
Macroeconomic indicators - Goldman Sachs cuts US GDP growth forecast for Q3

Tuesday, 03 Nov, 2009

Reuters reported that Goldman Sachs cut its forecast for third quarter US gross domestic product growth to 2.7% from 3%.

In a short client note released after the durable goods report, Goldman Sachs economists Mr Jan Hatzius, Mr Ed McKelvey and Mr Andrew Tilton noted that shipments were somewhat weaker. They said that "The shipments of capital goods and total durable goods inventories are the last major piece of information feeding into tomorrow's preliminary report on GDP growth."

They wrote that "Based on this information as well as other data released in the past couple of weeks, including complete book value inventory data for August, we now estimate that real GDP rose at a 2.7% annual rate, somewhat less than the 3% annual rate that we had previously thought."

Data on GDP is expected to show a rise of 3.3%. The day before the September jobs report, Goldman economists increased their forecast of job losses to 250,000 from 200,000, a call that turned out to be much closer to the actual number of 263,000.

(Sourced from www.reuters.com)

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