Fannie Mae

Economic Forecast: July 2021

	2020				2021				2022						
	20.1	**20.2**	**20.3**	**20.4**	**21.1**	**21.2**	**21.3**	**21.4**	**22.1**	**22.2**	**22.3**	**22.4**	**2020**	**2021**	**2022**
Percent Change: Quarterly SAAR, Annual Q4/Q4															
Gross Domestic Product	-5.0	-31.4	33.4	4.3	6.4	8.1	7.1	6.6	3.6	3.0	2.4	2.1	-2.4	7.0	2.8
Personal Consumption Expenditures (PCE)	-6.9	-33.2	41.0	2.3	11.4	10.4	2.2	3.8	3.7	3.6	3.5	3.3	-2.7	6.9	3.5
Residential Fixed Investment	19.0	-35.6	63.0	36.6	13.1	-7.9	6.9	2.4	-3.4	-5.3	-1.5	-1.3	14.3	3.3	-2.9
Business Fixed Investment	-6.7	-27.2	22.9	13.1	11.7	4.8	5.7	6.0	4.8	4.1	3.4	3.4	-1.4	7.0	3.9
Government Consumption & Investment	1.3	2.5	-4.8	-0.8	5.7	3.8	4.0	2.5	0.3	0.0	-0.7	-0.1	-0.5	4.0	-0.1
Billions of Chained 2012$															
Net Exports	-788	-775	-1019	-1122	-1212	-1203	-1213	-1162	-1153	-1153	-1158	-1166	-926	-1197	-1157
Change in Business Inventories	-81	-287	-4	62	-87	-96	100	191	208	221	207	182	-77	27	204
Percent Change: Quarterly YoY, Annual Q4/Q4															
Consumer Price Index	2.1	0.4	1.3	1.2	1.9	4.7	4.7	5.1	5.0	3.8	3.3	2.9	1.2	5.1	2.9
Core Consumer Price Index (ex. Food & Energ	2.2	1.3	1.7	1.6	1.4	3.5	3.7	4.3	4.9	4.0	3.6	3.4	1.6	4.3	3.4
PCE Chain Price Index	1.7	0.6	1.2	1.2	1.8	3.8	3.8	4.3	4.2	3.3	2.9	2.7	1.2	4.3	2.7
Core PCE Chain Price Index (ex. Food & Energ	1.8	1.0	1.4	1.4	1.6	3.3	3.4	4.0	4.2	3.5	3.2	3.0	1.4	4.0	3.0
Change: Quarterly Avg Mo. Chg, Thous., Annual Mil.															
Employment, Total Nonfarm	-360	-4,333	1,342	213	518	567	775	650	475	400	250	220	-9.4	7.5	4.0
Percent Change: Q4/Q4													*-6.0*	*4.8*	*3.0*
Percent															
Unemployment Rate	3.8	13.0	8.8	6.8	6.2	5.9	5.4	4.8	4.6	4.4	4.2	4.0	8.1	5.6	4.3
Federal Funds Rate	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.1	0.1
1-Year Treasury Note Yield	1.1	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.4	0.5	0.6	0.4	0.1	0.5
10-Year Treasury Note Yield	1.4	0.7	0.7	0.9	1.3	1.6	1.5	1.5	1.6	1.6	1.7	1.8	0.9	1.5	1.7

July 12, 2021

Note: Interest rate forecasts are based on rates from June 30, 2021.

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