

## Economic Forecast: July 2011

	----- 2009 -----				----- 2010 -----				----- 2011 -----				----- 2012 -----				2009	2010	2011	2012	2013	
	09.1	09.2	09.3	09.4	10.1	10.2	10.3	10.4	11.1	11.2	11.3	11.4	12.1	12.2	12.3	12.4						
<b>Percent Change: Quarterly SAAR, Annual Q4/Q4 (unless noted)</b>																						
Real GDP	-4.9	-0.7	1.6	5.0	3.7	1.7	2.6	3.1	1.9	1.9	3.1	2.8	2.6	3.1	3.2	3.5	0.2	2.8	2.4	3.1	3.5	
Personal Consumption	-0.5	-1.6	2.0	0.9	1.9	2.2	2.4	4.0	2.2	0.9	2.1	2.2	2.3	2.3	2.4	2.4	0.2	2.6	1.8	2.3	2.5	
Residential Investment	-36.2	-19.7	10.6	-0.8	-12.3	25.7	-27.3	3.3	-2.0	-4.9	1.4	12.5	29.5	24.4	15.9	17.4	-13.4	-4.6	1.5	21.7	22.1	
Business Fixed Investment	-35.2	-7.5	-1.7	-1.4	7.8	17.2	10.0	7.7	2.0	4.7	9.6	9.5	4.7	8.9	9.8	10.5	-12.7	10.6	6.4	8.5	10.0	
Net Exports (Bil. Chain 2000\$)	-389.2	-342.0	-390.8	-330.1	-338.4	-449.0	-505.0	-397.7	-392.5	-366.7	-345.8	-316.7	-305.7	-287.8	-265.8	-253.1	-363.0	-422.5	-355.4	-278.1	-269.5	
Government Consumption & Investment	-3.0	6.1	1.6	-1.4	-1.6	3.9	3.9	-1.7	-5.8	-1.5	-0.7	0.8	-1.4	-1.2	-1.6	-1.1	0.8	1.1	-1.8	-1.3	0.4	
<b>Billions of Dollars</b>																						
Change in Business Inventories	-125.8	-161.8	-128.2	-36.7	44.1	68.8	121.4	16.2	55.7	67.8	72.7	41.5	36.8	28.5	23.9	28.5	-113.1	62.6	59.4	29.4	39.6	
<b>Percent Change: Quarterly SAAR, Annual Q4/Q4 (unless noted)</b>																						
GDP Price Index	1.1	0.3	0.7	-0.2	1.0	1.9	2.1	0.4	2.0	2.2	2.1	1.5	1.7	1.5	1.4	1.4	0.5	1.3	1.9	1.5	1.3	
Consumer Price Index	-2.4	1.9	3.7	2.7	1.3	-0.5	1.4	2.6	5.2	4.3	1.7	1.9	1.8	1.9	1.9	1.9	1.5	1.2	3.3	1.9	1.6	
Consumer Price Index (Quarterly YOY % Change, Annual YOY % Change)	-0.2	-1.0	-1.6	1.5	2.4	1.8	1.2	1.2	2.2	3.4	3.5	3.3	2.4	1.8	1.9	1.9	-0.3	1.6	3.1	2.0	1.8	
Consumer Price Index excl. Food & Energy	1.6	2.2	1.4	1.7	0.0	0.8	1.1	0.6	1.7	2.4	2.2	2.0	1.9	2.0	2.0	2.0	1.7	0.6	2.1	2.0	1.6	
Consumer Price Index excl. Food & Energy (Quarterly YOY % Change, Annual YOY % Change)	1.7	1.8	1.5	1.7	1.3	1.0	0.9	0.6	1.1	1.5	1.7	2.1	2.1	2.0	2.0	2.0	1.7	1.0	1.6	2.0	1.8	
Industrial Production	-18.9	-11.5	5.3	5.6	8.1	7.1	6.7	3.1	4.2	2.1	5.2	2.6	2.2	2.4	2.5	2.8	-5.5	6.2	3.5	2.5	2.1	
<b>Percent</b>																						
Unemployment Rate	8.2	9.3	9.7	10.0	9.7	9.6	9.6	9.6	8.9	9.1	9.0	9.0	9.0	8.9	8.8	8.7	9.3	9.6	9.0	8.9	8.4	
<b>Percent Change: Quarterly SAAR, Annual Q4/Q4</b>																						
Employment, Total Nonfarm Establishment Survey	-6.5	-5.5	-3.0	-1.6	-0.3	2.0	-0.2	0.8	1.3	1.4	1.1	1.2	1.4	1.1	2.1	2.0	-4.2	0.5	1.2	1.6	1.4	
<b>Interest Rates, Percent</b>																						
Fed Funds Rate	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.7	1.2	0.2	0.2	0.2	0.6	2.0
1-yr T-Note	0.6	0.5	0.4	0.3	0.4	0.4	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.4	0.7	0.5	0.3	0.2	0.4	1.4	
10-yr T-Note	2.7	3.3	3.5	3.5	3.7	3.5	2.8	2.9	3.5	3.2	3.2	3.3	3.4	3.6	3.7	3.8	3.3	3.2	3.3	3.6	4.0	
1-yr ARM rate	4.9	4.8	4.7	4.4	4.3	4.0	3.6	3.3	3.3	3.1	3.1	3.2	3.3	3.3	3.4	3.6	4.7	3.8	3.2	3.4	4.0	
30-yr Fixed-Rate	5.1	5.0	5.2	4.9	5.0	4.9	4.4	4.4	4.8	4.7	4.7	4.7	4.9	5.0	5.1	5.2	5.0	4.7	4.7	5.0	5.4	

July 11, 2011

Notes: Interest rate forecasts are based on rates from June 30, 2011.

Note: Unshaded areas denote actuals. Shaded areas denote forecasts.

Source: Actuals: Census, Bureau of Labor Statistics, Federal Reserve, Mortgage Bankers Association, National Association of REALTORS®, FHFA; Forecasts: Fannie Mae Economics and Mortgage Market Analysis

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