GDP Growth
Inflation Adjusted

% change

2004  2005  2006

4  2  4

Big downward revision from preliminary estimate.

Consumer Attitudes

index

source: University of Michigan

2004  2005  2006  2007

Consumers have been feeling better lately.

Capital Goods Orders
Non-defense, excluding aircraft

$ billions

2004  2005  2006  2007

This decline is worrisome.

New Homes For Sale
Completed & Under-Construction Only

1000s single family homes

2004  2005  2006  2007

Slowly working off excess supply.

”Normal”

---
ISM Index
formerly Purchasing Managers Index

Values above 50 indicate expansion of manufacturing activity.

Core Inflation
Personal Consumption Price index excluding food & energy

Stubbornly high.

Interest Rates

I predict yield curve will look more normal.

Stock Market

Try to ignore the short-term volatility.