ECONOMIC OUTLOOK

REGIONS

July 2026

FOMC: Brave New World, Or Just Back To The Old World?

Well, that didn't take long. Ahead of the June FOMC meeting, it was generally expected that new Fed Chair Kevin Warsh would put his stamp on the Committee. What was unexpected, however, was the speed with which he did so and the breadth of the changes he would, and would like to, make, both in how the FOMC conducts monetary policy and in how they communicate with the markets. Given that central banks are, rightly or wrongly, generally perceived to be slow to act and even slower to change, Mr. Warsh's first meeting came as quite a jolt to many analysts and market participants. That, of course, is not necessarily a bad thing.

To be sure, in terms of surprising the markets, the bar for the June FOMC meeting was set fairly low, particularly given that there were zero expectations of changes to the Fed funds rate. Instead, the "big" questions on most minds ahead of the June meeting were whether the Committee would drop the implicit easing bias from their post-meeting policy statement and whether Chair Warsh would contribute to the Summary of Economic Projections (SEP) to be released in conjunction with the June meeting, given his well-known disdain for the SEP in general and the "dot plot" in particular. Moreover, given that three voting FOMC members were on record in support of doing so at the April FOMC meeting, removal of the easing bias seemed like a foregone conclusion.

Like we said, the bar was set fairly low. Even had the bar been set considerably higher, however, it still would have easily been cleared. The first indication of that was the length of the post-meeting policy statement, which was substantially shorter than those issued over the past several years. Moreover, not only was the implicit easing bias stricken from the statement, but forward guidance was done away with altogether, save perhaps for the final sentence: "The Committee will deliver price stability." As for the SEP, a quick count from the updated dot plot showed only eighteen dots, meaning that one FOMC member did not submit projections, and there seemed little question that Chair Warsh was the FOMC member in question. As for those who did submit projections, however, the updated dot plot took a surprisingly hawkish turn from the March edition, with nine of the eighteen members indicating they felt at least one twenty-five basis point hike in the funds rate by year-end 2026 to be consistent with their outlook for growth and inflation, with six members indicating multiple funds rate hikes would be appropriate by year-end.

For market participants busily trying to process these changes, the thirty minutes between the release of the post-meeting statement and updated SEP and the start of Chair Warsh's post-meeting press conference must have seemed more like three minutes. And, we'll even admit to having anticipated that press conference much more eagerly than any post-meeting press conference that we could recall. Needless to say, Mr. Warsh did not disappoint.

Perhaps the least surprising element of the press conference was Mr. Warsh acknowledging that he was indeed the Committee member who did not contribute to the SEP. He did so in the context of discussing the absence of forward guidance from the post-meeting policy statement. While Mr. Warsh noted that "we agreed it (i.e., forward guidance) was not well suited to the current policy conjuncture," his opposition to forward guidance is clearly more general rather than being an at-the-moment reaction to the considerable uncertainty stemming from the conflict with Iran.

Mr. Warsh then announced what will amount to a comprehensive review of the conduct of monetary policy to be conducted by task forces focusing on five areas: 1) Fed communications; 2) the Fed's balance sheet; 3) the Fed's use and reliance on existing sources of economic data; 4) productivity and jobs in an era of transformation (as Mr. Warsh put it); and 5) the Fed's inflation frameworks, or, the drivers of inflation and the Fed's options for achieving price stability in a changing economy. Each task force, consisting of members from within and outside of the Fed, will be charged with examining current practices, asking "hard questions," considering alternative approaches, and ultimately proposing steps for FOMC members to consider. All of this coming just several minutes into the press conference had many analysts, market participants, and likely more than a few of the gathered media asking, "wait, what just happened here?"

While it may be comprehensive, this review will be anything but quick, though you wouldn't expect an undertaking of this scope to be done quickly. Mr. Warsh did note that "hopefully, most if not all" of the task forces will conclude by year-end. What will come out of this review remains to be seen, but we see it as a sign of Mr. Warsh's commitment to making the Fed better able to effectively conduct monetary policy in what is a rapidly changing economy. To the extent that is the case, no aspect of how the Fed operates can or should go unquestioned. For now, we'll offer some comments on two areas, not at all unrelated, of the review – forward guidance and sources and uses of economic data.

To some, the elimination of forward guidance harkens back to the days when the Fed did not announce interest rate targets or policy changes. Instead, policy changes were detected by teams of "Fed watchers" who pored through data on open market operations, discount window borrowing, and overnight changes in the effective Fed funds rate along with Fed staff memos to discern changes in monetary policy. While no one, at least that we know of, is suggesting a return to those days, it is reasonable to ask whether the FOMC has gone too far in the other direction. A seemingly endless stream of public comments by FOMC members may elicit market reactions but provides little clarity around the path of the Fed funds rate. As for the quarterly updates of the SEP,

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while it is useful to see how Committee members expect growth, inflation, and the unemployment rate to evolve and how they perceive the risks to their forecasts, the dot plot, at least as now configured, is of limited use. It is, after all, not an actual forecast but instead a summary of each FOMC member's assessment of the appropriate path of the funds rate if the economy evolves as they expect at a given point in time. Those expectations, however, can and do change as new economic data are made available. It is worth noting that Mr. Warsh is not the first Fed Chair to question the value of the dot plot, the difference being that he seems intent on being the first Fed Chair to address that limited value.

Despite it being fair to question how effective the FOMC's forward guidance actually is, many object to ending forward guidance on the grounds that doing so will lead to greater financial market volatility. That argument, however, doesn't carry much weight in an environment in which every economic data release is seemingly evaluated in terms of what it means for the FOMC on the basis of seemingly nonstop forward guidance, as opposed to what it means for economic growth, inflation, and corporate profits. Given the inherent twists and turns in much of the economic data, even under the best of circumstances, this approach can be, and often is, a source of considerable market volatility.

When asked whether the elimination of forward guidance would trigger greater market volatility, Mr. Warsh noted that "financial markets perform best when they react to incoming data" but work far less efficiently when the reactions to the data are couched in terms of what it might mean for the Fed. He went on to say that changes in asset prices "are probably the most important source of information to guide central bankers." The signals being sent by changes in asset prices, however, are distorted "when all the financial markets are doing is reflecting back what we've said." Instead, Mr. Warsh hopes to establish, or perhaps reestablish, an environment in which "markets are following data that they efficiently think is reliable, and they'll be watching data, and we'll be watching data," and changes in asset prices will convey better information to central banks that helps guide more informed policy decisions. Though somewhat overlooked with all of the discussion of task forces ("we've got a task force for that"), to us this was the most important and meaningful part of Mr. Warsh's initial press conference. Indeed, we may have actually stood and cheered at this point, though we'd never admit to having done so.

This, however, goes directly to Mr. Warsh forming a task force focused on sources and uses of data. While the signals being sent by changes in asset prices are distorted when these changes are based on what a given piece of data might mean for the FOMC, they are also distorted by the economic data failing to adequately and accurately portray what is happening in the economy in a timely manner. As such, Mr. Warsh intends for this particular task force to assess the current body of economic data and identify "new analytical tools made possible by AI so we can forge these into a fabric that gives us better real-time information." This would allow for the FOMC to make better-informed decisions on the basis of "real contemporaneous data, not data we call contemporaneous that's really an echo of history."

As our regular readers well know, issues around the reliability of much of the economic data have been an ongoing frustration for us for some time. Moreover, our concerns about the reliability of much of the data have intensified since the pandemic. Survey based data series have been plagued by tumbling survey response rates, and seasonal adjustment noise has been a consistent problem across an array of data series. The past two monthly employment reports are a prime illustration of our point, as they have been clearly and obviously distorted by measurement and seasonal adjustment issues, yet each has elicited strong market reactions, though to go back to the prior discussion these reactions have mostly been couched in terms of what a "blowout" May employment report and a "surprisingly weak" June report might mean for the path of the Fed funds rate.

It follows that if the economic data releases are more noise than signal, then changes in asset prices based upon these releases are, in turn, also more noise than signal. A nontrivial share of what are generally considered the most important economic data series are plagued by data collection issues, measurement issues, and faulty seasonal adjustment, all of which contribute to what are often sizable revisions to initial estimates that come one or two months, if not longer, after the release of the initial estimate. In fairness, most of these issues are easily identifiable (they must be for us to find so many of them) for anyone willing to scour through the details of the data rather than simply accepting the headline number at face value. That said, issues around timeliness and reliability lessen the signaling value of changes in asset prices based upon the economic data.

Mr. Warsh's goal is to enhance the timeliness and reliability of the data that market participants and central bankers use as the basis for assessing the state of the economy. This could entail the Fed suggesting areas for potential improvements to the agencies that currently produce most of the main economic data series or identifying timely and reliable alternatives. To be sure, recent years have seen a number of alternative data series spring up, particularly data pertaining to the labor market and to prices of goods and services. For many of these series, however, there still remain questions about what specifically is being measured and how reliable a given series is in measuring what it purports to measure, and different series purporting to measure the same thing are at times at odds with each other. That doesn't mean they're not worthy of consideration, but it does mean there is a long way to go before they are seen, by both market participants and policy makers, as reliable alternatives to the current body of economic data, faults and all. It will be interesting to see whether, or to what extent, added attention from the Fed enhances the development of alternative measures of economic activity.

Finally, and on a not unrelated point, we were struck by Mr. Warsh noting that central bankers and the economics profession spend most of their time counting demand. "It's easier. We can see it, we can count it, we can check it, we can revise it." He then pointed to the post-meeting policy statement and noted that the brief statement had "a sentence on the demand side and a sentence about the same length on the supply side. They're both important. Just because we can count one better than the other doesn't mean we're going to favor one more than the other."

It may not seem noteworthy for a central banker to acknowledge the supply side of the economy, but the reality is that most analysts, central bankers, and policy makers all but take the supply side of the economy as a given and focus solely on the demand side of the economy. As we often point out, however, the reality is that without the supply side of the economy there would not be

a demand side of the economy. Mr. Warsh clearly believes in the potential for AI to expand the supply side of the economy, a topic to be studied by the task force on productivity and jobs, but it simply isn't clear that the current body of economic data is equipped to capture any such effects in a timely manner, which is perhaps a topic to be explored by the task force on sources and uses of data. The point here is that assessments of the economy are far too often made on the basis of the demand side of the economy with no consideration of the supply side, which can lead to faulty conclusions and faulty policy decisions. Being better able to measure the supply side of the economy should lead to more balanced assessments of the state of the economy and, in turn, more effective policy decisions.

To be sure, Mr. Warsh has laid out an ambitious, not to mention aggressive, ambition for reshaping how the Fed conducts monetary policy. This process won't likely be a fast one, many of the issues to be addressed are anything but straightforward, and there will likely be resistance along the way. We'll be eagerly monitoring both the progress being made and how these efforts are being incorporated into monetary policy decisions.

You Can't Be Data Dependent If You Can't Depend On The Data

Anyone who has ever been confused and/or frustrated by good (bad) economic data being treated as bad (good) news by the financial markets should share Chair Warsh's desire that the data, good or bad, be interpreted on the basis of what they are telling us about the economy. While we certainly agree with his premise, it does raise a concern, one which for us has gotten increasingly serious. Specifically, much of what is now considered the "top tier" economic data is plagued by measurement/collection issues, seasonal adjustment noise, and reporting lags. We touched on these concerns in the above discussion, and we'll offer a few specific examples to illustrate our concerns which, unfortunately, is not at all difficult to do.

We couldn't help but to think of the GDP data upon hearing Mr. Warsh's remark on "data we call contemporaneous that's really an echo of history." Though often seen as the most comprehensive indicator of the size and state of the economy, GDP is anything but timely, and while "echo of history" may be going a bit too far, the GDP data often seem dated by time they appear. To be clear, Mr. Warsh did not specifically mention the GDP data in this context, it is just what first came to mind upon hearing his remark.

The cadence of the GDP data is such that the first estimate of GDP in any given quarter from the Bureau of Economic Analysis (BEA) comes roughly a month after the end of the quarter and, even then, is based on highly incomplete source data. Over the subsequent month BEA uses revised and more complete source data to produce their second estimate of GDP, which can and often does differ significantly from their first estimate. While the revisions between the second and third estimates of GDP in any given quarter tend to be minimal, that the third estimate comes three months after the end of the quarter makes "echo of history" seem a somewhat fitting characterization.

The Q1 2026 GDP data proved an exception to the general rule of just minimal revisions between the second and third estimates. The BEA's third estimate shows real GDP grew at an annual rate of 2.1 percent in Q1, up from the second estimate of 1.6 percent. If you're thinking why quibble about the magnitude when the revision shows faster growth, the answer is in the details. The upward revision to top-line real GDP growth mainly reflects a smaller trade deficit and a smaller drawdown in business inventories than reported in the second estimate.

At the same time, however, growth in real consumer spending was revised sharply lower, with growth now pegged at an annual rate of just 0.5 percent rather than the first estimate of 1.6 percent or the second estimate of 1.4 percent. The downward revision is more than accounted for by a downward revision to services spending, as real goods spending was revised slightly higher. The downward revision to services spending, which accounts for roughly two-thirds of all consumer spending, mainly reflects sizable downward revisions in three categories – health care, financial services, and net international travel – based mainly on updated data from the BEA's *International Transactions Accounts* and the Census Bureau's *Quarterly Services Survey.*

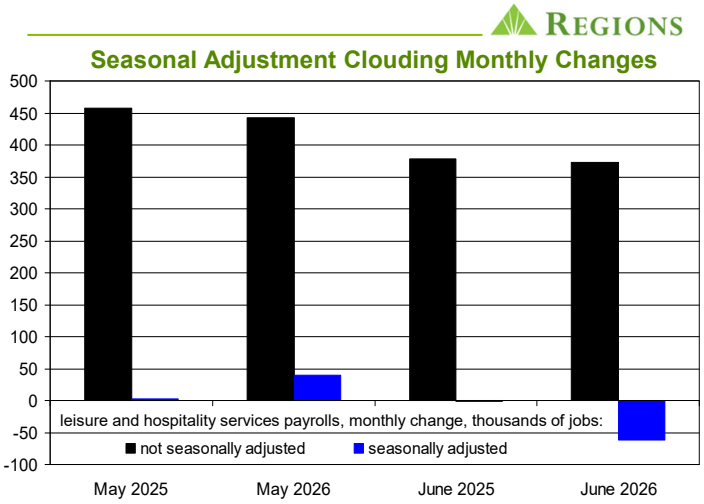
Aside from the size of the revision, the length of time it took for these series to be reflected in the BEA's measure of consumer spending goes right to the point of the importance of having timely data. Moreover, the sharp downward revision to Q1 growth in consumer spending would seem to suggest U.S. consumers were in a much weaker position than previously reported and than had been perceived over the prior two months, but is that really the case? We'd argue not, and one need only go back to the three main sources of the downward revision to services spending to see our point. First, most of health care spending as measured by the BEA falls into consumer spending but is not actually paid for by consumers, as BEA measures total expenditures on health care regardless of the payment source. Second, much of the BEA's measure of spending on financial services, including investment advice, is imputed, as opposed to being an actual measure of consumer outlays. And, while international travel amongst U.S. residents fell sharply in March, perhaps reflecting a pullback tied to the start of the conflict with Iran, it rebounded strongly in April.

In other words, we think the downward revision to real Q1 services spending says more about GDP accounting than it does about the state of U.S. consumers. So much for it being easy to count demand, no? And, to that point, we'll again note one of our long-running issues with the GDP data, which is that imports of goods are treated as drags on GDP growth. Sure, the "D" in GDP stands for "domestic" and GDP is aimed at measuring the value of all final goods and services produced within a nation's borders in a given time period. Our issue, however, is that over one-half of goods imported into the U.S. are either raw inputs or intermediate goods used by firms in the U.S. to produce final goods or services, a share that has increased sharply over recent months. But, despite clearly contributing to output growth, these imports are treated as drags on GDP growth upon their entry into the U.S. This goes straight to the point of how important it is to have a meaningful measure of the supply side of the economy.

Unfortunately, the monthly employment reports, widely seen as the most important data release in any given month, have become a prime example of economic data being distorted by collection and measurement issues. That certainly has been the case with the past two monthly reports, as both the May and June reports

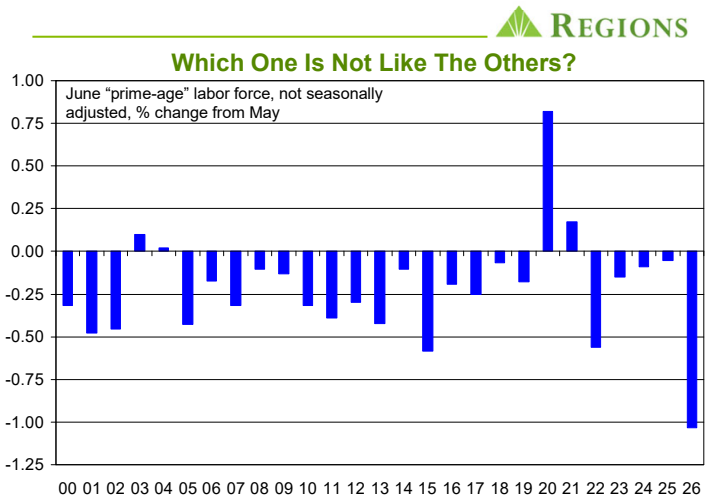
have been far more noise than signal. We discussed the May employment report in some detail in our June *Outlook*, and it came as no surprise to us that the June employment report showed a sharp downward revision in the initial estimate of May job growth. What was originally reported as an increase of 172,000 jobs in May was revised down to an increase of 129,000 jobs, though we still don't have a lot of faith in that number (the second estimate of April job growth was revised lower at the same time).

As for the June employment report, total nonfarm payrolls are reported to have risen by 57,000 jobs in June, with private sector payrolls up by 49,000 jobs, each well below the consensus forecast but not far from our forecast. Right off the bat, the initial June estimates of nonfarm employment, hours, and earnings are called into question by a notably low initial collection rate to the June establishment survey which, at just 54.4 percent, is the lowest June rate since 1992. Moreover, after being reported to have risen by 40,000 jobs in May (revised down from the initial estimate of 70,000 jobs), payrolls in leisure and hospitality services are reported to have fallen by 61,000 jobs in June. This continues a pattern of sharp swings in the seasonally adjusted estimates of payrolls in this industry group which, in turn, have impacted the estimates of total nonfarm job growth. For now, though, we'll focus on May and June, as illustrated in the following chart.



In our discussion of the May employment report, we noted that seasonal adjustment was more generous in May of 2026 than it had been last May, as can be seen in the chart. What was a modestly smaller May increase in not seasonally adjusted leisure and hospitality services payrolls became a much larger increase in the seasonally adjusted data. It made sense to expect some payback in the June data, and that was the case, as a modestly smaller increase in not seasonally payrolls than seen in June 2025 turned into a much larger decline on a seasonally adjusted basis. While we've noted the recent pattern of sharp monthly swings in the seasonally adjusted estimates, it also has to be noted that over time these swings have largely negated each other, such that on a year-to-date basis the unadjusted and adjusted data on job growth in leisure and hospitality services are in alignment. That, however, is lost in the focus on only the month-to-month changes.

There were also issues with the data from the June household survey. While the unemployment rate is reported to have fallen to 4.2 percent in June, that is the net result of what are reported to have been significant declines in the size of the labor force (down by 720,000 persons) and the level of household employment (down by 507,000 persons). These reported declines are suspect on the surface, and even more so upon examination of the details of the household survey data. The details show that amongst the "prime working age" cohort, i.e., those between twenty-five and fifty-four years old, the size of the labor force fell by 808,000 persons while the level of household employment fell by 688,000 persons. Further still, these declines in the broader age cohort were heavily concentrated within the 24-to-34 year-old segment. The decline in this segment of the labor force was the primary driver of the labor force participation rate falling by thirty basis points in June, with the participation rate amongst the prime-age cohort falling by sixty basis points which, barring April 2020, is the largest monthly decline since January 1968.



Many were quick to dismiss the reported decline in the prime-age labor force as a function of faulty seasonal adjustment around the end of the school year. As can be seen in the above chart, that is not the case. A seasonal adjustment issue would be a "typical" June change in the not seasonally adjusted data being turned into an abnormally large change in the seasonally adjusted data. Instead, the not seasonally adjusted data show that the number of those in the prime-age cohort in the labor force fell by over 1.1 million persons in June which, aside from April 2020, is the largest monthly decline on record in data that go back to 1948. This is clearly a measurement issue, not a seasonal adjustment issue.

Either way, notably low survey response rates and curious patterns in the age/gender splits in the household survey data are but a few of the issues that consistently plague the monthly employment reports. To be sure, there are many alternative indicators of labor market conditions, both privately and publicly produced, which we and others utilize to help inform our views of labor market conditions. One advantage of the monthly employment reports, at least the establishment survey data on nonfarm employment, hours, and earnings, is that the data are ultimately benchmarked to the data from the Quarterly Census of Employment and Wages (QCEW), a comprehensive summary of the payroll tax returns that virtually all employers are required to file. This is one issue with some of the alternative labor market series, i.e., whether what

they purport to measure is benchmarked to a "hard count" as is ultimately the case with the data on nonfarm payrolls. That said, the establishment survey benchmarking process happens only once a year, and while we and others monitor the QCEW data as they appear, they do so with a very long lag. Given the various data collection/measurement issues that plague the establishment survey data, it has increasingly become the case that the monthly estimates of nonfarm job growth have gotten less reliable the further we get from each year's benchmarking process. So, while the monthly employment reports tend to elicit significant reaction from market participants, what they are reacting to is not necessarily a reliable indicator of labor market conditions. This is independent of the basis, i.e., what it means for the economy or what it means for the FOMC, on which market participants are assessing the monthly employment reports.

There's The Data, Then There's What You Do With The Data . . .

Really, we don't go looking for (data) trouble, (data) trouble usually finds us. Though at times it may seem so, we don't eagerly pick through each and every economic data release looking for flaws just so we can dismiss the data and go on about our day. Instead, our aim is to process the data and interpret what the various releases are saying about underlying economic conditions. Part of doing so is sifting through the details of the various releases and trying to extract the signal from the noise, a process which entails understanding how the data are compiled and reported, understanding the seasonal patterns inherent in almost every data series and checking to see whether the current observation is in line with or at odds with those patterns, and tracking response rates for survey-based data series where possible.

That is part of a process we go through before reacting to, or commenting on, the various data releases, and going through that process is our basis for saying that extracting the signal from the noise has gotten more difficult over recent years. One reason for that is that the pandemic significantly disrupted what for many years had been fairly stable seasonal patterns in economic activity, to the point that for many series there remain clear differences in pre and post pandemic patterns for any given month, and it isn't clear to us that seasonal adjustment programs used across the various data series have fully caught up. This is a big reason why our assessments of how the economy is performing are mostly based on patterns in the not seasonally adjusted data which, while not without issues in many cases, are at least free of what in many series remains a source of significant noise.

Our broader point here is that whatever issues there may be with a given data series, it is incumbent on those using the data to identify and understand what those issues are and how they may be impacting the reported headline numbers. Moreover, the details of the data are there for anyone to sort through and are, for any given data release, far more important than the headline number. This puts us somewhat at odds with those seemingly content with crafting a new narrative around each headline number that turns up on the tape, which often leads to sharp and sudden turns in their overall outlook. Indeed, it is at times dizzying to see these turns. For instance, there is a shop who a month ago had the FOMC cutting the Fed funds rate three times by year-end 2026 as their baseline outlook who now have the FOMC remaining on hold through year-end, and there is another shop who a month ago had the FOMC remaining on hold through year-end who now have them raising the funds rate three times by year-end.

Though perhaps extreme examples, they nonetheless reflect what over the past several months have been marked changes in perceptions of the labor market, the broader economy, and the likely path of the Fed funds rate. Moreover, what have been marked shifts in calls on the path of the Fed funds rate seem to have been mostly based on the monthly employment reports. Calls for funds rate cuts triggered by what had been a series of weak headline prints earlier in the year gave way to calls for rate hikes triggered by strong headline prints on the March, April, and May reports before the June employment report led many to scale back the scope and timing of funds rate hikes.

Over this same span, however, our views on these topics have not changed. We wrote last month that we were dumbfounded that anyone would point to the May employment report as grounds for Fed funds rate hikes, and we're equally as dumbfounded that anyone would point to the June employment report as grounds on which to change those calls. This seems a prime example of people making calls based on headline numbers despite there being, at least in our view, clear and obvious noise in the data, and also goes to the point of interpreting data releases based on what they mean for the FOMC rather than what they say about the economy.

Our view of labor market conditions has not changed for quite some time, primarily because beneath all of the twists and turns in the headline numbers and the noise in the monthly employment reports, we've seen nothing to cause us to change our view. We characterize the labor market as being in an uncomfortable equilibrium, with demand side and supply side factors weighing on hiring while the rate of layoffs remains low. Though the trend rate of job growth has slowed, it remains sufficient to keep the (trend) unemployment rate stable, and we continue to view AI as, on net, being a tool to enhance labor productivity rather than to replace labor. If/when we see something that makes us change our view of labor market conditions, we will, but as of yet we have not.

More broadly, it may seem that we tend to be slow to change our outlook for the economy, and in a relative sense we suppose we are. One reason for that is that, outside of events such as a global financial crisis or a global pandemic, a $32 trillion economy doesn't turn on a dime, and certainly doesn't change as rapidly as the headline numbers on the various economic data releases or the narratives spun around those headline numbers. We do think that AI could be a somewhat disruptive force through the economy, and we don't mean for "disruptive" to be taken in a negative way. It isn't clear, however, that the current arsenal of economic data is equipped to capture any such effects.

It could be that Chair Warsh's task forces on sources and uses of economic data and on productivity and jobs will be a catalyst for more timely data that better reflect a changing economy, whether that comes in the form of revised methods around existing series or new series for which data are collected in different ways than we've been accustomed to. Either way, given the current state of much of the economic data, Chair Warsh's task forces have their work cut out for them.

ECONOMIC OUTLOOK

REGIONS

July 2026

Q4 '25 (a)	Q1 '26 (a)	Q2 '26 (f)	Q3 '26 (f)	Q4 '26 (f)	Q1 '27 (f)	Q2 '27 (f)	Q3 '27 (f)		2023 (a)	2024 (a)	2025 (a)	2026 (f)	2027 (f)
0.5	2.1	1.8	1.6	2.1	2.5	2.5	2.4	Real GDP[1]	2.9	2.8	2.1	2.1	2.3
1.9	0.5	2.0	2.1	2.3	2.6	2.8	2.7	Real Personal Consumption[1]	2.6	2.9	2.6	1.9	2.5
2.4	10.6	6.8	4.7	4.4	4.3	4.3	4.2	Real Business Fixed Investment[1]	7.3	2.9	4.1	6.0	4.5
4.3	15.8	15.6	10.1	8.2	7.2	6.7	4.9	Equipment[1]	2.9	3.5	8.3	10.6	7.7
5.4	13.8	4.0	5.1	5.1	5.1	5.1	5.2	Intellectual Property and Software[1]	6.2	3.5	5.6	7.7	5.1
-6.5	-4.7	-5.5	-8.8	-7.2	-5.5	-4.4	-0.9	Structures[1]	16.7	1.1	-5.3	-6.1	-5.1
-1.7	-7.8	1.1	-0.5	-0.5	-0.3	-0.1	1.2	Real Residential Fixed Investment[1]	-7.8	3.2	-2.2	-3.4	0.1
-5.6	4.4	0.4	1.2	1.7	0.7	0.5	0.5	Real Government Expenditures[1]	3.5	3.8	1.1	0.6	0.8
-968.7	-1,001.8	-1,070.5	-1,209.9	-1,217.0	-1,212.4	-1,230.8	-1,240.3	Real Net Exports[2]	-925.2	-1,032.6	-1,090.7	-1,124.8	-1,233.5
923	945	901	910	915	921	917	922	Single Family Housing Starts, ths. of units[3]	947	1,015	941	918	922
401	473	445	432	430	431	434	435	Multi-Family Housing Starts, ths. of units[3]	474	355	415	445	434
1.0	0.6	0.8	0.3	0.4	0.6	0.8	1.4	CoreLogic House Price Index[5]	4.0	4.3	1.8	0.5	1.1
15.7	15.5	16.3	15.9	15.9	15.9	16.0	16.1	Vehicle Sales, millions of units[3]	15.5	15.9	16.2	15.9	16.1
4.5	4.3	4.3	4.3	4.2	4.2	4.2	4.1	Unemployment Rate, %[4]	3.6	4.0	4.3	4.3	4.1
0.2	0.2	0.3	0.4	0.6	0.7	0.6	0.6	Non-Farm Employment[5]	2.2	1.2	0.5	0.3	0.6
-0.9	0.9	-2.1	3.4	2.1	3.3	2.2	2.3	Real Disposable Personal Income[1]	5.7	2.9	1.7	0.4	2.4
3.3	3.3	4.0	3.4	3.0	2.7	2.1	2.2	GDP Price Deflator[5]	3.7	2.5	2.8	3.4	2.3
2.8	3.1	3.9	3.5	3.3	2.7	1.9	2.2	PCE Deflator[5]	3.8	2.6	2.6	3.4	2.2
2.8	2.7	3.9	3.3	3.1	3.0	1.9	2.4	Consumer Price Index[5]	4.1	3.0	2.7	3.3	2.5
2.9	3.1	3.4	3.2	3.2	2.7	2.4	2.4	Core PCE Deflator[5]	4.2	2.9	2.8	3.2	2.5
2.8	2.5	2.8	2.7	3.0	3.1	2.9	2.8	Core Consumer Price Index[5]	4.8	3.4	2.9	2.8	2.9
3.90	3.63	3.63	3.63	3.56	3.38	3.38	3.38	Fed Funds Target Rate Range Mid-Point, %[4]	5.07	5.19	4.25	3.61	3.38
4.10	4.20	4.42	4.43	4.37	4.33	4.37	4.41	10-Year Treasury Note Yield, %[4]	3.96	4.21	4.29	4.36	4.39
6.23	6.11	6.41	6.45	6.37	6.32	6.34	6.37	30-Year Fixed Mortgage, %[4]	6.81	6.72	6.60	6.34	6.36
-2.8	-2.8	-3.0	-3.1	-3.0	-3.1	-3.2	-3.2	Current Account, % of GDP	-3.3	-4.1	-3.8	-3.0	-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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