

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Falls in June

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 September 9
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The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 0.7% in June, to a seasonally adjusted level of 116.2 (1997=100). Revised data show the index increased 0.1% in May, to 117.0. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was unchanged in June. Regional output in June was 7.6% higher than a year earlier, a larger increase than the nation's 5.9%.

Output in three of the four CFMMI sub-sectors fell in June. Regional auto sector output posted the largest decline, dropping 1.3% in June. Output for the Midwest resource sector was down 0.8% in June. Midwest steel sector production fell 0.2% in June. Regional machinery output in June was unchanged from its May level.

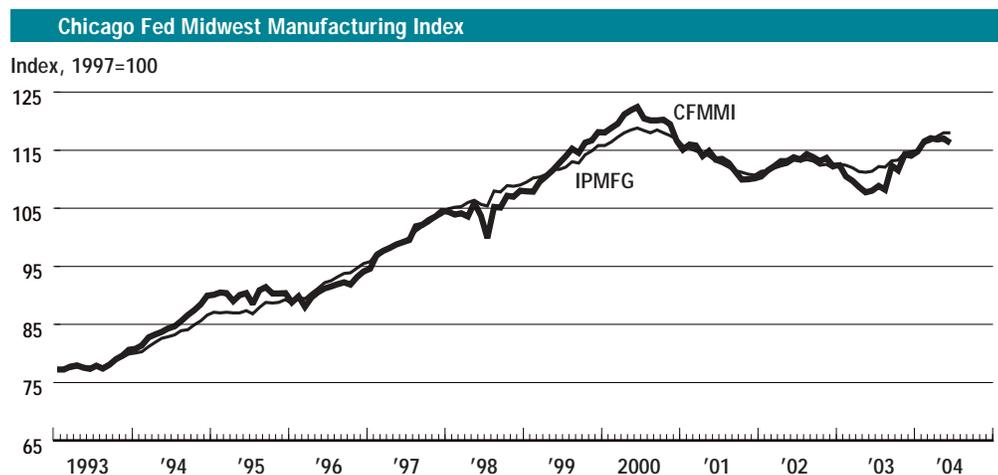
Midwest auto sector production declined 1.3% in June after falling 0.8% in May. The nation's auto output was down 1.0% in June. Compared with a year earlier, Midwest automotive output was 6.1% higher in June while national output was up 3.4%.

The Midwest resource sector's output declined 0.8% in June after rising 0.9% in May. The nation's resource sector's output fell 0.2% in June. Decreases in regional paper, food, wood and chemical production in June were offset slightly by a rise in nonmetallic mineral production. Compared with a year ago, regional resource output was up 4.3% in June while the nation's output was up 4.5%.

The region's steel sector output fell 0.2% in June, the same decline as in May. The nation's steel output rose 0.2% in June. Regional steel output was 13.3% above its June 2003 level compared with a 5.7% increase in the nation.

Midwest machinery sector output was unchanged in June after advancing 1.1% in May. The nation's machinery output increased 1.3% in June. Regional machinery output in June was 11.8% above year-earlier levels while national output was up 18.0%.

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



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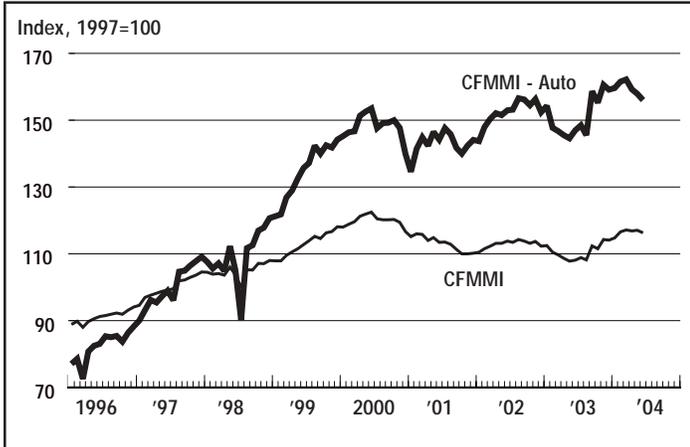
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Manufacturing output indexes—June

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.7	-0.7	7.6
US Industrial Production-Manufacturing (IPMFG)	0.0	1.2	5.9

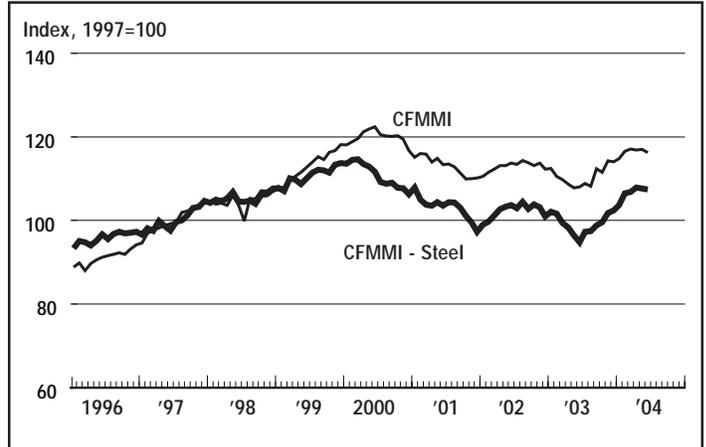
Tracking Midwest Manufacturing Activity by Sectors — June 2004

Auto Sector



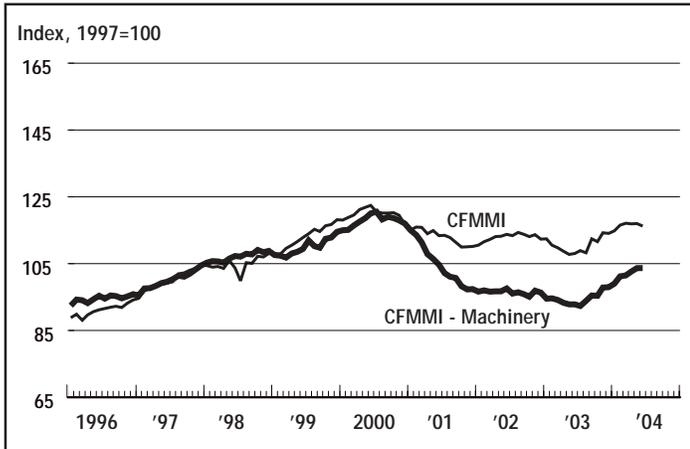
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



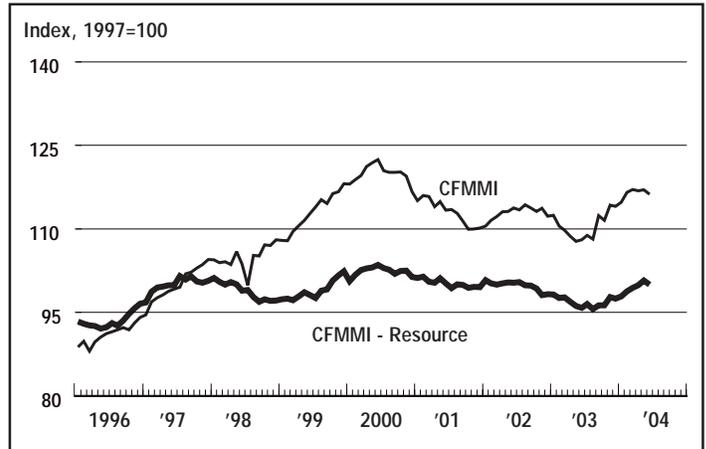
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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 04	May 04	Jun 04	Monthly			Annual Jun 03–Jun 04
				Apr 04	May 04	Jun 04	
CFMMI	116.9	117.0	116.2	-0.2	0.1	-0.7	7.6
CFMMI - Auto	159.2	157.9	155.9	-1.8	-0.8	-1.3	6.1
CFMMI - Steel	107.9	107.6	107.4	1.0	-0.2	-0.2	13.3
CFMMI - Machinery	102.9	103.7	103.7	1.1	1.1	0.0	11.8
CFMMI - Resource	99.9	100.8	100.0	0.4	0.9	-0.8	4.3
IPMFG	117.4	118.0	118.0	0.7	0.5	0.0	5.9

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>