



Fannie Mae™

Economic Forecast: September 2019

	----- 2018 -----				----- 2019 -----				----- 2020 -----				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			
Percent Change: Quarterly SAAR, Annual Q4/Q4															
Gross Domestic Product	2.5	3.5	2.9	1.1	3.1	2.0	1.9	1.9	1.9	1.8	1.5	1.3	2.5	2.2	1.6
Personal Consumption Expenditures (PCE)	1.7	4.0	3.5	1.4	1.1	4.7	3.2	2.4	2.0	1.9	1.8	1.6	2.6	2.8	1.8
Residential Fixed Investment	-5.3	-3.7	-4.0	-4.7	-1.0	-2.9	0.9	1.6	0.9	-0.7	-1.2	-1.8	-4.4	-0.4	-0.7
Business Fixed Investment	8.8	7.9	2.1	4.8	4.4	-0.6	-0.6	1.0	1.3	2.0	1.6	0.5	5.9	1.0	1.4
Government Consumption & Investment	1.9	2.6	2.1	-0.4	2.9	4.5	1.2	2.1	3.3	3.2	2.0	1.5	1.5	2.7	2.5
Billions of Chained 2012\$															
Net Exports	-884	-850	-962	-983	-944	-983	-994	-1002	-1006	-1011	-1021	-1030	-920	-981	-1017
Change in Business Inventories	40	-28	87	93	116	69	60	49	41	28	27	30	48	74	31
Percent Change: Quarterly YoY, Annual Q4/Q4															
Consumer Price Index	2.2	2.7	2.6	2.2	1.6	1.8	1.8	1.9	2.2	2.0	1.9	1.9	2.2	1.9	1.9
Core Consumer Price Index (ex. Food & Energy)	1.9	2.2	2.2	2.2	2.1	2.1	2.1	2.0	2.0	2.0	2.1	2.1	2.2	2.0	2.1
PCE Chain Price Index	1.9	2.3	2.2	1.9	1.4	1.4	1.6	1.9	2.0	1.8	1.8	1.8	1.9	1.9	1.8
Core PCE Chain Price Index (ex. Food & Energy)	1.8	2.0	2.0	1.9	1.6	1.5	1.8	1.9	1.9	1.9	1.9	2.0	1.9	1.9	2.0
Change: Quarterly Mo. Avg., Thous., Annual Mil.															
Employment, Total Nonfarm	214	232	222	216	206	147	125	124	123	121	119	114	2.7	1.8	1.4
<i>Percent Change: Q4/Q4</i>													1.8	1.2	0.9
Percent															
Unemployment Rate	4.1	3.9	3.8	3.8	3.9	3.6	3.7	3.7	3.8	3.9	4.0	4.1	3.9	3.7	3.9
Federal Funds Rate	1.4	1.7	1.9	2.2	2.4	2.4	2.2	1.8	1.6	1.6	1.6	1.6	1.8	2.2	1.6
1-Year Treasury Note Yield	1.9	2.3	2.5	2.7	2.5	2.3	1.8	1.6	1.5	1.4	1.2	1.2	2.3	2.1	1.3
10-Year Treasury Note Yield	2.8	2.9	2.9	3.0	2.7	2.3	1.7	1.5	1.5	1.5	1.5	1.5	2.9	2.1	1.5

September 10, 2019

Note: Interest rate forecasts are based on rates from August 30, 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

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.