

# Morning Market Tidbits

## Faster growth in 2024

### In focus

In our latest [US Economic Weekly](#), we revise our outlook in the direction of faster growth, lower unemployment, and slightly firmer inflation. Improvement in supply-side factors, especially the labor force rebound, should allow US economic momentum to continue without overheating. We make no changes to our fed funds rate path. Our inflation outlook, while slightly firmer, should still be enough to convince the Fed to begin a gradual cutting cycle in June.

In our latest [Global Economic Weekly](#), we again highlight that we have upgraded our growth forecast for the US and we are now above consensus for growth. We now expect faster growth in 2024 while slightly lower in 2025 vs our previous forecast, and mildly stronger inflation. We now see a smaller uptick in unemployment and lower recession risks amid a resilient economy and labor market.

#### Exhibit 1: Summary of forecast changes

Compared to our previous forecasts, we expect stronger growth this year and slower growth next year

	2024	2025
GDP (4Q/4Q)		
New	2.1	1.7
Old	1.2	2.0
Unemployment rate (4Q)		
New	3.9	4.1
Old	4.2	4.1
Headline PCE inflation (4Q/4Q)		
New	2.5	2
Old	2.3	2.0
Core PCE inflation (4Q/4Q)		
New	2.6	2.3
Old	2.5	2.2
Fed funds rate (midpoint, end of period)		
New	4.625	3.625
Old	4.625	3.625

Source: BofA Global research

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### Market Action

The Asian equity markets that we cover closed mostly positive overnight. Looking at individual markets, the Hang Seng was flat, while the Indian Sensex, the Shanghai Composite, the Nikkei and the Korean Kospi were up 0.1%, 0.4%, 0.5% and 1.2% respectively.

(Continued on next page)

04 March 2024

Economics  
United States

**Claudio Irigoyen**  
Global Economist  
BofAS  
[claudio.irigoyen@bofa.com](mailto:claudio.irigoyen@bofa.com)

**Michael Gapen**  
US Economist  
BofAS  
[michael.gapen@bofa.com](mailto:michael.gapen@bofa.com)

**Shruti Mishra**  
US and Global Economist  
BofAS  
[smishra44@bofa.com](mailto:smishra44@bofa.com)

**Global Economics Team**  
BofAS

**US Economics**  
BofAS

[See Team Page for List of Analysts](#)

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Timestamp: 04 March 2024 07:48AM EST

As of 7:00 am ET, aggregate European stocks are down 0.1% and S&P500 futures are down 0.1%. In the bond markets, US Bond yields are up 3bp to 4.21%, and German Bund yields are down 1bp to 2.41%. The dollar index is down \$0.05 to \$103.82. WTI crude oil prices are \$0.52 lower at \$79.45/bbl, and gold prices are at \$2082.20/oz.

## US GDP Tracking

### Exhibit 5: BofA US GDP tracking estimate (% q/q saar)

1Q GDP tracking was aligned with our official forecast change to 2.5% q/q saar largely due to the upward revisions to the non-consumer sectors of the economy

Date	Data release	GDP	Final Sales	PCE	Res. Inv.	Struct	Equip	IPP	Gov.	Exports	Imports	Net exports (level)	CIPI (level)
2/22/24	Existing Home Sales	0.9	1.1	1.3	<b>-1.1</b>	-1.6	0.8	2.0	1.0	0.2	1.4	-924.6	73.6
2/22/24	Methodological Assumptions	<b>1.0</b>	<b>1.2</b>	<b>1.5</b>	-1.1	-1.6	0.8	2.0	1.0	0.2	1.4	-924.6	73.6
2/26/24	New Home Sales	<b>1.1</b>	<b>1.3</b>	1.5	<b>0.7</b>	-1.6	0.8	2.0	1.0	0.2	1.4	-924.6	73.6
2/27/24	Durable Goods Orders	<b>1.2</b>	<b>1.4</b>	1.5	0.7	-1.6	<b>1.3</b>	2.0	1.0	0.2	1.4	-924.6	<b>68.7</b>
2/29/24	Alignment to official forecast change	<b>2.5</b>	<b>2.5</b>	1.5	<b>2.5</b>	<b>5.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.5</b>	<b>3.0</b>	<b>1.5</b>	<b>-911.0</b>	<b>71.5</b>
	GDP tracking	2.5	2.5	1.5	2.5	5.0	3.0	3.0	3.5	3.0	1.5	-911.0	71.5
	Contribution to GDP growth (pp)			1.1	0.1	0.2	0.2	0.2	0.6			0.1	0.1
	BofA official GDP forecast	2.5	2.5	1.5	2.5	5.0	3.0	3.0	3.5	3.0	1.5	-911.0	71.5

**Source:** BofA Global Research. Our GDP tracking estimate reflects the mechanical aggregation of incoming data that directly informs the BEA's GDP calculations. The process is distinct from our official published GDP forecast. Boldface cells indicate where data have implications for tracking estimates.

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# Research Analysts

**Michael Gapen**  
US Economist  
BofAS  
[michael.gapen@bofa.com](mailto:michael.gapen@bofa.com)

**Aditya Bhave**  
US Economist  
BofAS  
[aditya.bhave@bofa.com](mailto:aditya.bhave@bofa.com)

**Stephen Juneau**  
US Economist  
BofAS  
[stephen.juneau@bofa.com](mailto:stephen.juneau@bofa.com)

**Jeseo Park**  
US Economist  
BofAS  
[jeseo.park@bofa.com](mailto:jeseo.park@bofa.com)

**US Economics**

