

BUSINESS

Kuwait Times 55

Shell sells Gabon onshore energy assets

16

Trump govt approves Keystone XL pipeline

19

Eurozone economy lights way for ECB pull-back

20

SATURDAY, MARCH 25, 2017



NBK launches foreign currency prepaid card

17



CRANBERRY TOWNSHIP: Real estate signs mark the lots near one of the new homes for sale in a development for new homes in Cranberry Township, Butler County, Pa. Americans retreated from buying existing homes in February, a pullback after sales in January had surged to the fastest pace in a decade.—AP

US CORE CAPITAL GOODS ORDERS DIP

CAPITAL GOODS SHIPMENTS EDGE HIGHER marginally

WASHINGTON: New orders for key US-made capital goods unexpectedly fell in February, but a surge in shipments amid demand for machinery and electrical equipment supported expectations for an acceleration in business investment in the first quarter.

The Commerce Department said yesterday that non-defense capital goods orders excluding aircraft, a closely watched proxy for business spending plans, dipped 0.1 percent last month after rising 0.1 percent in January. Shipments of these so-called core capital goods jumped 1.0 percent after declining 0.3 percent in January. Core capital goods shipments are used to calculate equipment spending in the government's gross domestic product measurement.

Economists polled by Reuters had forecast core capital goods orders rising 0.6 percent last month. Orders for machinery inched up 0.1 percent while shipments increased 0.9 percent. Orders for electrical equipment, appliances and components advanced 2.2 percent, the biggest

increase in seven months, and shipments rose 1.5 percent. US financial markets were little moved by the data as investors awaited the outcome of a vote later on Friday on a Republican-sponsored bill to replace Democratic President Barack Obama's 2010 Affordable Care Act. The vote is seen as the first significant policy test for President Donald Trump.

Manufacturing

A recovery in oil prices from multi-year lows is driving demand for equipment in the energy sector, helping to lift the manufacturing sector after a prolonged slump. Manufacturing, which accounts for about 12 percent of the US economy is also being underpinned by a burst of confidence amid promises by the Trump administration to slash taxes for businesses, boost infrastructure spending and repeal some regulations.

Details of the fiscal stimulus package, however, remain vague, resulting in only a modest increase in busi-

ness spending on equipment outside the energy sector. The Federal Reserve last week described business investment as appearing to have "firmed somewhat." Economists expect business spending on equipment to pick up in the first quarter after a 1.9 percent annualized growth pace in the fourth quarter.

Still, that will likely be insufficient to offset the drag on GDP from slower consumer spending and a wider trade deficit. The Atlanta Fed is forecasting the economy growing at a 0.9 percent rate in the first quarter after expanding at a 1.9 percent pace in the final three months of 2016. Last month, a 4.3 percent jump in demand for transportation equipment offset the dip in core capital goods bookings, and hoisted overall orders for durable goods, items ranging from toasters to aircraft that are meant to last three years or more, 1.7 percent.

Durable goods orders had increased 2.3 percent in January. Civilian aircraft orders soared 47.6 percent in February. Boeing reported

on its website that it had received orders for 43 aircraft last month, up from 26 in January. Orders for motor vehicles and parts fell 0.8 percent in February, while orders for defense aircraft declined 12.8 percent.

There were increases in orders for primary metals, but orders for

fabricated metal products fell as did those for computers and electronic products. Unfilled orders for core capital goods increased 0.2 percent last month after rising 0.5 percent in January. Inventories of overall durable goods rose 0.2 percent last month. — Reuters



PITTSBURGH: Washers and dryers appear on display for sale at a JC Penney store in Pittsburgh. The Commerce Department released its February report on durable goods.—AP