

Economic activity increased in October at the fastest pace in eight months. But analysts aren't predicting growth that would make a significant dent in the jobless rate, which has been stuck around 9 percent for the past two years. This Bob Evans restaurant in Ohio, however, is hiring. AMY SANCETTA/AP

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Leading indicators climb 0.9 percent

October pace points 'to continued growth this winter,' analyst says

By Martin Crutsinger
The Associated Press

WASHINGTON — A gauge of future economic activity rose at solid pace in October, offering hope that the U.S. economy may see stronger growth in coming months.

The Conference Board reported Friday that its index of leading economic indicators rose 0.9 percent last month, significantly faster than the revised 0.1 percent rise in September and the 0.3 percent increase in August.

The economy, after growing at an anemic pace of just 0.9 percent in the first six months of the year, grew at a 2.5 percent rate in the July-September quarter. Some analysts are looking for even stronger growth in the October-December quarter.

But even the most optimistic forecasters are not predicting growth will rebound to levels that would make a significant dent in the unemployment rate, which has been stuck around 9 percent for the past two years.

The October rebound in the leading index reflected positive contributions from building permits, the spread between short-term and long-term interest rates, a rising stock market and a slightly better employment reading.

Economists said the strong October gain in the leading index and other positive reports recently had at least eased fears that the economy would be in danger of slipping into a recession.

Conference Board economist Ken Goldstein said the latest leading indicators report was pointing "to continued growth this winter, possibly even gaining a little momentum by spring."