

THIS PIG NEEDS LIPSTICK WEB BUZZ 2008.05.05

The preliminary estimate of real GDP for the first quarter of 2008 came in at a positive 0.6%, the same as the most recent estimate for the fourth quarter of 2007. Back to back, these are the slowest quarters since the 1990-91 recession. In our opinion, these are probably the best we will see for some time to come.

The bright spot in the report was the increase in exports, which have been helped by the weaker dollar. On the other hand, the weak dollar is probably responsible for higher oil prices and for sure making U.S. asset purchases by foreigners inexpensive. For those with Euros, our assets come at a 30% discount or so. America is selling on the cheap.

By and large, everything else looks glum. There is no question but what the domestic economy is in recession. Wall Street will put lipstick on this pig, but we ain't puckerin' up, friends!

Line		2007 I	2007 II	2007 III	2007 IV	2008 I
1	Gross domestic product	11,412.6	11,520.1	11,658.9	11,675.7	11,693.1
2	Personal consumption expenditures	8,215.7	8,244.3	8,302.2	8,349.1	8,369.1
3	Durable goods	1,223.2	1,228.4	1,241.9	1,248.1	1,228.7
4	Nondurable goods	2,386.6	2,383.8	2,396.8	2,404.2	2,396.3
5	Services	4,630.7	4,656.7	4,689.5	4,722.4	4,762.2
6	Gross private domestic investment	1,816.9	1,837.4	1,859.9	1,787.7	1,766.6
7	Fixed investment	1,815.2	1,829.3	1,826.0	1,807.5	1,761.9
8	Nonresidential	1,321.7	1,356.6	1,387.3	1,407.8	1,398.8
9	Structures	282.6	299.5	311.1	320.3	315.2
10	Equipment and software	1,045.3	1,057.4	1,073.5	1,081.7	1,079.8
11	Residential	506.3	490.7	463.3	430.9	398.8
12	Change in private inventories	0.1	5.8	30.6	-18.3	1.8
13	Net exports of goods and services	-612.1	-573.9	-533.1	-503.2	-495.9
14	Exports	1,354.7	1,379.5	1,441.2	1,464.1	1,483.8
15	Goods	957.6	973.1	1,031.4	1,041.2	1,054.5
16	Services	397.2	406.4	410.4	423.4	429.7
17	Imports	1,966.8	1,953.4	1,974.3	1,967.3	1,979.7
18	Goods	1,675.6	1,663.4	1,683.2	1,671.9	1,681.8
19	Services	293.1	291.9	293.1	297.1	299.6
20	Government consumption expenditures and gross investment	1,994.7	2,014.8	2,033.6	2,043.4	2,053.5
21	Federal	740.2	751.0	764.0	765.0	773.7
22	National defense	491.6	501.7	513.9	513.2	520.7
23	Nondefense	248.4	248.9	249.6	251.4	252.5
24	State and local	1,254.2	1,263.5	1,269.6	1,278.3	1,280.1
25	Residual	-42.5	-40.5	-46.4	-52.1	-45.8

Adapted from Bureau of Economic Analysis Web Site bea.gov