

## U.S. Economic Outlook: January 2006

	2005			2006				2007			2004	2005	2006	2007
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
<b>U.S. Economy</b>														
<i>Annual Growth Rate</i>														
Real GDP	3.8	3.3	4.1	3.4	4.6	4.1	3.9	3.8	3.7	3.8	4.2	3.6	4.0	3.8
Nonfarm Payroll Employment	1.6	1.9	1.6	0.8	1.8	1.8	1.8	1.7	1.6	1.6	1.1	1.6	1.6	1.7
Consumer Prices	2.4	4.2	5.1	4.3	2.2	2.0	1.8	1.9	1.9	2.2	2.7	3.4	3.0	2.0
Real Disposable Income	-3.4	0.2	-2.0	5.2	8.1	5.0	4.9	4.6	5.1	3.7	3.4	1.3	4.6	4.4
Consumer Confidence	104	102	99	96	101	104	106	107	108	109	80	100	105	109
<i>Percent</i>														
Unemployment	5.3	5.1	5.0	5.1	5.0	4.9	4.9	4.8	4.8	4.8	5.5	5.1	4.9	4.7
<i>Interest Rates, Percent</i>														
Fed Funds Rate	2.5	2.9	3.5	4.0	4.4	4.5	4.5	4.5	4.5	4.5	1.3	3.2	4.5	4.5
3-Month T-Bill Rate	2.5	2.9	3.4	3.9	4.3	4.3	4.3	4.3	4.3	4.3	1.4	3.2	4.3	4.3
Prime Rate	5.4	5.9	6.4	7.0	7.4	7.6	7.5	7.5	7.5	7.5	4.3	6.2	7.5	7.5
Corporate Aaa Bond Yield	5.3	5.1	5.1	5.5	5.8	6.0	6.1	6.1	6.1	6.1	5.6	5.3	6.0	6.2
10-Year Government Bond	4.3	4.2	4.2	4.5	4.7	4.9	5.0	5.0	5.1	5.1	4.3	4.3	4.9	5.1
30-Year Government Bond	4.7	4.5	4.4	4.7	4.9	5.1	5.2	5.2	5.2	5.2	5.1	4.6	5.1	5.2
<i>Mortgage Rates, percent</i>														
30-Year Fixed Rate	5.8	5.7	5.8	6.2	6.3	6.6	6.7	6.7	6.8	6.8	5.8	5.9	6.5	6.8
1-Year Adjustable	4.2	4.3	4.5	5.1	5.3	5.4	5.5	5.5	5.5	5.5	3.8	4.5	5.4	5.5
<b>Housing Indicators</b>														
<i>Thousands</i>														
Existing Home Sales*	6,837	7,223	7,240	7,028	6,794	6,747	6,835	6,796	6,774	6,809	6,784	7,102	6,787	6,821
New Single-Family Sales	1,249	1,287	1,293	1,316	1,276	1,236	1,178	1,135	1,157	1,168	1,203	1,286	1,209	1,198
Housing Starts	2,083	2,044	2,101	2,066	2,028	1,975	1,897	1,845	1,893	1,923	1,950	2,074	1,936	1,943
Single-Family Units	1,709	1,693	1,747	1,755	1,708	1,648	1,554	1,488	1,512	1,537	1,604	1,726	1,600	1,544
Multifamily Units	374	351	354	311	320	327	343	358	381	385	345	347	337	399
Residential Construction**	584	599	610	625	623	615	602	586	582	589	562	604	607	595
<i>Percent Change -- Year Ago</i>														
Existing Home Sales	8.2	4.7	6.5	2.2	-0.6	-6.6	-5.6	-3.3	-0.3	0.9	9.7	4.7	-4.4	0.5
New Single-Family Sales	5.0	7.0	11.1	5.9	2.2	-3.9	-8.9	-13.8	-9.3	-5.5	10.8	6.9	-6.0	-0.9
Housing Starts	8.0	6.3	6.4	4.7	-2.6	-3.4	-9.7	-10.7	-6.7	-2.6	5.2	6.3	-6.6	0.3
Single-Family Units	9.4	5.9	6.9	8.3	0.0	-2.7	-11.1	-15.2	-11.5	-6.8	6.6	7.6	-7.3	-3.5
Multifamily Units	1.9	8.6	4.2	-11.7	-14.4	-7.0	-3.0	15.0	18.9	18.0	-0.9	0.6	-3.1	18.5
Residential Construction	7.7	6.1	7.2	9.4	6.7	2.7	-1.4	-6.1	-6.6	-4.3	10.3	7.6	0.4	-2.0
<b>Median Home Prices</b>														
<i>Thousands of Dollars</i>														
Existing Home Prices	190.3	209.3	215.9	215.8	204.4	220.1	225.7	224.9	212.3	227.8	185.2	209.1	219.7	228.1
New Home Prices	229.9	230.2	230.1	235.5	244.4	244.0	243.7	249.2	257.3	256.0	221.0	231.3	245.2	256.3
<i>Percent Change -- Year Ago</i>														
Existing Home Prices	10.2	13.4	14.0	14.0	7.4	5.1	4.5	4.2	3.9	3.5	8.5	12.9	5.1	3.8
New Home Prices	8.0	6.3	7.5	3.4	6.3	6.0	5.9	5.8	5.3	4.9	3.9	4.6	6.0	4.5
Housing Affordability Index	133	121	118	117	122	111	108	111	115	109	133	122	113	111

Quarterly figures are seasonally adjusted annual rates.

\* Existing home sales of single-family homes and condo/coops; \*\* billion dollars

Source: Forecast produced using Macroeconomic Advisers quarterly model of the U.S. economy.

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