



Economics Group

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Durable Goods Orders Weak Outside of Aircraft

Durable goods orders for September came in stronger than expected, but the headline number was boosted by a jump in aircraft orders. Ex-aircraft, orders fell 0.6 percent signaling a slower pace of business spending.

Factory Sector Can't be Locomotive Forever

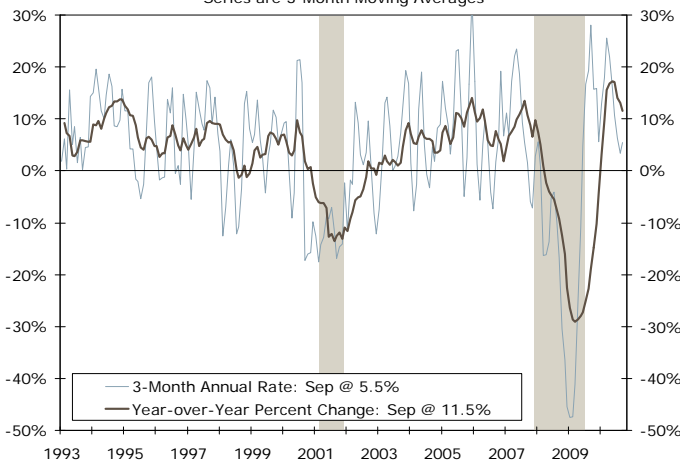
- In the early stages of this recovery, the first "green shoots," as everyone called them at the time, emerged in the factory sector as orders began to pick up. The gains were made possible by a massive inventory swing that allowed factories to replenish stockpiles after the worst of the recession past. Despite the strong top number, today's report is a reminder that the industrial sector can not drive growth indefinitely.

Boost from Business Spending to Wane

- Still, one month does not a trend make, and this report was not all bad. Shipments of non-defense capital goods ex-aircraft tend to be a reliable indicator of business spending in the GDP report. This measure notched a 0.4 percent gain on the month. Orders for non-defense capital goods ex-aircraft came down 0.6 percent in September from an upwardly revised jump of 4.8 percent in August. Business spending growth could slow in coming months.

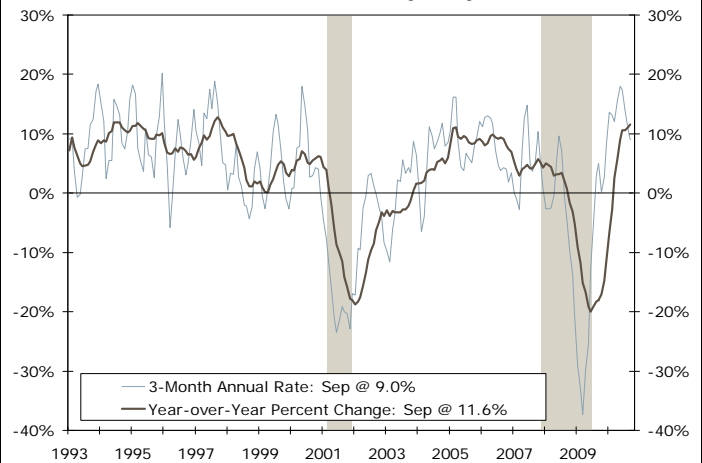
Durable Goods New Orders

Series are 3-Month Moving Averages



Nondefense Capital Goods Shipments, Ex Aircraft

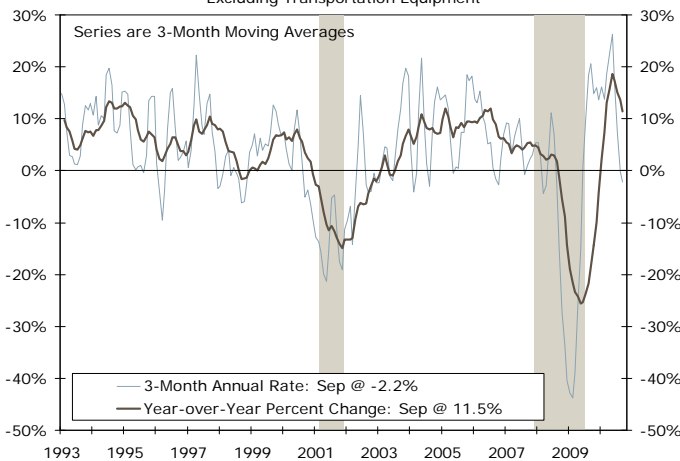
Series are 3-Month Moving Averages



Durable Goods New Orders

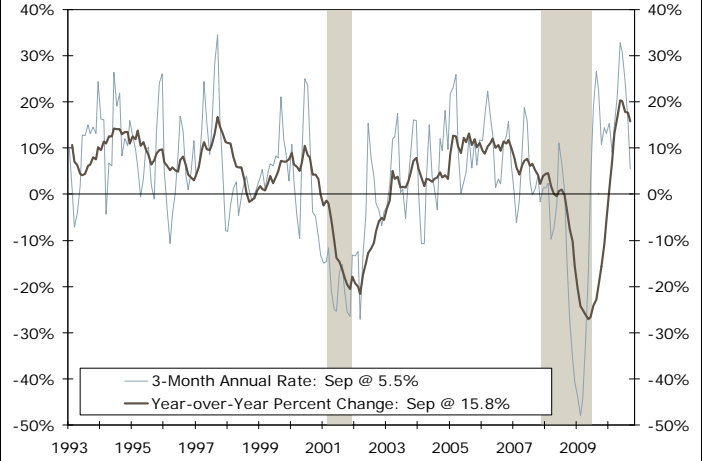
Excluding Transportation Equipment

Series are 3-Month Moving Averages



NonDefense Capital Goods Orders, Ex-Aircraft

Series are 3-Month Moving Averages



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