

# U.S. Data Review

- Durable goods orders: aircraft-led jump in headline; orders ex-transportation dip

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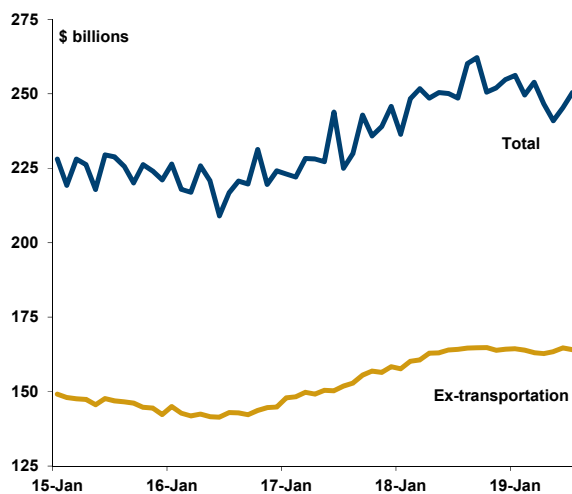
## Durable Goods Orders

New orders for durable goods jumped 2.1 percent in July, firmer than the expected increase of 1.2 percent. The latest advance (along with the increase of 1.8 percent in June) dampened the recent downward drift in bookings, but the results lagged readings in the second half of 2018 and earlier this year (chart, left).

Much of the advance was the result of a jump of 44.2 percent in the aircraft component, where a surge of 47.8 percent in bookings for civilian aircraft was joined by an advance of 34.4 percent in orders for defense-related aircraft. Most other categories were soft in July, as shown by a decline of 0.4 percent in orders excluding transportation. The latest reading left orders ex-transportation below the cyclical peak in the fall of last year and continuing along a flat trend (chart, left).

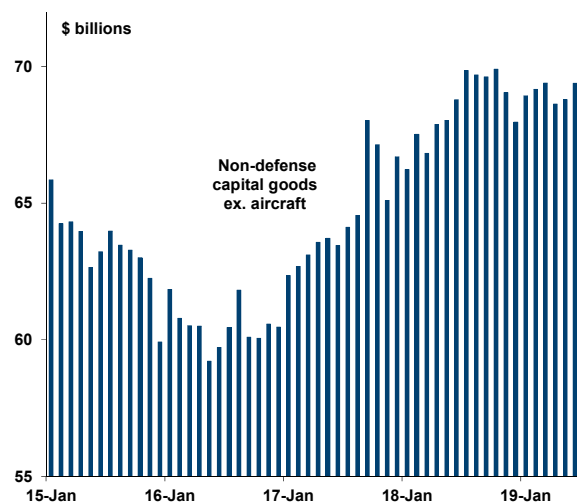
New orders for nondefense capital goods excluding aircraft, which provide insight into capital spending plans by businesses, rose 0.4 percent in July. However, the result was dampened by a downward adjustment of 0.6 percent to totals in the prior month (growth in June now reported at 0.9 percent rather than 1.5 percent). Despite recent increases, orders lack vigor (chart, right). Unfilled orders of nondefense capital goods excluding aircraft inched higher (0.1 percent), but the change did little to offset declines in six of the prior seven months. The disappointing performance in unfilled orders suggests that trade tensions and slowing growth abroad are weighing on the outlook for capital spending.

### Durable Goods Orders



Source: U.S. Census Bureau via Haver Analytics

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