

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Drops in August

The Chicago Fed Midwest Manufacturing Index (CFMMI) declined 2.6% in August, to a seasonally adjusted level of 103.5 (2002 = 100). Revised data show the index increased 0.2% in July, to 106.2. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) decreased 1.0% in August. Regional output in August was 4.9% lower than a year earlier, below the 1.7% decrease in national output.

Three of the four regional industry sectors decreased in August:

- Regional auto sector production dropped 10.3%;
- Regional resource sector output declined 0.3%;
- Regional machinery sector output edged down 0.1%; and
- Regional steel sector output increased 0.7%.

The Midwest's auto sector production dropped 10.3% in August after rising 1.5% in July. The nation's auto output decreased 5.4% in August. The Midwest's automotive output was down 18.1% in August relative to its year-ago value, while the nation's auto output was down 9.5%.

The Midwest resource sector's output declined 0.3% in August after decreasing 0.7% in July. Four of the five subsectors of the resource sector—food, paper, chemical, and nonmetallic mineral production—decreased from July to August, while wood production increased. The national resource sector's output was down 0.2% in August. Compared with a year ago, regional resource output was down 1.4% in August, and the national resource output decreased 1.2%.

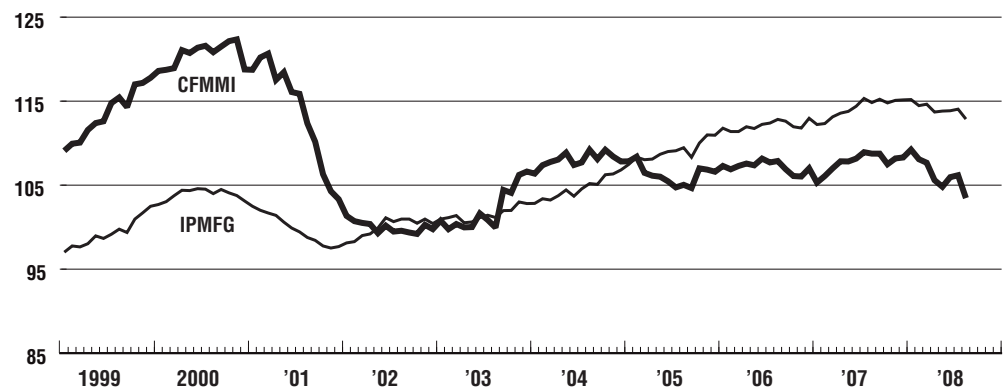
The Midwest's machinery sector output moved down 0.1% in August after increasing 0.5% in July. The nation's machinery output edged down 0.2% in August. Regional machinery output in August was 0.8% above year-earlier levels, while national machinery output was up 7.8%.

The region's steel sector output increased 0.7% in August after declining 0.6% in July. The nation's steel output was up 0.2% in August. Regional steel output was down 2.7% from its August 2007 level, while the national steel output dropped 1.8%.

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

### Chicago Fed Midwest Manufacturing Index

Index, 2002=100



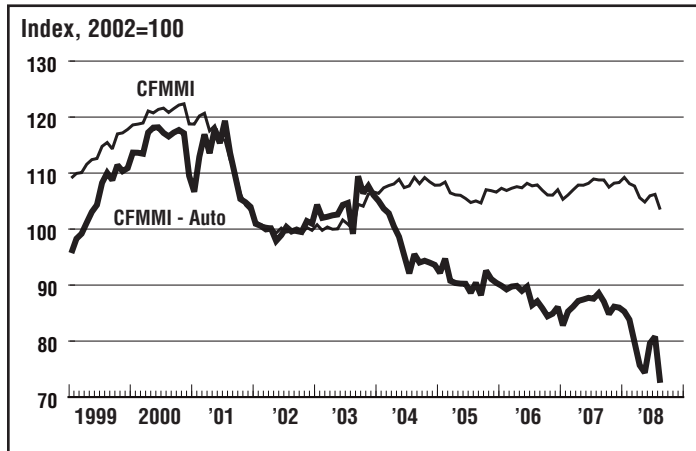
The next CFMMI will be released:  
**October 27, 2008**  
 Noon Eastern Time  
 11:00 am Central Time

### Manufacturing output indexes—August

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-2.6	-1.3	-4.9
US Industrial Production-Manufacturing (IPMFG)	-1.0	-0.8	-1.7

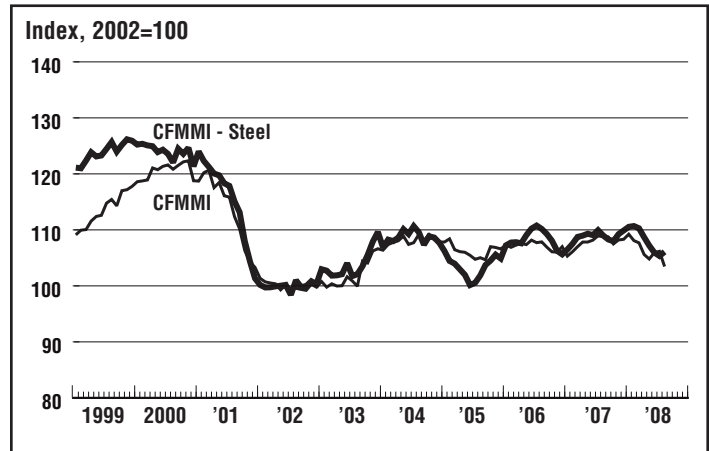
# Tracking Midwest Manufacturing Activity by Sectors — August 2008

## Auto Sector



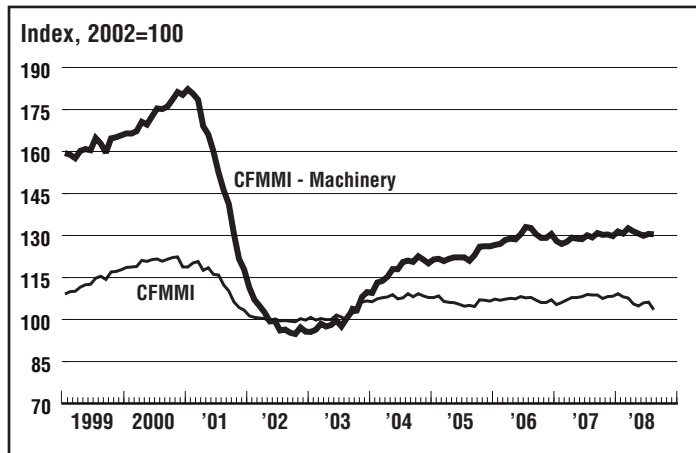
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



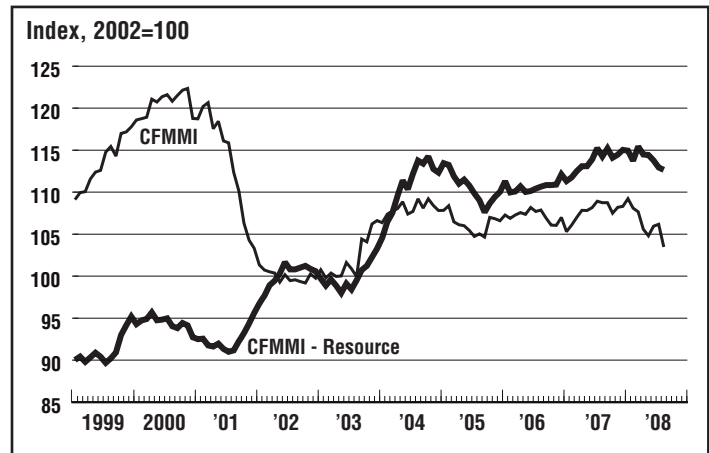
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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 08	Jul 08	Aug 08	Monthly		Annual	
				Jun 08	Jul 08		Aug 08
CFMMI	105.9	106.2	103.5	1.1	0.2	-2.6	-4.9
CFMMI - Auto	79.6	80.8	72.5	7.1	1.5	-10.3	-18.1
CFMMI - Steel	105.9	105.3	106.1	-1.2	-0.6	0.7	-2.7
CFMMI - Machinery	129.9	130.6	130.4	-0.6	0.5	-0.1	0.8
CFMMI - Resource	113.8	112.9	112.7	-0.6	-0.7	-0.3	-1.4
IPMFG	113.9	114.0	112.9	0.0	0.2	-1.0	-1.7

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>.