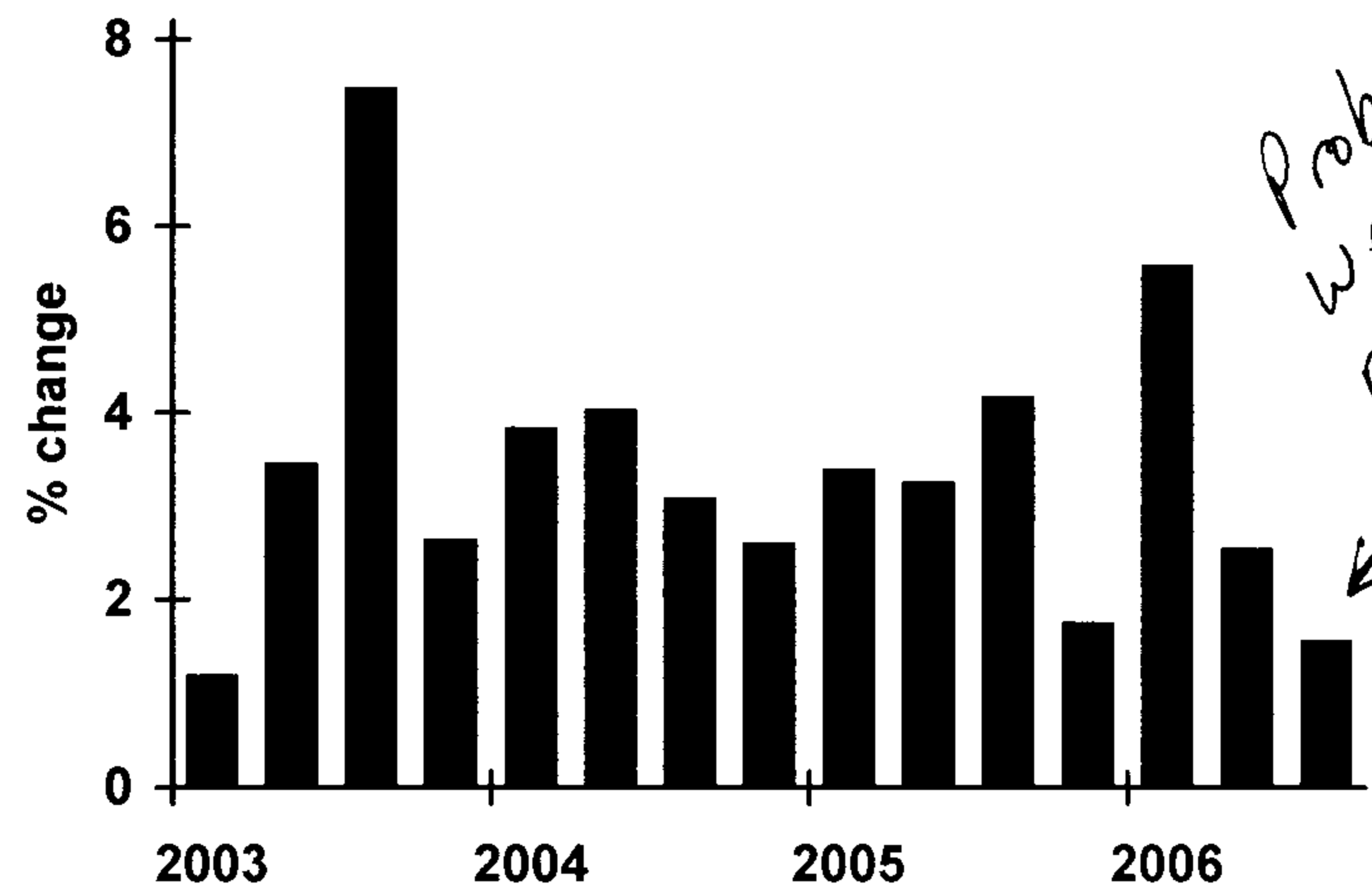
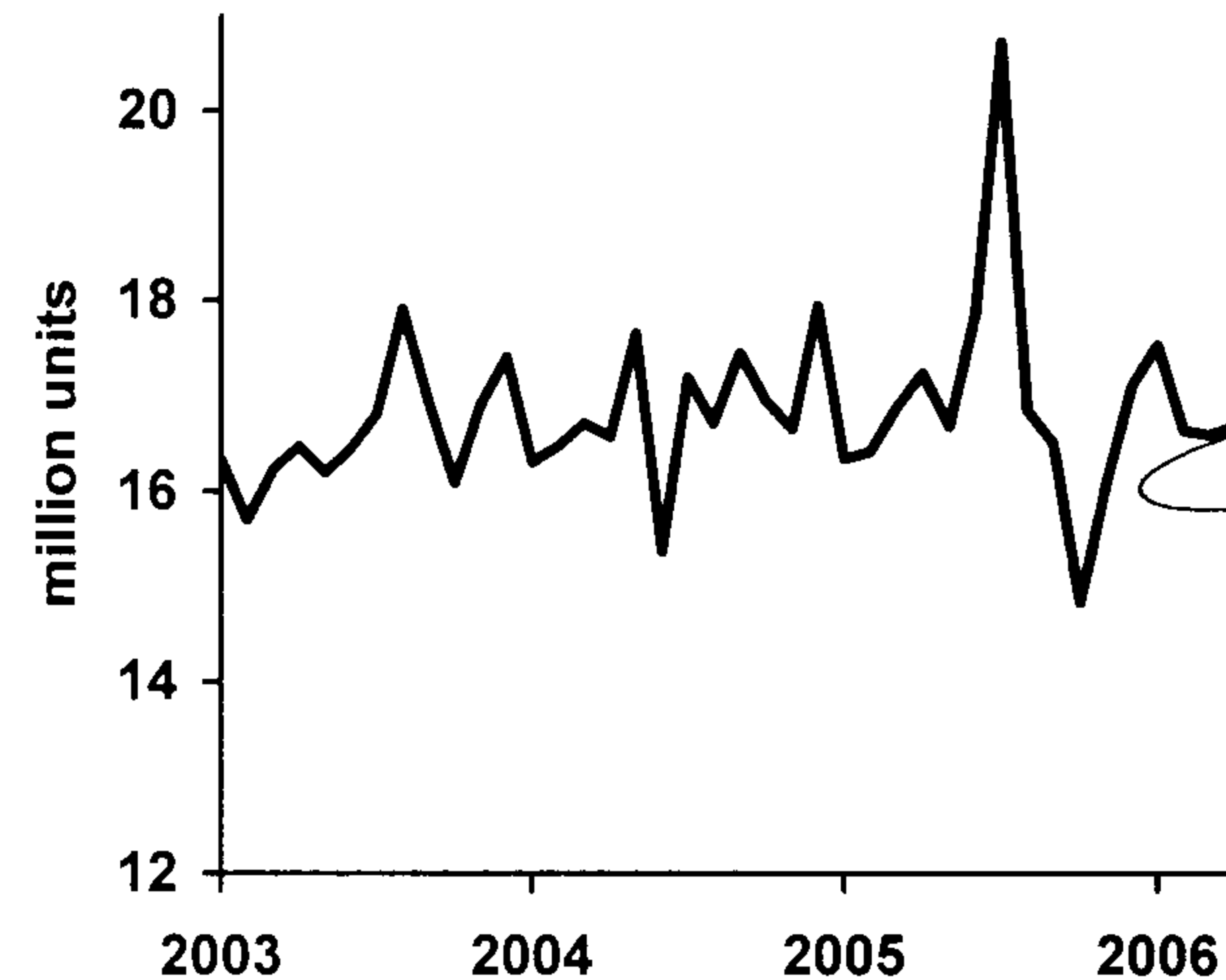


Gross Domestic Product
adjusted for inflation



Probably the weakest growth rate of the cycle.

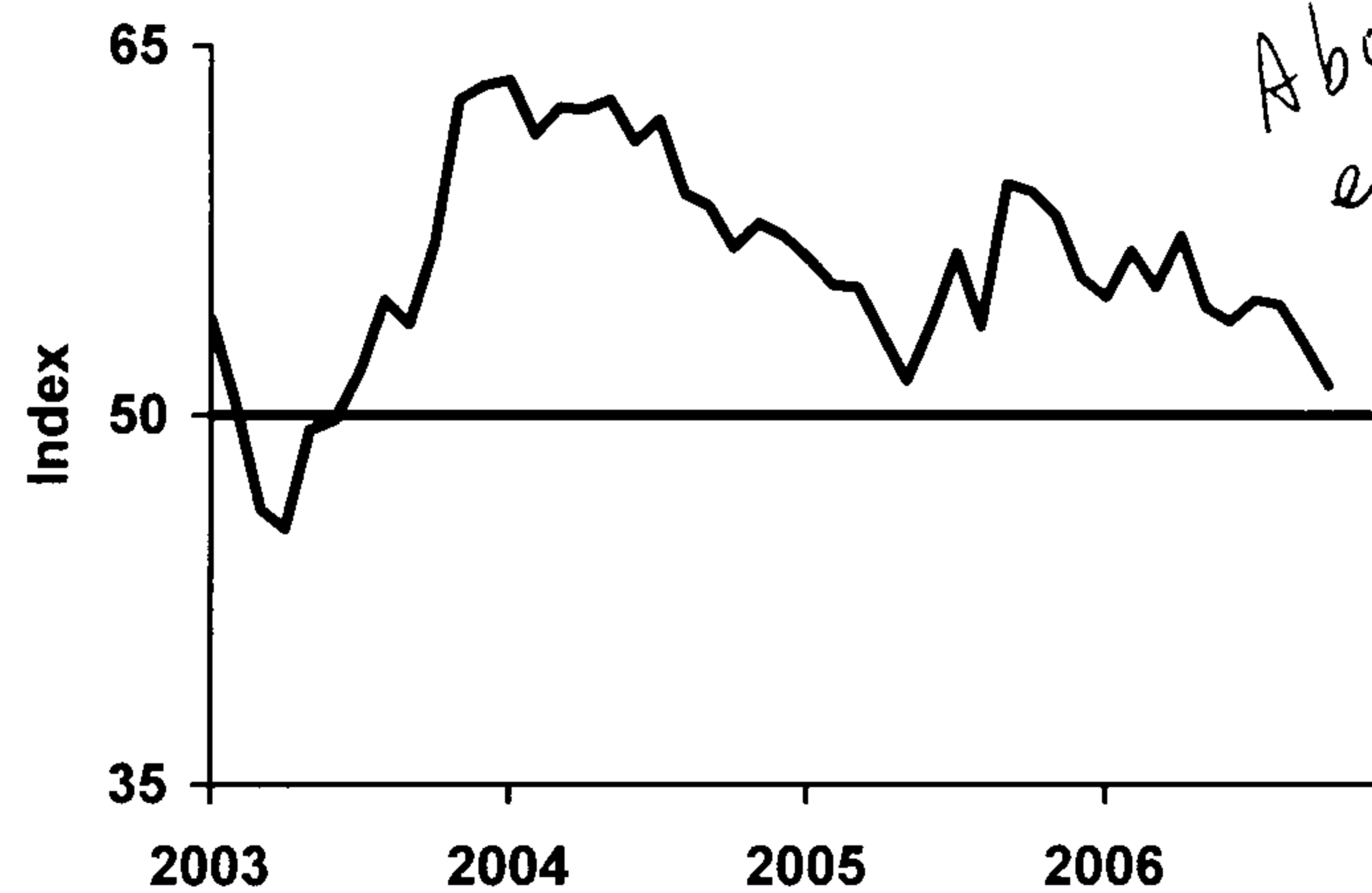
Auto & Light Truck Sales



Low end of normal range, but not likely to improve soon.

ISM Index

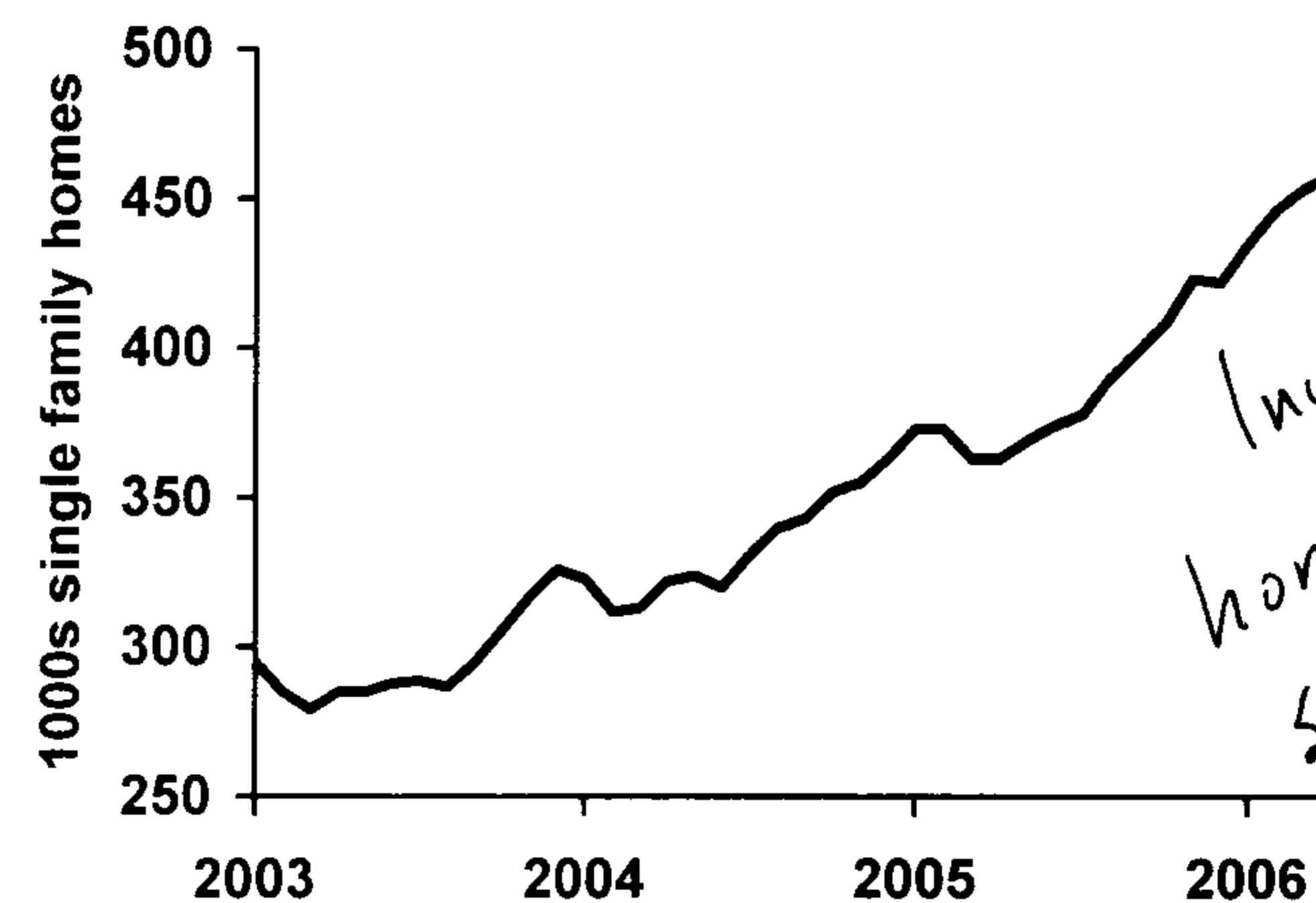
formerly Purchasing Managers Index



Above 50 means expansion, so manufacturers just barely growing.

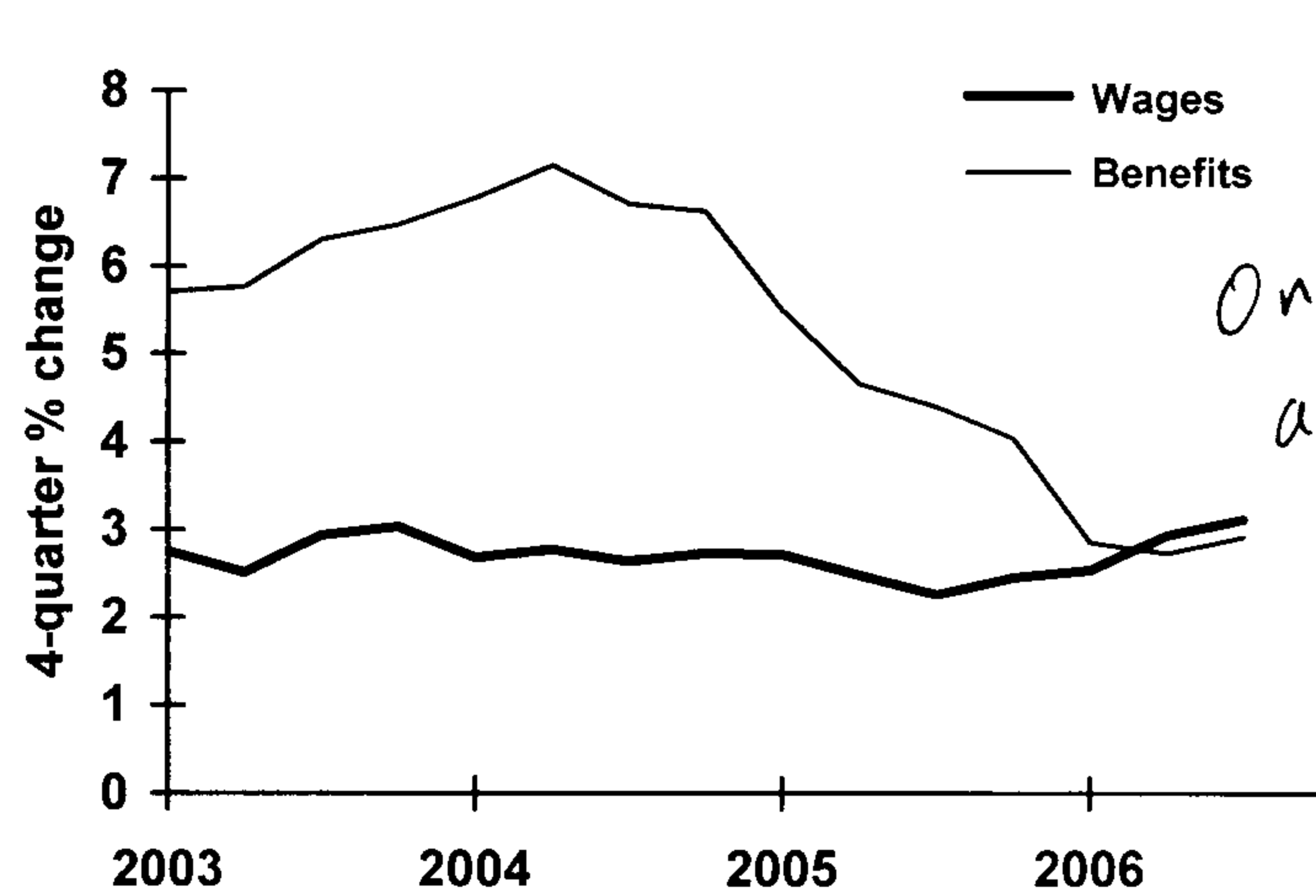
New Homes For Sale

Completed & Under Construction Only



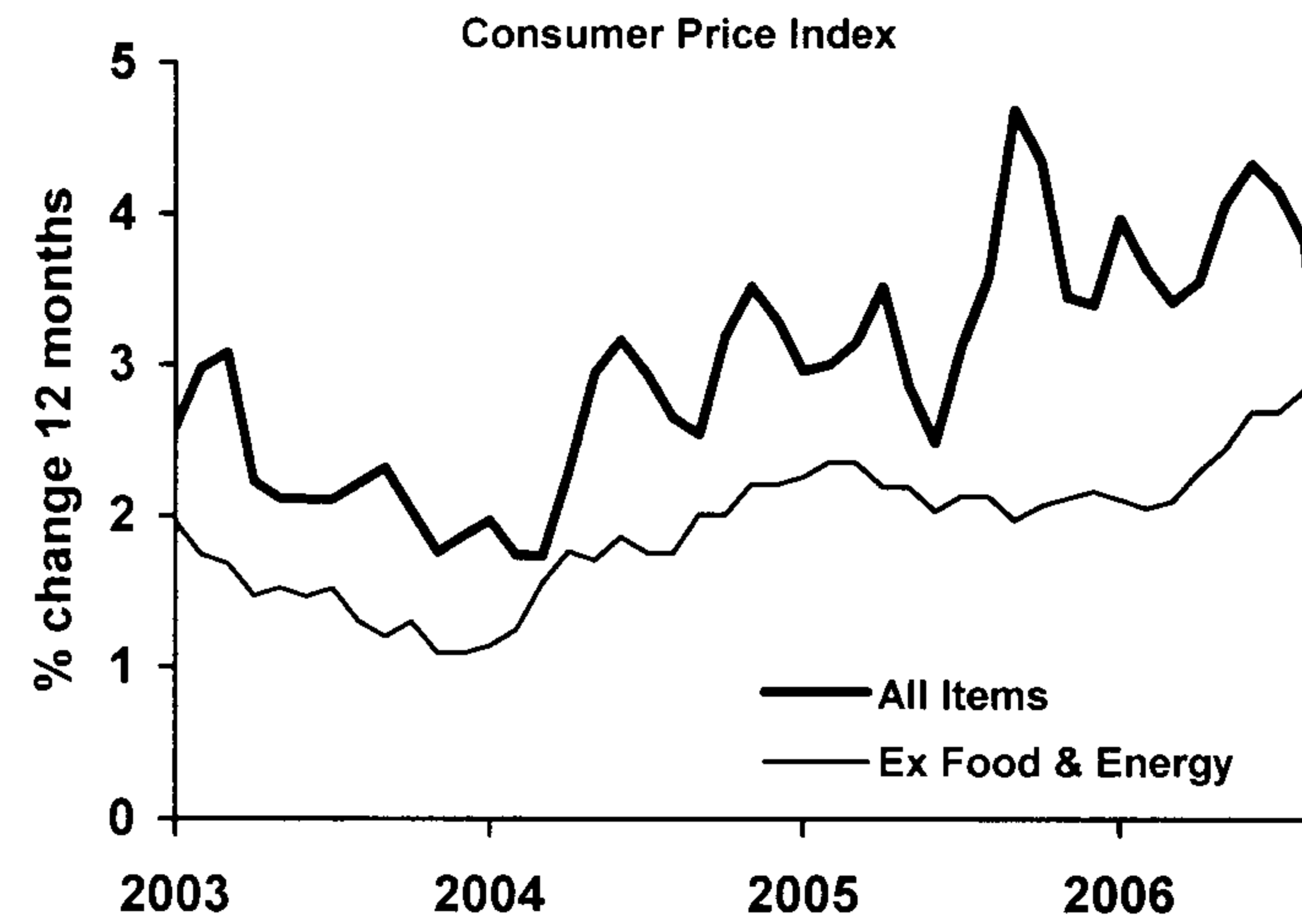
Inventory of unsold homes very high, so construction falling sharply.

Employment Cost Inflation



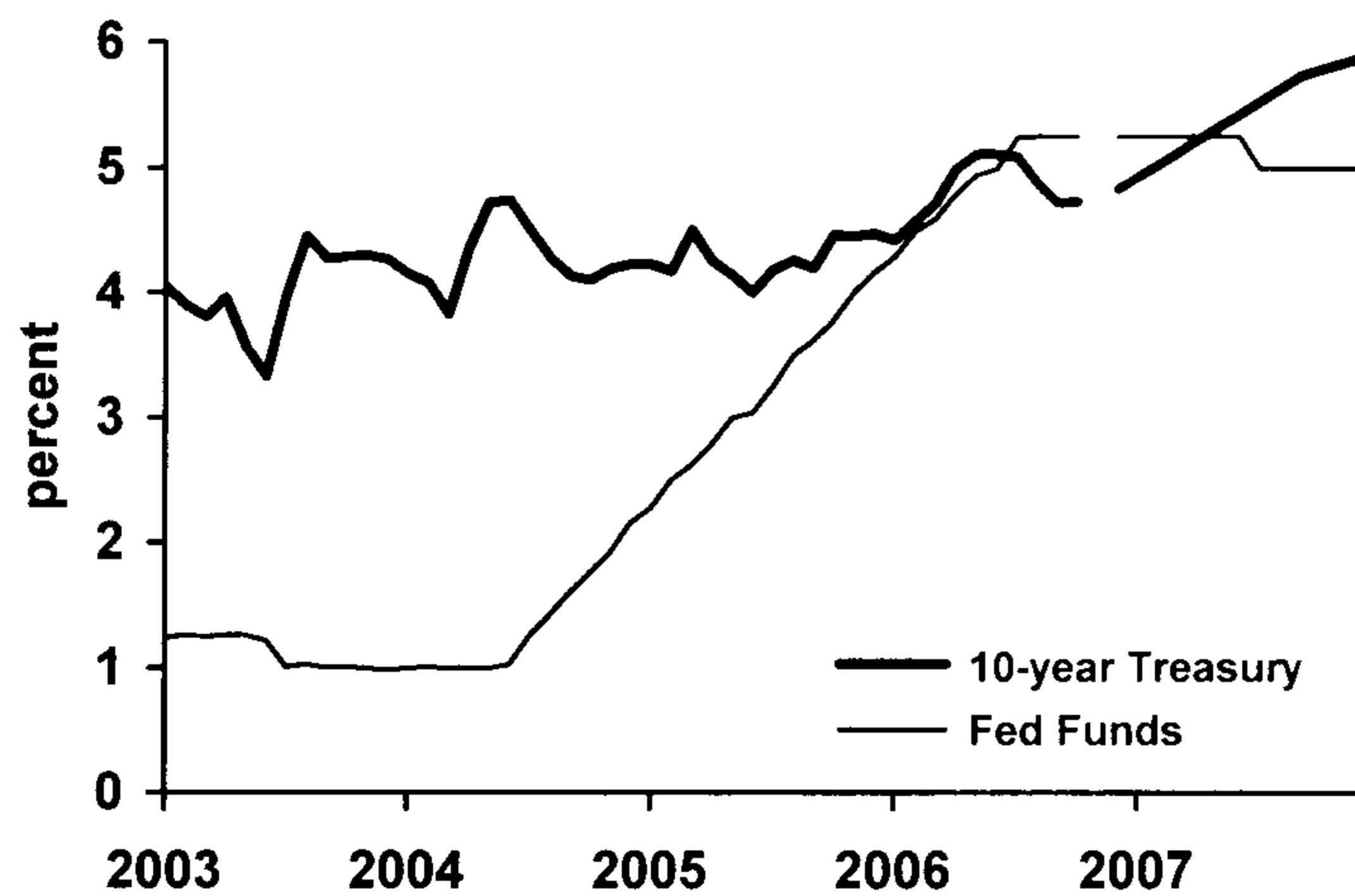
Only a little acceleration of labor costs.

Inflation



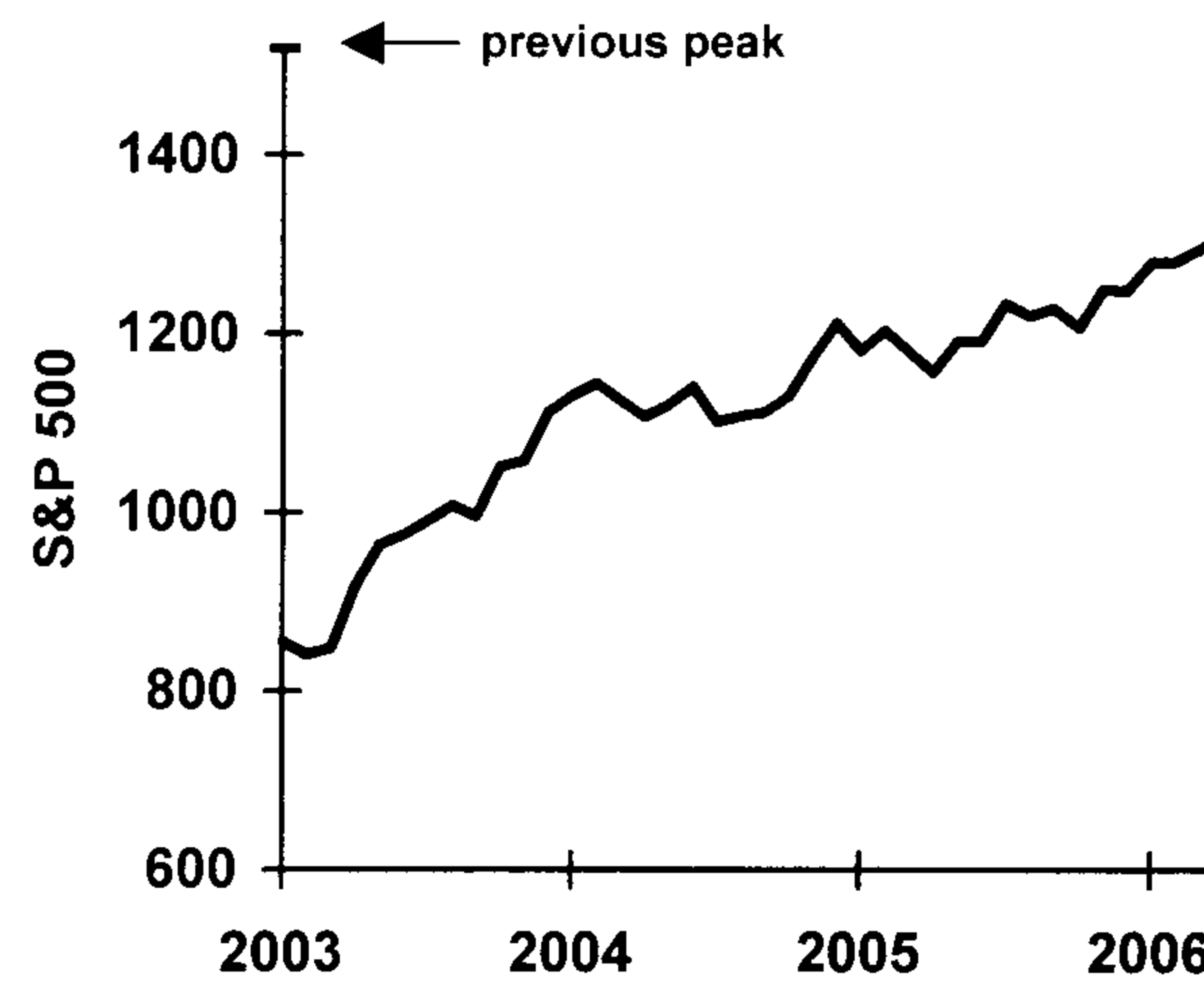
The fall in oil & gasoline is bringing inflation down.

Interest Rates



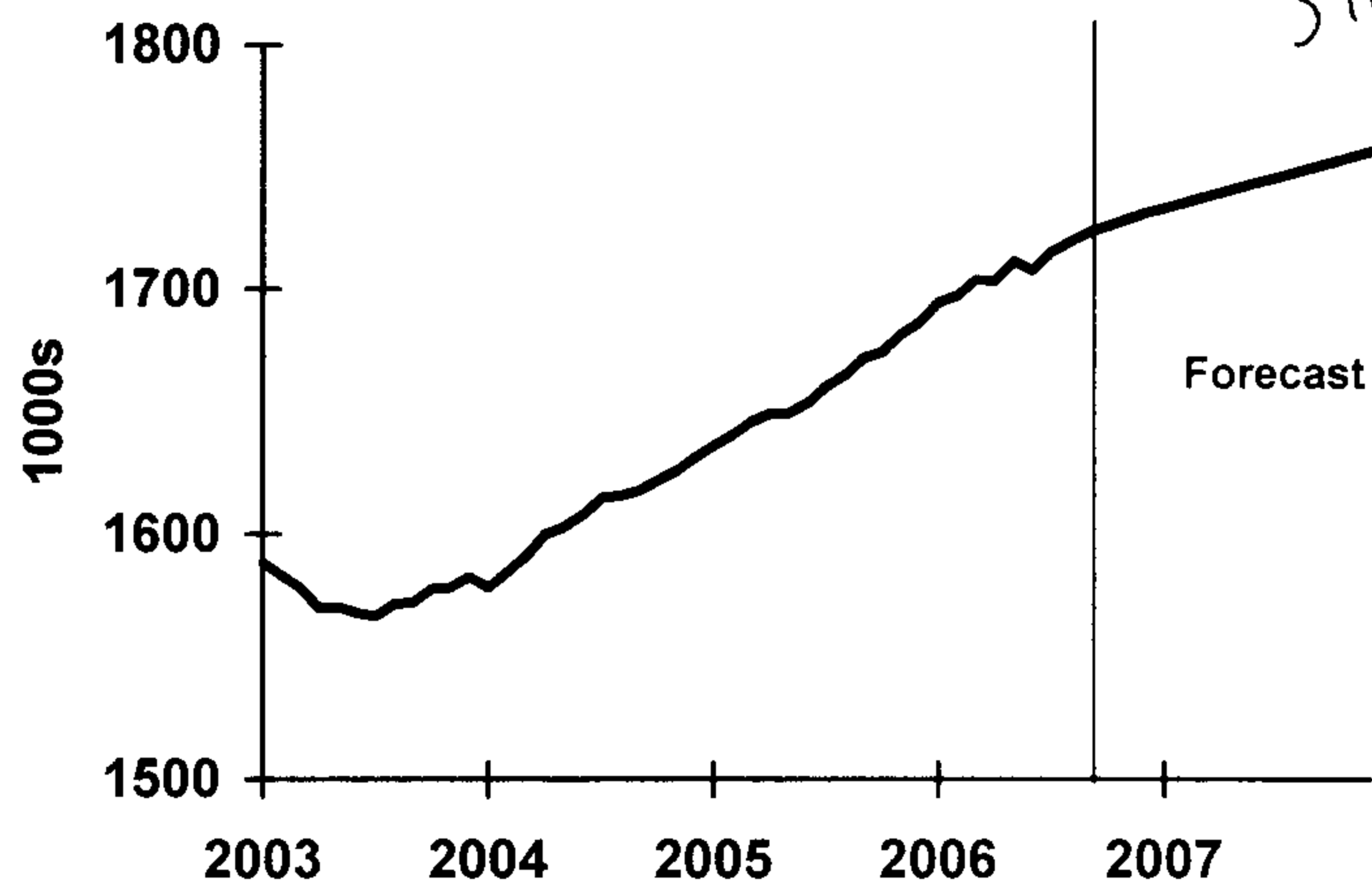
I'm still forecasting rising long rates.

Stock Market



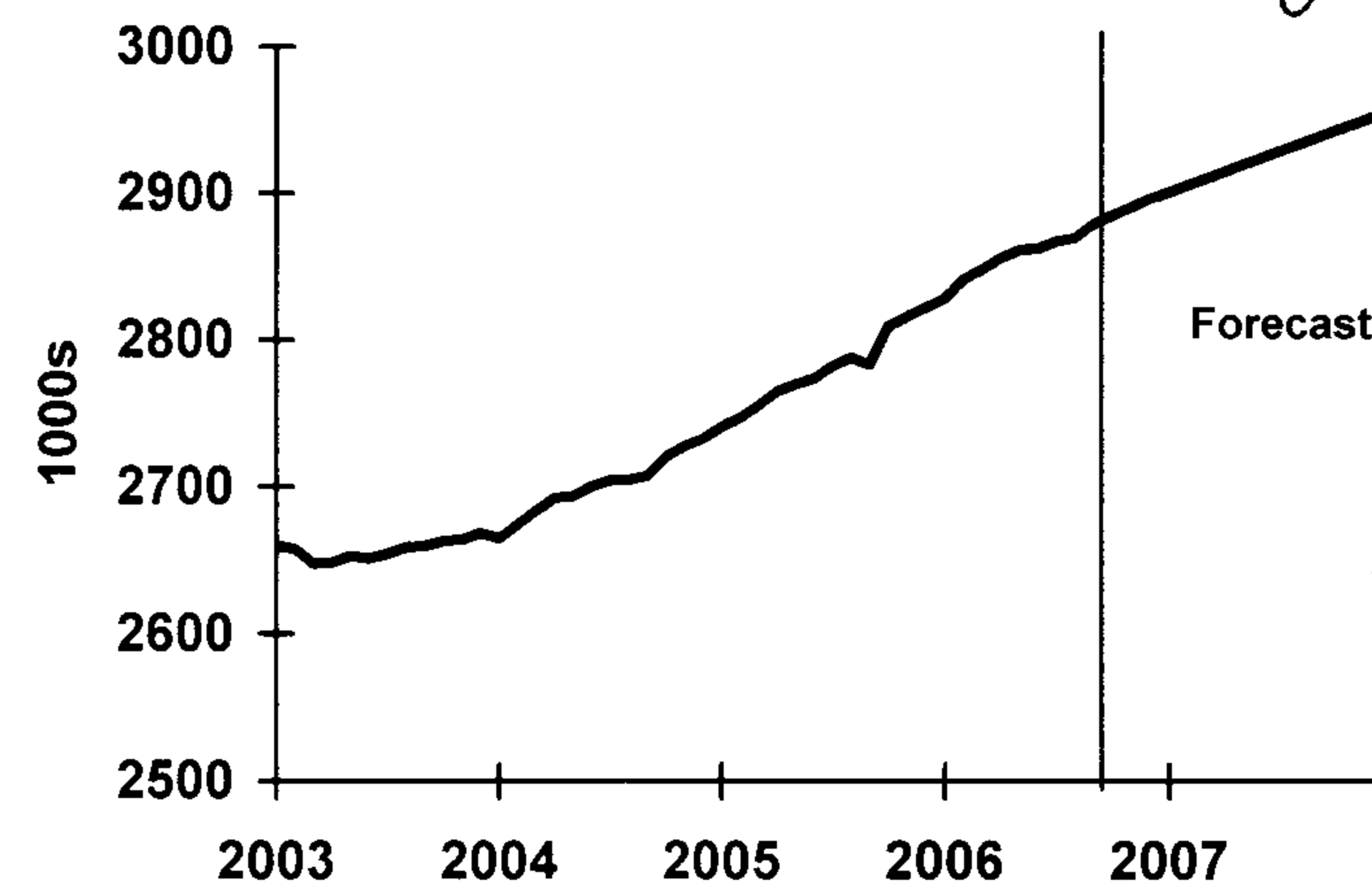
Last month was very good for stocks, and I think we'll have some good months next year.

Oregon Employment



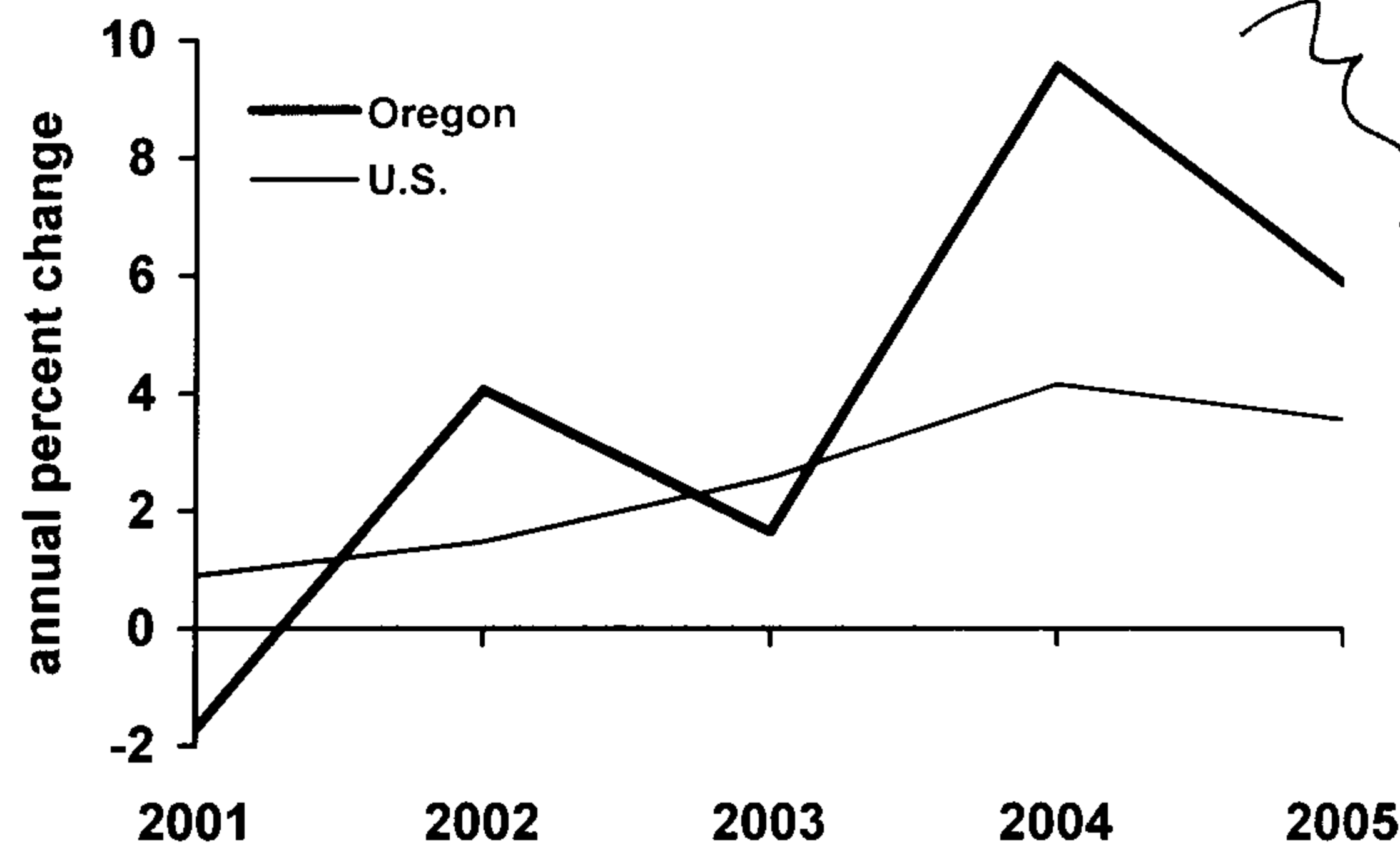
Slower growth coming, with wood products sector and Intel cutting back jobs.

Washington Employment



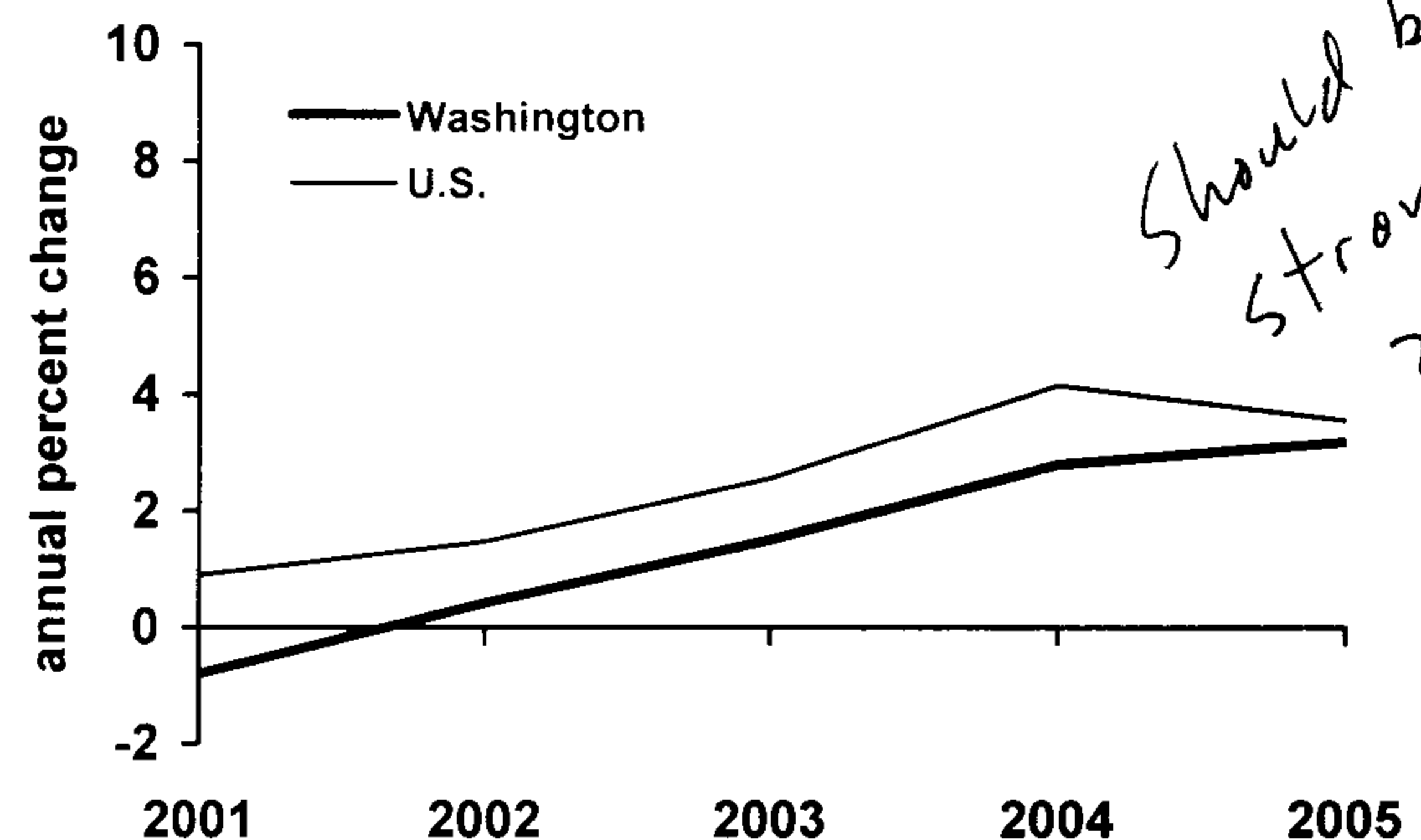
Only a slight slowdown in growth rate, as Boeing keeps expanding.

Oregon Real GDP Growth



The chip rebound in '04 and '05 really helped.

Washington Real GDP Growth



Should be stronger in 2007.