



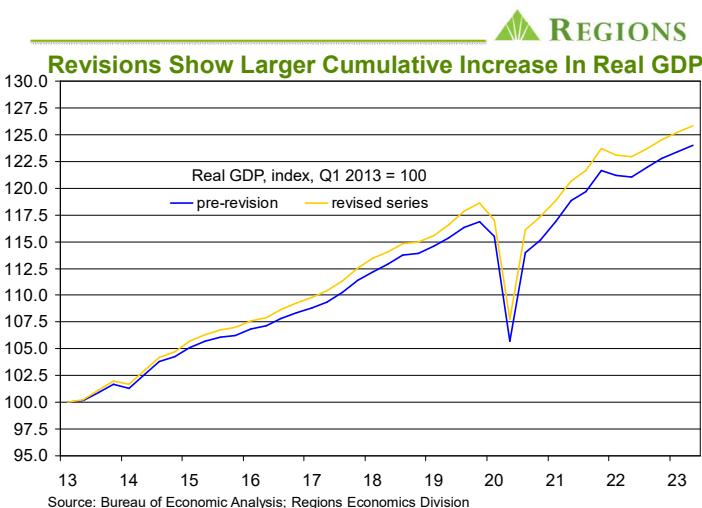
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NIPA Revisions: More About The Details Than The Bigger Picture

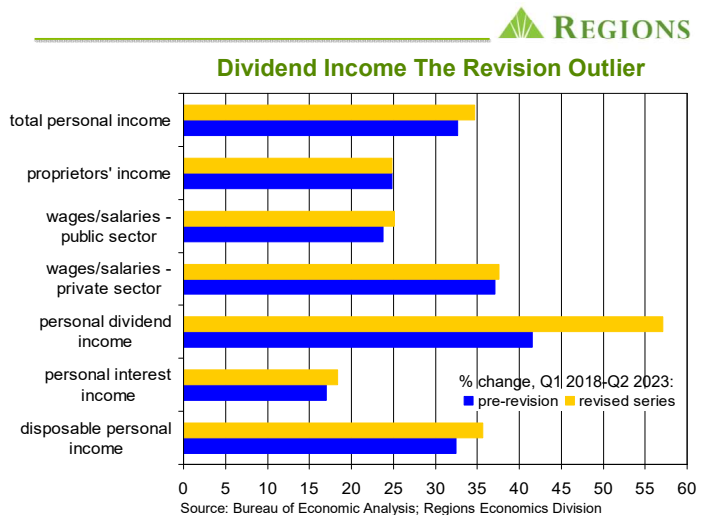
The Bureau of Economic Analysis (BEA) recently released the results of their annual revisions to the data from the National Income and Product Accounts (NIPA). The NIPA data are the source of estimates of many data series, including Gross Domestic Product (GDP) and Gross Domestic Income (GDI), used to help assess the state of the U.S. economy. Though the BEA conducts revisions to the NIPA data each year, the scope of the revisions varies, in both detail and duration. For instance, every five years the BEA revises the NIPA data to account for the Census Bureau's most recent *Economic Census*, a comprehensive look at the make-up and activities of the business sector, with this being one such year. This year saw revisions to the GDP data from Q1 2013 through Q1 2023 and to the GDI data from Q1 1979 through Q1 2023, and the reference (or, base) year for estimates of real GDP, real GDI, and other inflation-adjusted variables was updated to 2017 from 2012. On the whole, this round of revisions did not yield significant differences in quarterly real GDP growth rates, but there are some noteworthy changes in some of the underlying details which we feel are worth discussing here.

make comparisons about the path of real GDP over the past decade as reported in the original and revised series. The revised data show that real GDP grew by 25.8 percent between Q1 2013 and Q2 2023, more than the 24.0 percent increase previously reported, and while that may not seem all that meaningful of a difference, keep in mind this is off of a base of over \$17 trillion. The revised data show an average annualized quarterly growth rate of 2.568 percent over the prior decade, compared to the 2.434 percent rate reported in the data prior to the revisions. The revised data also show a slightly smaller contraction in real GDP – 9.1 percent as opposed to 9.6 percent – over the first half of 2020 as the pandemic began to wreak havoc on the economy.

It should be noted that not all of the difference in measured real GDP over the past decade reflects actual growth. This year's comprehensive revisions incorporate methodological changes, which could change how concepts are defined or how a given series is measured, to several component series that enter into the estimate of GDP. This also makes it difficult to draw strict comparisons between the revised data and the data as reported prior to the benchmark revisions. In other words, when comparing a given series pre- and post-revision, it is not always possible to distinguish between a change in accounting standards and a change in the actual level of economic activity. Over the ten-year period, the revised data show larger net gains in fixed investment, both business and residential, U.S. exports, and business inventory accumulation largely account for the larger gain in real GDP.



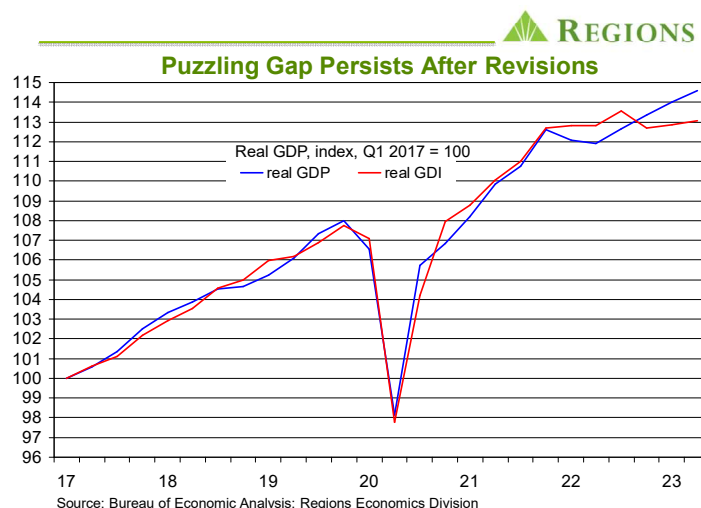
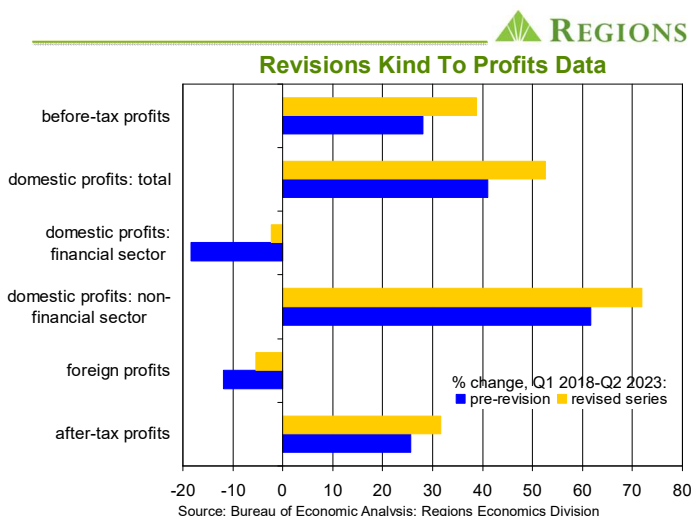
Perhaps the most eye-catching change is that the revised data show the level of real GDP as of Q2 2023 to be \$22.225 trillion, well higher than the pre-revision estimate of \$20.386 trillion. As eye-catching as that may be, it simply reflects the new base year used to estimate real variables in the updated NIPA data. It isn't as though we all woke up one morning and real GDP was magically nine percent larger than when we went to bed the night before. If so, the obvious answer would be "more revisions, more often, please." While the updated base year makes comparisons to the levels of real variables from prior base years invalid, we can still



Focusing on the more recent years, the revised data show a slightly larger increase in total personal income than had been previously reported. As the above chart shows, a sharp upward revision to dividend income was the main contributor to the upward revision in total personal income (the variables depicted in the chart are in nominal terms), while at the same time there was

a small upward revision to interest income. There was little change in growth in labor income, far and away the largest single component of personal income, or in proprietors' income between the pre- and post-revision series. That the upward revision to after-tax, or, disposable personal income is larger than the upward revision to total personal income in part reflects a downward revision to the estimate of personal tax payments.

Outlook. In principle, GDP and GDI are measuring the same thing but from different angles, with GDP being an expenditures-based measure (including the change in inventories) of output produced in a given period and GDI measuring the income earned in that production. Recall that real GDP contracted over 1H 2022, leading many to declare the economy was in recession, and our counter was that the reported declines in real GDP had more to do with the quirks in GDP accounting than about underlying economic conditions, and we pointed to continued growth in real GDI as a sign that the economy was not in recession.



The upward revision to dividend income over the past several years is more than accounted for by sharp upward revisions to estimates of dividends received in 2021, 2022, and 1H 2023 – in each period the revised data show a double-digit increase over the original estimate. These upward revisions are in line with the upward revisions to prior estimates of corporate profits, which are illustrated in the above chart. This is, however, an instance in which our earlier caveat pertaining to methodological changes applies. For instance, changes in the treatment of net interest expense, the gap between what firms pay on liabilities and what they earn on assets, show much lower net interest expense for nonfinancial corporations over the past several quarters, which is one implication of corporations carrying so much fixed-rate debt.

One point we raised was that when the paths of real GDP and real GDI have diverged, subsequent revisions have tended to push GDP in the direction of GDI, not vice versa. That, however, is what made us uneasy ahead of the BEA's recent revisions to the NIPA data, as the past few quarters have seen further divergence between the two measures but with real GDP outperforming real GDI. As such, we feared real GDP would be revised lower, which proved to not be the case. That said, as seen in the above chart, the revised data still leave real GDI lagging real GDP as upward revisions to real GDI were not enough to close the gap. It is odd to see the two series, well, at odds with each other to this degree for this long, and the gap is even more puzzling in that the recent revisions to the NIPA data did not reconcile the two.

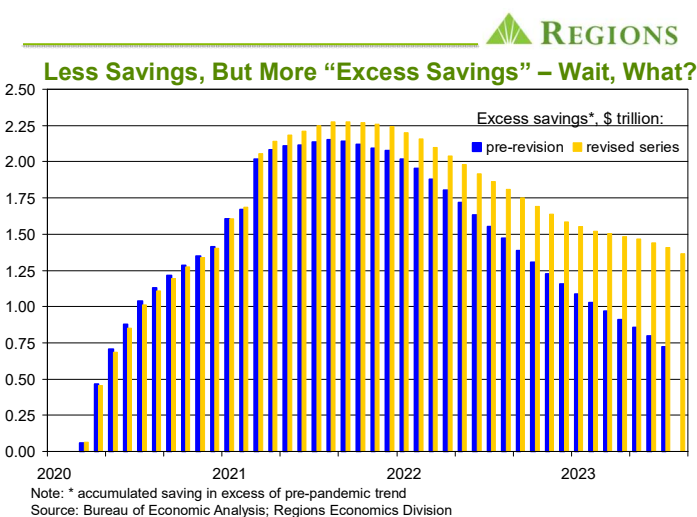
One way to think about it is that higher rates have taken longer to impact interest payments but have had a more immediate impact on interest earnings, yielding sharply lower net interest expense and in turn boosting corporate profits. At the same time, the revised data show significantly higher dividend payouts, with one consequence being downward revisions to prior estimates of retained earnings. Keep in mind, however, that the starting point was one of corporations holding notably high levels of cash on balance sheets, so that internal cash flows have increased by less than previously thought doesn't suggest corporations are cash poor. It is also worth noting that the change in the treatment of net interest expense also impacted financial sector profits, yielding a smaller net decline over recent years than previously reported.

Okay, sure, this could just be a reflection of the red-blue divide so prevalent across the U.S. these days, but, either way, we see it as not only puzzling but also at least a bit concerning as we've always had more trust in the signal being sent by the GDI data. One drag on real GDI over recent quarters has been corporate profits. While this may seem at odds with the upward revision to profits that we discuss above, the reality is that those revisions still leave profits down in two of the past three quarters, with domestic profits down in the past three quarters. There are other potential explanations, such as slower growth in real transfer payments as pandemic-related supports have run off, that help account for the listless performance of real GDI over the past several quarters. The broader point here, however, is that real GDI is basically flatlining on an over-the-year basis, significantly lagging the year-on-year change in real GDP, and past instances in which year-on-year changes in real GDI have rolled over before year-on-year changes in real GDP have been followed by recession. If we are correct in

expecting growth in aggregate labor earnings, the largest single component of personal income, to slow further in the quarters ahead while corporate profits remain under pressure as revenue growth slows more than does growth in total costs of production, that will bring further downward pressure on real GDI even should real GDP continue to eke out modest advances after what will be a sizable bump in Q3 2023.

Aside from the lingering disparity between real GDP and real GDI, another component of the revisions to the NIPA data that stands out is the extent to which the personal saving rate was revised. The revised data put the average quarterly saving rate over the Q1 2013 to Q1 2023 period at 7.0 percent, considerably lower than the average rate of 8.3 percent shown in the data prior to revision. It is interesting to note that the magnitude of the revision to the saving rate is twice as large in the period through Q4 2019 than in the period subsequent to the onset of the pandemic. Either way, the revised data show households saving a smaller share of their incomes over the past decade than previously reported.

While the revised data show a larger increase in disposable (or, after-tax) income, which is the relevant measure of income when estimating the saving rate, the sizable downward revision to the saving rate leaves a smaller pool of household saving than had previously been reported. At the same time, however, the revised data yield a larger pool of “excess” saving on household balance sheets than did pre-revision estimates. Recall that a host of transfer payments from the public sector after the onset of the pandemic provided an extraordinary boost to disposable personal income, which allowed households to increase both spending and saving and at the same time pare down debt. Excess saving is an estimate of the level of saving on household balance sheets in excess of what would have otherwise been saved had it not been for the pandemic-related transfers. We and others have used the concept of excess saving to help account for why households have been more (financially) resilient than may have been expected in a prolonged period of elevated inflation and rising interest rates.



One reason estimates of excess saving vary from one shop to the next is that estimates of the pre-pandemic trend saving rate vary. We’ve always used the average monthly saving rate over the four years prior to the pandemic, in a concession to how volatile the

saving rate can be from one period to the next, largely due to how the saving rate is measured. Prior to the revisions to the NIPA data, that four-year average was 7.66 percent, yielding the path of excess saving shown by the blue bars in the chart, while the revised data show the average monthly saving rate over the four years prior to the pandemic to be 6.23 percent, yielding the path of excess saving shown by the gold bars in the chart.

As indicated in the chart, the revised data show a higher peak level of excess saving (\$2.3 trillion vs. \$2.2 trillion by our estimates) and a slower drawdown rate than seen in the original data, leaving a higher level of excess saving than had been thought. As of July, the last month of the pre-revision data, our estimate put the level of excess saving at roughly \$750 billion, whereas the revised data show a level of roughly \$1.41 trillion. If this seems at odds with what is a lower overall level of saving on the books in the revised data, one way to think about it is that a lower trend saving rate means that, at any level of aggregate saving, a greater share of it will be “excess” than would be the case with a higher trend saving rate. So, regardless of the initial estimate of the pre-pandemic trend saving rate one uses, their estimates of excess saving are, just like ours, higher in the wake of the NIPA revisions.

It is the magnitude of this revision that gives us pause, telling us that while useful as a concept, we should all put less faith in the estimated level of excess saving, regardless of who’s doing the estimating, as an indicator of household financial conditions. The same caveat goes for estimates of when the pool of excess saving will be depleted – though we’ve always shied away from making any such estimates. Others have done so, including researchers at the Federal Reserve Bank of San Francisco who, prior to the NIPA revisions, estimated that the pool of excess saving would be dry by the end of Q3 2023. It is somewhat unsettling, at least to us, that revisions to source data can yield such drastic changes in a concept that has taken on a high degree of significance over the past several quarters.

To be clear, we do not discount the concept of excess saving itself. Other data series, including the deposit data from the Federal Reserve’s *Distributional Financial Accounts (DFA)*, show deposit balances amongst all household income buckets remain considerably higher than they were prior to the pandemic, to support the contention that there is more liquidity in the household sector than would have been the case in the absence of the pandemic-related transfers. To be sure, faster growth in labor earnings, across all industry groups and wage levels, has also helped prop up deposit holdings. Our point is that, while to some degree we always have been a bit wary of putting too much stock into estimates of the level of excess saving, including ours, that degree is even higher in the wake of the NIPA revisions.

That the revised data show a slower drawdown rate than implied in the original data comports with our premise that excess savings have been viewed by households far more as a buffer against the effects of higher prices, and to some extent higher interest rates, than a pool of funds to be spent less judiciously. In other words, we’ve seen excess savings as a means by which households have helped smooth consumption as opposed to them using these funds to splurge on discretionary spending on goods and services. The data do suggest that younger and lower-income households have drawn down excess balances at a faster rate than have older and

higher-income households, suggesting growing financial stress amongst the former group, providing color to recent earnings reports by some discount retailers showing pressure on sales and margins. It could be that higher interest rates have contributed to the slowing drawdown rate seen in the revised data, inciting households to carry higher saving balances than they otherwise would have, while some households may have used pandemic-related transfers as a means of making up for perceived shortfalls in saving, suggesting at least some level of excess saving may remain on household balance sheets for some time to come. So, even while putting less faith in any given estimate in any given month, we do feel it worth continuing to track excess saving.

What Goes Up Must Come Down At Least Part Of The Way?

In previewing the September FOMC meeting we said the following: “. . . while a funds rate hike may not be in the offing at this month’s meeting, the Committee could use their updated economic and financial projections, including an updated “dot plot,” to send a hawkish message that would rattle the markets.” Whether or not that was their intent, the FOMC seems to have done just that. While the FOMC left the Fed funds rate unchanged, the updated dot plot implied two fewer twenty-five basis point cuts in the funds rate in 2024 than had been implied in the June edition. While some, us included, were expecting one rate cut to be taken out, many expected the same one hundred basis points of cuts, so, it seems clear that the FOMC indeed sent a hawkish message, and it is just as clear that the markets were rattled.

Upon the mid-afternoon release of the FOMC’s policy statement and financial projections on September 20, equity and bond prices dropped sharply, the latter of which sent longer-term yields shooting higher, particularly yields on U.S. Treasury securities with maturities of five years or longer. While such a reaction to an unpleasant surprise may seem perfectly reasonable, there are two things that stand out. In the case of longer-term yields, that initial jump in yields was not a one-off adjustment to the change in the implied path of the Fed funds rate, as yields have continued to push higher. Indeed, since the September FOMC meeting, yields on ten-year U.S. Treasury notes have risen by forty-five basis points and yields on thirty-year U.S. Treasury bonds have risen by fifty-seven basis points, gaps that have at times been even wider in intra-day trading.

What also stands out is that, while the long end of the Treasury yield curve is up sharply since the September FOMC meeting, the short end of the curve has barely budged. Most notably, yields on two-year Treasury notes, considered an indicator of the expected path of monetary policy, are actually a few basis points lower than they were prior to the FOMC meeting. While the markets seem to be discounting the additional twenty-five basis point hike in the funds rate implied by the most recent dot plot – a hike also implied in the June edition – they also seem to be buying into the “higher for longer” message that the FOMC has been trying to hammer home for some time now. At present, yields on two-year Treasury notes are pricing in little, if any, change in the FOMC’s policy stance over coming quarters. Moreover, while the two-year/ten-year portion of the Treasury yield curve is still inverted, as it has been

since July 6, 2022, the (negative) spread between the two is narrower than at any time since last October 24. As it is well known that an inverted yield curve has typically been a harbinger of recession, it may be tempting to interpret the narrowing inversion as good news. We would remind you, however, that recessions following inverted yield curves have tended to begin once the curve has retaken an upward slope.

Take that as more of a friendly, even if a bit ominous, reminder rather than us making a recession call – we have not at any point in this cycle had recession as our base case, and we still don’t. Any such calls would seem to be out of line with a recent spate of solid, at least on the surface, data points. For instance, total nonfarm payrolls rose by 338,000 jobs in September, blowing past expectations, while prior estimates of job growth in July and August were revised up by a net 119,000 jobs for the two-month period. The Institute for Supply Management’s (ISM) Non-Manufacturing Index for September showed continued expansion in the broad services sector, and while the ISM Manufacturing Index signaled an eleventh straight month of contraction in the factory sector, the headline index rose to 49.0 percent, the highest reading since last November. Powered by surprisingly strong growth in consumer spending, a narrower trade deficit, and a larger build in business inventories, real GDP was on course to grow at an annualized rate of around 4.0 percent for Q3.

In our August *Outlook* we discussed the widening embrace of the “soft landing” narrative, in which the economy continues to grow, and inflation continues to slow. The recent data, however, suggest something stronger than a soft landing, and this has likely helped push longer-term interest rates higher. Another factor many are pointing to is growing concern about the scope of borrowing by the U.S. Treasury that will be needed to finance growing budget deficits. At the same time, the surge in crude oil prices and accompanying increase in retail gasoline prices seen during September raised fears that inflation may reaccelerate, while perhaps not to a degree sufficient to trigger further Fed funds rate hikes then at least to a degree that would keep the FOMC on hold for longer. Some have also pointed to the surge in demand for Japanese government bonds triggered by the Bank of Japan modestly relaxing its “yield curve control” policy in July as a warning about the U.S.’s reliance on foreign capital to finance its federal government budget deficits.

While plausible, none of those explanations seems satisfactory to account for the upward march of long-term interest rates. The prospect of widening budget deficits is certainly nothing new, so seems unlikely to account for the recent run-up in long-term rates. And, while crude oil prices had fallen significantly in early-October, prior to the conflict in the Middle East, raising the prospect of a more rapid deceleration in inflation, long-term rates did not fall in concert. Moreover, we can pick holes in much of the recent economic data, as the details of many of the recent data releases are not nearly as solid as implied by the headline numbers, especially in the case of the labor market data (which we discuss below). At the same time, the latest jump in mortgage interest rates has in short order taken a toll on homebuilder confidence and applications for purchase mortgage loans, and higher rates will take a toll in other interest-sensitive segments of the economy. As such, we continue to expect real GDP to basically flat line in Q4.

It is worth noting that prior to the most recent run-up in longer-term interest rates, many saw the economy as being largely immune to the effects of higher interest rates, particularly in comparison to prior cycles. We did not agree with that assessment, instead seeing the economy's seeming resilience as more a matter of the starting point heading into a higher-rate environment. For instance, there was still a considerable degree of pandemic-related support in the economy when the Fed began raising interest rates, including a high degree of liquidity in the household and corporate sectors that helped support spending amid higher interest rates and higher prices/input costs. While that support has faded, it has not dried up, as we noted above in our discussion of excess saving, and as is also apparent in corporate cash holdings. And, to the extent that support has ebbed, certain pockets of the recent economic data reflect a boost from higher government spending as infrastructure projects are underway and business investment in subsidized areas remains robust. Regardless of how one views such involvement in the economy, the point here is that it is contributing to measured GDP. Also, we've consistently referred to the preponderance of fixed-rate debt on household and corporate balance sheets as a critical shock absorber against the effects of higher interest rates, as this cycle has been far less prone to payment reset shocks seen in prior periods of rising interest rates.

As such, rather than the economy being immune to higher rates, it could simply be a matter of timing. Higher rates have all along been impacting the rate at which new debt, such as debt used to finance spending on consumer durable goods, has been taken on while pushing payments on variable-rate debt in the household and corporate sectors higher. And, coming quarters will see more and more debt in the corporate and commercial real estate spaces come due, meaning refinancing will come with significantly higher interest rates. More broadly, higher interest rates will mean net interest expense becomes more burdensome to a larger universe of firms in the nonfinancial corporate sector, which could weigh on hiring and business investment. As noted above, the housing market is already feeling the weight of the most recent leg up in mortgage rates, and after what we expect will be a modest positive contribution in the Q3 data we expect residential fixed investment will return to being a drag on Q4 real GDP growth.

If, in addition to slowing in interest-sensitive sectors, consumer spending on discretionary services slows as we expect, the pace of real GDP growth could slow rather abruptly in Q4. If so, longer-term interest rates should begin to back down, perhaps quickly if indeed some of the recent run-up has been overdone as we suspect is the case. The question, however, would be just how far down longer-term rates would go. The prospect that inflation may not settle all the way back to the FOMC's 2.0 percent target rate, the prospect of further removal of monetary accommodation by the Bank of Japan, and, while not new, the prospect of greater U.S. Treasury borrowing needs could combine to put a floor under longer-term rates. So, while not all of the recent run-up may stick, rates figure to remain in higher ranges than markets have become accustomed to over the past decade and a half.

September Employment Report

Though widely hailed as a "blowout" report showing the resilience of the economy and raising the likelihood of further Fed funds rate hikes, we instead see the September employment report much as

we've seen many of these monthly reports of late, i.e., as little more than a hodgepodge of noise that sheds little light on labor market conditions. Total nonfarm employment is reported to have risen by 336,000 jobs in September, with private sector payrolls up by 273,000 jobs and public sector payrolls up by 73,000 jobs. At the same time, prior estimates of job growth in July and August were revised up by a net 119,000 jobs for the two-month period, ending a run of meaningful downward revisions. While it may seem hard to argue that those numbers paint a picture of anything other than a still-robust job market, an examination of the details makes the September report look far less impressive.

For instance, though this seems to have largely escaped notice, the revisions to prior estimates show 12,000 fewer jobs in the private sector and 131,000 more jobs in the public sector than had previously been reported. The upward revision to estimates of public sector job growth make up for what was an oddly large August decline in the education segment of state and local government, which we pointed out upon the release of the August report. A later start to the school year wreaked havoc on the August data and boosted state and local government payrolls in the September data. That is not at all uncommon, but should at least be accounted for when assessing the September employment report. To us, the revision to private sector job growth would be the bigger story, as it continues the string of downward revisions, something that should also be taken into account.

Seasonal adjustment greatly flattered measured job growth on a seasonally adjusted basis. That is most notable in the leisure and hospitality services industry group, reported to have added 96,000 jobs in September, of which 60,700 came at restaurants. The not seasonally adjusted data, however, show declines of 466,000 jobs and 186,800 jobs, respectively. While payrolls in these areas typically fall in September, this year's declines were far smaller than normal for the month, hence the jumps reported in the seasonally adjusted data. We've noted that hiring in these areas was weaker over the summer months than is typical, which will have contributed the smaller than normal declines in September. Retail trade and construction area other areas in which smaller than normal September declines in the raw data yielded increases in the seasonally adjusted data.

We've for some time pointed to low response rates to the BLS's establishment survey as a source of noise in the estimates of nonfarm employment, hours, and earnings. Though up from the August response rate of 59.3 percent, the 68.2 percent response rate was the lowest September response rate since 2005, which suggests we could see meaningful revisions to the initial estimate of September job growth. And, while job growth is reported to have been broadly based in September, revisions show job growth in July and August was less broadly based than had been thought.

So, where does all of this leave us? We see the running twelve-month sum of not seasonally adjusted job growth to be the most useful gauge of the trend rate of job growth, and that trend rate is clearly slowing. The same is true of the trend rate of growth of aggregate private sector labor earnings. While we see the month-to-month changes in the JOLTS data to be of little use, the trends show declining vacancies and a quits rate back in line with pre-pandemic norms. Our take, then, is shiny September job growth number notwithstanding, the labor market is clearly cooling.

ECONOMIC OUTLOOK



October 2023

Q1 '23 (a)	Q2 '23 (a)	Q3 '23 (f)	Q4 '23 (f)	Q1 '24 (f)	Q2 '24 (f)	Q3 '24 (f)	Q4 '24 (f)		2021 (a)	2022 (a)	2023 (f)	2024 (f)	2025 (f)
2.2	2.1	4.2	0.3	0.5	1.0	1.4	1.6	Real GDP ¹	5.8	1.9	2.3	1.3	1.7
3.8	0.8	3.5	-0.1	0.6	1.1	1.6	2.0	Real Personal Consumption ¹	8.4	2.5	2.1	1.2	2.0
5.7	7.4	1.7	0.3	0.1	0.5	1.4	1.9	Real Business Fixed Investment ¹	5.9	5.2	4.3	1.1	2.1
-4.1	7.7	1.4	-1.8	-2.7	-2.0	-0.4	0.0	Equipment ¹	6.4	5.2	0.4	-0.8	0.3
3.8	2.7	3.5	4.4	4.1	3.9	4.2	4.2	Intellectual Property and Software ¹	10.4	9.1	4.7	4.0	4.5
30.3	16.1	-1.9	-4.6	-3.2	-2.3	-1.5	0.2	Structures ¹	-3.2	-2.1	10.4	-1.6	-0.1
-5.3	-2.2	1.9	-3.4	-1.1	0.2	0.7	1.9	Real Residential Fixed Investment ¹	10.7	-9.0	-11.5	-0.6	1.3
4.8	3.3	1.3	1.5	1.7	1.8	2.2	1.3	Real Government Expenditures ¹	-0.3	-0.9	3.3	1.7	1.4
-935.1	-928.2	-870.7	-870.3	-871.3	-880.3	-896.1	-916.2	Real Net Exports ²	-933.8	-1,051.0	-901.1	-891.0	-948.2
834	930	965	948	941	930	923	920	Single Family Housing Starts, ths. of units ³	1,132	1,004	919	929	934
552	520	429	444	428	418	401	385	Multi-Family Housing Starts, ths. of units ³	474	547	486	408	376
3.4	1.5	4.2	3.9	0.4	-2.0	-3.6	-3.1	CoreLogic House Price Index ⁵	15.5	13.4	3.2	-2.1	1.8
15.0	15.7	15.6	15.5	15.5	15.6	15.6	15.7	Vehicle Sales, millions of units ³	14.9	13.8	15.5	15.6	16.0
3.5	3.6	3.7	3.8	3.8	4.0	4.1	4.2	Unemployment Rate, % ⁴	5.4	3.6	3.6	4.0	4.2
2.9	2.5	2.1	1.9	1.4	1.1	0.8	0.5	Non-Farm Employment ⁵	2.9	4.3	2.4	1.0	0.5
10.8	3.5	-0.8	1.1	1.6	0.4	1.3	2.2	Real Disposable Personal Income ¹	3.2	-5.9	4.0	1.1	2.6
5.3	3.5	3.1	2.8	2.4	2.7	2.6	2.5	GDP Price Deflator ⁵	4.6	7.1	3.6	2.6	2.3
5.0	3.9	3.4	3.1	2.7	2.8	2.7	2.7	PCE Deflator ⁵	4.2	6.5	3.8	2.7	2.4
5.8	4.1	3.5	3.2	3.0	3.1	2.8	2.7	Consumer Price Index ⁵	4.7	8.0	4.1	2.9	2.4
4.8	4.6	3.9	3.3	2.8	2.5	2.6	2.7	Core PCE Deflator ⁵	3.6	5.2	4.2	2.7	2.6
5.6	5.2	4.4	3.8	3.3	2.9	2.9	2.9	Core Consumer Price Index ⁵	3.6	6.1	4.7	3.0	2.7
4.56	5.03	5.30	5.38	5.38	5.38	5.34	5.09	Fed Funds Target Rate Range Mid-Point, % ⁴	0.13	1.73	5.07	5.29	4.14
3.65	3.59	4.15	4.73	4.69	4.50	4.34	4.27	10-Year Treasury Note Yield, % ⁴	1.44	2.95	4.03	4.45	4.22
6.37	6.51	7.04	7.58	7.52	7.32	7.11	6.95	30-Year Fixed Mortgage, % ⁴	2.96	5.34	6.87	7.23	6.65
-3.2	-3.2	-2.9	-3.1	-3.1	-3.2	-3.1	-3.1	Current Account, % of GDP	-3.5	-3.8	-3.2	-3.1	-3.2

a = actual; f = forecast; p = preliminary

Notes: 1 - annualized percentage change 2 - chained 2017 \$ billions 3 - annualized rate 4 - quarterly average 5 - year-over-year percentage change

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