



Economic Forecast: August 2017

	----- 2016 -----				----- 2017 -----				----- 2018 -----				2016	2017	2018
	16.1	16.2	16.3	16.4	17.1	17.2	17.3	17.4	18.1	18.2	18.3	18.4			
National Income and Product Accounts (Chained 2009\$)															
<i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i>															
Gross Domestic Product	0.6	2.2	2.8	1.8	1.2	2.6	2.3	1.9	1.9	2.0	1.9	1.6	1.8	2.0	1.8
Personal Consumption Expenditures (PCE)	1.8	3.8	2.8	2.9	1.9	2.8	2.5	2.4	1.9	2.2	2.3	2.3	2.8	2.4	2.2
Residential Fixed Investment	13.4	-4.7	-4.5	7.1	11.1	-6.8	0.7	2.1	4.2	5.3	5.0	3.4	2.5	1.6	4.5
Business Fixed Investment	-4.0	3.3	3.4	0.2	7.2	5.2	3.2	3.4	3.1	3.1	3.3	3.0	0.7	4.7	3.2
Government Consumption & Investment	1.8	-0.9	0.5	0.2	-0.6	0.7	1.2	0.6	-0.5	1.3	1.4	1.4	0.4	0.5	0.9
<i>Billions of Chained 2009\$</i>															
Net Exports	-584	-572	-557	-631	-622	-615	-642	-666	-661	-681	-715	-756	-586	-636	-703
Change in Business Inventories	41	12	18	63	1	0	20	25	22	24	32	36	33	12	28
Price Indices															
<i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i>															
GDP Price Index	0.3	2.4	1.4	2.0	2.0	1.0	1.4	1.7	2.0	2.1	2.3	2.3	1.5	1.5	2.2
Consumer Price Index	0.1	2.3	1.8	3.0	3.1	-0.3	1.9	2.8	2.2	1.9	1.9	1.9	1.8	1.9	2.0
Consumer Price Index excl. Food & Energy	2.5	2.1	2.1	2.0	2.5	0.6	1.9	2.3	2.0	2.1	2.2	2.1	2.2	1.8	2.1
PCE Chain Price Index	0.6	2.1	1.7	2.0	2.2	0.3	1.4	2.0	1.8	1.8	2.0	1.8	1.6	1.5	1.9
PCE Chain Price Index excl. Food & Energy	2.1	2.0	2.0	1.3	1.8	0.9	1.5	1.7	1.6	1.9	2.1	1.9	1.9	1.5	1.9
Employment															
Unemployment Rate (Percent)	5.0	4.9	4.9	4.7	4.7	4.4	4.3	4.2	4.2	4.1	4.2	4.3	4.9	4.4	4.2
Employment, Total Nonfarm (% Change: Quarterly SAAR, Annual Q4/Q4)	1.7	1.4	2.0	1.4	1.5	1.4	1.6	1.3	1.4	1.4	1.3	1.2	1.6	1.4	1.3
Interest Rates (Percent)															
Federal Funds Rate	0.4	0.4	0.4	0.4	0.7	0.9	1.1	1.2	1.4	1.4	1.6	1.7	0.4	1.0	1.5
1-Year Treasury Note Yield	0.6	0.6	0.6	0.8	0.9	1.1	1.3	1.3	1.4	1.4	1.5	1.5	0.6	1.1	1.5
10-Year Treasury Bond Yield	1.9	1.8	1.6	2.1	2.4	2.3	2.3	2.4	2.4	2.4	2.5	2.5	1.8	2.3	2.5

August 10, 2017

Note: Interest rate forecasts are based on rates from July 31 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
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.