Growth by Sector

- Consumer
- Bus Invest.
- Residential
- Exports
- Gov't

4-quarter percent change

Net New Jobs

Growth is slowing, though still positive.

Housing Starts

Downward slide

Capital Goods Orders

Non-Defense

Capital spending should stay strong; lots of corporate cash lying around.
**Inflation**
Consumer Price Index

The Fed is worrying about inflation.

- **Odds of a 1/4% Rate Hike**
in June, based on options on Fed Funds futures

- **Interest Rates**
Upward trend in long rates will slow economic growth, more than hike in short rates.

- **Stock Market**
Market disappointed that rate hikes are continuing.