

Seifried
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Press Release

Release Date: June 13, 2018

For release at 2:00 p.m. EDT

Information received since the Federal Open Market Committee met in May indicates that the **labor market has continued to strengthen** and that **economic activity has been rising at a solid rate**. Job gains have been strong, on average, in recent months, and the unemployment rate has declined. Recent data suggest that **growth of household spending has picked up**, while **business fixed investment has continued to grow strongly**. On a 12-month basis, both overall inflation and inflation for items other than food and energy have moved close to 2 percent. Indicators of longer-term inflation expectations are little changed, on balance. ...

...Risks to the economic outlook appear roughly balanced....

...In view of realized and expected labor market conditions and inflation, the Committee decided to raise the target range for the federal funds rate to **1-3/4 to 2 percent**. ...

Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents under their individual assessments of projected appropriate monetary policy, June 2018

Advance release of table 1 of the Summary of Economic Projections to be released with the FOMC minutes

Percent

Variable	Median ¹				Central tendency ²				Range ³			
	2018	2019	2020	Longer run	2018	2019	2020	Longer run	2018	2019	2020	Longer run
Change in real GDP	2.8	2.4	2.0	1.8	2.7-3.0	2.2-2.6	1.8-2.0	1.8-2.0	2.5-3.0	2.1-2.7	1.5-2.2	1.7-2.1
March projection	2.7	2.4	2.0	1.8	2.6-3.0	2.2-2.6	1.8-2.1	1.8-2.0	2.5-3.0	2.0-2.8	1.5-2.3	1.7-2.2
Unemployment rate	3.6	3.5	3.5	4.5	3.6-3.7	3.4-3.5	3.4-3.7	4.3-4.6	3.5-3.8	3.3-3.8	3.3-4.0	4.1-4.7
March projection	3.8	3.6	3.6	4.5	3.6-3.8	3.4-3.7	3.5-3.8	4.3-4.7	3.6-4.0	3.3-4.2	3.3-4.4	4.2-4.8
PCE inflation	2.1	2.1	2.1	2.0	2.0-2.1	2.0-2.2	2.1-2.2	2.0	2.0-2.2	1.9-2.3	2.0-2.3	2.0
March projection	1.9	2.0	2.1	2.0	1.8-2.0	2.0-2.2	2.1-2.2	2.0	1.8-2.1	1.9-2.3	2.0-2.3	2.0
Core PCE inflation ⁴	2.0	2.1	2.1		1.9-2.0	2.0-2.2	2.1-2.2		1.9-2.1	2.0-2.3	2.0-2.3	
March projection	1.9	2.1	2.1		1.8-2.0	2.0-2.2	2.1-2.2		1.8-2.1	1.9-2.3	2.0-2.3	
Memo: Projected appropriate policy path												
Federal funds rate	2.4	3.1	3.4	2.9	2.1-2.4	2.9-3.4	3.1-3.6	2.8-3.0	1.9-2.6	1.9-3.6	1.9-4.1	2.3-3.5
March projection	2.1	2.9	3.4	2.9	2.1-2.4	2.8-3.4	3.1-3.6	2.8-3.0	1.6-2.6	1.6-3.9	1.6-4.9	2.3-3.5

IMF GDP Projections:

October 2017

2017 = 2.2%

2018 = 2.3%

January 2018

2018 = 2.7%

2019 = 2.5%

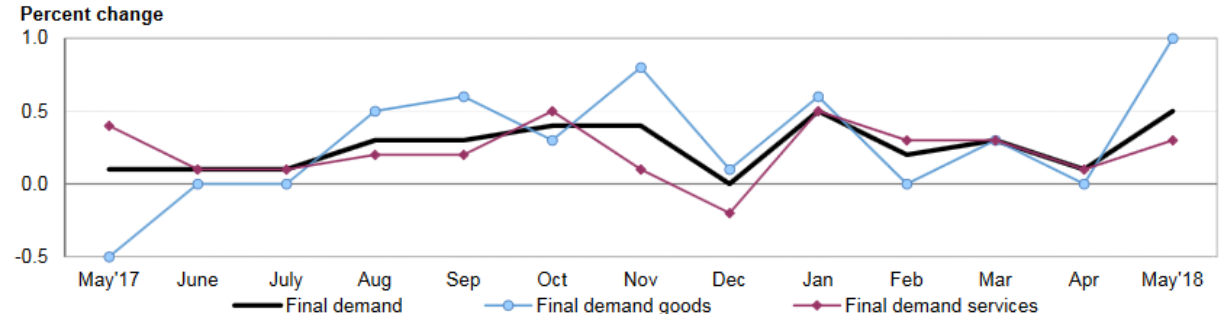
April 2018

2018 = 2.9%

2019 = 2.7%

Producer Price Index

Chart 1. One-month percent changes in selected PPI final demand price indexes, seasonally adjusted



M-t-M Change:

0.5% (0.3 % Consensus; 0.1% prior month)

Less Food & Energy:

0.1% (0.2% Consensus; 0.1% prior month)

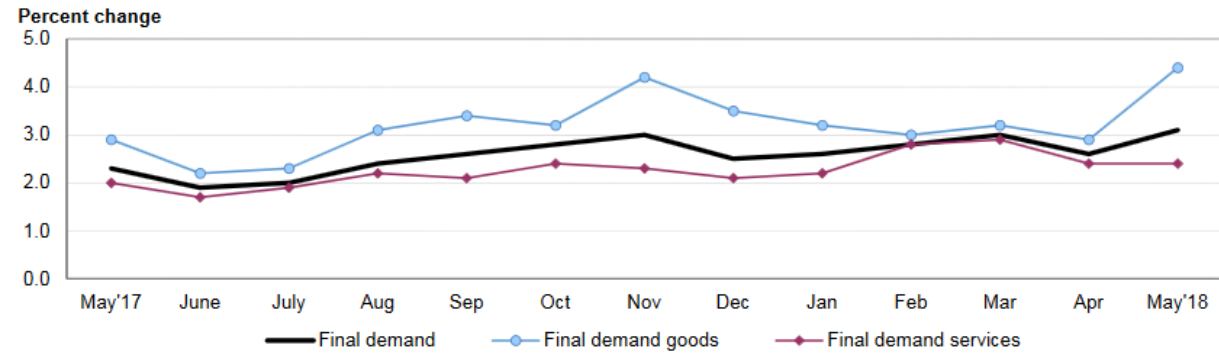
Y-t-Y Change:

3.1% (2.6% prior month)

Less Food & Energy:

2.6% (2.5% prior month)

Chart 2. Twelve-month percent changes in selected PPI final demand price indexes, not seasonally adjusted



Consumer Price Index

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un- adjusted 12-mos. ended May 2018
	Nov. 2017	Dec. 2017	Jan. 2018	Feb. 2018	Mar. 2018	Apr. 2018	May 2018	
All items .....	.3	.2	.5	.2	-.1	.2	.2	2.8
Food .....	.0	.2	.2	.0	.1	.3	.0	1.2
Food at home	-.1	.2	.1	-.2	.1	.3	-.2	.1
Food away from home ¹ .....	.2	.2	.4	.2	.1	.2	.3	2.7
Energy	3.2	-.2	3.0	.1	-2.8	1.4	.9	11.7
Energy commodities	5.8	-.7	5.8	-.9	-4.7	3.0	1.6	21.7
Gasoline (all types)	6.0	-.8	5.7	-.9	-4.9	3.0	1.7	21.8
Fuel oil	5.6	.9	9.5	-3.6	-.7	2.7	-.7	25.3
Energy services .....	.5	.4	-.8	1.4	-.2	-.5	-.1	.6
Electricity .....	.5	.2	-.2	.4	.0	-.6	.1	1.0
Utility (piped) gas service .....	.7	1.0	2.6	1.7	1.2	.4	.6	.8
All items less food and energy	-.1	.2	.3	.2	.2	.1	.2	2.2
Commodities less food and energy	-.1	.2	.4	.1	-.1	-.1	-.1	-.3
New vehicles .....	.2	.5	-.1	-.5	.0	-.5	.3	-1.1
Used cars and trucks .....	.5	.7	.4	-.3	-.3	-1.6	-.9	-1.7
Apparel	-.9	-.3	1.7	1.5	-.6	.3	.0	1.4
Medical care commodities .....	.5	.9	-.1	-.3	.1	-.2	1.3	2.7
Services less energy services .....	.2	.3	.3	.2	.3	.2	.3	3.0
Shelter .....	.2	.3	.2	.2	.4	.3	.3	3.5
Transportation services .....	.1	.3	.8	1.0	.2	-.4	.0	3.8
Medical care services	-.1	.2	.6	.0	.5	.2	-.1	2.3

¹ Not seasonally adjusted.

Consensus:

All items:

M-t-M = 0.2%

Y-t-Y = 2.8%

Core:

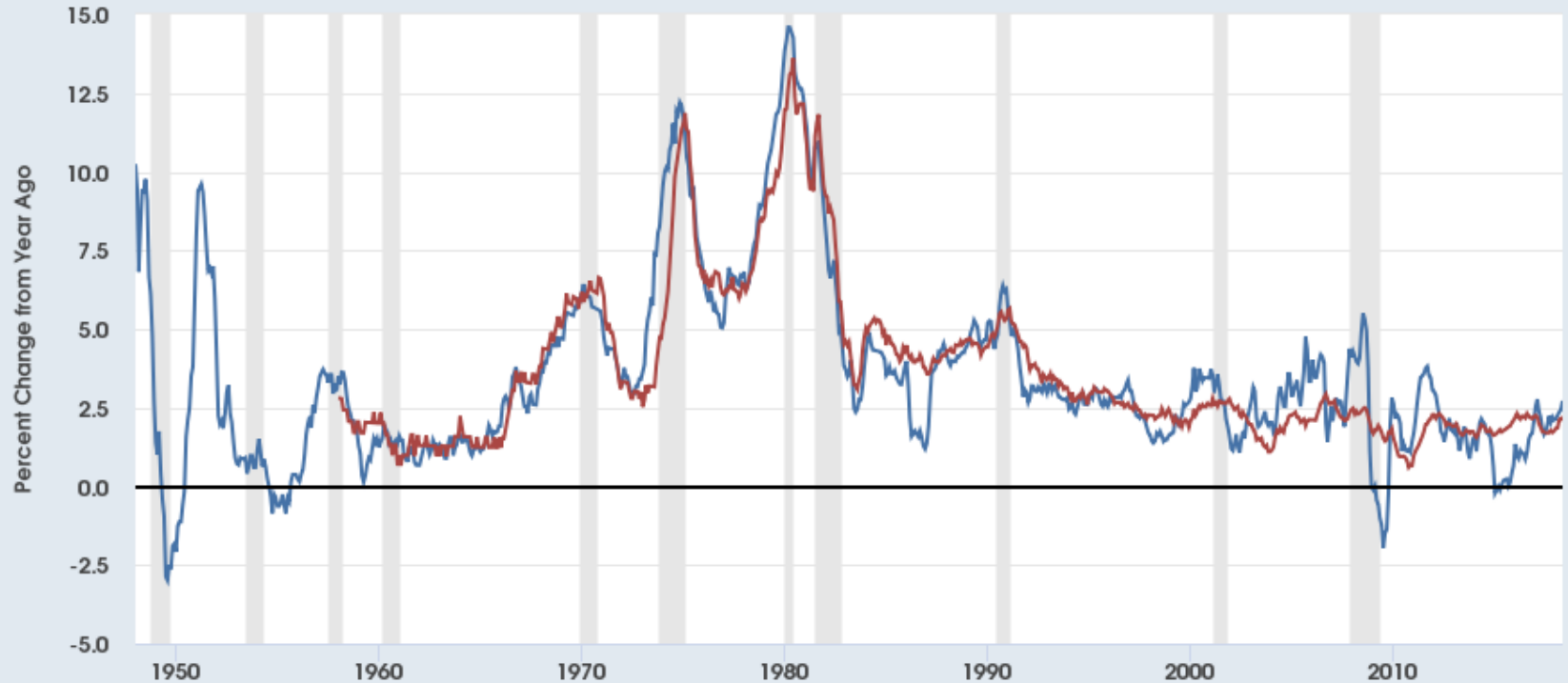
M-t-M = 0.2%

Y-t-Y = 2.2%

Consumer Price Index Trend

FRED

— Consumer Price Index for All Urban Consumers: All Items
— Consumer Price Index for All Urban Consumers: All Items Less Food and Energy



Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

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