Greg Ip @greg_ip

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Where did all those imports go in Q1? An update. The gap between surging imports and subdued inventories was even larger based on Census Bureau's March wholesale inventories. Bureau of Economic Analysis made an adjustment boosting March inventories, eliminating part of the discrepancy. Without that adjustment, GDP would have shrunk even more, by 1.5% instead of 0.3%, according to Ben Herzon of S&P Global.

So we are still left with a mystery. Why didn't inventories rise more? Why is the source data for inventories so weak? Where the heck are all those imports going?

.@Brad_Setser thinks he's solved the mystery of the missing inventories that caused q1 GDP to go negative: Pharma shipments

@Brad_Setser Although this doesn't quite solve the mystery since BEA did make an adjustment to inventories to reflect the very high imports.

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