

U.S. Data Review

- Durable goods orders: constrained by aircraft bookings; moderately favorable elsewhere

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Durable Goods Orders

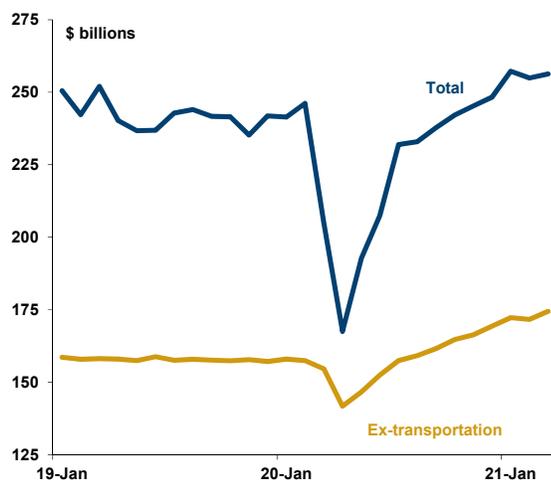
New orders for durable goods rose 0.5 percent in March, well shy of the expected increase of 2.5 percent. The change occurred from an upward revised level in February, but the adjustment of 0.3 percentage point (-0.9 percent rather than -1.2 percent) still left results lighter than expected.

Although the report did not meet expectations, it was not troubling; it could even be viewed as mildly favorable. Most of the softness occurred in the transportation category because of a decline in aircraft orders (both commercial and defense, off 46.9 percent and 20.2 percent, respectively). These declines occurred from levels that were above recent averages, and thus underlying trends did not change meaningfully, and the new results were noticeably better than totals seen last spring and summer. Excluding transportation, orders rose 1.6 percent, offsetting the decline in the previous month and reinforcing the upward trend (chart, left). Several categories performed well and contributed to the advance.

The auto sector has slipped a bit in the past two months, perhaps reflecting fallout from the shortage of semiconductors. Orders in the auto sector rose in March, but the increase represented only a partial offset to the decline in the prior month, and the level of bookings remained below the firm totals seen from July through January.

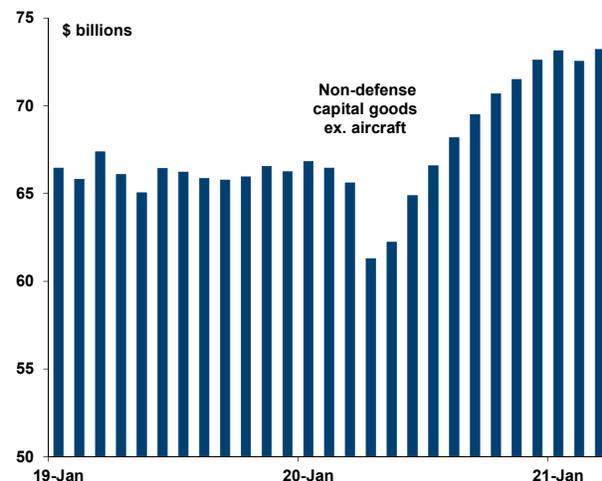
Orders for nondefense capital goods other than aircraft rose 0.9 percent, offsetting by a small margin the drop of 0.8 percent in February. The increase was shy of the expected gain of 1.8 percent, and it led to a flattening in the upward trend (chart, right). However, bookings were still far above the pre-pandemic level, and the increase in March was enough to boost unfilled orders by 0.5 percent, which marked the 17th consecutive advance.

Durable Goods Orders



Source: U.S. Census Bureau via Haver Analytics

Durable Goods Orders



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