

Economic Forecast: May 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	3.2	3.5	3.6	3.7	3.9	3.8	4.1	3.8	-1.9	0.1	3.5	3.9
Personal Consumption	0.6	-0.9	2.8	1.6	3.6	3.5	3.3	2.9	3.1	2.6	2.9	3.0	-1.8	1.0	3.3	2.9
Residential Investment	-38.2	-23.3	18.9	3.8	-10.9	10.7	6.1	17.2	18.6	26.3	31.6	28.0	-21.0	-12.5	5.3	26.0
Business Fixed Investment	-39.2	-9.6	-5.9	5.3	4.1	6.4	6.7	10.4	11.9	12.6	12.6	11.8	-6.0	-14.1	6.9	12.2
Net Exports (Bil. Chain 2000\$)	-386.5	-330.4	-357.4	-348.0	-367.0	-377.6	-385.6	-384.5	-383.1	-381.8	-380.8	-376.6	-494.3	-355.6	-378.7	-380.6
Government Consumption & Investment	-2.6	6.7	2.6	-1.3	-1.8	2.6	0.9	1.0	-0.1	-0.5	-0.6	-2.0	3.0	1.3	0.7	-0.8
Billions of Dollars																
Change in Business Inventories	-113.9	-160.2	-139.2	-19.7	31.1	32.9	51.8	52.6	55.5	64.0	70.0	72.4	-25.9	-108.3	42.1	65.5
Percent Change: Quarterly SAAR, Annual Q4/Q4 (unless noted)																
GDP Price Index	1.9	0.0	0.4	0.5	0.9	-0.7	2.0	0.6	1.0	0.6	0.4	0.6	1.9	0.7	0.7	0.7
Consumer Price Index	-2.2	1.9	3.7	2.6	1.5	0.2	1.8	1.1	1.0	1.1	1.0	1.1	1.6	1.5	1.2	1.0
Consumer Price Index (Quarterly YOY % Change, Annual YOY % Change)	-0.2	-1.0	-1.6	1.5	2.4	2.0	1.5	1.2	1.0	1.3	1.1	1.0	3.8	-0.3	1.8	1.1
Consumer Price Index excl. Food & Energy	1.6	2.3	1.5	1.5	0.0	0.8	1.1	1.4	1.0	1.1	1.0	1.1	2.0	1.7	0.8	1.1
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	0.8	1.1	1.1	1.1	1.1	2.3	1.7	1.0	1.1
Industrial Production	-19.0	-10.4	6.4	6.9	7.8	4.4	5.1	6.4	5.6	5.1	4.9	4.1	-6.7	-4.7	5.9	4.9
Percent																
Unemployment Rate	8.2	9.3	9.7	10.0	9.7	9.7	9.8	9.6	9.3	9.1	8.7	8.6	5.8	9.3	9.7	8.9
Percent Change: Quarterly SAAR, Annual Q4/Q4																
Employment, Total Nonfarm Establishment Survey	-6.4	-5.0	-3.1	-1.3	0.0	3.0	1.1	2.8	3.3	3.1	3.0	2.7	-2.1	-4.0	1.7	3.0
Interest Rates, Percent																
Fed Funds Rate	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.7	0.8	1.1	1.4	1.9	0.2	0.2	1.0
1-yr T-Note	0.6	0.5	0.4	0.3	0.4	0.6	0.8	1.1	1.4	1.7	2.0	2.3	1.8	0.5	0.7	1.8
10-yr T-Note	2.7	3.3	3.5	3.5	3.7	3.6	3.7	3.8	3.9	4.0	4.1	4.2	3.7	3.3	3.7	4.1
1-yr ARM rate	4.9	4.8	4.7	4.4	4.3	4.2	4.3	4.4	4.6	4.7	4.8	4.9	5.2	4.7	4.3	4.7
30-yr Fixed-Rate	5.1	5.0	5.2	4.9	5.0	5.1	5.2	5.4	5.5	5.6	5.7	5.8	6.0	5.0	5.2	5.6

May 10, 2010

Notes: Interest rate forecasts are based on rates from April 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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