

## Economics Group

Michael A. Brown, Economist  
[michael.a.brown@wellsfargo.com](mailto:michael.a.brown@wellsfargo.com) • (704) 410-3278

### Durable Goods Orders Decline in February

*Durable goods orders fell 1.4 percent in February, while January's read on new orders was revised sharply lower to 2.0 percent. Excluding the volatile transportation orders, new orders fell 0.4 percent for the month.*

#### Transportation Orders Decline for the Month

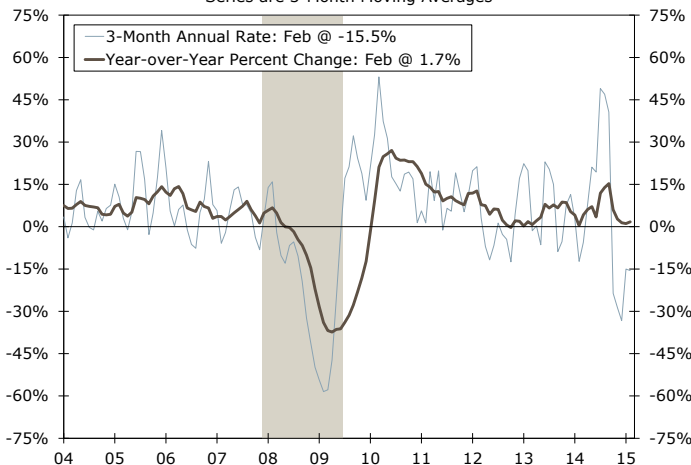
- Transportation orders declined 3.5 percent in February after a strong 8.8 percent increase in January. Other areas of softness in the report were fabricated metals and machinery orders.
- Core capital goods orders posted a 1.4 percent decline in February. The weakness in new orders continues to support the case for more moderate business investment beyond the first quarter of this year.

#### Core Capital Goods Shipments Concerning in Q1

- Shipments of core capital goods, a measure that typically provides some indication about equipment investment within GDP, posted a 0.2 percent rise for the month, which supports the case for modest business investment in the first quarter.
- Inventories of durable goods rose 0.3 percent in each of the past two months, supporting our case for a slower pace of inventory building and a drag to Q1 growth from inventories.

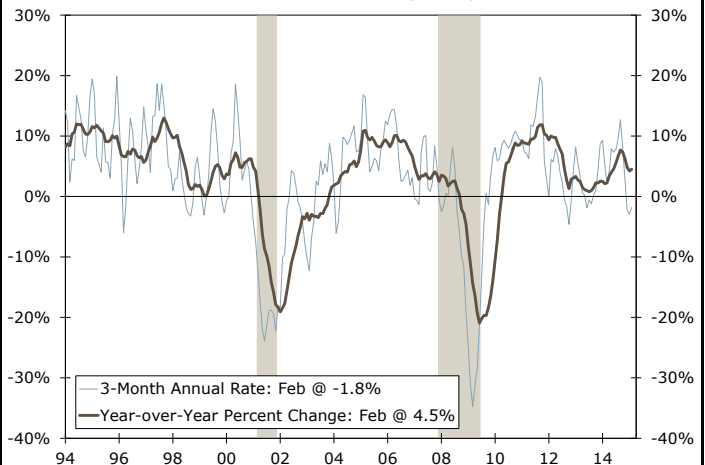
#### Durable Goods New Orders

Series are 3-Month Moving Averages



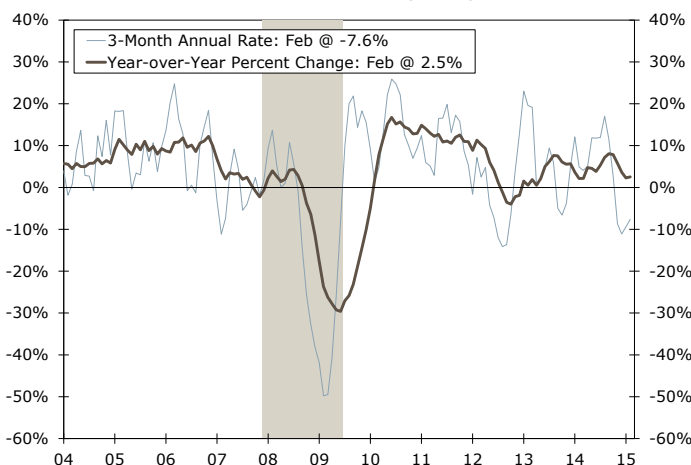
#### Nondefense Capital Goods Shipments, Ex-Aircraft

Series are 3-Month Moving Averages



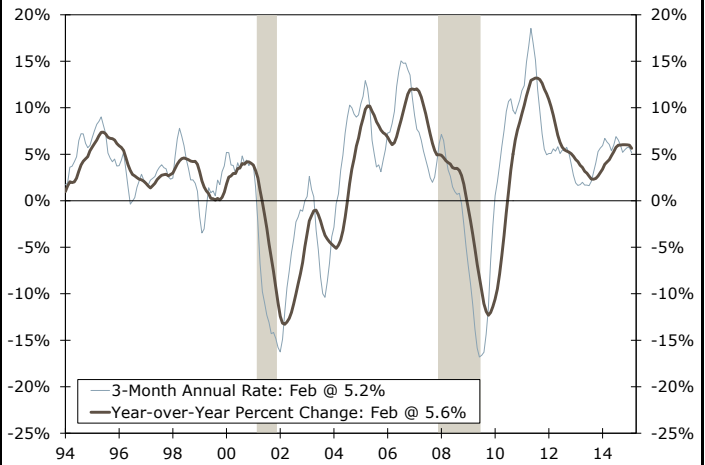
#### Nondefense Capital Goods Orders, Ex-Aircraft

Series are 3-Month Moving Averages



#### Durable Goods Inventories

Series are 3-Month Moving Averages



## Wells Fargo Securities, LLC Economics Group

Diane Schumaker-Krieg	Global Head of Research, Economics & Strategy	(704) 410-1801 (212) 214-5070	diane.schumaker@wellsfargo.com
John E. Silvia, Ph.D.	Chief Economist	(704) 410-3275	john.silvia@wellsfargo.com
Mark Vitner	Senior Economist	(704) 410-3277	mark.vitner@wellsfargo.com
Jay H. Bryson, Ph.D.	Global Economist	(704) 410-3274	jay.bryson@wellsfargo.com
Sam Bullard	Senior Economist	(704) 410-3280	sam.bullard@wellsfargo.com
Nick Bennenbroek	Currency Strategist	(212) 214-5636	nicholas.bennenbroek@wellsfargo.com
Eugenio J. Alemán, Ph.D.	Senior Economist	(704) 410-3273	eugenio.j.aleman@wellsfargo.com
Anika R. Khan	Senior Economist	(704) 410-3271	anika.khan@wellsfargo.com
Azhar Iqbal	Econometrician	(704) 410-3270	azhar.iqbal@wellsfargo.com
Tim Quinlan	Economist	(704) 410-3283	tim.quinlan@wellsfargo.com
Eric Viloría, CFA	Currency Strategist	(212) 214-5637	eric.viloria@wellsfargo.com
Sarah House	Economist	(704) 410-3282	sarah.house@wellsfargo.com
Michael A. Brown	Economist	(704) 410-3278	michael.a.brown@wellsfargo.com
Michael T. Wolf	Economist	(704) 410-3286	michael.t.wolf@wellsfargo.com
Mackenzie Miller	Economic Analyst	(704) 410-3358	mackenzie.miller@wellsfargo.com
Erik Nelson	Economic Analyst	(704) 410-3267	erik.f.nelson@wellsfargo.com
Alex Moehring	Economic Analyst	(704) 410-3247	alex.v.moehring@wellsfargo.com
Donna LaFleur	Executive Assistant	(704) 410-3279	donna.lafleur@wellsfargo.com
Cyndi Burris	Senior Admin. Assistant	(704) 410-3272	cyndi.burris@wellsfargo.com

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