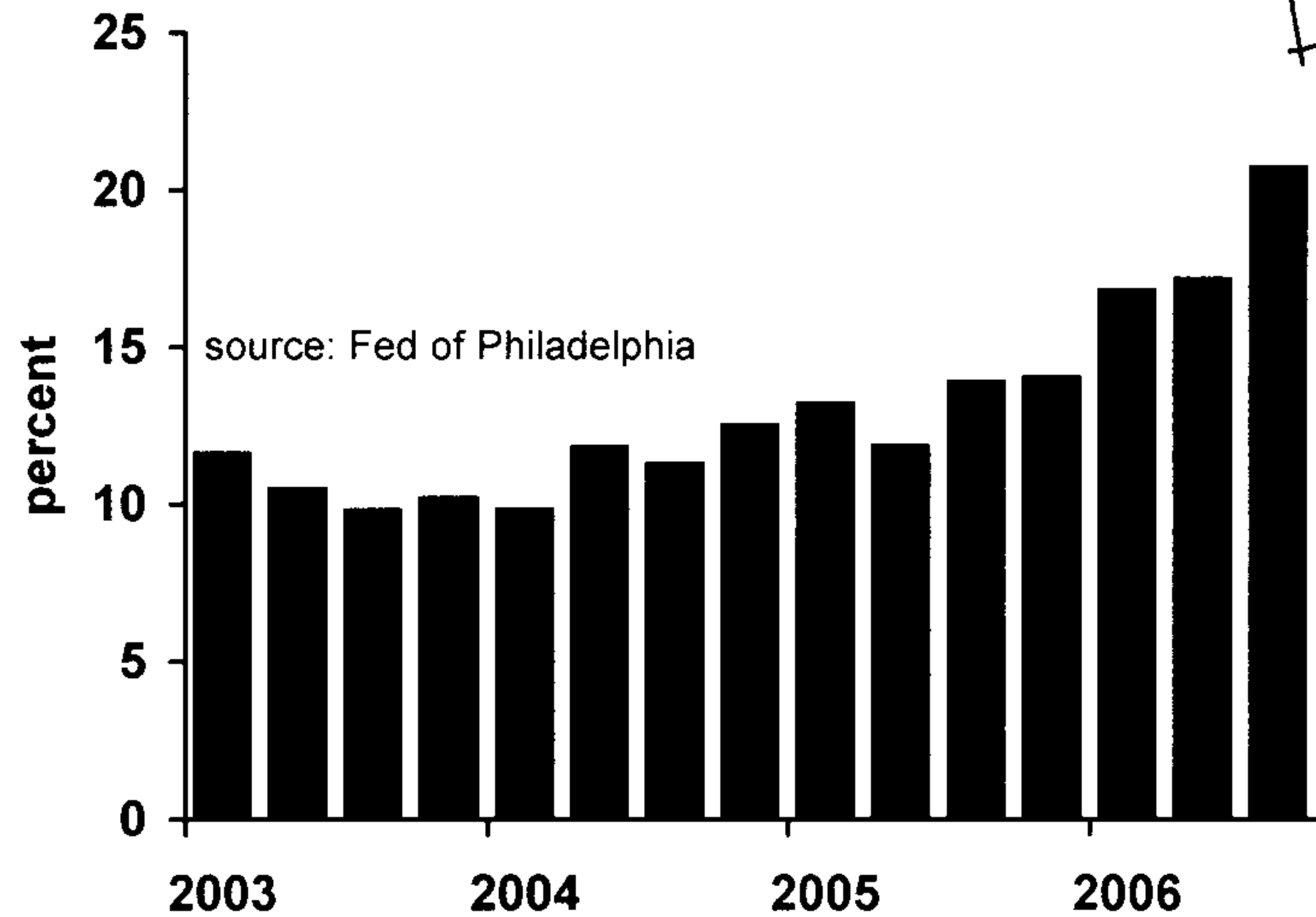


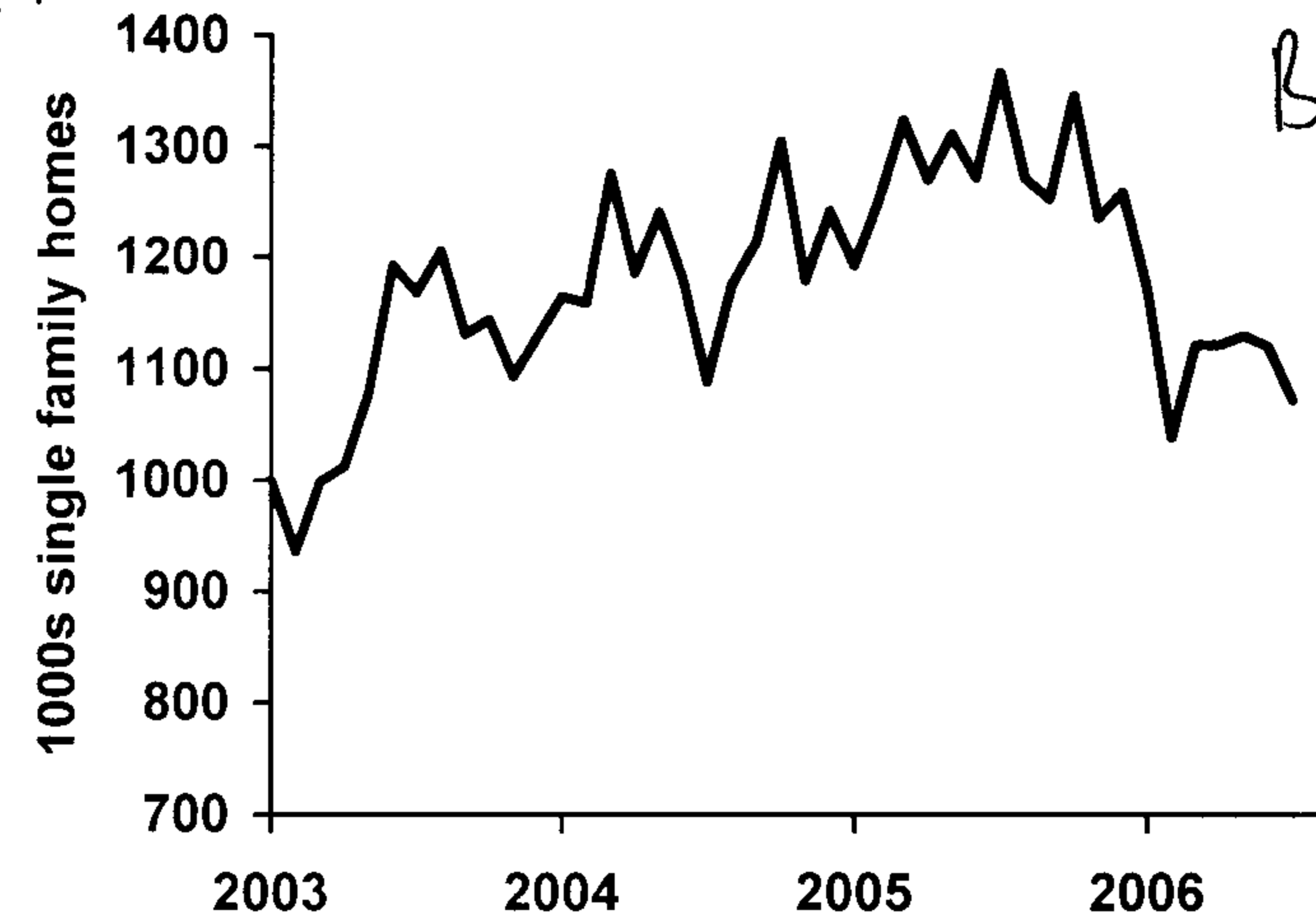
**Probability of Recession**

Average of Professional Forecasters



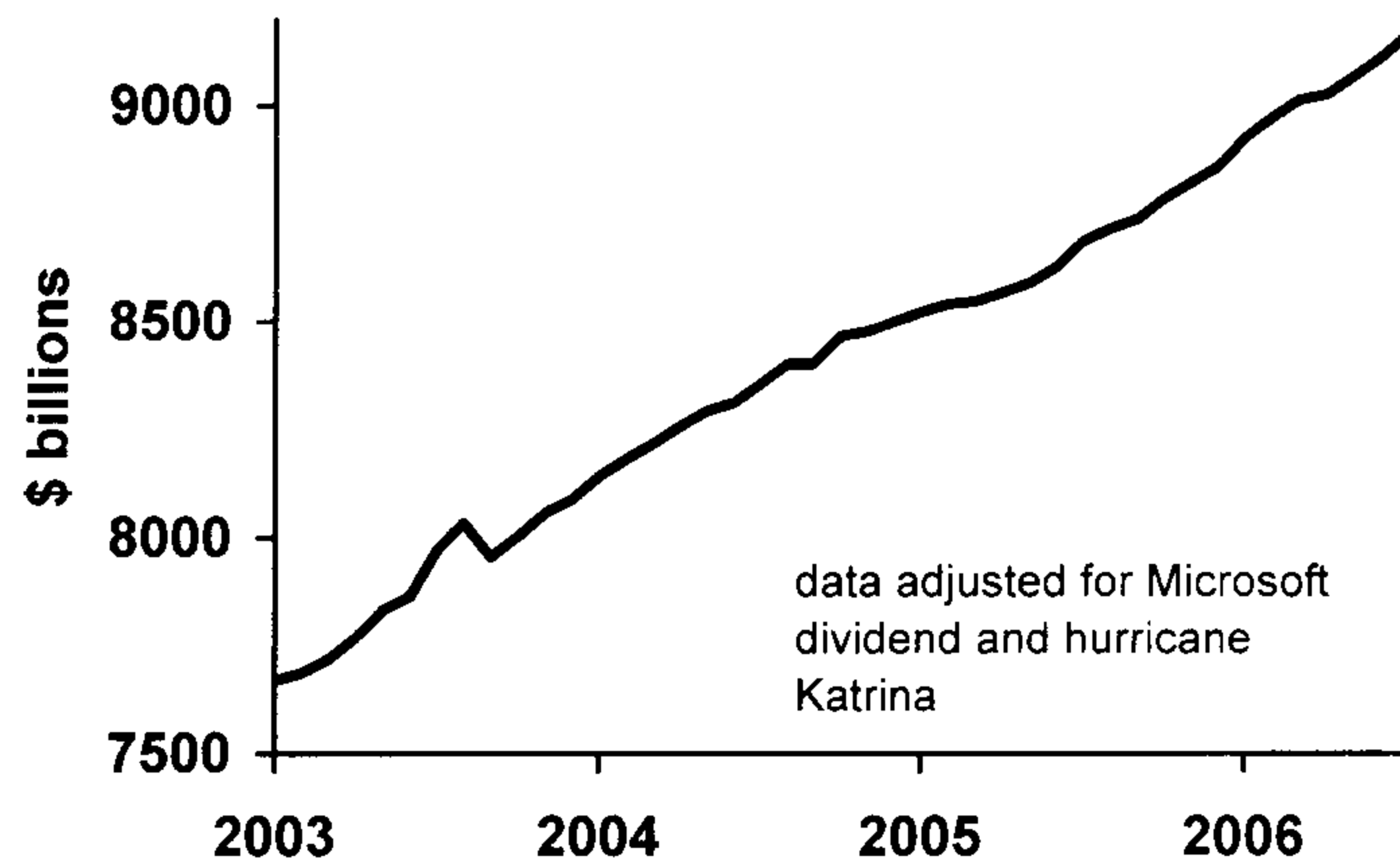
*I think the risk is one chance in four. (I help companies with contingency planning.)*

**New Home Sales**



*Biggest weakness in the economy.*

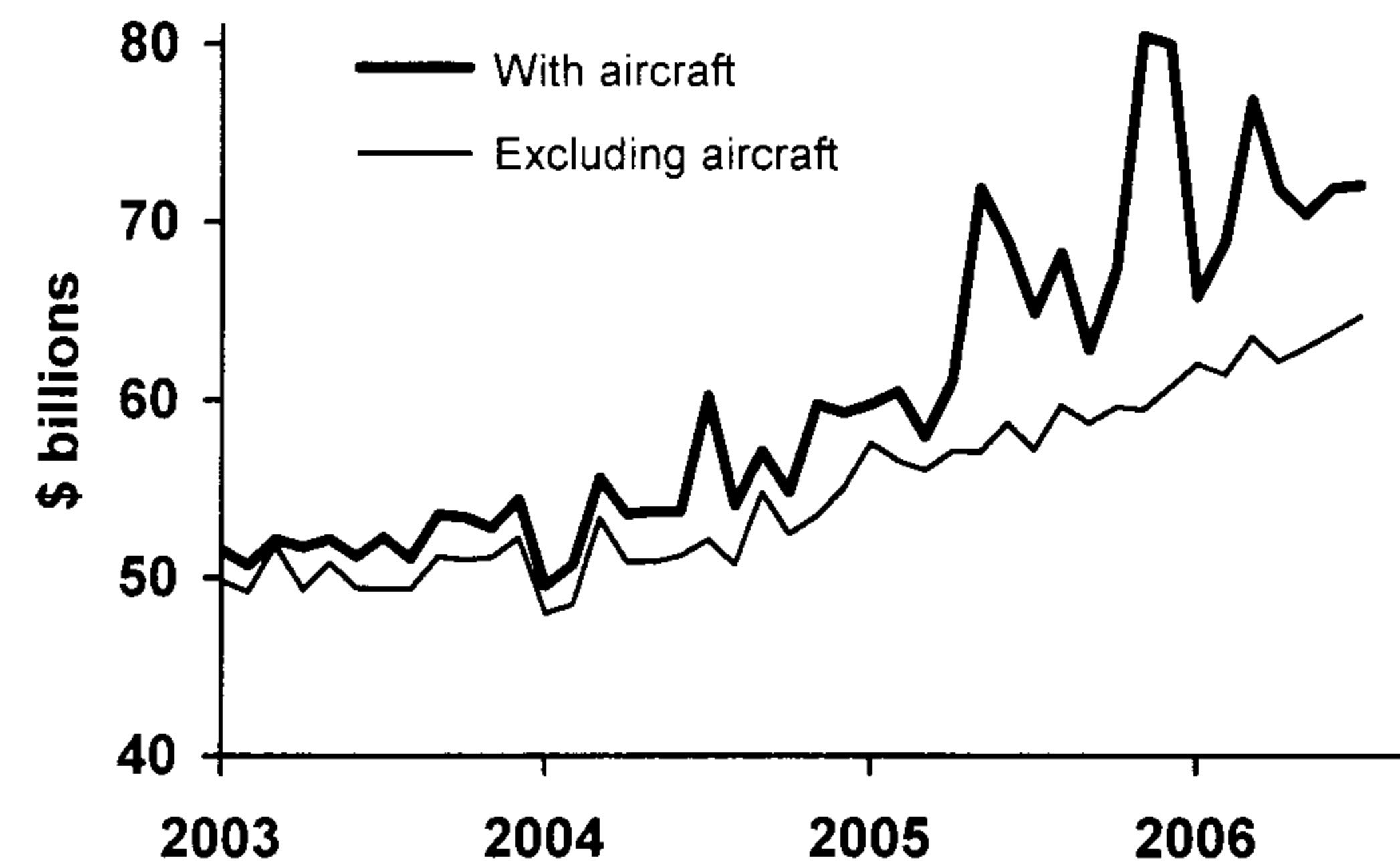
**Disposable Income Less Gasoline Spending**



*Despite high gas prices, we still have money to spend.*

**Capital Goods Orders**

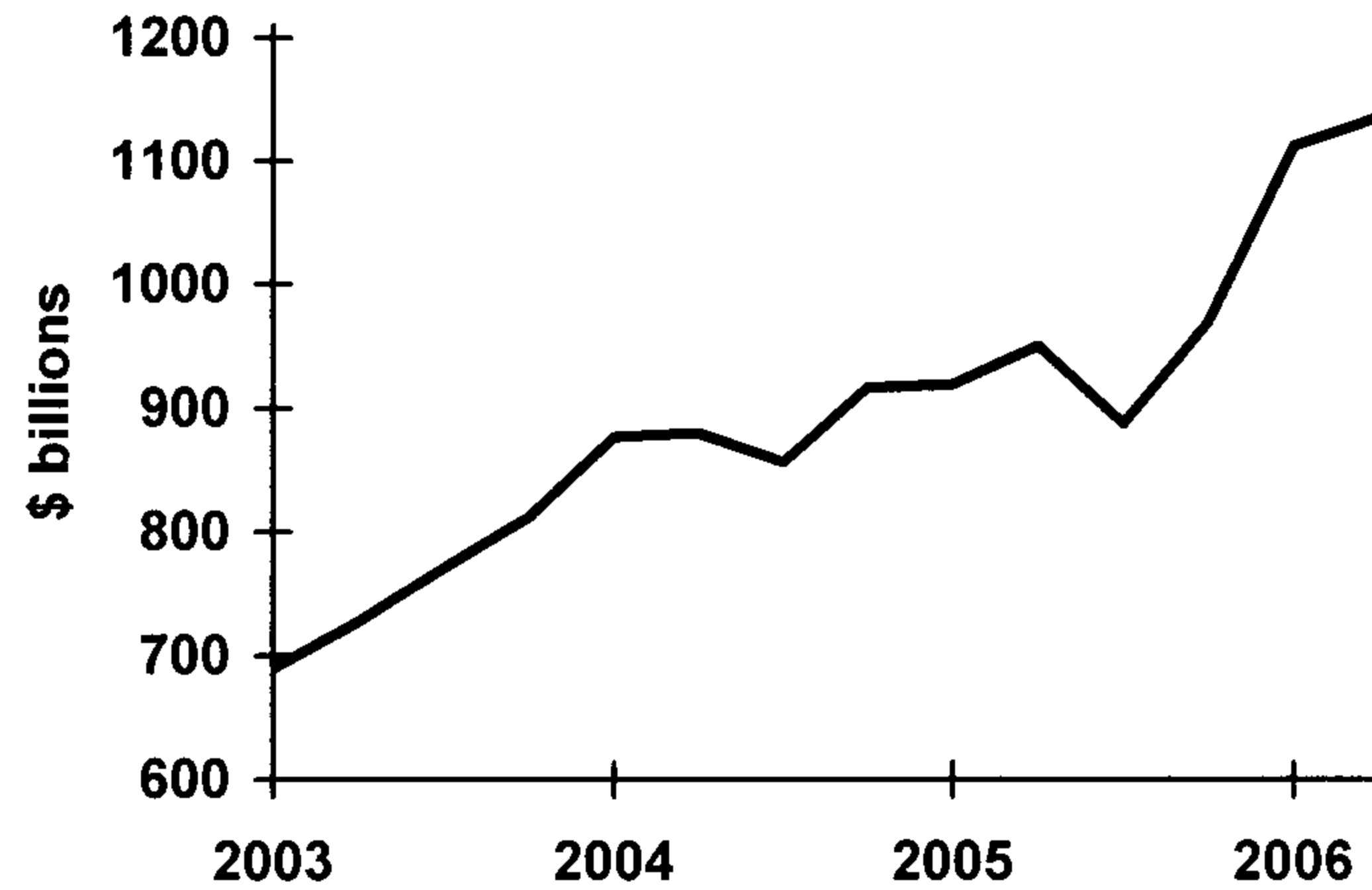
non-defense



*Business spending growing at a decent pace.*

**Corporate Profits After-Tax**

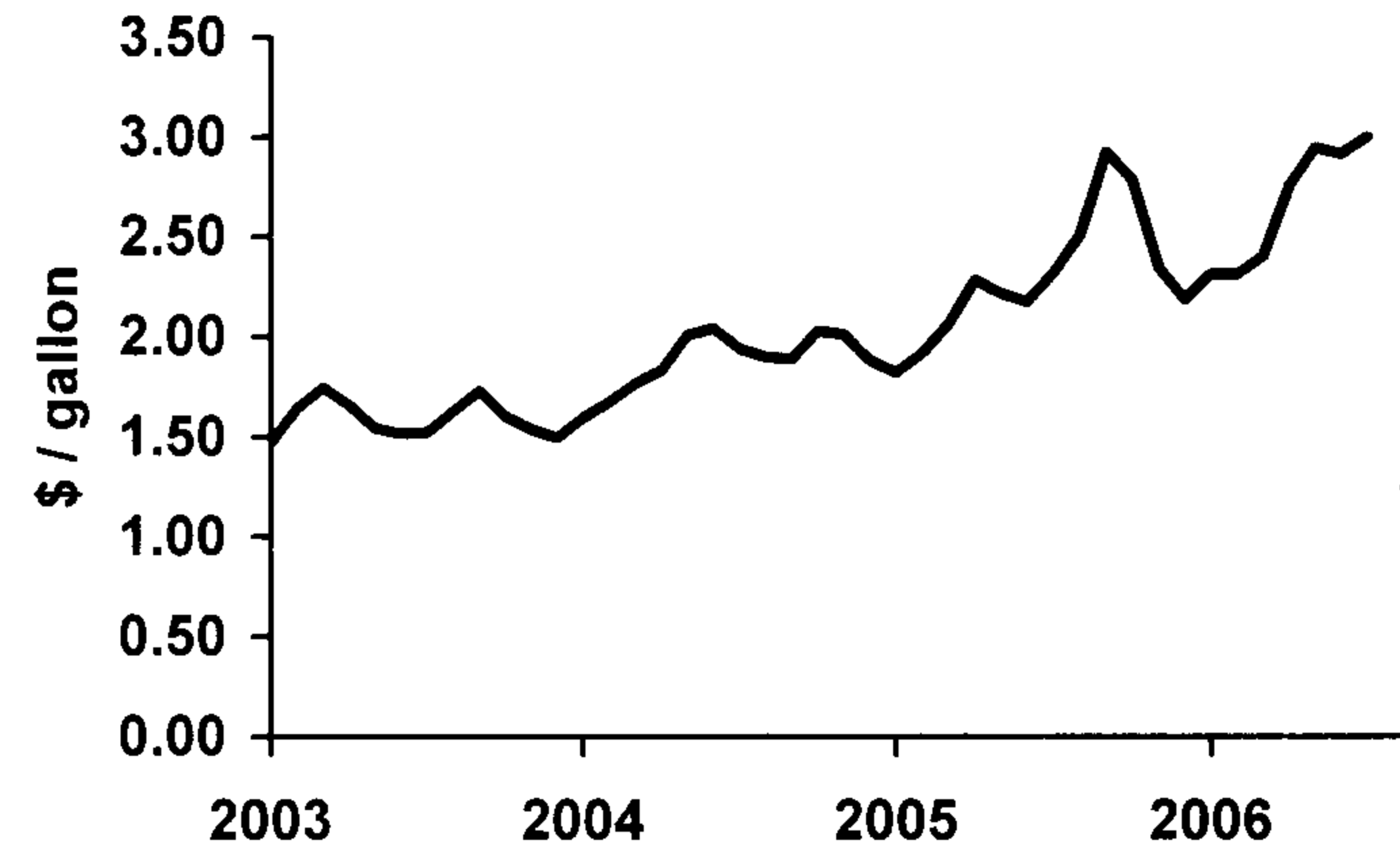
based on tax data



*Wall Street thinks the strong profit growth is over.*

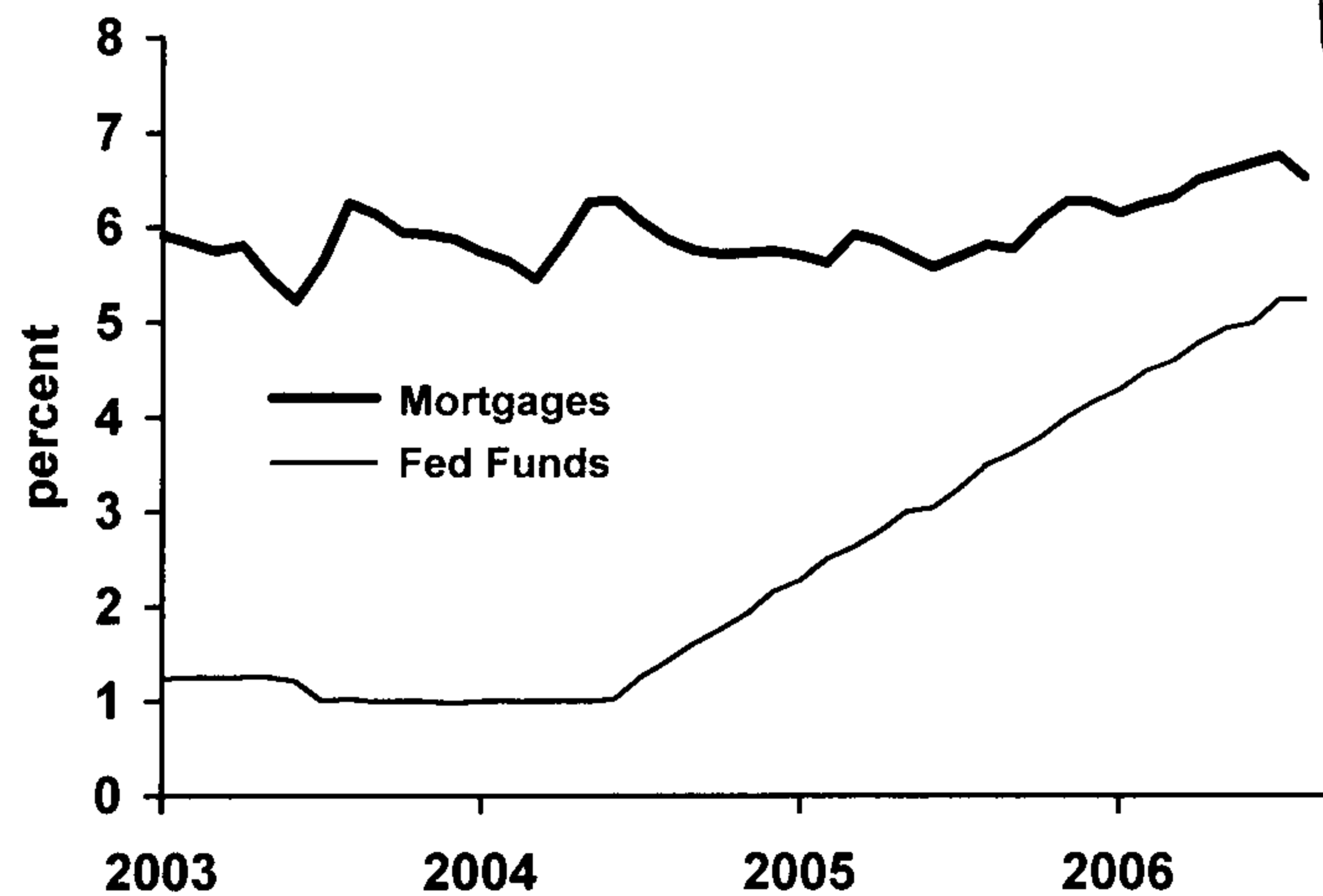
**Retail Gasoline Price**

U.S. average, regular unleaded



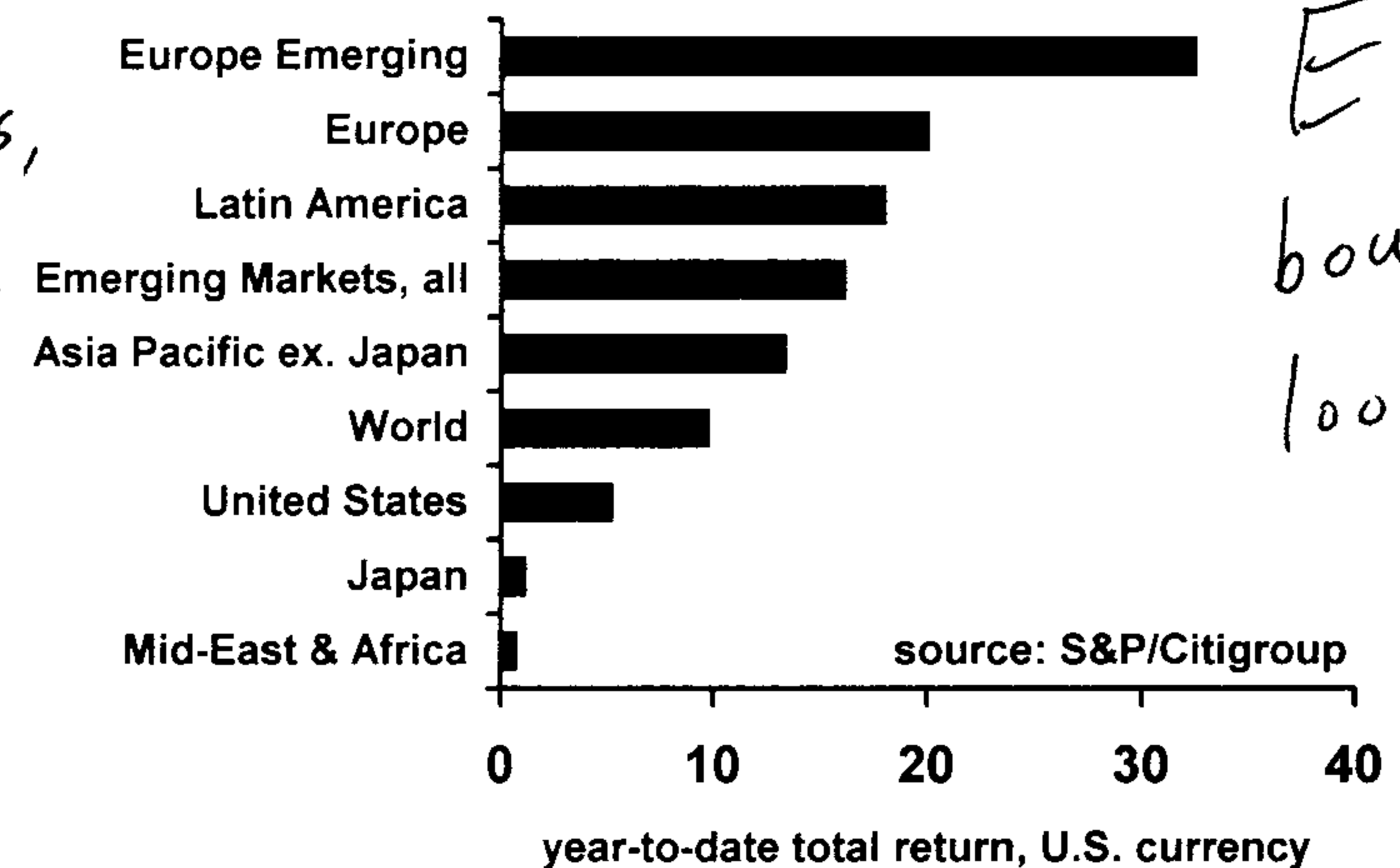
*Prices usually fall in autumn, so some relief is on its way.*

**Interest Rates**



*Long rates have dropped a bit on recession fears, which I think is overdone.*

**Stock Market Returns**



*Europe's bourses looking good*