

## News Release

### Comment on Q2 GDP

### US Economy Continues Decent Growth Pace

#### Bart van Ark, Chief Economist, The Conference Board

At 2.1 percent, the growth of US Real Gross Domestic Product during the second quarter of 2019 comes out better than expected. The weakness observed at the end of 2018 and early 2019, which was underlined by revised estimates for earlier quarters, has been wiped out especially by very strong consumption growth at 4.3 percent in Q2.

However, the strength of the economy is rather unbalanced. The growth rate of investment was negative across the board, except for technology investments. Combined with a decline in exports, largely due to weaknesses elsewhere in the global economy, this report suggests growth to retain its strength at just over 2 percent for the second half of 2019.

This report is unlikely to influence the FOMC decision making process next week which is likely to lead to a slight reduction in the Federal Fund rate, especially given the underperformance of investment and global uncertainties. But going forward, if the US economy maintains its growth rate above 2 percent, it could moderate the appetite for further cuts later in the year.

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