

Economic Forecast: October 2009

| | 2008 | | | | 2009 | | | | 2010 | | | | 2007 | 2008 | 2009 | 2010 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 08.1 | 08.2 | 08.3 | 08.4 | 09.1 | 09.2 | 09.3 | 09.4 | 10.1 | 10.2 | 10.3 | 10.4 | | | | |
| Percent Change: Quarterly SAAR, Annual Q4/Q4 (unless noted) | | | | | | | | | | | | | | | | |
| Real GDP | -0.7 | 1.5 | -2.7 | -5.4 | -6.4 | -0.7 | 3.1 | 2.7 | 2.7 | 3.1 | 3.4 | 3.6 | 2.5 | -1.9 | -0.4 | 3.2 |
| Personal Consumption | -0.6 | 0.1 | -3.5 | -3.1 | 0.6 | -0.9 | 2.5 | 0.6 | 3.0 | 2.6 | 2.6 | 2.8 | 2.0 | -1.8 | 0.7 | 2.8 |
| Residential Investment | -28.2 | -15.8 | -15.9 | -23.2 | -38.2 | -23.3 | 14.1 | 17.0 | 15.2 | 16.1 | 13.5 | 9.9 | -20.5 | -21.0 | -10.8 | 13.7 |
| Business Fixed Investment | 1.9 | 1.4 | -6.1 | -19.5 | -39.2 | -9.6 | -5.7 | 0.0 | 2.2 | 3.7 | 7.3 | 10.4 | 7.9 | -6.0 | -15.2 | 5.9 |
| Net Exports (Bil. Chain 2000\$) | -550.9 | -476.0 | -479.2 | -470.9 | -386.5 | -330.4 | -338.0 | -361.5 | -381.1 | -389.2 | -397.4 | -402.7 | -647.7 | -494.3 | -354.1 | -392.6 |
| Government Consumption & Investment | 2.6 | 3.6 | 4.8 | 1.2 | -2.6 | 6.7 | 1.9 | 2.0 | 1.8 | 1.7 | 0.8 | 0.7 | 2.5 | 3.0 | 2.0 | 1.2 |
| Billions of Dollars | | | | | | | | | | | | | | | | |
| Change in Business Inventories | 0.6 | -37.1 | -29.7 | -37.4 | -113.9 | -160.2 | -113.1 | -41.6 | -32.1 | -17.4 | 4.2 | 19.5 | 19.5 | -25.9 | -107.2 | -6.5 |
| Percent Change: Quarterly SAAR, Annual Q4/Q4 (unless noted) | | | | | | | | | | | | | | | | |
| GDP Price Index | 1.9 | 1.8 | 4.0 | 0.1 | 1.9 | 0.0 | 0.8 | 0.2 | 0.8 | 0.2 | 0.7 | 0.9 | 2.7 | 1.9 | 0.7 | 0.6 |
| Consumer Price Index | 4.5 | 4.5 | 6.2 | -8.3 | -2.4 | 1.3 | 3.5 | 0.8 | 0.8 | 0.6 | 1.2 | 1.3 | 4.0 | 1.5 | 0.8 | 1.0 |
| Consumer Price Index (Quarterly YOY % Change, Annual YOY % Change) | 4.2 | 4.3 | 5.2 | 1.5 | -0.2 | -0.9 | -1.6 | 0.8 | 1.6 | 1.4 | 0.8 | 1.0 | 2.9 | 3.8 | -0.5 | 1.2 |
| Consumer Price Index excl. Food & Energy | 2.5 | 2.0 | 2.8 | 0.6 | 1.5 | 2.4 | 1.4 | 0.9 | 0.9 | 0.5 | 1.0 | 1.2 | 2.3 | 2.0 | 1.6 | 0.9 |
| Consumer Price Index excl. Food & Energy (Quarterly YOY % Change, Annual YOY % Change) | 2.4 | 2.3 | 2.5 | 2.0 | 1.7 | 1.8 | 1.5 | 1.6 | 1.4 | 0.9 | 0.8 | 0.9 | 2.3 | 2.3 | 1.7 | 1.0 |
| Industrial Production | 0.2 | -4.6 | -9.0 | -13.0 | -19.0 | -10.5 | 4.2 | 9.7 | 6.6 | 5.7 | 5.9 | 6.2 | 1.8 | -6.7 | -4.6 | 6.1 |
| Percent | | | | | | | | | | | | | | | | |
| Unemployment Rate | 4.9 | 5.4 | 6.0 | 6.9 | 8.1 | 9.2 | 9.5 | 10.0 | 10.1 | 10.0 | 9.7 | 9.5 | 4.6 | 5.8 | 9.2 | 9.8 |
| Percent Change: Quarterly SAAR, Annual Q4/Q4 | | | | | | | | | | | | | | | | |
| Employment, Private Nonfarm | -1.3 | -1.6 | -2.6 | -6.5 | -6.9 | -5.9 | -2.8 | -0.5 | 2.1 | 2.4 | 2.7 | 3.5 | 0.3 | -3.0 | -4.0 | 2.7 |
| Interest Rates, Percent | | | | | | | | | | | | | | | | |
| Fed Funds Rate | 3.18 | 2.09 | 1.94 | 0.51 | 0.18 | 0.18 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.24 | 5.02 | 1.93 | 0.19 | 0.21 |
| 1-yr T-Note | 2.10 | 2.07 | 2.12 | 0.99 | 0.57 | 0.52 | 0.45 | 0.54 | 0.87 | 1.24 | 1.60 | 1.94 | 4.52 | 1.82 | 0.52 | 1.41 |
| 10-yr T-Note | 3.66 | 3.89 | 3.86 | 3.25 | 2.74 | 3.31 | 3.48 | 3.28 | 3.40 | 3.51 | 3.61 | 3.71 | 4.63 | 3.67 | 3.20 | 3.56 |
| 1-yr ARM rate | 5.13 | 5.20 | 5.21 | 5.16 | 4.88 | 4.83 | 4.71 | 4.73 | 4.88 | 5.11 | 5.38 | 5.44 | 5.56 | 5.18 | 4.79 | 5.20 |
| 30-yr Fixed-Rate | 5.88 | 6.09 | 6.32 | 5.87 | 5.06 | 5.03 | 5.16 | 5.15 | 5.35 | 5.57 | 5.81 | 5.84 | 6.34 | 6.04 | 5.10 | 5.64 |

October 12, 2009

Notes: Interest rate forecasts are based on rates from September 30, 2009.

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

Source: Actuals: Census, Bureau of Labor Statistics, Federal Reserve, Mortgage Bankers Association, National Association of Realtors, FHFA; Forecasts: Fannie Mae Economics and Mortgage Market Analysis

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