

Gauge Of U.S. Economy's Future Unchanged

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WASHINGTON (AP) — A gauge of the economy's future health was unchanged in June, pointing to modest growth in the coming months.

The Conference Board, a business research group, said Thursday that its index of leading indicators remained at 95.3 in June. The flat reading followed increases of 0.2 percent in May and 0.8 percent in April.

The longer-term trend has been positive. The index increased 1.7 percent in the first six months of this year. That's better than the 1.1 percent rise in the previous six months.

The trend "suggests that the economy should continue to experience at least modest growth over the next 6 to 9 months," Maninder Sibia, an economist at the Economic Advisory Service, said in a note to clients.

The index consists of previously released data and is intended to signal economic conditions three to six months out.

Positive trends, such as higher consumer confidence and fewer applications for unemployment benefits, were offset by last month's decline in stock prices and a drop in building permits.

Other reports released Thursday also suggested that the economy could improve in the second half of the year after tepid growth in the first six months. The economy expanded at just a 1.8 percent annual rate in the January-March quarter. Most economists forecast that growth fell to less than a 1 percent rate in the April-June quarter. That would be the third quarter in a row in which the growth rate was less than 2 percent.

One early measure of the economy in the third quarter was positive. The Federal Reserve Bank of Philadelphia said Thursday that its index of regional manufacturing activity expanded in July at the fastest pace in more than two years. A measure of hiring jumped into positive territory for the first time in four months and shipments increased. Orders also rose, though at a slower pace than in June.

The faster expansion follows an increase in a New York manufacturing index reported earlier this week by the New York Fed.

The data "are a positive sign that the manufacturing sector is getting off to a healthy start in the current quarter," said Joseph LaVorgna, an economist at Deutsche Bank, in a note to clients.

A third report Thursday showed that [fewer Americans sought unemployment](#)

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[1]benefits last week, suggesting that the steady job gains of recent months should continue.

Weekly unemployment benefit applications fell to their lowest level in 10 weeks, though the drop may have been amplified by seasonal factors.

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