ECONOMIC OUTLOOK

REGIONS

February 2022

Wrapping Up 2021 Holiday Sales

Sure, the 2021 holiday season is long gone, but there is still one piece of unfinished business. If you're thinking "paying the bills," you'd be, well, okay, fine, make that two pieces of unfinished business. In addition to paying the bills, there's tallying up 2021 holiday season sales, which we're now able to do with the Census Bureau having recently released the retail sales data for the month of December. Our practice has long been to use the November edition of our *Outlook* to present our holiday season sales forecast, but 2021 marked the second consecutive year in which we made no such forecast. Given the extent to which patterns in economic activity, particularly consumer spending, were altered by the pandemic and the policy response to it, it just wasn't clear to us what a forecast of holiday season sales would be measuring.

We did, however, use the November 2021 edition of our *Outlook* to discuss what we thought would be some of the broad patterns in consumer spending around the 2021 holiday sales season. By way of review, our measure of "holiday season sales" consists of combined November and December retail sales excluding motor vehicle, gasoline, building materials, restaurant, grocery store, and drug store sales. In our November 2021 preview of holiday season sales, we noted that global supply chain and logistics bottlenecks had helped push goods prices significantly higher while limited supplies, or consumers' fears of limited supplies, had led many consumers to begin shopping for the 2021 holiday season much earlier than would otherwise have been the case.

As such, while we expected the level of 2021 holiday season sales would be substantially higher than 2020 holiday season sales, we noted that would mainly reflect spending in prior months pushing up the level of retail sales by time the 2021 holiday season rolled around. Along with significantly higher goods prices, this would make 2021 holiday season sales look stronger than was actually the case even if, as we expected, the level of retail sales fell in November and December. Indeed, we noted that at the time we produced the November *Outlook* we had retail sales data through September, and if the level of spending stayed flat at September's level through year-end 2021, our measure of holiday sales would be over 15 percent higher than sales over the 2020 holiday season, with more than half of that increase due to higher prices.

That not-really-a-forecast forecast turned out to be eerily on the mark. Retail sales jumped in October, were flat in November, then fell sharply in December, leaving the level of total retail sales in December virtually unchanged from the level in September. While our measure of holiday sales fared worse, declining in both November and December, the combined level of sales for the two months was 15.1 percent higher than in 2020. But, as evidenced by the declines in sales in November and December, that the level of 2021 holiday season sales was so much higher than in 2020 reflects how strong consumer spending on goods was ahead of the 2021 holiday season. In that sense, what has been touted as a "record" increase in holiday season sales looks, and feels, decidedly less impressive.

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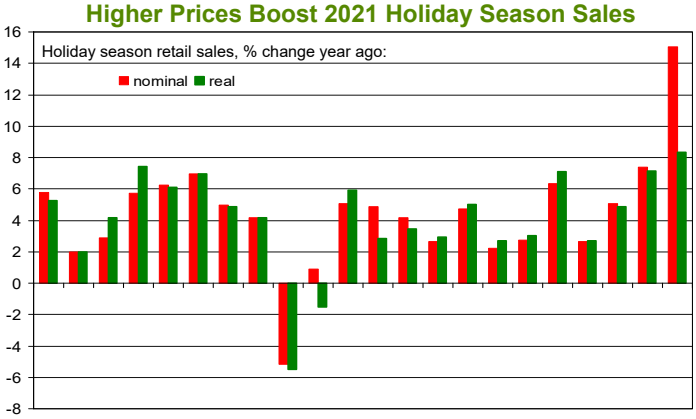
Higher Prices Boost 2021 Holiday Season Sales



Source: U.S. Census Bureau; Bureau of Labor Statistics; Regions Economics Division

Higher prices also made a significant contribution to that "record" increase in holiday season sales in 2021, as can be seen in the above chart. The red bars in the chart show the percentage change in holiday season sales in nominal terms, i.e., not adjusted for price changes. The 15.1 percent increase in 2021 is easily the largest increase in the life of the data that go back to 1992. The green bars show the percentage change in real holiday sales, or, after adjusting for price changes. While in many years, such as each year over the 2013-2018 period, this meant adjusting for lower goods prices, the opposite has been the case in the past three years, particularly in 2021.

Our practice had always been to adjust for changing prices by using the measure of core goods (consumer goods excluding food and energy) prices from the Consumer Price Index (CPI). One obvious drawback in doing so, however, is that the CPI measure of core goods prices includes prices for motor vehicles, which are not included in our measure of holiday sales. While in most years the inclusion of motor vehicle prices didn't make a meaningful difference in the results, that was clearly not the case in 2021. As of December, prices of used motor vehicles were up 37.3 percent year-on-year. While used motor vehicles carry a relatively small weighting in the CPI's measure of core goods prices, the magnitude of the increase between the 2020 and 2021 holiday seasons skewed the overall measure of core goods prices higher, with the CPI measure showing core goods prices up 10.1 percent between the 2020 and 2021 holiday sales seasons.

As it turns out, the BLS has been mindful of the extent to which the sharply higher prices for used vehicles was influencing the broader price indexes and has been publishing special series which

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exclude used motor vehicles. We used one of these special series – consumer goods prices excluding food, energy, and used motor vehicles – to deflate the series on nominal holiday sales, which is what is reflected in the green bars in the chart on Page 1. By this measure, real holiday season sales rose by 8.3 percent in 2021, a far cry from the 15.1 percent increase in nominal sales but nonetheless still a sizable increase.

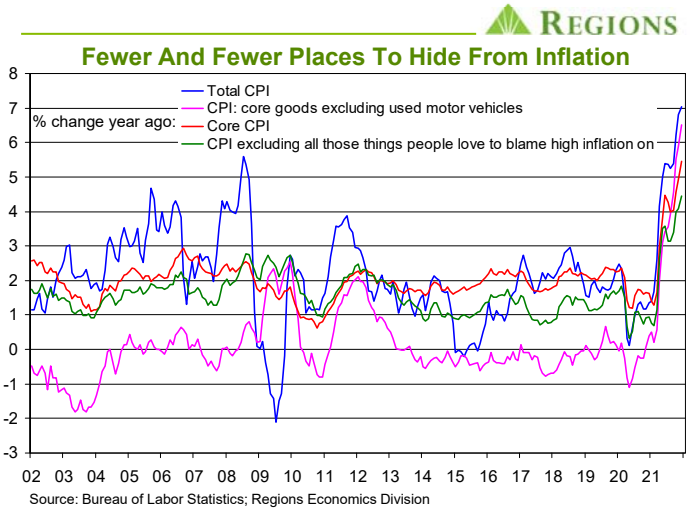
At the risk of being accused of unleashing our inner-Grinch, we can further pare down the over-the-year increase in 2021 holiday season sales. As noted above, to some extent it was the strength of consumer spending earlier in 2021 that left the level of retail sales so elevated at the start of the holiday sales season. Indeed, in nominal terms the level of consumer spending on goods peaked in October 2021; when adjusted for inflation, the peak came in March 2021. In other words, it was really the strength of spending in prior months that, despite sharp declines in each month, allowed combined November and December sales in 2021 to be so far above the level in 2020.

So, all in all, the 2021 holiday season wasn't nearly as festive for retailers as implied by "record" sales. To be sure, sales were much stronger earlier in the year than they would have been had consumers not been in such good financial health, and limited inventories meant that retailers did not feel compelled to engage in the holiday season discounting that consumers had come to expect over the past several years. At the same time, however, it is likely that the declines in consumer spending on goods seen in November and December 2021 have further to run as patterns in consumer spending continue to normalize, while higher prices for food, energy, and shelter leave less room for consumers to engage in discretionary spending, whether on goods or services. However distorted the 2021 holiday season sales numbers may be, that still sets a very high bar for 2022 holiday season sales, which are almost sure to look disappointing by comparison to 2021 sales.

Fewer And Fewer Places To Hide From Inflation

As we noted in the discussion of retail sales, the extent to which prices for used motor vehicles have risen has had an undue impact on inflation as measured by the Consumer Price Index (CPI), at least in terms of their weight in the index. Indeed, when inflation first began to heat up last spring, there were some who pointed specifically to prices for used motor vehicles to argue that higher inflation was simply a reflection of runaway increases in a few categories that were punching above their weights, literally and figuratively. Rapidly rising prices in these categories were mostly attributed to "reopening effects," reflecting rising demand and limited supplies as the economy began to open up following the widespread shutdowns imposed in the early phases of the pandemic. As such, that argument went, accelerating inflation was nothing to worry about and would subside as those outsized price increases in a few categories did the same. We were quick to dismiss that argument out of hand, as we did with any of the variants of the "transitory" argument people offered up.

Almost a year later, with CPI inflation running at over seven percent, you don't really hear the word "transitory" all that much, at least in the context of discussions of inflation. Our argument from the start was that inflation pressures would be broader based and more persistent than those making the "transitory" argument assumed. And, sure, in all fairness, prices for used motor vehicles, as measured in the CPI, have been rising at rates that seem more like video game numbers than actual rates of price increases. The over-the-year increase in prices for used motor vehicles peaked, at least we hope, at 45.2 percent in June 2021 and as of December 2021, the latest data point available, had settled into a relatively more sedate pace of 37.3 percent. So, even with used motor vehicles accounting for less than three percent of the CPI, increases of that magnitude can still skew the change in the overall index. It is also worth noting that prices for new motor vehicles have been rising rapidly since last spring, with double-digit year-on-year increases in the final two months of 2021, thus contributing to the acceleration in headline inflation.



Still, there is much more to elevated inflation than rapidly rising vehicle prices. One way of seeing that is in the alternative indexes being published by the BLS, which are included in the above chart. One alternative index is core goods (or, consumer goods excluding food and energy) excluding motor vehicles. As of December, inflation based on this index was running at 6.5 percent, slightly slower than overall inflation but easily above core CPI inflation, which was running at 5.5 percent. Keep in mind that services prices are in general rising at a much slower rate than are goods prices, which accounts for core inflation lagging the measure of core goods excluding used motor vehicles. Another index produced by the BLS excludes food, shelter, energy, and used motor vehicles, or, all of the things people love to blame high inflation on. By this measure, inflation was running at 4.5 percent at year-end 2021, lagging the other measures but, like the other measures, having accelerated rapidly over the course of 2021.

Sure, if you exclude all items for which prices are rising, then you'd be living in a blissful world with no inflation. Okay, that's a bit much, but with so many different measures excluding so many different things – as do the various "trimmed mean" measures of inflation – it is fair to wonder what these measures really mean. Our point in showing these alterative measures is simply that inflation pressures have become increasingly broad based, and one cannot make a plausible argument that higher inflation reflects nothing more than outsized price increases in a limited number of

categories. And, as we've noted countless times, no one expects inflation to remain at seven percent or to push even higher. If nothing else, once we get into the spring, base effects will start to kick in, making the over-the-year comparisons more difficult, which in and of itself will lead to decelerating inflation.

Another reason to expect inflation to decelerate over the course of 2022 is an easing of global supply chain and logistics bottlenecks. These supply-side constraints have contributed to the rapid rate of core goods price inflation – even excluding used motor vehicle prices from the calculation, as shown in the chart on the prior page. We've for some time argued that 2022 will also bring further normalization in consumer spending patterns, with spending on services accounting for a larger share of expenditures while spending on goods accounts for a smaller share. If so, when combined with relief from supply-side constraints this could easily lead to goods price deflation, a condition that prevailed for a significant portion of the past several years.

Where we think support for inflation will come from includes faster rates of services price inflation, including rents and medical care. Keep in mind that services account for a much larger share of consumer expenditures than do goods and, in turn, carry a much higher weight in the CPI. As such, if we are correct in expecting more rapid increases in services prices as we move through 2022 that would offset whatever goods price deflation we might see. Additionally, we expect wage growth to remain robust in 2022, which will help sustain inflation. So, while no one expects CPI inflation to remain at or around seven percent in 2022, we do think inflation will remain well above the FOMC's 2.0 percent target rate into 2023. Just as it was never only a few small categories pushing inflation higher last spring, neither will it be only a few small categories keeping inflation above that 2.0 percent target.

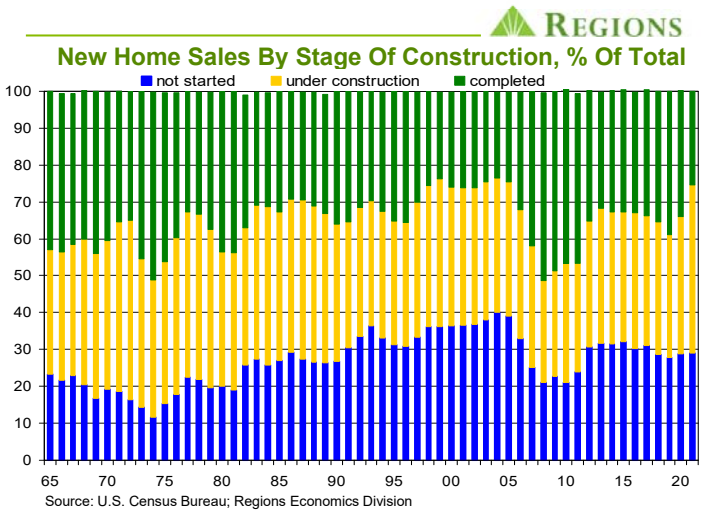
Rising New Home Inventories Bring Little Actual Relief

As we did in our discussion of 2021 holiday season sales, we'll use recently released data on December new home construction and sales as the basis for following up on a topic we've discussed before. Unlike holiday season sales, which we typically discuss once a year, the market for new homes is a topic we discuss quite frequently. One aspect of the market for new homes that we've thought worth emphasizing is the change in how builders sold homes over the course of 2021.

Along with the considerable changes brought about by the pandemic and the policy response to it came increasingly flexible work arrangements, outflows from crowded urban core areas, and mortgage interest rates falling to record-lows, all of which helped fuel faster growth in demand for home purchases. This faster growth in demand only served to exacerbate an already sizable imbalance between supply and demand in the housing market. Many builders saw increasingly large backlogs of unfilled orders, and increasingly binding constraints on materials and labor supply stretched delivery times even further while making new homes considerably more costly to build.

One way many builders responded to increasingly large backlogs of unfilled orders was to limit new sales, which became common around mid-year 2021. Another way builders responded to supply shortages and higher materials costs was to start work on new units but not release them for sale until construction was well underway. This afforded them at least some degree of control over delivery dates while also allowing them to pass more and more price risk stemming from rising materials costs along to buyers.

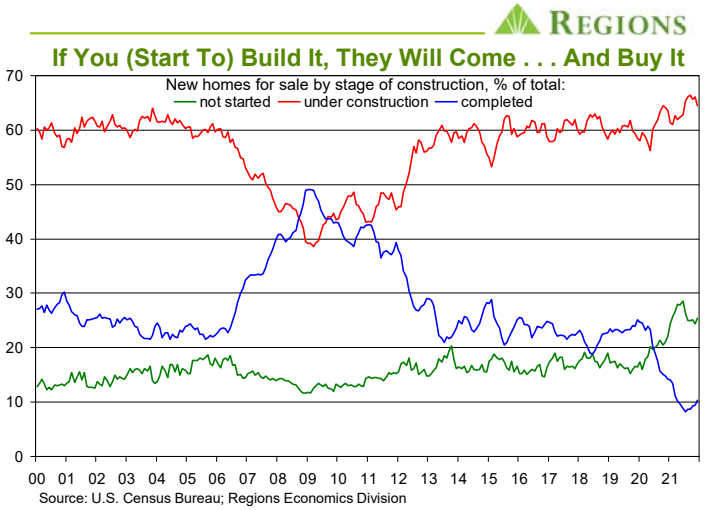
We've referred to builders starting homes but not releasing them for sale until well into the construction process as "spec-lite" construction. In other words, builders were, with good reason, confident that there would be buyers for the homes they were starting, with ultra-low mortgage interest rates making absorbing higher prices less burdensome for buyers. In that sense, there was little risk to builders in starting homes before having signed sales contracts. In the reporting of the data on single family construction and sales, however, this shift in how builders were selling homes shows as an increase in spec inventories, i.e., homes for sale that are either completed or under construction. After having languished far below historical norms since the 2007-09 recession, spec inventories turned higher in mid-year 2021, with June 2021 ending a run of 20 straight months in which spec inventories were down year-on-year. By the end of 2021, spec inventories were at their highest level since December 2008.



Some have interpreted the increase in spec inventories over the back half of 2021 as evidence of a more balanced market that will help curb the pace at which new home prices are rising, but this interpretation flies in the face of ample evidence to the contrary. Materials supply constraints worsened as 2021 wore on, and order backlogs got larger on both ends of the construction pipeline – units permitted but not started, and under construction units awaiting completion. Our take is that the rise of what we call spec-lite construction is leading to units simultaneously showing up in the data as both inventory and sales, given that these units are generally selling so quickly once actually released for sale. In that sense, there would be no net change in the supply/demand balance despite the reported increase in spec inventories. To that point, units under construction accounted for 45.6 percent of all new homes sold in 2021, the highest annual share since 1972 (new homes can be sold in any of the three construction stages).

Looking at the composition of spec inventories, it was units under construction, not completed units, that drove the growth seen over the back half of 2021. Indeed, looking at total inventories of new

homes for sale – not yet started, under construction, completed – the share accounted for by completed units fell below nine percent during the second half of 2021, the lowest share in the life of the data that date back to 1973. On an annual average basis, completed units accounted for 10.3 percent of new homes for sale in 2021, the lowest in the life of the data.



In short, reported increases in spec inventories notwithstanding, our view is that the supply/demand imbalance in the market for new home sales got worse over the second half of 2021, not better. While under construction units accounted for higher shares of inventories and sales, the reality is that it has taken longer and longer for these units to be completed. With 769,000 single family units under construction at year-end 2021, the most in any month since January 2007, and more than 140,000 single family units that have been permitted but not yet started, builders will be plenty busy for some time to come even if higher mortgage rates curb growth in new demand in the months ahead.

January Employment Report

The January employment report was, in a sense, a prime and consequence-free opportunity to underachieve gone to waste. Total nonfarm employment rose by 467,000 jobs in January, far exceeding expectations, but those expectations were so low that had nonfarm employment instead fallen by 467,000 jobs, no one would have even batted an eye. Forecasts for January job growth ranged from a loss of 400,000 jobs to an increase of 250,000 jobs but even those who, like us, expected employment to increase had little to no confidence in their forecast.

That expectations were set so low was simply a reflection of the toll taken on the labor market and the broader economy by the rapid and wide spread of the Omicron variant. Between anecdotal evidence and survey data, such as the Census Bureau's *Household Pulse Survey*, showing millions of people not at work due to illness and what in any January tend to be high numbers of seasonal layoffs, there was no reason to expect much, if anything, from the January employment report. Indeed, our forecast that nonfarm payrolls would increase by 138,000 jobs was a function of our thinking lower than normal seasonal layoffs and generous seasonal adjustment would turn a decline in job counts in the not seasonally adjusted data into a modest increase on a seasonally adjusted basis though, truth be told, we were bracing for a sizable decline.

As it turns out, we were on the right track. The not seasonally adjusted data show total nonfarm employment fell by 2.824 million jobs in January, a decline of 1.9 percent from December. That decline was slightly smaller than the typical January decline, which we anticipated would be the case. Less seasonal hiring in retail trade and warehousing/delivery services during the 2021 holiday season meant that subsequent layoffs should be lower, particularly with labor being at a premium; firms weren't going to hire people late in 2021 only to turn around and let them go in early 2022. If seasonal layoffs were indeed smaller than normal this January, it figured that seasonal adjustment would overcompensate, resulting in an increase in seasonally adjusted payrolls.

We simply underestimated the extent to which that would be the case. For instance, a handful of industry groups – retail trade, leisure and hospitality services, warehousing and delivery services, and state and local government education – saw a combined decline of 1.407 million jobs in the not seasonally adjusted data, almost half of the total decline in unadjusted payrolls. But, since the declines in these industry groups were smaller this year than is typical for the month of January, the seasonally adjusted data show these industry groups added a combined 274,900 jobs of the total increase of 467,000 jobs.

The January data incorporated the annual benchmark revisions to the establishment survey data. As part of those revisions in any year, the BLS updates its seasonal adjustment factors, but the BLS noted that this year's updates include enough observations related to the unusually large swings, up and down, in nonfarm employment since the onset of the pandemic to allow their models to better distinguish normal seasonal movements from underlying trends in the data. While that may or may not actually be the case, what we see is more favorable seasonal adjustment making job growth look better than likely would have otherwise been the case.

For instance, the benchmark revision resulted in an upward revision of 374,000 jobs to the level of total nonfarm employment in March 2021, the new reference month for the establishment survey. In the not seasonally adjusted data, however, the level of total nonfarm employment in March 2021 was revised down by 7,000 jobs. While there is nothing that says the level changes in the not seasonally adjusted data and in the seasonally adjusted data should match, the disparity in this year's revisions is notably larger than is common. In essence, then, seasonal adjustment added 381,000 jobs to the level of employment in March 2021. Additionally, prior estimates of job growth in November and December 2021 were revised up by a net 709,000 jobs for the two-month period. In the not seasonally adjusted data, however, the upward revision for the two-month period was only 114,000 jobs, meaning the other 595,000 jobs added to seasonally adjusted payrolls reflect nothing more than more generous seasonal adjustment.

Our issue here isn't with seasonal adjustment itself. But, even in the calmest of economic times, deviations from typical seasonal patterns in activity can throw seasonal adjustment off course. Since the onset of the pandemic, however, patterns in economic activity have been so distorted that seasonal adjustment has at

times created more confusion than it has eliminated. Our issue has always been with those who simply take whatever (seasonally adjusted) headline numbers come atop the economic data releases and run with them, spinning a narrative around whatever a given headline number is on a given data release in a given month. For instance, in the wake of the January employment report we've heard people describe the labor market as "on fire," with "blistering" job growth among the other characterizations we've heard. At the same time, after the release of the January employment report, many were quick to up their forecasts of how many times the FOMC will raise the Fed funds rate this year and/or to predict a 50-basis point hike in the funds rate at the March FOMC meeting.

In essence, many were getting amped up over numbers that had much less to do with actual labor market conditions than they did with seasonal adjustment. It remains to be seen whether the FOMC will do the same. We'd like to think there's a difference between an actual job that employs an actual person and pays that person an actual wage that supports actual spending/saving and a job that only exists on paper. Sure, we could be wrong, but we'll continue to cling to our view.

Another factor that raises our suspicion of the headline job growth number for January is that the response rate to the establishment survey was only 64.9 percent. This is the third lowest response rate of any month since the onset of the pandemic, and with the exception of 2019, is the lowest January response rate since 2008. In any given month, the lower the response rate to the monthly establishment survey, the more reliant the BLS is on their internal estimates to fill in the void when producing their estimates of nonfarm employment and other metrics. This could result in larger revisions to the initial estimate of nonfarm employment as firms backfill information in subsequent months. Whether or not this will prove to be the case with the January data remains to be seen.

As for people being absent from work, the impacts on the January employment report appear to have been much less severe than had been expected. The household survey data show 3.616 million people were absent from work due to their own illness, the highest number in any month since the BLS began tracking this metric in 1976. Additionally, six million people either did not work or worked fewer hours than normal because their employer lost business of shut down due to the pandemic, but 23.7 percent of them received at least some pay from their employer for hours not worked. In the household survey, however, one does not need to be physically present at work to be counted as employed, while in the establishment survey one needs to be present and paid at some point, even if only for one hour, or to have been paid while on sick leave during the survey period to be counted as employed.

So, it is possible that many, if not most, of those ill during January were nonetheless counted as employed. While it is possible that many were absent from work during the entire survey period without receiving sick pay, and thus not counted as employed, we'd expect the not seasonally adjusted data to have shown a larger decline in nonfarm employment than was actually reported were this the case. If this was indeed the case, one sign of that will be a materially larger increase in not seasonally adjusted nonfarm payrolls in February than would be typical for the month.

Either way, lofty headline job growth number notwithstanding, the details of the January employment report gave us no reason to change our view of labor market conditions. As we've noted on many occasions, it is clear that the labor market very much remains a seller's market, with over ten million open jobs across the U.S. economy and more than 1.7 open jobs for each person counted as unemployed. To be sure, labor force participation remains well below pre-pandemic norms, but we've argued that robust wage growth will draw more and more people into/back into the labor force over the course of 2022, particularly as the financial buffers built up during the pandemic continue to thin out. This will allow for continued solid growth in nonfarm employment while robust growth in labor earnings underpins growth in personal income even as the financial buffers built on pandemic-related transfer payments continue to thin out.

And, while robust wage growth may be a source of sustained inflation pressures, that only becomes an issue to the extent wage growth outpaces growth in labor productivity. The difficulty here is that measured productivity growth has been all over the map since the onset of the pandemic, and we've put very little credence in the quarterly data given what have been sharp quarter-to-quarter swings. That said, we do think the trend rate of productivity growth to be accelerating, thus blunting the effects of faster wage growth in terms of broader inflation pressures.

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February 2022

Q3 '21 (a)	Q4 '21 (p)	Q1 '22 (f)	Q2 '22 (f)	Q3 '22 (f)	Q4 '22 (f)	Q1 '23 (f)	Q2 '23 (f)		2019 (a)	2020 (a)	2021 (p)	2022 (f)	2023 (f)
2.3	6.9	1.4	5.1	4.9	3.6	2.8	2.6	Real GDP[1]	2.3	-3.4	5.7	4.1	3.2
2.0	3.3	2.1	4.8	4.9	3.5	2.7	2.5	Real Personal Consumption[1]	2.2	-3.8	7.9	3.8	3.1
1.7	2.0	10.3	9.8	7.9	6.8	5.7	5.3	Real Business Fixed Investment[1]	4.3	-5.3	7.3	6.9	6.1
-2.3	0.8	9.7	10.1	7.7	6.7	5.7	5.1	Equipment[1]	3.3	-8.3	12.9	6.2	6.0
9.1	10.6	11.1	8.7	7.2	6.2	5.4	5.2	Intellectual Property and Software[1]	7.2	2.8	10.2	9.6	5.8
-4.1	-11.4	9.2	10.8	9.6	8.1	6.0	5.7	Structures[1]	2.0	-12.5	-8.2	2.8	6.8
-7.7	-0.8	1.9	1.8	2.2	1.4	0.8	1.5	Real Residential Fixed Investment[1]	-0.9	6.8	9.0	-0.8	1.5
0.9	-2.9	2.9	1.4	1.7	2.6	2.1	1.7	Real Government Expenditures[1]	2.2	2.5	0.5	0.8	2.0
-1,316.6	-1,338.0	-1,372.4	-1,369.0	-1,366.7	-1,388.1	-1,393.6	-1,403.0	Real Net Exports[2]	-905.3	-942.7	-1,281.3	-1,374.0	-1,408.0
1,096	1,148	1,151	1,162	1,170	1,173	1,176	1,184	Single Family Housing Starts, ths. of units[3]	889	1,004	1,127	1,164	1,187
465	496	472	476	478	470	467	464	Multi-Family Housing Starts, ths. of units[3]	403	393	472	474	463
17.2	17.9	18.0	14.0	9.7	6.3	3.3	2.8	CoreLogic House Price Index[5]	3.9	6.0	15.0	11.8	3.1
13.3	12.9	14.3	14.4	15.3	15.8	16.0	16.1	Vehicle Sales, millions of units[3]	17.0	14.5	15.0	15.0	16.2
5.1	4.2	3.9	3.6	3.5	3.3	3.3	3.2	Unemployment Rate, %[4]	3.7	8.1	5.4	3.6	3.2
4.6	4.3	4.4	4.0	3.4	2.7	2.1	1.8	Non-Farm Employment[5]	1.3	-5.8	2.8	3.6	1.7
-4.3	-5.8	-2.2	3.2	2.6	4.1	5.3	4.0	Real Disposable Personal Income[1]	2.3	6.2	2.2	-3.3	4.1
4.6	5.9	6.0	5.5	4.7	3.7	3.0	2.5	GDP Price Deflator[5]	1.8	1.2	4.1	5.0	2.4
4.3	5.5	5.9	5.3	4.7	3.7	3.0	2.4	PCE Deflator[5]	1.5	1.2	3.9	4.9	2.4
5.3	6.7	7.4	6.3	5.4	3.9	2.9	2.4	Consumer Price Index[5]	1.8	1.2	4.7	5.7	2.4
3.6	4.6	5.2	4.7	4.2	3.6	2.9	2.5	Core PCE Deflator[5]	1.7	1.4	3.3	4.4	2.5
4.1	5.0	6.1	5.0	4.3	3.7	3.0	2.8	Core Consumer Price Index[5]	2.2	1.7	3.6	4.8	2.8
0.13	0.13	0.17	0.58	0.90	1.17	1.42	1.67	Fed Funds Target Rate Range Mid-Point, %[4]	2.16	0.42	0.13	0.71	1.71
1.32	1.54	1.88	2.02	2.13	2.18	2.22	2.27	10-Year Treasury Note Yield, %[4]	2.14	0.89	1.44	2.05	2.31
2.87	3.08	3.71	3.91	4.03	4.08	4.12	4.16	30-Year Fixed Mortgage, %[4]	3.94	3.12	2.96	3.93	4.18
-3.7	-3.3	-3.4	-3.3	-3.4	-3.4	-3.5	-3.5	Current Account, % of GDP	-2.2	-2.9	-3.3	-3.4	-3.5

a = actual; f = forecast; p = preliminary

Notes: 1 - annualized percentage change 2 - chained 2021 $ billions 3 - annualized rate 4 - quarterly average 5 - year-over-year percentage change

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