

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Rises in February

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.9% in February 2007, to a seasonally adjusted level of 103.7 (2002 = 100). Revised data show the index dropped 1.9% in January, to 102.8. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was up 0.3% in February. Regional output in February was 0.6% higher than a year earlier, below the 2.9% increase in national output.

All four of the regional industry sectors increased in February:

- Regional auto sector output was up 2.3%;
- Regional steel sector output increased 0.9%;
- Regional resource sector output rose 0.6%; and
- Regional machinery sector edged up 0.1%.

The Midwest's auto sector production rose 2.3% in February after decreasing 2.5% in January. The nation's auto output was up 1.0% in February. Compared with a year earlier, the Midwest's automotive output was down 1.7%, while the nation's auto output was up 1.9%.

The region's steel sector output increased 0.9% in February after rising 1.1% in January. The nation's steel output was up 0.3% in February. Regional steel output was 0.1% above its February 2006 level, slightly higher than the 0.2% decrease in the national steel output.

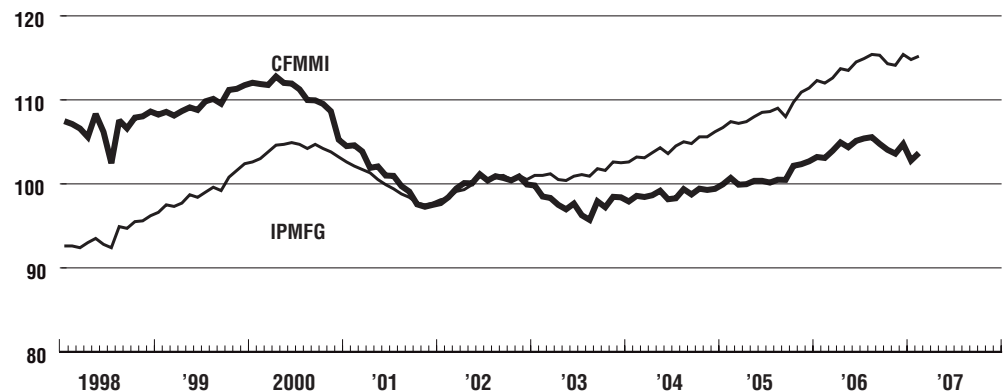
The Midwest resource sector's output was up 0.6% in February after falling 1.5% in January. Two of the five subsectors of the resource sector—paper and food production—increased in February, while the other three—wood, chemicals production, and nonmetallic minerals production—decreased. The nation's resource sector's output was up 0.1% in February. Compared with a year ago, regional resource output was 1.1% higher in February, while the national resource output was up 0.2%.

The Midwest's machinery sector output edged up 0.1% in February after falling 2.8% in January. The nation's machinery output rose 1.5% in February. Regional machinery output in February was 3.6% above year-earlier levels, while national machinery output was up 13.9%.

— *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:
April 26, 2007
 Noon Eastern Time
 11:00 am Central Time

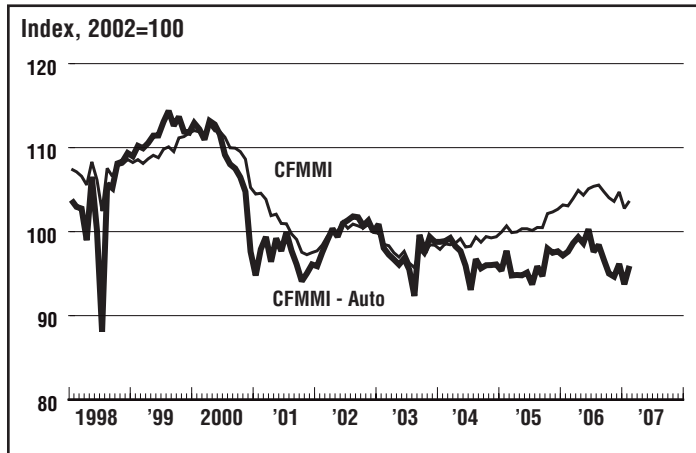
Manufacturing output indexes—February

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.9	0.1	0.6
US Industrial Production-Manufacturing (IPMFG)	0.3	1.0	2.9

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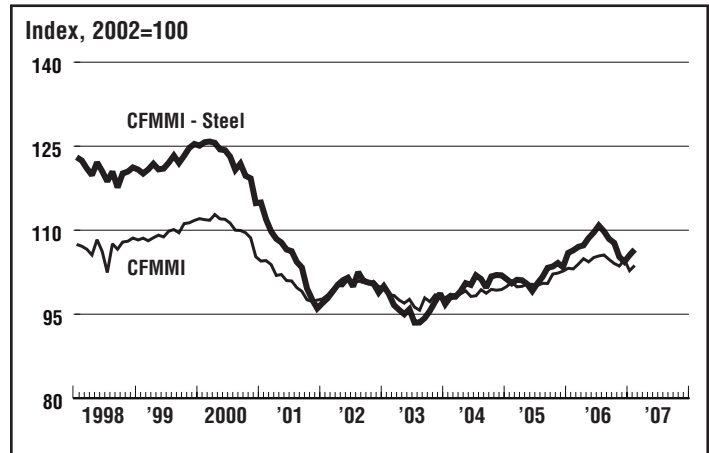
Tracking Midwest Manufacturing Activity by Sectors — February 2007

Auto Sector



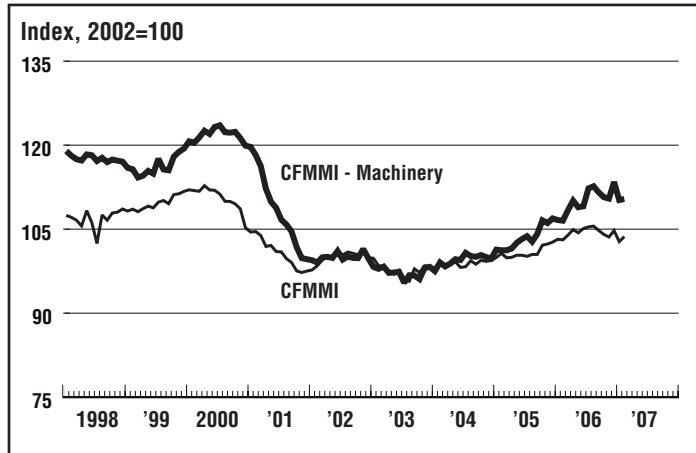
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



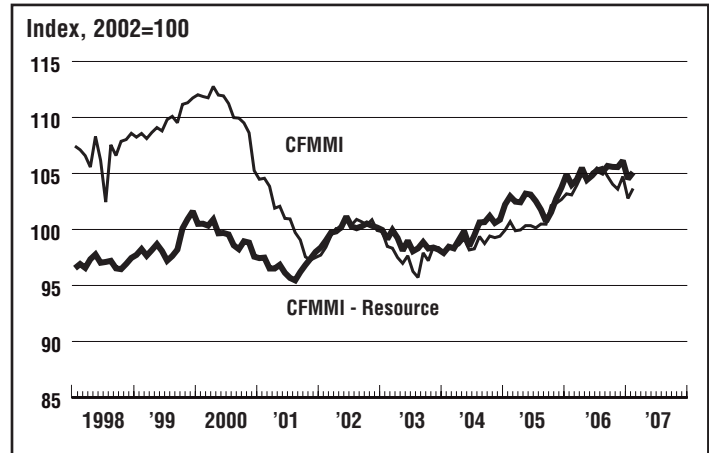
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Dec 06	Jan 07	Feb 07	Monthly			Annual Feb 06–Feb 07
				Dec 06	Jan 07	Feb 07	
CFMMI	104.7	102.8	103.7	1.1	-1.9	0.9	0.6
CFMMI - Auto	96.2	93.7	95.9	1.6	-2.5	2.3	-1.7
CFMMI - Steel	104.4	105.5	106.5	-0.8	1.1	0.9	0.1
CFMMI - Machinery	113.4	110.2	110.4	2.7	-2.8	0.1	3.6
CFMMI - Resource	106.1	104.5	105.1	0.5	-1.5	0.6	1.1
IPMFG	115.4	114.8	115.2	1.1	-0.5	0.3	2.9

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>.