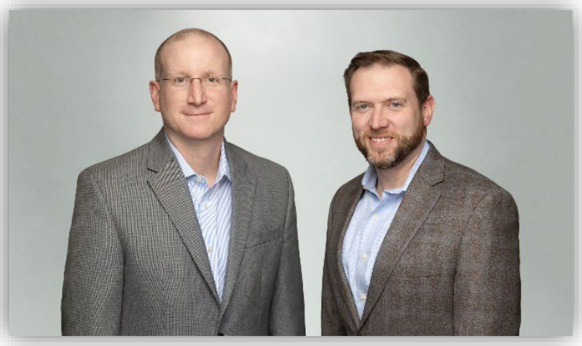
FURNITURE INSIGHTS®

Smith Leonard PLLC's Industry Newsletter

July 2024

HIGHLIGHTS – EXECUTIVE SUMMARY

New orders were down (3)% in May 2024 compared to May 2023 reversing recent trends and perhaps a normalization of the large increase we saw in April 2024. However, year to date through May 2024, new orders are up 6% compared to the same period of 2023. New orders for May 2024 were once again flat compared to the prior month of April 2024, marking the third consecutive month of no overall change.



Mark Laferriere and Patrick Willis, Tax Partner

Shipments are again materially in line compared to last year, with May 2024 down (4)% from May 2023 (had been up 2% in April), and flat compared to April 2024. Year to date through May 2024, shipments are down (8)% compared to the same period of 2023.

May 2024 backlogs were down (6)% compared to May 2023, and down (1)% from April 2024.

Receivable levels were down (6)% from May 2023, which is materially in line with shipments for the same period and year to date 2024.

Inventories and employee levels are again materially in line with recent months, but down from 2023, indicating that companies have aligned levels to match current operations.

EXECUTIVE SUMMARY, CONT.

National

Consumer Confidence

The Conference Board ***Consumer Confidence Index®*** rose in July to 100.3 (1985=100), from a downwardly revised 97.8 in June.

The ***Present Situation Index***—based on consumers' assessment of current business and labor market conditions—declined to 133.6 from 135.3 last month.

Meanwhile, the ***Expectations Index***—based on consumers' short-term outlook for income, business, and labor market conditions—improved in July to 78.2. That's up from 72.8 in June but still below 80 (the threshold which usually signals a recession ahead).

"Compared to last month, consumers were somewhat less pessimistic about the future. Expectations for future income improved slightly, but consumers remained generally negative about business and employment conditions ahead. Meanwhile, consumers were a bit less positive about current labor and business conditions. Potentially, smaller monthly job additions are weighing on consumers' assessment of current job availability: while still quite strong, consumers' assessment of the current labor market situation declined to its lowest level since March 2021."Peterson added: "Compared to May, consumers were less concerned about a forthcoming recession. However, consumers' assessment of their Family's Financial Situation—both currently and over the next six months—was less positive."

On a six-month moving average basis, purchasing plans for homes fell to a 12-year low. While buying plans for cars were little changed, buying plans for most big-ticket appliances increased slightly. Additionally, more consumers reported plans to buy a smartphone or laptop/PC in the next six months.

Housing

Existing-home sales fell in June as the median sales price climbed to the highest price ever recorded for the second consecutive month, according to the National Association of REALTORS®. All four major U.S. regions posted sales declines. Year-over-year, sales waned in the Northeast, Midwest and South but were unchanged in the West.

Total existing-home sales – completed transactions that include single-family homes, townhomes, condominiums and co-ops – receded 5.4% from May to a seasonally adjusted annual rate of 3.89 million in June. Year-over-year, sales also dropped 5.4% (down from 4.11 million in June 2023).

Single-family home sales retracted to a seasonally adjusted annual rate of 3.52 million in June, down 5.1% from 3.71 million in May and 4.3% from the prior year. The median existing single-family home price was $432,700 in June, up 4.1% from June 2023.

Existing condominium and co-op sales tumbled 7.5% in June to a seasonally adjusted annual rate of 370,000 units, down 14% from one year ago (430,000 units). The median existing condo price was $371,700 in June, up 2.6% from the previous year ($362,200).

According to Freddie Mac, the 30-year fixed-rate mortgage averaged 6.77% as of July 18. That's down from 6.89% one week ago and 6.78% one year ago.

Sales of new single-family houses in June 2024 were at a seasonally adjusted annual rate of 617,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 0.6% below the revised May rate of 621,000 and is 7.4% below the June 2023 estimate of 666,000.

Compared to June 2023 on a seasonally-adjusted basis, sales were down (7.4)% overall with sales up 32.8% in the Midwest and 2.8% in the West, while down (12.2)% in the South and (63.6)% in the Northeast.

EXECUTIVE SUMMARY, CONT.

Thoughts

Well, there was certainly no shortage of interesting storylines since last month, with a high-profile retail bankruptcy, ocean freight concerns, interest rate cuts on the horizon, and changes to the political landscape here in the States, among other things.

The Conn's/Badcock bankruptcy is another reminder of the shifting landscape within the industry and that business continues to be tough at retail, while also highlighting the need for companies to pursue multiple sales channels to mitigate risk, whether that be with designers, e-commerce, etc. However, we also see others expanding operations and opening new stores, so retail is certainly not dead.

Meanwhile, ocean container rates, while higher than we'd prefer, appear to have peaked based upon industry reports and are expected to decline in the second half of the year as demand and capacity become more balanced. The latest World Container Index ("WCI") indicates that spot rates decreased 1% overall last week, including a 3% reduction in the Shanghai to Los Angeles route.

On another positive note, in their July 2024 meeting, the Fed opened the door to a potential rate cut at their next meeting on September 17-18th if inflation continues to ease, followed by additional possible cuts in 2025.

Overall, the national economic indicators we track are again "mixed" in June/July 2024 with little meaningful change compared to recent months, but the general consensus appears to be that consumers are cautiously optimistic, but anxious about what the future holds.

Looking at our monthly stats for the last few months, it's probably worth noting that new orders, shipments, and backlog have pretty much stayed within a 0-5% range for our participants, which if nothing else, provides companies with some stability with which to manage operations until these other factors work themselves out.

EXECUTIVE SUMMARY, CONT.

National, Cont.

Other

Real gross domestic product (GDP) increased at an annual rate of 2.8% in the second quarter of 2024, according to the "advance" estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP increased 1.4%.

The increase in real GDP primarily reflected increases in consumer spending, private inventory investment, and nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased.

Compared to the first quarter, the acceleration in real GDP in the second quarter primarily reflected an upturn in private inventory investment and an acceleration in consumer spending. These movements were partly offset by a downturn in residential fixed investment.

Sales at furniture and home furnishings stores were up 0.6% in June 2024 from May 2024 on a seasonally-adjusted basis, but down (4.0)% from June 2023.

HIGHLIGHTS – MONTHLY RESULTS

New Orders

According to our latest survey of residential furniture manufacturers and distributors, new orders were down (3)% in May 2024 compared to May 2023 reversing recent trends and perhaps a normalization of the large increase we saw in April 2024. Approximately half of the participants reported increased orders in May 2024 compared to a year ago. However, new orders were once again flat compared to the prior month of April 2024. Year to date through May 2024, new orders are up 6% compared to 2023.

Shipments and Backlogs

May 2024 shipments were down (4)% from May 2023, but flat with April 2024. Shipments in May 2024 were down for approximately 75% of the participants compared to May 2023.

Year to date through May 2024, shipments are down (8)% compared to 2023, though presumably that trend will begin to turnaround in the coming months with the increased order volumes.

May 2024 backlogs were down (6)% compared to May 2023, and down (1)% from April 2024.

Receivables and Inventories

Receivable levels were down (7)% from April 2024, and also down (6)% from May 2023, with the latter being materially in line with shipments for the same period.

Inventories were materially consistent with April 2024 at down (2)%, and down (17)% from May 2023, which is in line with prior periods and current operational levels.

ESTIMATED BUSINESS ACTIVITY (MILLIONS)

	2024		
	MAY	APR	5 MOS
New Orders	2,226	2,211	10,933
Shipments	2,228	2,200	11,140
Backlog	2,682	2,686	

	2023		
	MAY	APR	5 MOS
New Orders	2,289	1,820	10,378
Shipments (R)	2,333	2,167	12,439
Backlog	2,876	3,035	

Factory and Warehouse Employees and Payroll

The number of factory and warehouse employees was down (4)% from May a year ago, and materially in line with April 2024 with an increase of 1%. Year to date through May 2024, payroll expense is down (4)%, which is consistent the employee headcount and prior periods.

KEY MONTHLY INDICATORS (PERCENT CHANGE)

	May 2024 from Apr 2024	May 2024 from May 2023	5 Mos 2024 vs 5 Mos 2023
New Orders	–	-3	6
Shipments	–	-4	-8
Backlog	-1	-6	
Payrolls	-1	-1	-4
Employees	1	-4	
Receivables	-7	-6	
Inventories	-2	-17	

PERCENT INCREASE/DECREASE COMPARED TO PRIOR YEAR

	New Orders	Shipments	Backlog	Employment
2023				
May	+15	-18	-61	-9
June	+23	-28	-58	-9
July	+28	-21	-54	-8
August	+29	-17	-51	-8
September	+13	-20	-45	-7
October	+12	-13	-43	-7
November	+26	-16	-35	-6
December	+6	-14	-33	-7
2024				
January	-1	-13	-27	-7
February	+7	-5	-24	-7
March	+2	-17	-17	-6
April	+22	+2	-12	-6
May	-3	-4	-6	-4

A DEEPER DIVE – NATIONAL

Consumer Confidence

The Conference Board ***Consumer Confidence Index***® rose in July to 100.3 (1985=100), from a downwardly revised 97.8 in June.

The ***Present Situation Index***—based on consumers' assessment of current business and labor market conditions—declined to 133.6 from 135.3 last month.

Meanwhile, the ***Expectations Index***—based on consumers' short-term outlook for income, business, and labor market conditions—improved in July to 78.2. That's up from 72.8 in June but still below 80 (the threshold which usually signals a recession ahead).

"Compared to last month, consumers were somewhat less pessimistic about the future. Expectations for future income improved slightly, but consumers remained generally negative about business and employment conditions ahead. Meanwhile, consumers were a bit less positive about current labor and business conditions. Potentially, smaller monthly job additions are weighing on consumers' assessment of current job availability: while still quite strong, consumers' assessment of the current labor market situation declined to its lowest level since March 2021."

"In July, confidence improved among consumers under 35 and those 55 and older; only the 35-54 age group saw a decline. On a six-month moving average basis, confidence remained the highest among consumers under 35. On a month-over-month basis, no clear pattern emerged in terms of income groups. On a six-month moving average basis, consumers making over $100K were the most confident, but the gap with other groups narrowed."

Peterson added: "The proportion of consumers predicting a forthcoming recession ticked up in July but remains well below the 2023 peak. Consumers' assessments of their *Family's Financial Situation*—both currently and over the next six months—was less positive. Indeed, assessments of familial finances have deteriorated continuously since the beginning of 2024." (These measures are not included in calculating the Consumer Confidence Index®.)

Average 12-month inflation expectations remained stable at 5.4% in July, compared to a peak of 7.9% reported in 2022. The share of consumers expecting higher interest rates over the next 12 months dropped for the second month in a row to 50.3%—the lowest since February 2024. Meanwhile, consumers were positive about the stock market, with 49.1% expecting stock prices to increase over the year ahead (the highest share since March), 23.5% expecting a decrease, and 27.4% expecting no change.

July's write-in responses showed that elevated prices, especially for food and groceries, and inflation (the rate of change in prices), remain the key drivers of consumers' views of the economy, followed by the US political situation and the labor market. Mentions about the forthcoming elections increased, although the share of respondents believing the 2024 election would impact the economy was lower than write-ins from July 2016.

On a six-month moving average basis, purchasing plans for homes fell to a 12-year low. While buying plans for cars were little changed, buying plans for most big-ticket appliances increased slightly. Additionally, more consumers reported plans to buy a smartphone or laptop/PC in the next six months.

Based on a supplemental question, planned spending on services appeared weaker in July 2024 than in July 2023. Consumers said they plan to spend less over the next six months on many discretionary items, including gambling, amusement parks, and personal travel. They also plan to purchase less expensive services—for example, streaming instead of going to the movies.

NATIONAL UPDATE

Leading Economic Indicators

The Conference Board Leading Economic Index® (LEI) for the U.S. declined by 0.2% in June 2024 to 101.1 (2016=100), following a decline of 0.4% in May. Over the first half of 2024, the LEI fell by 1.9%, a smaller decrease than its 2.9% contraction over the second half of last year.

"The US LEI continued to trend down in June, but the contraction was smaller than in the past three months," said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** "The decline continued to be fueled by gloomy consumer expectations, weak new orders, negative interest rate spread, and an increased number of initial claims for unemployment. However, due to the smaller month-on-month rate of decline, the LEI's long-term growth has become less negative, pointing to a slow recovery. Taken together, June's data suggest that economic activity is likely to continue to lose momentum in the months ahead. We currently forecast that cooling consumer spending will push US GDP growth down to around 1% (annualized) in Q3 of this year."

The Conference Board Coincident Economic Index® (CEI) for the U.S. rose by 0.3% in June 2024 to 112.6 (2016=100), after increasing by 0.4% in May. The CEI grew 0.6% over the first half of 2024, about half its growth rate of 1.3% over the previous six months. The CEI's component indicators—payroll employment, personal income less transfer payments, manufacturing and trade sales, and industrial production—are included among the data used to determine recessions in the US. All four components of the index improved in June, with industrial production making the largest positive contribution to the CEI for the second consecutive month.

The **Conference Board Lagging Economic Index®** (LAG) for the U.S. inched up by 0.1% in June 2024 to 119.5 (2016=100), partially reversing a decline of 0.2% in May. The LAG's six-month growth rate rebounded to 1.2% over the first half of this year, substantially higher than its 0.3% increase over the second half of 2023.

A DEEPER DIVE – NATIONAL, CONT.

Consumer Confidence, Cont.

The planned reduction in services spending was across the board, but consumers continued to prioritize non-discretionary expenditures like healthcare and motor vehicle services.

The share of consumers planning a vacation over the next six months continued to increase and remains above last June's level. More consumers planned to vacation in the US than abroad. As in recent years, more people plan to travel by car than by plane. Overall, the share of consumers planning to go on vacation is still about 10 percentage points lower than pre-pandemic.

Present Situation

Consumers' assessment of current **business conditions** was slightly less positive in July.

- 18.8% of consumers said business conditions were "good," down slightly from 18.9% in June.
- 18.3% said business conditions were "bad," up from 18.1%.

Consumers' appraisal of the **labor market** deteriorated in July.

- 34.1% of consumers said jobs were "plentiful," down from 35.5% in June.
- 16.0% of consumers said jobs were "hard to get," up from 15.7%.

Expectations Six Months Hence

Consumers were more optimistic about the **short-term business conditions outlook** in July.

- 14.8% of consumers expected business conditions to improve, up from 13.2% in June.
- 16.7% expected business conditions to worsen, down from 17.6%.

Consumers' assessment of the **short-term labor market outlook** was less negative in July.

- 14.5% of consumers expected more jobs to be available, up from 13.1% in June.
- 16.7% anticipated fewer jobs, down from 18.3%.

Consumers' assessment of their **short-term income prospects** was less pessimistic in July.

- 15.6% of consumers expected their incomes to increase, down from 16.2% in June.
- 11.6% expected their incomes to decrease, also down from 12.3%.

Assessment of Family Finances and Recession Risk

- Consumers' assessment of their **Family's Current Financial Situation** weakened in July.
- Consumers' assessment of their **Family's Financial Situation** going forward was less optimistic.
- Consumers' **Perceived Likelihood of a US Recession over the Next 12 Months** remains well below its 2023 peak.

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 2.8% in the second quarter of 2024, according to the "advance" estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP increased 1.4%.

The increase in real GDP primarily reflected increases in consumer spending, private inventory investment, and nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased.

The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors were health care, housing and utilities, and recreation services. Within goods, the leading contributors were motor vehicles and parts, recreational goods and vehicles, furnishings and durable household equipment, and gasoline and other energy goods. The increase in private inventory investment primarily reflected increases in wholesale trade and retail trade industries that were partly offset by a decrease in mining, utilities, and construction industries. Within nonresidential fixed investment, increases in equipment and intellectual property products were partly offset by a decrease in structures. The increase in imports was led by capital goods, excluding automotive.

Compared to the first quarter, the acceleration in real GDP in the second quarter primarily reflected an upturn in private inventory investment and an acceleration in consumer spending. These movements were partly offset by a downturn in residential fixed investment.

The price index for gross domestic purchases increased 2.3% in the second quarter, compared with an increase of 3.1% in the first quarter. The personal consumption expenditures (PCE) price index increased 2.6%, compared with an increase of 3.4%. Excluding food and energy prices, the PCE price index increased 2.9%, compared with an increase of 3.7%.

A DEEPER DIVE – HOUSING

Existing-Home Sales

Existing-home sales fell in June as the median sales price climbed to the highest price ever recorded for the second consecutive month, according to the National Association of REALTORS®. All four major U.S. regions posted sales declines. Year-over-year, sales waned in the Northeast, Midwest and South but were unchanged in the West.

Total existing-home sales – completed transactions that include single-family homes, townhomes, condominiums and co-ops – receded 5.4% from May to a seasonally adjusted annual rate of 3.89 million in June. Year-over-year, sales also dropped 5.4% (down from 4.11 million in June 2023).

"We're seeing a slow shift from a seller's market to a buyer's market," said NAR Chief Economist Lawrence Yun. "Homes are sitting on the market a bit longer, and sellers are receiving fewer offers. More buyers are insisting on home inspections and appraisals, and inventory is definitively rising on a national basis."

Single-family home sales retracted to a seasonally adjusted annual rate of 3.52 million in June, down 5.1% from 3.71 million in May and 4.3% from the prior year. The median existing single-family home price was $432,700 in June, up 4.1% from June 2023.

Existing condominium and co-op sales tumbled 7.5% in June to a seasonally adjusted annual rate of 370,000 units, down 14% from one year ago (430,000 units). The median existing condo price was $371,700 in June, up 2.6% from the previous year ($362,200).

According to Freddie Mac, the 30-year fixed-rate mortgage averaged 6.77% as of July 18. That's down from 6.89% one week ago and 6.78% one year ago.

Total housing inventory registered at the end of June was 1.32 million units, up 3.1% from May and 23.4% from one year ago (1.07 million). Unsold inventory sits at a 4.1-month supply at the current sales pace, up from 3.7 months in May and 3.1 months in June 2023. The last time unsold inventory posted a four-month supply was May 2020 (4.5 months).

The median existing-home price for all housing types in June was $426,900, an all-time high and an increase of 4.1% from one year ago ($410,100). All four U.S. regions registered price gains.

"Even as the median home price reached a new record high, further large accelerations are unlikely," Yun added. "Supply and demand dynamics are nearing a balanced market condition. The months supply of inventory reached its highest level in more than four years."

According to the monthly REALTORS® Confidence Index, properties typically remained on the market for 22 days in June, down from 24 days in May but up from 18 days in June 2023.

First-time buyers were responsible for 29% of sales in June, down from 31% in May but up from 27% in June 2023. NAR's 2023 *Profile of Home Buyers and Sellers* – released in November 2023 – found that the annual share of first-time buyers was 32%.

Regional

Existing-home sales in the Northeast in June withdrew 2.1% from May to an annual rate of 470,000, a decline of 6% from June 2023. The median price in the Northeast was $521,500, up 9.7% from one year earlier.

In the Midwest, existing-home sales decreased 8% from one month ago to an annual rate of 920,000 in June, down 6.1% from the prior year. The median price in the Midwest was $327,100, up 5.5% from June 2023.

Existing-home sales in the South slid 5.9% from May to an annual rate of 1.76 million in June, down 6.9% from one year before. The median price in the South was $373,000, up 1.7% from last year.

In the West, existing-home sales declined 2.6% in June to an annual rate of 740,000, identical to a year ago. The median price in the West was $629,800, up 3.5% from June 2023.

A DEEPER DIVE – HOUSING, CONT.

New Residential Sales

Sales of new single-family houses in June 2024 were at a seasonally adjusted annual rate of 617,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 0.6% below the revised May rate of 621,000 and is 7.4% below the June 2023 estimate of 666,000.

The median sales price of new houses sold in June 2024 was $417,300 ($417,400 in May 2024). The average sales price was $487,200 ($520,000 in May 2024).

The seasonally-adjusted estimate of new houses for sale at the end of June was 476,000 (481,000 in May). This represents a supply of 9.3 months at the current sales rate (9.3 in May).

Compared to June 2023 on a seasonally-adjusted basis, sales were down (7.4)% overall with sales up 32.8% in the Midwest and 2.8% in the West, while down (12.2)% in the South and (63.6)% in the Northeast.

Housing Starts

Privately-owned housing starts in June were at a seasonally adjusted annual rate of 1,353,000. This is 3.0% above the revised May estimate of 1,314,000, but is 4.4% below the June 2023 rate of 1,415,000.

Single-family housing starts in June were at a rate of 980,000; this is 2.2% below the revised May figure of 1,002,000.

The June rate for units in buildings with five units or more was 360,000 (278,000 in May).

Single-family starts compared to June 2023, on a seasonally-adjusted basis, were up 5.4% in total and also up 5.5% in the South, 5.0% in the West, 15.5% in the Northeast, while being flat in the Midwest.

Housing Completions

Privately-owned housing completions in June were at a seasonally adjusted annual rate of 1,710,000. This is 10.1% above the revised May estimate of 1,553,000 and is 15.5% above the June 2023 rate of 1,480,000.

Single-family housing completions in June were at a rate of 1,037,000; this is 1.8% above the revised May rate of 1,019,000.

The June rate for units in buildings with five units or more was 656,000 (479,000 in May).

Single-family completions compared to June 2023, on a seasonally-adjusted basis, were up 3.2% in total and also up 1.6% in the South, 4.8% in the Northeast, 15.7% in the Midwest, while being down (0.5)% in the West.

Retail Sales

Advance estimates of U.S. retail and food services sales for June 2024, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $704.3 billion, virtually unchanged from the previous month, but up 2.3% above June 2023. Total sales for the April 2024 through June 2024 period were up 2.5% from the same period a year ago. The April 2024 to May 2024 percent change was revised from up 0.1% to up 0.3%.

Retail trade sales were down 0.1% from May 2024, but up 2.0% above last year. Nonstore retailers were up 8.9% from last year, while food services and drinking places were up 4.4% from June 2023.

Sales at furniture and home furnishings stores were up 0.6% in June 2024 from May 2024 on a seasonally-adjusted basis, but down (4.0)% from June 2023.

A DEEPER DIVE – OTHER NATIONAL

Consumer Prices

The Consumer Price Index for All Urban Consumers declined 0.1% on a seasonally adjusted basis, after being unchanged in May, the U.S. Bureau of Labor Statistics reported. Over the last 12 months, the all-items index increased 3.0% before seasonal adjustment.

The index for gasoline fell 3.8% in June, after declining 3.6% in May, more than offsetting an increase in shelter. The energy index fell 2.0% over the month, as it did the preceding month. The index for food increased 0.2% in June. The food away from home index rose 0.4% over the month, while the food at home index increased 0.1%.

The index for all-items less food and energy rose 0.1% in June, after rising 0.2% the preceding month. Indexes which increased in June include shelter, motor vehicle insurance, household furnishings and operations, medical care, and personal care. The indexes for airline fares, used cars and trucks, and communication were among those that decreased over the month.

The all-items index rose 3.0% for the 12 months ending June, a smaller increase than the 3.3% increase for the 12 months ending May. The all-items less food and energy index rose 3.3% over the last 12 months and was the smallest 12-month increase in that index since April 2021. The energy index increased 1.0% for the 12 months ending June. The food index increased 2.2% over the last year.

Employment

Total nonfarm payroll employment increased by 206,000 in June, and the unemployment rate changed little at 4.1%, the U.S. Bureau of Labor Statistics reported. Job gains occurred in government, health care, social assistance, and construction.

Both the unemployment rate, at 4.1%, and the number of unemployed people, at 6.8 million, changed little in June. These measures are higher than a year earlier, when the jobless rate was 3.6% and the number of unemployed people was 6.0 million.

Durable Goods Orders and Factory Shipments

New orders for manufactured durable goods in June, down following four consecutive monthly increases, decreased $18.6 billion or 6.6% to $264.5 billion, the U.S. Census Bureau announced. This followed a 0.1% May increase. Excluding transportation, new orders increased 0.5%. Excluding defense, new orders decreased 7.0%. Transportation equipment, down two of the last three months, drove the decrease, $19.6 billion or 20.5% to $75.8 billion.

Shipments of manufactured durable goods in June, up four of the last five months, increased $3.5 billion or 1.2% to $288.1 billion. This followed a 0.4% May decrease. Transportation equipment, also up four of the last five months, led the increase, $3.5 billion or 3.8% to $95.3 billion.

On a seasonally-adjusted basis, shipments for furniture and related products were up 0.7% compared to the prior month, while new orders were up 1.2%. On a non-adjusted basis, year to date shipments for furniture and related products were up 0.4% compared to the prior year, while year to date new orders were up 0.9%.