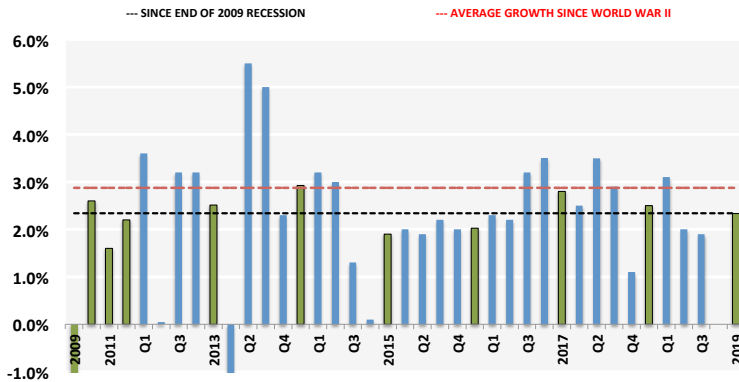


## GROSS DOMESTIC PRODUCT

MERIDIAN ECONOMICS  
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### PERSONAL CONSUMPTION



	ANNUAL GROWTH			2017				2018				2019		
	2017	2018	2019	I	II	III	IV	I	II	III	IV	I	II	III
<b>GDP</b>	<b>2.4%</b>	<b>2.9%</b>	<b>2.6%</b>	<b>2.3%</b>	<b>2.2%</b>	<b>3.2%</b>	<b>3.5%</b>	<b>2.5%</b>	<b>3.5%</b>	<b>2.9%</b>	<b>1.1%</b>	<b>3.1%</b>	<b>2.0%</b>	<b>1.9%</b>
Personal Spending	2.6%	3.0%	2.9%	2.4%	2.4%	2.4%	4.6%	1.7%	4.0%	3.5%	1.4%	1.1%	4.7%	2.9%
Domestic Investment	4.4%	5.1%	-0.1%	3.4%	3.6%	7.4%	4.7%	6.2%	-1.8%	13.7%	3.0%	6.2%	-6.3%	-1.5%
Net Exports	-1.2%	-1.4%	-0.1%	2.0%	-1.9%	3.1%	-3.9%	0.2%	5.5%	-14.8%	-2.0%	5.6%	-5.7%	-0.5%
- Exports	3.5%	3.0%	-0.8%	6.1%	1.6%	4.4%	10.1%	0.8%	5.8%	-6.2%	1.5%	4.1%	-5.7%	0.7%
- Imports	4.7%	4.4%	-0.8%	4.1%	3.5%	1.3%	14.0%	0.6%	0.3%	8.6%	3.5%	-1.5%	0.0%	1.2%
Government Spending	0.7%	1.7%	3.9%	-0.2%	1.4%	-0.1%	2.4%	1.9%	2.6%	2.1%	-0.4%	2.9%	4.8%	2.0%
- Federal	0.8%	2.9%	5.3%	-1.2%	3.3%	0.1%	4.6%	2.8%	3.9%	2.9%	1.1%	2.2%	8.3%	3.4%
: National Defense	0.7%	3.3%	5.5%	-1.9%	6.8%	-1.6%	4.5%	0.6%	7.5%	3.0%	5.2%	7.7%	3.3%	2.2%
: Non- defense	0.8%	2.4%	5.4%	-0.2%	-1.6%	2.6%	4.8%	6.0%	-1.0%	2.8%	-4.5%	-5.4%	16.1%	5.2%
- State	0.6%	1.0%	3.0%	0.3%	0.3%	-0.2%	1.1%	1.4%	1.8%	1.6%	-1.2%	3.3%	2.7%	1.1%

GROSS DOMESTIC PRODUCT & CU STRATEGY

**(October 2019).....** In their first estimate, the Commerce Department projects second quarter economic growth at 1.9 percent, compared with second quarter growth of 2.0 percent and first quarter of 3.1 percent. Consumer spending expanded by 2.9 percent while domestic investment decreased 1.5 percent. Net exports decreased 0.5 percent.

Government spending increased 2.0 percent with federal spending up 3.4 percent and state spending increased 1.1 percent. Federal defense-related expenditures were up 2.2 percent while nondefense spending rose 5.2 percent.

Growth was comparable to previous third-quarter growth rates. Since the end of the 2008-09 recession, economic growth has averaged 2.3 percent over a historic 10-year recovery period. This compares with the average growth rate of 2.9 percent over the previous 9 recessions since World War II.

**Strategically ...** With continued upticks in household net worth and improved consumer sentiment, Federal Reserve policy-makers should continue to pursue a monetary policy that lowers their overnight rate benchmark to return the yield curve from its current inverted nature to a more standard shape - something that the market is prepared to due even in FOMC absence.