



FEDERAL RESERVE BANK *of* NEW YORK

US Macro Overview

October 1, 2018

Overview

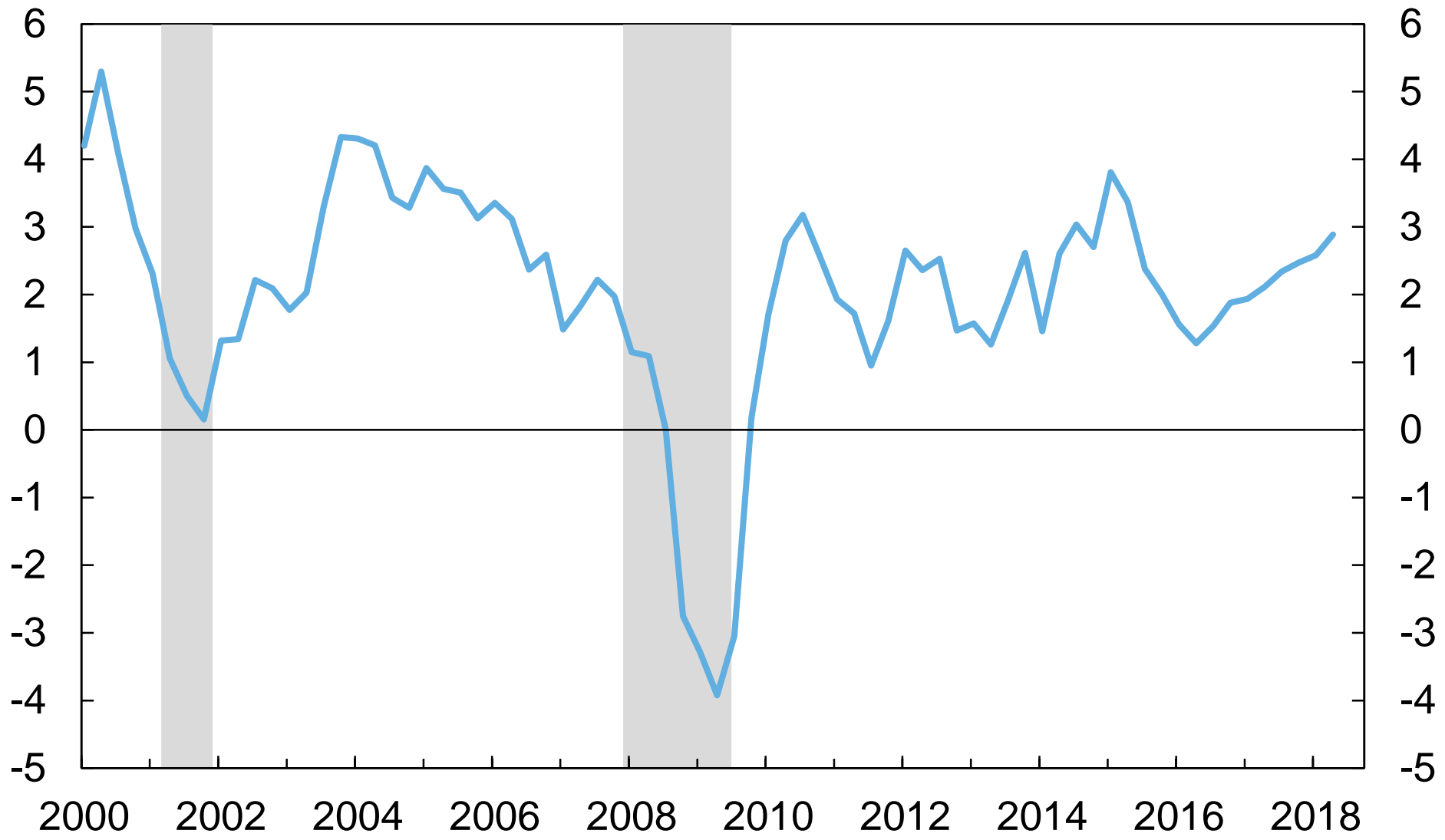
- Growth in the US has firmed since 2016 with real GDP up 3% over the four-quarters ending in 2018Q2.
 - Fiscal stimulus is contributing to this pick up in growth.
- Several indicators suggest that the economy is at or near full employment, with clearer evidence that the rate of increase of wages/compensation has moved higher.
- Underlying inflation has moved up to the FOMC's objective of 2%. But at this time we do not see evidence of building inflation pressures.



Growth of Real GDP

Four Quarter Percent Change

Four Quarter Percent Change



Source: Bureau of Economic Analysis

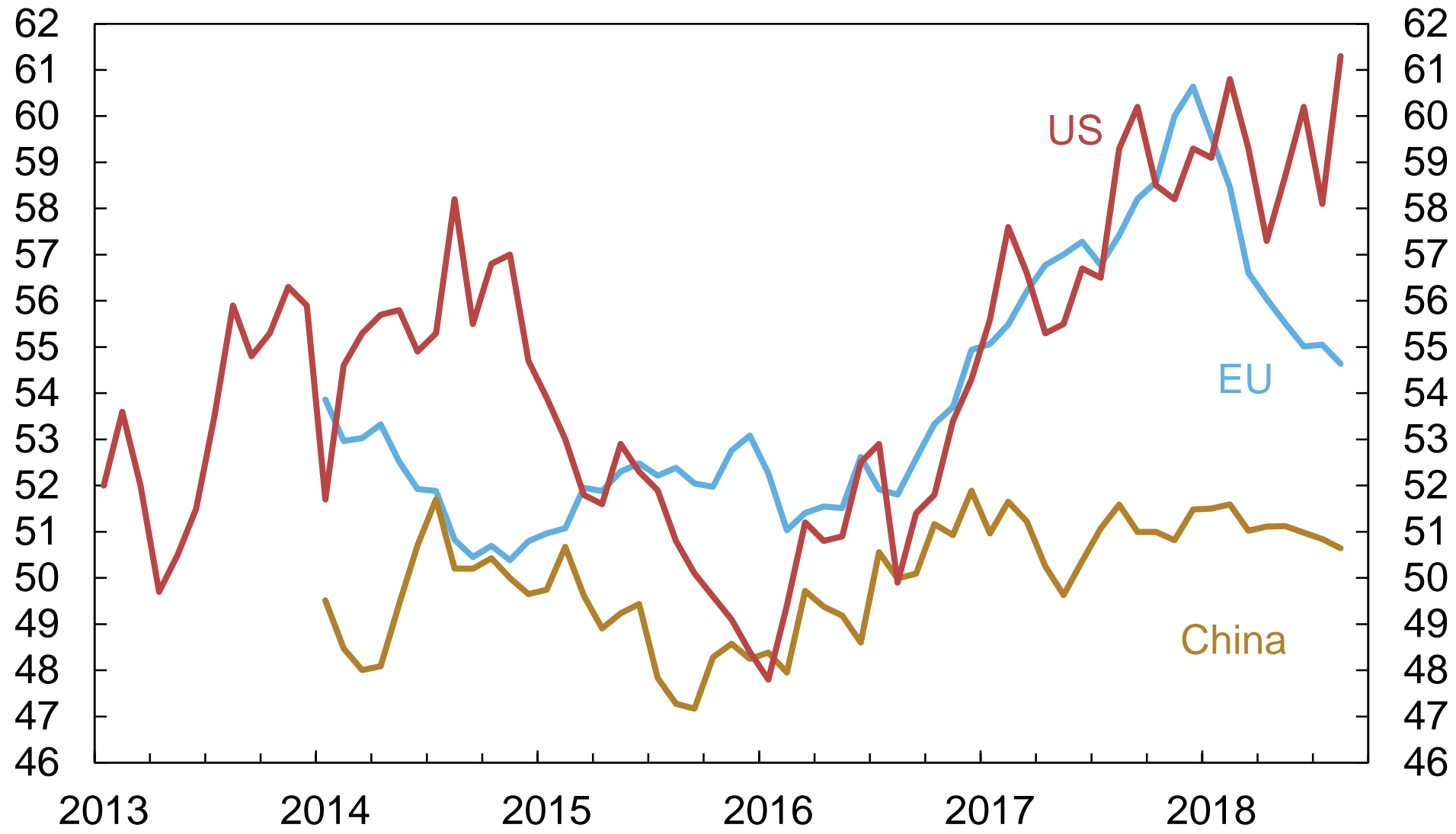
Note: Shading shows NBER recessions.



Manufacturing Indicators for Major Economies

Index Level

Index Level

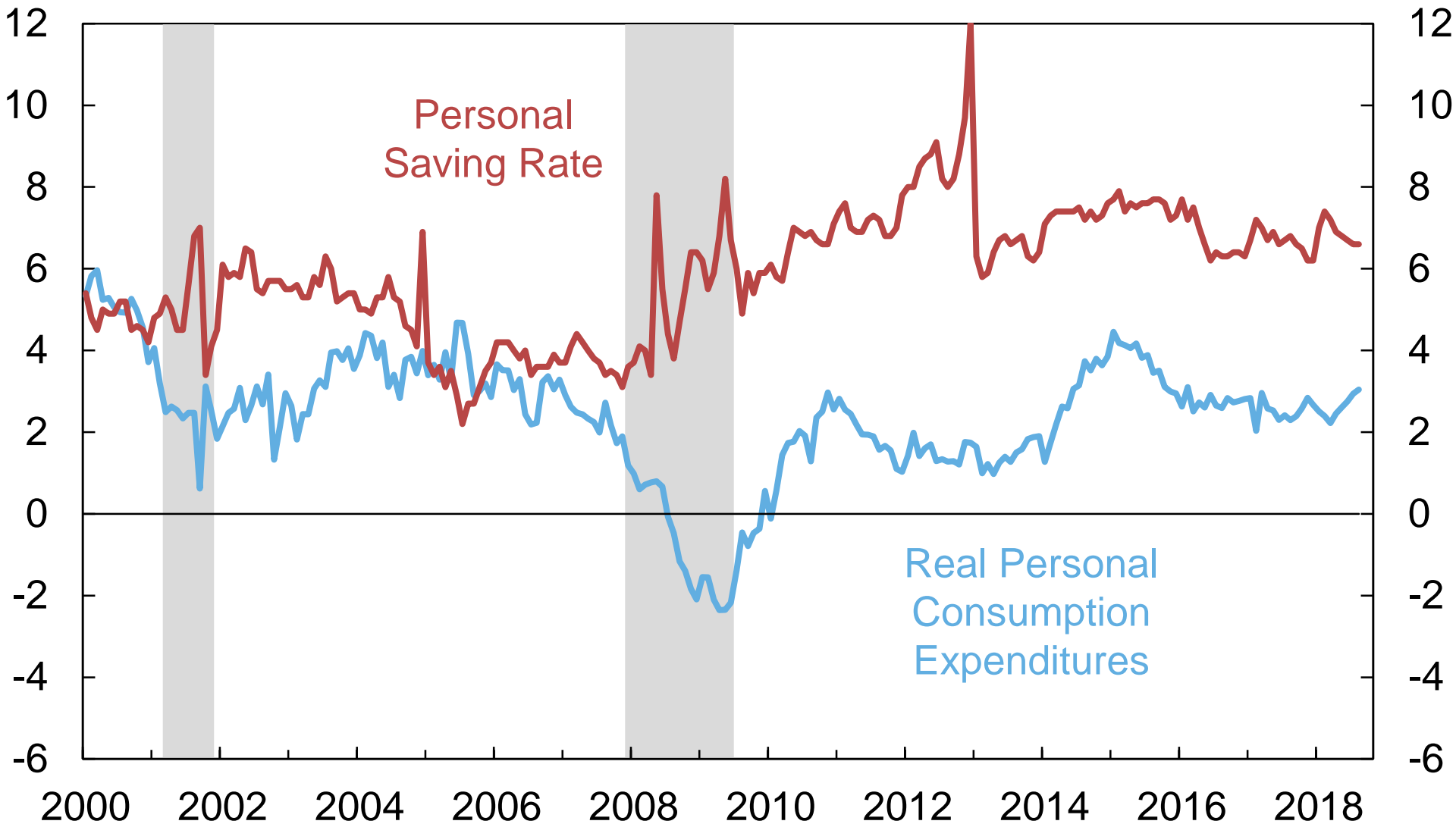


Source: IHS Markit and Institute for Supply Management via Haver Analytics

Note: Shading shows NBER recessions.

Real PCE and the Personal Saving Rate

12 Month % Change



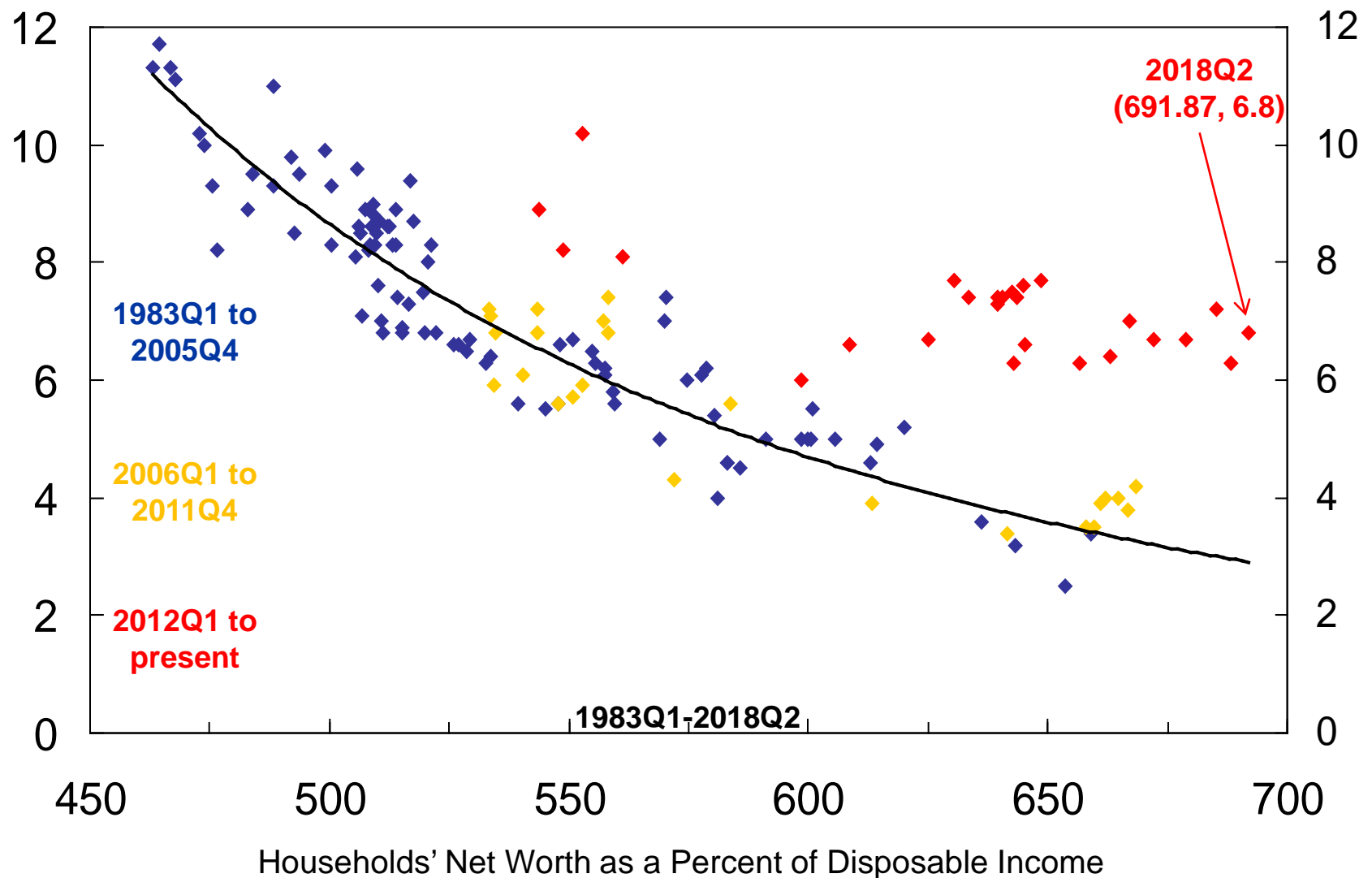
Source: Bureau of Economic Analysis,
Federal Reserve Board via Haver Analytics

Note: Shading shows NBER recessions.

Personal Saving Rate and Household Net Worth

Personal Saving Rate (Percent)

Personal Saving Rate (Percent)

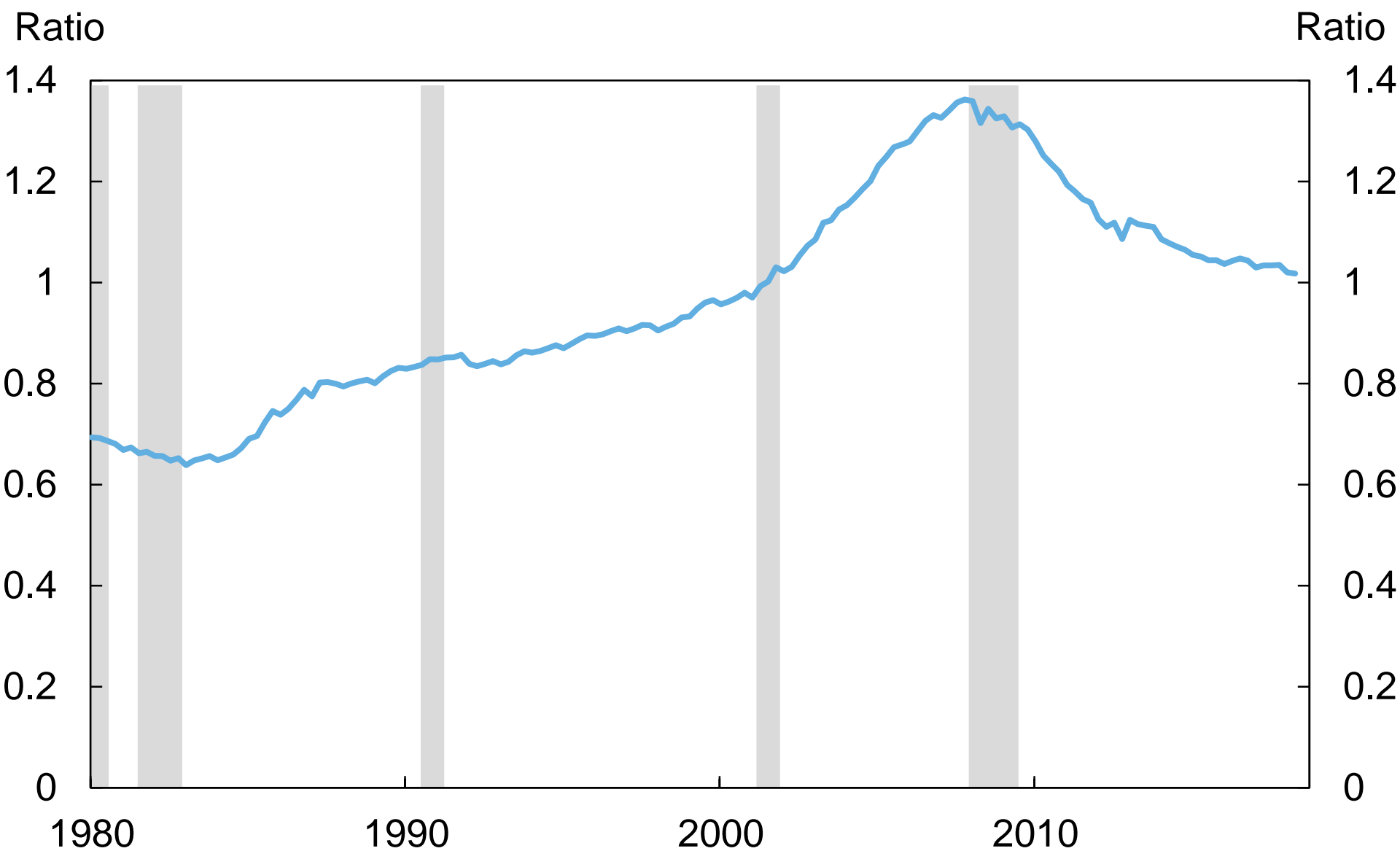


Source: Bureau of Economic Analysis and Federal Reserve Board

Note: Fitted line is from 1983Q1 to 2005Q4.



Household Liabilities over Disposable Income



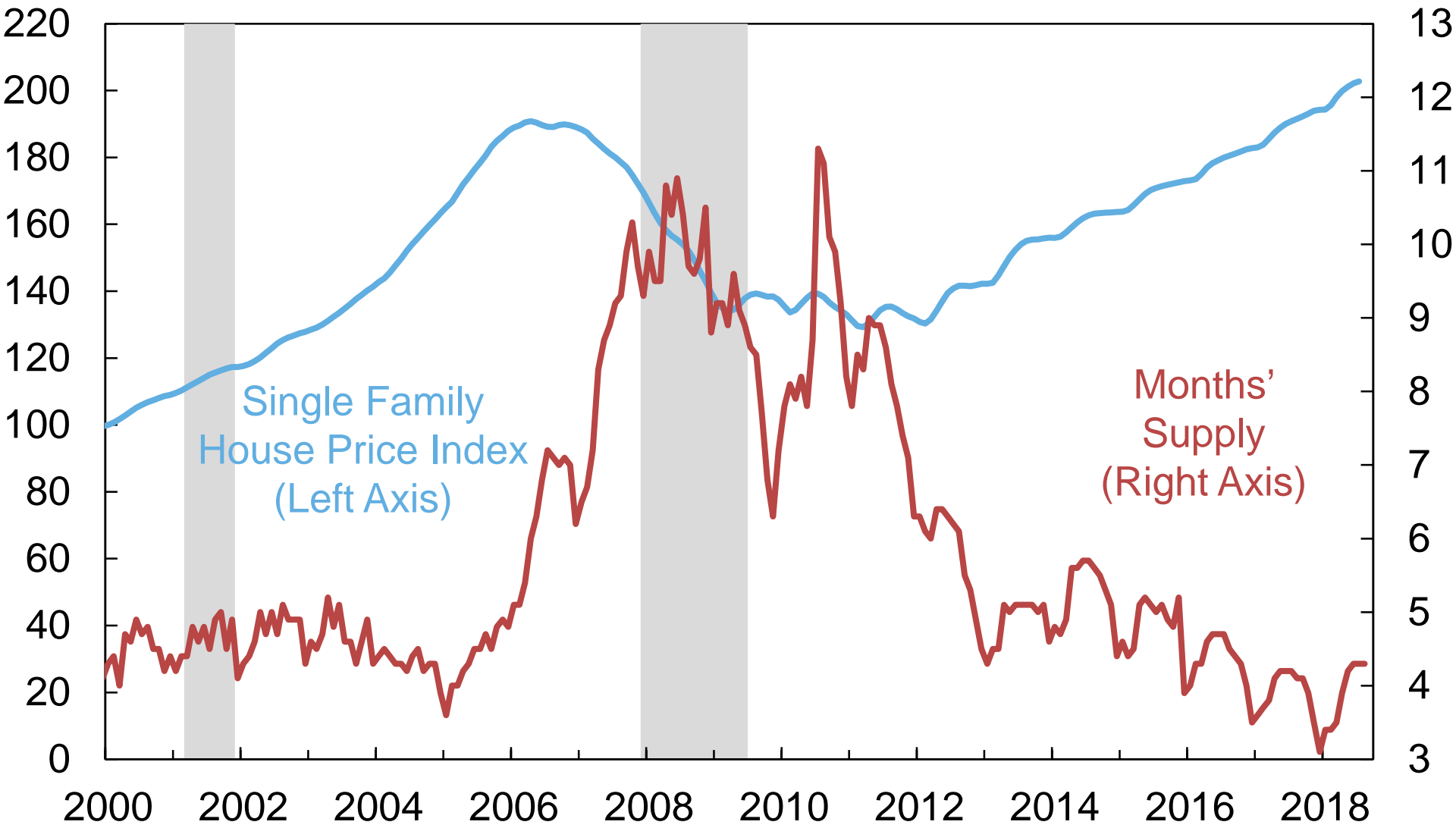
Source: Federal Reserve Board and Bureau of Economic Analysis via Haver Analytics.

Note: Shading shows NBER recessions.

Single Family Housing Market

Index Level

Months



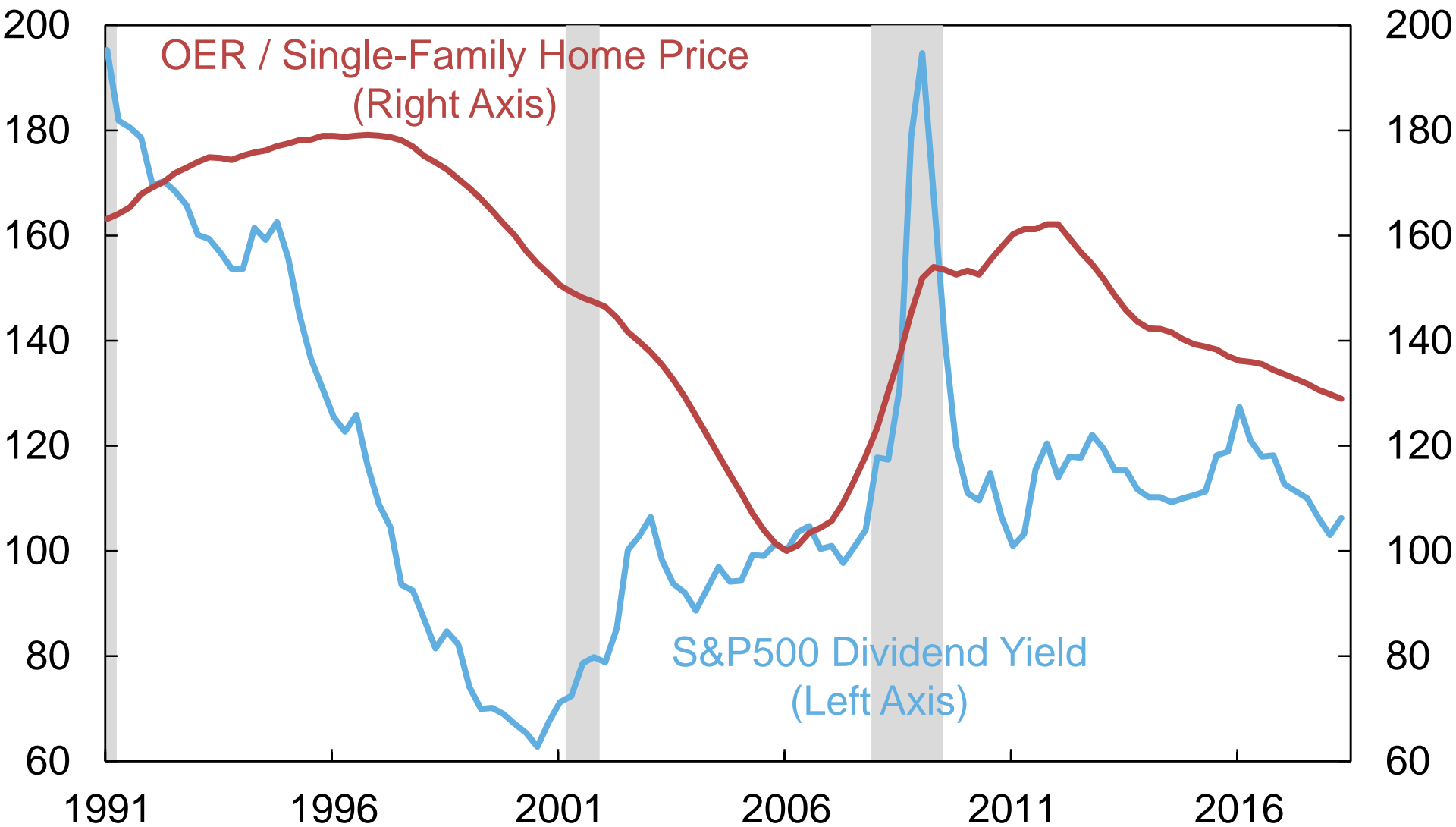
Source: CoreLogic, National Association of Realtors, via Haver Analytics

Note: Shading shows NBER recessions.

Rent-Price Ratio and Equity Dividend Yield

Index, 2006Q1 = 100

Index, 2006Q1 = 100



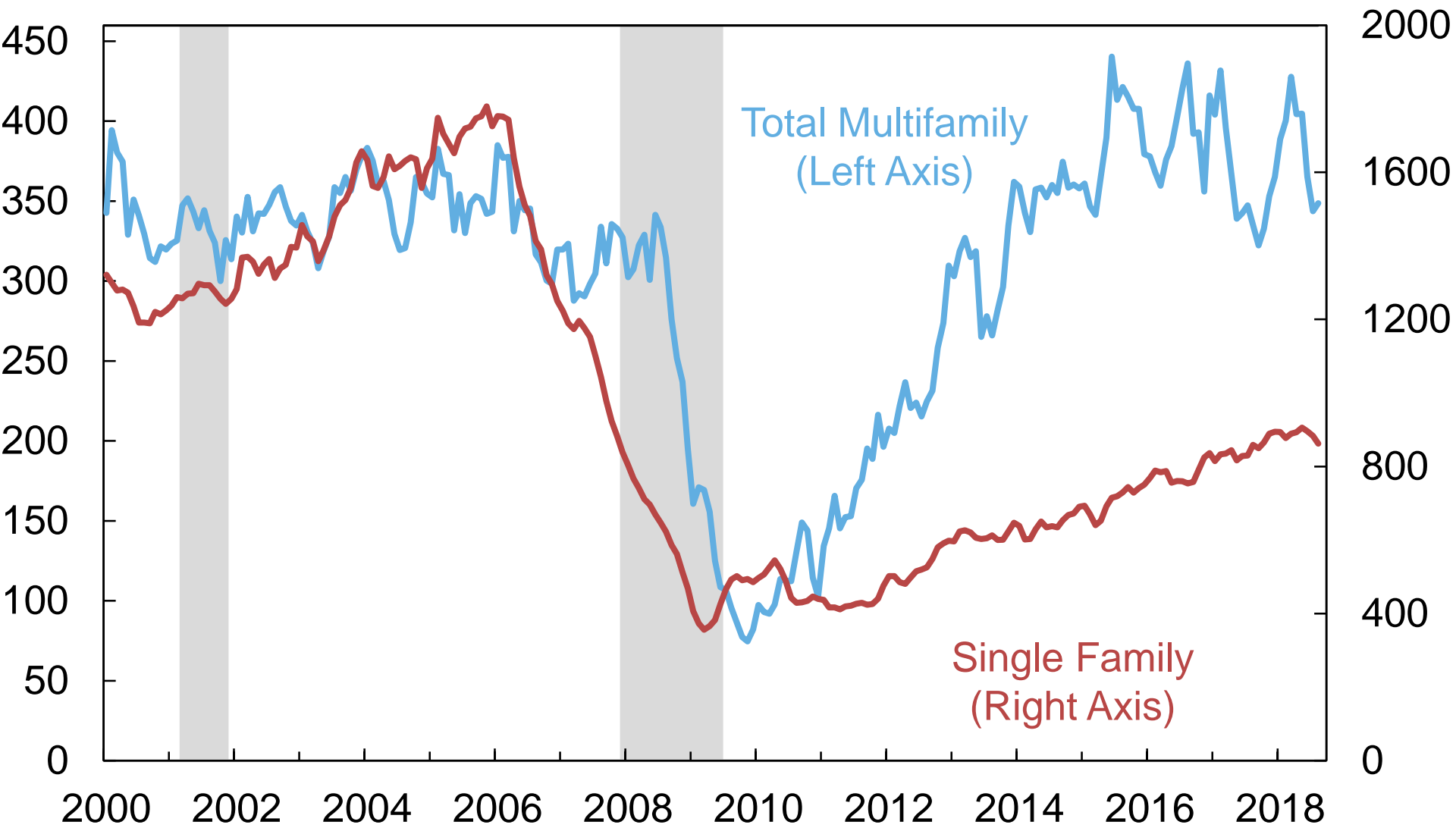
Source: Author's calculations; Haver Analytics.

Note: Shading shows NBER recessions.

Housing Starts

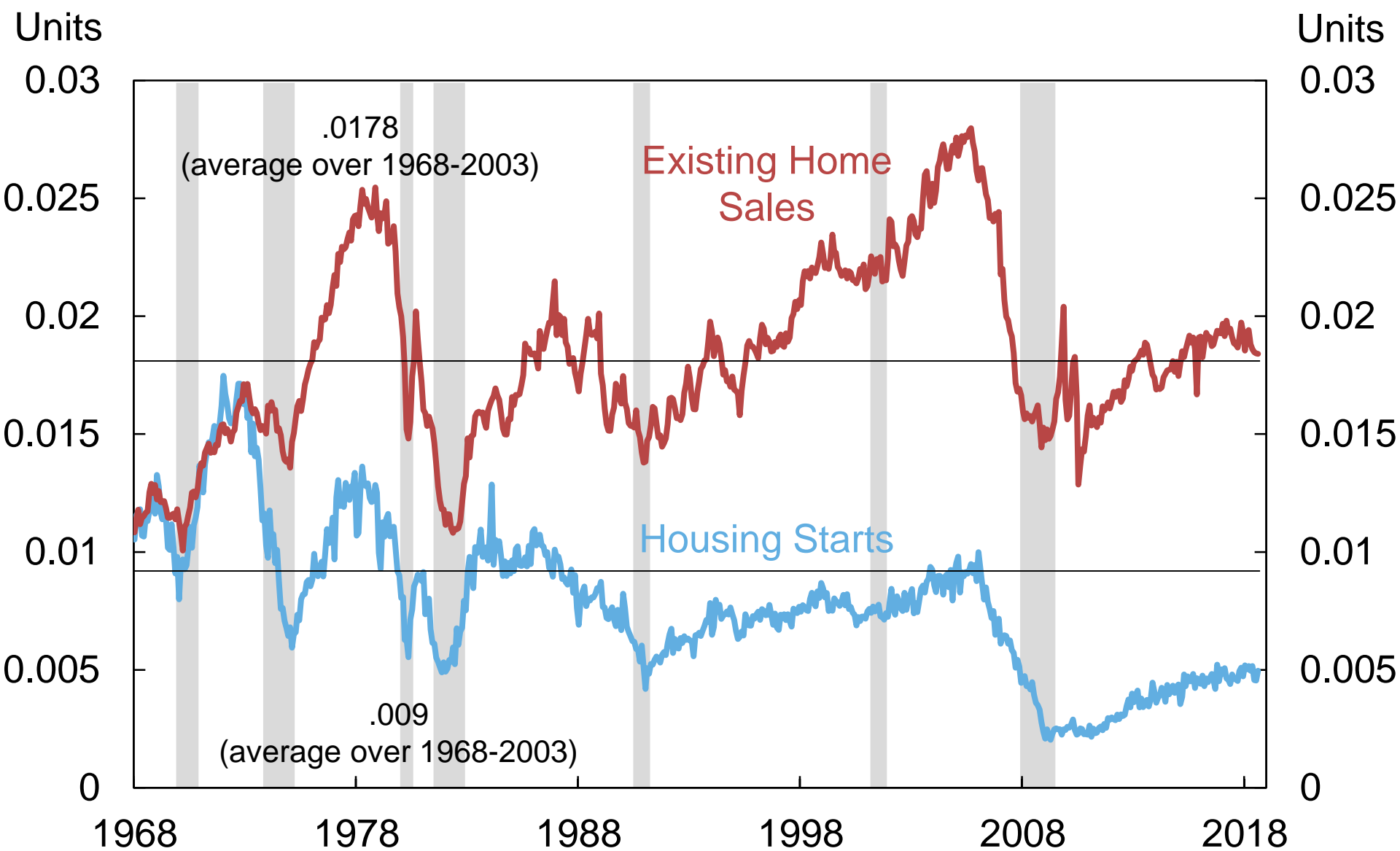
Thousands, 3 MMA

Thousands, 3 MMA





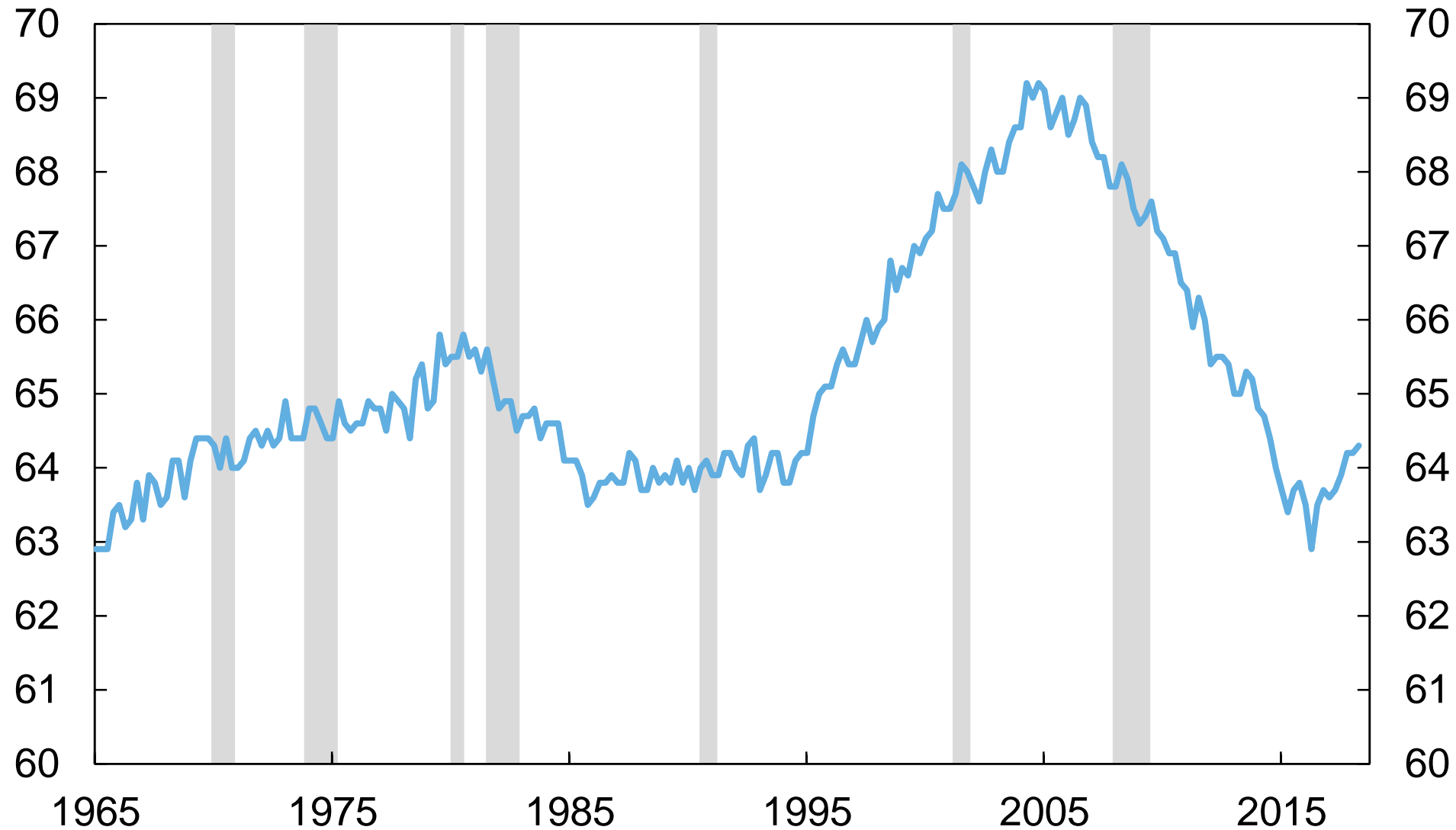
Housing Starts and Existing Homes Sales Per Capita



U.S. Homeownership Rate

Homeownership Rate

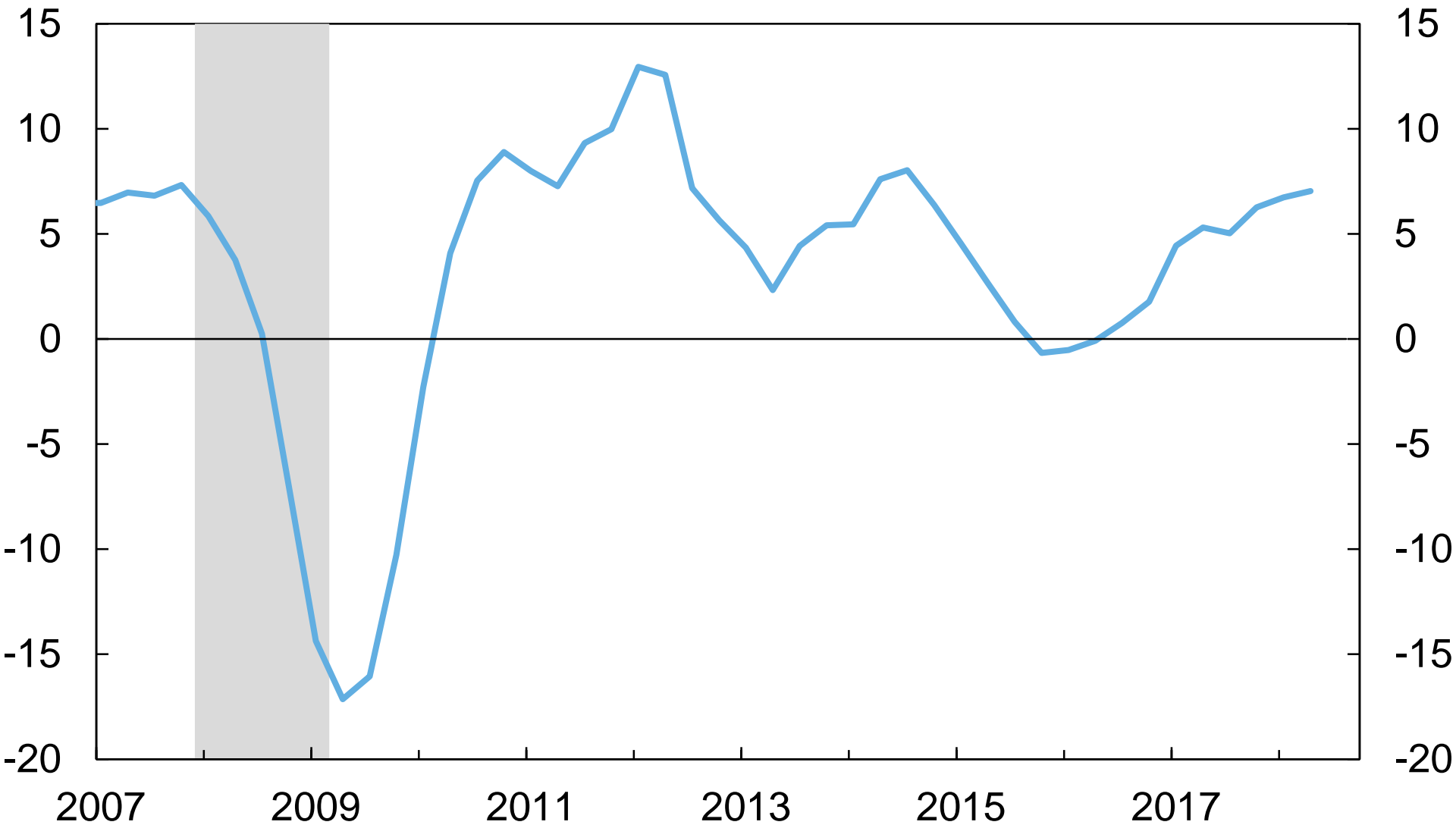
Homeownership Rate



Business Fixed Investment Firming

Four Quarter Percent Change

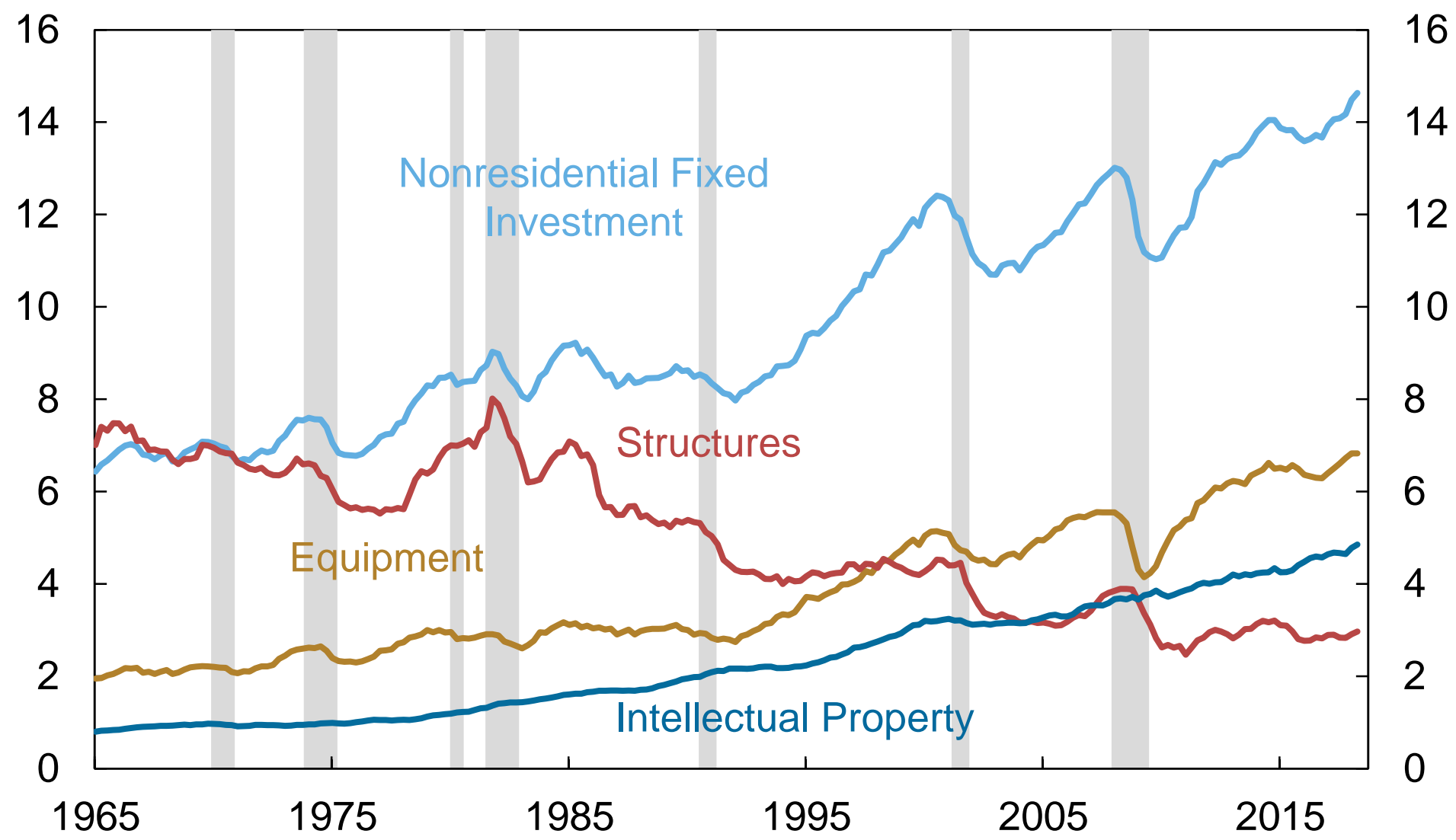
Four Quarter Percent Change



Real Private Investment Share of Real GDP

Percent of GDP

Percent of GDP



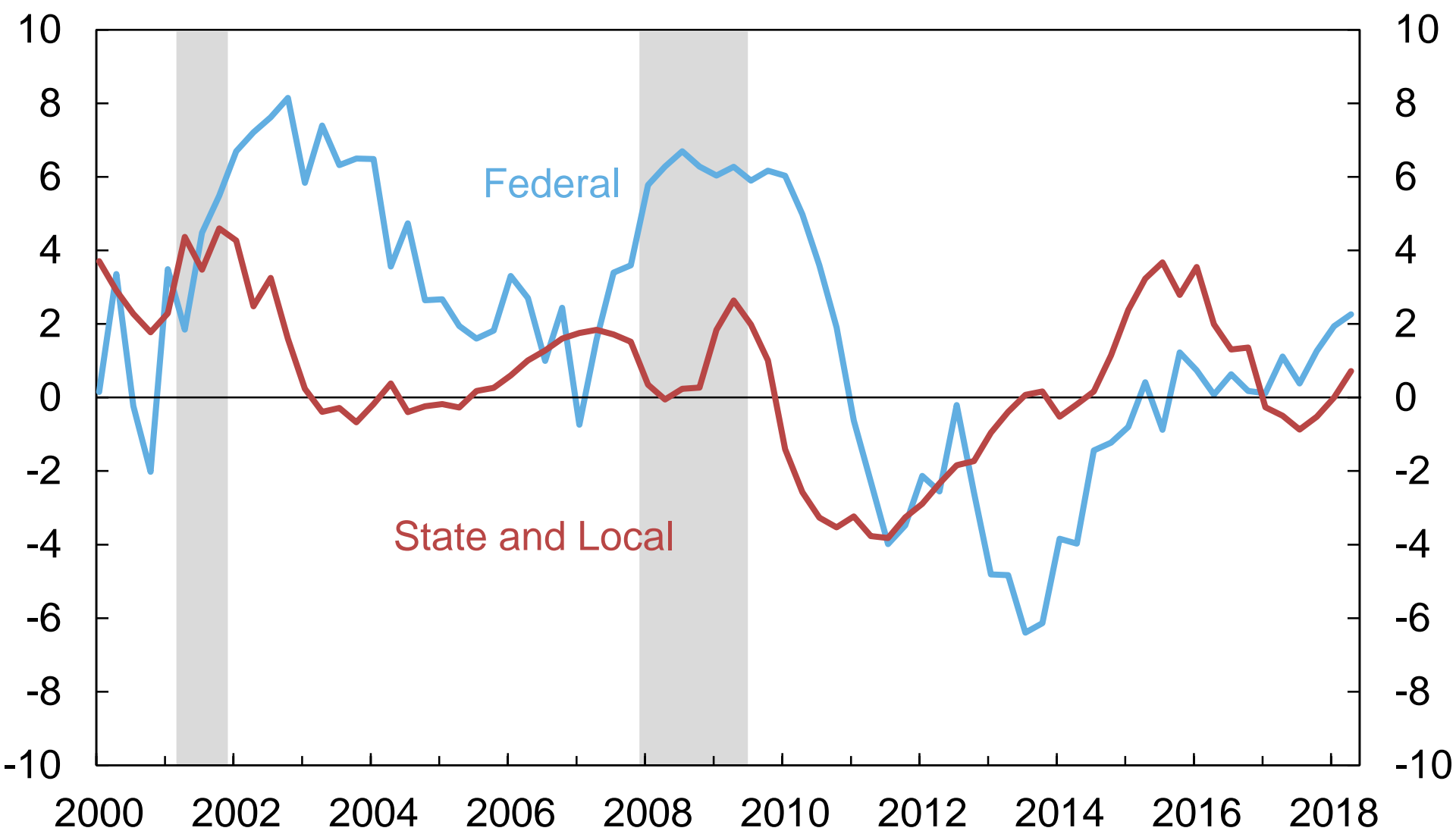
Source: Bureau of Economic Analysis via Haver Analytics

Note: Shading shows NBER recessions. 13

Real Government Consumption and Gross Investment

4 Quarter % Change

4 Quarter % Change



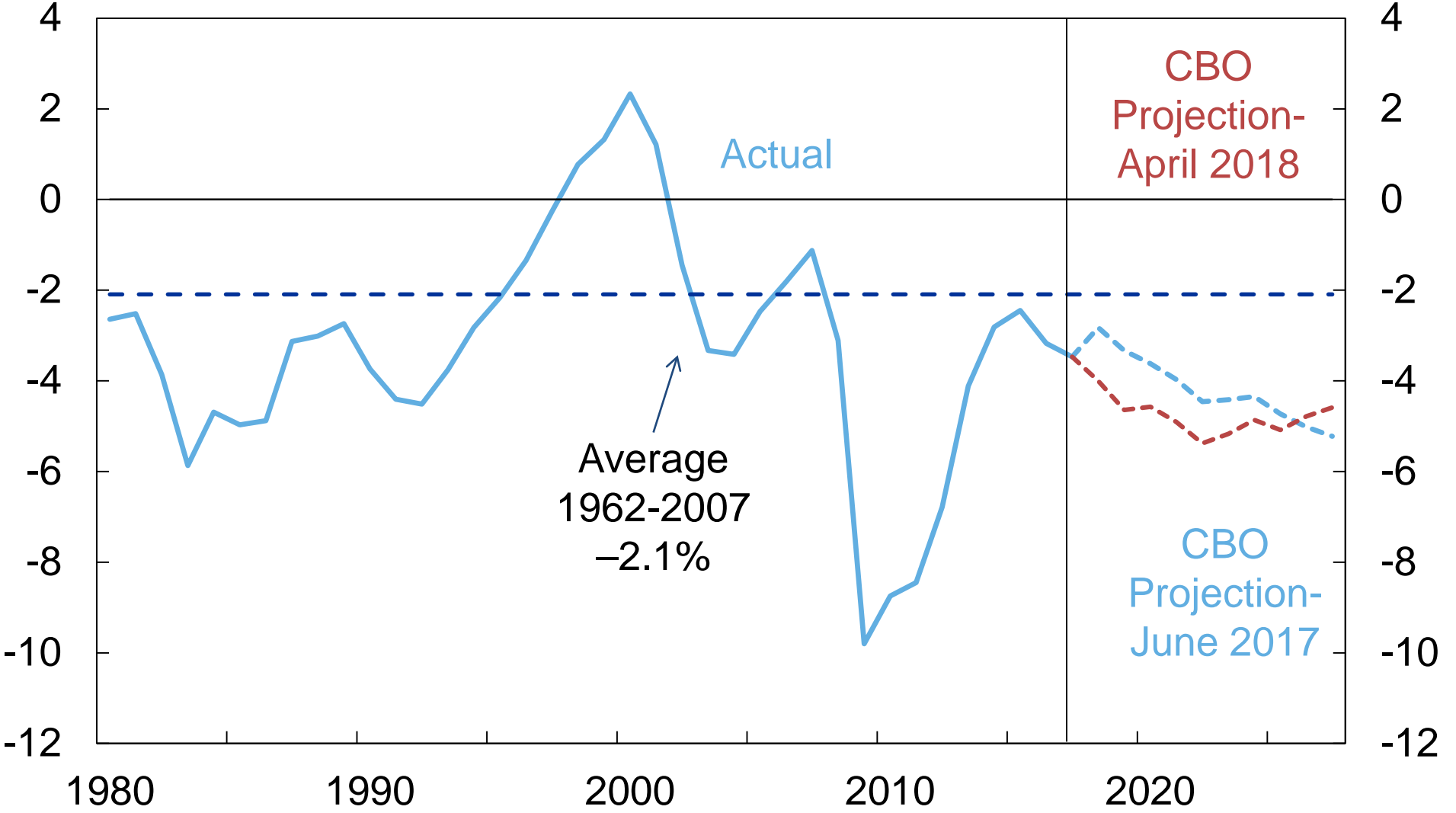
Source: Bureau of Economic Analysis
via Haver Analytics

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Note: Shading shows NBER recessions.

Federal Deficit

% of GDP

% of GDP



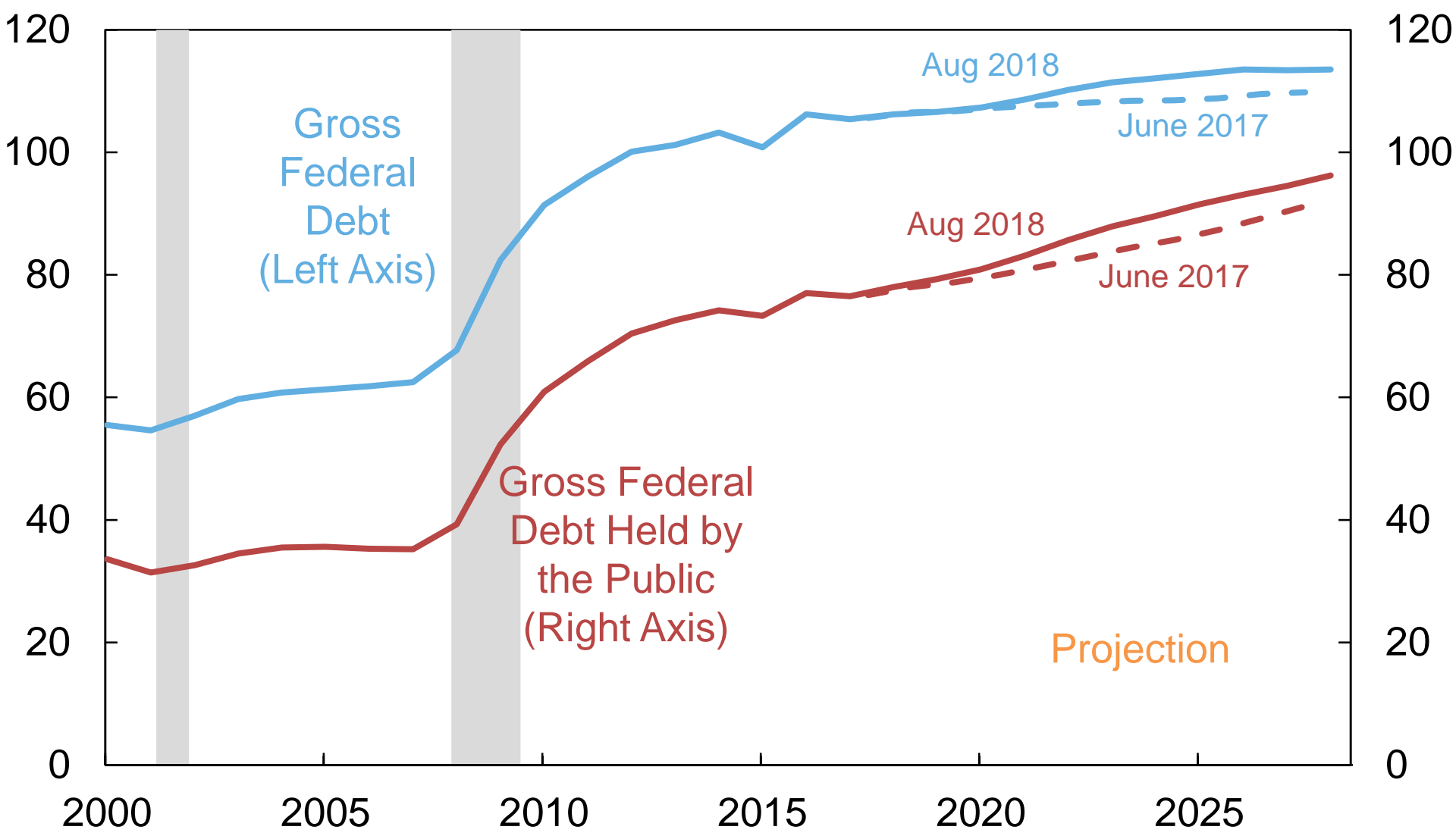
Source: Congressional Budget Office, FRBNY staff calculations



Gross Federal Debt as a Percentage of GDP

Percent

Percent



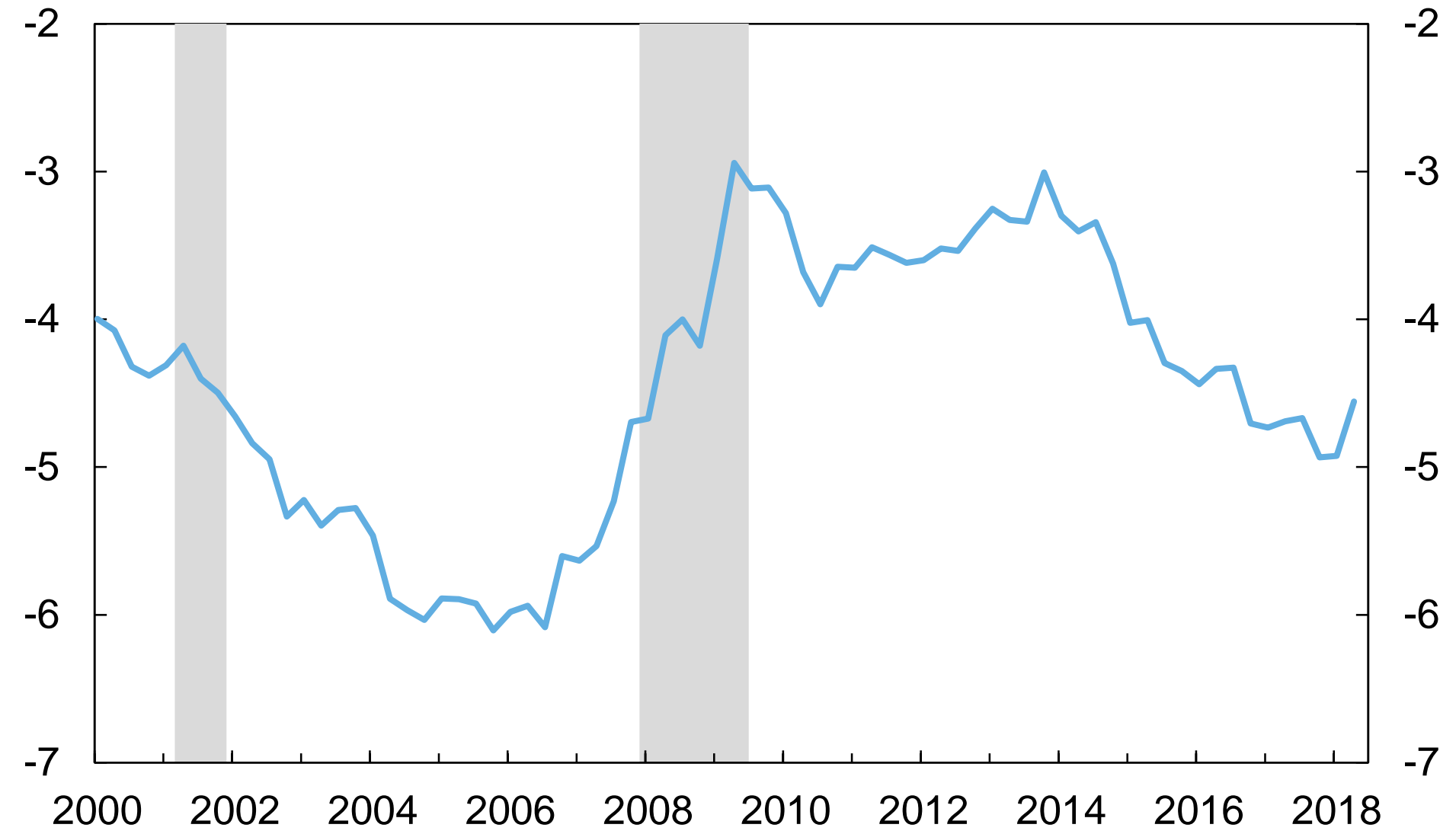
Source: CBO; Haver.

Note: Shading shows NBER recessions.

Real Net Exports as a % of GDP

Percent

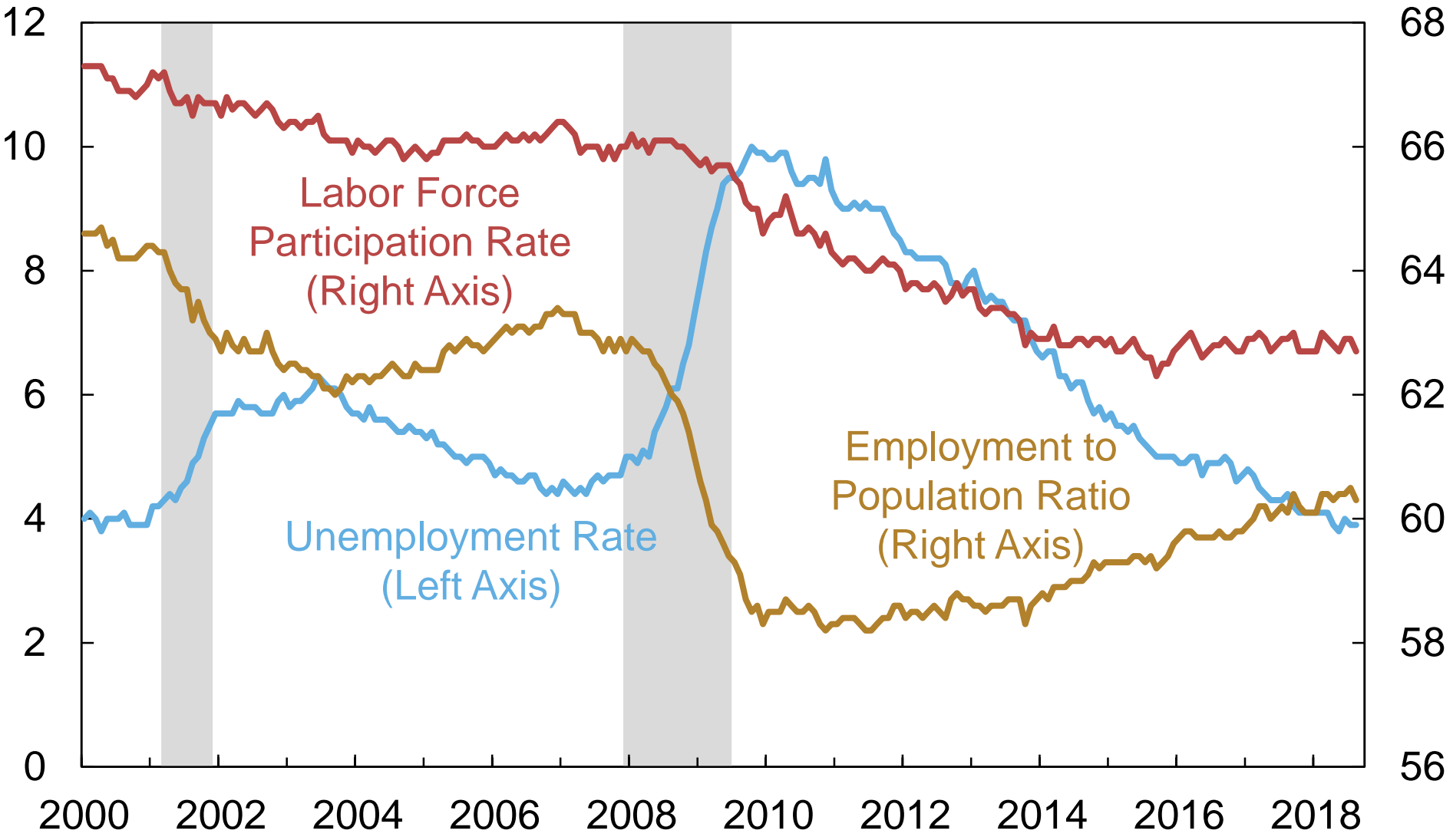
Percent



Labor Market Indicators

Percent

Percent



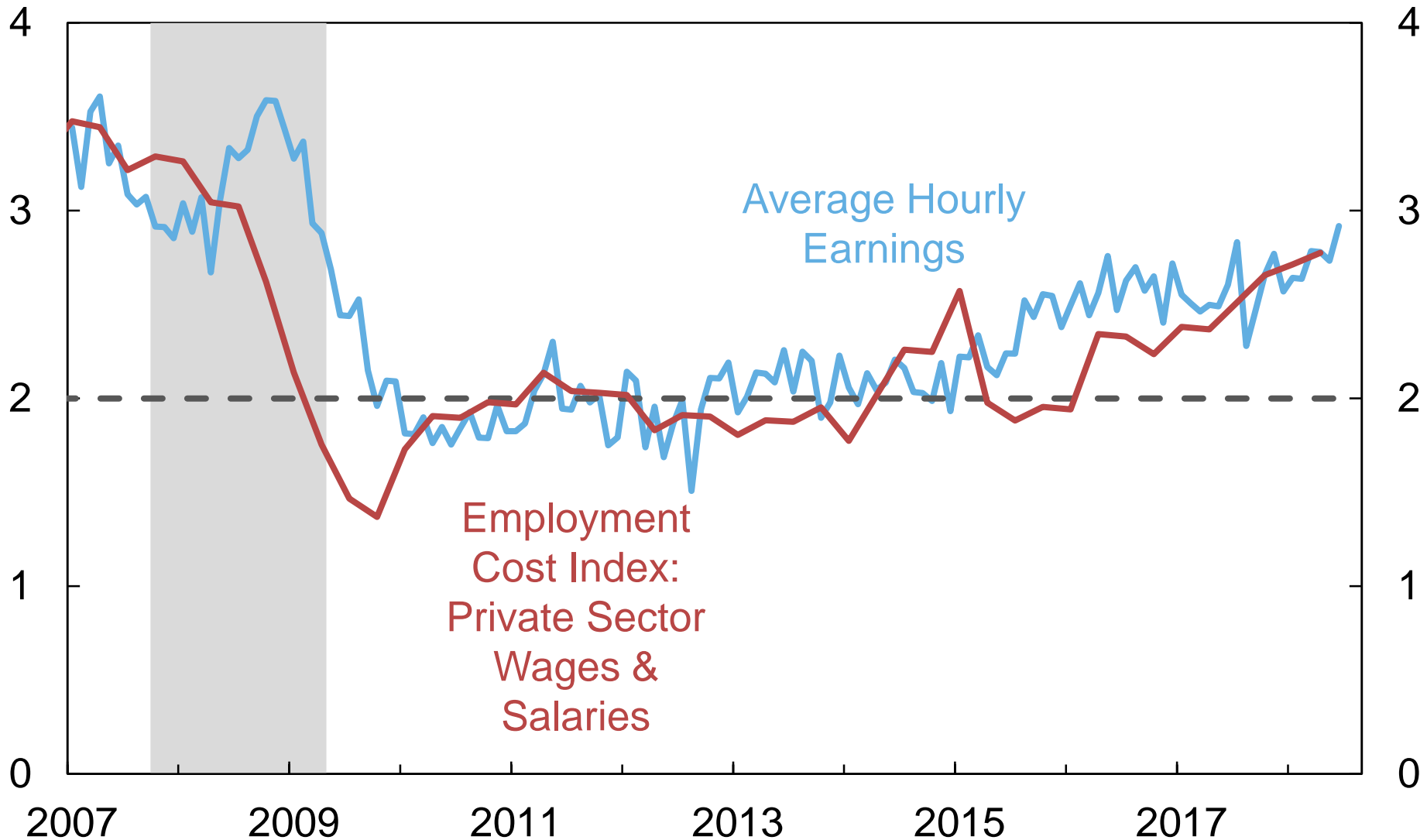
Source: Bureau of Labor Statistics
via Haver Analytics

Note: Shading shows NBER recessions.

Growth of Average Hourly Earnings and ECI

Annual % change

Annual % change



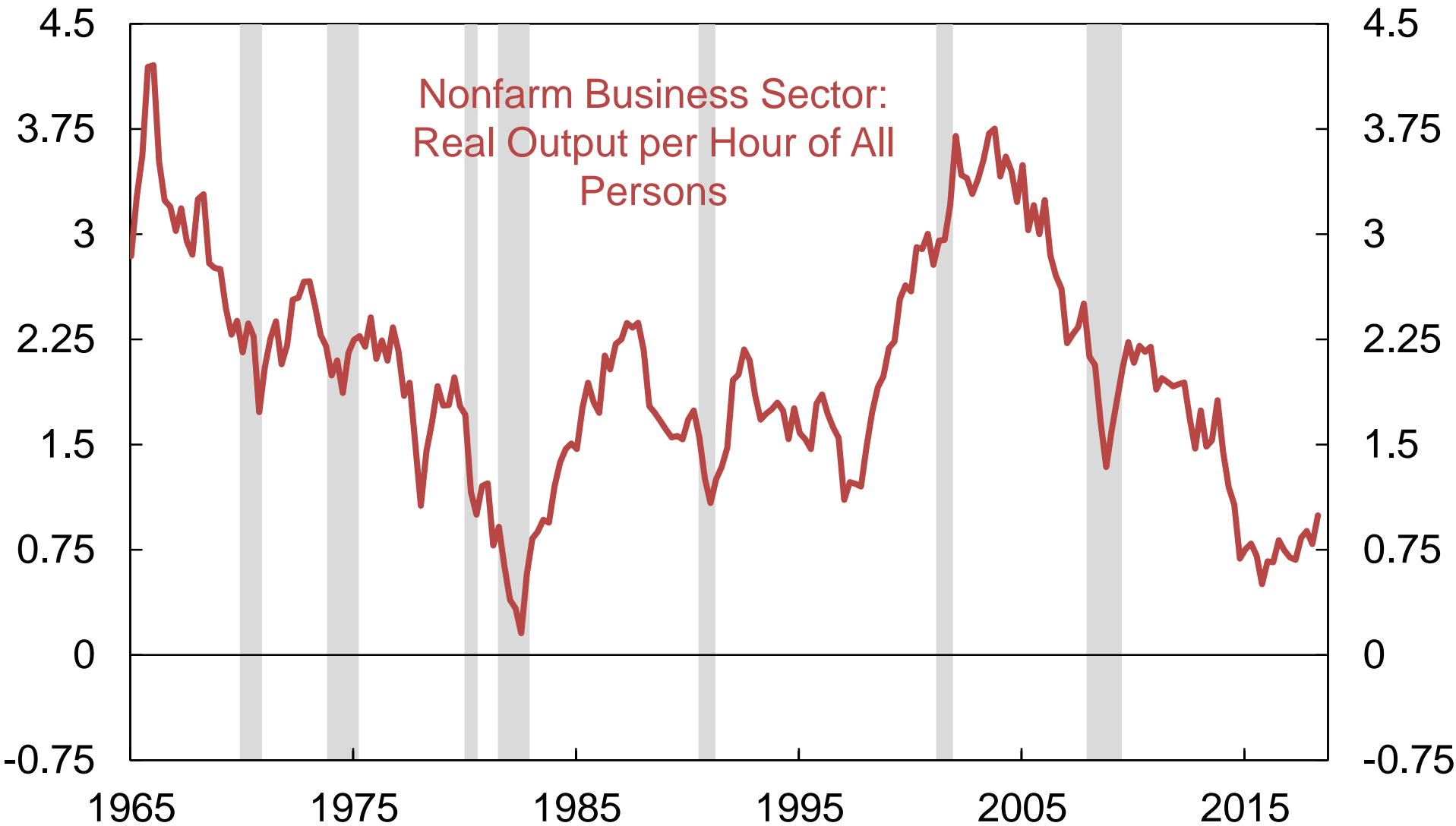
Source: Bureau of Labor Statistics
via Haver Analytics

Note: Shading shows NBER recessions.

Nonfarm Business Sector Real Output Per Hour Worked

20-Qtr %Change-annualized

20-Qtr %Change-annualized



Source: Bureau of Labor Statistics via Haver Analytics

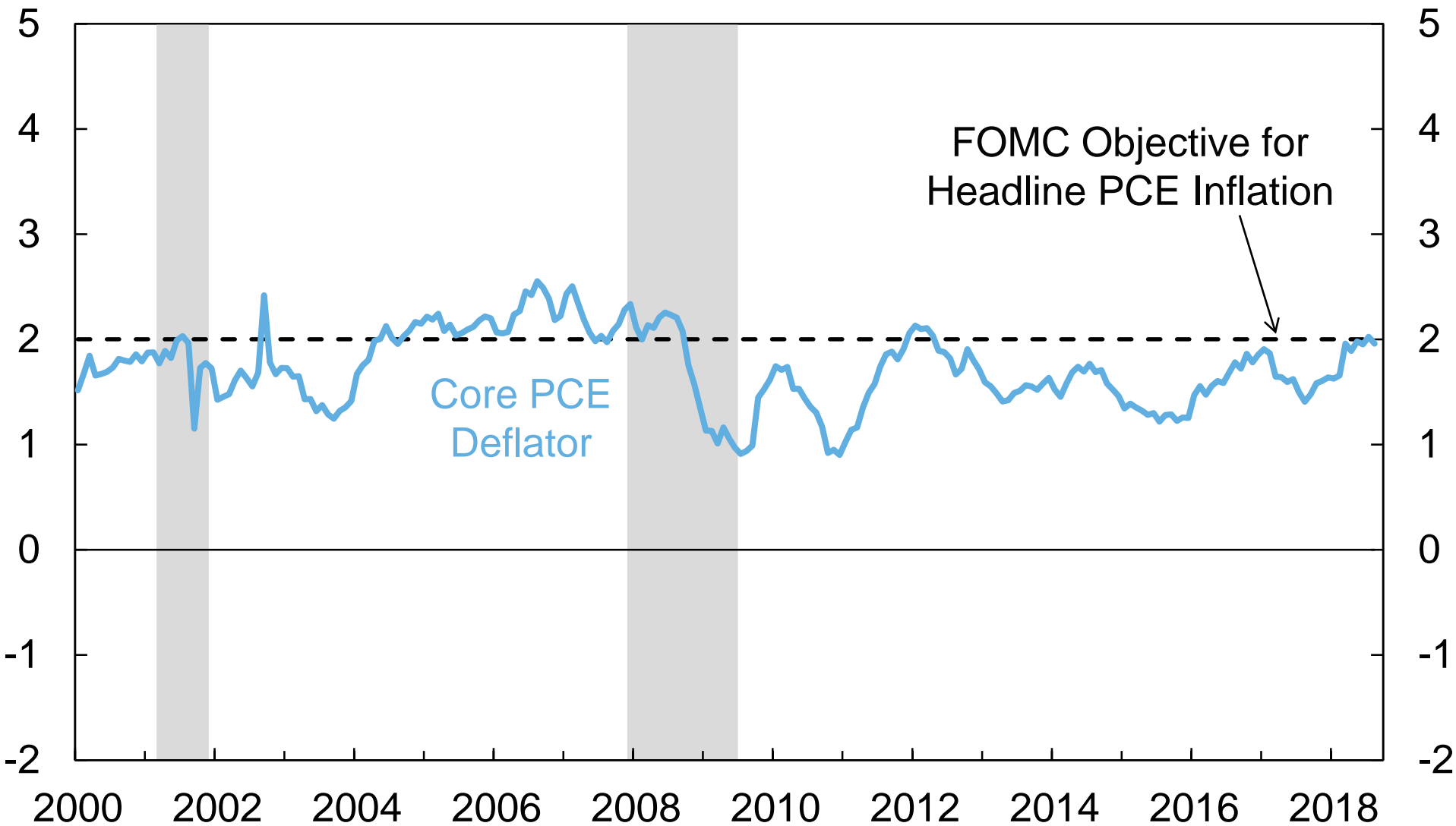
Note: Shading shows NBER recessions.



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.

Core PCE

3-Mo % Change, Annualized

3-Mo % Change, Annualized

