DURABLE ORDERS SIGNAL SLOWER GROWTH IN THE CONSUMER SPENDING

Americans pulled back on the spending in the month of October and the manufactures received fewer orders for durable goods, tempering expectations for a pickup in economic growth in the fourth quarter. The Commerce Department figures showed today in Washington, that the consumer purchases, which accounts for 70 percent of the economy, increased 0.1 percent after a 0.7 percent gain in September. Bookings for the equipment meant to last at least three years, fell 0.7 percent after a 1.5 percent drop in the month of September. On the eve of the holiday shopping season, unemployment stuck near 9 percent and confidence at recession levels prompted consumers to curb spending. Manufacturers may see orders cool as the European sovereign-debt crisis roils financial markets and then threatens the global expansion. ''We're looking at holiday spending that won't be great, but probably not a washout,'' says Robert Dye, who is the chief economist at Comerica Inc. in Dallas. ''It's an economy that still refuses to give strong, clear signals of recovery. Weaker global macroeconomic conditions are beginning to exert a drag on manufacturing.'' The stocks fell, and sent the Standard & Poor's 500 Index (SPX) down for a sixth straight day, as the cost of insuring European government debt against default rose to a new record. At the close in New York, the S&P 500 retreated 2.2 percent to 1,161.79. Late yesterday, the U.S. 10-year Treasury note yield fell to 1.88 percent from 1.92 percent. Today, reports from Europe and Asia added to concerns that the global expansion is faltering. European services and manufacturing shrank further, the industrial orders had the biggest drop in almost three years, and China's factories showed signs of contradiction. Today other data showed that in the U.S., consumer sentiment stagnated last week and claims for the unemployment benefits increased from a seven-month low. The Bloomberg Consumer Comfort Index was minus 50.1 in the week that ended Nov. 20, which is compared with minus 50 a week earlier. The measure has been at minus 50 or even less for nine of the past 10 weeks, a performance unprecedented in its 26-year history. Of those who were surveyed last week, thirty-five percent said it was a bad time to buy needed goods and services, tying the record set in January 1991. Twenty-three percent said that their own finances were in ''poor'' shape, matching a record set three times in the past three years. In the week ended Nov. 19, applications for unemployment insurance payments increased by 2,000 to 393,000. The number of people on unemployment insurance rolls rose and those receiving emergency benefits fell. The Americans held back on spending last month as they built up their savings. Today's income and spending report showed that wages and salaried increased 0.5 percent, the biggest gain since March. The savings rate increased to 3.5 percent from 3.3 percent in the month of September that was the lowest since December 2007.