



Fannie Mae™

Economic Forecast: August 2019

	----- 2018 -----				----- 2019 -----				----- 2020 -----				2018	2019	2020
	18.1	18.2	18.3	18.4	19.1	19.2	19.3	19.4	20.1	20.2	20.3	20.4			
Percent Change: Quarterly SAAR, Annual Q4/Q4															
Gross Domestic Product	2.5	3.5	2.9	1.1	3.1	2.1	1.8	1.8	2.0	1.7	1.6	1.4	2.5	2.2	1.7
Personal Consumption Expenditures (PCE)	1.7	4.0	3.5	1.4	1.1	4.3	2.8	2.5	2.1	1.9	1.7	1.6	2.6	2.7	1.8
Residential Fixed Investment	-5.3	-3.7	-4.0	-4.7	-1.0	-1.5	0.2	1.2	0.8	0.0	-0.5	-1.2	-4.4	-0.3	-0.2
Business Fixed Investment	8.8	7.9	2.1	4.8	4.4	-0.6	0.6	2.0	2.2	2.1	1.7	0.4	5.9	1.6	1.6
Government Consumption & Investment	1.9	2.6	2.1	-0.4	2.9	5.0	1.0	2.2	3.1	3.1	2.0	1.6	1.5	2.8	2.5
Billions of Chained 2012\$															
Net Exports	-884	-850	-962	-983	-944	-979	-993	-1005	-1018	-1031	-1043	-1047	-920	-980	-1035
Change in Business Inventories	40	-28	87	93	116	72	65	46	39	28	30	35	48	75	33
Percent Change: Quarterly YoY, Annual Q4/Q4															
Consumer Price Index	2.2	2.7	2.6	2.2	1.6	1.8	1.8	1.9	2.2	2.0	1.9	1.9	2.2	1.9	1.9
Core Consumer Price Index (ex. Food & Energy)	1.9	2.2	2.2	2.2	2.1	2.1	2.1	2.0	2.0	2.1	2.1	2.0	2.2	2.0	2.0
PCE Chain Price Index	1.9	2.3	2.2	1.9	1.4	1.4	1.6	1.8	1.9	1.8	1.8	1.8	1.9	1.8	1.8
Core PCE Chain Price Index (ex. Food & Energy)	1.8	2.0	2.0	1.9	1.6	1.5	1.8	1.9	1.9	2.0	1.9	1.9	1.9	1.9	1.9
Change: Quarterly Mo. Avg., Thous., Annual Mil.															
Employment, Total Nonfarm	214	232	222	216	206	147	153	140	131	121	111	104	2.7	2.0	1.4
<i>Percent Change: Q4/Q4</i>													1.8	1.3	0.9
Percent															
Unemployment Rate	4.1	3.9	3.8	3.8	3.9	3.6	3.6	3.7	3.8	3.9	4.1	4.3	3.9	3.7	4.0
Federal Funds Rate	1.4	1.7	1.9	2.2	2.4	2.4	2.2	1.8	1.6	1.6	1.6	1.6	1.8	2.2	1.6
1-Year Treasury Note Yield	1.9	2.3	2.5	2.7	2.5	2.3	2.0	1.9	1.8	1.8	1.8	1.8	2.3	2.2	1.8
10-Year Treasury Note Yield	2.8	2.9	2.9	3.0	2.7	2.3	2.0	2.0	2.0	2.0	2.1	2.1	2.9	2.3	2.1

August 09, 2019

Note: Interest rate forecasts are based on rates from July 31, 2019.

Note: Unshaded areas denote actuals. Shaded areas denote forecasts.

Sources: Actuals: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Board. Forecasts: Fannie Mae Economic and Strategic Research

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