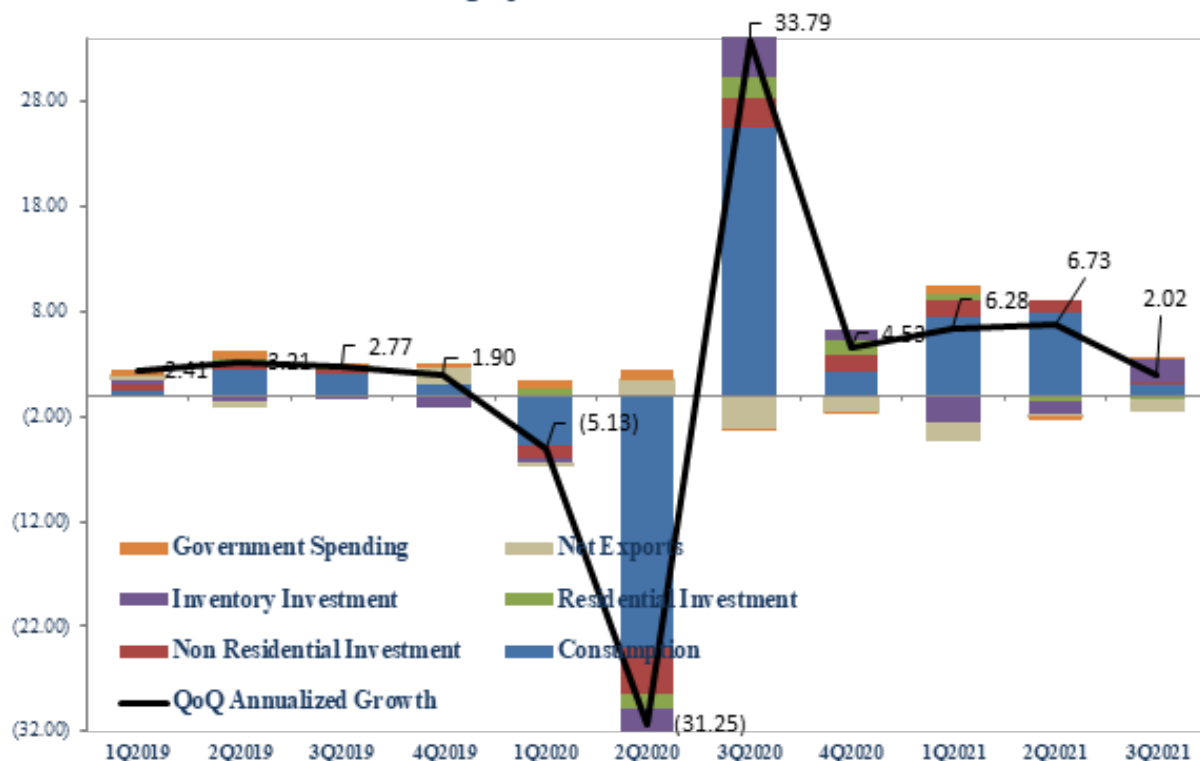
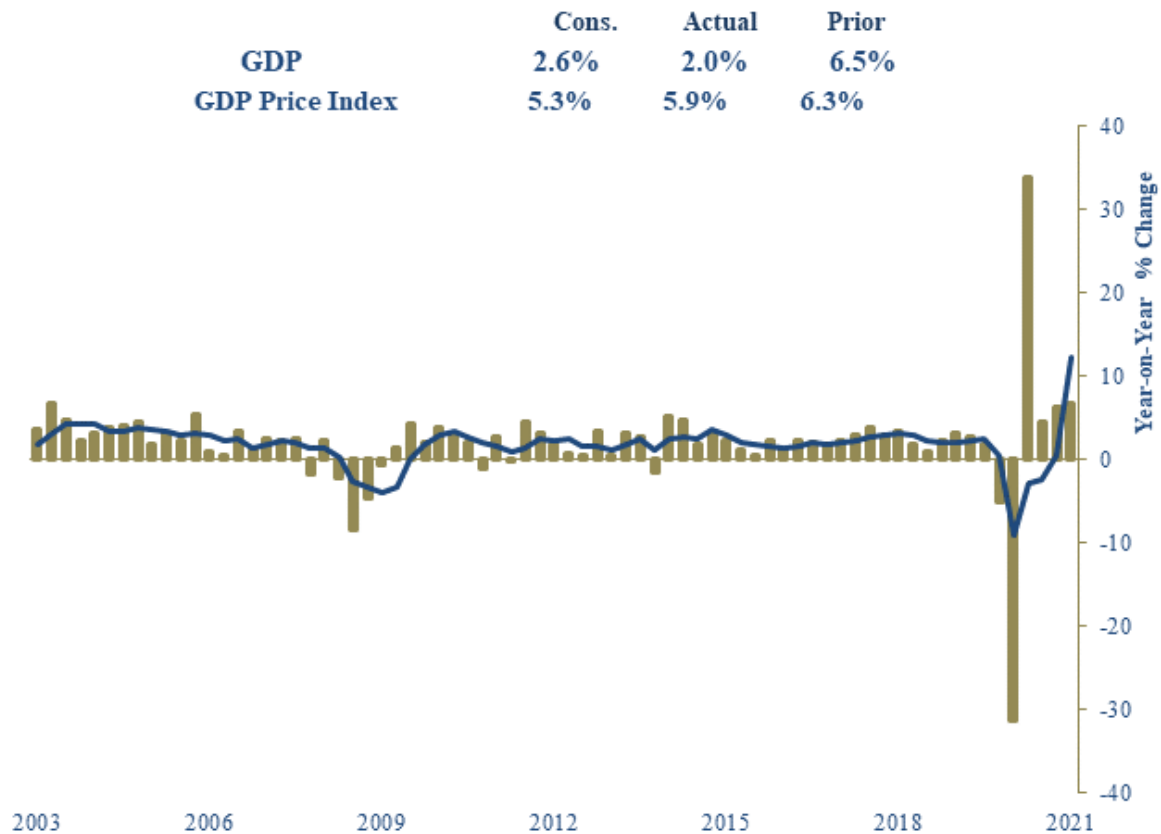


3Q21 GDP: Even Slower Than Expected

US Quarterly GDP (seas. adj. ann rate) with contributions in bar graphs



GDP



Gross Domestic Product ROSE by 2.0% in the 3rd Quarter, lower than market expectations for an increase of 5.3%. Economic activity was 4.9% ABOVE its year-ago level.

Inventory Investment ROSE by \$90.8 billion, adding 2.07 percentage points to overall economic activity. Consequently, **Real Final Sales** FELL by 0.1% and was 5.1% ABOVE its year-ago level.

Imports ROSE by 6.1% and **Exports** FELL by 2.5% so **Net Exports** FELL by \$67.2 billion. This implies that **Real Final Domestic Demand** ROSE by 1.0% and was 6.0% ABOVE its year-ago level.

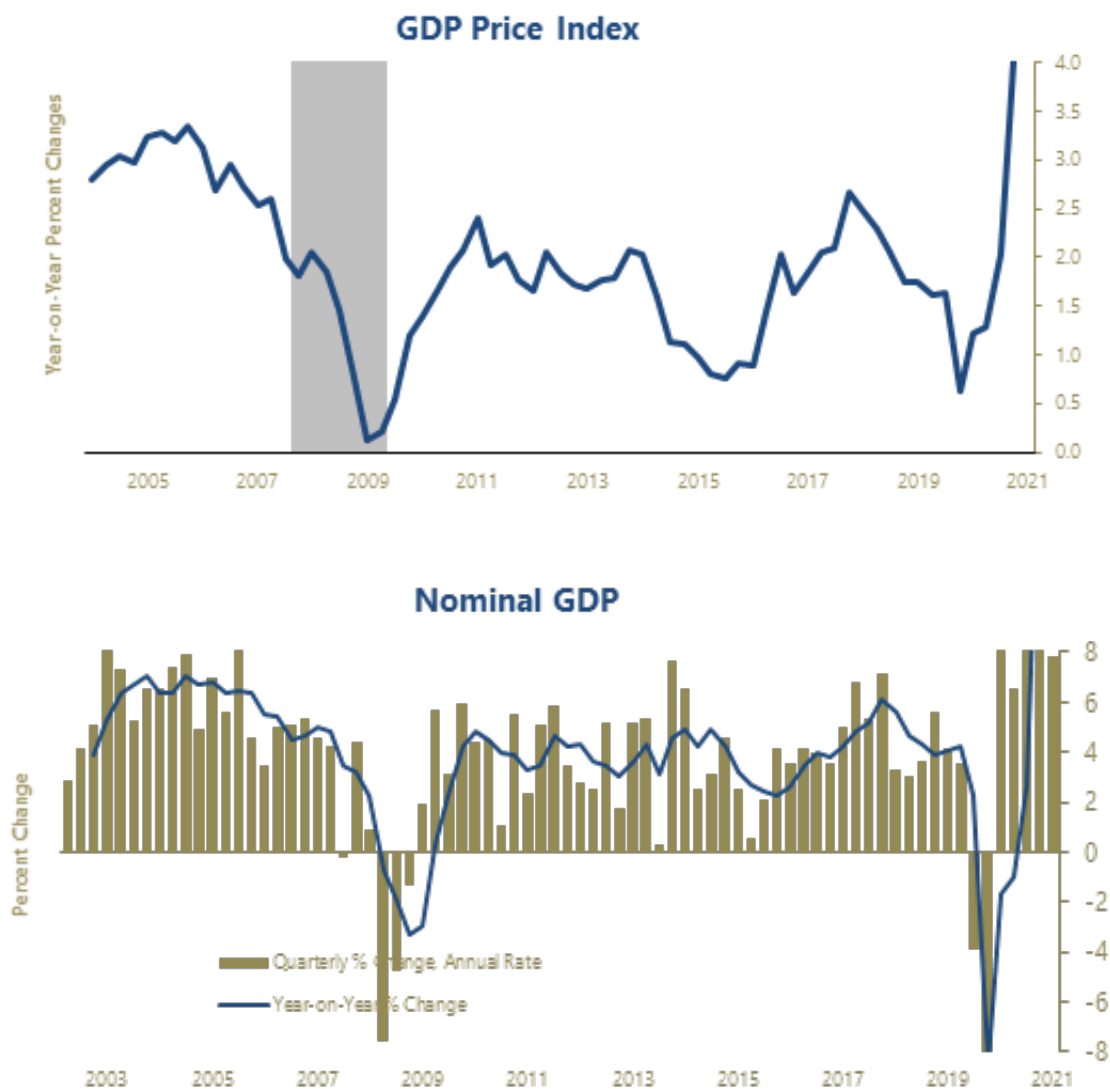
Consumer Spending ROSE by 1.6%, contributing 1.09 percentage points to economic growth.

Business Investment ROSE by 1.8%, adding 0.24 percentage points to GDP. Intellectual property products increased by 12.2% while non-residential structures declined by 7.2%.

Residential Investment FELL by 7.7%, subtracting 0.38 percentage points to economic growth.

Government Purchases ROSE by 0.8%, adding 0.14 percentage points to GDP. This was its 8th positive contribution in the last 12 quarters.

The GDP Price Index ROSE by 5.9%, compared with market expectations of 5.3%. This is also 4.7% ABOVE its year-ago level.



GDP - by annual % Change

	% Change at Annual Rate (unless noted as \$)									
	Quarterly Averages						Annual Averages			
	Q3-21 Advance	Q2-21	Q1-21	Q4-20	Q3-20	Q2-20	2020	2019	Five Year	Ten Year
Real GDP	2.0	6.7	6.3	4.5	33.8	-31.2	-3.4	2.3	1.1	1.6
Consumption	1.6	12.0	11.4	3.4	41.4	-33.4	-3.8	2.2	1.2	1.7
Business Fixed Investment	1.8	9.2	12.9	12.5	18.7	-30.3	-5.3	4.3	2.0	4.1
Residential Investment	-7.7	-11.7	13.3	34.4	60.0	-30.8	6.8	-0.9	3.1	5.4
Inventory Investment (\$ Chg)	90.8	-80.2	-177.1	63.5	278.1	-222.4	-117.4	9.4	-36.0	-10.0
Net Exports (\$ Change)	-67.2	-18.4	-93.3	-111.5	-246.5	67.1	-37.4	-41.1	-44.2	-35.3
Exports	-2.5	7.6	-2.9	22.5	54.5	-59.9	-13.6	-0.1	-1.5	1.0
Imports	6.1	7.1	9.3	31.3	89.2	-53.1	-8.9	1.1	0.3	2.0
Government Purchases	0.8	-2.0	4.2	-0.5	-2.1	3.9	2.5	2.2	1.7	0.2
Addendum:										
Real Final Sales	-0.1	8.1	9.1	3.4	25.9	-27.6	-2.9	2.2	1.3	1.7
Final Domestic Demand	1.0	8.0	10.4	5.0	29.9	-27.3	-2.5	2.4	1.5	1.8
Price Index	5.9	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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October 28, 2021

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GDP - by contribution

	% Contributions									
	Quarterly						Annual Averages			
	Q3-21 Advance	Q2-21	Q1-21	Q4-20	Q3-20	Q2-20	2020	2019	Five Year	Ten Year
Real GDP	2.0	6.7	6.3	4.5	33.8	-31.2	-3.4	2.3	1.1	1.6
Consumption	1.1	7.9	7.4	2.3	25.5	-24.1	-2.6	1.5	0.8	1.1
Business Fixed Investment	0.2	1.2	1.7	1.6	2.7	-4.3	-0.7	0.6	0.3	0.5
Residential Investment	-0.4	-0.6	0.6	1.3	2.2	-1.4	0.3	0.0	0.1	0.2
Inventory Investment (\$ Chg)	2.1	-1.3	-2.6	1.1	6.8	-4.0	-0.5	0.1	-0.2	0.0
Net Exports (\$ Change)	-1.1	-0.2	-1.6	-1.7	-3.3	1.5	-0.3	-0.2	-0.2	-0.2
Exports	-0.3	0.8	-0.3	2.1	4.6	-8.3	-1.6	0.0	-0.1	0.2
Imports	-0.9	-1.0	-1.3	-3.7	-7.9	9.9	1.3	-0.2	-0.1	-0.3
Government Purchases	0.1	-0.4	0.8	-0.1	-0.2	1.0	0.4	0.4	0.3	0.0
Others:										
Defense	-0.1	0.0	-0.3	0.2	0.1	0.2	0.1	0.2	0.1	0.0
Intellectual Property	0.6	0.6	0.8	0.5	0.5	-0.5	0.1	0.3	0.3	0.2
Equipment	-0.2	0.7	0.8	1.3	2.7	-2.0	-0.5	0.2	0.0	0.2
Medical Care	0.6	1.1	-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.