

Economic Forecast: July 2010

	----- 2009 -----				----- 2010 -----				----- 2011 -----				2008	2009	2010	2011
	09.1	09.2	09.3	09.4	10.1	10.2	10.3	10.4	11.1	11.2	11.3	11.4				
Percent Change: Quarterly SAAR, Annual Q4/Q4 (unless noted)																
Real GDP	-6.4	-0.7	2.2	5.6	2.7	3.4	2.6	2.5	2.9	3.2	3.3	3.1	-1.9	0.1	2.8	3.1
Personal Consumption	0.6	-0.9	2.8	1.6	3.0	2.7	2.5	2.5	2.5	2.6	2.5	2.7	-1.8	1.0	2.7	2.6
Residential Investment	-38.2	-23.3	18.9	3.8	-10.3	9.3	-10.6	9.1	21.0	25.5	28.8	24.7	-21.0	-12.5	-1.1	25.0
Business Fixed Investment	-39.2	-9.6	-5.9	5.3	2.2	10.7	6.3	7.3	7.3	8.8	10.3	9.2	-6.0	-14.1	6.6	8.9
Net Exports (Bil. Chain 2000\$)	-386.5	-330.4	-357.4	-348.0	-373.0	-392.8	-411.1	-413.6	-417.7	-424.3	-430.8	-438.3	-494.3	-355.6	-397.6	-427.8
Government Consumption & Investment	-2.6	6.7	2.6	-1.3	-1.9	3.7	1.5	0.9	0.7	0.9	0.3	-0.4	3.0	1.3	1.0	0.4
Billions of Dollars																
Change in Business Inventories	-113.9	-160.2	-139.2	-19.7	41.2	45.5	70.0	62.7	62.7	61.5	60.5	62.3	-25.9	-108.3	54.8	61.7
Percent Change: Quarterly SAAR, Annual Q4/Q4 (unless noted)																
GDP Price Index	1.9	0.0	0.4	0.5	1.1	1.2	2.4	0.7	0.6	-0.1	0.0	-0.2	1.9	0.7	1.3	0.1
Consumer Price Index	-2.2	1.9	3.7	2.6	1.5	-0.6	1.4	1.0	0.9	0.4	0.5	0.8	1.6	1.5	0.8	0.6
Consumer Price Index (Quarterly YOY % Change, Annual YOY % Change)	-0.2	-1.0	-1.6	1.5	2.4	1.8	1.2	0.8	0.7	0.9	0.7	0.6	3.8	-0.3	1.6	0.7
Consumer Price Index excl. Food & Energy	1.6	2.3	1.5	1.5	0.0	0.8	1.0	1.1	0.8	0.2	0.3	0.7	2.0	1.7	0.7	0.5
Consumer Price Index excl. Food & Energy (Quarterly YOY % Change, Annual YOY % Change)	1.7	1.8	1.5	1.7	1.3	0.9	0.8	0.7	0.9	0.8	0.6	0.5	2.3	1.7	1.0	0.7
Industrial Production	-19.0	-10.4	6.4	6.9	7.6	7.6	8.2	4.6	4.1	3.4	3.2	2.6	-6.7	-4.7	7.0	3.3
Percent																
Unemployment Rate	8.2	9.3	9.7	10.0	9.7	9.7	9.7	9.6	9.6	9.5	9.3	9.2	5.8	9.3	9.7	9.4
Percent Change: Quarterly SAAR, Annual Q4/Q4																
Employment, Total Nonfarm Establishment Survey	-6.4	-5.0	-3.1	-1.3	0.2	1.2	0.9	1.2	2.0	2.0	1.8	1.7	-2.1	-4.0	0.9	1.9
Interest Rates, Percent																
Fed Funds Rate	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.7	0.8	1.9	0.2	0.2	0.5
1-yr T-Note	0.6	0.5	0.4	0.3	0.4	0.4	0.4	0.5	0.7	0.8	1.0	1.3	1.8	0.5	0.4	0.9
10-yr T-Note	2.7	3.3	3.5	3.5	3.7	3.4	3.0	3.1	3.2	3.2	3.3	3.4	3.7	3.3	3.3	3.3
1-yr ARM rate	4.9	4.8	4.7	4.4	4.3	4.0	3.8	3.8	3.9	4.0	4.0	4.1	5.2	4.7	4.0	4.0
30-yr Fixed-Rate	5.1	5.0	5.2	4.9	5.0	4.9	4.6	4.6	4.7	4.8	4.9	5.0	6.0	5.0	4.8	4.9

July 12, 2010

Notes: Interest rate forecasts are based on rates from June 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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