

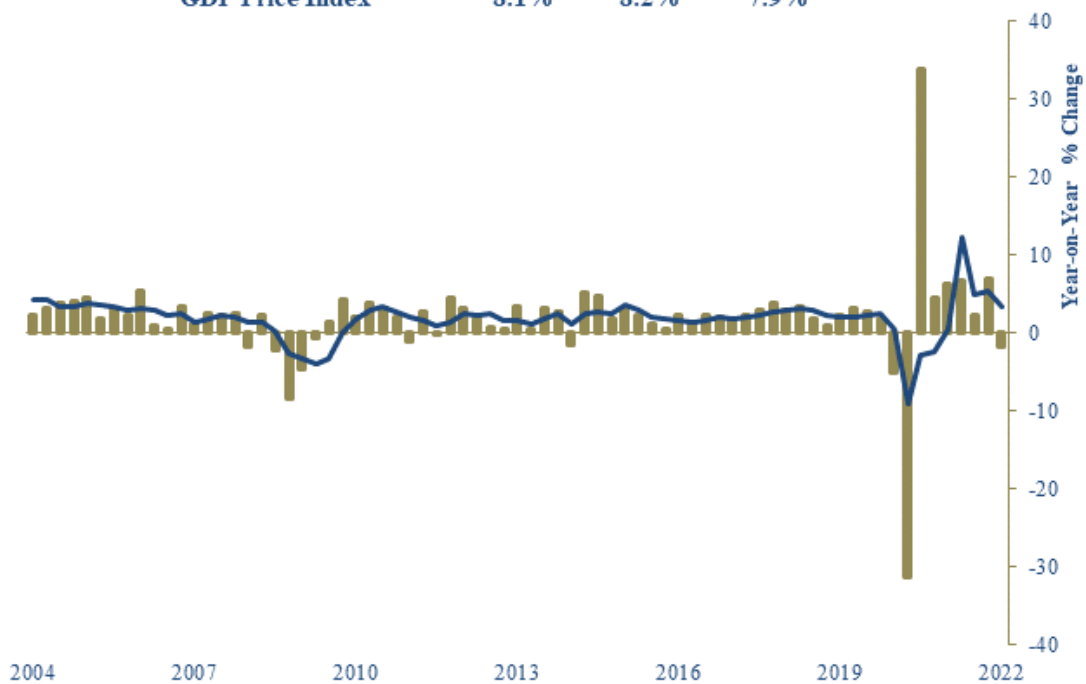
29.Jun.2022

1Q22 GDP: Final Reading Lower As Quarter Ends on Weak Note

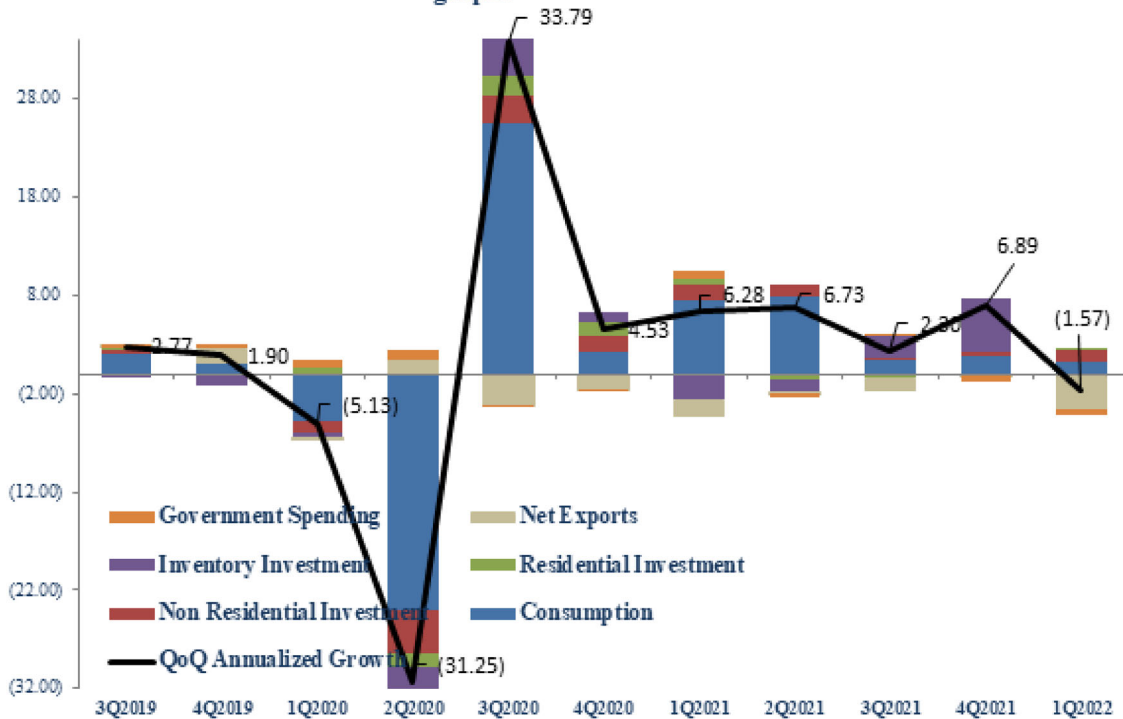
Bottom Line: The final reading of 1st Quarter GDP showed a slightly larger decline in economic activity than previously reported. Key categories like consumption and residential fixed investment were revised notably lower as late data was tallied, and the Quarter ended much weaker than it started. As the consumer struggled with higher prices for essential goods like gasoline, real final sales were revised lower, and final domestic demand, a key metric for assessing underlying trend growth, fell to just 2%. While that metric was still positive, the report shows the Quarter ended with a sharp deceleration in consumption. Of course, these data are old news, with the 2nd Quarter ending tomorrow. The Atlanta Fed's model for the 2nd Quarter stood at just 0.3%, but consensus Wall Street forecasts were still up at 3% this morning.

GDP

	Cons.	Actual	Prior
GDP	-1.5%	-1.6%	-1.4%
GDP Price Index	8.1%	8.2%	7.9%



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

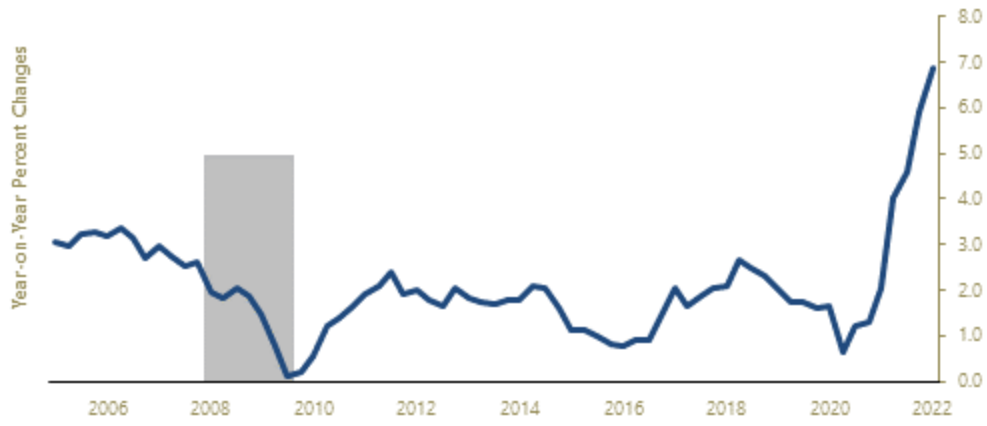


GDP was REVISED LOWER by 0.1 percentage points to -1.6% in this third estimate for 2022 1st Quarter. Economic activity was 3.5% above its year-ago level. In final sales categories, imports, exports, and fixed investment were revised higher while, net exports, residential investment, consumption, and government purchases were revised lower.

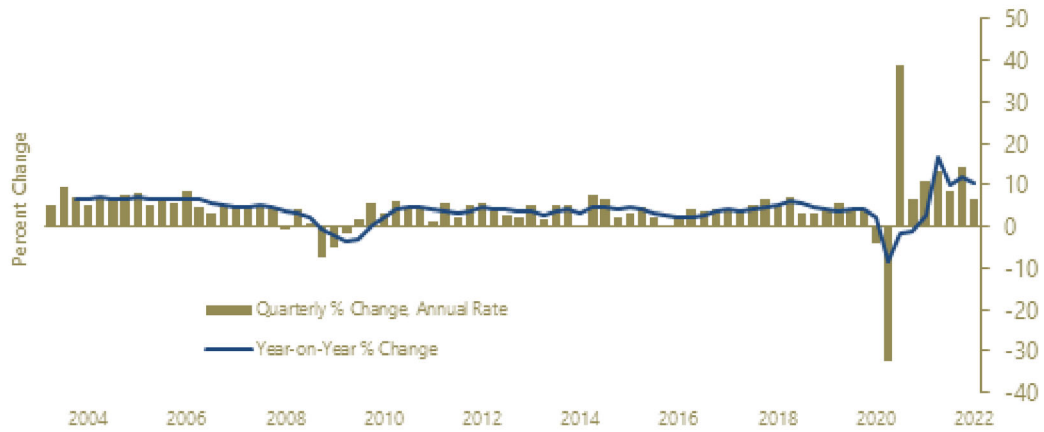
As a result of all of these changes, real final sales was revised down by 0.6 percentage points to 1.2% while real domestic demand was revised down by 0.6 percentage points to 2.0%.

The GDP Price Index was REVISED UP by 0.27 points to 8.2%, compared with market expectations of 810.0%. Economy-wide prices were 6.9% ABOVE year-ago levels.

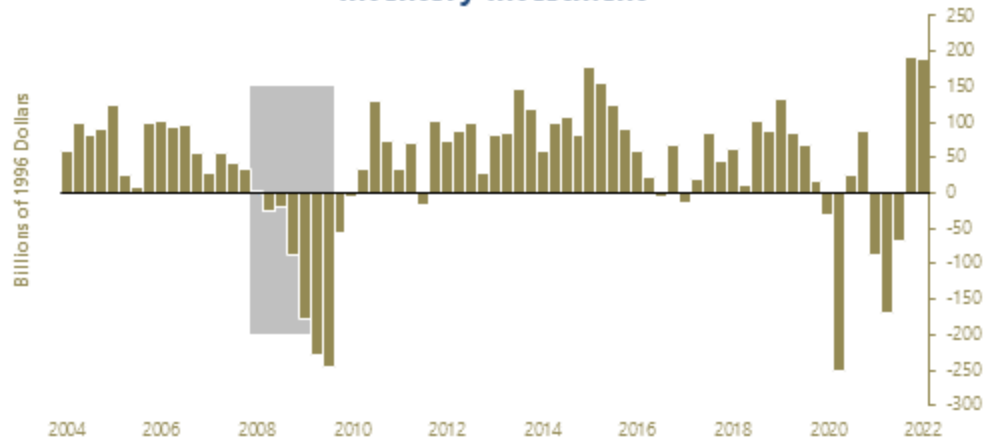
GDP Price Index



Nominal GDP



Inventory Investment



GDP - by annual % Change

	% Change at Annual Rate (unless noted as \$)									
	Quarterly Averages							Annual Averages		
	Q1-22 3rd Est.	Q1-22 2nd Est.	Q1-22 Advance	Q4-21	Q3-21	Q2-21	Q1-21	2020	2019	Five Year
Real GDP	-1.6	-1.5	-1.4	6.9	2.3	6.7	6.3	-3.4	2.3	1.1
Consumption	1.8	2.7	2.7	2.5	2.0	12.0	11.4	-3.8	2.2	1.2
Business Fixed Investment	10.0	9.2	9.2	2.9	1.6	9.2	12.9	-5.3	4.3	2.0
Residential Investment	0.5	2.1	2.1	2.1	-7.7	-11.7	13.3	6.8	-0.9	3.1
Inventory Investment (\$ Chg)	-4.7	-34.5	-34.5	260.0	101.7	-80.2	-177.1	-117.4	9.4	-36.0
Net Exports (\$ Change)	-194.6	-191.6	-191.6	-33.5	-72.1	-18.4	-93.3	32.0	6.8	27.5
Exports	-4.8	-5.9	-5.9	22.4	-5.3	7.6	-2.9	3.0	3.3	3.0
Imports	18.9	17.7	17.7	17.9	4.7	7.1	9.3	-8.9	1.1	0.3
Government Purchases	-2.91	-2.70	-2.73	-2.6	0.9	-2.0	4.2	2.5	2.2	1.7
Addendum:										
Real Final Sales	-1.2	-0.6	-0.6	1.5	0.1	8.1	9.1	-2.9	2.2	1.3
Final Domestic Demand	2.0	2.6	2.6	1.3	8.0	10.4	5.0	-2.5	2.4	1.5
Price Index (final sales)	8.2	7.9	7.9	7.1	6.1	6.3	4.5	1.3	1.8	1.7

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

T.J. Connelly, Head of Research

June 29, 2022

Steven A. Wood, Sr. Economic

GDP - by contribution

	Quarterly							Annual Averages			
	Q1-22 3rd Est.	Q1-22 2nd Est.	Q1-22 Advance	Q4-21	Q3-21	Q2-21	Q1-21	2020	2019	Five Year	Ten Year
Real GDP	-1.6	-1.5	-1.4	6.9	2.3	6.7	6.3	-3.4	2.3	1.1	1.6
Consumption	1.24	2.10	1.8	1.8	1.4	7.9	7.4	-2.6	1.5	0.8	1.1
Business Fixed Investment	1.3	1.2	1.2	0.4	0.2	1.2	1.7	-0.7	0.6	0.3	0.5
Residential Investment	0.0	0.0	0.1	0.1	-0.4	-0.6	0.6	0.3	0.0	0.1	0.2
Inventory Investment (\$ Chg)	-0.4	-1.1	-0.8	5.3	2.2	-1.3	-2.6	-0.5	0.1	-0.2	0.0
Net Exports (\$ Change)	-3.2	-3.2	-3.2	-0.2	-1.3	-0.2	-1.6	-0.3	-0.2	-0.2	-0.2
Exports	-0.6	-0.6	-0.7	2.2	-0.6	0.8	-0.3	-1.6	0.0	-0.1	0.2
Imports	-2.7	-2.6	-2.5	-2.5	-0.7	-1.0	-1.3	1.3	-0.2	-0.1	-0.3
Government Purchases	-0.5	-0.5	-0.5	-0.5	0.2	-0.4	0.8	0.4	0.4	0.3	0.0
Others:											
Defense	-0.4	-0.3	-0.3	-0.2	-0.1	0.0	-0.3	0.1	0.2	0.1	0.0
Intellectual Property	0.6	0.6	0.4	0.5	0.5	0.6	0.8	0.1	0.3	0.3	0.2
Equipment	0.7	0.7	0.8	0.2	-0.1	0.7	0.8	-0.5	0.2	0.0	0.2
Medical Care	-0.1	0.3	0.4	0.4	0.5	1.1	-0.5	-1.0	0.4	0.1	0.2

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

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