



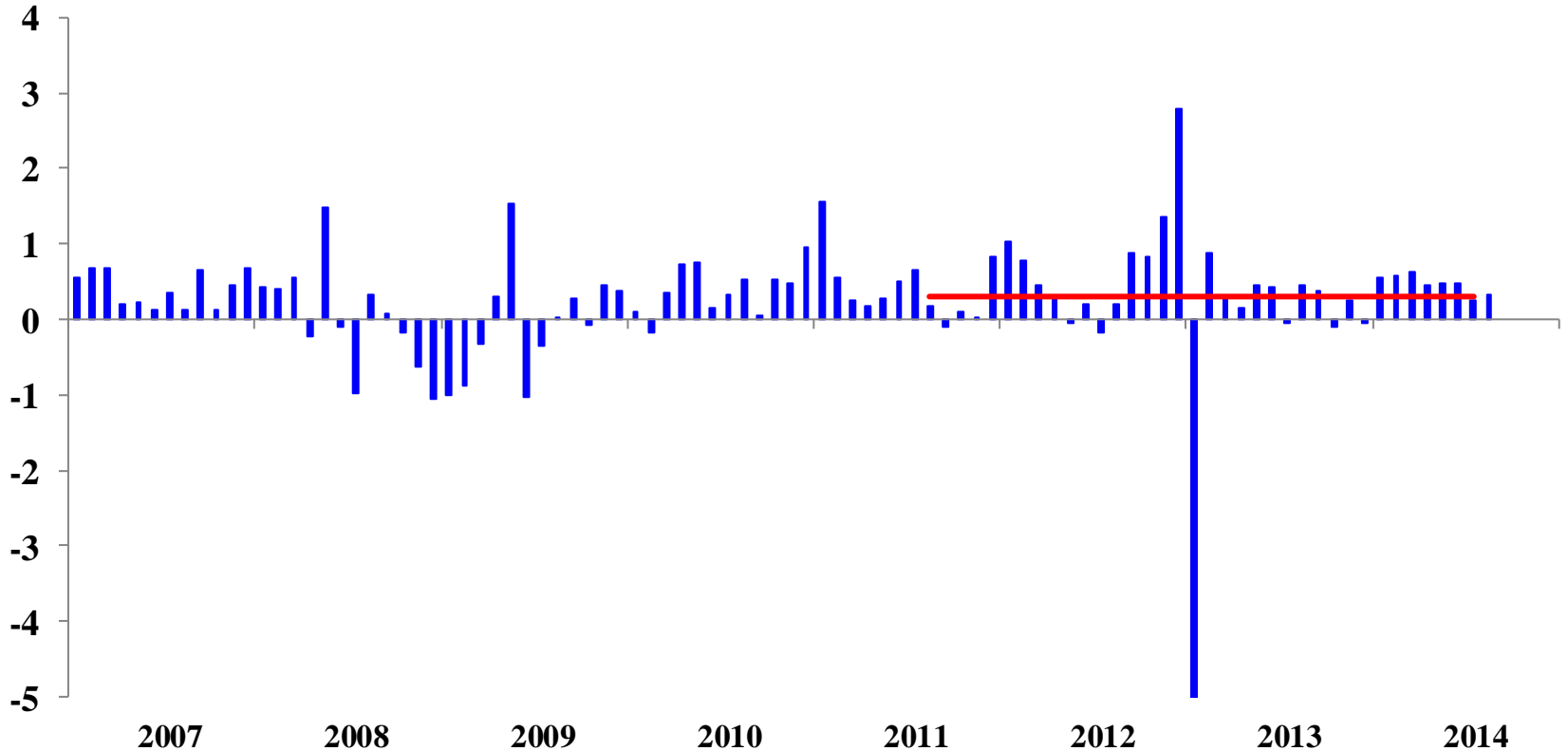
U.S. ECONOMIC ACTIVITY

<http://www.dallasfed.org>



Personal Income

1-month % change



■ Sep-29-release, Aug = 0.32

— 3-year average

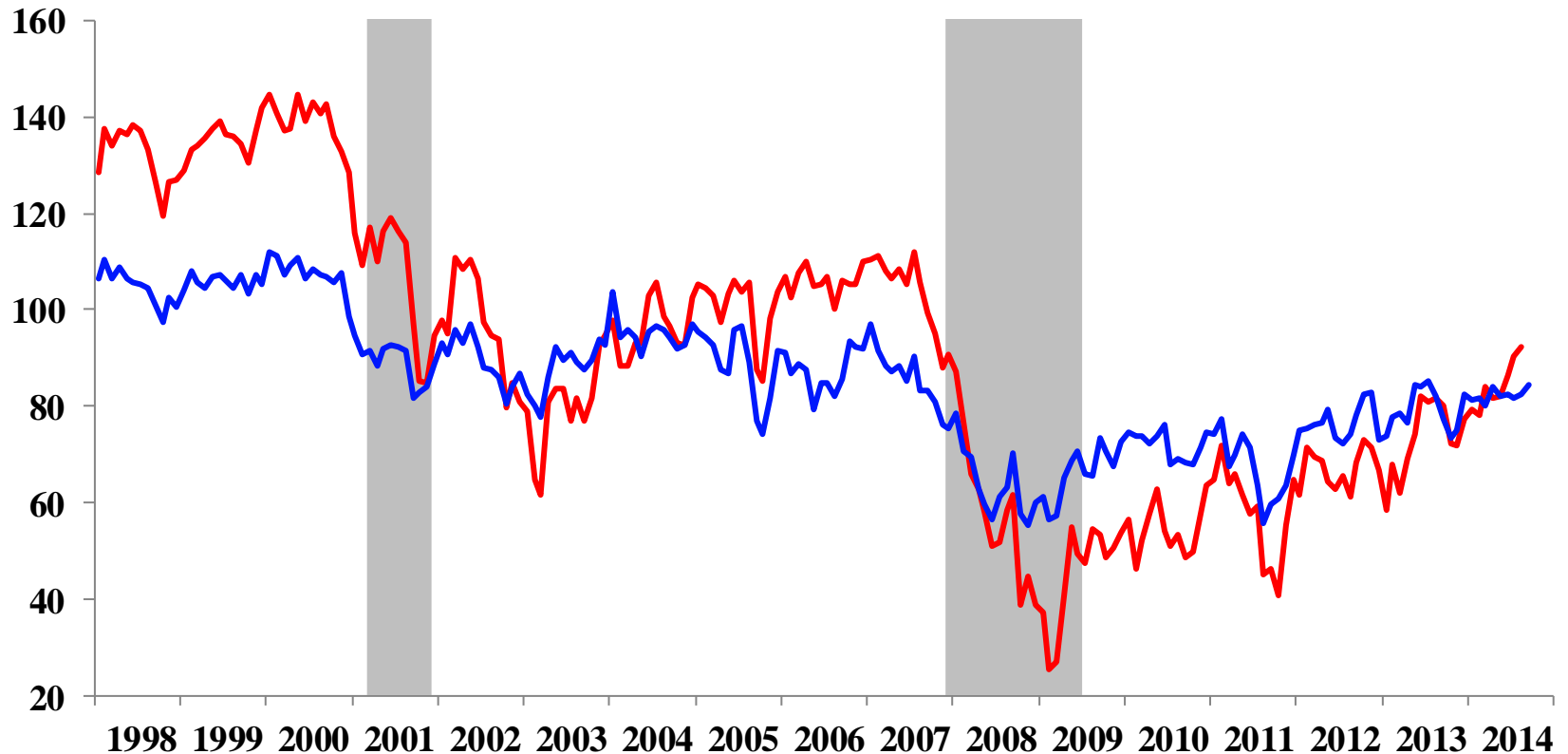
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Consumer Confidence/Sentiment

Index



■ Recession — Confidence (Aug-26-release, Aug = 92.4) — Sentiment (Sep-26-release, Sep = 84.6)

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

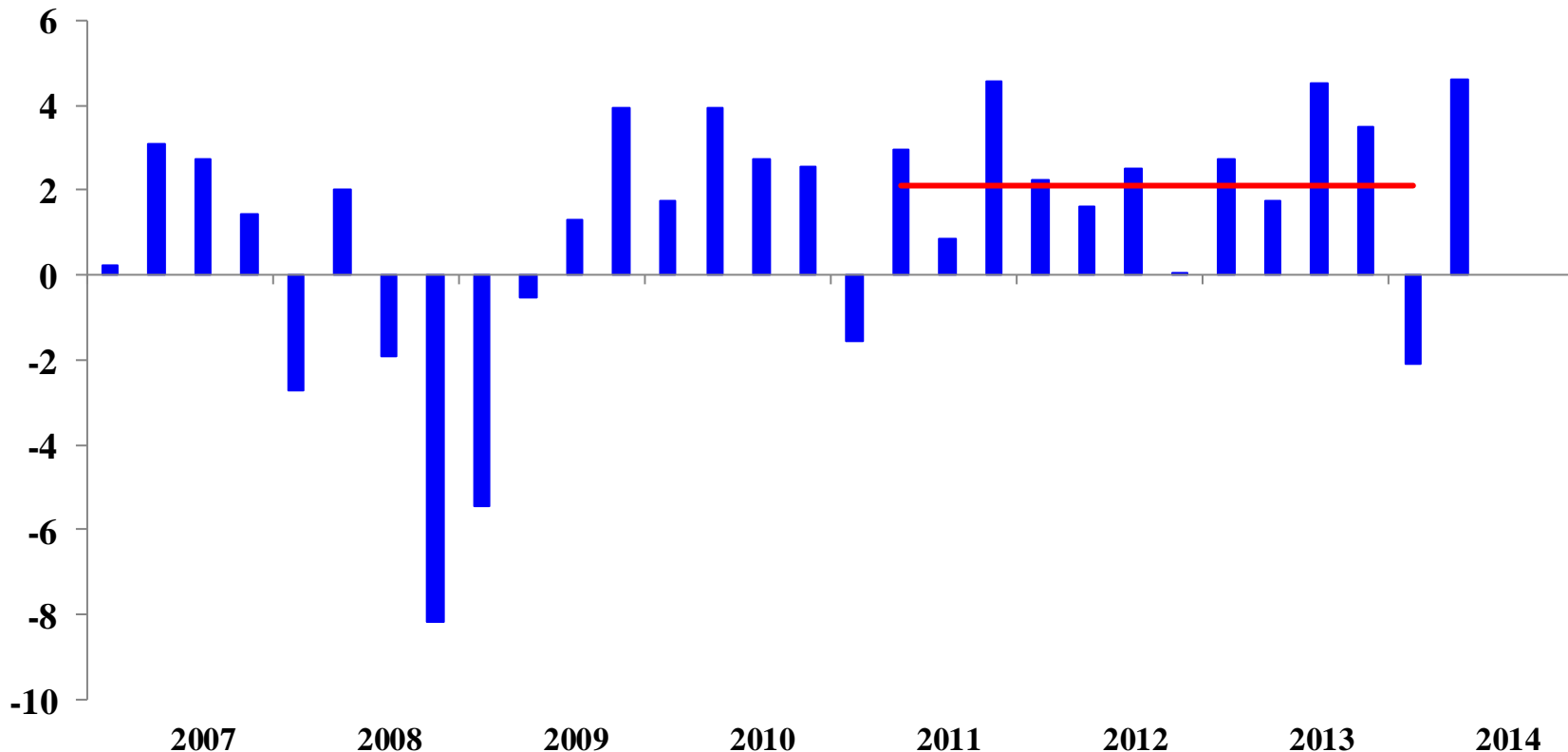
Consumer Confidence: The Conference Board

<http://www.dallasfed.org>



Real GDP

1-quarter % change,
annualized



■ Sep-26-release, Q2 = 4.6

— 3-year average

Source: Bureau of Economic Analysis

<http://www.dallasfed.org>

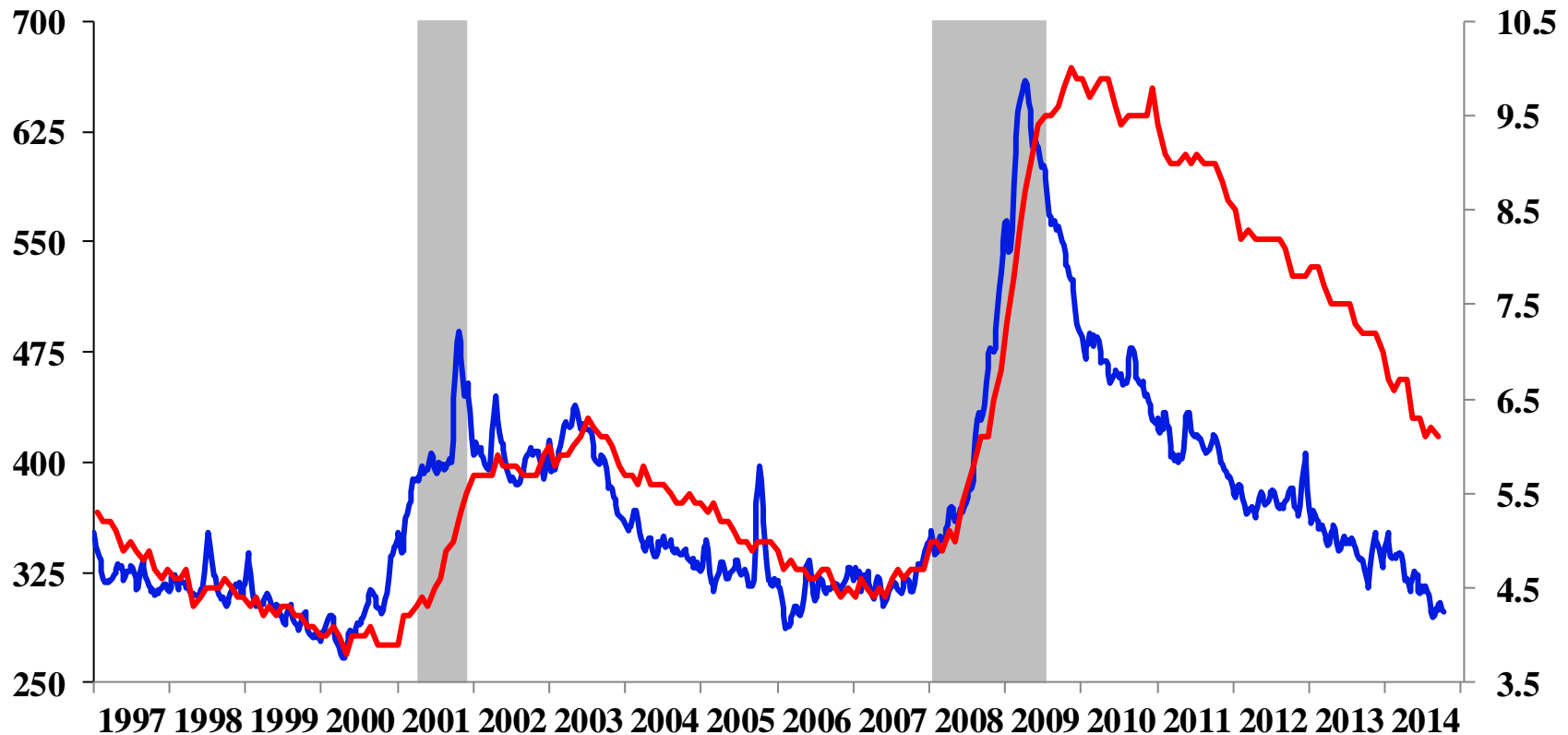


Initial Claims for Unemployment and Unemployment Rate

4-week MA

Thousands of Initial Claims

Percent Unemployment



Recession

Initial Claims (Sep-25-release, Sep 20=299)

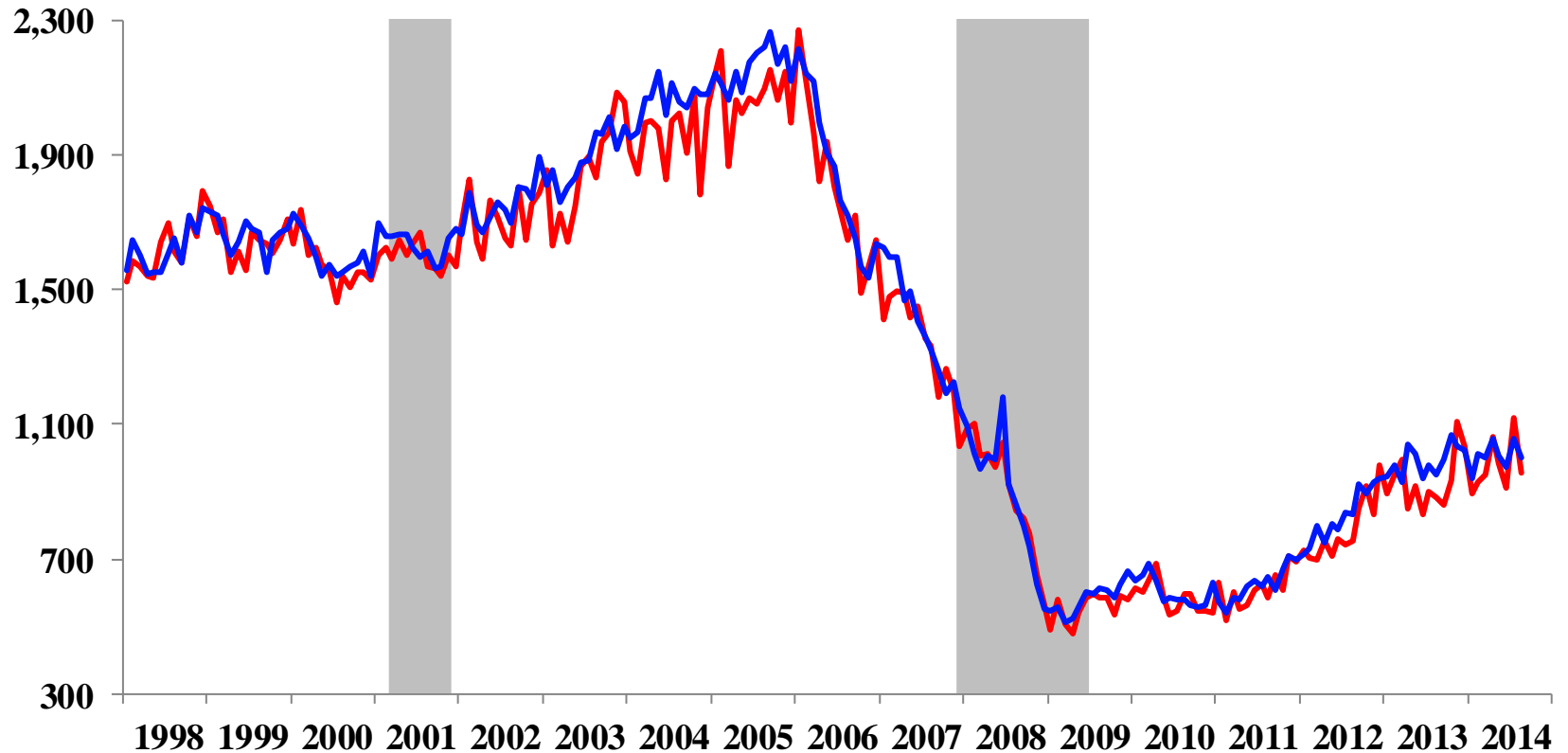
Unemployment Rate (Sep-05-release, Aug=6.1)

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



Housing Starts and Permits

Thousands



Recession

Housing Starts (Sep-18-release, Aug = 956)

Permits Issued (Sep-25-release, Aug = 1003)

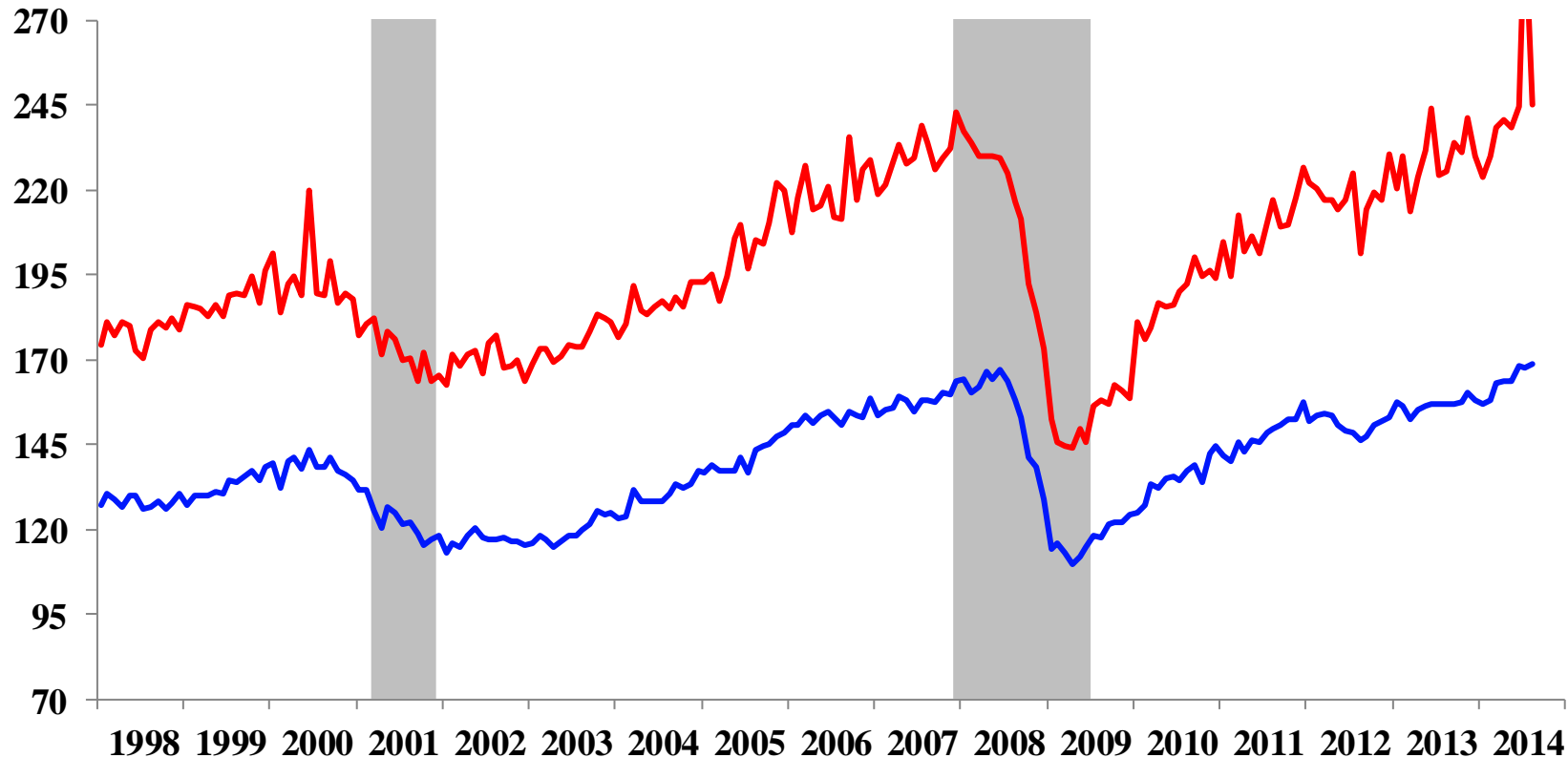
Source: Bureau of the Census

<http://www.dallasfed.org>



New Orders for Durable Goods

Billions of Dollars



— Durable Goods (Sep-25-release, Aug = 245.4) — Excl. Transportation (Sep-25-release, Aug = 168.6)
■ Recession

Source: Bureau of the Census

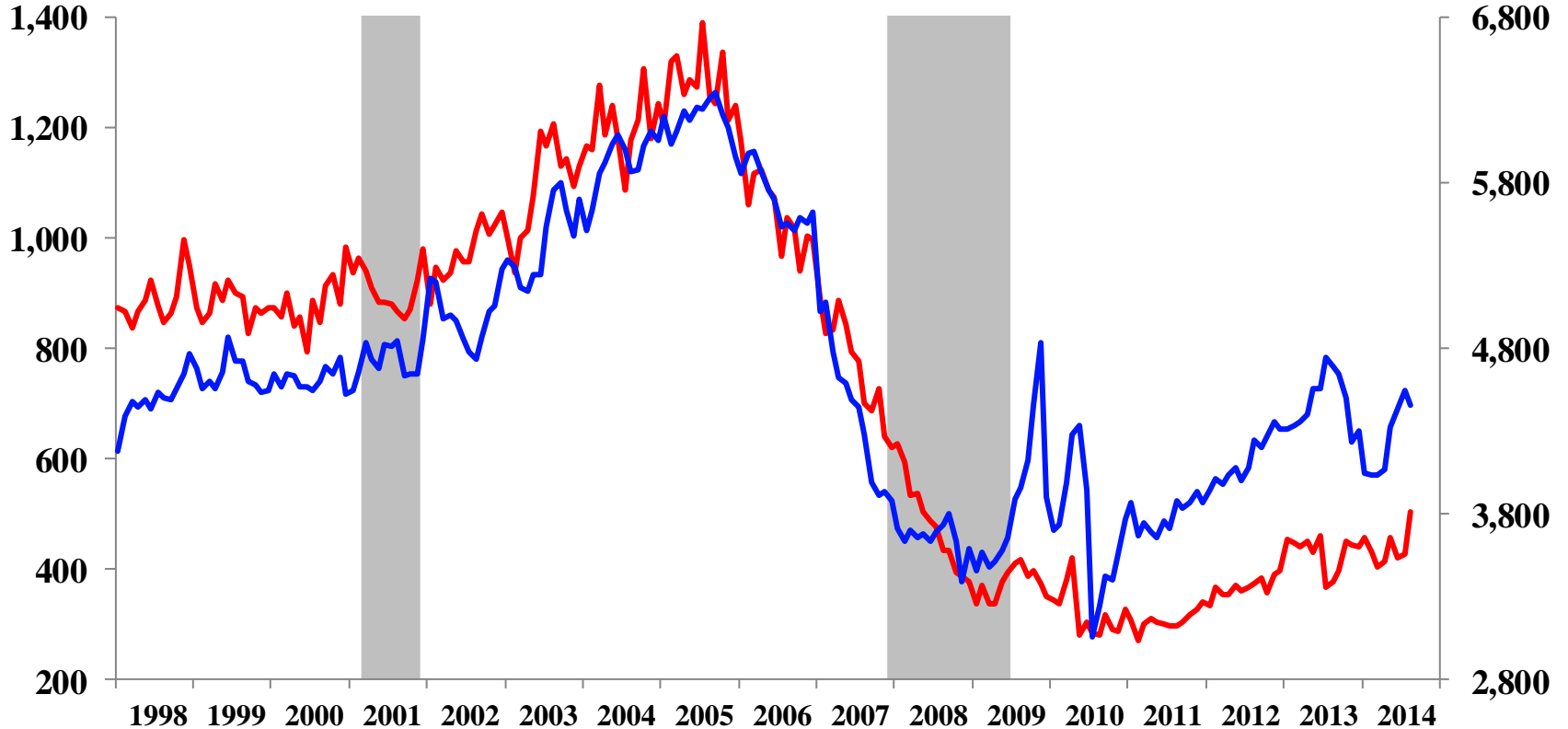
<http://www.dallasfed.org>



Home Sales

Thousands of New Homes

Thousands of Existing Homes



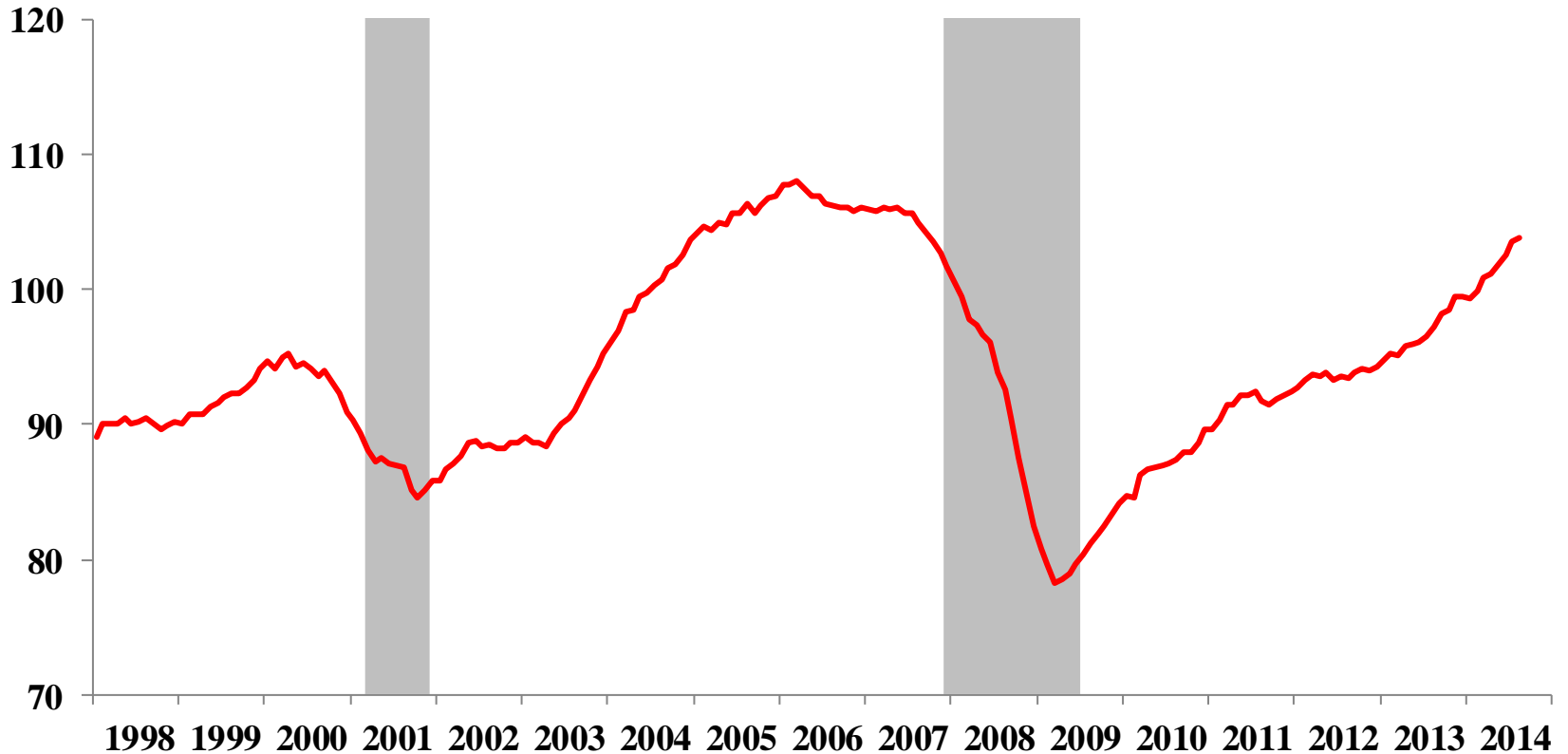
— New Home Sales (Sep-24-release, Aug = 504) — Existing Home Sales (Sep-22-release, Aug = 4460)
■ Recession

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



Index of Leading Economic Indicators

Index



■ Recession

— Leading Index (Sep-21-release, Aug = 103.8)

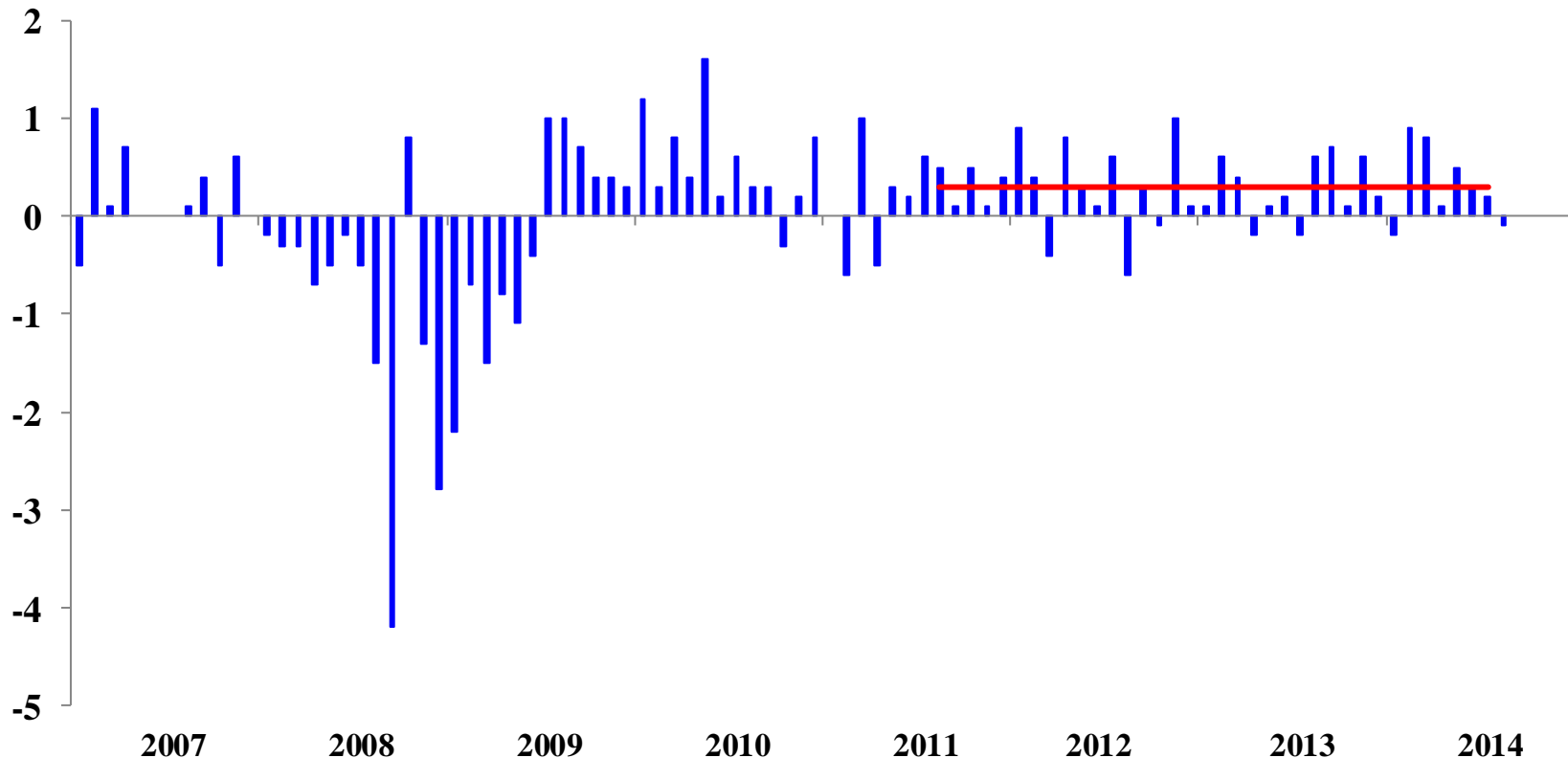
Source: The Conference Board

<http://www.dallasfed.org>



Industrial Production

1-month % change



■ Sep-15-release, Aug = -0.1

— 3-year average

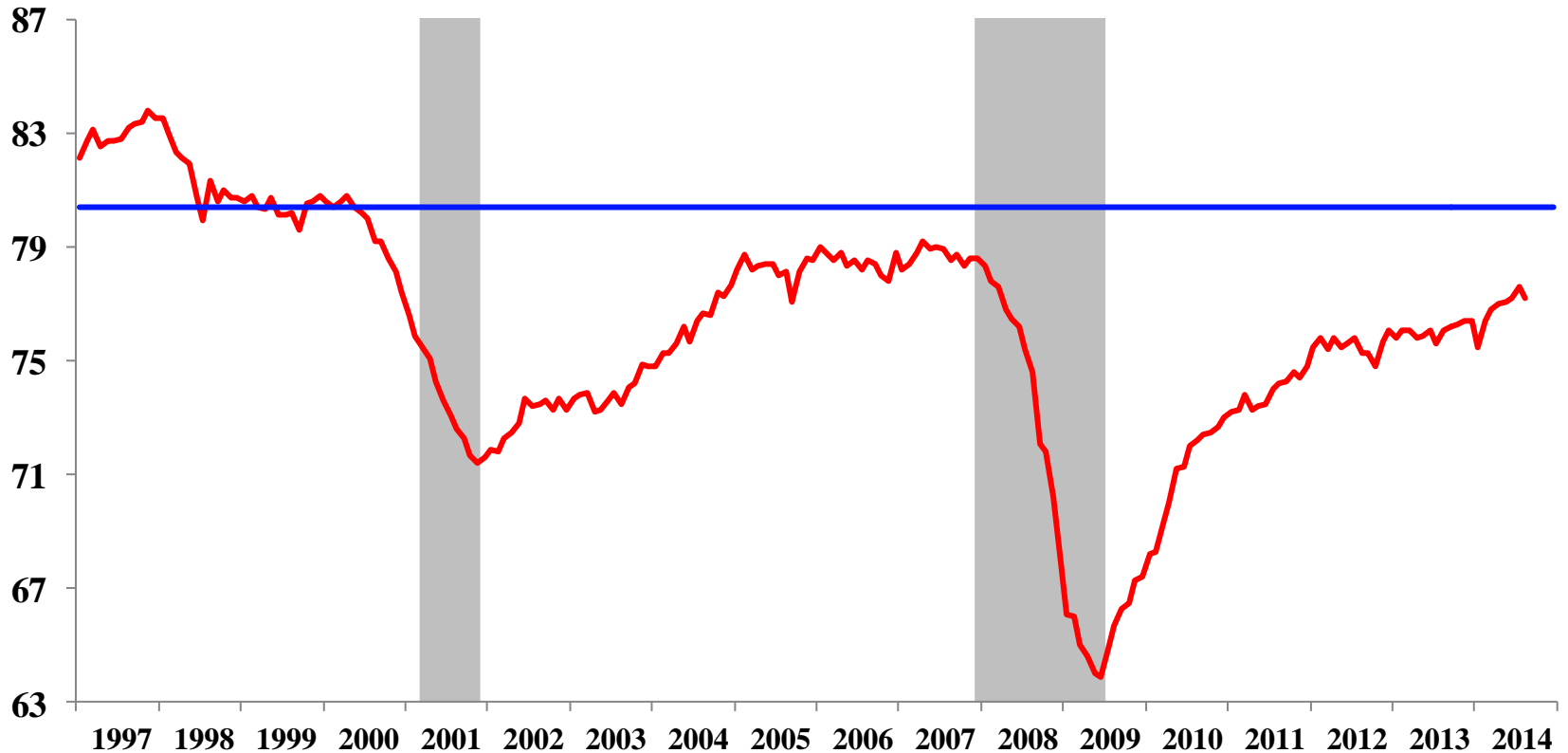
Source: Federal Reserve Board

<http://www.dallasfed.org>



Manufacturing Capacity Utilization Rate

Percent



■ Recession — CU Rate (Sep-15-release, Aug = 77.2) — Historic Average (1948-present)

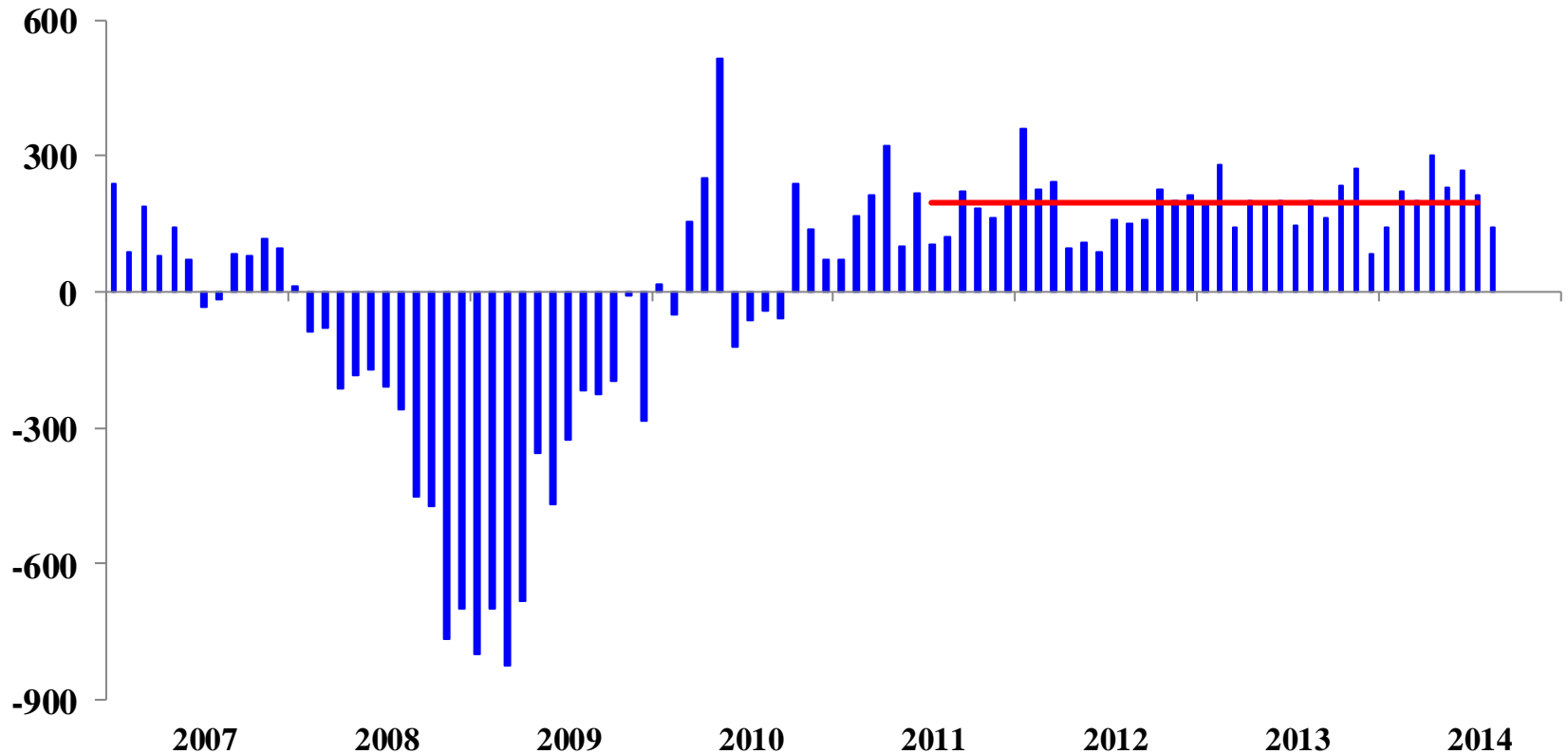
Source: Federal Reserve Board

<http://www.dallasfed.org>



Change in Nonfarm Employment

Thousands of jobs



■ Sep-05-release, Aug = 142

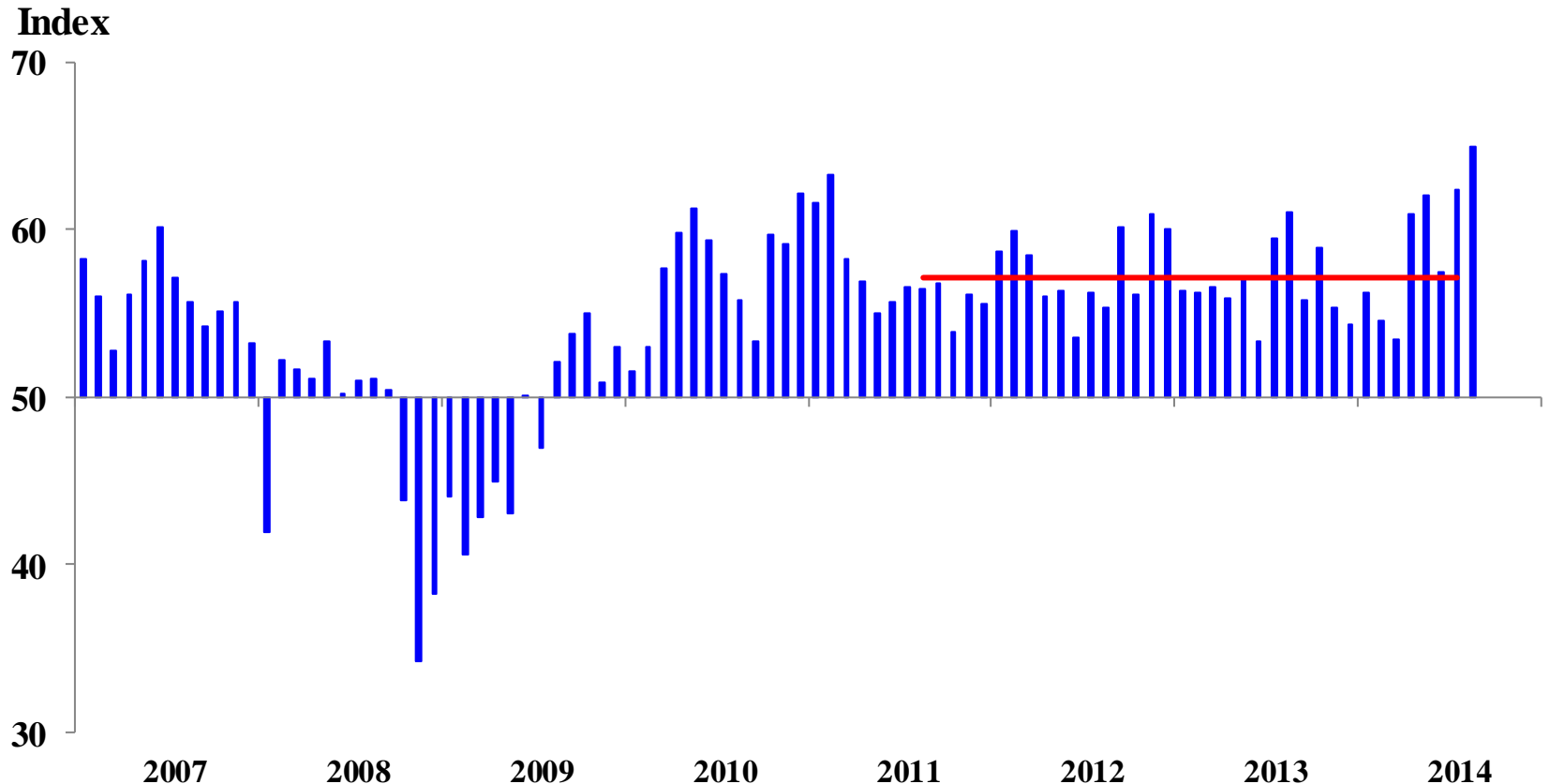
— 3-year average

Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



ISM Non-Manufacturing Activity Index



■ Sep-04-release, Aug = 65

— 3-year average

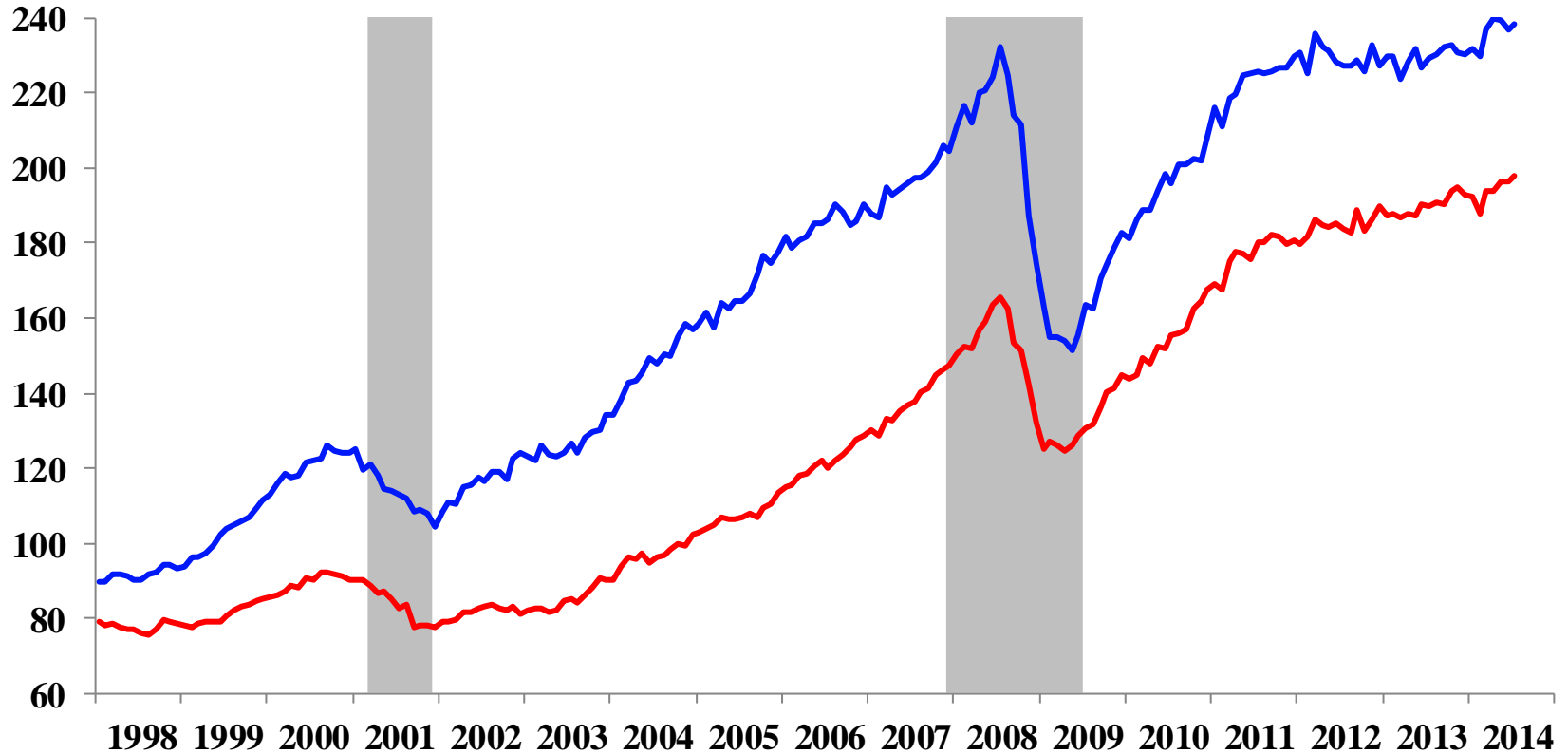
Source : Institute for Supply Management TM

<http://www.dallasfed.org>



U.S. Imports and Exports

Billions of Dollars



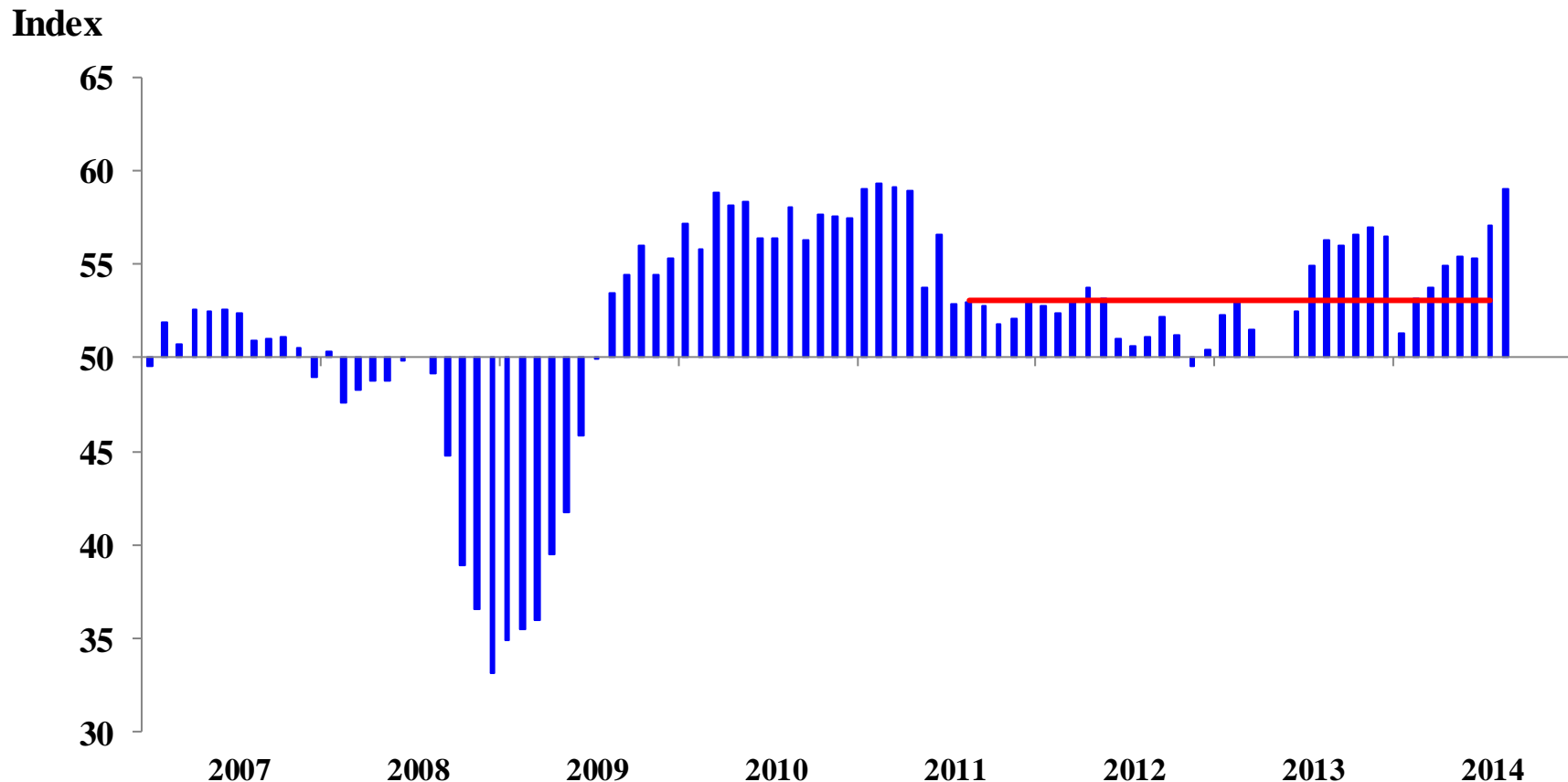
■ Recession — Exports (Sep-04-release, Jul = 198) — Imports (Sep-04-release, Jul = 238.6)

Source: Bureau of the Census

<http://www.dallasfed.org>



Purchasing Managers' Index



■ Sep-02-release, Aug = 59

— 3-year average

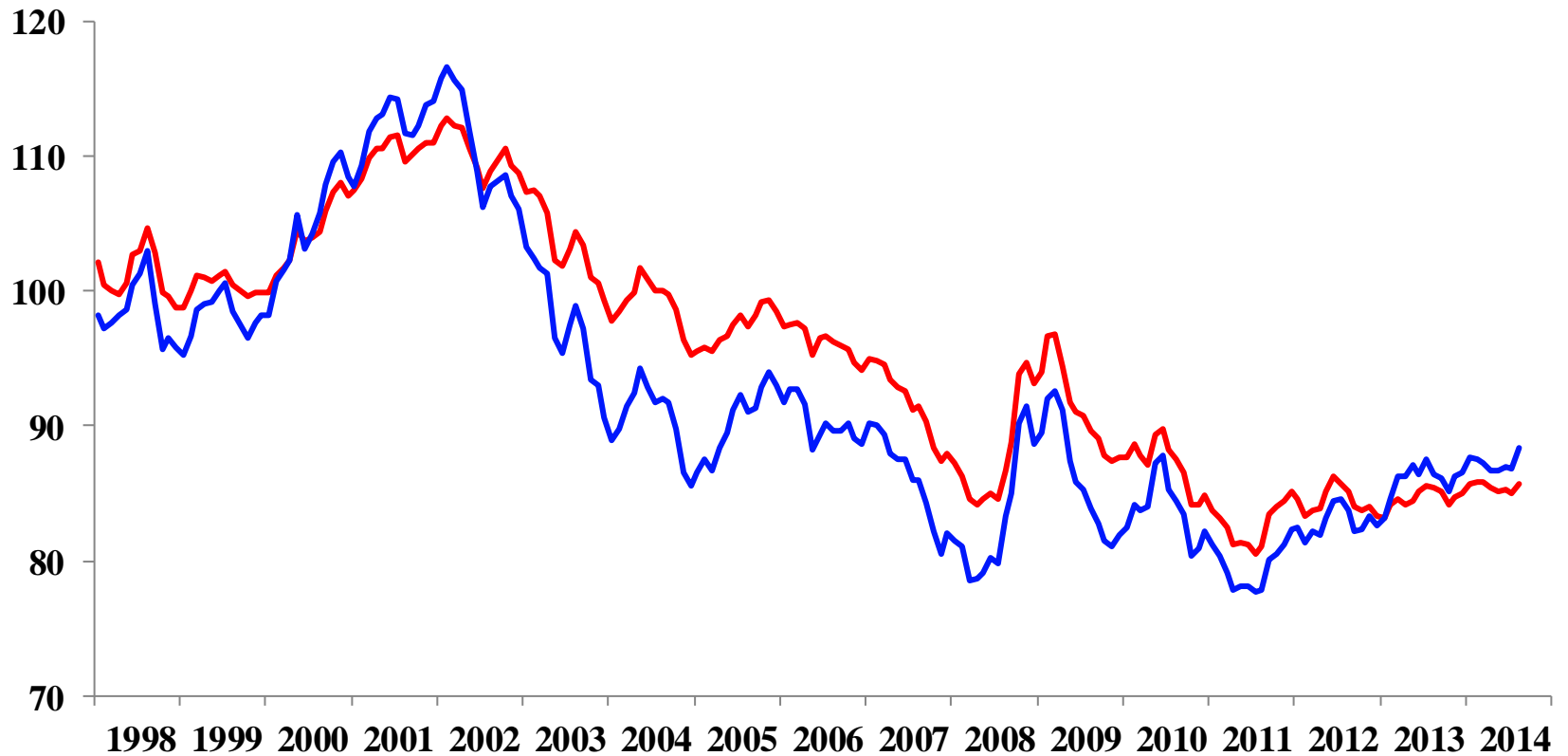
Source: Institute for Supply Management TM

<http://www.dallasfed.org>



Real Value of the Dollar

March 1973 = 100



— Exchange Value of the US\$ (Sep-02- release, Aug=85.7)

— US\$ vs Major Currencies* (Sep-02- release, Aug=88.3)

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

Source: Federal Reserve Board

<http://www.dallasfed.org>



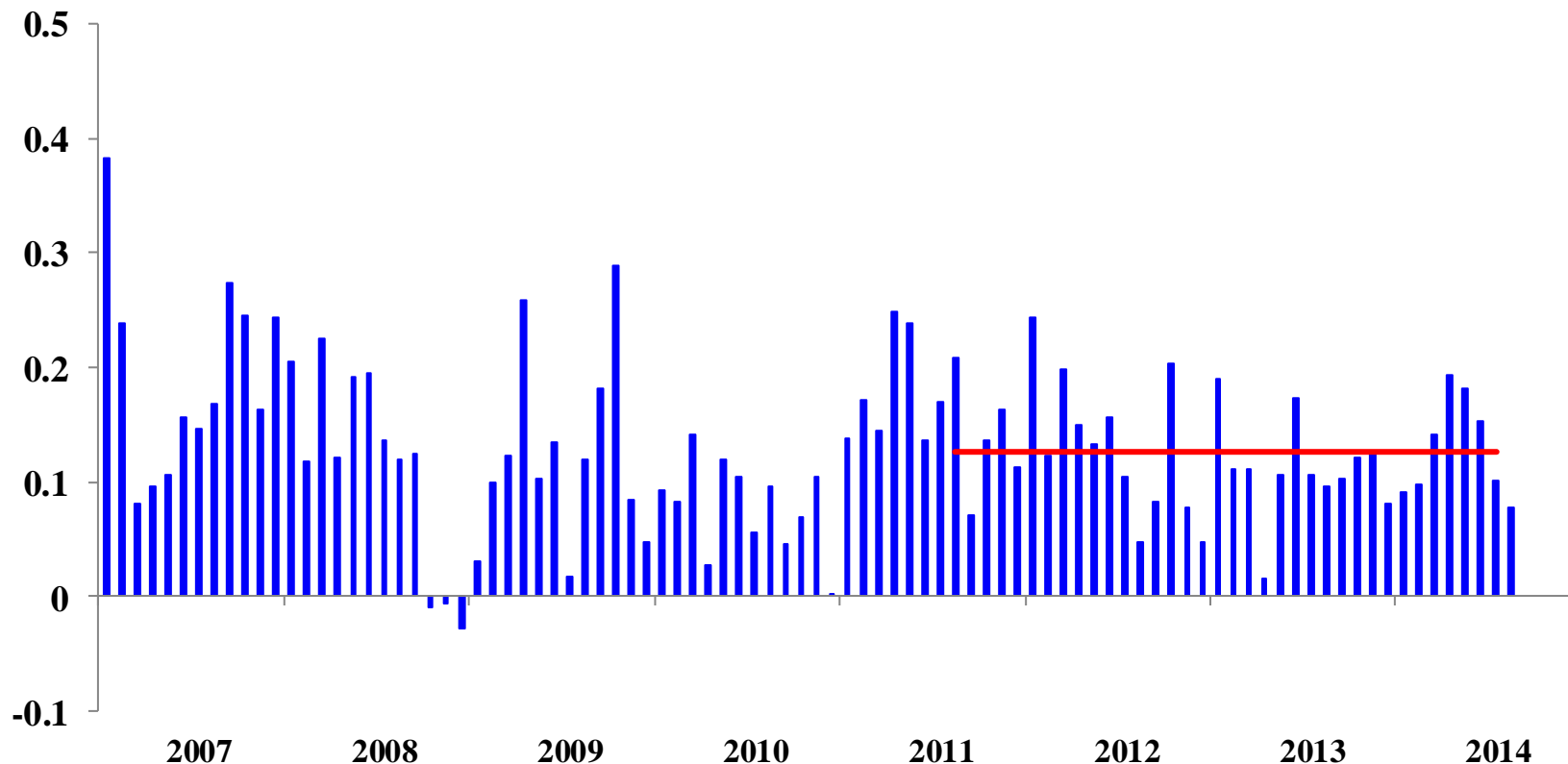
WAGES AND PRICES

<http://www.dallasfed.org>



Core PCE Price Index

1-month % change



■ Sep-29-release, Aug = 0.08

— 3-year average

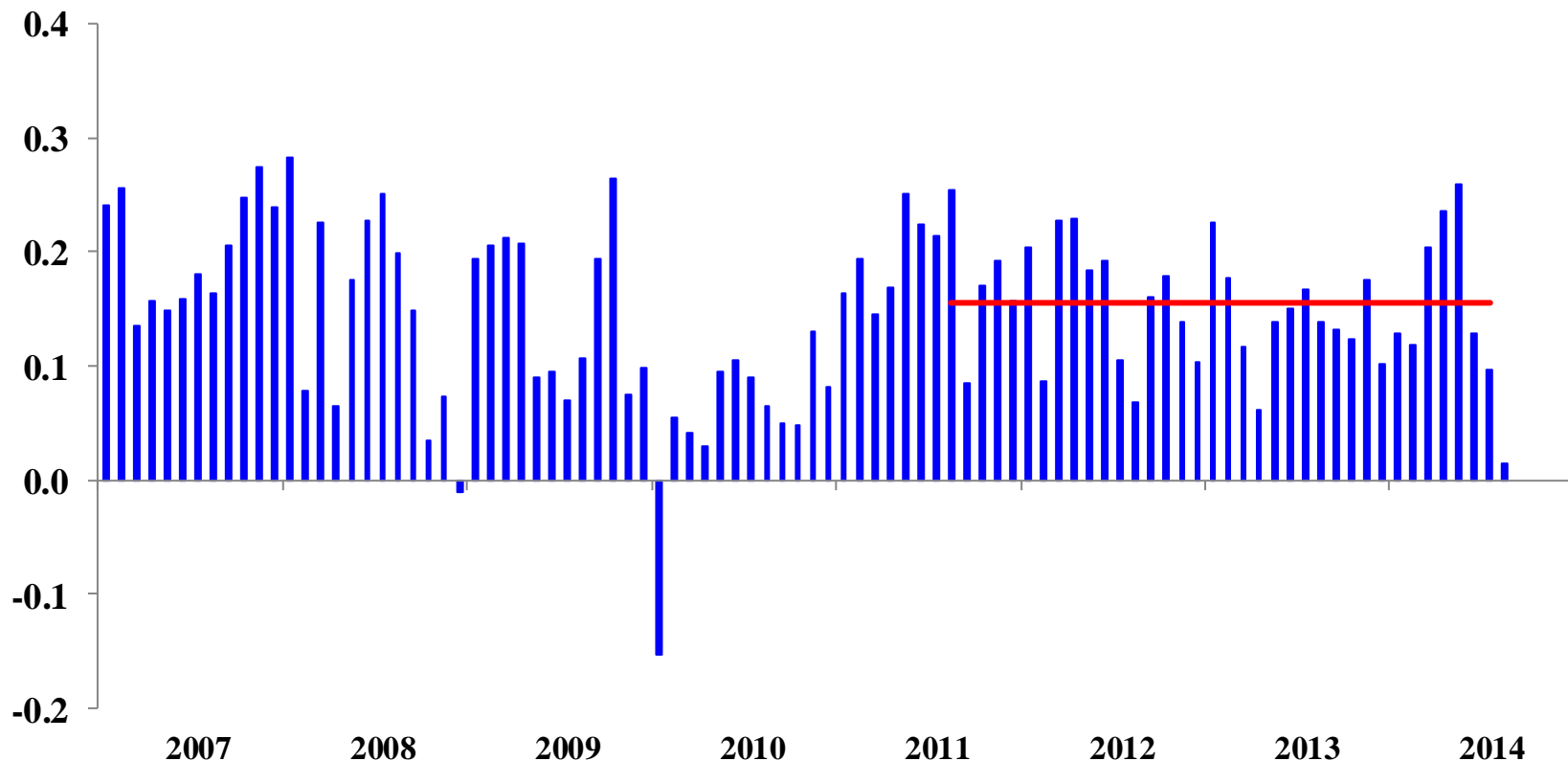
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



Core Consumer Price Index

1-month % change



■ Sep-17-release, Aug = 0.01

— 3-year average

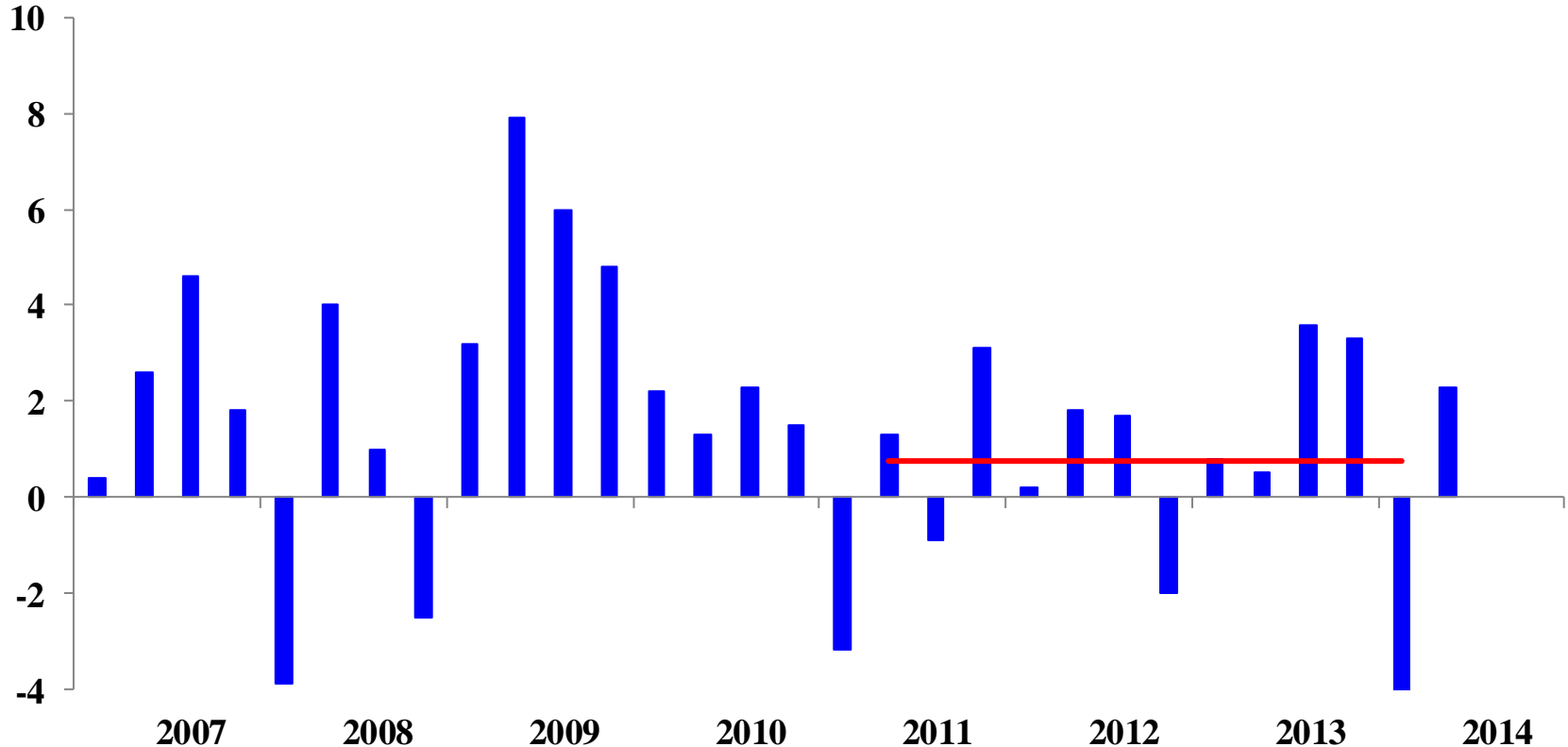
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



Nonfarm Business Productivity

1-quarter % change,
annualized



■ Sep-04-release, Q2 = 2.3

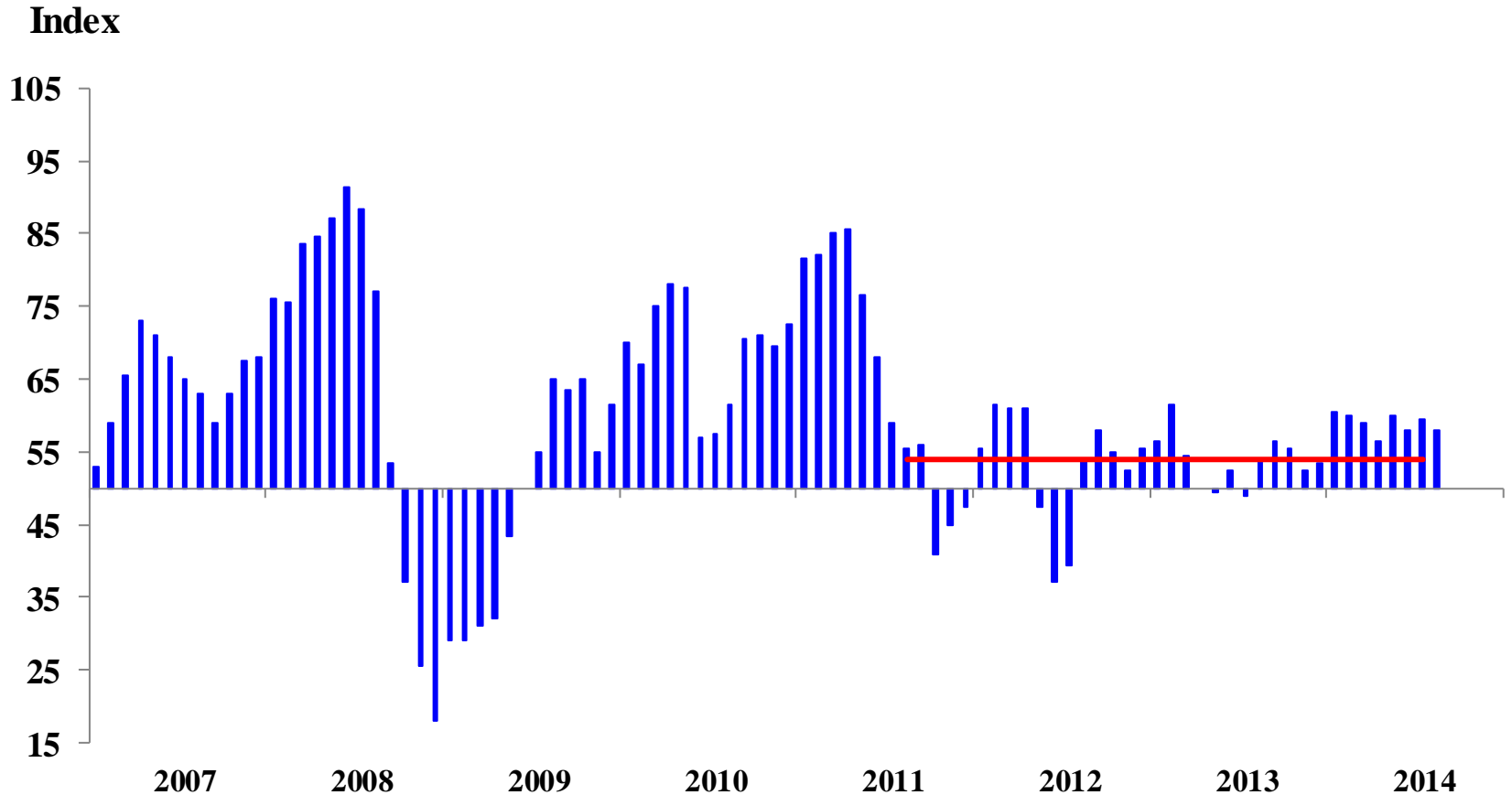
— 3-year average

Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



ISM Manufacturing Prices Index



■ Sep-02-release, Aug = 58

— 3-year average

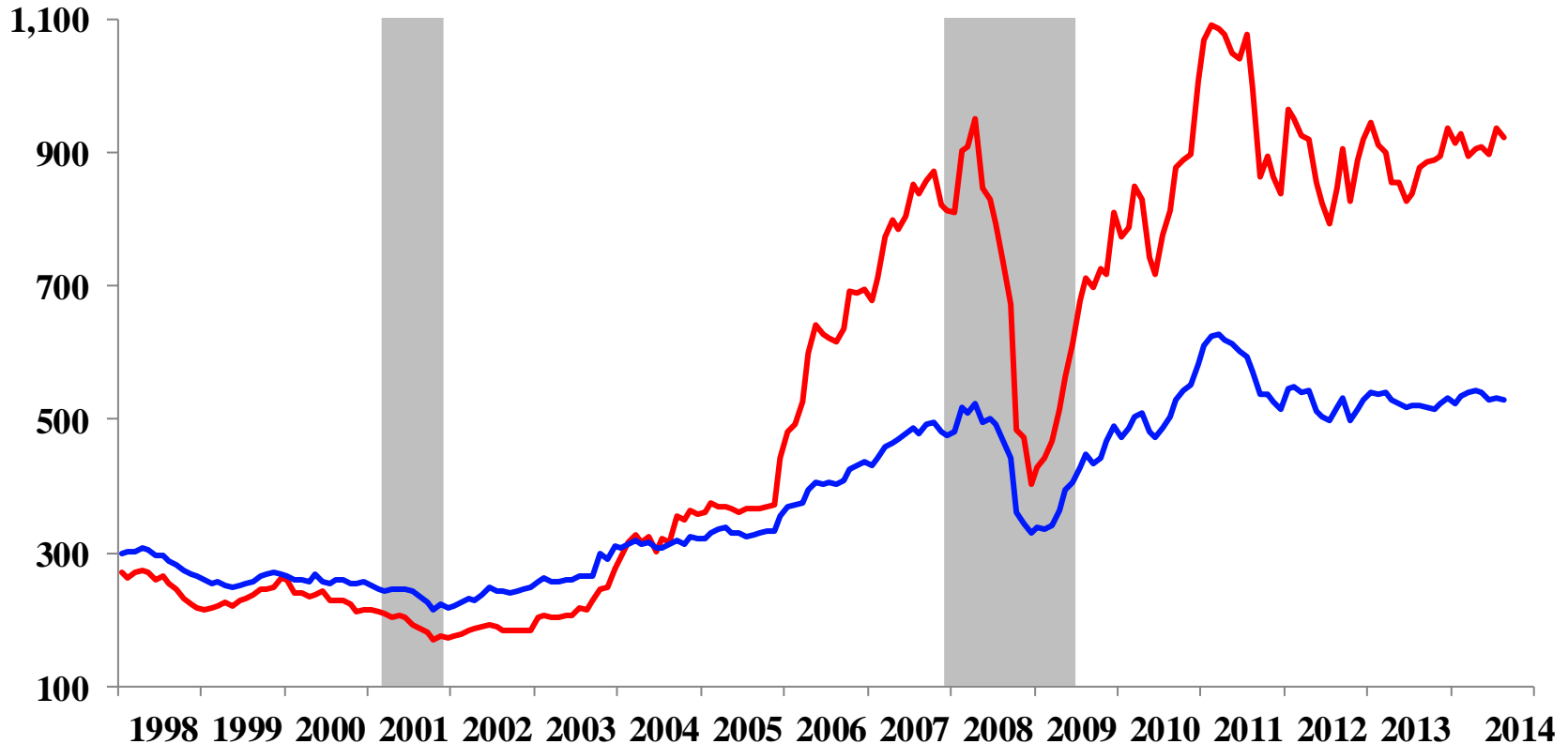
Source : Institute for Supply Management TM

<http://www.dallasfed.org>



Commodity Prices

1967=100, EOP



— KR-CRB Spot Commodity Price Index: Metals (Aug-31- release, Aug=922.1)

■ Recession

— KR-CRB Spot Commodity Price Index: Raw Industrials (Aug-31- release, Aug=529.9)

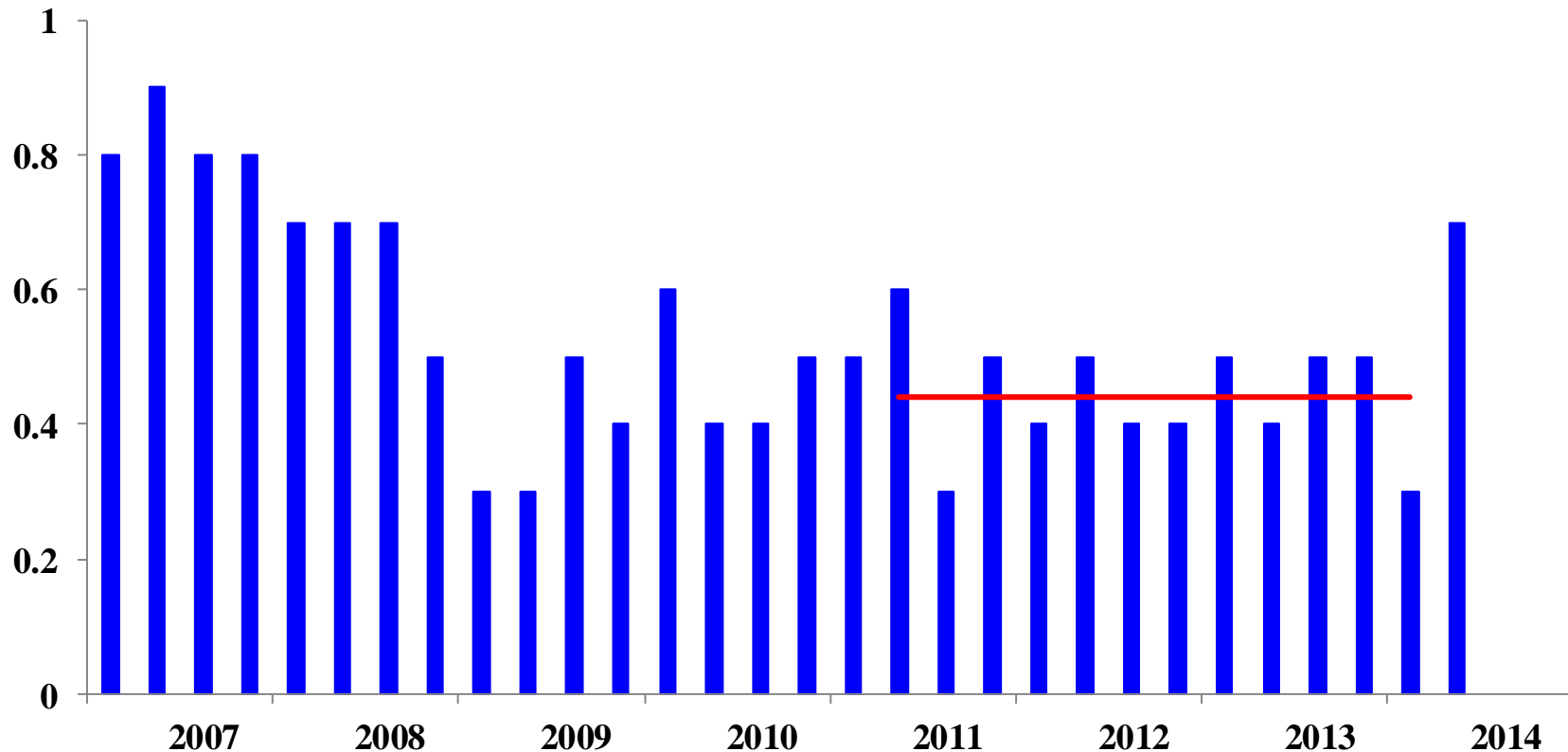
Source: Commodity Research Bureau

<http://www.dallasfed.org>



Employment Cost Index

1-quarter % change



■ Jul-31-release, Q2 = 0.7

— 3-year average

Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



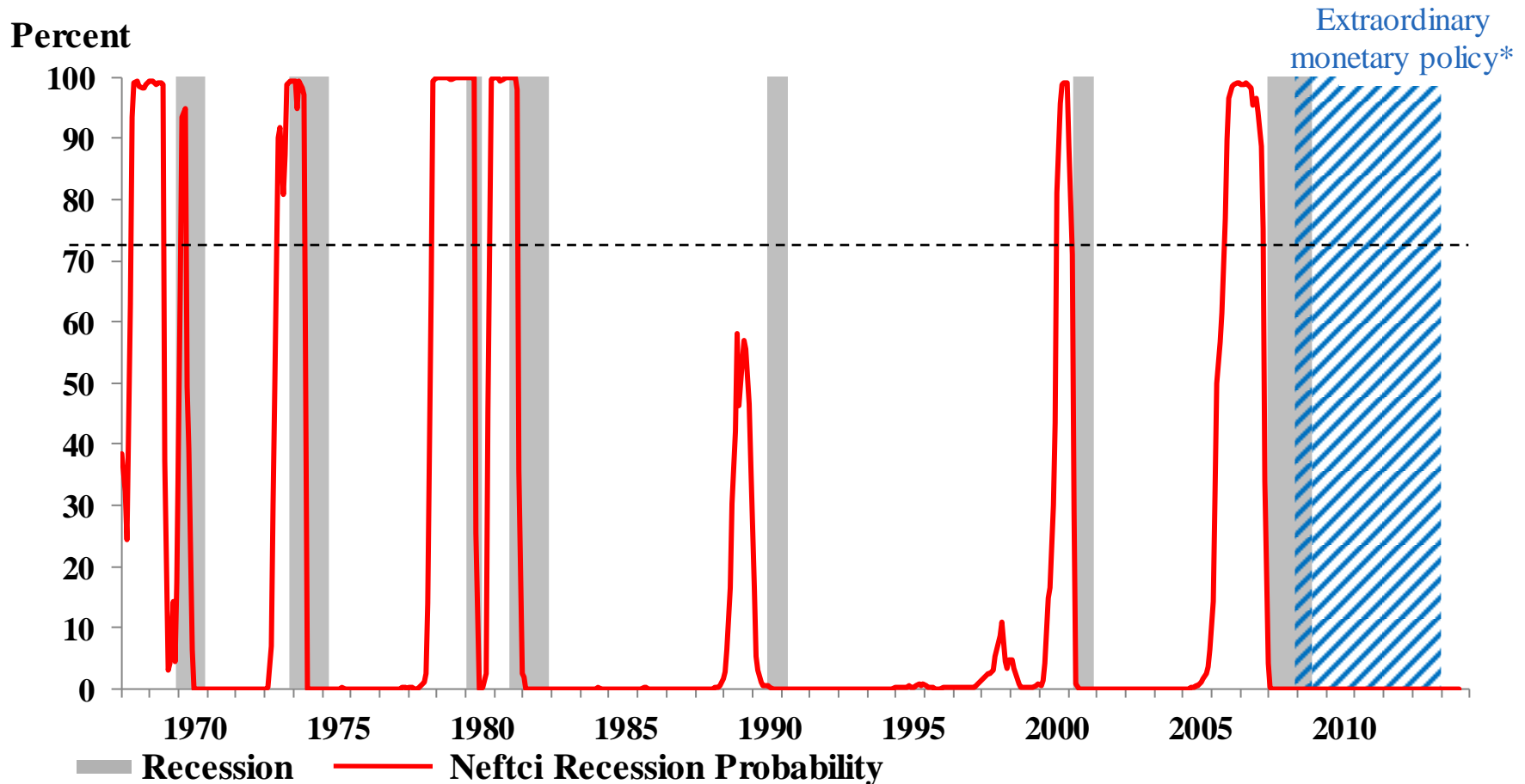
FINANCIAL-SECTOR DEVELOPMENTS

<http://www.dallasfed.org>



Recession Probability

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

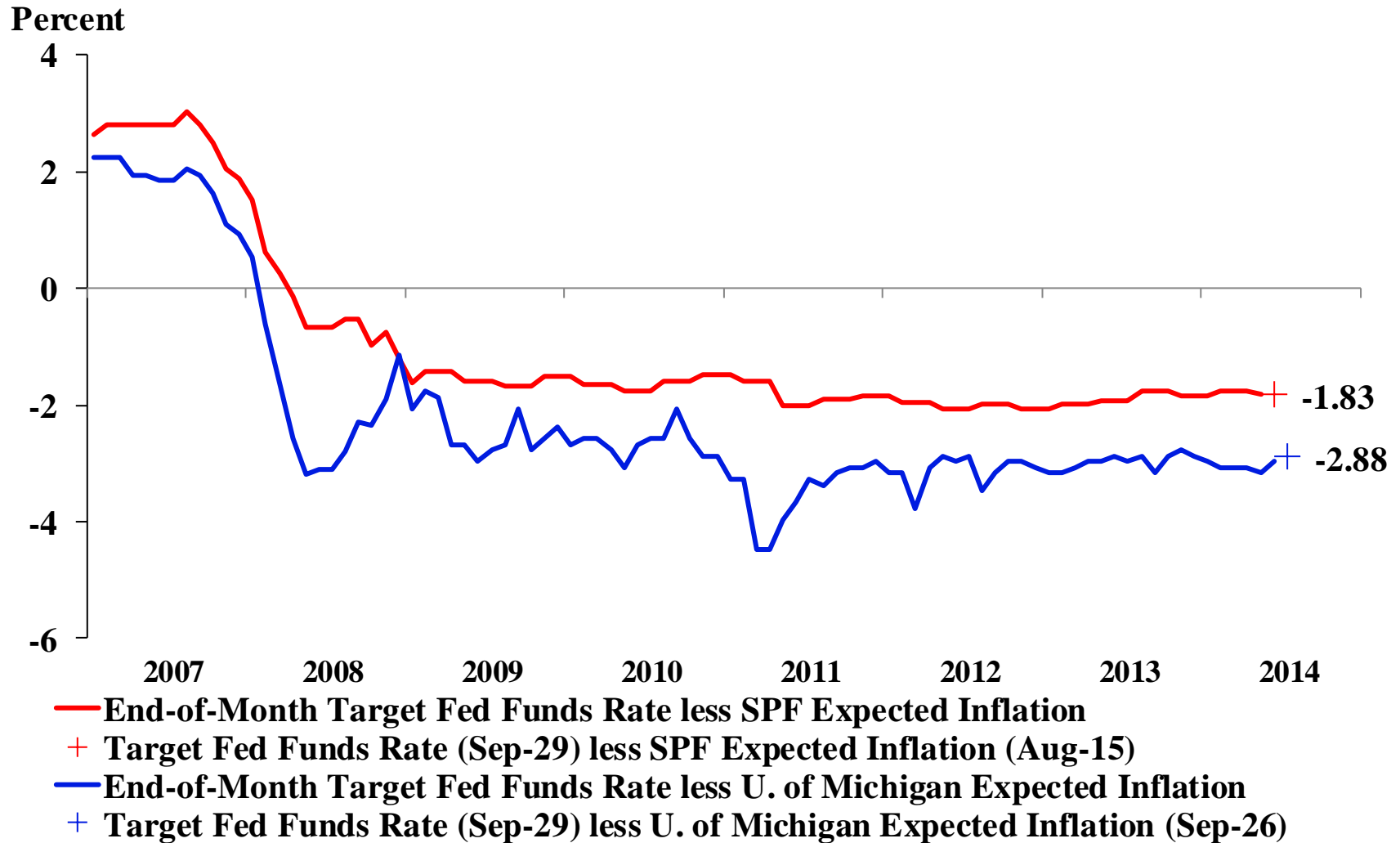


Crosses 70% threshold with a lead of between 5 and 18 months, and averaging 11 months.

*Indicator properties of the yield curve may be distorted during this period due to the zero bound on short-term interest rates and Federal Reserve purchases of long-term Treasuries.



Real Federal Funds Rate



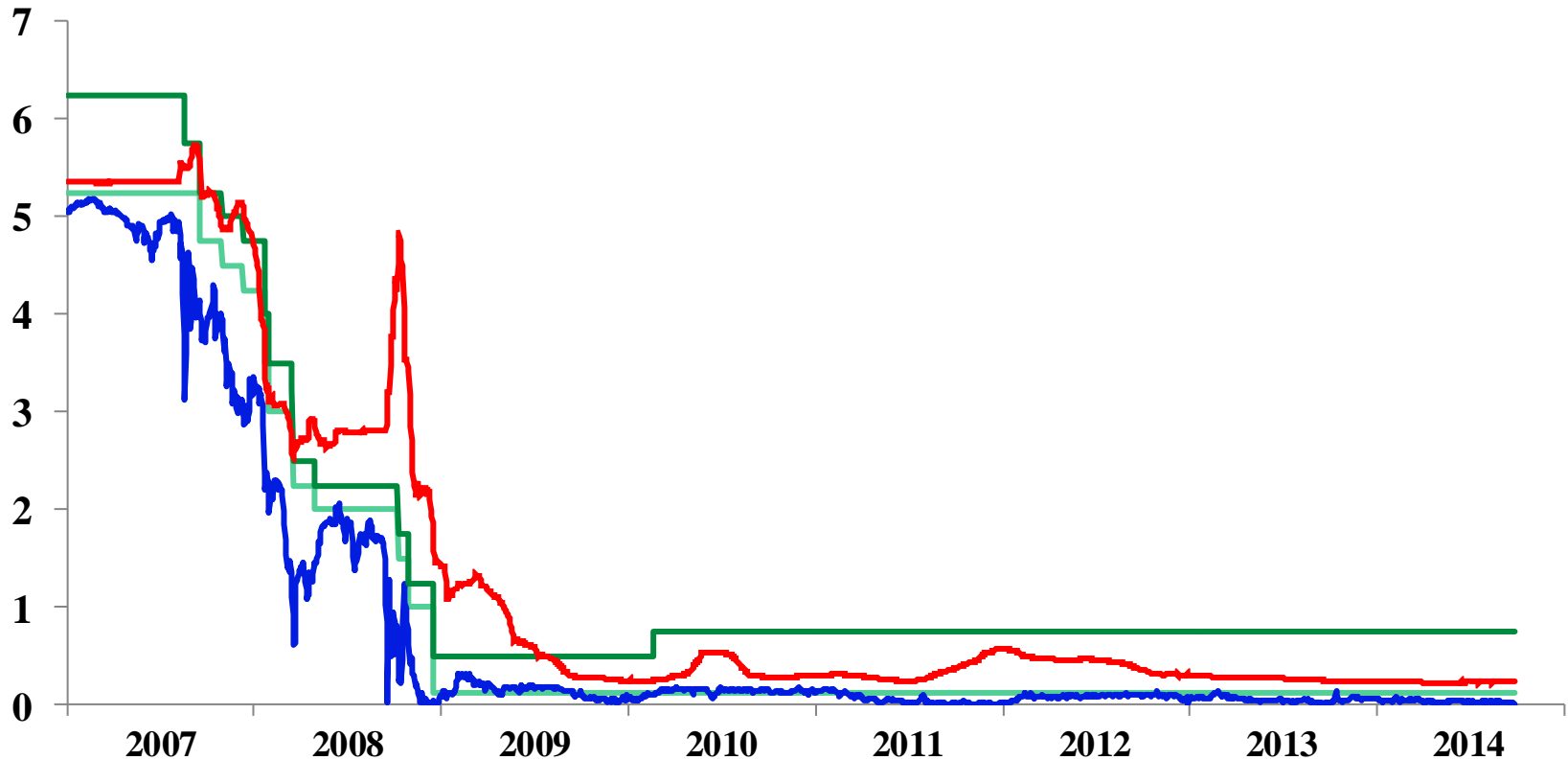
Sources: Target Fed Funds Rate: Federal Reserve Board; SPF Expected Inflation: FRB Philadelphia; U. of Michigan Expected Inflation: Survey of Consumers, Survey Research Center, U. of Michigan

<http://www.dallasfed.org>



Short-Term Interest Rates

Percent



- Target Fed Fund Rate (Sep 29 = 0.125)
- 3-Month T-Bill Rate (Sep 26 = 0.01)
- Discount Window Primary Credit Rate (Sep 26 = 0.75)
- 3-month LIBOR (Sep 29 = 0.235)

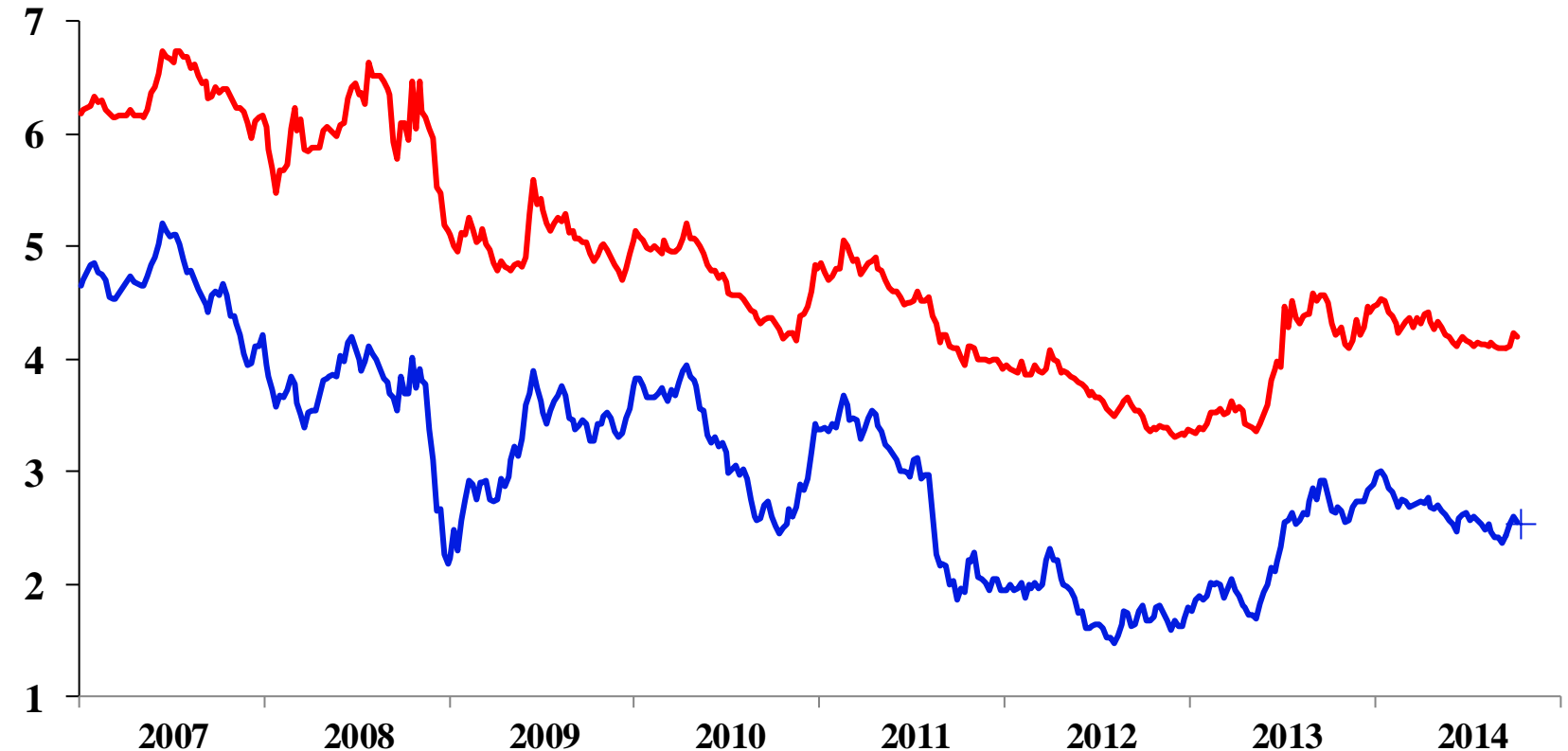
Source: Federal Reserve Board

<http://www.dallasfed.org>



Long-Term Interest Rates

Percent



— Mortgage Rate (week of Sep 25 = 4.2)

— 10-year T-Bond (week of Sep 26 = 2.55)

+ 10-year T-Bond (Sep 26 = 2.54)

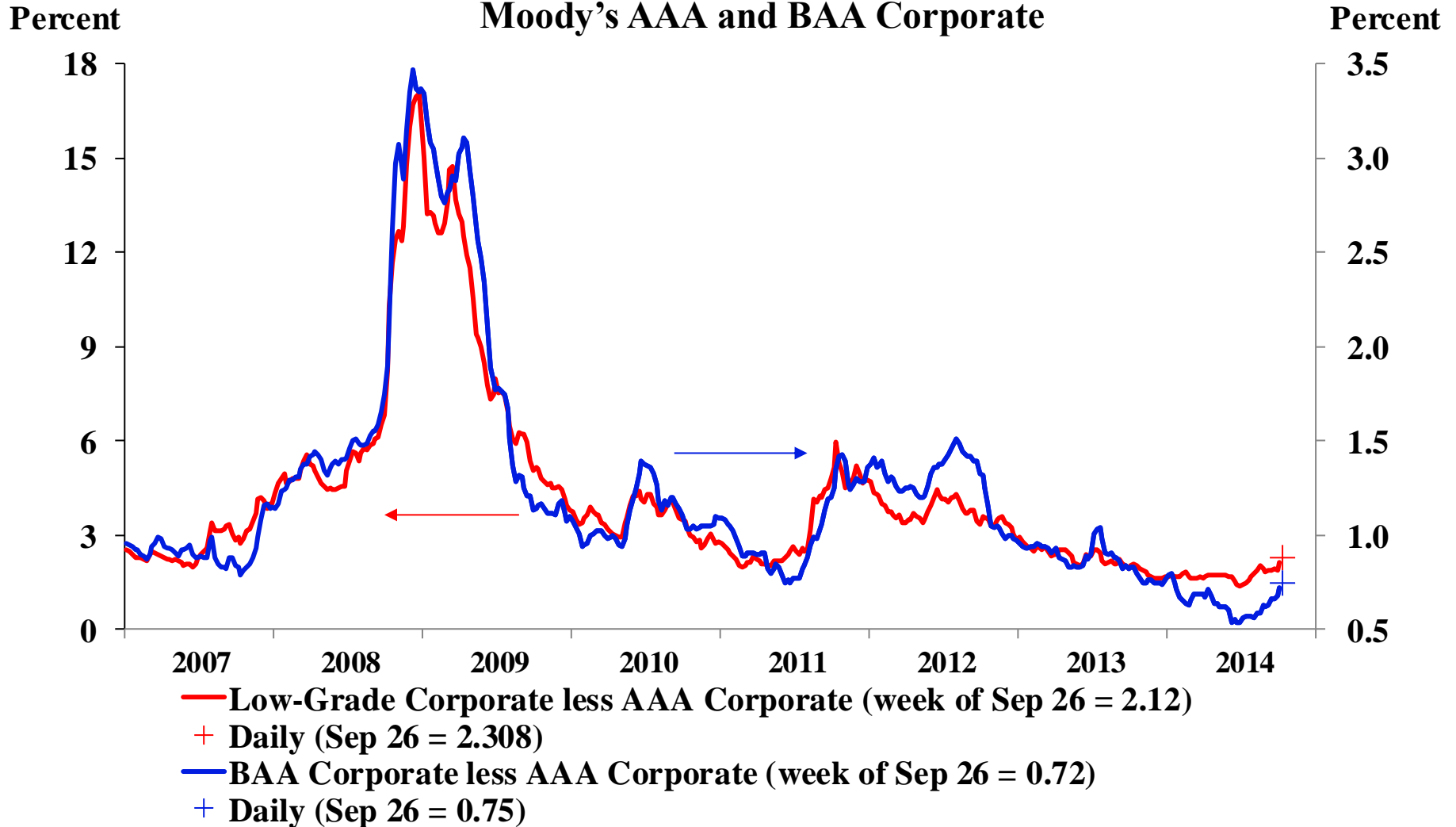
Source: Federal Reserve Board

<http://www.dallasfed.org>



Bond Spreads

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



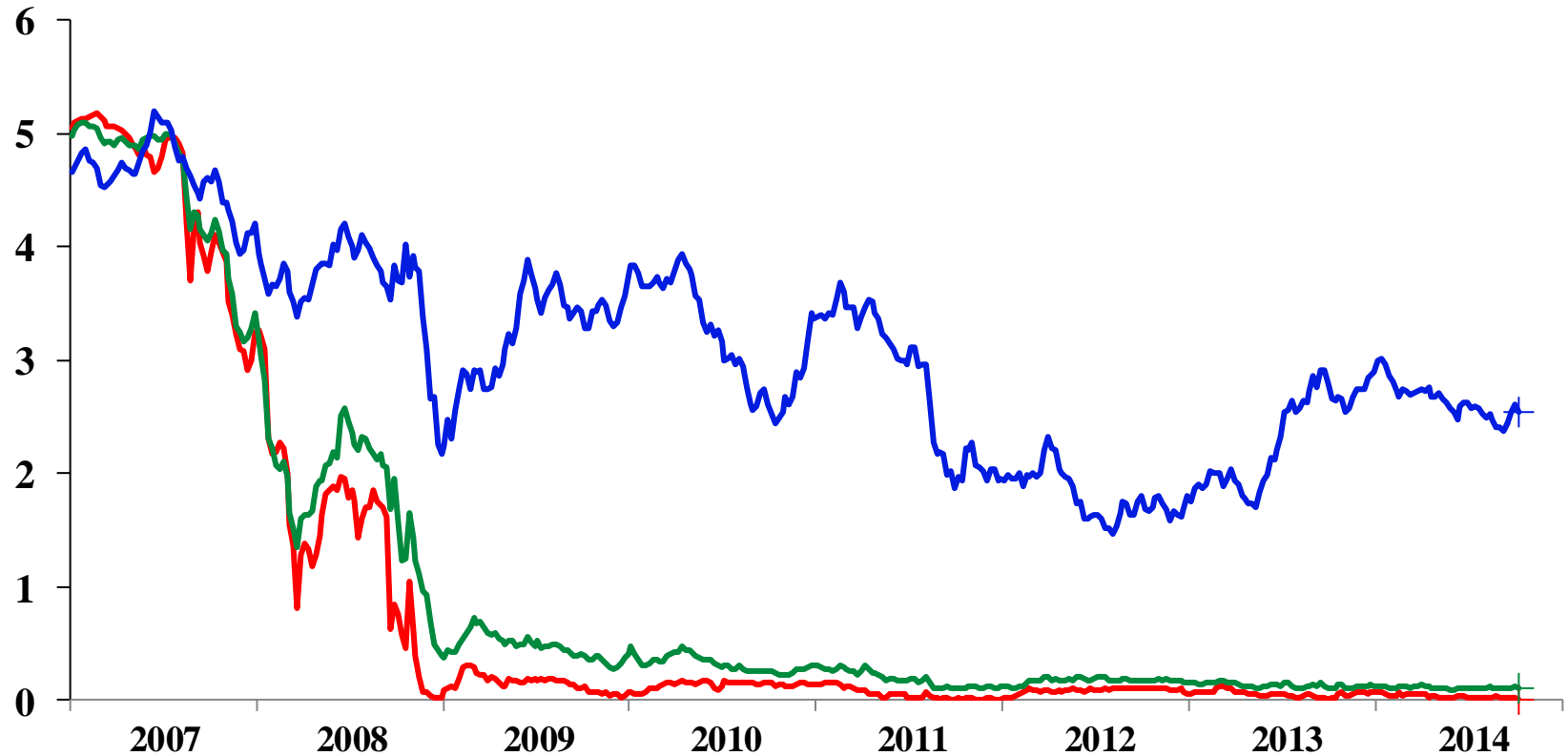
Source: Moody's Investors Service, Merrill Lynch

<http://www.dallasfed.org>



Yield Curve

Percent



— 3-Month T-Bill Rate (week of Sep 26)
— 1-year T-Bill Rate (week of Sep 26)
— 10-year T-Bond Rate (week of Sep 26)

+ 3-Month T-Bill Rate (Sep 26 = 0.01)
+ 1-year T-Bill Rate (Sep 26 = 0.11)
+ 10-year T-Bond Rate (Sep 26 = 2.54)

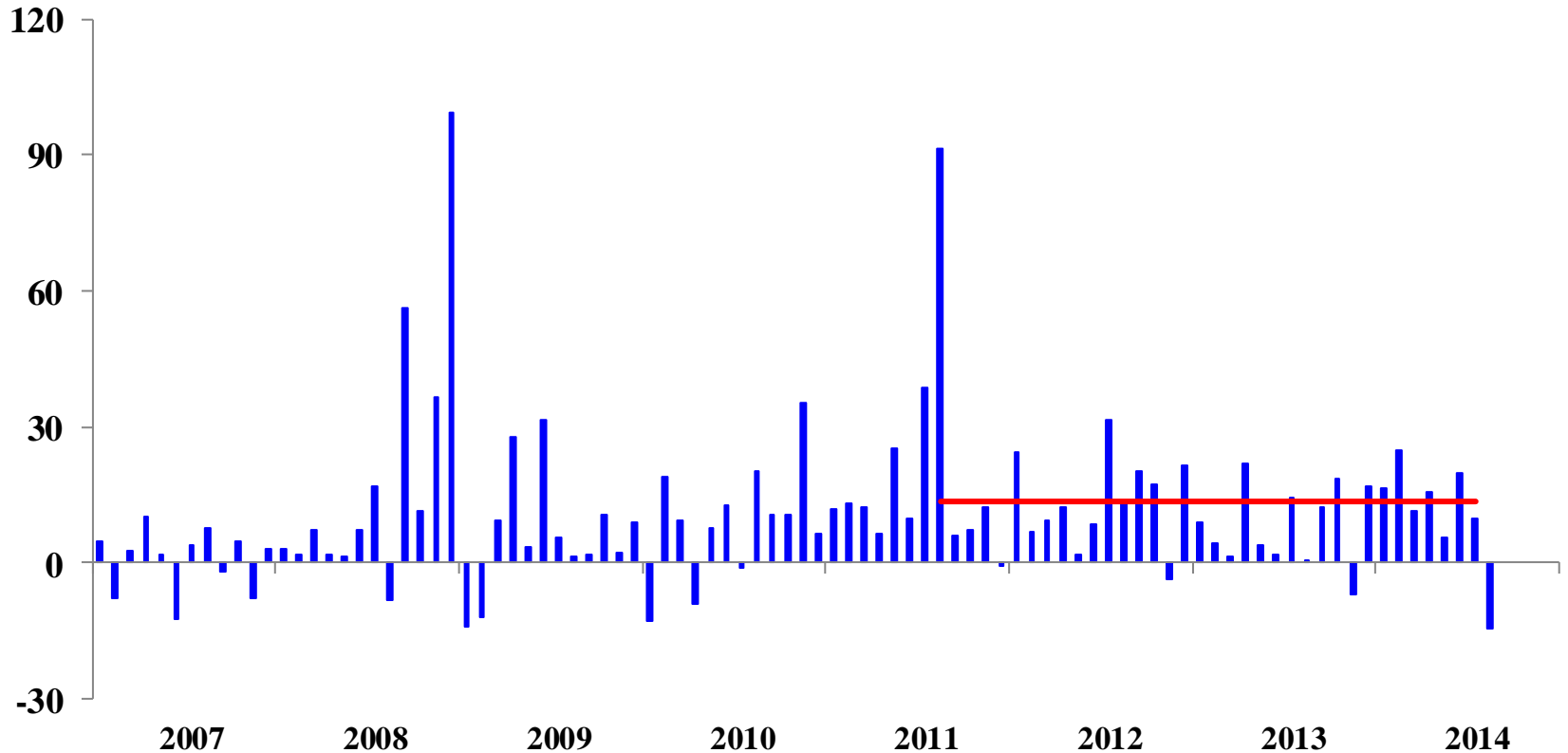
Source: Federal Reserve Board

<http://www.dallasfed.org>



Money Supply: M1

1-month % change,
annualized



■ Sep-25-release, Aug = -14.34

— 3-year average

Source: Federal Reserve Board

<http://www.dallasfed.org>

