Orders for U.S. durable goods fell less than forecast in January, a sign manufacturing was beginning to emerge from the harsh winter weather that blanketed the nation.

The 1 percent decrease in bookings for goods meant to last at least three years followed a revised 5.3 percent slump in December that was larger than previously estimated, data from the Commerce Department showed today. The median estimate in a Bloomberg survey called for a 1.7 percent decline. Orders for non-military capital goods excluding aircraft, a proxy for future business investment, improved.

The figures show companies are regaining confidence the economy will rebound as temperatures warm, encouraging factories to boost production. Advances in business investment will be needed to broaden economic growth beyond gains in consumer spending and housing.

“It’s probably mildly positive but quite mixed,” said Stephen Stanley, chief economist at Pierpont Securities LLC in Stamford, Connecticut, who accurately forecast the drop in orders. “The business sector is still very cautious.”

Forecasts for total durable goods orders in the Bloomberg survey of 83 economists ranged from an increase of 3.8 percent to a 4.8 percent drop. The December reading was revised from a previously reported 4.2 percent decline.

More Claims

Another report today showed more Americans than forecast filed applications for unemployment benefits last week, a sign the labor market is improving in fits and starts.

Jobless claims increased by 14,000 to 348,000 in the week ended Feb. 22 from 334,000 in the prior period, a Labor Department report showed. The median forecast of 53 economists surveyed by Bloomberg projected 335,000. A Labor Department spokesman said no states were estimated and there was nothing unusual in the data.

Stock-index futures trimmed previous losses after the reports. The contract on the Standard & Poor’s 500 Index maturing in March was little changed at 1,841.5 at 8:52 a.m. in New York. It was down as much as 0.5 percent earlier in the day.

Bookings for durable goods notched the first back-to-back decline since 2011, today’s report from...
the Commerce Department showed.

**Excluding Transportation**

Excluding transportation equipment, where demand can be volatile month to month, orders increased 1.1 percent, the biggest gain since May, after a 1.9 percent drop in December.

Bookings for non-military capital goods excluding aircraft rose 1.7 percent after a 1.8 percent decrease in December that was larger than previously estimated. Demand for such products is considered a proxy for future business investment in equipment such as computers and electronics.

Shipments of those goods, a measure used to calculate gross domestic product, fell 0.8 percent in January after rising 0.3 percent the prior month, starting the first quarter on a weak note. Harsh weather may have prevented factories from making deliveries.

Bookings for commercial aircraft dropped 20.2 percent after a 22.3 percent decrease in December as Boeing Co. (BA) reported fewer sales. The Chicago-based manufacturer received 38 aircraft orders in January, down from 319 the previous month. Government statistics don’t always match industry data on a month-to-month basis.

**Data Breakdown**

Bookings for electronic products and military aircraft improved, while demand for computers, automobiles and machinery declined last month.

Today’s durables data offer economists a final opportunity to revise fourth-quarter growth forecasts before a report tomorrow from the Commerce Department.

The world’s largest economy advanced at a 2.5 percent annualized rate at the end of last year following a 4.1 percent gain in the previous three months, according to the median forecast of economists surveyed by Bloomberg ahead of the Commerce Department’s gross domestic product report tomorrow.

The rebound in housing is among reasons demand for expensive items is growing of appliances, fixtures and flooring at Lowe’s Cos. Inc. The hardware retailer based in Mooresville, North Carolina, reported a 6.3 percent rise in profit in the fourth quarter.

Customers also are spending on seasonal equipment such as snow blowers, Chief Customer Officer Gregory Bridgeford said.

“We know that winter weather can be unpredictable, so we are ready to respond quickly to the demand for items needed to cope with the January storms,” Bridgeford said on a Feb. 26 earnings call. “Customers needed snow blowers, space heaters, heating fuel, snow shovels and ice melt, as well as pipefitting to replace those that burst from the extreme cold.”

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