



FEDERAL RESERVE BANK *of* NEW YORK

US Macro Overview
October 13, 2017

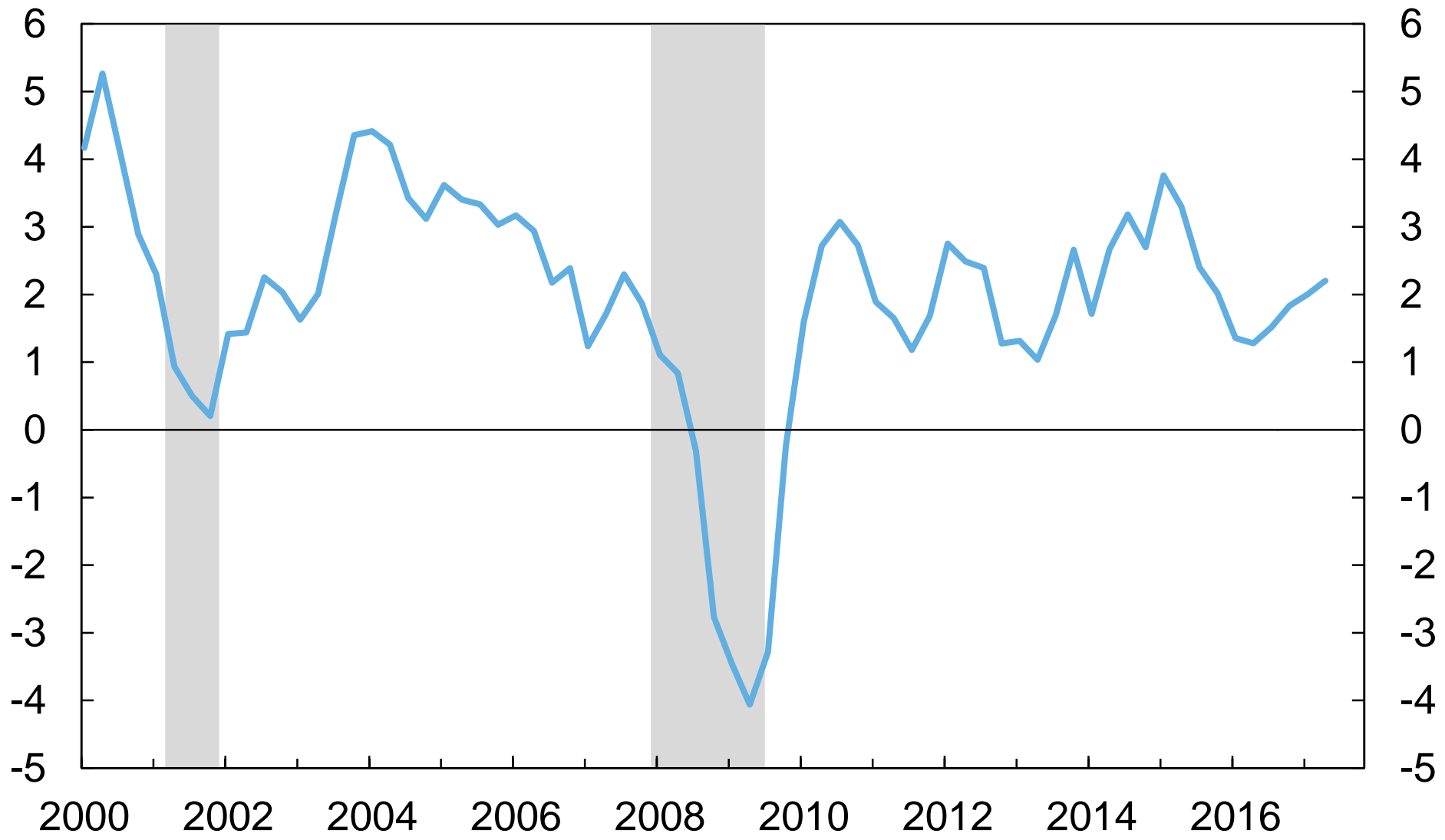
Overview

- US economic growth appears to have regained its footing after slowing in response to a marked appreciation in the dollar and a collapse in oil prices beginning in mid to late 2014.
- While the US labor market is widely viewed as being at or near full employment, the growth of labor compensation remains subdued.
- Core inflation has slowed since the beginning of 2017. Is this a transitory phenomenon or something more fundamental?

Growth of Real GDP

4 Quarter % Change

4 Quarter % Change



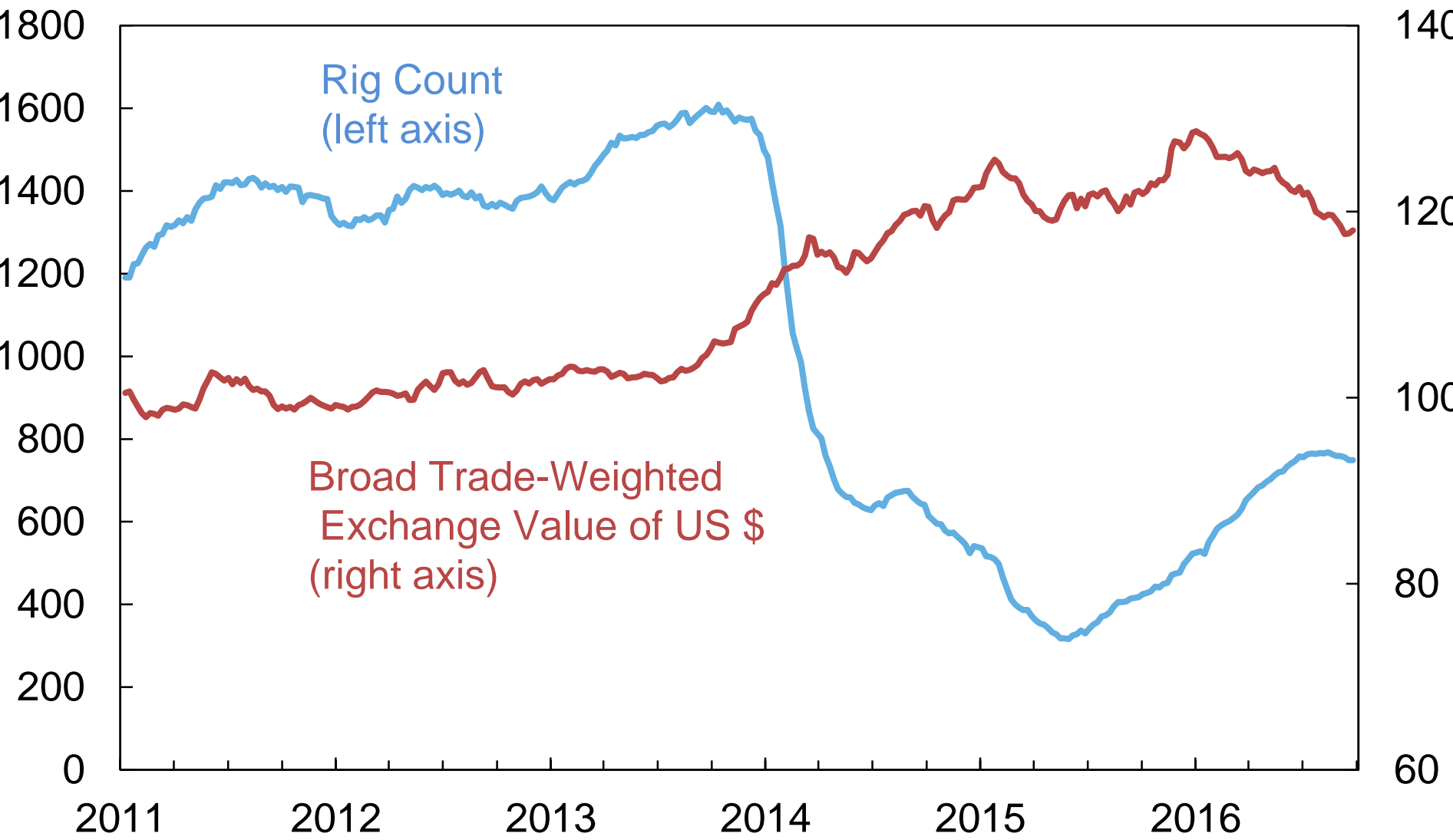
Source: Bureau of Economic Analysis

Note: Shading shows NBER recessions.

Nominal Trade-Weighted Value of US\$ and Rig Count

Active Oil Rigs

Index

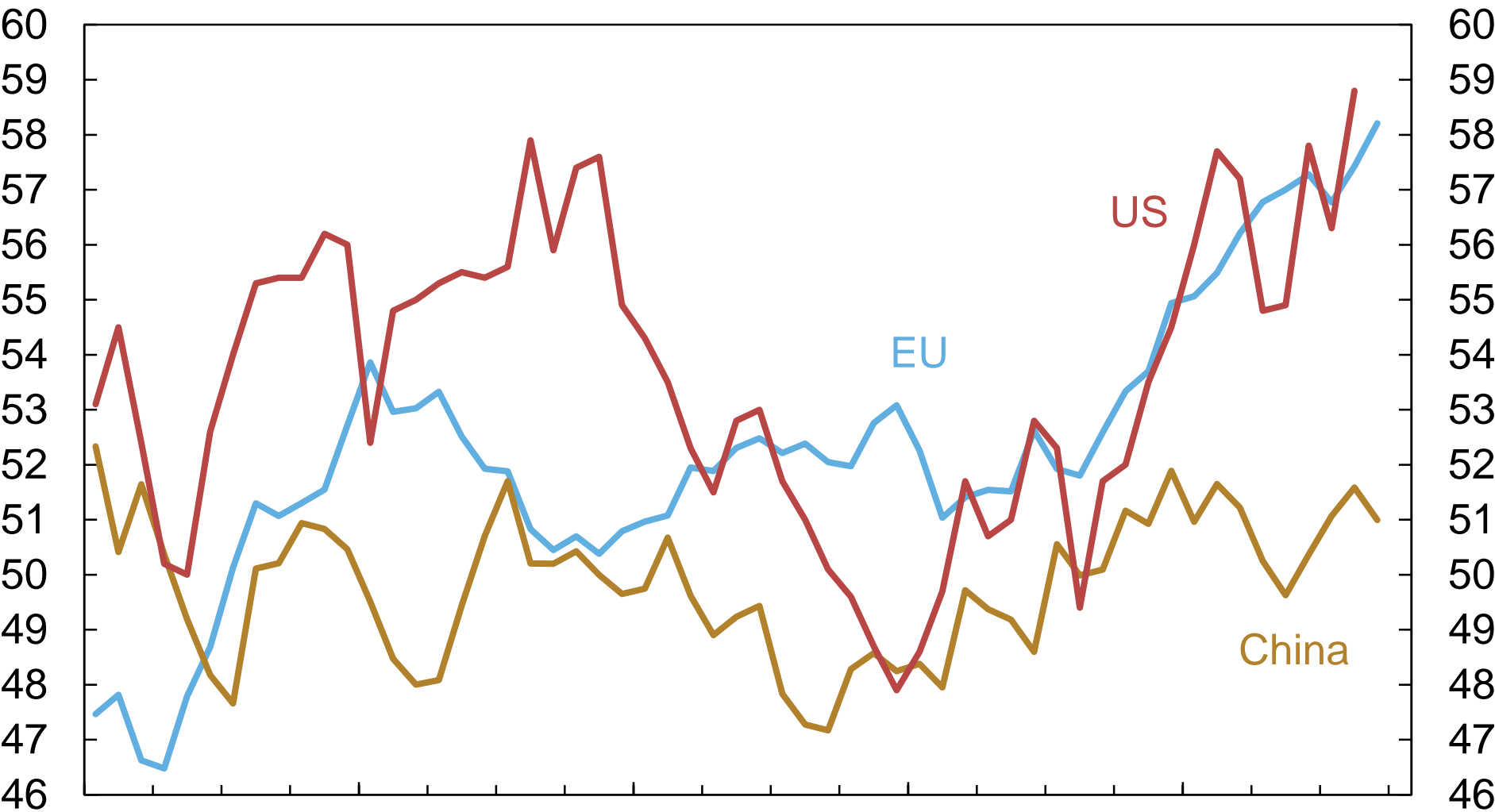


Source: Federal Reserve Board and Baker Hughes

Surveys of Manufacturing Activity

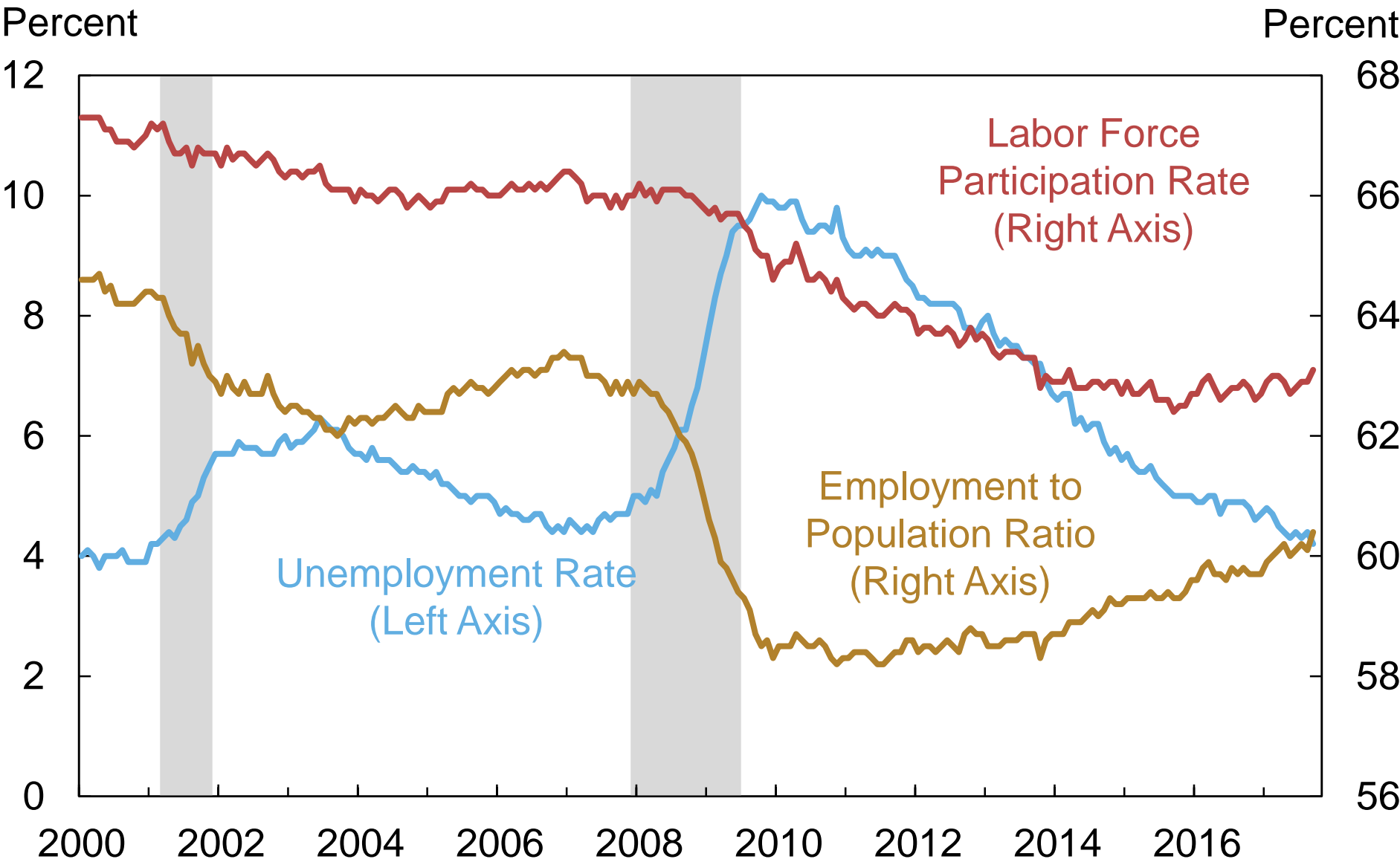
Index Level

Index Level



Source: IHS Markit and Institute for Supply Management via Haver Analytics

Labor Market Indicators



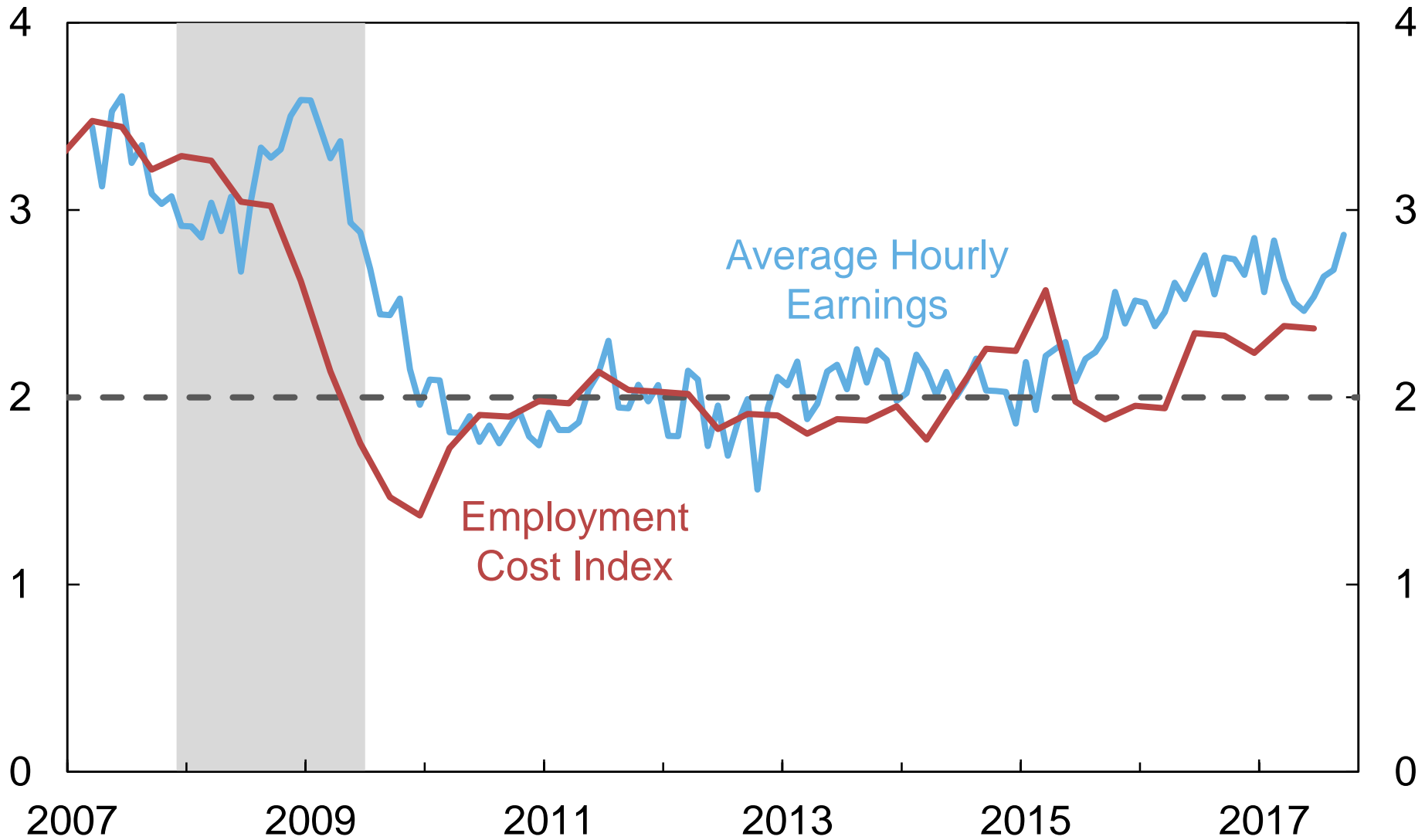
Source: Bureau of Labor Statistics
via Haver Analytics

Note: Shading shows NBER recessions.

Growth of Average Hourly Earnings and ECI

Annual % change

Annual % change



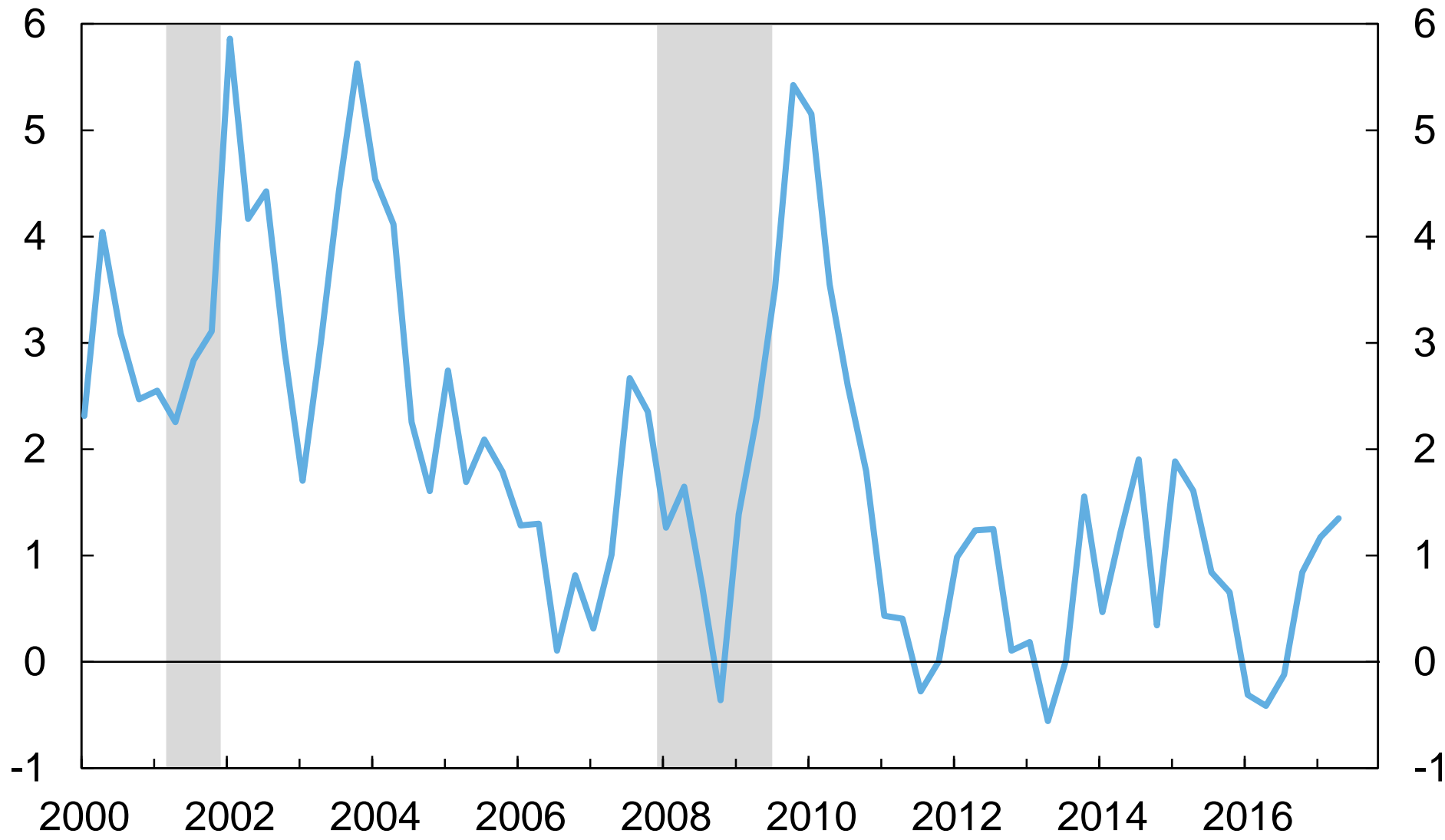
Source: Bureau of Labor Statistics via Haver Analytics

Note: Shading shows NBER recessions.

Productivity Growth

4 Quarter % Change

4 Quarter % Change



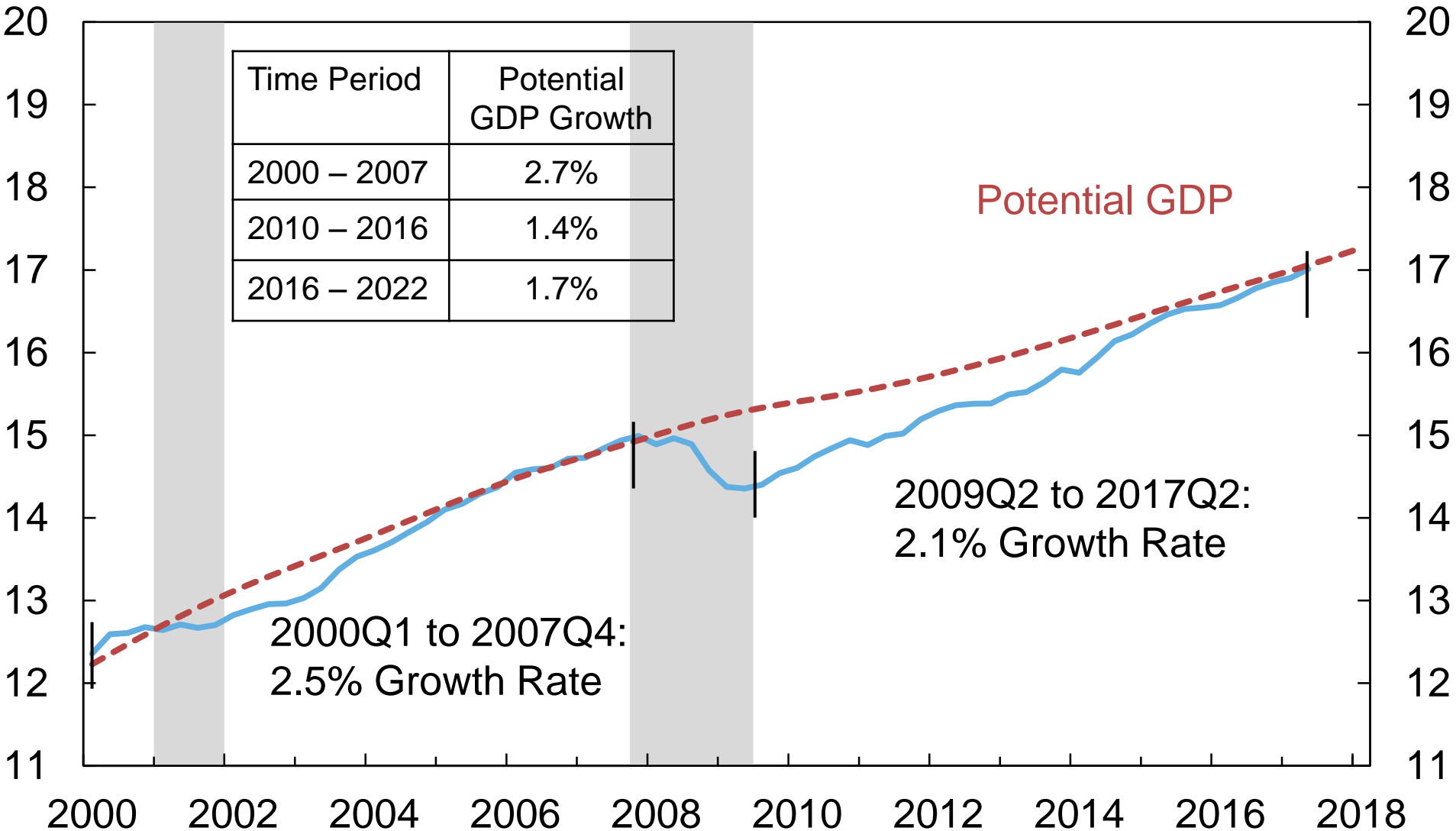
Source: Bureau of Labor Statistics, via Haver Analytics

Note: Shading shows NBER recessions.

GDP

Trillions of 2009 US\$

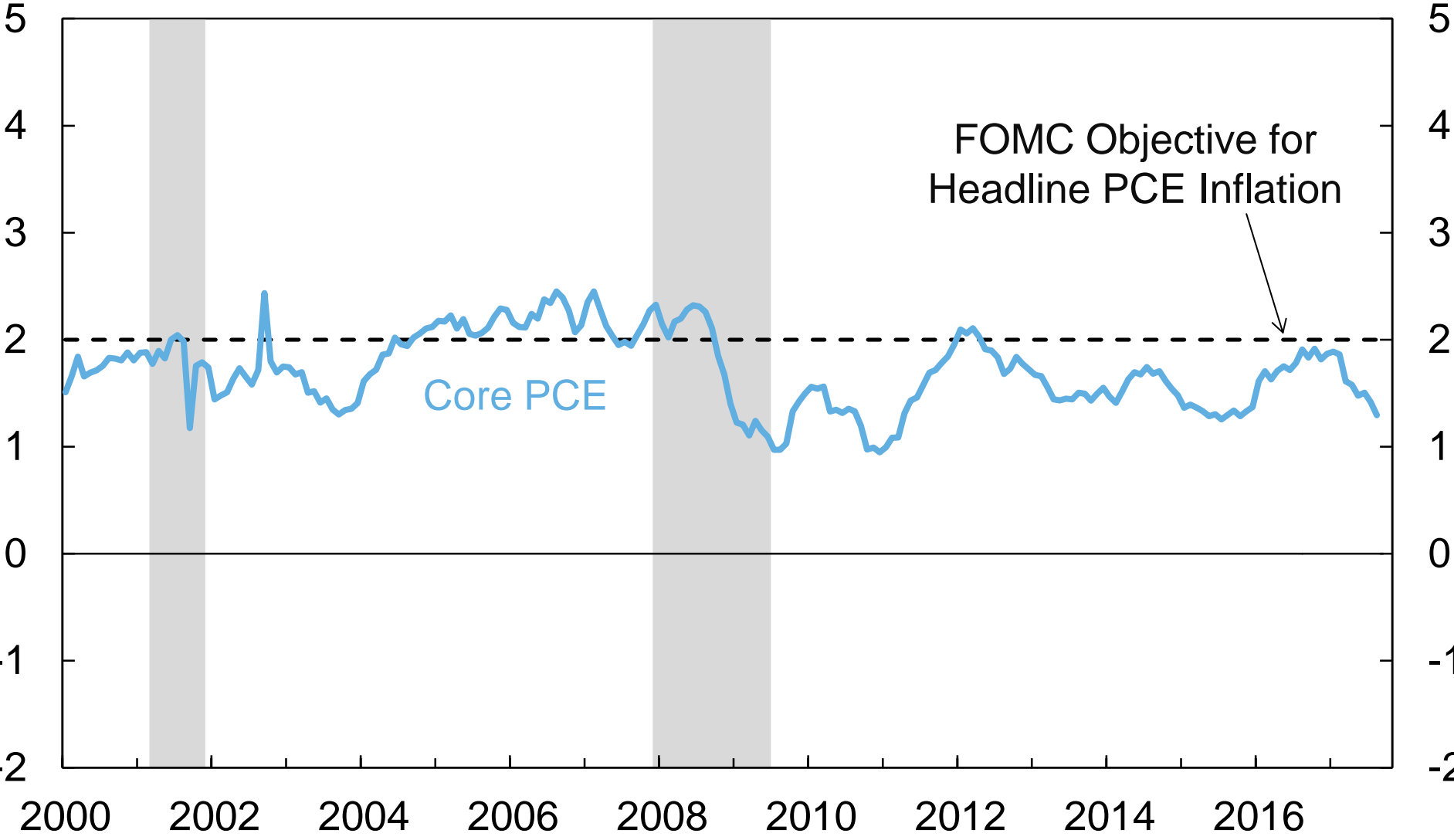
Trillions of 2009 US\$



Measure of Underlying PCE Price Inflation

12 Month % Change

12 Month % Change



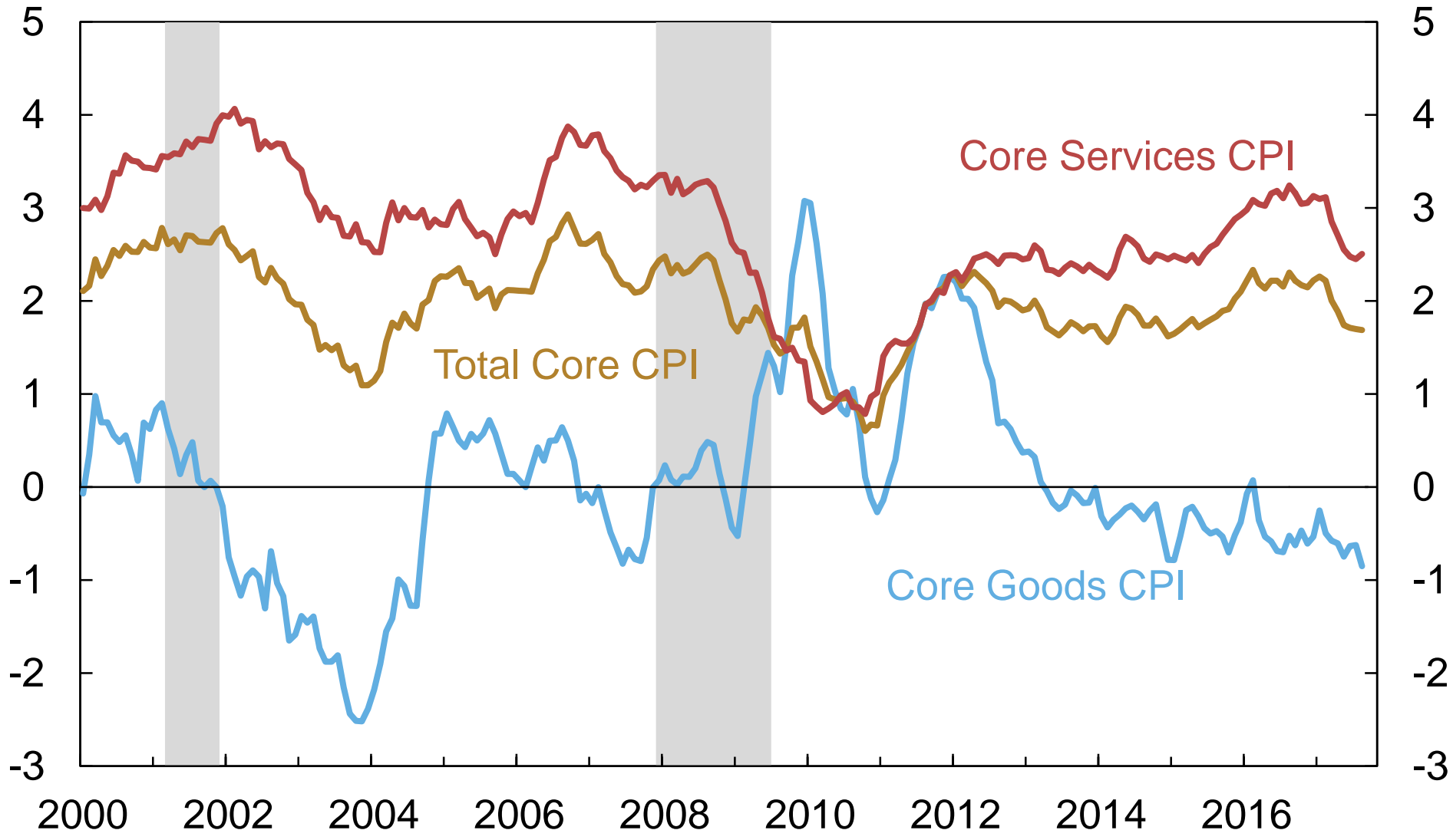
Source: Bureau of Economic Analysis via Haver Analytics

Note: Shading shows NBER recessions. 10

CPI Inflation: Core Goods and Core Services

12 Month % Change

12 Month % Change



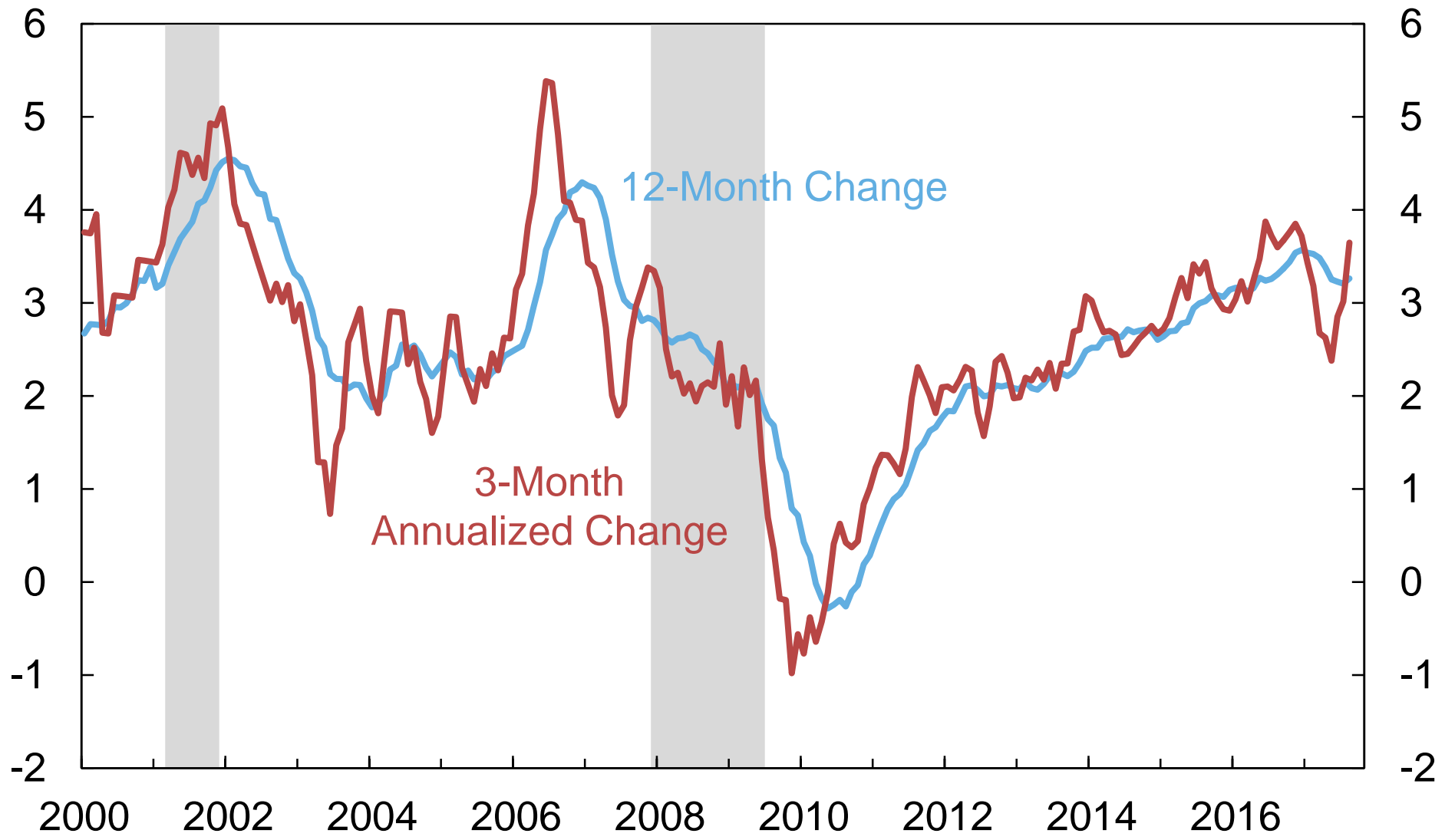
Source: Bureau of Labor Statistics
via Haver Analytics

Note: Shading shows NBER recessions.

Owner's Equivalent Rent

% Change

% Change



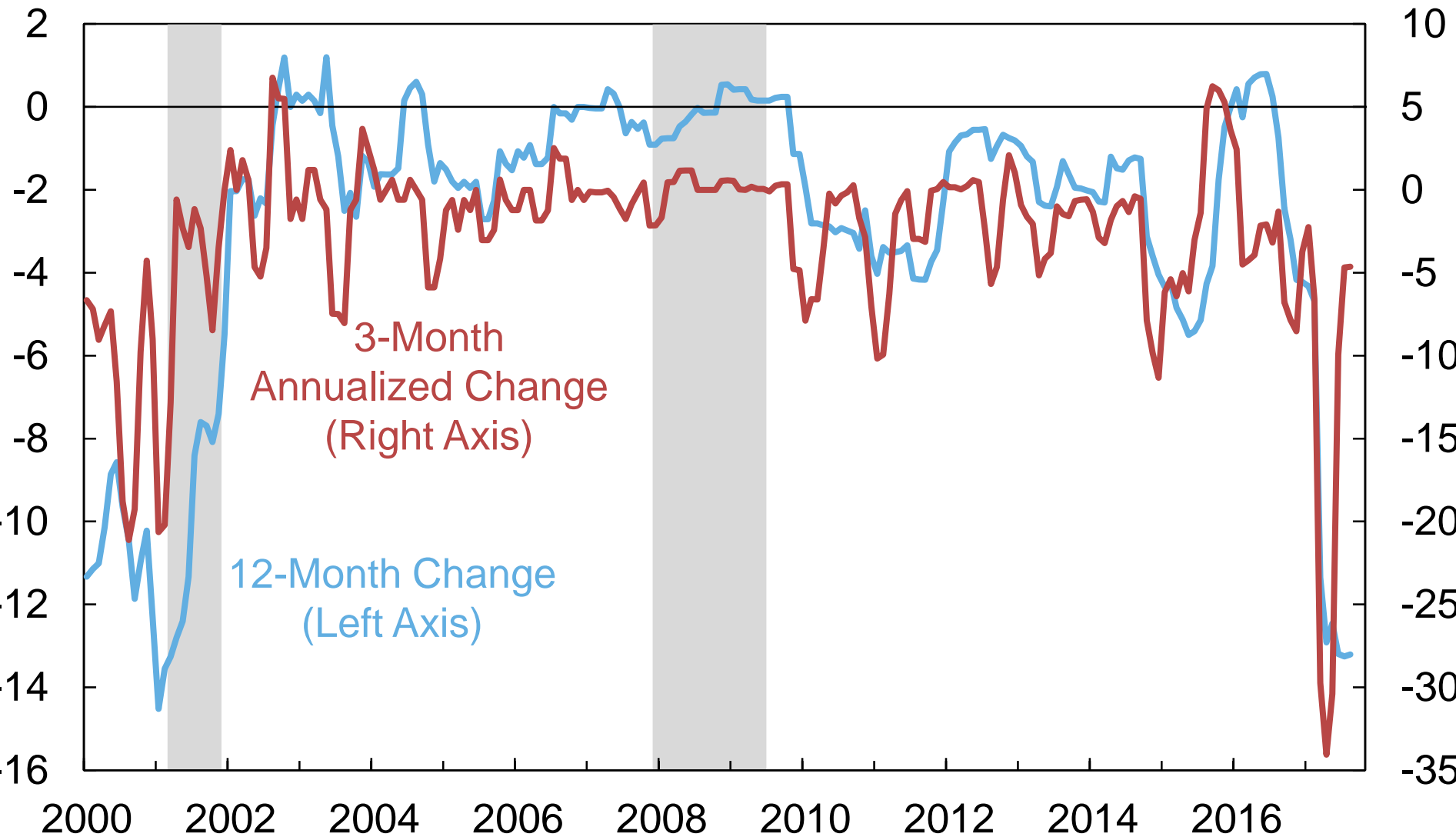
Source: Bureau of Labor Statistics via Haver Analytics

Note: Shading shows NBER recessions.

CPI-U: Wireless Telephone Services

% Change

% Change



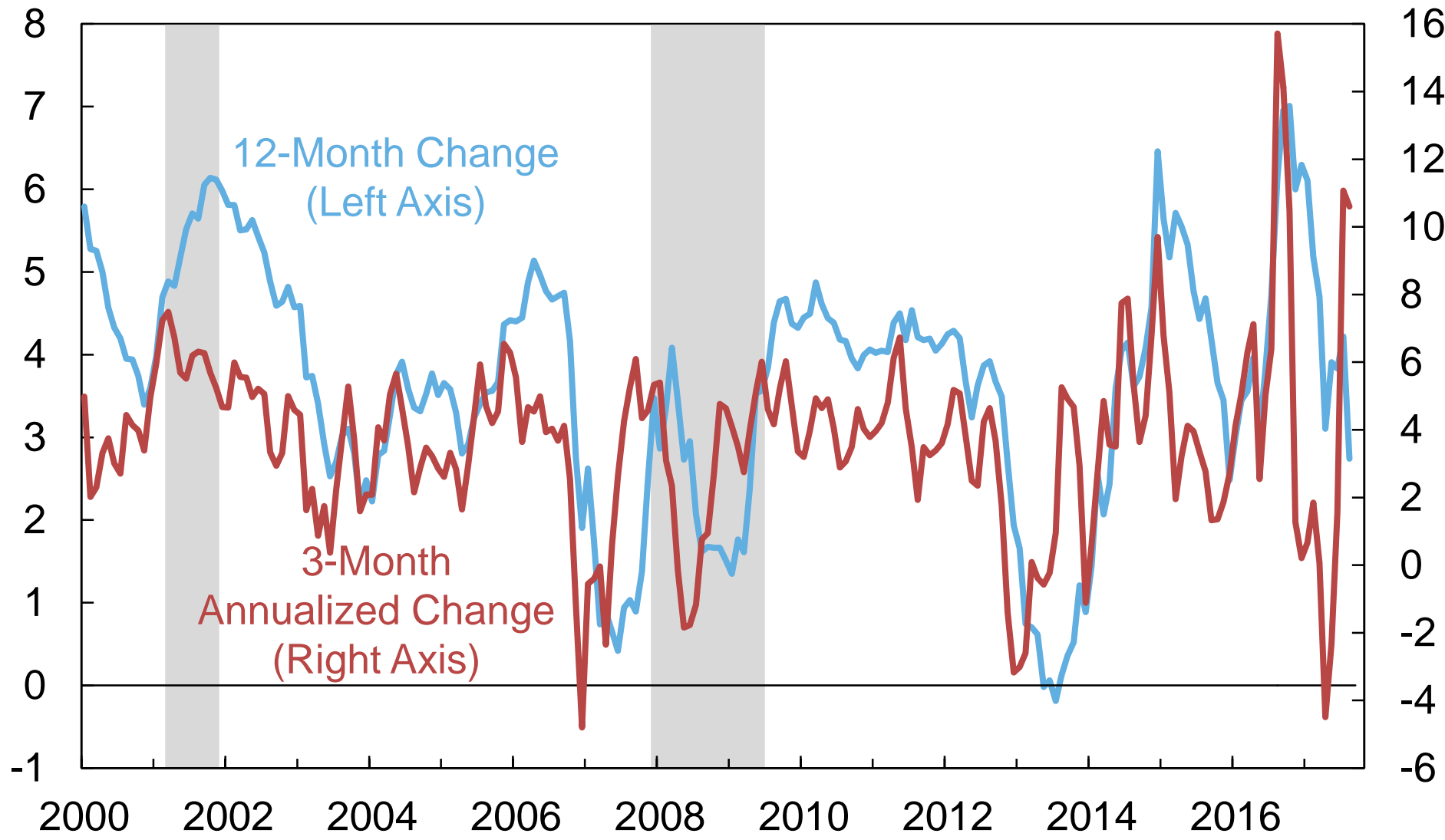
Source: Bureau of Labor Statistics via Haver Analytics

Note: Shading shows NBER recessions.

CPI-U: Prescription Drugs

% Change

% Change



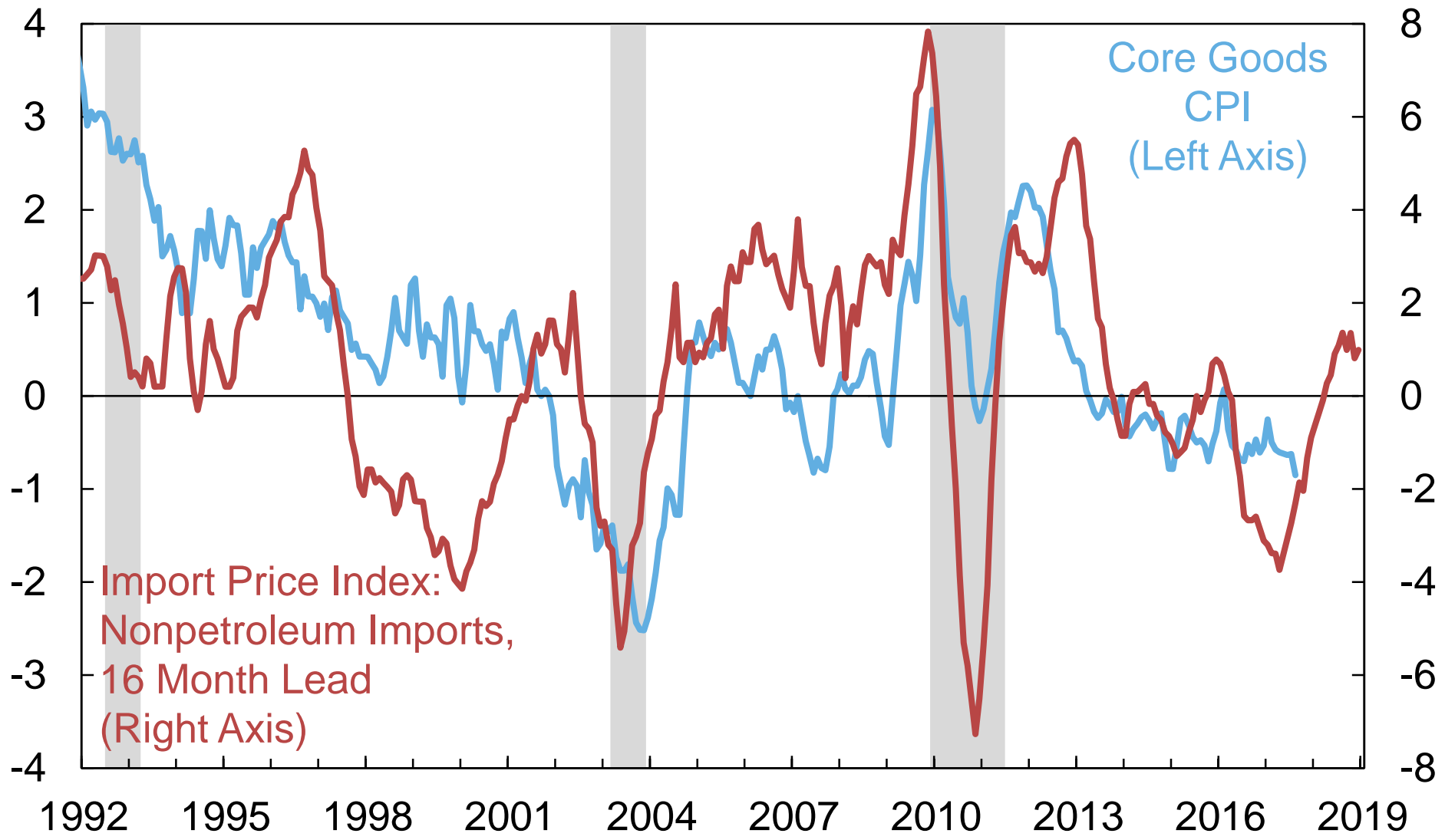
Source: Bureau of Labor Statistics via Haver Analytics

Note: Shading shows NBER recessions.

Core Goods CPI and Nonpetroleum Import Price Index

12 Month % Change

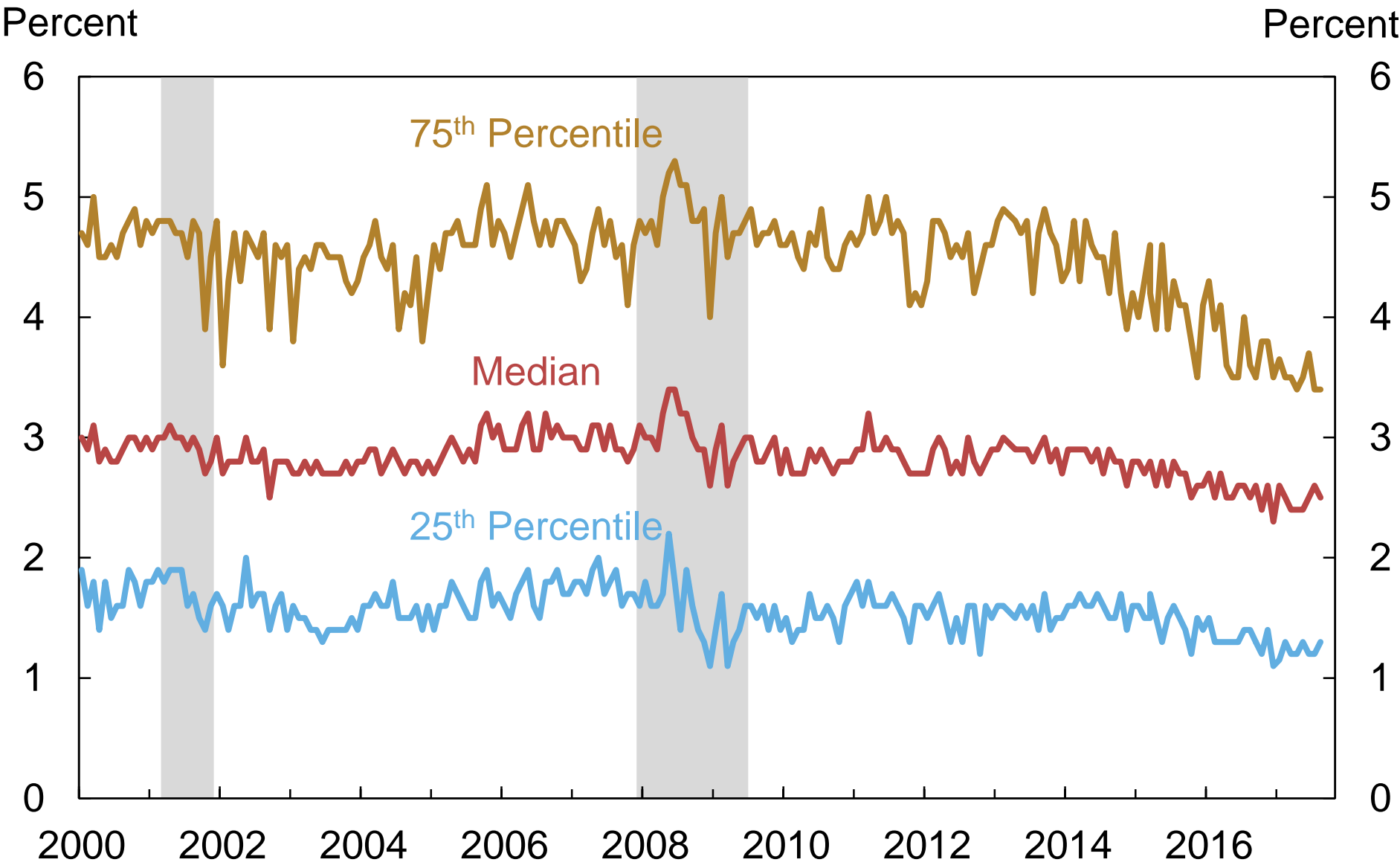
12 Month % Change



Source: Bureau of Labor Statistics via Haver Analytics

Note: Shading shows NBER recessions. 15

Michigan Inflation Expectations 5 to 10 Years



Source: University of Michigan

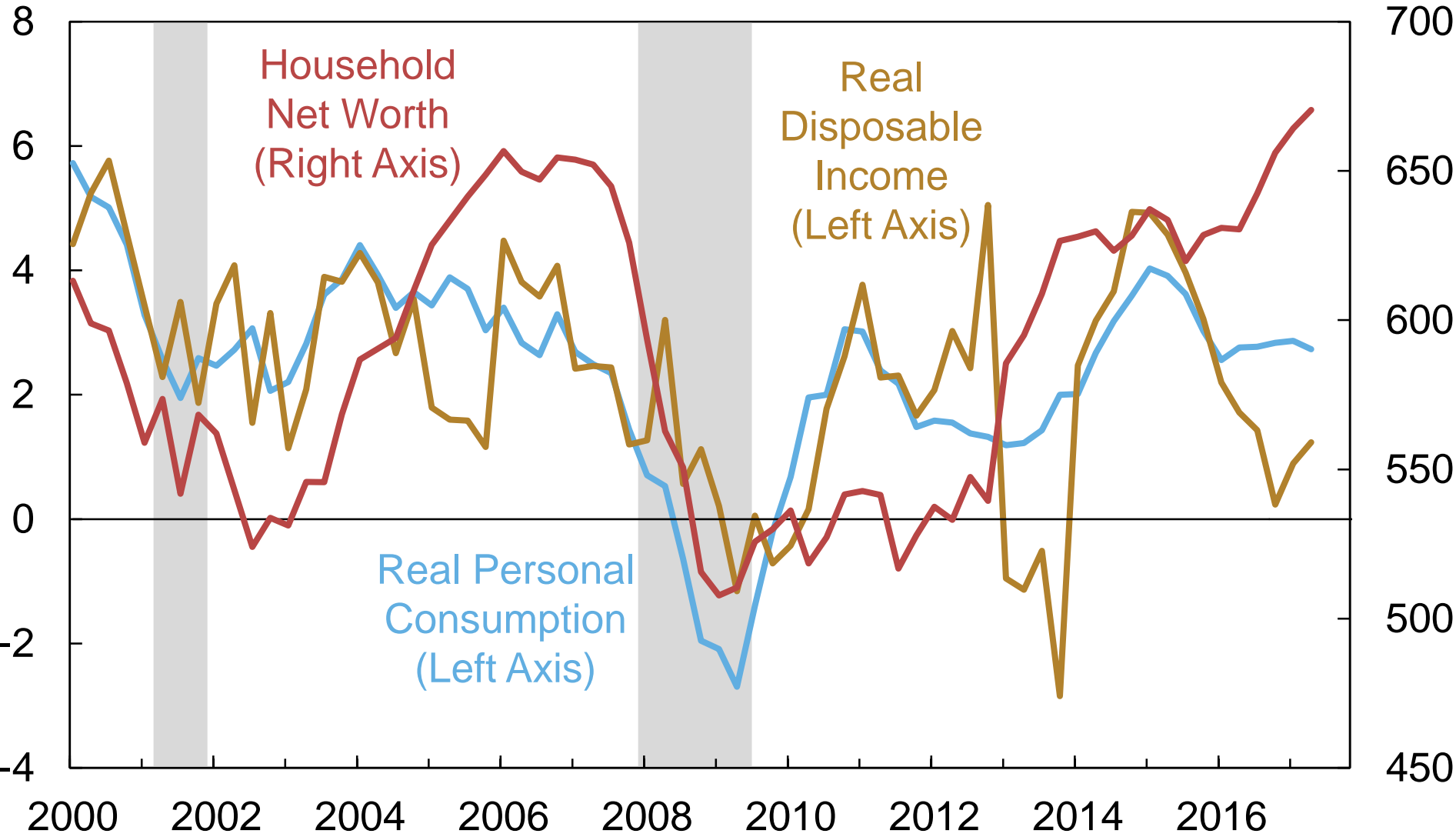
Note: Shading shows NBER recessions.

Reference Charts

Disposable Income, Consumption, and Wealth

4 Quarter % Change

% of Disposable Income



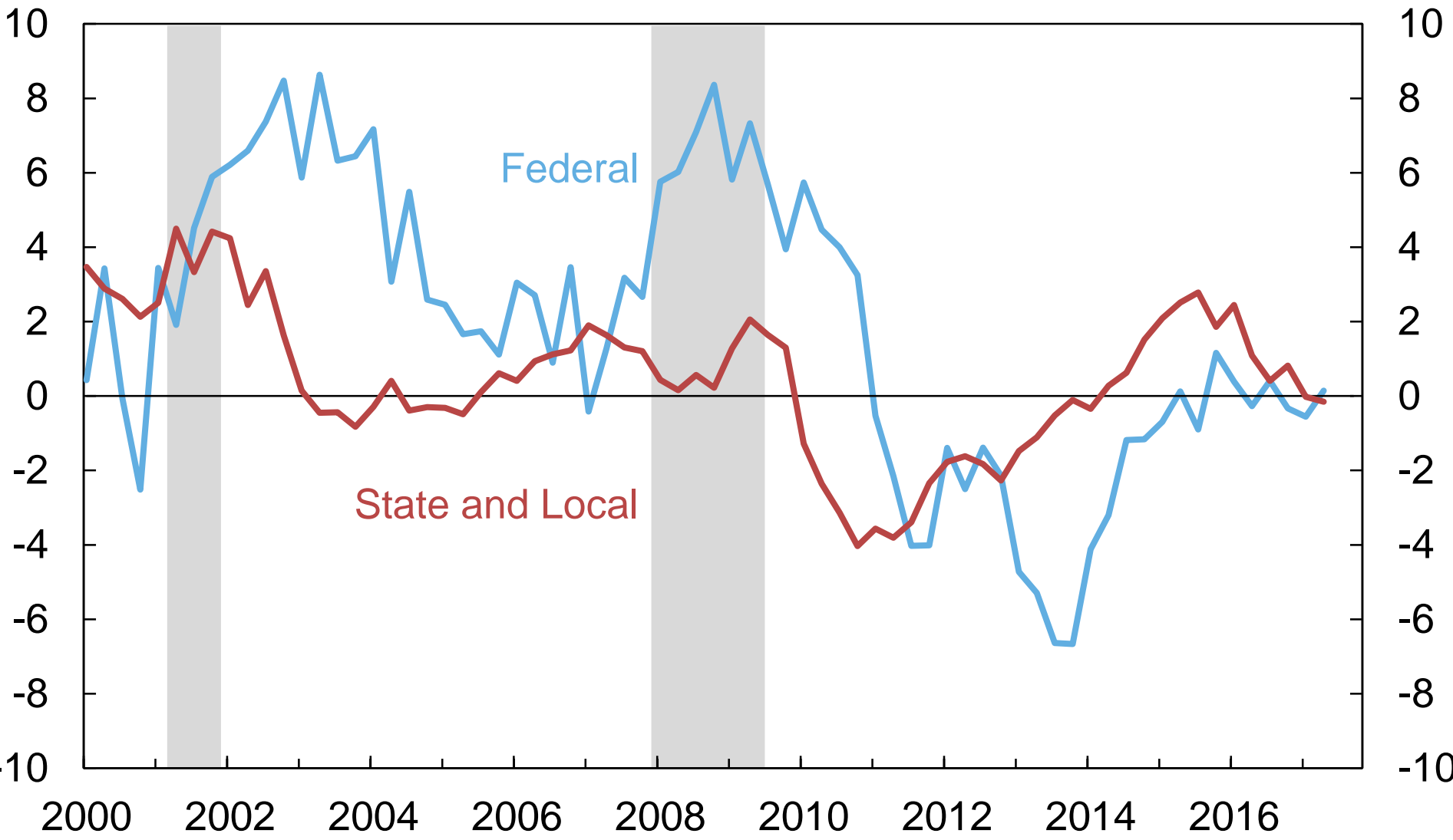
Source: Bureau of Economic Analysis, Federal Reserve Board, via Haver Analytics

Note: Shading shows NBER recessions. 18

Real Government Consumption and Gross Investment

4 Quarter % Change

4 Quarter % Change



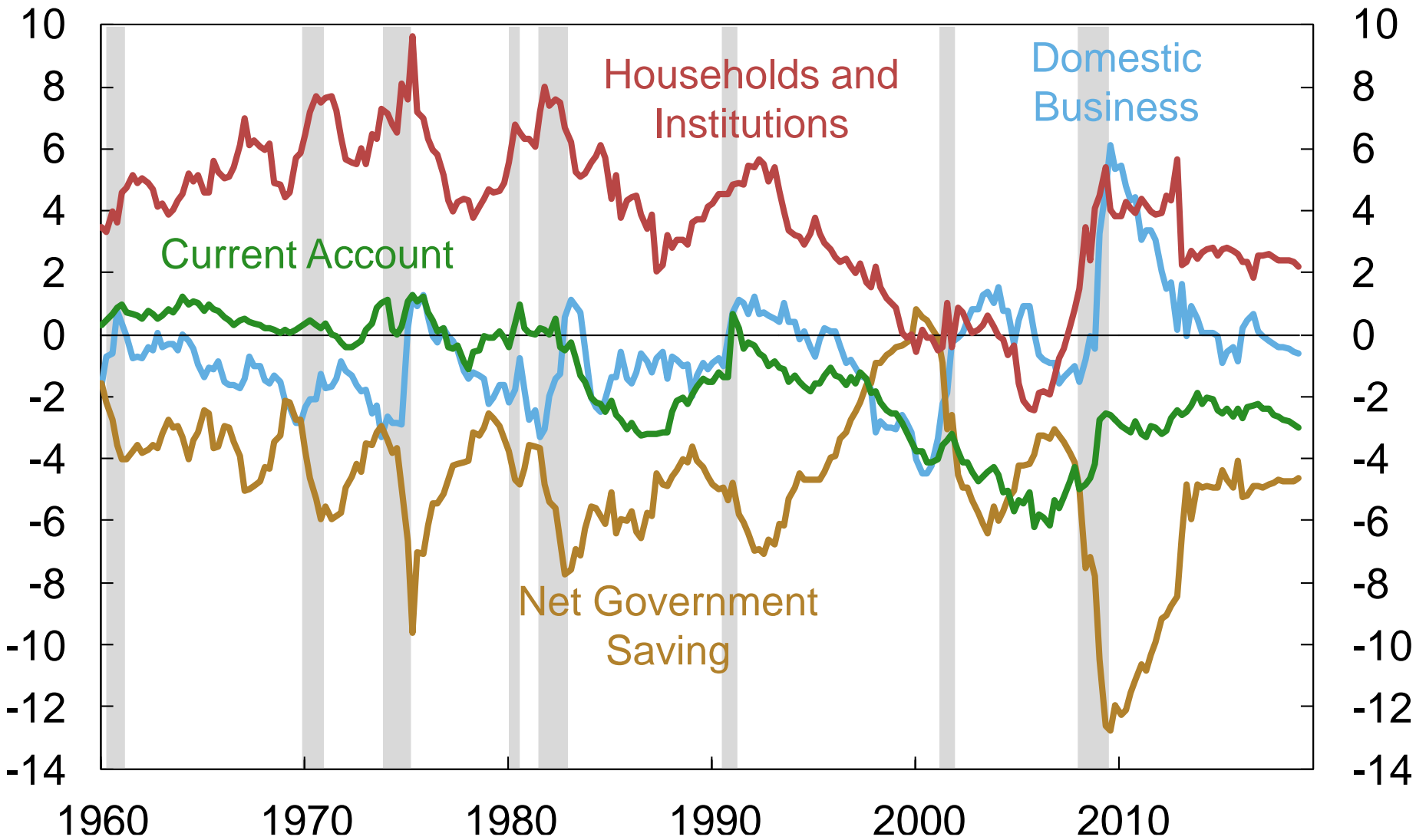
Source: Bureau of Economic Analysis via Haver Analytics

Note: Shading shows NBER recessions. 19

Saving and Investment Balance

Percent of GDP

Percent of GDP



Source: Bureau of Economic Analysis via Haver Analytics

Note: Shading shows NBER recessions. 20