

# U.S. Data Review

- Durable goods orders: modest change in September; flat trend

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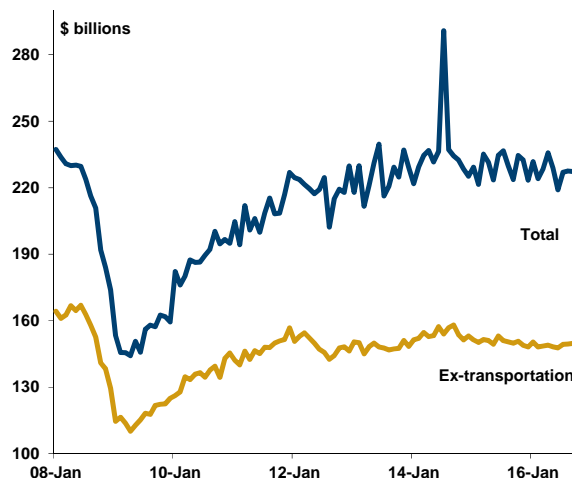
## Durable Goods Orders

New orders for durable goods dipped 0.1 percent in September, close to the consensus estimate of no change. The modest shift reinforced the flat trend that has been in place for the past two to three years (chart, left). Excluding the volatile transportation category, new orders rose 0.2 percent. This series, like the headline figure, has not changed appreciably in recent years, but close inspection shows modest shifts in the underlying trend. Bookings ex-transportation were drifting lower during 2015 and most of 2016, but they have increased or held steady in the past three months, leaving an upward tilt.

The transportation category contributed importantly to the dip in September with a drop of 0.8 percent. Orders for motor vehicles and commercial aircraft rose in the latest month, but the increases were more than offset by a drop in bookings for defense-related aircraft. Orders for computers also were down in September, continuing a weak trend, and bookings for communication equipment were off as well. A few areas posted gains (electrical equipment, machinery, and the miscellaneous category), offsetting the soft spots and leaving a slight increase excluding transportation.

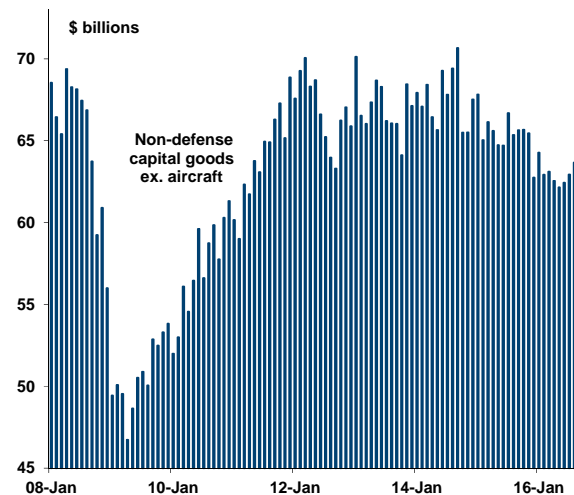
New orders for nondefense capital goods excluding-aircraft, a series that provides insight into the outlook for capital spending, fell 1.2 percent. However, this category rose in the prior three months and advanced for the quarter as a whole, suggesting stability and possibly a slight upturn (chart, right). Increases in unfilled orders for this series in the past three months also offer encouragement. Shipments of nondefense capital goods excluding aircraft, which provides insight into capital spending in the immediate quarter, rose 0.3 percent in September after holding steady in August. However, shipments for the quarter were still down, suggesting another weak quarter for equipment spending by businesses.

### Durable Goods Orders



Source: U.S. Census Bureau

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