

GDP INCREASES IN FOURTH QUARTER

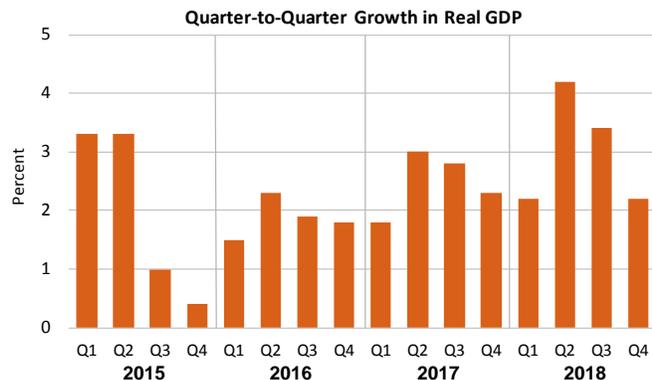
“Third” estimate of GDP

Real gross domestic product (GDP) increased 2.2 percent in the fourth quarter of 2018, according to the “third” estimate released by the Bureau of Economic Analysis. The growth rate was revised down 0.4 percentage point from the “initial” estimate released in February. In the third quarter, real GDP increased 3.4 percent.

Fourth-quarter GDP highlights

The increase in real GDP reflected increases in consumer spending, business investment, exports, and inventory investment.

These contributions were partly offset by decreases in housing investment and government spending. Imports, which are a subtraction in the calculation of GDP, increased.



Real GDP growth is measured at seasonally adjusted annual rates.

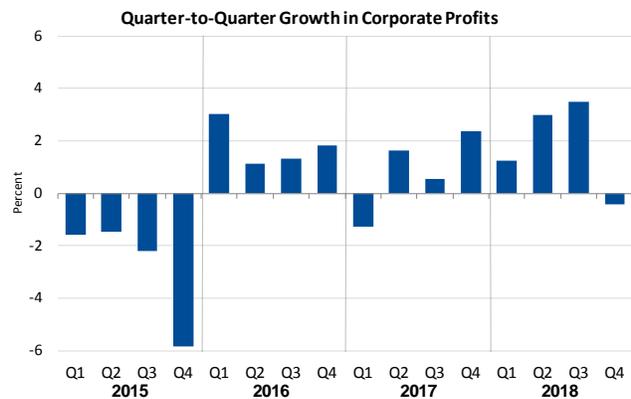
Updates to GDP

The downward revision to real GDP growth was primarily accounted for by revisions to consumer spending, state and local government spending, and business investment that were partly offset by a downward revision to imports. For additional information see the technical note.

Corporate profits

Corporate profits decreased 0.4 percent at a quarterly rate in the fourth quarter of 2018 after increasing 3.5 percent in the third.

- Profits of domestic nonfinancial corporations increased 1.0 percent after increasing 6.4 percent.
- Profits of domestic financial corporations decreased 5.6 percent after decreasing 1.3 percent.
- Profits from the rest of the world increased 0.4 percent after increasing 0.3 percent.



Corporate profits growth is measured as the percent change from the previous quarter.

Corporate profits with inventory valuation and capital consumption adjustments increased 7.4 percent from the fourth quarter of 2017.