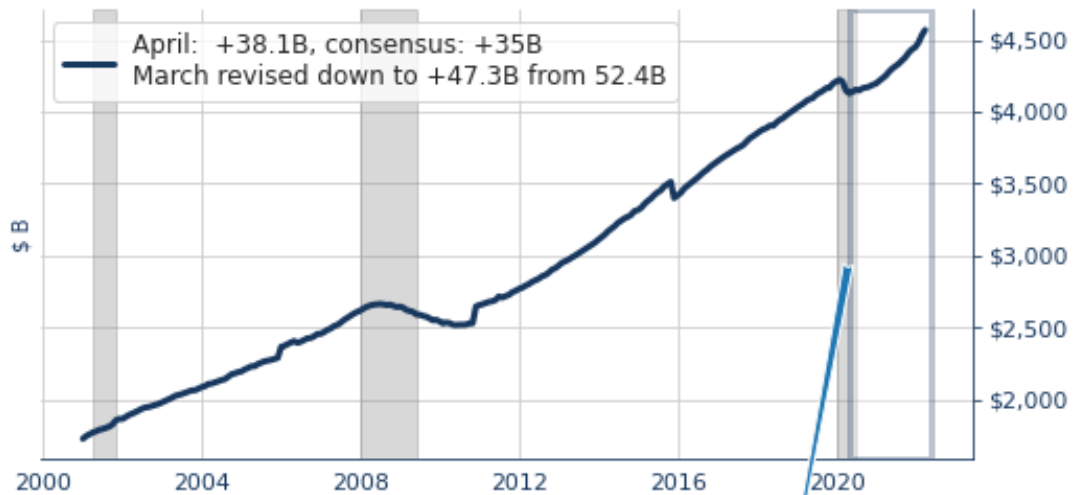


07.Jun.2022

### **Consumer Credit: Trending Higher With Prices**

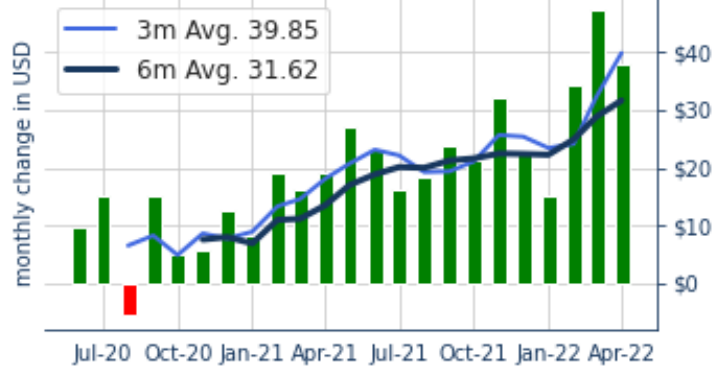
**Bottom Line:** Consumer credit rose more than expected again in April. While there were negative revisions to earlier data, taking about \$10B off the previously reported increases for the 1st Quarter, the trend continued to accelerate higher. Revolving credit growth was lower in April but still historically quite high as consumers appear to be using credit cards to pay for essentials like food and gasoline. While the pace of card usage has been remarkable, we should keep in mind that most consumers have plenty of available credit, having paid down balances with pandemic stimulus. Total revolving credit is barely above pre-pandemic levels. Nonrevolving credit, mostly student loans and auto loans, continues to trend higher. To some extent, consumers have met their needs by using credit -- and while not a long-term strategy, expanding consumer credit can fuel spending for several more quarters.

## US Total Credit Outstanding April: +38.1B, consensus: +35B



### monthly change in USD

Contingent Macro Advisors 2021 source: US Federal Reserve

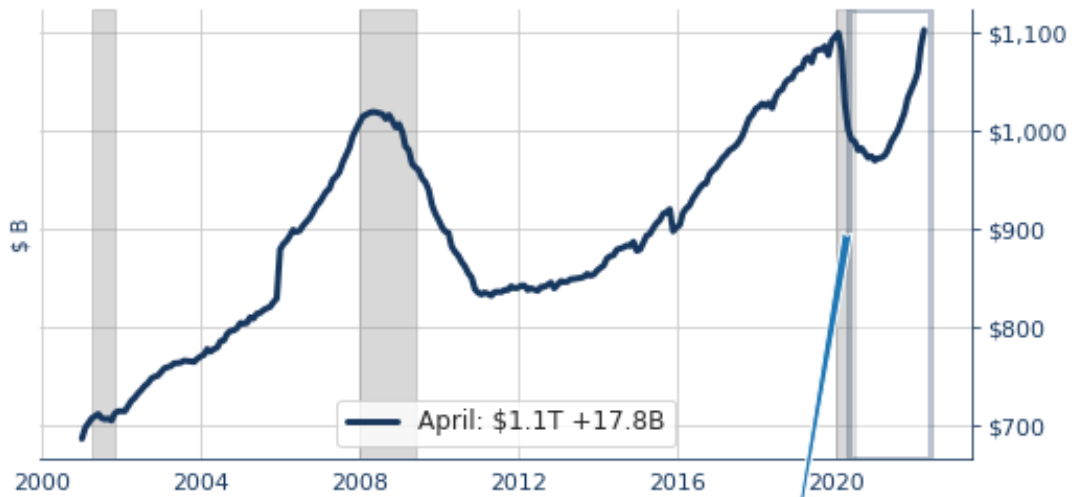


**Consumer Credit** ROSE by \$38.1 billion in April, compared with market expectations for an increase of \$35.0 billion. Over the past year, consumer credit has increased by \$319.2 billion, or 7.5%.

**Revolving Credit**, including credit cards, ROSE by \$17.8 billion. Over the past year, revolving credit has increased by \$128.1 billion or 13.1%. Revolving debt is now close to its 2006-2007 levels and just 8.1% above its July 2008 peak.

**Non-Revolving Credit**, including auto and education loans, ROSE by \$20.3 billion. Over the past year, non-revolving credit has increased by \$191.1 billion or 5.8%. Of this amount, \$42.8 billion, or 22.4%, appears to be due to increases in student loans held by the federal government.

# US Revolving Credit

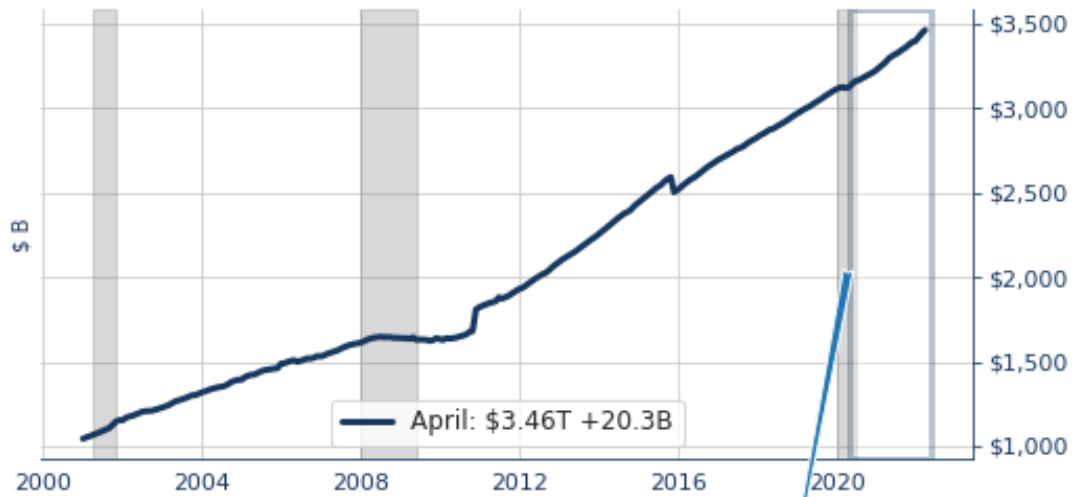


## monthly change in USD

Contingent Macro Advisors 2021 source: US Federal Reserve

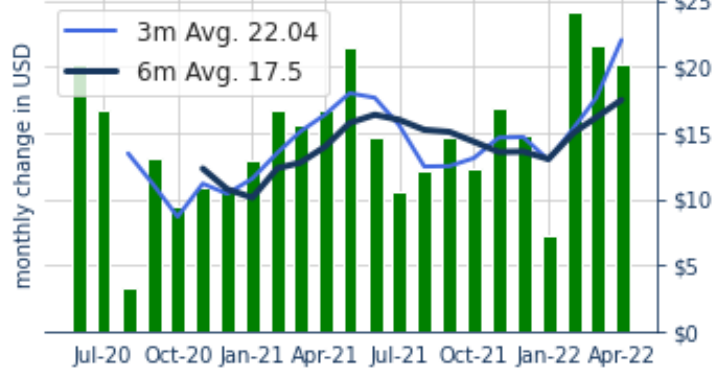


## US Nonrevolving Credit



### monthly change in USD

Contingent Macro Advisors 2021 source: US Federal Reserve



US Consumer Credit (in \$B)	Apr-22	Mar-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
<b>Total Credit Outstanding</b>	<b>38.07</b>	<b>47.34</b>	<b>39.90</b>	<b>31.60</b>	<b>26.60</b>	<b>20.58</b>	<b>14.40</b>
Revolving Credit	17.77	25.63	17.80	14.10	10.70	5.59	2.10
Nonrevolving Credit	20.30	21.71	22.00	17.50	15.90	14.99	12.30

US Federal Reserve data