### Economic Forecast: October 2019

#### Percent Change: Quarterly SAAR, Annual Q4/Q4

<table>
<thead>
<tr>
<th></th>
<th>18.1</th>
<th>18.2</th>
<th>18.3</th>
<th>18.4</th>
<th>19.1</th>
<th>19.2</th>
<th>19.3</th>
<th>19.4</th>
<th>20.1</th>
<th>20.2</th>
<th>20.3</th>
<th>20.4</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Domestic Product</strong></td>
<td>2.5</td>
<td>3.5</td>
<td>2.9</td>
<td>1.1</td>
<td>3.1</td>
<td>2.0</td>
<td>1.7</td>
<td>2.1</td>
<td>1.8</td>
<td>1.9</td>
<td>1.6</td>
<td>1.6</td>
<td>2.5</td>
<td>2.2</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Personal Consumption Expenditures (PCE)</strong></td>
<td>1.7</td>
<td>4.0</td>
<td>3.5</td>
<td>1.4</td>
<td>1.1</td>
<td>4.6</td>
<td>3.1</td>
<td>2.4</td>
<td>2.1</td>
<td>2.0</td>
<td>1.9</td>
<td>2.0</td>
<td>2.6</td>
<td>2.8</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Residential Fixed Investment</strong></td>
<td>-5.3</td>
<td>-3.7</td>
<td>-4.0</td>
<td>-4.7</td>
<td>-1.0</td>
<td>-3.0</td>
<td>4.2</td>
<td>3.0</td>
<td>1.2</td>
<td>-0.5</td>
<td>-1.5</td>
<td>-2.0</td>
<td>-4.4</td>
<td>0.8</td>
<td>-0.7</td>
</tr>
<tr>
<td><strong>Business Fixed Investment</strong></td>
<td>8.8</td>
<td>7.9</td>
<td>2.1</td>
<td>4.8</td>
<td>4.4</td>
<td>-1.0</td>
<td>-1.0</td>
<td>1.0</td>
<td>1.3</td>
<td>2.0</td>
<td>1.6</td>
<td>0.5</td>
<td>5.9</td>
<td>0.8</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Government Consumption &amp; Investment</strong></td>
<td>1.9</td>
<td>2.6</td>
<td>2.1</td>
<td>-0.4</td>
<td>2.9</td>
<td>4.8</td>
<td>1.2</td>
<td>1.3</td>
<td>3.0</td>
<td>2.8</td>
<td>1.0</td>
<td>1.0</td>
<td>1.5</td>
<td>2.5</td>
<td>2.0</td>
</tr>
</tbody>
</table>

#### Billions of Chained 2012$

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Exports</strong></td>
<td>-884</td>
<td>-850</td>
<td>-962</td>
</tr>
<tr>
<td><strong>Change in Business Inventories</strong></td>
<td>-981</td>
<td>-992</td>
<td>-1003</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>2019</td>
<td>2020</td>
</tr>
<tr>
<td><strong>Change: Quarterly YoY, Annual Q4/Q4</strong></td>
<td>-1005</td>
<td>-1009</td>
<td>-1011</td>
</tr>
<tr>
<td><strong>Consumer Price Index</strong></td>
<td>1.6</td>
<td>2.1</td>
<td>2.3</td>
</tr>
<tr>
<td><strong>Core Consumer Price Index (ex. Food &amp; Energy)</strong></td>
<td>2.1</td>
<td>2.1</td>
<td>2.3</td>
</tr>
<tr>
<td><strong>PCE Chain Price Index</strong></td>
<td>1.4</td>
<td>1.4</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Core PCE Chain Price Index (ex. Food &amp; Energy)</strong></td>
<td>1.9</td>
<td>1.9</td>
<td>2.1</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment, Total Nonfarm</strong></td>
<td>206</td>
<td>146</td>
<td>154</td>
</tr>
<tr>
<td><strong>Change: Quarterly Mo. Avg., Thous., Annual Mil.</strong></td>
<td>137</td>
<td>207</td>
<td>12</td>
</tr>
<tr>
<td><strong>Percent Change: Q4/Q4</strong></td>
<td>2.7</td>
<td>1.9</td>
<td>1.4</td>
</tr>
</tbody>
</table>

#### Percent

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unemployment Rate</strong></td>
<td>4.1</td>
<td>3.9</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>Federal Funds Rate</strong></td>
<td>1.4</td>
<td>1.7</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>1-Year Treasury Note Yield</strong></td>
<td>1.9</td>
<td>2.3</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>10-Year Treasury Note Yield</strong></td>
<td>2.8</td>
<td>2.9</td>
<td>2.9</td>
</tr>
</tbody>
</table>

October 10, 2019
Note: Interest rate forecasts are based on rates from September 30, 2019.
Note: Unshaded areas denote actuals. Shaded areas denote forecasts.
Note: Nonfarm employment numbers include temporary hiring for the 2020 decennial Census.
Sources: Actuals: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Board. Forecasts: Fannie Mae Economic and Strategic Research
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