

August 2020

ECONOMIC AND INTEREST RATE FORECAST

	2019				2020				2021				Annual			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2019	2020	2021	2020

Growth Indicators

GDP (QoQ)	2.9%	1.5%	2.6%	2.4%	-5.0%	-32.9%	18.3%	5.4%	3.5%	5.9%	3.8%	3.4%	2.4%	-3.6%	4.2%	2.3%
Personal Consumption (PCE)	1.8%	3.7%	2.7%	1.6%	-6.9%	-34.6%	25.6%	4.3%	0.1%	4.4%	3.4%	3.6%	2.5%	-2.9%	2.9%	2.8%
Government Spending	2.5%	5.0%	2.1%	2.4%	1.3%	2.7%	2.0%	-2.5%	0.5%	0.8%	0.8%	0.1%	3.0%	0.9%	0.6%	-0.1%
Unemployment Rate	3.9%	3.6%	3.6%	3.5%	3.8%	13.0%	9.7%	8.2%	7.7%	7.1%	6.7%	6.1%	3.7%	8.7%	6.9%	5.2%
Consumer Inflation (YoY)	1.6%	1.8%	1.8%	2.0%	2.1%	0.4%	1.0%	0.9%	1.6%	3.2%	2.8%	3.0%	1.8%	1.1%	2.7%	2.2%
Home Prices	1.7%	1.8%	1.8%	2.0%	2.1%	3.5%	3.5%	3.2%	3.0%	3.0%	3.4%	3.7%	1.8%	3.1%	3.3%	3.7%

Interest Rate Benchmarks and Market Rates

Prime Rate	5.5%	5.5%	5.2%	4.8%	3.8%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	5.2%	3.4%	3.3%	3.5%
Federal Funds Rate	2.4%	2.4%	1.9%	1.6%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	2.1%	0.1%	0.1%	0.4%
2-year US Treasury	2.5%	2.3%	2.7%	2.8%	1.1%	0.1%	0.1%	0.3%	0.3%	0.3%	0.6%	0.6%	2.6%	0.4%	0.5%	0.8%
10-year US Treasury	2.7%	2.3%	1.8%	1.8%	1.4%	0.7%	0.8%	0.9%	1.1%	1.1%	1.2%	1.3%	2.2%	1.0%	1.2%	1.5%
5-year A-paper Vehicle Loan	3.1%	3.1%	3.2%	3.2%	3.5%	3.3%	3.3%	3.4%	3.6%	3.8%	3.8%	3.8%	3.2%	3.4%	3.8%	4.0%
15-year Fixed FLM	3.8%	3.5%	3.1%	3.1%	3.0%	2.8%	2.8%	2.8%	2.9%	2.9%	2.9%	3.0%	3.2%	2.9%	2.9%	3.3%
30-year Fixed FLM	4.3%	4.0%	3.7%	3.7%	3.5%	3.2%	3.2%	3.3%	3.4%	3.4%	3.5%	3.5%	3.8%	3.3%	3.5%	3.9%

Home and Auto Sales and Loans

Home Sales and Prices (Bil Units)-

Total Home Sales	5.876	5.948	6.109	6.131	6.185	5.150	6.151	6.078	6.189	6.325	6.458	6.476	6.016	6.093	5.894	6.609
Existing Home Sales (000)	5.207	5.287	5.410	5.420	5.483	4.474	5.364	5.313	5.430	5.566	5.693	5.717	5.331	5.400	5.197	5.834
New Home Sales (000)	0.669	0.661	0.699	0.711	0.702	0.676	0.787	0.765	0.759	0.759	0.765	0.759	0.685	0.693	0.697	0.775

Mortgage Originations (Bil\$)-

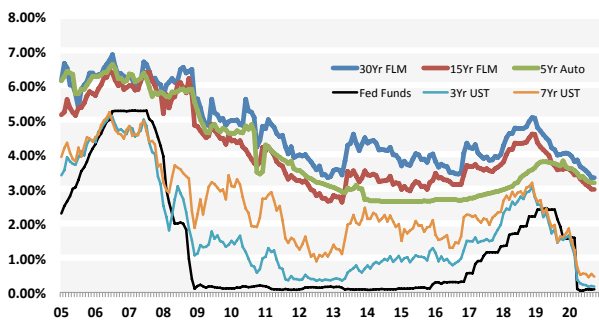
Total 1- to 4- Family	325	501	651	696	563	928	860	635	502	579	554	480	2173	2986	2115	1907
Purchase Applications	228	355	375	314	257	348	410	325	302	379	392	332	1272	1340	1405	1478
Refinance Application	97	146	276	382	306	580	450	310	200	200	162	148	901	1646	710	429
Refinance Share	30%	29%	42%	55%	54%	63%	52%	49%	40%	35%	29%	31%	41%	55%	34%	22%

Vehicle Sales-

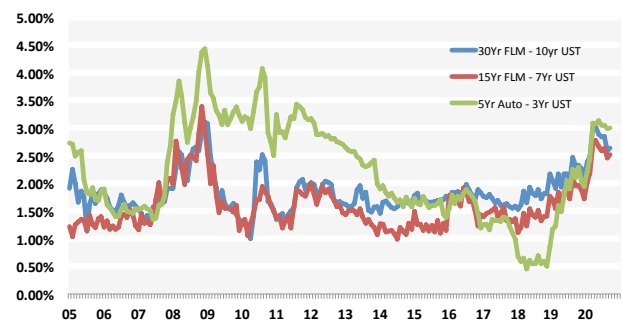
Total US Vehicle Sales (Mil)	17.8	17.6	18.6	18.2	15.4	14.0	15.6	15.0	15.3	16.4	16.5	16.8	18.1	15.0	16.3	17.4
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Additional information and data is available at Meridian Economics website at www.Meridian-ally.com

MARKET RATES AND RELATIVE BENCHMARKS



PRICING SPREADS: MARKET RATES LESS BENCHMARKS



BRIAN TURNER

President, Chief Economist

972.740.9531

bturner008@tx.rr.com

www.Meridian-ally.com