

Economic Forecast: October 2010

	----- 2009 -----				----- 2010 -----				----- 2011 -----				----- 2012 -----				2009	2010	2011	2012
	09.1	09.2	09.3	09.4	10.1	10.2	10.3	10.4	11.1	11.2	11.3	11.4	12.1	12.2	12.3	12.4				
Percent Change: Quarterly SAAR, Annual Q4/Q4 (unless noted)																				
Real GDP	-4.9	-0.7	1.6	5.0	3.7	1.7	1.5	1.9	2.0	2.3	2.8	2.8	3.3	3.5	3.6	3.5	0.2	2.2	2.5	3.5
Personal Consumption	-0.5	-1.6	2.0	0.9	1.9	2.2	2.0	1.9	1.5	1.6	2.2	2.1	2.5	2.6	2.4	2.4	0.2	2.0	1.9	2.5
Residential Investment	-36.2	-19.7	10.6	-0.8	-12.3	25.6	-33.1	0.8	7.2	17.2	22.7	22.9	21.1	25.0	29.4	27.5	-13.4	-7.1	17.3	25.7
Business Fixed Investment	-35.2	-7.5	-1.7	-1.4	7.8	17.2	3.5	9.0	9.0	6.7	7.7	9.0	8.5	9.1	10.0	8.7	-12.7	9.3	8.1	9.1
Net Exports (Bil. Chain 2000\$)	-389.2	-342.0	-390.8	-330.1	-338.4	-449.0	-450.5	-443.2	-428.5	-414.3	-404.1	-396.6	-383.5	-374.0	-366.5	-359.5	-363.0	-420.3	-410.9	-370.9
Government Consumption & Investment	-3.0	6.1	1.6	-1.4	-1.6	3.9	1.3	0.9	-0.5	-0.8	-1.0	-1.2	-0.7	-0.5	-0.4	-0.2	0.8	1.1	-0.9	-0.5
Billions of Dollars																				
Change in Business Inventories	-125.8	-161.8	-128.2	-36.7	44.1	68.8	83.0	57.5	42.5	39.3	35.6	36.3	36.0	38.1	40.2	44.3	-113.1	63.3	38.4	39.6
Percent Change: Quarterly SAAR, Annual Q4/Q4 (unless noted)																				
GDP Price Index	1.1	0.3	0.7	-0.2	1.0	1.9	2.3	1.1	0.8	0.4	0.3	0.5	1.2	0.6	0.8	0.9	0.5	1.6	0.5	0.9
Consumer Price Index	-2.2	1.9	3.7	2.6	1.5	-0.7	1.5	1.4	1.0	0.7	0.8	1.1	1.2	1.0	1.2	1.4	1.5	0.9	0.9	1.2
Consumer Price Index (Quarterly YOY % Change, Annual YOY % Change)	-0.2	-1.0	-1.6	1.5	2.4	1.8	1.2	0.9	0.8	1.2	1.0	0.9	1.0	1.0	1.1	1.2	-0.3	1.6	1.0	1.1
Consumer Price Index excl. Food & Energy	1.6	2.3	1.5	1.5	0.0	0.9	1.4	0.5	0.6	0.3	0.5	0.8	1.1	0.9	1.1	1.3	1.7	0.7	0.6	1.1
Consumer Price Index excl. Food & Energy (Quarterly YOY % Change, Annual YOY % Change)	1.7	1.8	1.5	1.7	1.3	1.0	0.9	0.7	0.9	0.7	0.5	0.6	0.7	0.8	1.0	1.1	1.7	1.0	0.7	0.9
Industrial Production	-17.6	-10.3	8.3	7.0	7.1	6.5	5.0	3.9	3.6	3.2	3.2	2.9	3.6	3.7	3.8	3.5	-3.8	5.6	3.2	3.6
Percent																				
Unemployment Rate	8.2	9.3	9.7	10.0	9.7	9.7	9.6	9.7	9.9	9.9	9.8	9.7	9.5	9.3	9.0	8.8	9.3	9.7	9.8	9.2
Percent Change: Quarterly SAAR, Annual Q4/Q4																				
Employment, Total Nonfarm Establishment Survey	-6.4	-5.0	-3.1	-1.3	0.2	2.2	-0.3	0.2	1.0	1.3	1.4	1.3	2.0	2.5	2.8	3.4	-4.0	0.5	1.3	2.7
Interest Rates, Percent																				
Fed Funds Rate	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.5	0.8	1.0	1.3	0.2	0.2	0.2	0.9
1-yr T-Note	0.6	0.5	0.4	0.3	0.4	0.4	0.4	0.4	0.5	0.6	0.7	0.9	1.1	1.3	1.5	1.7	0.5	0.4	0.7	1.4
10-yr T-Note	2.7	3.3	3.5	3.5	3.7	3.5	2.8	2.5	2.6	2.7	2.8	2.9	3.0	3.0	3.1	3.2	3.3	3.1	2.7	3.1
1-yr ARM rate	4.9	4.8	4.7	4.4	4.3	4.0	3.6	3.4	3.3	3.3	3.4	3.4	3.5	3.5	3.6	3.7	4.7	3.8	3.4	3.6
30-yr Fixed-Rate	5.1	5.0	5.2	4.9	5.0	4.9	4.5	4.3	4.3	4.3	4.3	4.4	4.4	4.5	4.6	4.7	5.0	4.7	4.3	4.5

October 11, 2010

Notes: Interest rate forecasts are based on rates from September 30, 2010.

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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