

Economic Forecast: December 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	2.5	2.5	2.6	3.3	3.8	3.9	3.9	4.0	4.0	3.9	0.2	2.6	3.4	3.9
Personal Consumption	-0.5	-1.6	2.0	0.9	1.9	2.2	2.8	3.1	2.8	3.1	3.0	3.1	3.0	3.0	3.0	3.0	0.2	2.5	3.0	3.0
Residential Investment	-36.2	-19.7	10.6	-0.8	-12.3	25.7	-27.5	-0.3	8.8	14.2	20.4	21.1	20.5	23.7	28.4	28.5	-13.4	-5.5	16.0	25.3
Business Fixed Investment	-35.2	-7.5	-1.7	-1.4	7.8	17.2	10.3	5.7	9.4	10.6	11.7	11.6	15.0	11.8	7.6	9.0	-12.7	10.2	10.8	10.8
Net Exports (Bil. Chain 2000\$)	-389.2	-342.0	-390.8	-330.1	-338.4	-449.0	-506.7	-474.1	-473.5	-463.8	-465.2	-464.5	-469.5	-466.4	-449.9	-441.5	-363.0	-442.1	-466.7	-456.8
Government Consumption & Investment	-3.0	6.1	1.6	-1.4	-1.6	3.9	4.0	-0.3	-0.9	-0.4	-0.1	-0.3	-0.3	-0.4	-0.2	0.0	0.8	1.5	-0.4	-0.2
Billions of Dollars																				
Change in Business Inventories	-125.8	-161.8	-128.2	-36.7	44.1	68.8	111.5	74.6	65.1	52.0	56.4	59.6	61.2	63.4	62.0	57.8	-113.1	74.8	58.3	61.1
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	1.2	1.2	0.0	0.4	0.1	0.2	0.8	0.3	0.4	0.5	1.6	0.4	0.4
Consumer Price Index	-2.2	1.9	3.7	2.6	1.5	-0.7	1.5	2.2	1.3	0.9	1.1	0.8	0.7	1.7	1.0	1.0	1.5	1.1	1.0	1.1
Consumer Price Index (Quarterly YOY % Change, Annual YOY % Change)	-0.2	-1.0	-1.6	1.5	2.4	1.8	1.2	1.1	1.1	1.5	1.4	1.0	0.9	1.1	1.0	1.1	-0.3	1.6	1.2	1.0
Consumer Price Index excl. Food & Energy	1.6	2.3	1.5	1.5	0.0	0.9	1.2	0.4	0.6	1.6	1.1	0.7	0.7	1.7	1.0	1.0	1.7	0.6	1.0	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	0.6	0.8	1.0	0.9	1.0	1.0	1.0	1.0	1.1	1.7	1.0	0.9	1.0
Industrial Production	-17.6	-10.3	8.3	7.0	7.1	7.1	5.2	2.2	4.0	4.2	4.8	5.1	4.8	4.9	4.7	4.1	-3.8	5.4	4.5	4.6
Percent																				
Unemployment Rate	8.2	9.3	9.7	10.0	9.7	9.7	9.6	9.7	9.7	9.5	9.4	9.4	9.0	8.8	8.6	8.3	9.3	9.7	9.5	8.6
Percent Change: Quarterly SAAR, Annual Q4/Q4																				
Employment, Total Nonfarm Establishment Survey	-6.4	-5.0	-3.1	-1.3	0.2	2.2	-0.2	0.9	1.2	2.4	2.3	2.3	2.3	2.4	2.3	2.6	-4.0	0.8	2.1	2.4
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	0.2	0.2	0.3	0.8	1.3	0.2	0.2	0.2	0.6
1-yr T-Note	0.6	0.5	0.4	0.3	0.4	0.4	0.3	0.2	0.3	0.4	0.5	0.6	0.8	0.9	1.1	1.3	0.5	0.3	0.5	1.0
10-yr T-Note	2.7	3.3	3.5	3.5	3.7	3.5	2.8	2.7	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.3	3.2	3.1	3.5
1-yr ARM rate	4.9	4.8	4.7	4.4	4.3	4.0	3.6	3.3	3.4	3.5	3.5	3.6	3.7	3.7	3.8	3.9	4.7	3.8	3.5	3.8
30-yr Fixed-Rate	5.1	5.0	5.2	4.9	5.0	4.9	4.4	4.4	4.6	4.7	4.8	4.8	4.9	5.1	5.2	5.2	5.0	4.7	4.7	5.1

December 10, 2010

Notes: Interest rate forecasts are based on rates from November 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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