

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Decreases in August

The Chicago Fed Midwest Manufacturing Index (CFMMI) decreased 0.3% in August, to a seasonally adjusted level of 105.6 (2002 = 100). Revised data show the index increased 0.5% in July, to 105.9. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was also down 0.3% in August. Regional output in August was 0.1% higher than a year earlier, below the 1.6% increase in national output.

Three of the four regional industry sectors decreased in August:

- Regional machinery sector output decreased 0.9%;
- Regional steel sector output declined 0.5%;
- Regional resource sector output ticked down 0.1%; and
- Regional auto sector production edged up 0.1%.

The Midwest's machinery sector output decreased 0.9% in August after rising 1.6% in July. The nation's machinery output was down 0.2% in August. Regional machinery output in August was 1.2% below year-earlier levels, while national machinery output was up 5.6%.

The region's steel sector output was down 0.5% in August after increasing 0.9% in July. The nation's steel output was up 0.5% in August. Regional steel output was unchanged from its August 2006 level, while the national steel output increased 1.2%.

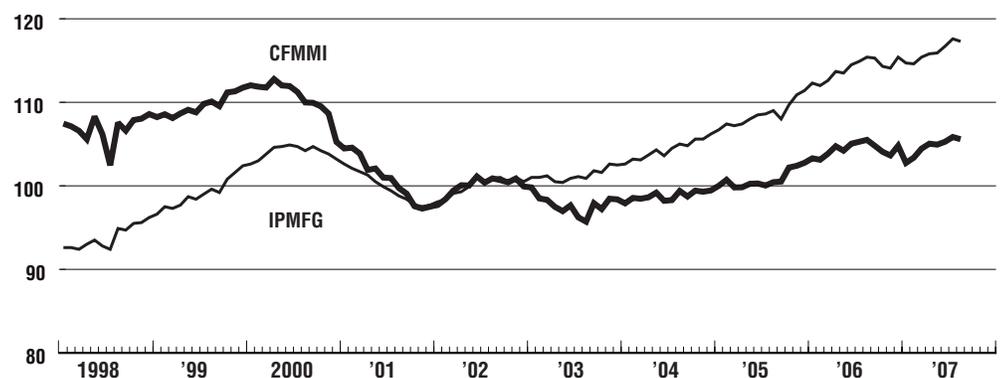
The Midwest resource sector's output edged down 0.1% in August after rising 0.6% in July. Two of the five subsectors of the resource sector—food and wood—decreased in August from July, while nonmetallic minerals production and chemicals increased and paper was unchanged. The national resource sector's output increased 0.1% in August. Compared with a year ago, regional resource output was up 2.4% in August, higher than the 0.9% increase in the national resource output.

The Midwest's auto sector production gained 0.1% in August after declining 0.5% in July. The nation's auto output was down 1.0% in August. The Midwest's automotive output was down 0.7% in August relative to its year-ago value, while the nation's auto output was up 2.6%.

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

### Chicago Fed Midwest Manufacturing Index

Index, 2002=100



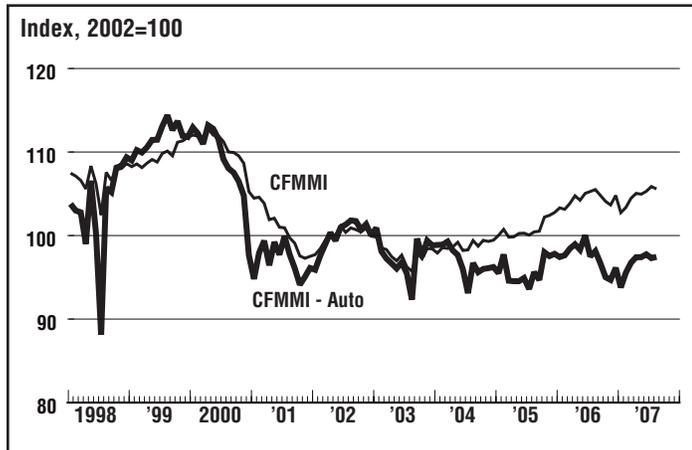
The next CFMMI will be released:  
**October 29, 2007**  
 Noon Eastern Time  
 11:00 am Central Time

### Manufacturing output indexes—August

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.3	0.6	0.1
US Industrial Production-Manufacturing (IPMFG)	-0.3	1.2	1.6

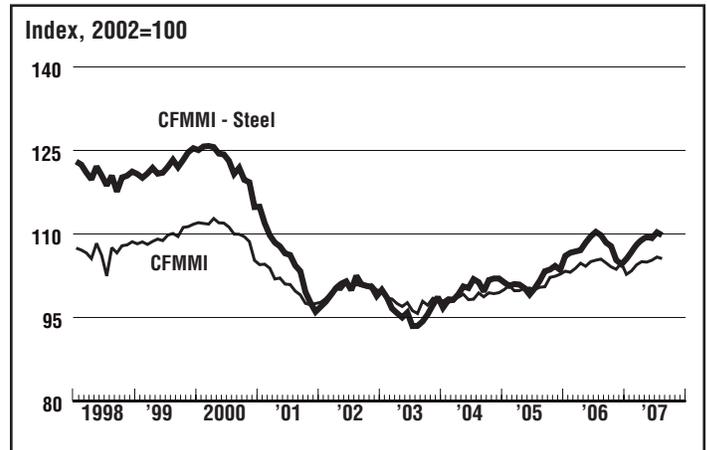
# Tracking Midwest Manufacturing Activity by Sectors — August 2007

## Auto Sector



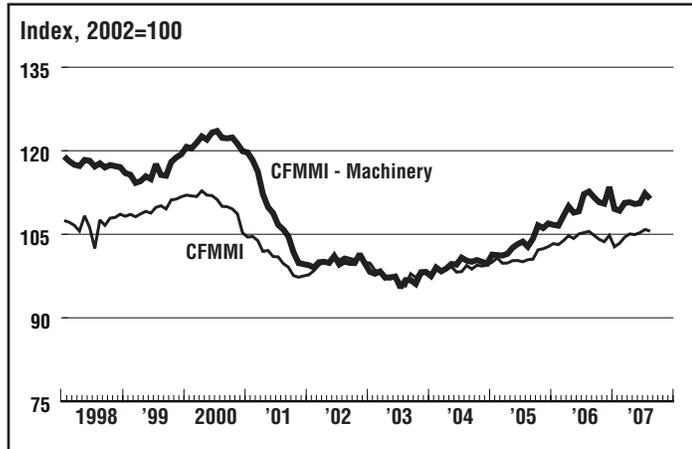
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



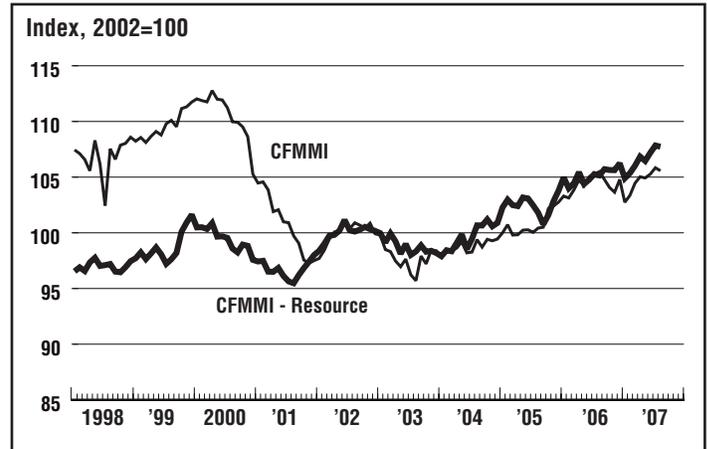
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Jun 07	Jul 07	Aug 07	Monthly			Annual
				Jun 07	Jul 07	Aug-07	Aug 06-Aug 07
<b>CFMMI</b>	105.3	105.9	105.6	0.3	0.5	-0.3	0.1
<b>CFMMI - Auto</b>	97.7	97.3	97.4	0.3	-0.5	0.1	-0.7
<b>CFMMI - Steel</b>	109.3	110.3	109.8	-0.2	0.9	-0.5	0.0
<b>CFMMI - Machinery</b>	110.6	112.3	111.3	0.1	1.6	-0.9	-1.2
<b>CFMMI - Resource</b>	107.2	107.8	107.7	0.7	0.6	-0.1	2.4
<b>IPMFG</b>	116.7	117.6	117.3	0.7	0.8	-0.3	1.6

Note: One of the fifteen industries in the CFMMI is not included in any of the four sectors above. This industry is 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>.**