



Economics Group

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Wholesale Inventories Increase in September

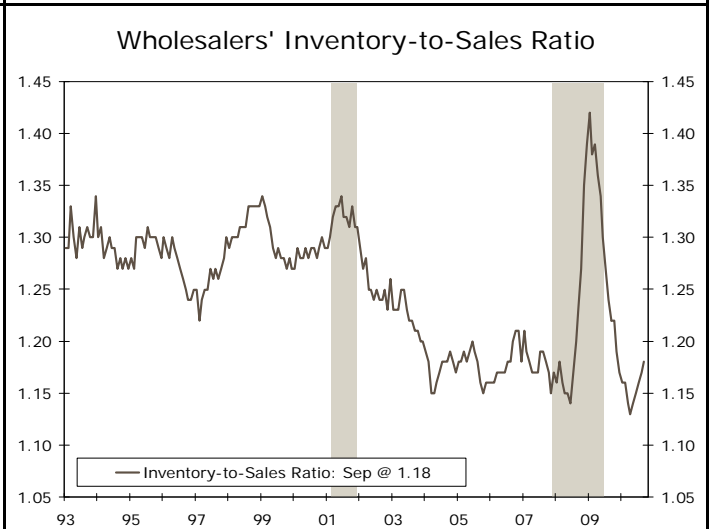
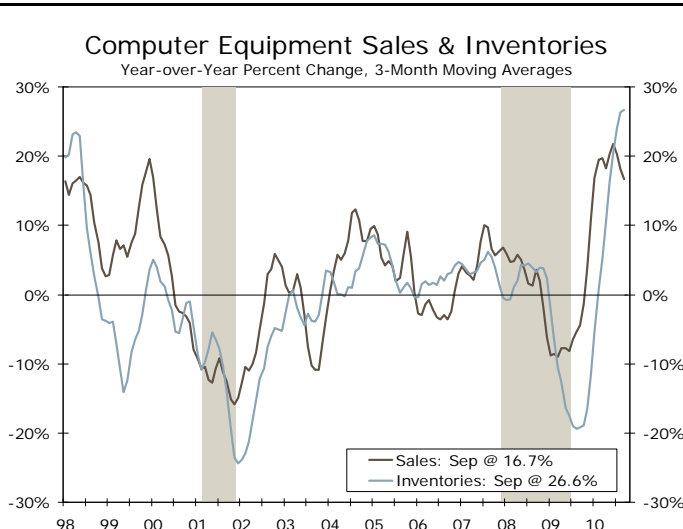
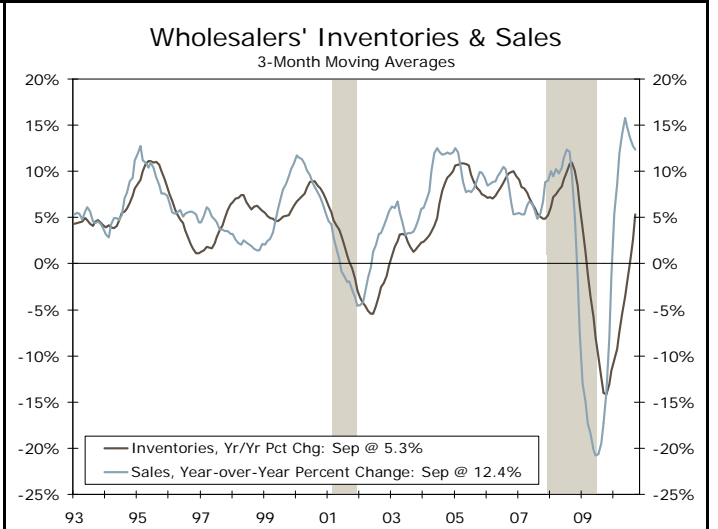
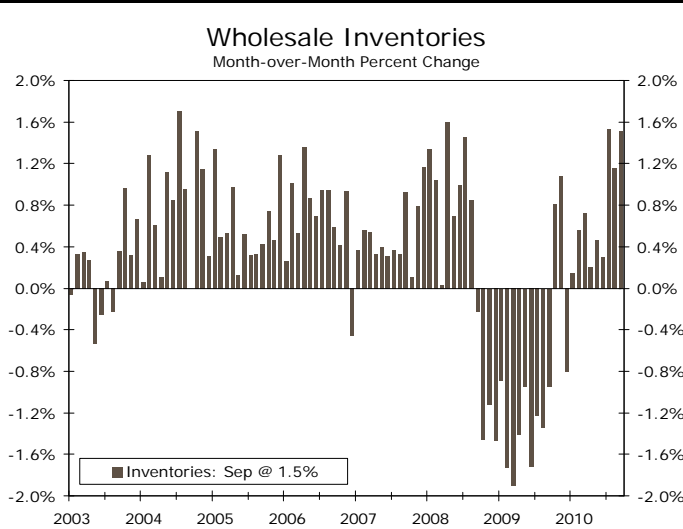
Wholesale inventories rose 1.5 percent in September, led by gains in nondurable goods. Growth in August inventories was revised upwards to 1.2 percent from the originally reported 0.8 percent.

Sluggish Sales Growth

- Sales at wholesalers increased 0.4 percent in September over the revised August level of 0.5 percent.
- Sales of computers and groceries both increased 1.1 percent from the month of August.
- Sales of automobiles declined in September by 0.9 percent. Additional declines were observed in machinery and petroleum products.

Inventory Building Continues

- Inventory building continued in September as a result of continued weakness in sales. The inventory-to-sales ratio edged up again in September to 1.18, the highest level since April.
- Given higher inventory levels, stock building will likely begin to slow through the remainder of the year, which should exert a modest drag on fourth quarter GDP growth.



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