

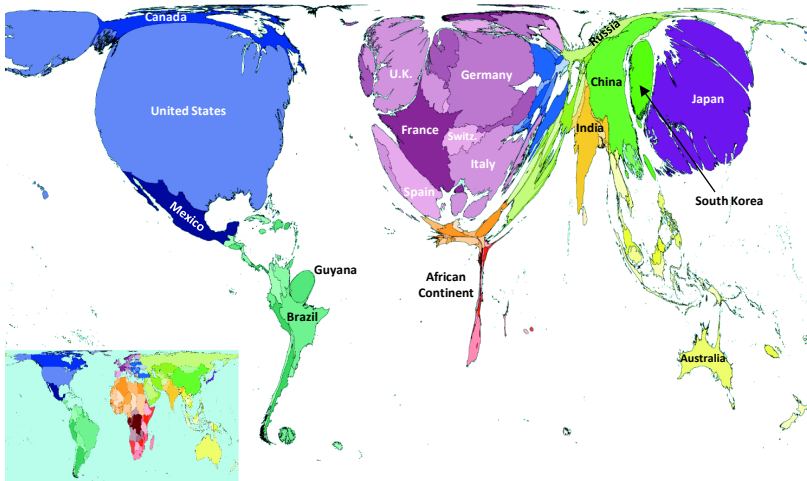
## Economic & Market Watch Intelligence Brief

### Briefing

- A viral map shows how economic activity is distributed across the 3,000 U.S. counties (**Figure 1**). Half of U.S. gross domestic product (GDP) is created by just 72 counties. Among the top producing areas are Los Angeles County, New York City, Harris County, Texas, and Cook County, Illinois. Those four counties alone produce over 10% of our economy.
- GDP measures production, telling us how much was made. Per-capita GDP measures productivity, telling us how efficiently it was made. An area's GDP could be high because the area's workers are efficient, or it could be high because the area's workers are numerous.
- Adjusting the map to show per-capita GDP reveals the difference (**Figure 2**). The largest swath of the most productive counties runs up the middle of the U.S.—from West Texas to North Dakota. While half of the U.S. economy's production is indeed due to 72 urban counties, half of its productivity is due to 331 rural counties.
- Global comparisons show a similar pattern (**Figure 3**). Sheer size can put an economy at the top of the rankings, but productivity is what determines relative living standards. China rivals the U.S. in total GDP (each is around 25% of world GDP), yet China lags far behind on a per-capita basis.

### Chart of the Week

Countries by Per-Capita GDP



### Commentary

In 2024, China's GDP was 135 trillion Chinese Renminbi. Converting according to the exchange rate, that's the equivalent of \$19 trillion. Converting according to purchasing power, it's the equivalent of \$38 trillion (for more analysis, see the Intelligence Brief from January 27, 2025). By comparison, U.S. GDP in 2024 was \$30 trillion. Depending on how one converts to U.S. dollars, China's economy is either the first or second largest on the planet.

But China's economy is not huge because the Chinese are productive. It is huge because they are numerous. China produces around the same GDP as the U.S. but requires five times the number of people to do it. That means that while China's economy is first or second in the world in terms of production (GDP), it is 75th in terms of productivity (per-capita GDP).

The distinction between production and productivity reframes debates about economic "size" (**Chart of the Week**). A country can look formidable when measured in aggregate output, but when that output is spread across a very large population, the picture changes dramatically. Smaller, more advanced economies—like Switzerland and Singapore—often show up at the top of per-capita GDP rankings, while larger, less-advanced countries—like China and India—show up at the top of GDP rankings.

### Snapshots

Figure 1: US GDP by County

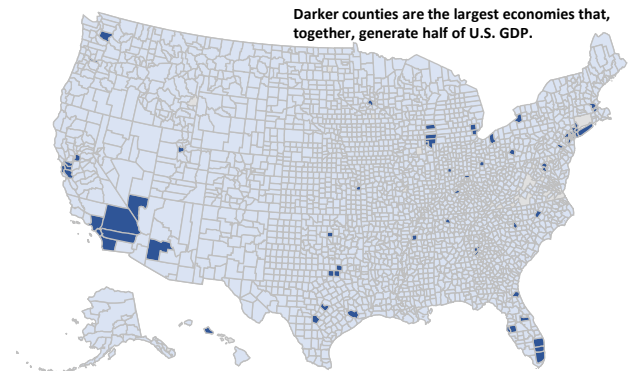


Figure 2: US Per-Capita GDP by County

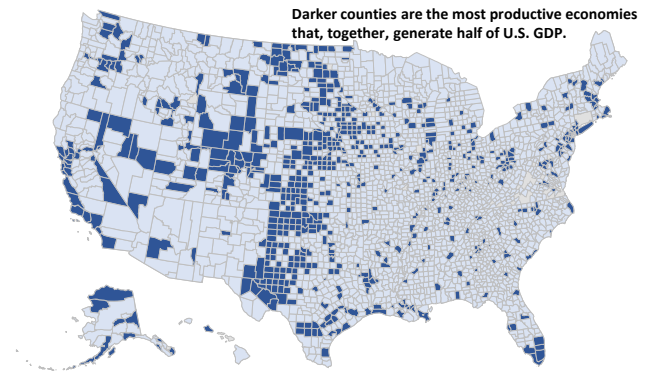
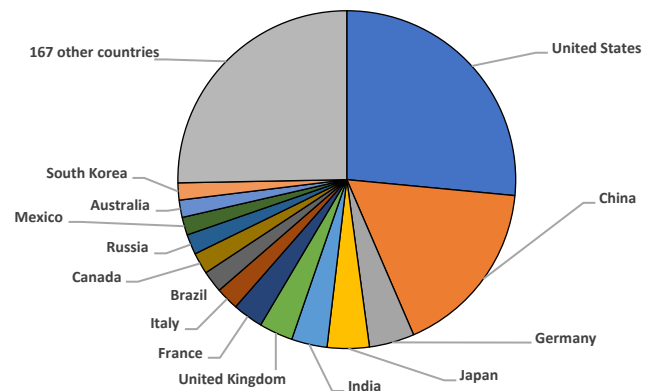


Figure 3: Contributions to World GDP by Country



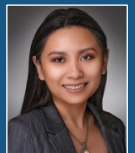
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## Economic &amp; Market Watch Dashboard

## Key Indicators

INTEREST RATES<sup>1</sup>

	Current	2025			2026		
		Q3	Q4	Q1	Q2	Q3	
Fed Funds Target <sup>2</sup> (%)	4.50	4.25	4.00	3.75	3.50	3.25	
SOFR (%)	4.34	4.06	3.80	3.56	3.37	3.20	
2Y UST (%)	3.66	3.72	3.61	3.53	3.48	3.44	
5Y UST (%)	3.75	3.89	3.83	3.79	3.75	3.71	
10Y UST (%)	4.28	4.30	4.24	4.21	4.19	4.17	
30Y UST (%)	4.97	4.76	4.70	4.67	4.65	4.64	

## ECONOMY

	Current	2025			2026		
		Q3	Q4	Q1	Q2	Q3	
PCE Inflation (YoY %)	2.6	3.2	2.8	2.5	2.3	2.2	
CPI Inflation (YoY %)	2.7	3.6	3.3	2.8	2.6	2.5	
Real GDP (QoQ %)	3.3	0.8	1.3	1.8	2.0	2.9	
Unemployment (%)	4.2	4.4	4.6	4.7	4.7	4.7	
Consumer Spending (QoQ %)	1.6	0.6	0.8	1.4	1.7	1.8	
Industrial Production (YoY %)	1.4	1.0	1.2	0.6	1.0	1.5	

## Equities &amp; Currency

	Current	Year ago
DJIA	44,986	41,563
Nasdaq	21,111	17,714
S&P 500	6,460	5,648
US Dollar Index	\$1,208.16	\$1,235.26

## Commodities

	Current	Year ago
Crude Oil (Per Barrel)	\$65.00	\$73.55
Natural Gas (Per MMBtu)	\$2.93	\$2.13
Coal (Per Short Ton)	\$14.40	\$13.90
Gold (Per Ounce)	\$3,516.80	\$2,504.50
Corn (Per Bushel)	\$3.95	\$3.78
Soybean (Per Bushel)	\$10.25	\$9.82

## Industry

	Current	Year ago
Natural Gas Storage (Billion Cubic Feet)	3,217	3,347
U.S. Daily Power Consumption (MWh)	12,239,580	14,133,445
World Container Index (Per 40ft)	\$2,119	\$5,181

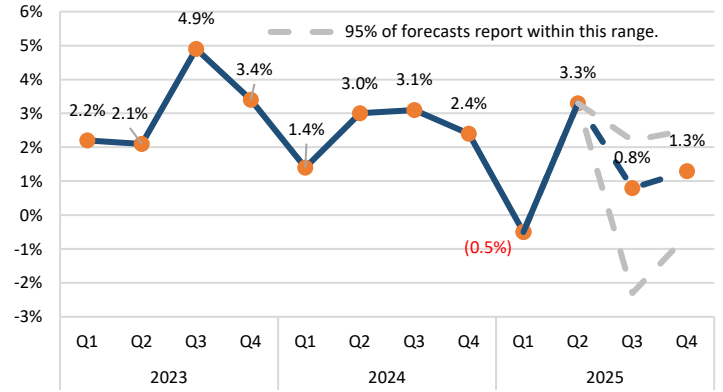
<sup>1</sup> Unless otherwise indicated, forecasts are from the Blue Chip Professional Forecasters.<sup>2</sup> Target rate forecast is based on futures market contracts.

Source: Blue Chip Financial Forecasts, Trading Economics, Moody's Analytics, Statista, Trading Economics, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, U.S. Energy Information Administration, U.S. Treasury Department, Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Federal Reserve Bank of St. Louis, International Monetary Fund, World Bank, University of Michigan, The Conference Board.

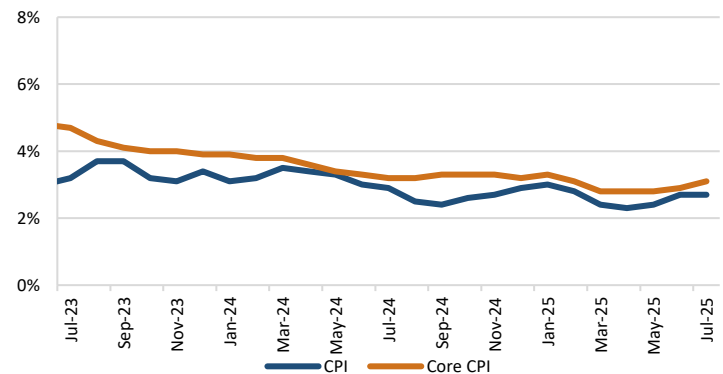
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## Forecasts

## Real GDP Growth Trend



## Headline vs. Core Inflation



## 10-Year US Treasury vs. Fed Funds Trend

