

Banking Watch US

9 January 2012 **Economic Analysis**

Consumer Credit: Monthly Situation Report

Chart 1

- Total outstanding consumer credit nearly doubled expectations in November, increasing by \$20.4bn MoM on a seasonally-adjusted basis (BBVA: \$11.0bn). Both revolving and nonrevolving credit increased for the third consecutive month, up \$5.6bn and \$14.8bn, respectively.
- Credit from all major holders increased, although government credit continues to dominate nonrevolving growth. While ABS issuer and financial credit grew \$0.9bn and \$2.0bn, respectively, YoY declines are expected to continue at least in the short-term.

Chart 2

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US

Commercial Banks, YoY %. NSA ABS Issuers, YoY %, NSA Breakdown of the Recent Data Finance Companies, YoY %, NSA Non-seasonally-adjusted (NSA) growth 0.20 0.15 0.25 was similar for the month (\$21.7bn), 0.20 0.15 0.10 however, we suspect that the large 0.15 gains could be misleading. Seasonal 0.10 0.05 0.10 adjustments are in full effect during 0.05 0.00 0.05 November, yet the jump in data has lessened the impact of seasonal 0.00 0.00 -0.05 adjustments in our forecast. Despite -0.05 monthly growth from previously weak -0.05 -0.10 -0.10 -0.10 -0.15 -0.15 2011 2012 2013 2011 2012 2013 2011 2012 2013 for more than half of 2011. Source: BBVA Research. Note: FASB-adjusted Source: BBVA Research. Note: FASB-adjusted Source: BBVA Research. Note: FASB-adjusted Chart 4 Chart 5 Chart 6 Consumer Credit Ex Gov't, In \$bn Credit Type Outstanding, YoY %, SA Summary Table, YoY %, NSA, FASB-adj. As expected, growth in auto sales and 2300 Actual Predicted 15 Category 2250 Nonrevolving —Revolving -2.12% -0.87% Banks and Thrifts 10 2200 2150 ABS Issuers -2.89% -2.79% 2100 Finance Comp. -2.89% -3.35% 2050 Total -2.47% -1.88% -5 2000 1950 -10 Note: Total excludes government and 1900 nonfinancial business -15 2011 2012 2013 00 01 02 03 04 05 06 07 08 09 10 11

Source: BBVA Research. Note: FASB-adjusted Source: Federal Reserve Source: BBVA Research

Chart 3

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components on the revolving side, NSA nonrevolving credit (excluding government) has been relatively flat

On the Horizon for Consumer Credit

credit card usage in preparation for the holidays inflated both nonrevolving and revolving credit in November. YoY growth for revolving credit has moved into positive territory for the first time since January 2009, signaling a potential return to pre-recession levels. However, we cannot fully assess the significance of this report until we see the trend continue in the coming months, absent of the strong seasonal influence.