

GDP INCREASES IN FIRST QUARTER

“Second” estimate of GDP

Real gross domestic product (GDP) increased 2.2 percent in the first quarter of 2018, according to the “second” estimate released by the Bureau of Economic Analysis. The growth rate was 0.1 percentage point lower than the “advance” estimate released in April. In the fourth quarter of 2017, real GDP rose 2.9 percent.

First quarter GDP highlights

The increase in real GDP reflected increases in business investment, consumer spending, exports, government spending, and inventory investment. Imports, which are a subtraction in the calculation of GDP, increased in the first quarter of 2018.

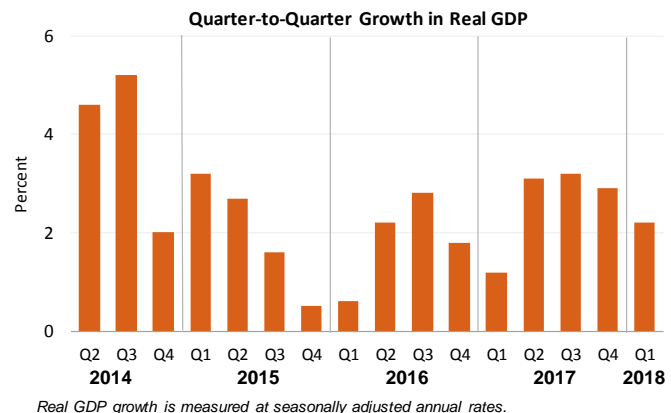
Revisions

The downward revision to the second estimate of GDP growth reflected downward revisions to inventory investment, housing investment, and exports. These were partly offset by an upward revision to business investment.

Corporate Profits

Corporate profits decreased 0.6 percent at a quarterly rate in the first quarter of 2018 after decreasing 0.1 percent in the fourth quarter of 2017.

- Profits of **domestic nonfinancial corporations** decreased 1.5 percent after increasing 1.5 percent.
- Profits of **domestic financial corporations** increased 0.5 percent after decreasing 3.0 percent.
- Profits from the **rest of the world** increased 1.0 percent after decreasing 1.3 percent.



Over the last 4 quarters, corporate profits increased 4.3 percent.