

# Federal Reserve Bank of Kansas City Omaha Branch

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## National Economic Outlook

by

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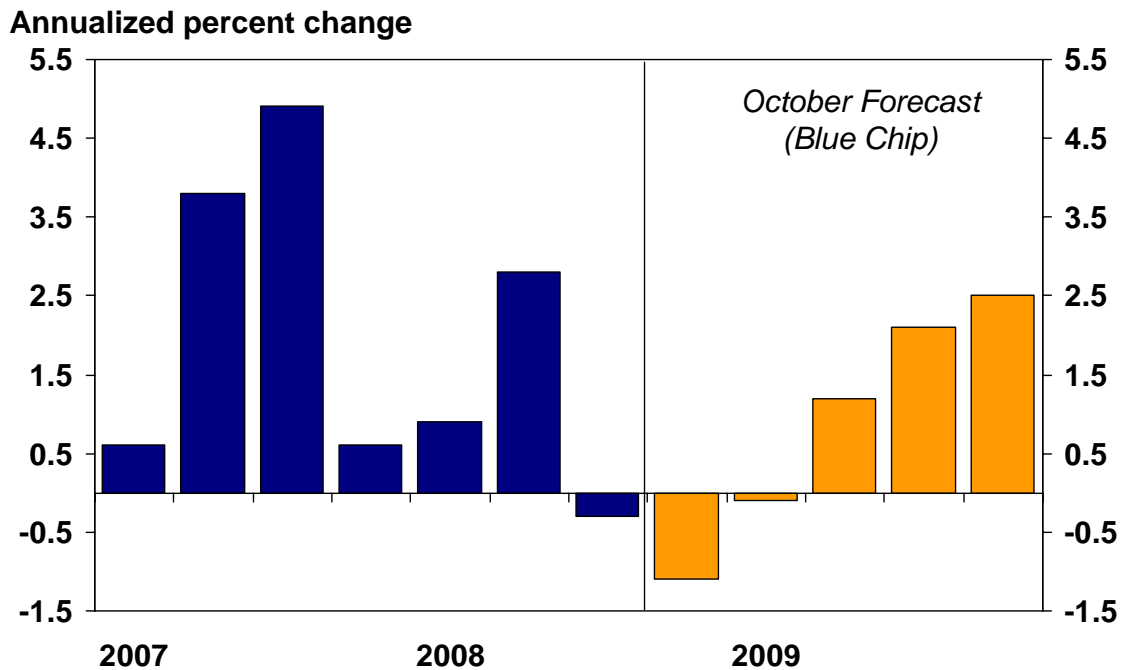
November 7, 2008



**FOMC Statement  
(October 29, 2008)**

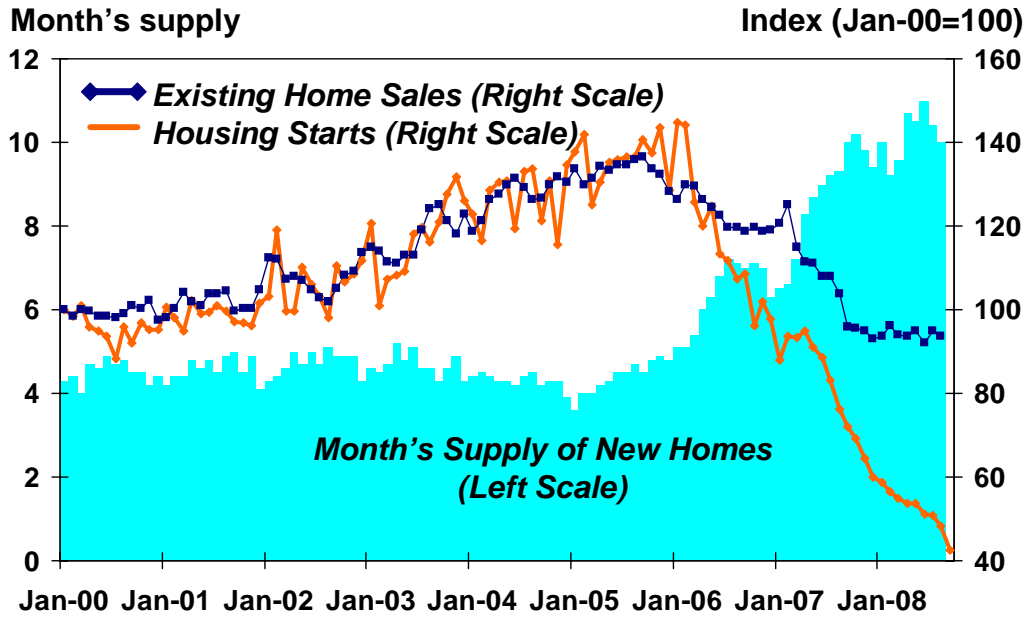
- The pace of economic activity appears to have slowed markedly, owing importantly to a **decline in consumer expenditures**.
- **Business equipment spending and industrial production have weakened** in recent months, and slowing economic activity in many foreign economies is **dampening the prospects for U.S. exports**.
- Moreover, the intensification of **financial market turmoil** is likely to exert additional restraint on spending, partly by further **reducing the ability of households and businesses to obtain credit**.
- In light of the declines in the prices of energy and other commodities and the weaker prospects for economic activity, **the Committee expects inflation to moderate** in coming quarters to levels consistent with price stability.

**Chart 1:  
U.S. Real GDP Growth**



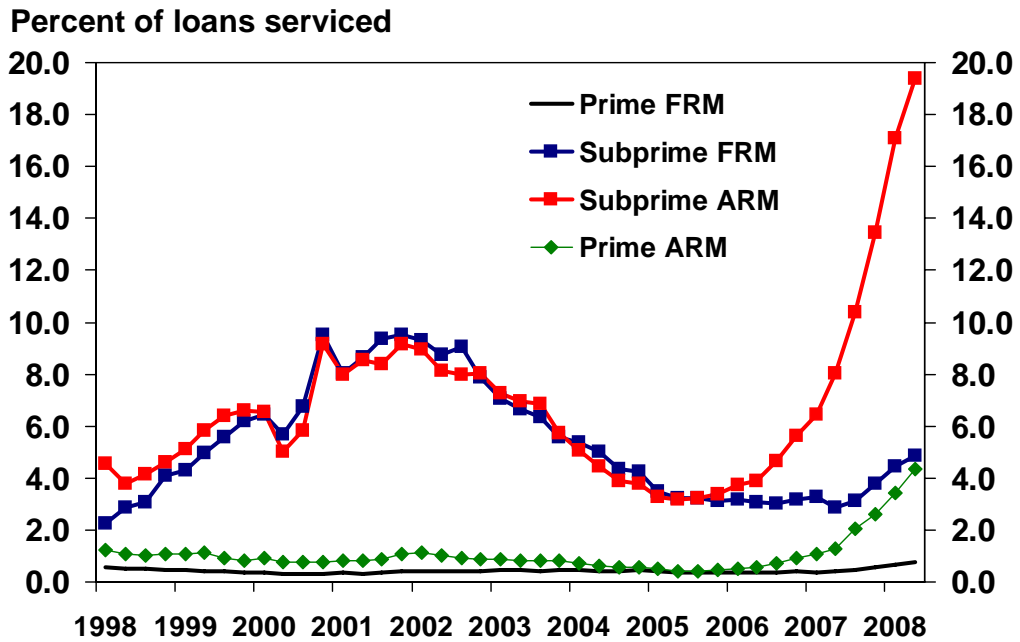
Source: BEA and Blue Chip Economic Indicators

**Chart 2:  
Home Starts, Sales and Inventories**



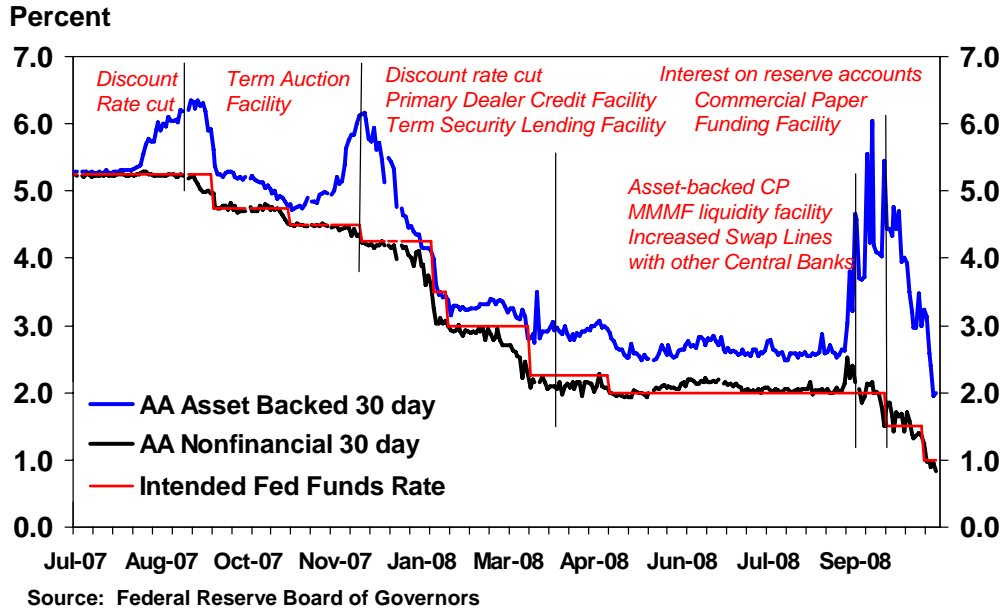
Source: Dept. of Commerce, National Association of Realtors

**Chart 3:  
U.S. Foreclosure Rates**

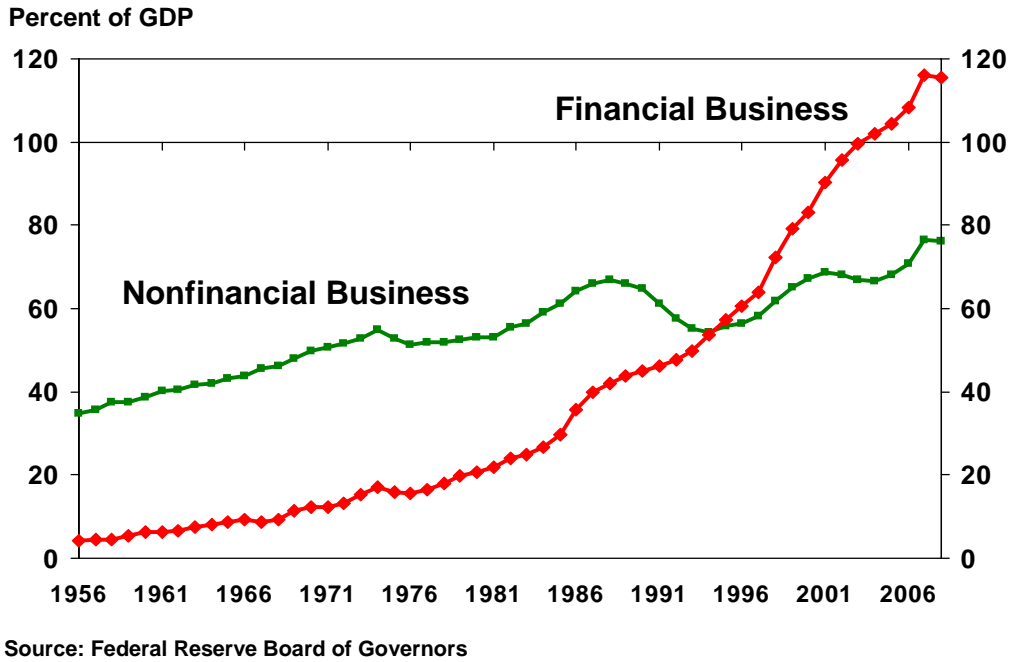


Source: Mortgage Bankers Association

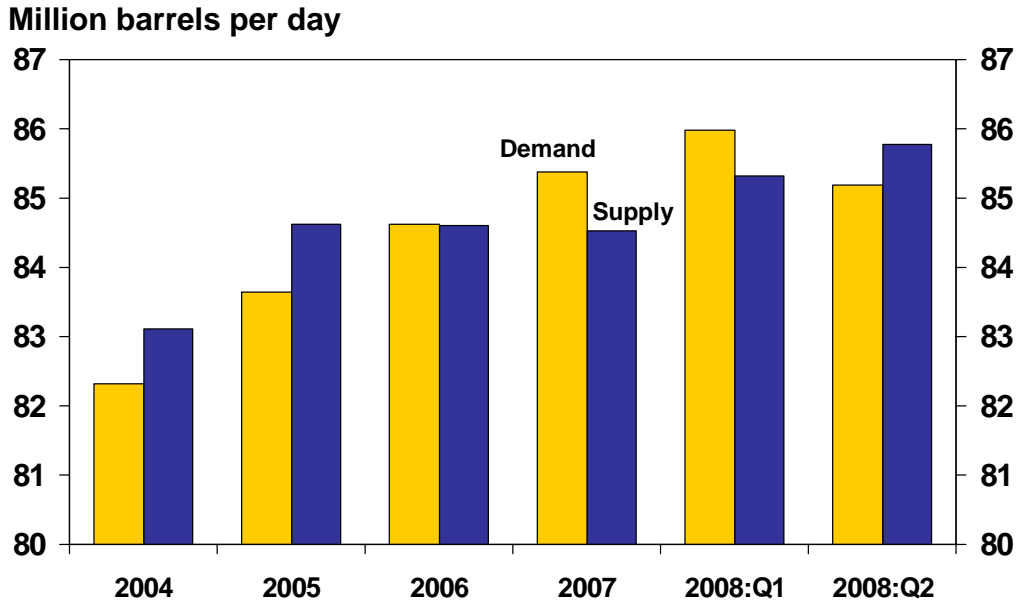
**Chart 4:  
Commercial Paper and Fed Funds Rates**



**Chart 5:  
U.S. Domestic Business Debt Outstanding**

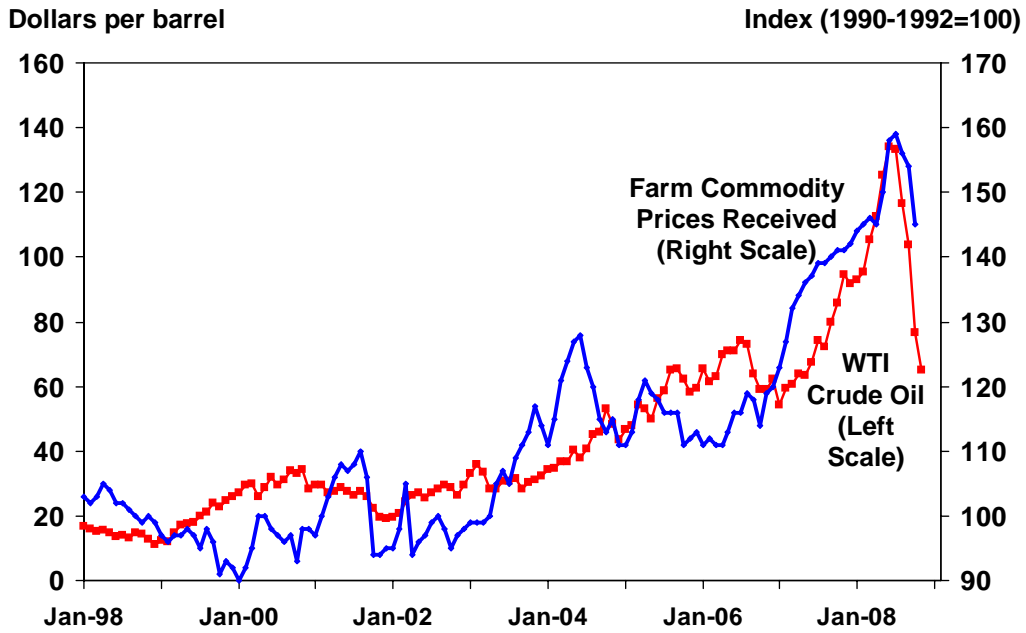


**Chart 6:  
World Oil Balance**



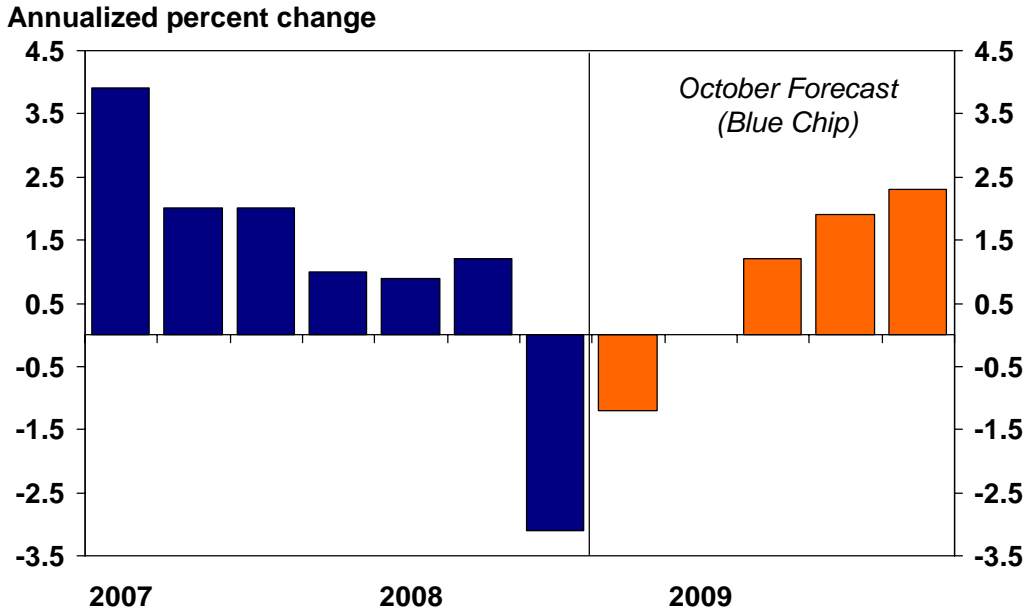
Source: Energy Information Administration

**Chart 7:  
Energy and Farm Commodity Prices**

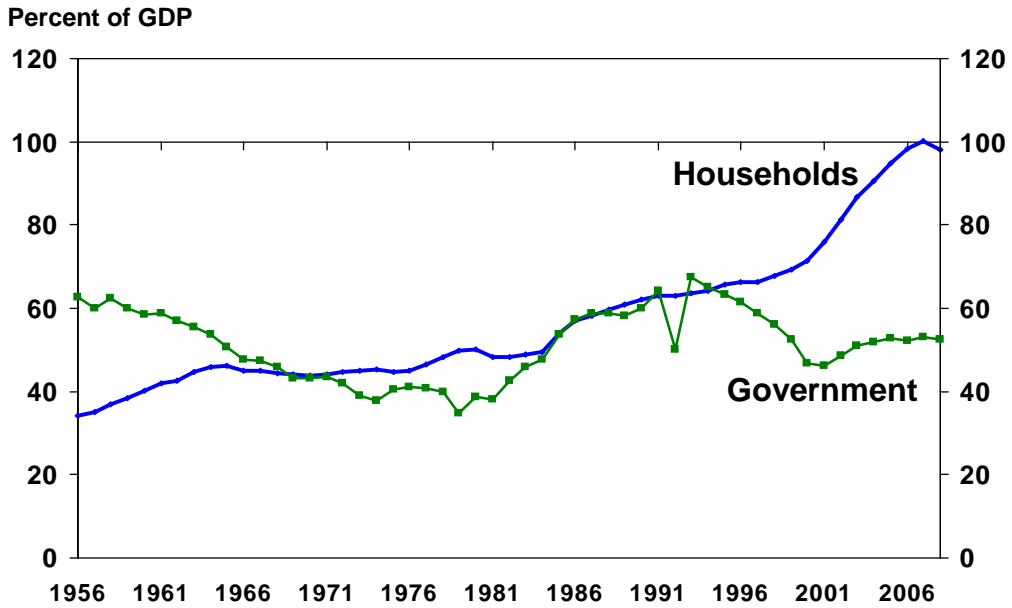


Source: Commodity Research Bureau and USDA

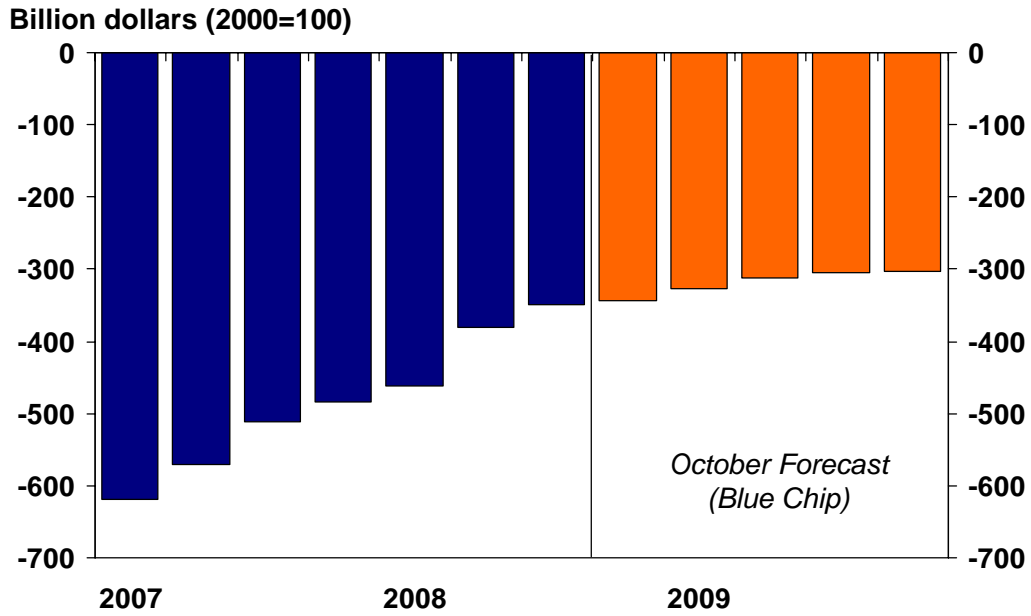
**Chart 8:  
Personal Consumption Expenditures**



**Chart 9:  
U.S. Household and Government Debt**



**Chart 10:  
Real Net Exports**



**Chart 11:  
World GDP Forecasts**

