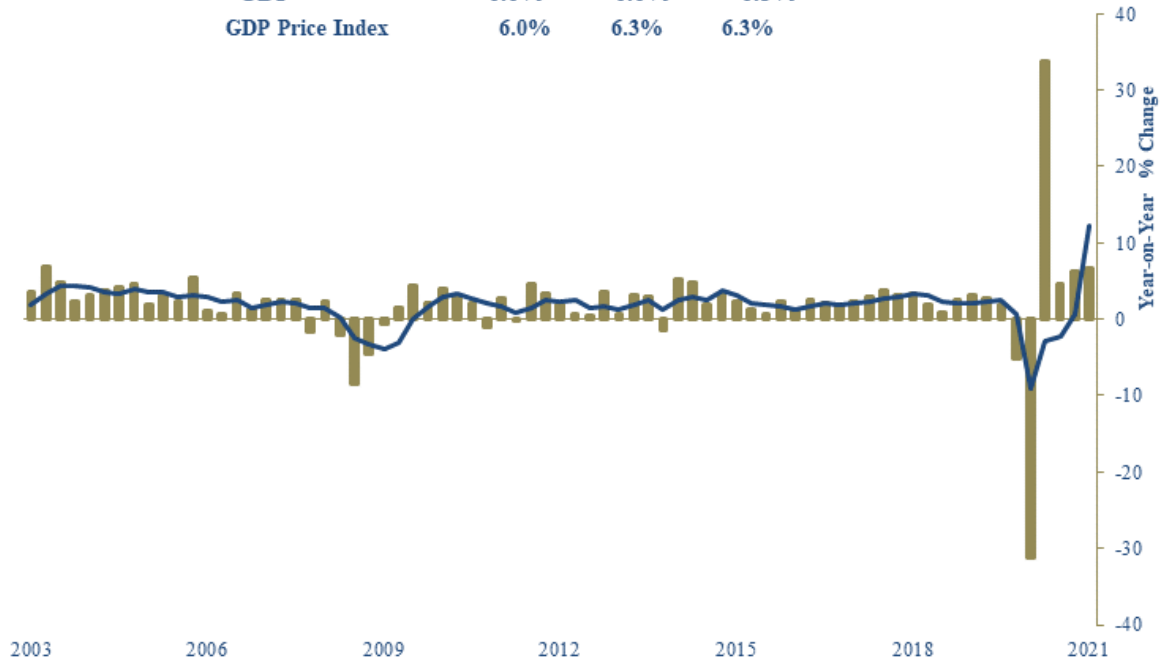


GDP

	Cons.	Actual	Prior
GDP	6.6%	6.6%	6.5%
GDP Price Index	6.0%	6.3%	6.3%



GDP was REVISED UP by 0.1 points to 6.6% in this second estimate of economic activity for Q2-21. This was in line with market expectations for an upward revision to 6.6%.

Economic activity was 12.2% ABOVE its year-ago level and 29.1% ABOVE its 2007 Q4 cyclical peak. Because most of the adjustment was due to new June data, this revision suggests that the economic activity increased slightly at the end of the quarter.

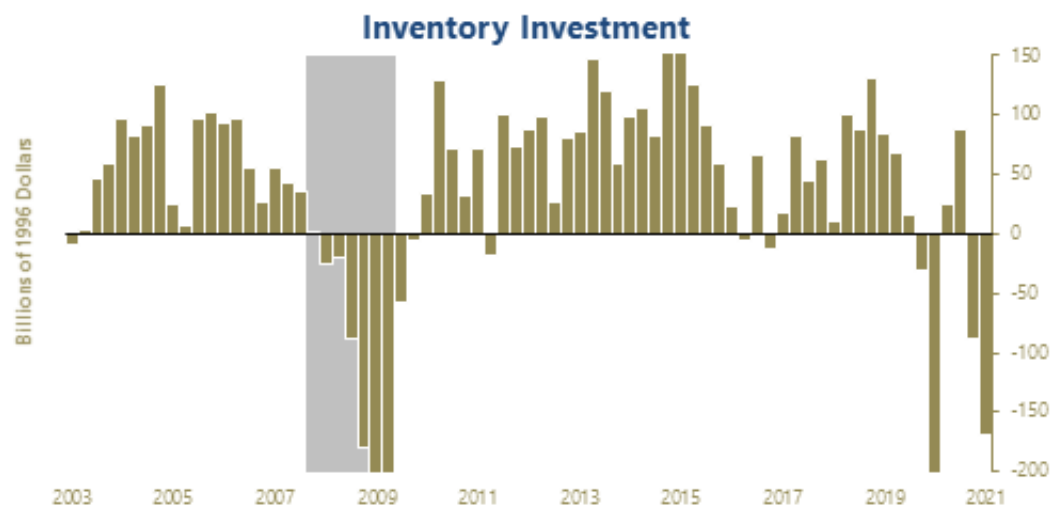
Consumer Spending was revised higher by 0.03% to 11.9%, contributing 7.80% to economic growth. **Business Fixed Investment** was revised higher by 1.23% to 9.3%, contributing 1.21% to economic growth. **Residential Investment** was revised lower by -1.71% to -11.5%, contributing -0.58% to economic growth. **Inventory Investment** was revised slightly lower, contributing -1.30% to economic growth.

Net Exports were revised sharply higher with a modest increase/growth in Exports and moderate decline in Imports, contributing -0.24% to economic growth.

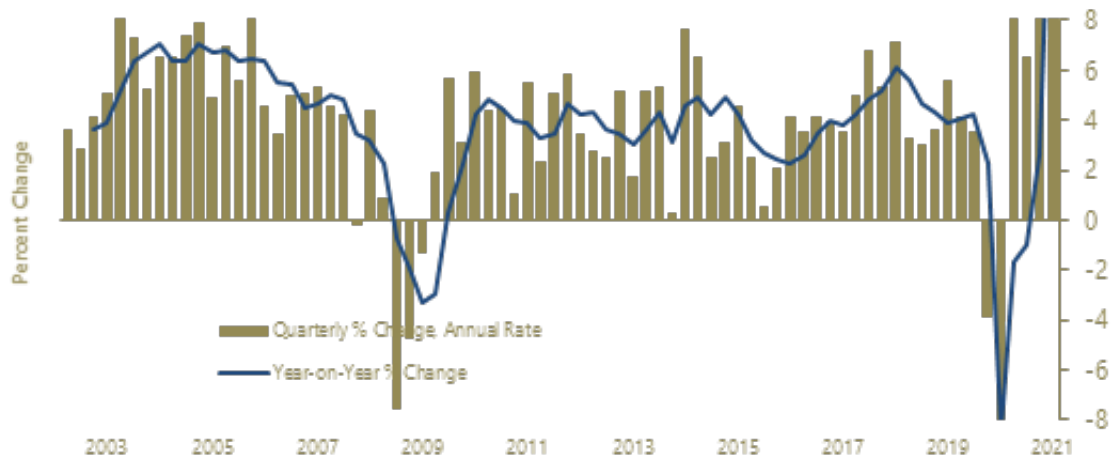
Government Purchases were revised slightly lower and fell modestly for the 4th time in the past 12 quarters, contributing -0.33% to economic growth.

As a result of all of these changes, **Real Final Sales** was revised modestly higher

while Real Domestic Demand was unchanged. **The GDP Price Index** was REVISED UP by 0.07 points to 6.3%, compared with market expectations of 6.0%. Economy-wide prices were 4.1% ABOVE its year-ago level.



Nominal GDP



GDP - by annual % Change

	% Change at Annual Rate (unless noted as \$)									
	Quarterly Averages						Annual Averages			
	Q2-21 2nd Est.	Q2-21 Advance	Q1-21	Q4-20	Q3-20	Q2-20	2020	2019	Five Year	Ten Year
Real GDP	6.6	6.5	6.3	4.5	33.8	-31.2	-3.4	2.3	1.1	1.6
Consumption	11.9	11.8	11.4	3.4	41.4	-33.4	-3.8	2.2	1.2	1.7
Business Fixed Investment	9.3	8.0	12.9	12.5	18.7	-30.3	-5.3	4.3	2.0	4.1
Residential Investment	-11.5	-9.8	13.3	34.4	60.0	-30.8	6.8	-0.9	3.1	5.4
Inventory Investment (\$ Chg)	-81.1	-77.6	-177.1	63.5	278.1	-222.4	-117.4	9.4	-36.0	-10.0
Net Exports (\$ Change)	-21.0	-32.9	-93.3	-111.5	-246.5	67.1	-37.4	-41.1	-44.2	-35.3
Exports	6.6	6.0	-2.9	22.5	54.5	-59.9	-13.6	-0.1	-1.5	1.0
Imports	6.7	7.8	9.3	31.3	89.2	-53.1	-8.9	1.1	0.3	2.0
Government Purchases	-1.9	-1.5	4.2	-0.5	-2.1	3.9	2.5	2.2	1.7	0.2
Addendum:										
Real Final Sales	7.9	7.7	9.1	3.4	25.9	-27.6	-2.9	2.2	1.3	1.7
Final Domestic Demand	7.9	7.9	10.4	5.0	29.9	-27.3	-2.5	2.4	1.5	1.8
Price Index	6.3	6.3	4.5	2.2	3.5	-1.3	1.3	1.8	1.7	1.7

Source: Bureau of Economic Analysis, Department of Commerce via Bloomberg. Our calculations.

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T.J. Connelly, Head of Research

August 26, 2021

Steven A. Wood, Sr. Economic Adviser

GDP - by contribution

GDP -- by Contribution

	Quarterly						Annual Averages			
	Q2-21 2nd Est.	Q2-21 Advance	Q1-21	Q4-20	Q3-20	Q2-20	2020	2019	Five Year	Ten Year
Real GDP	6.6	6.5	6.3	4.5	33.8	-31.2	-3.4	2.3	1.1	1.6
Consumption	7.8	7.8	7.4	2.3	25.5	-24.1	-2.6	1.5	0.8	1.1
Business Fixed Investment	1.2	1.1	1.7	1.6	2.7	-4.3	-0.7	0.6	0.3	0.5
Residential Investment	-0.6	-0.5	0.6	1.3	2.2	-1.4	0.3	0.0	0.1	0.2
Inventory Investment (\$ Chg)	-1.3	-1.1	-2.6	1.1	6.8	-4.0	-0.5	0.1	-0.2	0.0
Net Exports (\$ Change)	-0.2	-0.4	-1.6	-1.7	-3.3	1.5	-0.3	-0.2	-0.2	-0.2
Exports	0.7	0.6	-0.3	2.1	4.6	-8.3	-1.6	0.0	-0.1	0.2
Imports	-0.9	-1.1	-1.3	-3.7	-7.9	9.9	1.3	-0.2	-0.1	-0.3
Government Purchases	-0.3	-0.3	0.8	-0.1	-0.2	1.0	0.4	0.4	0.3	0.0
Others:										
Defense	0.0	0.0	-0.3	0.2	0.1	0.2	0.1	0.2	0.1	0.0
Intellectual Property	0.7	0.5	0.8	0.5	0.5	-0.5	0.1	0.3	0.3	0.2
Equipment	0.6	0.7	0.8	1.3	2.7	-2.0	-0.5	0.2	0.0	0.2
Medical Care	0.7	0.5	-0.5	1.5	7.4	-7.7	-1.0	0.4	0.1	0.2

Source: Bureau of Economic Analysis, Department of Commerce via Bloomberg. Our calculations.