

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Falls in June

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The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 0.2% in June, to a seasonally adjusted level of 97.0 (1997=100). Revised data show the index declined 0.5%, to 97.2 in May. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 0.4% in June. While June marked the second consecutive monthly increase in factory output for the nation, it was the third consecutive monthly decline in Midwest manufacturing production. June output in the region was 4.9% lower than a year earlier, while output in the nation was 1.2% below year-ago levels.

Output in three of the four CFMMI sub-sectors fell in June. Midwest steel sector output posted the largest decline, falling 1.0% in June. Regional auto sector output decreased 0.6% in June. Output in the Midwest machinery sector dropped 0.2% in June. The resource sector's output posted the only sub-sector gain, rising 0.3% in June.

The region's steel sector output decreased 1.0% in June while the nation's steel output was down 0.1%. Regional steel output was 7.7% below its June 2002 level compared with a 4.6% decrease in the nation.

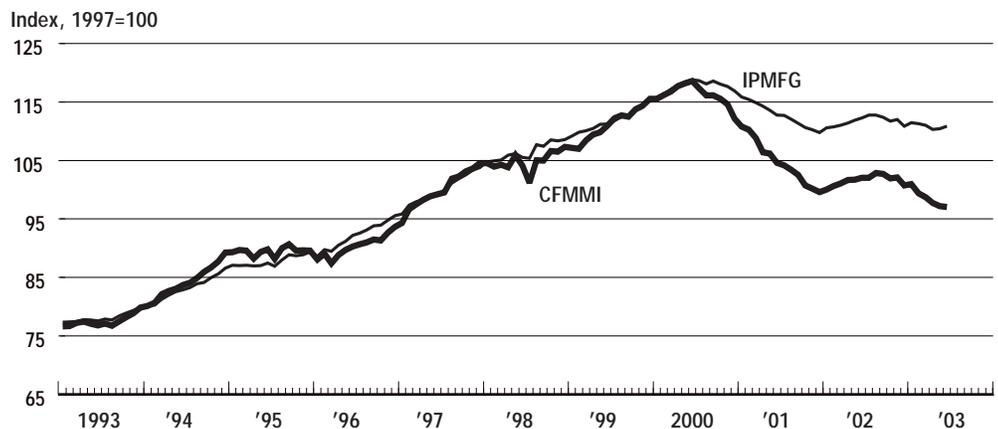
Midwest automotive output fell 0.6% in June but rose 0.4% in the nation. Compared with a year earlier, Midwest automotive output was 6.3% lower in June while national output was down 1.5%.

Midwest machinery output fell 0.2% in June while the nation's output increased 0.1%. Regional machinery output in June was 3.8% below year-earlier levels while national machinery output was up 2.1%.

The Midwest resource sector's output increased 0.3% in June while the nation's output rose 0.6%. June gains in regional food, chemical and wood production were tempered somewhat by losses in nonmetallic mineral and paper production. Compared with a year ago, regional resource output was 3.5% lower in June while the nation's output was down 0.6%

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

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The next CFMMI will be released:
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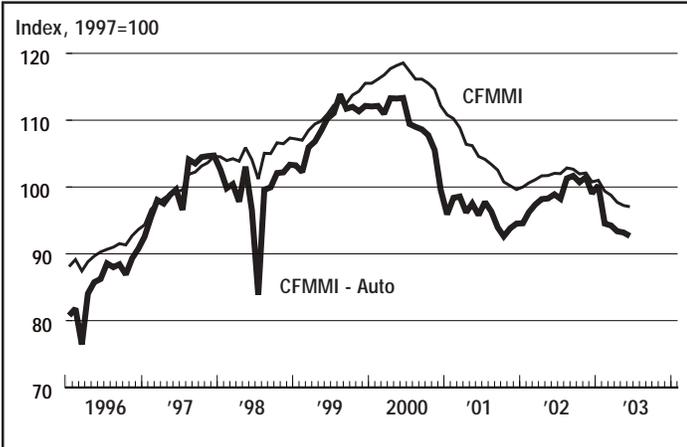
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Manufacturing output indexes—June 2003

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.2	-1.7	-4.9
US Industrial Production-Manufacturing (IPMFG)	0.4	-0.1	-1.2

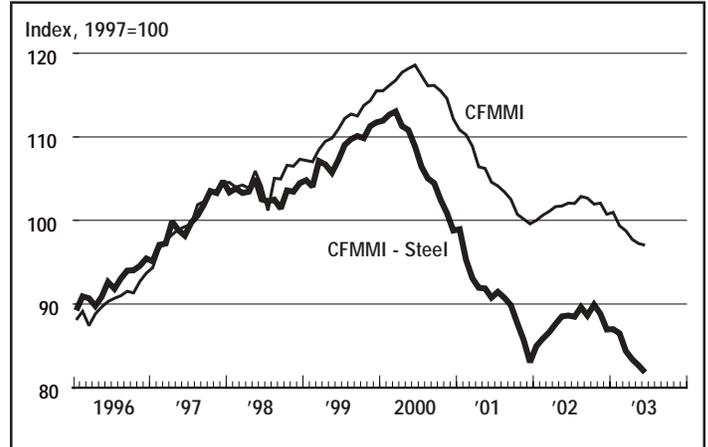
Tracking Midwest Manufacturing Activity by Sectors — June 2003

Auto Sector



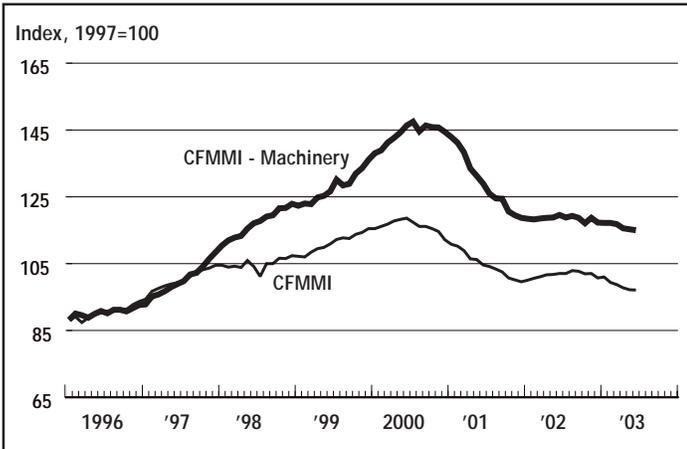
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



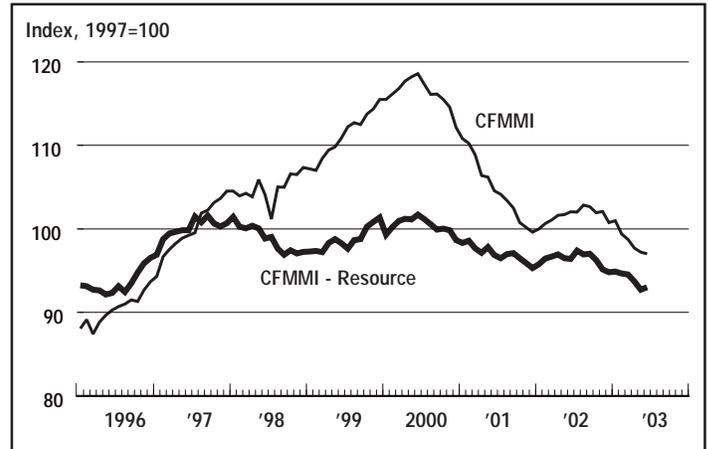
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

Machinery Sector



Machinery Sector CFMMI Components:
Machinery; Computer and Electronic Product; Electrical Equipment, Appliance, and Components Manufacturing

Resource Sector



Resource Sector CFMMI Components:
Food; Wood Product; Paper; Chemicals; Nonmetallic Mineral Products

Manufacturing Activity: Summary Table

	Index, 1997=100			Percent change			
	Apr 03	May 03	Jun 03	Monthly		Annual	
				Apr 03	May 03		Jun 03
CFMMI	97.7	97.2	97.0	-1.0	-0.5	-0.2	-4.9
CFMMI - Auto	93.4	93.2	92.7	-0.9	-0.2	-0.6	-6.3
CFMMI - Steel	83.4	82.6	81.8	-1.2	-0.9	-1.0	-7.7
CFMMI - Machinery	115.6	115.2	115.0	-1.0	-0.3	-0.2	-3.8
CFMMI - Resource	93.7	92.7	93.0	-0.9	-1.1	0.3	-3.5
IPMFG	110.3	110.4	110.9	-0.6	0.1	0.4	-1.2

Note: Three of the seventeen industries in the CFMMI are not included in any of the four sectors above. These are Furniture and Related Products; Printing and Related Support Activities; Miscellaneous Manufacturing.

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 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.chicagofed.org>