FannieMae ECONOMIC AND STRATEGIC RESEARCH

Economic Forecast: March 2015

	-------------- 2014 --------------				-------------- 2015 --------------				-------------- 2016 --------------						
	14.1	14.2	14.3	14.4	15.1	15.2	15.3	15.4	16.1	16.2	16.3	16.4	2014	2015	2016
National Income and Product Accounts (Chained 2009$)															
Percent Change: Quarterly SAAR, Annual Q4/Q4															
Gross Domestic Product	-2.1	4.6	5.0	2.2	2.0	3.2	3.1	2.9	2.5	2.3	2.5	2.6	2.4	2.8	2.5
Personal Consumption Expenditures	1.2	2.5	3.2	4.2	2.7	3.4	3.2	3.1	2.6	2.6	2.4	2.2	2.8	3.1	2.4
Residential Fixed Investment	-5.3	8.8	3.2	3.4	1.8	7.0	9.6	12.9	6.7	5.7	3.7	5.5	2.4	7.8	5.4
Business Fixed Investment	1.6	9.7	8.9	4.8	3.1	5.3	5.1	4.6	3.9	4.0	4.2	4.2	6.2	4.5	4.1
Government Consumption & Investment	-0.8	1.7	4.4	-1.8	0.4	0.0	0.3	0.4	0.1	0.6	0.6	0.7	0.9	0.3	0.5
Billions of Chained 2009$															
Net Exports	-447	-460	-431	-476	-494	-492	-492	-496	-503	-491	-479	-471	-454	-494	-486
Change in Business Inventories	35	85	82	88	96	88	80	74	79	56	48	48	73	85	58
Income (Billions of Nominal $)															
Disposable Personal Income	12,773	12,945	13,061	13,168	13,308	13,445	13,565	13,702	13,855	14,004	14,163	14,351	12,987	13,505	14,093
Percent Change: Quarterly SAAR, Annual Q4/Q4	4.8	5.5	3.6	3.3	4.3	4.2	3.6	4.1	4.5	4.4	4.6	5.4	4.3	4.1	4.7
Price Indices															
Percent Change: Quarterly SAAR, Annual Q4/Q4															
GDP Price Index	1.3	2.1	1.4	0.1	0.9	2.3	1.7	1.7	1.9	1.8	1.9	2.0	1.2	1.7	1.9
Consumer Price Index	2.1	2.4	1.2	-0.9	-2.9	2.3	2.0	2.1	2.1	2.0	2.1	2.0	1.2	0.9	2.0
Consumer Price Index excl. Food & Energy	1.8	2.2	1.4	1.5	1.2	1.1	1.5	1.6	1.9	1.7	1.7	1.8	1.7	1.4	1.8
Employment															
Unemployment Rate (Percent)	6.6	6.2	6.1	5.7	5.5	5.4	5.3	5.2	5.2	5.1	5.1	5.1	6.2	5.4	5.1
Employment, Total Nonfarm Establishment Survey (Percent Change: Quarterly SAAR, Annual Q4/Q4)	1.6	2.3	2.2	2.5	2.5	2.1	2.2	1.9	1.6	1.6	1.5	1.6	2.1	2.2	1.6
Interest Rates (Percent)															
Federal Funds Rate	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.4	0.5	0.7	0.9	1.1	0.1	0.3	0.8
1-Year Treasury Note Yield	0.1	0.1	0.1	0.1	0.2	0.4	0.6	0.8	1.0	1.3	1.5	1.6	0.1	0.5	1.4
10-Year Treasury Bond Yield	2.8	2.6	2.5	2.3	2.0	2.1	2.1	2.2	2.2	2.3	2.3	2.4	2.5	2.1	2.3

March 10, 2015
Note: Interest rate forecasts are based on rates from February 27, 2015.
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