

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output is Down in May

The Chicago Fed Midwest Manufacturing Index (CFMMI) decreased 0.8% in May, to a seasonally adjusted level of 104.8 (2002 = 100). Revised data show the index decreased 1.8% in April, to 105.7. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was unchanged in May. Regional output in May was 2.8% lower than a year earlier, below the 0.1% decrease in national output.

All four of the regional industry sectors decreased in May:

- Regional auto sector production fell 1.7%;
- Regional machinery sector output moved down 1.0%;
- Regional resource sector output declined 0.8%; and
- Regional steel sector output edged down 0.1%.

The Midwest's auto sector production fell 1.7% in May after dropping 5.2% in April. The nation's auto output inched up 0.2% in May. The Midwest's automotive output was down 14.8% in May relative to its year-ago value, while the nation's auto output was down 5.8%.

The Midwest's machinery sector output moved down 1.0% in May after decreasing 0.6% in April. The nation's machinery output was up 0.1% in May. Regional machinery output in May was 0.7% above year-earlier levels, while national machinery output was up 9.7%.

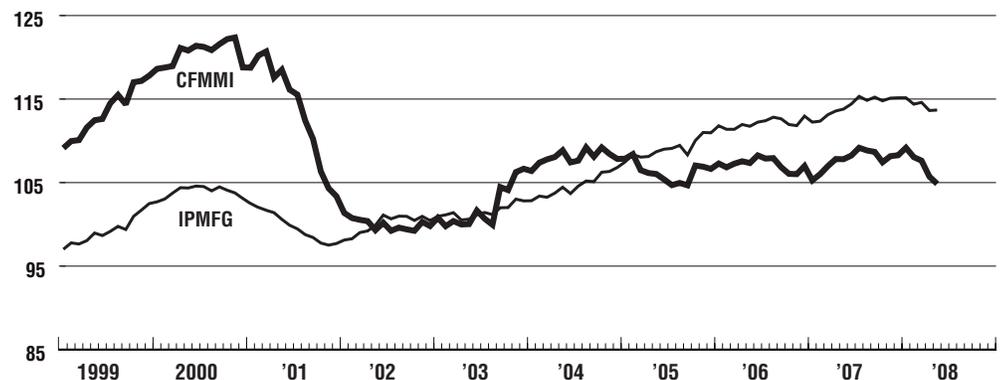
The Midwest resource sector's output declined 0.8% in May after decreasing 0.6% in April. One of the subsectors of the resource sector—chemical production—increased from April to May, while food, wood, paper, and nonmetallic mineral production decreased. The national resource sector's output was down 0.1% in May. Compared with a year ago, regional resource output was up 0.8% in May, and the national resource output increased 0.5%.

The region's steel sector output edged down 0.1% in May after decreasing 1.3% in April. The nation's steel output increased 0.2% in May. Regional steel output was down 0.7% from its May 2007 level, while the national steel output increased 1.2%.

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

Chicago Fed Midwest Manufacturing Index

Index, 2002=100



The next CFMMI will be released:
July 28, 2008
 Noon Eastern Time
 11:00 am Central Time

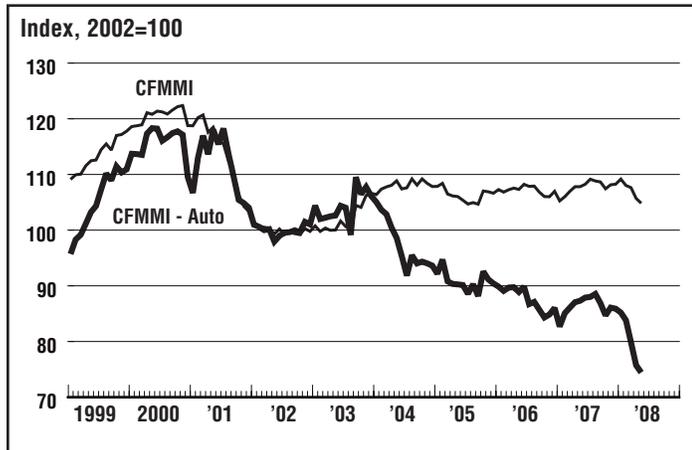
FEDERAL RESERVE BANK
 OF CHICAGO

Manufacturing output indexes—May

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	-0.8	-3.0	-2.8
US Industrial Production-Manufacturing (IPMFG)	0.0	-0.6	-0.1

Tracking Midwest Manufacturing Activity by Sectors — May 2008

Auto Sector



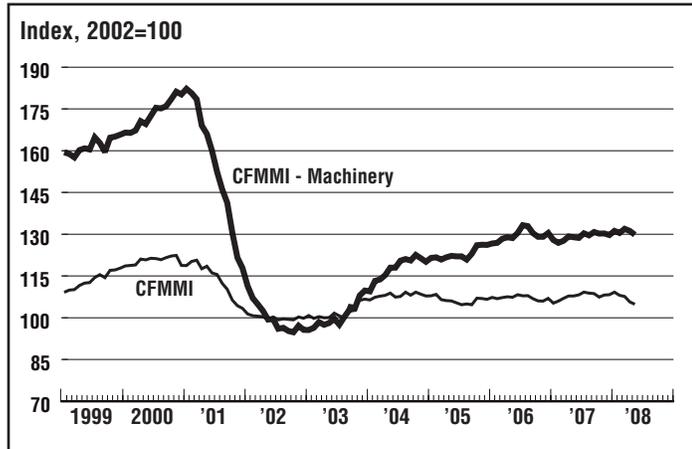
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



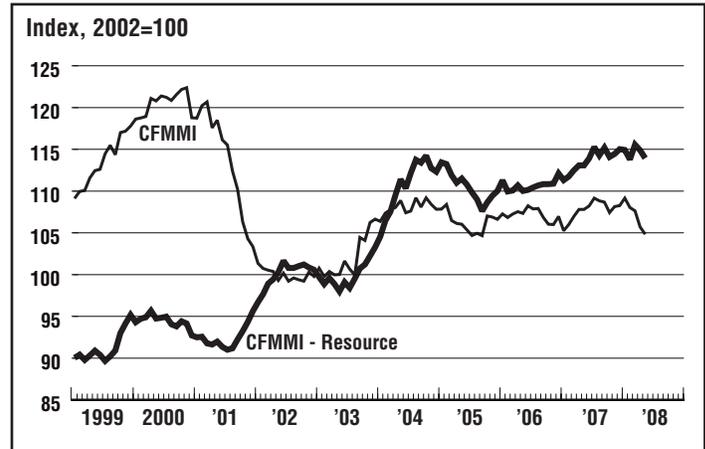
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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			
	Mar 08	Apr 08	May 08	Monthly			Annual
				Mar 08	Apr 08	May 08	May 07-May 08
CFMMI	107.6	105.7	104.8	-0.4	-1.8	-0.8	-2.8
CFMMI - Auto	79.9	75.7	74.4	-4.7	-5.2	-1.7	-14.8
CFMMI - Steel	110.2	108.8	108.6	-0.2	-1.3	-0.1	-0.7
CFMMI - Machinery	131.9	131.2	129.8	1.2	-0.6	-1.0	0.7
CFMMI - Resource	115.6	114.9	113.9	1.6	-0.6	-0.8	0.8
IPMFG	114.6	113.6	113.7	0.2	-0.8	0.0	-0.1

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>.