Monthly GDP Index: January 2020

Monthly GDP rose 0.1% in January following similar increases in November and December. The moderate increase in January reflected positive contributions from net exports, personal consumption expenditures, residential investment, and others, partially offset by negative contributions from nonfarm inventory investment and nonresidential fixed investment. The level of monthly GDP in January was 0.7% above the fourth-quarter average at an annual rate. Implicit in our forecast of 2.0% GDP growth in the first quarter are increases in monthly GDP that average 0.3% per month over February and March.

Note: IHS Markit’s index of Monthly GDP (MGDP) is a monthly indicator of real aggregate output that is conceptually consistent with real Gross Domestic Product (GDP) in the NIPA’s. The consistency is derived from two sources. First, MGDP is calculated using much of the same underlying monthly source data that is used in the calculation of GDP. Second, the method of aggregation to arrive at MGDP is similar to that for official GDP. Growth of MGDP at the monthly frequency is determined primarily by movements in the underlying monthly source data, and growth of MGDP at the quarterly frequency is nearly identical to growth of real GDP.