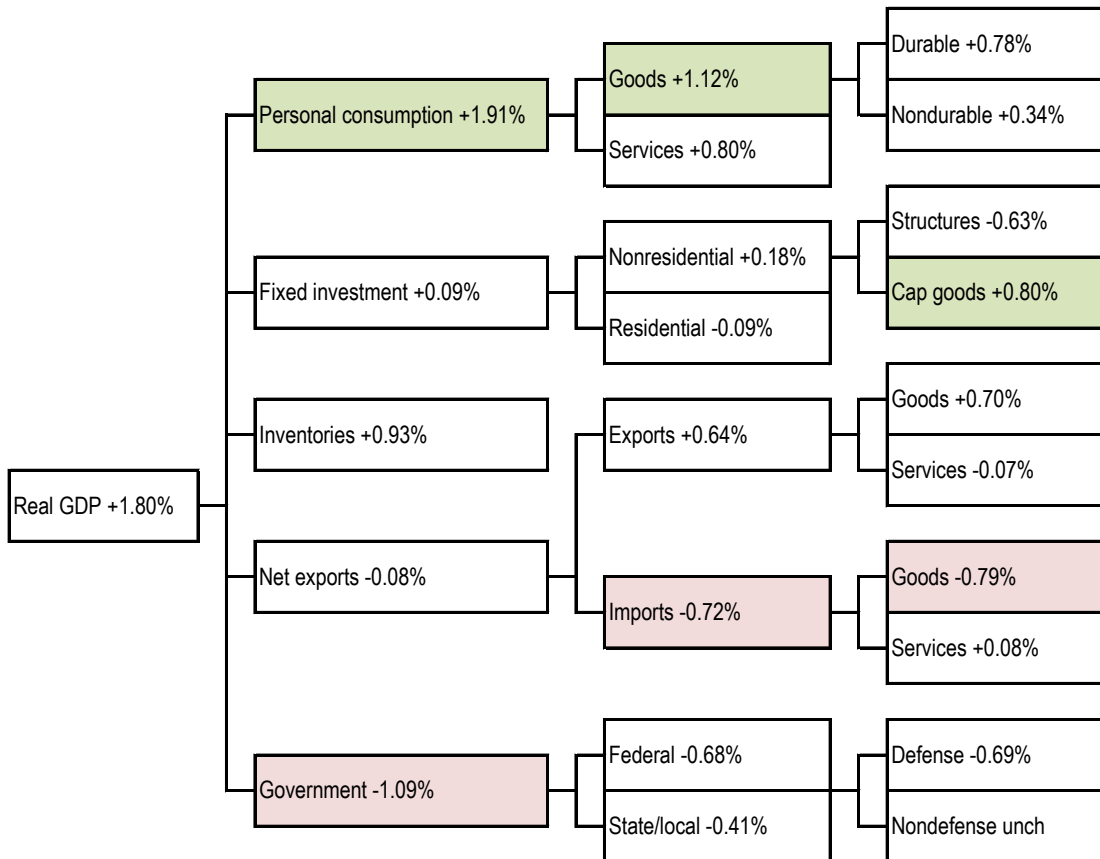


Data Insights: GDP

Thursday, April 28, 2011

Today's GDP data: what you need to know -- where did the growth come from?

Contributions to real, sequential quarter change, SAAR Biggest change per detail-level: ■ positive ■ negative



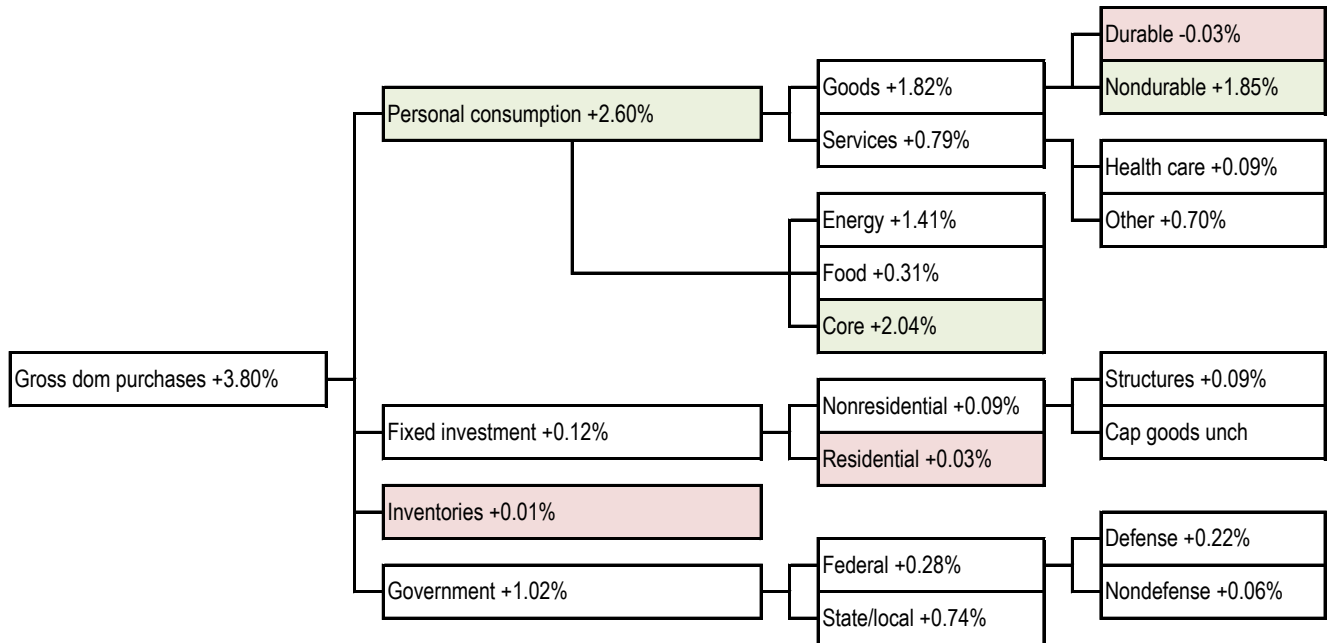
Source: Bureau of Economic Analysis

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 Thomas Demas: 704 552 3625 tdemas@trendmacro.com

Price index data: what you need to know -- where did the inflation come from?

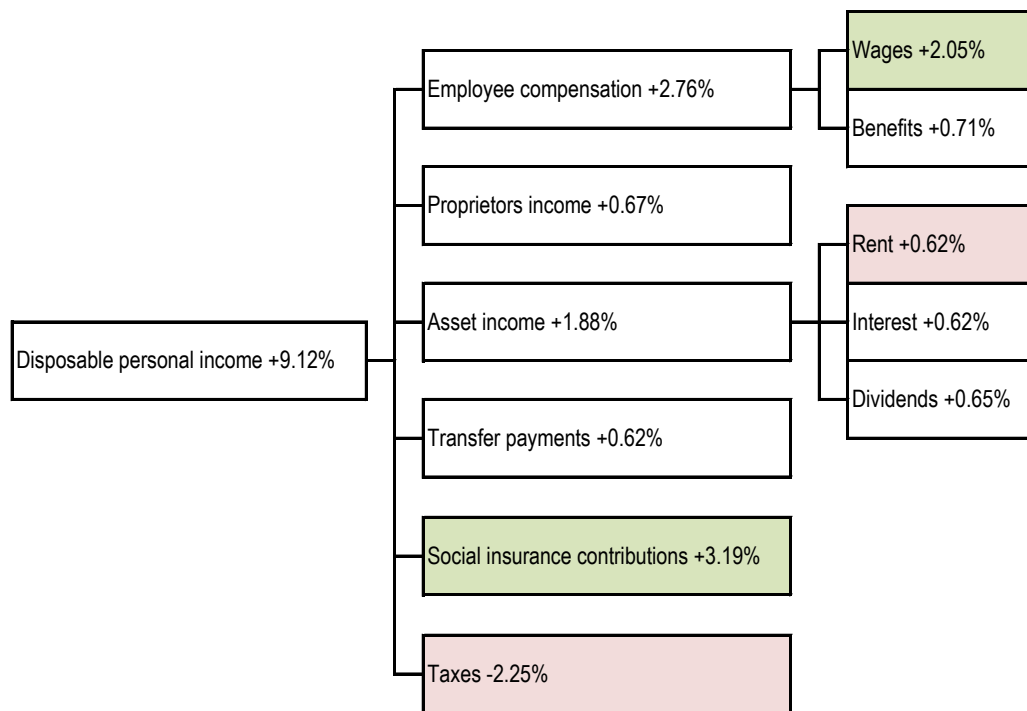
Contribution to sequential quarter change, SAAR Biggest change per detail-level: ■ positive ■ negative



Source: Bureau of Economic Analysis, TrendMacro calculations

Personal income data: what you need to know -- where did the growth come from?

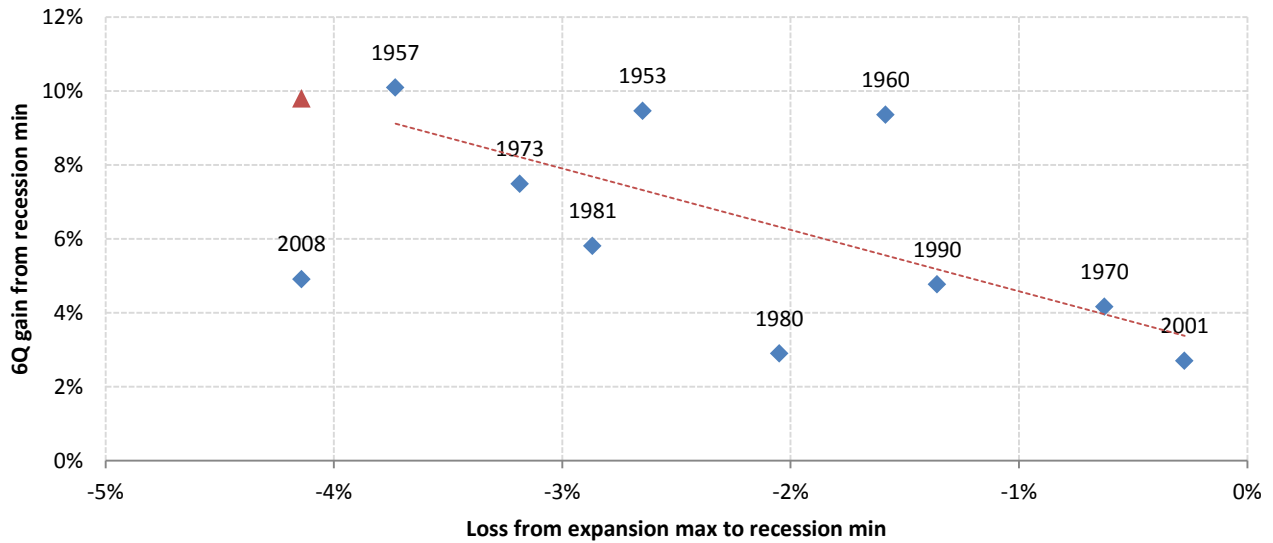
Contribution to nominal, seq quarter change, SAAR Biggest change per detail-level: ■ positive ■ negative



Source: Bureau of Economic Analysis, TrendMacro calculations

The Zarnowitz Law: severity of output loss in recession, versus vigor of recovery

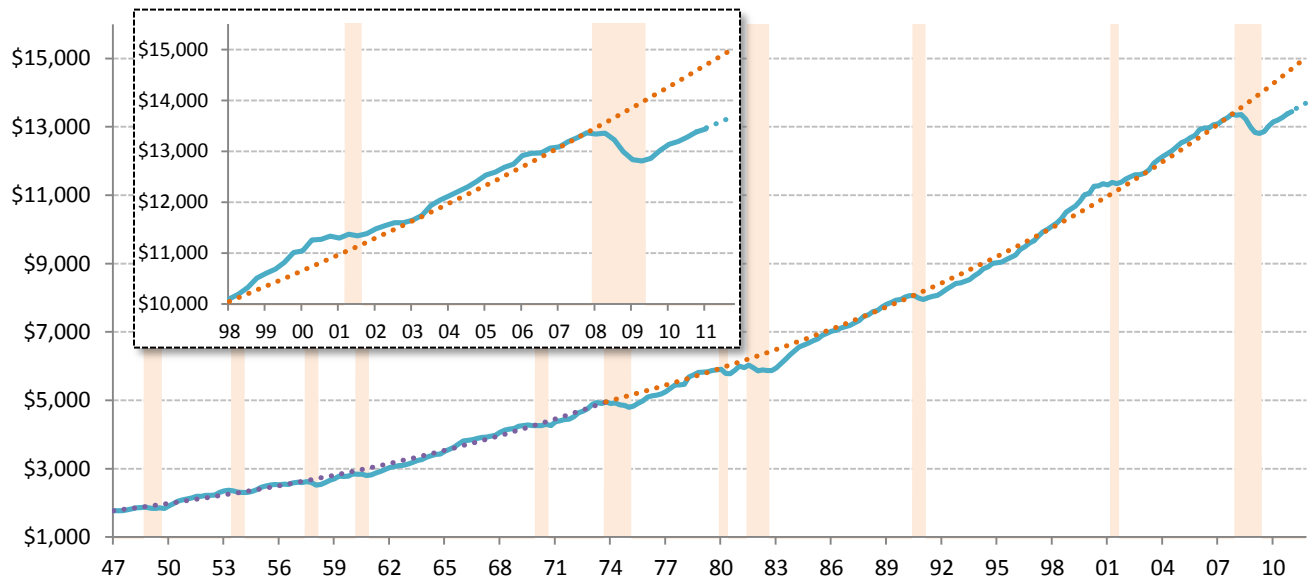
◆ Actual - - - Regression for recessions 1948-2001 ▲ Theoretical for current recovery based on regression



Source: Bureau of Economic Analysis, National Bureau of Economic Research, TrendMacro calculations

The plucked string theory: GDP reverts to trend after perturbation

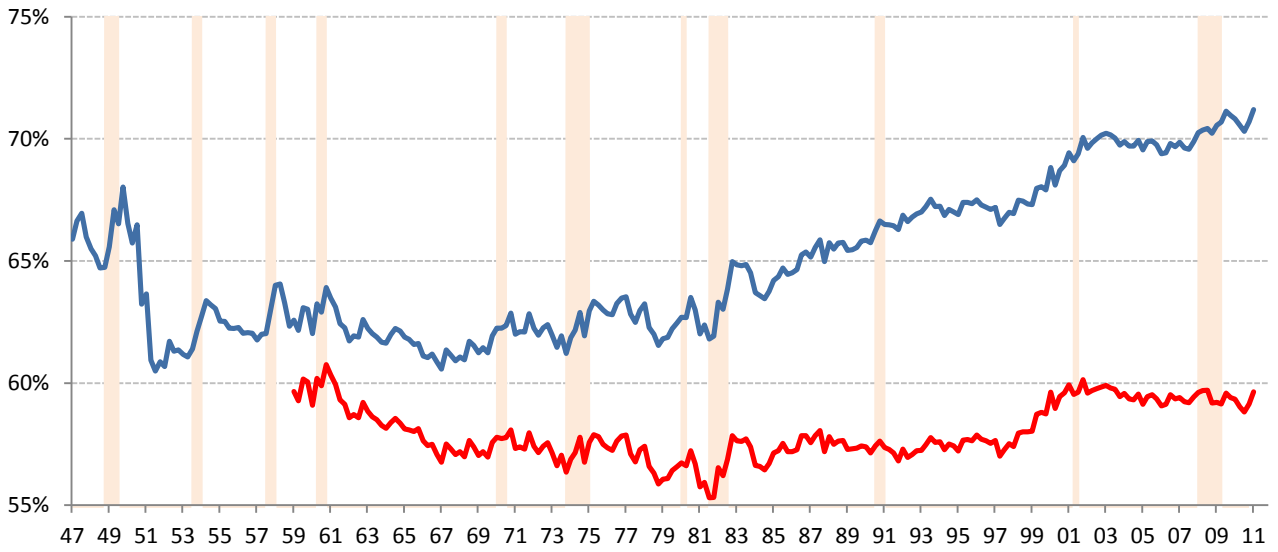
— Real GDP, USD billions - - - '47-'74 3.9% - - - '74-'07 trend 2.9% - - - Projected at last YOY growth ■ Recession



Source: Bureau of Economic Analysis, National Bureau of Economic Research, TrendMacro calculations

"New normal" watch: personal consumption share of nominal GDP

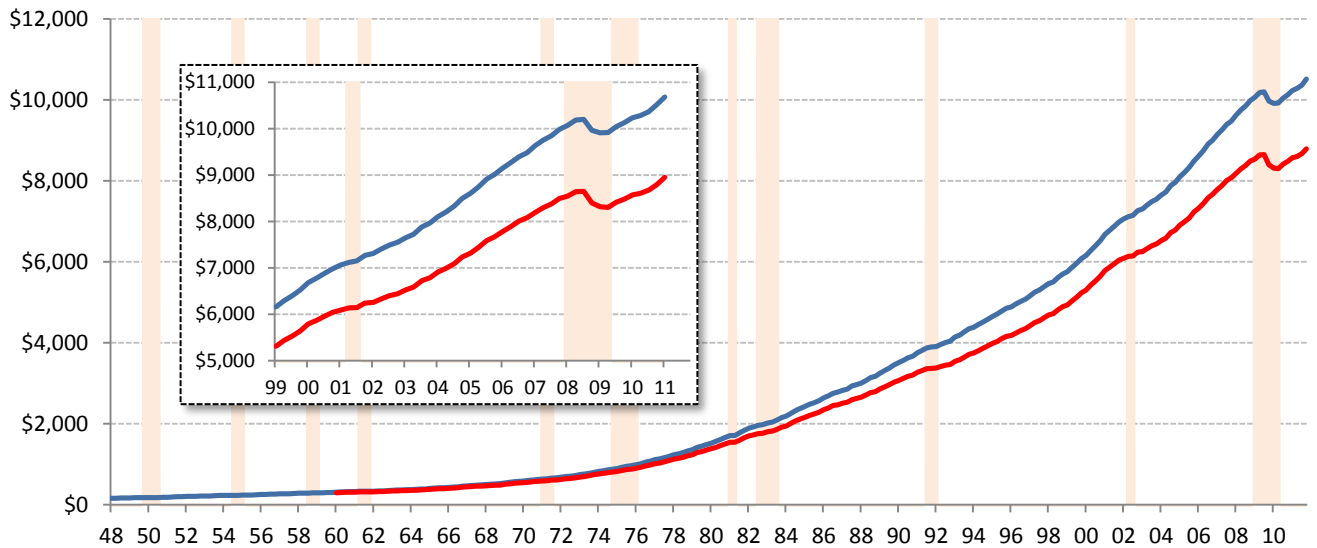
— Personal consumption expenditures — Ex-health care services — Recession



Source: Bureau of Economic Analysis, National Bureau of Economic Research, TrendMacro calculations

"New normal" watch: nominal personal consumption expenditures

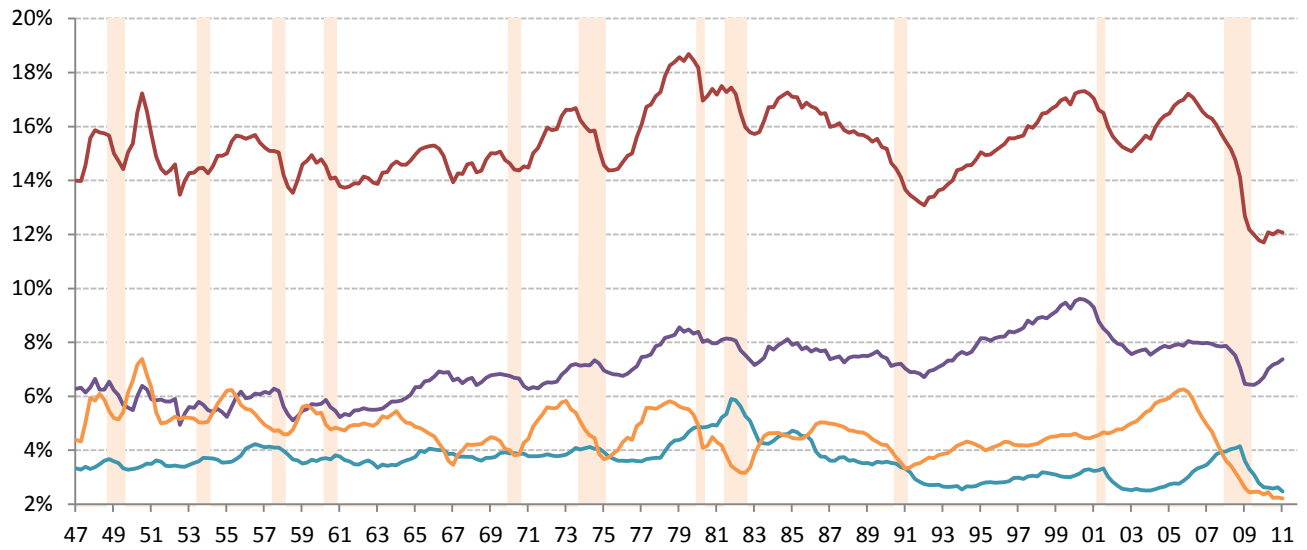
USD billions — Personal consumption expenditures — Ex-health care services — Recession



Source: Bureau of Economic Analysis, National Bureau of Economic Research, TrendMacro calculations

Capital on strike: fixed investment share of nominal GDP

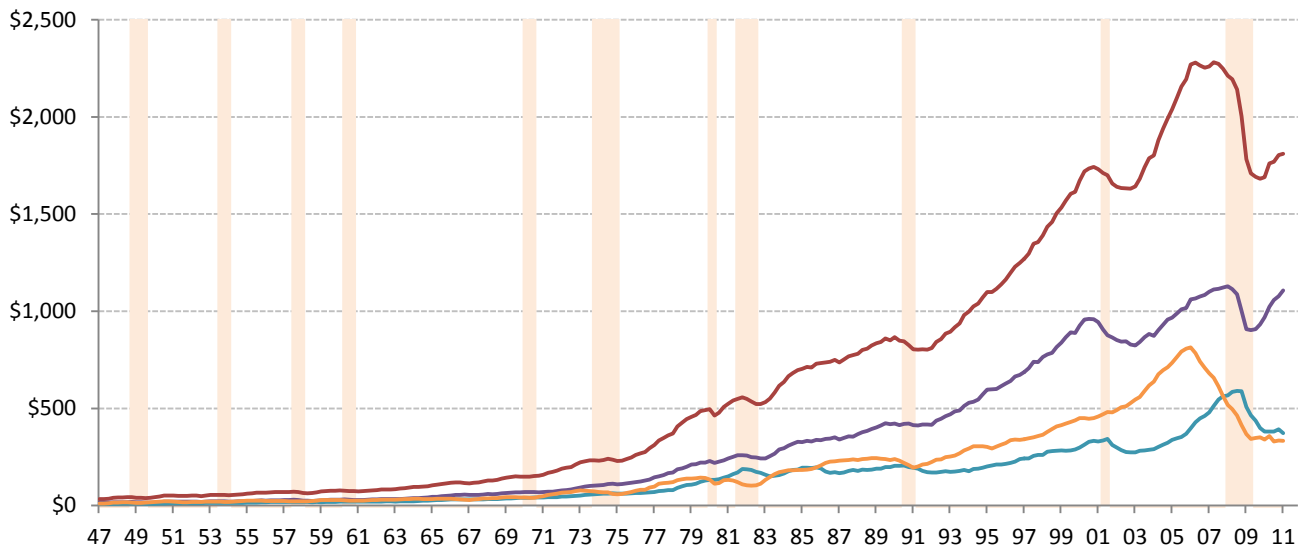
— Fixed investment — Equipment/software — Nonresidential structures — Housing — Recession



Source: Bureau of Economic Analysis, National Bureau of Economic Research, TrendMacro calculations

Capital on strike: nominal fixed investment

USD billions — Fixed investment — Equipment/software — Nonresidential structures — Housing — Recession



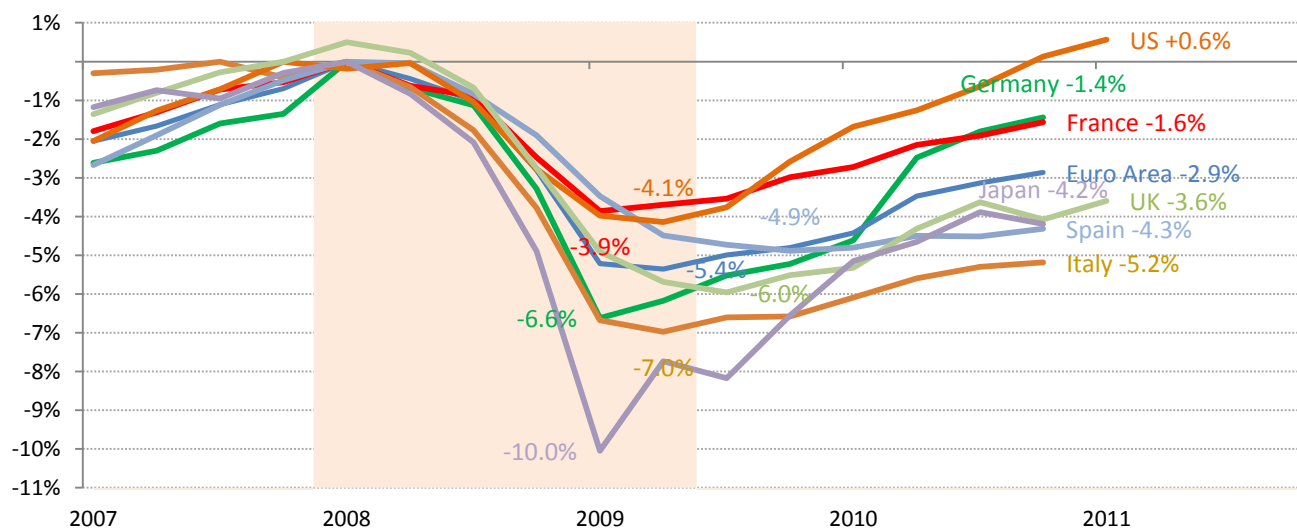
Source: Bureau of Economic Analysis, National Bureau of Economic Research, TrendMacro calculations

Developed world real GDP, seasonally adjusted

	Quarter ended	Sequential quarter AR	Year over year
US	Mar 11	+1.7%	+1.8%
Japan	Dec 10	-1.3%	+1.0%
UK	Mar 11	+2.0%	+0.7%
Euro Area	Dec 10	+1.1%	+1.6%
Germany	Dec 10	+1.5%	+3.3%
France	Dec 10	+1.4%	+1.2%
Spain	Dec 10	+0.9%	+0.5%
Italy	Dec 10	+0.5%	+1.0%

Developed world real GDP during and after the Great Recession

Drop from respective high-water mark, current difference to high-water mark, seasonally adjusted



Source: Respective data bureaus, NBER, TrendMacro calculations