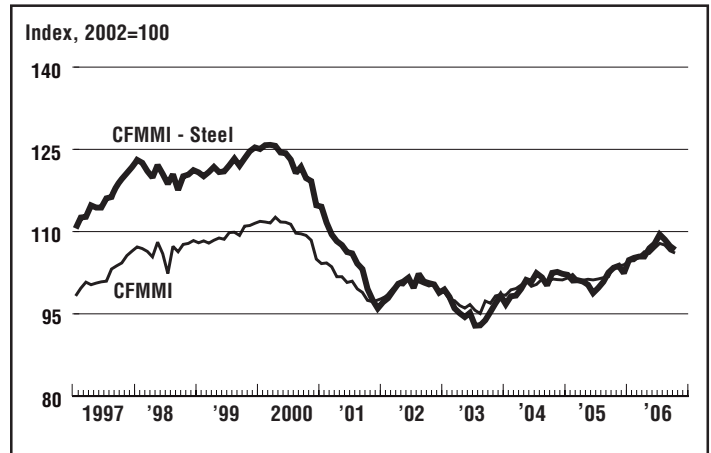
Tracking Midwest Manufacturing Activity by Sectors — October 2006

Auto Sector



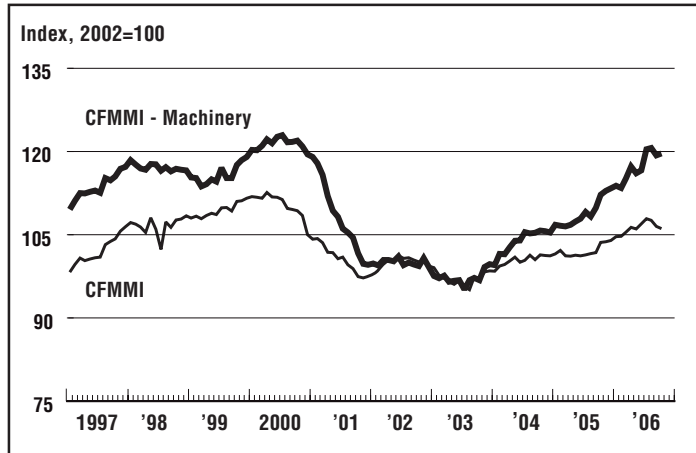
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



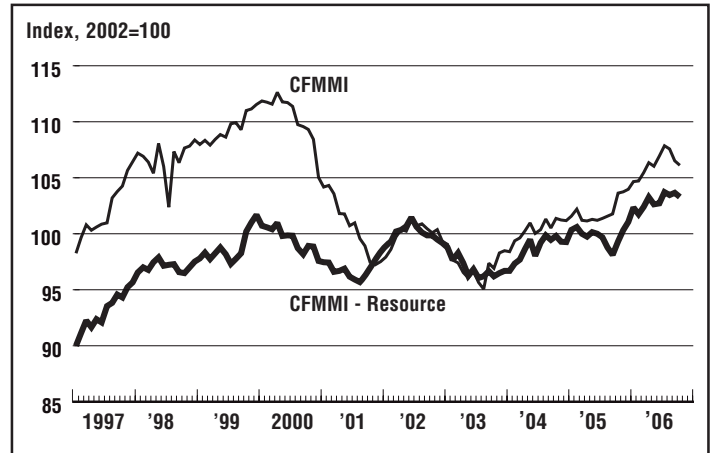
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Aug 06	Sep 06	Oct 06	Monthly			Annual Oct 05–Oct 06
				Aug 06	Sep 06	Oct 06	
CFMMI	107.6	106.5	106.1	-0.3	-1.0	-0.4	2.4
CFMMI - Auto	102.7	100.5	99.1	-0.7	-2.1	-1.4	-3.1
CFMMI - Steel	108.5	107.4	106.7	-0.9	-1.0	-0.6	3.2
CFMMI - Machinery	120.6	119.3	119.7	0.2	-1.1	0.3	6.7
CFMMI - Resource	103.5	103.7	103.3	-0.3	0.2	-0.4	4.0
IPMFG	117.0	116.7	116.4	0.5	-0.3	-0.3	4.4

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>.