SMBC SMBC Group

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