

# U.S. Data Review

- Factory orders: good progress in the manufacturing sector

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## Factory Orders

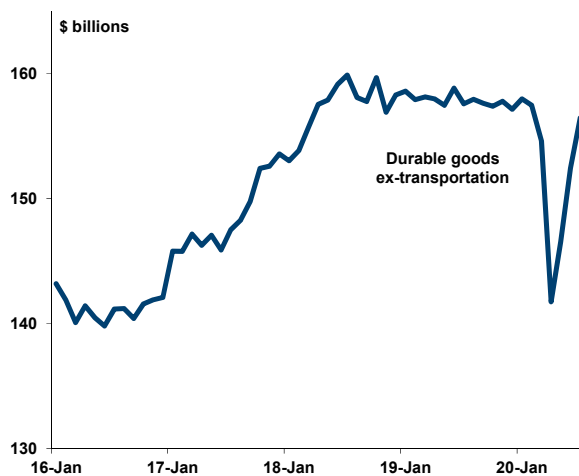
New orders for manufactured goods rose 6.4 percent in July, a touch better than the expected increase of 6.1 percent. The change occurred from an upward revised levels in the prior two months, with the combined adjustments leaving bookings in June 0.2 percent firmer than previously believed.

New orders for durable goods accounted for most of the increase in total factory bookings, with this component advancing 11.4 percent (slightly stronger than the preliminary estimate of 11.2 percent published last week). The transportation category was especially strong despite cancellations of orders for commercial aircraft (up 35.7 percent), but bookings for durable goods ex-transportation also contributed with an increase of 2.6 percent. Orders for durable goods excluding transportation are now close to the range in place before the onset of the pandemic, having retraced approximately 90 percent of the ground lost during the spring (chart, left).

Orders for nondurable goods rose 1.8 percent. Part of this increase was the result of an increase of 6.5 percent in the petroleum and coal category, which was probably influenced by higher prices, but orders for other nondurable goods also contributed with an increase of 0.9 percent. The gain ex-petrol marked the third consecutive increase and pushed bookings close to the pre-virus range, recouping 76 percent of the decline from the January peak to the April trough (chart, right).

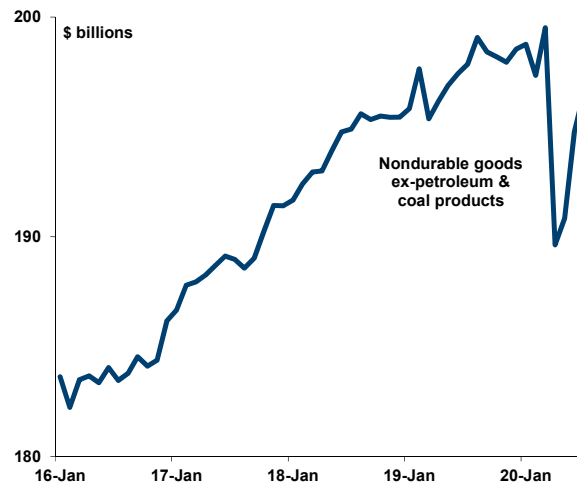
While still shy of pre-virus levels, factory orders indicate good progress in the manufacturing sector, a view reinforced by a favorable reading yesterday in the ISM index.

### Durable Goods Orders



Source: U.S. Census Bureau via Haver Analytics

### Nondurable Goods Orders



Source: U.S. Census Bureau via Haver Analytics

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