

**University of Pennsylvania**  
**Current Quarter Model of the United States Economy**

**FORECAST SUMMARY**

by Lawrence R. Klein and Wendy Mak

At the University of Pennsylvania, in cooperation with Global Insight, we have established statistical relationships between some 75 monthly economic and financial indicators and the main entries in the quarterly national income and product accounts (NIPA). This is a purely econometric system with no personal data adjustment. We update, on a weekly basis, partial information on the United States economy from high-frequency indicators, as they become available, and revise our current (and next) quarter forecasts, on a forward rolling basis.

In addition to economic forecasting at high-frequency intervals, our Current Quarter Model features the combination of GDP forecasts from three approaches -- from bridge equations of both the product (expenditure) side and the income side of the NIPA, and from regressions of GDP on the principal components of selected major indicators.

### ***The Week's Economic Highlights***

- The Memorial Day holiday is a prelude to the official summer season in the US. Some positive economic effects are appearing; the fiscal stimulus has started, and the index of leading economic indicators has moved up by a small amount.
- Coincident economic indicators are flat, and sales of existing homes fell in April, by 1%, while, inventories of unsold homes rose.
- The PPI rose by 0.2% in April, below the March increase. The core PPI was up by 0.4%, in excess of the market consensus view.
- The FED has been disappointed in its attempts to balance policy between keeping activity levels up and inflation pressures down.
- Initial claims for unemployment insurance in the week of May 17 fell by 9,000, but the previous week's claims were revised up by 3,000.
- Our energy price graphics are uniformly up for crude oil, gasoline, heating oil and natural gas.
- Our estimate of inflation expectations is definitely up, contributing to the FED's policy problems, but these expectations are not the highest in this new century.
- The US dollar remains weak, but not with great regularity. Corporate profits have risen in total.

**FORECAST UPDATE OVERVIEW**

This forecast incorporates the following National Income and Product Accounts:

APR 30 GDP (based on Chain 2000 Weights) for 2008Q1: 0.6%  
 MAY 01 Personal Income and Consumption for March: 0.3%, 0.4%

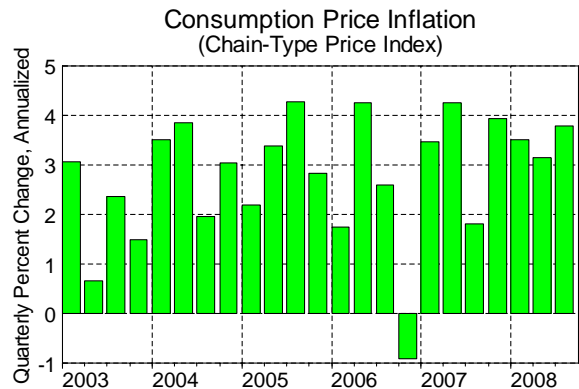
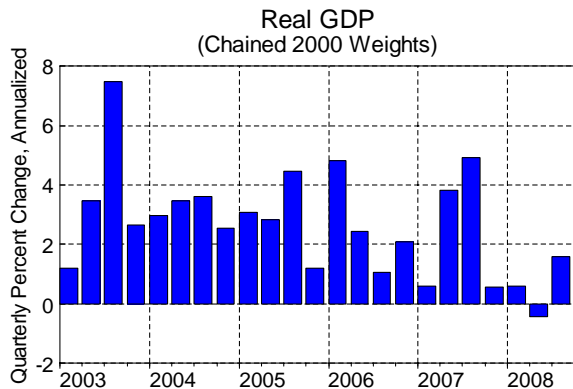
The latest CQM forecast incorporates new monthly economic indicators (marked in red) that were not included in the previous forecast

| Date          | Economic Indicator                            | for          | Latest            | Prior Month        |
|---------------|---|--------------|-------------------|--------------------|
| May 01        | Construction Spending                         | March        | -1.1%             | 0.4%               |
| May 02        | Nonfarm Payroll Employment                    | April        | -20,000           | -81,000            |
| May 01        | Auto Sales                                    | April        | 14.4 Million      | 15.1 Million       |
| May 07        | Consumer Credit Outstanding                   | March        | \$15.3 Billion    | \$6.5 Billion      |
| May 13        | Export/Import Price Index                     | April        | 0.3%, 1.8%        | 1.5%, 2.9%         |
| <b>May 20</b> | <b>Producer Price Index, Total &amp; Core</b> | <b>April</b> | <b>0.2%, 0.4%</b> | <b>1.1%, 0.2%</b>  |
| May 13        | Retail Sales, Total & Ex-Auto                 | April        | -0.2%, 0.5%       | 0.2%, 0.4%         |
| May 15        | Industrial Production                         | April        | -0.7%             | 0.2%               |
| May 13        | Business Inventories                          | March        | 0.1%              | 0.5%               |
| May 14        | Consumer Price Index, Total & Core            | April        | 0.2%, 0.1%        | 0.3%, 0.1%         |
| May 16        | Housing Starts                                | April        | 1,032,000         | 954,000            |
| May 09        | Trade Balance                                 | April        | -\$58.2 Billion   | -\$61.7 Billion    |
| Apr 24        | Durable Goods Orders & Shipments              | March        | -0.1%, -0.6%      | -0.6%, -2.6%       |
| May 02        | Manuf Ships, Inv, & Orders                    | March        | 1.1%, 0.9%, 1.4%  | -1.9%, 0.7%, -0.9% |

Weekly forecasts of the quarterly percent change (SAAR) of Real GDP and quarterly percent change (SAAR) of the (Chain-Type) Price Index of Personal Consumption Expenditures:

|        | Real GDP    |             |       |      | PCE Price Index |             |      |      | Official Release  |      |
|--------|-------------|-------------|-------|------|-----------------|-------------|------|------|-------------------|------|
|        | 07Q4        | 08Q1        | 08Q2  | 08Q3 | 07Q4            | 08Q1        | 08Q2 | 08Q3 |                   |      |
| Jan 21 | 1.04        | 1.04        |       |      | 3.86            | 4.07        |      |      |                   |      |
| Jan 28 | 1.04        | 1.04        |       |      | 3.86            | 4.07        |      |      |                   |      |
| Feb 04 | <b>0.63</b> | 0.35        | 1.18  |      | <b>3.90</b>     | 4.04        | 3.85 |      | <=1 <sup>st</sup> | 07Q4 |
| Feb 11 | 0.56        | 0.62        | 1.50  |      | 3.90            | 4.04        | 3.85 |      |                   |      |
| Feb 18 | 0.72        | 0.67        | 1.48  |      | 3.90            | 4.19        | 4.01 |      |                   |      |
| Feb 25 | 0.71        | 0.60        | 1.44  |      | 3.99            | 4.24        | 4.02 |      |                   |      |
| Mar 03 | <b>0.62</b> | 0.84        | 1.14  |      | <b>4.08</b>     | 4.21        | 4.03 |      | <=2 <sup>nd</sup> | 07Q4 |
| Mar 10 | 0.67        | -0.18       | 1.02  |      | 4.17            | 4.08        | 4.21 |      |                   |      |
| Mar 17 | 0.68        | -0.12       | 1.26  |      | 4.16            | 3.56        | 3.30 |      |                   |      |
| Mar 24 | 0.68        | -0.13       | 1.34  |      | 4.16            | 3.56        | 3.30 |      |                   |      |
| Mar 31 | <b>0.58</b> | 0.01        | 1.07  |      | <b>3.95</b>     | 3.56        | 3.30 |      | <=3 <sup>rd</sup> | 07Q4 |
| Apr 07 |             | -0.23       | 0.88  |      |                 | 3.56        | 3.30 |      |                   |      |
| Apr 14 |             | -0.33       | 0.66  |      |                 | 3.56        | 3.30 |      |                   |      |
| Apr 21 |             | -0.49       | 0.27  |      |                 | 3.65        | 3.60 |      |                   |      |
| Apr 28 |             | -0.49       | 0.27  |      |                 | 3.65        | 3.60 |      |                   |      |
| May 05 |             | <b>0.60</b> | -0.50 | 1.34 |                 | <b>3.52</b> | 3.55 | 3.96 | <=1 <sup>st</sup> | 08Q1 |
| May 12 |             | 0.95        | -0.45 | 1.45 |                 | 3.63        | 3.55 | 3.96 |                   |      |
| May 19 |             | 0.99        | -0.44 | 1.57 |                 | 3.63        | 3.16 | 3.80 |                   |      |
| May 20 |             | 0.99        | -0.38 | 1.59 |                 | 3.63        | 3.16 | 3.80 |                   |      |

\* Official figures released by the Department of Commerce are in blue.

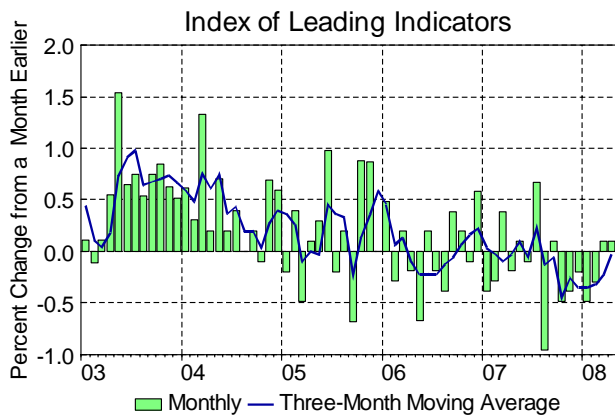


# High Frequency Indicators

## The Week in Review (May 19 - 23)

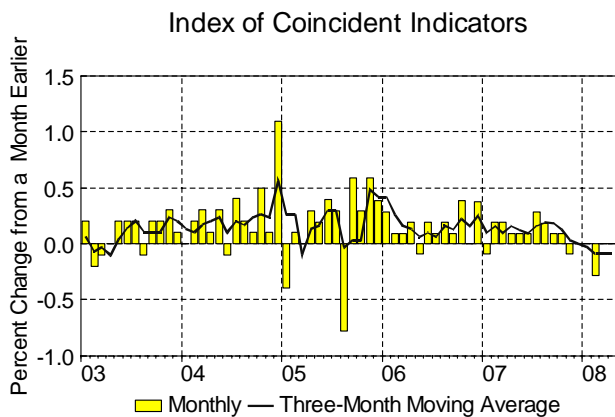
### Index of Leading Indicators

In April, the Index of Leading Indicators inched up 0.1%, the same rate of increase as in March. This marked the second straight monthly increase, following five months of declines.



Among the ten indicators used in the index, six were higher in April than in March. The strongest ones included stock prices, interest rate spread, and building permits.

Meanwhile, the Index of Coincident Indicators was flat in April. Since October 2007, the Index of Coincident Indicators was either flat or lower than a month ago. The Index of Lagging Indicators inched up 0.1% in April, following a 0.4% decline in March.



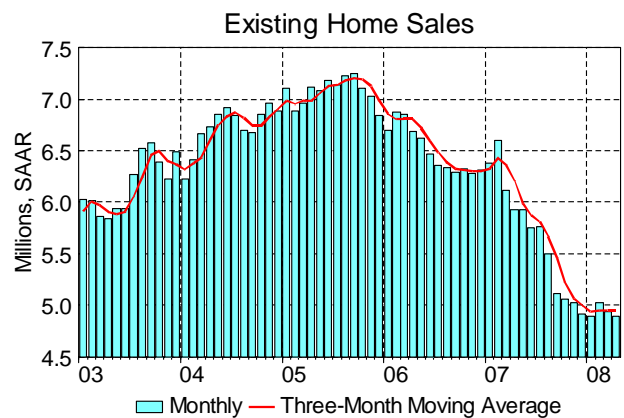
### Existing Home Sales

Existing home sales fell 1.0% to 4.89 million (annual rate) in April. Home resales were revised up marginally, to 4.94 million, in March.

By region, sales fell in the Northeast and the Midwest in April, but rose in the West. Sales were unchanged in the South in the same month.

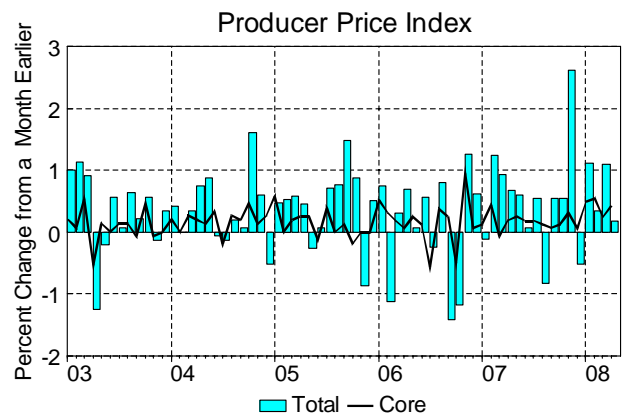
The median sales prices were down 8.0% from a year ago, to \$202,300.

Inventories of unsold homes rose 10.5% to 4.55 million. This corresponds to a 11.2-month supply.



### Producer Price Index

In April, the producer price index was up 0.2%, following a 1.1% increase in March.



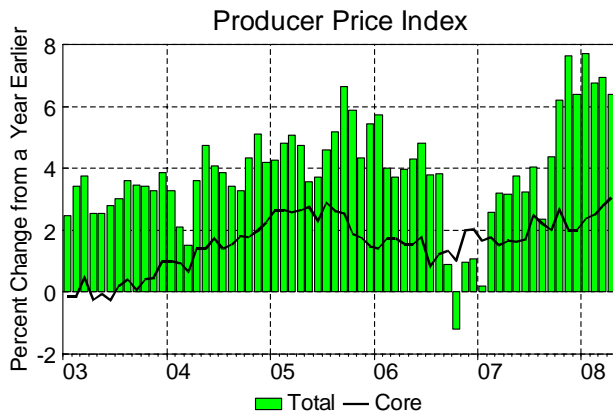
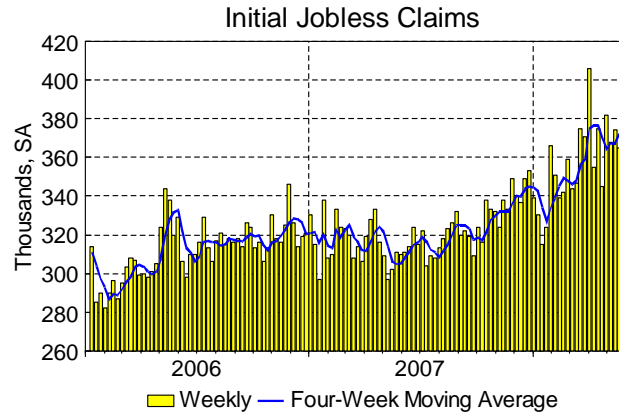
Energy prices fell 0.2% in April (seasonally adjusted), as energy prices typically rise more in April. In unadjusted terms, energy prices were up 3.2%. Gasoline prices fell 4.6% (seasonally adjusted) in April. Meanwhile, food prices were flat in April.

Excluding food and energy, the core PPI was up 0.4%, stronger than the market consensus forecast, and above the Fed's comfort zone.

The producer prices of light trucks went up 1.3%, while the producer prices of cars increased 0.4%. Furniture prices jumped 1.8%, the strongest in more than 25 years. Alcohol prices went up 1%, prices of drugs increased 0.7%, and prices of capital goods gained 0.4%.

Prices of intermediate goods went up 0.9%. Core intermediate goods prices were up 1.2%.

Compared to a year ago, the PPI was up 6.5% in aggregate. The core PPI has been trending higher on a year-over-year basis since late 2007 (see graph below). In April, the core PPI rose 3% from a year ago, the largest year-over-year increase in 17 years.



**Initial Jobless Claims**

For the week ending May 17, initial jobless claims fell 9,000 to 365,000, reversing the prior week's increase. This was the lowest level since the beginning of April. The prior week's initial claims figure was revised up by 3,000. The four-week moving average of claims went up by 5,000 to 372,250.

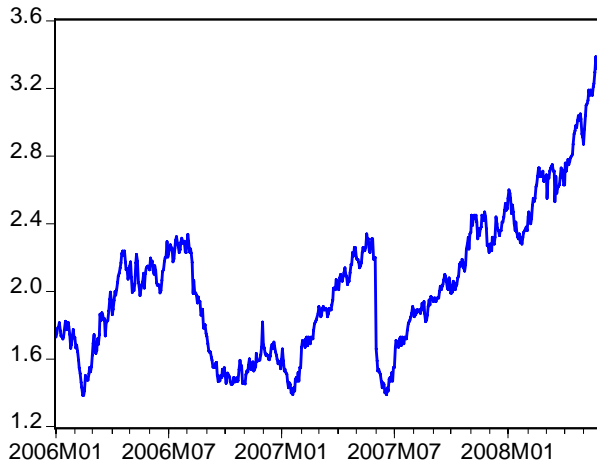
The number of insured unemployed was unchanged at 3.07 million, for the week ending May 10, the highest since March 2004. The insured unemployment rate was unchanged at 2.3%.

**Energy Prices**

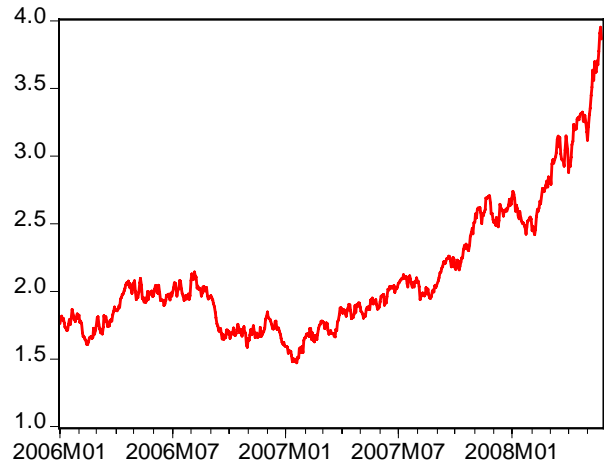
Oil prices rose for the third consecutive week. Day after day, oil prices broke record highs. By Friday's market close, crude oil prices traded at \$132.19 per barrel, up \$5.90 from a week ago. In the prior two weeks, oil prices gained more than \$10 a barrel. Market movers continued to blame the weak US dollar as a main factor behind the sharp increase in oil prices. A year ago, oil prices traded at about \$60 a barrel.

Prices of other energy commodities were also higher this week. Prices of heating oil rose 18 cents to \$3.89 per gallon. Prices of gasoline went up 18 cents to \$3.40 per gallon. Finally, prices of natural gas increased 72 cents to \$11.98 per mmbtu.

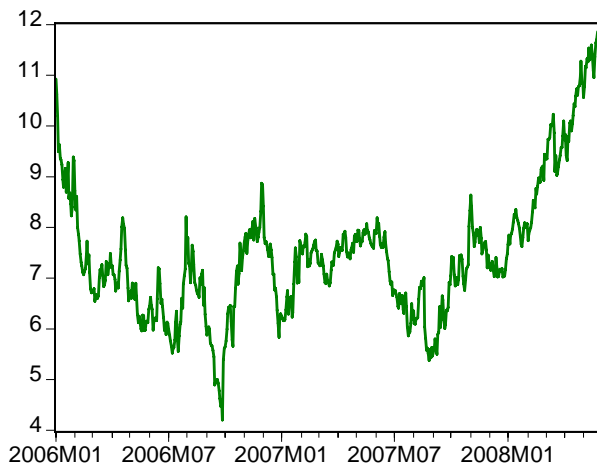
In the US retail market, gasoline prices were about 10 cents below \$4 per gallon. Market watchers are monitoring closely whether the sharp increase in gasoline prices might deter consumers' gasoline consumption.



— Gasoline Futures Price, \$/Gallon



— Heating Oil Futures Price, \$/Gallon



— Natural Gas Futures Price, \$/MMBTU



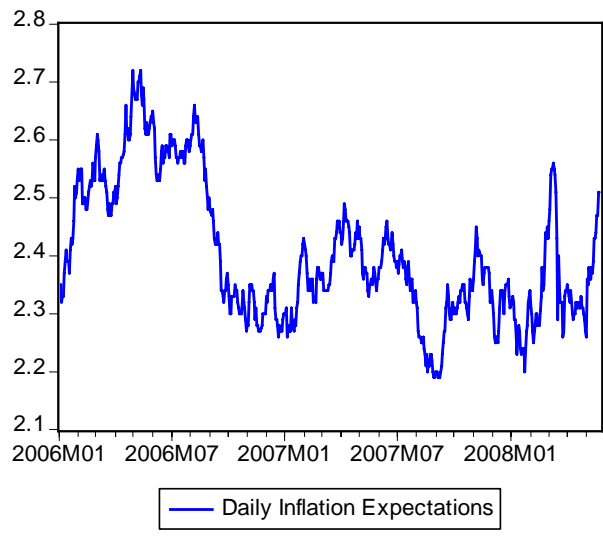
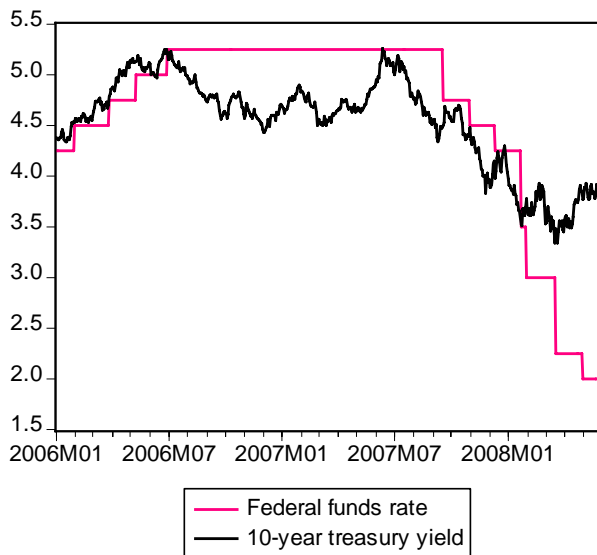
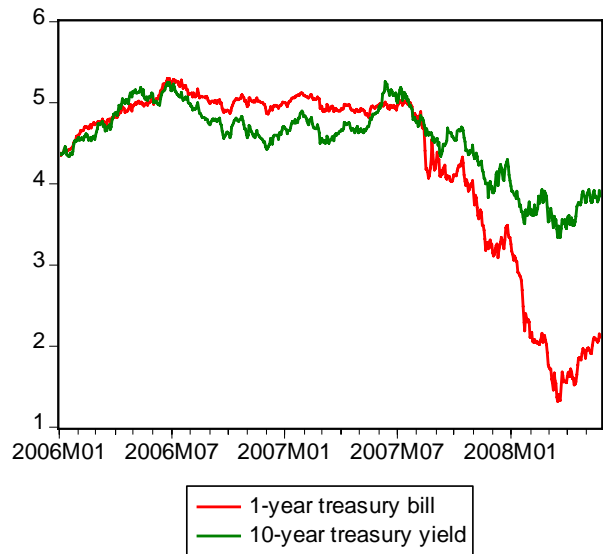
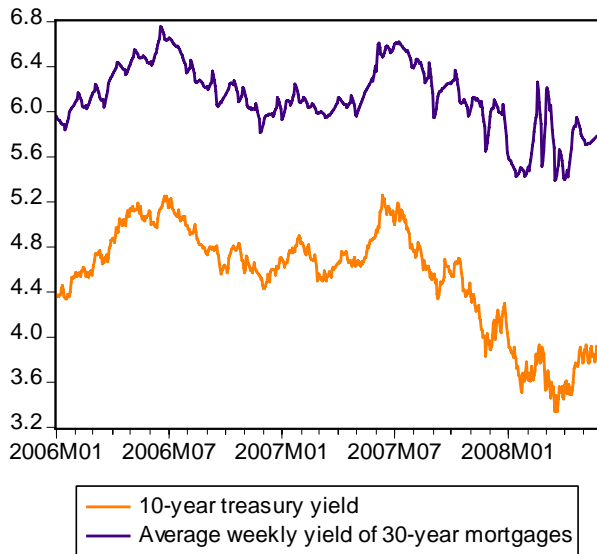
— Crude Oil (WTI) Futures Price, \$/Barrel

**Interest Rates**

Treasury prices were mixed this week, up for a day and down for the next. On one hand, inflationary concerns continued to heighten, with oil prices touching new highs every day. Fed watchers anticipate that the Federal Reserve might be less aggressive with interest rate cuts in the near term. On the other hand, economic performance remained weak, with home sales tumbling to a multi-year low and leading indicators staying lackluster month after month.

By Friday's market close, the two-year treasury yielded 2.43%, down 2 basis points from a week ago. The ten-year treasury yield stood at 3.84% by the week's close, down 1 basis point from a week ago.

The upward pressure on daily inflation expectations (yield on unprotected minus yield on protected 10-year bonds) rose for the third consecutive week. They currently stand at 2.52%, up 3 basis points from a week ago. FED officials indicate that they remain concerned about inflation, while trying to prevent the trend pattern of real GDP from significant decline.

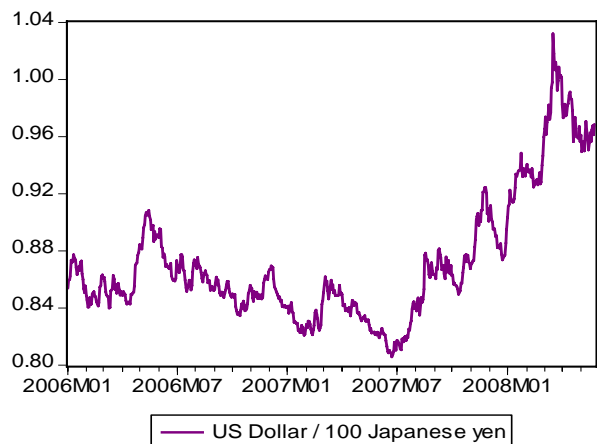
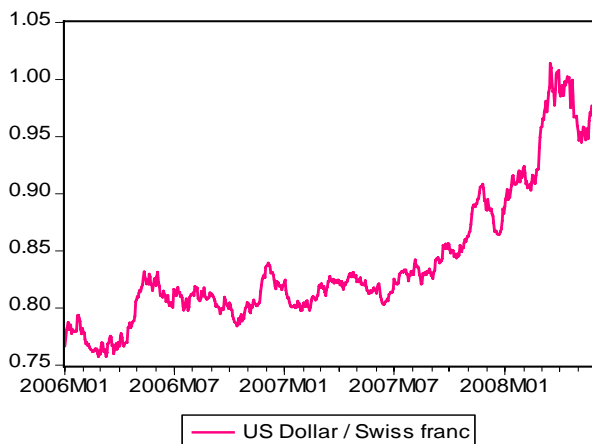
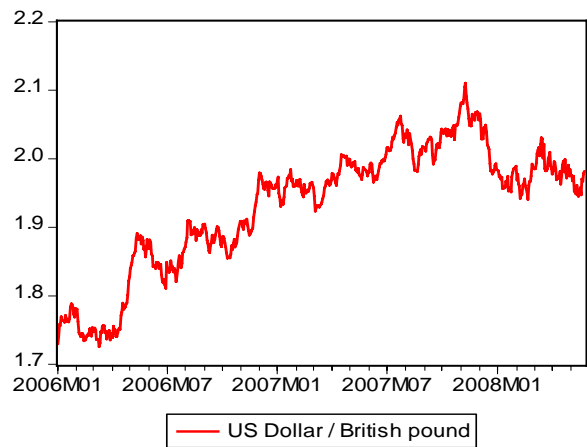
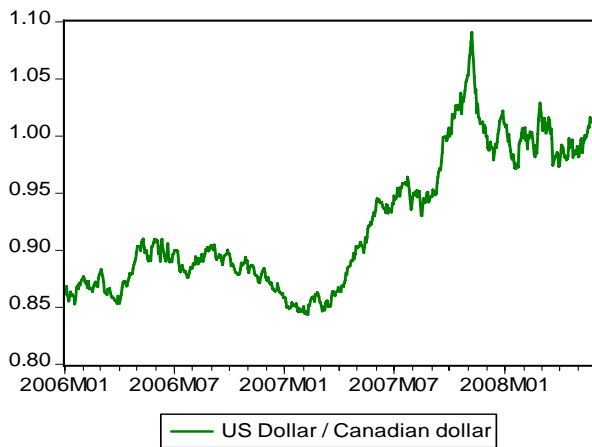
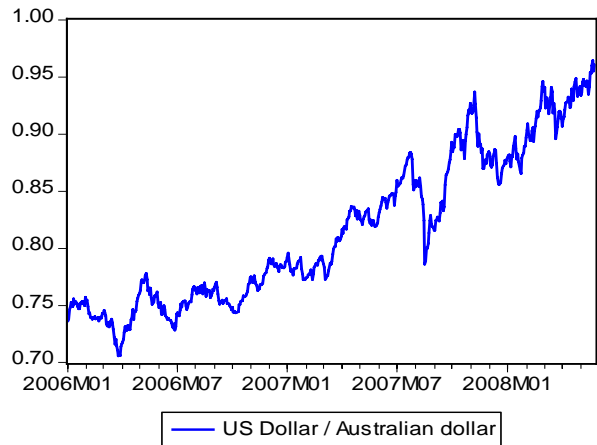
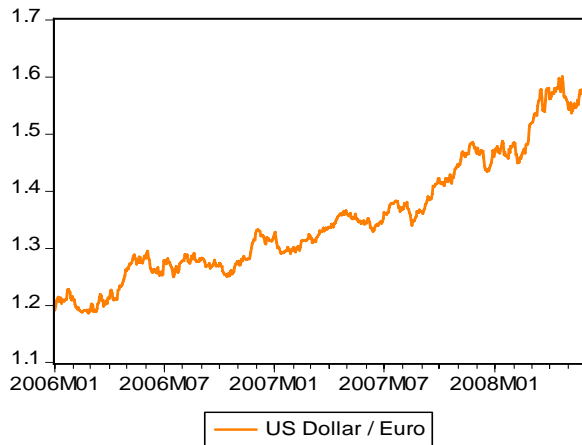


**Currency Markets**

The weakness of the US dollar continued for a third week. The greenback fell for the third straight week against the euro, led by weak US economic indicators. The continued decline of the US dollar against the euro has led market movers speculate that the US dollar might soon touch a new low against the euro.

By Friday's market close, the US dollar traded at \$1.5763 per euro, down 1.5% from a week ago. The US dollar traded at \$1.9796 per British pound, down 1.1%.

The US dollar also fell against the Japanese yen. By the week's close, the US dollar was at 103.385 yen per dollar, down about 0.7 yen from a week ago. The US dollar lost 0.9% against the Canadian dollar, closing Friday at US\$1.0102 per Canadian dollar.



## The Week in Preview (May 26 - 30)

| Date   | Economic Indicator                  | For   | Market Consensus | Prior Month |
|--------|-------------------------------------|-------|------------------|-------------|
| May 27 | Consumer Confidence Index           | May   | 61.0             | 62.3        |
| May 27 | New Home Sales                      | April | 520,000          | 526,000     |
| May 28 | Durable Goods Orders                | April | -0.7%            | -0.3%       |
| May 29 | Gross Domestic Product, preliminary | Q1    | 0.9%             | 0.6%        |
| May 29 | GDP Deflator, preliminary           | Q1    | 2.6%             | 2.4%        |
| May 30 | Personal Income                     | April | 0.2%             | 0.3%        |
| May 30 | Consumer Spending                   | April | 0.2%             | 0.4%        |
| May 30 | Core PCE Price Index                | April | 0.1%             | 0.2%        |
| May 30 | Chicago Purchasing Managers Index   | May   | 49.0             | 48.3        |
| May 30 | Consumer Sentiment Index, final     | May   | 60.0             | 59.5        |

### Current Quarter Forecasts

In the second quarter, our forecast for real GDP is expected to decrease 0.4% (SAAR), to be followed by 1.6% growth in the third quarter of 2008.

The GDP deflator is projected to increase 2.85% in the second quarter (SAAR), and 2.92% in the third quarter of 2008.

Nominal GDP is forecasted to total US\$14.3 trillion in the second quarter, to be followed by US\$14.4 trillion in the third quarter of 2008. This amounts to 2.5% (SAAR) expansion in the second quarter and 4.6% increase in the third quarter of 2008.

### New Projections

A methodological concept for high-frequency forecasting is to revise forecasts by using new observations as soon as they are available. In the general pattern of BEA releases on NIPA sequences, there are 3 reports every quarter – advance, preliminary, and final. We are now making fresh estimates of GDP and consumer price rates of change by re-estimating quarterly values for the preliminary and final estimates prior to their official release dates. You will find our final projection values on page 2 of this report for the weeks of Feb 11<sup>th</sup>-25<sup>th</sup>, Mar 10<sup>th</sup>-24<sup>th</sup> and May 12<sup>th</sup>-26<sup>th</sup>.

If you have any questions, please contact Wendy Mak at (215) 564-6306 or [wendymak@sas.upenn.edu](mailto:wendymak@sas.upenn.edu)

**FORECAST SUMMARY TABLE**  
Monthly Economic Indicators

|                                    | JAN08   | FEB08   | MAR08   | APR08   | MAY08   | JUN08   | 2008Q1<br>Actual | 2008Q2<br>Forecast |
|------------------------------------|---------|---------|---------|---------|---------|---------|------------------|--------------------|
| <b>PRODUCTION</b>                  |         |         |         |         |         |         |                  |                    |
| Nonfarm Payroll Employment (Mil)   | 138.002 | 137.919 | 137.838 | 137.818 | 137.797 | 137.802 | 137.920          | 137.806            |
| + Difference                       | -0.076  | -0.083  | -0.081  | -0.020  | -0.021  | 0.005   | -0.111           | -0.114             |
| % Change, Annual Rate              | -0.7    | -0.7    | -0.7    | -0.2    | -0.2    | 0.0     | -0.3             | -0.3               |
| % Change, Year Ago                 | 0.7     | 0.6     | 0.4     | 0.3     | 0.2     | 0.1     | 0.5              | 0.2                |
| <b>DEMAND AND SPENDING</b>         |         |         |         |         |         |         |                  |                    |
| Retail Sales (Bil\$)               | 342.38  | 340.60  | 341.25  | 340.22  | 343.13  | 345.09  | 341.41           | 342.81             |
| % Change                           | 0.6     | -0.5    | 0.2     | -0.3    | 0.9     | 0.6     |                  |                    |
| % Change, Annual Rate              | 8.1     | -6.1    | 2.3     | -3.6    | 10.8    | 7.1     | 0.3              | 1.7                |
| % Change, Year Ago                 | 3.9     | 2.5     | 1.9     | 1.8     | 1.0     | 2.9     | 2.8              | 1.9                |
| <b>PRICES</b>                      |         |         |         |         |         |         |                  |                    |
| PPI, Finished Goods (1982=100)     | 173.3   | 173.9   | 175.8   | 176.1   | 176.9   | 177.9   | 174.3            | 177.0              |
| % Change                           | 1.1     | 0.3     | 1.1     | 0.2     | 0.5     | 0.5     |                  |                    |
| % Change, Annual Rate              | 14.1    | 4.2     | 13.9    | 2.1     | 5.6     | 6.7     | 9.2              | 6.1                |
| % Change, Year Ago                 | 7.7     | 6.8     | 6.9     | 6.4     | 6.2     | 6.8     | 7.1              | 6.5                |
| CPI, All-Urban (1982-84=100)       | 212.5   | 212.6   | 213.3   | 213.7   | 214.3   | 215.0   | 212.8            | 214.4              |
| % Change                           | 0.4     | 0.0     | 0.3     | 0.2     | 0.3     | 0.3     |                  |                    |
| % Change, Annual Rate              | 4.8     | 0.3     | 4.2     | 2.5     | 3.3     | 4.0     | 4.3              | 3.0                |
| % Change, Year Ago                 | 4.4     | 4.1     | 4.0     | 3.9     | 3.7     | 3.8     | 4.2              | 3.8                |
| Housing Starts (Mil)               | 1.064   | 1.107   | 0.954   | 1.032   | 1.031   | 1.023   | 1.042            | 1.028              |
| % Change                           | 6.4     | 4.0     | -13.8   | 8.2     | -0.1    | -0.8    |                  |                    |
| % Change, Annual Rate              | 110.5   | 60.9    | -83.2   | 156.8   | -1.4    | -9.0    | -33.0            | -5.0               |
| % Change, Year Ago                 | -23.0   | -25.5   | -36.1   | -30.6   | -28.2   | -29.9   | -28.3            | -29.6              |
| Industrial Production Index (2002= | 112.60  | 111.79  | 111.98  | 111.18  | 111.00  | 111.12  | 112.12           | 111.10             |
| % Change                           | 0.1     | -0.7    | 0.2     | -0.7    | -0.2    | 0.1     |                  |                    |
| % Change, Annual Rate              | 1.7     | -8.3    | 2.1     | -8.3    | -1.9    | 1.3     | -0.2             | -3.6               |
| % Change, Year Ago                 | 2.6     | 1.1     | 1.4     | 0.2     | 0.0     | -0.2    | 1.7              | 0.0                |
| New Orders for Manufactured Goods  | 435.42  | 433.86  | 439.45  | 438.17  | 440.62  | 443.23  | 436.24           | 440.67             |
| % Change                           | -2.4    | -0.4    | 1.3     | -0.3    | 0.6     | 0.6     |                  |                    |
| % Change, Annual Rate              | -24.9   | -4.2    | 16.6    | -3.4    | 6.9     | 7.3     | -1.6             | 4.1                |
| % Change, Year Ago                 | 7.3     | 5.1     | 4.1     | 2.2     | 3.2     | 3.7     | 5.4              | 3.0                |
| Nondefense Capital Goods Shipments | 68.95   | 66.46   | 67.10   | 67.57   | 67.30   | 67.49   | 67.50            | 67.45              |
| % Change                           | 1.7     | -3.6    | 1.0     | 0.7     | -0.4    | 0.3     |                  |                    |
| % Change, Annual Rate              | 22.3    | -35.7   | 12.2    | 8.8     | -4.8    | 3.5     | 0.7              | -0.3               |
| % Change, Year Ago                 | 7.7     | 2.0     | 2.4     | 2.4     | 1.1     | 1.8     | 5.4              | 3.0                |
| Sales of Domestic Passenger Cars ( | 5.07    | 5.02    | 4.94    | 4.92    | 4.86    | 4.83    | 5.01             | 4.87               |
| % Change                           | -8.4    | -1.0    | -1.6    | -0.4    | -1.2    | -0.5    |                  |                    |
| % Change, Annual Rate              | -65.3   | -11.0   | -17.1   | -4.7    | -14.0   | -6.2    | -27.9            | -10.6              |
| % Change, Year Ago                 | -3.2    | -1.0    | -3.1    | -1.9    | -11.9   | -7.8    | -2.4             | -7.4               |
| Business Inventories (Bil\$)       | 1457.95 | 1464.50 | 1466.61 | 1474.69 | 1482.45 | 1489.22 | 1463.02          | 1482.12            |
| % Change                           | 1.0     | 0.4     | 0.1     | 0.6     | 0.5     | 0.5     |                  |                    |
| % Change, Year Ago                 | 4.7     | 4.9     | 5.1     | 5.4     | 5.5     | 5.6     | 4.9              | 5.5                |
| + Difference, Annual Rate          | 169.4   | 78.5    | 25.4    | 96.9    | 93.1    | 81.3    | 105.1            | 76.4               |
| <b>EXTERNAL SECTOR</b>             |         |         |         |         |         |         |                  |                    |
| Merchandise Trade Balance, Census  | -67.84  | -69.52  | -66.51  | -69.18  | -67.25  | -66.95  | -815.50          | -813.56            |
| + Difference                       | -1.7    | -1.7    | 3.0     | -2.7    | 1.9     | 0.3     |                  |                    |
| + Difference, Annual Rate          | -20.5   | -20.1   | 36.1    | -32.1   | 23.2    | 3.6     | -7.01            | 1.94               |
| + Difference, year ago             | -4.8    | -5.3    | 1.7     | -4.1    | -0.9    | -0.1    |                  |                    |

**FORECAST SUMMARY**  
**GROSS DOMESTIC PRODUCT**  
 Billions of (Chained 2000) Dollars, S.A.A.R.

|                                       | 2007Q3          | 2007Q4  | 2008Q1  | 2008Q2       | 2008Q3  |
|---------------------------------------|-----------------|---------|---------|--------------|---------|
|                                       | < a c t u a l > |         |         | < forecast > |         |
| Real GDP                              |                 |         |         |              |         |
| (i) Expenditure Side GDP              | 11658.9         | 11675.7 | 11693.1 | 11698.7      | 11763.1 |
| % Previous Q, A.R.                    | 4.91            | 0.58    | 0.60    | 0.19         | 2.22    |
| % Year before                         | 2.84            | 2.46    | 2.46    | 1.55         | 0.89    |
| (ii) Income Side GDP                  | 11658.9         | 11675.7 | 11693.1 | 11621.2      | 11629.8 |
| % Previous Q, A.R.                    | 4.91            | 0.58    | 0.60    | -2.44        | 0.30    |
| % Year before                         | 2.84            | 2.46    | 2.46    | 0.88         | -0.25   |
| (iii) Principal Components est. GDP   | 11658.9         | 11675.7 | 11693.1 | 11725.9      | 11791.3 |
| % Previous Q, A.R.                    | 4.91            | 0.58    | 0.60    | 1.13         | 2.25    |
| % Year before                         | 2.84            | 2.46    | 2.46    | 1.79         | 1.14    |
| Average Real GDP                      | 11658.9         | 11675.7 | 11693.1 | 11681.9      | 11728.1 |
| % Previous Q, A.R.                    | 4.91            | 0.58    | 0.60    | -0.38        | 1.59    |
| % Year before                         | 2.84            | 2.46    | 2.46    | 1.40         | 0.59    |
| GDP Deflator (2000=100)               |                 |         |         |              |         |
| (i) Expenditure Side PGDP             | 119.8           | 120.6   | 121.3   | 122.2        | 123.1   |
| % Previous Q, A.R.                    | 1.04            | 2.44    | 2.60    | 2.96         | 3.03    |
| % Year before                         | 2.40            | 2.58    | 2.18    | 2.26         | 2.76    |
| (ii) Income Side PGDP: Same as (i)    | 119.8           | 120.6   | 121.3   | 122.2        | 123.1   |
| % Previous Q, A.R.                    | 1.04            | 2.44    | 2.60    | 2.96         | 3.03    |
| % Year before                         | 2.40            | 2.58    | 2.18    | 2.26         | 2.76    |
| (iii) Principal Components est. PGDP  | 119.8           | 120.6   | 121.3   | 122.1        | 122.9   |
| % Previous Q, A.R.                    | 1.04            | 2.44    | 2.60    | 2.62         | 2.71    |
| % Year before                         | 2.40            | 2.58    | 2.18    | 2.17         | 2.59    |
| Average GDP Deflator                  | 119.8           | 120.6   | 121.3   | 122.2        | 123.1   |
| % Previous Q, A.R.                    | 1.04            | 2.44    | 2.60    | 2.85         | 2.92    |
| % Year before                         | 2.40            | 2.58    | 2.18    | 2.23         | 2.70    |
| Nominal GDP                           |                 |         |         |              |         |
| (i) Expenditure Side GDP\$            | 13970.5         | 14074.2 | 14185.2 | 14298.7      | 14484.9 |
| % Previous Q, A.R.                    | 5.99            | 3.00    | 3.19    | 3.24         | 5.31    |
| % Year before                         | 5.30            | 5.09    | 4.67    | 3.85         | 3.68    |
| (ii) Income Side GDP\$                | 13970.5         | 14074.2 | 14185.2 | 14203.9      | 14320.8 |
| % Previous Q, A.R.                    | 5.99            | 3.00    | 3.19    | 0.53         | 3.33    |
| % Year before                         | 5.30            | 5.09    | 4.67    | 3.16         | 2.51    |
| (iii) Principal Components est. GDP\$ | 13970.5         | 14074.2 | 14185.2 | 14320.3      | 14496.9 |
| % Previous Q, A.R.                    | 5.99            | 3.00    | 3.19    | 3.86         | 5.02    |
| % Year before                         | 5.30            | 5.09    | 4.67    | 4.01         | 3.77    |
| Average Nominal GDP                   | 13970.5         | 14074.2 | 14185.2 | 14274.3      | 14434.2 |
| % Previous Q, A.R.                    | 5.99            | 3.00    | 3.19    | 2.54         | 4.56    |
| % Year before                         | 5.30            | 5.09    | 4.67    | 3.67         | 3.32    |

## EXPENDITURE SIDE

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## Real Gross Domestic Product

2007Q3 2007Q4 2008Q1 2008Q2 2008Q3

Billions of Chained (2000) Dollars, SAAR

|                                   |          |          |          |          |          |
|-----------------------------------|----------|----------|----------|----------|----------|
| Gross Domestic Product            | 11658.90 | 11675.70 | 11693.10 | 11698.74 | 11763.07 |
| Total Demand                      | 13633.20 | 13643.00 | 13672.80 | 13679.12 | 13737.77 |
| Domestic Demand                   | 12188.30 | 12175.50 | 12186.20 | 12179.91 | 12215.53 |
| Domestic Final Demand             | 12155.60 | 12194.60 | 12182.00 | 12168.83 | 12201.72 |
| Final Demand                      | 11626.40 | 11695.20 | 11689.10 | 11692.76 | 11761.45 |
| Personal Consumption Expenditures | 8302.24  | 8349.08  | 8369.09  | 8366.28  | 8391.64  |
| Durable Goods                     | 1241.91  | 1248.13  | 1228.70  | 1221.74  | 1224.97  |
| Nondurable Goods                  | 2396.83  | 2404.15  | 2396.32  | 2378.91  | 2383.13  |
| Services                          | 4689.46  | 4722.38  | 4762.22  | 4783.02  | 4802.75  |
| Gross Private Domestic Investment | 1859.90  | 1787.70  | 1766.60  | 1752.96  | 1757.08  |
| Fixed Investment                  | 1826.00  | 1807.50  | 1761.90  | 1741.85  | 1743.26  |
| Nonresidential                    | 1387.30  | 1407.80  | 1398.80  | 1406.73  | 1417.48  |
| Equipment and Software            | 1073.46  | 1081.72  | 1079.83  | 1089.50  | 1102.93  |
| Structures                        | 311.09   | 320.31   | 315.24   | 314.99   | 314.69   |
| Residential                       | 463.30   | 430.90   | 398.80   | 375.44   | 368.39   |
| Change In Business Inventories    | 30.60    | -18.30   | 1.80     | 11.09    | 13.83    |
| Farm                              | 4.10     | 2.20     | -0.70    | -1.23    | -0.47    |
| Nonfarm                           | 26.02    | -21.68   | 2.73     | 12.32    | 14.30    |
| Net Exports                       | -533.10  | -503.20  | -495.90  | -476.05  | -440.21  |
| Exports                           | 1441.20  | 1464.10  | 1483.80  | 1499.24  | 1522.28  |
| Imports                           | 1974.30  | 1967.30  | 1979.70  | 1975.29  | 1962.48  |
| Government Purchases              | 2033.60  | 2043.40  | 2053.50  | 2060.68  | 2066.93  |
| Federal                           | 764.00   | 765.00   | 773.70   | 777.24   | 778.47   |
| State and Local                   | 1269.60  | 1278.30  | 1280.10  | 1283.44  | 1288.51  |

## Percent Change, Annual Rate

|                                   |        |        |        |        |       |
|-----------------------------------|--------|--------|--------|--------|-------|
| Gross Domestic Product            | 4.91   | 0.58   | 0.60   | 0.19   | 2.22  |
| Total Demand                      | 4.83   | 0.29   | 0.88   | 0.19   | 1.73  |
| Domestic Demand                   | 3.33   | -0.42  | 0.35   | -0.21  | 1.18  |
| Domestic Final Demand             | 2.48   | 1.29   | -0.41  | -0.43  | 1.09  |
| Final Demand                      | 4.01   | 2.39   | -0.21  | 0.13   | 2.37  |
| Personal Consumption Expenditures | 2.84   | 2.28   | 0.96   | -0.13  | 1.22  |
| Durable Goods                     | 4.48   | 2.02   | -6.08  | -2.25  | 1.06  |
| Nondurable Goods                  | 2.21   | 1.23   | -1.30  | -2.88  | 0.71  |
| Services                          | 2.84   | 2.84   | 3.42   | 1.76   | 1.66  |
| Gross Private Domestic Investment |        |        |        |        |       |
| Fixed Investment                  | -0.72  | -3.99  | -9.72  | -4.47  | 0.32  |
| Nonresidential                    | 9.36   | 6.04   | -2.53  | 2.29   | 3.09  |
| Equipment and Software            | 6.21   | 3.11   | -0.69  | 3.63   | 5.02  |
| Structures                        | 16.35  | 12.39  | -6.18  | -0.31  | -0.39 |
| Residential                       | -20.53 | -25.17 | -26.63 | -21.45 | -7.30 |
| Exports                           | 19.13  | 6.51   | 5.49   | 4.23   | 6.29  |
| Imports                           | 4.35   | -1.41  | 2.55   | -0.89  | -2.57 |
| Government Purchases              | 3.78   | 1.94   | 1.99   | 1.41   | 1.22  |
| Federal                           | 7.11   | 0.52   | 4.63   | 1.84   | 0.64  |
| State and Local                   | 1.95   | 2.77   | 0.56   | 1.05   | 1.59  |

## EXPENDITURE SIDE

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## Nominal Gross Domestic Product

|                                   | 2007Q3   | 2007Q4   | 2008Q1   | 2008Q2   | 2008Q3   |
|-----------------------------------|----------|----------|----------|----------|----------|
| Billions of Dollars, SAAR         |          |          |          |          |          |
| Gross Domestic Product            | 13970.50 | 14074.20 | 14185.20 | 14298.69 | 14484.92 |
| Total Demand                      | 16350.90 | 16520.80 | 16721.70 | 16889.44 | 17118.17 |
| Domestic Demand                   | 14665.10 | 14783.10 | 14922.50 | 15046.79 | 15229.57 |
| Domestic Final Demand             | 14629.70 | 14810.50 | 14924.30 | 15033.25 | 15212.56 |
| Final Demand                      | 13935.00 | 14101.60 | 14187.00 | 14285.15 | 14467.92 |
| Personal Consumption Expenditures | 9785.72  | 9936.62  | 10046.95 | 10122.21 | 10247.93 |
| Durable Goods                     | 1081.65  | 1082.50  | 1065.06  | 1056.77  | 1059.13  |
| Nondurable Goods                  | 2846.29  | 2904.47  | 2941.64  | 2940.90  | 2979.41  |
| Services                          | 5857.78  | 5949.65  | 6040.25  | 6124.53  | 6209.38  |
| Gross Private Domestic Investment | 2162.90  | 2082.10  | 2050.80  | 2055.76  | 2073.76  |
| Fixed Investment                  | 2127.50  | 2109.50  | 2052.60  | 2042.22  | 2056.75  |
| Nonresidential                    | 1500.10  | 1526.50  | 1516.30  | 1532.50  | 1552.64  |
| Equipment and Software            | 1017.09  | 1025.26  | 1021.23  | 1034.14  | 1050.67  |
| Structures                        | 483.06   | 501.27   | 495.03   | 498.36   | 501.97   |
| Residential                       | 627.30   | 582.90   | 536.40   | 509.72   | 504.12   |
| Change In Business Inventories    | 35.40    | -27.40   | -1.80    | 13.54    | 17.01    |
| Farm                              | 3.80     | 0.30     | -3.40    | -1.50    | -0.58    |
| Nonfarm                           | 31.62    | -27.72   | 1.56     | 15.05    | 17.59    |
| Net Exports                       | -694.70  | -708.90  | -737.30  | -748.10  | -744.64  |
| Exports                           | 1685.70  | 1737.70  | 1799.20  | 1842.65  | 1888.61  |
| Imports                           | 2380.40  | 2446.60  | 2536.50  | 2590.75  | 2633.25  |
| Government Purchases              | 2716.50  | 2764.40  | 2824.70  | 2868.82  | 2907.88  |
| Federal                           | 990.30   | 997.70   | 1023.80  | 1035.28  | 1047.32  |
| State and Local                   | 1726.20  | 1766.70  | 1801.00  | 1833.54  | 1860.56  |

## Percent Change, Annual Rate

|                                   |        |        |        |        |       |
|-----------------------------------|--------|--------|--------|--------|-------|
| Gross Domestic Product            | 5.99   | 3.00   | 3.19   | 3.24   | 5.31  |
| Total Demand                      | 6.87   | 4.22   | 4.95   | 4.07   | 5.53  |
| Domestic Demand                   | 5.12   | 3.26   | 3.83   | 3.37   | 4.95  |
| Domestic Final Demand             | 4.26   | 5.04   | 3.11   | 2.95   | 4.86  |
| Final Demand                      | 5.08   | 4.87   | 2.44   | 2.80   | 5.22  |
| Personal Consumption Expenditures | 4.70   | 6.31   | 4.52   | 3.03   | 5.06  |
| Durable Goods                     | 2.60   | 0.32   | -6.29  | -3.08  | 0.90  |
| Nondurable Goods                  | 3.38   | 8.43   | 5.22   | -0.10  | 5.34  |
| Services                          | 5.75   | 6.42   | 6.23   | 5.70   | 5.66  |
| Gross Private Domestic Investment | 4.53   | -14.13 | -5.88  | 0.97   | 3.55  |
| Fixed Investment                  | -1.19  | -3.34  | -10.36 | -2.01  | 2.88  |
| Nonresidential                    | 8.71   | 7.23   | -2.65  | 4.34   | 5.36  |
| Equipment and Software            | 5.09   | 3.25   | -1.56  | 5.15   | 6.55  |
| Structures                        | 16.93  | 15.95  | -4.89  | 2.72   | 2.93  |
| Residential                       | -20.72 | -25.45 | -28.29 | -18.46 | -4.32 |
| Exports                           | 23.61  | 12.92  | 14.93  | 10.01  | 10.36 |
| Imports                           | 12.19  | 11.60  | 15.53  | 8.83   | 6.73  |
| Government Purchases              | 7.15   | 7.24   | 9.01   | 6.40   | 5.56  |
| Federal                           | 8.86   | 3.02   | 10.88  | 4.56   | 4.73  |
| State and Local                   | 6.18   | 9.72   | 7.99   | 7.43   | 6.03  |

## EXPENDITURE SIDE

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## Gross Domestic Product Chain-Type Price Index

|                                   | 2007Q3 | 2007Q4 | 2008Q1 | 2008Q2 | 2008Q3 |
|-----------------------------------|--------|--------|--------|--------|--------|
| Index 2000=100                    |        |        |        |        |        |
| Gross Domestic Product            | 119.84 | 120.56 | 121.34 | 122.22 | 123.14 |
| Total Demand                      | 119.93 | 121.09 | 122.30 | 123.47 | 124.61 |
| Domestic Demand                   | 120.33 | 121.43 | 122.47 | 123.54 | 124.68 |
| Domestic Final Demand             | 120.36 | 121.45 | 122.51 | 123.54 | 124.68 |
| Final Demand                      | 119.86 | 120.58 | 121.37 | 122.17 | 123.02 |
| Personal Consumption Expenditures | 117.87 | 119.02 | 120.05 | 120.99 | 122.12 |
| Durable Goods                     | 87.09  | 86.73  | 86.68  | 86.50  | 86.46  |
| Nondurable Goods                  | 118.75 | 120.81 | 122.76 | 123.62 | 125.02 |
| Services                          | 124.92 | 126.00 | 126.85 | 128.05 | 129.29 |
| Gross Private Domestic Investment | 116.33 | 116.55 | 116.22 | 117.27 | 118.03 |
| Fixed Investment                  | 116.50 | 116.70 | 116.48 | 117.24 | 117.98 |
| Nonresidential                    | 108.14 | 108.44 | 108.40 | 108.94 | 109.53 |
| Equipment and Software            | 94.75  | 94.78  | 94.58  | 94.92  | 95.26  |
| Structures                        | 155.39 | 156.61 | 157.15 | 158.21 | 159.51 |
| Residential                       | 135.37 | 135.24 | 134.46 | 135.77 | 136.84 |
| Exports                           | 116.99 | 118.70 | 121.28 | 122.91 | 124.06 |
| Imports                           | 120.57 | 124.36 | 128.13 | 131.16 | 134.18 |
| Government Purchases              | 133.59 | 135.29 | 137.56 | 139.22 | 140.70 |
| Federal                           | 129.62 | 130.42 | 132.33 | 133.20 | 134.54 |
| State and Local                   | 135.97 | 138.21 | 140.70 | 142.86 | 144.40 |

## Percent Change, Annual Rate

|                                   |       |       |       |       |       |
|-----------------------------------|-------|-------|-------|-------|-------|
| Gross Domestic Product            | 1.04  | 2.44  | 2.60  | 2.96  | 3.03  |
| Total Demand                      | 1.95  | 3.92  | 4.04  | 3.88  | 3.76  |
| Domestic Demand                   | 1.75  | 3.71  | 3.48  | 3.52  | 3.75  |
| Domestic Final Demand             | 1.74  | 3.70  | 3.54  | 3.39  | 3.75  |
| Final Demand                      | 1.02  | 2.42  | 2.66  | 2.66  | 2.81  |
| Personal Consumption Expenditures | 1.81  | 3.95  | 3.52  | 3.16  | 3.80  |
| Durable Goods                     | -1.80 | -1.67 | -0.22 | -0.83 | -0.16 |
| Nondurable Goods                  | 1.15  | 7.12  | 6.60  | 2.86  | 4.60  |
| Services                          | 2.82  | 3.49  | 2.72  | 3.85  | 3.93  |
| Gross Private Domestic Investment | -0.35 | 0.77  | -1.14 | 3.67  | 2.61  |
| Fixed Investment                  | -0.47 | 0.68  | -0.72 | 2.64  | 2.54  |
| Nonresidential                    | -0.56 | 1.11  | -0.14 | 2.01  | 2.20  |
| Equipment and Software            | -1.05 | 0.14  | -0.87 | 1.46  | 1.45  |
| Structures                        | 0.50  | 3.17  | 1.38  | 2.75  | 3.33  |
| Residential                       | -0.27 | -0.38 | -2.28 | 3.94  | 3.21  |
| Exports                           | 3.78  | 5.98  | 8.97  | 5.46  | 3.83  |
| Imports                           | 7.51  | 13.17 | 12.67 | 9.81  | 9.54  |
| Government Purchases              | 3.24  | 5.18  | 6.89  | 4.91  | 4.32  |
| Federal                           | 1.63  | 2.47  | 5.99  | 2.67  | 4.07  |
| State and Local                   | 4.17  | 6.75  | 7.41  | 6.28  | 4.39  |

## INCOME SIDE

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GDP, National Income and Personal Income

|                                   | 2007Q3   | 2007Q4   | 2008Q1   | 2008Q2   | 2008Q3   |
|-----------------------------------|----------|----------|----------|----------|----------|
| Billions of Current Dollars, SAAR |          |          |          |          |          |
| Gross Domestic Product            | 13970.50 | 14074.20 | 14185.20 | 14203.89 | 14320.78 |
| Plus:                             |          |          |          |          |          |
| Receipts of Factor Income         | 855.60   | 848.10   | 881.49   | 916.34   | 952.72   |
| Less:                             |          |          |          |          |          |
| Payments of Factor Income         | 754.40   | 700.20   | 715.71   | 731.30   | 746.97   |
| Equals: Gross National Product    | 14071.60 | 14222.10 | 14350.98 | 14388.93 | 14526.52 |
| Less:                             |          |          |          |          |          |
| Consumption of Fixed Capital      | 1690.90  | 1701.10  | 1709.40  | 1707.45  | 1714.71  |
| Equals: Net National Product      | 12380.80 | 12520.90 | 12641.58 | 12681.48 | 12812.05 |
| Indirect Business Taxes           | 1014.37  | 1024.76  | 1036.38  | 1046.89  | 1060.34  |
| Business Transfers                | 94.40    | 97.90    | 101.10   | 100.53   | 99.99    |
| Statistical Discrepancy           | 84.80    | 139.90   | 126.97   | 115.66   | 105.77   |
| Net Subsidies                     | 46.62    | 47.49    | 48.40    | 48.01    | 47.63    |
| National Income                   | 12296.00 | 12381.00 | 12496.58 | 12565.82 | 12706.28 |
| Corporate Profits                 | 1621.90  | 1569.00  | 1576.09  | 1589.78  | 1624.44  |
| Net Interest                      | 599.30   | 619.00   | 620.01   | 617.42   | 618.14   |
| Contribution for Soc. Ins.        | 983.20   | 990.60   | 1011.40  | 1016.08  | 1021.52  |
| Personal                          | 505.94   | 510.08   | 521.62   | 523.50   | 523.50   |
| Employer                          | 477.26   | 480.53   | 489.78   | 492.58   | 498.02   |
| Personal Interest Income          | 1171.10  | 1173.20  | 1169.30  | 1168.59  | 1173.78  |
| Personal Dividend Income          | 805.00   | 826.60   | 843.30   | 854.04   | 862.85   |
| Government Transfers              | 1714.35  | 1728.39  | 1756.08  | 1780.79  | 1796.86  |
| Business Transfers (to persons)   | 28.00    | 28.10    | 28.10    | 27.82    | 27.65    |
| Personal Income                   | 11735.00 | 11856.60 | 11986.20 | 12082.37 | 12201.32 |
| Percent Change, Annual Rate       |          |          |          |          |          |
| Gross Domestic Product            | 5.99     | 3.00     | 3.19     | 0.53     | 3.33     |
| Plus:                             |          |          |          |          |          |
| Receipts of Factor Income         | 21.94    | -3.46    | 16.70    | 16.78    | 16.85    |
| Less:                             |          |          |          |          |          |
| Payments of Factor Income         | 5.99     | -25.79   | 9.16     | 9.00     | 8.85     |
| Equals: Gross National Product    | 6.88     | 4.35     | 3.67     | 1.06     | 3.88     |
| Less:                             |          |          |          |          |          |
| Consumption of Fixed Capital      | 1.79     | 2.43     | 1.97     | -0.46    | 1.71     |
| Equals: Net National Product      | 7.60     | 4.60     | 3.91     | 1.27     | 4.18     |
| Indirect Business Taxes           | 4.16     | 4.16     | 4.62     | 4.12     | 5.24     |
| Business Transfers                | 7.08     | 15.68    | 13.73    | -2.23    | -2.13    |
| National Income                   | 3.29     | 2.79     | 3.79     | 2.23     | 4.55     |
| Corporate Profits                 | -4.90    | -12.42   | 1.82     | 3.52     | 9.01     |
| Net Interest                      | 4.74     | 13.81    | 0.65     | -1.66    | 0.47     |
| Contribution for Social Insurance | 4.59     | 3.04     | 8.67     | 1.86     | 2.16     |
| Personal                          | 4.75     | 3.31     | 9.36     | 1.45     | 0.00     |
| Employer                          | 4.42     | 2.76     | 7.93     | 2.31     | 4.49     |
| Personal Interest Income          | 8.14     | 0.72     | -1.32    | -0.24    | 1.79     |
| Personal Dividend Income          | 12.52    | 11.17    | 8.33     | 5.19     | 4.19     |
| Government Transfers              | 6.05     | 3.31     | 6.56     | 5.75     | 3.66     |
| Business Transfers (to persons)   | 2.91     | 1.44     | 0.00     | -3.97    | -2.34    |
| Personal Income                   | 5.56     | 4.21     | 4.44     | 3.25     | 4.00     |

GDP, National Income and Personal Income  
Components of Personal Income  
2007Q3 2007Q4 2008Q1 2008Q2 2008Q3

Billions of Current Dollars, SAAR

|                             |          |          |          |          |          |
|-----------------------------|----------|----------|----------|----------|----------|
| Wages and Salaries          | 6382.70  | 6442.40  | 6526.80  | 6575.33  | 6633.88  |
| Commod Prod Industries      | 1217.50  | 1219.00  | 1224.00  | 1228.16  | 1237.49  |
| Manufacturing               | 754.70   | 753.60   | 756.90   | 755.91   | 759.32   |
| Others                      | 462.80   | 465.40   | 467.10   | 472.25   | 478.17   |
| Distributive Industries*    | 1033.30  | 1039.00  | 1048.40  | 1053.71  | 1060.27  |
| Service Industries          | 3059.00  | 3099.70  | 3150.20  | 3181.69  | 3213.76  |
| Government                  | 1072.90  | 1084.70  | 1104.10  | 1111.85  | 1122.51  |
| Other Labor Income          | 1500.00  | 1514.80  | 1538.10  | 1556.26  | 1574.86  |
| Proprietors Income          | 1048.70  | 1055.90  | 1056.60  | 1052.37  | 1063.92  |
| Farm                        | 38.60    | 43.80    | 39.10    | 29.37    | 29.39    |
| Business and Profess.       | 1010.00  | 1012.10  | 1017.50  | 1023.00  | 1034.53  |
| Rental Income of Persons    | 68.40    | 77.80    | 79.30    | 81.41    | 84.94    |
| Interest Paid by Persons    | 275.80   | 272.50   | 267.20   | 264.99   | 267.04   |
| Other Interest              | 895.30   | 900.70   | 902.10   | 903.60   | 906.74   |
| Transfer Payments           | 1742.30  | 1756.50  | 1784.20  | 1812.09  | 1829.03  |
| Contributions for Social In | 505.94   | 510.08   | 521.62   | 523.50   | 523.50   |
| Personal Tax & Nontax P.    | 1489.80  | 1508.05  | 1510.32  | 1427.70  | 1540.88  |
| Disposable Income           | 10245.20 | 10348.60 | 10475.90 | 10554.67 | 10660.44 |
| Addendum:                   |          |          |          |          |          |
| Domestic Final Sales        | 14633.6  | 14810.8  | 14920.9  | 14938.4  | 15048.4  |

Percent Change, Annual Rate

|                             |       |       |        |        |       |
|-----------------------------|-------|-------|--------|--------|-------|
| Wages and Salaries          | 4.10  | 3.79  | 5.34   | 3.01   | 3.61  |
| Commod Prod Industries      | 1.63  | 0.49  | 1.65   | 1.37   | 3.07  |
| Manufacturing               | 0.32  | -0.58 | 1.76   | -0.52  | 1.82  |
| Others                      | 3.80  | 2.27  | 1.47   | 4.49   | 5.11  |
| Distributive Industries*    | -0.15 | 2.22  | 3.67   | 2.04   | 2.52  |
| Service Industries          | 6.59  | 5.43  | 6.68   | 4.06   | 4.09  |
| Government                  | 4.21  | 4.47  | 7.35   | 2.84   | 3.89  |
| Other Labor Income          | 4.66  | 4.01  | 6.30   | 4.81   | 4.87  |
| Proprietors Income          | 4.03  | 2.77  | 0.27   | -1.59  | 4.46  |
| Farm                        | 84.94 | 65.79 | -36.49 | -68.17 | 0.26  |
| Business and Profess.       | 1.88  | 0.83  | 2.15   | 2.18   | 4.59  |
| Rental Income of Persons    | 47.18 | 67.38 | 7.94   | 11.10  | 18.46 |
| Interest Paid by Persons    | 27.59 | -4.70 | -7.56  | -3.27  | 3.14  |
| Other Interest              | 2.91  | 2.43  | 0.62   | 0.67   | 1.40  |
| Transfer Payments           | 6.00  | 3.30  | 6.46   | 6.40   | 3.79  |
| Contribution for Social Ins | 4.75  | 3.31  | 9.36   | 1.45   | 0.00  |
| Personal Tax & Nontax P.    | 3.33  | 4.99  | 0.60   | -20.15 | 35.69 |
| Disposable Income           | 5.89  | 4.10  | 5.01   | 3.04   | 4.07  |
| Addendum:                   |       |       |        |        |       |
| Domestic Final Sales        | 4.26  | 4.93  | 3.01   | 0.47   | 2.98  |

\*Distributive Industries are Transportation, Public Utilities excluding the U.S. Postal Service, and Wholesale and Retail Trade

## MONTHLY ECONOMIC INDICATORS for PERSONAL CONSUMPTION EXPENDITURES, GOVERNMENT PURCHASES, and CONSTRUCTION INVESTMENT

|  | JAN08  | FEB08  | MAR08  | APR08  | MAY08  | JUN08  | JUL08  | AUG08  | SEP08  |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| RETAIL SALES (RS), Billions of Current Dollars, SA |        |        |        |        |        |        |        |        |        |
| RS, Total Retail Sales                             | 342.38 | 340.60 | 341.25 | 340.22 | 343.13 | 345.09 | 346.63 | 348.50 | 350.36 |
| RS, Durable Goods Stores                           | 121.59 | 120.28 | 119.52 | 118.10 | 119.62 | 120.45 | 120.96 | 121.51 | 122.15 |
| RS, Bldg Materials, Hardware                       | 26.99  | 27.02  | 26.61  | 27.13  | 27.13  | 27.31  | 27.49  | 27.67  | 27.79  |
| RS, Auto Dealers                                   | 75.75  | 74.42  | 74.04  | 71.96  | 73.81  | 74.33  | 74.15  | 74.63  | 75.25  |
| RS, Furn, Home Furn & Equip                        | 9.52   | 9.48   | 9.49   | 9.51   | 9.57   | 9.66   | 9.70   | 9.76   | 9.84   |
| RS, Nondurable Goods Stores                        | 215.11 | 214.97 | 216.26 | 217.07 | 217.70 | 218.86 | 219.68 | 220.88 | 221.70 |
| RS, Food Stores                                    | 48.01  | 48.18  | 48.55  | 48.78  | 48.80  | 48.98  | 49.13  | 49.25  | 49.38  |
| RS, Gas Service Stations                           | 41.85  | 41.24  | 41.90  | 41.72  | 41.34  | 41.76  | 42.14  | 42.75  | 42.91  |
| RS, Apparel and Accessories                        | 18.91  | 18.75  | 18.89  | 19.02  | 19.12  | 19.22  | 19.32  | 19.42  | 19.52  |
| RS, New Domestic Cars, SAA                         | 5.07   | 5.02   | 4.94   | 4.92   | 4.86   | 4.83   | 4.73   | 4.65   | 4.59   |
| RS, New Dom Light Trucks, SAA                      | 6.68   | 6.66   | 6.21   | 5.68   | 5.58   | 5.53   | 5.47   | 5.35   | 5.26   |

| RECEIPTS AND OUTLAYS OF THE FEDERAL GOVERNMENT, Billions of Current Dollars, NSA |         |         |         |         |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Federal Govt Total Outlays   | 244.45  | 270.29  | 200.97  | 239.69  | 251.80  | 232.75  | 248.87  | 245.64  | 221.54  |
| Federal Govt Debt Outstanding  | 9160.76 | 9280.37 | 9362.87 | 9303.52 | 9351.12 | 9413.09 | 9448.89 | 9524.73 | 9569.65 |

| HOUSING STARTS, Millions, SAAR |        |        |        |        |        |        |        |        |        |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Housing Starts, Total          | 1.0640 | 1.1070 | 0.9540 | 1.0320 | 1.0308 | 1.0227 | 1.0209 | 1.0320 | 1.0456 |

| NEW CONSTRUCTION PUT IN PLACE, Billions of Current Dollars, SAAR |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| New Const, Residential Bldgs                                     | 465.87 | 466.67 | 445.02 | 435.78 | 428.61 | 431.74 | 431.83 | 429.00 | 429.12 |
| New Const, Nonresident Bldgs                                     | 373.24 | 375.31 | 382.34 | 384.41 | 387.58 | 391.29 | 394.64 | 397.01 | 399.84 |
| New Const, Federal Government                                    | 20.39  | 20.36  | 19.94  | 20.15  | 20.41  | 20.44  | 20.44  | 20.63  | 20.53  |
| New Const, State & Local Govt                                    | 272.87 | 274.18 | 276.23 | 277.54 | 278.64 | 279.85 | 280.95 | 282.12 | 283.23 |

## Percent Change, Monthly Rate

| RETAIL SALES (RS)            |       |       |       |       |       |       |       |       |       |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| RS, Total Retail Sales       | 0.65  | -0.52 | 0.19  | -0.30 | 0.86  | 0.57  | 0.45  | 0.54  | 0.53  |
| RS, Durable Goods Stores     | -0.04 | -1.07 | -0.64 | -1.19 | 1.28  | 0.70  | 0.42  | 0.45  | 0.53  |
| RS, Bldg Materials, Hardware | -0.66 | 0.10  | -1.52 | 1.95  | 0.03  | 0.66  | 0.65  | 0.66  | 0.43  |
| RS, Auto Dealers             | 0.25  | -1.76 | -0.51 | -2.81 | 2.57  | 0.70  | -0.24 | 0.66  | 0.83  |
| RS, Furn, Home Furn & Equip  | -0.86 | -0.41 | 0.19  | 0.12  | 0.71  | 0.91  | 0.41  | 0.66  | 0.82  |
| RS, Nondurable Goods Stores  | 0.87  | -0.07 | 0.60  | 0.37  | 0.29  | 0.53  | 0.38  | 0.54  | 0.37  |
| RS, Food Stores              | 0.26  | 0.35  | 0.76  | 0.49  | 0.03  | 0.37  | 0.31  | 0.24  | 0.27  |
| RS, Gas Service Stations     | 3.10  | -1.45 | 1.60  | -0.44 | -0.91 | 1.03  | 0.90  | 1.45  | 0.37  |
| RS, Apparel and Accessories  | 2.40  | -0.85 | 0.75  | 0.68  | 0.53  | 0.51  | 0.51  | 0.51  | 0.51  |
| RS, New Domestic Cars, SAAR  | -8.44 | -0.97 | -1.55 | -0.40 | -1.25 | -0.53 | -2.17 | -1.68 | -1.27 |
| RS, New Dom Light Trucks, SA | -2.98 | -0.36 | -6.76 | -8.52 | -1.66 | -1.06 | -1.06 | -2.18 | -1.65 |

| RECEIPTS AND OUTLAYS OF THE FEDERAL GOVERNMENT |      |       |        |       |      |       |      |       |       |
|--|------|-------|--------|-------|------|-------|------|-------|-------|
| Federal Govt Total Outlays                     | 7.02 | 10.57 | -25.64 | 19.26 | 5.06 | -7.57 | 6.93 | -1.30 | -9.81 |
| Federal Govt Debt Outstanding                  | 0.12 | 1.31  | 0.89   | -0.63 | 0.51 | 0.66  | 0.38 | 0.80  | 0.47  |

| HOUSING STARTS        |      |      |        |      |       |       |       |      |      |
|-----------------------|------|------|--------|------|-------|-------|-------|------|------|
| Housing Starts, Total | 6.40 | 4.04 | -13.82 | 8.18 | -0.12 | -0.78 | -0.17 | 1.09 | 1.31 |

| NEW CONSTRUCTION PUT IN PLACE   |       |       |       |       |       |      |      |       |       |
|---------------------------------|-------|-------|-------|-------|-------|------|------|-------|-------|
| New Const, Residential Bldgs    | -0.93 | 0.17  | -4.64 | -2.08 | -1.64 | 0.73 | 0.02 | -0.66 | 0.03  |
| New Const, Nonresidential Bldgs | -0.14 | 0.55  | 1.87  | 0.54  | 0.82  | 0.96 | 0.85 | 0.60  | 0.71  |
| New Const, Federal Government   | 4.50  | -0.12 | -2.05 | 1.05  | 1.29  | 0.16 | 0.00 | 0.91  | -0.50 |
| New Const, State & Local Govt   | -0.07 | 0.48  | 0.75  | 0.48  | 0.40  | 0.43 | 0.39 | 0.42  | 0.39  |

## MONTHLY ECONOMIC INDICATORS for GROSS PRIVATE DOMESTIC INVESTMENT and NET EXPORTS

|  | JAN08  | FEB08  | MAR08  | APR08  | MAY08  | JUN08  | JUL08  | AUG08  | SEP08  |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| INDUSTRIAL PRODUCTION, Index 2002=100, SA                                    |        |        |        |        |        |        |        |        |        |
| Industrial Production, Total   | 112.60 | 111.79 | 111.98 | 111.18 | 111.00 | 111.12 | 111.16 | 111.32 | 111.53 |
| MANUFACTURERS' SHIPMENTS/INVENTORIES/ORDERS, Billions of Current Dollars, SA |        |        |        |        |        |        |        |        |        |
| Manufacturers' New Orders  | 435.42 | 433.86 | 439.45 | 438.17 | 440.62 | 443.23 | 442.67 | 444.60 | 446.62 |
| Manufacturers' Shipments   | 437.64 | 429.53 | 435.14 | 434.68 | 436.40 | 439.53 | 440.40 | 442.17 | 444.45 |
| Manufacturers' Unfilled Orders   | 777.86 | 786.86 | 795.29 | 803.06 | 810.35 | 818.94 | 825.85 | 833.07 | 839.94 |
| MANUFACTURED DURABLE GOODS, Billions of Current Dollars, SA                  |        |        |        |        |        |        |        |        |        |
| Nondefense Capital Goods Shipmt  | 68.95  | 66.46  | 67.10  | 67.57  | 67.30  | 67.49  | 67.67  | 67.34  | 67.81  |
| BUSINESS INVENTORIES, Billions of Current Dollars, SA                        |        |        |        |        |        |        |        |        |        |
| Inventories, Manufacturers   | 537.50 | 540.67 | 545.82 | 549.35 | 552.50 | 555.70 | 558.38 | 560.98 | 563.46 |
| Inventories, Merchant Wholesale  | 417.14 | 421.08 | 420.77 | 423.61 | 426.74 | 429.08 | 431.36 | 433.04 | 434.59 |
| Inventories, Retail Traders  | 503.31 | 502.74 | 500.02 | 501.73 | 503.21 | 504.45 | 506.14 | 507.68 | 509.44 |
| U.S. MERCHANDISE TRADE, Millions of Current Dollars, SA                      |        |        |        |        |        |        |        |        |        |
| Exports, FAS   | 105532 | 108183 | 105245 | 107264 | 108920 | 109849 | 111228 | 111628 | 112308 |
| Imports, CIF   | 173376 | 177701 | 171758 | 176449 | 176172 | 176802 | 177970 | 179548 | 179588 |
| Exports, Mach and Transp Equipm  | 39166  | 41411  | 38365  | 40048  | 39698  | 39693  | 40031  | 39974  | 40254  |
| Imports, Mach and Transp Equipm  | 60893  | 64683  | 59850  | 61911  | 62975  | 63186  | 62906  | 63820  | 64619  |
| Percent Change, Monthly Rate   |        |        |        |        |        |        |        |        |        |
| INDUSTRIAL PRODUCTION  |        |        |        |        |        |        |        |        |        |
| Industrial Production, Total   | 0.14   | -0.72  | 0.18   | -0.72  | -0.16  | 0.11   | 0.03   | 0.14   | 0.19   |
| MANUFACTURERS' SHIPMENTS/INVENTORIES/ORDERS                                  |        |        |        |        |        |        |        |        |        |
| Manufacturers' New Orders  | -2.36  | -0.36  | 1.29   | -0.29  | 0.56   | 0.59   | -0.12  | 0.44   | 0.45   |
| Manufacturers' Shipments   | 1.06   | -1.85  | 1.31   | -0.11  | 0.40   | 0.72   | 0.20   | 0.40   | 0.51   |
| Manufacturers' Unfilled Orders   | 0.59   | 1.16   | 1.07   | 0.98   | 0.91   | 1.06   | 0.84   | 0.87   | 0.82   |
| MANUFACTURED DURABLE GOODS   |        |        |        |        |        |        |        |        |        |
| Nondefense Capital Goods Shipmt  | 1.69   | -3.61  | 0.97   | 0.70   | -0.41  | 0.29   | 0.26   | -0.48  | 0.69   |
| BUSINESS INVENTORIES   |        |        |        |        |        |        |        |        |        |
| Inventories, Manufacturers   | 1.29   | 0.59   | 0.95   | 0.65   | 0.57   | 0.58   | 0.48   | 0.47   | 0.44   |
| Inventories, Merchant Wholesale  | 1.26   | 0.94   | -0.07  | 0.67   | 0.74   | 0.55   | 0.53   | 0.39   | 0.36   |
| Inventories, Retail Traders  | 0.42   | -0.11  | -0.54  | 0.34   | 0.29   | 0.25   | 0.34   | 0.30   | 0.35   |
| U.S. MERCHANDISE TRADE   |        |        |        |        |        |        |        |        |        |
| Exports, FAS   | 1.46   | 2.51   | -2.72  | 1.92   | 1.54   | 0.85   | 1.26   | 0.36   | 0.61   |
| Imports, CIF   | 1.90   | 2.49   | -3.34  | 2.73   | -0.16  | 0.36   | 0.66   | 0.89   | 0.02   |
| Exports, Mach and Transp Equip   | -1.50  | 5.73   | -7.35  | 4.39   | -0.87  | -0.01  | 0.85   | -0.14  | 0.70   |
| Imports, Mach and Transp Equip   | 1.71   | 6.23   | -7.47  | 3.44   | 1.72   | 0.34   | -0.44  | 1.45   | 1.25   |

## MONTHLY ECONOMIC INDICATORS for CHAIN PRICE INDEXES

|  | JAN08  | FEB08  | MAR08  | APR08  | MAY08  | JUN08  | JUL08  | AUG08  | SEP08  |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| CONSUMER PRICE INDEX (CPI), 1982-1984=100, SA      |        |        |        |        |        |        |        |        |        |
| CPI, All Urban Consumers                           | 212.52 | 212.57 | 213.30 | 213.74 | 214.32 | 215.02 | 215.69 | 216.46 | 217.14 |
| CPI, Durables                                      | 112.02 | 111.76 | 111.80 | 111.42 | 111.26 | 111.16 | 111.10 | 111.05 | 111.05 |
| CPI, Furniture                                     | 123.79 | 123.90 | 125.97 | 124.56 | 124.38 | 124.12 | 123.95 | 123.83 | 124.04 |
| CPI, Housekeeping Supplies                         | 171.19 | 172.34 | 173.63 | 174.83 | 175.78 | 176.72 | 177.64 | 178.55 | 179.44 |
| CPI, Nondurables                                   | 202.48 | 202.38 | 203.73 | 204.71 | 204.38 | 204.46 | 204.44 | 205.26 | 205.86 |
| CPI, Apparel and Upkeep                            | 119.76 | 119.35 | 117.82 | 118.36 | 118.63 | 118.84 | 119.04 | 119.24 | 119.44 |
| CPI, Food and Beverages                            | 208.33 | 209.09 | 209.52 | 211.44 | 212.39 | 213.26 | 214.19 | 215.08 | 216.00 |
| CPI, Motor Oil, Fuel,                              | 283.01 | 277.45 | 282.00 | 276.57 | 270.74 | 271.06 | 273.41 | 276.35 | 277.14 |
| CPI, Services                                      | 251.32 | 251.80 | 252.70 | 253.46 | 254.30 | 255.04 | 255.90 | 256.66 | 257.54 |
| CPI, New cars                                      | 135.60 | 135.20 | 135.02 | 134.77 | 134.78 | 134.90 | 135.04 | 135.21 | 135.40 |
| PRODUCER PRICE INDEX (PPI), 1982=100, SA           |        |        |        |        |        |        |        |        |        |
| PPI, Finished Goods                                | 173.30 | 173.90 | 175.80 | 176.10 | 176.90 | 177.86 | 178.75 | 179.93 | 180.95 |
| PPI, Capital Equipment                             | 150.90 | 151.70 | 151.90 | 152.50 | 153.02 | 153.47 | 153.97 | 154.46 | 154.93 |
| PPI, Intermediate Materials                        | 179.20 | 180.60 | 184.80 | 186.50 | 188.02 | 190.14 | 191.56 | 193.15 | 194.50 |
| PPI, Components for Construction                   | 194.20 | 195.50 | 197.10 | 199.10 | 200.50 | 201.76 | 202.87 | 203.72 | 204.44 |
| PRICES RECEIVED BY FARMERS, Index, 1910-14=100, SA |        |        |        |        |        |        |        |        |        |
| Index of Prices Recvd by Farmer                    | 915.35 | 921.22 | 929.03 | 930.80 | 936.14 | 937.72 | 940.73 | 942.26 | 944.12 |
| U.S. EXPORT/IMPORT PRICES, Index, 1995=100, SA     |        |        |        |        |        |        |        |        |        |
| U.S. Export Price Index                            | 120.70 | 121.90 | 123.70 | 124.10 | 124.76 | 125.55 | 126.18 | 126.79 | 127.56 |
| U.S. Import Price Index                            | 129.20 | 129.50 | 133.20 | 135.60 | 136.74 | 137.36 | 137.77 | 138.08 | 138.36 |
| Percent Change, Monthly Rate                       |        |        |        |        |        |        |        |        |        |
| CONSUMER PRICE INDEX (CPI)                         |        |        |        |        |        |        |        |        |        |
| CPI, All Urban Consumers                           | 0.39   | 0.03   | 0.34   | 0.21   | 0.27   | 0.33   | 0.31   | 0.36   | 0.32   |
| CPI, Durables                                      | -0.07  | -0.24  | 0.04   | -0.34  | -0.14  | -0.10  | -0.05  | -0.05  | 0.01   |
| CPI, Furniture                                     | 0.23   | 0.09   | 1.67   | -1.12  | -0.14  | -0.21  | -0.14  | -0.10  | 0.16   |
| CPI, Housekeeping Supplies                         | 0.26   | 0.67   | 0.75   | 0.69   | 0.54   | 0.53   | 0.52   | 0.51   | 0.50   |
| CPI, Nondurables                                   | 0.83   | -0.05  | 0.67   | 0.48   | -0.16  | 0.04   | -0.01  | 0.40   | 0.29   |
| CPI, Apparel and Upkeep                            | 0.44   | -0.34  | -1.28  | 0.46   | 0.23   | 0.18   | 0.17   | 0.17   | 0.17   |
| CPI, Food and Beverages                            | 0.68   | 0.37   | 0.21   | 0.92   | 0.45   | 0.41   | 0.44   | 0.41   | 0.43   |
| CPI, Motor Oil, Fuel                               | 1.10   | -1.97  | 1.64   | -1.92  | -2.11  | 0.12   | 0.87   | 1.07   | 0.29   |
| CPI, Services                                      | 0.31   | 0.19   | 0.36   | 0.30   | 0.33   | 0.29   | 0.34   | 0.30   | 0.34   |
| CPI, New Cars                                      | -0.26  | -0.30  | -0.13  | -0.19  | 0.01   | 0.09   | 0.10   | 0.13   | 0.14   |
| PRODUCER PRICE INDEX (PPI)                         |        |        |        |        |        |        |        |        |        |
| PPI, Finished Goods                                | 1.11   | 0.35   | 1.09   | 0.17   | 0.45   | 0.54   | 0.50   | 0.66   | 0.56   |
| PPI, Capital Equipment                             | 0.40   | 0.53   | 0.13   | 0.39   | 0.34   | 0.30   | 0.32   | 0.32   | 0.31   |
| PPI, Intermediate Materials                        | 1.13   | 0.78   | 2.33   | 0.92   | 0.82   | 1.12   | 0.75   | 0.83   | 0.70   |
| PPI, Components for Construction                   | 0.21   | 0.67   | 0.82   | 1.01   | 0.71   | 0.63   | 0.55   | 0.42   | 0.36   |
| PRICES RECEIVED BY FARMERS                         |        |        |        |        |        |        |        |        |        |
| Index of Prices Recvd by Farmer                    | 0.64   | 0.64   | 0.85   | 0.19   | 0.57   | 0.17   | 0.32   | 0.16   | 0.20   |
| U.S. EXPORT/IMPORT PRICES                          |        |        |        |        |        |        |        |        |        |
| U.S. Export Price Index                            | 1.17   | 0.99   | 1.48   | 0.32   | 0.53   | 0.64   | 0.50   | 0.48   | 0.61   |
| U.S. Import Price Index                            | 1.49   | 0.23   | 2.86   | 1.80   | 0.84   | 0.45   | 0.29   | 0.23   | 0.20   |

MONTHLY ECONOMIC INDICATORS for PERSONAL INCOME

|   | JAN08   | FEB08   | MAR08   | APR08   | MAY08   | JUN08   | JUL08   | AUG08   | SEP08   |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| EMPLOYEES (EMP) on Nonfarm Payrolls, Millions, SA |         |         |         |         |         |         |         |         |         |
| EMP, Total  | 138.002 | 137.919 | 137.838 | 137.818 | 137.797 | 137.802 | 137.814 | 137.842 | 137.874 |
| EMP, Manufacturing                                | 13.737  | 13.690  | 13.642  | 13.596  | 13.563  | 13.531  | 13.502  | 13.476  | 13.457  |
| EMP, Services                                     | 116.095 | 116.103 | 116.110 | 116.200 | 116.288 | 116.405 | 116.546 | 116.698 | 116.866 |
| EMP, Wholesale and Retail Trade                   | 21.540  | 21.486  | 21.464  | 21.426  | 21.405  | 21.400  | 21.383  | 21.383  | 21.372  |
| EMP, Government                                   | 22.336  | 22.362  | 22.376  | 22.385  | 22.409  | 22.429  | 22.452  | 22.473  | 22.497  |
| EMP, Federal Government                           | 1.977   | 1.983   | 1.986   | 1.990   | 1.991   | 1.992   | 1.992   | 1.992   | 1.993   |
| EMP, State and Local Governme                     | 21.907  | 21.816  | 21.728  | 21.618  | 21.548  | 21.487  | 21.432  | 21.387  | 21.346  |
| Total Unemployed, Millions                        | 7.576   | 7.381   | 7.815   | 7.626   | 7.700   | 7.723   | 7.731   | 7.761   | 7.757   |

| AVERAGE WEEKLY HOURS (AWH) of Production Workers, SA |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| AWH, Total Private                                   | 33.70 | 33.70 | 33.80 | 33.70 | 33.71 | 33.71 | 33.70 | 33.68 | 33.68 |
| AWH, Manufacturing                                   | 41.10 | 41.10 | 41.20 | 40.90 | 41.00 | 41.01 | 41.01 | 40.98 | 40.99 |
| AWH, Services  | 30.20 | 30.10 | 30.10 | 30.10 | 30.07 | 30.08 | 30.05 | 30.04 | 30.04 |
| AWH, Wholesale and Retail Trade                      | 38.40 | 38.20 | 38.40 | 38.30 | 38.26 | 38.32 | 38.31 | 38.28 | 38.28 |

| AVERAGE HOURLY EARNINGS (AHE) of Production Workers, Current Dollars, SA |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| AHE, Manufacturing   | 17.49 | 17.55 | 17.61 | 17.57 | 17.62 | 17.66 | 17.70 | 17.74 | 17.77 |
| AHE, Services  | 12.80 | 12.84 | 12.87 | 12.90 | 12.92 | 12.93 | 12.95 | 12.97 | 12.99 |
| AHE, Wholesale and Retail Trade  | 19.97 | 20.00 | 20.03 | 20.05 | 20.12 | 20.17 | 20.20 | 20.27 | 20.31 |

| AVERAGE WEEKLY EARNINGS (AWE) of Production Workers, Current Dollars |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| AWE, Total Private   | 598.18 | 600.20 | 604.01 | 602.56 | 605.01 | 607.26 | 608.53 | 610.35 | 612.15 |

Percent Change, Monthly Rate

| EMPLOYEES (EMP) ON NONFARM PAYROLLS |        |        |        |        |        |        |        |        |        |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| EMP, Total                          | -0.055 | -0.060 | -0.059 | -0.015 | -0.015 | 0.004  | 0.009  | 0.020  | 0.023  |
| EMP, Manufacturing                  | -0.254 | -0.342 | -0.351 | -0.337 | -0.242 | -0.234 | -0.219 | -0.188 | -0.144 |
| EMP, Services                       | -0.006 | 0.007  | 0.006  | 0.078  | 0.076  | 0.101  | 0.122  | 0.130  | 0.145  |
| EMP, Wholesale and Retail Trade     | -0.097 | -0.251 | -0.102 | -0.177 | -0.098 | -0.021 | -0.081 | -0.001 | -0.053 |
| EMP, Government                     | 0.013  | 0.116  | 0.063  | 0.040  | 0.106  | 0.091  | 0.102  | 0.094  | 0.103  |
| EMP, Federal Government             | 0.254  | 0.303  | 0.151  | 0.201  | 0.057  | 0.037  | -0.016 | 0.010  | 0.044  |
| EMP, State and Local Governme       | -0.314 | -0.415 | -0.403 | -0.506 | -0.322 | -0.284 | -0.257 | -0.211 | -0.192 |
| Total Unemployed, Millions          | -1.032 | -2.574 | 5.880  | -2.418 | 0.964  | 0.303  | 0.100  | 0.388  | -0.042 |

| AVERAGE WEEKLY HOURS (AWH) OF PRODUCTION WORKERS |       |       |      |       |       |      |       |       |       |
|--|-------|-------|------|-------|-------|------|-------|-------|-------|
| AWH, Total Private                               | -0.30 | 0.00  | 0.30 | -0.30 | 0.01  | 0.00 | -0.03 | -0.03 | -0.02 |
| AWH, Manufacturing                               | 0.00  | 0.00  | 0.24 | -0.73 | 0.26  | 0.01 | -0.01 | -0.05 | 0.01  |
| AWH, Services                                    | 0.33  | -0.33 | 0.00 | 0.00  | -0.11 | 0.04 | -0.08 | -0.03 | -0.02 |
| AWH, Wholesale and Retail Trade                  | 0.26  | -0.52 | 0.52 | -0.26 | -0.09 | 0.16 | -0.04 | -0.08 | 0.01  |

| AVERAGE HOURLY EARNINGS (AHE) OF PRODUCTION WORKERS |       |      |      |       |      |      |      |      |      |
|---|-------|------|------|-------|------|------|------|------|------|
| AHE, Manufacturing                                  | 0.46  | 0.34 | 0.34 | -0.23 | 0.29 | 0.24 | 0.20 | 0.21 | 0.22 |
| AHE, Services                                       | -0.08 | 0.31 | 0.23 | 0.23  | 0.13 | 0.12 | 0.16 | 0.12 | 0.16 |
| AHE, Wholesale and Retail Trade                     | 0.20  | 0.15 | 0.15 | 0.10  | 0.32 | 0.29 | 0.14 | 0.33 | 0.22 |

| AVERAGE WEEKLY EARNINGS (AWE) OF PRODUCTION WORKERS |       |      |      |       |      |      |      |      |      |
|---|-------|------|------|-------|------|------|------|------|------|
| AWE, Total Private                                  | -0.01 | 0.34 | 0.63 | -0.24 | 0.41 | 0.37 | 0.21 | 0.30 | 0.29 |

## MONTHLY FINANCIAL INDICATORS

|                                       | JAN08  | FEB08  | MAR08  | APR08  | MAY08  | JUN08  | JUL08  | AUG08  | SEP08  |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| MONEY SUPPLY, Billions of Dollars, SA |        |        |        |        |        |        |        |        |        |
| Money Supply (M1)                     | 1367.0 | 1370.3 | 1372.0 | 1368.0 | 1368.9 | 1371.1 | 1372.5 | 1375.4 | 1377.7 |
| Money Supply (M2)                     | 7477.4 | 7581.8 | 7661.5 | 7677.0 | 7710.9 | 7749.5 | 7788.8 | 7838.9 | 7885.7 |
| Money Supply (M3)                     | 7477.4 | 7581.8 | 7661.5 | 7677.0 | 7710.9 | 7749.5 | 7788.8 | 7838.9 | 7885.7 |

## INTEREST RATES (IR), Percent Per Annum

|                               |      |      |      |      |      |      |      |      |      |
|-------------------------------|------|------|------|------|------|------|------|------|------|
| IR, Treasury Bill, 6 Month    | 2.84 | 2.10 | 1.51 | 1.58 | 1.61 | 1.51 | 1.48 | 1.46 | 1.41 |
| IR, Commercial Paper, 2 month | 3.41 | 2.75 | 2.32 | 2.06 | 1.96 | 1.91 | 1.89 | 1.87 | 1.87 |
| Yields, US Govt Bond, 1 year  | 2.71 | 2.05 | 1.54 | 1.74 | 2.01 | 2.22 | 2.16 | 2.15 | 2.32 |
| Yields, US Govt Bond, 10 Year | 3.74 | 3.74 | 3.51 | 3.68 | 3.79 | 3.77 | 3.71 | 3.73 | 3.73 |

## FOREIGN EXCHANGE VALUE, March 1973=100

|                                |       |       |       |       |       |       |       |       |       |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Weighted Average Value of US\$ | 98.48 | 97.67 | 95.77 | 95.48 | 94.65 | 93.86 | 93.11 | 92.36 | 91.61 |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

## STOCK MARKET

|                                 |        |        |        |        |        |        |        |        |        |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| New York Stock Exchange Index   | 9165.1 | 9041.5 | 8776.2 | 9174.1 | 9236.4 | 9259.0 | 9276.8 | 9294.0 | 9311.2 |
| Dividend to (Stock) Price Ratio | 2.11   | 2.10   | 2.17   | 2.09   | 2.06   | 2.06   | 2.06   | 2.06   | 2.05   |

## CONSUMER INSTALLMENT CREDIT, Millions of Dollars, SA

|                             |         |         |         |         |         |         |         |         |         |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Consumer Credit Outstanding | 2536.53 | 2543.07 | 2558.35 | 2571.53 | 2584.62 | 2598.07 | 2611.62 | 2624.98 | 2638.65 |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|

## Percent Change, Monthly Rate

## MONEY SUPPLY

|                    |      |      |      |       |      |      |      |      |      |
|--------------------|------|------|------|-------|------|------|------|------|------|
| Money Supply, (M1) | 0.05 | 0.24 | 0.12 | -0.29 | 0.06 | 0.16 | 0.10 | 0.21 | 0.17 |
| Money Supply, (M2) | 0.67 | 1.40 | 1.05 | 0.20  | 0.44 | 0.50 | 0.51 | 0.64 | 0.60 |
| Money Supply, (M3) | 0.67 | 1.40 | 1.05 | 0.20  | 0.44 | 0.50 | 0.51 | 0.64 | 0.60 |

## INTEREST RATES (IR), Monthly Change

|                               |       |       |       |       |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| IR, Treasury Bill, 6 Month    | -0.50 | -0.74 | -0.59 | 0.08  | 0.03  | -0.10 | -0.02 | -0.03 | -0.04 |
| IR, Commercial Paper, 6 Month | -0.83 | -0.67 | -0.43 | -0.26 | -0.09 | -0.05 | -0.02 | -0.02 | -0.00 |
| Yields, US Govt Bond, 1 Year  | -0.55 | -0.66 | -0.51 | 0.19  | 0.27  | 0.22  | -0.06 | -0.01 | 0.17  |
| Yields, US Govt Bond, 10 Year | -0.35 | -0.01 | -0.23 | 0.17  | 0.11  | -0.02 | -0.06 | 0.02  | 0.01  |

## FOREIGN EXCHANGE VALUE

|                                |       |       |       |       |       |       |       |       |       |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Weighted Average Value of US\$ | -0.79 | -0.82 | -1.95 | -0.30 | -0.86 | -0.84 | -0.80 | -0.80 | -0.81 |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

## STOCK MARKET

|                                 |       |       |       |       |       |      |      |       |       |
|---------------------------------|-------|-------|-------|-------|-------|------|------|-------|-------|
| New York Stock Exchange Index   | -6.55 | -1.35 | -2.93 | 4.53  | 0.68  | 0.24 | 0.19 | 0.19  | 0.18  |
| Dividend to (Stock) Price Ratio | 9.33  | -0.47 | 3.33  | -3.69 | -1.34 | 0.02 | 0.12 | -0.33 | -0.32 |

## CONSUMER INSTALLMENT CREDIT

|                             |      |      |      |      |      |      |      |      |      |
|-----------------------------|------|------|------|------|------|------|------|------|------|
| Consumer Credit Outstanding | 0.48 | 0.26 | 0.60 | 0.51 | 0.51 | 0.52 | 0.52 | 0.51 | 0.52 |
|-----------------------------|------|------|------|------|------|------|------|------|------|