

Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Rose in July

The Chicago Fed Midwest Manufacturing Index (CFMMI) increased 2.6% in July, to a seasonally adjusted level of 79.7 (2002 = 100), its first increase in over a year and highest since September 2003. Revised data show the index edged down 0.3% in June, to 77.7. The Federal Reserve Board's industrial production index for manufacturing (IPMFG) was up 1.1% in July. Regional output in July declined 22.8% from a year earlier—more of a decline than the 14.3% decrease in national output.

While the overall index moved sharply higher, being primarily focused on the regional auto sector, the other three regional sectors decreased in July:

- Regional auto sector production jumped 16.3%;
- Regional steel sector output edged down 0.1%;
- Regional resource sector output decreased 0.2%; and
- Regional machinery sector output moved down 2.2%.

Regional auto sector production jumped 16.3% in July after increasing 0.5% in June. The nation's auto output rose 6.6% in July. The Midwest's automotive output was down 32.4% in July relative to its year-ago value, and the nation's auto output was down 20.1%.

The region's steel sector output edged down 0.1% in July after decreasing 1.1% in June. The nation's steel output was up 0.1% in July. Regional steel output dropped 37.3% from its July 2008 level, and national steel output fell 25.8%.

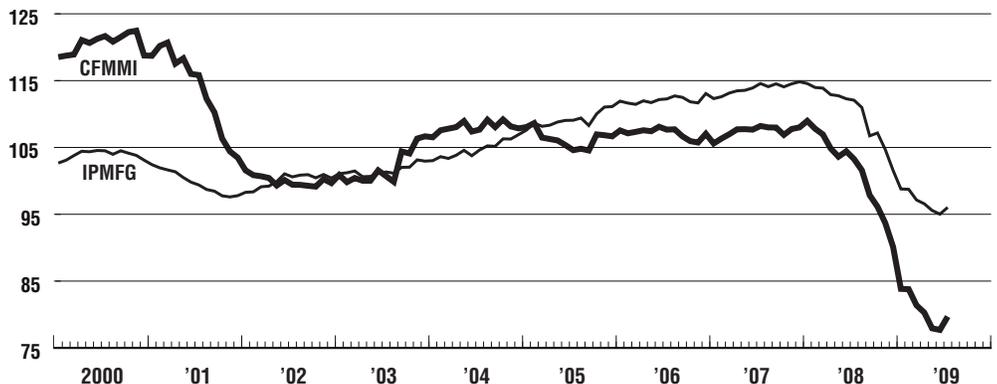
The Midwest resource sector's output decreased 0.2% in July after declining 0.4% in June. The national resource sector's output was unchanged in July. One of the five subsectors of the resource sector—food production—decreased from June to July, while chemical, paper, nonmetallic mineral, and wood production rose. Compared with a year ago, regional resource output was down 8.7% in July, and the national resource output declined 7.6%.

The Midwest's machinery sector output moved down 2.2% in July after edging down 0.2% in June. The nation's machinery output increased 0.3% in July. Regional machinery output in July was 27.4% below year-earlier levels, and national machinery output was down 17.0%.

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

Chicago Fed Midwest Manufacturing Index

Index, 2002=100



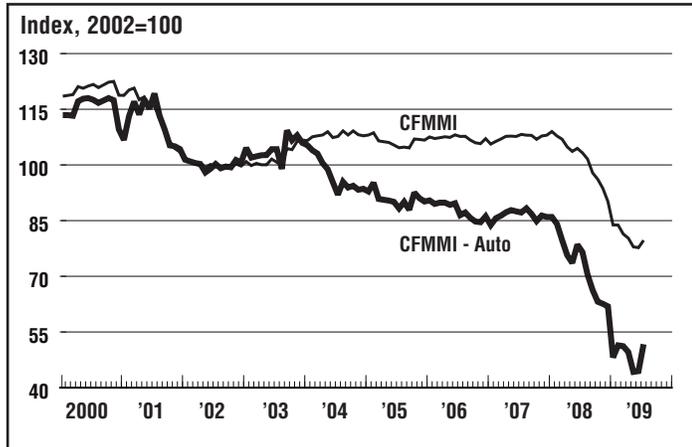
The next CFMMI will be released:
September 30, 2009
 Noon Eastern Time
 11:00 am Central Time

Manufacturing output indexes—July

	percent change from		
	1 month ago	3 months ago	1 year ago
Chicago Fed Midwest Manufacturing Index (CFMMI)	2.6	-0.7	-22.8
US Industrial Production-Manufacturing (IPMFG)	1.1	-0.6	-14.3

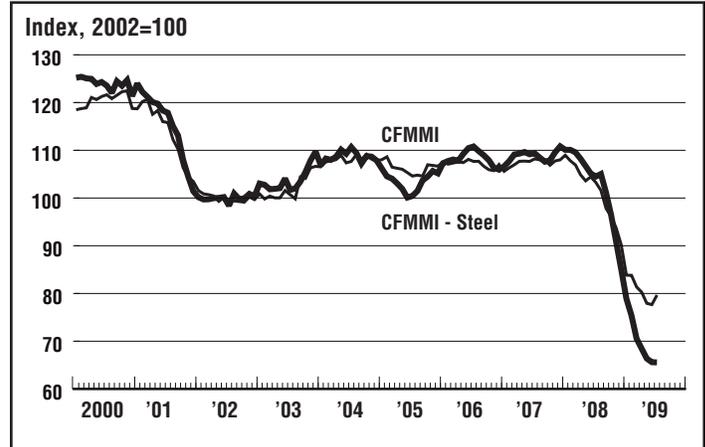
Tracking Midwest Manufacturing Activity by Sectors — July 2009

Auto Sector



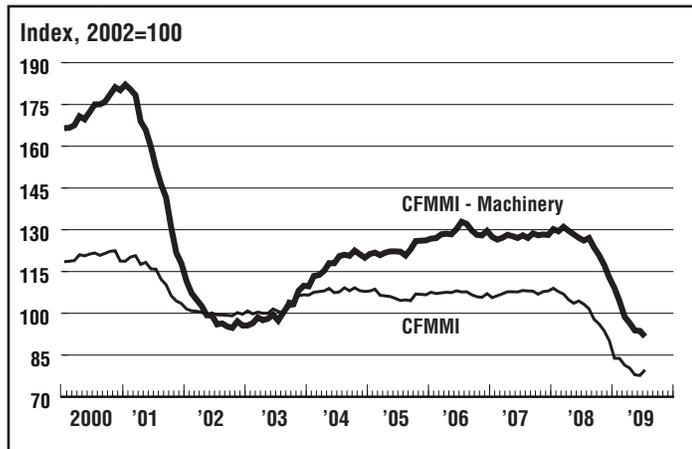
Auto Sector CFMMI Components:
Plastics and Rubber Products; Transportation Equipment

Steel Sector



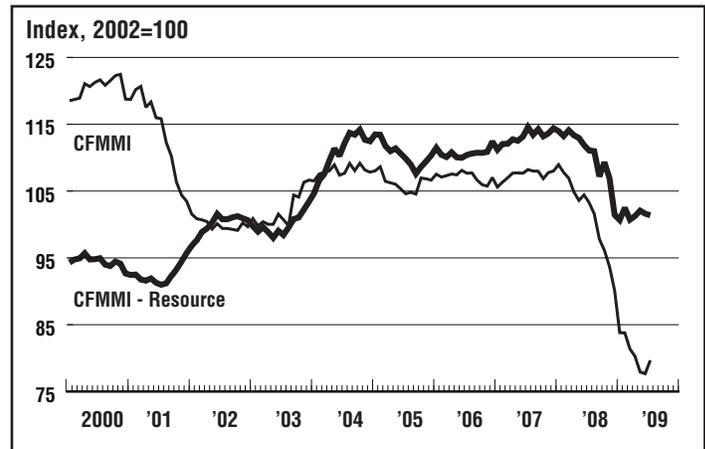
Steel Sector CFMMI Components:
Primary Metal Industries; Fabricated Metal Products

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 09	Jun 09	Jul 09	Monthly			Annual Jul 08-Jul 09
				May 09	Jun 09	Jul 09	
CFMMI	77.9	77.7	79.7	-2.9	-0.3	2.6	-22.8
CFMMI - Auto	44.2	44.4	51.7	-10.8	0.5	16.3	-32.4
CFMMI - Steel	66.4	65.6	65.5	-3.0	-1.1	-0.1	-37.3
CFMMI - Machinery	93.8	93.7	91.6	-2.7	-0.2	-2.2	-27.4
CFMMI - Resource	102.1	101.6	101.4	0.8	-0.4	-0.2	-8.7
IPMFG	95.6	95.0	96.0	-1.0	-0.6	1.1	-14.3

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>.