

Emerging Trends in the U.S. & Colorado Economies



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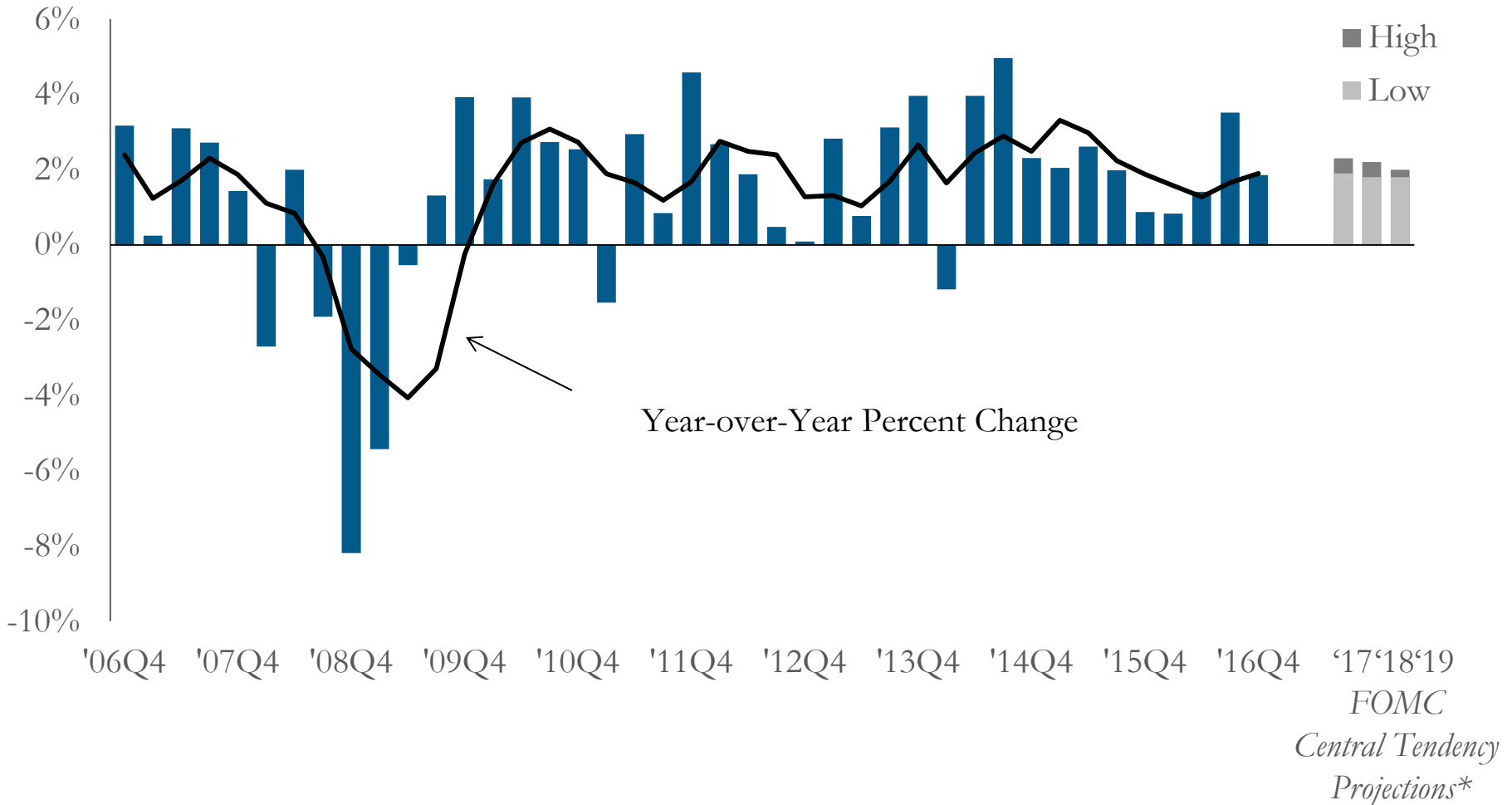
*The views expressed are those of the presenter and do not necessarily reflect
the positions of the Federal Reserve Bank of Kansas City or the Federal Reserve System.*

The U.S. economy is expected to continue to expand at a moderate pace over the next two years.



REAL U.S. GROSS DOMESTIC PRODUCT

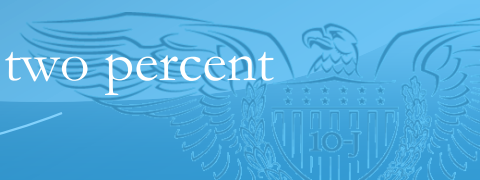
Percent Change from Previous Quarter at Seasonally Adjusted Annualized Rates



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

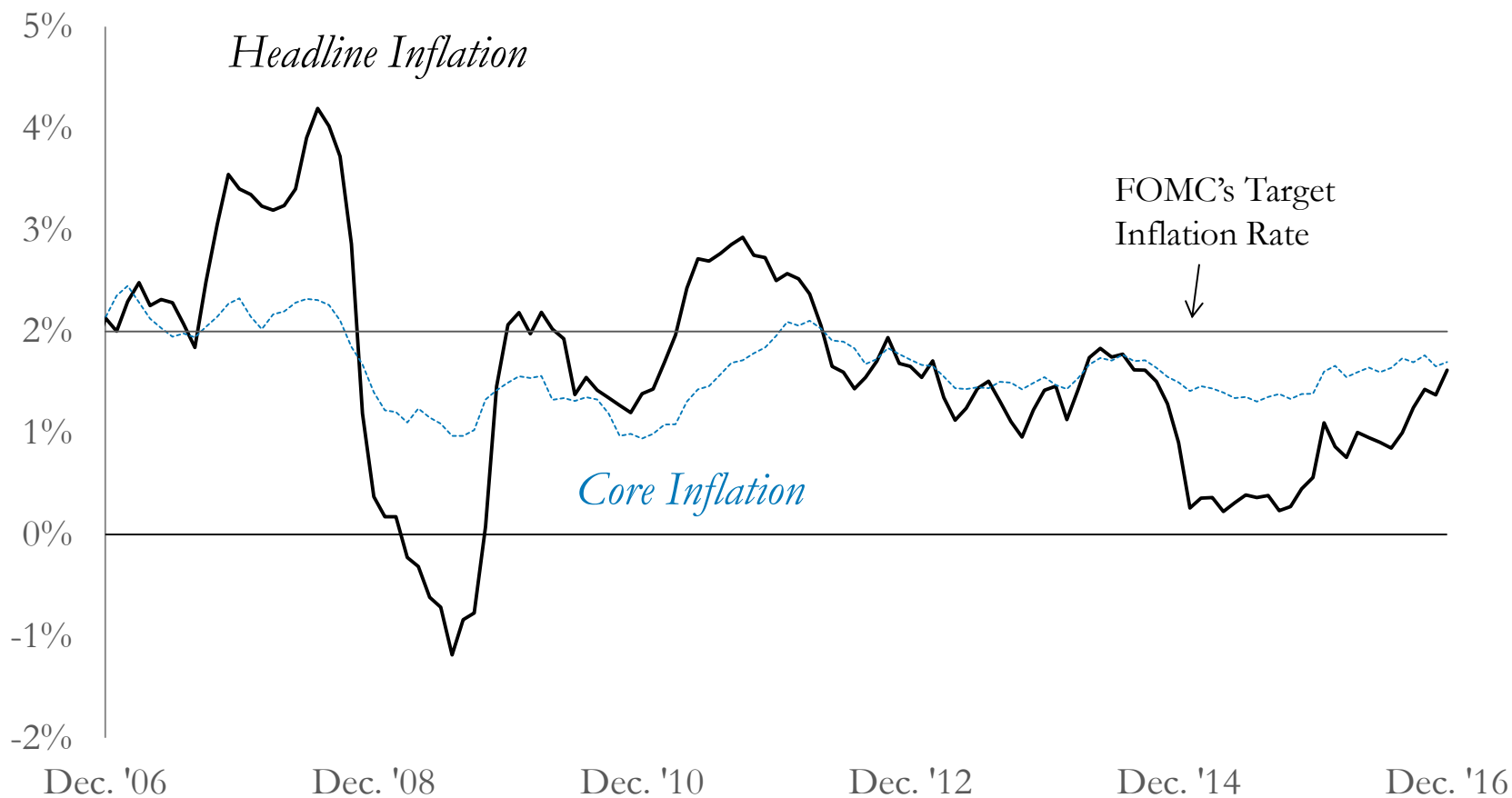
*Projections as of December FOMC meeting

Inflation has picked up, moving closer toward the FOMC's two percent target.



PERSONAL CONSUMPTION EXPENDITURE PRICE INDEX (PCEPI)

Percent Change Year-over-Year

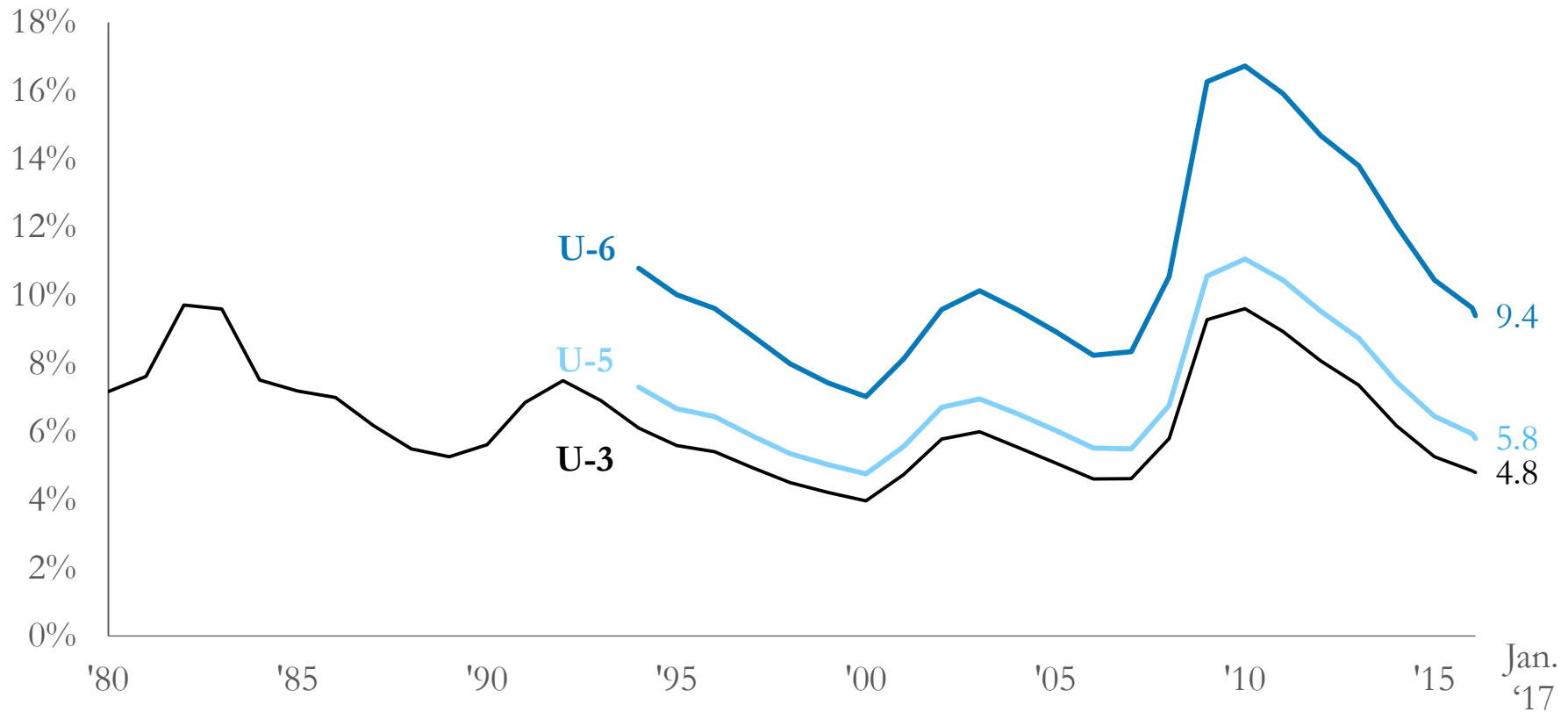


Measures of unemployment and under-employment have declined steadily over the past six years.



U. S. UNEMPLOYMENT AND UNDER-EMPLOYMENT RATES

Seasonally Adjusted



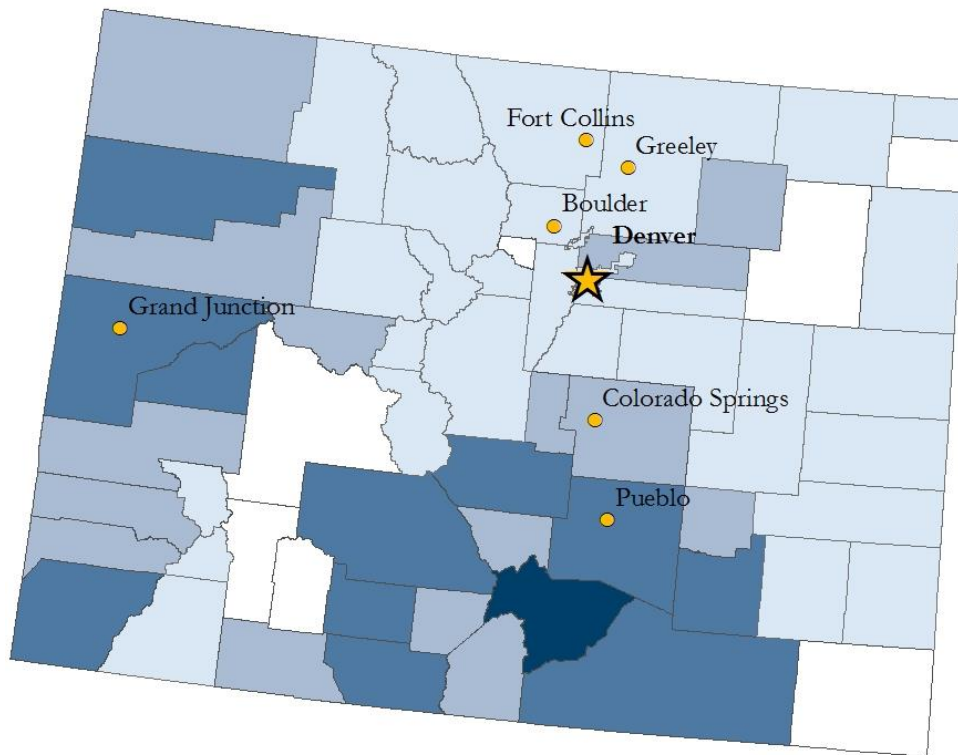
Unemployment rates are below national rates in most of Colorado.



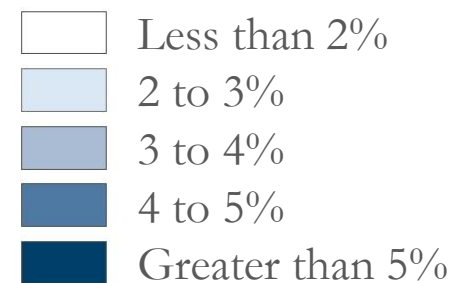
UNEMPLOYMENT RATES

December 2016, Seasonally Adjusted

<i>Unemployment Rate</i>	<i>U-3</i>	<i>U-5*</i>	<i>U-6*</i>
United States (Jan. '17)	4.8%	5.8%	9.4%
Colorado	3.0%	3.8%	7.3%



**U-5 and U-6 values are 12-month moving averages as of Q4 2016 for Colorado and are for January, 2017 for the United States.*



Employment has been increasing in Colorado and the nation for more than six years, with Colorado gains outpacing the nation.

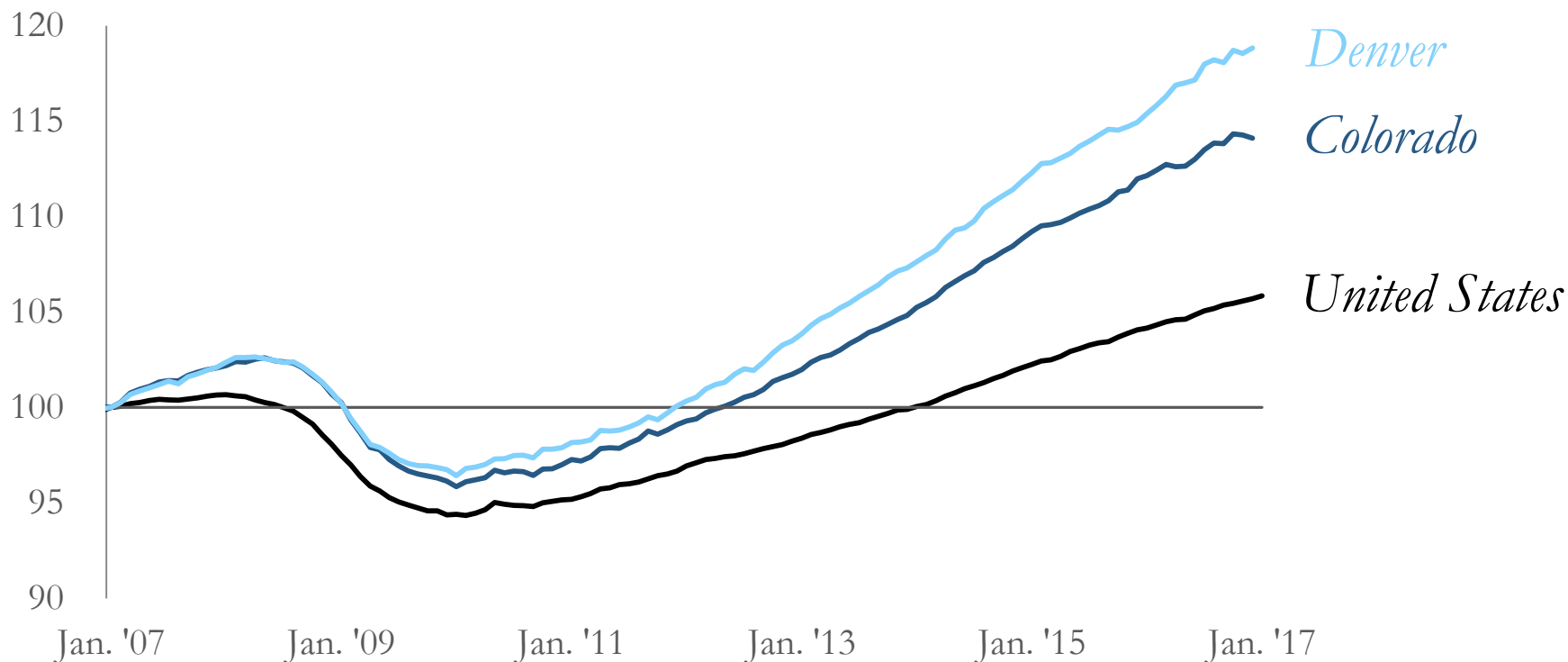


PAYROLL EMPLOYMENT GROWTH

Index 100 = January 2007, Seasonally Adjusted

Dec. '16 {

<i>Percent Change</i>	<i>Past 10 Years</i>	<i>Past Year</i>
U.S. (Jan. '17)	5.9%	1.6%
Colorado	14.1%	1.9%
Denver	18.9%	3.4%



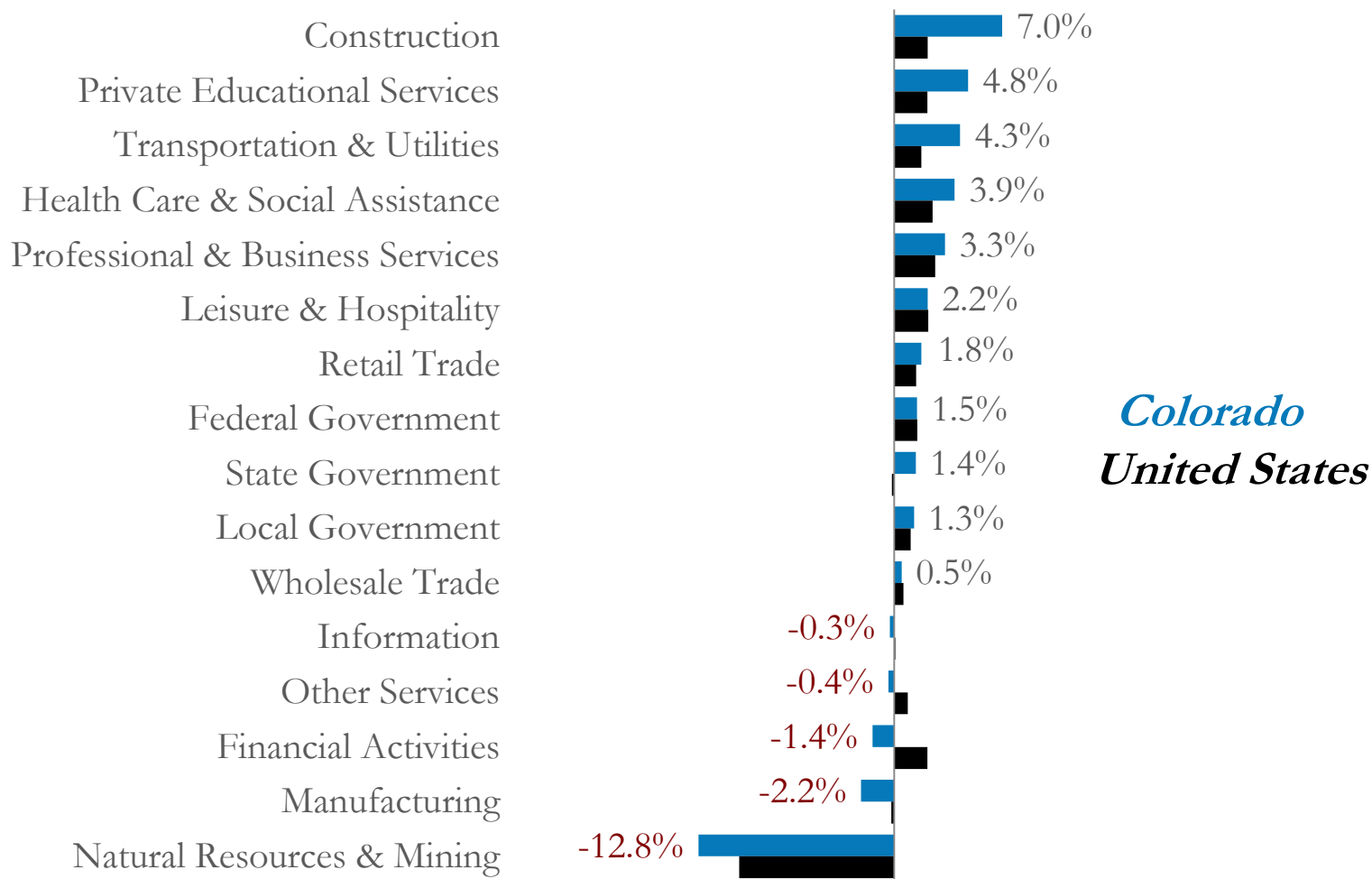
The majority of industries in Colorado have added jobs over the past year, but employment in the energy sector has declined sharply.



CHANGE IN PAYROLL EMPLOYMENT, DECEMBER 2016

Seasonally Adjusted

Percent Change Year-over-Year

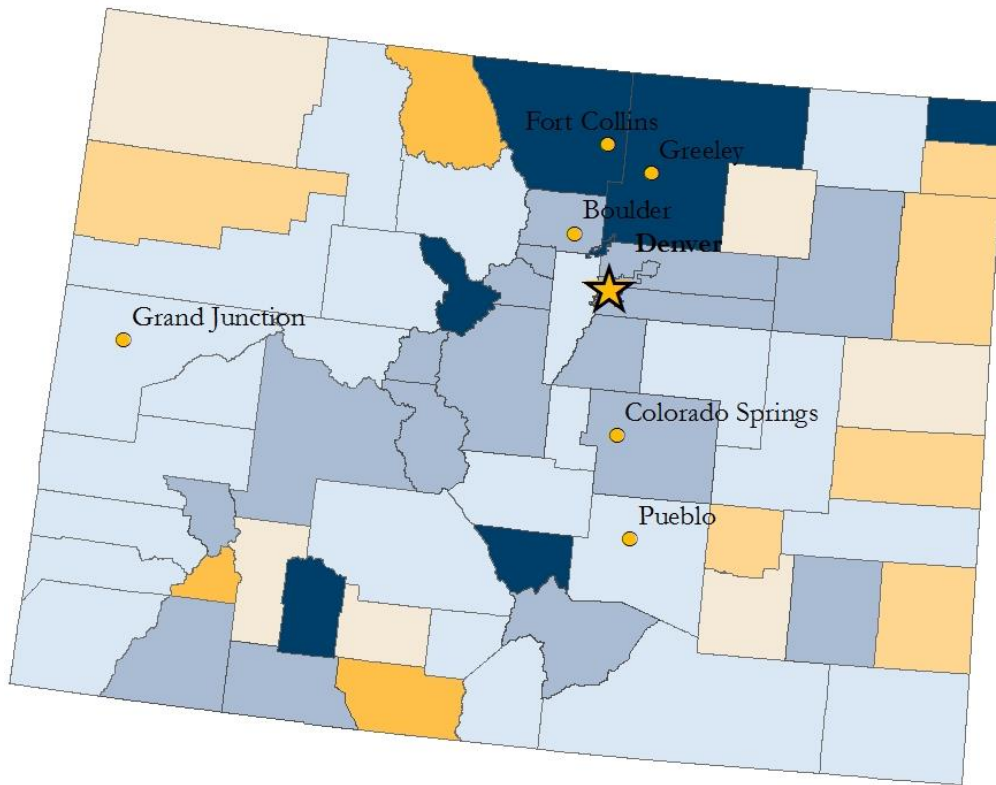


Parts of Colorado continue to experience strong population growth and net in-migration.

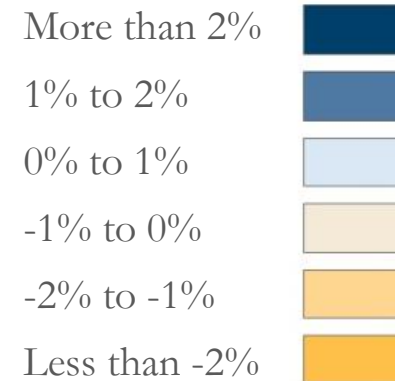


NET MIGRATION

Total 2015 Net Migration as a Percentage of 2015 Population



<i>Annual Percent Change</i>	<i>2016</i>
United States	0.3%
Colorado	1.1%
Denver (2015)	1.9%



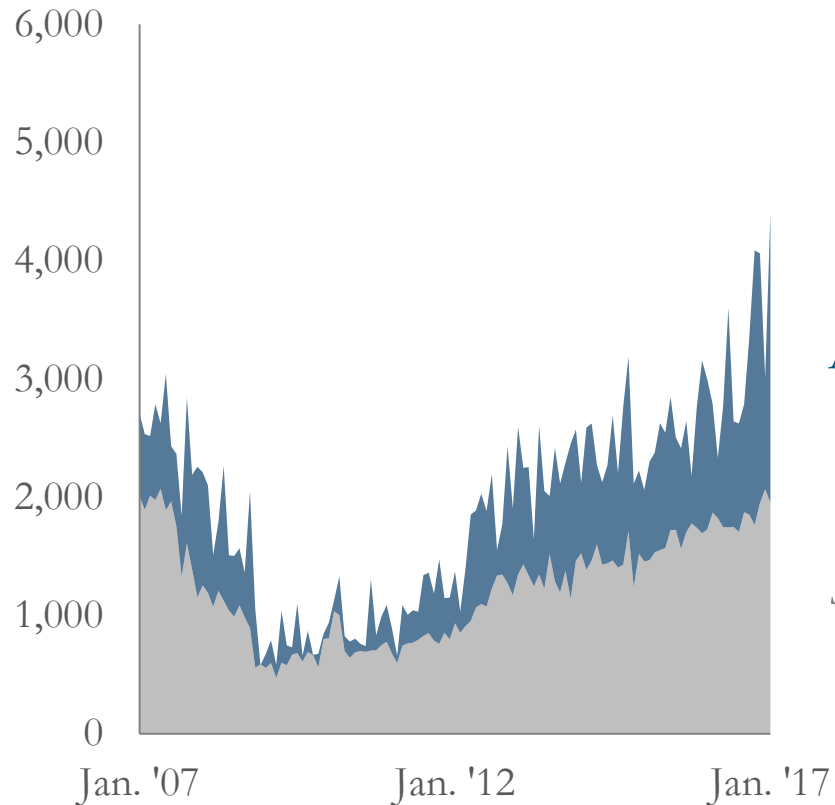
Residential construction activity has been increasing for more than six years, led by strong gains in multifamily building.



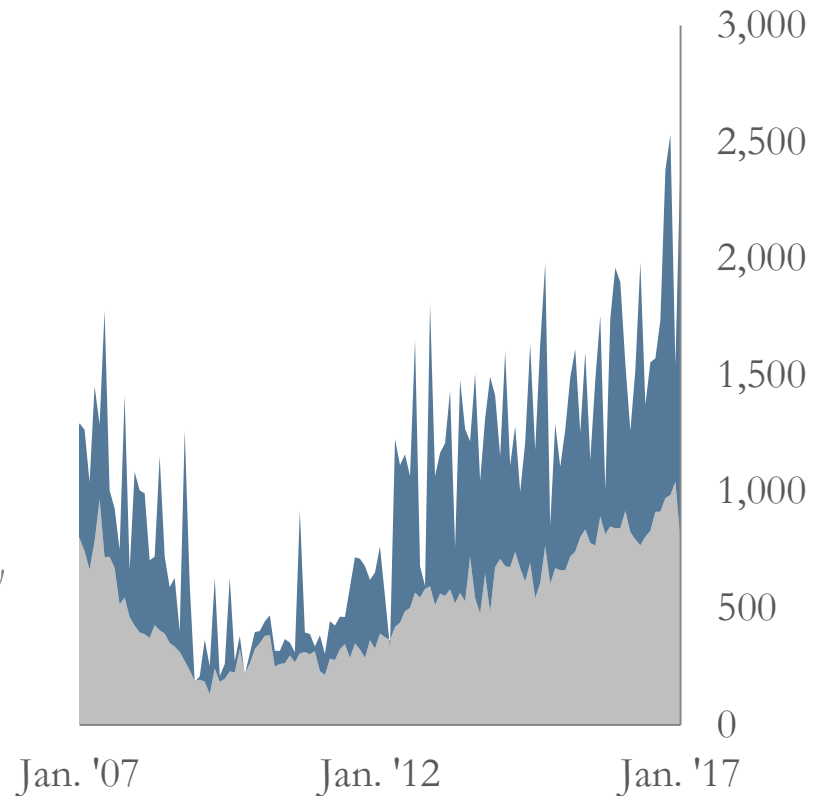
RESIDENTIAL PERMITS

Seasonally Adjusted

Colorado



Denver

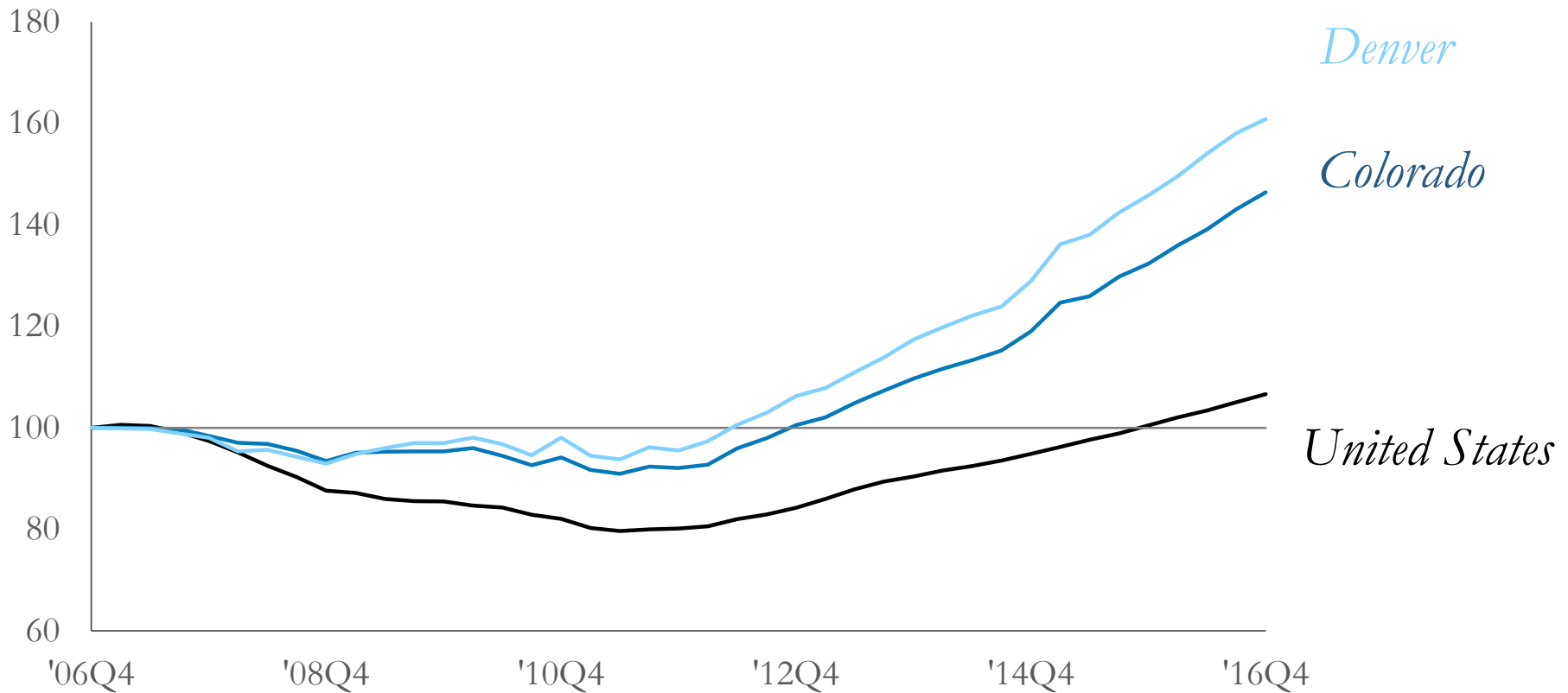


Home prices have increased sharply over the past several years in Colorado.



HOME PRICES

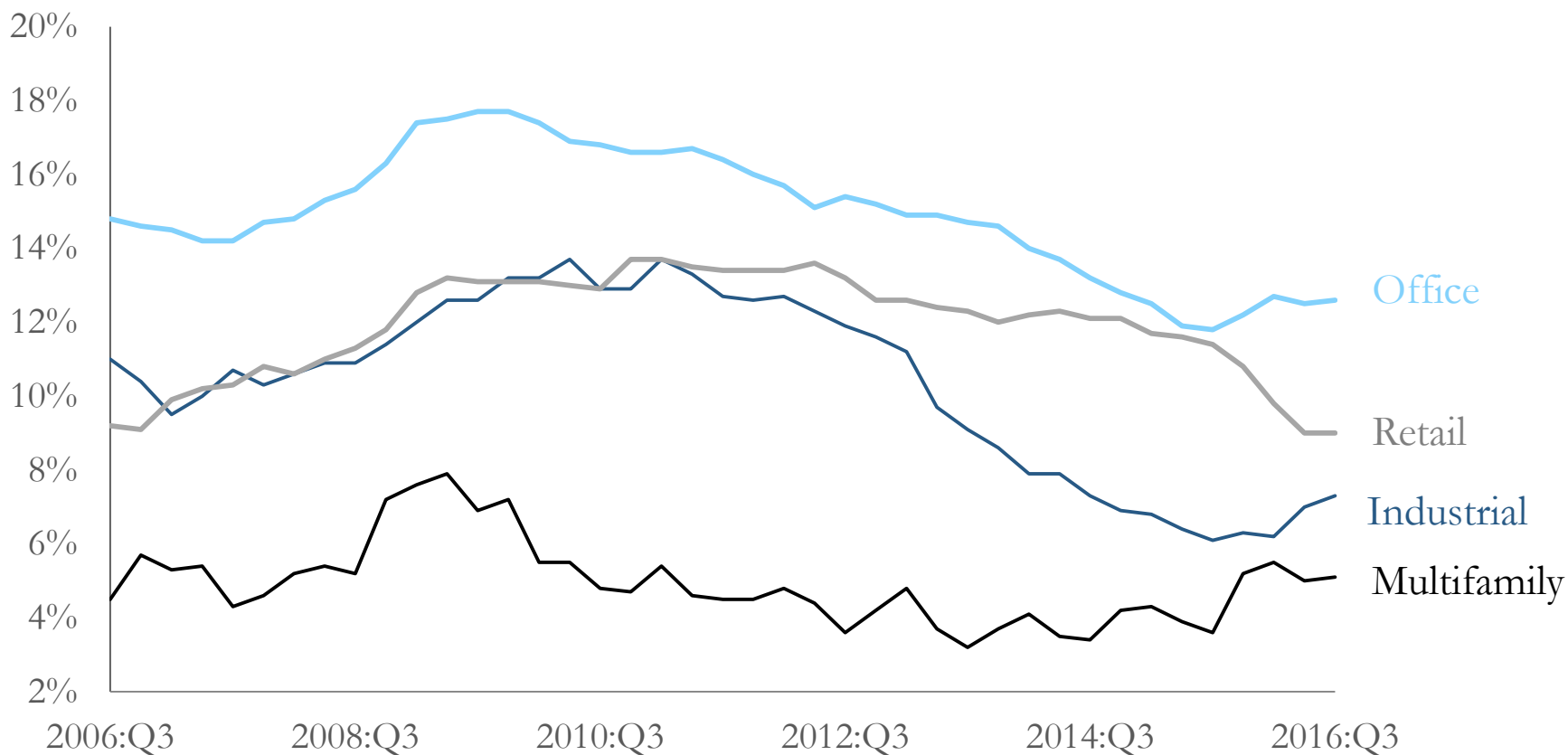
Seasonally Adjusted, Index 100 = Q4:2006



Vacancy rates are low across the Denver metro, but office and multifamily vacancies have moved higher over the past year.



DENVER COMMERCIAL VACANCY RATES

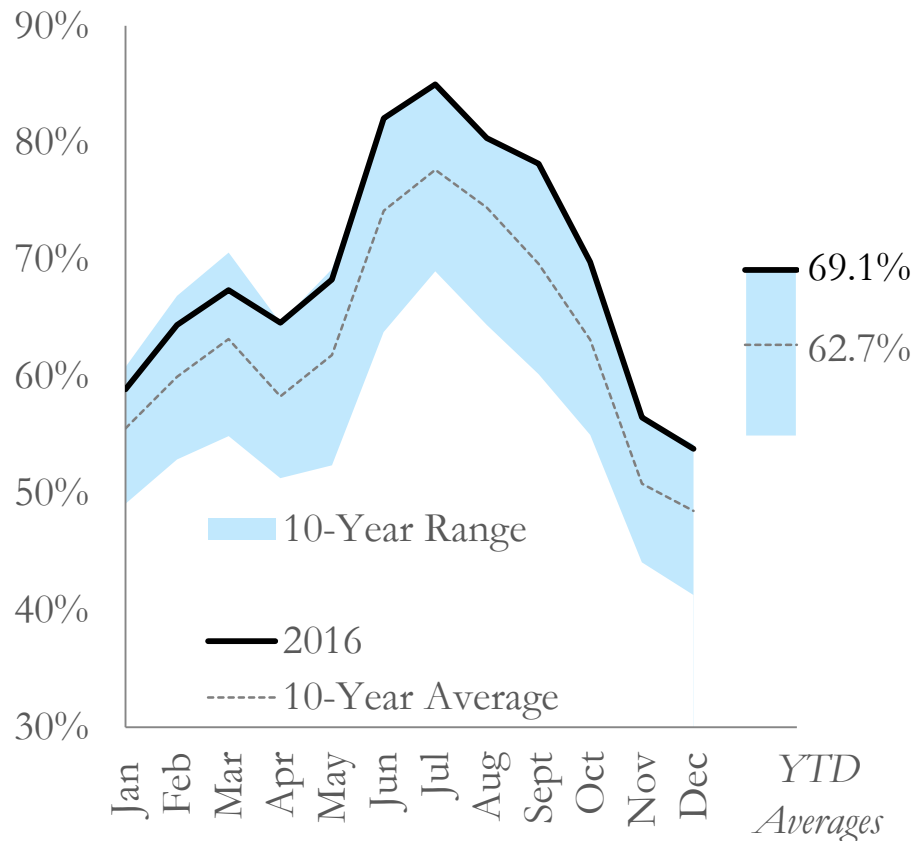


Tourism activity has been strong in Colorado over the past few years.



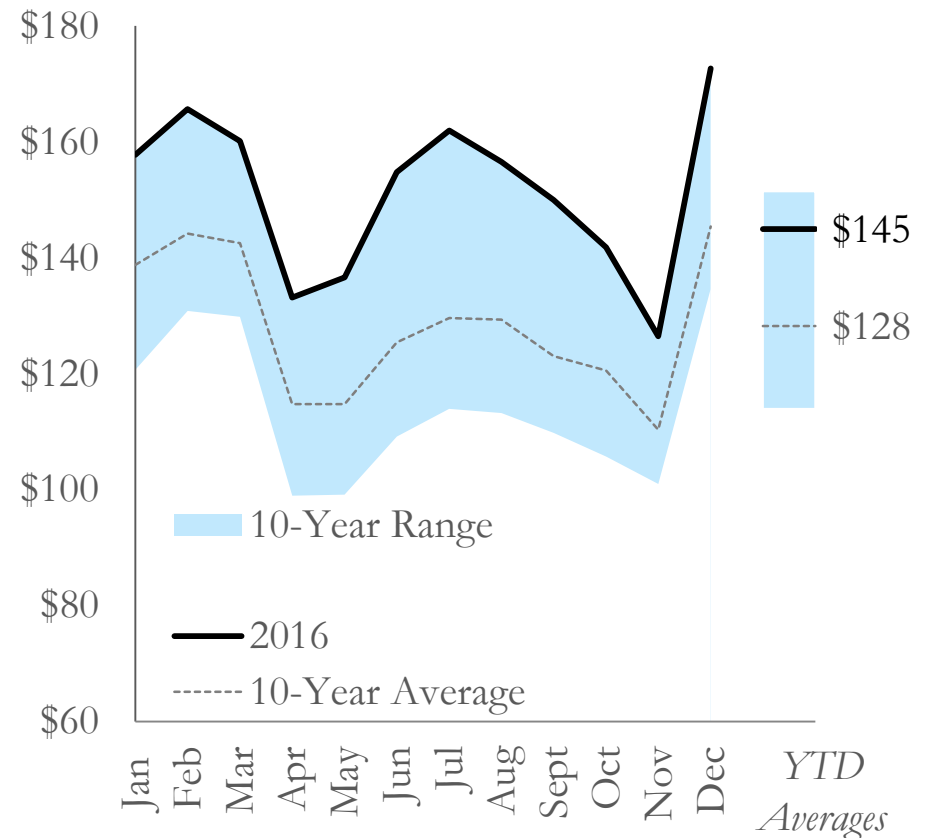
HOTEL OCCUPANCY RATES

Colorado



REAL HOTEL ROOM RATES

Colorado, 1999 Dollars

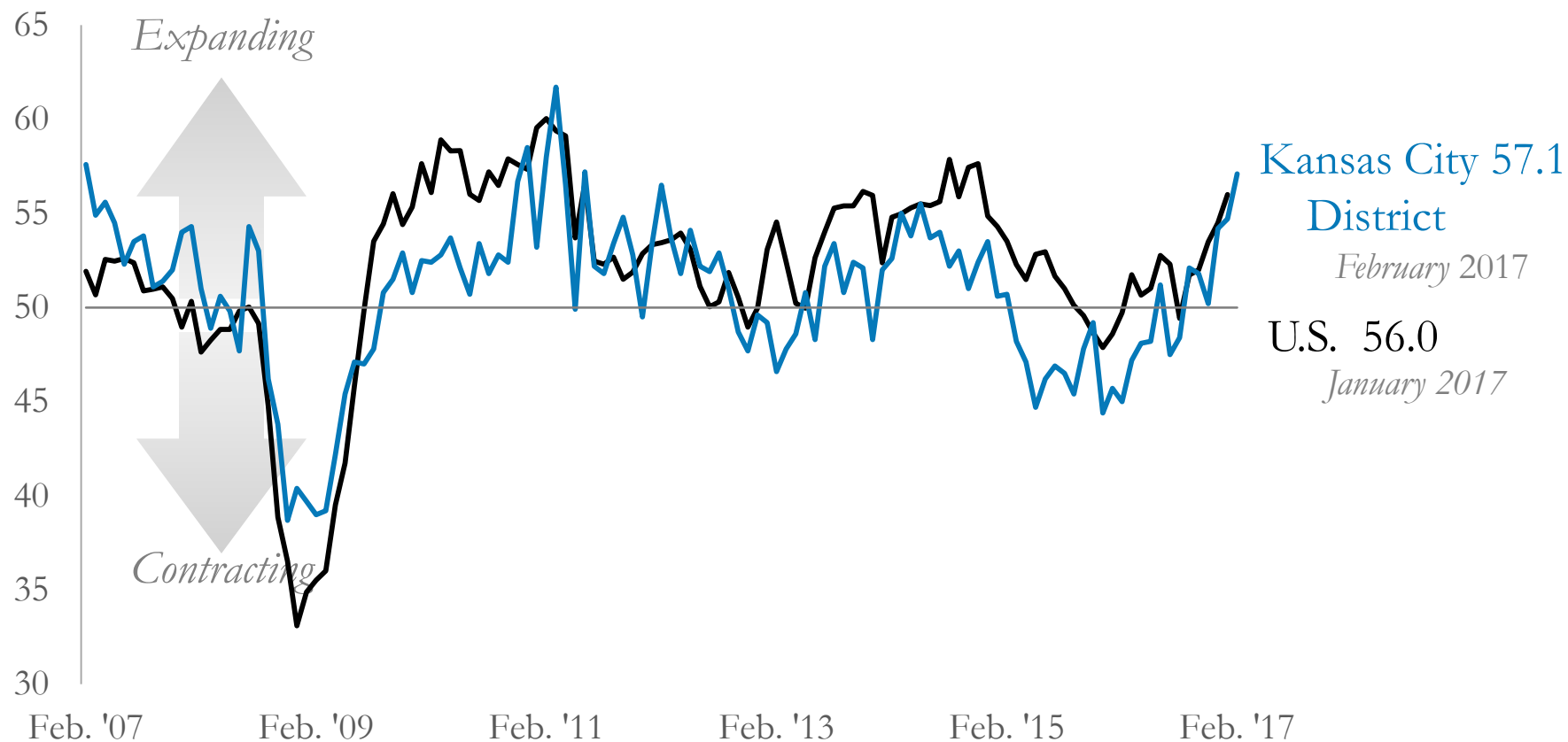


Manufacturing activity has rebounded in recent months after weak activity in 2015 and early 2016.

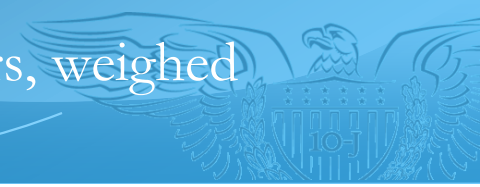


MANUFACTURING ACTIVITY

Diffusion Index, Seasonally Adjusted, Month-over-Month

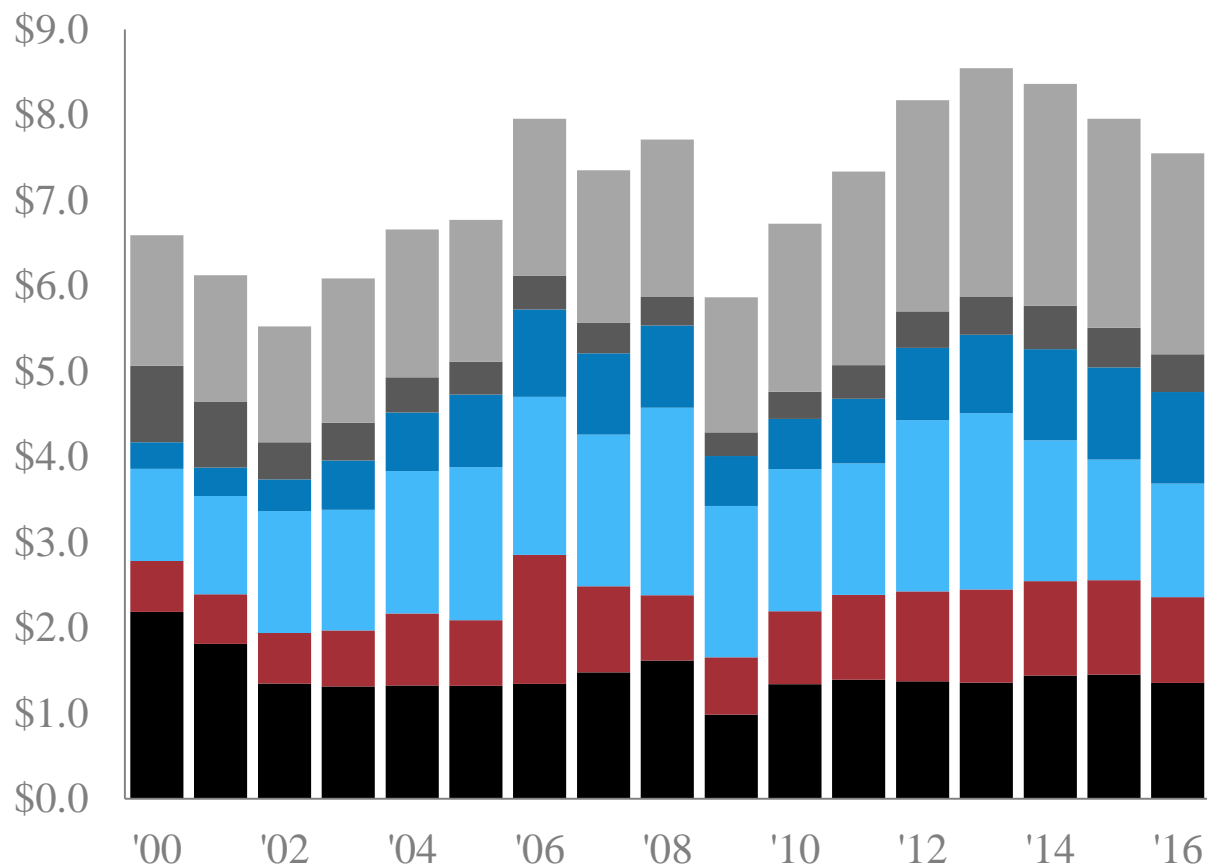


Colorado export activity has slowed over the past three years, weighed down by a strong U.S. dollar.



COLORADO EXPORTS BY TRADING PARTNER

Billions



2016

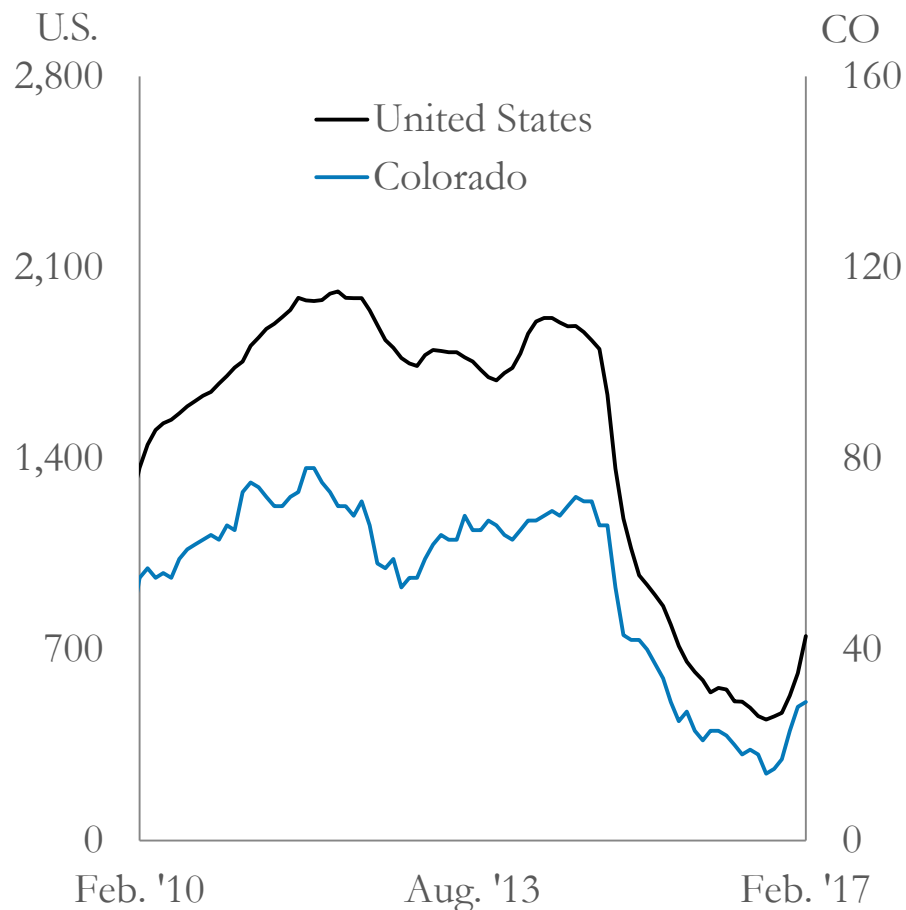
Percent Change

Total Trade	-5.1%	SHARE*
All Other	-3.8	31.1%
Japan	-4.8	5.9
Mexico	-0.8	14.2
Canada	-5.6	17.6
China	-9.3	13.3
Eurozone	-6.8	17.9

Energy activity has picked up in recent months after declining significantly since mid-2014.

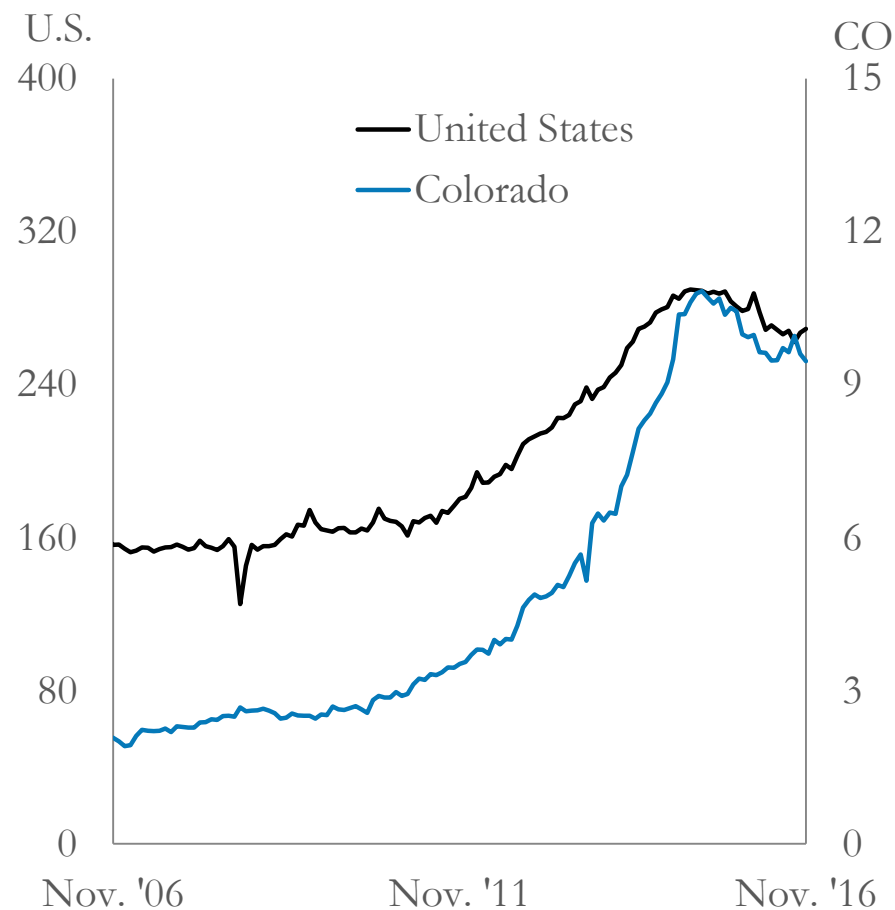


TOTAL RIG COUNT



CRUDE OIL PRODUCTION

*Millions of Barrels, Monthly,
Seasonally Adjusted*

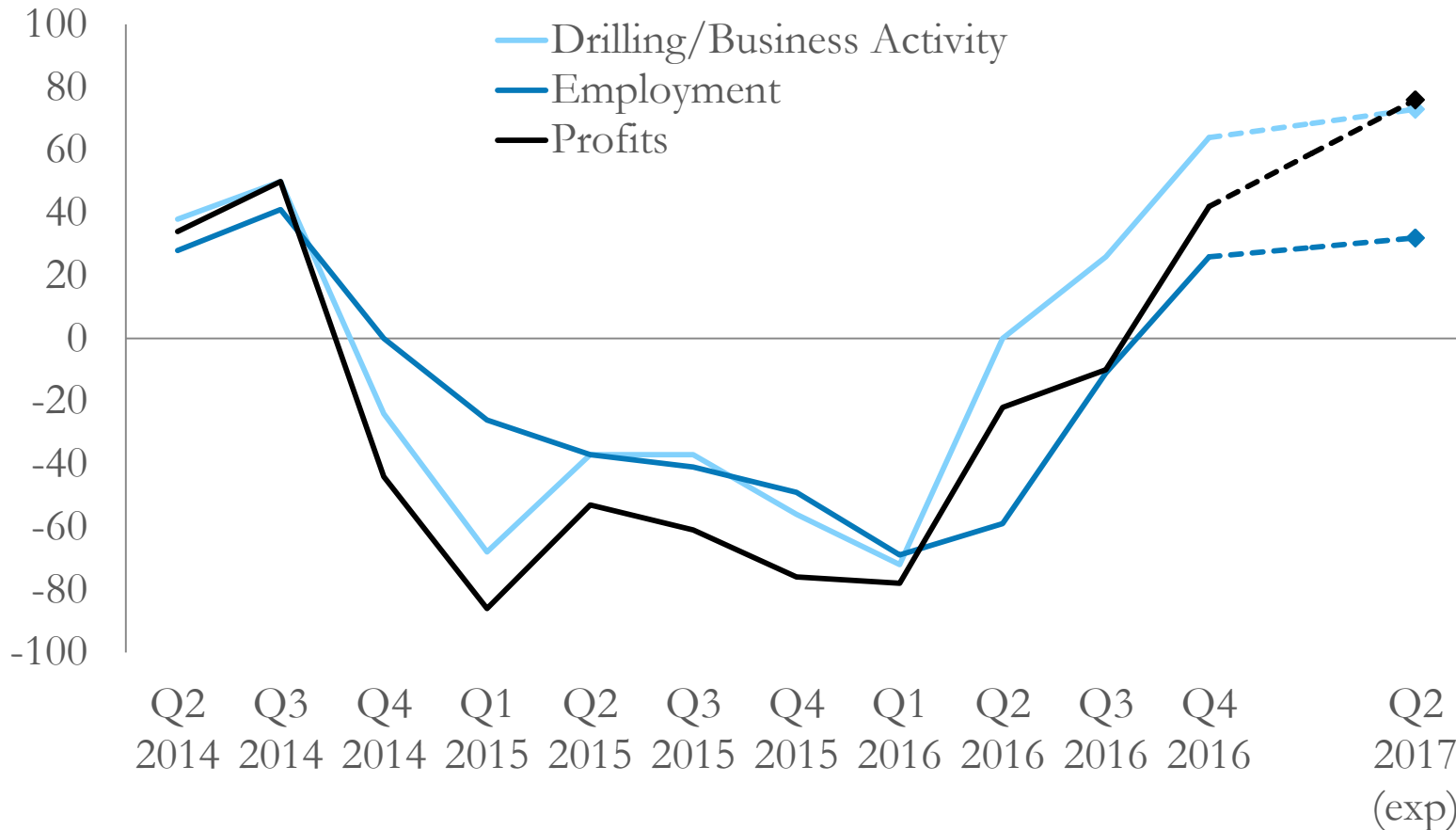


The energy sector is expected to expand in 2017.



FRBKC ENERGY SURVEY

Diffusion Indexes, Quarter-over-Quarter

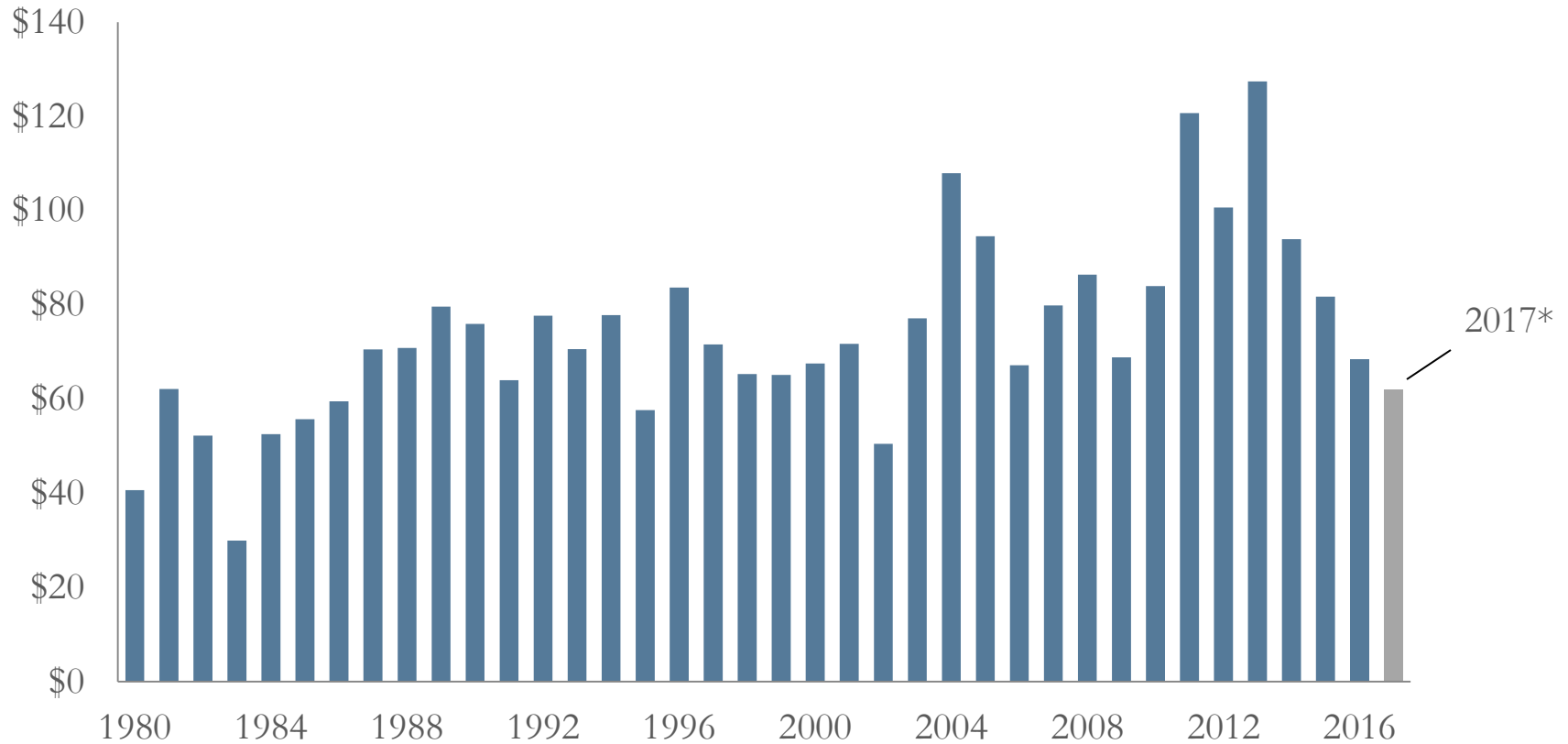


Farm income has dropped sharply and is expected to remain low.



U.S. REAL NET FARM INCOME

Billion Dollars (Constant 2016 Dollars)



*Forecast for 2017

For additional information on the regional economy:
<http://www.KansasCityFed.org/Denver>

