The Businomics® Newsletter

February 2008

GDP Growth
Inflation Adjusted

% change

2004 2005 2006 2007 2008 2009

My latest forecast: only a borderline recession.

GDP Growth Contributions
2007q4

Consumer
Housing
Bus. Capital Gds
Inventories
Net Exports
Government

percent

-1.5 -1.0 -0.5 0.0 0.5 1.0 1.5

The inventory cycle is new.

ISM Index
formerly Purchasing Managers Index

Index

50 indicates stable economy

2004 2005 2006 2007 2008

Sharpest drop ever in service sector survey.

Housing Vacancy Rate
Rental + Owned

percent


breaks in line reflect changes in definitions

Excess supply is nearly one year's production (at average levels)
Consumer Spending Growth

Inflation Adjusted

Real Inventory Change

The inventory cycle will reverse by third quarter.

Interest Rates

High grade interest rates are low, but junk rates very high.

Stock Market

Market nervous about recession.

Bill Conerly’s consulting projects include market studies, competition analysis, corporate strategy. To discuss your needs, call 503-675-3138.
Oregon Employment Growth
Dec 2007

Salem
Portland
Medford
Eugene
Corvallis
Bend
Rural

12-month % change
0.0 0.5 1.0 1.5 2.0 2.5

Oregon generally doing well.

Washington Emp. Growth
December 2007

Bellingham
Bremerton
Olympia
Seattle
Spokane
Tacoma
Tri-Cities
Vancouver
Wenatchee
Yakima
Rural

12-month percent change
0 1 2 3 4 5 6

Most of Washington is booming.

Lumber and Panel Prices

Source: Random Lengths

Boeing Orders & Deliveries

Commercial Aircraft

Low prices due to housing problems.

International orders very strong.