# U.S. Economic Data Shows Slower Growth in First Quarter, Treasury Yields Decline



On March 28, 2024, economic data released in the U.S. indicated slower growth than initially anticipated for the first quarter. The revised growth rate for the gross domestic product (GDP) was 1.3% annualized, down from the earlier estimate of 1.6%. Consumer spending was also adjusted downward to 2%, compared to the prior 2.5%.

Treasury yields declined following these revisions, with the 10-year U.S. Treasury yield dropping below 4.6%. This adjustment reflects weaker consumer spending and potentially paves the way for future interest rate cuts. The decline in housing market performance was notable, with pending home sales falling by 7.7% in April—the lowest level in four years. Mortgage rates increased slightly, with the 30-year fixed-rate mortgage averaging 7.02% this week.

Weekly jobless claims rose slightly to 219,000 for the week ending May 25, up from the previous week's 216,000. Continued claims rose to 1.791 million for the week ending May 18, and the Dow Jones Industrial Average closed 331 points lower.

In related news, former Australian TV host David Koch argued that baby boomers also faced challenges in buying homes, albeit different from those faced today. With Australian home prices increasing by 382% over the past three decades, Koch noted that while interest rates were higher in the past, today’s home buyers face tougher conditions due to higher loan sizes and deposits. He emphasized the importance of gradual financial planning and questioned whether current struggles were more about maintaining lifestyle choices than cost-of-living issues.