

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Edges Down in October

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**2007 and 2008 Release Dates:
December 27, 2007
January 28, 2008
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May 27, 2008
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August 27, 2008
September 29, 2008
October 27, 2008
November 26, 2008
December 29, 2008**

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%.

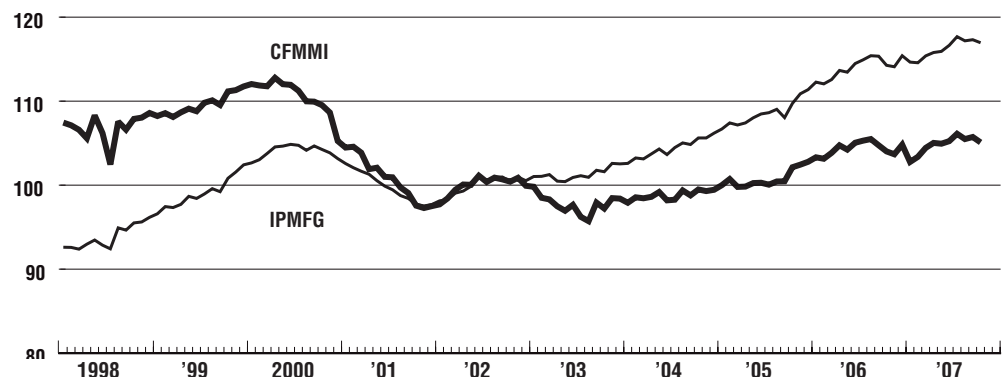
The region's steel sector output was down 0.3% in October after decreasing 1.1% in September. The nation's steel output was up 0.1% in October. Regional steel output was up 0.1% from its October 2006 level, while the national steel output increased 1.9%.

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.

— *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:
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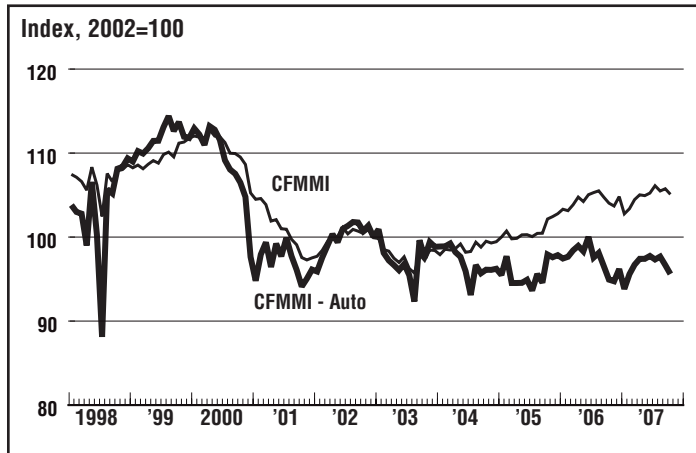
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Manufacturing output indexes—October

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.6	-1.0	1.0
US Industrial Production-Manufacturing (IPMFG)	-0.3	-0.6	2.4

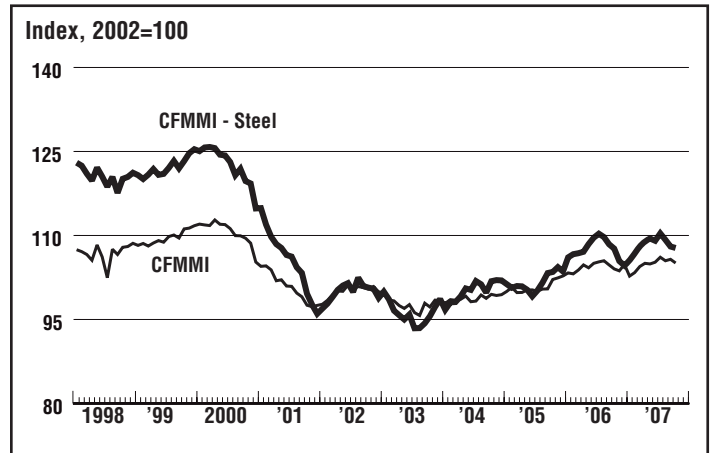
Tracking Midwest Manufacturing Activity by Sectors — October 2007

Auto Sector



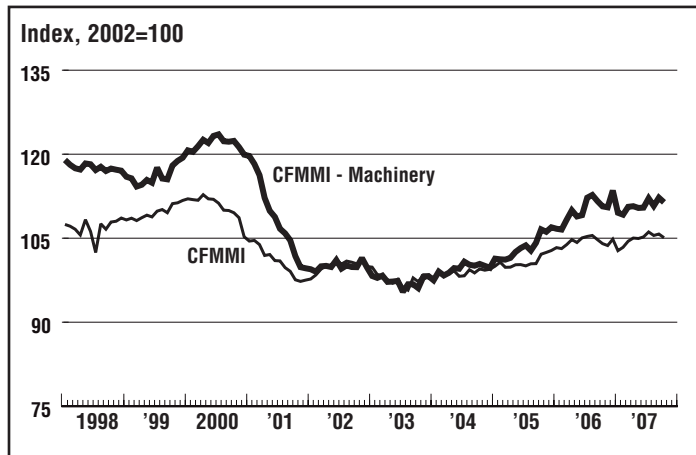
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



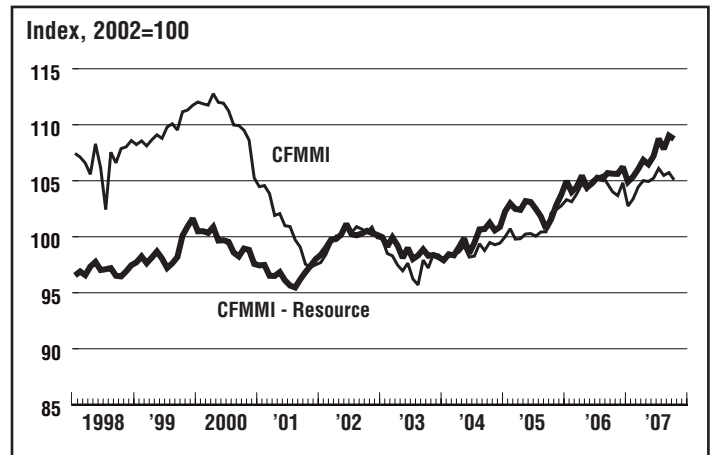
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Aug 07	Sep 07	Oct 07	Monthly			Annual Oct 06–Oct 07
				Aug 07	Sep 07	Oct 07	
CFMMI	105.5	105.7	105.1	-0.6	0.3	-0.6	1.0
CFMMI - Auto	97.7	96.7	95.6	0.3	-1.0	-1.1	0.7
CFMMI - Steel	109.2	108.0	107.8	-1.0	-1.1	-0.3	0.1
CFMMI - Machinery	110.8	112.2	111.4	-1.2	1.3	-0.7	0.6
CFMMI - Resource	107.8	109.0	108.7	-0.9	1.1	-0.3	2.9
IPMFG	117.2	117.3	117.0	-0.4	0.1	-0.3	2.4

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>.