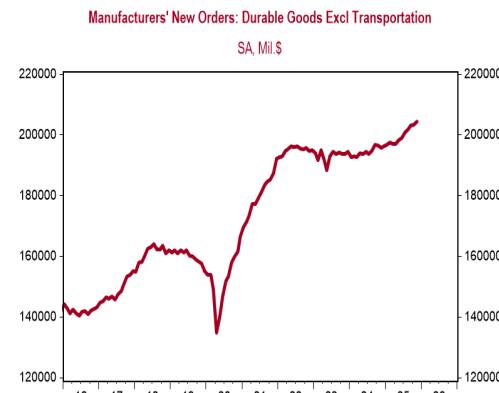


## November Durable Goods

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- New orders for durable goods rose 5.3% in November (+5.4% including revisions to prior months), beating the consensus expected +4.0%. Orders excluding transportation rose 0.5% in November (+0.6% including revisions), versus a consensus expected +0.3%. Orders are up 12.3% from a year ago, while orders excluding transportation have risen 4.4%.
- The rise in November orders was led by commercial aircraft, fabricated metal products, and electrical equipment.
- The government calculates business investment for GDP purposes by using shipments of non-defense capital goods excluding aircraft. That measure rose 0.4% in October. If unchanged in December, these orders would be up at a 7.5% annualized rate in Q4 versus the Q3 average.
- Unfilled orders rose 1.3% in November and are up 9.3% in the past year.

**Implications:** Durable goods orders showed strength in November after a brief pare back in October, rising 5.3% – the most in six months. While the gain in new orders was largely due to a 97.6% increase in volatile commercial aircraft orders, a look at the details still reveals promising signs of activity in the fourth quarter. Transportation is a notoriously volatile category month-to-month, so we prefer to focus on orders excluding transportation for a better check on the broader economy. Those orders rose 0.5% in November, led by electrical equipment (+1.7%), fabricated metal products (+1.0%), and machinery (+0.5%). The only major category which did not increase in November was primary metals (0.0%), only the third month in the past year the category did not rise. Note that both electrical equipment and machinery have seen unusually strong readings over the past year, with each up in at least nine out of the past twelve months. Particularly, machinery is up at a 10.9% annualized rate in the past six months, the largest gain for any six-month period since 2021. These elevated new orders should translate into shipments in the months ahead. Speaking of shipments, the most important number in today's release, core shipments – a key input for business investment in the calculation of GDP – rose 0.4% in November following strong gains in September and October. If unchanged in December, these shipments would be up at a 7.5% annualized rate in Q4 versus the Q3 average. Finally in other recent manufacturing news, the Kansas City Fed Manufacturing Index, a measure of factory sentiment in that region, remained unchanged at 0 in January.



Durable Goods All Data Seasonally Adjusted	Nov-25	Oct-25	Sep-25	3-mo % ch. annualized	6-mo % ch. annualized	Yr to Yr % Change
<b>New Orders for Durable Goods</b>						
<b>Ex Defense</b>	<b>5.3%</b>	-2.1%	0.6%	15.8%	-11.4%	12.3%
<b>Ex Transportation</b>	<b>6.6%</b>	-1.3%	0.1%	22.8%	-10.1%	12.6%
<b>Primary Metals</b>	<b>0.5%</b>	0.1%	0.6%	5.3%	6.2%	4.4%
<b>Industrial Machinery</b>	<b>0.0%</b>	-1.1%	0.9%	-0.6%	5.7%	4.2%
<b>Computers and Electronic Products</b>	<b>0.5%</b>	0.6%	0.2%	5.1%	10.9%	7.7%
<b>Transportation Equipment</b>	<b>14.7%</b>	-6.3%	0.7%	36.9%	-32.9%	29.0%
<b>Capital Goods Orders</b>	<b>14.5%</b>	-5.6%	2.6%	51.3%	-32.8%	27.7%
<b>Capital Goods Shipments</b>	<b>-1.3%</b>	2.0%	-0.6%	0.3%	6.4%	10.9%
<b>Defense Shipments</b>	<b>2.8%</b>	0.9%	1.7%	24.3%	28.2%	16.9%
<b>Non-Defense, Ex Aircraft</b>	<b>0.4%</b>	0.8%	1.2%	9.9%	6.6%	5.1%
<b>Unfilled Orders for Durable Goods</b>	<b>1.3%</b>	0.2%	0.8%	9.6%	8.1%	9.3%

Source: U.S. Census Bureau