ECONOMIC OUTLOOK
REGIONS
July 2025

As The Data Turn . . .

Over the past few months, we've discussed the various ways in which the economic data have been impacted by changes in tariff rates. This includes the anticipation of higher tariff rates, increases in tariff rates being implemented, and continued uncertainty around where tariff rates will ultimately settle, assuming that at some point tariff rates do actually settle. Much of this was reflected in the Q1 GDP data; while a spike in business investment in equipment and machinery and a sizable build in nonfarm business inventories were supportive, a surge in imports of goods resulted in the trade deficit widening to the point that it knocked almost five percentage points off the quarterly change in real GDP.

Having gone into some detail in the last two editions, we won't go through that discussion again. But, as much of the monthly data continue to reflect either payback from decisions taken by firms and households earlier this year or reactions to ongoing changes in trade policy, we do think it worth continuing to note where we see – or, in the case of the price data, don't see – the data being impacted and how that, in turn, shapes our thinking on real GDP growth over the middle two quarters of 2025. In some cases, the data are behaving as we've anticipated, in other cases, not so much. Either way, we see the net result being more a matter of determining whether certain activity falls into the Q2 or the Q3 data as opposed to changing our outlook for subsequent quarters.

One series behaving in line with our expectations is unit sales of new motor vehicles. Recall that March and April saw the fastest monthly sales rates in four years, in large measure reflecting consumer and business purchases being pulled forward to avoid tariff-related price hikes at a time when manufacturers were holding the line on pricing rather than raising prices to reflect higher tariffs, some already in place. Those monthly sales rates, however, were clearly not sustainable, and we expected to see payback, starting with the May data. That has proven to be the case; sales fell from annual rates of 17.8 million units in March and 17.3 million units in April to annual rates of 15.6 percent in May and 15.3 million units in June, and we look for a further slowdown in the July data.

It is worth noting that despite the clear slowing in sales in May and June, April's sales rate was high enough that, on a quarterly average basis, the bigger impact will be seen in the Q3 GDP data rather than in the Q2 data. To that point, our forecast anticipates a steep decline in real spending on consumer durable goods not in Q2 but in Q3, which is reflected in our forecast for growth in total consumer spending. Note that the consumer durables category also includes items such as furniture, appliances, and electronics, and that patterns in spending on some of these items have been similar to patterns in motor vehicle sales. To the extent that we continue to see payback in goods spending over the next month or two, it will be important to recognize it for what it is rather than to mistake it for a more fundamental weakening in consumer spending, as some have already been prone to do.

One data series that hasn't exactly stuck to script, at least our script, is imports of goods. Recall that imports of goods into the U.S. grew at an annual rate of 51.6 percent in Q1 after accounting for price changes. As noted above, this was a powerful drag on Q1 real GDP growth. That real imports of goods fell by twenty percent in April, the largest monthly decline on record, was in line with our expectation of significant payback in the Q2 data. But, while we had anticipated further payback in the May and June data, an easing of trade tensions with China led to a sharp, and sudden, reversal in shipping volumes from China to the U.S., in part reflecting retailers rushing to pull holiday season orders forward from when they would typically be placed. This is one reason real imports of goods were just down 0.1 percent in May, a much smaller decline than we anticipated, and why we now expect an increase in June and can't rule out a further increase in July.

Note that imports holding up better than had been anticipated in Q2 will work against Q2 real GDP growth. That said, the trade deficit will still be much smaller in Q2 than was the case in Q1, meaning that net exports will be additive to Q2 real GDP growth. Moreover, along with higher import volumes will come a larger build in nonfarm business inventories in Q2 than we had previously anticipated, which will work to the good of Q2 real GDP growth. We'll add a caveat here, which is that to the extent orders for holiday season merchandise were pulled forward, imports in the months typically bolstered by holiday season orders – August through October – will be weaker than is typically the case for those months in the not seasonally adjusted data. This means that on a seasonally adjusted basis, imports of goods will be made to look much weaker. Given that it is the seasonally adjusted data that flow into the GDP data, the Q3 trade deficit could look much narrower than will actually be the case, which would make Q3 real GDP growth look stronger than would actually be the case.

Another series that has surprised us is core capital goods orders, or, orders for nondefense capital goods excluding aircraft and parts. This series is an early indicator of business investment in equipment and machinery in the GDP data (it is shipments that enter into the GDP data, with orders leading shipments). Core capital goods orders were notably strong in Q1, which to some extent reflected firms pulling orders forward to avoid higher prices later in 2025. Again, we expected the Q2 data to bring payback for the outsized increase in Q1, so the 1.5 percent decline in core capital goods orders seen in April wasn't exactly a surprise. What was a surprise, however, is that core capital goods orders bounced back strongly in May, up 1.7 percent according to the preliminary estimate, whereas we had anticipated a further pullback. As anyone with even a passing familiarity with the data on (business)

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durable goods orders is aware, this series can be highly volatile from one month to the next. Even so, the preliminary May estimate suggests that business investment in equipment and machinery, which rose at an annual rate of 23.7 percent in Q1 after accounting for price changes, may not drop as sharply over the next few quarters as we'd anticipated. As a side note, the renewed provision for the immediate expensing of such investment could further bolster business investment over the back half of 2025 and into early-2026 assuming some clarity on trade policy, which would be additive to real GDP growth.

One place we've yet to see substantive and broadly based impacts of higher tariffs is the data on prices of final consumer goods, as neither the data from the Consumer Price Index (CPI) nor the PCE Deflator (the FOMC's preferred gauge of price changes) have, at least thus far, offered compelling evidence of tariff pass-through. This does not, of course, mean that any such pass-through isn't coming, just that it hasn't come yet. But, tariff revenues came in at roughly $69.4 billion in Q2, and if consumers are not bearing that burden, then either importers, wholesalers, manufacturers, or retailers are, meaning it is coming out of margins. We would not, however, expect that to remain the case, particularly as we are at the end of the first ninety-day window for the delay in the most punitive tariffs announced on April 2. While we expect the monthly CPI and PCE Deflator data to show more substantive and more broadly based increases in goods prices, we'll again note that we expect faster services price disinflation to act as a strong offset in terms of the overall inflation rates.

Again, we think it worth offering these recaps given that the monthly data remain somewhat volatile and that much of this volatility stems from changes, actual or anticipated, in trade policy. As such, there remains a good deal of play in our forecasts for real GDP growth over the middle two quarters of 2025, and we can't rule out these effects from impacting the Q4 data. Either way, by year-end 2025 we continue to expect the economy to be back on a path toward what we see as the longer-term trend rates of growth in real GDP and real private domestic demand.

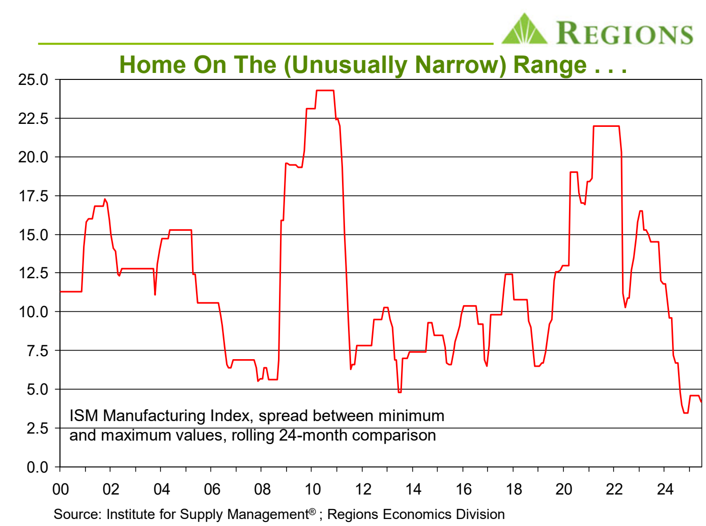
The More Things Don't Change . . .

That much of the economic data have been notably volatile over the past several months has made it more difficult to get a clear read on the underlying health of the U.S. economy. And, of late, it seems as though views on the growth outlook have become somewhat more downbeat. To the extent this is the case, changes in/uncertainty around trade policy have shouldered much of the blame, particularly in discussions of the outlook for job growth and business investment spending. When it comes to the housing market, particularly construction and sales of new single family homes, it is affordability constraints that are acting as the dark cloud looming over the landscape, with mortgage interest rates having hovered between 6.75 and 7.00 percent for most of the past several months.

While we're not about to argue that either the manufacturing sector or the housing market is the picture of perfect health, we do think it fair to ask whether conditions in either of these areas are as bleak as is generally perceived. For instance, it would be not only incorrect but also foolish to argue that higher tariffs and uncertainty around trade policy have had no impacts on the factory sector. The comments from survey respondents relayed by the Institute for Supply Management (ISM) over the past few editions of their monthly surveys of the factory sector express a deep sense of frustration and support the contention that firms are pretty much in a holding pattern awaiting clarity on the trade policy front.

With trade tensions dominating the discussion over the past few months, however, what has gone largely overlooked is that the ISM Manufacturing Index slipped below the 50.0 percent break between contraction and expansion in November 2022, where it remained for twenty-six consecutive months. A brief and highly tentative foray into expansionary territory in the first two months of this year ended when the headline index slipped back below 50.0 percent in March, where it has remained since.

We'll admit to having lately been guilty of overlooking the longer-running malaise that had gripped the factory sector before higher tariffs were a thought, let alone an actual thing. We were reminded of this by a long-time reader prior to the release of the June survey results. This led us to look over some of our write-ups of the monthly survey results over that span. A theme we consistently stressed during that time was a weak global growth outlook acting as a drag on the manufacturing sector, here and abroad, as there was little to sustain growth after firms had scrambled to put supply chains back in order after the severe and prolonged disruptions stemming from the pandemic. To be sure, elevated trade tensions and lingering uncertainty around how those tensions will be resolved haven't done wonders for the global growth outlook. Still, rather than being the factor that turned a steady and long-running expansion into a prolonged contraction, trade tensions seem to have been more a barrier to improvement. Some may see that as a distinction without a difference, but we think it matters.



The above chart is one way, albeit perhaps a not very elegant way as far as charts go, of illustrating our point. The chart shows the spread between the minimum and maximum values of the ISM Manufacturing Index over a rolling two-year period. In stark contrast to the heightened volatility seen around the 2007-09 recession and the onset of the global pandemic in 2020, the headline index has been little changed over the past two-plus years, neither deteriorating further nor showing any meaningful improvement since mid-2024. To that point, the headline index hit

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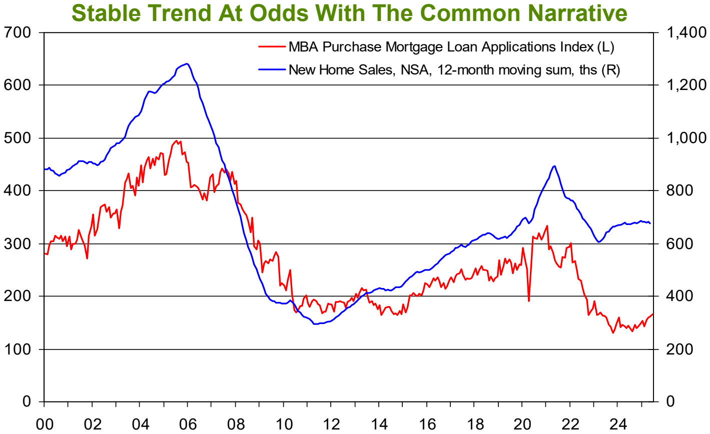
a post-pandemic low of 46.3 percent in March and June of 2023 which, barring the early months of the pandemic, was the lowest reading since June 2009 and, tariff impacts notwithstanding, that low has not been approached at any point since the start of 2024.

What we see as the more apt description is that not much has changed in the factory sector for some time, and that is consistent with other indicators of factory sector activity, i.e., the "hard data." For instance, a point we've made often in our discussions of core capital goods orders is how they've been eerily rangebound since the start of 2023. To that point, as of the preliminary May data, the level of core capital goods orders was just 0.5 percent above the level as of January 2023. Even more striking is that this is based on the nominal data, i.e., not adjusted for price changes. Over this span, orders have bounced up and down without straying far, in either direction, from where they were at the beginning of 2023. The same is true of manufacturing output as measured in the monthly data on industrial production which, as of May, was 0.1 percent higher than in January 2023. This series too has bounced within a notably narrow range ever since.

Stable Trend At Odds With The Common Narrative



Source: U.S. Census Bureau; Mortgage Bankers Association; Regions Economics Division

We can make much the same point with new home sales. Again, though not trying to make what would be an incorrect, and foolish, argument that homebuilders aren't facing some stiff challenges, we'll simply offer that the behavior of new home sales is somewhat at odds with the common narrative of a market in or close to being in free fall. The chart above shows the running twelve-month total of not seasonally adjusted new home sales, which our regular readers know is what we see as the most reliable gauge of the underlying sales trend. As seen in the chart, the trend sales rate has barely budged since late-2023. Granted, mortgage interest rates are lower now than they were then, but elevated prices have limited relief from affordability constraints.

Part of the problem with the new home sales data is that the series is highly volatile and prone to large revision, and the reported sales count in any given month is often at odds with what we hear from builders and see in surveys of builders. This is the biggest reason we've simply stopped covering the monthly new home sales releases. That said, we continue to monitor the data, particularly the running twelve-month total of unadjusted sales; we'll offer up that if more people did the same, perhaps the common narrative around new home sales wouldn't be as dire as it is. Either way, builders are facing a challenge in the form of higher inventories of spec homes for sale than most are comfortable carrying and, as such, have become more aggressive in the use of incentives to help pare down these unwanted inventories. Clearly, elevated spec inventories are weighing on single family permits and starts, and while some have pointed to this as a sign that recession is on the horizon, based on historical patterns, we'd argue that the missing link from that argument is a marked deterioration in the trend sales rate. As a check on the new home sales data, we've also included the Mortgage Bankers Association's series on applications for purchase mortgage loans, which too have been little changed since late-2023. To be sure, nothing even remotely close to suggesting a robust market, but neither resembling a market in as much distress as some are arguing is the case.

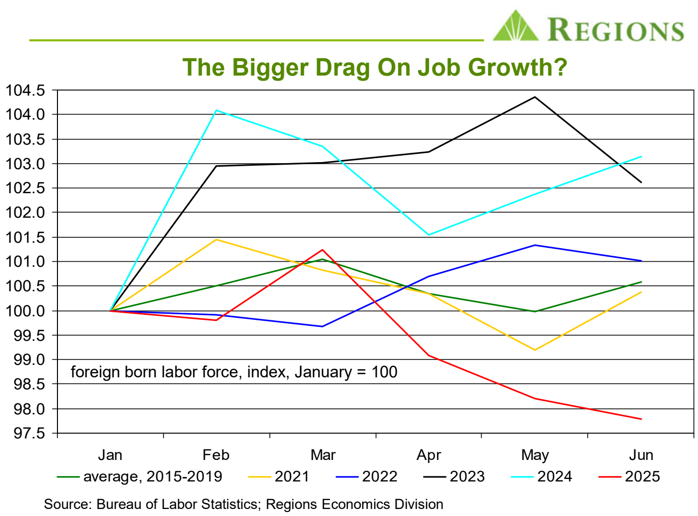
We picked these two series in part to illustrate how the common narratives can at times being at odds with what the data are saying, and we'll admit to having at times of late walked right into this trap. Another reason we picked these two series is that they address areas – capital spending, home sales – in which we've argued there is pent-up demand which, under the right set(s) of conditions, could be freed up. We've long argued that there was considerable pent-up demand for home purchases in large part reflecting a dramatic shortfall of new construction over the past decade-plus. More recently, affordability constraints have kept many prospective buyers on the sidelines, but one thing we've noted over the past several quarters is how responsive prospective buyers have been to dips in mortgage interest rates. As such, a more meaningful decline in mortgage interest rates, whether triggered by falling yields on ten-year U.S. Treasury notes or a narrowing spread between the two yields (this spread has been well above historical norms for some time now), could free up significant pent-up demand. As for capital spending, we've maintained that firms have been deferring capital spending, which we've heard directly and have seen numerous anecdotal reports of. We think that a combination of resolution of trade tensions and more favorable tax treatment could lead firms to pull the trigger on these deferred expenditures, which would be additive to real GDP growth. Sure, there are a lot of ifs in all of the above, but the relative stability in both new home sales and manufacturing activity, despite what often have been narratives to the contrary, suggests that we're not being either unreasonable or unrealistic in our argument that these are areas with upside potential.

Trade Tensions Not The Biggest Drag on Job Growth?

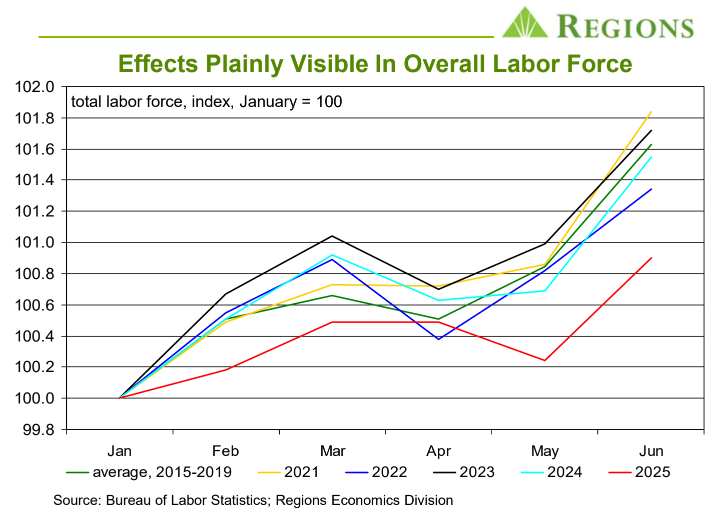
During last year's fourth quarter, we began pointing to weakening trends in foreign born participation in the U.S. labor force, with a mid-year change in immigration policy implemented by the Biden administration acting as the catalyst. One reason this stood out to us is that foreign born labor had been the key fuel for the notably rapid growth in the labor force seen over the prior few years. This was not a new topic for us, as we've regularly discussed the importance of demographic trends and the implications of what for decades have been declining birth rates, not only in the U.S. but across much of the globe.

In the wake of the 2024 Presidential election, we began to discuss the potential implications of immigration reform on the labor market, our premise being that what would likely be a meaningful slowdown in net international in-migration would act as a drag on labor supply growth, which in turn could easily have adverse implications for real GDP growth and inflation. Indeed, in our 2025 outlook edition we had an adverse labor supply shock stemming from immigration reform as a more pressing downside risk than disruptions in global trade flows, and corresponding impacts on global supply chains, stemming from higher tariffs. Granted, that call seemed, and felt, rather foolish on the afternoon of April 2, and many might argue that is still the case. For now, we'll suggest that the jury is still out, particularly since rather than being out in the open, the effects of immigration are somewhat hidden in the details of the labor market data.

While the establishment survey data, from which flow the BLS's estimates of nonfarm employment, hours, and earnings, do not distinguish between native and foreign born labor, respondents to the household survey are asked to make this distinction, with no reference to immigration status. The softening trend in the series on foreign born labor has accelerated greatly thus far in 2025, to the point that foreign born participation in the labor force has fallen by 1.15 million persons in the three months ending with June. As we've noted, the intra-year patterns in this series have been significantly weaker thus far in 2025 than had been the case not only over the 2022-2024 period – a period in which net foreign in-migration accounted for roughly eighty-five percent of all U.S. population growth – but also than had been the case over the five years leading up to the pandemic.



The chart above illustrates our point about the deterioration in the intra-year patterns in foreign born labor. That we are highlighting the intra-year trends goes to an important, though typically overlooked, caveat, which is that the data from the household survey are not directly comparable from one year to the next as each year's sample pool is governed by different sets of population controls. That raises another caveat, which is that the population controls are, by nature, backward looking. For instance, the controls around the 2025 household survey pick up on the change in methodology used by the Census Bureau in estimating foreign in-migration which, given the dramatic slowdown in Southern border crossings, almost surely means estimates of foreign born labor in 2025 are being overstated, perhaps significantly. Finally, the series on foreign born labor is not seasonally adjusted and there are clear seasonal patterns in the data. All of this means that the only way to properly compare movements in this series across years is to look at the intra-year patterns, using January of each year as the baseline. That is what we show in the preceding chart, which captures the sizable decline in foreign born participation over the past three months.



The above chart makes the same intra-year comparisons for the total labor force. While the series on the total labor force is offered on a seasonally adjusted basis, we use the not seasonally adjusted basis here to show the same comparison of intra-year patterns. That the unadjusted labor force jumped in June reflects the typical inflow of younger adults seeking summer jobs – which, by the way, was smaller than normal this year – but what is relevant in the chart above is that as of June labor force growth has been much weaker over the course of 2025 than over the 2022-2024 period and over the five years leading up to the pandemic. The biggest culprit is, we'd argue, the decline in foreign born labor.

Given the clear deceleration in the trend rate of growth in nonfarm payrolls, particularly private sector payrolls, it is reasonable to ask whether, or to what extent, the dramatic decline in foreign born labor is a factor. Though many are attributing a slowing pace of private sector job growth to the impact of changes in and looming uncertainty around trade policy, we've been highlighting the probable role of changes in immigration. We say "probable" because, again, we cannot directly quantify any such effects in the establishment survey data, but we'd argue the household survey data offer powerful clues. Along with the dramatic decline in foreign born labor, the changes in not seasonally adjusted nonfarm payrolls over the past few months have been weaker than has historically been the case in those months. Moreover, we can point to industry groups such as construction, leisure and hospitality services, transportation services, and personal/household services in which job growth has been notably slow, with these being amongst the industry groups in which foreign born labor has tended to be an important source of labor.

If we are correct on this point, the drag from declining foreign born labor could intensify over the remainder of this year. It is worth noting that this issue has not escaped the attention of the Trump Administration, and it is possible that allowances will be made for certain industry groups when it comes to immigration policy. Even should that be the case, however, we're not sure how much of a difference it will make, more specifically, whether it will reverse the steep decline in foreign born labor seen over recent months. We think it more likely that any such allowances would slow, not reverse, this outflow. If we are correct, it would follow that real GDP growth would be slower than would otherwise be the case which, in turn, could lead to added upward pressure on inflation. While tariffs may seem the obvious culprit, and any such slowdown in growth/pickup in inflation would almost surely be blamed on tariffs in many, if not most, accounts, it could be that the real culprit would be working more quietly behind the scenes.

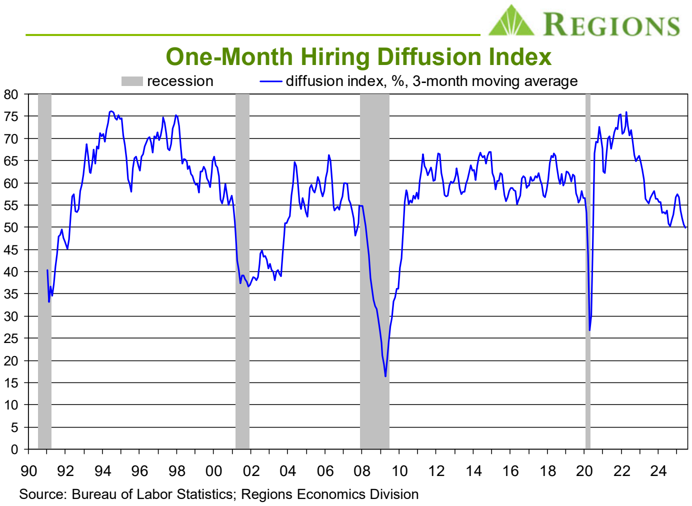
June Employment Report

We come neither to bury the June employment report nor to praise it. Instead, in keeping with our stubborn insistence on digging into the details of any given data release, our aim is simply to help put the June employment report into proper context. Though that is our goal with our comments on any given data release in any given month, it seems particularly appropriate in this case given some of the reactions to the June employment report we've seen and heard. While a little context can go a long way, this is yet another reminder that context does not necessarily bring clarity.

As for the headline numbers, total nonfarm payrolls rose by 147,000 jobs, the unemployment rate fell to 4.1 percent, and prior estimates of job growth in April and May were revised up by a net 16,000 jobs for the two-month period. Go no further than that, and the June employment report was a strong one that handily dispatched expectations. Our forecast, not too distant from the consensus forecast, called for total nonfarm payrolls to be up by 98,000 jobs with private sector payrolls up by 104,000 jobs.

The details beneath those headline numbers, however, leave much to be desired. For instance, private sector payrolls rose by just 74,000 jobs while public sector payrolls rose by 73,000 jobs. The reported increase in public sector payrolls was no more than a gift from seasonal adjustment around the education segment of state and local government. Combined state and local education payrolls fell by 542,000 jobs in June, but on a percentage change basis from May this was a smaller decline than is typical for the month of June. As such, the seasonally adjusted data show combined education payrolls rose by 63,500 jobs. This simply reflects a later than typical end to the school year, and a smaller than normal June decline sets the stage for a larger than normal July decline, which will be reflected in the seasonally adjusted data. As a side note, federal government payrolls have fallen by 66,000 jobs thus far in 2025, with the bulk of DOGE-related cuts likely not making their way into the data until the October employment report.

There are always problems trying to seasonally adjust data around events that don't happen on the same date year after year, so the noise in state and local government payrolls, likely to be present in the July data as well, isn't at all consequential. One all too familiar issue looming over the June employment report is the low initial response rate to the June establishment survey, which diminishes the reliability of the initial estimates of nonfarm employment, hours, and earnings. That caveat aside, of far more relevance than the noise in the government sector data is the listless performance of private sector payrolls. Aside from a much smaller than anticipated increase in June, the revisions to prior estimates of job growth in April and May yielded 16,000 fewer private sector jobs being added than previously reported, offset by public sector job gains revised up by 32,000 jobs.



Perhaps the most concerning element of the June data is that the one-month hiring diffusion index, a gauge of the breadth of hiring across private sector industry groups, fell to 49.6 percent in June, the second time in the past three months the index has been below the 50.0 percent mark. We've long argued that the narrower the base of private sector job growth, the greater the risk of the labor market rolling over. And, even if the June data are discounted to some extent by the low survey response rate, the clear downward trend in the diffusion index is a concern.

Another seeming soft spot in the June data is the one-tenth of an hour decline in the average length of the private sector workweek. On the surface, a decline in weekly hours combined with a meager increase in private sector payrolls could be a sign of a meaningful softening in the demand for labor. There is, however, a reason we used the word "seeming" above, and we'll admit to having flat-out missed this when we offered our initial take on the June employment report. On a not seasonally adjusted basis, average weekly hours rose by five-tenths of an hour in June, a larger than normal increase for the month. This, in turn, led to a much larger increase in not seasonally adjusted aggregate private sector hours worked than is typical for the month of June, yet the seasonally adjusted data show a decline. In other words, this is more about seasonal adjustment than it is labor demand, and shame on us for six weeks for having initially missed this point.

The drop in the unemployment rate, from 4.2 percent in May to 4.1 percent in June, is another instance of seasonal adjustment noise. Perhaps reflecting a later than normal end to the school year, the inflow of younger adults into the labor force was smaller than is typical for the month, to the point that the entire reported decline in the labor force was more than accounted for by a decline in participation amongst those 16-to-19 years old.

While not having much use for the headline numbers, we don't see the June employment report as offering a definitive view, in either direction, on the state of the labor market. Though we remain concerned over the sharp decline in foreign born participation and the narrowing breadth of job growth, we continue to maintain that the labor market is cooling but is not on the verge of rolling over.

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ECONOMIC OUTLOOK

REGIONS

July 2025

Q4 '24 (a)	Q1 '25 (a)	Q2 '25 (f)	Q3 '25 (f)	Q4 '25 (f)	Q1 '26 (f)	Q2 '26 (f)	Q3 '26 (f)		2022 (a)	2023 (a)	2024 (a)	2025 (f)	2026 (f)
2.5	-0.5	2.6	0.2	1.2	1.6	2.4	2.2	Real GDP[1]	2.5	2.9	2.8	1.5	1.7
4.0	0.5	1.1	0.1	1.9	2.2	2.6	2.5	Real Personal Consumption[1]	3.0	2.5	2.8	1.8	1.9
-2.9	10.3	-1.6	-1.3	0.5	2.4	3.3	3.7	Real Business Fixed Investment[1]	7.0	6.0	3.6	2.2	1.8
-8.7	23.7	-4.6	-4.8	-1.1	3.4	4.8	5.1	Equipment[1]	4.4	3.5	3.4	4.0	1.6
-0.5	6.0	3.4	3.8	3.9	4.0	4.4	4.7	Intellectual Property and Software[1]	11.2	5.8	3.9	3.2	4.1
2.9	-2.4	-6.1	-5.2	-3.9	-3.4	-2.1	-1.4	Structures[1]	3.6	10.8	3.5	-2.7	-3.2
5.5	-1.3	-6.6	-8.5	-3.0	-2.0	1.2	2.7	Real Residential Fixed Investment[1]	-8.6	-8.3	4.2	-2.6	-1.9
3.1	-0.6	0.2	1.6	0.3	0.1	0.6	0.3	Real Government Expenditures[1]	-1.1	3.9	3.4	1.5	0.5
-1,052.7	-1,359.0	-1,116.5	-1,099.9	-1,119.1	-1,132.7	-1,146.2	-1,160.2	Real Net Exports[2]	-1,041.7	-932.8	-1,033.6	-1,173.6	-1,151.6
1,013	1,015	916	896	895	899	904	912	Single Family Housing Starts, ths. of units[3]	1,005	947	1,016	931	909
374	386	395	380	385	393	400	407	Multi-Family Housing Starts, ths. of units[3]	547	473	355	387	404
3.2	2.4	1.6	0.6	-0.3	-0.4	-0.1	0.7	CoreLogic House Price Index[5]	12.9	4.1	4.3	1.0	0.4
16.5	16.4	16.1	15.1	15.2	15.5	15.6	15.8	Vehicle Sales, millions of units[3]	13.8	15.5	15.8	15.7	15.7
4.1	4.1	4.2	4.3	4.4	4.5	4.4	4.3	Unemployment Rate, %[4]	3.6	3.6	4.0	4.2	4.3
1.2	1.2	1.1	1.1	0.8	0.6	0.6	0.7	Non-Farm Employment[5]	4.3	2.2	1.3	1.0	0.7
2.5	2.5	2.7	0.6	0.8	2.8	1.2	1.7	Real Disposable Personal Income[1]	-5.6	5.1	2.7	1.8	1.7
2.4	2.6	2.4	2.6	2.8	2.5	2.7	2.5	GDP Price Deflator[5]	7.1	3.6	2.4	2.6	2.5
2.5	2.5	2.4	2.7	2.9	2.7	2.8	2.7	PCE Deflator[5]	6.6	3.8	2.5	2.6	2.7
2.7	2.7	2.5	2.9	3.0	2.9	3.1	3.0	Consumer Price Index[5]	8.0	4.1	3.0	2.8	2.9
2.8	2.8	2.7	2.9	3.0	2.8	2.9	2.7	Core PCE Deflator[5]	5.4	4.1	2.8	2.8	2.7
3.3	3.1	2.8	3.1	3.2	3.1	3.3	3.1	Core Consumer Price Index[5]	6.2	4.8	3.4	3.0	3.1
4.69	4.38	4.38	4.34	4.07	3.66	3.38	3.38	Fed Funds Target Rate Range Mid-Point, %[4]	1.73	5.07	5.19	4.29	3.45
4.28	4.45	4.36	4.32	4.31	4.34	4.41	4.44	10-Year Treasury Note Yield, %[4]	2.95	3.96	4.21	4.36	4.41
6.63	6.83	6.79	6.70	6.64	6.62	6.63	6.60	30-Year Fixed Mortgage, %[4]	5.34	6.81	6.72	6.74	6.61
-4.2	-6.0	-4.7	-4.2	-4.1	-3.8	-3.6	-3.5	Current Account, % of GDP	-3.9	-3.3	-4.1	-4.8	-3.5

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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