U.S. Manufacturing Capital Investment Outran Every 2026 Forecast — While the Manufacturers Who Waited Paid More

New First National Capital research finds machine tool order values up nearly 32 percent, and identifies the constraint on middle-market execution

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IRVINE, CA, UNITED STATES, August 5, 2026 /EINPresswire.com/ -- New First National Capital research finds machine tool order values up nearly 32 percent, and identifies underwriting capability — not credit availability — as the constraint on middle-market execution

First National Capital Corporation, a leading independent provider of capital equipment and project financing, today released The Cost of Waiting, a mid-year research report on how U.S. middle-market manufacturers deployed capital in the first half of 2026 — and why those who deferred paid more than those who moved.

The report revisits the firm's January 2026 Manufacturing CapEx Outlook, which, like most forecasts, assumed easier financing conditions and greater policy clarity by mid-year. Neither arrived. The Federal Reserve has held its benchmark rate across four consecutive meetings while revising its inflation projection upward, and the Section 232 investigation covering robotics and industrial machinery — statutorily due at the end of May — remains overdue.

Capital investment accelerated anyway. U.S. manufacturing technology orders reached $2.77 billion through the first five months of 2026, up 31.9 percent year over year against forecasts calling for flat to slightly declining full-year activity. The first quarter was the strongest on record.

The central finding concerns the composition of that spending rather than its scale. Order values have grown far faster than the number of machines ordered — a divergence the industry attributes largely to automation content specified onto increasingly sophisticated machinery: robotic load and unload, pallet systems, integrated vision, and the engineering labor that makes those elements function as a single production cell. Contract machine shops, historically the largest buying segment, raised order values more than 25 percent early in the year while unit counts rose single digits.

That shift creates a financing problem now shaping outcomes on the plant floor. Integration content carries no independent resale value and falls outside the comparable-transaction and auction data conventional underwriting depends on. The analysis finds generalist lenders frequently finance the recognizable machinery and carve out the integration, leaving manufacturers to fund the difference or reduce scope — most often by cutting the automation elements that would have let a cell run unattended.

"The assumption everyone makes when a capital program stalls is that credit tightened," said Darren Higuchi, Chief Credit Officer of First National Capital Corporation. "That is not what the data shows. Equipment finance recorded its strongest quarter on record and loss rates declined for a second consecutive month. Capital was abundant. What was scarce was capital that could evaluate a $2.4 million integrated automation cell inside a three-week window. The constraint was never credit quality. It was underwriting capability."

The report also quantifies the cost of deferral. Manufacturers who waited on rate relief now face higher borrowing costs than were available in January. Those who waited on tariff clarity have gone ten months without a determination, while machinery prices climbed and lead times extended — converting a pricing risk into a schedule risk.

The Cost of Waiting is the manufacturing installment in a four-part mid-year series, with companion reports covering oil and gas, private equity, and business aviation. It draws on data from the Institute for Supply Management, AMT – The Association For Manufacturing Technology, the Equipment Leasing and Finance Association, and the Federal Reserve, together with First National's proprietary origination data and second-quarter research conversations with middle-market manufacturing executives.

The full report is available at firstncc.com. Members of the media may request a copy using the contact below.

About First National Capital Corporation — First National Capital Corporation is a leading independent provider of capital equipment and project financing, headquartered in Irvine, California. Taking an investor's approach to CapEx funding, the firm designs solutions that reach beyond the limits of traditional lending — including equipment finance and CapEx lines, technology finance and leasing, private aircraft loans and leases, and complex project finance. More than $4.5 billion funded across North America, with transaction capacity from $500,000 to $250 million. Learn more at firstncc.com.

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