



# Economics Group

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## Factory Orders Climbed Higher in February

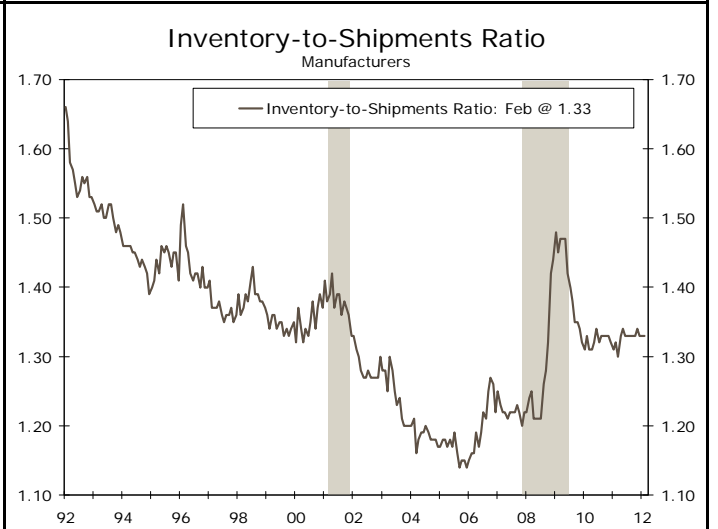
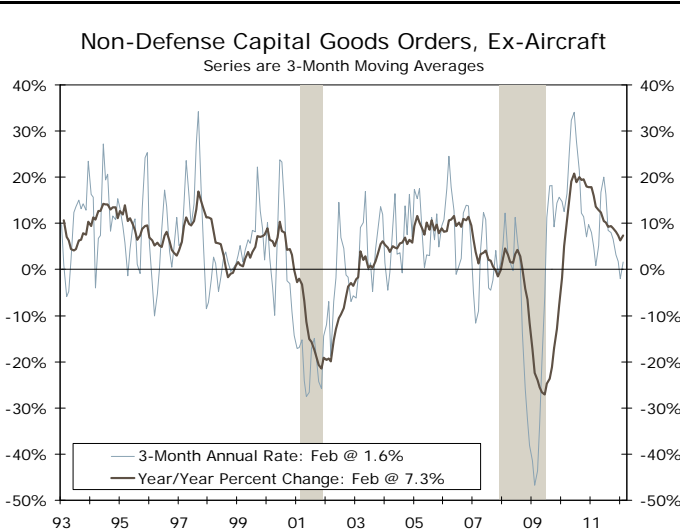
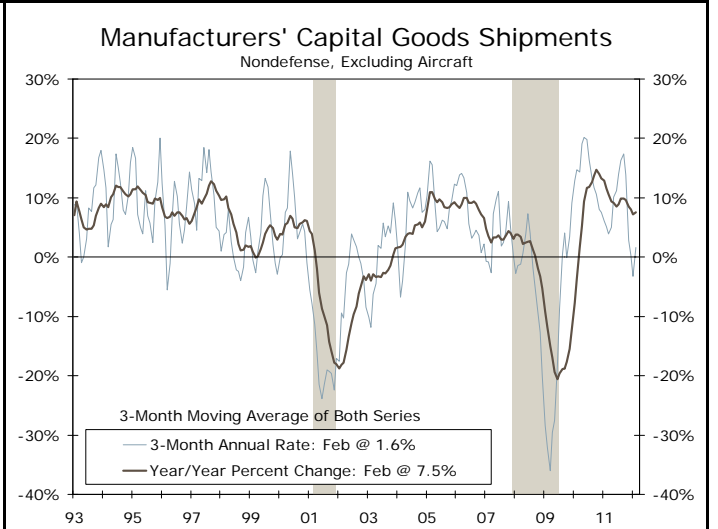
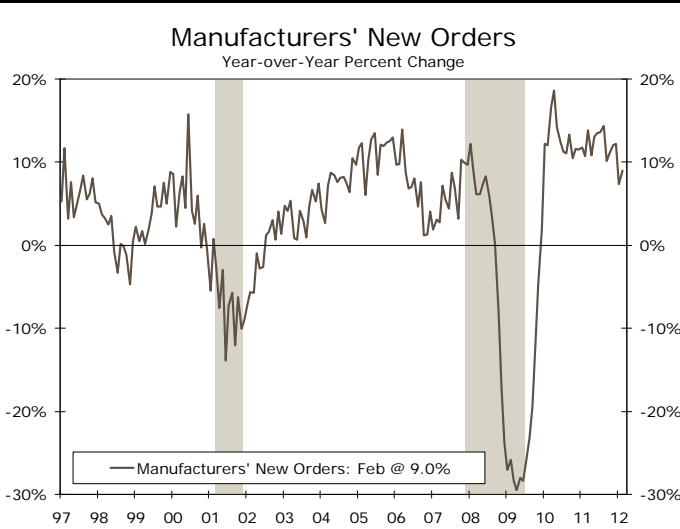
**Factory orders bounced back in February, rising 1.3 percent after slipping 1.1 percent to start the year. Capital goods orders rose 2.7 percent, a sign business investment remains a support to Q1 economic growth.**

### New Orders Firm in First Quarter

- New factory orders, excluding the volatile transportation component, rose 0.9 percent for the month. Capital goods orders rebounded, with nondefense capital goods orders rising 1.7 percent in February. On a three-month annualized basis, nondefense capital goods orders ex-aircraft are up 1.6 percent, suggesting that investment in capital goods will continue to support growth in the first quarter.

### Inventory-to-Shipments Ratios Remain Stable

- Shipments rose a modest 0.1 percent; however, shipments of nondefense capital goods ex-aircraft rose a strong 1.4 percent.
- Inventories continued to edge higher for the month, rising 0.4 percent, with machinery orders accounting for most of the increase.
- The inventory-to-shipments ratio remained stable at 1.33, where it has been for the past three months.



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