GDP Growth
Inflation Adjusted

% change
0 1 2 3 4 5
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
-1.5 -1.0 -0.5 0.0 0.5 1.0 1.5
percent

The inventory cycle is new.

ISM Index
formerly Purchasing Managers Index

Index
50 indicates stable economy
35 50 65
2004 2005 2006 2007 2008

Sharpest drop ever in service sector survey.

Housing Vacancy Rate
Rental + Owned

percent
6 8 10 12 14

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

Interest Rates

Stock Market

The inventory cycle will reverse by third quarter.

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

Market nervous about recession.

Bill Conerly's consulting projects include market studies, competition analysis, corporate strategy. To discuss your needs, call 503-675-3138.