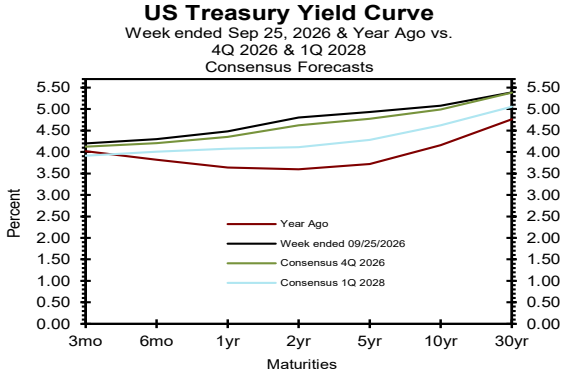
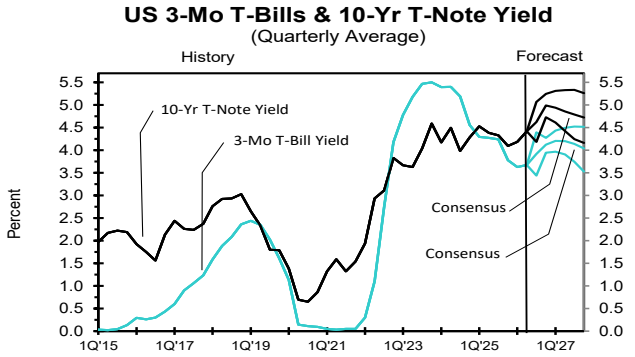
Blue Chip Financial Forecasts® – October 1, 2026

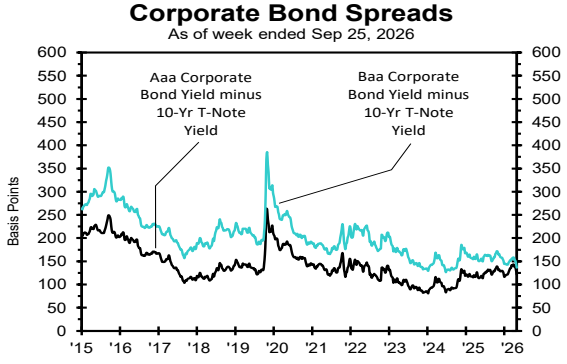
US Interest Rates and Key Assumptions

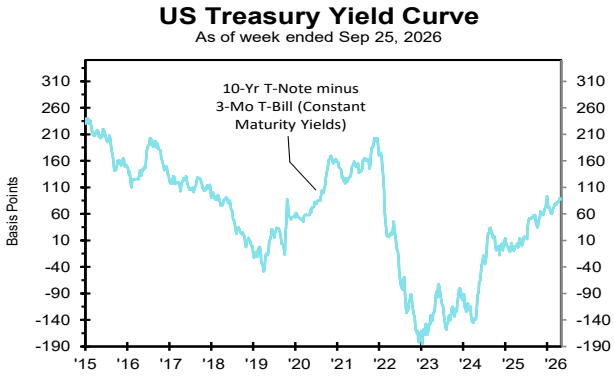
	History								Consensus Forecasts					
	Average for Week Ending				Average for the Month			Latest Qtr	4Q	1Q	2Q	3Q	4Q	1Q
Interest Rates	Sep 25	Sep 18	Sep 11	Sep 4	August	July	June	3Q 2026[b]	2026	2027	2027	2027	2027	2028
Federal Funds Rate	3.88	3.63	3.63	3.63	3.63	3.63	3.63	3.66	*4.05*	*4.19*	*4.21*	*4.17*	*4.08*	*3.93*
Prime Rate	7.00	6.75	6.75	6.75	6.75	6.75	6.75	6.78	*7.10*	*7.27*	*7.32*	*7.27*	*7.18*	*7.10*
SOFR	3.87	3.72	3.63	3.66	3.64	3.62	3.63	3.66	*3.97*	*4.15*	*4.18*	*4.15*	*4.07*	*4.02*
Commercial Paper, 1-mo	3.95	3.93	3.76	3.72	3.69	3.68	3.68	3.74	*4.07*	*4.25*	*4.27*	*4.23*	*4.16*	*4.09*
Treasury Bill, 3-mo	4.20	4.12	3.99	3.91	3.88	3.87	3.81	3.94	*4.12*	*4.21*	*4.20*	*4.14*	*4.04*	*3.92*
Treasury Bill, 6-mo	4.30	4.20	4.05	3.98	3.97	4.00	3.87	4.04	*4.21*	*4.29*	*4.28*	*4.21*	*4.11*	*4.01*
Treasury Bill, 1 yr	4.48	4.41	4.24	4.15	4.03	4.05	3.91	4.13	*4.35*	*4.40*	*4.37*	*4.27*	*4.16*	*4.08*
Treasury Note, 2 yr	4.80	4.70	4.50	4.37	4.22	4.22	4.11	4.34	*4.62*	*4.58*	*4.49*	*4.38*	*4.26*	*4.11*
Treasury Note, 5 yr	4.93	4.83	4.68	4.53	4.38	4.33	4.21	4.48	*4.77*	*4.72*	*4.64*	*4.54*	*4.42*	*4.28*
Treasury Note, 10 yr	5.08	4.99	4.89	4.78	4.68	4.60	4.47	4.74	*4.99*	*4.94*	*4.86*	*4.79*	*4.72*	*4.62*
Treasury Bond, 30 yr	5.39	5.34	5.31	5.26	5.22	5.10	4.95	5.22	*5.38*	*5.35*	*5.27*	*5.21*	*5.12*	*5.05*
Corporate Aaa Bond	6.25	6.20	6.20	6.16	6.09	5.94	5.69	6.07	*6.15*	*6.17*	*6.11*	*6.06*	*5.96*	*5.87*
Corporate Baa Bond	6.40	6.35	6.34	6.29	6.24	6.11	5.90	6.23	*6.76*	*6.87*	*6.86*	*6.85*	*6.78*	*6.66*
State & Local Bonds	4.77	4.61	4.50	4.40	4.28	4.20	4.11	4.34	*4.96*	*5.00*	*4.99*	*4.96*	*4.89*	*4.74*
Home Mortgage Rate	7.03	6.95	6.76	6.71	6.67	6.54	6.49	6.68	*6.99*	*6.93*	*6.85*	*6.77*	*6.68*	*6.60*
	4Q	1Q	2Q	3Q	4Q[a]	1Q	2Q	3Q[c,d]	4Q	1Q	2Q	3Q	4Q	3Q
Key Assumptions	2024	2025	2025	2025	2025	2026	2026	2026	2026	2027	2027	2027	2027	2026
Fed AFE Index	117.7	119.6	112.7	110.9	112.2	111.0	111.9	112.8	*112.7*	*112.3*	*112.2*	*111.7*	*111.6*	*111.2*
Real GDP	2.4	0.1	4.0	3.9	0.2	2.5	2.2	2.4	*2.1*	*2.0*	*2.1*	*2.1*	*2.1*	*2.2*
GDP Price Index	2.5	3.1	2.1	3.4	3.4	3.2	6.1	2.4	*3.1*	*2.7*	*2.6*	*2.4*	*2.4*	*2.2*
Consumer Price Index	3.2	3.7	1.7	3.1	2.4	3.7	6.1	1.5	*3.4*	*2.4*	*2.1*	*2.2*	*2.4*	*2.2*
PCE Price Index	2.6	3.2	2.4	2.6	2.7	4.2	5.0	2.3	*3.1*	*2.6*	*2.3*	*2.3*	*2.3*	*2.2*

(a) 4Q 2025 CPI uses an interpolated value for October 2025 calculated by Haver Analytics.(b) Interest rate data for 3Q 2026 based on historical data through the week ended September 25. (c) Data for 3Q 2026 for the Fed's AFE $ Index based on data through the week ended September 25. (d) Figures for 3Q 2026 Real GDP, GDP Chained Price Index, Consumer Price Index, and PCE Price Index are consensus forecasts from the September 2026 survey. Forecasts for interest rates and the Federal Reserve's Advanced Foreign Economies Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index, CPI and PCE Price Index are seasonally adjusted annual rates of change. Historical data via Haver Analytics: Treasury rates from the FRB H.15; AAA-AA and A-BBB corporate bond yields from Bank of America-Merrill Lynch 15+ years yield to maturity; State and local bond yields from Bank of America-Merrill Lynch A-rated yield to maturity; Mortgage rates from Freddie Mac 30-year fixed; SOFR from the New York Fed; Fed's Advanced Foreign Economies Index from the FRB H.10; Real GDP, GDP Price Index and PCE Price Index are from the Bureau of Economic Analysis; Consumer Price Index from the Bureau of Labor Statistics.









Long-Range Survey:

The table below contains results of our semi-annual long-range CONSENSUS survey. There are also Top 5 and Bottom 5 averages for each variable. Shown are estimates for the years 2027 through 2032 and averages for the five-year periods 2028-2032 and 2033-2037. Apply these projections cautiously. Few economic, demographic and political forces can be evaluated accurately over such long time spans.

		Average For The Year						Five-Year Averages	
		2027	2028	2029	2030	2031	2032	2028-2032	2033-2037
1. Federal Funds Rate	**CONSENSUS**	**3.2**	**3.1**	**3.2**	**3.2**	**3.2**	**3.2**	**3.2**	**3.1**
	Top 5 Average	3.6	3.6	3.7	3.7	3.6	3.6	3.6	3.6
	Bottom 5 Average	2.9	2.7	2.8	2.8	2.9	2.9	2.8	2.7
2. Prime Rate	**CONSENSUS**	**6.3**	**6.3**	**6.3**	**6.3**	**6.3**	**6.3**	**6.3**	**6.3**
	Top 5 Average	6.8	6.7	6.7	6.7	6.7	6.7	6.7	6.7
	Bottom 5 Average	6.0	5.9	5.9	5.9	6.0	6.0	5.9	5.9
3. SOFR	**CONSENSUS**	**3.2**	**3.1**	**3.1**	**3.1**	**3.1**	**3.1**	**3.1**	**3.1**
	Top 5 Average	3.5	3.4	3.4	3.4	3.4	3.4	3.4	3.4
	Bottom 5 Average	3.0	2.8	2.8	2.8	2.8	2.8	2.8	2.8
4. Commercial Paper, 1-Mo	**CONSENSUS**	**3.3**	**3.2**	**3.1**	**3.1**	**3.2**	**3.2**	**3.2**	**3.1**
	Top 5 Average	3.5	3.4	3.4	3.3	3.4	3.4	3.4	3.3
	Bottom 5 Average	3.1	3.0	2.9	2.9	2.9	2.9	2.9	2.9
5. Treasury Bill Yield, 3-Mo	**CONSENSUS**	**3.2**	**3.1**	**3.1**	**3.2**	**3.2**	**3.2**	**3.2**	**3.2**
	Top 5 Average	3.6	3.5	3.4	3.5	3.5	3.5	3.5	3.4
	Bottom 5 Average	2.9	2.8	2.9	2.9	2.9	2.9	2.9	2.9
6. Treasury Bill Yield, 6-Mo	**CONSENSUS**	**3.3**	**3.2**	**3.2**	**3.2**	**3.3**	**3.3**	**3.2**	**3.2**
	Top 5 Average	3.6	3.5	3.5	3.5	3.5	3.5	3.5	3.5
	Bottom 5 Average	3.0	2.9	3.0	3.0	3.0	3.0	3.0	3.0
7. Treasury Bill Yield, 1-Yr	**CONSENSUS**	**3.3**	**3.3**	**3.4**	**3.4**	**3.4**	**3.4**	**3.4**	**3.3**
	Top 5 Average	3.7	3.6	3.6	3.6	3.6	3.7	3.6	3.6
	Bottom 5 Average	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1
8. Treasury Note Yield, 2-Yr	**CONSENSUS**	**3.6**	**3.5**	**3.5**	**3.5**	**3.5**	**3.5**	**3.5**	**3.5**
	Top 5 Average	3.9	3.9	3.9	3.8	3.8	3.8	3.9	3.8
	Bottom 5 Average	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
9. Treasury Note Yield, 5-Yr	**CONSENSUS**	**3.8**	**3.8**	**3.8**	**3.8**	**3.8**	**3.8**	**3.8**	**3.8**
	Top 5 Average	4.1	4.2	4.2	4.1	4.1	4.1	4.1	4.1
	Bottom 5 Average	3.5	3.4	3.4	3.4	3.4	3.5	3.4	3.4
10. Treasury Note Yield, 10-Yr	**CONSENSUS**	**4.2**	**4.2**	**4.1**	**4.1**	**4.1**	**4.1**	**4.1**	**4.2**
	Top 5 Average	4.5	4.5	4.5	4.4	4.4	4.4	4.5	4.4
	Bottom 5 Average	3.9	3.7	3.7	3.7	3.7	3.8	3.7	3.8
11. Treasury Bond Yield, 30-Yr	**CONSENSUS**	**4.8**	**4.7**	**4.7**	**4.6**	**4.6**	**4.6**	**4.7**	**4.6**
	Top 5 Average	5.2	5.1	5.0	4.9	4.9	4.9	5.0	4.9
	Bottom 5 Average	4.4	4.3	4.4	4.3	4.3	4.3	4.3	4.3
12. Corporate Aaa Bond Yield	**CONSENSUS**	**5.3**	**5.3**	**5.4**	**5.3**	**5.3**	**5.3**	**5.3**	**5.3**
	Top 5 Average	5.8	5.9	6.0	5.8	5.8	5.8	5.9	5.8
	Bottom 5 Average	4.9	4.7	4.7	4.7	4.7	4.7	4.7	4.7
13. Corporate Baa Bond Yield	**CONSENSUS**	**6.0**	**6.1**	**6.1**	**6.1**	**6.1**	**6.1**	**6.1**	**6.1**
	Top 5 Average	6.5	6.6	6.7	6.6	6.7	6.7	6.6	6.7
	Bottom 5 Average	5.5	5.6	5.6	5.5	5.5	5.6	5.5	5.4
14. State & Local Bonds Yield	**CONSENSUS**	**4.2**	**4.3**	**4.3**	**4.3**	**4.3**	**4.3**	**4.3**	**4.2**
	Top 5 Average	4.5	4.7	4.7	4.7	4.7	4.7	4.7	4.7
	Bottom 5 Average	3.8	3.9	3.8	3.9	3.9	3.9	3.9	3.8
15. Home Mortgage Rate	**CONSENSUS**	**6.2**	**6.1**	**6.1**	**6.0**	**6.0**	**6.0**	**6.0**	**6.0**
	Top 5 Average	6.5	6.4	6.4	6.3	6.3	6.3	6.3	6.3
	Bottom 5 Average	5.8	5.7	5.7	5.7	5.7	5.7	5.7	5.7
A. Fed's AFE Nominal $ Index	**CONSENSUS**	**110.8**	**110.6**	**110.2**	**109.5**	**109.2**	**108.8**	**109.7**	**108.6**
	Top 5 Average	111.7	112.1	112.2	111.8	111.8	111.3	111.8	111.4
	Bottom 5 Average	110.0	109.1	108.1	107.1	106.7	106.3	107.5	105.7
		Year-Over-Year, % Change						Five-Year Averages	
		2027	2028	2029	2030	2031	2032	2028-2032	2033-2037
B. Real GDP	**CONSENSUS**	**2.0**	**2.0**	**2.1**	**2.0**	**2.0**	**2.0**	**2.0**	**1.9**
	Top 5 Average	2.5	2.3	2.4	2.4	2.4	2.3	2.4	2.2
	Bottom 5 Average	1.6	1.8	1.8	1.7	1.7	1.7	1.7	1.6
C. GDP Chained Price Index	**CONSENSUS**	**2.4**	**2.2**	**2.1**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**
	Top 5 Average	2.7	2.4	2.3	2.2	2.2	2.2	2.2	2.2
	Bottom 5 Average	2.0	2.0	1.8	1.8	1.7	1.7	1.8	1.8
D. Consumer Price Index	**CONSENSUS**	**2.5**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**
	Top 5 Average	3.0	2.5	2.5	2.5	2.4	2.5	2.5	2.5
	Bottom 5 Average	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
E. PCE Price Index	**CONSENSUS**	**2.4**	**2.2**	**2.1**	**2.1**	**2.0**	**2.0**	**2.1**	**2.0**
	Top 5 Average	3.0	2.5	2.3	2.3	2.3	2.3	2.3	2.3
	Bottom 5 Average	2.0	1.9	1.9	1.9	1.8	1.7	1.8	1.8