Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Edges Down in October

The Chicago Fed Midwest Manufacturing Index (CFMMI) slipped 0.6% in October, to a seasonally adjusted level of 105.1 (2002 = 100). Revised data show the index increased 0.3% in September, to 105.7. The Federal Reserve Board’s industrial production index for manufacturing (IPMFG) was down 0.3% in October. Regional output in October was 1.0% higher than a year earlier, below the 2.4% increase in national output.

All four of the regional industry sectors decreased in October:

- Regional auto sector production declined 1.1%;
- Regional machinery sector decreased 0.7%;
- Regional steel sector output fell 0.3%;
- Regional resource sector output declined 0.3%.

The Midwest’s auto sector production declined 1.1% in October after falling 1.0% in September. The nation’s auto output was down 0.3% in October. The Midwest’s automotive output was up 0.7% in October relative to its year-ago value, while the nation’s auto output was up 4.4%.

The Midwest’s machinery sector output decreased 0.7% in October after rising 1.3% in September. The nation’s machinery output was up 0.1% in October. Regional machinery output in October was 0.6% above year-earlier levels, while national machinery output was up 5.0%.

The region’s steel sector output was down 0.3% in October after decreasing 1.1% in September. The nation’s steel output was up 0.1% in October. Regional steel output was up 0.1% from its October 2006 level, while the national steel output increased 1.9%.

The Midwest resource sector’s output fell 0.3% in October after increasing 1.1% in September. Three of the five subsectors of the resource sector—nonmetallic minerals, chemicals, and wood production—decreased, while food and paper increased from September to October. The national resource sector’s output decreased 0.5% in October. Compared with a year ago, regional resource output was up 2.9% in October, higher than the 2.0% increase in the national resource output.

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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.

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