

Economic Forecast: July 2012

| | 11.1 | 11.2 | 11.3 | 11.4 | 12.1 | 12.2 | 12.3 | 12.4 | 13.1 | 13.2 | 13.3 | 13.4 | 2011 | 2012 | 2013 |
|-----------------------------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| National Income and Product Accounts (Chained 2005\$) | | | | | | | | | | | | | | | |
| <i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i> | | | | | | | | | | | | | | | |
| Gross Domestic Product | 0.4 | 1.3 | 1.8 | 3.0 | 1.9 | 1.8 | 2.1 | 2.0 | 2.3 | 2.0 | 2.4 | 2.6 | 1.6 | 2.0 | 2.3 |
| Personal Consumption Expenditures | 2.1 | 0.7 | 1.7 | 2.1 | 2.5 | 1.7 | 2.1 | 1.7 | 1.9 | 1.9 | 2.5 | 2.6 | 1.6 | 2.0 | 2.2 |
| Residential Fixed Investment | -2.4 | 4.2 | 1.3 | 11.6 | 20.0 | 9.0 | 6.9 | 5.1 | 5.4 | 8.5 | 14.1 | 20.1 | 3.5 | 10.1 | 11.9 |
| Business Fixed Investment | 2.1 | 10.3 | 15.7 | 5.2 | 3.1 | 6.2 | 5.0 | 5.9 | 6.0 | 4.4 | 5.3 | 6.0 | 8.2 | 5.0 | 5.4 |
| Government Consumption & Investment | -5.9 | -0.9 | -0.1 | -4.2 | -4.0 | -0.1 | -1.3 | -1.3 | -1.2 | -1.1 | -0.7 | -0.6 | -2.8 | -1.7 | -0.9 |
| <i>Billions of Chained 2005\$</i> | | | | | | | | | | | | | | | |
| Net Exports | -424 | -416 | -403 | -411 | -407 | -409 | -394 | -378 | -368 | -366 | -355 | -362 | -414 | -397 | -363 |
| Change in Business Inventories | 49 | 39 | -2 | 52 | 54 | 52 | 44 | 40 | 45 | 48 | 36 | 37 | 35 | 48 | 42 |
| Income (Billions of Nominal \$) | | | | | | | | | | | | | | | |
| Disposable Personal Income | 11,481 | 11,559 | 11,648 | 11,686 | 11,780 | 11,865 | 11,953 | 12,043 | 12,003 | 12,110 | 12,219 | 12,346 | 11,594 | 11,910 | 12,170 |
| <i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i> | 5.2 | 2.8 | 3.1 | 1.3 | 3.3 | 2.9 | 3.0 | 3.1 | -1.3 | 3.6 | 3.7 | 4.2 | 3.1 | 3.1 | 2.5 |
| Price Indices | | | | | | | | | | | | | | | |
| <i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i> | | | | | | | | | | | | | | | |
| GDP Price Index | 2.5 | 2.5 | 2.6 | 0.9 | 2.0 | 1.7 | 1.6 | 1.7 | 1.8 | 1.9 | 1.7 | 1.6 | 2.1 | 1.7 | 1.7 |
| Consumer Price Index | 4.5 | 4.4 | 3.1 | 1.3 | 2.5 | 0.8 | 1.3 | 2.2 | 2.1 | 1.9 | 2.1 | 2.0 | 3.3 | 1.7 | 2.0 |
| Consumer Price Index excl. Food & Energy | 1.8 | 2.4 | 2.5 | 1.9 | 2.1 | 2.5 | 2.1 | 2.5 | 2.0 | 1.8 | 2.0 | 2.0 | 2.2 | 2.3 | 2.0 |
| Employment | | | | | | | | | | | | | | | |
| Unemployment Rate (Percent) | 9.0 | 9.1 | 9.1 | 8.7 | 8.2 | 8.1 | 8.1 | 8.0 | 7.9 | 7.8 | 7.7 | 7.7 | 8.9 | 8.1 | 7.8 |
| Employment, Total Nonfarm Establishment Survey (Percent Change: Quarterly SAAR, Annual Q4/Q4) | 1.4 | 1.7 | 0.9 | 1.4 | 2.1 | 1.0 | 1.1 | 1.3 | 1.4 | 1.4 | 1.5 | 1.5 | 1.4 | 1.4 | 1.5 |
| Interest Rates (Percent) | | | | | | | | | | | | | | | |
| Federal Funds Rate | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.2 |
| 1-Year Treasury Note Yield | 0.3 | 0.2 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.4 | 0.2 | 0.2 | 0.3 |
| 10-Year Treasury Bond Yield | 3.5 | 3.2 | 2.4 | 2.0 | 2.0 | 1.8 | 1.7 | 1.8 | 1.8 | 1.9 | 2.0 | 2.0 | 2.8 | 1.8 | 1.9 |

July 10, 2012

Note: Interest rate forecasts are based on rates from June 29, 2012.

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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