



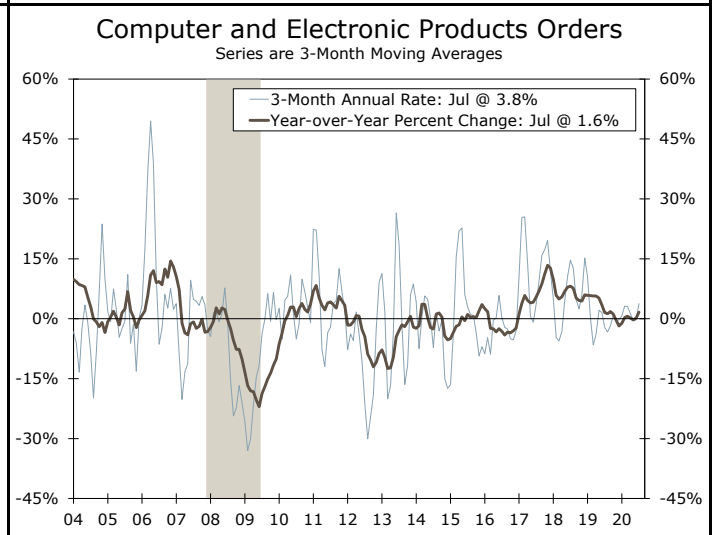
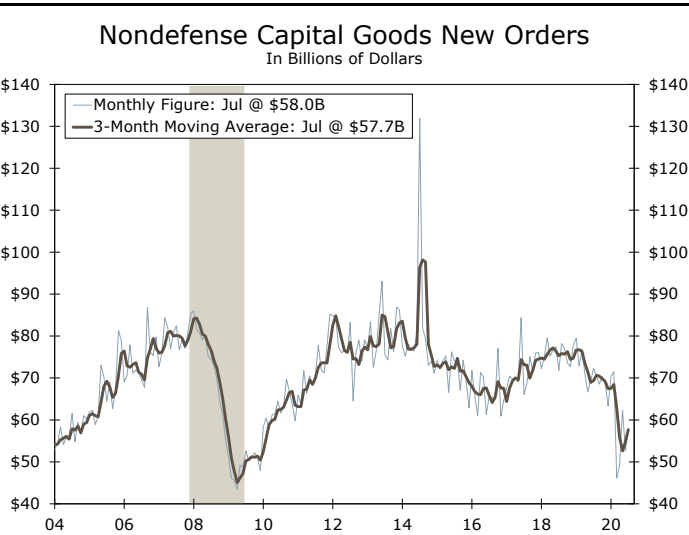
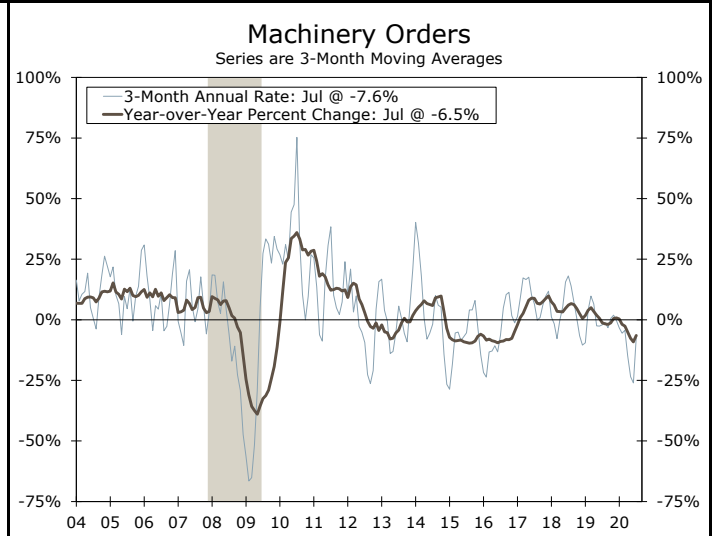
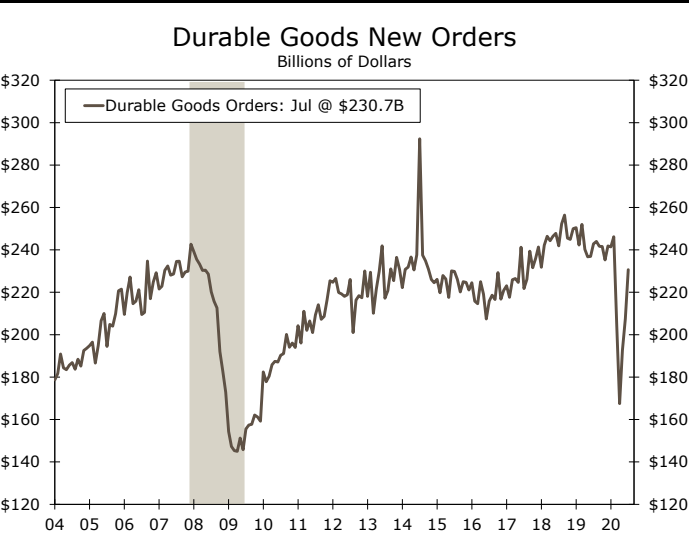
Economics Group

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Investment Recovery Continues in July

Durable goods orders leapt 11.2% in July amid strength in autos and defense. Core capex orders rose 1.9%, but the recovery remains uneven between investment that complements COVID-life and that which does not.

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| <p>Closing In</p> <ul style="list-style-type: none"> Durable goods orders made another long stride in recouping ground lost since February. Orders jumped 11.2% in July. Despite another month of net cancellations for civilian aircraft, transportation orders leapt 36% amid a surge in defense bookings and ongoing strength in the auto sector. Nondefense capital goods orders ex-air, or core orders, notched a 1.9% gain as investment spending has begun to recover. | <p>Uneven Recovery in Capex</p> <ul style="list-style-type: none"> Driving the rebound in core capital goods orders has been goods that facilitate life in a socially distant world. Computers and communications orders have surpassed their February levels, while orders for machinery and metals continue to dig out from the hole left by shutdowns and more muted profit outlooks. Another gain on par with July is unlikely in August, as the early PMIs for August indicate a slower pace of recovery. |
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Source: U.S. Department of Commerce and Wells Fargo Securities

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