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Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders October 2016

New Orders

New orders for manufactured durable goods in October increased \$11.0 billion or 4.8 percent to \$239.4 billion, the U.S. Census Bureau announced today. This increase, up four consecutive months, followed a 0.4 percent September increase. Excluding transportation, new orders increased 1.0 percent. Excluding defense, new orders increased 5.2 percent.

Transportation equipment, also up four consecutive months, led the increase, \$9.5 billion or 12.0 percent to \$88.2 billion.

Shipments

Shipments of manufactured durable goods in October, up four of the last five months, increased \$0.2 billion or 0.1 percent to \$234.6 billion. This followed a 0.8 percent September increase.

Fabricated metal products, up three of the last four months, drove the increase, \$0.3 billion or 1.1 percent to \$30.5 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in October, up following four consecutive monthly decreases, increased \$8.2 billion or 0.7 percent to \$1,128.6 billion. This followed a 0.2 percent September decrease.

Transportation equipment, also up following four consecutive monthly decreases, led the increase, \$7.5 billion or 1.0 percent to \$773.1 billion.

Inventories

Inventories of manufactured durable goods in October, up four consecutive months, increased \$0.1 billion or virtually unchanged to \$383.7 billion. This followed a virtually unchanged September increase.

Transportation equipment, up three of the last four months, drove the increase, \$0.2 billion or 0.2 percent to \$123.8 billion.

Capital Goods

Nondefense new orders for capital goods in October increased \$10.2 billion or 14.5 percent to \$80.1 billion. Shipments decreased \$0.4 billion or 0.6 percent to \$71.5 billion. Unfilled orders increased \$8.7 billion or 1.3 percent to \$703.1 billion. Inventories decreased \$0.6 billion or 0.4 percent to \$169.6 billion.

Defense new orders for capital goods in October decreased \$0.4 billion or 3.7 percent to \$10.8 billion. Shipments increased \$0.3 billion or 2.9 percent to \$10.6 billion. Unfilled orders increased \$0.2 billion or 0.1 percent to \$138.7 billion. Inventories increased \$0.4 billion or 1.9 percent to \$21.2 billion.

Revised September Data

Revised seasonally adjusted September figures for all manufacturing industries were: new orders, \$457.3 billion (revised from \$455.5 billion); shipments, \$463.3 billion (revised from \$463.0 billion); unfilled orders, \$1,120.4 billion (revised from \$1,118.8 billion) and total inventories, \$620.9 billion (revised from \$621.4 billion).

Figures in text are adjusted for seasonality, but not for inflation. Figures on new and unfilled orders exclude data for semiconductor manufacturing. For data, call (301) 763-4673 or go to <<http://www.census.gov/m3>>. Revised and more detailed estimates, plus nondurable goods data, will be published on December 6, 2016, at 10:00 a.m. EST. The Advance Report on durable goods for November is scheduled for release on December 22, 2016 at 8:30 a.m. EST. See back page for survey description. To receive the latest updates on the Nation's key economic indicators, download the America's Economy app for Apple and Android smartphones and tablets. "Virtually unchanged" indicates that the change is less than 0.05 percent for a percent increase or decrease.

Table 1. Durable Goods Manufacturers' Shipments and New Orders ¹

[Estimates are shown in millions of dollars and are based on data from the Manufacturers' Shipments, Inventories, and Orders Survey.]

Item	Seasonally Adjusted						Not Seasonally Adjusted					
	Monthly			Percent Change			Monthly			Year to Date		
	Oct 2016 ²	Sep 2016 ¹	Aug 2016	Sep - Oct ²	Aug - Sep ¹	Jul - Aug	Oct 2016 ²	Sep 2016 ¹	Oct 2015	2016	2015	Percent Change 2016/2015
DURABLE GOODS												
Total:												
Shipments.....	234,643	234,418	232,525	0.1	0.8	0.0	236,587	250,221	240,162	2,343,624	2,364,242	-0.9
New Orders ⁴	239,367	228,382	227,470	4.8	0.4	0.2	239,106	241,163	236,119	2,288,157	2,293,765	-0.2
Excluding transportation:												
Shipments.....	153,970	152,581	152,289	0.9	0.2	0.3	155,488	161,440	155,861	1,531,670	1,554,143	-1.4
New Orders ⁴	151,215	149,703	149,367	1.0	0.2	0.0	151,207	157,009	151,308	1,506,545	1,520,133	-0.9
Excluding defense:												
Shipments.....	222,101	221,926	219,831	0.1	1.0	-0.1	224,407	236,165	227,048	2,221,721	2,243,710	-1.0
New Orders ⁴	227,246	215,959	213,081	5.2	1.4	-0.8	228,242	226,790	223,806	2,167,508	2,187,089	-0.9
Manufacturing with unfilled orders:												
Shipments.....	166,759	167,169	165,300	-0.2	1.1	-0.2	166,274	178,787	167,762	1,659,242	1,672,791	-0.8
New Orders.....	174,991	164,498	163,548	6.4	0.6	0.2	173,145	172,877	167,334	1,636,200	1,634,329	0.1
Primary metals:												
Shipments.....	17,710	17,756	17,751	-0.3	0.0	-0.7	17,948	18,249	18,702	180,489	197,516	-8.6
New Orders.....	17,959	17,972	17,827	-0.1	0.8	0.1	17,947	17,584	19,029	181,483	195,930	-7.4
Fabricated metal products:												
Shipments.....	30,483	30,140	30,159	1.1	-0.1	0.2	31,240	31,653	30,606	303,784	299,916	1.3
New Orders.....	30,757	30,082	30,223	2.2	-0.5	-0.2	30,766	30,745	29,549	305,737	298,389	2.5
Machinery:												
Shipments.....	30,236	30,022	29,896	0.7	0.4	0.6	30,031	30,954	31,657	304,564	325,042	-6.3
New Orders.....	30,039	29,994	29,672	0.2	1.1	0.0	30,022	30,387	31,512	301,313	319,215	-5.6
Computers and electronic products⁴:												
Shipments.....	27,488	27,230	27,433	0.9	-0.7	0.6	27,204	30,361	26,093	266,276	257,171	3.5
New Orders.....	24,288	24,066	24,427	0.9	-1.5	-0.2	23,296	28,045	22,640	239,136	231,956	3.1
Computers and related products:												
Shipments.....	1,797	1,655	1,848	8.6	-10.4	-5.1	1,555	2,125	1,760	17,622	20,926	-15.8
New Orders.....	1,792	1,678	1,851	6.8	-9.3	-4.6	1,550	2,148	1,785	17,591	21,041	-16.4
Communications equipment:												
Shipments.....	3,373	3,535	3,479	-4.6	1.6	3.2	3,099	4,342	3,143	33,657	33,618	0.1
New Orders.....	3,518	3,562	3,629	-1.2	-1.8	-0.5	3,444	4,618	3,539	36,172	37,203	-2.8
Electrical equipment, appliances, and components:												
Shipments.....	9,792	9,626	9,598	1.7	0.3	0.8	9,949	10,323	10,161	95,789	102,356	-6.4
New Orders.....	9,864	9,646	9,625	2.3	0.2	-2.2	9,955	10,220	9,888	97,004	101,977	-4.9
Transportation equipment:												
Shipments.....	80,673	81,837	80,236	-1.4	2.0	-0.7	81,099	88,781	84,301	811,954	810,099	0.2
New Orders.....	88,152	78,679	78,103	12.0	0.7	0.6	87,899	84,154	84,811	781,612	773,632	1.0
Motor vehicles and parts:												
Shipments.....	55,322	55,698	55,149	-0.7	1.0	0.7	57,365	59,339	58,257	559,010	543,607	2.8
New Orders.....	55,245	55,571	55,107	-0.6	0.8	1.0	57,129	59,219	57,983	556,542	542,223	2.6
Nondefense aircraft and parts:												
Shipments.....	13,588	14,091	12,974	-3.6	8.6	-7.5	12,134	15,753	12,371	133,333	138,417	-3.7
New Orders.....	21,819	11,242	8,626	94.1	30.3	-24.3	20,299	11,324	14,176	108,501	121,482	-10.7
Defense aircraft and parts:												
Shipments.....	3,952	4,133	4,475	-4.4	-7.6	10.4	3,764	4,849	5,332	41,310	48,340	-14.5
New Orders.....	3,696	2,777	5,251	33.1	-47.1	18.2	3,661	3,276	6,420	41,654	44,184	-5.7
All other durable goods:												
Shipments.....	38,261	37,807	37,452	1.2	0.9	0.4	39,116	39,900	38,642	380,768	372,142	2.3
New Orders.....	38,308	37,943	37,593	1.0	0.9	1.0	39,221	40,028	38,690	381,872	372,666	2.5
Capital goods³:												
Shipments.....	82,094	82,221	80,679	-0.2	1.9	-1.6	79,650	89,908	84,230	813,524	851,821	-4.5
New Orders.....	90,981	81,243	79,511	12.0	2.2	-0.1	87,675	86,086	82,510	796,507	817,412	-2.6
Nondefense capital goods:												
Shipments.....	71,454	71,881	70,340	-0.6	2.2	-1.5	69,313	78,335	73,689	713,080	755,458	-5.6
New Orders.....	80,146	69,986	67,265	14.5	4.0	-3.9	78,730	73,219	74,873	695,691	734,714	-5.3
Excluding aircraft:												
Shipments.....	62,609	62,502	62,263	0.2	0.4	0.1	61,510	67,402	65,483	627,860	662,081	-5.2
New Orders.....	63,053	62,819	63,681	0.4	-1.4	1.2	62,174	67,187	64,739	632,190	658,319	-4.0
Defense capital goods:												
Shipments.....	10,640	10,340	10,339	2.9	0.0	-2.3	10,337	11,573	10,541	100,444	96,363	4.2
New Orders.....	10,835	11,257	12,246	-3.7	-8.1	27.5	8,945	12,867	7,637	100,816	82,698	21.9

¹ Revised data due to late receipts and concurrent seasonal adjustment.² Estimates of shipments and new orders are for the duration of the period, while estimates of unfilled orders and total inventories are for the end of the period. Not seasonally adjusted estimates of shipments and new orders include adjusted data for non-calendar reporters. Seasonally adjusted estimates include concurrent adjustments for holiday and trading-day differences, where appropriate, as well as seasonal variation, based on the results of the latest annual review of the model parameters. Estimates are not adjusted for price changes.³ Based on advance sample. Estimates of manufacturers' shipments, inventories, and orders are subject to survey error and revision. One major component of survey error is nonsampling error, which includes errors of coverage, response and nonreporting. Since the survey panel is not a probability sample, estimates of sampling error cannot be calculated. For further details on survey design, methodology, and data limitations, see <http://www.census.gov/manufacturing/m3>.⁴ The Capital Goods Industries include Nondefense : small arms and ordnance; farm machinery and equipment; construction machinery; mining, oil, and gas field machinery; industrial machinery; vending, laundry, and other machinery; photographic equipment; metalworking machinery; turbines and generators; other power transmission equipment; pumps and compressors; material handling equipment, all other machinery; electronic computers; computer storage devices; other computer peripheral equipment; communications equipment; search and navigation equipment; electromedical, measuring, and control instruments; electrical equipment; other electrical equipment, appliances, and components; heavy duty trucks; aircraft; railroad rolling stock; ships and boats; office and institutional furniture; and medical equipment and supplies.

Defense Capital Goods include : small arms and ordnance, communications equipment, aircraft; missiles, space vehicles, and parts, ships and boats, and search and navigation equipment.

⁵ Estimates and percent changes of shipments and inventories for the semiconductor industry are included in computers and electronic products, and all other applicable aggregate totals. Estimates and percent changes for new orders and unfilled orders exclude semiconductor industry data.

Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories ¹

[Estimates are shown in millions of dollars and are based on data from the Manufacturers' Shipments, Inventories, and Orders Survey.]

Item	Seasonally Adjusted						Not Seasonally Adjusted			
	Monthly			Percent Change			Monthly			Percent Change 2016/ 2015
	Oct 2016 ²	Sep 2016 ¹	Aug 2016	Sep - Oct ²	Aug - Sep ¹	Jul - Aug	Oct 2016 ²	Sep 2016 ¹	Oct 2015	
<u>DURABLE GOODS</u>										
Total:										
Unfilled Orders ⁴	1,128,646	1,120,414	1,123,085	0.7	-0.2	-0.2	1,116,658	1,109,787	1,129,107	-1.1
Total Inventories.....	383,701	383,606	383,467	0.0	0.0	0.1	384,007	381,838	388,972	-1.3
Excluding transportation:										
Unfilled Orders ⁴	355,527	354,774	354,287	0.2	0.1	0.1	352,142	352,071	349,481	0.8
Total Inventories.....	259,882	260,003	259,874	0.0	0.0	0.2	259,750	258,849	263,620	-1.5
Excluding defense:										
Unfilled Orders ⁴	954,754	946,101	948,703	0.9	-0.3	-0.4	944,695	936,508	959,835	-1.6
Total Inventories.....	357,833	358,113	357,915	-0.1	0.1	0.2	358,289	356,406	363,234	-1.4
Manufacturing with unfilled orders:										
Unfilled Orders.....	1,128,646	1,120,414	1,123,085	0.7	-0.2	-0.2	1,116,658	1,109,787	1,129,107	-1.1
Total Inventories.....	311,867	311,755	311,286	0.0	0.2	0.1	312,170	310,470	317,527	-1.7
Primary metals:										
Unfilled Orders.....	32,953	32,704	32,488	0.8	0.7	0.2	31,607	31,608	31,529	0.2
Total Inventories.....	31,631	31,596	31,718	0.1	-0.4	0.2	31,652	31,610	34,138	-7.3
Fabricated metal products:										
Unfilled Orders.....	74,352	74,078	74,136	0.4	-0.1	0.1	73,400	73,874	72,587	1.1
Total Inventories.....	48,976	48,938	48,886	0.1	0.1	-0.5	48,636	48,598	49,107	-1.0
Machinery:										
Unfilled Orders.....	92,334	92,531	92,559	-0.2	0.0	-0.2	91,705	91,714	97,890	-6.3
Total Inventories.....	65,448	65,800	65,645	-0.5	0.2	0.5	65,543	65,714	67,324	-2.6
Computers and electronic products⁴:										
Unfilled Orders.....	129,625	129,317	129,116	0.2	0.2	0.2	129,476	129,032	123,169	5.1
Total Inventories.....	42,501	42,479	42,651	0.1	-0.4	0.2	42,685	42,119	42,862	-0.4
Computers and related products:										
Unfilled Orders.....	2,416	2,421	2,398	-0.2	1.0	0.1	2,416	2,421	2,395	0.9
Total Inventories.....	3,631	3,663	3,698	-0.9	-0.9	2.5	3,702	3,694	3,584	3.3
Communications equipment:										
Unfilled Orders.....	35,217	35,072	35,045	0.4	0.1	0.4	35,277	34,932	32,588	8.3
Total Inventories.....	4,450	4,469	4,551	-0.4	-1.8	-0.5	4,481	4,406	4,988	-10.2
Electrical equipment, appliances, and components:										
Unfilled Orders.....	17,760	17,688	17,668	0.4	0.1	0.2	17,518	17,512	16,373	7.0
Total Inventories.....	16,296	16,317	16,210	-0.1	0.7	-0.9	16,331	16,115	16,624	-1.8
Transportation equipment:										
Unfilled Orders.....	773,119	765,640	768,798	1.0	-0.4	-0.3	764,516	757,716	779,626	-1.9
Total Inventories.....	123,819	123,603	123,593	0.2	0.0	-0.1	124,257	122,989	125,352	-0.9
Motor vehicles and parts:										
Unfilled Orders.....	21,748	21,825	21,952	-0.4	-0.6	-0.2	21,091	21,327	22,611	-6.7
Total Inventories.....	34,611	34,551	34,721	0.2	-0.5	-0.5	34,953	34,345	34,694	0.7
Nondefense Aircraft and parts:										
Unfilled Orders.....	592,096	583,865	586,714	1.4	-0.5	-0.7	585,804	577,639	598,964	-2.2
Total Inventories.....	62,488	62,723	62,426	-0.4	0.5	0.5	62,517	62,184	63,882	-2.1
Defense Aircraft and parts:										
Unfilled Orders.....	69,913	70,169	71,525	-0.4	-1.9	1.1	68,962	69,065	65,850	4.7
Total Inventories.....	11,214	11,090	11,285	1.1	-1.7	-2.3	11,201	11,071	11,313	-1.0
All other durable goods:										
Unfilled Orders.....	8,503	8,456	8,320	0.6	1.6	1.7	8,436	8,331	7,933	6.3
Total Inventories.....	55,030	54,873	54,764	0.3	0.2	0.6	54,903	54,693	53,565	2.5
Capital goods³:										
Unfilled Orders.....	841,861	832,974	833,952	1.1	-0.1	-0.1	833,859	825,834	848,201	-1.7
Total Inventories.....	190,775	191,011	190,693	-0.1	0.2	0.1	191,342	190,349	194,669	-1.7
Nondefense capital goods:										
Unfilled Orders.....	703,140	694,448	696,343	1.3	-0.3	-0.4	697,083	687,666	715,905	-2.6
Total Inventories.....	169,598	170,219	169,875	-0.4	0.2	0.3	170,302	169,599	173,837	-2.0
Excluding aircraft:										
Unfilled Orders.....	223,144	222,700	222,383	0.2	0.1	0.6	222,016	221,352	222,017	0.0
Total Inventories.....	118,300	118,611	118,591	-0.3	0.0	0.2	118,981	118,424	120,858	-1.6
Defense capital goods:										
Unfilled Orders.....	138,721	138,526	137,609	0.1	0.7	1.4	136,776	138,168	132,296	3.4
Total Inventories.....	21,177	20,792	20,818	1.9	-0.1	-1.5	21,040	20,750	20,832	1.0

See footnotes at end of Table 1

Survey Description

This report is compiled from results of the U.S. Census Bureau's Manufacturers' Shipments, Inventories, and Orders (M3) survey, which is a voluntary survey authorized by Title 13 of the United States Code. This survey provides statistics on a calendar-month basis for manufacturers' value of shipments, new orders (net of cancellations), end-of-month order backlog (unfilled orders), end-of-month total inventory (at current cost or market value), and inventories by stage of fabrication (materials and supplies, work-in-process, and finished goods). Data published from the M3 survey are based on a panel of approximately 4,800 reporting units that represent approximately 3,000 companies and provide an indication of month-to-month change for the Manufacturing Sector. These reporting units may be divisions of diversified large companies, large homogenous companies, or single-unit manufacturers in 92 industry categories, which are combined into 65 publication levels due to the small monthly panel size. The survey methodology assumes that the month-to-month changes of the total operations of the reporting units in the M3 panel effectively represent the month-to-month movements of all establishments that make up the category.

The companies for which shipments data are currently reported or imputed in the M3 survey represent approximately 61 percent of the total value of shipments for manufacturing establishments in the 2012 Economic Census, and these companies include almost two-thirds of the manufacturing companies with \$500 million or more in shipments in the 2012 Economic Census. The companies for which shipments data are currently reported in the M3 survey represent approximately 54 percent of the total value of shipments for manufacturing establishments in the 2012 Economic Census. Statistics based on the M3 panel differ from the results that would be obtained from a complete enumeration of all manufacturing companies. The M3 panel is not based on a probability sample; therefore, the sampling errors that are normally provided with sample surveys cannot be measured. Nonsampling errors are attributable to many sources. The use of company or divisional reports to estimate the monthly change for establishments is one source of nonsampling error. The use of primarily large companies to represent the month-to-month movement of all companies is another potential source. Any corrections will be published in the full report. Corrections received after the full report will be released in the next month's advance report. Any revisions made later than two months will be reflected in the annual benchmark publication.

Additional survey documentation can be found on our web site: <http://www.census.gov/m3>.

2017 Release Dates for the M3 Survey

Survey month	Advance Report (8:30 a.m. release time)	Full Report (10:00 a.m. release time)
Nov-16	Thu 12/22/2016	Fri 1/6/2017
Dec-16	Fri 1/27/2017	Fri 2/3/2017
Jan-17	Mon 2/27/2017	Mon 3/6/2017
Feb-17	Fri 3/24/2017	Tue 4/4/2017
Mar-17	Thu 4/27/2017	Thu 5/4/2017
Apr-17	Fri 5/26/2017	Mon 6/5/2017
May-17	Mon 6/26/2017	Wed 7/5/2017
Jun-17	Thu 7/27/2017	Thu 8/3/2017
Jul-17	Fri 8/25/2017	Tue 9/5/2017
Aug-17	Wed 9/27/2017	Thu 10/5/2017
Sep-17	Wed 10/25/2017	Fri 11/3/2017
Oct-17	Wed 11/22/2017	Mon 12/4/2017
Nov-17	Fri 12/22/2017	Not available at this time