



Fannie Mae™

### Economic Forecast: May 2016

	2015				2016				2017				2015	2016	2017
	15.1	15.2	15.3	15.4	16.1	16.2	16.3	16.4	17.1	17.2	17.3	17.4			
<b>National Income and Product Accounts (Chained 2009\$)</b>															
<i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i>															
Gross Domestic Product	0.6	3.9	2.0	1.4	0.5	2.2	2.2	2.0	1.9	1.7	1.8	1.6	2.0	1.7	1.8
Personal Consumption Expenditures	1.8	3.6	3.0	2.4	1.9	2.5	2.2	2.1	2.0	2.0	1.9	1.8	2.7	2.2	1.9
Residential Fixed Investment	10.1	9.3	8.2	10.1	14.8	4.8	5.5	6.2	6.6	4.9	2.8	2.2	9.4	7.8	4.1
Business Fixed Investment	1.6	4.1	2.6	-2.1	-5.9	3.6	2.8	2.2	2.1	1.9	1.7	1.6	1.5	0.6	1.8
Government Consumption & Investment	-0.1	2.6	1.8	0.1	1.2	1.9	1.6	0.8	1.2	0.9	0.9	0.9	1.1	1.4	1.0
<i>Billions of Chained 2009\$</i>															
Net Exports	-541	-535	-546	-552	-567	-573	-581	-586	-586	-600	-604	-611	-543	-577	-600
Change in Business Inventories	113	114	86	78	61	48	48	47	36	37	39	42	98	51	39
<b>Price Indices</b>															
<i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i>															
GDP Price Index	0.1	2.1	1.3	0.9	0.7	1.2	1.6	1.8	2.1	1.9	2.0	2.1	1.1	1.3	2.0
Consumer Price Index	-2.9	2.4	1.4	0.8	-0.3	2.2	2.7	2.8	2.3	1.8	2.0	2.2	0.4	1.8	2.1
Consumer Price Index (Quarterly YOY % Change, Annual YOY % Change)	-0.1	0.0	0.1	0.4	1.1	1.0	1.3	1.8	2.5	2.4	2.2	2.1	0.1	1.3	2.3
Consumer Price Index excl. Food & Energy	1.7	2.3	1.8	2.2	2.7	1.9	2.0	1.9	2.0	2.0	2.0	2.0	2.0	2.1	2.0
Consumer Price Index excl. Food & Energy (Quarterly YOY % Change, Annual YOY % Change)	1.7	1.8	1.8	2.0	2.3	2.2	2.2	2.1	2.0	2.0	2.0	2.0	1.8	2.2	2.0
<b>Employment</b>															
Unemployment Rate (Percent)	5.5	5.4	5.1	5.0	4.9	4.8	4.7	4.7	4.7	4.7	4.6	4.6	5.3	4.8	4.7
Employment, Total Nonfarm (% Change: Quarterly SAAR, Annual Q4/Q4)	2.1	1.9	1.9	2.0	1.9	1.5	1.5	1.5	1.3	1.2	1.1	1.0	2.0	1.6	1.2
<b>Interest Rates (Percent)</b>															
Federal Funds Rate	0.1	0.1	0.1	0.2	0.4	0.4	0.4	0.6	0.7	0.9	0.9	1.1	0.1	0.4	0.9
1-Year Treasury Note Yield	0.2	0.3	0.3	0.5	0.6	0.6	0.7	0.8	0.9	1.0	1.1	1.2	0.3	0.7	1.0
10-Year Treasury Bond Yield	2.0	2.2	2.2	2.2	1.9	1.8	1.9	1.9	2.0	2.0	2.1	2.1	2.1	1.9	2.1

May 10, 2016

Note: Interest rate forecasts are based on rates from April 29, 2016.

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 & Strategic Research Group

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