

US Macroeconomics

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	2026				2027				2026	2027
(%)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4/Q4	Q4/Q4
Real GDP (% q/q, ar)	2.1	1.5	3.9	3.3	3.6	3.4	3.4	3.4	2.7	3.5
Core PCE (% y/y)	3.3	3.3	2.9	2.8	2.7	2.7	2.6	2.5	2.8	2.5
Unemployment (%)	4.5	4.2	4.2	4.1	4.0	4.0	4.0	4.0	4.1	4.0
Fed funds Lower Bound ¹	3.50	3.50	3.75	4.00	4.25	4.50	4.50	4.50	4.00	4.50
Fed funds Upper Bound	3.75	3.75	4.00	4.25	4.50	4.75	4.75	4.75	4.25	4.75
10 Year	4.32	4.47	4.40	4.50	4.50	4.50	4.50	4.50	4.50	4.50

1/ The interest rates strategies team looks for no change in the fed funds target this year.

Note: As of July 29, 2026. Sources: BEA, Federal Reserve, SMBC Research

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