

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Rises in July

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.6% in July, to a seasonally adjusted level of 107.6 (2002=100). Revised data show the index rose 0.8% in June, to 107.0. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) rose 0.2% in July. Regional output in July was 6.1% higher than a year earlier, slightly higher than the national output's 5.8% increase.

Three of the four regional sectors expanded in July. The Midwest machinery sector increased its production by 1.8%. Output in the regional steel sector rose by 1.6%, and the regional resource output was up 0.9%. During the same time period, the auto output was down 1.1%.

Midwest machinery sector output increased 1.8% in July after rising 0.3% in June. The nation's machinery output rose 1.0% in July. Regional machinery output in July was 8.8% above year-earlier levels, while national machinery output was up 14.3%.

The region's steel sector output was up 1.6% in July, after rising 1.0% in June. The nation's steel output was up 0.4% in July. Regional steel output was 10.1% above its July 2005 level, higher than the 8.9% increase in the nation's steel output.

The Midwest resource sector's output increased 0.9% in July after no movement in June. The nation's resource sector's output was up 0.3% in July. Decrease in paper production in July was offset by increases in wood and regional chemical; nonmetallic mineral production was unchanged. Compared with a year ago, regional resource output was up 3.9% in July, while national resource output was up 2.4%.

Midwest auto sector production fell 1.1% in July after increasing 2.1% in June. The nation's auto output was down 1.9% in July. Compared with a year earlier, Midwest automotive output and national auto output were up 5.2%.

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

**Embargoed for release:
Noon Eastern Time
August 28, 2006**

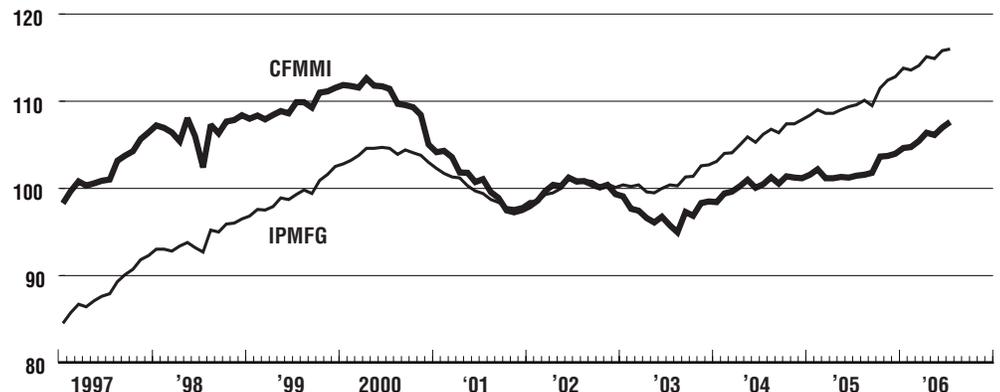
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**2006 Release Dates:
September 27, 2006
October 30, 2006
November 27, 2006
December 27, 2006**

Chicago Fed Midwest Manufacturing Index

Index, 2002=100



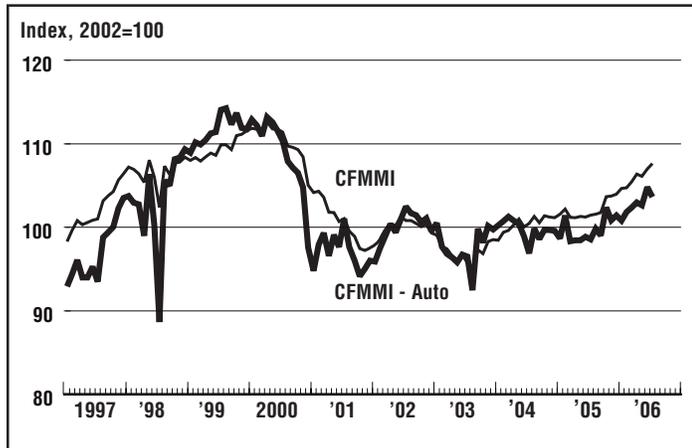
**The next CFMMI will be released:
September 27, 2006
Noon Eastern Time
11:00 am Central Time**

Manufacturing output indexes—July

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	0.6	1.2	6.1
US Industrial Production-Manufacturing (IPMFG)	0.2	0.8	5.8

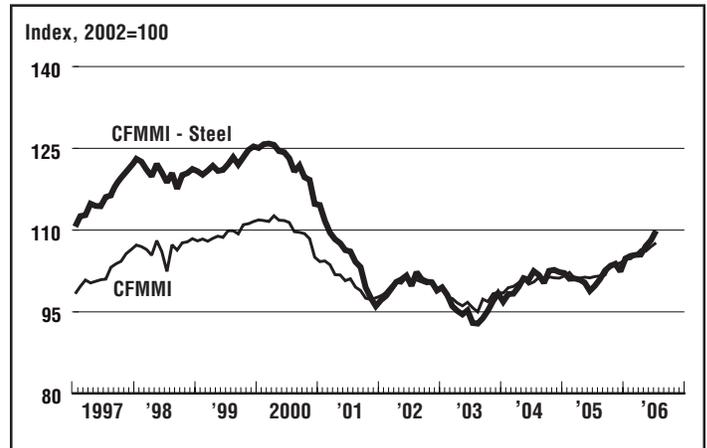
Tracking Midwest Manufacturing Activity by Sectors — July 2006

Auto Sector



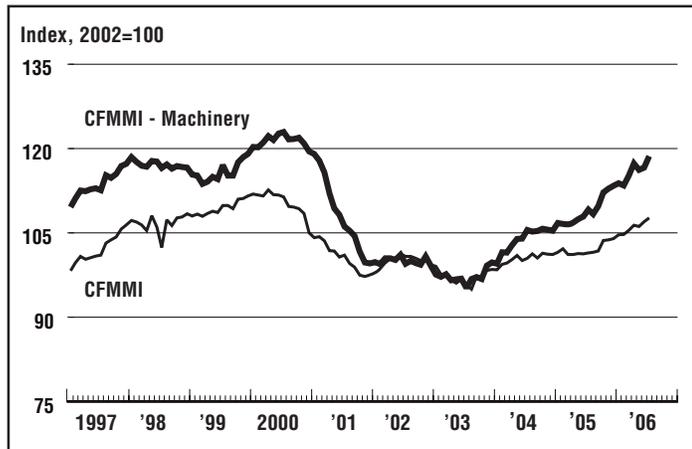
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



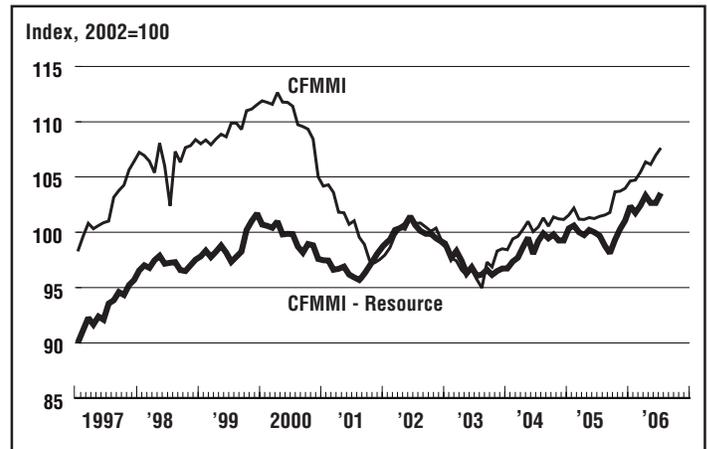
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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, 2002=100			Percent change			
	May 06	Jun 06	Jul 06	Monthly			Annual Jul 05–Jul 06
				May 06	Jun 06	Jul 06	
CFMMI	106.1	107.0	107.6	-0.2	0.8	0.6	6.1
CFMMI - Auto	102.6	104.8	103.6	-0.3	2.1	-1.1	5.2
CFMMI - Steel	107.1	108.1	109.8	1.5	1.0	1.6	10.1
CFMMI - Machinery	116.2	116.6	118.7	-0.9	0.3	1.8	8.8
CFMMI - Resource	102.7	102.7	103.6	-0.6	0.0	0.9	3.9
IPMFG	114.9	115.8	116.0	-0.2	0.8	0.2	5.8

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 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>.