

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Growth Continues its Recovery in February

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The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.3% from January to February, reaching a seasonally adjusted level of 137.6 (1992=100). Revised data show the index was at 137.2 in January, and had risen 0.8% from December. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) also increased 0.3% in February, after rising 1.0% in January. February output in the region was 5.5% higher than a year earlier, while output in the nation was 5.9% higher.

Output in three of the four CFMMI sub-sectors increased in February. Midwest resource sector output had the largest gain in February, up 0.7%, following a revised 0.1% decrease in January. Output in the regional steel sector rose 0.3% in February, following a 0.9% increase the month before. Midwest machinery sector output rose 0.2% in February, compared with a 1.3% increase in January. The regional automotive sector experienced the only decline in February, down 0.1%, following an increase of 1.9% in the previous month.

The Midwest resource sector's output increased 0.7% from February, while the nation's resource sector rose by 0.6% in February. Growth in paper and food output led the increase in regional resource output. Compared with a year ago, Midwest resource output was 0.1% higher in February and national resource output was 1.9% higher.

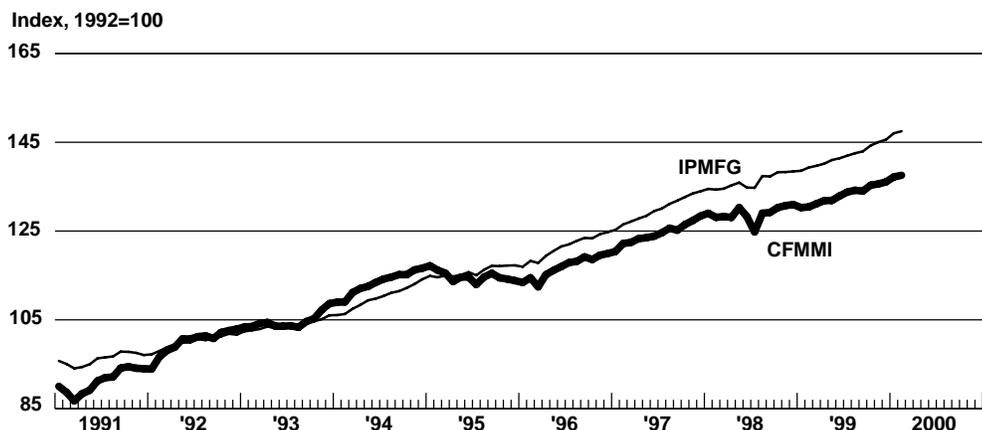
Regional steel output increased 0.3% in February, slightly higher than the 0.2% gain in the nation. This was the fifth consecutive month that regional steel output growth exceeded the nation's. Regional steel output was 6.6% above its February 1999 level, while national steel output was up 5.3%.

Midwest machinery output growth continued to lag behind the nation's. Midwest machinery output increased 0.2% from January to February, while national machinery output rose 1.2%. For the region, growth in the electric equipment and instrument segment was stronger than growth in the industrial machinery segment. Relative to a year ago, the machinery sector continued to outperform other sectors in the region and the nation, with regional output 10.9% higher and national output up 22.0%.

The 0.1% loss in Midwest automotive output in February was smaller than the 0.7% decrease nationally. Regional automotive output was 5.7% above last year's level while national output was unchanged from its February 1999 level. The relatively better performance of domestic passenger car sales compared with the past few years has benefited the Midwest, which has a greater concentration of passenger car production.

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

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**The next CFMMI will be released:
May 11, 2000
Noon Eastern Time
11:00 am Central Time**

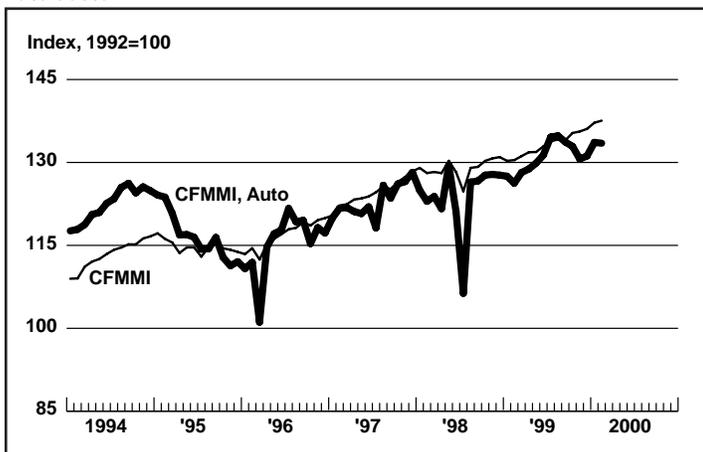
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Manufacturing output indexes – February 2000

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.3	1.4	5.5
US Industrial Production-Manufacturing (IPMFG)	0.3	1.7	5.9

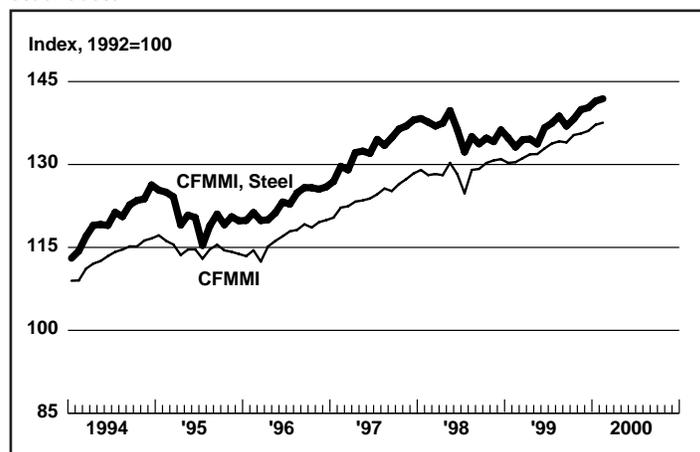
Tracking Midwest Manufacturing Activity by Sectors — February 2000

Auto Sector



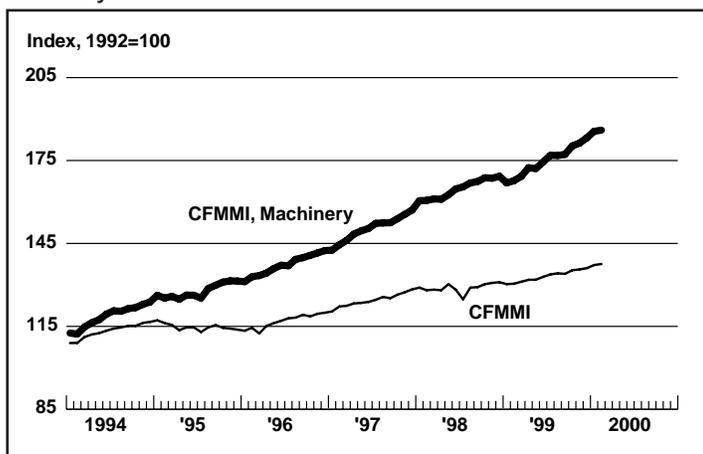
Auto Sector CFMMI Components:
Rubber and Miscellaneous Plastics Products; Transportation Equipment

Steel Sector



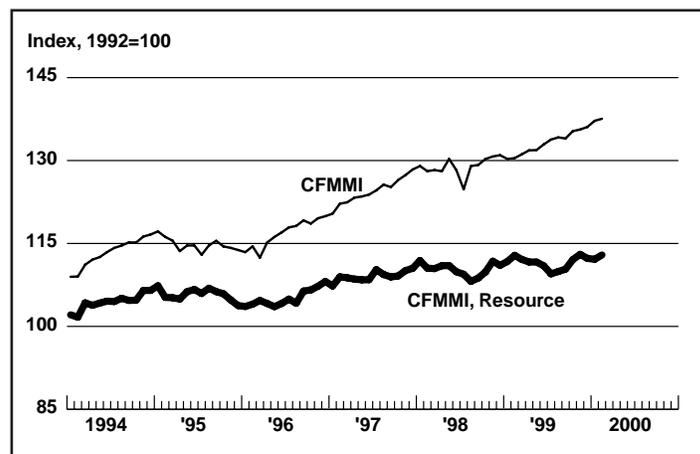
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

Machinery Sector



Machinery Sector CFMMI Components:
Industrial Machinery and Equipment; Electronic and Other Electric Equipment;
Instruments and Related Products

Resource Sector



Resource Sector CFMMI Components:
Food and Kindred Products; Lumber and Wood Products, Paper and Allied Products,
Chemicals and Allied Products; Petroleum and Coal Products; Stone, Clay, and Glass
Products

Manufacturing Activity: Summary Table

	Index, 1992=100			Percent change			
	Dec 99	Jan 00	Feb 00	Monthly			Annual Feb 99–Feb 00
				Dec 99	Jan 00	Feb 00	
CFMMI	136.1	137.2	137.6	0.3	0.8	0.3	5.5
CFMMI - Auto	131.2	133.6	133.5	0.4	1.9	-0.1	5.7
CFMMI - Steel	140.3	141.5	141.9	0.2	0.9	0.3	6.6
CFMMI - Machinery	183.2	185.6	186.0	1.1	1.3	0.2	10.9
CFMMI - Resource	112.3	112.1	112.9	-0.6	-0.1	0.7	0.1
IPMFG	145.6	147.0	147.5	0.4	1.0	0.3	5.9

Note: Three of the sixteen industries in the CFMMI are not included in any of the four sectors above. These are Furniture and Fixtures, Printing and Publishing, and Miscellaneous Manufacturing Industries.

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 16 manufacturing industries (identified by 2-digit SIC codes) that uses electrical power and 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 electrical power and 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.frbchi.org>