

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Decreased in August

The Chicago Fed Midwest Manufacturing Index (CFMMI) decreased 0.3% in August, to a seasonally adjusted level of 80.1 (2002 = 100). Revised data show the index rose 3.1% in July, to 80.4. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was up 0.6% in August. Regional output in August declined 20.8% from a year earlier—lower than the 12.0% decrease in national output.

The decline was focused in the regional auto sector, the other three regional sectors moved higher:

- Regional auto sector production declined 4.2%;
- Regional machinery sector output rose 0.3%;
- Regional steel sector output increased 0.6%; and
- Regional resource sector output rose 1.3%.

Regional auto sector production declined by a large 4.2% in August after jumping up 16.4% in July. The nation's auto output rose 1.8% in August. The Midwest's automotive output was down 29.3% in August relative to its year-ago value, and the nation's auto output was down 14.6%.

The Midwest's machinery sector output rose 0.3% in August after decreasing 0.6% in July. The nation's machinery output decreased 0.7% in August. Regional machinery output in August was 26.2% below year-earlier levels, and national machinery output was down 15.0%.

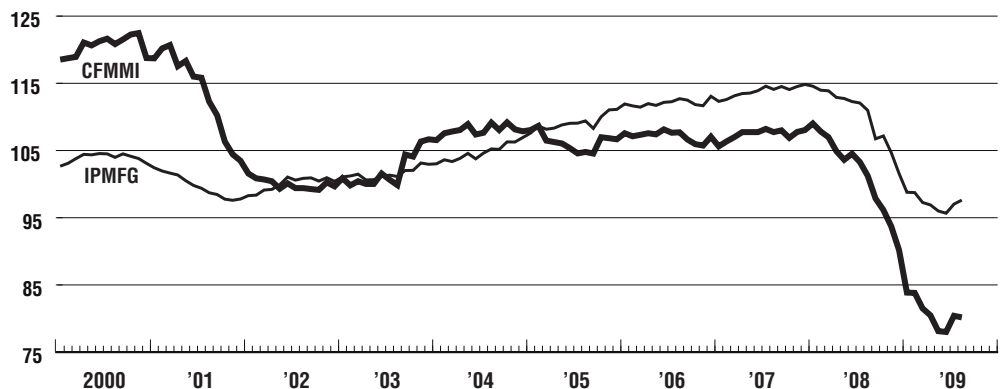
The region's steel sector output increased 0.6% in August after rising 1.9% in July. The nation's steel output was up 0.3% in August. Regional steel output dropped 35.6% from its August 2008 level, and national steel output fell 24.5%.

The Midwest resource sector's output rose 1.3% in August after moving down 0.5% in July. The national resource sector's output was up 0.8% in August. Two of the five subsectors of the resource sector—food and chemical production—increased from July to August, while paper, nonmetallic mineral, and wood production decreased. Compared with a year ago, regional resource output was down 6.6% in August, and national resource output declined 5.1%.

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

Chicago Fed Midwest Manufacturing Index

Index, 2002=100



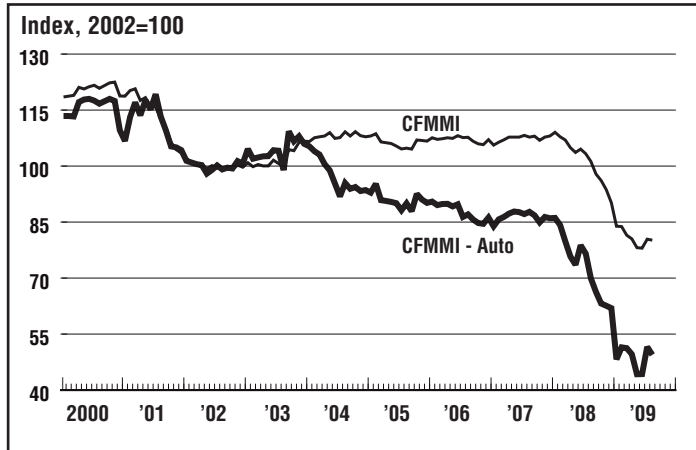
The next CFMMI will be released:
October 26, 2009
 Noon Eastern Time
 11:00 am Central Time

Manufacturing output indexes—August

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.3	2.6	-20.8
US Industrial Production-Manufacturing (IPMFG)	0.6	1.7	-12.0

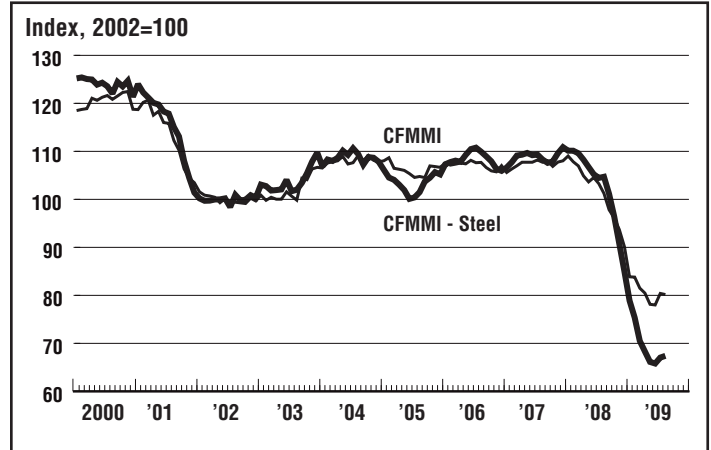
Tracking Midwest Manufacturing Activity by Sectors — August 2009

Auto Sector



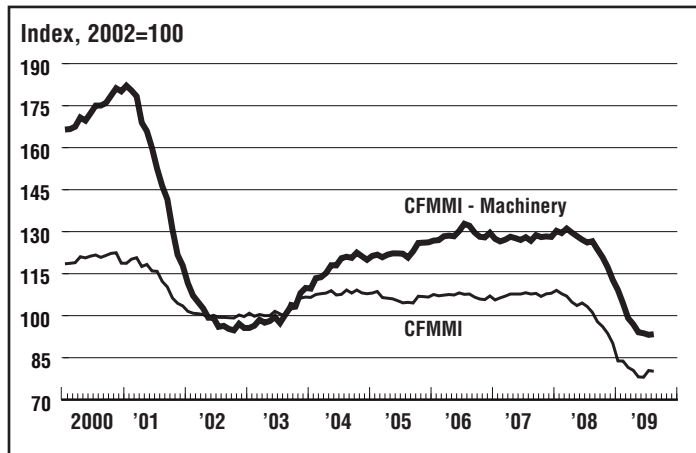
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



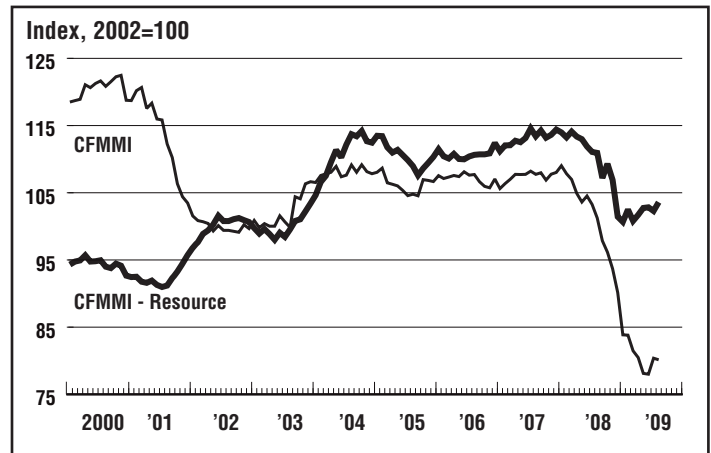
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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 09	Jul 09	Aug 09	Monthly		Aug 08-Aug 09	
				Jun 09	Jul 09		
CFMMI	78.0	80.4	80.1	-0.2	3.1	-0.3	-20.8
CFMMI - Auto	44.3	51.6	49.4	0.2	16.4	-4.2	-29.3
CFMMI - Steel	65.8	67.0	67.4	-0.5	1.9	0.6	-35.6
CFMMI - Machinery	93.7	93.1	93.4	-0.4	-0.6	0.3	-26.2
CFMMI - Resource	102.8	102.3	103.6	0.1	-0.5	1.3	-6.6
IPMFG	95.6	97.0	97.6	-0.4	1.4	0.6	-12.0

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>.