

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Increases in July

The Chicago Fed Midwest Manufacturing Index (CFMMI) rose 0.4% in July, to a seasonally adjusted level of 106.3 (2002 = 100). Revised data show the index increased 1.2% in June, to 105.9. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) also increased 0.4% in July. Regional output in July was 2.4% lower than a year earlier, below the 0.9% decrease in national output.

Two of the four regional industry sectors increased in July:

- Regional auto sector production rose 1.5%;
- Regional machinery sector output increased 0.7%;
- Regional resource sector output edged down 0.2%; and
- Regional steel sector output decreased 0.9%.

The Midwest's auto sector production increased 1.5% in July after soaring 7.1% in June. The nation's auto output increased 2.0% in July. The Midwest's automotive output was down 7.8% in July relative to its year-ago value, while the nation's auto output was down 4.4%.

The Midwest's machinery sector output moved up 0.7% in July after decreasing 0.9% in June. The nation's machinery output was unchanged in July. Regional machinery output in July was 0.1% above year-earlier levels, while national machinery output was up 6.8%.

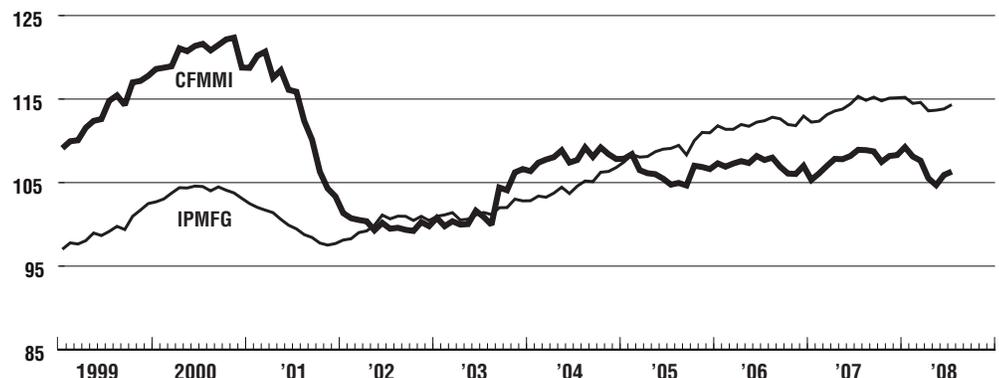
The Midwest resource sector's output edged down 0.2% in July after decreasing 0.4% in June. Three of the subsectors of the resource sector—food, paper, and wood production—decreased from June to July, while chemical and nonmetallic mineral production increased. The national resource sector's output was up 0.1% in July. Compared with a year ago, regional resource output was down 1.4% in July, and the national resource output decreased 0.9%.

The region's steel sector output decreased 0.9% in July after declining 0.7% in June. The nation's steel output was unchanged in July. Regional steel output was down 3.9% from its July 2007 level, while the national steel output dropped 1.9%.

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

Chicago Fed Midwest Manufacturing Index

Index, 2002=100



**Embargoed for release:
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Noon Eastern Time
11:00 am Central Time**

**Media Contact:
Laura LaBarbera
laura.labarbera@chi.frb.org
312-322-2387**

**Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60604**

**2008 Release Dates:
September 29, 2008
October 27, 2008
November 26, 2008
December 29, 2008**

**The next CFMMI will be released:
September 29, 2008
Noon Eastern Time
11:00 am Central Time**

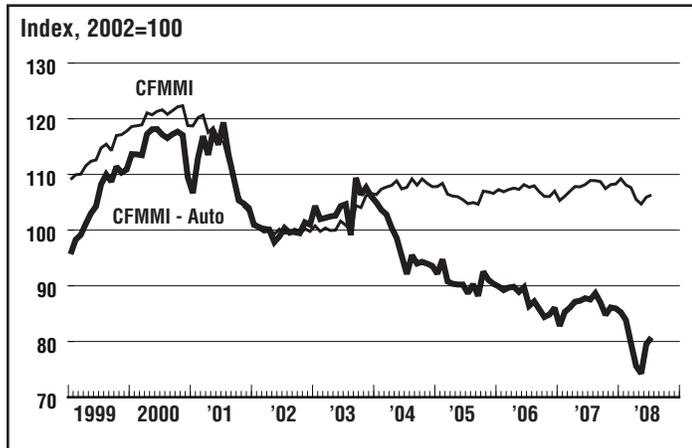
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OF CHICAGO**

Manufacturing output indexes—July

| | percent change from | | |
|---|---------------------|--------------|------------|
| | 1 month ago | 3 months ago | 1 year ago |
| Chicago Fed Midwest Manufacturing Index (CFMMI) | 0.4 | 0.8 | -2.4 |
| US Industrial Production-Manufacturing (IPMFG) | 0.4 | 0.6 | -0.9 |

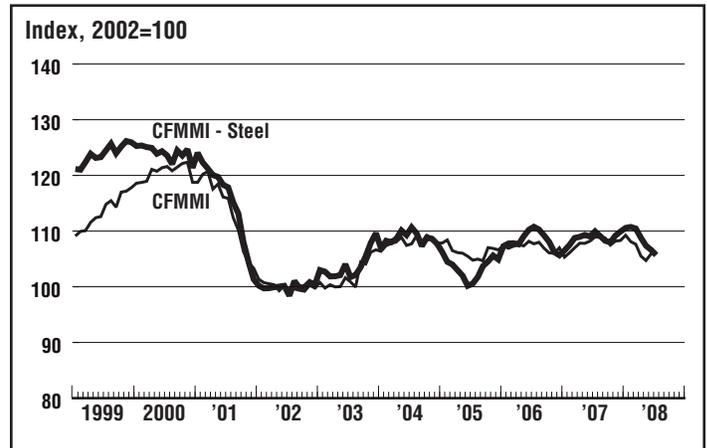
Tracking Midwest Manufacturing Activity by Sectors — July 2008

Auto Sector



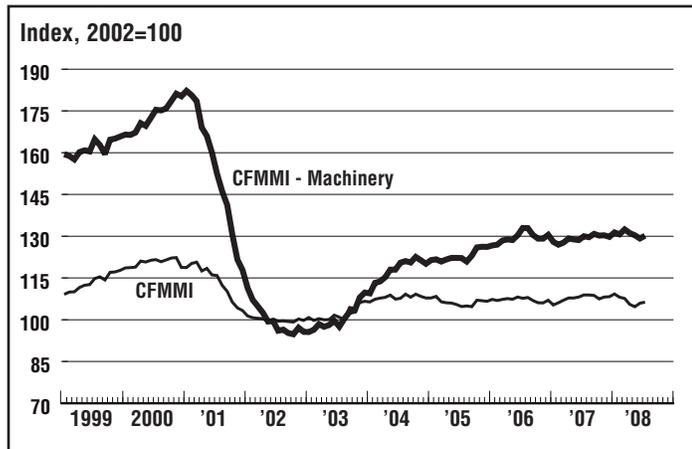
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



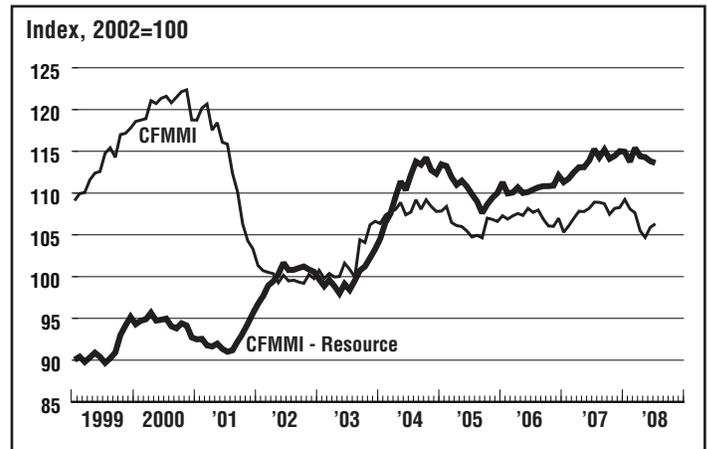
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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 08 | Jun 08 | Jul 08 | Monthly | | | Annual Jul 07-Jul 08 |
| | | | | May 08 | Jun 08 | Jul 08 | |
| CFMMI | 104.7 | 105.9 | 106.3 | -0.8 | 1.2 | 0.4 | -2.4 |
| CFMMI - Auto | 74.3 | 79.5 | 80.8 | -1.8 | 7.1 | 1.5 | -7.8 |
| CFMMI - Steel | 107.4 | 106.6 | 105.7 | -1.3 | -0.7 | -0.9 | -3.9 |
| CFMMI - Machinery | 130.3 | 129.2 | 130.1 | -0.6 | -0.9 | 0.7 | 0.1 |
| CFMMI - Resource | 114.3 | 113.8 | 113.6 | -0.1 | -0.4 | -0.2 | -1.4 |
| IPMFG | 113.7 | 113.8 | 114.3 | 0.1 | 0.1 | 0.4 | -0.9 |

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>.