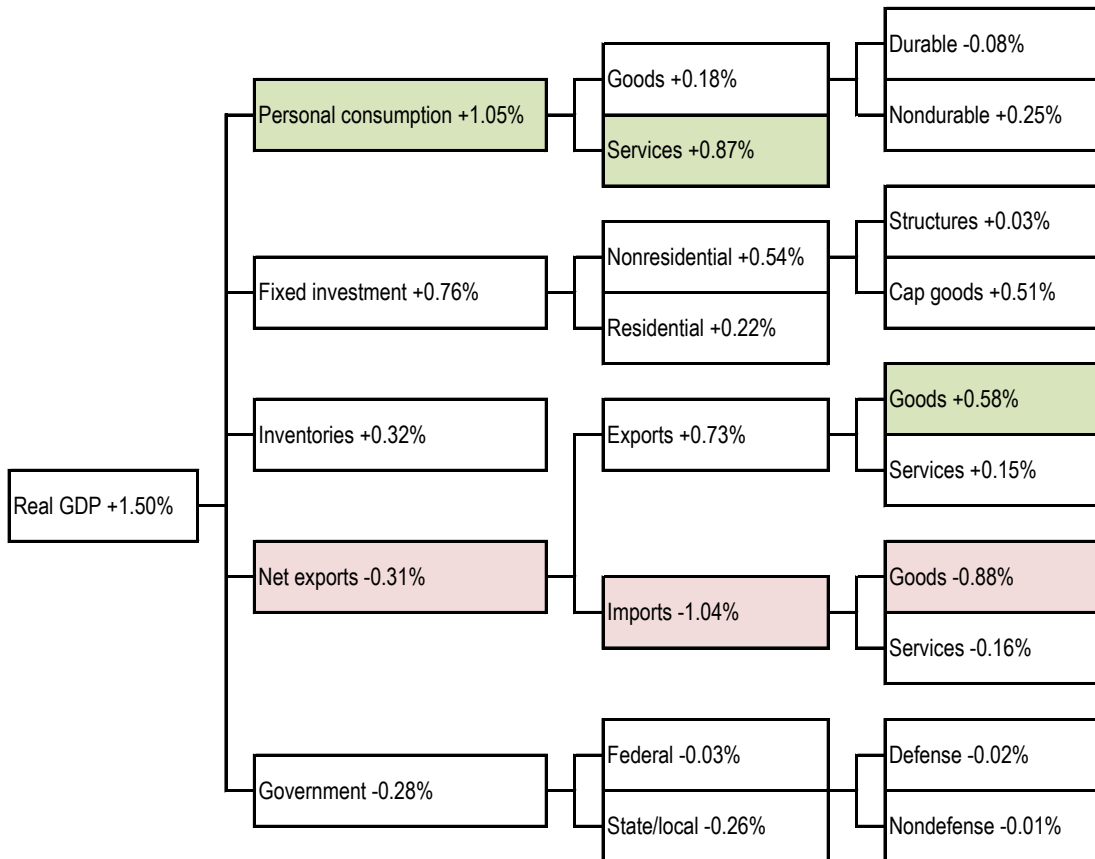


Data Insights: GDP

Friday, July 27, 2012

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



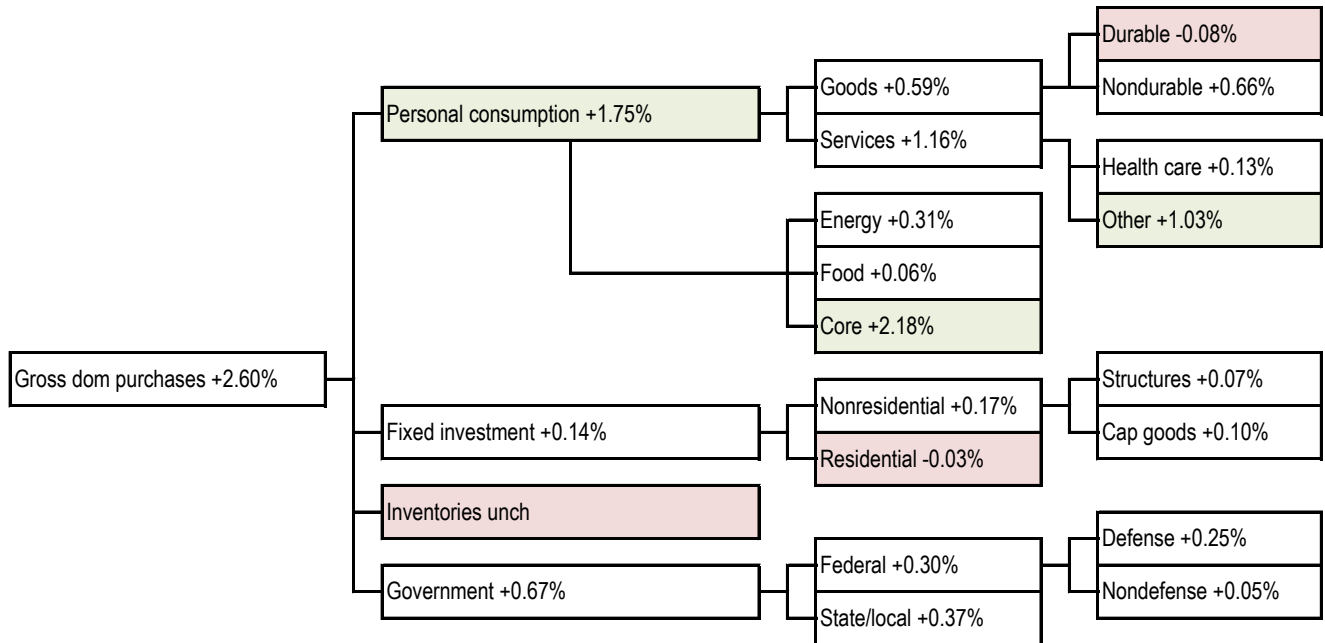
Source: Bureau of Economic Analysis

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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?

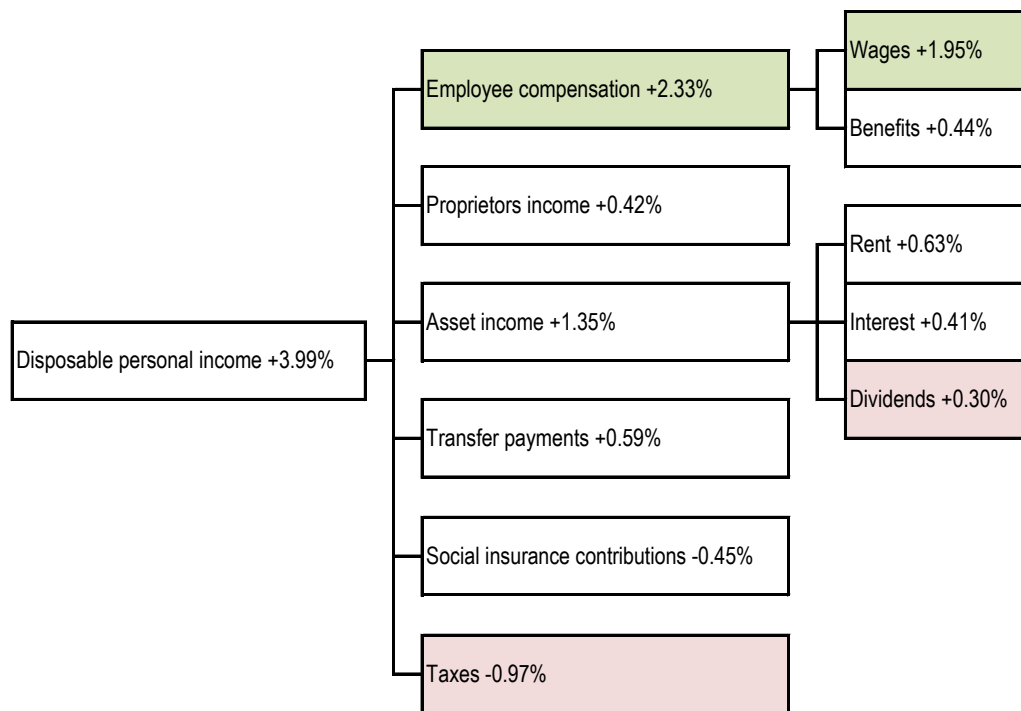
Contribution to sequential quarter change, SAAR Biggest change per detail-level: ■ positive ■ negative



Source: Bureau of Economic Analysis, TrendMacro calculations

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

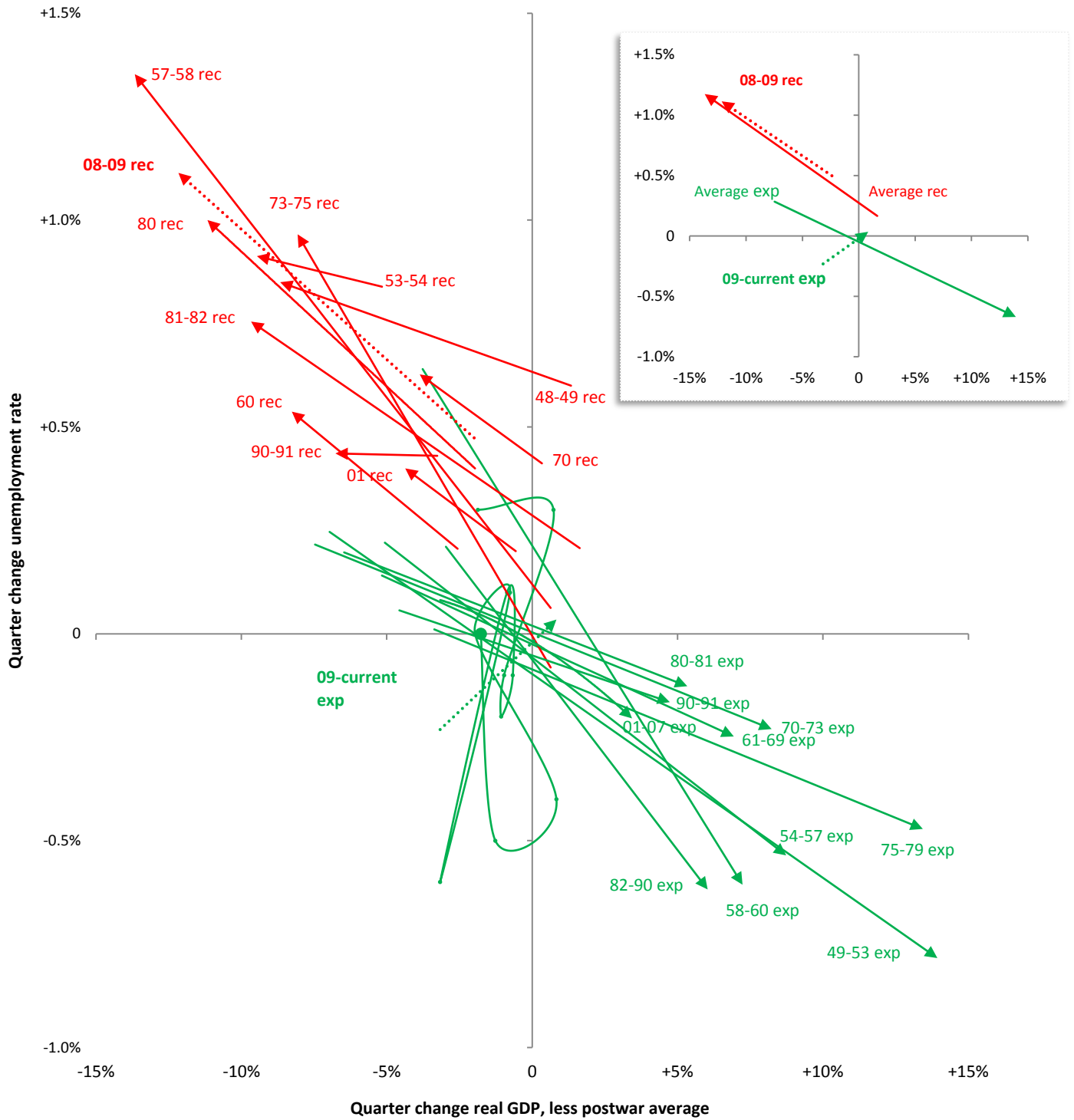
Contribution to nominal, seq quarter change, SAAR Biggest change per detail-level: ■ positive ■ negative



Source: Bureau of Economic Analysis, TrendMacro calculations

Broken Okun's Law: real growth required to change unemployment

— Expansion — Recession Linear trend, plus monthly plots for 09-current expansion • Latest



Source: Bureau of Economic Analysis, BLS Current Population Survey, TrendMacro calculations

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

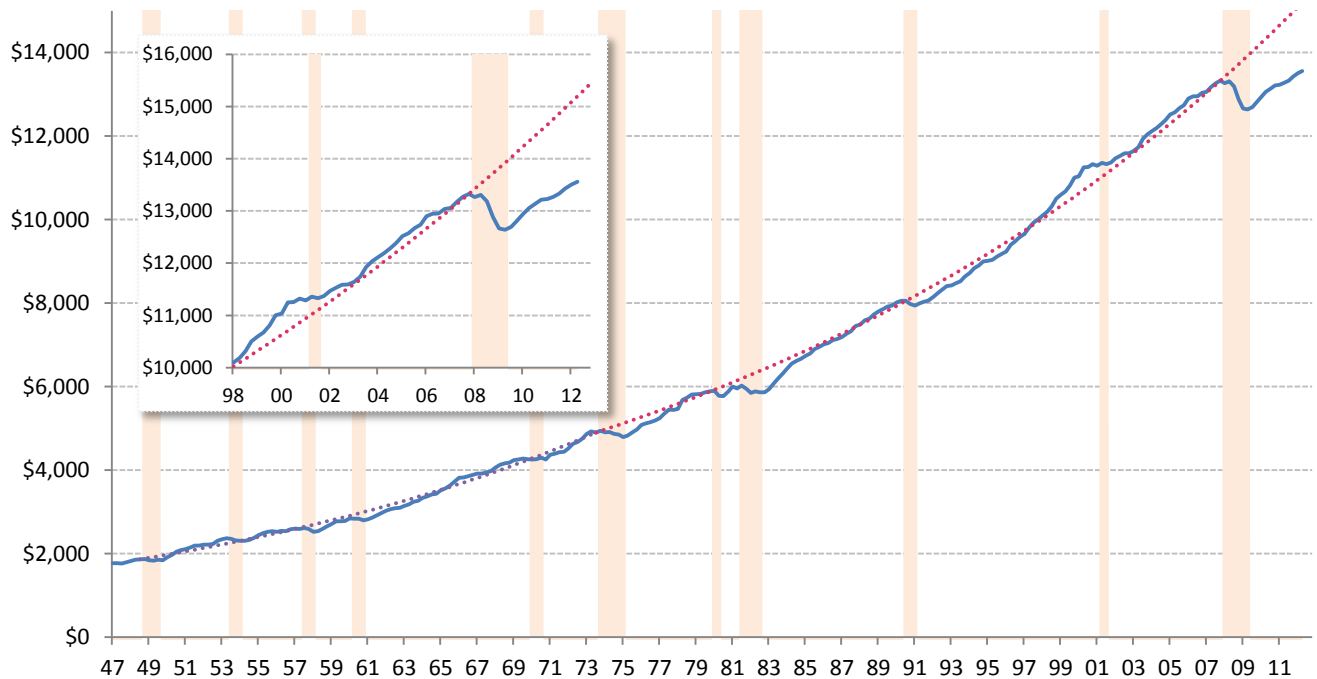
◆ Actual - - - Regression for recessions 1948-2001 ▲ Theoretical for current recovery based on regression



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

The plucked string theory: GDP reverts to trend after perturbation

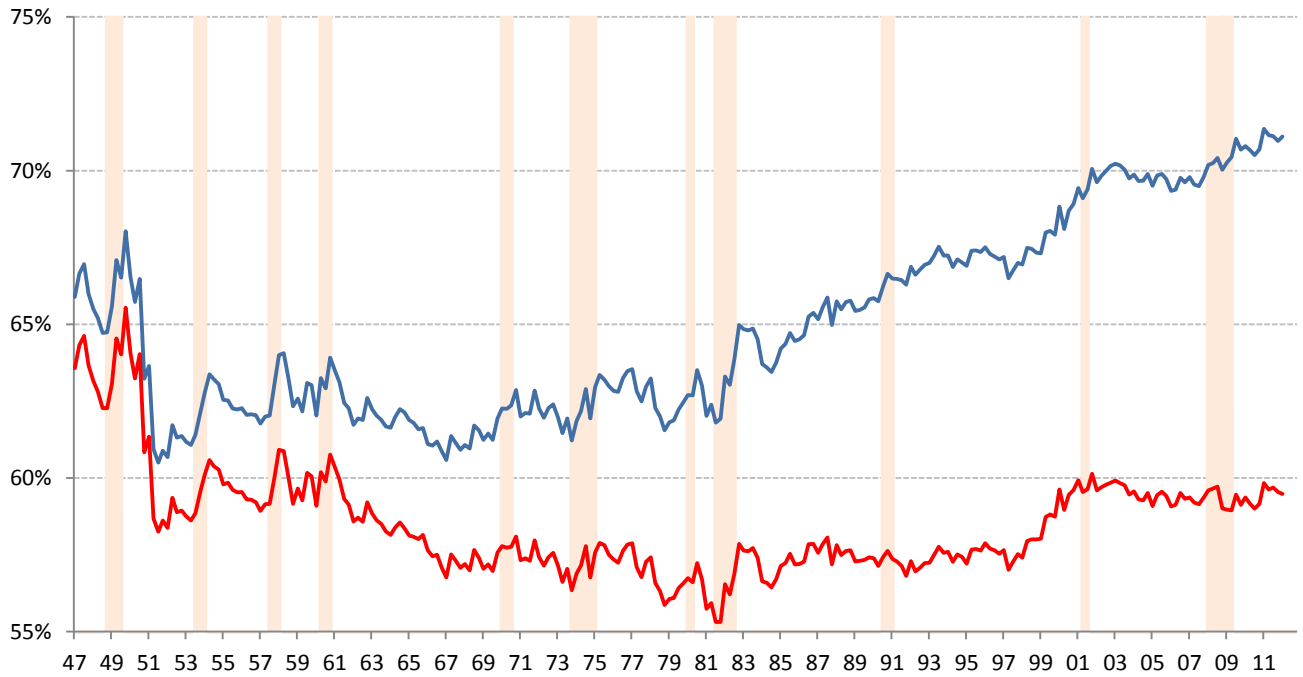
— Real GDP, USD billions - - - '47-'74 3.9% - - - '74-'07 trend 2.9% ■ Recession



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

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

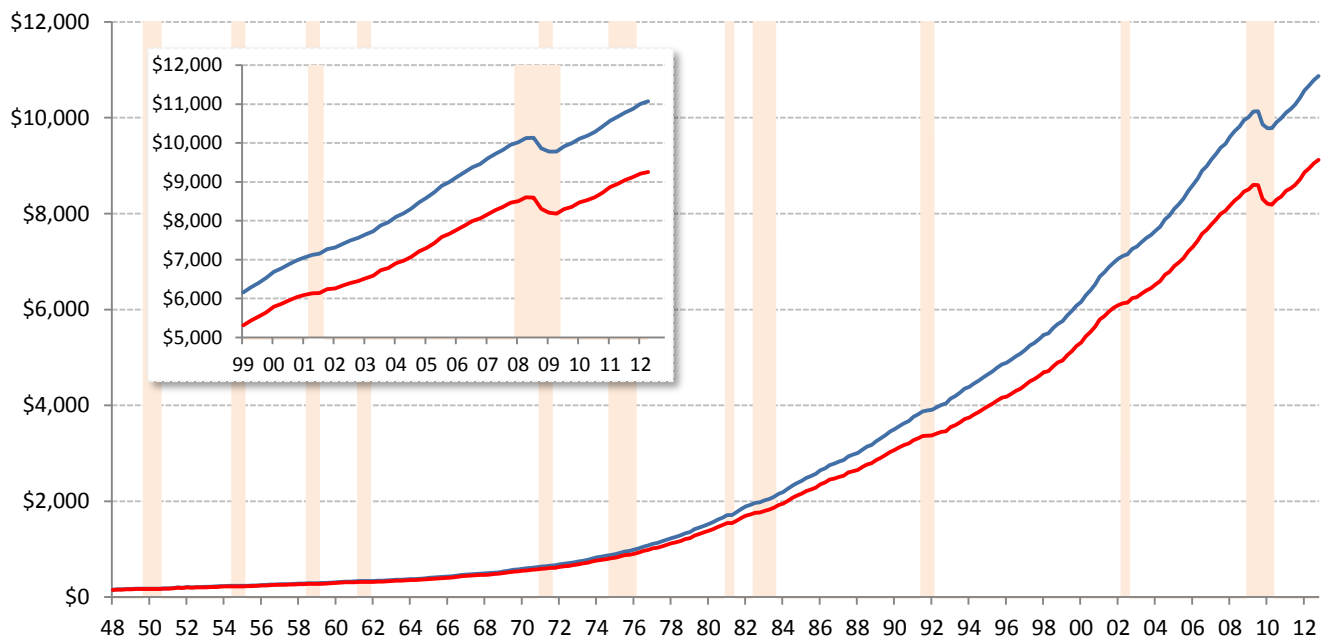
— Personal consumption expenditures — Ex-health care services — Recession



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

"New normal" watch: nominal personal consumption expenditures

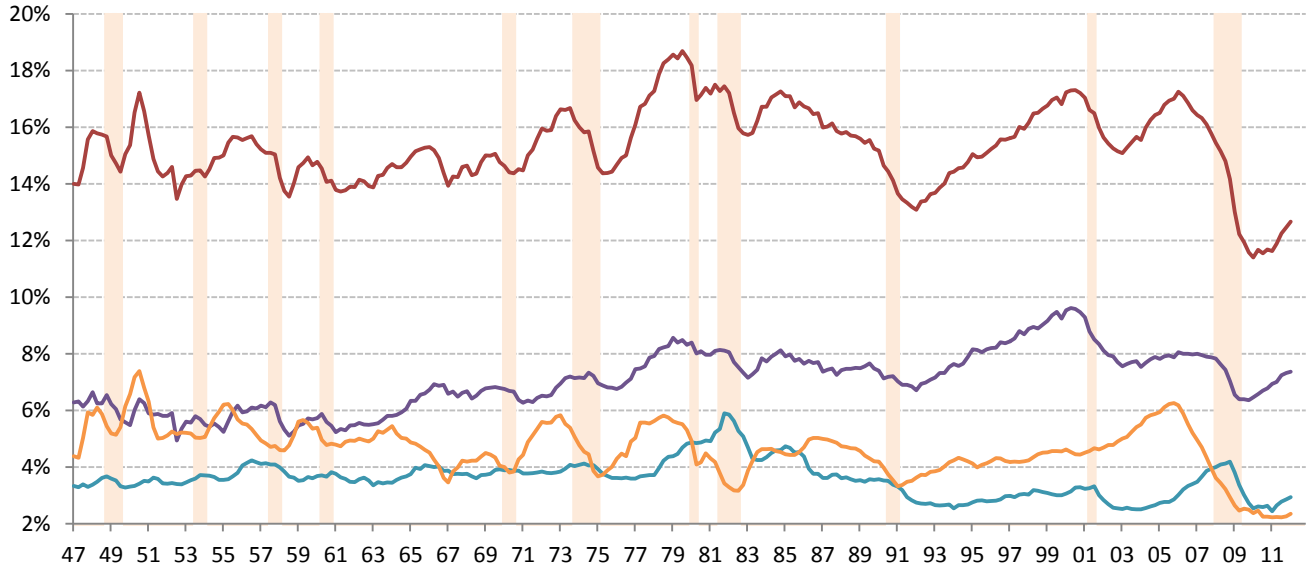
USD billions — Personal consumption expenditures — Ex-health care services — Recession



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

Capital on strike: fixed investment share of nominal GDP

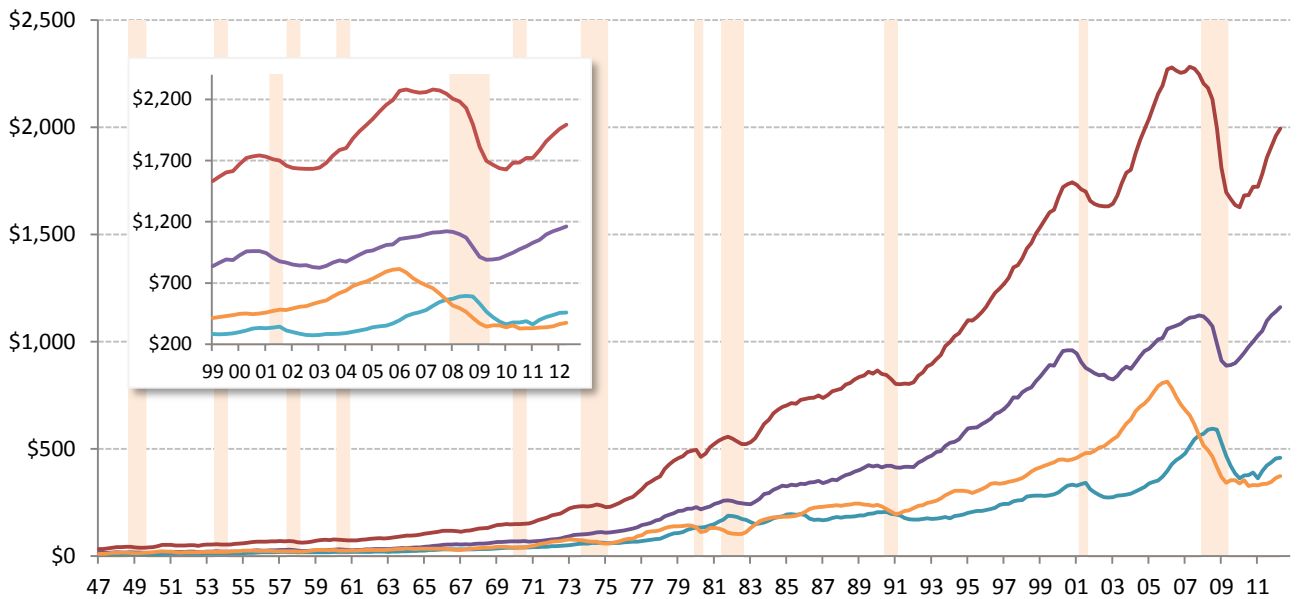
— Fixed investment — Equipment/software — Nonresidential structures — Housing — Recession



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