

Emerging Trends in the U.S. and Regional Economies

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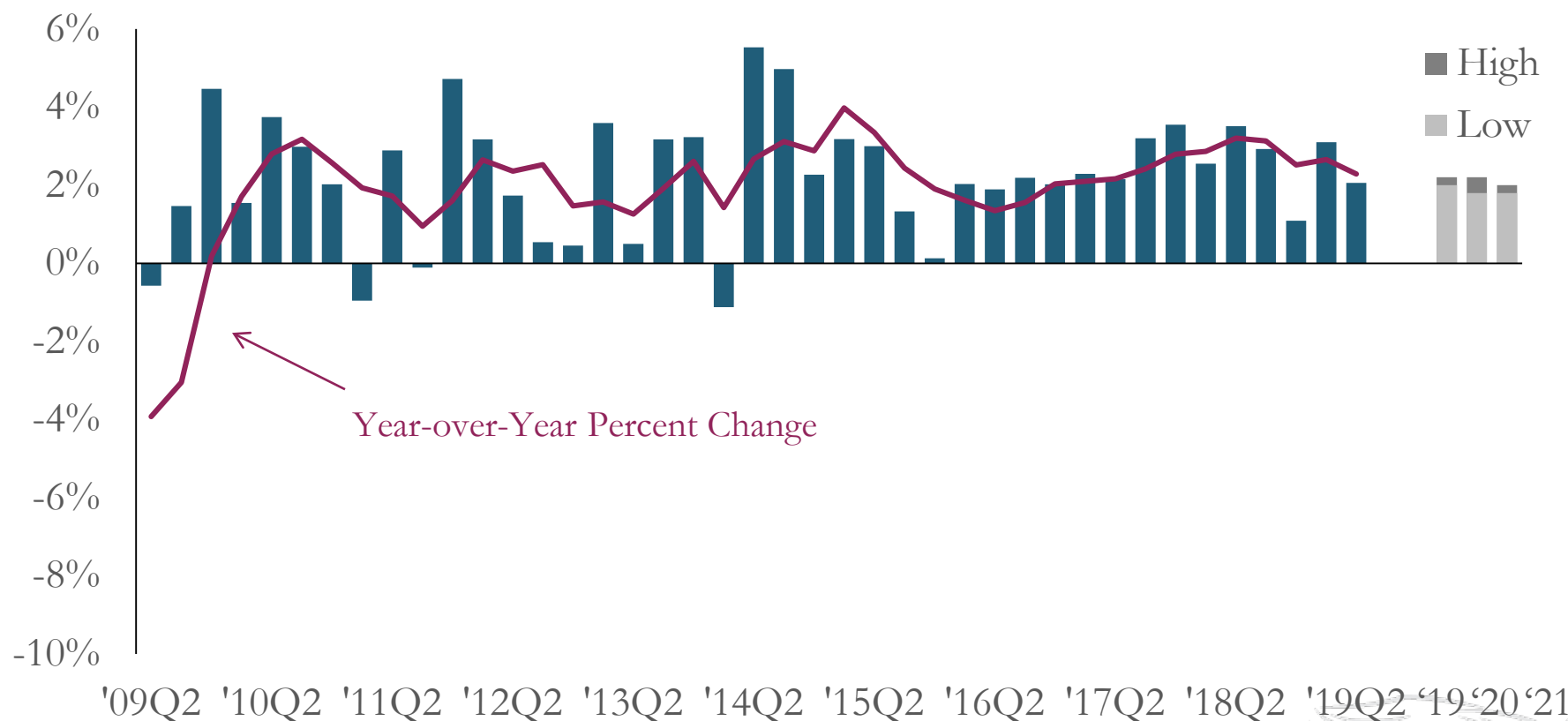
The views expressed are those of the presenter and do not necessarily reflect the positions of the Federal Reserve Bank of Kansas City or the Federal Reserve System.



The U.S. economy is expected to expand at a moderate pace this year.

REAL U.S. GROSS DOMESTIC PRODUCT

Percent Change from Previous Quarter at Seasonally Adjusted Annualized Rates



Sources: Bureau of Economic Analysis and Federal Open Market Committee (FOMC) / Haver Analytics

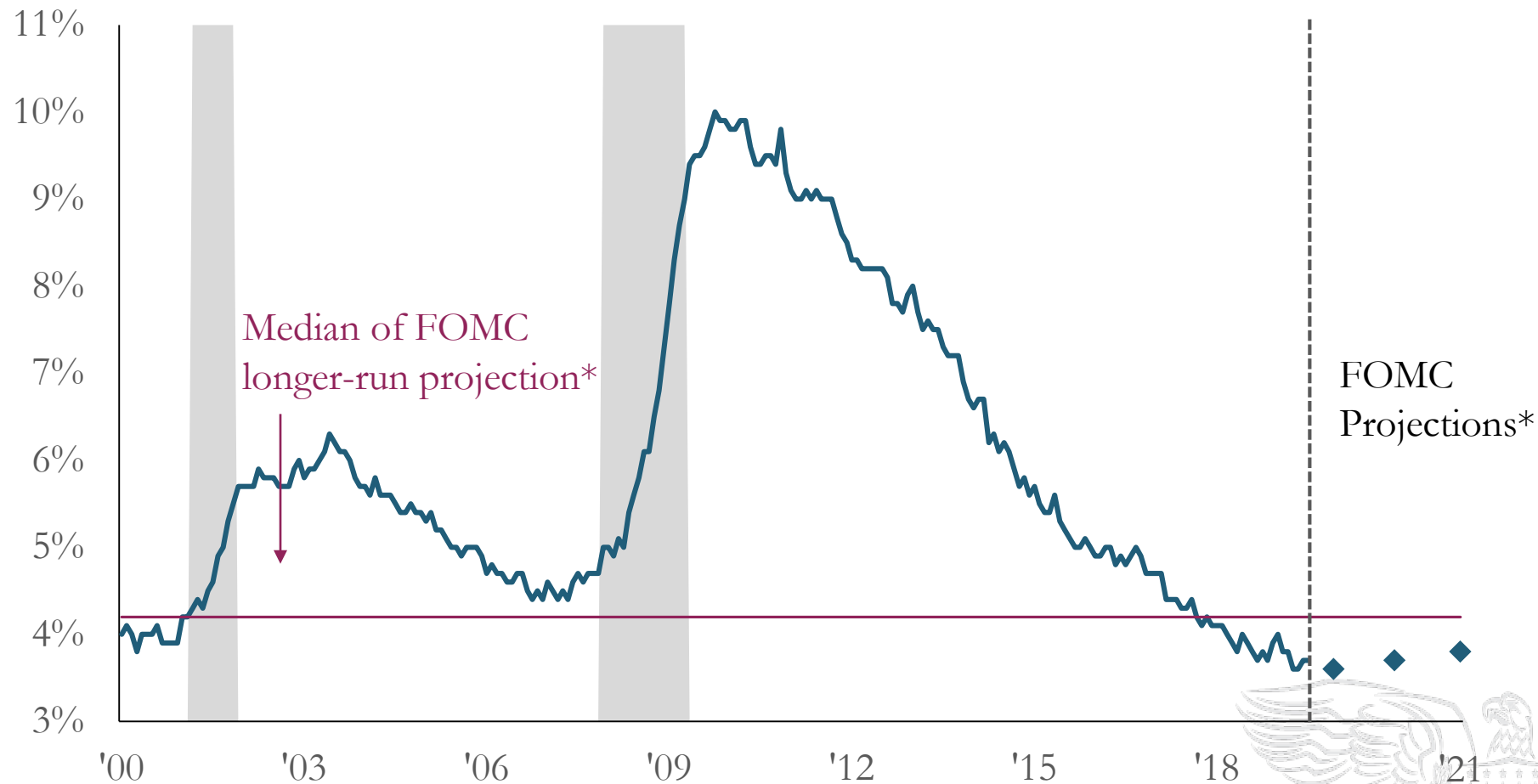
*Projections as of June FOMC meeting

FOMC
Central Tendency
Projections*

The unemployment rate has declined steadily over the past nine years and has fallen below most estimates of its longer-run level.

U. S. UNEMPLOYMENT RATE

Seasonally Adjusted



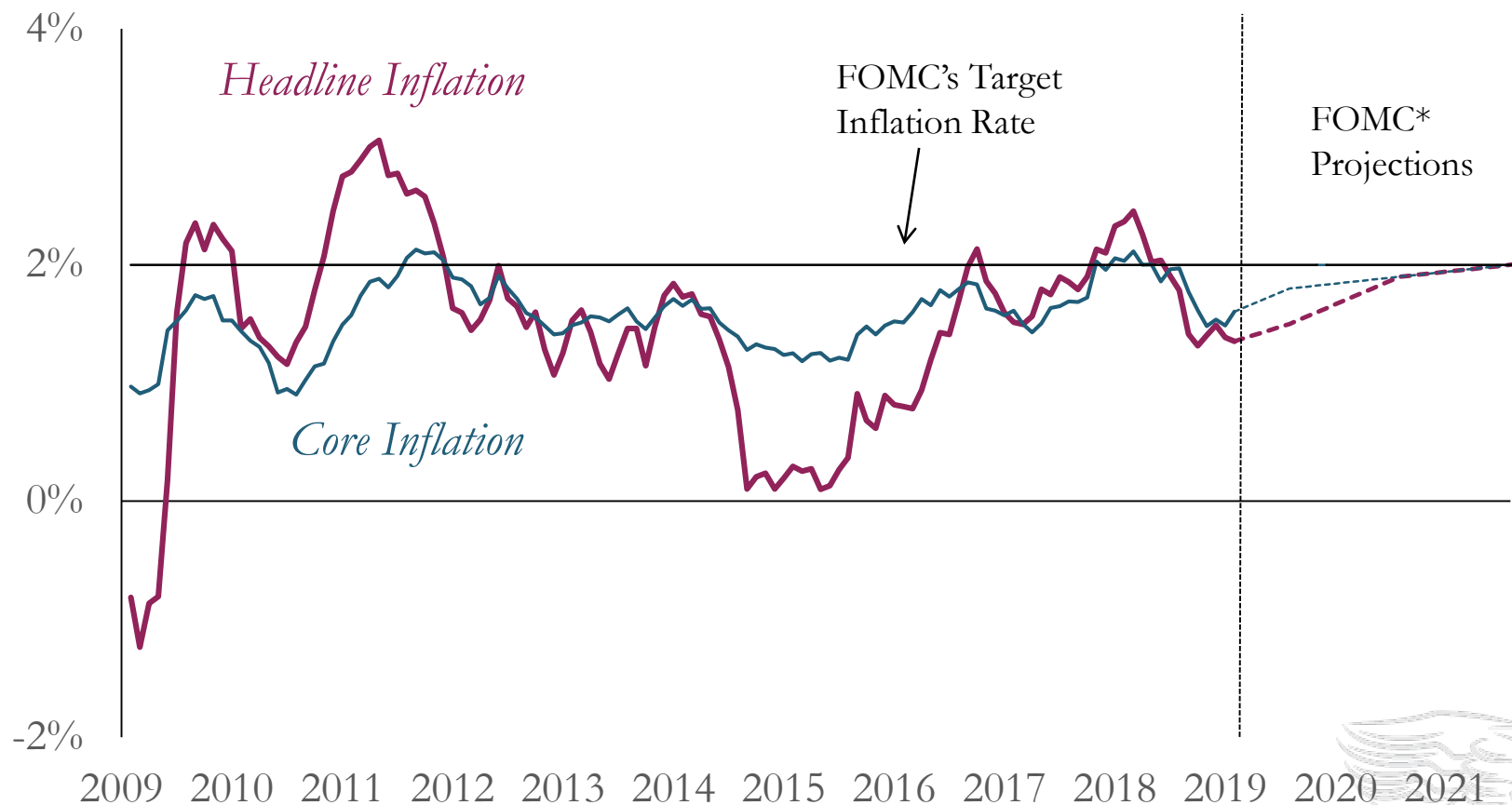
Sources: Bureau of Labor Statistics, National Bureau of Economic Research and Federal Open Market Committee (FOMC) / Haver Analytics

*Projections as of June FOMC meeting; median unemployment rate

Inflation is expected to move toward the FOMC's two percent target over the next few years.

PERSONAL CONSUMPTION EXPENDITURE PRICE INDEX (PCEPI)

Percent Change Year-over-Year



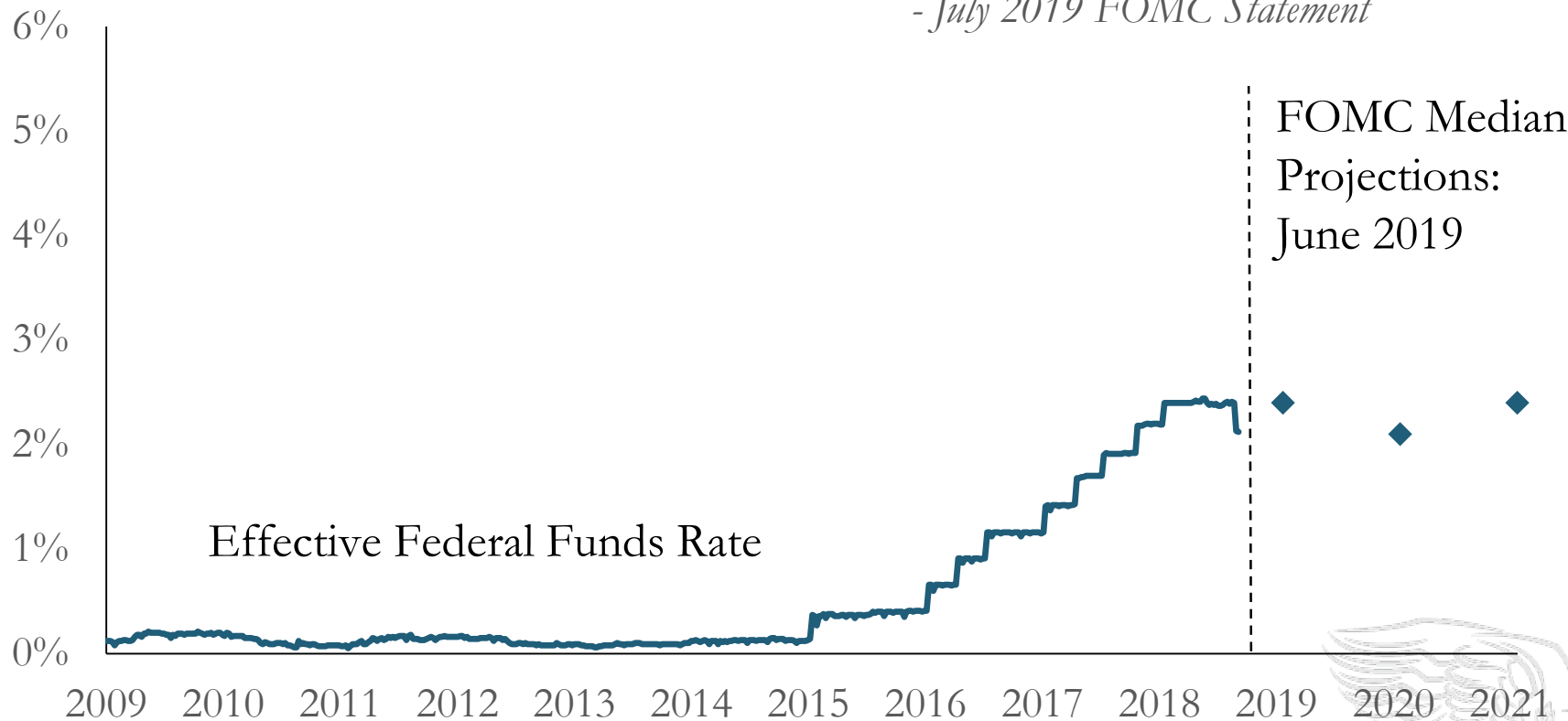
Sources: Bureau of Economic Analysis and Federal Open Market Committee / Haver Analytics

*Projections as of June FOMC meeting; median projections



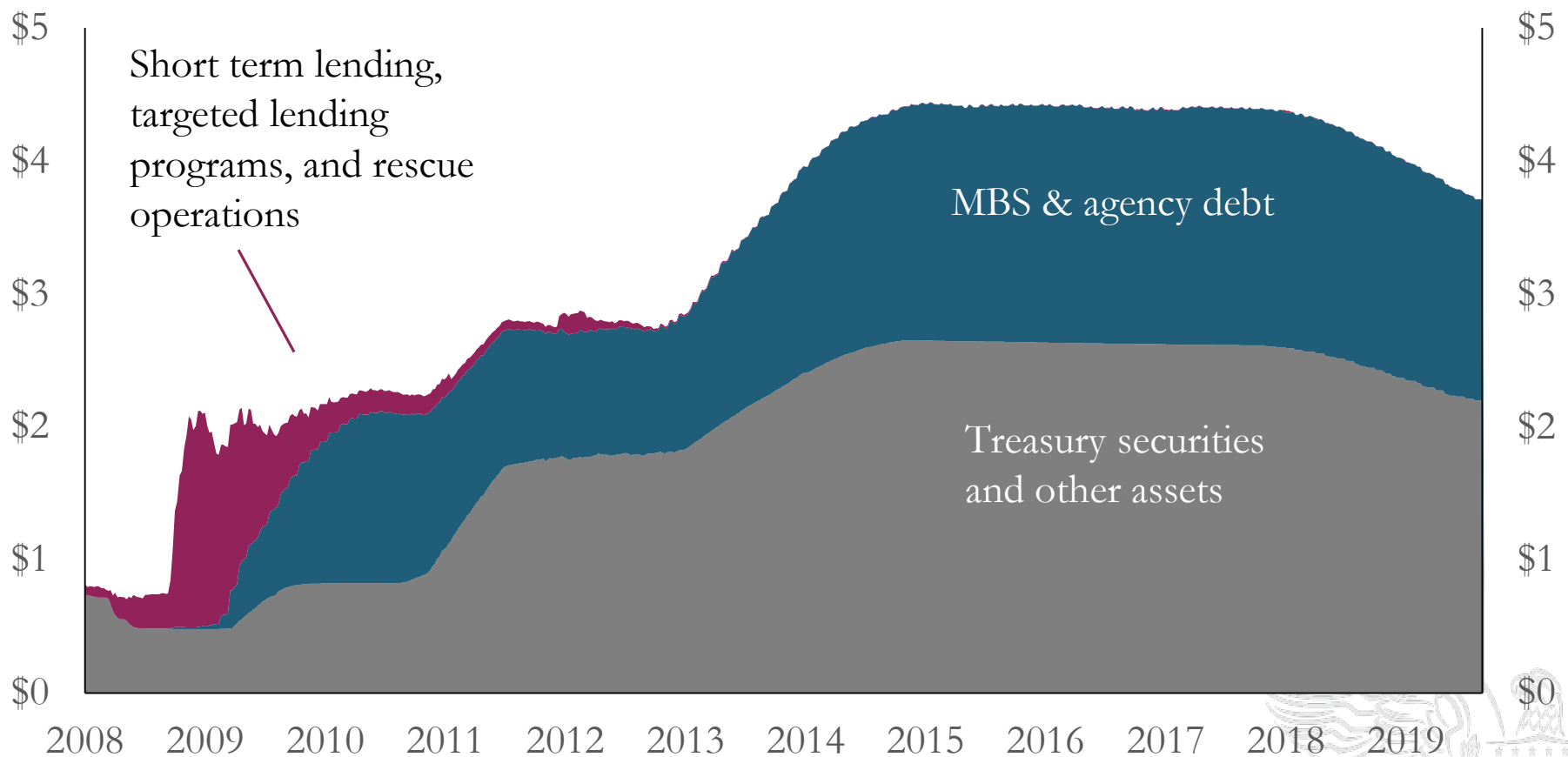
“Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. In light of the implications of global developments for the economic outlook as well as muted inflation pressures, the Committee decided to lower the target range for the federal funds rate to 2 to 2-1/4 percent.”

- July 2019 FOMC Statement



FEDERAL RESERVE BALANCE SHEET

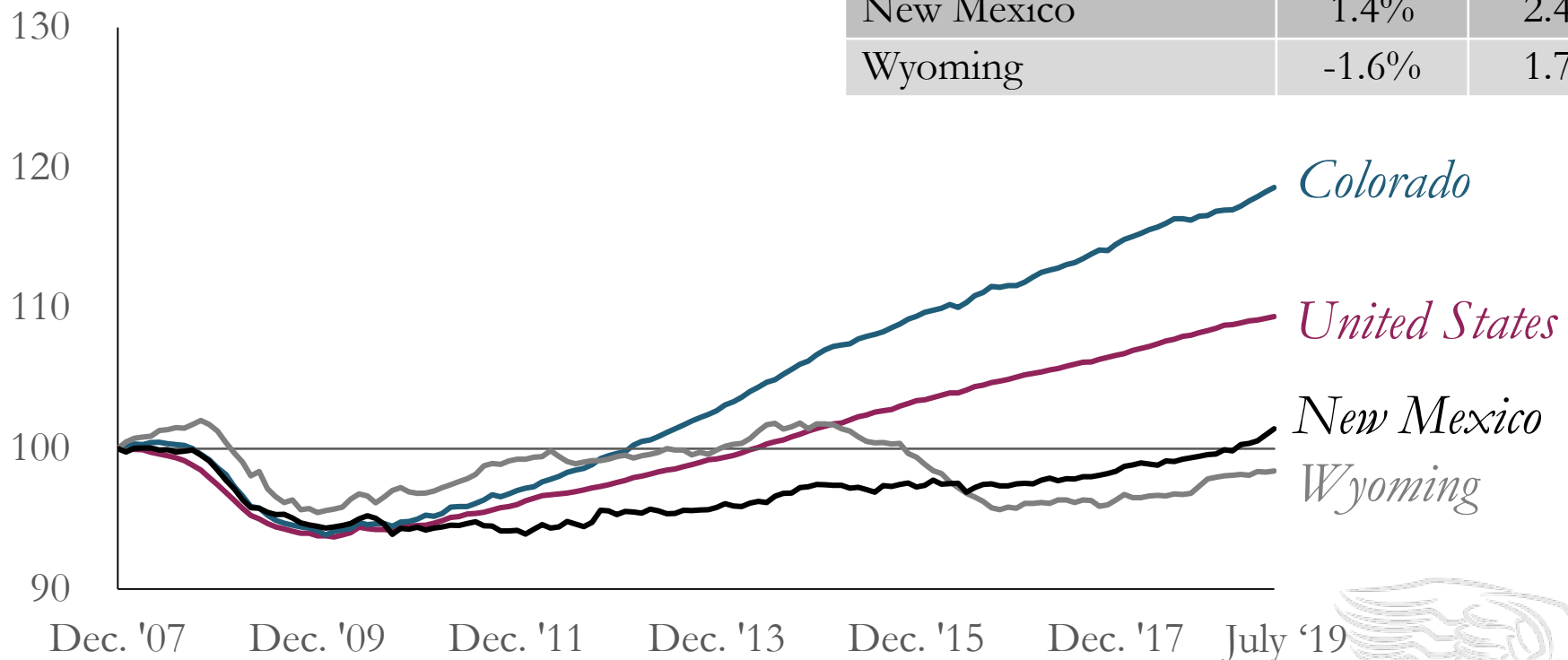
Trillions



Employment has been increasing in the U.S., Colorado, New Mexico and Wyoming in recent years.

PAYROLL EMPLOYMENT GROWTH

Index 100 = December 2007, Seasonally Adjusted

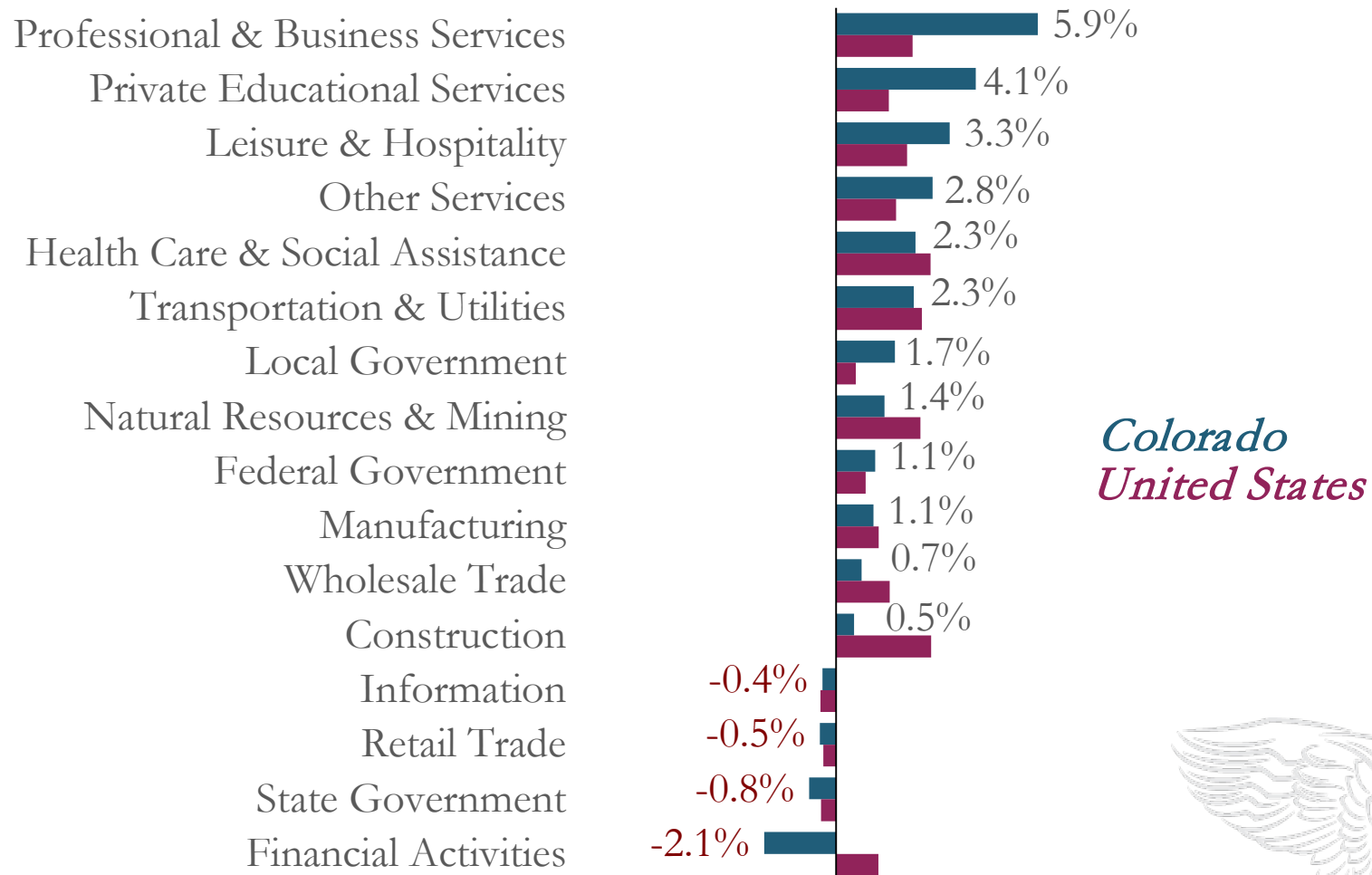


The majority of industries in Colorado have added jobs over the past year.

CHANGE IN PAYROLL EMPLOYMENT, JULY 2019

Seasonally Adjusted

Percent Change Year-over-Year

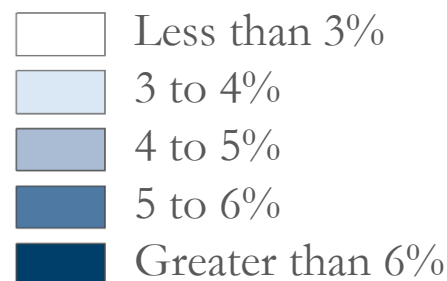
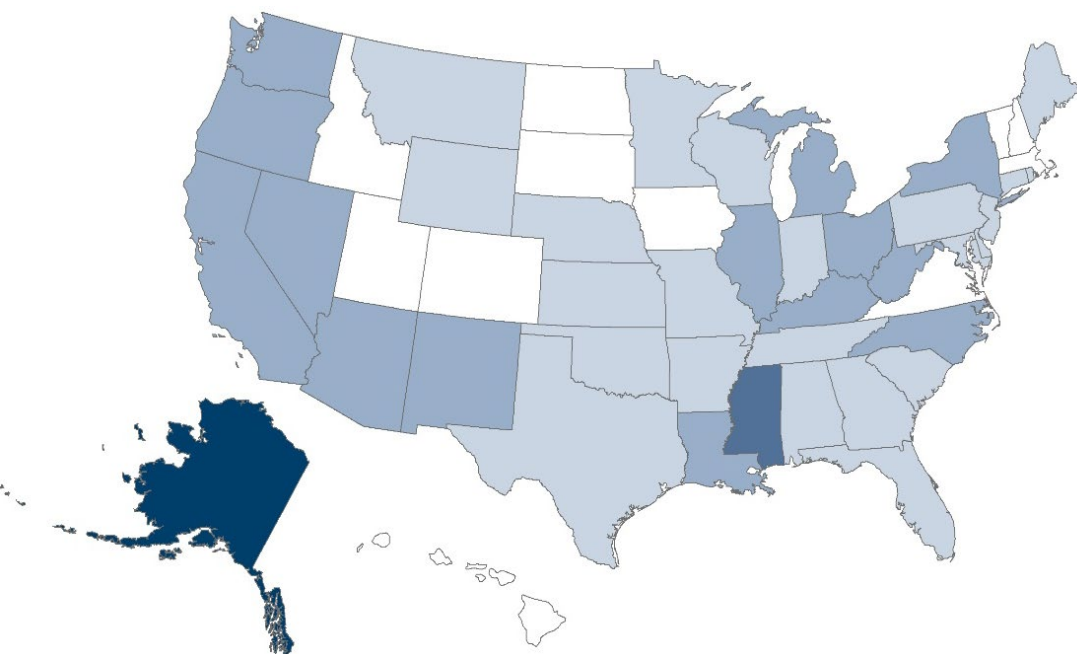


Unemployment rates are low across the country.

UNEMPLOYMENT RATES *July 2019, Seasonally Adjusted*

<i>Unemployment Rate (July '19)</i>	<i>U-3</i>	<i>U-5*</i>	<i>U-6*</i>
United States	3.7%	4.6%	7.0%
Colorado	2.9%	3.8%	6.6%
New Mexico	4.9%	5.9%	9.1%
Wyoming	3.6%	4.4%	7.1%

**U-5 and U-6 values are 12-month moving averages as of Q2 2019 for individual states and are for July, 2019 for the United States.*

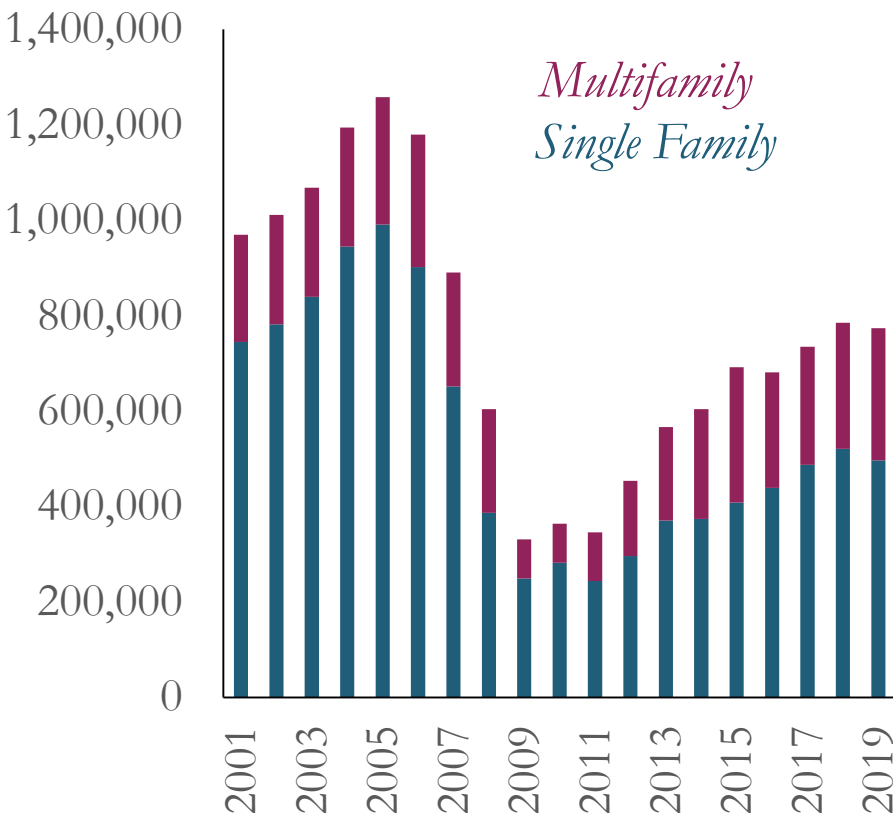


Residential construction activity has increased significantly since 2009, but permitting has declined so far this year.

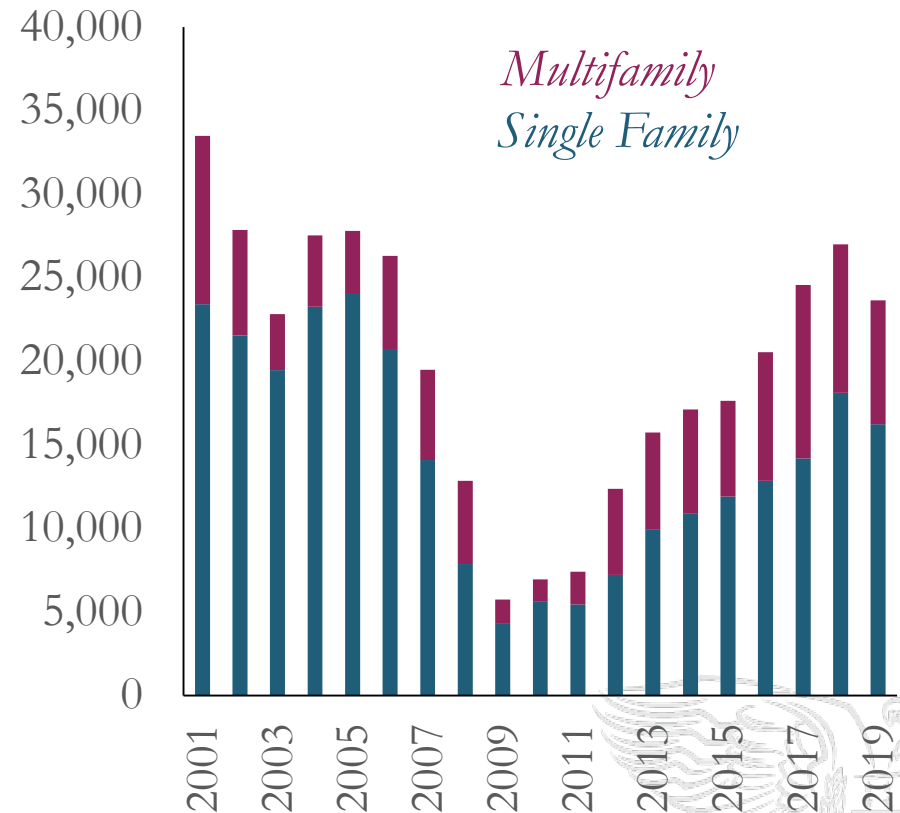
RESIDENTIAL PERMITS

Seasonally Adjusted, Year-to-Date through July

United States



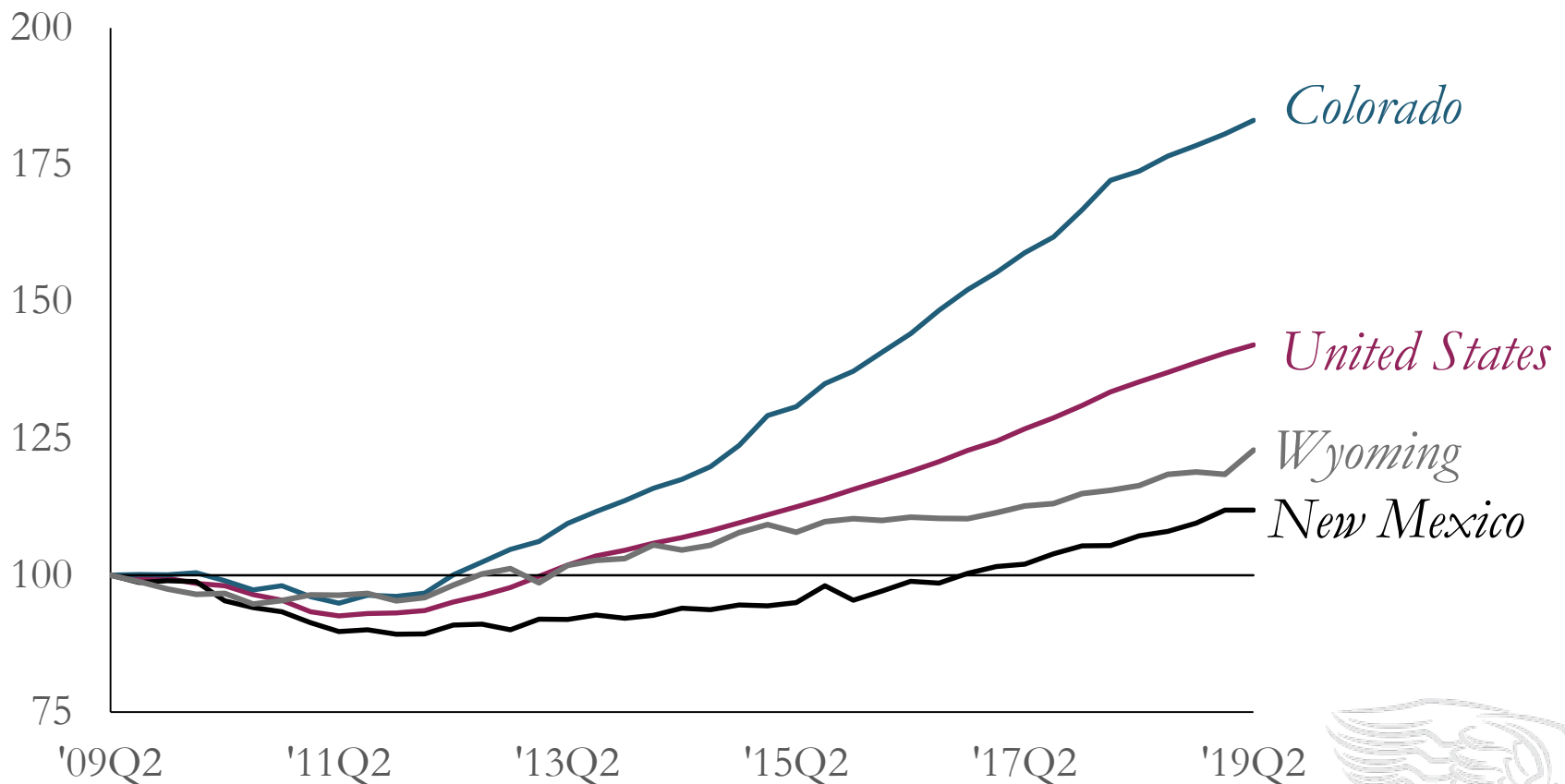
Colorado



Low inventories have led to strong home price appreciation in recent years in Colorado.

HOME PRICES

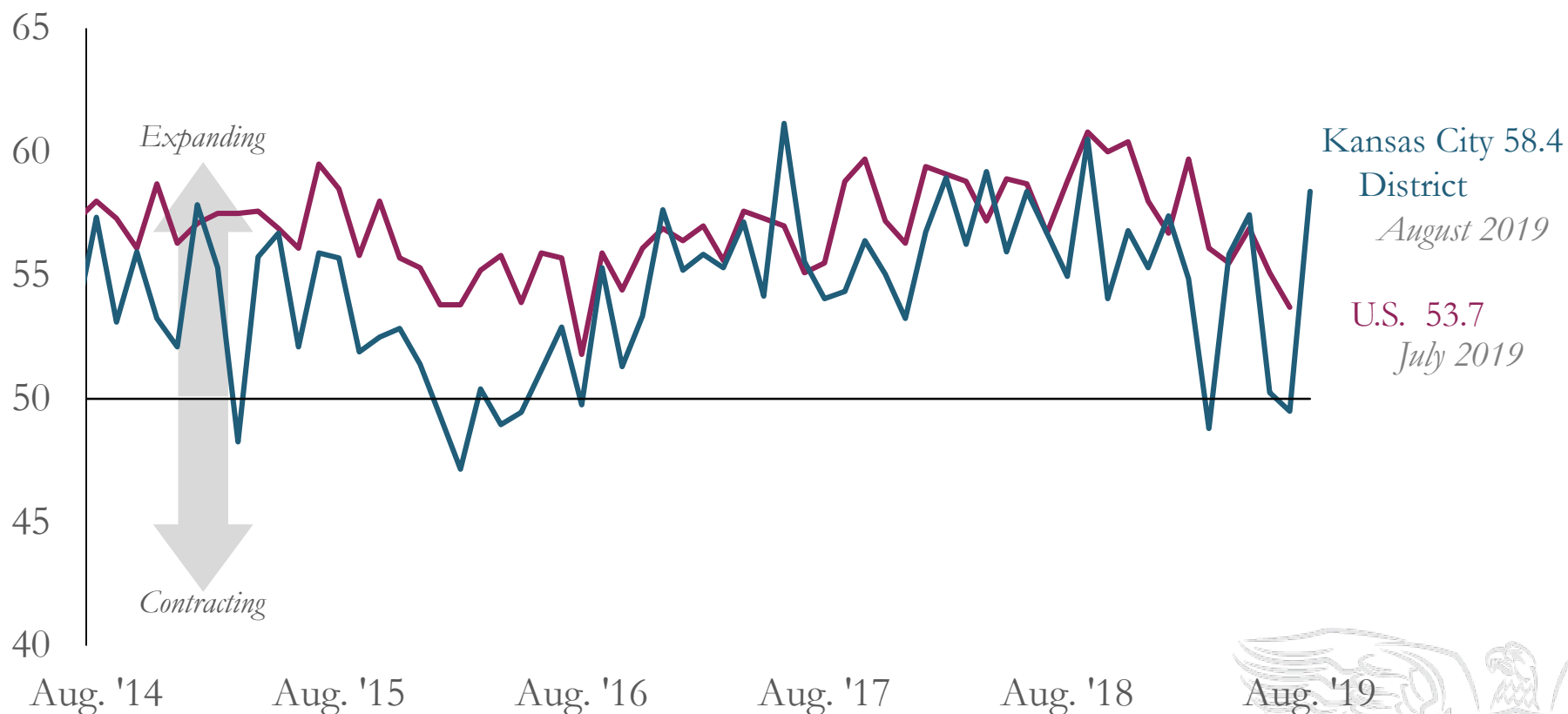
Seasonally Adjusted, Index 100 = Q2:2009



The services sector continues to expand at a moderate pace.

NON-MANUFACTURING AND SERVICES ACTIVITY

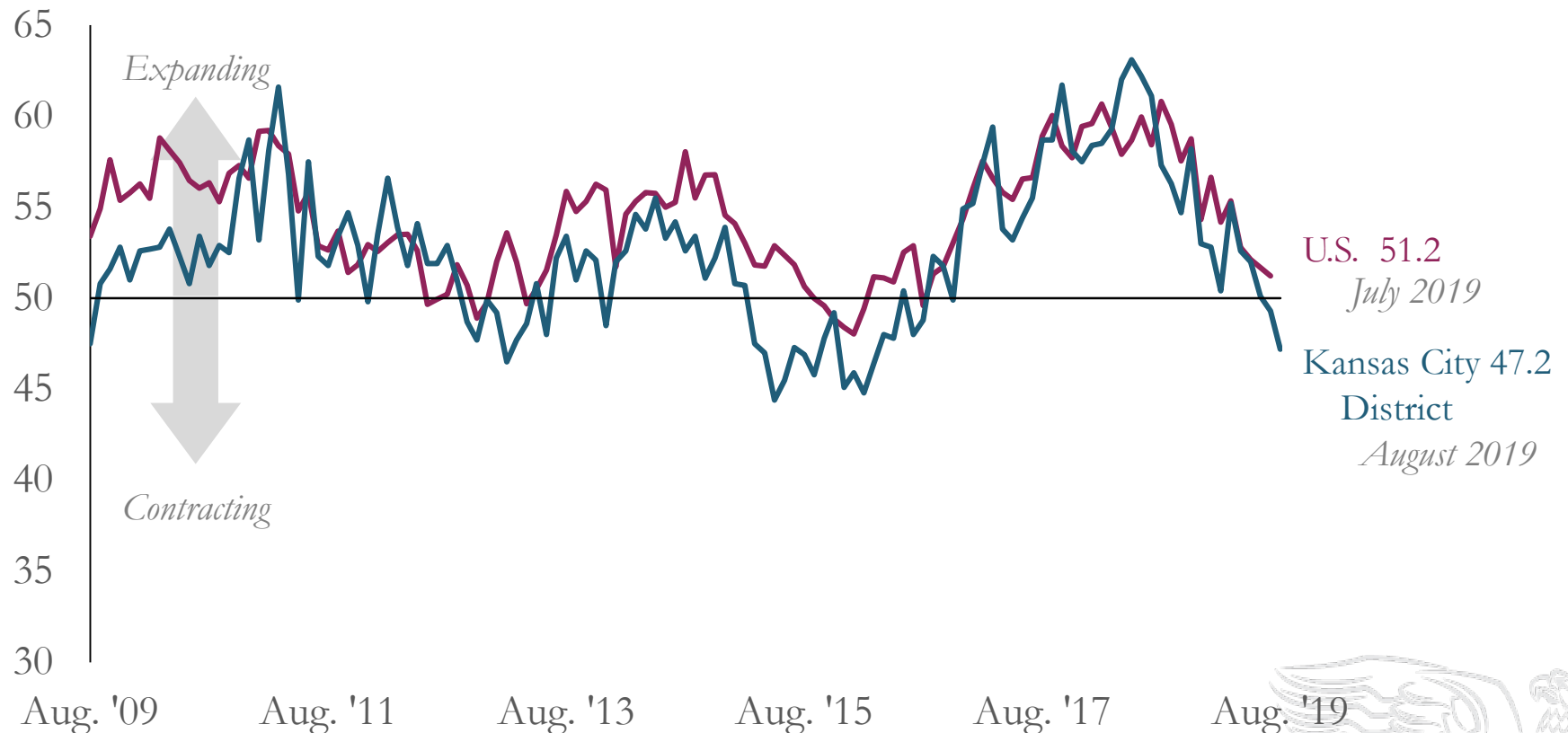
Diffusion Index, Seasonally Adjusted, Month-over-Month



Manufacturing activity has been strong the past two years, but recent surveys suggest the pace of expansion is slowing.

MANUFACTURING ACTIVITY

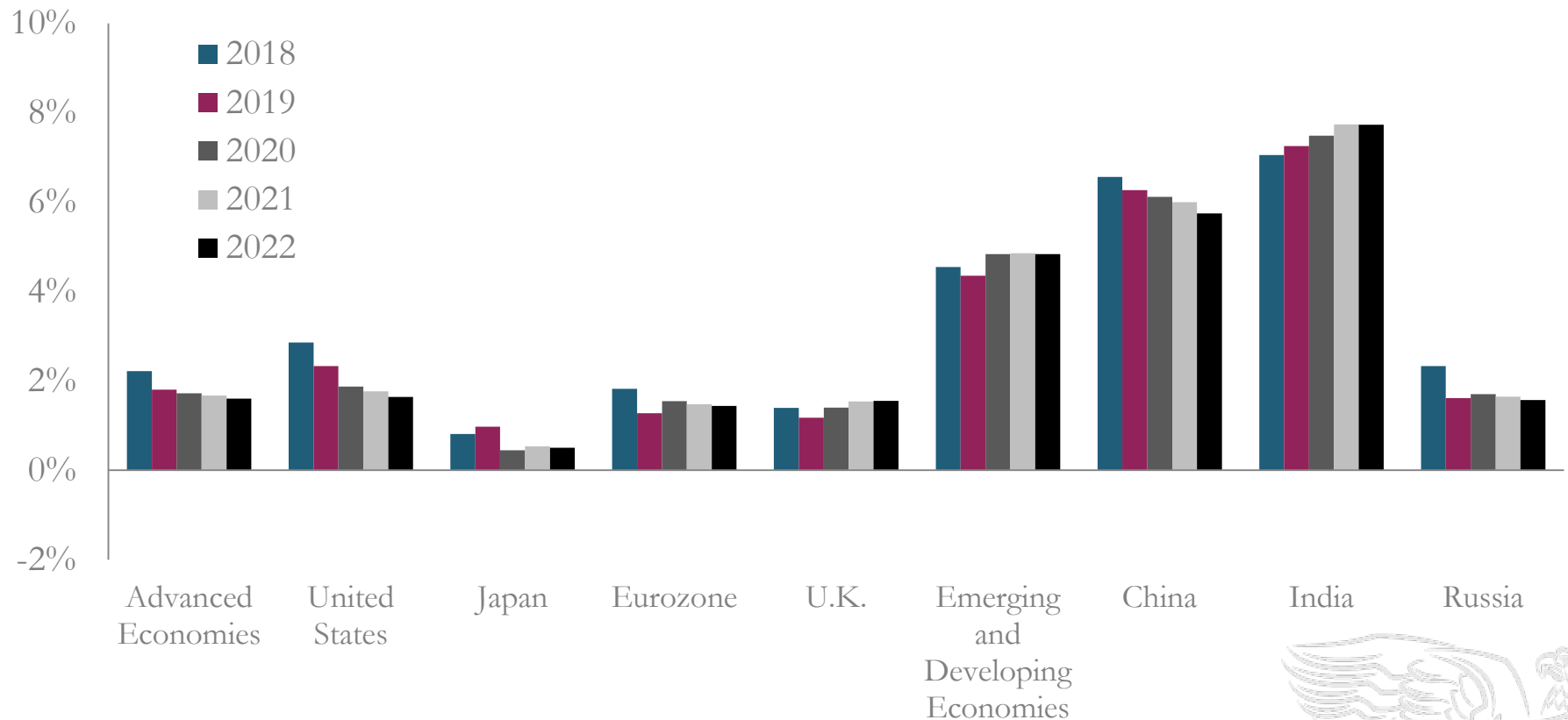
Diffusion Index, Seasonally Adjusted, Month-over-Month



Global economic growth is expected to slow this year.

GLOBAL ECONOMIC OUTLOOK

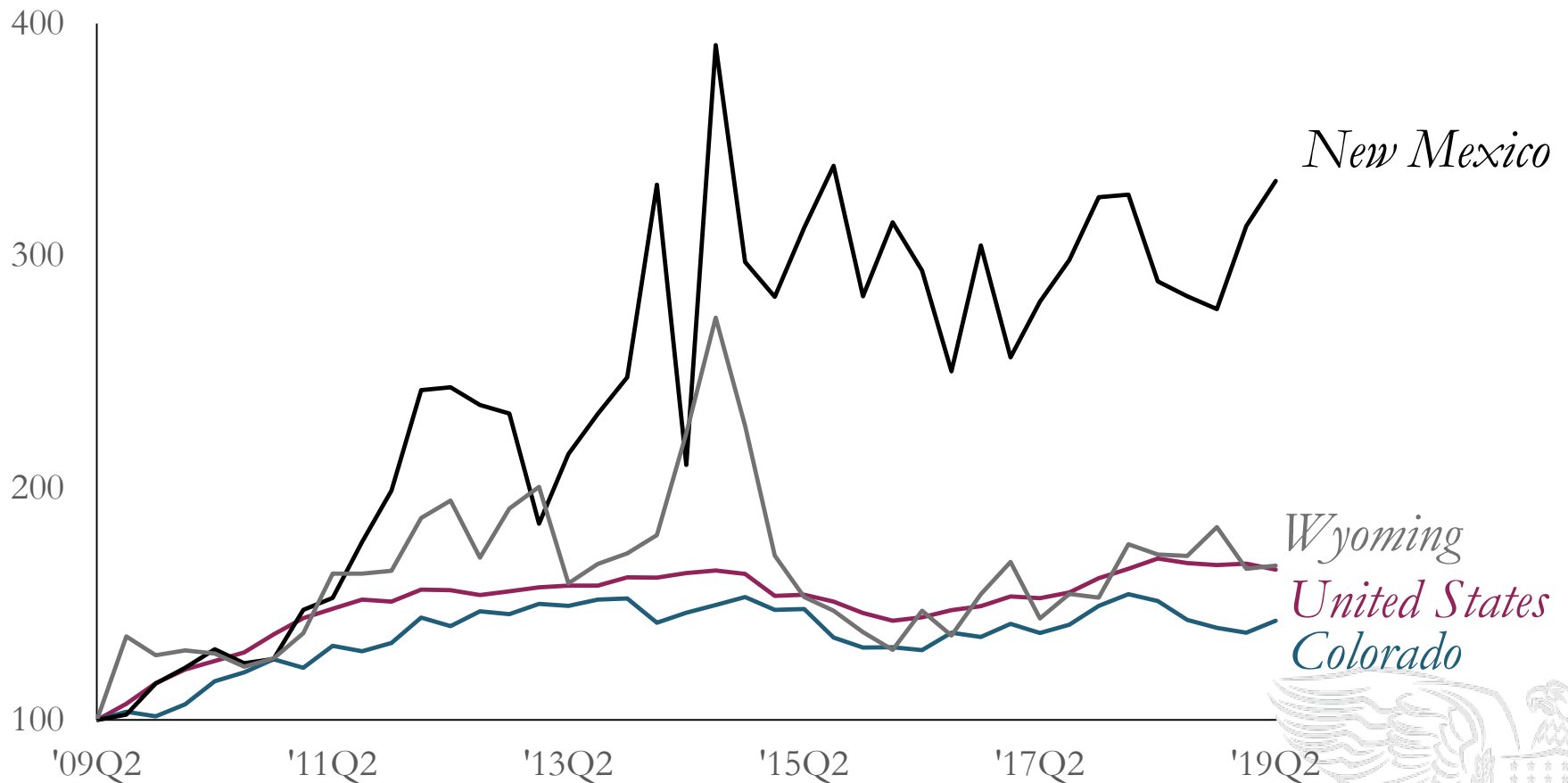
Real Gross Domestic Product, Annual Percent Change



U.S. exports have fallen slightly so far this year.

GLOBAL EXPORTS

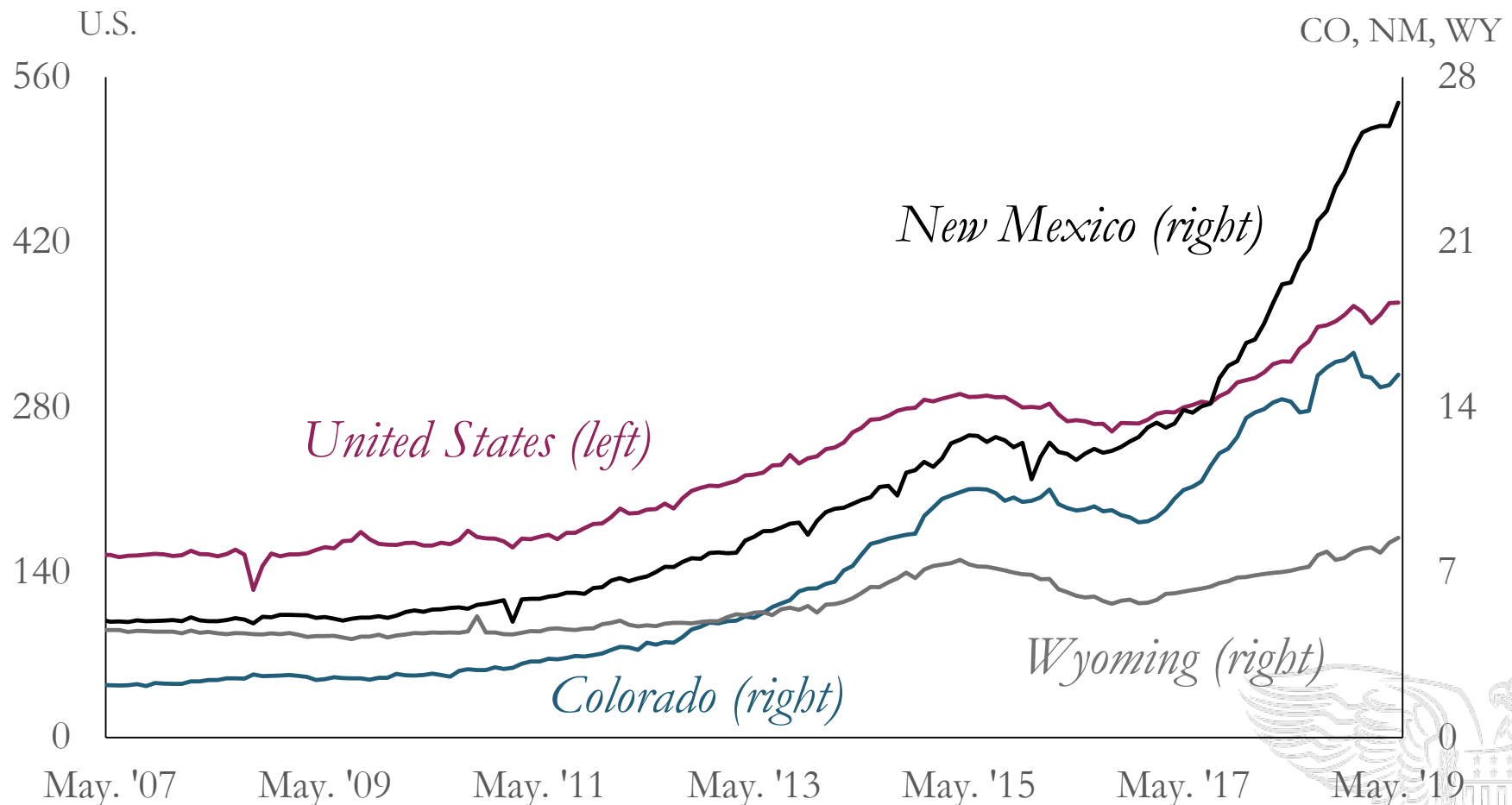
Seasonally Adjusted, Index 100 = Q2:2009



Energy activity rose substantially over the past two years in response to higher oil prices.

CRUDE OIL PRODUCTION

Millions of Barrels, Monthly, Seasonally Adjusted



Oil prices have been volatile in recent months.

OIL PRICES - WTI

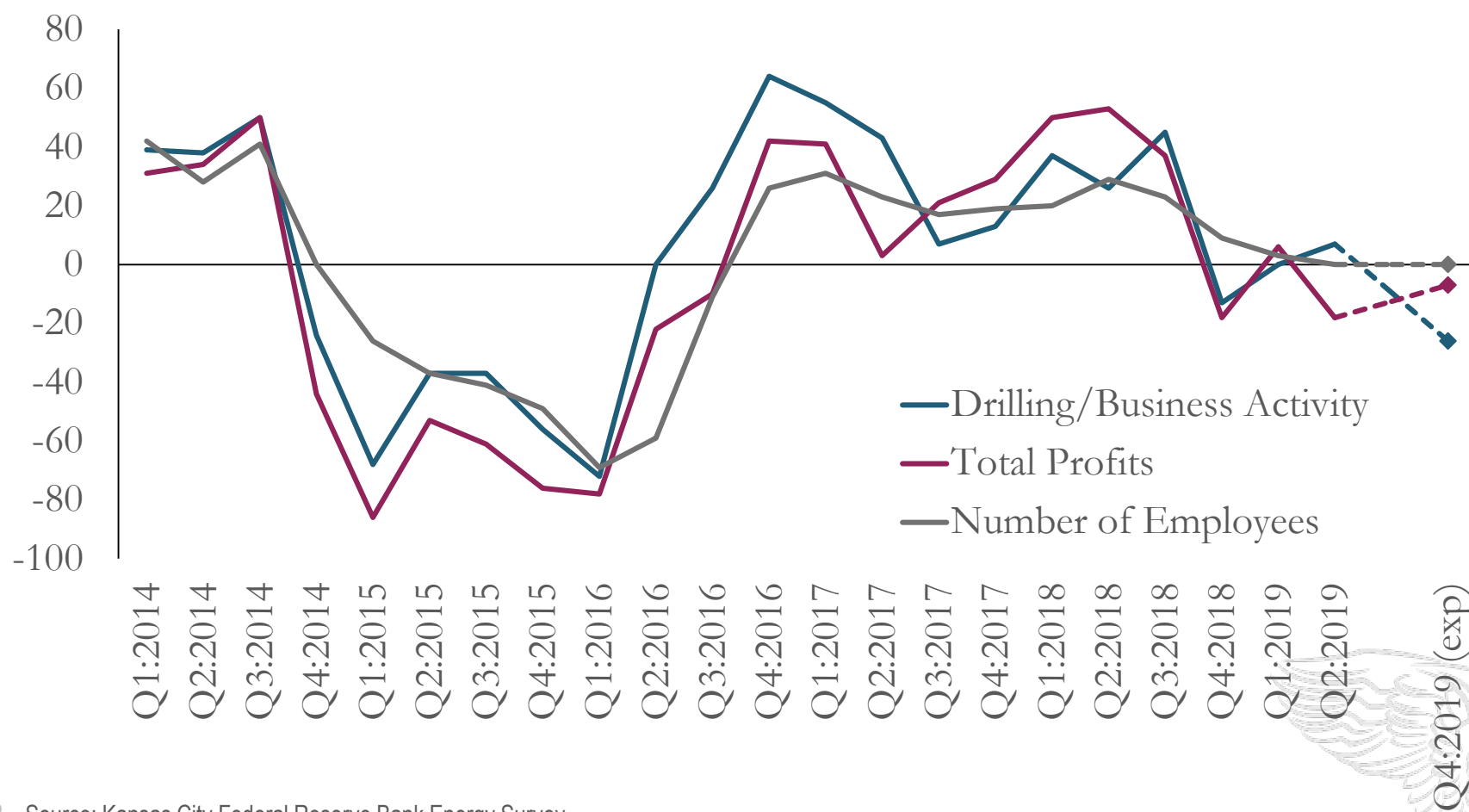
Dollars per Barrel



Expectations for energy activity have weakened as oil prices remain below year-ago levels.

ENERGY SURVEY ACTIVITY INDICATORS

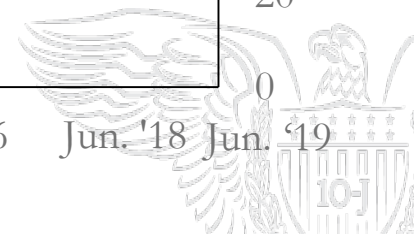
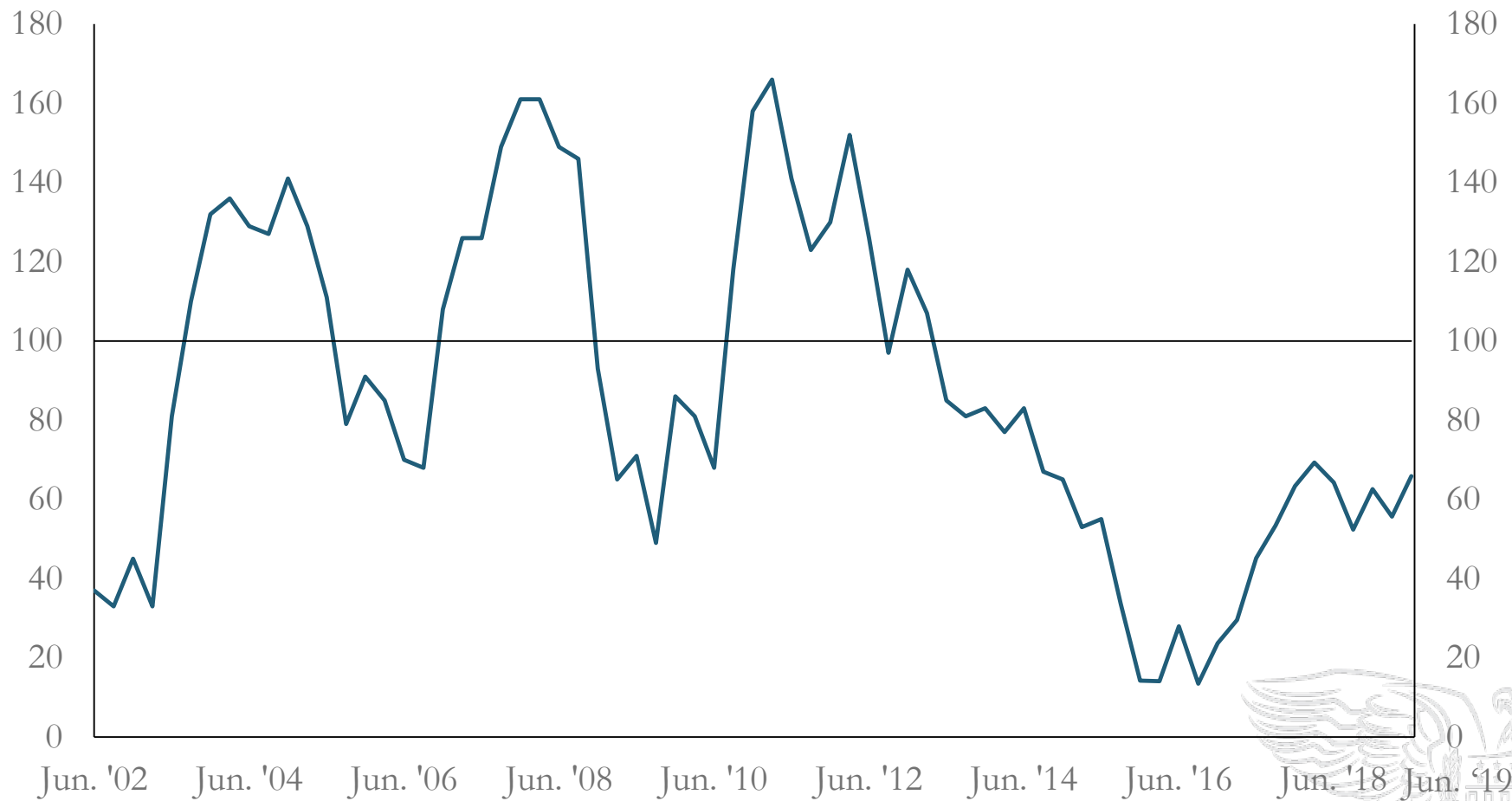
Quarterly Diffusion Index



The agriculture sector continues to struggle as commodity prices remain low.

TENTH DISTRICT FARM INCOME

Diffusion Index



The background of the slide features a large, circular seal of the Federal Reserve Bank of Denver, Colorado. The seal is made of a dark material with a gold-colored border. The words "FEDERAL RESERVE BANK" are inscribed in gold letters along the top arc, and "DENVER, COLORADO" is inscribed along the bottom arc. In the center of the seal is an eagle with spread wings, perched atop a shield. The shield contains a series of vertical lines and stars. The entire seal is set against a light gray, textured background.

For additional information on the regional economy:

<http://www.KansasCityFed.org/Denver>

