

GLOBAL ECONOMIC UPDATE

US ECONOMY GROWS BY 4.1% IN 2Q18

The US economy grew by 4.1% in the second quarter of 2018, just 0.1% shy of the 4.2% median forecast. This was the fastest growth since the 4.9% that it posted in the third quarter of 2014. The said expansion followed the 2.2% growth (revised up from 2%) that the economy posted in 1Q18. Consumer spending, which accounts for more than two thirds of the country's GDP, rose by 4% as it benefited from the massive tax cuts that the Trump administration implemented. Business investments also jumped by 7.3%. Meanwhile, net exports contributed 1.06 percentage points to the growth as farmers hurried to ship out as much soybeans as they could ahead of the retaliatory tariffs by China.



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CONTACT US

Meridian Securities
Suite 2702-C, 27th Floor, East Tower,
Philippine Stock Exchange Centre,
Ortigas Center, Pasig City,
Metro Manila, Philippines

Web: www.meridiansec.com.ph
Email: sales@meridiansec.com.ph
Phone: +63.2.634-6931 to 35
Fax: +63.2.634-6937
Mobile: +63.922.847-8883