

Economics Group

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Durable Goods Bounced Back in September

Orders for durable goods at U.S. manufacturers regained some lost ground after last month's drop. Ex-transportation, orders were better than expected—business spending is showing signs of recovery.

Recovery Still Intact, for Now

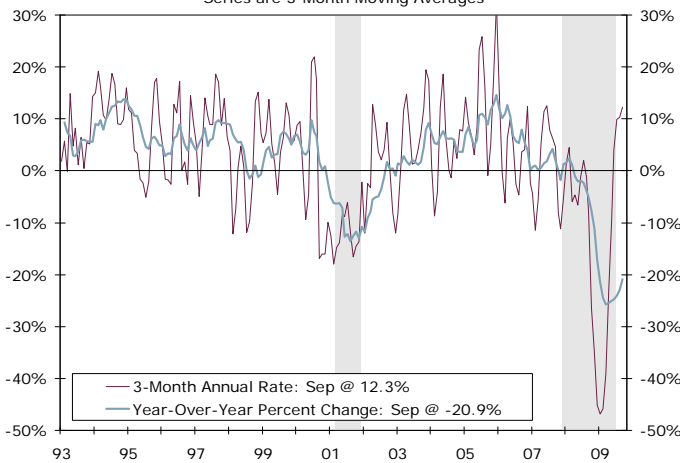
- Durable goods orders gained 1.0 percent in September, right in-line with expectations. The theme of ongoing recovery appears to remain intact after a 2.6 percent drop in orders last month raised concern that the recovery was losing steam.
- Early cycle recovery sectors led the way—machinery notched the largest gain in orders, up 7.9 percent. Non-defense capital goods orders ex-aircraft gained 2.0 percent.

Inventories Still Falling, Orders in Pipeline are Slowing

- Inventories fell again in September, marking the ninth consecutive monthly drop as manufacturers are apparently drawing down stockpiles to be as lean as possible.
- The recovery in recent months seems to be at risk of running out of steam. Unfilled durable goods orders have fallen for 12 consecutive months, the longest losing streak on record; ex-transportation, unfilled orders fell 11 out the last 12 months.

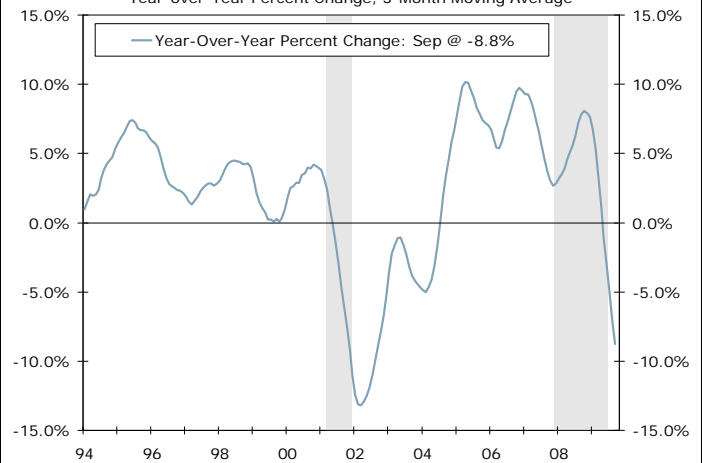
Durable Goods New Orders

Series are 3-Month Moving Averages



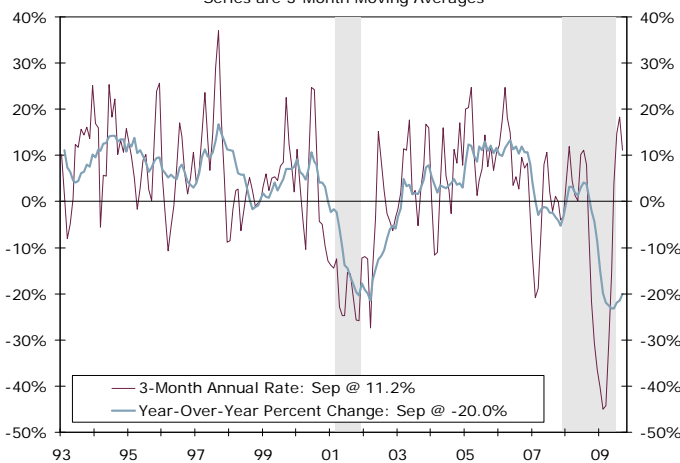
Durable Goods Inventories

Year-over-Year Percent Change, 3-Month Moving Average



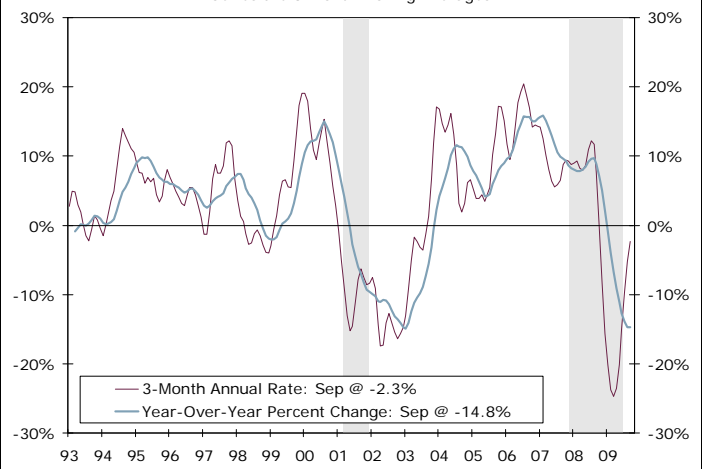
NonDefense Capital Goods Orders, Ex-Aircraft

Series are 3-Month Moving Averages



Durable Goods Unfilled Orders, Ex Transportation

Series are 3-Month Moving Averages



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