BUSINESS

Factory orders, home sales up

Data top analysts' expectations as recovery appears to pick up steam

By Martin Crutsinger and Alan Zibel
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WASHINGTON — A surprisingly busy month for U.S. factories and a surge in home buying are the latest signs the economy is picking up.

Orders to U.S. factories rose 1.3 percent in March, the Commerce Department said Tuesday. That was much better than the 0.1 percent decline analysts had expected. Excluding the volatile transportation sector, orders gained 3.1 percent, the biggest increase since August 2005.

Widespread activity in many industries offset a big drop in commercial aircraft. The increase offers further evidence that U.S. manufacturers are helping drive the recovery.

A separate report showed more people signed contracts on previously owned homes in March than expected. The jump was in large part the result of tax incentives that have propelled the housing market this spring.

The National Association of Realtors said its seasonally adjusted index of sales agreements for previously occupied homes rose 5.3 percent from a month earlier to a reading of 102.9. It was the highest level since October and a 21 percent increase from the same month a year earlier. The index provides an early measure of activity because there is usually a one- to two- month lag between a sales contract and a completed deal.

The two reports offered more evidence that the recovery is strengthening. At the moment, manufacturing is leading the economic rebound, and economists are predicting that will continue for the rest of the year, helping to offset weakness in other areas.



MARK LENNIHAN / The Associated Press

Construction continues on Four World Trade Center in New York. Orders to U.S. factories rose a surprising 1.3 percent in March, and homes sales beat expectations.