

Jack Knox positions a hot spindle being shape at Solmet Technologies in Canton, Ohio. MARK DUNCAN/AP

New rise in orders boosts manufacturing

It's a hopeful sign of economic recovery

By Christopher S. Rugaber
Associated Press

WASHINGTON — U.S. manufacturing grew for the first time in four months, buoyed by a jump in new orders and more jobs. The increase is a hopeful sign that the economy may be improving after a weak stretch.

The Institute for Supply Management, a trade group of purchasing managers, said Monday that its index of factory activity rose to 51.5. That's up from 49.6 in August.

A reading above 50 signals growth and below indicates contraction. The index had been below that threshold from June through August.



Bob Kurz shapes a pry bar at Solmet Technologies. U.S. manufacturing grew for the first time in four months. AP

The reading "will boost hopes that some of the recent slowdown in economic growth was just a summer phenomenon," Paul Dales, an economist at Capital Economics, said in a note to clients.

In the manufacturing survey, a measure of new orders jumped to 52.3, the highest reading since May.

And a gauge of employment rose, a sign that manufacturers may report a gain in jobs when September's employment report is released Friday. Manufacturers shed workers in August.

The increase could signal that manufacturing is picking up after a weakening this spring because of declining consumer demand and a drop in exports.