

Economic Forecast: January 2014

	----- 2013 -----				----- 2014 -----				2012	2013	2014	2015
	13.1	13.2	13.3	13.4	14.1	14.2	14.3	14.4				
National Income and Product Accounts (Chained 2009\$)												
<i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i>												
Gross Domestic Product	1.1	2.5	4.1	2.8	2.2	3.0	3.1	3.2	2.0	2.6	2.9	2.6
Personal Consumption Expenditures	2.3	1.8	2.0	3.5	2.5	2.7	3.1	2.9	2.0	2.4	2.8	2.8
Residential Fixed Investment	12.5	14.2	10.3	-1.6	14.8	18.3	21.2	21.0	15.5	8.7	18.8	13.6
Business Fixed Investment	-4.6	4.7	4.8	3.3	3.2	5.9	6.0	5.8	5.0	2.0	5.2	4.9
Government Consumption & Investment	-4.2	-0.4	0.4	-0.9	1.0	-0.2	0.0	0.2	-1.1	-1.3	0.3	0.4
<i>Billions of Chained 2009\$</i>												
Net Exports	-422	-424	-422	-399	-378	-371	-382	-382	-431	-417	-378	-426
Change in Business Inventories	42	57	116	103	63	53	49	40	58	79	51	46
Income (Billions of Nominal \$)												
Disposable Personal Income	12,297	12,417	12,568	12,589	12,673	12,776	12,884	13,007	12,246	12,468	12,835	13,318
<i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i>	-7.0	4.0	5.0	0.7	2.7	3.3	3.4	3.9	5.3	0.6	3.3	3.9
Price Indices												
<i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i>												
GDP Price Index	1.3	0.6	2.0	0.6	1.1	1.4	1.5	1.6	1.8	1.1	1.4	1.9
Consumer Price Index	1.4	0.0	2.6	0.7	2.1	1.4	1.6	1.5	1.9	1.2	1.6	1.8
Consumer Price Index excl. Food & Energy	2.1	1.4	1.8	1.6	1.8	1.7	1.7	1.8	1.9	1.7	1.7	2.0
Employment												
Unemployment Rate (Percent)	7.7	7.5	7.2	7.0	6.7	6.6	6.5	6.4	8.1	7.4	6.5	6.2
Employment, Total Nonfarm Establishment Survey (Percent Change: Quarterly SAAR, Annual Q4/Q4)	1.9	1.7	1.4	1.7	1.9	2.0	1.9	1.9	1.6	1.7	1.9	2.0
Interest Rates (Percent)												
Federal Funds Rate	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.4
1-Year Treasury Note Yield	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.2	0.1	0.2	0.8
10-Year Treasury Bond Yield	2.0	2.0	2.7	2.7	3.1	3.1	3.2	3.3	1.8	2.4	3.2	3.6

January 10, 2014

Note: Interest rate forecasts are based on rates from December 31, 2013.

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
 Opinions, analyses, estimates, forecasts, and other views of Fannie Mae's Economic & Strategic Research (ESR) group included in these materials should not be construed as indicating Fannie Mae's business prospects or expected results, are based on a number of assumptions, and are subject to change without notice. How this information affects Fannie Mae will depend on many factors. Although the ESR group bases its opinions, analyses, estimates, forecasts, and other views on information it considers reliable, it does not guarantee that the information provided in these materials is accurate, current or suitable for any particular purpose. Changes in the assumptions or the information underlying these views could produce materially different results. The analyses, opinions, estimates, forecasts, and other views published by the ESR group represent the views of that group as of the date indicated and do not necessarily represent the views of Fannie Mae or its management.