

**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 first two quarters of 2008 generated favorable real growth rates of GDP, especially in the second quarter, when the fiscal stimulus brought the real growth estimate near 3% (most recently downgraded to 2.83%). Our forecasts were squarely in the reported range as the rebates were being distributed.
- The weaker numbers that we have estimated for the third and fourth quarters led us to state that a second stimulus package would have improved the overall economic performance.
- Without a second stimulus, our estimates (week-by-week) have pointed toward a poor performance and, with reasonable confidence intervals, have shown more negative values for the third and fourth quarters.
- At the same time, the consumer price forecast showed inflationary estimates in the third and fourth quarters – reaching 6%.
- Residential investment shows weak signs of starting a very modest recovery.
- The improved estimate of worker productivity provided a small area of good performance.
- The long string of real trade balance is also encouraging and has allowed some appreciation of the US dollar, here and there.
- The lack of plausible policy action has allowed a massive market failure that is imposing unnecessary poor performance on the macro economy, and some degree of international contagion.
- Initial claims for unemployment insurance rose by 32,000 in the week ending September 20. This need not have happened.

**FORECAST UPDATE OVERVIEW**

This forecast incorporates the following National Income and Product Accounts:

**SEP 26 GDP (based on Chain 2000 Weights) for 2008Q2: 2.8%**  
**SEP 29 Personal Income and Consumption for August: 0.5%, 0.0%**

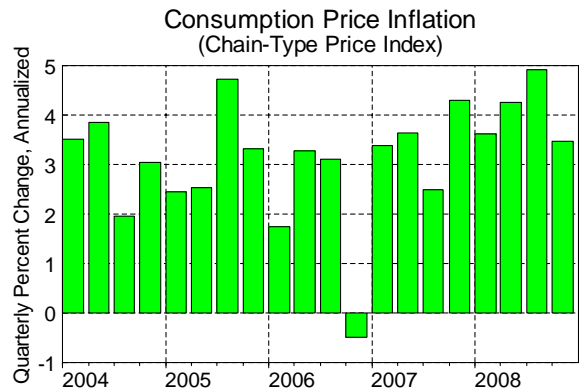
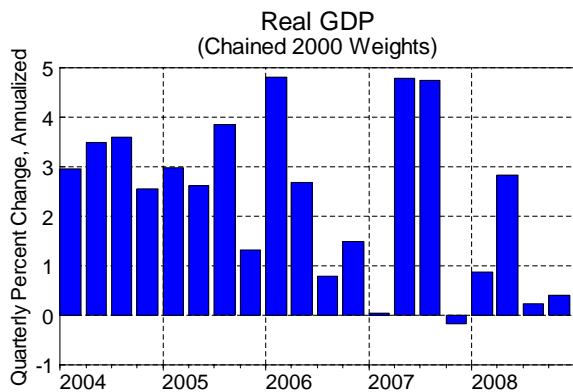
The latest CQM forecast incorporates new monthly economic indicators (marked in red) that were not included in the previous forecast

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%
Sep 15	Industrial Production	August	-1.1%	0.1%
Sep 13	Business Inventories	July	1.1%	0.8%
Sep 16	Consumer Price Index, Total & Core	August	-0.1%, 0.2%	0.8%, 0.3%
Sep 17	Housing Starts	August	895,000	954,000
Sep 12	Trade Balance	July	-\$62.2 billion	-\$58.8 billion
<b>Sep 26</b>	<b>Durable Goods Orders &amp; Shipments</b>	<b>August</b>	<b>-4.5%, -3.5%</b>	<b>0.8%, 2.3%</b>
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 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		
Sep 29		<b>2.83</b>	0.24	0.41		<b>4.26</b>	4.92	3.47	<=3 <sup>rd</sup>	08Q2

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



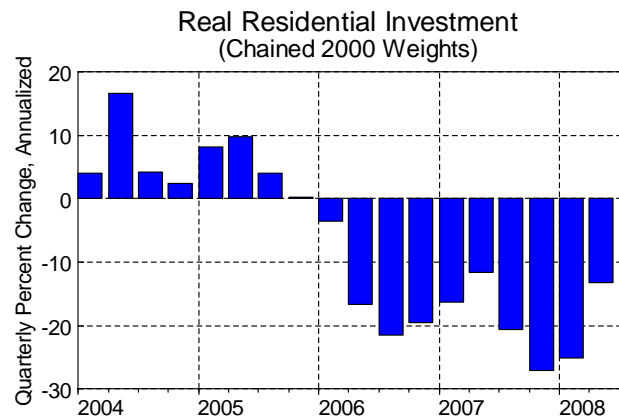
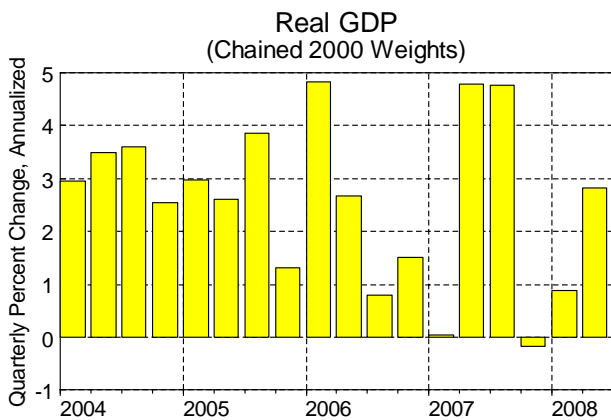
# High Frequency Indicators

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

### Gross Domestic Product

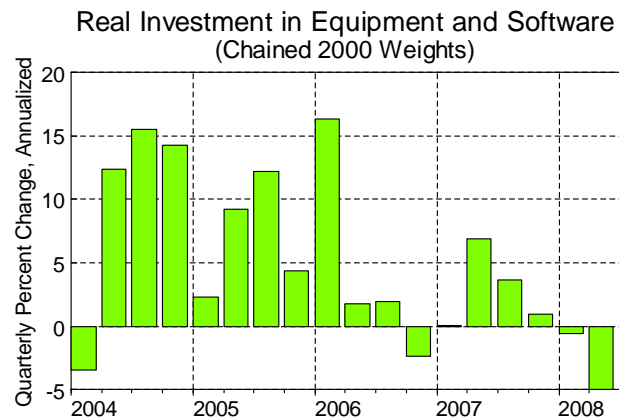
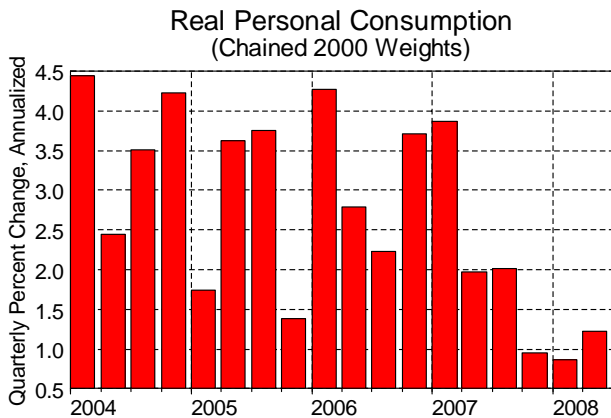
The US economy grew 2.8% in the second quarter, following 0.9% growth in the first quarter, based on the latest estimate from the BEA. The latest second-quarter estimate is slower than a 3.4% increase estimated a month ago.

Residential construction dropped 13.3% in the second quarter, compared to a 15.7% decline estimated a month ago. So far, residential construction has fallen for ten consecutive quarters.



Compared to a year ago, the economy was up 2.1%. In nominal terms, the economy expanded 4.1% to \$14.3 trillion (annualized).

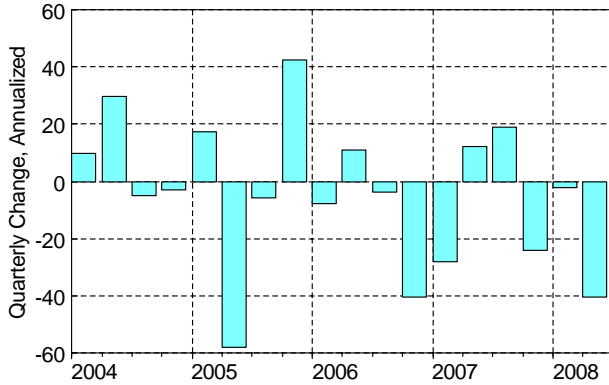
In the second quarter, residential construction subtracted 0.5 percentage point from GDP growth. Business investment was up 2.5%, slightly stronger than the previous estimate. Investment in equipment and software dropped 5.0%, which was offset by a 18.5% investment increase in structures. Business investment added 0.3 percentage point to GDP growth.



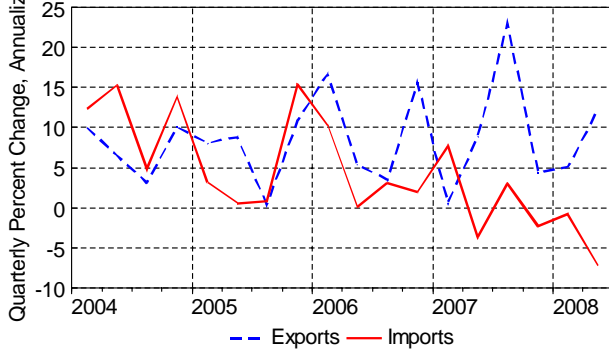
Real consumer spending rose 1.2% in the second quarter, down five-tenths from the previous estimate. Real spending on durable goods fell 2.8%, while real spending on nondurable goods and services rose 3.9% and 0.7%, respectively. Together, real consumer spending added about one percentage point to GDP growth.

Inventories shrank by \$50.6 billion, and subtracted 1.5 percentage points from GDP growth in the second quarter.

Private Inventories

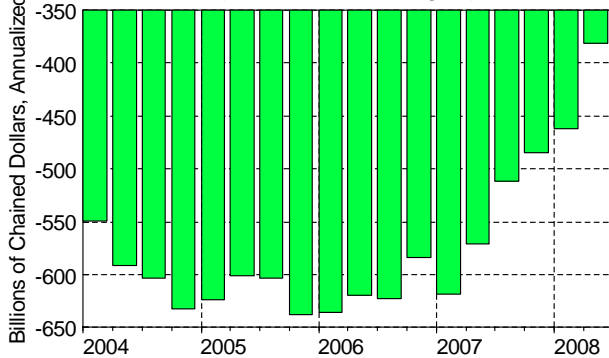


Real Exports and Imports (Chained 2000 Weights)



In the second quarter, exports increased 12.3%, while imports fell 7.3%. Together, net exports added 2.9 percentage points to GDP growth.

Real Trade Balance (Chained 2000 Weights)



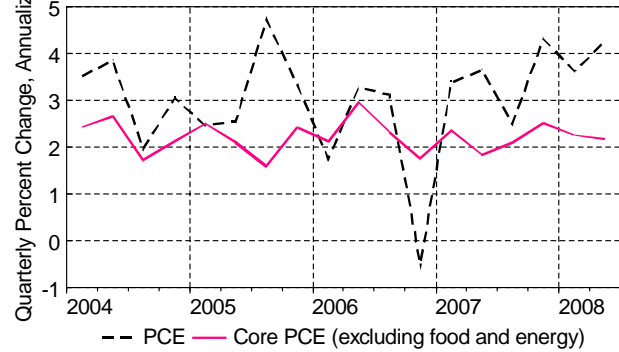
Government spending went up 3.9% in the second quarter. Federal government spending jumped 6.6%, while state and local government spending increased 2.5%. In the second quarter, federal defense spending rose 7.3%. Government spending added 0.8 percentage point to GDP growth.

Corporate profits, before tax, fell 3.8% (\$6 billion) to \$1.53 trillion. Compared to a year ago, corporate profits, before tax, were down 8.3%.

Meanwhile, corporate profits, after tax, dropped 5.4% (annualized) in the second quarter. Compared to a year ago, corporate profits went down 6.4%.

On inflation, the PCE price index rose 4.3% (annualized) in the second quarter, while the core PCE price index was up 2.2%. THE GDP deflator rose 1.1%.

Price Indices for Personal Consumption (2000=100)

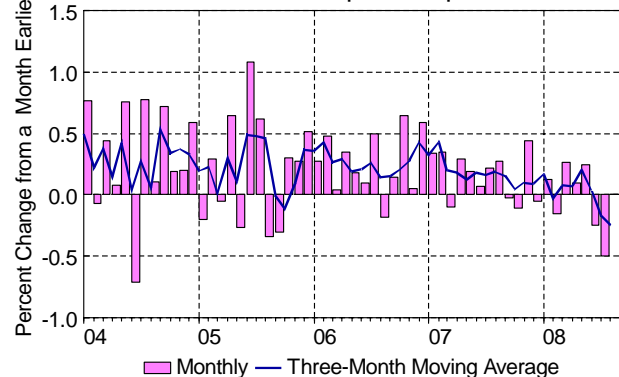


**Personal Income and Consumption**

In August, consumer spending was almost flat in nominal terms (at 0.04%). After adjusting for inflation, consumer spending was unchanged from a month ago.

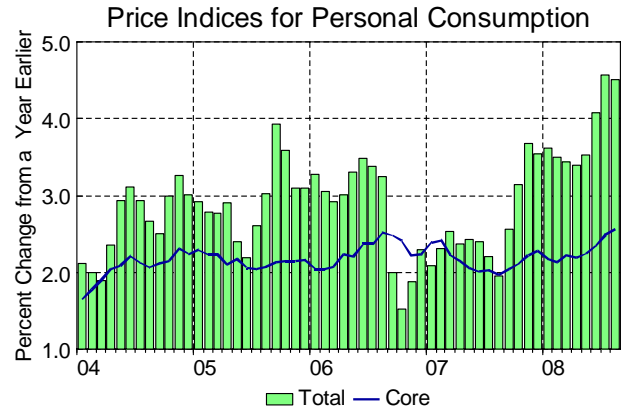
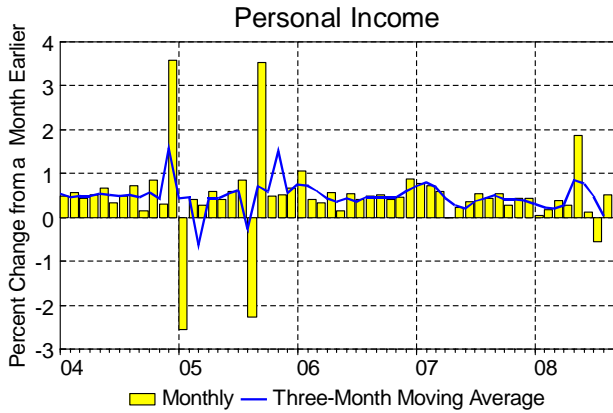
Real consumer spending on durable goods rose 1.6%, reversing the prior two months' declines. Real spending on nondurable goods, however, was down 0.3%, down for the third consecutive month. Real spending on services also inched down 0.1%.

Personal Consumption Expenditures

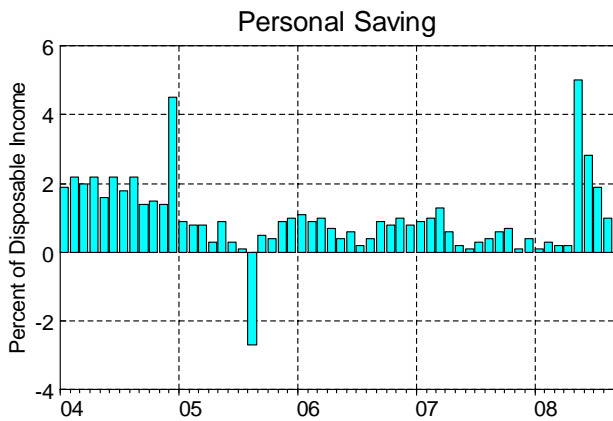


Personal income in August rose 0.5%. Wages and salaries went up 0.4%. Income on assets was up 1%. Rental income jumped 5.6%. However, proprietors' income fell 0.8%.

Disposable income slipped 0.9% in the month.



The personal savings rate stood at 1% in August, down for the third consecutive month.

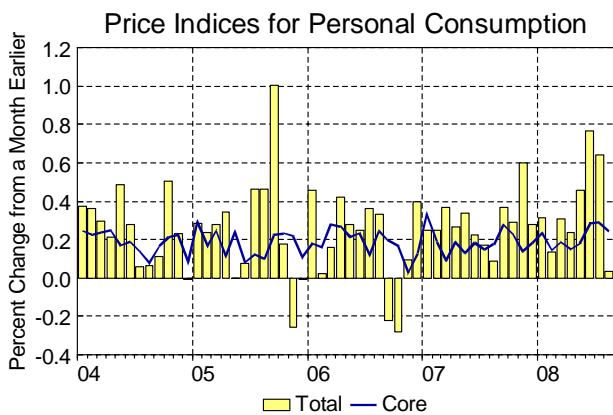


**Consumer Sentiment Index**

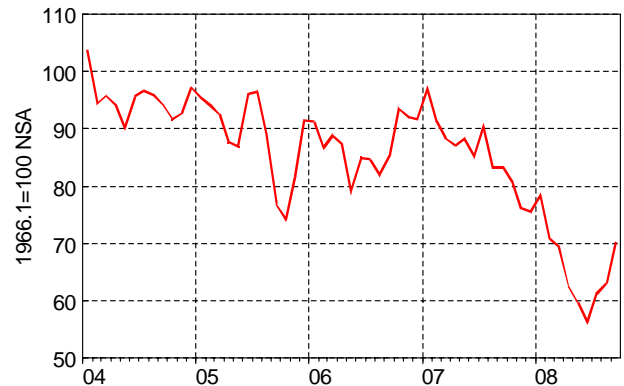
In the September survey, the Consumer Sentiment index (from Reuters and the University of Michigan) rose to 70.3, from 63.0 in August. This was the strongest reading in the past seven months.

The September rebound was mainly due to a retreat in oil prices. One-year inflation expectations fell to 4.3%, from 4.8% in August. Five-year inflation expectations also eased from 3.2% in August to 3.0% in September.

The Index of Consumer Expectations rose from 57.9 in August to 67.2 in September, the strongest since the beginning of this year.



**Consumer Sentiment Index**



In August, the monthly PCE price index inched up 0.03%, while the core PCE price index was up 0.2%. Compared to a year ago, the PCE price index rose 4.5%, while the core PCE price index gained 2.6%.

**New Home Sales**

In August, new home sales plunged 11.5% to 460,000 (annual rate), the weakest in 17 years.

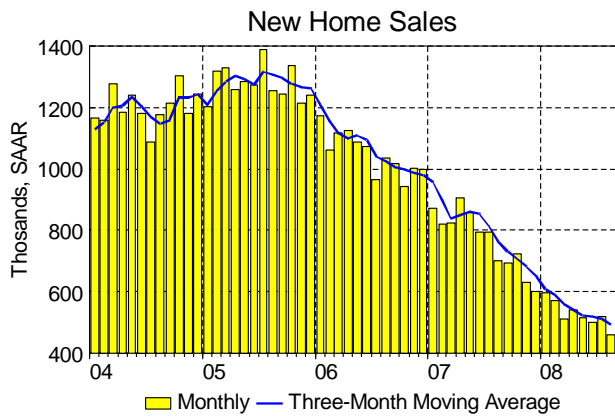
New home sales in July were revised up by 5,000 to 520,000.

Compared to a year ago, new home sales in August fell 34.5%.

Sales fell in all regions except the Midwest, which was up 7.2%. Sales plunged 36.1% and 31.9%, respectively, in the West and the Northeast. Meanwhile, sales fell 2.1% in the South.

The median sales price stood at \$221,900 in August, down 6.2% from a year ago.

Inventory of unsold homes fell 4.4%, down for the 16<sup>th</sup> consecutive month. In August, the inventory level corresponded to a 10.9-month supply.



**Existing Home Sales**

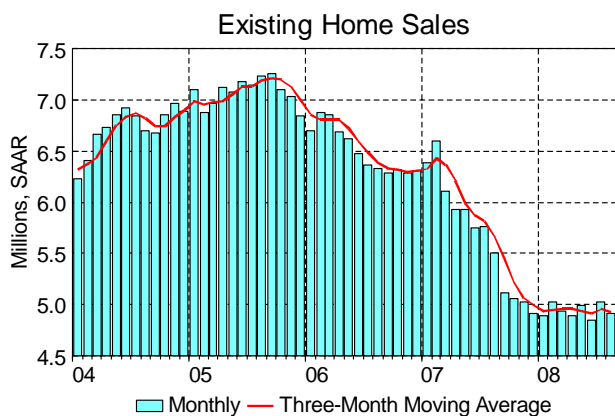
In August, existing home sales fell 2.2% to 4.91 million (annual rate). Compared to a year ago, existing home sales were down 10.7%.

Existing home sales in July were revised up four-tenths to a 3.5% gain.

Sales of single-family homes fell 1.4% in August, to 4.35 million (annual rate). Meanwhile, sales of multi-family homes dropped 8.2% to 560,000.

The inventory of unsold homes dropped 7% to 4.26 million in August, corresponding to a 10.4-month supply, the lowest since March.

The median sales fell 9.5% from a year ago, to \$203,100.



**Durable Goods Orders**

In August, orders for durable goods fell 4.5%, following a downward-revised 0.8% gain in July.

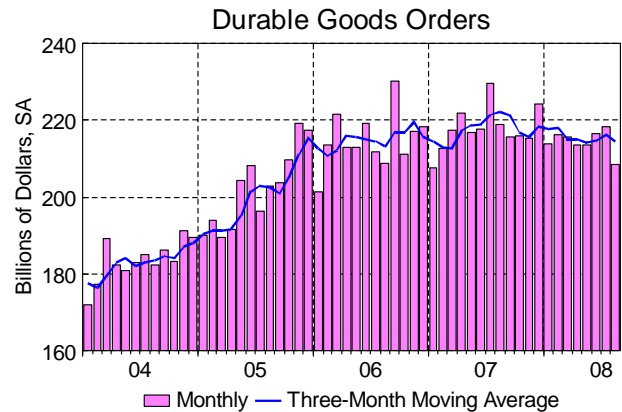
The weakness of orders was broad-based in August. Orders for civilian aircraft plunged 38.1%. However, excluding a 8.9% decline in transportation orders, orders were still down 3% in August, the biggest monthly drop in more than 1½ years.

Orders for core capital equipment dropped 7.5%, following a 3.5% gain in July.

Orders for primary metals dropped 9.3%, while orders for fabricated metals slipped 0.6%.

Orders for electrical equipment were down 2.2%, while orders for machinery dropped 6.2%. One bright spot was orders for electronics, which rose 1.9% in August.

Shipments of durable goods fell 3.5%, after a 0.1% increase in July. Inventories rose 0.7% in August, while unfilled orders rose 0.4%.



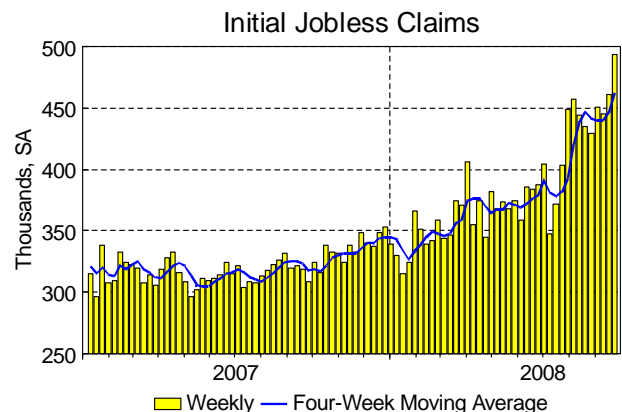
**Initial Jobless Claims**

For the week ending September 20, initial jobless claims jumped 32,000 to 493,000. Filings in Louisiana and Texas increased following the hurricanes.

The previous week's claims figure was revised up by 6,000.

The four-week moving average of claims rose 16,000 to 462,500.

The number of insured unemployed stood at 3.54 million, for the week ending September 13, a five-year high.

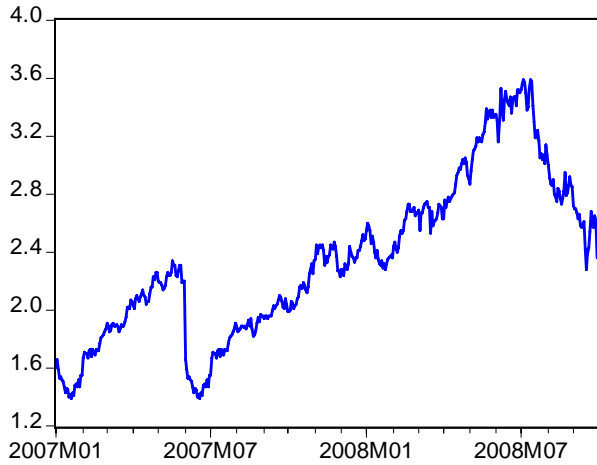


**Energy Prices**

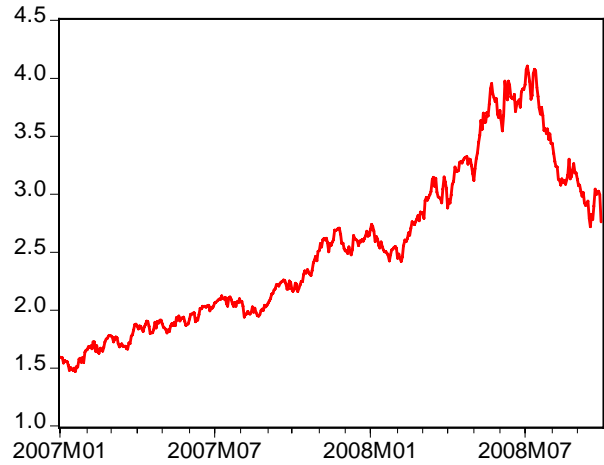
The gyrations in the US stock market have spilled into the market for energy and commodities. Prices jumped higher one day, but plunged the next day. A significant amount of uncertainty was imposed by whether or not the Capitol Hill will pass the \$700 billion bailout package. At the same time, market participants were worried about the possibility of a credit freeze in the US market.

By Friday's market close, oil prices traded at \$106.89 per barrel, about \$2 more than from a week ago, following a \$3 increase in the previous week.

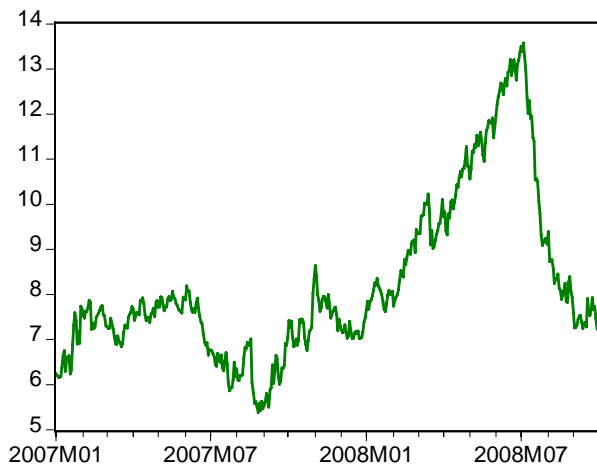
Prices of other energy commodities were mixed this week. Prices of heating oil were up about 10 cents to \$3.02 per gallon. Prices of gasoline inched up 7 cents to \$2.67 per gallon. Prices of natural gas, however, fell 22 cents to \$7.63 per mmbtu.



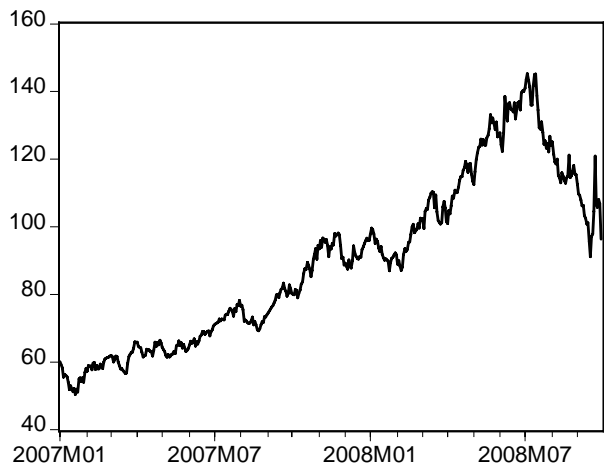
— Gasoline Futures Price, \$/Gallon



— Heating Oil Futures Price, \$/Gallon



— Natural Gas Futures Price, \$/MMBTU



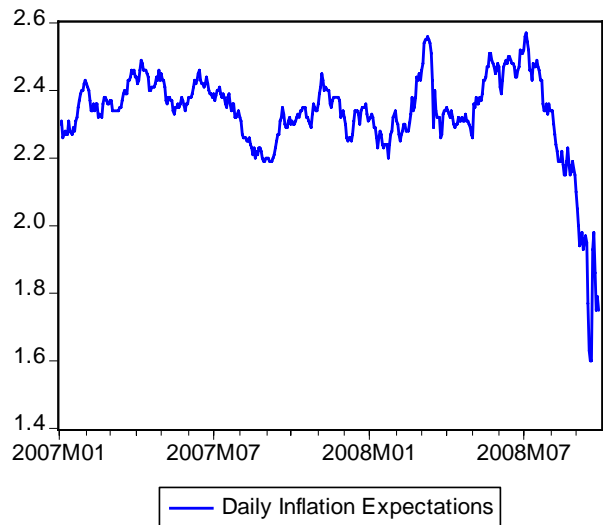
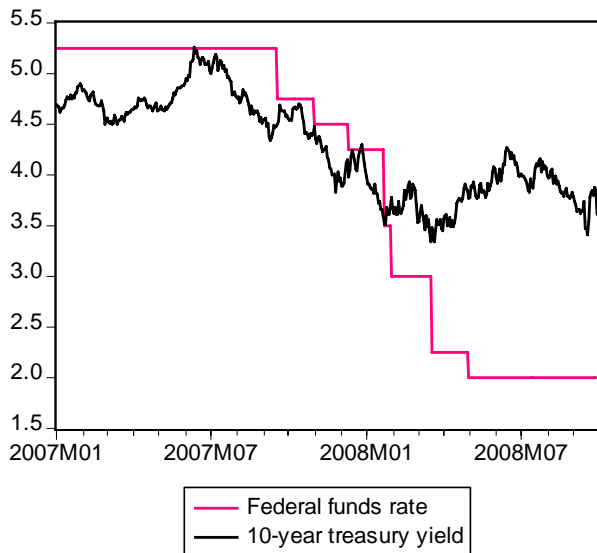
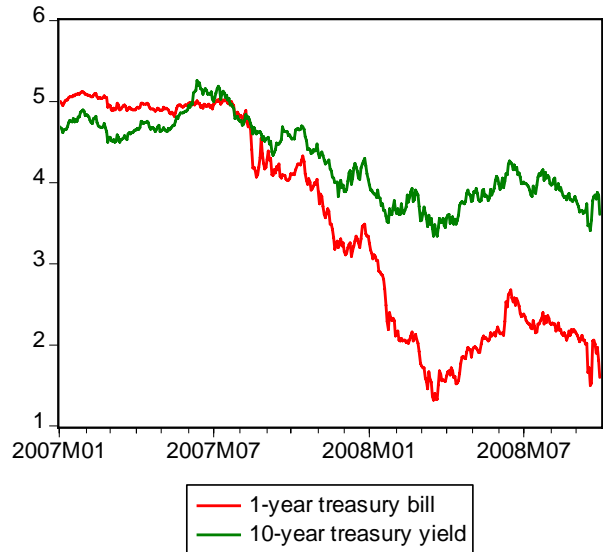
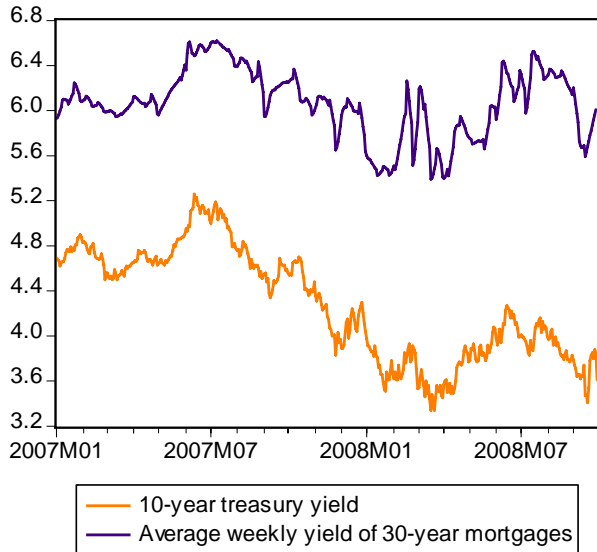
— Crude Oil (WTI) Futures Price, \$/Barrel

**Interest Rates**

Investors' appetite for safe-haven treasuries has pushed treasury yields lower, day after day. With significant price swings in stock markets, participants tried to reduce their risk exposure.

The two-year treasury closed Friday at 2.10%, unchanged from a week ago. Meanwhile, the ten-year treasury traded at 3.85%, by the week's close.

The upward pressure on daily inflation expectations (yield on unprotected minus yield on protected 10-year bonds) stood at 1.77%. FED officials remain concerned about inflation. Federal Reserve governors and board members continue to pay close attention to inflation tendencies.



**Currency Markets**

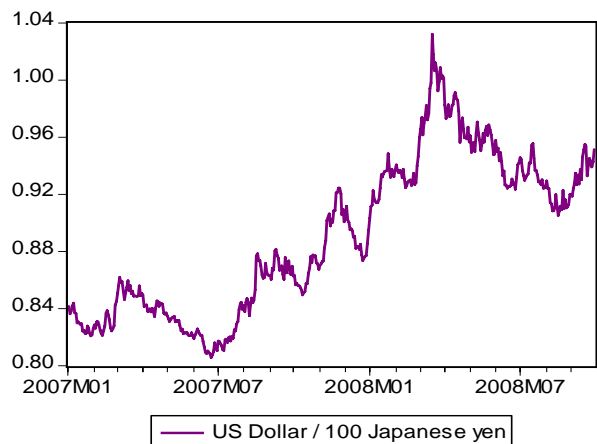
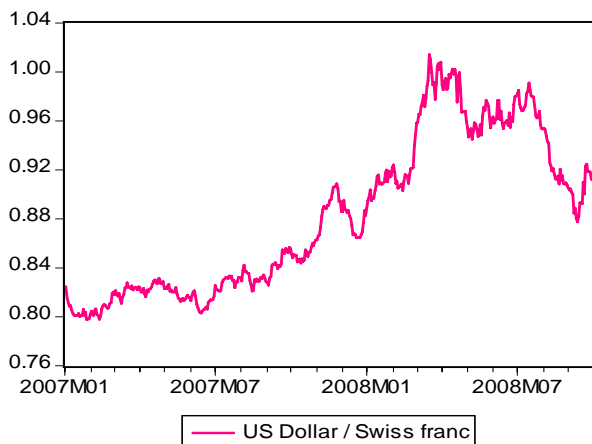
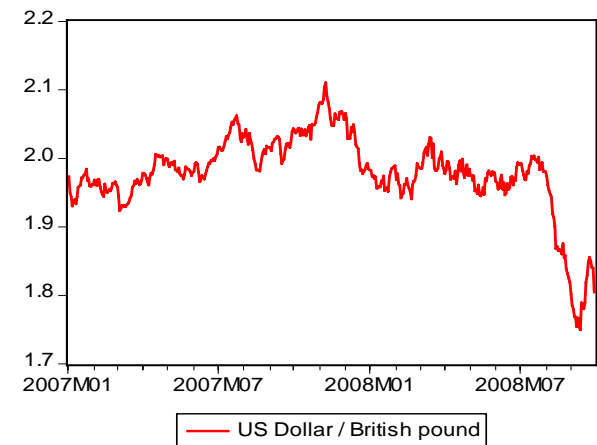
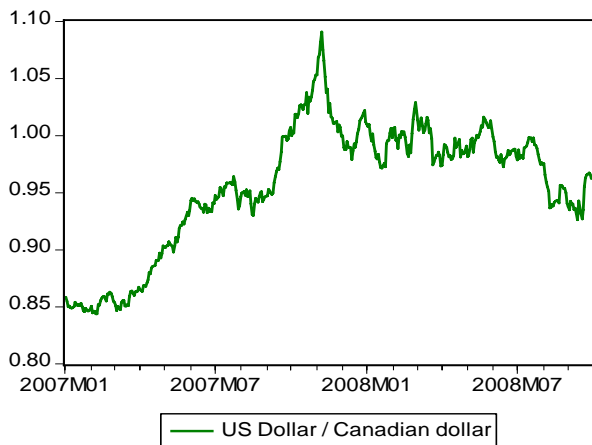
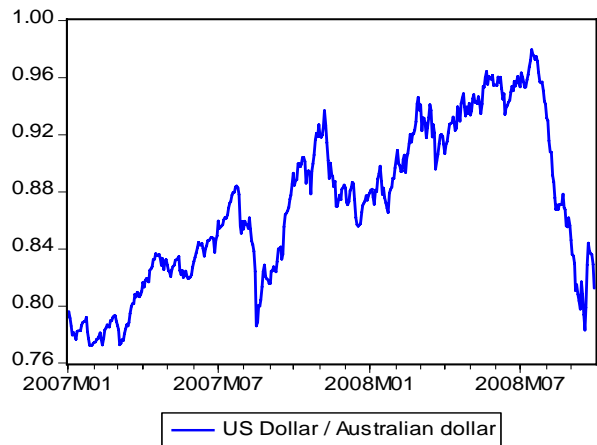
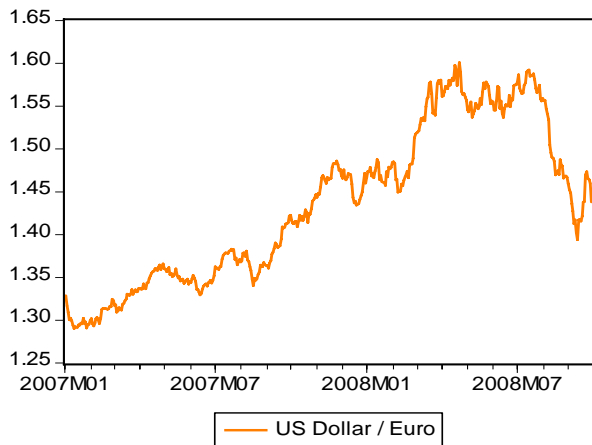
The US dollar continued to fall for the second straight week. While market participants were disappointed about the uncertainty in the US stock markets recently, they were also concerned about the spillover effect on European and Asian markets at the same time, which pushed the US dollar higher one day, lower the next day.

By Friday's market close, the US dollar traded at US\$1.4614 per euro, down 0.7% from a week ago, after a 2.8% drop in the previous week.

The US dollar also depreciated against the British pound. From US\$1.8327 per pound, the US dollar tumbled to US\$1.8446 by the end of the week, down 0.7%.

The US dollar also inched down against the Japanese yen, to 106.01 yen per US dollar.

Likewise, the US dollar lost about 1 cent against the Canadian dollar, to 96.75 US cents per Canadian dollar.



## The Week in Preview (September 30 – October 3)

Date	Economic Indicator	For	Market Consensus	Prior Month
Sep 30	Chicago Purchasing Managers Index	September	53.0	57.9
Sep 30	Consumer Confidence Index	September	55.0	56.9
Oct 01	Light Vehicle Sales	September	13.0 million	13.7 million
Oct 01	Construction Spending	August	-0.5%	-0.6%
Oct 01	ISM Manufacturing Index	September	49.5	49.9
Oct 02	Factory Orders	August	-2.9%	1.3%
Oct 03	Average Workweek	September	33.7 hours	33.7 hours
Oct 03	Hourly Earnings	September	0.3%	0.4%
Oct 03	Nonfarm Payrolls	September	-105,000	-84,000
Oct 03	Unemployment Rate	September	6.1%	6.1%
Oct 03	ISM Non-manufacturing Index	September	50.0	50.6

### Current Quarter Forecasts

In the third quarter, our forecast for real GDP is expected to increase 0.24% (SAAR), to be followed by a 0.41% increase in the fourth quarter of 2008.

The GDP deflator is projected to increase 3.41% in the third quarter (SAAR), and 2.71% in the fourth quarter of 2008.

Nominal GDP is forecasted to total US\$14.4 trillion in the third quarter, to be followed by US\$14.5 trillion in the fourth quarter of 2008. This amounts to 3.87% (SAAR) expansion in the third quarter and 3.13% 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>-29<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	137.617	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	69.12	67.15	68.22	67.93	68.16
% Change	1.8	-0.2	0.7	1.4	-2.8	1.6		
% Change, Annual Rate	23.8	-2.9	8.9	17.5	-29.2	20.8	3.4	1.4
% Change, Year Ago	2.9	1.7	2.9	4.3	-0.5	0.5	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 < forecast >
<b>Real GDP</b>					
(i) Expenditure Side GDP	11620.7	11646.0	11727.4	11715.7	11728.2
% Previous Q, A.R.	-0.17	0.87	2.83	-0.40	0.43
% Year before	2.33	2.54	2.05	0.77	0.93
(ii) Income Side GDP	11620.7	11646.0	11727.4	11734.8	11744.6
% Previous Q, A.R.	-0.17	0.87	2.83	0.25	0.33
% Year before	2.33	2.54	2.05	0.94	1.07
(iii) Principal Components est. GDP	11620.7	11646.0	11727.4	11753.2	11767.2
% Previous Q, A.R.	-0.17	0.87	2.83	0.88	0.48
% Year before	2.33	2.54	2.05	1.10	1.26
Average Real GDP	11620.7	11646.0	11727.4	11734.6	11746.6
% Previous Q, A.R.	-0.17	0.87	2.83	0.24	0.41
% Year before	2.33	2.54	2.05	0.94	1.08
<b>GDP Deflator (2000=100)</b>					
(i) Expenditure Side PGDP	120.8	121.6	122.0	123.0	123.8
% Previous Q, A.R.	2.84	2.63	1.12	3.47	2.70
% Year before	2.62	2.25	2.02	2.51	2.48
(ii) Income Side PGDP: Same as (i)	120.8	121.6	122.0	123.0	123.8
% Previous Q, A.R.	2.84	2.63	1.12	3.47	2.70
% Year before	2.62	2.25	2.02	2.51	2.48
(iii) Principal Components est. PGDP	120.8	121.6	122.0	122.9	123.8
% Previous Q, A.R.	2.84	2.63	1.12	3.27	2.74
% Year before	2.62	2.25	2.02	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	1.12	3.41	2.71
% Year before	2.62	2.25	2.02	2.49	2.46
<b>Nominal GDP</b>					
(i) Expenditure Side GDP\$	14031.2	14150.8	14294.5	14409.9	14521.5
% Previous Q, A.R.	2.33	3.45	4.12	3.27	3.13
% Year before	4.94	4.74	4.05	3.29	3.49
(ii) Income Side GDP\$	14031.2	14150.8	14294.5	14433.4	14541.8
% Previous Q, A.R.	2.33	3.45	4.12	3.94	3.04
% Year before	4.94	4.74	4.05	3.46	3.64
(iii) Principal Components est. GDP\$	14031.2	14150.8	14294.5	14449.0	14564.2
% Previous Q, A.R.	2.33	3.45	4.12	4.39	3.23
% Year before	4.94	4.74	4.05	3.57	3.80
Average Nominal GDP	14031.2	14150.8	14294.5	14430.8	14542.5
% Previous Q, A.R.	2.33	3.45	4.12	3.87	3.13
% Year before	4.94	4.74	4.05	3.44	3.64

## 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	11727.40	11715.71	11728.20
Total Demand	13587.20	13608.60	13653.40	13661.59	13727.79
Domestic Demand	12103.20	12105.80	12102.60	12053.25	12042.04
Domestic Final Demand	12109.80	12113.30	12153.00	12081.30	12072.21
Final Demand	11628.00	11653.70	11778.80	11722.08	11751.22
Personal Consumption Expenditures	8298.20	8316.06	8341.33	8305.32	8302.56
Durable Goods	1250.58	1237.01	1228.29	1190.48	1204.75
Nondurable Goods	2400.16	2397.94	2420.72	2407.53	2385.75
Services	4676.10	4704.35	4712.13	4718.46	4729.49
Gross Private Domestic Investment	1781.30	1754.70	1702.00	1686.97	1679.10
Fixed Investment	1788.20	1762.40	1754.90	1714.96	1709.27
Nonresidential	1414.70	1423.10	1431.80	1399.82	1410.73
Equipment and Software	1090.13	1088.61	1074.74	1026.59	1032.09
Structures	319.69	326.36	340.48	347.13	351.33
Residential	411.60	383.00	369.60	359.47	344.66
Change In Business Inventories	-8.10	-10.20	-50.60	-28.02	-30.18
Farm	10.50	6.00	2.40	-1.53	-0.65
Nonfarm	-20.59	-17.93	-55.10	-26.49	-29.53
Net Exports	-484.50	-462.00	-381.30	-359.11	-320.97
Exports	1482.10	1500.60	1544.70	1608.44	1685.78
Imports	1966.50	1962.60	1926.00	1967.55	2006.76
Government Purchases	2029.40	2039.10	2058.90	2060.91	2060.37
Federal	761.70	772.60	785.00	786.31	786.03
State and Local	1267.50	1266.70	1274.40	1274.60	1274.35

Percent Change, Annual Rate

Gross Domestic Product	-0.17	0.87	2.83	-0.40	0.43
Total Demand	-0.48	0.63	1.32	0.24	1.95
Domestic Demand	-1.05	0.09	-0.11	-1.62	-0.37
Domestic Final Demand	-0.14	0.12	1.32	-2.34	-0.30
Final Demand	0.80	0.89	4.36	-1.91	1.00
Personal Consumption Expenditures	0.95	0.86	1.22	-1.72	-0.13
Durable Goods	0.38	-4.27	-2.79	-11.76	4.88
Nondurable Goods	0.26	-0.37	3.85	-2.16	-3.57
Services	1.41	2.44	0.66	0.54	0.94
Gross Private Domestic Investment					
Fixed Investment	-6.19	-5.65	-1.69	-8.80	-1.32
Nonresidential	3.41	2.40	2.47	-8.64	3.16
Equipment and Software	0.98	-0.56	-5.00	-16.75	2.16
Structures	8.54	8.61	18.47	8.05	4.93
Residential	-27.01	-25.03	-13.28	-10.52	-15.49
Exports	4.41	5.09	12.28	17.56	20.67
Imports	-2.31	-0.79	-7.25	8.91	8.21
Government Purchases	0.81	1.93	3.94	0.39	-0.10
Federal	-0.52	5.85	6.58	0.67	-0.14
State and Local	1.56	-0.25	2.45	0.06	-0.08

## 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	14294.50	14409.95	14521.55
Total Demand	16487.70	16677.30	16935.90	17167.88	17394.39
Domestic Demand	14728.00	14856.60	15012.70	15141.02	15263.38
Domestic Final Demand	14749.00	14882.20	15088.70	15175.54	15300.77
Final Demand	14052.30	14176.40	14370.50	14444.47	14558.93
Personal Consumption Expenditures	9892.72	10002.33	10138.01	10216.52	10300.61
Durable Goods	1083.01	1071.05	1059.27	1026.68	1037.99
Nondurable Goods	2906.24	2950.73	3026.25	3059.18	3055.46
Services	5903.47	5980.56	6052.50	6130.66	6207.16
Gross Private Domestic Investment	2092.30	2056.10	2000.90	2003.18	2003.87
Fixed Investment	2113.40	2081.70	2077.00	2037.71	2041.26
Nonresidential	1542.10	1553.60	1571.90	1548.72	1573.17
Equipment and Software	1033.41	1030.90	1022.07	981.18	990.89
Structures	508.71	522.73	549.83	567.54	582.28
Residential	571.30	528.10	505.00	488.99	468.09
Change In Business Inventories	-21.10	-25.60	-76.00	-34.53	-37.39
Farm	5.70	0.20	-4.10	-1.88	-0.80
Nonfarm	-26.73	-25.83	-71.89	-32.65	-36.58
Net Exports	-696.70	-705.70	-718.20	-731.07	-741.83
Exports	1759.70	1820.80	1923.20	2026.86	2131.01
Imports	2456.50	2526.50	2641.40	2757.93	2872.84
Government Purchases	2742.90	2798.10	2873.70	2921.31	2958.90
Federal	998.30	1026.50	1056.10	1067.35	1078.42
State and Local	1744.60	1771.60	1817.60	1853.96	1880.48

## Percent Change, Annual Rate

Gross Domestic Product	2.33	3.45	4.12	3.27	3.13
Total Demand	3.46	4.68	6.35	5.59	5.38
Domestic Demand	2.62	3.54	4.27	3.46	3.27
Domestic Final Demand	3.86	3.66	5.67	2.32	3.34
Final Demand	3.63	3.58	5.59	2.07	3.21
Personal Consumption Expenditures	5.31	4.51	5.54	3.13	3.33
Durable Goods	-1.18	-4.35	-4.33	-11.75	4.48
Nondurable Goods	8.65	6.27	10.64	4.42	-0.49
Services	4.93	5.33	4.90	5.27	5.09
Gross Private Domestic Investment	-12.61	-6.74	-10.31	0.46	0.14
Fixed Investment	-5.06	-5.87	-0.90	-7.35	0.70
Nonresidential	5.14	3.02	4.80	-5.77	6.47
Equipment and Software	1.34	-0.97	-3.38	-15.07	4.02
Structures	13.44	11.49	22.40	13.52	10.80
Residential	-27.02	-26.99	-16.38	-12.09	-16.03
Exports	10.87	14.63	24.47	23.37	22.19
Imports	10.21	11.89	19.47	18.85	17.74
Government Purchases	5.96	8.30	11.25	6.79	5.25
Federal	1.74	11.79	12.04	4.33	4.21
State and Local	8.47	6.34	10.80	8.25	5.84

## 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	121.95	123.00	123.82
Total Demand	121.35	122.55	124.04	125.67	126.71
Domestic Demand	121.77	122.82	124.10	125.61	126.75
Domestic Final Demand	121.80	122.86	124.16	125.61	126.74
Final Demand	120.86	121.65	122.01	123.22	123.89
Personal Consumption Expenditures	119.22	120.28	121.54	123.01	124.07
Durable Goods	86.60	86.58	86.24	86.24	86.16
Nondurable Goods	121.09	123.06	125.02	127.07	128.07
Services	126.25	127.13	128.45	129.93	131.24
Gross Private Domestic Investment	117.96	117.82	117.93	118.74	119.34
Fixed Investment	118.19	118.12	118.35	118.82	119.42
Nonresidential	109.02	109.18	109.79	110.64	111.51
Equipment and Software	94.80	94.70	95.10	95.58	96.01
Structures	159.14	160.18	161.50	163.49	165.73
Residential	138.80	137.90	136.69	136.03	135.81
Exports	118.79	121.40	124.56	126.01	126.41
Imports	124.91	128.72	137.14	140.17	143.16
Government Purchases	135.17	137.24	139.59	141.75	143.61
Federal	131.07	132.88	134.55	135.74	137.20
State and Local	137.65	139.87	142.63	145.45	147.57

## Percent Change, Annual Rate

Gross Domestic Product	2.84	2.63	1.12	3.47	2.70
Total Demand	3.96	4.02	4.96	5.34	3.37
Domestic Demand	4.02	3.51	4.24	4.96	3.67
Domestic Final Demand	4.00	3.54	4.29	4.74	3.67
Final Demand	2.82	2.66	1.17	4.05	2.19
Personal Consumption Expenditures	4.31	3.61	4.26	4.92	3.47
Durable Goods	-1.56	-0.08	-1.58	0.02	-0.38
Nondurable Goods	8.37	6.66	6.53	6.71	3.20
Services	3.48	2.82	4.21	4.69	4.11
Gross Private Domestic Investment	1.35	-0.49	0.38	2.78	2.05
Fixed Investment	1.20	-0.24	0.80	1.59	2.05
Nonresidential	1.69	0.60	2.26	3.13	3.21
Equipment and Software	0.36	-0.41	1.70	2.01	1.82
Structures	4.49	2.65	3.32	5.04	5.59
Residential	-0.05	-2.58	-3.47	-1.91	-0.64
Exports	6.21	9.06	10.84	4.75	1.26
Imports	12.81	12.79	28.82	9.15	8.80
Government Purchases	5.12	6.25	7.03	6.34	5.35
Federal	2.25	5.64	5.14	3.58	4.35
State and Local	6.81	6.60	8.15	8.15	5.93

## 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	14294.50	14433.42	14541.79
Plus:					
Receipts of Factor Income	907.40	843.20	822.80	841.22	859.80
Less:					
Payments of Factor Income	742.00	705.10	708.90	722.17	735.45
Equals: Gross National Product	14196.60	14289.00	14408.30	14552.47	14666.15
Less:					
Consumption of Fixed Capital	1758.60	1778.00	1803.10	1813.01	1817.52
Equals: Net National Product	12438.00	12511.10	12605.20	12739.78	12848.77
Indirect Business Taxes	1027.66	1025.76	1039.35	1047.48	1060.48
Business Transfers	103.10	103.20	102.10	102.21	102.31
Statistical Discrepancy	13.90	63.40	98.40	91.18	84.66
Net Subsidies	52.34	50.64	50.81	50.59	50.34
National Income	12424.10	12447.60	12506.90	12648.60	12764.11
Corporate Profits	1611.10	1593.50	1533.30	1537.57	1569.02
Net Interest	688.10	662.30	683.40	694.92	702.42
Contribution for Soc. Ins.	975.26	992.20	997.00	1004.51	1009.33
Personal	505.70	515.75	518.30	521.23	521.80
Employer	469.56	476.45	478.70	483.28	487.53
Personal Interest Income	1242.70	1224.60	1208.70	1234.30	1259.76
Personal Dividend Income	813.50	829.50	843.60	856.48	865.04
Government Transfers	1704.73	1745.82	1893.86	1833.18	1863.41
Business Transfers (to persons)	33.10	32.20	32.40	32.12	32.02
Personal Income	11872.10	11960.50	12188.90	12274.28	12397.55
Percent Change, Annual Rate					
Gross Domestic Product	2.33	3.45	4.12	3.94	3.04
Plus:					
Receipts of Factor Income	4.02	-25.44	-9.33	9.26	9.13
Less:					
Payments of Factor Income	-20.70	-18.46	2.17	7.70	7.56
Equals: Gross National Product	3.86	2.63	3.38	4.06	3.16
Less:					
Consumption of Fixed Capital	6.31	4.49	5.77	2.22	1.00
Equals: Net National Product	3.52	2.37	3.04	4.34	3.47
Indirect Business Taxes	3.35	-0.74	5.41	3.17	5.06
Business Transfers	3.57	0.39	-4.20	0.42	0.41
National Income	2.80	0.76	1.92	4.61	3.70
Corporate Profits	-13.03	-4.30	-14.28	1.12	8.43
Net Interest	16.03	-14.18	13.37	6.92	4.38
Contribution for Social Insurance	3.87	7.13	1.95	3.05	1.93
Personal	3.87	8.19	1.99	2.28	0.44
Employer	3.87	6.00	1.91	3.88	3.56
Personal Interest Income	2.12	-5.70	-5.09	8.75	8.51
Personal Dividend Income	9.80	8.10	6.97	6.25	4.06
Government Transfers	4.01	9.99	38.48	-12.21	6.76
Business Transfers (to persons)	7.59	-10.44	2.51	-3.46	-1.19
Personal Income	4.92	3.01	7.86	2.83	4.08

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	6568.60	6630.49	6689.66
Commod Prod Industries	1218.20	1217.70	1216.30	1227.88	1237.96
Manufacturing	750.20	748.40	748.50	751.06	753.36
Others	468.00	469.30	467.80	476.82	484.60
Distributive Industries*	1048.30	1050.40	1049.30	1050.67	1057.11
Service Industries	3106.90	3140.20	3179.70	3216.17	3247.22
Government	1092.10	1109.70	1123.40	1135.78	1147.53
Other Labor Income	1475.50	1491.70	1503.10	1514.14	1526.00
Proprietors Income	1073.80	1071.70	1076.90	1086.06	1097.11
Farm	47.10	41.60	38.00	30.88	31.13
Business and Profess.	1026.70	1030.10	1039.00	1055.18	1065.98
Rental Income of Persons	38.60	39.10	58.60	74.82	78.95
Interest Paid by Persons	276.70	261.70	253.80	252.42	253.82
Other Interest	966.00	962.90	954.90	981.88	1005.94
Transfer Payments	1737.80	1778.10	1926.30	1857.41	1889.60
Contributions for Social In	505.70	515.75	518.30	521.23	521.80
Personal Tax & Nontax P.	1520.55	1534.98	1354.09	1497.86	1553.09
Disposable Income	10351.50	10425.50	10834.80	10776.38	10844.47
Addendum:					
Domestic Final Sales	14754.7	14882.3	15084.6	15199.0	15321.0

Percent Change, Annual Rate

Wages and Salaries	5.62	3.29	3.14	3.82	3.62
Commod Prod Industries	4.70	-0.16	-0.46	3.86	3.33
Manufacturing	3.71	-0.96	0.05	1.37	1.23
Others	6.31	1.12	-1.27	7.94	6.69
Distributive Industries*	5.12	0.80	-0.42	0.52	2.47
Service Industries	6.64	4.36	5.13	4.67	3.92
Government	4.25	6.60	5.03	4.48	4.20
Other Labor Income	3.86	4.46	3.09	2.97	3.17
Proprietors Income	3.81	-0.78	1.96	3.45	4.13
Farm	-2.51	-39.15	-30.38	-56.39	3.23
Business and Profess.	4.12	1.33	3.50	6.38	4.16
Rental Income of Persons	-27.28	5.28	404.53	165.76	23.99
Interest Paid by Persons	-2.14	-19.98	-11.54	-2.16	2.24
Other Interest	3.38	-1.28	-3.28	11.79	10.17
Transfer Payments	4.06	9.60	37.74	-13.56	7.12
Contribution for Social Ins	3.87	8.19	1.99	2.28	0.44
Personal Tax & Nontax P.	5.15	3.85	-39.44	49.73	15.58
Disposable Income	4.89	2.89	16.65	-2.14	2.55
Addendum:					
Domestic Final Sales	4.02	3.50	5.55	3.07	3.25

\*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
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## 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
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## 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	69.12	67.15	68.22	68.79	68.41	68.75
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	1.35	-2.84	1.59	0.83	-0.55	0.50
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	924.00	955.00	1004.00	1011.00	992.00	981.00	975.62	977.75	984.48
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	-0.54	3.35	5.13	0.70	-1.88	-1.11	-0.55	0.22	0.69
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

## 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

## 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	1390.7	1393.4	1396.9	1399.5	1405.6
Money Supply (M2)	7679.8	7688.2	7687.1	7725.9	7716.1	7723.9	7747.3	7765.4	7791.3
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

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

Percent Change, Monthly Rate

MONEY SUPPLY									
Money Supply, (M1)	-0.29	-0.26	1.35	1.11	-0.73	0.19	0.25	0.19	0.43
Money Supply, (M2)	0.20	0.11	-0.01	0.50	-0.13	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

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