

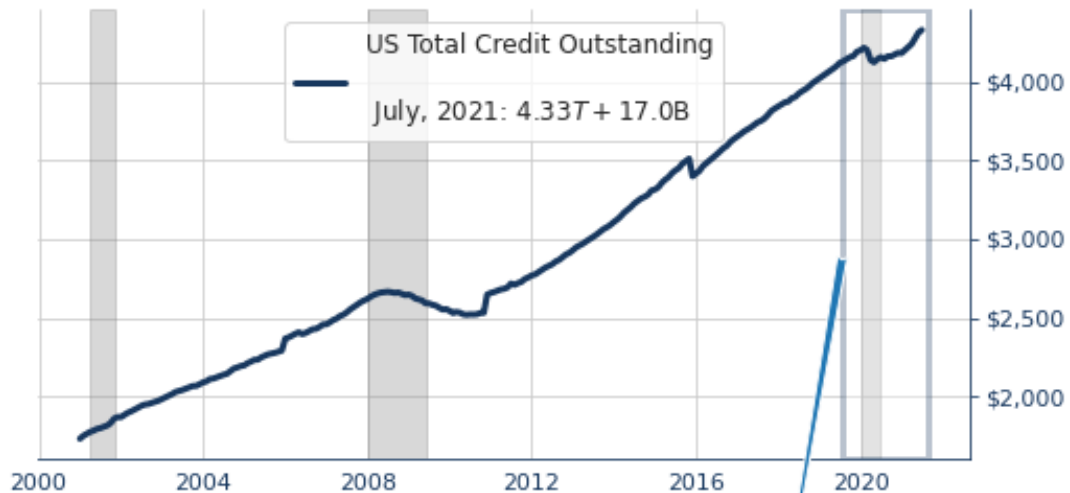
08.Sep.2021

Consumer Credit: Autos Drive Steady Growth, As Cards Remain Choppy

Bottom Line: Since May, consumers have slowly grown their credit card balances after paying down balances with stimulus funds at many points in the 2nd half of 2020 and the 1st half of 2021. That said, growth was slower than the consensus forecast, mostly due to slower consumer spending in July, as we saw in the retail sales reported last month. While credit card growth will likely continue, it will be highly dependent on discretionary consumer spending. Auto sales, meanwhile, were hardly a discretionary spend for many people during the pandemic. And auto sales have remained robust, driving steady increases in revolving loan growth. Moreover, student loans remain the largest share of revolving loans, and growth was very steady throughout the pandemic. Overall, the consumer remains fickle, driven by changing stimulus and the delta variant. But looking through the volatility, we see moderate growth in consumer credit, even in credit cards.

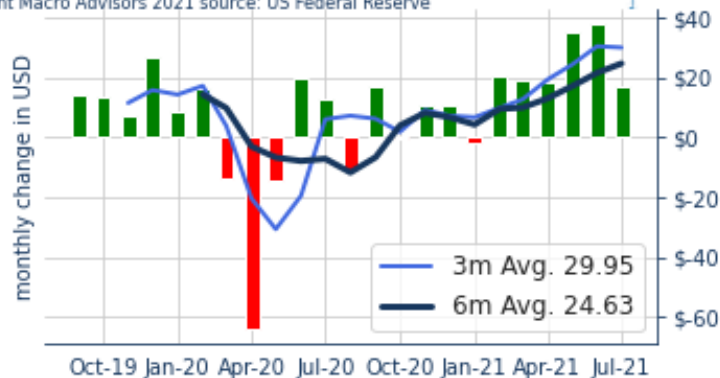
US Total Credit Outstanding

July, 2021: 4.33T + 17.0B



monthly change in USD

Contingent Macro Advisors 2021 source: US Federal Reserve

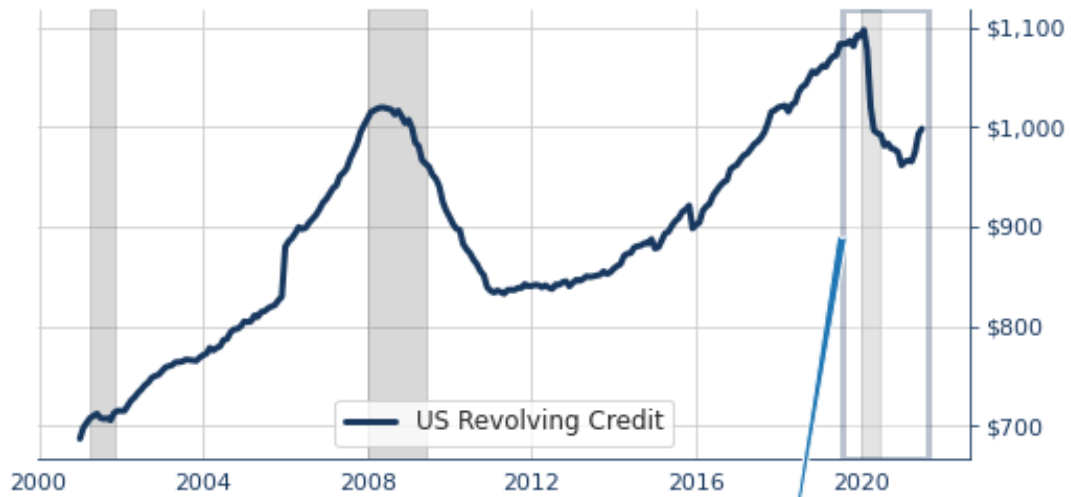


Consumer Credit ROSE by \$17.0 billion in July, compared with market expectations for an increase of \$25.0 billion. Over the past year, consumer credit has increased by \$173.3 billion or 4.2%.

Revolving Credit, including credit cards, ROSE by \$5.6 billion. Over the past year, revolving credit has increased by \$6.2 billion or 0.6%. Revolving debt is now close to its 2006-2007 levels and just 2.2% below its July 2008 peak.

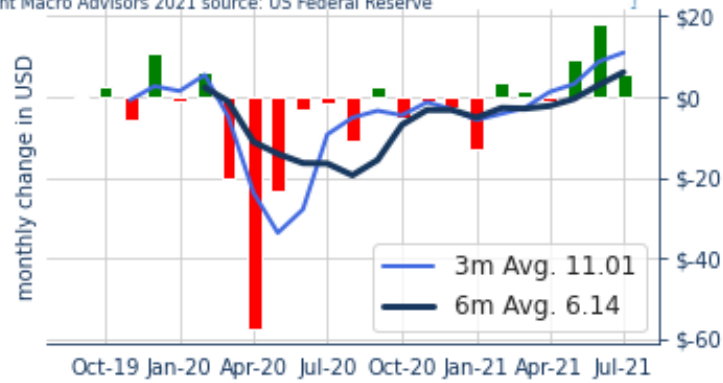
Non-Revolving Credit, including auto and education loans, ROSE by \$11.4 billion. Over the past year, non-revolving credit has increased by \$167.1 billion or 5.3%. Of this amount, \$58.6 billion, or 35.1%, appears to be due to increases in student loans held by the federal government.

US Revolving Credit

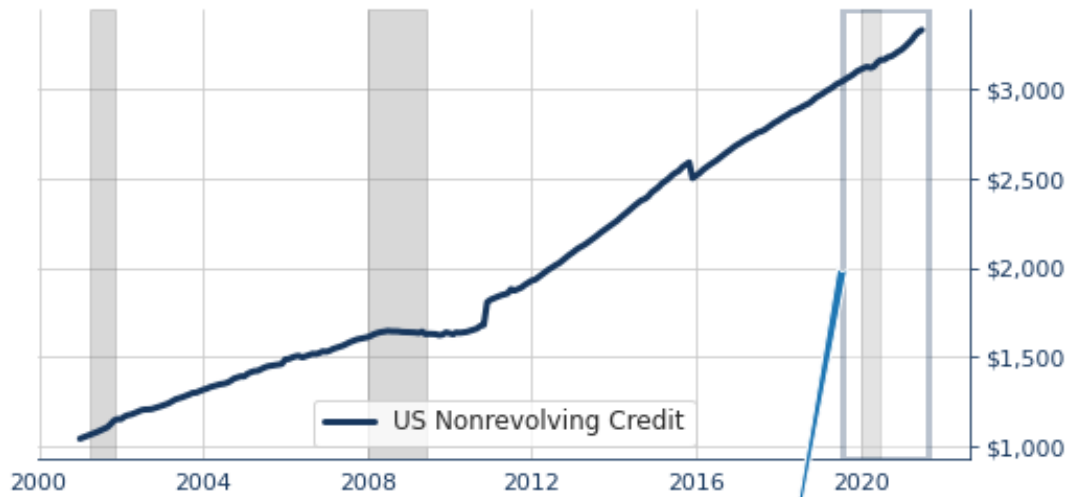


monthly change in USD

Contingent Macro Advisors 2021 source: US Federal Reserve

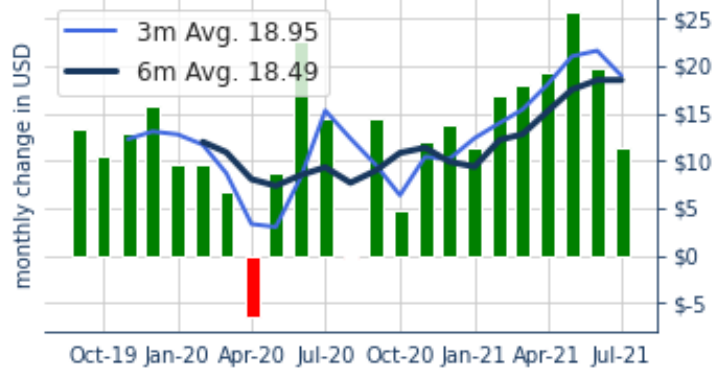


US Nonrevolving Credit



monthly change in USD

Contingent Macro Advisors 2021 source: US Federal Reserve



	Billions of Dollars										
	Monthly Change				Average Monthly Change						
	Jul-21	Jun-21	May-21	Apr-21	Three Month	Six Month	Twelve Month	2018	2017	5-Year	10-Year
Consumer Credit	17.00	37.87	35.0	18.3	30.0	24.6	14.4	14.7	16.2	15.3	11.4
previous estimate		37.7	35.0								
Revolving	5.6	18.2	9.3	-1.0	11.0	6.1	0.5	3.1	4.7	3.3	0.4
Non-revolving	11.4	19.7	25.7	19.4	18.9	18.5	13.9	11.6	11.5	11.9	10.9
Addendum (NSA)											
Non-revolving	12.4	15.1	24.4	19.2	19.6	17.4	14.2	11.6	11.5	12.4	9.8
ex Government	10.5	13.9	23.0	18.1	15.8	12.1	9.0	4.1	3.4	3.6	1.8

Source: Federal Reserve System via Bloomberg. Our calculations.

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