

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Falls in November

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2004 Release Dates:
February 11
March 11
April 12
May 11
June 10
July 12
August 11
September 9
October 12
November 10
December 9

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 2.6% in November, to a seasonally adjusted level of 109.1 (1997=100). Revised data show the index fell 0.6%, to 112.0 in October. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 1.0% in November. Regional output in November was 4.2% lower than a year earlier, while output in the nation was 1.7% above year-ago levels.

Output in three of the four CFMMI sub-sectors rose in November. Regional auto sector output posted the only decline, falling sharply by 9.5% in November. Output for the Midwest resource sector rose 0.9% in November. Regional steel sector output increased 1.2% in November. Midwest machinery sector output was up 1.4% in November.

Midwest auto manufacturing activity has been bumpy during the past few months. Midwest automotive output fell 9.5% and 1.5% in November and October, respectively, after rising 8.0% in September. The region's auto sector output decline in November occurred while the nation's output was unchanged. Compared with a year earlier, Midwest automotive output was 9.7% lower in November while national output was up 0.1%.

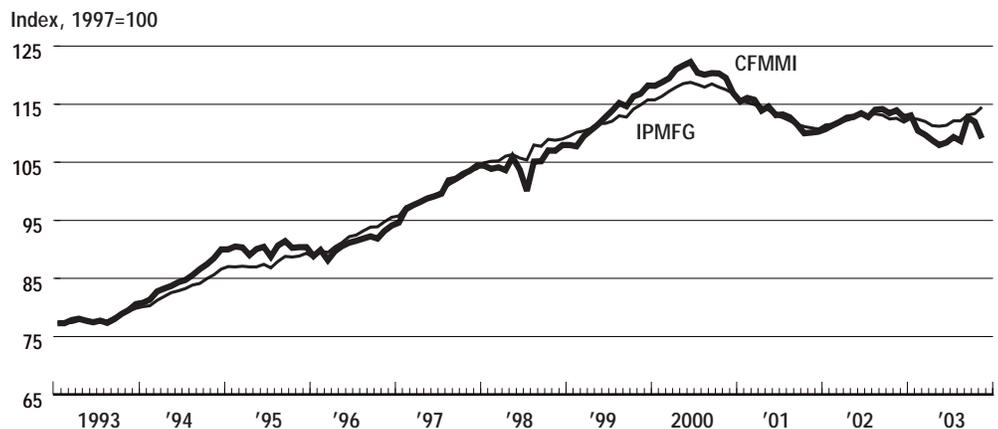
The Midwest resource sector's output increased 0.9% in November, similar to the nation's 0.8% gain. November increases in regional wood, paper, food, and nonmetallic mineral production were tempered somewhat by a drop in chemical production. Compared with a year ago, regional resource output was 1.2% lower in November while the nation's output was up 1.0%.

The region's steel sector output increased 1.2% in November while the nation's steel output rose 1.0%. The regional increase was focused in primary metal output which rose 2.7%, while fabricated metal production increased a more modest 0.5%. Regional steel output was 1.9% below its November 2002 level compared with a 1.4% decrease in the nation.

Midwest machinery sector output rose 1.4% in November while the nation's output increased 2.5%. Increases in regional machinery, computer and electronic product output were offset somewhat by a decline in electrical equipment, appliance and component production. Regional machinery output in November was 0.5% below year-earlier levels while national machinery output was up 15.6%.

— 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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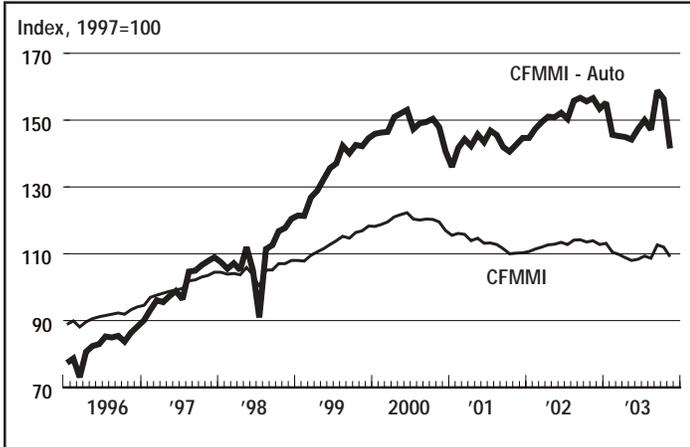
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Manufacturing output indexes—November

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-2.6	0.4	-4.2
US Industrial Production-Manufacturing (IPMFG)	1.0	2.1	1.7

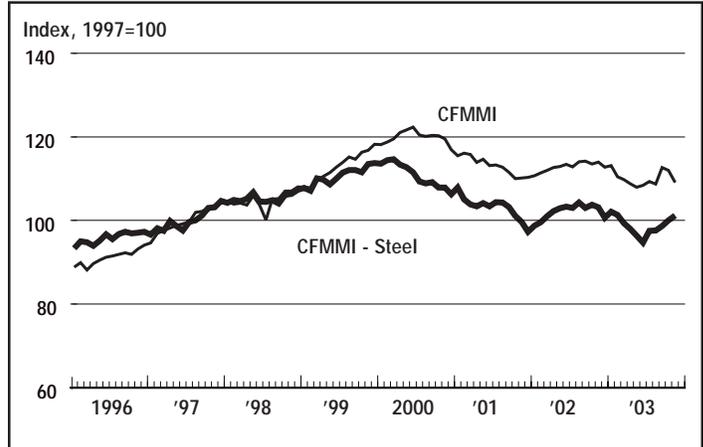
Tracking Midwest Manufacturing Activity by Sectors — November 2003

Auto Sector



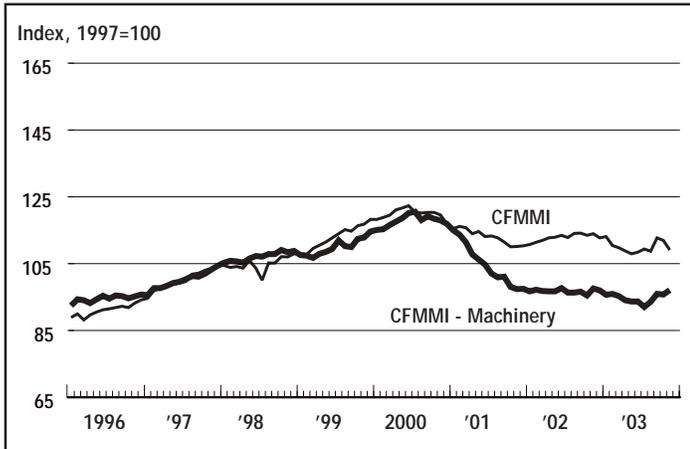
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



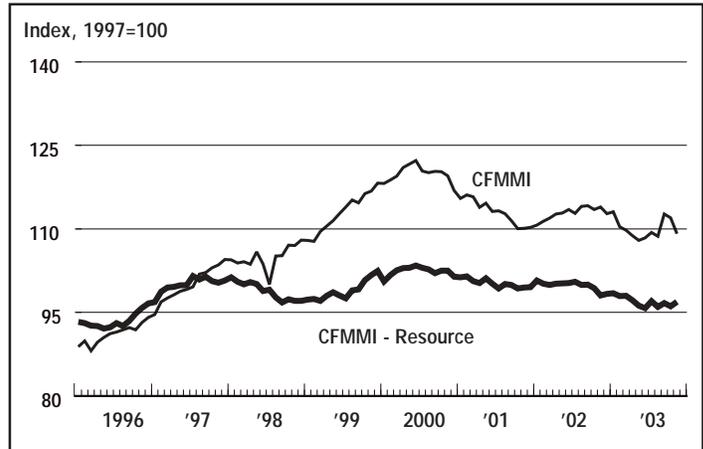
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Sep 03	Oct 03	Nov 03	Monthly		Annual	
				Sep 03	Oct 03		Nov 03
CFMMI	112.7	112.0	109.1	3.7	-0.6	-2.6	-4.2
CFMMI - Auto	158.8	156.4	141.5	8.0	-1.5	-9.5	-9.7
CFMMI - Steel	98.7	100.0	101.2	1.1	1.4	1.2	-1.9
CFMMI - Machinery	95.9	95.8	97.1	2.4	-0.1	1.4	-0.5
CFMMI - Resource	96.7	96.1	96.9	0.7	-0.6	0.9	-1.2
IPMFG	113.1	113.4	114.5	0.9	0.2	1.0	1.7

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>