



Economic Forecast: April 2019

|                                                                    | ----- 2018 ----- |      |      |      | ----- 2019 ----- |      |      |       | ----- 2020 ----- |       |       |       |      |      |       |
|--------------------------------------------------------------------|------------------|------|------|------|------------------|------|------|-------|------------------|-------|-------|-------|------|------|-------|
|                                                                    | 18.1             | 18.2 | 18.3 | 18.4 | 19.1             | 19.2 | 19.3 | 19.4  | 20.1             | 20.2  | 20.3  | 20.4  | 2018 | 2019 | 2020  |
| <b>National Income and Product Accounts (Chained 2012\$)</b>       |                  |      |      |      |                  |      |      |       |                  |       |       |       |      |      |       |
| <i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i>                |                  |      |      |      |                  |      |      |       |                  |       |       |       |      |      |       |
| Gross Domestic Product                                             | 2.2              | 4.2  | 3.4  | 2.2  | 1.8              | 2.1  | 2.4  | 2.3   | 1.7              | 1.8   | 1.5   | 1.4   | 3.0  | 2.2  | 1.6   |
| Personal Consumption Expenditures (PCE)                            | 0.5              | 3.8  | 3.5  | 2.5  | 1.0              | 2.4  | 2.7  | 2.5   | 1.9              | 1.8   | 1.9   | 1.8   | 2.6  | 2.2  | 1.9   |
| Residential Fixed Investment                                       | -3.4             | -1.3 | -3.6 | -4.7 | 1.0              | 3.9  | 4.1  | 2.7   | 2.1              | 1.7   | 1.6   | 1.4   | -3.3 | 2.9  | 1.7   |
| Business Fixed Investment                                          | 11.5             | 8.7  | 2.5  | 5.4  | 3.8              | 2.4  | 3.6  | 3.4   | 3.1              | 2.8   | 2.6   | 2.4   | 7.0  | 3.3  | 2.8   |
| Government Consumption & Investment                                | 1.5              | 2.5  | 2.6  | -0.4 | 3.3              | 2.5  | 1.1  | 0.9   | 1.0              | 1.7   | -0.1  | 0.2   | 1.5  | 2.0  | 0.7   |
| <i>Billions of Chained 2012\$</i>                                  |                  |      |      |      |                  |      |      |       |                  |       |       |       |      |      |       |
| Net Exports                                                        | -902             | -841 | -950 | -956 | -964             | -978 | -995 | -1001 | -1015            | -1029 | -1041 | -1057 | -912 | -984 | -1036 |
| Change in Business Inventories                                     | 30               | -37  | 90   | 97   | 104              | 90   | 84   | 80    | 72               | 70    | 69    | 67    | 45   | 89   | 69    |
| <b>Price Indices</b>                                               |                  |      |      |      |                  |      |      |       |                  |       |       |       |      |      |       |
| <i>Percent Change: Quarterly YoY % Change, Annual Q4/Q4</i>        |                  |      |      |      |                  |      |      |       |                  |       |       |       |      |      |       |
| GDP Price Index                                                    | 2.0              | 2.4  | 2.3  | 2.1  | 2.2              | 2.2  | 2.1  | 2.2   | 2.1              | 2.0   | 2.1   | 2.1   | 2.1  | 2.2  | 2.1   |
| Consumer Price Index                                               | 2.2              | 2.7  | 2.6  | 2.2  | 1.6              | 1.9  | 2.0  | 2.2   | 2.3              | 2.1   | 2.1   | 2.1   | 2.2  | 2.2  | 2.1   |
| Consumer Price Index excl. Food & Energy                           | 1.9              | 2.2  | 2.2  | 2.2  | 2.1              | 1.9  | 2.0  | 2.1   | 2.2              | 2.2   | 2.1   | 2.0   | 2.2  | 2.1  | 2.0   |
| PCE Chain Price Index                                              | 1.9              | 2.2  | 2.2  | 1.9  | 1.7              | 1.8  | 2.0  | 2.1   | 2.2              | 2.1   | 2.1   | 2.0   | 1.9  | 2.1  | 2.0   |
| PCE Chain Price Index excl. Food & Energy                          | 1.7              | 1.9  | 2.0  | 1.9  | 1.8              | 1.9  | 2.0  | 2.1   | 2.2              | 2.1   | 2.0   | 2.0   | 1.9  | 2.1  | 2.0   |
| <b>Employment</b>                                                  |                  |      |      |      |                  |      |      |       |                  |       |       |       |      |      |       |
| Unemployment Rate (Percent)                                        | 4.1              | 3.9  | 3.8  | 3.8  | 3.9              | 3.7  | 3.6  | 3.5   | 3.5              | 3.5   | 3.6   | 3.7   | 3.9  | 3.7  | 3.6   |
| Employment, Total Nonfarm (% Change: Quarterly SAAR, Annual Q4/Q4) | 1.8              | 1.9  | 1.8  | 1.7  | 1.7              | 1.4  | 1.2  | 1.0   | 0.9              | 0.8   | 0.7   | 0.6   | 1.8  | 1.3  | 0.8   |
| <b>Interest Rates (Percent)</b>                                    |                  |      |      |      |                  |      |      |       |                  |       |       |       |      |      |       |
| Federal Funds Rate                                                 | 1.4              | 1.7  | 1.9  | 2.2  | 2.4              | 2.4  | 2.4  | 2.4   | 2.6              | 2.6   | 2.6   | 2.6   | 1.8  | 2.4  | 2.6   |
| 1-Year Treasury Note Yield                                         | 1.9              | 2.3  | 2.5  | 2.7  | 2.5              | 2.4  | 2.3  | 2.2   | 2.2              | 2.1   | 2.1   | 2.1   | 2.3  | 2.4  | 2.1   |
| 10-Year Treasury Bond Yield                                        | 2.8              | 2.9  | 2.9  | 3.0  | 2.7              | 2.4  | 2.4  | 2.4   | 2.4              | 2.5   | 2.5   | 2.5   | 2.9  | 2.5  | 2.5   |

April 10, 2019

Note: Interest rate forecasts are based on rates from March 29, 2019.

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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