

# U.S. Data Review

- GDP: solid growth in Q3

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## Third Quarter GDP

The U.S. economy grew at an annual rate of 3.0 percent in the third quarter, faster than the consensus estimate of 2.6 percent. A sizeable portion of the advance was the result of inventory investment (0.7 percentage point), but final sales (GDP excluding inventory investment) also was respectable with growth of 2.3 percent. This pace was in line with the average of the past few years, and it probably would have been firmer were it not for the hurricanes.

The results generally bode well for the outlook. Consumers provided good support and are likely to remain active. Businesses invested actively in new equipment and orders for capital goods suggest the trend will remain upward. Investment in new structures fell, but this might have reflected a pullback in oil drilling and was partly influenced by the hurricanes. The trade sector added 0.4 percentage point to GDP growth, and this sector could remain in the plus column with the dollar having eased in recent months. Nondefense government spending fell, but outlays for disaster recovery will provide a boost in coming quarters.

Detail is shown below; we will provide additional commentary in our weekly economic comment.

## GDP & Related Items\*

	15-Q4	16-Q1	16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3
1. <b>Gross Domestic Product</b>	0.5	0.6	2.2	2.8	1.8	1.2	3.1	3.0
2. <b>Personal Consumption Expenditures</b>	2.7	1.8	3.8	2.8	2.9	1.9	3.3	2.4
3. <b>Nonresidential Fixed Investment</b>	-5.1	-4.0	3.3	3.4	0.2	7.2	6.7	3.9
3a. <b>Nonresidential Structures</b>	-21.4	2.3	0.5	14.3	-2.2	14.8	7.0	-5.2
3b. <b>Nonresidential Equipment</b>	-4.6	-13.1	-0.6	-2.1	1.8	4.4	8.8	8.6
3c. <b>Intellectual Property Products</b>	8.0	6.3	11.1	4.2	-0.4	5.7	3.7	4.3
4. <b>Change in Business Inventories</b>	-0.7	-0.6	-0.7	0.2	1.1	-1.5	0.1	0.7
<b>(Contribution to GDP Growth)</b>								
5. <b>Residential Construction</b>	7.3	13.4	-4.7	-4.5	7.1	11.1	-7.3	-6.0
6. <b>Total Government Purchases</b>	0.3	1.8	-0.9	0.5	0.2	-0.6	-0.2	-0.1
6a. <b>Federal Government Purchases</b>	2.5	-1.5	-0.9	1.6	-0.5	-2.4	1.9	1.1
6b. <b>State and Local Govt. Purchases</b>	-1.1	3.9	-1.0	-0.2	0.6	0.5	-1.5	-0.9
7. <b>Net Exports</b>	-0.3	-0.3	0.3	0.4	-1.6	0.2	0.2	0.4
<b>(Contribution to GDP Growth)</b>								
7a. <b>Exports</b>	-2.3	-2.6	2.8	6.4	-3.8	7.3	3.5	2.3
7b. <b>Imports</b>	0.0	-0.2	0.4	2.7	8.1	4.3	1.5	-0.8
<b>Additional Items</b>								
8. <b>Final Sales</b>	1.2	1.2	2.9	2.6	0.7	2.7	2.9	2.3
9. <b>Final Sales to Domestic Purchasers</b>	1.4	1.5	2.6	2.2	2.3	2.4	2.7	1.8
10. <b>Gross Domestic Income</b>	1.5	-0.3	0.2	4.1	-1.7	2.7	2.9	--
11. <b>Average of GDP &amp; GDI</b>	1.0	0.1	1.2	3.4	0.0	2.0	3.0	--
12. <b>GDP Chained Price Index</b>	0.8	0.3	2.4	1.4	2.0	2.0	1.0	2.2
13. <b>Core PCE Price Index</b>	1.2	2.1	2.0	2.0	1.3	1.8	0.9	1.3

\* Percent change SAAR, except as noted

Source: Bureau of Economic Analysis

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