

# Blue Chip Financial Forecasts®

**Top Analysts' Forecasts Of U.S. And Foreign Interest Rates, Currency Values  
And The Factors That Influence Them**

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# BLUE CHIP FINANCIAL FORECASTS®

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## About 70% Of The Panelists Look For Rate Hike In June Or July

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**Domestic** Fewer than half of our panelists now believe the Federal Reserve's Open Market Committee (FOMC) will opt to hike interest rates at its June 14<sup>th</sup>-15<sup>th</sup> meeting. However, a bit more than seven-out-of-ten panelists still predict an increase will be enacted at either the June meeting or the next one in late July, according to our May 23<sup>rd</sup>-24<sup>th</sup> survey. Interestingly, the shift to a lower likelihood of a June hike and a higher likelihood of one in July occurred despite the release of minutes from the FOMC's April meeting that were interpreted by many as more hawkish than the FOMC's April policy statement and recent suggestions from several FOMC members that a June rate hike was a distinct possibility.

In answer to a special question this month, all but two of our panelists think the FOMC will hike rates at least once this year. However, the percentage of those looking for an increase at the June 14<sup>th</sup>-15<sup>th</sup> meeting fell to 38.3% from 57.4% last month and 86.0% in our April survey. A likely roadblock to a June rate hike, according to many analysts, is a desire by some FOMC members to see further evidence of a snapback in economic growth and inflation, coupled with additional improvement in labor market conditions. Many analysts also suspect that the FOMC would prefer to see the outcome of the U.K.'s June 23<sup>rd</sup> referendum on leaving the European Union.

Among the panelists looking for a later rate hike from the FOMC, 31.9% now say the first increase of this year will be enacted at its July 26<sup>th</sup>-27<sup>th</sup> meeting versus 17.0% a month ago and 4.7% a month before that. The percentage of our panelists that now say the first hike will not occur until the FOMC's September 20<sup>th</sup>-21<sup>st</sup> meeting rose to 21.3% this month from 12.8% a month ago and 4.7% in our April survey. None of the panelists predicted that the first hike of 2016 would occur at the November 1<sup>st</sup>-2<sup>nd</sup> meeting and the percentage of those forecasting the first hike would finally be enacted at the December 13<sup>th</sup>-14<sup>th</sup> meeting slipped to 4.3% this month from 10.6% in our May survey. One panelist now predicts that no rate hike will occur until the FOMC's March 2017 meeting and another foresees no rate increase this year or next.

Asked how many 25 basis point rate hikes the FOMC will enact this year, 4.4% of the panelists this month said none, 22.2% said one, 60% said two, and 13.3% said three. These forecasts compare with the "dot plot" released in conjunction with the FOMC's March meeting that implied two quarter-point rate hikes this year. Based on this month's forecasts of the federal funds rate, the consensus envisions more than two, but less than three 25 basis point increases from the FOMC in 2017. That is fewer than the four quarter-point hikes in 2017 implied by the FOMC's March "dot plot".

As previously mentioned, minutes of the FOMC's late-April meeting that were released on May 18<sup>th</sup> were seen as hawkish. Prior to their release fed funds futures prices put the odds of a June rate hike at about 14%, but that figure jumped to 30% in the wake of their release. The most hawkish takeaway from the minutes was that "most participants judged that if incoming data were consistent with economic growth picking up in the second quarter, labor market conditions continuing to strengthen, and inflation making progress toward the Committee's 2 percent objective, then it would be appropriate for the Committee to increase the target range for the federal funds rate in June." Committee members seemed to dismiss the softness of GDP growth in Q1, attributing at least some of it to the residual seasonality issues that appear to have depressed government estimates of Q1 growth in each of the past six years. They noted that labor market conditions had continued to improve and that consumer fundamentals were positive. The minutes also noted the significant improvement in financial markets following their late-2015/early-2016 swoon.

In conjunction with the implicit message in the April meeting minutes that the June meeting would be "live", a bevy of FOMC members – some voting members and some not – also have made

recent comments underscoring that a June rate hike was a possibility. San Francisco Fed President John Williams and Atlanta Fed President Dennis Lockhart have both said over the past two weeks that the June meeting is "live". Dallas Fed President Robert Kaplan recently called for a rate increase "in the not too distant future". New York Fed President William Dudley, a permanent voting member, recently said "We are on track to satisfy a lot of conditions" for a rate increase. "If I am convinced that my own forecast is sort of on track, then I think a tightening in the summer, the June-July time frame is a reasonable expectation". Boston Fed bank President Eric Rosengren was recently quoted as saying "So I want to be sensitive to how the data comes in, but I would say that most of the conditions that were laid out in the (April) minutes as of right now seem to be ... on the verge of broadly being met...". Fed Chair Janet Yellen, scheduled to speak in Massachusetts May 27<sup>th</sup> and elsewhere on June 6<sup>th</sup>, may reinforce the notion that the June meeting is "live" or simply play coy about the Fed's intentions. However, some analysts suspect recent comments from FOMC members simply represent jaw-boning and imply little about the timing of when the Fed will actually hike rates.

Consensus forecasts of real GDP growth over the next six quarters went completely unchanged this month. After growing an upwardly revised 0.8% (saar) in Q1, real GDP still is forecast to grow 2.3% in the current quarter and 2.4% in Q3 and Q4 of this year. GDP growth in the current quarter is expected to be supported by a notable pick-up in the pace of personal consumption expenditures, solid residential investment, a small contribution from business fixed investment despite another contraction in business structures, some contribution from government spending as federal defense spending rebounds, and little if any drag from net exports. Strength in these areas is expected to offset a further subtraction by inventories from GDP. Next year, the consensus still sees real GDP growing 2.3% (saar) in Q1 2017, 2.4% in Q2 and 2.3% in Q3. The consensus remains pretty sanguine about the possibility of a recession in the medium term. Asked the odds (between 0% and 100%) of a U.S. recession starting this year, the consensus forecast came in at 15.4% versus 14.9% a month ago, 16.2% in April, 19.0% in March and 16.7% in February. The consensus this month put the odds of a recession starting in 2017 at 21.3% compared to 20.3% last month, 21.4% in April, 23.2% in March and 22.0% in February.

Consensus forecasts of inflation over the forecast horizon were little changed this month, with a bias to the upside that most likely results from higher energy prices. The Consumer Price Index (CPI) is forecast to increase 2.2% (saar) in Q2, 0.3 of a percentage point faster than last month. It is expected to increase 2.4% (saar) in Q3, 0.2 of a percentage point more than last month. The forecast of its Q4 2016 change remained at 2.3% (saar). The CPI is forecast to increase 2.2% (saar) in Q1 2017, 2.4% in Q2 and 2.3% in Q3, all identical to last month except for the Q1 2017 forecast that fell 0.1 of a percentage point over the past month. Forecasts of the expected change in the GDP price index looked very similar to those of last month.

**Consensus Forecast** The consensus predicts real GDP growth will rebound to an annualized rate of slightly more than 2.0% over the next six quarters. Inflation will continue its rebound from recent depressed levels, but remain low enough to keep the FOMC cautious about raising rates rapidly. Treasury yields are expected to rise over the forecast horizon as the FOMC tightens, but the yield curve will flatten, in part because overseas sovereign yields remain below those in the U.S. The trade-weighted U.S. dollar will resume its appreciation, but increase by less than previously expected (*see page 2*).

**Long-Range Survey** On page 14 are results of our twice-yearly, long-range survey with consensus estimates for the years 2018 through 2022 and averages for the 5-year periods 2018-2022 and 2023-2027 (*see page 14*)

## Consensus Forecasts Of U.S. Interest Rates And Key Assumptions<sup>1</sup>

Interest Rates	History								Consensus Forecasts-Quarterly Avg.					
	Average For Week Ending				Average For Month				Latest Qtr	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017
	May 20	May 13	May 6	Apr. 29	Apr.	Mar.	Feb.	1Q 2016	2016	2016	2016	2017	2017	2017
Federal Funds Rate	0.37	0.37	0.34	0.37	0.37	0.36	0.38	0.36	0.4	0.6	0.7	0.9	1.1	1.3
Prime Rate	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.5	3.7	3.8	4.0	4.2	4.4
LIBOR, 3-mo.	0.63	0.63	0.63	0.63	0.63	0.63	0.62	0.62	0.6	0.8	1.0	1.2	1.4	1.7
Commercial Paper, 1-mo.	0.35	0.34	0.35	0.36	0.35	0.34	0.35	0.34	0.4	0.6	0.8	1.0	1.3	1.5
Treasury bill, 3-mo.	0.30	0.26	0.20	0.23	0.23	0.30	0.31	0.29	0.3	0.5	0.7	0.9	1.1	1.3
Treasury bill, 6-mo.	0.42	0.37	0.40	0.40	0.37	0.47	0.45	0.45	0.4	0.6	0.8	1.0	1.2	1.4
Treasury bill, 1 yr.	0.62	0.53	0.52	0.58	0.56	0.66	0.53	0.58	0.6	0.8	1.0	1.2	1.4	1.6
Treasury note, 2 yr.	0.86	0.74	0.75	0.82	0.77	0.88	0.73	0.84	0.8	1.0	1.2	1.4	1.6	1.8
Treasury note, 5 yr.	1.34	1.21	1.25	1.33	1.26	1.38	1.22	1.37	1.3	1.5	1.7	1.9	2.1	2.3
Treasury note, 10 yr.	1.82	1.75	1.81	1.88	1.81	1.89	1.78	1.92	1.9	2.1	2.2	2.4	2.6	2.7
Treasury note, 30 yr.	2.62	2.59	2.65	2.71	2.62	2.68	2.62	2.72	2.7	2.9	3.0	3.2	3.3	3.4
Corporate Aaa bond	3.65	3.63	3.66	3.62	3.62	3.82	3.96	3.93	3.7	3.9	4.1	4.3	4.4	4.6
Corporate Baa bond	4.69	4.64	4.66	4.75	4.79	5.13	5.32	5.30	4.9	5.1	5.2	5.4	5.5	5.7
State & Local bonds	3.26	3.32	3.32	3.32	3.30	3.38	3.30	3.36	3.4	3.5	3.6	3.8	4.0	4.1
Home mortgage rate	3.58	3.57	3.61	3.66	3.61	3.69	3.66	3.74	3.7	3.9	4.0	4.2	4.4	4.5

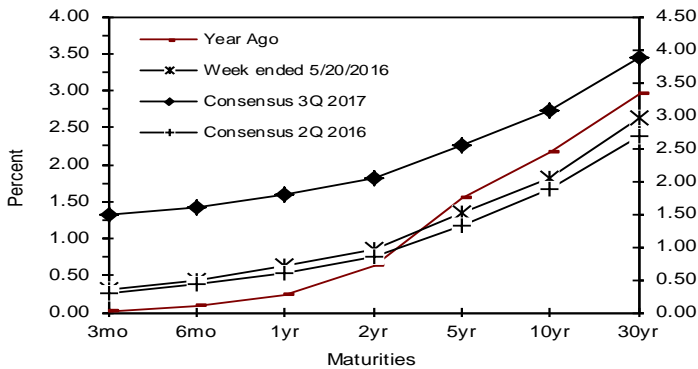
  

Key Assumptions	History								Consensus Forecasts-Quarterly					
	2Q 2014	3Q 2014	4Q 2014	1Q 2015	2Q 2015	3Q 2015	4Q 2015	1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017
Major Currency Index	76.6	77.8	82.6	89.4	89.9	91.8	93.1	93.3	90.4	91.3	92.1	92.4	92.3	92.3
Real GDP	4.6	4.3	2.1	0.6	3.9	2.0	1.4	0.8	2.3	2.4	2.4	2.3	2.4	2.3
GDP Price Index	2.2	1.6	0.1	0.1	2.1	1.3	0.9	0.6	1.8	1.8	1.9	1.9	2.2	2.1
Consumer Price Index	1.9	0.9	-0.3	-2.9	2.4	1.4	0.8	-0.3	2.2	2.4	2.3	2.2	2.4	2.3

Forecasts for interest rates and the Federal Reserve's Major Currency Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index and Consumer Price Index are seasonally-adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data for interest rates except LIBOR is from Federal Reserve Release (FRSR) H.15. LIBOR quotes available from *The Wall Street Journal*. Interest rate definitions are same as those in FRSR H.15. Treasury yields are reported on a constant maturity basis. Historical data for Fed's Major Currency Index is from FRSR H.10 and G.5. Historical data for Real GDP and GDP Chained Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index (CPI) history is from the Department of Labor's Bureau of Labor Statistics (BLS).

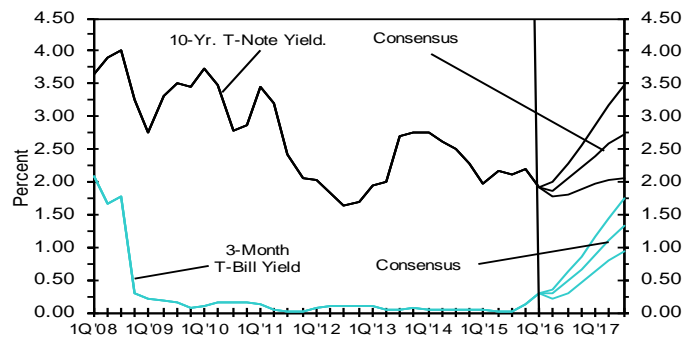
### U.S. Treasury Yield Curve

Week ended May 20, 2016 and Year Ago v.s. 2Q 2016 and 3Q 2017 Consensus Forecasts



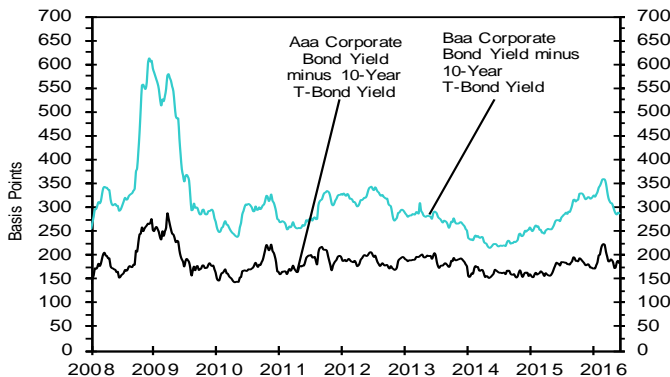
### U.S. 3-Mo. T-Bills & 10-Yr. T-Note Yield

(Quarterly Average) Forecast



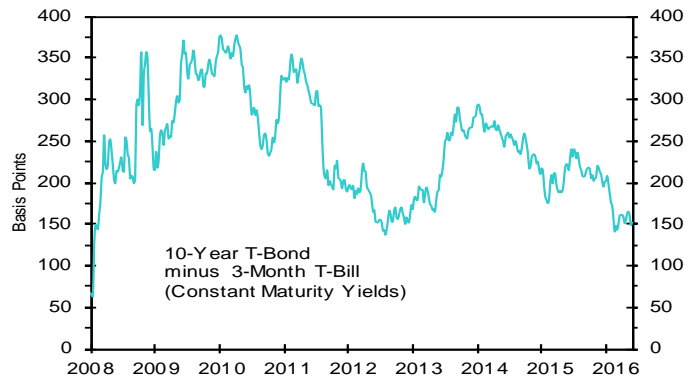
### Corporate Bond Spreads

As of week ended May 20, 2016



### U.S. Treasury Yield Curve

As of week May 20, 2016



-----3-Month Interest Rates<sup>1</sup>-----

	History			Consensus Forecasts		
	Month	Year	Months From Now:			
Latest:	Ago:	Ago:	3	6	12	
U.S.	0.67	0.63	0.29	<b>0.86</b>	<b>0.93</b>	<b>1.28</b>
Japan	-0.02	-0.02	0.10	<b>0.01</b>	<b>-0.01</b>	<b>0.00</b>
U.K.	0.57	0.57	0.54	<b>0.61</b>	<b>0.66</b>	<b>0.91</b>
Switzerland	-0.73	-0.72	-0.79	<b>-0.85</b>	<b>-0.85</b>	<b>0.85</b>
Canada	0.85	0.88	0.94	<b>0.70</b>	<b>0.73</b>	<b>0.98</b>
Australia	2.08	2.34	2.40	<b>1.60</b>	<b>1.60</b>	<b>1.70</b>
Eurozone	-0.26	-0.25	-0.01	<b>-0.27</b>	<b>-0.28</b>	<b>-0.27</b>

-----10-Yr. Government Bond Yields<sup>2</sup>-----

	History			Consensus Forecasts		
	Month	Year	Months From Now:			
Latest:	Ago:	Ago:	3	6	12	
U.S.	1.88	1.93	2.21	<b>2.04</b>	<b>2.13</b>	<b>2.43</b>
Germany	0.16	0.30	0.54	<b>0.37</b>	<b>0.43</b>	<b>0.67</b>
Japan	-0.10	-0.10	0.41	<b>-0.06</b>	<b>-0.02</b>	<b>0.04</b>
U.K.	1.57	1.67	2.02	<b>1.71</b>	<b>1.87</b>	<b>2.07</b>
France	0.50	0.65	0.89	<b>0.73</b>	<b>0.81</b>	<b>1.13</b>
Italy	1.36	1.54	1.86	<b>1.57</b>	<b>1.61</b>	<b>1.88</b>
Switzerland	-0.26	-0.38	-0.01	<b>-0.23</b>	<b>-0.09</b>	<b>0.19</b>
Canada	1.39	1.55	1.67	<b>1.51</b>	<b>1.65</b>	<b>1.98</b>
Australia	2.31	2.71	2.84	<b>2.41</b>	<b>2.55</b>	<b>2.72</b>
Spain	1.54	1.64	1.77	<b>1.68</b>	<b>1.73</b>	<b>1.99</b>

-----Foreign Exchange Rates<sup>1</sup>-----

	History			Consensus Forecasts		
	Month	Year	Months From Now:			
Latest:	Ago:	Ago:	3	6	12	
U.S.	90.791	89.646	89.948	<b>91.1</b>	<b>91.1</b>	<b>91.8</b>
Japan	110.52	111.50	121.45	<b>108.7</b>	<b>111.7</b>	<b>115.0</b>
U.K.	1.4513	1.4390	1.5484	<b>1.45</b>	<b>1.47</b>	<b>1.49</b>
Switzerland	0.9920	0.9774	0.9428	<b>1.02</b>	<b>1.04</b>	<b>1.04</b>
Canada	1.3136	1.2672	1.2288	<b>1.34</b>	<b>1.33</b>	<b>1.29</b>
Australia	0.7215	0.7713	0.7828	<b>0.71</b>	<b>0.71</b>	<b>0.73</b>
Euro	1.1207	1.1239	1.1033	<b>1.09</b>	<b>1.08</b>	<b>1.08</b>

Consensus  
3-Month Rates  
vs. U.S. Rate

	Now	In 12 Mo.
Japan	-0.69	<b>-1.28</b>
U.K.	-0.10	<b>-0.37</b>
Switzerland	-1.40	<b>-0.43</b>
Canada	0.18	<b>-0.31</b>
Australia	1.41	<b>0.42</b>
Eurozone	-0.93	<b>-1.55</b>

Consensus  
10-Year Gov't  
Yields vs. U.S. Yield

	Now	In 12
Germany	-1.72	<b>-1.75</b>
Japan	-1.98	<b>-2.38</b>
U.K.	-0.31	<b>-0.35</b>
France	-1.38	<b>-1.29</b>
Italy	-0.52	<b>-0.55</b>
Switzerland	-2.14	<b>-2.24</b>
Canada	-0.49	<b>-0.45</b>
Australia	0.43	<b>0.29</b>
Spain	-0.34	<b>-0.44</b>

**International Commentary** Global asset markets continued to levitate over the past month, extending recoveries from the shellacking they took earlier this year. Stocks, commodities and high-yield debt all have undergone significant rebounds from their earlier lows. Underpinning the turnaround was soothing words and in some cases easing on the part of major central banks, action by China to stabilize growth, and a pullback in the value of the U.S. dollar. Developments in June will likely determine whether the rallies get extended into the summer months or peter out. Major events confronting the markets over the next 30 days include the possibility of a rate hike from the Federal Reserve on June 15<sup>th</sup>, the U.K.'s Brexit referendum on June 23<sup>rd</sup>, general elections in Spain, Japan's likely announcement of a major fiscal stimulus package, and a German Constitutional Court ruling on the legality of the European Central Bank's QE programs.

The Bank of England's Monetary Policy Committee is expected to leave policy unchanged at its June 16<sup>th</sup> meeting in the run up to the June 23<sup>rd</sup> Brexit referendum on continued membership in the European Union. Real GDP growth slowed to 1.6% (saar) in Q1 and may come in even weaker in Q2. Consumer price inflation fell to 0.3% (y/y) in April and core inflation dipped back to 1.4%. Analysts' tend not to look for a rate hike from the MPC until early next year.

The European Central Bank (ECB) also is expected to leave policy unchanged at its June 2<sup>nd</sup> meeting. The press conference is likely to focus on implementation of already announced measures and downplay any suggestions of a further reduction in the bank's already negative deposit rate. Eurozone real GDP grew a downwardly revised, but still solid 2.1% (saar) in Q1 as Germany posted its fastest pace of expansion in two years. However, Eurozone GDP growth is expected to slow in the current quarter given data currently in hand. Eurozone inflation came in at -0.2% y/y in April.

Real GDP growth in Japan during Q1 surprised to the upside, growing at an annualized rate of 1.7% versus expectations of a slight contraction. That followed an identically-sized contraction in Q4 2015. The largest contributor to the Q1 increase was consumer spending which accounted for a full percentage point of the increase in GDP. Net exports contributed another 0.7 of a percentage point. Inventories, however, rose for a fifth, consecutive quarter. The last time we saw a string of increases that long was Q2 2008, followed thereafter by a long series of declines. Most analysts expect the government to soon announce a new fiscal stimulus package and a delay in the scheduled April 2017 increase in the VAT. Many also anticipate that the Bank of Japan will eventually provide more monetary stimulus to fight deflation. However, a move at its June 16<sup>th</sup> meeting seems unlikely.

The Bank of Canada, as expected, left its policy unchanged on May 25<sup>th</sup>, and most analysts believe it will remain on hold until early 2017 when it is expected to begin raising its overnight rate from the current record low of 0.5%. Real GDP likely grew at an annualized rate of about 3.0% in Q1. However, it is widely expected to be flat to down slightly in Q2 due the massive Alberta wildfires. The effects should be transitory, with growth rebounding to an annual rate of 3%-plus in Q3 before settling down to about 2.0% in Q4. Consumer price inflation was up 1.7% y/y in April, with the core CPI up 2.2% y/y.

As expected, the Reserve Bank of Australia cut its cash rate by 25 basis points to 1.75% on May 3<sup>rd</sup>. Moreover, minutes of the meeting hinted at another rate cut due to remain stubbornly low levels of inflation. Indeed, core consumer price inflation recently slumped to a record low of 1.55%. While GDP growth has remained solid, especially, domestic demand has softened and wage growth has slowed sharply. The Australian dollar has weakened in the wake of the RBA's May 3<sup>rd</sup> rate cut and speculation of a further reduction later this year. However, most analysts assume the RBA will hold off on another cut until at least August, since the government has called an election for July 2 (see pages 10-11 for individual panelists' forecasts).

Forecasts of panel members are on pages 10 and 11. Definitions of variables are as follows: <sup>1</sup>Three month rate on interest-earning money market deposits denominated in selected currencies. <sup>2</sup>Government bonds are yields to maturity. Foreign exchange rate forecasts for U.K., Australia and the Euro are U.S. dollars per currency unit. For the U.S. dollar, forecasts are of the U.S. Federal Reserve Board's Major Currency Index.

## Second Quarter 2016

### Interest Rate Forecasts

### Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum-- Average For Quarter-----															Avg. For			
	-----Short-Term-----															----(Q-Q % Change)-----			
																---Qtr---	------(SAAR)-----		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	A.	B.	C.	D.
	Federal Funds Rate	Prime Bank Rate	LIBOR 3-Mo. Rate	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate	Fed's Major Currency \$ Index	Real GDP	Price Index	Cons. Price Index
Scotiabank Group	0.5 H	3.5 L	na	na	0.3	na	na	0.8	1.4	2.0	2.8	na	na	na	na	na	2.2	1.8	1.1
Regions Financial Corporation	0.5 H	3.5 L	0.7	0.4	0.4 H	0.5 H	0.6	0.8	1.3	1.8	2.7	3.7	4.8	na	3.6	90.1	2.3	1.4	2.3
J.P. Morgan Chase	0.5 H	na	0.6	na	na	na	na	0.8	1.3	1.8	2.6 L	na	na	na	na	na	2.0	2.1	2.5
Swiss Re	0.5 H	3.5 L	0.7	0.4	0.3	0.4	0.8 H	1.0	1.3	1.9	2.8	3.8	4.9	na	3.7	na	2.8	1.7	2.7
DS Economics	0.5 H	3.5 L	0.6	0.5 H	0.3	0.4	0.6	0.8	1.2	1.8	2.6 L	3.7	4.7 L	3.3	3.6	92.0	2.6	1.5	2.1
Standard & Poor's Corp.	0.5 H	3.5 L	0.6	na	0.4 H	0.5 H	0.7	0.8	1.2	1.8	2.6 L	3.0 L	4.8	na	3.8	94.0 H	3.2	1.9	0.8
Action Economics	0.5 H	3.6	0.7	0.5 H	0.4 H	0.5 H	0.6	0.8	1.3	1.9	2.7	3.7	4.8	3.3	3.7	na	2.0	2.4	2.5
The Northern Trust Company	0.4 L	3.6	0.7	0.4	0.3	0.4	0.6	0.8	1.3	1.8	2.6 L	3.6	4.7 L	3.3	3.6	na	2.3	1.9	2.0
GLC Financial Economics	0.4 L	3.5 L	0.7	0.4	0.3	0.4	0.6	0.8	1.3	1.8	2.6 L	3.7	4.9	3.3	3.8	90.0	2.1	1.7	2.5
Amherst Pierpont Securities	0.4 L	3.6	0.7	0.5 H	0.4 H	0.5 H	0.6	0.9	1.4	1.9	2.7	3.7	4.7 L	3.3	3.7	90.4	2.7	1.5	2.7
DePrince & Associates	0.4 L	3.5 L	0.7	0.4	0.3	0.4	0.6	0.8	1.3	1.8	2.6 L	3.7	4.8	3.4	3.6	90.9	2.3	1.6	1.7
MacroFin Analytics	0.4 L	3.6	0.7	0.5 H	0.3	0.5 H	0.6	0.9	1.4	1.9	2.7	3.7	4.8	3.3	3.7	91.0	2.0	1.6	1.8
RidgeWorth Investments	0.4 L	3.5 L	0.8 H	0.5 H	0.3	0.5 H	0.6	0.9	1.3	1.9	2.7	3.8	5.0	3.3	3.7	91.1	2.5	1.3	3.5
Woodworth Holdings	0.4 L	3.5 L	0.5 L	0.4	0.4 H	0.5 H	0.7	0.9	1.4	1.9	2.7	3.7	4.8	3.3	3.6	89.5	2.0	0.5 L	0.8
Cycledata Corp.	0.4 L	3.5 L	0.6	0.4	0.3	0.4	0.6	0.9	1.4	1.9	2.7	3.8	5.0	3.4	3.5 L	91.0	2.4	1.8	1.8
RDQ Economics	0.4 L	3.5 L	0.6	0.5 H	0.3	0.5 H	0.7	0.8	1.4	1.9	2.6 L	3.6	4.8	3.2 L	3.6	89.6	2.9	1.7	1.9
Chase Wealth Management	0.4 L	3.6	0.8 H	0.5 H	0.4 H	0.5 H	0.7	1.0	1.5 H	2.0	2.9 H	3.9 H	5.1	3.5	3.6	91.0	2.2	1.8	1.9
Naroff Economic Advisors	0.4 L	3.6	0.7	0.5 H	0.3	0.4	0.7	0.9	1.4	1.9	2.7	3.7	4.8	3.3	3.7	90.0	3.8 H	1.7	2.0
Natl Assn. of Realtors	0.4 L	3.5 L	0.6	0.4	0.3	0.4	0.6	0.8	1.3	1.8	2.6 L	3.6	4.7 L	3.3	3.6	na	1.8	2.1	2.3
Wells Fargo	0.4 L	3.5 L	0.6	0.5 H	0.3	0.4	0.5 L	0.9	1.3	1.8	2.6 L	3.6	4.7 L	3.3	3.6	88.3 L	1.4	1.9	2.4
AIG	0.4 L	na	na	na	0.3	na	na	1.1 H	na	2.2 H	na	na	5.4 H	na	3.8	na	1.9	1.5	2.6
SunTrust Banks	0.4 L	3.5 L	0.6	0.3 L	0.3	0.5 H	0.6	0.9	1.4	1.9	2.8	3.7	5.0	3.9 H	3.9	na	2.6	1.5	1.4
Moody's Analytics	0.4 L	3.5 L	0.6	0.3 L	0.2 L	0.3 L	0.5 L	0.7 L	1.4	2.2 H	2.8	3.7	5.0	3.2 L	3.9	na	2.2	1.9	2.9
Economist Intelligence Unit	0.4 L	3.5 L	0.6	0.4	0.3	0.4	0.6	0.8	1.3	2.0	2.7	na	na	na	3.7	na	3.0	na	1.5
High Frequency Economics	0.4 L	3.5 L	na	na	0.3	0.5 H	0.7	0.9	1.4	1.9	2.7	na	na	na	na	na	2.5	2.0	2.0
Stone Harbor Investment Partners	0.4 L	3.7 H	0.6	0.5 H	0.3	0.5 H	0.7	0.9	1.4	1.9	2.7	3.7	5.0	na	3.5 L	90.0	2.3	1.6	2.3
Moody's Capital Markets Group	0.4 L	3.5 L	0.7	0.4	0.3	0.4	0.6	0.9	1.4	1.9	2.7	3.7	4.7 L	3.6	3.7	90.1	2.6	1.7	2.3
Bank of America Merrill Lynch	0.4 L	na	0.7	na	0.4 H	na	na	0.9	1.4	1.9	2.8	na	na	na	na	na	2.0	1.9	2.5
Oxford Economics	0.4 L	3.5 L	na	na	0.2 L	0.3 L	0.5 L	0.7 L	1.3	1.9	2.7	na	na	na	3.7	90.9	2.1	1.6	2.6
Nomura Securities, Inc.	0.4 L	3.5 L	0.7	na	na	na	na	0.8	1.2	1.9	2.6 L	3.8	4.8	na	3.8	na	1.7	1.6	2.7
BMO Capital Markets	0.4 L	3.5 L	0.6	na	0.3	0.4	0.6	0.8	1.3	1.8	2.6 L	na	na	na	3.6	90.0	2.3	2.6	2.8
UBS AG	0.4 L	na	0.6	na	0.3	na	na	na	na	1.9	na	na	na	na	na	na	1.3 L	2.3	3.1
Comerica Bank	0.4 L	na	0.6	na	0.2 L	0.4	0.5 L	0.8	1.2	1.8	2.6 L	na	na	na	3.6	na	1.6	1.4	4.3 H
RBC	0.4 L	na	na	na	0.2 L	na	na	0.9	1.4	2.0	2.8	na	na	na	na	na	3.1	3.7 H	1.1
Goldman Sachs & Co.	0.4 L	na	0.6	na	0.2 L	na	na	0.8	1.5 H	1.8	2.8	na	na	na	4.0 H	na	2.7	2.0	2.6
BNP Paribas Americas	0.4 L	na	0.7	na	na	na	na	0.9	1.4	1.8	na	na	na	na	na	na	2.1	na	2.6
Daiwa Capital Markets America	0.4 L	3.5 L	0.6	0.4	0.3	0.4	0.6	0.8	1.3	1.8	2.7	3.7	4.9	3.3	3.7	89.0	2.2	1.9	2.8
Barclays Capital	0.4 L	3.5 L	0.7	na	na	na	na	1.1 H	1.5 H	1.9	na	na	na	na	na	na	2.0	2.3	2.9
Georgia State University	0.4 L	3.5 L	na	na	0.3	0.4	0.6	0.8	1.3	1.8	2.6 L	3.8	5.2	na	3.7	na	1.7	1.2	0.4 L
Chmura Economics & Analytics	0.4 L	3.5 L	0.7	0.4	0.3	0.4	0.5 L	0.8	1.2	1.8	2.6 L	3.6	na	na	3.6	92.2	2.3	1.0	0.6
PNC Financial Services Corp.	0.4 L	3.5 L	0.6	na	0.2 L	0.4	0.5 L	0.8	1.3	1.8	2.6 L	na	4.7 L	3.3	3.6	91.4	2.5	1.6	2.0
Fannie Mae	0.4 L	3.5 L	na	na	0.3	0.4	0.6	0.8	1.3	1.8	2.6 L	na	na	na	3.6	na	2.2	1.2	2.2
RBS Securities	0.4 L	3.5 L	0.6	0.4	0.3	0.4	0.5 L	0.8	1.4	1.9	2.8	3.8	5.0	3.4	3.7	90.0	2.7	1.7	2.2
Wells Capital Management	0.4 L	3.5 L	0.6	0.4	0.3	0.4	0.6	0.8	1.3	1.9	2.7	3.7	4.7 L	3.4	3.7	90.0	2.5	1.9	2.4
Societe Generale	0.4 L	3.5 L	0.6	na	na	na	na	0.7 L	1.1 L	1.6 L	2.9 H	na	na	na	na	na	3.1	2.1	2.4
MUFG Union Bank	0.4 L	3.5 L	0.7	0.4	0.3	0.5 H	0.6	0.9	1.5 H	2.0	2.7	3.6	4.8	3.4	3.8	89.0	2.8	2.6	2.5
Loomis, Sayles & Company	0.4 L	3.5 L	0.6	0.4	0.3	0.4	0.5 L	0.8	1.3	1.8	2.7	3.7	4.9	3.2 L	3.5 L	88.7	2.1	1.5	2.5
<b>June Consensus</b>	<b>0.4</b>	<b>3.5</b>	<b>0.6</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.6</b>	<b>0.8</b>	<b>1.3</b>	<b>1.9</b>	<b>2.7</b>	<b>3.7</b>	<b>4.9</b>	<b>3.4</b>	<b>3.7</b>	<b>90.4</b>	<b>2.3</b>	<b>1.8</b>	<b>2.2</b>
Top 10 Avg.	0.5	3.6	0.7	0.5	0.4	0.5	0.7	1.0	1.4	2.0	2.8	3.8	5.0	3.5	3.8	91.6	3.0	2.4	3.0
Bottom 10 Avg.	0.4	3.5	0.6	0.4	0.2	0.4	0.5	0.7	1.2	1.8	2.6	3.6	4.7	3.3	3.6	89.4	1.7	1.3	1.1
May Consensus	0.4	3.6	0.7	0.5	0.3	0.5	0.6	0.9	1.4	2.0	2.8	3.8	5.0	3.4	3.8	90.8	2.3	1.8	1.9
<b>Number of Forecasts Changed From A Month Ago:</b>																			
Down	15	13	20	14	25	21	19	26	28	27	26	19	23	13	26	13	14	13	8
Same	25	23	8	8	12	9	10	13	10	10	9	6	3	5	5	5	17	16	11
Up	7	3	11	5	5	6	7	7	7	10	8	5	4	4	7	6	16	16	28
Diffusion Index	41%	37%	38%	33%	26%	29%	33%	29%	27%	32%	29%	27%	18%	30%	25%	35%	52%	53%	71%

# Third Quarter 2016

## Interest Rate Forecasts

## Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum -- Average For Quarter--															Avg. For ---Qtr--- A.	----(Q-Q % Change)----		
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----						Fed's Major Currency \$ Index	----- (SAAR) -----	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	B.		C.	D.
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bond 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate	Real GDP		GDP Price Index	Cons. Price Index
DS Economics	0.8 H	3.8	0.9	0.8 H	0.6	0.8	1.0	1.2	1.7	2.2	3.0	4.0	5.0	3.3	4.0	94.0	2.5	1.7	2.5
Scotiabank Group	0.8 H	3.8	na	na	0.6	na	na	1.1	1.7	2.2	3.1	na	na	na	na	na	2.3	2.0	1.4
SunTrust Banks	0.7	3.7	0.9	0.6	0.6	0.7	0.8	1.0	1.5	1.9	2.9	4.1	5.6 H	4.0 H	4.0	na	2.8	1.6	1.5
RDQ Economics	0.7	3.7	0.9	0.8 H	0.7	1.0 H	1.1 H	1.2	1.8 H	2.3	2.9	3.9	5.2	3.5	3.9	91.6	2.1	2.1	2.1
Naroff Economic Advisors	0.7	3.9 H	1.0	0.8	0.8 H	0.9	1.1 H	1.3 H	1.8 H	2.3	3.1	4.0	5.2	3.5	4.1	90.5	3.1	2.0	2.4
DePrince & Associates	0.7	3.7	0.9	0.7	0.6	0.7	0.9	1.1	1.5	2.1	2.8	3.9	4.9	3.6	3.9	89.6	2.7	1.8	2.0
Moody's Analytics	0.7	3.8	0.9	0.6	0.3	0.4	0.6	0.9	1.7	2.5 H	3.3 H	4.1	5.6 H	3.4	4.0	na	2.9	1.5	2.5
Regions Financial Corporation	0.7	3.7	0.8	0.6	0.6	0.7	0.8	1.0	1.5	2.0	2.8	3.8	4.8	3.7	na	92.0	2.2	1.5	2.8
Woodworth Holdings	0.7	3.8	0.8	0.6	0.6	0.7	0.9	1.1	1.6	2.2	3.0	4.0	5.1	3.6	3.9	90.0	2.5	0.6 L	0.8 L
GLC Financial Economics	0.7	3.8	0.9	0.7	0.6	0.7	0.8	1.0	1.7	2.2	3.0	4.2 H	5.4	3.8	4.4	90.1	2.8	1.9	2.5
MJFG Union Bank	0.7	3.8	0.9	0.7	0.6	0.8	0.9	1.3 H	1.8 H	2.3	3.0	3.8	5.0	3.5	4.1	91.0	2.7	1.1	2.9
MacroFin Analytics	0.6	3.8	0.9	0.7	0.6	0.7	0.9	1.1	1.7	2.1	3.0	4.0	5.0	3.6	3.9	91.7	2.4	1.7	1.7
The Northern Trust Company	0.6	3.8	0.9	0.6	0.5	0.6	0.8	1.0	1.6	2.0	2.8	3.6	4.8	3.4	3.7	na	2.3	2.1	2.2
Action Economics	0.6	3.8	0.7	0.7	0.6	0.6	0.8	1.0	1.6	2.1	2.8	3.8	5.0	3.4	3.7	na	2.5	1.4	2.4
Swiss Re	0.6	3.6	0.8	0.6	0.5	0.5	1.0	1.3 H	1.5	2.1	3.1	4.0	5.0	na	3.8	na	3.1	1.4	2.4
J.P. Morgan Chase	0.6	na	0.8	na	na	na	na	1.0	1.5	1.9	2.7	na	na	na	na	na	2.3	1.9	2.4
BMO Capital Markets	0.6	3.8	0.9	na	0.5	0.6	0.8	1.1	1.5	2.0	2.8	na	na	na	3.8	92.7	2.5	2.3	2.6
Nomura Securities, Inc.	0.6	3.6	0.9	na	na	na	na	1.0	1.4	2.0	2.5 L	3.9	4.9	na	3.9	na	2.3	1.6	2.8
Bank of America Merrill Lynch	0.6	na	0.8	na	0.5	na	na	1.0	1.5	2.0	2.9	na	na	na	na	na	2.3	1.9	2.9
Standard & Poor's Corp.	0.6	3.7	0.8	na	0.4	0.6	0.9	0.9	1.5	2.1	2.8	3.4 L	5.0	na	4.0	94.6 H	3.0	1.6	4.5 H
Barclays Capital	0.6	3.8	0.9	na	na	na	na	1.2	1.6	2.0	na	na	na	na	na	na	2.5	2.1	3.5
Chmura Economics & Analytics	0.6	3.8	0.9	0.6	0.5	0.7	0.9	1.1	1.7	2.2	3.0	4.0	na	na	3.9	91.8	2.8	1.5	1.1
RidgeWorth Investments	0.6	3.8	1.0	0.7	0.5	0.6	0.8	1.0	1.6	2.2	3.0	4.0	5.2	3.7	4.0	93.0	2.0	2.0	1.8
Stone Harbor Investment Partners	0.6	3.8	0.9	0.7	0.6	0.7	0.9	1.0	1.6	2.1	2.8	3.7	5.0	na	3.6	92.0	3.3 H	1.2	2.4
Amherst Pierpont Securities	0.6	3.8	0.9	0.7	0.7	0.9	1.1	1.2	1.8 H	2.3	3.1	4.1	5.1	3.7	4.1	92.5	2.6	1.7	3.0
Cycledata Corp.	0.6	3.7	0.8	0.6	0.5	0.6	0.8	1.1	1.6	2.1	2.8	3.9	5.1	3.5	3.7	92.0	2.1	2.0	2.0
Chase Wealth Management	0.6	3.7	1.1 H	0.8 H	0.7	0.8	1.0	1.3 H	1.8	2.3	3.2	4.2 H	5.4	3.8	3.9	91.2	2.1	1.9	2.1
Natl Assn. of Realtors	0.6	3.8	0.8	0.7	0.6	0.7	0.9	1.0	1.5	2.0	2.7	3.7	4.9	3.5	3.8	na	2.1	2.0	2.2
Daiwa Capital Markets America	0.6	3.7	0.9	0.7	0.6	0.7	0.9	1.0	1.5	2.0	2.8	3.7	4.9	3.4	3.8	90.0	2.2	1.8	2.1
Moody's Capital Markets Group	0.5	3.6	0.8	0.6	0.5	0.7	0.8	1.0	1.6	2.0	2.8	3.8	4.7 L	3.6	3.8	90.5	2.0	1.8	2.2
Wells Fargo	0.5	3.6	0.7	0.6	0.4	0.5	0.6	0.9	1.4	1.9	2.7	3.7	4.9	3.4	3.7	88.3	2.6	1.9	2.4
Goldman Sachs & Co.	0.5	na	0.8	na	0.4	na	na	0.9	1.7	2.0	2.9	na	na	na	4.5 H	na	2.3	2.1	2.8
UBS AG	0.5	na	1.1 H	na	0.6	na	na	na	na	2.0	na	na	na	na	na	na	2.0	2.3	3.3
Oxford Economics	0.4 L	3.6	na	na	0.4	0.6	0.8	1.1	1.6	2.1	2.9	na	na	na	3.7	91.3	2.6	2.1	2.2
RBS Securities	0.4 L	3.6	0.7	0.4 L	0.4	0.5	0.7	1.0	1.5	2.0	2.7	3.8	5.0	3.4	3.7	91.0	2.8	1.6	2.4
Loomis, Sayles & Company	0.4 L	3.6	0.7	0.4 L	0.3	0.4	0.6	0.9	1.3	1.8	2.5 L	3.5	4.7 L	3.1 L	3.4 L	88.3 L	2.0	1.8	3.4
High Frequency Economics	0.4 L	3.5 L	na	na	0.4	0.6	0.7	0.7	1.4	2.2	2.9	na	na	na	na	na	2.5	2.4 H	2.4
Economist Intelligence Unit	0.4 L	3.5 L	0.7	0.5	0.3	0.5	0.6	0.9	1.4	2.0	2.8	na	na	na	3.8	na	2.4	na	2.3
Fannie Mae	0.4 L	3.5 L	na	na	0.6	0.7	0.8	1.0	1.5	1.9	2.7	na	na	na	3.7	na	2.2	1.6	2.7
AIG	0.4 L	na	na	na	0.6	na	na	1.3 H	na	2.3	na	na	5.5	na	3.9	na	3.0	1.7	3.0
Societe Generale	0.4 L	3.5 L	0.6 L	na	na	na	na	0.6 L	1.1 L	1.6 L	3.0	na	na	na	na	na	2.6	2.0	1.7
Comerica Bank	0.4 L	na	0.6 L	na	0.2	0.4	0.5	0.8	1.2	1.7	2.6	na	na	na	3.6	na	1.3 L	1.4	3.4
RBC	0.4 L	na	na	na	0.1 L	na	na	0.9	1.6	2.2	3.0	na	na	na	na	na	2.8	2.3	1.5
BNP Paribas Americas	0.4 L	na	0.7	na	na	na	na	0.7	1.1 L	1.6 L	na	na	na	na	na	na	1.6	na	2.2
Georgia State University	0.4 L	3.5 L	na	na	0.2	0.3 L	0.4 L	0.7	1.4	2.1	2.8	4.1	5.4	na	3.9	na	1.5	1.6	1.7
Wells Capital Management	0.4 L	3.5 L	0.6 L	0.4 L	0.3	0.5	0.8	0.9	1.4	2.0	2.8	3.9	4.9	3.7	3.8	90.5	2.3	2.0	1.9
PNC Financial Services Corp.	0.4 L	3.5 L	0.7	na	0.3	0.4	0.5	0.8	1.4	2.0	2.6	na	4.7 L	3.3	3.7	91.7	2.5	1.6	2.0
<b>June Consensus</b>	<b>0.6</b>	<b>3.7</b>	<b>0.8</b>	<b>0.6</b>	<b>0.5</b>	<b>0.6</b>	<b>0.8</b>	<b>1.0</b>	<b>1.5</b>	<b>2.1</b>	<b>2.9</b>	<b>3.9</b>	<b>5.1</b>	<b>3.5</b>	<b>3.9</b>	<b>91.3</b>	<b>2.4</b>	<b>1.8</b>	<b>2.4</b>
Top 10 Avg.	0.7	3.8	1.0	0.7	0.6	0.8	1.0	1.2	1.7	2.3	3.1	4.1	5.4	3.7	4.1	92.6	3.0	2.2	3.3
Bottom 10 Avg.	0.4	3.5	0.7	0.5	0.3	0.4	0.6	0.8	1.3	1.8	2.6	3.7	4.8	3.3	3.6	89.9	1.9	1.3	1.5
May Consensus	0.6	3.7	0.9	0.6	0.5	0.7	0.8	1.1	1.6	2.1	2.9	4.0	5.2	3.6	4.0	91.2	2.4	1.9	2.2
<b>Number of Forecasts Changed From A Month Ago:</b>																			
Down	11	11	19	11	18	16	17	24	23	28	27	16	20	11	20	9	15	15	9
Same	29	24	11	12	16	11	10	14	17	13	13	5	6	7	11	6	19	20	17
Up	7	5	11	7	9	10	10	8	5	6	3	11	7	7	8	13	13	10	21
Diffusion Index	46 %	43 %	40 %	43 %	40 %	42 %	41 %	33 %	30 %	27 %	22 %	42 %	30 %	42 %	35 %	57 %	48 %	44 %	63 %

# Fourth Quarter 2016

## Interest Rate Forecasts

## Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum----- Average For Quarter-----															Avg. For	----- (Q-Q % Change) -----			
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----					---Qtr---	----- (SAAR) -----			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	A.	B.	C.	D.	
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate	Fed's Major Currency \$ Index	Real GDP	Price Index	Cons. Price Index	
Naroff Economic Advisors	1.1 H	4.1 H	1.4 H	1.2 H	1.2 H	1.3 H	1.5 H	1.7 H	2.2 H	2.7	3.2	4.3	5.4	3.8	4.3	91.0	2.6	2.6	2.7	
Scotiabank Group	1.0	4.0	na	na	0.8	na	na	1.6	2.0	2.3	3.2	na	na	na	na	na	2.6	2.0	2.0	
SunTrust Banks	0.9	3.9	1.1	0.8	0.8	0.9	1.0	1.1	1.6	2.0	2.9	4.4	5.9 H	3.9	4.3	na	3.1 H	1.7	1.8	
Cycledata Corp.	0.9	4.0	1.0	0.9	0.8	0.9	1.1	1.4	1.9	2.4	3.1	4.2	5.4	3.7	3.9	92.0	2.0	2.0	2.2	
Chase Wealth Management	0.9	3.9	1.2	0.9	0.8	0.9	1.1	1.4	1.9	2.4	3.3	4.3	5.5	3.9	4.0	91.4	2.2	2.0	2.2	
MUFG Union Bank	0.9	4.0	1.1	1.0	0.8	1.0	1.2	1.7 H	2.0	2.5	3.1	4.1	5.2	3.6	4.3	93.0	2.6	1.1	2.5	
RDQ Economics	0.9	3.9	1.1	1.0	0.9	1.2	1.4	1.5	2.0	2.5	3.0	4.0	5.3	3.6	4.1	93.8	2.0	2.2	2.5	
Economist Intelligence Unit	0.9	3.9	0.9	0.8	0.6	0.8	0.9	1.3	1.7	2.2	3.0	na	na	na	4.0	na	2.2	na	2.2	
J.P. Morgan Chase	0.9	na	1.1	na	na	na	na	1.1	1.6	1.9	2.7	na	na	na	na	na	2.3	2.0	2.3	
DePrince & Assoc.	0.9	3.9	1.2	1.0	0.8	1.0	1.2	1.4	1.8	2.4	3.0	4.2	5.1	3.9	4.2	89.5	2.7	2.1	2.4	
Chmura Economics & Analytics	0.9	4.0	1.1	0.9	0.7	1.0	1.1	1.4	2.1	2.6	3.4	4.3	na	na	4.3	91.2	2.7	1.6	1.5	
Moody's Analytics	0.9	4.0	1.1	0.8	0.5	0.6	0.9	1.3	1.9	2.8 H	3.5	4.4	5.9 H	3.6	4.3	na	2.9	1.4	2.7	
GLC Financial Economics	0.8	3.9	1.1	0.9	0.8	0.9	0.9	1.2	1.9	2.5	3.2	4.6 H	5.9 H	4.1 H	4.3	90.4	3.1 H	2.7 H	2.9	
DS Economics	0.8	3.8	1.0	0.8	0.6	0.9	1.2	1.4	1.9	2.5	3.2	4.1	5.1	3.6	4.2	96.0 H	2.1	2.2	2.7	
Regions Financial Corporation	0.8	3.8	1.0	0.8	0.7	0.8	0.9	1.1	1.6	2.1	3.0	3.9	4.9	na	3.8	93.1	2.1	1.6	2.0	
Swiss Re	0.8	3.8	1.0	0.7	0.6	0.7	1.1	1.4	1.6	2.2	3.2	4.1	5.1	na	4.0	na	3.0	1.0	2.0	
High Frequency Economics	0.8	3.9	na	na	0.7	0.9	1.0	1.1	1.7	2.4	3.1	na	na	na	na	na	2.5	2.5	2.5	
Goldman Sachs & Co.	0.8	na	1.0	na	0.7	na	na	1.0	1.6	2.3	2.9	na	na	na	4.6 H	na	2.3	2.1	2.7	
UBS AG	0.8	na	1.4 H	na	1.0	na	na	na	na	2.0	na	na	na	na	na	na	2.0	2.3	3.6	
MacroFin Analytics	0.7	3.9	1.0	0.8	0.7	0.8	1.0	1.2	1.8	2.2	3.1	4.1	5.2	3.7	4.0	92.0	2.3	1.8	1.9	
Action Economics	0.7	3.8	0.8	0.8	0.7	0.8	0.9	1.2	1.7	2.2	3.0	3.9	5.1	3.4	3.8	na	2.5	1.3	1.9	
Standard & Poor's Corp.	0.7	3.9	1.0	na	0.6	0.7	1.1	1.1	1.8	2.3	3.0	3.6	5.2	na	4.2	95.0	2.7	1.7	2.0	
BMO Capital Markets	0.7	3.9	1.0	na	0.6	0.7	0.9	1.2	1.6	2.1	2.9	na	na	na	3.9	94.3	2.4	2.0	2.4	
RidgeWorth Investments	0.7	3.8	1.1	0.8	0.6	0.7	0.9	1.1	1.7	2.4	3.2	4.2	5.4	3.3	4.2	94.0	2.5	2.0	1.8	
Natl Assn. of Realtors	0.7	3.8	0.9	0.8	0.7	1.0	1.1	1.3	1.8	2.3	2.9	4.0	5.1	3.7	4.0	na	2.2	1.9	2.1	
Wells Fargo	0.7	3.7	0.9	0.8	0.6	0.7	0.8	1.2	1.6	2.0	2.8	3.8	5.0	3.5	3.8	90.0	2.5	1.9	2.2	
The Northern Trust Company	0.7	3.8	0.9	0.7	0.6	0.8	0.9	1.2	1.8	2.2	3.0	3.8	5.0	3.5	3.8	na	2.3	2.0	2.1	
Oxford Economics	0.7	3.8	na	na	0.6	0.7	1.0	1.2	1.7	2.2	3.0	na	na	na	4.0	92.2	2.4	2.1	1.9	
Stone Harbor Investment Partners	0.7	3.8	0.9	0.7	0.7	0.8	0.9	1.2	1.8	2.2	2.9	3.7	4.8	na	3.6	94.0	2.9	1.4	2.6	
Amherst Pierpont Securities	0.7	3.8	1.1	0.8	0.7	1.0	1.2	1.5	2.1	2.6	3.6 H	4.6 H	5.6	4.0	4.5	94.0	2.6	2.0	3.0	
Woodworth Holdings	0.7	3.8	0.8	0.6	0.6	0.7	0.9	1.1	1.6	2.2	3.0	4.0	5.1	3.6	3.9	90.5	2.5	0.8 L	0.9 L	
Daiwa Capital Markets America	0.7	3.9	1.1	0.8	0.7	0.9	1.0	1.2	1.6	2.0	2.9	3.8	4.9	3.5	3.9	91.0	2.3	1.8	2.2	
AIG	0.7	na	na	na	0.8	na	na	1.6	na	2.5	na	na	5.8	na	4.1	na	2.7	1.9	2.4	
Nomura Securities, Inc.	0.6	3.6	0.9	na	na	na	na	1.0	1.4	2.0	2.8	3.9	5.0	na	3.9	na	2.3	1.6	2.2	
Loomis, Sayles & Company	0.6	3.7	0.8	0.6	0.5	0.6	0.7	1.0	1.3	1.8	2.5 L	3.5 L	4.7 L	3.0 L	3.4 L	88.3 L	2.0	2.3	2.7	
Fannie Mae	0.6	3.8	na	na	0.8	0.9	1.0	1.1	1.6	2.0	2.7	na	na	na	3.7	na	2.0	1.8	2.8	
Bank of America Merrill Lynch	0.6	na	0.9	na	0.6	na	na	1.0	1.5	2.0	2.9	na	na	na	na	na	2.2	1.9	3.2	
RBC	0.6	na	na	na	0.4	na	na	1.2	1.8	2.5	3.3	na	na	na	na	na	3.0	1.6	1.8	
Barclays Capital	0.6	3.8	1.0	na	na	na	na	1.3	1.7	2.0	na	na	na	na	na	na	2.5	2.1	2.6	
RBS Securities	0.6	3.8	0.9	0.6	0.6	0.8	0.9	1.2	1.6	2.1	2.9	3.9	5.1	3.6	3.9	92.0	2.7	1.6	2.3	
Moody's Capital Markets Group	0.6	3.6	0.9	0.7	0.6	0.7	0.9	1.1	1.7	2.1	2.8	3.8	4.8	3.6	3.8	91.5	2.2	1.8	2.0	
Societe Generale	0.5	3.5	0.8	na	na	na	na	1.0	1.5	2.0	3.0	na	na	na	na	na	2.2	2.5	3.9 H	
Wells Capital Management	0.5	3.6	0.7 L	0.5 L	0.4	0.6	1.0	1.1	1.5	2.1	3.1	4.2	5.2	4.0	3.9	91.0	2.4	1.9	1.8	
Comerica Bank	0.4 L	na	0.7 L	na	0.3 L	0.4	0.6	0.8 L	1.2 L	1.8	2.6	na	na	na	3.6	na	2.1	1.8	3.1	
PNC Financial Services Corp.	0.4 L	3.6	0.8	na	0.5	0.5	0.6	1.0	1.5	2.1	2.8	na	4.9	3.4	3.8	91.3	2.3	1.6	2.0	
BNP Paribas Americas	0.4 L	na	0.7 L	na	na	na	na	0.8 L	1.2 L	1.6 L	na	na	na	na	na	na	1.5 L	na	2.2	
Georgia State University	0.4 L	3.5 L	na	na	0.3 L	0.3 L	0.5 L	0.8 L	1.5	2.3	3.0	4.3	5.5	na	4.1	na	2.4	2.1	2.4	
<b>June Consensus</b>	<b>0.7</b>	<b>3.8</b>	<b>1.0</b>	<b>0.8</b>	<b>0.7</b>	<b>0.8</b>	<b>1.0</b>	<b>1.2</b>	<b>1.7</b>	<b>2.2</b>	<b>3.0</b>	<b>4.1</b>	<b>5.2</b>	<b>3.6</b>	<b>4.0</b>	<b>92.1</b>	<b>2.4</b>	<b>1.9</b>	<b>2.3</b>	
Top 10 Avg.	0.9	4.0	1.2	0.9	0.9	1.0	1.2	1.5	2.0	2.6	3.3	4.4	5.6	3.9	4.3	93.9	2.9	2.4	3.1	
Bottom 10 Avg.	0.5	3.6	0.8	0.7	0.5	0.6	0.8	0.9	1.4	1.9	2.7	3.8	4.9	3.4	3.7	90.4	2.0	1.3	1.7	
May Consensus	0.8	3.8	1.0	0.8	0.7	0.8	1.0	1.3	1.8	2.3	3.1	4.1	5.3	3.7	4.1	91.9	2.4	1.9	2.3	
<b>Number of Forecasts Changed From A Month Ago:</b>																				
Down	11	10	15	10	16	13	12	23	27	28	24	18	16	9	25	10	11	14	8	
Same	29	21	14	13	17	14	15	16	13	13	14	6	6	7	9	6	29	24	24	
Up	7	8	11	5	9	9	9	7	5	6	5	6	3	3	4	9	7	7	15	
Diffusion Index	46 %	47 %	45 %	41 %	42 %	44 %	46 %	33 %	26 %	27 %	28 %	30 %	24 %	34 %	22 %	48 %	46 %	42 %	57 %	



# First Quarter 2017

## Interest Rate Forecasts

## Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum -- Average For Quarter--															Avg. For	----(Q-Q % Change)----		
	Short-Term					Intermediate-Term					Long-Term					---Qtr---	----(SAAR)----		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	A.	B.	C.	D.
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bond 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate	Fed's Major Currency \$ Index	Real GDP	Price Index	Price Index
RDQ Economics	1.4 H	4.4 H	1.7 H	1.5 H	1.5 H	1.7 H	1.9 H	2.0 H	2.5	2.9	3.4	4.4	5.5	4.1	4.5	97.1	1.9	2.2	2.5
Moody's Analytics	1.3	4.4 H	1.6	1.2	0.8	0.9	1.4	1.7	2.6 H	3.2 H	3.9	4.9	6.4 H	3.9	4.7	na	3.2	1.8	2.8
Scotiabank Group	1.3	4.3	na	na	1.3	na	na	2.0 H	2.3	2.6	3.4	na	na	na	na	na	2.3	2.0	2.5
Naroff Economic Advisors	1.3	4.3	1.6	1.3	1.4	1.5	1.7	2.0 H	2.5	3.2 H	3.7	4.4	5.5	4.1	4.7	90.0	2.2	2.4	2.9
DePrince & Associates	1.2	4.2	1.5	1.3	1.1	1.3	1.5	1.8	2.1	2.7	3.2	4.5	5.4	4.2	4.5	90.0	2.7	2.3	2.6
MUFG Union Bank	1.2	4.3	1.4	1.2	1.1	1.3	1.5	1.9	2.2	2.7	3.2	4.3	5.4	3.7	4.5	92.0	2.5	0.7 L	2.6
J.P. Morgan Chase	1.1	na	1.3	na	na	na	na	1.3	1.7	2.0	2.7	na	na	na	na	na	2.0	2.0	2.4
Chase Wealth Management	1.1	4.1	1.5	1.2	1.1	1.2	1.4	1.7	2.2	2.7	3.6	4.6	5.8	4.2	4.3	91.5	1.5	2.1	2.2
Economist Intelligence Unit	1.1	4.1	1.2	1.0	0.9	1.0	1.2	1.5	1.9	2.5	3.2	na	na	na	4.2	na	2.2	na	2.2
SunTrust Banks	1.1	4.1	1.6	1.2	0.9	1.0	1.1	1.2	1.7	2.0	2.9	4.9	6.4 H	3.9	4.7	na	3.3 H	1.8	2.0
GLC Financial Economics	1.1	4.1	1.3	1.1	1.0	1.1	1.1	1.4	2.1	2.7	3.4	4.8	6.1	4.2	4.2	90.9	2.9	2.4	3.0
UBS AG	1.0	na	1.6	na	1.2	na	na	na	na	2.1	na	na	na	na	na	na	3.0	2.3	1.5
Swiss Re	1.0	4.0	1.2	1.0	0.9	1.0	1.3	1.6	1.8	2.3	3.3	4.2	5.2	na	4.1	na	2.3	1.8	1.8
MacroFin Analytics	1.0	4.2	1.3	1.1	0.9	1.1	1.2	1.5	2.0	2.5	3.3	4.3	5.4	3.9	4.3	93.4	2.2	1.9	2.0
Regions Financial Corporation	1.0	4.0	1.2	1.1	0.8	1.0	1.1	1.4	1.8	2.3	3.1	4.0	5.0	na	4.0	92.4	2.2	1.8	2.1
Daiwa Capital Markets America	1.0	4.2	1.3	1.1	1.0	1.1	1.3	1.4	1.8	2.2	3.0	3.9	5.0	3.6	4.0	92.0	2.5	1.9	2.2
Cycledata Corp.	1.0	4.3	1.2	1.0	0.9	1.0	1.2	1.5	2.0	2.5	3.2	4.3	5.5	3.8	4.0	92.0	2.0	2.1	2.4
High Frequency Economics	1.0	4.1	na	na	1.0	1.1	1.3	1.5	2.0	2.5	3.2	na	na	na	na	na	2.3	2.6 H	2.6
DS Economics	1.0	4.0	1.1	1.0	0.8	1.1	1.4	1.6	2.2	2.7	3.4	4.0	5.0	3.8	4.3	98.0 H	2.0	2.3	2.3
Standard & Poor's Corp.	1.0	3.9	1.1	na	0.7	0.8	1.1	1.4	1.9	2.5	3.2	3.9	5.3	na	4.4	94.8	1.5	2.0	1.4
Chmura Economics & Analytics	1.0	4.0	1.2	1.0	0.8	1.0	1.3	1.5	2.4	2.8	3.6	4.6	na	na	4.5	89.4	2.7	1.8	1.9
The Northern Trust Company	0.9	4.1	1.1	0.9	0.8	1.0	1.1	1.5	2.1	2.5	3.3	4.0	5.1	3.8	4.1	na	2.3	2.0	2.1
Amherst Pierpont Securities	0.9	4.1	1.4	1.0	1.0	1.3	1.6	1.8	2.4	3.0	4.0 H	5.1 H	6.2	4.4 H	4.8 H	95.0	2.3	2.3	3.1 H
Oxford Economics	0.9	3.9	na	na	0.9	1.0	1.2	1.5	1.9	2.4	3.1	na	na	na	4.3	92.8	2.2	2.0	2.4
Moody's Capital Markets Group	0.9	3.9	1.2	1.0	1.0	1.1	1.1	1.2	1.8	2.2	2.8	3.9	4.8	3.6	3.9	92.0	2.7	1.8	1.8
Woodworth Holdings	0.9	4.0	1.0	0.9	0.9	1.0	1.2	1.4	2.0	2.5	3.2	4.3	5.4	3.8	4.2	91.0	2.5	1.0	1.2 L
Natl Assn. of Realtors	0.9	4.0	1.1	1.0	1.0	1.2	1.3	1.5	2.1	2.5	3.1	4.2	5.3	3.9	4.2	na	2.1	2.0	2.1
Wells Fargo	0.9	3.9	1.1	1.0	0.8	0.9	1.0	1.3	1.7	2.1	2.8	3.9	5.0	3.5	3.9	91.8	2.2	2.0	2.1
AIG	0.9	na	na	na	1.0	na	na	1.8	na	2.6	na	na	5.9	na	4.1	na	2.1	2.0	2.2
Nomura Securities, Inc.	0.9	3.9	1.2	na	na	na	na	1.3	1.8	2.3	2.7	4.2	5.2	na	4.1	na	2.1	1.6	2.0
Action Economics	0.9	4.0	1.0	0.9	0.8	0.9	1.1	1.3	1.9	2.4	3.1	4.0	5.2	3.5	4.0	na	2.0	1.8	2.1
Goldman Sachs	0.9	na	1.1	na	0.8	na	na	1.2	1.7	2.5	2.9	na	na	na	4.7	na	2.0	2.1	2.6
BMO Capital Markets	0.9	4.0	1.1	na	0.8	0.9	1.1	1.3	1.7	2.2	2.9	na	na	na	3.9	94.5	2.0	2.3	2.6
Barclays Capital	0.9	4.0	1.2	na	na	na	na	1.4	1.7	2.0	na	na	na	na	na	na	2.5	2.2	2.0
RBC	0.9	na	na	na	0.8	na	na	1.3	1.9	2.6	3.3	na	na	na	na	na	2.7	1.2	2.1
RidgeWorth Investments	0.9	4.0	1.2	0.9	0.7	0.9	1.1	1.3	1.9	2.6	3.4	4.4	5.6	4.3	4.4	93.0	2.5	2.0	2.2
Stone Harbor Investment Partners	0.9	4.0	1.1	0.9	0.8	1.0	1.2	1.4	2.0	2.3	3.0	3.9	4.9	na	3.8	93.0	2.4	1.8	2.3
Societe Generale	0.8	3.8	1.1	na	na	na	na	1.2	1.8	2.2	3.1	na	na	na	na	na	2.3	2.2	2.7
Wells Capital Management	0.7	3.8	1.0	0.8	0.7	0.9	1.3	1.4	1.7	2.2	3.2	4.4	5.4	4.2	4.0	91.2	2.6	2.0	1.9
RBS Securities	0.7	3.8	1.1	0.7	0.7	0.9	1.1	1.5	1.9	2.4	3.0	4.2	5.4	3.7	4.2	93.0	2.5	1.7	2.2
Fannie Mae	0.7	3.8	na	na	1.0	1.0	1.1	1.2	1.6	2.0	2.7	na	na	na	3.8	na	1.9	2.1	2.3
Comerica Bank	0.6	na	0.9	na	0.5	0.6	0.8	1.0	1.5	1.9	2.8	na	na	na	3.8	na	2.4	1.8	2.0
Loomis, Sayles & Company	0.6	3.7	0.8 L	0.6 L	0.5	0.6	0.8	1.1	1.4	1.8	2.5 L	3.5 L	4.7 L	2.9 L	3.4 L	88.3 L	2.0	2.5	2.8
PNC Financial Services Corp.	0.6	3.8	0.9	na	0.6	0.6	0.8	1.1	1.7	2.2	2.9	na	5.0	3.5	3.9	91.6	2.2	1.9	2.2
Georgia State University	0.4 L	3.5 L	na	na	0.4 L	0.5 L	0.4 L	0.8 L	1.6	2.4	3.0	4.3	5.5	na	4.3	na	3.1	0.9	2.5
BNP Paribas Americas	0.4 L	na	0.9	na	na	na	na	1.0	1.3 L	1.6 L	na	na	na	na	na	na	1.4 L	na	1.7
<b>June Consensus</b>	<b>0.9</b>	<b>4.0</b>	<b>1.2</b>	<b>1.0</b>	<b>0.9</b>	<b>1.0</b>	<b>1.2</b>	<b>1.4</b>	<b>1.9</b>	<b>2.4</b>	<b>3.2</b>	<b>4.3</b>	<b>5.4</b>	<b>3.8</b>	<b>4.2</b>	<b>92.4</b>	<b>2.3</b>	<b>1.9</b>	<b>2.2</b>
Top 10 Avg.	1.2	4.2	1.5	1.2	1.2	1.3	1.5	1.8	2.3	2.9	3.6	4.6	5.9	4.1	4.6	94.5	2.9	2.4	2.8
Bottom 10 Avg.	0.6	3.8	1.0	0.9	0.6	0.7	0.9	1.1	1.6	2.0	2.8	3.9	5.0	3.5	3.8	90.6	1.8	1.4	1.7
May Consensus	1.0	4.1	1.3	1.1	1.0	1.1	1.3	1.5	2.0	2.5	3.2	4.3	5.5	3.9	4.3	92.1	2.3	2.0	2.3
<b>Number of Forecasts Changed From A Month Ago:</b>																			
Down	13	13	18	12	16	16	16	22	24	27	24	19	21	11	24	10	11	10	10
Same	27	22	14	11	18	12	14	19	17	15	13	6	5	7	10	7	28	26	27
Up	7	4	8	4	8	8	6	5	4	5	6	4	4	4	4	9	8	9	10
Diffusion Index	44 %	38 %	38 %	35 %	40 %	39 %	36 %	32 %	28 %	27 %	29 %	24 %	22 %	34 %	24 %	48 %	47 %	49 %	50 %

## Second Quarter 2017 Interest Rate Forecasts

### Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum-- Average For Quarter-----															Avg. For ---Qtr--- Fed's Major Currency \$ Index	----- (Q-Q % Change) ----- ----- (SAAR) -----			
	Short-Term					Intermediate-Term					Long-Term						A. Real GDP	B. Price Index	C. GDP Price Index	D. Cons. Price Index
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate					
Moody's Analytics	1.7 H	4.9 H	2.0 H	1.6	1.2	1.3	1.9	2.0	2.9	3.6 H	4.2 H	5.1	6.7 H	4.1	5.1	na	3.1 H	2.1	2.9	
RDQ Economics	1.7 H	4.7	2.0 H	1.8 H	1.8 H	2.0 H	2.2 H	2.3	2.8	3.2	3.6	4.7	5.7	4.3	4.8	98.2 H	1.9	2.3	2.7	
Scotiabank Group	1.5	4.5	na	na	1.6	na	na	2.3	2.6	2.8	3.5	na	na	na	na	na	2.4	2.0	2.3	
Naroff Economic Advisors	1.5	4.5	1.9	1.6	1.7	1.9	2.2 H	2.5 H	3.0 H	3.6 H	4.1	4.7	5.7	4.1	5.2 H	88.5	2.6	2.6	3.1	
DePrince & Assoc.	1.4	4.4	1.8	1.6	1.4	1.5	1.8	2.2	2.5	3.0	3.5	4.8	5.7	4.5	4.8	90.5	2.8	2.3	2.5	
MUFG Union Bank	1.4	4.5	1.6	1.5	1.4	1.6	1.8	2.1	2.4	2.8	3.3	4.5	5.7	3.8	4.6	90.0	2.5	2.5	3.8	
J.P. Morgan Chase	1.4	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	2.0	2.0	2.4	
Economist Intelligence Unit	1.4	4.4	1.5	1.3	1.2	1.3	1.4	1.8	2.2	2.7	3.5	na	na	na	4.4	na	2.8	na	2.3	
GLC Financial Economics	1.3	4.3	1.6	1.4	1.3	1.3	1.4	1.6	2.4	3.0	3.7	5.0	6.2	4.4	4.8	91.0	2.9	2.8	3.0	
Amherst Pierpont Securities	1.3	4.5	1.8	1.4	1.4	1.7	2.1	2.2	2.8	3.3	3.4	5.4 H	6.5	4.6	5.1	96.0	2.6	2.2	3.2	
Cycledata Corp.	1.3	4.5	1.5	1.3	1.2	1.3	1.4	1.6	2.1	2.6	3.3	4.4	5.6	3.9	4.0	92.0	2.0	2.1	2.4	
Chmura Economics & Analytics	1.3	4.3	1.5	1.3	1.1	1.4	1.6	1.9	2.7	3.3	4.0	4.9	na	na	4.9	87.6 L	2.4	1.9	1.9	
MacroFin Analytics	1.3	4.4	1.6	1.3	1.2	1.3	1.5	1.7	2.3	2.8	3.6	4.6	5.7	4.2	4.5	94.0	2.3	2.0	2.0	
UBS AG	1.3	na	1.9	na	1.5	na	na	na	na	2.2	na	na	na	na	na	na	3.0	2.3	2.0	
Daiwa Capital Markets America	1.3	4.4	1.6	1.3	1.2	1.4	1.5	1.7	2.0	2.3	3.1	4.0	5.0	3.8	4.2	92.0	2.2	1.9	2.2	
High Frequency Economics	1.3	4.4	na	na	1.2	1.4	1.5	1.6	2.1	2.6	3.3	na	na	na	na	na	2.3	2.7	2.7	
Swiss Re	1.3	4.3	1.5	1.2	1.1	1.2	1.5	1.8	2.0	2.5	3.5	4.3	5.3	na	4.3	na	2.0	3.2	4.2 H	
Standard & Poor's Corp.	1.2	4.0	1.3	na	0.9	1.1	1.3	1.6	2.1	2.7	3.4	4.1	5.3	na	4.7	94.3	2.5	2.4	2.8	
Natl Assn. of Realtors	1.2	4.3	1.4	1.3	1.3	1.4	1.6	1.8	2.3	2.7	3.3	4.4	5.5	4.0	4.4	na	2.1	2.0	2.1	
Chase Wealth Management	1.2	4.2	1.5	1.2	1.1	1.2	1.4	1.7	2.2	2.7	3.6	4.6	5.8	4.2	4.3	91.4	2.2	2.0	2.3	
The Northern Trust Company	1.2	4.3	1.3	1.2	1.0	1.2	1.4	1.7	2.4	2.8	3.6	4.3	5.4	4.1	4.4	na	2.2	2.0	2.1	
SunTrust Banks	1.2	4.2	2.0	1.6	1.0	1.1	1.2	1.3	1.7	2.1	2.9	5.1	6.7 H	3.9	5.1	na	3.0	1.9	2.2	
Woodworth Holdings	1.2	4.3	1.3	1.1	1.1	1.2	1.4	1.6	2.2	2.8	3.5	4.6	5.7	4.1	4.5	91.5	2.5	1.2 L	1.3 L	
DS Economics	1.2	4.2	1.2	1.1	1.0	1.3	1.7	1.9	2.4	2.9	3.6	3.9	5.0	3.9	4.4	96.0	2.3	2.1	1.8	
AIG	1.2	na	na	na	1.3	na	na	2.1	na	2.8	na	na	6.0	na	4.3	na	2.1	2.0	2.2	
Oxford Economics	1.1	4.0	na	na	1.1	1.3	1.4	1.6	2.0	2.5	3.1	na	na	na	4.4	93.3	2.2	2.5	2.3	
Moody's Capital Markets Group	1.1	4.1	1.4	1.2	1.1	1.2	1.2	1.2	1.7	2.1	2.7	3.8	4.8	3.6	3.9	92.3	2.1	2.0	1.7	
RBC	1.1	na	na	na	1.0	na	na	1.5	2.2	2.9	3.6	na	na	na	na	na	2.7	3.6 H	2.1	
RidgeWorth Investments	1.1	4.3	1.5	1.2	1.0	1.1	1.3	1.5	2.2	3.0	3.8	4.7	5.9	4.8 H	4.8	92.0	2.5	2.2	2.2	
Stone Harbor Investment Partners	1.1	4.3	1.3	1.1	1.1	1.3	1.4	1.5	2.2	2.5	3.2	4.0	5.0	na	3.9	92.0	2.7	1.8	2.5	
Regions Financial Corporation	1.0	4.0	1.3	1.1	1.0	1.1	1.2	1.5	1.9	2.4	3.3	4.1	5.1	na	4.1	91.6	2.1	1.8	2.1	
Societe Generale	1.0	4.0	1.3	na	na	na	na	1.3	1.9	2.4	3.1	na	na	na	na	na	2.3	2.1	2.1	
Goldman Sachs & Co.	1.0	na	1.3	na	0.9	na	na	1.4	2.0	2.6	2.9	na	na	na	4.8	na	2.0	2.0	2.3	
Action Economics	1.0	4.1	1.1	1.0	1.0	1.1	1.2	1.5	2.0	2.5	3.2	4.1	5.4	3.6	4.1	na	2.3	2.6	2.1	
BMO Capital Markets	1.0	4.1	1.2	na	0.9	1.0	1.2	1.4	1.8	2.3	3.0	na	na	na	4.0	93.7	2.4	2.0	2.3	
RBS Securities	0.9	4.1	1.3	1.0	1.0	1.1	1.3	1.8	2.1	2.5	3.2	4.2	5.4	3.9	4.3	94.0	2.7	1.9	2.9	
Wells Fargo	0.9	3.9	1.1	1.0	0.9	1.0	1.1	1.5	1.8	2.2	2.9	4.0	5.1	3.6	4.0	93.3	2.0	2.1	2.2	
Fannie Mae	0.9	4.0	na	na	1.0	1.1	1.1	1.2	1.7	2.0	2.8	na	na	na	3.8	na	1.7	1.9	1.8	
Nomura Securities, Inc.	0.9	3.9	1.2	na	na	na	na	1.3	1.8	2.3	2.7	4.2	5.3	na	4.2	na	2.0	1.6	2.1	
Barclays Capital	0.9	4.0	na	na	na	na	na	na	na	na	na	na	na	na	na	na	2.5	2.2	3.1	
Wells Capital Management	0.9	4.0	1.1	1.0	0.9	1.0	1.4	1.6	1.8	2.4	3.3	4.5	5.5	4.5	4.1	91.4	2.8	2.2	2.0	
Loomis, Sayles & Company	0.7	3.7	0.9 L	0.7 L	0.6	0.7	0.9	1.3	1.5	1.8	2.5 L	3.4 L	4.6 L	2.8 L	3.4 L	88.3	2.0	2.4	2.8	
Comerica Bank	0.7	na	0.9 L	na	0.5 L	0.7	0.8	1.1	1.5	2.0	2.8	na	na	na	3.8	na	2.5	1.8	2.0	
PNC Financial Services Corp.	0.7	3.8	1.0	na	0.7	0.7	0.9	1.2	1.7	2.3	2.9	na	5.0	3.4	3.9	91.8	2.2	2.0	2.3	
Georgia State University	0.6	3.6 L	na	na	0.6	0.6 L	0.6 L	0.9 L	1.7	2.5	3.1	4.4	5.5	na	4.3	na	2.9	2.1	2.9	
BNP Paribas Americas	0.4 L	na	1.0	na	na	na	na	1.0	1.3 L	1.7 L	na	na	na	na	na	na	1.5 L	na	1.8	
<b>June Consensus</b>	<b>1.1</b>	<b>4.2</b>	<b>1.4</b>	<b>1.3</b>	<b>1.1</b>	<b>1.2</b>	<b>1.4</b>	<b>1.6</b>	<b>2.1</b>	<b>2.6</b>	<b>3.3</b>	<b>4.4</b>	<b>5.5</b>	<b>4.0</b>	<b>4.4</b>	<b>92.3</b>	<b>2.4</b>	<b>2.2</b>	<b>2.4</b>	
Top 10 Avg.	1.5	4.5	1.8	1.5	1.5	1.6	1.8	2.1	2.6	3.2	3.8	4.9	6.1	4.4	4.9	94.5	2.9	2.7	3.2	
Bottom 10 Avg.	0.7	3.9	1.1	1.0	0.8	0.9	1.0	1.2	1.6	2.0	2.8	4.0	5.0	3.6	3.9	90.2	1.9	1.8	1.8	
May Consensus	1.2	4.3	1.5	1.3	1.2	1.3	1.5	1.7	2.2	2.7	3.4	4.5	5.6	4.1	4.5	92.0	2.4	2.1	2.4	
<b>Number of Forecasts Changed From A Month Ago:</b>																				
Down	16	16	17	14	19	20	21	25	24	23	22	16	20	12	22	10	14	10	13	
Same	26	19	12	12	15	11	12	14	16	15	11	6	7	8	12	9	24	23	25	
Up	5	4	8	2	7	5	3	4	2	6	8	8	4	3	4	7	9	12	9	
Diffusion Index	38 %	35 %	38 %	29 %	35 %	29 %	25 %	26 %	24 %	31 %	33 %	37 %	24 %	30 %	26 %	44 %	45 %	52 %	46 %	

# Third Quarter 2017

## Interest Rate Forecasts

## Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum -- Average For Quarter--															Avg. For ---Qtr--- A. Fed's Major Currency \$ Index	----(Q-Q % Change)----		
	Short-Term					Intermediate-Term					Long-Term						------(SAAR)-----		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		B.	C.	D.
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bond 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate		Real GDP	Price Index	Cons. Price Index
Moody's Analytics	2.2 H	5.3 H	2.4 H	2.1	1.6	1.7	2.3	2.4	3.1	3.7	4.4	5.3	6.9 H	4.2	5.3	na	3.0	2.3	2.6
RDQ	2.1	5.1	2.4 H	2.2 H	2.2 H	2.4	2.6	2.7	3.1	3.5	3.9	5.0	6.0	4.7	5.1	99.4 H	1.7	2.3	2.7
Naroff Economic Advisors	2.0	5.0	2.4 H	2.1	2.2 H	2.5 H	2.7 H	3.0 H	3.6 H	4.3 H	4.7 H	5.2	6.1	4.3	5.9 H	86.5	1.8	2.8 H	2.8
Scotiabank Group	1.8	4.8	na	na	1.8	na	na	2.5	2.8	3.0	3.6	na	na	na	na	na	2.2	2.0	2.3
MacroFin Analytics	1.7	4.8	2.0	1.7	1.6	1.7	1.9	2.1	2.7	3.2	4.0	5.0	6.1	4.6	4.9	94.5	2.2	2.0	2.1
Amherst Pierpont Securities	1.7	4.8	2.1	1.7	1.7	2.0	2.3	2.5	3.0	3.5	4.4	5.5 H	6.7	4.7	5.2	97.0	2.7	2.3	3.4 H
J.P. Morgan Chase	1.6	na	na	na	na	na	na	na	na	na	na	na	na	na	na	na	1.5 L	2.0	2.5
DePrince & Assoc.	1.6	4.6	2.1	1.9	1.7	1.8	2.1	2.5	2.8	3.3	3.6	5.1	6.0	4.7	5.1	91.0	2.7	2.3	2.6
Economist Intelligence Unit	1.6	4.6	1.8	1.5	1.5	1.6	1.7	2.0	2.4	2.9	3.7	na	na	na	4.6	na	2.8	na	2.2
MJFG Union Bank	1.6	4.8	1.9	1.7	1.6	1.9	2.1	2.3	2.5	2.9	3.3	4.7	5.9	4.0	4.7	89.0	2.3	1.8	2.3
GLC Financial Economics	1.6	4.6	1.8	1.6	1.5	1.6	1.6	1.9	2.7	3.3	4.0	5.3	6.5	4.7	5.6	91.6	3.0	2.6	2.8
RidgeWorth Investments	1.5	4.6	1.9	1.6	1.4	1.5	1.7	1.9	2.7	3.5	4.3	5.1	6.3	5.2 H	5.2	91.0	2.5	2.2	2.2
UBS AG	1.5	na	2.1	na	1.8	na	na	na	na	2.2	na	na	na	na	na	na	2.6	2.3	2.2
Chmura Economics & Analytics	1.5	4.5	1.8	1.5	1.3	1.6	1.9	2.2	3.0	3.5	4.3	5.1	na	na	5.1	85.9 L	3.1	2.2	2.3
Swiss Re	1.5	4.5	1.7	1.4	1.3	1.4	1.6	1.9	2.2	2.7	3.6	4.5	5.5	na	4.6	na	1.9	1.4 L	2.4
High Frequency Economics	1.5	4.6	na	na	1.5	1.6	1.6	1.5	2.1	2.7	3.4	na	na	na	na	na	2.3	2.8 H	2.8
Standard & Poor's Corp.	1.5	4.1	1.6	na	1.2	1.4	1.6	1.8	2.3	2.8	3.5	4.3	5.5	na	4.8	93.8	3.1	2.4	2.0
The Northern Trust Company	1.4	4.6	1.6	1.4	1.3	1.4	1.6	2.0	2.6	3.1	3.9	4.6	5.7	4.4	4.7	na	2.2	2.1	2.2
DS Economics	1.4	4.4	1.5	1.4	1.2	1.5	1.9	2.1	2.7	3.0	3.7	4.0	5.1	4.1	4.6	94.0	2.1	2.3	2.0
Nat'l Assn. of Realtors	1.4	4.5	1.6	1.5	1.5	1.7	1.9	2.1	2.6	2.9	3.5	4.6	5.7	4.2	4.6	na	2.0	2.0	2.1
Chase Wealth Management	1.4	4.4	1.7	1.4	1.3	1.4	1.6	1.9	2.4	2.9	3.8	4.8	6.0	4.4	4.5	91.2	2.3	2.1	2.2
AIG	1.4	na	na	na	1.5	na	na	2.4	na	2.9	na	na	6.0	na	4.4	na	2.3	2.1	2.2
Daiwa Capital Markets America	1.4	4.5	1.7	1.4	1.3	1.5	1.6	1.9	2.2	2.4	3.1	4.0	5.0	3.8	4.2	92.0	2.3	2.0	2.3
RBC	1.4	na	na	na	1.3	na	na	1.8	2.5	3.1	3.7	na	na	na	na	na	2.7	1.9	1.9
Stone Harbor Investment Partners	1.4	4.5	1.5	1.4	1.3	1.4	1.6	1.7	2.3	2.6	3.3	4.2	5.2	na	4.1	94.0	2.0	2.0	2.3
Cycledata Corp.	1.3	4.5	1.5	1.3	1.2	1.3	1.4	1.6	2.1	2.6	3.3	4.4	5.6	3.9	4.0	92.0	1.9	2.1	2.4
Regions Financial Corporation	1.3	4.3	1.5	1.4	1.2	1.3	1.4	1.7	2.1	2.6	3.4	4.1	5.2	na	4.2	91.3	2.0	1.7	2.3
SunTrust Banks	1.3	4.3	2.4 H	2.1	1.1	1.2	1.3	1.4	1.8	2.1	2.9	5.3	6.9 H	3.9	5.3	na	3.2 H	2.1	2.5
Societe Generale	1.3	4.3	1.6	na	na	na	na	1.4	1.9	2.5	3.2	na	na	na	na	na	2.3	2.2	2.6
Goldman Sachs & Co.	1.3	na	1.5	na	1.2	na	na	1.7	2.2	2.7	2.9	na	na	na	4.9	na	2.0	1.9	2.3
Wells Fargo	1.2	4.2	1.4	1.3	1.2	1.3	1.4	1.7	1.9	2.3	2.9	4.1	5.2	3.7	4.1	94.5	2.2	2.1	2.3
RBS Securities	1.2	4.3	1.6	1.2	1.2	1.4	1.5	1.9	2.2	2.7	3.2	4.4	5.6	3.9	4.4	95.0	2.7	1.7	2.4
Oxford Economics	1.2	4.0	na	na	1.1	1.3	1.4	1.6	2.1	2.6	3.3	na	na	na	4.5	93.9	2.5	2.5	1.8
Woodworth Holdings	1.2	4.3	1.3	1.1	1.1	1.2	1.4	1.6	2.2	2.8	3.5	4.6	5.7	4.1	4.5	92.0	2.5	1.4 L	1.5
Nomura Securities, Inc.	1.1	4.1	1.4	na	na	na	na	1.0 L	1.5	2.0	2.4 L	4.0	5.0	na	4.0	na	1.9	1.6	2.1
Action Economics	1.1	4.3	1.3	1.2	1.1	1.2	1.4	1.6	2.1	2.5	3.3	4.2	5.5	3.6	4.2	na	2.3	1.7	2.2
BMO Capital Markets	1.1	4.3	1.4	na	1.0	1.1	1.3	1.6	1.9	2.3	3.0	na	na	na	4.1	93.0	2.1	2.0	2.2
Moody's Capital Markets Group	1.1	4.1	1.4	1.1	1.1	1.2	1.1	1.1	1.6	2.0	2.5	3.7	5.0	3.4	3.8	92.2	1.8	2.0	1.4 L
Barclays Capital	1.1	4.3	na	na	na	na	na	na	na	na	na	na	na	na	na	na	2.5	2.3	2.3
Wells Capital Management	1.0	4.1	1.2	1.1	1.0	1.1	1.4	1.6	1.8	2.4	3.4	4.6	5.7	4.6	4.1	91.5	2.5	2.2	2.1
Comerica Bank	0.9	na	1.2	na	0.8	0.9	1.1	1.3	1.7	2.2	3.1	na	na	na	4.0	na	2.4	1.8	2.0
Fannie Mae	0.9	4.0	na	na	1.1	1.1	1.2	1.3	1.8	2.1	2.8	na	na	na	3.8	na	1.8	2.0	2.0
Loomis, Sayles & Company	0.9	3.9	1.0 L	0.9 L	0.8	0.9	1.0	1.3	1.5	1.8	2.5	3.4 L	4.5 L	2.7 L	3.4 L	88.3	1.9	2.1	2.2
PNC Financial Services Corp.	0.9	4.0	1.2	na	0.9	0.9	1.0	1.4	1.8	2.3	2.9	na	5.1	3.3	4.0	92.0	2.2	2.0	2.3
Georgia State University	0.7	3.7 L	na	na	0.7 L	0.7 L	0.7 L	1.1	1.8	2.6	3.2	4.5	5.6	na	4.4	na	2.5	2.1	3.3
BNP Paribas Americas	0.4 L	na	1.0 L	na	na	na	na	1.1	1.4 L	1.7 L	na	na	na	na	na	na	1.6	na	2.3
<b>June Consensus</b>	<b>1.3</b>	<b>4.4</b>	<b>1.7</b>	<b>1.5</b>	<b>1.3</b>	<b>1.4</b>	<b>1.6</b>	<b>1.8</b>	<b>2.3</b>	<b>2.7</b>	<b>3.4</b>	<b>4.6</b>	<b>5.7</b>	<b>4.1</b>	<b>4.5</b>	<b>92.3</b>	<b>2.3</b>	<b>2.1</b>	<b>2.3</b>
Top 10 Avg.	1.8	4.8	2.2	1.9	1.8	1.9	2.2	2.5	2.9	3.5	4.1	5.2	6.3	4.6	5.3	94.9	2.9	2.5	2.8
Bottom 10 Avg.	0.9	4.0	1.2	1.2	1.0	1.0	1.1	1.2	1.7	2.1	2.8	4.0	5.1	3.6	3.9	89.7	1.8	1.7	1.9
May Consensus	1.5	4.5	1.8	1.6	1.4	1.6	1.7	1.9	2.4	2.8	3.5	4.6	5.8	4.2	4.7	91.9	2.3	2.0	2.3
<b>Number of Forecasts Changed From A Month Ago:</b>																			
Down	19	21	22	15	21	20	21	26	25	23	23	16	20	10	24	10	6	5	9
Same	24	17	9	12	14	9	10	14	15	17	11	7	6	7	12	7	34	27	29
Up	3	1	6	1	6	7	5	3	2	4	7	7	5	4	2	8	6	12	8
Diffusion Index	33 %	24 %	28 %	25 %	32 %	32 %	28 %	23 %	23 %	28 %	30 %	35 %	26 %	36 %	21 %	46 %	50 %	58 %	49 %

International Interest Rate And Foreign Exchange Rate Forecasts

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	0.90	0.90	1.10
BNP Paribas Americas	na	na	na
ING Financial Markets	0.90	0.85	1.05
Mizuho Research Institute	0.65	0.65	0.85
Moody's Analytics	0.92	1.07	1.97
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	0.95	1.20	1.45
<b>June Consensus</b>	<b>0.86</b>	<b>0.93</b>	<b>1.28</b>
High	0.95	1.20	1.97
Low	0.65	0.65	0.85
Last Months Avg.	0.79	0.83	1.16

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	0.00	0.00	0.00
BNP Paribas Americas	na	na	na
ING Financial Markets	0.04	0.02	0.05
Mizuho Research Institute	0.06	0.06	0.06
Moody's Analytics	na	na	na
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	-0.05	-0.10	-0.10
<b>June Consensus</b>	<b>0.01</b>	<b>-0.01</b>	<b>0.00</b>
High	0.06	0.06	0.06
Low	-0.05	-0.10	-0.10
Last Months Avg.	0.03	0.00	-0.01

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	0.65	0.75	1.00
BNP Paribas Americas	na	na	na
ING Financial Markets	0.60	0.65	1.10
Mizuho Research Institute	0.60	0.60	0.60
Moody's Analytics	na	na	na
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	0.58	0.65	0.95
<b>June Consensus</b>	<b>0.61</b>	<b>0.66</b>	<b>0.91</b>
High	0.65	0.75	1.10
Low	0.58	0.60	0.60
Last Months Avg.	0.61	0.66	0.99

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	na	na	na
BNP Paribas Americas	na	na	na
ING Financial Markets	-0.85	-0.85	0.85
Mizuho Research Institute	na	na	na
Moody's Analytics	na	na	na
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	na	na	na
<b>June Consensus</b>	<b>-0.85</b>	<b>-0.85</b>	<b>0.85</b>
High	-0.85	-0.85	0.85
Low	-0.85	-0.85	0.85
Last Months Avg.	-0.75	-0.90	-0.90

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	na	na	na
BNP Paribas Americas	na	na	na
ING Financial Markets	0.50	0.50	0.70
Mizuho Research Institute	na	na	na
Moody's Analytics	na	na	na
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	0.90	0.95	1.25
<b>June Consensus</b>	<b>0.70</b>	<b>0.73</b>	<b>0.98</b>
High	0.90	0.95	1.25
Low	0.50	0.50	0.70
Last Months Avg.	0.75	0.70	0.80

United States			
10 Yr. Gov't Bond Yield %			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
2.00	2.00	na	
1.95	2.05	2.25	
na	na	na	
2.00	2.10	2.30	
1.80	1.85	2.00	
2.49	2.79	3.55	
2.00	2.10	2.10	
2.00	2.00	2.25	
2.12	2.24	2.46	
2.15	2.25	2.80	
1.96	2.00	2.15	
1.95	2.02	2.22	
<b>2.04</b>	<b>2.13</b>	<b>2.43</b>	
2.49	2.79	3.55	
1.80	1.85	2.00	
2.01	2.13	2.38	

Japan			
10 Yr. Gov't Bond Yield %			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
-0.10	-0.05	na	
-0.10	0.00	0.10	
na	na	na	
-0.07	-0.02	0.05	
-0.10	-0.10	-0.10	
0.01	0.01	0.02	
-0.05	0.05	0.25	
-0.15	-0.15	-0.15	
-0.08	-0.08	-0.03	
na	na	na	
0.17	0.20	0.25	
-0.10	-0.08	-0.02	
<b>-0.06</b>	<b>-0.02</b>	<b>0.04</b>	
0.17	0.20	0.25	
-0.15	-0.15	-0.15	
-0.10	-0.03	0.04	

United Kingdom			
10 Yr. Gilt Yields %			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
1.75	1.75	na	
1.55	1.80	2.00	
na	na	na	
1.70	2.00	2.30	
1.50	1.60	1.70	
2.05	2.34	2.84	
1.65	1.75	1.80	
1.90	2.10	na	
1.81	2.00	2.29	
na	na	na	
1.70	1.80	1.90	
1.50	1.55	1.75	
<b>1.71</b>	<b>1.87</b>	<b>2.07</b>	
2.05	2.34	2.84	
1.50	1.55	1.70	
1.69	1.85	2.11	

Switzerland			
10 Yr. Gov't Bond Yield %			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
na	na	na	
na	na	na	
na	na	na	
-0.30	0.00	0.30	
na	na	na	
-0.35	-0.32	0.20	
-0.25	-0.15	-0.05	
na	na	na	
-0.20	-0.15	0.19	
na	na	na	
-0.05	0.15	0.30	
na	na	na	
<b>-0.23</b>	<b>-0.09</b>	<b>0.19</b>	
-0.05	0.15	0.30	
-0.35	-0.32	-0.05	
-0.27	-0.17	0.08	

Canada			
10 Yr. Gov't Bond Yield %			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
na	na	na	
1.40	1.50	1.55	
na	na	na	
1.30	1.40	1.90	
na	na	na	
2.17	2.51	3.32	
1.50	1.65	1.75	
1.40	1.55	1.75	
1.39	1.47	1.63	
1.55	1.65	2.15	
na	na	na	
1.40	1.50	1.75	
<b>1.51</b>	<b>1.65</b>	<b>1.98</b>	
2.17	2.51	3.32	
1.30	1.40	1.55	
1.45	1.55	1.86	

Fed's Major Currency \$ Index			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
na	na	na	
94.9	96.5	96.0	
na	na	na	
88.9	87.5	85.0	
92.0	89.0	91.0	
na	na	na	
91.0	91.5	92.3	
na	na	na	
91.3	92.2	93.3	
na	na	na	
88.3	90.0	93.3	
<b>91.1</b>	<b>91.1</b>	<b>91.8</b>	
94.9	96.5	96.0	
88.3	87.5	85.0	
92.4	92.4	92.5	

Yen/USD			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
100.0	100.0	na	
111.0	116.0	116.0	
108.0	112.0	116.0	
95.0	100.0	108.0	
105.0	106.0	109.0	
111.0	114.0	115.0	
112.0	115.0	118.0	
120.0	122.0	na	
110.0	114.0	118.0	
115.0	118.0	120.0	
na	na	na	
na	na	na	
<b>108.7</b>	<b>111.7</b>	<b>115.0</b>	
120.0	122.0	120.0	
95.0	100.0	108.0	
112.3	113.5	116.9	

USD/Pound Sterling			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
1.45	1.45	na	
1.42	1.44	1.49	
1.51	1.56	1.57	
1.51	1.55	1.56	
na	na	na	
1.47	1.49	1.51	
1.42	1.42	1.43	
1.47	1.50	na	
1.41	1.43	1.44	
1.40	1.40	1.45	
na	na	na	
na	na	na	
<b>1.45</b>	<b>1.47</b>	<b>1.49</b>	
1.51	1.56	1.57	
1.40	1.40	1.43	
1.42	1.45	1.49	

CHF/USD			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
1.07	1.11	na	
1.00	1.03	1.06	
0.98	1.00	1.08	
0.96	0.97	0.96	
na	na	na	
1.03	1.06	1.11	
1.00	1.00	1.00	
1.05	1.08	na	
1.00	1.01	1.03	
1.05	1.08	1.06	
na	na	na	
na	na	na	
<b>1.02</b>	<b>1.04</b>	<b>1.04</b>	
1.07	1.11	1.11	
0.96	0.97	0.96	
1.01	1.04	1.05	

CAD/USD			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
1.38	1.40	na	
1.32	1.31	1.29	
1.35	1.41	1.39	
1.38	1.30	1.23	
na	na	na	
1.35	1.32	1.27	
1.32	1.30	1.28	
1.38	1.35	na	
1.31	1.30	1.30	
1.30	1.30	1.28	
na	na	na	
na	na	na	
<b>1.34</b>	<b>1.33</b>	<b>1.29</b>	
1.38	1.41	1.39	
1.30	1.30	1.23	
1.35	1.34	1.30	

## International Interest Rate And Foreign Exchange Rate Forecasts

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	na	na	na
BNP Paribas Americas	na	na	na
ING Financial Markets	1.60	1.60	1.70
Mizuho Research Institute	na	na	na
Moody's Analytics	na	na	na
Moody's Capital Markets	na	na	na
Nomura Securities	na	na	na
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	na	na	na
<b>June Consensus</b>	<b>1.60</b>	<b>1.60</b>	<b>1.70</b>
High	1.60	1.60	1.70
Low	1.60	1.60	1.70
Last Months Avg.	2.20	2.20	2.30

Australia		
10 Yr. Gov't Bond Yield %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
na	na	na
na	na	na
na	na	na
2.50	2.80	3.00
na	na	na
2.77	2.77	3.18
2.43	2.50	2.47
2.50	2.75	2.85
2.04	2.18	2.44
na	na	na
2.20	2.30	2.35
na	na	na
<b>2.41</b>	<b>2.55</b>	<b>2.72</b>
2.77	2.80	3.18
2.04	2.18	2.35
2.66	2.73	2.91

USD/AUD		
In 3 Mo.	In 6 Mo.	In 12 Mo.
0.69	0.68	na
0.71	0.72	0.74
0.73	0.69	0.67
0.69	0.75	0.82
na	na	na
0.75	0.76	0.77
0.72	0.71	0.70
0.68	0.67	na
0.72	0.70	0.71
0.70	0.70	0.72
na	na	na
na	na	na
<b>0.71</b>	<b>0.71</b>	<b>0.73</b>
0.75	0.76	0.82
0.68	0.67	0.67
0.72	0.71	0.73

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	na	na	na
BMO Capital Markets	-0.25	-0.25	-0.25
BNP Paribas Americas	na	na	na
ING Financial Markets	-0.27	-0.28	-0.28
Mizuho Research Institute	-0.30	-0.30	-0.30
Moody's Analytics	na	na	na
Moody's Capital Markets	na	na	na
Nomura Securities	-0.25	-0.25	-0.25
Oxford Economics	na	na	na
Scotiabank	na	na	na
UBS AG	na	na	na
Wells Fargo	-0.30	-0.30	-0.25
<b>June Consensus</b>	<b>-0.27</b>	<b>-0.28</b>	<b>-0.27</b>
High	-0.25	-0.25	-0.25
Low	-0.30	-0.30	-0.30
Last Months Avg.	-0.27	-0.27	-0.28

### Eurozone

USD/EUR		
In 3 Mo.	In 6 Mo.	In 12 Mo.
1.06	1.03	na
1.09	1.05	1.05
na	na	na
1.15	1.15	1.20
1.18	1.17	1.15
1.06	1.04	1.00
1.09	1.08	1.07
1.07	1.05	na
1.10	1.09	1.07
1.05	1.02	1.05
na	na	na
na	na	na
<b>1.09</b>	<b>1.08</b>	<b>1.08</b>
1.18	1.17	1.20
1.05	1.02	1.00
1.09	1.08	1.08

Blue Chip Forecasters	10 Yr. Gov't Bond Yields %											
	Germany			France			Italy			Spain		
	In 3 Mo.	In 6 Mo.	In 12 Mo.	In 3 Mo.	In 6 Mo.	In 12 Mo.	In 3 Mo.	In 6 Mo.	In 12 Mo.	In 3 Mo.	In 6 Mo.	In 12 Mo.
Barclays	0.50	0.50	na	na	na	na	na	na	na	na	na	na
BMO Capital Markets	0.25	0.30	0.50	na	na	na	na	na	na	na	na	na
BNP Paribas Americas	0.30	0.00	na	0.60	0.30	na	1.45	1.25	na	1.55	1.35	na
ING Financial Markets	0.40	0.60	0.90	0.70	0.90	1.10	1.50	1.60	1.70	1.50	1.55	1.65
Mizuho Research Institute	0.10	0.20	0.25	na	na	na	na	na	na	na	na	na
Moody's Analytics	0.32	0.40	0.83	0.59	0.64	1.02	1.44	1.42	1.74	2.02	2.14	2.33
Moody's Capital Markets	0.40	0.55	0.63	0.75	0.90	0.95	1.65	1.78	1.84	1.75	1.90	1.95
Nomura Securities	0.40	0.40	0.50	na	na	na	na	na	na	na	na	na
Oxford Economics	0.36	0.43	0.74	0.66	0.75	1.09	1.49	1.58	1.93	1.60	1.69	2.01
UBS	0.80	1.10	1.30	1.10	1.35	1.50	1.90	2.00	2.18	na	na	na
Wells Fargo	0.20	0.25	0.40	na	na	na	na	na	na	na	na	na
<b>June Consensus</b>	<b>0.37</b>	<b>0.43</b>	<b>0.67</b>	<b>0.73</b>	<b>0.81</b>	<b>1.13</b>	<b>1.57</b>	<b>1.61</b>	<b>1.88</b>	<b>1.68</b>	<b>1.73</b>	<b>1.99</b>
High	0.80	1.10	1.30	1.10	1.35	1.50	1.90	2.00	2.18	2.02	2.14	2.33
Low	0.10	0.00	0.25	0.59	0.30	0.95	1.44	1.25	1.70	1.50	1.35	1.65
Last Months Avg.	0.34	0.39	0.63	0.68	0.74	1.08	1.52	1.55	1.82	1.60	1.65	1.91

	Consensus Forecasts			
	10-year Bond Yields vs U.S. Yield			
	Current	In 3 Mo.	In 6 Mo.	In 12 Mo.
Japan	-1.98	-2.10	-2.15	-2.38
United Kingdom	-0.31	-0.33	-0.26	-0.35
Switzerland	-2.14	-2.27	-2.22	-2.24
Canada	-0.49	-0.52	-0.47	-0.45
Australia	0.43	0.37	0.42	0.29
Germany	-1.72	-1.67	-1.70	-1.75
France	-1.38	-1.30	-1.32	-1.29
Italy	-0.52	-0.47	-0.52	-0.55
Spain	-0.34	-0.35	-0.40	-0.44

	Consensus Forecasts			
	3 Mo. Deposit Rates vs U.S. Rate			
	Current	In 3 Mo.	In 6 Mo.	In 12 Mo.
Japan	-0.69	-0.85	-0.93	-1.28
United Kingdom	-0.10	-0.26	-0.27	-0.37
Switzerland	-1.40	-1.71	-1.78	-0.43
Canada	0.18	-0.16	-0.21	-0.31
Australia	1.41	0.74	0.67	0.42
Eurozone	-0.93	-1.14	-1.21	-1.55

## Viewpoints:

### A Sampling of Views on the Economy, Financial Markets and Government Policy Excerpted from Recent Reports Issued by our Blue Chip Panel Members and Others

#### FOMC: Three Big “Ifs”

The minutes from the April meeting of the Federal Open Market Committee indicated that officials are inclined to increase interest rates again if certain conditions are met. Specifically, policymakers need to see a pickup in the pace of economic growth and continued improvement in the labor market. In addition, they need to be confident that inflation will return to the target of two percent in the medium term.

A review of recent developments shows that a case can be made for tighter policy in June, although the arguments are far from air-tight. We would not be surprised by a policy change in June, but we are more inclined to look for a shift at the meeting in late July. With the evidence likely to leave the Fed in a grey area, and with officials planning to move gradually, we look for the next step in normalization to be a hawkish statement in June that sets the stage for a rate hike in July.

The first criterion of the FOMC -- faster economic growth -- is moving in the right direction. Recent statistics suggest that GDP growth in the first quarter will be revised upward to approximately 1.0 percent versus the initial estimate of 0.5 percent. More important, available indicators for Q2 suggest a quickening from the revised pace of Q1 (chart). Our reading of the figures suggests an advance of approximately two percent, while the so-called GDPNow estimate of the Atlanta Fed shows stronger results (2.5 percent). A similar measure from the New York Fed suggests growth of 1.7 percent.

Growth in the neighborhood of two percent is respectable, but it is far from vigorous and thus does not suggest an urgency to raise interest rates. Moreover, we doubt that officials will expect a further acceleration in growth in the second half of the year. Forecasts of officials published in March showed expected growth in the low-two-percent area for the year, and we have not detected any shift in fundamentals that might boost expectations. In fact, as discussed below, we have been mildly disappointed in two areas that might have stirred economic activity (housing and business fixed investment).

Both the hawks and doves will be able to use recent developments in the labor market to support their cases. The hawks can cite generally steady job growth and hints of faster wage growth, while doves can point to the underwhelming payroll figures for April and an uptick in the unemployment rate in March (which was sustained in April). Thus, like the prospects for economic growth, the employment situation does not lead to a clear-cut conclusion on policy.

Headline and core inflation have accelerated since last fall, although the pace has eased somewhat in the past month or two (chart, above right). While some Fed officials might emphasize recent easing, we suspect that most policymakers will take a longer-term view and conclude that inflation is on a path back to two percent.

William Dudley of the New York Fed, an ardent dove, confirmed this view in a recent Q&A session on macroeconomic developments. He indicated that the recent easing in year-over-year inflation was most likely the result of random volatility and that the pickup since late 2015 was more meaningful. He noted that core inflation was generally stable in 2014 and much of 2015 when a strong dollar and soft oil prices might have pushed core inflation lower. With those forces now dissipating, underlying inflation was likely to pickup. He indicated that this experience had made him more confident that inflation would return to target over time. He also was more relaxed about possibly eroding inflation expectations.

*Michael Moran, Daiwa Capital Markets, New York, NY*

#### The Fed Puts June Back On the Table

The minutes from the April FOMC meeting clearly indicate that many members of the Federal Open Market Committee believe economic conditions are strong enough to warrant an interest rate hike well ahead of market expectations, and a hike at the June 14-15 meeting remains a real possibility. Market participants still believe such a move remains a relatively low probability, however, even after a string of stronger economic reports on Industrial Production and Retail Sales and a larger than expected increase in the Consumer Price Index. The market assigns about a 30 percent chance of a move in June, up from single digits last week, but now puts the odds of a July move at just over 50 percent.

Expectations for an earlier Fed move took off this week following this week's stronger economic reports and a string of hawkish comments from several Federal Reserve Bank presidents, including Dennis Lockhart, from the Atlanta Fed, and John Williams, from the San Francisco Fed. Both reiterated that a rate hike in June remains a real or live possibility. Economies in both regions are also notably stronger than the U.S. economy, and wage and price pressures, particularly in construction, are much more acute in both areas.

We doubt the Fed's timetable has changed all that much. While the Fed would like to raise interest rates in June, the upcoming Brexit vote will closely follow the Fed meeting and uncertainty about the outcome of that vote will likely be enough to keep the Fed on hold in June. The rhetoric will likely heat up further, however, particularly if first quarter growth is revised higher, as we expect.

Even if the timing of the Fed's next move gets pulled forward into June or, more likely, July, the ultimate magnitude of the Fed's future rate hikes is probably less than the Fed outlined in its previous dot plots. If the Fed is serious about avoiding surprises, then it not only needs to raise market expectations for a rate hike in the near term, but must also close the wide gap in expectations for the funds rate in 2017 and 2018. The market simply does not believe that many rate hikes are credible.

*Wells Fargo Economics Group, Charlotte, NC*

#### Next Fed Policy Move Will Come In July

The minutes of the April FOMC meeting were hawkish and reported that “Most participants judged that if incoming data were consistent with economic growth picking up in the second quarter, labor market conditions continuing to strengthen, and inflation making progress toward the Committee's 2 percent objective, then it likely would be appropriate for the Committee to increase the target range for the federal funds rate in June.”

We do not think that there will be enough data between now and the June 14-15 meeting to prompt a rate hike then. And the Brexit vote shortly thereafter may argue for delay in any case. But we think the Fed's conditions for a rate hike will be met and that the next Fed policy move will come in July.

The much stronger than expected April retail sales report should make the Fed more confident than they were at the April meeting that economic growth is picking up in the second quarter. We look for the May 27th second estimate of 1Q16 GDP to show 1.0% (saar) real GDP growth (revised up from 0.5%). And our tracking forecast for 2Q16 growth is 2.0%, with modest upside risk.

*Robert Mellman, JPMorgan Chase Bank, New York, NY*

#### Will They Or Won't They

The *Cliffs Notes* version of the minutes to the April FOMC meeting is that conditions are supportive of a hike in the Fed funds rate at either the June or July FOMC meetings, unless of course they're not. Yes, the minutes had a more hawkish tone than had been (*continued on next page*)

## Viewpoints

### A Sampling of Views on the Economy, Financial Markets and Government Policy Excerpted from Recent Reports Issued by our Blue Chip Panel Members and Others

been anticipated, and, yes, many FOMC members have used public appearances to reinforce the notion that the June FOMC meeting is indeed “live.” While all this talk seems to have rattled the markets a bit, there is still very much a “we’ll believe it when we see it” attitude on the part of many market participants – at present the bond market is pricing in only about a 28 percent chance of a hike in June. This is to a large degree understandable as the FOMC has basically been prepping the markets for a higher Fed funds rate since the start of last year only to deliver a single 25-basis point hike in the funds rate target range in all this time. As Roseanne Roseannadana would say, it just goes to show you, it’s always something – if it’s not the twists and turns in the economic data, it’s some global event that gives the FOMC cause to pause. Our sense is that this time they really mean it but, at the same time, the reality is that while the evolution of the U.S. economic data gives the FOMC the green light, structural headwinds at home and a still shaky global backdrop put clear limits on how far and how fast the FOMC can go.

*Richard F. Moody, Regions Financial Corp., Birmingham, AL*

#### June Or July?

Ah, the age-old tango between the Fed and markets continues. First, hawkish Fed chatter sets the market up for tighter policy; then investors tremble and the dollar rises; and ultimately policy makers get cold feet and delay tightening. This time-worn dance has played out frequently since the 2013 “taper tantrum”—when then-Chair Bernanke hinted at slowing the QE drip-line. (Wasn’t increased transparency supposed to reduce market volatility?) But this time, the Fed seems to be sticking to its guns. In a rare show of harmony, both dovish and hawkish officials are singing from the same hymn book, apparently in a concerted effort to align the market’s thinking (which, until recently, was summed up as: fat chance of even one move this year) with the Fed’s view (two moves are likely baked in the cake). Here’s what a few officials said this week to prime the markets for the real possibility of a June rate hike:

Dudley—June is “definitely a live meeting”. Lockhart—June should not be “taken off the table”. Williams—2 or 3 moves this year “makes sense”. Kaplan—Fed should raise rates “in not too distant future”

In fact, even at the time of the April policy meeting, the Fed saw a much greater chance of a hike than the market. According to the minutes, “many” members leaned toward a move at the next meeting if conditions were appropriate. And that was before seeing solid April data—industrial production and retail sales up 0.7% and 1.3%, respectively, existing home sales rising for a fourth time in five months, and housing starts up a crackling 6.6%.

The better data suggest the economy has picked up in the second quarter to an above potential rate (which, given scrawny productivity growth, is anything with at least a 2-handle). For the Fed, this points to more progress in labor markets, a key precondition for the second stage of rate lift-off. Pay close attention to the “all-in” unemployment rate in the May jobs report, which has been eking out steady progress this year despite slower payrolls growth and a steady official jobless rate. And, according to Dudley, also keep a close eye on U.K. polls, as rising support for Brexit could stay the Fed’s cautious hand. By contrast, a show of strength in the May indicators and a comfortable lead for the “stay” crowd could tip the odds toward June.

Despite all the Fed chatter, we remain in the July camp. You just need to read Chair Yellen’s March 29<sup>th</sup> speech to know that any material misstep in markets or the economy in coming weeks would likely weigh on the side of inaction. Investors in fed funds futures also remain skeptical of a June move, even if the odds have shot up from the low single-digits last week to 30%. Still, unless the market starts pricing in greater

odds, the Fed will likely worry about investors tripping on the dance floor if the music shifts too abruptly.

*Sal Guatieri, BMO Capital Markets, Toronto, Canada*

#### June, July Or September?

Some aspects of our Fed call seem fairly straightforward, others are more complicated. We have a strong conviction that Fed has been and will continue to be highly attuned to downside risks. Hence, they will hike very slowly, they will focus more on evolving risks than on their baseline forecast and they will stop moving on any sign of trouble. This suggests a very low probability of a Fed-induced recession and a high probability of overshooting the inflation target over the next several years. Indeed, we think they should and will overshoot by 2018.

The hard part is mapping this strategic story into a tactical view of the exact timing and pace of rate hikes. The Fed is not helping much. They want to avoid “calendar guidance” in favor of data dependence: the market is supposed to figure out when they will move based on the news flow. However, the Fed’s reaction function has been changing over time and is complicated. Like everyone else, we struggle to figure out the Fed’s time-varying weights on the labor market, GDP growth, inflation, global developments and financial conditions.

On May 6<sup>th</sup> we dropped our longstanding call for a June rate hike. This was partly in reaction to soft data, but mainly due to super-dovish Fed rhetoric, including commentary from Chair Yellen and two very dovish FOMC statements. Indeed, with the markets pricing in a roughly 5% probability of a June hike, our call was looking increasing out of touch. We moved the next hike to September, but noted that June and July remained live meetings.

Now the Fed minutes and a series of hawkish speakers have made it clear that the April statement was a head fake. It is now clear that June is very much on the table. What is less clear is whether the Fed is just protesting the super-low probability priced into the markets or is setting us up for a June hike. In other words, should we stick to our September call or flip flop?

We are sticking to September. In our view, the distribution of outcomes is very flat, but September still seems most consistent with Yellen’s high risk aversion. June seems a bit early given how dovish she has sounded. Moreover, with the market pricing in just a 34% chance of a move, it would shock the markets and bring into question their credibility. This would draw attention to the competence of the Fed during an election year. The Fed would also be moving in front of the Brexit vote, a potential serious shock to financial markets. What is the cost of waiting?

July is also live, but suffers the usual problem of not having a scheduled press conference. The Fed has made it clear that they can call a press conference on short notice. However, it would still require meticulous preparation from Yellen. In our view, avoiding that painful preparation is a key reason there are only four press conferences a year. A compromise would be for the Fed to repeat what it did in October and in the June statement highlight that July is a live meeting absent adverse developments.

This is a close call and we will be nimble going forward. Payrolls on June 2<sup>nd</sup> and a Yellen speech on June 6<sup>th</sup> could change our mind. In our view, the Fed will want the market to be pricing in at least a 50% probability before it moves and hawkish news from these events could do the trick. Regardless of the exact timing, we think the economy and inflation are a lot more resilient than the markets believe. Hence, the Fed is likely to hike more than what the bond market is pricing in over the next several years.

*Ethan Harris, Bank of America-Merrill Lynch, New York, NY*

## Long-Range Survey:

The table below contains results of our semi-annual long-range CONSENSUS survey. There are also Top 10 and bottom 10 averages for each variable. Shown are estimates for the years 2018 through 2022 and averages for the five-year periods 2018-2022 and 2023-2027. Apply these projections cautiously. Few economic, demographic and political forces can be evaluated accurately over such long time spans.

<b>Interest Rates</b>		-----Average For The Year-----					Five-Year Averages	
		<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2018-2022</b>	<b>2023-2027</b>
1. Federal Funds Rate	<b>CONSENSUS</b>	<b>2.2</b>	<b>2.7</b>	<b>3.0</b>	<b>3.2</b>	<b>3.2</b>	<b>2.9</b>	<b>3.2</b>
	Top 10 Average	3.1	3.6	3.8	3.9	3.9	3.7	3.8
	Bottom 10 Average	1.4	1.6	2.0	2.5	2.4	2.0	2.5
2. Prime Rate	<b>CONSENSUS</b>	<b>5.2</b>	<b>5.7</b>	<b>6.0</b>	<b>6.1</b>	<b>6.1</b>	<b>5.8</b>	<b>6.0</b>
	Top 10 Average	6.1	6.6	6.9	6.9	6.9	6.7	6.7
	Bottom 10 Average	4.4	4.7	5.1	5.4	5.3	5.0	5.4
3. LIBOR, 3-Mo.	<b>CONSENSUS</b>	<b>2.5</b>	<b>3.0</b>	<b>3.2</b>	<b>3.4</b>	<b>3.4</b>	<b>3.1</b>	<b>3.4</b>
	Top 10 Average	3.4	3.9	4.0	4.1	4.1	3.9	4.0
	Bottom 10 Average	1.7	1.9	2.3	2.8	2.7	2.3	2.7
4. Commercial Paper, 1-Mo.	<b>CONSENSUS</b>	<b>2.5</b>	<b>3.0</b>	<b>3.2</b>	<b>3.4</b>	<b>3.3</b>	<b>3.1</b>	<b>3.3</b>
	Top 10 Average	3.2	3.7	3.9	4.0	4.0	3.7	3.8
	Bottom 10 Average	1.8	2.2	2.6	2.8	2.6	2.4	2.7
5. Treasury Bill Yield, 3-Mo.	<b>CONSENSUS</b>	<b>2.2</b>	<b>2.7</b>	<b>2.9</b>	<b>3.1</b>	<b>3.1</b>	<b>2.8</b>	<b>3.1</b>
	Top 10 Average	3.0	3.6	3.8	3.8	3.8	3.6	3.7
	Bottom 10 Average	1.4	1.6	1.9	2.5	2.4	2.0	2.4
6. Treasury Bill Yield, 6-Mo.	<b>CONSENSUS</b>	<b>2.4</b>	<b>2.9</b>	<b>3.2</b>	<b>3.3</b>	<b>3.2</b>	<b>3.0</b>	<b>3.2</b>
	Top 10 Average	3.2	3.7	4.0	4.0	4.0	3.8	3.8
	Bottom 10 Average	1.6	1.9	2.4	2.6	2.5	2.2	2.6
7. Treasury Bill Yield, 1-Yr.	<b>CONSENSUS</b>	<b>2.5</b>	<b>3.0</b>	<b>3.2</b>	<b>3.4</b>	<b>3.3</b>	<b>3.1</b>	<b>3.3</b>
	Top 10 Average	3.4	4.0	4.0	4.1	4.1	3.9	4.0
	Bottom 10 Average	1.7	2.0	2.4	2.6	2.5	2.3	2.7
8. Treasury Note Yield, 2-Yr.	<b>CONSENSUS</b>	<b>2.7</b>	<b>3.1</b>	<b>3.4</b>	<b>3.6</b>	<b>3.5</b>	<b>3.3</b>	<b>3.5</b>
	Top 10 Average	3.6	4.1	4.3	4.3	4.3	4.1	4.2
	Bottom 10 Average	1.8	2.0	2.4	2.8	2.8	2.4	2.7
10. Treasury Note Yield, 5-Yr.	<b>CONSENSUS</b>	<b>3.0</b>	<b>3.4</b>	<b>3.6</b>	<b>3.8</b>	<b>3.8</b>	<b>3.5</b>	<b>3.8</b>
	Top 10 Average	3.9	4.3	4.5	4.6	4.6	4.4	4.5
	Bottom 10 Average	2.1	2.3	2.7	3.0	2.9	2.6	3.0
11. Treasury Note Yield, 10-Yr.	<b>CONSENSUS</b>	<b>3.3</b>	<b>3.7</b>	<b>3.9</b>	<b>4.1</b>	<b>4.0</b>	<b>3.8</b>	<b>4.1</b>
	Top 10 Average	4.2	4.6	4.8	4.8	4.8	4.6	4.8
	Bottom 10 Average	2.5	2.7	3.0	3.2	3.2	2.9	3.3
12. Treasury Bond Yield, 30-Yr.	<b>CONSENSUS</b>	<b>3.9</b>	<b>4.2</b>	<b>4.4</b>	<b>4.6</b>	<b>4.5</b>	<b>4.3</b>	<b>4.6</b>
	Top 10 Average	4.8	5.2	5.3	5.4	5.4	5.2	5.4
	Bottom 10 Average	3.1	3.3	3.5	3.7	3.6	3.4	3.8
13. Corporate Aaa Bond Yield	<b>CONSENSUS</b>	<b>5.1</b>	<b>5.4</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>	<b>5.4</b>	<b>5.6</b>
	Top 10 Average	5.7	6.2	6.3	6.3	6.3	6.2	6.3
	Bottom 10 Average	4.4	4.6	4.6	4.7	4.7	4.6	4.9
13. Corporate Baa Bond Yield	<b>CONSENSUS</b>	<b>6.1</b>	<b>6.4</b>	<b>6.5</b>	<b>6.5</b>	<b>6.5</b>	<b>6.4</b>	<b>6.6</b>
	Top 10 Average	6.7	7.2	7.3	7.3	7.3	7.1	7.3
	Bottom 10 Average	5.4	5.6	5.7	5.7	5.6	5.6	5.9
14. State & Local Bonds Yield	<b>CONSENSUS</b>	<b>4.4</b>	<b>4.6</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.7</b>	<b>4.8</b>
	Top 10 Average	5.2	5.5	5.6	5.6	5.6	5.5	5.6
	Bottom 10 Average	3.7	3.7	3.8	3.9	3.8	3.8	4.0
15. Home Mortgage Rate	<b>CONSENSUS</b>	<b>5.1</b>	<b>5.5</b>	<b>5.6</b>	<b>5.7</b>	<b>5.7</b>	<b>5.5</b>	<b>5.8</b>
	Top 10 Average	5.8	6.3	6.4	6.4	6.5	6.3	6.4
	Bottom 10 Average	4.3	4.6	4.8	4.9	4.8	4.7	5.0
A. FRB - Major Currency Index	<b>CONSENSUS</b>	<b>92.2</b>	<b>91.5</b>	<b>91.2</b>	<b>91.1</b>	<b>91.0</b>	<b>91.4</b>	<b>90.1</b>
	Top 10 Average	95.6	95.7	96.1	96.0	95.9	95.9	95.2
	Bottom 10 Average	88.8	87.2	86.1	86.0	85.9	86.8	85.0
		-----Year-Over-Year, % Change-----					Five-Year Averages	
		<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2018-2022</b>	<b>2023-2027</b>
B. Real GDP	<b>CONSENSUS</b>	<b>2.2</b>	<b>2.1</b>	<b>2.1</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>
	Top 10 Average	2.7	2.7	2.6	2.6	2.5	2.6	2.5
	Bottom 10 Average	1.7	1.6	1.6	1.8	1.8	1.7	1.9
C. GDP Chained Price Index	<b>CONSENSUS</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>
	Top 10 Average	2.4	2.4	2.4	2.3	2.2	2.4	2.3
	Bottom 10 Average	1.8	1.9	1.9	1.9	1.9	1.9	1.9
D. Consumer Price Index	<b>CONSENSUS</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.2</b>	<b>2.3</b>	<b>2.2</b>
	Top 10 Average	2.7	2.6	2.5	2.4	2.5	2.6	2.5
	Bottom 10 Average	1.9	2.0	2.0	2.1	2.0	2.0	2.0



## 2016 Historical Data

Monthly Indicator	Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec
Retail and Food Service Sales (a)	-0.5	0.3	-0.3	1.3								
Auto & Light Truck Sales (b)	17.45	17.43	16.46	17.32								
Personal Income (a, current \$)	0.4	0.1	0.4									
Personal Consumption (a, current \$)	0.2	0.2	0.1									
Consumer Credit (e)	4.4	4.8	10.0									
Consumer Sentiment (U. of Mich.)	92.0	91.7	91.0	89.0								
Household Employment (c)	615	530	246	-316								
Non-farm Payroll Employment (c)	168	233	208	160								
Unemployment Rate (%)	4.9	4.9	5.0	5.0								
Average Hourly Earnings (All, cur. \$)	25.38	25.39	25.45	25.53								
Average Workweek (All, hrs.)	34.6	34.4	34.4	34.5								
Industrial Production (d)	-1.3	-1.4	-1.9	-1.1								
Capacity Utilization (%)	75.7	75.6	74.9	75.4								
ISM Manufacturing Index (g)	48.2	49.5	51.8	50.8								
ISM Non-Manufacturing Index (g)	53.5	53.4	54.5	55.7								
Housing Starts (b)	1.128	1.213	1.099	1.172								
Housing Permits (b)	1.188	1.162	1.077	1.116								
New Home Sales (1-family, c)	521	538	531	619								
Construction Expenditures (a)	-0.3	1.0	0.3									
Consumer Price Index (nsa., d)	1.4	1.0	0.9	1.1								
CPI ex. Food and Energy (nsa., d)	2.2	2.3	2.2	2.1								
Producer Price Index (n.s.a., d)	-0.2	0.0	-0.1	0.0								
Durable Goods Orders (a)	4.3	-3.3	1.9	3.4								
Leading Economic Indicators (g)	-0.2	-0.1	0.2									
Balance of Trade & Services (f)	-45.9	-47.0	-40.4									
Federal Funds Rate (%)	0.34	0.38	0.36	0.37								
3-Mo. Treasury Bill Rate (%)	0.26	0.31	0.29	0.23								
10-Year Treasury Note Yield (%)	2.09	1.78	1.89	1.81								

## 2015 Historical Data

Monthly Indicator	Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec
Retail and Food Service Sales (a)	-0.5	-0.5	1.5	0.1	0.9	0.1	0.6	-0.1	0.1	0.0	0.3	0.4
Auto & Light Truck Sales (b)	16.63	16.32	17.06	16.70	17.63	16.95	17.47	17.73	18.07	18.13	18.06	17.22
Personal Income (a, current \$)	0.2	0.3	0.0	0.6	0.6	0.5	0.3	0.3	0.1	0.3	0.3	0.3
Personal Consumption (a, current \$)	-0.4	0.2	0.5	0.3	0.9	0.3	0.3	0.3	0.2	0.2	0.4	0.1
Consumer Credit (e)	3.6	5.5	7.6	7.6	7.0	9.6	6.8	5.1	9.9	5.2	4.8	7.3
Consumer Sentiment (U. of Mich.)	98.1	95.4	93.0	95.9	90.7	96.1	93.1	91.9	87.2	90.0	91.3	92.6
Household Employment (c)	665	127	102	176	239	-26	144	177	-101	255	247	485
Non-Farm Payroll Employment (c)	221	265	84	251	273	228	277	150	149	295	280	271
Unemployment Rate (%)	5.7	5.5	5.5	5.4	5.5	5.3	5.3	5.1	5.1	5.0	5.0	5.0
Average Hourly Earnings (All, cur. \$)	24.76	24.80	24.87	24.91	24.97	24.96	25.03	25.12	25.14	25.21	25.27	25.26
Average Workweek (All, hrs.)	34.6	34.6	34.5	34.5	34.5	34.5	34.6	34.6	34.5	34.5	34.5	34.5
Industrial Production (d)	3.4	2.5	1.3	1.1	0.3	-0.2	0.3	0.4	-0.3	-0.4	-2.1	-2.3
Capacity Utilization (%)	78.0	77.7	77.3	76.9	76.6	76.4	76.7	76.7	76.4	76.3	75.7	75.4
ISM Manufacturing Index (g)	53.5	53.3	52.3	51.6	53.1	53.1	51.9	51.0	50.0	49.4	48.4	48.0
ISM Non-Manufacturing Index (g)	56.7	57.1	56.9	57.5	55.9	56.2	59.6	58.3	56.7	58.3	56.6	55.8
Housing Starts (b)	1.101	0.893	0.964	1.192	1.063	1.213	1.147	1.132	1.189	1.073	1.171	1.160
Housing Permits (b)	1.073	1.114	1.071	1.178	1.266	1.334	1.142	1.166	1.129	1.175	1.286	1.201
New Home Sales (1-family, c)	521	545	485	508	513	469	500	507	457	480	511	537
Construction Expenditures (a)	1.5	0.4	1.5	3.1	2.1	0.5	0.0	0.6	0.2	-0.1	-0.5	0.8
Consumer Price Index (s.a., d)	-0.1	0.0	-0.1	-0.2	0.0	0.1	0.2	0.2	0.0	0.2	0.5	0.7
CPI ex. Food and Energy (s.a., d)	1.6	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.9	1.9	2.0	2.1
Producer Price Index (n.s.a., d)	0.0	-0.5	-0.9	-1.1	-0.8	0.5	-0.7	-1.0	-1.1	-1.4	-1.3	-1.1
Durable Goods Orders (a)	1.9	-3.5	5.1	-1.7	-2.3	4.1	1.9	-2.9	-0.8	2.8	-0.5	-4.6
Leading Economic Indicators (g)	0.2	-0.2	0.4	0.6	0.6	0.6	0.0	-0.1	0.0	0.6	0.5	-0.3
Balance of Trade & Services (f)	-43.6	-38.6	-52.2	-43.4	-43.5	-46.3	-43.7	-50.5	-44.3	-45.5	-43.6	-44.7
Federal Funds Rate (%)	0.11	0.11	0.11	0.12	0.12	0.13	0.13	0.14	0.14	0.12	0.12	0.24
3-Mo. Treasury Bill Rate (%)	0.03	0.02	0.03	0.02	0.02	0.02	0.03	0.07	0.02	0.02	0.12	0.23
10-Year Treasury Note Yield (%)	1.88	1.98	2.04	1.94	2.20	2.36	2.32	2.17	2.17	2.07	2.26	2.24

(a) month-over-month % change; (b) millions, saar; (c) month-over-month change, thousands; (d) year-over-year % change; (e) annualized % change; (f) \$ billions; (g) level. Most series are subject to frequent government revisions. Use with care.

## Calendar Of Upcoming Economic Data Releases

Monday	Tuesday	Wednesday	Thursday	Friday
<b>May 30</b> <b>Memorial Day</b> <b>U.S. Markets Closed</b>	<b>31</b> S&P/Case-Shiller Home Price Index (Mar) Consumer Confidence (May, Conference Board) Personal Income and Consumption (Apr) Chicago PMI (May) Dallas Fed Survey (May)	<b>June 1</b> Markit Manufacturing PMI (May, Final) ISM Manufacturing ((May) Construction Spending (Apr) Light Vehicle Sales (May) Beige Book EIA Crude Oil Stocks Mortgage Applications	<b>2</b> ADP Employment (May) Weekly Jobless Claims Weekly Money Supply	<b>3</b> Employment (May) International Trade (Apr) Markit Services PMI (May, Final) ISM Non-manufacturing (May) Factory Orders (Apr)
<b>6</b>	<b>7</b> Productivity and Costs (Q1, Revised) Consumer Credit (Apr)	<b>8</b> JOLTS (Apr) Quarterly Services Spending (Q1) EIA Crude Oil Stocks Mortgage Applications	<b>9</b> Wholesale Trade (Apr) Weekly Jobless Claims Weekly Money Supply	<b>10</b> Consumer Sentiment (Jun, Preliminary, University of Michigan)
<b>13</b>	<b>14</b> <b>FOMC Meeting</b> Retail Sales (May) NFIB Survey (May) Import Prices (May) Business Inventories (Apr)	<b>15</b> <b>FOMC Meeting</b> <b>Statement and Projections 2:00 pm</b> <b>Press conference 2:30 pm</b> Producer Price Index May Empire State Survey (Jun) Industrial Production (May) TIC Data (Apr)	<b>16</b> Philadelphia Fed Survey (Jun) Consumer Price Index (May) NAHB survey (Jun) Current Account (Q1) Weekly Jobless Claims Weekly Money Supply	<b>17</b> Housing Starts (May)
<b>20</b>	<b>21</b>	<b>22</b> Existing Home Sales (May) FHFA Home Price Index (Apr) EIA Crude Oil Stocks Mortgage Applications	<b>23</b> Markit Manufacturing PMI (Jun, flash) New Home Sales (May) Kansas City Fed Survey (Jun) Weekly Jobless Claims Weekly Money Supply	<b>24</b> Durable Goods (May) Consumer Sentiment (Jun, Final, University of Michigan)
<b>27</b> International Trade (May, Advance) Markit Services PMI (Jun, Flash) Dallas Fed Survey (Jun)	<b>28</b> Real GDP (Q1, Flash) S&P/Case-Shiller Home Price Index (Apr) Consumer Confidence (Jun, Conference Board) Richmond Fed Survey (Jun)	<b>29</b> Personal Income and Consumption (May) Pending Home Sales (May) EIA Crude Oil Stocks Mortgage Applications	<b>30</b> Chicago PMI (Jun) Weekly Jobless Claims Weekly Money Supply	<b>July 1</b> Markit Manufacturing PMI (Jun, Final) ISM Manufacturing (Jun) Construction Spending (May) Light Vehicle Sales
<b>4</b> <b>Independence Day</b> <b>U.S. Markets Closed</b>	<b>5</b> Factory Orders (May)	<b>6</b> <b>FOMC Minutes</b> International Trade (May) Markit Services PMI (Jun, final) ISM Non-Manufacturing (Jun) EIA Crude Oil Stocks Mortgage Applications	<b>7</b> ADP Employment (Jun) Weekly Jobless Claims Weekly Money Supply	<b>8</b> Employment (Jun) Consumer Credit (May)

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