Factory Orders Rose 1.8 Percent In March

WASHINGTON (AP) — Businesses likely purchased more machinery, computers and other manufactured goods, boosting U.S. factory orders in March.

The consensus view of economists surveyed by FactSet is that U.S. factory orders rose 1.8 percent in March. The Commerce Department will release the new report at 10 a.m. Tuesday.

Factory orders in February stood 26.4 percent above the recession low hit in March 2009. Economists expect the sector will grow in the months ahead. A weak dollar has fueled demand for exports and tax cuts are likely to encourage businesses to spend more on capital goods.

The new report will include the government's estimate for orders for nondurable goods, items such as chemicals and food, and a revised estimate for durable goods, products such as machinery, autos and airplanes which can be expected to last at least three years.

A preliminary estimate last week showed orders for durable goods rose 2.5 percent in March. A key category that measures business investment increased 3.7 percent in March, providing further support for the belief that factory production will remain strong in coming months.

On Monday, the Institute for Supply Management reported that manufacturing activity rose for a 21st straight month in April. The trade group of purchasing executives said its index read 60.4 in April. That was down slightly from the previous two months. But every month this year has topped 60 and any reading above 50 signals growth.

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