ECONOMIC OUTLOOK

REGIONS

September 2023

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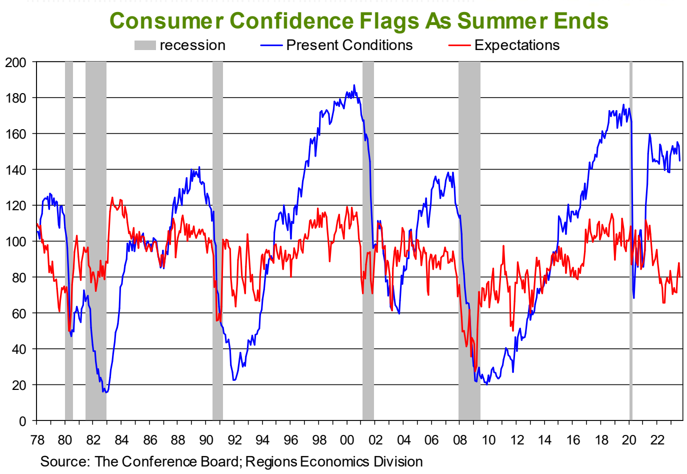
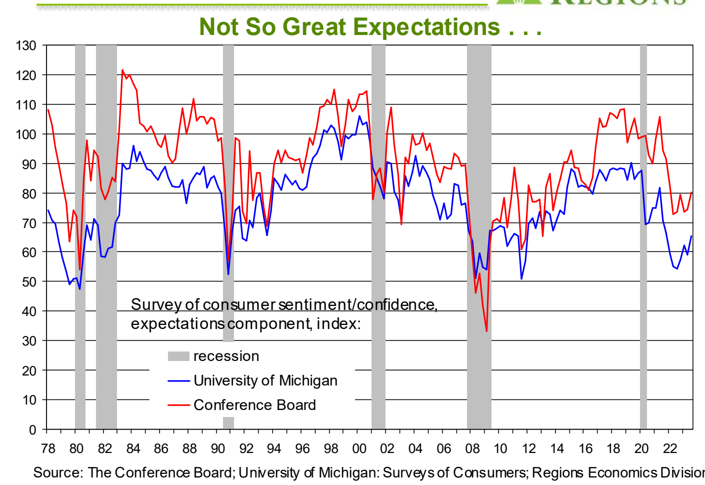
Consumer Confidence Fading?

Consumers' moods took a turn for the worse in August, with the Conference Board's monthly read on consumer confidence falling by much more than had been anticipated. Declines in both the present conditions and the expectations components yielded the largest monthly decline in the overall index in two years. The decline in the Conference Board's gauge mirrored that seen in the University of Michigan's August survey of consumer sentiment, which also saw both the present conditions and the expectations components decline. To be sure, reads on consumer confidence can be volatile from one month to the next and can be sensitive to any number of factors, economic or otherwise, that can reverse course in short order and, in turn, sway consumers' perceptions and expectations. And, though we're not included in this camp, there are those who dismiss measures of consumer confidence (sentiment) on the grounds that what consumers do is much more relevant than what they say. We do, however, think there is some value in these surveys, and the following chart suggests the Conference Board's *Consumer Confidence Index* has a fairly solid record of signaling economic downturns.



It is interesting that the drop in consumer confidence came at a time when many professional forecasters were adapting a more constructive economic outlook, with many who had long been forecasting a recession changing their tune, and their forecast, and embracing a "soft landing" narrative. This is something we discussed in last month's *Outlook*. We know what you're thinking, but there's no way you can actually prove that consumers took the "experts" feeling better about the economy as a sign that things were about to go downhill, perhaps in a hurry, hence the decline in consumer confidence. A far more plausible explanation is that, after having taken in the "Eraissance" tours and the blockbuster "Barbenheimer" double feature, consumers simply felt they had nothing to look forward to, hence the decline in consumer confidence. Okay, maybe not that much more plausible, but even if the consumer confidence data don't exhibit any such "what's left?" effect, the consumer spending data certainly will.

One factor which likely played more than a small role in August's decline in consumer confidence was the sharp rise in retail gasoline prices. Historically, consumer confidence has been highly sensitive to swings in gasoline prices, and retail pump prices having risen by almost thirty cents per gallon between mid-July and late-August could have easily put a dent in consumer confidence. At the same time, after months of having been notably bright, consumers' assessments of labor market conditions dimmed considerably in August. The spread between the shares of respondents seeing jobs as "plentiful" and those seeing jobs as "hard to get" narrowed sharply, falling to a level last seen in April 2021. While we'll have more to say about labor market conditions in the closing section, that the Conference Board's measure of consumer confidence is more heavily tied to labor market conditions than is the University of Michigan's measure helps account for the former having declined much more sharply than the latter in August.



Even before both measures of consumer confidence fell in August, the prior several months had seen a notable, not to mention a bit puzzling, pattern within both measures of consumer confidence. At the same time consumers' assessments of present conditions were improving, their expectations of future conditions remained notably downbeat. In both the Conference Board survey and in the University of Michigan survey, the expectations component remained mired at levels that in past cycles have been associated with the economy being in recession, as seen in the chart above (note that the chart shows quarterly averages as opposed to the monthly observations). In other words, while consumers were feeling better about today, they continued to feel pretty lousy

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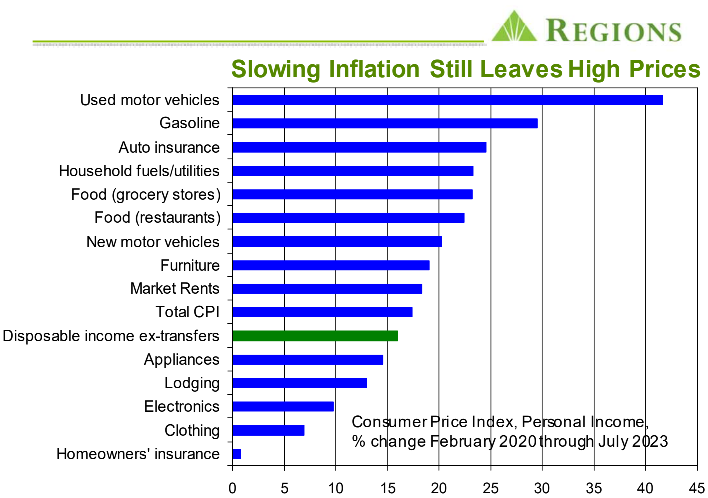
about tomorrow, almost as though a sense of living on borrowed time, if not they themselves then at least the broader economy, was casting a pall on what at present were favorable conditions.

That dichotomy may not be as puzzling as it may at first glance seem to be. For instance, prior to what for many has been a recent conversion to the "soft landing" narrative, many of the "experts" had been forecasting a recession for well over a year, and some still are. That fairly steady drumbeat of recession talk could easily have weighed on perceptions of future conditions (don't blame us; aside from us by no means being "experts," thus far we've not at any point in this cycle had recession as our base case), particularly at a time when the FOMC was sending a "we've done a lot but may not be finished" message regarding Fed funds rate hikes. At the same time, many households have seen financial buffers, in the form of excess savings balances, get progressively thinner, as the cumulative effects of elevated inflation and higher interest rates continue to stress household budgets. It's almost as though while consumers are able to spend normally today, they anticipate not being able to do so tomorrow, at least certainly not to the same degree as they've been able to thus far.



Source: Bureau of Economic Analysis; Bureau of Labor Statistics; Regions Economics Division

There may be more to those latter two points than is generally appreciated, which the above chart helps illustrate. One question we've heard frequently over the past few months is why consumers aren't feeling more upbeat about what has been a marked deceleration in inflation. This question, however, seems to confuse falling inflation with falling prices. While it is true that inflation has slowed significantly, that simply means that prices are rising at a slower pace than before. Moreover, any further increases in prices come on top of those already experienced over the past two-plus years, which is why we constantly refer to the cumulative effects of a prolonged period of elevated inflation.

As the chart shows, even dismissing the outsized increase in prices for used motor vehicles since the onset of the pandemic which has had a material impact on measures of overall inflation, prices for necessities such as food, shelter, and energy have increased significantly. These cumulative increases have easily outpaced growth in after-tax personal income excluding transfer payments over this same span. When looked at in this light, it's not hard to understand why consumers aren't exactly enthusiastic over prices now increasing at a slower rate, particularly those consumers who have depleted most, if not all, of whatever excess savings buffers they once had at their disposal. Indeed, the Conference Board noted that, without being prompted, many respondents to their August survey of consumers cited inflation as a pressing concern. While that could to a large degree reflect the most recent run-up in gas prices, we think it highly likely that these consumers are also taking account of the cumulative increases in prices seen to date, particularly prices of necessities.

To be sure, all of this is taking place against a backdrop of what has been robust growth in spending on discretionary services, such as travel, tourism, recreation, entertainment, and dining out. The summer blockbuster concert tours and movie releases (mojo dojo casa house, anyone?) are evidence of that. In part, the growth in discretionary services spending over the past several months has come at the expense of spending on goods, as the distortions in spending patterns triggered by the pandemic and the policy response to it continue to be unwound. Along those same lines, there has been a considerable degree of "revenge" spending on discretionary services, as consumers made up for lost time after being unable and/or unwilling to engage in services spending as they did prior to the pandemic.

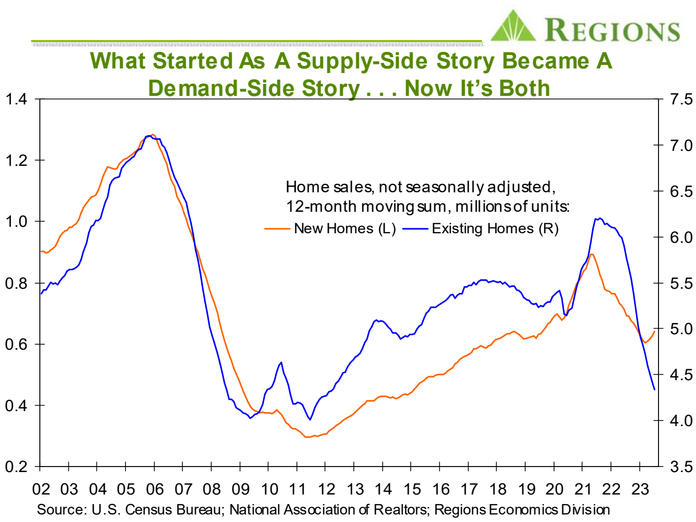
To the extent that higher inflation has stressed household budgets, an increased reliance on credit card debt, including amongst higher income households, and the use of excess savings have helped facilitate discretionary services spending. But, between pent-up demand having been fulfilled, at least to some degree if not mostly, ongoing price increases, higher interest rates, and rising credit card balances, we have for some time expected growth in discretionary services spending to slow sharply after the summer months. That remains the case, particularly if, as indicated in the Conference Board's August survey, consumers are sensing that labor market conditions are deteriorating.

That growth in consumer spending was so strong in July all but assures robust annualized growth in real consumer spending for Q3, which in turn will prop up Q3 real GDP growth. That said, we expect growth in real consumer spending to slow sharply by the end of Q3, setting up a very weak, as in virtually flat, trajectory for Q4 spending. Should the deterioration in consumer confidence seen in August persist, particularly consumers' assessments of labor market conditions, the slowdown in spending growth could be even more pronounced than we are now anticipating, to the point that real consumer spending could even contract in Q4.

Higher Mortgage Rates: More Pain For The Housing Market?

August saw mortgage interest rates rise to their highest point in over two decades, the latest in a long series of blows to a housing market so far from normal that you can't even see normal from where the market now is. The recent run-up in mortgage interest rates came amid a budding rebound in construction and sales of new single family homes, and with rates looking to stay elevated for some time to come, it's reasonable to ask whether, or at least to what extent, that rebound can be sustained. Thus far, homebuilders seem largely unfazed, as they continue to benefit from inflows of buyers fleeing the market for existing homes which for years now has been stifled by extraordinarily lean inventories of existing homes for sale. Indeed, we've heard some analysts contend that builders are "immune" to higher mortgage interest rates, even as rates recently pushed toward 7.50 percent. That is, at least to us, a bit much, particularly to the extent that longer-term interest rates, including mortgage rates, remain elevated. We offer that assessment in the context of us having been, from the time the FOMC first started raising the Fed funds rate, more constructive on the for-sale segment of the housing market than has been the case with most analysts.

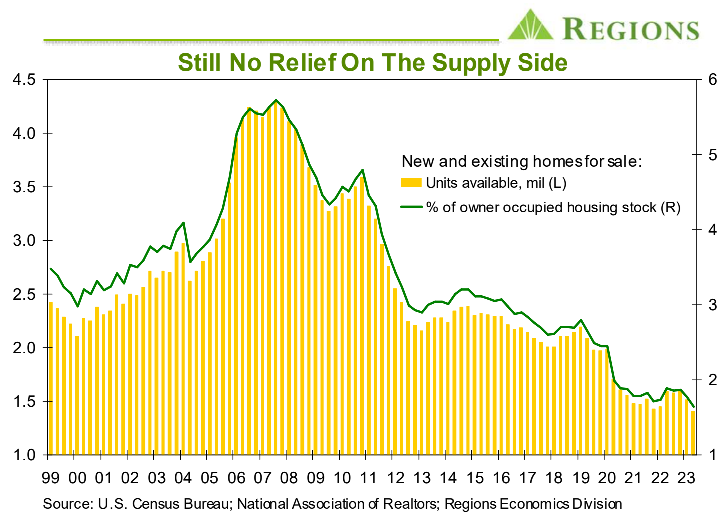
The foundation of our housing market analysis has long been that the market has been badly undersupplied for more than a decade, which has held down sales and supported higher prices than would have otherwise prevailed. What many seem to have missed is that home sales, both new and existing, peaked (based on the running twelve-month total of not seasonally adjusted sales) in mid-2021, months before the FOMC began pushing the Fed funds rate higher and market interest rates followed suit. To that point, when new home sales peaked in May 2021, the monthly average rate on a 30-year fixed-rate mortgage loan was 2.96 percent, while when existing home sales peaked in August 2021 that rate was 2.84 percent (based on Freddie Mac data). What we stressed at the time was that the decline in sales was mostly a supply-side story, with materials/labor supply constraints impairing new home supply and leading builders to voluntarily cap sales while increasingly lean inventories of existing homes for sale pushed sales lower.



To be sure, the declines in sales kicked into a higher gear when interest rates began rising in earnest in 2022, as seen in the chart above. It was, remarkably enough, right about then that many analysts began putting out doomsday forecasts of housing market activity, featuring plunging sales, peak-to-trough declines in house prices of twenty percent or more, and waves of foreclosures. As far as we could tell, the only basis for those forecasts was that being what happened last time around when home sales and house prices were rising as rapidly as we saw over the back half of 2020 through 2021. Our forecast was for house prices, as measured by the CoreLogic House Price Index, to see a peak-to-trough decline in the mid-single digits, easily on the low end of the forecasts being made at the time.

A key premise of our forecast was that, while home sales and house prices had risen rapidly, conditions in the housing market were not even remotely similar to those that prevailed in the mid-2000s, a point seemingly lost on the "this time has to be just like the last time" crowd. Mortgage lending standards had for years been far more stringent and equity positions were much stronger than was the case during the prior cycle. Of even more significance was that while the mid-2000s saw record rates of new single family home construction, the market has for more than a decade now been chronically undersupplied, a topic which we've addressed on more occasions than we can count.

That the market was undersupplied was apparent well before the monetary policy response to the pandemic pushed mortgage rates to the lowest on record and spurred rapid growth in demand for home purchases, further widening the supply-demand imbalance. That gave sellers as close to complete control over the market as it's possible to have, with multiple above-price offers and buyers willingly waiving home inspections becoming the norm as homes spent less time on the market than at any point in the life of the data. So, while we fully expected higher mortgage rates to take a large bite out of demand, we also believed there to be considerable pent-up demand for home purchases stemming from years of the market being chronically undersupplied. In other words, we still saw the market as being undersupplied, just to a lesser degree than had been the case prior to mortgage rates taking flight, which we believed would mitigate any downward pressure on house prices stemming from waning demand.



The chart above illustrates our point. Combined inventories of new and existing homes for sale remain near the lowest levels in the life of the data, as does the rate at which the owner occupied housing stock is turning over. That these trends were firmly in place well before the onset of the pandemic is readily apparent from the chart. In part, this reflects demographic patterns, with the share of the owner occupied housing stock held by those aged 55 and above rising through the 2000s (that share was just above fifty-five percent as of 2021, the latest available data point). More recently, low rates on outstanding mortgage loans have acted as a significant restraint on home turnover. Freddie Mac estimates that almost sixty percent of mortgage loans carry an interest rate of four percent or below, making borrowers far less willing to trade up to a new loan with a much higher interest rate. This is, however, not an entirely new development. We first wrote of homeowners being "locked in" by their low mortgage rates back in 2017; recall that mortgage interest rates were below four percent for considerable portions of 2015 and 2016, which we saw as a drag on inventories of existing homes for sale as mortgage rates began rising in 2017. To be sure, though, the "locked-in" effect is even stronger now than was the case then.

This illustrates the point that while higher mortgage interest rates act to hold down demand, they also act to hold down supply, even if the latter effect isn't as obvious as is the former effect. This in turn helps illustrate our point that despite the steep drop-off in demand for home purchases triggered by higher mortgage interest rates, the market nonetheless remains undersupplied. That said, the imbalance is far more pronounced in the market for existing homes than in the market for new homes, which has led to rising numbers of prospective buyers migrating from the former to the latter over the past several months.

This accounts for the bounce in new home sales over the past few months, which can be seen in our first chart on Page 3. At the same time, single family housing permits and starts have seen similar bounces. What remains to be seen, however, is whether this budding rebound in the market for new homes can withstand mortgage interest rates remaining above seven percent. Thus far, builders have been willing to use incentives to facilitate sales. One reason is that inventories of spec homes rose significantly over the course of 2022, reaching levels much higher than builders desired.

Additionally, those builders with internal financing arms have been aggressively using rate buydowns as a means of facilitating sales, and while this can weigh on margins, builders have seen some breaks on materials prices, providing somewhat of an offset to the costs of rate buydowns. Still, the higher mortgage interest rates go and the longer they remain there, rate buydowns at some point figure to be less feasible. It bears noting that the spread between interest rates on 30-year fixed rate mortgages and yields on 10-year U.S. Treasury notes has been atypically wide over the past several months and, to the extent this wider spread persists, any factors that would put downward pressure on longer-term interest rates will have less of an effect on mortgage rates, which is one reason we think higher mortgage rates may persist.

There are a few factors behind this atypically wide spread. One is that the Fed is no longer a major buyer of mortgage-backed securities as it is now in the process of paring down its balance sheet. To the extent investors are purchasing mortgage-backed securities, they have demanded higher yields to compensate for the heightened risk associated with a higher degree of uncertainty over the economic outlook. At the same time, investors purchasing mortgage-backed securities are demanding higher yields as a hedge against higher pre-payment risk, as a meaningful decline in mortgage rates would likely trigger a rush of refinancing.

Though obviously not an option for most buyers, all-cash transactions are one way around higher mortgage interest rates. Thus far in 2023, all-cash sales have accounted for twenty-seven percent of all existing home sales, and this will be the third straight year in which all-cash sales accounted for a higher share of total existing home sales than the average share over the three years prior to the pandemic, which was just under twenty-one percent. Many, but not all, cash buyers are investors, but over the course of this year the share of existing home sales accounted for by investor purchases has been largely unchanged from 2022 while the all-cash share has risen. Current homeowners wishing to move or trade up for whom all-cash purchases are not an option do have the option of making larger downpayments to help reduce monthly mortgage payment burdens, i.e., they may not be able to influence the rate they pay on their mortgage but can lower the amount of their mortgage. Those who have been in their current home for some time are likely to be walking away with a sizable gain on the sale of that home, even with recent declines in prices in many markets, and thus have latitude to make higher downpayments.

Some point to more stringent lending standards as another hurdle facing prospective homebuyers, but we do not see this hurdle as being meaningfully higher today than it has been over the past several years. After the housing market debacle of the mid-2000s, banks significantly raised mortgage lending standards and in the intervening years never relaxed them to any significant degree. Indeed, as we have frequently discussed in our quarterly analysis of the data on household debt and credit, mortgage loan originations have been highly concentrated amongst those with credit scores of 760 or higher for the past several years, and even more so since the onset of the pandemic – since Q2 2020 those in the highest credit score bucket have accounted for over two-thirds of the dollar volume of mortgage loan originations according to data from the Federal Reserve Bank of New York/Equifax

To be sure, the group most likely to be shut out of home purchases is first-time buyers, particularly to the extent they are younger, have less strong credit profiles, and lack the means for larger downpayments. We do, however, think that there is still a sizable pool of pent-up demand for home purchases. While we think it more than a bit of a reach to argue that homebuilders are immune to higher mortgage interest rates, between what remain higher than desired spec inventories and the ability to facilitate rate buydowns, we see at least some potential for modest increases in construction and sales of new single family homes over coming quarters. Still, there are a number of potential downside risks, such as another leg up in mortgage interest rates, a pronounced deterioration in labor market conditions, and a marked decline in household net worth. We'll once again note, however, that without what has been a chronic and long-running undersupply of homes for sale, our take on the impact of higher mortgage rates on home sales and house prices would be starkly different than it now is.

Labor Market: Your Guess Is As Good As Ours. Maybe Better . . .

As we've discussed more than once in these monthly pieces, we find ourselves with more and more doubts about the reliability of more and more of the high frequency economic data. To be sure, many of the top-tier data series have their own quirks, but over time you come to identify them and work around them when making forecasts and analyzing the releases as they come out. What we've seen more recently, however, is something more. One issue is that for many of the surveys used to construct estimates of various data series, response rates have been significantly lower since the onset of the pandemic than had been the case prior to the pandemic. We've hit on this topic more than once over the past several months, and this matters because low response rates raise doubts about the reliability of the initial estimates of the respective data points, leaving them prone to subsequent, and potentially sizable, revision. In turn, analysts, policy makers, and market participants drawing conclusions from/making decisions based on these initial estimates can easily be led astray. Our questioning the reliability of the data has increasingly become the case with much of the labor market data of late.

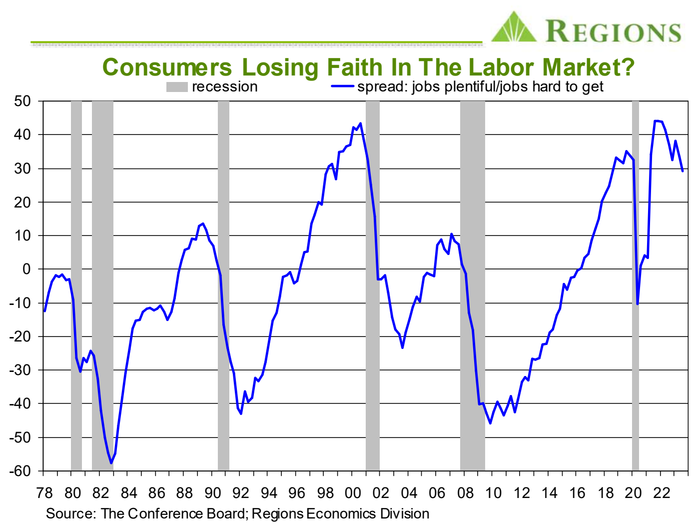
The monthly employment reports are prime, or would that be subprime, examples. Total nonfarm employment is reported to have risen by 187,000 jobs in August, with job growth more broadly based across the private sector, an uptick in average weekly hours, and moderation in the pace of wage growth. At the same time, the unemployment rate rose to 3.8 percent from 3.5 percent in July on a spike in labor force participation. Many took the August employment report as evidence of the economy easing into a soft landing and pointed to slowing wage growth and the higher jobless rate as taking further Fed funds rate hikes off the table. That narrative survives as long as one goes no further than the headline numbers, but the deeper one goes into the details of the data, the more suspect each of these observations becomes.

First, to our earlier point, the response rate to the August survey of establishments used to construct the data on nonfarm payrolls, hours, and earnings was only 59.3 percent, the second lowest response rate since the onset of the pandemic. A response rate that low renders the initial estimates of the August data highly suspect and prone to revision in subsequent months. That gets us to our second point, which is that prior estimates of job growth in June and July were revised down by a net 110,000 jobs for the two-month period, a notably large revision. Moreover, with the initial estimate of July job growth having been revised down, that means that in each of the first seven months of this year the initial estimate of job growth has been revised lower. Tune in a month from now to see if that (inglorious) streak is still intact.

As to the unemployment rate rising for the "right" reason, i.e., higher labor force participation, higher participation amongst the 16-to-24 year-old age cohort accounted for nearly one-half of the total increase in the labor force reported for August. This is, however, nothing more than seasonal adjustment noise, as the not seasonally adjusted data show the number of people in this age cohort declined by 863,000 in August, reflecting younger adults exiting the labor force to return to school. That this was a smaller than normal August decline accounts for the reported increase in the seasonally adjusted data, but this noise had consequences, as it added two-tenths of a point to the unemployment rate by our estimate. This casts doubt, or at least should, on just now much labor market conditions eased in August.

The data from the Job Openings and Labor Turnover Survey (JOLTS) have not been much more helpful. Not only is the sample size from which the JOLTS data are drawn significantly smaller than that of the establishment survey, but response rates to the JOLTS surveys have hovered around thirty percent for much of the time since the onset of the pandemic. So, while the recent release of the July JOLTS data, showing the number of open jobs fell to the lowest level since March 2021 was roundly cheered by market participants, our reaction was a bit more, let's say, tempered. We place little value on the levels of the various metrics reported in the JOLTS data, thanks in large measure to the notably low survey response rates rending the initial estimates highly suspect. To that point, the initial estimate of June job openings was revised down by over 400,000 with the release of the July data, a ridiculously large revision. So, while we do believe the trends seen in the JOLTS data, such as job openings trending lower and the quits rate falling back in line with pre-pandemic norms, we simply can't see putting as much stock into a single number from a single month of the JOLTS data as many did with the July data.

Our sense is that the labor market is cooling, but the extent to which that is the case remains highly uncertain. Even with August's increase, the three-month average of monthly job growth slipped to 150,000 jobs, the lowest since the recovery from the pandemic-related recession began. Then again, it should be noted that August job growth was held down by the SAG-AFTRA strike, as striking workers are not counted as employed in the establishment survey, and an odd decline in employment amongst education workers in state and local government, which was no more than seasonal adjustment noise. Additionally, Yellow Inc.'s bankruptcy took roughly 30,000 jobs off of payrolls in truck transportation.



Perhaps the most reliable piece of evidence of a cooling labor market comes from the Conference Board's monthly survey of consumer confidence, which we discussed in our opening section. As noted, the "jobs plentiful/jobs hard to get" spread narrowed to a point last seen in April 2021, with fewer respondents seeing jobs as being plentiful and more respondents seeing jobs as being hard to get. These shifts align with the JOLTS data showing fewer job openings and a falling quits rate – again, we question the levels and the reported magnitude of monthly changes in the JOLTS data, not the trends. We've often said the assessment of labor market conditions in the Conference Board's monthly survey is one of the under the radar indicators we rely upon the most, and the chart above helps account for why.

To be sure, the spread is still wide by historical standards, but that it is narrowing at a rapid pace is a clear sign, at least to us, that labor market conditions are easing. While thus far none of the data series show a meaningful pick up in layoffs, that would be a sure sign of something much less benign than a gentle easing into a "soft landing." That whether, to what extent, and when anyone would know that from the regular labor market data is even a question is, let' say, far less than ideal.

ECONOMIC OUTLOOK

REGIONS

September 2023

Q1 '23 (a)	Q2 '23 (p)	Q3 '23 (f)	Q4 '23 (f)	Q1 '24 (f)	Q2 '24 (f)	Q3 '24 (f)	Q4 '24 (f)		2020 (a)	2021 (a)	2022 (a)	2023 (f)	2024 (f)
2.0	2.1	3.6	0.4	1.0	0.9	1.3	1.7	Real GDP[1]	-2.8	5.9	2.1	2.2	1.3
4.2	1.7	2.7	0.0	1.4	1.1	1.6	1.8	Real Personal Consumption[1]	-3.0	8.3	2.7	2.3	1.3
0.6	6.1	1.4	1.5	1.6	1.9	2.1	2.5	Real Business Fixed Investment[1]	-4.9	6.4	3.9	3.1	2.0
-8.9	7.7	-1.7	-3.6	-3.2	-1.8	-0.4	1.0	Equipment[1]	-10.5	10.3	4.3	-0.9	-1.6
3.1	2.2	3.6	4.2	4.2	4.5	4.4	4.4	Intellectual Property and Software[1]	4.8	9.7	8.8	4.4	4.1
15.8	11.2	3.7	7.9	6.9	4.6	2.3	1.0	Structures[1]	-10.1	-6.4	-6.6	8.4	5.6
-4.0	-3.6	5.4	5.1	1.9	-1.3	-0.7	-0.9	Real Residential Fixed Investment[1]	7.2	10.7	-10.6	-11.0	1.4
5.0	3.3	0.3	0.8	0.7	1.0	1.1	0.7	Real Government Expenditures[1]	2.6	0.6	-0.6	3.0	0.9
-1,208.4	-1,212.2	-1,190.4	-1,198.7	-1,214.0	-1,240.0	-1,251.6	-1,257.1	Real Net Exports[2]	-922.6	-1,233.4	-1,356.7	-1,202.4	-1,240.7
834	927	958	952	952	938	928	925	Single Family Housing Starts, ths. of units[3]	1,003	1,132	1,004	918	936
552	516	464	450	433	411	396	384	Multi-Family Housing Starts, ths. of units[3]	394	474	547	496	406
3.3	1.5	2.7	1.6	-0.5	-2.7	-3.0	-1.9	CoreLogic House Price Index[5]	6.7	15.6	13.5	2.2	-2.0
15.3	15.6	15.4	15.3	15.6	15.5	15.6	15.7	Vehicle Sales, millions of units[3]	14.5	14.9	13.8	15.4	15.6
3.5	3.6	3.7	3.7	3.9	4.0	4.2	4.3	Unemployment Rate, %[4]	8.1	5.4	3.6	3.6	4.1
2.9	2.5	2.0	1.7	1.2	0.9	0.6	0.4	Non-Farm Employment[5]	-5.8	2.9	4.3	2.3	0.8
8.5	3.3	-0.1	1.3	1.7	1.4	2.0	2.2	Real Disposable Personal Income[1]	6.2	1.9	-6.2	3.5	1.5
5.3	3.6	3.2	3.0	2.7	2.8	2.6	2.4	GDP Price Deflator[5]	1.3	4.5	7.0	3.8	2.6
4.9	3.7	3.4	3.3	3.0	3.1	2.8	2.6	PCE Deflator[5]	1.1	4.0	6.3	3.8	2.9
5.8	4.1	3.6	3.7	3.5	3.5	3.2	2.6	Consumer Price Index[5]	1.3	4.7	8.0	4.3	3.2
4.6	4.4	4.0	3.6	3.0	2.7	2.6	2.6	Core PCE Deflator[5]	1.3	3.5	5.0	4.1	2.7
5.6	5.2	4.4	3.9	3.4	2.9	2.9	2.8	Core Consumer Price Index[5]	1.7	3.6	6.1	4.7	3.0
4.56	5.03	5.31	5.38	5.38	5.38	5.34	4.85	Fed Funds Target Rate Range Mid-Point, %[4]	0.42	0.13	1.73	5.07	5.24
3.65	3.59	4.09	4.21	4.31	4.24	4.23	4.22	10-Year Treasury Note Yield, %[4]	0.89	1.44	2.95	3.89	4.25
6.37	6.51	7.04	7.13	7.19	7.09	7.03	6.92	30-Year Fixed Mortgage, %[4]	3.12	2.96	5.34	6.76	7.06
-3.3	-3.6	-3.2	-3.3	-3.3	-3.2	-3.2	-3.1	Current Account, % of GDP	-2.8	-3.6	-3.8	-3.4	-3.2

a = actual; f = forecast; p = preliminary

Notes: 1 - annualized percentage change 2 - chained 2012 $ billions 3 - annualized rate 4 - quarterly average 5 - year-over-year percentage change

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