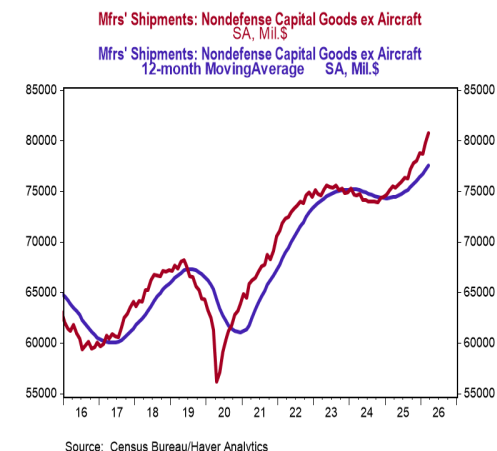
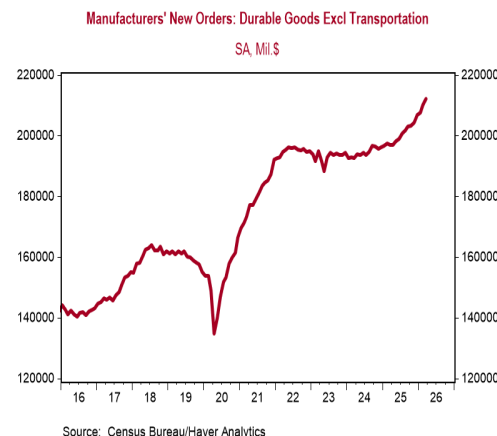


## March Durable Goods

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- New orders for durable goods rose 0.8% in March (+1.0% including revisions to prior months), beating the consensus expected 0.5%. Orders excluding transportation increased 0.9% in March (+1.2% including revisions), widely beating the consensus expected +0.4%. Orders are up 0.8% from a year ago, while orders excluding transportation have risen 7.6%.
- The rise in March orders was led by computers & electronic products, autos, and defense aircraft.
- The government calculates business investment for GDP purposes by using shipments of non-defense capital goods excluding aircraft. That measure rose 1.2% in March and was up at an 8.3% annualized rate in Q1 versus the Q4 average.
- Unfilled orders rose 0.1% in March and are up 9.5% in the past year.

**Implications:** New orders for durable goods rose for the first time this year, increasing a strong 0.8% in March. A look beneath the headline reveals promising underlying currents as well – the large headline gain occurred despite a 21.1% drop in commercial aircraft orders. 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. Orders excluding transportation continue to rise, up 0.9% in March and 7.6% in the past year, the largest annual gain since mid-2022. All major categories outside transportation rose last month, led by computers & electronic products (+3.7%), industrial machinery (+0.8%), and electrical equipment (+0.7%). Note that orders for many of the major categories have picked up steam over the past year: primary metals, machinery, and computers & electronic products have each experienced double-digit growth in the past twelve months. Particularly, orders for computers & electronic products are up 15.0% over that time frame. Arguably the most important number in today’s release is core shipments – a key input for business investment in the calculation of GDP – which rose 1.2% in March and were up at an 8.3% annualized rate in Q1 versus the Q4 average. Business investment has shown strength recently as core shipments have consistently risen since mid-2025, driven by a more favorable tax environment and artificial intelligence spending. In other recent news, initial jobless claims rose 6,000 two weeks ago to 214,000, while continuing claims rose 12,000 to 1.809 million, suggesting job growth continues, but at a modest pace. On the manufacturing front, the Kansas City Fed Manufacturing Index, a measure of factory sentiment in that region, slipped slightly to 10 in April from 11 in March. Also, the Richmond Fed index, a measure of mid-Atlantic factory activity, rose to 3 in April from 0 in March.



<b>Durable Goods</b> <i>All Data Seasonally Adjusted</i>	<b>Mar-26</b>	<b>Feb-26</b>	<b>Jan-26</b>	<b>3-mo % ch.</b> <b>annualized</b>	<b>6-mo % ch.</b> <b>annualized</b>	<b>Yr to Yr</b> <b>% Change</b>
<b>New Orders for Durable Goods</b>	<b>0.8%</b>	-1.2%	-0.4%	-3.0%	3.0%	0.8%
<b>Ex Defense</b>	<b>-0.3%</b>	-1.2%	0.2%	-5.0%	3.8%	-1.8%
<b>Ex Transportation</b>	<b>0.9%</b>	1.2%	0.4%	10.4%	9.1%	7.6%
<b>Primary Metals</b>	<b>0.4%</b>	2.4%	1.2%	17.5%	10.5%	10.2%
<b>Industrial Machinery</b>	<b>0.8%</b>	2.3%	0.6%	16.0%	11.3%	10.4%
<b>Computers and Electronic Products</b>	<b>3.7%</b>	1.3%	0.8%	25.6%	21.8%	15.0%
<b>Transportation Equipment</b>	<b>0.8%</b>	-5.6%	-1.9%	-24.2%	-7.6%	-10.4%
<b>Capital Goods Orders</b>	<b>1.7%</b>	-6.5%	-3.0%	-27.5%	-5.2%	-6.7%
<b>Capital Goods Shipments</b>	<b>0.9%</b>	0.3%	1.2%	10.3%	10.8%	11.6%
<b>Defense Shipments</b>	<b>3.3%</b>	3.0%	0.7%	32.2%	32.7%	31.4%
<b>Non-Defense, Ex Aircraft</b>	<b>1.2%</b>	1.3%	0.0%	10.5%	9.4%	7.0%
<b>Unfilled Orders for Durable Goods</b>	<b>0.1%</b>	0.1%	0.6%	3.4%	6.9%	9.5%

Source: U.S. Census Bureau