

Blue Chip Financial Forecasts®

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

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BLUE CHIP FINANCIAL FORECASTS®

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FOMC Expected To Announce Another Taper Move At January Meeting

Domestic Commentary Based on our January 22nd-23rd survey, an overwhelming majority of our panelists believe the Federal Reserve's Open Market Committee (FOMC) will announce at the conclusion of its January 28th-29th meeting another \$10 billion cut (to \$65 billion per month) in its monthly asset purchase program, the reduction still split evenly between purchases of Treasury notes and mortgage-backed securities. Moreover, all of our panelists say the FOMC will continue to gradually reduce the size of its monthly asset purchases this year, concluding the program by the end of 2014. While recent volatility in financial markets has prompted some to speculate that the FOMC might delay a tapering move at the upcoming meeting, it likely has not become nearly acute enough to alter policymakers' relatively upbeat opinions about the trajectory of U.S. economy over the forecast horizon. If the FOMC continues to announce \$10 billion cuts to its monthly purchases at each of its meetings this year, another \$460 billion will be added to its balance sheet before the program is concluded, bringing its total size to about \$4.5 trillion. Consensus expectations of further gradual cuts in the monthly asset purchase program conform to the Fed's December policy statement of intent to make additional reductions in "measured steps" dependent upon incoming data. Like the Fed, our panelists premise their expectations of additional reductions in Fed asset purchases this year on the continuation of moderately healthy economic growth, further declines in the unemployment rate combined with other signs of improvement in labor market conditions, and somewhat higher inflation.

Less certain, according to our panelists, is if at its upcoming meeting, or later this year, the FOMC will formally alter its forward guidance by lowering the 6.5% unemployment rate threshold that was earlier established as a pre-condition for initiating an outright tightening of monetary policy by way of increases in the Fed's overnight policy rate. Not quite 40% of the panelists say the 6.5% threshold will be lowered at some point this year, while a bit more than 60% say policymakers will leave it unchanged. Those that believe the threshold will go unaltered point out that minutes of the October and December meetings of the FOMC indicated such a step had little support. Moreover, the December policy statement effectively rendered the 6.5% threshold moot by stating "it likely will be appropriate to maintain the current target range for the federal funds rate *well past* the time that the unemployment rate declines below 6.5%."

While worries about the current low level of inflation have become a more important consideration to Fed policymakers, establishment of a formal "inflation floor" seems unlikely, at least for the moment. First, minutes of prior FOMC minutes indicate few policymakers currently in favor of such a step. Second, if one were adopted it would likely be too near the current level of inflation, thus risking it's triggering at a time when the Fed is attempting to normalize policy. The personal consumption expenditures price index was up just 0.9% y/y in November and the core PCE price index only 1.1% y/y.

As for when the FOMC will actually get around to hiking interest rates, 29.7% of our panelists this month said in the first half of 2015 versus 18.2% that picked that period a month ago, 53.1% responded in the second half of 2015 compared to 63.6% last month, and 12.8% answered in Q1 2016 or later versus 15.9% a month earlier. For comparison, the latest central tendency forecasts of FOMC members suggest that the first hike in the federal funds rate will occur in mid-2015, closely conforming to the consensus of our panelists.

Real GDP growth in the second half of 2013 likely registered its best two-quarter performance since Q4 2011 and Q1 2012. Real GDP grew 4.1% (saar) in Q3 2013 and the consensus now estimates that it expanded 3.1% (saar) in Q4. The January 30th release of the government's advance (first) estimate of Q4 growth is expected to show that private inventories may have added yet again to GDP, marking the fourth consecutive quarterly contribution. While figures for Decem-

ber are not in hand, nominal inventory investment in October and November was better than the average in Q3, implying another contribution to GDP in Q4. That would be a marked contrast to earlier expectations that inventories might subtract 1.0-to-1.5 percentage points from real GDP growth during the quarter.

Growth in real PCE during Q4 also is assumed to have been stronger than earlier thought. Following growth of just 2.0% in Q3, consumers stepped up spending in October and November with real PCE registering gains of 0.4% in October and 0.5% in November. December retail sales rose only 0.2% overall but the core sales figure that goes into the calculation of PCE rose 0.7%. The November core figure was revised down by 0.3 of a percentage point to a gain of 0.2%. Nonetheless, it still looks as if real PCE grew about 3.5% (saar) in Q4, marking the best quarterly performance in exactly three years.

While figures for just October and November are in hand, real net exports, too, likely added appreciably to GDP growth last quarter, as a surge in exports offset a more modest increase in imports. Elsewhere, real nonresidential fixed investment likely grew at a somewhat faster pace in Q4 compared to its 4.8% pace in Q3. Likely weighing on GDP growth last quarter were a marked slowdown in real residential investment after eight prior quarters of double-digit increases. While nominal growth looks to have been ok, rising prices apparently cut deeply into the nominal increase. Additionally, a pullback in total real government consumption and investment likely occurred in Q4 due to the partial government shutdown in October.

The consensus still predicts that real GDP growth will subside to 2.5% (saar) in the current quarter, but the forecast of Q2 growth increased this month by 0.1 of a percentage point to 2.8% (saar). A marked slowdown in inventory building that cools off manufacturing activity is expected to weigh, perhaps heavily, on GDP growth this quarter and probably next. Real PCE growth, too, is expected to slow from its above-trend Q4 pace, hurt by record-breaking cold that has boosted household heating bills and rising food prices due to sharp declines in livestock herds and drought. An end to emergency unemployment benefits for 1.4 million people on January 1st, a figure that will grow to more than 4 million this year unless reinstated by Congress, will likely also cap consumer spending. Residential investment may be hampered in the current quarter by the record cold but is expected to look better than in Q4 and register further improvement over the remainder of this year. After adding a good bit to GDP in Q4, real net exports seem unlikely to make much of a contribution to growth this quarter or next. However, fiscal drag at the federal level will lessen considerably this year and state and local spending is expected to make a contribution to GDP growth.

In the second half of this year, the consensus predicts real GDP growth will rebound to 2.9% (saar) in Q3 and 3.0% (saar) in Q4, both 0.1 of a percentage point stronger than forecast last month. Consensus forecasts of real GDP growth in the first two quarters of 2015 remained at 3.0% (saar) this month. Consensus forecasts of inflation through the first half of next year went largely unchanged this month.

Consensus Forecast Real GDP is expected to grow at a somewhat more moderate pace in the first half of this year than in the second half of 2013 but final sales may actually be stronger. Further improvement is seen in the first half of 2015. Inflation will gradually increase but remain non-threatening. The Fed will continue to reduce the size of its monthly asset purchase at a measured pace and conclude the purchases by the end of 2014. The Treasury curve will steepen as the Fed reduces its asset purchases, economic growth improves, and markets begin to discount the first hike in interest rates by the Fed in mid-2015 (*see page 2*).

Special Questions The consensus predicts nonfarm payrolls will register average monthly increases of 203,400 this year and a December 2014 unemployment rate of 6.3% (*see page 14*).

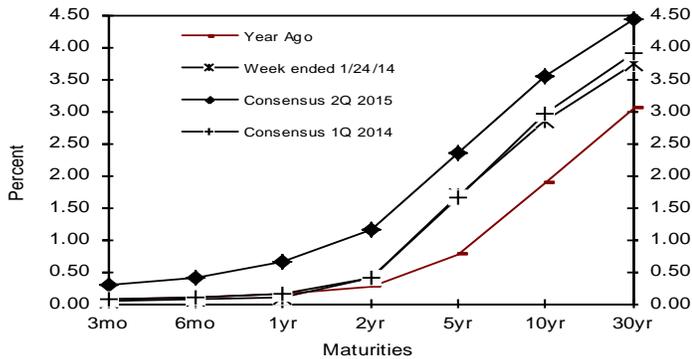
Consensus Forecasts Of U.S. Interest Rates And Key Assumptions¹

Interest Rates	-----History-----								Consensus Forecasts-Quarterly Avg.							
	-----Average For Week Ending-----				-----Average For Month-----				Latest Q		1Q	2Q	3Q	4Q	1Q	2Q
	Jan. 24	Jan. 17	Jan. 10	Jan. 3	Dec.	Nov.	Oct.	4Q 2013	2014	2014	2014	2014	2015	2015		
Federal Funds Rate	0.07	0.07	0.08	0.08	0.09	0.08	0.09	0.09	0.1	0.1	0.2	0.2	0.2	0.3		
Prime Rate	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.3	3.3	3.3	3.3	3.3	3.4		
LIBOR, 3-mo.	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.3	0.3	0.3	0.4	0.4	0.5		
Commercial Paper, 1-mo.	0.05	0.05	0.05	0.05	0.06	0.05	0.07	0.06	0.1	0.1	0.1	0.2	0.2	0.4		
Treasury bill, 3-mo.	0.04	0.04	0.05	0.07	0.07	0.07	0.05	0.06	0.1	0.1	0.1	0.1	0.2	0.3		
Treasury bill, 6-mo.	0.07	0.06	0.07	0.10	0.10	0.10	0.08	0.09	0.1	0.1	0.2	0.2	0.3	0.4		
Treasury bill, 1 yr.	0.11	0.11	0.13	0.13	0.13	0.12	0.12	0.12	0.2	0.2	0.3	0.4	0.5	0.7		
Treasury note, 2 yr.	0.41	0.40	0.41	0.39	0.34	0.30	0.34	0.33	0.4	0.5	0.6	0.8	1.0	1.2		
Treasury note, 5 yr.	1.67	1.65	1.71	1.73	1.58	1.37	1.37	1.44	1.7	1.8	1.9	2.1	2.2	2.4		
Treasury note, 10 yr.	2.86	2.86	2.96	3.01	2.90	2.72	2.62	2.75	3.0	3.1	3.2	3.3	3.4	3.5		
Treasury note, 30 yr.	3.75	3.78	3.87	3.93	3.89	3.80	3.68	3.79	3.9	4.0	4.1	4.3	4.3	4.4		
Corporate Aaa bond	4.47	4.48	4.53	4.55	4.62	4.63	4.53	4.59	4.6	4.8	4.9	5.0	5.1	5.2		
Corporate Baa bond	5.17	5.19	5.28	5.35	5.38	5.38	5.31	5.36	5.4	5.6	5.7	5.8	5.9	6.0		
State & Local bonds	4.50	4.55	4.68	4.75	4.73	4.60	4.56	4.63	4.6	4.7	4.8	4.8	4.9	5.0		
Home mortgage rate	4.39	4.41	4.51	4.53	4.46	4.26	4.19	4.30	4.6	4.7	4.8	5.0	5.1	5.2		

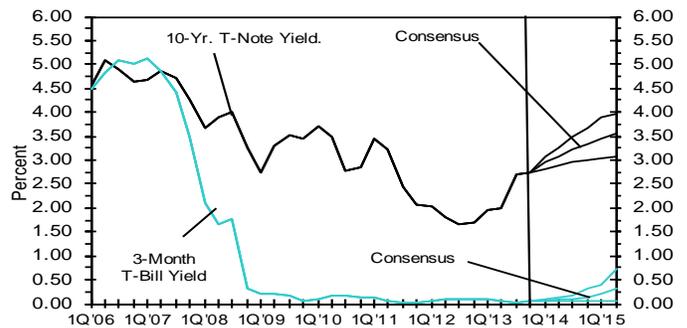
Key Assumptions	-----History-----								Consensus Forecasts-Quarterly					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q*	1Q	2Q	3Q	4Q	1Q	2Q
	2012	2012	2012	2012	2013	2013	2013	2013	2014	2014	2014	2014	2015	2015
Major Currency Index	72.9	73.9	74.0	73.2	74.7	76.4	76.7	76.0	76.8	77.2	77.6	77.6	77.7	77.7
Real GDP	3.7	1.2	2.8	0.1	1.1	2.5	4.1	3.1	2.5	2.8	2.9	3.0	3.0	3.0
GDP Price Index	2.0	1.8	2.3	1.1	1.3	0.6	2.0	1.4	1.7	1.7	1.9	1.9	2.0	2.0
Consumer Price Index	2.3	1.0	2.1	2.2	1.4	0.0	2.6	0.9	1.8	1.8	2.1	2.0	2.1	2.0

Forecasts for interest rates and the Federal Reserve's Major Currency Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index and Consumer Price Index are seasonally-adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data for interest rates except LIBOR is from Federal Reserve Release (FRSR) H.15. LIBOR quotes available from *The Wall Street Journal*. Interest rate definitions are same as those in FRSR H.15. Treasury yields are reported on a constant maturity basis. Historical data for Fed's Major Currency Index is from FRSR H.10 and G.5. Historical data for Real GDP and GDP Chained Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index (CPI) history is from the Department of Labor's Bureau of Labor Statistics (BLS). *Figures for 4Q 2013 Real GDP and GDP Chained Price Index are consensus forecasts based on a special question asked of the panelists' this month.

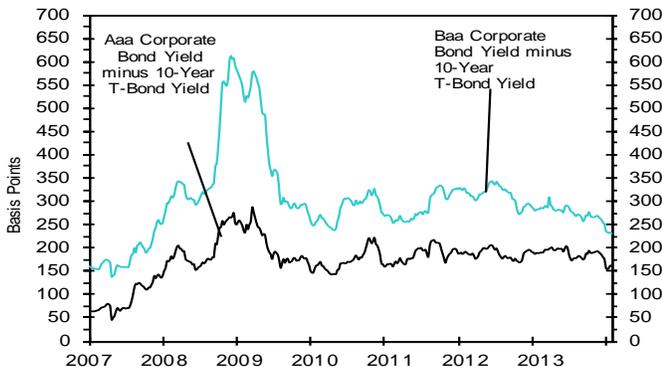
U.S. Treasury Yield Curve
Week ended January 24, 2014 and Year Ago.
1Q 2014 and 2Q 2015 Consensus Forecasts



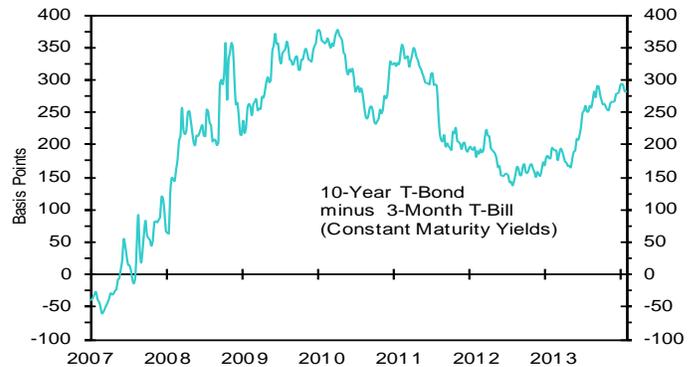
U.S. 3-Mo. T-Bills & 10-Yr. T-Note Yield
(Quarterly Average) History Forecast



Corporate Bond Spreads
As of week ended January 24, 2014



U.S. Treasury Yield Curve
As of week ended January 24, 2014



-----3-Month Interest Rates¹-----

	History			Consensus Forecasts		
	Month	Year	Months From Now:			
Latest:	Ago:	Ago:	3	6	12	
U.S.	0.27	0.29	0.46	0.34	0.34	0.33
Japan	0.15	0.15	0.26	0.19	0.19	0.19
U.K.	0.56	0.54	0.69	0.50	0.53	0.60
Switzerland	0.08	0.10	0.10	0.02	0.05	0.10
Canada	1.13	1.19	1.29	1.23	1.23	1.23
Australia	2.56	2.55	3.21	2.60	2.80	3.20
Eurozone	0.30	0.41	0.24	0.18	0.19	0.21

-----10-Yr. Government Bond Yields²-----

	History			Consensus Forecasts		
	Month	Year	Months From Now:			
Latest:	Ago:	Ago:	3	6	12	
U.S.	2.77	2.92	1.83	3.04	3.17	3.45
Germany	1.70	1.87	1.56	1.95	2.04	2.20
Japan	0.66	0.68	0.74	0.72	0.78	0.90
U.K.	2.80	2.97	2.01	3.05	3.21	3.50
France	2.42	2.35	2.14	2.50	2.56	2.63
Italy	3.86	4.08	4.20	3.99	3.92	3.85
Switzerland	1.08	1.05	0.70	1.18	1.25	1.44
Canada	2.41	2.70	1.87	2.80	2.99	3.33
Australia	4.08	4.31	3.31	4.32	4.46	4.61
Spain	3.76	4.14	5.07	3.92	3.96	3.87

-----Foreign Exchange Rates¹-----

	History			Consensus Forecasts		
	Month	Year	Months From Now:			
Latest:	Ago:	Ago:	3	6	12	
U.S.	77.619	76.334	73.773	78.1	79.0	80.4
Japan	104.32	103.28	89.90	105.4	107.1	109.3
U.K.	1.6429	1.6294	1.5876	1.62	1.62	1.60
Switzerland	0.9100	0.8904	0.9346	0.94	0.96	1.00
Canada	1.0959	1.0594	0.9937	1.09	1.10	1.09
Australia	0.8778	0.8961	1.0495	0.88	0.88	0.88
Euro	1.3554	1.3724	1.3303	1.32	1.30	1.27

	Consensus 3-Month Rates vs. U.S. Rate			Consensus 10-Year Gov't Yields vs. U.S. Yield	
	Now	In 12 Mo.		Now	In 12
Japan	-0.12	-0.14	Germany	-1.07	-1.25
U.K.	0.29	0.27	Japan	-2.11	-2.55
Switzerland	-0.19	-0.23	U.K.	0.03	0.05
Canada	0.86	0.90	France	-0.35	-0.82
Australia	2.29	2.87	Italy	1.09	0.40
Eurozone	0.03	-0.12	Switzerland	-1.69	-2.01
			Canada	-0.36	-0.12
			Australia	1.31	1.16
			Spain	0.99	0.42

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

International Commentary Global financial markets have turned ugly since the turn of the year, inducing a rush from risk-on to risk-off strategies. A sell-off that began last year in emerging market currencies, debt and equity markets now has spread contagion to the developed world, also sending their equity markets tumbling and sovereign debt yields lower. Deteriorating investor confidence since last spring in the BRIC nations of Brazil, Russia, India and China, coupled with mounting political and financial instability in a host of other nations including Turkey, Argentina, Venezuela, Ukraine, Thailand, South Africa and Egypt, provided the backdrop to the recent market tumult. However, the most oft mentioned causes of last week's sell-off were the anticipated January 29th announcement by the Federal Reserve of a second reduction in its monthly asset purchase program, coupled with a weaker-than-anticipated PMI reading from China and worries about the stability of that nation's banking system. While headline grabbing, the recent market turmoil has so far done little to alter the consensus view that global economic growth this year will exceed that in 2013. Nonetheless, financial markets, especially in emerging nations that depend on external financing, may remain volatile this year as the Fed continues to reduce the size of its monthly asset purchases and market participants discount the eventuality of less generous policies from it and other major central banks in the developed world.

The Bank of England is expected to leave interest rates and its QE program unchanged on February 6th. However, taking their cue from BoE Governor Mark Carney's recent comments, analysts believe the central bank will jettison its linkage of interest rates to the unemployment rate. Last August, the BoE had signaled that rate hikes were likely when the jobless rate fell to 7.0%. However, its faster-than-expected decline since then (7.1% in November) has left policymakers back-pedaling on that threat. Real GDP growth in the second half of last year was robust, likely growing about 3.0% (saar) again in Q4. On top of that, inflation has fallen back to near the BoE's 2% target. As a result, sterling has strengthened against the dollar and the euro, and may put a crimp in exports. Most analysts do not anticipate a hike in interest rates by the BoE until late this year or early 2015.

The European Central Bank also is expected to leave policy unchanged when it meets February 6th. While the Eurozone exited recession in the first half of last year, recovery has been slow, with real GDP growing just 0.3% (saar) in Q3 2013 and perhaps 0.5%-1.0% (saar) in Q4. Reflecting the softness of growth, unemployment in much of the currency zone remains extremely high and inflation lower than desired by the European Central Bank. The latest PMI and confidence data continue to indicate slow improvement but many analysts think the ECB will need to cut interest rates yet again to spur growth and calm money markets that recently have exhibited some turbulence. Indeed, ECB president Draghi is expected at the upcoming meeting to again stress that the bank still has room for further easing.

On January 22nd the Bank of Japan left policy unchanged, maintaining its commitment to expand the monetary base by an annual 60-70 trillion yen in its effort to achieve a 2% inflation target. The bank slightly downgraded its forecast of real GDP growth this year and forecast an increase in the CPI of 1.3% this year and 1.9% in 2015. The BoJ noted the improvement in the economic recovery, but assumed some resulted from front-loaded increases in demand prior to the planned 8% sales tax hike this April. The BoJ is widely expected to increase stimulus in Q2 to offset the impact of the sales tax hike.

The Bank of Canada left its overnight policy rate unchanged at 1.0% on January 22nd and most analysts do not anticipate an increase until mid-2015. The Canadian dollar has weakened to four-year lows against the U.S. dollar which it is hoped will boost exports. The Reserve Bank of Australia is expected to leave policy unchanged on February 4th but a rate cut later this year remains possible if growth does not pick up. The Australian dollar also has weakened appreciably of late (see pages 10-11 for individual panelists' forecasts).

First Quarter 2014

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum -- Average For Quarter-----															Avg. For ---Qtr.--- A. Fed's Major Currency \$ Index	-----((Q-Q % Change)----- -----((SAAR)-----			
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----						B. Real GDP	C. GDP Price Index	D. Cons. Price Index	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					
	Federal Funds Rate	Prime Bank Rate	LIBOR 3-Mo. Rate	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate					
Scotiabank Group	0.3 H	3.3 H	na	na	0.1 H	na	na	0.4	1.5	3.1 H	4.0	na	na	na	na	na	na	2.5	1.6	1.3
Societe Generale	0.3 H	na	0.2 L	na	na	na	na	0.4	1.6	3.0	4.0	na	na	na	na	na	na	3.0	2.0	1.7
RBC Capital Markets	0.3 H	3.3	na	na	0.1 H	0.1	0.1 L	0.4	1.6	2.8	3.9	na	na	na	na	na	na	2.1	2.6	1.8
Bank of Toyko-Mitsubishi UFJ	0.3 H	3.3	0.3	0.1 L	0.1 H	0.1	0.1 L	0.4	1.6	3.0	4.0	4.5	5.3	4.7	4.5	76.0	na	3.2	1.7	3.1
Swiss Re	0.3 H	3.3	0.3	0.2 H	0.1 H	0.2 H	0.3 H	0.5	1.8 H	3.1 H	4.0	4.7	5.5	na	5.1 H	na	na	2.3	3.5 H	3.5 H
Barclays	0.2	3.3	0.3	0.1 L	0.1 H	0.1	0.2	0.4	1.7	2.9	3.9	4.7	5.6	4.9	4.6	na	na	2.5	2.3	1.0
Georgia State University	0.2	3.3	na	na	0.1 H	0.1	0.1 L	0.4	1.8	3.0	4.0	4.9	5.9 H	na	4.7	na	na	1.8	1.4	1.8
Kellner Economic Advisers	0.2	3.3	0.3	0.1 L	0.1 H	0.1	0.2	0.3 L	0.9 L	2.7 L	3.5 L	4.5	5.4	4.8	4.4	77.0	na	1.9	1.5	1.8
Fannie Mae	0.2	3.3	na	na	0.1 H	0.1	0.2	0.4	1.7	3.0	3.9	na	na	na	4.6	na	na	2.2	1.1	2.1
SunTrust Banks	0.2	3.3	0.3	0.1 L	0.1 H	0.2 H	0.3 H	0.4	1.5	2.7 L	3.7	4.6	5.1 L	4.2	4.6	74.2 L	na	3.3	1.7	1.9
Woodworth Holdings	0.2	3.3	0.3	0.1 L	0.1 H	0.1	0.1 L	0.4	1.6	2.9	3.8	4.5	5.2	4.6	4.4	77.0	na	1.5 L	1.4	1.3
Chase Wealth Management	0.2	3.3	0.3	0.1 L	0.1 H	0.1	0.1 L	0.4	1.7	2.9	3.8	4.5	5.2	4.6	4.5	77.7	na	2.6	1.8	1.5
Naroff Economic Advisors	0.2	3.3	0.3	0.1 L	0.1 H	0.1	0.1 L	0.4	1.8 H	3.0	4.0	4.8	5.5	4.7	4.5	77.0	na	3.4 H	2.3	1.5
RidgeWorth Investments	0.2	3.3	0.4	0.1 L	0.1 H	0.2 H	0.2	0.5	1.6	3.0	4.0	4.7	5.5	5.0 H	4.6	78.0 H	na	2.5	1.8	1.8
AIG	0.2	na	na	na	0.0 L	0.1	0.1 L	0.4	1.7	2.9	4.0	na	5.6	na	na	na	na	2.3	0.8 L	1.9
Wells Capital Management	0.2	3.3	0.2 L	0.1 L	0.1 H	0.1	0.3 H	0.5	1.6	2.8	3.8	4.4 L	5.2	4.5	4.5	77.2	na	2.8	1.7	1.9
PNC Financial Services Corp.	0.2	3.3	0.3	na	0.1 H	0.1	0.2	0.5	1.7	3.0	na	na	5.4	na	4.6	75.8	na	2.8	1.9	2.0
Mesirow Financial	0.2	3.3	0.3	0.1 L	0.0 L	0.0 L	0.1 L	0.4	1.7	3.0	4.1	4.5	5.4	5.0 H	4.5	77.1	na	2.8	1.2	2.1
BNP Paribas Americas	0.1 L	na	0.3	0.1 L	0.0 L	0.1	0.2	0.4	1.8 H	3.1 H	4.0	4.8	5.7	4.9	4.7	na	na	2.1	2.0	0.7 L
J.P. Morgan Chase	0.1 L	na	0.2 L	na	na	na	na	0.4	1.8 H	3.1 H	4.0	na	na	na	na	na	na	2.5	1.4	1.0
Moody's Capital Markets Group	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.2	0.4	1.7	2.9	3.8	4.5	5.2	4.6	4.5	76.9	na	2.0	1.6	1.4
Comerica Bank	0.1 L	3.3	0.2 L	na	0.1 H	0.1	0.1 L	0.4	1.6	2.9	3.8	na	na	na	na	na	na	2.8	1.6	1.4
Nomura Securities, Inc.	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.2	0.5	1.8 H	3.1 H	4.1	4.8	5.5	na	4.5	76.6	na	2.7	1.8	1.4
Bank of America Merrill Lynch	0.1 L	na	0.3	na	0.1 H	na	na	0.4	1.8 H	3.1 H	4.1	na	na	na	na	na	na	2.3	1.3	1.5
UBS	0.1 L	na	0.3	na	0.1 H	na	na	0.4	1.8 H	3.0	3.9	na	na	na	na	na	na	2.6	2.0	1.6
Chimura Economics & Analytics	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.1 L	0.4	1.7	3.0	3.9	4.6	na	na	4.5	74.6	na	2.5	1.7	1.8
Economist Intelligence Unit	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.1 L	0.4	1.7	2.9	3.8	na	na	na	4.4	na	na	2.6	na	1.8
BMO Capital Markets	0.1 L	3.3	0.3	na	0.1 H	0.1	0.1 L	0.4	1.7	2.9	3.9	na	na	na	4.5	77.3	na	2.3	1.9	2.0
High Frequency Economics	0.1 L	3.3	na	na	0.1 H	0.1	0.2	0.6 H	1.8 H	3.1 H	4.0	na	na	na	na	na	na	3.3	2.1	2.1
GLC Financial Economics	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.1 L	0.4	1.7	3.0	3.9	4.6	5.3	4.7	4.5	76.8	na	2.5	1.9	2.1
Daiw a Capital Markets America	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.2	0.4	1.8 H	3.0	3.9	4.7	5.4	4.7	4.7	77.0	na	2.0	1.5	1.5
Oxford Economics	0.1 L	3.3	0.3	na	0.1 H	0.1	0.2	0.5	1.7	3.0	4.2 H	na	na	na	4.3 L	77.1	na	2.6	1.4	1.7
Goldman Sachs	0.1 L	na	0.3	na	0.1 H	na	na	0.4	1.6	2.9	3.9	na	na	na	4.5	na	na	3.0	1.3	2.2
RDQ Economics	0.1 L	3.3	0.2 L	0.1 L	0.1 H	0.1	0.3 H	0.4	1.6	3.0	4.1	4.8	5.6	5.0 H	4.6	76.0	na	2.8	1.6	1.6
RBS Securities	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.2	0.4	1.5	2.7 L	3.7	4.7	5.5	4.6	4.4	77.0	na	2.0	1.0	1.7
Russell Investments	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.2	0.4	1.7	3.0	3.9	4.6	5.2	4.7	4.6	77.1	na	2.7	1.9	1.7
The Northern Trust Company	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.2	0.4	1.7	2.9	3.9	4.5	5.2	4.7	na	na	na	3.0	1.5	1.8
Cycledata Corp.	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.1 L	0.4	1.7	3.0	3.9	4.6	5.4	4.6	4.6	77.0	na	2.7	1.8	1.8
Stone Harbor Investment Partners	0.1 L	3.3	0.2 L	0.1 L	0.1 H	na	na	0.5	1.8 H	3.1 H	4.0	4.8	5.8	na	4.7	77.0	na	3.2	1.8	1.8
Wells Fargo	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.2	0.4	1.7	3.0	3.9	4.6	5.3	4.5	4.7	78.0 H	na	2.0	1.7	1.9
Nat'l Assn. of Realtors	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.1 L	0.4	1.7	3.0	3.9	4.6	5.3	4.7	4.6	na	na	2.5	1.9	2.3
Standard & Poor's Corp.	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.2	0.4	1.7	2.9	na	4.7	5.4	4.8	4.5	na	na	2.2	1.6	0.9
ClearView Economics	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.2	0.4	1.7	2.9	3.9	4.6	5.3	4.6	4.5	76.0	na	2.7	1.3	1.2
DePrince & Associates	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.2	0.4	1.5	2.9	3.9	4.6	5.4	4.6	4.5	77.3	na	2.5	1.4	1.4
Loomis, Sayles & Company	0.1 L	3.3	0.2 L	0.1 L	0.1 H	0.1	0.1 L	0.4	1.8 H	3.0	4.0	4.7	5.4	4.7	4.6	77.3	na	1.8	1.0	1.7
MacroFin Analytics	0.1 L	3.3	0.2 L	0.1 L	0.1 H	0.1	0.1 L	0.4	1.6	2.8	3.8	4.5	5.2	4.5	4.4	77.7	na	2.0	1.3	1.7
Action Economics	0.1 L	3.3	0.3	0.1 L	0.1 H	0.1	0.1 L	0.5	1.8 H	3.1 H	4.0	4.7	5.4	4.8	4.6	76.3	na	2.5	2.4	2.1
Moody's Analytics	0.1 L	3.3	0.5 H	0.1 L	0.1 H	0.2 H	0.2	0.5	1.5	3.0	3.9	5.0 H	5.9 H	4.0 L	4.9	na	na	2.8	1.4	1.9
Perpont Securities	0.1 L	3.3 L	0.2 L	0.1 L	0.1 H	0.1	0.1 L	0.4	1.7	2.9	3.8	4.6	5.3	4.7	4.5	77.5	na	1.5 L	1.9	2.1
February Consensus	0.1	3.3	0.3	0.1	0.1	0.1	0.2	0.4	1.7	3.0	3.9	4.6	5.4	4.6	4.6	76.8	na	2.5	1.7	1.8
Top 10 Avg.	0.2	3.3	0.3	0.1	0.1	0.1	0.2	0.5	1.8	3.1	4.1	4.8	5.7	4.8	4.7	77.5	na	3.1	2.3	2.4
Bottom 10 Avg.	0.1	3.3	0.2	0.1	0.0	0.1	0.1	0.4	1.5	2.8	3.7	4.5	5.2	4.5	4.4	75.9	na	1.9	1.2	1.2
January Consensus	0.1	3.3	0.3	0.1	0.1	0.1	0.2	0.4	1.6	2.9	3.9	4.7	5.5	4.7	4.6	76.4	na	2.5	1.7	1.7
Number of Forecasts Changed From A Month Ago:																				
Down	8	0	15	11	16	22	18	7	3	8	17	21	22	16	14	2	na	14	9	11
Same	37	43	26	19	29	16	18	23	17	21	13	8	9	6	12	10	na	24	32	26
Up	4	0	2	2	3	5	7	19	29	20	17	3	1	5	14	20	na	11	7	12
Diffusion Index	46 %	50 %	35 %	36 %	36 %	30 %	37 %	62 %	77 %	62 %	50 %	22 %	17 %	30 %	50 %	78 %	na	47 %	48 %	51 %

Second Quarter 2014

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum -- Average For Quarter--															Avg. For Qtr-- A. Fed's Major Currency \$ Index	------(Q-Q % Change)-----			
	Short-Term					Intermediate-Term					Long-Term						B. Real GDP	C. GDP Price Index	D. Cons. Price Index	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate					
Societe Generale	0.3 H	na	0.3	na	na	na	na	0.4	1.7	3.2	4.2	na	na	na	na	na	na	3.1	1.7	0.2 L
RBC Capital Markets	0.3 H	3.3 H	na	na	0.1	0.1 L	0.1	0.4	1.9	3.1	4.0	na	na	na	na	na	na	2.6	2.5	1.4
Scotiabank Group	0.3 H	3.3	na	na	0.1	na	na	0.6	1.8	3.3	4.2	na	na	na	na	na	na	2.8	1.6	1.5
Swiss Re	0.3	3.3	0.3	0.2	0.1	0.2	0.3	0.7	2.0 H	3.2	4.2	5.0	5.7	na	5.2 H	na	na	3.8 H	2.0	2.2
Bank of Toyko-Mitsubishi UFJ	0.3 H	3.3	0.3	0.1 L	0.1	0.2	0.2	0.5	1.6	3.2	4.2	4.6	5.4	4.7	4.6	75.0	2.9	2.3	3.1 H	
Fannie Mae	0.2	3.3	na	na	0.1	0.2	0.2	0.5	1.8	3.2	3.9	na	na	na	4.7	na	na	3.0	1.4	1.4
Barclays	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.5	1.8	3.0	4.0	4.8	5.7	5.0	4.6	na	na	2.5	2.3	1.5
Georgia State University	0.2	3.3	na	na	0.1	0.1 L	0.1	0.4	1.9	3.2	4.2	5.1	6.2	na	4.9	na	na	2.0	1.4	1.6
Kellner Economic Advisers	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.3 L	0.9 L	2.7 L	3.5 L	4.5 L	5.4	4.8	4.4	77.0	2.0	1.5	1.8	
SunTrust Banks	0.2	3.3	0.4	0.2	0.1	0.3 H	0.5 H	0.7	1.7	2.8	3.8	4.7	5.0 L	4.0 L	4.8	75.7	3.4	2.1	2.0	
Mesirow Financial	0.2	3.3	0.3	0.2	0.0 L	0.1 L	0.2	0.6	1.8	3.1	4.1	4.5 L	5.4	5.0	4.6	78.5	3.0	1.4	1.3	
Woodworth Holdings	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.1	0.4	1.7	2.9	3.8	4.5 L	5.2	4.6	4.5	77.5	1.5 L	1.5	1.3	
DePrince & Assoc.	0.2	3.3	0.4 H	0.3 H	0.2 H	0.2	0.3	0.5	1.6	2.9	3.9	4.7	5.5	4.5	4.6	77.2	2.6	1.5	1.5	
Wells Capital Management	0.2	3.3	0.3	0.1 L	0.1	0.2	0.4	0.6	1.8	3.0	3.9	4.5 L	5.3	4.6	4.7	77.4	3.3	1.5	1.6	
Comerica Bank	0.2	3.3	0.3	na	0.1	0.1 L	0.1 L	0.4	1.7	2.9	3.9	na	na	na	na	na	na	3.3	1.5	1.6
Chmura Economics & Analytics	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.4	1.7	3.1	4.0	4.6	na	na	4.6	74.8 L	2.7	1.7	1.7	
Chase Wealth Management	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.4	1.7	2.9	3.8	4.5 L	5.2	4.6	4.5	78.0	2.6	1.9	1.7	
AIG	0.2	na	na	na	0.0 L	0.1 L	0.2	0.5	1.8	3.1	4.1	na	5.8	na	na	na	na	2.5	1.6	1.8
PNC Financial Services Corp.	0.2	3.3	0.3	na	0.1	0.2	0.3	0.6	1.9	3.2	na	na	5.7	na	4.8	75.8	2.7	1.9	2.0	
Naroff Economic Advisors	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.5	1.9	3.1	4.2	5.0	5.7	4.9	4.6	76.4	3.6	2.6 H	2.1	
RidgeWorth Investments	0.2	3.3	0.4 H	0.1 L	0.1	0.2	0.2	0.5	1.7	3.0	4.0	4.7	5.5	5.0	4.6	78.0	2.5	2.0	2.4	
Bank of America Merrill Lynch	0.1 L	na	0.3	na	0.1	na	na	0.5	2.0 H	3.4 H	4.3	na	na	na	na	na	na	3.0	1.5	1.3
Goldman Sachs & Co.	0.1 L	na	0.3	na	0.1	na	na	0.5	1.7	3.0	3.9	na	na	na	4.6	na	na	3.5	0.6 L	1.5
J.P. Morgan Chase	0.1 L	na	0.2 L	na	na	na	na	0.5	1.9	3.2	4.1	na	na	na	na	na	na	2.5	1.4	1.5
BNP Paribas Americas	0.1 L	na	0.3	0.1 L	0.0 L	0.1 L	0.3	0.5	2.0 H	3.3	4.1	4.9	5.8	5.1	4.9	na	na	2.2	2.0	1.5
BMO Capital Markets	0.1 L	3.3	0.3	na	0.1	0.1 L	0.1 L	0.4	1.8	3.1	4.0	na	na	na	4.6	78.7	2.9	1.5	1.6	
Nomura Securities, Inc.	0.1 L	3.3	0.4 H	0.1 L	0.1	0.2	0.2	0.5	1.7	3.0	4.0	4.9	5.5	na	4.6	77.3	3.0	1.5	1.7	
Moody's Capital Markets Group	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.4	1.8	3.0	3.8	4.5 L	5.3	4.6	4.7	77.1	2.8	1.7	1.7	
UBS	0.1 L	na	0.3	na	0.1	na	na	0.6	1.8	3.1	4.0	na	na	na	na	na	na	3.3	2.0	1.7
Economist Intelligence Unit	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.5	1.8	3.1	3.9	na	na	na	4.6	na	na	2.2	na	2.1
High Frequency Economics	0.1 L	3.3	na	na	0.1	0.1 L	0.2	0.8 H	1.9	3.2	4.1	na	na	na	na	na	na	3.3	2.3	2.3
GLC Financial Economics	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.1 L	0.4	1.6	3.0	3.9	5.6 H	6.4 H	4.7	4.6	76.6	3.0	2.1	2.3	
RBS Securities	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.4	1.7	2.8	3.8	4.7	5.6	4.7	4.5	79.0 H	2.1	1.1	1.2	
Daiwa Capital Markets America	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.5	1.8	3.1	4.0	4.8	5.5	4.8	4.9	77.0	2.4	1.6	1.8	
MacroFin Analytics	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.4	1.7	2.9	3.9	4.6	5.2	4.6	4.5	78.0	2.5	1.4	1.8	
Action Economics	0.1 L	3.3	0.4 H	0.1 L	0.1	0.2	0.2	0.7	1.9	3.2	4.1	4.9	5.6	4.8	4.8	76.2	2.7	1.5	1.8	
Oxford Economics	0.1 L	3.3	0.3	na	0.1	0.2	0.3	0.8 H	1.8	3.0	4.3	na	na	na	4.3 L	78.5	2.9	1.5	1.8	
RDQ Economics	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.3	0.5	1.8	3.3	4.4 H	5.0	5.8	5.2 H	4.9	76.0	3.2	1.7	1.5	
Loomis, Sayles & Company	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.8 H	2.0 H	3.3	4.0	4.9	5.6	4.9	4.9	77.9	2.7	1.4	1.7	
Stone Harbor Investment Partners	0.1 L	3.3	0.2 L	0.1 L	0.1	na	na	0.7	1.9	3.4 H	4.2	5.1	6.1	na	5.0	78.0	2.5	1.8	1.7	
Russell Investments	0.1 L	3.3	0.3	0.1 L	0.1	0.2	0.3	0.6	1.9	3.2	4.1	4.8	5.5	4.8	4.8	77.0	2.9	2.0	1.7	
ClearView Economics	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.5	1.8	3.0	4.0	4.7	5.4	4.7	4.7	77.0	3.1	1.5	1.8	
Wells Fargo	0.1 L	3.3	0.3	0.1 L	0.1	0.2	0.3	0.5	1.8	3.0	4.0	4.6	5.3	4.5	4.8	79.0 H	2.2	1.8	1.9	
Cycledata Corp.	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.1 L	0.4	1.8	3.3	4.3	5.1	5.9	4.8	4.8	77.0	2.8	1.8	1.9	
The Northern Trust Company	0.1 L	3.3	0.3	0.1 L	0.1	0.2	0.3	0.5	1.8	3.0	4.0	4.6	5.3	4.5	na	na	na	3.0	1.8	1.9
Nat'l Assn. of Realtors	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.8 H	1.9	3.2	4.2	4.9	5.6	4.9	4.9	na	na	2.6	2.1	2.6
Pierpont Securities	0.1 L	3.3	0.2 L	0.1 L	0.1	0.1 L	0.1 L	0.5	1.8	3.1	4.0	4.8	5.6	4.9	4.6	78.5	2.2	1.6	1.9	
Standard & Poor's Corp.	0.1 L	3.3	0.3	0.2	0.1	0.1 L	0.2	0.4	1.7	3.0	na	4.7	5.6	4.8	4.6	na	na	2.6	2.1	2.2
Moody's Analytics	0.1 L	3.3 L	0.4 H	0.1 L	0.1	0.2	0.3	0.6	1.8	3.2	4.1	5.3	6.3	4.1	5.1	na	na	3.2	2.2	2.3
February Consensus	0.1	3.3	0.3	0.1	0.1	0.1	0.2	0.5	1.8	3.1	4.0	4.8	5.6	4.7	4.7	77.2	2.8	1.7	1.8	
Top 10 Avg.	0.2	3.3	0.4	0.2	0.1	0.2	0.3	0.7	1.9	3.3	4.3	5.1	6.0	5.0	4.9	78.4	3.4	2.3	2.4	
Bottom 10 Avg.	0.1	3.3	0.2	0.1	0.0	0.1	0.1	0.4	1.6	2.9	3.8	4.6	5.3	4.5	4.5	76.0	2.1	1.3	1.3	
January Consensus	0.1	3.3	0.3	0.1	0.1	0.1	0.2	0.5	1.7	3.0	4.0	4.8	5.6	4.8	4.7	76.8	2.7	1.8	1.9	
Number of Forecasts Changed From A Month Ago:																				
Down	2	0	12	10	11	12	16	10	3	8	14	19	18	15	11	5	5	11	16	
Same	45	42	26	20	33	24	21	24	21	22	19	7	12	10	14	10	31	32	28	
Up	2	0	5	4	3	6	5	15	25	19	14	8	4	4	14	15	13	5	5	
Diffusion Index	50 %	50 %	42 %	41 %	41 %	43 %	37 %	55 %	72 %	61 %	50 %	34 %	29 %	31 %	54 %	67 %	58 %	44 %	39 %	

Third Quarter 2014

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum-- Average For Quarter-----																Avg. For ---Qtr.---	------(Q-Q % Change)-----			
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----							A. Fed's Major Currency \$ Index	------(SAAR)-----		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	B.			C.	D.	
	Federal Funds Rate	Prime Bank Rate	LIBOR 3-Mo. Rate	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate	Real GDP			GDP Price Index	Cons. Price Index	
Bank of Toyko-Mitsubishi UFJ	0.3 H	3.3 H	0.5 H	0.3 H	0.3 H	0.3	0.4	0.9	1.9	3.4	4.3	4.6	5.4	4.8	4.8	73.0 L	2.9	1.5	1.5		
Scotiabank Group	0.3 H	3.3	na	na	0.1	na	na	0.9	2.2	3.4	4.4	na	na	na	na	na	2.7	1.8	1.5		
Swiss Re	0.3 H	3.3	0.3 L	0.2	0.1	0.2	0.3	0.8	2.1	3.4	4.3	5.0	5.8	na	5.4 H	na	3.6 H	1.8	2.0		
RBC Capital Markets	0.3 H	3.3	na	na	0.1	0.1	0.2	0.6	2.1	3.2	4.1	na	na	na	na	na	2.9	2.5	3.1		
Societe Generale	0.3 H	na	0.3 L	na	na	na	na	0.5	1.8	3.4	4.4	na	na	na	na	na	3.2	2.3	3.3		
Fannie Mae	0.2	3.3	na	na	0.2	0.2	0.2	0.6	2.0	3.3	4.0	na	na	na	4.9	na	3.1	1.5	1.6		
Georgia State University	0.2	3.3	na	na	0.1	0.1 L	0.1 L	0.5	2.1	3.5	4.4	5.4	6.6 H	na	5.1	na	2.1	1.5	1.7		
Kellner Economic Advisers	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3 L	0.9 L	2.7 L	3.5 L	4.5 L	5.4	4.8	4.4 L	77.0	2.2	1.5	1.8		
Wells Fargo	0.2	3.3	0.3 L	0.2	0.1	0.2	0.4	0.6	1.9	3.1	4.0	4.7	5.5	4.6	4.8	80.0	2.8	2.0	1.9		
Cycledata Corp.	0.2	3.3	0.4	0.1 L	0.1	0.1 L	0.1 L	0.4	1.9	3.5	4.4	5.2	6.0	4.8	4.9	77.0	2.9	1.9	2.0		
SunTrust Banks	0.2	3.3	0.4	0.2	0.1	0.6 H	1.1 H	0.8	1.9	2.9	3.9	4.8	5.1 L	4.1 L	4.9	77.3	3.2	2.5	2.1		
Barclays	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.6	2.0	3.1	4.1	4.9	5.8	5.0	4.7	na	2.5	2.3	2.9		
DePrince & Assoc.	0.2	3.3	0.5 H	0.3 H	0.2	0.3	0.4	0.6	1.7	3.0	4.0	4.8	5.6	4.5	4.7	77.1	2.6	1.6	1.6		
AIG	0.2	na	na	na	0.0 L	0.2	0.2	0.5	1.9	3.1	4.2	na	5.8	na	na	na	2.7	1.7	1.8		
Woodworth Holdings	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.5	1.7	3.0	3.9	4.6	5.3	4.7	4.5	78.0	2.0 L	1.5	1.4		
Mesirow Financial	0.2	3.3	0.3 L	0.2	0.0 L	0.1 L	0.3	0.7	2.0	3.2	4.2	4.6	5.5	5.1	4.7	79.7	2.7	1.6	1.5		
Comerica Bank	0.2	3.3	0.3 L	na	0.1	0.1 L	0.1 L	0.4	1.7	3.0	4.0	na	na	na	na	na	3.1	1.7	1.7		
Chase Wealth Management	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.5	1.7	3.0	3.9	4.6	5.3	4.6	4.5	78.2	3.0	2.0	1.8		
PNC Financial Services Corp.	0.2	3.3	0.4	na	0.2	0.3	0.4	0.8	2.1	3.3	na	na	6.0	na	5.1	75.7	2.7	1.9	2.0		
Wells Capital Management	0.2	3.3	0.3 L	0.2	0.2	0.2	0.5	0.8	2.1	3.5	4.3	4.8	5.5	4.9	5.1	77.4	3.0	1.9	2.1		
Naroff Economic Advisers	0.2	3.3	0.4	0.2	0.2	0.2	0.3	0.7	2.1	3.3	4.4	5.3	6.0	5.1	4.8	75.5	2.8	2.4	2.3		
RidgeWorth Investments	0.2	3.3	0.4	0.1 L	0.1	0.2	0.2	0.5	1.7	3.1	4.0	4.7	5.5	5.1	4.7	78.0	2.5	2.2	2.4		
RBS Securities	0.2	3.3	0.4	0.2	0.1	0.2	0.3	0.8	2.1	3.1	4.0	4.8	5.7	4.7	4.7	82.0 H	2.8	2.1	2.5		
Chmura Economics & Analytics	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.5	1.8	3.2	4.1	4.7	na	na	4.7	76.0	2.9	2.0	2.6		
Action Economics	0.1 L	3.3	0.4	0.1 L	0.1	0.2	0.2	0.8	2.1	3.3	4.2	5.0	5.8	4.9	5.0	76.2	2.9	1.6	2.0		
Bank of America Merrill Lynch	0.1 L	na	0.3 L	na	0.1	na	na	0.6	2.3 H	3.6 H	4.5	na	na	na	na	na	3.2	1.6	1.3 L		
J.P. Morgan Chase	0.1 L	na	0.3 L	na	na	na	na	0.6	2.1	3.4	4.3	na	na	na	na	na	3.0	1.4 L	1.8		
Nomura Securities, Inc.	0.1 L	3.3	0.4	0.1 L	0.2	0.2	0.3	0.5	1.8	3.1	4.1	5.0	5.6	na	4.7	78.2	3.2	1.5	1.8		
Loomis, Sayles & Company	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.4	1.1	2.3	3.4	4.2	5.1	5.8	5.0	5.1	78.2	2.9	1.6	1.8		
BMO Capital Markets	0.1 L	3.3	0.3 L	na	0.1	0.1 L	0.1 L	0.4	1.9	3.3	4.1	na	na	na	4.8	79.3	2.9	1.6	1.8		
Goldman Sachs & Co.	0.1 L	na	0.3 L	na	0.1	na	na	0.6	1.9	3.1	3.9	na	na	na	4.7	na	3.5	2.0	1.8		
Moody's Capital Markets Group	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.3	0.5	1.9	3.1	3.8	4.5 L	5.3	4.6	4.7	77.5	2.9	1.9	2.0		
High Frequency Economics	0.1 L	3.3	na	na	0.1	0.1 L	0.4	1.1	2.1	3.3	4.2	na	na	na	na	na	3.3	2.3	2.3		
Economist Intelligence Unit	0.1 L	3.3	0.3 L	0.2	0.2	0.2	0.2	0.6	1.9	3.2	4.0	na	na	na	4.7	na	2.2	na	2.3		
BNP Paribas Americas	0.1 L	na	0.3 L	0.1 L	0.0 L	0.1 L	0.4	0.7	2.2	3.3	4.1	4.9	5.8	5.1	5.0	na	2.3	2.0	2.4		
UBS	0.1 L	na	0.3 L	na	0.1	na	na	0.7	2.0	3.3	4.2	na	na	na	na	na	3.4	2.0	4.3 H		
GLC Financial Economics	0.1 L	3.3	0.4	0.1 L	0.1	0.1 L	0.2	0.4	1.6	3.0	4.0	5.0	5.8	4.8	4.5	76.5	3.3	2.2	2.4		
Daiwa Capital Markets America	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.6	1.9	3.2	4.1	4.9	5.6	4.9	5.0	76.0	2.8	1.6	1.8		
MacroFin Analytics	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.5	1.7	3.0	4.0	4.6	5.3	4.7	4.5	78.2	2.8	1.5	1.9		
Oxford Economics	0.1 L	3.3	0.3 L	na	0.1	0.2	0.4	0.9	1.9	3.1	4.4	na	na	na	4.4 L	79.7	3.0	1.7	2.0		
ClearView Economics	0.1 L	3.3	0.3 L	0.2	0.1	0.2	0.2	0.5	1.9	3.1	4.0	4.7	5.4	4.7	4.8	77.5	3.1	1.6	2.2		
RDQ Economics	0.1 L	3.3	0.3 L	0.2	0.1	0.2	0.5	0.7	2.1	3.6 H	4.8 H	5.2	6.0	5.5 H	5.2	76.1	3.4	1.8	1.6		
Russell Investments	0.1 L	3.3	0.3 L	0.2	0.1	0.2	0.4	0.8	2.0	3.2	4.2	4.8	5.6	4.8	4.8	76.7	3.1	2.0	1.7		
Stone Harbor Investment Partners	0.1 L	3.3	0.3 L	0.1 L	0.1	na	na	0.9	2.1	3.5	4.4	5.2	6.2	na	5.1	79.0	3.1	1.8	1.9		
Pierpont Securities	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.6	2.0	3.4	4.4	5.1	5.9	5.1	4.9	79.5	2.3	1.7	2.0		
The Northern Trust Company	0.1 L	3.3	0.4	0.1 L	0.2	0.2	0.4	0.6	2.0	3.1	4.1	4.7	5.4	4.4	na	na	3.3	1.8	2.0		
Nat'l Assn. of Realtors	0.1 L	3.3	0.4	0.1 L	0.2	0.3	0.4	1.2 H	2.1	3.4	4.5	5.2	5.9	5.1	5.1	na	2.8	2.2	2.8		
Standard & Poor's Corp.	0.1 L	3.3	0.3 L	0.2	0.1	0.1 L	0.2	0.4	1.7	3.1	na	4.8	5.8	4.9	4.7	na	2.9	1.7	1.8		
Moody's Analytics	0.1 L	3.3 L	0.4	0.0 L	0.1	0.2	0.3	0.6	1.9	3.5	4.3	5.6 H	6.6 H	4.3	5.4 H	na	3.5	2.6 H	2.4		
February Consensus	0.2	3.3	0.3	0.1	0.1	0.2	0.3	0.6	1.9	3.2	4.1	4.9	5.7	4.8	4.8	77.6	2.9	1.9	2.1		
Top 10 Avg.	0.2	3.3	0.4	0.2	0.2	0.3	0.5	0.9	2.2	3.5	4.5	5.2	6.1	5.1	5.1	79.4	3.4	2.4	2.9		
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.0	0.1	0.1	0.4	1.6	3.0	3.9	4.6	5.3	4.5	4.6	75.9	2.3	1.5	1.5		
January Consensus	0.2	3.3	0.3	0.1	0.1	0.2	0.3	0.6	1.8	3.1	4.1	4.9	5.7	4.8	4.8	77.1	2.8	1.9	2.1		
Number of Forecasts Changed From A Month Ago:																					
Down	1	0	9	5	7	10	9	4	5	5	12	17	17	11	9	2	8	14	9		
Same	46	42	30	22	33	25	21	25	18	20	18	8	8	9	13	9	26	28	32		
Up	2	0	4	7	7	7	12	20	26	24	17	9	9	7	17	18	15	6	8		
Diffusion Index	4 %	4 %	6 %	3 %	2 %	3 %	2 %	2 %	3 %	4 %	5 %	9 %	5 %	4 %	5 %	3 %	4 %	5 %	2 %		

Fourth Quarter 2014 Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum----- Average For Quarter-----															Avg. For ---Qtr--- Fed's Major Currency \$ Index	----- (Q-Q % Change) -----							
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----						A. B. C. D.	Real GDP	Price Index	Cons. Price Index				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15						A. Major	B. GDP	C. Price	D. Price
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate									
Bank of Toyko-Mitsubishi UFJ	0.8 H	3.8 H	1.0 H	0.8 H	0.9 H	1.0 H	1.0	2.0 H	2.9 H	3.6	4.5	4.8	5.7	4.9	5.0	70.0 L	2.8	1.9	2.4					
RBC Capital Markets	0.3	3.3 L	na	na	0.1	0.1	0.3	0.9	2.5	3.6	4.4	na	na	na	na	na	2.7	1.4	1.7					
Swiss Re	0.3	3.3 L	0.3 L	0.2	0.1	0.2	0.3	0.9	2.2	3.5	4.4	5.0	5.8	na	5.5 H	na	3.7	1.5	1.7					
Scotiabank Group	0.3	3.3 L	na	na	0.1	na	na	1.2	2.5	3.6	4.5	na	na	na	na	na	3.0	1.8	1.7					
Naroff Economic Advisors	0.3	3.3 L	0.4	0.4	0.4	0.4	0.5	0.9	2.2	3.4	4.8	5.7	6.5	5.6	5.2	74.0	4.3 H	2.8	2.7					
Societe Generale	0.3	na	0.3 L	na	na	na	na	0.5	2.0	3.6	4.5	na	na	na	na	na	3.2	2.3	3.0 H					
SunTrust Banks	0.2	3.3 L	0.4	0.3	0.1	0.7	1.2 H	1.0	2.0	3.1	4.1	4.9	5.1	4.2	5.2	76.1	3.7	2.9	2.2					
DePrince & Associates	0.2	3.3 L	0.5	0.4	0.3	0.3	0.5	0.7	1.8	3.1	4.0	4.8	5.7	4.5	4.8	76.8	2.9	1.7	1.7					
Fannie Mae	0.2	3.3 L	na	na	0.2	0.3	0.3	0.8	2.2	3.4	4.0	na	na	na	5.0	na	3.2	1.6	1.5					
Georgia State University	0.2	3.3 L	na	na	0.0 L	0.0 L	0.1 L	0.6	2.3	3.8	4.7	5.8 H	7.0 H	na	5.4	na	2.1	1.7	1.6					
Kellner Economic Advisers	0.2	3.3 L	0.3 L	0.1	0.1	0.1	0.2	0.3 L	0.9 L	2.7 L	3.5 L	4.5	5.4	4.8	4.4 L	77.0	2.4	1.5	1.8					
Cycledata Corp.	0.2	3.3 L	0.4	0.1	0.1	0.1	0.1 L	0.5	2.0	3.6	4.5	5.3	6.1	4.9	4.9	78.0	2.9	2.0	2.1					
Wells Fargo	0.2	3.3 L	0.3 L	0.2	0.2	0.2	0.5	0.7	2.0	3.1	4.1	4.8	5.6	4.7	4.9	80.5	2.9	2.1	2.1					
Barclays	0.2	3.3 L	0.4	0.1	0.1	0.1	0.2	0.8	2.3	3.4	4.3	4.9	5.9	5.0	4.7	na	2.5	2.3	2.3					
AIG	0.2	na	na	na	0.0 L	0.1	0.2	0.7	2.0	3.2	4.3	na	5.9	na	na	na	3.1	1.7	1.9					
Action Economics	0.2	3.3 L	0.5	0.2	0.2	0.2	0.3	1.0	2.2	3.5	4.4	5.1	5.9	4.9	5.1	76.1	3.0	1.8	2.1					
Woodworth Holdings	0.2	3.3 L	0.3 L	0.1	0.1	0.1	0.2	0.5	1.8	3.0	3.9	4.6	5.3	4.7	4.6	79.0	2.0 L	1.5	1.5					
Mesirow Financial	0.2	3.3 L	0.3 L	0.2	0.0 L	0.0 L	0.5	1.0	2.1	3.2	4.2	4.7	5.6	5.0	4.7	80.2	3.0	1.7	1.5					
Comerica Bank	0.2	3.3 L	0.3 L	na	0.1	0.1	0.1 L	0.4	1.7	3.0	4.0	na	na	na	na	na	3.2	1.8	1.7					
Wells Capital Management	0.2	3.3 L	0.4	0.3	0.3	0.4	0.6	1.0	2.2	3.7	4.4	4.9	5.5	5.0	5.2	77.5	2.8	1.7	2.0					
FNC Financial Services Corp.	0.2	3.3 L	0.5	na	0.2	0.3	0.5	0.9	2.2	3.5	na	na	6.3	na	5.3	75.7	2.6	1.9	2.0					
Chase Wealth Management	0.2	3.3 L	0.3 L	0.2	0.1	0.2	0.2	0.5	1.7	3.0	3.9	4.6	5.3	4.7	4.5	78.5	3.0	2.1	2.0					
Chmura Economics & Analytics	0.2	3.3 L	0.3 L	0.1	0.1	0.1	0.2	0.5	1.9	3.2	4.1	4.8	na	na	4.8	76.2	3.1	1.9	2.1					
RidgeWorth Investments	0.2	3.3 L	0.4	0.1	0.1	0.2	0.2	0.5	1.8	3.1	4.0	4.7	5.5	5.1	4.7	78.0	2.5	2.2	2.4					
RBS Securities	0.2	3.3 L	0.5	0.2	0.1	0.2	0.3	0.8	2.1	3.1	4.0	4.8	5.7	4.7	4.7	82.0 H	2.8	2.1	2.5					
MacroFin Analytics	0.1 L	3.3 L	0.4	0.1	0.1	0.1	0.2	0.5	1.8	3.0	4.0	4.8	5.4	4.7	4.6	78.6	3.0	1.6	2.0					
Bank of America Merrill Lynch	0.1 L	na	0.3 L	na	0.1	na	na	0.7	2.6	3.8	4.6	na	na	na	na	na	3.2	1.6	1.4 L					
UBS	0.1 L	na	0.4	na	0.2	na	na	0.9	2.1	3.5	4.3	na	na	na	na	na	3.6	2.0	1.5					
Loomis, Sayles & Company	0.1 L	3.3 L	0.3 L	0.1	0.1	0.1	0.5	1.2	2.4	3.5	4.3	5.1	5.8	4.9	5.2	78.4	3.0	1.7	1.6					
J.P. Morgan Chase	0.1 L	na	0.3 L	na	na	na	na	0.7	2.3	3.6	4.4	na	na	na	na	na	3.0	1.4	1.8					
BMO Capital Markets	0.1 L	3.3 L	0.3 L	na	0.1	0.1	0.2	0.5	2.0	3.5	4.3	na	na	na	4.9	79.2	3.0	1.7	1.8					
Goldman Sachs & Co.	0.1 L	na	0.3 L	na	0.1	na	na	0.7	2.1	3.2	4.0	na	na	na	4.8	na	3.5	0.8 L	1.9					
Nomura Securities, Inc.	0.1 L	3.3 L	0.5	0.2	0.2	0.2	0.3	0.8	2.2	3.3	4.3	5.1	5.8	na	4.9	78.7	3.4	1.6	1.9					
Moody's Capital Markets Group	0.1 L	3.3 L	0.4	0.1	0.1	0.1	0.4	0.7	1.9	3.1	3.7	4.4 L	5.1 L	4.4	4.8	77.8	3.1	1.7	1.9					
Oxford Economics	0.1 L	3.3 L	0.3 L	na	0.1	0.2	0.5	1.1	1.9	3.1	4.5	na	na	na	4.5	80.2	3.3	1.6	2.0					
High Frequency Economics	0.1 L	3.3 L	na	na	0.1	0.2	0.6	1.5	2.3	3.4	4.3	na	na	na	na	na	3.3	2.3	2.3					
BNP Paribas Americas	0.1 L	na	0.3 L	0.1	0.0 L	0.1	0.6	0.9	2.3	3.5	4.2	5.0	5.9	5.3	5.1	na	2.3	2.0	2.4					
Economist Intelligence Unit	0.1 L	3.3 L	0.4	0.2	0.2	0.2	0.3	0.7	2.0	3.4	4.2	na	na	na	4.9	na	2.0 L	na	2.4					
GLC Financial Economics	0.1 L	3.3 L	0.4	0.2	0.1	0.1	0.2	0.4	1.5	2.9	4.1	5.1	5.9	4.9	4.5	76.6	3.0	2.2	2.5					
Daiwa Capital Markets America	0.1 L	3.3 L	0.3 L	0.2	0.1	0.2	0.2	0.7	2.0	3.3	4.2	4.9	5.6	4.9	5.1	76.0	3.0	1.8	1.9					
ClearView Economics	0.1 L	3.3 L	0.3 L	0.2	0.1	0.2	0.2	0.6	2.0	3.2	4.1	4.8	5.4	4.8	4.9	78.0	3.2	1.7	2.4					
Pierpont Securities	0.1 L	3.3 L	0.3 L	0.1	0.1	0.1	0.2	0.7	2.2	3.6	4.7	5.4	6.1	5.3	5.2	80.5	2.5	1.8	2.1					
Russell Investments	0.1 L	3.3 L	0.3 L	0.2	0.2	0.2	0.4	0.9	2.2	3.3	4.3	4.9	5.7	4.8	5.0	76.6	2.8	2.0	1.5					
RDQ Economics	0.1 L	3.3 L	0.3 L	0.2	0.2	0.3	0.7	1.0	2.5	3.9 H	5.1 H	5.4	6.2	5.7 H	5.5 H	76.3	3.4	1.8	1.7					
Stone Harbor Investment Partners	0.1 L	3.3 L	0.3 L	0.1	0.2	na	na	1.1	2.3	3.7	4.5	5.3	6.3	na	5.3	79.0	3.3	1.9	2.0					
The Northern Trust Company	0.1 L	3.3 L	0.4	0.1	0.2	0.3	0.4	0.6	2.3	3.4	4.4	5.0	5.7	4.0 L	na	na	3.6	1.9	2.0					
Nat'l Assn. of Realtors	0.1 L	3.3 L	0.4	0.2	0.3	0.5	0.6	1.5	2.3	3.6	4.7	5.4	6.1	5.3	5.3	na	2.8	2.4	2.9					
Standard & Poor's Corp.	0.1 L	3.3 L	0.3 L	0.2	0.1	0.1	0.2	0.4	1.7	3.1	na	4.8	5.8	4.9	4.8	na	3.4	1.5	1.7					
Moody's Analytics	0.1 L	3.3 L	0.4	0.0 L	0.1	0.2	0.4	0.6	2.0	3.6	4.5	5.7	6.7	4.4	5.5 H	na	4.1	3.2 H	2.4					
February Consensus	0.2	3.3	0.4	0.2	0.1	0.2	0.4	0.8	2.1	3.3	4.3	5.0	5.8	4.8	5.0	77.6	3.0	1.9	2.0					
Top 10 Avg.	0.3	3.3	0.5	0.3	0.3	0.4	0.7	1.3	2.4	3.7	4.7	5.4	6.3	5.2	5.3	79.8	3.7	2.5	2.6					
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.0	0.1	0.2	0.4	1.6	3.0	3.9	4.7	5.3	4.5	4.6	75.4	2.4	1.4	1.6					
January Consensus	0.2	3.3	0.4	0.2	0.1	0.2	0.3	0.8	2.0	3.3	4.2	5.0	5.8	4.9	4.9	77.4	2.9	1.9	2.0					
Number of Forecasts Changed From A Month Ago:																								
Down	1	1	10	8	8	7	10	4	2	3	11	15	15	10	6	5	4	10	8					
Same	45	40	26	20	32	28	20	27	20	19	16	8	7	9	14	9	25	31	30					
Up	3	1	6	5	7	7	12	18	27	27	20	11	11	9	19	13	20	7	11					
Diffusion Index	4 %	4 %	6 %	3 %	2 %	3 %	2 %	2 %	2 %	3 %	4 %	5 %	9 %	5 %	4 %	5 %	3 %	4 %	5 %	2 %				

First Quarter 2015

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum-- Average For Quarter-----															Avg. For ---Qtr--- Fed's Major Currency \$ Index	------(Q-Q % Change)-----																		
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----						A. B. C. D.	Real GDP	Price Index	Price Index															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15						Funds Bank Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Notes 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate
	Federal	Prime	LIBOR	Com.	Treas.	Treas.	Treas.	Treas.	Treas.	Treas.	Treas.	Aaa	Baa	State &	Home																				
Bank of Toyko-Mitsubishi UFJ	1.3 H	4.3 H	1.5 H	1.3 H	1.4 H	1.5 H	1.5 H	2.3	3.0	3.5	4.4	5.1	5.9	5.0	5.0	69.0 L	2.9	2.0	2.9																
SunTrust Banks	0.6	3.6	0.5	0.3	0.1	0.7	1.3	1.1	2.2	3.2	4.2	5.0	5.2	4.2	5.2	76.1	3.7	2.9 H	2.2																
Nat'l Assn. of Realtors	0.5	3.5	0.6	0.5	0.6	0.9	1.3	2.2	2.8	3.9	5.0	5.7	6.5	5.7 H	5.5	na	3.0	2.5	2.9																
Swiss Re	0.4	3.4	0.4	0.3	0.2	0.3	0.4	1.1	2.4	3.6	4.5	5.1	5.8	na	5.6	na	3.6	2.8	2.8																
Naroff Economic Advisors	0.4	3.4	0.6	0.5	0.6	0.6	0.8	1.1	2.5	3.6	4.8	5.7	6.5	5.6	5.2	74.0	4.3 H	2.8	2.7																
Chmura Economics & Analytics	0.3	3.3	0.4	0.3	0.2	0.3	0.3	0.6	2.1	3.4	4.3	5.1	na	na	5.0	76.1	3.1	2.2	2.5																
Scotiabank Group	0.3	3.3 L	na	na	0.2	na	na	1.5	2.6	3.7	4.6	na	na	na	na	na	3.0	1.8	1.8																
RBC Capital Markets	0.3	3.3 L	na	na	0.1	0.1	0.7	1.0	2.7	3.7	4.4	na	na	na	na	na	2.8	2.2	1.8																
DePrince & Associates	0.2	3.3 L	0.6	0.4	0.3	0.4	0.5	0.7	1.9	3.1	4.1	4.8	5.8	4.5	4.9	76.5	3.1	1.7	1.8																
Fannie Mae	0.2	3.3 L	na	na	0.3	0.4	0.5	1.0	2.3	3.5	4.1	na	na	na	5.2	na	2.8	1.8	1.6																
Moody's Capital Markets Group	0.2	3.3 L	0.6	0.2	0.2	0.4	0.7	1.0	2.0	3.1	3.7	4.4 L	5.1 L	4.4	4.8	78.1	2.2	2.0	1.6																
Georgia State University	0.2	3.3 L	na	na	0.0 L	0.0 L	0.1 L	0.5	2.1	3.6	4.5	5.6	6.8 H	na	5.4	na	2.4	1.4 L	1.8																
Kellner Economic Advisers	0.2	3.3 L	0.3 L	0.1 L	0.1	0.1	0.2	0.3 L	0.9 L	2.7 L	3.5 L	4.5	5.4	4.8	4.4 L	77.0	2.6	1.5	1.8																
RDQ Economics	0.2	3.3 L	0.4	0.3	0.4	0.5	1.0	1.5	2.9	4.2	5.3 H	5.6	6.4	5.7 H	5.8 H	76.3	3.3	1.9	1.8																
AIG	0.2	na	na	na	0.1	0.1	0.4	0.9	2.1	3.3	4.2	na	5.9	na	na	na	3.3	1.8	1.9																
Wells Fargo	0.2	3.3 L	0.3 L	0.2	0.2	0.3	0.6	0.8	2.1	3.2	4.1	4.9	5.7	4.8	4.9	80.8	3.0	2.1	2.1																
Action Economics	0.2	3.3 L	0.6	0.2	0.2	0.3	0.5	1.1	2.3	3.6	4.4	5.2	6.0	4.9	5.2	76.2	3.0	2.1	2.2																
Cycledata Corp.	0.2	3.3 L	0.4	0.1 L	0.1	0.2	0.2	0.7	2.1	3.6	4.6	5.4	6.2	4.9	5.1	78.0	2.9	2.1	2.3																
MacroFin Analytics	0.2	3.3 L	0.4	0.2	0.1	0.2	0.2	0.5	1.8	3.1	4.1	4.8	5.4	4.8	4.7	79.0	3.1	1.6	1.4																
Woodworth Holdings	0.2	3.3 L	0.3 L	0.1 L	0.1	0.2	0.2	0.6	1.8	3.1	4.0	4.7	5.4	4.8	4.6	80.0	2.0 L	1.6	1.5																
Mesirow Financial	0.2	3.3 L	0.3 L	0.2	0.0 L	0.1	0.7	1.3	2.4	3.3	4.2	4.8	5.7	5.0	4.8	80.7	3.2	1.7	1.5																
Comerica Bank	0.2	3.3 L	0.3 L	na	0.1	0.1	0.2	0.4	1.7	3.0	4.1	na	na	na	na	na	3.2	1.9	1.8																
PNC Financial Services Corp.	0.2	3.3 L	0.6	na	0.3	0.4	0.6	1.1	2.4	3.6	na	na	6.6	na	5.5	75.6	2.5	2.0	2.1																
Chase Wealth Management	0.2	3.3 L	0.4	0.2	0.2	0.2	0.2	0.5	1.8	3.0	3.9	4.6	5.3	4.7	4.6	78.5	3.0	2.1	2.1																
Wells Capital Management	0.2	3.3 L	0.4	0.4	0.4	0.4	0.6	1.2	2.2	3.9	4.5	5.0	5.6	5.1	5.3	77.8	2.6	2.2	2.1																
RidgeWorth Investments	0.2	3.3 L	0.4	0.1 L	0.1	0.2	0.2	0.6	1.9	3.3	4.1	4.8	5.6	5.3	4.9	76.0	3.0	2.2	2.4																
RBS Securities	0.2	3.3 L	0.5	0.2	0.2	0.2	0.5	1.0	2.3	3.3	4.1	4.9	5.8	4.7	4.9	83.0 H	2.6	1.8	3.0 H																
BNP Paribas Americas	0.1 L	na	0.3 L	0.1 L	0.0 L	0.1	0.9	1.1	2.5	3.6	4.2	5.1	5.9	5.4	5.1	na	2.3	2.0	1.3 L																
Bank of America Merrill Lynch	0.1 L	na	0.3 L	na	0.1	na	0.8	2.7 H	3.8 H	4.6 H	na	na	na	na	na	na	3.4	1.7	1.5																
Goldman Sachs & Co.	0.1 L	na	0.3 L	na	0.1	na	na	0.9	2.4	3.3	4.0	na	na	na	4.8	na	3.0	1.4 L	1.7																
Nomura Securities, Inc.	0.1 L	3.3 L	0.5	0.2	0.3	0.3	0.4	0.9	2.3	3.4	4.4	5.2	5.9	na	5.1	79.1	3.3	1.6	1.8																
Loomis, Sayles & Company	0.1 L	3.3 L	0.4	0.2	0.2	0.2	0.6	1.3	2.4	3.5	4.4	5.1	5.8	4.9	5.2	78.7	3.0	1.8	1.8																
BMO Capital Markets	0.1 L	3.3 L	0.3 L	na	0.1	0.1	0.3	0.7	2.2	3.6	4.4	na	na	na	5.1	78.8	3.1	1.8	1.8																
Oxford Economics	0.1 L	3.3 L	0.3 L	na	0.1	0.2	0.5	1.1	1.9	3.2	4.5	na	na	na	4.6	80.8	3.3	1.7	2.0																
Pierpont Securities	0.1 L	3.3 L	0.3 L	0.1 L	0.1	0.2	0.3	0.9	2.3	3.8	4.7	5.5	6.2	5.5	5.4	82.0	2.5	2.2	2.2																
Economist Intelligence Unit	0.1 L	3.3 L	0.4	0.2	0.3	0.3	0.3	0.8	2.1	3.5	4.3	na	na	na	5.0	na	2.5	na	2.3																
ClearView Economics	0.1 L	3.3 L	0.3 L	0.2	0.1	0.2	0.3	0.7	2.2	3.3	4.1	4.8	5.4	4.8	5.0	78.5	2.9	1.7	2.4																
High Frequency Economics	0.1 L	3.3 L	na	na	0.2	0.3	1.0	1.7	2.5	3.6	4.3	na	na	na	na	na	2.9	2.4	2.4																
UBS	0.1 L	na	0.5	na	0.3	na	na	1.1	2.3	3.6	4.3	na	na	na	na	na	2.7	2.3	2.6																
GLC Financial Economics	0.1 L	3.3 L	0.5	0.2	0.1	0.1	0.2	0.4	1.5	2.9	4.1	5.2	6.0	5.0	4.5	76.4	3.4	2.2	2.6																
Daiw a Capital Markets America	0.1 L	3.3 L	0.4	0.2	0.2	0.2	0.3	0.9	2.1	3.4	4.3	5.0	5.7	5.1	5.3	76.0	3.0	1.9	2.0																
The Northern Trust Company	0.1 L	3.3 L	0.4	0.1 L	0.2	0.3	0.5	0.8	2.3	3.4	4.4	5.0	5.7	4.0 L	na	na	3.6	1.9	2.0																
Russell Investments	0.1 L	3.3 L	0.4	0.2	0.2	0.3	0.6	1.2	2.3	3.4	4.4	4.9	5.7	4.8	5.0	76.5	2.9	2.1	2.0																
Stone Harbor Investment Partners	0.1 L	3.3 L	0.3 L	0.1 L	0.2	na	na	1.3	2.4	3.8	4.6	5.4	6.4	na	5.4	77.0	3.2	2.0	2.2																
Moody's Analytics	0.1 L	3.3 L	0.4	0.1 L	0.1	0.2	0.4	0.7	2.1	3.8	4.6	5.8 H	6.8 H	4.4	5.6	na	4.0	2.8	2.4																
Standard & Poor's Corp.	0.1 L	3.3 L	0.3 L	0.2	0.1	0.1	0.2	0.5	1.7	3.2	na	4.8	5.8	4.9	4.8	na	3.3	1.8	1.8																
February Consensus	0.2	3.3	0.4	0.2	0.2	0.3	0.5	1.0	2.2	3.4	4.3	5.1	5.9	4.9	5.1	77.7	3.0	2.0	2.1																
Top 10 Avg.	0.4	3.4	0.6	0.5	0.5	0.6	1.0	1.7	2.8	3.9	4.7	5.5	6.4	5.3	5.5	80.3	3.6	2.5	2.7																
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.0	0.1	0.2	0.5	1.7	3.0	3.9	4.7	5.4	4.5	4.7	75.2	2.4	1.6	1.6																
January Consensus	0.2	3.3	0.4	0.2	0.2	0.3	0.5	0.9	2.1	3.3	4.3	5.1	5.9	4.9	5.0	77.5	3.0	2.0	2.1																
Number of Forecasts Changed From A Month Ago:																																			
Down	2	0	8	7	8	10	8	5	2	2	12	13	14	11	8	3	5	10	10																
Same	40	38	27	19	31	22	19	26	22	23	18	10	11	8	14	12	25	27	27																
Up	4	3	5	6	7	9	14	15	22	21	13	9	7	8	16	14	16	8	9																
Diffusion Index	4 %	4 %	6 %	3 %	2 %	3 %	2 %	2 %	3 %	4 %	5 %	9 %	5 %	4 %	5 %	3 %	4 %	5 %	2 %																

Second Quarter 2015

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum-- Average For Quarter-----															Avg. For ---Qtr.--- A. Fed's Major Currency \$ Index	----- (Q-Q % Change) -----		
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----						----- (SAAR) -----		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		B.	C.	D.
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate		Real GDP	Price Index	Price Index
Bank of Toyko-Mitsubishi UFJ	1.8 H	4.8 H	2.0 H	1.8 H	1.9 H	2.0 H	2.0 H	2.6 H	3.1	3.6	4.4	5.2	6.2	5.2	5.1	68.0 L	2.9	2.0	3.1 H
SunTrust Banks	0.9	3.9	0.6	0.4	0.1	0.7	1.3	1.2	2.2	3.2	4.2	5.0	5.2	4.2	5.2	75.5	3.9	3.1 H	2.3
Nat'l Assn. of Realtors	0.8	3.8	0.8	0.7	0.8	1.1	1.6	2.5	3.1	4.1	5.2	5.9	6.7	5.9 H	5.7	na	3.0	2.7	3.1
Chmura Economics & Analytics	0.8	3.8	0.9	0.8	0.5	0.6	0.8	1.0	2.5	3.8	4.6	5.4	na	na	5.4	75.8	3.4	2.2	2.3
RDQ Economics	0.7	3.7	1.0	0.8	1.0	1.2	1.6	2.0	3.3 H	4.5 H	5.5 H	5.8	6.7	5.7	6.1 H	76.3	3.5	2.0	2.1
Naroff Economic Advisors	0.7	3.7	0.8	0.9	0.8	0.9	1.1	1.4	2.8	3.9	5.1	6.1 H	6.9	5.9 H	5.4	73.2	2.6	2.6	3.1 H
Swiss Re	0.6	3.6	0.7	0.5	0.5	0.5	0.6	1.3	2.6	3.7	4.6	5.2	5.9	na	5.8	na	3.5	1.8	2.0
Moody's Capital Markets Group	0.5	3.5	0.8	0.6	0.5	0.7	0.9	1.1	2.1	3.0	3.6	4.2 L	5.0 L	4.2	4.7	78.5	2.8	1.9	1.5
High Frequency Economics	0.5	3.5	na	na	0.5	0.5	1.4	1.9	2.7	3.7	4.2	na	na	na	na	na	2.9	2.4	2.4
Cycledata Corp.	0.4	3.4	0.5	0.3	0.2	0.3	0.5	1.1	2.3	3.8	4.8	5.6	6.4	5.1	5.3	78.0	2.9	2.2	2.5
Wells Fargo	0.3	3.3 L	0.3 L	0.3	0.3	0.4	0.8	1.0	2.2	3.3	4.2	5.0	5.8	4.9	5.0	80.5	3.1	2.1	2.1
RBC Capital Markets	0.3	3.3 L	na	na	0.1	0.3	0.9	1.3	2.9	3.8	4.5	na	na	na	na	na	2.6	1.4	0.6 L
Scotiabank Group	0.3	3.3 L	na	na	0.2	na	na	1.7	2.9	3.9	4.8	na	na	na	na	na	3.0	1.8	1.8
Stone Harbor Investment Partners	0.3	3.3 L	0.5	0.3	0.3	na	na	1.6	2.6	3.9	4.7	5.5	6.5	na	5.5	75.0	3.1	1.8	2.0
Chase Wealth Management	0.3	3.3 L	0.5	0.3	0.3	0.3	0.3	0.6	1.9	3.1	4.0	4.7	5.4	4.8	4.7	78.7	3.2	2.2	2.1
DePrince & Assoc.	0.2	3.3 L	0.6	0.5	0.3	0.4	0.6	0.8	2.0	3.2	4.1	4.9	5.9	4.6	5.0	76.6	3.1	1.7	1.8
Action Economics	0.2	3.3 L	0.7	0.2	0.3	0.4	0.7	1.3	2.5	3.7	4.6	5.2	6.0	5.0	5.3	76.2	3.0	2.1	2.3
MacroFin Analytics	0.2	3.3 L	0.4	0.2	0.2	0.3	0.4	0.6	1.9	3.3	4.4	4.9	5.6	4.9	4.8	80.0	3.1	1.7	1.5
Kellner Economic Advisers	0.2	3.3 L	0.3 L	0.1 L	0.1	0.1 L	0.2 L	0.3 L	0.9 L	2.7 L	3.5 L	4.5	5.4	4.8	4.4 L	77.0	2.8	1.5	1.8
Fannie Mae	0.2	3.3 L	na	na	0.4	0.5	0.6	1.2	2.5	3.6	4.2	na	na	na	5.3	na	2.5	1.8	1.8
AIG	0.2	na	na	na	0.2	0.2	0.7	1.3	2.4	3.4	4.3	na	6.0	na	na	na	3.5	1.7	2.0
Georgia State University	0.2	3.3 L	na	na	0.1	0.1 L	0.2 L	0.7	2.2	3.7	4.6	5.6	6.8	na	5.4	na	2.8	1.8	2.0
Russell Investments	0.2	3.3 L	0.4	0.3	0.3	0.5	0.7	1.4	2.5	3.6	4.6	5.1	5.8	4.9	5.2	76.3	2.8	2.1	2.1
RBS Securities	0.2	3.3 L	0.6	0.2	0.2	0.3	0.6	1.1	2.5	3.5	4.2	5.0	5.9	4.7	5.1	84.0 H	2.8	2.0	1.8
Comerica Bank	0.2	3.3 L	0.3 L	na	0.1	0.1 L	0.2 L	0.4	1.7	3.1	4.1	na	na	na	na	na	3.2	1.9	2.0
Woodworth Holdings	0.2	3.3 L	0.3 L	0.1 L	0.1	0.2	0.3	0.6	1.9	3.1	4.0	4.7	5.4	4.8	4.7	81.0	2.0 L	1.6	1.5
Mesirow Financial	0.2	3.3 L	0.3 L	0.2	0.1	0.1 L	0.9	1.6	2.6	3.5	4.2	4.9	5.8	5.2	5.0	81.3	3.3	1.7	1.6
PNC Financial Services Corp.	0.2	3.3 L	0.6	na	0.3	0.4	0.7	1.2	2.5	3.7	na	na	6.7	na	5.5	75.4	2.6	2.1	2.1
Wells Capital Management	0.2	3.3 L	0.4	0.5	0.4	0.4	0.6	1.4	2.3	3.8	4.5	5.0	5.6	5.0	5.1	78.0	3.0	2.4	2.1
Pierpont Securities	0.2	3.3 L	0.3 L	0.2	0.2	0.3	0.5	1.1	2.5	3.9	4.8	5.6	6.3	5.7	5.6	84.0	2.6	2.0	2.3
RidgeWorth Investments	0.2	3.3 L	0.4	0.2	0.1	0.2	0.3	0.6	1.9	3.3	4.1	4.8	5.6	5.3	4.9	74.0	3.0	2.2	2.4
Standard & Poor's Corp.	0.1 L	3.3 L	0.3 L	0.2	0.1	0.2	0.3	0.6	1.8	3.2	na	4.9	5.9	4.9	4.9	na	3.4	1.5	1.6
Loomis, Sayles & Company	0.1 L	3.3 L	0.4	0.3	0.2	0.3	0.8	1.4	2.6	3.7	4.5	5.3	6.0	5.1	5.4	79.0	3.0	1.9	1.8
ClearView Economics	0.1 L	3.3 L	0.4	0.2	0.2	0.3	0.4	1.0	2.3	3.4	4.2	4.9	5.5	4.8	5.1	79.0	3.1	1.7	2.4
BNP Paribas Americas	0.1 L	na	0.3 L	0.1 L	0.0 L	0.1 L	0.9	1.4	2.7	3.7	4.3	5.1	6.0	5.5	5.2	na	2.4	2.0	1.2
Bank of America Merrill Lynch	0.1 L	na	0.3 L	na	0.2	na	na	1.0	2.9	3.9	4.7	na	na	na	na	na	3.3	1.7	1.6
UBS	0.1 L	na	0.6	na	0.4	na	na	1.4	2.6	3.7	4.4	na	na	na	na	na	2.7	2.3	1.6
Nomura Securities, Inc.	0.1 L	3.3 L	0.6	0.3	0.3	0.4	0.5	1.0	2.5	3.6	4.6	5.4	6.0	na	5.3	79.6	3.3	1.6	1.8
BMO Capital Markets	0.1 L	3.3 L	0.3 L	na	0.1	0.1 L	0.4	1.0	2.4	3.7	4.5	na	na	na	5.2	78.3	3.1	1.7	1.8
Oxford Economics	0.1 L	3.3 L	0.3 L	na	0.1	0.2	0.5	1.1	2.1	3.2	4.6	na	na	na	4.7	81.3	3.2	1.8	1.9
Goldman Sachs & Co.	0.1 L	na	0.3 L	na	0.1	na	na	1.1	2.6	3.5	4.1	na	na	na	5.1	na	3.0	1.2 L	2.0
Economist Intelligence Unit	0.1 L	3.3 L	0.5	0.3	0.3	0.4	0.4	1.0	2.2	3.6	4.4	na	na	na	5.2	na	2.7	na	2.5
GLC Financial Economics	0.1 L	3.3 L	0.4	0.2	0.1	0.1 L	0.2 L	0.4	1.5	3.0	4.1	5.1	6.0	4.9	4.6	76.1	3.5	2.5	2.7
Daiwa Capital Markets America	0.1 L	3.3 L	0.5	0.3	0.3	0.3	0.4	1.2	2.3	3.5	4.4	5.1	5.8	5.2	5.4	76.0	3.2	2.0	2.0
Moody's Analytics	0.1 L	3.3 L	0.4	0.1 L	0.1	0.2	0.4	0.6	2.3	4.1	4.9	6.1 H	7.0 H	4.7	5.9	na	4.0 H	2.6	2.4
The Northern Trust Company	0.1 L	3.3 L	0.4	0.1 L	0.2	0.4	0.5	0.8	2.5	3.5	4.5	5.1	5.8	3.9 L	na	na	3.6	1.9	2.0
February Consensus	0.3	3.4	0.5	0.4	0.3	0.4	0.7	1.2	2.4	3.5	4.4	5.2	6.0	5.0	5.2	77.7	3.0	2.0	2.0
Top 10 Avg.	0.8	3.8	0.9	0.7	0.7	0.9	1.2	1.8	2.9	4.0	4.9	5.7	6.6	5.5	5.6	81.0	3.6	2.5	2.7
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.1	0.1	0.3	0.5	1.7	3.1	4.0	4.7	5.4	4.5	4.7	74.5	2.6	1.6	1.5
January Consensus	0.3	3.4	0.5	0.3	0.3	0.4	0.6	1.1	2.3	3.4	4.4	5.2	6.0	5.0	5.1	77.5	3.0	2.0	2.1
Number of Forecasts Changed From A Month Ago:																			
Down	2	1	7	8	9	9	9	5	2	2	10	14	14	11	4	4	4	11	13
Same	37	38	28	18	24	22	20	25	22	24	21	11	11	9	20	13	25	28	27
Up	7	2	5	7	13	10	12	16	22	20	13	8	4	4	14	12	17	6	6
Diffusion Index	4 %	4 %	6 %	3 %	2 %	3 %	2 %	2 %	3 %	4 %	5 %	9 %	5 %	4 %	5 %	3 %	4 %	5 %	2 %

International Interest Rate And Foreign Exchange Rate Forecasts

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	0.48	0.47	0.44
BNP Paribas Americas	na	na	na
Nomura Securities	na	na	na
Barclays	na	na	na
BMO Capital Markets	na	na	na
Mizuho Research Institute	0.25	0.25	0.25
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	0.30	0.30	0.30
Moody's Capital Markets	na	na	na
February Consensus	0.34	0.34	0.33
High	0.48	0.47	0.44
Low	0.25	0.25	0.25
Last Months Avg.	0.35	0.35	0.57

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
BNP Paribas Americas	na	na	na
Nomura Securities	na	na	na
Barclays	na	na	na
BMO Capital Markets	0.20	0.20	0.20
Mizuho Research Institute	0.22	0.22	0.22
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	0.15	0.15	0.15
Moody's Capital Markets	na	na	na
February Consensus	0.19	0.19	0.19
High	0.22	0.22	0.22
Low	0.15	0.15	0.15
Last Months Avg.	0.19	0.19	0.19

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
BNP Paribas Americas	na	na	na
Nomura Securities	na	na	na
Barclays	na	na	na
BMO Capital Markets	0.50	0.50	0.50
Mizuho Research Institute	0.50	0.50	0.50
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	0.50	0.60	0.80
Moody's Capital Markets	na	na	na
February Consensus	0.50	0.53	0.60
High	0.50	0.60	0.80
Low	0.50	0.50	0.50
Last Months Avg.	0.50	0.53	0.60

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
BNP Paribas Americas	na	na	na
Nomura Securities	na	na	na
Barclays	na	na	na
BMO Capital Markets	na	na	na
Mizuho Research Institute	na	na	na
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	0.02	0.05	0.10
Moody's Capital Markets	na	na	na
February Consensus	0.02	0.05	0.10
High	0.02	0.05	0.10
Low	0.02	0.05	0.10
Last Months Avg.	0.02	0.05	0.01

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
BNP Paribas Americas	na	na	na
Nomura Securities	na	na	na
Barclays	na	na	na
BMO Capital Markets	1.25	1.25	1.25
Mizuho Research Institute	na	na	na
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	1.20	1.20	1.20
Moody's Capital Markets	na	na	na
February Consensus	1.23	1.23	1.23
High	1.25	1.25	1.25
Low	1.20	1.20	1.20
Last Months Avg.	1.30	1.30	1.50

United States			
10 Yr. Gov't Bond Yield %			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
3.25	3.40	3.70	
3.00	3.22	3.61	
3.10	3.25	3.45	
3.00	3.10	3.40	
2.93	3.08	na	
3.00	3.20	3.55	
3.10	3.20	3.50	
3.00	3.20	3.60	
3.03	3.07	3.14	
3.10	3.20	3.50	
2.90	3.00	3.05	
3.04	3.17	3.45	
3.25	3.40	3.70	
2.90	3.00	3.05	
2.96	3.08	3.32	

Japan			
10 Yr. Gov't Bond Yield %			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
na	na	na	
0.92	0.95	0.93	
0.40	0.50	0.70	
0.75	0.78	0.96	
0.83	0.93	na	
0.75	0.85	1.00	
0.60	0.70	1.00	
0.90	0.95	1.00	
0.75	0.80	1.00	
0.60	0.60	0.80	
0.66	0.69	0.75	
0.72	0.78	0.90	
0.92	0.95	1.00	
0.40	0.50	0.70	
0.79	0.82	0.92	

United Kingdom			
10 Yr. Gilt Yields %			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
na	na	na	
3.01	3.23	3.67	
3.10	3.25	3.35	
3.25	3.35	3.50	
3.03	3.17	na	
3.00	3.25	3.65	
3.00	3.10	3.35	
2.90	3.00	3.25	
3.10	3.20	3.80	
3.20	3.50	3.90	
2.90	3.00	3.05	
3.05	3.21	3.50	
3.25	3.50	3.90	
2.90	3.00	3.05	
2.96	3.10	3.40	

Switzerland			
10 Yr. Gov't Bond Yield %			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
na	na	na	
1.30	1.36	1.94	
1.23	1.33	1.40	
na	na	na	
1.20	1.30	1.50	
na	na	na	
1.10	1.20	1.30	
1.05	1.05	1.08	
1.18	1.25	1.44	
1.30	1.36	1.94	
1.05	1.05	1.08	
1.19	1.29	1.46	

Canada			
10 Yr. Gov't Bond Yield %			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
2.90	3.05	3.40	
2.90	3.12	3.53	
2.65	3.00	3.45	
2.85	2.95	3.10	
na	na	na	
2.70	2.90	3.30	
na	na	na	
2.80	2.90	3.30	
2.80	3.00	3.50	
3.00	3.20	3.50	
2.60	2.75	2.85	
2.80	2.99	3.33	
3.00	3.20	3.53	
2.60	2.75	2.85	
2.78	2.92	3.23	

Fed's Major Currency \$ Index			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
na	na	na	
na	na	na	
na	na	na	
77.3	78.2	79.1	
na	na	na	
78.3	79.3	78.9	
78.1	78.7	80.6	
na	na	na	
79.0	80.0	80.8	
78.8	80.5	85.1	
77.1	77.3	78.0	
78.1	79.0	80.4	
79.0	80.5	85.1	
77.1	77.3	78.0	
77.1	78.1	79.5	

Yen/USD			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
102.0	104.0	109.0	
100.1	100.8	102.2	
108.0	114.0	118.0	
110.0	112.0	na	
107.0	107.0	107.0	
106.0	107.0	110.0	
106.0	107.0	109.0	
na	na	na	
105.0	107.0	109.0	
106.0	108.0	115.0	
104.0	104.5	104.8	
105.4	107.1	109.3	
110.0	114.0	118.0	
100.1	100.8	102.2	
103.7	105.4	108.2	

USD/Pound Sterling			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
1.61	1.60	1.58	
1.60	1.59	1.57	
1.54	1.56	1.58	
1.66	1.69	na	
1.65	1.65	1.65	
1.63	1.61	1.61	
na	na	na	
na	na	na	
1.64	1.65	1.67	
1.62	1.60	1.54	
1.63	1.60	1.57	
1.62	1.62	1.60	
1.66	1.69	1.67	
1.54	1.56	1.54	
1.61	1.60	1.59	

CHF/USD			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
0.95	0.98	1.00	
0.97	1.03	1.14	
0.96	0.94	0.93	
0.94	0.98	na	
0.94	0.96	1.00	
0.92	0.93	0.96	
na	na	na	
na	na	na	
0.94	0.96	0.99	
0.90	0.94	1.02	
0.92	0.93	0.93	
0.94	0.96	1.00	
0.97	1.03	1.14	
0.90	0.93	0.93	
0.95	0.96	0.98	

CAD/USD			
In 3 Mo.	In 6 Mo.	In 12 Mo.	
1.08	1.07	1.06	
1.05	1.04	1.03	
1.05	1.06	1.08	
1.12	1.15	na	
1.12	1.12	1.12	
1.12	1.13	1.09	
na	na	na	
na	na	na	
1.11	1.11	1.09	
1.10	1.12	1.15	
1.10	1.11	1.08	
1.09	1.10	1.09	
1.12	1.15	1.15	
1.05	1.04	1.03	
1.07	1.08	1.07	

International Interest Rate And Foreign Exchange Rate Forecasts

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
BNP Paribas Americas	na	na	na
Nomura Securities	na	na	na
Barclays	na	na	na
BMO Capital Markets	na	na	na
Mizuho Research Institute	na	na	na
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	2.60	2.80	3.20
Moody's Capital Markets	na	na	na
February Consensus	2.60	2.80	3.20
High	2.60	2.80	3.20
Low	2.60	2.80	3.20
Last Months Avg.	2.60	2.80	3.20

Australia		
10 Yr. Gov't Bond Yield %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
na	na	na
4.60	4.89	5.00
4.40	4.60	4.80
4.20	4.40	4.60
na	na	na
na	na	na
4.30	4.30	4.60
na	na	na
4.20	4.30	4.40
4.23	4.28	4.23
4.32	4.46	4.61
4.60	4.89	5.00
4.20	4.28	4.23
4.27	4.41	4.55

USD/AUD		
In 3 Mo.	In 6 Mo.	In 12 Mo.
0.88	0.89	0.90
0.90	0.88	0.85
na	na	na
0.88	0.89	0.92
0.88	0.84	0.80
0.88	0.86	0.87
na	na	na
na	na	na
0.88	0.89	0.92
0.87	0.86	0.85
0.89	0.90	0.91
0.88	0.88	0.88
0.90	0.90	0.92
0.87	0.84	0.80
0.90	0.89	0.89

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
BNP Paribas Americas	na	na	na
Nomura Securities	0.21	0.21	0.24
Barclays	na	na	na
BMO Capital Markets	0.15	0.15	0.15
Mizuho Research Institute	0.15	0.15	0.15
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	0.20	0.25	0.30
Moody's Capital Markets	na	na	na
February Consensus	0.18	0.19	0.21
High	0.21	0.25	0.30
Low	0.15	0.15	0.15
Last Months Avg.	0.19	0.19	0.20

Eurozone

USD/EUR		
In 3 Mo.	In 6 Mo.	In 12 Mo.
1.30	1.27	1.25
1.37	1.33	1.28
1.28	1.25	1.23
1.33	1.30	na
1.32	1.30	1.27
1.36	1.34	1.34
1.34	1.33	1.29
na	na	na
1.25	1.28	1.33
1.33	1.30	1.20
1.34	1.32	1.28
1.32	1.30	1.27
1.37	1.34	1.34
1.25	1.25	1.20
1.33	1.30	1.26

Blue Chip Forecasters	10 Yr. Gov't Bond Yields %											
	Germany			France			Italy			Spain		
	In 3 Mo.	In 6 Mo.	In 12 Mo.	In 3 Mo.	In 6 Mo.	In 12 Mo.	In 3 Mo.	In 6 Mo.	In 12 Mo.	In 3 Mo.	In 6 Mo.	In 12 Mo.
ING Financial Markets	2.00	2.10	2.20	2.50	2.60	2.70	3.80	3.85	3.85	3.60	3.90	3.80
Wells Fargo	2.10	2.25	2.60	na								
BNP Paribas Americas	1.90	2.05	2.10	2.50	2.60	2.65	4.15	4.00	3.85	4.05	3.95	3.60
UBS	2.20	2.30	2.40	2.65	2.75	2.80	4.10	4.10	4.00	na	na	na
Nomura Securities	2.00	2.00	2.10	na								
Mizuho Research Institute	1.80	1.85	2.00	na								
BMO Capital Markets	2.00	2.25	2.65	na								
Moody's Capital Markets	1.80	1.80	1.85	2.45	2.43	2.45	3.92	3.87	3.85	3.80	3.75	3.78
Moody's Analytics	1.78	1.79	1.91	2.42	2.44	2.56	3.99	3.78	3.71	4.22	4.25	4.30
February Consensus	1.95	2.04	2.20	2.50	2.56	2.63	3.99	3.92	3.85	3.92	3.96	3.87
High	2.20	2.30	2.65	2.65	2.75	2.80	4.15	4.10	4.00	4.22	4.25	4.30
Low	1.78	1.79	1.85	2.42	2.43	2.45	3.80	3.78	3.71	3.60	3.75	3.60
Last Months Avg.	1.93	2.03	2.17	2.46	2.57	2.62	4.08	4.03	3.92	4.21	4.22	4.07

	Consensus Forecasts 10-year Bond Yields vs U.S. Yield			
	Current	In 3 Mo.	In 6 Mo.	In 12 Mo.
Japan	-2.11	-2.32	-2.40	-2.55
United Kingdom	0.03	0.01	0.03	0.05
Switzerland	-1.69	-1.86	-1.93	-2.01
Canada	-0.36	-0.24	-0.19	-0.12
Australia	1.31	1.28	1.29	1.16
Germany	-1.07	-1.08	-1.13	-1.25
France	-0.35	-0.53	-0.61	-0.82
Italy	1.09	0.95	0.75	0.40
Spain	0.99	0.88	0.79	0.42

	Consensus Forecasts 3 Mo. Deposit Rates vs U.S. Rate			
	Current	In 3 Mo.	In 6 Mo.	In 12 Mo.
Japan	-0.12	-0.15	-0.53	-0.14
United Kingdom	0.29	0.16	0.19	0.27
Switzerland	-0.19	-0.32	-0.29	-0.23
Canada	0.86	0.88	0.89	0.90
Australia	2.29	2.26	2.46	2.87
Eurozone	0.03	-0.17	-0.15	-0.12

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**

Looking For Forecast Confirmation

The coming week's economic calendar includes the government's first estimate of real GDP growth in 4Q13 and an FOMC meeting. The GDP report is expected to show that real GDP increased 3.1% at an annual rate and that final sales increased 3.0%, despite a sharp 4.5% *saar* decline in government activity that is only partly due to the government shutdown. The FOMC is expected to look past the weak December payroll report and recent stock market declines and decide to reduce asset purchases by another \$10 billion per month. While the "big-view" forecast that reduced fiscal drag will allow real GDP growth to accelerate this year looks solidly intact, we note there are open questions about many of the forecast details that upcoming releases may help to resolve.

Capital spending: Strong gains in core capital goods orders and shipments in November provided some support for the view that the shift to stronger real GDP growth in 2H13 and the resolution of the October fiscal policy crisis will translate into stronger capital spending growth. But durable goods data are highly volatile, and it is not clear how much spending on business equipment really is accelerating. November's increase in core capital goods shipments was very concentrated in farm machinery, probably reflecting the front-loading of purchases ahead of the expiration of tax incentives at yearend. IP data show a sharp slowing in capital goods production into year-end, a hint that the industry expects business to tail off early this year after the incentives expire. The upcoming December durable goods report is expected to show another healthy gain in capital goods shipments ahead of year-end, but there will be greater interest in whether core capital goods orders continue to rise.

Housing demand: Census figures show very sharp gains in new home sales recently, with sales in October and November the highs of the year and at a pace 20.9% (not annualized) above the 3Q13 average. As noted, this recent strength contrasts with the continued sluggish pace of existing home sales, and it is not clear why demand trends in the two parts of the housing market should be so different. Upcoming reports on December new home sales and December pending existing home sales should help update views on housing demand.

Labor costs: The sharp drop in the unemployment rate over the past year is one indication that the extent of labor market slack is waning. Similar changes have occurred in other indicators of slack. There has been a steady gain in quit rates reported in the monthly JOLTS survey and the large increase in the share of respondents to the NFIB small business survey reporting that they have job openings they are not able to fill.

The upcoming Employment Cost Index for 4Q13 will provide an update on hourly labor cost including benefits. The weight of the evidence suggests that there still is considerable labor market slack, even if less than a year ago, and that hourly labor costs are not accelerating. The forecast looks for hourly labor cost to increase at about a 2.0% annual rate, in line with the trend the past few years.

Household formation: With housing vacancy rates now relatively low, the main driver of new home construction over the next few years will likely be the rate of household formation. The forecast had expected the gradual improvement in the economy to lead to gradual increases in household formation. But, according to the Census quarterly survey on Housing Vacancies and Homeownership, this has not been the case. The increase in the number of households was still running an unusually low 0.3% *oia* and up 0.3% *saar* in 3Q13. The release of 4Q13 data will provide an update on household formation, along with more timely information on the housing vacancy rate.

Robert E. Mellman, JPMorgan Chase Bank, New York, NY

The Song Remains The Same

The January FOMC should be fairly uneventful, following significant policy changes made at the prior meeting. The FOMC will likely continue to taper the pace of its asset purchases by a further \$10bn—split equally between Treasuries and mortgage-backed securities—as hinted at in Chairman Bernanke's press conference following the December meeting. While the Committee has taken pains to note that the path of asset purchases is "not on a preset course," a substantial change in the outlook would likely be required for the Fed to either pause or accelerate the gradual pace of tapering started at the last meeting. We think this relatively high bar has not been met, some weaker recent data notwithstanding. Based on a roughly \$10bn per meeting tapering schedule, the last QE3 purchases should occur in October 2014.

The Fed will probably choose not to make additional changes to the forward guidance at this meeting, following so closely on the heels of December's qualitative enhancement. Although the unemployment rate currently stands at 6.7%—not far from the 6.5% threshold explicitly referred to in the FOMC statement—the Committee probably feels that they have provided enough forward guidance for the time being. First, at the last press conference, when Bernanke was asked about how one should interpret the qualitative change to the guidance, he pointed to the SEP projections which show the first rate increases "near the end of 2015." Second, the FOMC statement indicates that the Committee expects to maintain very easy policy "for a considerable time after the asset purchase program ends," which now looks likely to be in the last quarter of this year. Third, even if the unemployment rate is expected to decline to 6.5% in the relatively near term—which we see as likely—there is not as much cosmetic need to adjust the language prior to the threshold being reached as there is after the threshold is reached. Finally, the Committee will probably not make further changes to the forward guidance in the near term given the apparent lack of support in the December meeting minutes for more forceful enhancements, such as reducing the unemployment threshold to 6.0%.

On balance since the December meeting, data surprises have been modestly negative. However, the most notable disappointment—the December employment report—appears to have been significantly distorted by adverse weather, while many of the other negative data surprises since the meeting were second-tier releases. In contrast, the latest data on ISM manufacturing, core retail sales, industrial production, and the January regional Fed surveys have been encouraging. Our Q4 GDP tracking estimate currently stands at 3.2%. Driven entirely by private final demand, this rate of growth suggests solid momentum heading into 2014. In short, we do not think the Fed has significantly changed its thinking on the near-term trajectory of the economy.

However, modest changes to the statement's language could include the addition of "in recent months" in the sentence referring to further improvement in labor market conditions, implicitly recognizing the weaker December employment report. An explicit reference to the weather is also possible. On the positive side, the latest housing market numbers generally suggest that the recent run of softer data may be ending. As a result, the housing sector language might be upgraded to indicate that recovery "continued" rather than "slowed." We see little need to adjust the language on inflation.

The Fed likely views financial market developments since the last meeting as relatively neutral, despite heightened concern about emerging markets over the past several days. While the market-implied path for the federal funds rate moved up somewhat subsequent to the meeting, the current path (without respect to any risk premium adjustment) sits almost exactly atop Fed participants' own forecasts per the last Summary of Economic Projections. In addition, (*continued on next page*)

Viewpoints

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broader financial conditions—measured by the Goldman Sachs Financial Conditions Index (GSFCI)—were roughly unchanged on net over the past six weeks, despite this week’s sell-off in the stock market. The 30-year mortgage rate faced by borrowers was relatively little changed to down slightly over this time. The Fed has demonstrated a particular focus on mortgage rates over the past year—explicitly calling out higher mortgage rates in the July and September statements as a risk to the housing recovery—given the importance of the housing sector in transmitting the accommodative stance of policy to the real economy.

The January meeting will see a new crop of voting FOMC members. 2013 voting regional Presidents James Bullard, Charles Evans, Esther George, and Eric Rosengren will rotate off, replaced with Richard Fisher, Narayana Kocherlakota, Sandra Pianalto, and Charles Plosser. With respect to the policy views of the new voters, both Fisher and Plosser are generally known for more hawkish leanings. However, our best guess is that neither Fisher nor Plosser is on a hair trigger to dissent at the January meeting, appearing somewhat content that the Fed is “moving in the right direction” by starting to taper the pace of its asset purchases. In contrast, we see a better-than-even chance that Kocherlakota—who has significantly shifted his views in a more dovish direction since the last time he was a voting member—will lodge a dovish dissent, having recently said that the Fed could “do better” at meeting its objectives by “adopting a more accommodative policy stance.”

The shift in voting regional presidents is only the start of changes to the Committee occurring over the course of 2014. January will be Ben Bernanke’s last as Chair, with Janet Yellen taking over at the start of February. Until Stanley Fischer is seated, the Board Vice Chair position currently occupied by Yellen will remain vacant. We think that Fischer and governor-nominee Lael Brainard will likely be confirmed in time to participate in the April meeting. Governor Jerome Powell—recently re-nominated to serve a second term—will be able to continue to serve in his current capacity until reconfirmed by the Senate. President Obama has yet to nominate an individual for the one remaining governorship. It appears likely that an individual with a community banking or consumer advocacy background might be chosen for this spot, following the resignation of Elizabeth Duke in 2013. Despite changes in the voting members, we expect a high degree of policy continuity and do not see a large shift in the overall policy bias relative to 2013.

An operational issue that will have to be decided at the January FOMC meeting is whether to extend the testing period for the fixed-rate reverse repo facility, scheduled to expire on January 29. We think this is highly likely, given the discussion in the December minutes. The continued operation of the facility will still probably be referred to as “testing,” in order to avoid any suggestion that tighter policy is around the corner. After all, the facility is ultimately a tool that the Committee would use to help place a floor under money market rates when it comes time to tighten. For this reason, we also think it is unlikely that the facility would be brought to full allotment in the near term, although the maximum award per counterparty may be increased from the current level of \$3 billion. Hiking the maximum rate that the New York Fed is authorized to offer in test operations has more potential to be misperceived as tightening, so we would be surprised to see this increased much past the current level of 5 basis points. While announcements regarding the facility have typically been made by the New York Fed several days after the FOMC meeting at which the decision was made, we would expect a statement announcing the extension on the day of the meeting, given the scheduled expiration of the testing period that same day.

More broadly, the Fed is probably pleased with how testing of the facility has progressed to date. Intuitively, when prevailing market rates are high relative to the rate offered by the Fed (i.e. the opportunity cost or

“price” of using the facility is high) total allotments have been near zero, as market participants prefer to lend in the market for a better return. When the Fed offers an attractive rate for lenders relative to prevailing market rates, usage is higher. Although we expect the fed funds rate to remain at zero for roughly two more years, a future fixed-rate, full-allotment reverse repo facility will probably be a key tool for monetary policy implementation once the Fed wishes to begin tightening, augmenting the “leaky floor” provided by interest paid on excess reserves. This will be particularly important given that Fed leadership has suggested the size of the balance sheet will probably remain at or near peak levels when rate hikes begin.

Kris Dawsey, Goldman Sachs, New York, NY

Taper II

We look for the FOMC to announce another “measured” taper step on January 29, paring purchases of Treasuries and MBS by \$5b each, to \$35b and \$30b, respectively. Despite the weak (weather-influenced) 74k print for December payrolls, the Fed’s conclusion about taper-triggering “cumulative progress” in the labor market holds. The 3-, 6- and 12-month averages for payroll growth are consistently 170k-plus, against a background of strong real GDP growth (4.1% in 2013 Q3 and we estimate 3.4% in Q4). Meantime, the jobless rate dropped to 6.7%, its lowest level since October 2008. While again due to a falling participation rate, the latter phenomenon does not belie the fact that labor markets are slowly, but surely, tightening. The Beige Book prepared for the FOMC meeting showed the majority of Fed districts with improving employment conditions, describing some local markets as “tightening” or having labor “shortages.” Interestingly, the Job Openings and Labor Turnover Survey (JOLTS) showed the quit rate, a metric watched by the Fed, rising to 1.8%, its highest level also since October 2008.

The FOMC might also tweak its forward guidance. In December the Fed said “it likely will be appropriate to maintain the current target range for the federal funds rate well past the time that the unemployment rate declines below 6½ percent...” Not only has the jobless rate since dropped to 6.7% from 7.0% at the time of the December meeting, there’s now a good chance the rate could post another hefty decline during the immediate months ahead, reflecting the expiry of extended jobless benefits. The estimated 1.3 million workers affected are already included in the unemployment rate but to the extent expiration forces some to grab any job or prod others to stop looking will yank the jobless rate lower. A simple assumption of 50% keep looking, 25% take any job and 25% give up looking would pull the unemployment rate down a cumulative 0.4 percentage points over the next few months (at the extreme, if 100% find employment or stop looking, the jobless rate would fall below 6.0%). As such, it’s looking like we’ll be crossing the 6.5% unemployment threshold by spring, even more ahead of schedule.

As economic growth averages near 3% this year and payrolls pick up, we look for the measured taper pace to continue, ending QE by the end of October (with a final taper of \$15b). Then all eyes turn to the Fed’s eventual next step. The market is currently pricing in a first full (¼-point) rate hike by October 2015 with the funds rate ending 2015 around 0.69%. The FOMC’s central tendency projection is 0.84% for the 2015-end. Meantime, it has not been forgotten that the historic lag between the Fed’s last easing and first tightening moves has typically been about one year (and QE ends this October). So it’s looking like rate hikes should be underway by the autumn of 2015. However, whether this actually occurs or happens sooner or later will likely be dictated by how readily the amazingly tightening U.S. labor market starts emitting more than just scattered signs of wage pressures.

Michael Gregory, BMO Capital Markets, Toronto, Canada

Special Questions:

1. Please provide your forecasts of the Q4 2013 percent change (saar) in real GDP and the GDP Price Index.

	Q4 2013 (saar)	
	<u>Real GDP</u>	<u>GDP Price Index</u>
Consensus	3.1%	1.4%
Top 10 Average	3.8%	2.3%
Bottom 10 Average	2.1%	0.9%

2. A. In December, the FOMC announced that it would cut its monthly asset purchases in January to \$75 billion, \$10 billion less than in December. At its January 28th-29th meeting, will the FOMC announce a further \$10 billion cut in its February purchases to \$65 billion?

(Percent of those responding)

<u>Yes</u>	<u>No</u>
97.9%	2.1%

B. Will the Fed conclude its monthly asset purchases program by the end of this year?

(Percent of those responding)

<u>Yes</u>	<u>No</u>
100.0%	0.0%

C. At its December meeting the Fed changed its forward guidance, saying that its overnight policy rate will be held at its very low level until “well past the time” that the jobless rate drops below 6.5%. Do you think that at some point in 2014 the FOMC will adopt even more dovish forward guidance by formally lowering the 6.5% unemployment threshold for initiating increases in the federal funds rate target?

(Percent of those responding)

<u>Yes</u>	<u>No</u>
39.1%	60.9%

D. In what quarter do you think the FOMC will FIRST raise its fed funds rate target from the current level of 0%-0.25%?

(Percent of those responding)

Q4	Q1	Q2	Q3	Q4	Q1
<u>2014</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2016 or later</u>
4.3%	10.6%	19.1%	34.0%	19.1%	12.8%

3. What will be the average monthly change in total nonfarm payrolls during 2014?

Average monthly change in total nonfarm payrolls during 2014

Consensus	203.4 thousand
Top 10 Average	233.7 thousand
Bottom 10 Average	177.0 thousand

4. What will be the unemployment rate in December 2014?

Unemployment rate in December 2014

Consensus	6.3%
Top 10 Average	6.6%
Bottom 10 Average	6.0%

5. In what quarter do you think the 10-year Treasury note yield will average 3.5%?

(Percent of those responding)

Q1	Q2	Q3	Q4
<u>2014</u>	<u>2014</u>	<u>2014</u>	<u>2014</u>
0.0%	0.0%	8.5%	22.5%

(Percent of those responding)

Q1	Q2	Q3	Q4
<u>2015</u>	<u>2015</u>	<u>2015</u>	<u>2015 or later</u>
21.3%	17.0%	10.6%	17.0%

2014 Historical Data

Monthly Indicator	Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec
Retail and Food Service Sales (a)												
Auto & Light Truck Sales (b)												
Personal Income (a, current \$)												
Personal Consumption (a, current \$)												
Consumer Credit (e)												
Consumer Sentiment (U. of Mich.)												
Household Employment (c)												
Non-farm Payroll Employment (c)												
Unemployment Rate (%)												
Average Hourly Earnings (All, cur. \$)												
Average Workweek (All, hrs.)												
Industrial Production (d)												
Capacity Utilization (%)												
ISM Manufacturing Index (g)												
ISM Non-Manufacturing Index (g)												
Housing Starts (b)												
Housing Permits (b)												
New Home Sales (1-family, c)												
Construction Expenditures (a)												
Consumer Price Index (nsa., d)												
CPI ex. Food and Energy (nsa., d)												
Producer Price Index (n.s.a., d)												
Durable Goods Orders (a)												
Leading Economic Indicators (g)												
Balance of Trade & Services (f)												
Federal Funds Rate (%)												
3-Mo. Treasury Bill Rate (%)												
10-Year Treasury Note Yield (%)												

2013 Historical Data

Monthly Indicator	Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec
Retail and Food Service Sales (a)	0.1	1.1	-0.3	0.2	0.5	0.7	0.4	0.2	0.1	0.5	0.4	0.2
Auto & Light Truck Sales (b)	15.18	15.31	15.27	15.16	15.43	15.83	15.74	16.03	15.20	15.15	16.31	15.30
Personal Income (a, current \$)	-4.4	1.3	0.3	0.0	0.3	0.4	0.2	0.5	0.4	-0.1	0.2	
Personal Consumption (a, current \$)	0.1	0.7	0.2	-0.2	0.2	0.6	0.1	0.3	0.2	0.4	0.5	
Consumer Credit (e)	5.5	8.3	3.6	4.2	6.8	5.8	4.4	6.2	6.3	7.0	4.8	
Consumer Sentiment (U. of Mich.)	73.8	77.6	78.6	76.4	84.5	84.1	85.1	82.1	77.5	73.2	75.1	82.5
Household Employment (c)	172	80	-71	283	243	156	210	-106	91	-785	958	143
Non-Farm Payroll Employment (c)	148	332	142	199	176	172	89	238	175	200	241	74
Unemployment Rate (%)	7.9	7.7	7.5	7.5	7.5	7.5	7.3	7.2	7.2	7.2	7.0	6.7
Average Hourly Earnings (All, cur. \$)	23.78	23.82	23.83	23.89	23.90	24.00	24.00	24.05	24.09	24.11	24.15	24.17
Average Workweek (All, hrs.)	34.4	34.5	34.6	34.5	34.5	34.5	34.4	34.5	34.4	34.4	34.5	34.4
Industrial Production (d)	2.1	2.2	3.1	2.0	2.0	2.2	1.4	2.9	3.2	3.7	3.5	3.7
Capacity Utilization (%)	77.7	78.1	78.2	77.9	77.9	77.9	77.7	78.0	78.3	78.4	79.1	79.2
ISM Manufacturing Index (g)	53.1	54.2	51.3	50.7	49.0	50.9	55.4	55.7	56.2	56.4	57.3	57.0
ISM Non-Manufacturing Index (g)	55.2	56.0	54.4	53.1	53.7	52.2	56.0	58.6	54.4	55.4	53.9	53.0
Housing Starts (b)	0.898	0.969	1.005	0.852	0.919	0.835	0.891	0.883	0.873	0.899	1.107	0.999
Housing Permits (b)	0.915	0.952	0.890	1.005	0.985	0.918	0.954	0.926	0.974	1.039	1.017	0.986
New Home Sales (1-family, c)	458	445	443	446	429	450	373	379	403	474	464	
Construction Expenditures (a)	-4.0	0.8	-0.1	1.1	2.0	0.1	0.6	0.1	1.4	0.9	1.0	
Consumer Price Index (s.a., d)	1.6	2.0	1.5	1.1	1.4	1.8	2.0	1.5	1.2	1.0	1.2	1.5
CPI ex. Food and Energy (s.a., d)	1.9	2.0	1.9	1.7	1.7	1.6	1.7	1.8	1.7	1.7	1.7	1.7
Producer Price Index (n.s.a., d)	1.5	1.8	1.1	0.5	1.6	2.3	2.1	1.3	0.3	0.3	0.7	1.2
Durable Goods Orders (a)	-3.7	6.4	-5.9	3.6	5.5	3.9	-8.1	0.5	4.2	-0.7	3.5	
Leading Economic Indicators (g)	0.5	0.5	-0.2	0.7	0.2	0.1	0.4	0.7	1.0	0.1	1.0	0.1
Balance of Trade & Services (f)	-42.4	-43.5	-36.8	-39.6	-43.9	-34.7	-38.8	-39.0	-43.0	-39.3	-34.3	
Federal Funds Rate (%)	0.14	0.15	0.14	0.15	0.11	0.09	0.09	0.08	0.08	0.09	0.08	0.09
3-Mo. Treasury Bill Rate (%)	0.07	0.10	0.09	0.06	0.04	0.05	0.04	0.04	0.02	0.05	0.07	0.07
10-Year Treasury Note Yield (%)	1.91	1.98	1.96	1.76	1.93	2.30	2.58	2.74	2.81	2.62	2.72	2.90

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

Calendar Of Upcoming Economic Data Releases

Monday	Tuesday	Wednesday	Thursday	Friday
January 27 Markit Services PMI (Jan, flash) New Home Sales (Dec) Dallas Fed Survey (Jan)	28 FOMC Meeting Durable Goods (Dec) S&P/Case-Shiller Home Price Survey (Nov) Consumer Confidence (Jan, Conference Board) Richmond Fed survey (Jan) ABC Consumer Comfort Index Weekly Store Sales	29 FOMC Meeting Statement (2:00 pm) EIA Crude Oil Stocks Mortgage Applications	30 Real GDP (Q4, Advance) Pending Home Sales (Dec) Weekly Jobless Claims Weekly Money Supply	31 Personal Income (Dec) Employment Cost Index (Q4) Chicago PMI (Jan) Consumer Sentiment (Jan, Final, University of Michigan) Housing Vacancies (Q4)
February 3 Vehicle Sales (Jan) Construction Spending (Dec) ISM Manufacturing (Jan) Markit Manufacturing PMI (Jan, final)	4 Factory Orders (Dec) ISM New York (Jan) ABC Consumer Comfort Index Weekly Store Sales	5 ADP Employment (Jan) ISM Non-Manufacturing (Jan, final) Markit Services PMI (Jan, final)	6 International Trade (Dec) Productivity and Costs (Q4, preliminary) Chain Store Sales (Jan) Weekly Jobless Claims Weekly Money Supply	7 Employment (Jan) Consumer Credit (Dec)
10	11 NFIB Survey (Jan) Wholesale Trade (Dec) JOLTS (Dec) ABC Consumer Comfort Index Weekly Store Sales	12 Federal Budget (Jan) EIA Crude Oil Stocks Mortgage Applications	13 Retail Sales (Jan) Business Inventories (Dec) Weekly Jobless Claims Weekly Money Supply	14 Industrial Production (Jan) Import Prices (Jan) Consumer Sentiment (University of Michigan, Preliminary, Feb)
17 President's Day U.S. Markets Closed	18 Empire State Survey (Feb) NAHB Survey (Feb) TIC Data (Dec) ABC Consumer Comfort Index Weekly Store Sales	19 Producer Price Index (Jan) Housing Starts (Jan) FOMC Minutes EIA Crude Oil Stocks Mortgage Applications	20 Consumer Price Index (Jan) Philadelphia Fed Survey (Feb) Markit Manufacturing PMI (Feb, flash) Leading Indicators (Jan) Weekly Jobless Claims Weekly Money Supply	21 Existing Home Sales (Jan)
24 Markit Services PMI (Feb, flash) Dallas Fed Survey (Feb)	25 S&P/Case-Shiller Home Price Survey (Dec, Q4) FHFA Home Price Survey (Dec, Q4) Consumer Confidence (Feb, Conference Board) Richmond Fed Survey (Feb) ABC Consumer Comfort Index Weekly Store Sales	26 New Home Sales (Jan) EIA Crude Oil Stocks Mortgage Applications	27 Durable Goods (Jan) Kansas City Survey (Feb) Weekly Jobless Claims Weekly Money Supply	28 Real GDP (Q4, Second) Chicago PMI (Feb) Consumer Sentiment (Feb, Final) Pending Home Sales (Jan)
March 3 Personal Income and Consumption (Jan) Markit Services PMI (Feb, Final) ISM Manufacturing (Feb) Light Vehicle Sales (Feb) Construction Spending (Jan)	4 ABC Consumer Comfort Index Weekly Store Sales	5 ADP Employment (Feb) Markit Services PMI (Feb, Final) ISM Non-Manufacturing (Feb) Beige Book EIA Crude Oil Stocks Mortgage Applications	6 Chain Store Sales (Feb) Factory Orders (Jan) Productivity and Costs (Q4, Revised) Weekly Jobless Claims Weekly Money Supply	7 Employment (Feb) International Trade (Jan) Consumer Credit (Jan)

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