Fannie Mae™

Economic Forecast: January 2018

	---------------- 2017 ----------------				---------------- 2018 ----------------				---------------- 2019 ----------------							
	17.1	**17.2**	**17.3**	**17.4**	**18.1**	**18.2**	**18.3**	**18.4**	**19.1**	**19.2**	**19.3**	**19.4**	**2016**	**2017**	**2018**	**2019**
National Income and Product Accounts (Chained 2009$)																
Percent Change: Quarterly SAAR, Annual Q4/Q4																
Gross Domestic Product	1.2	3.1	3.2	2.7	2.8	2.6	2.6	2.7	2.4	2.4	2.3	2.2	1.8	2.5	2.7	2.3
Personal Consumption Expenditures (PCE)	1.9	3.3	2.2	3.0	2.6	2.9	2.6	2.6	2.6	2.6	2.5	2.5	2.8	2.6	2.7	2.5
Residential Fixed Investment	11.1	-7.3	-4.7	13.8	5.8	0.9	1.7	0.8	1.0	2.2	2.7	2.8	2.5	2.8	2.3	2.2
Business Fixed Investment	7.2	6.7	4.7	8.5	4.8	6.3	6.4	6.6	6.3	6.2	6.2	6.2	0.7	6.8	6.0	6.2
Percent Change: Year-over-Year	-0.6	-0.2	0.7	0.4	0.0	0.4	0.7	0.7	0.8	0.7	0.6	0.3	0.4	0.1	0.4	0.6
Billions of Chained 2009$																
Net Exports	-622	-614	-598	-635	-651	-664	-675	-681	-696	-716	-736	-761	-586	-617	-668	-727
Change in Business Inventories	1	5	39	31	54	52	53	53	48	48	47	47	33	19	53	47
Price Indices																
Percent Change: Quarterly SAAR, Annual Q4/Q4																
GDP Price Index	2.0	1.0	2.1	2.0	1.2	1.4	2.0	2.1	2.4	2.4	2.4	2.5	1.5	1.8	1.7	2.4
Consumer Price Index	3.1	-0.3	2.0	3.5	1.6	0.4	1.7	1.7	1.8	2.5	2.0	3.0	1.8	2.1	1.3	2.3
Consumer Price Index excl. Food & Energy	2.5	0.6	1.7	2.2	2.2	1.9	2.0	2.0	1.2	2.3	2.4	2.4	2.2	1.7	2.0	2.1
PCE Chain Price Index	2.2	0.3	1.5	2.6	1.1	1.1	1.6	1.7	1.8	2.1	2.0	2.4	1.6	1.6	1.4	2.1
PCE Chain Price Index excl. Food & Energy	1.8	0.9	1.3	1.8	1.5	1.7	1.7	1.8	1.9	2.0	2.1	2.2	1.9	1.5	1.7	2.0
Employment																
Unemployment Rate (Percent)	4.7	4.4	4.3	4.1	4.0	3.9	3.9	3.8	3.8	3.8	3.7	3.8	4.9	4.4	3.9	3.8
Employment, Total Nonfarm (% Change: Quarterly SAAR, Annual Q4/Q4)	1.5	1.3	1.3	1.4	1.6	1.6	1.5	1.4	1.3	1.3	1.2	1.0	1.6	1.4	1.5	1.2
Interest Rates (Percent)																
Federal Funds Rate	0.7	0.9	1.2	1.2	1.4	1.6	1.6	1.9	1.9	2.1	2.1	2.1	0.4	1.0	1.6	2.1
1-Year Treasury Note Yield	0.9	1.1	1.2	1.6	1.9	2.0	2.0	2.0	2.0	2.0	2.1	2.1	0.6	1.2	2.0	2.1
10-Year Treasury Bond Yield	2.4	2.3	2.2	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.6	1.8	2.3	2.5	2.5

January 10, 2018

Note: Interest rate forecasts are based on rates from December 29, 2017.

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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