

University of Pennsylvania
Current Quarter Model of the United States Economy

FORECAST SUMMARY

by Lawrence R. Klein and Wendy Mak

At the University of Pennsylvania, in cooperation with Global Insight, we have established statistical relationships between some 75 monthly economic and financial indicators and the main entries in the quarterly national income and product accounts (NIPA). This is a purely econometric system with no personal data adjustment. We update, on a weekly basis, partial information on the United States economy from high-frequency indicators, as they become available, and revise our current (and next) quarter forecasts, on a forward rolling basis.

In addition to economic forecasting at high-frequency intervals, our Current Quarter Model features the combination of GDP forecasts from three approaches -- from bridge equations of both the product (expenditure) side and the income side of the NIPA, and from regressions of GDP on the principal components of selected major indicators.

The Week's Economic Highlights

- The revision of the first quarter growth rate of GDP brought the estimate up to 0.9%, showing more support for economic recovery without slipping into a cyclical recession.
- April values for personal income and for consumption growth were estimated at 0.2%.
- Orders for durable goods fell by 0.5% in April, but shipments rose by 1.2%.
- Net exports, in real terms, rose another step in the recover pattern for the first quarter. Also, corporate profits increased in the quarter, reversing declines in previous quarters.
- Sales of new homes rose in April, but the residential market remains very weak.
- Initial claims for unemployment insurance in the week ending May 24, increased, and the estimates for the previous week were revised upward.
- Consumer survey reports from the University of Michigan (with Reuters) and the Conference Board were both weak for May.
- Inflation expectations continued to reflect rising prices, and the exchange value of the US dollar was mixed across leading markets.
- Energy prices came down a bit after 3 weeks of persistent rise.

FORECAST UPDATE OVERVIEW

This forecast incorporates the following National Income and Product Accounts:

MAY 29 GDP (based on Chain 2000 Weights) for 2008Q1: 0.9%
MAY 30 Personal Income and Consumption for April: 0.2%, 0.2%

The latest CQM forecast incorporates new monthly economic indicators (marked in red) that were not included in the previous forecast

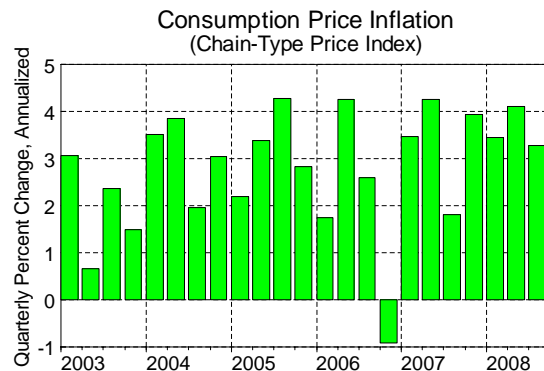
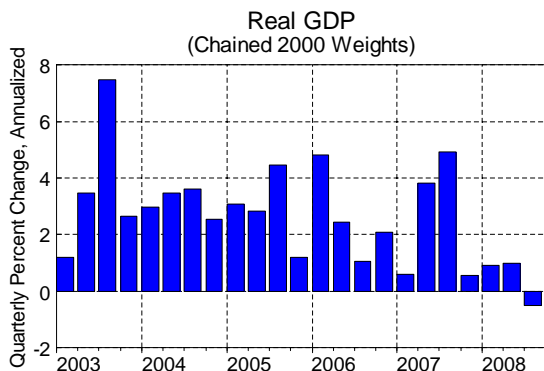
Date	Economic Indicator	for	Latest	Prior Month
May 01	Construction Spending	March	-1.1%	0.4%
May 02	Nonfarm Payroll Employment	April	-20,000	-81,000
May 01	Auto Sales	April	14.4 Million	15.1 Million
May 07	Consumer Credit Outstanding	March	\$15.3 Billion	\$6.5 Billion
May 13	Export/Import Price Index	April	0.3%, 1.8%	1.5%, 2.9%
May 20	Producer Price Index, Total & Core	April	0.2%, 0.4%	1.1%, 0.2%
May 13	Retail Sales, Total & Ex-Auto	April	-0.2%, 0.5%	0.2%, 0.4%
May 15	Industrial Production	April	-0.7%	0.2%
May 13	Business Inventories	March	0.1%	0.5%
May 14	Consumer Price Index, Total & Core	April	0.2%, 0.1%	0.3%, 0.1%
May 16	Housing Starts	April	1,032,000	954,000
May 09	Trade Balance	April	-\$58.2 Billion	-\$61.7 Billion
May 29	Durable Goods Orders & Shipments	April	-0.5%, 1.2%	-0.3%, -0.9%
May 02	Manuf Ships, Inv, & Orders	March	1.1%, 0.9%, 1.4%	-1.9%, 0.7%, -0.9%

Weekly forecasts of the quarterly percent change (SAAR) of Real GDP and quarterly percent change (SAAR) of the (Chain-Type) Price Index of Personal Consumption Expenditures:

	Real GDP					PCE Price Index				Official Release	
	07Q4	08Q1	08Q2	08Q3		07Q4	08Q1	08Q2	08Q3		
Jan 28	1.04	1.04			3.86	4.07					
Feb 04	0.63	0.35	1.18		3.90	4.04	3.85			<=1 st	07Q4
Feb 11	0.56	0.62	1.50		3.90	4.04	3.85				
Feb 18	0.72	0.67	1.48		3.90	4.19	4.01				
Feb 25	0.71	0.60	1.44		3.99	4.24	4.02				
Mar 03	0.62	0.84	1.14		4.08	4.21	4.03			<=2 nd	07Q4
Mar 10	0.67	-0.18	1.02		4.17	4.08	4.21				
Mar 17	0.68	-0.12	1.26		4.16	3.56	3.30				
Mar 24	0.68	-0.13	1.34		4.16	3.56	3.30				
Mar 31	0.58	0.01	1.07		3.95	3.56	3.30			<=3 rd	07Q4
Apr 07		-0.23	0.88			3.56	3.30				
Apr 14		-0.33	0.66			3.56	3.30				
Apr 21		-0.49	0.27			3.65	3.60				
Apr 28		-0.49	0.27			3.65	3.60				
May 05		0.60	-0.50	1.34		3.52	3.55	3.96		<=1 st	08Q1
May 12		0.95	-0.45	1.45		3.63	3.55	3.96			
May 19		0.99	-0.44	1.57		3.63	3.16	3.80			
May 20		0.99	-0.38	1.59		3.63	3.16	3.80			
Jun 02		0.90	0.95	-0.51	*	3.46	4.11	3.29		<=2 nd	08Q1

Official figures released by the Department of Commerce are in blue.

*** See pages 11 and 12 for the assumption of effect of stimulus rebate checks on our CQM forecast.**



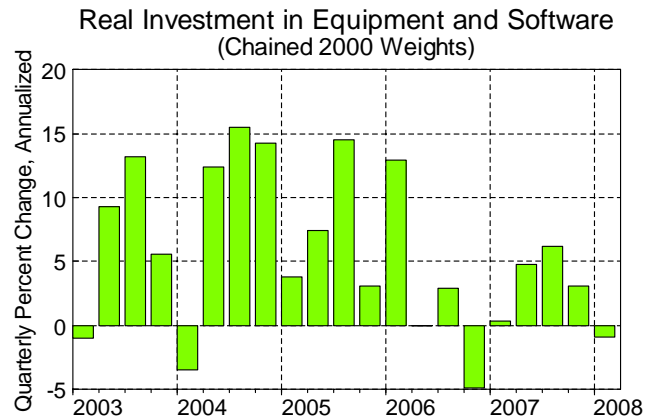
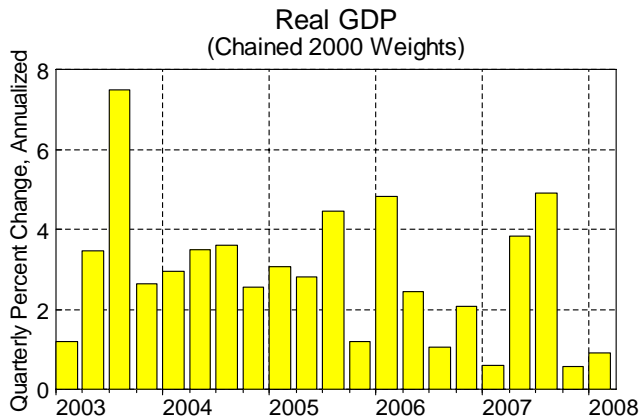
High Frequency Indicators

The Week in Review (May 26 - 30)

Gross Domestic Product

Based on the BEA preliminary estimate, the economy grew 0.9% in the first quarter, stronger than 0.6% growth estimated a month ago.

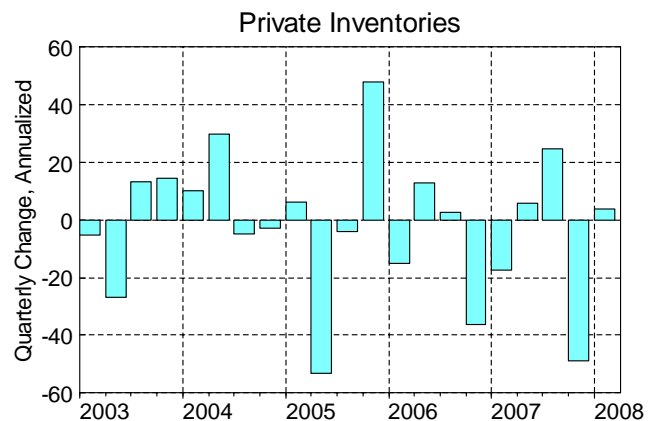
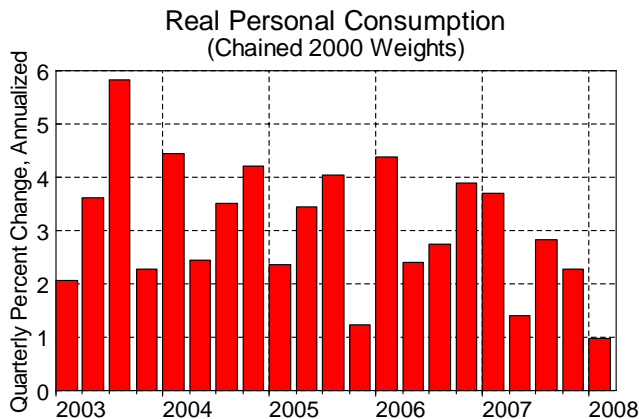
Business investment slipped 0.2%, smaller than a 2.5% decline estimated a month ago. Investment in structures rose 1.1%, but investment in equipment and software fell 0.9%.



The upward revision was led by stronger growth of personal income and business investment. Imports were also lower than previously estimated.

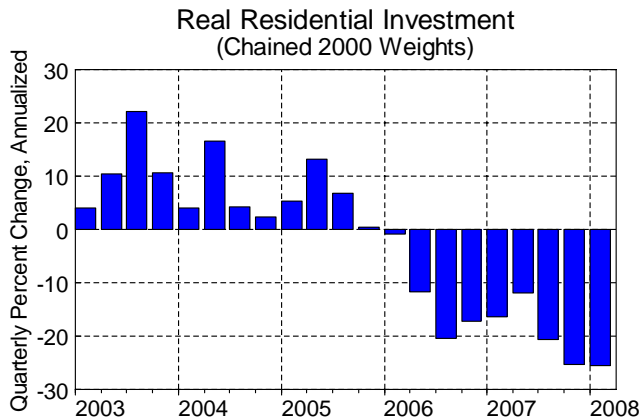
Inventories fell \$14.4 billion in the first quarter, in contrast to a \$1.8 billion increase estimated a month ago. Inventory change added 0.2 percentage point to GDP growth, slower than a 0.8 percentage point contribution estimated a month ago.

In the first quarter, real consumer spending rose 1%, the slowest in 7 years. Consumer spending on durable goods plunged 6.2%, while spending on nondurable goods was down 0.3%. This offset a 3% increase in spending on services. In the first quarter, consumer spending added 0.7 percentage point to GDP growth.

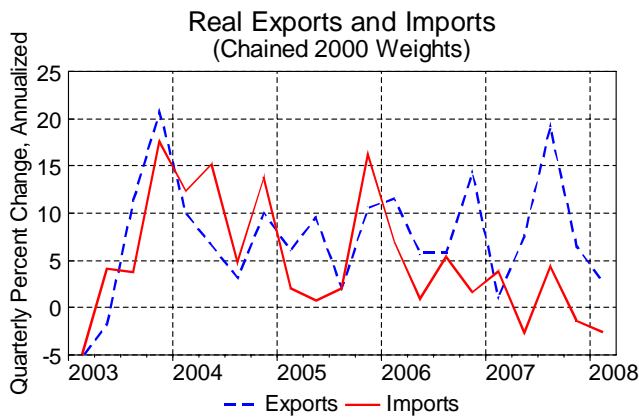


Residential investment continued to skydive. In the first quarter, residential investment plummeted 25.5%, down for the ninth consecutive quarter. The first-quarter drop was also the strongest decline in 27

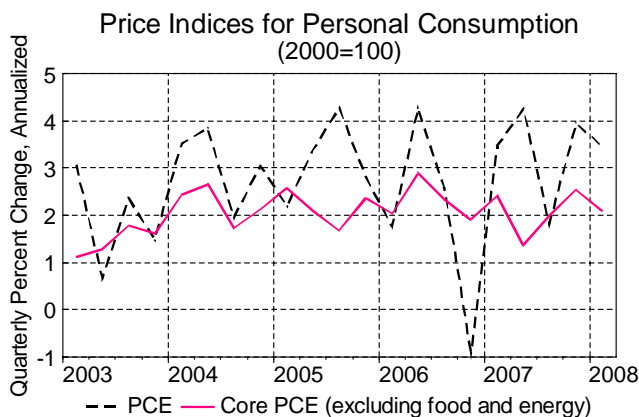
years. Residential investment subtracted 1.2 percentage points from GDP growth.



In the first quarter, exports were up 2.8%. This was weaker than the advance estimate, at 5.5%. Meanwhile, imports dropped 2.6%. Together, the trade balance added 0.8 percentage point to GDP growth.

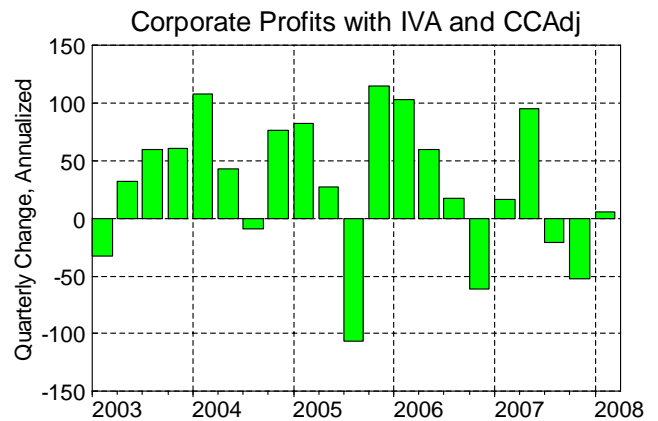


Government spending went up 2%, and contributed 0.4 percentage point to GDP growth. National defense spending rose 5.6%.



The PCE price index was up 3.5% in the first quarter, while the core PCE index rose 2.1%, above the FED's comfort zone.

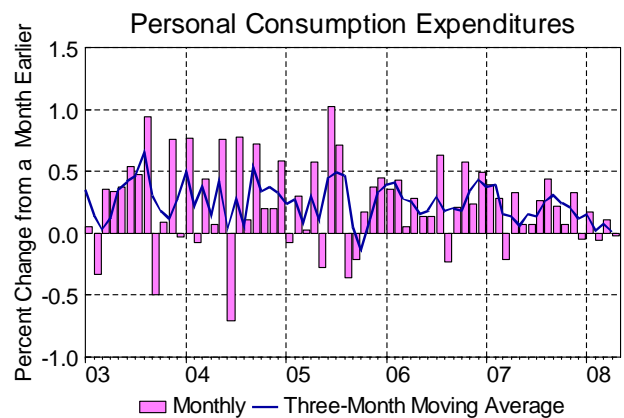
In the first quarter, before-tax corporate profits rose 0.3% (\$5.2 billion), following a 3.3% (\$52.9 billion) decline in the fourth quarter of 2007. Compared to a year ago, before-tax corporate profits went up 1.7%. Meanwhile, corporate profits after tax were up 3.8% (\$42 billion). Compared to a year ago, after-tax corporate profits went up 5.6%.



Real disposable income increased 1.8% in the first quarter, stronger than a 1.4% growth estimated a month ago. The savings rate was also revised up, to 0.6%.

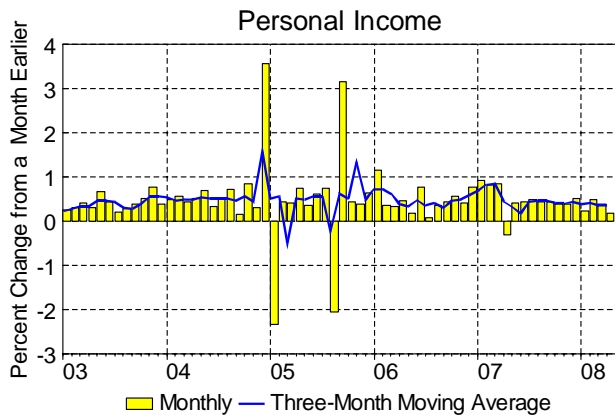
Personal Income and Consumption

In April, consumer spending rose 0.2%. However, after adjusting for inflation, real consumer spending edged down (at the second decimal place) in the month.

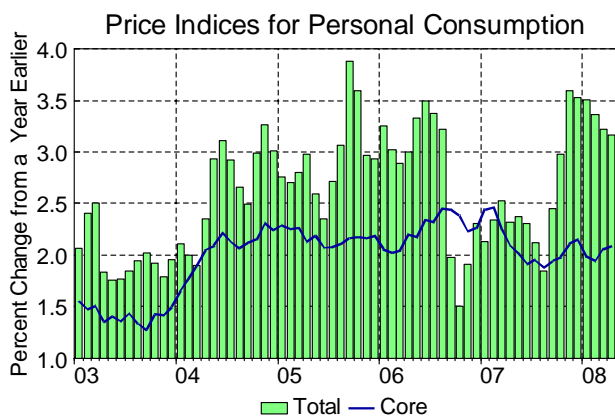
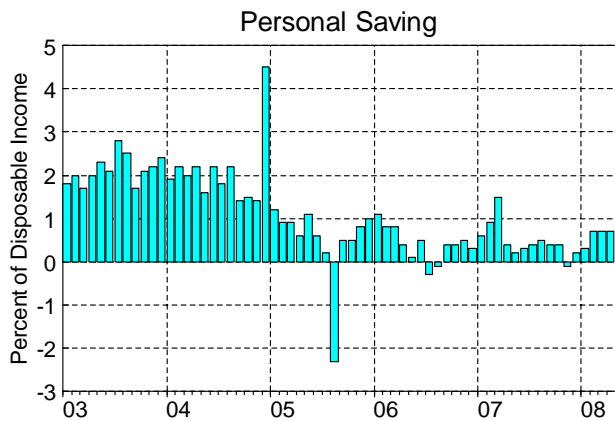


Real consumer spending on durable goods and nondurable goods both fell 0.2%. Real spending on services edged up 0.1%.

Personal income also rose 0.2% in April. Wages and salaries slipped 0.2%, while proprietors' income edged down 0.1%. Income from assets was up 0.3%.



Real disposable income was flat in April, for the second consecutive month. Meanwhile, the personal savings rate was unchanged at 0.7%.



In April, the monthly PCE price index was up 0.2% in aggregate, following a 0.3% increase in March. The core PCE price index edged up 0.1% in April.

On a year-over-year basis, the PCE price index rose 3.2%, while the core index was up 2.1%.

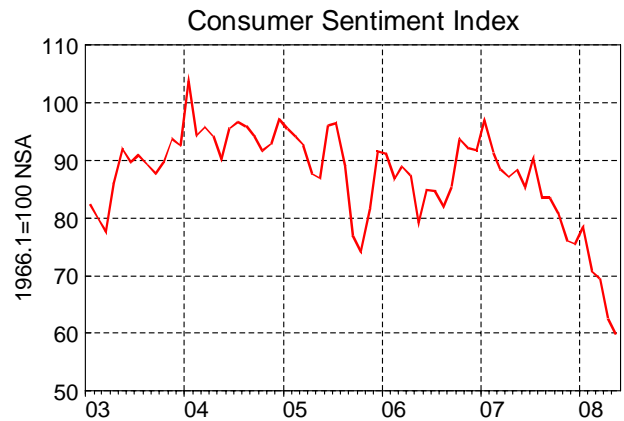
Consumer Sentiment Index

In May, the Consumer Sentiment Index (from the University of Michigan and Reuters) stood at 59.8 in May, down from 62.6 in April. This was, however, marginally higher than a 59.5 reading from two weeks ago.

The Current Conditions Index was down to 73.3 in May, from 77 in April.

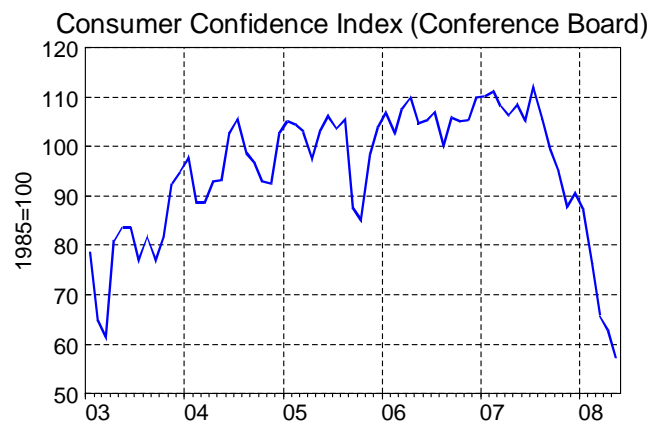
The Consumer Expectation Index fell to 51.1 in May, from 53.3 in April. This was the weakest reading since October, 1990.

Inflation expectations for the 12 months ahead rose from 4.8% in April to 5.2% in the latest survey result.



Consumer Confidence Index

Similar to the Consumer Sentiment Index, the Conference Board's Consumer Confidence Index also sank to its lowest in many years.



In May, the Consumer Confidence Index stood at 57.2, down from 62.8 in April. This was the lowest in 16 years.

The Present Situation Index dropped to 74.4 in May, from 81.9 in April.

The Expectations Index fell to 45.7 in May, from 50 in April.

Among those surveyed, 28.0% indicated that jobs are “hard to get”, compared to 27.9% in April. 16.3% indicated jobs are “plentiful”, down from 17.1% in April. Inflation expectations stood at 7.7% in May, up from 6.8% in April.

Durable Goods Orders

In April, durable goods orders fell 0.5%, down for the second consecutive month.

Transportation orders dropped 8.0% in April, following a 5.1% decline in March. Orders for aircraft plunged 24.4%. Orders for motor vehicles dropped 3.3%, down for the fifth consecutive month.

Excluding transportation, orders were up 2.5%, the strongest since July 2007.

Orders for electrical equipment and appliances were up an impressive 27.8%, following an 18.9% decline in March.

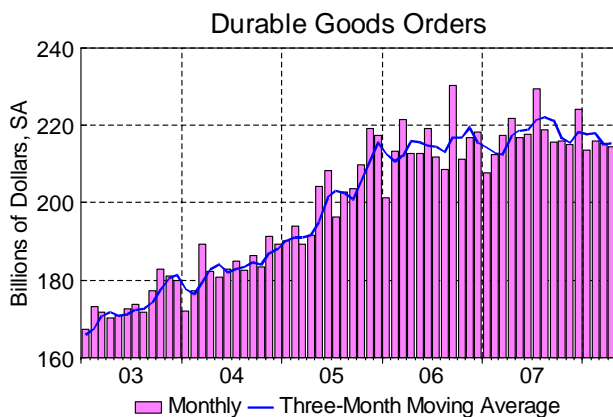
Orders for machinery increased 4.2% in April. Orders for primary metals went up 2.8% in April. However, orders for computers and electronics fell 1.5%.

Orders for core capital equipment increased 4.2% in April, the strongest in four months.

Shipments of durable goods went up 1.2% in April, after falling 0.9% in March. Excluding transportation, shipments went up 1.3% in April.

Unfilled orders rose 1.0%, after a 1.3% increase in March.

Inventories increased 0.5%, following a 1.0% increase in March.



New Home Sales

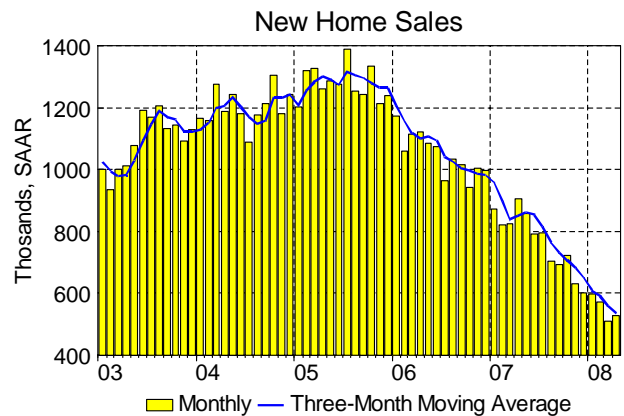
In April, new home sales rose 3.3% to 526,000 (annual rate). The increase was in line with expectations. Despite the monthly increase, new home sales were

still down 42%, compared to a year ago. This was the largest year-over-year decline in 27 years.

The April sales increase was led by stronger performance in the Northeast, the Midwest and the West. Sales in the South, however, fell in April.

The median sales price stood at \$246,100, down 1.5% from a year ago.

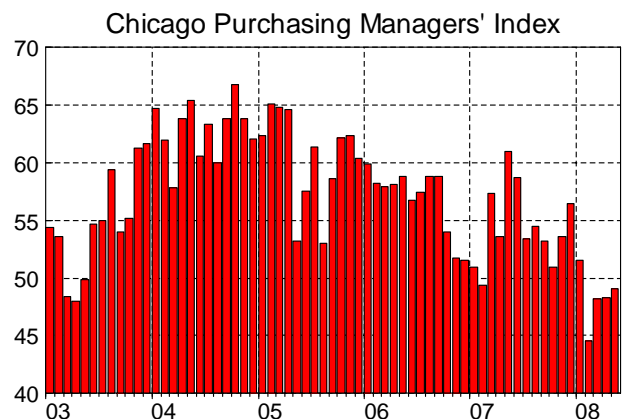
The number of unsold homes fell 2.4% to 456,000 units. This corresponds to a 10.6-month supply.



Chicago Purchasing Managers Index

In May, the Chicago Purchasing Managers Index stood at 49.1, up slightly from 48.3 in April. This marked the fourth consecutive month that the index remained below the expansion threshold, 50.

New orders rose from 53 in April, to 56.1 in May, the strongest since December 2007. Production, however, fell 1.5 index points to 51.5 in May. Inventories fell to 42.2, from 51.9 a month ago.



Initial Jobless Claims

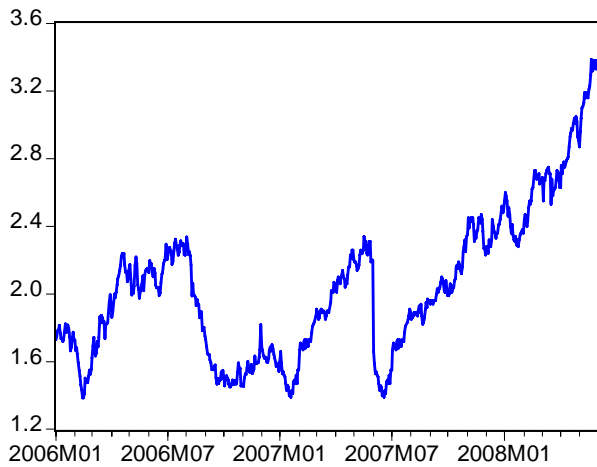
For the week ending May 24, initial jobless claims rose 4,000 to 372,000, reversing the prior week’s decrease. The prior week’s initial claims figure was revised up by

Energy Prices

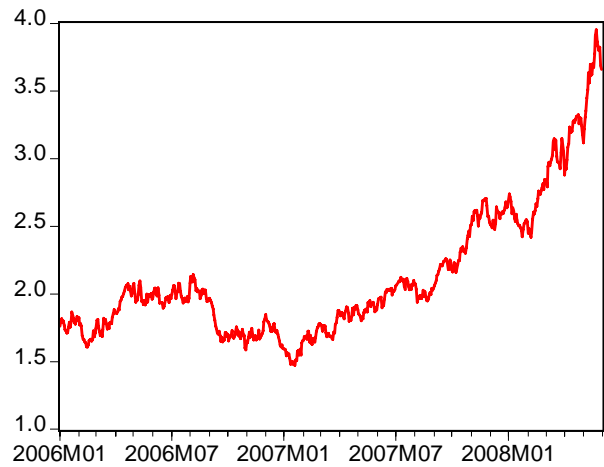
Energy prices retreated, following three straight weeks of sharp increases. By Friday's market close, crude oil prices traded at \$127.35 per barrel, down \$4.8 from a week ago. In the prior three weeks, oil prices gained more than \$15 a barrel. Market movers continued to blame the weak US dollar as a main factor behind the sharp increase in oil prices. A year ago, oil prices traded at about \$60 a barrel.

Prices of other energy commodities also fell slightly this week. Prices of heating oil were down 22 cents to \$3.67 per gallon. Prices of gasoline fell 5 cents to \$3.35 per gallon. Finally, prices of natural gas dropped 28 cents to \$11.70 per mmbtu. This week's price declines were marginal, compared to the significant price jumps in the prior weeks, and provided little relief to consumers and businesses.

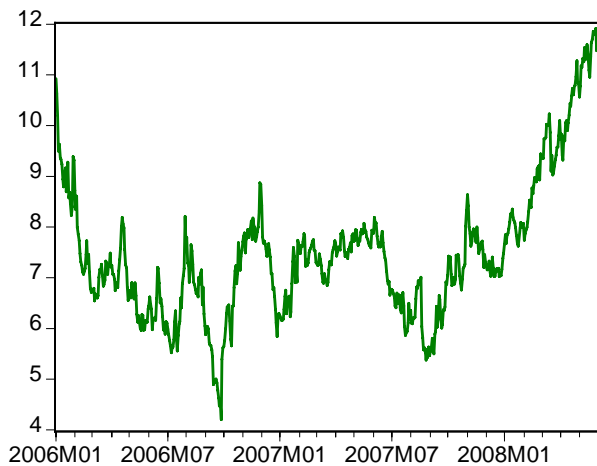
In the US retail market, gasoline prices were about 4 cents below \$4 per gallon, a record high. Market watchers are monitoring closely whether the sharp increase in gasoline prices might deter consumers' gasoline consumption.



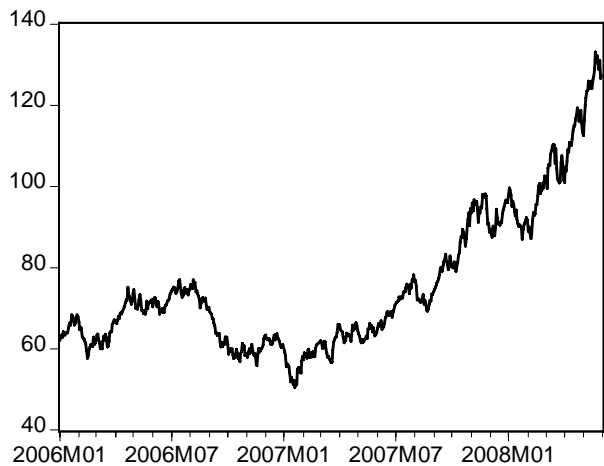
— Gasoline Futures Price, \$/Gallon



— Heating Oil Futures Price, \$/Gallon



— Natural Gas Futures Price, \$/MMBTU



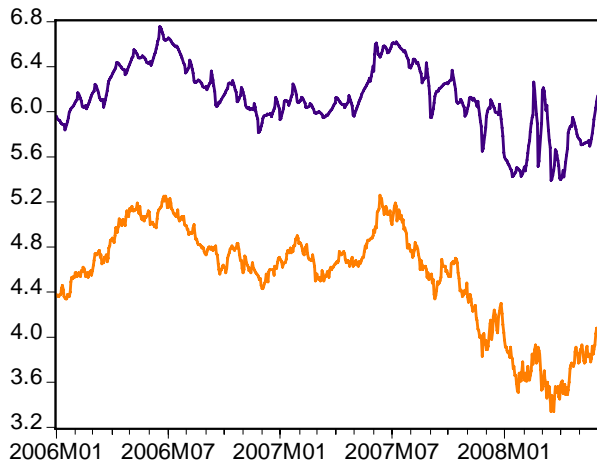
— Crude Oil (WTI) Futures Price, \$/Barrel

Interest Rates

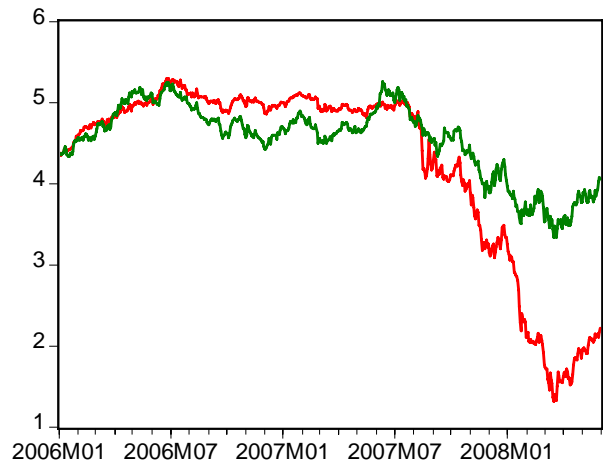
Treasury prices continued to remain mixed this week, up for a day and down for the next. On one hand, inflationary concerns continued to heighten, with oil prices remaining close to their new highs. Fed watchers anticipate that the Federal Reserve might be less aggressive with interest rate cuts in the near term. On the other hand, economic performance remained weak. At the same time, market movers monitored closely the Fed's actions to inject more liquidity into the system.

By Friday's market close, the two-year treasury yielded 2.65%, up 22 basis points from a week ago. The ten-year treasury yield stood at 4.06% by the week's close, also gaining 22 basis points from a week ago.

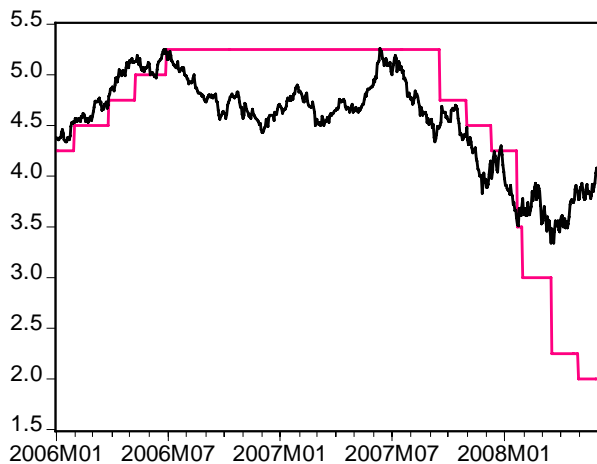
The upward pressure on daily inflation expectations (yield on unprotected minus yield on protected 10-year bonds) rose for the third consecutive week. They currently stand at 2.51%, down 1 basis point from a week ago. FED officials indicate that they remain concerned about inflation, while trying to prevent the trend pattern of real GDP from significant decline.



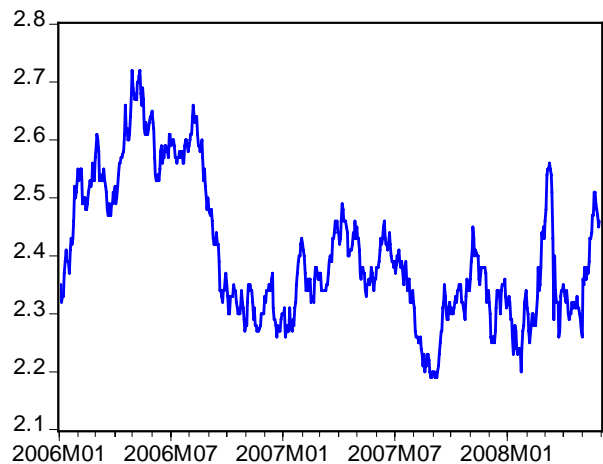
— 10-year treasury yield
— Average weekly yield of 30-year mortgages



— 1-year treasury bill
— 10-year treasury yield



— Federal funds rate
— 10-year treasury yield



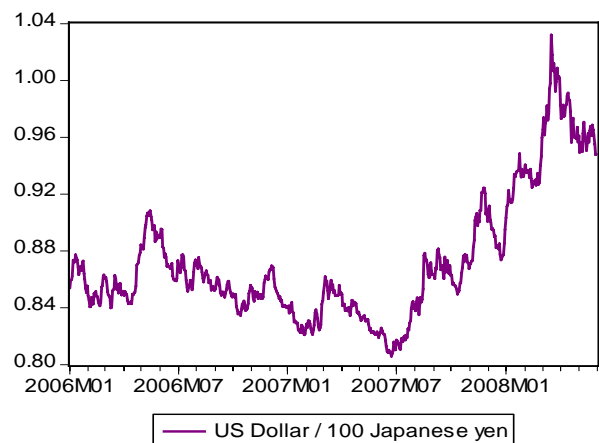
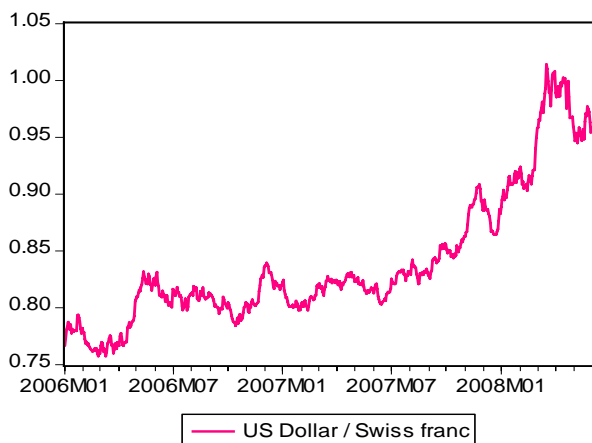
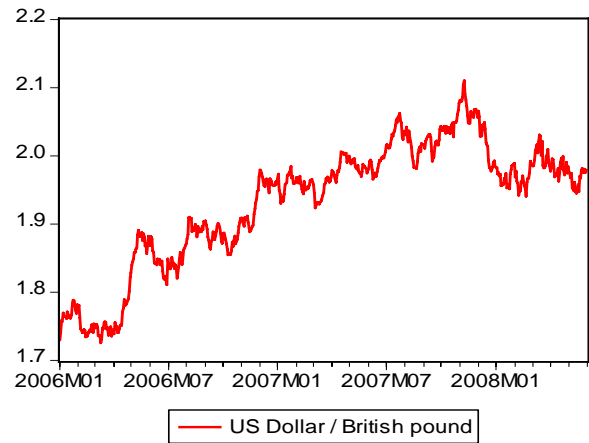
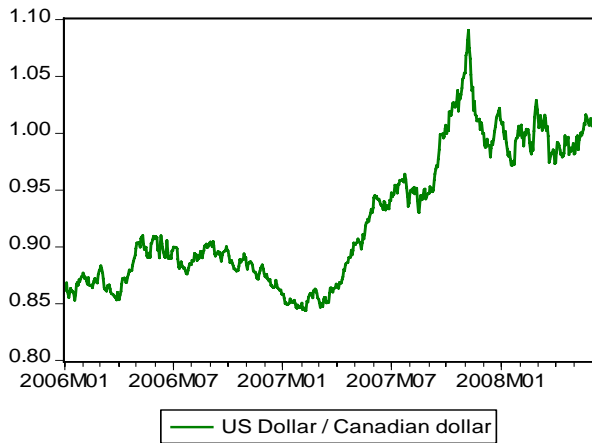
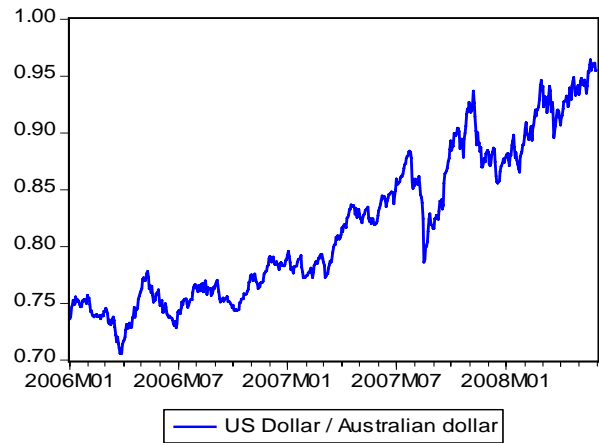
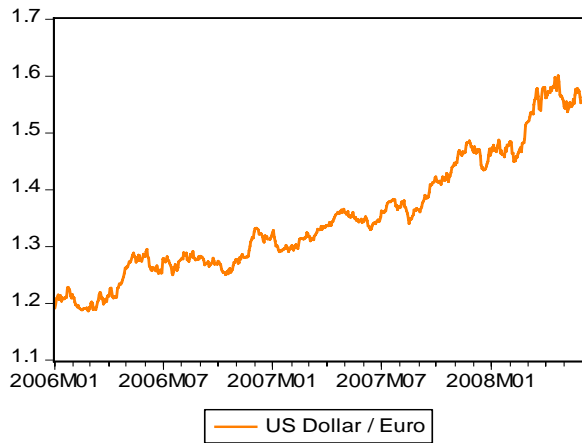
— Daily Inflation Expectations

Currency Markets

The US dollar was mixed this week. It gained 1.3% against the euro and closed Friday at US\$1.5554 per euro. For May, the US dollar inched up 0.4% against the euro.

The US dollar also rose against the Japanese yen. By Friday's market close, the US dollar traded at 105.51 yen per US dollar, up 2 yen from a week ago. For the month, the US dollar gained 1.5% against the Japanese yen.

Meanwhile, the US dollar was down 0.1% against the British pound, closing Friday at US\$1.9822 per British pound. However, the US dollar gained marginally against the Canadian dollar, at US\$1.0067 per Canadian dollar. The Canadian economy fell 0.3% (annualized) in the first quarter. The contraction was unexpected, and worried market participants.



The Week in Preview (June 2 - 6)

Date	Economic Indicator	For	Market Consensus	Prior Month
Jun 02	Construction Spending	April	-0.6%	-1.1%
Jun 02	ISM Manufacturing Index	May	48.0	48.6
Jun 03	Light Vehicle Sales	May	14.0 million	14.4 million
Jun 03	Factory Orders	April	-0.5%	1.4%
Jun 04	Nonfarm Business Productivity	Q1	2.5%	2.2%
Jun 04	ISM Non-Manufacturing Index	May	51.0	52.0
Jun 05	Initial Jobless Claims	May 31	370,000	372,000
Jun 06	Average Workweek	May	33.7 hours	33.7 hours
Jun 06	Average Hourly Earnings	May	0.2%	0.1%
Jun 06	Nonfarm Payrolls	May	-52,000	-20,000
Jun 06	Unemployment Rate	May	5.1%	5.0%
Jun 06	Consumer Credit Outstanding	April	\$7.7 billion	\$15.3 billion

Current Quarter Forecasts

In the second quarter, our forecast for real GDP is expected to increase 1.0% (SAAR), to be followed by a 0.5% decline in the third quarter of 2008.

The GDP deflator is projected to increase 3.4% in the second quarter (SAAR), and 2.9% in the third quarter of 2008.

Nominal GDP is forecasted to total US\$14.35 trillion in the second quarter, to be followed by US\$14.44 trillion in the third quarter of 2008. This amounts to 4.5% (SAAR) expansion in the second quarter and 2.4% increase in the third quarter of 2008.

CQM Forecast Assumption

On their website, the BEA noted that “rebates to individuals are expected to total \$106.7 billion for 2008”, with the majority sent between end-April and mid-July. These rebates will be “recorded as either an offset to personal current taxes or as a social benefit payment to persons”.

In our latest forecast, we have incorporated the rebates on the income side of our forecast, and assume a 0.9 marginal propensity to consume (MPC) on the expenditure side.

New Projections

A methodological concept for high-frequency forecasting is to revise forecasts by using new observations as soon as they are available. In the general pattern of BEA releases on NIPA sequences, there are 3 reports every quarter – advance, preliminary, and final. We are now making fresh estimates of GDP and consumer price rates of change by re-estimating quarterly values for the preliminary and final estimates prior to their official release dates. You will find our final projection values on page 2 of this report for the weeks of Feb 11th-25th, Mar 10th-24th and May 12th-26th.

If you have any questions, please contact Wendy Mak at (215) 564-6306 or wendymak@sas.upenn.edu

Note to Readers of the US Forecast

There is little doubt that the US economy slowed considerably in 2007. The latest quarterly estimates since 2004 are:

Year	2004			2005				2006				2007				2008
Quarter	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I
% Change	3.5	3.6	2.5	3.1	2.8	4.5	1.2	4.8	2.4	1.1	2.1	0.6	3.8	4.9	0.6	0.9

We prefer to judge by the numbers rather than by subjective opinions; therefore the numbers for 2008 Q2 are of significant importance, and will remain so for the remainder of 2008, if not longer. Interpretation of the fiscal stimulus and other policy measures must be watched with great care, especially since the US economy's activity path has worldwide effects. The fiscal stimulus, in particular, began on April 28th. This policy action is not built into our high-frequency model; so we must make some judgments in our forecasts, week-by-week.

In current prices (nominal values), the first quarter average propensity to consume is

$$\frac{C_1^{08}}{Y_1^{08}} = \frac{10046.2}{10502.3} = 0.95657$$

The statistical discrepancy, which we follow regularly, between the production (supply) side estimate of GDP and the expenditure (demand) side estimate is as large as \$132.9 billion in the first quarter of 2008 and was significantly negative in the first 2 quarters of 2007. In terms of the size of the fiscal stimulus, this discrepancy is very large and important in judging where the US economy stands.

In constant prices based on chained index values on a base of 2000, the average propensity to consumer was estimated as

$$\frac{C_1^{08}}{Y_1^{08}} = \frac{8369.7}{8749.7} = 0.95657, \text{ the same value as in current prices.}$$

In order to judge the effect of the fiscal stimulus, now beginning, we shall spread the total amount, to be distributed, \$106.7 billion, through mid July 2008, using a conservative average propensity to consume of 0.9. That is why our present forecast for real GDP growth in 2008 Q2 is now set at +0.95.

There is a fractional negative percentage change estimated for Q3, but we shall have to get more information about the success of the stimulus for Q3, during the coming weeks. We shall also have to monitor the well-known J-curve effects for the trade balance in the months ahead. For the past 4 quarters, the real balance has steadily decreased, thereby contributing to higher quarterly GDP estimates.

Followers of our forecast must be wary of journalistic interpretations of the stimulus that attach great importance of its effect, only if it goes immediately into retail sales. If the checks are not hoarded but placed in the economy, outside retail spending, they still will be effective if they enter elsewhere into the stream of economy activity.

FORECAST SUMMARY TABLE
Monthly Economic Indicators

	JAN08	FEB08	MAR08	APR08	MAY08	JUN08	2008Q1 Actual	2008Q2 Forecast
PRODUCTION								
Nonfarm Payroll Employment (Mil)	137.837	137.977	138.037	138.078	138.002	137.919	137.950	138.000
+ Difference	0.081	0.140	0.060	0.041	-0.076	-0.083	0.167	0.049
% Change, Annual Rate	0.7	1.2	0.5	0.4	-0.7	-0.7	0.5	0.1
% Change, Year Ago	0.5	0.6	0.5	0.5	0.4	0.2	0.6	0.4
DEMAND AND SPENDING								
Retail Sales (Bil\$)	339.55	339.41	343.93	340.17	406.38	404.60	340.96	341.05
% Change	0.7	-0.0	1.3	-1.1	19.5	-0.4		
% Change, Annual Rate	8.4	-0.5	17.2	-12.4	745.0	-5.1	3.5	0.1
% Change, Year Ago	3.0	2.1	2.7	1.8	19.6	20.6	2.6	1.4
PRICES								
PPI, Finished Goods (1982=100)	167.0	167.9	172.3	171.4	173.3	173.9	169.1	172.9
% Change	0.5	0.5	2.6	-0.5	1.1	0.3		
% Change, Annual Rate	6.7	6.7	36.4	-6.1	14.1	4.2	6.6	9.3
% Change, Year Ago	3.8	3.1	4.8	3.6	4.1	4.4	3.9	4.0
CPI, All-Urban (1982-84=100)	208.5	209.1	210.9	211.7	212.5	212.6	209.5	212.3
% Change	0.4	0.3	0.9	0.4	0.4	0.0		
% Change, Annual Rate	4.5	3.2	11.3	4.4	4.8	0.3	2.9	5.4
% Change, Year Ago	2.4	2.4	2.8	2.9	2.8	2.6	2.6	2.8
Housing Starts (Mil)	1.185	1.275	1.179	1.000	1.064	1.107	1.213	1.057
% Change	-11.4	7.6	-7.5	-15.2	6.4	4.0		
% Change, Annual Rate	-76.5	140.7	-60.9	-86.1	110.5	60.9	-20.9	-42.3
% Change, Year Ago	-14.3	-14.2	-21.0	-32.8	-25.9	-24.1	-16.5	-27.6
Industrial Production Index (2002=	112.26	111.83	112.30	112.44	112.60	111.79	112.13	112.27
% Change	0.3	-0.4	0.4	0.1	0.1	-0.7		
% Change, Annual Rate	3.1	-4.5	5.2	1.6	1.7	-8.3	0.2	0.5
% Change, Year Ago	2.3	1.2	1.7	1.3	1.5	0.4	1.7	1.1
New Orders for Manufactured Goods	425.40	430.25	437.81	445.92	435.42	433.86	431.15	438.40
% Change	-0.3	1.1	1.8	1.9	-2.4	-0.4		
% Change, Annual Rate	-3.1	14.6	23.2	24.6	-24.9	-4.2	4.8	6.9
% Change, Year Ago	4.8	4.2	3.7	4.0	1.9	1.5	4.2	2.5
Nondefense Capital Goods Shipments	67.86	67.14	67.19	67.80	68.95	66.46	67.40	67.73
% Change	0.5	-1.1	0.1	0.9	1.7	-3.6		
% Change, Annual Rate	6.3	-12.0	0.8	11.5	22.3	-35.7	-1.4	2.0
% Change, Year Ago	6.0	3.0	2.5	2.8	3.5	0.2	4.2	2.5
Sales of Domestic Passenger Cars (5.18	5.15	5.62	5.54	5.07	5.02	5.32	5.21
% Change	0.7	-0.5	9.1	-1.5	-8.4	-1.0		
% Change, Annual Rate	8.2	-6.3	185.1	-16.9	-65.3	-11.0	13.1	-8.0
% Change, Year Ago	-1.1	1.6	10.3	10.3	-8.2	-4.3	3.5	-1.0
Business Inventories (Bil\$)	1428.08	1430.59	1435.82	1443.84	1457.95	1464.50	1431.49	1455.43
% Change	0.5	0.2	0.4	0.6	1.0	0.4		
% Change, Year Ago	2.6	2.5	2.9	3.2	3.7	3.8	2.7	3.6
+ Difference, Annual Rate	79.5	30.2	62.7	96.3	169.4	78.5	31.4	95.7
EXTERNAL SECTOR								
Merchandise Trade Balance, Census	-70.76	-66.14	-67.84	-69.52	-66.51	-69.52	-818.94	-822.20
+ Difference	-5.5	4.6	-1.7	-1.7	3.0	-3.0		
+ Difference, Annual Rate	-66.3	55.4	-20.5	-20.1	36.1	-36.1	-44.44	-3.26
+ Difference, year ago	-7.7	-1.9	0.3	-4.4	-0.2	-2.6		

FORECAST SUMMARY
GROSS DOMESTIC PRODUCT
 Billions of (Chained 2000) Dollars, S.A.A.R.

	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3
	< a c t u a l >			< f o r e c a s t >	
Real GDP					
(i) Expenditure Side GDP	11658.9	11675.7	11701.9	11734.2	11735.8
% Previous Q, A.R.	4.91	0.58	0.90	1.11	0.05
% Year before	2.84	2.46	2.53	1.86	0.66
(ii) Income Side GDP	11658.9	11675.7	11701.9	11733.4	11677.5
% Previous Q, A.R.	4.91	0.58	0.90	1.08	-1.89
% Year before	2.84	2.46	2.53	1.85	0.16
(iii) Principal Components est. GDP	11658.9	11675.7	11701.9	11723.5	11732.9
% Previous Q, A.R.	4.91	0.58	0.90	0.74	0.32
% Year before	2.84	2.46	2.53	1.77	0.63
Average Real GDP	11658.9	11675.7	11701.9	11730.4	11715.4
% Previous Q, A.R.	4.91	0.58	0.90	0.98	-0.51
% Year before	2.84	2.46	2.53	1.83	0.48
GDP Deflator (2000=100)					
(i) Expenditure Side PGDP	119.8	120.6	121.3	122.4	123.3
% Previous Q, A.R.	1.04	2.44	2.59	3.54	2.99
% Year before	2.40	2.58	2.18	2.40	2.89
(ii) Income Side PGDP: Same as (i)	119.8	120.6	121.3	122.4	123.3
% Previous Q, A.R.	1.04	2.44	2.59	3.54	2.99
% Year before	2.40	2.58	2.18	2.40	2.89
(iii) Principal Components est. PGDP	119.8	120.6	121.3	122.3	123.1
% Previous Q, A.R.	1.04	2.44	2.59	3.11	2.68
% Year before	2.40	2.58	2.18	2.29	2.70
Average GDP Deflator	119.8	120.6	121.3	122.4	123.2
% Previous Q, A.R.	1.04	2.44	2.59	3.40	2.88
% Year before	2.40	2.58	2.18	2.36	2.83
Nominal GDP					
(i) Expenditure Side GDP\$	13970.5	14074.2	14195.6	14362.1	14470.1
% Previous Q, A.R.	5.99	3.00	3.50	4.77	3.04
% Year before	5.30	5.09	4.75	4.31	3.58
(ii) Income Side GDP\$	13970.5	14074.2	14195.6	14361.0	14398.4
% Previous Q, A.R.	5.99	3.00	3.50	4.74	1.04
% Year before	5.30	5.09	4.75	4.30	3.06
(iii) Principal Components est. GDP\$	13970.5	14074.2	14195.6	14334.0	14440.4
% Previous Q, A.R.	5.99	3.00	3.50	3.96	3.00
% Year before	5.30	5.09	4.75	4.10	3.36
Average Nominal GDP	13970.5	14074.2	14195.6	14352.4	14436.3
% Previous Q, A.R.	5.99	3.00	3.50	4.49	2.36
% Year before	5.30	5.09	4.75	4.24	3.33

EXPENDITURE SIDE

Real Gross Domestic Product

2007Q3 2007Q4 2008Q1 2008Q2 2008Q3

Billions of Chained (2000) Dollars, SAAR

Gross Domestic Product	11658.90	11675.70	11701.90	11734.21	11735.76
Total Demand	13633.20	13643.00	13656.20	13673.87	13666.72
Domestic Demand	12188.30	12175.50	12178.20	12192.59	12183.56
Domestic Final Demand	12155.60	12194.60	12191.30	12204.35	12194.61
Final Demand	11626.40	11695.20	11715.30	11737.96	11744.55
Personal Consumption Expenditures	8302.20	8349.10	8369.70	8397.57	8392.83
Durable Goods	1241.90	1248.10	1228.20	1212.98	1200.99
Nondurable Goods	2396.80	2404.20	2402.20	2393.88	2392.56
Services	4689.50	4722.40	4757.40	4804.46	4810.90
Gross Private Domestic Investment	1859.90	1787.70	1757.90	1749.07	1736.29
Fixed Investment	1826.00	1807.50	1771.20	1760.75	1747.32
Nonresidential	1387.30	1407.80	1406.90	1415.58	1426.07
Equipment and Software	1073.50	1081.70	1079.30	1089.49	1102.79
Structures	311.10	320.30	321.20	321.10	320.65
Residential	463.30	430.90	400.30	384.39	364.86
Change In Business Inventories	30.60	-18.30	-14.40	-11.75	-11.06
Farm	4.10	2.20	-0.90	-1.35	-0.53
Nonfarm	26.00	-21.70	-13.60	-10.40	-10.53
Net Exports	-533.10	-503.20	-480.20	-466.49	-450.03
Exports	1441.20	1464.10	1474.10	1481.31	1483.16
Imports	1974.30	1967.30	1954.30	1947.80	1933.20
Government Purchases	2033.60	2043.40	2053.30	2046.13	2054.54
Federal	764.00	765.00	773.20	774.22	775.96
State and Local	1269.60	1278.30	1280.20	1271.92	1278.64

Percent Change, Annual Rate

Gross Domestic Product	4.91	0.58	0.90	1.11	0.05
Total Demand	4.83	0.29	0.39	0.52	-0.21
Domestic Demand	3.33	-0.42	0.09	0.47	-0.30
Domestic Final Demand	2.48	1.29	-0.11	0.43	-0.32
Final Demand	4.01	2.39	0.69	0.78	0.22
Personal Consumption Expenditures	2.84	2.28	0.99	1.34	-0.23
Durable Goods	4.47	2.01	-6.23	-4.87	-3.89
Nondurable Goods	2.20	1.24	-0.33	-1.38	-0.22
Services	2.85	2.84	3.00	4.02	0.54
Gross Private Domestic Investment					
Fixed Investment	-0.72	-3.99	-7.79	-2.34	-3.01
Nonresidential	9.36	6.04	-0.26	2.49	3.00
Equipment and Software	6.23	3.09	-0.88	3.83	4.97
Structures	16.42	12.36	1.13	-0.12	-0.56
Residential	-20.53	-25.17	-25.52	-14.97	-18.83
Exports	19.13	6.51	2.76	1.97	0.50
Imports	4.35	-1.41	-2.62	-1.32	-2.97
Government Purchases	3.78	1.94	1.95	-1.39	1.65
Federal	7.11	0.52	4.36	0.53	0.90
State and Local	1.95	2.77	0.60	-2.56	2.13

EXPENDITURE SIDE

Nominal Gross Domestic Product

	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3
Billions of Dollars, SAAR					
Gross Domestic Product	13970.50	14074.20	14195.60	14362.05	14470.13
Total Demand	16350.90	16520.80	16698.50	16915.40	17062.93
Domestic Demand	14665.10	14783.10	14912.20	15092.33	15206.21
Domestic Final Demand	14629.70	14810.50	14935.50	15106.72	15219.85
Final Demand	13935.00	14101.60	14218.80	14376.44	14483.77
Personal Consumption Expenditures	9785.70	9936.60	10046.20	10182.10	10258.96
Durable Goods	1081.60	1082.50	1064.70	1051.10	1040.65
Nondurable Goods	2846.30	2904.50	2948.80	2982.32	3004.95
Services	5857.80	5949.70	6032.70	6148.68	6213.36
Gross Private Domestic Investment	2162.90	2082.10	2041.30	2047.70	2046.31
Fixed Investment	2127.50	2109.50	2064.50	2062.09	2059.95
Nonresidential	1500.10	1526.50	1526.20	1542.21	1561.87
Equipment and Software	1017.10	1025.30	1021.10	1034.30	1050.81
Structures	483.10	501.30	505.10	507.91	511.06
Residential	627.30	582.90	538.40	519.88	498.08
Change In Business Inventories	35.40	-27.40	-23.30	-14.39	-13.64
Farm	3.80	0.30	-3.70	-1.65	-0.65
Nonfarm	31.60	-27.70	-19.60	-12.74	-12.99
Net Exports	-694.70	-708.90	-716.60	-730.28	-736.08
Exports	1685.70	1737.70	1786.30	1823.07	1856.72
Imports	2380.40	2446.60	2502.90	2553.35	2592.80
Government Purchases	2716.50	2764.40	2824.70	2862.53	2900.93
Federal	990.30	997.70	1023.40	1034.91	1046.77
State and Local	1726.20	1766.70	1801.30	1827.62	1854.16

Percent Change, Annual Rate

Gross Domestic Product	5.99	3.00	3.50	4.77	3.04
Total Demand	6.87	4.22	4.37	5.30	3.53
Domestic Demand	5.12	3.26	3.54	4.92	3.05
Domestic Final Demand	4.26	5.04	3.42	4.66	3.03
Final Demand	5.08	4.87	3.37	4.51	3.02
Personal Consumption Expenditures	4.70	6.31	4.49	5.52	3.05
Durable Goods	2.59	0.33	-6.42	-5.01	-3.92
Nondurable Goods	3.39	8.43	6.24	4.62	3.07
Services	5.75	6.42	5.70	7.91	4.28
Gross Private Domestic Investment	4.53	-14.13	-7.61	1.26	-0.27
Fixed Investment	-1.19	-3.34	-8.26	-0.47	-0.41
Nonresidential	8.71	7.23	-0.08	4.26	5.20
Equipment and Software	5.11	3.26	-1.63	5.27	6.54
Structures	17.01	15.94	3.07	2.25	2.50
Residential	-20.72	-25.45	-27.21	-13.07	-15.75
Exports	23.61	12.92	11.67	8.49	7.59
Imports	12.19	11.60	9.53	8.31	6.32
Government Purchases	7.15	7.24	9.01	5.47	5.47
Federal	8.86	3.02	10.71	4.58	4.66
State and Local	6.18	9.72	8.07	5.97	5.94

EXPENDITURE SIDE

Gross Domestic Product Chain-Type Price Index

	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3
Index 2000=100					
Gross Domestic Product	119.84	120.56	121.33	122.39	123.30
Total Demand	119.93	121.09	122.28	123.71	124.85
Domestic Demand	120.33	121.43	122.47	123.79	124.81
Domestic Final Demand	120.36	121.45	122.51	123.79	124.81
Final Demand	119.86	120.58	121.37	122.48	123.33
Personal Consumption Expenditures	117.87	119.02	120.04	121.25	122.23
Durable Goods	87.09	86.73	86.68	86.66	86.65
Nondurable Goods	118.75	120.81	122.75	124.58	125.60
Services	124.92	126.00	126.81	127.98	129.15
Gross Private Domestic Investment	116.33	116.55	116.25	117.05	117.85
Fixed Investment	116.50	116.70	116.55	117.11	117.89
Nonresidential	108.14	108.44	108.48	108.95	109.52
Equipment and Software	94.75	94.78	94.61	94.93	95.29
Structures	155.39	156.61	157.37	158.18	159.38
Residential	135.37	135.24	134.45	135.25	136.51
Exports	116.99	118.70	121.20	123.07	125.19
Imports	120.57	124.36	128.07	131.09	134.12
Government Purchases	133.59	135.29	137.58	139.90	141.21
Federal	129.62	130.42	132.36	133.67	134.90
State and Local	135.97	138.21	140.71	143.69	145.02

Percent Change, Annual Rate

Gross Domestic Product	1.04	2.44	2.59	3.54	2.99
Total Demand	1.95	3.92	3.97	4.77	3.74
Domestic Demand	1.75	3.71	3.47	4.37	3.35
Domestic Final Demand	1.74	3.70	3.53	4.23	3.35
Final Demand	1.02	2.42	2.66	3.69	2.80
Personal Consumption Expenditures	1.81	3.95	3.46	4.11	3.29
Durable Goods	-1.80	-1.67	-0.21	-0.12	-0.03
Nondurable Goods	1.15	7.12	6.59	6.09	3.30
Services	2.82	3.49	2.62	3.72	3.72
Gross Private Domestic Investment	-0.35	0.77	-1.01	2.79	2.75
Fixed Investment	-0.47	0.68	-0.51	1.96	2.68
Nonresidential	-0.56	1.11	0.15	1.72	2.14
Equipment and Software	-1.05	0.14	-0.72	1.37	1.50
Structures	0.50	3.17	1.95	2.07	3.08
Residential	-0.27	-0.38	-2.30	2.38	3.80
Exports	3.78	5.98	8.68	6.32	7.05
Imports	7.51	13.17	12.48	9.76	9.57
Government Purchases	3.24	5.18	6.94	6.93	3.81
Federal	1.63	2.47	6.10	4.02	3.73
State and Local	4.17	6.75	7.42	8.76	3.75

INCOME SIDE

GDP, National Income and Personal Income

	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3
Billions of Current Dollars, SAAR					
Gross Domestic Product	13970.50	14074.20	14195.60	14361.04	14398.35
Plus:					
Receipts of Factor Income	855.60	848.10	796.80	816.80	837.16
Less:					
Payments of Factor Income	754.40	700.20	641.60	651.92	662.37
Equals: Gross National Product	14071.60	14222.10	14350.80	14525.92	14573.14
Less:					
Consumption of Fixed Capital	1690.90	1701.10	1710.70	1711.16	1720.02
Equals: Net National Product	12380.80	12520.90	12640.10	12814.76	12853.41
Indirect Business Taxes	1014.37	1024.76	1034.22	1043.72	1055.04
Business Transfers	94.40	97.90	101.10	100.53	99.99
Statistical Discrepancy	84.80	112.00	132.90	121.08	110.72
Net Subsidies	46.62	47.49	48.40	48.01	47.63
National Income	12296.00	12408.90	12507.20	12693.68	12742.69
Corporate Profits	1621.90	1569.00	1574.20	1581.02	1600.58
Net Interest	599.30	619.00	614.90	606.87	596.41
Contribution for Soc. Ins.	983.20	994.14	1015.93	1019.28	1024.84
Personal	505.94	511.75	523.77	524.90	524.90
Employer	477.26	482.40	492.16	494.38	499.94
Personal Interest Income	1171.10	1173.20	1169.30	1165.06	1148.97
Personal Dividend Income	805.00	826.60	843.30	856.44	866.21
Government Transfers	1714.35	1728.39	1758.02	1735.74	1779.39
Business Transfers (to persons)	28.00	28.10	28.10	27.82	27.65
Personal Income	11735.00	11880.90	12018.40	12185.90	12247.02
Percent Change, Annual Rate					
Gross Domestic Product	5.99	3.00	3.50	4.74	1.04
Plus:					
Receipts of Factor Income	21.94	-3.46	-22.09	10.42	10.35
Less:					
Payments of Factor Income	5.99	-25.79	-29.50	6.59	6.56
Equals: Gross National Product	6.88	4.35	3.67	4.97	1.31
Less:					
Consumption of Fixed Capital	1.79	2.43	2.28	0.11	2.09
Equals: Net National Product	7.60	4.60	3.86	5.64	1.21
Indirect Business Taxes	4.16	4.16	3.75	3.72	4.41
Business Transfers	7.08	15.68	13.73	-2.23	-2.13
National Income	3.29	3.72	3.21	6.10	1.55
Corporate Profits	-4.90	-12.42	1.33	1.74	5.04
Net Interest	4.74	13.81	-2.62	-5.12	-6.72
Contribution for Social Insurance	4.59	4.53	9.06	1.33	2.20
Personal	4.75	4.67	9.73	0.87	0.00
Employer	4.42	4.37	8.35	1.82	4.57
Personal Interest Income	8.14	0.72	-1.32	-1.44	-5.41
Personal Dividend Income	12.52	11.17	8.33	6.38	4.64
Government Transfers	6.05	3.31	7.04	-4.97	10.44
Business Transfers (to persons)	2.91	1.44	0.00	-3.97	-2.34
Personal Income	5.56	5.07	4.71	5.69	2.02

GDP, National Income and Personal Income
Components of Personal Income
2007Q3 2007Q4 2008Q1 2008Q2 2008Q3

Billions of Current Dollars, SAAR

Wages and Salaries	6382.70	6468.40	6560.30	6593.39	6654.74
Commod Prod Industries	1217.50	1230.30	1237.50	1233.57	1243.80
Manufacturing	754.70	760.50	765.30	764.03	767.89
Others	462.80	469.80	472.20	469.54	475.91
Distributive Industries*	1033.30	1046.80	1055.60	1057.73	1063.42
Service Industries	3059.00	3106.60	3163.30	3187.47	3222.25
Government	1072.90	1084.70	1103.90	1114.69	1125.43
Other Labor Income	1500.00	1516.60	1540.50	1556.15	1573.75
Proprietors Income	1048.70	1055.90	1055.90	1050.83	1060.05
Farm	38.60	43.80	37.40	30.61	29.45
Business and Profess.	1010.00	1012.10	1018.40	1020.19	1030.60
Rental Income of Persons	68.40	77.80	78.90	86.69	89.59
Interest Paid by Persons	275.80	272.50	253.60	255.04	257.83
Other Interest	895.30	900.70	915.70	910.02	891.14
Transfer Payments	1742.30	1756.50	1786.10	1754.51	1806.33
Contributions for Social In	505.94	511.75	523.77	524.90	524.90
Personal Tax & Nontax P.	1489.80	1512.71	1516.08	1526.22	1540.22
Disposable Income	10245.20	10368.20	10502.30	10659.68	10706.80
Addendum:					
Domestic Final Sales	14633.6	14810.8	14931.8	15105.7	15148.1

Percent Change, Annual Rate

Wages and Salaries	4.10	5.48	5.81	2.03	3.77
Commod Prod Industries	1.63	4.27	2.36	-1.26	3.36
Manufacturing	0.32	3.11	2.55	-0.66	2.03
Others	3.80	6.19	2.06	-2.23	5.53
Distributive Industries*	-0.15	5.33	3.41	0.81	2.17
Service Industries	6.59	6.37	7.50	3.09	4.44
Government	4.21	4.47	7.27	3.97	3.91
Other Labor Income	4.66	4.50	6.45	4.13	4.60
Proprietors Income	4.03	2.77	0.00	-1.91	3.56
Farm	84.94	65.79	-46.84	-55.13	-14.31
Business and Profess.	1.88	0.83	2.51	0.70	4.14
Rental Income of Persons	47.18	67.38	5.78	45.77	14.05
Interest Paid by Persons	27.59	-4.70	-24.99	2.29	4.44
Other Interest	2.91	2.43	6.83	-2.46	-8.04
Transfer Payments	6.00	3.30	6.91	-6.89	12.35
Contribution for Social Ins	4.75	4.67	9.73	0.87	0.00
Personal Tax & Nontax P.	3.33	6.29	0.90	2.70	3.72
Disposable Income	5.89	4.89	5.27	6.13	1.78
Addendum:					
Domestic Final Sales	4.26	4.93	3.31	4.74	1.13

*Distributive Industries are Transportation, Public Utilities excluding the U.S. Postal Service, and Wholesale and Retail Trade

MONTHLY ECONOMIC INDICATORS for PERSONAL CONSUMPTION EXPENDITURES, GOVERNMENT PURCHASES, and CONSTRUCTION INVESTMENT

	JAN08	FEB08	MAR08	APR08	MAY08	JUN08	JUL08	AUG08	SEP08
RETAIL SALES (RS), Billions of Current Dollars, SA									
RS, Total Retail Sales	339.55	339.41	343.93	340.17	374.38	372.60	351.91	354.74	356.41
RS, Durable Goods Stores	125.28	124.33	123.97	121.64	131.98	130.61	123.14	124.54	125.34
RS, Bldg Materials, Hardware	27.93	27.52	28.01	27.17	29.30	29.34	27.41	27.66	27.82
RS, Auto Dealers	78.26	77.72	76.58	75.56	82.22	80.81	76.28	77.21	77.45
RS, Furn, Home Furn & Equip	9.81	9.76	9.73	9.60	10.33	10.29	9.78	9.88	9.92
RS, Nondurable Goods Stores	208.59	209.66	214.12	213.27	233.50	233.43	222.81	223.72	224.60
RS, Food Stores	47.13	47.37	47.70	47.89	52.11	52.32	50.02	49.99	50.15
RS, Gas Service Stations	37.13	38.00	41.61	40.59	45.42	44.79	43.17	43.83	44.26
RS, Apparel and Accessories	18.82	18.69	18.93	18.47	20.53	20.36	19.46	19.60	19.69
RS, New Domestic Cars, SAA	5.18	5.15	5.62	5.54	5.07	5.02	4.94	4.93	4.91
RS, New Dom Light Trucks, SAA	7.29	7.06	6.76	6.89	6.68	6.66	6.21	6.18	6.17

RECEIPTS AND OUTLAYS OF THE FEDERAL GOVERNMENT, Billions of Current Dollars, NSA									
Federal Govt Total Outlays	248.25	228.42	244.45	270.29	200.97	239.69	200.97	255.91	238.56
Federal Govt Debt Outstanding	8925.58	8999.00	9070.64	9149.66	9160.76	9280.37	9362.87	9411.46	9491.40

HOUSING STARTS, Millions, SAAR									
Housing Starts, Total	1.1850	1.2750	1.1790	1.0000	1.0640	1.1070	0.9540	0.9835	1.0015

NEW CONSTRUCTION PUT IN PLACE, Billions of Current Dollars, SAAR									
New Const, Residential Bldgs	509.05	490.02	482.03	470.25	465.87	466.67	445.02	435.66	427.64
New Const, Nonresident Bldgs	365.05	369.06	374.40	373.78	373.24	375.31	382.34	384.07	387.07
New Const, Federal Government	18.93	20.77	19.75	19.51	20.39	20.36	19.94	20.27	20.32
New Const, State & Local Govt	275.31	277.69	279.82	273.07	272.87	274.18	276.23	277.74	278.94

Percent Change, Monthly Rate

RETAIL SALES (RS)									
RS, Total Retail Sales	0.67	-0.04	1.33	-1.09	10.06	-0.48	-5.55	0.80	0.47
RS, Durable Goods Stores	0.76	-0.76	-0.29	-1.88	8.50	-1.04	-5.72	1.14	0.64
RS, Bldg Materials, Hardware	-0.21	-1.45	1.75	-2.97	7.84	0.13	-6.56	0.90	0.56
RS, Auto Dealers	1.48	-0.69	-1.48	-1.33	8.82	-1.72	-5.60	1.22	0.31
RS, Furn, Home Furn & Equip	-1.43	-0.49	-0.25	-1.40	7.61	-0.37	-4.94	1.01	0.43
RS, Nondurable Goods Stores	0.63	0.51	2.13	-0.40	9.49	-0.03	-4.55	0.41	0.39
RS, Food Stores	0.72	0.52	0.68	0.40	8.83	0.39	-4.39	-0.05	0.32
RS, Gas Service Stations	2.61	2.35	9.50	-2.44	11.91	-1.41	-3.60	1.51	0.99
RS, Apparel and Accessories	-0.26	-0.67	1.27	-2.44	11.15	-0.81	-4.41	0.67	0.50
RS, New Domestic Cars, SAAR	0.66	-0.54	9.12	-1.53	-8.44	-0.97	-1.55	-0.29	-0.29
RS, New Dom Light Trucks, SA	-3.45	-3.25	-4.19	1.86	-2.98	-0.36	-6.76	-0.43	-0.10

RECEIPTS AND OUTLAYS OF THE FEDERAL GOVERNMENT									
Federal Govt Total Outlays	2.03	-7.99	7.02	10.57	-25.64	19.26	-16.15	27.33	-6.78
Federal Govt Debt Outstanding	0.04	0.82	0.80	0.87	0.12	1.31	0.89	0.52	0.85

HOUSING STARTS									
Housing Starts, Total	-11.37	7.59	-7.53	-15.18	6.40	4.04	-13.82	3.09	1.83

NEW CONSTRUCTION PUT IN PLACE									
New Const, Residential Bldgs	-2.12	-3.74	-1.63	-2.44	-0.93	0.17	-4.64	-2.10	-1.84
New Const, Nonresidential Bldgs	2.59	1.10	1.45	-0.16	-0.14	0.55	1.87	0.45	0.78
New Const, Federal Government	-6.66	9.71	-4.91	-1.24	4.50	-0.12	-2.05	1.65	0.22
New Const, State & Local Govt	2.28	0.86	0.77	-2.41	-0.07	0.48	0.75	0.55	0.43

MONTHLY ECONOMIC INDICATORS for GROSS PRIVATE DOMESTIC INVESTMENT and NET EXPORTS

	JAN08	FEB08	MAR08	APR08	MAY08	JUN08	JUL08	AUG08	SEP08
INDUSTRIAL PRODUCTION, Index 2002=100, SA									
Industrial Production, Total	112.26	111.83	112.30	112.44	112.60	111.79	111.98	112.21	112.28
MANUFACTURERS' SHIPMENTS/INVENTORIES/ORDERS, Billions of Current Dollars, SA									
Manufacturers' New Orders	425.40	430.25	437.81	445.92	435.42	433.86	439.45	438.13	440.57
Manufacturers' Shipments	422.23	427.62	435.56	433.06	437.64	429.53	435.14	436.93	437.28
Manufacturers' Unfilled Orders	740.53	748.30	755.71	773.30	777.86	786.86	795.29	803.04	810.30
MANUFACTURED DURABLE GOODS, Billions of Current Dollars, SA									
Nondefense Capital Goods Shipmt	67.86	67.14	67.19	67.80	68.95	66.46	66.70	67.30	67.04
BUSINESS INVENTORIES, Billions of Current Dollars, SA									
Inventories, Manufacturers	522.00	522.78	526.44	530.66	537.50	540.67	545.82	549.34	552.49
Inventories, Merchant Wholesale	404.86	405.00	407.84	411.96	417.14	421.08	420.77	424.16	427.35
Inventories, Retail Traders	501.22	502.81	501.54	501.22	503.31	502.74	500.02	501.64	503.06
U.S. MERCHANDISE TRADE, Millions of Current Dollars, SA									
Exports, FAS	102205	104009	105532	108183	105245	108183	105245	107562	108993
Imports, CIF	172960	170144	173376	177701	171758	177701	171758	174508	175040
Exports, Mach and Transp Equipm	40151	39762	39166	41411	38365	41411	38365	39893	39860
Imports, Mach and Transp Equipm	63270	59867	60893	64683	59850	64683	59850	62929	62766
Percent Change, Monthly Rate									
INDUSTRIAL PRODUCTION									
Industrial Production, Total	0.26	-0.39	0.42	0.13	0.14	-0.72	0.18	0.20	0.06
MANUFACTURERS' SHIPMENTS/INVENTORIES/ORDERS									
Manufacturers' New Orders	-0.26	1.14	1.76	1.85	-2.36	-0.36	1.29	-0.30	0.56
Manufacturers' Shipments	-0.29	1.28	1.85	-0.57	1.06	-1.85	1.31	0.41	0.08
Manufacturers' Unfilled Orders	1.04	1.05	0.99	2.33	0.59	1.16	1.07	0.97	0.90
MANUFACTURED DURABLE GOODS									
Nondefense Capital Goods Shipmt	0.51	-1.06	0.07	0.91	1.69	-3.61	0.37	0.90	-0.39
BUSINESS INVENTORIES									
Inventories, Manufacturers	0.76	0.15	0.70	0.80	1.29	0.59	0.95	0.65	0.57
Inventories, Merchant Wholesale	0.79	0.03	0.70	1.01	1.26	0.94	-0.07	0.81	0.75
Inventories, Retail Traders	-0.10	0.32	-0.25	-0.06	0.42	-0.11	-0.54	0.32	0.28
U.S. MERCHANDISE TRADE									
Exports, FAS	0.58	1.77	1.46	2.51	-2.72	2.79	-2.72	2.20	1.33
Imports, CIF	3.66	-1.63	1.90	2.49	-3.34	3.46	-3.34	1.60	0.31
Exports, Mach and Transp Equip	-2.97	-0.97	-1.50	5.73	-7.35	7.94	-7.35	3.98	-0.08
Imports, Mach and Transp Equip	-3.55	-5.38	1.71	6.23	-7.47	8.08	-7.47	5.14	-0.26

MONTHLY ECONOMIC INDICATORS for CHAIN PRICE INDEXES

	JAN08	FEB08	MAR08	APR08	MAY08	JUN08	JUL08	AUG08	SEP08
CONSUMER PRICE INDEX (CPI), 1982-1984=100, SA									
CPI, All Urban Consumers	208.51	209.06	210.93	211.68	212.52	212.57	213.30	213.97	214.61
CPI, Durables	112.19	112.08	112.16	112.10	112.02	111.76	111.80	111.81	111.87
CPI, Furniture	125.08	123.87	124.30	123.51	123.79	123.90	125.97	125.62	125.40
CPI, Housekeeping Supplies	169.39	169.72	169.51	170.74	171.19	172.34	173.63	174.49	175.34
CPI, Nondurables	193.99	195.26	200.29	200.82	202.48	202.38	203.73	204.22	204.35
CPI, Apparel and Upkeep	118.34	118.43	119.13	119.24	119.76	119.35	117.82	117.63	117.74
CPI, Food and Beverages	205.58	205.99	206.74	206.93	208.33	209.09	209.52	210.26	210.90
CPI, Motor Oil, Fuel,	241.29	243.62	272.29	279.93	283.01	277.45	282.00	287.22	288.95
CPI, Services	248.35	249.06	249.82	250.54	251.32	251.80	252.70	253.28	254.13
CPI, New cars	136.12	135.98	136.04	135.95	135.60	135.20	135.02	135.07	135.17
PRODUCER PRICE INDEX (PPI), 1982=100, SA									
PPI, Finished Goods	167.00	167.90	172.30	171.40	173.30	173.90	175.80	176.81	177.67
PPI, Capital Equipment	149.70	149.80	150.40	150.30	150.90	151.70	151.90	152.41	152.92
PPI, Intermediate Materials	170.90	171.90	176.90	177.20	179.20	180.60	184.80	187.24	188.97
PPI, Components for Construction	193.20	193.30	193.50	193.80	194.20	195.50	197.10	198.54	199.81
PRICES RECEIVED BY FARMERS, Index, 1910-14=100, SA									
Index of Prices Recvd by Farmer	893.00	901.00	905.70	909.54	915.35	921.22	929.03	930.94	934.26
U.S. EXPORT/IMPORT PRICES, Index, 1995=100, SA									
U.S. Export Price Index	116.96	117.83	119.06	119.75	120.79	121.89	123.42	124.37	125.24
U.S. Import Price Index	121.33	122.93	128.17	128.19	130.25	131.29	133.44	134.35	134.82
Percent Change, Monthly Rate									
CONSUMER PRICE INDEX (CPI)									
CPI, All Urban Consumers	0.37	0.26	0.90	0.36	0.39	0.03	0.34	0.31	0.30
CPI, Durables	-0.19	-0.09	0.07	-0.05	-0.07	-0.24	0.04	0.01	0.05
CPI, Furniture	-0.55	-0.97	0.34	-0.64	0.23	0.09	1.67	-0.28	-0.17
CPI, Housekeeping Supplies	0.27	0.20	-0.13	0.73	0.26	0.67	0.75	0.50	0.49
CPI, Nondurables	0.47	0.66	2.58	0.26	0.83	-0.05	0.67	0.24	0.06
CPI, Apparel and Upkeep	0.17	0.08	0.59	0.10	0.44	-0.34	-1.28	-0.16	0.09
CPI, Food and Beverages	0.46	0.20	0.37	0.09	0.68	0.37	0.21	0.35	0.31
CPI, Motor Oil, Fuel	2.30	0.96	11.77	2.81	1.10	-1.97	1.64	1.85	0.60
CPI, Services	0.30	0.29	0.30	0.29	0.31	0.19	0.36	0.23	0.34
CPI, New Cars	-0.18	-0.10	0.04	-0.06	-0.26	-0.30	-0.13	0.03	0.08
PRODUCER PRICE INDEX (PPI)									
PPI, Finished Goods	0.54	0.54	2.62	-0.52	1.11	0.35	1.09	0.58	0.48
PPI, Capital Equipment	0.00	0.07	0.40	-0.07	0.40	0.53	0.13	0.34	0.33
PPI, Intermediate Materials	0.00	0.59	2.91	0.17	1.13	0.78	2.33	1.32	0.93
PPI, Components for Construction	-0.10	0.05	0.10	0.16	0.21	0.67	0.82	0.73	0.64
PRICES RECEIVED BY FARMERS									
Index of Prices Recvd by Farmer	0.34	0.90	0.52	0.42	0.64	0.64	0.85	0.21	0.36
U.S. EXPORT/IMPORT PRICES									
U.S. Export Price Index	0.31	0.75	1.05	0.58	0.87	0.91	1.25	0.77	0.70
U.S. Import Price Index	0.83	1.32	4.26	0.01	1.61	0.79	1.64	0.68	0.35

MONTHLY ECONOMIC INDICATORS for PERSONAL INCOME

	JAN08	FEB08	MAR08	APR08	MAY08	JUN08	JUL08	AUG08	SEP08
EMPLOYEES (EMP) on Nonfarm Payrolls, Millions, SA									
EMP, Total	137.837	137.977	138.037	138.078	138.002	137.919	137.838	137.816	137.799
EMP, Manufacturing	13.822	13.797	13.794	13.772	13.737	13.690	13.642	13.609	13.578
EMP, Services	115.699	115.876	115.988	116.102	116.095	116.103	116.110	116.193	116.281
EMP, Wholesale and Retail Trade	21.543	21.539	21.588	21.561	21.540	21.486	21.464	21.463	21.449
EMP, Government	22.227	22.262	22.278	22.333	22.336	22.362	22.376	22.396	22.418
EMP, Federal Government	1.961	1.964	1.967	1.972	1.977	1.983	1.986	1.987	1.987
EMP, State and Local Governme	22.138	22.101	22.049	21.976	21.907	21.816	21.728	21.671	21.620
Total Unemployed, Millions	7.246	7.291	7.181	7.655	7.576	7.381	7.815	7.805	7.862

AVERAGE WEEKLY HOURS (AWH) of Production Workers, SA

AWH, Total Private	33.80	33.80	33.80	33.80	33.70	33.70	33.80	33.73	33.73
AWH, Manufacturing	41.40	41.20	41.30	41.10	41.10	41.10	41.20	41.15	41.15
AWH, Services	30.20	30.10	30.20	30.10	30.10	30.10	30.10	30.10	30.07
AWH, Wholesale and Retail Trade	38.20	38.10	38.10	38.30	38.40	38.20	38.40	38.32	38.30

AVERAGE HOURLY EARNINGS (AHE) of Production Workers, Current Dollars, SA

AHE, Manufacturing	17.34	17.34	17.40	17.41	17.49	17.55	17.61	17.64	17.68
AHE, Services	12.83	12.86	12.81	12.81	12.80	12.84	12.87	12.88	12.89
AHE, Wholesale and Retail Trade	19.72	19.77	19.86	19.93	19.97	20.00	20.03	20.11	20.15

AVERAGE WEEKLY EARNINGS (AWE) of Production Workers, Current Dollars

AWE, Total Private	593.87	594.54	596.23	598.26	598.18	600.20	604.01	604.69	606.19
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Percent Change, Monthly Rate

EMPLOYEES (EMP) ON NONFARM PAYROLLS

EMP, Total	0.059	0.102	0.043	0.030	-0.055	-0.060	-0.059	-0.016	-0.013
EMP, Manufacturing	-0.159	-0.181	-0.022	-0.159	-0.254	-0.342	-0.351	-0.238	-0.234
EMP, Services	0.103	0.153	0.097	0.098	-0.006	0.007	0.006	0.072	0.075
EMP, Wholesale and Retail Trade	-0.028	-0.019	0.227	-0.125	-0.097	-0.251	-0.102	-0.004	-0.064
EMP, Government	0.068	0.157	0.072	0.247	0.013	0.116	0.063	0.090	0.099
EMP, Federal Government	-0.102	0.153	0.153	0.254	0.254	0.303	0.151	0.054	-0.004
EMP, State and Local Governme	-0.171	-0.167	-0.235	-0.331	-0.314	-0.415	-0.403	-0.262	-0.238
Total Unemployed, Millions	1.584	0.621	-1.509	6.601	-1.032	-2.574	5.880	-0.129	0.733

AVERAGE WEEKLY HOURS (AWH) OF PRODUCTION WORKERS

AWH, Total Private	0.00	0.00	0.00	0.00	-0.30	0.00	0.30	-0.22	0.00
AWH, Manufacturing	0.24	-0.48	0.24	-0.48	0.00	0.00	0.24	-0.13	0.02
AWH, Services	0.33	-0.33	0.33	-0.33	0.00	0.00	0.00	-0.01	-0.09
AWH, Wholesale and Retail Trade	0.00	-0.26	0.00	0.52	0.26	-0.52	0.52	-0.20	-0.05

AVERAGE HOURLY EARNINGS (AHE) OF PRODUCTION WORKERS

AHE, Manufacturing	0.06	0.00	0.35	0.06	0.46	0.34	0.34	0.18	0.21
AHE, Services	0.23	0.23	-0.39	0.00	-0.08	0.31	0.23	0.05	0.14
AHE, Wholesale and Retail Trade	0.31	0.25	0.46	0.35	0.20	0.15	0.15	0.38	0.20

AVERAGE WEEKLY EARNINGS (AWE) OF PRODUCTION WORKERS

AWE, Total Private	0.34	0.11	0.28	0.34	-0.01	0.34	0.63	0.11	0.25
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MONTHLY FINANCIAL INDICATORS

	JAN08	FEB08	MAR08	APR08	MAY08	JUN08	JUL08	AUG08	SEP08
MONEY SUPPLY, Billions of Dollars, SA									
Money Supply (M1)	1366.1	1369.2	1365.7	1366.3	1367.0	1370.3	1372.0	1374.8	1376.5
Money Supply (M2)	7346.5	7369.7	7398.0	7428.0	7477.4	7581.8	7661.5	7725.0	7787.6
Money Supply (M3)	7346.5	7369.7	7398.0	7428.0	7477.4	7581.8	7661.5	7739.1	7815.4

INTEREST RATES (IR), Percent Per Annum									
IR, Treasury Bill, 6 Month	4.20	4.16	3.58	3.34	2.84	2.10	1.51	1.97	1.86
IR, Commercial Paper, 2 month	4.94	4.66	4.45	4.24	3.41	2.75	2.32	2.10	2.05
Yields, US Govt Bond, 1 year	4.14	4.10	3.50	3.26	2.71	2.05	1.54	2.18	2.31
Yields, US Govt Bond, 10 Year	4.52	4.53	4.15	4.10	3.74	3.74	3.51	4.05	4.04

FOREIGN EXCHANGE VALUE, March 1973=100									
Weighted Average Value of US\$	101.93	99.80	98.37	99.27	98.48	97.67	95.77	95.25	95.32

STOCK MARKET									
New York Stock Exchange Index	9777.6	10159.3	9741.1	9807.4	9165.1	9041.5	8776.2	8764.1	8777.4
Dividend to (Stock) Price Ratio	1.88	1.84	1.95	1.93	2.11	2.10	2.17	2.19	2.19

CONSUMER INSTALLMENT CREDIT, Millions of Dollars, SA									
Consumer Credit Outstanding	2499.57	2504.93	2522.14	2524.29	2536.53	2543.07	2558.35	2569.95	2581.63

Percent Change, Monthly Rate

MONEY SUPPLY									
Money Supply, (M1)	-0.25	0.23	-0.26	0.04	0.05	0.24	0.12	0.20	0.12
Money Supply, (M2)	0.37	0.32	0.38	0.41	0.67	1.40	1.05	0.83	0.81
Money Supply, (M3)	0.37	0.32	0.38	0.41	0.67	1.40	1.05	1.01	0.99

INTEREST RATES (IR), Monthly Change									
IR, Treasury Bill, 6 Month	-0.35	-0.04	-0.58	-0.24	-0.50	-0.74	-0.59	0.46	-0.11
IR, Commercial Paper, 6 Month	-0.30	-0.28	-0.21	-0.21	-0.83	-0.67	-0.43	-0.21	-0.06
Yields, US Govt Bond, 1 Year	-0.34	-0.04	-0.60	-0.24	-0.55	-0.66	-0.51	0.63	0.13
Yields, US Govt Bond, 10 Year	-0.15	0.01	-0.38	-0.05	-0.35	-0.01	-0.23	0.54	-0.00

FOREIGN EXCHANGE VALUE									
Weighted Average Value of US\$	-1.36	-2.08	-1.43	0.91	-0.79	-0.82	-1.95	-0.54	0.07

STOCK MARKET									
New York Stock Exchange Index	3.57	3.90	-4.12	0.68	-6.55	-1.35	-2.93	-0.14	0.15
Dividend to (Stock) Price Ratio	-2.08	-2.13	5.98	-1.03	9.33	-0.47	3.33	0.92	-0.05

CONSUMER INSTALLMENT CREDIT									
Consumer Credit Outstanding	0.51	0.21	0.69	0.09	0.48	0.26	0.60	0.45	0.45