
Consensus Outlook

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The views expressed in this presentation are my own and do not necessarily reflect those of the Federal Reserve Bank of Chicago or the Federal Reserve System.

Results from the 2019 EOS forecast competition

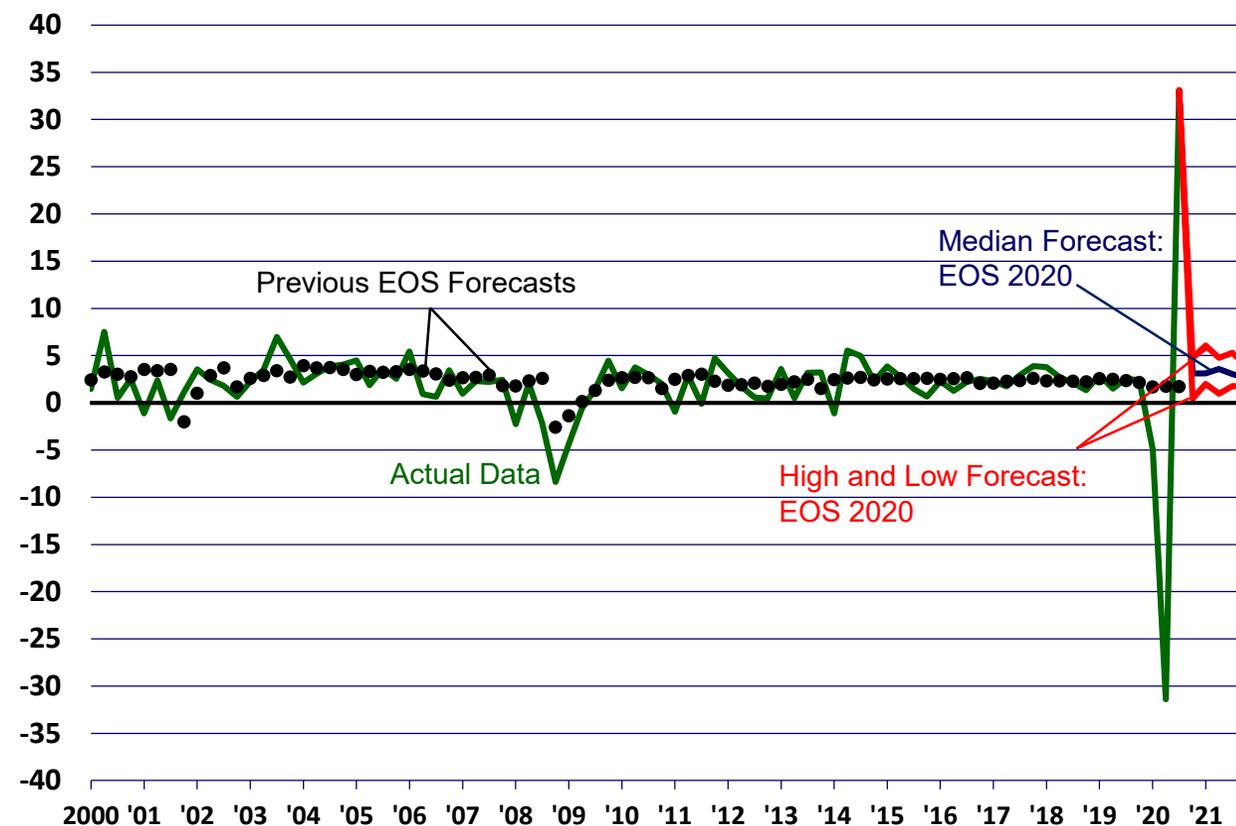
- No one predicted the pandemic
 - 2 of 31 forecasters predicted a decline in GDP from Q3/2019 to Q3/2020.

Winners from 2019:

Overall	Bernard J. Paniak—BJP Economics
GDP, current dollars	Bernard J. Paniak—BJP Economics
GDP price index, chain-type	Tim Portz—Sterling Capital Management, Inc.
Real GDP, chained dollars	Bernard J. Paniak—BJP Economics
Personal consumption expenditures	Bernard J. Paniak—BJP Economics
Business fixed investment	Bernard J. Paniak—BJP Economics
Residential investment	Bill Witte—Witte Econometrics
Change in private inventories	Robert DiCianni—ArcelorMittal USA LLC
Net exports	Brian E. Schwadron—United States Steel Corporation
Government consumption expenditures and gross investment	Bernard J. Paniak—BJP Economics
Industrial production	Eric Hale—Trader Oasis
Car & light truck sales	Tim Portz—Sterling Capital Management, Inc.
Housing starts	Mark Zandi—Moody's Analytics
Oil Price	Eric Wagner—Kohler Co.
Unemployment rate	Eric Hale—Trader Oasis
Inflation rate (CPI)	Bill Henricks—DGI Supply
Treasury constant maturity one-year rate	Maira Trimble and Jordan Vickers—Eaton
Treasury constant maturity ten-year rate	Maira Trimble and Jordan Vickers—Eaton
J.P. Morgan broad nominal effective exchange rate	William Hickey—DTE Energy

Solid recovery for GDP next year

REAL GDP GROWTH percent, quarterly SAAR

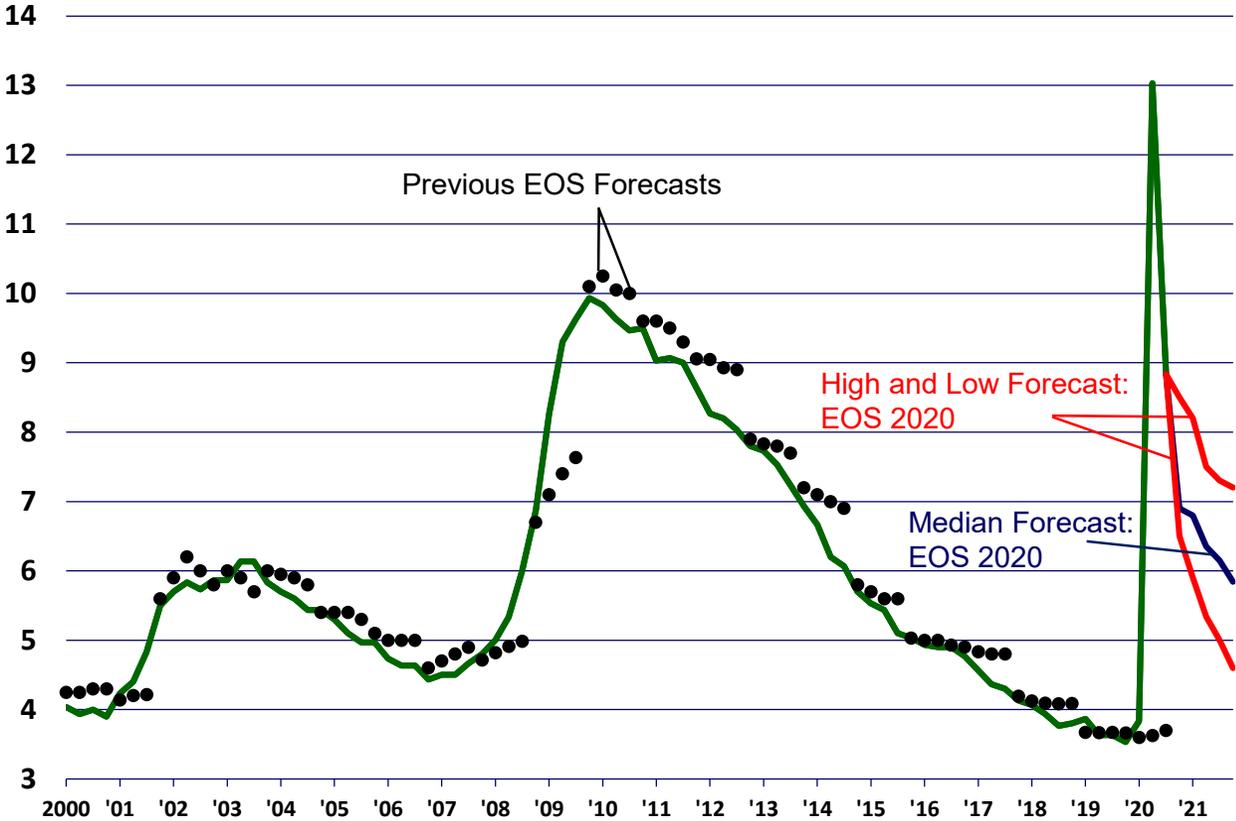


- EOS Medians
 - Q4/2019 to Q4/2020: -2.7
 - Q4/2020 to Q4/2021: $+3.3$
- FOMC Medians as of 9/2020
 - Q4/2019 to Q4/2020: -3.7
 - Q4/2020 to Q4/2021: $+4.0$

Notes: The median is from 26 forecasts submitted for the 2020 Economic Outlook Symposium between November 5 and November 19, 2020. The forecast range excludes the two highest and lowest forecasts. The views expressed in these forecasts are those of the contributors and do not necessarily reflect those of the Federal Reserve Bank of Chicago or the Federal Reserve System. FOMC Medians from www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20200916.pdf

Unemployment rate to stay elevated into 2022

UNEMPLOYMENT RATE
percent



- EOS Median
 - Q4/2021: 5.8
- FOMC Medians as of 9/2020
 - Q4/2021: 5.5
 - Q4/2022: 4.6
 - Q4/2023: 4.0
 - Longer run: 4.1

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Full median forecast results

	2019	2020	2021
GDP, current dollars*	4.0%	-1.7%	5.2%
GDP price index, chain-type*	1.6%	1.2%	1.9%
Real GDP, chained dollars*	2.3%	-2.7%	3.3%
Personal consumption expenditures*	2.5%	-2.5%	2.9%
Business fixed investment*	1.4%	-4.1%	4.4%
Residential investment*	1.6%	7.2%	3.7%
Change in private inventories (billions of constant dollars)**	-\$1.1	\$13.2	\$59.5
Net exports of goods and services (billions of constant dollars)**	-\$861.5	-\$1,012.6	-\$1,041.8
Government consumption expenditures and gross investment*	3.0%	0.0%	0.9%
Industrial production*	-0.7%	-6.4%	3.5%
Car & light truck sales (millions - calendar year including imports)***	17.0	14.5	16.2
Housing starts (millions)***	1.30	1.37	1.45
Oil price (dollars per barrel of West Texas Intermediate)**	\$56.91	\$40.00	\$48.60
Unemployment rate**	3.5%	6.9%	5.8%
Inflation rate (consumer price index)*	2.0%	1.2%	2.0%
Treasury constant maturity one-year rate**	1.58%	0.14%	0.20%
Treasury constant maturity ten-year rate**	1.79%	0.80%	1.10%
J.P. Morgan trade weighted OECD dollar*	0.6%	-1.2%	0.0%

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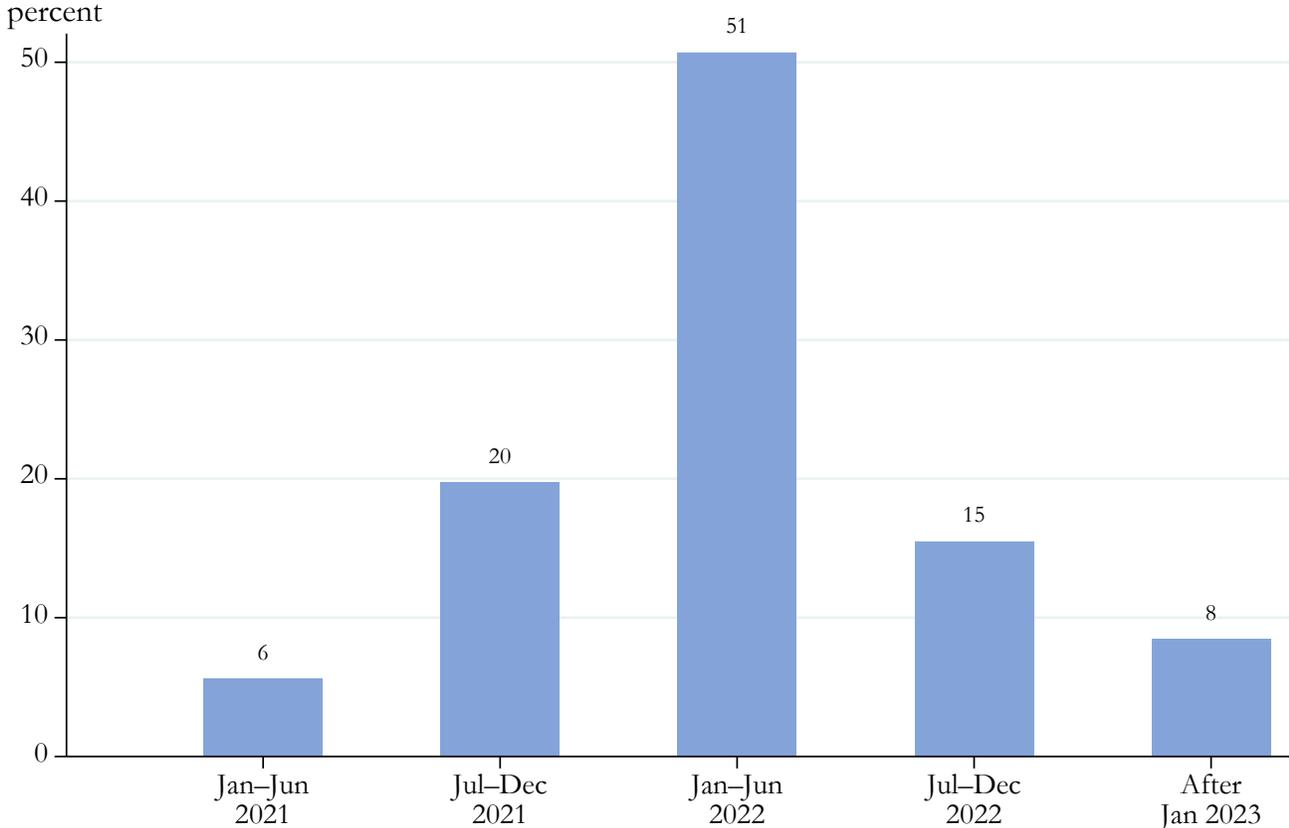
*Annual: Q4 over Q4 Quarterly: Quarter to Quarter change, annual rate

**Annuals are Q4 value

***Annuals are yearly average

CFSBC respondents are a bit more pessimistic

CFSBC: EXPECTED DATE OF RETURN TO PRE-PANDEMIC ACTIVITY LEVEL

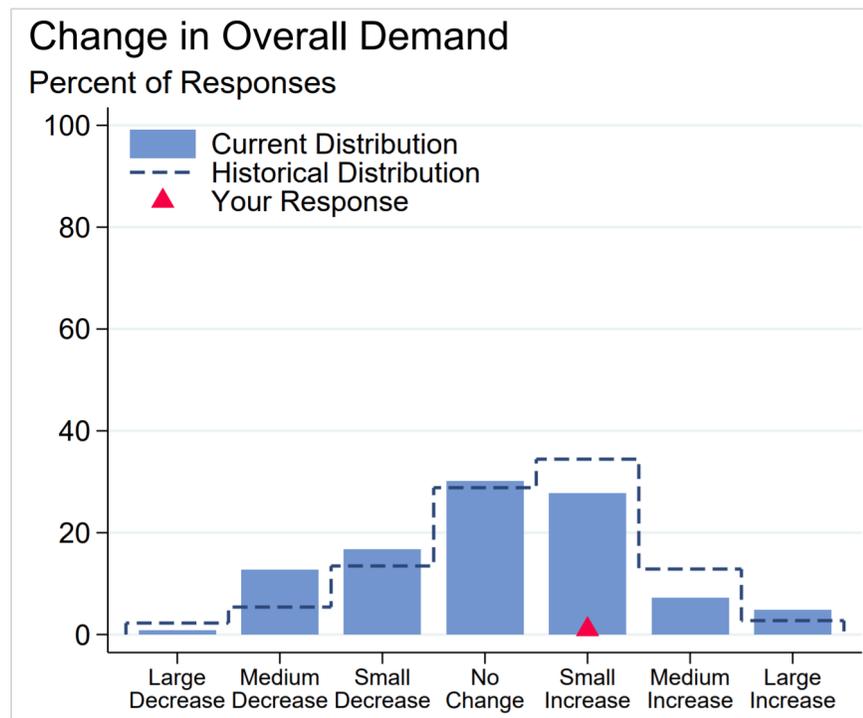


- Distribution shifted to the right in latest survey

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