

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 macroeconomic accounts for the first half of 2008, by months and by nearly complete quarters, and the daily tables of financial market performance seem to be in conflict with each other.
- The macroeconomic accounts portray a sequence of overall improvement from last year's 4th quarter to this year's 1st and 2nd quarters. Data are still becoming available about the 3rd quarter and they show some slippage for the summer and early fall.
- Financial markets exhibit much uncertainty in the form of volatile movements from day to day, and lack of sustainability on either the favorable or unfavorable side.
- The evidence is significant that the fiscal stimulus, starting at the end of April, brought the 2nd quarter growth rate up, on top of slight upward revision of 1st quarter estimates, by the Bureau of Economic Analysis in the Commerce Department.
- The stimulus policy package should have been larger and stretched further into the future, but, nevertheless, it has been effective.
- The Federal Reserve's Open Market Committee has turned their attention from maintaining positive growth to bringing down inflationary pressures. For that reason, our 3rd quarter projection for GDP growth falls below the growth projected for the end of summer, early autumn quarter. The election campaign will undoubtedly bring forth new policy assessment and its effect on the economy's growth rate.
- Thus far, our forecast for third quarter growth is just under 1.0%, with inflation at about 4.5%. As the political campaign unfolds, we shall have new forecasts, at high frequency. The candidates will, undoubtedly, be putting attention on a fresh set of policy objectives.
- Presently, consumer surveys are not optimistic, and the residential sector remains weak.
- In the week ending June 21st, outstanding claims for unemployment insurance remained unchanged from the previous week.

FORECAST UPDATE OVERVIEW

This forecast incorporates the following National Income and Product Accounts:

JUN 26 GDP (based on Chain 2000 Weights) for 2008Q1: 1.0%
JUN 27 Personal Income and Consumption for May: 1.9%, 0.8%

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

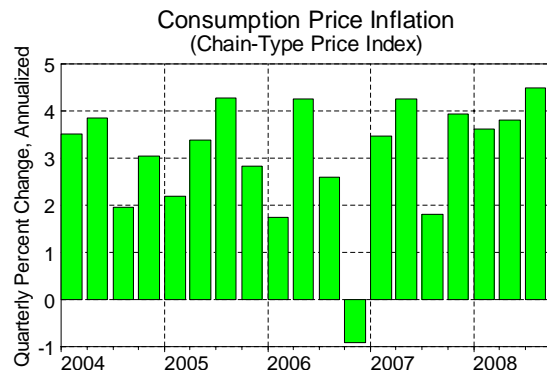
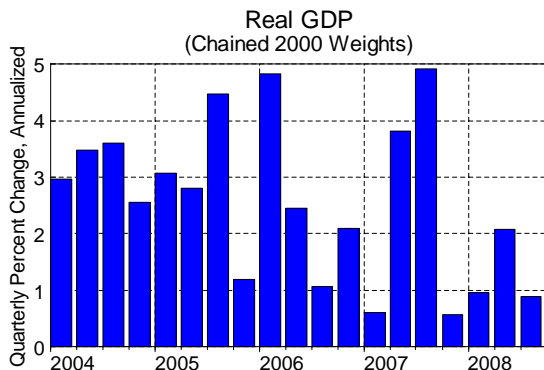
Date	Economic Indicator	for	Latest	Prior Month
Jun 02	Construction Spending	April	-0.4%	-0.6%
Jun 06	Nonfarm Payroll Employment	May	-49,000	-28,000
Jun 03	Auto Sales	May	14.3 Million	14.4 Million
Jun 06	Consumer Credit Outstanding	April	\$8.9 Billion	\$13.1 Billion
Jun 12	Export/Import Price Index	May	0.3%, 2.3%	0.5%, 2.4%
Jun 17	Producer Price Index, Total & Core	May	1.4%, 0.2%	0.2%, 0.4%
Jun 12	Retail Sales, Total & Ex-Auto	May	1.0%, 1.2%	0.4%, 1.0%
Jun 17	Industrial Production	May	-0.2%	-0.7%
Jun 12	Business Inventories	April	0.5%	0.2%
Jun 13	Consumer Price Index, Total & Core	May	0.6%, 0.2%	0.2%, 0.1%
Jun 17	Housing Starts	May	975,000	1,008,000
Jun 10	Trade Balance	May	-\$60.9 Billion	-\$56.5 Billion
Jun 25	Durable Goods Orders & Shipments	April	0.03%, -1.1%	-1.0%, 1.8%
Jun 03	Manuf Ships, Inv, & Orders	April	2.2%, 0.0%, 1.1%	1.1%, 0.9%, 1.5%

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		
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
Jun 09		0.95	1.65	0.60	*	3.52	3.16	3.80			
Jun 16		0.95	1.72	0.46	*	3.52	3.80	4.50			
Jun 23		0.95	1.46	0.12	*	3.56	3.80	4.50			
Jun 30		0.96	2.07	0.88	*	3.61	3.80	4.50		<=3 rd	08Q1

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

*** See pages 10 and 11 for the assumption of effect of stimulus rebate checks on our CQM forecast.**



High Frequency Indicators

The Week in Review (June 23 - 27)

FOMC Meeting

Following a two-day meeting, the FED's Open Market Committee voted to maintain interest rates unchanged. The target for the federal funds rate remained at 2%.

In the past seven months, the Committee lowered the target federal funds rate, from 5.25% to 2%.

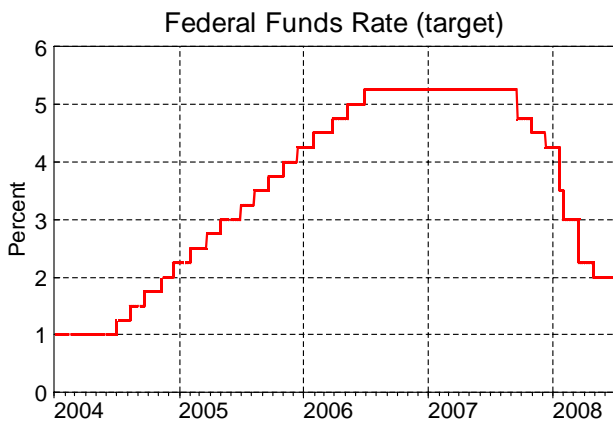
In their statement, the Fed Committee noted that "overall economic activity continues to expand, partly reflecting some firming in household spending."

The Committee commented that "labor markets have softened further and financial markets remain under considerable stress. Tight credit conditions, the ongoing housing contraction, and the rise in energy prices are likely to weigh on economic growth over the next few quarters."

On inflation, the Committee noted that "although downside risks to growth remain, they appear to have diminished somewhat, and the upside risks to inflation and inflation expectations have increased."

Following the release of the FOMC statement, Fed watchers speculated that the Federal Reserve might soon move towards interest rate increases.

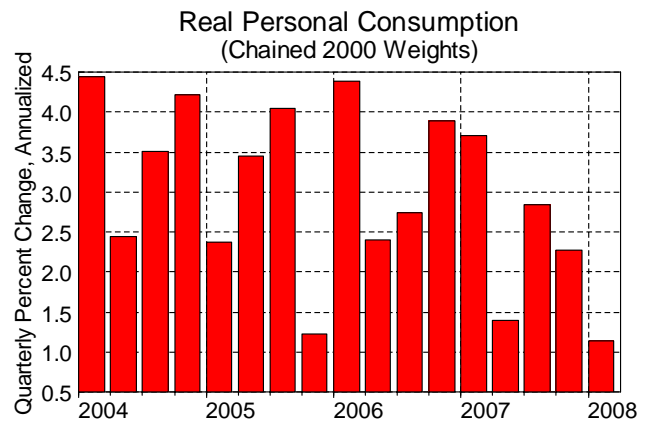
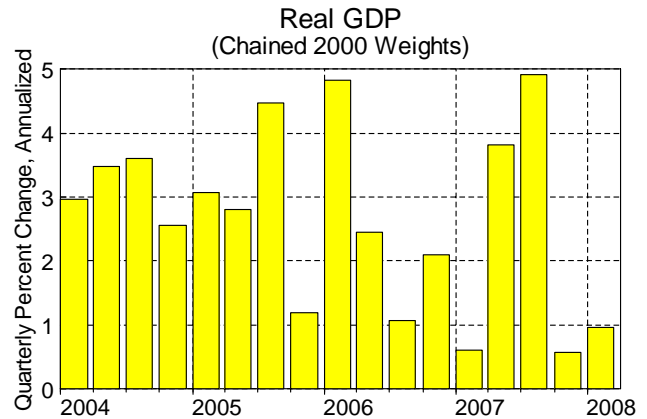
spending on both consumer durables and non-durables.



Gross Domestic Product, final

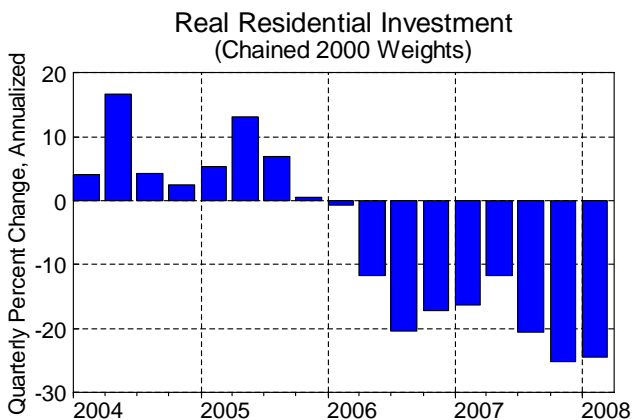
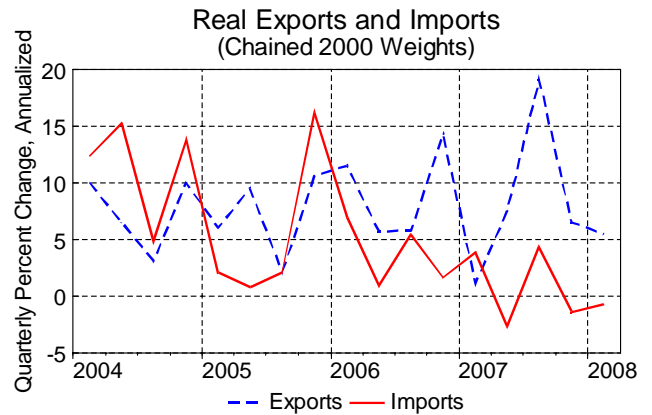
In the first quarter, the economy grew 1.0%, stronger than 0.9% growth estimated a month ago.

Consumer spending rose 1.1% in the first quarter, adding 0.8 percentage point to GDP growth. The first-quarter increase was attributed to a 3.1% increase in spending on services, which offset declines in

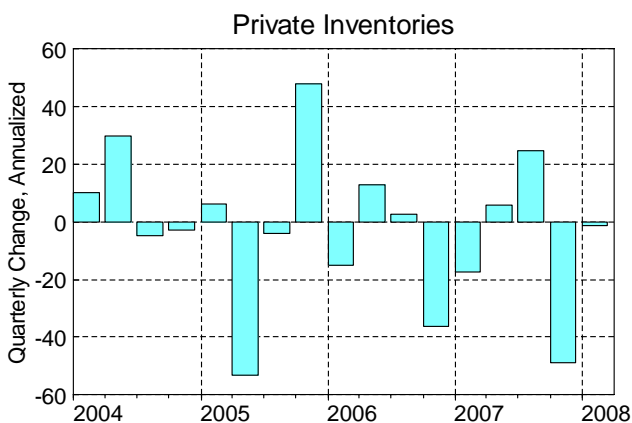
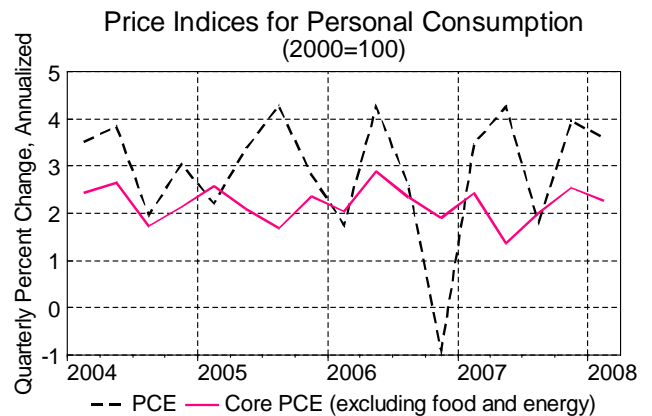


Business investment was revised higher, to a 0.6% increase. Investment in structures rose 1.2%, while spending on equipment and software edged up 0.2%. Residential investment, however, continued to be weak. In the first quarter, residential investment plummeted 24.6%, subtracting 1.1 percentage points from GDP growth.

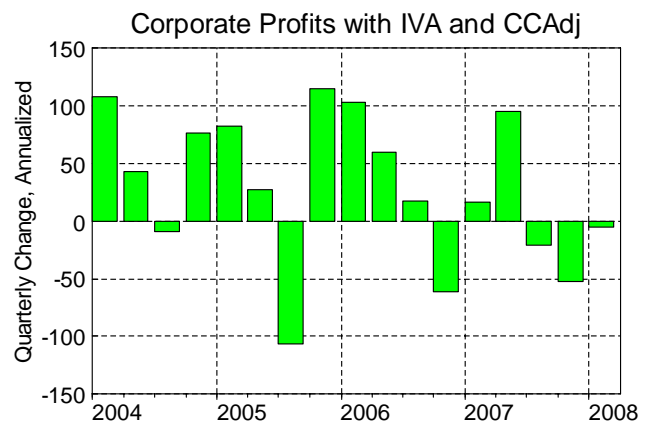
Inventories shrank by \$19.6 billion in the first quarter, bigger than previously estimated.



On inflation, the core PCE price index was revised up, from a 2.1% increase to a 2.3% increase. Compared to a year ago, the core PCE price index was up 2.0%.



Corporate profits were revised smaller in the first quarter. Nominal corporate profits fell 0.3% (annualized) in the first quarter. After tax, corporate profits fell 7.8%. Compared to a year ago, corporate profits rose 1.0% before tax, but fell 3.6% after tax.



Exports rose 5.4%, while imports fell 0.7%. The real trade balance added 0.8 percentage point to GDP growth.

Government spending rose 2.1%. Federal spending was revised slightly downward, to a 4.3% increase. State and local spending was revised upward, to a 0.8% increase. Government spending added 0.4 percentage point to GDP growth.

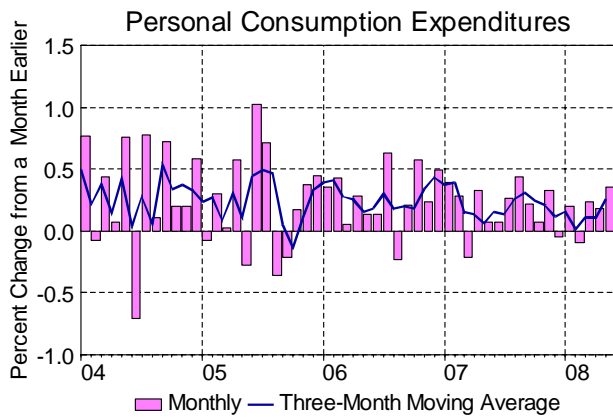
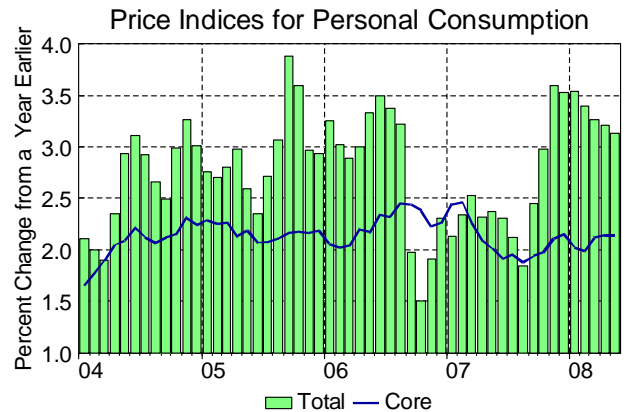
Personal Income and Consumption

In May, consumer spending rose 0.8%, following a 0.4% increase in April. This is the strongest increase in many months, thanks to the government's rebate checks.

After adjusting for inflation, real consumer spending rose 0.4% in May, double increases of 0.2% in both March and April.

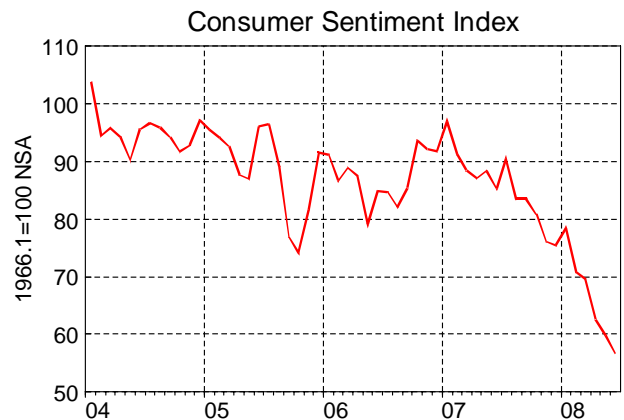
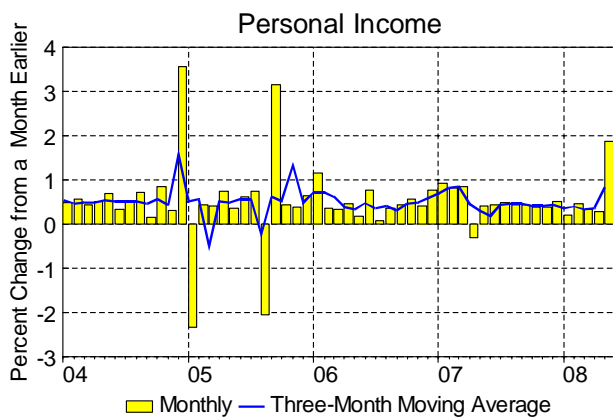
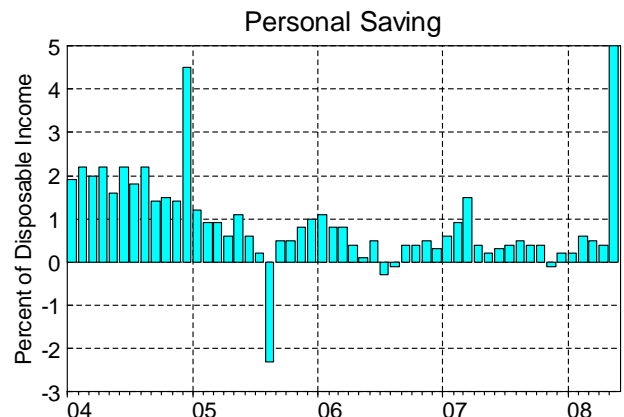
Real spending on non-durable goods and services both increased 0.4%. Real spending on durable goods edged up 0.1%, after being flat in April.

ago, the PCE price rose 3.1% in aggregate and 2.1% in core.



Personal savings soared to \$555.7 billion (annual rate) in May, from \$39.7 billion in April. The savings rate, as a result, rose from 0.4% in April to 5.0% in May.

Personal income jumped 1.9% in May, the largest monthly increase since September 2005. Real disposable income surged 5.3%.



Wages and salaries increased 0.3% in May. Income on assets was flat in the month. Rental income surged 11.1%.

Transfer payments jumped 10.2%, while taxes were down 24.7%.

On inflation, the PCE price index rose 0.4%, the strongest in several months. Meanwhile, the core PCE price index edged up 0.1% in May. Compared to a year

Consumer Sentiment Index

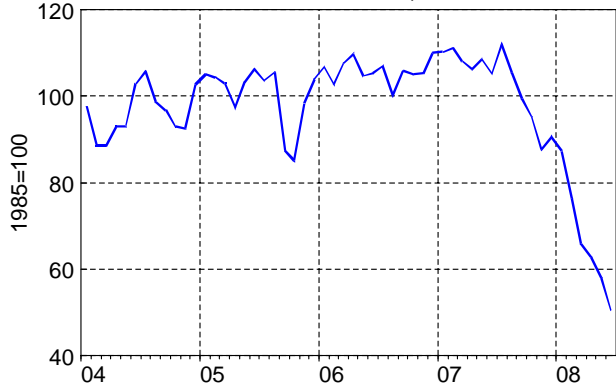
In June, the Consumer Sentiment Index, from Reuters and the University of Michigan, fell to 56.4, from May's

59.8. This is the weakest survey performance in 28 years. The Current Conditions Index fell to 67.6, from 73.3 in May. The Consumer Expectations Index was down to 49.2 in June, from 51.1 in May, also the weakest in 28 years. Inflation expectations for the year ahead inched down one-tenth from a month ago, to 5.1%. Five-year inflation expectations were unchanged at 3.4%, the highest in 13 years.

Consumer Confidence Index

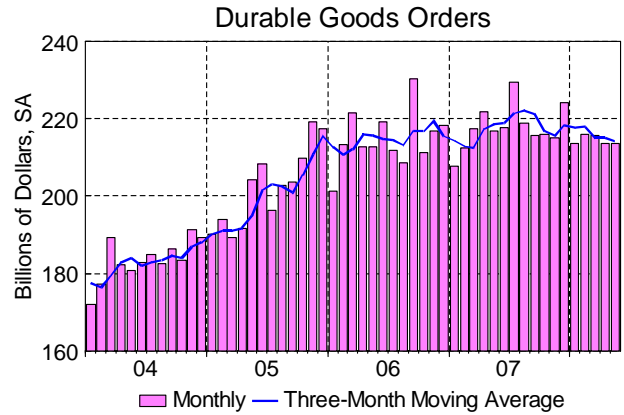
In June, the Conference Board's Consumer Confidence Index fell to 50.4, from 58.1 in May. The June reading was the lowest since 1992. The Present Situation Index fell to 64.5, from 74.2 in May. The Expectations Index dropped to 41.0 in June, a new low, following a reading of 47.3 in May. Among those surveyed, more than 30% indicated that jobs are "hard to get", up from 28.3% in May. 4.8% of those surveyed indicated plans to buy an automobile in the next six months, compared to 5.1% in May. Inflation expectations were unchanged at 7.7% in June.

Consumer Confidence Index (Conference Board)



Durable Goods Orders

Following a 1.0% decline, orders for durable goods edged up 0.03% in May. Orders for transportation goods rose 2.6% in May. Orders for civilian aircraft jumped 10.3%, which offset a 3.3% decline in order for motor vehicles and parts. Excluding transportation, orders for durable goods fell 0.6%.

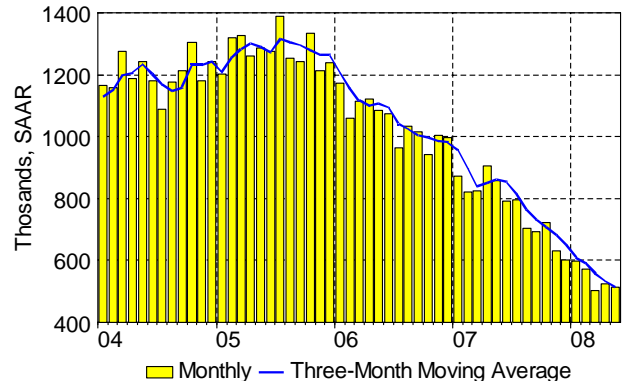


Orders for machinery fell 5.3%, following a 5.1% gain in April. Orders for primary metals were down 1.3%, offsetting a 0.1% increase in orders for fabricated metals. Orders for computers and electronics were up 2%, while orders for electrical equipment increased 1.5%. Meanwhile, shipments of durable goods were down 1.1% in May, following a 1.8% increase in April. Unfilled orders went up 0.9% in May, while inventories gained 0.4%.

New Home Sales

In May, new home sales fell 2.5% to 512,000 (annualized). Compared to a year ago, new home sales plunged more than 40%. By region, sales fell 11.6% in the West. Sales totaled 114,000 in the West, the weakest sales level since 1982. Sales fell 7.9% in the Northeast. In contrast, sales rose 5.1% in the Midwest and edged up 0.4% in the South. The median sales price of new homes fell 5.7% from a year ago, to \$231,000. The number of unsold homes corresponded to a 10.9-month supply, up from 10.7 months in April.

New Home Sales



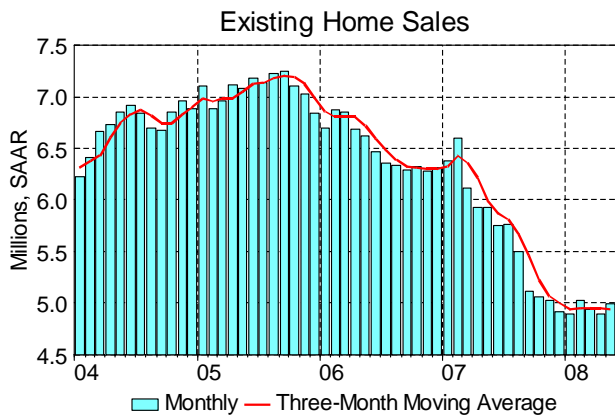
Existing Home Sales

In May, existing home sales went up 2% to 4.99 million (annual rate), from 4.89 million in April. The May performance was the strongest in the past three months.

Despite the monthly increase, the May figure was still 15.9% below that of last year.

The median sales price of existing homes fell 6.3% from a year ago, to \$208,600.

Inventories of unsold homes shrank 1.4%, corresponding to a 10.9-month supply.



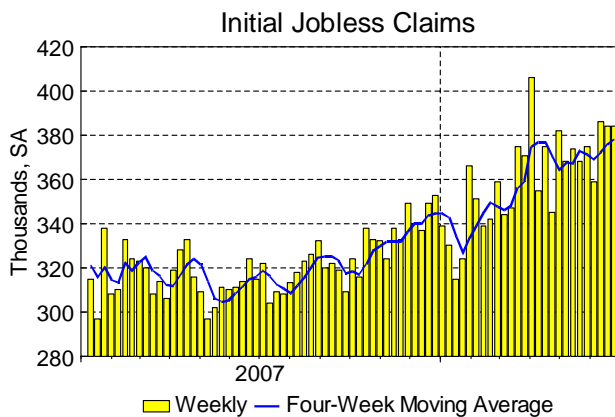
Initial Jobless Claims

For the week ending June 21, initial jobless claims were unchanged at 384,000, after rising to a two-month high two weeks ago. The prior week’s initial claims figure was revised up by 3,000.

The four-week moving average of claims stood at 378,250, the highest in almost three years.

The number of insured unemployed rose by 82,000 to 3.14 million, for the week ending June 14. Continuing claims have consistently remained above the 3-million level in the past two months.

The insured unemployment rate rose to 2.4%.

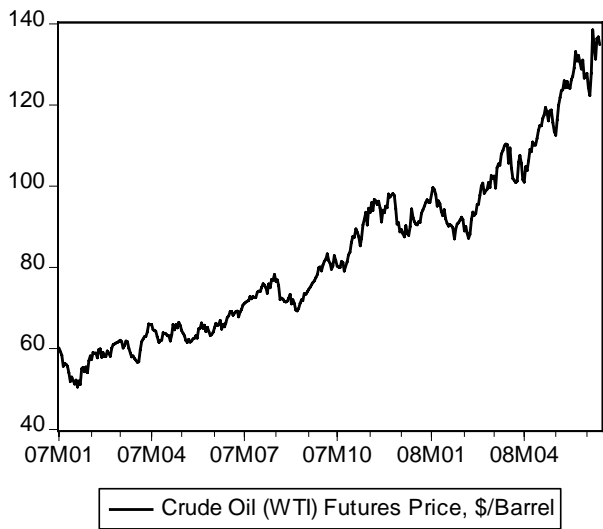
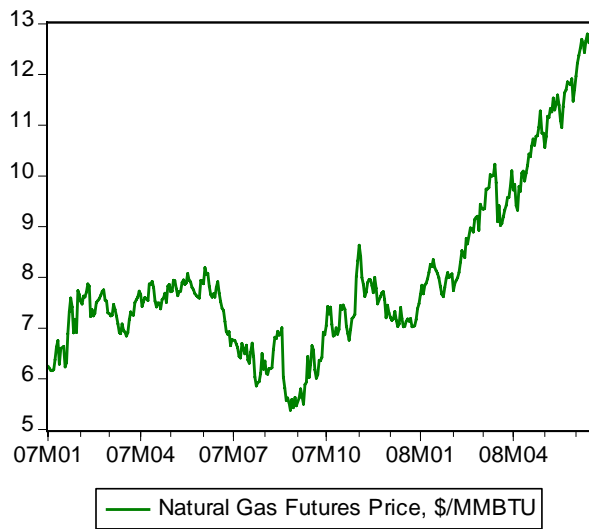
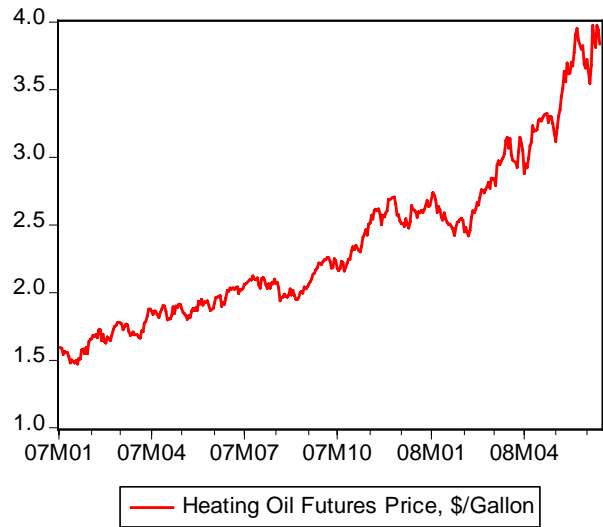
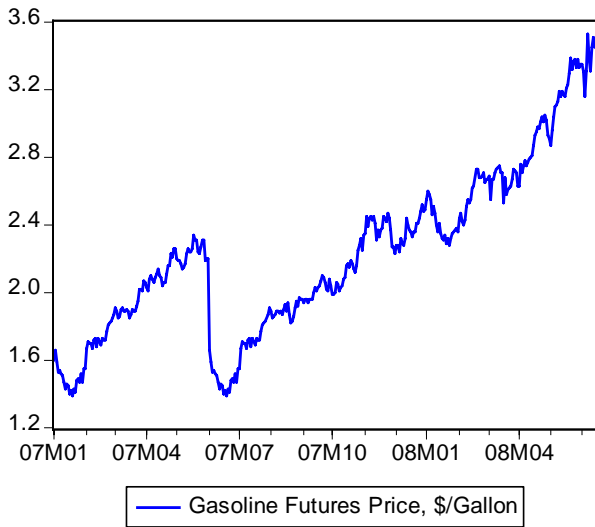


Energy Prices

Energy prices trended higher for another week, closing Friday at more than \$140 a barrel for August delivery. Earlier in the week, crude oil prices touched a record high of \$142.26 a barrel.

OPEC President Khelil recently commented that oil prices could possibly rise further, to \$150-\$170 a barrel, prompting further increases in oil prices on the trading floor. At the same, the weak US dollar also put upward pressure on oil prices.

Prices of other commodities also closed higher in the week. Prices of heating oil closed Friday at \$3.9066 a gallon, a record high, intensifying concerns of further rise in home heating fuel costs. Similarly, prices of gasoline and natural gas also closed Friday higher.



Interest Rates

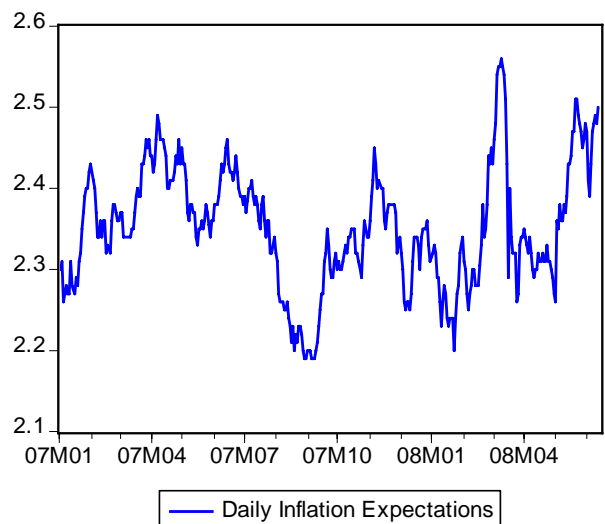
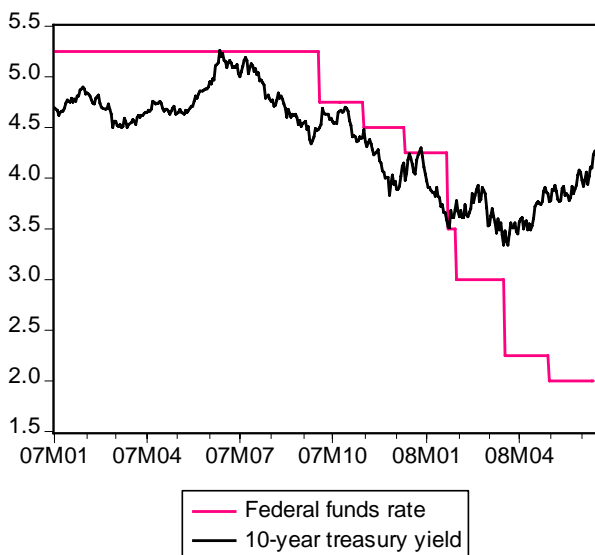
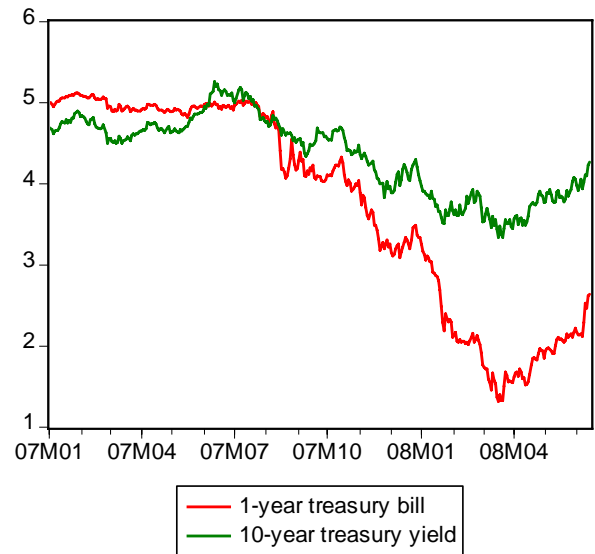
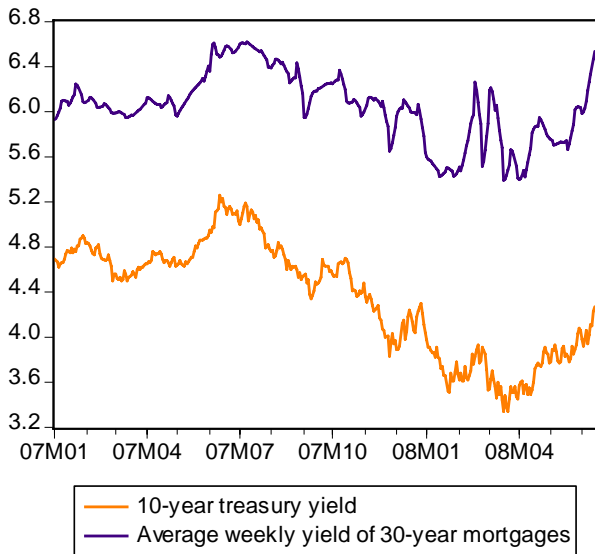
As stock prices plummeted and concerns about credit risks heightened, demand for treasuries strengthened this week, leading to a decline in corresponding treasury yields.

The two-year treasury yield traded at 2.63% by Friday's market close, down 27 basis points in the week. This was the lowest level of the two-year treasury yield in the past three weeks.

The ten-year treasury yield also fell, to 3.97%, from 4.17% a week ago.

Market movers were mixed towards the direction of treasury bills. On one hand, the economic outlook remains uncertain, prompting to higher treasury prices, and thus lower yields. On the other hand, rising inflationary outlook put upward pressure on treasury yields.

The upward pressure on daily inflation expectations (yield on unprotected minus yield on protected 10-year bonds) fell marginally. They currently stand close to 2.5%. FED officials indicate that they are increasingly concerned about inflation.



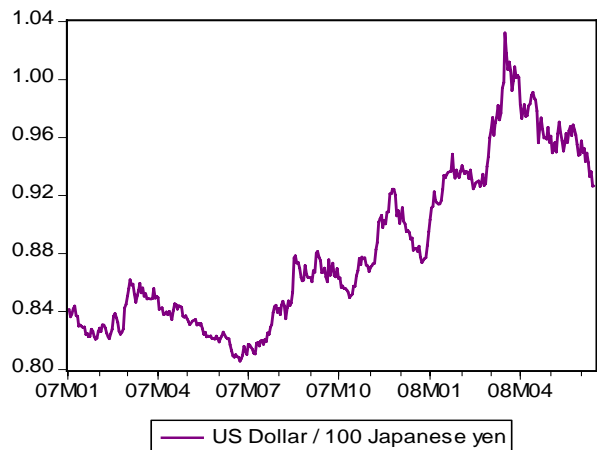
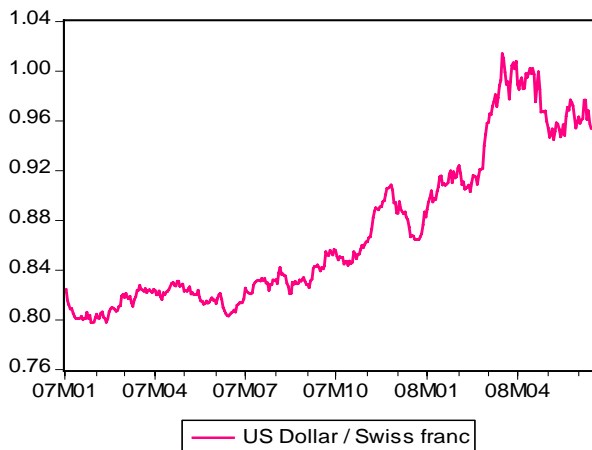
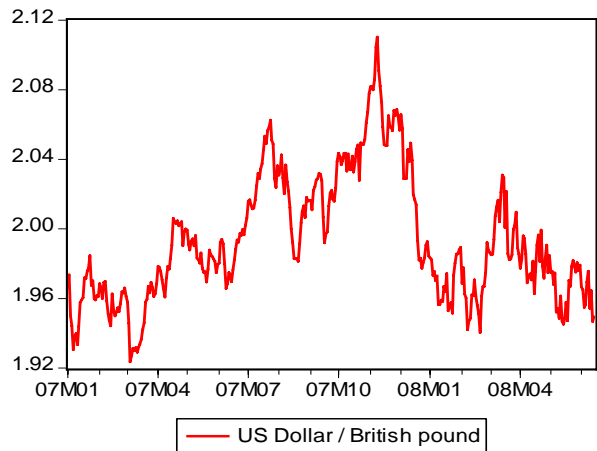
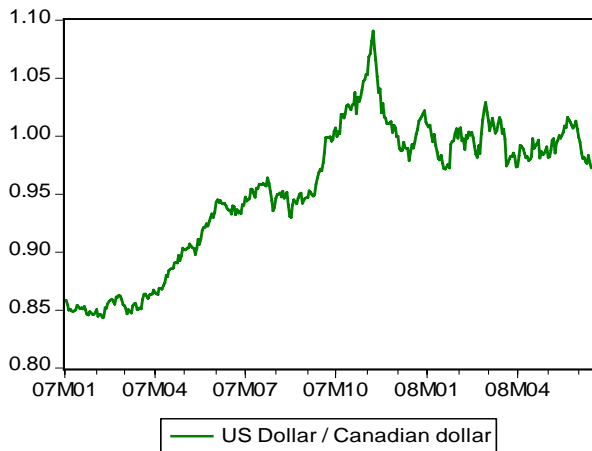
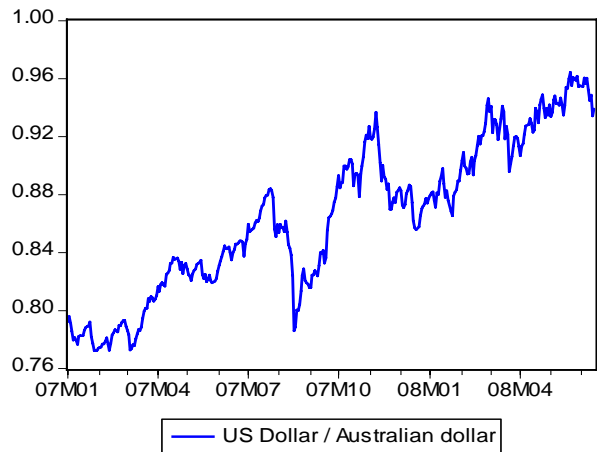
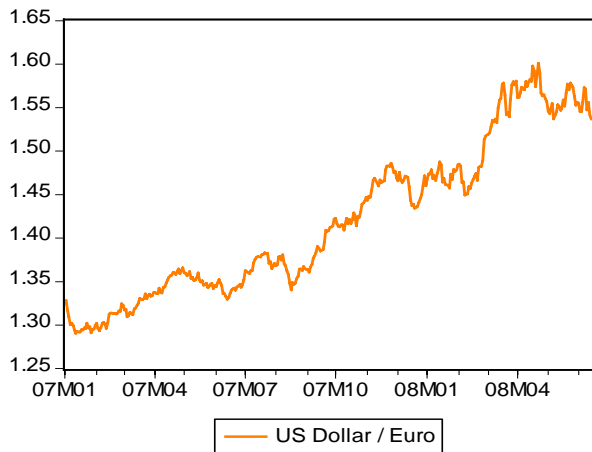
Currency Markets

The US dollar fell to its two-week low against both the euro and the Japanese yen. Although the Fed's Open Market Committee has shifted their attention to fighting inflation, their decision to maintain short-term interest rates unchanged, at the moment, did not help the US dollar.

By Friday's market close, the US dollar traded at \$1.5794 per euro, down 1.2% from a week ago. The US dollar also fell 1.1% against the Japanese yen, ending the week at 106.15 yen per US dollar.

The US dollar also tumbled against the British pound, at \$1.9921 per British pound.

Similarly, the US dollar fell to its lowest in three weeks against the Canadian dollar. The US dollar traded at 98.96 US cents per Canadian dollar by Friday's market close, down 0.6%.



The Week in Preview (June 30 – July 4)

Date	Economic Indicator	For	Market Consensus	Prior Month
Jun 30	Chicago Purchasing Managers Index	June	48.5	49.1
Jul 01	Auto Sales	June	14.1 million	14.3 million
Jul 01	Construction Spending	May	-0.6%	-0.4%
Jul 01	ISM Manufacturing Index	June	46.0	49.6
Jul 02	Factory Orders	May	0.6%	1.1%
Jul 03	Average Workweek	June	33.7 hours	33.7 hours
Jul 03	Average Hourly Earnings	June	0.3%	0.3%
Jul 03	Nonfarm Payrolls	June	-50,000	-49,000
Jul 03	Unemployment Rate	June	5.4%	5.5%
Jul 03	ISM Non-manufacturing Index	June	51.5	51.7

Current Quarter Forecasts

In the second quarter, our forecast for real GDP is expected to increase 2.1% (SAAR), to be followed by a 0.9% increase in the third quarter of 2008.

The GDP deflator is projected to increase 3.2% in the second quarter (SAAR), and 3.4% in the third quarter of 2008.

Nominal GDP is forecasted to total US\$14.4 trillion in the second quarter, to be followed by US\$14.5 trillion in the third quarter of 2008. This amounts to 5.5% (SAAR) expansion in the second quarter and 4.3% 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, May 12th-26th, and Jun 9th-23rd.

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	1.0

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 consume 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, 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 +2.07%.

There is a fractional positive 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)	138.002	137.919	137.831	137.803	137.754	137.749	137.917	137.769
+ Difference	-0.076	-0.083	-0.088	-0.028	-0.049	-0.005	-0.113	-0.149
% Change, Annual Rate	-0.7	-0.7	-0.8	-0.2	-0.4	-0.0	-0.3	-0.4
% Change, Year Ago	0.7	0.6	0.4	0.3	0.2	0.1	0.5	0.2
DEMAND AND SPENDING								
Retail Sales (Bil\$)	342.38	340.60	342.37	343.44	347.02	364.40	341.78	346.29
% Change	0.6	-0.5	0.5	0.3	1.0	5.0		
% Change, Annual Rate	8.1	-6.1	6.4	3.8	13.2	79.8	0.7	5.4
% Change, Year Ago	3.9	2.5	2.2	2.8	2.2	8.7	2.9	2.9
PRICES								
PPI, Finished Goods (1982=100)	173.4	173.9	175.8	176.1	178.5	179.6	174.4	178.1
% Change	1.2	0.3	1.1	0.2	1.4	0.6		
% Change, Annual Rate	14.9	3.5	13.9	2.1	17.6	7.7	9.3	8.8
% Change, Year Ago	7.8	6.8	6.9	6.4	7.2	7.8	7.1	7.1
CPI, All-Urban (1982-84=100)	212.5	212.6	213.3	213.7	215.1	216.1	212.8	215.0
% Change	0.4	0.0	0.3	0.2	0.6	0.4		
% Change, Annual Rate	4.8	0.3	4.2	2.5	8.1	5.5	4.3	4.2
% Change, Year Ago	4.4	4.1	4.0	3.9	4.1	4.3	4.2	4.1
Housing Starts (Mil)	1.064	1.107	0.988	1.008	0.975	0.984	1.053	0.989
% Change	6.4	4.0	-10.7	2.0	-3.3	0.9		
% Change, Annual Rate	110.5	60.9	-74.5	27.2	-32.9	11.7	-30.0	-22.2
% Change, Year Ago	-23.0	-25.5	-33.8	-32.2	-32.1	-32.5	-27.5	-32.3
Industrial Production Index (2002=	112.52	111.79	111.94	111.10	110.91	111.01	112.08	111.01
% Change	0.1	-0.6	0.1	-0.7	-0.2	0.1		
% Change, Annual Rate	1.4	-7.5	1.6	-8.6	-2.1	1.1	-0.3	-3.8
% Change, Year Ago	2.5	1.2	1.4	0.1	-0.1	-0.3	1.7	-0.1
New Orders for Manufactured Goods	435.42	433.86	440.22	445.23	445.92	449.21	436.50	446.79
% Change	-2.4	-0.4	1.5	1.1	0.2	0.7		
% Change, Annual Rate	-24.9	-4.2	19.1	14.6	1.9	9.2	-1.4	9.8
% Change, Year Ago	7.3	5.1	4.2	3.8	4.4	5.1	5.5	4.4
Nondefense Capital Goods Shipments	68.95	66.46	66.68	67.83	67.88	67.77	67.36	67.83
% Change	1.7	-3.6	0.3	1.7	0.1	-0.2		
% Change, Annual Rate	22.3	-35.7	4.1	22.8	0.9	-2.0	-0.1	2.8
% Change, Year Ago	7.7	2.0	1.8	2.8	1.9	2.2	5.5	4.4
Sales of Domestic Passenger Cars (5.07	5.02	4.94	4.89	5.33	5.26	5.01	5.16
% Change	-8.4	-1.0	-1.6	-1.1	9.0	-1.2		
% Change, Annual Rate	-65.3	-11.0	-17.1	-12.8	181.4	-13.6	-27.9	12.3
% Change, Year Ago	-3.2	-1.0	-3.1	-2.6	-3.5	0.3	-2.4	-2.0
Business Inventories (Bil\$)	1457.95	1464.50	1467.46	1474.82	1482.79	1488.97	1463.30	1482.19
% Change	1.0	0.4	0.2	0.5	0.5	0.4		
% Change, Year Ago	4.7	4.9	5.2	5.4	5.5	5.6	4.9	5.5
+ Difference, Annual Rate	169.4	78.5	35.6	88.3	95.6	74.2	106.2	75.6
EXTERNAL SECTOR								
Merchandise Trade Balance, Census	-68.56	-69.92	-66.31	-70.57	-68.52	-67.87	-819.13	-827.87
+ Difference	-0.9	-1.4	3.6	-4.3	2.1	0.6		
+ Difference, Annual Rate	-11.0	-16.3	43.3	-51.2	24.6	7.8	-6.86	-8.74
+ Difference, year ago	-4.1	-5.0	1.6	-4.3	-2.4	-0.9		

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 >			< forecast >	
Real GDP					
(i) Expenditure Side GDP	11658.9	11675.7	11703.6	11799.3	11823.4
% Previous Q, A.R.	4.91	0.58	0.96	3.31	0.82
% Year before	2.84	2.46	2.55	2.42	1.41
(ii) Income Side GDP	11658.9	11675.7	11703.6	11741.1	11741.9
% Previous Q, A.R.	4.91	0.58	0.96	1.29	0.03
% Year before	2.84	2.46	2.55	1.92	0.71
(iii) Principal Components est. GDP	11658.9	11675.7	11703.6	11750.7	11803.3
% Previous Q, A.R.	4.91	0.58	0.96	1.62	1.80
% Year before	2.84	2.46	2.55	2.00	1.24
Average Real GDP	11658.9	11675.7	11703.6	11763.7	11789.6
% Previous Q, A.R.	4.91	0.58	0.96	2.07	0.88
% Year before	2.84	2.46	2.55	2.11	1.12
GDP Deflator (2000=100)					
(i) Expenditure Side PGDP	119.8	120.6	121.4	122.4	123.4
% Previous Q, A.R.	1.04	2.44	2.69	3.38	3.51
% Year before	2.40	2.58	2.20	2.38	3.00
(ii) Income Side PGDP: Same as (i)	119.8	120.6	121.4	122.4	123.4
% Previous Q, A.R.	1.04	2.44	2.69	3.38	3.51
% Year before	2.40	2.58	2.20	2.38	3.00
(iii) Principal Components est. PGDP	119.8	120.6	121.4	122.3	123.2
% Previous Q, A.R.	1.04	2.44	2.69	2.97	3.20
% Year before	2.40	2.58	2.20	2.28	2.83
Average GDP Deflator	119.8	120.6	121.4	122.3	123.4
% Previous Q, A.R.	1.04	2.44	2.69	3.24	3.41
% Year before	2.40	2.58	2.20	2.35	2.94
Nominal GDP					
(i) Expenditure Side GDP\$	13970.5	14074.2	14201.1	14439.5	14594.4
% Previous Q, A.R.	5.99	3.00	3.66	6.88	4.36
% Year before	5.30	5.09	4.79	4.87	4.47
(ii) Income Side GDP\$	13970.5	14074.2	14201.1	14368.2	14493.8
% Previous Q, A.R.	5.99	3.00	3.66	4.79	3.54
% Year before	5.30	5.09	4.79	4.35	3.75
(iii) Principal Components est. GDP\$	13970.5	14074.2	14201.1	14365.8	14544.4
% Previous Q, A.R.	5.99	3.00	3.66	4.72	5.07
% Year before	5.30	5.09	4.79	4.34	4.11
Average Nominal GDP	13970.5	14074.2	14201.1	14391.2	14544.2
% Previous Q, A.R.	5.99	3.00	3.66	5.46	4.32
% Year before	5.30	5.09	4.79	4.52	4.11

EXPENDITURE SIDE

Real Gross Domestic Product

2007Q3 2007Q4 2008Q1 2008Q2 2008Q3

Billions of Chained (2000) Dollars, SAAR

Gross Domestic Product	11658.90	11675.70	11703.60	11799.32	11823.44
Total Demand	13633.20	13643.00	13667.50	13769.37	13793.15
Domestic Demand	12188.30	12175.50	12180.40	12258.29	12245.96
Domestic Final Demand	12155.60	12194.60	12199.00	12267.90	12254.31
Final Demand	11626.40	11695.20	11722.50	11806.29	11827.62
Personal Consumption Expenditures	8302.20	8349.10	8372.90	8460.86	8448.94
Durable Goods	1241.90	1248.10	1229.10	1231.77	1239.82
Nondurable Goods	2396.80	2404.20	2403.20	2438.55	2420.39
Services	4689.50	4722.40	4758.90	4808.39	4811.69
Gross Private Domestic Investment	1859.90	1787.70	1756.10	1741.78	1740.15
Fixed Investment	1826.00	1807.50	1775.30	1751.35	1748.50
Nonresidential	1387.30	1407.80	1409.70	1413.62	1421.93
Equipment and Software	1073.50	1081.70	1082.30	1088.73	1102.14
Structures	311.10	320.30	321.30	320.24	318.36
Residential	463.30	430.90	401.60	378.22	369.67
Change In Business Inventories	30.60	-18.30	-19.60	-9.59	-8.35
Farm	4.10	2.20	-1.00	-1.39	-0.55
Nonfarm	26.02	-21.68	-18.87	-8.20	-7.80
Net Exports	-533.10	-503.20	-480.20	-461.72	-426.63
Exports	1441.20	1464.10	1483.70	1511.12	1547.25
Imports	1974.30	1967.30	1963.90	1972.84	1973.88
Government Purchases	2033.60	2043.40	2053.90	2055.80	2056.88
Federal	764.00	765.00	773.20	776.66	777.44
State and Local	1269.60	1278.30	1280.90	1279.14	1279.46

Percent Change, Annual Rate

Gross Domestic Product	4.91	0.58	0.96	3.31	0.82
Total Demand	4.83	0.29	0.72	3.01	0.69
Domestic Demand	3.33	-0.42	0.16	2.58	-0.40
Domestic Final Demand	2.48	1.29	0.14	2.28	-0.44
Final Demand	4.01	2.39	0.94	2.89	0.72
Personal Consumption Expenditures	2.84	2.28	1.15	4.27	-0.56
Durable Goods	4.47	2.01	-5.95	0.87	2.64
Nondurable Goods	2.20	1.24	-0.17	6.02	-2.95
Services	2.85	2.84	3.13	4.22	0.28
Gross Private Domestic Investment					
Fixed Investment	-0.72	-3.99	-6.94	-5.29	-0.65
Nonresidential	9.36	6.04	0.54	1.12	2.37
Equipment and Software	6.23	3.09	0.22	2.40	5.02
Structures	16.42	12.36	1.25	-1.31	-2.33
Residential	-20.53	-25.17	-24.55	-21.33	-8.74
Exports	19.13	6.51	5.46	7.60	9.91
Imports	4.35	-1.41	-0.69	1.83	0.21
Government Purchases	3.78	1.94	2.07	0.37	0.21
Federal	7.11	0.52	4.36	1.80	0.40
State and Local	1.95	2.77	0.82	-0.55	0.10

EXPENDITURE SIDE

Nominal Gross Domestic Product

	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3
Billions of Dollars, SAAR					
Gross Domestic Product	13970.50	14074.20	14201.10	14439.45	14594.44
Total Demand	16350.90	16520.80	16717.00	17026.85	17243.11
Domestic Demand	14665.10	14783.10	14918.10	15169.94	15325.32
Domestic Final Demand	14629.70	14810.50	14948.40	15181.68	15335.63
Final Demand	13935.00	14101.60	14231.50	14451.19	14604.75
Personal Consumption Expenditures	9785.70	9936.60	10053.70	10254.95	10353.86
Durable Goods	1081.60	1082.50	1065.50	1065.36	1071.64
Nondurable Goods	2846.30	2904.50	2949.90	3027.10	3052.03
Services	5857.80	5949.70	6038.20	6162.50	6230.19
Gross Private Domestic Investment	2162.90	2082.10	2038.90	2045.30	2061.18
Fixed Investment	2127.50	2109.50	2069.20	2057.04	2071.49
Nonresidential	1500.10	1526.50	1529.10	1542.31	1562.37
Equipment and Software	1017.10	1025.30	1024.00	1033.75	1050.06
Structures	483.10	501.30	505.10	508.56	512.32
Residential	627.30	582.90	540.20	514.73	509.12
Change In Business Inventories	35.40	-27.40	-30.40	-11.74	-10.31
Farm	3.80	0.30	-3.80	-1.70	-0.68
Nonfarm	31.62	-27.72	-26.56	-10.04	-9.64
Net Exports	-694.70	-708.90	-717.00	-730.49	-730.88
Exports	1685.70	1737.70	1798.90	1856.91	1917.79
Imports	2380.40	2446.60	2515.90	2587.40	2648.67
Government Purchases	2716.50	2764.40	2825.50	2869.69	2910.28
Federal	990.30	997.70	1023.30	1036.48	1050.03
State and Local	1726.20	1766.70	1802.20	1833.21	1860.25
Percent Change, Annual Rate					
Gross Domestic Product	5.99	3.00	3.66	6.88	4.36
Total Demand	6.87	4.22	4.84	7.62	5.18
Domestic Demand	5.12	3.26	3.70	6.93	4.16
Domestic Final Demand	4.26	5.04	3.78	6.39	4.12
Final Demand	5.08	4.87	3.74	6.32	4.32
Personal Consumption Expenditures	4.70	6.31	4.80	8.25	3.91
Durable Goods	2.59	0.33	-6.14	-0.05	2.38
Nondurable Goods	3.39	8.43	6.40	10.89	3.34
Services	5.75	6.42	6.08	8.49	4.47
Gross Private Domestic Investment	4.53	-14.13	-8.04	1.26	3.14
Fixed Investment	-1.19	-3.34	-7.43	-2.33	2.84
Nonresidential	8.71	7.23	0.68	3.50	5.31
Equipment and Software	5.11	3.26	-0.51	3.86	6.46
Structures	17.01	15.94	3.07	2.77	2.99
Residential	-20.72	-25.45	-26.24	-17.57	-4.29
Exports	23.61	12.92	14.85	13.54	13.77
Imports	12.19	11.60	11.82	11.86	9.81
Government Purchases	7.15	7.24	9.14	6.40	5.78
Federal	8.86	3.02	10.67	5.25	5.34
State and Local	6.18	9.72	8.28	7.06	6.03

EXPENDITURE SIDE

Gross Domestic Product Chain-Type Price Index

	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3
Index 2000=100					
Gross Domestic Product	119.84	120.56	121.36	122.38	123.44
Total Demand	119.93	121.09	122.31	123.66	125.01
Domestic Demand	120.33	121.43	122.50	123.76	125.15
Domestic Final Demand	120.36	121.45	122.54	123.76	125.15
Final Demand	119.86	120.58	121.41	122.40	123.48
Personal Consumption Expenditures	117.87	119.02	120.08	121.20	122.55
Durable Goods	87.09	86.73	86.68	86.49	86.44
Nondurable Goods	118.75	120.81	122.75	124.14	126.10
Services	124.92	126.00	126.89	128.16	129.48
Gross Private Domestic Investment	116.33	116.55	116.22	117.42	118.45
Fixed Investment	116.50	116.70	116.54	117.46	118.47
Nonresidential	108.14	108.44	108.47	109.10	109.88
Equipment and Software	94.75	94.78	94.61	94.95	95.27
Structures	155.39	156.61	157.32	158.81	160.92
Residential	135.37	135.24	134.47	136.09	137.72
Exports	116.99	118.70	121.27	122.88	123.95
Imports	120.57	124.36	128.11	131.15	134.19
Government Purchases	133.59	135.29	137.57	139.59	141.50
Federal	129.62	130.42	132.36	133.45	135.06
State and Local	135.97	138.21	140.71	143.32	145.40

Percent Change, Annual Rate

Gross Domestic Product	1.04	2.44	2.69	3.38	3.51
Total Demand	1.95	3.92	4.09	4.49	4.44
Domestic Demand	1.75	3.71	3.55	4.18	4.56
Domestic Final Demand	1.74	3.70	3.63	4.03	4.57
Final Demand	1.02	2.42	2.77	3.32	3.58
Personal Consumption Expenditures	1.81	3.95	3.61	3.80	4.50
Durable Goods	-1.80	-1.67	-0.21	-0.88	-0.25
Nondurable Goods	1.15	7.12	6.58	4.59	6.47
Services	2.82	3.49	2.88	4.06	4.18
Gross Private Domestic Investment	-0.35	0.77	-1.11	4.18	3.55
Fixed Investment	-0.47	0.68	-0.53	3.17	3.51
Nonresidential	-0.56	1.11	0.11	2.36	2.87
Equipment and Software	-1.05	0.14	-0.72	1.43	1.38
Structures	0.50	3.17	1.83	3.84	5.44
Residential	-0.27	-0.38	-2.25	4.91	4.88
Exports	3.78	5.98	8.93	5.43	3.51
Imports	7.51	13.17	12.62	9.84	9.58
Government Purchases	3.24	5.18	6.94	5.99	5.57
Federal	1.63	2.47	6.08	3.36	4.91
State and Local	4.17	6.75	7.42	7.63	5.94

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	14201.10	14368.22	14493.80
Plus:					
Receipts of Factor Income	855.60	848.10	784.10	802.44	821.20
Less:					
Payments of Factor Income	754.40	700.20	663.30	674.78	686.60
Equals: Gross National Product	14071.60	14222.10	14321.90	14495.88	14628.40
Less:					
Consumption of Fixed Capital	1690.90	1701.10	1710.80	1713.37	1720.88
Equals: Net National Product	12380.80	12520.90	12611.10	12782.53	12907.77
Indirect Business Taxes	1014.37	1024.76	1030.34	1042.65	1055.94
Business Transfers	94.40	97.90	100.90	94.78	89.53
Statistical Discrepancy	84.80	112.00	129.80	118.28	108.19
Net Subsidies	46.62	47.49	48.40	48.01	47.63
National Income	12296.00	12408.90	12481.30	12664.25	12799.58
Corporate Profits	1621.90	1569.00	1563.80	1592.17	1626.57
Net Interest	599.30	619.00	601.60	590.38	587.53
Contribution for Soc. Ins.	983.20	994.14	1015.89	1021.08	1026.99
Personal	505.94	511.75	523.75	526.40	526.90
Employer	477.26	482.40	492.14	494.68	500.09
Personal Interest Income	1171.10	1173.20	1161.10	1150.28	1154.32
Personal Dividend Income	805.00	826.60	843.30	857.16	867.01
Government Transfers	1714.35	1728.39	1758.04	1848.95	1895.52
Business Transfers (to persons)	28.00	28.10	28.10	28.34	28.49
Personal Income	11735.00	11880.90	12012.10	12266.49	12417.32
Percent Change, Annual Rate					
Gross Domestic Product	5.99	3.00	3.66	4.79	3.54
Plus:					
Receipts of Factor Income	21.94	-3.46	-26.94	9.69	9.68
Less:					
Payments of Factor Income	5.99	-25.79	-19.47	7.11	7.19
Equals: Gross National Product	6.88	4.35	2.84	4.95	3.71
Less:					
Consumption of Fixed Capital	1.79	2.43	2.30	0.60	1.77
Equals: Net National Product	7.60	4.60	2.91	5.55	3.98
Indirect Business Taxes	4.16	4.16	2.20	4.87	5.19
Business Transfers	7.08	15.68	12.83	-22.16	-20.36
National Income	3.29	3.72	2.35	5.99	4.34
Corporate Profits	-4.90	-12.42	-1.32	7.46	8.92
Net Interest	4.74	13.81	-10.78	-7.26	-1.92
Contribution for Social Insurance	4.59	4.53	9.04	2.06	2.33
Personal	4.75	4.67	9.72	2.04	0.38
Employer	4.42	4.37	8.33	2.08	4.45
Personal Interest Income	8.14	0.72	-4.06	-3.68	1.41
Personal Dividend Income	12.52	11.17	8.33	6.74	4.67
Government Transfers	6.05	3.31	7.04	22.34	10.46
Business Transfers (to persons)	2.91	1.44	0.00	3.48	2.10
Personal Income	5.56	5.07	4.49	8.74	5.01

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	6560.20	6602.13	6659.39
Commod Prod Industries	1217.50	1230.30	1237.70	1237.04	1245.73
Manufacturing	754.70	760.50	765.50	766.16	769.46
Others	462.80	469.80	472.20	470.88	476.28
Distributive Industries*	1033.30	1046.80	1056.20	1057.72	1062.04
Service Industries	3059.00	3106.60	3162.40	3192.16	3225.88
Government	1072.90	1084.70	1103.90	1115.29	1125.89
Other Labor Income	1500.00	1516.60	1540.50	1555.44	1571.97
Proprietors Income	1048.70	1055.90	1055.90	1057.17	1064.15
Farm	38.60	43.80	37.30	34.21	30.04
Business and Profess.	1010.00	1012.10	1018.50	1022.97	1034.11
Rental Income of Persons	68.40	77.80	80.90	96.20	101.71
Interest Paid by Persons	275.80	272.50	258.40	265.60	275.34
Other Interest	895.30	900.70	902.70	884.68	878.98
Transfer Payments	1742.30	1756.50	1786.20	1897.83	1953.35
Contributions for Social In	505.94	511.75	523.75	526.40	526.90
Personal Tax & Nontax P.	1489.80	1512.71	1514.77	1274.66	1204.20
Disposable Income	10245.20	10368.20	10497.40	10991.80	11213.12
Addendum:					
Domestic Final Sales	14633.6	14810.8	14944.7	15110.5	15235.0

Percent Change, Annual Rate

Wages and Salaries	4.10	5.48	5.80	2.58	3.51
Commod Prod Industries	1.63	4.27	2.43	-0.21	2.84
Manufacturing	0.32	3.11	2.66	0.34	1.73
Others	3.80	6.19	2.06	-1.11	4.66
Distributive Industries*	-0.15	5.33	3.64	0.58	1.64
Service Industries	6.59	6.37	7.38	3.82	4.29
Government	4.21	4.47	7.27	4.19	3.85
Other Labor Income	4.66	4.50	6.45	3.94	4.32
Proprietors Income	4.03	2.77	0.00	0.48	2.67
Farm	84.94	65.79	-47.41	-29.26	-40.52
Business and Profess.	1.88	0.83	2.55	1.77	4.43
Rental Income of Persons	47.18	67.38	16.92	99.97	24.92
Interest Paid by Persons	27.59	-4.70	-19.15	11.62	15.50
Other Interest	2.91	2.43	0.89	-7.75	-2.55
Transfer Payments	6.00	3.30	6.94	27.44	12.23
Contribution for Social Ins	4.75	4.67	9.72	2.04	0.38
Personal Tax & Nontax P.	3.33	6.29	0.55	-49.86	-20.34
Disposable Income	5.89	4.89	5.08	20.21	8.30
Addendum:					
Domestic Final Sales	4.26	4.93	3.66	4.51	3.34

*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	342.38	340.60	342.37	343.44	347.02	364.40	364.71	366.69	368.53
RS, Durable Goods Stores	121.59	120.28	119.63	118.92	119.95	126.08	126.22	126.78	127.42
RS, Bldg Materials, Hardware	26.99	27.02	26.74	27.45	28.12	29.40	29.49	29.70	29.84
RS, Auto Dealers	75.75	74.42	74.04	72.51	72.76	76.89	76.72	77.15	77.86
RS, Furn, Home Furn & Equip	9.52	9.48	9.48	9.49	9.53	10.04	10.05	10.11	10.19
RS, Nondurable Goods Stores	215.11	214.97	216.97	218.30	220.74	231.05	231.29	232.44	233.28
RS, Food Stores	48.01	48.18	48.59	48.97	49.16	51.37	51.38	51.52	51.64
RS, Gas Service Stations	41.85	41.24	42.30	42.38	43.46	46.19	46.52	47.19	47.37
RS, Apparel and Accessories	18.91	18.75	18.87	18.89	18.98	19.95	19.98	20.08	20.18
RS, New Domestic Cars, SAA	5.07	5.02	4.94	4.89	5.33	5.26	5.11	5.08	5.08
RS, New Dom Light Trucks, SAA	6.68	6.66	6.21	5.68	5.12	5.48	5.62	5.65	5.64

RECEIPTS AND OUTLAYS OF THE FEDERAL GOVERNMENT, Billions of Current Dollars,

NSA

Federal Govt Total Outlays	244.60	267.05	199.79	257.02	285.97	219.42	259.19	253.35	228.83
Federal Govt Debt Outstanding	9160.76	9280.37	9362.87	9303.52	9328.80	9390.51	9426.33	9497.69	9542.32

HOUSING STARTS, Millions, SAAR

Housing Starts, Total	1.0640	1.1070	0.9880	1.0080	0.9750	0.9841	0.9827	0.9865	0.9989
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NEW CONSTRUCTION PUT IN PLACE, Billions of Current Dollars, SAAR

New Const, Residential Bldgs	465.87	459.78	445.84	435.79	429.85	430.63	430.29	429.09	428.54
New Const, Nonresident Bldgs	373.24	377.47	381.83	388.01	391.02	394.32	398.43	400.69	403.62
New Const, Federal Government	20.39	20.28	19.97	20.29	20.47	20.51	20.51	20.71	20.60
New Const, State & Local Govt	272.87	274.79	278.13	276.80	278.11	279.52	280.67	281.92	283.04

Percent Change, Monthly Rate

RETAIL SALES (RS)

RS, Total Retail Sales	0.65	-0.52	0.52	0.31	1.04	5.01	0.08	0.54	0.50
RS, Durable Goods Stores	-0.04	-1.07	-0.54	-0.60	0.86	5.11	0.11	0.45	0.50
RS, Bldg Materials, Hardware	-0.66	0.10	-1.04	2.65	2.43	4.57	0.30	0.70	0.49
RS, Auto Dealers	0.25	-1.76	-0.50	-2.08	0.35	5.68	-0.22	0.56	0.92
RS, Furn, Home Furn & Equip	-0.86	-0.41	0.01	0.15	0.39	5.35	0.09	0.63	0.79
RS, Nondurable Goods Stores	0.87	-0.07	0.93	0.61	1.12	4.67	0.10	0.50	0.36
RS, Food Stores	0.26	0.35	0.86	0.78	0.39	4.49	0.03	0.26	0.23
RS, Gas Service Stations	3.10	-1.45	2.55	0.19	2.57	6.26	0.72	1.45	0.38
RS, Apparel and Accessories	2.40	-0.85	0.64	0.07	0.48	5.12	0.16	0.49	0.49
RS, New Domestic Cars, SAAR	-8.44	-0.97	-1.55	-1.13	9.01	-1.21	-2.81	-0.70	0.02
RS, New Dom Light Trucks, SA	-2.98	-0.36	-6.76	-8.54	-9.90	7.06	2.67	0.42	-0.07

RECEIPTS AND OUTLAYS OF THE FEDERAL GOVERNMENT

Federal Govt Total Outlays	7.21	9.18	-25.19	28.65	11.26	-23.27	18.12	-2.25	-9.68
Federal Govt Debt Outstanding	0.12	1.31	0.89	-0.63	0.27	0.66	0.38	0.76	0.47

HOUSING STARTS

Housing Starts, Total	6.40	4.04	-10.75	2.02	-3.27	0.93	-0.13	0.38	1.26
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NEW CONSTRUCTION PUT IN PLACE

New Const, Residential Bldgs	-0.93	-1.31	-3.03	-2.25	-1.36	0.18	-0.08	-0.28	-0.13
New Const, Nonresidential Bldgs	-0.14	1.13	1.16	1.62	0.78	0.84	1.04	0.57	0.73
New Const, Federal Government	4.50	-0.51	-1.54	1.62	0.87	0.19	0.04	0.93	-0.52
New Const, State & Local Govt	-0.07	0.70	1.22	-0.48	0.47	0.51	0.41	0.44	0.40

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	112.52	111.79	111.94	111.10	110.91	111.01	111.04	111.19	111.40
MANUFACTURERS' SHIPMENTS/INVENTORIES/ORDERS, Billions of Current Dollars, SA									
Manufacturers' New Orders	435.42	433.86	440.22	445.23	445.92	449.21	449.50	450.92	453.33
Manufacturers' Shipments	437.64	429.53	434.38	443.94	444.12	447.60	449.31	450.99	452.90
Manufacturers' Unfilled Orders	777.86	786.86	797.11	804.39	811.91	820.49	827.45	834.70	841.89
MANUFACTURED DURABLE GOODS, Billions of Current Dollars, SA									
Nondefense Capital Goods Shipmt	68.95	66.46	66.68	67.83	67.88	67.77	68.07	67.86	68.29
BUSINESS INVENTORIES, Billions of Current Dollars, SA									
Inventories, Manufacturers	537.50	540.67	545.79	545.67	548.78	550.92	552.65	554.93	556.85
Inventories, Merchant Wholesale	417.14	421.08	421.70	427.36	430.74	433.55	436.78	439.18	441.51
Inventories, Retail Traders	503.31	502.74	499.97	501.79	503.27	504.50	506.21	507.74	509.51
U.S. MERCHANDISE TRADE, Millions of Current Dollars, SA									
Exports, FAS	105482	109004	105541	110339	111055	112043	113743	114303	115264
Imports, CIF	174039	178923	171848	180912	179577	179916	182788	182981	184071
Exports, Mach and Transp Equipm	39259	41434	38245	42151	40315	40849	41328	41278	41793
Imports, Mach and Transp Equipm	61072	64765	59580	65138	64067	64504	64897	65920	66110
Percent Change, Monthly Rate									
INDUSTRIAL PRODUCTION									
Industrial Production, Total	0.12	-0.64	0.13	-0.75	-0.18	0.09	0.03	0.14	0.19
MANUFACTURERS' SHIPMENTS/INVENTORIES/ORDERS									
Manufacturers' New Orders	-2.36	-0.36	1.46	1.14	0.15	0.74	0.06	0.32	0.53
Manufacturers' Shipments	1.06	-1.85	1.13	2.20	0.04	0.78	0.38	0.38	0.42
Manufacturers' Unfilled Orders	0.59	1.16	1.30	0.91	0.93	1.06	0.85	0.88	0.86
MANUFACTURED DURABLE GOODS									
Nondefense Capital Goods Shipmt	1.69	-3.61	0.34	1.72	0.08	-0.17	0.43	-0.30	0.63
BUSINESS INVENTORIES									
Inventories, Manufacturers	1.29	0.59	0.95	-0.02	0.57	0.39	0.31	0.41	0.35
Inventories, Merchant Wholesale	1.26	0.94	0.15	1.34	0.79	0.65	0.75	0.55	0.53
Inventories, Retail Traders	0.42	-0.11	-0.55	0.36	0.29	0.24	0.34	0.30	0.35
U.S. MERCHANDISE TRADE									
Exports, FAS	2.50	3.34	-3.18	4.55	0.65	0.89	1.52	0.49	0.84
Imports, CIF	2.05	2.81	-3.95	5.27	-0.74	0.19	1.60	0.11	0.60
Exports, Mach and Transp Equip	-1.29	5.54	-7.70	10.21	-4.36	1.32	1.17	-0.12	1.25
Imports, Mach and Transp Equip	1.93	6.05	-8.01	9.33	-1.64	0.68	0.61	1.58	0.29

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	212.52	212.57	213.30	213.74	215.13	216.09	216.92	217.84	218.67
CPI, Durables	112.02	111.76	111.80	111.42	111.23	111.10	111.03	110.97	110.97
CPI, Furniture	123.79	123.90	125.97	124.56	123.49	123.27	123.15	123.06	123.30
CPI, Housekeeping Supplies	171.19	172.34	173.63	174.83	175.43	176.26	177.08	177.89	178.70
CPI, Nondurables	202.48	202.38	203.73	204.71	207.83	209.00	209.34	210.24	210.88
CPI, Apparel and Upkeep	119.76	119.35	117.82	118.36	118.04	118.13	118.30	118.49	118.68
CPI, Food and Beverages	208.33	209.09	209.52	211.44	212.09	212.91	213.81	214.65	215.54
CPI, Motor Oil, Fuel,	283.01	277.45	282.00	276.57	292.24	303.26	304.40	305.88	307.40
CPI, Services	251.32	251.80	252.70	253.46	254.64	255.38	256.36	257.12	258.11
CPI, New cars	135.60	135.20	135.02	134.77	134.69	134.78	134.91	135.07	135.26
PRODUCER PRICE INDEX (PPI), 1982=100, SA									
PPI, Finished Goods	173.40	173.90	175.80	176.10	178.50	179.61	180.66	181.99	183.17
PPI, Capital Equipment	151.00	151.70	151.90	152.50	152.70	153.09	153.48	153.83	154.20
PPI, Intermediate Materials	179.30	180.60	184.80	186.50	192.00	195.15	197.64	200.53	202.83
PPI, Components for Construction	194.50	195.50	197.10	199.10	203.20	206.24	208.64	210.23	211.28
PRICES RECEIVED BY FARMERS, Index, 1910-14=100, SA									
Index of Prices Recvd by Farmer	915.35	921.22	929.03	930.80	936.14	937.72	940.73	942.26	944.12
U.S. EXPORT/IMPORT PRICES, Index, 1995=100, SA									
U.S. Export Price Index	120.70	121.80	123.70	124.30	124.70	125.44	126.08	126.62	127.38
U.S. Import Price Index	129.20	129.50	133.40	136.60	139.70	141.21	142.02	142.53	142.91
Percent Change, Monthly Rate									
CONSUMER PRICE INDEX (CPI)									
CPI, All Urban Consumers	0.39	0.03	0.34	0.21	0.65	0.45	0.38	0.42	0.38
CPI, Durables	-0.07	-0.24	0.04	-0.34	-0.17	-0.11	-0.06	-0.06	-0.00
CPI, Furniture	0.23	0.09	1.67	-1.12	-0.86	-0.17	-0.10	-0.07	0.19
CPI, Housekeeping Supplies	0.26	0.67	0.75	0.69	0.34	0.47	0.47	0.46	0.45
CPI, Nondurables	0.83	-0.05	0.67	0.48	1.53	0.56	0.16	0.43	0.30
CPI, Apparel and Upkeep	0.44	-0.34	-1.28	0.46	-0.27	0.07	0.15	0.16	0.16
CPI, Food and Beverages	0.68	0.37	0.21	0.92	0.31	0.39	0.42	0.39	0.41
CPI, Motor Oil, Fuel	1.10	-1.97	1.64	-1.92	5.67	3.77	0.37	0.49	0.50
CPI, Services	0.31	0.19	0.36	0.30	0.47	0.29	0.38	0.30	0.39
CPI, New Cars	-0.26	-0.30	-0.13	-0.19	-0.06	0.07	0.10	0.12	0.14
PRODUCER PRICE INDEX (PPI)									
PPI, Finished Goods	1.17	0.29	1.09	0.17	1.36	0.62	0.59	0.73	0.65
PPI, Capital Equipment	0.47	0.46	0.13	0.39	0.13	0.26	0.25	0.23	0.24
PPI, Intermediate Materials	1.19	0.73	2.33	0.92	2.95	1.64	1.28	1.46	1.15
PPI, Components for Construction	0.36	0.51	0.82	1.01	2.06	1.50	1.16	0.76	0.50
PRICES RECEIVED BY FARMERS									
Index of Prices Recvd by Farmer	0.64	0.64	0.85	0.19	0.57	0.17	0.32	0.16	0.20
U.S. EXPORT/IMPORT PRICES									
U.S. Export Price Index	1.17	0.91	1.56	0.49	0.32	0.59	0.52	0.43	0.60
U.S. Import Price Index	1.49	0.23	3.01	2.40	2.27	1.08	0.57	0.36	0.27

MONTHLY ECONOMIC INDICATORS for PERSONAL INCOME

	JAN08	FEB08	MAR08	APR08	MAY08	JUN08	JUL08	AUG08	SEP08
EMPLOYEES (EMP) on Nonfarm Payrolls, Millions, SA									
EMP, Total	138.002	137.919	137.831	137.803	137.754	137.749	137.748	137.764	137.786
EMP, Manufacturing	13.737	13.690	13.644	13.595	13.569	13.539	13.511	13.488	13.470
EMP, Services	116.095	116.103	116.094	116.166	116.174	116.279	116.386	116.509	116.661
EMP, Wholesale and Retail Trade	21.540	21.486	21.456	21.407	21.376	21.367	21.344	21.339	21.323
EMP, Government	22.336	22.362	22.377	22.389	22.406	22.427	22.450	22.470	22.493
EMP, Federal Government	1.977	1.983	1.987	1.992	1.994	1.995	1.995	1.995	1.996
EMP, State and Local Governme	21.907	21.816	21.737	21.637	21.580	21.526	21.477	21.438	21.402
Total Unemployed, Millions	7.576	7.381	7.815	7.626	8.487	8.513	8.666	8.822	8.920

AVERAGE WEEKLY HOURS (AWH) of Production Workers, SA									
AWH, Total Private	33.70	33.70	33.80	33.70	33.70	33.70	33.69	33.68	33.67
AWH, Manufacturing	41.10	41.10	41.20	41.00	41.00	41.03	41.03	41.01	41.01
AWH, Services	30.20	30.10	30.20	30.20	30.10	30.14	30.12	30.11	30.11
AWH, Wholesale and Retail Trade	38.40	38.20	38.40	38.30	38.40	38.40	38.35	38.36	38.36

AVERAGE HOURLY EARNINGS (AHE) of Production Workers, Current Dollars, SA									
AHE, Manufacturing	17.49	17.55	17.61	17.61	17.63	17.68	17.71	17.75	17.79
AHE, Services	12.80	12.84	12.86	12.86	12.89	12.90	12.92	12.93	12.95
AHE, Wholesale and Retail Trade	19.97	20.00	20.03	20.03	19.99	20.09	20.10	20.13	20.18

AVERAGE WEEKLY EARNINGS (AWE) of Production Workers, Current Dollars									
AWE, Total Private	598.18	600.20	604.01	602.89	604.58	607.02	608.39	610.07	611.89

Percent Change, Monthly Rate

EMPLOYEES (EMP) ON NONFARM PAYROLLS									
EMP, Total	-0.055	-0.060	-0.064	-0.020	-0.036	-0.004	-0.001	0.012	0.016
EMP, Manufacturing	-0.254	-0.342	-0.336	-0.359	-0.191	-0.223	-0.202	-0.176	-0.131
EMP, Services	-0.006	0.007	-0.008	0.062	0.007	0.091	0.092	0.105	0.131
EMP, Wholesale and Retail Trade	-0.097	-0.251	-0.140	-0.228	-0.145	-0.043	-0.105	-0.026	-0.076
EMP, Government	0.013	0.116	0.067	0.054	0.076	0.092	0.102	0.093	0.103
EMP, Federal Government	0.254	0.303	0.202	0.252	0.100	0.046	-0.015	0.006	0.044
EMP, State and Local Governme	-0.314	-0.415	-0.362	-0.460	-0.263	-0.251	-0.226	-0.183	-0.166
Total Unemployed, Millions	-1.032	-2.574	5.880	-2.418	11.290	0.301	1.808	1.791	1.120

AVERAGE WEEKLY HOURS (AWH) OF PRODUCTION WORKERS									
AWH, Total Private	-0.30	0.00	0.30	-0.30	0.00	0.01	-0.03	-0.04	-0.02
AWH, Manufacturing	0.00	0.00	0.24	-0.49	0.00	0.08	0.00	-0.05	-0.01
AWH, Services	0.33	-0.33	0.33	0.00	-0.33	0.15	-0.09	-0.03	-0.00
AWH, Wholesale and Retail Trade	0.26	-0.52	0.52	-0.26	0.26	0.01	-0.13	0.01	0.01

AVERAGE HOURLY EARNINGS (AHE) OF PRODUCTION WORKERS									
AHE, Manufacturing	0.46	0.34	0.34	0.00	0.11	0.26	0.22	0.21	0.22
AHE, Services	-0.08	0.31	0.16	0.00	0.23	0.07	0.14	0.11	0.13
AHE, Wholesale and Retail Trade	0.20	0.15	0.15	0.00	-0.20	0.50	0.05	0.14	0.28

AVERAGE WEEKLY EARNINGS (AWE) OF PRODUCTION WORKERS									
AWE, Total Private	-0.01	0.34	0.63	-0.19	0.28	0.40	0.23	0.28	0.30

MONTHLY FINANCIAL INDICATORS

	JAN08	FEB08	MAR08	APR08	MAY08	JUN08	JUL08	AUG08	SEP08
MONEY SUPPLY, Billions of Dollars, SA									
Money Supply (M1)	1367.0	1370.3	1372.0	1367.7	1363.5	1364.7	1365.6	1367.7	1369.6
Money Supply (M2)	7477.4	7581.9	7661.6	7676.7	7684.5	7707.8	7738.7	7780.0	7821.9
Money Supply (M3)	7398.0	7428.0	7477.4	7581.8	7661.5	7739.1	7815.4	7891.2	7966.8

INTEREST RATES (IR), Percent Per Annum

IR, Treasury Bill, 6 Month	2.84	2.10	1.51	1.58	1.86	1.88	1.86	1.86	1.83
IR, Commercial Paper, 2 month	3.41	2.75	2.32	2.06	2.01	1.98	1.97	1.96	1.95
Yields, US Govt Bond, 1 year	2.71	2.05	1.54	1.74	2.05	2.24	2.17	2.17	2.35
Yields, US Govt Bond, 10 Year	3.74	3.74	3.51	3.68	3.88	3.86	3.81	3.82	3.83

FOREIGN EXCHANGE VALUE, March 1973=100

Weighted Average Value of US\$	98.48	97.67	95.77	95.48	95.83	96.11	96.37	96.63	96.89
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STOCK MARKET

New York Stock Exchange Index	9165.1	9041.5	8776.2	9174.1	9429.0	9477.1	9498.6	9516.7	9534.4
Dividend to (Stock) Price Ratio	2.11	2.10	2.17	2.09	2.07	2.07	2.07	2.07	2.06

CONSUMER INSTALLMENT CREDIT, Millions of Dollars, SA

Consumer Credit Outstanding	2535.79	2542.88	2556.00	2564.95	2576.45	2588.30	2600.24	2611.98	2624.01
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Percent Change, Monthly Rate

MONEY SUPPLY

Money Supply, (M1)	0.05	0.24	0.12	-0.31	-0.31	0.09	0.06	0.16	0.14
Money Supply, (M2)	0.67	1.40	1.05	0.20	0.10	0.30	0.40	0.53	0.54
Money Supply, (M3)	0.38	0.41	0.67	1.40	1.05	1.01	0.99	0.97	0.96

INTEREST RATES (IR), Monthly Change

IR, Treasury Bill, 6 Month	-0.50	-0.74	-0.59	0.08	0.28	0.02	-0.02	0.00	-0.03
IR, Commercial Paper, 6 Month	-0.83	-0.67	-0.43	-0.26	-0.05	-0.03	-0.01	-0.01	-0.00
Yields, US Govt Bond, 1 Year	-0.55	-0.66	-0.51	0.19	0.31	0.19	-0.07	-0.00	0.18
Yields, US Govt Bond, 10 Year	-0.35	-0.01	-0.23	0.17	0.21	-0.02	-0.06	0.02	0.01

FOREIGN EXCHANGE VALUE

Weighted Average Value of US\$	-0.79	-0.82	-1.95	-0.30	0.37	0.29	0.27	0.27	0.27
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STOCK MARKET

New York Stock Exchange Index	-6.55	-1.35	-2.93	4.53	2.78	0.51	0.23	0.19	0.19
Dividend to (Stock) Price Ratio	9.33	-0.47	3.33	-3.69	-0.96	0.12	0.11	-0.33	-0.32

CONSUMER INSTALLMENT CREDIT

Consumer Credit Outstanding	0.48	0.28	0.52	0.35	0.45	0.46	0.46	0.45	0.46
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