US Outlook

Consumers feeling the strain

Pressures on household purchasing power have intensified amid elevated inflation and slowing labor income. While spending is beginning to soften, carryover effects should support Q2 growth. With investment providing an offset and inflation still elevated, the Fed remains poised for an extended hold.

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- Consumers are slowing at the margin, but underlying demand remains firm. Q1 GDP was revised down to 1.6% q/q saar, but PDFP held at 2.4%, with AI-driven capex offsetting softer consumption and leaving the Fed focused on resilient private demand rather than headline weakness. This helps explain why FOMC participants are unlikely to be stirred by near-term growth softness.

- Purchasing power strains are becoming clearer. April's saving rate fell 0.6pp (down 1.7pp since January), reflecting spending running ahead of income amid elevated inflation and slowing labor income—though Q2 spending growth will be supported by carryover effects from earlier gains. As elevated inflation persists, consumers are likely to shift from lower saving to slower consumption.

- Core PCE price inflation has softened, but for reasons the Fed is likely to discount. April's rate slowed to 0.24% m/m (3.3% y/y), but much of this reflected financial services categories that are poised to reverse, even as pressures from AI-related goods persist. For the time being, risks remain that underlying inflation will run faster than the 2% target, reinforcing the Fed's hold.

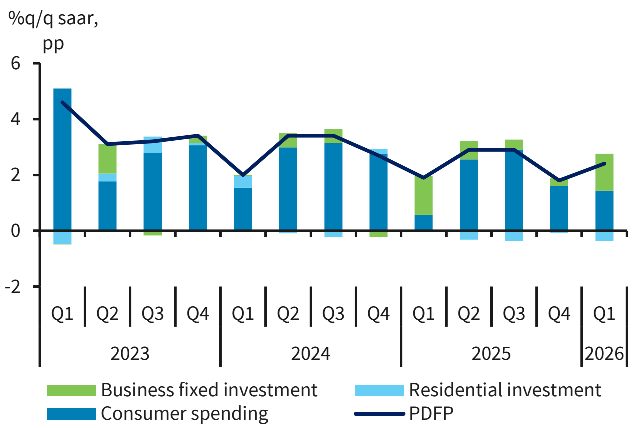
Hand-off underway: Capex takes the baton from consumers

This week's data reinforced our sense that consumers are gradually losing steam in line with our projections, but business fixed investment is picking up much of the slack. The second estimate of Q1 GDP was revised down by 0.4pp to 1.6% q/q saar, reflecting downward revisions to consumer service spending and a larger inventory drawdown. Smoothing through distortions from last year's government shutdown, GDP growth over the two-quarter period ended in Q1 averaged 1.1% q/q saar, about half the pace over the preceding four-quarter period ended in Q3 2025. Much the same can be said of GDI, which rose at an average pace of 1.3% q/q saar in Q4 and Q1.

However, given the distortions at play from volatile expenditure components, we suspect that FOMC participants will focus largely on the trajectory of private domestic final purchases (PDFP)—which it regards as a more reliable indicator of underlying demand conditions. That metric—which focuses solely upon consumer spending and private fixed investment—rose 2.4% q/q saar in Q1, in line with the %Q4/Q4 pace during 2025. In other words, the recent slowing in GDP mostly reflects trade and inventory investment, components that tend to exhibit offsetting movements over time but can often be out of sync in the quarterly estimates.

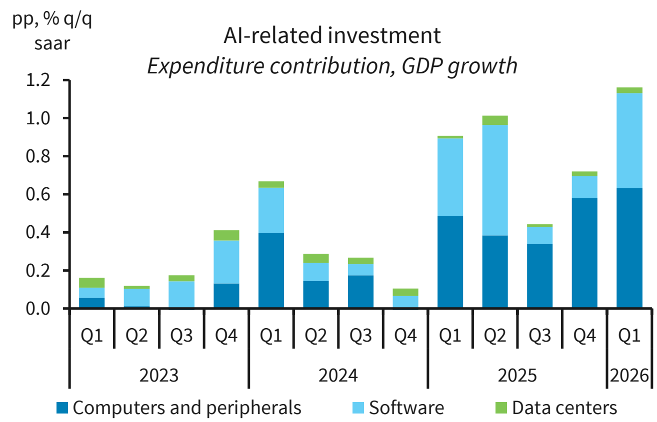
The steady pattern of PDFP in Q1 reflects the shifting fortunes of consumer spending and business fixed investment (Figure 1). On one hand, consumer spending rose just 1.4% in Q1, 0.2pp slower than the initial estimate, amid clear indications of purchasing power strains from high energy prices and gradually slowing labor market income. On the other, business fixed investment accelerated to 10.1% q/q saar, notably faster than its 5.7% average quarterly pace during 2025. That strength came almost entirely from AI-related investment categories (Figure 2), which contributed nearly 1.2pp to Q1 GDP growth, in expenditure terms. This is consistent with the growth dynamic we anticipate in our baseline projection, with ongoing strength in business fixed investment helping to offset gradual slowing in consumer spending to 1.0% q/q saar in H2 2026.

FIGURE 1. PDFP remains solid overall, with stronger business fixed investment offsetting softer PCE



Note: Bars show contributions to %q/q saar increase in private domestic final purchases, in pp.
Source: BEA, Barclays Research, Haver Analytics

FIGURE 2. The surge in AI-related capex shows no sign of abating



Note: Bars show expenditure contributions to %q/q saar GDP growth.

Source: BEA, Barclays Research, Haver Analytics

Purchasing power strains show through to saving rate

April's income and spending estimates showed inflation-adjusted consumer spending rising just 0.1% m/m, with price increases accounting for nearly all of the 0.5% nominal gain. That places spending on a soft growth trajectory as we stepped into the second quarter, consistent with the downshift we have been anticipating as consumers grapple with purchasing power pressures from elevated headline inflation and the gradually slowing trajectory of aggregate labor income. That said, we think it will take some time for this to be reflected in the quarterly estimates, with revised monthly data for February and March now implying a 1.2pp carryover effect for Q2 consumer spending growth.

Strains on household purchasing power are plainly evident in the saving rate. April's reading was down 0.6pp from the prior month and 1.7pp since January—a sharp decline that has pushed the level back near lows last seen during the post-pandemic period. Even allowing for some volatility in the monthly data, this points to a widening gap between income and consumption that is likely to translate into intensifying strains on household balance sheets.

That said, we would caution against taking the full magnitude of this decline at face value. First, bridge payments by the Farm Service Agency temporarily boosted non-wage income in March, thereby exaggerating the March level and April decline in the saving rate. Second, the BEA's treatment of tax changes tends to lift the saving rate early in the year, as spending adjusts with a lag to changes in withholding. Third—and most importantly—the BEA has persistently revised up its estimates of disposable income over the course of this expansion as more complete source data on non-wage income have been incorporated. These factors suggest that recent plunge in the saving rate should be taken with a few grains of salt.

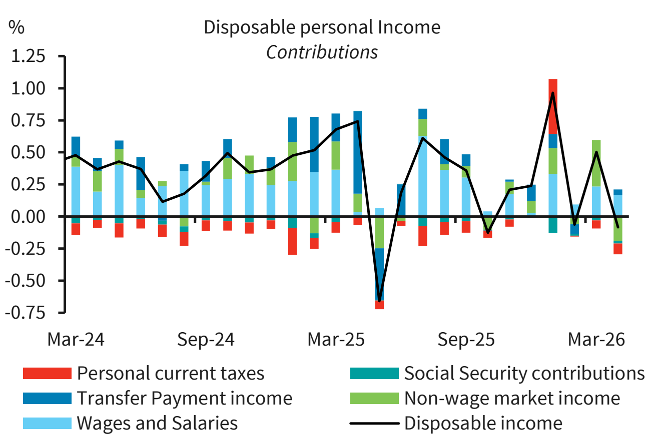
Nonetheless, disposable income has taken on a noticeably softer trajectory over the past year than earlier in the recovery, consistent with our long-held view that last year's abrupt slowdown in immigration has weighed on aggregate purchasing power. More recently, this dynamic has been compounded by elevated inflation, with nominal wage growth running below headline inflation. To date, households have largely responded by reducing the pace of saving, as one would expect in response to a temporary squeeze in purchasing power. However, as these pressures persist, we expect a greater share of the adjustment to shift to inflation-adjusted spending.

An alternative interpretation is that the low saving rate reflects wealth effects, as households internalize future gains in productivity and purchasing power from AI. While we see this as part of the explanation for why the saving rate has remained below pre-pandemic norms (6–8%) throughout this expansion, we are skeptical that such effects have intensified materially in recent months. That said, this represents an upside risk to our outlook, and, if realized, could provide one possible trigger for Fed hikes over the medium term (see Federal Reserve Commentary: What would trigger a 2026 Fed hike?).

Lean inventories downplay recession risks and amplify inflation risks

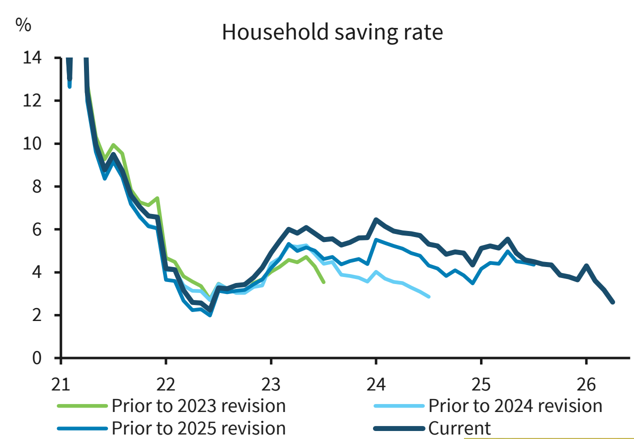
Although we are wary of inventory measurement, we do note that downward revisions to inventory investment in the second GDP estimates make stocks appear even leaner in relation to sales. Indeed, a variety of BEA metrics (Figure 5) show that—on an aggregate basis—inflation-adjusted stocks are generally at or below readings seen amid the acute shortages during the post-pandemic period. To our eyes, this is a reason to downplay recession risks, with little cause to fear an inventory correction that would forestall this year's pick-up in domestic manufacturing. At the same time, it amplifies upside risks to the inflation outlook, with commodities looking quite scarce amid shortages related to the Strait of Hormuz blockage and tariff-induced destocking by the private sector.

FIGURE 3. Disposable income looks soft, but compositional swings distort the monthly trajectory



Source: BEA, Barclays Research, Haver Analytics

FIGURE 4. The household saving rate has plunged this year, but measurement issues weaken the signal



Note: Pre-revision trajectories are from the monthly release
revision.
Source: BEA, Alfred, Haver Analytics

April core PCE price inflation exaggerates slowing

PCE price inflation showed some moderation in April, with headline PCE rising 0.40% m/m (3.8% y/y) and core PCE slowing to 0.24% m/m from 0.30% in March. More broadly, the three-month annualized pace of core inflation remains elevated at 3.8%, unchanged from earlier in the year, suggesting more limited underlying progress.

April's softening was driven primarily by financial services, which subtracted roughly 4bp from core PCE after adding about 5bp in March. This category—which includes portfolio management fees tied to asset values—declined in response to the equity market correction in February–March. However, with equity markets having since rebounded to new highs, this weakness is likely to reverse in the coming months, suggesting that April's print overstates disinflationary momentum..

At the same time, AI-related price pressures remain a persistent source of firmness. Inflation in the "computer software and accessories" category rose around 5% m/m in April, contributing roughly 6bp to core PCE. This category has consistently added 5–6bp per month since late last year, reflecting strength in memory and related components, and continues to pose an upside risk to core goods prices.

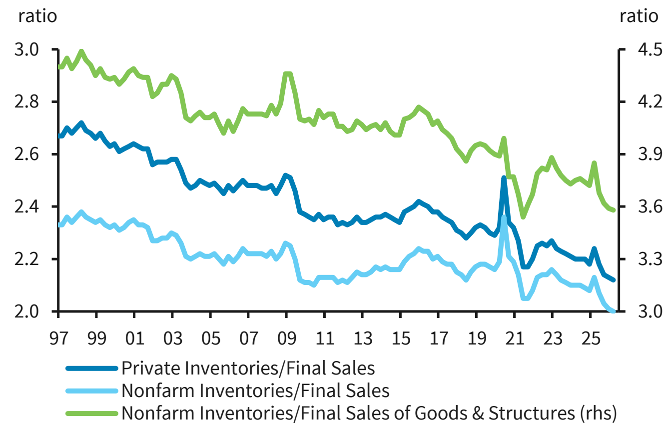
In our view, the Fed's preferred inflation gauge is still running a fair bit faster than a target-consistent pace, partly due to ongoing pressures from AI-related categories that receive little-to-no weight in CPI. This dynamic also raises the risk that the narrowing of the PCE–CPI gap we expect in our baseline proves more gradual than currently anticipated.

May employment data should clarify if the March-April pick-up has legs

The soft aggregate spending data show clear tensions with measured job gains in March (+183k) and April (+115k)—albeit less so with the 3mma pace of 48k/m—and with the common view the US economy is in the midst of a sustained productivity pick-up. May's employment situation estimates will help clarify the picture. We forecast a 75k increase in both headline and private payrolls in May (consensus 93k), with the unemployment rate holding at 4.3% (consensus 4.3%). Barring revisions, this would place the 3mma at around 125k, and the 4mma at 55k—with the latter much closer to the view of underlying job gains that informs our baseline. With recent job gains greatly surpassing prevailing estimates that the breakeven pace is close to zero, many will be looking for signs in average hourly earnings that a pick-up in wage growth is taking shape. Although we would tend to downplay the signal from any given print, we think that hourly earnings will be at a trend-like 0.3% m/m (3.4% y/y).

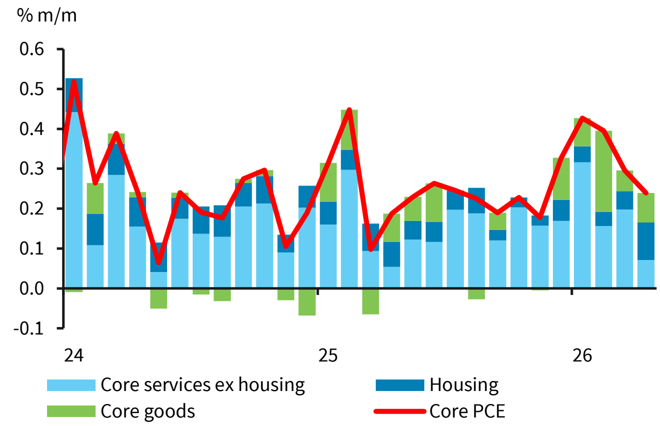
All of this is aligns with our view that underlying job gains remain relatively slow (about 50k/m), but still sufficiently strong to drive gradual declines in the unemployment rate through the medium term. Even so, we doubt that wage growth will gain enough steam to undermine the deceleration in service inflation that we anticipate in our outlook.

FIGURE 5. BEA metrics show exceptionally lean stocks in relation to sales



Source: BEA, Haver Analytics

FIGURE 6. Core PCE price inflation has slowed in recent months, led by services



Source: BEA, Haver Analytics

FOMC: Hawkish speakers sent hawkish signals

Participants delivered a broadly hawkish message this week, indicating that policy rates are likely on an extended hold while increasingly emphasizing conditions that could warrant further tightening. Although we stress that hawks were over-represented among this week's speakers, concerns exhibit some of the characteristics we had highlighted in Federal Reserve Commentary: What would trigger a 2026 Fed hike?, including risks of unanchored inflation expectations and discussion that policy has dropped below neutral levels.

With inflation above the Fed's 2% target for five years, Cook (Board) highlighted risks that price pressures become embedded in wage- and price-setting behavior, signaling openness to hikes if disinflation does not materialize in a timely manner. Kashkari (voter, Minneapolis) echoed concerns about unanchored expectations, reiterating that restoring price stability remains his top priority. Goolsbee (Chicago) questioned whether current inflation will prove transitory, pointing to the risk that stronger spending—driven by wealth effects and expectations of AI-led productivity gains—could sustain price pressures and necessitate tighter policy. Musalem (St. Louis) likewise suggested policy may still be accommodative and that rates could rise if disinflation stalls or expectations drift higher, while Barkin (Richmond) noted that AI-driven investment may be pushing up the neutral rate.

Separately, Logan (voter, Dallas) warned that the supply response to higher energy prices is likely to be constrained by capital discipline, labor shortages, and infrastructure bottlenecks, implying that a stronger demand adjustment may be needed to rebalance energy markets.

Commentary by others was more balanced, with Williams (NY, voter) and Jefferson (Board) portraying risks to both mandates while emphasizing that policy is well-positioned for a hold, with Williams characterizing it as slightly restrictive.

US Q2 GDP TRACKING AT 2.6%

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The culmination of the April personal income and spending report, the secondary estimate of Q1 GDP and April durable goods orders estimates provided a 0.1pp lift to our GDP tracker, putting it at 2.6% q/q saar. This gain was driven by an increase in our CIPI contribution from 0.0pp to +0.13pp. Other GDP components saw minor and offsetting revisions. New home sales data for April then provided a slight boost to our residential investment tracker but did not alter the rounding of our headline GDP tracker, leaving it at 2.6% q/q saar. The April advance goods trade balance and wholesale inventories reports also combined to keep our tracker constant, amid offsetting moves in our equipment and net export tracker (upward) and CIPI tracker (downward).

FIGURE 7. The effect of incoming data on our GDP tracking model

		Details of Q2 2026 GDP tracking estimate (% q/q saar, unless indicated)											
Date	Data release	GDP	Final sales	PCE	Res. inv.	Equip	Struct	IPP	Gov	Exports	Imports	Net exports (level)	CIPI (level)
May-28	Personal Income and Spending, Q1 GDP (2nd), Durable Goods Orders	**2.6**	**2.9**	**2.2**	**3.0**	**9.3**	**5.6**	9.0	1.5	0.0	4.0	**-1101.5**	**-18.2**
May-28	New Home Sales	2.6	**3.0**	2.2	**3.8**	9.3	5.6	9.0	1.5	0.0	4.0	-1101.5	-18.2
May-29	Advance Goods Trade Balance, Wholesale Inventories	2.6	3.0	2.2	3.8	**10.8**	5.6	9.0	1.5	**5.7**	**6.9**	**-1090.0**	**-35.7**
	Current quarter tracking	**2.6**	**3.0**	**2.2**	**3.8**	**10.8**	**5.6**	**9.0**	**1.5**	**5.7**	**6.9**	**-1090.0**	**-35.7**
	Contribution to GDP growth (pp)		*3.0*	*1.5*	*0.1*	*0.6*	*0.2*	*0.5*	*0.3*			*-0.3*	*-0.2*
	Barclays official forecast	**2.5**	**2.9**	**2.0**	**4.0**	**10.0**	**5.0**	**9.0**	**1.5**	**0.0**	**4.0**	**-1101.5**	**-20.2**

Note: Our GDP tracking estimate is distinct from our official published GDP forecast. It reflects the mechanical aggregation of monthly activity data that feed directly into the BEA's GDP calculation. Where data releases have implications for the tracking components, cells have been bolded.
Source: Barclays Research

US DATA REVIEW & PREVIEW

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Review of last week's data releases

Main indicators	Period	Previous	Barclays	Actual	Comments
FHFA purchase-only HPI, % m/m (y/y)	Mar	-0.1 R (1.8)	0.1 (1.8)	0.1 (1.7)	The S&P Cotality 20-City (-0.16% m/m) house price index declined in March, while the FHFA index posted a small gain (0.1% m/m). This was the second consecutive monthly decline in the S&P data, pointing to greater affordability.
S&P Cotality CS 20-City HPI, % m/m (y/y)	Mar	-0.1 (0.92 R)	-0.1 (1.0)	-0.2 (0.8)	
Conference Board Consumer confidence index	May	93.8 R	90.5	93.1	The Conference Board's consumer confidence index declined 0.7pts in May, to 93.1. The drop reflects a less optimistic assessment of current economic activity that offsets a stronger view of future conditions. Weaker appraisals of the current business and labor market climate drove the decline.
Personal income, % m/m	Apr	0.5 R	0.4	0.0	Real consumer spending posted another gain in April, driven by services spending. Income fundamentals appear to be faltering, implying less support to consumer spending in the coming months. With spending once again outpacing income, the saving rate declined 0.6pp to 2.6%.
Personal spending, % m/m	Apr	1.0 R	0.6	0.5	
PCE price index, % m/m (y/y)	Apr	0.7 (3.5)	0.5 (3.8)	0.4 (3.8)	April PCE price estimates were modestly lower than our translation. That said, most of the deceleration in April was led by financial services, which we expect will rebound in the coming months. We keep our Q4/Q4 core PCE forecast at 3.2%.
Core PCE price index, % m/m (y/y)	Apr	0.3 (3.2)	0.3 (3.3)	0.2 (3.3)	
Durable goods orders-p, % m/m	Apr	1.3 R	7.7	7.9	April durable goods orders surged sharply, with headline orders rising 7.9% after a 1.3% gain in March, marginally above expectations, driven primarily by a sharp rise in transportation equipment, while core capital goods orders fell 1.1% m/m after a 3.9% gain in March.
Durable goods ex transportation-p, % m/m	Apr	1.1 R	1.0	1.1	
Core capital goods orders-p, % m/m	Apr	3.9 R	1.0	-1.1	
Initial jobless claims, k (4wma)	May-23	210 R (203)	210	215 (209)	Initial claims rose to 215k from 210k, and continued claims increased to 1786k, pointing to a modest rise.
Insured unemployment (continued claims), k	May-16	1771 R	-	1786	
Real GDP 2nd release, % q/q saar	Q1	2.0 P	1.9	1.6	The BEA's second estimate marked down Q1 GDP growth by 0.4pp, to 1.6% q/q saar, reflecting downward revisions to consumer service spending and a larger inventory drawdown. Although signs of strain on consumers are concerning, the FOMC's primary focus will be on the still-solid pace of PDFP.
Real consumer spending 2nd release, % q/q saar	Q1	1.6 P	1.6	1.4	
GDP price index 2nd release, % q/q saar	Q1	3.6 P	-	3.5	
New home sales, k saar	Apr	663 R	650	622	New home sales declined in April, as sales moved lower relative to March and remained below their year-ago level. Monthly inventory of new houses for sale went up, as median sales prices were higher during the month.
Advance trade balance for goods, $ bn	Apr	-85.3 R	-87.9	-82.4	The goods trade balance was surprisingly narrow in April after having widened in March. The move reflects favorable shifts in the terms of trade amid recent energy price increases. However, the GDP effect is negated by higher prices and indications of a larger inventory drawdown.
Wholesale inventories-p, % m/m	Apr	1.5 R	1.0	0.5	Wholesale inventories increased by 0.5% in April, 1pp lower than the revised March increase.
Chicago PMI index	May	49.2	-	62.7	The Chicago PMI rebounded in May to 62.7 from 49.2, returning to expansion territory after slipping into contraction in April.

Preview of upcoming data

	Sunday, 31 May	Period	Prev – 3	Prev – 2	Prev – 1	Forecast	Consensus
08:30	Fed Governor Waller (FOMC voter) Speaks on Stablecoins 32nd Dubrovnik Economic Conference, Orašac, Croatia						
	Monday, 01 June	**Period**	**Prev – 3**	**Prev – 2**	**Prev – 1**	**Forecast**	**Consensus**
09:45	"Final" S&P Global manufacturing PMI, index	May	52.3	54.5	55.3 P	-	55.3
10:00	ISM manufacturing index	May	52.4	52.7	52.7	52.5	53.2
10:00	Construction spending, % m/m	Apr	-1.9	-0.2	0.6	0.6	0.1
	Tuesday, 02 June	**Period**	**Prev – 3**	**Prev – 2**	**Prev – 1**	**Forecast**	**Consensus**
01:50	Minneapolis Fed President Kashkari (FOMC voter) participates in a panel discussion at the 2026 Bank of Korea International Conference, Conference Hall, Bank of Korea, Seoul, South Korea						
08:30	Cleveland Fed President Hammack (FOMC voter) Speaks on monetary policy in in moderated Q&A The City Club of Cleveland, Cleveland						
10:00	JOLTS, k job openings	Apr	7240	6922	6866	6900	6890
-	Vehicle sales, mn saar	May	15.5	16.2	15.9	16.1	16.0
	Wednesday, 03 June	**Period**	**Prev – 3**	**Prev – 2**	**Prev – 1**	**Forecast**	**Consensus**
08:15	ADP private employment, chg., k	May	66	61	109	-	120
09:45	"Final" S&P Global services PMI, index	May	49.8	51.0	50.9 P	-	-
09:45	"Final" S&P Global composite PMI, index	May	50.3	51.7	51.7 P	-	-
10:00	Factory orders, % m/m	Apr	0.0	0.3	1.5	4.2	4.3
10:00	ISM services index	May	56.1	54.0	53.6	52.0	53.7
10:00	Durable goods orders-f, % m/m	Apr	-1.2	1.3	7.9 P	7.9	-
10:00	Durable goods ex transportation-f, % m/m	Apr	1.2	1.1	1.1 P	1.1	-
10:00	Core capital goods orders-f, % m/m	Apr	1.6	3.9	-1.1 P	-1.1	-
14:00	Fed releases Beige Book						
	Thursday, 04 June	**Period**	**Prev – 3**	**Prev – 2**	**Prev – 1**	**Forecast**	**Consensus**
08:30	Non-farm productivity-f, % q/q	Q1	5.2	1.6	0.8 P	-	0.7
08:30	Unit labor cost-f, % q/q	Q1	1.0	4.6	2.3 P	-	2.4
08:30	Initial jobless claims, k (4wma)	May-30	212 (204)	210 (203)	215 (209)	215	-
08:30	Insured unemployment (continued claims), k	May-23	1776	1771	1786	-	-
13:10	San Francisco Fed President Daly (FOMC non-voter) in conversation at Bloomberg Technology Summit, moderated by Caroline Hyde, Bloomberg Television						
	Friday, 05 June	**Period**	**Prev – 3**	**Prev – 2**	**Prev – 1**	**Forecast**	**Consensus**
08:30	Nonfarm payrolls, chg., k	May	-156	185	115	75	93
08:30	Private payrolls, chg., k	May	-148	190	123	75	100
08:30	Unemployment rate, %	May	4.4	4.3	4.3	4.3	4.3
08:30	Average hourly earnings, % m/m (y/y)	May	0.3 (3.7)	0.2 (3.4)	0.2 (3.6)	0.3 (3.4)	0.3 (3.4)
08:30	Average weekly hours	May	34.3	34.2	34.3	34.3	34.3

Employment Report: We forecast 75k gains for headline and private nonfarm payrolls in May, slowing somewhat from the strong prints in March and April, alongside an unchanged unemployment rate at 4.3%. We expect average hourly earnings to post a 0.3% m/m (3.4% y/y) rise in May, in line with the average pace over the past 12 months, combined with an unchanged workweek, which we expect to remain at 34.3 hours in May.

Note: Consensus data from Bloomberg.
Source: BEA, BLS, Bloomberg, Census Bureau, Federal Reserve, ISM, University of Michigan, S&P Global, Haver Analytics, Barclays Research

US SNAPSHOT

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	2025				2026				2027				Calendar year average		
% Change q/q saar	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**2025**	**2026**	**2027**
Real GDP (% q/q saar)	-0.6	3.8	4.4	0.5	1.6	2.5	2.0	2.0	1.5	1.5	1.5	1.5	2.1	2.1	1.7
Real GDP (% y/y)	2.0	2.1	2.3	2.0	2.6	2.2	1.6	2.0	2.0	1.8	1.6	1.5	...	...	...
Private consumption	0.6	2.5	3.5	1.9	1.4	2.0	1.0	1.0	1.5	1.5	1.5	1.5	2.6	1.9	1.4
Public consump and invest	-1.0	-0.1	2.2	-5.6	4.4	1.5	1.5	1.5	0.5	0.5	0.5	0.5	1.1	0.8	0.9
Gross private investment	23.3	-13.8	0.0	2.3	7.0	8.2	8.4	7.2	3.2	3.2	1.7	1.7	1.9	4.2	4.6
Residential investment	-1.0	-5.1	-7.1	-1.7	-6.2	4.0	4.0	4.0	2.0	2.0	2.0	2.0	-2.2	-1.7	2.7
Nonresidential investment	9.5	7.3	3.2	2.4	10.1	8.6	9.2	6.8	3.8	3.6	2.0	2.0	4.1	7.0	4.9
Equipment	21.4	8.5	5.2	4.3	17.2	10.0	10.0	8.0	4.0	4.0	2.0	2.0	8.3	9.8	5.4
Intellectual property	6.5	15.0	5.6	5.4	11.6	9.0	9.0	5.0	3.0	3.0	2.0	2.0	5.6	8.6	4.3
Structures	-3.1	-7.5	-5.0	-6.5	-5.4	5.0	8.0	8.0	5.0	4.0	2.0	2.0	-5.3	-1.4	5.1
Ch. inventories (contr to GDP, pp)	2.6	-3.4	-0.1	0.1	0.1	0.1	0.0	0.2	0.0	0.0	-0.1	-0.1	-0.1	-0.2	0.0
Net exports (contr to GDP, pp)	-4.7	4.8	1.6	-0.2	-1.3	-0.5	-0.4	-0.2	-0.2	-0.2	0.1	0.1	-0.2	0.0	-0.2
Exports	0.2	-1.8	9.6	-3.2	13.1	0.0	2.0	2.5	2.5	2.5	2.5	2.5	1.6	4.0	2.3
Imports	38.0	-29.3	-4.4	-1.0	21.1	4.0	4.5	3.5	3.5	3.5	1.5	1.5	2.7	3.4	3.3
Final sales to domestic purchasers	1.4	2.4	2.8	0.6	2.7	2.9	2.3	2.0	1.7	1.7	1.4	1.4	2.4	2.4	1.9
Industrial production (% y/y)	0.7	0.5	1.7	1.6	1.1	1.6	1.6	2.5	2.7	2.5	2.7	3.0	1.1	1.7	2.7
GDP price index	3.6	2.1	3.8	3.7	3.5	5.2	3.0	2.3	2.1	1.9	2.3	2.4	2.8	3.7	2.5
Nominal GDP	2.9	6.0	8.3	4.2	5.1	7.9	5.1	4.4	3.7	3.4	3.8	4.0	5.0	5.9	4.2
Employment (avg mthly chg, K)	20	34	23	-39	63	80	25	25	0	0	0	0	10	48	0
Unemployment rate (%)	4.1	4.2	4.3	4.5	4.3	4.3	4.2	4.1	4.1	4.1	4.0	4.0	4.3	4.2	4.1
CPI inflation (% y/y)	2.7	2.4	2.9	2.7	2.7	4.2	4.2	4.1	3.5	1.9	1.6	1.7	2.7	3.8	2.2
Core CPI inflation (% y/y)	3.1	2.8	3.1	2.7	2.5	2.8	2.7	3.0	3.0	2.8	2.6	2.4	2.9	2.8	2.7
PCE price index (% y/y)	2.6	2.4	2.7	2.8	3.1	3.9	4.0	3.8	3.1	2.1	1.9	1.9	2.6	3.7	2.2
Core PCE price index (% y/y)	2.8	2.7	2.9	2.9	3.1	3.3	3.2	3.2	2.7	2.5	2.4	2.3	2.8	3.2	2.5
Current account (% GDP)	-5.8	-3.3	-3.1	-2.4	-3.0	-3.1	-3.2	-3.3	-3.4	-3.5	-3.6	-3.7	-3.6	-3.1	-3.6
Federal budget bal. ($bn)	...	...	...	...	...	...	...	...	...	...	...	...	-1,775	-2,019	-2,014
Federal budget bal. (% GDP)	...	...	...	...	...	...	...	...	...	...	...	...	-5.8	-6.3	-6.0
Government debt (% GDP)	...	...	...	...	...	...	...	...	...	...	...	...	125.2	125.2	127.7
Federal funds target range															
Upper bound (%)	4.50	4.50	4.25	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.50	3.50	...	...	...
Lower bound (%)	4.25	4.25	4.00	3.50	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	...	...	...

Note: % q/q saar unless indicated. The budget balance is fiscal year.
Source: BEA, BLS, FRB, US Treasury, Barclays Research