



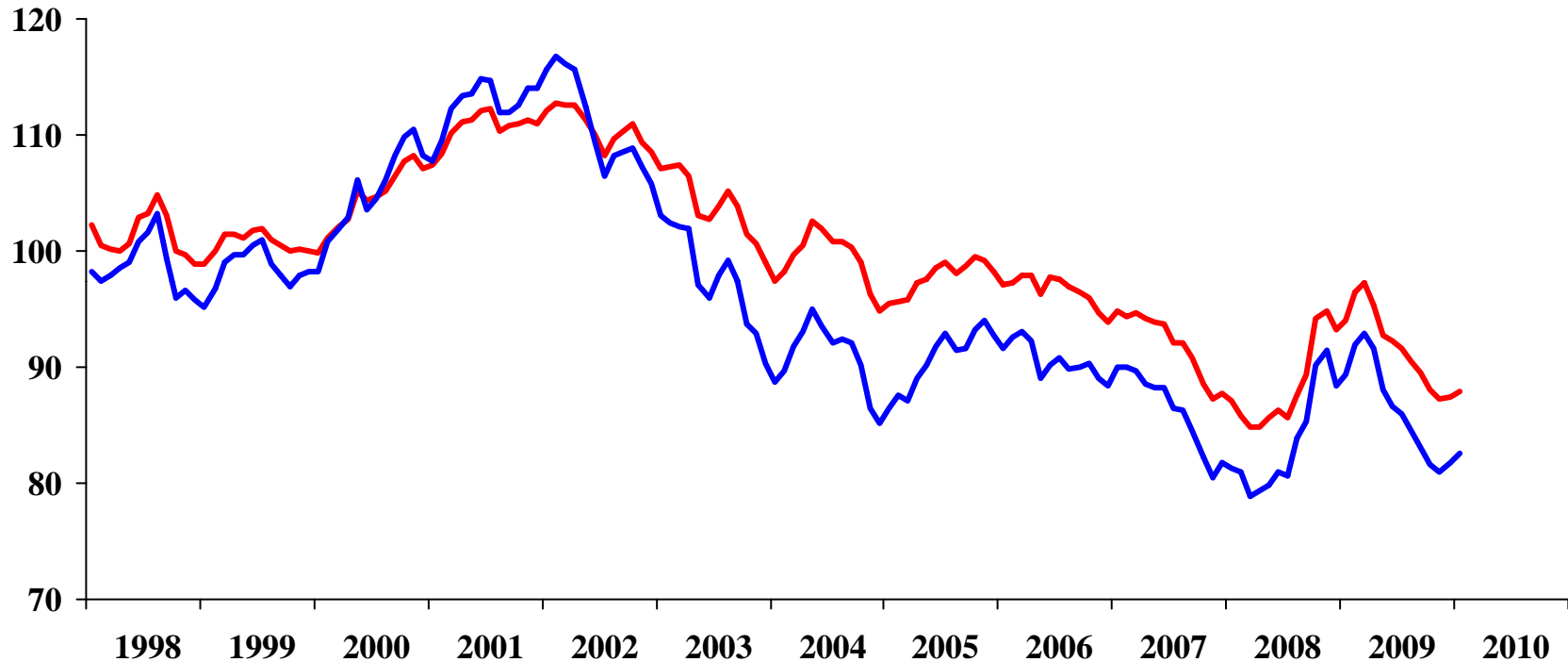
INTERNATIONAL INFLUENCES

<http://www.dallasfed.org>



Real Value of the Dollar

March 1973 = 100



— Exchange Value of the US\$ (Feb 01 release, Jan=87.9)
— US\$ vs Major Currencies* (Feb 01 release, Jan=82.6)

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

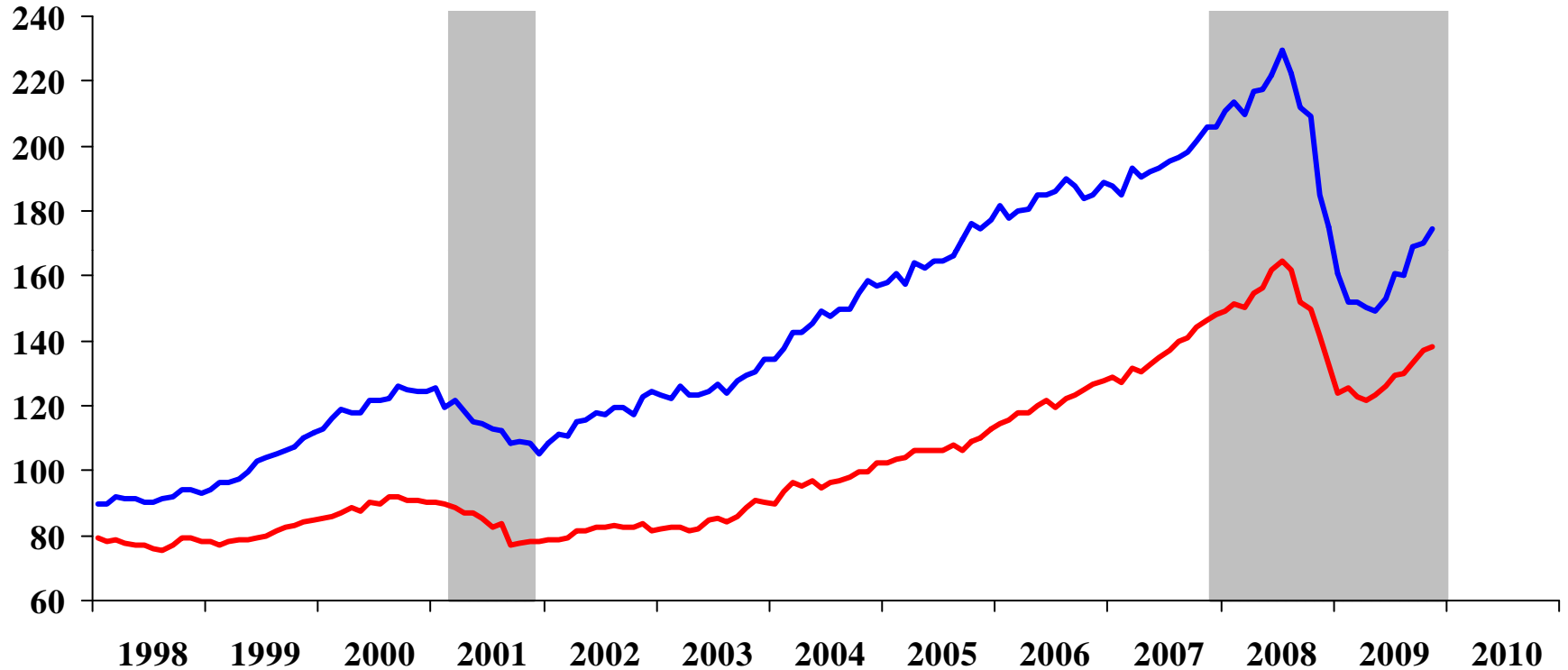
Source: Federal Reserve Board

<http://www.dallasfed.org>



U.S. Imports and Exports

Billions of Dollars



■ Recession — Exports (Jan 12 release, Nov = 138.2) — Imports (Jan 12 release, Nov = 174.6)

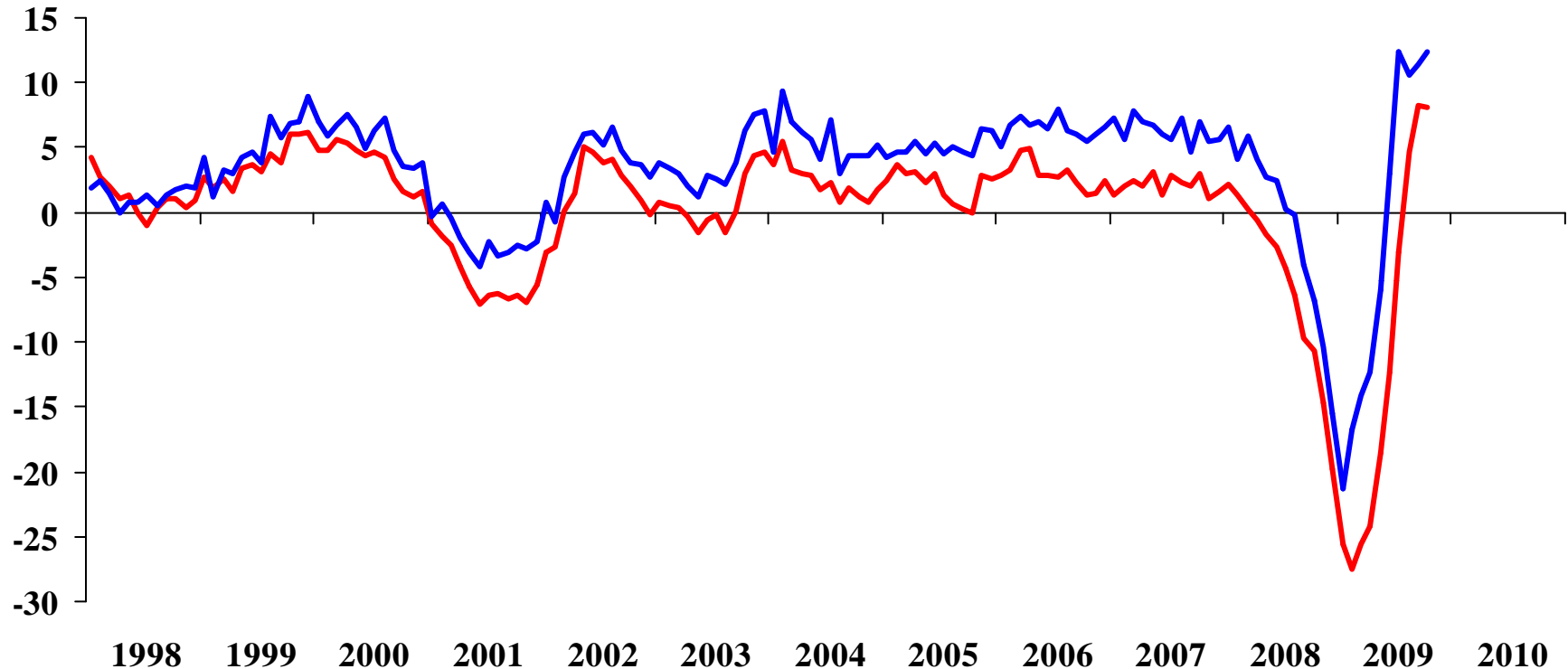
Source: Bureau of the Census

<http://www.dallasfed.org>



6-month % change,
annualized

Industrial Production: OECD Big 7 & OECD + 6



— OECD Big 7 (Jan 08 release, Oct=8.1) — OECD+Major 6 Non-Members (Jan 08 release, Oct=12.4)

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

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

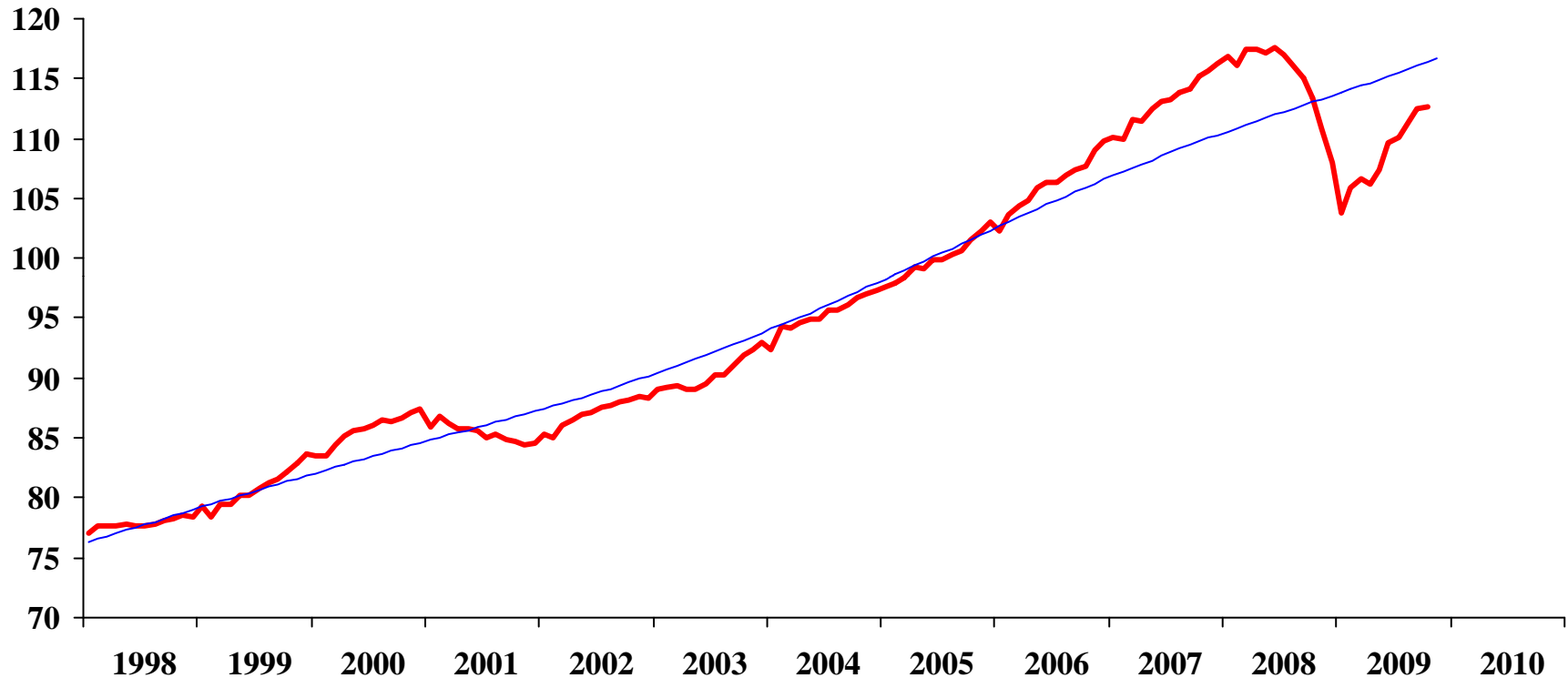
Source: OECD

<http://www.dallasfed.org>



Industrial Production & Trend OECD + 6

Index 2005=100



— OECD + Major 6 Non-Members (Jan 08 release, Oct=112.6) — Trend (Jan 08 release, Nov=116.8)

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

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

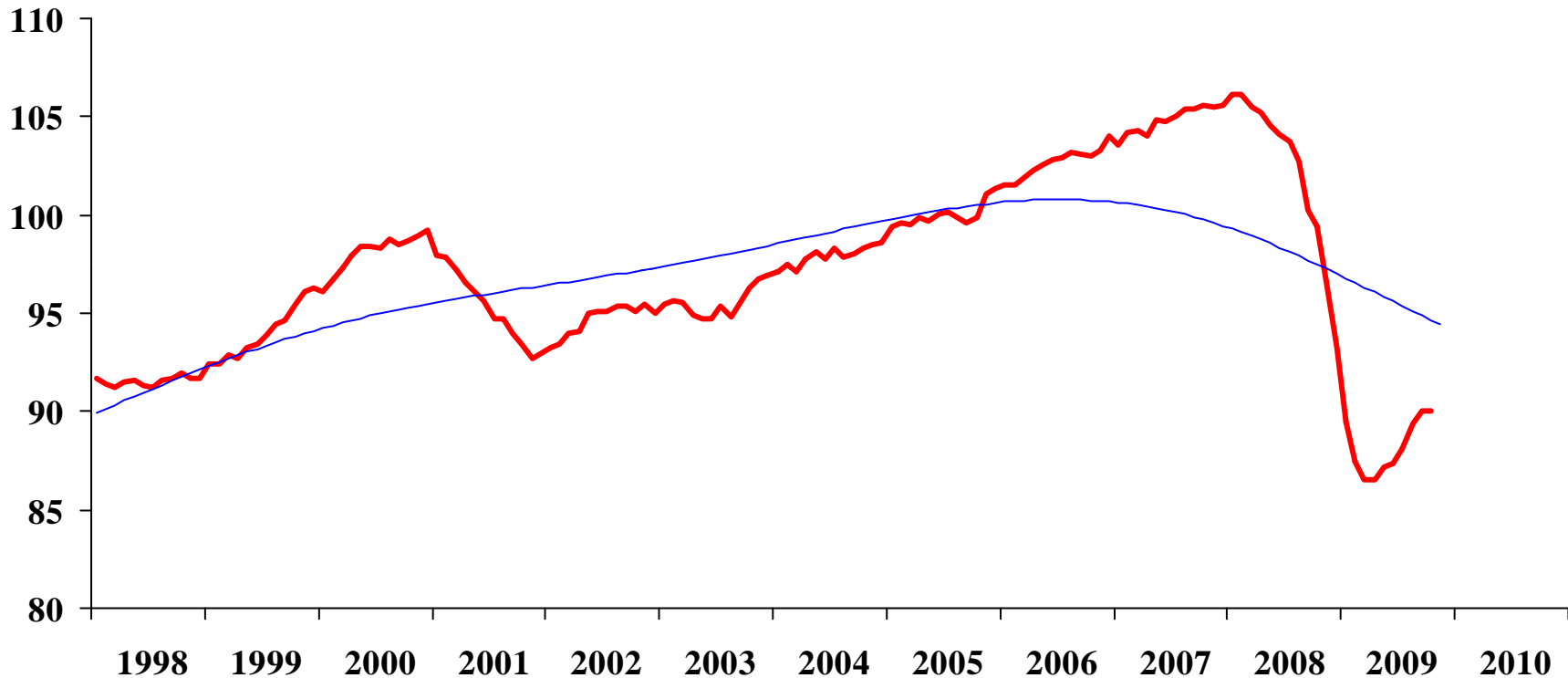
Source: OECD

<http://www.dallasfed.org>



Industrial Production & Trend OECD Big 7

Index 2005=100



— OECD Big 7 (Jan 08 release, Oct=90)

— Trend (Jan 08 release, Nov=94.4)

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

Source: OECD

<http://www.dallasfed.org>

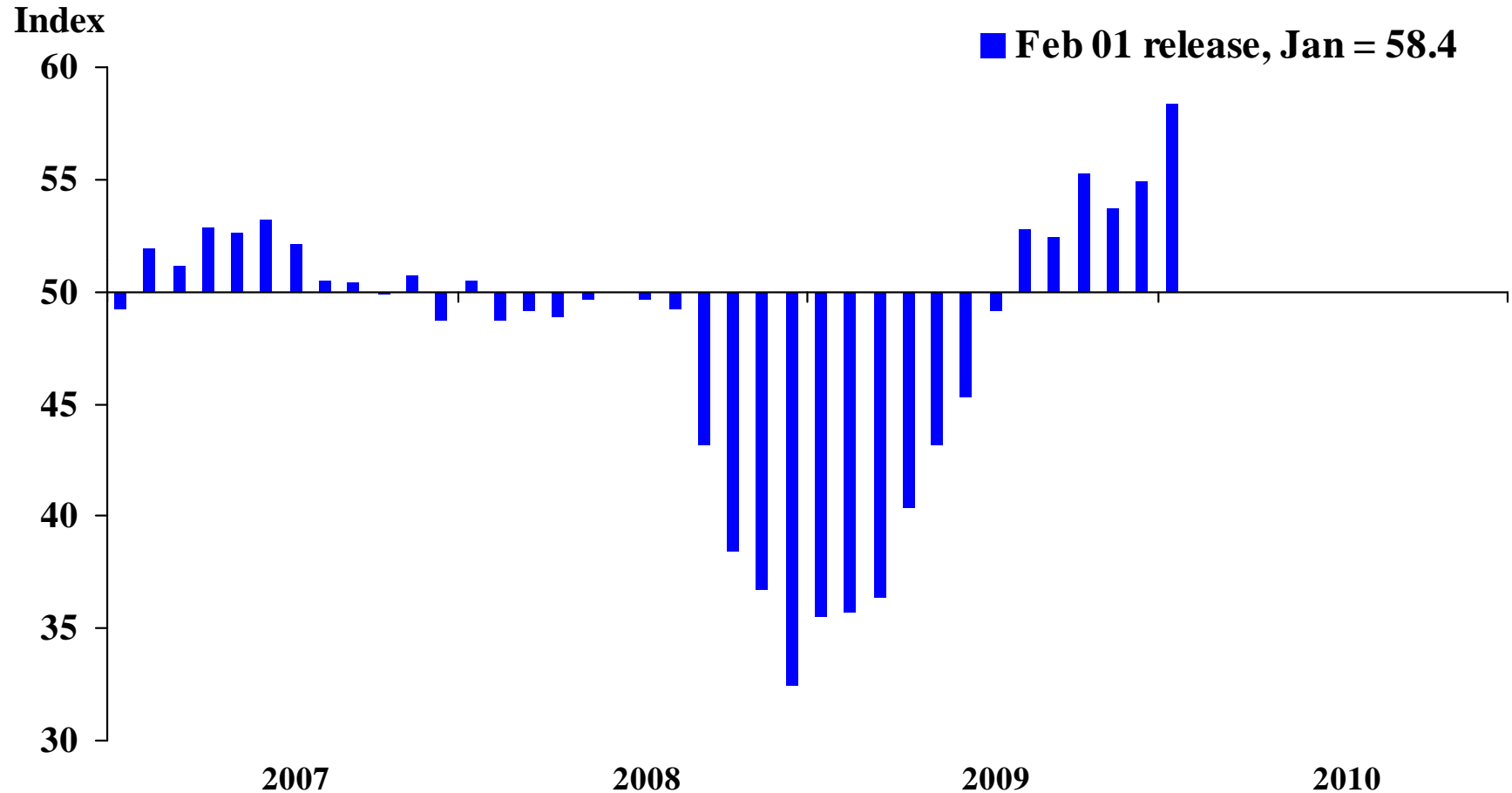


DOMESTIC ECONOMIC ACTIVITY

<http://www.dallasfed.org>



Purchasing Managers' Index



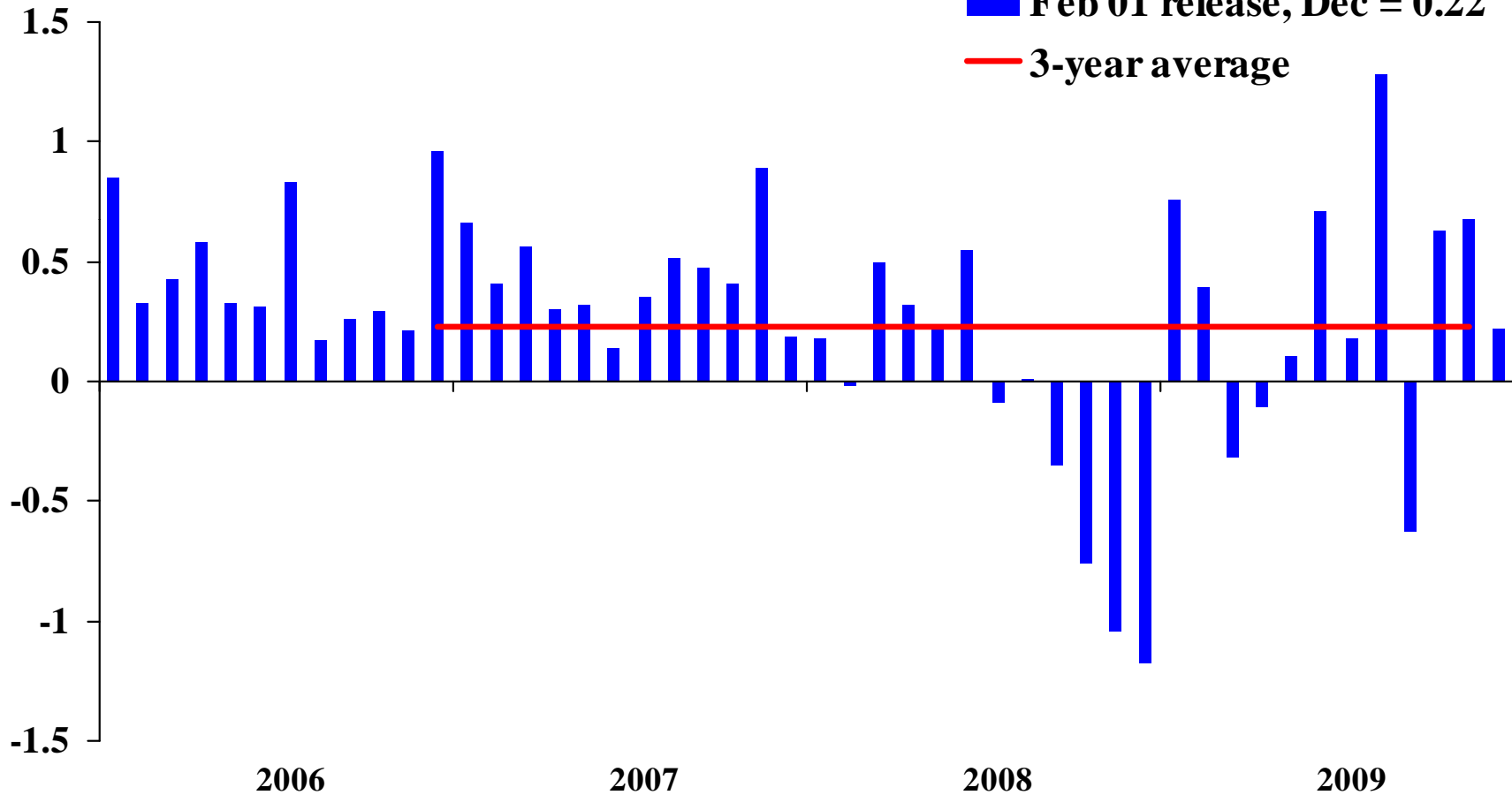
Source: Institute for Supply Management TM

<http://www.dallasfed.org>



Nominal Personal Consumption Expenditures

1-month % change



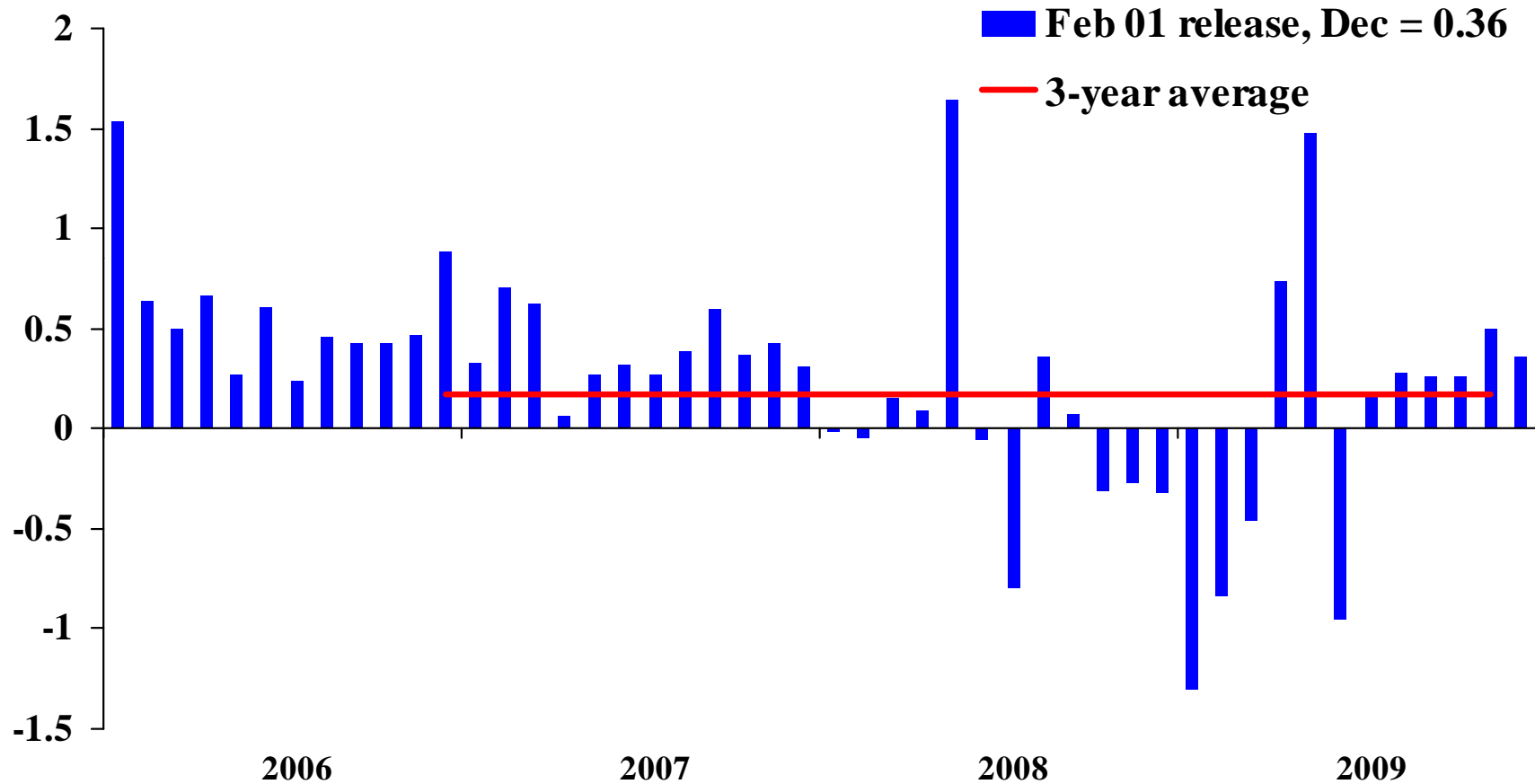
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Personal Income

1-month % change



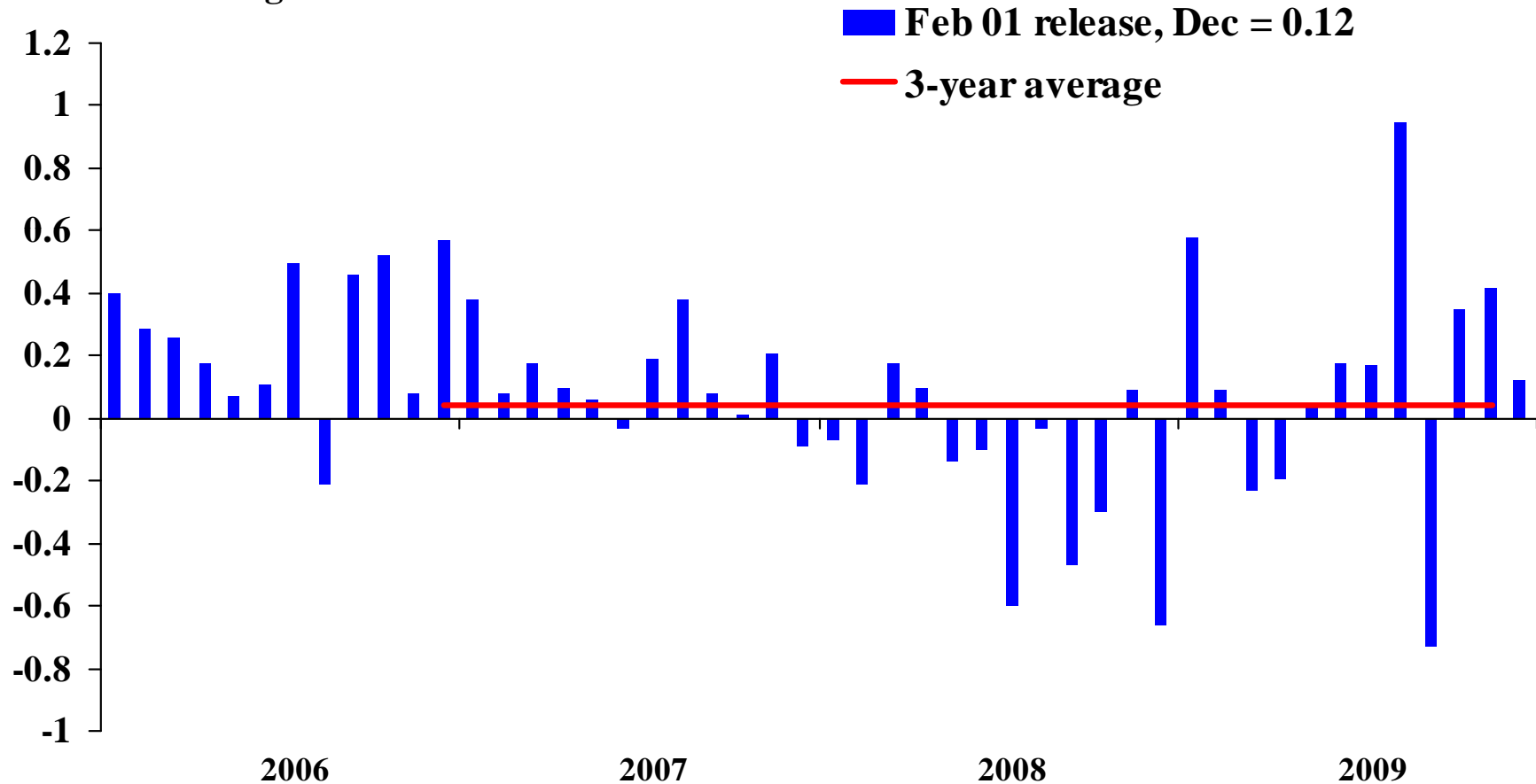
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Real Personal Consumption Expenditures

1-month % change



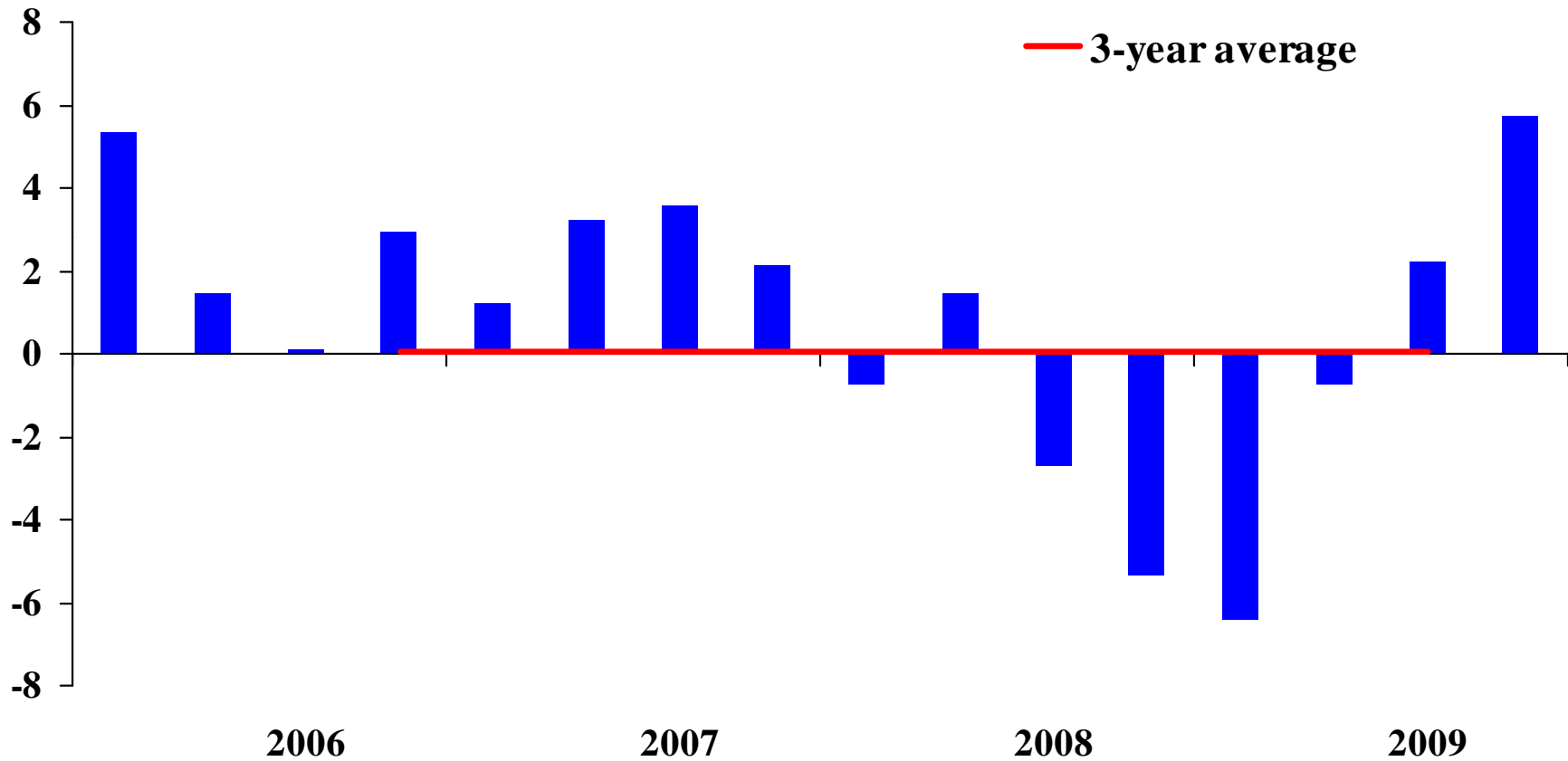
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Real GDP

1-quarter % change,
annualized

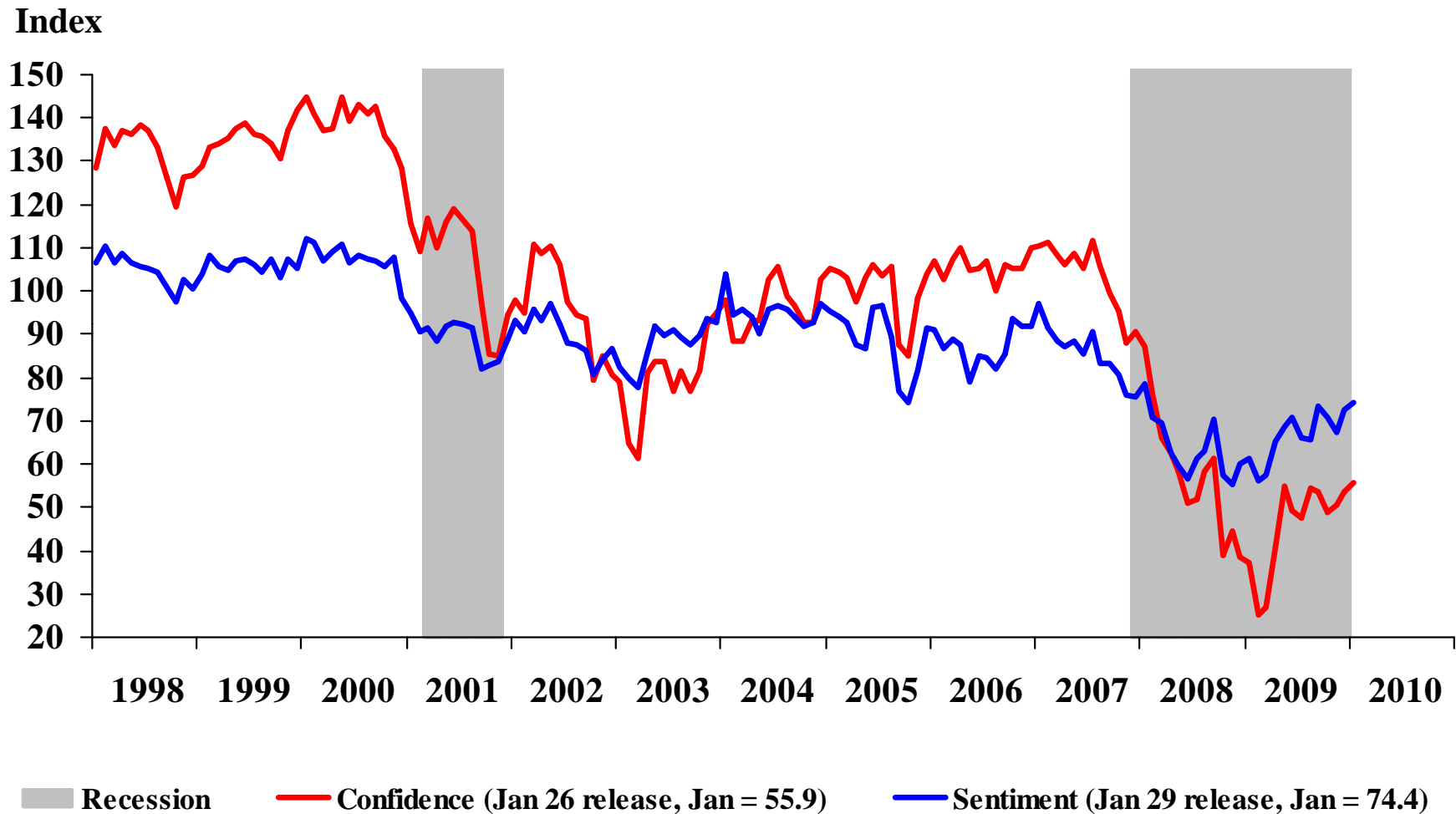


Source: Bureau of Economic Analysis

<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>



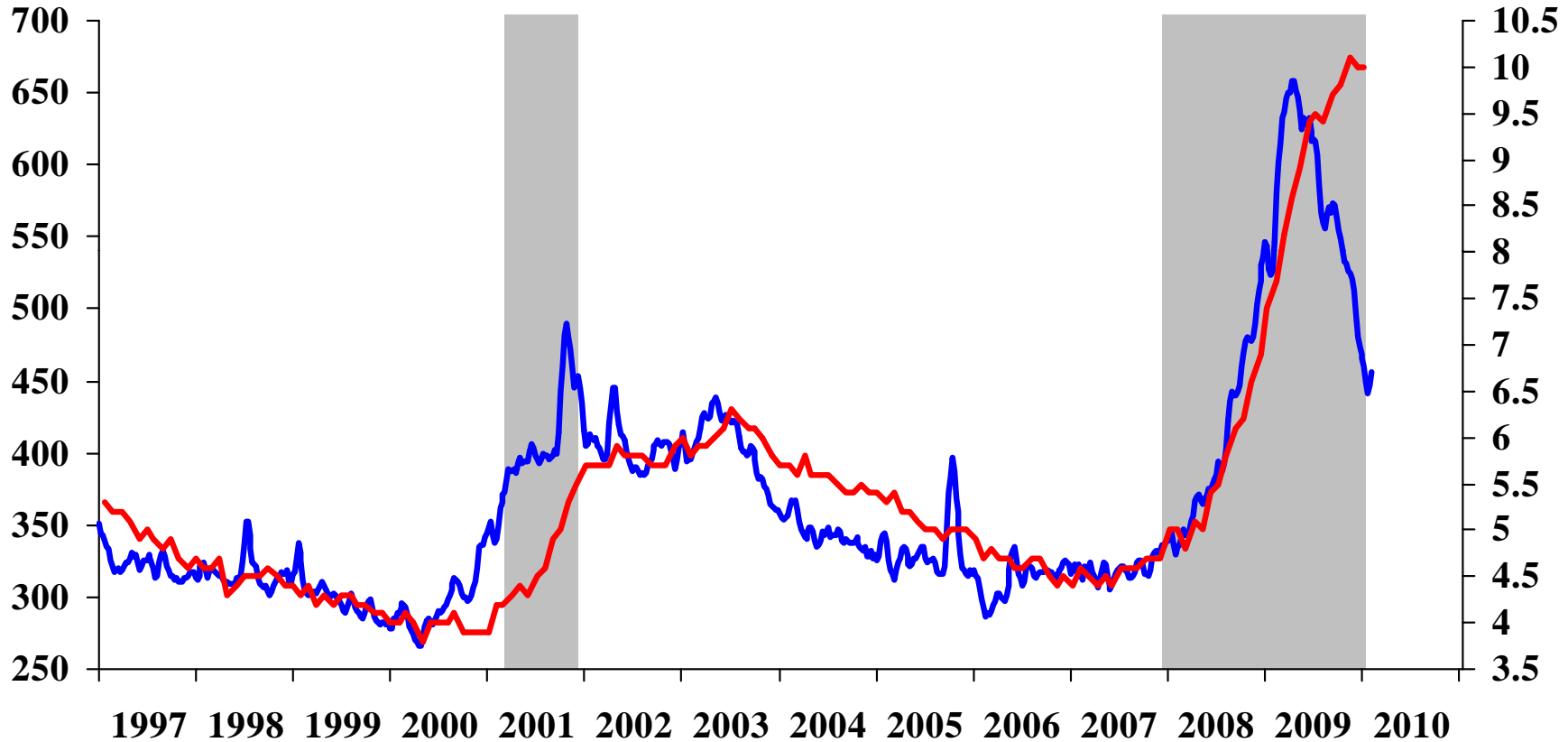
Initial Claims for Unemployment and Unemployment Rate

4-week MA

Thousands of Initial Claims

Percent

Unemployment



— Initial Claims (Jan 28 release, Jan-456)

— Unemployment Rate (Jan 08 release, Dec-10)

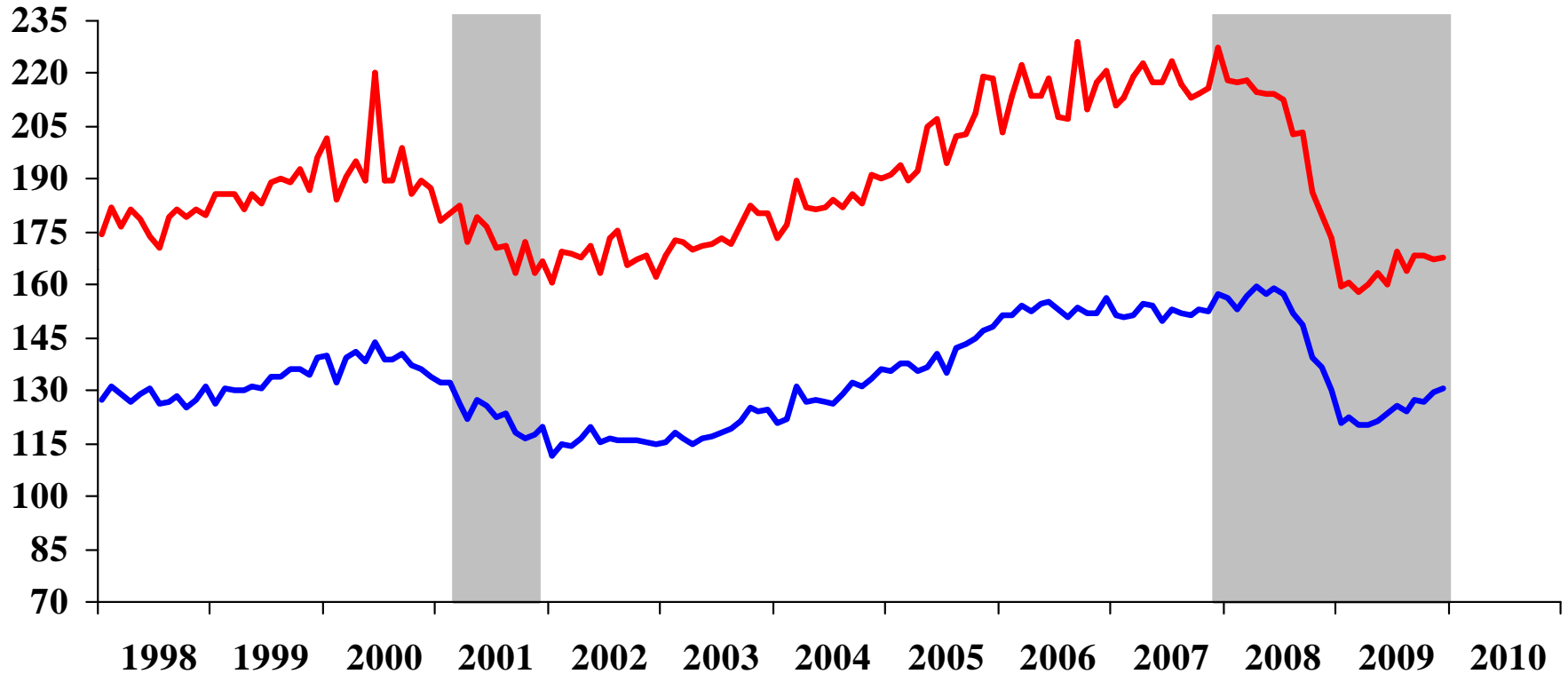
■ Recession

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



New Orders for Durable Goods

Billions of Dollars



— Durable Goods (Jan 28 release, Dec = 167.9)

— Excl. Transportation (Jan 28 release, Dec = 130.6)

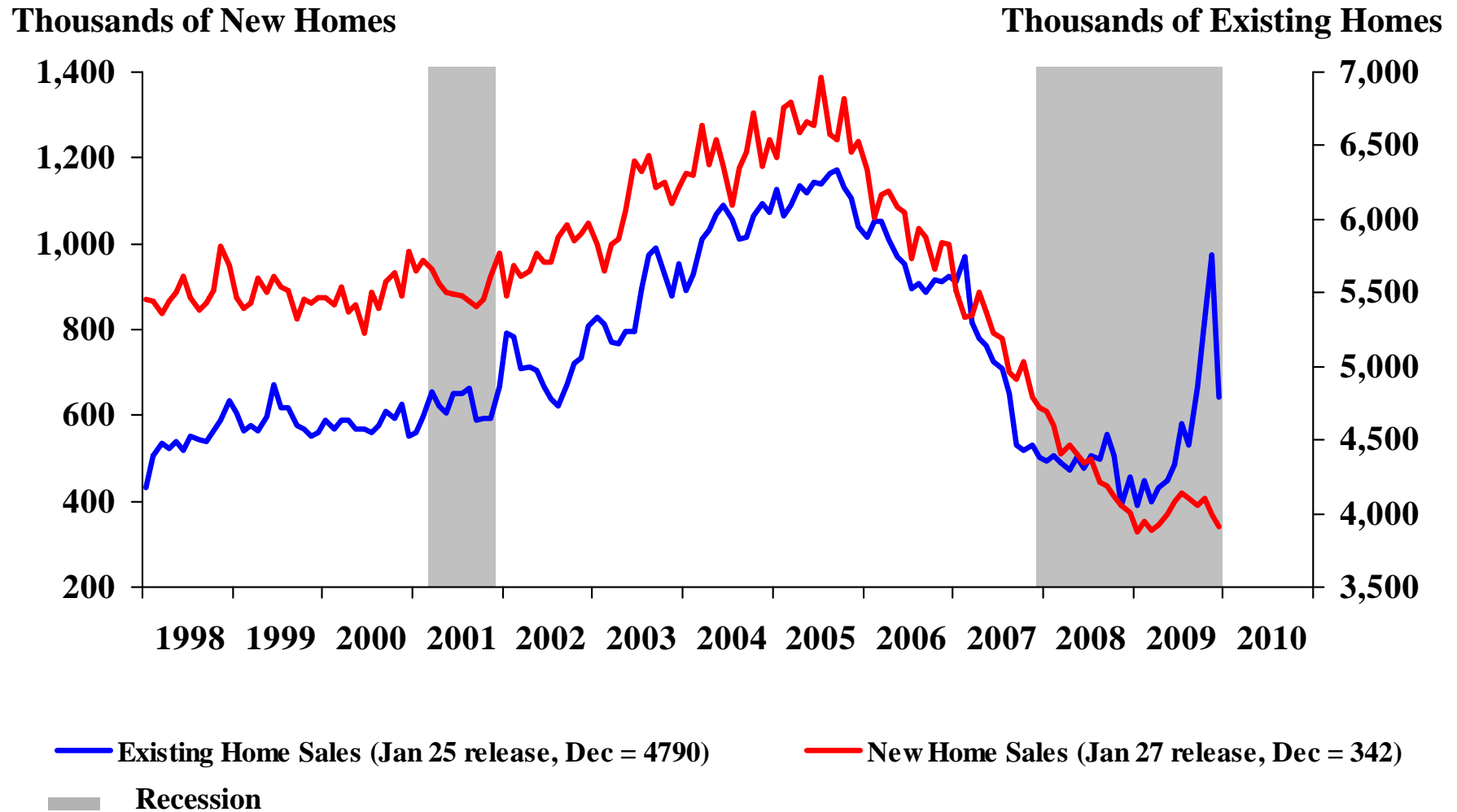
■ Recession

Source: Bureau of the Census

<http://www.dallasfed.org>



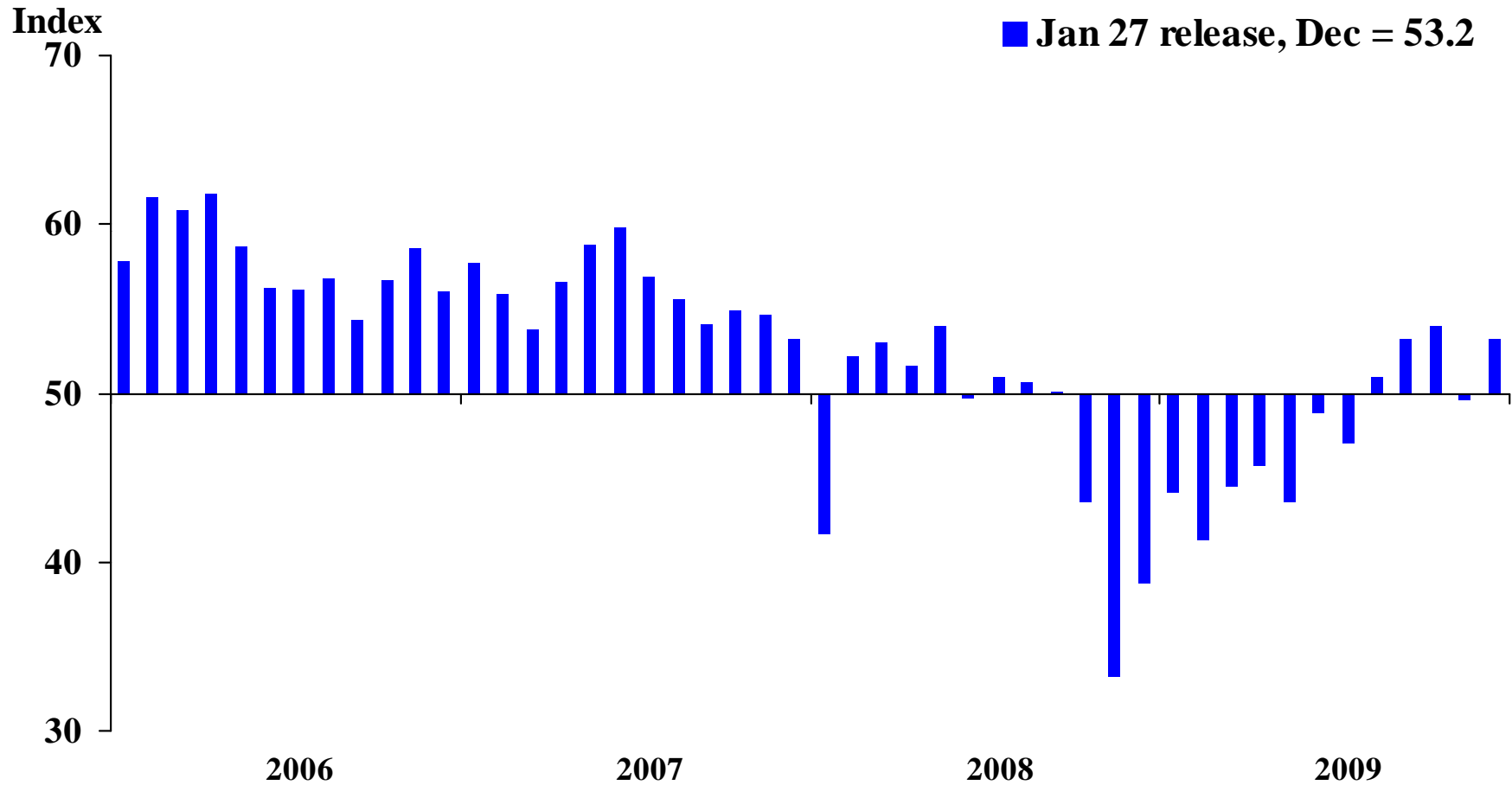
Home Sales



Source: Bureau of the Census, National Association of Realtors <http://www.dallasfed.org>



ISM Non-Manufacturing Activity Index

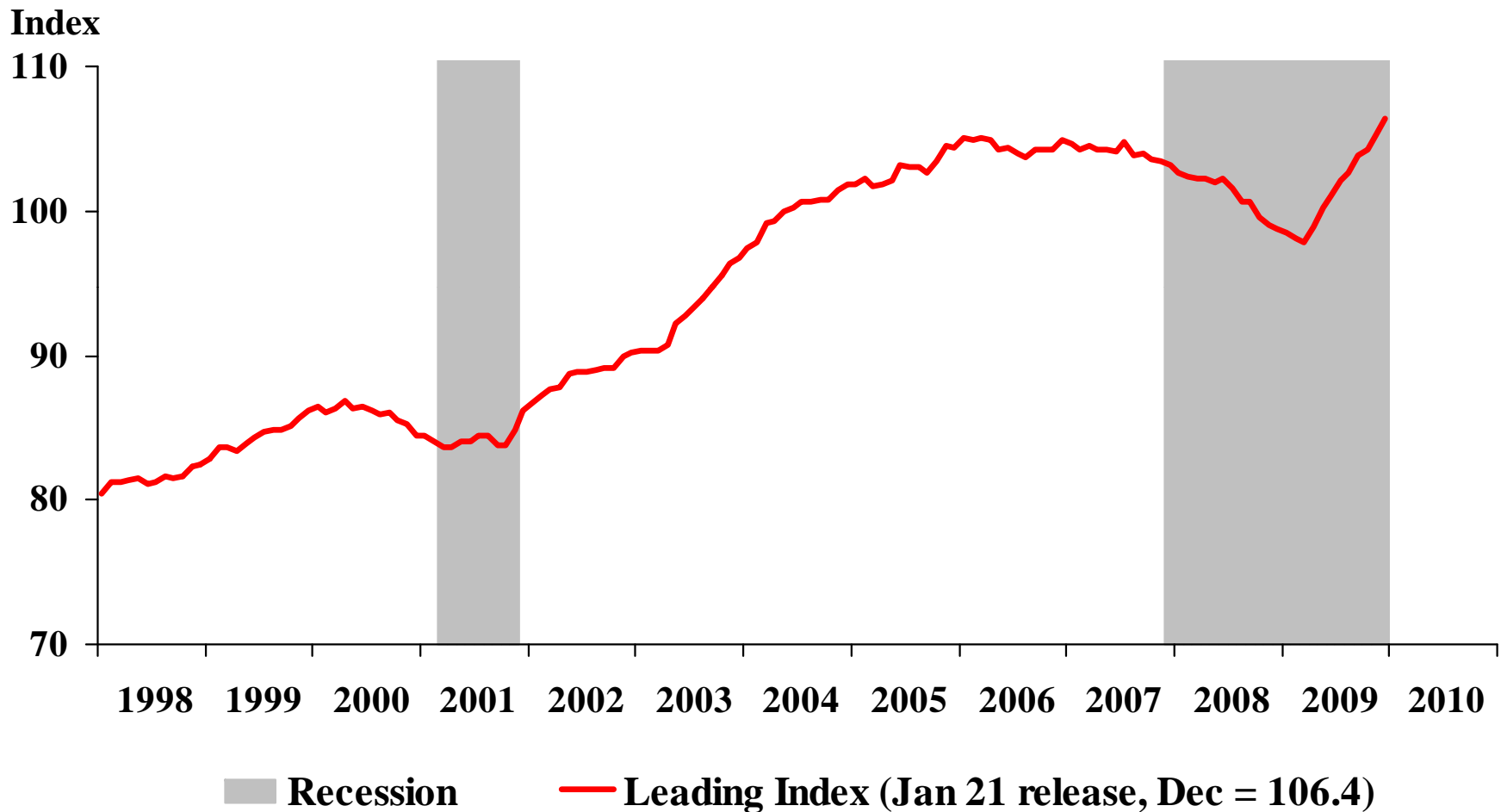


Source : Institute for Supply Management TM

<http://www.dallasfed.org>



Index of Leading Economic Indicators

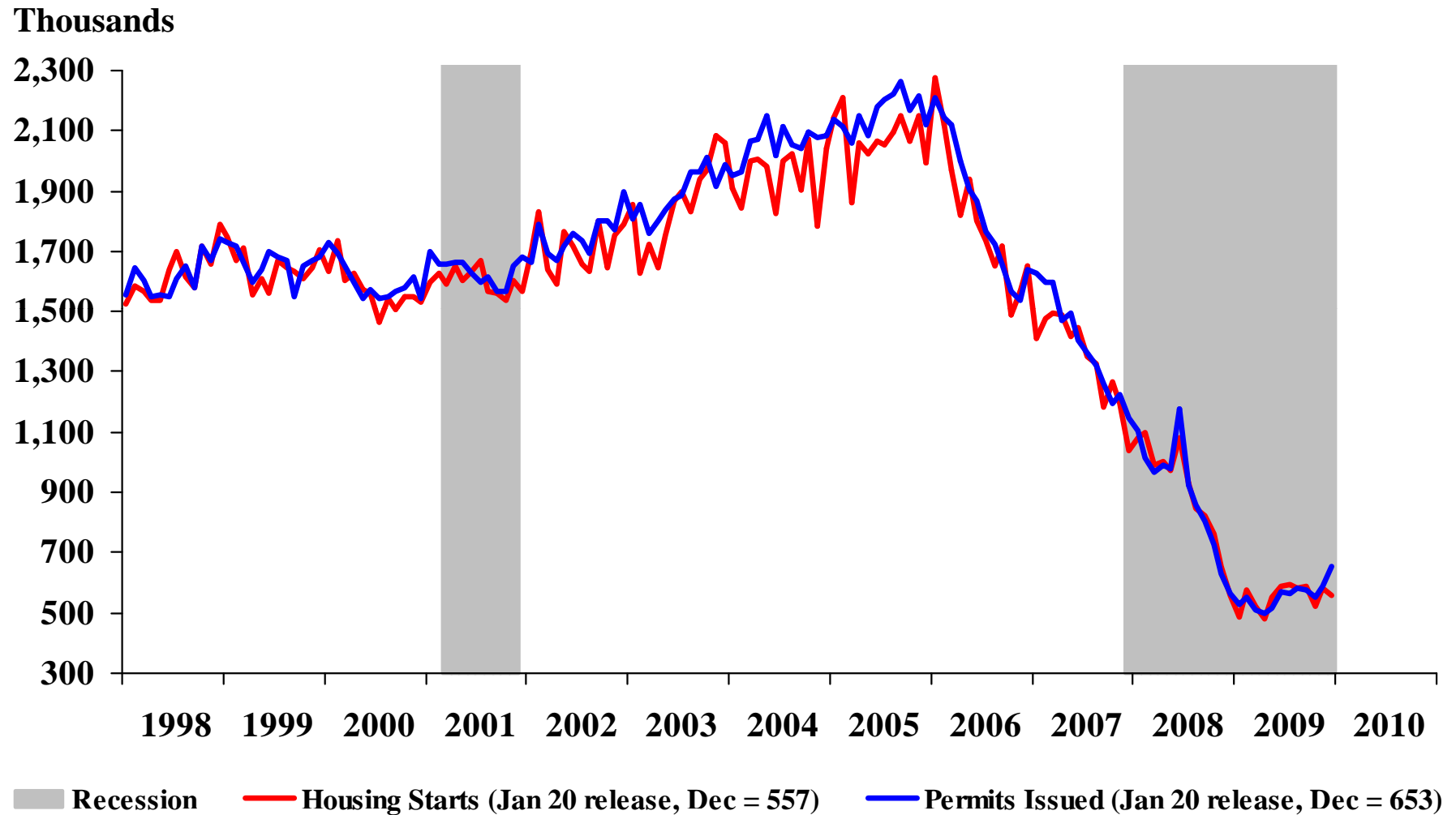


Source: The Conference Board

<http://www.dallasfed.org>



Housing Starts and Permits

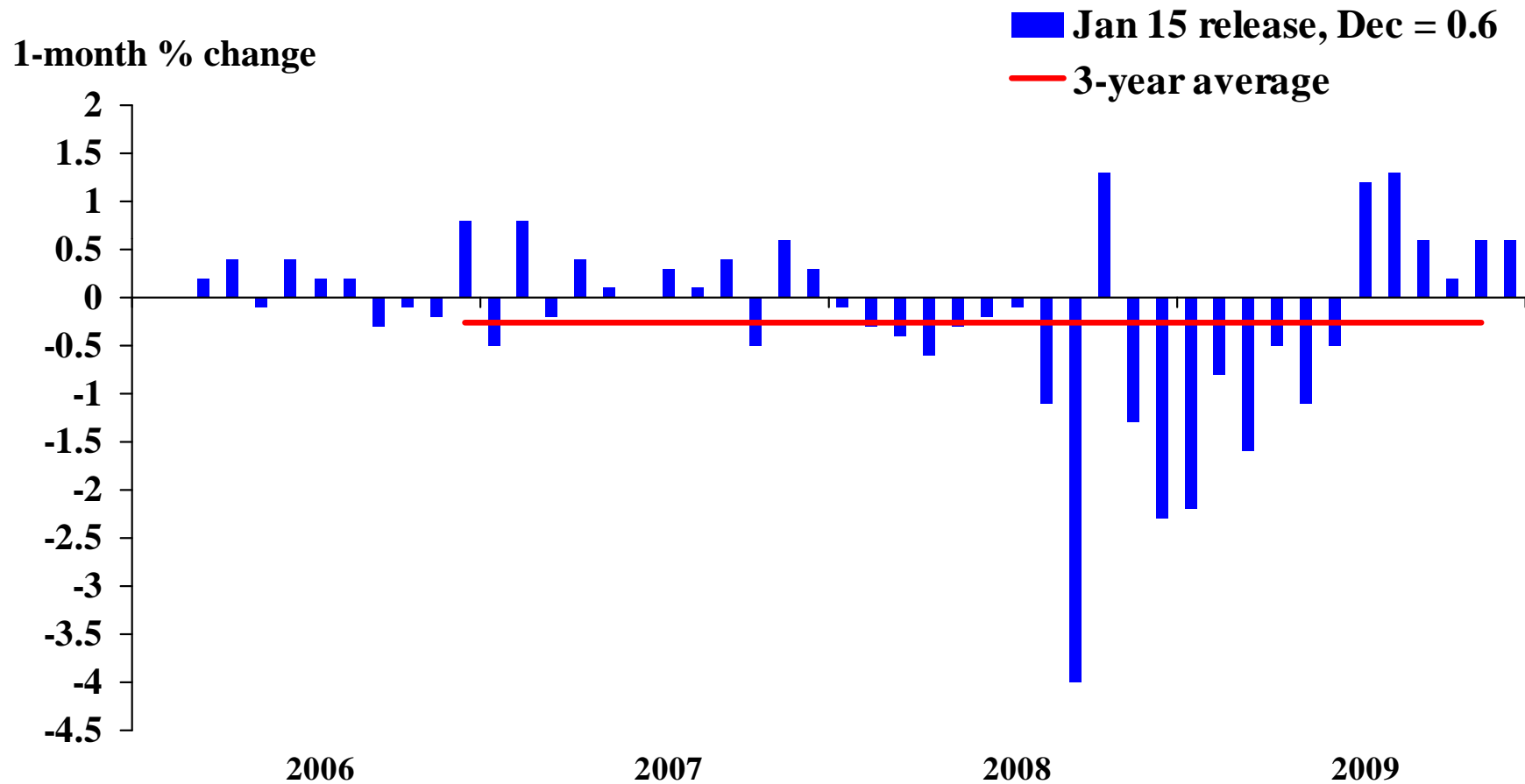


Source: Bureau of the Census

<http://www.dallasfed.org>



Industrial Production

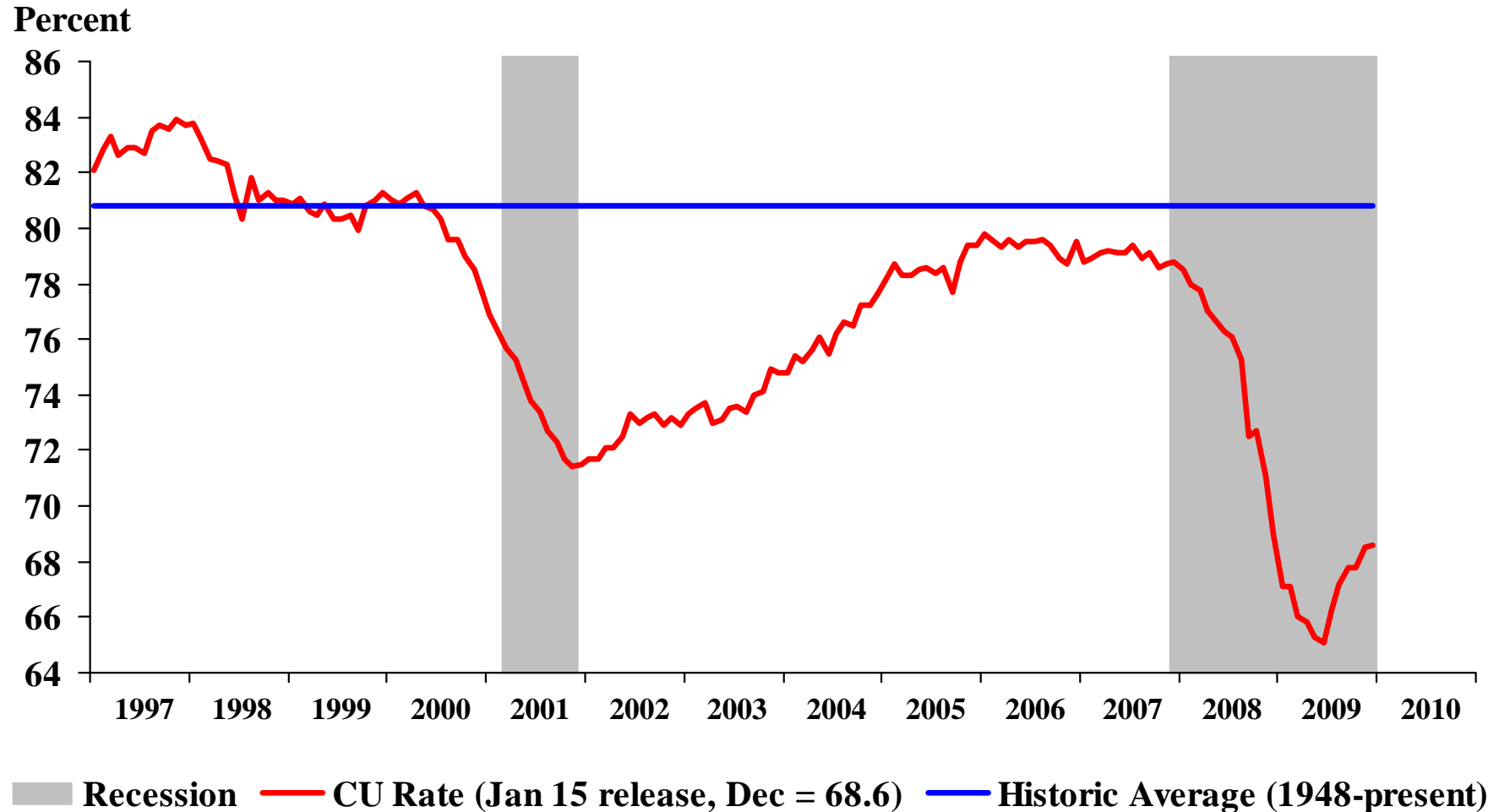


Source: Federal Reserve Board

<http://www.dallasfed.org>



Manufacturing Capacity Utilization Rate



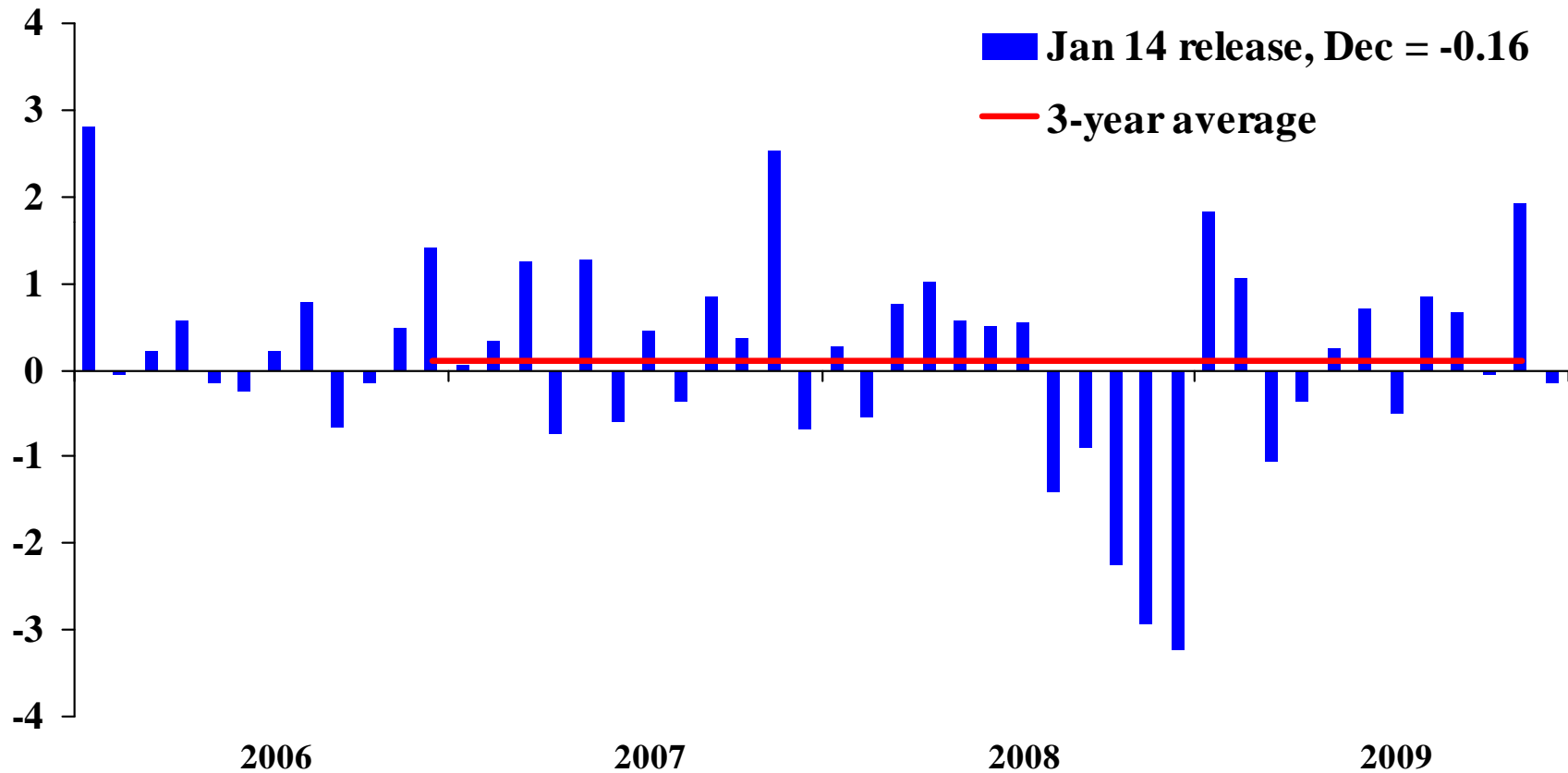
Source: Federal Reserve Board

<http://www.dallasfed.org>



Retail Sales, Excluding Autos

1-month % change

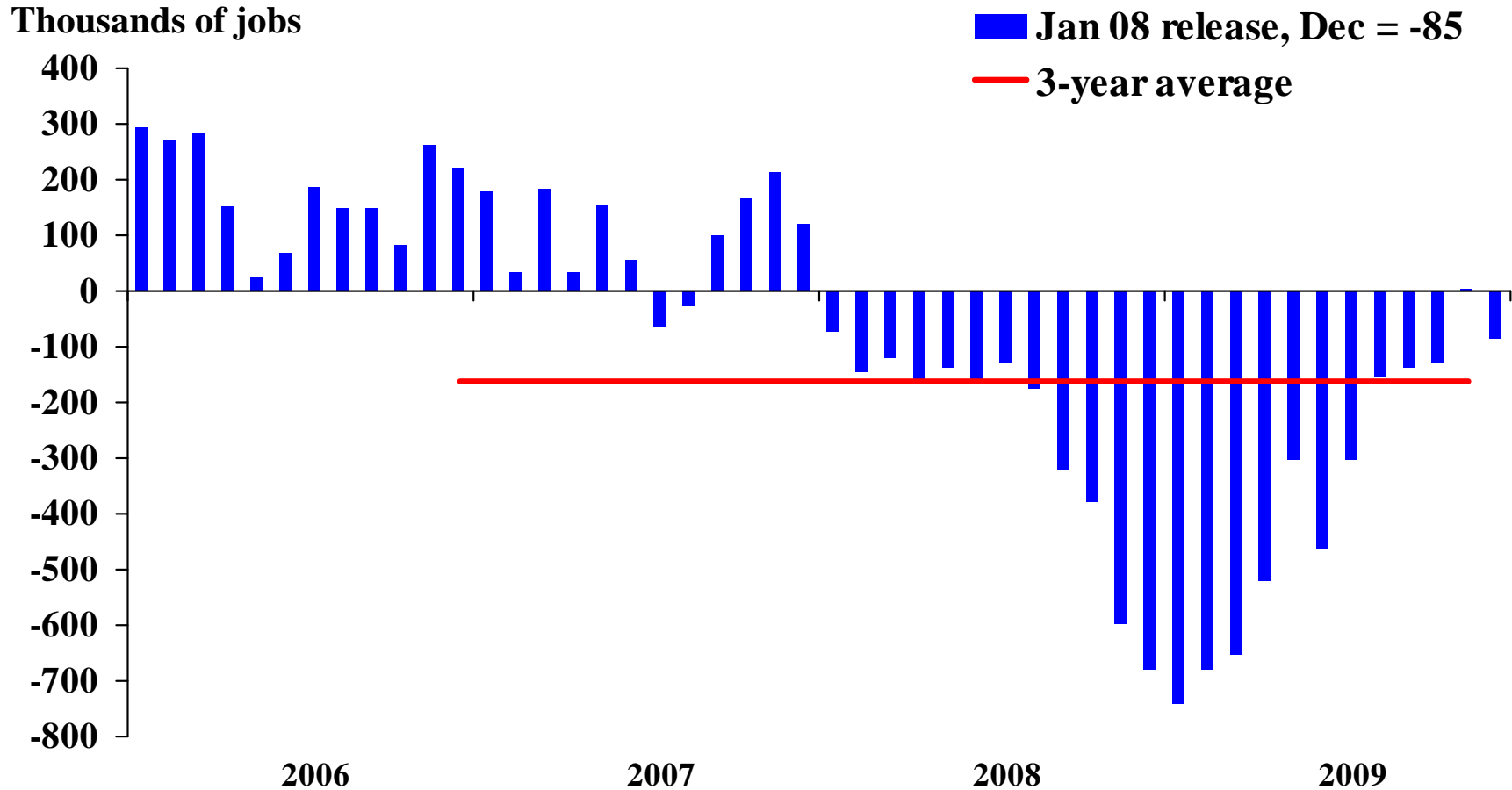


Source: Bureau of the Census

<http://www.dallasfed.org>



Change in Nonfarm Employment



Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



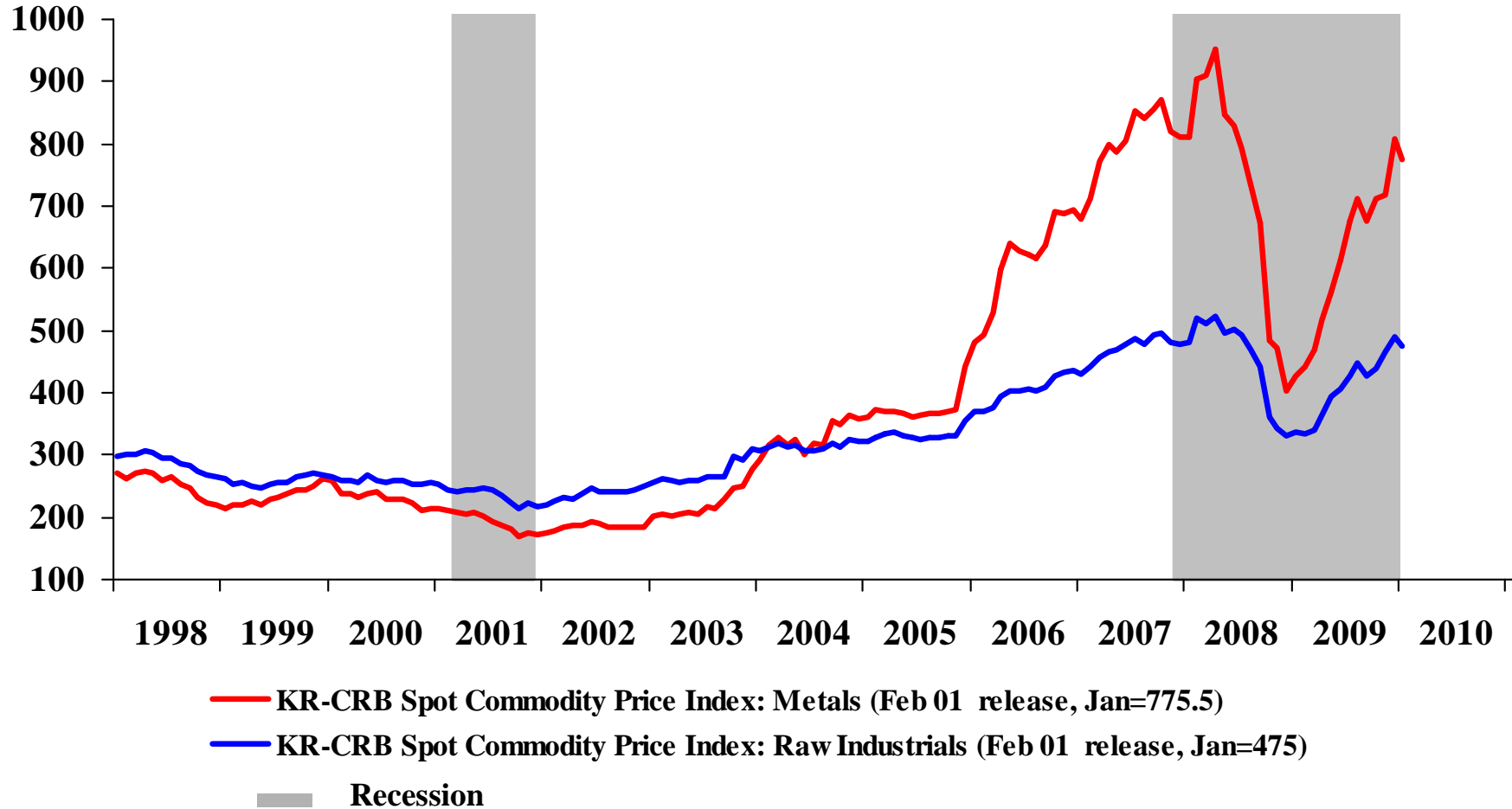
WAGES AND PRICES

<http://www.dallasfed.org>



Commodity Prices

1967=100, EOP



Source: Commodity Research Bureau

<http://www.dallasfed.org>

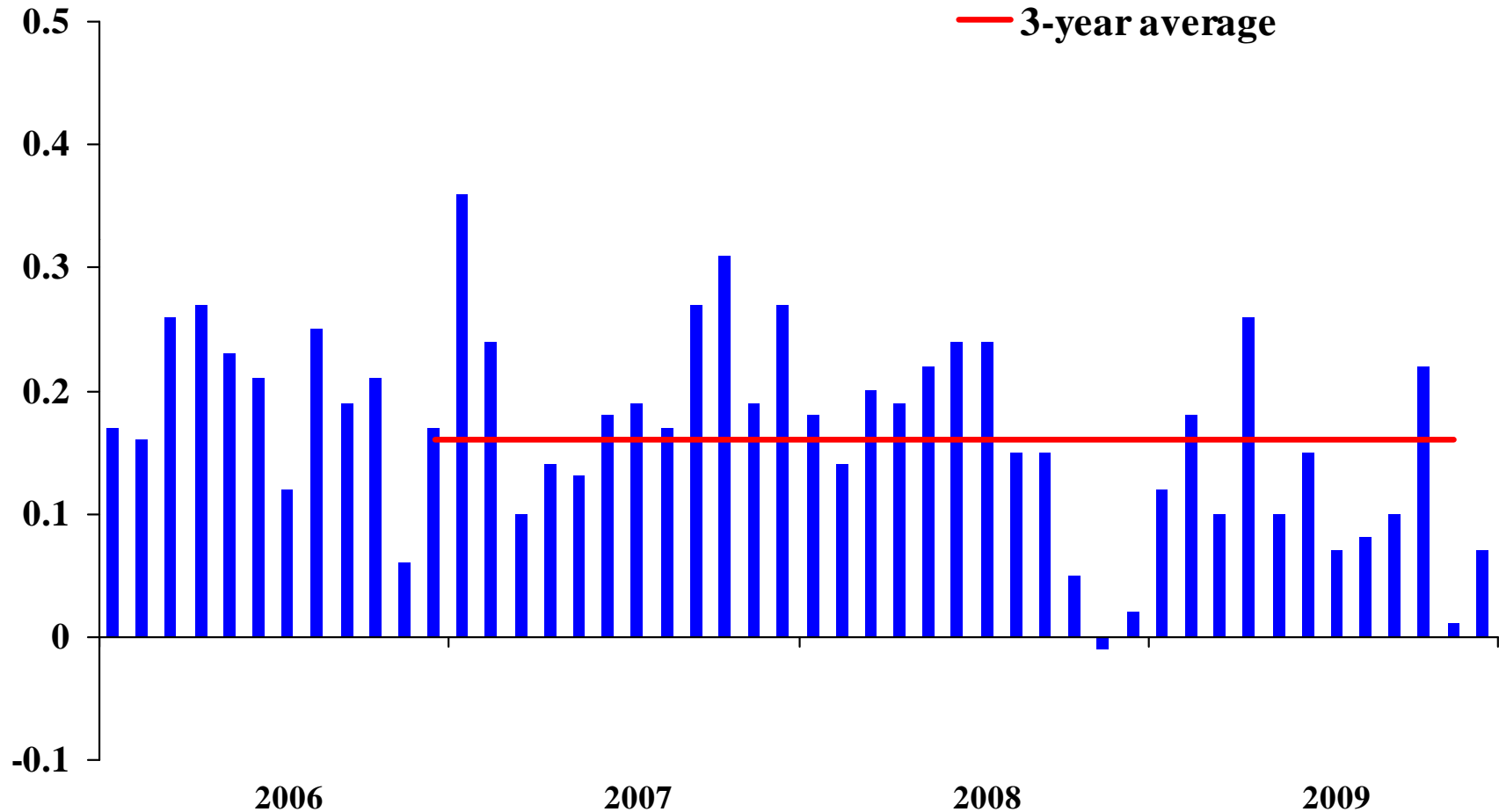


Core PCE Price Index

1-month % change

■ Feb 01 release, Dec = 0.07

— 3-year average

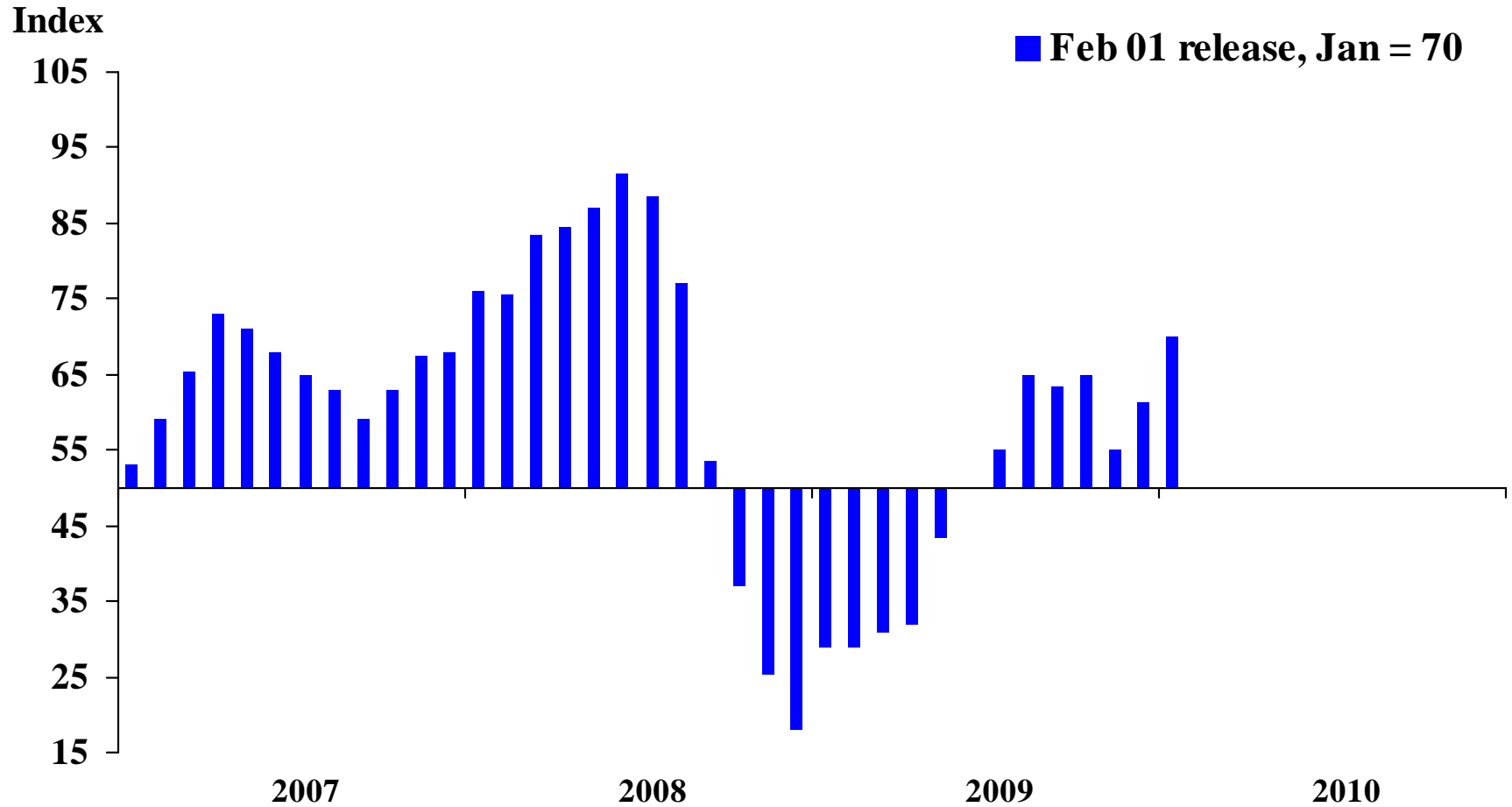


Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



ISM Manufacturing Prices Index

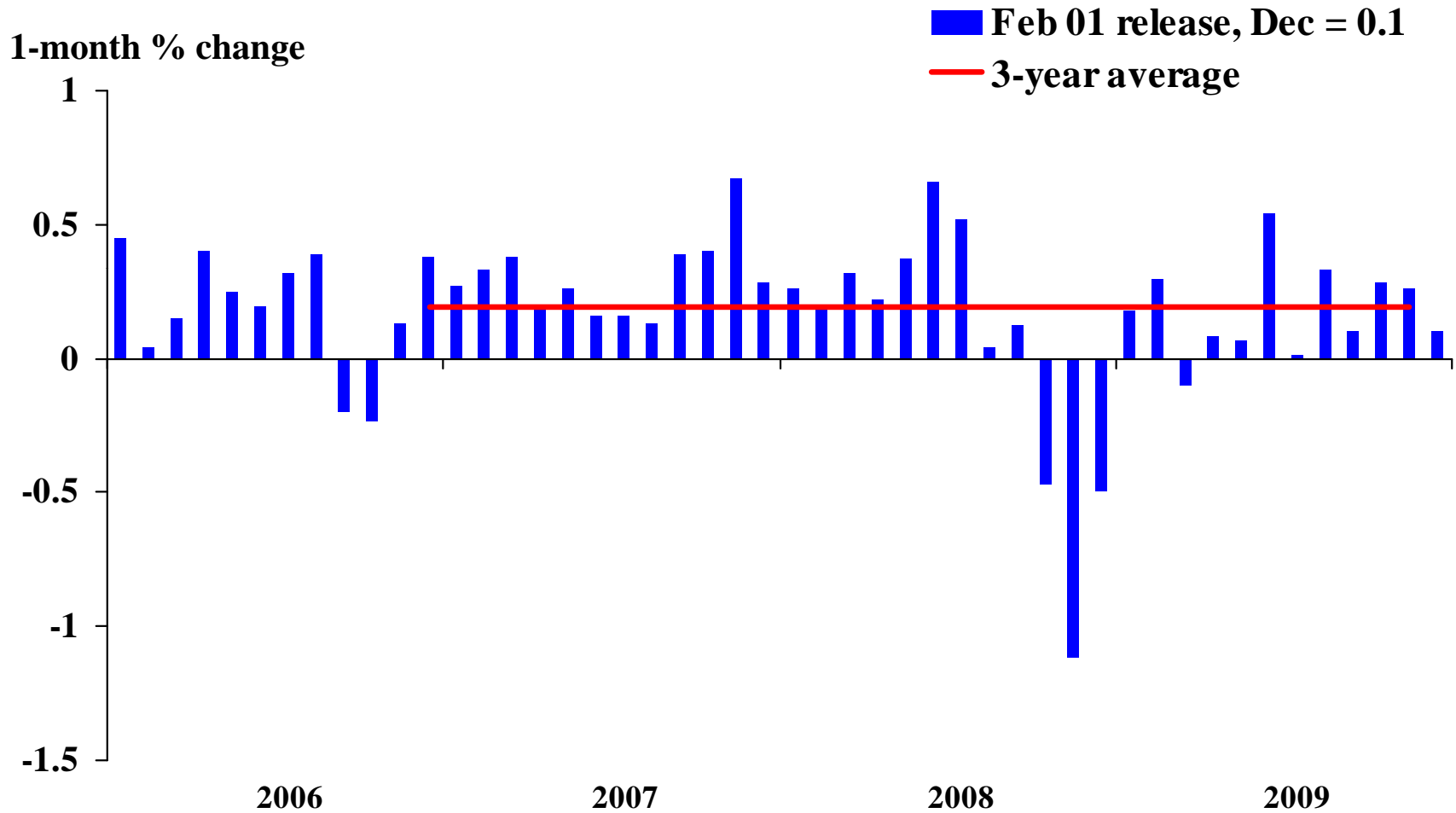


Source : Institute for Supply Management TM

<http://www.dallasfed.org>



PCE Price Index



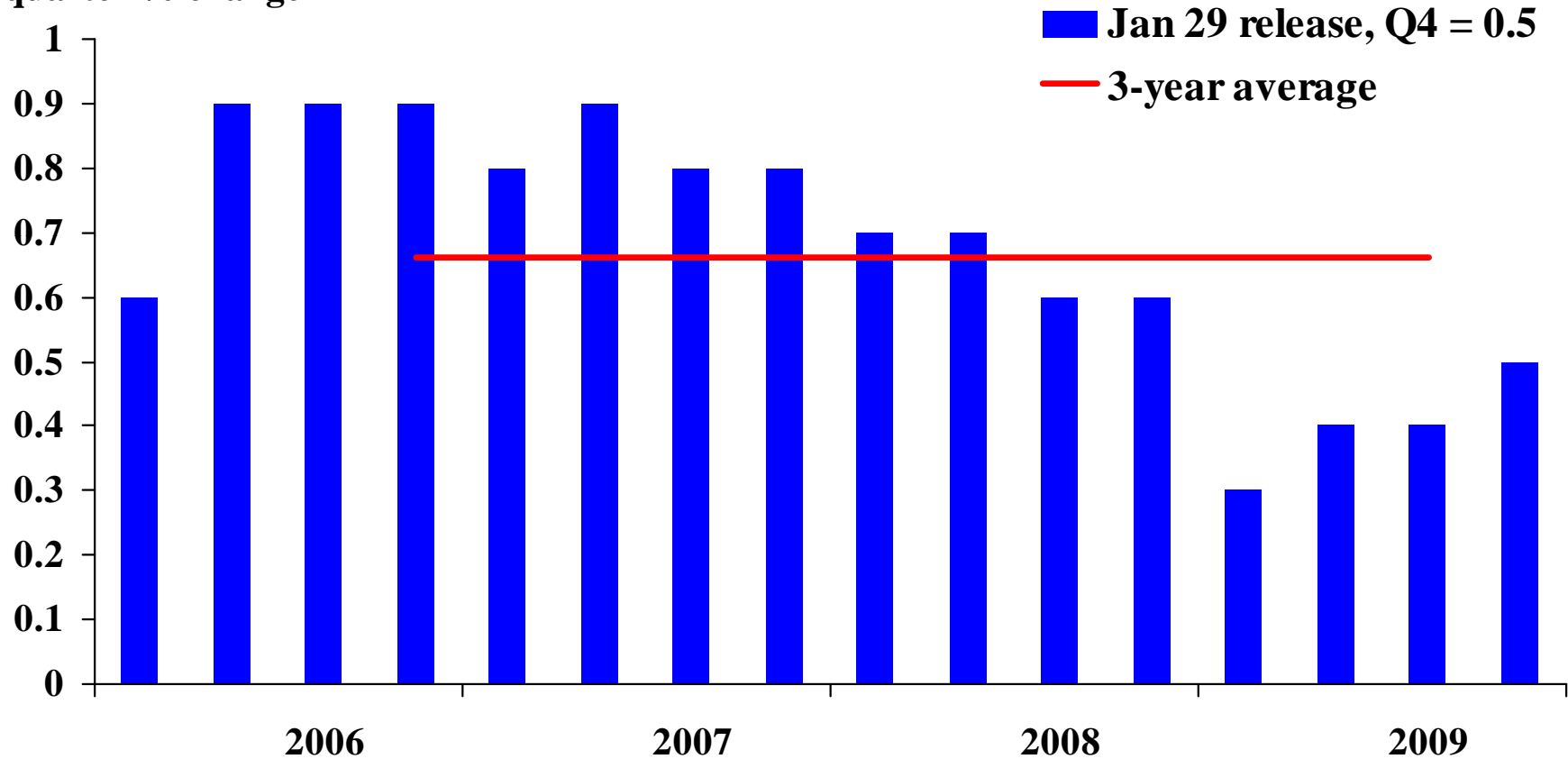
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Employment Cost Index

1-quarter % change



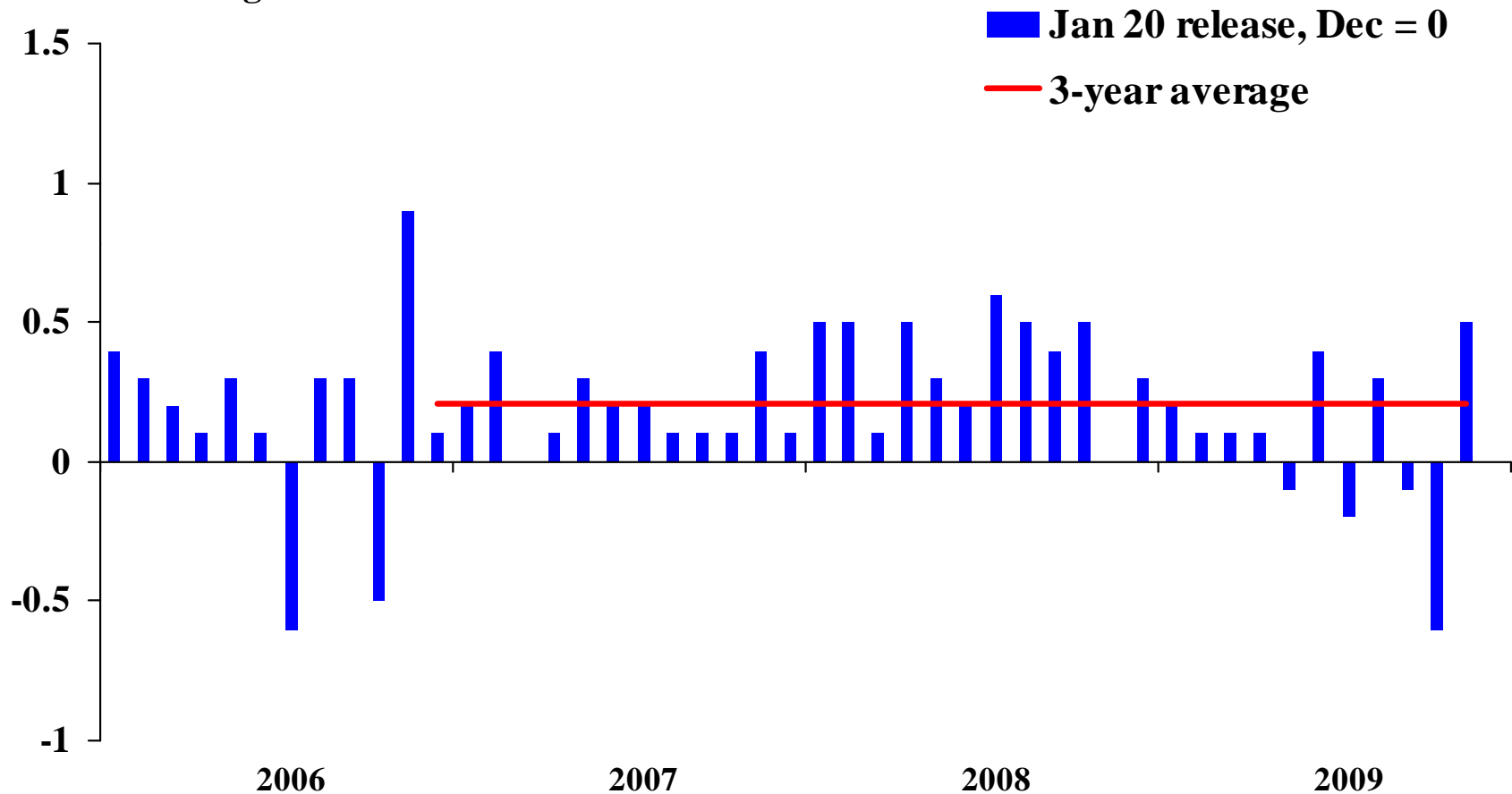
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Core Producer Price Index

1-month % change

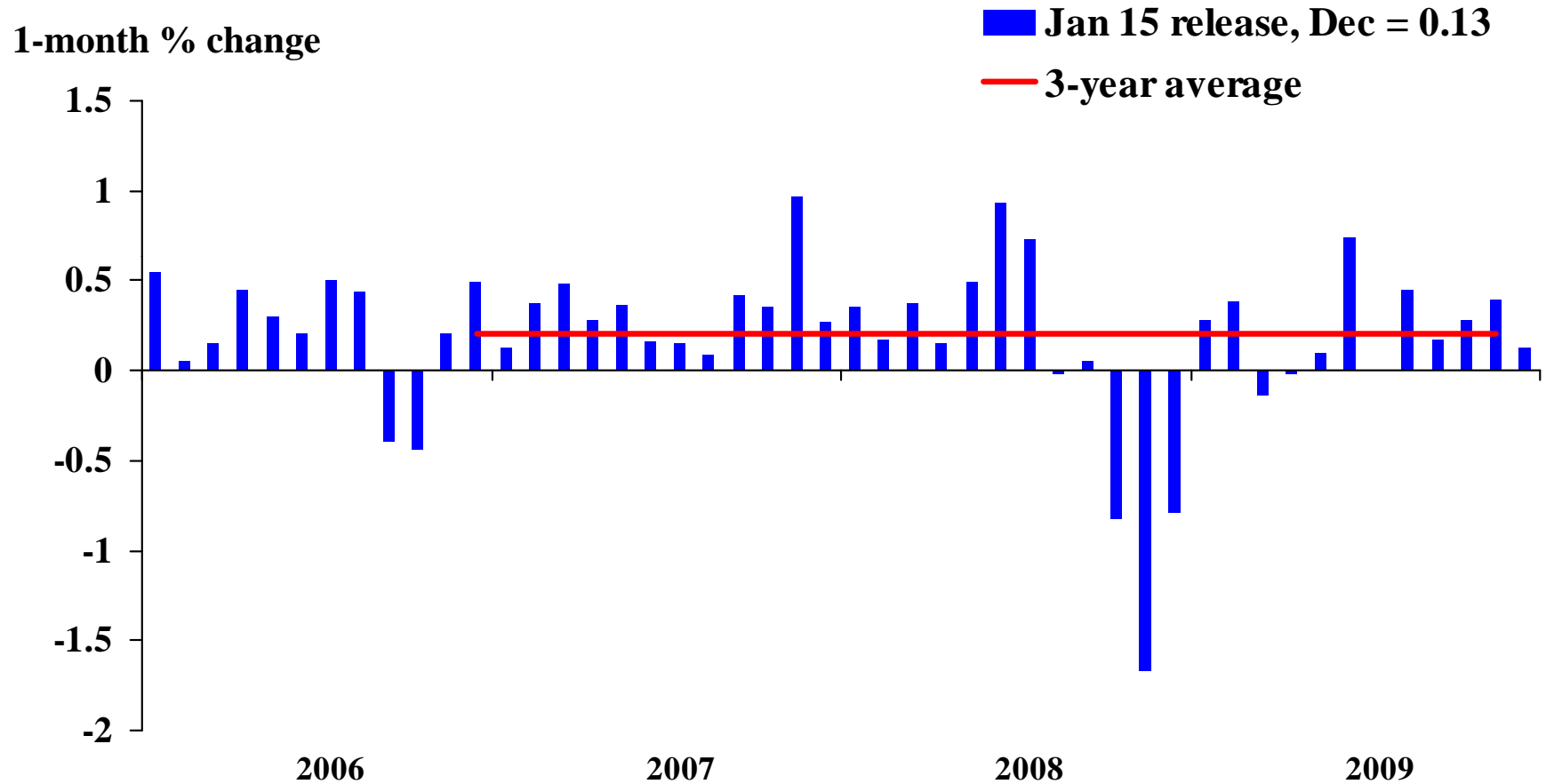


Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Consumer Price Index

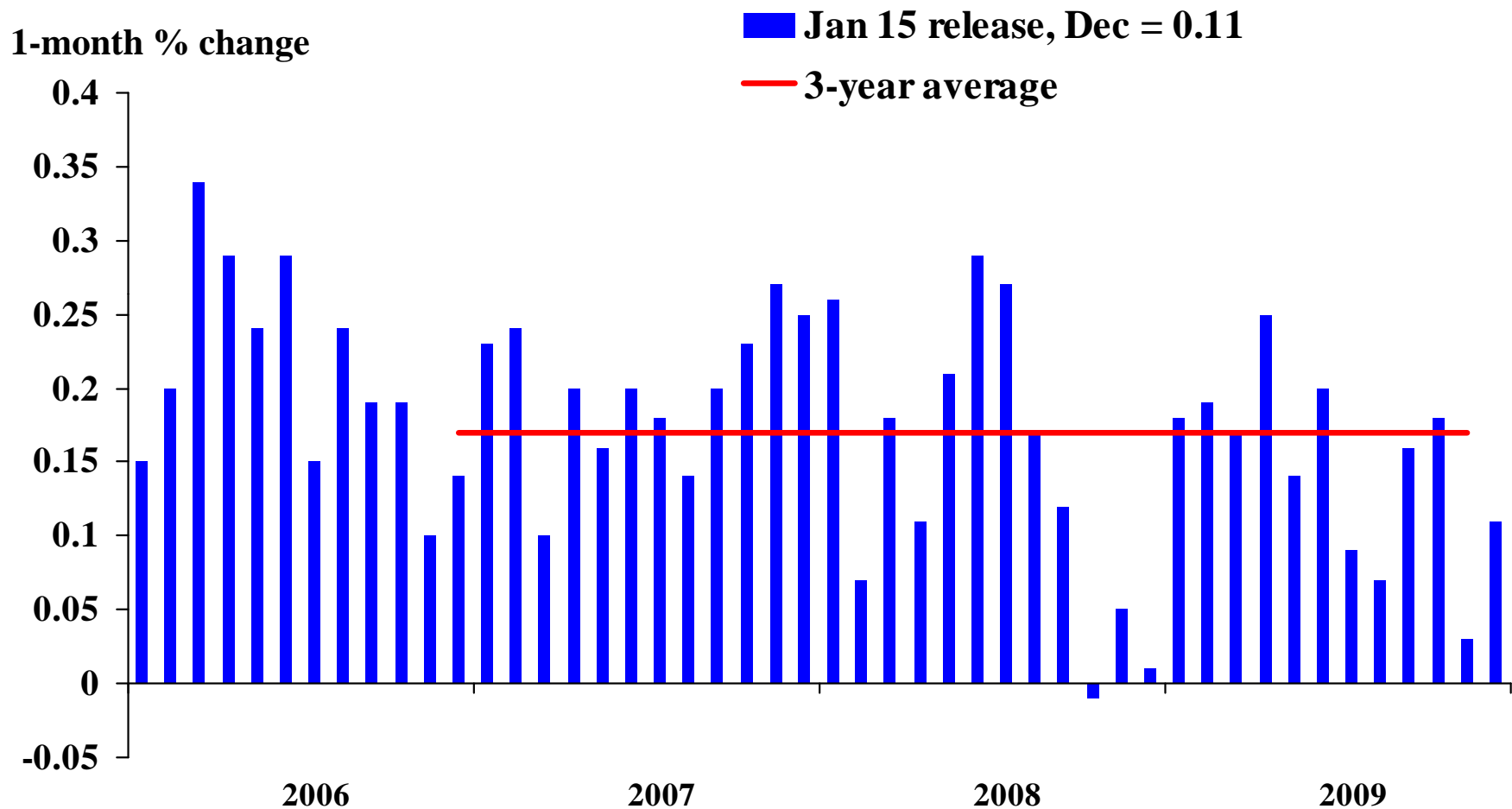


Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Core Consumer Price Index



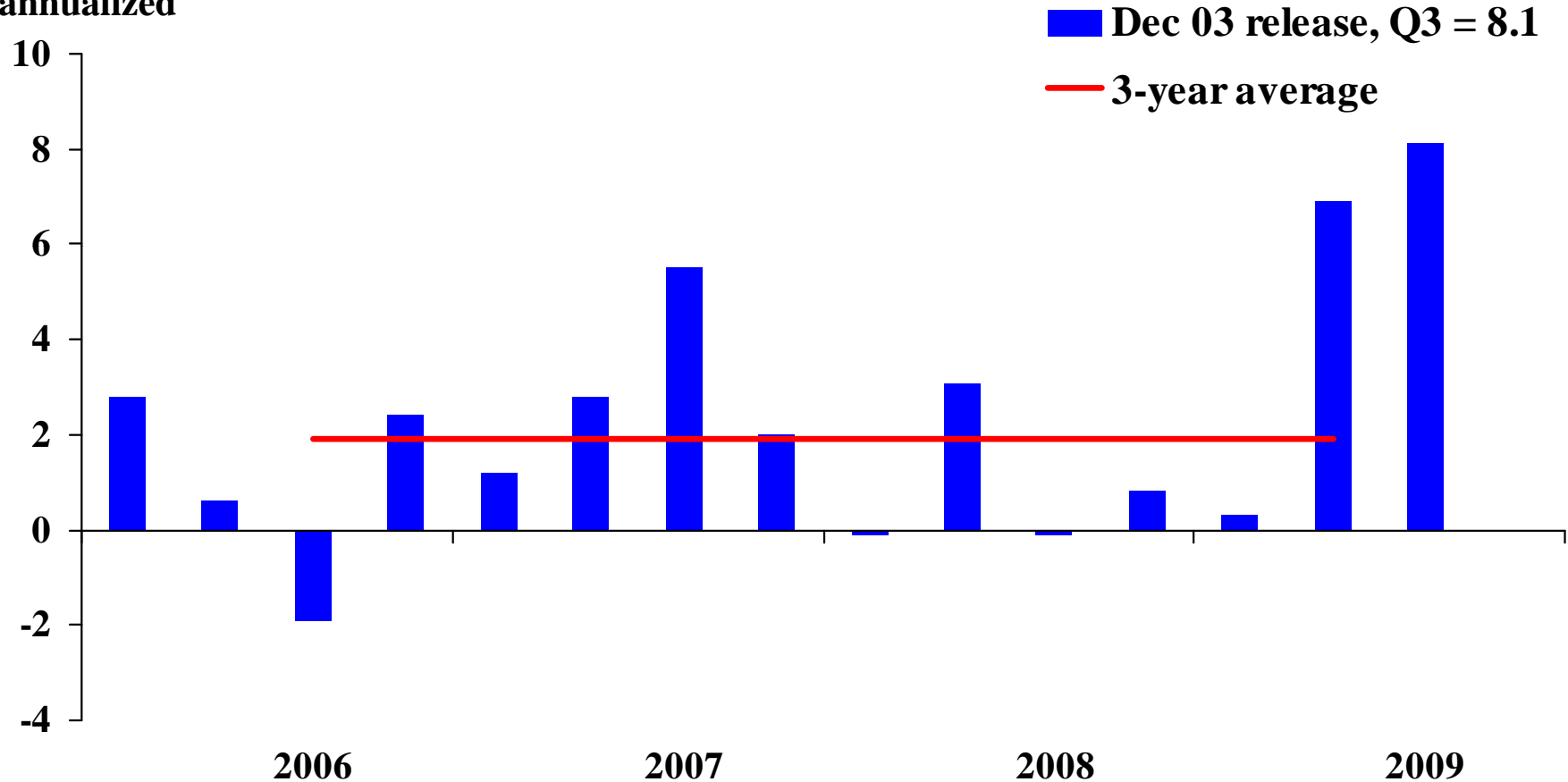
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Nonfarm Business Productivity

1-quarter % change,
annualized



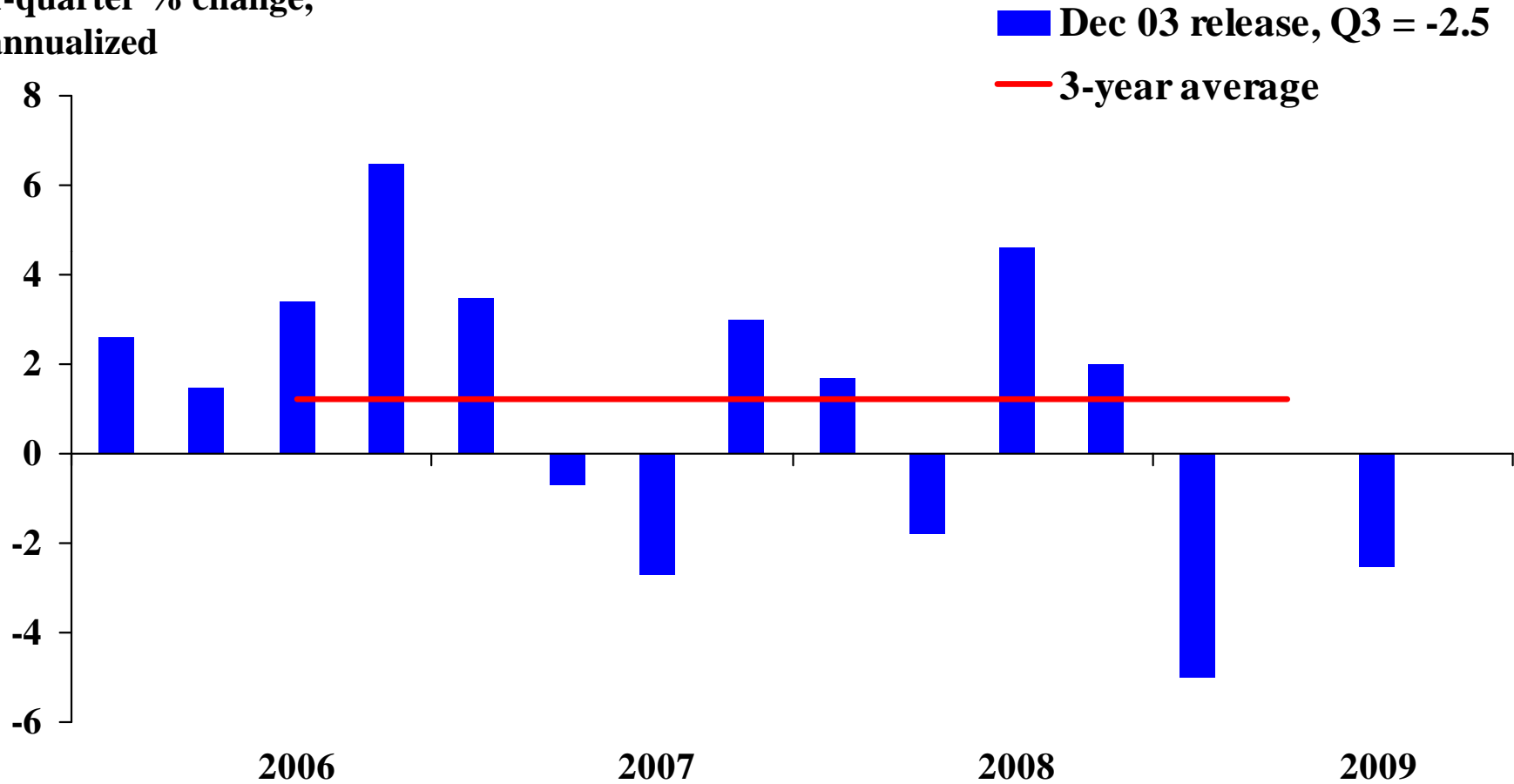
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Nonfarm Business Unit Labor Cost

1-quarter % change,
annualized



Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



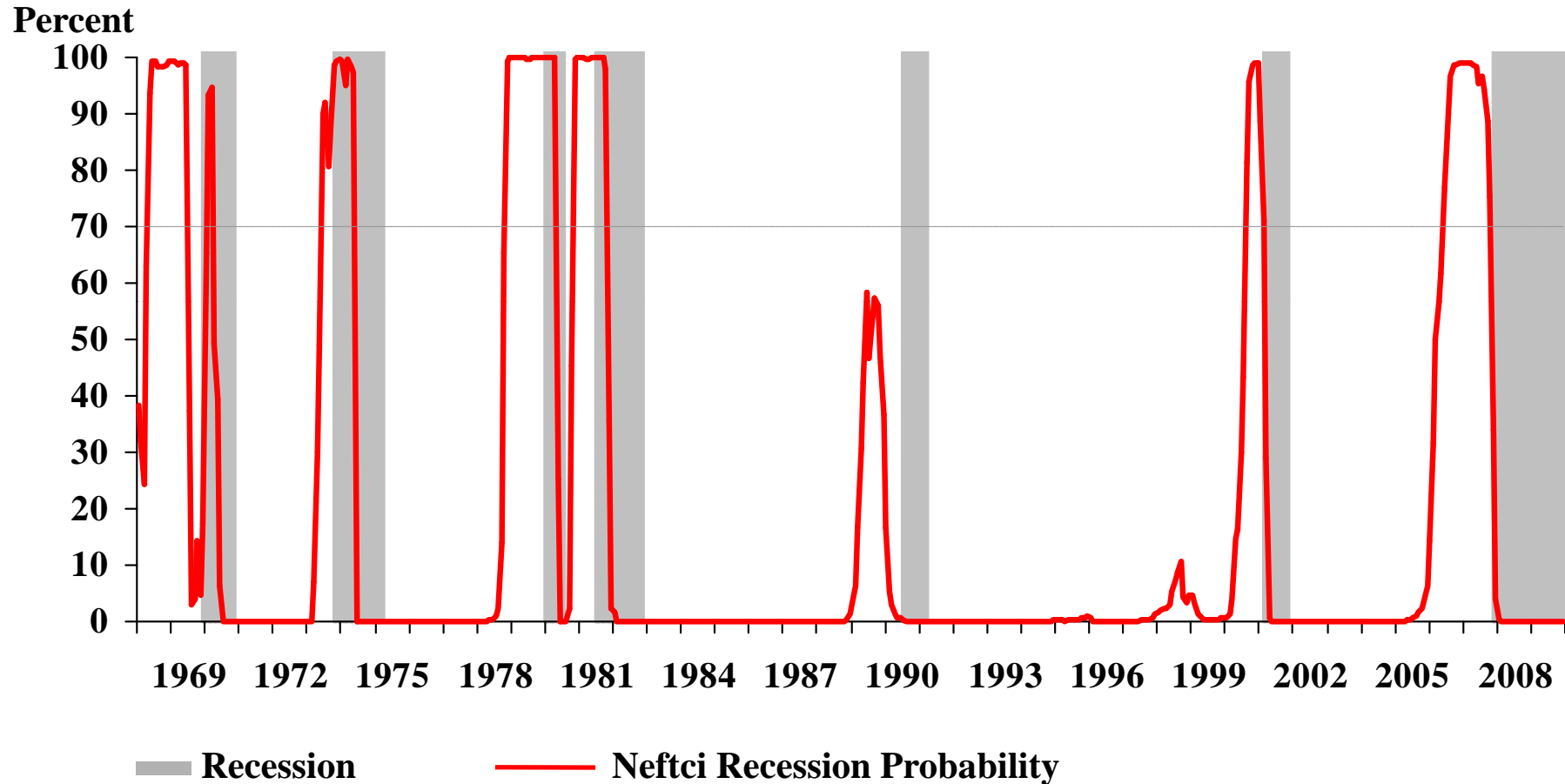
FINANCIAL-SECTOR DEVELOPMENTS

<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.

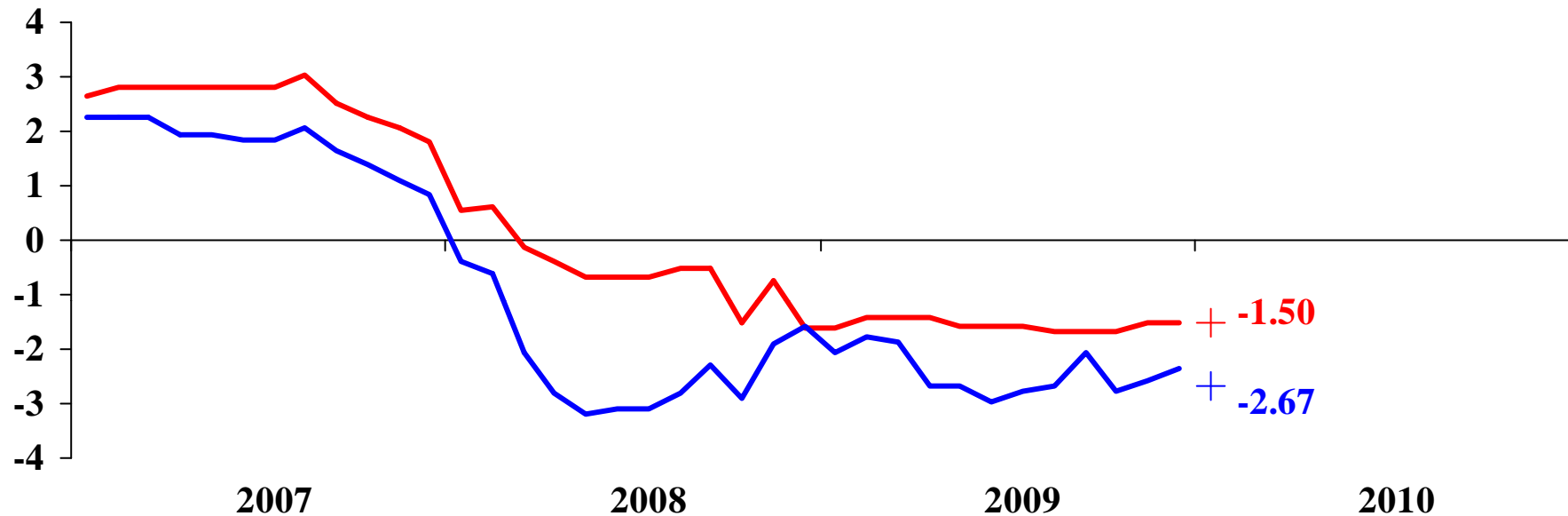
Source: Federal Reserve Board; calculations by FRB Dallas

<http://www.dallasfed.org>



Real Federal Funds Rate

Percent

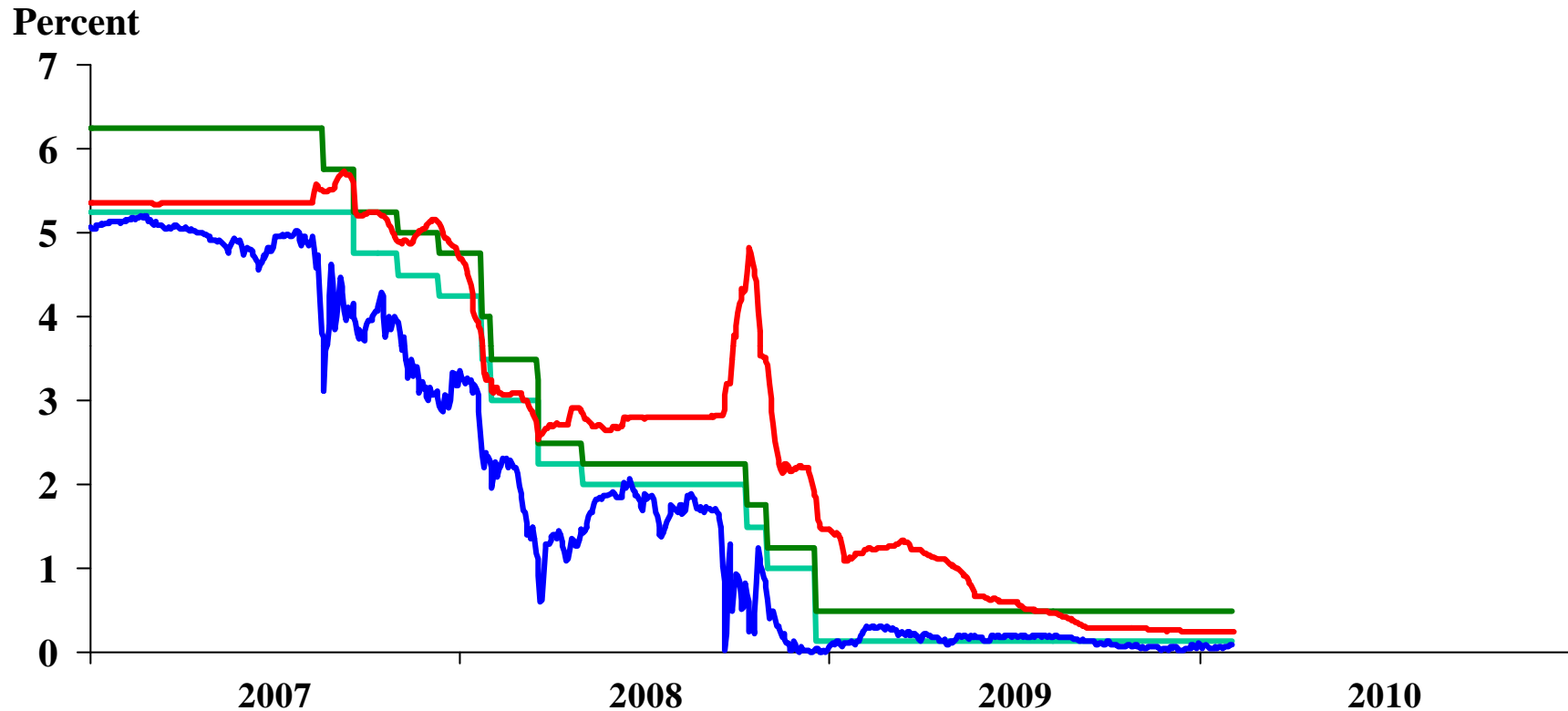


- End-of-Month Target Fed Funds Rate less SPF Expected Inflation
- + Target Fed Funds Rate (Jan 29) less SPF Expected Inflation (Nov 15)
- End-of-Month Target Fed Funds Rate less U. of Michigan Expected Inflation
- + Target Fed Funds Rate (Jan 29) less U. of Michigan Expected Inflation (Dec 23)

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



- Target Fed Fund Rate (Jan 29 = 0.125)
- 3-Month T-Bill Rate (Jan 28 = 0.08)
- Discount Window Primary Credit Rate (Jan 28 = 0.5)
- 3-month LIBOR (Feb 01 = 0.249)

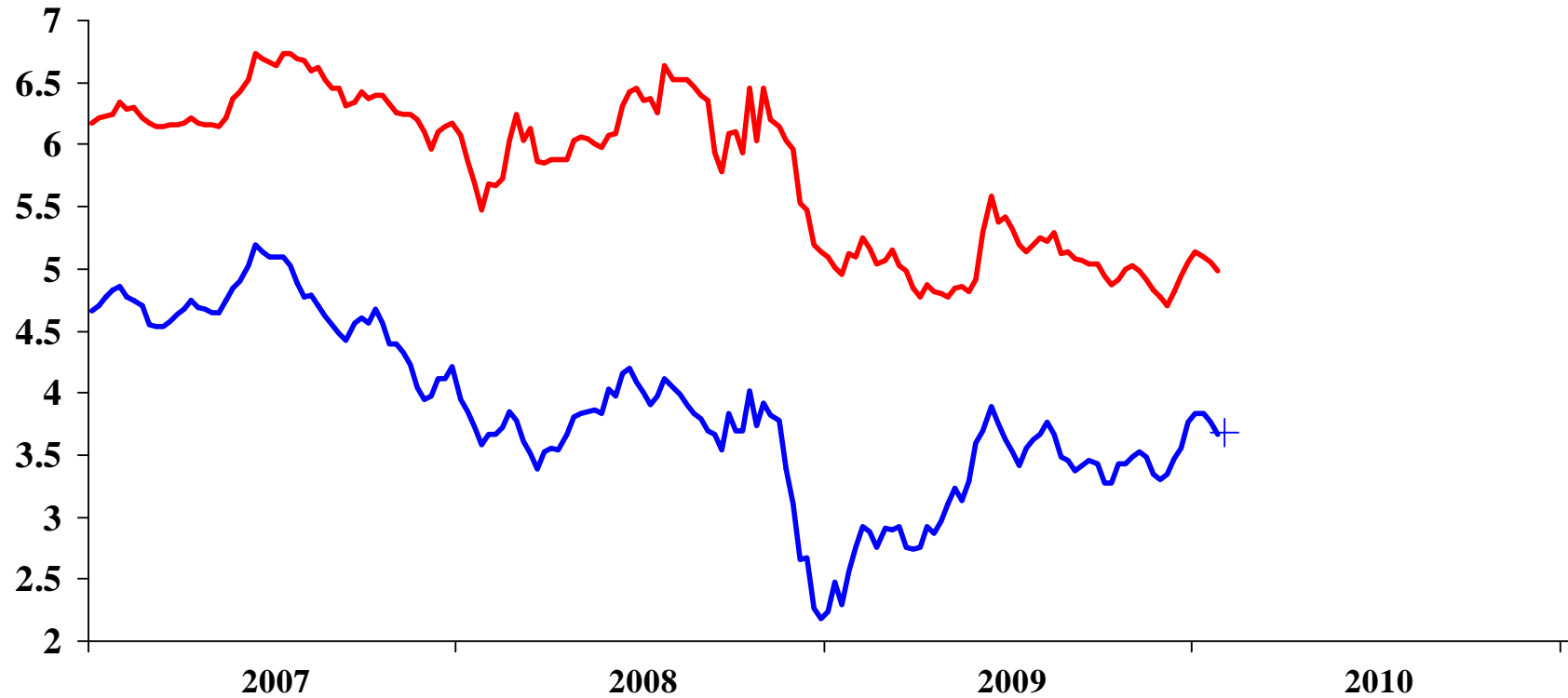
Source: Federal Reserve Board

<http://www.dallasfed.org>



Long-Term Interest Rates

Percent



- Mortgage Rate (week of Jan 22= 4.99)
- 10-year T-Bond (week of Jan 22= 3.66)
- + 10-year T-Bond (Jan 28 = 3.68)

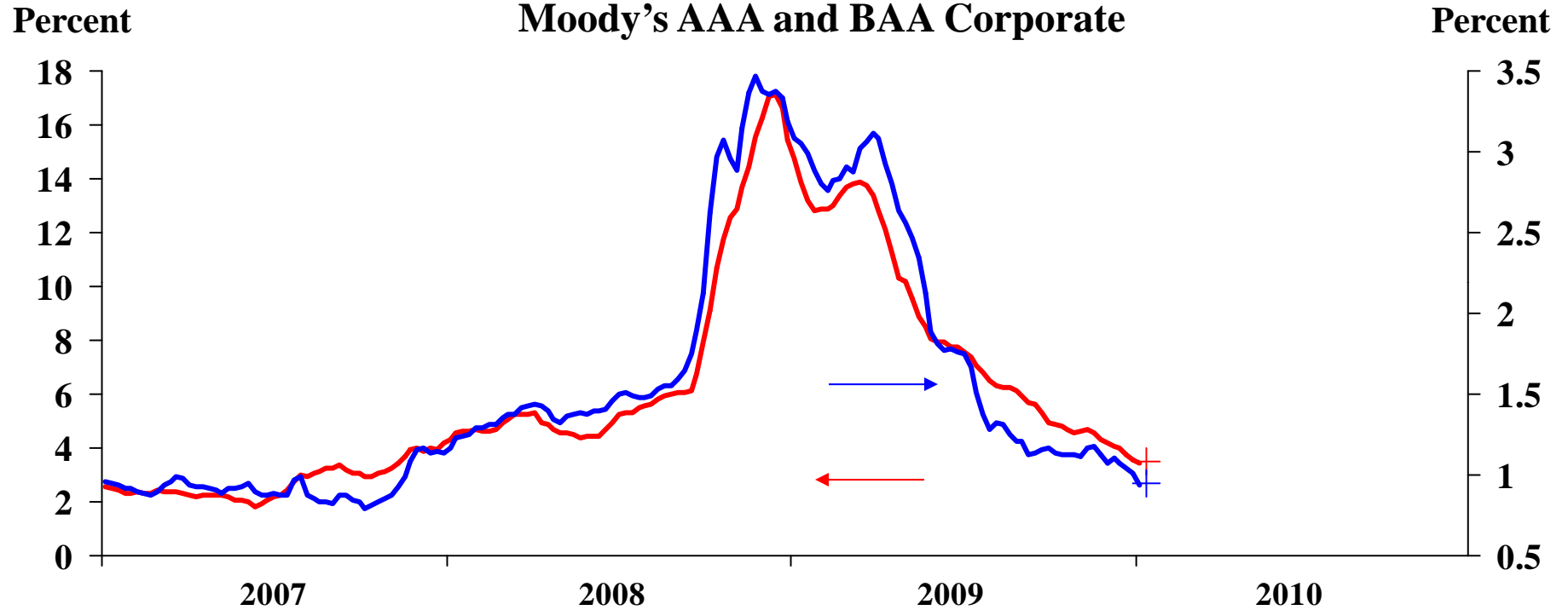
Source: Federal Reserve Board

<http://www.dallasfed.org>



Bond Spreads

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



— Low-Grade Corporate less AAA Corporate (week of Jan 22 = 3.43)

+ Daily (Jan 28 = 3.5)

— BAA Corporate less AAA Corporate (week of Jan 22 = 0.94)

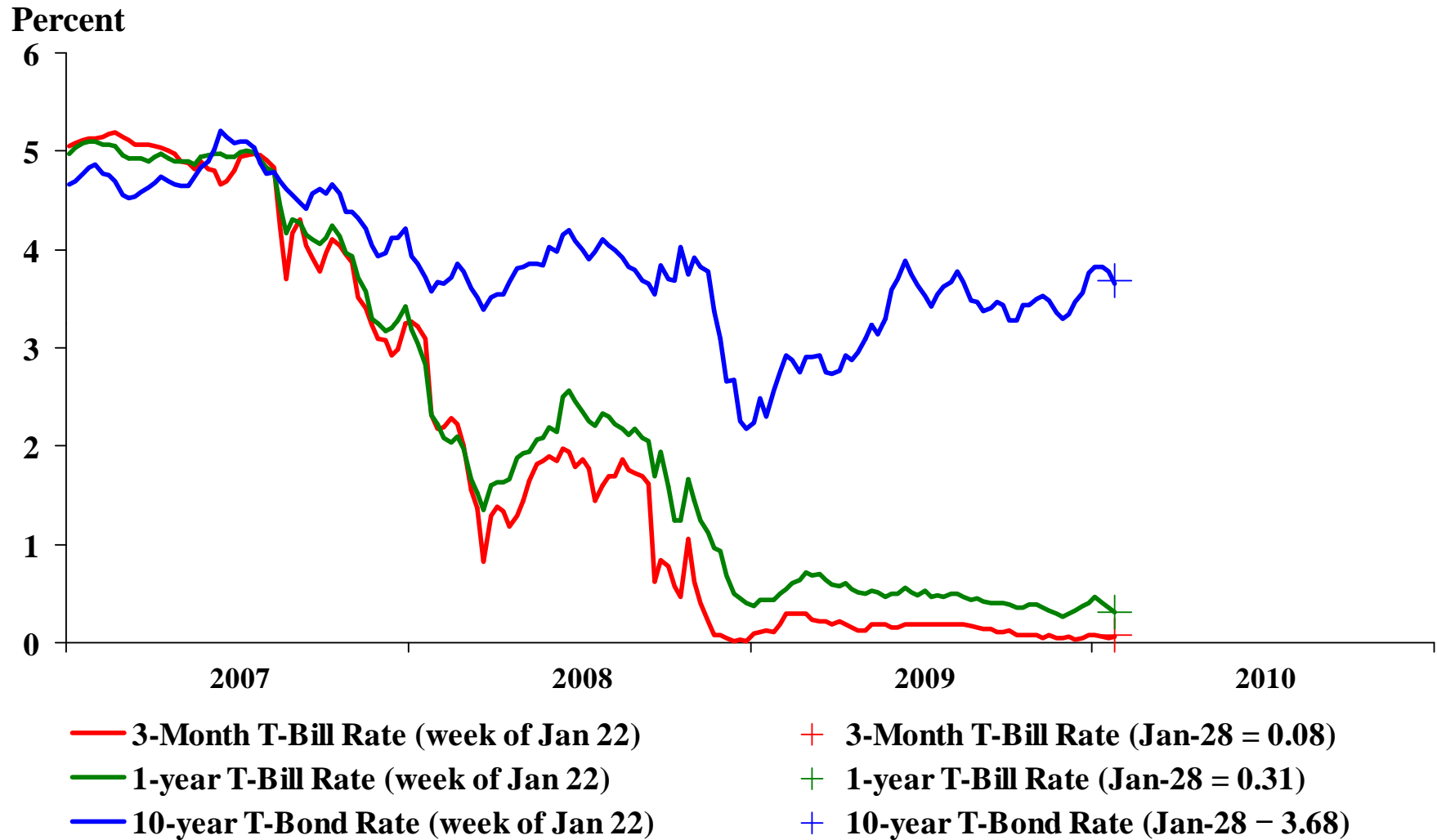
+ Daily (Jan 28 = 0.95)

Source: Moody's Investors Service, Merrill Lynch

<http://www.dallasfed.org>



Yield Curve



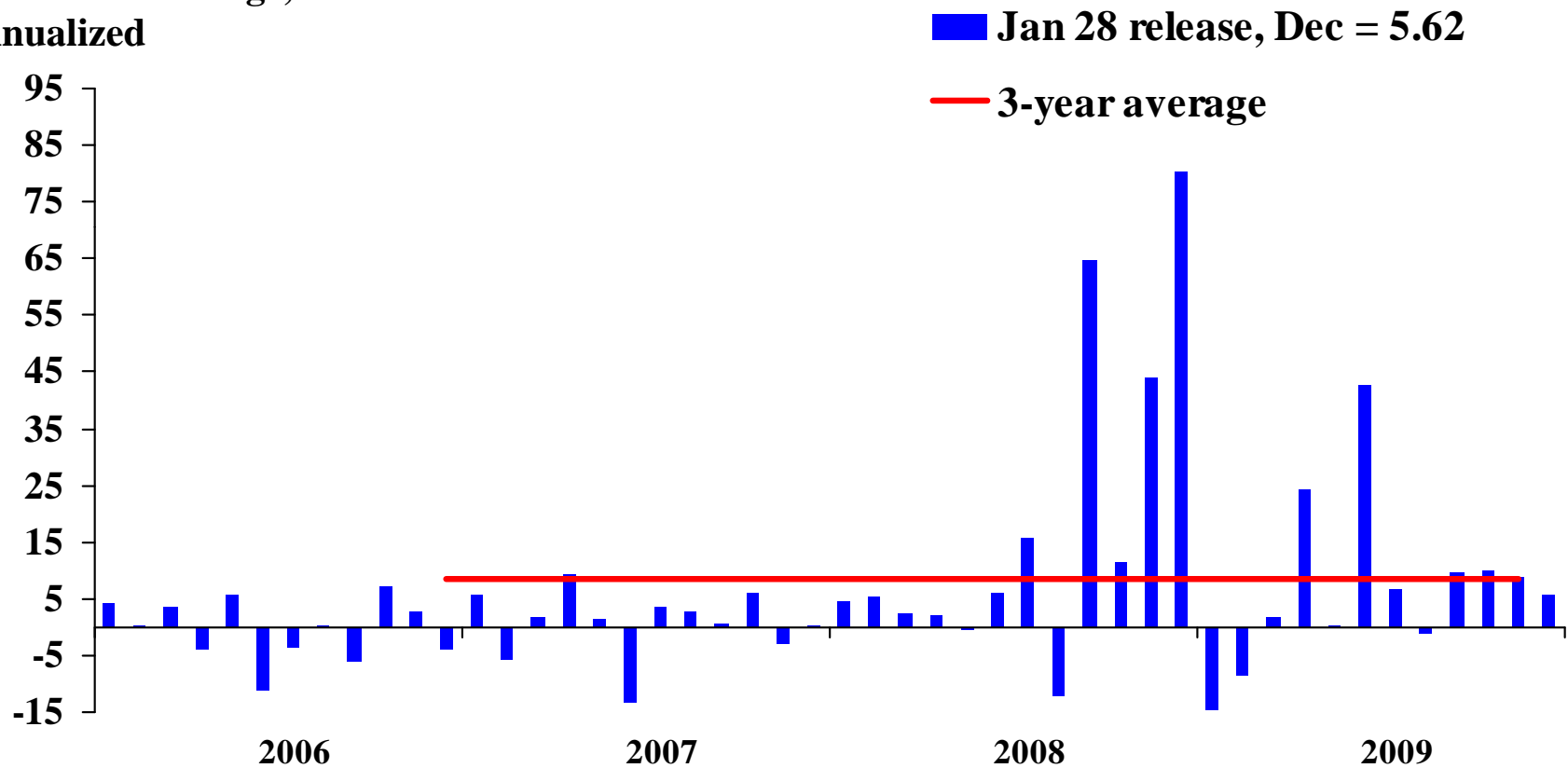
Source: Federal Reserve Board

<http://www.dallasfed.org>



Money Supply: M1

1-month % change,
annualized



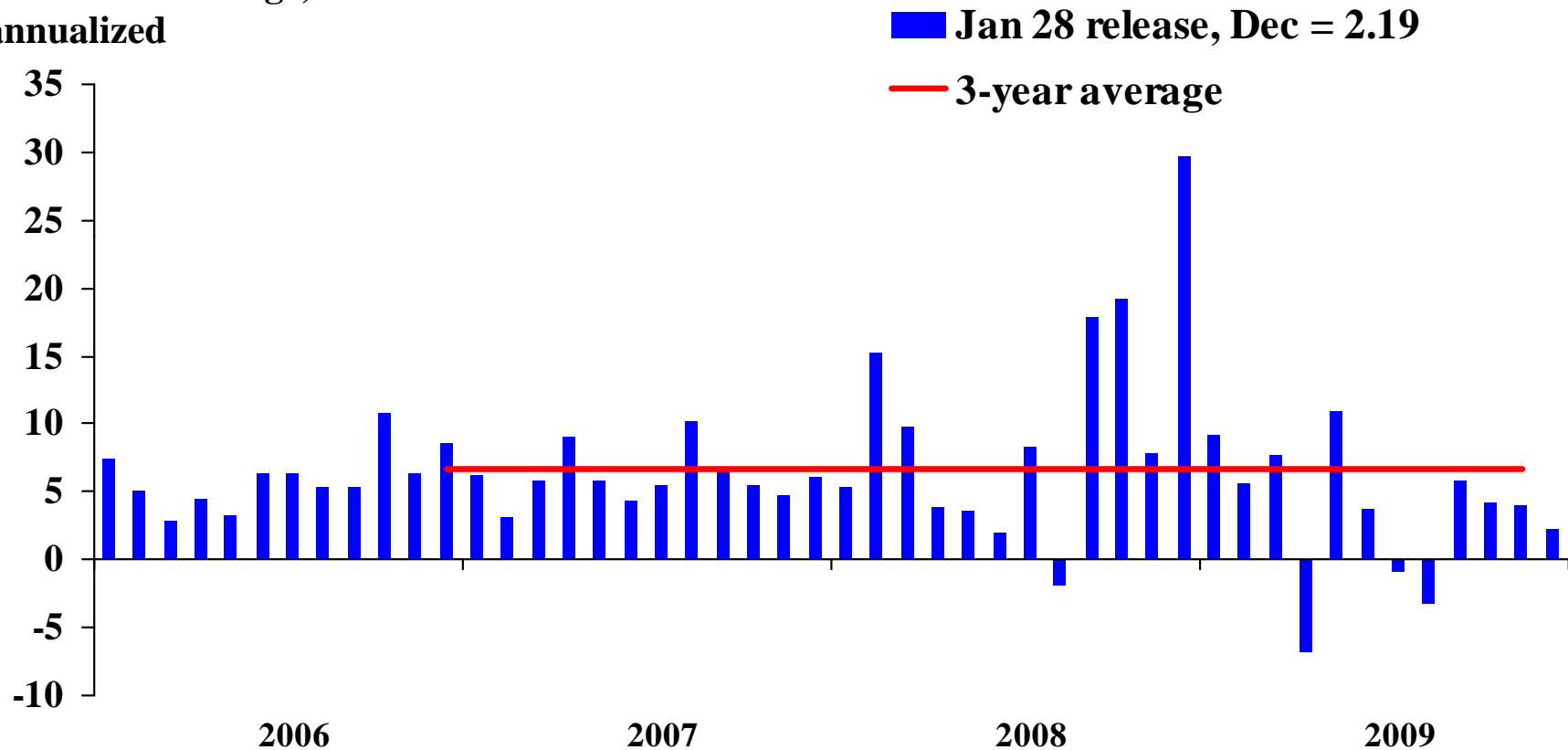
Source: Federal Reserve Board

<http://www.dallasfed.org>



Money Supply: M2

1-month % change,
annualized



Source: Federal Reserve Board

<http://www.dallasfed.org>