

Warehouse Stock, Sales Rise For 15th Straight Month

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WASHINGTON (AP) — Wholesale companies increased their stockpiles for the 15th straight month in March, a sign they expect future sales gains.

Supply levels at warehouses rose 1.1 percent in March, the Commerce Department said Tuesday. Sales among wholesalers increased 2.9 percent and have risen in eight of the last nine months.

Wholesale inventories are at the highest level since November 2008. They have increased 15.5 percent from September 2009, the low point since the recession. Sales are at their highest level since June 2008.

Companies boosted their stockpiles of industrial machinery, pharmaceuticals, clothes and groceries. Inventories of autos and auto parts fell 0.5 percent. Sales at the wholesale level rose for every category except autos.

The report suggests factory output will likely increase in the coming months to keep pace with sales. The inventory-to-sales ratio, which measures stockpiles as a proportion of sales, dropped to 1.13 in March. That matches the figure for June 2008, the lowest on records dating back to 1992.

The Institute for Supply Management, a private trade group, said manufacturing activity grew for the 21st straight month in April. The weak dollar and strong overseas demand for U.S. manufactured goods have boosted exports.

Consumers are also buying more cars. Auto sales rose 18 percent in April compared to the same month a year earlier. Sales have reached an annual rate of 13 million for the last three months. That's much better than the 10.4 million autos sold in 2009, though below the 2005 peak of 17 million.

Declining auto stockpiles and sales at the wholesale level likely reflect the impact of the March earthquake and tsunami in Japan, which has sharply cut in production by Toyota Motor Corp. and Honda Motor Co. It has also led to a parts shortage for the companies' North American plants and that has reduced their output.

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