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02.May.2023

## Factory Orders: Continued Declines

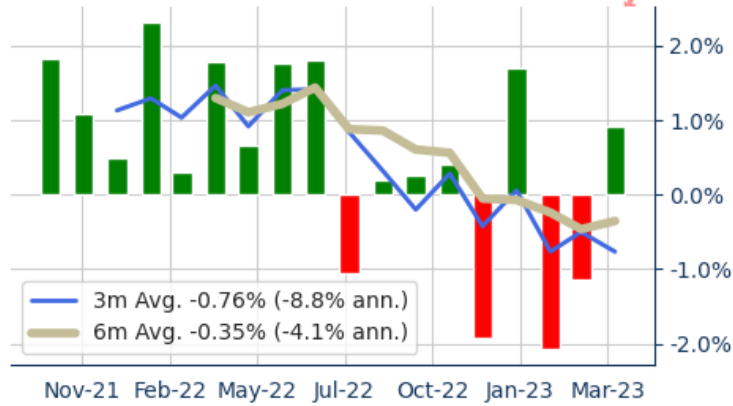
**Bottom Line:** The Factory Orders report confirmed the continued declines in March that were reported in surveys and initial durable goods reports. While the headline durable goods number was higher, most other core segments were lower, and nearly all continued to trend lower. Nondurable goods manufacturing continued to decline, lagging the durable goods segment by a few months. The key sectors, auto, and aircraft, remain volatile and offer occasional bounces in activity, but the trends remain towards contraction. **Overall, the "hard" manufacturing data confirms the "soft" survey data, suggesting further but more modest declines.**

# Factory Orders

ROSE 0.9% in March, expected +1.3% (negative revisions of 0.4% for February).



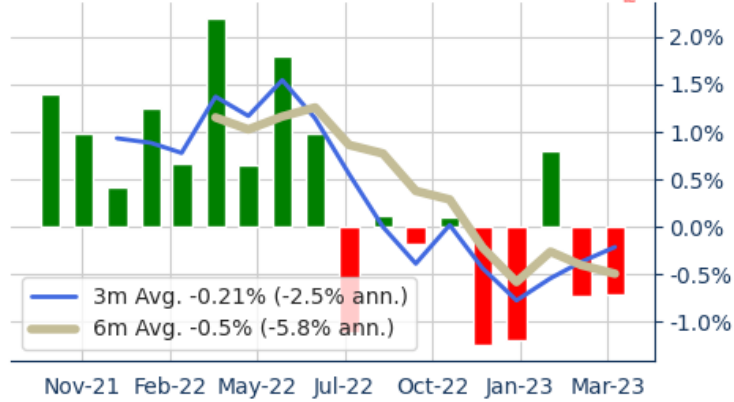
## month-over-month % change



Contingent Macro Advisors 2023 source: US Census Bureau

# Factory Orders ex Transportation

Core Orders FELL 0.7% in February



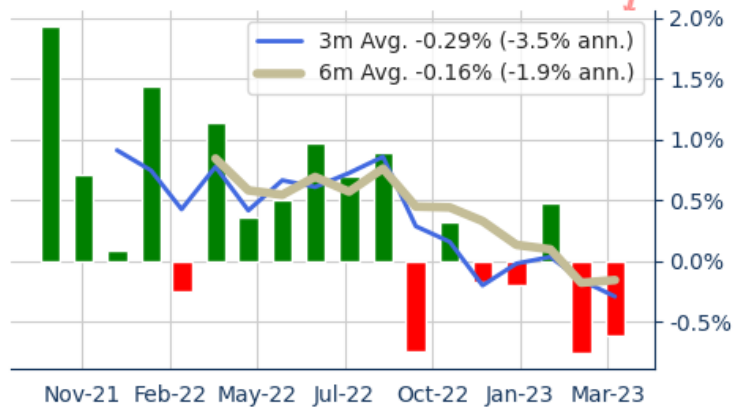
Contingent Macro Advisors 2023 source: US Census Bureau

# Nondefense Capital Goods Orders ex-Air

Down 0.1%, dropping again after rebound.



## month-over-month % change



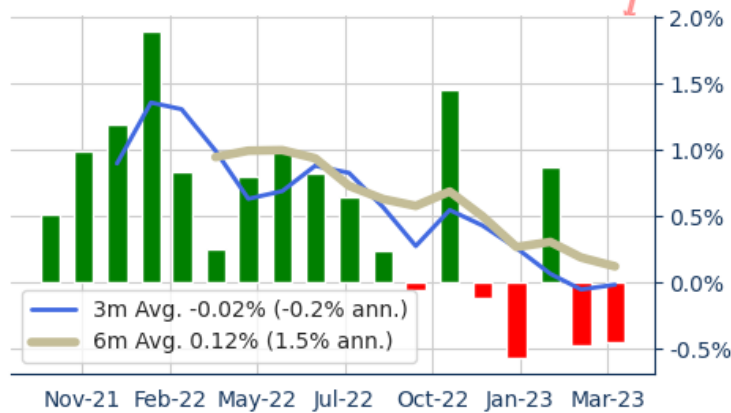
Contingent Macro Advisors 2023 source: US Census Bureau

# Nondefense Capital Shipments ex-Air

Down 0.1% in February after gains in January.



month-over-month % change



Contingent Macro Advisors 2023 source: US Census Bureau

| Factory Orders                                | Mar-23        | Feb-23        | 3m ann % chg  | 6m ann % chg  | YoY % chg     | 2022         | 2021          | 5y           |
|---|---------------|---------------|---------------|---------------|---------------|--------------|---------------|--------------|
| <b>Total Manufacturing</b>                    | <b>0.91%</b>  | <b>-1.14%</b> | <b>-8.88%</b> | <b>-4.27%</b> | <b>1.43%</b>  | <b>8.43%</b> | <b>11.88%</b> | <b>2.52%</b> |
| <b>Manufacturing Excluding Transportation</b> | <b>-0.72%</b> | <b>-0.72%</b> | <b>-2.58%</b> | <b>-5.83%</b> | <b>-0.77%</b> | <b>4.04%</b> | <b>11.77%</b> | <b>2.10%</b> |
| Manufacturing Excluding Defense               | 0.96%         | -0.96%        | -8.74%        | -4.82%        | 1.06%         | 7.94%        | 12.11%        | 2.48%        |
| Manufacturing with Unfilled Orders            | 4.45%         | -1.13%        | -14.33%       | 2.54%         | 4.94%         | 12.47%       | 14.45%        | 3.11%        |
| Durable Goods                                 | 3.18%         | -1.24%        | -12.08%       | 1.33%         | 4.53%         | 11.22%       | 10.80%        | 3.17%        |
| Primary Metals                                | 0.21%         | -0.12%        | 4.38%         | -0.82%        | -3.01%        | -0.70%       | 8.30%         | -1.24%       |

|   |        |        |         |        |        |         |         |        |
|---|--------|--------|---------|--------|--------|---------|---------|--------|
| Transportation Equipment                    | 9.05%  | -3.18% | -31.87% | 3.32%  | 12.79% | 31.54%  | 12.45%  | 4.66%  |
| Nondefense Aircraft and Parts               | 78.34% | -8.39% | -74.07% | 13.52% | 41.15% | 110.87% | 180.75% | 28.60% |
| Defense Aircraft and Parts                  | 9.56%  | -7.84% | 15.10%  | 87.83% | 27.07% | -1.96%  | 30.65%  | 6.14%  |
| Nondurable Goods                            | -1.37% | -1.05% | -5.37%  | -9.67% | -1.63% | 5.60%   | 12.99%  | 1.88%  |
| Construction Materials and Supplies         | 0.25%  | -0.18% | 1.06%   | -1.18% | -0.89% | -0.71%  | 13.32%  | 3.85%  |
| Information Technology Industries           | 2.61%  | 0.04%  | 10.43%  | 5.26%  | 4.18%  | 1.81%   | 6.36%   | 2.82%  |
| Computers and Related Products              | 3.48%  | -3.32% | 27.50%  | 24.72% | 30.48% | 32.63%  | -1.55%  | 8.59%  |
| Motor Vehicles and Parts                    | 0.07%  | -1.13% | -4.14%  | 0.60%  | 6.28%  | 12.88%  | -1.38%  | 1.68%  |
| Capital Goods                               | 8.46%  | -3.08% | -32.13% | 1.47%  | 7.94%  | 25.45%  | 16.89%  | 4.99%  |
| Nondefense Capital Goods                    | 10.12% | -2.38% | -34.04% | -0.06% | 7.53%  | 23.29%  | 21.95%  | 5.40%  |
| Nondefense Capital Goods Excluding Aircraft | -0.61% | -0.75% | -3.48%  | -1.89% | 1.72%  | 5.01%   | 11.35%  | 2.53%  |
| Defense Capital Goods                       | -0.80% | -6.83% | -18.56% | 11.77% | 10.57% | 41.59%  | -10.86% | 2.74%  |
| Consumer Durable Goods                      | 0.46%  | -1.96% | -9.70%  | -3.32% | 6.05%  | 11.86%  | -3.75%  | 2.90%  |
| Durable Goods Excluding Transportation      | 0.25%  | -0.24% | 1.72%   | 0.27%  | 0.52%  | 1.78%   | 10.05%  | 2.43%  |
| Durable Goods Excluding Defense             | 3.44%  | -0.87% | -12.00% | 0.51%  | 3.95%  | 10.38%  | 11.21%  | 3.12%  |
| Communication Equipment                     | -0.16% | -2.84% | -19.34% | -2.89% | -9.30% | -13.43% | 27.98%  | 4.74%  |
| Other Durable Goods                         | -0.35% | -0.72% | -2.94%  | 0.33%  | -0.03% | 2.75%   | 7.64%   | 3.19%  |

month over month % change. source: US BEA API.

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