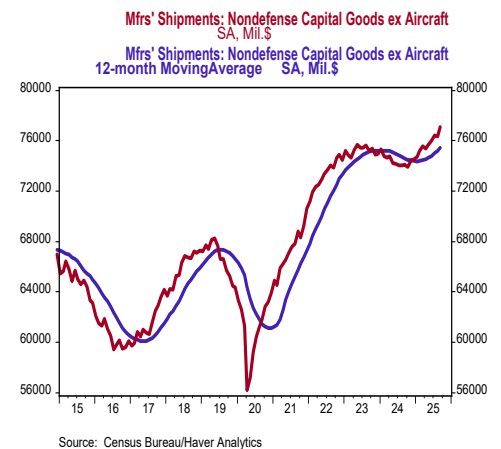
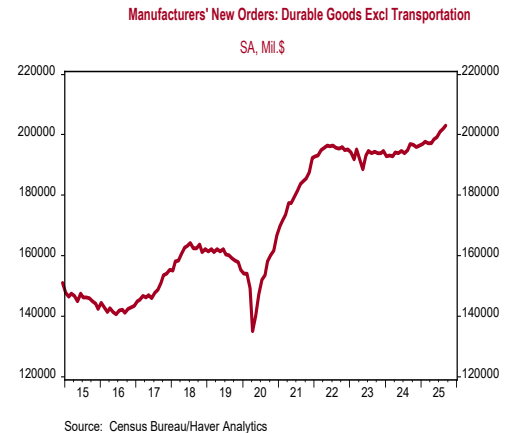


September Durable Goods

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- New orders for durable goods rose 0.5% in September, matching consensus expectations. Orders excluding transportation rose 0.6% in September (+0.5% including revisions to prior months), beating the consensus expected +0.2%. Orders are up 7.2% from a year ago, while orders excluding transportation have risen 3.1%.
- The rise in September orders was led by defense aircraft, primary metals, and electrical equipment.
- The government calculates business investment for GDP purposes by using shipments of non-defense capital goods excluding aircraft. That measure rose 0.9% in September and was up at a 5.0% annualized rate in Q3 versus the Q2 average.
- Unfilled orders rose 0.7% in September and are up 8.2% in the past year.

Implications: Durable goods orders ended the third quarter on a strong note, rising 0.5% in September, with nearly every major category showing gains. Yes, orders for defense aircraft soared 30.9% for the month, but orders excluding transportation rose a very healthy 0.6% on the month and every major category increased. The rise in non-transportation orders in September was led by electrical equipment (+1.5%), primary metals (+1.4%), and fabricated metal products (+0.5%), while computers & electronic products (+0.5%) and machinery (+0.1%) also increased. The most important number in today's release, core shipments – a key input for business investment in the calculation of GDP – rose 0.9% in September, the largest monthly increase since January of 2023. For the third quarter as a whole, they were up at a 5.0% annualized rate versus the Q2 average, the strongest quarterly growth since mid-2022. While employment and inflation remain under the spotlight as the Federal Reserve looks very likely to continue the rate cut process at the next meeting in December, we will also be paying close attention to how businesses – and consumers – continue to respond to the certainty now in place from the passage of the tax bill earlier this year, which should enhance the competitiveness of US companies. In other recent news, the Richmond Fed Index – a measure of factory sentiment in that region – fell to -15.0 in November from -4.0 in October, while the Chicago Purchasing Managers Index (PMI) – where readings above 50 signal growth – declined to 36.3 in November from 43.8 in October, signaling activity in that region continues to contract. On the housing front, pending home sales (which are contracts on existing homes) jumped 1.9% in October following a 0.1% rise in September, suggesting existing home sales (counted at closing) will modestly rise in November. Finally, initial jobless claims declined 4,000 last week to 216,000; continuing claims rose 7,000 to 1.960 million. Pairing these figures with other data on employment suggests modest continued job growth in November.



Durable Goods <i>All Data Seasonally Adjusted</i>	Sep-25	Aug-25	Jul-25	3-mo % ch. annualized	6-mo % ch. annualized	Yr to Yr % Change
New Orders for Durable Goods	0.5%	3.0%	-2.8%	2.4%	-1.6%	7.2%
Ex Defense	0.1%	1.9%	-2.4%	-1.9%	-7.3%	6.5%
Ex Transportation	0.6%	0.5%	0.9%	7.9%	6.0%	3.1%
Primary Metals	1.4%	0.5%	1.5%	14.3%	10.8%	5.4%
Industrial Machinery	0.1%	2.2%	1.4%	15.5%	9.4%	6.1%
Computers and Electronic Products	0.5%	-1.1%	0.6%	-0.4%	6.9%	3.3%
Transportation Equipment	0.4%	8.0%	-9.3%	-6.7%	-13.6%	15.8%
Capital Goods Orders	2.6%	5.0%	-9.0%	-7.8%	-8.3%	13.2%
Capital Goods Shipments	-0.8%	-0.6%	2.9%	6.2%	12.1%	8.0%
Defense Shipments	1.7%	-0.3%	-0.4%	4.0%	29.9%	17.0%
Non-Defense, Ex Aircraft	0.9%	-0.1%	0.6%	5.8%	4.1%	4.1%
Unfilled Orders for Durable Goods	0.7%	0.7%	0.0%	5.7%	12.0%	8.2%

Source: U.S. Census Bureau