

Blue Chip Economic Indicators®

Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead
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BLUE CHIP ECONOMIC INDICATORS®

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Growth Expected to be Strongest in 75 Years; Inflation Higher for Now

42% of population are fully vaccinated. In the week ended June 8, there was an average of 14,685 new cases of COVID-19 each day in the United States. This might look like a large number but relative to every day since April 1, 2020, it's actually quite modest. It represents 44.4 new cases per million population, compared to 701.3 in the week ended January 15, 2021. The "stringency index," that is, an aggregate gauge of businesses closed, school closings, event cancellations and so on, has been at 46.76 since Memorial Day, down from 75.46 around Thanksgiving. Obviously, fewer cases of COVID have meant fewer closings and more re-openings. Vaccinations have helped: as of June 8, 171.7 million Americans had had at least one dose of a vaccine and 140.4 million were fully vaccinated; this latter number shows that 42% of the population are fully vaccinated. All these data, as we have mentioned in our prior descriptions of this pandemic, come from Oxford University's "Our World in Data" and are updated every morning.

Economy reopens; historic growth forecast for this year. There have been echoes of this in the economic impact. GDP fell 3.5% in 2020, the worst annual performance since 1946, right after World War II, which saw an 11.6% drop. But the rebound now is vigorous: the Blue Chip Economic Indicators forecast panel projects 6.7% GDP growth this year, with further growth of 4.4% in 2022. This June forecast extends the uptrend of positive revisions in Blue Chip forecasts of GDP growth in 2021 to a sixth consecutive month.

Contributing to the GDP growth is consumer spending, currently estimated by the Blue Chip panel to surge 7.8% this year after a 3.9% plunge in 2020. "Pent-up demand" is an apt moniker for the force of consumer demand after the last 18 months of economic stress. The 7.8% expansion would be the strongest since 12.4%, also in 1946. In addition, people's desire for new homes should contribute to growth, with the panel's forecast of housing starts set at 1.59 million for this year, the largest number of starts since 2006 and the largest growth rate, 15.2%, since 2013.

Business investment would be no laggard either. As we described last month, a decline of 4% in 2020 is expected to be followed by a notable increase this year. In May, this growth was forecast at 8.1% and is now projected at 8.4%. The last year with such a sizable increase was 2012, when it grew 9.5%.

But inflation also increases. All this healthy growth is, at the same time, being accompanied by a notable pickup in inflation. The PCE price index rose 1.2% in 2020. Last month, the Blue Chip panel forecast a 2.4% increase for this year (annual averages). Now, bigger increases are seen in the year as a

whole and also in each quarter. With Q1 at 3.7%, Q2 projected at 4.7%, Q3 at 2.7% and Q4 at 2.1%, the 2021 average would be 2.9%. In this month's Special Questions, the panelists say that it is not just the release of pent-up demand that is contributing to upward inflation surprises; they also see supply chain bottlenecks. These two forces are named by 58% of the panel as the primary sources of the higher inflation, with loose fiscal and monetary policy named by another 27%.

Budget deficit forecast is enormous, but also supports growth. The loose – or perhaps more accurately "stimulative" – fiscal policy is seen in budget deficit forecasts averaging \$3.2 trillion this fiscal year and \$1.6 trillion next year. The panel does believe, though, that the main force of the large budget deficit is in support of growth. The vast majority of respondents, 82%, believe that the deficit would not drive up interest rates enough to hamper growth going forward. Also, while the deficit would apply some upward pressure on inflation, the portion of the panel believing that is less dominant, 58% versus 42% indicating no measurable impact, so it would appear that the result would not be overly severe.

Moderate moves forecast in monetary policy and long-term interest rates. With such vigorous economic activity and some pick-up in inflation, there could be implications for the Federal Reserve and the conduct of monetary policy: the 0%-0.25% target for the federal funds rate and their \$120 billion/month purchases of Treasury and mortgage-backed securities. The policy-making Federal Open Market Committee is scheduled to meet Tuesday and Wednesday next week, June 15-16, issuing a statement about policy Wednesday afternoon. The latest policy statement from April 28 reiterates the FOMC's standard text that the Committee "expects it will be appropriate to maintain this [interest rate] target range until labor market conditions have reached levels consistent with the Committee's assessments of maximum employment and inflation has risen to 2 percent and is on track to moderately exceed 2 percent for some time."

According to another Special Question, the Blue Chip panel expects the Fed to maintain the current fed funds rate target until sometime in 2023. The purchase of securities is a more refined policy measure. Thirty-one percent of the panel estimates that the Fed could start to taper these purchases later this year, with another 60% projecting that the tapering would start during the first half of 2022. According to the Blue Chip forecasts, these policy moves would be accompanied by stable short-term interest rates until late in 2022 with long-term rates climbing gradually from recent 1.5% for 10-year Treasuries to 2% for much of 2022.

Carol Stone, CBE (Haver Analytics, New York, NY)

2021 Real GDP Forecast Increases to 6.7%

June 2021 Forecast for 2021 SOURCE:	Percent Change 2021 From 2020 (Full Year-Over-Prior Year)										Average For 2021			Total Units-2021		2021
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Real GDP	GDP	Nominal	Consumer	Indust.	Dis. Pers.	Personal	Non-Res.	Corp.	PCE	Treas.	Treas.	Unempl.	Housing	Auto&Light	Net
	(Chained) Price (2012\$)	Price Index	GDP (Cur.\$)	Price Index	Prod. (Total)	Income (2012\$)	Cons. Exp. (2012\$)	Fix. Inv. (2012\$)	Profits (Cur.\$)	Price Index	Bills 3-mo.	Notes 10-Year	Rate (Civ.)	Starts (Mil.)	Truck Sales (Mil.)	Exports (2012\$)
Oxford Economics, US	7.7 H	3.7	11.7 H	3.8	9.7 H	3.2	9.5 H	8.1	12.7	3.2	0.1	1.7	5.2	1.59	17.3	-1212.5
NatWest Markets	7.6	2.4	10.2	2.4	5.0	7.7	9.4	7.5	na	3.1	0.1	1.8	5.5	1.65	17.3	-1274.8
IHS Markit US Economics**	7.4	3.1	10.7	3.3	6.3	3.4	8.4	8.5	19.5	2.9	0.0 L	1.6	5.4	1.58	16.8	-1193.9
Grant Thornton/Diane Swonk	7.3	3.3	10.8	3.4	6.2	3.4	8.3	8.6	19.3	3.0	0.0 L	1.6	5.4	1.58	17.4	-1200.0
Wells Fargo, US	7.3	3.8 H	11.1	4.0	5.2	3.7	9.0	9.0	13.0	3.3	0.1	1.8	5.5	1.56	16.5	-1197.5
Barclays, US*	7.1	3.1	10.4	3.7	4.8	na	8.1	8.7	na	2.9	na	1.7	5.5	1.59	na	-1254.7
BNP Paribas North America	7.1	na	na	3.0	na	na	na	na	na	2.5	na	1.9	5.1 L	na	na	na
Morgan Stanley, US***	7.1	3.0	10.2	3.3	6.7	2.3 L	7.3	9.0	na	2.6	0.1	1.6	5.6	1.48	16.0	-1209.9
UCLA Anderson Forecast*	7.1	3.2	10.3	3.0	6.1	3.3	8.2	8.3	13.1	2.7	0.1	1.7	5.4	1.64	17.2	-1248.1
Bank of America-Merrill Lynch, US**	7.0	3.2	10.2	3.6	5.2	na	8.8	8.0	na	na	na	2.2 H	5.3	1.60	17.5	-1258.5
BMO Capital Markets*	7.0	3.0	10.2	3.7	5.7	4.1	8.2	9.5	12.3	3.2	0.1	1.6	5.4	1.64	17.3	-1271.0
Georgia State University*	7.0	2.8	9.7	3.4	5.9	3.1	8.2	9.2	21.8 H	2.6	0.1	1.7	5.5	1.57	17.3	-1296.2
Northern Trust Company*	7.0	3.0	10.3	3.1	5.2	5.8	8.6	7.8	11.9	2.8	0.1	1.6	5.5	1.54	16.9	-1224.3
Amherst Pierpont Securities	6.9	2.8	9.9	3.6	6.3	4.8	7.9	9.3	11.5	3.1	0.1	1.7	5.4	1.63	16.8	-1191.0
Credit Suisse	6.9	2.6	9.7	3.4	5.9	na	8.9	9.0	na	2.9	na	na	5.5	na	na	-1312.0
Ford Motor Company*	6.9	3.1	10.0	3.4	5.4	3.2	8.3	7.7	na	2.9	0.0 L	1.6	5.6	1.56	na	-1184.8
Goldman Sachs & Co. **	6.9	2.7	9.8	3.7	7.2	3.2	8.4	9.8 H	na	2.8	0.1	1.8	5.3	1.63	na	-1240.4
Moody's Analytics, US	6.9	3.1	10.2	3.4	4.8	2.3 L	8.0	8.1	7.4	2.9	0.1	1.7	5.4	1.70 H	17.0	-1324.3
National Retail Federation	6.9	2.9	9.8	2.9	6.0	5.1	7.3	8.3	na	2.6	0.1	1.7	5.4	1.55	16.5	-1228.8
ACT Research*	6.8	3.2	10.2	3.6	5.0	4.5	8.7	8.4	na	3.1	0.1	1.6	5.6	1.58	17.7 H	-1261.0
AIG	6.8	2.4	9.4	2.7	7.2	3.6	7.7	8.5	21.8 H	2.2	0.0 L	1.7	5.2	1.64	16.7	-1192.3
MacroFin Analytics & Rutgers Bus School	6.8	3.0	9.9	3.3	5.6	4.8	8.0	8.2	17.4	2.6	0.1	1.6	5.7	1.59	16.9	-1200.5
Fannie Mae	6.7	3.6	10.5	5.2 H	na	na	7.8	7.5	na	4.6 H	0.0 L	1.6	5.4	1.62	16.5	-1195.4
JP MorganChase, US	6.7	3.3	10.3	3.6	7.0	3.4	8.3	9.4	14.5	3.0	na	1.4 L	5.4	1.64	17.1	-1298.6
National Assn. of Home Builders	6.7	2.9	9.6	2.5	na	na	7.6	7.4	na	2.3	na	1.7	5.3	1.50	na	-1225.5
Point72 Asset Management*	6.7	3.5	10.5	3.6	5.9	3.6	8.0	8.7	14.5	3.0	0.0 L	1.6	5.6	1.60	17.0	-1220.4
Daiwa Capital Markets America	6.6	2.9	9.6	3.7	5.3	6.6	7.8	8.5	12.0	3.2	0.1	1.7	5.4	1.45 L	17.2	-1244.5
FedEx Corporation, US	6.6	3.0	9.7	3.4	6.0	4.8	7.9	7.9	14.5	3.1	0.1	1.7	5.5	1.60	17.1	-1224.0
Inforum - Univ. of Maryland	6.6	2.6	9.4	2.7	5.6	5.4	7.6	8.5	13.3	2.5	0.1	1.7	5.5	1.62	16.9	-1214.1
The Conference Board, US*	6.6	na	na	na	na	6.8	8.1	8.8	na	2.8	na	na	5.4	1.62	17.1	-1267.5
Thru the Cycle	6.6	2.8	9.4	3.7	5.1	4.9	7.9	7.6	13.3	3.3	0.0 L	1.6	5.7	1.61	16.8	-1213.2
Econoclast	6.5	2.8	9.3	3.5	5.0	4.8	6.8	8.3	10.6	3.0	0.1	1.8	5.5	1.62	17.1	-1230.0
General Motors Corporation, US	6.5	2.3	9.0	2.6	6.8	3.5	7.4	7.9	19.6	2.2	0.0 L	1.7	5.1 L	1.56	na	-1268.5
RDQ Economics	6.5	2.6	9.3	3.5	5.2	3.5	8.3	8.9	16.7	3.0	0.1	1.7	5.6	1.70 H	17.0	-1280.4
S&P Global, US*	6.5	2.5	9.2	2.7	6.5	4.1	6.9	8.3	na	2.6	0.1	1.7	5.5	1.50	16.6	-1164.2
Swiss Re	6.5	2.7	9.4	2.9	2.2 L	12.7 H	9.0	7.5	na	2.7	0.2 H	1.6	5.8	1.45 L	na	-1228.4
PNC Financial Services Group	6.4	3.1	9.7	3.6	5.3	3.1	7.2	9.0	3.0 L	na	0.0 L	1.6	5.6	1.68	17.2	-1243.2
SOM Economics, Inc.	6.4	3.1	9.7	3.4	5.5	na	7.3	8.8	17.5	3.2	0.0 L	1.6	5.6	1.58	17.3	-1191.0
Action Economics	6.3	2.8	9.3	2.1 L	6.8	2.4	7.5	9.0	18.0	2.5	0.1	na	5.3	1.70 H	17.2	-1227.7
Eaton Corporation	6.3	2.3	8.5	2.5	5.6	6.2	7.0	8.2	na	na	0.0 L	1.7	5.2	1.55	16.6	-1237.4
Nomura Securities, US	6.3	3.0	9.3	3.7	4.6	na	7.4	8.6	na	2.4	na	1.8	5.3	1.53	17.0	-1273.2
Societe Generale	6.3	2.9	9.3	3.4	7.3	3.6	7.0	7.9	18.8	3.0	0.1	1.8	5.4	1.62	17.1	-1204.0
MacroPolicy Perspectives	6.2	3.0	9.2	3.5	na	4.0	7.9	8.6	7.0	3.0	0.0 L	1.8	5.6	1.70 H	17.0	-1326.0 L
Regions Financial Corporation	6.1	3.3	9.6	3.8	5.1	2.6	7.5	8.8	13.8	3.4	0.0 L	1.6	5.5	1.60	17.0	-1208.1
Economist Intelligence Unit, UK	6.0	1.4 L	7.5 L	2.7	5.8	2.3 L	6.8	6.3 L	na	na	0.0 L	1.6	5.6	1.48	15.8 L	-1075.6
Visa	6.0	3.3	9.5	3.6	na	6.8	7.7	8.0	14.4	3.2	0.0 L	1.7	5.7	1.56	17.1	-1234.8
Naroff Economic Advisors*	5.9	2.6	8.6	3.9	5.1	11.6	5.9	8.2	na	3.4	0.2 H	1.7	5.8	1.67	16.6	-1199.0
ACIMA Private Wealth, US	5.6 L	1.9	7.6	2.5	6.0	4.0	5.5 L	7.7	20.0	0.9 L	0.1	1.5	6.0 H	1.45 L	17.5	-875.0 H
Comerica**	5.6 L	3.2	8.9	4.0	5.1	3.9	6.8	9.2	na	3.6	0.0 L	1.6	5.7	1.60	17.6	-1265.1
2021 Consensus: June Avg.	6.7	2.9	9.7	3.3	5.8	4.5	7.8	8.4	14.6	2.9	0.1	1.7	5.5	1.59	17.0	-1225.2
Top 10 Avg.	7.3	3.4	10.7	4.0	7.2	7.5	8.9	9.2	19.4	3.4	0.1	1.8	5.7	1.67	17.4	-1146.1
Bottom 10 Avg.	6.0	2.3	8.7	2.5	4.7	2.8	6.7	7.5	10.1	2.3	0.0	1.6	5.2	1.49	16.5	-1292.5
May Avg.	6.6	2.5	9.2	2.7	5.9	4.7	7.7	8.1	15.3	2.4	0.1	1.7	5.4	1.58	16.9	-1218.8
Historical data	2017	2.3	1.9	4.3	2.1	1.3	3.1	2.6	3.7	4.5	0.9	2.3	4.4	1.20	17.2	-816.8
	2018	3.0	2.4	5.5	2.4	3.2	3.6	2.7	6.9	6.1	2.0	2.9	3.9	1.25	17.2	-877.7
	2019	2.2	1.8	4.0	1.8	-0.8	2.2	2.4	2.9	0.3	2.1	2.1	3.7	1.29	17.0	-917.6
	2020	-3.5	1.2	-2.3	1.2	-7.2	6.0	-3.9	-4.0	-5.8	0.4	0.9	8.1	1.38	14.5	-926.0
Number of Forecasts Changed From a Month Ago:																
Down	11	0	2	0	14	13	13	5	17	0	8	11	2	16	9	19
Same	18	8	6	7	15	11	10	8	4	7	33	34	21	19	17	7
Up	20	39	39	41	14	17	25	35	7	37	0	1	26	12	15	22
June Median	6.7	3.0	9.7	3.4	5.6	3.9	7.9	8.5	14.4	2.9	0.1	1.7	5.5	1.60	17.0	-1228.1
June Diffusion Index	59%	91%	89%	93%	50%	55%	63%	81%	32%	92%	40%	39%	74%	46%	57%	53%

*Denotes the number of times an organization has won the annual Lawrence R. Klein Award for Blue Chip Forecast Accuracy.

2022 Real GDP Forecast Remains at 4.4%

June 2021 Forecast for 2022 SOURCE:	Percent Change 2022 From 2021 (Full Year-Over-Prior Year)										Average For 2022			Total Units-2022		2022
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Real GDP (Chained) (2012\$)	GDP Price Index	Nominal GDP (Cur.\$)	Consumer Price Index	Indust. Prod. (Total)	Dis. Income (2012\$)	Pers. Cons. (2012\$)	Personal Exp. Fix. Inv. (2012\$)	Non-Res. Corp. Profits (Cur.\$)	PCE Price Index	Treas. Bills 3-mo.	Treas. Notes 10-Year	Unempl. Rate (Civ.)	Housing Starts (Mil.)	Auto&Light Truck Sales (Mil.)	Net Exports (2012\$)
ACT Research*	6.3 H	2.4	8.8 H	2.5	2.8	-4.0	5.8	9.8	na	2.3	0.1	2.2	4.2	1.50	18.2 H	-1313.0
NatWest Markets	6.2	1.5	7.8	2.0	3.0	-0.6	7.8 H	3.1	na	2.7	0.1	2.3	3.8	1.68	16.7	-1393.2
Wells Fargo, US	5.8	2.9	8.7	3.1	4.2	-2.2	5.5	5.5	6.9	2.7	0.1	2.2	4.2	1.59	16.8	-1208.6
Bank of America-Merrill Lynch, US**	5.5	2.8	8.3	2.5	4.0	na	5.1	5.7	na	na	na	na	3.6	1.60	17.9	-1322.8
Daiwa Capital Markets America	5.1	2.5	7.6	3.2	3.4	1.6	4.5	6.6	5.8	3.0	0.2	2.3	4.2	1.28 L	17.1	-1301.8
SOM Economics, Inc.	5.1	2.3	7.6	2.4	4.2	na	4.8	6.1	9.0	2.4	0.1	2.0	4.6	1.54	17.5	-1180.0
Moody's Analytics, US	5.0	2.5	7.6	2.6	2.6	-2.5	4.6	9.0	2.7	2.6	0.2	2.3	3.7	1.92 H	17.4	-1476.4
UCLA Anderson Forecast*	5.0	2.5	7.5	2.7	5.4	-2.0	3.9	7.5	9.6	2.6	0.2	2.2	4.2	1.67	17.1	-1242.4
Morgan Stanley, US***	4.9	2.4	7.3	2.3	6.2	-1.9	4.0	5.9	na	1.8	0.1	1.9	4.4	1.56	16.3	-1268.3
AIG	4.8	2.2	7.1	2.3	5.0	-1.3	5.2	7.4	6.7	1.9	0.1	2.1	4.0	1.54	16.9	-1188.3
BNP Paribas North America	4.8	na	na	2.3	na	na	na	na	na	2.1	na	2.4	3.9	na	na	na
IHS Markit US Economics**	4.8	2.4	7.2	2.1	4.3	-1.8	4.3	6.3	9.6	2.1	0.0 L	1.8	3.8	1.44	16.8	-1150.0
Point72 Asset Management*	4.8	2.6	7.5	2.7	5.6	-1.0	4.4	7.3	9.5	2.2	0.1	2.0	4.2	1.60	16.7	-1273.2
Regions Financial Corporation	4.8	2.5	7.4	2.6	4.1	-2.6	4.5	6.3	5.9	2.7	0.1	2.1	4.3	1.63	16.8	-1265.4
General Motors Corporation, US	4.7	2.0	6.8	2.2	4.8	-1.2	5.1	7.4	3.7	1.8	0.1	2.1	3.5 L	1.40	na	-1282.0
Goldman Sachs & Co. **	4.7	1.8	6.8	2.5	5.8	-2.4	4.5	5.7	na	1.9	0.1	2.0	3.6	1.68	na	-1251.1
Northern Trust Company*	4.7	2.3	7.0	2.3	3.9	-0.2	5.2	3.8	8.3	2.2	0.1	2.0	4.3	1.60	16.3	-1245.3
RDQ Economics	4.7	2.7	7.5	2.8	5.0	1.0	5.0	7.9	13.2 H	2.6	0.1	2.2	4.3	1.80	17.5	-1492.7
Amherst Pierpont Securities	4.6	2.6	7.3	3.0	4.9	0.4	4.1	6.7	7.0	2.7	0.5 H	2.5 H	3.8	1.64	16.9	-1177.0
Comerica**	4.6	2.8	7.4	4.1 H	3.7	-6.0 L	3.7	8.7	na	3.9 H	0.1	2.0	4.8	1.63	17.6	-1333.4
Ford Motor Company*	4.6	2.3	6.9	1.9 L	4.6	-2.0	3.7	5.9	na	2.1	0.1	1.9	4.1	1.39	na	-1126.9
MacroPolicy Perspectives	4.6	1.9	6.5	2.1	na	5.0 H	4.7	4.4	5.0	1.9	0.0 L	2.0	4.7	1.80	16.5	-1439.0
National Assn. of Home Builders	4.6	1.9	6.5	2.0	na	na	3.9	5.1	na	2.0	na	2.2	3.9	1.60	na	-1185.7
Nomura Securities, US	4.6	3.6 H	8.3	2.2	5.1	na	4.1	10.1 H	na	1.8	na	1.8	3.6	1.42	16.7	-1373.6
Action Economics	4.5	2.3	6.8	2.6	5.1	-2.0	3.7	6.0	10.5	2.3	0.2	na	3.5 L	1.77	17.2	-1145.0
Inforum - Univ. of Maryland	4.5	2.2	6.8	2.2	4.5	-1.6	4.4	6.0	6.5	2.1	0.2	2.0	4.3	1.59	17.0	-1249.0
National Retail Federation	4.5	2.3	6.5	2.2	4.3	-1.2	4.4	5.8	na	2.1	0.1	2.1	4.3	1.50	16.8	-1255.0
Oxford Economics, US	4.5	2.4	7.0	2.5	9.3 H	-1.9	5.1	2.9 L	5.8	2.3	0.2	2.3	4.0	1.53	17.3	-1180.9
Fannie Mae	4.4	3.1	7.6	3.0	na	na	3.9	4.8	na	2.7	0.2	1.9	3.9	1.54	16.5	-1162.8
BMO Capital Markets*	4.3	2.5	6.9	3.1	4.1	-2.7	4.6	5.6	6.7	2.8	0.1	1.9	3.9	1.69	16.8	-1374.0
Grant Thornton/Diane Swonk	4.3	2.5	6.9	2.3	3.6	-2.2	4.1	5.6	8.4	2.3	0.1	2.0	3.8	1.41	16.7	-1177.0
MacroFin Analytics & Rutgers Bus School	4.3	2.2	6.5	2.2	4.3	-1.1	3.7	5.5	6.0	2.2	0.2	1.8	4.9	1.42	16.7	-1173.0
PNC Financial Services Group	4.3	3.0	7.3	2.7	3.1	-1.9	3.3	6.9	2.7	na	0.1	1.9	4.4	1.66	17.2	-1232.1
FedEx Corporation, US	4.1	2.3	6.3	2.6	4.5	-1.7	4.1	5.6	6.3	2.3	0.2	2.1	4.3	1.60	17.5	-1293.0
JP MorganChase, US	4.1	2.3	6.4	2.6	3.5	-3.3	4.0	7.1	11.0	2.1	na	na	4.0	1.68	17.4	-1498.1 L
Thru the Cycle	4.1	2.1	6.2	3.0	3.7	-2.0	3.9	3.1	5.5	2.7	0.1	1.9	4.6	1.57	16.7	-1245.5
Eaton Corporation	4.0	1.9	5.8	2.6	4.1	-1.7	4.3	6.6	na	na	0.1	2.2	4.1	1.50	16.5	-1219.7
Societe Generale	3.9	2.3	6.3	2.5	3.4	-2.1	3.4	3.2	10.7	2.2	0.1	2.2	4.2	1.70	17.6	-1215.0
Barclays, US*	3.8	2.2	6.0	2.5	2.0 L	na	3.2	4.0	na	1.9	na	na	4.2	na	na	-1316.1
The Conference Board, US*	3.8	na	na	na	na	na	na	na	na	2.3	na	na	3.9	na	na	na
Economist Intelligence Unit, UK	3.7	2.2	6.0	2.1	5.7	0.2	4.4	5.9	na	na	0.1	1.8	4.8	1.39	14.8 L	-1208.3
Naroff Economic Advisors*	3.7	2.9	6.6	3.1	3.0	2.7	3.7	5.4	na	3.1	0.2	2.1	5.0	1.60	16.5	-1234.0
Georgia State University*	3.6	2.1	5.6	2.6	4.4	-1.7	3.7	6.1	-2.1 L	2.0	0.0 L	2.1	4.3	1.40	16.5	-1272.8
Swiss Re	3.5	2.0	5.6	2.3	2.1	2.8	3.3	5.5	na	2.0	0.2	1.9	4.9	1.46	na	-1245.2
Econoclast	3.4	2.7	6.1	3.4	3.1	-1.5	3.6	4.1	5.3	2.9	0.4	2.5 H	4.2	1.63	16.7	-1319.0
Visa	3.4	2.3	5.8	2.3	na	-2.9	3.3	4.8	3.6	2.4	0.1	1.8	4.8	1.56	17.2	-1373.9
S&P Global, US*	3.1	2.1	5.2	2.1	3.0	-3.8	4.2	3.3	na	2.1	0.2	2.2	4.6	1.45	16.5	-1091.0
Credit Suisse	3.0	na	na	2.1	na	na	na	na	na	na	na	na	na	na	na	na
ACIMA Private Wealth, US	2.2 L	1.1 L	3.3 L	1.9 L	3.1	2.1	2.7 L	3.5	10.0	1.1 L	0.1	1.0 L	5.4 H	1.50	17.0	-950.0 H
2022 Consensus: June Avg.	4.4	2.4	6.8	2.5	4.2	-1.3	4.3	5.9	6.9	2.3	0.1	2.1	4.2	1.57	16.9	-1259.1
Top 10 Avg.	5.4	2.9	8.0	3.2	5.8	1.5	5.5	8.2	10.2	2.9	0.3	2.3	4.9	1.74	17.6	-1133.3
Bottom 10 Avg.	3.3	1.8	5.6	2.1	2.8	-3.2	3.4	3.5	3.8	1.8	0.1	1.8	3.7	1.40	16.3	-1407.7
May Avg.	4.4	2.2	6.7	2.3	4.2	-1.1	4.4	6.0	6.3	2.1	0.2	2.1	4.2	1.56	17.0	-1261.2
Number of Forecasts Changed From a Month Ago:																
Down	7	1	8	2	12	22	18	6	7	1	6	10	9	7	9	19
Same	25	21	13	10	14	8	18	20	7	12	33	29	20	26	19	7
Up	17	24	25	36	16	10	10	20	14	30	2	4	18	12	12	20
June Median	4.5	2.3	6.9	2.5	4.2	-1.8	4.2	5.9	6.7	2.3	0.1	2.1	4.2	1.59	16.8	-1247.3
June Diffusion Index	60%	75%	68%	85%	55%	35%	41%	65%	63%	84%	45%	43%	60%	56%	54%	51%

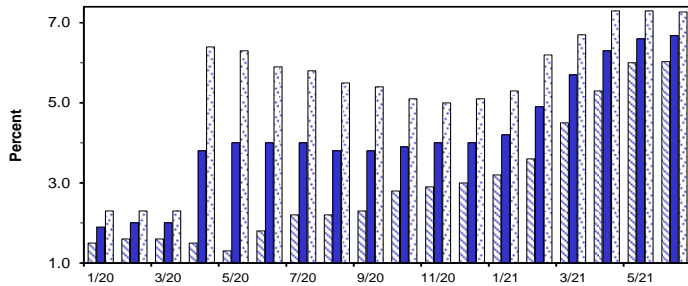
*Denotes the number of times an organization has won the annual Lawrence R. Klein Award for Blue Chip Forecast Accuracy.

BASIC DATA SOURCES: ¹Gross Domestic Product (GDP), chained 2012\$, National Income and Product Accounts (NIPA), Bureau of Economic Analysis (BEA); ²GDP Chained Price Index, NIPA, BEA; ³GDP, current dollars, NIPA, BEA; ⁴Consumer Price Index-All Urban Consumers, Bureau of Labor Statistics (BLS); ⁵Total Industrial Production, Federal Reserve Board (FRB); ⁶Disposable Personal Income, 2012\$, NIPA, BEA; ⁷Personal Consumption Expenditures, 2012\$, NIPA, BEA; ⁸Non-residential Fixed Investment, 2012\$, NIPA, BEA; ⁹Corporate Profits Before Taxes, current dollars, with inventory valuation and capital consumption adjustments, NIPA, BEA; ¹⁰PCE Price Index, NIPA, BEA; ¹¹Treasury Bill Rate, 3-month, secondary market, bank discount basis, FRB; ¹²Treasury note yield, 10-year, constant maturity basis, FRB; ¹³Unemployment Rate, civilian work force, BLS; ¹⁴Housing Starts, Bureau of Census; ¹⁵Total U.S. Auto and Light Truck Sales (includes imports), BEA; ¹⁶Net Exports of Goods and Services, 2012\$, NIPA, BEA.

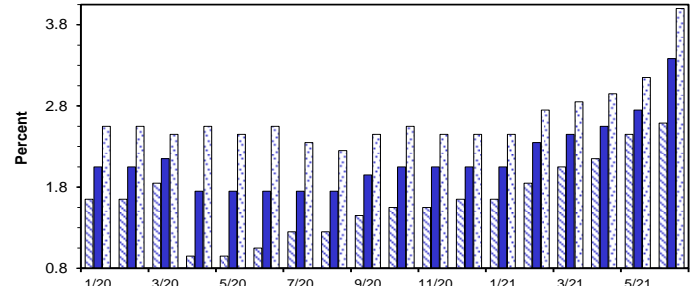
Previous Consensus Forecasts

Consensus Forecast For 2021	Real GDP Chained	GDP Price Index	Nominal GDP (Cur. \$)	Consumer Price Index	Indust. Prod. (Total)	Real Dis. Pers. Income	Real Personal Cons. Exp.	Real Non-Res. Fix. Inv.	Corp. Profits (Cur. \$)	PCE Price Index	Treas. Bills 3-mo.	Treas. Notes 10-Year	Unempl. Rate (Civ.)	Housing Starts (Mil.)	Auto/Truck Sales (Mil.)	Real Net Exports
January 2020 Consensus	1.9	2.0	4.0	2.0	1.4	2.0	2.1	2.6	3.8	na	1.4	2.1	3.7	1.32	16.5	-1018.2
February 2020 Consensus	2.0	2.0	4.0	2.0	1.5	2.0	2.1	2.8	3.6	na	1.4	2.0	3.7	1.35	16.4	-1001.7
March 2020 Consensus	2.0	2.0	4.0	2.1	1.6	1.9	2.0	2.9	4.0	na	1.1	1.8	3.7	1.37	16.5	-985.2
April 2020 Consensus	3.8	1.5	5.4	1.7	3.0	2.0	4.1	3.0	14.0	na	0.3	1.2	7.2	1.25	15.4	-872.9
May 2020 Consensus	4.0	1.4	5.4	1.7	3.2	2.0	4.5	2.9	12.4	na	0.2	1.2	8.0	1.26	15.1	-839.5
June 2020 Consensus	4.0	1.4	5.5	1.7	3.6	0.9	4.4	3.0	13.4	na	0.2	1.2	8.1	1.26	15.4	-860.2
July 2020 Consensus	4.0	1.5	5.5	1.7	3.3	0.0	4.3	3.0	10.3	na	0.2	1.1	7.7	1.27	15.5	-909.0
August 2020 Consensus	3.8	1.4	5.3	1.7	3.4	-0.8	4.1	2.5	8.3	na	0.2	1.0	7.6	1.29	15.5	-866.4
September 2020 Consensus	3.8	1.5	5.3	1.9	4.0	-1.2	4.1	2.7	5.4	na	0.2	1.0	7.3	1.33	15.7	-874.7
October 2020 Consensus	3.9	1.6	5.5	2.0	4.0	-1.8	4.3	2.8	5.6	na	0.2	0.9	6.8	1.38	15.9	-921.6
November 2020 Consensus	4.0	1.8	5.8	2.0	3.7	-1.2	4.6	3.6	5.7	na	0.1	1.0	6.8	1.40	16.0	-993.2
December 2020 Consensus	4.0	1.8	5.8	2.0	4.0	-0.6	4.5	4.0	8.0	1.8	0.1	1.1	6.1	1.44	16.2	-1032.9
January 2021 Consensus	4.2	1.8	6.0	2.0	4.5	0.1	4.6	4.7	8.1	1.8	0.1	1.1	6.0	1.47	16.3	-1065.8
February 2021 Consensus	4.9	1.9	6.9	2.3	5.4	2.1	5.3	6.8	11.3	2.0	0.1	1.2	5.8	1.51	16.6	-1153.9
March 2021 Consensus	5.7	2.1	7.9	2.4	6.3	3.8	6.3	7.7	13.0	2.2	0.1	1.5	5.6	1.54	16.6	-1195.7
April 2021 Consensus	6.3	2.2	8.5	2.5	6.3	3.7	7.0	7.8	14.2	2.3	0.1	1.7	5.4	1.55	16.8	-1203.9
May 2021 Consensus	6.6	2.5	9.2	2.7	5.9	4.7	7.7	8.1	15.3	2.4	0.1	1.7	5.4	1.58	16.9	-1218.8
June 2021 Consensus	6.7	2.9	9.7	3.3	5.8	4.5	7.8	8.4	14.6	2.9	0.1	1.7	5.5	1.59	17.0	-1225.2
Difference From Jan. 2020 Forecast	4.8	0.9	5.7	1.3	4.4	2.5	5.7	5.8	10.8	na	-1.3	-0.4	1.8	0.27	0.5	-207.0
Forecast High	6.7	2.9	9.7	3.3	6.3	4.7	7.8	8.4	15.3	2.9	1.4	2.1	8.1	1.59	17.0	-839.5
Forecast Low	1.9	1.4	4.0	1.7	1.4	-1.8	2.0	2.5	3.6	1.8	0.1	0.9	3.7	1.25	15.1	-1225.2
Consensus Forecast For 2022	Real GDP Chained	GDP Price Index	Nominal GDP (Cur. \$)	Consumer Price Index	Indust. Prod. (Total)	Real Dis. Pers. Income	Real Personal Cons. Exp.	Real Non-Res. Fix. Inv.	Corp. Profits (Cur. \$)	PCE Price Index	Treas. Bills 3-mo.	Treas. Notes 10-Year	Unempl. Rate (Civ.)	Housing Starts (Mil.)	Auto/Truck Sales (Mil.)	Real Net Exports
January 2021 Consensus	3.4	1.9	5.4	2.1	3.4	1.1	3.6	5.0	5.6	1.9	0.2	1.5	5.0	1.47	16.6	-1081.7
February 2021 Consensus	3.8	2.0	5.9	2.1	3.7	0.0	3.9	5.5	5.0	1.9	0.2	1.6	4.7	1.51	16.8	-1170.2
March 2021 Consensus	4.1	2.0	6.1	2.1	3.7	-0.7	4.2	5.8	5.1	2.0	0.2	1.9	4.5	1.53	16.8	-1232.1
April 2021 Consensus	4.3	2.1	6.4	2.2	3.9	-0.7	4.4	6.0	5.4	2.0	0.2	2.0	4.2	1.54	16.9	-1244.1
May 2021 Consensus	4.4	2.2	6.7	2.3	4.2	-1.1	4.4	6.0	6.3	2.1	0.2	2.1	4.2	1.56	17.0	-1261.2
June 2021 Consensus	4.4	2.4	6.8	2.5	4.2	-1.3	4.3	5.9	6.9	2.3	0.1	2.1	4.2	1.57	16.9	-1259.1
Difference From Jan. 2021 Forecast	1.0	0.5	1.4	0.4	0.8	-2.4	0.7	0.9	1.3	0.4	-0.1	0.6	-0.8	0.10	0.3	-177.4
Forecast High	4.4	2.4	6.8	2.5	4.2	1.1	4.4	6.0	6.9	2.3	0.2	2.1	5.0	1.57	17.0	-1081.7
Forecast Low	3.4	1.9	5.4	2.1	3.4	-1.3	3.6	5.0	5.0	1.9	0.1	1.5	4.2	1.47	16.6	-1261.2

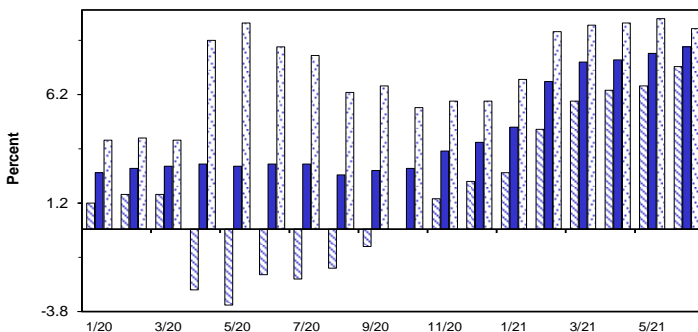
Bottom 10, Consensus, and Top 10 Forecasts of Y/Y % Change in Real GDP in 2021



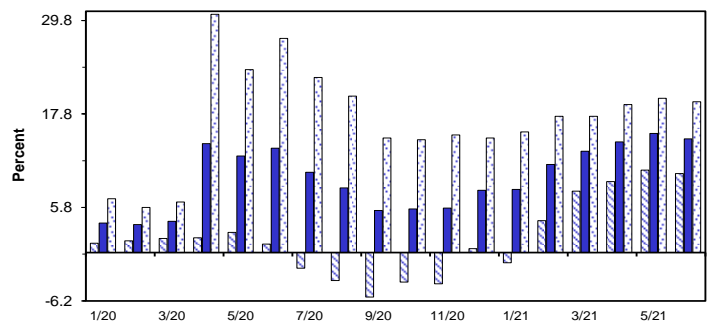
Bottom 10, Consensus, and Top 10 Forecasts of Y/Y % Change in Consumer Price Index in 2021



Bottom 10, Consensus, and Top 10 Forecasts of Y/Y %Chg in Real Nonresidential Fixed Investment in 2021



Bottom 10, Consensus, and Top 10 Forecasts of Y/Y % Change in Corporate Profits in 2021



3. Blue Chip Consensus: Percent Change From Prior Quarter At Annual Rate And Averages For Quarter.*

Actuals		-----% Change From Prior Quarter At Annual Rate-----										----- Average For Quarter -----				
		Real GDP	GDP Price Index	CPI	PPI	IP	Disp Personal Income	PCE	PCE Price Index	Core PCE Price Index	Nonres Fixed Inv	Unemployment Rate	3-Mo. Treas. Bills	10-Yr Treas. Notes	Chg in Bus Inv	Real Net Exports
2020	1Q	-5.0	1.4	1.0	-0.2	-6.7	2.6	-6.9	1.3	1.6	-6.7	3.8	1.1	1.4	-80.9	-788.0
	2Q	-31.4	-1.8	-3.1	-4.7	-42.4	48.5	-33.2	-1.6	-0.8	-27.2	13.1	0.1	0.7	-287.0	-775.1
	3Q	33.4	3.5	4.7	4.4	44.5	-17.4	41.0	3.7	3.4	22.9	8.8	0.1	0.7	-3.7	-1019.0
	4Q	4.3	2.0	2.4	3.8	8.3	-7.6	2.3	1.5	1.3	13.1	6.8	0.1	0.9	62.1	-1122.0
2021	1Q	6.4	4.3	3.7	8.9	2.8	61.7	11.3	3.7	2.5	10.8	6.2	0.1	1.3	-92.9	-1193.9
Blue Chip Forecasts		-----% Change From Prior Quarter At Annual-----										----- Average For Quarter -----				
2021	2Q Consensus	9.6	4.1	5.7	5.7	7.2	-18.3	10.0	4.7	4.3	7.8	5.8	0.0	1.7	-15.1	-1218.2
	Top 10 Avg.	11.9	6.0	7.6	9.1	11.2	4.1	13.8	6.2	5.8	11.5	6.0	0.1	1.8	66.1	-1150.4
	Bot. 10 Avg.	7.2	2.2	2.6	2.5	4.6	-29.6	6.3	2.4	2.1	4.3	5.6	0.0	1.6	-104.8	-1278.0
	3Q Consensus	7.3	2.6	3.0	3.1	6.9	-5.3	6.4	2.7	2.6	7.9	5.2	0.1	1.8	65.4	-1242.0
	Top 10 Avg.	9.7	3.6	4.7	4.8	11.2	4.3	10.0	3.9	3.9	11.9	5.7	0.1	1.9	158.9	-1140.3
	Bot. 10 Avg.	5.1	1.4	1.6	1.6	3.9	-13.8	3.3	1.8	1.7	4.3	4.8	0.0	1.7	-22.1	-1334.6
	4Q Consensus	5.2	2.2	2.2	2.2	5.4	-1.5	4.7	2.1	2.1	6.6	4.8	0.1	1.9	97.9	-1249.2
	Top 10 Avg.	7.8	3.0	3.2	3.5	9.0	3.4	7.0	3.1	3.0	9.8	5.4	0.1	2.1	222.9	-1097.6
	Bot. 10 Avg.	3.1	1.2	1.3	1.1	2.9	-7.1	2.9	1.3	1.3	3.3	4.3	0.0	1.7	-4.0	-1379.4
2022	1Q Consensus	3.9	2.3	2.4	2.2	3.8	1.8	3.9	2.1	2.1	5.6	4.5	0.1	2.0	105.0	-1255.1
	Top 10 Avg.	5.4	3.0	3.2	3.2	5.7	5.0	5.6	2.9	2.9	8.4	5.2	0.2	2.2	225.2	-1123.1
	Bot. 10 Avg.	2.4	1.6	1.7	1.2	2.1	-3.1	2.4	1.5	1.5	2.5	4.0	0.1	1.8	6.8	-1388.4
	2Q Consensus	3.1	2.3	2.3	2.0	3.0	2.3	3.1	2.1	2.1	5.1	4.3	0.1	2.0	97.3	-1259.2
	Top 10 Avg.	4.2	3.0	3.0	2.9	4.3	4.4	4.4	2.7	2.6	7.9	5.0	0.2	2.3	209.2	-1131.5
	Bot. 10 Avg.	2.2	1.7	1.6	1.1	1.7	0.1	1.8	1.6	1.7	2.4	3.7	0.1	1.8	5.2	-1405.3
	3Q Consensus	2.6	2.1	2.3	1.9	2.5	2.2	2.7	2.1	2.1	4.5	4.2	0.1	2.1	93.7	-1257.2
	Top 10 Avg.	3.8	2.8	3.0	2.7	3.6	4.3	3.6	2.6	2.5	6.9	4.9	0.3	2.4	188.1	-1121.5
	Bot. 10 Avg.	1.6	1.3	1.6	1.2	1.3	0.3	1.8	1.7	1.8	2.4	3.6	0.1	1.8	18.0	-1417.1
	4Q Consensus	2.4	2.2	2.2	2.0	2.4	2.1	2.5	2.1	2.1	4.4	4.0	0.2	2.2	85.5	-1264.3
	Top 10 Avg.	3.6	2.9	2.7	2.6	3.6	3.6	3.4	2.6	2.5	6.5	4.7	0.3	2.5	169.3	-1113.3
	Bot. 10 Avg.	1.3	1.6	1.8	1.4	1.1	0.8	1.4	1.7	1.7	2.4	3.5	0.1	1.9	16.9	-1444.8

4. Blue Chip Consensus: Quarterly Annualized Values And Percent Change From Same Quarter In Prior Year.*

Real Gross Domestic Product							GDP Chained Price Index						
Billions of Chained 2012\$ (SAAR)				% Change From Same Quarter In Prior Year			Index 2012 = 100 (SAAR)				% Change From Same Quarter In Prior Year		
Actual		Forecast		Actual	Forecast		Actual		Forecast		Actual	Forecast	
Quarter	2020	2021	2022	2020	2021	2022	Quarter	2020	2021	2022	2020	2021	2022
1Q	19010.8	19088.1	20320.7	0.3	0.4	6.5	1Q	113.4	115.6	118.8	1.7	2.0	2.8
2Q	17302.5	19529.3	20477.8	-9.0	12.9	4.9	2Q	112.9	116.8	119.5	0.6	3.5	2.3
3Q	18596.5	19874.5	20611.1	-2.8	6.9	3.7	3Q	113.8	117.5	120.1	1.1	3.2	2.2
4Q	18794.4	20129.5	20733.2	-2.4	7.1	3.0	4Q	114.4	118.1	120.8	1.3	3.3	2.2

Total Industrial Production							Consumer Price Index						
Index 2017 = 100 (SAAR)				% Change From Same Quarter In Prior Year			Index 1982-1984 = 100 (SAAR)				% Change From Same Quarter In Prior Year		
Actual		Forecast		Actual	Forecast		Actual		Forecast		Actual	Forecast	
Quarter	2020	2021	2022	2020	2021	2022	Quarter	2020	2021	2022	2020	2021	2022
1Q	100.0	98.1	103.8	-2.9	-1.9	5.8	1Q	258.5	263.4	272.1	2.1	1.9	3.3
2Q	87.1	99.8	104.6	-14.9	14.6	4.8	2Q	256.5	267.1	273.6	0.4	4.1	2.5
3Q	95.5	101.5	105.2	-6.7	6.3	3.7	3Q	259.4	269.1	275.2	1.3	3.7	2.3
4Q	97.4	102.8	105.8	-4.2	5.6	2.9	4Q	261.0	270.5	276.7	1.2	3.7	2.3

*See explanatory notes on inside of back cover for details of how these data are compiled.

BLUE CHIP INTERNATIONAL CONSENSUS FORECASTS

	ANNUAL DATA						END OF YEAR			
	Real Economic Growth % Change GDP		Inflation % Change Consumer Prices		Current Account In Billions Of U.S. Dollars		Exchange Rate Against U.S. \$*		Interest Rates 3-Month	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
CANADA										
June 2021 Consensus	5.8	3.7	2.3	2.1	-15.2	-24.4	1.24	1.24	0.31	0.38
Top 3 Avg.	6.8	4.5	2.8	2.5	-0.6	-14.5	1.28	1.26	0.39	0.53
Bottom 3 Avg.	4.7	2.7	1.9	1.8	-29.7	-35.3	1.19	1.22	0.22	0.24
Last Month Avg.	5.8	3.6	2.1	2.0	-21.7	-27.6	1.25	1.25	0.30	0.38
	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
Actual	1.9	-5.3	1.9	0.7	-35.7	-29.7	1.21	1.34	0.31	0.32
MEXICO										
June 2021 Consensus	5.0	2.9	4.4	3.5	19.8	14.3	20.44	20.78	4.34	4.75
Top 3 Avg.	6.2	3.7	5.2	3.7	34.9	33.8	21.49	22.24	4.42	4.88
Bottom 3 Avg.	3.7	2.3	3.6	3.2	8.7	-0.6	19.50	19.53	4.12	4.58
Last Month Avg.	4.7	2.8	4.0	3.4	20.9	11.6	20.25	20.48	4.15	4.57
	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
Actual	-0.2	-8.3	3.6	3.4	-3.8	26.0	19.95	21.60	4.19	5.35
JAPAN										
June 2021 Consensus	2.4	2.6	0.1	0.5	176.2	183.4	108.5	107.0	-0.10	-0.10
Top 3 Avg.	3.1	4.0	0.3	0.9	190.1	204.8	112.3	112.0	-0.07	-0.07
Bottom 3 Avg.	1.9	1.7	-0.2	0.2	163.5	162.0	105.1	103.4	-0.13	-0.13
Last Month Avg.	2.9	2.3	0.0	0.5	188.0	192.1	107.8	106.6	-0.09	-0.09
	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
Actual	0.0	-4.7	0.5	0.0	176.5	164.4	109.5	109.7	-0.10	-0.05
UNITED KINGDOM										
June 2021 Consensus	6.3	5.4	1.6	2.0	-105.6	-116.5	1.41	1.44	0.05	0.10
Top 3 Avg.	7.8	6.4	1.7	2.5	-78.3	-99.8	1.48	1.54	0.10	0.11
Bottom 3 Avg.	4.6	3.9	1.4	1.7	-129.5	-133.2	1.34	1.36	0.02	0.08
Last Month Avg.	5.7	5.5	1.5	1.9	-113.8	-112.0	1.40	1.44	0.05	0.10
	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
Actual	1.4	-9.8	1.8	0.9	-87.6	-95.5	1.42	1.27	0.08	0.22
SOUTH KOREA										
June 2021 Consensus	3.9	2.9	1.5	1.6	83.1	77.2	1111	1106	0.78	0.92
Top 3 Avg.	4.5	3.6	2.0	1.9	88.0	89.5	1142	1166	0.78	0.92
Bottom 3 Avg.	3.3	2.3	0.8	1.2	77.2	67.2	1089	1059	0.78	0.92
Last Month Avg.	3.8	2.9	1.4	1.6	80.4	74.9	1113	1104	0.80	0.92
	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
Actual	2.2	-0.9	0.4	0.5	59.7	75.3	1116	1207	0.62	0.66
GERMANY										
June 2021 Consensus	3.2	4.1	2.3	1.6	280.9	280.0	1.20	1.23	-0.55	-0.54
Top 3 Avg.	3.8	4.7	2.6	1.8	289.5	295.9	1.24	1.29	-0.50	-0.47
Bottom 3 Avg.	2.3	3.4	1.9	1.4	272.3	264.1	1.15	1.17	-0.59	-0.59
Last Month Avg.	3.3	4.1	2.1	1.5	267.8	274.2	1.19	1.22	-0.55	-0.54
	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
Actual	0.6	-5.1	1.4	0.4	289.5	266.6	1.22	1.13	-0.55	-0.35
TAIWAN										
June 2021 Consensus	5.9	3.0	1.5	1.6	110.8	113.5	28.35	27.59	0.42	0.46
Top 3 Avg.	7.2	3.6	1.8	2.1	125.4	130.7	29.78	28.65	0.42	0.46
Bottom 3 Avg.	4.2	2.5	1.2	1.1	94.9	95.8	27.18	26.55	0.42	0.46
Last Month Avg.	5.5	3.0	1.5	1.5	102.3	105.0	28.62	27.86	0.42	0.46
	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
Actual	3.0	3.1	0.6	-0.2	65.2	94.8	27.71	29.81	0.48	0.48
NETHERLANDS										
June 2021 Consensus	2.8	3.2	1.9	1.6	94.7	103.9	1.20	1.23	-0.55	-0.54
Top 3 Avg.	3.0	3.3	2.0	1.9	100.7	111.1	1.24	1.29	-0.50	-0.47
Bottom 3 Avg.	2.6	2.9	1.7	1.4	88.8	96.8	1.15	1.17	-0.59	-0.59
Last Month Avg.	2.8	3.1	1.8	1.5	86.9	94.8	1.19	1.22	-0.55	-0.54
	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
Actual	1.6	-3.7	2.7	1.1	90.2	71.1	1.22	1.13	-0.55	-0.35

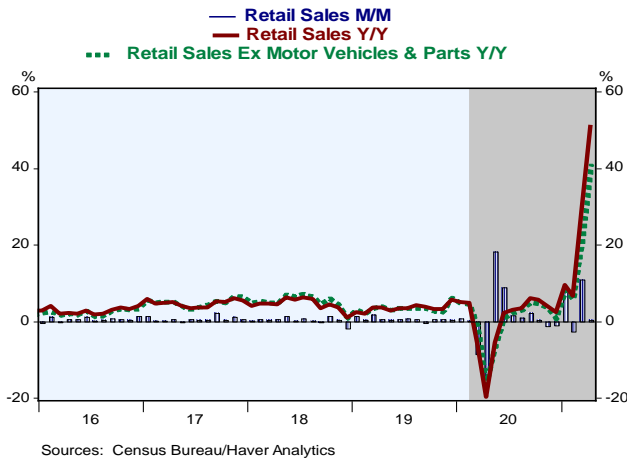
BLUE CHIP INTERNATIONAL CONSENSUS FORECASTS

	ANNUAL DATA						END OF YEAR			
	Real Economic Growth % Change GDP		Inflation % Change Consumer Prices		Current Account In Billions Of U.S. Dollars		Exchange Rate Against U.S. \$		Interest Rates 3-Month	
RUSSIA	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
June 2021 Consensus	3.0	2.5	5.1	4.0	51.7	63.6	71.96	70.80	4.92	4.97
Top 3 Avg.	3.8	2.8	5.7	4.2	73.0	104.1	73.97	73.43	5.19	5.19
Bottom 3 Avg.	2.0	2.2	4.4	3.7	31.5	29.9	69.50	68.33	4.45	4.57
Last Month Avg.	2.8	2.5	4.9	3.9	54.3	67.1	71.71	70.48	4.67	4.79
Actual	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
	2.0	-3.0	4.5	3.4	64.8	33.9	72.88	68.36	5.10	5.23
FRANCE	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
June 2021 Consensus	5.4	4.1	1.5	1.3	-45.1	-43.3	1.20	1.23	-0.55	-0.54
Top 3 Avg.	6.2	4.7	1.7	1.5	-36.3	-28.2	1.24	1.29	-0.50	-0.47
Bottom 3 Avg.	4.6	3.3	1.2	1.1	-53.9	-58.4	1.15	1.17	-0.59	-0.59
Last Month Avg.	5.3	4.0	1.4	1.1	-49.5	-49.4	1.19	1.22	-0.55	-0.54
Actual	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
	1.8	-8.0	1.3	0.5	-18.4	-48.6	1.22	1.13	-0.55	-0.35
BRAZIL	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
June 2021 Consensus	4.3	2.4	5.8	4.1	-19.4	-28.2	5.28	5.17	4.42	4.75
Top 3 Avg.	5.1	3.3	6.9	4.7	-0.5	-15.0	5.47	5.43	5.22	5.66
Bottom 3 Avg.	3.3	1.8	4.5	3.5	-39.7	-40.6	5.11	4.90	3.92	4.31
Last Month Avg.	3.4	2.6	5.6	3.9	-18.8	-27.7	5.31	5.18	4.33	4.70
Actual	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
	1.4	-4.1	3.7	3.2	-65.0	-24.1	5.07	4.97	3.88	2.58
HONG KONG	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
June 2021 Consensus	5.5	2.8	1.8	2.0	24.5	20.1	7.78	7.78	0.31	0.36
Top 3 Avg.	7.5	3.4	2.1	2.6	30.0	26.5	7.80	7.79	0.35	0.42
Bottom 3 Avg.	4.0	2.0	1.5	1.4	17.4	12.9	7.76	7.77	0.28	0.32
Last Month Avg.	5.2	3.1	1.8	1.9	18.4	17.5	7.78	7.78	0.34	0.39
Actual	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
	-1.7	-6.1	2.9	0.3	21.2	22.7	7.76	7.75	0.17	1.04
INDIA	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
June 2021 Consensus	9.0	6.6	5.0	4.9	-34.4	-48.6	73.71	74.14	3.77	3.94
Top 3 Avg.	10.5	8.2	5.5	5.3	-20.5	-29.0	75.13	76.33	3.85	4.07
Bottom 3 Avg.	7.5	4.8	4.5	4.5	-51.1	-68.6	71.77	71.57	3.69	3.87
Last Month Avg.	9.8	6.2	5.0	4.8	-31.3	-46.9	73.53	74.00	3.84	4.00
Actual	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
	4.8	-7.0	3.7	6.6	-29.8	33.0	73.01	75.58	3.44	3.49
CHINA	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
June 2021 Consensus	8.6	5.6	1.5	2.5	365.0	315.8	6.47	6.48	2.86	2.90
Top 3 Avg.	9.1	6.0	1.8	3.1	431.8	389.3	6.70	6.71	2.86	2.90
Bottom 3 Avg.	8.1	5.2	1.2	2.1	317.1	262.5	6.25	6.30	2.86	2.90
Last Month Avg.	8.6	5.5	1.5	2.4	372.4	322.1	6.51	6.49	2.71	2.75
Actual	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
	6.0	2.3	2.9	2.5	102.9	274.0	6.41	7.09	2.44	1.59
AUSTRALIA	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
June 2021 Consensus	4.2	3.1	1.9	1.7	35.7	19.3	0.77	0.78	0.06	0.10
Top 3 Avg.	5.2	3.6	2.2	2.1	43.1	32.9	0.79	0.80	0.10	0.12
Bottom 3 Avg.	3.0	2.6	1.6	1.4	28.5	5.8	0.74	0.76	0.02	0.08
Last Month Avg.	3.9	3.0	1.9	1.7	25.3	11.2	0.77	0.78	0.06	0.10
Actual	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
	1.9	-2.4	1.6	0.8	7.9	34.4	0.77	0.70	-0.20	0.25
EURO AREA	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
June 2021 Consensus	4.2	4.1	1.7	1.3	408.2	419.1	1.20	1.23	-0.55	-0.54
Top 3 Avg.	5.1	4.7	2.1	1.6	439.3	455.5	1.24	1.29	-0.50	-0.47
Bottom 3 Avg.	3.5	3.2	1.3	1.1	377.0	386.8	1.15	1.17	-0.59	-0.59
Last Month Avg.	4.1	4.1	1.5	1.2	397.8	406.5	1.19	1.22	-0.55	-0.54
Actual	2019	2020	2019	2020	2019	2020	Latest	Year Ago	Latest	Year Ago
	1.3	-6.7	1.2	0.3	312.7	291.5	1.22	1.13	-0.55	-0.35

Contributors to Blue Chip International Survey: ACIMA Private Wealth, US; Bank of America-Merrill Lynch, US; Barclays, US; BMO Capital Markets, US; The Conference Board, US; Economist Intelligence Unit, UK; FedEx Corporation, US; General Motors Corporation, US; Grupo de Economistas y Asociados, Mexico; US; IHS Markit, US; JPMorgan Chase, US; Moody's Analytics, US; Nomura Securities, US; Northern Trust, US; Oxford Economics, US; S&P Global, US; UBS, US; Wells Fargo, US.

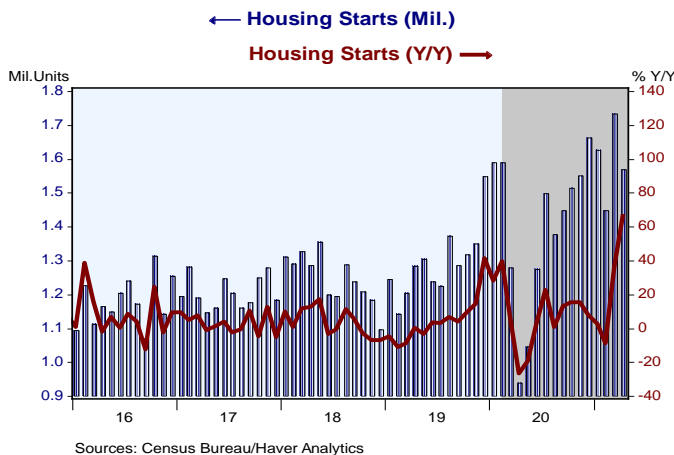
Recent Developments:

Retail Sales Were Virtually Unchanged in April Following a Near-Record Gain in March



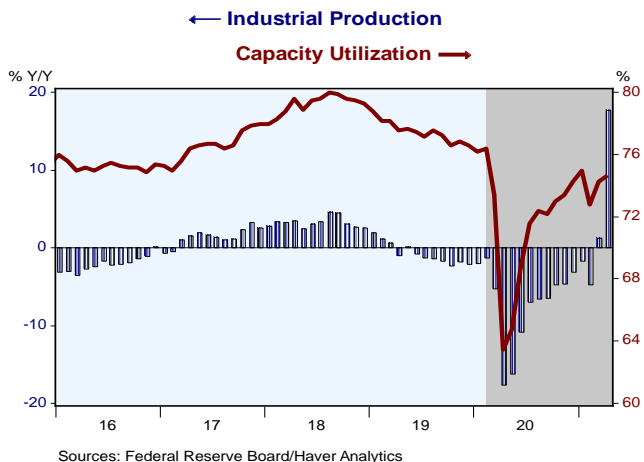
Total retail sales edged up a meager 0.02% m/m (51.2% y/y) in April after a near-record 10.7% rebound in March (record +18.1% last May). Excluding motor vehicles & parts, retail sales fell 0.8% (+40.6% y/y) vs. a 9.0% rise. Sales of motor vehicles & parts rose 2.9% (104.5% y/y), the fourth m/m rise in five months, on top of a 17.1% gain. Nonauto sales excl. gasoline & building materials fell 1.5% (+29.1% y/y) vs. a 7.6% rebound. Clothing & accessory store sales dropped 5.1% (+726.8% y/y) after recovering 22.7%. General merchandise store sales decreased 4.9% (+15.1% y/y) vs. a 9.7% rise. Gasoline service station sales fell 1.1% (+76.1% y/y), the first m/m fall since November. Furniture & home furnishing store sales fell 0.7% (+196.4% y/y) after an 8.1% gain. Nonstore retail sales declined 0.6% (+14.5% y/y) vs. a 4.7% rise. Building materials & garden equipment store sales fell 0.4% (+33.8% y/y) after a 13.9% gain. Electronics & appliance store sales, however, rose 1.2% (139.0% y/y), the third m/m rise in four months. Health & personal care store sales grew 1.0% (24.7% y/y), the fourth m/m gain in five months. Food & beverage store sales rose 0.4% (1.5% y/y). Restaurant & drinking place sales rose 3.0% (116.8% y/y).

April Housing Starts Dropped 9.5% to 1.569 Million AR



Total housing starts slid 9.5% m/m (+67.3% y/y) to 1.569 million saar in April, the third m/m slide in four months, after a 19.8% rebound to 1.733 million in March. Single-family starts fell 13.4% (+58.7% y/y) to 1.087 million, the largest m/m fall since last April, after a 17.4% gain to 1.255 million. Multi-family starts rose 0.8% (90.5% y/y) to 482,000, the same level as in January, after a 26.5% gain to 478,000. Starts in the Midwest slid 34.8% (+40.9% y/y) to 193,000, the third m/m slide in four months, after a 117.6% surge to 296,000. Starts in the South fell 11.5% (+41.3% y/y) to 804,000 after a 17.8% advance to 908,000. In contrast, starts in the West recovered 9.0% (119.8% y/y) to 400,000 following a 14.8% drop to 367,000. Starts in the Northeast grew 6.2% (244.0% y/y) to 172,000, the highest level since January, on top of a 48.6% jump to 162,000. Building permits fell 1.3% (+58.4% y/y) to 1.733 million vs. a 1.7% rise to 1.755 million. Single-family permits fell 3.9% (+70.6% y/y) to 1.148 million, reversing a 4.3% gain to 1.194 million. Multi-family permits rose 4.3% (39.0% y/y) to 585,000, a three-month high, after a 3.4% decline to 561,000.

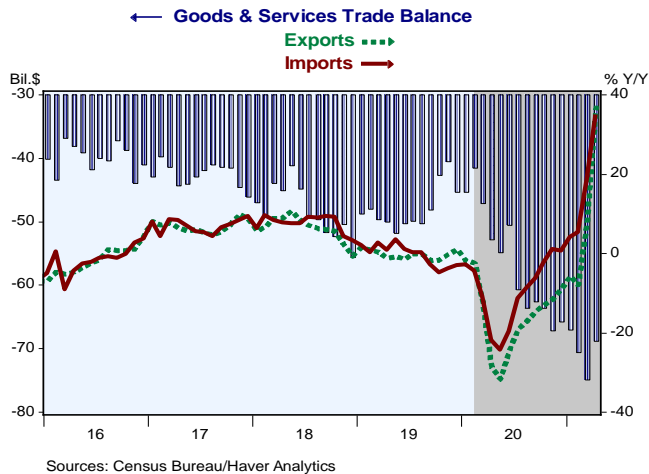
Industrial Production Posted the Sixth M/M Gain in Seven Months in April



Total industrial production rose 0.5% m/m (17.6% y/y) in April, the sixth monthly rise in seven months, after a 2.2% rebound in March, according to the revised data on May 28. Manufacturing production rose 0.2% (22.9% y/y), the 11th m/m gain in 12 months, after a 3.0% increase, with durable goods down 0.5% (+35.7% y/y) and nondurable goods up 1.0% (11.4% y/y). Output of selected high-tech products rose 1.2% (12.8% y/y), the 11th straight m/m rise. Utilities output recovered 2.5% (1.3% y/y) after a record 8.9% drop. Mining activity rose 0.9% (1.2% y/y), the fifth m/m rise in six months. Materials production grew 0.9% (13.0% y/y), the 10th m/m gain in 11 months. Consumer goods output rose 0.5% (18.5% y/y) after a 0.7% rise, with durable consumer goods down 1.7% (+83.7% y/y) and nondurable consumer goods up 1.1% (7.4% y/y). Motor vehicles, however, dropped 4.5% (+313.2% y/y) vs. a 3.8% rise. Aircraft production slid 0.3% (+63.9% y/y), the first m/m slide since December. Construction supplies fell 1.3% (+15.0% y/y) vs. a 4.4% gain. Business equipment slipped 0.03% (+44.2% y/y) after a 2.9% rise. Capacity utilization rose to 74.6% from 74.2%. Manufacturing capacity utilization rose to 75.1% from 74.9%.

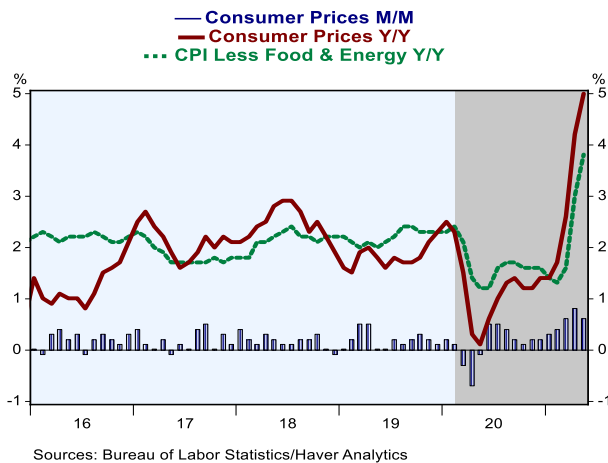
Recent Developments:

April Trade Deficit Narrowed to \$68.90 Billion from a Record High



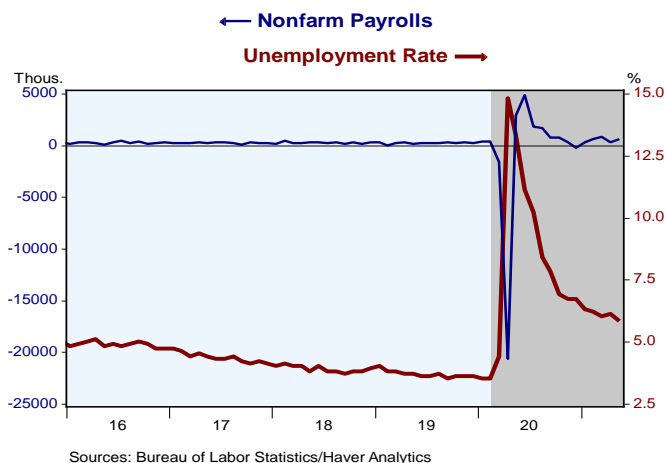
The U.S. trade deficit in goods and services narrowed to \$68.90 billion in April from a record \$75.03 billion in March, still larger than \$52.96 billion last April. Exports rose 1.1% m/m (36.6% y/y), the 10th gain in 11 months, after a 7.5% rise. Imports fell 1.4% (+34.9% y/y) vs. a 7.1% rebound. The deficit in goods trade fell to \$86.68 billion from a record \$92.86 billion. Goods exports rose 1.1% (52.9% y/y), led by rises of 4.9% (36.7% y/y) in capital goods, 2.0% (22.9% y/y) in foods, feeds & bevts., and 1.6% (58.6% y/y) in industrial supplies. Imports of goods fell 1.9% (+36.7% y/y), led by drops of 8.0% (+25.7% y/y) in other goods, 3.9% (+41.0% y/y) in consumer goods, 3.5% (+117.1% y/y) in autos, and 1.6% (+19.5% y/y) in industrial supplies. Petroleum imports fell 1.3% (+151.3% y/y). Nonpetroleum imports fell 2.0% (+32.5% y/y). The surplus on services trade slipped to \$17.78 billion from \$17.83 billion. Services exports rose 1.2% (8.5% y/y). Services imports rose 1.8% (25.5% y/y). The real (infl.-adj.) goods trade deficit fell to \$98.59 billion from a record \$105.80 billion. The deficit subtracted 1.2%-pt. from Q1'21 GDP growth. The narrower deficit is on course to contribute to Q2'21 GDP growth for the first time since Q2'20.

May Consumer Price Inflation Up 0.6%; Core CPI Up 0.7%



Consumer prices rose 0.6% m/m in May, the 12th straight monthly rise, after a 0.8% gain in April. The y/y rate accelerated to 5.0%, the highest since August 2008, from 4.2%. Base effects from weak prices last year as the pandemic began are pushing up y/y rates. The CPI less food & energy rose 0.7% after a 0.9% rise. The core y/y rate rose to 3.8%, the highest since June 1992, from 3.0%. Goods prices less food & energy grew 1.8% (6.5% y/y), the third straight m/m gain, led by rises of 7.3% (29.7% y/y) in used car & truck prices, 1.6% (3.3% y/y) in new vehicle prices and 1.2% (5.6% y/y) in apparel prices. Energy prices held steady (+28.5% y/y) after a 0.1% downtick and 10 straight m/m gains. Gasoline prices fell 0.7% (+56.2%). Fuel oil costs recovered 2.1% (50.8% y/y). Natural gas prices rose 1.7% (13.5% y/y). Electricity costs rose 0.3% (4.2% y/y). Nonenergy svcs. prices grew 0.4% (2.9% y/y). A 0.3% gain (2.2% y/y) in shelter prices reflected rises in rents (0.2%), owners' equivalent rent (0.3%) and lodging away from home (0.4%). Transportation prices rose 1.5% (11.2% y/y). Medical care svcs. costs slipped 0.1% (+1.5% y/y). Food prices rose 0.4% (2.2% y/y).

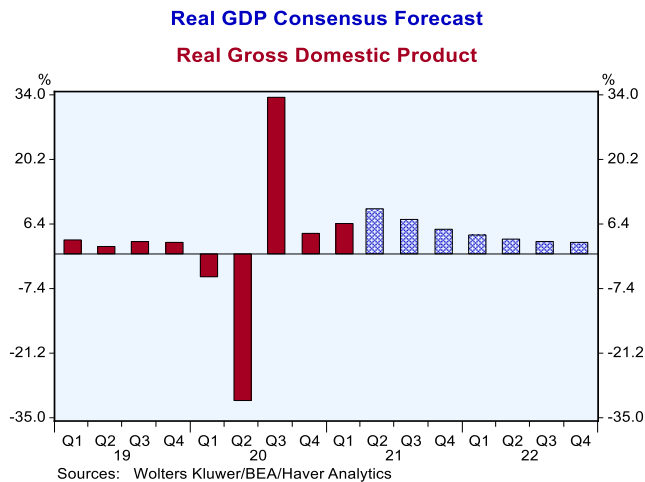
May Nonfarm Payrolls Expanded 559K; Jobless Rate Declined to 5.8% from 6.1%



Nonfarm payrolls rose 559,000 (8.9% y/y) in May after upwardly revised gains of 278,000 in April and 785,000 in March. The jobless rate fell to 5.8% from 6.1%, still up from 3.5% in Feb.'20. The total unemployment rate, incl. those marginally attached & working part-time for econ. reasons, fell to 10.2% from 10.4%. Total private payrolls rose 492,000 (10.3% y/y) on top of a 219,000 rise, with private services jobs up 489,000 (11.3% y/y) and goods-producing jobs up 3,000 (5.5% y/y). Jobs rose in leisure & hospitality (+292K), local & state gov't. education (+53K & +50K), private education (+40.7K), and health care & social assistance (+45.8K) but fell in construction (-20K). Manufacturing jobs recovered 23,000 (5.4% y/y) following a 32,000 drop, with gains in durable goods (+18K) and nondurable goods (+5K). Gov't. jobs rose 67,000 (1.7% y/y), the third straight m/m rise. Average hourly earnings rose 0.5% m/m after a 0.7% gain, raising the y/y rate to 2.0% from 0.4%. The avg. workweek held at 34.9 hrs. for the third consecutive month. The fall in the jobless rate to 5.8% reflected a 496,000 drop in unemployed and a 53,000 decline in the labor force. The participation rate slipped to 61.6% from 61.7%.

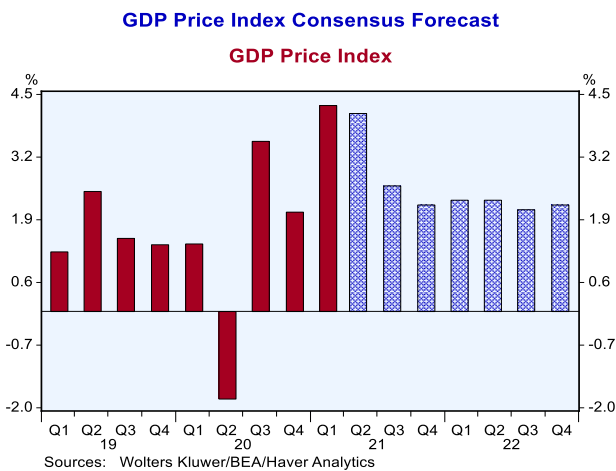
Quarterly U.S. Forecasts:

Real GDP



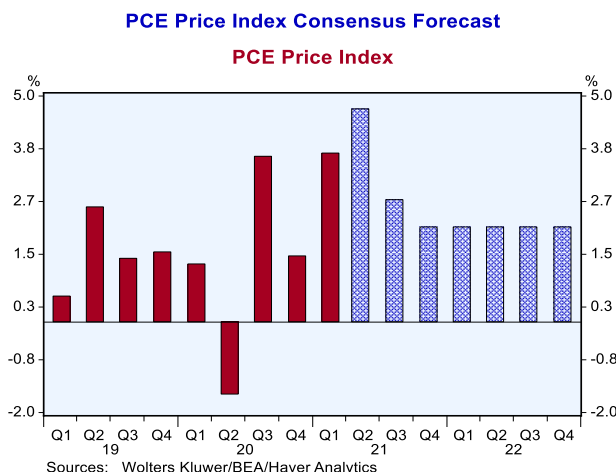
U.S. real GDP growth in Q1 was unchanged in the first revision, at 6.4% q/q saar. However, the composition was altered slightly to show faster growth in domestic demand, auguring stronger Q2 growth. Real personal consumption expenditure growth was revised up to 11.3% from 10.7%. Nonresidential fixed investment rose 10.8% versus 9.9% in the first estimate, and residential investment grew 12.7% versus 10.8%. Government spending growth slowed to 5.8% from 6.3%, due entirely to slower growth in purchases by state and local governments. Exports fell more than initially estimated while imports rose more. Consequently, the trade deficit widened further, subtracting 1.2%-points from overall growth versus the first estimate of -0.87%-pts. Inventories fell more than the initial estimate, subtracting 2.78%-pts versus -2.64%-pts in the first estimate. Combining all of this, real domestic demand (final sales to domestic purchasers) jumped 10.3% versus 9.8% initially and 4.3% in Q4. Apart from the 29.8% rebound in 2020 Q3, this was the largest quarterly gain since 1978. Going forward, our forecast panel looks for well above-trend real GDP growth for the rest of this year: 9.6% in Q2, 7.3% in Q3 and 5.2% in Q4.

Chained GDP Price Index



Inflation as measured by the GDP price index and its components was generally revised higher for the first quarter. The overall GDP price index rose 4.4% q/q saar, up from the initial estimate of 4.1%. This revised inflation rate was the highest for this measure since Q2 1990. Most component price indexes were also revised up. The initially reported 3.5% rise in the PCE price index was revised up to 3.7%, its fastest quarterly advance since Q2 2011. Prices of both PCE goods and services were revised higher. Prices of nonresidential fixed investment were not revised, edging up only 0.5% in Q1 due mostly to a 2.1% decline in prices of intellectual property products. In the second estimate, prices of residential investment rose 11.9% versus the first estimate of 11.4%. This is the fastest advance since Q3 1979. Export prices were little changed while the initially reported 13.3% rise in import prices was revised down to 12.9%. Prices paid by governments rose 6.0% in the second estimate, down from 6.2% in the first report. Our forecast panel looks for GDP price inflation to remain elevated at 4.1% in Q2 and then to slow to 2.6% in Q3 and 2.2% in Q4.

Chained PCE Price Index

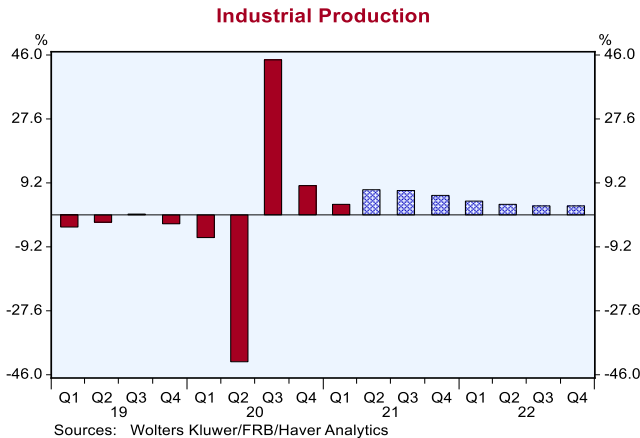


After rising an upwardly revised 3.7% q/q saar in Q1, the monthly PCE price index rose a larger-than-expected 0.6% m/m in April. This raised the monthly year-over-year rate of advance to 3.6% in April from 2.4% in March. To be sure, the April y/y increase was from a very depressed base in April 2020 when COVID-induced lockdowns led to a 0.5% monthly decline in the PCE price index. The PCE price index only edged up in May 2020. So, it is likely that the y/y rate will be even higher in the May release (on June 25) as the reopening of the economy and associated supply-chain bottlenecks are pushing up prices. However, after May the y/y comparison becomes more normal, so it is widely expected that the y/y rate will slow during the summer. The key questions are: by how much and how quickly? Importantly, U.S. Fed officials are on record preferring a period of inflation above the 2% target though no one knows how much above or for how long. Our forecast panel expects PCE price inflation to remain well above target for this quarter and the next (4.7% and 2.7%, respectively) and then to fall to a near-target 2.1% in Q4 2021.

Quarterly U.S. Forecasts:

Industrial Production

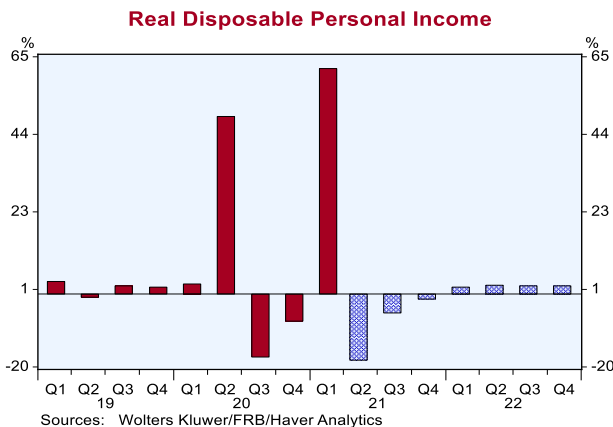
Industrial Production Consensus Forecast



Industrial production (IP) rose 0.5% m/m (+17.6% y/y) in April, following a rise of 2.2% m/m (+1.1% y/y) in March. Manufacturing output rose 0.2% m/m (+22.8% y/y) in April, following a 3.0% m/m rise (+3.2% y/y) in March. As the economy reopens, the current supply-demand imbalance will likely continue to shape the outlook. A rebuilding of inventories adds to the pandemic-induced strong demand for goods: the ISM inventories index rose to above the 50-expansion level to 50.8 in May, up from 46.5 and 50.4 in April and Q1, respectively. At the same time, supply has been plagued by the global shortage of computer chips, lingering supply-chain constraints, and other unforeseen disruptions, such as the recent pipeline shutdown. Consequently, order backlogs reached a multi-year high in May, while the ISM supplier delivery index rose to 78.8 in May from 75.0 in April, the highest level since 1974 and suggesting sharply slower delivery times. That said, optimism prevails, with the ISM manufacturing index rising to 61.2 in May from 60.7 in April, and the new orders component rising to 67.0 from 64.3 in April. The June Blue Chip panelists project IP to rise 7.2% in Q2, 6.9% in Q3, 5.4% in Q4, yielding a 5.8% growth in 2021.

Real Disposable Personal Income

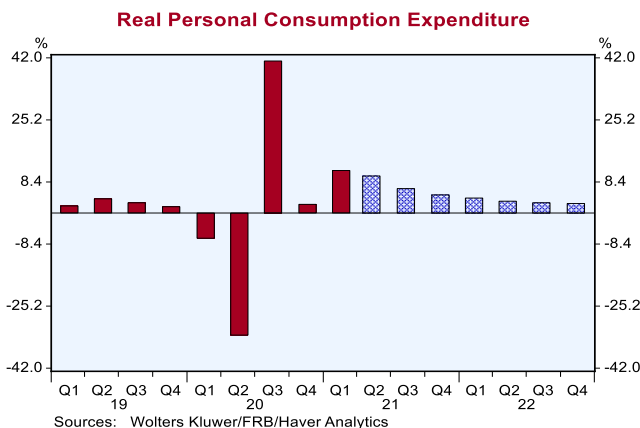
Real Disposable Income Consensus Forecast



Personal income declined 13.1% m/m (+0.5% y/y) in April, following a jump of 20.9% m/m (+30.0% y/y) in March. Disposable income (DPI) decreased by 14.6% m/m (-1.0% y/y) in April, after a surge of 23.4% m/m (+33.3% y/y) in March. Real DPI decreased 15.1% m/m (-4.4% y/y), from a 22.7% m/m (+30.2% y/y) rise in March. The saving rate dropped to a still elevated 14.9% in April from 27.7% in March. The April decline in personal income reflects the lower level of economic-impact payments distributed through the American Rescue Plan Act of 2021 (ARP). The overall monthly decline in personal income masked strong gains in compensation (0.9% m/m), dividend income (1.0% m/m), and proprietors' income (3.2% m/m). Labor market improvements should support compensation growth in the months ahead, but the unwinding of the Q1 ARP-related payments will continue to adversely impact DPI for the remainder of the year. In June, Blue Chip panelists project a decline in real DPI of 18.3% in the current quarter, followed by further declines of 5.3% in Q3 and 1.5% in Q4. These projections would still leave real DPI growth at 4.5% for the full year. The consensus forecast for 2022 is for a decline of 1.3%.

Real Personal Consumption Expenditures

Real PCE Consensus Forecast

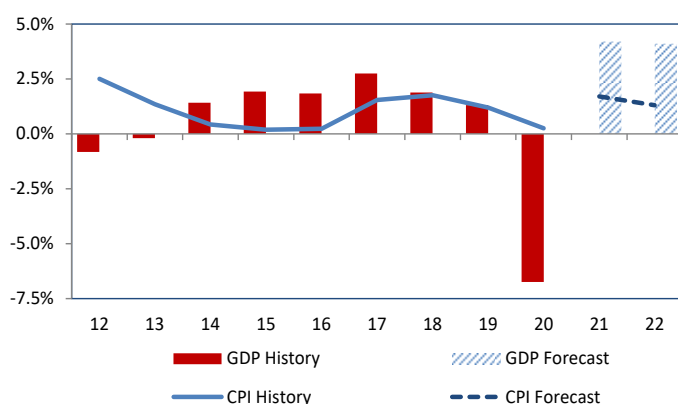


Growth of real personal consumption expenditure was revised up to 11.3% q/q saar in Q1 from the first estimate of 10.7%. This mostly reflected a significant upward revision to spending on durables, 48.6% versus 41.4% initially. To be sure, consumption in the first quarter was aided meaningfully by another round of government stimulus checks (see discussion of disposable income). However, much of these government payments was saved as the saving rate jumped to 21.4% in Q1 from 13.6% in Q4. So clearly, households have money to spend as the economy continues to reopen. Looking at the monthly figures, real PCE slipped 0.1% m/m in April, but there was a significant upward revision to the March gain (to 4.1% from 3.6%). So, even with the slip in April, the strong reading in March put the April PCE level up 9.0% annualized from the Q1 average. Consequently, with this strong starting point, ample savings from the last round of government payments and continued reopening, real PCE is set to post another strong increase in Q2 and probably beyond. Our forecast panel looks for strong PCE growth over the rest of 2021: 10.0% in Q2, 6.4% in Q3 and 4.7% in Q4.

International Forecasts:

Euro Area

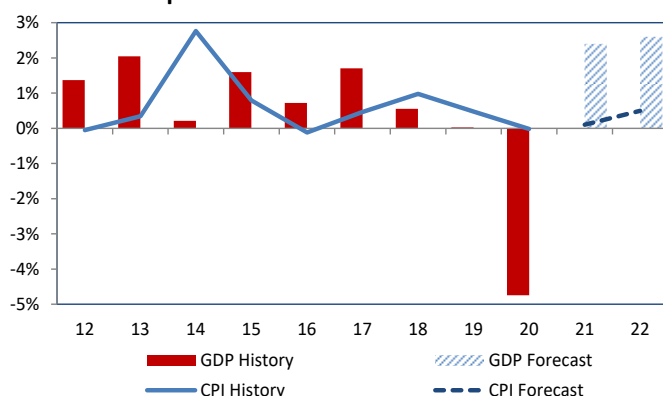
Euro Area GDP Growth and CPI Inflation



The increased vaccination rates in the Euro area (EA) have lifted sentiment. Business and consumer confidence surveys have noticeably improved. The European Commission (EC) economic sentiment index jumped to 114.5 in May, from 110.5 in April. EC consumer confidence progressed to -5.1% in May from -8.1% in April. The May PMIs were also upbeat: the EA composite index rose to 57.1 from 53.8 in April. The manufacturing PMI rose to 63.1 and the services component jumped almost 5 points to 55.2. Inflation is also rising. The May HICP rose 2.0% y/y from 1.6% y/y in April, hitting the ECB target of 2%-or-slightly below. Admittedly, the acceleration largely reflected a sharp rise in energy prices. Excluding energy, the HICP rose 0.9% y/y in May up from April's 0.7% y/y. At its June 10 meeting, the ECB kept policy, particularly the pace of asset purchases, unchanged, but raised its GDP growth forecasts from 4.0% to 4.6% this year and from 4.1% to 4.7% in 2022. HICP inflation is projected to reach 1.9% this year and 1.4% next year. Blue Chip panelists have revised their projection for EA GDP growth to 4.2% this year from 4.1% in May but left their forecast unchanged at 4.1% for 2022..

Japan

Japan GDP Growth and CPI Inflation



Japan has struggled with COVID infections in recent weeks, so a state of emergency was extended at the end of May by three weeks (to June 20) in Tokyo and seven other prefectures. These areas account for around half of Japan's GDP. This has unsurprisingly placed a brake on economic activity. Japan's composite PMI, for example, re-entered contraction territory in May, falling to 48.8 from 51.0 in April. The service sector has borne the brunt of this slowdown, slipping further into contraction, while manufacturing sustained a fourth straight month of expansion, albeit at a slower rate. At a broader level, GDP data for Q1 were revised up to show an annualized decline of 3.9% q/q, not as bad as the preliminary reading of -5.1%. Still, the underlying details show that increased inventory accumulation was partly responsible for this positive revision. Underlying domestic demand fundamentals remained weak. The good news for Japan is that national COVID infection rates are now falling again, which suggests the state of emergency ought to be eased ahead of the Olympic Games (due to start on July 20). Overall, our panelists are projecting GDP to rise by 2.4% in 2021 and by 2.6% in 2022.

China

China GDP Growth and CPI Inflation



China's economic rebound has slowed over recent months. GDP rose a less-than-expected 0.6% not annualized in Q1, and manufacturing PMIs have slipped to barely above the 50 level that separates expansion from contraction. Exports, the leader thus far in the revival, were stronger than expected in April but subsequently fell in May. Also, the export orders component of the CFLP PMI slipped for the second consecutive month to below 50 in May, in part a reflection of the persistent strength of the yuan, and thereby damping the near-term export outlook. Retail sales disappointed in April, edging up just 0.3% m/m with the y/y rate shrinking markedly to 17.7% from 34.2% in March. The April weakness in sales was widespread. With exports and retail activity slowing, industrial production was weaker than expected in April, edging up only 0.5% m/m, a further slowdown from March. Part of the recent economic sluggishness has likely been in response to the PBOC's ongoing effort to curtail credit growth as increased leverage in the property sector and use of business loans to buy property have concerned the PBOC. Our forecast panel looks for real GDP growth in 2021 to pick up to 8.6% % from 2.3% in 2020.

2021 Historical Data

Monthly Indicator	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Retail and Food Service Sales (a)	7.6	-2.9	10.7	0.0	....	....	....	....	....	....	....	....
Auto & Light Truck Sales (b)	16.77	15.90	17.96	18.77	16.99	....	....	....	....	....	....	....
Personal Income (a, current \$)	10.2	-6.9	20.9	-13.1	....	....	....	....	....	....	....	....
Personal Consumption (a, current \$)	3.4	-1.0	4.7	0.5	....	....	....	....	....	....	....	....
Consumer Credit (e)	-1.6	5.2	5.3	5.3	....	....	....	....	....	....	....	....
Consumer Sentiment (U. of Mich.)	79.0	76.8	84.9	88.3	82.9	....	....	....	....	....	....	....
Household Employment (c)	201	208	609	328	444	....	....	....	....	....	....	....
Nonfarm Payroll Employment (c)	233	536	785	278	559	....	....	....	....	....	....	....
Unemployment Rate (%)	6.3	6.2	6.0	6.1	5.8	....	....	....	....	....	....	....
Average Hourly Earnings (All, cur. \$)	29.92	30.00	29.97	30.18	30.33	....	....	....	....	....	....	....
Average Workweek (All, hrs.)	35.0	34.6	34.9	34.9	34.9	....	....	....	....	....	....	....
Industrial Production (d)	-1.8	-4.9	1.1	17.6	....	....	....	....	....	....	....	....
Capacity Utilization (%)	74.9	72.7	74.2	74.6	....	....	....	....	....	....	....	....
ISM Manufacturing Index (g)	58.7	60.8	64.7	60.7	61.2	....	....	....	....	....	....	....
ISM Nonmanufacturing Index (g)	58.7	55.3	63.7	62.7	64.0	....	....	....	....	....	....	....
Housing Starts (b)	1.625	1.447	1.733	1.569	....	....	....	....	....	....	....	....
Housing Permits (b)	1.883	1.726	1.755	1.733	....	....	....	....	....	....	....	....
New Home Sales (1-family, c)	993	854	917	863	....	....	....	....	....	....	....	....
Construction Expenditures (a)	0.6	-0.8	1.0	0.2	....	....	....	....	....	....	....	....
Consumer Price Index (nsa, d)	1.4	1.7	2.6	4.2	5.0	....	....	....	....	....	....	....
CPI ex. Food and Energy (nsa, d)	1.4	1.3	1.6	3.0	3.8	....	....	....	....	....	....	....
PCE Chain Price Index (d)	1.4	1.6	2.4	3.6	....	....	....	....	....	....	....	....
Core PCE Chain Price Index (d)	1.4	1.4	1.9	3.1	....	....	....	....	....	....	....	....
Producer Price Index (nsa, d)	1.7	2.8	4.2	6.2	....	....	....	....	....	....	....	....
Durable Goods Orders (a)	2.4	1.3	1.3	-1.3	....	....	....	....	....	....	....	....
Leading Economic Indicators (a)	0.5	-0.1	1.3	1.6	....	....	....	....	....	....	....	....
Balance of Trade & Services (f)	-67.1	-70.6	-75.0	-68.9	....	....	....	....	....	....	....	....
Federal Funds Rate (%)	0.09	0.08	0.07	0.07	0.06	....	....	....	....	....	....	....
3-Mo. Treasury Bill Rate (%)	0.08	0.04	0.03	0.02	0.02	....	....	....	....	....	....	....
10-Year Treasury Note Yield (%)	1.08	1.26	1.61	1.64	1.62	....	....	....	....	....	....	....

2020 Historical Data

Monthly Indicator	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Retail and Food Service Sales (a)	0.6	-0.2	-8.6	-14.7	18.1	8.8	1.4	0.8	2.0	0.1	-1.4	-1.2
Auto & Light Truck Sales (b)	16.87	16.78	11.36	8.72	12.11	13.02	14.63	15.11	16.30	16.37	15.71	16.23
Personal Income (a, current \$)	0.9	0.8	-1.8	12.4	-4.0	-1.1	0.7	-2.7	0.7	-0.2	-0.9	0.7
Personal Consumption (a, current \$)	0.6	0.0	-6.7	-12.7	8.7	6.5	1.5	1.2	1.3	0.3	-0.6	-0.6
Consumer Credit (e)	2.5	4.6	-5.2	-18.2	-4.3	5.8	3.7	-3.1	5.0	0.1	3.3	3.3
Consumer Sentiment (U. of Mich.)	99.8	101.0	89.1	71.8	72.3	78.1	72.5	74.1	80.4	81.8	76.9	80.7
Household Employment (c)	-76	73	-3196	-22166	3854	4876	1677	3499	267	2126	140	21
Nonfarm Payroll Employment (c)	315	289	-1683	-20679	2833	4846	1726	1583	716	680	264	-306
Unemployment Rate (%)	3.5	3.5	4.4	14.8	13.3	11.1	10.2	8.4	7.8	6.9	6.7	6.7
Average Hourly Earnings (All, cur. \$)	28.43	28.51	28.74	30.07	29.74	29.35	29.37	29.47	29.50	29.52	29.61	29.91
Average Workweek (All, hrs.)	34.3	34.4	34.1	34.2	34.7	34.6	34.6	34.7	34.8	34.8	34.8	34.7
Industrial Production (d)	-2.1	-1.4	-5.3	-17.7	-16.2	-11.0	-7.0	-6.6	-6.6	-4.7	-4.7	-3.2
Capacity Utilization (%)	76.1	76.3	73.4	63.4	64.7	68.7	71.5	72.3	72.1	72.9	73.3	74.2
ISM Manufacturing Index (g)	51.1	50.3	49.7	41.7	43.1	52.2	53.7	55.6	55.7	58.8	57.7	60.5
ISM Nonmanufacturing Index (g)	55.9	56.7	53.6	41.6	45.4	56.5	56.6	57.2	57.2	56.2	56.8	57.7
Housing Starts (b)	1.589	1.589	1.277	0.938	1.046	1.273	1.497	1.376	1.448	1.514	1.551	1.661
Housing Permits (b)	1.550	1.478	1.382	1.094	1.246	1.296	1.542	1.522	1.589	1.595	1.696	1.758
New Home Sales (1-family, c)	756	730	623	582	704	839	972	977	971	969	865	943
Construction Expenditures (a)	1.9	0.2	-0.3	-3.4	-1.3	1.0	1.1	2.0	-0.2	2.5	1.4	2.1
Consumer Price Index (nsa, d)	2.5	2.3	1.5	0.3	0.1	0.6	1.0	1.3	1.4	1.2	1.2	1.4
CPI ex. Food and Energy (nsa, d)	2.3	2.4	2.1	1.4	1.2	1.2	1.6	1.7	1.7	1.6	1.6	1.6
PCE Chain Price Index (d)	1.9	1.8	1.3	0.5	0.5	0.9	1.0	1.2	1.4	1.2	1.1	1.2
Core PCE Chain Price Index (d)	1.8	1.9	1.7	0.9	1.0	1.1	1.3	1.4	1.5	1.4	1.3	1.4
Producer Price Index (nsa, d)	2.0	1.1	0.3	-1.5	-1.1	-0.7	-0.3	-0.3	0.3	0.6	0.8	0.8
Durable Goods Orders (a)	-4.8	0.9	-20.7	-11.6	10.6	11.3	9.8	2.0	1.6	1.0	2.2	1.5
Leading Economic Indicators (a)	0.5	-0.1	-7.6	-6.4	3.1	3.0	2.0	1.5	0.9	0.7	0.9	0.4
Balance of Trade & Services (f)	-45.5	-41.6	-47.2	-53.0	-54.9	-50.7	-60.7	-63.7	-62.6	-63.7	-67.3	-65.8
Federal Funds Rate (%)	1.55	1.58	0.65	0.05	0.05	0.08	0.09	0.10	0.09	0.09	0.09	0.09
3-Mo. Treasury Bill Rate (%)	1.55	1.54	0.30	0.14	0.13	0.16	0.13	0.10	0.11	0.10	0.09	0.09
10-Year Treasury Note Yield (%)	1.76	1.50	0.87	0.66	0.67	0.73	0.62	0.65	0.68	0.79	0.87	0.93

(a) month-over-month % change; (b) millions, saar; (c) month-over-month change, thousands; (d) year-over-year % change; (e) annualized % change; (f) \$ bil

Special Questions:

1. When do you think the Fed will raise the Federal Funds rate?

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Later</u>
0%	14%	64%	18%	2%	0%	2%

2. When will the US Fed begin to taper its asset purchases?

By end of 2021	31%
By end of June 2022	60%
By end of 2022	7%
By end of June 2023	0%
By end of 2023	0%
Later	2%

3 a. What is your estimate of the US federal government deficit for:

<u>FY 2021</u>	<u>FY 2022</u>
\$3.2 tril	\$1.6 tril

b. Do you see the size of your deficit forecast supporting economic growth? Yes 88% No 12%

c. Do you see the size of your deficit forecast raising interest rates so that economic growth is actually squeezed?

Yes 18% No 82%

d. Do you see the size of your deficit forecast putting meaningful upward pressure on inflation? Yes 58% No 42%

4 a. Does the balance of risks to your US inflation forecasts in 2021 and 2022 lie to the upside? Yes 98% No 2%

b. If yes, what is the most important source of those upside risks?

Looser monetary policy	15%
Supply chain bottlenecks	29%
A stronger than expected recovery	29%
Commodity price pressures	5%
Looser fiscal policy	12%
Another factor	10%

5. Are the US inflation risks you perceive for 2021 and 2022 temporary or are they likely to linger?

<u>Temporary</u>	<u>Likely to linger</u>
59%	41%

6. What, in your view, is the biggest threat to global economic stability over the next 12 months?

Further positive inflation surprises and tighter-than-expected monetary policy	13%
Enduring international supply chain disruption	25%
A premature loosening of lockdown stringency that triggers another wave of COVID-19	5%
Premature withdrawal of fiscal policy stimulus programs	0%
An uneven global vaccination rollout and further virus mutations	53%
Another factor	5%

7. What, in your view, is the likely biggest source of upside risk for global growth over the next 12 months?

A faster than expected and/or more effective than expected global vaccination rollout	40%
A bigger than expected drawdown of excess savings by households	40%
A stronger than expected corporate capex recovery	5%
Weaker than expected inflation outcomes and looser for longer monetary policy	15%
Another factor	0%

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

Runnin' Renminbi

Renminbi is Rolling. Over the past 12 months, the Chinese renminbi has been one of the top performing emerging market currencies. Over the past year, the renminbi has strengthened a little over 12% against the U.S. dollar and recently broke below the key technical CNY/CNH6.40 level. Currently, the USD/CNY exchange rate is hovering around CNY6.38, a level not seen since 2018. While one could certainly argue one of the primary drivers of renminbi strength has been a broad depreciation of the U.S. dollar, the path of the renminbi trade-weighted index would suggest otherwise. Measuring the renminbi against the currencies of China's main trade partners, the index shows the Chinese currency trending higher for most of this year and is currently sitting at a 5-year high. While the U.S. dollar accounts for about 20% of the trade-weighted index, the rest of the index is a combination of developed and emerging market currencies, which in our view, highlights the renminbi's outperformance against a broad range of currencies, not just the U.S. dollar.

The renminbi's outperformance can largely be attributed to the underlying strength of China's economy coming out of the pandemic. COVID cases have been contained, allowing the economy to operate at full capacity and for nationwide mobility to return to pre-pandemic levels. Economic indicators have also rebounded much quicker than peer emerging market countries as well as most developed economies. This economic outperformance has been key in China becoming a "safe haven" within the emerging markets and a destination for capital flows from foreign investors. As capital flows to China have picked up, the renminbi has benefited. Another product of China's robust economic recovery has been elevated yields on local currency sovereign debt. Yields on Chinese sovereign bonds have also rebounded to pre-pandemic levels and are high enough to offer positive real interest rates. To that point, 10-year renminbi denominated debt is currently yielding about 3.1%. With CPI inflation in China below 1%, real yields on medium-to-longer-term bonds are around 2.2%. Relative to the United States, where real interest rates are currently negative, Chinese sovereign debt is attractive from a yield perspective. In the current low rate environment, investors are in "search for yield" mode. With local currency debt in China offering attractive yield dynamics, foreign investors have been quick to deploy capital to Chinese sovereign debt, which has also provided support to the renminbi over the past year.

But, For How Long? As we noted in our May International Economic Outlook, we feel the appreciation trend of the renminbi is likely to stall in the short-term, at least through the end of Q2-2021. Part of our rationale for a stable Chinese currency in the short-term is related to technical factors. As mentioned, the renminbi trade-weighted index is at a 5-year-high, which suggests the broad value of the currency could be stretched. Also, the yield gap between Chinese sovereign bonds and U.S. Treasuries has been narrowing over the course of this year; however, the renminbi has not responded the way it typically has to a narrowing yield spread. Historically, when the yield gap between Chinese government bonds and U.S. Treasuries narrows, the renminbi tends to weaken almost in lockstep. However, with an exception earlier this year, the renminbi has

continued to strengthen despite the yield gap narrowing. Using history as guidance, it is possible the relationship between yields and the renminbi normalizes in the near future, and the Chinese currency begins to weaken back toward the CNY6.40 level.

In addition to these technical factors, we feel as if the People's Bank of China (PBoC) may become more interventionist and seek to stem the pace of appreciation in the currency. Over the last week or so, PBoC officials and other Chinese authorities have stepped up verbal intervention in an effort to encourage markets not to speculate for further renminbi strength. The PBoC has also set the currency's daily fix modestly weaker than markets expected on multiple occasions, another signal that the central bank may be uncomfortable with the currency at current levels. But, perhaps the most aggressive tactic from the PBoC came this past weekend as policymakers raised the foreign exchange reserve requirement for banks. In essence, local banks will be forced to purchase and hold more foreign exchange on their balance sheets. The change in policy should put depreciation pressure on the renminbi in the short-term and act as a temporary roadblock for further renminbi strength. Going forward, it would not surprise us if the PBoC took additional action to disrupt the path of the currency. These actions could include purchasing U.S. dollars and adding to the PBoC's FX reserve stockpile, encouraging state banks to purchase U.S. dollars as well as stepping up verbal intervention efforts.

The combination of technical factors, a narrowing yield spread as well as FX intervention should push the currency back toward CNY/CNH6.40 by the end of Q2-2021. A reversal of the renminbi's fortunes may already be underway. Late last week, before the PBoC raised the reserve requirement for banks, the renminbi moved to CNY6.357. However, following stepped up intervention efforts, the currency is now back above CNY/CNH6.38, and in our view, is likely to experience a modest weakening over the next few weeks.

Despite renewed intervention and technical factors, we still believe the longer-term outlook for the currency is bright. In our view, FX intervention is a temporary hurdle, not something that can alter broader market forces over the longer-term. If China's economy continues to outperform, it is likely China continues to attract capital flows to renminbi denominated assets. Capital flows can help the currency strengthen over the medium-to-longer-term. In addition, economic outperformance could lead to the PBoC guiding money market rates higher, which could also attract yield seeking investors to the currency as well. Finally, we expect China's regulators to continue making local financial markets more accessible to foreign investors. Over the past few years, we have seen a gradual liberalization and opening up of China's financial markets. To that point, local currency bonds have been included in more exchange traded funds, while equity markets have also become more accessible to U.S. and other developed market investors. As China's markets continue to open, the currency could strengthen below CNY/CNH6.30 in early 2022. To that point, we forecast the USD/CNY and USD/CNH exchange rates to strengthen to 6.25 by the middle of 2022 as these dynamics unfold.

Brendan McKenna (Wells Fargo Economics)

Calendar of Upcoming Economic Data Releases

Monday	Tuesday	Wednesday	Thursday	Friday
June 14	15 Producer Prices (May) Advance Retail Sales (May) IP & Capacity Utilization (May) MTIS (Apr) Empire State Mfg Survey (Jun) Home Builders (Jun) TIC Data (Apr) FOMC Meeting	16 New Residential Construction (May) Import & Export Prices (May) Business Leaders Survey (Jun) EIA Crude Oil Stocks Mortgage Applications FOMC Meeting	17 ECEC (Q1) Philadelphia Fed Mfg Business Outlook Survey (Jun) Composite Indexes (May) Weekly Jobless Claims	18 Livingston Survey (Jun)
21 Chicago Fed National Activity Index (May)	22 Existing Home Sales (May) H.6 Money Stock (May) Treasury Auction (Jun) Philadelphia Fed Nonmfg Business Outlook Survey (Jun) Richmond Fed Mfg & Service Sector Surveys (Jun)	23 Intl Transactions (Q1) New Residential Sales (May) Final Building Permits (May) IHS Markit Flash PMI for Mfg & Services (Jun) Steel Imports (May, Prelim) EIA Crude Oil Stocks Mortgage Applications	24 GDP & Corp Profits(Q1,3rd Est) Adv Durable Goods (May) Adv Trade & Inventories (May) GDP by Industry (Q1) Kansas City Fed Manufacturing Survey (Jun) Weekly Jobless Claims	25 Personal Income (May) Consumer Sentiment (Jun, Final) Strike Report (Jun) Dallas Fed Trimmed-Mean PCE (May)
28 Texas Manufacturing Outlook Survey (Jun)	29 Case-Shiller HPI (Apr) FHFA HPI (Apr) Consumer Confidence (Jun) Texas Service Sector Outlook Survey (Jun)	30 ADP Employment Report (Jun) Intl Investment Position (Q1) Agricultural Prices (May) Chicago PMI (Jun) Pending Home Sales (May) EIA Crude Oil Stocks Mortgage Applications	July 1 Construction (May) ISM Manufacturing (Jun) IHS Markit Mfg PMI (Jun) Challenger Employment Report (Jun) Weekly Jobless Claims	2 Employment Situation (Jun) MSIO (May) International Trade (May) BEA Auto Sales (Jun) BEA Truck Sales (Jun)
5 Independence Day Observed All Markets Closed	6 ISM Services PMI (Jun) IHS Markit Service PMI (Jun)	7 JOLTS (May) Public Debt (Jun) Mortgage Applications	8 Consumer Credit (May) Kansas City Fed Labor Market Conditions Indicators (Jun) Weekly Jobless Claims EIA Crude Oil Stocks	9 Wholesale Trade (May) Kansas City Financial Stress Index (Jun)
12	13 CPI (Jun) Real Earnings (Jun) Cleveland Fed Median CPI (Jun) Monthly Treasury Statement (Jun) NFIB (Jun)	14 Producer Prices (Jun) Transportation Services Index (May) EIA Crude Oil Stocks Mortgage Applications	15 Import & Export Prices (Jun) IP & Capacity Utilization (Jun) Empire State Mfg Survey (Jul) Philadelphia Fed Mfg Business Outlook Survey (Jul) OPEC Crude Oil Spot Prices (Jun) Weekly Jobless Claims	16 Advance Retail Sales (Jun) Consumer Sentiment (Jul, Preliminary) MTIS (May) Business Leaders Survey (Jul) TIC Data (May)
19 Home Builders (Jul)	20 New Residential Construction (Jun) Philadelphia Fed Nonmanufacturing Business Outlook Survey (Jul)	21 Philadelphia Fed Coincident Economic Activity Index (Jun) EIA Crude Oil Stocks Mortgage Applications	22 Existing Home Sales (Jun) Chicago Fed National Activity Index (Jun) Kansas City Fed Manufacturing Survey (Jul) Composite Indexes (Jun) Weekly Jobless Claims	23 Alternate Measures of Labor Underutilization (Q2) IHS Markit Flash PMI for Mfg & Services (Jul)

EXPLANATORY NOTES

For 45 years, *Blue Chip Economic Indicators'* monthly survey of leading business economists has provided private and public sector decision-makers timely and accurate forecasts of U.S. economic growth, inflation and a host of other critical indicators of business activity. The newsletter utilizes a standardized format that provides a fast read on the prevailing economic outlook. The survey is conducted over two days, generally during the first week of each month. Forecasts of U.S. economic activity are collected from more than 50 leading business economists each month. The newsletter is generally finished on the third day following completion of the survey and delivered to subscribers via e-mail or first class mail.

The hallmark of *Blue Chip Economic Indicators* is its *consensus forecasts*. Numerous studies have shown that by averaging the opinions of many experts, the resulting consensus forecasts tend to be more accurate over time than those of any single forecaster.

Annual Forecasts On pages 2 and 3 of the newsletter are individual and consensus forecasts of U.S. economic performance for this year and next. The names of the institutions that contribute forecasts to these pages are listed on the left of the page. They are ranked from top to bottom based on how fast they expect the U.S. economy to expand in the current year. Some of these institutions have one or more asterisks (*) after their names, denoting how many times they have won the annual *Lawrence R. Klein Award for Blue Chip Forecast Accuracy*. The award winner is determined by W.P. Carey School of Business at Arizona State University.

Across the top of pages 2 and 3 is a list of the variables for which the individual cooperators have provided forecasts. Definitions and organizations that issue estimates for these variables are found at the bottom of page 3. For columns 1-10, the forecasts are for the year-over-year percent change in each variable. Columns 11-13 represent average percentage levels of the year in question. Column 16 is an inflation-adjusted dollar level, measured in billions of chained 2012 dollars. High and low forecasts from the panel members for each variable are denoted with an "H" or "L".

Immediately below the forecasts of the individual contributors are this month's consensus forecasts. The consensus is derived by averaging our panel members' forecasts for each variable. Below the consensus forecasts are averages of this month's ten highest and ten lowest forecasts for each variable. Below them are last month's consensus forecasts. To put the forecasts in context, we include four years of historical data for each variable at the bottom of page 2. Please note that these figures can change due to government revisions of previously released estimates. Below the historical data are the number of forecasts changed from a month ago for each variable, the median forecast for each variable and a diffusion index. The diffusion index serves as a leading indicator of future changes in the consensus forecast. A reading above 50% hints of future increases in the consensus; a reading below 50% hints of future declines. The diffusion index is calculated by adding to the number of forecasters who raised their forecasts for a particular variable this month, half the number of those who left their forecasts unchanged, then dividing the sum by the total number of those contributing forecasts.

Historical Annual Consensus Forecasts Page 4 contains the forecasts from previous issues for the current and subsequent year so that subscribers can see how the outlook has changed over time. Each issue also includes graphs and analysis focusing on noteworthy changes and trends in the consensus outlook.

Quarterly Forecasts Page 5 contains quarterly historical data and consensus forecasts of the U.S. economy's performance. For columns 1-10, the forecasts are for the quarter-over-quarter, seasonally-adjusted, annualized percent change in each variable. Columns 11-13 represent average percentage levels for the quarter in question. Columns 14 and 15 represent seasonally-adjusted, annualized levels for the quarter, measured in billions of inflation-adjusted dollars. As is the case on pages 2-3, the consensus quarterly forecasts on the top half of page 5 are simple averages of our contributors' forecasts. The high-10 and low-10 forecasts are averages of the 10 highest and 10 lowest forecasts for each variable. At the bottom of page 5 are additional quarterly consensus forecasts for Real GDP, GDP Price Index, Industrial Production and Consumer Price Index. These figures are produced by taking the annualized quarterly consensus forecasts found on the top of page 5 and computing a quarterly dollar value for Real GDP, and average quarterly index levels for the GDP Price Index, Industrial Production and the Consumer Price Index. We then compute a year-over-year percentage change between the relevant quarter and the corresponding quarter of the previous year.

International Forecasts Pages 6-7 contain historical data and consensus forecasts of five key economic variables for 15 of the U.S.'s largest trading partners. A list of the institutions contributing forecasts to these pages can be found at the bottom of page 7. Columns 1 and 2 are forecasts of the year-over-year percent change in inflation-adjusted economic growth and consumer price inflation for this year and next. Column 3 is each nation's estimated current account surplus or deficit, reported in billions of current U.S. dollars. Column 4 is the estimated value of each nation's currency versus the U.S. dollar at the end of this year and next. Column 5 is the estimated level of interest rates on 3-month interest rates in each nation at the end of this year and next. Immediately below this month's consensus and the top 3 and bottom 3 averages for each variable are last month's forecasts and a limited amount of historical data. The historical data may change from month-to-month due to government revisions.

Special Questions On page 14, we report on panel members' answers to our special questions. Individuals' responses to the special questions are never displayed, only consensus, top-10 and bottom-10 results. *In March and October, we publish our semi-annual, long-range surveys.* In addition to our usual forecasts for this year and next, the semiannual, long-range survey results provide subscribers with consensus forecasts of all the variables found on pages 2 and 3 for each of the following five years, plus an average for the five-year period after that.

Blue Chip Econometric Detail With the March, June, September and December issues, subscribers also receive a four-page quarterly supplement entitled *Blue Chip Econometric Detail*. The supplement contains forecasts of an expanded list of economic and financial variables that are derived from the consensus forecasts found in *Blue Chip Economic Indicators*. Macroeconomic Advisers by IHS Markit of St. Louis, Missouri produces this forecast detail based on a simulation of its econometric model of the U.S. economy.

Should you have questions about the contents, or methods used to produce Blue Chip Economic Indicators, please contact Joseph Aguinaldo at (212) 986-9300 or email him at: bluechip@haver.com.