

# U.S. Data Review

- Durable goods orders: jump led by commercial aircraft
- Orders ex-transportation inch higher

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## Durable Goods Orders

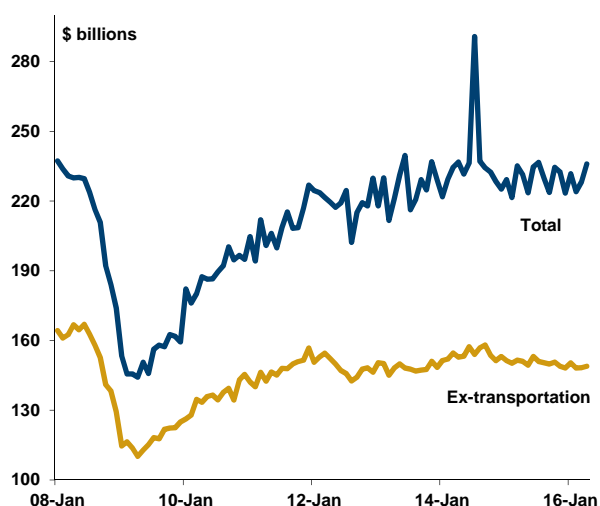
New orders for durable goods jumped 3.4 percent in April, easily beating the consensus estimate of 0.5 percent. However, new bookings for commercial aircraft accounted for most of the advance, and the increase of 64.9 percent in this category represented little more than random volatility (the series remained range bound despite the increase in April). The auto component posted a solid gain (up 2.9 percent), but this area fell by a similar amount in the prior month, and thus the April change did little to alter the mild upward trend.

Orders ex-transportation rose 0.4 percent. The increase was less than vigorous, but it was mildly encouraging nonetheless. The advance followed a small increase in March and it left the series approximately unchanged in the past several months (chart, left). The headwinds constraining the economy (weak exports, slow capital spending, cautious inventory management) weigh heavily on the manufacturing sector, and stability after a downward drift for more than one year suggests that the winds might be diminishing.

One of the headwinds (slow capital spending) still seems to be blowing. New orders for nondefense capital goods other than aircraft slipped 0.8 percent in April, reinforcing the downward trend that began in mid-2014 (chart, right).

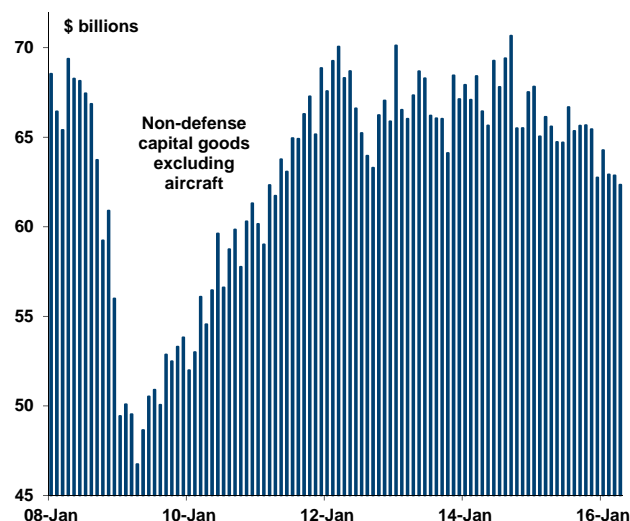
Revisions this month were a bit confusing. Today's report showed an upward adjustment of 0.5 percent from the prevailing estimate for March, but that estimate was pushed 1.6 percent lower by the annual benchmark revision released earlier in May. Thus, the new March figure was approximately one percent lighter than the estimate published with the original monthly report for March. Orders for nondefense capital goods other than aircraft were revised up by 0.7 percent from the prevailing estimate, but the benchmark revision reduced the original March figure by 6.7 percent.

### New Orders for Durable Goods



Source: U.S. Census Bureau

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