BUSINESS

Economy measure up in July

8 of 10 areas weighed by index gained

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Associated Press

WASHINGTON — A gauge of the economy's health rose in July, pointing to stronger growth in the second half of the year.

The Conference Board said Thursday that its index of leading indicators increased 0.6 percent last month to a reading of 96.0. The increase followed no change in June and a 0.2 percent increase in May.

The index from the business research group is comprised of several previously released data points and can signal economic conditions over the next three to six months.

The solid gain suggests economic growth is picking up after a weak start. The economy grew at an annual rate of 1.4 percent from January through June. Many economists expect growth could improve to a 2.5 percent rate in the second half of 2013.

The pace of growth measured by the index over the last six months has nearly doubled, "pointing to a gradually strengthening expansion through the end of the year," said Conference Board economist Ataman Ozyildirim.

Eight of the 10 components of the index were positive in July. Higher stock prices, more requests for building permits and a decline in weekly applications for unemployment benefits made the biggest contributions. The only measures to show decreases: average manufacturing workweek and orders for manufactured goods that signal business investment plans.

A separate report Thursday showed the number of Americans applying for jobless benefits rose last week after reaching the lowest level in 5½ years. But the broader trend suggests companies are laying off fewer employees and could step up hiring in the months ahead.

The Labor Department said applications for first-time benefits rose 13,000 to a seasonally adjusted 336,000 in the week ending Aug. 17. The four-week average, which smooths out week-to-week fluctuations, fell by 2,250 to 330,500. That's the sixth straight decline and the lowest for the average since November 2007.