

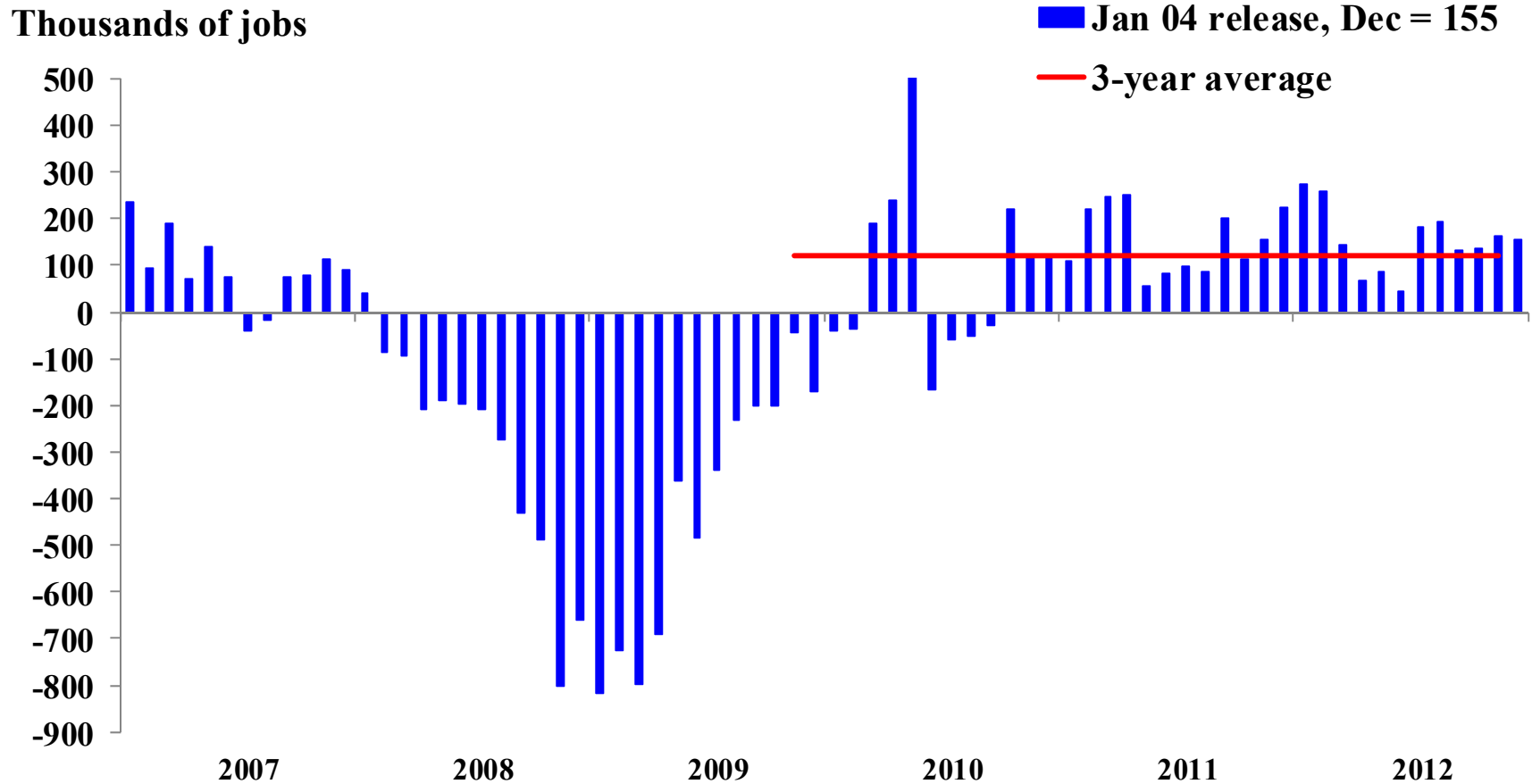


# **U.S. ECONOMIC ACTIVITY**

**<http://www.dallasfed.org>**



# Change in Nonfarm Employment



Source: Bureau of Labor Statistics

<http://www.dallasfed.org>

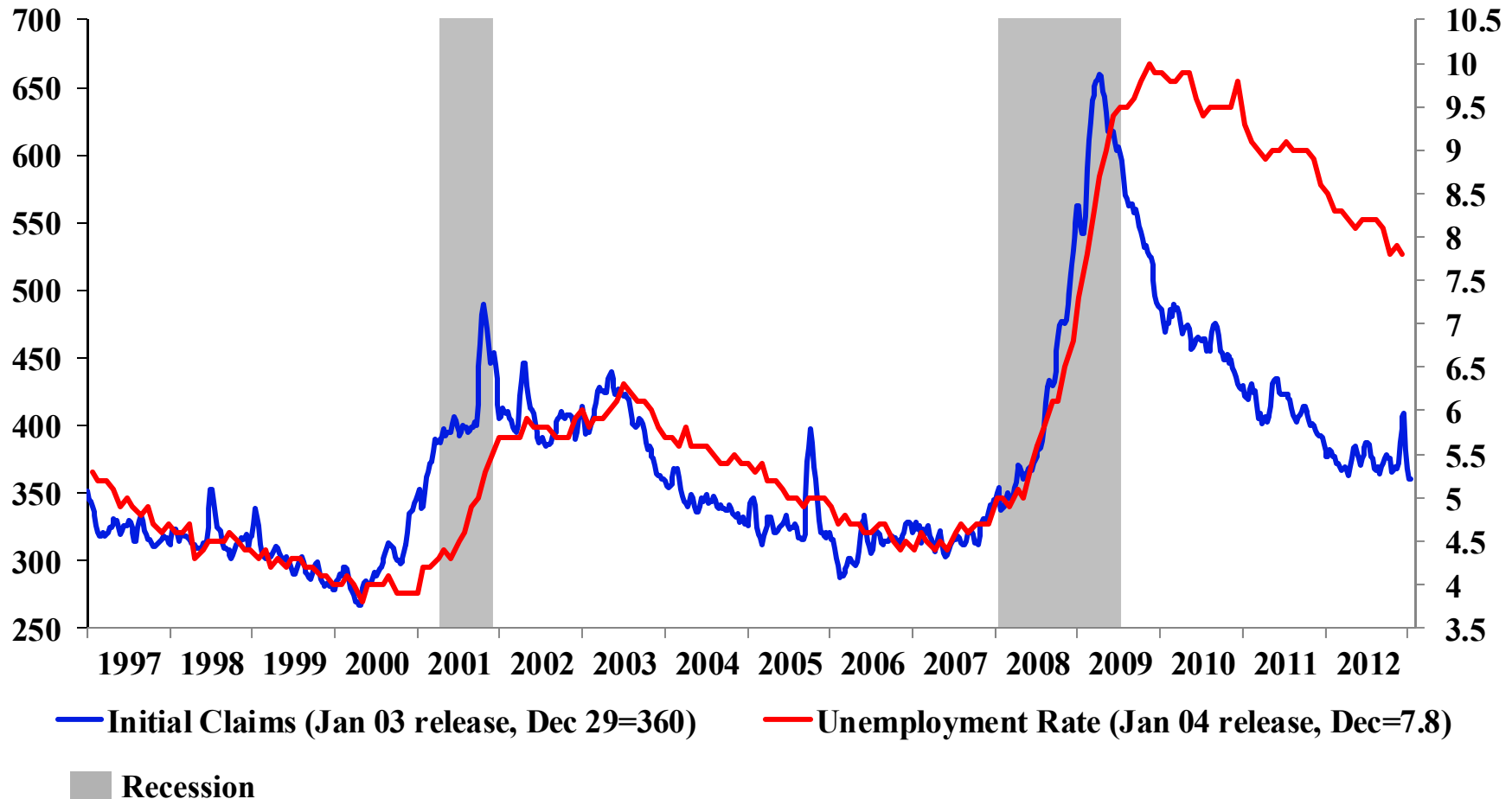


# Initial Claims for Unemployment and Unemployment Rate

4-week MA

Thousands of Initial Claims

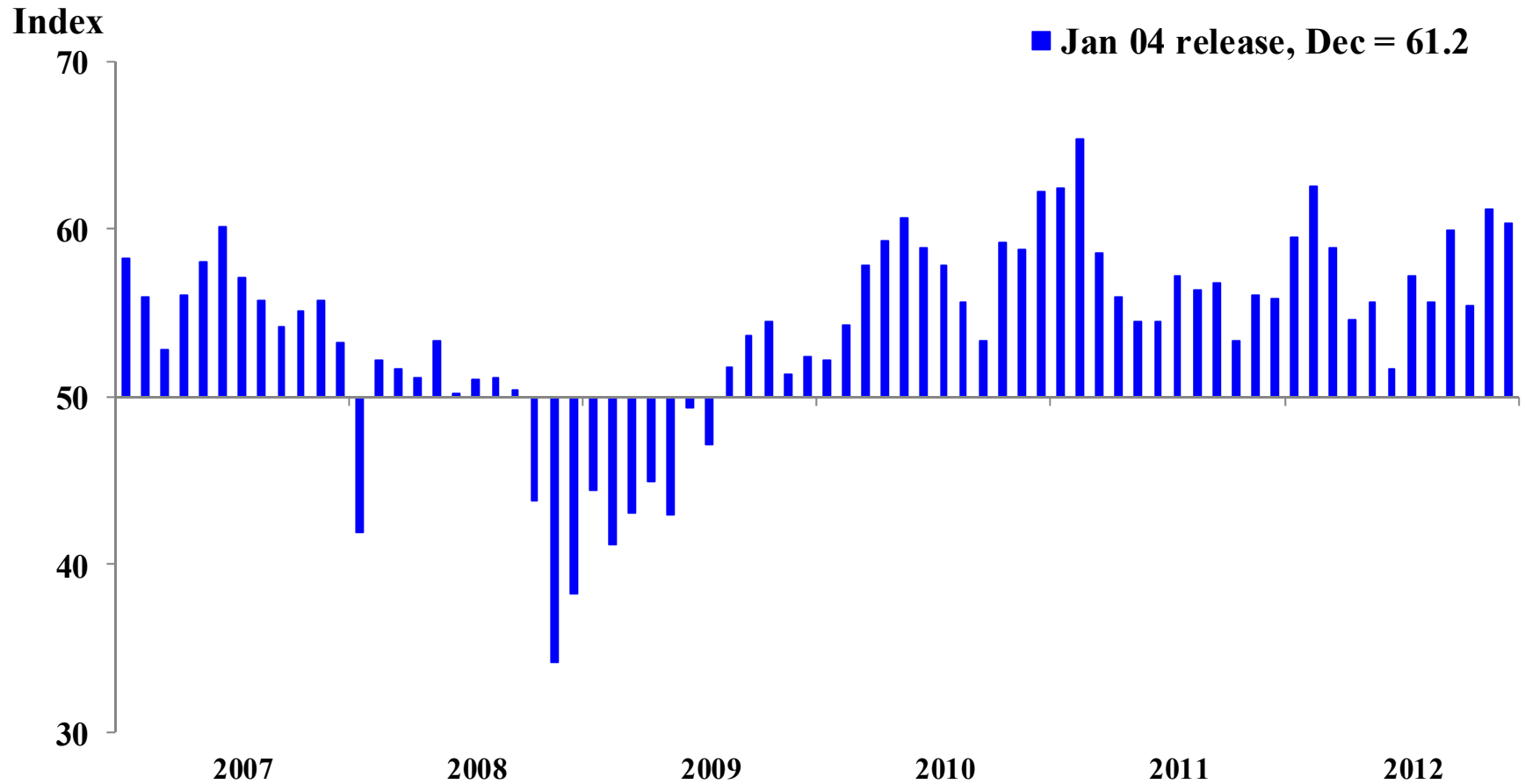
Percent Unemployment



Source: Bureau of Labor Statistics, Department of Labor <http://www.dallasfed.org>



# ISM Non-Manufacturing Activity Index



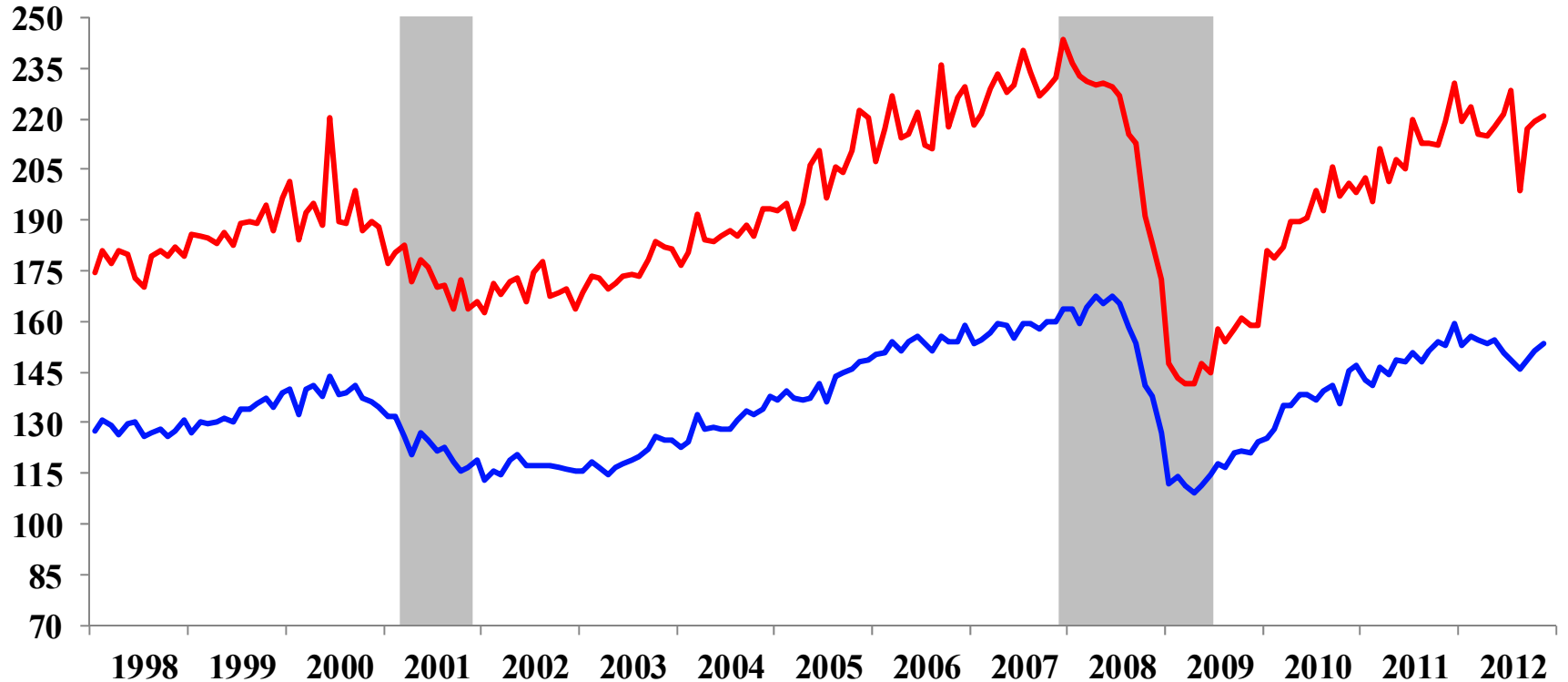
Source : Institute for Supply Management <sup>TM</sup>

<http://www.dallasfed.org>



# New Orders for Durable Goods

Billions of Dollars



— Durable Goods (Jan 04 release, Nov = 220.9) — Excl. Transportation (Jan 04 release, Nov = 153.4)

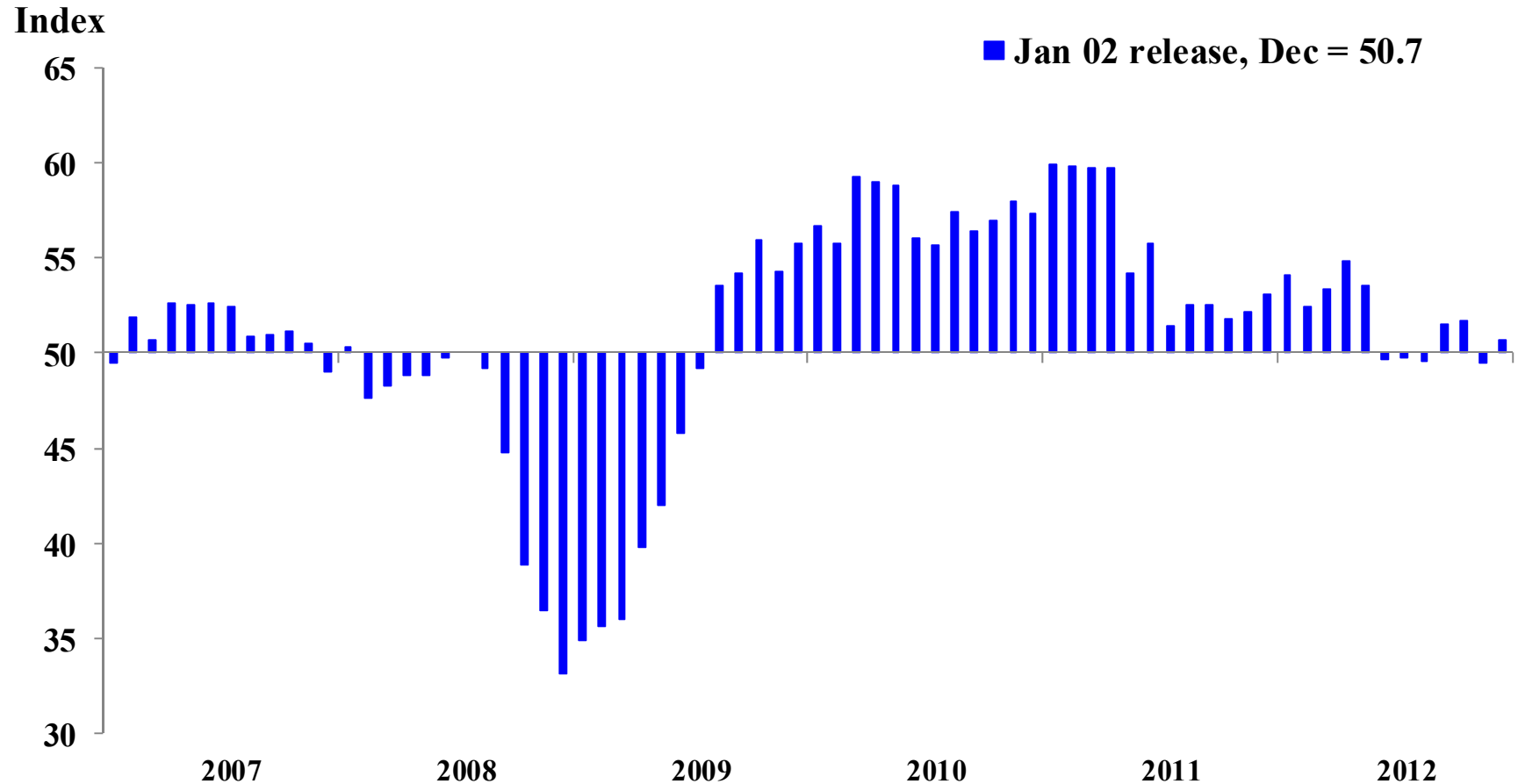
■ Recession

Source: Bureau of the Census

<http://www.dallasfed.org>



# Purchasing Managers' Index



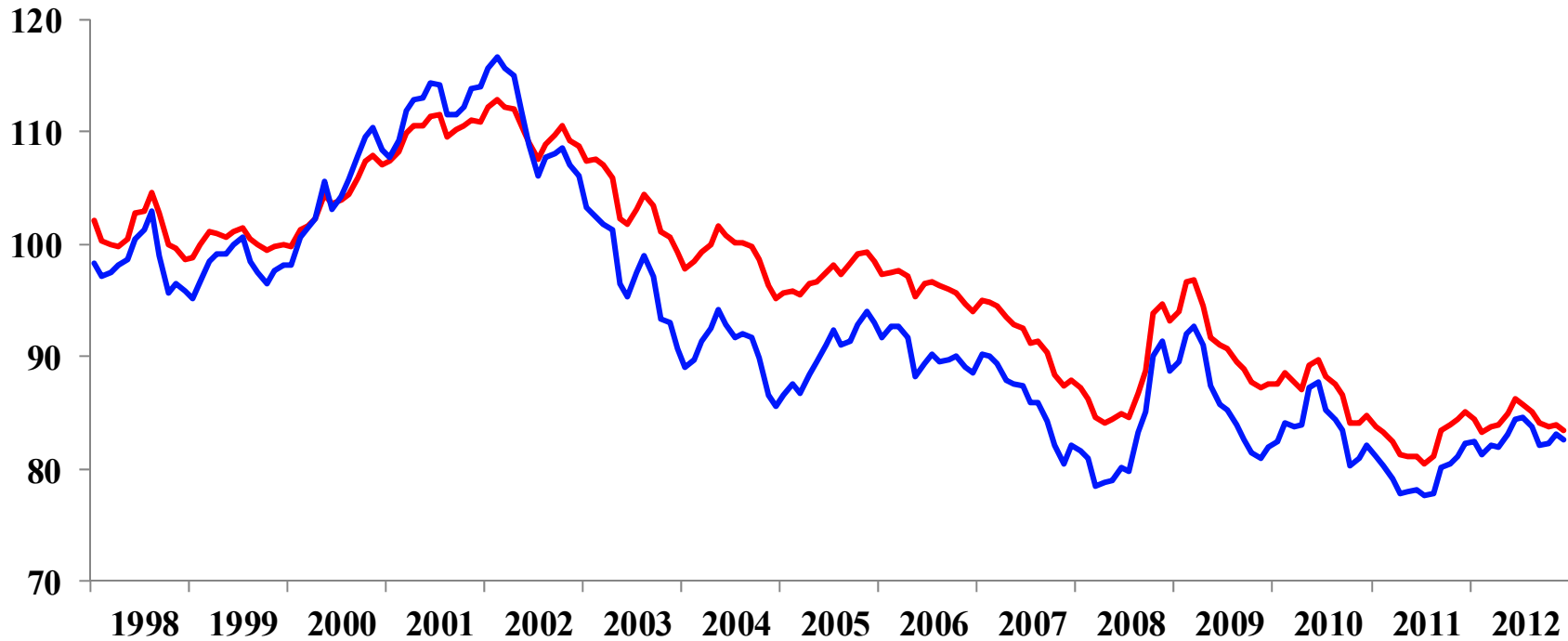
Source: Institute for Supply Management™

<http://www.dallasfed.org>



# Real Value of the Dollar

March 1973 = 100



— Exchange Value of the US\$ (Jan 02 release, Dec=83.4)

— US\$ vs Major Currencies\* (Jan 02 release, Dec=82.6)

\* Euro Area, Canada, Japan, UK, Switzerland, Australia, and Sweden

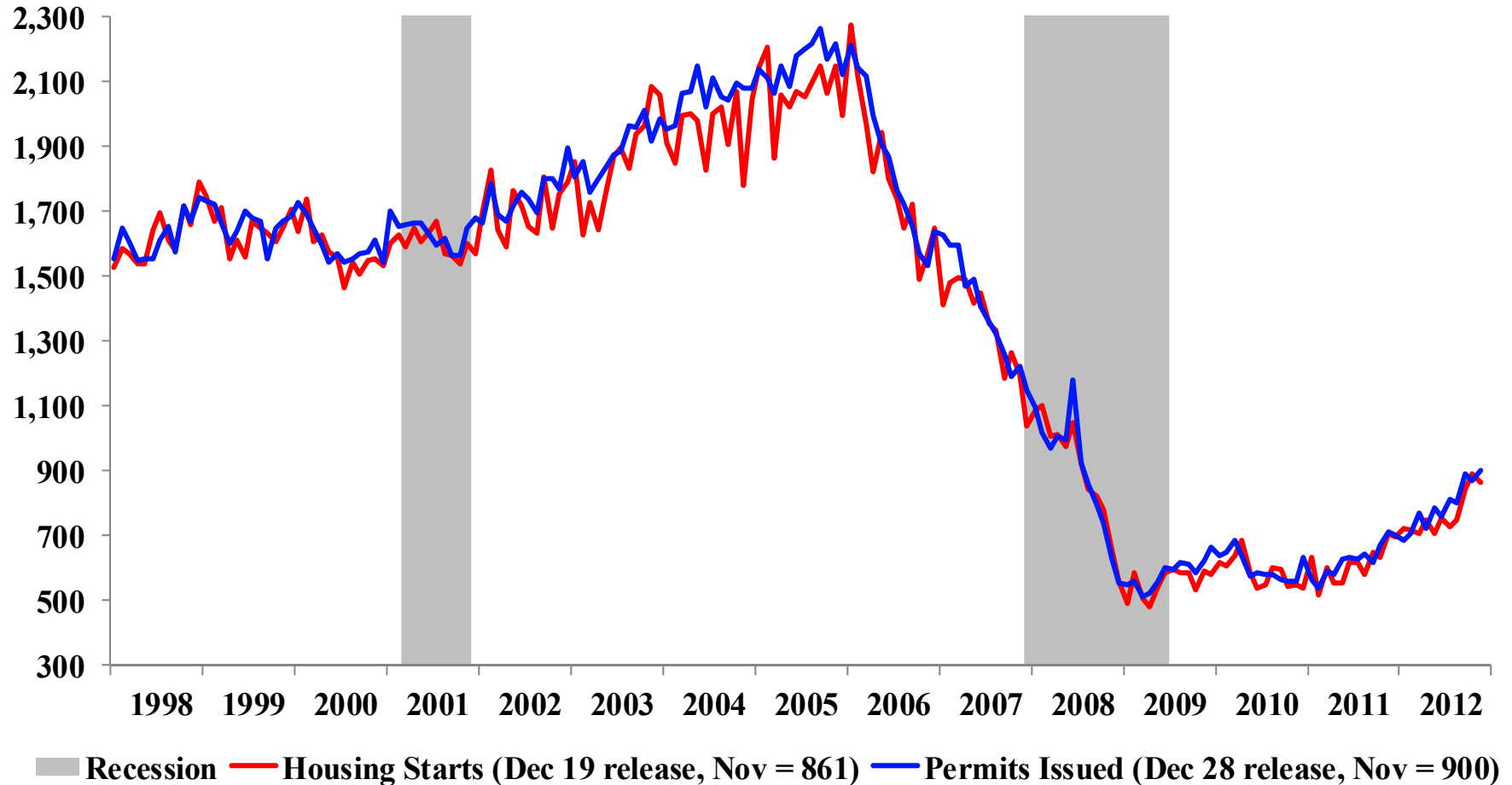
Source: Federal Reserve Board

<http://www.dallasfed.org>



# Housing Starts and Permits

Thousands



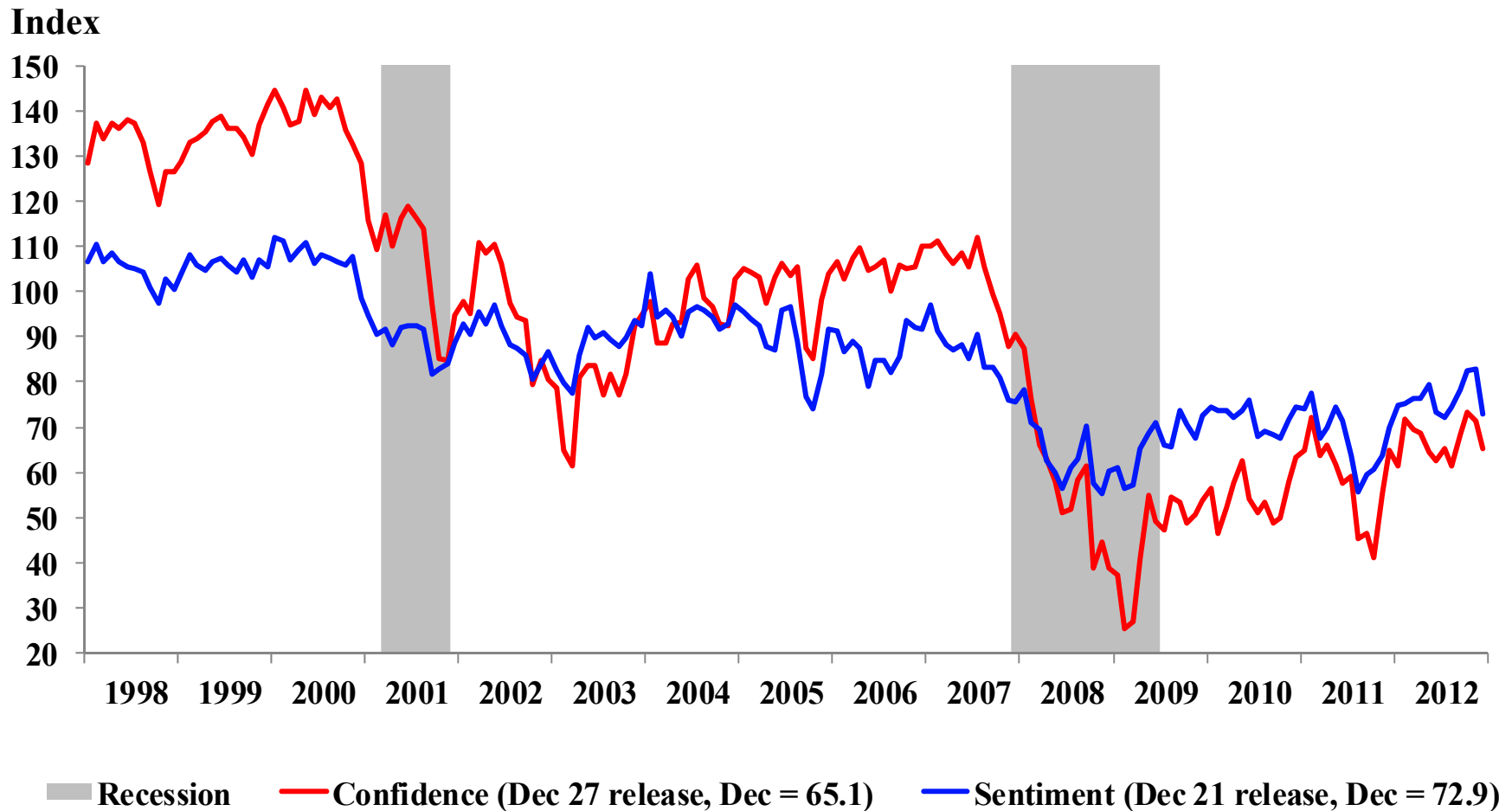
Source: Bureau of the Census

<http://www.dallasfed.org>





# Consumer Confidence/Sentiment



**Consumer Sentiment:** Survey of Consumers, Survey Research Center, U. of Michigan

**Consumer Confidence:** The Conference Board

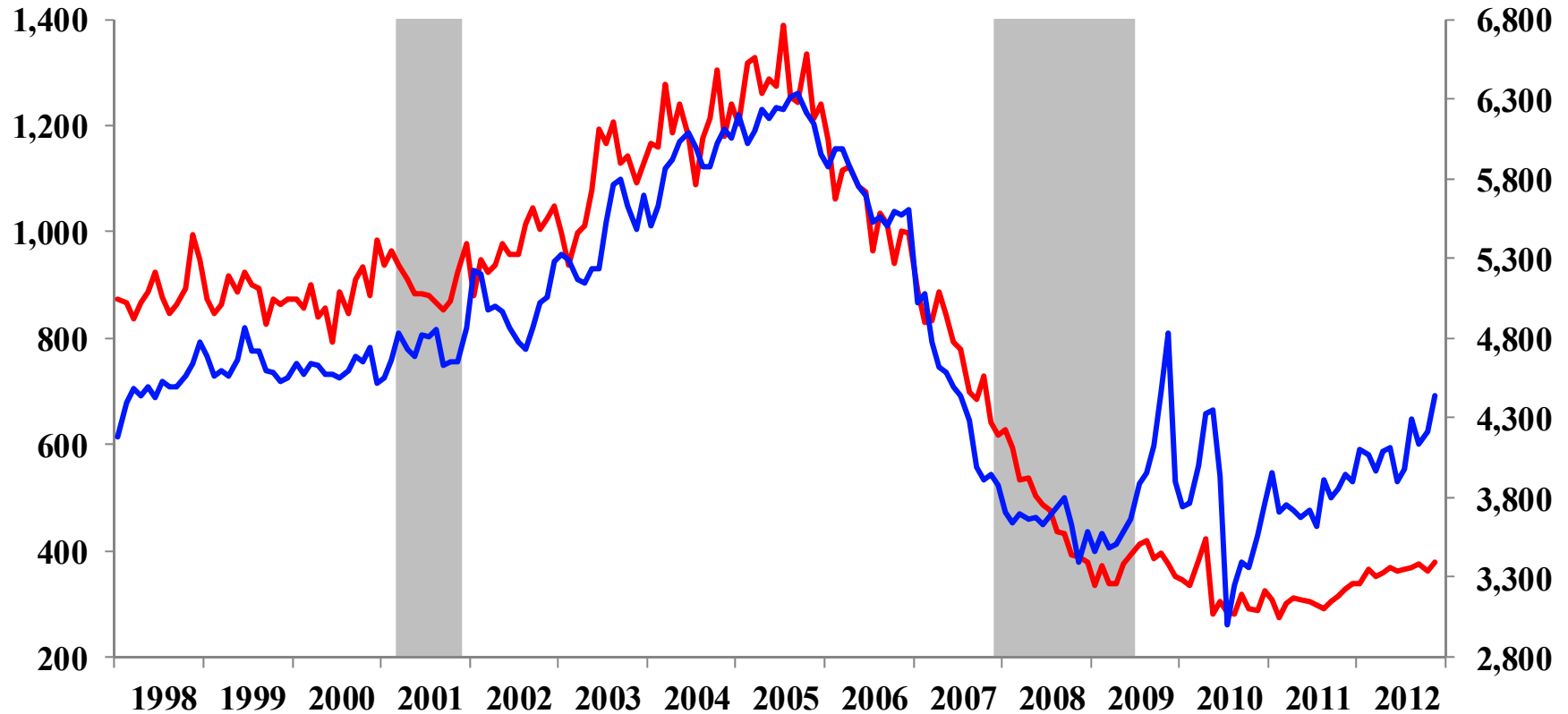
<http://www.dallasfed.org>



# Home Sales

Thousands of New Homes

Thousands of Existing Homes



— New Home Sales (Dec 27 release, Nov = 377)

— Existing Home Sales (Dec 20 release, Nov = 4440)

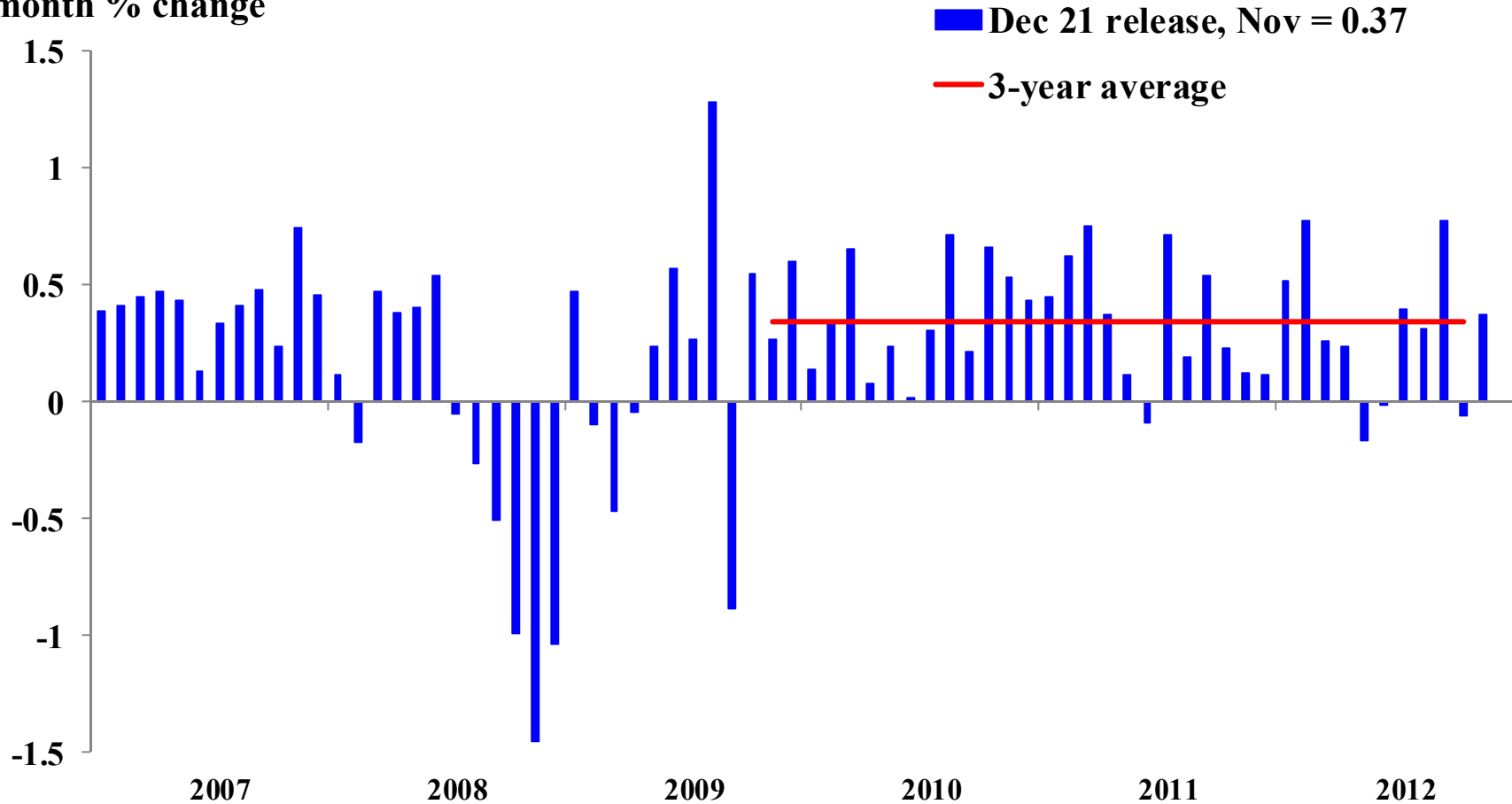
■ Recession

Source: Bureau of the Census, National Association of Realtors <http://www.dallasfed.org>



# Nominal Personal Consumption Expenditures

1-month % change



Source: Bureau of Economic Analysis

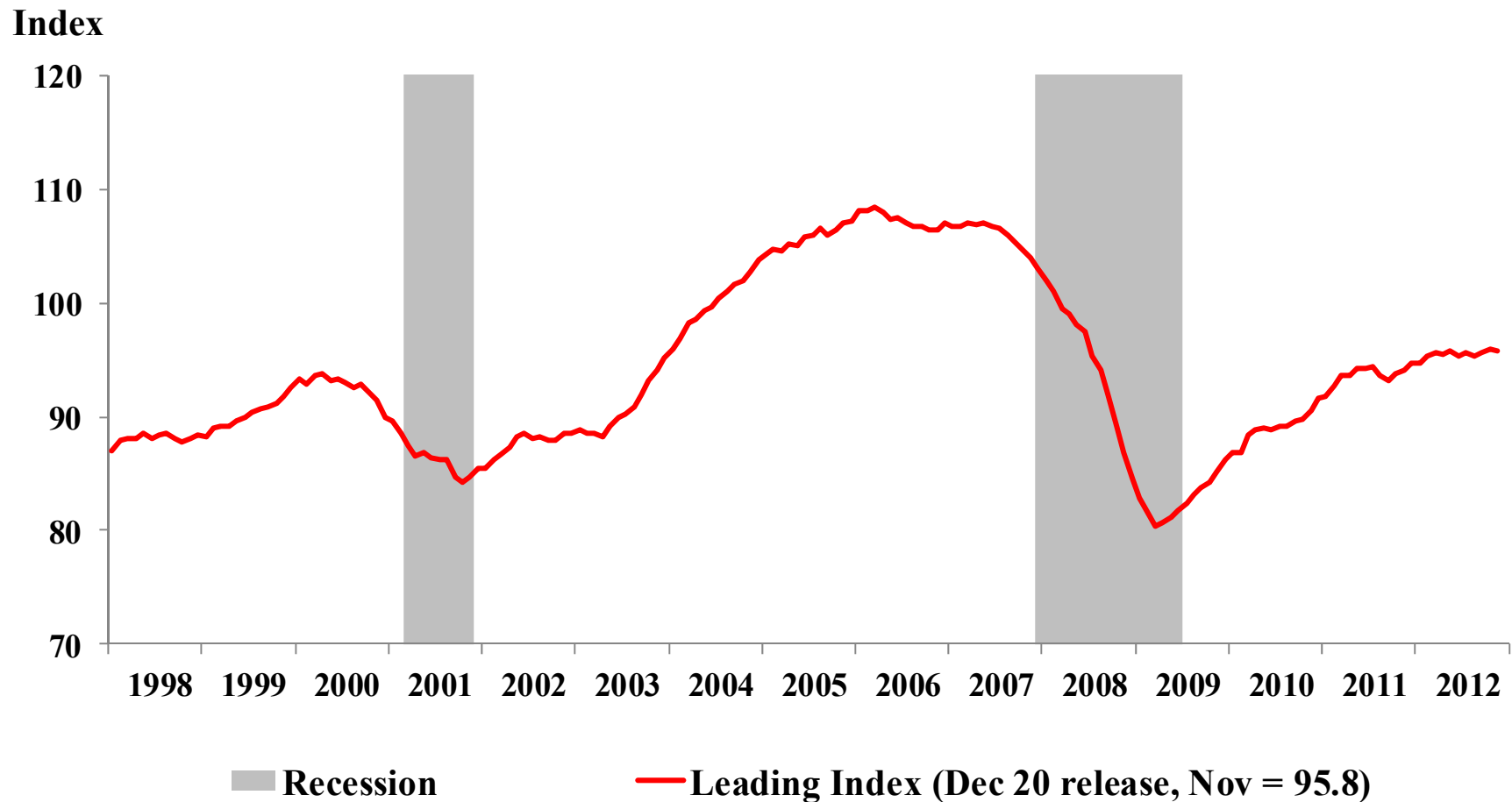
<http://www.dallasfed.org>







# Index of Leading Economic Indicators



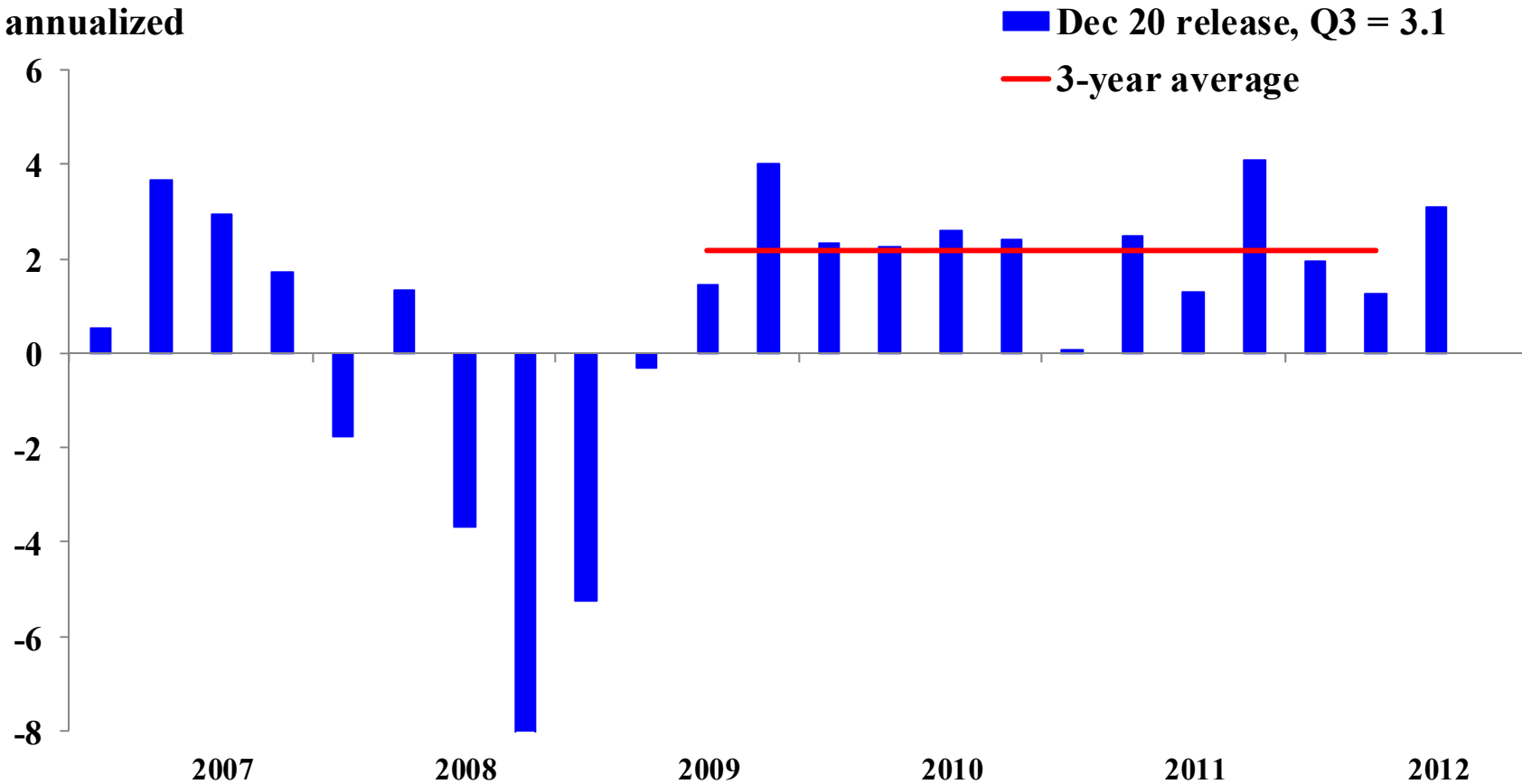
Source: The Conference Board

<http://www.dallasfed.org>



# Real GDP

1-quarter % change,  
annualized

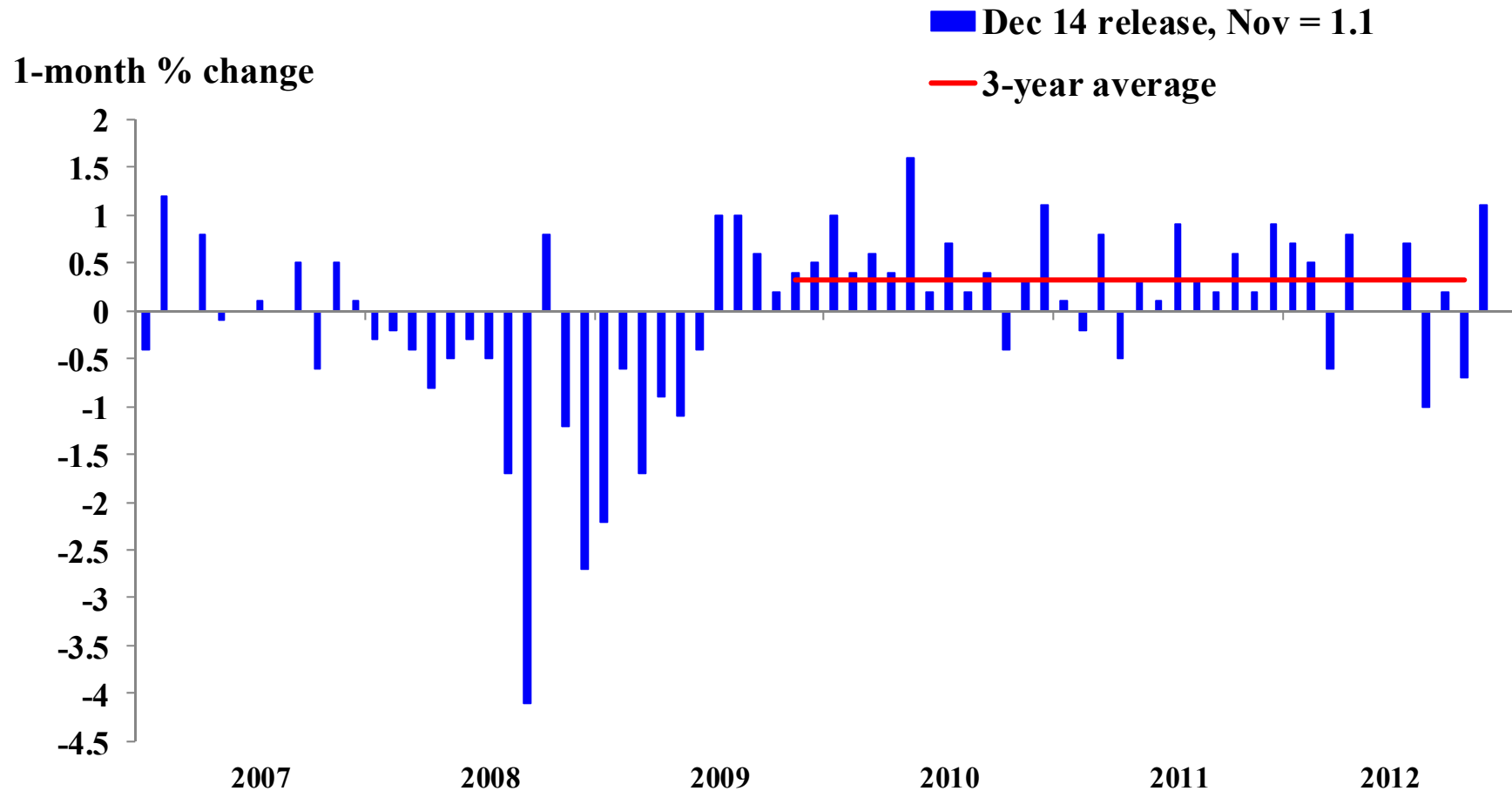


Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



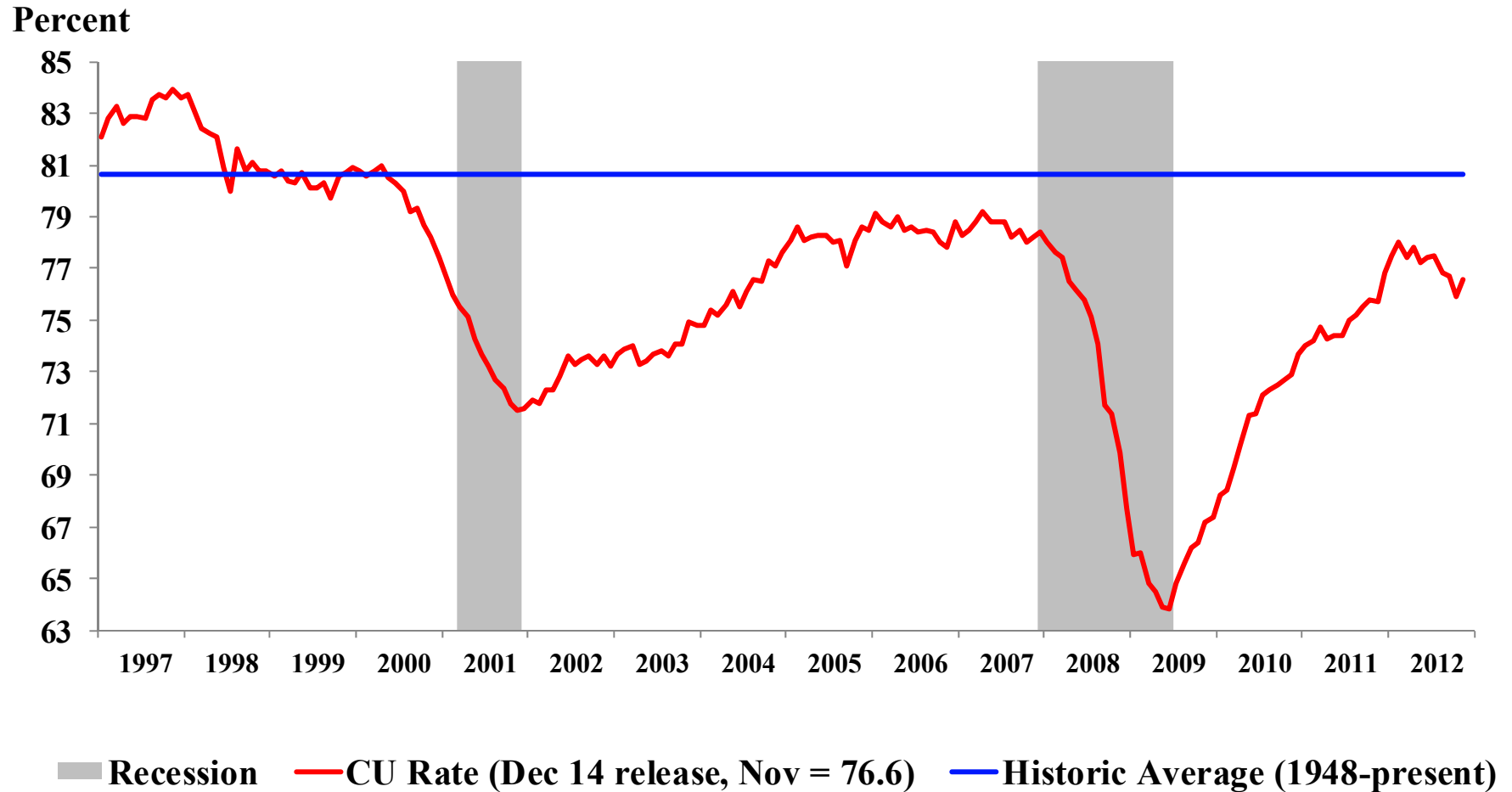
# Industrial Production







# Manufacturing Capacity Utilization Rate



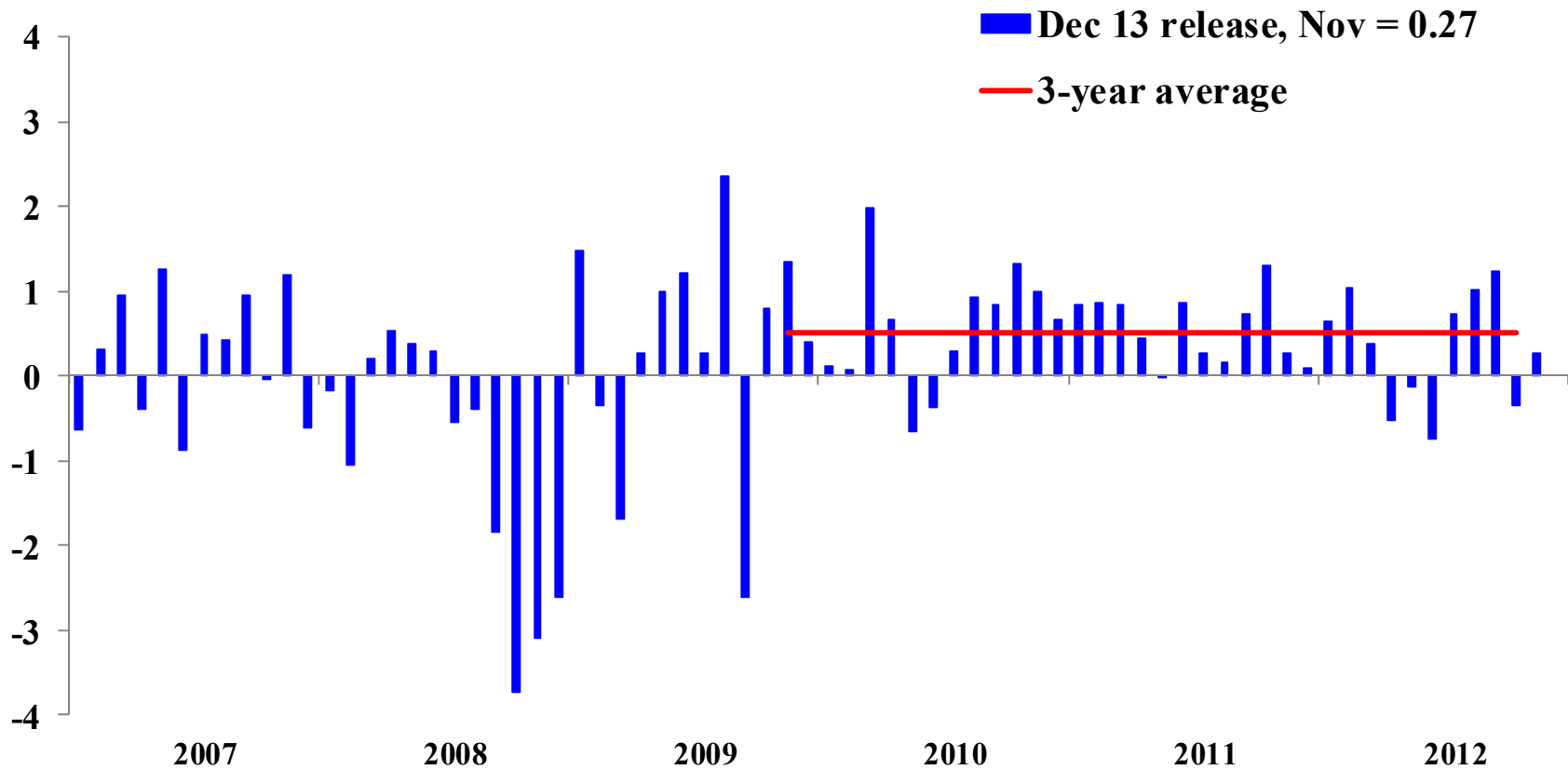
Source: Federal Reserve Board

<http://www.dallasfed.org>



# Retail Sales

1-month % change



Source: Bureau of the Census

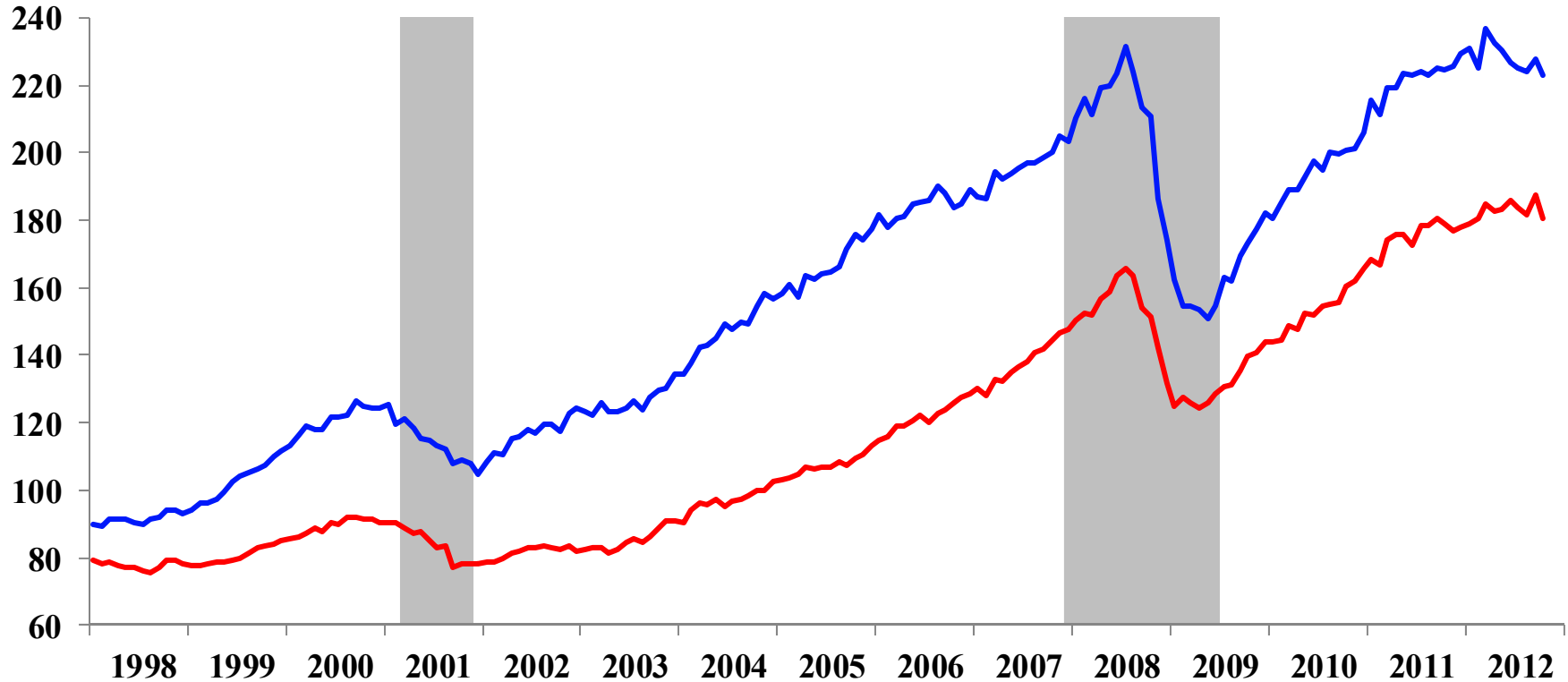
<http://www.dallasfed.org>





# U.S. Imports and Exports

Billions of Dollars



■ Recession    — Exports (Dec 11 release, Oct = 180.5)    — Imports (Dec 11 release, Oct = 222.8)

Source: Bureau of the Census

<http://www.dallasfed.org>



# WAGES AND PRICES

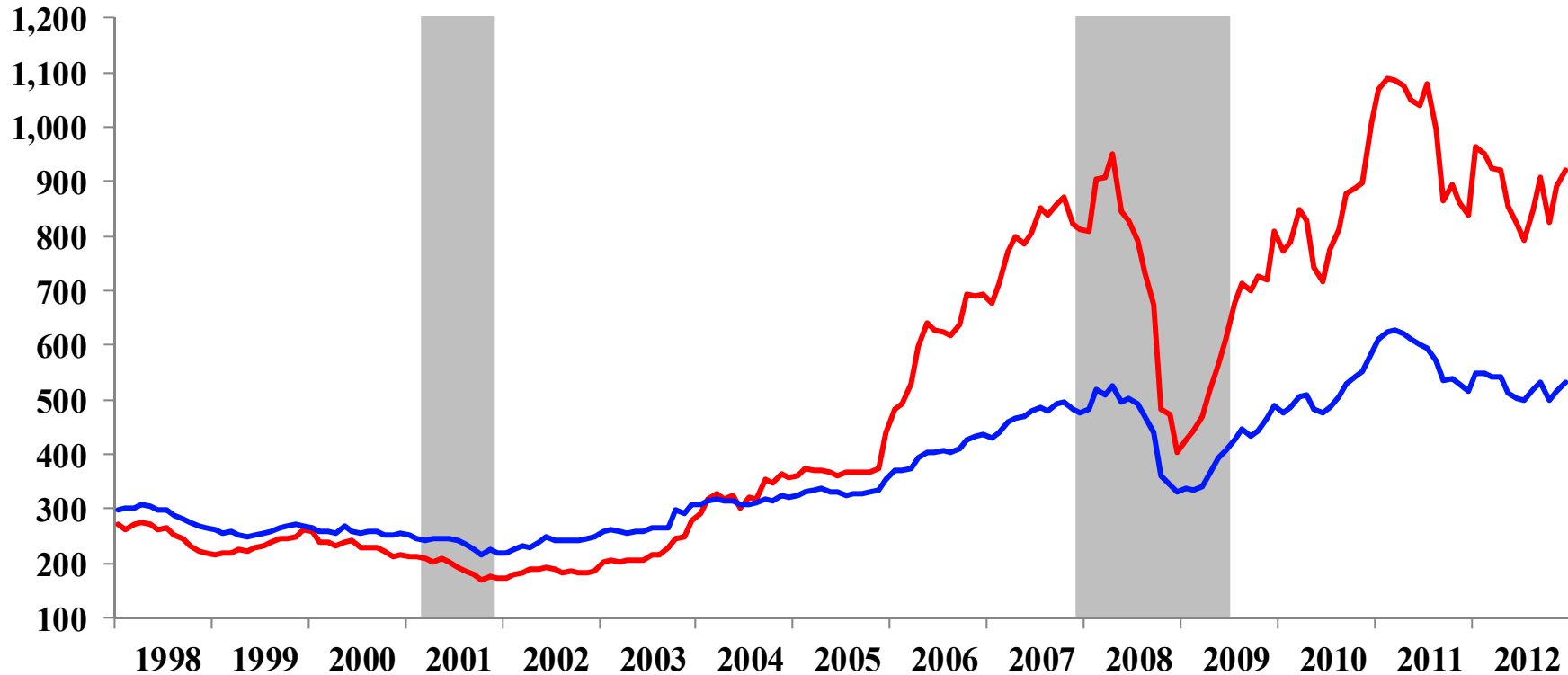
<http://www.dallasfed.org>





# Commodity Prices

1967=100, EOP



— KR-CRB Spot Commodity Price Index: Metals (Jan 02 release, Dec=919.3)

— KR-CRB Spot Commodity Price Index: Raw Industrials (Jan 02 release, Dec=530.4)

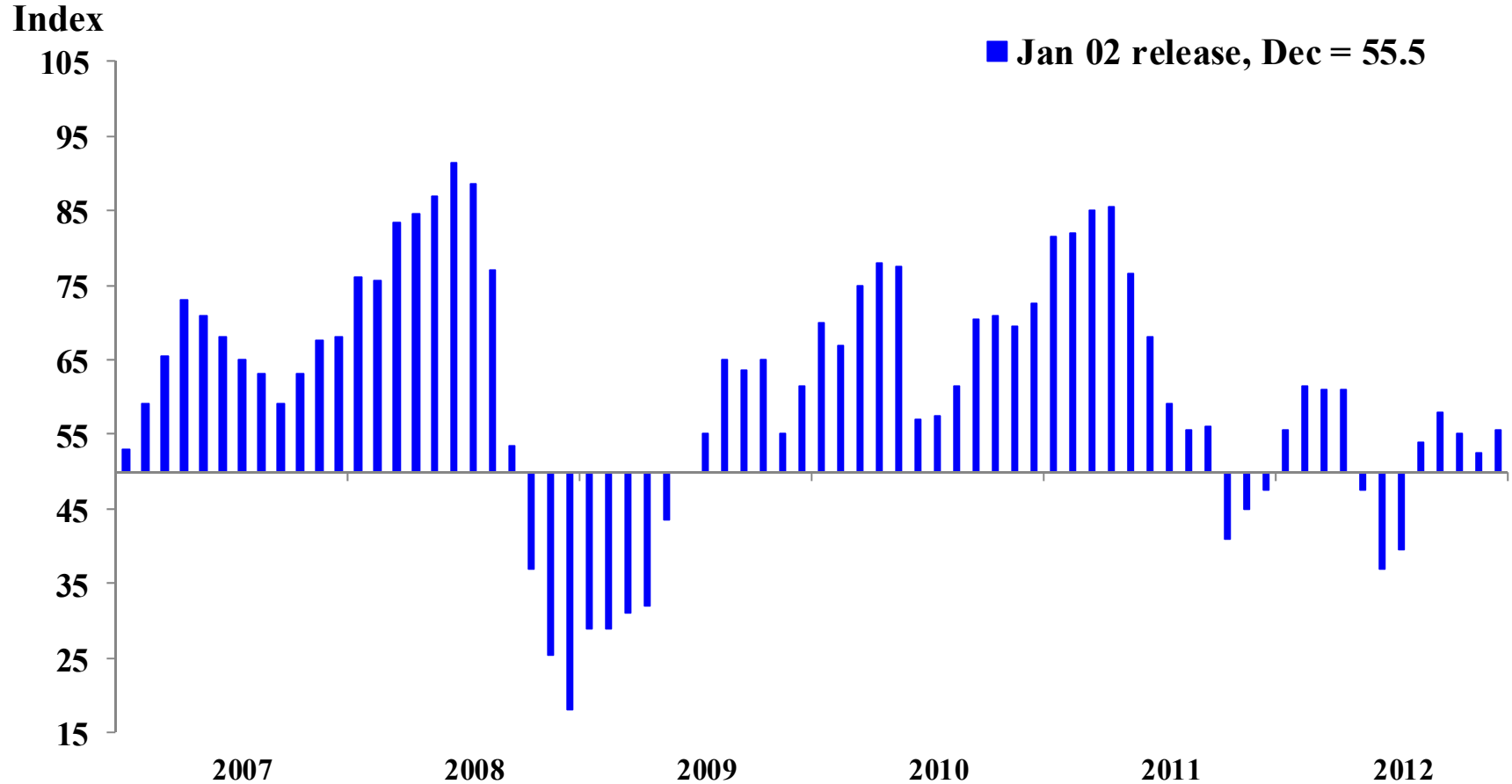
■ Recession

Source: Commodity Research Bureau

<http://www.dallasfed.org>



# ISM Manufacturing Prices Index



Source : Institute for Supply Management <sup>TM</sup>

<http://www.dallasfed.org>

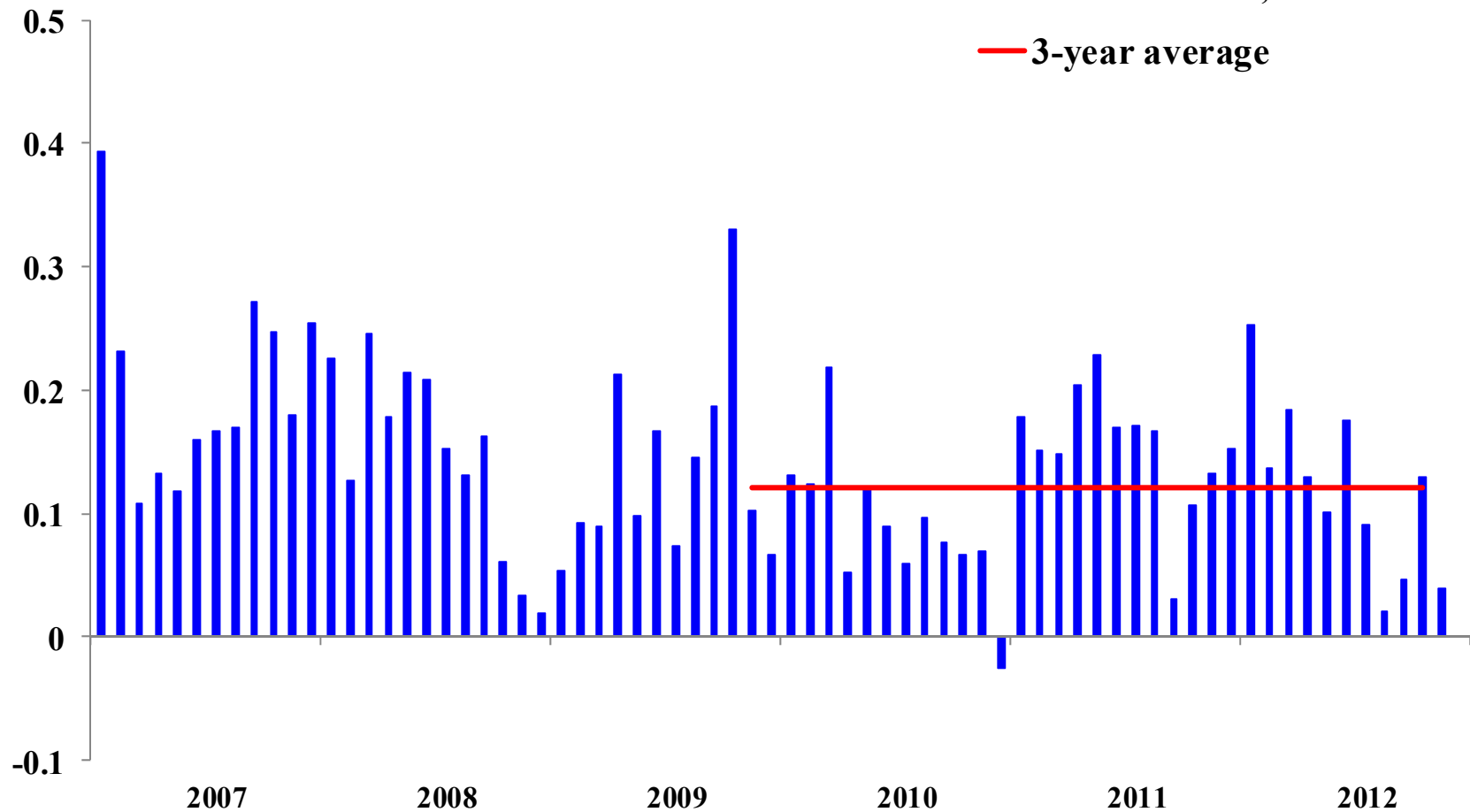






# Core PCE Price Index

1-month % change



Source: Bureau of Economic Analysis

<http://www.dallasfed.org>





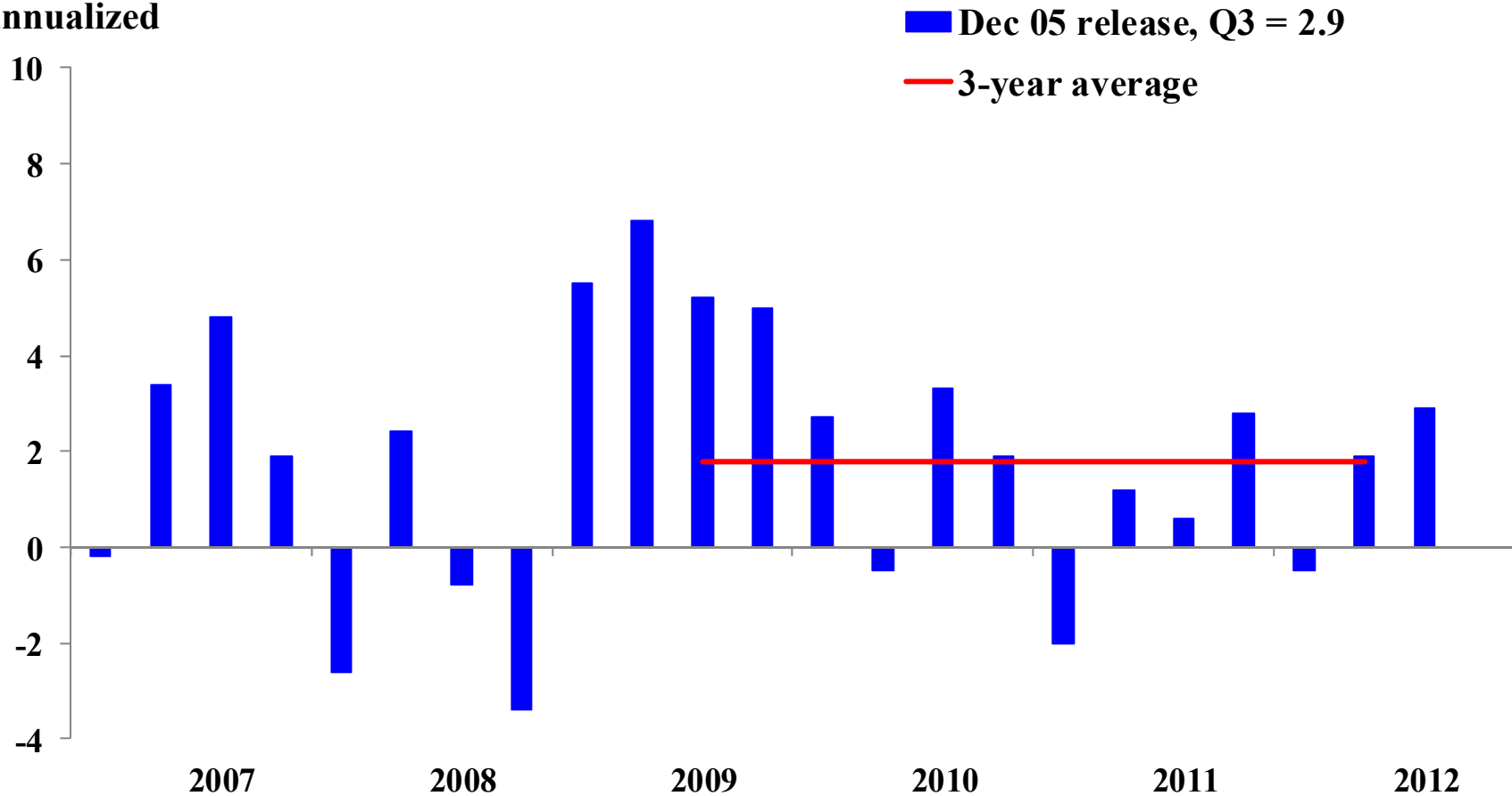






# Nonfarm Business Productivity

1-quarter % change,  
annualized



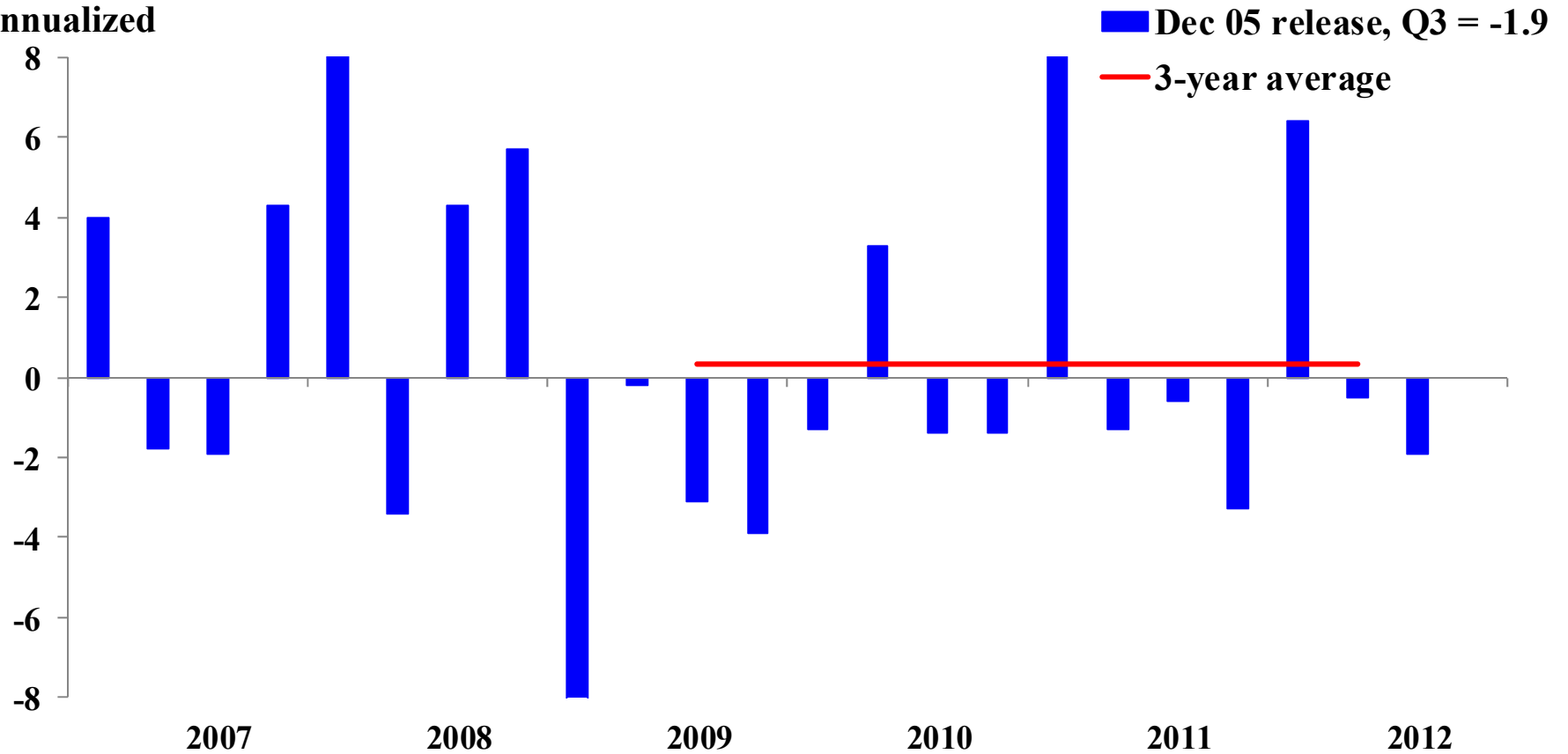
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



# Nonfarm Business Unit Labor Cost

1-quarter % change,  
annualized



Source: Bureau of Labor Statistics

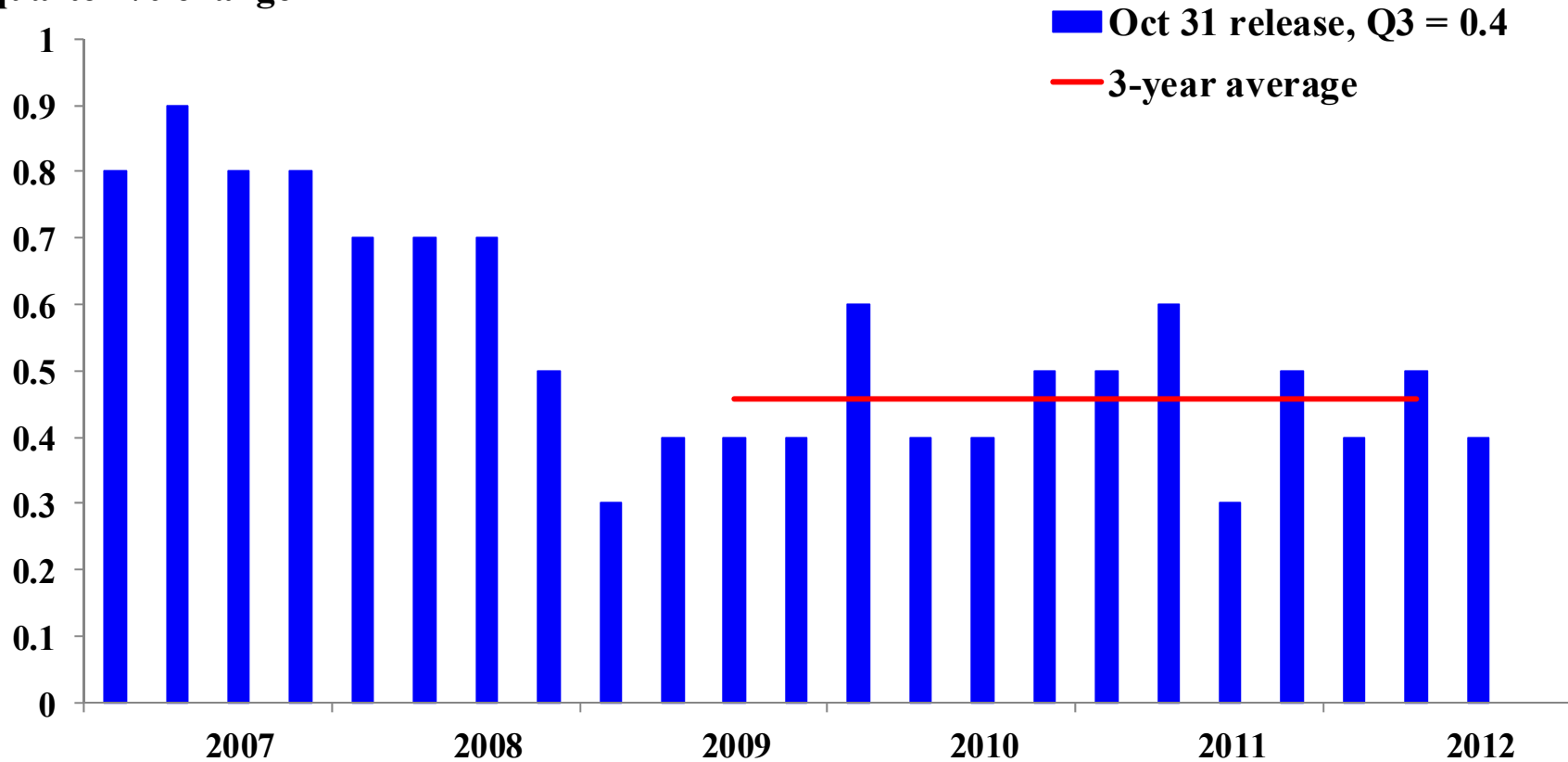
<http://www.dallasfed.org>





# Employment Cost Index

1-quarter % change



Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



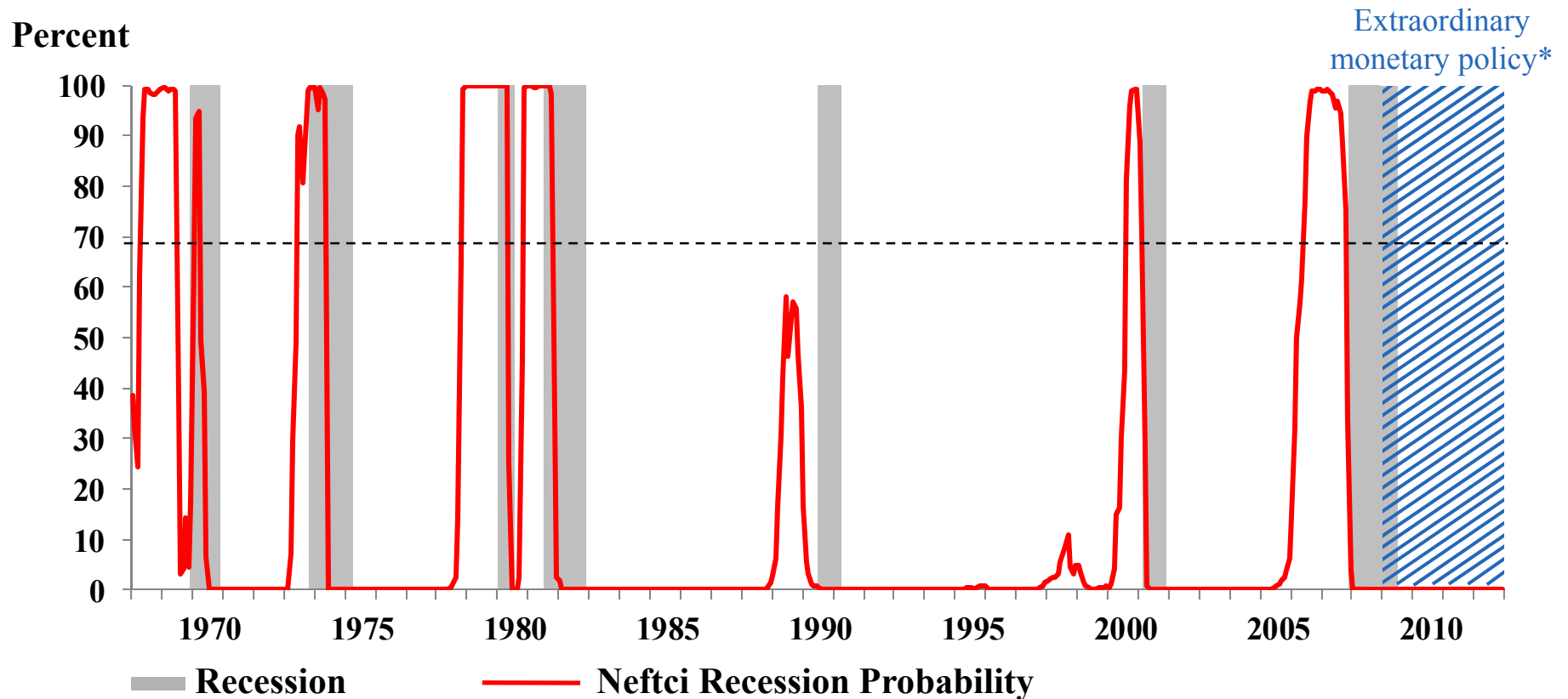
# **FINANCIAL-SECTOR DEVELOPMENTS**

**<http://www.dallasfed.org>**



# Recession Probability

Real-time Neftci probability calculated from 10-yr.--1-yr. Treasury yield spread



Crosses 70% threshold with a lead of between 5 and 18 months, and averaging 11 months.

\*Indicator properties of the yield curve may be distorted during this period due to the zero bound on short-term interest rates and Federal Reserve purchases of long-term Treasuries.

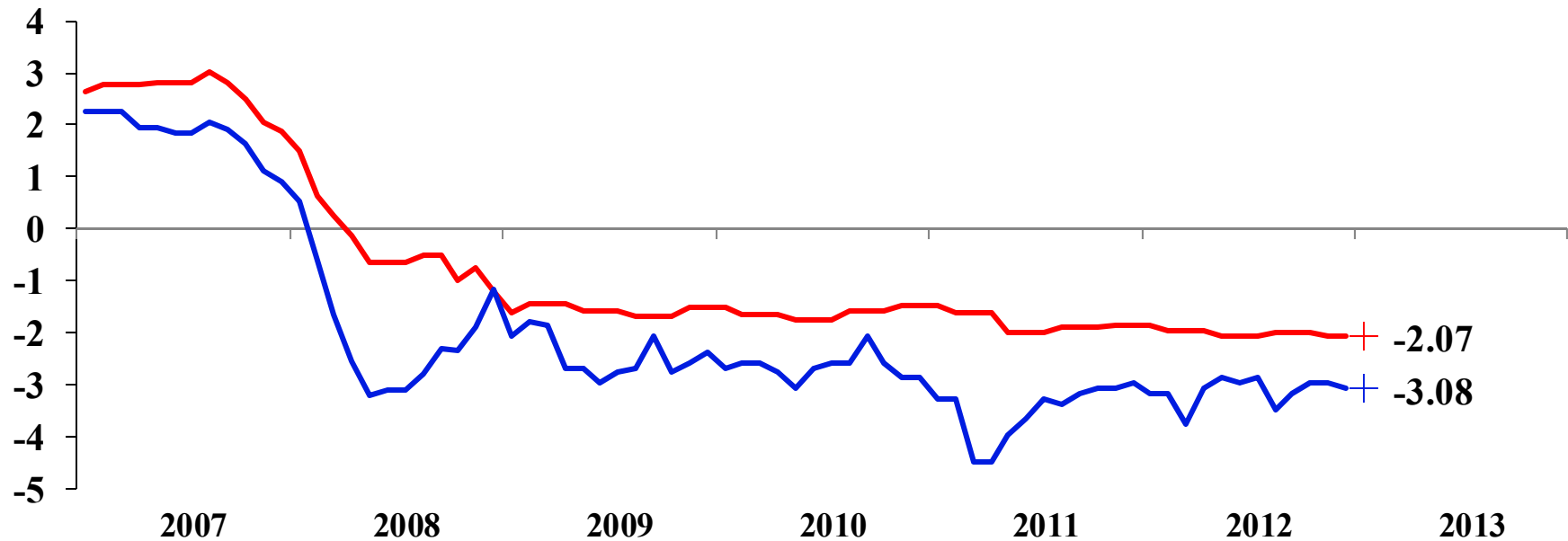
Source: Federal Reserve Board; calculations by FRB Dallas

<http://www.dallasfed.org>



# Real Federal Funds Rate

Percent



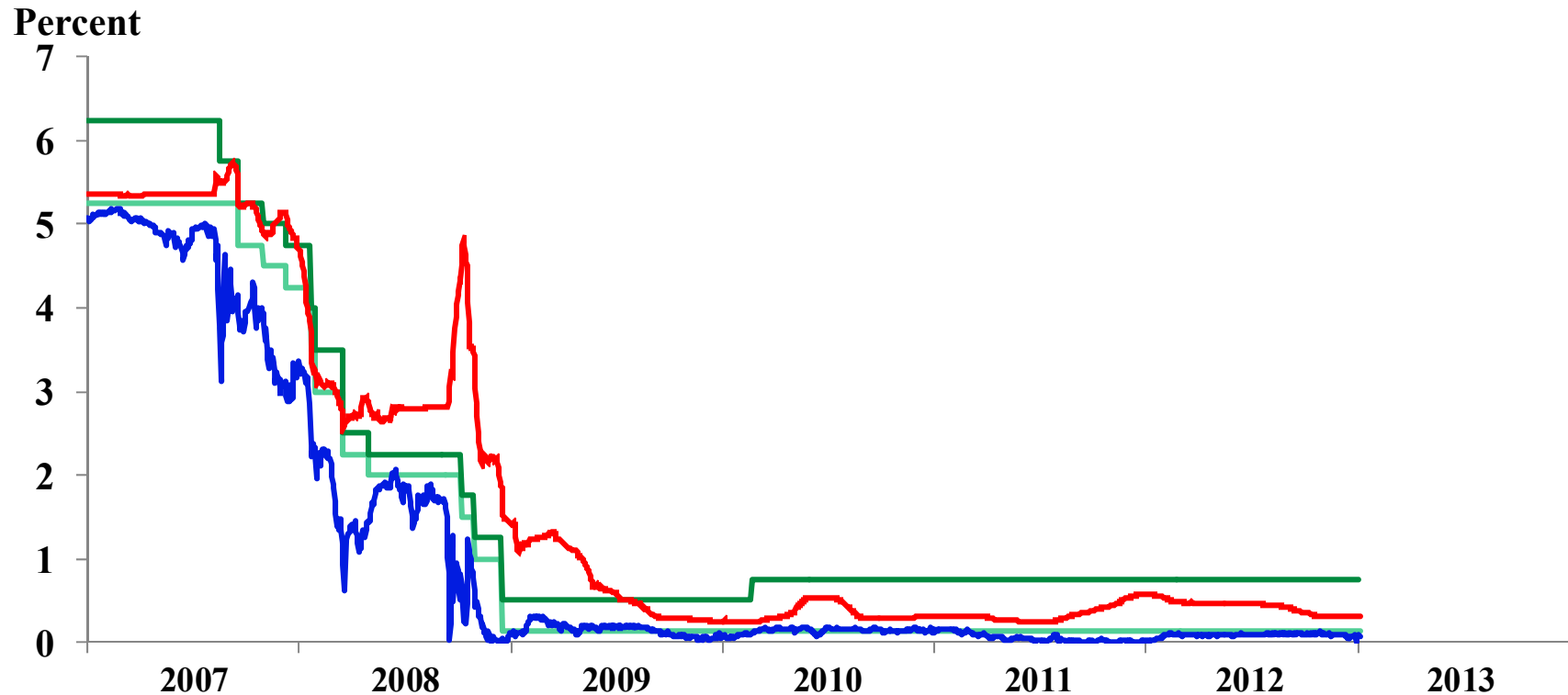
- End-of-Month Target Fed Funds Rate less SPF Expected Inflation
- + Target Fed Funds Rate (Jan 04) less SPF Expected Inflation (Nov 09)
- End-of-Month Target Fed Funds Rate less U. of Michigan Expected Inflation
- + Target Fed Funds Rate (Jan 04) less U. of Michigan Expected Inflation (Dec 21)

Sources: Target Fed Funds Rate: Federal Reserve Board; SPF Expected Inflation: FRB Philadelphia; U. of Michigan Expected Inflation: Survey of Consumers, Survey Research Center, U. of Michigan

<http://www.dallasfed.org>



# Short-Term Interest Rates



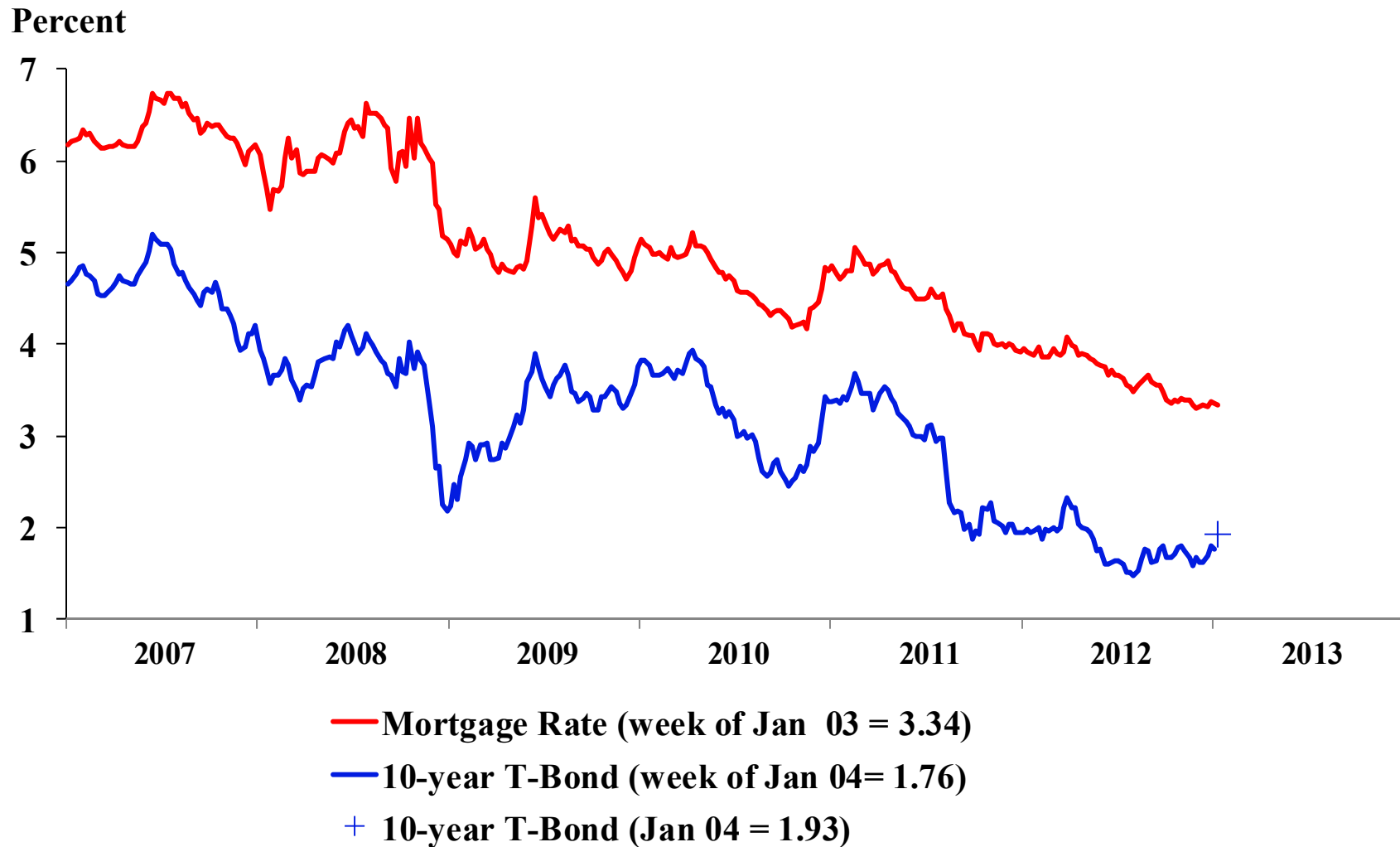
- Target Fed Fund Rate (Jan 04 = 0.125)
- 3-Month T-Bill Rate (Jan 04 = 0.07)
- Discount Window Primary Credit Rate (Jan 03 = 0.75)
- 3-month LIBOR (Jan 07 = 0.305)

Source: Federal Reserve Board

<http://www.dallasfed.org>



# Long-Term Interest Rates



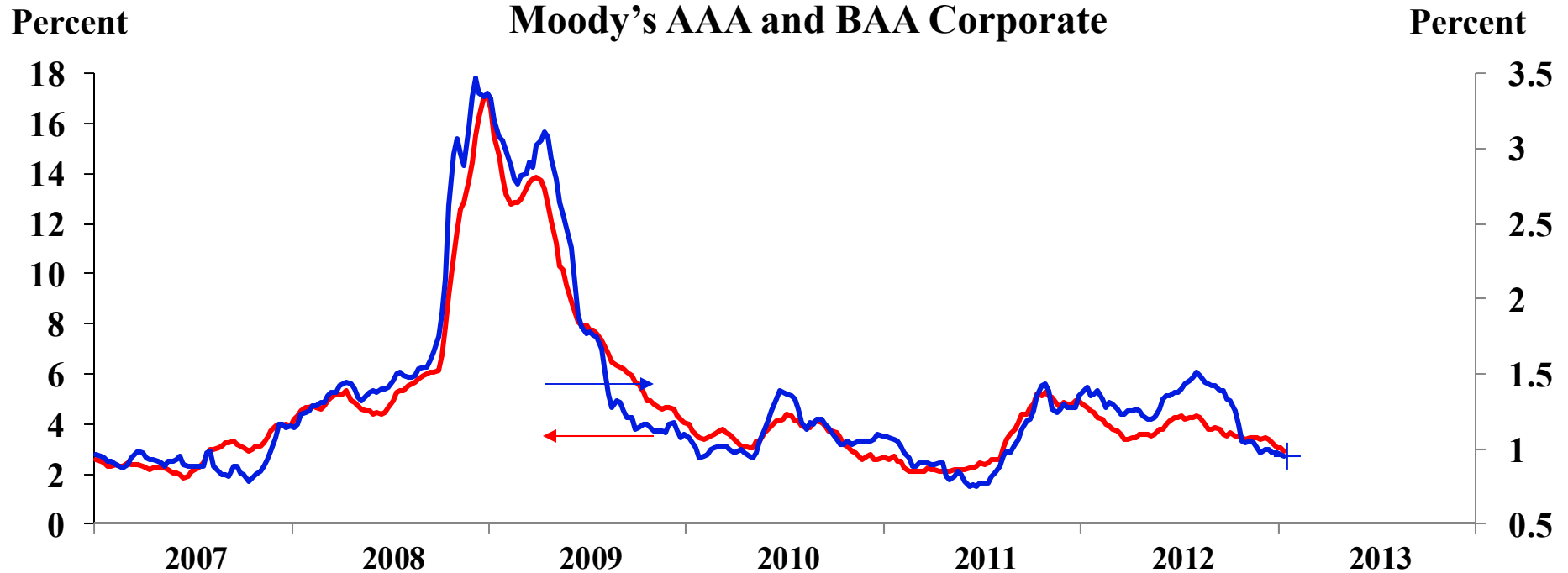
Source: Federal Reserve Board

<http://www.dallasfed.org>



# Bond Spreads

Merrill Lynch's Yield on Low-Grade Corporate Bonds,  
Moody's AAA and BAA Corporate



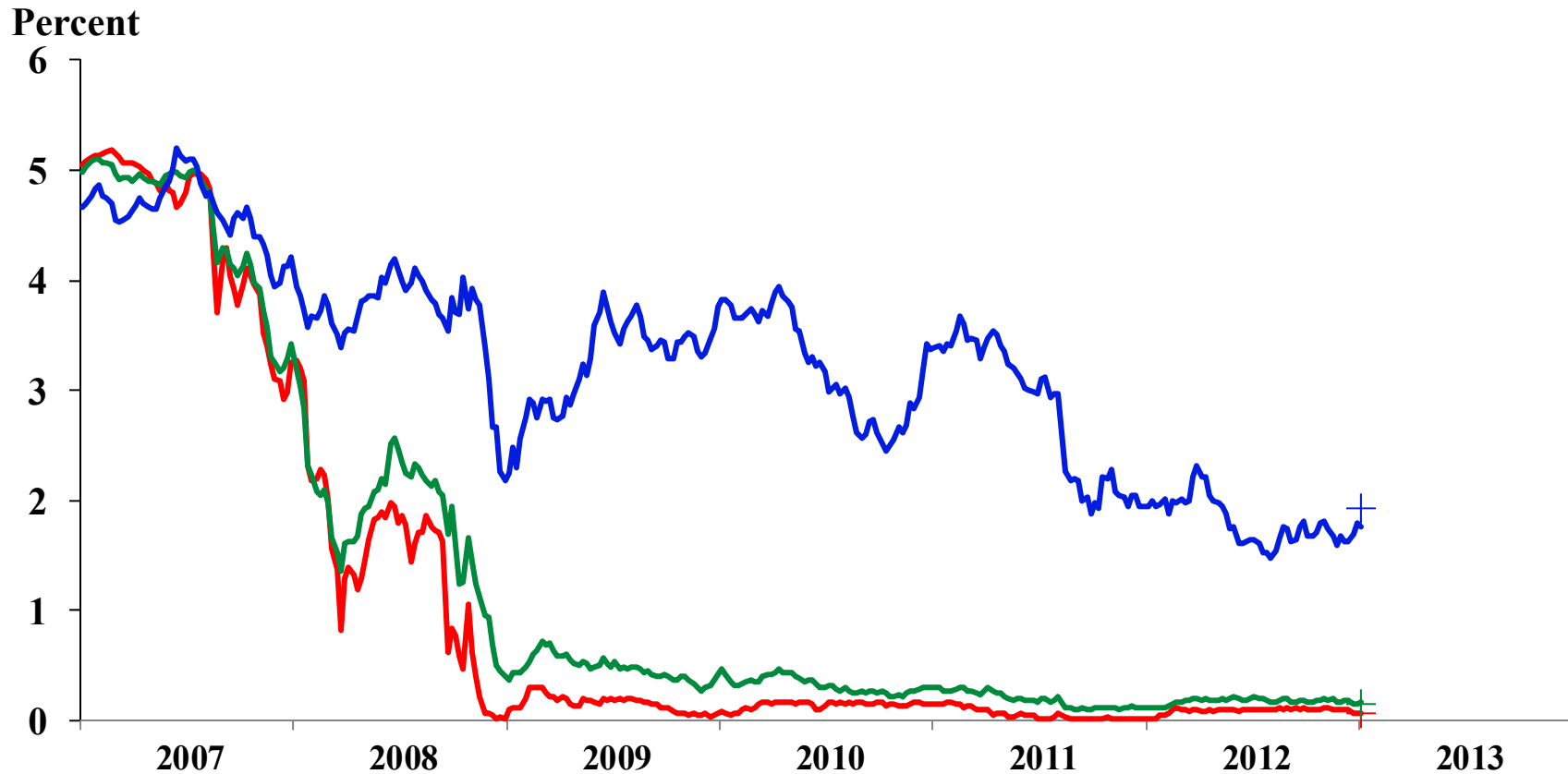
- Low-Grade Corporate less AAA Corporate (week of Dec 28 = 3.07)
- + Daily (Jan 03 = -3.81)
- BAA Corporate less AAA Corporate (week of Dec 28 = 0.96)
- + Daily (Jan 03 = 0.95)

Source: Moody's Investors Service, Merrill Lynch

<http://www.dallasfed.org>



# Yield Curve



— 3-Month T-Bill Rate (week of Jan 04)  
— 1-year T-Bill Rate (week of Jan 04)  
— 10-year T-Bond Rate (week of Jan 04)

+ 3-Month T-Bill Rate (Jan 04 = 0.07)  
+ 1-year T-Bill Rate (Jan 04 = 0.15)  
+ 10-year T-Bond Rate (Jan 04 = 1.93)

Source: Federal Reserve Board

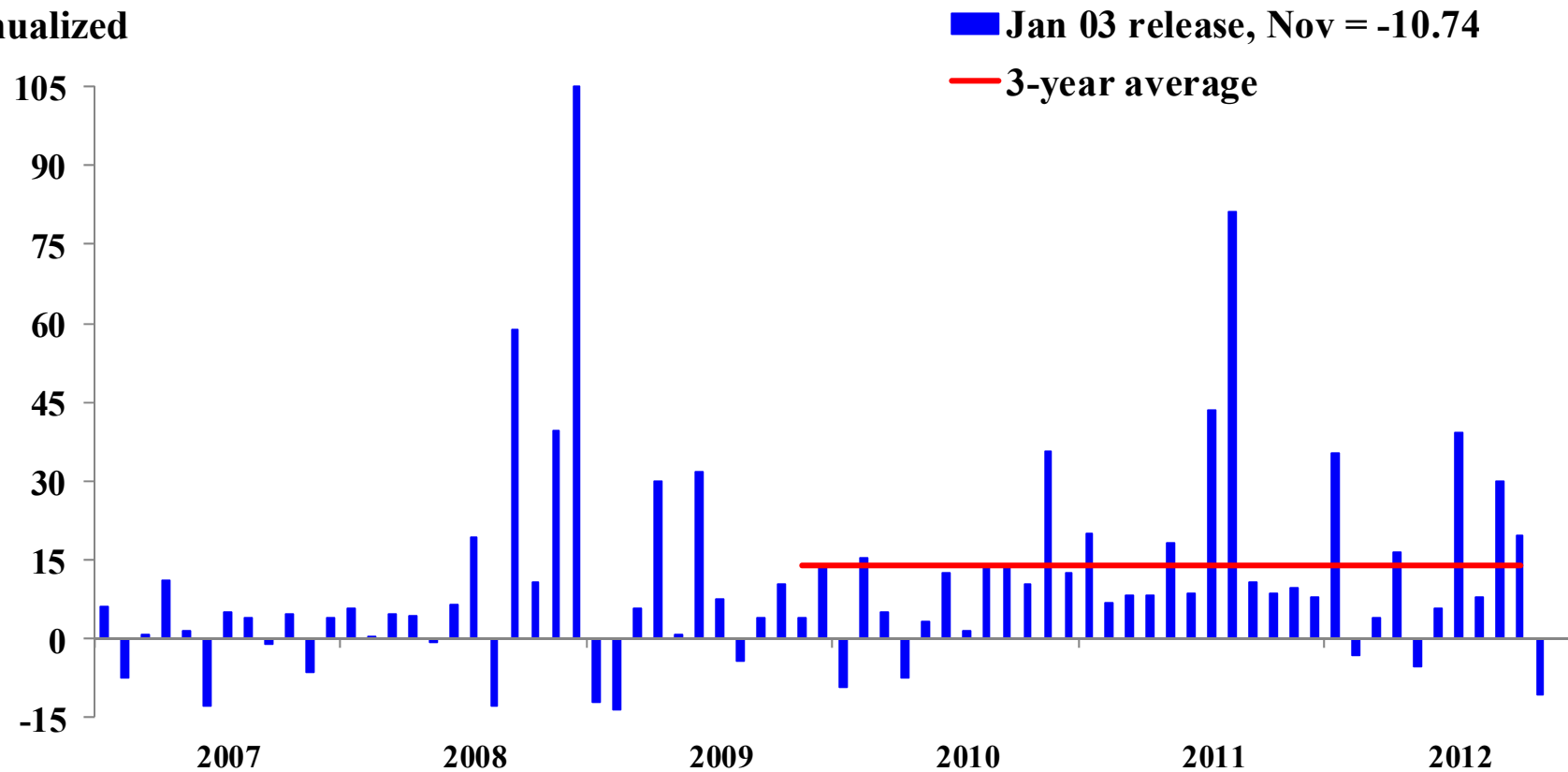
<http://www.dallasfed.org>





# Money Supply: M1

1-month % change,  
annualized



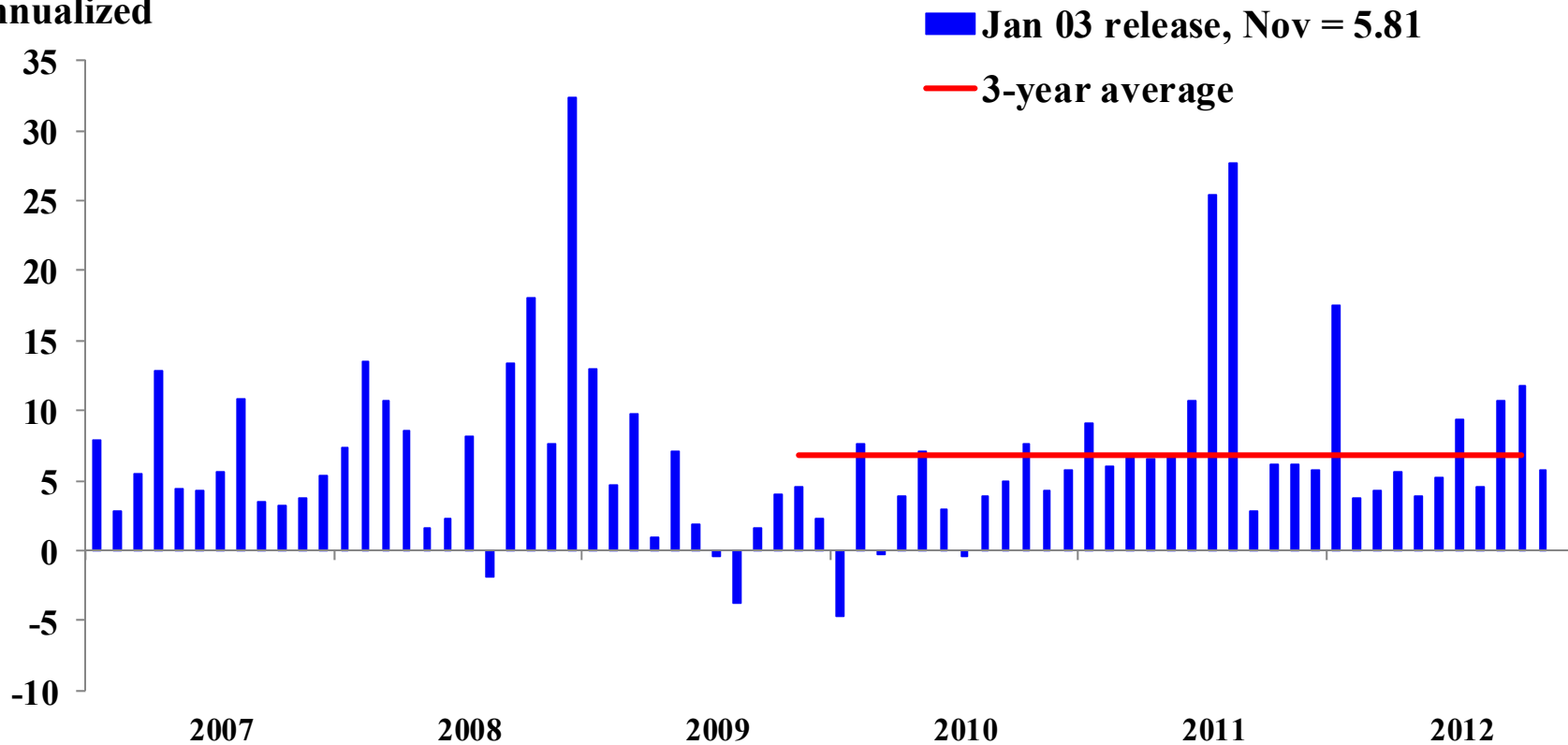
Source: Federal Reserve Board

<http://www.dallasfed.org>



# Money Supply: M2

1-month % change,  
annualized



Source: Federal Reserve Board

<http://www.dallasfed.org>