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MONTHLY ADVANCE REPORT ON MANUFACTURERS' SHIPMENTS, INVENTORIES AND ORDERS DECEMBER 2018

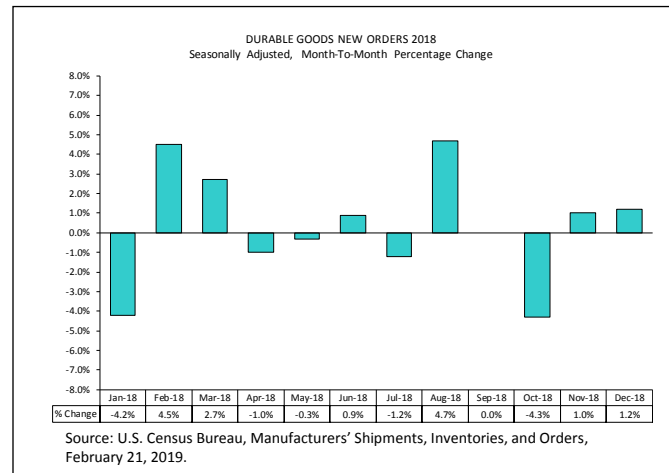
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Data collection and processing were delayed for this indicator release due to the lapse in federal funding from December 22, 2018 through January 25, 2019. Processing and data quality were monitored throughout, and response and coverage rates were at or above normal levels for this release.

February 21, 2019 — The U.S. Census Bureau announces the December advance report on manufacturers' shipments, inventories and orders:

DURABLE GOODS – NEW ORDERS		
DECEMBER 2018	\$254.4 billion	+1.2%°
NOVEMBER 2018 (revised)	\$251.5 billion	+1.0%°

Data adjusted for seasonal variation but not for price changes.
°Statistical significance is not measurable for this survey. The Manufacturers' Shipments, Inventories, and Orders estimates are not based on a probability sample, so the sampling error of these estimates cannot be measured nor can the confidence intervals be computed.
Source: U.S. Census Bureau, Manufacturers' Shipments, Inventories and Orders, February 21, 2019.



New Orders

New orders for manufactured durable goods in December increased \$3.0 billion or 1.2 percent to \$254.4 billion, the U.S. Census Bureau announced today. This increase, up two consecutive months, followed a 1.0 percent November increase. Excluding transportation, new orders increased 0.1 percent. Excluding defense, new orders increased 1.8 percent. Transportation equipment, up four of the last five months, led the increase, \$2.8 billion or 3.3 percent to \$90.2 billion.

Shipments

Shipments of manufactured durable goods in December, up four of the last five months, increased \$2.1 billion or 0.8 percent to \$259.7 billion. This followed a 1.0 percent November increase. Transportation

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equipment, also up four of the last five months, led the increase, \$1.4 billion or 1.5 percent to \$91.4 billion.

Unfilled Orders

Unfilled orders for manufactured durable goods in December, down three consecutive months, decreased \$1.1 billion or 0.1 percent to \$1,180.1 billion. This followed a 0.2 percent November decrease.

Transportation equipment, also down three consecutive months, drove the decrease, \$1.2 billion or 0.1 percent to \$811.1 billion.

Inventories

Inventories of manufactured durable goods in December, up twenty-three of the last twenty-four months, increased \$0.9 billion or 0.2 percent to \$414.7 billion. This followed a 0.4 percent November increase.

Primary metals, up twenty-five of the last twenty-six months, led the increase, \$0.4 billion or 1.1 percent to \$36.6 billion.

Capital Goods

Nondefense new orders for capital goods in December increased \$2.8 billion or 3.7 percent to \$77.8 billion. Shipments increased \$0.4 billion or 0.5 percent to \$80.0 billion. Unfilled orders decreased \$2.2 billion or 0.3 percent to \$708.1 billion. Inventories increased \$0.5 billion or 0.3 percent to \$181.5 billion. Defense new orders for capital goods in December decreased \$1.0 billion or 7.0 percent to \$13.3 billion. Shipments increased \$0.5 billion or 4.1 percent to \$12.5 billion. Unfilled orders increased \$0.8 billion or 0.5 percent to \$157.1 billion. Inventories decreased \$0.2 billion or 1.0 percent to \$22.7 billion.

Revised November Data

Revised seasonally adjusted November figures for all manufacturing industries were: new orders, \$499.9 billion (revised from \$499.2); shipments, \$506.0 billion (revised from \$505.1 billion); unfilled orders, \$1,181.3 billion (revised from \$1,181.5 billion) and total inventories, \$681.3 billion (revised from \$681.1 billion).

The U.S. Census Bureau continues to update its 2019 economic indicator release calendar in coordination with other agencies and the Office of Management and Budget to address the impacts of the recent lapse in federal funding. We will provide additional updated release dates as soon as they become available. Please visit our webpage at www.census.gov/economic-indicators.

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EXPLANATORY NOTES

Figures in text are adjusted for seasonality, but not for inflation. Figures on new and unfilled orders exclude data for semiconductor manufacturing.

“Virtually unchanged” indicates that the change is less than 0.05 percent for a percent increase or decrease.

Description of the survey

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 5,000 reporting units that represent approximately 3,100 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 64 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 57 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

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survey documentation can be found on our web site:

<www.census.gov/manufacturing/m3/how_the_data_are_collected/index.html>.

Hurricanes

For information on the impact of recent hurricanes on the compilation of this report, please see the Frequently Asked Questions (FAQs) on our website at:

<<https://www.census.gov/manufacturing/m3/hurricanesfaqsm3.pdf>>.

RESOURCES

API

The Census Bureau's application programming interface (API) lets developers create custom apps to reach new users and makes key demographic, socio-economic and housing statistics more accessible than ever before.

<www.census.gov/developers/>

NEW TIME SERIES

Beginning with the release of June 2018 data on July 26, 2018, historical estimates of the Monthly Advance Report on Manufacturers' Shipments, Inventories and Orders are available on a seasonally adjusted basis as well as a not seasonally adjusted basis at: <<https://www.census.gov/econ/currentdata/>>.

FRED Mobile App



Receive the latest updates on the nation's key economic indicators by downloading the FRED App <<https://fred.stlouisfed.org/fred-mobile/>> for both Apple and Android devices. FRED, the signature database of the Federal Reserve Bank of St. Louis, now incorporates the Census Bureau's 13 economic indicators.

Notice of Revisions and Changes Due to Updated Seasonal Adjustment Models

On May 16, 2019, monthly seasonally adjusted data for Manufacturers' Shipments, Inventories, and Orders, based on the North American Industry Classification System, will be revised for January 2002 through March 2019. There will be no accompanying press release containing revised seasonally adjusted data for January through March of 2019, and historical data not seasonally adjusted will be unchanged. These revisions to the historical seasonally adjusted data will be based on the results of the recent annual review of the seasonal adjustment models. Based on this review, the lists of series that are seasonally adjusted and not seasonally adjusted will be updated. Three unfilled orders series and one total

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inventories series that have been adjusted will no longer be seasonally adjusted. Conversely, two stage of fabrication series that have not been adjusted will now be seasonally adjusted. These changes will be implemented on May 16, 2019 and will also be used to produce seasonally adjusted data from the Manufacturers' Shipments, Inventories, and Orders Survey, beginning with the April 2019 Advance Report on Durable Goods scheduled for release on May 24, 2019 and the full report scheduled for release on June 4, 2019.

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Table 2. Durable Goods Manufacturers' Unfilled Orders and Total Inventories¹

[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			Percent Change 2018/2017
	Monthly			Percent Change			Monthly			
	Dec 2018 ²	Nov 2018 ¹	Oct 2018	Nov - Dec ²	Oct - Nov ¹	Sep - Oct	Dec 2018 ²	Nov 2018 ¹	Dec 2017	
DURABLE GOODS										
Total:										
Unfilled Orders ⁴	1,180,125	1,181,274	1,183,284	-0.1	-0.2	-0.2	1,179,386	1,172,003	1,136,412	3.8
Total Inventories.....	414,720	413,852	412,079	0.2	0.4	0.2	404,231	414,168	386,307	4.6
Excluding transportation:										
Unfilled Orders ⁴	369,028	369,026	368,431	0.0	0.2	0.3	362,164	364,065	346,573	4.5
Total Inventories.....	283,548	282,506	280,949	0.4	0.6	0.2	276,611	282,396	262,112	5.5
Excluding defense:										
Unfilled Orders ⁴	980,603	982,700	987,347	-0.2	-0.5	-0.2	978,855	974,847	956,231	2.4
Total Inventories.....	387,719	386,612	384,932	0.3	0.4	0.2	377,406	387,014	359,417	5.0
Manufacturing with unfilled orders:										
Unfilled Orders.....	1,180,125	1,181,274	1,183,284	-0.1	-0.2	-0.2	1,179,386	1,172,003	1,136,412	3.8
Total Inventories.....	337,822	336,771	335,523	0.3	0.4	0.3	329,137	337,234	314,110	4.8
Primary metals:										
Unfilled Orders.....	31,295	31,306	31,418	0.0	-0.4	-0.8	30,675	30,528	27,878	10.0
Total Inventories.....	36,623	36,237	35,801	1.1	1.2	0.7	36,356	36,019	33,073	9.9
Fabricated metal products:										
Unfilled Orders.....	85,687	85,471	84,939	0.3	0.6	0.3	83,225	83,808	77,374	7.6
Total Inventories.....	54,648	54,560	54,304	0.2	0.5	0.2	53,768	54,134	49,811	7.9
Machinery:										
Unfilled Orders.....	105,535	105,923	106,089	-0.4	-0.2	0.4	103,635	105,169	101,337	2.3
Total Inventories.....	70,193	70,069	69,774	0.2	0.4	0.2	67,872	70,932	64,651	5.0
Computers and electronic products⁴:										
Unfilled Orders.....	117,639	117,262	116,678	0.3	0.5	0.6	117,016	116,031	112,470	4.0
Total Inventories.....	43,288	43,279	43,124	0.0	0.4	-0.9	41,689	43,469	41,369	0.8
Computers and related products:										
Unfilled Orders.....	2,187	2,191	2,132	-0.2	2.8	1.4	2,187	2,191	1,878	16.5
Total Inventories.....	3,804	3,737	3,658	1.8	2.2	-2.2	3,534	3,804	3,579	-1.3
Communications equipment:										
Unfilled Orders.....	26,430	26,614	26,518	-0.7	0.4	0.7	26,151	26,372	25,059	4.4
Total Inventories.....	5,382	5,428	5,434	-0.8	-0.1	1.0	5,135	5,581	5,041	1.9
Electrical equipment, appliances, and components:										
Unfilled Orders.....	19,509	19,716	19,839	-1.0	-0.6	0.3	18,994	19,235	19,032	-0.2
Total Inventories.....	19,656	19,463	19,271	1.0	1.0	0.6	18,772	19,152	17,239	8.9
Transportation equipment:										
Unfilled Orders.....	811,097	812,248	814,853	-0.1	-0.3	-0.4	817,222	807,938	789,839	3.5
Total Inventories.....	131,172	131,346	131,130	-0.1	0.2	0.4	127,620	131,772	124,195	2.8
Motor vehicles and parts:										
Unfilled Orders.....	27,408	27,125	27,010	1.0	0.4	0.4	27,693	26,370	26,507	4.5
Total Inventories.....	36,905	36,990	36,612	-0.2	1.0	0.4	35,733	36,953	34,224	4.4
Nondefense Aircraft and parts:										
Unfilled Orders.....	593,411	595,645	600,702	-0.4	-0.8	-0.5	598,192	593,005	593,110	0.9
Total Inventories.....	66,437	66,388	66,743	0.1	-0.5	0.3	64,331	66,879	62,611	2.7
Defense Aircraft and parts:										
Unfilled Orders.....	82,130	82,157	79,982	0.0	2.7	0.6	82,189	81,236	72,494	13.4
Total Inventories.....	12,915	13,237	13,216	-2.4	0.2	0.5	12,814	13,273	13,031	-1.7
All other durable goods:										
Unfilled Orders.....	9,363	9,348	9,468	0.2	-1.3	-0.2	8,619	9,294	8,482	1.6
Total Inventories.....	59,140	58,898	58,675	0.4	0.4	0.4	58,154	58,690	55,969	3.9
Capital goods³:										
Unfilled Orders.....	865,270	866,611	868,849	-0.2	-0.3	-0.3	867,136	861,077	849,093	2.1
Total Inventories.....	204,142	203,840	203,464	0.1	0.2	0.3	197,816	205,455	190,108	4.1
Nondefense capital goods:										
Unfilled Orders.....	708,145	710,310	714,856	-0.3	-0.6	-0.4	709,143	706,356	702,812	0.9
Total Inventories.....	181,484	180,947	180,648	0.3	0.2	0.3	175,233	182,684	167,598	4.6
Excluding aircraft:										
Unfilled Orders.....	222,568	223,305	223,266	-0.3	0.0	0.3	219,068	221,417	214,490	2.1
Total Inventories.....	126,980	126,498	125,947	0.4	0.4	0.2	122,825	127,805	117,152	4.8
Defense capital goods:										
Unfilled Orders.....	157,125	156,301	153,993	0.5	1.5	0.0	157,993	154,721	146,281	8.0
Total Inventories.....	22,658	22,893	22,816	-1.0	0.3	0.4	22,583	22,771	22,510	0.3

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.