

Philadelphia Research Intertemporal Stochastic Model (PRISM) Forecast

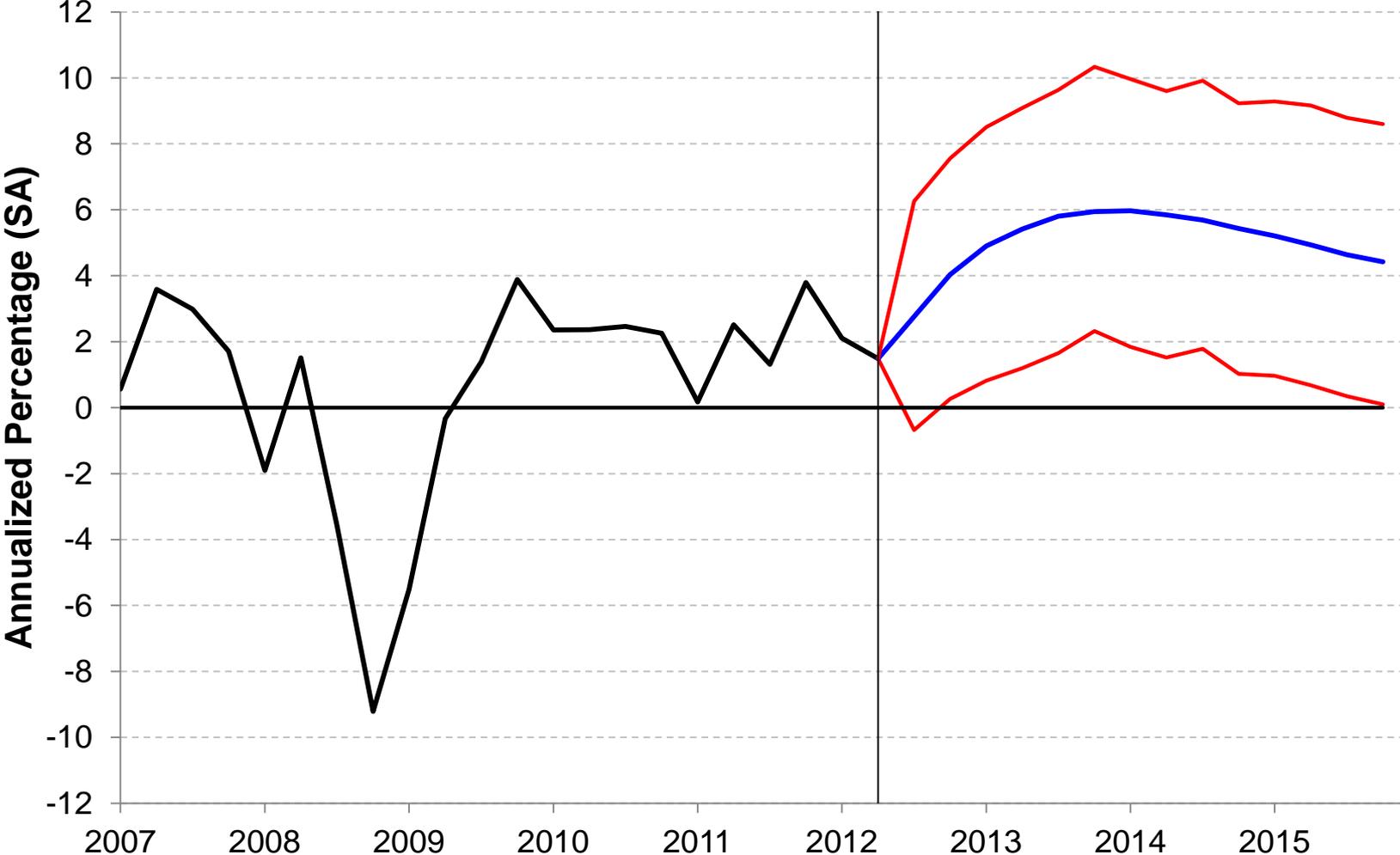
August 28, 2012

Federal Reserve Bank of Philadelphia
Real-Time Data Research Center



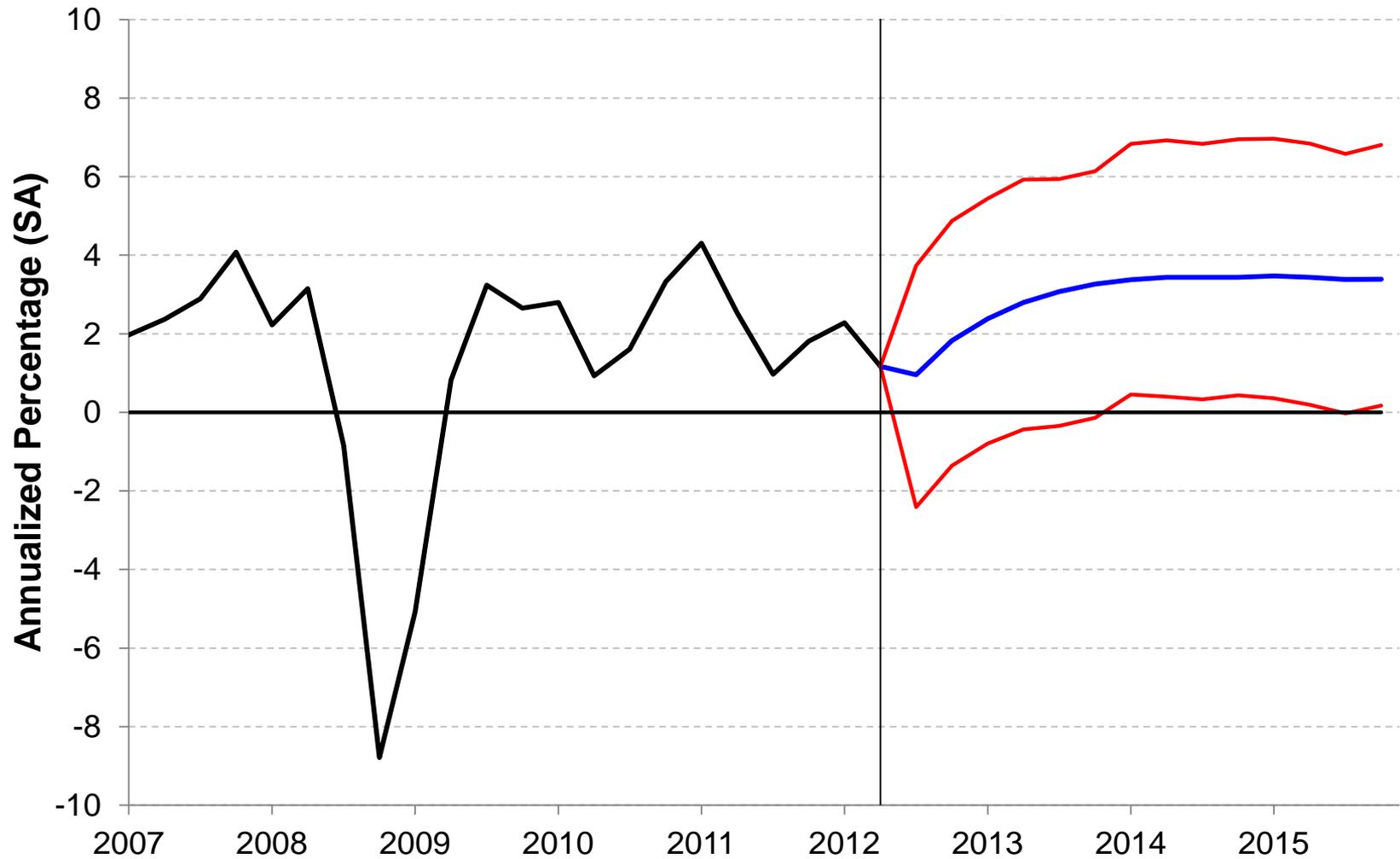
FEDERAL RESERVE BANK
OF PHILADELPHIA

Real GDP Growth



Lines in red show 68% probability coverage intervals. Blue lines are forecast. Black lines are history.

Real Consumption Growth*



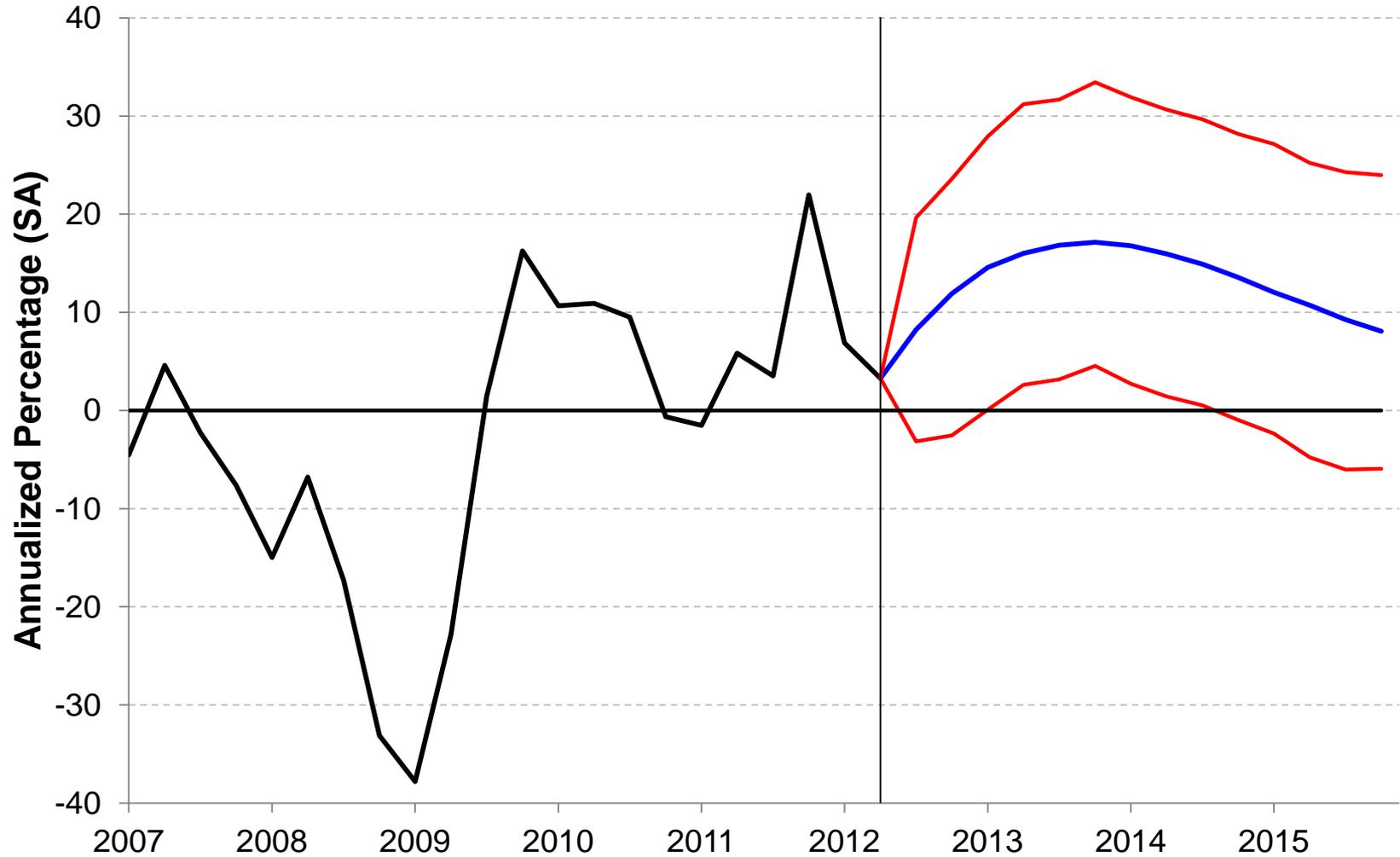
*Consumption of Nondurables and Services

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Black lines are history.

PRISM Output from the Philadelphia Fed

Real Investment Growth*

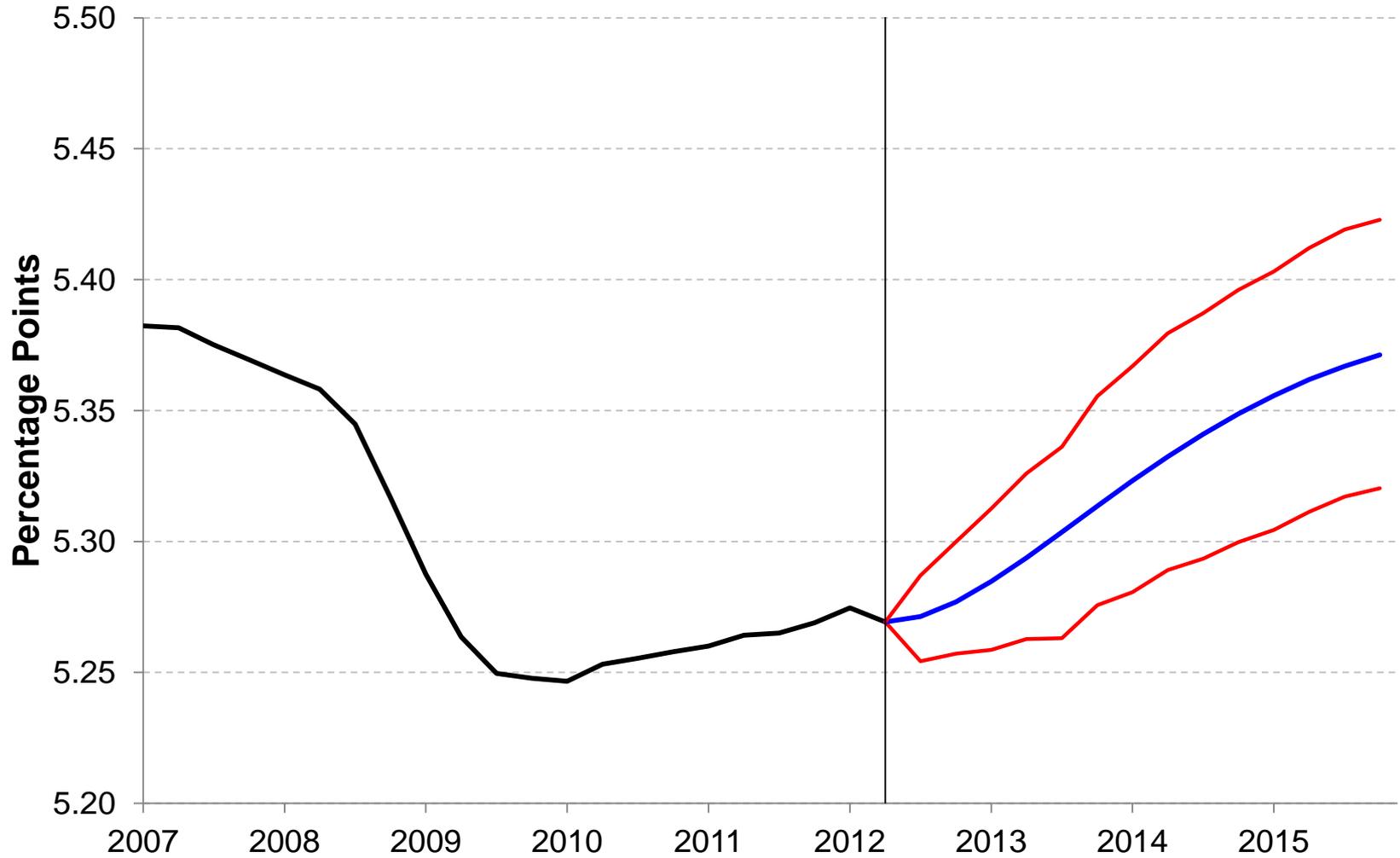


*Gross Private Domestic Investment and Durables Consumption

Lines in red show 68% probability coverage intervals. Blue lines are forecast.
Black lines are history.

PRISM Output from the Philadelphia Fed

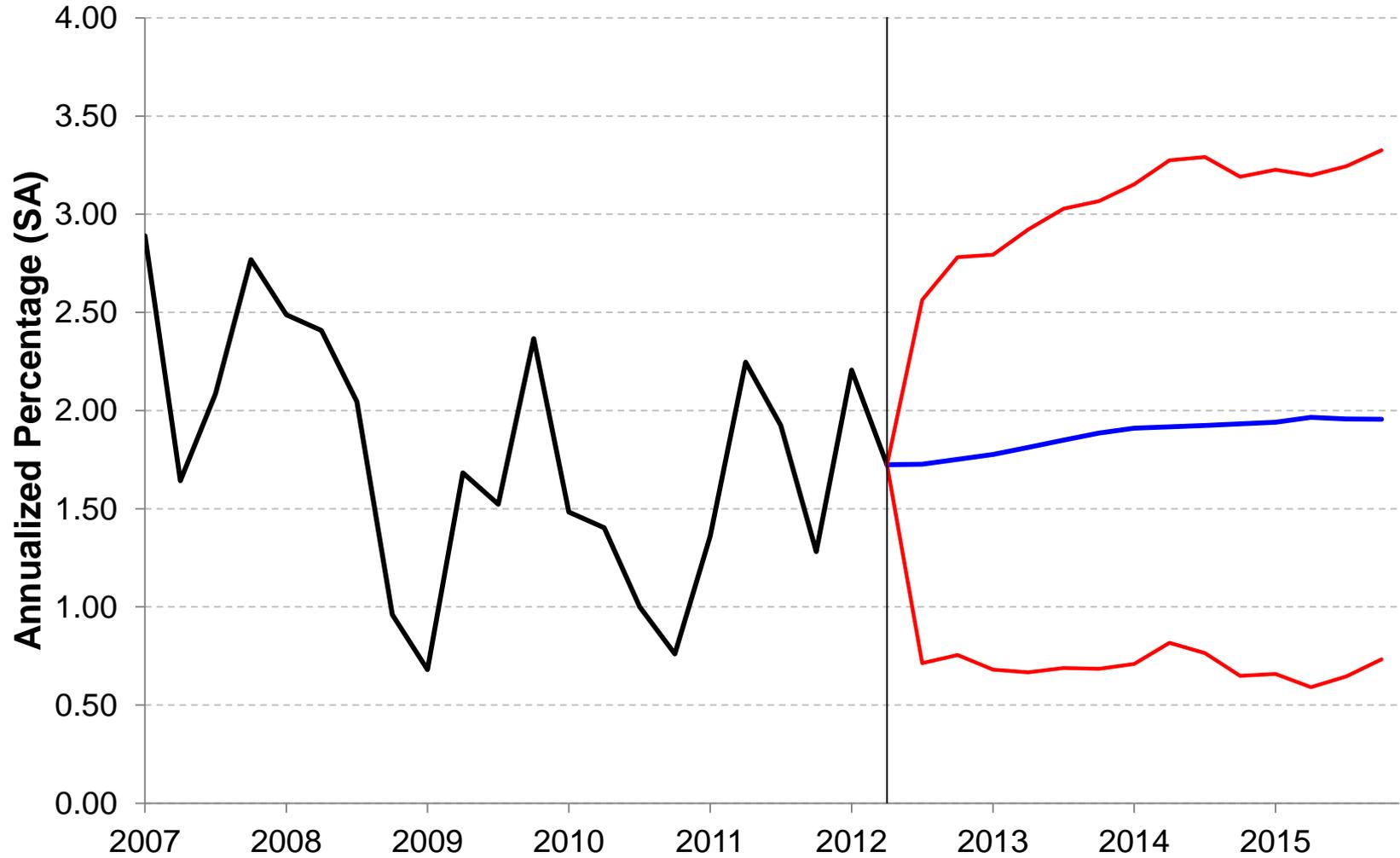
Log Hours



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PRISM Output from the Philadelphia Fed

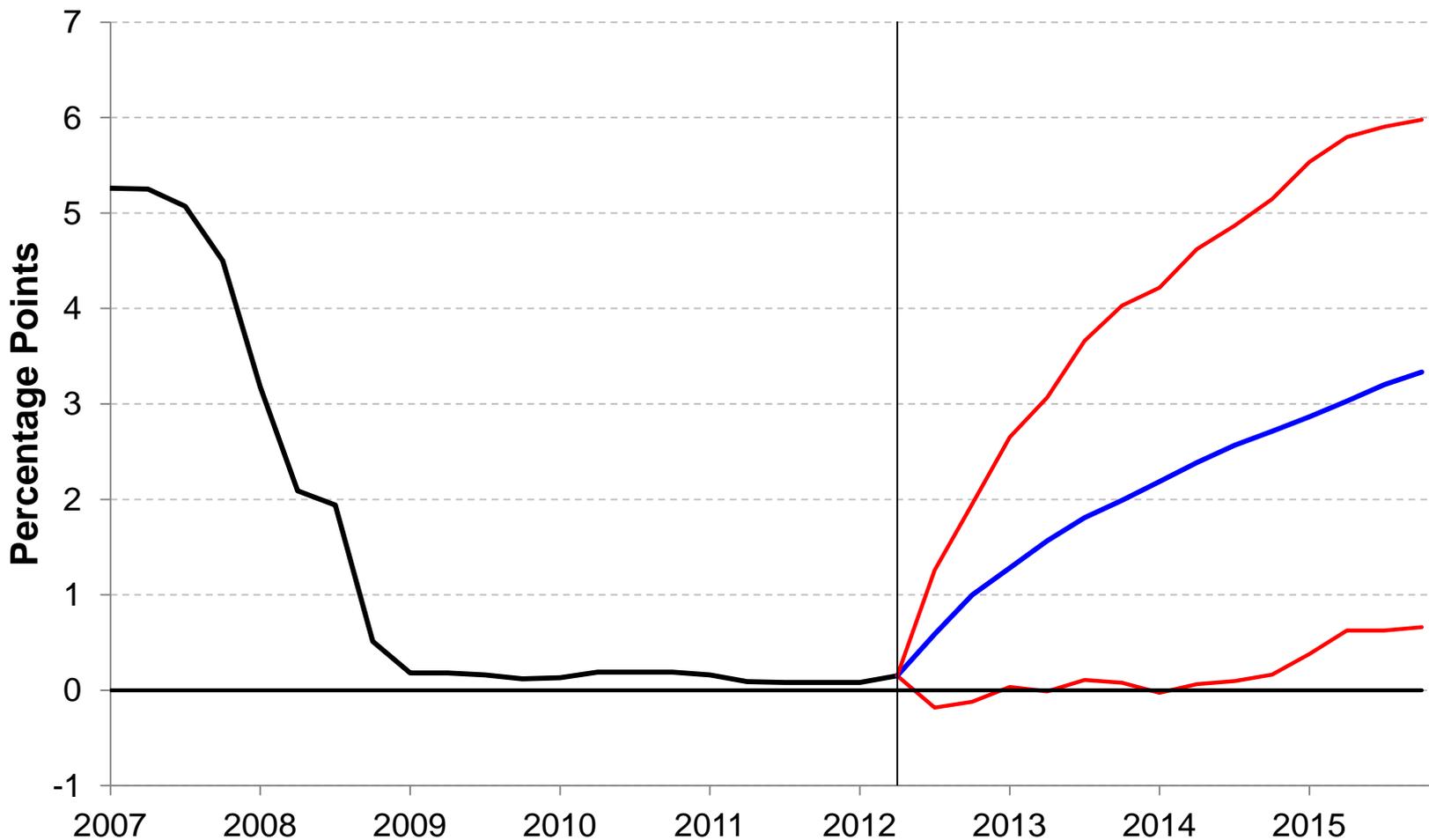
Core PCE Inflation



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PRISM Output from the Philadelphia Fed

Federal Funds Rate*



*Note that the federal funds rate forecast is generated from the model structure and historical correlations in the data. It is not adjusted in any way to reflect the Philadelphia Fed's or Federal Reserve System's views about the likely path of monetary policy.

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