

September 17, 1986

SUMMARY AND OUTLOOK

Prepared for the Federal Open Market Committee

By the staff of the Board of Governors of the Federal Reserve System

September 17, 1986

CONFIDENTIAL - FR
CLASS II FOMC

STAFF GNP PROJECTIONS

Percent changes, annual rate

		Nominal GNP		Real GNP		GNP fixed-weighted price index		GNP deflator		Unemployment rate (percent)	
		8/13/86	9/17/86	8/13/86	9/17/86	8/13/86	9/17/86	8/13/86	9/17/86	8/13/86	9/17/86
Annual changes:											
1984	<1>	10.5	10.5	6.4	6.4	4.0	4.0	3.8	3.8	7.5	7.5
1985	<1>	6.2	6.2	2.7	2.7	3.7	3.7	3.3	3.3	7.2	7.2
1986		5.4	5.4	2.7	2.7	2.8	2.8	2.7	2.6	7.0	7.0
1987		5.7	5.6	3.1	3.0	2.9	2.9	2.6	2.5	6.7	6.6
Quarterly changes:											
1985	Q1 <1>	6.8	6.8	3.1	3.1	4.2	4.2	3.7	3.7	7.3	7.3
	Q2 <1>	5.8	5.8	2.3	2.3	3.6	3.6	3.3	3.3	7.3	7.3
	Q3 <1>	6.8	6.8	4.1	4.1	2.8	2.8	2.5	2.5	7.2	7.2
	Q4 <1>	5.8	5.8	2.1	2.1	4.0	4.0	3.6	3.6	7.0	7.0
1986	Q1 <1>	6.2	6.2	3.8	3.8	2.5	2.5	2.5	2.5	7.1	7.1
	Q2 <1>	3.2	3.0	1.1	.6	1.8	1.9	2.1	2.5	7.2	7.2
	Q3	5.0	5.2	2.5	3.0	2.5	2.7	2.5	2.0	7.0	6.9
	Q4	5.7	5.4	3.6	3.8	2.3	2.4	2.0	1.5	6.9	6.8
1987	Q1	6.0	5.8	3.3	2.9	3.2	3.2	2.6	2.8	6.8	6.7
	Q2	6.1	6.0	3.2	3.0	3.2	3.2	2.8	2.9	6.7	6.6
	Q3	6.1	6.0	3.2	3.0	3.2	3.2	2.9	2.8	6.7	6.6
	Q4	6.4	6.3	3.2	3.0	3.3	3.3	3.2	3.2	6.6	6.6
Two-quarter changes: <2>											
1985	Q2 <1>	6.3	6.3	2.7	2.7	3.9	3.9	3.5	3.5	.1	.1
	Q4 <1>	6.3	6.3	3.1	3.1	3.2	3.2	3.1	3.1	-.3	-.3
1986	Q2 <1>	4.7	4.6	2.4	2.2	2.3	2.3	2.3	2.5	.2	.2
	Q4	5.4	5.3	3.0	3.4	2.4	2.5	2.2	1.7	-.3	-.4
1987	Q2	6.0	5.9	3.2	3.0	3.2	3.2	2.7	2.9	-.2	-.2
	Q4	6.3	6.1	3.2	3.0	3.3	3.3	3.0	3.0	-.1	.0
Four-quarter changes: <3>											
1984	Q4 <1>	8.5	8.5	4.6	4.6	3.9	3.9	3.6	3.6	-1.3	-1.3
1985	Q4 <1>	6.3	6.3	2.9	2.9	3.6	3.6	3.3	3.3	-.2	-.2
1986	Q4	5.0	4.9	2.7	2.8	2.4	2.4	2.3	2.1	-.1	-.2
1987	Q4	6.2	6.0	3.2	3.0	3.3	3.3	2.9	2.9	-.3	-.2

<1> Actual.

<2> Percent change from two quarters earlier.

<3> Percent change from four quarters earlier.