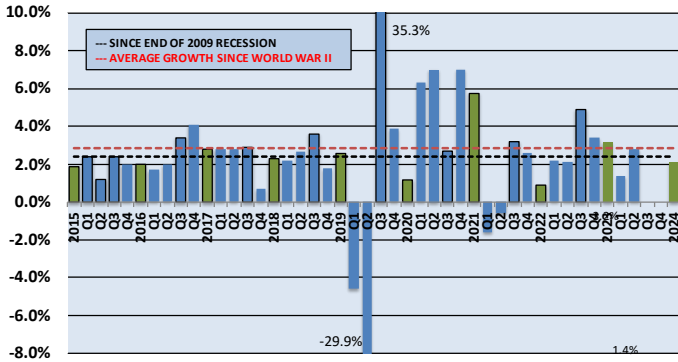




GROSS DOMESTIC PRODUCT

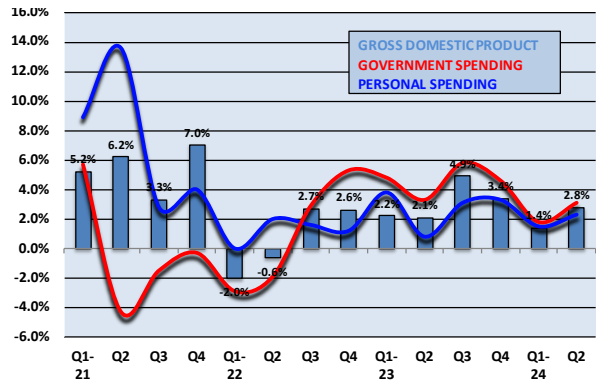
GROSS DOMESTIC PRODUCT

QUARTERLY CHANGE IN THE VALUE OF THE GOODS AND SERVICES PRODUCED BY THE ECONOMY



GROSS DOMESTIC PRODUCT

QUARTERLY CHANGE GDP COMPARED TO PERSONAL & GOVERNMENT SPENDING



	AVG 2021	I	II	III	IV	AVG 2022	I	II	III	IV	AVG 2023	I	II	AVG 2024
GDP	5.8%	-2.0%	-0.6%	2.7%	2.6%	0.7%	2.2%	2.1%	4.9%	3.4%	3.2%	1.4%	2.8%	2.1%
Personal Spending	7.3%	0.0%	2.0%	1.6%	1.2%	1.2%	3.8%	0.8%	3.1%	3.3%	2.8%	1.5%	2.3%	1.9%
Domestic Investment	9.5%	6.2%	-10.6%	-7.6%	3.4%	-2.2%	-9.0%	5.2%	10.0%	0.7%	1.7%	4.4%	8.4%	6.4%
Net Exports	8.6%	-19.3%	6.5%	21.0%	0.8%	2.3%	5.5%	-1.7%	1.2%	2.9%	2.0%	-4.5%	-4.9%	-4.7%
- Exports	6.9%	-4.6%	10.6%	16.2%	-3.5%	4.7%	6.8%	-9.3%	5.4%	5.1%	2.0%	1.6%	2.0%	1.8%
- Imports	10.2%	14.7%	4.1%	-4.8%	-4.3%	2.4%	1.3%	-7.6%	4.2%	2.2%	0.0%	6.1%	6.9%	6.5%
Government Spending	0.6%	-2.9%	-1.9%	2.9%	5.3%	0.8%	4.8%	3.3%	5.8%	4.6%	4.6%	1.8%	3.1%	2.5%
- Federal	0.8%	-6.9%	-3.9%	1.2%	9.8%	0.0%	5.2%	1.1%	7.1%	2.4%	4.0%	-0.2%	3.9%	1.9%
: National Defense	-5.0%	-6.9%	0.9%	-0.3%	7.7%	0.4%	1.9%	2.3%	8.4%	0.5%	3.3%	-0.9%	5.2%	2.2%
: Non- defense	12.1%	-6.9%	-9.8%	3.3%	12.6%	-0.2%	9.5%	-0.4%	5.5%	4.8%	4.9%	0.6%	2.2%	1.4%
- State	0.7%	-0.4%	-0.8%	3.8%	2.8%	1.4%	4.6%	4.7%	5.0%	6.0%	5.1%	3.0%	2.6%	2.8%

GROSS DOMESTIC PRODUCT & CU STRATEGY

(July 2024)..... In their first estimate, the Commerce Department projected second quarter economic growth increased +2.8%, compared with the previous previous quarter of 1.4% - and 3.2% for all of 2023. Consumer spending expanded a more modest +2.3%, while domestic investment increased 8.4%. Net exports declined another -4.9%, a decrease from last quarter's -4.5% and effected by a 6.9% increase in imports.

For eight consecutive quarters, the pace of government spending has exceeded consumer spending. Federal spending increased 3.9% (vs -0.2%) and state spending was up +2.6% (vs +3.0%). Federal defense-related expenditures increased +5.2% (vs -0.9%) while nondefense spending was up +2.2% (vs +3.0%).

For 2024, growth was up 2.1% with consumer spending up 1.9% but government spending up 2.5%. This strongly suggests that the sizeable government injection had a significant contribution to 2023 and 024 growth metrics. It included 8th consecutive quarters that reflected growth in government spending exceeded consumer spending. This has the tendency of overstating the pace on underlying economic growth.

Strategically ... The level of consumer spending - two-thirds of the nation's gross domestic product - remains very volatile, and with elevated inflation - although lower - continues to be trending below levels needed to sustain the type of recovery needed without elevating inflation. The current environment continues to reflect a dilution in consumers' purchasing power. Lastly, the injection of government spending is