## U.S. Economic Forecast

### Wells Fargo U.S. Economic Forecast

#### Actual 2018 | 2Q 2019 | 4Q 2019 | 2Q 2020 | 4Q 2020 | 2Q 2021 | 4Q 2021
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Real Gross Domestic Product (a) | 2.6 | 2.3 | 2.1 | 2.1 | 2.1 | 2.1 | 2.0
Personal Consumption | 1.7 | 4.0 | 3.5 | 1.4 | 1.1 | 4.6 | 3.1
Business Fixed Investment | 8.8 | 7.9 | 2.1 | 4.8 | 4.4 | 10.0 | 2.3
Equities | 6.6 | 2.4 | 2.9 | 7.4 | 10.8 | 3.6 | 4.2
Intelectual Property Products | 9.7 | 11.9 | 4.1 | 11.7 | 10.8 | 3.6 | 4.2
Structures | 12.1 | 11.0 | -21 | -9.0 | 4.0 | -11 | -9.9
Rental Investment | -5.3 | -3.7 | -4.0 | -4.7 | -1.0 | -3.0 | 4.6
Government Purchases | 1.9 | 2.6 | 2.1 | 1.8 | 1.5 | 1.7 | 2.5
Net Exports | -884.2 | -850.5 | -962.4 | -983.0 | -944.0 | -980.7 | -990.1
Pct. Point Contribution to GDP | 0.0 | 0.7 | -0.2 | -0.4 | 0.7 | -0.7 | 0.1
Inventory Change | 40.5 | -28.0 | 87.2 | 93.0 | 116.0 | 69.4 | 89.4
Pct. Point Contribution to GDP | 0.1 | 1.2 | -2.1 | 0.2 | 0.5 | 0.0 | -0.9
Normal GDP (a) | 7.1 | 7.1 | 4.8 | 2.9 | 3.9 | 4.7 | 3.8
Real终 Sales | 2.4 | 4.8 | 0.8 | 1.0 | 2.6 | 3.0 | 2.1
Retail Sales (b) | 4.7 | 5.7 | 5.5 | 3.5 | 2.8 | 3.4 | 4.0
Inflation Indicators (b) | | | | | | | |
PCF Deflator | 1.9 | 2.3 | 2.2 | 1.9 | 1.4 | 1.4 | 1.4
"Core" PCF Deflator | 1.8 | 2.0 | 2.0 | 1.9 | 1.6 | 1.7 | 1.6
Consumer Price Index | 2.2 | 2.7 | 2.7 | 2.2 | 1.6 | 1.8 | 2.0
"Core" Consumer Price Index | 1.9 | 2.2 | 2.3 | 2.2 | 2.1 | 2.3 | 2.3
Producer Price Index (Final Demand) | 2.8 | 3.0 | 3.1 | 2.8 | 2.0 | 1.9 | 1.6
Employment Cost Index | 2.7 | 2.8 | 2.8 | 2.8 | 2.8 | 2.7 | 2.7
Real Disposable Income (b) | 3.9 | 3.9 | 4.1 | 3.9 | 3.3 | 3.0 | 2.7
Nominal Personal Income (b) | 5.6 | 5.6 | 5.9 | 4.9 | 4.6 | 4.7 | 4.2
Industrial Production (a) | 2.3 | 4.6 | 5.2 | 3.9 | -1.9 | 2.3 | 1.1
Capacity Utilization | 77.9 | 78.5 | 79.1 | 79.4 | 78.6 | 77.8 | 77.6
Corporate Profits Before Taxes (a) | 2.9 | 2.4 | 2.4 | 2.2 | 2.2 | 2.3 | 2.3
Corporate Profits After Taxes (a) | 10.3 | 8.3 | 11.3 | 10.1 | 2.9 | 1.3 | 1.1
Federal Budget Balance (c) | -375.7 | -172.7 | -312.0 | -372.5 | -372.6 | -237.9 | -357.2
Trade Weighted Dollar Index (d) | 103.1 | 107.3 | 107.6 | 110.4 | 109.8 | 109.7 | 111.0
Nonfarm Payroll Change (a) | 234 | 211 | 153 | 157 | 139 | 159 | 203
Unemployment Rate | 4.1 | 3.9 | 3.8 | 3.8 | 3.9 | 3.6 | 3.6
Housing Starts (f) | 1.32 | 1.26 | 1.23 | 1.19 | 1.21 | 1.26 | 1.28
Light Vehicle Sales (a) | 17.1 | 17.1 | 17.3 | 17.4 | 17.2 | 16.8 | 15.7
Crude Oil - Brent - Front Contract (h) | 66.9 | 74.6 | 75.8 | 68.6 | 63.8 | 67.6 | 61.7
Quarter-End Interest Rates (i) | | | | | | | |
Federal Funds Target Rate | 1.75 | 2.00 | 2.25 | 2.50 | 2.50 | 2.50 | 2.00
3 Month LIBOR | 2.13 | 2.34 | 2.40 | 2.81 | 2.60 | 2.32 | 2.09
Prime Rate | 4.75 | 5.00 | 5.25 | 5.50 | 5.50 | 5.50 | 5.00
Conventional Mortgage Rate | 4.44 | 4.57 | 4.63 | 4.64 | 4.28 | 3.80 | 3.61
3 Month Bill | 1.73 | 1.93 | 2.19 | 2.45 | 2.40 | 2.12 | 1.88
6 Month Bill | 1.93 | 2.11 | 2.36 | 2.56 | 2.44 | 2.09 | 1.83
1 Year Bill | 2.09 | 2.33 | 2.59 | 2.63 | 2.40 | 1.92 | 1.75
2 Year Note | 2.27 | 2.52 | 2.81 | 2.48 | 2.27 | 1.75 | 1.63
5 Year Note | 2.56 | 2.73 | 3.04 | 2.56 | 2.23 | 1.76 | 1.69
10 Year Note | 2.74 | 2.85 | 3.05 | 2.69 | 2.47 | 2.00 | 1.68
30 Year Bond | 2.97 | 2.98 | 3.19 | 3.02 | 2.81 | 2.52 | 2.12

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**Notes:**
(a) Compound Annual Growth Rate Quarter-over-Quarter
(b) Year-over-Year Percentage Change
(c) Percent Change
(d) Federal Reserve Advanced Foreign Economies Index, 2006=100 - Quarter End
(e) Average Monthly Change
(f) Federal Reserve Bank of New York, Survey of Professional Forecasters
(g) Deutsche Bank Quick Strike
(h) Moody's Economy.com
(i) Federal Reserve Bank of St. Louis, FRED database
(j) Wells Fargo Economic Insights

**For Footnotes, see end of document.**

###FOR FOOTNOTES, SEE END OF DOCUMENT.