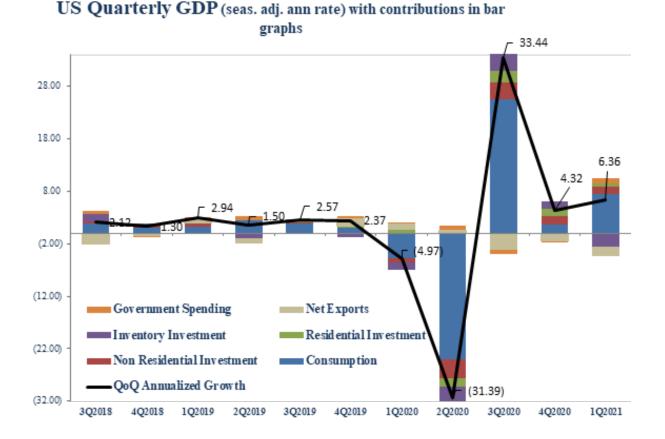
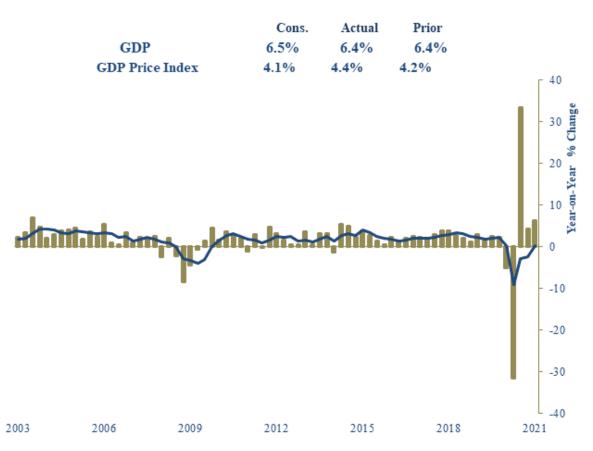
## 24.Jun.2021

## 1Q21 GDP: Key Components Even Stronger

**Bottom Line:** The third reading of 1st Quarter GDP showed even stronger growth in consumption and investment, especially residential investment. Overall, though, growth was unchanged at 6.4% annualized quarter-over-quarter, as the drag from net exports was even more significant than previously estimated. Overall, the consumer drove growth in the 1st Quarter, with spending ending the quarter on a strong note. That said, this report was old news with the 2nd Quarter ending in less than a week. Early forecasts suggest the current quarter grew even stronger than the 1st Quarter, with consensus at 10% annualized quarter-over-quarter. We forecast about 9% growth.





**GDP** was UNCHANGED at 6.4% in this third estimate for 2021 1st Quarter. This compared with market expectations for an upward revision to 640.0%. Economic activity was 0.4% above its year-ago level.

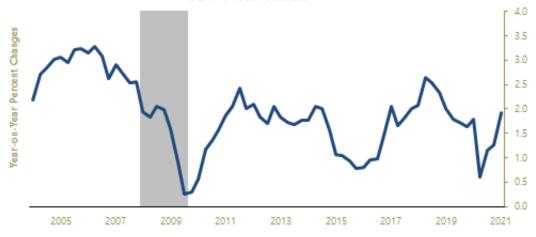
In final sales categories, imports, fixed investment, exports, residential investment, consumption were revised higher while, net exports and government purchases were revised lower.

As a result of all of these changes, real final sales were revised down by 0.2 percentage points to 9.2% while real domestic demand was revised up by 0.2 percentage points to 10.5%.

**The GDP Price Index** was REVISED UP by 0.07 points to 4.4%, compared with market expectations of 430.0%. Economy-wide prices were 2.1% ABOVE year-ago levels.

## GDP

**GDP Price Index** 



Nominal GDP





GDP - by annual % Change

	% Change at Annual Rate (unless noted as \$)											
			Quarterl	y Avera	ges				Annual Averages			
	Q1-21 3rd Est.	Q1-21 2nd Est	Q1-21 Advance	Q4-20	Q3-20	Q2-20	Q1-20	2020	2019	Five Year		
Real GDP	6.4	6.4	6.4	4.3	33.4	-31.4	-5.0	-3.5	2.2	1.1		
Consumption Business Fixed Investment	11.4 11.7	11.3 10.8	10.7 9.9	2.3 13.1	41.0 22.9	-33.2 -27.2	-6.9 -6.7	-3.9 -4.0	2.4 2.9	1.3 1.9		
Residential Investment Inventory Investment (\$ Chg	13.0 -149.1	12.7 -155.0	10.8 -147.5	36.6 65.8	63.0 283.3	-35.5 -206.1	19.0 -79.9	6.1 -126.0	-1.7 -4.9	2.8 -43.0		
Net Exports (\$ Change) Exports Imports	-90.3 -2.1 9.5	-71.9 -2.9 6.7	-53.5 -1.1 5.7	-103.0 22.3 29.9	-243.9 59.6 93.0	12.9 -64.4 -54.1	73.5 -9.5 -15.0	32.0 3.0 -9.3	6.8 3.3 1.1	27.5 3.0 0.3		
Government Purchases	5.72	5.75	6.30	-0.8	-4.8	2.5	1.3	1.1	2.3	1.6		
Addendum: Real Final Sales Final Domestic Demand Price Index	9.2 10.5 4.4	9.4 10.3 4.4	9.2 9.8 4.2	2.9 29.8 2.1	25.9 -27.1 3.4	-28.1 -4.6 -1.7	-3.6 1.6 1.3	-2.9 -2.7 1.2	2.2 2.3 1.8	1.3 1.5 1.7		

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

T.J. Connelly, Head of Research	J	une 24, 2021	s	Steven A. Wood, Sr. Economic					

## **GDP** - by contribution

Quarterly							Annual Averages					
Q1-21 3rd Est.	Q1-21 2nd Est.	Q1-21 Advance	Q4-20	Q3-20	Q2-20	Q1-20	2020	2019	Five Year	Ten Year		
6.4	6.4	6.4	4.3	33.4	-31.4	-5.0	-3.5	2.2	1.1	1.7		
7.42 1.5	7.40 1.4	7.0 1.3	1.6 1.7	25.4 3.2	-24.0 -3.7	-4.8 -0.9	-2.6 -0.5	1.6 0.4	0.9 0.3	1.2 0.5		
0.6 -2.7	0.6 -2.8	0.5 -2.6	1.4 1.4	2.2 6.6	-1.6 -3.5	0.7 -1.3	0.2 -0.6	-0.1 0.0	0.1 -0.2	0.2 -0.1		
-1.5 -0.2 -1.3	-1.2 -0.3 -0.9	-0.9 -0.1 -0.8	-1.5 2.0 -3.6	-3.2 4.9 -8.1	0.6 -9.5 10.1	1.1 -1.1 2.3	-0.1 -1.5 1.3	-0.2 0.0 -0.2	-0.2 -0.1 -0.1	-0.2 0.2 -0.4		
1.0	1.0	1.1	-0.1	-0.8	0.8	0.2	0.2	0.4	0.3	0.0		
-0.2 0.7 0.8	-0.1 0.8 0.8	-0.1 0.5 0.9	0.2 0.5 1.3	0.2 0.5 3.3	0.2 -0.5 -2.0	0.0 0.1 -0.9	0.1 0.1 -0.3	0.2 0.3 0.1	0.1 0.2 0.1	0.0 0.2 0.3 0.2		
	3rd Est. 6.4 7.42 1.5 0.6 -2.7 -1.5 -0.2 -1.3 1.0 -0.2 0.7	3rd Est.   2nd Est.     6.4   6.4     7.42   7.40     1.5   1.4     0.6   0.6     -2.7   -2.8     -1.5   -1.2     -0.2   -0.3     -1.3   -0.9     1.0   1.0     -0.2   -0.1     0.7   0.8     0.8   0.8	3rd Est. 2nd Est. Advance     6.4   6.4   6.4     7.42   7.40   7.0     1.5   1.4   1.3     0.6   0.6   0.5     -2.7   -2.8   -2.6     -1.5   -1.2   -0.9     -0.2   -0.3   -0.1     -1.3   -0.9   -0.8     1.0   1.0   1.1     -0.2   -0.1   -0.1     0.7   0.8   0.5     0.8   0.8   0.9	3rd Est. 2nd Est. Advance   Q4-20     6.4   6.4   6.4   4.3     7.42   7.40   7.0   1.6     1.5   1.4   1.3   1.7     0.6   0.6   0.5   1.4     -2.7   -2.8   -2.6   1.4     -1.5   -1.2   -0.9   -1.5     -0.2   -0.3   -0.1   2.0     -1.3   -0.9   -0.8   -3.6     1.0   1.0   1.1   -0.1     -0.7   0.8   0.5   0.5     0.8   0.8   0.9   1.3	Q1-21   Q1-21   Q1-21   Q1-21     3rd Est.   2nd Est.   Advance   Q4-20   Q3-20     6.4   6.4   6.4   4.3   33.4     7.42   7.40   7.0   1.6   25.4     1.5   1.4   1.3   1.7   3.2     0.6   0.6   0.5   1.4   2.2     -2.7   -2.8   -2.6   1.4   6.6     -1.5   -1.2   -0.9   -1.5   -3.2     -0.2   -0.3   -0.1   2.0   4.9     -1.3   -0.9   -0.8   -3.6   -8.1     1.0   1.0   1.1   -0.1   -0.8     -0.2   -0.1   -0.1   0.2   0.2     0.7   0.8   0.5   0.5   0.5     0.8   0.9   1.3   3.3	3rd Est. 2nd Est. Advance   Q4-20   Q3-20   Q2-20     6.4   6.4   6.4   4.3   33.4   -31.4     7.42   7.40   7.0   1.6   25.4   -24.0     1.5   1.4   1.3   1.7   3.2   -3.7     0.6   0.6   0.5   1.4   2.2   -1.6     -2.7   -2.8   -2.6   1.4   6.6   -3.5     -1.5   -1.2   -0.9   -1.5   -3.2   0.6     -0.2   -0.3   -0.1   2.0   4.9   -9.5     -1.3   -0.9   -0.8   -3.6   -8.1   10.1     1.0   1.0   1.1   -0.1   -0.2   0.2   0.2     0.7   0.8   0.5   0.5   0.5   -0.5   0.5     0.8   0.9   1.3   3.3   -2.0   0.2	Q1-21   Q1-21   Q1-21   Q1-21     3rd Est. 2nd Est. Advance   Q4-20   Q3-20   Q2-20   Q1-20     6.4   6.4   6.4   4.3   33.4   -31.4   -5.0     7.42   7.40   7.0   1.6   25.4   -24.0   -4.8     1.5   1.4   1.3   1.7   3.2   -3.7   -0.9     0.6   0.6   0.5   1.4   2.2   -1.6   0.7     -2.7   -2.8   -2.6   1.4   6.6   -3.5   -1.3     -1.5   -1.2   -0.9   -1.5   -3.2   0.6   1.1     -0.2   -0.3   -0.1   2.0   4.9   -9.5   -1.1     -1.3   -0.9   -0.8   -3.6   -8.1   10.1   2.3     1.0   1.0   1.1   -0.1   -0.8   0.8   0.2     -0.7   0.8   0.5   0.5   0.5   -0.5   0.1     0.8   0.8   0.9   <	Q1-21   Q1-21   Q1-21   Q1-21   Q3-20   Q2-20   Q1-20   2020     6.4   6.4   6.4   4.3   33.4   -31.4   -5.0   -3.5     7.42   7.40   7.0   1.6   25.4   -24.0   -4.8   -2.6     1.5   1.4   1.3   1.7   3.2   -3.7   -0.9   -0.5     0.6   0.6   0.5   1.4   2.2   -1.6   0.7   0.2     -2.7   -2.8   -2.6   1.4   6.6   -3.5   -1.3   -0.6     -1.5   -1.2   -0.9   -1.5   -3.2   0.6   1.1   -0.1     -0.2   -0.3   -0.1   2.0   4.9   -9.5   -1.1   -1.5     -1.3   -0.9   -0.8   -3.6   -8.1   10.1   2.3   1.3     1.0   1.0   1.1   -0.1   -0.2   0.2   0.2   0.2     -0.2   -0.1   -0.1   0.2   0.2	Q1-21   Q1-21   Q1-21   Q1-21   Q3-20   Q2-20   Q1-20   2020   2019     6.4   6.4   6.4   4.3   33.4   -31.4   -5.0   -3.5   2.2     7.42   7.40   7.0   1.6   25.4   -24.0   -4.8   -2.6   1.6     1.5   1.4   1.3   1.7   3.2   -3.7   -0.9   -0.5   0.4     0.6   0.6   0.5   1.4   2.2   -1.6   0.7   0.2   -0.1     -2.7   -2.8   -2.6   1.4   6.6   -3.5   -1.3   -0.6   0.0     -1.5   -1.2   -0.9   -1.5   -3.2   0.6   1.1   -0.1   -0.2     -0.2   -0.3   -0.1   2.0   4.9   -9.5   -1.1   -1.5   0.0     -1.3   -0.9   -0.8   -3.6   -8.1   10.1   2.3   1.3   -0.2     0.7   0.8   0.5   0.5   0.5	Q1-21 Q1-21 Q1-21 Q1-21 Q1-21 Q1-21 Q1-21 Pive   3rd Est. 2nd Est. Advance Q4-20 Q3-20 Q2-20 Q1-20 2020 2019 Year   6.4 6.4 6.4 4.3 33.4 -31.4 -5.0 -3.5 2.2 1.1   7.42 7.40 7.0 1.6 25.4 -24.0 4.8 -2.6 1.6 0.9   1.5 1.4 1.3 1.7 3.2 -3.7 -0.9 -0.5 0.4 0.3   0.6 0.6 0.5 1.4 2.2 -1.6 0.7 0.2 -0.1 0.1   -2.7 -2.8 -2.6 1.4 6.6 -3.5 -1.3 -0.6 0.0 -0.2   -1.5 -1.2 -0.9 -1.5 -3.2 0.6 1.1 -0.1 -0.2 -0.2   -1.3 -0.9 -0.8 -3.6 -8.1 10.1 2.3 1.3 -0.2 -0.1   1.0 1.0 1.1 -0.1 0.8 0.8 0.2		

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