



# Economics Group

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## Even Ex-Aircraft, Decent Gain in October Durable Orders

*The 4.8 percent jump in durable goods orders was largely driven by a surge in aircraft orders, but orders ex-transportation point to a modest turnaround in equipment spending for the fourth quarter.*

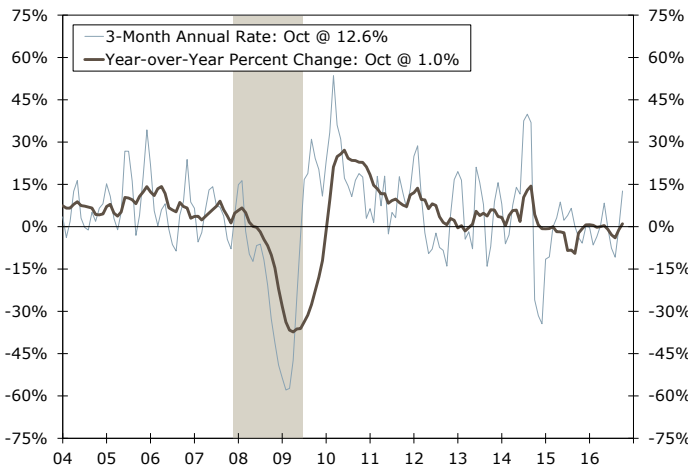
### Solid Gain in Orders Ex-Transportation

- Durable goods orders bested even our above-consensus estimate for October, rising 4.8 percent. A jump in aircraft lifted transportation orders 12.0 percent, even as orders for motor vehicles and parts fell 0.6 percent.
- Ex-transportation, orders were up a solid 1.0 percent. The increase came despite another drop in defense spending (down 3.7 percent) after a surge this past summer.

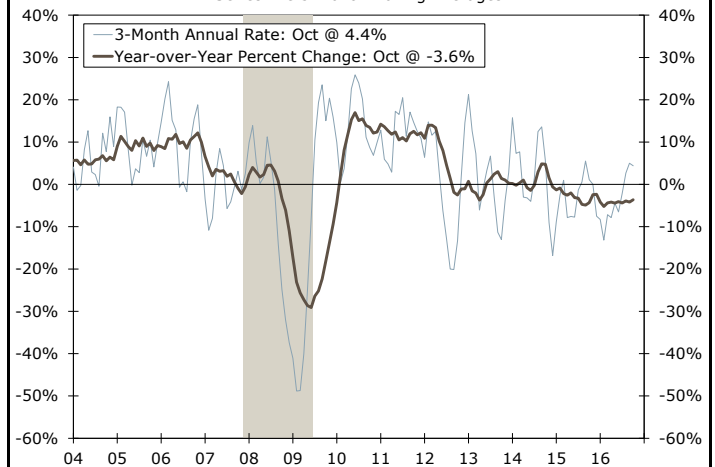
### Q4 Equipment Spending on Track to Rise

- Nondefense capital goods orders ex-aircraft rose 0.4 percent. While not fully offsetting last month's decline, the trend in core orders has picked up in recent months. On a three-month moving average basis, core orders are rising at a 4.4 percent clip and suggest equipment spending in Q4 is primed to rise for the first time in more than a year. Unfilled orders have also ticked up in recent months, which should help work down inventories.

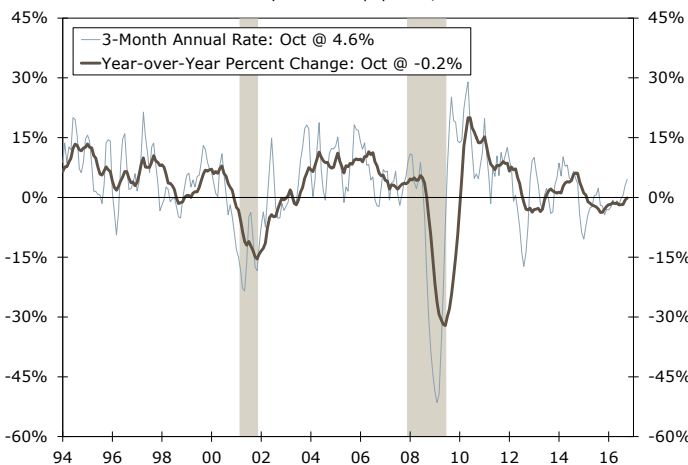
**Durable Goods New Orders**  
Series are 3-Month Moving Averages



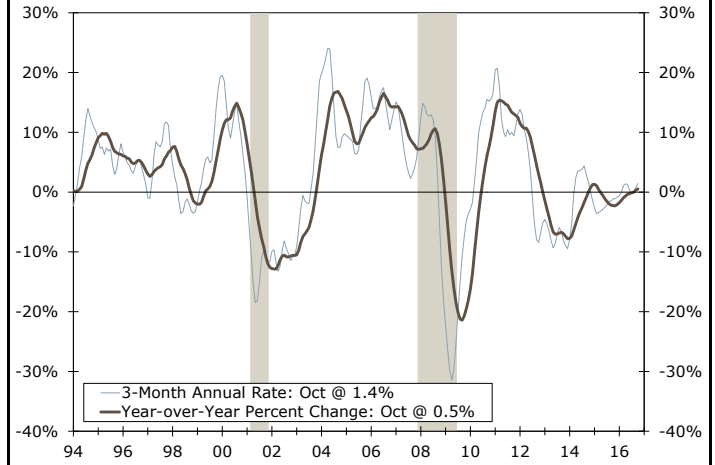
**Nondefense Capital Goods Orders, Ex-Aircraft**  
Series are 3-Month Moving Averages



**Durable Goods New Orders**  
Ex. Transportation Equipment, 3-MMA



**Durable Goods Unfilled Orders, Ex-Transportation**  
Series are 3-Month Moving Averages



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