

**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 potential “naysayers” are costing doubts about the success of the fiscal stimulus that took place mainly in the second quarter, but the growth of real GDP has been revised upward from 1.9% to 3.3%. We had already been looking at 2.8% during August, and consider 3.3% as quite good, for a modest program. There is probably more to come from the Keynesian “multiplier” effects, and with another fiscal stimulus, it could be even better.
- Net real exports have been a major player, as we have emphasized, week after week. Our graph of quarterly values shows five successive quarters of real net export gains. Trade values accounted for much of the gains by mid year.
- Some important sample surveys have indicated favorable changes. The Michigan-Reuters index of consumer sentiment reported gains for August, as did the Conference Board's index of confidence.
- The reports of Chicago Purchasing Managers for August and orders for durable goods in July contributed to more economic support.
- The residential sector has yet to provide convincing improvements in activity, but initial claims for unemployment insurance fell in the week ending August 23<sup>rd</sup>.
- Fast economic growth in India showed some signs of slippage, but China, following an impressive staging of summer Olympics, is managing to hold its monthly gains for 2-digit growth rates in real GDP. European nations are not as strong as China, at the present time.

**FORECAST UPDATE OVERVIEW**

This forecast incorporates the following National Income and Product Accounts:

**AUG 28 GDP (based on Chain 2000 Weights) for 2008Q2: 3.3%**  
**AUG 29 Personal Income and Consumption for July: -0.7%, 0.2%**

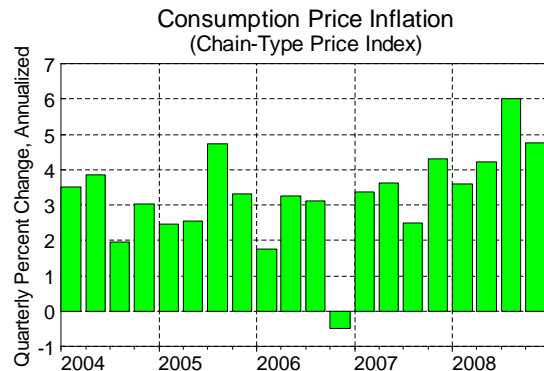
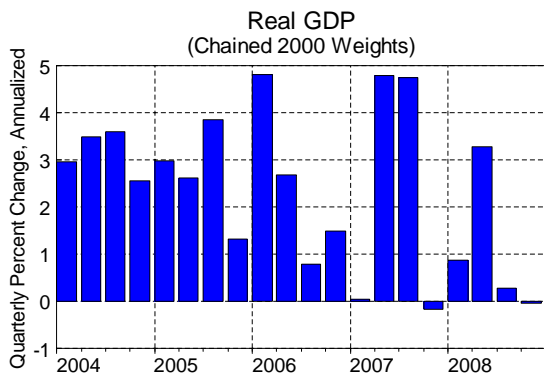
The latest CQM forecast incorporates new monthly economic indicators (marked in red) that were not included in the previous forecast

Date	Economic Indicator	for	Latest	Prior Month
Aug 01	Construction Spending	June	-0.4%	0.0%
Aug 01	Nonfarm Payroll Employment	July	-51,000	-51,000
Aug 01	Auto Sales	July	12.5 Million	13.6 Million
Aug 07	Consumer Credit Outstanding	June	\$14.3 billion	\$7.8 billion
Aug 13	Export/Import Price Index	July	1.4%, 1.7%	1.0%, 2.9%
Aug 19	Producer Price Index, Total & Core	July	1.2%, 0.7%	1.8%, 0.2%
Aug 13	Retail Sales, Total & Ex-Auto	July	-0.1%, 0.4%	0.1%, 0.8%
Aug 15	Industrial Production	July	0.2%	0.4%
Aug 13	Business Inventories	June	0.7%	0.3%
Aug 14	Consumer Price Index, Total & Core	July	0.8%, 0.3%	1.1%, 0.3%
Aug 19	Housing Starts	July	965,000	1,084,000
Aug 12	Trade Balance	June	-\$56.8 billion	-\$59.2 billion
<b>Aug 27</b>	<b>Durable Goods Orders &amp; Shipments</b>	<b>July</b>	<b>1.3%, 2.5%</b>	<b>1.3%, 0.9%</b>
Aug 04	Manuf Ships, Inv, & Orders	June	1.6%, 1.0%, 1.7%	0.3%, 0.6%, 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	
	08Q1	08Q2	08Q3	08Q4		08Q1	08Q2	08Q3	08Q4		
Apr 21	-0.49	0.27			3.65	3.60					
Apr 28	-0.49	0.27			3.65	3.60					
May 05	<b>0.60</b>	-0.50	1.34		<b>3.52</b>	3.55	3.96			<=1 <sup>st</sup>	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	<b>0.90</b>	0.95	-0.51		<b>3.46</b>	4.11	3.29			<=2 <sup>nd</sup>	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	<b>0.96</b>	2.07	0.88		<b>3.61</b>	3.80	4.50			<=3 <sup>rd</sup>	08Q1
Jul 07		2.32	0.95			3.80	4.50				
Jul 14		2.22	0.74			3.80	4.50				
Jul 21		1.95	0.01			4.27	6.06				
Jul 28		1.95	0.01			4.27	6.06				
Aug 11	<b>0.87</b>	<b>1.89</b>	1.30	0.15	<b>3.61</b>	<b>4.21</b>	5.28	4.45		<=1 <sup>st</sup>	08Q2
Aug 18		2.78	0.72	-0.05		4.35	6.01	4.77			
Aug 25		2.77	0.68	-0.07		4.35	6.01	4.77			
Sep 01		<b>3.28</b>	0.28	-0.05		<b>4.21</b>	6.01	4.77		<=2 <sup>nd</sup>	08Q2

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



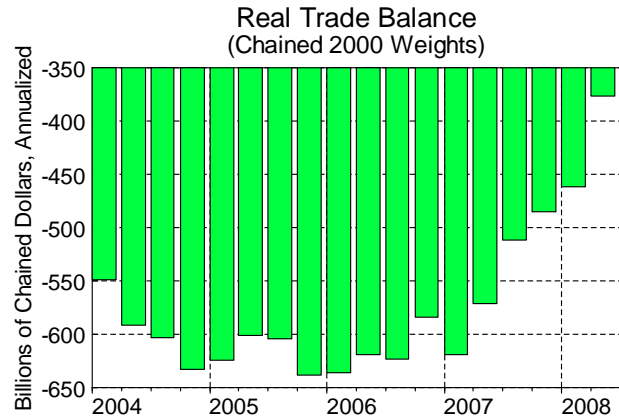
# High Frequency Indicators

## The Week in Review (August 25 - 29)

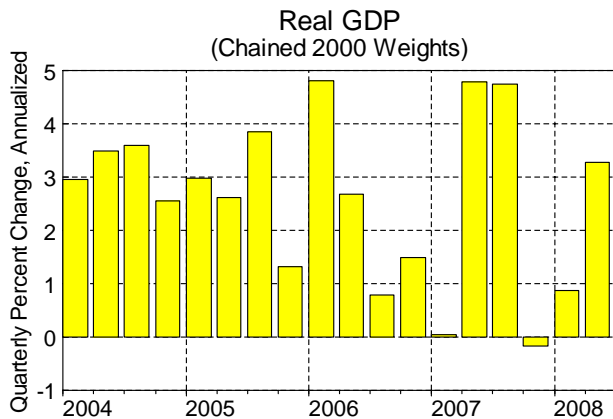
### Gross Domestic Product

The second quarter GDP growth rate was revised from 1.9% (a month ago) to 3.3% (annualized), according to the BEA preliminary estimate. This followed 0.9% growth in the first quarter.

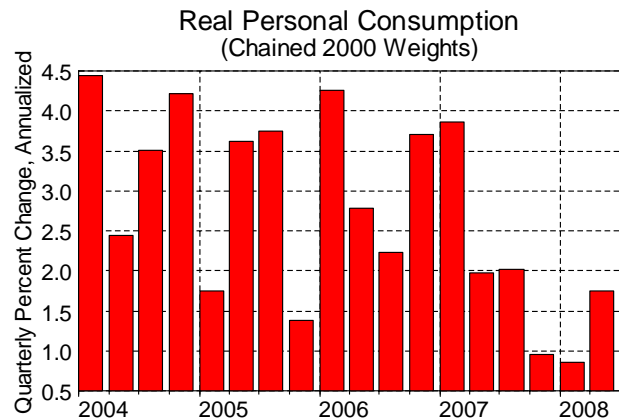
In nominal terms, the economy grew 4.6% (annualized) to \$14.3 trillion.



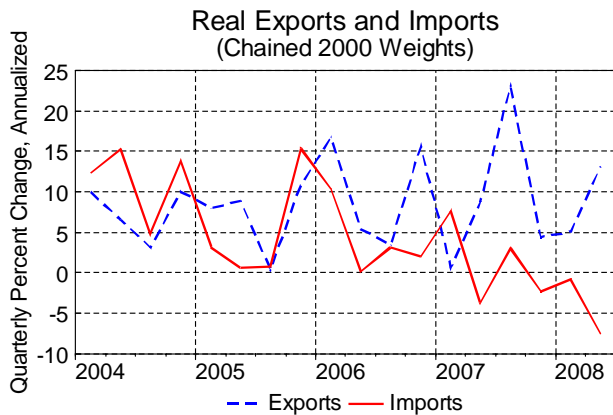
Consumer spending was revised upward, from 1.5% to 1.7% increase. Real spending on durable goods were down 2.5%, which were offset by increases of 4.2% and 1.3%, respectively, from spending on nondurable goods and services. Consumer spending added 1.2 percentage points to GDP growth.

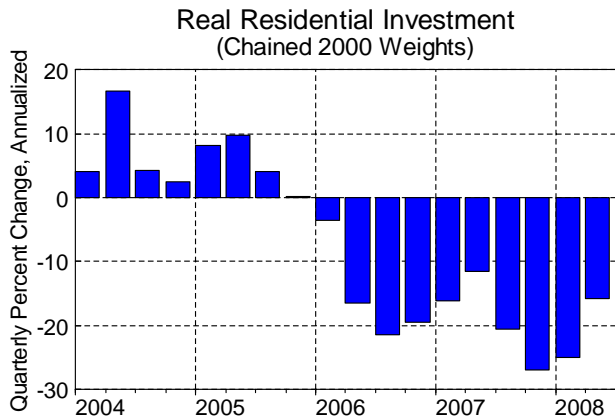


The strong upward revision in the second quarter was mainly due to more favorable net export performance. In the second quarter, exports went up 13.2% (annualized), revised from a 9.2% increase. Meanwhile, imports fell 7.5%. The smaller trade deficit contributed 3.1% to GDP growth. The fiscal stimulus also contributed to second quarter growth.

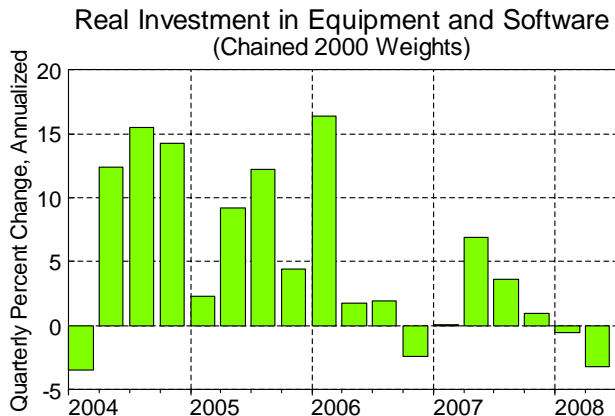


Residential investment was down for the 10<sup>th</sup> straight quarter. In the second quarter, residential investment fell 3.2%, revised from the previous estimate at 3.4%. Residential investment subtracted 0.6 percentage point from GDP growth.

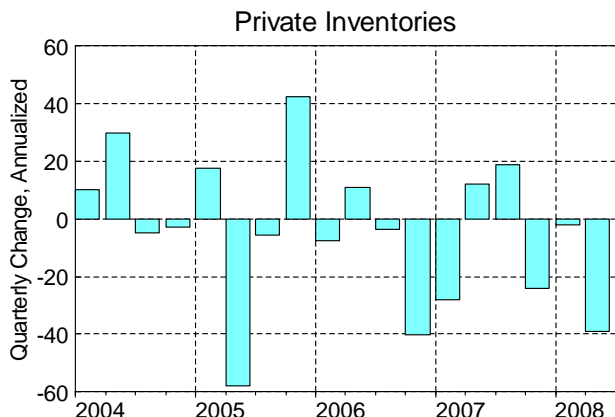




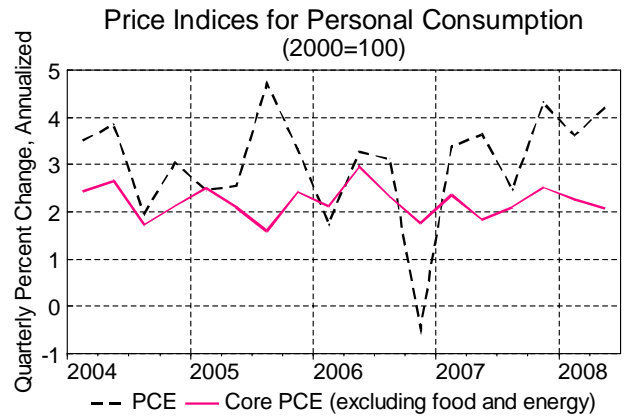
Business investment was also weak. In the second quarter, business investment fell 2.5%, compared to the previous estimate of a 2.4% decline.



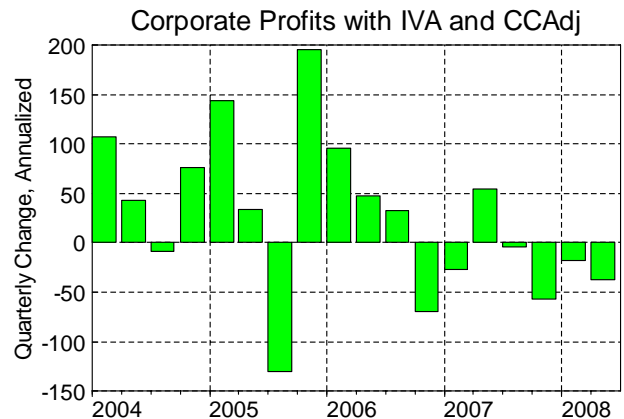
Investment in equipment and software shrank 3.2%, down for the second straight quarter. Investment in structures was up 2.2%. Inventories shrank for the third consecutive quarter. In the second quarter, business investment subtracted 1.4 percentage points from GDP growth.



On inflation, the PCE price index was up 4.2% (annualized), following a 3.6% increase in the first quarter. The core PCE went up 2.1% in the same quarter, unrevised from the previous estimate.



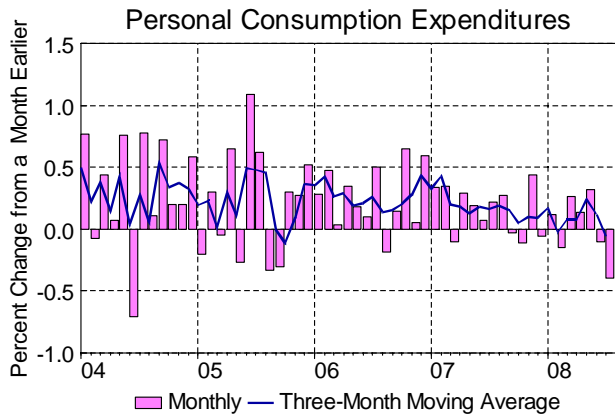
Corporate profits, before tax, fell 2.4% (\$37.8 billion), to \$1.56 trillion. So far, corporate profits, before tax, have been down for four consecutive quarters. Compared to a year ago, before-tax corporate profits fell 7%, the worst in many years. Corporate profits, after tax, also shrank. In the second quarter, after-tax profits fell 3.8%.



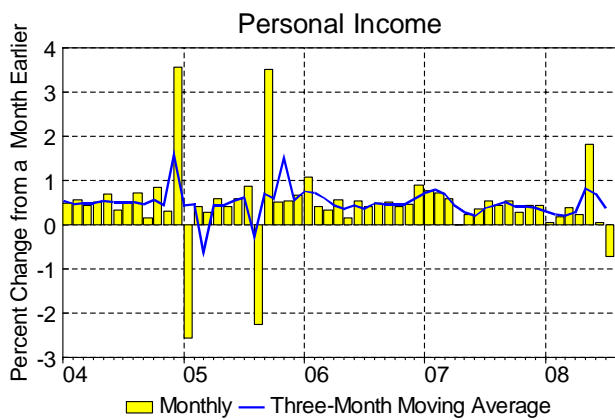
**Personal Income and Consumption**

In July, consumer spending, in nominal terms, rose 0.2%. However, after adjusting for inflation, real consumer spending fell 0.4%, the weakest in more than four years.

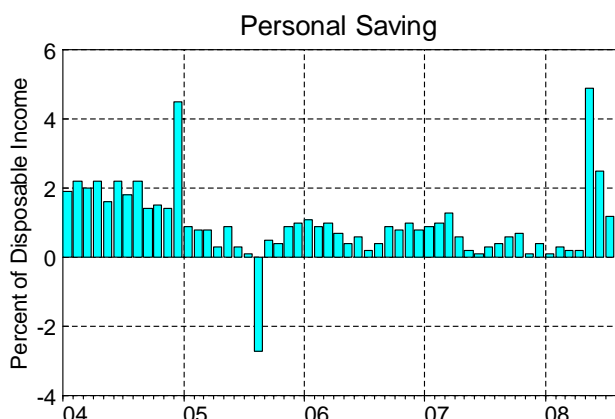
Real spending on durable goods dropped 1.6% in July, while real spending on nondurable goods fell 0.9%. Real spending on services was unchanged in the month.



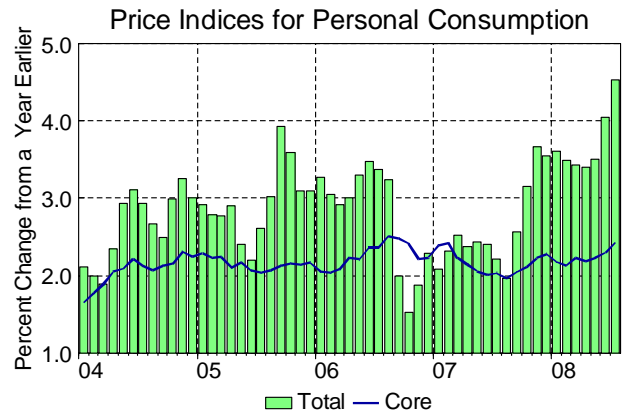
Personal income was down 0.7% in July, the sharpest monthly decline in more than three years. The decline was largely due to the end of the government tax rebate check program. In July, the government sent out \$13.7 billion, compared to \$27.9 billion in June.



Real disposable income fell 1.7% in July, down the second consecutive month. The personal savings rate fell to 1.2% in July, compared to 2.5% in June.

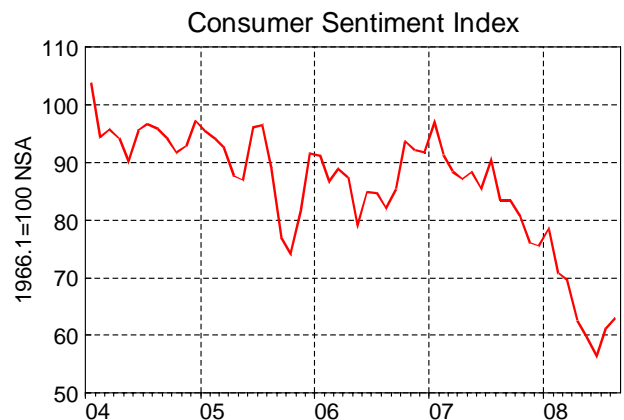


On inflation, the monthly PCE price index rose 0.6% in July, while the core PCE price index went up 0.3%. Compared to a year ago, the PCE price index was up 4.5% (the strongest year-over-year increase since 1991), and the core PCE price index went up 2.4%, above the FED's comfort zone.



**Consumer Sentiment Index**

The Consumer Sentiment Index (from Reuters and the University of Michigan) improved in August. The index rose 1.3 index points from the mid-August survey to 63 in the final reading in end-August. Since touching a 28-year low in June, the index has been recovering in the past two months. The Index of Current Conditions gained slightly to 71.0 in August. The Index of Consumer Expectations rose 1 point to 57.9. Inflation expectations stood at 4.8% for the year ahead. Inflation expectations for the next five years stood at 3.2%.



**Consumer Confidence Index**

Similar to the Consumer Sentiment Index, the Consumer Confidence Index (from the Conference Board) rose in August.

The Consumer Confidence Index gained 5 index points to 56.9 in the latest survey result.

Consumers remained worried about weak job market outlook, poor performance in the housing market, and rising inflation. The retreat of gasoline prices in August, however, provided some relief for consumers, which helped support higher consumer confidence.

The Present Conditions Index slipped more than 2 index points to 63.2 in August. The Expectations Index gained more than 10 index points to 52.8.

Among those surveyed, the percentage of people indicating "jobs are hard to get" rose 2 percentage points to 32%. Those indicating "jobs are plentiful" fell 0.5 percentage points to 13.1%.

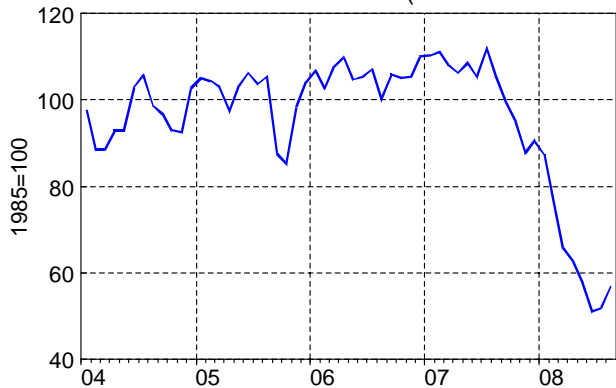
Employment, however, remained weak. From 45.9 in July, the employment component fell to 39.2 in August. Prices paid eased more than 10 index points to 80.6 in August.

**Durable Goods Orders**

In July, orders for durable goods rose 1.3%, stronger than the market consensus forecast. Orders for durable goods in June were revised up, from a 0.8% gain to a 1.3% increase.

The July increase was mainly led by orders for transportation equipment, which increased 3.1%, including a 28% jump in orders for civilian aircraft. Excluding transportation, orders rose 0.7% in July.

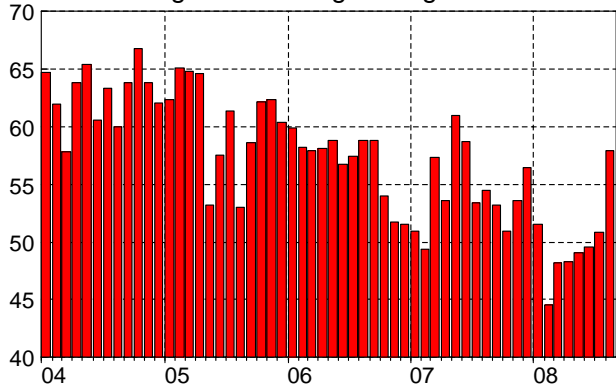
Consumer Confidence Index (Conference Board)



**Chicago Purchasing Managers Index**

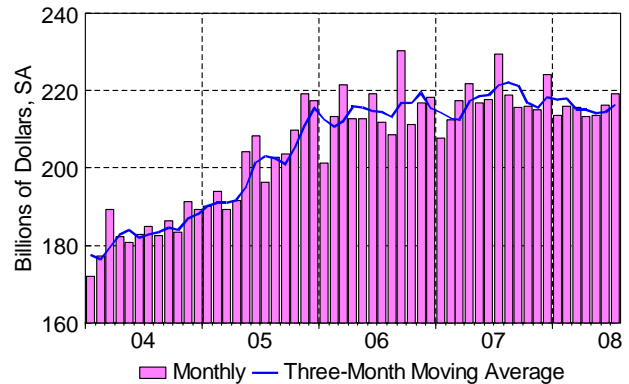
In August, the Chicago Purchasing Managers Index rose to 57.9, up 7 index points from a month ago, the sharpest improvement in many months.

Chicago Purchasing Managers' Index



New orders rose 7 index points as well, to 60.2 in August, the strongest reading in more than a year. Production went up from 49.2 in July, to 63.4 in August.

Durable Goods Orders

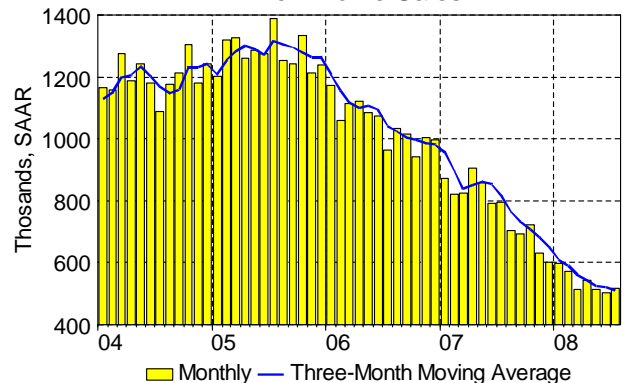


Shipments of durable goods rose 2.5% in July, following a 0.9% increase in June. Inventories increased 0.8% in July.

**New Home Sales**

In July, new home sales went up 2.4%, to 515,000 (annual rate), weaker than expected. New home sales in June were revised down by 27,000 to 503,000.

New Home Sales



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

Compared to a year ago, July sales were down 35.3%. Inventories of unsold homes fell 5.2% from June to 416,000 in July. This corresponded to a 10.1-month supply.

The median sales price fell 6.3% from a year ago, to \$203,700.

**Existing Home Sales**

Existing home sales rose 3.1% in July, to 5.0 million (annual rate). This was the strongest existing home sales figure since February. In June, existing home sales fell 2.8%, revised from a 2.6% drop.

Sales of both single- and multi-family homes went up in July. Sales of single-family homes went up 3.1% to 4.39 million (annual rate). Meanwhile, sales of multi-family homes were up 3.4% to 610,000.

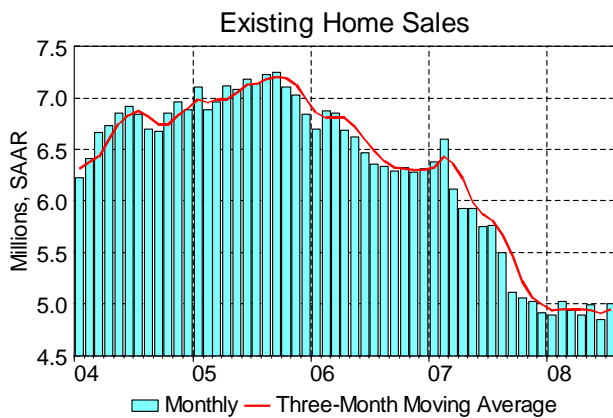
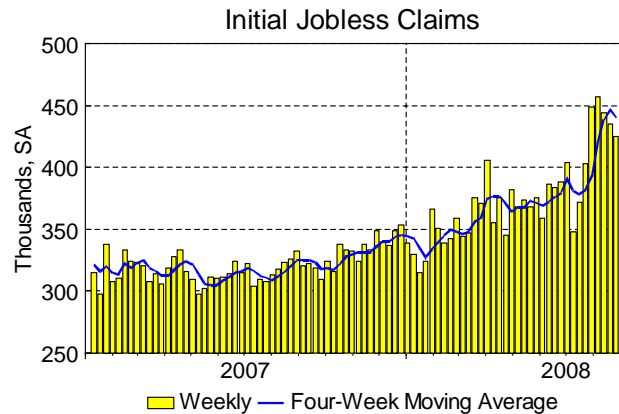
Despite the monthly increase, July existing home sales were still down 13.2% from a year ago.

Sales rose in all regions except the South. In the West, existing home sales jumped 9.7%, while sales in the East rose 5.9%.

Inventories of unsold homes rose 3.9%, to 4.67 million (a record high). This corresponded to a 11.2-month supply.

The median sales price was down 7.1% from a year ago, to \$212,400.

claims have consistently remained above the 3-million level since mid-April.



**Initial Jobless Claims**

For the week ending August 23, initial jobless claims fell by 10,000 to 425,000. The previous week's claims figure was revised up by 3,000.

The four-week moving average of claims dropped 6,000 to 440,250.

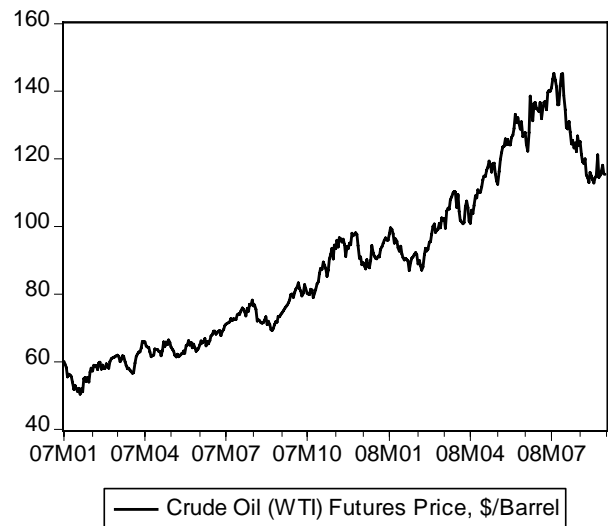
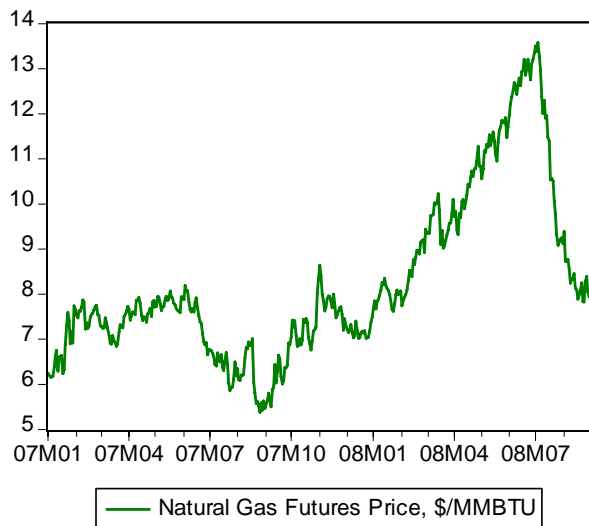
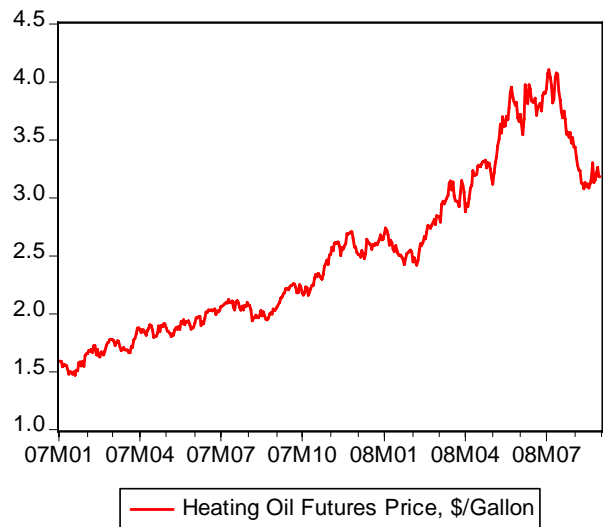
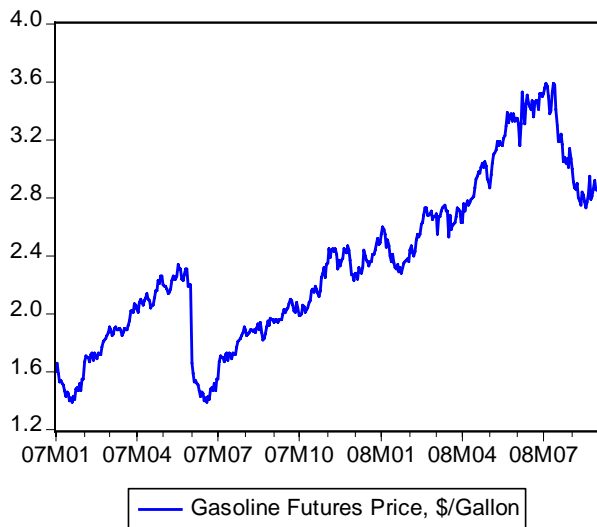
The number of insured unemployed went up 64,000 to 3.42 million, for the week ending August 16. Continuing

**Energy Prices**

Prices of crude oil rose in the latter half of the week, as Hurricane Gustav approached the US Gulf coast. Several refineries at the Gulf Coast have shut down their operations, while some others have reduced production capacity. Aside from the threat from the Hurricane, other factors continued to drive the gyrations in crude oil prices in recent trading. The political tension between Russia and the West remained an uncertainty factor on the outlook of oil supply. The outlook of the US economy continued to be lackluster, with some unfavorable news from the latest personal income and consumption report. Finally, market participants were unsure of the near-term direction of the US dollar.

By Friday's market close, crude oil prices for October delivery traded at \$115.46 per barrel, up marginally from a week ago. Prices of other energy commodities also experienced some fluctuations on a daily basis in recent trading. The changes in weekly closing prices, however, were small.

Prices of heating oil were up 3 cents to \$3.19 per gallon. Prices of gasoline traded at \$2.85 per gallon, down 2 cents from a week ago. Prices of natural gas also slipped 2 cents to \$7.94 per mmbtu.



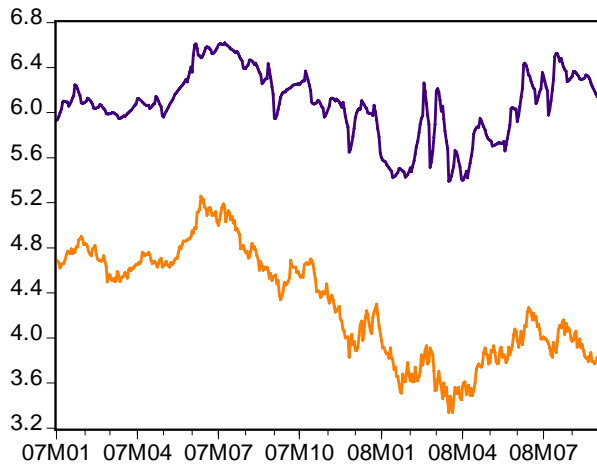
**Interest Rates**

Prices of US treasuries rose this week, as Fed watchers and market participants speculated that the Fed might maintain short-term interest rates unchanged throughout the remaining months of 2008. At the same time, market movers remained concerned about credit risks.

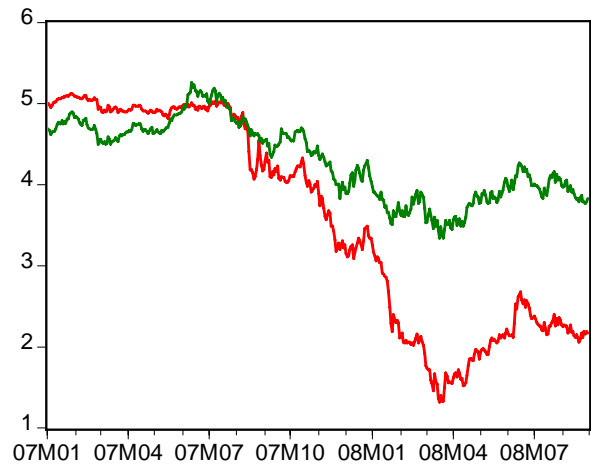
The two-year treasury yield traded at 2.37% during Friday's market close, down 3 basis points from a week ago.

The ten-year treasury yield closed Friday at 3.81%, down 6 basis points from the week before.

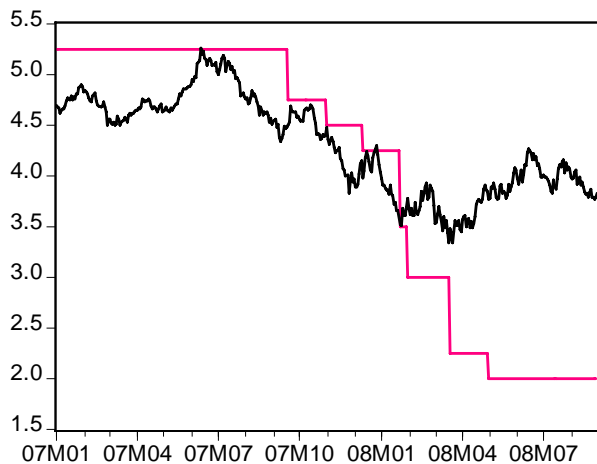
The upward pressure on daily inflation expectations (yield on unprotected minus yield on protected 10-year bonds) has eased marginally, to 2.15%. FED officials remain concerned about inflation. Anti-inflation protection will get more support. Federal Reserve governors and board members are paying more attention to inflation tendencies.



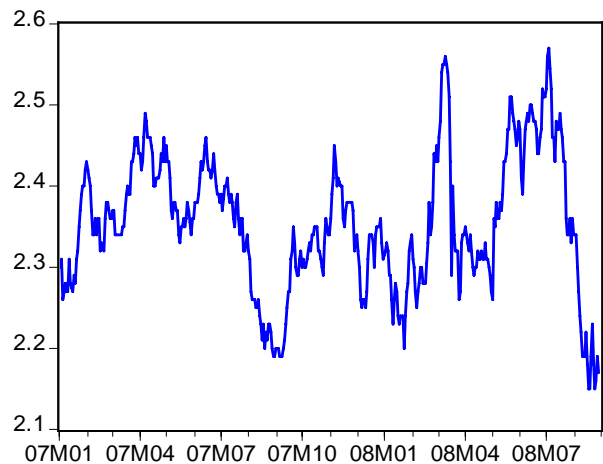
— 10-year treasury yield  
— Average weekly yield of 30-year mortgages



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



— Federal funds rate  
— 10-year treasury yield



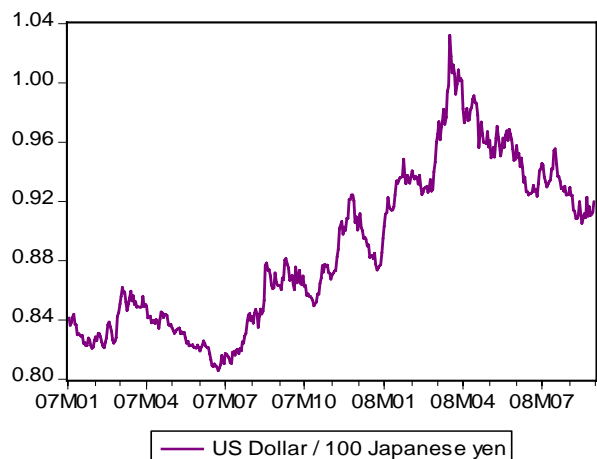
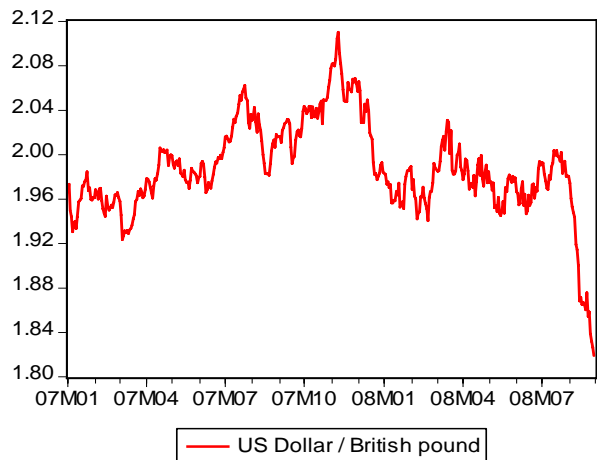
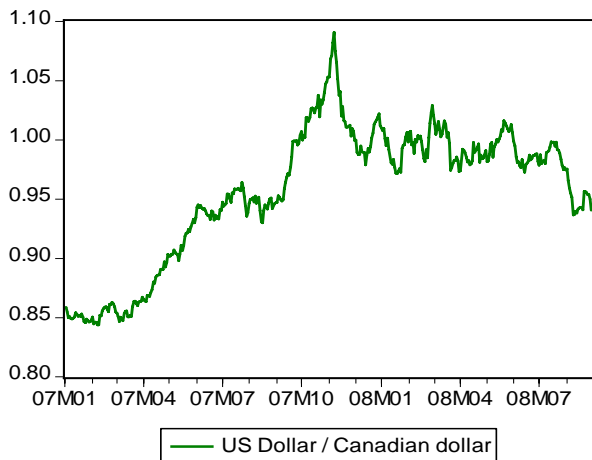
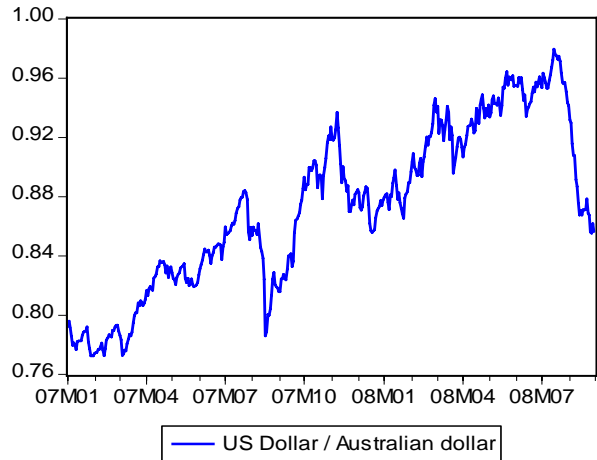
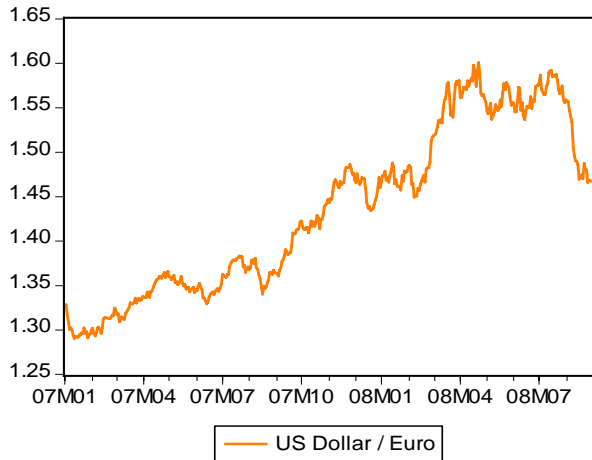
— Daily Inflation Expectations

**Currency Markets**

The US dollar continued to fluctuate on a day-to-day basis. By the week's close, however, the US dollar was relatively close to the prior week's value, against most major currencies. While market movers remained concerned about the US economy, they also worried about the economic outlook of the rest of the world.

The US dollar traded at US\$1.4706 per euro, up marginally from a week ago. Similarly, the US dollar also gained slightly against the British pound, trading at \$1.8112 per British pound by the week's close.

The US dollar traded at 108.4 yen, down 2 yen from a week ago. Meanwhile, the US dollar gained on the Canadian dollar, closing Friday at 94.13 US cents per Canadian dollar.



## The Week in Preview (September 1 - 5)

Date	Economic Indicator	For	Market Consensus	Prior Month
Sep 02	Construction Spending	July	-0.3%	-0.4%
Sep 02	ISM Manufacturing Index	August	49.5	50.0
Sep 03	Light Vehicle Sales	August	12.0 million	12.5 million
Sep 03	Factory Orders	July	0.4%	1.7%
Sep 04	Nonfarm Business Productivity	Q2	2.9%	2.2%
Sep 04	ISM Non-manufacturing Index	August	49.0	49.5
Sep 05	Average Workweek	August	33.6 hours	33.6 hours
Sep 05	Hourly Earnings	August	0.3%	0.3%
Sep 05	Nonfarm Payrolls	August	-70,000	-51,000
Sep 05	Unemployment Rate	August	5.7%	5.7%

### Current Quarter Forecasts

In the third quarter, our forecast for real GDP is expected to increase 0.3% (SAAR), to be followed by a -0.05% increase in the fourth quarter of 2008.

The GDP deflator is projected to increase 4.1% in the third quarter (SAAR), and 3.6% in the fourth quarter of 2008.

Nominal GDP is forecasted to total US\$14.5 trillion in the third quarter, to be followed by US\$14.6 trillion in the fourth quarter of 2008. This amounts to 5.1% (SAAR) expansion in the third quarter and 3.7% increase in the fourth quarter of 2008.

### 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 May 12<sup>th</sup>-26<sup>th</sup>, Jun 9<sup>th</sup>-23<sup>rd</sup>, and Aug 18<sup>th</sup>-25<sup>th</sup>.

If you have any questions, please contact Wendy Mak at (202) 955-5520 or [wendymak@sas.upenn.edu](mailto:wendymak@sas.upenn.edu)

## FORECAST SUMMARY TABLE

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	2008Q2 Actual	2008Q3 Forecast
<b>PRODUCTION</b>								
Nonfarm Payroll Employment (Mil)	137.764	137.717	137.666	137.615	137.604	137.595	137.716	137.605
+ Difference	-0.067	-0.047	-0.051	-0.051	-0.011	-0.008	-0.202	-0.111
% Change, Annual Rate	-0.6	-0.4	-0.4	-0.4	-0.1	-0.1	-0.6	-0.3
% Change, Year Ago	0.3	0.1	0.0	-0.0	-0.1	-0.2	0.2	-0.1
<b>DEMAND AND SPENDING</b>								
Retail Sales (Bil\$)	342.73	345.43	346.65	346.24	363.25	364.82	344.93	348.32
% Change	0.1	0.8	0.4	-0.1	4.9	0.4		
% Change, Annual Rate	1.3	9.8	4.3	-1.4	77.8	5.3	3.7	4.0
% Change, Year Ago	2.6	1.7	3.2	2.6	7.7	7.4	2.5	3.0
<b>PRICES</b>								
PPI, Finished Goods (1982=100)	176.1	178.5	181.7	183.9	185.5	187.0	178.8	185.5
% Change	0.3	1.4	1.8	1.2	0.9	0.8		
% Change, Annual Rate	3.5	17.6	23.8	15.5	11.2	9.9	10.6	15.9
% Change, Year Ago	6.4	7.2	9.1	9.8	11.7	12.0	7.6	11.2
CPI, All-Urban (1982-84=100)	213.7	215.1	217.4	219.2	220.5	221.7	215.4	220.5
% Change	0.2	0.6	1.1	0.8	0.6	0.5		
% Change, Annual Rate	2.5	8.1	13.4	10.3	7.7	6.7	5.0	9.7
% Change, Year Ago	3.9	4.1	4.9	5.5	6.2	6.3	4.3	6.0
Housing Starts (Mil)	1.004	0.982	1.084	0.965	0.997	1.013	1.023	0.992
% Change	1.6	-2.2	10.4	-11.0	3.4	1.5		
% Change, Annual Rate	21.3	-23.3	227.4	-75.2	48.7	20.3	-10.8	-11.8
% Change, Year Ago	-32.5	-31.6	-25.7	-29.6	-25.4	-14.5	-29.9	-23.6
Industrial Production Index (2002=	111.34	111.15	111.59	111.84	112.06	112.34	111.36	112.08
% Change	-0.6	-0.2	0.4	0.2	0.2	0.2		
% Change, Annual Rate	-6.6	-2.1	4.9	2.7	2.4	3.0	-3.2	2.6
% Change, Year Ago	0.4	0.2	0.2	-0.1	0.1	0.1	0.2	0.0
New Orders for Manufactured Goods	445.92	450.03	457.63	456.34	459.32	461.99	451.19	459.22
% Change	1.3	0.9	1.7	-0.3	0.7	0.6		
% Change, Annual Rate	16.7	11.7	22.2	-3.3	8.1	7.2	14.2	7.3
% Change, Year Ago	4.0	5.4	7.1	3.2	7.7	8.6	5.5	6.5
Nondefense Capital Goods Shipments	67.88	67.71	68.06	69.14	68.47	68.96	67.88	68.86
% Change	1.8	-0.2	0.5	1.6	-1.0	0.7		
% Change, Annual Rate	23.8	-2.9	6.3	20.8	-11.0	8.9	3.1	5.9
% Change, Year Ago	2.9	1.7	2.7	4.3	1.4	1.6	5.5	6.5
Sales of Domestic Passenger Cars (	4.95	5.27	4.88	4.44	4.67	4.81	5.03	4.64
% Change	-0.8	6.6	-7.5	-9.0	5.1	3.2		
% Change, Annual Rate	-9.7	114.2	-60.6	-67.6	82.0	45.5	-1.4	-27.6
% Change, Year Ago	-2.8	-3.8	-7.0	-11.1	-9.7	-7.2	-4.5	-9.3
Business Inventories (Bil\$)	1474.25	1479.77	1489.54	1496.81	1504.16	1512.02	1481.19	1504.33
% Change	0.5	0.4	0.7	0.5	0.5	0.5		
% Change, Year Ago	5.3	5.3	5.6	5.6	5.8	5.9	5.4	5.8
+ Difference, Annual Rate	81.4	66.2	117.3	87.3	88.2	94.4	71.5	92.6
<b>EXTERNAL SECTOR</b>								
Merchandise Trade Balance, Census	-70.58	-70.81	-68.56	-70.21	-70.70	-70.51	-839.82	-845.65
+ Difference	-4.3	-0.2	2.3	-1.7	-0.5	0.2		
+ Difference, Annual Rate	-51.3	-2.7	27.0	-19.8	-5.8	2.3	-20.68	-5.84
+ Difference, year ago	-4.3	-4.7	-1.6	-4.7	-6.1	-5.8		

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

	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
	< a c t u a l >			< forecast >	
Real GDP					
(i) Expenditure Side GDP	11620.7	11646.0	11740.3	11773.6	11764.0
% Previous Q, A.R.	-0.17	0.87	3.28	1.14	-0.33
% Year before	2.33	2.54	2.17	1.27	1.23
(ii) Income Side GDP	11620.7	11646.0	11740.3	11747.9	11715.0
% Previous Q, A.R.	-0.17	0.87	3.28	0.26	-1.12
% Year before	2.33	2.54	2.17	1.05	0.81
(iii) Principal Components est. GDP	11620.7	11646.0	11740.3	11724.1	11762.6
% Previous Q, A.R.	-0.17	0.87	3.28	-0.55	1.32
% Year before	2.33	2.54	2.17	0.85	1.22
Average Real GDP	11620.7	11646.0	11740.3	11748.5	11747.2
% Previous Q, A.R.	-0.17	0.87	3.28	0.28	-0.05
% Year before	2.33	2.54	2.17	1.06	1.09
GDP Deflator (2000=100)					
(i) Expenditure Side PGDP	120.8	121.6	122.0	123.3	124.4
% Previous Q, A.R.	2.84	2.63	1.19	4.26	3.66
% Year before	2.62	2.25	2.04	2.72	2.93
(ii) Income Side PGDP: Same as (i)	120.8	121.6	122.0	123.3	124.4
% Previous Q, A.R.	2.84	2.63	1.19	4.26	3.66
% Year before	2.62	2.25	2.04	2.72	2.93
(iii) Principal Components est. PGDP	120.8	121.6	122.0	123.1	124.1
% Previous Q, A.R.	2.84	2.63	1.19	3.76	3.39
% Year before	2.62	2.25	2.04	2.60	2.74
Average GDP Deflator	120.8	121.6	122.0	123.2	124.3
% Previous Q, A.R.	2.84	2.63	1.19	4.09	3.57
% Year before	2.62	2.25	2.04	2.68	2.86
Nominal GDP					
(i) Expenditure Side GDP\$	14031.2	14150.8	14312.5	14558.0	14696.0
% Previous Q, A.R.	2.33	3.45	4.65	7.04	3.85
% Year before	4.94	4.74	4.19	4.35	4.74
(ii) Income Side GDP\$	14031.2	14150.8	14312.5	14479.4	14569.2
% Previous Q, A.R.	2.33	3.45	4.65	4.75	2.50
% Year before	4.94	4.74	4.19	3.79	3.83
(iii) Principal Components est. GDP\$	14031.2	14150.8	14312.5	14432.8	14601.3
% Previous Q, A.R.	2.33	3.45	4.65	3.41	4.75
% Year before	4.94	4.74	4.19	3.46	4.06
Average Nominal GDP	14031.2	14150.8	14312.5	14490.1	14622.2
% Previous Q, A.R.	2.33	3.45	4.65	5.06	3.70
% Year before	4.94	4.74	4.19	3.87	4.21

## EXPENDITURE SIDE

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## Real Gross Domestic Product

2007Q4 2008Q1 2008Q2 2008Q3 2008Q4

Billions of Chained (2000) Dollars, SAAR

Gross Domestic Product	11620.70	11646.00	11740.30	11773.62	11763.99
Total Demand	13587.20	13608.60	13664.80	13714.34	13721.62
Domestic Demand	12103.20	12105.80	12110.50	12128.42	12091.17
Domestic Final Demand	12109.80	12113.30	12159.50	12152.38	12116.26
Final Demand	11628.00	11653.70	11790.30	11791.68	11782.34
Personal Consumption Expenditures	8298.20	8316.06	8352.18	8345.27	8317.79
Durable Goods	1250.58	1237.01	1229.14	1212.85	1222.64
Nondurable Goods	2400.16	2397.94	2422.65	2409.28	2379.19
Services	4676.10	4704.35	4719.91	4740.00	4739.34
Gross Private Domestic Investment	1781.30	1754.70	1699.80	1729.29	1726.64
Fixed Investment	1788.20	1762.40	1751.10	1753.26	1751.72
Nonresidential	1414.70	1423.10	1431.00	1447.61	1462.56
Equipment and Software	1090.13	1088.61	1079.70	1092.29	1105.71
Structures	319.69	326.36	337.00	341.05	343.52
Residential	411.60	383.00	366.90	354.43	340.21
Change In Business Inventories	-8.10	-10.20	-49.40	-23.92	-25.09
Farm	10.50	6.00	1.70	-2.00	-0.88
Nonfarm	-20.59	-17.93	-52.88	-21.93	-24.21
Net Exports	-484.50	-462.00	-376.60	-360.69	-333.91
Exports	1482.10	1500.60	1547.90	1585.97	1630.47
Imports	1966.50	1962.60	1924.50	1946.66	1964.38
Government Purchases	2029.40	2039.10	2058.50	2053.84	2046.71
Federal	761.70	772.60	785.50	785.97	784.19
State and Local	1267.50	1266.70	1273.60	1267.87	1262.51

## Percent Change, Annual Rate

Gross Domestic Product	-0.17	0.87	3.28	1.14	-0.33
Total Demand	-0.48	0.63	1.66	1.46	0.21
Domestic Demand	-1.05	0.09	0.16	0.59	-1.22
Domestic Final Demand	-0.14	0.12	1.53	-0.23	-1.18
Final Demand	0.80	0.89	4.77	0.05	-0.32
Personal Consumption Expenditures	0.95	0.86	1.75	-0.33	-1.31
Durable Goods	0.38	-4.27	-2.52	-5.20	3.27
Nondurable Goods	0.26	-0.37	4.19	-2.19	-4.90
Services	1.41	2.44	1.33	1.71	-0.06
Gross Private Domestic Investment					
Fixed Investment	-6.19	-5.65	-2.54	0.49	-0.35
Nonresidential	3.41	2.40	2.24	4.72	4.19
Equipment and Software	0.98	-0.56	-3.24	4.75	5.00
Structures	8.54	8.61	13.70	4.89	2.93
Residential	-27.01	-25.03	-15.78	-12.91	-15.11
Exports	4.41	5.09	13.22	10.21	11.70
Imports	-2.31	-0.79	-7.54	4.69	3.69
Government Purchases	0.81	1.93	3.86	-0.90	-1.38
Federal	-0.52	5.85	6.85	0.24	-0.91
State and Local	1.56	-0.25	2.20	-1.79	-1.68

## EXPENDITURE SIDE

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## Nominal Gross Domestic Product

	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
Billions of Dollars, SAAR					
Gross Domestic Product	14031.20	14150.80	14312.50	14557.97	14696.04
Total Demand	16487.70	16677.30	16950.10	17285.33	17507.73
Domestic Demand	14728.00	14856.60	15022.50	15269.55	15405.83
Domestic Final Demand	14749.00	14882.20	15097.00	15299.14	15437.19
Final Demand	14052.30	14176.40	14386.90	14587.56	14727.40
Personal Consumption Expenditures	9892.72	10002.33	10150.01	10291.11	10377.43
Durable Goods	1083.01	1071.05	1060.01	1047.46	1057.38
Nondurable Goods	2906.24	2950.73	3028.91	3081.31	3090.26
Services	5903.47	5980.56	6061.09	6162.34	6229.78
Gross Private Domestic Investment	2092.30	2056.10	1999.90	2057.87	2066.53
Fixed Investment	2113.40	2081.70	2074.40	2087.46	2097.89
Nonresidential	1542.10	1553.60	1571.20	1602.18	1631.68
Equipment and Software	1033.41	1030.90	1026.58	1043.90	1061.76
Structures	508.71	522.73	544.59	558.28	569.92
Residential	571.30	528.10	503.20	485.29	466.21
Change In Business Inventories	-21.10	-25.60	-74.50	-29.60	-31.36
Farm	5.70	0.20	-5.30	-2.47	-1.09
Nonfarm	-26.73	-25.83	-69.20	-27.13	-30.26
Net Exports	-696.70	-705.70	-710.00	-711.58	-709.79
Exports	1759.70	1820.80	1927.60	2015.78	2101.90
Imports	2456.50	2526.50	2637.60	2727.36	2811.69
Government Purchases	2742.90	2798.10	2872.50	2920.57	2961.87
Federal	998.30	1026.50	1056.50	1069.25	1081.79
State and Local	1744.60	1771.60	1816.00	1851.32	1880.08

## Percent Change, Annual Rate

Gross Domestic Product	2.33	3.45	4.65	7.04	3.85
Total Demand	3.46	4.68	6.71	8.15	5.25
Domestic Demand	2.62	3.54	4.54	6.74	3.62
Domestic Final Demand	3.86	3.66	5.90	5.46	3.66
Final Demand	3.63	3.58	6.07	5.70	3.89
Personal Consumption Expenditures	5.31	4.51	6.04	5.68	3.40
Durable Goods	-1.18	-4.35	-4.06	-4.65	3.84
Nondurable Goods	8.65	6.27	11.03	7.10	1.17
Services	4.93	5.33	5.50	6.85	4.45
Gross Private Domestic Investment	-12.61	-6.74	-10.49	12.11	1.69
Fixed Investment	-5.06	-5.87	-1.40	2.54	2.01
Nonresidential	5.14	3.02	4.61	8.12	7.57
Equipment and Software	1.34	-0.97	-1.67	6.92	7.02
Structures	13.44	11.49	17.80	10.44	8.60
Residential	-27.02	-26.99	-17.57	-13.50	-14.82
Exports	10.87	14.63	25.61	19.59	18.21
Imports	10.21	11.89	18.78	14.32	12.95
Government Purchases	5.96	8.30	11.07	6.86	5.78
Federal	1.74	11.79	12.21	4.91	4.77
State and Local	8.47	6.34	10.41	8.01	6.36

## EXPENDITURE SIDE

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## Gross Domestic Product Chain-Type Price Index

	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
Index 2000=100					
Gross Domestic Product	120.83	121.61	121.97	123.25	124.36
Total Demand	121.35	122.55	124.04	126.04	127.59
Domestic Demand	121.77	122.82	124.11	125.90	127.41
Domestic Final Demand	121.80	122.86	124.16	125.89	127.41
Final Demand	120.86	121.65	122.03	123.71	124.99
Personal Consumption Expenditures	119.22	120.28	121.53	123.32	124.76
Durable Goods	86.60	86.58	86.24	86.36	86.48
Nondurable Goods	121.09	123.06	125.03	127.89	129.89
Services	126.25	127.13	128.42	130.01	131.45
Gross Private Domestic Investment	117.96	117.82	118.04	119.01	119.69
Fixed Investment	118.19	118.12	118.47	119.06	119.76
Nonresidential	109.02	109.18	109.80	110.68	111.56
Equipment and Software	94.80	94.70	95.08	95.57	96.03
Structures	159.14	160.18	161.61	163.70	165.91
Residential	138.80	137.90	137.17	136.92	137.04
Exports	118.79	121.40	124.59	127.10	128.91
Imports	124.91	128.72	137.05	140.10	143.13
Government Purchases	135.17	137.24	139.56	142.20	144.71
Federal	131.07	132.88	134.52	136.04	137.95
State and Local	137.65	139.87	142.61	146.02	148.92

## Percent Change, Annual Rate

Gross Domestic Product	2.84	2.63	1.19	4.26	3.66
Total Demand	3.96	4.02	4.96	6.60	5.01
Domestic Demand	4.02	3.51	4.25	5.91	4.89
Domestic Final Demand	4.00	3.54	4.30	5.70	4.90
Final Demand	2.82	2.66	1.25	5.62	4.22
Personal Consumption Expenditures	4.31	3.61	4.21	6.01	4.77
Durable Goods	-1.56	-0.08	-1.58	0.59	0.56
Nondurable Goods	8.37	6.66	6.57	9.48	6.38
Services	3.48	2.82	4.11	5.04	4.51
Gross Private Domestic Investment	1.35	-0.49	0.76	3.34	2.28
Fixed Investment	1.20	-0.24	1.19	2.03	2.37
Nonresidential	1.69	0.60	2.29	3.24	3.24
Equipment and Software	0.36	-0.41	1.62	2.07	1.92
Structures	4.49	2.65	3.61	5.27	5.51
Residential	-0.05	-2.58	-2.09	-0.74	0.35
Exports	6.21	9.06	10.94	8.31	5.83
Imports	12.81	12.79	28.49	9.23	8.93
Government Purchases	5.12	6.25	6.95	7.78	7.25
Federal	2.25	5.64	5.04	4.59	5.72
State and Local	6.81	6.60	8.07	9.92	8.18

## INCOME SIDE

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GDP, National Income and Personal Income

	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
Billions of Current Dollars, SAAR					
Gross Domestic Product	14031.20	14150.80	14312.50	14479.43	14569.20
Plus:					
Receipts of Factor Income	907.40	843.20	825.40	844.10	863.24
Less:					
Payments of Factor Income	742.00	705.10	710.20	723.59	737.34
Equals: Gross National Product	14196.60	14289.00	14427.70	14599.94	14695.10
Less:					
Consumption of Fixed Capital	1758.60	1778.00	1804.40	1813.93	1826.83
Equals: Net National Product	12438.00	12511.10	12623.20	12786.32	12868.35
Indirect Business Taxes	1027.66	1025.76	1032.04	1043.73	1056.69
Business Transfers	103.10	103.20	103.00	103.12	103.23
Statistical Discrepancy	13.90	63.40	111.80	103.47	95.95
Net Subsidies	52.34	50.64	50.84	50.62	50.36
National Income	12424.10	12447.60	12511.50	12682.85	12772.40
Corporate Profits	1611.10	1593.50	1555.70	1579.33	1609.03
Net Interest	688.10	662.30	677.20	686.65	693.59
Contribution for Soc. Ins.	975.26	992.20	996.92	1002.76	1007.02
Personal	505.70	515.75	518.26	519.90	519.90
Employer	469.56	476.45	478.66	482.86	487.12
Personal Interest Income	1242.70	1224.60	1199.40	1217.35	1242.05
Personal Dividend Income	813.50	829.50	843.60	855.41	863.43
Government Transfers	1704.73	1745.82	1893.77	1814.92	1858.90
Business Transfers (to persons)	33.10	32.20	32.40	32.12	32.02
Personal Income	11872.10	11960.50	12174.20	12243.31	12356.00
Percent Change, Annual Rate					
Gross Domestic Product	2.33	3.45	4.65	4.75	2.50
Plus:					
Receipts of Factor Income	4.02	-25.44	-8.18	9.38	9.38
Less:					
Payments of Factor Income	-20.70	-18.46	2.92	7.76	7.82
Equals: Gross National Product	3.86	2.63	3.94	4.86	2.63
Less:					
Consumption of Fixed Capital	6.31	4.49	6.07	2.13	2.87
Equals: Net National Product	3.52	2.37	3.63	5.27	2.59
Indirect Business Taxes	3.35	-0.74	2.47	4.61	5.06
Business Transfers	3.57	0.39	-0.77	0.45	0.43
National Income	2.80	0.76	2.07	5.59	2.85
Corporate Profits	-13.03	-4.30	-9.16	6.22	7.74
Net Interest	16.03	-14.18	9.31	5.70	4.10
Contribution for Social Insurance	3.87	7.13	1.92	2.36	1.71
Personal	3.87	8.19	1.96	1.27	0.00
Employer	3.87	6.00	1.87	3.55	3.58
Personal Interest Income	2.12	-5.70	-7.98	6.12	8.37
Personal Dividend Income	9.80	8.10	6.97	5.72	3.80
Government Transfers	4.01	9.99	38.46	-15.64	10.05
Business Transfers (to persons)	7.59	-10.44	2.51	-3.46	-1.19
Personal Income	4.92	3.01	7.34	2.29	3.73

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

Billions of Current Dollars, SAAR

Wages and Salaries	6465.50	6518.00	6568.00	6617.99	6677.54
Commod Prod Industries	1218.20	1217.70	1216.30	1225.36	1234.77
Manufacturing	750.20	748.40	748.80	751.77	755.44
Others	468.00	469.30	467.50	473.59	479.33
Distributive Industries*	1048.30	1050.40	1049.00	1050.44	1056.32
Service Industries	3106.90	3140.20	3179.00	3206.95	3239.05
Government	1092.10	1109.70	1123.80	1135.34	1147.56
Other Labor Income	1475.50	1491.70	1503.00	1514.06	1525.91
Proprietors Income	1073.80	1071.70	1077.30	1089.93	1099.97
Farm	47.10	41.60	38.70	32.81	31.83
Business and Profess.	1026.70	1030.10	1038.60	1057.12	1068.15
Rental Income of Persons	38.60	39.10	53.60	65.56	68.72
Interest Paid by Persons	276.70	261.70	250.30	248.51	251.98
Other Interest	966.00	962.90	949.10	968.85	990.07
Transfer Payments	1737.80	1778.10	1926.20	1837.10	1884.59
Contributions for Social In	505.70	515.75	518.26	519.90	519.90
Personal Tax & Nontax P.	1520.55	1534.98	1351.97	1407.53	1443.15
Disposable Income	10351.50	10425.50	10822.20	10835.78	10912.84
Addendum:					
Domestic Final Sales	14754.7	14882.3	15091.7	15220.6	15310.3

Percent Change, Annual Rate

Wages and Salaries	5.62	3.29	3.10	3.08	3.65
Commod Prod Industries	4.70	-0.16	-0.46	3.01	3.11
Manufacturing	3.71	-0.96	0.21	1.60	1.97
Others	6.31	1.12	-1.53	5.31	4.94
Distributive Industries*	5.12	0.80	-0.53	0.55	2.26
Service Industries	6.64	4.36	5.03	3.56	4.06
Government	4.25	6.60	5.18	4.17	4.37
Other Labor Income	3.86	4.46	3.06	2.98	3.17
Proprietors Income	3.81	-0.78	2.11	4.77	3.74
Farm	-2.51	-39.15	-25.10	-48.35	-11.44
Business and Profess.	4.12	1.33	3.34	7.33	4.24
Rental Income of Persons	-27.28	5.28	253.14	123.85	20.73
Interest Paid by Persons	-2.14	-19.98	-16.32	-2.84	5.71
Other Interest	3.38	-1.28	-5.61	8.59	9.05
Transfer Payments	4.06	9.60	37.71	-17.26	10.75
Contribution for Social Ins	3.87	8.19	1.96	1.27	0.00
Personal Tax & Nontax P.	5.15	3.85	-39.82	17.48	10.52
Disposable Income	4.89	2.89	16.11	0.50	2.88
Addendum:					
Domestic Final Sales	4.02	3.50	5.75	3.46	2.38

\*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

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	OCT08	NOV08	DEC08
RETAIL SALES (RS), Billions of Current Dollars, SA									
RS, Total Retail Sales	342.73	345.43	346.65	346.24	363.25	364.82	351.49	353.10	354.65
RS, Durable Goods Stores	118.06	118.29	116.51	115.08	121.41	122.32	118.01	118.22	118.73
RS, Bldg Materials, Hardware	27.34	28.02	27.92	28.01	29.31	29.43	28.48	28.59	28.80
RS, Auto Dealers	71.76	71.12	69.61	67.93	71.82	72.66	70.40	70.26	70.15
RS, Furn, Home Furn & Equip	9.46	9.50	9.39	9.48	9.93	9.97	9.62	9.67	9.72
RS, Nondurable Goods Stores	218.56	220.99	223.72	224.40	234.94	235.69	227.54	227.69	229.23
RS, Food Stores	48.96	48.89	49.37	49.58	51.60	51.74	49.92	50.02	50.13
RS, Gas Service Stations	42.55	43.95	45.69	46.05	48.65	48.74	46.87	45.87	46.34
RS, Apparel and Accessories	18.97	19.09	19.08	19.13	19.99	20.06	19.35	19.41	19.48
RS, New Domestic Cars, SAA	4.95	5.27	4.88	4.44	4.67	4.81	4.81	4.80	4.74
RS, New Dom Light Trucks, SAA	5.74	5.19	5.06	4.62	4.77	4.84	4.84	4.83	4.86

RECEIPTS AND OUTLAYS OF THE FEDERAL GOVERNMENT, Billions of Current Dollars, NSA									
Federal Govt Total Outlays	253.85	287.72	194.75	288.82	240.54	224.50	276.40	240.18	238.99
Federal Govt Debt Outstanding	9303.52	9328.80	9432.27	9524.05	9596.53	9649.71	9707.68	9774.44	9852.90

HOUSING STARTS, Millions, SAAR									
Housing Starts, Total	1.0040	0.9820	1.0840	0.9650	0.9975	1.0129	1.0014	1.0035	1.0299

NEW CONSTRUCTION PUT IN PLACE, Billions of Current Dollars, SAAR									
New Const, Residential Bldgs	383.49	379.14	372.47	364.09	357.38	349.65	340.96	331.79	323.79
New Const, Nonresident Bldgs	400.19	404.75	408.10	410.55	413.45	415.94	418.29	420.82	423.48
New Const, Federal Government	22.62	22.44	22.97	22.80	22.84	23.00	22.99	23.06	23.12
New Const, State & Local Govt	278.87	279.34	278.33	280.04	282.44	283.73	285.56	286.87	288.50

## Percent Change, Monthly Rate

RETAIL SALES (RS)									
RS, Total Retail Sales	0.11	0.79	0.35	-0.12	4.91	0.43	-3.65	0.46	0.44
RS, Durable Goods Stores	-1.32	0.20	-1.51	-1.23	5.50	0.75	-3.53	0.18	0.43
RS, Bldg Materials, Hardware	2.24	2.48	-0.34	0.30	4.64	0.41	-3.23	0.40	0.72
RS, Auto Dealers	-3.09	-0.90	-2.12	-2.41	5.74	1.16	-3.11	-0.20	-0.15
RS, Furn, Home Furn & Equip	-0.23	0.50	-1.18	0.98	4.72	0.37	-3.45	0.45	0.55
RS, Nondurable Goods Stores	0.73	1.11	1.23	0.31	4.70	0.32	-3.46	0.07	0.68
RS, Food Stores	0.76	-0.14	0.98	0.43	4.08	0.26	-3.51	0.19	0.22
RS, Gas Service Stations	0.61	3.28	3.96	0.78	5.65	0.20	-3.85	-2.14	1.03
RS, Apparel and Accessories	0.54	0.64	-0.07	0.24	4.52	0.33	-3.54	0.34	0.34
RS, New Domestic Cars, SAAR	-0.84	6.55	-7.46	-8.96	5.11	3.18	0.00	-0.40	-1.05
RS, New Dom Light Trucks, SA	-7.61	-9.58	-2.45	-8.77	3.23	1.48	0.11	-0.33	0.72

RECEIPTS AND OUTLAYS OF THE FEDERAL GOVERNMENT									
Federal Govt Total Outlays	26.83	13.34	-32.31	48.31	-16.72	-6.67	23.12	-13.10	-0.50
Federal Govt Debt Outstanding	-0.63	0.27	1.11	0.97	0.76	0.55	0.60	0.69	0.80

HOUSING STARTS									
Housing Starts, Total	1.62	-2.19	10.39	-10.98	3.36	1.55	-1.13	0.21	2.63

NEW CONSTRUCTION PUT IN PLACE									
New Const, Residential Bldgs	-2.08	-1.13	-1.76	-2.25	-1.84	-2.16	-2.49	-2.69	-2.41
New Const, Nonresidential Bldgs	0.55	1.14	0.83	0.60	0.71	0.60	0.56	0.61	0.63
New Const, Federal Government	1.61	-0.79	2.36	-0.75	0.17	0.70	-0.06	0.31	0.25
New Const, State & Local Govt	0.11	0.17	-0.36	0.61	0.86	0.46	0.64	0.46	0.57

## MONTHLY ECONOMIC INDICATORS for GROSS PRIVATE DOMESTIC INVESTMENT and NET EXPORTS

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	OCT08	NOV08	DEC08
INDUSTRIAL PRODUCTION, Index 2002=100, SA									
Industrial Production, Total	111.34	111.15	111.59	111.84	112.06	112.34	112.67	112.93	113.22
MANUFACTURERS' SHIPMENTS/INVENTORIES/ORDERS, Billions of Current Dollars, SA									
Manufacturers' New Orders	445.92	450.03	457.63	456.34	459.32	461.99	463.03	465.41	467.52
Manufacturers' Shipments	446.03	447.41	454.57	454.90	457.22	459.26	460.22	461.10	463.05
Manufacturers' Unfilled Orders	802.97	810.29	817.38	823.64	830.22	836.93	843.08	849.26	855.28
MANUFACTURED DURABLE GOODS, Billions of Current Dollars, SA									
Nondefense Capital Goods Shipmt	67.88	67.71	68.06	69.14	68.47	68.96	69.64	69.51	69.79
BUSINESS INVENTORIES, Billions of Current Dollars, SA									
Inventories, Manufacturers	545.63	548.83	554.34	556.05	559.90	562.74	565.35	568.19	570.59
Inventories, Merchant Wholesale	427.56	431.27	435.85	439.92	442.59	446.33	450.41	453.37	455.93
Inventories, Retail Traders	501.05	499.67	499.35	500.85	501.67	502.95	504.18	505.53	506.94
U.S. MERCHANDISE TRADE, Millions of Current Dollars, SA									
Exports, FAS	110835	111544	117459	117653	118375	120083	121417	122973	123847
Imports, CIF	181418	182355	186019	187864	189071	190589	191986	192467	194538
Exports, Mach and Transp Equipm	41845	41476	41810	42119	42327	42869	43120	43368	43614
Imports, Mach and Transp Equipm	65118	62991	61899	63526	64187	63873	64961	64662	65971
Percent Change, Monthly Rate									
INDUSTRIAL PRODUCTION									
Industrial Production, Total	-0.57	-0.17	0.40	0.23	0.20	0.25	0.29	0.23	0.25
MANUFACTURERS' SHIPMENTS/INVENTORIES/ORDERS									
Manufacturers' New Orders	1.29	0.92	1.69	-0.28	0.65	0.58	0.22	0.51	0.45
Manufacturers' Shipments	2.68	0.31	1.60	0.07	0.51	0.45	0.21	0.19	0.42
Manufacturers' Unfilled Orders	0.73	0.91	0.87	0.77	0.80	0.81	0.73	0.73	0.71
MANUFACTURED DURABLE GOODS									
Nondefense Capital Goods Shipmt	1.80	-0.25	0.51	1.59	-0.97	0.71	0.99	-0.18	0.40
BUSINESS INVENTORIES									
Inventories, Manufacturers	-0.03	0.59	1.00	0.31	0.69	0.51	0.46	0.50	0.42
Inventories, Merchant Wholesale	1.39	0.87	1.06	0.93	0.61	0.85	0.91	0.66	0.56
Inventories, Retail Traders	0.22	-0.28	-0.06	0.30	0.16	0.25	0.24	0.27	0.28
U.S. MERCHANDISE TRADE									
Exports, FAS	5.02	0.64	5.30	0.17	0.61	1.44	1.11	1.28	0.71
Imports, CIF	5.57	0.52	2.01	0.99	0.64	0.80	0.73	0.25	1.08
Exports, Mach and Transp Equip	9.20	-0.88	0.81	0.74	0.49	1.28	0.59	0.58	0.57
Imports, Mach and Transp Equip	9.32	-3.27	-1.73	2.63	1.04	-0.49	1.70	-0.46	2.02

MONTHLY ECONOMIC INDICATORS for CHAIN PRICE INDEXES

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	OCT08	NOV08	DEC08
CONSUMER PRICE INDEX (CPI), 1982-1984=100, SA									
CPI, All Urban Consumers	213.74	215.13	217.40	219.18	220.55	221.73	223.02	224.14	225.44
CPI, Durables	111.42	111.23	111.26	111.43	111.51	111.62	111.67	111.71	111.78
CPI, Furniture	124.56	123.49	124.00	124.62	124.46	124.63	124.57	124.37	124.29
CPI, Housekeeping Supplies	174.83	175.43	175.60	176.20	176.82	177.45	178.07	178.69	179.32
CPI, Nondurables	204.71	207.83	212.72	215.07	216.74	217.68	219.51	218.94	219.37
CPI, Apparel and Upkeep	118.36	118.04	118.11	119.57	120.04	120.30	120.51	120.71	120.91
CPI, Food and Beverages	211.44	212.09	213.61	215.54	216.62	217.72	218.79	219.87	220.94
CPI, Motor Oil, Fuel,	276.57	292.24	321.62	334.73	336.47	336.52	338.24	334.25	331.80
CPI, Services	253.46	254.64	255.87	257.27	258.20	259.33	260.28	261.42	262.38
CPI, New cars	134.77	134.69	134.99	135.30	135.52	135.74	135.97	136.20	136.42

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	OCT08	NOV08	DEC08
PRODUCER PRICE INDEX (PPI), 1982=100, SA									
PPI, Finished Goods	176.10	178.50	181.70	183.90	185.53	187.00	188.56	189.77	191.69
PPI, Capital Equipment	152.50	152.70	153.10	154.30	154.81	155.46	156.20	156.84	157.48
PPI, Intermediate Materials	186.50	192.00	196.10	201.40	205.31	208.72	212.24	215.41	218.38
PPI, Components for Construction	199.10	203.20	206.20	209.80	212.19	213.80	215.22	216.54	217.56

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	OCT08	NOV08	DEC08
PRICES RECEIVED BY FARMERS, Index, 1910-14=100, SA									
Index of Prices Recvd by Farmer	930.80	936.14	937.72	940.73	942.26	944.12	947.44	949.99	952.67

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	OCT08	NOV08	DEC08
U.S. EXPORT/IMPORT PRICES, Index, 1995=100, SA									
U.S. Export Price Index	124.40	124.80	126.10	127.90	128.83	129.93	130.96	131.77	132.67
U.S. Import Price Index	137.30	141.20	145.30	147.80	149.14	149.94	150.49	150.92	151.29

Percent Change, Monthly Rate

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	OCT08	NOV08	DEC08
CONSUMER PRICE INDEX (CPI)									
CPI, All Urban Consumers	0.21	0.65	1.06	0.82	0.62	0.54	0.58	0.50	0.58
CPI, Durables	-0.34	-0.17	0.03	0.15	0.08	0.10	0.04	0.04	0.06
CPI, Furniture	-1.12	-0.86	0.42	0.50	-0.13	0.13	-0.05	-0.16	-0.07
CPI, Housekeeping Supplies	0.69	0.34	0.10	0.35	0.35	0.35	0.35	0.35	0.35
CPI, Nondurables	0.48	1.53	2.35	1.10	0.78	0.43	0.84	-0.26	0.20
CPI, Apparel and Upkeep	0.46	-0.27	0.05	1.24	0.39	0.21	0.18	0.17	0.17
CPI, Food and Beverages	0.92	0.31	0.72	0.90	0.50	0.50	0.49	0.49	0.49
CPI, Motor Oil, Fuel	-1.92	5.67	10.05	4.08	0.52	0.02	0.51	-1.18	-0.73
CPI, Services	0.30	0.47	0.48	0.55	0.36	0.44	0.36	0.44	0.37
CPI, New Cars	-0.19	-0.06	0.22	0.23	0.16	0.17	0.17	0.16	0.16

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	OCT08	NOV08	DEC08
PRODUCER PRICE INDEX (PPI)									
PPI, Finished Goods	0.28	1.36	1.79	1.21	0.89	0.79	0.84	0.64	1.01
PPI, Capital Equipment	0.59	0.13	0.26	0.78	0.33	0.42	0.48	0.41	0.41
PPI, Intermediate Materials	0.70	2.95	2.14	2.70	1.94	1.66	1.69	1.49	1.38
PPI, Components for Construction	0.96	2.06	1.48	1.75	1.14	0.76	0.66	0.61	0.47

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	OCT08	NOV08	DEC08
PRICES RECEIVED BY FARMERS									
Index of Prices Recvd by Farmer	0.19	0.57	0.17	0.32	0.16	0.20	0.35	0.27	0.28

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	OCT08	NOV08	DEC08
U.S. EXPORT/IMPORT PRICES									
U.S. Export Price Index	0.48	0.32	1.04	1.43	0.73	0.85	0.80	0.62	0.68
U.S. Import Price Index	2.85	2.84	2.90	1.72	0.91	0.54	0.36	0.29	0.25

MONTHLY ECONOMIC INDICATORS for PERSONAL INCOME

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	OCT08	NOV08	DEC08
EMPLOYEES (EMP) on Nonfarm Payrolls, Millions, SA									
EMP, Total	137.764	137.717	137.666	137.615	137.604	137.595	137.600	137.616	137.642
EMP, Manufacturing	13.592	13.571	13.536	13.501	13.474	13.453	13.437	13.425	13.413
EMP, Services	116.136	116.140	116.166	116.161	116.253	116.340	116.453	116.594	116.742
EMP, Wholesale and Retail Trade	21.400	21.370	21.361	21.327	21.319	21.299	21.297	21.281	21.280
EMP, Government	22.401	22.453	22.496	22.521	22.547	22.574	22.600	22.628	22.655
EMP, Federal Government	1.996	2.007	2.011	2.011	2.011	2.011	2.011	2.012	2.012
EMP, State and Local Governme	21.628	21.577	21.500	21.454	21.411	21.372	21.340	21.313	21.293
Total Unemployed, Millions	7.626	8.487	8.499	8.784	8.938	9.062	9.210	9.341	9.393

AVERAGE WEEKLY HOURS (AWH) of Production Workers, SA									
AWH, Total Private	33.80	33.70	33.70	33.60	33.63	33.63	33.60	33.60	33.59
AWH, Manufacturing	41.00	41.00	41.00	41.00	40.99	40.98	40.99	41.00	40.99
AWH, Services	30.20	30.10	30.10	30.00	30.04	30.03	30.00	30.00	29.98
AWH, Wholesale and Retail Trade	38.30	38.30	38.30	38.40	38.33	38.32	38.35	38.34	38.32

AVERAGE HOURLY EARNINGS (AHE) of Production Workers, Current Dollars, SA									
AHE, Manufacturing	17.62	17.65	17.72	17.78	17.82	17.86	17.90	17.95	17.99
AHE, Services	12.85	12.90	12.88	12.90	12.91	12.93	12.94	12.95	12.97
AHE, Wholesale and Retail Trade	20.05	20.06	20.11	20.15	20.19	20.23	20.28	20.32	20.37

AVERAGE WEEKLY EARNINGS (AWE) of Production Workers, Current Dollars									
AWE, Total Private	604.68	604.92	606.60	606.82	608.93	610.75	612.13	613.87	615.52

Percent Change, Monthly Rate

EMPLOYEES (EMP) ON NONFARM PAYROLLS									
EMP, Total	-0.049	-0.034	-0.037	-0.037	-0.008	-0.006	0.004	0.011	0.019
EMP, Manufacturing	-0.381	-0.155	-0.258	-0.259	-0.203	-0.156	-0.113	-0.097	-0.087
EMP, Services	0.036	0.003	0.022	-0.004	0.079	0.075	0.097	0.121	0.127
EMP, Wholesale and Retail Trade	-0.261	-0.140	-0.042	-0.159	-0.039	-0.091	-0.011	-0.077	-0.001
EMP, Government	0.107	0.232	0.192	0.111	0.114	0.123	0.115	0.123	0.117
EMP, Federal Government	0.453	0.551	0.199	0.000	0.007	-0.010	0.024	0.034	0.010
EMP, State and Local Governme	-0.501	-0.236	-0.357	-0.214	-0.201	-0.181	-0.152	-0.126	-0.094
Total Unemployed, Millions	-2.418	11.290	0.141	3.353	1.752	1.384	1.631	1.423	0.565

AVERAGE WEEKLY HOURS (AWH) OF PRODUCTION WORKERS									
AWH, Total Private	0.00	-0.30	0.00	-0.30	0.09	-0.01	-0.07	-0.01	-0.02
AWH, Manufacturing	-0.49	0.00	0.00	0.00	-0.03	-0.02	0.03	0.02	-0.01
AWH, Services	0.00	-0.33	0.00	-0.33	0.13	-0.01	-0.12	0.02	-0.08
AWH, Wholesale and Retail Trade	-0.26	0.00	0.00	0.26	-0.19	-0.02	0.08	-0.04	-0.04

AVERAGE HOURLY EARNINGS (AHE) OF PRODUCTION WORKERS									
AHE, Manufacturing	0.06	0.17	0.40	0.34	0.21	0.24	0.25	0.24	0.25
AHE, Services	-0.08	0.39	-0.16	0.16	0.10	0.10	0.12	0.10	0.12
AHE, Wholesale and Retail Trade	0.10	0.05	0.25	0.20	0.21	0.21	0.21	0.23	0.24

AVERAGE WEEKLY EARNINGS (AWE) OF PRODUCTION WORKERS									
AWE, Total Private	0.11	0.04	0.28	0.04	0.35	0.30	0.22	0.29	0.27

## MONTHLY FINANCIAL INDICATORS

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	OCT08	NOV08	DEC08
MONEY SUPPLY, Billions of Dollars, SA									
Money Supply (M1)	1370.7	1367.1	1385.5	1401.0	1407.8	1413.8	1419.1	1424.3	1432.0
Money Supply (M2)	7679.7	7688.2	7687.0	7725.8	7772.6	7813.2	7854.9	7892.0	7928.4
Money Supply (M3)	7581.8	7661.5	7739.1	7815.4	7891.2	7966.8	8042.5	8118.4	8194.8

INTEREST RATES (IR), Percent Per Annum									
IR, Treasury Bill, 6 Month	1.58	1.86	2.19	1.98	1.97	2.03	1.98	1.95	1.92
IR, Commercial Paper, 2 month	2.06	2.01	2.15	2.13	2.10	2.09	2.09	2.08	2.08
Yields, US Govt Bond, 1 year	1.74	2.05	2.42	2.28	2.18	2.32	2.26	2.25	2.27
Yields, US Govt Bond, 10 Year	3.68	3.88	4.10	4.01	3.89	3.87	3.88	3.91	3.89

FOREIGN EXCHANGE VALUE, March 1973=100									
Weighted Average Value of US\$	95.48	95.83	96.09	95.42	95.32	95.49	95.72	95.96	96.21

STOCK MARKET									
New York Stock Exchange Index	9174.1	9429.0	8997.0	8427.4	8358.7	8361.9	8375.5	8390.6	8405.8
Dividend to (Stock) Price Ratio	2.09	2.07	2.15	2.28	2.30	2.29	2.28	2.28	2.27

CONSUMER INSTALLMENT CREDIT, Millions of Dollars, SA									
Consumer Credit Outstanding	2563.95	2572.00	2586.33	2598.17	2609.81	2621.74	2634.39	2647.10	2660.75
Percent Change, Monthly Rate									

MONEY SUPPLY									
Money Supply, (M1)	-0.29	-0.26	1.35	1.12	0.49	0.43	0.37	0.37	0.54
Money Supply, (M2)	0.20	0.11	-0.02	0.50	0.61	0.52	0.53	0.47	0.46
Money Supply, (M3)	1.40	1.05	1.01	0.99	0.97	0.96	0.95	0.94	0.94

INTEREST RATES (IR), Monthly Change									
IR, Treasury Bill, 6 Month	0.08	0.28	0.32	-0.21	-0.01	0.07	-0.05	-0.03	-0.02
IR, Commercial Paper, 6 Month	-0.26	-0.05	0.15	-0.03	-0.03	-0.01	-0.01	-0.00	-0.00
Yields, US Govt Bond, 1 Year	0.19	0.31	0.37	-0.14	-0.11	0.14	-0.06	-0.01	0.02
Yields, US Govt Bond, 10 Year	0.17	0.21	0.22	-0.09	-0.12	-0.02	0.01	0.03	-0.02

FOREIGN EXCHANGE VALUE									
Weighted Average Value of US\$	-0.30	0.37	0.27	-0.69	-0.11	0.19	0.23	0.26	0.26

STOCK MARKET									
New York Stock Exchange Index	4.53	2.78	-4.58	-6.33	-0.82	0.04	0.16	0.18	0.18
Dividend to (Stock) Price Ratio	-3.69	-0.96	3.86	6.05	0.88	-0.48	-0.23	-0.31	-0.28

CONSUMER INSTALLMENT CREDIT									
Consumer Credit Outstanding	0.35	0.31	0.56	0.46	0.45	0.46	0.48	0.48	0.52