



Regional Fed Manufacturing Overview: December Average Highest in 13 Years

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Five out of the twelve Federal Reserve Regional Districts currently publish monthly data on regional manufacturing: Dallas, Kansas City, New York, Richmond, and Philadelphia.

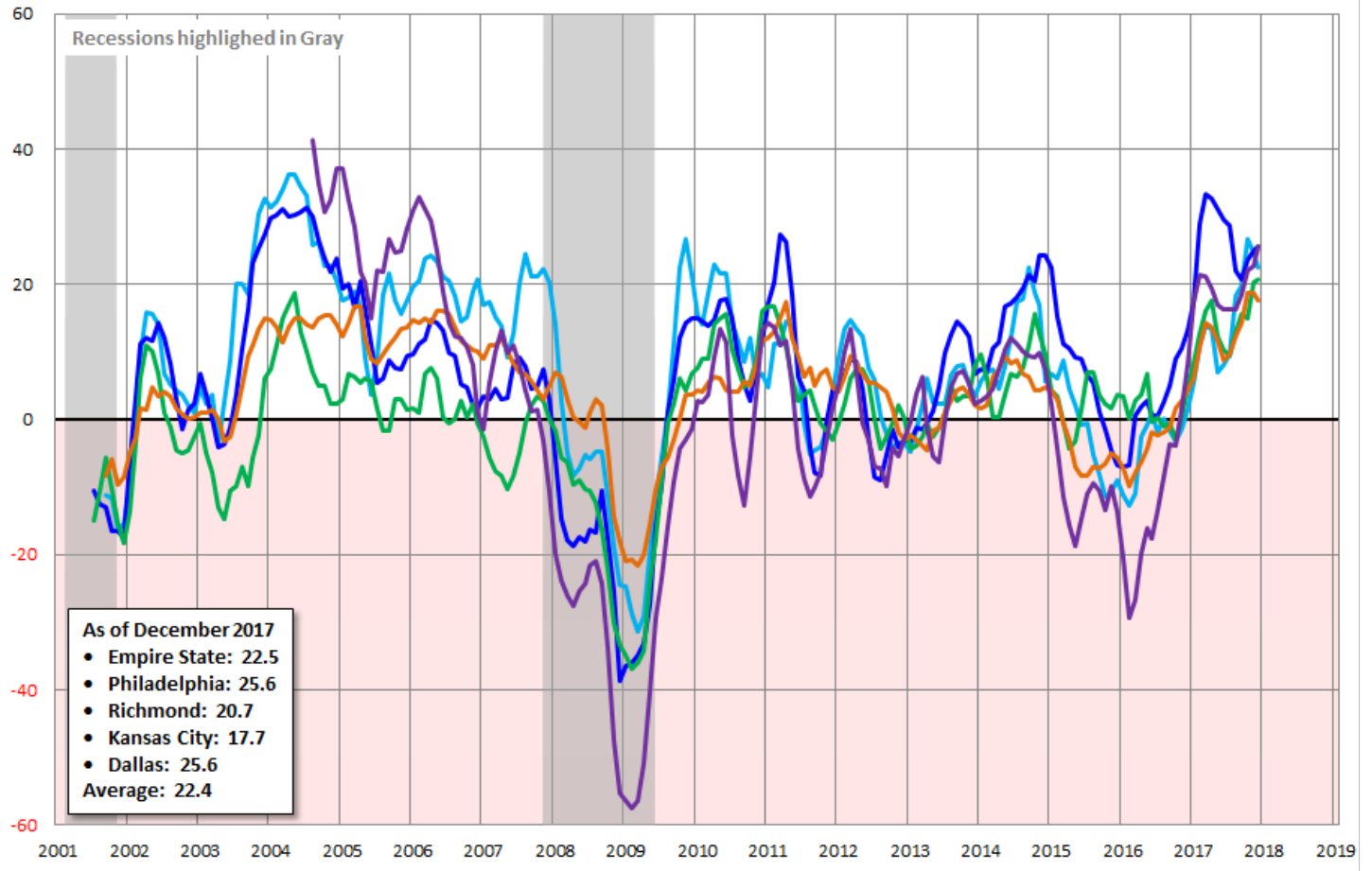
Regional manufacturing surveys are a measure of local economic health and are used as a representative for the larger national manufacturing health. They have been used as a signal for business uncertainty and economic activity as a whole. Manufacturing makes up 12% of the country's GDP.

The other 6 Federal Reserve Districts do not publish manufacturing data. For these, the Federal Reserve's Beige Book offers a short summary of each districts' manufacturing health. The Chicago Fed published their Midwest Manufacturing Index from July 1996 through December of 2013. According to their website, *"The Chicago Fed Midwest Manufacturing Index (CFMMI) is undergoing a process of data and methodology revision. In December 2013, the monthly release of the CFMMI was suspended pending the release of updated benchmark data from the U.S. Census Bureau and a period of model verification. Significant revisions in the history of the CFMMI are anticipated."*

Here is a three-month moving average overlay of each of the five indicators since 2001 (for those with data). The latest average of the five for November is 22.4, up from the previous month's 22.2 and its highest in over 13 years.

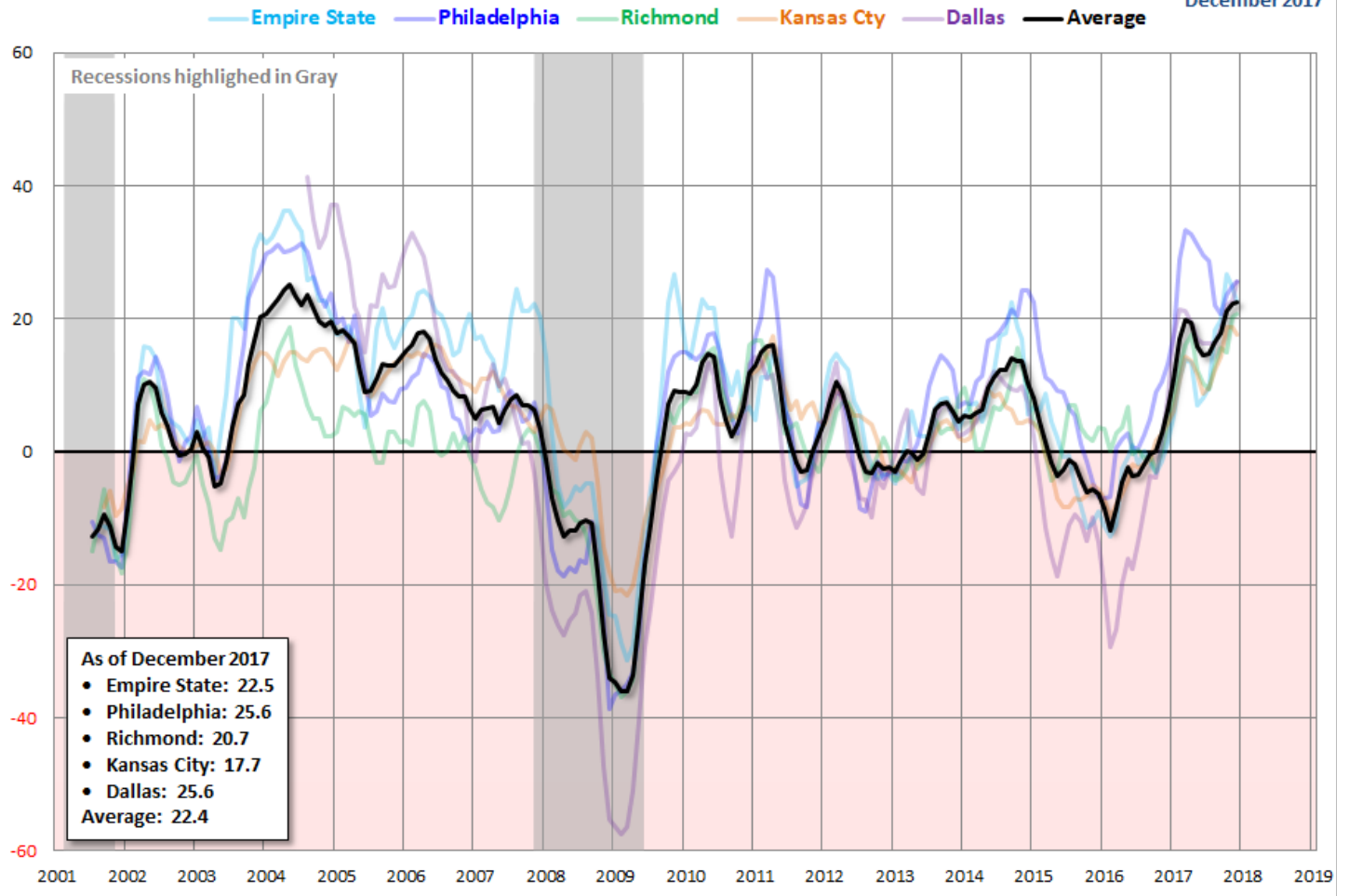
Regional Manufacturing Three-Month Moving Averages

— Empire State — Philadelphia — Richmond — Kansas Cty — Dallas



Here is the same chart including the average of the five. Readers will notice the range in expansion and contraction between all regions.

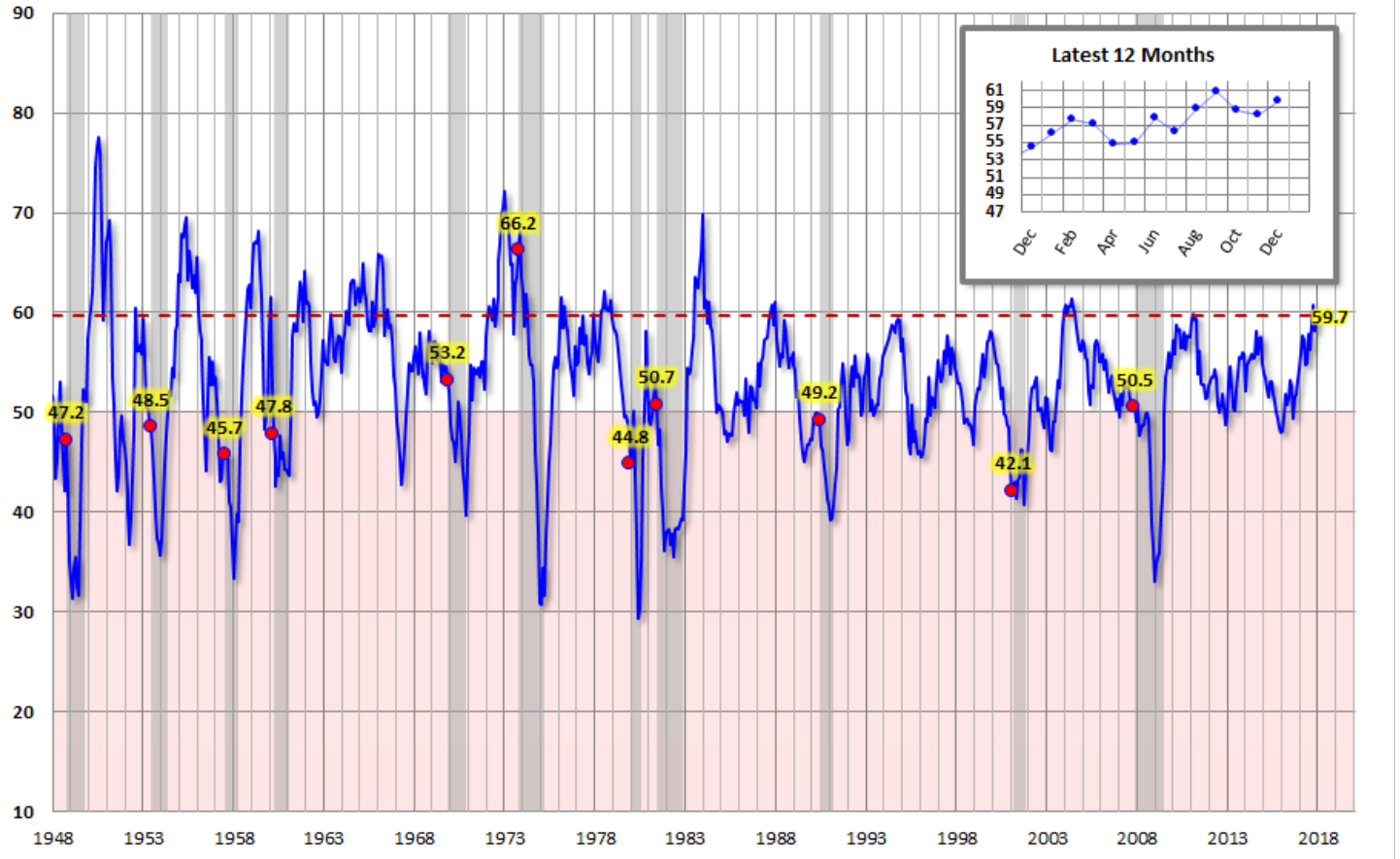
Regional Manufacturing Average



For comparison, here is the latest ISM Manufacturing survey.

ISM Manufacturing: PMI Composite Index Monthly Series with Recessions Highlighted

Dashed line shows the current level, Dots highlight the month before a recession



Here are links to the five monthly manufacturing indicators that we track:

- Texas Manufacturing Outlook Survey (TMOS)
- Kansas City Manufacturing Survey
- Empire State Manufacturing Survey
- Fifth District Manufacturing Survey (Richmond)
- Philadelphia Fed Manufacturing Business Outlook Survey

APPENDIX:

The twelve districts are as follows:

Boston (First Federal Reserve District) - Connecticut (excluding Fairfield County), Massachusetts, Maine, New Hampshire, Rhode Island and Vermont

New York (Second Federal Reserve District) – includes New York State, the 12 northern counties of New Jersey, Fairfield County in Connecticut, Puerto Rico, and the U.S. Virgin Islands.

Philadelphia (Third Federal Reserve District) – includes Eastern Pennsylvania, southern New Jersey, and Delaware

Cleveland (Fourth Federal Reserve District) - Ohio, western Pennsylvania, the northern panhandle of West Virginia, and eastern Kentucky; Fourth Federal Reserve District

Richmond (Fifth Federal Reserve District) – includes Ohio, western Pennsylvania, the northern panhandle of West Virginia, and eastern Kentucky

Atlanta (Sixth Federal Reserve) - Alabama, Florida, Georgia, and portions of Louisiana, Mississippi, and Tennessee; Sixth Federal Reserve District

Chicago (Seventh Federal Reserve District) - Iowa, and most of Illinois, Indiana, Michigan, and Wisconsin

St. Louis (Eighth Federal Reserve District) - most of eastern Missouri and southern Illinois

Minneapolis (Ninth Federal Reserve District) - Minnesota, Montana, North and South Dakota, 26 counties in northwestern Wisconsin and the Upper Peninsula of Michigan

Kansas City (Tenth Federal Reserve District) – includes Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and Western Missouri

Dallas (Eleventh Federal Reserve District) - Texas, northern Louisiana, and southern New Mexico

San Francisco (Twelfth Federal Reserve District) - Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, Washington, Guam, American Samoa, and the Northern Mariana Islands