



Economic Forecast: January 2017

| | ----- 2016 ----- | | | | ----- 2017 ----- | | | | ----- 2018 ----- | | | | 2015 | 2016 | 2017 | 2018 |
|--|------------------|------|------|------|------------------|------|------|------|------------------|------|------|------|------|------|------|------|
| | 16.1 | 16.2 | 16.3 | 16.4 | 17.1 | 17.2 | 17.3 | 17.4 | 18.1 | 18.2 | 18.3 | 18.4 | | | | |
| National Income and Product Accounts (Chained 2009\$) | | | | | | | | | | | | | | | | |
| <i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i> | | | | | | | | | | | | | | | | |
| Gross Domestic Product | 0.8 | 1.4 | 3.5 | 2.0 | 2.2 | 2.1 | 1.9 | 1.7 | 1.7 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 2.0 | 1.9 |
| Personal Consumption Expenditures | 1.6 | 4.3 | 3.0 | 2.6 | 2.5 | 2.5 | 2.4 | 2.3 | 2.1 | 2.0 | 2.2 | 2.2 | 2.6 | 2.9 | 2.4 | 2.1 |
| Residential Fixed Investment | 7.8 | -7.7 | -4.1 | 10.2 | 4.4 | 2.0 | 2.5 | 2.8 | 3.7 | 4.2 | 4.1 | 3.5 | 13.1 | 1.2 | 2.9 | 3.9 |
| Business Fixed Investment | -3.4 | 1.0 | 1.4 | 2.6 | 2.9 | 2.5 | 2.9 | 2.6 | 2.7 | 2.6 | 2.9 | 2.6 | 0.8 | 0.4 | 2.7 | 2.7 |
| Government Consumption & Investment | 1.6 | -1.7 | 0.8 | 1.5 | 0.6 | 0.4 | 0.7 | 0.8 | -0.5 | 1.1 | 1.2 | 1.2 | 2.2 | 0.5 | 0.6 | 0.7 |
| <i>Billions of Chained 2009\$</i> | | | | | | | | | | | | | | | | |
| Net Exports | -566 | -559 | -522 | -570 | -588 | -608 | -637 | -655 | -664 | -673 | -694 | -710 | -540 | -554 | -622 | -685 |
| Change in Business Inventories | 41 | -10 | 7 | 22 | 31 | 44 | 54 | 51 | 48 | 47 | 50 | 51 | 84 | 15 | 45 | 49 |
| Price Indices | | | | | | | | | | | | | | | | |
| <i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i> | | | | | | | | | | | | | | | | |
| GDP Price Index | 0.5 | 2.3 | 1.4 | 1.6 | 1.4 | 2.0 | 2.1 | 2.2 | 2.4 | 2.3 | 2.4 | 2.5 | 1.1 | 1.5 | 1.9 | 2.4 |
| Consumer Price Index | -0.3 | 2.5 | 1.6 | 3.4 | 2.7 | 2.9 | 2.2 | 2.1 | 2.2 | 2.3 | 2.1 | 2.0 | 0.4 | 1.8 | 2.5 | 2.1 |
| Consumer Price Index excl. Food & Energy | 2.7 | 2.1 | 1.9 | 1.9 | 2.4 | 1.9 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.1 | 2.0 | 2.1 | 2.1 | 2.0 |
| Employment | | | | | | | | | | | | | | | | |
| Unemployment Rate (Percent) | 4.9 | 4.9 | 4.9 | 4.8 | 4.7 | 4.7 | 4.6 | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 5.3 | 4.9 | 4.6 | 4.5 |
| Employment, Total Nonfarm (% Change: Quarterly SAAR, Annual Q4/Q4) | 1.9 | 1.3 | 1.8 | 1.4 | 1.4 | 1.4 | 1.3 | 1.3 | 1.2 | 1.1 | 1.0 | 1.1 | 2.0 | 1.6 | 1.4 | 1.1 |
| Interest Rates (Percent) | | | | | | | | | | | | | | | | |
| Federal Funds Rate | 0.4 | 0.4 | 0.4 | 0.4 | 0.6 | 0.7 | 0.9 | 0.9 | 1.1 | 1.2 | 1.4 | 1.4 | 0.1 | 0.4 | 0.8 | 1.3 |
| 1-Year Treasury Note Yield | 0.6 | 0.6 | 0.6 | 0.7 | 1.0 | 1.2 | 1.4 | 1.5 | 1.6 | 1.8 | 1.9 | 2.0 | 0.3 | 0.6 | 1.3 | 1.8 |
| 10-Year Treasury Bond Yield | 1.9 | 1.8 | 1.6 | 2.1 | 2.5 | 2.6 | 2.6 | 2.7 | 2.7 | 2.7 | 2.8 | 2.8 | 2.1 | 1.8 | 2.6 | 2.8 |

January 10, 2017

Note: Interest rate forecasts are based on rates from December 30, 2016.

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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