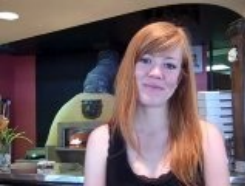


## CONSUMER SPENDING IN U.S. PROBABLY CLIMBED AS INCOMES INCREASED



Economists said in a report earlier today that consumer spending in the U.S. probably climbed in October as the incomes grew by the most since May, indicating the biggest part of the economy will bolster the recovery. According to the median estimate of 82 economists that were surveyed by Bloomberg News, the household purchases rose 0.3 percent after increasing 0.6 percent in the month of September. Separate figures may show that the orders for durable goods other than transportation stabilized in October after rising the most in six months. An October gain in the household spending, which accounts for around 70 percent of the economy, bodes well for the holiday shopping season that kicks off this week. Improving demand and the year-end expiration of a tax break may spur companies to buy more equipment in the final months of 2011, helping the U.S. weather any damage that might have been caused by Europe's debt crisis. "The economy is firming," said Millan Murlraine, who is a senior U.S. strategist at TD Securities in New York. "Consumers are adding to the economic momentum. The outlook for manufacturing remains positive." The Commerce Department is due to turn in their spending report at 8:30 a.m. in Washington. The economists' forecasts ranged from 0.1 percent to 0.6 percent. According to the survey median, the incomes grew to 0.3 percent. And also at 8:30 a.m., the Commerce Department may report that October orders for goods meant to last up to three years, excluding airplanes and automobiles, were little-changed after jumping 1.8 percent in the prior month, the most it's been since the month of March, the Bloomberg survey median showed. The economists said, in the same report, that a projected 1.2 percent drop in total bookings for durable goods would reflect a plunge in demand for commercial aircraft, which is often very volatile. The Chicago-based Boeing Co. said that it received orders for seven aircrafts in October, which is down from 59 placed in the previous month. While exports, which climbed up to a record in September, are helping the factories keep assembly lines running, the manufacturers may also get help in the final months of the year as businesses rebuild inventories that were slashed in the third quarter. The revised Commerce Department figures showed yesterday that the gross domestic product climbed at a 2 percent annual rate from July through September, which is less than was projected and is down from the 2.5 percent prior estimate. Excluding a reduction in stockpiles, so-called final sales rose 3.6 percent, the most it's been since 2010's fourth quarter. Investors are much more concerned about the fallout from Europe, where policy makers are struggling to contain a financial crisis. The Standard & Poor's Supercomposite Retailing Index has increased 1.3 percent since the end of last year compared with a 5.5 percent decline in the broader S&P 500.

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