

MODEL COMPARISON SEMINAR

October 16, 1998

AGENDA

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| 9:30 | Coffee & Bagels |
| 10:00 | Current Outlook & Discussion of Policy Issues of Concern to the CEA and the Board of Governors |
| 12:00 | Lunch |
| 1:00 | Current Modeling Efforts Foreign Sector Shocks Wealth Effects Monetary Policy at Near Zero Inflation |

Policy Issues

For the October 16, 1998 Model Comparison Seminar Meeting

The morning discussion will be devoted to a review of the current outlook. The CEA staff has asked that we also be prepared to discuss current policy issues including:

1. Deflationary risks to the US economy.
2. How much of the recent price restraint do you attribute to import prices?
3. Do your models still reflect an implicit (or explicit) NAIRU and if so, what is your current estimate of NAIRU?
4. What is your current estimate of potential output growth?
5. How does the current valuation of the stock market square with your current long-run forecast for corporate profits? Specifically, what is your current long-term outlook for profits? Is the current stock market valuation consistent?
6. How sensitive is your forecast to stock market valuations?
7. How much of the decline in interest rates since Jan 1993 is attributable to lower-than-projected budget deficits?