

# Chicago Fed Midwest Manufacturing Index

## Midwest Manufacturing Output Decreased in August

The Chicago Fed Midwest Manufacturing Index (CFMMI) decreased 1.4% in August, to a seasonally adjusted level of 79.9 (2007 = 100). Revised data show the index rose 1.9% in July to 81.0. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) edged up 0.2% in August. Regional output in August rose 8.5% from a year earlier, and national output increased 6.5%.

The regional auto sector was the only sector to decline in August:

- Regional auto sector output fell 6.9%;
- Regional machinery sector production edged up 0.3%
- Regional steel sector output grew 0.8%; and
- Regional resource sector production rose 0.9%.

The region's auto sector production fell 6.9% in August after increasing 7.6% in July. National auto output decreased 1.8% in August. The Midwest's automotive output was up 12.2% in August relative to its year-ago level, and national automotive output was up 7.8%

The Midwest's machinery sector production edged up 0.3% in August after ticking up 0.2% in July. The nation's machinery production increased 0.7% in August. Regional machinery output in July was up 8.1% from its year-earlier level, and national machinery output was up 12.2%.

The region's steel sector output grew 0.8% in August after increasing by the same amount in July. The nation's steel output was up 1.1% in August. Regional steel output rose 21.7% from its August 2009 level, and well ahead of the 13.1% increase in the nation's steel output.

The Midwest resource sector's output rose 0.9% in August after decreasing 0.5% in July. The national resource sector's output grew 0.7% in July. Only the nonmetallic subsector of the regional resource sector decreased from July to August, while food, wood, paper and chemical production increased. Compared with a year ago, regional resource output was up 4.2% in August, and national resource output was up 2.7%.

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

**Embargoed for release:  
September 27, 2010  
Noon Eastern Time  
11:00 am Central Time**

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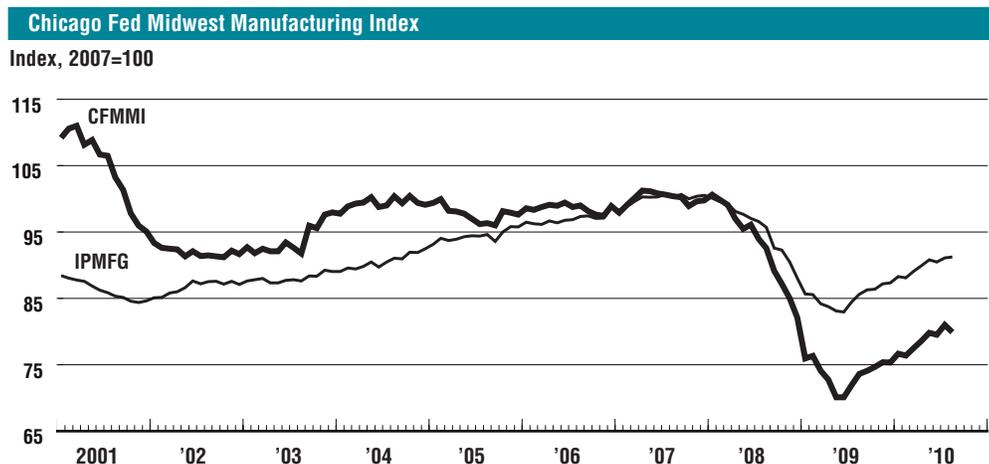
**Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, IL 60604**

**2010 Release Dates:  
October 27, 2010  
November 29, 2010  
December 27, 2010**

NOTE: The Chicago Fed Midwest Manufacturing Index (CFMMI) was re-based with the June release to match the recently re-based IPMFG. The base year for the CFMMI and the IPMFG was changed from 2002 to 2007 (2007=100).

**The next CFMMI will be released:  
October 27, 2010  
Noon Eastern Time  
11:00 am Central Time**

**FEDERAL RESERVE BANK  
OF CHICAGO**

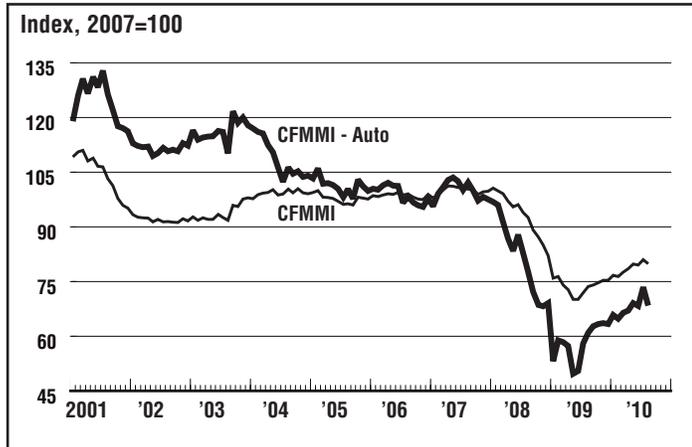


### Manufacturing output indexes—August

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-1.4	0.1	8.5
US Industrial Production-Manufacturing (IPMFG)	0.2	0.5	6.5

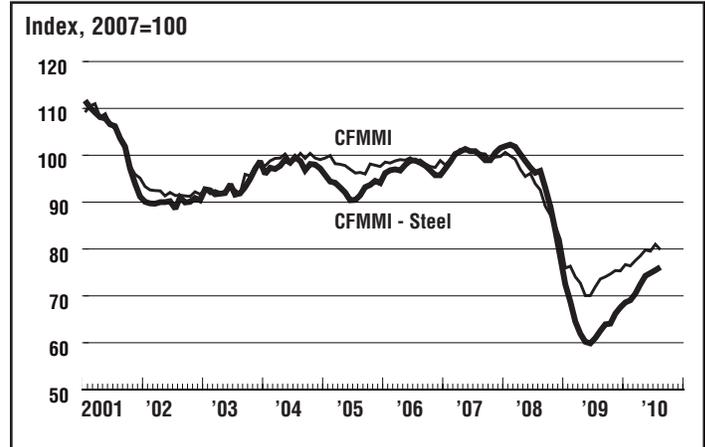
# Tracking Midwest Manufacturing Activity by Sectors — August 2010

## Auto Sector



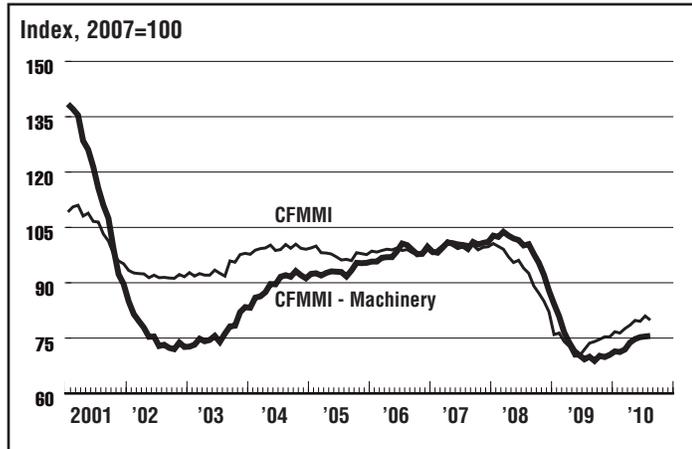
Auto Sector CFMMI Components:  
Plastics and Rubber Products; Transportation Equipment

## Steel Sector



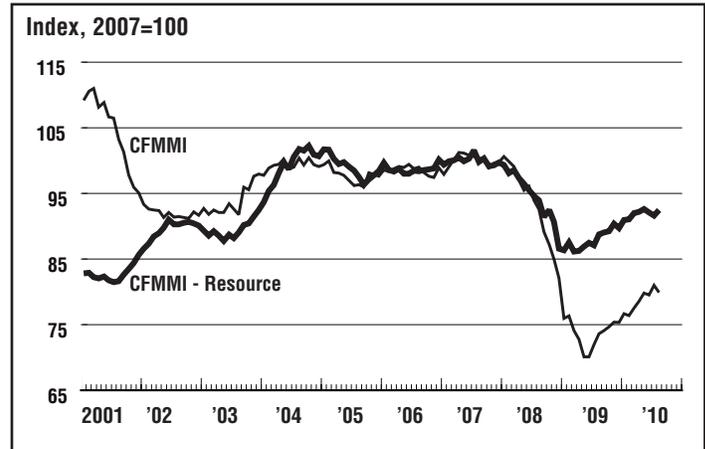
Steel Sector CFMMI Components:  
Primary Metal Industries; Fabricated Metal Products

## 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, 2007=100			Percent change			
	Jun 10	Jul 10	Aug 10	Monthly		Annual	Aug 09-Aug 10
				Jun 10	Jul 10		
CFMMI	79.5	81.0	79.9	-0.4	1.9	-1.4	8.5
CFMMI - Auto	68.3	73.5	68.4	-1.1	7.6	-6.9	12.2
CFMMI - Steel	74.9	75.5	76.1	0.8	0.8	0.8	21.7
CFMMI - Machinery	75.3	75.4	75.7	0.7	0.2	0.3	8.1
CFMMI - Resource	92.1	91.6	92.5	-0.6	-0.5	0.9	4.2
IPMFG	90.5	91.1	91.3	-0.4	0.7	0.2	6.5

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>.