

# Banking Watch

## US

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Economic Analysis

US

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## Consumer Credit: Monthly Situation Report

- June's seasonally-adjusted consumer increase of \$13.8bn was less than expected but follows the trend that has been set with revolving and non-revolving patterns. Unlike May, revolving credit declined while non-revolving continued to make significant gains.
- In terms of major holders, credit issued by commercial banks and savings institutions rose \$5.8bn, about half of the gain in May. Credit unions saw a \$2.6bn increase after a flat month prior and the federal government portion rose \$3.2bn.

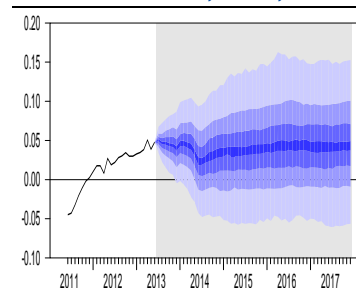
### Breakdown of the Recent Data

Total outstanding consumer credit continued to accelerate in June, up \$13.8bn. With regard to the breakdown the situation seems more reminiscent of early 2013. Revolving credit which includes credit cards, declined \$2.7bn, almost on par with its decline in 2012.. Non-revolving rose \$16.5bn as auto loan demand rose and outstanding student loans continue to increase, driving the component higher.

### Consumer Credit Outlook

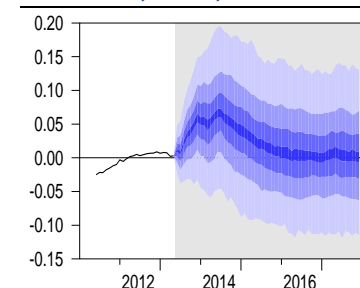
Revolving credit continues to bind the overall consumer credit figure and we expect the same result in July with revolving credit on the decline, similar to its trend last year. As per usual, non-revolving credit in the form of auto loans and student debt will be the consistent driver over the coming months as consumer activity strengthens.

Chart 1  
Commercial Banks, YoY%, NSA



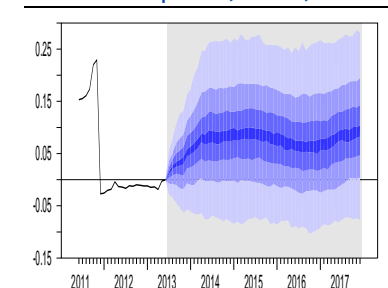
Source: BBVA Research. Note: FASB-adjusted

Chart 2  
ABS Issuers, YoY%, NSA



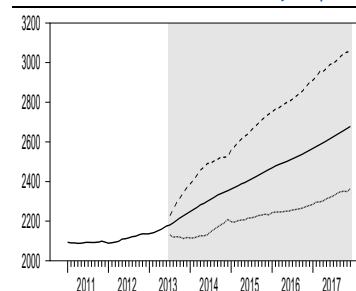
Source: BBVA Research. Note: FASB-adjusted

Chart 3  
Finance Companies, YoY%, NSA



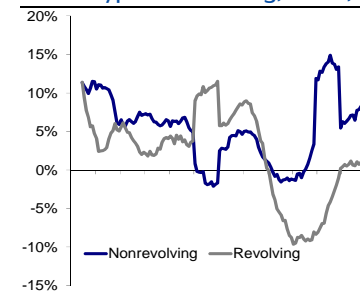
Source: BBVA Research. Note: FASB-adjusted

Chart 4  
Consumer Credit Ex Gov't, in \$bn



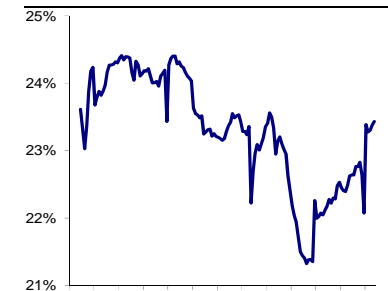
Source: BBVA Research. Note: FASB-adjusted

Chart 5  
Credit Type Outstanding, YoY%, SA



Source: Federal Reserve & BBVA Research

Chart 6  
Consumer Debt-to-Income Ratio



Source: BEA, Federal Reserve, BBVA Research

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