Growth by Sector

Consumer
Bus Invest.
Residential Construction
Exports
Gov't

4-quarter percent change

Net New Jobs

2003 2004 2005 2006

Growth in slowing, though still positive

My forecast: only major weakness is housing

Housing Starts

2003 2004 2005 2006

Capital Goods Orders
Non-Defense

2002 2003 2004 2005 2006

Capital spending should stay strong; lots of corporate cash flying 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

Strong inflation report

Bernanke speech about inflation

Weak jobs report

Looks like a rate hike.

Interest Rates

Upward trend in long rates will slow economic growth more than hike in short rates.

Stock Market

previous peak

Market disappointed that rate hikes are continuing.
Oregon Home Prices

Washington Home Prices

Oregon Export Growth

Washington Export Growth

The national slowdown has not shown up.

Washington is still heating up.

Very strong exports helping states manufacturing sector.

Should rebound as Boeing ramps up production.

Bill Conerly gives speeches to management teams, trade associations, and customer groups. For fees and availability, call 503-675-3138.