

**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 extreme volatility in financial markets, at the end of the working week, overwhelmed our standard model calculations, especially in terms of forecast reliability.
- The increases in GDP growth rates, as well as the drop in the inflation projection for Q3, are not plausible. The large swings from day-to-day and the extreme values of supporting for failing institutions are not to be accepted at face value.
- It is more likely that the economy is being shocked into some pockets of inflation and poor growth prospects as a result of the provision of public funds covering the debts of failing companies in insurance and banking. We therefore present our model results, at the present time, with a high degree of skepticism.

**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%

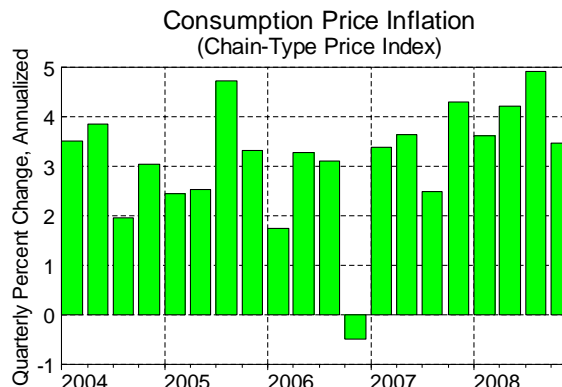
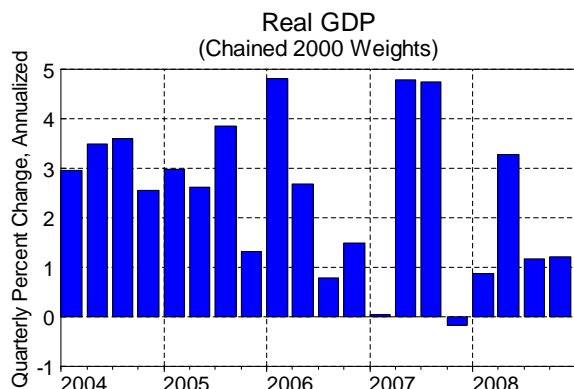
The latest CQM forecast incorporates new monthly economic indicators (marked in red) that were not included in the previous forecast

Date	Economic Indicator	for	Latest	Prior Month
Sep 02	Construction Spending	July	-0.6%	0.3%
Sep 05	Nonfarm Payroll Employment	August	-84,000	-60,000
Sep 03	Auto Sales	August	13.7 Million	12.5 Million
Sep 08	Consumer Credit Outstanding	July	\$4.6 billion	\$11.0 billion
Sep 13	Export/Import Price Index	August	-1.7%, -3.7%	1.5%, 0.2%
Sep 19	Producer Price Index, Total & Core	August	-0.9%, 0.2%	1.2%, 0.7%
Sep 13	Retail Sales, Total & Ex-Auto	August	-0.3%, -0.7%	-0.5%, 0.3%
<b>Sep 15</b>	<b>Industrial Production</b>	<b>August</b>	<b>-1.1%</b>	<b>0.1%</b>
Sep 13	Business Inventories	July	1.1%	0.8%
<b>Sep 16</b>	<b>Consumer Price Index, Total &amp; Core</b>	<b>August</b>	<b>-0.1%, 0.2%</b>	<b>0.8%, 0.3%</b>
<b>Sep 17</b>	<b>Housing Starts</b>	<b>August</b>	<b>895,000</b>	<b>954,000</b>
Sep 12	Trade Balance	July	-\$62.2 billion	-\$58.8 billion
Aug 27	Durable Goods Orders & Shipments	July	1.3%, 3.0%	1.3%, 0.9%
Sep 03	Manuf Ships, Inv, & Orders	July	2.1%, 0.5%, 1.3%	1.9%, 1.2%, 2.1%

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		
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
Sep 08		3.27	0.62	0.12		4.25	6.01	4.77			
Sep 15		3.25	0.58	0.56		4.25	6.01	4.77			
Sep 22		3.36	1.18	1.22		4.25	4.92	3.47			

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



# High Frequency Indicators

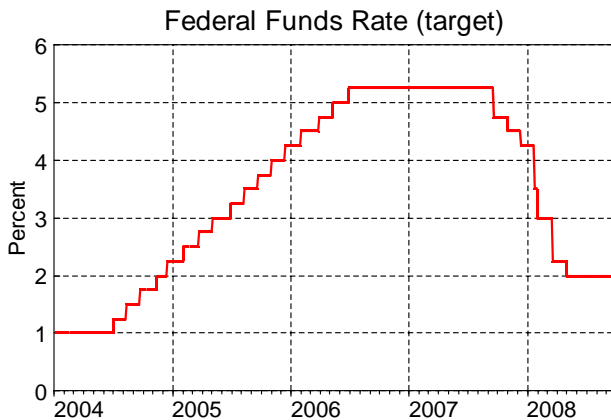
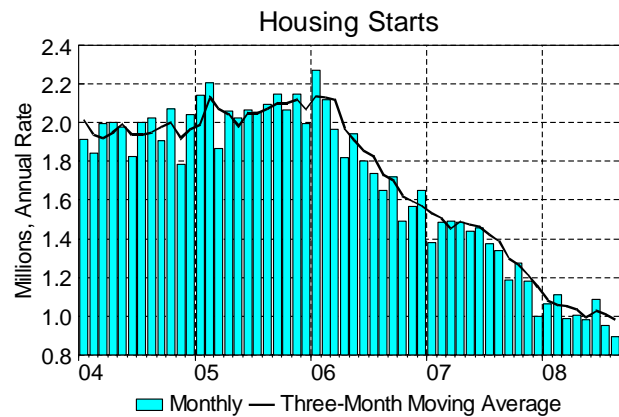
## The Week in Review (September 15 - 19)

### FOMC Meeting

Following their Tuesday meeting, the Federal Open Market Committee voted unanimously to maintain short-term interest rates unchanged. The target for the federal funds rate stayed at 2%.

In their statement, the Fed committee noted that “Strains in financial markets have increased significantly and labor markets have weakened further. Economic growth appears to have slowed recently, partly reflecting a softening of household spending. Tight credit conditions, the ongoing housing contraction, and some slowing in export growth are likely to weigh on economic growth over the next few quarters. Over time, the substantial easing of monetary policy, combined with ongoing measures to foster market liquidity, should help to promote moderate economic growth.”

The next FOMC meeting is scheduled on October 28-29. The majority of Fed watchers anticipate that the Fed Committee will continue to stay put in the upcoming meeting.



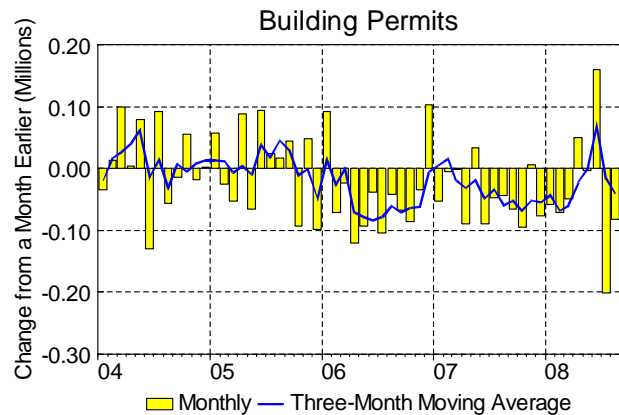
### Housing Starts

In August, housing starts fell 6.2% from a month ago, to 895,000, the weakest in more than 17 years. This followed a 12.4% drop in July. Compared to a year ago, August housing starts plunged 33%. Starts of single-family homes fell 1.9% to 630,000, also the lowest level since 1991. Starts of multi-family homes plunged 15% to 265,000.

At the same time, the Fed Committee remained concerned about still-high inflation. They expected “inflation to moderate later this year and next year, but the inflation outlook remains highly uncertain.”

On near-term risks, “the downside risks to growth and the upside risks to inflation are both of significant concern to the Committee”.

Prior to the meeting, due to the Wall Street crisis, market watchers were speculating that the Fed Committee might lower interest rates. Following the release of the FOMC statement, the financial markets regained some confidence, temporarily.

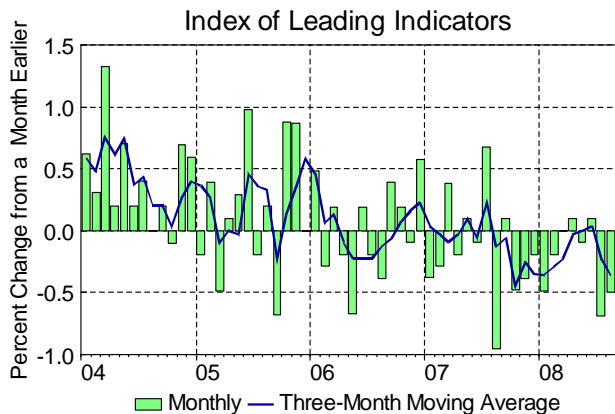


Starts fell in all regions except the West, with an 11% gain. Starts in the Northeast dropped 15%, while starts in the Midwest fell 14%. Starts in the South were down 7.4%.

Building permits dropped 8.9% in August to 854,000. Compared to a year ago, building permits were down 36%.

**Index of Leading Indicators**

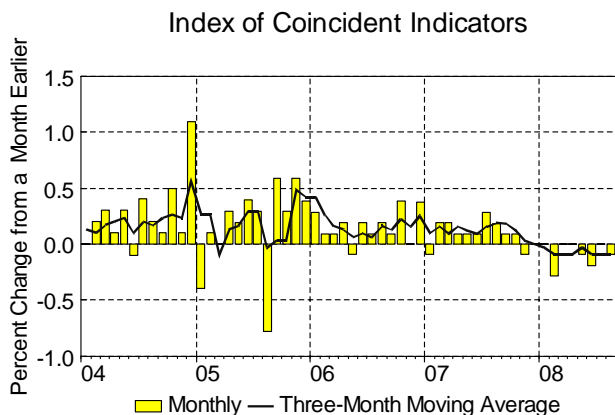
In August, the Index of Leading Indicators fell 0.5%, following a 0.7% decline in July. So far, the Index has fallen in three of the past four months.



In August, six of the ten components of the Index fell from a month ago. The biggest negative contributors were vendor performance, building permits and jobless claims.

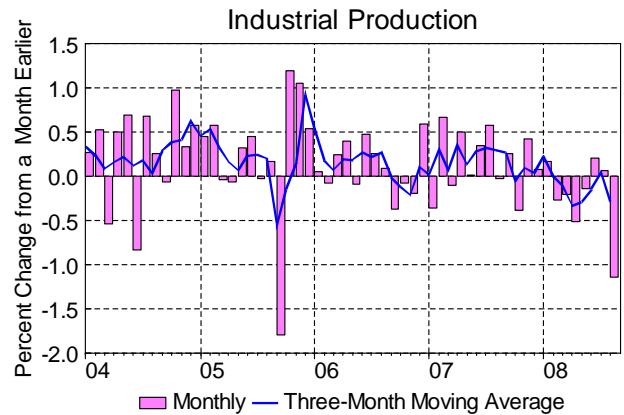
Compared to a year ago, the Index of Leading Indicators was down 2.7%.

Meanwhile, the Index of Coincident Indicators inched down 0.1% in August. Since November 2007, the Index of Coincident Indicators either declined or was unchanged. The Index of Lagging Indicators rose 0.4% in August.



**Industrial Production**

Following two months of small increases, industrial production plunged 1.1% in August. This was the biggest monthly decline since Hurricane Katrina struck in 2005.



Industrial production in the prior four months was also revised lower. In July, industrial production was revised down one-tenth to a weak 0.1% increase.

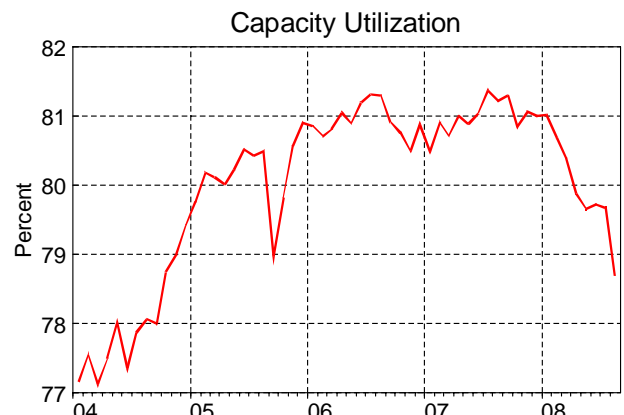
Compared to a year ago, industrial production slipped 1.5%.

The August decline in industrial production was mainly led by auto output, which plunged 12% in the month, the biggest monthly decline in a decade.

Manufacturing output fell 1%. Excluding autos, manufacturing output was down 0.3%. Output of consumer goods was down 2%. Output of business equipment slipped 0.6%. Meanwhile, output of the high-tech sector was unchanged in the month. Machinery output increased 1.8%.

Petroleum production fell 1.8%.

Output of the mining sector fell 0.4%, and output in the utility sector dropped 3.2%.



The capacity utilization rate fell to 78.7%, the lowest since October 2004.

**Empire State Index**

In September, the Empire State Index from the New York Federal Reserve fell more than 10 index points to -7.41. The decline was much stronger than the market consensus forecast.

A reading below zero indicates that manufacturing output will likely continue to shrink in the New York region in the near term.

Among those surveyed, 30% indicated worsening conditions, in contrast to a 22% response indicating improvement.

Among the components of the survey, employment inched down marginally, to -4.6 in September.

New orders rebounded to positive territory, at 4.38. Shipments also rose to positive territory.

Prices paid fell for the second straight month, to 44.83. After peaking at 77.89 in July, prices paid have been easing.

The Philadelphia Fed Index jumped from -12.7 in August to 3.8 in September. This was the first positive reading in 10 months.

New orders gained more than 12 index points to 5.6 in September. Shipments rose from -3.3 to 2.6. Prices paid eased from 57.5 a month ago to 31.5 in September. Prices received fell more than 11 index points to 15.5.

Employment inched up 0.2 index point to -0.9.

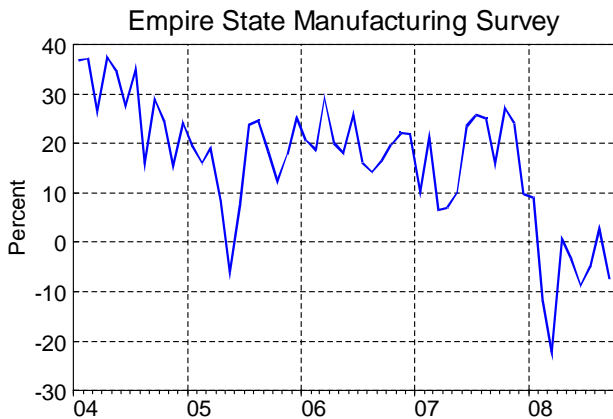
**Current Account Balance**

In the second quarter, the current account deficit widened to \$183.1 billion, corresponding to 5.1% of GDP. The increase in the second-quarter deficit was mainly due to a smaller surplus on the income side. Meanwhile, the goods deficit also rose in the second quarter.

In the second quarter, the deficit on goods and services rose to \$180.6 billion, up \$3.5 billion from a quarter ago.

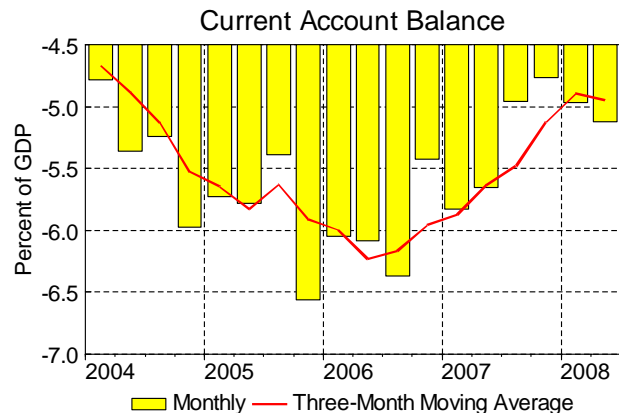
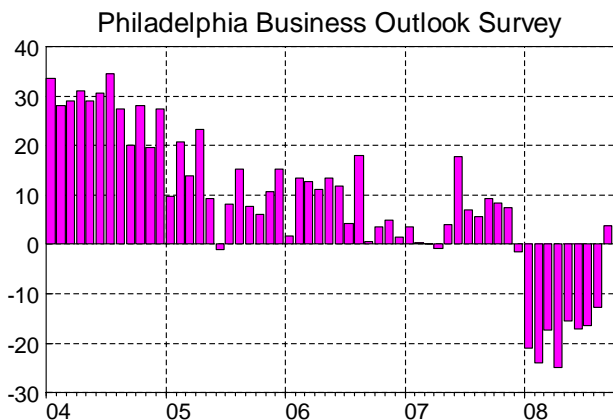
The surpluses on the income side were down \$5.9 billion to \$27.3 billion. Investment income from assets abroad fell \$5 billion to \$194.1 billion. Foreign investment income from assets in the US, however, rose about \$1 billion to \$165 billion.

Foreign acquisitions of US assets rose \$26.3 billion. In contrast, US acquisitions of foreign assets dropped \$110.4 billion.



**Philadelphia Fed Survey**

Unlike the Empire State Survey, the Philadelphia Fed Survey unexpectedly jumped in September.



**Consumer Price Index**

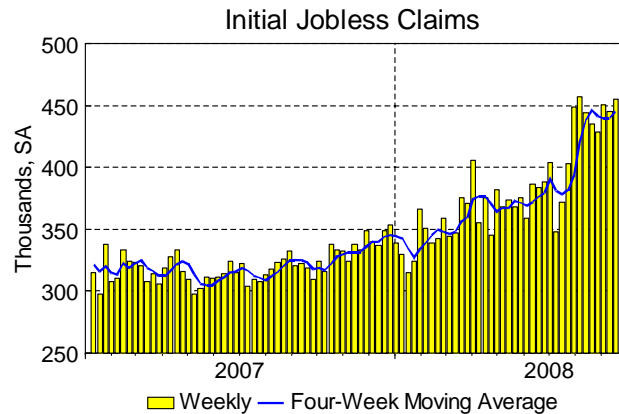
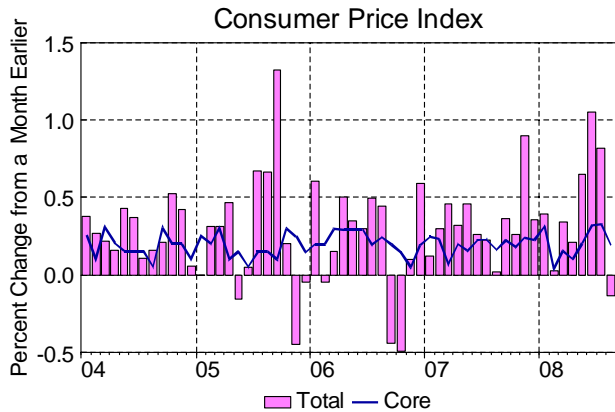
In August, the consumer price index slipped 0.1%, the first monthly decline since October 2006. This followed increases of 0.8% and 1.1%, respectively, in July and June.

The August price decline was due to a sharp fall in energy prices, down 3.1%. Gasoline prices fell 4.2%, while fuel oil prices dropped 9.6%.

Food prices, meanwhile, were up 0.6%. Prices of fruit and vegetables rose 2.1%, while meat prices went up 1%.

Excluding food and energy, the core CPI rose 0.2% from a month ago, following a 0.3% increase in July.

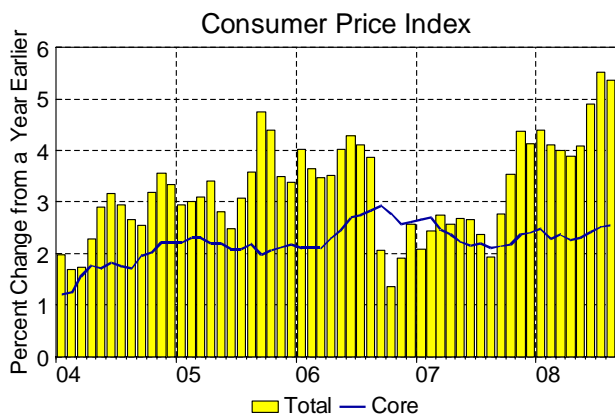
decline, the number of continuing claims remained close to its multi-year high.



Higher prices were seen in clothing, medical care and rent. Apparel prices were up 0.5% in August, following a 1.2% increase in July. Medical care costs rose 0.2%. Rent was up 0.3%.

In contrast, prices of hotel rooms were down 1.1%. Prices of new cars slipped 0.6%, while prices of used cars were down 0.3%.

Compared to a year ago, the CPI rose 5.4%, while the core CPI was up 2.5%.



**Initial Jobless Claims**

For the week ending September 13, initial jobless claims rose 1,000 to 455,000. Filings in Louisiana increased following Hurricane Gustav.

The previous week's claims figure was unchanged.

The four-week moving average of claims rose 5,000 to 445,000.

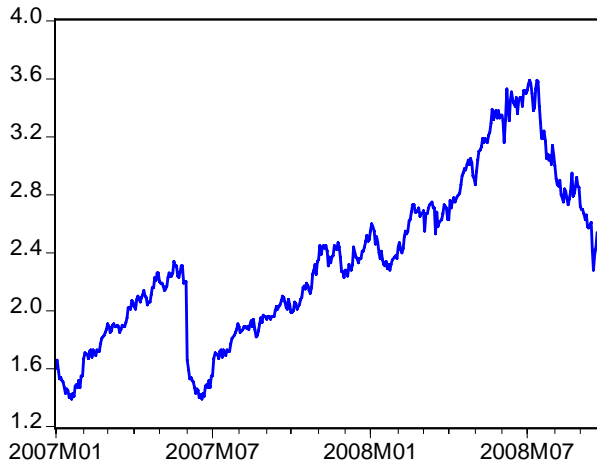
The number of insured unemployed fell 55,000 to 3.47 million, for the week ending September. Despite the

**Energy Prices**

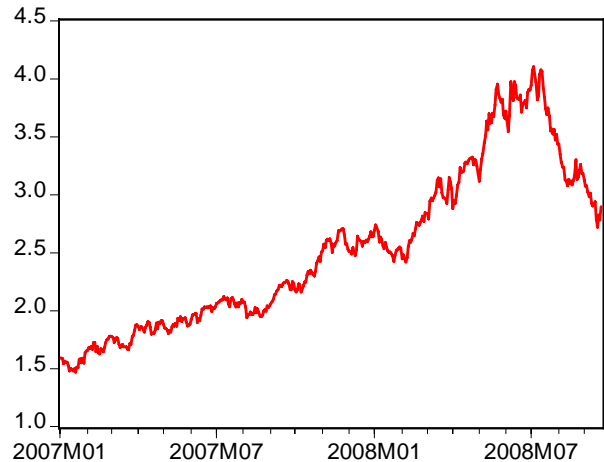
Oil prices sank earlier in the week, following the tumble in the US stock markets. However, following the Federal Reserve’s move to bail out AIG, and the US government’s actions to ease liquidity in the financial markets, energy prices closed higher in the week.

By Friday’s market close, oil prices traded at \$104.55 per barrel, about \$3 more than from a week ago, following a \$5 decline in the previous week. The strength of oil prices could also be partly attributed to a weak US dollar, which was pushed lower by bearish sentiment on the US economic and financial market outlook.

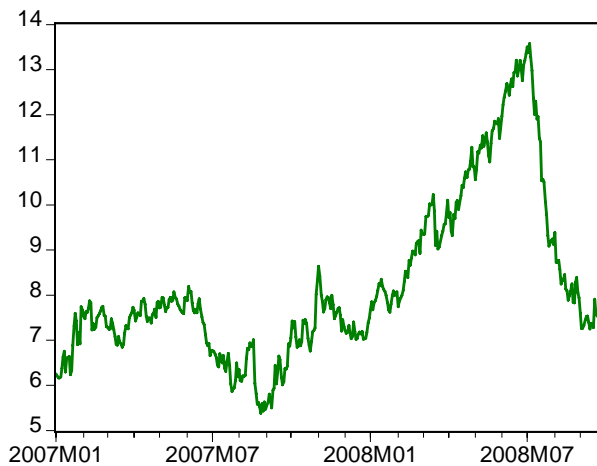
Prices of other energy commodities were mixed this week. Prices of heating oil were down 2 cents to \$2.92 per gallon. Prices of gasoline fell 14 cents to \$2.60 per gallon. Prices of natural gas, however, gained 48 cents to \$7.85 per mmbtu.



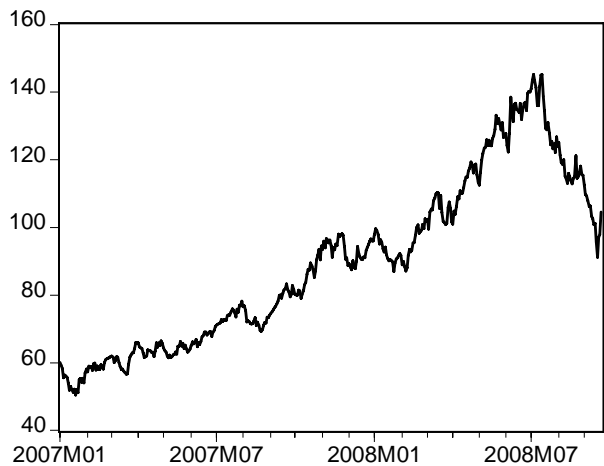
— Gasoline Futures Price, \$/Gallon



— Heating Oil Futures Price, \$/Gallon



— Natural Gas Futures Price, \$/MMBTU



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

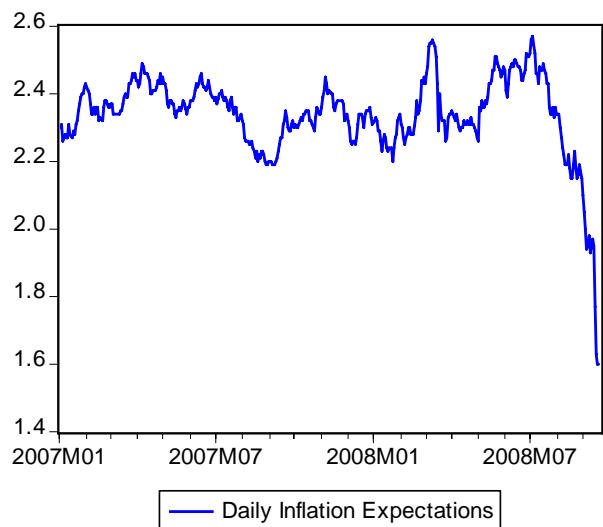
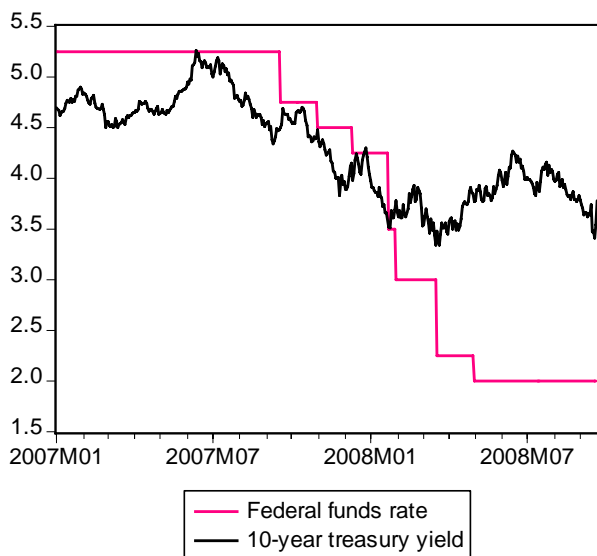
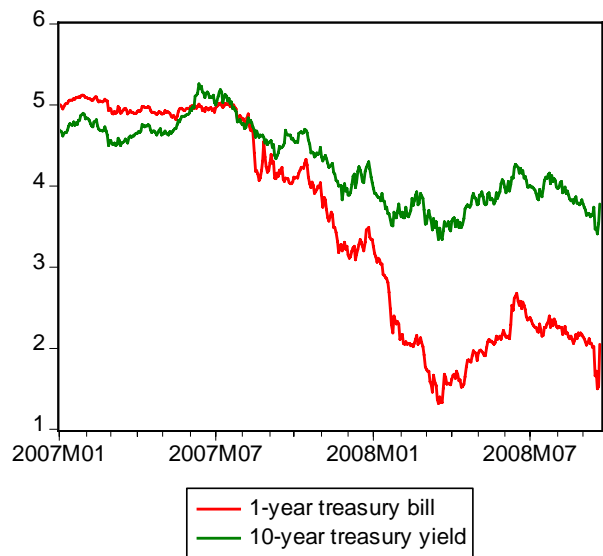
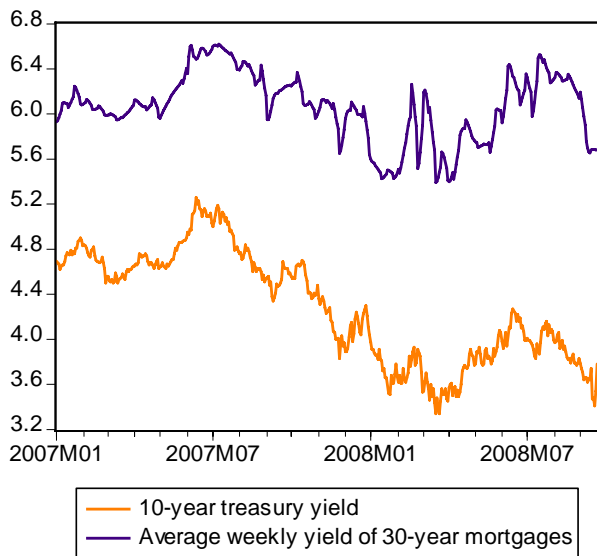
**Interest Rates**

The treasury's decision to inject liquidity in the financial markets did not bode well for existing treasuries. Prices fell, and their yields jumped. It should be noted, however that, market participants anticipate that flight-to-quality will remain critical in the near term, which will likely support demand for US treasuries.

The two-year treasury closed Friday at 2.10%, up 16 basis points from a week ago, following a drop of 50 basis points in the week before.

The ten-year treasury yield stood at 3.78% by the week's close, up 25 basis points, after a 20-basis-point drop a week ago.

The upward pressure on daily inflation expectations (yield on unprotected minus yield on protected 10-year bonds) rose 7 basis points, to 1.95%. FED officials remain concerned about inflation. Federal Reserve governors and board members continue to pay close attention to inflation tendencies.



**Currency Markets**

The US dollar lost its momentum this week. The turmoil in the US financial market, and the uncertainty of the impact of the turmoil on the US economy put some downward pressure on the US dollar.

By Friday's market close, the US dollar traded at US\$1.4513 per euro, down 2.8% from a week ago. This followed gains of 1% and 3%, respectively, in the prior two weeks.

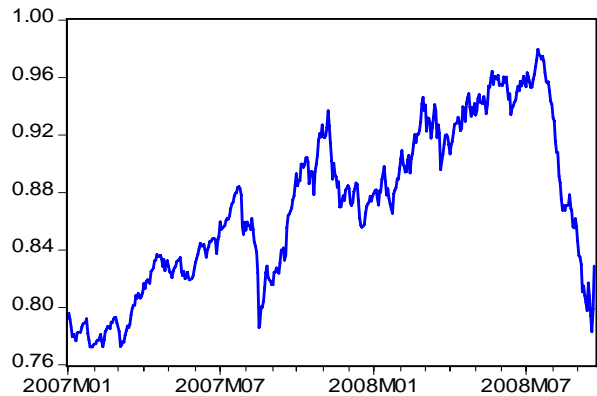
The US dollar also fell against the British pound. From US\$1.7792 per British pound, the US dollar tumbled to US\$1.8327 by the end of the week, down 3%.

The US dollar also fell about 1 yen against the Japanese yen, to 106.51 yen per US dollar.

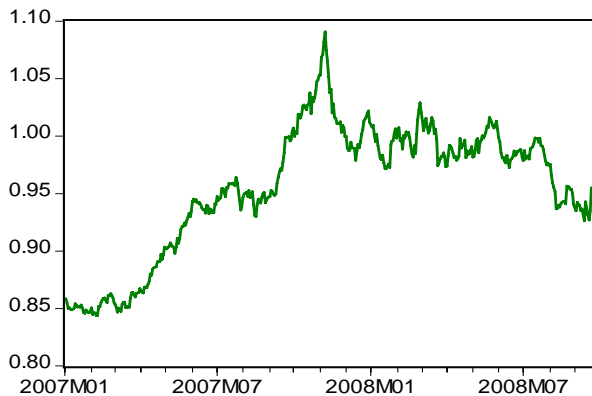
Likewise, the US dollar lost about 2 cents against the Canadian dollar, to 95.4 US cents per Canadian dollar.



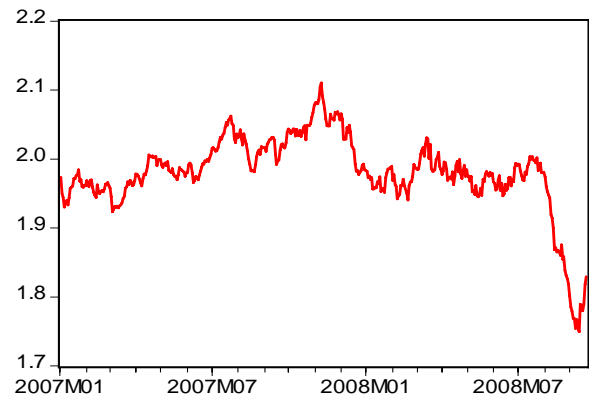
— US Dollar / Euro



— US Dollar / Australian dollar



— US Dollar / Canadian dollar



— US Dollar / British pound



— US Dollar / Swiss franc



— US Dollar / 100 Japanese yen

## The Week in Preview (September 22 - 26)

Date	Economic Indicator	For	Market Consensus	Prior Month
Sep 24	Existing Home Sales	August	4.93 million	5.00 million
Sep 25	Durable Goods Orders	August	-1.3%	1.3%
Sep 25	New Home Sales	August	515,000	515,000
Sep 26	Gross Domestic Product, final	Q2	3.4%	3.3%
Sep 26	GDP Deflator, final	Q2	1.2%	1.2%
Sep 26	Consumer Sentiment Index	September	71.0	73.1

### Current Quarter Forecasts

In the third quarter, our forecast for real GDP is expected to increase 1.18% (SAAR), to be followed by a 1.22% increase in the fourth quarter of 2008.

The GDP deflator is projected to increase 3.41% in the third quarter (SAAR), and 2.73% 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 5.02% (SAAR) expansion in the third quarter and 3.81% 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>, Aug 18<sup>th</sup>-25<sup>th</sup>, and Sep 8<sup>th</sup>-22<sup>nd</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	137.617	137.557	137.473	137.435	137.699	137.488
+ Difference	-0.067	-0.047	-0.100	-0.060	-0.084	-0.038	-0.218	-0.211
% Change, Annual Rate	-0.6	-0.4	-0.9	-0.5	-0.7	-0.3	-0.6	-0.6
% Change, Year Ago	0.3	0.1	-0.0	-0.1	-0.2	-0.3	0.1	-0.2
<b>DEMAND AND SPENDING</b>								
Retail Sales (Bil\$)	342.73	345.43	345.64	343.62	342.53	345.96	344.60	344.04
% Change	0.1	0.8	0.1	-0.6	-0.3	1.0		
% Change, Annual Rate	1.3	9.8	0.7	-6.8	-3.7	12.7	3.3	-0.6
% Change, Year Ago	2.6	1.7	2.9	1.9	1.3	1.9	2.4	1.7
<b>PRICES</b>								
PPI, Finished Goods (1982=100)	176.1	178.5	181.7	183.9	182.2	183.2	178.8	183.1
% Change	0.3	1.4	1.8	1.2	-0.9	0.6		
% Change, Annual Rate	3.5	17.6	23.8	15.5	-10.5	7.0	10.6	10.1
% Change, Year Ago	6.4	7.2	9.1	9.8	9.7	9.7	7.6	9.7
CPI, All-Urban (1982-84=100)	213.7	215.1	217.4	219.2	218.9	219.5	215.4	219.2
% Change	0.2	0.6	1.1	0.8	-0.1	0.3		
% Change, Annual Rate	2.5	8.1	13.4	10.3	-1.6	3.4	5.0	7.2
% Change, Year Ago	3.9	4.1	4.9	5.5	5.4	5.3	4.3	5.4
Housing Starts (Mil)	1.004	0.982	1.089	0.954	0.895	0.941	1.025	0.930
% Change	1.6	-2.2	10.9	-12.4	-6.2	5.1		
% Change, Annual Rate	21.3	-23.3	245.9	-79.6	-53.5	81.8	-10.2	-32.3
% Change, Year Ago	-32.5	-31.6	-25.3	-30.4	-33.1	-20.6	-29.8	-28.3
Industrial Production Index (2002=	111.44	111.28	111.51	111.57	110.30	110.11	111.41	110.66
% Change	-0.5	-0.1	0.2	0.1	-1.1	-0.2		
% Change, Annual Rate	-6.0	-1.7	2.5	0.7	-12.8	-2.0	-3.1	-2.7
% Change, Year Ago	0.4	0.3	0.1	-0.4	-1.5	-1.9	0.3	-1.3
New Orders for Manufactured Goods	445.92	450.03	459.58	465.43	465.92	469.76	451.84	467.03
% Change	1.3	0.9	2.1	1.3	0.1	0.8		
% Change, Annual Rate	16.7	11.7	28.6	16.4	1.3	10.3	14.8	14.1
% Change, Year Ago	4.0	5.4	7.5	5.3	9.2	10.4	5.6	8.3
Nondefense Capital Goods Shipments	67.88	67.71	68.19	69.87	69.02	69.57	67.93	69.49
% Change	1.8	-0.2	0.7	2.5	-1.2	0.8		
% Change, Annual Rate	23.8	-2.9	8.9	33.8	-13.6	10.0	3.4	9.5
% Change, Year Ago	2.9	1.7	2.9	5.4	2.2	2.5	5.6	8.3
Sales of Domestic Passenger Cars (	4.95	5.27	4.88	4.44	4.49	4.70	5.03	4.54
% Change	-0.8	6.6	-7.5	-9.0	1.2	4.5		
% Change, Annual Rate	-9.7	114.2	-60.6	-67.6	15.3	70.4	-1.4	-33.5
% Change, Year Ago	-2.8	-3.8	-7.0	-11.1	-13.1	-9.5	-4.5	-11.2
Business Inventories (Bil\$)	1474.25	1479.77	1490.87	1507.15	1514.59	1522.48	1481.63	1514.74
% Change	0.5	0.4	0.8	1.1	0.5	0.5		
% Change, Year Ago	5.3	5.3	5.7	6.4	6.6	6.6	5.4	6.5
+ Difference, Annual Rate	81.4	66.2	133.3	195.3	89.3	94.7	73.3	132.4
<b>EXTERNAL SECTOR</b>								
Merchandise Trade Balance, Census	-70.58	-70.81	-69.80	-73.02	-72.79	-73.67	-844.78	-877.91
+ Difference	-4.3	-0.2	1.0	-3.2	0.2	-0.9		
+ Difference, Annual Rate	-51.3	-2.7	12.1	-38.6	2.8	-10.6	-25.65	-33.12
+ Difference, year ago	-4.3	-4.7	-2.9	-7.5	-8.2	-8.9		

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

	2007Q4 < a c t u a l >	2008Q1	2008Q2	2008Q3 < forecast >	2008Q4
<b>Real GDP</b>					
(i) Expenditure Side GDP	11620.7	11646.0	11740.3	11815.5	11859.7
% Previous Q, A.R.	-0.17	0.87	3.28	2.59	1.51
% Year before	2.33	2.54	2.17	1.63	2.06
(ii) Income Side GDP	11620.7	11646.0	11740.3	11747.9	11744.5
% Previous Q, A.R.	-0.17	0.87	3.28	0.26	-0.11
% Year before	2.33	2.54	2.17	1.05	1.07
(iii) Principal Components est. GDP	11620.7	11646.0	11740.3	11760.8	11827.2
% Previous Q, A.R.	-0.17	0.87	3.28	0.70	2.28
% Year before	2.33	2.54	2.17	1.16	1.78
Average Real GDP	11620.7	11646.0	11740.3	11774.7	11810.5
% Previous Q, A.R.	-0.17	0.87	3.28	1.18	1.22
% Year before	2.33	2.54	2.17	1.28	1.63
<b>GDP Deflator (2000=100)</b>					
(i) Expenditure Side PGDP	120.8	121.6	122.0	123.0	123.9
% Previous Q, A.R.	2.84	2.63	1.19	3.50	2.73
% Year before	2.62	2.25	2.04	2.54	2.51
(ii) Income Side PGDP: Same as (i)	120.8	121.6	122.0	123.0	123.9
% Previous Q, A.R.	2.84	2.63	1.19	3.50	2.73
% Year before	2.62	2.25	2.04	2.54	2.51
(iii) Principal Components est. PGDP	120.8	121.6	122.0	122.9	123.8
% Previous Q, A.R.	2.84	2.63	1.19	3.21	2.74
% Year before	2.62	2.25	2.04	2.46	2.44
Average GDP Deflator	120.8	121.6	122.0	123.0	123.8
% Previous Q, A.R.	2.84	2.63	1.19	3.41	2.73
% Year before	2.62	2.25	2.04	2.51	2.49
<b>Nominal GDP</b>					
(i) Expenditure Side GDP\$	14031.2	14150.8	14312.5	14554.7	14689.2
% Previous Q, A.R.	2.33	3.45	4.65	6.94	3.75
% Year before	4.94	4.74	4.19	4.33	4.69
(ii) Income Side GDP\$	14031.2	14150.8	14312.5	14453.1	14546.5
% Previous Q, A.R.	2.33	3.45	4.65	3.99	2.61
% Year before	4.94	4.74	4.19	3.60	3.67
(iii) Principal Components est. GDP\$	14031.2	14150.8	14312.5	14458.8	14639.2
% Previous Q, A.R.	2.33	3.45	4.65	4.15	5.08
% Year before	4.94	4.74	4.19	3.64	4.33
Average Nominal GDP	14031.2	14150.8	14312.5	14488.9	14625.0
% Previous Q, A.R.	2.33	3.45	4.65	5.02	3.81
% Year before	4.94	4.74	4.19	3.86	4.23

## 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	11815.45	11859.75
Total Demand	13587.20	13608.60	13664.80	13775.39	13858.20
Domestic Demand	12103.20	12105.80	12110.50	12163.47	12168.41
Domestic Final Demand	12109.80	12113.30	12159.50	12187.53	12193.71
Final Demand	11628.00	11653.70	11790.30	11833.84	11878.85
Personal Consumption Expenditures	8298.20	8316.06	8352.18	8357.54	8352.04
Durable Goods	1250.58	1237.01	1229.14	1221.24	1236.06
Nondurable Goods	2400.16	2397.94	2422.65	2411.65	2394.11
Services	4676.10	4704.35	4719.91	4743.47	4747.58
Gross Private Domestic Investment	1781.30	1754.70	1699.80	1744.08	1754.69
Fixed Investment	1788.20	1762.40	1751.10	1768.16	1780.00
Nonresidential	1414.70	1423.10	1431.00	1463.86	1483.88
Equipment and Software	1090.13	1088.61	1079.70	1108.27	1125.42
Structures	319.69	326.36	337.00	342.71	346.48
Residential	411.60	383.00	366.90	354.26	347.54
Change In Business Inventories	-8.10	-10.20	-49.40	-24.01	-25.30
Farm	10.50	6.00	1.70	-2.00	-0.88
Nonfarm	-20.59	-17.93	-52.88	-22.01	-24.42
Net Exports	-484.50	-462.00	-376.60	-353.73	-314.86
Exports	1482.10	1500.60	1547.90	1612.01	1689.81
Imports	1966.50	1962.60	1924.50	1965.74	2004.67
Government Purchases	2029.40	2039.10	2058.50	2061.86	2061.67
Federal	761.70	772.60	785.50	787.15	787.04
State and Local	1267.50	1266.70	1273.60	1274.72	1274.63

## Percent Change, Annual Rate

Gross Domestic Product	-0.17	0.87	3.28	2.59	1.51
Total Demand	-0.48	0.63	1.66	3.28	2.43
Domestic Demand	-1.05	0.09	0.16	1.76	0.16
Domestic Final Demand	-0.14	0.12	1.53	0.93	0.20
Final Demand	0.80	0.89	4.77	1.49	1.53
Personal Consumption Expenditures	0.95	0.86	1.75	0.26	-0.26
Durable Goods	0.38	-4.27	-2.52	-2.55	4.94
Nondurable Goods	0.26	-0.37	4.19	-1.80	-2.88
Services	1.41	2.44	1.33	2.01	0.35
Gross Private Domestic Investment					
Fixed Investment	-6.19	-5.65	-2.54	3.95	2.70
Nonresidential	3.41	2.40	2.24	9.51	5.59
Equipment and Software	0.98	-0.56	-3.24	11.01	6.33
Structures	8.54	8.61	13.70	6.95	4.47
Residential	-27.01	-25.03	-15.78	-13.08	-7.38
Exports	4.41	5.09	13.22	17.63	20.75
Imports	-2.31	-0.79	-7.54	8.85	8.16
Government Purchases	0.81	1.93	3.86	0.66	-0.04
Federal	-0.52	5.85	6.85	0.84	-0.05
State and Local	1.56	-0.25	2.20	0.35	-0.03

## 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	14554.75	14689.22
Total Demand	16487.70	16677.30	16950.10	17308.38	17557.28
Domestic Demand	14728.00	14856.60	15022.50	15276.47	15420.57
Domestic Final Demand	14749.00	14882.20	15097.00	15306.07	15451.93
Final Demand	14052.30	14176.40	14386.90	14584.34	14720.58
Personal Consumption Expenditures	9892.72	10002.33	10150.01	10279.58	10360.80
Durable Goods	1083.01	1071.05	1060.01	1053.20	1064.96
Nondurable Goods	2906.24	2950.73	3028.91	3064.67	3066.42
Services	5903.47	5980.56	6061.09	6161.71	6229.42
Gross Private Domestic Investment	2092.30	2056.10	1999.90	2075.56	2100.57
Fixed Investment	2113.40	2081.70	2074.40	2105.16	2131.93
Nonresidential	1542.10	1553.60	1571.20	1620.11	1655.68
Equipment and Software	1033.41	1030.90	1026.58	1058.99	1080.22
Structures	508.71	522.73	544.59	561.12	575.46
Residential	571.30	528.10	503.20	485.05	476.26
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	-721.73	-731.35
Exports	1759.70	1820.80	1927.60	2031.91	2136.70
Imports	2456.50	2526.50	2637.60	2753.63	2868.05
Government Purchases	2742.90	2798.10	2872.50	2921.33	2959.20
Federal	998.30	1026.50	1056.50	1067.93	1079.17
State and Local	1744.60	1771.60	1816.00	1853.40	1880.02

## Percent Change, Annual Rate

Gross Domestic Product	2.33	3.45	4.65	6.94	3.75
Total Demand	3.46	4.68	6.71	8.73	5.88
Domestic Demand	2.62	3.54	4.54	6.94	3.83
Domestic Final Demand	3.86	3.66	5.90	5.66	3.87
Final Demand	3.63	3.58	6.07	5.60	3.79
Personal Consumption Expenditures	5.31	4.51	6.04	5.20	3.20
Durable Goods	-1.18	-4.35	-4.06	-2.54	4.54
Nondurable Goods	8.65	6.27	11.03	4.81	0.23
Services	4.93	5.33	5.50	6.81	4.47
Gross Private Domestic Investment	-12.61	-6.74	-10.49	16.01	4.91
Fixed Investment	-5.06	-5.87	-1.40	6.06	5.19
Nonresidential	5.14	3.02	4.61	13.04	9.08
Equipment and Software	1.34	-0.97	-1.67	13.24	8.26
Structures	13.44	11.49	17.80	12.71	10.62
Residential	-27.02	-26.99	-17.57	-13.66	-7.06
Exports	10.87	14.63	25.61	23.47	22.28
Imports	10.21	11.89	18.78	18.79	17.69
Government Purchases	5.96	8.30	11.07	6.97	5.29
Federal	1.74	11.79	12.21	4.40	4.28
State and Local	8.47	6.34	10.41	8.50	5.87

## 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	123.03	123.86
Total Demand	121.35	122.55	124.04	125.65	126.69
Domestic Demand	121.77	122.82	124.11	125.60	126.73
Domestic Final Demand	121.80	122.86	124.16	125.59	126.72
Final Demand	120.86	121.65	122.03	123.24	123.92
Personal Consumption Expenditures	119.22	120.28	121.53	123.00	124.05
Durable Goods	86.60	86.58	86.24	86.24	86.16
Nondurable Goods	121.09	123.06	125.03	127.08	128.08
Services	126.25	127.13	128.42	129.90	131.21
Gross Private Domestic Investment	117.96	117.82	118.04	119.03	119.71
Fixed Investment	118.19	118.12	118.47	119.06	119.77
Nonresidential	109.02	109.18	109.80	110.67	111.58
Equipment and Software	94.80	94.70	95.08	95.55	95.98
Structures	159.14	160.18	161.61	163.73	166.09
Residential	138.80	137.90	137.17	136.92	137.04
Exports	118.79	121.40	124.59	126.05	126.45
Imports	124.91	128.72	137.05	140.08	143.07
Government Purchases	135.17	137.24	139.56	141.68	143.53
Federal	131.07	132.88	134.52	135.67	137.12
State and Local	137.65	139.87	142.61	145.40	147.50

## Percent Change, Annual Rate

Gross Domestic Product	2.84	2.63	1.19	3.50	2.73
Total Demand	3.96	4.02	4.96	5.30	3.35
Domestic Demand	4.02	3.51	4.25	4.89	3.65
Domestic Final Demand	4.00	3.54	4.30	4.68	3.65
Final Demand	2.82	2.66	1.25	4.03	2.23
Personal Consumption Expenditures	4.31	3.61	4.21	4.92	3.47
Durable Goods	-1.56	-0.08	-1.58	0.02	-0.38
Nondurable Goods	8.37	6.66	6.57	6.71	3.20
Services	3.48	2.82	4.11	4.69	4.11
Gross Private Domestic Investment	1.35	-0.49	0.76	3.39	2.33
Fixed Investment	1.20	-0.24	1.19	2.02	2.42
Nonresidential	1.69	0.60	2.29	3.23	3.31
Equipment and Software	0.36	-0.41	1.62	2.00	1.81
Structures	4.49	2.65	3.61	5.36	5.89
Residential	-0.05	-2.58	-2.09	-0.74	0.35
Exports	6.21	9.06	10.94	4.76	1.27
Imports	12.81	12.79	28.49	9.16	8.81
Government Purchases	5.12	6.25	6.95	6.22	5.32
Federal	2.25	5.64	5.04	3.45	4.33
State and Local	6.81	6.60	8.07	8.06	5.90

## 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	14453.13	14546.50
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	737.33
Equals: Gross National Product	14196.60	14289.00	14427.70	14573.64	14672.40
Less:					
Consumption of Fixed Capital	1758.60	1778.00	1804.40	1813.93	1829.63
Equals: Net National Product	12438.00	12511.10	12623.20	12760.01	12842.87
Indirect Business Taxes	1027.66	1025.76	1032.04	1039.75	1052.47
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	12656.54	12746.92
Corporate Profits	1611.10	1593.50	1555.70	1560.35	1592.42
Net Interest	688.10	662.30	677.20	686.47	693.11
Contribution for Soc. Ins.	975.26	992.20	996.92	1002.69	1006.91
Personal	505.70	515.75	518.26	519.90	519.90
Employer	469.56	476.45	478.66	482.79	487.01
Personal Interest Income	1242.70	1224.60	1199.40	1217.20	1241.55
Personal Dividend Income	813.50	829.50	843.60	851.72	858.24
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	12236.38	12346.24
Percent Change, Annual Rate					
Gross Domestic Product	2.33	3.45	4.65	3.99	2.61
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	7.81
Equals: Gross National Product	3.86	2.63	3.94	4.11	2.74
Less:					
Consumption of Fixed Capital	6.31	4.49	6.07	2.13	3.51
Equals: Net National Product	3.52	2.37	3.63	4.41	2.62
Indirect Business Taxes	3.35	-0.74	2.47	3.02	4.98
Business Transfers	3.57	0.39	-0.77	0.45	0.43
National Income	2.80	0.76	2.07	4.72	2.89
Corporate Profits	-13.03	-4.30	-9.16	1.20	8.48
Net Interest	16.03	-14.18	9.31	5.59	3.93
Contribution for Social Insurance	3.87	7.13	1.92	2.33	1.69
Personal	3.87	8.19	1.96	1.27	0.00
Employer	3.87	6.00	1.87	3.49	3.54
Personal Interest Income	2.12	-5.70	-7.98	6.07	8.24
Personal Dividend Income	9.80	8.10	6.97	3.91	3.09
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	2.06	3.64

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	6615.80	6673.98
Commod Prod Industries	1218.20	1217.70	1216.30	1222.76	1230.55
Manufacturing	750.20	748.40	748.80	749.44	751.55
Others	468.00	469.30	467.50	473.32	479.00
Distributive Industries*	1048.30	1050.40	1049.00	1050.88	1057.07
Service Industries	3106.90	3140.20	3179.00	3206.95	3239.05
Government	1092.10	1109.70	1123.80	1135.29	1147.46
Other Labor Income	1475.50	1491.70	1503.00	1514.06	1525.91
Proprietors Income	1073.80	1071.70	1077.30	1089.01	1099.44
Farm	47.10	41.60	38.70	32.81	31.83
Business and Profess.	1026.70	1030.10	1038.60	1056.20	1067.61
Rental Income of Persons	38.60	39.10	53.60	65.56	68.72
Interest Paid by Persons	276.70	261.70	250.30	248.43	251.71
Other Interest	966.00	962.90	949.10	968.77	989.83
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	1407.45	1442.89
Disposable Income	10351.50	10425.50	10822.20	10828.92	10903.35
Addendum:					
Domestic Final Sales	14754.7	14882.3	15091.7	15204.5	15309.2

Percent Change, Annual Rate

Wages and Salaries	5.62	3.29	3.10	2.94	3.56
Commod Prod Industries	4.70	-0.16	-0.46	2.14	2.57
Manufacturing	3.71	-0.96	0.21	0.34	1.13
Others	6.31	1.12	-1.53	5.07	4.89
Distributive Industries*	5.12	0.80	-0.53	0.72	2.38
Service Industries	6.64	4.36	5.03	3.56	4.06
Government	4.25	6.60	5.18	4.15	4.35
Other Labor Income	3.86	4.46	3.06	2.98	3.17
Proprietors Income	3.81	-0.78	2.11	4.42	3.88
Farm	-2.51	-39.15	-25.10	-48.35	-11.44
Business and Profess.	4.12	1.33	3.34	6.95	4.39
Rental Income of Persons	-27.28	5.28	253.14	123.85	20.73
Interest Paid by Persons	-2.14	-19.98	-16.32	-2.96	5.40
Other Interest	3.38	-1.28	-5.61	8.55	8.98
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	17.45	10.46
Disposable Income	4.89	2.89	16.11	0.25	2.78
Addendum:					
Domestic Final Sales	4.02	3.50	5.75	3.02	2.78

\*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	345.64	343.62	342.53	345.96	347.77	349.27	351.19
RS, Durable Goods Stores	118.06	118.29	115.91	113.01	113.53	114.89	115.44	115.88	116.46
RS, Bldg Materials, Hardware	27.34	28.02	27.84	27.93	27.31	27.59	27.73	27.83	28.05
RS, Auto Dealers	71.76	71.12	69.21	66.25	67.51	68.66	68.88	69.10	69.04
RS, Furn, Home Furn & Equip	9.46	9.50	9.32	9.28	9.28	9.37	9.44	9.49	9.57
RS, Nondurable Goods Stores	218.56	220.99	223.32	223.97	223.13	224.56	225.36	226.02	227.25
RS, Food Stores	48.96	48.89	49.41	49.61	49.95	49.94	50.14	50.28	50.41
RS, Gas Service Stations	42.55	43.95	45.33	45.43	44.30	44.07	44.08	43.51	43.89
RS, Apparel and Accessories	18.97	19.09	19.07	19.15	19.09	19.29	19.39	19.49	19.58
RS, New Domestic Cars, SAA	4.95	5.27	4.88	4.44	4.49	4.70	4.75	4.74	4.68
RS, New Dom Light Trucks, SAA	5.74	5.19	5.06	4.62	5.93	5.73	5.64	5.59	5.61

RECEIPTS AND OUTLAYS OF THE FEDERAL GOVERNMENT, Billions of Current Dollars, NSA									
Federal Govt Total Outlays	255.30	288.46	195.31	288.38	271.37	213.19	284.07	248.45	238.52
Federal Govt Debt Outstanding	9303.52	9328.80	9432.27	9524.05	9584.09	9637.19	9695.14	9759.46	9837.74

HOUSING STARTS, Millions, SAAR									
Housing Starts, Total	1.0040	0.9820	1.0890	0.9540	0.8950	0.9407	0.9292	0.9264	0.9441

NEW CONSTRUCTION PUT IN PLACE, Billions of Current Dollars, SAAR									
New Const, Residential Bldgs	383.49	371.39	366.07	357.82	357.62	353.08	350.74	348.69	346.57
New Const, Nonresident Bldgs	400.19	412.76	419.82	416.81	422.12	426.35	427.49	431.48	434.81
New Const, Federal Government	22.62	22.61	23.15	24.05	23.67	23.59	23.94	24.00	24.08
New Const, State & Local Govt	278.87	281.54	282.23	285.68	286.11	286.65	287.62	288.56	289.69

## Percent Change, Monthly Rate

RETAIL SALES (RS)									
RS, Total Retail Sales	0.11	0.79	0.06	-0.58	-0.32	1.00	0.52	0.43	0.55
RS, Durable Goods Stores	-1.32	0.20	-2.02	-2.50	0.46	1.20	0.48	0.38	0.50
RS, Bldg Materials, Hardware	2.24	2.48	-0.63	0.32	-2.21	1.00	0.53	0.36	0.77
RS, Auto Dealers	-3.09	-0.90	-2.69	-4.27	1.90	1.70	0.33	0.32	-0.09
RS, Furn, Home Furn & Equip	-0.23	0.50	-1.97	-0.35	0.02	0.96	0.69	0.60	0.77
RS, Nondurable Goods Stores	0.73	1.11	1.06	0.29	-0.38	0.64	0.36	0.29	0.54
RS, Food Stores	0.76	-0.14	1.05	0.42	0.67	-0.01	0.39	0.29	0.27
RS, Gas Service Stations	0.61	3.28	3.16	0.21	-2.49	-0.51	0.02	-1.29	0.86
RS, Apparel and Accessories	0.54	0.64	-0.12	0.42	-0.33	1.05	0.50	0.51	0.51
RS, New Domestic Cars, SAAR	-0.84	6.55	-7.46	-8.96	1.19	4.54	1.22	-0.36	-1.22
RS, New Dom Light Trucks, SA	-7.61	-9.58	-2.45	-8.77	28.43	-3.42	-1.52	-0.88	0.35

RECEIPTS AND OUTLAYS OF THE FEDERAL GOVERNMENT									
Federal Govt Total Outlays	27.28	12.99	-32.29	47.65	-5.90	-21.44	33.25	-12.54	-4.00
Federal Govt Debt Outstanding	-0.63	0.27	1.11	0.97	0.63	0.55	0.60	0.66	0.80

HOUSING STARTS									
Housing Starts, Total	1.62	-2.19	10.90	-12.40	-6.18	5.11	-1.22	-0.31	1.91

NEW CONSTRUCTION PUT IN PLACE									
New Const, Residential Bldgs	-2.08	-3.16	-1.43	-2.25	-0.06	-1.27	-0.66	-0.58	-0.61
New Const, Nonresidential Bldgs	0.55	3.14	1.71	-0.72	1.27	1.00	0.27	0.93	0.77
New Const, Federal Government	1.61	-0.06	2.37	3.89	-1.58	-0.32	1.47	0.28	0.30
New Const, State & Local Govt	0.11	0.95	0.25	1.22	0.15	0.19	0.34	0.33	0.39

## 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	111.44	111.28	111.51	111.57	110.30	110.11	110.27	110.26	110.38
MANUFACTURERS' SHIPMENTS/INVENTORIES/ORDERS, Billions of Current Dollars, SA									
Manufacturers' New Orders	445.92	450.03	459.58	465.43	465.92	469.76	471.94	473.54	476.47
Manufacturers' Shipments	446.03	447.41	455.87	465.28	466.04	468.72	470.63	471.34	473.42
Manufacturers' Unfilled Orders	802.97	810.29	818.02	824.06	830.69	837.38	843.53	849.70	855.83
MANUFACTURED DURABLE GOODS, Billions of Current Dollars, SA									
Nondefense Capital Goods Shipmt	67.88	67.71	68.19	69.87	69.02	69.57	70.33	70.32	70.72
BUSINESS INVENTORIES, Billions of Current Dollars, SA									
Inventories, Manufacturers	545.63	548.83	555.63	558.21	561.83	565.21	567.80	570.59	573.10
Inventories, Merchant Wholesale	427.56	431.27	435.15	441.26	443.92	446.78	450.73	453.97	456.55
Inventories, Retail Traders	501.05	499.67	500.10	507.68	508.84	510.49	512.81	514.55	516.72
U.S. MERCHANDISE TRADE, Millions of Current Dollars, SA									
Exports, FAS	110835	111544	117014	121603	120951	122724	124597	126396	127871
Imports, CIF	181418	182355	186816	194622	193736	196396	198806	198606	201308
Exports, Mach and Transp Equipm	41909	41486	41817	42569	42487	43155	43430	43686	43978
Imports, Mach and Transp Equipm	65136	63263	61594	65132	64739	64472	65940	65664	66661
Percent Change, Monthly Rate									
INDUSTRIAL PRODUCTION									
Industrial Production, Total	-0.52	-0.15	0.20	0.06	-1.14	-0.17	0.14	-0.01	0.12
MANUFACTURERS' SHIPMENTS/INVENTORIES/ORDERS									
Manufacturers' New Orders	1.29	0.92	2.12	1.27	0.11	0.82	0.47	0.34	0.62
Manufacturers' Shipments	2.68	0.31	1.89	2.06	0.16	0.57	0.41	0.15	0.44
Manufacturers' Unfilled Orders	0.73	0.91	0.95	0.74	0.81	0.81	0.73	0.73	0.72
MANUFACTURED DURABLE GOODS									
Nondefense Capital Goods Shipmt	1.80	-0.25	0.71	2.46	-1.21	0.80	1.08	-0.01	0.58
BUSINESS INVENTORIES									
Inventories, Manufacturers	-0.03	0.59	1.24	0.46	0.65	0.60	0.46	0.49	0.44
Inventories, Merchant Wholesale	1.39	0.87	0.90	1.40	0.60	0.65	0.88	0.72	0.57
Inventories, Retail Traders	0.22	-0.28	0.09	1.52	0.23	0.32	0.45	0.34	0.42
U.S. MERCHANDISE TRADE									
Exports, FAS	5.02	0.64	4.90	3.92	-0.54	1.47	1.53	1.44	1.17
Imports, CIF	5.57	0.52	2.45	4.18	-0.46	1.37	1.23	-0.10	1.36
Exports, Mach and Transp Equip	9.29	-1.01	0.80	1.80	-0.19	1.57	0.64	0.59	0.67
Imports, Mach and Transp Equip	9.22	-2.88	-2.64	5.74	-0.60	-0.41	2.28	-0.42	1.52

## 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	218.88	219.49	220.43	221.23	222.21
CPI, Durables	111.42	111.23	111.26	111.43	111.14	111.05	110.94	110.87	110.86
CPI, Furniture	124.56	123.49	124.00	124.62	124.78	124.93	124.85	124.64	124.55
CPI, Housekeeping Supplies	174.83	175.43	175.60	176.20	176.51	177.04	177.57	178.12	178.66
CPI, Nondurables	204.71	207.83	212.72	215.07	213.12	212.79	214.12	213.40	213.76
CPI, Apparel and Upkeep	118.36	118.04	118.11	119.57	120.16	120.44	120.66	120.86	121.06
CPI, Food and Beverages	211.44	212.09	213.61	215.54	216.78	217.90	219.00	220.10	221.19
CPI, Motor Oil, Fuel,	276.57	292.24	321.62	334.73	320.65	313.30	315.90	313.60	311.05
CPI, Services	253.46	254.64	255.87	257.27	257.64	258.77	259.53	260.66	261.45
CPI, New cars	134.77	134.69	134.99	135.30	134.55	134.46	134.60	134.70	134.84
PRODUCER PRICE INDEX (PPI), 1982=100, SA									
PPI, Finished Goods	176.10	178.50	181.70	183.90	182.20	183.23	184.49	185.34	186.95
PPI, Capital Equipment	152.50	152.70	153.10	154.30	154.50	155.10	155.74	156.23	156.78
PPI, Intermediate Materials	187.10	192.00	196.10	201.40	199.40	201.01	202.78	203.98	205.40
PPI, Components for Construction	200.00	203.20	206.20	209.80	213.00	215.28	217.18	218.72	219.83
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
U.S. EXPORT/IMPORT PRICES, Index, 1995=100, SA									
U.S. Export Price Index	124.40	124.80	126.10	128.00	125.80	126.09	126.91	126.82	127.20
U.S. Import Price Index	137.30	141.20	145.60	145.90	140.50	138.30	137.47	137.24	137.27
Percent Change, Monthly Rate									
CONSUMER PRICE INDEX (CPI)									
CPI, All Urban Consumers	0.21	0.65	1.06	0.82	-0.14	0.28	0.43	0.36	0.44
CPI, Durables	-0.34	-0.17	0.03	0.15	-0.26	-0.08	-0.10	-0.06	-0.01
CPI, Furniture	-1.12	-0.86	0.42	0.50	0.12	0.12	-0.06	-0.17	-0.07
CPI, Housekeeping Supplies	0.69	0.34	0.10	0.35	0.17	0.30	0.30	0.31	0.31
CPI, Nondurables	0.48	1.53	2.35	1.10	-0.90	-0.16	0.63	-0.34	0.17
CPI, Apparel and Upkeep	0.46	-0.27	0.05	1.24	0.49	0.23	0.18	0.17	0.17
CPI, Food and Beverages	0.92	0.31	0.72	0.90	0.57	0.52	0.50	0.51	0.49
CPI, Motor Oil, Fuel	-1.92	5.67	10.05	4.08	-4.21	-2.29	0.83	-0.73	-0.81
CPI, Services	0.30	0.47	0.48	0.55	0.14	0.44	0.29	0.44	0.30
CPI, New Cars	-0.19	-0.06	0.22	0.23	-0.56	-0.07	0.11	0.07	0.11
PRODUCER PRICE INDEX (PPI)									
PPI, Finished Goods	0.28	1.36	1.79	1.21	-0.92	0.57	0.69	0.46	0.87
PPI, Capital Equipment	0.59	0.13	0.26	0.78	0.13	0.39	0.41	0.32	0.35
PPI, Intermediate Materials	1.03	2.62	2.14	2.70	-0.99	0.81	0.88	0.59	0.69
PPI, Components for Construction	1.42	1.60	1.48	1.75	1.53	1.07	0.89	0.71	0.51
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
U.S. EXPORT/IMPORT PRICES									
U.S. Export Price Index	0.48	0.32	1.04	1.51	-1.72	0.23	0.65	-0.07	0.31
U.S. Import Price Index	2.85	2.84	3.12	0.21	-3.70	-1.56	-0.60	-0.17	0.02

## 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	137.617	137.557	137.473	137.435	137.407	137.392	137.390
EMP, Manufacturing	13.592	13.571	13.527	13.489	13.428	13.395	13.365	13.340	13.316
EMP, Services	116.136	116.140	116.126	116.114	116.087	116.159	116.226	116.324	116.451
EMP, Wholesale and Retail Trade	21.400	21.370	21.359	21.324	21.294	21.270	21.263	21.242	21.236
EMP, Government	22.401	22.453	22.463	22.469	22.486	22.510	22.532	22.556	22.579
EMP, Federal Government	1.996	2.007	2.013	2.018	2.024	2.025	2.026	2.026	2.026
EMP, State and Local Governme	21.628	21.577	21.491	21.443	21.386	21.342	21.304	21.272	21.247
Total Unemployed, Millions	7.626	8.487	8.499	8.784	9.376	9.504	9.746	9.956	10.073

## AVERAGE WEEKLY HOURS (AWH) of Production Workers, SA

AWH, Total Private	33.80	33.70	33.70	33.70	33.70	33.68	33.68	33.67	33.66
AWH, Manufacturing	41.00	41.00	41.00	41.00	40.90	40.93	40.94	40.94	40.93
AWH, Services	30.20	30.10	30.10	30.00	30.10	30.07	30.03	30.04	30.01
AWH, Wholesale and Retail Trade	38.30	38.30	38.30	38.40	38.30	38.31	38.34	38.32	38.31

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

AHE, Manufacturing	17.62	17.65	17.71	17.79	17.75	17.80	17.85	17.88	17.92
AHE, Services	12.85	12.90	12.90	12.90	12.95	12.96	12.98	12.99	13.01
AHE, Wholesale and Retail Trade	20.05	20.06	20.12	20.16	20.27	20.29	20.34	20.41	20.45

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

AWE, Total Private	604.68	604.92	606.60	608.96	611.32	612.74	614.52	616.45	618.20
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## Percent Change, Monthly Rate

## EMPLOYEES (EMP) ON NONFARM PAYROLLS

EMP, Total	-0.049	-0.034	-0.073	-0.044	-0.061	-0.028	-0.020	-0.011	-0.001
EMP, Manufacturing	-0.381	-0.155	-0.324	-0.281	-0.452	-0.247	-0.221	-0.186	-0.180
EMP, Services	0.036	0.003	-0.012	-0.010	-0.023	0.062	0.058	0.084	0.109
EMP, Wholesale and Retail Trade	-0.261	-0.140	-0.051	-0.164	-0.141	-0.110	-0.035	-0.099	-0.027
EMP, Government	0.107	0.232	0.045	0.027	0.076	0.106	0.099	0.105	0.101
EMP, Federal Government	0.453	0.551	0.299	0.248	0.297	0.033	0.061	0.011	-0.010
EMP, State and Local Governme	-0.501	-0.236	-0.399	-0.223	-0.266	-0.208	-0.178	-0.149	-0.116
Total Unemployed, Millions	-2.418	11.290	0.141	3.353	6.740	1.366	2.547	2.148	1.178

## AVERAGE WEEKLY HOURS (AWH) OF PRODUCTION WORKERS

AWH, Total Private	0.00	-0.30	0.00	0.00	0.00	-0.05	-0.02	-0.02	-0.03
AWH, Manufacturing	-0.49	0.00	0.00	0.00	-0.24	0.07	0.02	0.01	-0.02
AWH, Services	0.00	-0.33	0.00	-0.33	0.33	-0.11	-0.13	0.05	-0.10
AWH, Wholesale and Retail Trade	-0.26	0.00	0.00	0.26	-0.26	0.02	0.08	-0.05	-0.03

## AVERAGE HOURLY EARNINGS (AHE) OF PRODUCTION WORKERS

AHE, Manufacturing	0.06	0.17	0.34	0.45	-0.22	0.29	0.25	0.21	0.22
AHE, Services	-0.08	0.39	0.00	0.00	0.39	0.05	0.15	0.14	0.12
AHE, Wholesale and Retail Trade	0.10	0.05	0.30	0.20	0.55	0.09	0.25	0.36	0.21

## AVERAGE WEEKLY EARNINGS (AWE) OF PRODUCTION WORKERS

AWE, Total Private	0.11	0.04	0.28	0.39	0.39	0.23	0.29	0.32	0.28
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## 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	1400.9	1391.2	1394.0	1397.5	1400.2	1406.3
Money Supply (M2)	7679.8	7688.2	7687.1	7725.8	7716.3	7724.2	7747.8	7765.9	7791.9
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	2.08	2.08	2.06	2.06	2.05
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	95.40	97.93	99.15	99.60	99.95	100.23
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## STOCK MARKET

New York Stock Exchange Index	9174.1	9429.0	8997.0	8427.4	8362.2	8366.0	8379.7	8394.8	8410.1
Dividend to (Stock) Price Ratio	2.09	2.07	2.15	2.28	2.23	2.20	2.20	2.19	2.18

## CONSUMER INSTALLMENT CREDIT, Millions of Dollars, SA

Consumer Credit Outstanding	2564.77	2571.91	2582.87	2587.43	2596.76	2606.35	2616.49	2626.90	2638.10
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## Percent Change, Monthly Rate

## MONEY SUPPLY

Money Supply, (M1)	-0.29	-0.26	1.35	1.11	-0.69	0.20	0.25	0.19	0.44
Money Supply, (M2)	0.20	0.11	-0.01	0.50	-0.12	0.10	0.30	0.23	0.33
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	-0.05	0.00	-0.02	0.01	-0.01
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	-0.71	2.65	1.24	0.46	0.35	0.29
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## STOCK MARKET

New York Stock Exchange Index	4.53	2.78	-4.58	-6.33	-0.77	0.05	0.16	0.18	0.18
Dividend to (Stock) Price Ratio	-3.69	-0.96	3.86	6.05	-2.19	-1.34	-0.16	-0.24	-0.31

## CONSUMER INSTALLMENT CREDIT

Consumer Credit Outstanding	0.40	0.28	0.43	0.18	0.36	0.37	0.39	0.40	0.43
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