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

<table>
<thead>
<tr>
<th>Index, 2002=100</th>
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<tbody>
<tr>
<td>125</td>
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<td>115</td>
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The CFMMI will be released:
October 26, 2009
Noon Eastern Time
11:00 am Central Time

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2009 Release Dates:
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November 30, 2009
December 28, 2009

Embargoed for release:
September 30, 2009
Noon Eastern Time
11:00 am Central Time

FEDERAL RESERVE BANK OF CHICAGO

Manufacturing output indexes—August

<table>
<thead>
<tr>
<th>Manufacturing output indexes—August</th>
<th>1 month ago</th>
<th>3 months ago</th>
<th>1 year ago</th>
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<tbody>
<tr>
<td>Chicago Fed Midwest Manufacturing Index (CFMMI)</td>
<td>0.3</td>
<td>2.6</td>
<td>-20.8</td>
</tr>
<tr>
<td>US Industrial Production-Manufacturing (IPMFG)</td>
<td>0.6</td>
<td>1.7</td>
<td>-12.0</td>
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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.