



Economic Forecast: December 2018

	2018				2019				2020				2017	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				
National Income and Product Accounts (Chained 2012\$)																
<i>Percent Change: Quarterly SAAR, Annual Q4/Q4</i>																
Gross Domestic Product	2.2	4.2	3.5	2.6	2.0	2.6	2.4	2.1	1.7	1.8	1.5	1.4	2.5	3.1	2.3	1.6
Personal Consumption Expenditures (PCE)	0.5	3.8	3.6	3.0	2.1	2.5	2.4	2.3	1.9	1.8	1.9	1.8	2.7	2.7	2.4	1.9
Residential Fixed Investment	-3.4	-1.3	-2.6	-2.2	1.6	2.7	3.6	2.3	1.7	1.7	1.6	1.5	3.8	-2.4	2.6	1.6
Business Fixed Investment	11.5	8.7	2.5	3.4	4.1	3.7	3.6	3.3	3.2	3.1	2.9	2.7	6.3	6.5	3.7	3.0
Government Consumption & Investment	1.5	2.5	2.6	3.5	2.8	2.1	0.8	0.5	0.6	1.7	-0.4	-0.1	0.1	2.5	1.6	0.4
<i>Billions of Chained 2012\$</i>																
Net Exports	-902	-841	-946	-969	-980	-996	-1009	-1027	-1040	-1053	-1068	-1077	-859	-914	-1003	-1059
Change in Business Inventories	30	-37	87	80	61	64	70	75	69	65	63	57	23	40	68	64
Price Indices																
<i>Percent Change: Quarterly YoY % Change, Annual Q4/Q4</i>																
GDP Price Index	2.0	2.4	2.3	2.3	2.5	2.4	2.3	2.2	2.1	2.1	2.1	2.2	2.0	2.3	2.2	2.2
Consumer Price Index	2.3	2.6	2.6	2.4	2.2	2.3	2.2	2.2	2.1	2.1	2.1	2.0	2.1	2.4	2.2	2.0
Consumer Price Index excl. Food & Energy	1.9	2.2	2.2	2.5	2.3	2.3	2.2	2.1	2.1	2.0	2.0	1.9	1.7	2.5	2.1	1.9
PCE Chain Price Index	1.9	2.2	2.2	2.0	2.2	2.2	2.1	2.1	2.1	2.0	2.0	2.0	1.8	2.0	2.1	2.0
PCE Chain Price Index excl. Food & Energy	1.7	1.9	2.0	1.8	2.0	2.1	2.1	2.0	2.0	2.0	1.9	1.9	1.6	1.8	2.0	1.9
Employment																
Unemployment Rate (Percent)	4.1	3.9	3.8	3.7	3.6	3.5	3.5	3.5	3.5	3.5	3.6	3.7	4.4	3.9	3.5	3.6
Employment, Total Nonfarm (% Change: Quarterly SAAR, Annual Q4/Q4)	1.7	1.7	1.7	1.6	1.4	1.3	1.1	1.0	0.9	0.8	0.7	0.6	1.5	1.7	1.2	0.8
Interest Rates (Percent)																
Federal Funds Rate	1.4	1.7	1.9	2.2	2.4	2.7	2.9	2.9	2.9	2.9	2.9	2.9	1.0	1.8	2.7	2.9
1-Year Treasury Note Yield	1.9	2.3	2.5	2.7	2.8	2.9	2.9	2.9	2.9	2.9	2.9	2.9	1.2	2.3	2.9	2.9
10-Year Treasury Bond Yield	2.8	2.9	2.9	3.1	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.1	2.3	2.9	3.1	3.1

December 10, 2018

Note: Interest rate forecasts are based on rates from November 30, 2018.

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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