

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Declines in January

The Chicago Fed Midwest Manufacturing Index (CFMMI) declined 5.9% in January, to a seasonally adjusted level of 85.6 (2002 = 100). Revised data show the index decreased 3.9% in December, to 91.0. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) fell 2.6% in January. Regional output in January was down 21.8% from a year earlier—lower than the 13.0% decrease in national output.

Three of the four regional industry sectors decreased in January:

- Regional auto sector production dropped 20.0%;
- Regional steel sector output moved down 4.9%;
- Regional machinery sector output decreased 3.5%; and
- Regional resource sector output ticked up 0.1%.

Regional auto sector production dropped 20.0% in January after moving down 1.8% in December. The nation's auto output decreased 10.1% in January. The Midwest's automotive output was down 42.2% in January relative to its year-ago value, and the nation's auto output was down 24.3%.

The region's steel sector output moved down 4.9% in January after declining 6.7% in December. The nation's steel output was down 3.8% in January. Regional steel output dropped 26.5% from its January 2008 level, and the national steel output fell 20.5%.

The Midwest's machinery sector output decreased 3.5% in January after moving down 4.2% in December. The nation's machinery output decreased 2.2% in January. Regional machinery output in January was 16.2% below year-earlier levels, and national machinery output was down 11.0%.

The Midwest's resource sector output ticked up 0.1% in January after declining 4.6% in December. The increase in food production offset the other four subsectors—chemical, paper, wood, and nonmetallic mineral production—that decreased from December to January. The national resource output edged down 0.1% in January. Compared with a year ago, regional resource output was down 10.1% in January, and the national resource output declined 8.6%.

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

**Embargoed for release:
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11:00 am Central Time**

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**2009 Release Dates:
April 6, 2009
April 27, 2009
May 28, 2009
June 29, 2009
July 27, 2009
August 24, 2009
September 30, 2009
October 26, 2009
November 30, 2009
December 28, 2009**

NOTE: The Chicago Fed's Midwest Manufacturing Index (CFMMI) has been revised due to changing availability of data.

**The next CFMMI will be released:
April 6, 2009
Noon Eastern Time
11:00 am Central Time**

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OF CHICAGO**

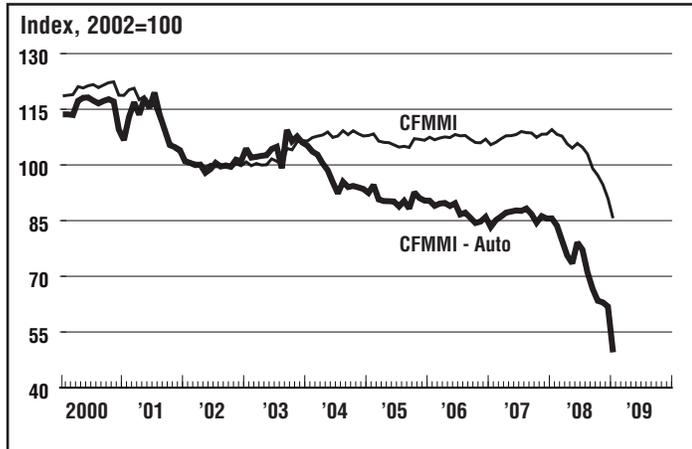


Manufacturing output indexes—January

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-5.9	-11.9	-21.8
US Industrial Production-Manufacturing (IPMFG)	-2.6	-7.6	-13.0

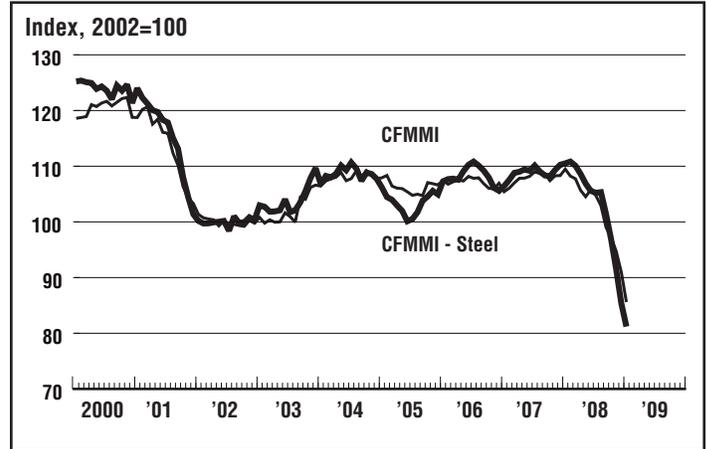
Tracking Midwest Manufacturing Activity by Sectors — January 2009

Auto Sector



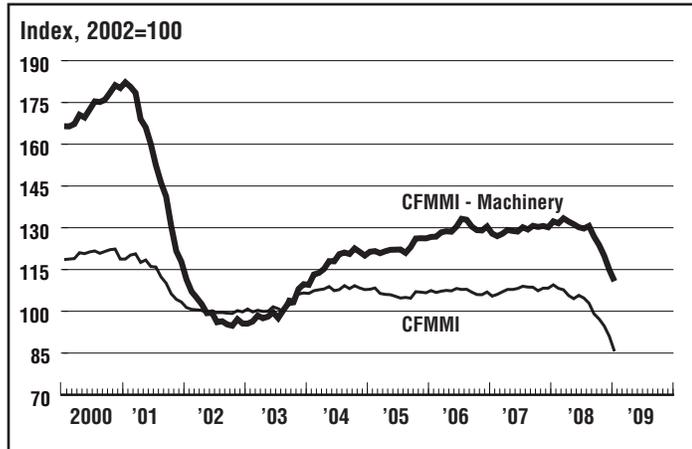
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



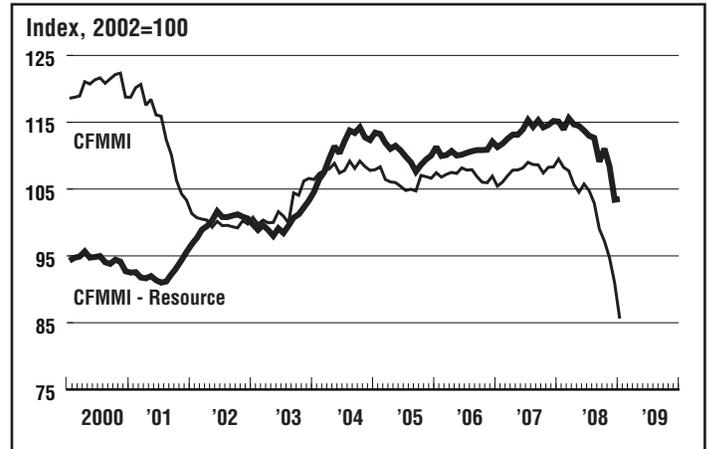
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Nov 08	Dec 08	Jan 09	Monthly		Annual	Jan 08-Jan 09
				Nov 08	Dec 08		
CFMMI	94.7	91.0	85.6	-2.6	-3.9	-5.9	-21.8
CFMMI - Auto	63.0	61.8	49.5	-0.7	-1.8	-20.0	-42.2
CFMMI - Steel	91.5	85.4	81.2	-5.6	-6.7	-4.9	-26.5
CFMMI - Machinery	119.9	114.9	110.8	-3.1	-4.2	-3.5	-16.2
CFMMI - Resource	108.4	103.4	103.5	-2.4	-4.6	0.1	-10.1
IPMFG	106.1	102.9	100.3	-2.3	-3.0	-2.6	-13.0

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>.