Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Edges Down in January

The Chicago Fed Midwest Manufacturing Index (CFMMI) edged down 0.1% in January, to a seasonally adjusted level of 105.3 (2002 = 100). Revised data show the index increased 0.2% in December, to 105.4. The Federal Reserve Board’s industrial production index for manufacturing (IPMFG) was unchanged in January. Regional output in January was 2.0% higher than a year earlier, slightly below the 2.1% increase in national output.

Two of the four of the regional industry sectors decreased in January:
- Regional auto sector production declined 1.4%;
- Regional steel sector decreased 0.9%;
- Regional machinery sector rose 0.5%; and
- Regional resource sector output increased 0.8%.

The Midwest’s auto sector production moved down 1.4% in January after an unchanged December. The nation’s auto output was unchanged in January. The Midwest’s automotive output was up 1.2% in January relative to its year-ago value, while the nation’s auto output was up 2.7%.

The region’s steel sector output decreased 0.9% in January after rising 0.7% in December. The nation’s steel output was down 0.8% in January. Regional steel output was up 2.0% from its January 2007 level, while the national steel output increased 3.6%.

The Midwest’s machinery sector output rose 0.5% in January after increasing 0.8% in December. The nation’s machinery output was up 1.2% in January. Regional machinery output in January was 2.1% above year-earlier levels, while national machinery output was up 7.9%.

The Midwest resource sector’s output increased 0.8% in January after decreasing 0.3% in December. Three of the five subsectors of the resource sector—nonmetallic minerals, chemicals, and food—increased from December to January, while paper and wood production decreased. The national resource sector’s output increased 0.4% in January. Compared with a year ago, regional resource output was up 3.0% in January; the national resource output increased 1.3%.

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