
Macroeconomic indicators - Chicago Fed Midwest factory index near 12-year low

Tuesday, 30 Dec, 2008

Reuters reported that the manufacturing in the US Midwest fell to its weakest level in almost 12 years in November as steel and machinery production dropped.

The Chicago Federal Reserve Bank said that “The Chicago Fed's Midwest factory index dropped 1.6% to a seasonally adjusted 96.4, the lowest since January 1997, from a downwardly revised 98.0 in October. The October reading was originally reported at 98.6.”

Compared with a year earlier, Midwest output was down 10.8%, worse than the 7.3% drop in national factory output previously reported by the Fed.

Bucking its recent trend, Midwest auto sector production rose 1.1% in November after falling 3.6 percent in October and 6.2% in September. Still, compared with a year earlier, the region's automotive output was down 24%, while national auto output fell 15.7%.

Regional steel output fell 4.3% for a second straight month and was down 14.1% on the year, worse than the 11.4% national decline.

Machinery sector output was off 2% in November after falling 1.7% in October. Regional machinery output was down 6.6% from a year ago, while national output fell 2.6%.

The Chicago Fed Midwest Manufacturing Index is a monthly estimate of manufacturing output in the region by major industries. The survey covers the five states that make up the seventh Federal Reserve district: Illinois, Indiana, Iowa, Michigan and Wisconsin.

(Sourced from Reuters)

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