

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Drops in December

The Chicago Fed Midwest Manufacturing Index (CFMMI) declined 3.6% in December, to a seasonally adjusted level of 92.2 (2002 = 100). Revised data show the index decreased 2.3% in November, to 95.7. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) fell 2.3% in December. Regional output in December was down 14.8% from a year earlier—lower than the 10.0% decrease in national output.

All four regional industry sectors decreased in December:

- Regional steel sector output dropped 7.3%;
- Regional resource sector output moved down 3.6%;
- Regional machinery sector output declined 3.3%; and
- Regional auto sector production decreased 2.7%.

The region's steel sector output dropped 7.3% in December after declining 6.0% in November. The nation's steel output was down 5.2% in December. Regional steel output dropped 22.4% from its December 2007 level, and the national steel output declined 17.4%.

The Midwest resource sector's output moved down 3.6% in December after declining 2.0% in November. All of the five subsectors of the resource sector—food, chemical, paper, wood, and nonmetallic mineral production—decreased from November to December. The national resource sector's output was down 2.4% in December. Compared with a year ago, regional resource output was down 8.7% in December, and the national resource output declined 7.9%.

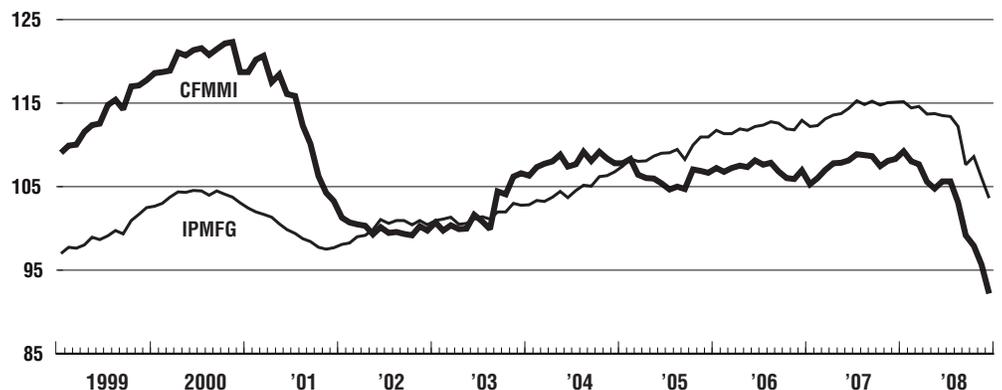
The Midwest's machinery sector output declined 3.3% in December after decreasing 3.1% in November. The nation's machinery output moved down 2.9% in December. Regional machinery output in December was 10.4% below year-earlier levels, and national machinery output was down 7.5%.

Regional auto sector production decreased 2.7% in December after edging up 0.5% in November. The nation's auto output decreased 0.6% in December. The Midwest's automotive output was down 26.4% in December relative to its year-ago value, and the nation's auto output was down 15.8%.

— 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:  
**March 18, 2009**  
 Noon Eastern Time  
 11:00 am Central Time

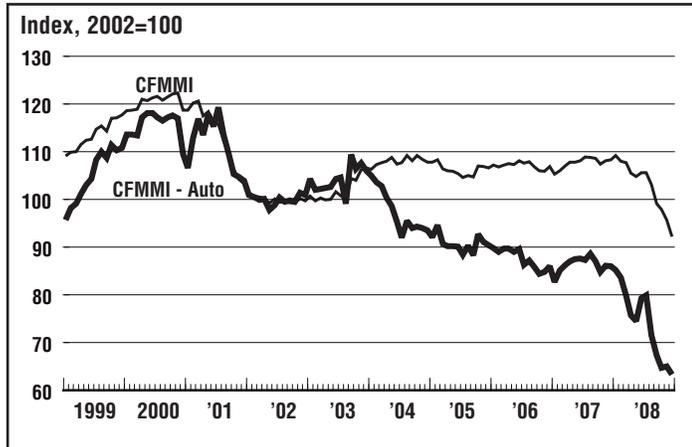
FEDERAL RESERVE BANK  
 OF CHICAGO

### Manufacturing output indexes—December

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-3.6	-7.0	-14.8
US Industrial Production-Manufacturing (IPMFG)	-2.3	-3.7	-10.0

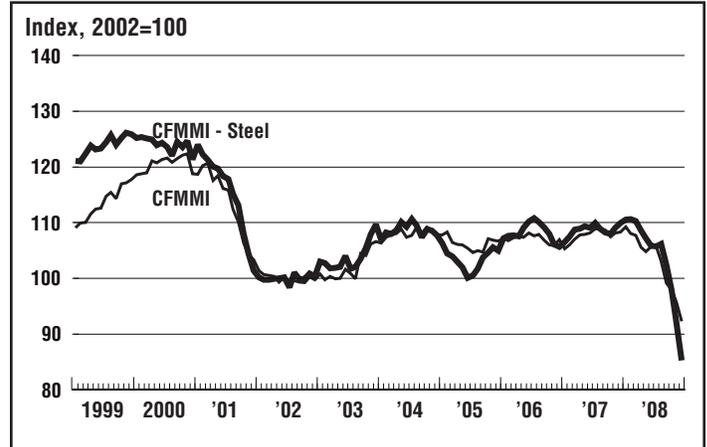
# Tracking Midwest Manufacturing Activity by Sectors — December 2008

## Auto Sector



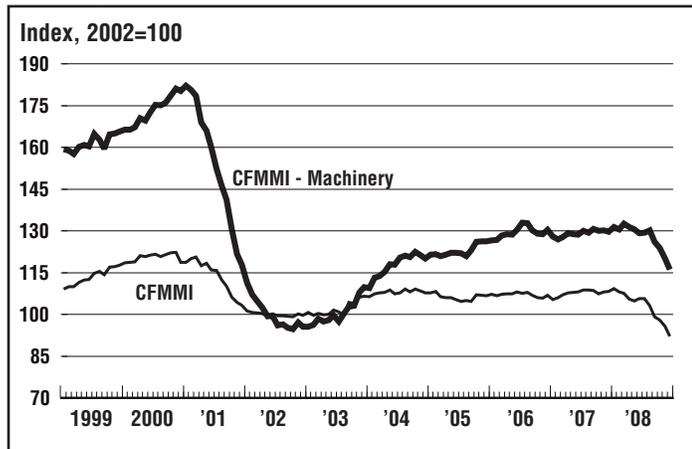
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



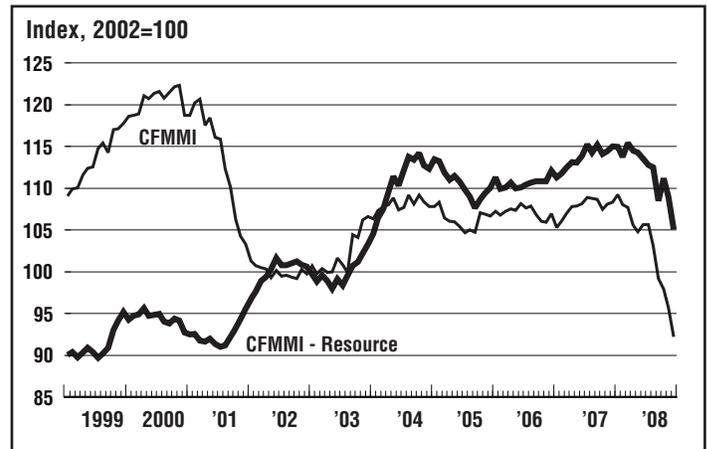
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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			
	Oct 08	Nov 08	Dec 08	Monthly		Annual	Dec 07-Dec 08
				Oct 08	Nov 08		
CFMMI	97.9	95.7	92.2	-1.2	-2.3	-3.6	-14.8
CFMMI - Auto	64.8	65.1	63.4	-3.8	0.5	-2.7	-26.4
CFMMI - Steel	97.9	92.0	85.3	-4.5	-6.0	-7.3	-22.4
CFMMI - Machinery	124.0	120.2	116.2	-1.8	-3.1	-3.3	-10.4
CFMMI - Resource	111.2	109.0	105.1	2.5	-2.0	-3.6	-8.7
IPMFG	108.6	106.1	103.6	0.9	-2.3	-2.3	-10.0

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>.