The Businomics™ Newsletter

December 2006

Growth by Sector

- Consumer
  - Through 2006q3
  - Through 2007q3
- Bus Invest.
- Residential
- Exports
- Gov't

4-quarter percent change

Most sectors will look about the same next year, but housing is a real problem.

Consumer Sentiment

Source: University of Michigan

Non-Residential Construction

- Private
- Public

Commercial building is off-setting some of the housing weakness.

Monthly Payment on Home

- Home value $100,000 in 1995, appreciation at national average.
- Mortgage rate = national average on 30 year fixed rate loans.

First time buyers priced out of the market.
Oil Price

Still room for more decline.

Value of the Dollar vs $C

If oil prices do fall, then U.S. $ will rise relative to Canadian $.

Interest Rates

Long rates staying low for a surprisingly long time.

Stock Market

If real estate does not pull economy into recession, then stocks should rise in 2007.

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