

**IIMA International Financial Symposium:
Challenges and Policies for World Economic Growth
The US Outlook**

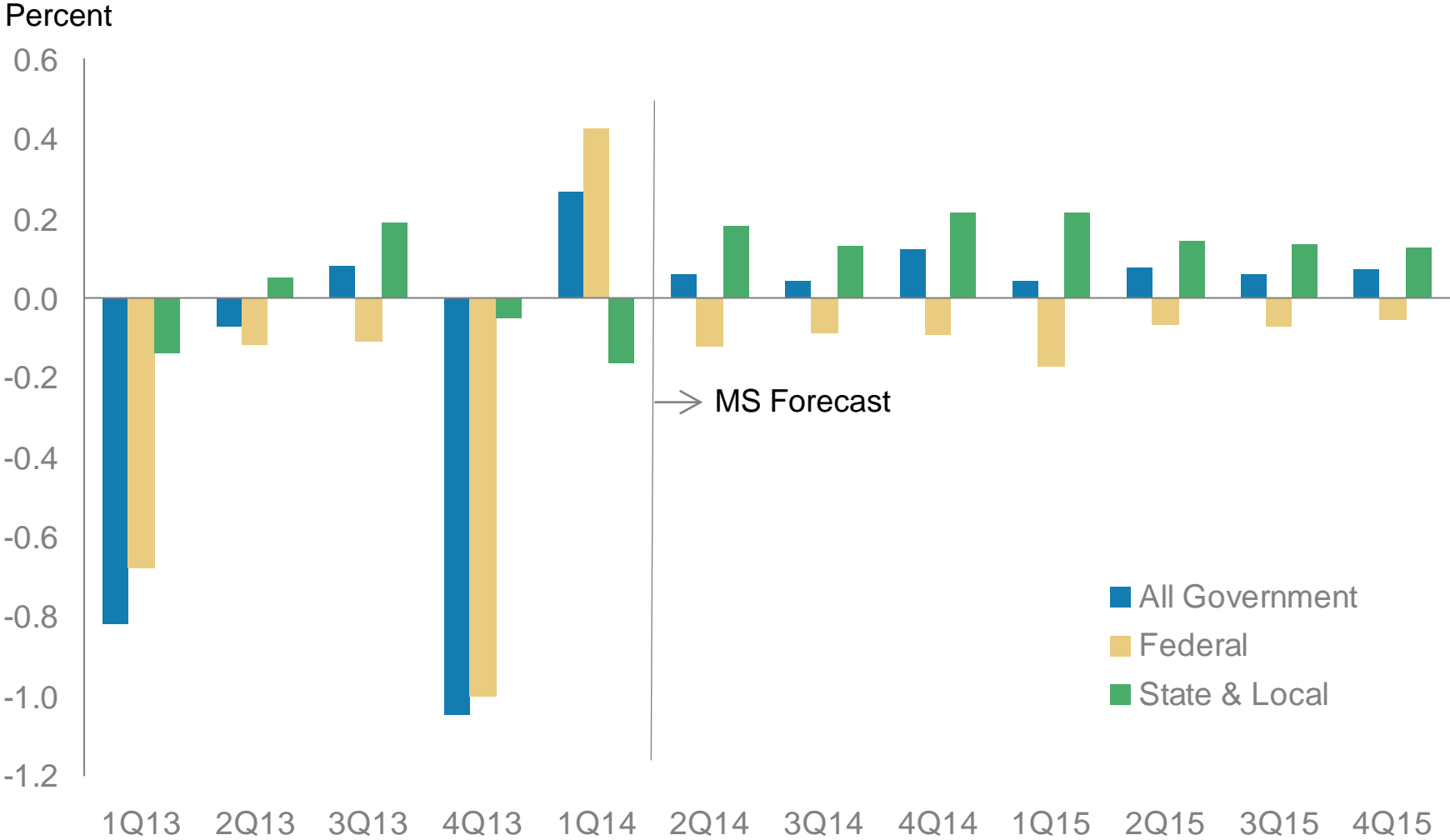
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Chief US Economist

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Forecast Update

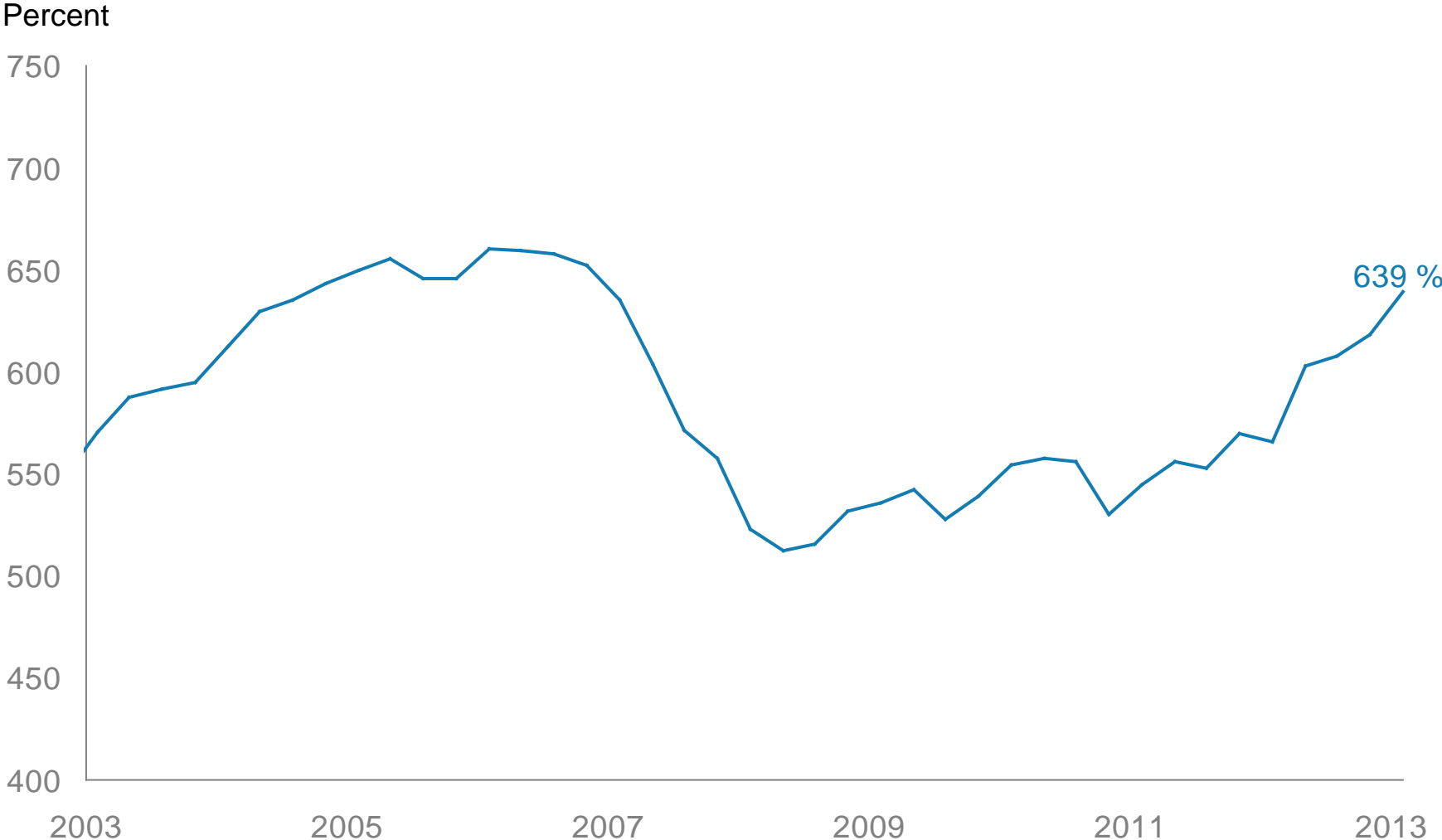
(Q4/Q4)	New Forecasts		
	2013	2014	2015
Real GDP	2.5	2.7	2.6
CPI	1.2	1.8	1.7
Core CPI	1.7	1.7	2.0
Unemployment	7.0	5.8	5.4

Government Contribution to Percent Change in GDP



Source: Bureau of Economic Analysis, Morgan Stanley Research

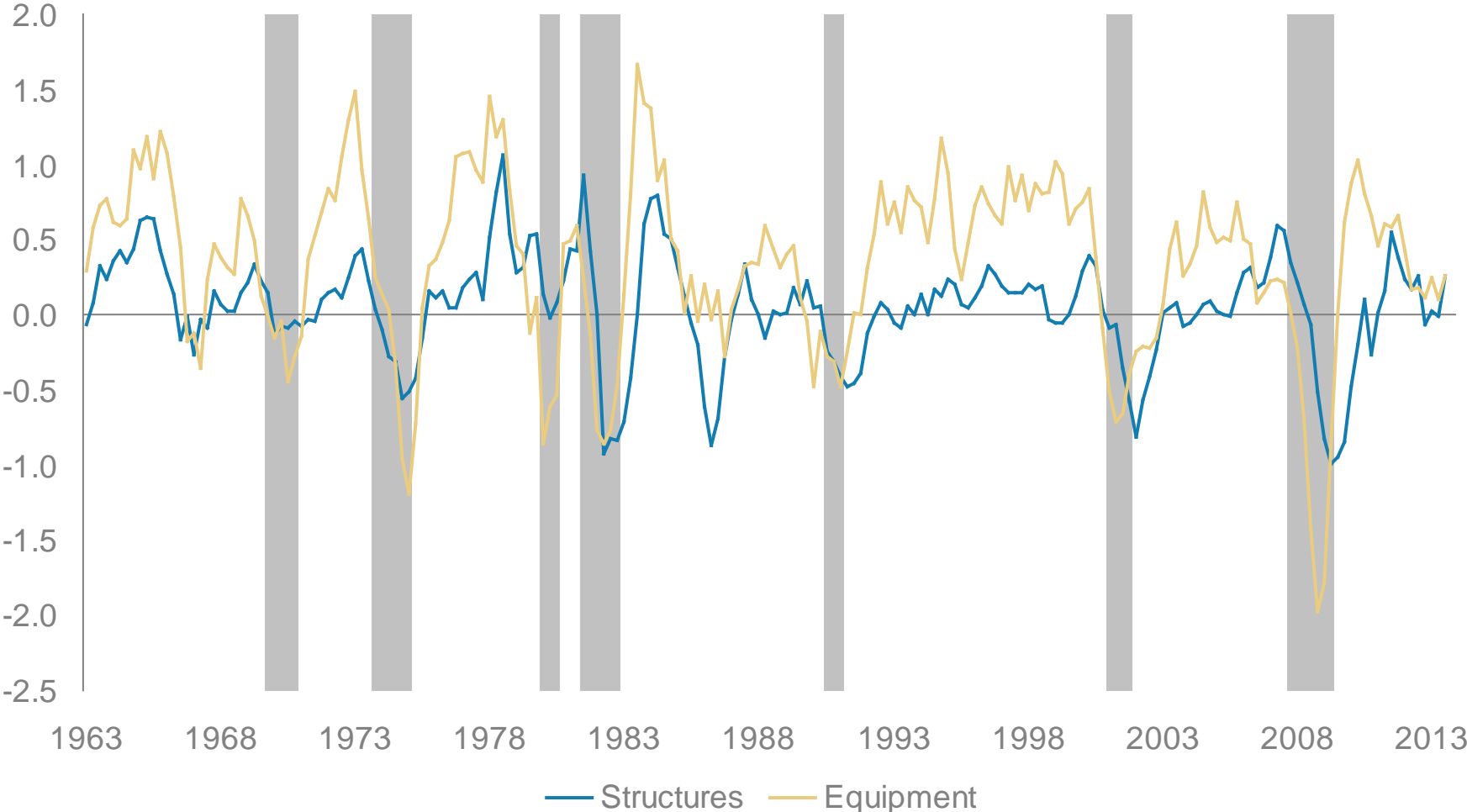
Household Net Worth as a Share of Disposable Income



Source: Federal Reserve Board, Morgan Stanley Research

Investment in Structures & Equip: Contribution to GDP

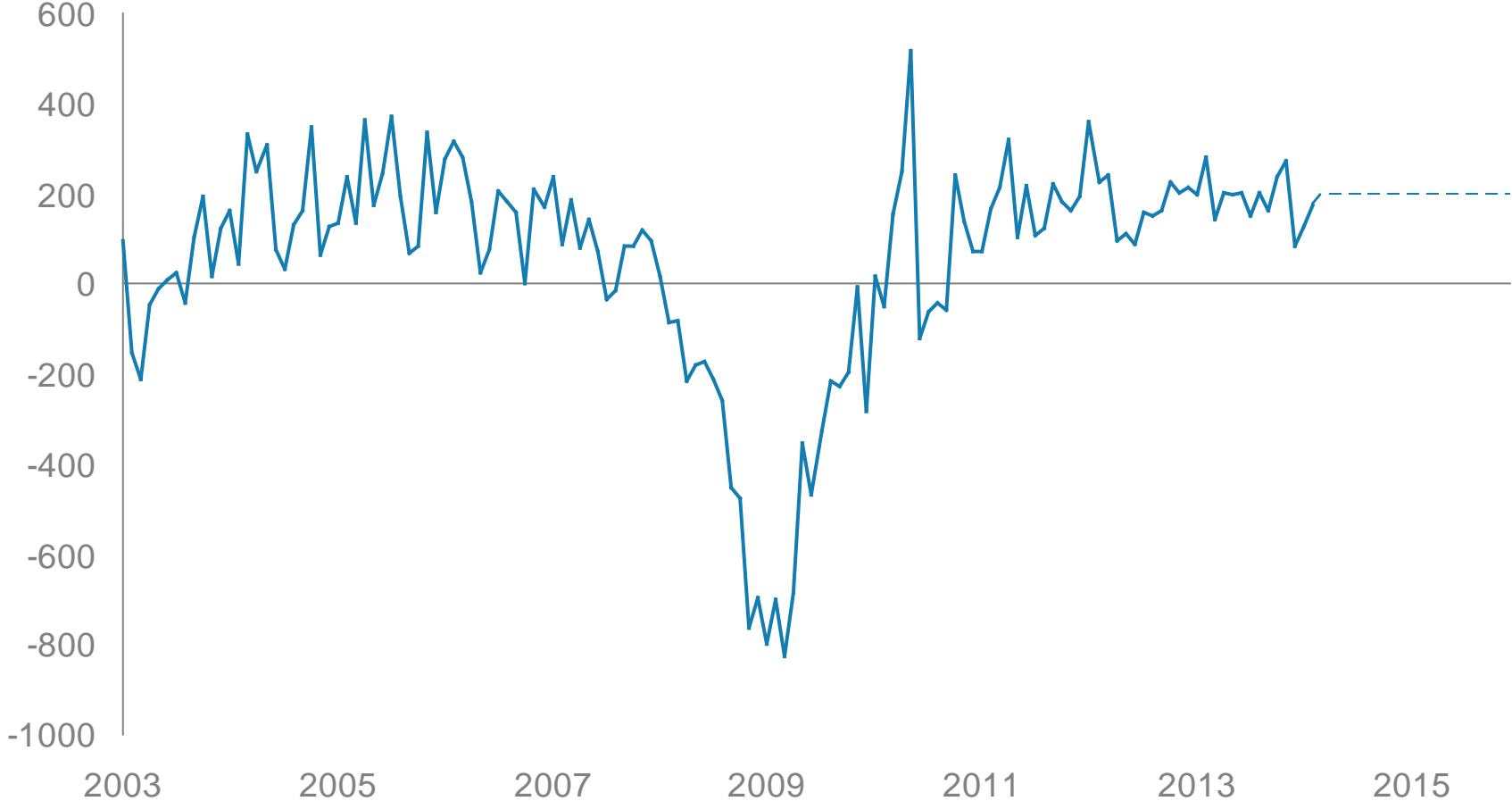
Percentage points, 3-quarter moving average



Source: Bureau of Economic Analysis, Morgan Stanley Research

NonFarm Payrolls

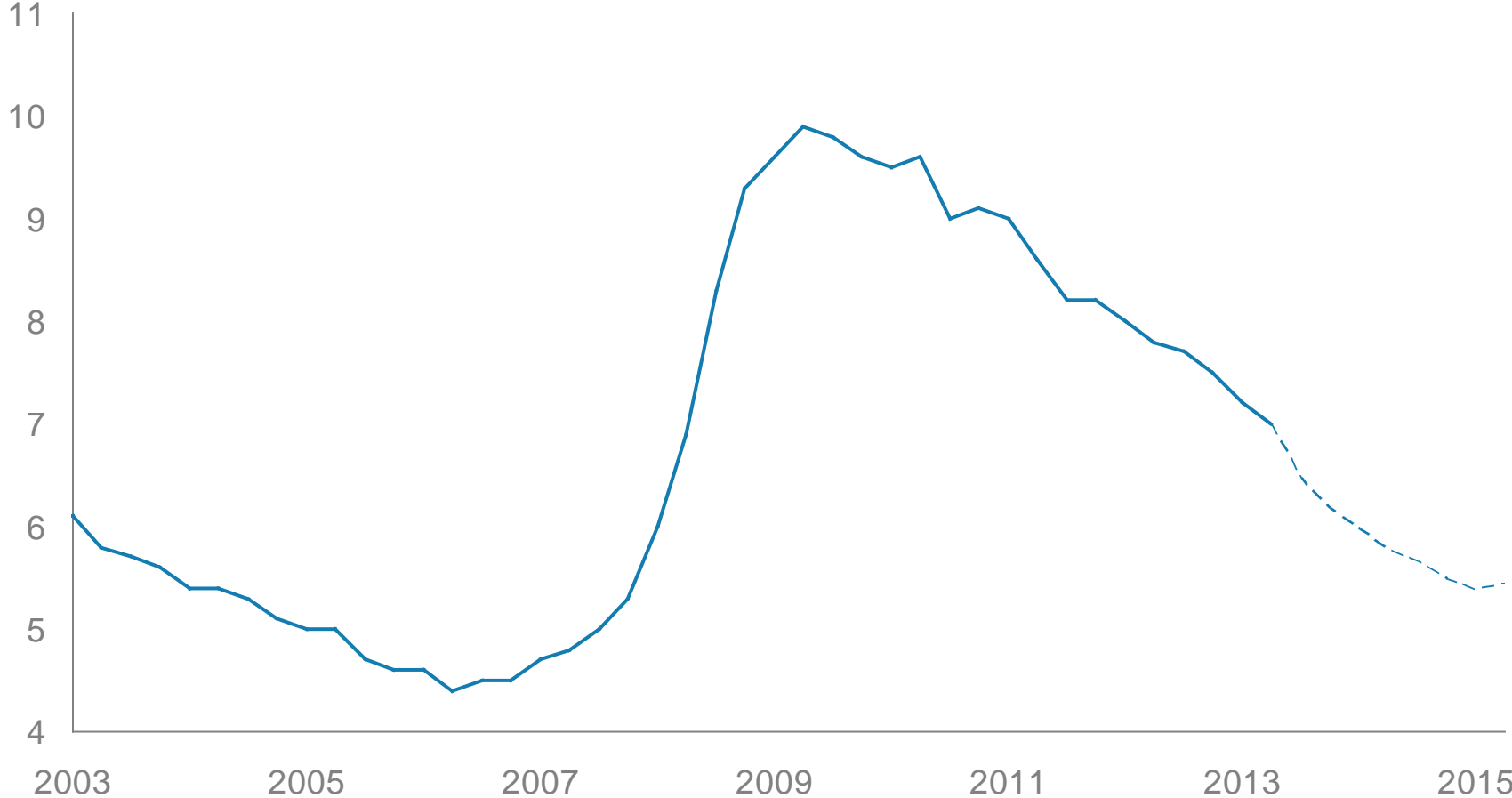
Percent



Source: Bureau of Labor Statistics, Morgan Stanley Research

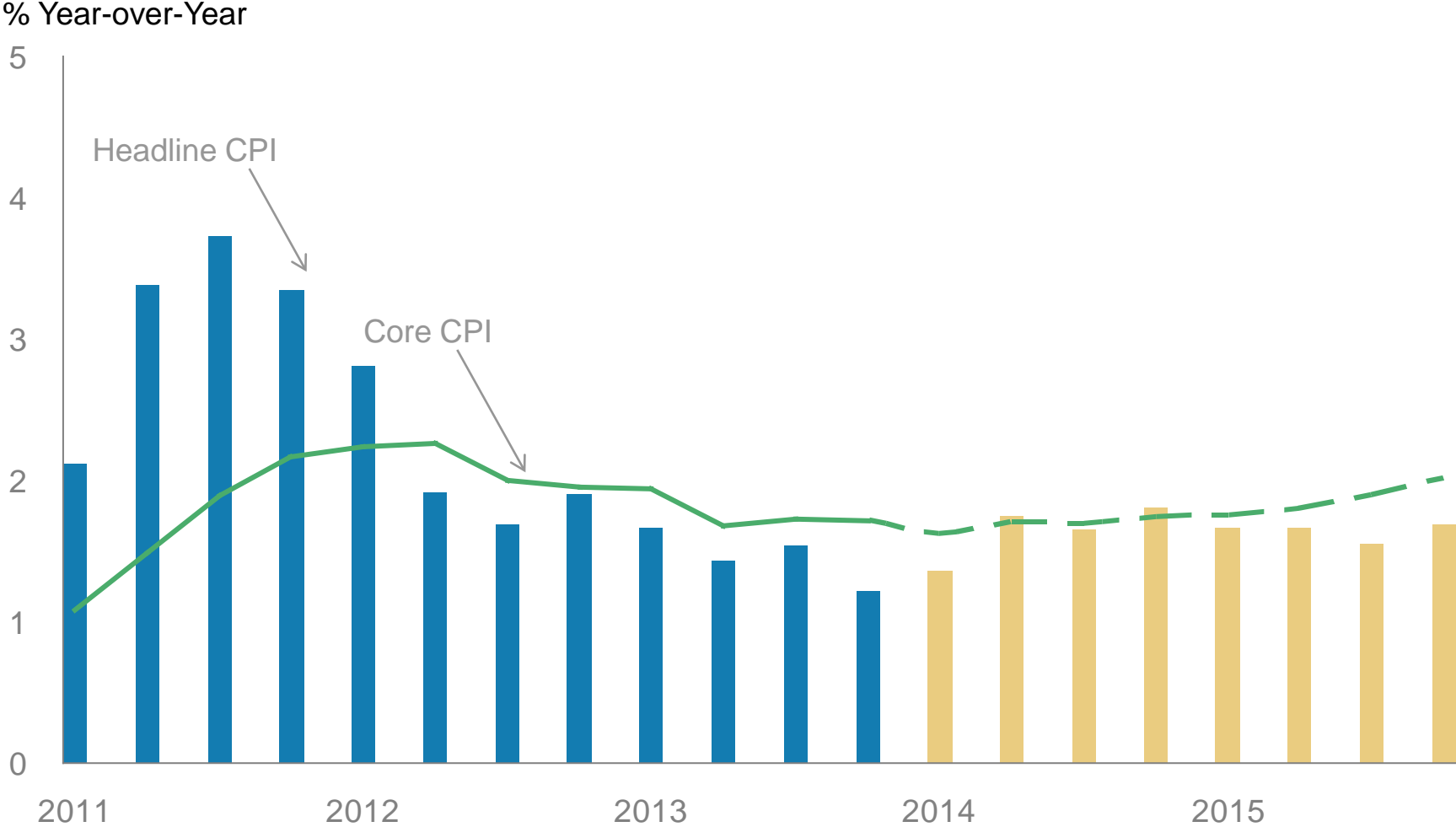
Unemployment Rate

Percent



Source: Bureau of Labor Statistics, Morgan Stanley Research

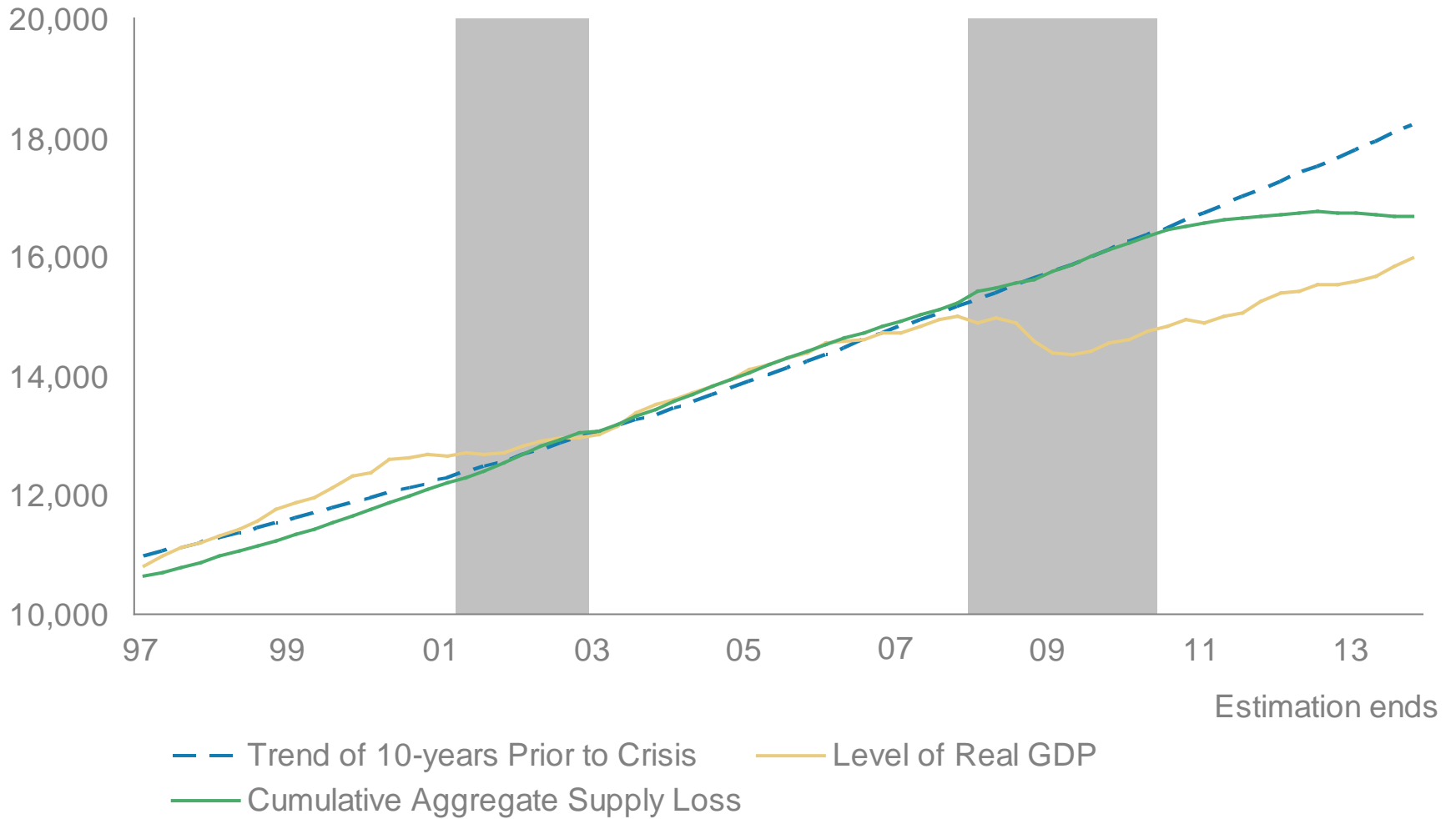
Inflation is Moving Toward 2% Target



Source: Bureau of Labor Statistics, Morgan Stanley Research

Real GDP Relative to Trend

Over a moving 15-year period (%)



Source: Bureau of Economic Analysis, Morgan Stanley Research

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