

U.S. Data Review

- Factory orders: continued recovery in September

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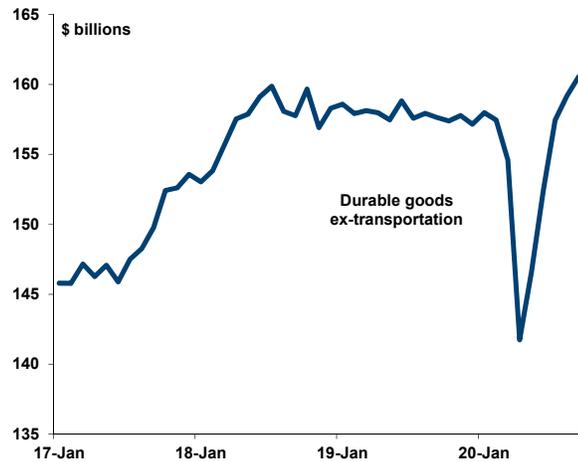
Factory Orders

Total factory orders rose 1.1 percent in September, nearly equal to the consensus estimate of 1.0 percent. The change occurred from a downwardly revised reading in August, although the adjustment of -0.1 percent did not meaningfully alter the picture of an ongoing recovery in factory bookings.

New orders for durable goods rose 1.9 percent, unrevised from the preliminary tally published last week. Durable bookings have now increased for five consecutive months and have recovered 89 percent of the ground lost during the virus-related drop in the spring. The transportation category played a role in the latest advance with an increase of 4.1 percent, but bookings excluding transportation also contributed with a gain of 0.9 percent (revised upward from a preliminary tally of 0.8 percent). Bookings ex-transportation have now exceeded readings prior to the plunge in the spring (chart, left).

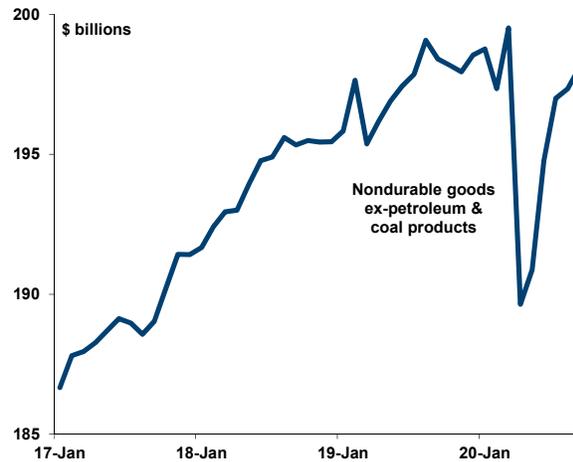
New orders for nondurable goods increased 0.3 percent, a tad better than expected. Bookings for petroleum and coal products slipped 0.1 percent, likely reflecting lower prices, but orders ex-petroleum and coal offset the weakness with an advance of 0.4 percent. Increases in orders ex-petroleum and coal in the past five months have left this category in line with readings prior to the onset of the virus (chart, right).

Manufacturers' New Orders



Source: U.S. Census Bureau via Haver Analytics

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