US Outlook

Back on the pitch, updated playbook

Beneath a soft core CPI print, underlying inflation is firmer than it appears, with risks skewed upward. Key signals from next week's FOMC meeting are about the reaction function and the new chair's intentions for reshaping policy. Even with Warsh's fresh legs, patience is still the gameplan.

Jonathan Millar
+1 212 526 4876
jonathan.millar@barclays.com
BCI, US

Marc Giannoni
+1 212 526 9373
marc.giannoni@barclays.com
BCI, US

Pooja Sriram
+1 212 526 0713
pooja.sriram@barclays.com
BCI, US

Colin Johanson
+1 212 526 8536
colin.johanson@barclays.com
BCI, US

- Core CPI printed at 0.21% m/m in May, with weakness in core goods and idiosyncratic declines in auto insurance exaggerating disinflationary progress. Core PCE looks to run at a much firmer 0.36% m/m, with May's upswing in portfolio management fees exaggerating underlying pressures. In our view, estimates do not yet point to a sustained return to disinflation.
- Even amid the recent sharp pickup in measured job gains, activity data generally point to moderation in demand, with our GDP growth tracker at about 2.5% q/q saar in the current quarter. Next week, we expect both the headline and control group retail sales readings to slow to around 0.2% m/m, with two-sided risks. Industrial production should also slow from April.
- We expect the FOMC to remain on hold next week, with the median projection showing higher inflation in 2026 and a single rate cut in 2027. A solid majority of participants is likely to signal no change this year, with a few still pointing to hikes, and the 2027 outcome a close call. We expect Warsh to leave early imprints, with guidance removed and announcements of reviews of the balance sheet and FOMC communications.

Benign core CPI masks firmer underlying pressures

This week's May inflation report, arriving on the heels of the prior week's surprisingly strong job gains, provided an updated read on whether the FOMC is making meaningful progress toward its inflation mandate.

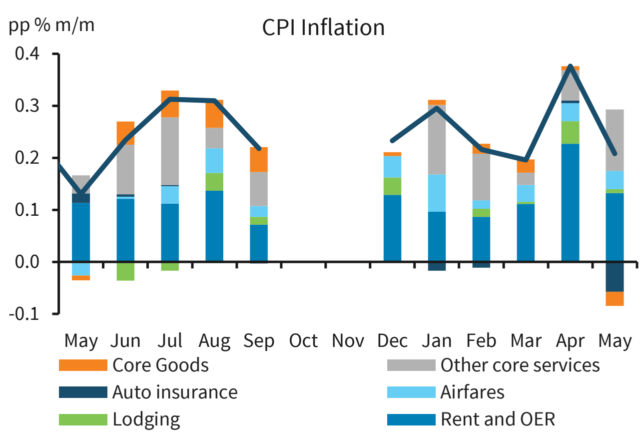
That progress remains unclear, reinforcing the case for an extended hold as the committee awaits greater clarity on the outlook for commodity prices and their broader pass-through into inflation. On the surface, May's CPI report painted an encouraging picture. Headline CPI rose a softer-than-expected 0.47% m/m (4.2% y/y) (Barclays: 0.50%; consensus: 0.50%), despite further increases in gasoline prices, while core CPI decelerated 17bp to 0.21% m/m (2.9% y/y) (Barclays: 0.28%; consensus: 0.30%).

To be sure, a portion of May's deceleration was expected, with April's reading having been boosted by a post-shutdown measurement quirk in housing rents that added roughly 11bp to core. But the softness ran deeper than that alone. Core goods prices fell 0.10% m/m, with declines in categories such as new vehicles, auto parts, furniture, and pharmaceuticals helping to restrain the overall core reading. At the same time, core services inflation (+0.3% m/m) was held down by an idiosyncratic decline in motor vehicle insurance, which subtracted about 8bp from the monthly increase.

Abstracting from those distortions, the underlying signal from services appears firmer. Airfares rose for a sixth consecutive month, while housing rents also remained firm: tenant rent (+0.36% m/m) and OER (+0.3% m/m) both ran somewhat faster than their trends prior to April's measurement quirk. Taken together, these details indicate that the soft core CPI print overstates underlying disinflationary pressures.

We expect core CPI to rise 0.24% m/m (2.8% y/y) in June, broadly in line with recent trends. That forecast reflects some reversal of May's decline in core goods and continued firmness in services, including another strong month for airfares. Although May's surprising pickup in housing rents bears monitoring, we retain our baseline that rent measures will run only modestly above 0.20% m/m through year-end. At the same time, risks around the near-term inflation outlook remain skewed to the upside. Although supply chain disruptions related to the Strait of Hormuz have had only limited effects on CPI so far, the imprint on the PPI estimates is readily evident, with May's final demand headline rising 1.10% m/m and the core up 0.80% m/m when one excludes trade margins, alongside sharp increases in intermediate goods prices. These developments point to ongoing cost pressures in the pipeline that could feed through into consumer prices in coming months, particularly if energy and trade-related disruptions prove more persistent than we currently assume.

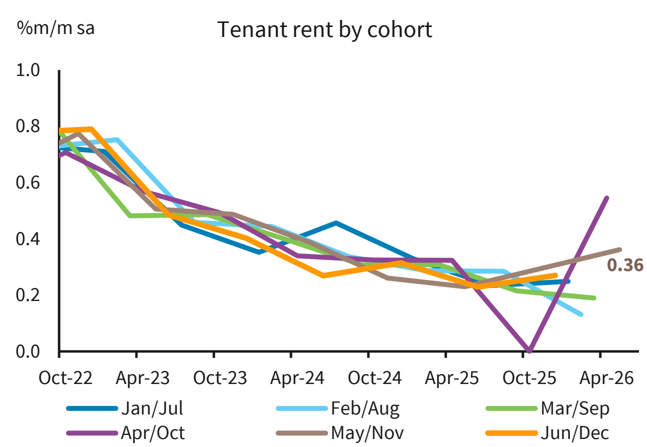
FIGURE 1. We think May's core CPI estimates exaggerate disinflationary progress...



Note: Due to the government shutdown, most CPI data were not collected in October.

Source: BLS, Barclays Research, Haver Analytics

FIGURE 2. ...with tentative signs of firming in housing rents among the upside risks for coming months



Note: Due to lack of data collection during last year's shutdown, April's gain was measured as if rents for each unit were unchanged in October 2025. Consequently, the entire rent change from April 2025 to April 2026 is treated as if it occurred between October 2025 and April 2026.
Source: BLS, Barclays Research, Haver Analytics

Estimates imply a firm May PCE price inflation print amid broader deceleration

After incorporating the latest CPI and PPI data, we estimate that core PCE inflation increased 0.36% m/m (3.4% y/y) in May, while headline PCE likely rose an even firmer 0.49% m/m (4.1% y/y), reflecting the direct contribution from higher gasoline prices. Although the weakness in core goods CPI points to a similar drag in core goods PCE, that softness is outweighed by stronger services inflation in the PCE framework.

In particular, we expect core services PCE to accelerate markedly in May, driven in large part by a sharp rebound in portfolio management services. Equity prices more than reversed their earlier decline during the initial phase of the Iran conflict, and that recovery fed through into portfolio management fees. That surprise lifted the contribution of portfolio services materially, accounting for most of the upward revision in our post-CPI estimate. The resulting increase in core PCE would have been larger still were it not for an unexpected flattening in the CPI index for computer software and accessories — a category with much greater weight in PCE — following a string of unusually strong gains.

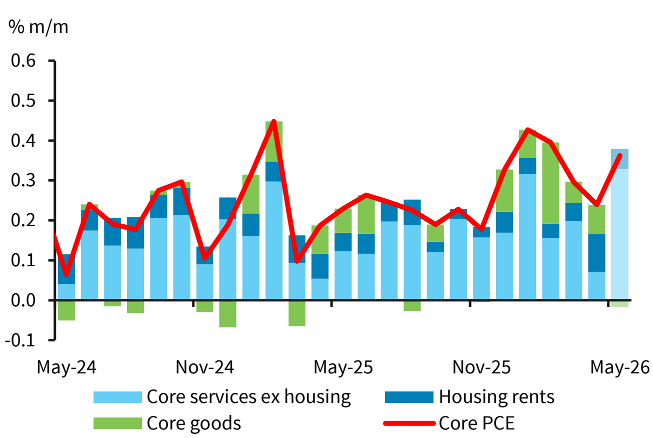
Although recent equity-market volatility has interrupted the sequential deceleration in core PCE seen earlier this year, smoothed measures continue to point to a gradual easing trend. Our estimates imply that core PCE inflation is running at around a 0.30% m/m three-month average pace in May, compared with roughly 0.40% m/m earlier in the year. Taking these developments into account, we retain our Q4/Q4 forecast for core CPI inflation at 3.0% and revise up our core PCE forecast modestly, by 0.1pp, to 3.3%.

Activity data remain consistent with Q2 growth pickup

Recent activity data were light, with trade providing the main signal. The April trade report showed only a modest narrowing in the deficit, to $55.9bn, as stronger export growth — driven in part by oil — largely offset a continued increase in imports, leaving net exports unlikely to provide a meaningful boost to Q2 growth. At the same time, the implied effective tariff rate continues to track at about 7% — a fair bit below the 10-11% range seen prior to the Supreme Court decision invalidating IEEPA tariffs. Taken together, the estimates suggest only limited spillovers from trade into the near-term growth outlook, with our Q2 GDP tracking estimate little changed at 2.6% q/q saar — within the range of competing forecasts from S&P Global (2.3%) and Atlanta Fed GDPNow (3.3% q/q saar).

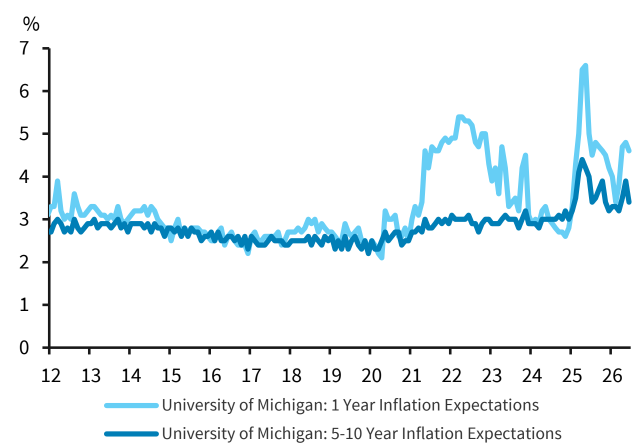
Next week's data focus shifts to May's retail sales estimates, which should give an updated sense of how consumers are withstanding extended pressures on purchasing power from high energy prices. We expect the headline to slow from 0.50% m/m in April to 0.20% m/m in May (control group: 0.20%; ex autos: 0.20%), though recent price data suggest that even modest nominal gains should translate into relatively firm inflation-adjusted readings. Risks around the print are two-sided, with high-frequency indicators such as the Chicago Fed's CARTS estimate pointing to downside (around -0.30% m/m ex autos), while consensus suggests a firmer outturn (0.40% m/m ex autos). Industrial production should provide a more-moderate signal, slowing from 0.70% m/m in April to 0.30% m/m in May (manufacturing: 0.20% m/m versus 0.60% previously).

FIGURE 3. Swings in portfolio services have interrupted broader moderation in core PCE



Source: BLS, BEA, Barclays Research, Haver Analytics

FIGURE 4. Michigan inflation expectations moderated somewhat in the preliminary June print



Source: University of Michigan, Haver Analytics

We expect Warsh to make his presence felt in next week's FOMC return

The June FOMC meeting is set to confirm that policy remains on hold, with the target range unchanged at 3.50–3.75%. With recent data pointing to firm inflation and resilient activity — particularly following last week's stronger labor market report — the committee likely sees little urgency to adjust rates and probably will await greater clarity on the evolution of inflation and the broader outlook. We expect Chair Warsh to reinforce this stance, emphasizing that policy is well positioned to wait for more clarity about the economic outlook.

Chair Warsh's first meeting is likely to mark an intended shift in communication, reflecting his preference for avoiding pre-commitment. In that context, we expect the statement to drop its guidance, removing the residual easing bias and reinforcing a meeting-by-meeting approach. As an early step under the new Chair, this change should command broad support across the committee: removing the easing bias addresses prior dissent from more-hawkish participants, while eliminating guidance altogether should remain acceptable to more-dovish members in a setting of elevated uncertainty and limited consensus around the policy path. Consistent with this shift, we do not expect any dissents to the rate decision.

The updated Summary of Economic Projections should reflect developments since the March round, with material upward revisions to inflation — particularly for 2026, where headline PCE is likely to be revised higher by around 1.0pp and core PCE by roughly 0.4pp — alongside limited changes elsewhere, including a roughly 0.1pp downward revision to 2026 GDP growth and a 0.1pp decline in the unemployment rate projection, with later-year projections broadly unchanged. Consistent with these revisions, the median rate path is likely to shift higher relative to March by roughly 25bp throughout, signaling a higher and more persistent policy stance, even as the committee continues to hold rates steady in the near term. Within that, a solid majority of participants is likely to indicate no change in rates this year, though a small number may prefer hikes. While our baseline remains for the 2027 median to show a 25bp rate cut, we see this as a close call, with risks that the median instead shifts to no change, reflecting the extent to which elevated inflation is pushing out the expected timing of easing.

Chair Warsh's press conference would be closely watched for how he frames this transition. Beyond reinforcing a meeting-by-meeting approach and avoiding explicit rate guidance, we expect him to announce formal reviews of both the balance sheet and FOMC communications. These reviews are likely to include consideration of the appropriate size and composition of the balance sheet, as well as the structure of policy tools such as the statement, SEP, and dot plot. Together, these steps are consistent with the removal of guidance and a shift to a meeting-by-meeting approach, with any changes likely to be developed and implemented over time.

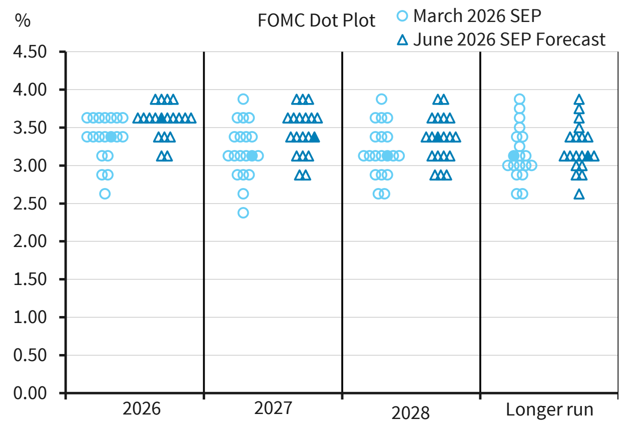
FIGURE 5. The updated SEPs should show notable upward revisions to inflation this year...

June 2026 FOMC Summary of Economic Projections (vs. March 2026 projections)

Q4/Q4 %chg (unless indicated)	2026	2027	2028	Longer run
Change in real GDP	2.3	2.3	2.1	2.0
March projection	2.4	2.3	2.1	2.0
Unemployment rate (%, Q4 avg)	4.3	4.2	4.2	4.2
March projection	4.4	4.3	4.2	4.2
PCE inflation	3.7	2.0	2.0	2.0
March projection	2.7	2.2	2.0	2.0
Core PCE inflation	3.1	2.3	2.0	
March projection	2.7	2.2	2.0	
Federal funds rate (Q4)	3.6	3.4	3.4	3.1
March projection	3.4	3.1	3.1	3.1

Source: Federal Reserve, Barclays Research

FIGURE 6. ...with the median dots boosted by 25bp throughout the medium term



Source: Federal Reserve, Barclays Research

US Q2 GDP TRACKING AT 2.6%

Colin Johanson, BCI, US | Jonathan Millar, BCI, US

We began our tracking this week with the release of the full trade balance report for April, which maintained our Q2 GDP tracker at 2.6% q/q saar. This came amid offsetting moves in our component trackers. We then updated for existing home sales data for May, which lifted our tracker by 0.1pp to 2.7% q/q saar, as stronger-than-expected data lifted our residential investment tracker. Wholesale inventory data for April kept our tracker constant at 2.7% q/q saar. CPI and PPI data for May both kept our tracker constant but did provide some offsetting moves in our component trackers. We ended the week by aligning our tracker to our forecasts for next week's indicators, which provided a 0.1pp reduction, putting it at 2.6% q/q saar.

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)**
Jun-9	Trade Balance	2.6	3.0	2.2	4.4	**11.0**	0.9	9.0	1.9	**7.0**	**8.1**	**-1092.4**	**-35.7**
Jun-9	Existing Home Sales	**2.7**	**3.1**	2.2	**5.7**	11.0	0.9	9.0	1.9	7.0	8.1	-1092.4	-35.7
Jun-9	Wholesale Inventories	2.7	3.1	2.2	5.7	11.0	0.9	9.0	1.9	7.0	8.1	-1092.4	**-32.8**
Jun-10	CPI	2.7	3.1	2.2	5.7	11.0	0.9	9.0	1.9	7.0	8.1	-1092.4	-32.8
Jun-11	PPI	2.7	**3.0**	2.2	**4.9**	**10.8**	**1.5**	9.0	**1.4**	**7.2**	**8.3**	**-1092.3**	**-28.4**
Jun-12	Calibration	**2.6**	**2.9**	2.2	**3.0**	10.8	1.5	9.0	1.4	7.2	8.3	**-1092.6**	-28.4
	Current quarter tracking	**2.6**	**2.9**	**2.2**	**3.0**	**10.8**	**1.5**	**9.0**	**1.4**	**7.2**	**8.3**	**-1092.6**	**-28.4**
	Contribution to GDP growth (pp)		*2.9*	*1.5*	*0.1*	*0.6*	*0.0*	*0.5*	*0.2*			*-0.3*	*0.0*
	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

Marc Giannoni, BCI, US | Jonathan Millar, BCI, US | Pooja Sriram, BCI, US | Colin Johanson, BCI, US

Review of last week's data releases

Main indicators	Period	Previous	Barclays	Actual	Comments
NFIB small business optimism	May	95.9	-	95.3	Small business optimism edged down in May, falling 0.6 points to 95.3 and remaining below its long-run average. Weak labor market indicators were only partly offset by smaller improvements in compensation and inventories indices.
Trade balance, $ bn	Apr	-56.6 R	-55.3	-55.9	The US trade deficit narrowed $0.7bn in April, to $55.9bn, after expanding in the prior two months. Strong export growth on the month overshadowed a gain in imports. All told, April trade balance data imply that imports were roughly offset by higher oil exports, driven up by elevated prices.
Existing home sales, mn saar	May	4.0 R	4.1	4.2	Existing home sales rose 3.2% m/m in May, to 4.17mn, on the heels of an upwardly revised gain in April. Despite the pick-up, sales remained below pre-pandemic trends due to residual effects from price and mortgage increases.
Wholesale inventories-f, % m/m	Apr	0.5 P	0.5	0.6	Wholesale inventories increased by 0.6% in April,just above the flash estimate.
CPI, % m/m sa (y/y)	May	0.6 (3.8)	0.5 (4.3)	0.5 (4.2)	May core CPI decelerated 17bp, to 0.21%, with core goods declines and some idiosyncratic softness in auto insurance accentuating declines from the end of April's rent quirk. We retain our front-month forecasts, with core CPI still expected to increase 3.0% Q4/Q4 this year.
Core CPI, % m/m sa (y/y)	May	0.4 (2.8)	0.3 (2.9)	0.2 (2.9)	
CPI, nsa index	May	333.020	335.250	335.123	
Treasury budget balance, $ bn	May	215.0	-	-292.6	The budget balance turned negative in May after recording a surplus in April, with both receipts and outlays declining on the month.
Initial jobless claims, k (4wma)	Jun-06	225 (215)	225	229 (219)	Initial claims increased to 229k from 225k, while continued claims climbed to 1795k from a downwardly revised 1771k.
Insured unemployment (continued claims), k	May-30	1771 R	-	1795	
PPI, % m/m (y/y)	May	1.1 (5.7) R	0.8 (6.4)	1.1 (6.5)	After folding in the May CPI and PPI data, we forecast core PCE inflation at 0.36% m/m (3.4% y/y), 9bp higher than our post-CPI translation, due to stronger-than-expected portfolio management fees. Additionally, we mark up our Q4/Q4 core PCE forecast to 3.3% (+0.1pp).
Core PPI, % m/m (y/y)	May	0.7 (4.9) R	0.5 (5.4)	0.4 (4.9)	
"Flash" U. of Michigan consumer sentiment, index	Jun	44.8	46.5	48.9	Consumer sentiment rose by about 4 points in June, with gains across demographic groups and a larger improvement among lower-income households. Although year-ahead inflation expectations edged down to 4.6% from 4.8% and long-run expectations fell to 3.4% from 3.9%, both remained elevated relative to pre-war levels.
"Flash" U. of Michigan 1 Yr. inflation, %	Jun	4.8	-	4.6	
"Flash" U. of Michigan 5-10 Yr. inflation, %	Jun	3.9	-	3.4	

Preview of upcoming data

Saturday, 13 June		Period	Prev – 3	Prev – 2	Prev – 1	Forecast	Consensus
	No indicator release scheduled.						
Sunday, 14 June		**Period**	**Prev – 3**	**Prev – 2**	**Prev – 1**	**Forecast**	**Consensus**
	No indicator release scheduled.						
Monday, 15 June		**Period**	**Prev – 3**	**Prev – 2**	**Prev – 1**	**Forecast**	**Consensus**
08:30	Empire State mfg. index	Jun	-0.2	11.0	19.6	-	12.5
09:15	Industrial production, % m/m	May	0.6	-0.3	0.7	0.3	0.2
09:15	IP: Manufacturing (SIC) production, % m/m	May	0.4	0.0	0.6	0.2	0.3

09:15	Capacity utilization, %	May	76.0	75.7	76.1	-	76.2
10:00	NAHB housing market index	Jun	38.0	34.0	37.0	-	36.0

Industrial production: We look for industrial production to slow to 0.3% m/m following April's 0.7% m/m jump. This partly reflects deceleration in the manufacturing component, with schedules pointing to an ebbing of motor vehicle assemblies in May following April's strong increase, and some moderation in utilities amid a return to more seasonal temperatures last month.

Tuesday, 16 June		**Period**	**Prev – 3**	**Prev – 2**	**Prev – 1**	**Forecast**	**Consensus**
08:30	Import prices, % m/m (y/y)	May	1.0 (1.0)	0.9 (2.3)	1.9 (4.2)	-0.3 (4.4)	-
08:30	Non petroleum import prices, % m/m (y/y)	May	0.9 (2.3)	0.0 (2.5)	0.7 (2.9)	0.5 (3.5)	-
08:30	Housing starts, k saar	May	1346	1507	1465	1430	1430
08:30	Building permits, k saar	May P	1540	1363	1423	-	1428

Housing Starts: We expect housing starts in May to print at 1.430mn, which would represent a decline of 2.4% m/m from the April print of 1.465mn. This would be a continuation of the pullback in activity following the sharp gain in March (+12.0% m/m) and represent a move towards a more sustainable level of housing starts that is more in line with overall consumer demand for new housing projects.

Wednesday, 17 June		**Period**	**Prev – 3**	**Prev – 2**	**Prev – 1**	**Forecast**	**Consensus**
08:30	Retail sales, % m/m	May	0.9	1.6	0.5	0.2	0.5
08:30	Retail sales ex autos, % m/m	May	0.9	1.9	0.7	0.2	0.4
08:30	Core retail sales, % m/m	May	0.9	0.8	0.5	0.2	0.4
10:00	Business inventories, % m/m	Apr	0.0	0.4	1.0	0.5	0.5
10:00	Pending home sales, % m/m	May	1.8	1.5	1.4	-	-
14:00	**FOMC rate decision, %**	**Jun-17**	**3.50 - 3.75**	**3.50 - 3.75**	**3.50 - 3.75**	**3.50 - 3.75**	**3.50 - 3.75**
14:30	**Press Conference by Fed Chair Warsh (FOMC voter)**						

Retail sales: We expect retail sales to soften considerably, in nominal terms, from 0.5% m/m in April to 0.2% m/m in May. The deceleration mainly reflects the control group, where indicators point to a 0.2% m/m increase following April's 0.5% m/m gain. We also expect a much slower increase in gasoline station sales than in recent months, with petrol prices having receded from the mid-May peak. Notably, the nominal retail sales prints may be somewhat deceptive in light of recent inflation-exaggerated readings, with CPI prints consistent with outright declines in the core goods prices and a flat reading for the control group price deflator. Given this, even soft prints would translate to gains in inflation-adjusted spending.

FOMC meeting: We expect the FOMC to leave rates unchanged next week. We expect the statement to drop any reference to forward guidance, thereby eliminating the easing bias that caused three hawkish voters to dissent in April, and to result in no dissent at this meeting. The new Summary of Economic Projections (SEP) will likely show significant upward revisions to inflation and little change to GDP growth and the unemployment rate projections. We think the median dots will be revised up, showing a hold this year, followed by one 25bp rate cut in 2027, and no change in 2028. We expect the longer-run dot to remain at 3.1%. In his first press conference, we expect Chair Warsh to avoid providing rate guidance and to signal the launch of reviews of balance sheet policy and FOMC communications. We keep our Fed call unchanged, with rates on hold this year and a 25bp cut in March 2027. We view risks as skewed toward a tighter path.

Thursday, 18 June		**Period**	**Prev – 3**	**Prev – 2**	**Prev – 1**	**Forecast**	**Consensus**
08:30	Initial jobless claims, k (4wma)	Jun-13	212 (208)	225 (215)	229 (219)	225	-
08:30	Insured unemployment (continued claims), k	Jun-06	1785	1771	1795	-	-
08:30	Philadelphia Fed mfg. index	Jun	18.1	26.7	-0.4	-8.0	12.0
10:00	Conference Board leading economic index®, % m/m	May	0.3	-0.6	0.1	-	-
16:00	Net long-term TIC flows, $ bn	Apr	12.8	57.0	81.3	-	-

Friday, 19 June		**Period**	**Prev – 3**	**Prev – 2**	**Prev – 1**	**Forecast**	**Consensus**
	No indicator release scheduled.						

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

Marc Giannoni BCI, US | Jonathan Millar BCI, US | Pooja Sriram BCI, US | Colin Johanson BCI, US

	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	5.1	3.1	2.5	2.3	2.0	2.3	2.4	2.8	3.7	2.6
Nominal GDP	2.9	6.0	8.3	4.2	5.1	7.8	5.1	4.6	3.9	3.5	3.8	4.0	5.0	5.9	4.3
Employment (avg mthly chg, K)	20	34	23	-39	73	134	25	25	0	0	0	0	10	64	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	4.0	4.0	4.0	3.5	2.2	1.9	1.9	2.7	3.7	2.4
Core CPI inflation (% y/y)	3.1	2.8	3.1	2.7	2.5	2.8	2.7	3.0	2.9	2.7	2.6	2.4	2.9	2.7	2.7
PCE price index (% y/y)	2.6	2.4	2.7	2.8	3.1	3.9	4.0	3.8	3.2	2.3	2.0	2.0	2.6	3.7	2.4
Core PCE price index (% y/y)	2.8	2.7	2.9	2.9	3.1	3.4	3.4	3.3	2.8	2.5	2.4	2.3	2.8	3.3	2.5
Current account (% GDP)	-5.8	-3.3	-3.1	-2.4	-2.9	-3.0	-3.1	-3.2	-3.3	-3.4	-3.5	-3.6	-3.6	-3.0	-3.5
Federal budget bal. ($bn)	...	...	...	...	...	...	...	...	...	...	...	...	-1,775	-2,020	-2,009
Federal budget bal. (% GDP)	...	...	...	...	...	...	...	...	...	...	...	...	-5.8	-6.3	-6.0
Government debt (% GDP)	...	...	...	...	...	...	...	...	...	...	...	...	125.2	125.2	127.6
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