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

- Wages
- Benefits

4-quarter % change

2003 2004 2005 2006

Only a little acceleration of labor costs.

Inflation
Consumer Price Index

% change 12 months

2003 2004 2005 2006

All Items
Ex Food & Energy

The fall in oil & gasoline is bringing inflation down.

Interest Rates

percent

10-year Treasury
Fed Funds

2003 2004 2005 2006 2007

I'm still forecasting rising long rates.

Stock Market

S&P 500

previous peak

2003 2004 2005 2006 2007

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.

Forecast

Washington Employment

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

Forecast

Oregon Real GDP Growth

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

Washington Real GDP Growth

Should be stronger in 2007.