

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Increased in July

The Chicago Fed Midwest Manufacturing Index (CFMMI) increased 2.2% in July, to a seasonally adjusted level of 81.4 (2007 = 100). Revised data show the index fell 0.2% in June to 79.6. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) increased 1.1% in July. Regional output in July rose 13.1% from a year earlier, and national output increased 8.1%.

Three of the four regional industry sectors increased in July:

- Regional auto sector production rose 7.2%;
- Regional steel sector output grew 2.2%;
- Regional machinery sector production went up 0.9%; and
- Regional resource sector output edged down 0.1%.

The region's auto sector production rose 7.2% in July after edging down 0.4% in June. National auto output increased 4.4% in July. The Midwest's automotive output was up 27.0% in July relative to its year-ago level; more than double the nation's auto output 12.5% gain.

The region's steel sector output grew 2.2% in July after a 0.5% increase in June. The nation's steel output was up 1.1% in July. Regional steel output rose 24.7% from its July 2009 level, and well ahead of the nation's steel output 14.4% increase.

The Midwest's machinery sector production went up 0.9% in July after increasing 0.5% in June. The nation's machinery production increased 0.8% in July. Regional machinery output in July was up 9.6% from year-earlier levels, and national machinery output was up 13.3%.

The Midwest resource sector's output ticked down 0.1% in July after declining 0.4% in June. The national resource sector's output edged up 0.2% in July. Two subsectors of the regional resource sector—food and wood production—decreased from June to July, while paper, chemical and nonmetallic production increased. Compared with a year ago, regional resource output was up 5.6% in July, and national resource output was up 3.5%.

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

**Embargoed for release:
August 26, 2010
Noon Eastern Time
11:00 am Central Time**

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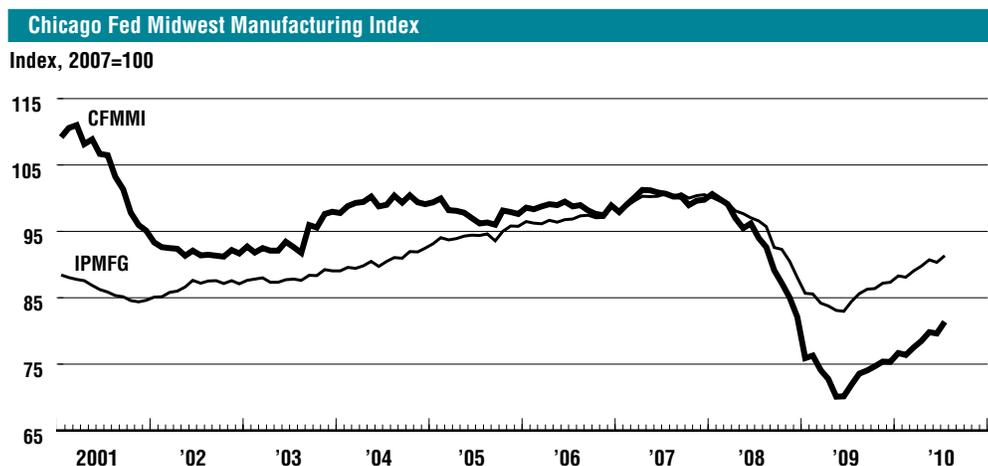
**Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60604**

**2010 Release Dates:
September 27, 2010
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:
September 27, 2010
Noon Eastern Time
11:00 am Central Time**

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OF CHICAGO

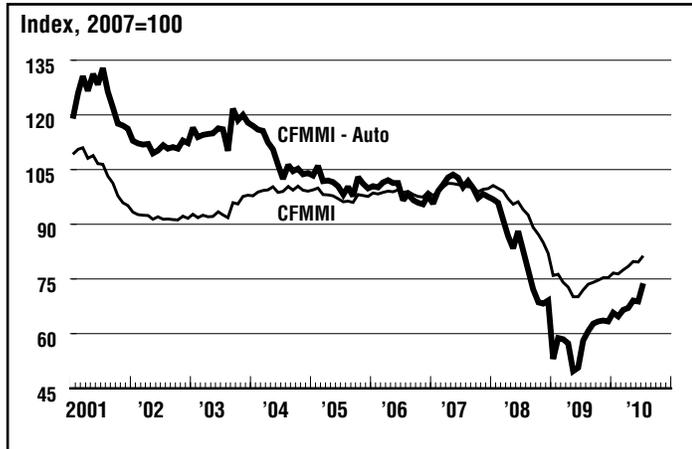


Manufacturing output indexes—June

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	2.2	3.7	13.1
US Industrial Production-Manufacturing (IPMFG)	1.1	1.8	8.1

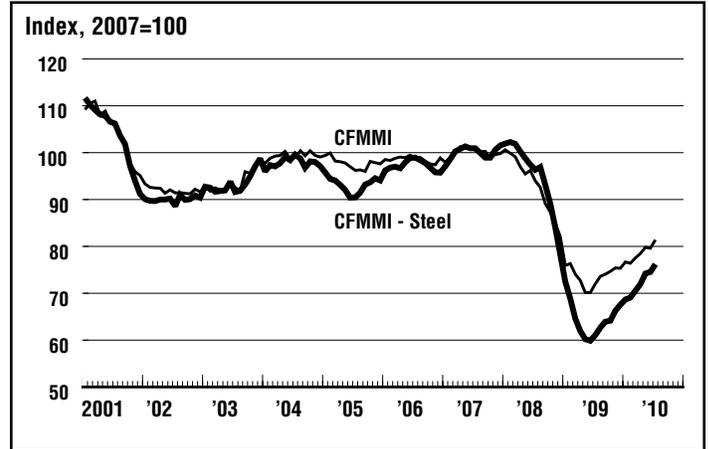
Tracking Midwest Manufacturing Activity by Sectors — July 2010

Auto Sector



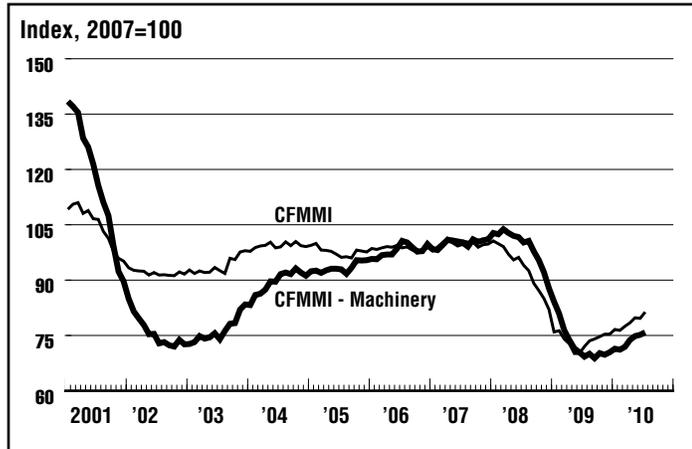
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



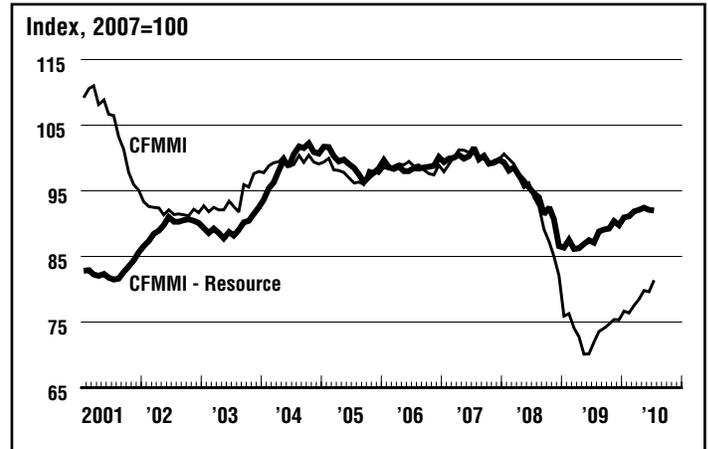
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	May 10	Jun 10	Jul 10	Monthly			Annual Jul 09–Jul 10
				May 10	Jun 10	Jul 10	
CFMMI	79.8	79.6	81.4	1.7	-0.2	2.2	13.1
CFMMI - Auto	69.1	68.8	73.8	3.1	-0.4	7.2	27.0
CFMMI - Steel	74.2	74.6	76.2	3.2	0.5	2.2	24.7
CFMMI - Machinery	74.8	75.2	75.9	1.4	0.5	0.9	9.6
CFMMI - Resource	92.4	92.1	92.0	0.4	-0.4	-0.1	5.6
IPMFG	90.7	90.3	91.4	1.0	-0.4	1.1	8.1

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>.