

Battle at Bond Bluff: Forecasters vs. Financial Markets

On June 30, 2004, when the FOMC upped its intended federal funds rate by 25 basis points to 1.25 percent, the data indicated that core CPI had risen by about 1.75 percent for that year (May 2003 to May 2004) and yields on 10-year Treasury securities had averaged about 4.75 percent that month. It worried policymakers somewhat that core inflation and long-term interest rates had moved noticeably higher over the previous few months and that the spot price of crude oil (West Texas Intermediate) was up a little less than 25 percent from a year earlier. Still, the latest Blue Chip Consensus forecast projected solid real GDP growth in 2005 (3.5 percent), with moderate CPI inflation (2.2 percent); the Blue Chip does not forecast the core CPI.

As it stands now, the federal funds rate has been raised to 3 percent and oil prices are up even more; however, as seen in the chart, the Blue Chip Consensus forecast for real GDP growth has been remarkably stable. Indeed, the forecast for real GDP growth in 2005 has remained within a fairly narrow range for most of the past year despite a rise in the spot price of oil to an average of \$54.31 per barrel by March 2005, an increase of more than 58 percent since January 2004. (The chart indexes oil prices to be 1 in January 2004.)

In a recent speech, Federal Reserve Bank of St. Louis President William Poole remarked that “the stability of the economy is reflected in the stability of the forecasts.” But while forecasts for real GDP growth in 2005 have been remarkably stable, forecasts for core CPI inflation in 2005 have been moving steadily higher. According to the private-sector forecasting firm Macroeconomic Advisers, the expected increase in the core CPI in 2005 has risen from 1.7 percent in January 2004 to 2.5 percent in May 2005. If realized, the 2005 increase would be the highest core inflation rate in four years.

The steady rise in core inflation forecasts is potentially worrisome in view of the role that expectations have come to play in the policymaking process. Over time, monetary policymakers have realized that they can potentially exert influence over economic activity by affecting expectations of *future* inflation. Hence, a key part of economic stability is the expectation of low inflation.

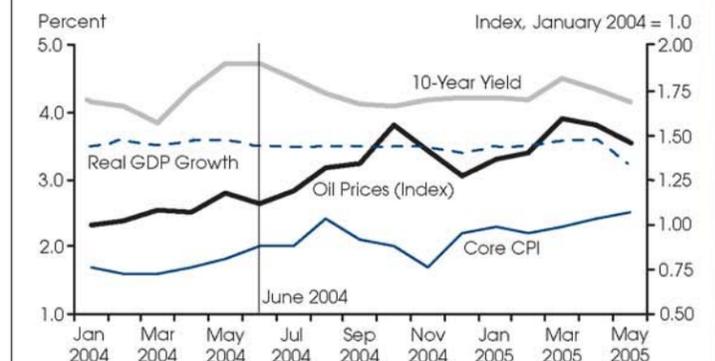
Yet, as the chart also shows, financial markets appear to have shrugged off the upcreep in expected core inflation. After peaking at an average of about 4.75 percent in

June 2004, the yield on the 10-year Treasury security has dropped to about 4 percent. The fall in long-term interest rates in the face of rising inflation, higher oil prices, and continued solid growth prospects is something of a puzzle. If anything, a decline in long-term yields in the face of stable economic growth prospects usually means the market is betting on lower future inflation—implying that the market views the recent rise in inflation as temporary.

But another view emerged in May, as forecasters trimmed their 2005 real GDP growth forecast to 3.2 percent. This revision, more or less, was consistent with the story that long-term interest rates were declining because of an expectation of weaker growth going forward (lower real yields). It is possible, though, that this downward revision in the 2005 forecast was a response to the weaker-than-expected advance estimate of first-quarter real GDP growth (3.1 percent). Since then, first-quarter growth has been revised upward to 3.5 percent and several indicators of economic conditions in April have come in much better than expected. If nominal interest rates continue to remain stable in the face of solid growth, then the interest rate puzzle may simply reflect a more sanguine inflation outlook from the bond market than from forecasters.

—Kevin L. Kliesen

Forecasts for 2005 (Q4/Q4) and Oil Prices and Long-Term Interest Rates



SOURCE: Federal Reserve Bank of St. Louis, Blue Chip Indicators (real GDP), and Macroeconomic Advisers (Core CPI).

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Conventions used in this publication:

1. Shaded areas indicate recessions, as determined by the National Bureau of Economic Research.
2. *Percent change* refers to simple percent changes. *Percent change from year ago* refers to the percent change from the same month or quarter during the previous year. *Compounded annual rate of change* shows what the growth rate would be over an entire year if the same simple percent change continued for four quarters or twelve months. The compounded annual rate of change of x between the previous quarter $t-1$ and the current quarter t is: $[(x_t/x_{t-1})^4 - 1] \times 100$. For monthly data replace 4 with 12.
3. All data with significant seasonal patterns are adjusted accordingly, unless labeled NSA.

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Notes

Pages 4, 5: **Final Sales** is gross domestic product (GDP) minus change in private inventories. **Advance, Preliminary, and Final GDP Growth Rates** are released during the first, second, and third months of the following quarter. Changes result from incorporation of more complete information. Real GDP is measured in 2000 dollars. The **ISM** (formerly Purchasing Managers') **Index** is a weighted average of diffusion indexes for new orders, production, supplier deliveries, inventories, and employment. **Aggregate and Average Weekly Hours** are paid hours of production and nonsupervisory employees. The **Inventory-Sales Ratio** uses nominal (current-dollar) inventory and sales data.

Page 6: For information on how to calculate the **Contribution** of a component to the overall GDP growth rate, see the October 1999 issue of the Survey of Current Business, p. 16. The sign is changed for **Imports**.

Page 7: Ten-year **Treasury Yields** are adjusted to constant maturity; three-month yields are secondary market averages. All rates used in the yield curves are adjusted to constant maturity. The 30-year constant maturity series was discontinued by the Treasury Department as of Feb. 18, 2002. **Standard and Poor's 500 Index with Reinvested Dividends** shows the total return: capital gains plus dividends.

Pages 8, 9: **Oil** (West Texas intermediate) and **Natural Gas** (Henry Hub) spot and futures **prices** are listed in the *Wall Street Journal*. Spot prices are monthly averages of daily prices; futures prices are usually taken from the last trading day of the month. **Consumer Price Index** is for all urban consumers. The **Consumption Chain Price Index** is the index associated with the personal consumption expenditures component of GDP. The **Employment Cost Index (ECI)** covers private nonfarm employers. **ECI Compensation** refers to a fixed sample of jobs, while **Compensation per Hour** covers all workers in the nonfarm business sector in a given quarter. In both cases, compensation is wages and salaries plus benefits.

Pages 10, 11: Effective with the May 2003 **Employment Situation**, the establishment survey data for employment, hours, and earnings have been converted from the 1987 SIC system to the 2002 NAICS system. All published NAICS-based labor series have been revised back to at least 1990. For more information see <http://www.bls.gov/ces/>. **Nonfarm Payroll Employment** is counted in a survey of about 400,000 establishments (Current Employment Survey). It excludes self-employed individuals and workers in private households, but double-counts individuals with more than one job. The **Household Survey** (Current Population Survey) of about 60,000 households provides estimates of civilian employment, unemployment rate, labor force participation rate, and employment-population ratio. **Population** is civilian, noninstitutional, 16 years and over. The 90 percent confidence intervals for the unemployment rate (± 0.2 percentage points) and change in household survey employment ($\pm 290,000$) measure uncertainty due to sample size. Because the household survey was changed in January 1994, data prior to this date are not strictly comparable. The Bureau of Labor Statistics announced several revisions to the Household Survey on Feb. 7, 2003, with the release of the January 2003 data. For more information, see www.bls.gov/cps/.

Page 13: The **Michigan Consumer Sentiment Index** shows changes in a summary measure of consumers' answers to five questions about their current and expected financial situation, expectations about future economic conditions, and attitudes about making large purchases. The survey is based on a representative sample of U.S. households.

Page 15: **Gross Private Saving** is the sum of personal saving, undistributed corporate profits with IVA and CCAAdj (see notes for pp. 18-19), and private wage accruals less disbursements. **Gross Government Saving** is net government saving (surplus/deficit) plus consumption of fixed capital. **Balance on Current Account (NIPA)** is net capital transfer payments to the rest of the world plus net lending or net borrowing (international trade and income flows).

Pages 16, 17: **Government Consumption and Investment** is current expenditures on goods and services, including capital consumption (depreciation) and gross investment, as reported in the NIPAs. The **Unified Federal Budget Surplus/Deficit** differs from **NIPA Basis** in four main ways: (1) NIPA excludes

transactions involving existing assets; (2) NIPA outlays exclude government investment and include consumption of government capital, while unified budget outlays do the reverse; (3) NIPA accounts exclude Puerto Rico and U.S. territories; and (4) various timing issues are handled differently. **Outlays and Receipts** are from the NIPAs, except as noted. Since 1977, the federal **Fiscal Year** starts on October 1. Excluded agency debt was 0.6 percent of federal debt at the end of fiscal 1997. **Federal Debt Held by the Public** includes holdings of the Federal Reserve System and excludes holdings of the social security and other federal trust funds. Federal grants in aid to state and local governments appear in both state and local receipts and federal outlays.

Pages 18, 19: The **Trade Balance** (shown on a balance of payments basis) is the difference between exports and imports of goods (merchandise) and services. It is nearly identical in concept to the **Net Exports** component of GDP, but differs slightly in accounting details. The **Investment Income Balance** equals income received from U.S.-owned assets in other countries minus income paid on foreign-owned assets in the U.S. The investment income balance is nearly identical in concept to the difference between gross national product and gross domestic product, but differs in accounting details. The **Current Account Balance** is the trade balance plus the balance on investment income plus net unilateral transfers to the U.S. from other countries.

Pages 20, 21: **Output per Hour (Y/H)**, **Unit Labor Cost (C/Y)**, and **Compensation per Hour (C/H)** are indexes which approximately obey the following relationship: $\%(Y/H) + \%(C/Y) = \%(C/H)$ with $\%$ meaning percent changes. Unit labor cost is shown on page 9. **Real Compensation per Hour** uses the CPI to adjust for the effects of inflation. Nonfarm business accounted for about 76 percent of the value of GDP in 1996, while nonfinancial corporations accounted for about 54 percent. **Inventory Valuation Adjustments (IVA)** remove the effect of changes in the value of existing inventories from corporate profits and proprietors' income. (This change in value does not correspond to current production and therefore is not part of GDP). **Capital Consumption Adjustments (CCAAdj)** increase profits and proprietors' income by the difference between estimates of economic depreciation and depreciation allowed by the tax code. Components of national income not shown are rental income of persons and net interest.

NOTE: Most measures of economic activity are now based on the 2002 North American Industry Classification System (NAICS), which replaces the 1987 Standard Industry Classification (SIC) system.

Sources

Bureau of Economic Analysis (BEA), U.S. Dept. of Commerce
 National income and product accounts, international trade and investment data (except by country), auto and light truck sales.

Census Bureau, U.S. Dept. of Commerce
 Inventory-sales ratios, retail sales, capital goods orders, housing starts, exports and imports by country.

Bureau of Labor Statistics (BLS), U.S. Dept. of Labor
 All employment-related data, employment cost index, consumer and producer price indexes, unit labor cost, output per hour, compensation per hour, multifactor productivity.

United States Department of Treasury
 Unified budget receipts, outlays, deficit, debt.

Federal Reserve Board
 Index of industrial production, treasury yields, exchange rates, capacity utilization, household debt.

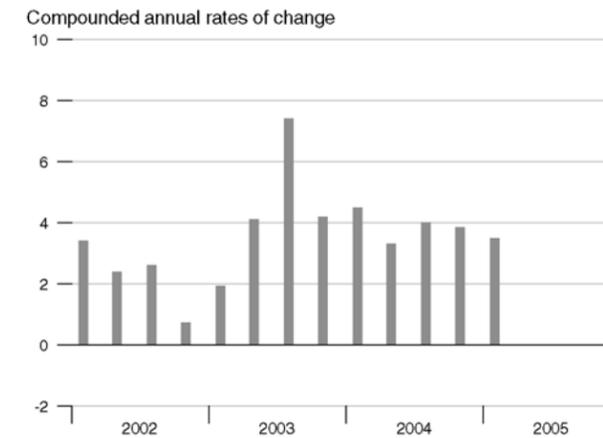
The Survey Research Center, The University of Michigan
 Consumer sentiment index.

The Conference Board
 Help-wanted advertising index.

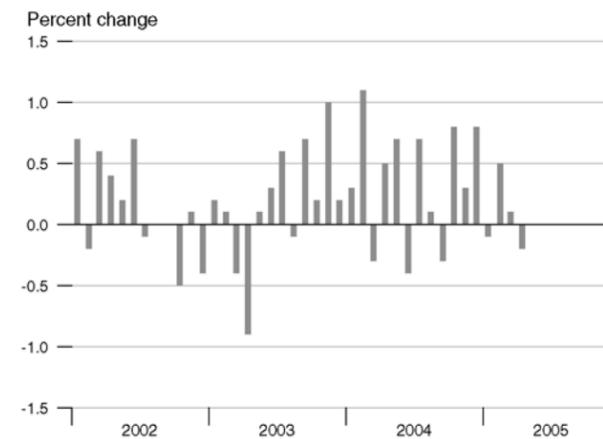
Organization for Economic Cooperation and Development (OECD)
 GDP for major trading partners (not available on FRED).

| | Consumer Price Index | | | | | Consumer Price Index less Food and Energy | | | | | Producer Price Index Finished Goods | | | | |
|------|----------------------|-------------------|-------------|----------|--------------|---|-------------------|-------------|----------|--------------|-------------------------------------|-------------------|-------------|----------|-----|
| | Index | Percent change | | | | Index | Percent change | | | | Index | Percent change | | | |
| | | Monthly/quarterly | Annual rate | Year ago | Year to date | | Monthly/quarterly | Annual rate | Year ago | Year to date | | Monthly/quarterly | Annual rate | Year ago | |
| 2000 | 172.2 | | | 3.4 | | 181.3 | | | 2.4 | | 138.0 | | | 3.8 | |
| 2001 | 177.1 | | | 2.8 | | 186.1 | | | 2.7 | | 140.7 | | | 1.9 | |
| 2002 | 179.8 | | | 1.6 | | 190.4 | | | 2.3 | | 138.9 | | | -1.3 | |
| 2003 | 184.0 | | | 2.3 | | 193.2 | | | 1.5 | | 143.3 | | | 3.2 | |
| 2004 | 188.9 | | | 2.7 | | 196.6 | | | 1.8 | | 148.5 | | | 3.6 | |
| 2003 | 1 | 183.2 | 1.0 | 4.2 | 2.9 | 4.2 | 192.4 | 0.3 | 1.4 | 1.8 | 1.4 | 142.7 | 2.0 | 8.4 | 3.3 |
| | 2 | 183.4 | 0.1 | 0.4 | 2.2 | 2.3 | 192.8 | 0.2 | 0.8 | 1.5 | 1.1 | 142.2 | -0.4 | -1.5 | 2.5 |
| | 3 | 184.4 | 0.5 | 2.2 | 2.2 | 2.2 | 193.6 | 0.4 | 1.6 | 1.3 | 1.3 | 143.5 | 0.9 | 3.8 | 3.4 |
| | 4 | 184.8 | 0.2 | 0.9 | 1.9 | 1.9 | 194.1 | 0.3 | 1.0 | 1.2 | 1.2 | 144.9 | 1.0 | 4.0 | 3.6 |
| 2004 | 1 | 186.6 | 1.0 | 3.9 | 1.8 | 3.9 | 195.0 | 0.5 | 1.9 | 1.3 | 1.9 | 145.9 | 0.7 | 2.8 | 2.2 |
| | 2 | 188.6 | 1.1 | 4.4 | 2.8 | 4.2 | 196.2 | 0.6 | 2.6 | 1.8 | 2.2 | 148.0 | 1.4 | 5.8 | 4.1 |
| | 3 | 189.4 | 0.4 | 1.6 | 2.7 | 3.3 | 197.1 | 0.4 | 1.7 | 1.8 | 2.1 | 148.6 | 0.4 | 1.6 | 3.5 |
| | 4 | 191.0 | 0.9 | 3.6 | 3.4 | 3.4 | 198.2 | 0.6 | 2.3 | 2.1 | 2.1 | 151.6 | 2.1 | 8.5 | 4.6 |
| 2005 | 1 | 192.2 | 0.6 | 2.4 | 3.0 | 2.4 | 199.5 | 0.6 | 2.6 | 2.3 | 2.6 | 152.7 | 0.7 | 2.8 | 4.6 |
| 2003 | Apr | 183.5 | -0.3 | -3.8 | 2.3 | 3.2 | 192.5 | 0.0 | 0.0 | 1.5 | 0.8 | 142.2 | -1.5 | -16.1 | 2.4 |
| | May | 183.3 | -0.1 | -1.3 | 2.1 | 2.3 | 192.9 | 0.2 | 2.5 | 1.5 | 1.1 | 141.7 | -0.4 | -4.1 | 2.5 |
| | Jun | 183.4 | 0.1 | 0.7 | 2.1 | 2.0 | 193.0 | 0.1 | 0.6 | 1.5 | 1.0 | 142.6 | 0.6 | 7.9 | 2.8 |
| | Jul | 183.8 | 0.2 | 2.6 | 2.1 | 2.1 | 193.4 | 0.2 | 2.5 | 1.5 | 1.3 | 142.8 | 0.1 | 1.7 | 3.0 |
| | Aug | 184.4 | 0.3 | 4.0 | 2.2 | 2.3 | 193.6 | 0.1 | 1.2 | 1.3 | 1.3 | 143.6 | 0.6 | 6.9 | 3.5 |
| | Sep | 185.0 | 0.3 | 4.0 | 2.3 | 2.5 | 193.7 | 0.1 | 0.6 | 1.2 | 1.2 | 144.1 | 0.3 | 4.3 | 3.6 |
| | Oct | 184.8 | -0.1 | -1.3 | 2.0 | 2.1 | 194.0 | 0.2 | 1.9 | 1.3 | 1.3 | 144.8 | 0.5 | 6.0 | 3.4 |
| | Nov | 184.6 | -0.1 | -1.3 | 1.8 | 1.8 | 194.0 | 0.0 | 0.0 | 1.1 | 1.1 | 144.6 | -0.1 | -1.6 | 3.4 |
| | Dec | 185.0 | 0.2 | 2.6 | 1.9 | 1.9 | 194.2 | 0.1 | 1.2 | 1.1 | 1.1 | 145.3 | 0.5 | 6.0 | 4.0 |
| 2004 | Jan | 185.9 | 0.5 | 6.0 | 2.0 | 6.0 | 194.6 | 0.2 | 2.5 | 1.2 | 2.5 | 145.7 | 0.3 | 3.4 | 3.2 |
| | Feb | 186.5 | 0.3 | 3.9 | 1.7 | 5.0 | 194.9 | 0.2 | 1.9 | 1.2 | 2.2 | 145.6 | -0.1 | -0.8 | 2.1 |
| | Mar | 187.3 | 0.4 | 5.3 | 1.7 | 5.1 | 195.5 | 0.3 | 3.8 | 1.6 | 2.7 | 146.4 | 0.5 | 6.8 | 1.5 |
| | Apr | 187.7 | 0.2 | 2.6 | 2.3 | 4.4 | 195.9 | 0.2 | 2.5 | 1.8 | 2.6 | 147.4 | 0.7 | 8.5 | 3.7 |
| | May | 188.8 | 0.6 | 7.3 | 3.0 | 5.0 | 196.2 | 0.2 | 1.9 | 1.7 | 2.5 | 148.3 | 0.6 | 7.6 | 4.7 |
| | Jun | 189.3 | 0.3 | 3.2 | 3.2 | 4.7 | 196.6 | 0.2 | 2.5 | 1.9 | 2.5 | 148.2 | -0.1 | -0.8 | 3.9 |
| | Jul | 189.2 | -0.1 | -0.6 | 2.9 | 3.9 | 196.8 | 0.1 | 1.2 | 1.8 | 2.3 | 148.3 | 0.1 | 0.8 | 3.9 |
| | Aug | 189.3 | 0.1 | 0.6 | 2.7 | 3.5 | 196.9 | 0.1 | 0.6 | 1.7 | 2.1 | 148.5 | 0.1 | 1.6 | 3.4 |
| | Sep | 189.6 | 0.2 | 1.9 | 2.5 | 3.3 | 197.5 | 0.3 | 3.7 | 2.0 | 2.3 | 148.9 | 0.3 | 3.3 | 3.3 |
| | Oct | 190.7 | 0.6 | 7.2 | 3.2 | 3.7 | 197.9 | 0.2 | 2.5 | 2.0 | 2.3 | 151.1 | 1.5 | 19.2 | 4.4 |
| | Nov | 191.2 | 0.3 | 3.2 | 3.6 | 3.7 | 198.2 | 0.2 | 1.8 | 2.2 | 2.2 | 152.1 | 0.7 | 8.2 | 5.2 |
| | Dec | 191.2 | 0.0 | 0.0 | 3.4 | 3.4 | 198.5 | 0.2 | 1.8 | 2.2 | 2.2 | 151.7 | -0.3 | -3.1 | 4.4 |
| 2005 | Jan | 191.3 | 0.1 | 0.6 | 2.9 | 0.6 | 198.9 | 0.2 | 2.4 | 2.2 | 2.4 | 151.9 | 0.1 | 1.6 | 4.3 |
| | Feb | 192.0 | 0.4 | 4.5 | 2.9 | 2.5 | 199.4 | 0.3 | 3.1 | 2.3 | 2.8 | 152.5 | 0.4 | 4.8 | 4.7 |
| | Mar | 193.2 | 0.6 | 7.8 | 3.2 | 4.3 | 200.1 | 0.4 | 4.3 | 2.4 | 3.3 | 153.6 | 0.7 | 9.0 | 4.9 |
| | Apr | 194.2 | 0.5 | 6.4 | 3.5 | 4.8 | 200.2 | 0.0 | 0.6 | 2.2 | 2.6 | 154.5 | 0.6 | 7.3 | 4.8 |

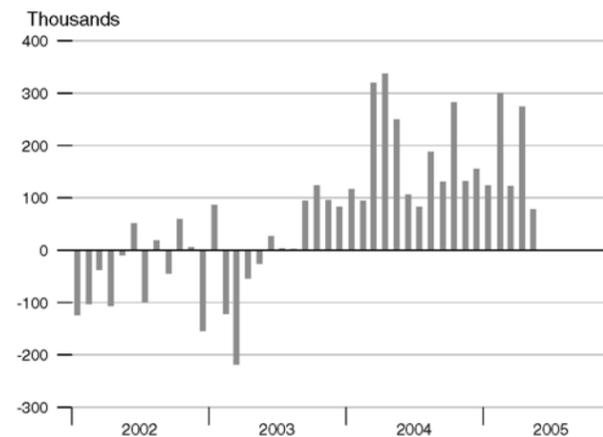
Real GDP Growth



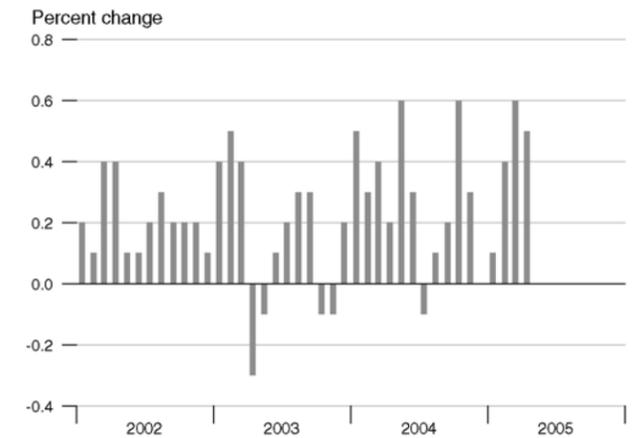
Industrial Production



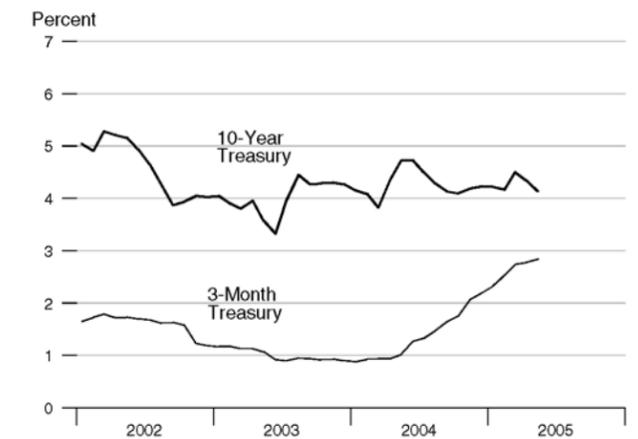
Change in Nonfarm Payrolls



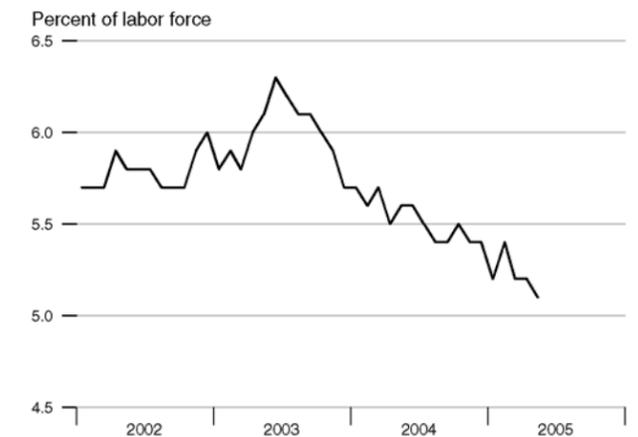
Consumer Price Index



Interest Rates

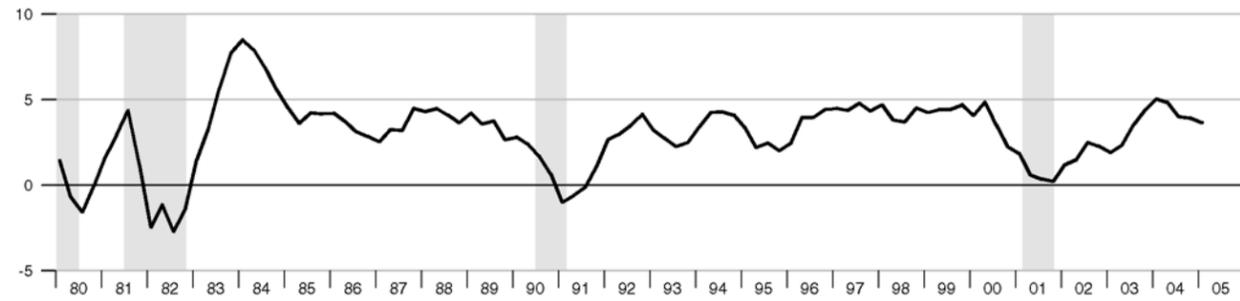


Unemployment Rate



Real Gross Domestic Product

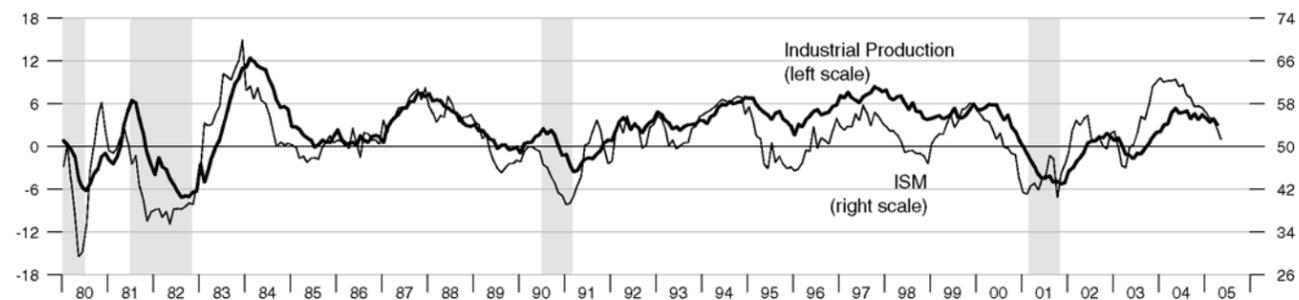
Percent change from year ago



Industrial Production and Institute for Supply Management (ISM) Indexes

Percent change from year ago

Index



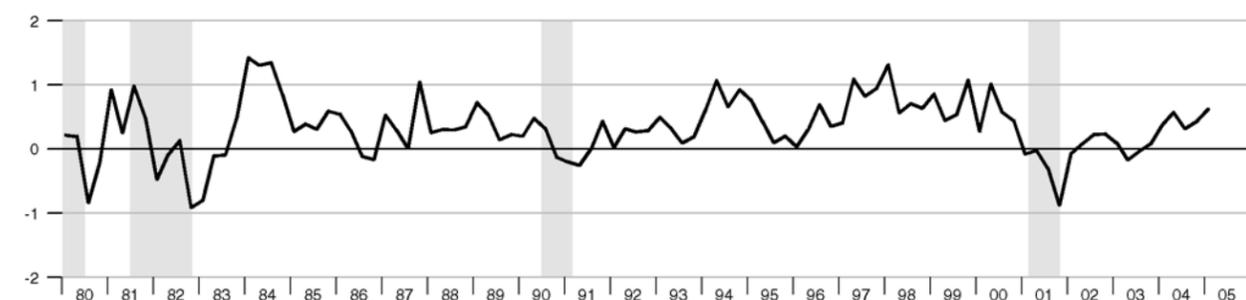
Aggregate Private Nonfarm Hours

Percent change from year ago



Real Change in Private Inventories

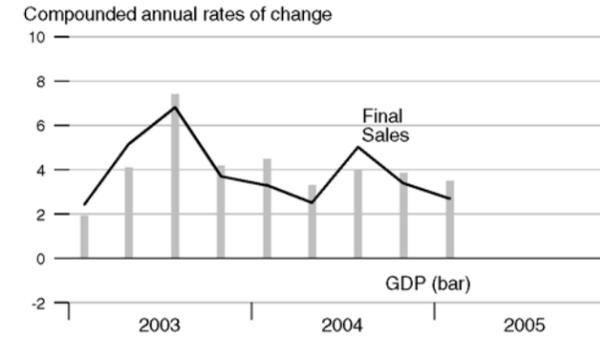
Percent of GDP



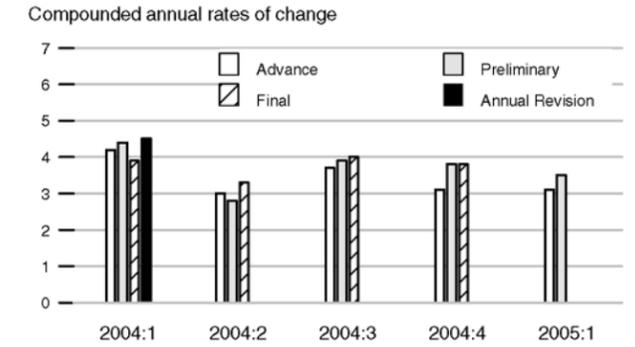
| | Unempl. Rate | Retail and Food Services Sales | | | Industrial Production | | | Treasury Yields | | | |
|------|--------------|--------------------------------|-------------------|-------------|-----------------------|----------------|-------------------|-----------------|----------|------|-------|
| | | Billions of dollars | Percent change | | Index | Percent change | | (Percent) | | | |
| | | | Monthly/quarterly | Annual rate | Year ago | | Monthly/quarterly | Annual rate | Year ago | 3-mo | 10-yr |
| 2000 | 4.0 | 3284.226 | | | 6.6 | 115.380 | | | 4.3 | 5.82 | 6.03 |
| 2001 | 4.8 | 3388.094 | | | 3.2 | 111.266 | | | -3.6 | 3.39 | 5.02 |
| 2002 | 5.8 | 3474.391 | | | 2.5 | 110.959 | | | -0.3 | 1.60 | 4.61 |
| 2003 | 6.0 | 3623.849 | | | 4.3 | 110.932 | | | -0.0 | 1.01 | 4.02 |
| 2004 | 5.5 | 3887.262 | | | 7.3 | 115.528 | | | 4.1 | 1.37 | 4.27 |
| 2003 | 1 | 884.854 | 0.9 | 3.8 | 3.3 | 110.825 | -0.2 | -0.7 | 0.8 | 1.16 | 3.92 |
| | 2 | 895.092 | 1.2 | 4.7 | 3.3 | 109.707 | -1.0 | -4.0 | -1.3 | 1.04 | 3.62 |
| | 3 | 919.020 | 2.7 | 11.1 | 5.0 | 110.825 | 1.0 | 4.1 | -0.7 | 0.93 | 4.23 |
| | 4 | 924.883 | 0.6 | 2.6 | 5.5 | 112.369 | 1.4 | 5.7 | 1.2 | 0.92 | 4.29 |
| 2004 | 1 | 946.761 | 2.4 | 9.8 | 7.0 | 113.920 | 1.4 | 5.6 | 2.8 | 0.92 | 4.02 |
| | 2 | 962.065 | 1.6 | 6.6 | 7.5 | 115.130 | 1.1 | 4.3 | 4.9 | 1.08 | 4.60 |
| | 3 | 977.181 | 1.6 | 6.4 | 6.3 | 115.893 | 0.7 | 2.7 | 4.6 | 1.49 | 4.30 |
| | 4 | 1001.255 | 2.5 | 10.2 | 8.3 | 117.168 | 1.1 | 4.5 | 4.3 | 2.01 | 4.17 |
| 2005 | 1 | 1015.955 | 1.5 | 6.0 | 7.3 | 118.197 | 0.9 | 3.6 | 3.8 | 2.54 | 4.30 |
| 2003 | May | 296.481 | -0.3 | -3.0 | 3.7 | 109.640 | 0.1 | 1.1 | -1.2 | 1.07 | 3.57 |
| | Jun | 301.370 | 1.6 | 21.7 | 4.0 | 109.942 | 0.3 | 3.4 | -1.7 | 0.92 | 3.33 |
| | Jul | 303.921 | 0.8 | 10.6 | 4.1 | 110.616 | 0.6 | 7.6 | -1.0 | 0.90 | 3.98 |
| | Aug | 308.875 | 1.6 | 21.4 | 5.1 | 110.528 | -0.1 | -1.0 | -1.0 | 0.95 | 4.45 |
| | Sep | 306.224 | -0.9 | -9.8 | 5.9 | 111.331 | 0.7 | 9.1 | -0.3 | 0.94 | 4.27 |
| | Oct | 305.969 | -0.1 | -1.0 | 5.3 | 111.559 | 0.2 | 2.5 | 0.4 | 0.92 | 4.29 |
| | Nov | 309.864 | 1.3 | 16.4 | 6.2 | 112.657 | 1.0 | 12.5 | 1.3 | 0.93 | 4.30 |
| | Dec | 309.050 | -0.3 | -3.1 | 5.1 | 112.892 | 0.2 | 2.5 | 2.0 | 0.90 | 4.27 |
| 2004 | Jan | 311.973 | 0.9 | 12.0 | 5.4 | 113.223 | 0.3 | 3.6 | 2.1 | 0.88 | 4.15 |
| | Feb | 313.973 | 0.6 | 8.0 | 7.7 | 114.426 | 1.1 | 13.5 | 3.1 | 0.93 | 4.08 |
| | Mar | 320.815 | 2.2 | 29.5 | 7.9 | 114.110 | -0.3 | -3.3 | 3.2 | 0.94 | 3.83 |
| | Apr | 317.706 | -1.0 | -11.0 | 6.9 | 114.736 | 0.5 | 6.8 | 4.7 | 0.94 | 4.35 |
| | May | 323.040 | 1.7 | 22.1 | 9.0 | 115.534 | 0.7 | 8.7 | 5.4 | 1.02 | 4.72 |
| | Jun | 321.319 | -0.5 | -6.2 | 6.6 | 115.120 | -0.4 | -4.2 | 4.7 | 1.27 | 4.73 |
| | Jul | 324.034 | 0.8 | 10.6 | 6.6 | 115.930 | 0.7 | 8.8 | 4.8 | 1.33 | 4.50 |
| | Aug | 323.700 | -0.1 | -1.2 | 4.8 | 116.036 | 0.1 | 1.1 | 5.0 | 1.48 | 4.28 |
| | Sep | 329.447 | 1.8 | 23.5 | 7.6 | 115.714 | -0.3 | -3.3 | 3.9 | 1.65 | 4.13 |
| | Oct | 332.280 | 0.9 | 10.8 | 8.6 | 116.649 | 0.8 | 10.1 | 4.6 | 1.76 | 4.10 |
| | Nov | 332.392 | 0.0 | 0.4 | 7.3 | 116.948 | 0.3 | 3.1 | 3.8 | 2.07 | 4.19 |
| | Dec | 336.583 | 1.3 | 16.2 | 8.9 | 117.908 | 0.8 | 10.3 | 4.4 | 2.19 | 4.23 |
| 2005 | Jan | 336.785 | 0.1 | 0.7 | 8.0 | 117.753 | -0.1 | -1.6 | 4.0 | 2.33 | 4.22 |
| | Feb | 338.991 | 0.7 | 8.1 | 8.0 | 118.331 | 0.5 | 6.1 | 3.4 | 2.54 | 4.17 |
| | Mar | 340.179 | 0.4 | 4.3 | 6.0 | 118.507 | 0.1 | 1.8 | 3.9 | 2.74 | 4.50 |
| | Apr | 344.895 | 1.4 | 18.0 | 8.6 | 118.277 | -0.2 | -2.3 | 3.1 | 2.78 | 4.34 |
| | May | | | | | | | | | 2.84 | 4.14 |

| | Household Survey Employment | | | | Nonfarm Payroll Employment | | | | Nonfarm Aggregate Hours | | | |
|------|-----------------------------|--------|----------------|----------|----------------------------|--------|----------------|----------|-------------------------|--------------|----------------|----------|
| | Thousands | Change | Percent change | | Thousands | Change | Percent change | | Index | Monthly rate | Percent change | |
| | | | Annual rate | Year ago | | | Annual rate | Year ago | | | Annual rate | Year ago |
| 2000 | 136901 | 3400 | | 2.5 | 131792 | 2800 | | 2.2 | 103.5 | | | 1.8 |
| 2001 | 136940 | 40 | | 0.0 | 131833 | 41 | | 0.0 | 102.1 | | | -1.4 |
| 2002 | 136483 | -458 | | -0.3 | 130345 | -1487 | | -1.1 | 100.0 | | | -2.0 |
| 2003 | 137734 | 1252 | | 0.9 | 129999 | -347 | | -0.3 | 98.6 | | | -1.4 |
| 2004 | 139248 | 1513 | | 1.1 | 131475 | 1476 | | 1.1 | 100.3 | | | 1.7 |
| 2003 | 1 | 137415 | 773 | 2.3 | 130093 | -169 | -0.5 | -0.3 | 99.0 | -0.4 | -1.7 | -1.3 |
| | 2 | 137652 | 237 | 0.7 | 129845 | -248 | -0.8 | -0.4 | 98.3 | -0.8 | -3.1 | -2.0 |
| | 3 | 137574 | -77 | -0.2 | 129890 | 45 | 0.1 | -0.3 | 98.3 | 0.1 | 0.3 | -1.5 |
| | 4 | 138296 | 722 | 2.1 | 130168 | 278 | 0.9 | -0.1 | 98.8 | 0.5 | 2.0 | -0.6 |
| 2004 | 1 | 138408 | 112 | 0.3 | 130541 | 374 | 1.2 | 0.3 | 99.3 | 0.5 | 2.0 | 0.3 |
| | 2 | 138883 | 475 | 1.4 | 131325 | 784 | 2.4 | 1.1 | 100.0 | 0.6 | 2.6 | 1.7 |
| | 3 | 139608 | 725 | 2.1 | 131731 | 406 | 1.2 | 1.4 | 100.6 | 0.6 | 2.4 | 2.3 |
| | 4 | 140092 | 484 | 1.4 | 132302 | 571 | 1.7 | 1.6 | 101.2 | 0.6 | 2.4 | 2.4 |
| 2005 | 1 | 140295 | 203 | 0.6 | 132814 | 512 | 1.6 | 1.7 | 101.7 | 0.6 | 2.3 | 2.4 |
| 2003 | May | 137552 | -76 | -0.7 | 129827 | -26 | -0.2 | -0.4 | 98.2 | -0.1 | -1.2 | -2.0 |
| | Jun | 137775 | 223 | 2.0 | 129854 | 27 | 0.2 | -0.4 | 98.3 | 0.1 | 1.2 | -1.8 |
| | Jul | 137511 | -264 | -2.3 | 129857 | 3 | 0.0 | -0.3 | 98.3 | 0.0 | 0.0 | -1.4 |
| | Aug | 137593 | 82 | 0.7 | 129859 | 2 | 0.0 | -0.3 | 98.3 | 0.0 | 0.0 | -1.6 |
| | Sep | 137619 | 26 | 0.2 | 129953 | 94 | 0.9 | -0.2 | 98.4 | 0.1 | 1.2 | -1.5 |
| | Oct | 138022 | 403 | 3.6 | 130076 | 123 | 1.1 | -0.2 | 98.8 | 0.4 | 5.0 | -0.8 |
| 2004 | Jan | 138481 | 72 | 0.6 | 130372 | 117 | 1.1 | 0.1 | 99.3 | 0.7 | 8.9 | 0.0 |
| | Feb | 138334 | -147 | -1.3 | 130466 | 94 | 0.9 | 0.3 | 99.4 | 0.1 | 1.2 | 0.5 |
| | Mar | 138408 | 74 | 0.6 | 130786 | 320 | 3.0 | 0.7 | 99.3 | -0.1 | -1.2 | 0.4 |
| | Apr | 138645 | 237 | 2.1 | 131123 | 337 | 3.1 | 1.0 | 99.7 | 0.4 | 4.9 | 1.4 |
| | May | 138846 | 201 | 1.8 | 131373 | 250 | 2.3 | 1.2 | 100.3 | 0.6 | 7.5 | 2.1 |
| | Jun | 139158 | 312 | 2.7 | 131479 | 106 | 1.0 | 1.3 | 99.9 | -0.4 | -4.7 | 1.6 |
| | Jul | 139639 | 481 | 4.2 | 131562 | 83 | 0.8 | 1.3 | 100.3 | 0.4 | 4.9 | 2.0 |
| | Aug | 139658 | 19 | 0.2 | 131750 | 188 | 1.7 | 1.5 | 100.5 | 0.2 | 2.4 | 2.2 |
| | Sep | 139527 | -131 | -1.1 | 131880 | 130 | 1.2 | 1.5 | 100.9 | 0.4 | 4.9 | 2.5 |
| | Oct | 139827 | 300 | 2.6 | 132162 | 282 | 2.6 | 1.6 | 101.2 | 0.3 | 3.6 | 2.4 |
| | Nov | 140293 | 466 | 4.1 | 132294 | 132 | 1.2 | 1.6 | 101.1 | -0.1 | -1.2 | 2.0 |
| | Dec | 140156 | -137 | -1.2 | 132449 | 155 | 1.4 | 1.7 | 101.2 | 0.1 | 1.2 | 2.6 |
| 2005 | Jan | 140241 | 85 | 0.7 | 132573 | 124 | 1.1 | 1.7 | 101.5 | 0.3 | 3.6 | 2.2 |
| | Feb | 140144 | -97 | -0.8 | 132873 | 300 | 2.7 | 1.8 | 101.8 | 0.3 | 3.6 | 2.4 |
| | Mar | 140501 | 357 | 3.1 | 132995 | 122 | 1.1 | 1.7 | 101.9 | 0.1 | 1.2 | 2.6 |
| | Apr | 141099 | 598 | 5.2 | 133269 | 274 | 2.5 | 1.6 | 102.5 | 0.6 | 7.3 | 2.8 |
| | May | 141475 | 376 | 3.2 | 133347 | 78 | 0.7 | 1.5 | 102.6 | 0.1 | 1.2 | 2.3 |

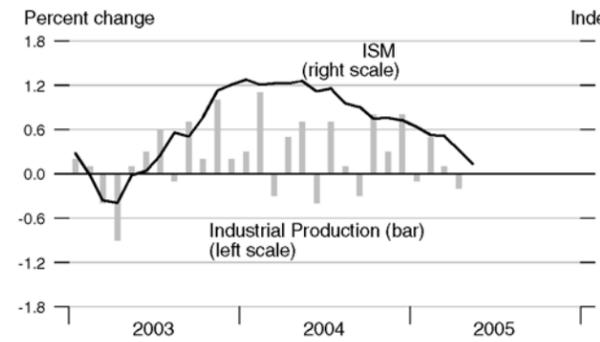
Real Final Sales and GDP



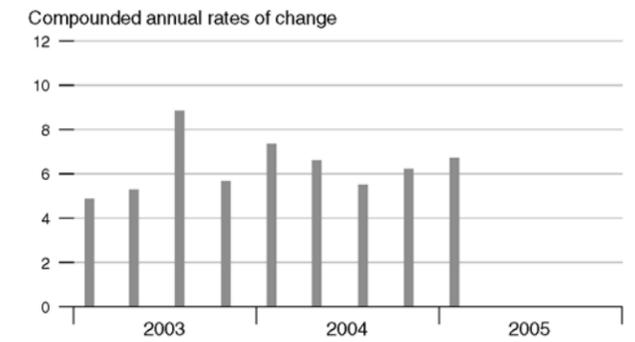
Real GDP Revisions



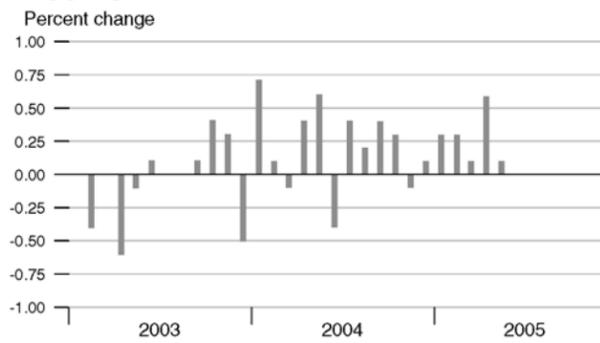
Industrial Production and ISM Index



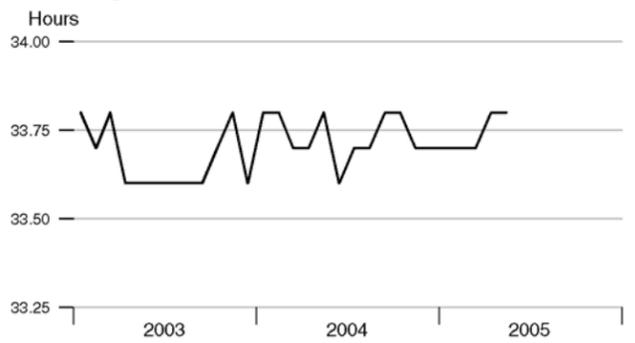
Nominal Gross Domestic Product



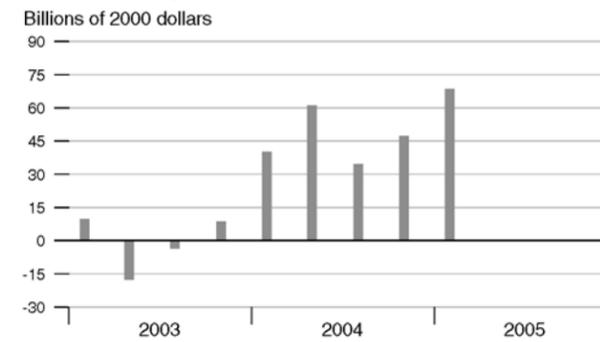
Aggregate Private Nonfarm Hours



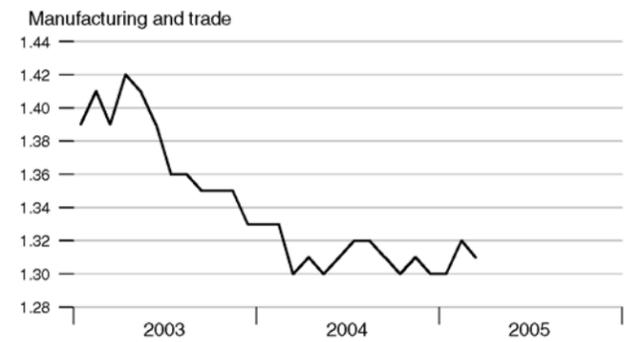
Average Weekly Private Nonfarm Hours



Real Change in Private Inventories

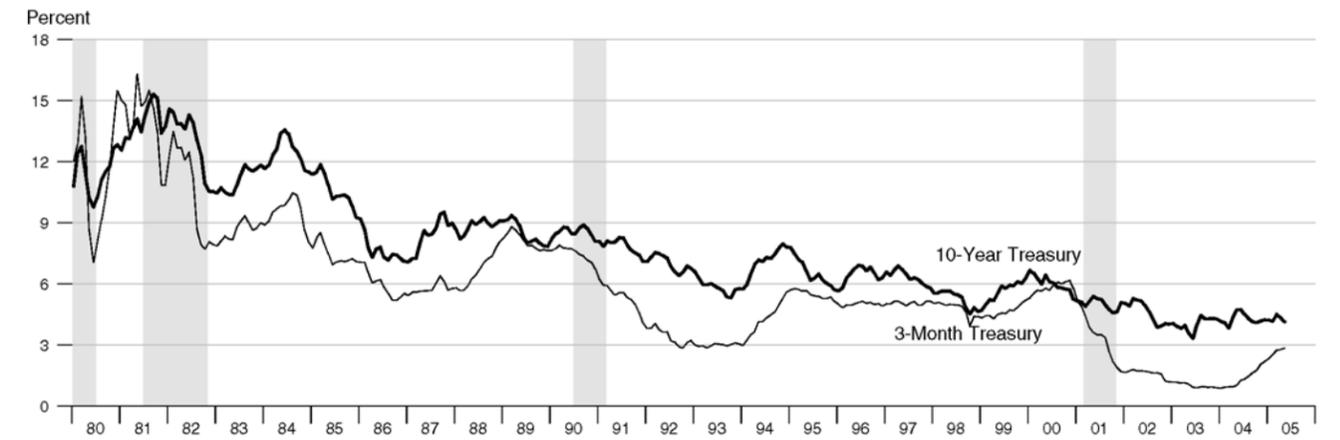


Inventory-Sales Ratio

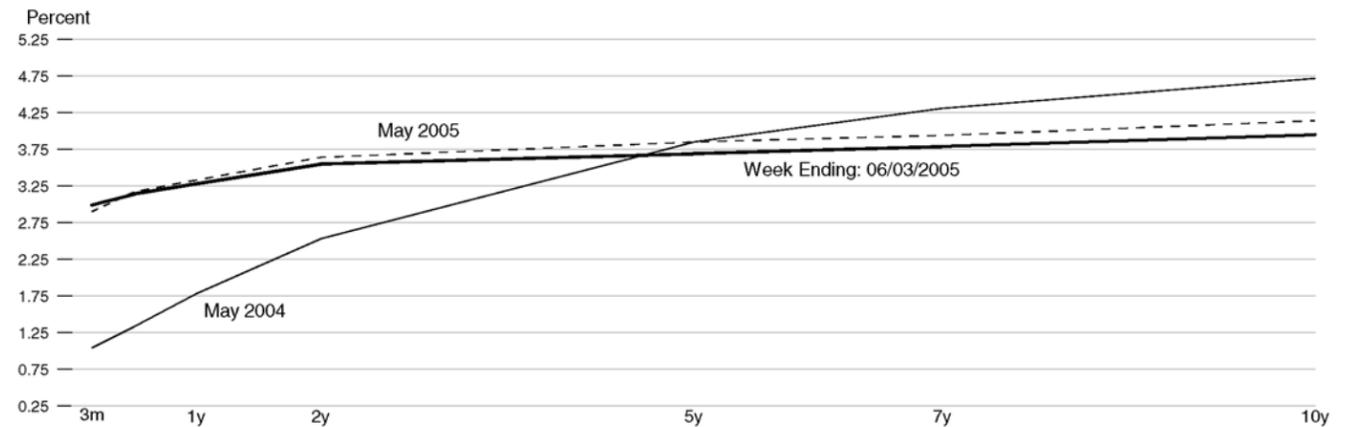


| | Nominal GDP | | | Real GDP | | | Final Sales | | | Change in Private Inventories | | |
|--------|---------------------|----------------|----------|----------------------|----------------|----------|--------------------------|----------------|----------|---------------------------------|----------------|----------|
| | Billions of \$ | Percent change | | Billions of 2000 \$ | Percent change | | Billions of 2000 \$ | Percent change | | Billions of 2000 \$ | | |
| | | Annual rate | Year ago | | Annual rate | Year ago | | Annual rate | Year ago | Last qtr | Year/Year ago | |
| 2001 | 10128.0 | | 3.2 | 9890.694 | | 0.8 | 9920.940 | | 1.6 | | -31.720 | |
| 2002 | 10487.0 | | 3.5 | 10074.763 | | 1.9 | 10063.248 | | 1.4 | | 11.736 | |
| 2003 | 11004.0 | | 4.9 | 10381.347 | | 3.0 | 10379.878 | | 3.1 | | -0.753 | |
| 2004 | 11735.0 | | 6.6 | 10841.885 | | 4.4 | 10794.576 | | 4.0 | | 45.686 | |
| 2002 1 | 10338.2 | 4.4 | 3.2 | 9993.478 | 3.4 | 1.2 | 10000.391 | 0.3 | 1.2 | -7.403 | -31.630 | |
| 2 | 10445.7 | 4.2 | 3.1 | 10052.576 | 2.4 | 1.5 | 10044.898 | 1.8 | 1.4 | 7.893 | -29.042 | |
| 3 | 10546.5 | 3.9 | 4.1 | 10117.270 | 2.6 | 2.5 | 10095.165 | 2.0 | 2.0 | 22.687 | -15.886 | |
| 4 | 10617.5 | 2.7 | 3.8 | 10135.922 | 0.7 | 2.3 | 10112.538 | 0.7 | 1.2 | 23.765 | 11.736 | |
| 2003 1 | 10744.6 | 4.9 | 3.9 | 10184.418 | 1.9 | 1.9 | 10173.346 | 2.4 | 1.7 | 9.585 | 15.983 | |
| 2 | 10884.0 | 5.3 | 4.2 | 10287.398 | 4.1 | 2.3 | 10302.477 | 5.2 | 2.6 | -17.629 | 9.602 | |
| 3 | 11116.7 | 8.8 | 5.4 | 10472.841 | 7.4 | 3.5 | 10473.871 | 6.8 | 3.8 | -3.524 | 3.049 | |
| 4 | 11270.9 | 5.7 | 6.2 | 10580.729 | 4.2 | 4.4 | 10569.622 | 3.7 | 4.5 | 8.556 | -0.753 | |
| 2004 1 | 11472.6 | 7.4 | 6.8 | 10697.453 | 4.5 | 5.0 | 10655.807 | 3.3 | 4.7 | 40.020 | 6.856 | |
| 2 | 11657.5 | 6.6 | 7.1 | 10784.726 | 3.3 | 4.8 | 10722.276 | 2.5 | 4.1 | 61.073 | 26.531 | |
| 3 | 11814.9 | 5.5 | 6.3 | 10891.044 | 4.0 | 4.0 | 10854.725 | 5.0 | 3.6 | 34.502 | 36.038 | |
| 4 | 11994.8 | 6.2 | 6.4 | 10994.318 | 3.8 | 3.9 | 10945.498 | 3.4 | 3.6 | 47.150 | 45.686 | |
| 2005 1 | 12191.7 | 6.7 | 6.3 | 11088.757 | 3.5 | 3.7 | 11018.799 | 2.7 | 3.4 | 68.439 | 52.791 | |
| | Consumption | | | Durables Consumption | | | Private Fixed Investment | | | Nonresidential Fixed Investment | | |
| | Billions of 2000 \$ | Percent change | | Billions of 2000 \$ | Percent change | | Billions of 2000 \$ | Percent change | | Billions of 2000 \$ | Percent change | |
| | | Annual rate | Year ago | | Annual rate | Year ago | | Annual rate | Year ago | | Annual rate | Year ago |
| 2001 | 6910.356 | | 2.5 | 900.682 | | 4.3 | 1629.396 | | -3.0 | 1180.536 | | -4.2 |
| 2002 | 7123.388 | | 3.1 | 959.587 | | 6.5 | 1548.906 | | -4.9 | 1075.625 | | -8.9 |
| 2003 | 7355.559 | | 3.3 | 1030.621 | | 7.4 | 1627.331 | | 5.1 | 1110.801 | | 3.3 |
| 2004 | 7632.548 | | 3.8 | 1099.340 | | 6.7 | 1794.443 | | 10.3 | 1228.624 | | 10.6 |
| 2002 1 | 7049.659 | 1.8 | 2.9 | 937.779 | -8.5 | 6.6 | 1559.618 | -4.3 | -7.1 | 1099.786 | -9.7 | -10.9 |
| 2 | 7099.193 | 2.8 | 3.3 | 947.837 | 4.4 | 7.8 | 1545.867 | -3.5 | -5.8 | 1072.360 | -9.6 | -9.9 |
| 3 | 7149.941 | 2.9 | 3.6 | 979.297 | 14.0 | 10.6 | 1546.622 | 0.2 | -4.6 | 1069.502 | -1.1 | -8.5 |
| 4 | 7194.623 | 2.5 | 2.5 | 973.443 | -2.4 | 1.5 | 1543.516 | -0.8 | -2.1 | 1060.853 | -3.2 | -6.0 |
| 2003 1 | 7242.203 | 2.7 | 2.7 | 973.236 | -0.1 | 3.8 | 1552.700 | 2.4 | -0.4 | 1060.508 | -0.1 | -3.6 |
| 2 | 7311.416 | 3.9 | 3.0 | 1019.985 | 20.6 | 7.6 | 1593.382 | 10.9 | 3.1 | 1090.607 | 11.8 | 1.7 |
| 3 | 7401.724 | 5.0 | 3.5 | 1059.586 | 16.5 | 8.2 | 1660.574 | 18.0 | 7.4 | 1131.069 | 15.7 | 5.8 |
| 4 | 7466.826 | 3.6 | 3.8 | 1069.678 | 3.9 | 9.9 | 1702.683 | 10.5 | 10.3 | 1161.045 | 11.0 | 9.4 |
| 2004 1 | 7543.049 | 4.1 | 4.2 | 1075.462 | 2.2 | 10.5 | 1721.437 | 4.5 | 10.9 | 1172.984 | 4.2 | 10.6 |
| 2 | 7572.365 | 1.6 | 3.6 | 1074.685 | -0.3 | 5.4 | 1778.254 | 13.9 | 11.6 | 1207.938 | 12.5 | 10.8 |
| 3 | 7667.795 | 5.1 | 3.6 | 1118.258 | 17.2 | 5.5 | 1816.148 | 8.8 | 9.4 | 1245.319 | 13.0 | 10.1 |
| 4 | 7746.982 | 4.2 | 3.8 | 1128.954 | 3.9 | 5.5 | 1861.934 | 10.5 | 9.4 | 1288.257 | 14.5 | 11.0 |
| 2005 1 | 7816.533 | 3.6 | 3.6 | 1133.806 | 1.7 | 5.4 | 1886.313 | 5.3 | 9.6 | 1299.493 | 3.5 | 10.8 |

Interest Rates



Treasury Yield Curve

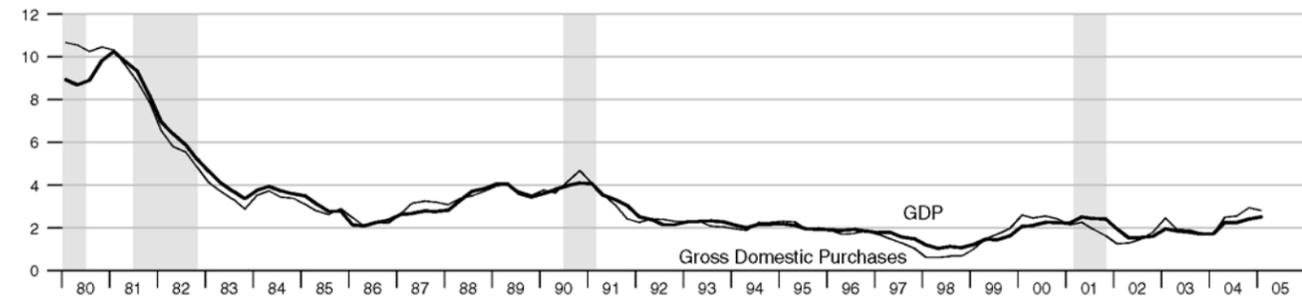


Standard and Poor's 500 Index with Reinvested Dividends



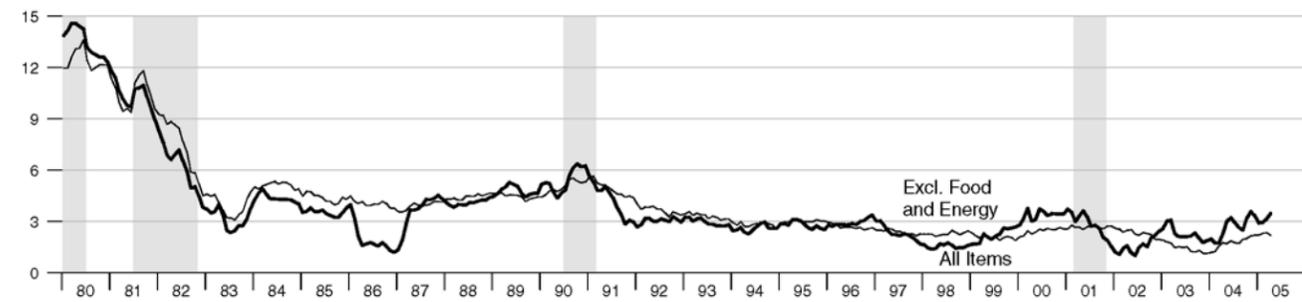
NIPA Chain Price Indexes

Percent change from year ago



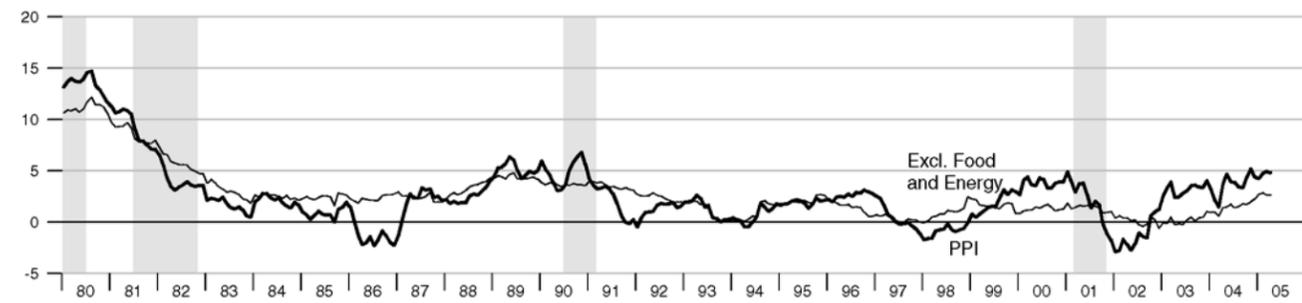
Consumer Price Index

Percent change from year ago



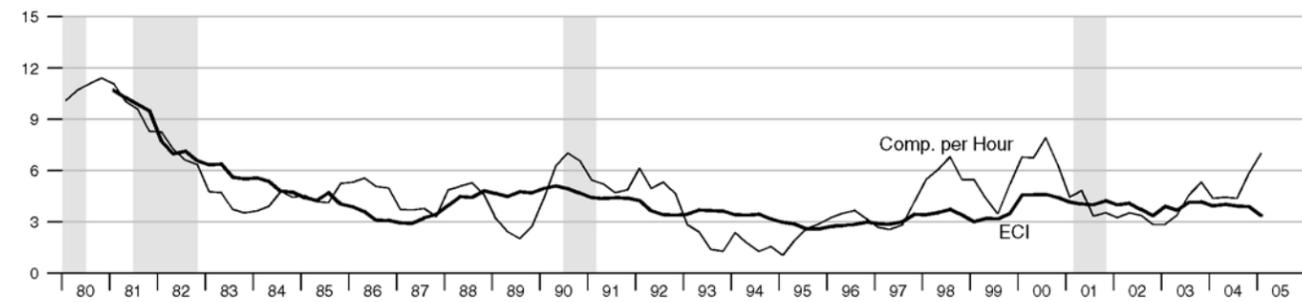
Producer Price Index, Finished Goods

Percent change from year ago



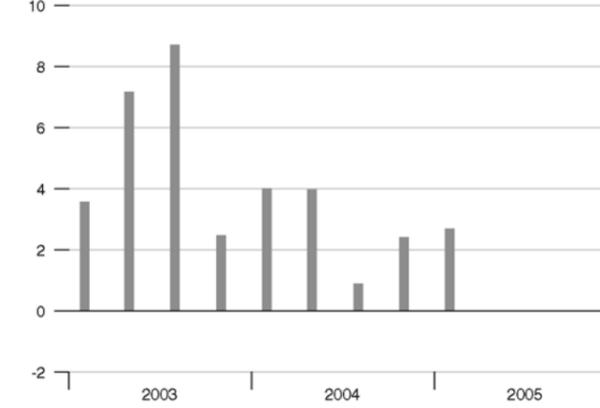
Employment Cost Index and Compensation per Hour

Percent change from year ago



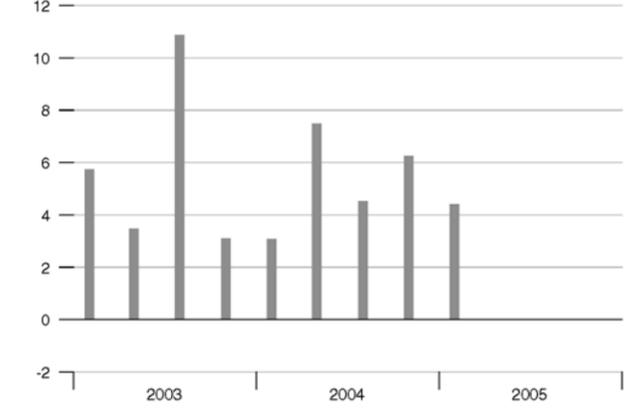
Nonfarm Output per Hour

Compounded annual rates of change

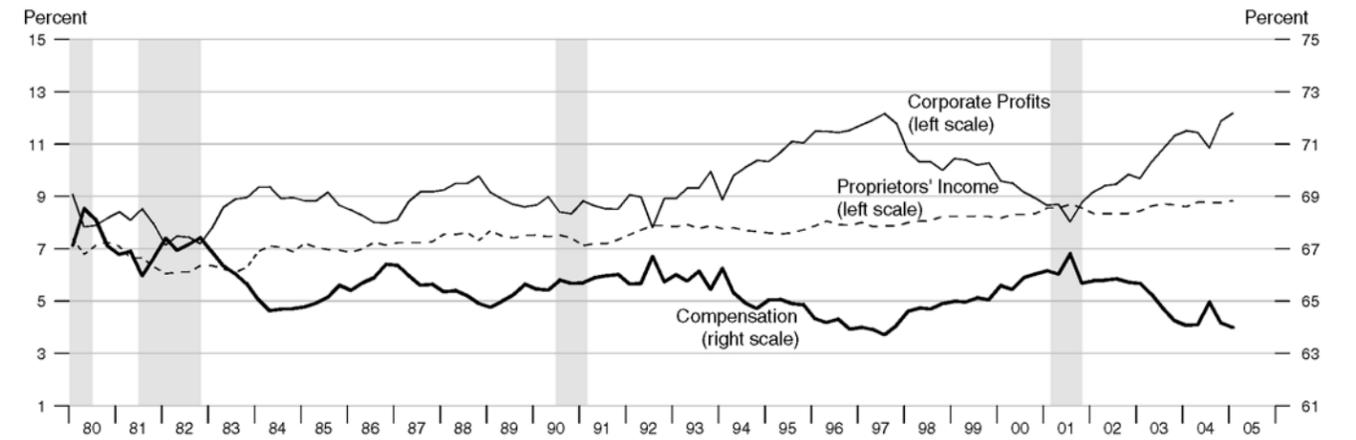


Manufacturing Output per Hour

Compounded annual rates of change

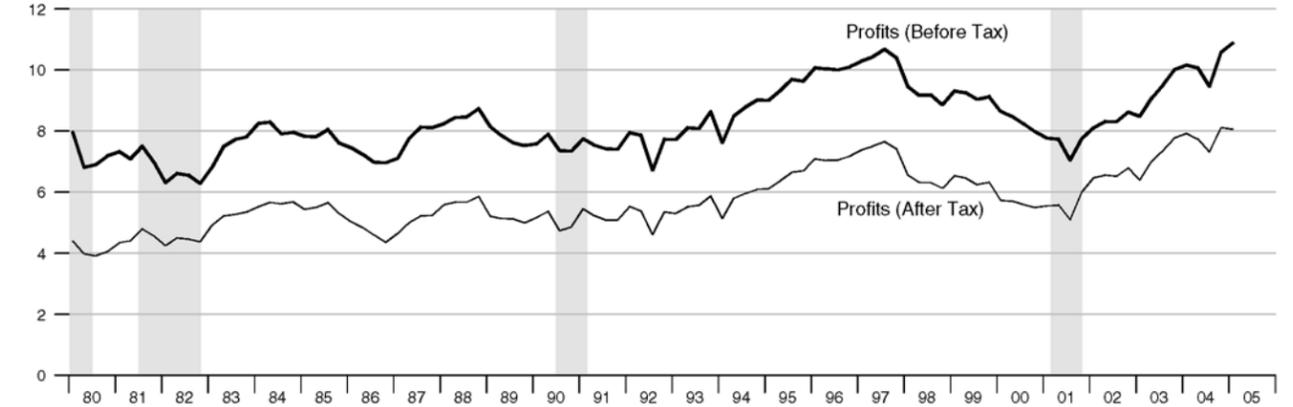


Selected Component Shares of National Income

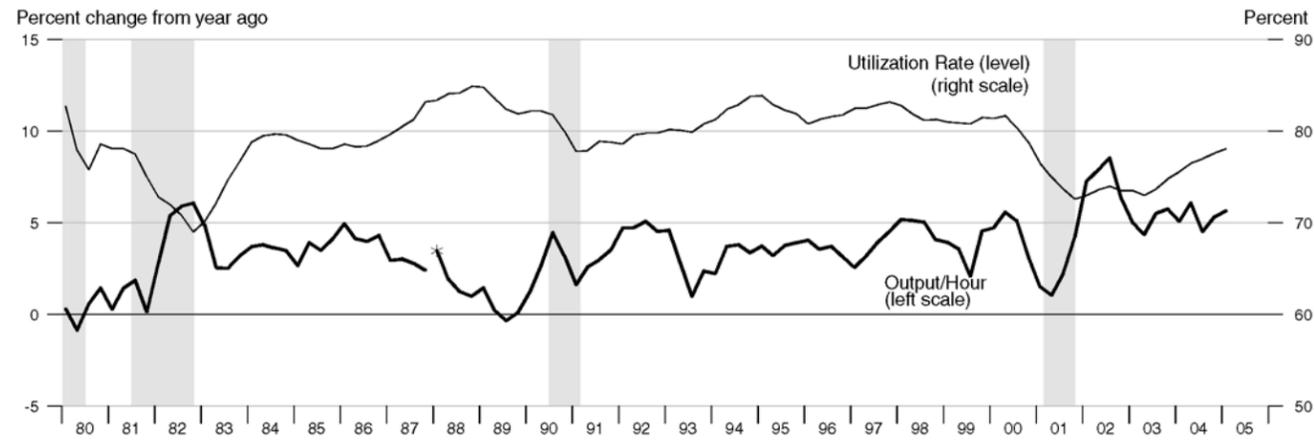


Corporate Profits

Percent of GDP

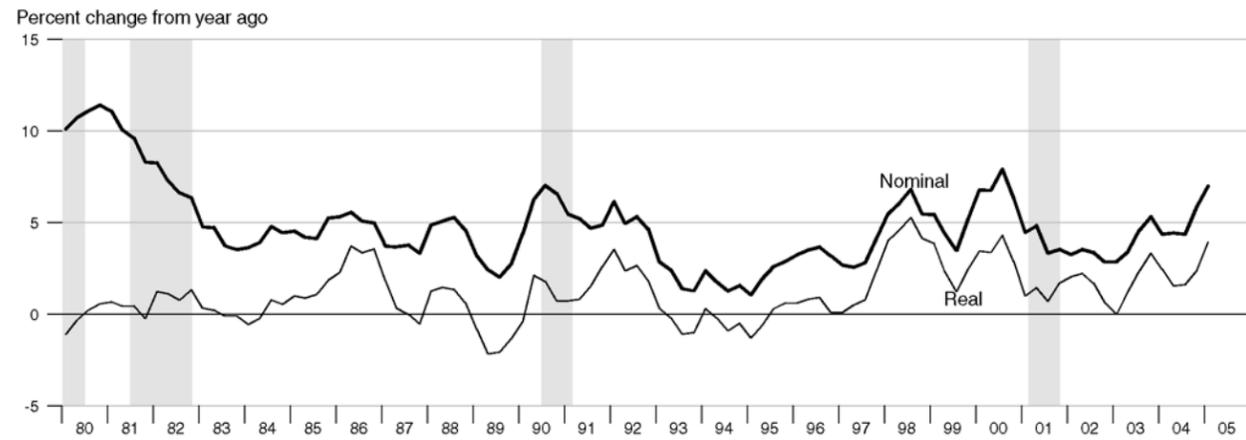


Output per Hour and Capacity Utilization, Manufacturing

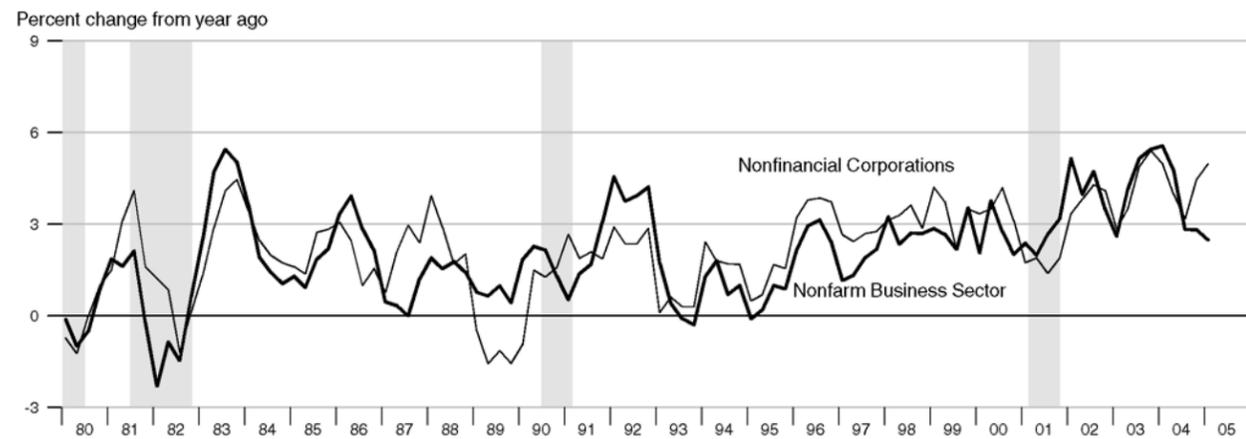


*Data from 1987 to the present are on a NAICS basis; data prior to 1987 are on an SIC basis and are not strictly comparable (see End Note).

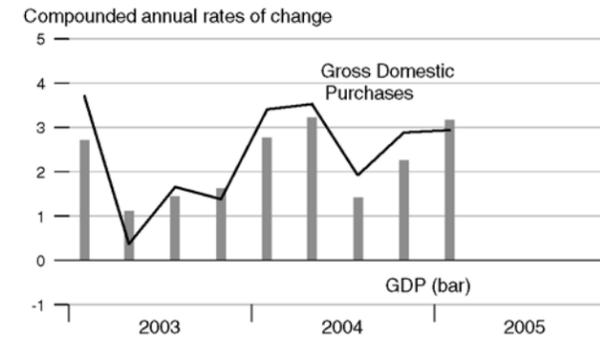
Nonfarm Compensation per Hour



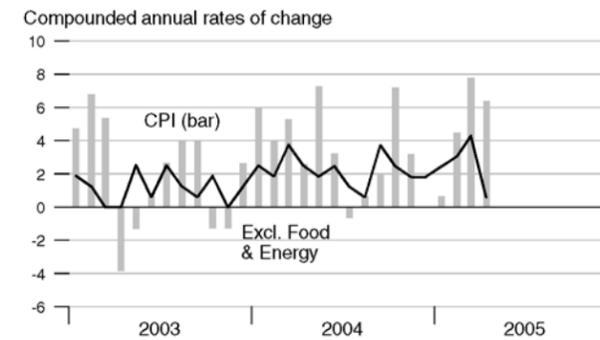
Output per Hour, Nonfarm Business and Nonfinancial Corporations



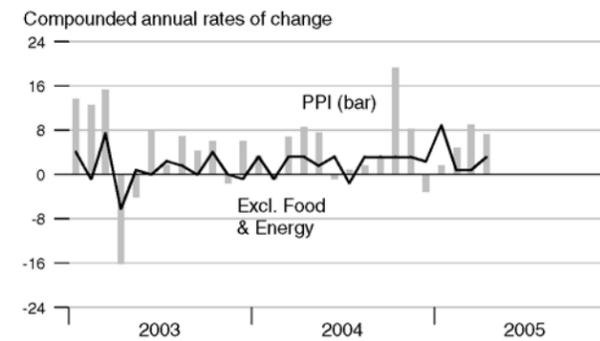
NIPA Chain Price Indexes



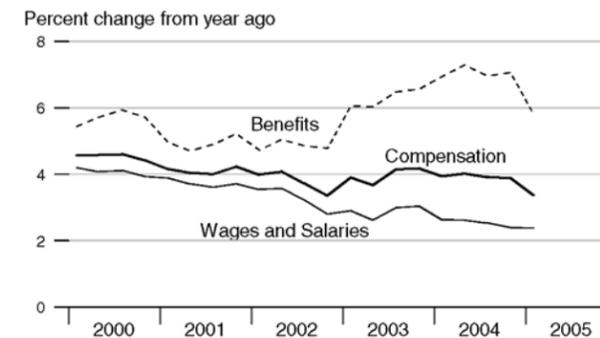
Consumer Price Index



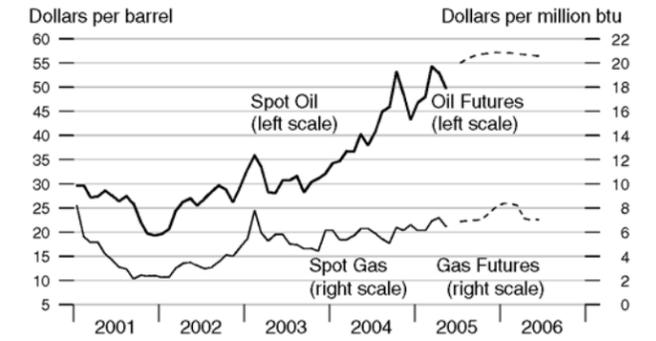
Producer Price Index, Finished Goods



Employment Cost Index

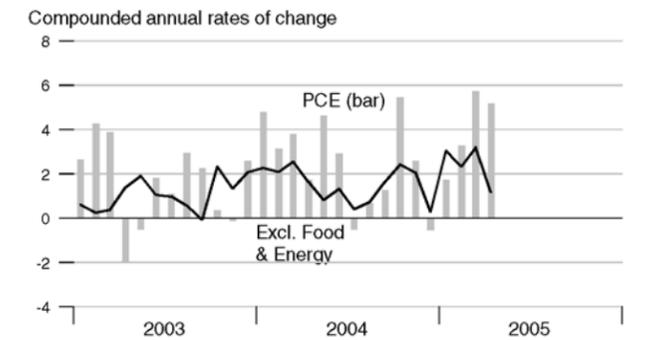


Oil & Natural Gas Prices: Spot & Futures

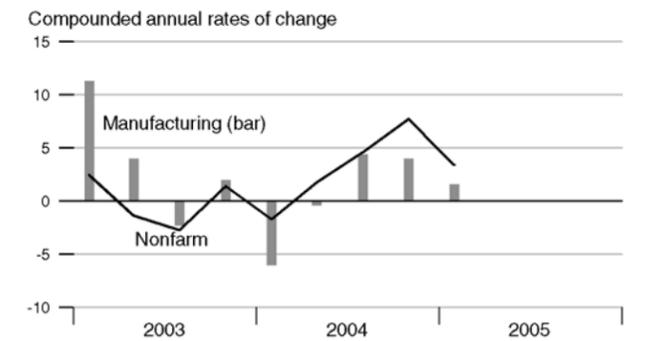


Note: Futures prices as of 05/03/2005.

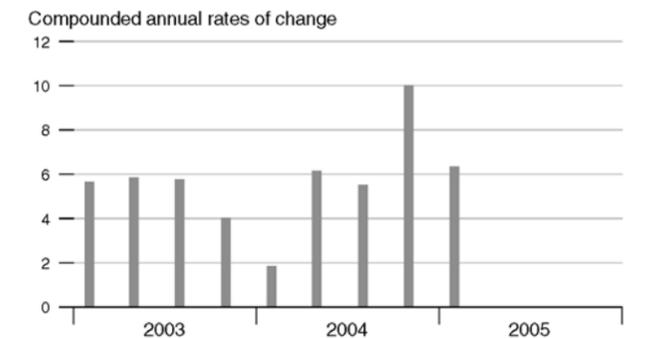
Consumption Chain Price Index



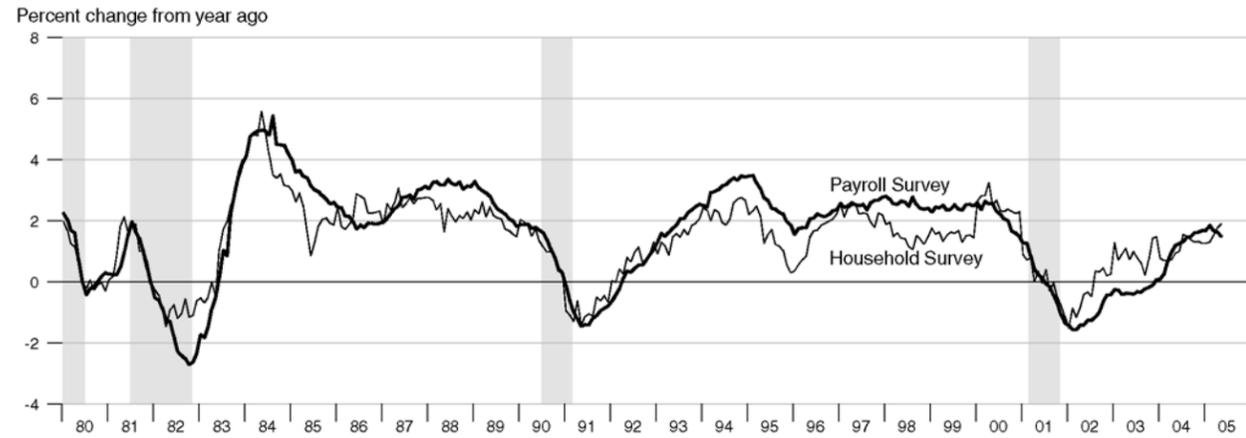
Unit Labor Cost



Compensation per Hour

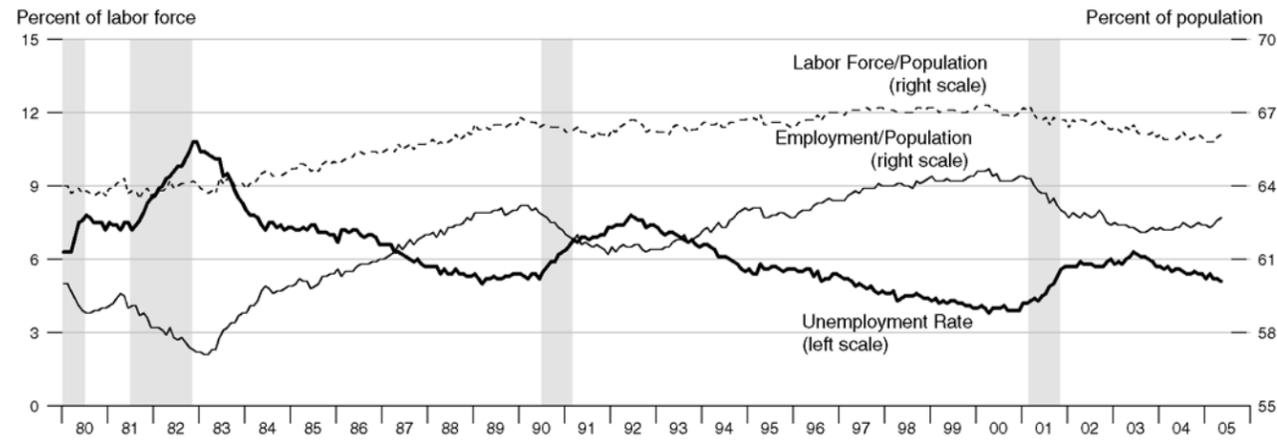


Employment

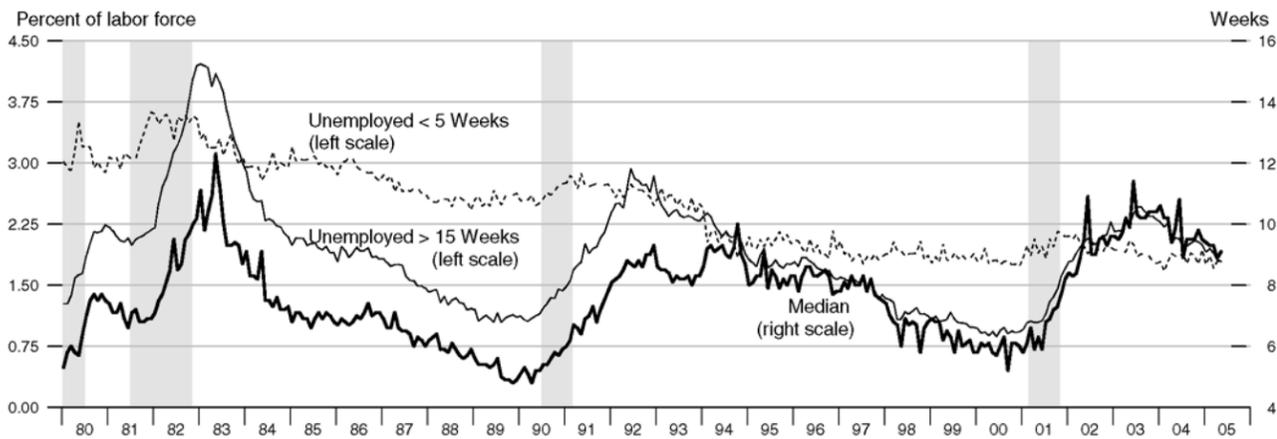


See the Notes section at the end of this publication for the Feb. 7, 2003, revisions to the Household Survey, and the June 6, 2003, revisions to the Establishment Survey.

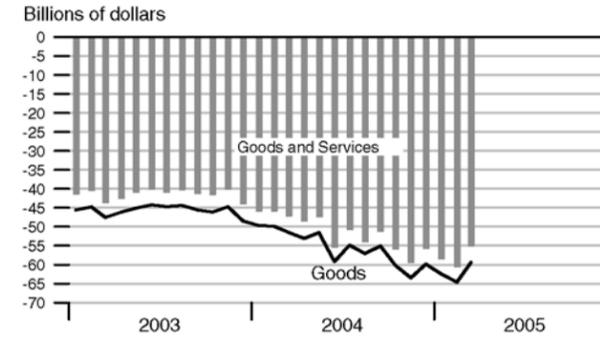
Unemployment, Labor Force Participation, and Employment Rates



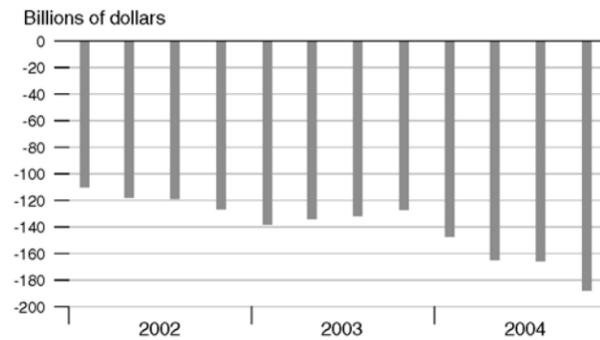
Duration of Unemployment



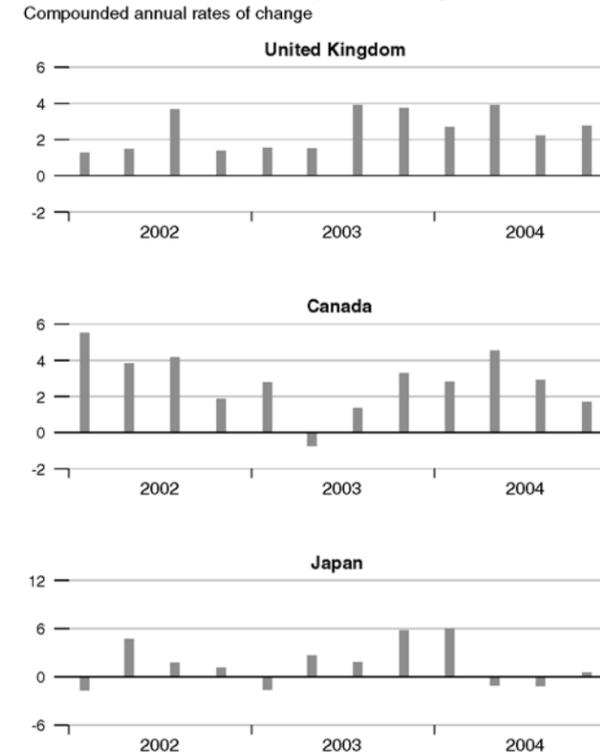
Trade Balance



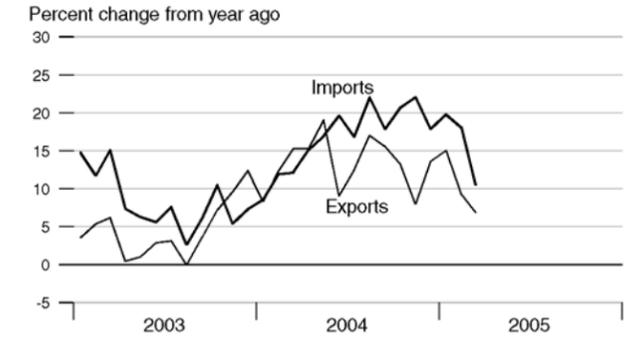
Current Account Balance



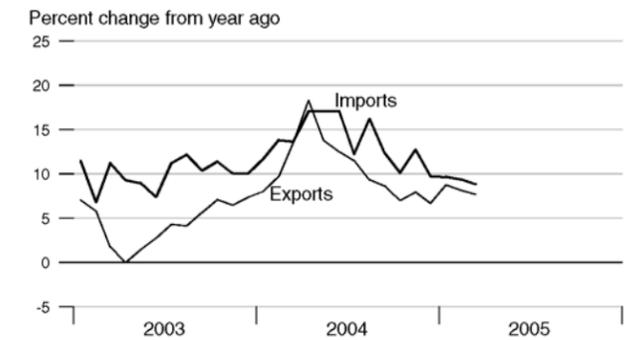
Real GDP Growth of Major Trading Partners



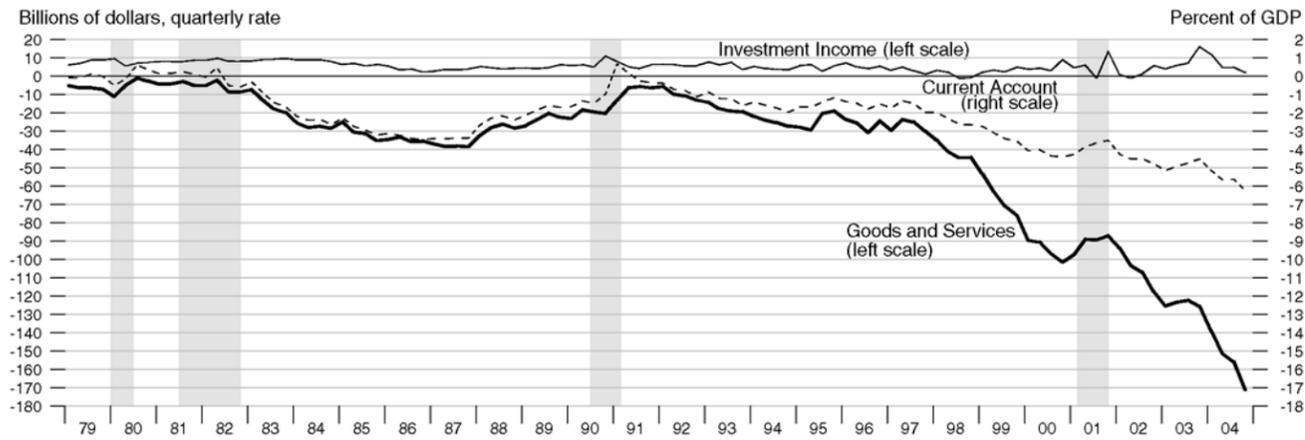
Goods Trade



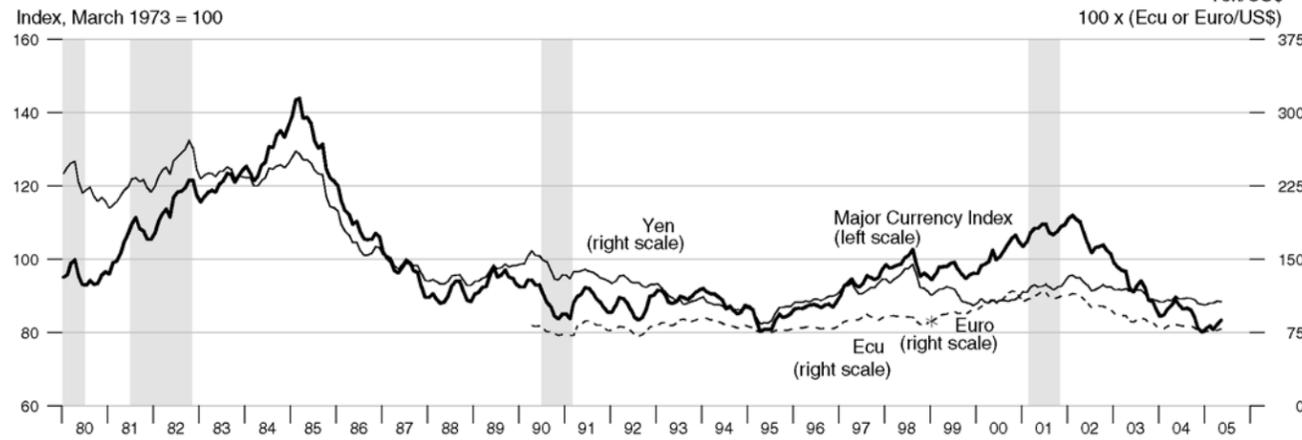
Services Trade



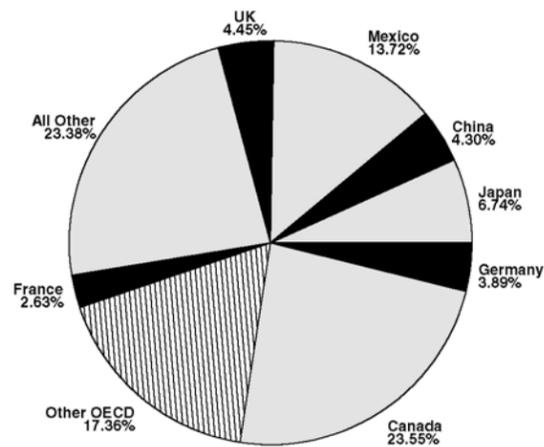
Current Account, Trade and Investment Income Balances



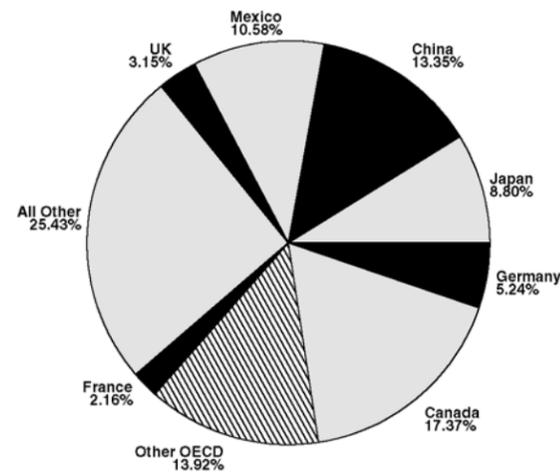
Exchange Rates



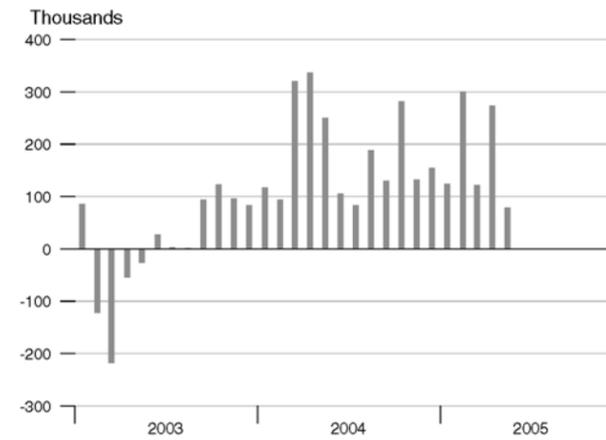
Goods Export Shares, 2004



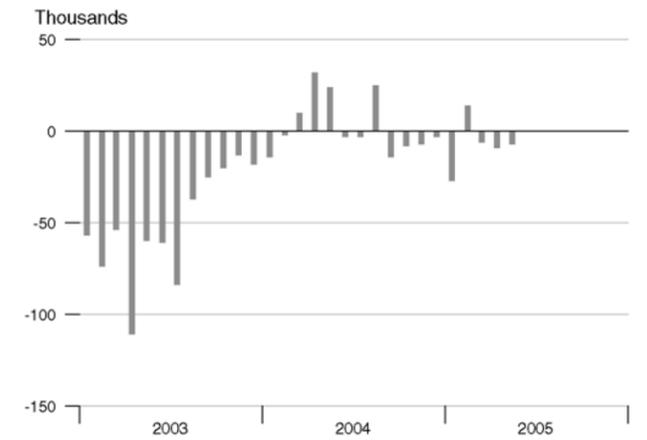
Goods Import Shares, 2004



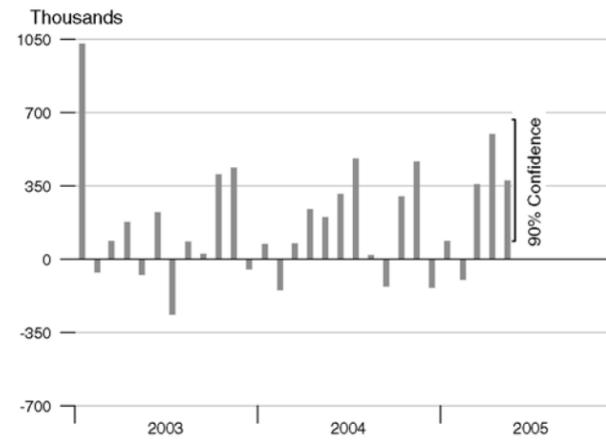
Change in Nonfarm Payrolls



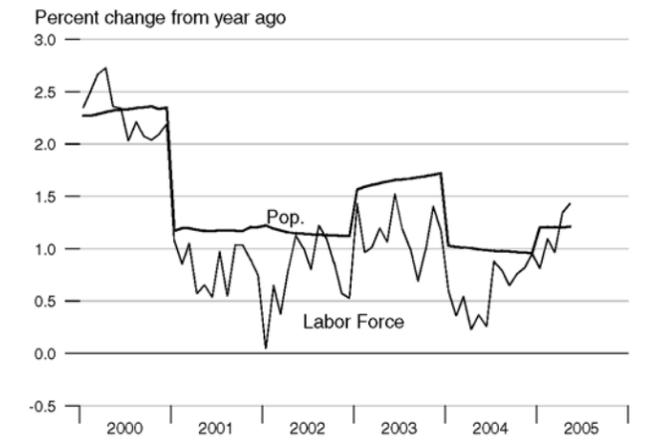
Change in Manufacturing Payrolls



Change in Household Employment



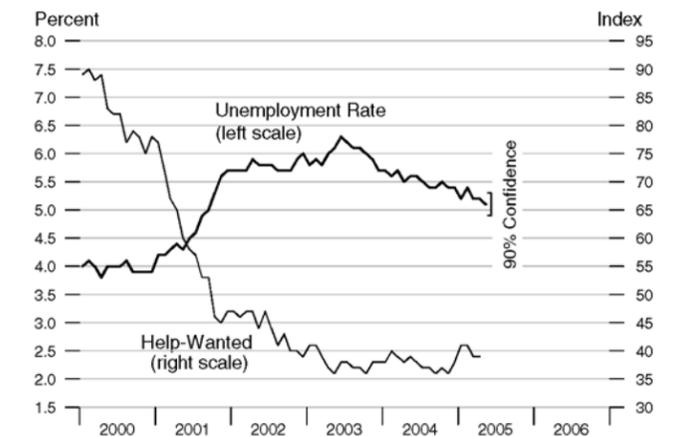
Labor Force and Population



Available Labor Supply and Components

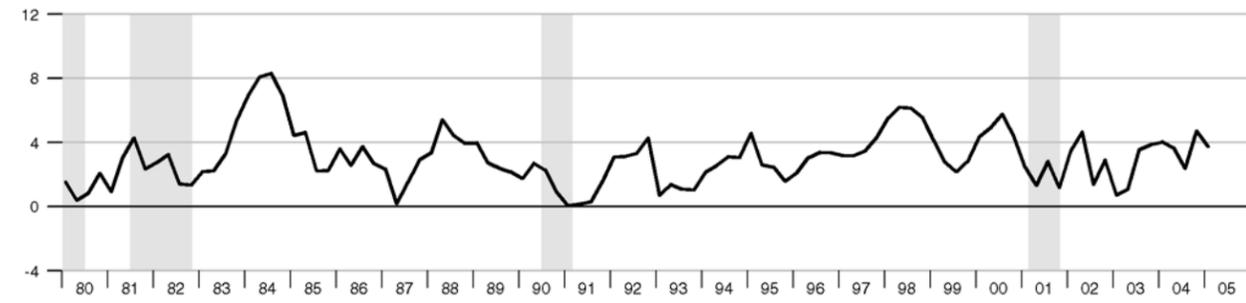


Unemployment Rate & Help-Wanted Index



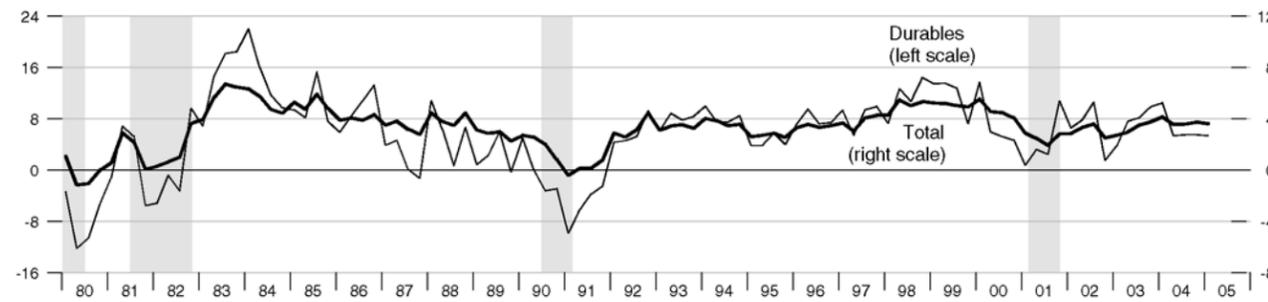
Real Disposable Personal Income

Percent change from year ago, quarterly data



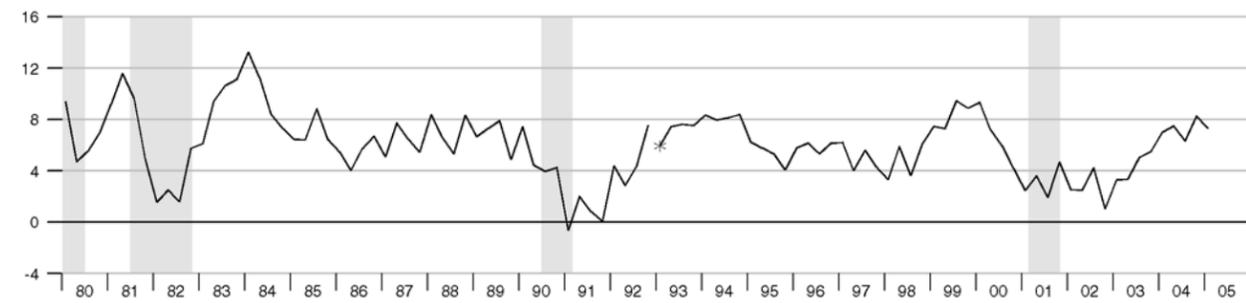
Real Consumption

Percent change from year ago, quarterly data



Retail and Food Services Sales

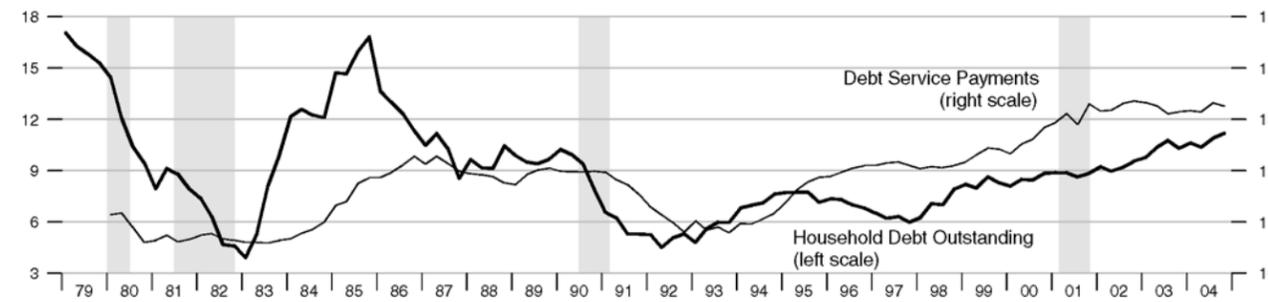
Percent change from year ago, quarterly average



*Data from Jan. 1992 to the present are on a NAICS basis; data prior to Jan. 1992 are on an SIC basis and are not strictly comparable (see End Note).

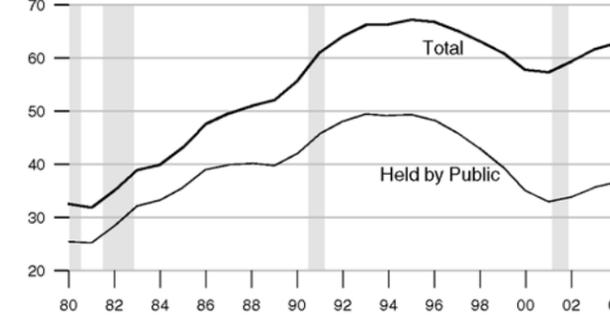
Debt Service Payments and Household Debt Outstanding

Percent change from year ago, quarterly data



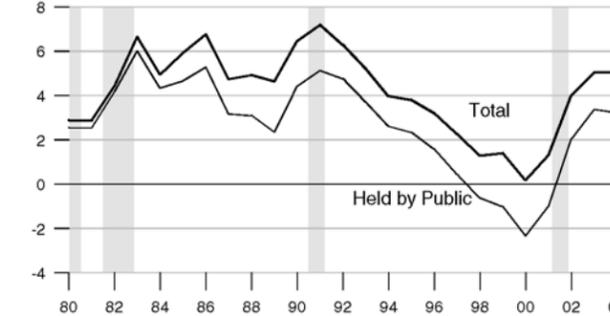
Federal Debt

Percent of GDP



Change in Federal Debt

Percent of GDP



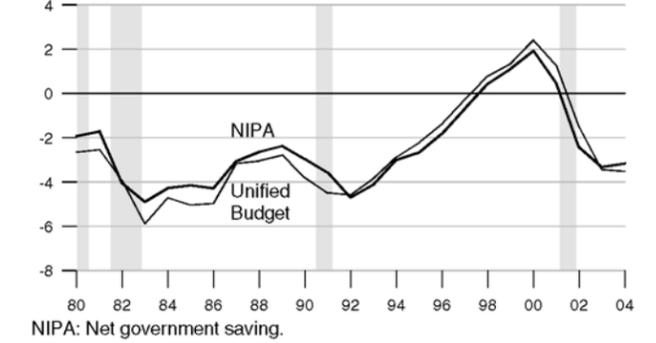
Federal Government Debt

Billions of dollars, end of month or fiscal year
Excludes Agency-issued debt

| | | Total Public Debt | Held by Agencies and Trusts | Held by Public | | Held by Private Investors | |
|------|-----------|-------------------|-----------------------------|----------------|-----------------------|---------------------------|---------------------------|
| | | | | Total | Federal Reserve Banks | Total | Foreign and International |
| 2002 | | 6228.2 | 2675.7 | 3552.6 | 604.2 | 2924.8 | 1200.8 |
| 2003 | | 6783.2 | 2859.3 | 3923.9 | 656.1 | 3268.0 | 1455.8 |
| 2004 | | 7379.1 | 3075.7 | 4303.4 | 700.3 | 3607.0 | 1886.2 |
| 2001 | March | 5773.7 | 2339.4 | 3434.4 | 523.9 | 2892.8 | 1029.9 |
| | June | 5726.8 | 2452.6 | 3274.2 | 535.1 | 2722.6 | 1000.5 |
| | September | 5807.5 | 2468.8 | 3338.7 | 534.1 | 2779.7 | 1005.5 |
| | December | 5943.4 | 2549.7 | 3393.8 | 551.7 | 2819.5 | 1051.2 |
| 2002 | March | 6006.0 | 2562.4 | 3443.7 | 575.4 | 2849.2 | 1067.1 |
| | June | 6126.5 | 2662.9 | 3463.5 | 590.7 | 2849.8 | 1135.4 |
| | September | 6228.2 | 2675.7 | 3552.6 | 604.2 | 2924.8 | 1200.8 |
| | December | 6405.7 | 2758.3 | 3647.4 | 629.4 | 3018.5 | 1246.8 |
| 2003 | March | 6460.8 | 2750.0 | 3710.8 | 641.5 | 3069.9 | 1285.9 |
| | June | 6670.1 | 2853.8 | 3816.3 | 652.1 | 3164.7 | 1388.8 |
| | September | 6783.2 | 2859.3 | 3923.9 | 656.1 | 3268.0 | 1455.8 |
| | December | 6998.0 | 2954.5 | 4044.1 | 666.7 | 3377.9 | 1535.6 |
| 2004 | March | 7131.1 | 2954.4 | 4176.7 | 674.1 | 3502.8 | 1680.8 |
| | June | 7274.3 | 3055.6 | 4218.7 | 687.4 | 3531.5 | 1828.3 |
| | September | 7379.1 | 3075.7 | 4303.4 | 700.3 | 3607.0 | 1886.2 |
| | December | 7596.1 | 3189.1 | 4407.1 | 717.8 | 3667.1 | 1942.0 |

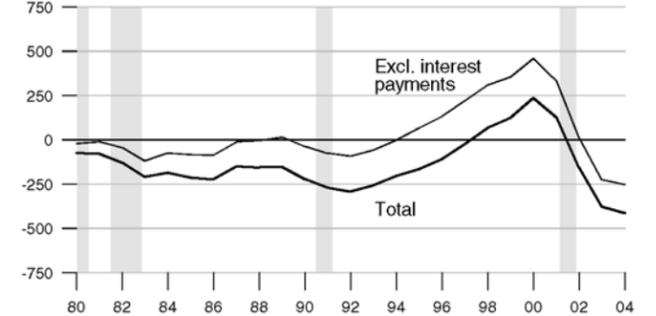
Federal Surplus (+) / Deficit (-)

Percent of GDP

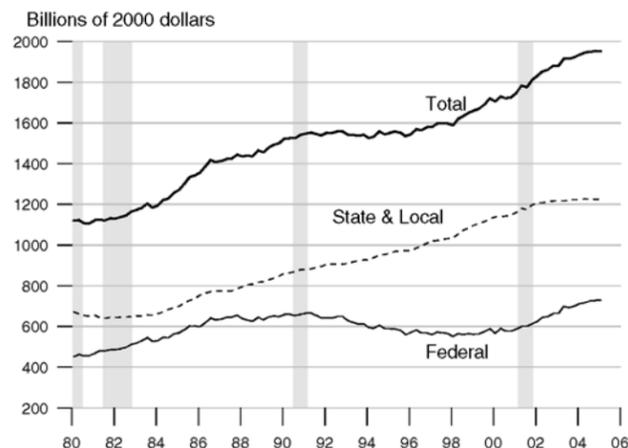


Federal Surplus (+) / Deficit (-), Unified Basis

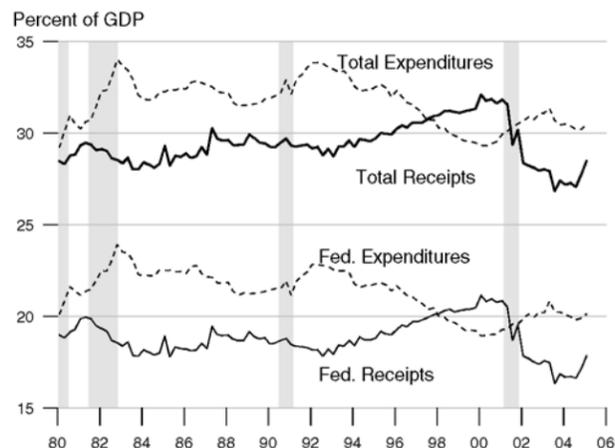
Billions of dollars, fiscal years



Govt. Consumption and Investment



Govt. Current Receipts and Expenditures

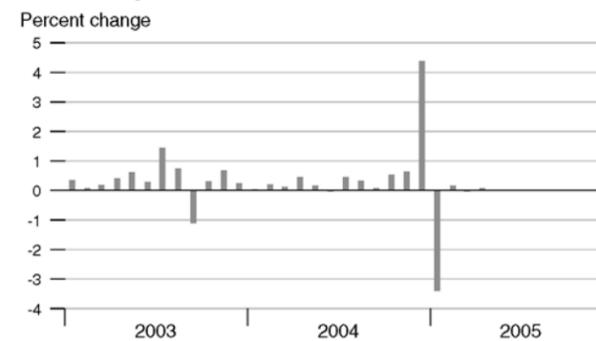


Government Budgets

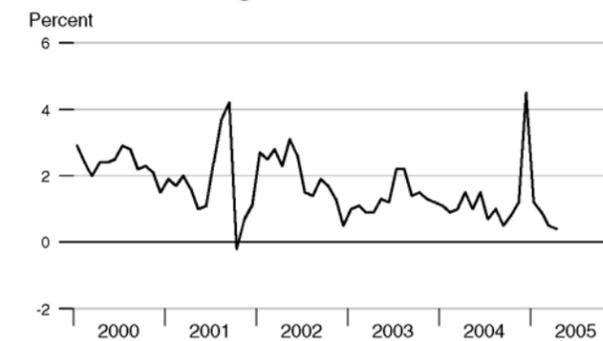
Billions of dollars

| | National Income Accounts | | | Unified Budget | | | National Income Accounts | | | Unified Budget | | |
|--------|--------------------------|--------------|------------------------|----------------|--------------|------------------------|--------------------------|---------|------------------------|----------------|---------|------------------------|
| | Calendar Years | | | Fiscal Years | | | Calendar Years | | | Fiscal Years | | |
| | State and Local | | Federal | Federal | | Federal | Federal | | Federal | | Federal | |
| | Receipts | Expenditures | Surplus or Deficit (-) | Receipts | Expenditures | Surplus or Deficit (-) | Receipts | Outlays | Surplus or Deficit (-) | Receipts | Outlays | Surplus or Deficit (-) |
| 1991 | 789.2 | 793.3 | -4.1 | 1101.3 | 1315.0 | -213.7 | 1055.0 | 1324.3 | -269.3 | 1055.0 | 1324.3 | -269.3 |
| 1992 | 845.7 | 845.0 | 0.7 | 1147.2 | 1444.6 | -297.4 | 1091.3 | 1381.6 | -290.3 | 1091.3 | 1381.6 | -290.3 |
| 1993 | 886.9 | 886.0 | 0.9 | 1222.5 | 1496.0 | -273.5 | 1154.4 | 1409.5 | -255.1 | 1154.4 | 1409.5 | -255.1 |
| 1994 | 942.9 | 932.4 | 10.5 | 1320.8 | 1533.1 | -212.3 | 1258.6 | 1461.9 | -203.2 | 1258.6 | 1461.9 | -203.2 |
| 1995 | 990.2 | 978.2 | 12.0 | 1406.5 | 1603.5 | -197.0 | 1351.8 | 1515.8 | -164.0 | 1351.8 | 1515.8 | -164.0 |
| 1996 | 1043.3 | 1017.5 | 25.8 | 1524.0 | 1665.8 | -141.8 | 1453.1 | 1560.5 | -107.5 | 1453.1 | 1560.5 | -107.5 |
| 1997 | 1097.4 | 1058.3 | 39.1 | 1653.1 | 1708.9 | -55.8 | 1579.3 | 1601.2 | -21.9 | 1579.3 | 1601.2 | -21.9 |
| 1998 | 1163.2 | 1111.2 | 52.0 | 1773.8 | 1734.9 | 38.9 | 1721.8 | 1652.6 | 69.2 | 1721.8 | 1652.6 | 69.2 |
| 1999 | 1236.7 | 1186.3 | 50.4 | 1891.2 | 1787.6 | 103.6 | 1827.5 | 1701.9 | 125.5 | 1827.5 | 1701.9 | 125.5 |
| 2000 | 1319.5 | 1269.5 | 50.0 | 2053.8 | 1864.4 | 189.4 | 2025.2 | 1789.1 | 236.2 | 2025.2 | 1789.1 | 236.2 |
| 2001 | 1373.0 | 1368.2 | 4.8 | 2016.2 | 1969.5 | 46.7 | 1991.2 | 1863.0 | 128.2 | 1991.2 | 1863.0 | 128.2 |
| 2002 | 1411.9 | 1436.9 | -25.0 | 1847.3 | 2101.8 | -254.5 | 1853.2 | 2011.0 | -157.8 | 1853.2 | 2011.0 | -157.8 |
| 2003 | 1494.9 | 1498.1 | -3.2 | 1877.0 | 2241.6 | -364.6 | 1782.3 | 2159.9 | -377.6 | 1782.3 | 2159.9 | -377.6 |
| 2004 | 1585.3 | 1567.8 | 17.5 | 1971.8 | 2341.2 | -369.4 | 1880.1 | 2292.2 | -412.1 | 1880.1 | 2292.2 | -412.1 |
| 2003Q1 | 1437.7 | 1486.6 | -48.9 | 1888.6 | 2170.2 | -281.6 | 397.8 | 541.7 | -143.9 | 397.8 | 541.7 | -143.9 |
| 2003Q2 | 1484.6 | 1490.2 | -5.6 | 1902.5 | 2266.9 | -364.4 | 527.7 | 545.9 | -18.3 | 527.7 | 545.9 | -18.3 |
| 2003Q3 | 1511.4 | 1504.9 | 6.5 | 1816.4 | 2249.4 | -433.0 | 429.5 | 533.8 | -104.3 | 429.5 | 533.8 | -104.3 |
| 2003Q4 | 1545.8 | 1510.5 | 35.3 | 1900.6 | 2279.8 | -379.2 | 440.8 | 569.4 | -128.7 | 440.8 | 569.4 | -128.7 |
| 2004Q1 | 1550.6 | 1538.8 | 11.8 | 1915.3 | 2306.3 | -391.0 | 409.6 | 580.4 | -170.8 | 409.6 | 580.4 | -170.8 |
| 2004Q2 | 1583.9 | 1565.7 | 18.2 | 1949.1 | 2329.1 | -380.0 | 549.9 | 575.6 | -25.7 | 549.9 | 575.6 | -25.7 |
| 2004Q3 | 1574.7 | 1570.2 | 4.5 | 1965.8 | 2340.8 | -375.0 | 479.5 | 565.4 | -85.9 | 479.5 | 565.4 | -85.9 |
| 2004Q4 | 1632.0 | 1596.4 | 35.6 | 2057.0 | 2388.7 | -331.7 | 487.2 | 605.8 | -118.6 | 487.2 | 605.8 | -118.6 |
| 2005Q1 | 1657.8 | 1625.8 | 32.0 | 2175.4 | 2454.1 | -278.7 | 451.8 | 628.3 | -176.5 | 451.8 | 628.3 | -176.5 |

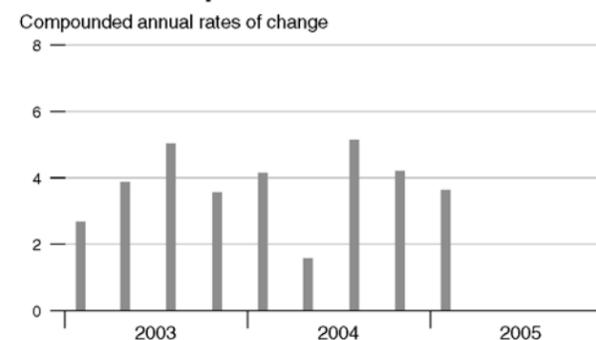
Real Disposable Personal Income



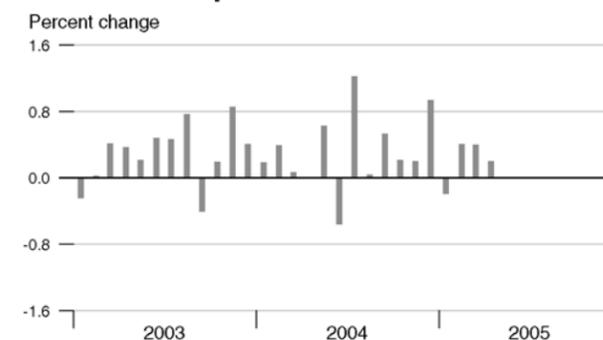
Personal Saving Rate



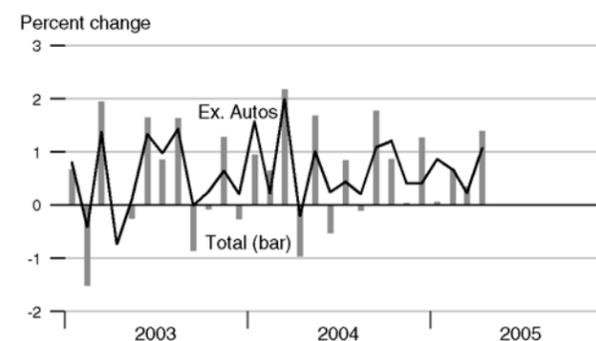
Real Consumption



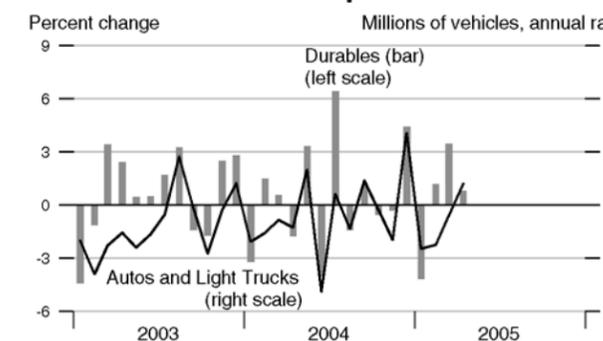
Real Consumption



Retail & Food Services



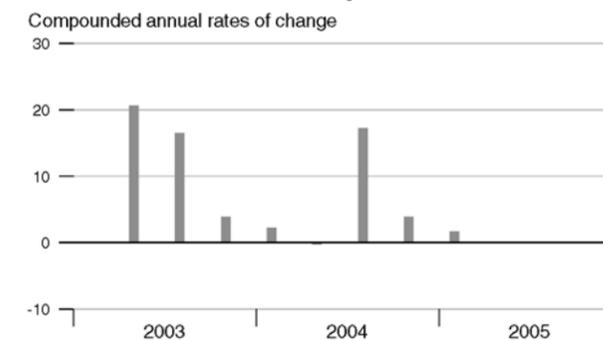
Real Durables Consumption & Vehicle Sales



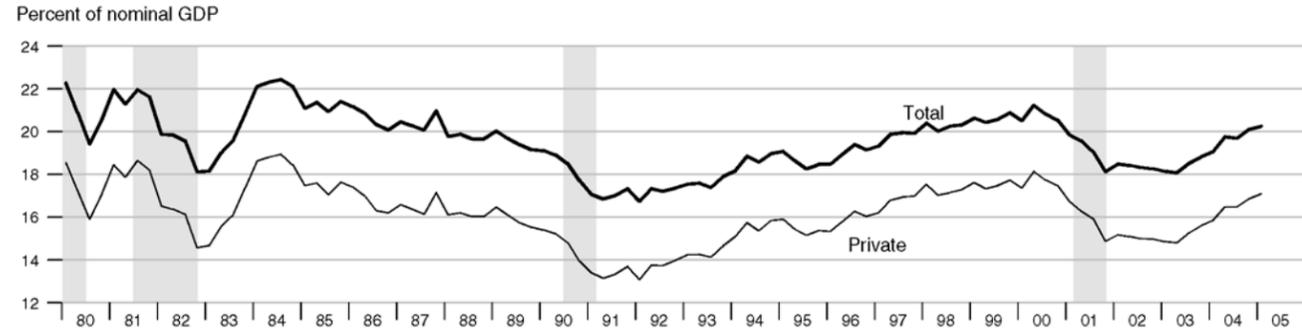
Consumer Sentiment (U. of Michigan)



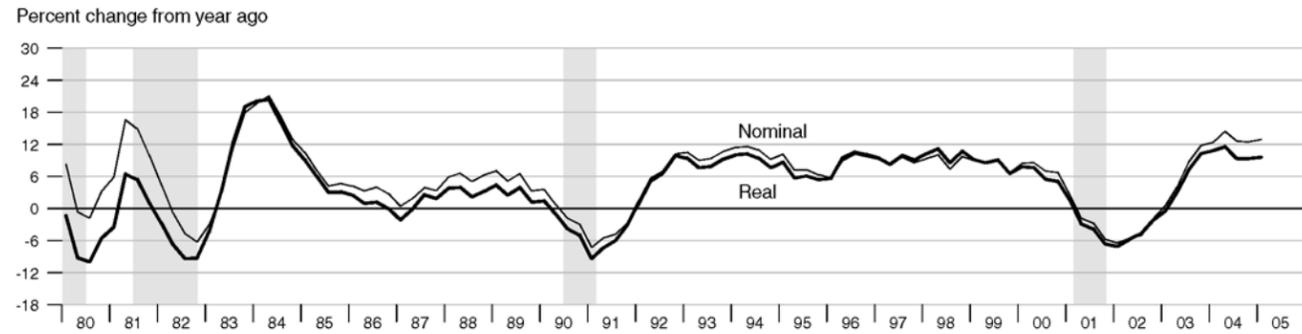
Real Durables Consumption



Investment



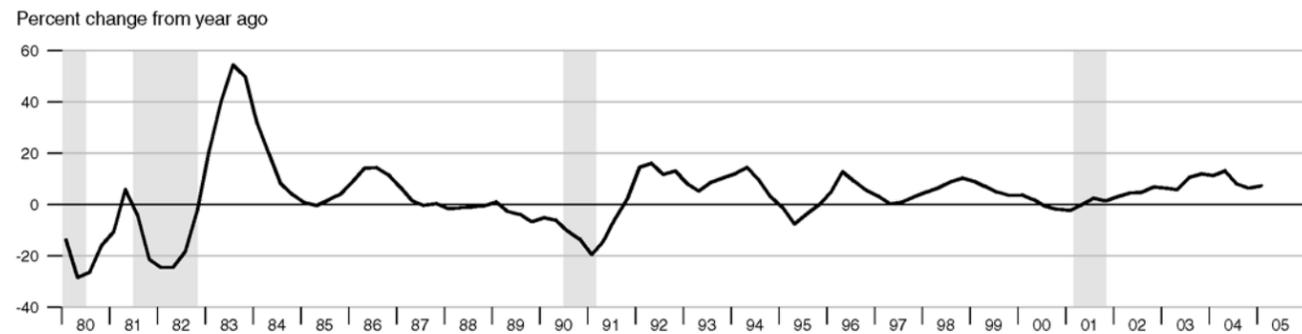
Private Fixed Investment



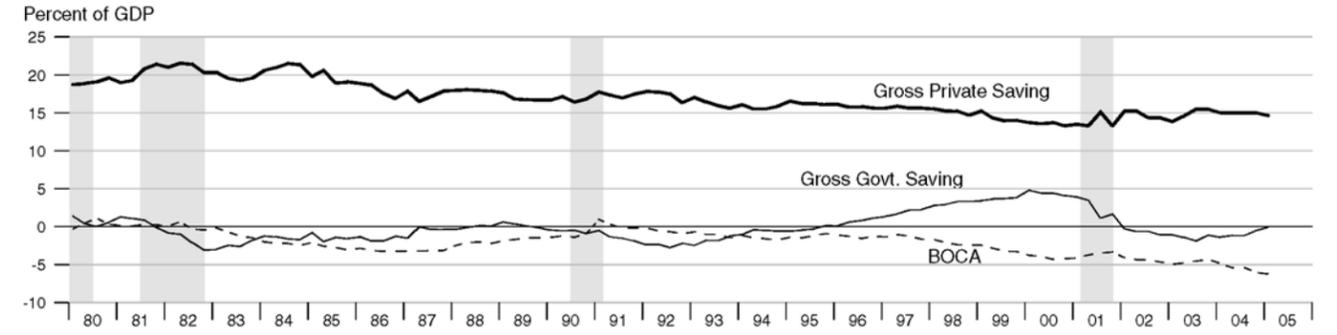
Real Nonresidential Fixed and Equipment & Software Investment



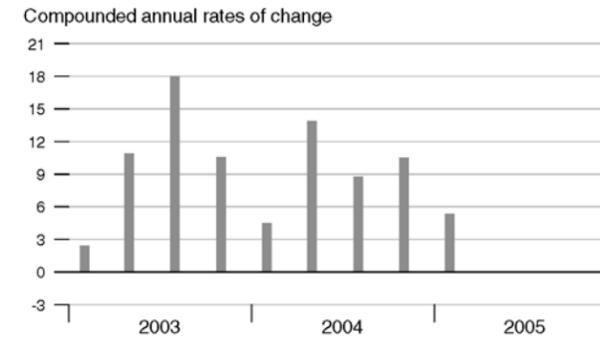
Real Residential Fixed Investment



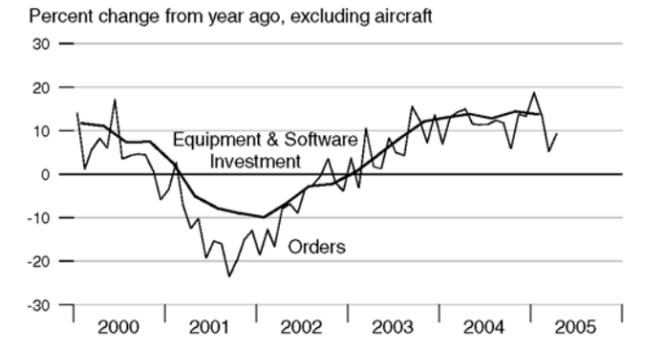
Gross Saving Rates and Balance on Current Account (NIPA)



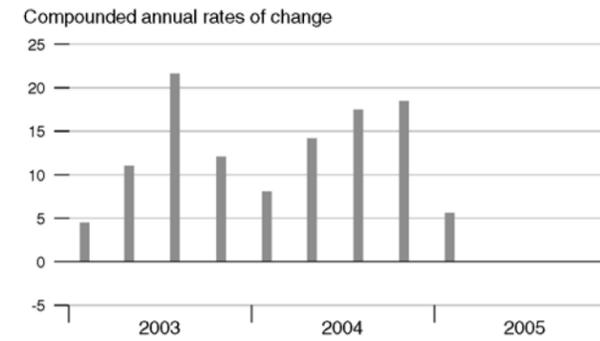
Real Private Fixed Investment



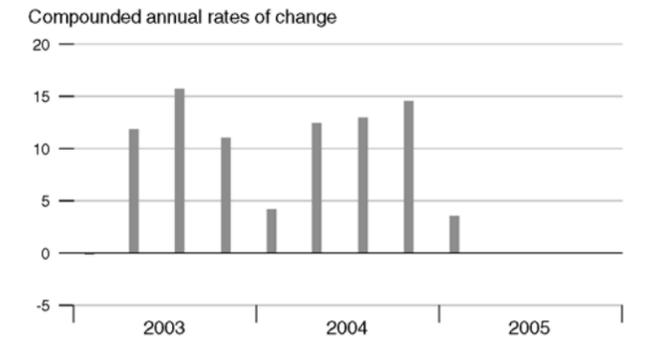
Nondefense Capital Goods Orders



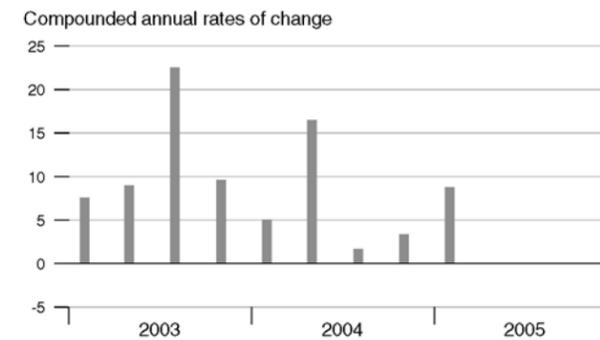
Real Equipment & Software Investment



Real Nonresidential Fixed Investment



Real Residential Fixed Investment



Housing Starts and New Home Sales

