



Economics Group

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Durable Goods Rebound in February, but Below Expectations

Durable goods orders rose 2.2 percent in February, following a revised 3.6 percent pullback in January. Orders, excluding transportation, rose 1.6 percent, which was roughly in line with expectations.

Overall a Good Durable Goods Report

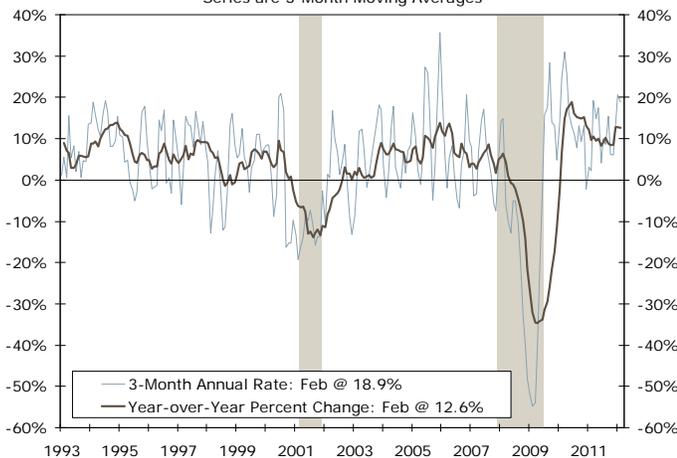
- Orders for durable goods rose 2.2 percent on the month, following a pullback of 3.6 percent in January. The decline in January was likely due to the expiration of the favorable tax treatment in the past year. Much of the gain was in aircraft and vehicles and parts. Our core measure for capital goods, non-defense capital goods excluding aircraft, rose 0.2 percent on a three-month annual basis, suggesting further improvement.

Shipments Pullback, but the Trend is Still Favorable

- Shipments declined 0.4 percent on the month, following two consecutive monthly increases. On a year-ago basis, shipments are up 12.7 percent, however. Core shipments are up 1.4 percent.
- Unfilled orders rose 1.3 percent and continue the rising trend that has been in place for some time. With unfilled orders now up 10.5 percent year over year it suggests the production pipeline remains full. The inventory-to-shipment ratio increased to 1.81.

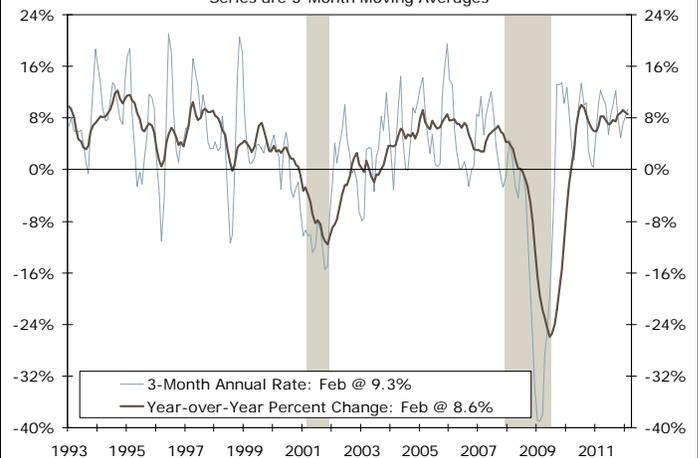
Durable Goods New Orders

Series are 3-Month Moving Averages



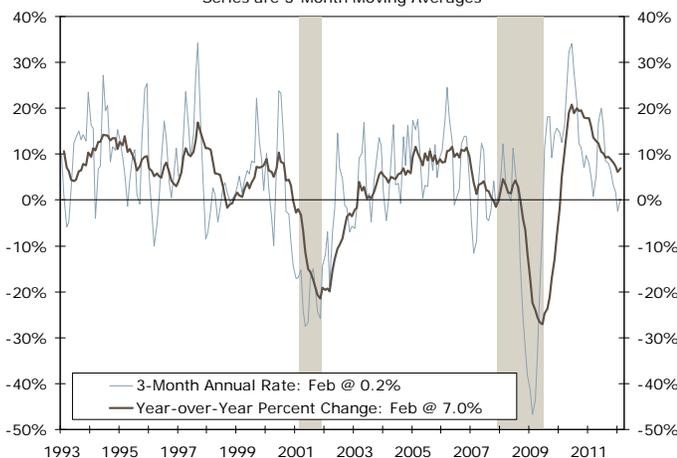
Durable Goods Shipments

Series are 3-Month Moving Averages



Nondefense Capital Goods Orders, Ex-Aircraft

Series are 3-Month Moving Averages



Durable Goods Inventories-to-Shipments



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