ECONOMIC OUTLOOK

REGIONS
September 2025

Profit Margins Holding Up, At Least For Now

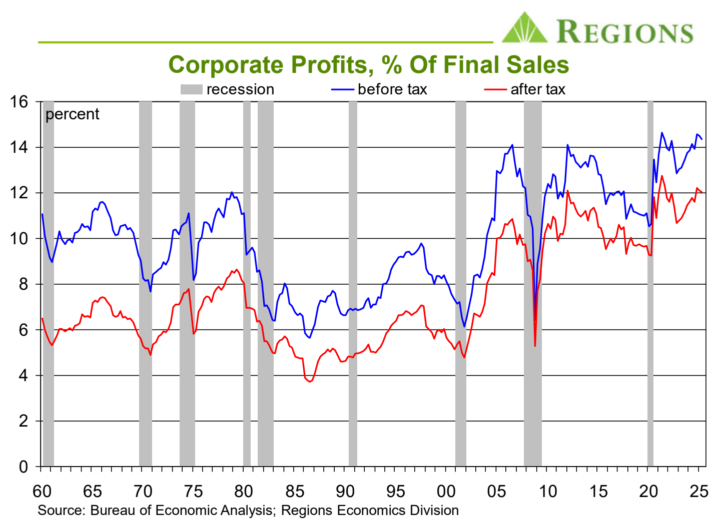
Based on revised and more complete source data, the Bureau of Economic Analysis (BEA) now puts Q2 real GDP growth at an annual rate of 3.3 percent, up from the initial estimate of 3.0 percent growth. At the same time, real private domestic demand – combined business and household spending adjusted for price changes – is now reported to have grown at a 1.9 percent rate in Q2, up from the initial estimate of 1.2 percent. The revisions to growth in real GDP and real private domestic demand largely reflect hefty upward revisions to the BEA's original estimates of business investment in machinery and equipment and intellectual property products, with an assist from a modest upward revision to the original estimate of growth in real consumer spending.

On the whole, however, the revisions to the BEA's original estimate of Q2 GDP don't really change the broader story. Large swings in imports of goods and nonfarm business inventories led to similarly large swings in real GDP growth over the first half of 2025 – recall that real GDP contracted at an annual rate of 0.5 percent in Q1. And while we cannot rule out further swings over the second half of the year, as evidenced by the jump in imports of goods in July which will likely be unwound in either the August or September data, any such swings should at least be less pronounced than over the first half of the year which, in turn, would yield a smoother path of real GDP growth.

The BEA's second look at Q2 real GDP also brought their first look at Q2 corporate profits. The profits data took on added interest, with many looking to the Q2 data for clues on how higher tariff rates may have impacted corporate bottom lines, particularly given that at least thus far the retail-level data on inflation suggest only limited tariff pass-through. If not passing higher tariffs along in the form of higher prices, firms are either inducing suppliers to take on some of the tariff burden, shifting orders to countries facing lower tariff rates, or simply absorbing the tariff burden out of margins, though in many cases it is some combination of all of the above. Either way, given the extent to which firms rushed to build inventories over the first few months of this year to avoid, at least temporarily, tariff-related price hikes on inputs to production and final goods ordered from abroad, the Q2 profits data were unlikely to offer definitive evidence of the impact of higher tariffs.

As a reminder, the data on corporate profits derived from the GDP accounts is a much broader measure of profits than the more widely recognized S&P 500 measure, as the universe of firms captured in the GDP data is significantly larger. Additionally, the profits data in the GDP accounts are free of the various accounting adjustments that can cloud the signal being sent in corporate earnings releases. One obvious drawback is that the GDP data on corporate profits come with a lengthy lag, particularly considering that in any given quarter the BEA's initial estimate of corporate profits does not include industry-level breakouts, which in this case would matter given that evidence of the impact of higher tariffs would likely be easier to see in the industry-level data rather than in the aggregated data. The industry-level data on Q2 corporate profits from the GDP accounts will be included in the BEA's final estimate of Q2 GDP, to be released on September 25.

On the whole, Q2 corporate profits for the collection of firms in the S&P 500 came in above expectations, however, tempered those expectations may have been. Using the measure (profits without adjustments for inventory valuation and capital consumption) most comparable to the S&P 500 measure, the GDP measure of corporate profits snapped back from a weak first quarter, with before-tax profits rising by 1.2 percent in Q2 and after-tax profits rising by 1.4 percent. These translate into year-on-year increases of 6.9 percent on a before-tax basis and 7.0 percent on an after-tax basis. As seen in the following chart, while this translated into a modest dip in corporate profit margins, margins nonetheless remain considerably wider than historical norms and pre-pandemic margins on both a pre-tax and after-tax basis.



Note that the base used to estimate profit margins is final sales (of domestic product) rather than GDP, as final sales measure the dollar value of goods produced in a given period that are actually sold, at home or abroad to private or public purchasers, meaning that changes in inventories are not included. Also, the measure of final sales used here is the nominal measure, i.e., not adjusted for price changes, which is the basis on which profits and margins are typically discussed. To our earlier point, margins remain elevated relative to historical norms, which is why we and others argued that firms had ample capacity to absorb the initial impact of higher tariff rates. Obviously, as with any aggregate measure, not all firms in all industries would have been in that position, and some

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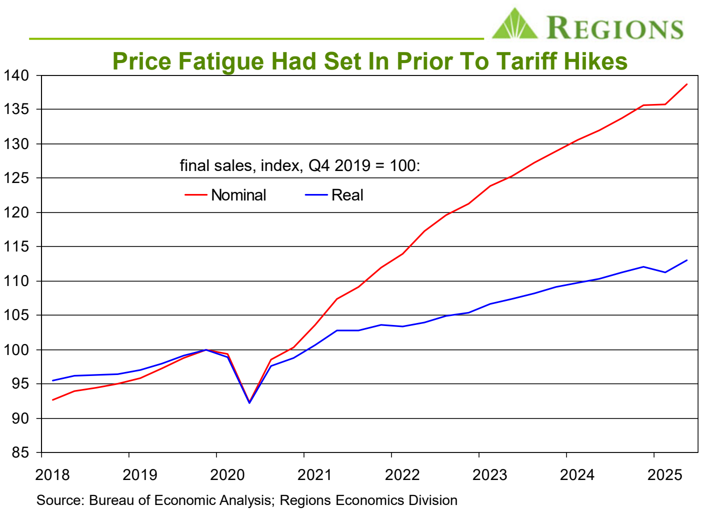
firms in some industry groups may have been willing to take a more aggressive pricing posture from the outset, and that to some extent is consistent with the somewhat scattered increases in prices for certain categories of goods seen in the measures of producer and consumer prices to date. The broader point here, however, is that elevated margins are one reason why we never thought it realistic to expect an immediate jump in prices as higher tariff rates took effect.



While elevated profit margins gave them the wherewithal, there were other reasons we expected firms to be more circumspect in trying to pass along the costs of higher tariffs. The chart above is a variant of one we've frequently used when discussing the state of U.S. consumers, only here we substitute final sales for consumer spending. The red line shows the path of nominal final sales, i.e., not adjusted for price changes, while the blue line shows the path of real final sales, i.e., prices held constant. Having been battered by cumulative price increases over the past few years, consumers and businesses had already begun to show signs of price fatigue, making them less willing, and in many cases less able, to absorb additional price increases. As such, with firms being unsure of both how high tariff rates would ultimately go and when they would get there, a more gradual approach to tariff-related price increases made more sense. Finally, as has been well documented by now, firms were very aggressive earlier this year – when the extent of tariff increases was still unknown – in pulling orders forward and building inventories, which we saw amongst manufacturers stocking up on inputs to production and retailers stocking up on finished goods. To the extent sales over the past several months have come out of these inventories, higher tariff rates were not applicable (though in some cases that didn't stop firms from using higher tariffs as cover to raise prices). It could be that the costs involved in accumulating these inventories – purchasing, shipping, and storing them – contributed to the sequential declines in the GDP measure of pre-tax and after-tax corporate profits in Q1 2025.

We're getting to the point, however, where more firms will have to begin making what could be some tough decisions on pricing. Inventories accumulated earlier in the year have not yet been totally drawn down but are getting leaner. At the same time, while there have been some deals reached with foreign trading partners, there is still a great deal of uncertainty around where tariff rates will ultimately settle, and that point applies independent of a still-uncertain outcome of legal challenges to many of the higher tariffs now in place. While these are things we can see in tracking the various economic data series, these are also points made by many firms in the latest round of corporate earnings calls.

What remains to be seen is whether, or to what extent, firms will take steps to prevent further erosion in profit margins. In lieu of attempting to pass along the costs of higher tariffs in the form of higher prices, firms could instead scale back on capital spending and/or total labor input (the number of workers and/or the number of hours worked). Comments along those lines were not uncommon in the latest round of corporate earnings calls, with many firms stressing increased efficiency and holding the line on hiring. We obviously cannot quantify the extent to which this may be a factor in what has been a pronounced slowdown in the pace of monthly job growth, but it is not unreasonable to think that it has played at least some role.

One potentially important factor in such deliberations is the extent to which recent changes to the tax code, particularly expanded deductions for capital spending, expenditures on research and development, and interest payments free up additional cash for corporations that could serve as a buffer against the impact of higher tariffs. These expanded deductions could spur faster growth in profits on an after-tax basis, thus leaving more cash on corporate balance sheets. To be sure, corporations could put more emphasis on returning capital to shareholders while continuing to push for greater efficiency and thus still hold the line on hiring or capital outlays, but these recent changes to the tax code should in one form or another help offset higher tariff costs, particularly given a starting point of elevated profit margins. While we and most others still expect to see further, and more broadly based, tariff pass-through in the months ahead, a starting point of elevated profit margins along with the prospect of enhanced cash flows could mitigate the extent of any such effects.

Oil Prices Marching To A Different Beat . . .

Amid considerable discussion and debate on whether, or to what extent, higher tariff rates will make their way into prices of final goods, declining crude oil prices have garnered surprisingly little attention. To some extent, that could be a function of gasoline prices not, at least so far, having followed oil prices lower; retail gasoline prices rose during August and are up even more sharply thus far in September, to the point that as things now stand, higher gas prices would add more than one-tenth of a point to the monthly change in the total CPI for September.

What has been mounting downward pressure on oil prices reflects both supply side and demand side factors. Concerns about the strength of global economic growth had for months cast doubt on the strength of demand for oil, and those concerns kicked into higher gear in the wake of a surprisingly weak August employment report. By the end of the day on September 5, the day on which the employment report was released, WTI futures had fallen below $62. What would typically be "buy the dip" activity stayed on the sidelines, perhaps reflecting the degree of concern over growth prospects and geopolitical factors weighing on demand. This came

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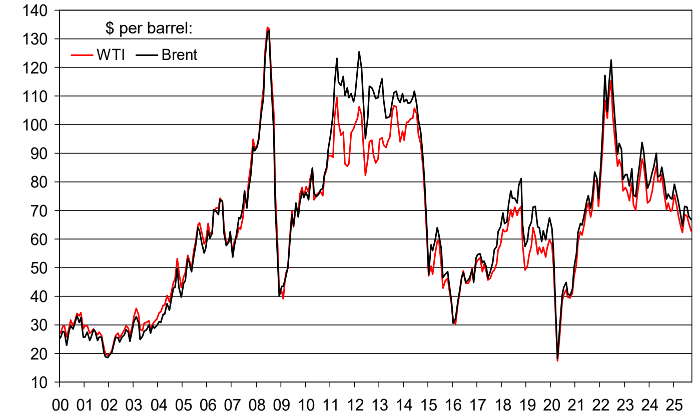
against a backdrop of previously enacted hikes in OPEC production quotas contributing to a supply/demand imbalance that fueled downward pressure on prices. Yet, on September 7, OPEC agreed "in principal" to further increases in production, reinforcing their emphasis on pursuing market share as opposed to defending prices. This will likely put further downward pressure on oil prices.

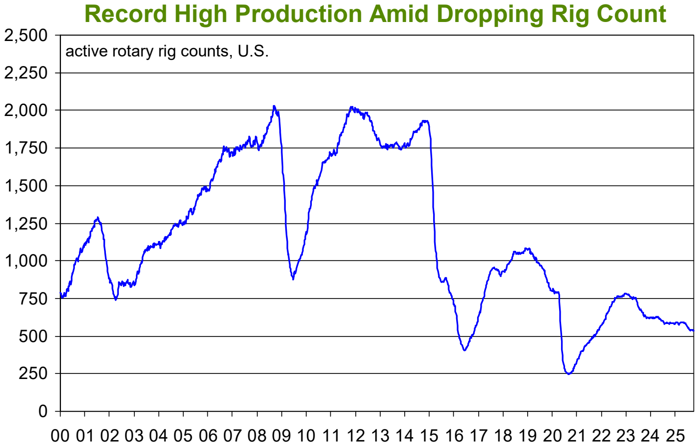
More Downside Room For Oil Prices?



Source: U.S. Energy Information Administration; Regions Economics Division

Another source of the supply-demand imbalance is that U.S. production has been increasing, to the point that the U.S. Energy Information Administration (EIA) reported that U.S. production hit a new record high in June. A more favorable regulatory climate and a more friendly view toward fossil fuels likely contributed to rising U.S. output. What we do not yet know, however, is whether those factors will be enough to sustain production given ongoing concerns about global demand and subsequent declines in crude prices. While the answer from the EIA data will come in time, as there is a lag in reporting the production data, some are arguing that the recent drop in active rig counts, illustrated in the following chart, suggests U.S. producers have already begun to cut back.

Record High Production Amid Dropping Rig Count



Source: Baker Hughes Incorporated; Regions Economics Division

Active rig counts are often looked to as early indicators of future changes in production but, as shown in the chart, the new record high in U.S. oil production came amid a dropping rig count. To a large extent, this simply reflects what has over the past few years been a push for greater efficiency amongst U.S. producers, with underperforming/unproductive rigs taken offline and curbs on capital outlays. That said, with equipment prices pushed higher by tariffs, extraction costs have risen which, against a backdrop of weakness in oil prices, may lead domestic producers to scale back.

Even so, cuts in domestic production from record high levels may not do much to support oil prices, particularly if OPEC does not cut back on production, which seems unlikely in the near term. As referenced above, thus far retail gasoline prices have held up more than may have been expected given patterns in oil prices. Oil prices, however, are only one factor in the behavior of retail gasoline prices. Stretched U.S. refinery capacity leaves little margin for error, as illustrated recently when flooding in the Midwest led to disruptions in refinery activity and thus disrupted gasoline supplies, a prime factor in the recent jump in retail prices. We are, however, in a part of the year in which seasonal demand for gasoline is softer, and the switch to winter blends later this month should also put downward pressure on retail prices.

Should oil prices stabilize around the lows seen more recently, that should ultimately translate into lower retail gasoline prices. If so, that could lead to a wider gap between total and core inflation, particularly to the extent we see greater pass-through leading to faster core goods price inflation. Still, it is worth keeping in mind that oil prices tend to be volatile and tend to react strongly to a host of geopolitical factors, on top of the economic drivers. And, with the general rule that gasoline prices tend to go up much faster than they come down, it could be that we don't see gasoline prices decline to the extent implied by the declines in crude oil prices.

From One Bad Jobs Report To Another In A Few Short Days

Total nonfarm payrolls rose by just 22,000 jobs in August, with private sector payrolls up by 38,000 jobs and public sector payrolls falling by 16,000 jobs. The August employment report managed to underperform low expectations, particularly in light of the unemployment rate having risen to 4.3 percent in August and the broader U6 rate, which also accounts for underemployment, rising to 8.1 percent, each the highest since October 2021.

This is where we'd say "stop us if you've heard this before," except of course for the fact that we know you've heard this before because we've literally lost track of how long we've been pointing out what we see as issues with the reliability of the data contained in the monthly employment reports. For instance, we have for some time been pointing to notably low response rates to the BLS's monthly establishment survey, from which flow the estimates of nonfarm employment, hours, and earnings. Low survey response rates leave bigger gaps for the BLS to fill with their own estimates which, as we've argued, diminishes the reliability of the initial prints on employment, hours, and earnings in any given month. The initial collection rate for the August establishment survey was 56.7 percent, second to April as the lowest rate this year and the lowest August rate since the year 2000.

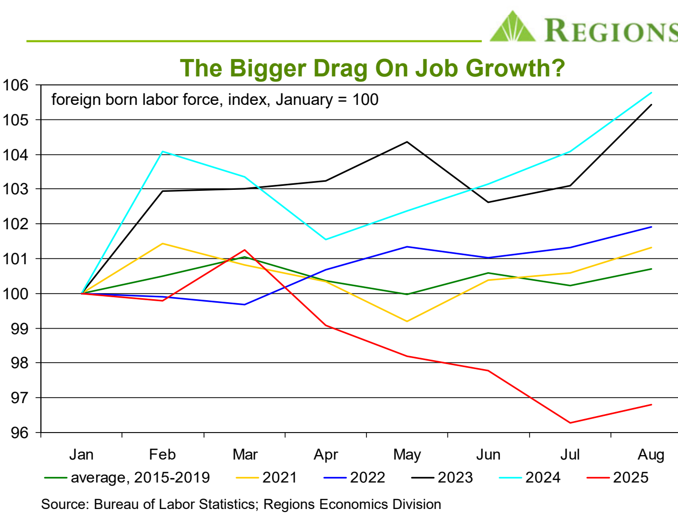
We've also been pointing to what we see as a high volume of seasonal adjustment noise in the data, though this has been an issue in many of the economic data series since the pandemic. The second revision to the estimate of June job growth shows private sector payrolls fell by 27,000 jobs on a seasonally adjusted basis, yet the not seasonally adjusted data show private sector payrolls rose by 711,000 jobs in June. Granted, on a percentage change basis the increase in unadjusted private sector payrolls was smaller than in a typical June, but this would be expected in a period in which trend job growth is slowing, so we'd argue that the seasonally adjusted estimate overstates the degree of softening in the labor market. And, as we discussed in last month's edition, the first-to-third revision to May job growth was minus 120,000 jobs, but the overwhelming share of this downward revision reflected revisions to the seasonal adjustment factors used to adjust the May data as opposed to a downward revision to actual job growth.

There are also ongoing issues with the household survey data, including a steadily declining response rate to the survey. The data continue to exhibit odd, and we think highly implausible, swings in patterns of participation and employment between males and females. For instance, the labor force is reported to have increased by 436,000 persons in August, but amongst males the increase is reported to have been 539,000 while the number of females in the labor force is reported to have fallen by 252,000, and there are similar splits in the reported level of household employment, and the August data are just the latest instance of this long-running dichotomy. This is one reason we don't make much of the reported increase in the unemployment rate in August.

While we have for months been pointing to a slowing trend rate of job growth, there are two questions that we and others are still trying to answer. First, to what extent has trend job growth truly slowed? Second, what is behind the slowing trend rate of job growth? We've routinely pointed to measurement and collection issues that continue to cloud the data from both the establishment and household surveys, making it difficult to answer the first question. As for the answer to the second question, while increased emphasis on efficiency and controlling operating costs may be a factor, we continue to argue that the steep decline in the foreign born labor force – down by over one million people between January and August – is a bigger drag on job growth. We'd also argue that this is not getting nearly as much discussion as it merits, perhaps because it is not possible to directly quantify any such effects in the BLS's establishment survey data.

We can, however, make what we think are reasonable inferences based on the household survey data. As noted above, the foreign born labor force declined by more than a million persons between January and August, while the level of foreign born employment declined by more than 900,000 persons. The following chart is one we've used over the past few months to illustrate our point. We will once again note that the BLS's series on foreign born labor only comes on a not seasonally adjusted basis, and that like any other series pulled from the household survey, the data are not directly comparable from one year to the next due to changes in the population controls used to construct the survey samples. As such, the only proper way to compare the data over time is to compare the intra-year patterns across the years.

There are seasonal patterns in the data, including what in any given year has tended to be an increase in the levels of the foreign born labor force and foreign born employment in the month of August. This year's August increase, however, was well smaller than has been typical for the month. And, to our earlier point, as of August the level of the foreign born labor force was 3.2 percent below the level as of January, far weaker than at the same point of any of the past several years. There are numerous anecdotal reports of firms in industries typically reliant on foreign born labor, including construction, leisure and hospitality services, health services, transportation services, and personal services, facing shortages of labor. Again, while we cannot directly quantify the effects in the BLS's establishment survey data, it seems clear that the outflow of foreign born labor has been a meaningful drag on the pace of job growth. At the same time, the outflow of foreign born labor has helped push down the "breakeven" rate of job growth, i.e., the pace of monthly job growth needed to keep the unemployment rate steady, to the point that we think the breakeven rate could be as low as 50,000 jobs per month, lower still should the outflows of foreign born labor continue.



While there are reasons to think the August employment report overstated the degree to which the labor market has softened, the Bureau of Labor Statistics' (BLS) September 9 release of their preliminary estimate of the annual benchmark revision to recent estimates of growth in nonfarm employment raised new concerns. That estimate showed that from April 2024 through March 2025, job growth had been overestimated by 911,000 jobs on a not seasonally adjusted basis, equivalent to 0.6 of the level of nonfarm employment as of March 2025. For context, over the prior decade, the average size of the annual benchmark revision was 0.2 percent (absolute value).

The preliminary benchmark revision shows job growth was overestimated across most private sector industry groups, with information services, wholesale trade, and leisure and hospitality services taking the biggest hits. Estimates of monthly job growth over the year ending March 2025 will be revised and relayed in the final results of the benchmark revision which will be incorporated into the January 2026 employment report. Note that the final benchmark revision can and likely will differ from the preliminary estimate but, either way, the preliminary estimate came as no big surprise to us and others who have maintained that the BLS was still overestimating monthly job growth even after a notably large downward benchmark revision last year.

The yearly benchmark revision is intended to better align the BLS's monthly establishment survey with the data from the Quarterly Census of Employment and Wages (QCEW), which covers the universe of firms filing payroll tax returns and which captures roughly ninety-five percent of all jobs in the U.S. In any given year, March is designated as the new "reference month," as the Q1 QCEW data are the new reference point for the establishment survey. In any given year, however, the further we get from the reference month, the greater the likelihood of discrepancies in the two measures of job growth. While many, us included, consider the QCEW the most reliable measure of job counts and wage and salary earnings, the QCEW data come with a lengthy lag, thus the greater emphasis on the monthly employment reports.

One source of such discrepancies is that between payroll tax return filing points, some existing firms go out of existence and new firms come into being. The BLS attempts to measure these changes with their "birth-death" model, which more recently has tended to overestimate the net job growth resulting from these flows. What may be a more significant source, at least more recently, of the measurement errors in the monthly employment reports is the flow of foreign born workers. Payroll tax returns are the basis of the unemployment insurance benefits for which undocumented foreigners are not eligible, hence firms would not report them in their payroll tax returns. The monthly establishment survey, however, makes no distinction between foreign born and native born labor and, as such, does not distinguish between documented and undocumented foreign born labor.

In other words, it is possible that firms would include foreign born labor, regardless of immigration status, in their replies to the establishment survey but not in their payroll tax returns, which would help account for the estimates of job growth being higher in the monthly employment reports than in the QCEW. This is not necessarily at odds with our pointing to significant outflows of foreign born labor as a key factor in the slowing trend rate of job growth apparent in the monthly establishment surveys. It could be that the greatest discrepancy between the two measures of job growth came between April 2024 and either year-end 2024 or early-2025, i.e., before we began to see the sharp decline in the foreign born labor force in the household survey data. The final benchmark revision, which includes revised estimates of monthly job growth, will help answer this question.

This, unfortunately, does us little good now in trying to discern the extent to which the labor market has softened and when that softening took place, which is more than merely an academic question. Note that with revised estimates of job growth, hours worked, and hourly earnings – all included in the benchmark revisions – will come revisions to estimates of aggregate wage and salary earnings, by far the largest component of personal income. Those revisions, however, may be smaller than would be implied by the magnitude of the preliminary benchmark revision to nonfarm job growth, as the BEA ties its estimates of labor earnings to the QCEW all along rather than being solely reliant on the earnings details from the monthly employment reports. Still, the likely outcome is, given the path of consumer spending over recent quarters, the personal saving rate ends up being revised lower in the BEA's annual comprehensive revisions to the data on GDP and personal income which will be released on September 25.

FOMC Drifting Further Apart?

Absent clear answers to the two questions pertaining to the labor market posed above, it's hard to have much confidence in anyone's outlook for the labor market, whatever that outlook may be. The same is true of the outlook for inflation, and that will remain the case until there is more clarity around the ultimate degree of tariff pass-through. Anyone who thinks this question has already been settled need only look to the Institute for Supply Management's (ISM) August surveys of the manufacturing and services sectors. Comments from survey respondents suggest that not only is uncertainty around tariffs impacting current orders and pricing but also that price effects will be more significant going forward. This goes straight to our earlier point about firms having to make tough decisions on pricing.

With inflation already running well ahead of their 2.0 percent target, this leaves an increasingly divided FOMC to debate which is the most pressing risk – the downside risk to the labor market or the upside risk to inflation. While we have for months expected a twenty-five basis point cut in the Fed funds rate at this month's FOMC meeting, we also think markets may be too aggressive in pricing in subsequent cuts, even allowing for softer labor market conditions. This month's meeting will bring an updated set of economic and financial projections, and market participants will be focused on the path of the funds rate implied by the updated dot plot. We think it worth noting, however, that in the FOMC's June projections the median forecast put the unemployment rate at 4.5 percent in Q4 2025 and core PCE inflation at 3.1 percent, with the June edition of the dot plot implying only seventy-five basis points of cuts in the funds rate by year-end 2026.

In other words, the FOMC's June projections seem to have clearly anticipated much of what we're now seeing, i.e., softening labor market conditions and lingering inflation pressures. It's one thing, however, to make a set of projections months in advance, and quite another to see those projections playing out. What we do not yet know is whether a string of anemic monthly employment reports and a sizable downward benchmark revision will lead Committee members to conclude that the deterioration in labor market conditions has gone, or will go, beyond their expectations and, as such, warrant a more aggressive course of funds rate cuts than they envisioned back in June. One point that should, and presumably will, enter into the FOMC's deliberations is that if the outflow of foreign born labor is a key factor in the fading trend rate of job growth, cutting the Fed funds rate will do nothing to reverse that, while at the same time this outflow could help sustain inflation pressures. This would argue for a more measured course of funds rate cuts.

Either way, it will be interesting to compare the updated forecasts of the unemployment rate and core PCE inflation in Q4 2025 with those made in June, which will help shape the updated dot plot. Also, it could be that at least some of the cuts now priced into the markets reflect expectations of changes in the composition of the FOMC, yielding a more aggressive series of funds rate cuts than the Committee as now comprised would deliver. While we do not discount that possibility, we nonetheless think many market participants may be underestimating the Committee's resolve to push inflation closer to their 2.0 percent target rate.

ECONOMIC OUTLOOK

REGIONS

September 2025

Q1 '25 (a)	Q2 '25 (p)	Q3 '25 (f)	Q4 '25 (f)	Q1 '26 (f)	Q2 '26 (f)	Q3 '26 (f)	Q4 '26 (f)		2022 (a)	2023 (a)	2024 (a)	2025 (f)	2026 (f)
-0.5	3.3	1.4	1.2	1.7	2.1	2.0	2.2	Real GDP[1]	2.5	2.9	2.8	1.8	1.8
0.5	1.6	1.5	1.3	2.1	2.4	2.5	2.4	Real Personal Consumption[1]	3.0	2.5	2.8	2.1	2.0
10.3	5.7	1.9	-1.3	-0.3	3.0	3.6	4.1	Real Business Fixed Investment[1]	7.0	6.0	3.6	3.9	1.5
23.7	7.4	3.4	-5.1	-3.1	3.7	4.2	4.6	Equipment[1]	4.4	3.5	3.4	7.1	0.6
6.0	12.8	3.6	3.4	3.5	4.1	4.7	5.1	Intellectual Property and Software[1]	11.2	5.8	3.9	4.8	4.4
-2.4	-8.9	-5.0	-4.2	-3.2	-1.0	-0.4	0.4	Structures[1]	3.6	10.8	3.5	-3.3	-3.0
-1.3	-4.7	-6.9	-3.8	-3.2	-1.6	0.7	2.3	Real Residential Fixed Investment[1]	-8.6	-8.3	4.2	-2.1	-2.8
-0.6	-0.2	0.2	0.1	1.0	0.9	0.4	0.2	Real Government Expenditures[1]	-1.1	3.9	3.4	1.2	0.5
-1,359.0	-1,029.0	-1,000.4	-1,026.6	-1,033.6	-1,051.2	-1,071.1	-1,090.0	Real Net Exports[2]	-1,041.7	-932.8	-1,033.6	-1,103.7	-1,061.5
1,015	937	907	881	886	894	904	912	Single Family Housing Starts, ths. of units[3]	1,005	947	1,016	935	899
386	409	414	400	407	412	416	419	Multi-Family Housing Starts, ths. of units[3]	547	473	355	402	414
2.4	1.7	0.9	0.4	0.5	1.1	1.7	2.2	CoreLogic House Price Index[5]	12.9	4.1	4.3	1.4	1.4
16.4	16.1	16.1	15.7	15.8	15.9	15.9	16.0	Vehicle Sales, millions of units[3]	13.8	15.5	15.8	16.1	15.9
4.1	4.2	4.3	4.4	4.4	4.4	4.4	4.4	Unemployment Rate, %[4]	3.6	3.6	4.0	4.2	4.4
1.2	1.1	0.9	0.6	0.4	0.4	0.5	0.6	Non-Farm Employment[5]	4.3	2.2	1.3	0.9	0.5
2.5	3.0	-0.4	0.3	4.4	1.0	1.4	1.7	Real Disposable Personal Income[1]	-5.6	5.1	2.7	1.7	1.8
2.6	2.5	2.7	2.9	2.6	2.7	2.6	2.4	GDP Price Deflator[5]	7.1	3.6	2.4	2.7	2.6
2.5	2.4	2.8	3.0	2.8	3.0	2.8	2.5	PCE Deflator[5]	6.6	3.8	2.5	2.7	2.8
2.7	2.5	2.9	3.0	2.9	3.2	3.0	2.8	Consumer Price Index[5]	8.0	4.1	3.0	2.8	3.0
2.8	2.7	3.0	3.2	3.0	3.1	2.8	2.5	Core PCE Deflator[5]	5.4	4.1	2.8	2.9	2.9
3.1	2.8	3.1	3.2	3.2	3.4	3.1	2.8	Core Consumer Price Index[5]	6.2	4.8	3.4	3.1	3.1
4.38	4.38	4.34	4.07	3.66	3.38	3.38	3.38	Fed Funds Target Rate Range Mid-Point, %[4]	1.73	5.07	5.19	4.29	3.45
4.45	4.36	4.26	4.10	4.17	4.31	4.36	4.44	10-Year Treasury Note Yield, %[4]	2.95	3.96	4.21	4.29	4.32
6.83	6.79	6.57	6.37	6.40	6.49	6.51	6.56	30-Year Fixed Mortgage, %[4]	5.34	6.81	6.72	6.64	6.49
-6.0	-4.2	-4.4	-4.1	-3.9	-3.8	-3.8	-3.7	Current Account, % of GDP	-3.9	-3.3	-3.4	-4.5	-3.8

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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