



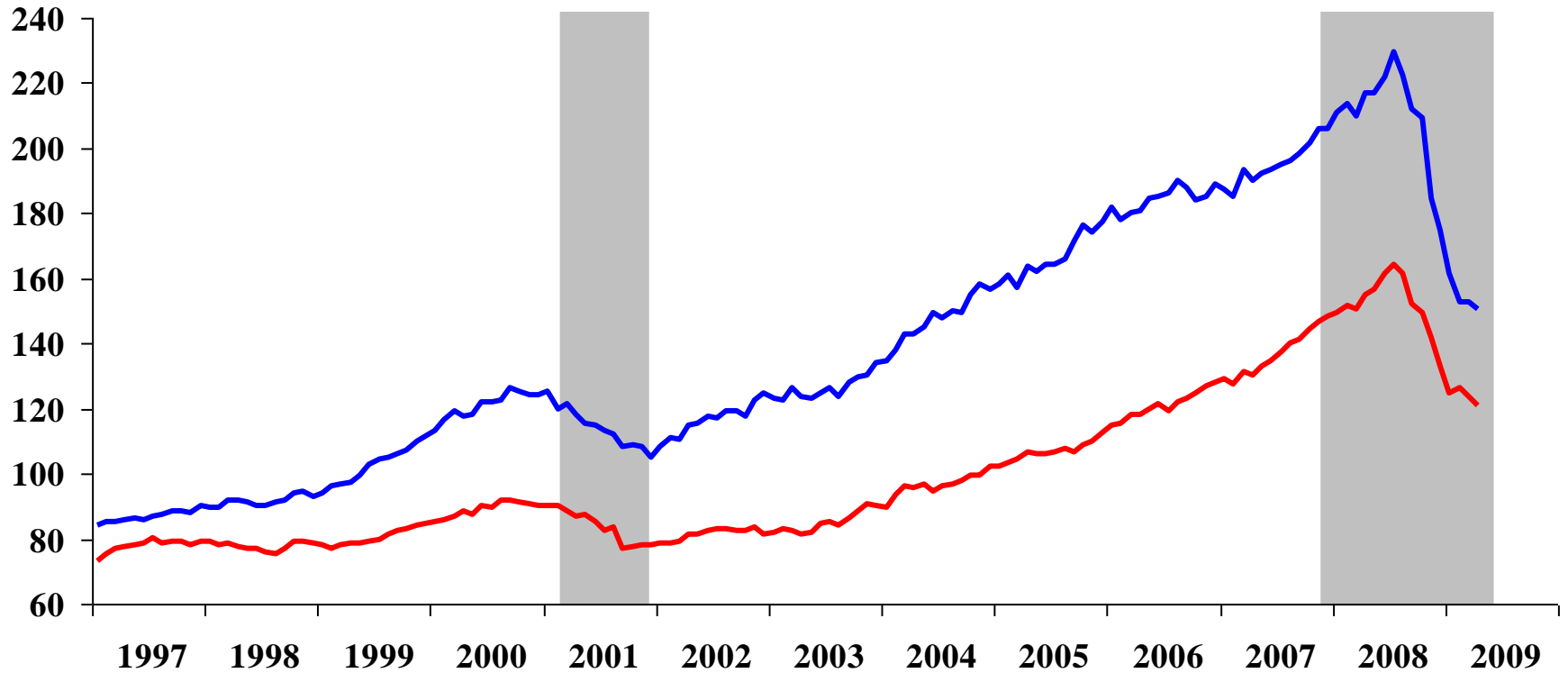
INTERNATIONAL INFLUENCES

<http://www.dallasfed.org>



U.S. Imports and Exports

Billions of Dollars



■ Recession — Exports (Jun 10 release, Apr = 121.1) — Imports (Jun 10 release, Apr = 150.3)

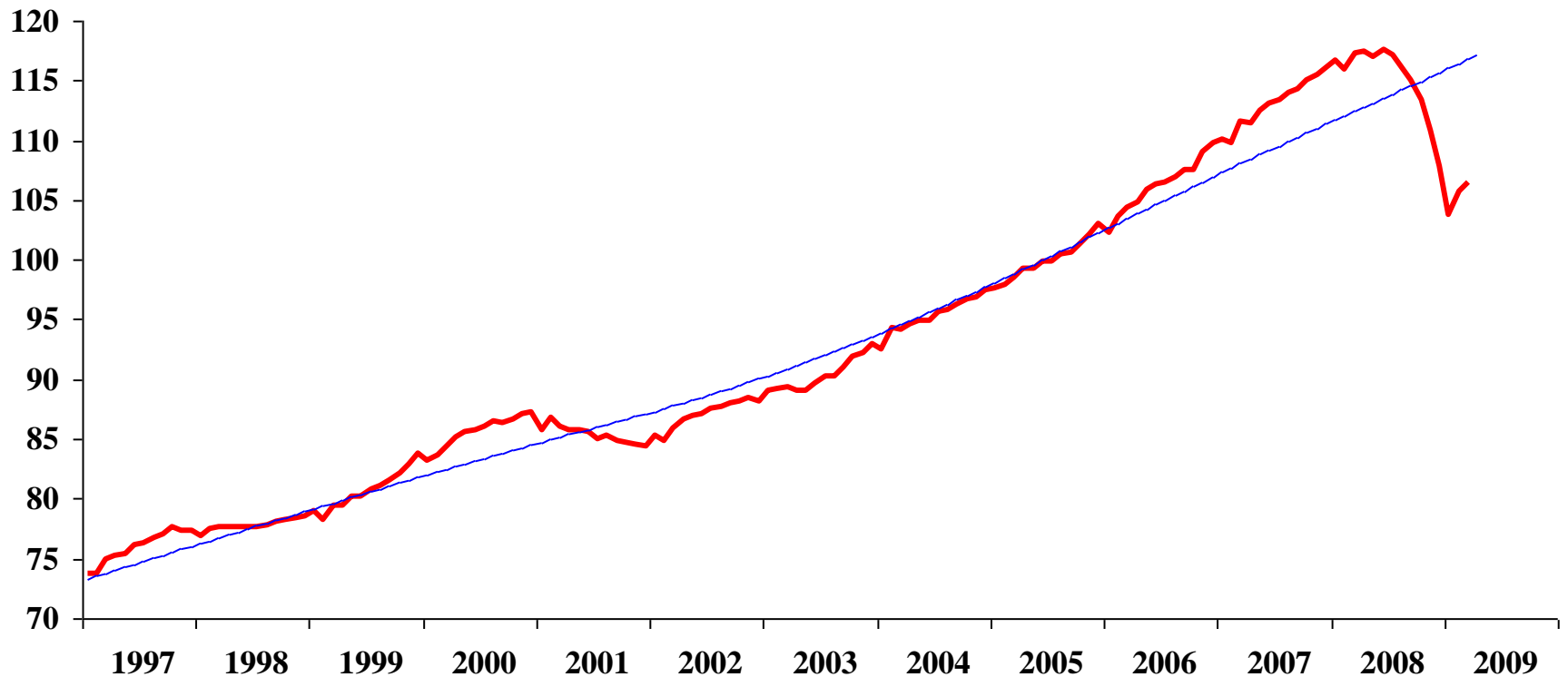
Source: Bureau of the Census

<http://www.dallasfed.org>



Industrial Production & Trend OECD + 6

Index 2000=100



— OECD + Major 6 Non-Members (Jun 08 release, Mar=106.5) — Trend (Jun 08 release, Apr=117.2)

OECD Big 7: Canada, France, Germany, Italy, Japan, UK, U.S.

Major 6 Non-Members: Brazil, China, India, Indonesia, Russia, South Africa

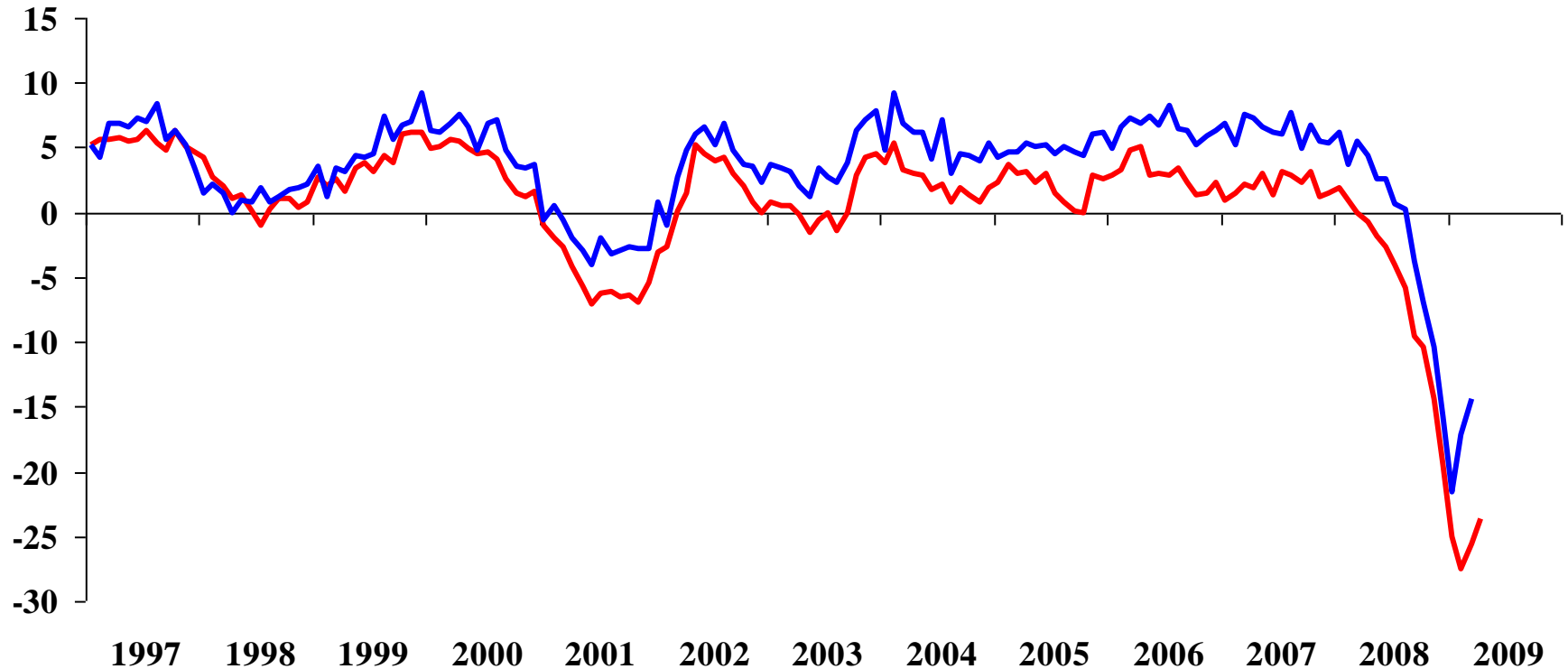
Source: OECD

<http://www.dallasfed.org>



6-month % change,
annualized

Industrial Production: OECD Big 7 & OECD + 6



— OECD Big 7 (Jun 08 release, Apr=-23.6)

— OECD+Major 6 Non-Members (Jun 08 release, Mar=-14.4)

OECD Big 7: Canada, France, Germany, Italy, Japan, UK, U.S.

Major 6 Non-Members: Brazil, China, India, Indonesia, Russia, South Africa

Source: OECD

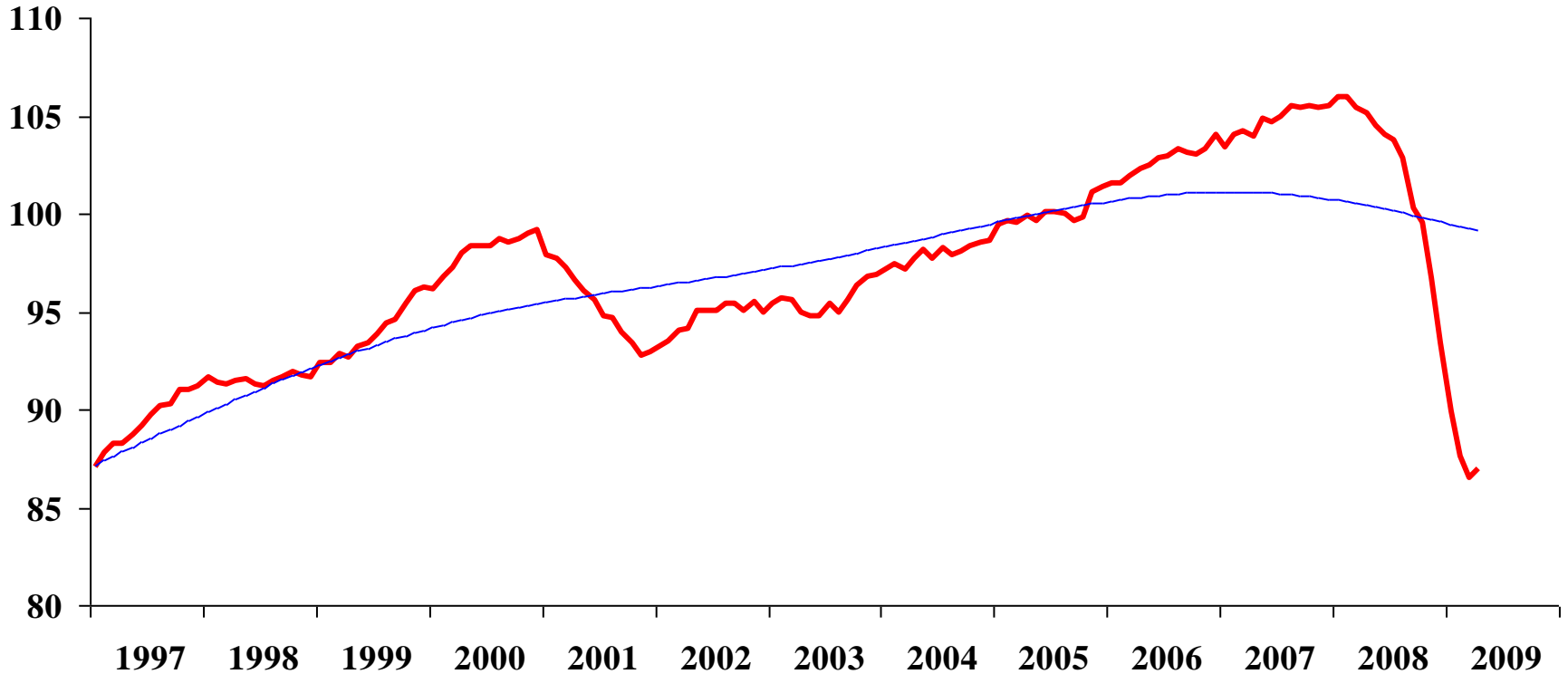
<http://www.dallasfed.org>



Industrial Production & Trend

OECD Big 7

Index 2000=100



— OECD Big 7 (Jun 08 release, Apr=87)

— Trend (Jun 08 release, Apr=99.1)

OECD Big 7: Canada, France, Germany, Italy, Japan, UK, U.S.

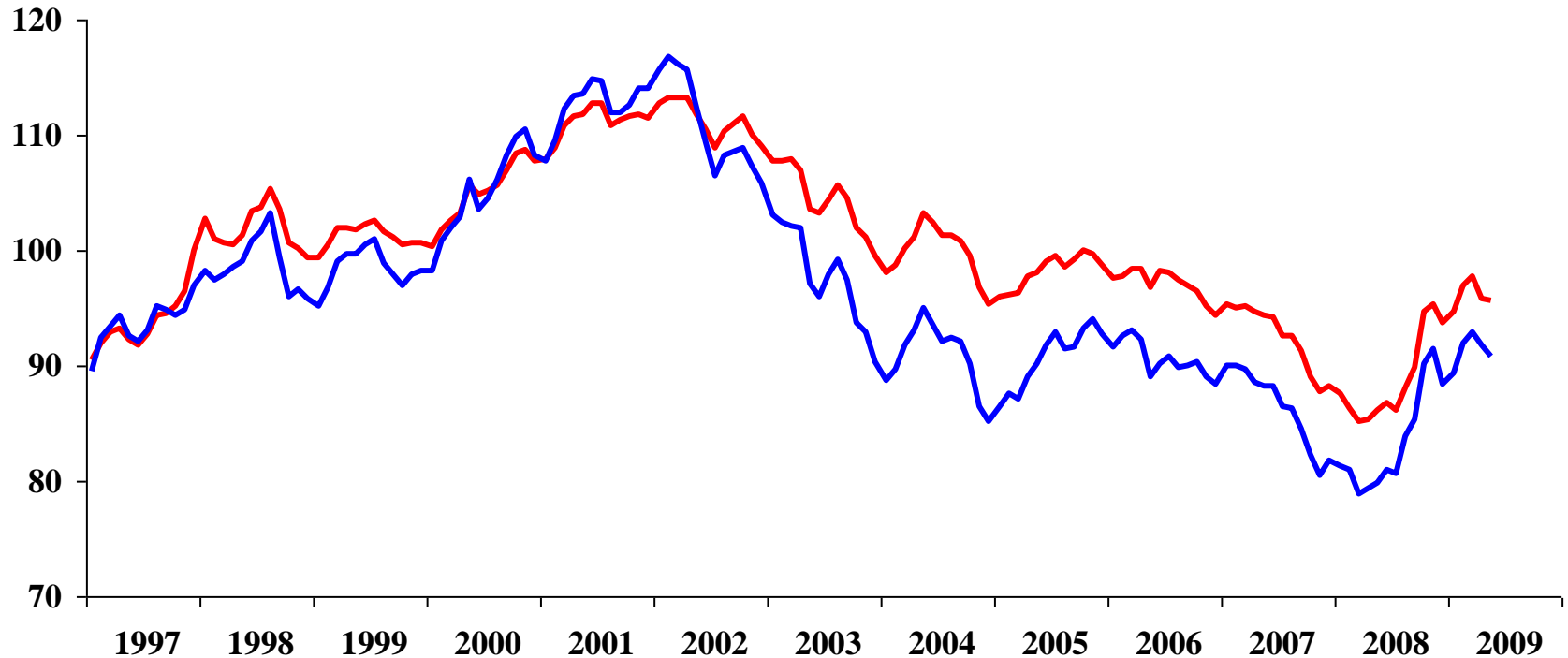
Source: OECD

<http://www.dallasfed.org>



Real Value of the Dollar

March 1973 = 100



— Exchange Value of the US\$ (Jun 01 release, May=95.6)

— US\$ vs Major Currencies* (Jun 01 release, May=90.8)

* Euro Area, Canada, Japan, UK, Switzerland, Australia, and Sweden

Source: Federal Reserve Board

<http://www.dallasfed.org>

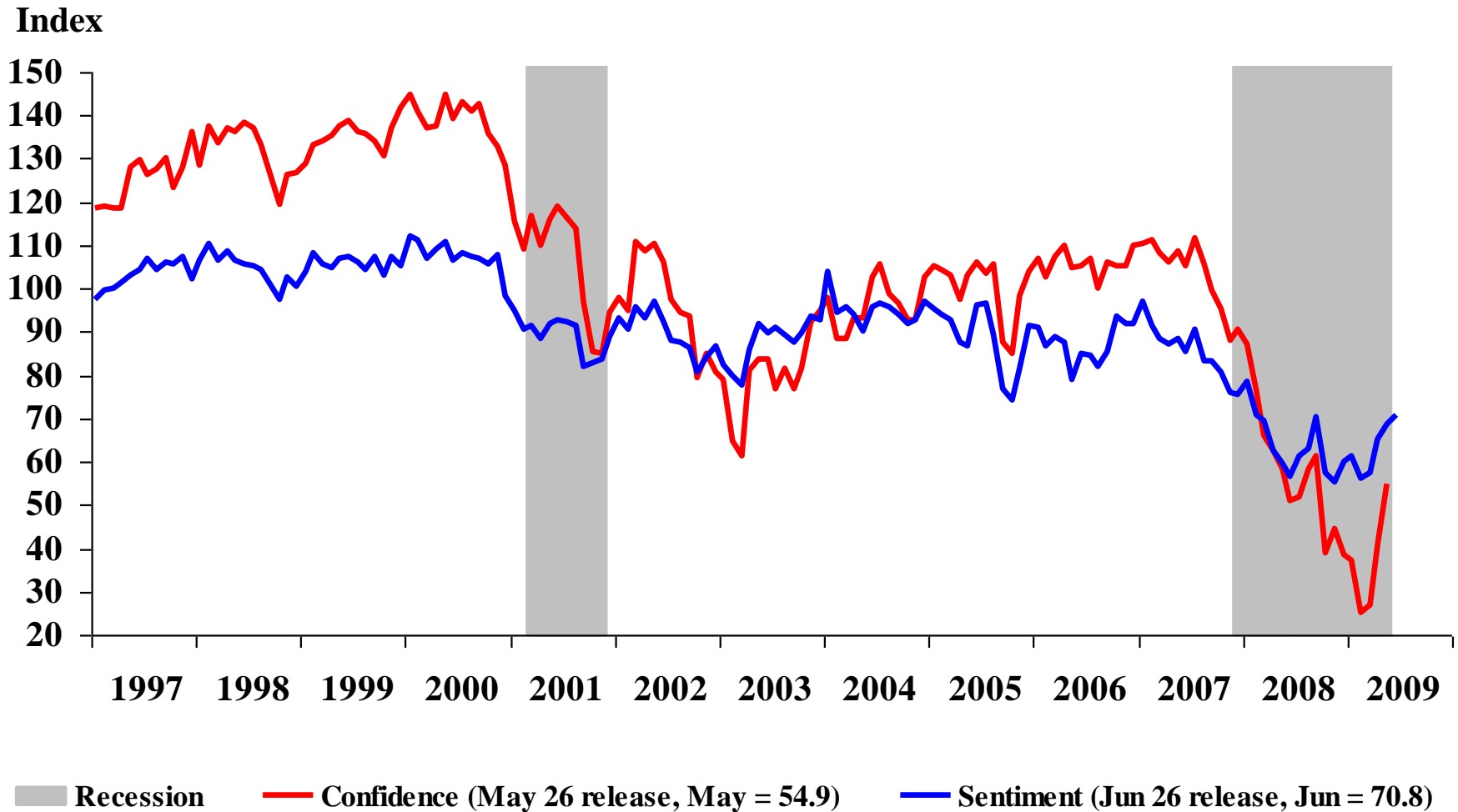


DOMESTIC ECONOMIC ACTIVITY

<http://www.dallasfed.org>



Consumer Confidence/Sentiment



Consumer Sentiment: Survey of Consumers, Survey Research Center, U. of Michigan

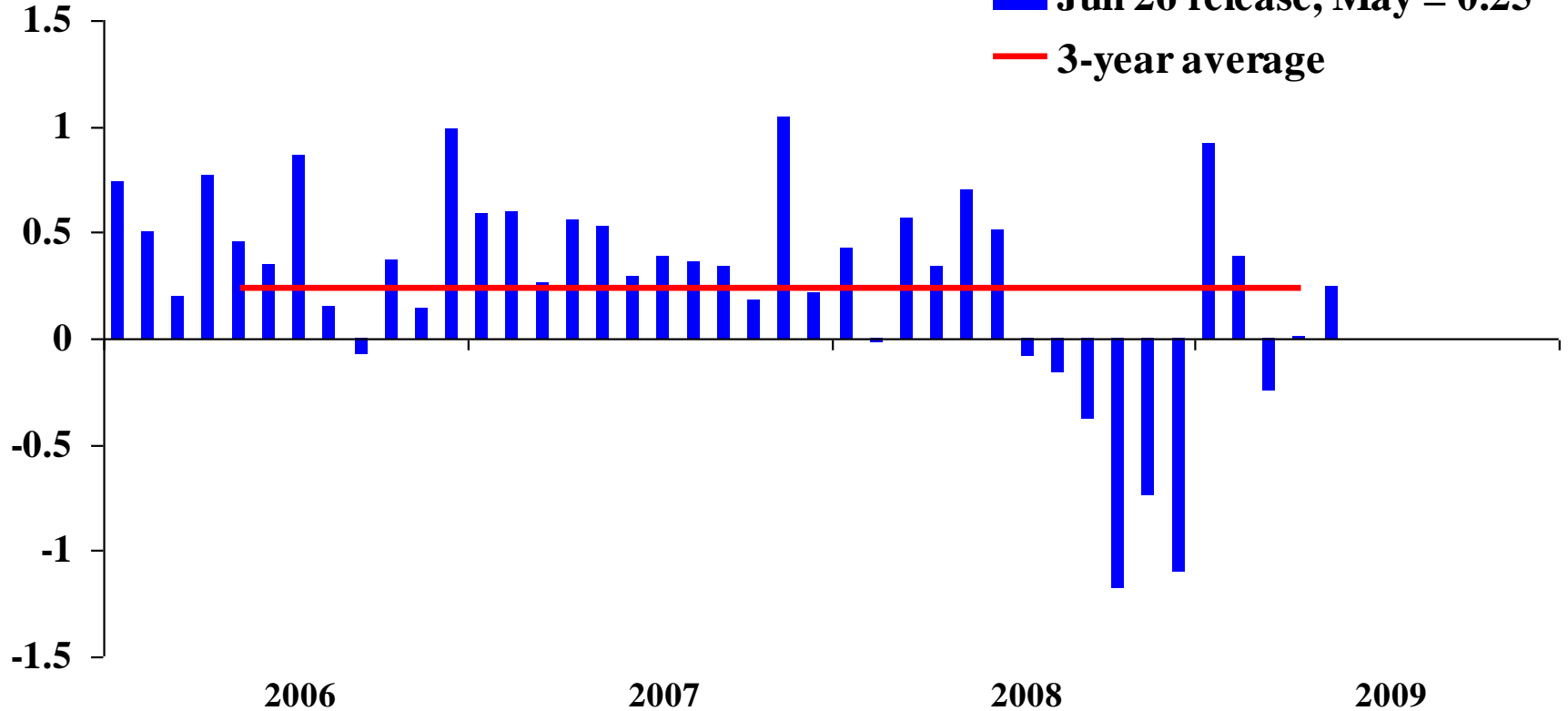
Consumer Confidence: The Conference Board

<http://www.dallasfed.org>



Nominal Personal Consumption Expenditures

1-month % change



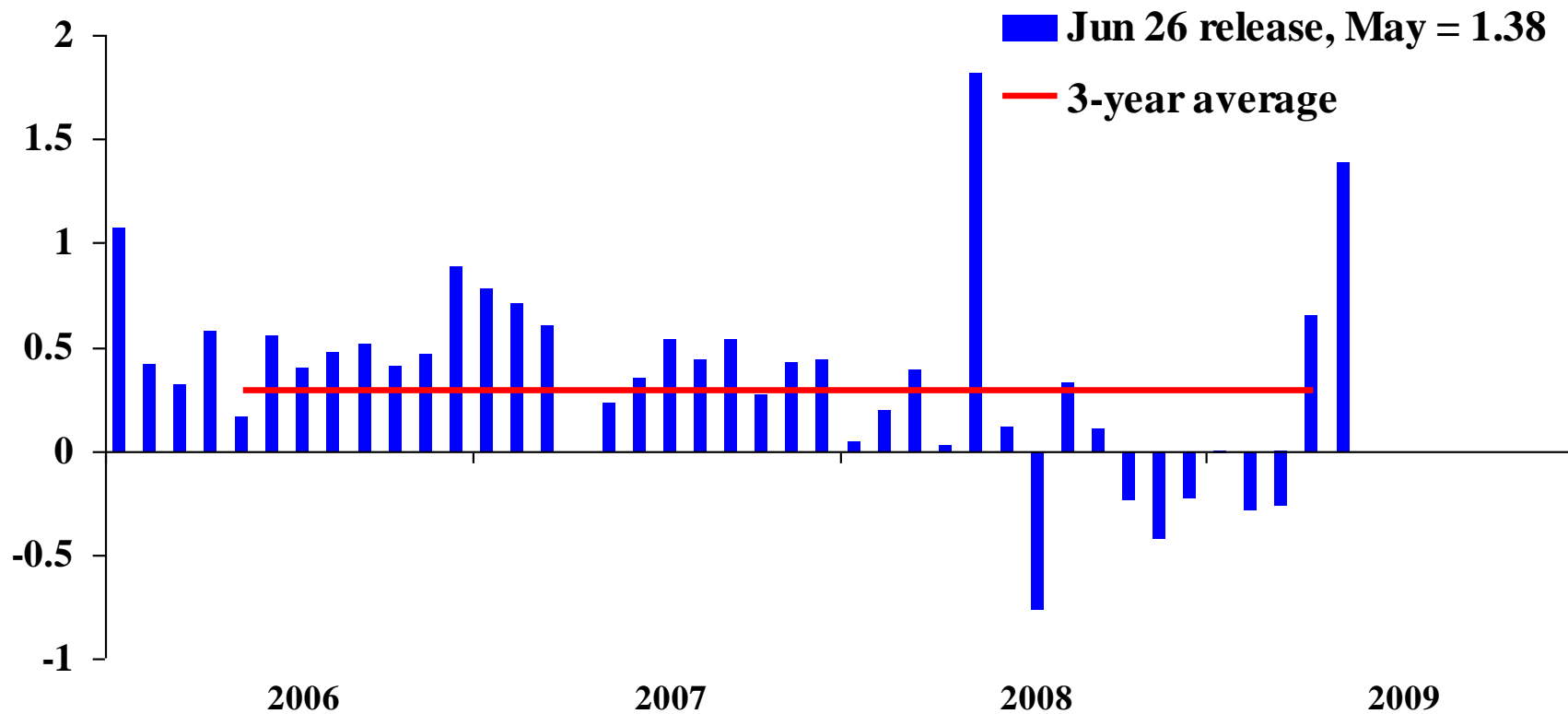
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Personal Income

1-month % change



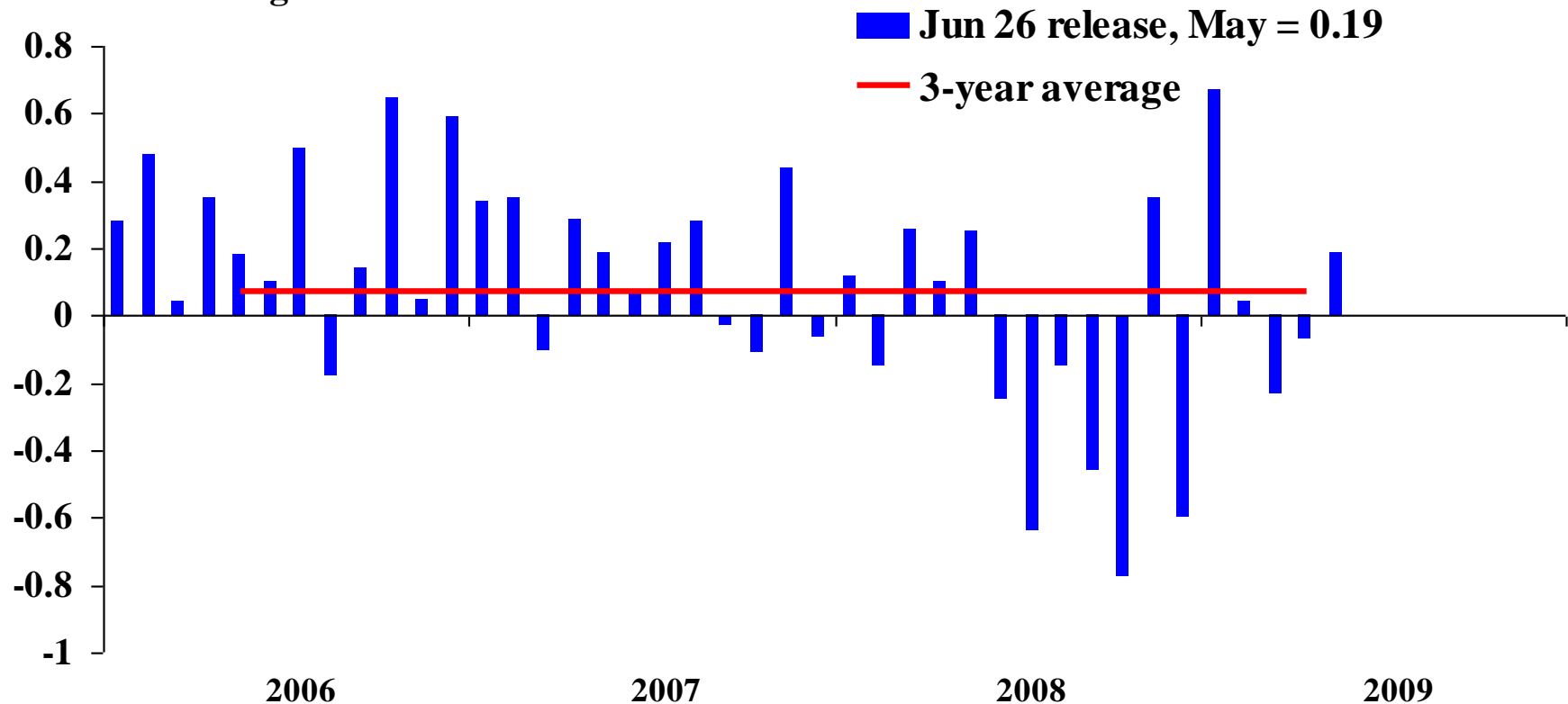
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Real Personal Consumption Expenditures

1-month % change



Source: Bureau of Economic Analysis

<http://www.dallasfed.org>

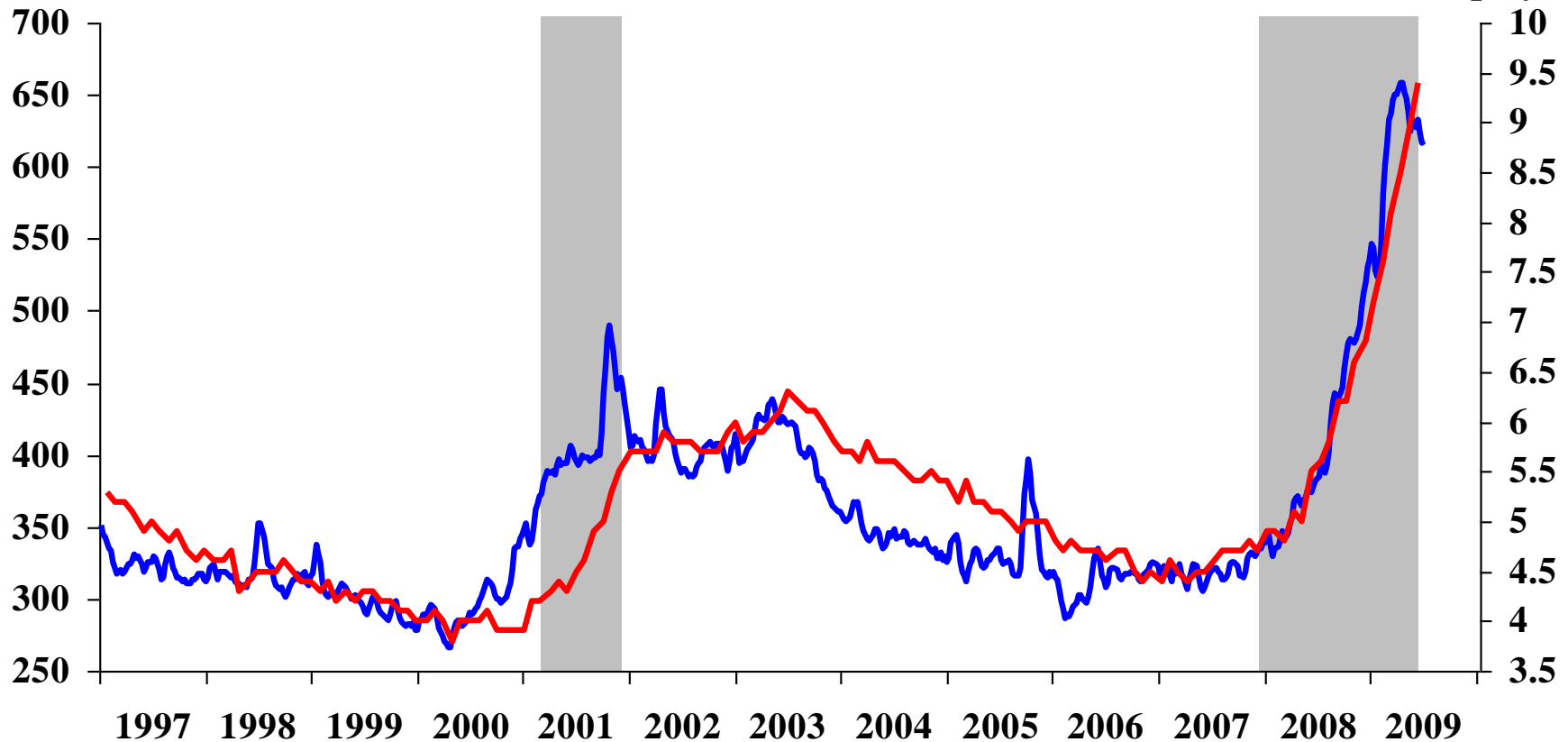


Initial Claims for Unemployment and Unemployment Rate

4-week MA

Thousands of Initial Claims

Percent Unemployment



— Initial Claims (Jun 25 release, 20-Jun=617)

— Unemployment Rate (Jun 05 release, May=9.4)

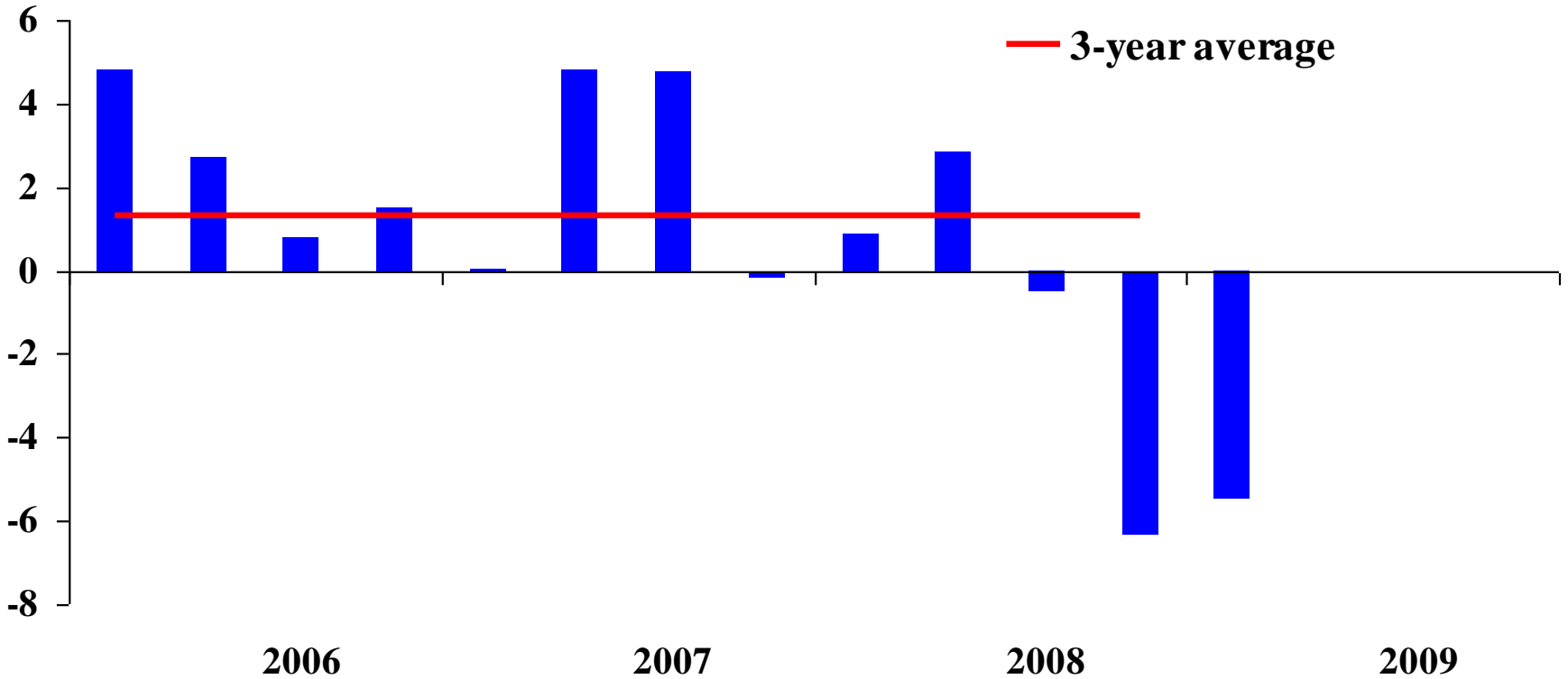
■ Recession

Source: Bureau of Labor Statistics, Department of Labor <http://www.dallasfed.org>



Real GDP

1-quarter % change,
annualized



Source: Bureau of Economic Analysis

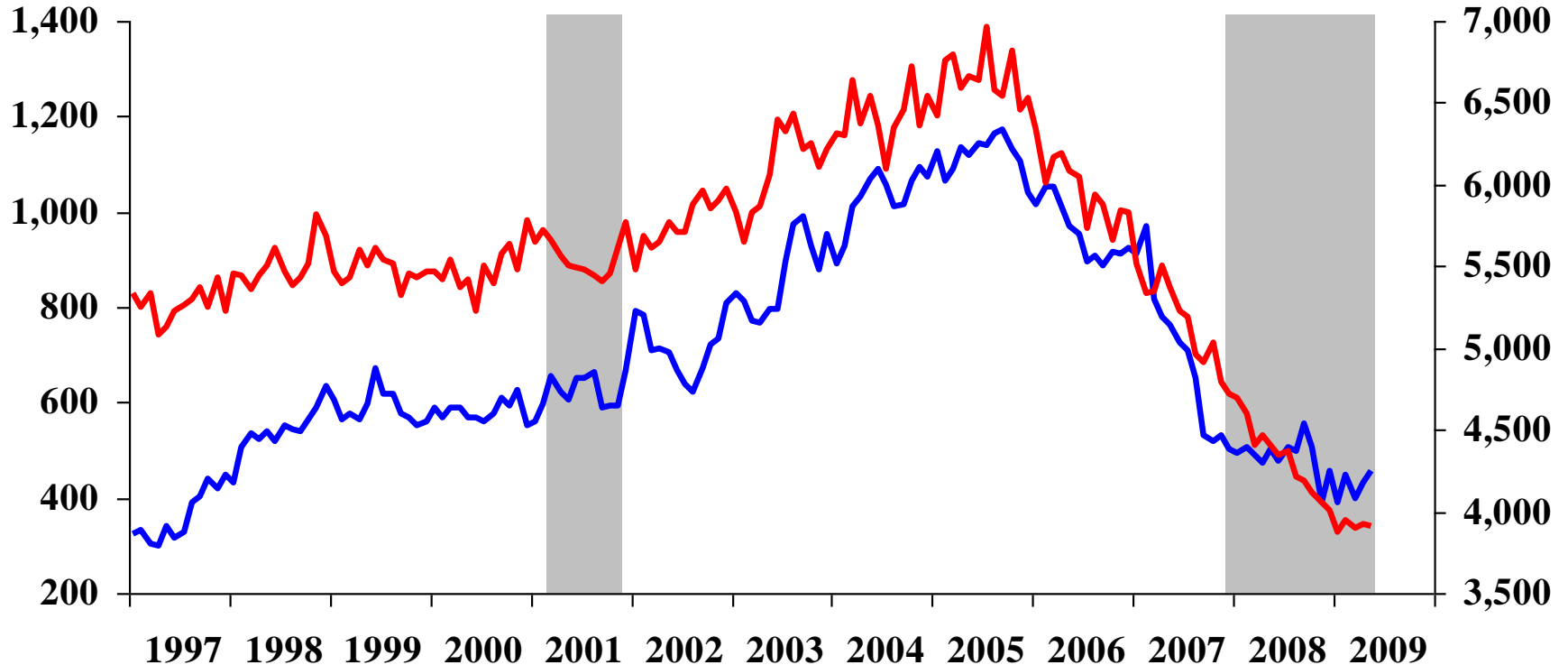
<http://www.dallasfed.org>



Home Sales

Thousands of New Homes

Thousands of Existing Homes



Existing Home Sales (Jun 23 release, May = 4250)

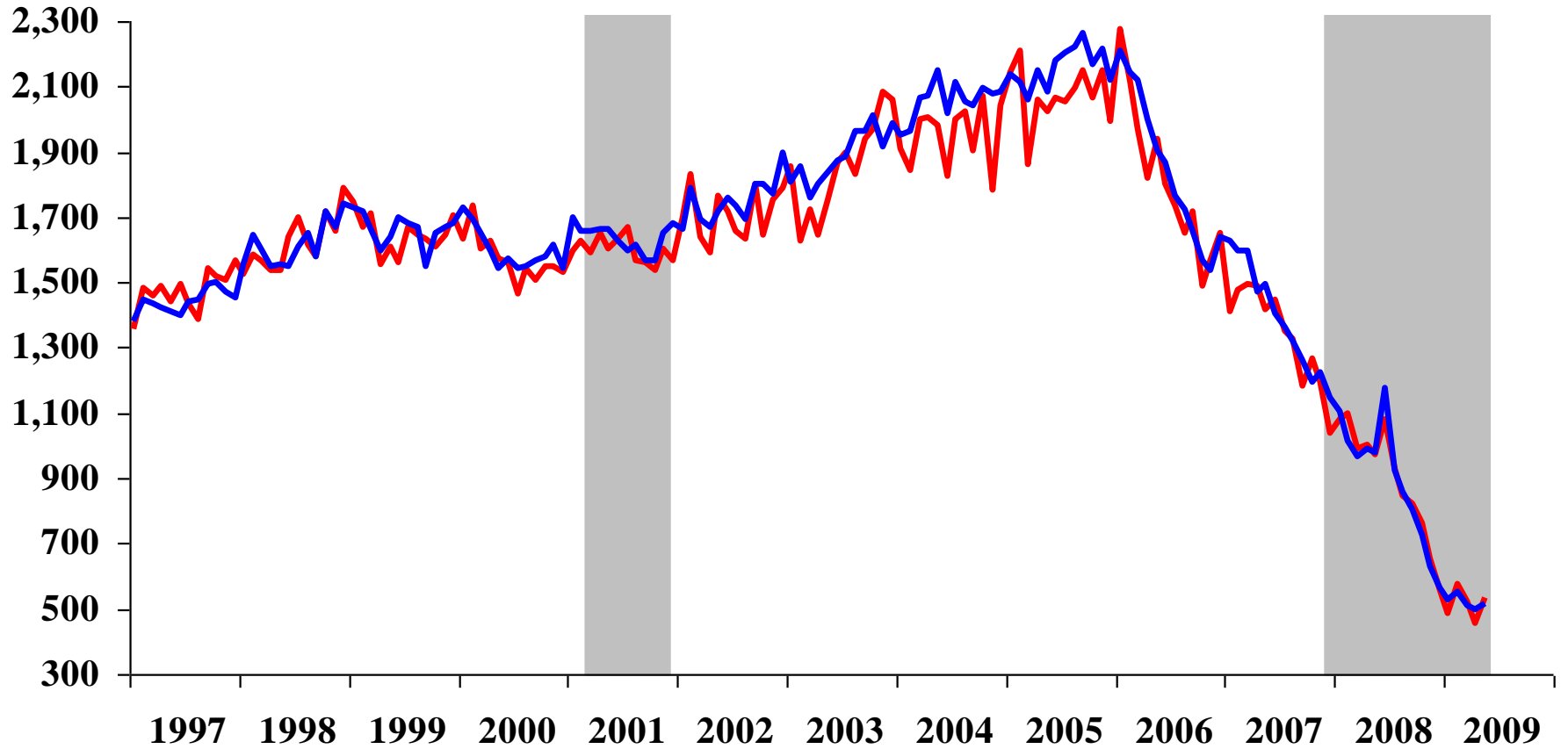
New Home Sales (Jun 24 release, May = 342)

Recession



Housing Starts and Permits

Thousands



■ Recession — Housing Starts (Jun 16 release, May = 532) — Permits Issued (Jun 24 release, May = 518)

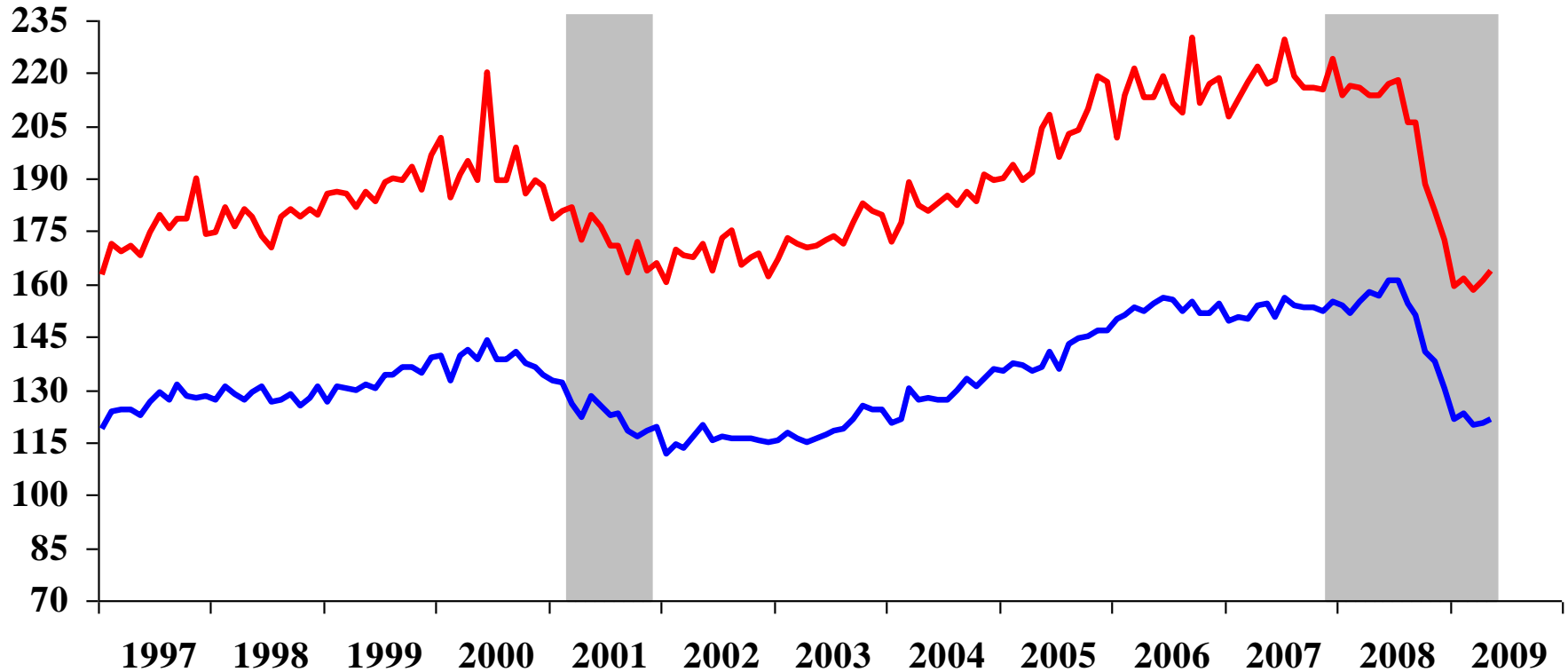
Source: Bureau of the Census

<http://www.dallasfed.org>



New Orders for Durable Goods

Billions of Dollars



— Durable Goods (Jun 24 release, May = 163.9)

— Excl. Transportation (Jun 24 release, May = 121.7)

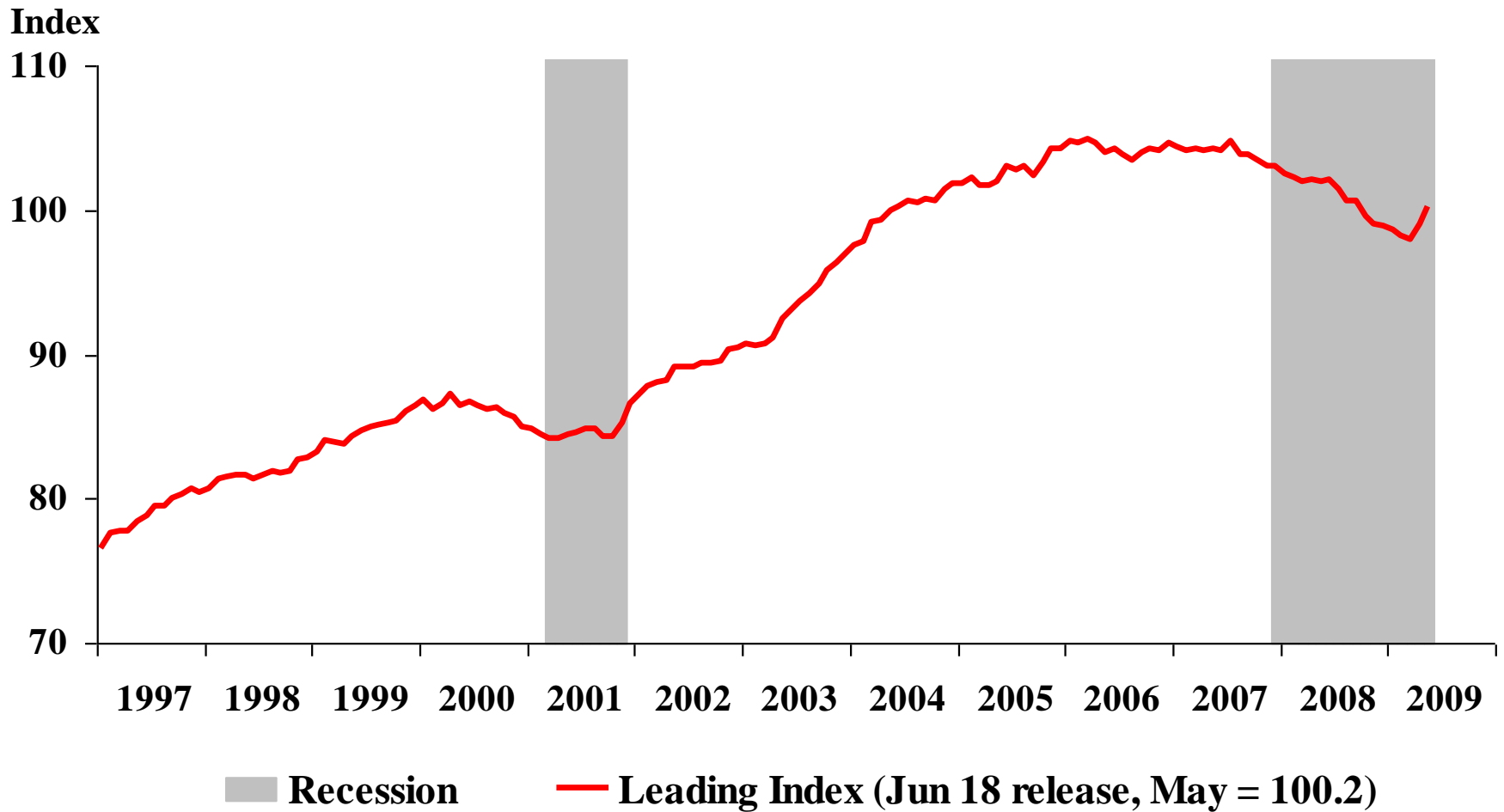
■ Recession

Source: Bureau of the Census

<http://www.dallasfed.org>



Index of Leading Economic Indicators

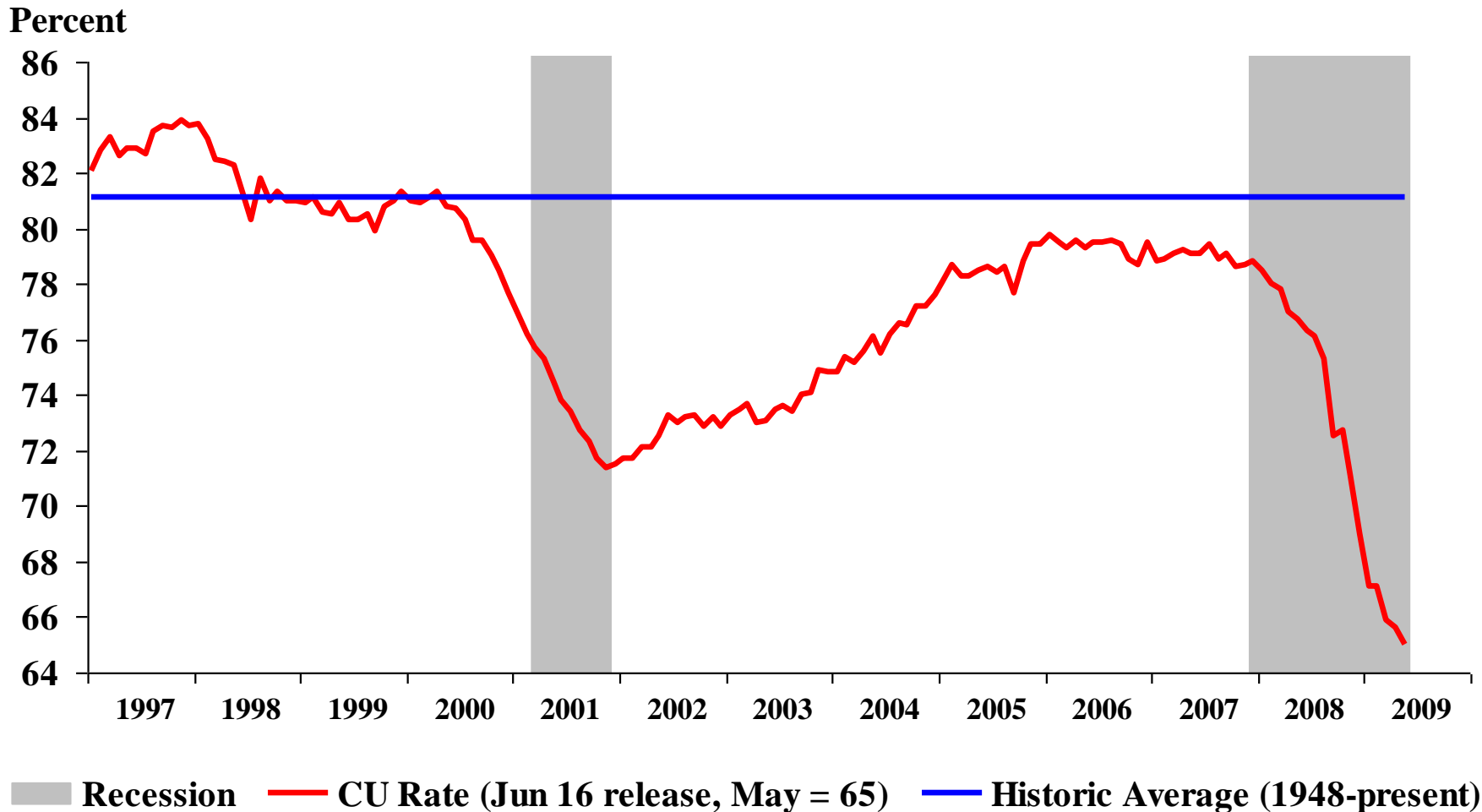


Source: The Conference Board

<http://www.dallasfed.org>



Manufacturing Capacity Utilization Rate



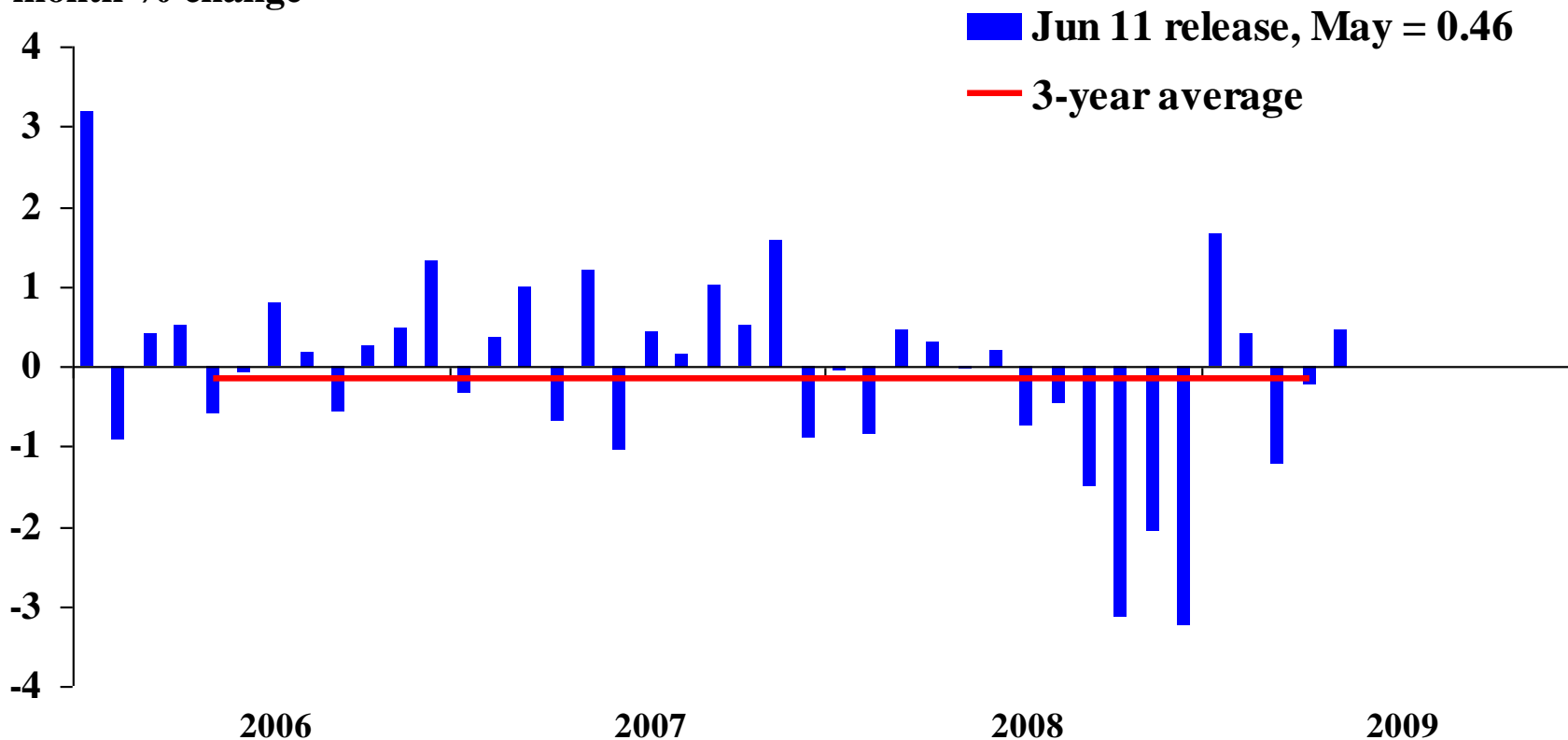
Source: Federal Reserve Board

<http://www.dallasfed.org>



Retail Sales

1-month % change



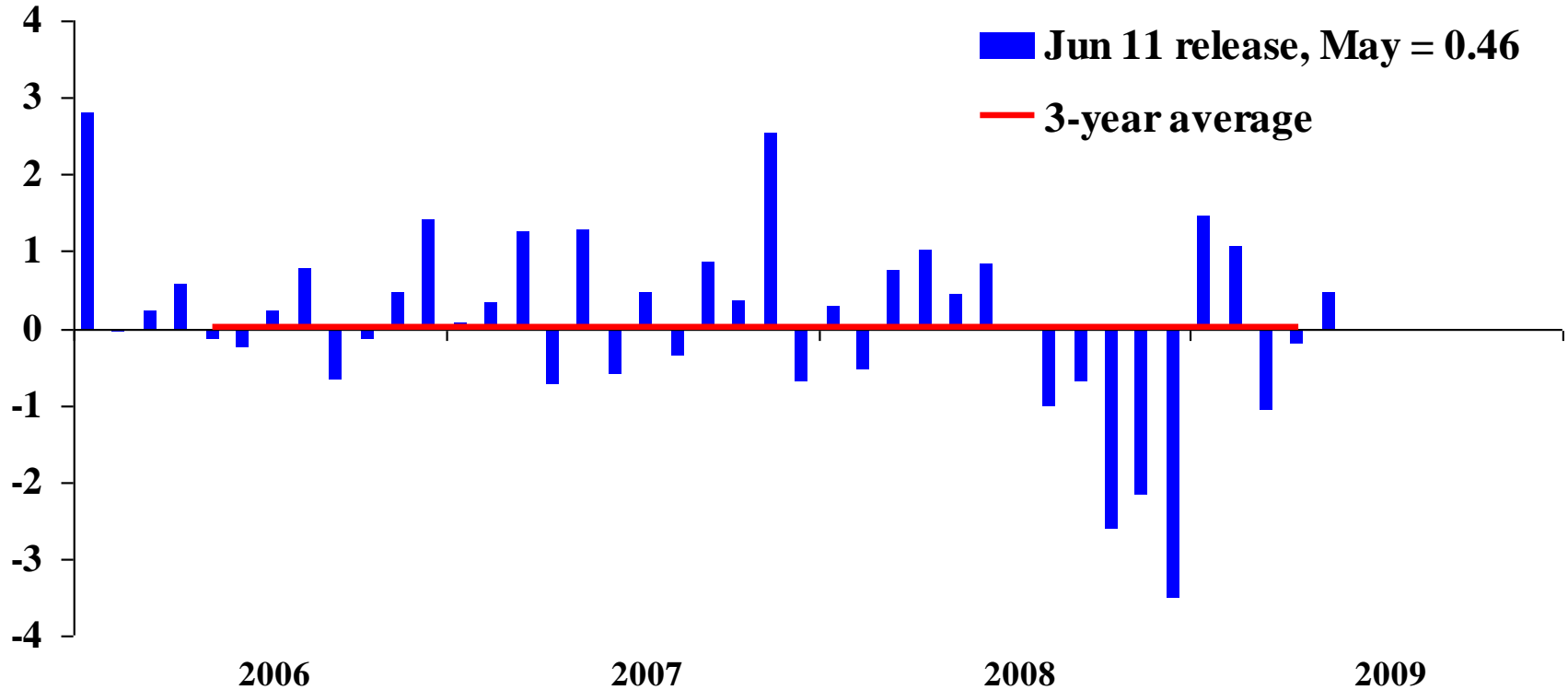
Source: Bureau of the Census

<http://www.dallasfed.org>



Retail Sales, Excluding Autos

1-month % change

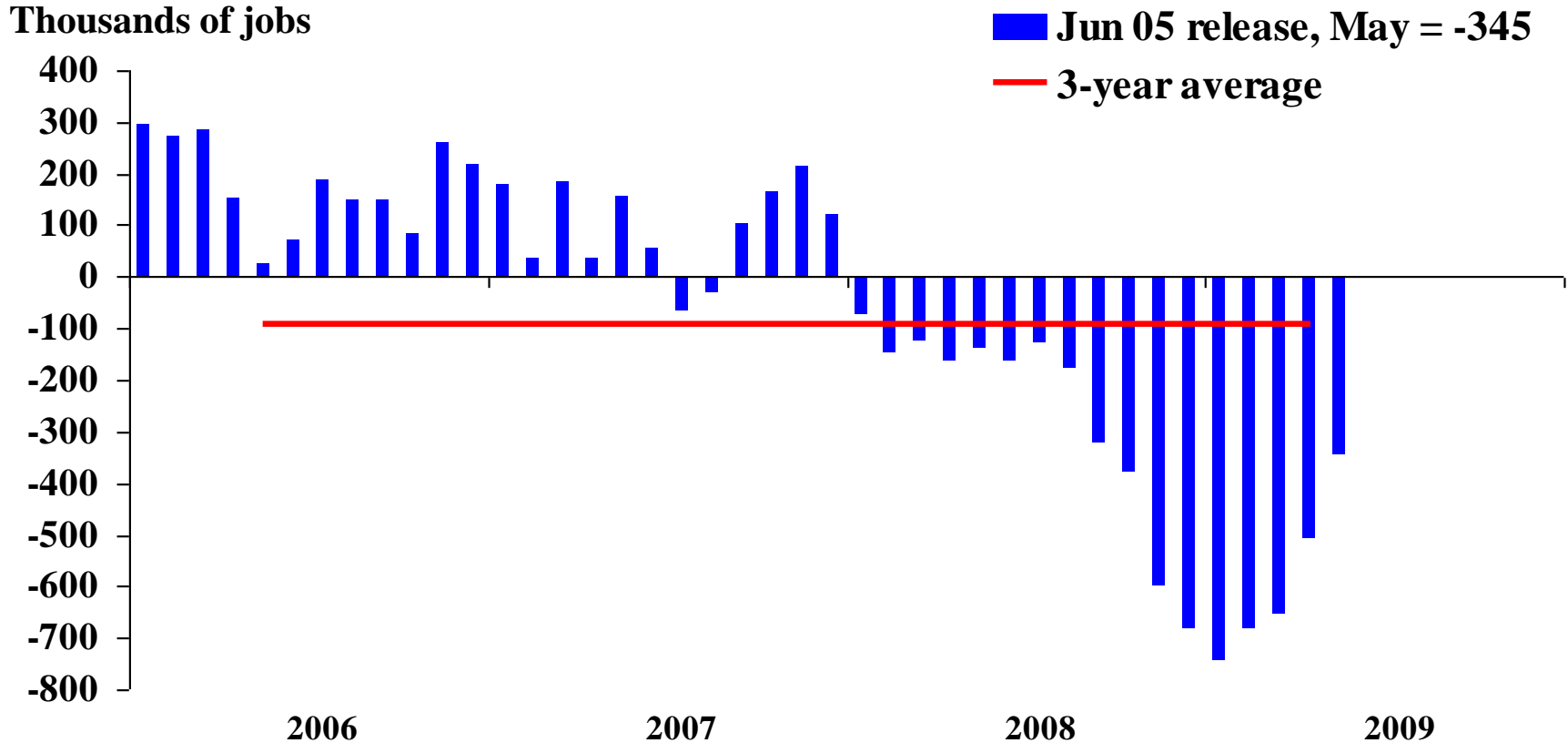


Source: Bureau of the Census

<http://www.dallasfed.org>



Change in Nonfarm Employment



Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



WAGES AND PRICES

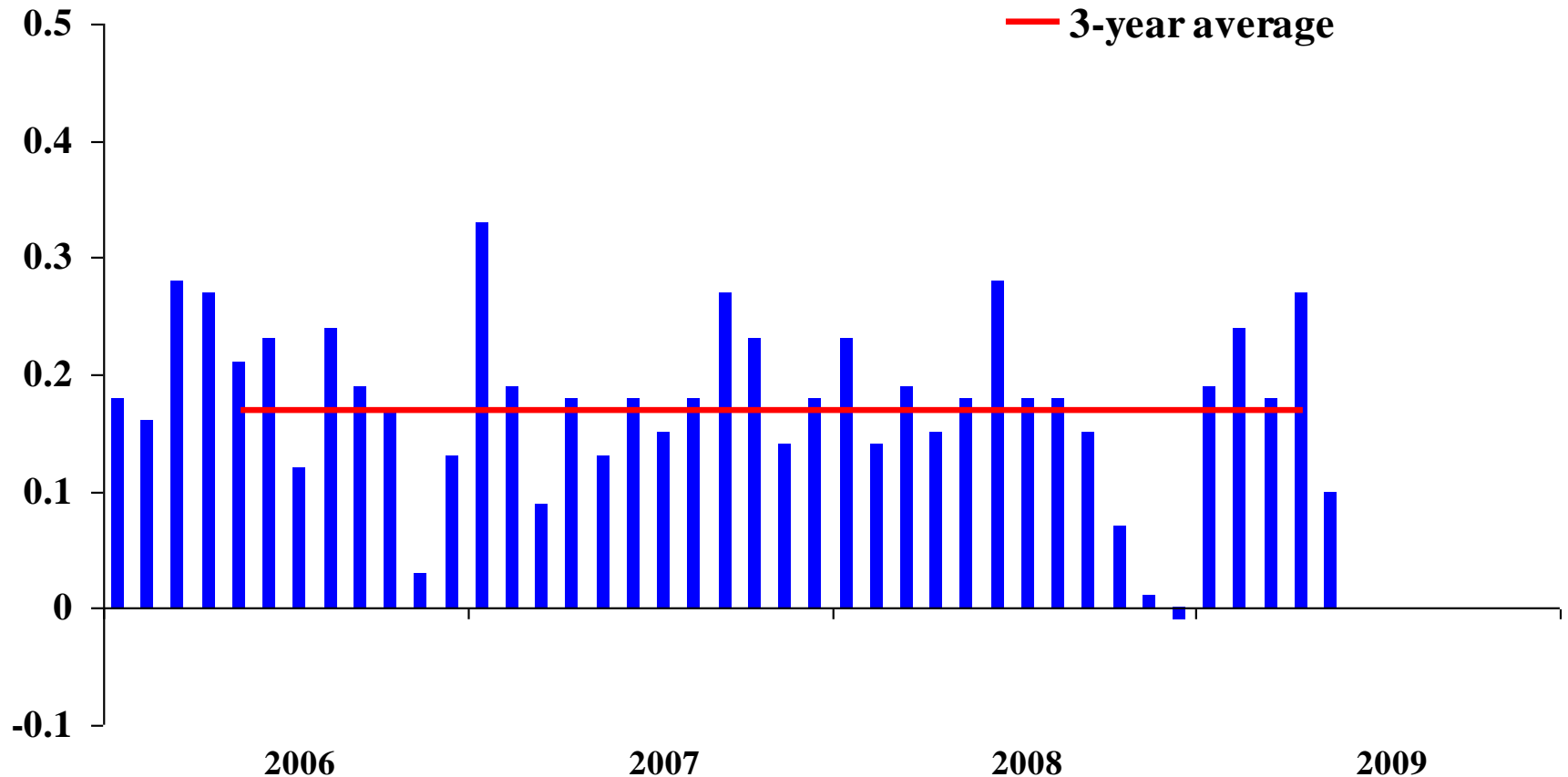
<http://www.dallasfed.org>



Core PCE Price Index

1-month % change

■ Jun 26 release, May = 0.1
— 3-year average

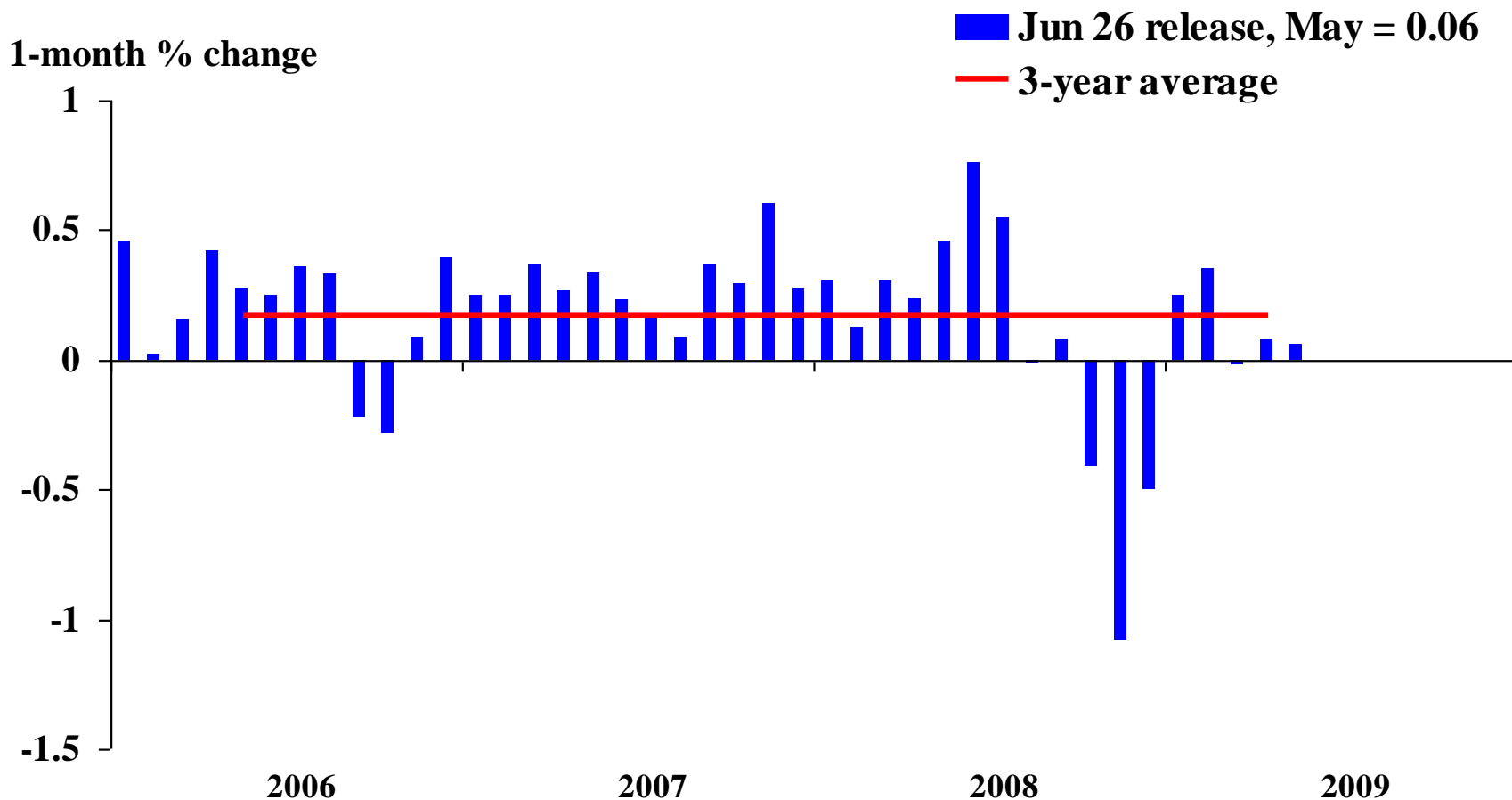


Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



PCE Price Index

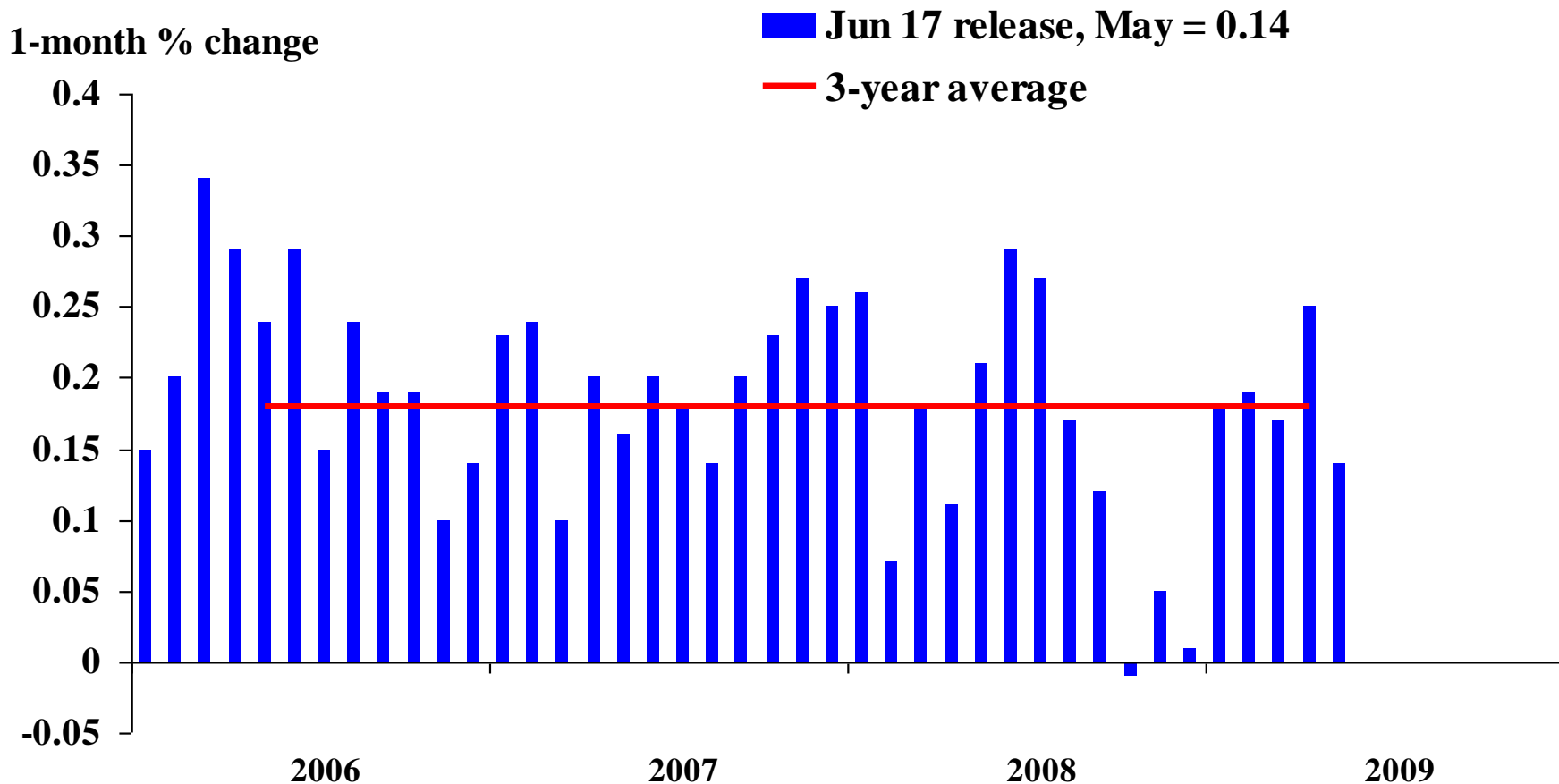


Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Core Consumer Price Index



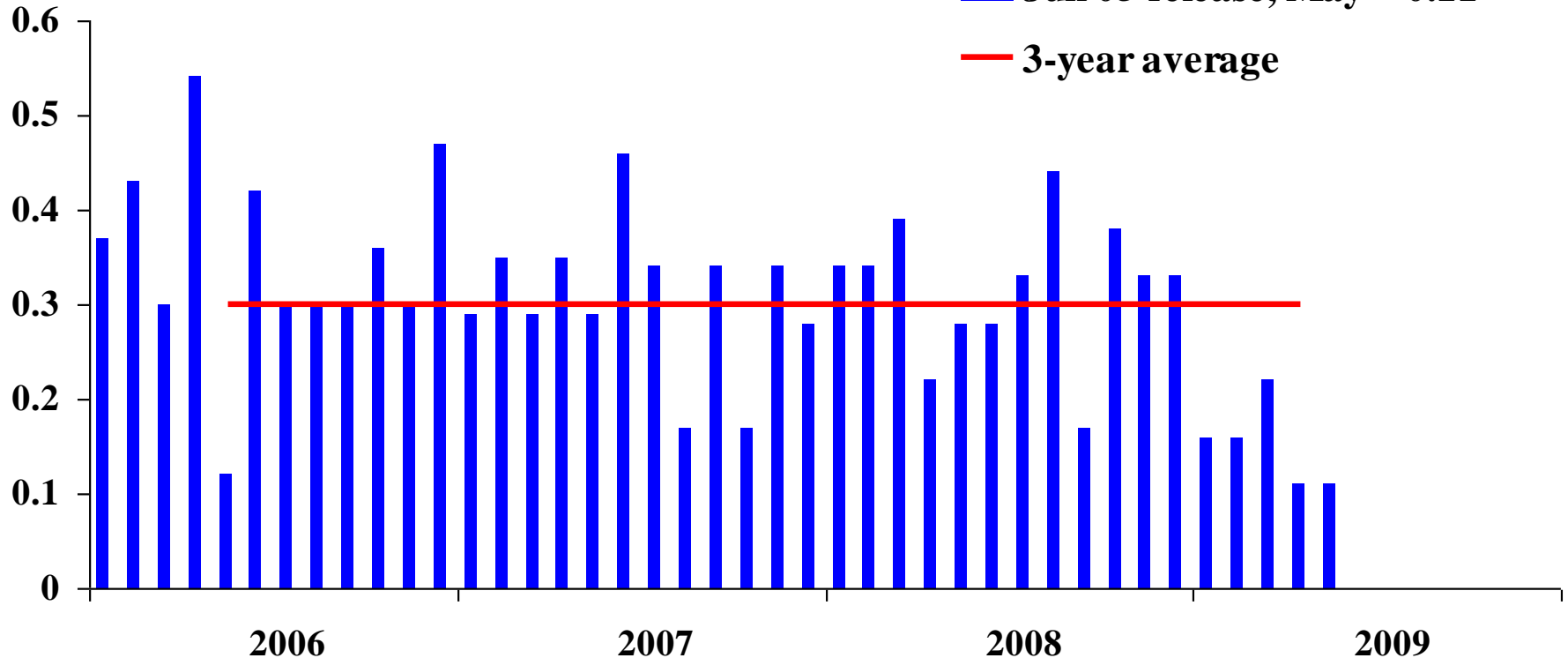
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Average Hourly Earnings

1-month % change



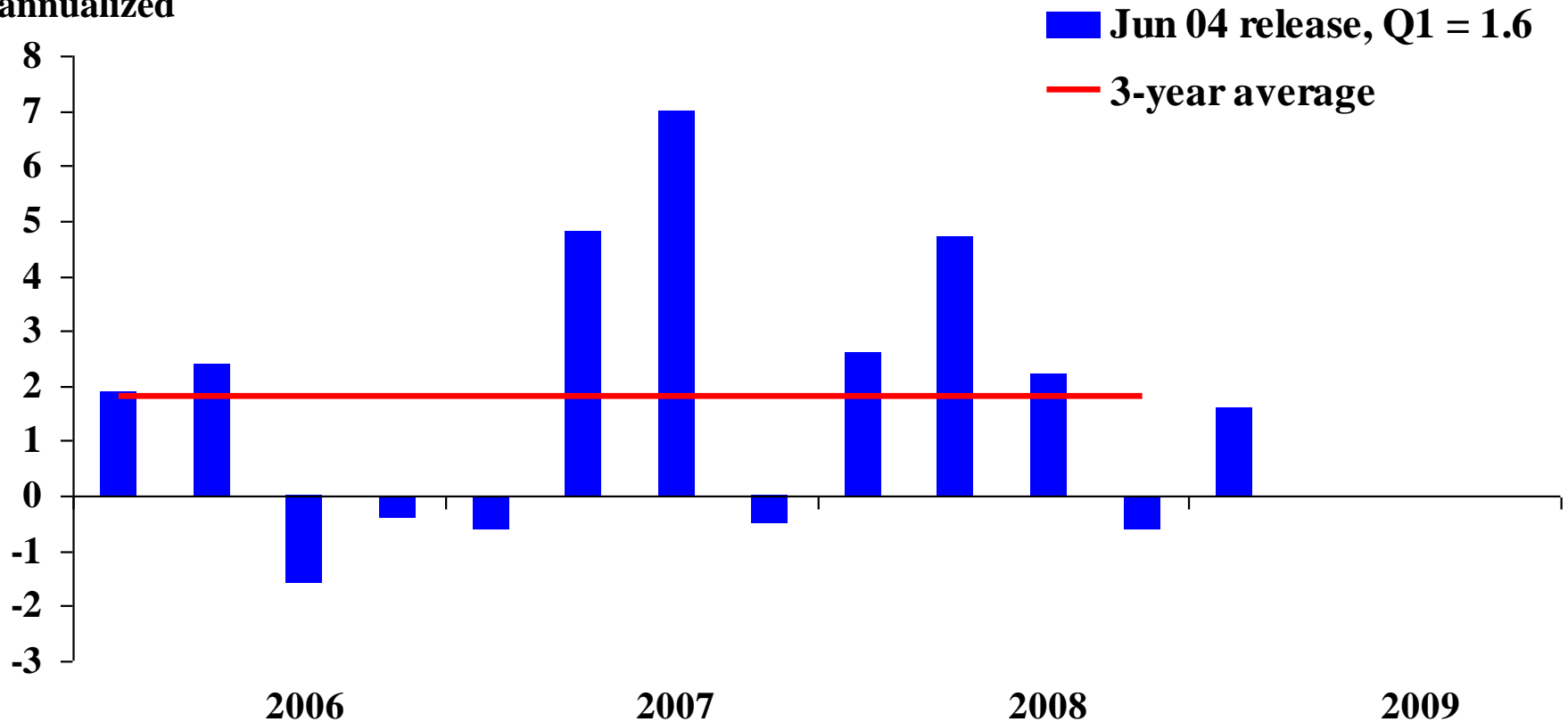
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Nonfarm Business Productivity

1-quarter % change,
annualized



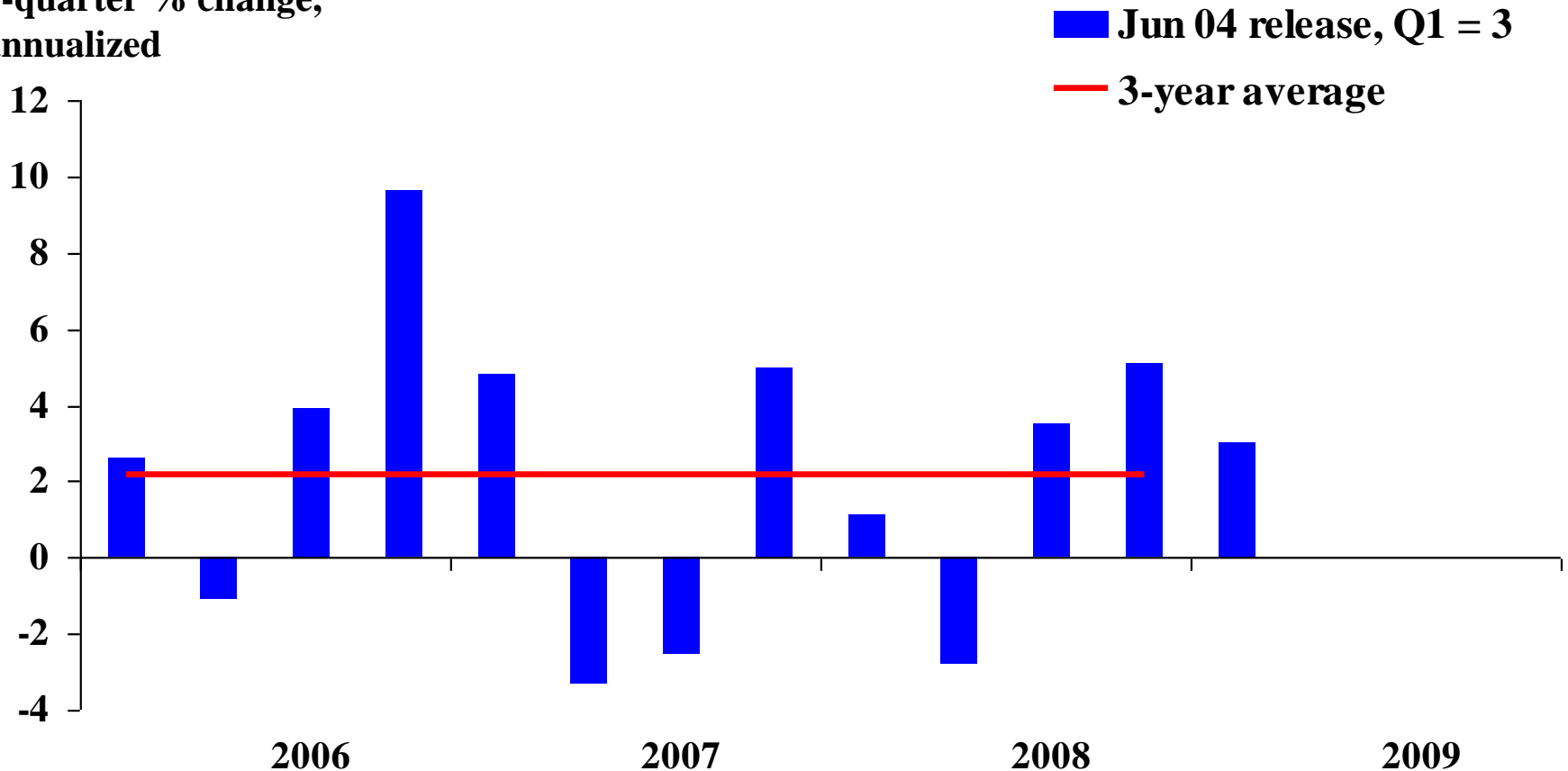
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Nonfarm Business Unit Labor Cost

1-quarter % change,
annualized



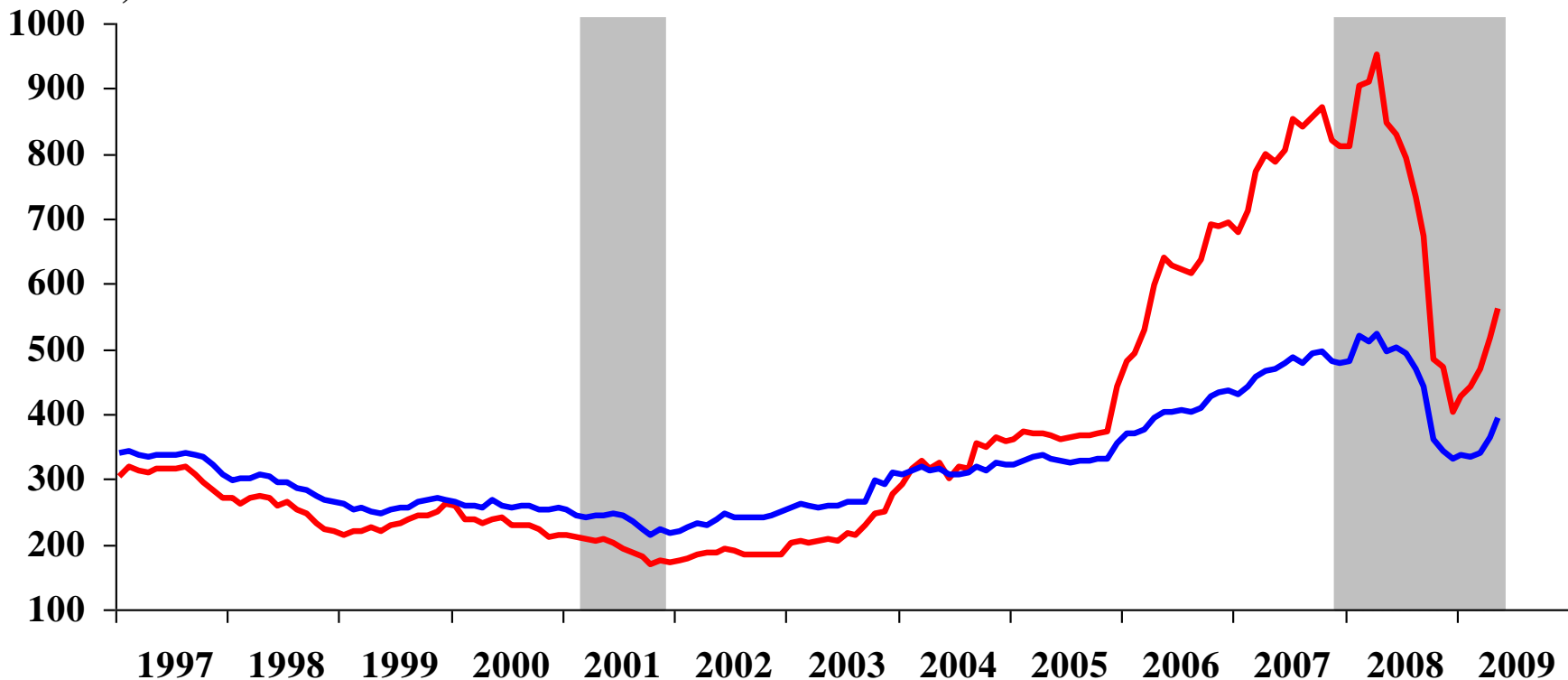
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Commodity Prices

1967=100, EOP



- KR-CRB Spot Commodity Price Index: Metals (Jun 02 release, May=563.2)
- KR-CRB Spot Commodity Price Index: Raw Industrials (Jun 02 release, May=393.1)
- Recession

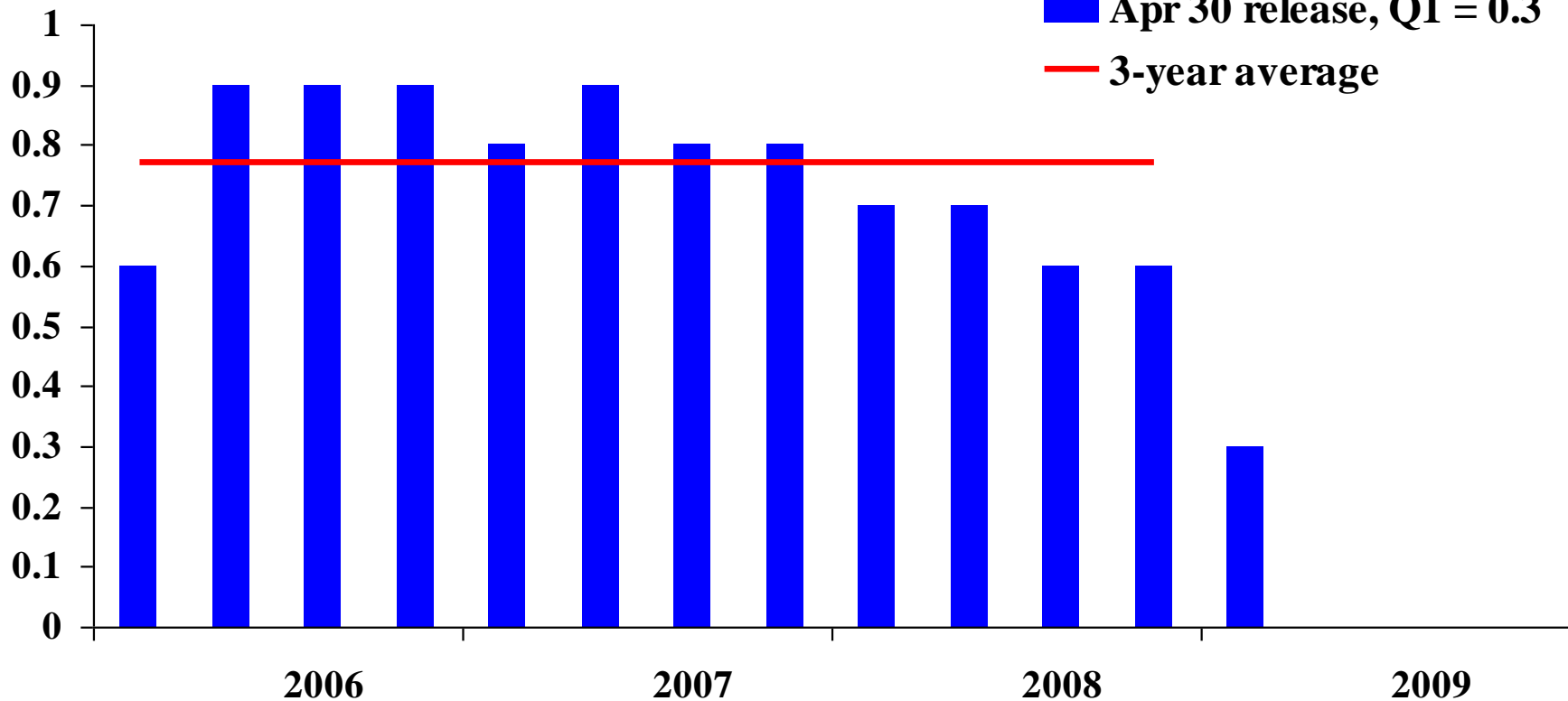
Source: Commodity Research Bureau

<http://www.dallasfed.org>



Employment Cost Index

1-quarter % change



Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



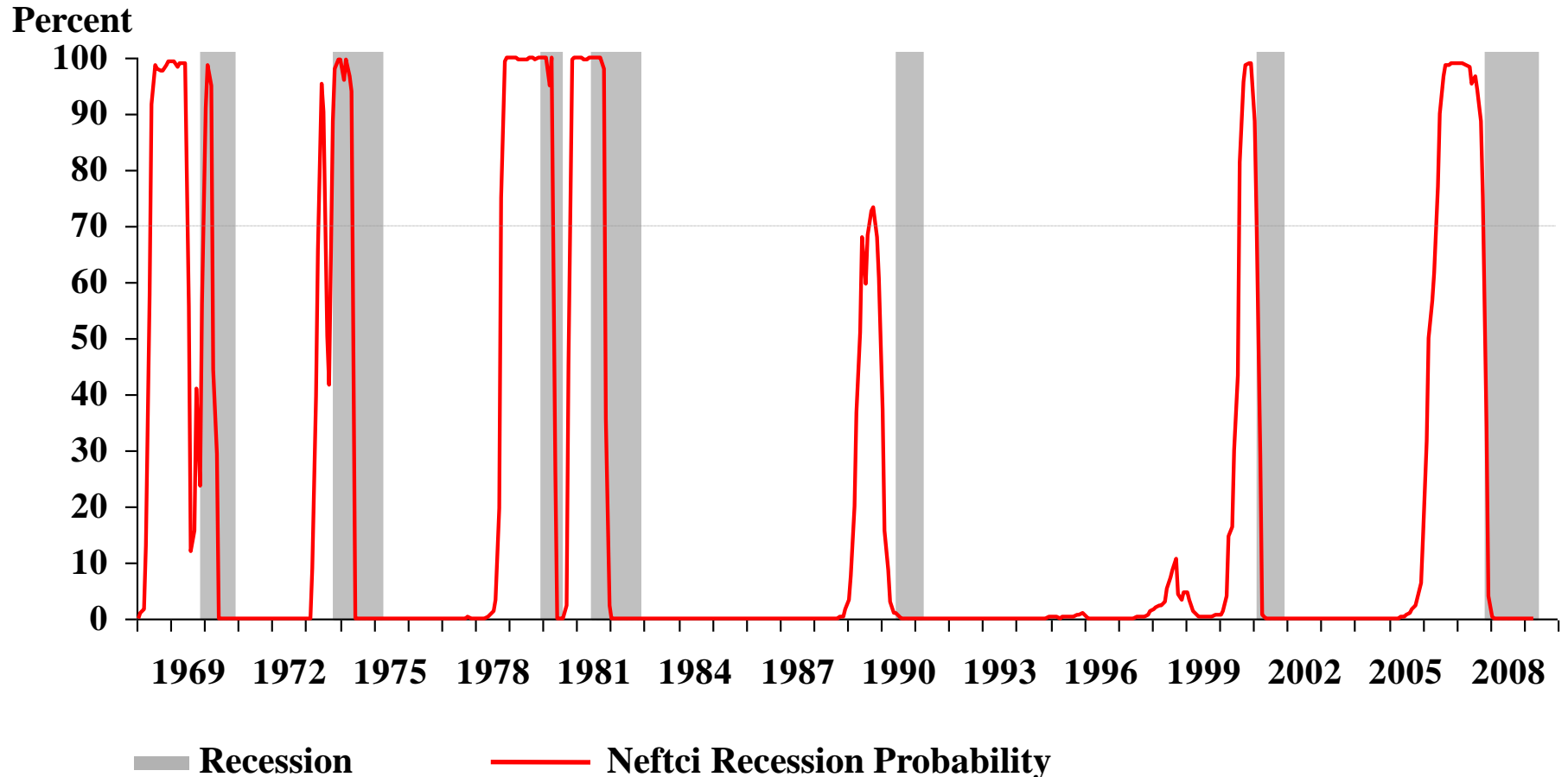
FINANCIAL-SECTOR DEVELOPMENTS

<http://www.dallasfed.org>



Recession Probability

Real-time Neftci probability calculated from 10-yr.--1-yr. Treasury yield spread



Crosses 70% threshold with a lead of between 5 and 18 months, and averaging 11 months.

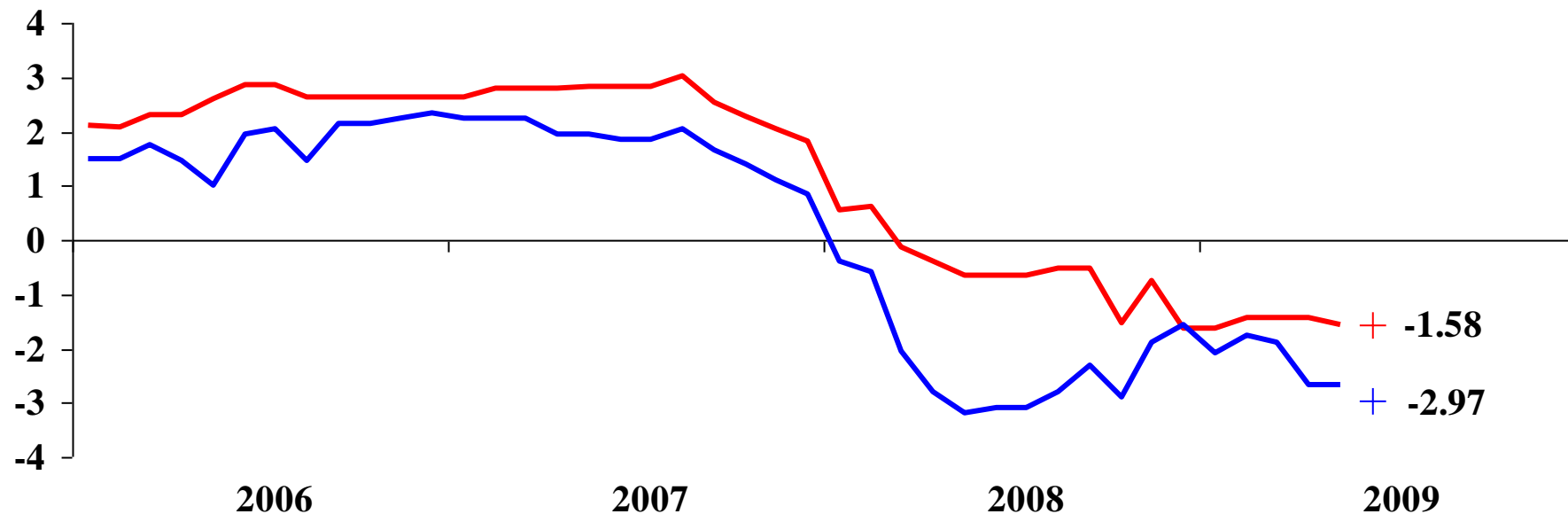
Source: Federal Reserve Board; calculations by FRB Dallas

<http://www.dallasfed.org>



Real Federal Funds Rate

Percent



— End-of-Month Target Fed Funds Rate less SPF Expected Inflation

+ Target Fed Funds Rate (Jun 25) less SPF Expected Inflation (May 15)

— End-of-Month Target Fed Funds Rate less U. of Michigan Expected Inflation

+ Target Fed Funds Rate (Jun 25) less U. of Michigan Expected Inflation (Jun 26)

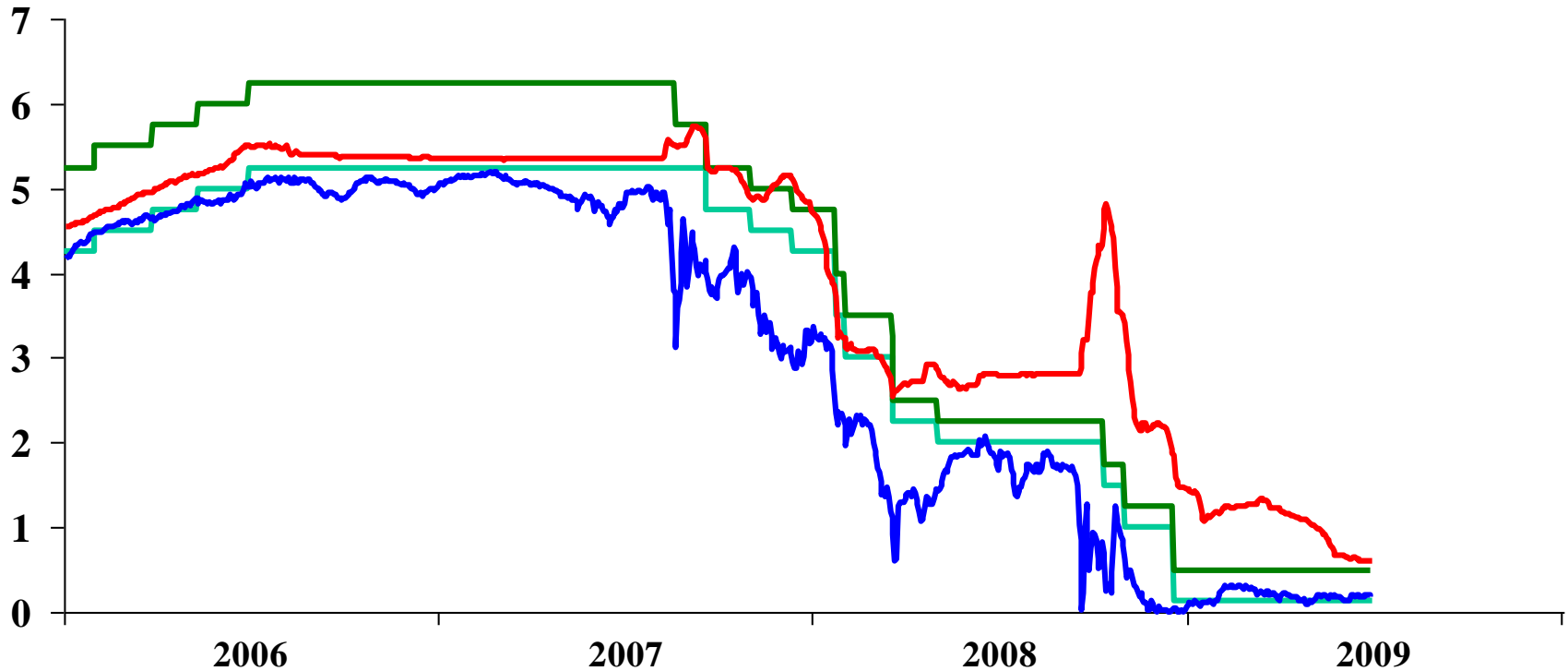
Sources: Target Fed Funds Rate: Federal Reserve Board; SPF Expected Inflation: FRB Philadelphia; U. of Michigan Expected Inflation: Survey of Consumers, Survey Research Center, U. of Michigan

<http://www.dallasfed.org>



Short-Term Interest Rates

Percent



- Target Fed Fund Rate (Jun 26 = 0.125)
- 3-Month T-Bill Rate (Jun 25 = 0.18)
- Discount Window Primary Credit Rate (Jun 25 = 0.5)
- 3-month LIBOR (Jun 26 = 0.598)

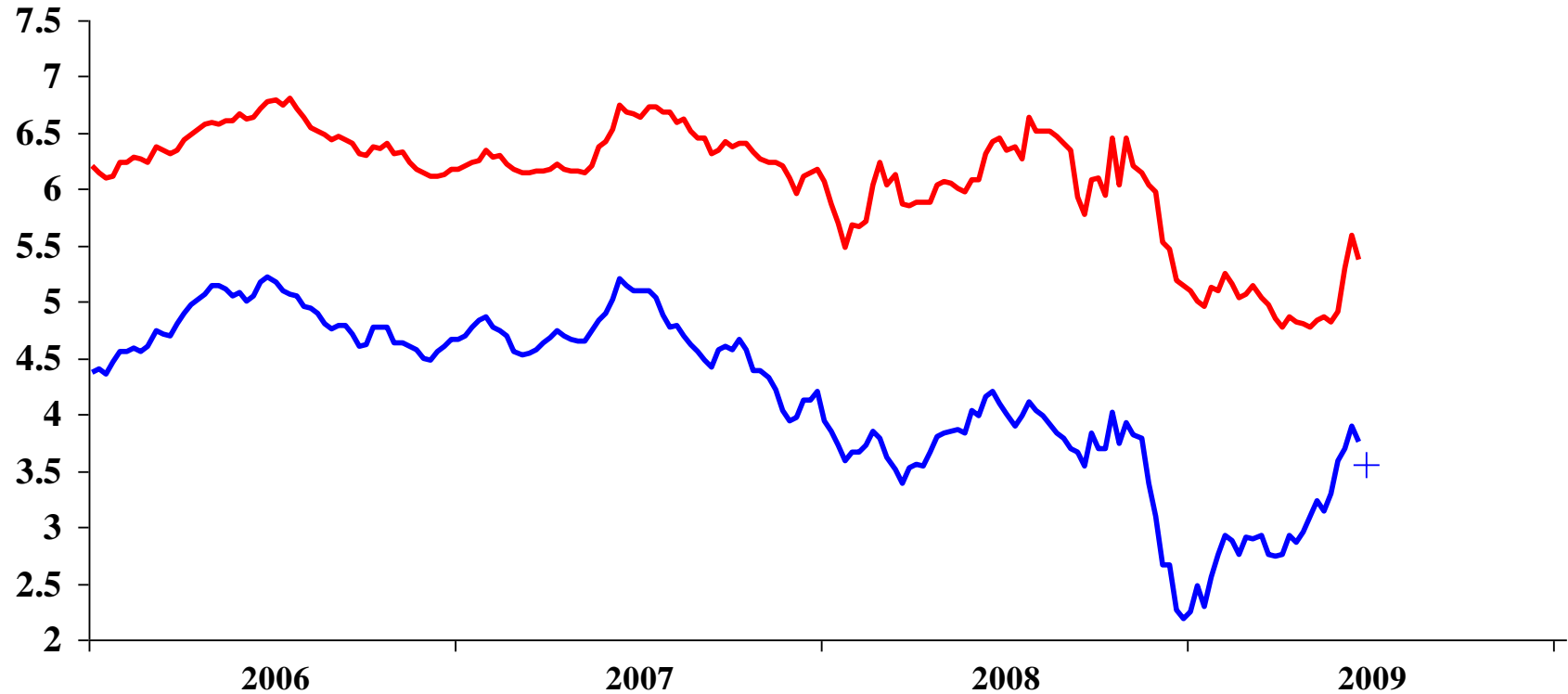
Source: Federal Reserve Board

<http://www.dallasfed.org>



Long-Term Interest Rates

Percent



- Mortgage Rate (week of Jun 19= 5.38)
- 10-year T-Bond (week of Jun 19= 3.75)
- + 10-year T-Bond (Jun 25 = 3.55)

Source: Federal Reserve Board

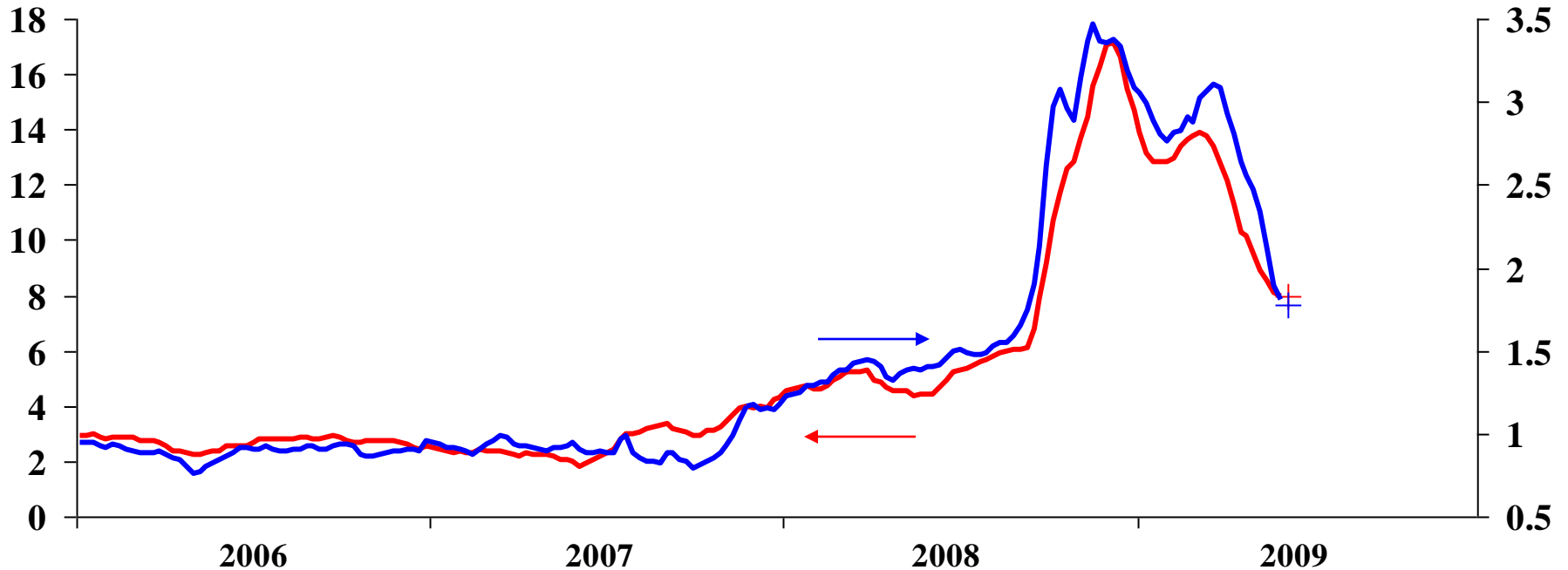
<http://www.dallasfed.org>



Bond Spreads

Merrill Lynch's Yield on Low-Grade Corporate Bonds,
Moody's AAA and BAA Corporate

Percent



— Low-Grade Corporate less AAA Corporate (week of Jun 19 = 7.95)

+ Daily (Jun 25 = 7.98)

— BAA Corporate less AAA Corporate (week of Jun 19 = 1.81)

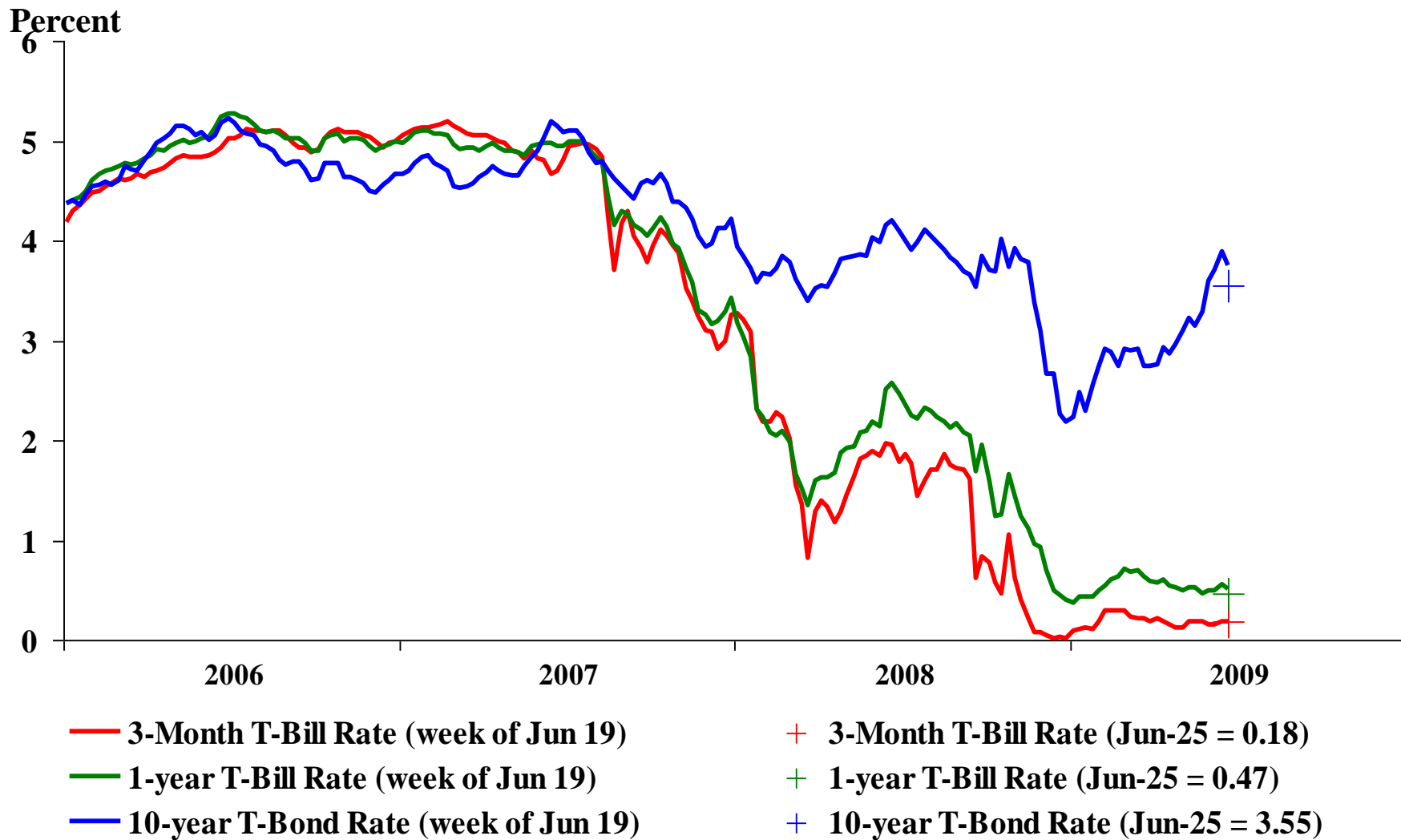
+ Daily (Jun 25 = 1.78)

Source: Moody's Investors Service, Merrill Lynch

<http://www.dallasfed.org>



Yield Curve



Source: Federal Reserve Board

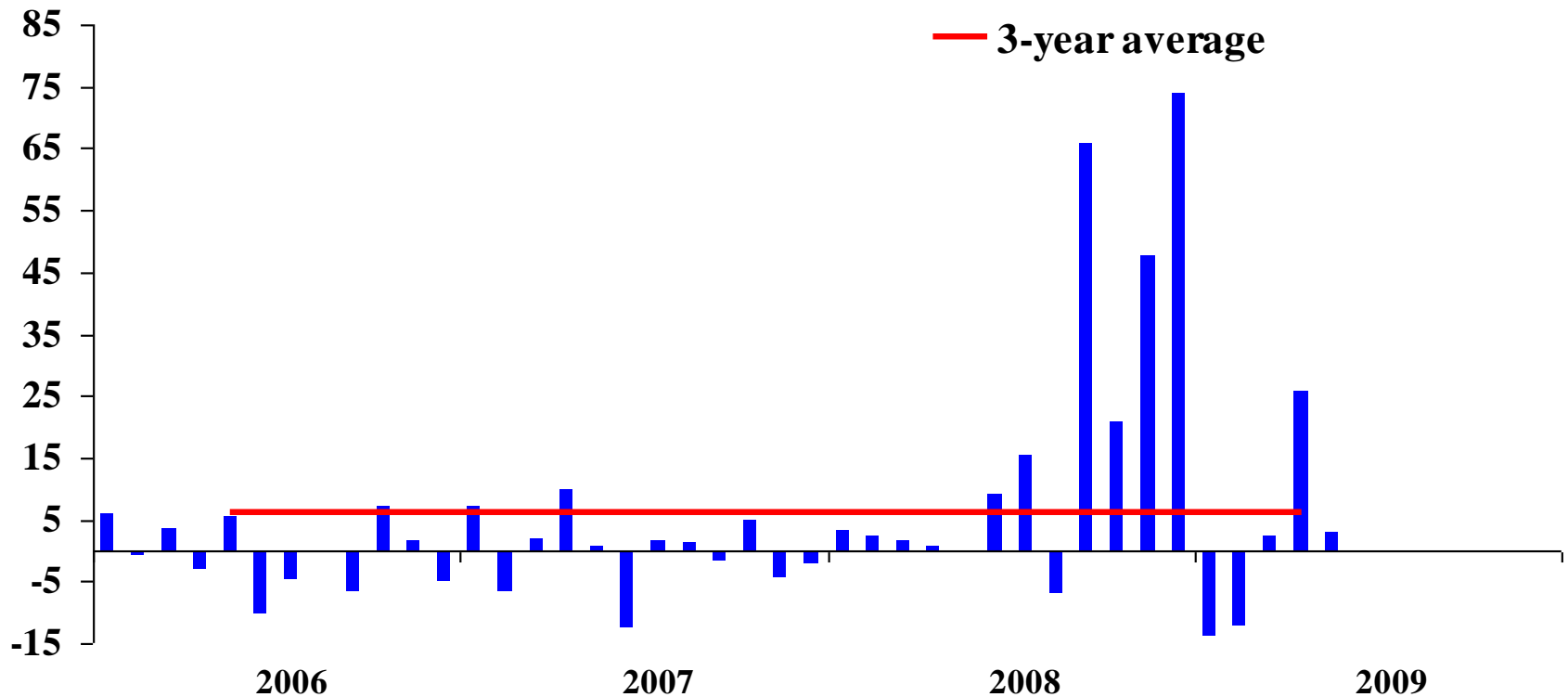
<http://www.dallasfed.org>



Money Supply: M1

1-month % change,
annualized

■ Jun 25 release, May = 2.82
— 3-year average



Source: Federal Reserve Board

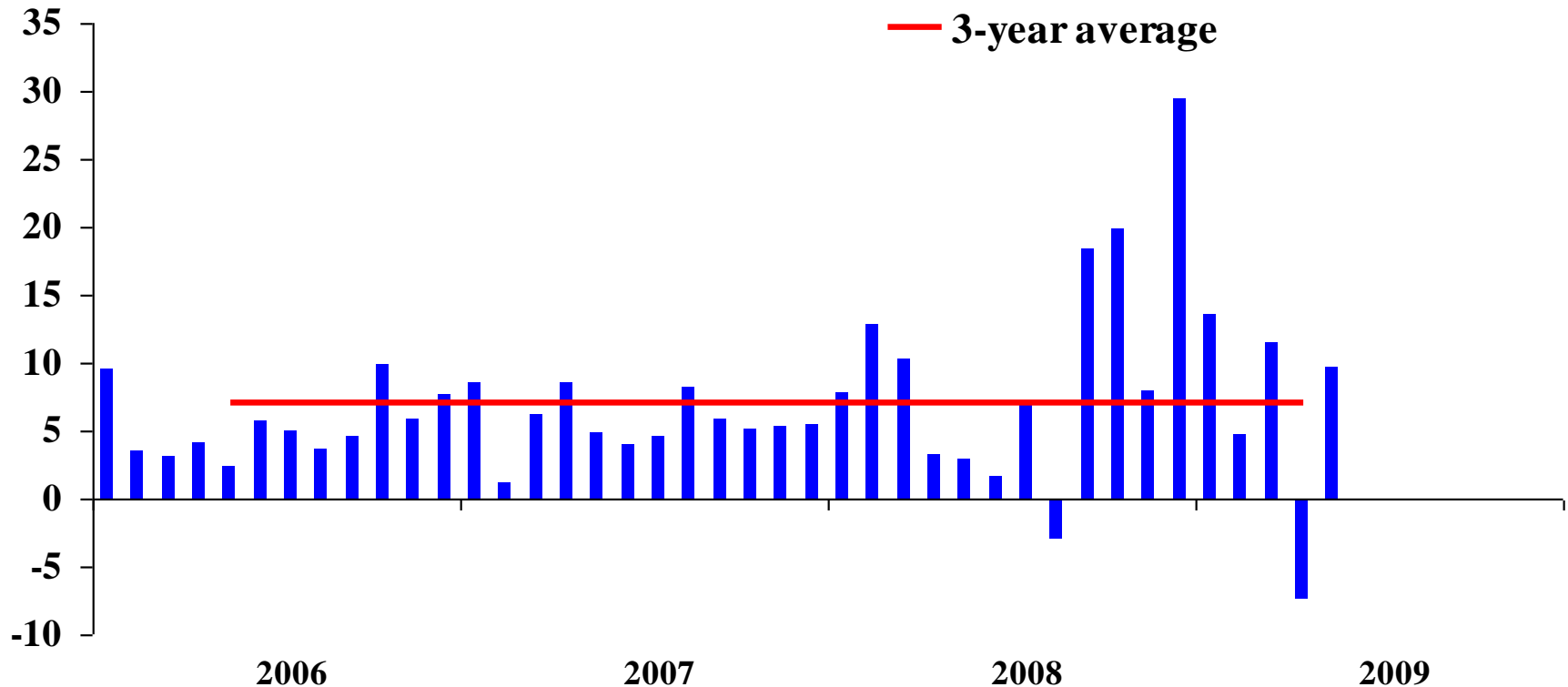
<http://www.dallasfed.org>



Money Supply: M2

1-month % change,
annualized

■ Jun 25 release, May = 9.68
— 3-year average



Source: Federal Reserve Board

<http://www.dallasfed.org>