

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

- Our economic signals for 2008 have generally looked for positive growth results for the first half (2 quarters), but followed by a much weaker second half. The results for the third quarter show negative growth values, starting in the reports for October. The early estimates for the fourth quarter are generally below those for Q3 – negative or small positive values.
- If left alone, without special policy support, the fourth quarter may have more falling production, but Chairman Bernanke's request for positive fiscal and monetary support could bring positive growth for Q4, if his request is supported.
- Housing starts, retail sales, and consumer survey responses all look weak in this final quarter for the year. Also, the pessimistic tendencies in many countries (Asia, Europe, and Latin America) would lead to more negativity in these final months of 2008, unless deterred by a positive fiscal stimulus.
- The latest Beige Book reports are all weak for their closing weeks of 2008, as are sample survey reports.
- The government budget imbalances all point to increasing deficits for stabilizing economic performance.

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

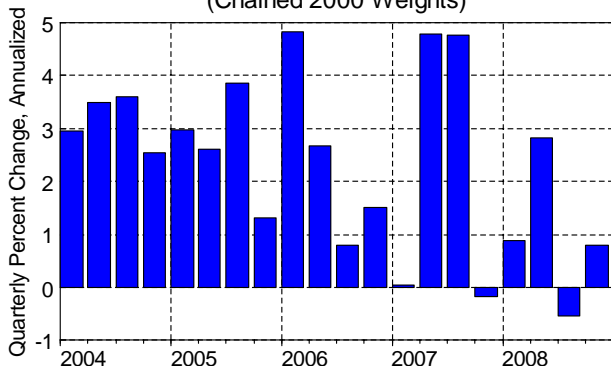
Date	Economic Indicator	for	Latest	Prior Month
Oct 01	Construction Spending	August	0.0%	-1.4%
Oct 03	Nonfarm Payroll Employment	September	-159,000	-73,000
Oct 01	Auto Sales	September	12.5 Million	13.7 Million
Oct 07	Consumer Credit Outstanding	August	-\$7.9 billion	\$5.2 billion
Oct 10	Export/Import Price Index	September	-1.0%, -3.0%	-1.7%, -2.6%
Oct 15	Producer Price Index, Total & Core	September	-0.4%, 0.4%	-0.9%, 0.2%
Oct 15	Retail Sales, Total & Ex-Auto	September	-1.2%, -0.6%	-0.4%, -0.9%
Oct 16	Industrial Production	September	-2.8%	-1.1%
Oct 15	Business Inventories	August	0.3%	1.1%
Oct 16	Consumer Price Index, Total & Core	September	0.0%, 0.1%	-0.1%, 0.2%
Oct 17	Housing Starts	August	817,000	872,000
Oct 10	Trade Balance	August	-\$59.1 billion	-\$61.3 billion
Sep 26	Durable Goods Orders & Shipments	August	-4.8%, -3.8%	0.7%, 2.2%
Oct 02	Manuf Ships, Inv, & Orders	August	-3.5%, 0.6%, -4.0%	1.4%, 0.6%, 0.7%

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:

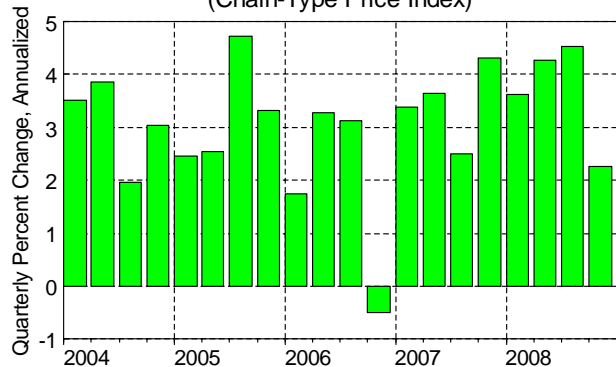
	Real GDP				PCE Price Index				Official Release	
	08Q1	08Q2	08Q3	08Q4	08Q1	08Q2	08Q3	08Q4		
Jun 16	0.95	1.72	0.46		3.52	3.80	4.50			
Jun 23	0.95	1.46	0.12		3.56	3.80	4.50			
Jun 30	0.96	2.07	0.88		3.61	3.80	4.50		<=3 rd	08Q1
Jul 07		2.32	0.95			3.80	4.50			
Jul 14		2.22	0.74			3.80	4.50			
Jul 21		1.95	0.01			4.27	6.06			
Jul 28		1.95	0.01			4.27	6.06			
Aug 11	0.87	1.89	1.30	0.15	3.61	4.21	5.28	4.45	<=1 st	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		3.28	0.28	-0.05		4.21	6.01	4.77	<=2 nd	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		2.83	0.24	0.41		4.26	4.92	3.47	<=3 rd	08Q2
Oct 06			-0.25	0.32			4.95	3.47		
Oct 13			-0.18	0.31			4.92	3.47		
Oct 20			-0.54	0.57			4.53	2.29		

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

Real GDP
(Chained 2000 Weights)



Consumption Price Inflation
(Chain-Type Price Index)



High Frequency Indicators

The Week in Review (October 13 - 17)

Retail Sales

In September, retail sales fell for the third consecutive month, down 1.2%, after a 0.4% decline in the previous month.

Auto sales dropped 3.8% in September. Excluding autos, retail sales were down 0.6%.

In contrast, sales at gasoline stations inched up 0.1%. Sales of health and personal care items increased 0.4%.

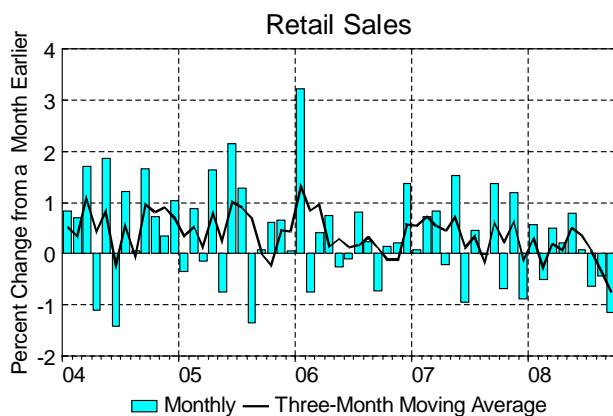
Compared to a year ago, retail sales dropped 1%, the first year-over-year decline in six years.

Consumer Sentiment Index

In the mid-October survey, the Consumer Sentiment Index (from Reuters and the University of Michigan) plunged to 57.5, from 70.3 in September. This was the sharpest monthly drop ever seen for the Index.

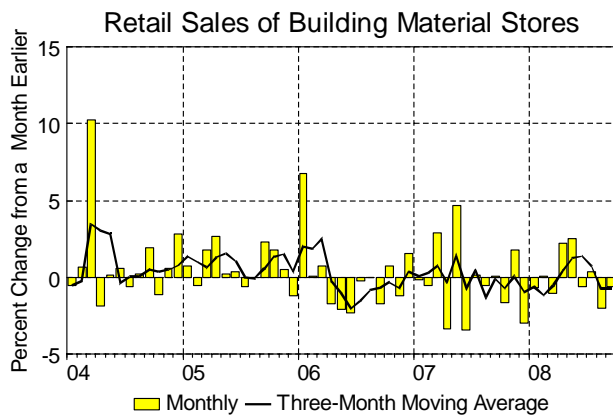
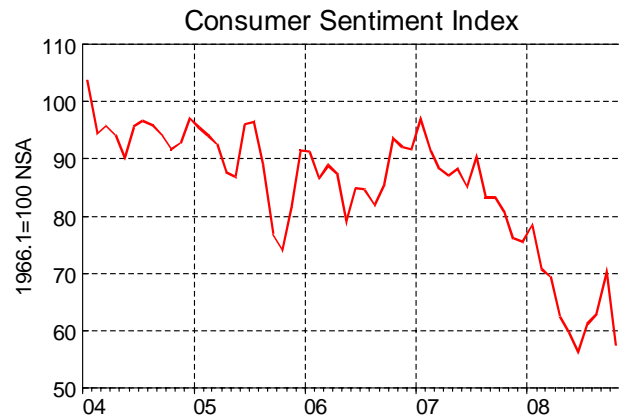
The Current Conditions Index fell from 75 to 58.9, a record low. The Expectations Index went down from 67.2 to 56.7.

Inflation expectations for the year ahead stood at 4.3%, down from 4.5% a month ago.

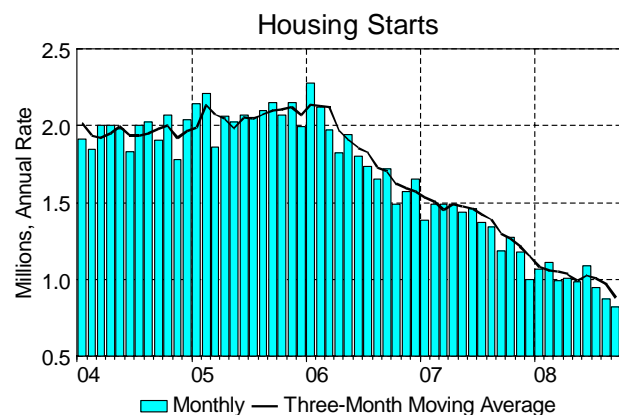


The weakness of retail sales was visible across almost all businesses.

Furniture sales went down 2.3%. Sales of electronics and appliances dropped 1.5%, while sales of building materials fell 0.6%.



Clothing sales fell 2.3%. Sales at general merchandise stores dropped 0.4%. Sales of leisure goods were down 1.1%. Restaurant sales dropped 0.5%. Sales at nonstore retailers were down 0.8%.



Housing Starts

In September, housing starts plunged 6.3% to 817,000 (annual rate), the weakest since 1991. Housing starts in the prior two months were revised lower. In August, housing starts totaled 872,000, while July housing starts stood at 895,000.

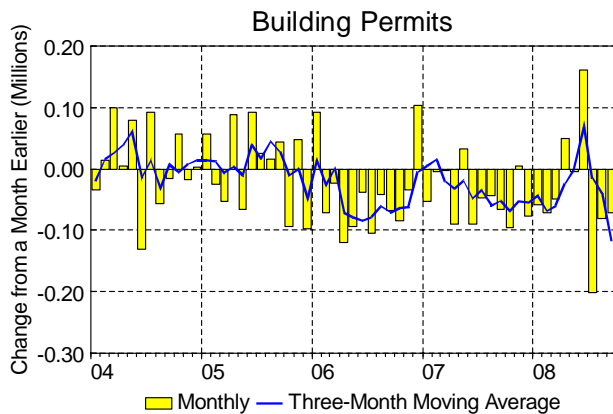
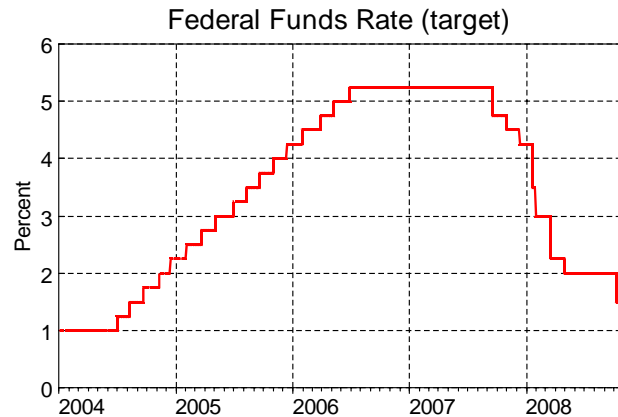
Starts of single-family homes dropped 12% to 544,000 (annual rate), the weakest since 1982.

Compared to a year ago, housing starts were down 31%.

Meanwhile, building permits fell 8.3% from a month ago, to 786,000, the lowest in 27 years.

Permits for single-family homes were down 39%.

70% probability that the Fed Committee will lower short-term interest rates by another 50 basis points.



Federal Budget Balance

In September, the treasury budget surplus stood at \$45.7 billion, compared to a \$112.9 billion monthly surplus in September 2007.

For the fiscal year 2008, the budget deficit jumped to a record high, \$455 billion, which was \$293 billion higher than that of 2007. The 2008 budget deficit stood at 3.2% of GDP, the highest in the past four years.

Compared to a year ago, budget outlays increased 9.1% to \$2.98 trillion. Meanwhile, budget receipts fell 1.7% from a year ago to \$2.52 trillion.

Beige Book

In the October Beige Book, most Federal Reserve Districts reported weaker consumer and business activities in the prior weeks.

Consumer spending fell in most districts. Aside from general retail sales, auto sales and tourism activities were also weaker.

Manufacturing activities also weakened in most Districts.

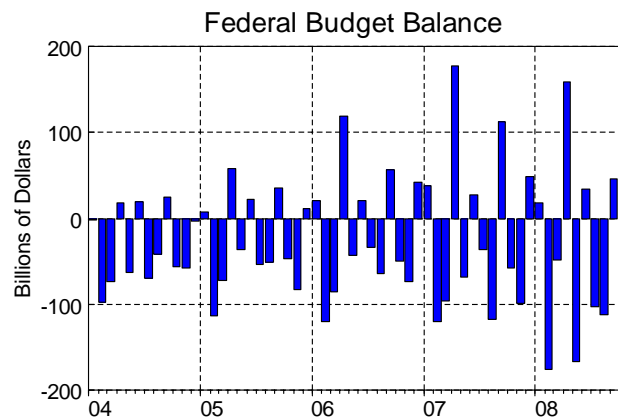
In the real estate sector, residential activities continued to be weak, while commercial activities also showed increasing signs of slowdown in many Districts.

Credit conditions tightened in all 12 Districts. Some Districts reported reduced credit available for both financial and nonfinancial sector.

Inflation eased slightly in September. Wage pressure in the labor market weakened in most Districts. Some Districts reported declines in capital spending.

On October 8th, the Fed, together with other Central Banks, unexpectedly cut interest rates, in a coordinated move to ease liquidity in the financial market.

The Federal Open Market Committee is scheduled to meet on October 28-29. Fed watchers have priced in a



Industrial Production

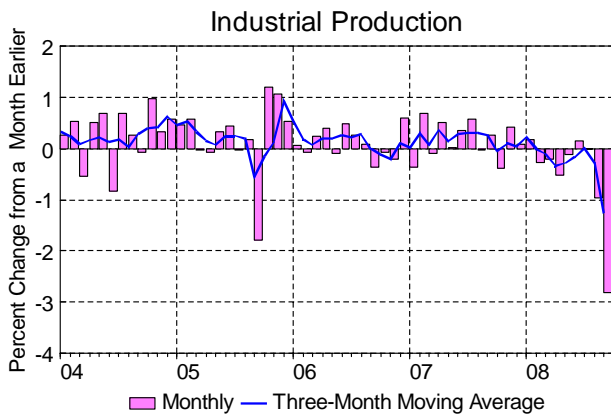
In September, industrial production plunged 2.8%, the largest monthly drop since December 1974. The decline was larger than the market consensus forecast. The sharp fall in September output was partly due to Hurricanes Gustav and Ike, and partly due to a strike at Boeing Co.

According to the Federal Reserve's estimate, the hurricanes subtracted about 2.25 percentage points

from industrial production in September, as crude oil and natural gas production were shut down.

Output in the manufacturing sector was down 2.6% in September. Production of durable goods fell 0.7%, while production of nondurable goods was down 1.5%. Auto output rebounded 1.7% in September, after an 11% decline in August.

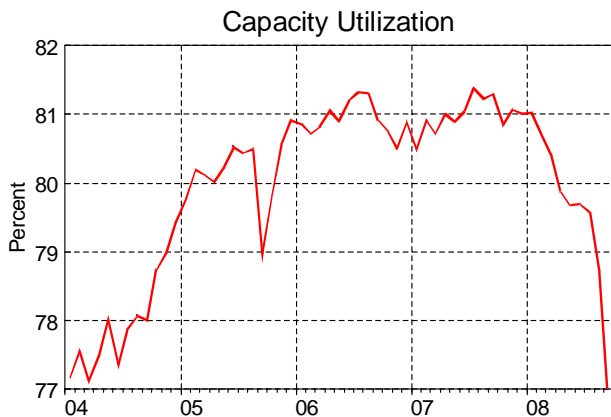
Production of non-industrial supplies were down 1.7%, following a 0.6% drop in August. Business equipment output dropped 7.0%, while production of construction materials fell 1.5%. Semiconductor production inched up 0.1%, while computer equipment production went up 0.9%.



Output in the mining sector fell 7.8% in September. Output in the utility sector rose 2.2%.

Compared to a year ago, industrial production fell 4.5%. Meanwhile, in the third quarter, industrial production dropped 6%.

The capacity utilization rate fell to 76.4% in September, from 78.7% in August. The September rate was the weakest since October 2003.



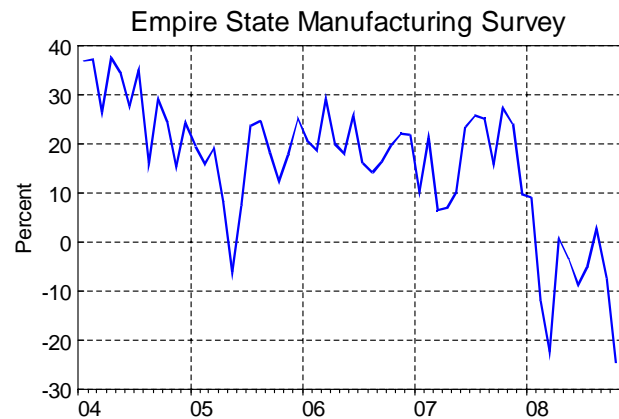
Empire State Index

In October, the Empire State Index hit a record low. From -7.4 in September, the Index fell to -24.6 in October.

New orders fell 25 index points to -20.5, while shipments dropped from 0.6 to -8.9. Inventories went from -2.3 to -17.1.

Employment improved slightly, but remained negative at -3.7.

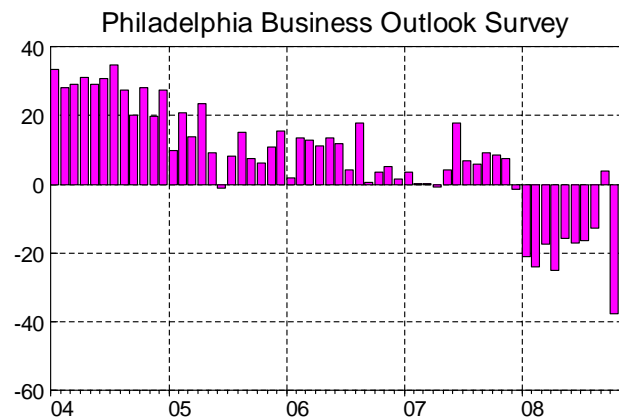
Prices paid went down from 44.8 to 31.7, while prices received fell about 4 index points to 20.7.



Philadelphia Fed Index

In October, the Philadelphia Fed Index dropped to -37.5, from +3.8 in September. This was the sharpest monthly drop ever.

In a special survey question, 43% indicated that they would cut back capital spending. Meanwhile, 30% indicated that their customers were facing difficulty in getting financing, and 14% said that their firm was having trouble getting financing.

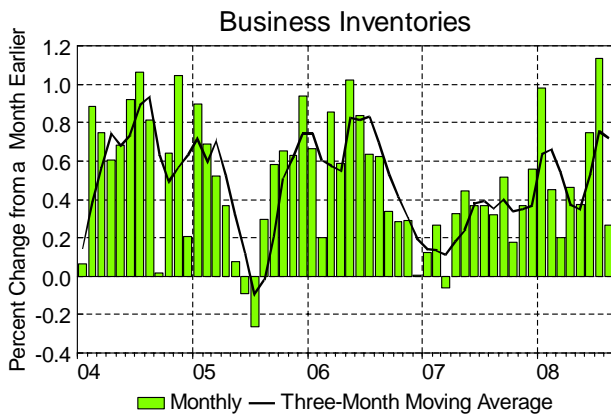


Among the components of the survey, new orders fell more than 36 index points to -30.5. Shipments went from +2.6 in September to -18.8.

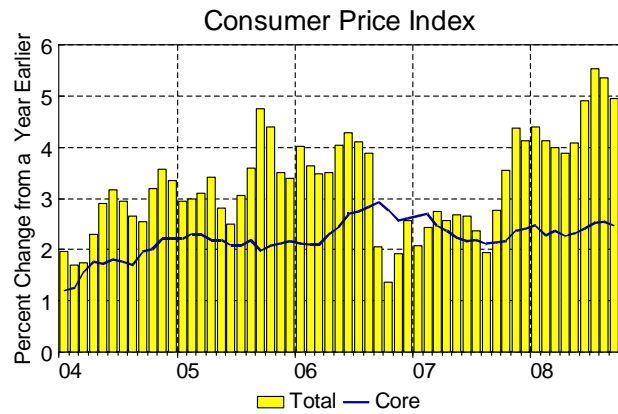
Employment stood at -18.0. Prices paid fell to 7.2, from 31.5. Prices received went down 10 index points to 5.3.

Business Inventories

In August, business inventories rose 0.3%, while business sales dropped 1.8%. The inventory-to-sales ratio stood at 1.27, the highest since August 2007. Manufacturers' inventories went up 0.6%, while wholesale inventories increased 0.8%. Retail inventories slipped 0.6% in August, following a 1.4% decline in July. Retail auto inventories were down 1.6%. Excluding autos, retail inventories inched down 0.1%.

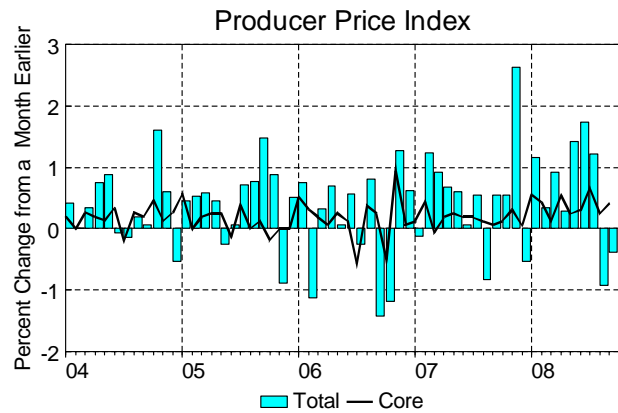


Compared to a year ago, the consumer price index was up 4.9%, the lowest in the past three months. Meanwhile, the core CPI was up 2.5%.



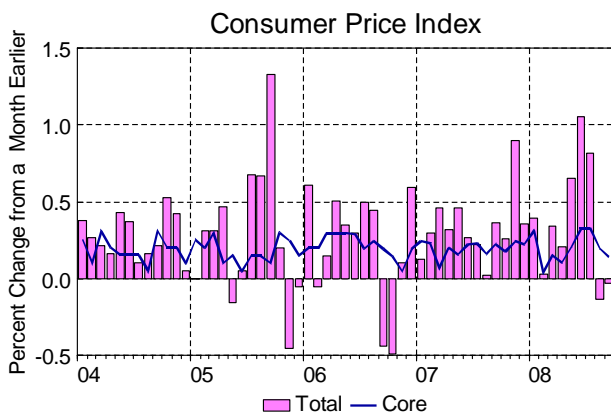
Producer Price Index

In September, the producer price index dropped 0.4%, following a 0.9% decline in the previous month. Energy prices fell 2.9% in September, after a 4.6% decline in August. Residential natural gas prices dropped a record 8.2%. Food prices rose 0.2%, following increases of 0.3% in both August and July. Excluding food and energy, the core PPI went up 0.4%, after a 0.2% increase in August.

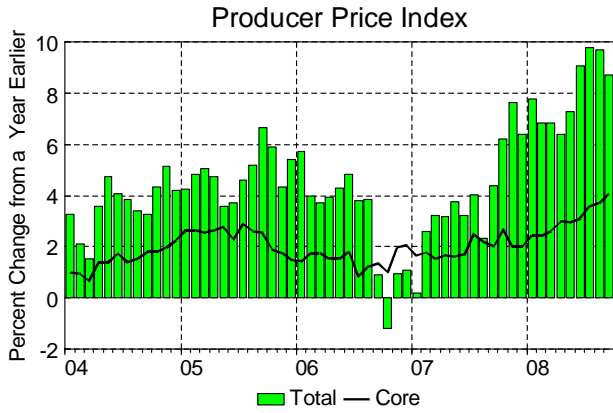


Consumer Price Index

In September, the consumer price index inched down marginally (flat in the first decimal place), marking the second consecutive monthly decline. Energy prices fell 1.9% in September, but food prices went up 0.6%. Prices of natural gas were down 0.6%, while fuel oil costs dropped 7.8%. Excluding food and energy, the core CPI was up 0.1% in September.



Prices for raw materials were down 7.9%. Prices for capital equipment increased 0.5%. Prices for consumer goods fell 0.6%. However, prices of passenger cars rose 0.5%, while prices of light trucks went up 1%. Compared to a year ago, the PPI was up 8.7%, while the core PPI rose 4%.



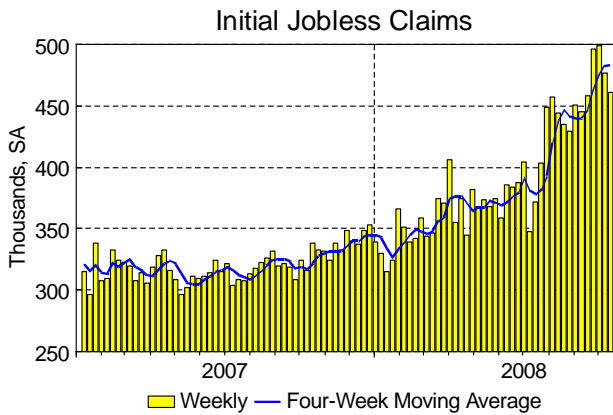
Initial Jobless Claims

For the week ending October 11, initial jobless claims fell 16,000 to 461,000. This was the second weekly decline following prior weeks' increases, due to the impact of the hurricanes. The previous week's claims figure was revised down by 1,000.

The four-week moving average of claims rose 750 to 483,250, the highest in more than seven years.

The number of insured unemployed rose 40,000 to 3.71 million, for the week ending October 4, a five-year high.

The insured unemployment rate went up from 2.7% to 2.8%.

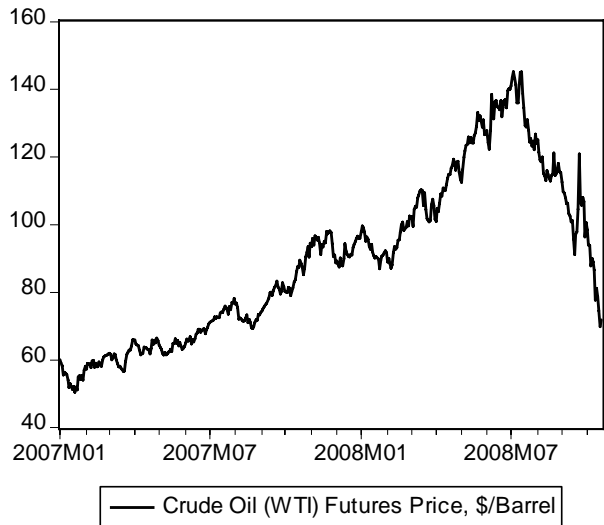
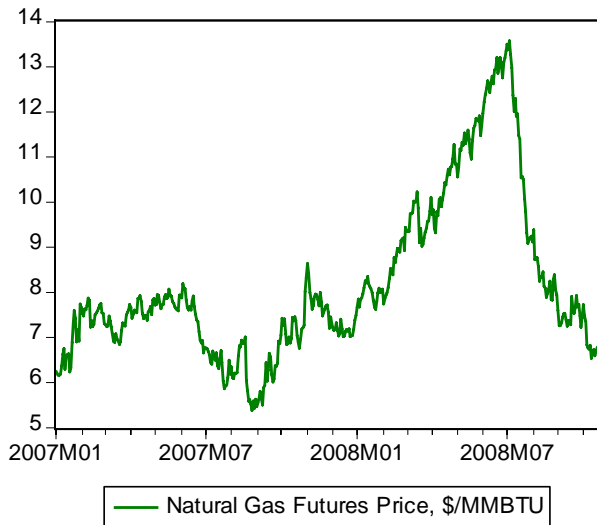
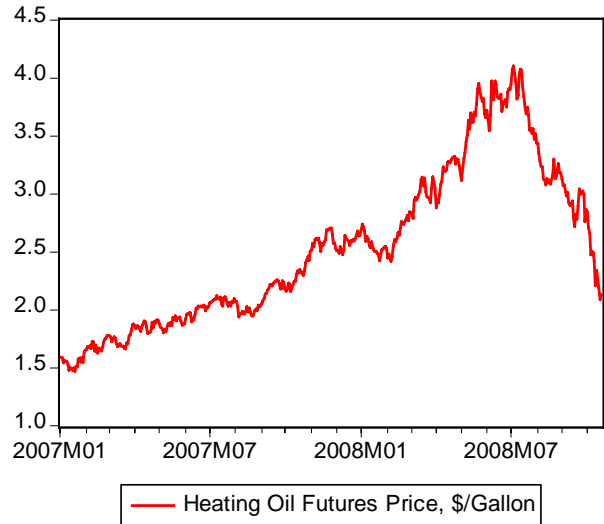
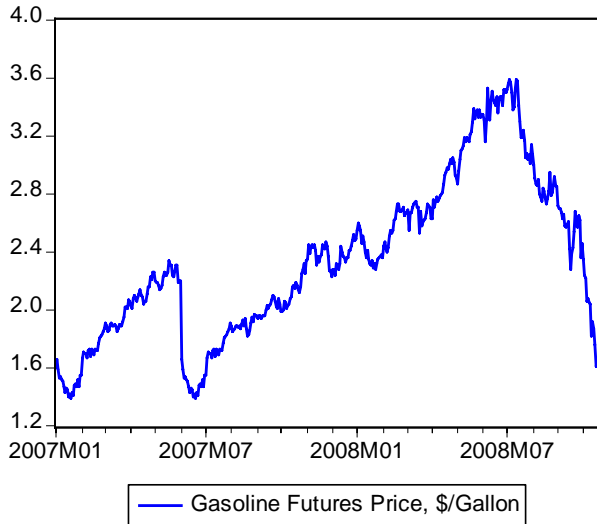


Energy Prices

Consumers and businesses remained discouraged about the current state of the economy, pushing energy prices lower week after week. The strength of the US dollar also continued to put downward pressure on energy prices. The current oil price level was its lowest since mid-2007.

By Friday’s market close, oil prices traded at \$71.85 per barrel, down \$5.85 from a week ago, following a \$16 drop in the previous week.

Prices of other energy commodities were also lower this week. Prices of heating oil were down 5 cents to \$2.16 per gallon. Prices of gasoline fell 14 cents to \$1.67 per gallon. Prices of natural gas, however, rebounded 77 cents to \$7.31 per mmbtu.

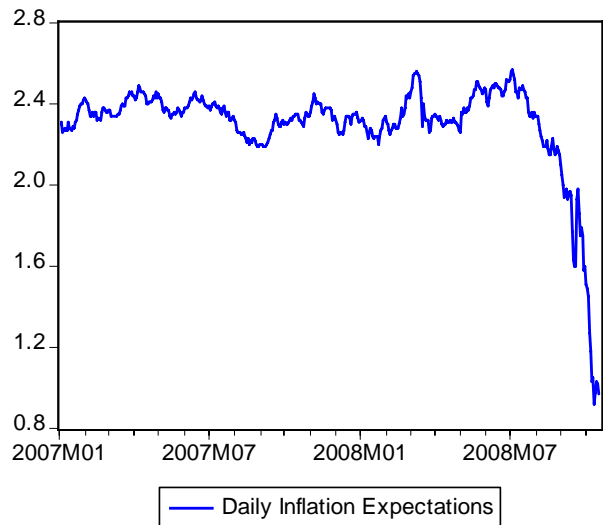
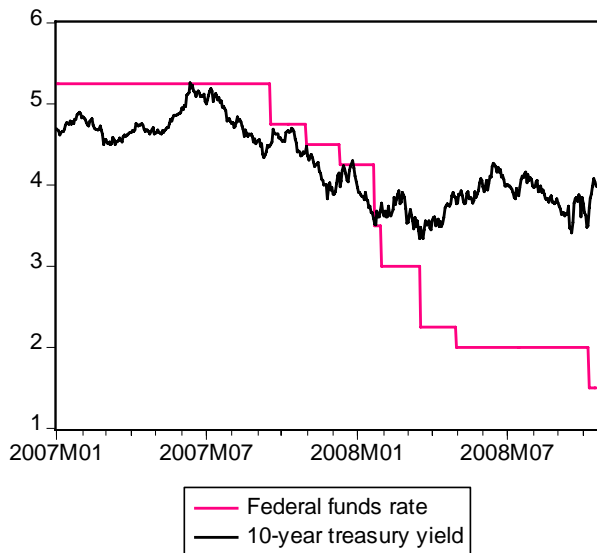
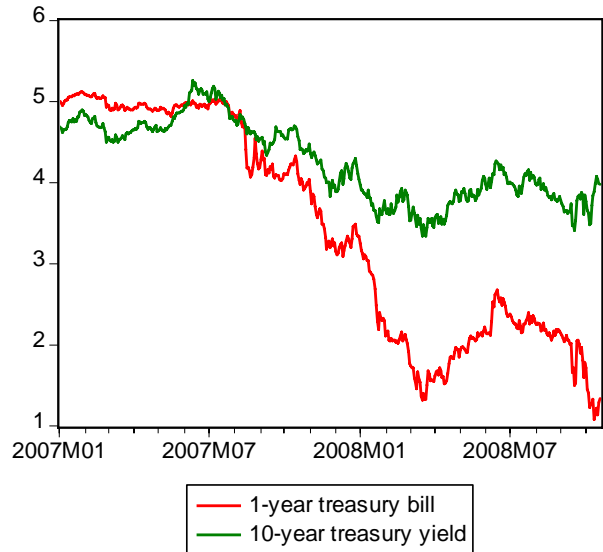
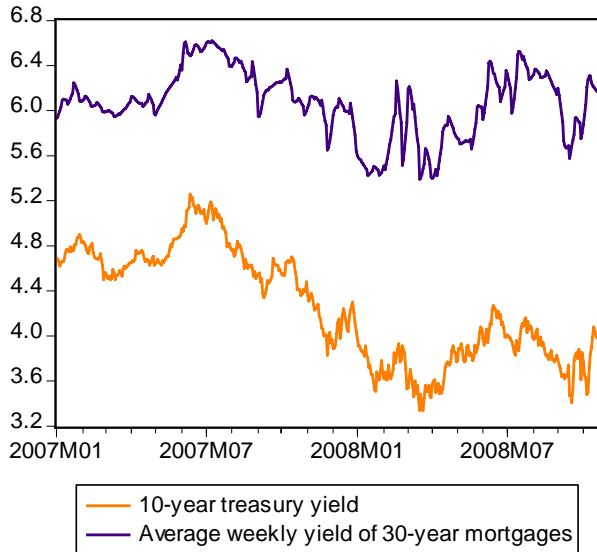


Interest Rates

The sentiment in the stock market remained pessimistic, despite the government’s actions to ease liquidity in the financial markets. Participants were bracing themselves for tougher times ahead in the economy. Flight-to-quality purchases continued to push treasury prices higher, and their corresponding yields lower.

The two-year treasury closed Friday at 1.61%, down 2 basis points from a week ago. Meanwhile, the ten-year treasury traded at 3.93%, by the week’s close, up slightly from a week earlier.

The upward pressure on daily inflation expectations (yield on unprotected minus yield on protected 10-year bonds) stood at about 1%, up slightly from a week ago.

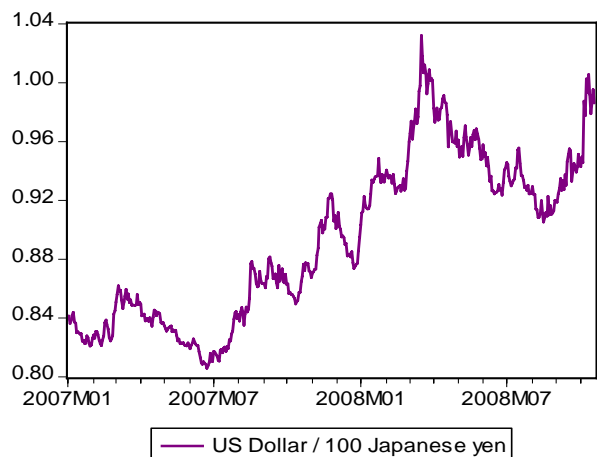
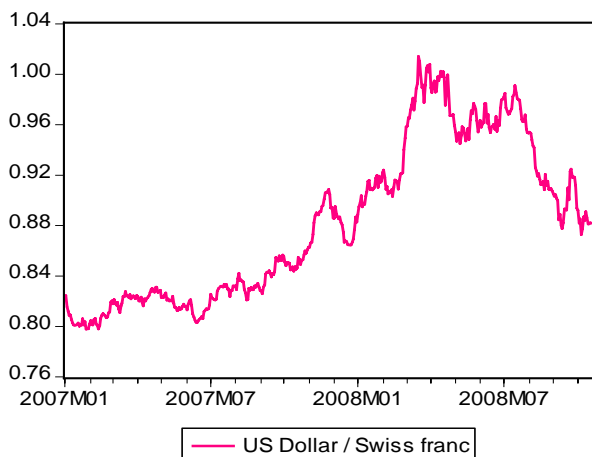
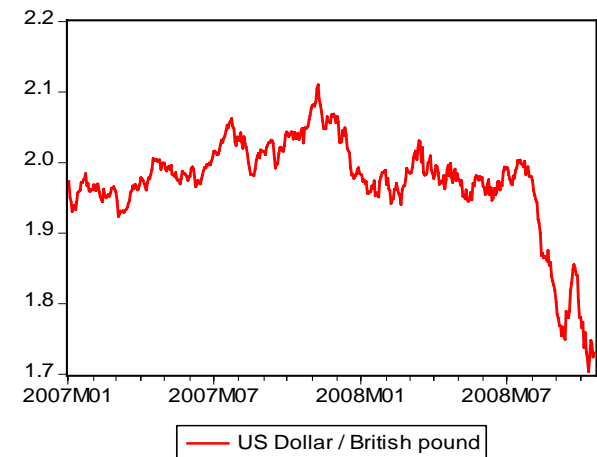
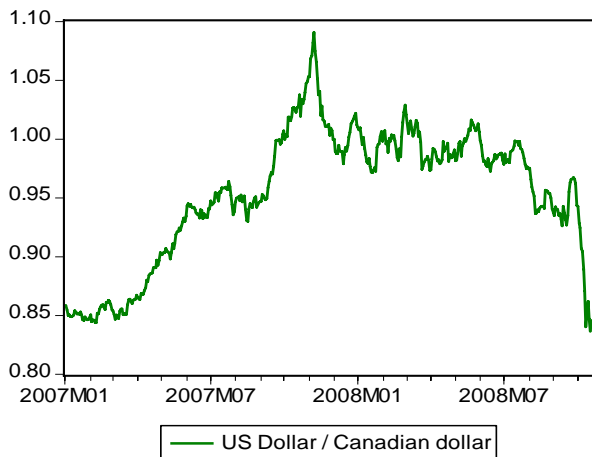
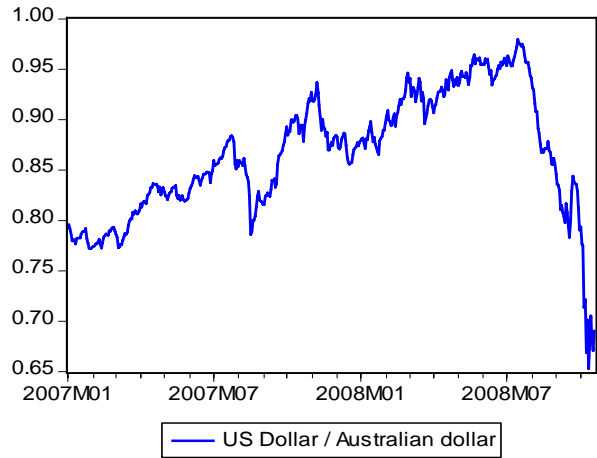
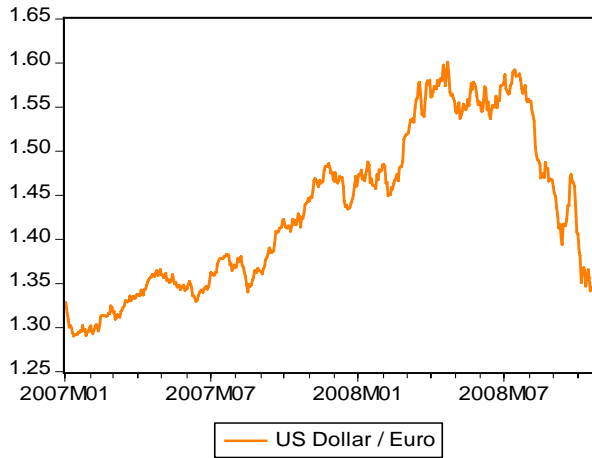


Currency Markets

Market participants continued to worry about both the US economy and the spillover onto other economies. Strong demand for US treasuries also supported a stronger US dollar trading value.

By Friday's market close, the US dollar traded at US\$1.34066 per euro, up 1.4% from a week ago. The US dollar also gained against the Japanese yen, trading at 101.45 yen per US dollar. The US dollar rose against the Canadian dollar as well, trading at about 84.25 US cents per Canadian dollar.

Meanwhile, the US dollar inched down against the British pound. Following a 2.9% increase in the previous week, the US dollar fell to US\$1.7304 per pound.



The Week in Preview (October 20 - 24)

Date	Economic Indicator	For	Market Consensus	Prior Month
Oct 20	Index of Leading Indicators	September	-0.3%	-0.5%
Oct 24	Existing Home Sales	September	4.93 million	4.91 million

Current Quarter Forecasts

In the third quarter, our forecast for real GDP is expected to decrease -0.54% (SAAR), to be followed by a 0.57% increase in the fourth quarter of 2008.

The GDP deflator is projected to increase 3.13% in the third quarter (SAAR), and 2.10% 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 2.78% (SAAR) expansion in the third quarter and 2.92% increase in the fourth quarter of 2008.

CQM Forecast Assumption

In our forecast, we have incorporated the assumption that federal government spending will increase by \$100 billion in the fourth quarter, due to the \$700 billion bailout plan.

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 Jun 9th-23rd, Aug 18th-25th, and Sep 8th-29th.

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

FORECAST SUMMARY TABLE

	APR08	MAY08	JUN08	JUL08	AUG08	SEP08	2008Q2 Actual	2008Q3 Forecast
PRODUCTION								
Nonfarm Payroll Employment (Mil)	137.764	137.717	137.617	137.550	137.477	137.318	137.699	137.448
+ Difference	-0.067	-0.047	-0.100	-0.067	-0.073	-0.159	-0.218	-0.251
% Change, Annual Rate	-0.6	-0.4	-0.9	-0.6	-0.6	-1.4	-0.6	-0.7
% Change, Year Ago	0.3	0.1	-0.0	-0.1	-0.2	-0.4	0.1	-0.2
DEMAND AND SPENDING								
Retail Sales (Bil\$)	342.73	345.43	345.64	343.10	341.42	337.22	344.60	340.58
% Change	0.1	0.8	0.1	-0.7	-0.5	-1.2		
% Change, Annual Rate	1.3	9.8	0.7	-8.5	-5.7	-13.8	3.3	-4.6
% Change, Year Ago	2.6	1.7	2.9	1.8	1.3	-1.4	2.4	0.5
PRICES								
PPI, Finished Goods (1982=100)	176.1	178.6	181.7	183.9	182.2	181.5	178.8	182.5
% Change	0.3	1.4	1.7	1.2	-0.9	-0.4		
% Change, Annual Rate	3.5	18.4	22.9	15.5	-10.5	-4.5	10.6	8.6
% Change, Year Ago	6.4	7.3	9.1	9.8	9.7	8.7	7.6	9.4
CPI, All-Urban (1982-84=100)	213.7	215.1	217.4	219.2	218.9	218.8	215.4	219.0
% Change	0.2	0.6	1.1	0.8	-0.1	-0.0		
% Change, Annual Rate	2.5	8.1	13.4	10.3	-1.6	-0.4	5.0	6.7
% Change, Year Ago	3.9	4.1	4.9	5.5	5.4	4.9	4.3	5.3
Housing Starts (Mil)	1.004	0.982	1.089	0.949	0.872	0.817	1.025	0.879
% Change	1.6	-2.2	10.9	-12.9	-8.1	-6.3		
% Change, Annual Rate	21.3	-23.3	245.9	-80.8	-63.8	-54.2	-10.2	-45.8
% Change, Year Ago	-32.5	-31.6	-25.3	-30.8	-34.8	-31.1	-29.8	-32.2
Industrial Production Index (2002=	111.44	111.30	111.45	111.44	110.36	107.25	111.40	109.68
% Change	-0.5	-0.1	0.1	-0.0	-1.0	-2.8		
% Change, Annual Rate	-6.1	-1.5	1.7	-0.2	-11.0	-29.0	-3.1	-6.0
% Change, Year Ago	0.4	0.3	0.1	-0.5	-1.4	-4.5	0.3	-2.1
New Orders for Manufactured Goods	445.92	450.03	459.58	462.99	444.37	453.42	451.84	453.59
% Change	1.3	0.9	2.1	0.7	-4.0	2.0		
% Change, Annual Rate	16.7	11.7	28.6	9.3	-38.9	27.4	14.8	1.6
% Change, Year Ago	4.0	5.4	7.5	4.7	4.2	6.6	5.6	5.2
Nondefense Capital Goods Shipments	67.88	67.71	68.19	69.05	66.82	67.99	67.93	67.95
% Change	1.8	-0.2	0.7	1.2	-3.2	1.8		
% Change, Annual Rate	23.8	-2.9	8.9	16.0	-32.5	23.2	3.4	0.1
% Change, Year Ago	2.9	1.7	2.9	4.2	-1.0	0.2	5.6	5.2
Sales of Domestic Passenger Cars (4.95	5.27	4.88	4.44	4.49	4.32	5.03	4.42
% Change	-0.8	6.6	-7.5	-9.0	1.2	-3.8		
% Change, Annual Rate	-9.7	114.2	-60.6	-67.6	15.3	-37.2	-1.4	-40.5
% Change, Year Ago	-2.8	-3.8	-7.0	-11.1	-13.1	-16.7	-4.5	-13.7
Business Inventories (Bil\$)	1474.25	1479.77	1490.87	1507.76	1511.78	1519.94	1481.63	1513.16
% Change	0.5	0.4	0.8	1.1	0.3	0.5		
% Change, Year Ago	5.3	5.3	5.7	6.5	6.4	6.4	5.4	6.4
+ Difference, Annual Rate	81.4	66.2	133.3	202.6	48.3	97.9	73.3	126.1
EXTERNAL SECTOR								
Merchandise Trade Balance, Census	-70.58	-70.81	-69.80	-72.26	-69.19	-71.15	-844.78	-850.40
+ Difference	-4.3	-0.2	1.0	-2.5	3.1	-2.0		
+ Difference, Annual Rate	-51.3	-2.7	12.1	-29.5	36.8	-23.5	-25.65	-5.61
+ Difference, year ago	-4.3	-4.7	-2.9	-6.7	-4.6	-6.4		

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

	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
	< a c t u a l >			< forecast >	
Real GDP					
(i) Expenditure Side GDP	11620.7	11646.0	11727.4	11715.1	11725.1
% Previous Q, A.R.	-0.17	0.87	2.83	-0.42	0.34
% Year before	2.33	2.54	2.05	0.77	0.90
(ii) Income Side GDP	11620.7	11646.0	11727.4	11703.6	11735.4
% Previous Q, A.R.	-0.17	0.87	2.83	-0.81	1.09
% Year before	2.33	2.54	2.05	0.67	0.99
(iii) Principal Components est. GDP	11620.7	11646.0	11727.4	11716.3	11724.7
% Previous Q, A.R.	-0.17	0.87	2.83	-0.38	0.29
% Year before	2.33	2.54	2.05	0.78	0.89
Average Real GDP	11620.7	11646.0	11727.4	11711.7	11728.4
% Previous Q, A.R.	-0.17	0.87	2.83	-0.54	0.57
% Year before	2.33	2.54	2.05	0.74	0.93
GDP Deflator (2000=100)					
(i) Expenditure Side PGDP	120.8	121.6	122.0	122.9	123.5
% Previous Q, A.R.	2.84	2.63	1.12	3.25	2.00
% Year before	2.62	2.25	2.02	2.45	2.25
(ii) Income Side PGDP: Same as (i)	120.8	121.6	122.0	122.9	123.5
% Previous Q, A.R.	2.84	2.63	1.12	3.25	2.00
% Year before	2.62	2.25	2.02	2.45	2.25
(iii) Principal Components est. PGDP	120.8	121.6	122.0	122.8	123.5
% Previous Q, A.R.	2.84	2.63	1.12	2.90	2.31
% Year before	2.62	2.25	2.02	2.37	2.24
Average GDP Deflator	120.8	121.6	122.0	122.9	123.5
% Previous Q, A.R.	2.84	2.63	1.12	3.13	2.10
% Year before	2.62	2.25	2.02	2.43	2.24
Nominal GDP					
(i) Expenditure Side GDP\$	14031.2	14150.8	14294.5	14401.2	14509.8
% Previous Q, A.R.	2.33	3.45	4.12	3.02	3.05
% Year before	4.94	4.74	4.05	3.23	3.41
(ii) Income Side GDP\$	14031.2	14150.8	14294.5	14387.1	14497.8
% Previous Q, A.R.	2.33	3.45	4.12	2.62	3.11
% Year before	4.94	4.74	4.05	3.13	3.33
(iii) Principal Components est. GDP\$	14031.2	14150.8	14294.5	14390.5	14483.2
% Previous Q, A.R.	2.33	3.45	4.12	2.71	2.60
% Year before	4.94	4.74	4.05	3.15	3.22
Average Nominal GDP	14031.2	14150.8	14294.5	14392.9	14497.0
% Previous Q, A.R.	2.33	3.45	4.12	2.78	2.92
% Year before	4.94	4.74	4.05	3.17	3.32

EXPENDITURE SIDE

Real Gross Domestic Product

2007Q4 2008Q1 2008Q2 2008Q3 2008Q4

Billions of Chained (2000) Dollars, SAAR

Gross Domestic Product	11620.70	11646.00	11727.40	11715.09	11725.12
Total Demand	13587.20	13608.60	13653.40	13653.88	13737.07
Domestic Demand	12103.20	12105.80	12102.60	12046.52	12048.51
Domestic Final Demand	12109.80	12113.30	12153.00	12074.60	12078.80
Final Demand	11628.00	11653.70	11778.80	11726.01	11789.56
Personal Consumption Expenditures	8298.20	8316.06	8341.33	8305.25	8323.18
Durable Goods	1250.58	1237.01	1228.29	1183.70	1195.51
Nondurable Goods	2400.16	2397.94	2420.72	2407.70	2396.26
Services	4676.10	4704.35	4712.13	4722.60	4744.41
Gross Private Domestic Investment	1781.30	1754.70	1702.00	1676.91	1653.98
Fixed Investment	1788.20	1762.40	1754.90	1704.91	1684.27
Nonresidential	1414.70	1423.10	1431.80	1390.65	1392.53
Equipment and Software	1090.13	1088.61	1074.74	1020.21	1019.55
Structures	319.69	326.36	340.48	344.67	346.37
Residential	411.60	383.00	369.60	358.16	337.68
Change In Business Inventories	-8.10	-10.20	-50.60	-28.05	-30.30
Farm	10.50	6.00	2.40	-1.53	-0.65
Nonfarm	-20.59	-17.93	-55.10	-26.52	-29.65
Net Exports	-484.50	-462.00	-381.30	-348.47	-289.22
Exports	1482.10	1500.60	1544.70	1607.45	1688.59
Imports	1966.50	1962.60	1926.00	1955.91	1977.81
Government Purchases	2029.40	2039.10	2058.90	2064.32	2071.38
Federal	761.70	772.60	785.00	787.78	791.61
State and Local	1267.50	1266.70	1274.40	1276.54	1279.78

Percent Change, Annual Rate

Gross Domestic Product	-0.17	0.87	2.83	-0.42	0.34
Total Demand	-0.48	0.63	1.32	0.01	2.46
Domestic Demand	-1.05	0.09	-0.11	-1.84	0.07
Domestic Final Demand	-0.14	0.12	1.32	-2.56	0.14
Final Demand	0.80	0.89	4.36	-1.78	2.19
Personal Consumption Expenditures	0.95	0.86	1.22	-1.72	0.87
Durable Goods	0.38	-4.27	-2.79	-13.75	4.05
Nondurable Goods	0.26	-0.37	3.85	-2.14	-1.89
Services	1.41	2.44	0.66	0.89	1.86
Gross Private Domestic Investment					
Fixed Investment	-6.19	-5.65	-1.69	-10.92	-4.75
Nonresidential	3.41	2.40	2.47	-11.01	0.54
Equipment and Software	0.98	-0.56	-5.00	-18.80	-0.26
Structures	8.54	8.61	18.47	5.01	1.99
Residential	-27.01	-25.03	-13.28	-11.82	-20.98
Exports	4.41	5.09	12.28	17.27	21.77
Imports	-2.31	-0.79	-7.25	6.36	4.55
Government Purchases	0.81	1.93	3.94	1.06	1.37
Federal	-0.52	5.85	6.58	1.42	1.96
State and Local	1.56	-0.25	2.45	0.67	1.02

EXPENDITURE SIDE

Nominal Gross Domestic Product

	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
Billions of Dollars, SAAR					
Gross Domestic Product	14031.20	14150.80	14294.50	14401.20	14509.84
Total Demand	16487.70	16677.30	16935.90	17142.87	17341.25
Domestic Demand	14728.00	14856.60	15012.70	15122.48	15226.19
Domestic Final Demand	14749.00	14882.20	15088.70	15157.00	15263.57
Final Demand	14052.30	14176.40	14370.50	14435.73	14547.23
Personal Consumption Expenditures	9892.72	10002.33	10138.01	10206.93	10286.35
Durable Goods	1083.01	1071.05	1059.27	1020.01	1025.21
Nondurable Goods	2906.24	2950.73	3026.25	3055.98	3053.27
Services	5903.47	5980.56	6052.50	6130.94	6207.87
Gross Private Domestic Investment	2092.30	2056.10	2000.90	1991.15	1973.54
Fixed Investment	2113.40	2081.70	2077.00	2025.67	2010.92
Nonresidential	1542.10	1553.60	1571.90	1538.47	1552.32
Equipment and Software	1033.41	1030.90	1022.07	975.05	978.89
Structures	508.71	522.73	549.83	563.42	573.43
Residential	571.30	528.10	505.00	487.20	458.60
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	-721.27	-716.34
Exports	1759.70	1820.80	1923.20	2020.39	2115.06
Imports	2456.50	2526.50	2641.40	2741.67	2831.41
Government Purchases	2742.90	2798.10	2873.70	2924.40	2966.30
Federal	998.30	1026.50	1056.10	1068.94	1084.17
State and Local	1744.60	1771.60	1817.60	1855.47	1882.13

Percent Change, Annual Rate

Gross Domestic Product	2.33	3.45	4.12	3.02	3.05
Total Demand	3.46	4.68	6.35	4.98	4.71
Domestic Demand	2.62	3.54	4.27	2.96	2.77
Domestic Final Demand	3.86	3.66	5.67	1.82	2.84
Final Demand	3.63	3.58	5.59	1.83	3.13
Personal Consumption Expenditures	5.31	4.51	5.54	2.75	3.15
Durable Goods	-1.18	-4.35	-4.33	-14.02	2.05
Nondurable Goods	8.65	6.27	10.64	3.99	-0.35
Services	4.93	5.33	4.90	5.29	5.11
Gross Private Domestic Investment	-12.61	-6.74	-10.31	-1.94	-3.49
Fixed Investment	-5.06	-5.87	-0.90	-9.52	-2.88
Nonresidential	5.14	3.02	4.80	-8.24	3.65
Equipment and Software	1.34	-0.97	-3.38	-17.17	1.59
Structures	13.44	11.49	22.40	10.26	7.30
Residential	-27.02	-26.99	-16.38	-13.37	-21.49
Exports	10.87	14.63	24.47	21.80	20.10
Imports	10.21	11.89	19.47	16.07	13.75
Government Purchases	5.96	8.30	11.25	7.25	5.86
Federal	1.74	11.79	12.04	4.95	5.82
State and Local	8.47	6.34	10.80	8.60	5.87

EXPENDITURE SIDE

Gross Domestic Product Chain-Type Price Index

	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
Index 2000=100					
Gross Domestic Product	120.83	121.61	121.95	122.93	123.54
Total Demand	121.35	122.55	124.04	125.55	126.24
Domestic Demand	121.77	122.82	124.10	125.53	126.38
Domestic Final Demand	121.80	122.86	124.16	125.52	126.37
Final Demand	120.86	121.65	122.01	123.11	123.39
Personal Consumption Expenditures	119.22	120.28	121.54	122.90	123.59
Durable Goods	86.60	86.58	86.24	86.17	85.75
Nondurable Goods	121.09	123.06	125.02	126.93	127.42
Services	126.25	127.13	128.45	129.82	130.85
Gross Private Domestic Investment	117.96	117.82	117.93	118.73	119.32
Fixed Investment	118.19	118.12	118.35	118.81	119.39
Nonresidential	109.02	109.18	109.79	110.63	111.47
Equipment and Software	94.80	94.70	95.10	95.57	96.01
Structures	159.14	160.18	161.50	163.47	165.55
Residential	138.80	137.90	136.69	136.03	135.81
Exports	118.79	121.40	124.56	125.69	125.26
Imports	124.91	128.72	137.14	140.17	143.16
Government Purchases	135.17	137.24	139.59	141.66	143.21
Federal	131.07	132.88	134.55	135.69	136.96
State and Local	137.65	139.87	142.63	145.35	147.07

Percent Change, Annual Rate

Gross Domestic Product	2.84	2.63	1.12	3.25	2.00
Total Demand	3.96	4.02	4.96	4.96	2.20
Domestic Demand	4.02	3.51	4.24	4.68	2.72
Domestic Final Demand	4.00	3.54	4.29	4.46	2.72
Final Demand	2.82	2.66	1.17	3.66	0.93
Personal Consumption Expenditures	4.31	3.61	4.26	4.53	2.26
Durable Goods	-1.56	-0.08	-1.58	-0.30	-1.92
Nondurable Goods	8.37	6.66	6.53	6.23	1.56
Services	3.48	2.82	4.21	4.34	3.20
Gross Private Domestic Investment	1.35	-0.49	0.38	2.75	2.00
Fixed Investment	1.20	-0.24	0.80	1.57	1.97
Nonresidential	1.69	0.60	2.26	3.10	3.09
Equipment and Software	0.36	-0.41	1.70	2.00	1.85
Structures	4.49	2.65	3.32	4.97	5.20
Residential	-0.05	-2.58	-3.47	-1.91	-0.64
Exports	6.21	9.06	10.84	3.68	-1.37
Imports	12.81	12.79	28.82	9.16	8.79
Government Purchases	5.12	6.25	7.03	6.08	4.43
Federal	2.25	5.64	5.14	3.42	3.79
State and Local	6.81	6.60	8.15	7.85	4.81

INCOME SIDE

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	14387.10	14497.83
Plus:					
Receipts of Factor Income	907.40	843.20	822.80	841.22	859.79
Less:					
Payments of Factor Income	742.00	705.10	708.90	722.17	735.42
Equals: Gross National Product	14196.60	14289.00	14408.30	14506.15	14622.19
Less:					
Consumption of Fixed Capital	1758.60	1778.00	1803.10	1813.01	1815.62
Equals: Net National Product	12438.00	12511.10	12605.20	12693.46	12806.66
Indirect Business Taxes	1027.66	1025.76	1039.35	1044.68	1055.48
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	12602.28	12722.00
Corporate Profits	1611.10	1593.50	1533.30	1521.67	1540.62
Net Interest	688.10	662.30	683.40	695.01	702.88
Contribution for Soc. Ins.	975.26	992.20	997.00	1004.41	1009.12
Personal	505.70	515.75	518.30	521.23	521.80
Employer	469.56	476.45	478.70	483.18	487.32
Personal Interest Income	1242.70	1224.60	1208.70	1234.39	1260.62
Personal Dividend Income	813.50	829.50	843.60	857.12	867.14
Government Transfers	1704.73	1745.82	1893.86	1843.85	1863.41
Business Transfers (to persons)	33.10	32.20	32.40	32.12	32.02
Personal Income	11872.10	11960.50	12188.90	12258.08	12391.55
Percent Change, Annual Rate					
Gross Domestic Product	2.33	3.45	4.12	2.62	3.11
Plus:					
Receipts of Factor Income	4.02	-25.44	-9.33	9.26	9.12
Less:					
Payments of Factor Income	-20.70	-18.46	2.17	7.70	7.55
Equals: Gross National Product	3.86	2.63	3.38	2.74	3.24
Less:					
Consumption of Fixed Capital	6.31	4.49	5.77	2.22	0.58
Equals: Net National Product	3.52	2.37	3.04	2.83	3.62
Indirect Business Taxes	3.35	-0.74	5.41	2.07	4.20
Business Transfers	3.57	0.39	-4.20	0.42	0.41
National Income	2.80	0.76	1.92	3.09	3.85
Corporate Profits	-13.03	-4.30	-14.28	-3.00	5.07
Net Interest	16.03	-14.18	13.37	6.97	4.61
Contribution for Social Insurance	3.87	7.13	1.95	3.00	1.89
Personal	3.87	8.19	1.99	2.28	0.44
Employer	3.87	6.00	1.91	3.79	3.47
Personal Interest Income	2.12	-5.70	-5.09	8.78	8.77
Personal Dividend Income	9.80	8.10	6.97	6.56	4.76
Government Transfers	4.01	9.99	38.48	-10.15	4.31
Business Transfers (to persons)	7.59	-10.44	2.51	-3.46	-1.19
Personal Income	4.92	3.01	7.86	2.29	4.43

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	6627.28	6683.13
Commod Prod Industries	1218.20	1217.70	1216.30	1226.64	1235.44
Manufacturing	750.20	748.40	748.50	749.97	751.19
Others	468.00	469.30	467.80	476.67	484.24
Distributive Industries*	1048.30	1050.40	1049.30	1048.79	1053.18
Service Industries	3106.90	3140.20	3179.70	3216.17	3247.22
Government	1092.10	1109.70	1123.40	1135.75	1147.45
Other Labor Income	1475.50	1491.70	1503.10	1514.14	1526.00
Proprietors Income	1073.80	1071.70	1076.90	1084.19	1094.62
Farm	47.10	41.60	38.00	30.88	31.13
Business and Profess.	1026.70	1030.10	1039.00	1053.31	1063.50
Rental Income of Persons	38.60	39.10	58.60	74.82	78.95
Interest Paid by Persons	276.70	261.70	253.80	252.46	254.18
Other Interest	966.00	962.90	954.90	981.93	1006.44
Transfer Payments	1737.80	1778.10	1926.30	1869.27	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	1497.78	1552.58
Disposable Income	10351.50	10425.50	10834.80	10760.27	10838.96
Addendum:					
Domestic Final Sales	14754.7	14882.3	15084.6	15142.9	15251.6

Percent Change, Annual Rate

Wages and Salaries	5.62	3.29	3.14	3.62	3.41
Commod Prod Industries	4.70	-0.16	-0.46	3.44	2.90
Manufacturing	3.71	-0.96	0.05	0.79	0.65
Others	6.31	1.12	-1.27	7.80	6.51
Distributive Industries*	5.12	0.80	-0.42	-0.20	1.69
Service Industries	6.64	4.36	5.13	4.67	3.92
Government	4.25	6.60	5.03	4.47	4.19
Other Labor Income	3.86	4.46	3.09	2.97	3.17
Proprietors Income	3.81	-0.78	1.96	2.74	3.90
Farm	-2.51	-39.15	-30.38	-56.39	3.23
Business and Profess.	4.12	1.33	3.50	5.63	3.92
Rental Income of Persons	-27.28	5.28	404.53	165.76	23.99
Interest Paid by Persons	-2.14	-19.98	-11.54	-2.09	2.75
Other Interest	3.38	-1.28	-3.28	11.81	10.36
Transfer Payments	4.06	9.60	37.74	-11.33	4.42
Contribution for Social Ins	3.87	8.19	1.99	2.28	0.44
Personal Tax & Nontax P.	5.15	3.85	-39.44	49.69	15.46
Disposable Income	4.89	2.89	16.65	-2.72	2.96
Addendum:					
Domestic Final Sales	4.02	3.50	5.55	1.56	2.90

*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	343.10	341.42	337.22	341.48	343.50	344.75
RS, Durable Goods Stores	118.06	118.29	115.91	112.99	113.19	110.14	111.83	112.74	113.18
RS, Bldg Materials, Hardware	27.34	28.02	27.84	27.94	27.37	27.20	27.42	27.52	27.73
RS, Auto Dealers	71.76	71.12	69.21	66.30	67.46	64.93	66.10	66.79	66.62
RS, Furn, Home Furn & Equip	9.46	9.50	9.32	9.25	9.05	8.84	8.96	9.04	9.10
RS, Nondurable Goods Stores	218.56	220.99	223.32	223.60	222.43	221.43	222.99	223.39	224.68
RS, Food Stores	48.96	48.89	49.41	49.53	49.84	49.60	49.94	50.05	50.16
RS, Gas Service Stations	42.55	43.95	45.33	45.35	43.98	44.01	44.13	43.60	43.98
RS, Apparel and Accessories	18.97	19.09	19.07	19.15	19.24	18.80	19.18	19.28	19.38
RS, New Domestic Cars, SAA	4.95	5.27	4.88	4.44	4.49	4.32	4.50	4.60	4.55
RS, New Dom Light Trucks, SAA	5.74	5.19	5.06	4.62	5.93	5.21	5.28	5.29	5.33

RECEIPTS AND OUTLAYS OF THE FEDERAL GOVERNMENT, Billions of Current Dollars, NSA									
Federal Govt Total Outlays	256.08	286.91	210.16	285.70	268.57	243.72	271.59	258.13	251.26
Federal Govt Debt Outstanding	9303.52	9328.80	9432.27	9524.05	9584.09	9960.59	*****	*****	*****

HOUSING STARTS, Millions, SAAR									
Housing Starts, Total	1.0040	0.9820	1.0890	0.9490	0.8720	0.8170	0.8403	0.8355	0.8462

NEW CONSTRUCTION PUT IN PLACE, Billions of Current Dollars, SAAR									
New Const, Residential Bldgs	383.49	371.39	356.44	342.48	343.64	342.14	341.04	336.93	334.45
New Const, Nonresident Bldgs	400.19	412.76	423.95	419.30	415.95	421.43	421.82	424.02	427.13
New Const, Federal Government	22.62	22.61	22.89	23.81	24.08	23.66	24.02	24.10	24.20
New Const, State & Local Govt	278.87	281.54	283.30	286.22	288.46	288.63	289.32	290.16	291.20

Percent Change, Monthly Rate

RETAIL SALES (RS)									
RS, Total Retail Sales	0.11	0.79	0.06	-0.73	-0.49	-1.23	1.26	0.59	0.36
RS, Durable Goods Stores	-1.32	0.20	-2.02	-2.52	0.17	-2.69	1.54	0.81	0.39
RS, Bldg Materials, Hardware	2.24	2.48	-0.63	0.35	-2.05	-0.62	0.84	0.35	0.77
RS, Auto Dealers	-3.09	-0.90	-2.69	-4.19	1.75	-3.75	1.81	1.04	-0.27
RS, Furn, Home Furn & Equip	-0.23	0.50	-1.97	-0.67	-2.15	-2.33	1.36	0.82	0.66
RS, Nondurable Goods Stores	0.73	1.11	1.06	0.12	-0.52	-0.45	0.70	0.18	0.58
RS, Food Stores	0.76	-0.14	1.05	0.25	0.64	-0.49	0.69	0.22	0.23
RS, Gas Service Stations	0.61	3.28	3.16	0.04	-3.02	0.07	0.28	-1.22	0.89
RS, Apparel and Accessories	0.54	0.64	-0.12	0.42	0.49	-2.30	2.04	0.48	0.52
RS, New Domestic Cars, SAAR	-0.84	6.55	-7.46	-8.96	1.19	-3.81	4.17	2.30	-1.11
RS, New Dom Light Trucks, SA	-7.61	-9.58	-2.45	-8.77	28.43	-12.14	1.30	0.18	0.83

RECEIPTS AND OUTLAYS OF THE FEDERAL GOVERNMENT									
Federal Govt Total Outlays	28.38	12.04	-26.75	35.95	-6.00	-9.25	11.43	-4.96	-2.66
Federal Govt Debt Outstanding	-0.63	0.27	1.11	0.97	0.63	3.93	0.60	0.67	1.46

HOUSING STARTS									
Housing Starts, Total	1.62	-2.19	10.90	-12.86	-8.11	-6.31	2.85	-0.56	1.28

NEW CONSTRUCTION PUT IN PLACE									
New Const, Residential Bldgs	-2.08	-3.16	-4.02	-3.92	0.34	-0.44	-0.32	-1.20	-0.74
New Const, Nonresidential Bldgs	0.55	3.14	2.71	-1.10	-0.80	1.32	0.09	0.52	0.73
New Const, Federal Government	1.61	-0.06	1.24	4.03	1.10	-1.73	1.53	0.35	0.41
New Const, State & Local Govt	0.11	0.95	0.63	1.03	0.78	0.06	0.24	0.29	0.36

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	111.30	111.45	111.44	110.36	107.25	106.52	106.26	105.89
MANUFACTURERS' SHIPMENTS/INVENTORIES/ORDERS, Billions of Current Dollars, SA									
Manufacturers' New Orders	445.92	450.03	459.58	462.99	444.37	453.42	453.55	452.57	456.95
Manufacturers' Shipments	446.03	447.41	455.87	462.38	446.02	450.65	451.73	450.98	453.38
Manufacturers' Unfilled Orders	802.97	810.29	818.02	824.23	827.21	832.36	836.97	842.10	847.38
MANUFACTURED DURABLE GOODS, Billions of Current Dollars, SA									
Nondefense Capital Goods Shipmt	67.88	67.71	68.19	69.05	66.82	67.99	68.54	68.09	68.42
BUSINESS INVENTORIES, Billions of Current Dollars, SA									
Inventories, Manufacturers	545.63	548.83	555.63	559.07	562.45	566.07	568.82	571.62	574.24
Inventories, Merchant Wholesale	427.56	431.27	435.15	441.82	445.39	448.33	452.44	456.00	458.88
Inventories, Retail Traders	501.05	499.67	500.10	506.86	503.93	505.54	507.67	508.81	510.86
U.S. MERCHANDISE TRADE, Millions of Current Dollars, SA									
Exports, FAS	110835	111544	117014	121662	118716	121190	123019	124527	125879
Imports, CIF	181418	182355	186816	193922	187908	192336	193709	192714	195911
Exports, Mach and Transp Equipm	41907	41490	41803	42534	42097	42995	43172	43402	43685
Imports, Mach and Transp Equipm	64996	63014	61850	65366	59118	62637	63452	61990	63056
Percent Change, Monthly Rate									
INDUSTRIAL PRODUCTION									
Industrial Production, Total	-0.52	-0.13	0.14	-0.02	-0.96	-2.81	-0.69	-0.24	-0.35
MANUFACTURERS' SHIPMENTS/INVENTORIES/ORDERS									
Manufacturers' New Orders	1.29	0.92	2.12	0.74	-4.02	2.04	0.03	-0.22	0.97
Manufacturers' Shipments	2.68	0.31	1.89	1.43	-3.54	1.04	0.24	-0.16	0.53
Manufacturers' Unfilled Orders	0.73	0.91	0.95	0.76	0.36	0.62	0.55	0.61	0.63
MANUFACTURED DURABLE GOODS									
Nondefense Capital Goods Shipmt	1.80	-0.25	0.71	1.25	-3.23	1.76	0.81	-0.66	0.49
BUSINESS INVENTORIES									
Inventories, Manufacturers	-0.03	0.59	1.24	0.62	0.61	0.64	0.49	0.49	0.46
Inventories, Merchant Wholesale	1.39	0.87	0.90	1.53	0.81	0.66	0.91	0.79	0.63
Inventories, Retail Traders	0.22	-0.28	0.09	1.35	-0.58	0.32	0.42	0.22	0.40
U.S. MERCHANDISE TRADE									
Exports, FAS	5.02	0.64	4.90	3.97	-2.42	2.08	1.51	1.23	1.09
Imports, CIF	5.57	0.52	2.45	3.80	-3.10	2.36	0.71	-0.51	1.66
Exports, Mach and Transp Equip	9.24	-0.99	0.75	1.75	-1.03	2.13	0.41	0.53	0.65
Imports, Mach and Transp Equip	9.02	-3.05	-1.85	5.69	-9.56	5.95	1.30	-2.30	1.72

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	218.81	219.52	220.18	221.03
CPI, Durables	111.42	111.23	111.26	111.43	111.14	110.51	110.11	109.82	109.65
CPI, Furniture	124.56	123.49	124.00	124.62	124.78	125.50	125.40	125.16	125.04
CPI, Housekeeping Supplies	174.83	175.43	175.60	176.20	176.51	178.53	179.51	180.47	181.41
CPI, Nondurables	204.71	207.83	212.72	215.07	213.12	212.58	213.83	213.08	213.43
CPI, Apparel and Upkeep	118.36	118.04	118.11	119.57	120.16	120.01	120.13	120.32	120.51
CPI, Food and Beverages	211.44	212.09	213.61	215.54	216.78	218.00	219.11	220.22	221.33
CPI, Motor Oil, Fuel,	276.57	292.24	321.62	334.73	320.65	317.96	322.88	320.19	317.18
CPI, Services	253.46	254.64	255.87	257.27	257.64	257.66	258.42	259.18	259.96
CPI, New cars	134.77	134.69	134.99	135.30	134.55	133.57	133.42	133.44	133.46
PRODUCER PRICE INDEX (PPI), 1982=100, SA									
PPI, Finished Goods	176.10	178.60	181.70	183.90	182.20	181.50	182.55	183.29	184.69
PPI, Capital Equipment	152.50	152.90	153.10	154.30	154.50	155.20	155.84	156.37	156.95
PPI, Intermediate Materials	187.10	192.20	196.10	201.40	199.40	197.10	197.70	197.95	198.19
PPI, Components for Construction	200.00	203.20	206.20	209.80	213.00	214.40	215.73	216.85	217.69
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	123.97	124.39	125.52	127.69	126.03	125.00	125.46	125.02	124.71
U.S. Import Price Index	137.02	139.96	144.12	145.49	143.05	139.45	138.29	138.01	138.06
Percent Change, Monthly Rate									
CONSUMER PRICE INDEX (CPI)									
CPI, All Urban Consumers	0.21	0.65	1.06	0.82	-0.14	-0.03	0.32	0.30	0.39
CPI, Durables	-0.34	-0.17	0.03	0.15	-0.26	-0.56	-0.36	-0.27	-0.16
CPI, Furniture	-1.12	-0.86	0.42	0.50	0.12	0.58	-0.08	-0.19	-0.09
CPI, Housekeeping Supplies	0.69	0.34	0.10	0.35	0.17	1.15	0.55	0.53	0.52
CPI, Nondurables	0.48	1.53	2.35	1.10	-0.90	-0.25	0.59	-0.35	0.17
CPI, Apparel and Upkeep	0.46	-0.27	0.05	1.24	0.49	-0.13	0.11	0.15	0.16
CPI, Food and Beverages	0.92	0.31	0.72	0.90	0.57	0.56	0.51	0.51	0.50
CPI, Motor Oil, Fuel	-1.92	5.67	10.05	4.08	-4.21	-0.84	1.55	-0.83	-0.94
CPI, Services	0.30	0.47	0.48	0.55	0.14	0.01	0.29	0.30	0.30
CPI, New Cars	-0.19	-0.06	0.22	0.23	-0.56	-0.73	-0.11	0.01	0.02
PRODUCER PRICE INDEX (PPI)									
PPI, Finished Goods	0.28	1.42	1.74	1.21	-0.92	-0.38	0.58	0.41	0.76
PPI, Capital Equipment	0.59	0.26	0.13	0.78	0.13	0.45	0.41	0.34	0.37
PPI, Intermediate Materials	1.03	2.73	2.03	2.70	-0.99	-1.15	0.30	0.13	0.12
PPI, Components for Construction	1.42	1.60	1.48	1.75	1.53	0.66	0.62	0.52	0.39
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	0.39	0.34	0.90	1.73	-1.31	-0.82	0.37	-0.35	-0.25
U.S. Import Price Index	2.00	2.15	2.97	0.96	-1.68	-2.52	-0.83	-0.20	0.03

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	137.550	137.477	137.318	137.261	137.204	137.162
EMP, Manufacturing	13.592	13.571	13.527	13.487	13.431	13.380	13.346	13.315	13.287
EMP, Services	116.136	116.140	116.126	116.113	116.097	116.015	116.085	116.130	116.210
EMP, Wholesale and Retail Trade	21.400	21.370	21.359	21.320	21.285	21.241	21.229	21.202	21.190
EMP, Government	22.401	22.453	22.463	22.502	22.533	22.542	22.568	22.593	22.618
EMP, Federal Government	1.996	2.007	2.013	2.019	2.025	2.032	2.033	2.034	2.034
EMP, State and Local Governme	21.628	21.577	21.491	21.437	21.380	21.303	21.254	21.212	21.178
Total Unemployed, Millions	7.626	8.487	8.499	8.784	9.376	9.477	9.718	9.922	10.034

AVERAGE WEEKLY HOURS (AWH) of Production Workers, SA

AWH, Total Private	33.80	33.70	33.70	33.70	33.70	33.60	33.63	33.63	33.60
AWH, Manufacturing	41.00	41.00	41.00	41.00	40.90	40.70	40.80	40.80	40.78
AWH, Services	30.20	30.10	30.10	30.00	30.10	30.10	30.05	30.06	30.03
AWH, Wholesale and Retail Trade	38.30	38.30	38.30	38.40	38.30	38.10	38.24	38.22	38.17

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

AHE, Manufacturing	17.62	17.65	17.71	17.78	17.75	17.79	17.84	17.87	17.91
AHE, Services	12.85	12.90	12.90	12.90	12.95	12.93	12.95	12.97	12.98
AHE, Wholesale and Retail Trade	20.05	20.06	20.12	20.16	20.30	20.25	20.33	20.40	20.42

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

AWE, Total Private	604.68	604.92	606.60	608.62	611.32	610.51	612.88	614.99	616.25
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Percent Change, Monthly Rate

EMPLOYEES (EMP) ON NONFARM PAYROLLS

EMP, Total	-0.049	-0.034	-0.073	-0.049	-0.053	-0.116	-0.041	-0.042	-0.030
EMP, Manufacturing	-0.381	-0.155	-0.324	-0.296	-0.415	-0.380	-0.254	-0.232	-0.213
EMP, Services	0.036	0.003	-0.012	-0.011	-0.014	-0.071	0.060	0.039	0.068
EMP, Wholesale and Retail Trade	-0.261	-0.140	-0.051	-0.183	-0.164	-0.207	-0.058	-0.126	-0.054
EMP, Government	0.107	0.232	0.045	0.174	0.138	0.040	0.115	0.113	0.110
EMP, Federal Government	0.453	0.551	0.299	0.298	0.297	0.346	0.062	0.057	-0.009
EMP, State and Local Governme	-0.501	-0.236	-0.399	-0.251	-0.266	-0.360	-0.228	-0.198	-0.160
Total Unemployed, Millions	-2.418	11.290	0.141	3.353	6.740	1.077	2.546	2.096	1.133

AVERAGE WEEKLY HOURS (AWH) OF PRODUCTION WORKERS

AWH, Total Private	0.00	-0.30	0.00	0.00	0.00	-0.30	0.09	-0.01	-0.07
AWH, Manufacturing	-0.49	0.00	0.00	0.00	-0.24	-0.49	0.25	-0.01	-0.06
AWH, Services	0.00	-0.33	0.00	-0.33	0.33	0.00	-0.18	0.05	-0.09
AWH, Wholesale and Retail Trade	-0.26	0.00	0.00	0.26	-0.26	-0.52	0.36	-0.05	-0.12

AVERAGE HOURLY EARNINGS (AHE) OF PRODUCTION WORKERS

AHE, Manufacturing	0.06	0.17	0.34	0.40	-0.17	0.23	0.25	0.21	0.22
AHE, Services	-0.08	0.39	0.00	0.00	0.39	-0.15	0.19	0.11	0.10
AHE, Wholesale and Retail Trade	0.10	0.05	0.30	0.20	0.69	-0.25	0.38	0.38	0.08

AVERAGE WEEKLY EARNINGS (AWE) OF PRODUCTION WORKERS

AWE, Total Private	0.11	0.04	0.28	0.33	0.44	-0.13	0.39	0.34	0.21
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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)	1371.3	1368.1	1386.2	1403.3	1394.0	1453.9	1468.3	1477.6	1492.4
Money Supply (M2)	7631.2	7640.6	7638.5	7679.4	7669.9	7769.4	7843.7	7890.1	7946.8
Money Supply (M3)	7631.2	7640.6	7638.5	7679.4	7669.9	7769.4	7843.7	7890.1	7946.8
INTEREST RATES (IR), Percent Per Annum									
IR, Treasury Bill, 6 Month	1.58	1.86	2.19	1.98	1.97	1.64	1.41	1.38	1.32
IR, Commercial Paper, 2 month	2.06	2.01	2.15	2.13	2.08	2.11	2.11	2.12	2.12
Yields, US Govt Bond, 1 year	1.74	2.05	2.42	2.28	2.18	1.91	1.63	1.61	1.68
Yields, US Govt Bond, 10 Year	3.68	3.88	4.10	4.01	3.89	3.69	3.62	3.67	3.66
FOREIGN EXCHANGE VALUE, March 1973=100									
Weighted Average Value of US\$	95.48	95.83	96.09	95.40	97.93	100.30	101.21	101.66	101.99
STOCK MARKET									
New York Stock Exchange Index	9174.1	9429.0	8997.0	8427.4	8362.2	7886.3	7827.9	7831.4	7844.0
Dividend to (Stock) Price Ratio	2.09	2.07	2.15	2.28	2.23	2.36	2.40	2.39	2.38
CONSUMER INSTALLMENT CREDIT, Millions of Dollars, SA									
Consumer Credit Outstanding	2564.15	2571.09	2579.98	2585.22	2577.34	2581.90	2586.98	2592.31	2598.39
Percent Change, Monthly Rate									
MONEY SUPPLY									
Money Supply, (M1)	-0.29	-0.23	1.32	1.23	-0.66	4.30	0.99	0.63	1.00
Money Supply, (M2)	0.17	0.12	-0.03	0.54	-0.12	1.30	0.96	0.59	0.72
Money Supply, (M3)	0.17	0.12	-0.03	0.54	-0.12	1.30	0.96	0.59	0.72
INTEREST RATES (IR), Monthly Change									
IR, Treasury Bill, 6 Month	0.08	0.28	0.32	-0.21	-0.01	-0.33	-0.23	-0.03	-0.07
IR, Commercial Paper, 6 Month	-0.26	-0.05	0.15	-0.03	-0.05	0.04	-0.00	0.01	-0.01
Yields, US Govt Bond, 1 Year	0.19	0.31	0.37	-0.14	-0.11	-0.26	-0.28	-0.02	0.07
Yields, US Govt Bond, 10 Year	0.17	0.21	0.22	-0.09	-0.12	-0.20	-0.06	0.05	-0.01
FOREIGN EXCHANGE VALUE									
Weighted Average Value of US\$	-0.30	0.37	0.27	-0.71	2.65	2.42	0.90	0.44	0.32
STOCK MARKET									
New York Stock Exchange Index	4.53	2.78	-4.58	-6.33	-0.77	-5.69	-0.74	0.04	0.16
Dividend to (Stock) Price Ratio	-3.69	-0.96	3.86	6.05	-2.19	5.83	1.66	-0.37	-0.43
CONSUMER INSTALLMENT CREDIT									
Consumer Credit Outstanding	0.40	0.27	0.35	0.20	-0.30	0.18	0.20	0.21	0.23

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

	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
	< a c t u a l >			< forecast >	
Real GDP					
(i) Expenditure Side GDP	11620.7	11646.0	11727.4	11685.2	11636.6
% Previous Q, A.R.	-0.17	0.87	2.83	-1.43	-1.65
% Year before	2.33	2.54	2.05	0.51	0.14
(ii) Income Side GDP	11620.7	11646.0	11727.4	11703.6	11693.5
% Previous Q, A.R.	-0.17	0.87	2.83	-0.81	-0.34
% Year before	2.33	2.54	2.05	0.67	0.63
(iii) Principal Components est. GDP	11620.7	11646.0	11727.4	11716.3	11724.7
% Previous Q, A.R.	-0.17	0.87	2.83	-0.38	0.29
% Year before	2.33	2.54	2.05	0.78	0.89
Average Real GDP	11620.7	11646.0	11727.4	11701.7	11684.9
% Previous Q, A.R.	-0.17	0.87	2.83	-0.87	-0.57
% Year before	2.33	2.54	2.05	0.65	0.55
GDP Deflator (2000=100)					
(i) Expenditure Side PGDP	120.8	121.6	122.0	122.9	124.0
% Previous Q, A.R.	2.84	2.63	1.12	3.25	3.47
% Year before	2.62	2.25	2.02	2.45	2.61
(ii) Income Side PGDP: Same as (i)	120.8	121.6	122.0	122.9	124.0
% Previous Q, A.R.	2.84	2.63	1.12	3.25	3.47
% Year before	2.62	2.25	2.02	2.45	2.61
(iii) Principal Components est. PGDP	120.8	121.6	122.0	122.8	123.5
% Previous Q, A.R.	2.84	2.63	1.12	2.90	2.31
% Year before	2.62	2.25	2.02	2.37	2.24
Average GDP Deflator	120.8	121.6	122.0	122.9	123.8
% Previous Q, A.R.	2.84	2.63	1.12	3.13	3.08
% Year before	2.62	2.25	2.02	2.43	2.49
Nominal GDP					
(i) Expenditure Side GDP\$	14031.2	14150.8	14294.5	14364.5	14452.0
% Previous Q, A.R.	2.33	3.45	4.12	1.97	2.46
% Year before	4.94	4.74	4.05	2.97	3.00
(ii) Income Side GDP\$	14031.2	14150.8	14294.5	14387.1	14497.8
% Previous Q, A.R.	2.33	3.45	4.12	2.62	3.11
% Year before	4.94	4.74	4.05	3.13	3.33
(iii) Principal Components est. GDP\$	14031.2	14150.8	14294.5	14390.5	14483.2
% Previous Q, A.R.	2.33	3.45	4.12	2.71	2.60
% Year before	4.94	4.74	4.05	3.15	3.22
Average Nominal GDP	14031.2	14150.8	14294.5	14380.7	14477.7
% Previous Q, A.R.	2.33	3.45	4.12	2.43	2.73
% Year before	4.94	4.74	4.05	3.08	3.18

EXPENDITURE SIDE

Real Gross Domestic Product

2007Q4 2008Q1 2008Q2 2008Q3 2008Q4

Billions of Chained (2000) Dollars, SAAR

Gross Domestic Product	11620.70	11646.00	11727.40	11685.20	11636.59
Total Demand	13587.20	13608.60	13653.40	13624.02	13609.00
Domestic Demand	12103.20	12105.80	12102.60	12016.67	11920.43
Domestic Final Demand	12109.80	12113.30	12153.00	12044.75	11950.52
Final Demand	11628.00	11653.70	11778.80	11696.11	11661.28
Personal Consumption Expenditures	8298.20	8316.06	8341.33	8275.35	8211.62
Durable Goods	1250.58	1237.01	1228.29	1183.70	1117.81
Nondurable Goods	2400.16	2397.94	2420.72	2398.06	2389.07
Services	4676.10	4704.35	4712.13	4703.71	4696.96
Gross Private Domestic Investment	1781.30	1754.70	1702.00	1676.91	1637.45
Fixed Investment	1788.20	1762.40	1754.90	1704.91	1667.52
Nonresidential	1414.70	1423.10	1431.80	1390.65	1392.53
Equipment and Software	1090.13	1088.61	1074.74	1020.21	1019.55
Structures	319.69	326.36	340.48	344.67	346.37
Residential	411.60	383.00	369.60	358.16	322.95
Change In Business Inventories	-8.10	-10.20	-50.60	-28.05	-30.09
Farm	10.50	6.00	2.40	-1.53	-0.65
Nonfarm	-20.59	-17.93	-55.10	-26.52	-29.44
Net Exports	-484.50	-462.00	-381.30	-348.47	-289.22
Exports	1482.10	1500.60	1544.70	1607.45	1688.59
Imports	1966.50	1962.60	1926.00	1955.91	1977.81
Government Purchases	2029.40	2039.10	2058.90	2064.32	2071.38
Federal	761.70	772.60	785.00	787.78	791.61
State and Local	1267.50	1266.70	1274.40	1276.54	1279.78

Percent Change, Annual Rate

Gross Domestic Product	-0.17	0.87	2.83	-1.43	-1.65
Total Demand	-0.48	0.63	1.32	-0.86	-0.44
Domestic Demand	-1.05	0.09	-0.11	-2.81	-3.17
Domestic Final Demand	-0.14	0.12	1.32	-3.52	-3.09
Final Demand	0.80	0.89	4.36	-2.78	-1.19
Personal Consumption Expenditures	0.95	0.86	1.22	-3.13	-3.04
Durable Goods	0.38	-4.27	-2.79	-13.75	-20.48
Nondurable Goods	0.26	-0.37	3.85	-3.69	-1.49
Services	1.41	2.44	0.66	-0.71	-0.57
Gross Private Domestic Investment					
Fixed Investment	-6.19	-5.65	-1.69	-10.92	-8.49
Nonresidential	3.41	2.40	2.47	-11.01	0.54
Equipment and Software	0.98	-0.56	-5.00	-18.80	-0.26
Structures	8.54	8.61	18.47	5.01	1.99
Residential	-27.01	-25.03	-13.28	-11.82	-33.89
Exports	4.41	5.09	12.28	17.27	21.77
Imports	-2.31	-0.79	-7.25	6.36	4.55
Government Purchases	0.81	1.93	3.94	1.06	1.37
Federal	-0.52	5.85	6.58	1.42	1.96
State and Local	1.56	-0.25	2.45	0.67	1.02