

Robert A. Dye, Ph.D.

Daniel Sanabria



Economic Outlook: B
Balance of Risk:

U.S. Households Are in Very Good Shape

The U.S. economic expansion reached 112 months in October and it is in no immediate danger of ending. We expect this expansion to go into the record books as the longest U.S. economic expansion ever when it reaches 121 months next July. While the near-term outlook is good, we will be in unknown territory if and when this becomes the longest expansion in U.S. history.

The number of economic metrics that are at multidecade bests (highs or lows) is remarkable. Many of these "bests" are labor market metrics. The U.S. unemployment rate, at 3.7 percent in September, is the lowest since December 1969. Likewise, unemployment insurance claims are the lowest since 1969. July job openings were at 6,939,000, the highest level since that series started in December 2000. The National Federation of Independent Business's Business Optimism Index was at a 45-year high in September.

Other metrics are very good. The ISM Manufacturing and the ISM Non-Manufacturing Indexes combining in September to exceed 120 is a very positive signal.

Payroll job growth in September eased off the near-200,000 jobs per month pace of the first eight months of 2018, to hit 134,000 for the month. This is not a bad number at all given how tight the labor market is. We have gotten used to robust job growth but that is going to change. We simply cannot keep that pace up given that we have only about 6 million unemployed workers according to the U3 labor force count. Wage growth continues to be moderate, up 2.8 percent over the last year.

Hurricane Florence may have been a small negative weight on the September job numbers. The timing of the hurricane suggests that most of the jobs data was collected before the hurricane struck the Carolina coast. Hurricane Michael may prove to be a bigger drag on October economic data than Florence was on September data.

U.S. households are in great shape. Jobs are plentiful. The personal saving rate has rebounded after bottoming out in June 2005 at 2.2 percent, to a fairly steady near-7 percent range. Homeowners are continuing to generate equity in their homes, and for the most part, they are not spending it out. So even if we hit some bumps, households are not overextended on credit and they have much more padding to protect themselves from adverse economic conditions than they did in late 2007.

The Conference Board's Consumer Confidence Index in September surged to 138.4, within striking distance of its all-time high of 144.7 from January 2000. With the mid-term elections coming up consumer confidence may be vulnerable, especially if a flip in the House or Representatives and/or Senate significantly alters the political landscape. However, history suggests that consumer confidence tends to increase after the mid-term election. In 2014, the Consumer Confidence Index was higher in December after the mid-term election than it was in October before the mid-term election. The same was true in 2010, 2006, 2002, 1998 and 1994. 1990 breaks the pattern, but it holds in 1986 and 1982.

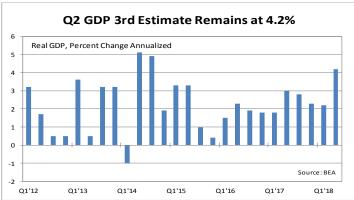
Federal Reserve Chairman Jay Powell has doubled down on "gradualism." We still believe that gradualism, as defined by a 25 basis point fed funds rate hike every other FOMC meeting, will change in late 2019. But for now, the Fed's familiar cadence will continue. According to the CME Group, the implied odds of the fourth rate hike for 2018, coming on December 19, are about 81 percent. The odds of the next rate hike after that coming in cadence on March 20, 2019 have increased to about 56 percent.

	U.S. E	conor	nic Oi														
		U.S. Economic Outlook, Summary															
1Q'18a	2Q'18a	3Q'18f	4Q'18f	1Q'19f	2Q'19f	3Q'19f	4Q'19f	2017a	2018f	2019f							
2.2	4.2	2.7	3.4	2.5	2.4	2.0	2.1	2.2	2.9	2.7							
2.3	2.6	2.7	2.6	2.3	2.5	2.4	2.2	2.1	2.5	2.4							
210.8	211.4	205.9	155.0	147.8	144.2	129.0	125.3	181.4	195.8	136.6							
4.1	3.9	3.8	3.7	3.6	3.5	3.5	3.5	4.3	3.9	3.5							
1.45	1.74	1.92	2.19	2.45	2.69	2.94	3.13	1.00	1.82	2.80							
2.76	2.92	2.93	3.22	3.27	3.38	3.66	3.81	2.33	2.96	3.53							
	2.2 2.3 210.8 4.1 1.45	2.2 4.2 2.3 2.6 210.8 211.4 4.1 3.9 1.45 1.74	2.2 4.2 2.7 2.3 2.6 2.7 210.8 211.4 205.9 4.1 3.9 3.8 1.45 1.74 1.92	2.2 4.2 2.7 3.4 2.3 2.6 2.7 2.6 210.8 211.4 205.9 155.0 4.1 3.9 3.8 3.7 1.45 1.74 1.92 2.19	2.2 4.2 2.7 3.4 2.5 2.3 2.6 2.7 2.6 2.3 210.8 211.4 205.9 155.0 147.8 4.1 3.9 3.8 3.7 3.6 1.45 1.74 1.92 2.19 2.45	2.2 4.2 2.7 3.4 2.5 2.4 2.3 2.6 2.7 2.6 2.3 2.5 210.8 211.4 205.9 155.0 147.8 144.2 4.1 3.9 3.8 3.7 3.6 3.5 1.45 1.74 1.92 2.19 2.45 2.69	2.2 4.2 2.7 3.4 2.5 2.4 2.0 2.3 2.6 2.7 2.6 2.3 2.5 2.4 210.8 211.4 205.9 155.0 147.8 144.2 129.0 4.1 3.9 3.8 3.7 3.6 3.5 3.5 1.45 1.74 1.92 2.19 2.45 2.69 2.94	2.2 4.2 2.7 3.4 2.5 2.4 2.0 2.1 2.3 2.6 2.7 2.6 2.3 2.5 2.4 2.2 210.8 211.4 205.9 155.0 147.8 144.2 129.0 125.3 4.1 3.9 3.8 3.7 3.6 3.5 3.5 3.5 1.45 1.74 1.92 2.19 2.45 2.69 2.94 3.13	2.2 4.2 2.7 3.4 2.5 2.4 2.0 2.1 2.2 2.3 2.6 2.7 2.6 2.3 2.5 2.4 2.2 2.1 210.8 211.4 205.9 155.0 147.8 144.2 129.0 125.3 181.4 4.1 3.9 3.8 3.7 3.6 3.5 3.5 3.5 4.3 1.45 1.74 1.92 2.19 2.45 2.69 2.94 3.13 1.00	2.2 4.2 2.7 3.4 2.5 2.4 2.0 2.1 2.2 2.9 2.3 2.6 2.7 2.6 2.3 2.5 2.4 2.2 2.1 2.5 210.8 211.4 205.9 155.0 147.8 144.2 129.0 125.3 181.4 195.8 4.1 3.9 3.8 3.7 3.6 3.5 3.5 3.5 4.3 3.9 1.45 1.74 1.92 2.19 2.45 2.69 2.94 3.13 1.00 1.82							

To subscribe to our publications or for questions, contact us at ComericaEcon@comerica.com. Archives are available at http://www.comerica.com/insights. Follow us on Twitter:@Comerica_Econ.

U.S. Economic Outlook October 2018





U.S. Added a Net 134,000 Jobs in September

1000

900 800

700 600

500 400

300

200 100

-100

-200

-300

-400

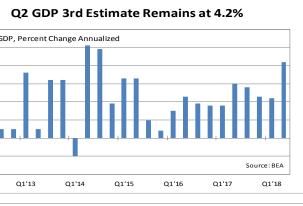
-500

-600

J'16

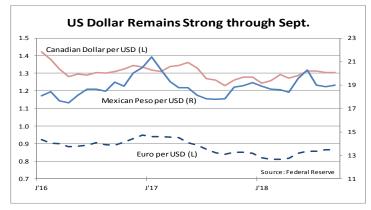
Unemployment Rate, Percent (R)

Total Nonfarm Employment (L)

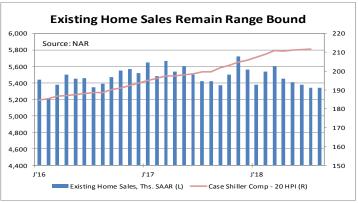


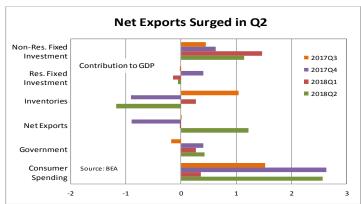


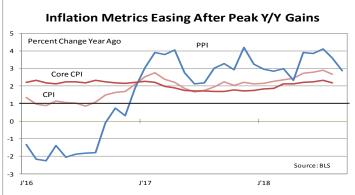
Source: BLS

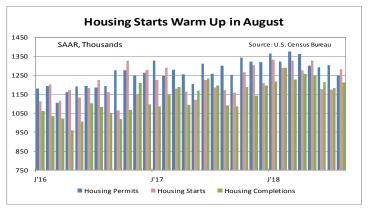


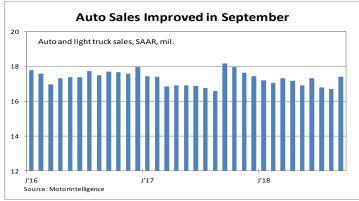
Total Household Employment (L)











Subscribe to economics publications and view available archive at http://www.comerica.com/insights.

The articles and opinions in this publication are for general information only, are subject to change, and are not intended to provide specific investment, legal, tax or other advice or recommendations. The information contained herein reflects the thoughts and opinions of the noted authors only, and such information does not necessarily reflect the thoughts and opinions of Comerica or its management team. We are not offering or soliciting any transaction based on this information. We suggest that you consult your attorney, accountant or tax or financial advisor with regard to your situation. Although information has been obtained from sources we believe to be reliable, neither the authors nor Comerica guarantee its accuracy, and such information may be incomplete or condensed. Neither the authors nor Comerica shall be liable for any typographical errors or incorrect data obtained from reliable sources or factual information.

U.S. Economic Outlook October 2018



Output Nominal GDP (Billions \$) 20041 20412 Percent Change Annualized 4.3 7.6 Real GDP (Chained 2012 Billions \$) 18324 18512 Percent Change Annualized 2.2 4.2 Pers. Consumption Expenditures 12723 12842 Pers. Consumption Expenditures 12723 12842 Percent Change Annualized 0.5 3.8 Nonresidential Fixed Investment 2654 2710 Percent Change Annualized 11.5 8.7 Residential Investment 615 613 Percent Change Annualized -3.4 -1.3 Change in Private Inventories 30 -37 Net Exports -902 -841 Government Expenditures 3152 3172 Percent Change Annualized 1.5 2.5 Government Expenditures 3152 3172 Percent Change Annualized 2.5 2.5 Government Expenditures 3152 3172 Percent Change Annualized 2.5 2.0	20665 5.0 18637 2.7 12915 2.3 2741 4.7 618 2.9 30 -908 3188 2.0 108.2 3.6 78.1	4Q'18f 20940 5.4 18792 3.4 12997 2.6 2781 5.9 623 3.2 42 -907 3202 1.8 108.9 2.4 78.7	1Q'19f 21163 4.3 18907 2.5 13059 1.9 2818 5.4 629 4.5 49 -918 3216 1.7 109.3 1.6 78.9	2Q'19f 21388 4.3 19017 2.4 13122 2.0 2852 4.9 635 3.8 51 -927 3228 1.6 109.6 1.1	21599 4.0 19113 2.0 13183 1.9 2884 4.7 640 3.1 51 -940 3240 1.4 109.8	21815 4.1 19211 2.1 13251 2.1 2915 4.3 644 2.7 50 -953 3248 1.1	2017a 19485 4.2 18051 2.2 12559 2.5 2538 5.3 611 3.3 23	2018f 20514 5.3 18566 2.9 12869 2.5 2722 7.2 617 1.0	2019f 21491 4.8 19062 2.7 13154 2.2 2867 5.3 637
Nominal GDP (Billions \$) 20041 20412 Percent Change Annualized 4.3 7.6 Real GDP (Chained 2012 Billions \$) 18324 18512 Percent Change Annualized 2.2 4.2 2.2 4.2 Pers. Consumption Expenditures 12723 12842 Percent Change Annualized 0.5 3.8 Nonresidential Fixed Investment 2654 2710 Percent Change Annualized 11.5 8.7 Residential Investment 615 613	5.0 18637 2.7 12915 2.3 2741 4.7 618 2.9 30 -908 3188 2.0 108.2 3.6 78.1	5.4 18792 3.4 12997 2.6 2781 5.9 623 3.2 42 -907 3202 1.8 108.9 2.4 78.7	4.3 18907 2.5 13059 1.9 2818 5.4 629 4.5 49 -918 3216 1.7 109.3 1.6 78.9	4.3 19017 2.4 13122 2.0 2852 4.9 635 3.8 51 -927 3228 1.6 109.6 1.1	4.0 19113 2.0 13183 1.9 2884 4.7 640 3.1 51 -940 3240 1.4	4.1 19211 2.1 13251 2.1 2915 4.3 644 2.7 50 -953 3248	4.2 18051 2.2 12559 2.5 2538 5.3 611 3.3 23	5.3 18566 2.9 12869 2.5 2722 7.2 617	4.8 19062 2.7 13154 2.2 2867 5.3
Percent Change Annualized Real GDP (Chained 2012 Billions \$) 18324 18512 Percent Change Annualized 2.2 4.2 Pers. Consumption Expenditures 12723 12842 Percent Change Annualized 0.5 3.8 Nonresidential Fixed Investment 2654 2710 Percent Change Annualized 11.5 8.7 Residential Investment 615 613 Percent Change Annualized -3.4 -1.3 -1.3 Change in Private Inventories 30 -37 Net Exports -902 -841 Government Expenditures 3152 3172 Percent Change Annualized 1.5 2.5 Industrial Prod. Index (2007=100) 105.9 107.3 Percent Change Annualized 2.5 5.1 Capacity Utilization (Percent) 77.2 77.8 Prices CPI (1982-84=100) Percent Change Annualized 2.5 2.0 GDP Price Index (2012=100) 107.5 108.1 Percent Change Annualized 2.5 2.0 GDP Price Index (2012=100) 109.3 110.2 Percent Change Annualized 2.5 2.0 GDP Price Index (2012=100) 109.3 3.0 2.7 2.0 Capacity Utilisation (Nov. 2009=100) 115.1 116.0 Percent Change Annualized 3.3 3.2 Crude Oil, WTI (\$/barrel) 62.9 68.0 Cabor Markets Cabor Mark	5.0 18637 2.7 12915 2.3 2741 4.7 618 2.9 30 -908 3188 2.0 108.2 3.6 78.1	5.4 18792 3.4 12997 2.6 2781 5.9 623 3.2 42 -907 3202 1.8 108.9 2.4 78.7	4.3 18907 2.5 13059 1.9 2818 5.4 629 4.5 49 -918 3216 1.7 109.3 1.6 78.9	4.3 19017 2.4 13122 2.0 2852 4.9 635 3.8 51 -927 3228 1.6 109.6 1.1	4.0 19113 2.0 13183 1.9 2884 4.7 640 3.1 51 -940 3240 1.4	4.1 19211 2.1 13251 2.1 2915 4.3 644 2.7 50 -953 3248	4.2 18051 2.2 12559 2.5 2538 5.3 611 3.3 23	5.3 18566 2.9 12869 2.5 2722 7.2 617	4.8 19062 2.7 13154 2.2 2867 5.3
Real GDP (Chained 2012 Billions \$)	18637 2.7 12915 2.3 2741 4.7 618 2.9 30 -908 3188 2.0 108.2 3.6 78.1	18792 3.4 12997 2.6 2781 5.9 623 3.2 42 -907 3202 1.8 108.9 2.4 78.7	18907 2.5 13059 1.9 2818 5.4 629 4.5 49 -918 3216 1.7 109.3 1.6 78.9	19017 2.4 13122 2.0 2852 4.9 635 3.8 51 -927 3228 1.6 109.6 1.1	19113 2.0 13183 1.9 2884 4.7 640 3.1 51 -940 3240 1.4	19211 2.1 13251 2.1 2915 4.3 644 2.7 50 -953 3248	18051 2.2 12559 2.5 2538 5.3 611 3.3 23	18566 2.9 12869 2.5 2722 7.2 617	19062 2.7 13154 2.2 2867 5.3
Real GDP (Chained 2012 Billions \$)	2.7 12915 2.3 2741 4.7 618 2.9 30 -908 3188 2.0 108.2 3.6 78.1	3.4 12997 2.6 2781 5.9 623 3.2 42 -907 3202 1.8 108.9 2.4 78.7	2.5 13059 1.9 2818 5.4 629 4.5 49 -918 3216 1.7 109.3 1.6 78.9	2.4 13122 2.0 2852 4.9 635 3.8 51 -927 3228 1.6 109.6 1.1	2.0 13183 1.9 2884 4.7 640 3.1 51 -940 3240 1.4	2.1 13251 2.1 2915 4.3 644 2.7 50 -953 3248	2.2 12559 2.5 2538 5.3 611 3.3 23	2.9 12869 2.5 2722 7.2 617	2.7 13154 2.2 2867 5.3
Pers. Consumption Expenditures	12915 2.3 2741 4.7 618 2.9 30 -908 3188 2.0 108.2 3.6 78.1	12997 2.6 2781 5.9 623 3.2 42 -907 3202 1.8 108.9 2.4 78.7	13059 1.9 2818 5.4 629 4.5 49 -918 3216 1.7 109.3 1.6 78.9	2.0 2852 4.9 635 3.8 51 -927 3228 1.6 109.6 1.1	13183 1.9 2884 4.7 640 3.1 51 -940 3240 1.4	13251 2.1 2915 4.3 644 2.7 50 -953 3248	12559 2.5 2538 5.3 611 3.3 23	12869 2.5 2722 7.2 617	13154 2.2 2867 5.3
Percent Change Annualized 0.5 3.8	2.3 2741 4.7 618 2.9 30 -908 3188 2.0 108.2 3.6 78.1	2.6 2781 5.9 623 3.2 42 -907 3202 1.8 108.9 2.4 78.7	1.9 2818 5.4 629 4.5 49 -918 3216 1.7 109.3 1.6 78.9	2.0 2852 4.9 635 3.8 51 -927 3228 1.6 109.6 1.1	1.9 2884 4.7 640 3.1 51 -940 3240 1.4	2.1 2915 4.3 644 2.7 50 -953 3248	2.5 2538 5.3 611 3.3 23	2.5 2722 7.2 617	2.2 2867 5.3
Nonresidential Fixed Investment	2741 4.7 618 2.9 30 -908 3188 2.0 108.2 3.6 78.1	2781 5.9 623 3.2 42 -907 3202 1.8 108.9 2.4 78.7 253.7 2.9	2818 5.4 629 4.5 49 -918 3216 1.7 109.3 1.6 78.9	2852 4.9 635 3.8 51 -927 3228 1.6 109.6 1.1	2884 4.7 640 3.1 51 -940 3240 1.4	2915 4.3 644 2.7 50 -953 3248	2538 5.3 611 3.3 23	2722 7.2 617	2867 5.3
Percent Change Annualized 11.5 8.7 Residential Investment 615 613 Percent Change Annualized -3.4 -1.3 Change in Private Inventories 30 -37 Net Exports -902 -841 Government Expenditures 3152 3172 Percent Change Annualized 1.5 2.5 Industrial Prod. Index (2007=100) 105.9 107.3 Percent Change Annualized 2.5 5.1 Capacity Utilization (Percent) 77.2 77.8 Prices CPI (1982-84=100) 249.4 250.5 Percent Change Annualized 3.5 1.7 PCE Price Index (2012=100) 107.5 108.1 Percent Change Annualized 2.5 2.0 GDP Price Index (2012=100) 109.3 110.2 Percent Change Annualized 2.0 3.0 PPI, Final Demand (Nov. 2009=100) 115.1 116.0 Percent Change Annualized 3.3 3.2 Crude Oil, WTI (\$/barrel) 62.9 68.0	4.7 618 2.9 30 -908 3188 2.0 108.2 3.6 78.1	5.9 623 3.2 42 -907 3202 1.8 108.9 2.4 78.7	5.4 629 4.5 49 -918 3216 1.7 109.3 1.6 78.9	4.9 635 3.8 51 -927 3228 1.6 109.6	4.7 640 3.1 51 -940 3240 1.4	4.3 644 2.7 50 -953 3248	5.3 611 3.3 23	7.2 617	5.3
Residential Investment	618 2.9 30 -908 3188 2.0 108.2 3.6 78.1 251.8 2.2	623 3.2 42 -907 3202 1.8 108.9 2.4 78.7	629 4.5 49 -918 3216 1.7 109.3 1.6 78.9	635 3.8 51 -927 3228 1.6 109.6 1.1	640 3.1 51 -940 3240 1.4	644 2.7 50 -953 3248	611 3.3 23	617	
Percent Change Annualized	2.9 30 -908 3188 2.0 108.2 3.6 78.1	3.2 42 -907 3202 1.8 108.9 2.4 78.7	4.5 49 -918 3216 1.7 109.3 1.6 78.9	3.8 51 -927 3228 1.6 109.6 1.1	3.1 51 -940 3240 1.4	2.7 50 -953 3248	3.3 23		637
Change in Private Inventories 30	30 -908 3188 2.0 108.2 3.6 78.1	42 -907 3202 1.8 108.9 2.4 78.7	49 -918 3216 1.7 109.3 1.6 78.9	51 -927 3228 1.6 109.6 1.1	51 -940 3240 1.4	50 -953 3248	23	1.0	
Change in Private Inventories 30	-908 3188 2.0 108.2 3.6 78.1 251.8 2.2	-907 3202 1.8 108.9 2.4 78.7 253.7 2.9	-918 3216 1.7 109.3 1.6 78.9	-927 3228 1.6 109.6 1.1	-940 3240 1.4	-953 3248			3.3
Government Expenditures	3188 2.0 108.2 3.6 78.1 251.8 2.2	3202 1.8 108.9 2.4 78.7 253.7 2.9	3216 1.7 109.3 1.6 78.9	3228 1.6 109.6 1.1	3240 1.4	3248	0.50	16	50
Percent Change Annualized	2.0 108.2 3.6 78.1 251.8 2.2	1.8 108.9 2.4 78.7 253.7 2.9	1.7 109.3 1.6 78.9	1.6 109.6 1.1	1.4		-859	-889	-934
Industrial Prod. Index (2007=100)	108.2 3.6 78.1 251.8 2.2	108.9 2.4 78.7 253.7 2.9	109.3 1.6 78.9	109.6 1.1		1.1	3130	3178	3233
Industrial Prod. Index (2007=100)	3.6 78.1 251.8 2.2	2.4 78.7 253.7 2.9	1.6 78.9	1.1	109.8		-0.1	1.5	1.7
Percent Change Annualized 2.5 5.1 Capacity Utilization (Percent) 77.2 77.8 Prices CPI (1982-84=100) 249.4 250.5 Percent Change Annualized 3.5 1.7 PCE Price Index (2012=100) 107.5 108.1 Percent Change Annualized 2.5 2.0 GDP Price Index (2012=100) 109.3 110.2 Percent Change Annualized 2.0 3.0 PPI, Final Demand (Nov. 2009=100) 115.1 116.0 Percent Change Annualized 3.3 3.2 Crude Oil, WTI (\$/barrel) 62.9 68.0 Labor Markets Payroll Jobs (Average Monthly Diff., Ths.) 210.8 211.4 Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14	78.1 251.8 2.2	78.7 253.7 2.9	78.9			109.9	103.7	107.6	109.7
Capacity Utilization (Percent) 77.2 77.8 Prices CPI (1982-84=100) 249.4 250.5 Percent Change Annualized 3.5 1.7 PCE Price Index (2012=100) 107.5 108.1 Percent Change Annualized 2.5 2.0 GDP Price Index (2012=100) 109.3 110.2 Percent Change Annualized 2.0 3.0 PPI, Final Demand (Nov. 2009=100) 115.1 116.0 Percent Change Annualized 3.3 3.2 Crude Oil, WTI (\$/barrel) 62.9 68.0 Labor Markets 210.8 211.4 Payroll Jobs (Average Monthly Diff., Ths.) 210.8 211.4 Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 <td>78.1 251.8 2.2</td> <td>78.7 253.7 2.9</td> <td>78.9</td> <td></td> <td>0.7</td> <td>0.4</td> <td>1.6</td> <td>3.7</td> <td>1.9</td>	78.1 251.8 2.2	78.7 253.7 2.9	78.9		0.7	0.4	1.6	3.7	1.9
Prices CPI (1982-84=100) 249.4 250.5 Percent Change Annualized 3.5 1.7 PCE Price Index (2012=100) 107.5 108.1 Percent Change Annualized 2.5 2.0 GDP Price Index (2012=100) 109.3 110.2 Percent Change Annualized 2.0 3.0 PPI, Final Demand (Nov. 2009=100) 115.1 116.0 Percent Change Annualized 3.3 3.2 Crude Oil, WTI (\$/barrel) 62.9 68.0 Labor Markets Payroll Jobs (Average Monthly Diff., Ths.) 210.8 211.4 Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 26.75 26.93 Average Hourly Earnings (\$) 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Personal Saving Rate (Percent)	251.8 2.2	253.7 2.9		79.0	79.0	79.1	76.1	77.9	79.0
CPI (1982-84=100) 249.4 250.5 Percent Change Annualized 3.5 1.7 PCE Price Index (2012=100) 107.5 108.1 Percent Change Annualized 2.5 2.0 GDP Price Index (2012=100) 109.3 110.2 Percent Change Annualized 2.0 3.0 PPI, Final Demand (Nov. 2009=100) 115.1 116.0 Percent Change Annualized 3.3 3.2 Crude Oil, WTI (\$/barrel) 62.9 68.0 Labor Markets Payroll Jobs (Average Monthly Diff., Ths.) 210.8 211.4 Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income Average Hourly Earnings (\$) 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 <td< td=""><td>2.2</td><td>2.9</td><td>055.0</td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	2.2	2.9	055.0						
Percent Change Annualized 3.5 1.7 PCE Price Index (2012=100) 107.5 108.1 Percent Change Annualized 2.5 2.0 GDP Price Index (2012=100) 109.3 110.2 Percent Change Annualized 2.0 3.0 PPI, Final Demand (Nov. 2009=100) 115.1 116.0 Percent Change Annualized 3.3 3.2 Crude Oil, WTI (\$/barrel) 62.9 68.0 Labor Markets 20 68.0 Payroll Jobs (Average Monthly Diff., Ths.) 210.8 211.4 Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Personal Saving Rate (Percent) 7.2 6.8 Housing 1317 1261 Exst. SF Home Sale	2.2	2.9	255.2	256.7	258.0	259.3	245.1	251.4	257.3
PCE Price Index (2012=100)			2.4	2.3	2.0.0 2.1	2.0	2.1	2.5	2.4
Percent Change Annualized 2.5 2.0 GDP Price Index (2012=100) 109.3 110.2 Percent Change Annualized 2.0 3.0 PPI, Final Demand (Nov. 2009=100) 115.1 116.0 Percent Change Annualized 3.3 3.2 Crude Oil, WTI (\$/barrel) 62.9 68.0 Labor Markets Payroll Jobs (Average Monthly Diff., Ths.) 210.8 211.4 Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 <t< td=""><td>108.5</td><td>109.2</td><td>109.8</td><td>110.4</td><td>111.0</td><td>111.6</td><td>106.1</td><td>108.3</td><td>110.7</td></t<>	108.5	109.2	109.8	110.4	111.0	111.6	106.1	108.3	110.7
GDP Price Index (2012=100) 109.3 110.2 Percent Change Annualized 2.0 3.0 PPI, Final Demand (Nov. 2009=100) 115.1 116.0 Percent Change Annualized 3.3 3.2 Crude Oil, WTI (\$/barrel) 62.9 68.0 Labor Markets Payroll Jobs (Average Monthly Diff., Ths.) 210.8 211.4 Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8	1.7	2.6	2.3	2.3	2.1	2.0	1.8	2.1	2.2
Percent Change Annualized 2.0 3.0 PPI, Final Demand (Nov. 2009=100) 115.1 116.0 Percent Change Annualized 3.3 3.2 Crude Oil, WTI (\$/barrel) 62.9 68.0 Labor Markets 210.8 211.4 Payroll Jobs (Average Monthly Diff., Ths.) 210.8 211.4 Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0	110.8	111.4	111.9	112.4	113.0	113.5	107.9	110.4	112.7
PPI, Final Demand (Nov. 2009=100) Percent Change Annualized Crude Oil, WTI (\$/barrel) Labor Markets Payroll Jobs (Average Monthly Diff., Ths.) Unemployment Rate (Percent) Average Weekly Hours Population (Millions) Percent Change Annualized Average Hourly Earnings (\$) Average Monthly Diff., Ths.) Average Hourly Earnings (\$) Average Monthly Diff., Ths.) Average Hourly Earnings (\$) Average Monthly Diff., Ths.) Average Mourly Earnings (\$) Average Monthly Diff., Ths.) Average Mourly Earnings (\$) Average Mourly Earnings	2.3	2.1	1.9	2.0	2.0	2.0	1.9	2.3	2.1
Percent Change Annualized 3.3 3.2 Crude Oil, WTI (\$/barrel) 62.9 68.0 Labor Markets Payroll Jobs (Average Monthly Diff., Ths.) 210.8 211.4 Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing Housing Starts (Ths., Ann. Rate) 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2	116.4	117.0	117.6	118.3	118.9	119.5	113.0	116.1	118.6
Crude Oil, WTI (\$/barrel) 62.9 68.0 Labor Markets Payroll Jobs (Average Monthly Diff., Ths.) 210.8 211.4 Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 4.7 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing 4.4 2.5 Housing Starts (Ths., Ann. Rate) 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sale	1.3	2.1	2.2	2.2	2.0	2.0	1.8	2.2	2.3
Labor Markets 210.8 211.4 Payroll Jobs (Average Monthly Diff., Ths.) 210.8 211.4 Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing Housing Starts (Ths., Ann. Rate) 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	68.0	74.0	75.0	75.0	75.0	75.0	50.8	68.2	75.0
Payroll Jobs (Average Monthly Diff., Ths.) 210.8 211.4 Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 4.7 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing Housing 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	00.0	74.0	75.0	7 3.0	75.0	70.0	30.0	00.2	75.0
Unemployment Rate (Percent) 4.1 3.9 Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 26.75 26.93 Average Hourly Earnings (\$) 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing Housing Starts (Ths., Ann. Rate) 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	205.9	155.0	147.8	144.2	129.0	125.3	181.4	195.8	136.6
Average Weekly Hours 34.5 34.5 Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income 4.7 26.75 26.93 Average Hourly Earnings (\$) 26.75 26.93 26.75 26.93 Percent Change Annualized 3.0 2.7 27 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing Housing Starts (Ths., Ann. Rate) 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	3.8	3.7	3.6	3.5	3.5	3.5	4.3	3.9	3.5
Population (Millions) 327.5 328.1 Percent Change Annualized 0.7 0.7 Personal Income Average Hourly Earnings (\$) 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing Housing Starts (Ths., Ann. Rate) 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1 17.1	3.o 34.5	3.7 34.5	34.5	3.5 34.5	3.5 34.5	34.5	4.3 34.4	34.5	34.5
Percent Change Annualized 0.7 0.7 Personal Income 3.0 26.75 26.93 Average Hourly Earnings (\$) 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing Housing 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1		34.5	34.5 329.8	330.4				34.5 328.4	
Personal Income Average Hourly Earnings (\$) 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing Housing 1317 1261 Exst. SF Home Sales (Ths., Ann. Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	328.7				331.0	331.6	326.0		330.7
Average Hourly Earnings (\$) 26.75 26.93 Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing Housing Starts (Ths., Ann. Rate) 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Percent Change Annualized 3.0 2.7 Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing Housing Starts (Ths., Ann. Rate) 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	07.40	07.00	07.00	07.00	00.05	00.00	00.04	07.05	07.04
Real Disp. Income (2012 Billions \$) 14220 14307 Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing Housing Starts (Ths., Ann. Rate) 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	27.16	27.38	27.60	27.83	28.05	28.28	26.31	27.05	27.94
Percent Change Annualized 4.4 2.5 Personal Saving Rate (Percent) 7.2 6.8 Housing Housing Starts (Ths., Ann. Rate) 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	3.4	3.3	3.4	3.2	3.3	3.2	2.5	2.8	3.3
Personal Saving Rate (Percent) 7.2 6.8 Housing Housing Starts (Ths., Ann. Rate) 1317 1261 Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	14420	14480	14548	14612	14681	14746	13949	14357	14647
Housing Housing Starts (<i>Ths., Ann. Rate</i>) Exst. SF Home Sales (<i>Ths., Ann Rate</i>) New SF Home Sales (<i>Ths., Ann Rate</i>) Case/Shiller HPI (<i>Jan. 2000=100</i>) Year/Year Percent Change Consumer Household Economic Stress Index Auto Sales (<i>Millions</i>) 1317 1261 4903 4797 4903 4797 4904 635 635 635 635 635 646 64 6.4 Consumer Household Economic Stress Index 10.0 0.2	3.2	1.7	1.9	1.8	1.9	1.8	2.6	2.9	2.0
Housing Starts (<i>Ths., Ann. Rate</i>) 1317 1261 Exst. SF Home Sales (<i>Ths., Ann Rate</i>) 4903 4797 New SF Home Sales (<i>Ths., Ann Rate</i>) 656 635 Case/Shiller HPI (<i>Jan. 2000=100</i>) 199.8 202.0	6.8	6.8	6.8	6.8	6.8	6.8	6.7	6.9	6.8
Exst. SF Home Sales (Ths., Ann Rate) 4903 4797 New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1									
New SF Home Sales (Ths., Ann Rate) 656 635 Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	1227	1247	1253	1260	1266	1270	1208	1263	1262
Case/Shiller HPI (Jan. 2000=100) 199.8 202.0 Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	4758	4794	4827	4848	4866	4880	4910	4813	4855
Year/Year Percent Change 6.4 6.4 Consumer Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	621	628	632	636	639	642	616	635	637
ConsumerHousehold Economic Stress Index0.00.2Auto Sales (Millions)17.217.1		206.7	209.0	211.4	214.0	216.7	191.6	203.2	212.8
Household Economic Stress Index 0.0 0.2 Auto Sales (Millions) 17.2 17.1	204.4	5.3	4.6	4.6	4.7	4.8	5.8	6.1	4.7
Auto Sales (Millions) 17.2 17.1	204.4 6.2								
		1.0	1.3	1.4	1.3	0.9	0.7	0.3	1.2
			16.9	16.8	16.6	16.5	17.2	17.1	16.7
Interest Rates (Percent)	6.2	17.1							
Federal Funds Rate (Effective) 1.45 1.74	0.3	17.1	2 45	2.69	2.94	3.13	1.00	1.82	2.80
Prime Rate 4.53 4.80	0.3	2.19	2.45	5.79	6.04	6.23	4.10	4.91	5.90
1-Month LIBOR 1.65 1.97	0.3 17.0		2.45 5.55		3.01	3.21	1.11	2.01	2.88
3-Month LIBOR 1.93 2.34	0.3 17.0	2.19 5.29		2.76		3.33	1.26	2.26	2.97
1-Yr. Treasury Rate 1.94 2.25	0.3 17.0 1.92 5.01	2.19	5.55	2.76 2.82	3.12	3.45	1.20	2.33	3.12
5-Yr. Treasury Rate 2.54 2.77	0.3 17.0 1.92 5.01 2.11	2.19 5.29 2.30	5.55 2.53		3.12 3.26	0.70		2.81	3.50
10-Yr. Treasury Rate 2.76 2.92	0.3 17.0 1.92 5.01 2.11 2.34	2.19 5.29 2.30 2.45	5.55 2.53 2.62	2.82 2.97			1.91		3.53
30-Yr. Fixed Rate Mortgage 4.27 4.54	0.3 17.0 1.92 5.01 2.11 2.34 2.47	2.19 5.29 2.30 2.45 2.66	5.55 2.53 2.62 2.79	2.82	3.26	3.77	1.91 2.33	2.96	0.00
a = actual f = forecast	0.3 17.0 1.92 5.01 2.11 2.34 2.47 2.81	2.19 5.29 2.30 2.45 2.66 3.10	5.55 2.53 2.62 2.79 3.22	2.82 2.97 3.36	3.26 3.64		1.91 2.33 3.99		5.24

Subscribe to economics publications and view available archive at http://www.comerica.com/insights.

The articles and opinions in this publication are for general information only, are subject to change, and are not intended to provide specific investment, legal, tax or other advice or recommendations. The information contained herein reflects the thoughts and opinions of the noted authors only, and such information does not necessarily reflect the thoughts and opinions of Comerica or its management team. We are not offering or soliciting any transaction based on this information. We suggest that you consult your attorney, accountant or tax or financial advisor with regard to your situation. Although information has been obtained from sources we believe to be reliable, neither the authors nor Comerica guarantee its accuracy, and such information may be incomplete or condensed. Neither the authors nor Comerica shall be liable for any typographical errors or incorrect data obtained from reliable sources or factual information.