

Emerging Trends in the U.S. & Colorado Economies



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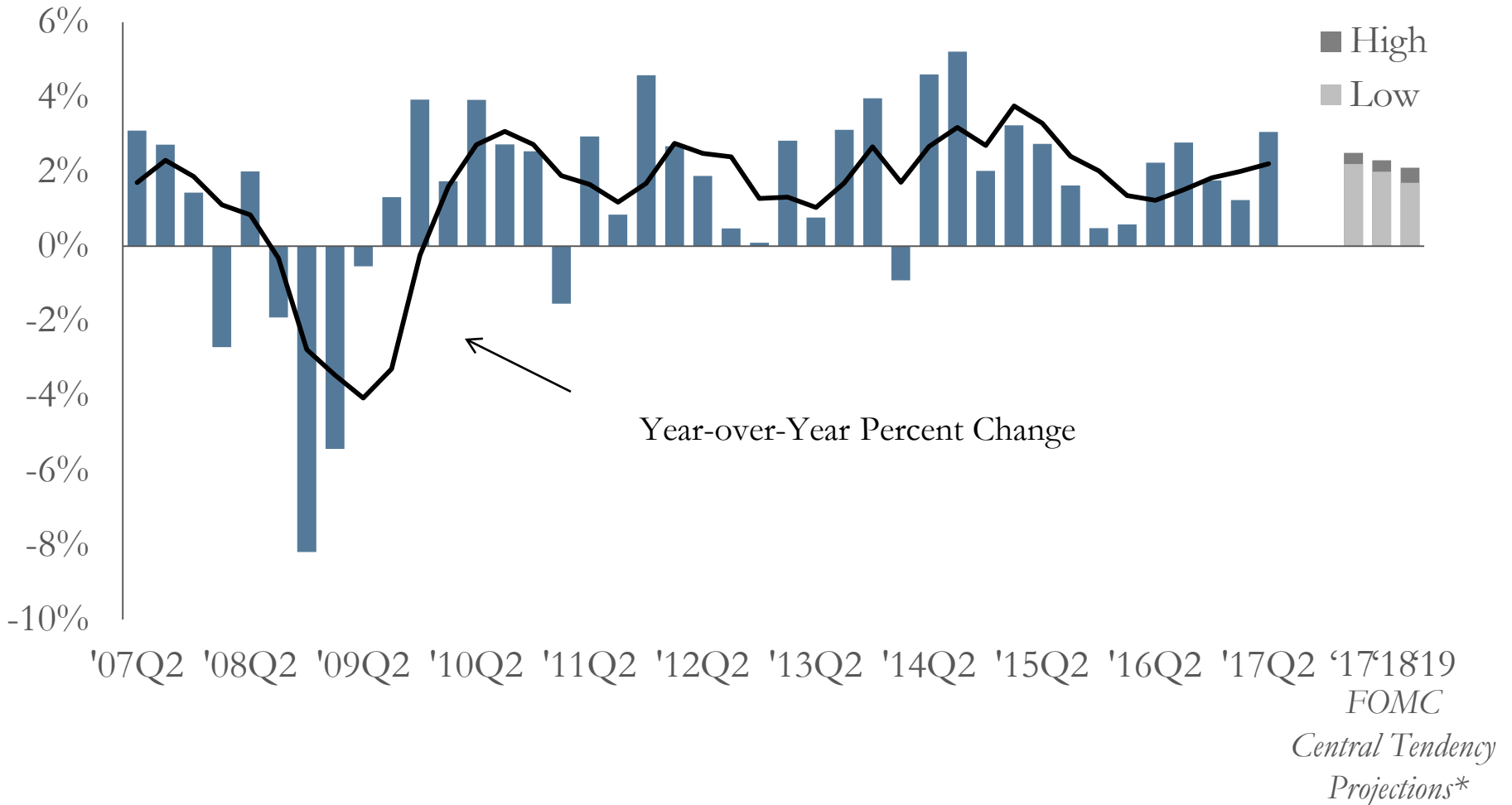
*The views expressed are those of the presenter and do not necessarily reflect
the positions of the Federal Reserve Bank of Kansas City or the Federal Reserve System.*

The U.S. economy continues to expand at a moderate pace.



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

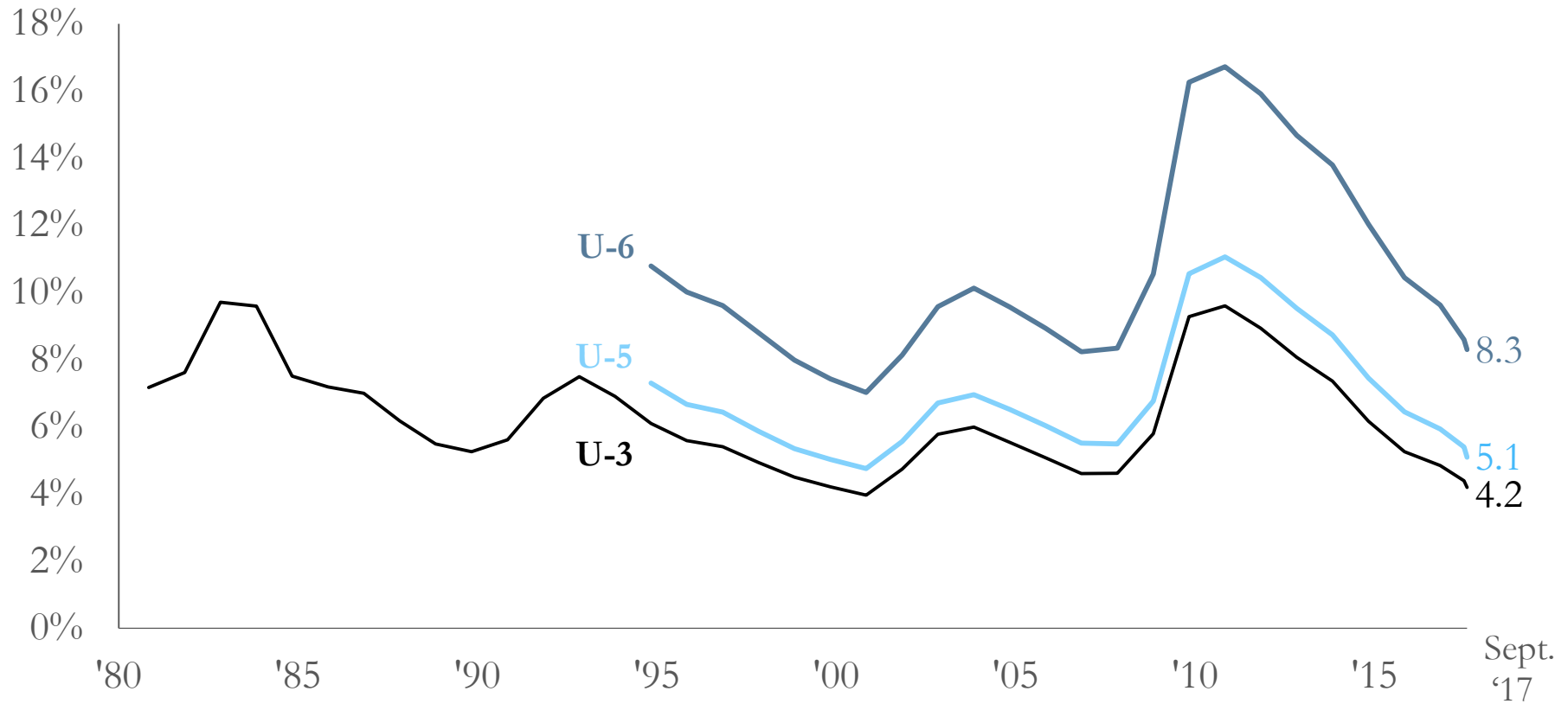
*Projections as of September FOMC meeting

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



U. S. UNEMPLOYMENT AND UNDER-EMPLOYMENT RATES

Seasonally Adjusted

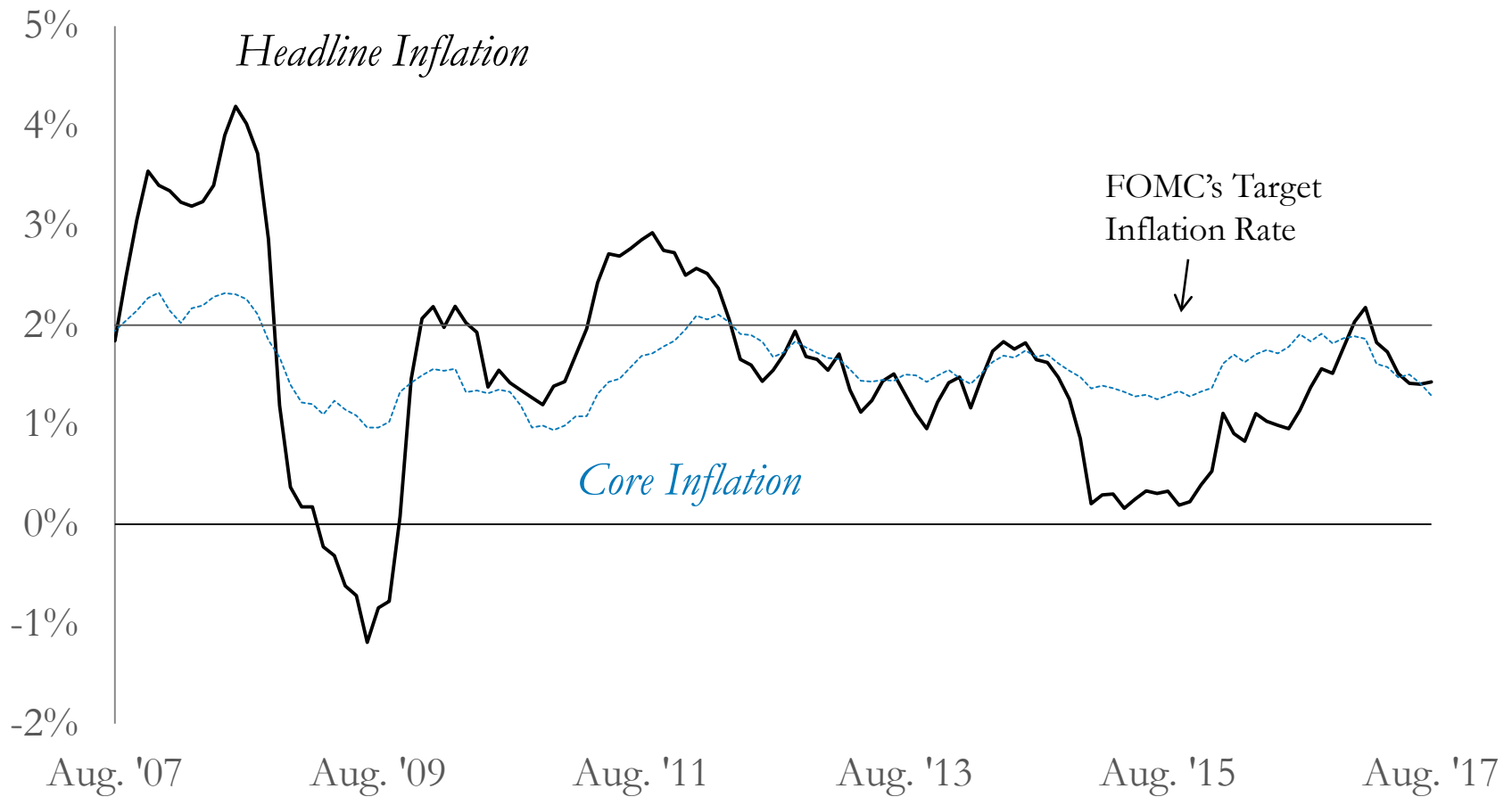


Inflation is near the FOMC's two percent target.



PERSONAL CONSUMPTION EXPENDITURE PRICE INDEX (PCEPI)

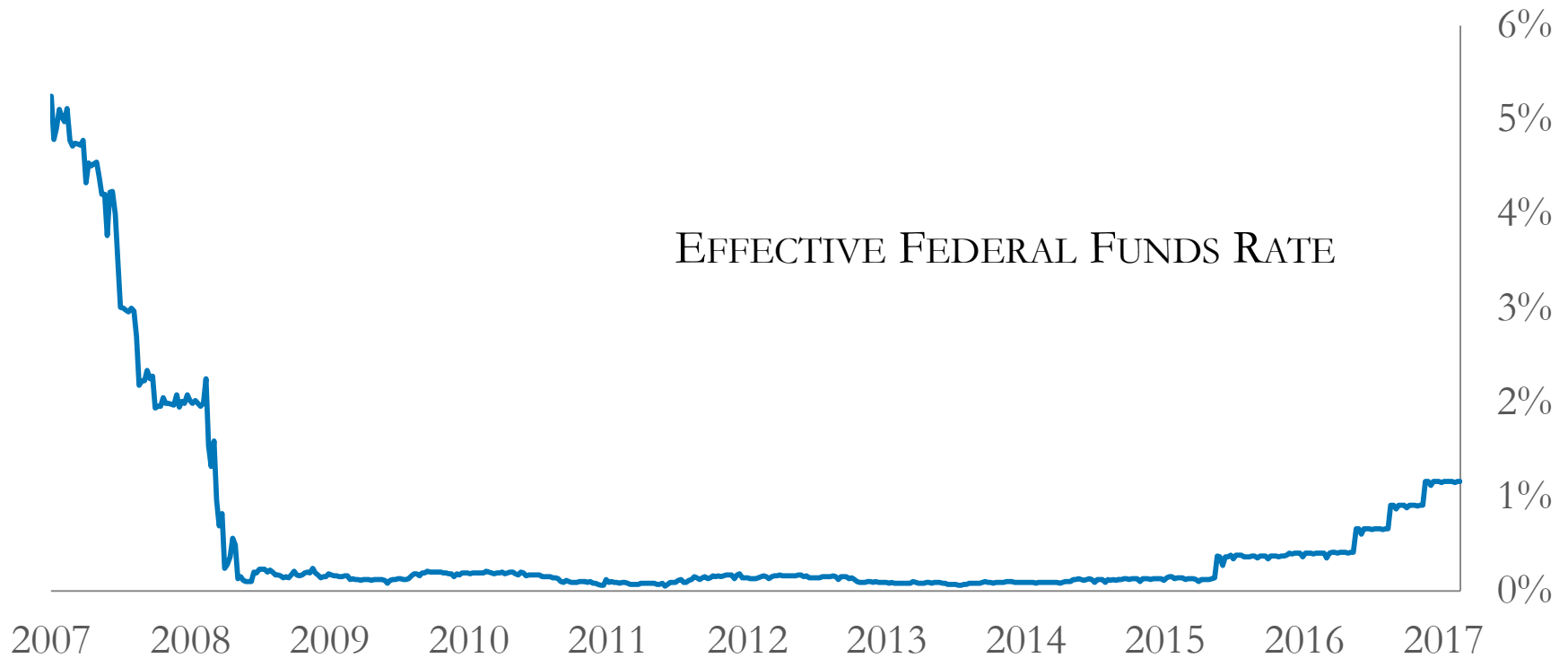
Percent Change Year-over-Year





“In view of realized and expected labor market conditions and inflation, the Committee decided to maintain the target range for the federal funds rate at 1 to 1-1/4 percent. The stance of monetary policy remains accommodative, thereby supporting some further strengthening in labor market conditions and a sustained return to 2 percent inflation.”

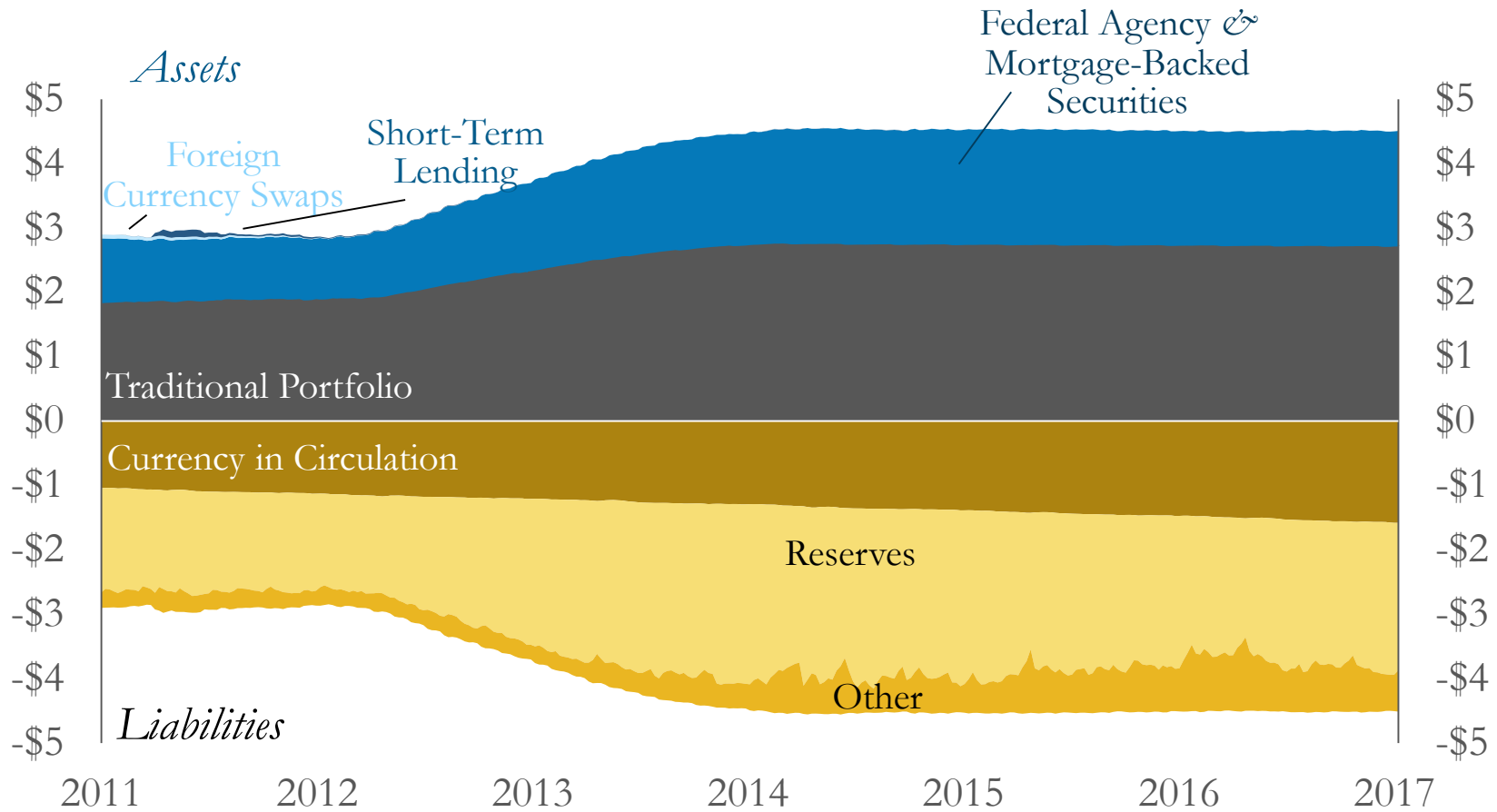
- September 2017 FOMC Statement





FEDERAL RESERVE BALANCE SHEET

Trillions



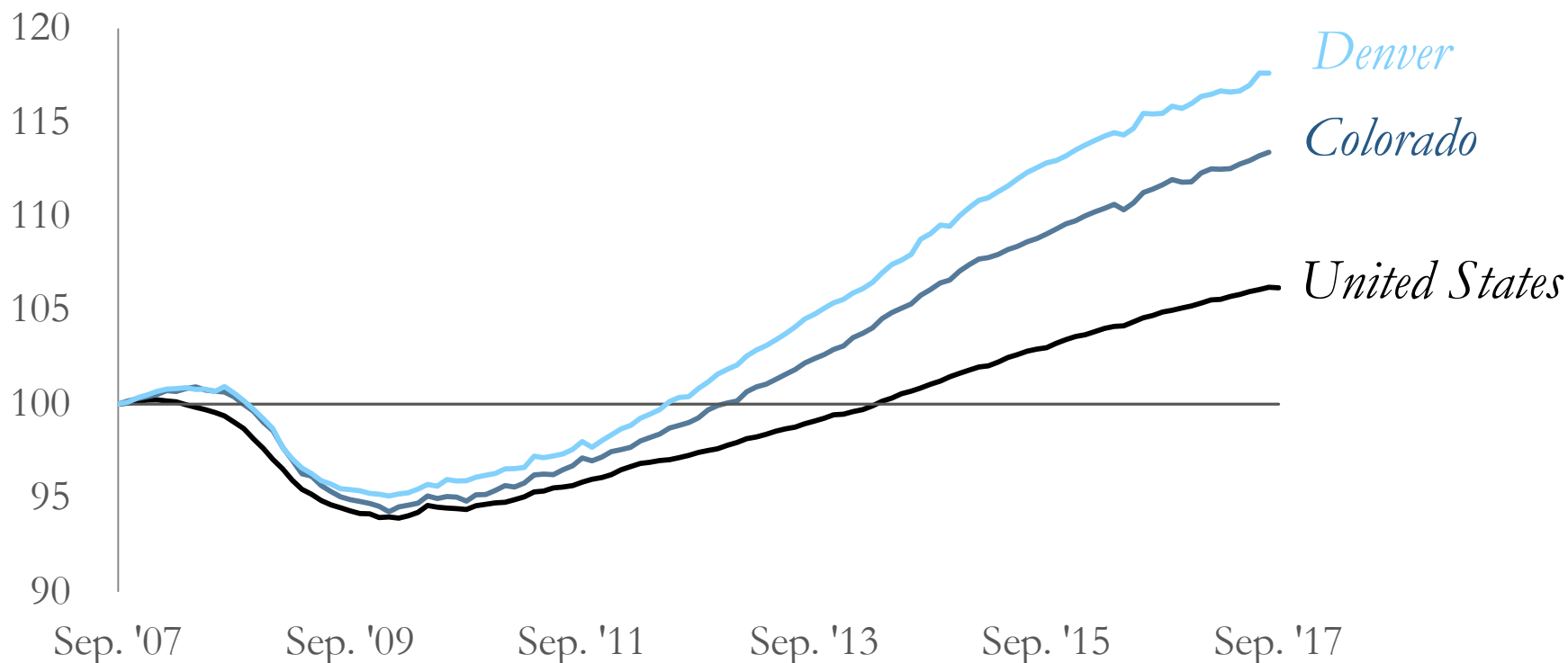
Employment has been increasing in Colorado and the nation for more than seven years, with Colorado gains outpacing the nation.



PAYROLL EMPLOYMENT GROWTH

Index 100 = September, 2007, Seasonally Adjusted

<i>Percent Change</i>	<i>Past 10 Years</i>	<i>Past Year</i>
U.S. (Sep. '17)	6.2%	1.2%
Colorado (Aug. '17)	13.7%	1.8%
Denver (Aug. '17)	17.8%	1.9%



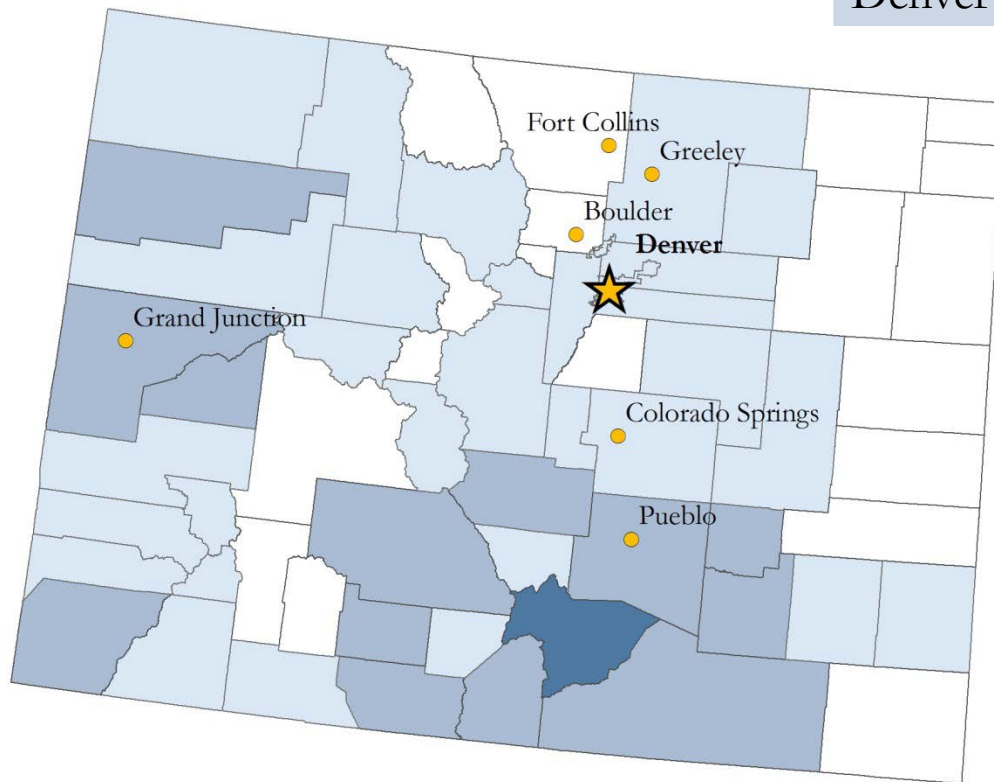
Unemployment rates are below national rates across most of Colorado.



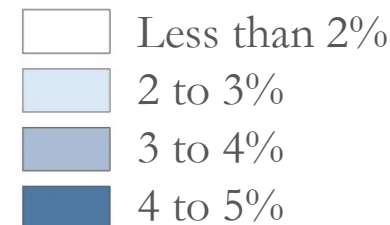
UNEMPLOYMENT RATES

August 2017, Seasonally Adjusted

<i>Unemployment Rate</i>	<i>U-3</i>	<i>U-5*</i>	<i>U-6*</i>
United States (Sep. '17)	4.2%	5.1%	8.3%
Colorado (Aug. '17)	2.4%	3.3%	6.4%
Denver (Aug. '17)	2.3%		



**U-5 and U-6 values are 12-month moving averages as of Q2 2017 for Colorado and are for September, 2017 for the United States.*

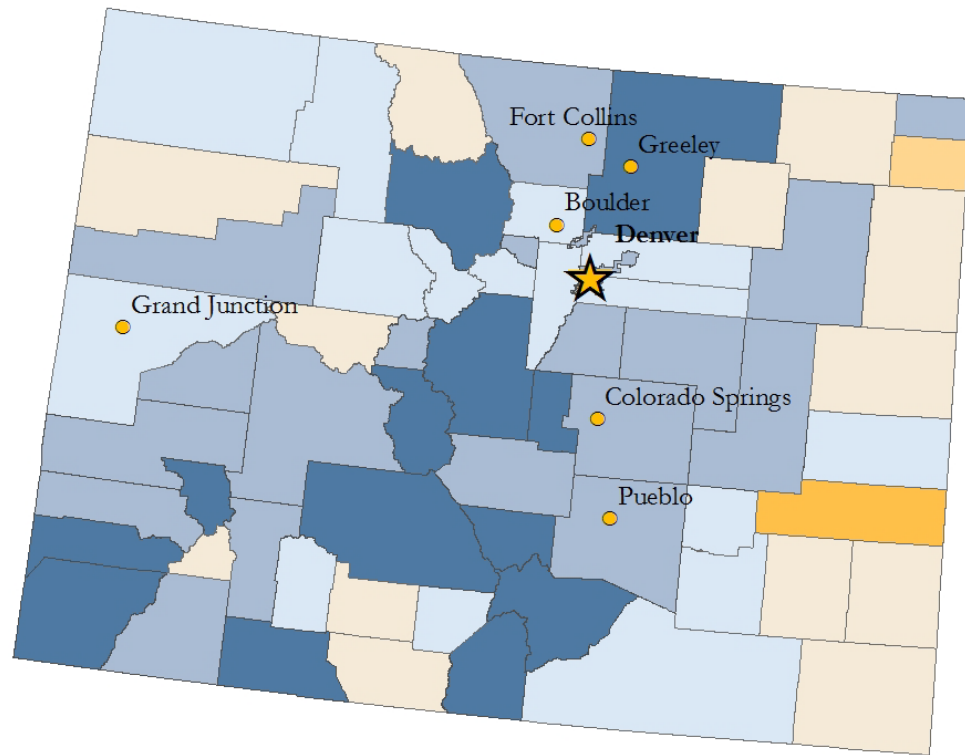


Parts of Colorado continue to experience strong population growth and net in-migration.

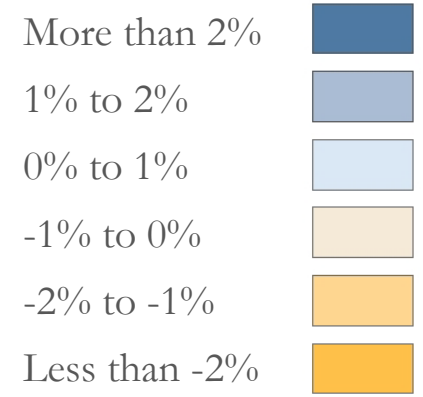


NET MIGRATION

Total 2016 Net Migration as a Percentage of 2016 Population



<i>Annual Percent Change</i>	<i>2016</i>
United States	0.3%
Colorado	1.1%
Denver County	1.1%



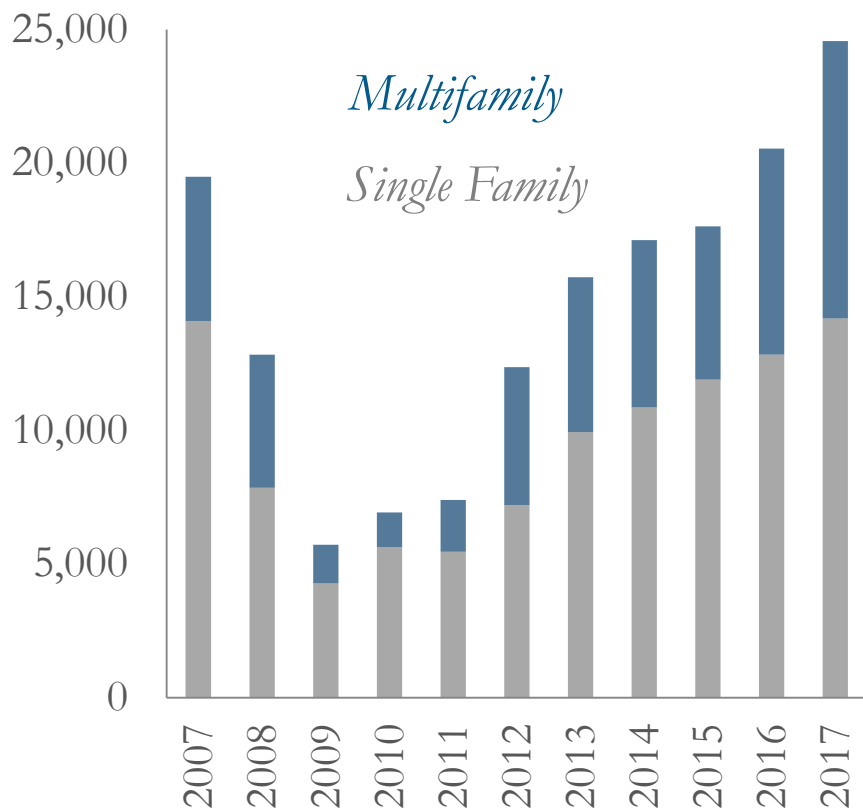
Residential construction activity has been increasing for more than six years, led by strong gains in multifamily building.



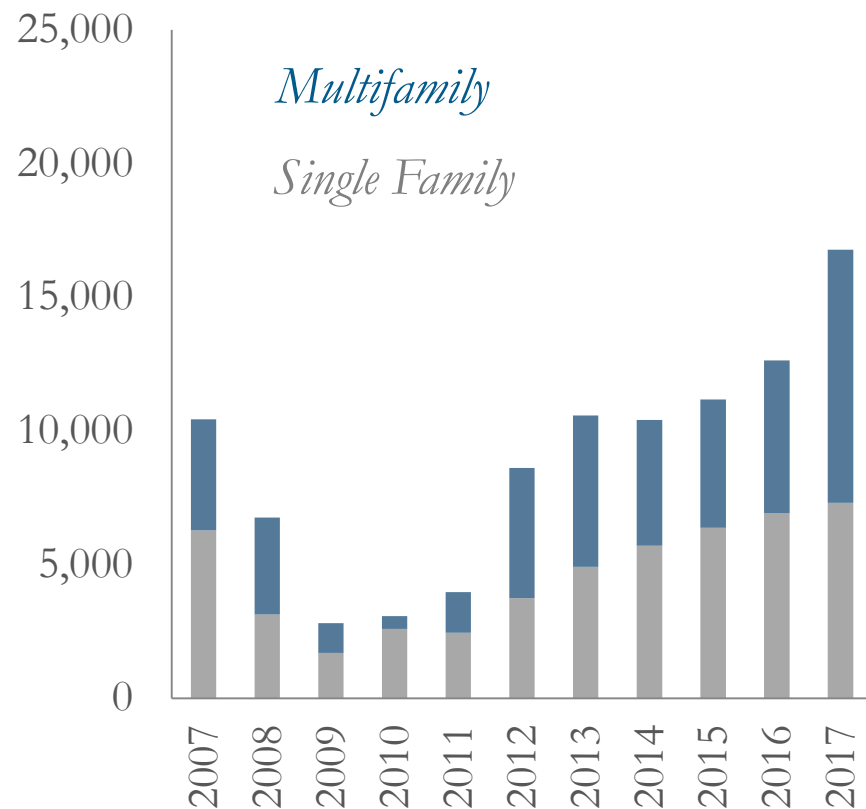
RESIDENTIAL PERMITS

Seasonally Adjusted, Year-to-Date Through August

Colorado



Denver

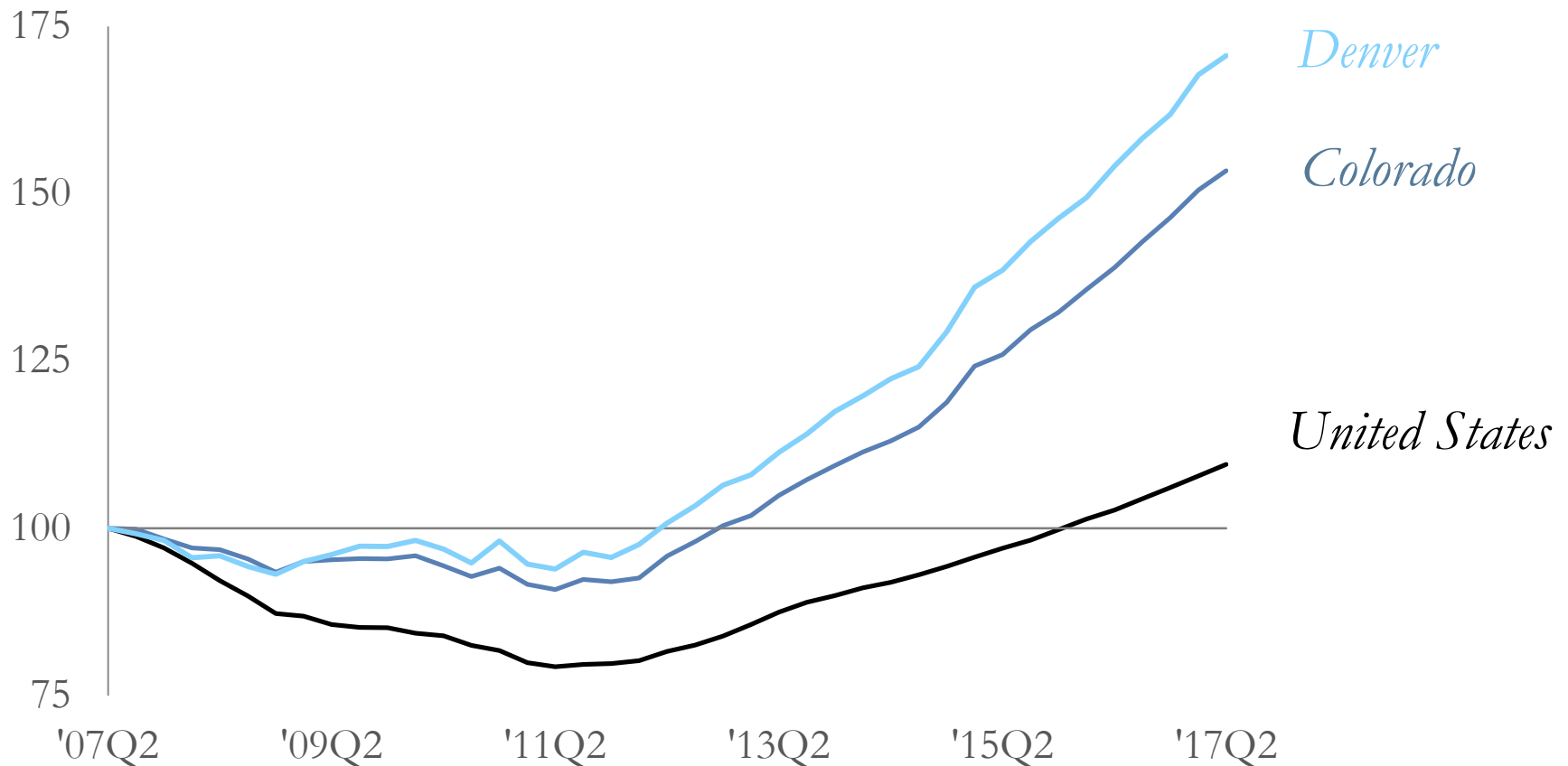


Low inventories have led to strong home price appreciation in recent years in Colorado.



HOME PRICES

Seasonally Adjusted, Index 100 = Q2:2007

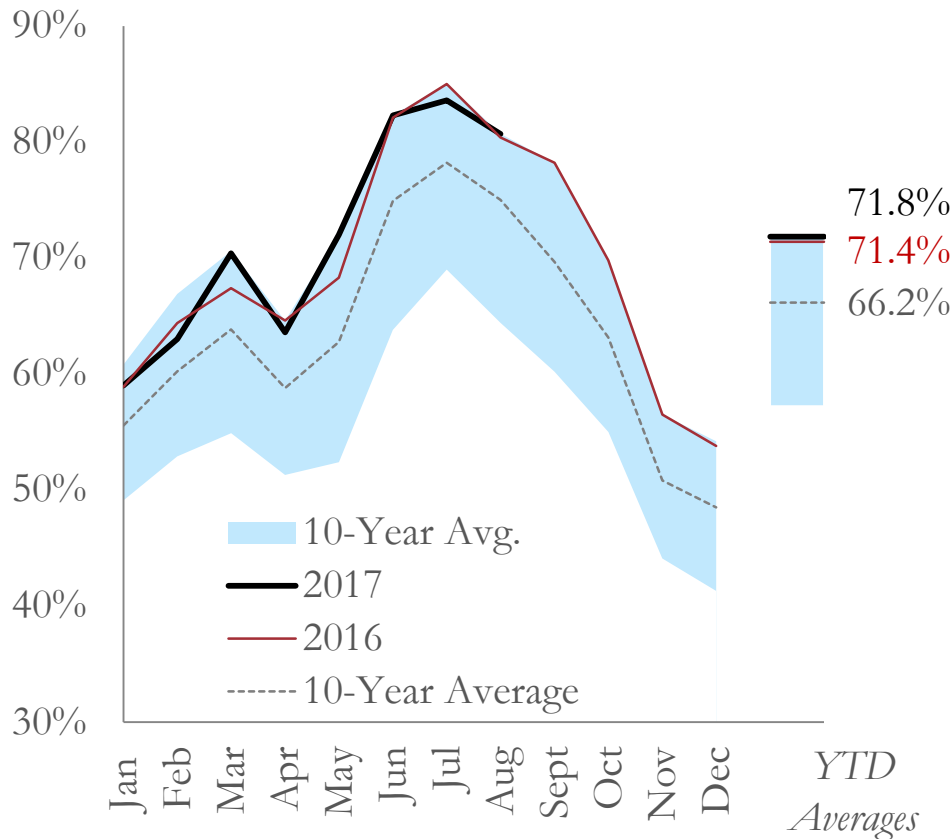


Tourism activity has been strong in Colorado over the past few years.



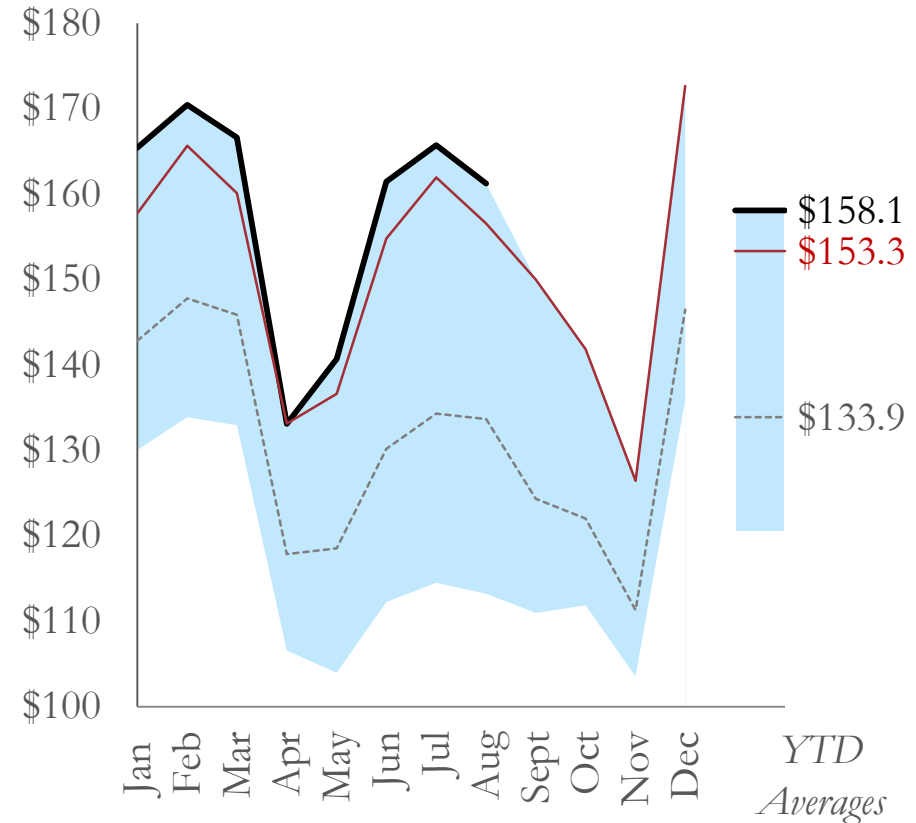
HOTEL OCCUPANCY RATES

Colorado



HOTEL ROOM RATES

Colorado, 1999 Dollars

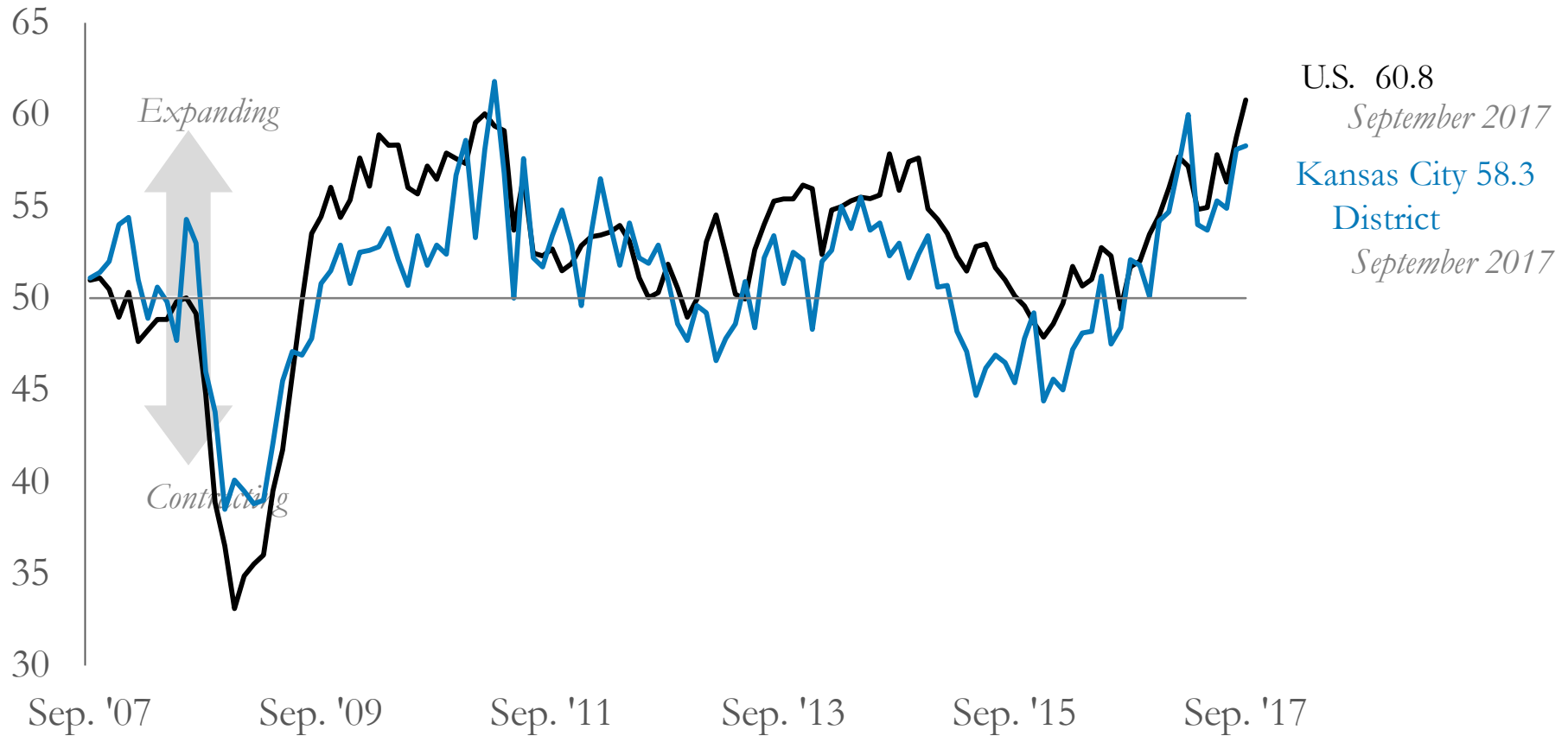


Manufacturing activity has expanded in 2017 after declines the previous two years.



MANUFACTURING ACTIVITY

Diffusion Index, Seasonally Adjusted, Month-over-Month

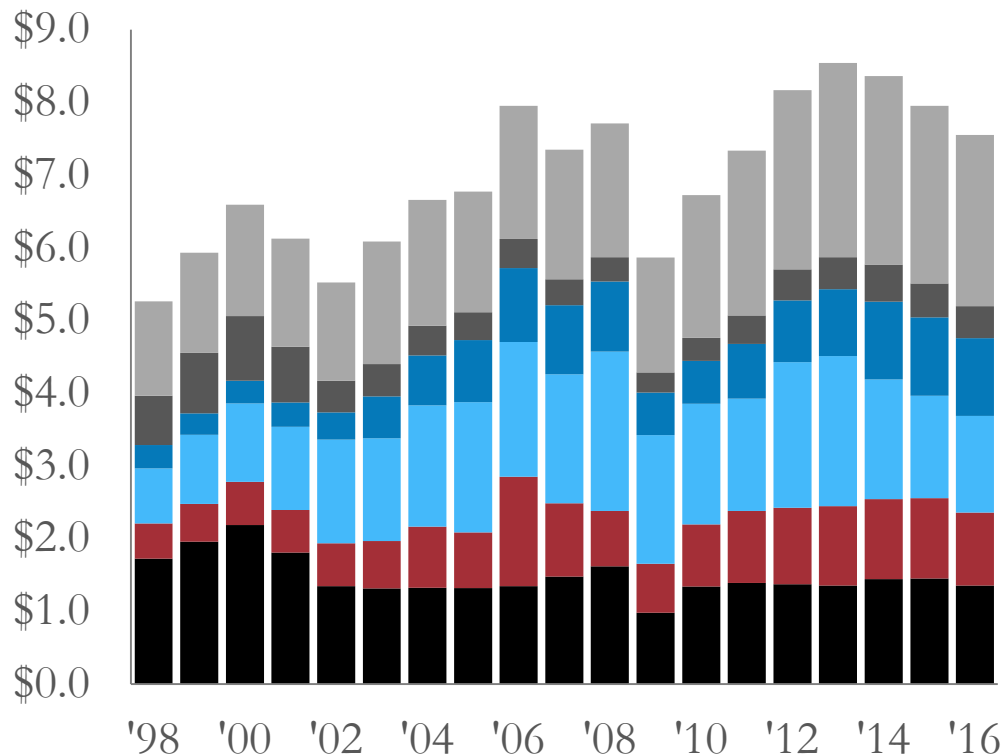


Colorado exporting activity has also rebounded modestly this year.



COLORADO EXPORTS BY TRADING PARTNER

Billions

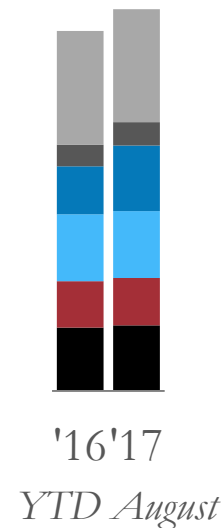


AUGUST 2017 YEAR-TO-DATE

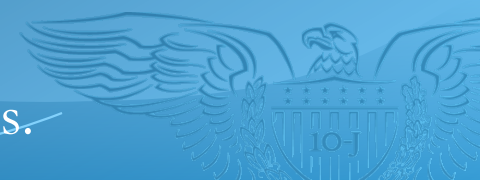
Year-over-Year Percent Change

	Year-over-Year Percent Change	SHARE*
Total Trade	6.0%	SHARE*
All Other	-0.8	31.1%
Japan	7.9	5.9
Mexico	36.9	14.1
Canada	-0.2	17.9
China	1.9	13.2
Eurozone	3.7	17.8

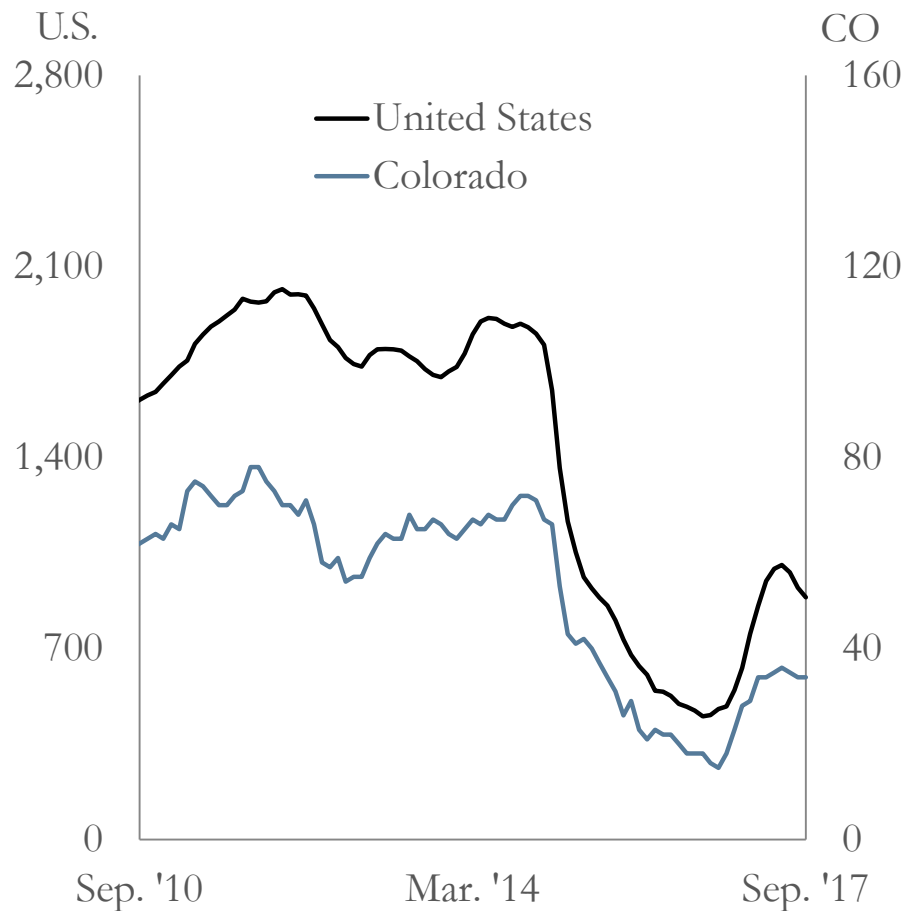
**Shares are for 2016*



Energy activity has picked up in response to higher oil prices.

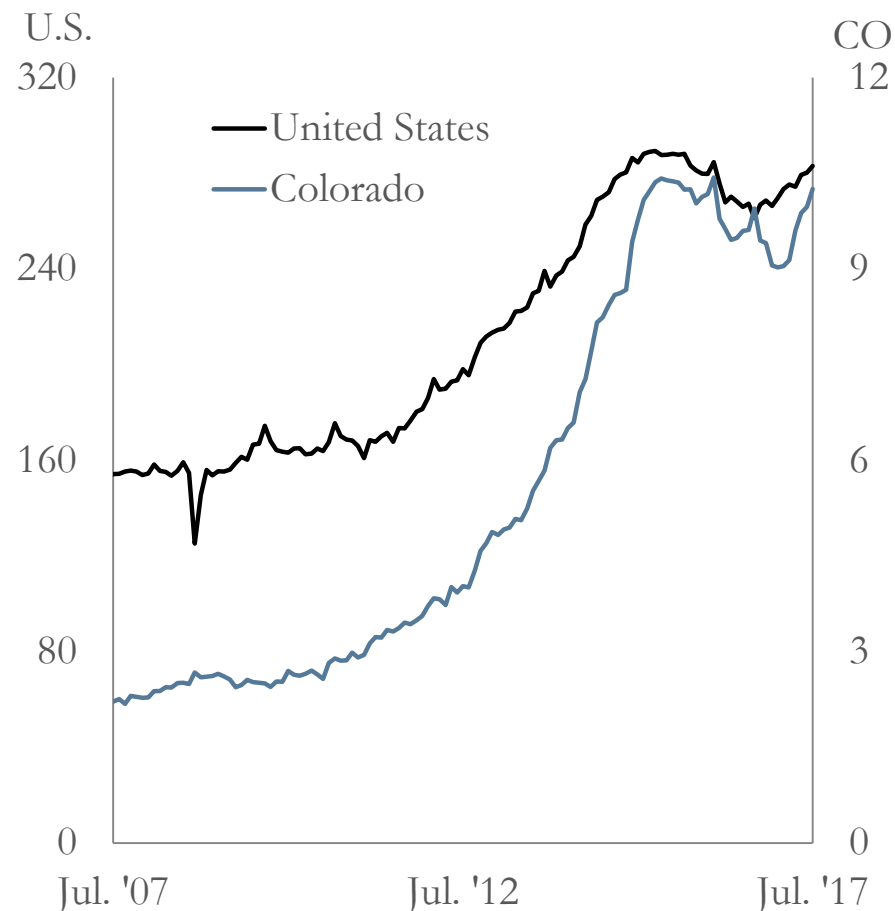


TOTAL RIG COUNT



CRUDE OIL PRODUCTION

*Millions of Barrels, Monthly,
Seasonally Adjusted*

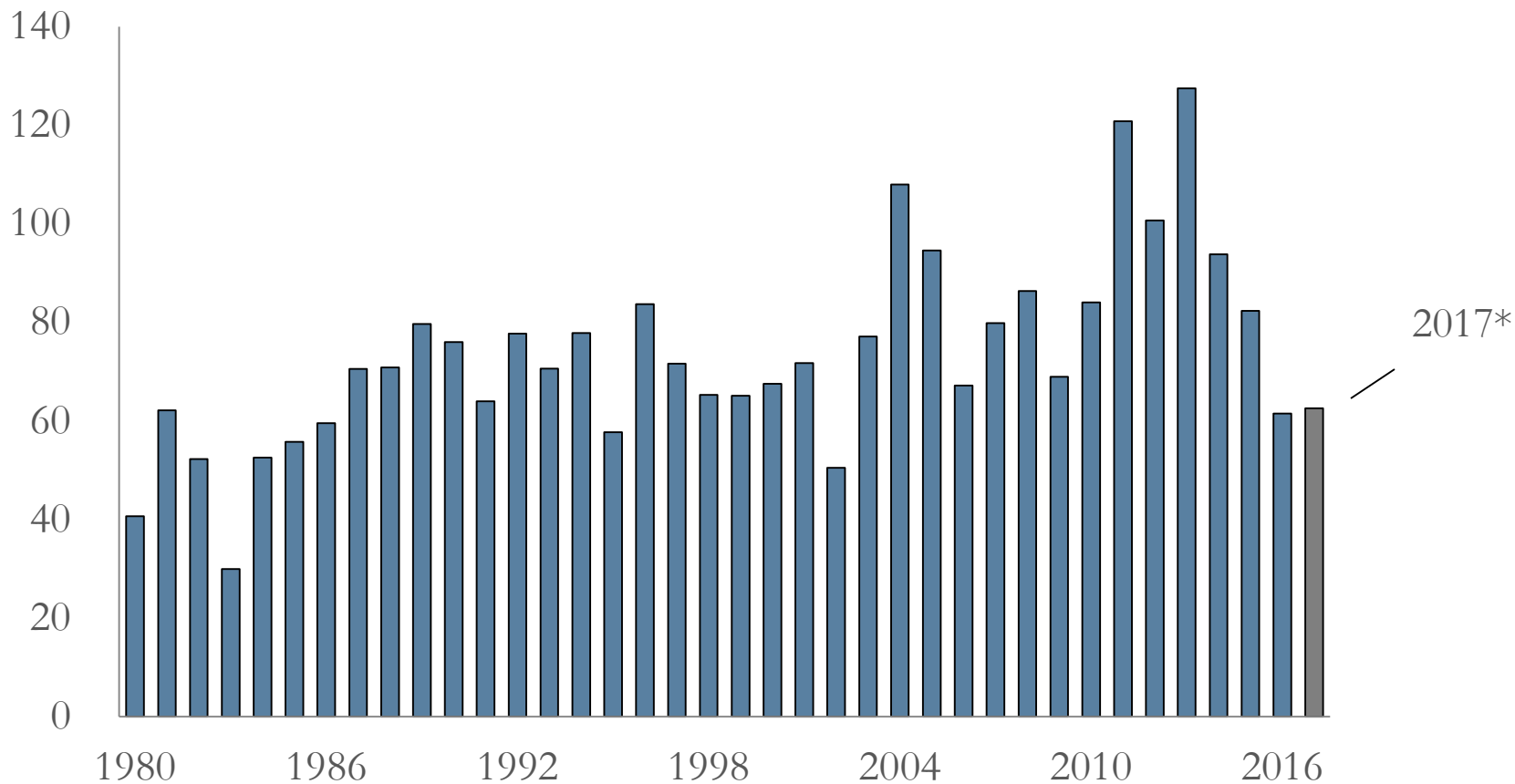


Farm income is expected to remain weak in 2017.



U.S. REAL NET FARM INCOME

Billions, 2016 Dollars



**Forecast for 2017*

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

