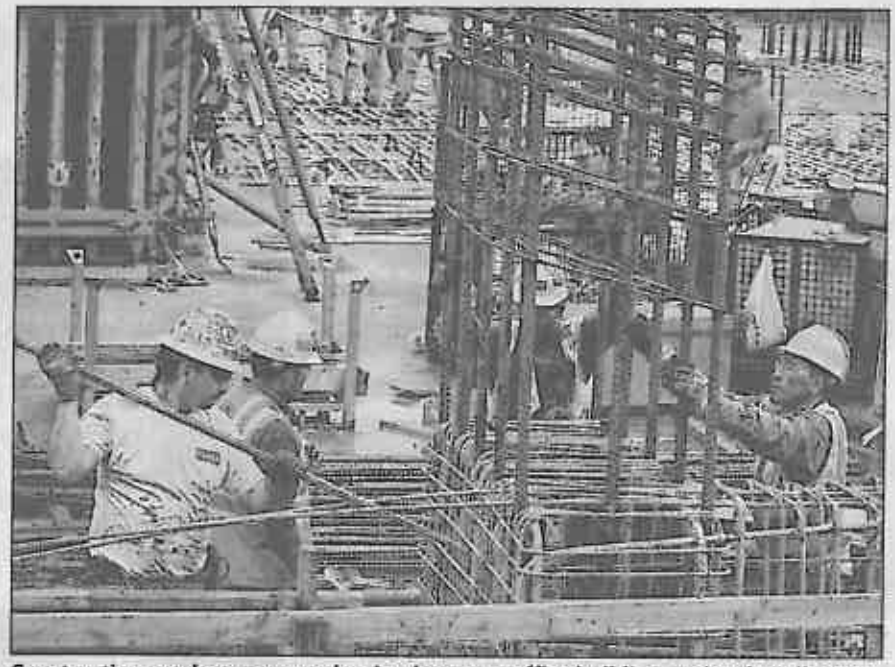


Construction workers secure rebar in place on a office building project in Arlington, Va., on Wednesday. Building permits are up, along with manufacturing hours. AP

US economic gauge rises 0.7% for Feb.

By Christopher S. Rugaber
The Associated Press

WASHINGTON — A measure of future U.S. economic activity rose in February for the fifth straight month, providing fresh evidence that the economy is gaining momentum.

The Conference Board said its index of leading economic indicators rose 0.7 percent in February, after a 0.2 percent increase in January.

The measure of leading indicators is designed to anticipate economic conditions three to six months out. Its steady rise has coincided with other positive data that suggest the recovery is picking up — including the best job growth in two years.

Most of the data had been previously released in separate reports.

The report "suggests that progress on jobs, output and incomes may continue through the summer months, if not beyond," said Ken Goldstein, an economist at the Conference Board, a business research group.

Eight of the 10 indicators tracked by the board increased last month, while only two fell. The largest contributors to the growth of the index were declining applications for unemployment benefits, the spread between short-term and long-term interest rates, and rising stock prices.

Rising building permits, average weekly hours worked in manufacturing, a credit index and two measures of manufacturing orders also pushed up the index.

Weekly applications for unemployment benefits fell last week to a four-year low, the Labor Department said in a separate report Thursday.

The two indicators that held back the index were a drop in consumer expectations and a decline in new orders for factory goods in a survey of purchasing managers.

A separate index measuring current business conditions rose for the third straight month, the board said.