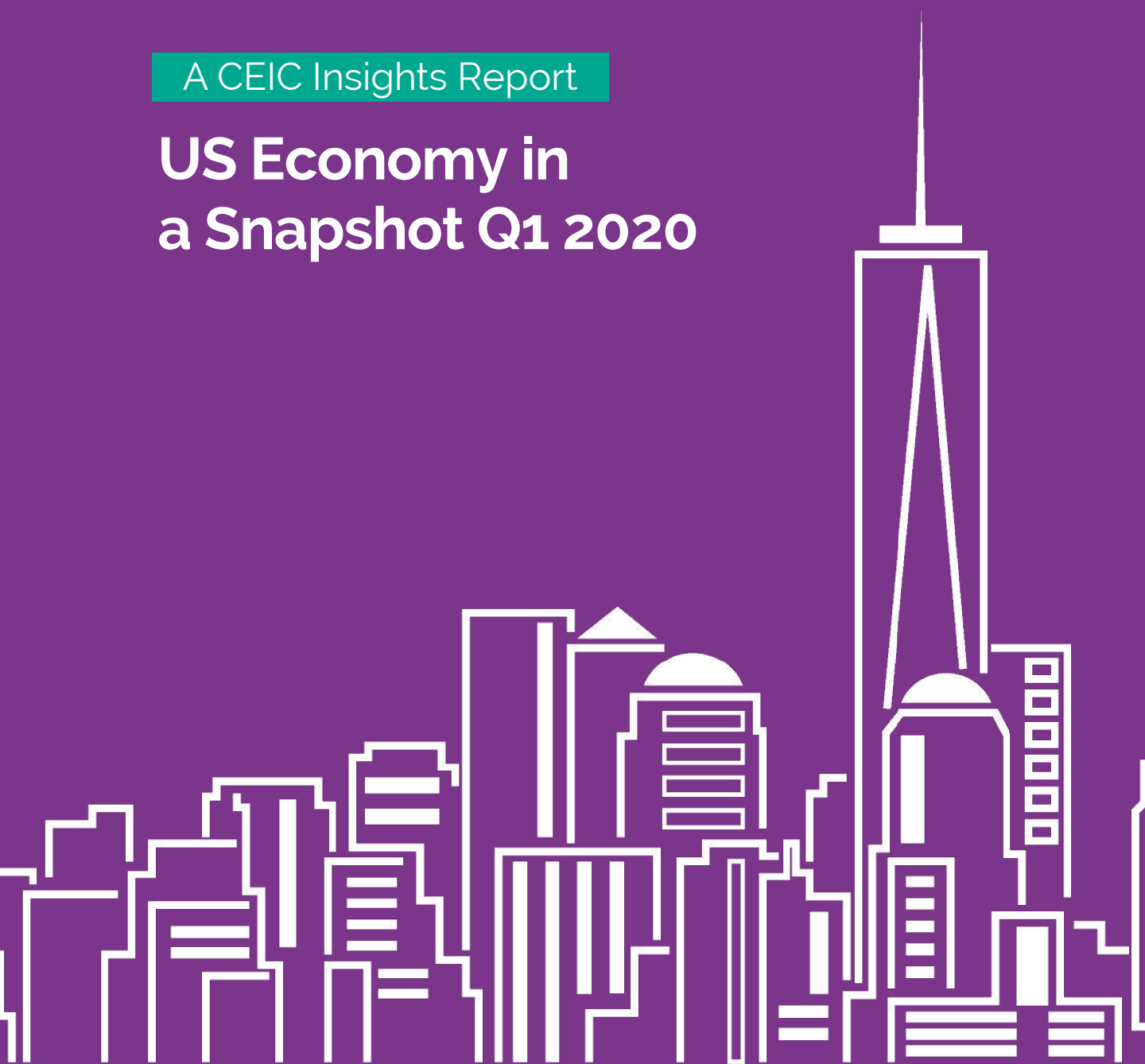




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# US Economy in a Snapshot Q1 2020



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# Executive Summary



## Key Highlights

- Real GDP expanded by a moderate annualized 2.1% q/q in the fourth quarter of 2019, the same rate as in Q3 and generally matching expectations.
- In March 2020, the Federal Open Market Committee opted for an emergency interest rate cut by 50 bp as a measure to counter the expected negative impact of the Covid-19 outbreak.
- The US federal government budget posted a deficit in all three months of Q4. The total Q4 federal deficit stood at USD 356.6bn, and was higher than the Q3 deficit of USD 237.3bn.
- The total trade deficit in Q4 2019 decreased by 12.9% compared to Q3 and stood at USD 205.8bn, due to both an increase in exports and a drop in imports.

## Economic Outlook

The US economy continued to grow further in Q4 2019, which prompted some experts to predict that the expansion would continue into Q1 2020, although this prediction remains largely dependent on the COVID-19 outbreak and its consequences on the global economy.

The CEIC Leading Indicator supports the case for continued expansion. The indicator, which is designed to predict the turning points of the business cycle, apparently bottomed out in July at 93.58, seasonally adjusted, and kept increasing to 96.04 in December 2019 and to 97.06 in January 2020.

The trade war with China continues to take its toll but the growth differential with the rest of the developed world remains evident. Despite the record low yields, investors still prefer USD-denominated debt to the negative yields in most other developed markets. The treasury yield curve remains relatively flat, with temporary inversions at the short end, a phenomenon claimed to precede recession. The 30-year treasury yield was 2.05% as of February 7, 2020. Yields are likely to remain close to these levels, providing evidence for the continued trust of investors in the economy's ability to service its debt.

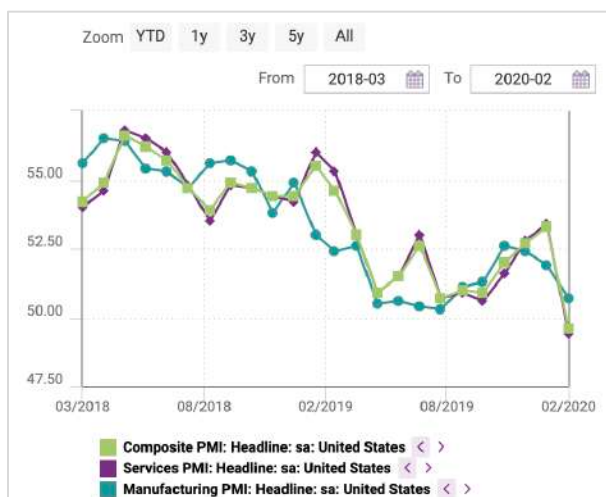
The Fed projects a lower median growth rate of 2% for 2020. The IMF also lowered its expectations, with annual GDP growth rate projected at 2.6% in 2019, backed by steady internal consumption and fixed investment, though at lower levels compared to 2018. Private consumption is forecast to grow by about 2% in 2020, while government consumption is expected to grow by 1.2%. Gross investment is projected to remain at levels close to 20%-22% as a share of GDP in 2020. Unemployment bottomed out at the end of Q4 2019 and is likely to remain close to these levels further into 2020. Inflation was slightly higher in Q4 compared to Q3 and is expected to be slightly above 2% in Q1 2020 and remain around the 2% target level after that. The US dollar remained strong in Q4 2019 and will probably continue to be so further into 2020.

Risks to the forecast remain mainly geopolitical. Despite some positive developments regarding the US-China trade war, the final outcome seems uncertain. China has demanded a rollback of USD 350bn in US tariffs and the US response would be decisive with respect to global growth. Furthermore, China insists on some concessions regarding its agricultural goods imports, arising from its difficulties to cope with the coronavirus. Despite the lack of positive developments regarding US-China trade negotiations, stock markets have been driven by strong manufacturing production in Q4 and they generally continued their rally into Q1 2020. Further macroeconomic and stock market developments remain strongly dependent on the trade negotiations, manufacturing activity and the COVID-19 outbreak.

### CEIC Leading Indicator (Long-term Trend=100)



### Purchasing Managers' Index



### Recession Probability



Source: CEIC Data

## Summary

**Real gross domestic product (GDP)** expanded by a moderate annualized 2.1% q/q in Q4 2019, retaining its growth rate from Q3 and generally matching expectations. GDP growth for 2019 is 2.3%, further decelerating compared to the previous two years. **Industrial production** continued to underperform, with the corresponding index (IPI) posting declines in each month of the fourth quarter.

The **consumer price index (CPI)** increased in Q4 and stood at 2.29% in December 2019. Core CPI, a less volatile measure of inflation, decelerated slightly to 2.3% y/y from 2.36% y/y in Q3 2019. The **producer price index (PPI)**, which is an early indicator of inflation, decelerated as well to 1.16% y/y on average in Q4 from 1.5% y/y in Q3.

Fed has kept the **fed funds rate** unchanged in Q4 at 1.5%-1.75%, after the three cuts in July, September and October, by 25 bp each. However, in March 2020, the Federal Open Market Committee undertook an emergency rate cut by 50 bp due to the expected negative impact of the novel coronavirus (Covid-19).

The US federal government budget posted a deficit in all three months of Q4. The total Q4 **federal deficit** stood at USD 356.6bn, and was higher than the Q3 deficit of USD 237.3bn. The US government continued to borrow heavily from the public in Q4, with US federal debt standing at USD 23.2tn as of the end of December 2019, up 5.6% y/y. Proceeds from public borrowings went mainly to increase operating cash and reduce other borrowings. New borrowing could be reasonable amid the continuing beneficial borrowing environment.

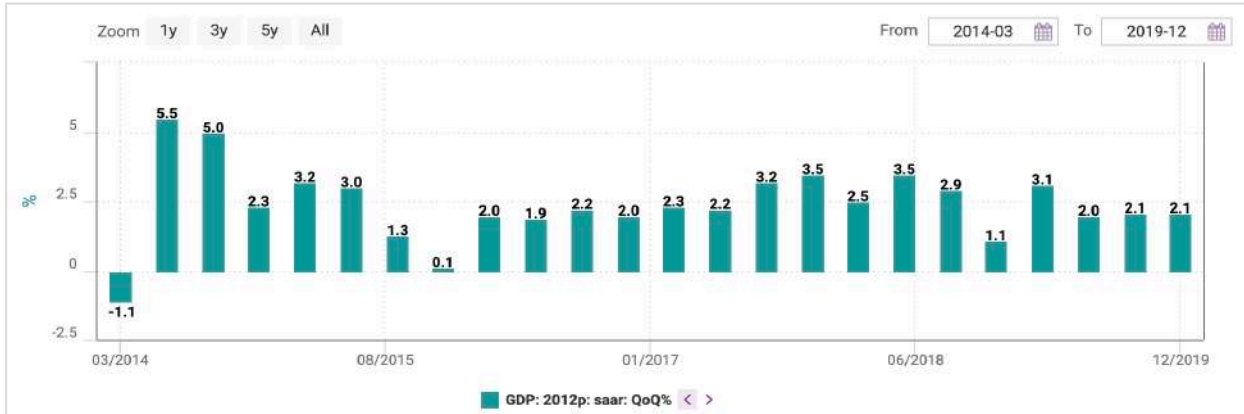
The total **trade deficit** in Q4 2019 decreased by 12.9% compared to Q3 and stood at USD 205.8bn, due to both an increase in exports and a drop in imports. The main trading partners remain China, Germany, the UK, Japan and neighbouring Mexico and Canada, all running relatively large surpluses in mutual trade with the US, with the exception of the UK, which recorded a deficit in Q4.

## US Economy: Statistics at a Glance

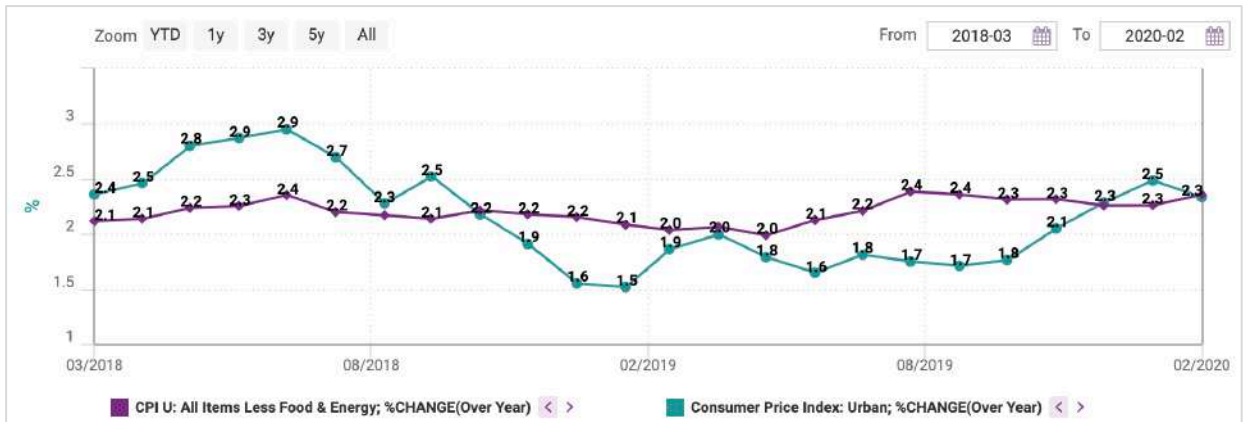
	Unit	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Real GDP: YoY: sa	%			2.33			2.07
Industrial Production Index: YoY	%		-1.00	-0.74	-0.54	-0.89	-0.19
House Prices: YoY	%			5.33			5.54
Consolidated Fiscal Balance: % of Nominal GDP	%			-4.77			-4.64
Government Debt: USD mn	USD mn			23,201,380			22,719,402
Unemployment Rate: sa	%	3.50	3.60	3.50	3.50	3.60	3.50
Monthly Earnings: USD: sa	USD	3,924	3,901	3,892	3,888	3,886	3,875
Employed Persons: sa	Person			158,803,000			158,298,000
Retail Sales: Value: YoY: sa	%		4.05	6.03	2.41	2.60	3.63
Motor Vehicles Sales	Unit	1,390,199	1,167,551	1,561,630	1,438,444	1,380,174	1,315,678
Consumer Price Index: YoY	%	2.33	2.49	2.29	2.05	1.76	1.71
Producer Price Index: YoY	%	1.28	2.06	1.28	1.11	1.02	1.46
Total Exports: YoY	%		-0.38	1.33	-1.94	-3.20	-3.36
Total Imports: YoY	%		-4.01	-2.30	-6.85	-7.16	-2.31
Current Account Balance: % of Nominal GDP	%						-2.65
Foreign Direct Investment: USD mn	USD mn						41,716
Direct Investment Abroad: USD mn	USD mn						45,464
Foreign Portfolio Investment: USD mn	USD mn						86,479
M2: YoY	%	7.42	6.99	6.76	7.12	6.47	5.58
Total Deposits: YoY	%	6.92	6.66	6.54	7.09	6.15	5.67
Total Loans: YoY	%	4.22	4.22	4.70	4.99	5.01	5.10
Household Debt: USD mn	USD mn			14,145,000			13,952,000
Policy Rate: Month End: Effective Federal Funds Rate	% pa	1.58	1.59	1.55	1.56	1.58	1.90
Electricity Generation	GWh			337,253	316,855	321,922	359,301

Source: CEIC Data

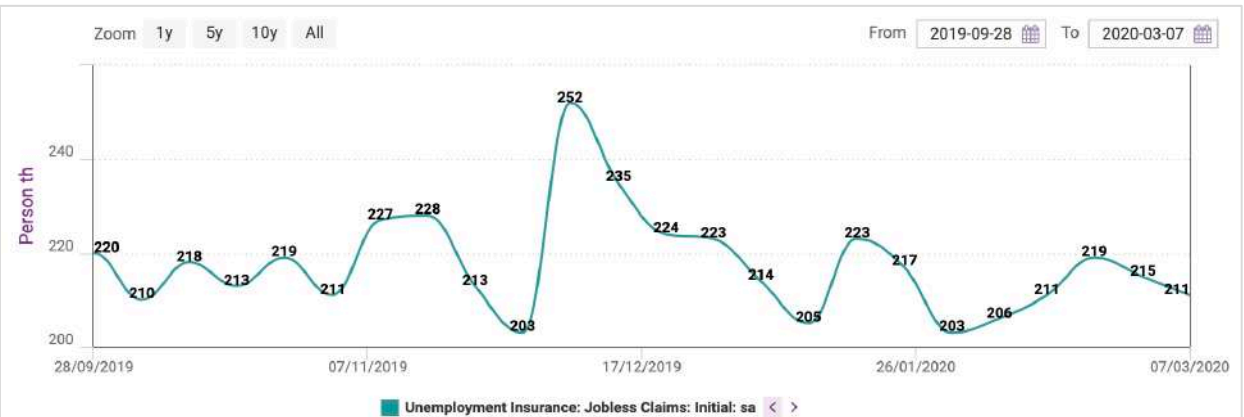
### Real GDP Growth: QoQ



### Headline & Core Inflation



### Initial Jobless Claims



Source: CEIC Data



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# Real Sector





## Real Sector

Real GDP expanded by a moderate annualized 2.1% q/q in the fourth quarter of 2019, the same rate as in Q3 and generally matching expectations. The full-2019 growth is 2.3%, further decelerating compared to the previous two years. The subdued performance justified the Fed's decision to put rates on hold in the last quarter of 2019. However, the Fed undertook an emergency rate cut in March 2020, due to the evolving risks, the coronavirus poses to economic activity.

Gross private domestic investment was the single component with negative contribution to quarterly growth (-1.08% q/q annualized). On the other hand, net exports provided a boost with 1.48% q/q annualized contribution to growth, in contrast to the previous quarter when they were actually a drag on the growth rate. Personal consumption expenditure, which accounts for 67.3% of the GDP, contributed a modest 1.2% to quarterly growth, which is only half of the figure reported in Q3 2019.

Private fixed asset investment, 77.8% of which are non-residential, emerged from negative territory and posted a small increase of 0.06% q/q annualized in Q4 2019. Residential investments growth continued its acceleration to 5.77% q/q in Q4 compared to 4.65% in the previous quarter. Non-residential investments, on the other hand, declined by 1.49% q/q annualized, which is less than in Q3 (-2.28%).

Industrial production continued to underperform, with the corresponding index (IPI) posting declines in each month of the fourth quarter. In December 2019 the IPI decreased by 0.9% y/y, while in September 2019 it slipped by a mere 0.2%. In the last month of 2019, the biggest decline of 1.6% y/y was recorded by the subgroup of consumer goods. In January 2020 the industrial production of equipment declined by 3.3%.

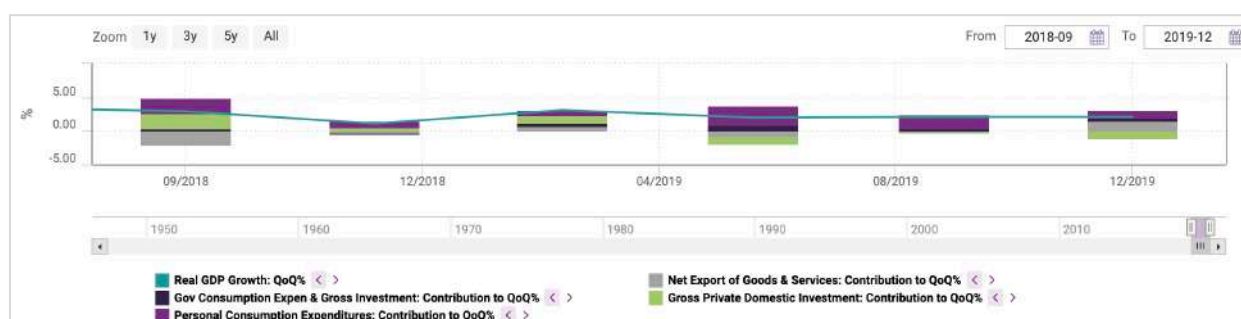
Capacity utilization rate stayed at 77.09% in December 2019, remaining almost unchanged throughout the year. The highest capacity utilization rate is in the mining sector (89.7%) and the lowest – in the electric and gas utilities sector (73.8%).

Retail sales posted notable increases in each month of Q4 2019, ending the year with a 5.44% y/y growth in December. In September 2019 the increase amounted to 3.7% y/y. This positive development in the year-end, with Thanksgiving and Christmas holidays, is reflected in the consumer sentiment index as well. It has been following an upward path since August 2019, when it was 89.8 points and in December the indicator reached 99.3 points. The positive trend continued in the first two months of 2020 too. Motor vehicle sales, however, posted a 6.45% y/y decline in December 2019, after growing by 1.14% in the previous month. In January 2020 the change remained negative (-0.6% y/y).

The housing market index, which indicates the sentiment of home builders for the current and future single-family home sales, stayed at 71 points in October and November 2019, but eventually rose to 76 points in the last month of 2019. The index, published by the National Association of Home Builders, signals positive outlook, when the figure is above 50, and negative outlook below 50 points. The index crossed this threshold in June 2013 and has stayed above it ever since. Another key indicator for the real estate market, the housing starts, grew by a significant 44.34% y/y in December, mostly due to the low base effect. In absolute terms, the housing starts averaged 109,300 units per month in Q4 2019, similar to Q3 2019 (116,130 units per month). The house price index growth stayed stable, slightly above 5% in each month of Q4 2019.

Despite its subdued growth, the US economy performs at levels close to full employment. In December 2019 the seasonally adjusted unemployment rate matched the November figure (3.5%). The US labour market remains robust and in December 2019 the newly employed Americans were 151,961 people. The average hourly earnings growth, however, has been decelerating since September 2019, when it stood at 3.34% y/y. In December 2019, the figure, which is a three-month moving average, was 3.17% y/y and in January it slipped further to 3.14% y/y.

## Real GDP, % q/q growth (Seasonally Adjusted at Annual Rates)

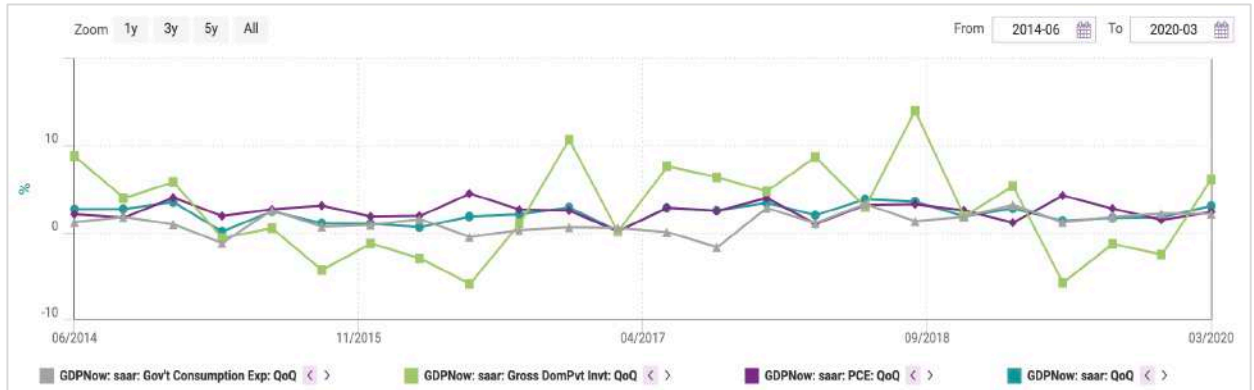


## GDP by Expenditure: saar

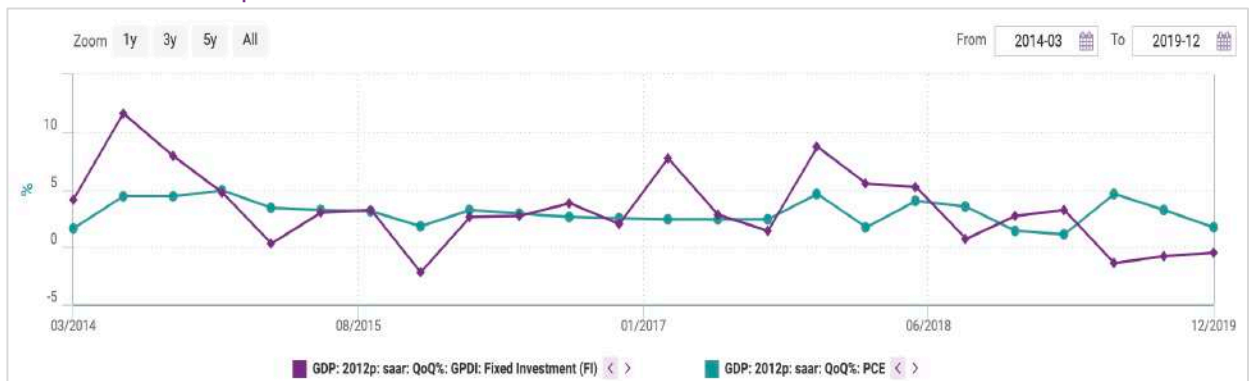
	Unit						
Gross Domestic Product: saar	USD bn	21,727	21,543	21,340	21,099	20,898	20,750
GDP: saar: Personal Consumption Expenditures	USD bn	14,789	14,678	14,511	14,266	14,212	14,115
GDP: saar: PCE: Services	USD bn	10,229	10,122	10,004	9,869	9,813	9,717
GDP: saar: PCE: Goods	USD bn	4,560	4,557	4,507	4,398	4,399	4,398
GDP: saar: Gross Private Domestic Investment (GPD)	USD bn	3,699	3,745	3,749	3,783	3,725	3,684
GDP: saar: GPD: Fixed Investment (FI)	USD bn	3,681	3,678	3,675	3,670	3,625	3,597
GDP: saar: GPD: Change in Private Inventories	USD bn	18	67	75	113	100	87
GDP: saar: Net Exports of Goods and Svcs (NE)	USD bn	-577	-653	-663	-634	-684	-671
GDP: saar: NE: Exports	USD bn	2,498	2,495	2,504	2,520	2,511	2,510
GDP: saar: NE: Imports	USD bn	3,075	3,148	3,167	3,154	3,195	3,182
GDP: saar: Govt Consumption Expenditures & Gross Inv (GCI)	USD bn	3,816	3,773	3,742	3,683	3,645	3,623
GDP: saar: GCI: Consumption Expenditures	USD bn	3,064	3,034	3,008	2,968	2,949	2,929
GDP: saar: GCI: Gross Investment	USD bn	752	739	734	715	695	694
GDP: saar: GCI: Federal	USD bn	1,452	1,432	1,415	1,395	1,372	1,359
GDP: saar: GCI: Federal: Consumption Expenditures	USD bn	1,133	1,121	1,110	1,092	1,073	1,068
GDP: saar: GCI: Federal: Gross Investment	USD bn	319	311	305	303	299	291
GDP: saar: GCI: State and Local (SL)	USD bn	2,364	2,341	2,327	2,288	2,273	2,264
GDP: saar: GCI: SL: Consumption Expenditure	USD bn	1,931	1,913	1,898	1,876	1,876	1,861

Source: CEIC Data

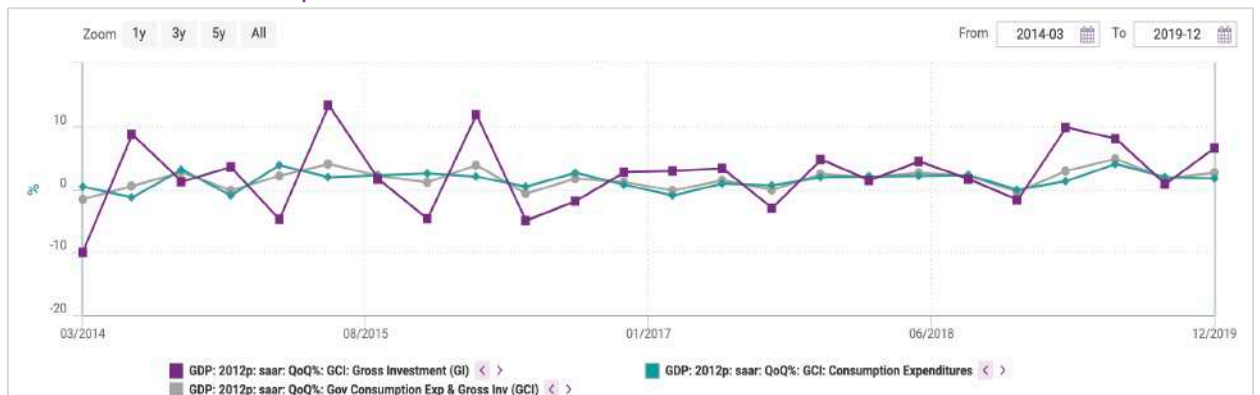
## GDPNow Forecast: QoQ Growth



## Personal Cons Expenditure & Private Domestic Fixed Investment (Real QoQ Growth)

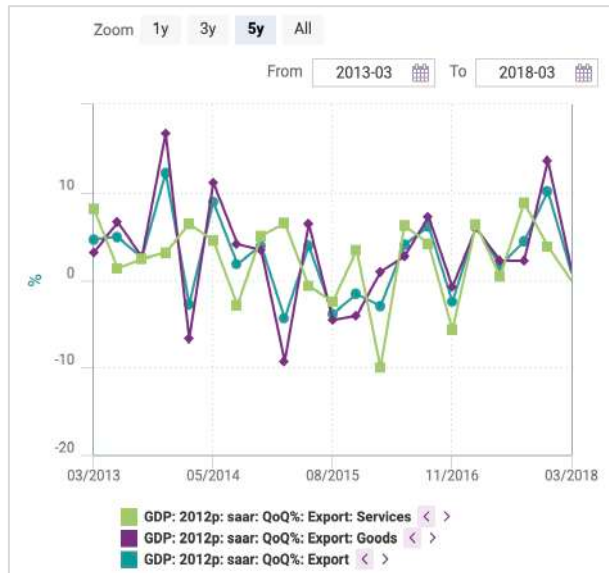


## Government Cons Expenditure & Gross Investment (Real QoQ Growth)



Source: CEIC Data

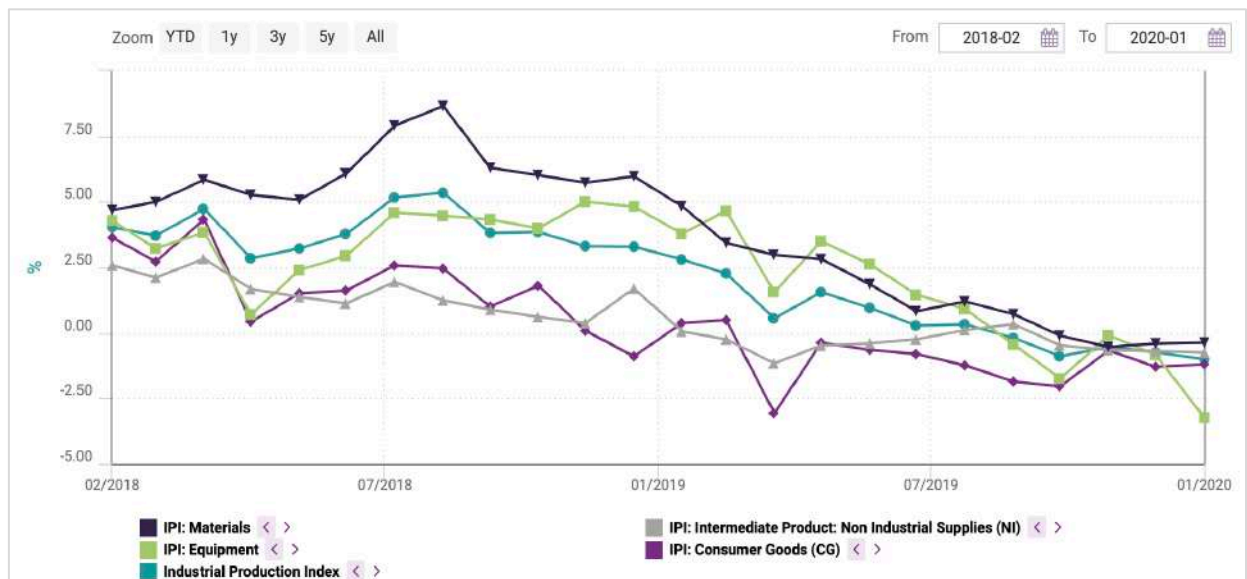
## GDP: Exports of Goods & Services (Real QoQ Growth)



## GDP: Imports of Goods & Services (Real QoQ Growth)

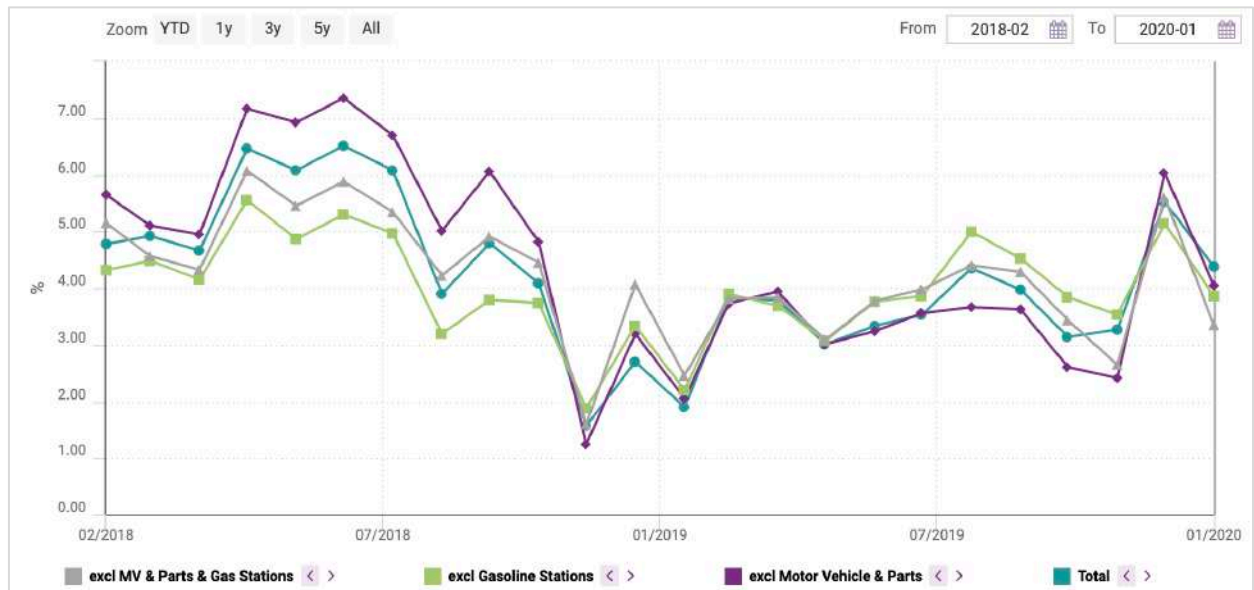


## Industrial Production Index: YoY Growth

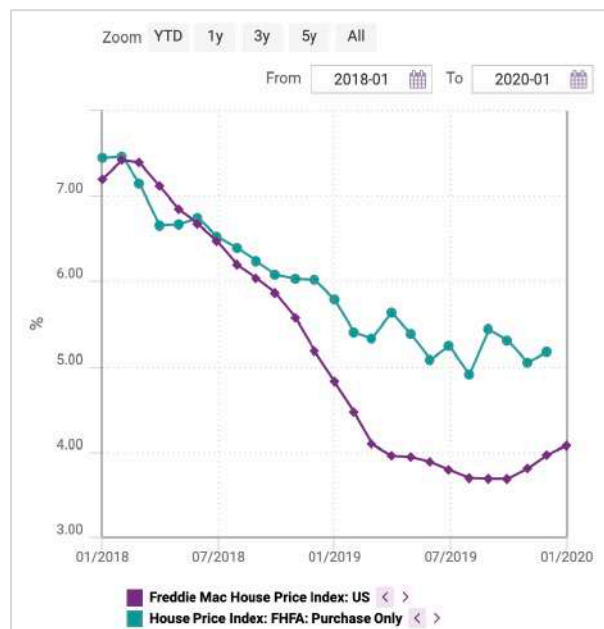


Source: CEIC Data

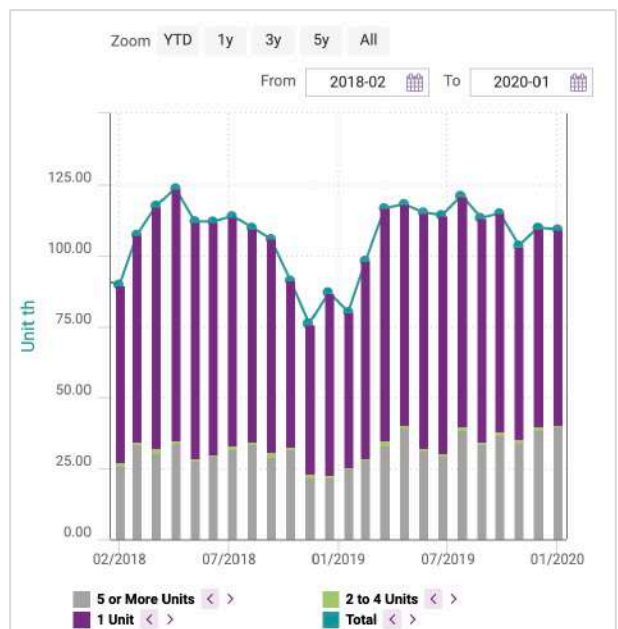
## Retail Sales: YoY Growth



## House Price Indices: YoY Growth

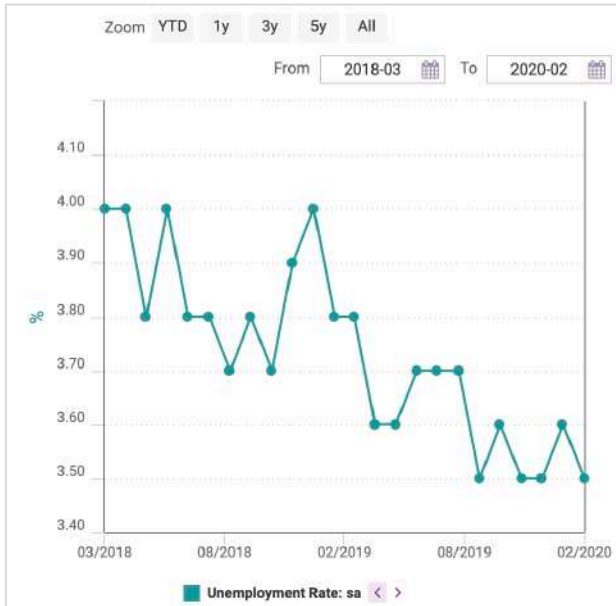


## Private Housing Units started



Source: CEIC Data

## Unemployment Rate



## Employment to Population Ratio



## Employment: Non-Farm (MoM Growth)



Source: CEIC Data





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# Monetary & Financial Sector



## Monetary & Financial Sector

Key inflation measures in Q4 2019 remained within the limits prescribed by the US neutral monetary policy. Headline inflation trended upwards in the third quarter, after reaching a temporary bottom of 1.67% in June. Inflation has generally remained around the 2% target over 2019 and the three rate cuts undertaken during the year were justified by the slowdown in growth. The CPI increased in Q4 and stood at 2.29% in December 2019. Core CPI, a less volatile measure of inflation, decelerated slightly to 2.3% y/y from 2.36% y/y in Q3 2019. The PPI, which is an early indicator of inflation, decelerated as well, to 1.16% y/y on average in Q4 from 1.5% y/y in Q3. The fed funds rate range is 1.5%-1.75% at the end of Q4 after it was cut three times in 2019, in July, September and October, each time by 25 bp. In March 2020 however, the Federal Open Market Committee opted for an emergency rate cut by 50 bp as a measure to counter the expected negative impact of the Covid-19 outbreak. According to its statement, the Committee is closely monitoring developments and their implications for the economic outlook and will use its tools and act as appropriate to support the economy.

The prime lending rate declined further in Q4 to reach a new 12-month low of 4.75% in November and stayed at the same level in December. Price indices show that inflation has remained close to the Fed's target of 2% against the background of a slowing GDP growth rate.

The US dollar has remained strong despite several minor moves down and there are no major indications to suggest an end to the positive trend. As of the end of December 2019 the EUR/USD rate was 1.12 and the dollar remained strong in the beginning of 2020 reaching 1.08 USD per EUR, which is a two-year high. The growth differential between the US economy and other leading world economies in 2018 and 2019 continues to justify the strong dollar. A trend reversal could be seen if the growth differential starts to decline, which would lead to more aggressive rate cutting than the market currently anticipates. As of February 2020 the dollar remains strong.

The monetary base increased by 7% December 2019, compared to September 2019. Total deposits stood at USD 13.3tn in December 2019, up 6.5% y/y. Throughout 2019 banks continued to reduce their cash holdings and to increase their security backed loans. This is in line with the continuing good performance of the US stock market. Commercial and industrial loans declined by 1.5% y/y in Q4 2019, whereas real estate loans were up 4% y/y and consumer loans grew by 4.1%.



The US stock market continued its rally into the fourth quarter of 2019. For the entire 2019, the S&P 500 gained 28.5%, while the Nasdaq Composite and Dow Jones were up by 36.27% and 22.01%, respectively. The stock market kept its upward momentum in January 2020 until the end of March but entered a correction in April and May, mainly affected by the growing anxiety related to the US' relations with major trading partners. Since the beginning of June 2019, however, major indices have regained momentum and they kept their momentum during Q3 again, driven by the good economic outlook and the interest rate cuts. Indices gained further in Q4 on the back of strong US growth and it is expected that the rally would continue into 2020. However, the concern is that the rally might push the markets into overvalued territory.

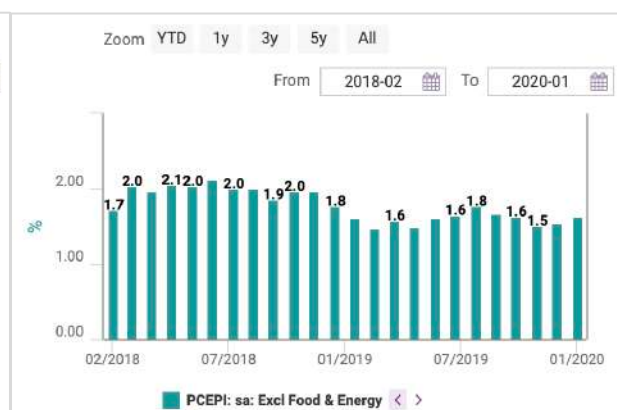
## Consumer Inflation & Fed Inflation Target



## Personal Consumption Expenditure: Price Index (YoY Growth)



## Personal Consumption Expenditure: Price Index excl Food & Energy (YoY Growth)



Source: CEIC Data

## CPI: Main Categories (YoY Growth)

	Unit	02.01.2020	01.01.2020	12.01.2019	11.01.2019	10.01.2019	09.01.2019
Consumer Price Index: Urban	%	2.33	2.49	2.29	2.05	1.76	1.71
Consumer Price Index: Urban: Food & Beverages (FB)	%	1.75	1.74	1.72	1.89	2.00	1.76
Consumer Price Index: Urban: Housing	%	2.75	2.74	2.63	2.86	2.89	3.03
Consumer Price Index: Urban: Apparel	%	-0.95	-1.28	-1.17	-1.56	-2.29	-0.34
Consumer Price Index: Urban: Transport	%	1.73	2.82	1.93	-0.08	-1.40	-1.44
Consumer Price Index: Urban: Medical Care	%	4.62	4.48	4.57	4.24	4.29	3.46
Consumer Price Index: Urban: Recreation	%	1.46	1.43	1.54	1.87	1.79	1.00
Consumer Price Index: Urban: Education & Communication (EC)	%	1.52	1.52	1.36	1.42	0.55	0.39
Consumer Price Index: Urban: Other Goods & Services (GS)	%	2.68	2.77	2.33	2.42	2.45	2.21
CPI U: All Commodities	%	1.27	1.78	1.48	0.60	-0.03	-0.03
CPI U: Energy	%	2.77	6.22	3.44	-0.59	-4.17	-4.75
CPI U: Services	%	2.96	2.90	2.75	2.91	2.84	2.75

## FED Policy Rate



Source: CEIC Data

## Key Interest Rates

	Unit	02.01.2020	01.01.2020	12.01.2019	11.01.2019	10.01.2019	09.01.2019
Policy Rate: Month End: Effective Federal Funds Rate	% pa	1.58	1.59	1.55	1.56	1.58	1.90
Effective Federal Funds Rate: Month Average	% pa	1.58	1.55	1.55	1.55	1.83	2.05
Prime Lending Rate: Month Average	% pa	4.75	4.75	4.75	4.75	4.99	5.15
Discount Window Primary Credit: Month Average	% pa	2.25	2.25	2.25	2.25	2.49	2.65

## Money Supply M1 & M2 (YoY Growth)

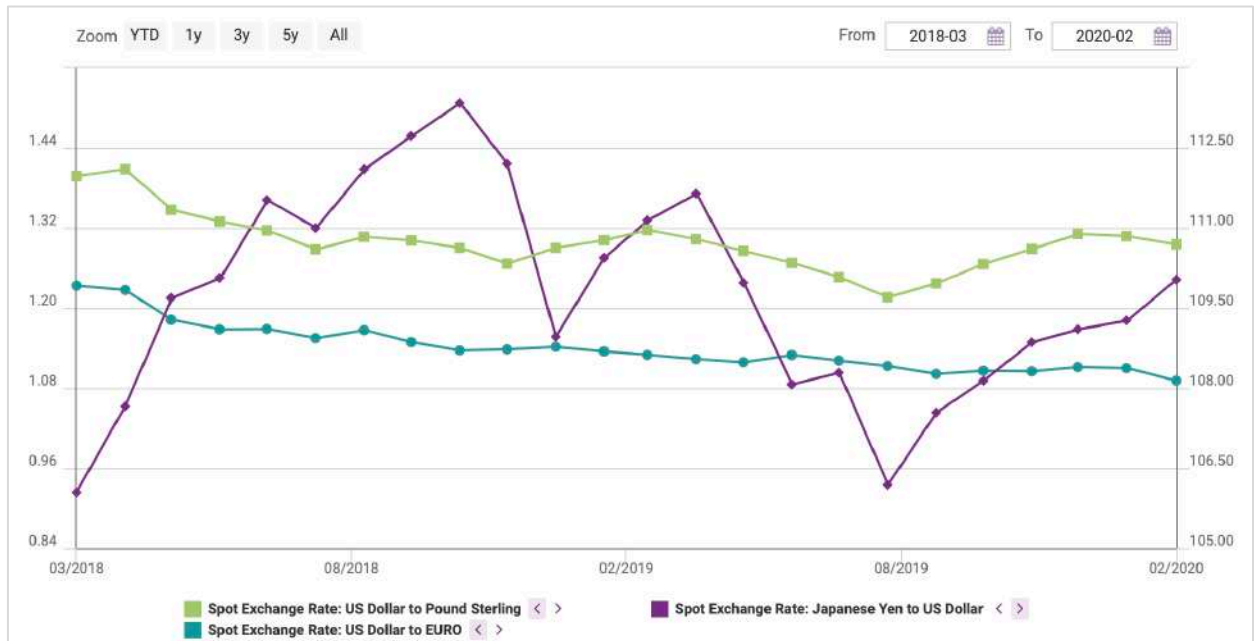


## Reserve Assets

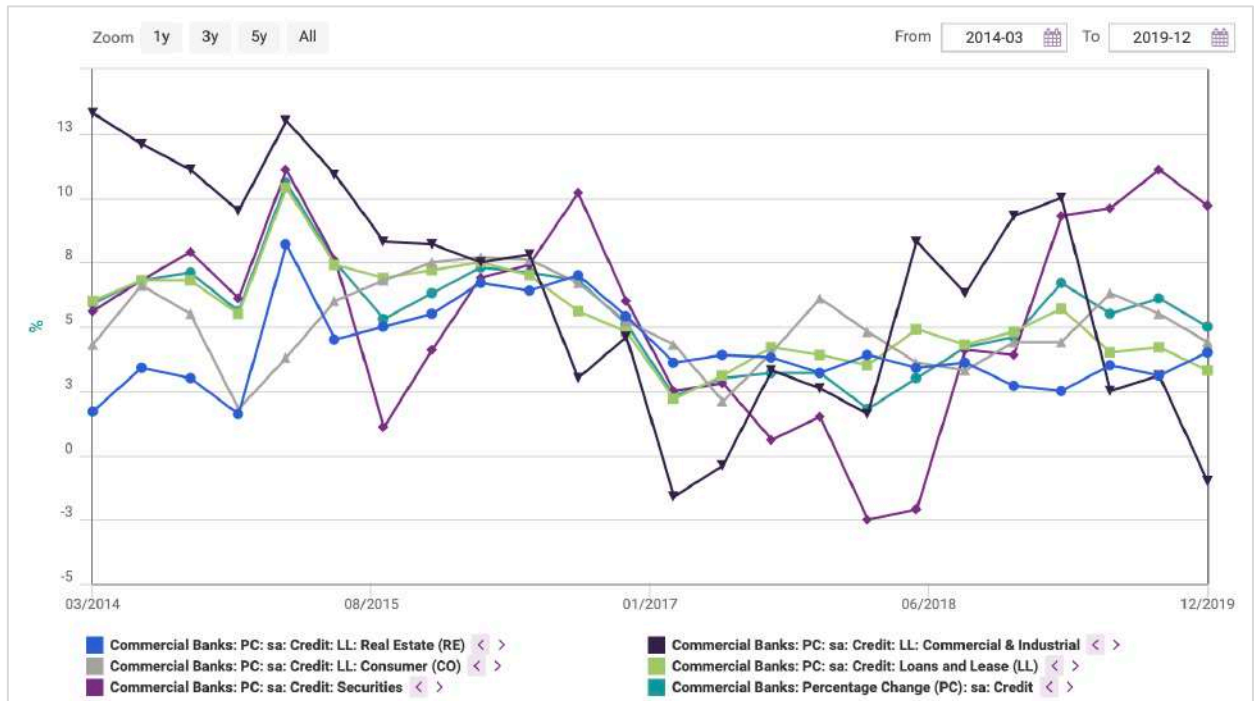
	Unit	01.01.2020	12.01.2019	11.01.2019	10.01.2019	09.01.2019	08.01.2019
Reserve Assets	USD bn	128.87	129.48	127.94	128.81	127.60	128.53
Reserve Assets: Gold Stock Include Exchange Stabilization Fund	USD bn	11.04	11.04	11.04	11.04	11.04	11.04
Reserve Assets: Special Drawing Rights at IMF	USD bn	50.53	50.75	50.39	50.57	49.98	50.16
Reserve Assets: Position in IMF	USD bn	26.05	26.15	25.55	25.72	25.63	25.90
Reserve Assets: Holdings of Convertible Foreign Currencies	USD bn	41.24	41.54	40.97	41.49	40.95	41.43

Source: CEIC Data

## Foreign Exchange Rate

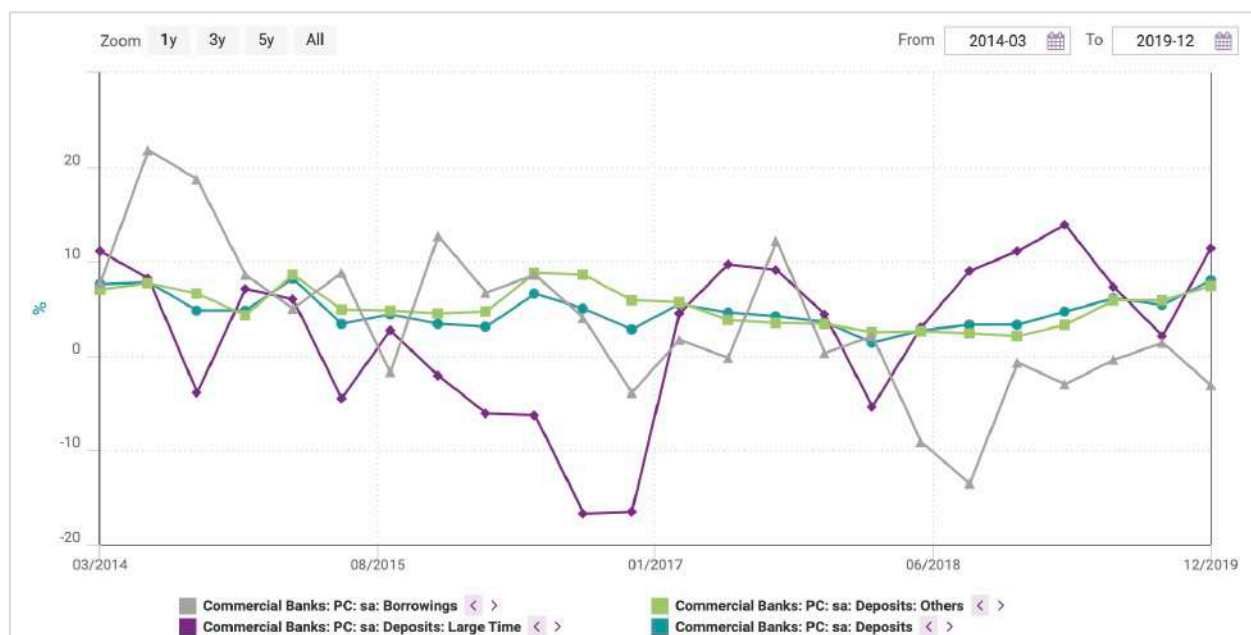


## Commercial Banks: Credit Growth (YoY)



Source: CEIC Data

## Commercial Banks: Deposits Growth (YoY)



## Household Debt

	Unit	12.01.2019	09.01.2019	06.01.2019	03.01.2019	12.01.2018	09.01.2018
Household Debt	USD bn	14,145	13,952	13,860	13,668	13,544	13,512
Household Debt: Mortgage	USD bn	9,557	9,437	9,406	9,244	9,124	9,140
Household Debt: Home Equity Revolving	USD bn	390	396	399	406	412	422
Household Debt: Auto Loan	USD bn	1,331	1,315	1,297	1,280	1,274	1,265
Household Debt: Credit Card	USD bn	927	881	868	848	870	844
Household Debt: Student Loan	USD bn	1,508	1,498	1,478	1,486	1,457	1,442
Household Debt: Other	USD bn	432	425	412	404	407	399

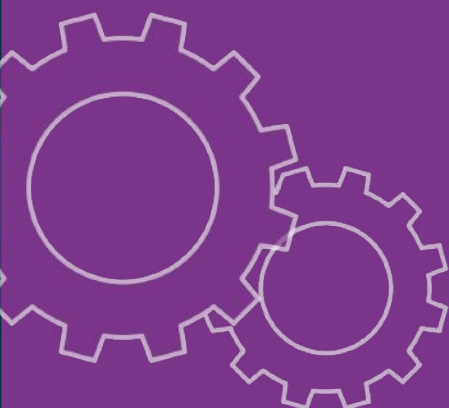
Source: CEIC Data



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# Fiscal Sector



## Fiscal Sector

The US federal government budget posted a deficit in all three months of Q4. The total Q4 federal deficit stood at USD 356.6bn, and was higher than the Q3 deficit of USD 237.3bn. The December total monthly receipts stood at USD 335.81bn, up 7.4% y/y, and the total Q4 federal budget receipts stood at USD 806.5bn, an increase of 4.6% y/y.

The y/y increase in federal receipts in the entire Q4 was mainly driven by the higher individual tax receipts (up 3.2% y/y), corporate tax receipts (up 23.2% y/y) and social insurance and retirement contributions (up 5.7%). Excise tax receipts were actually down by 30.1% y/y. Thus tax receipts increased for another quarter following the tax cuts in 2017.

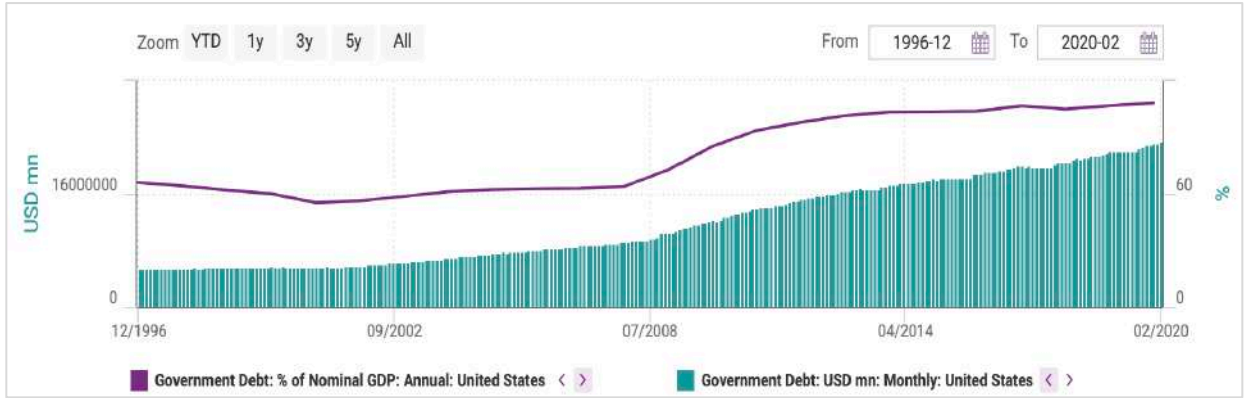
In Q4 2019 federal government outlays increased 6.7% y/y.

The US government continued to borrow heavily from the public in Q4, with US federal debt standing at USD 23.2tn as of the end of December 2019, up 5.6% y/y. Proceeds from public borrowings went mainly to increase operating cash and reduce other borrowings. New borrowing could be reasonable amid the continuing beneficial borrowing environment.

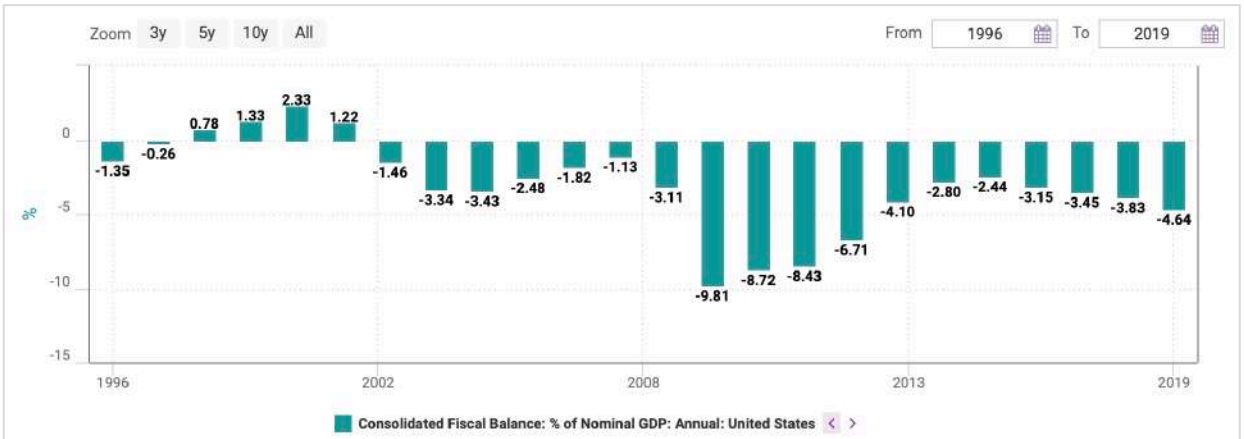
Federal government debt has been gradually increasing in the last decade and 2019 was no exception. A little more than 81% of this debt has maturity longer than one year. Central government borrowing is forecast to increase US government debt by 5.61% for the entire 2020, and by an additional 4.67% in 2021. Some 74% of this debt is to be held by the public, who has not lost its interest for US debt. Considering the continuing good macroeconomic performance of the US economy and the continuing investor interest in US debt as indicated by the all-time low yields on 30-year US treasury bonds, the US level of indebtedness remains no major concern.



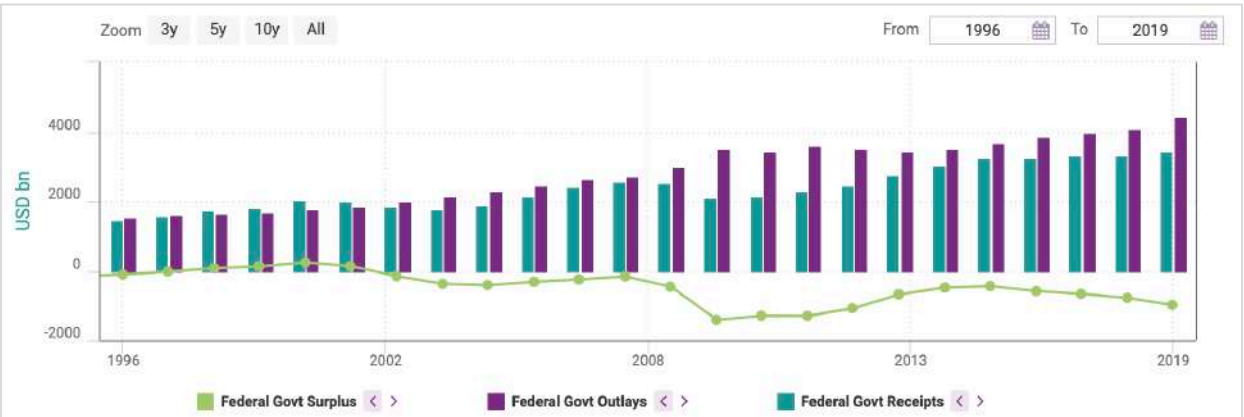
### Government Debt



### Consolidated Fiscal Balance: % of Nominal GDP



### Federal Government Budget Balance: Annual



Source: CEIC Data



## Federal Government Budget Balance: Monthly

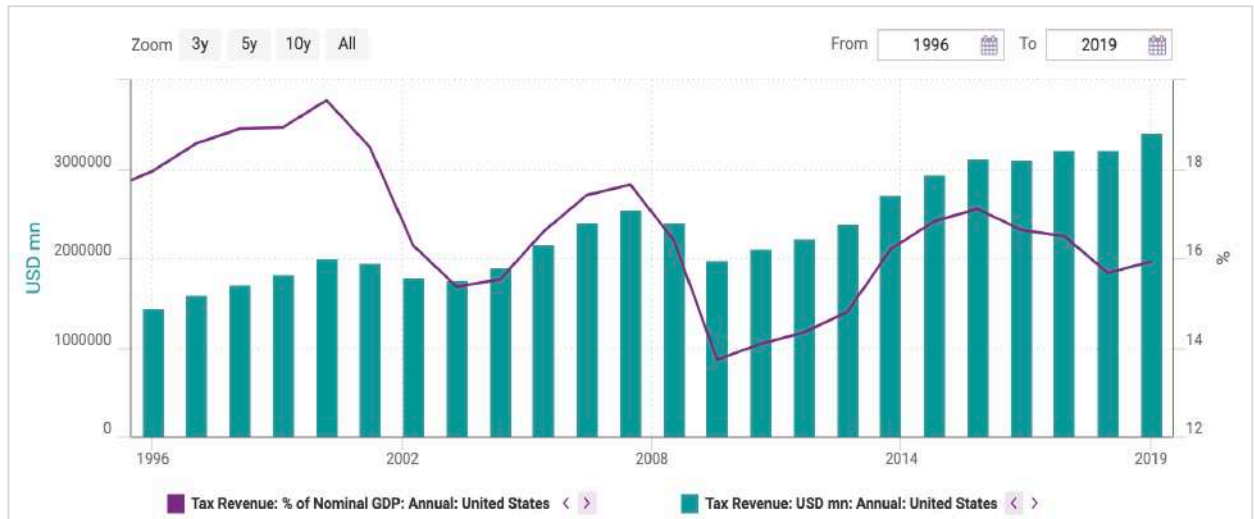


## Federal Government Budget Balance & Financing

	Unit	02.01.2020	01.01.2020	12.01.2019	11.01.2019	10.01.2019	09.01.2019
Federal Government Surplus or Deficit	USD bn	-235.34	-32.60	-13.29	-208.84	-134.47	82.77
Federal Government Surplus or Deficit: On Budget	USD bn	-222.21	-44.89	-42.39	-190.25	-119.87	91.32
Federal Government Surplus or Deficit: Off Budget	USD bn	-13.12	12.30	29.11	-18.59	-14.60	-8.55
Federal Government Financing: Borrowing from the Public	USD bn	200.12	41.90	65.77	125.46	159.84	212.62
Federal Government Financing: Reduction of Operating Cash	USD bn	46.73	-0.13	-61.24	92.32	-52.46	-249.39
Federal Government Financing: By Other Means	USD bn	-11.52	-9.17	8.74	-8.95	27.09	-45.99

Source: CEIC Data

## Tax Revenue

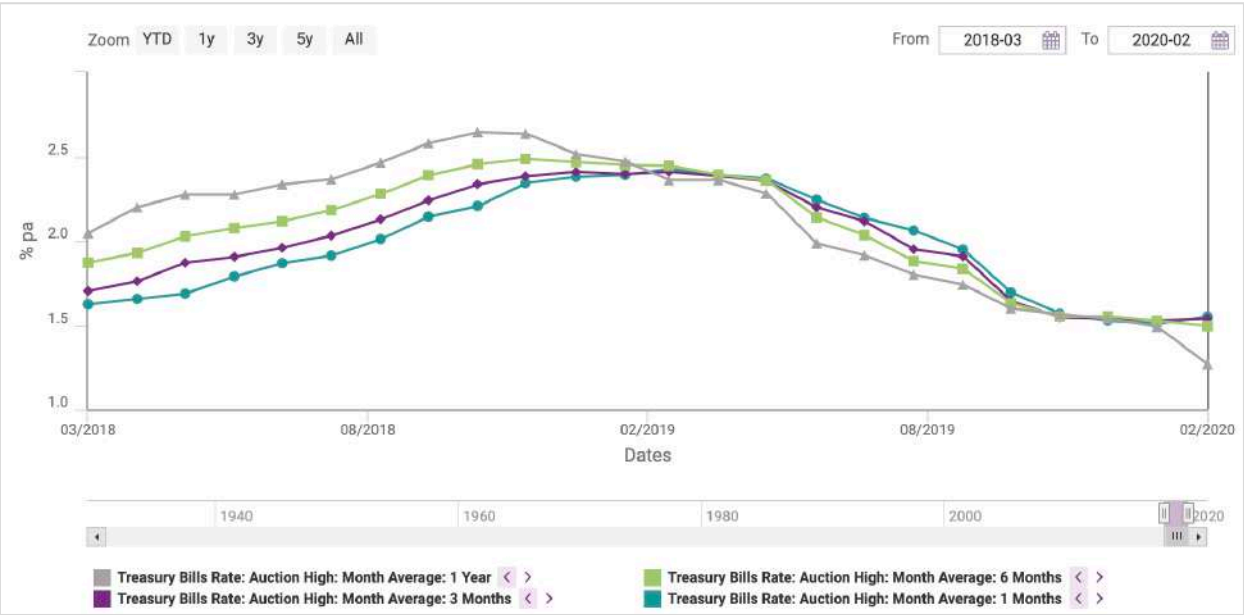


## Federal Government Receipts

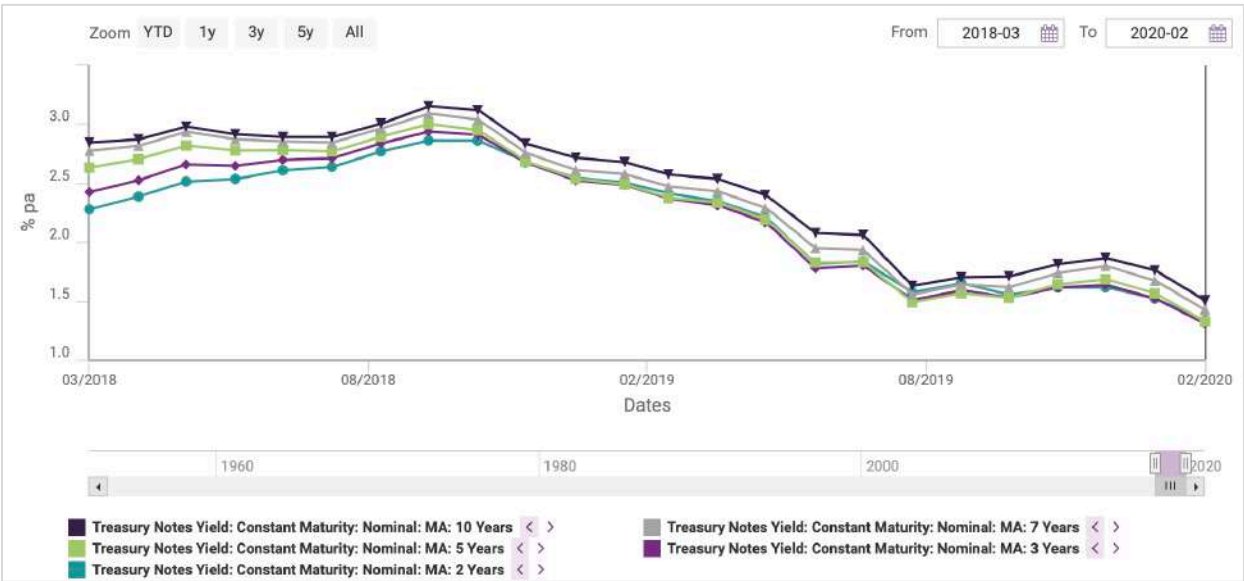
	Unit	02.01.2020	01.01.2020	12.01.2019	11.01.2019	10.01.2019	09.01.2019
Federal Government Receipts	USD bn	187.95	372.29	335.81	225.19	245.52	374.03
Federal Government Receipts: On Budget Receipts	USD bn	112.14	281.55	259.67	155.65	181.10	296.33
Federal Government Receipts: Off Budget Receipts	USD bn	75.82	90.74	76.14	69.54	64.43	77.70
Federal Govt Receipts: Individual Income Taxes	USD bn	69.63	216.66	152.71	105.76	126.39	182.97
Federal Govt Receipts: Corporation Income Taxes	USD bn	-2.04	10.49	58.31	0.53	6.57	60.32
Federal Govt Receipts: Social Insurance & Retirement (SI)	USD bn	99.92	121.05	103.10	96.74	89.82	103.63
Federal Govt Receipts: SI: Employment & General Retirement	USD bn	97.24	117.60	102.40	93.65	86.67	103.05
Federal Govt Receipts: SI: Unemployment Insurance	USD bn	2.28	3.02	0.25	2.60	2.76	0.20
Federal Govt Receipts: SI: Other Retirement	USD bn	0.40	0.42	0.45	0.49	0.39	0.39
Federal Govt Receipts: Excise Taxes	USD bn	6.69	6.31	7.02	7.51	6.04	11.99
Federal Govt Receipts: Estate and Gift Taxes	USD bn	1.58	2.36	1.70	1.24	1.69	1.20
Federal Govt Receipts: Customs Duties	USD bn	6.29	6.92	6.45	6.94	7.76	6.83
Federal Govt Receipts: Miscellaneous Receipts	USD bn	5.89	8.51	6.53	6.46	7.26	7.09

Source: CEIC Data

### Treasury Bills Rate

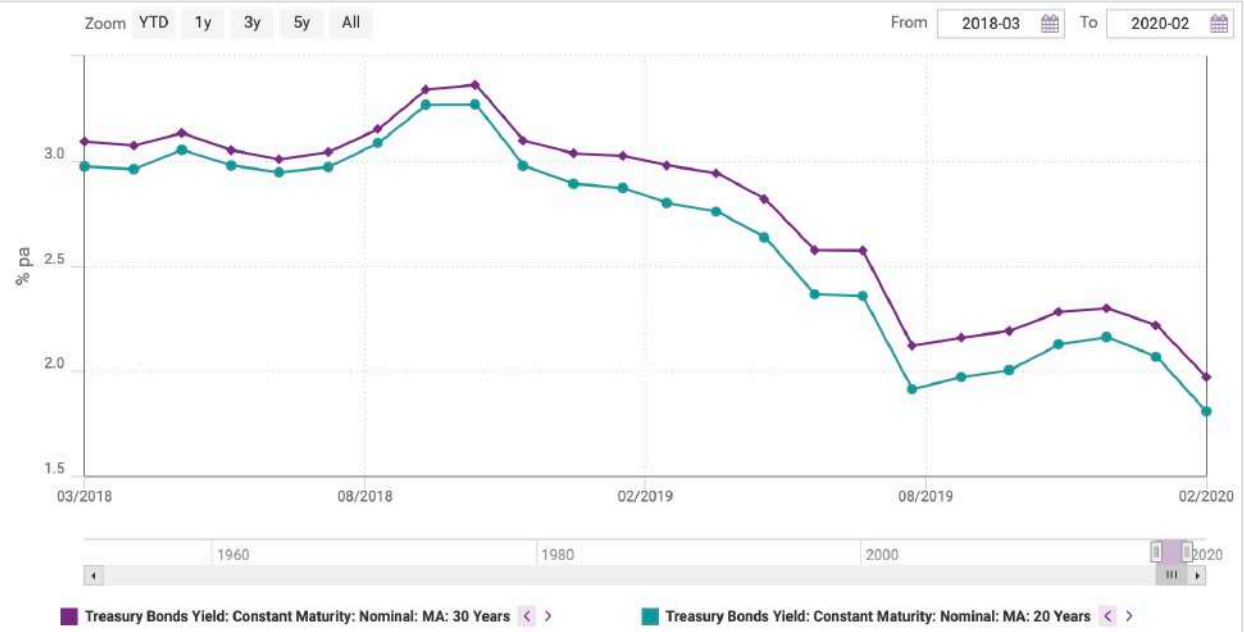


### Treasury Notes Yield

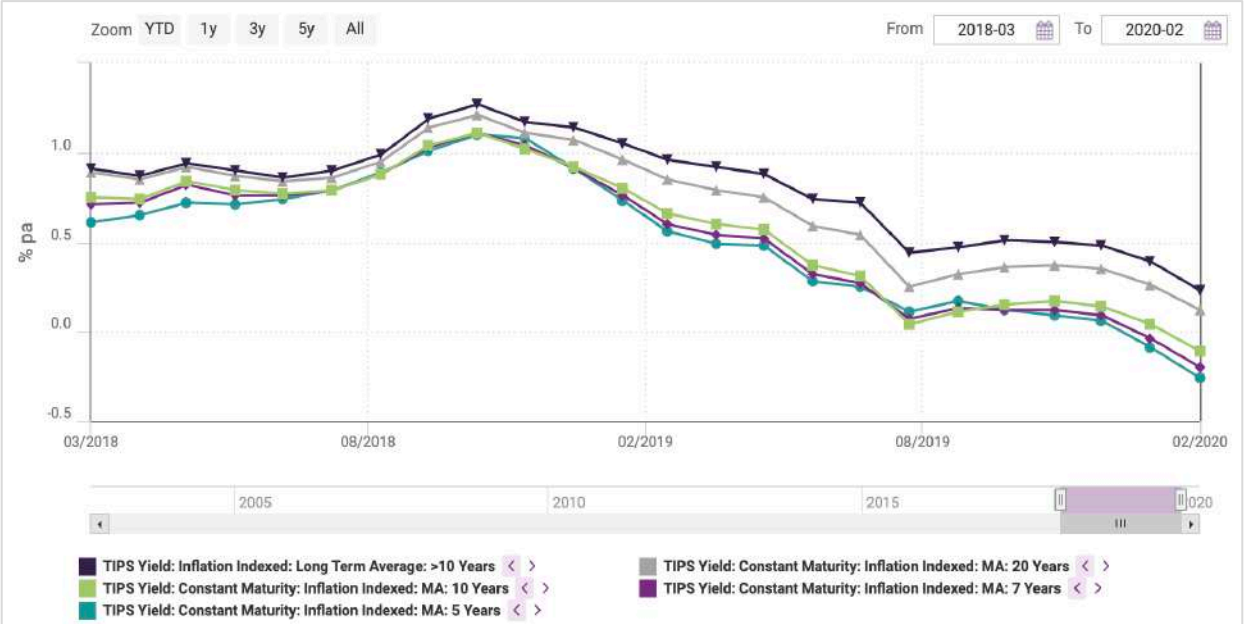


Source: CEIC Data

### Treasury Bonds Yield



### TIPS Yield



Source: CEIC Data



In, On and For Emerging Markets

US Economy in a Snapshot, Q1 2020

A CEIC Insights Report



# External Sector



## External Sector

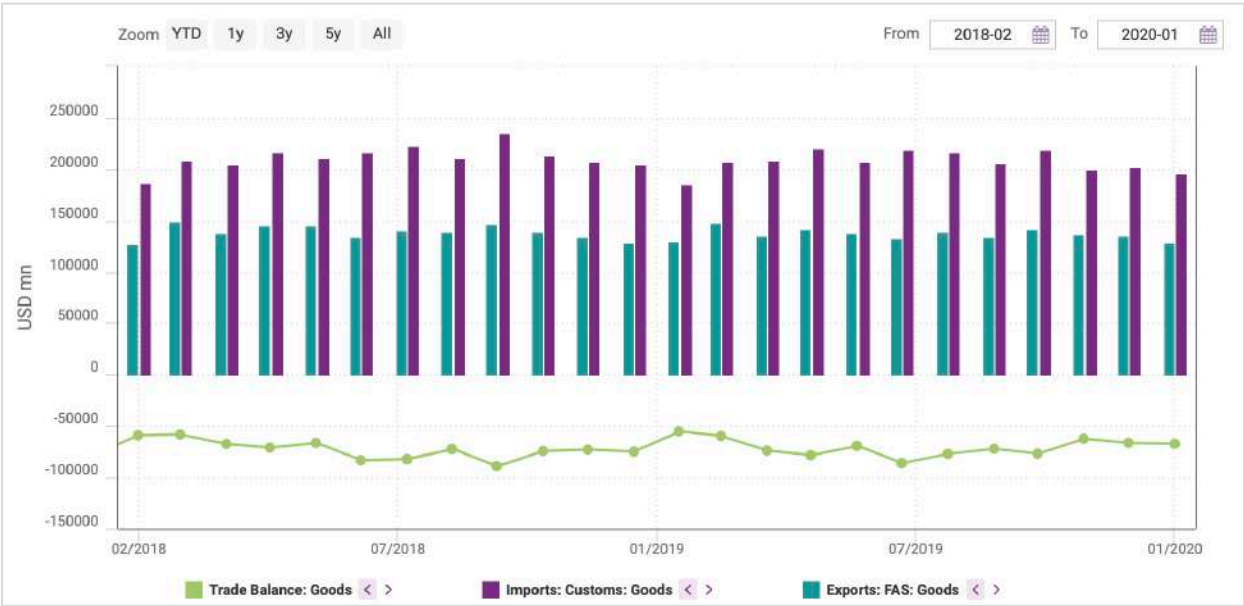
The US has been running high trade and current account deficits over the last twenty years, mainly financed through capital inflows. The total trade deficit in Q4 2019 decreased by 12.9% q/q and stood at USD 205.8bn, due to both an increase in exports and a drop in imports.

The main trading partners remain China, Germany, the UK, Japan and neighbouring Mexico and Canada, all running relatively large surpluses in mutual trade with the US, with the exception of UK which recorded a deficit in Q4. The US' largest trade partner by far is China, which is also running the largest trade surplus in mutual trade. The US deficit with China, however, dropped to USD 82.42bn in Q4 from USD 96.15bn in Q3 due to the continuing tariff trade regime and the negotiations, which followed the signing of the so-called phase one trade deal. Rolling back some of the tariffs might reverse this trend and lead to a larger US trade deficit in Q1 2020. China has also demanded some concessions on its import obligations due to economic difficulties arising from the COVID-19 outbreak, which might affect trade balance in unpredictable ways throughout 2020.

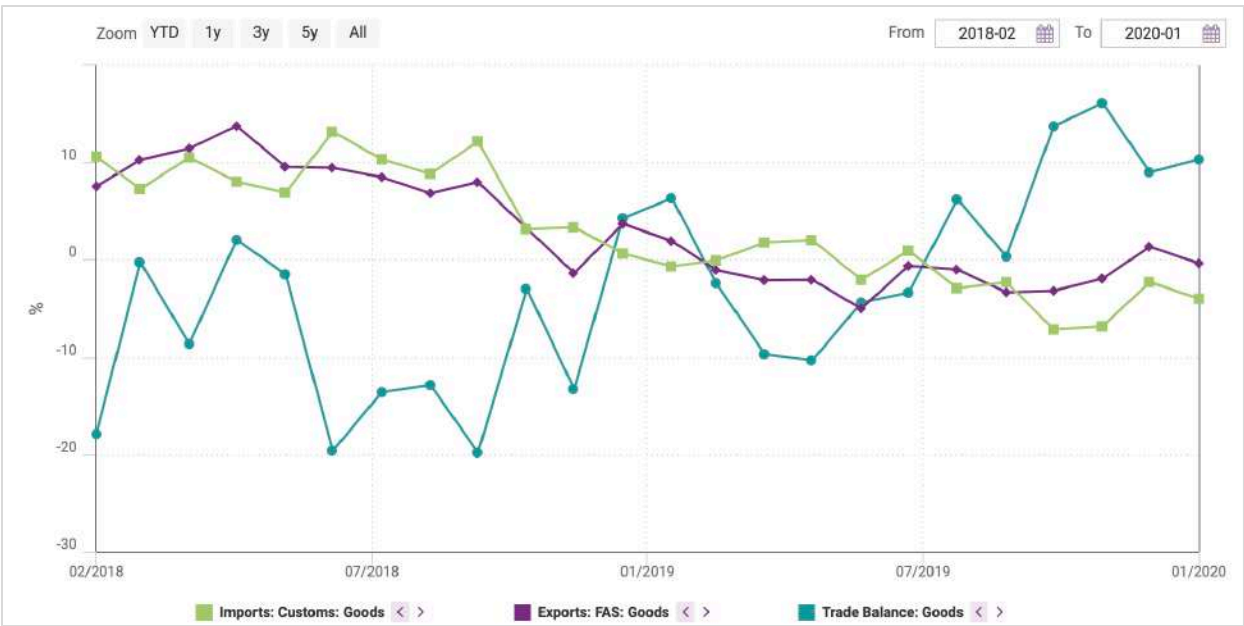
Trade deficit with Canada was USD 9.9bn in Q4 2019, up from USD 7.45bn in Q3. Trade balance with the UK actually posted a USD 1.6bn surplus in Q4. Trade deficit with Mexico remained almost unchanged at USD 25.6bn, whereas the gaps in trade with Germany and Japan narrowed significantly compared to Q3 2019. The deficit with Germany decreased to USD 16.4bn from USD 18.9bn, while the gap with Japan dropped to USD 15.3bn in Q4 from USD 17.6bn in Q3.

In terms of product categories, industrial supplies and capital goods have the largest share of US export value. In Q4 2019 industrial supplies exports increased by 5.64% y/y, while capital goods exports dropped by 3.61% y/y. In terms of imports, industrial supplies, capital goods and consumer goods imports dropped by 1.61%, 4.03% and 3.33% y/y, respectively, which led to narrowing of the overall trade deficit.

### Trade Balance



### Trade Balance: YoY Growth



Source: CEIC Data



## Exports: Main Categories

	Unit	01.01.2020	12.01.2019	11.01.2019	10.01.2019	09.01.2019	08.01.2019
Trade Balance: Goods	USD mn	-67,273	-66,371	-62,381	-76,884	-72,262	-77,123
Trade Balance: Advanced Technology Products	USD mn	-11,555	-10,132	-13,216	-15,346	-12,488	-13,373
Exports: FAS: Goods	USD mn	129,121	135,936	137,068	142,415	134,510	138,728
Exports: FAS: Goods: Foods, Feeds and Beverages	USD mn	10,700	11,277	12,311	12,137	10,170	11,207
Exports: FAS: Goods: Industrial Supplies	USD mn	44,608	45,268	43,370	45,351	43,061	44,923
Exports: FAS: Goods: Capital Goods	USD mn	41,779	46,400	45,005	47,004	44,708	44,948
Exports: FAS: Goods: Automotive Vehicles, Parts etc	USD mn	11,246	11,161	13,682	13,712	13,464	15,065
Exports: FAS: Goods: Consumer Goods	USD mn	15,730	15,149	17,217	17,835	17,531	16,406
Exports: FAS: Goods: Other Goods	USD mn	5,058	6,681	5,483	6,376	5,577	6,180
Exports: FAS: Advanced Technology Products	USD mn	27,575	32,949	29,637	31,754	30,810	29,715

## Imports: Main Categories

	Unit	01.01.2020	12.01.2019	11.01.2019	10.01.2019	09.01.2019	08.01.2019
Imports: Customs: Goods	USD mn	196,394	202,307	199,449	219,298	206,772	215,850
Imports: Customs: Goods: Foods, Feeds and Beverages	USD mn	13,165	12,513	11,847	12,858	11,865	12,242
Imports: Customs: Goods: Industrial Supplies	USD mn	42,222	42,518	38,701	42,376	40,953	44,103
Imports: Customs: Goods: Capital Goods	USD mn	52,289	56,674	55,330	59,476	55,591	58,034
Imports: Customs: Goods: Automotive Vehicles, Parts etc	USD mn	27,101	30,071	30,942	31,305	29,638	32,803
Imports: Customs: Goods: Consumer Goods	USD mn	52,220	49,946	52,981	61,522	58,283	59,338
Imports: Customs: Goods: Other Goods	USD mn	9,397	10,585	9,649	11,761	10,441	9,331
Imports: Customs: Advanced Technology Products	USD mn	39,130	43,081	42,853	47,099	43,298	43,088
Imports: Energy Related Petroleum Products	USD th	14,163,477	14,484,902	12,711,924	13,967,075	13,667,304	15,249,247
Imports: Energy Related Petroleum Products: Quantity	Barrel th	256,034	263,711	227,429	250,916	242,652	265,336
Imports: Crude Petroleum	USD th	10,359,295	10,249,822	8,637,980	9,790,302	9,863,618	10,762,426
Imports: Crude Petroleum: Unit Price	USD	52	51	52	52	53	54
Imports: Crude Petroleum: Quantity	Barrel th	198,295	199,116	166,377	188,285	185,687	198,820
Imports: Crude Petroleum: Quantity: Average per day	Barrel th	6,397	6,423	5,546	6,074	6,190	6,414

Source: CEIC Data



## Top Trading Partners: Exports

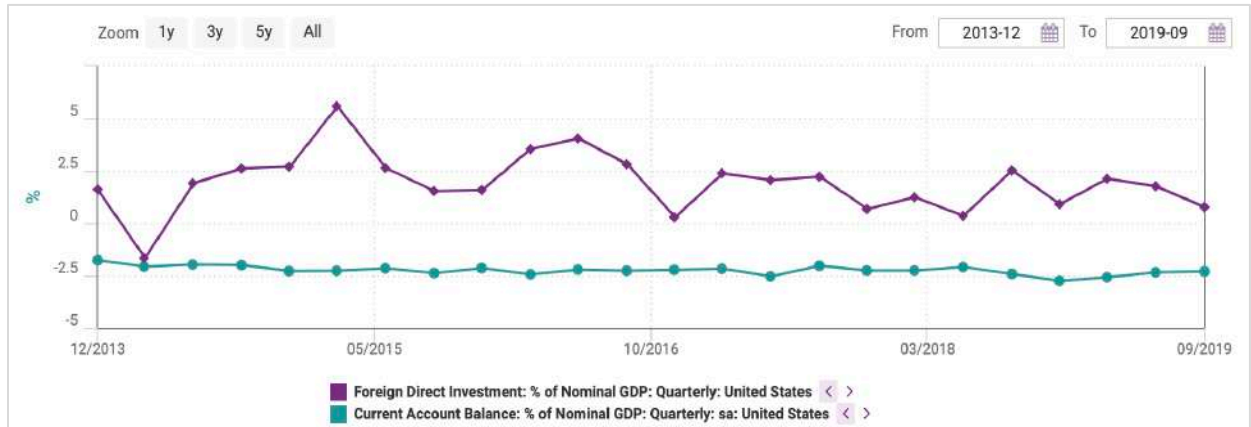
	Unit	01.01.2020	12.01.2019	11.01.2019	10.01.2019	09.01.2019	08.01.2019
Exports: FAS: Canada: sa	USD mn	24,604	23,858	24,010	23,880	24,480	24,825
Exports: FAS: Mexico: sa	USD mn	20,957	20,248	20,814	20,170	20,955	21,858
Exports: FAS: China: sa	USD mn	7,740	7,490	8,894	7,488	9,017	10,019
Exports: FAS: Japan: sa	USD mn	5,671	6,744	5,807	6,393	5,834	6,117
Exports: FAS: United Kingdom: sa	USD mn	6,359	5,984	6,449	5,850	5,937	6,000
Exports: FAS: Germany: sa	USD mn	5,086	4,975	4,753	5,219	5,611	4,934
Exports: FAS: South Korea: sa	USD mn	5,691	5,006	4,998	4,708	4,686	4,811
Exports: FAS: Netherlands	USD mn	4,272	4,532	4,255	4,700	3,949	3,977
Exports: FAS: Hong Kong SAR: sa	USD mn	2,216	2,372	2,167	2,341	2,442	2,639
Exports: FAS: Brazil: sa	USD mn	3,788	3,587	4,226	3,430	3,435	3,432
Exports: FAS: France: sa	USD mn	3,329	3,498	3,024	3,240	2,929	3,101
Exports: FAS: Belgium	USD mn	2,594	2,341	2,884	3,090	2,410	3,312
Exports: FAS: Singapore: sa	USD mn	2,523	2,910	2,640	2,545	2,881	2,642
Exports: FAS: Taiwan: sa	USD mn	2,845	2,472	2,748	2,805	2,520	2,467
Exports: FAS: India: sa	USD mn	3,281	3,198	2,721	2,537	2,561	2,319

## Top Trading Partners: Imports

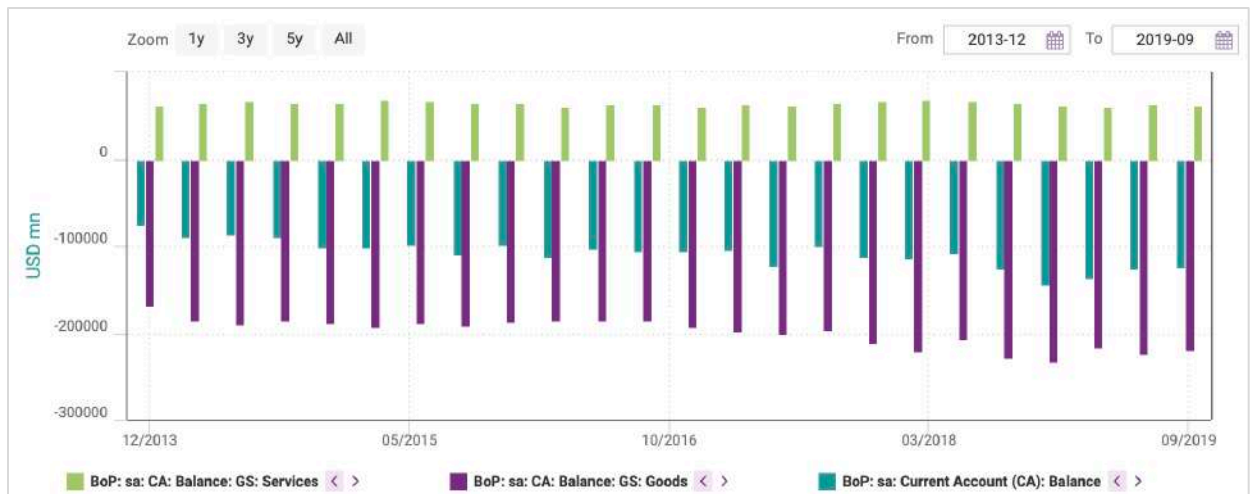
	Unit	01.01.2020	12.01.2019	11.01.2019	10.01.2019	09.01.2019	08.01.2019
Imports: Customs: China: sa	USD mn	31,410	33,234	34,504	35,281	37,045	38,934
Imports: Customs: Mexico: sa	USD mn	30,184	29,627	29,335	28,005	30,029	30,252
Imports: Customs: Canada: sa	USD mn	25,302	28,212	25,692	27,200	27,014	26,439
Imports: Customs: Japan: sa	USD mn	10,932	11,142	11,552	10,861	11,730	12,192
Imports: Customs: Germany: sa	USD mn	10,675	10,442	9,940	10,172	10,657	11,840
Imports: Customs: South Korea: sa	USD mn	6,268	6,886	6,197	6,256	5,897	6,872
Imports: Customs: United Kingdom: sa	USD mn	4,781	5,400	5,101	5,041	5,252	5,447
Imports: Customs: Italy: sa	USD mn	4,454	4,614	4,489	4,563	5,279	4,732
Imports: Customs: France: sa	USD mn	4,023	3,779	4,218	5,200	4,583	4,633
Imports: Customs: Ireland	USD mn	6,022	5,046	5,112	6,128	5,602	4,772
Imports: Customs: India: sa	USD mn	4,997	4,905	5,073	4,488	4,516	4,675
Imports: Customs: Vietnam	USD mn	6,115	5,781	5,506	6,375	6,185	6,833
Imports: Customs: Taiwan: sa	USD mn	4,619	4,829	4,463	4,445	4,571	4,749
Imports: Customs: Malaysia	USD mn	3,539	3,846	3,503	4,124	3,404	3,904
Imports: Customs: Switzerland	USD mn	3,254	4,196	3,951	3,947	3,931	3,319

Source: CEIC Data

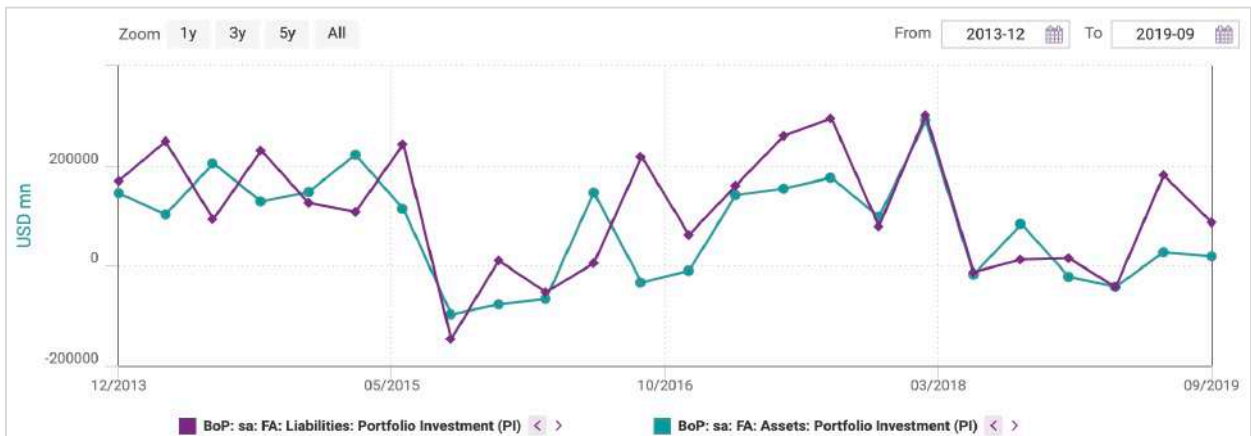
## Current & Financial Account: % of Nominal GDP



## BoP: Current Account Balance



## BoP: Portfolio Investment



Source: CEIC Data



In, On and For Emerging Markets



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