US Economic Outlook

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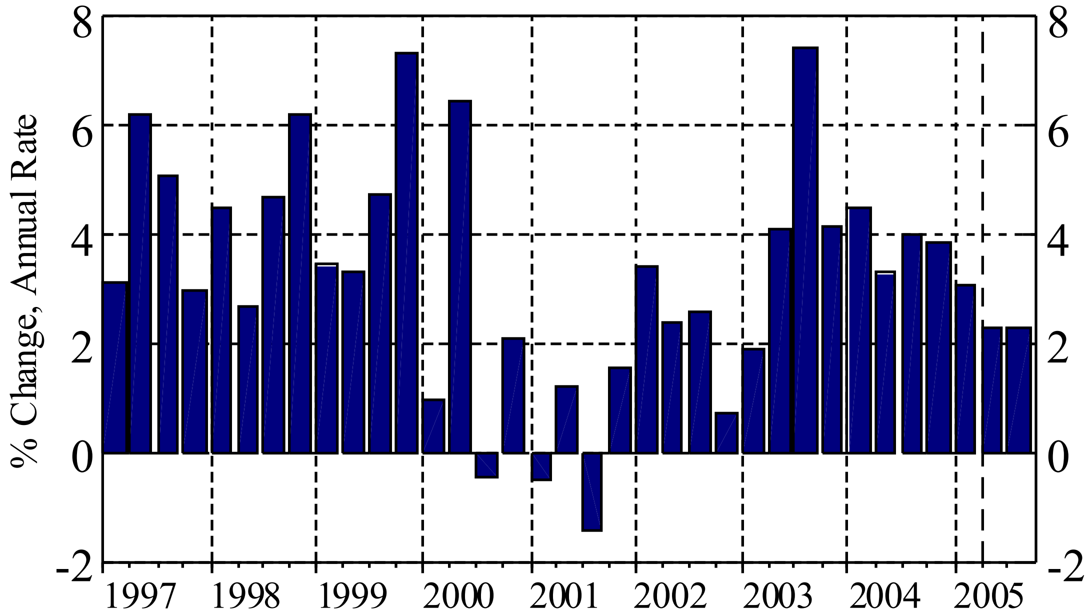
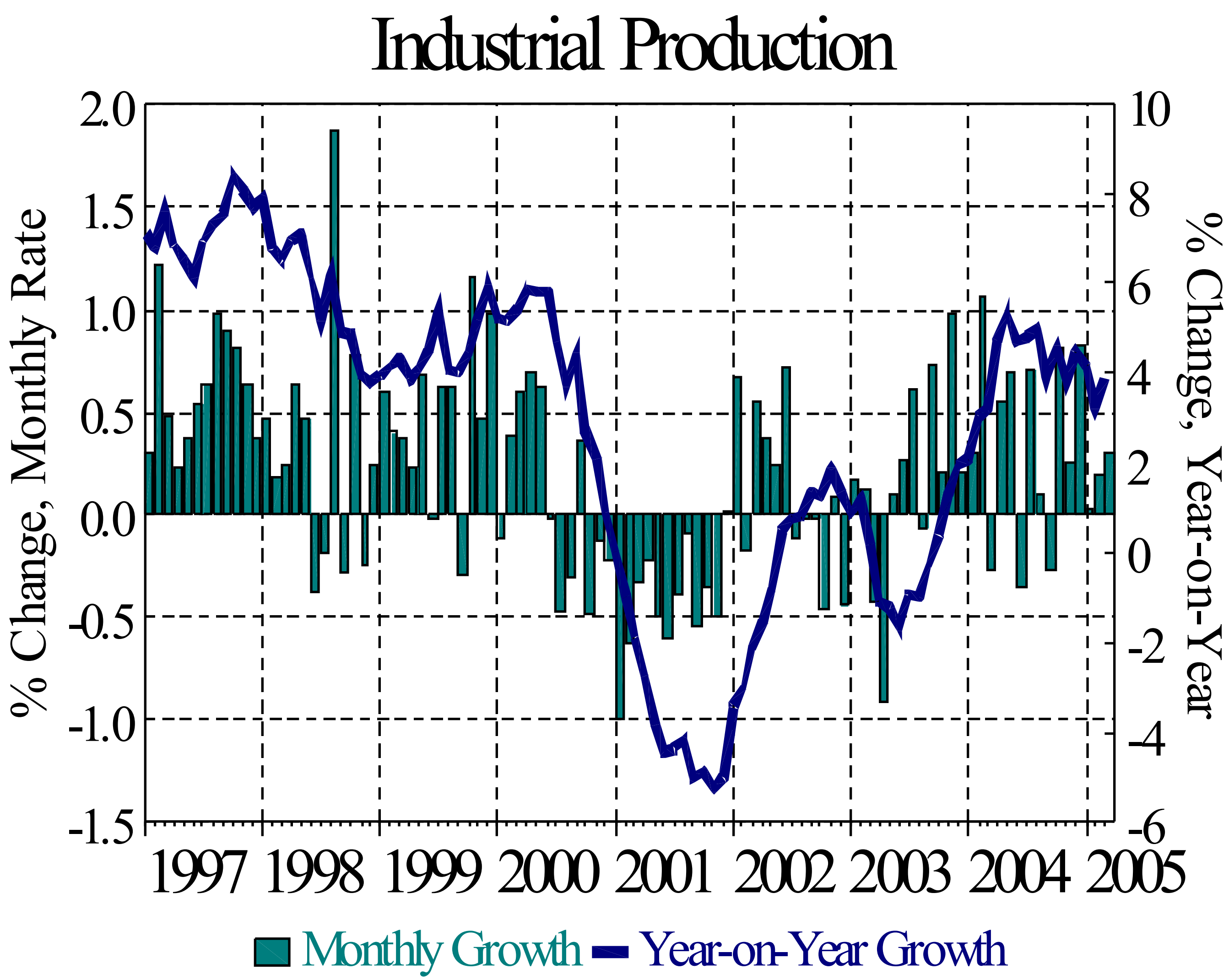
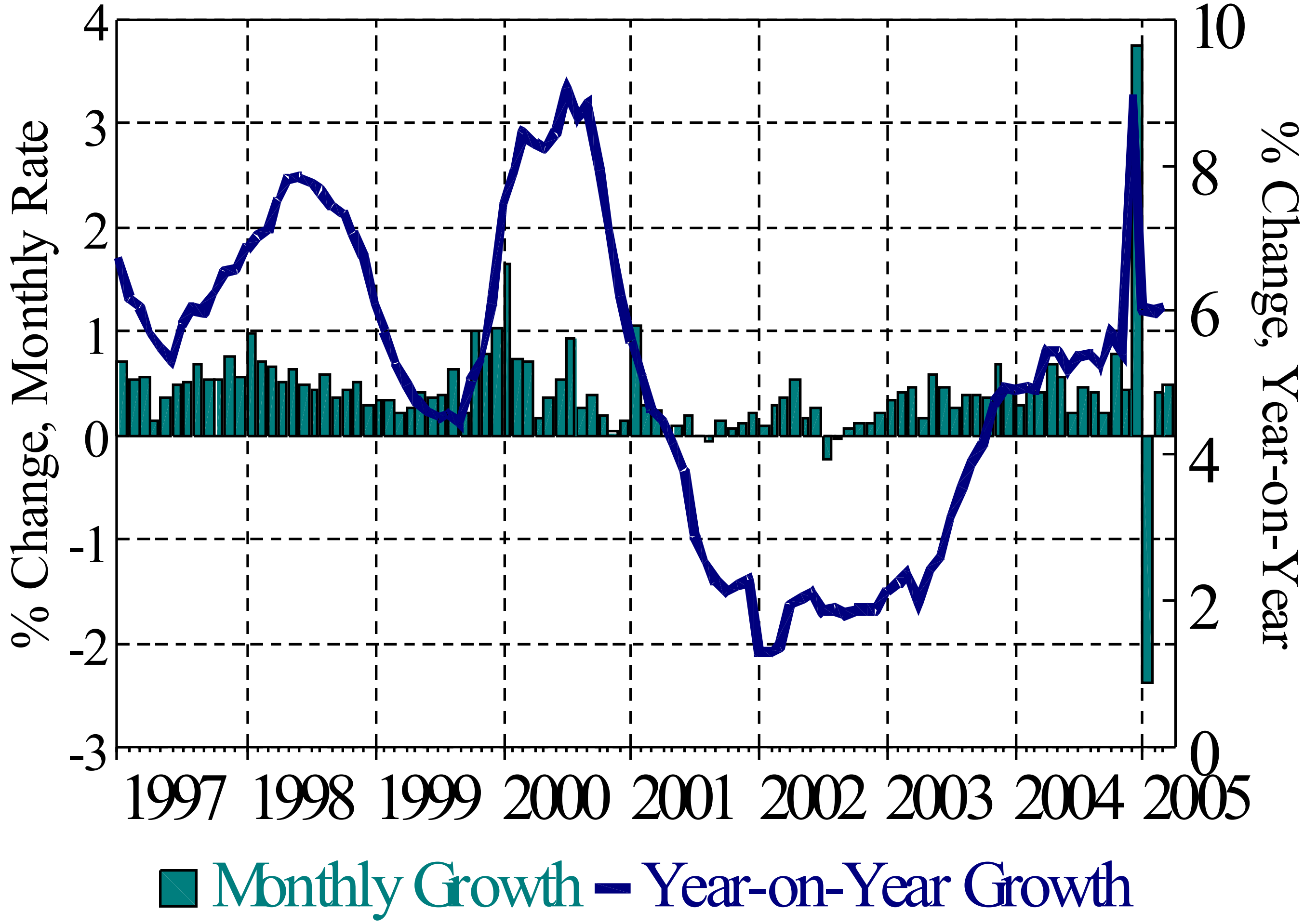
Project LINK Meeting
National Autonomous University of Mexico
Mexico City, May 16-20, 2005

Real GDP Growth
(Chained 2000 Weights)

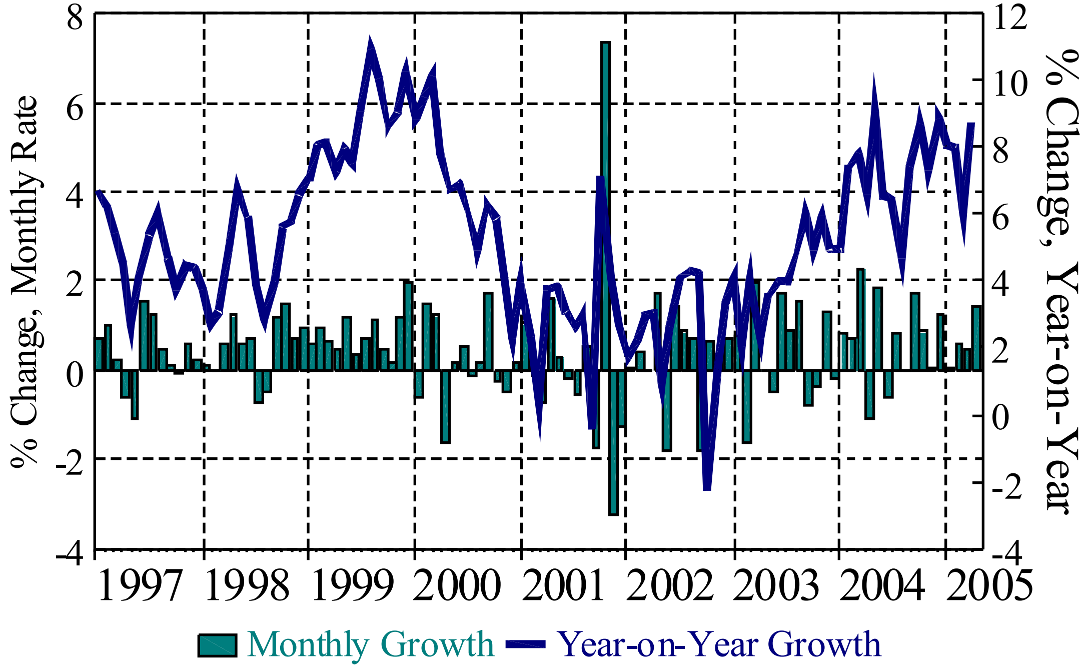


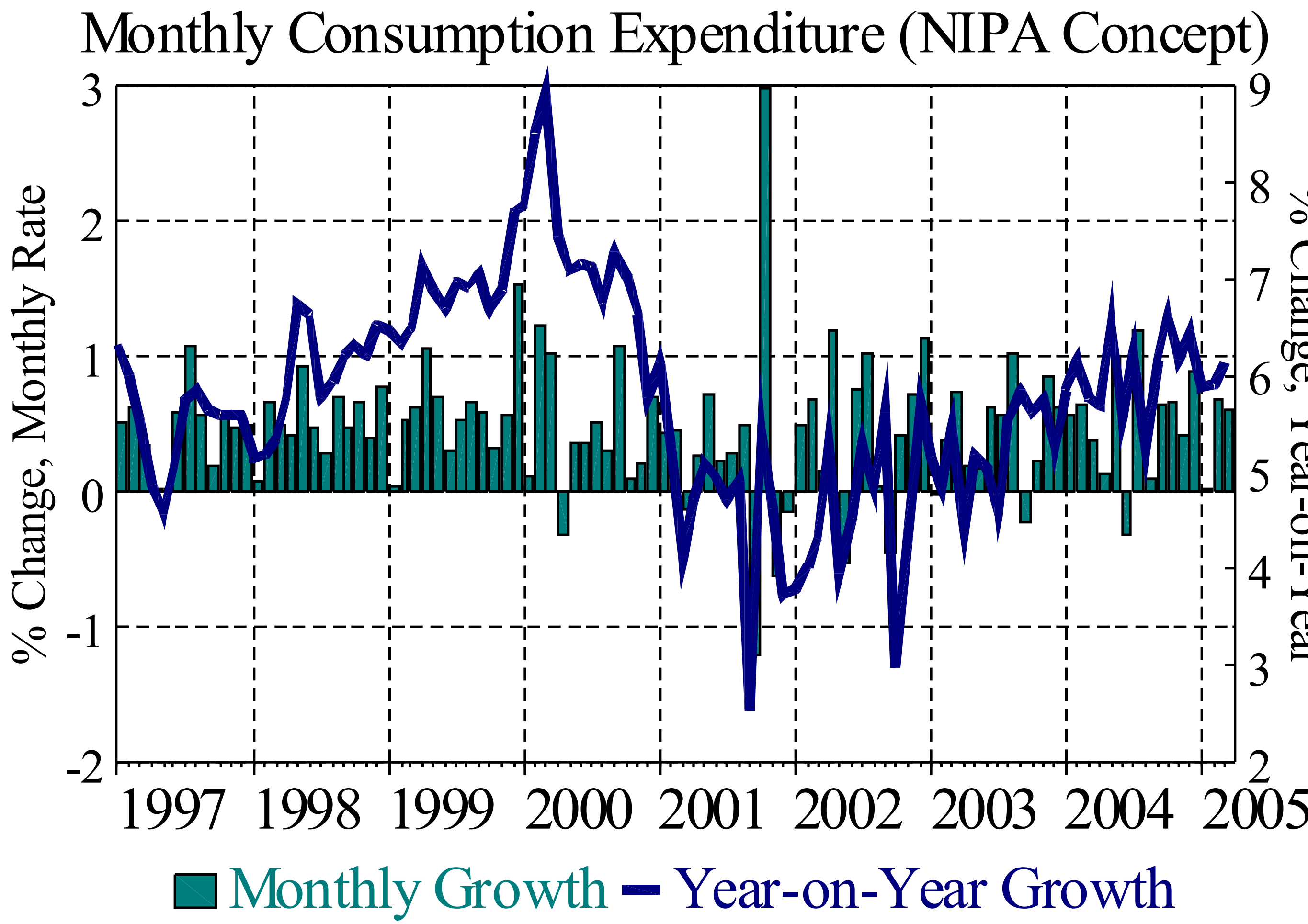

Industrial Production
% Change, Monthly Rate
% Change, Year-on-Year
2.0
1.5
1.0
0.5
0.0
-0.5
-1.0
-1.5
10
8
6
4
2
0
-2
-4
-6
1997
1998
1999
2000
2001
2002
2003
2004
2005
Monthly Growth
Year-on-Year Growth

Personal Income



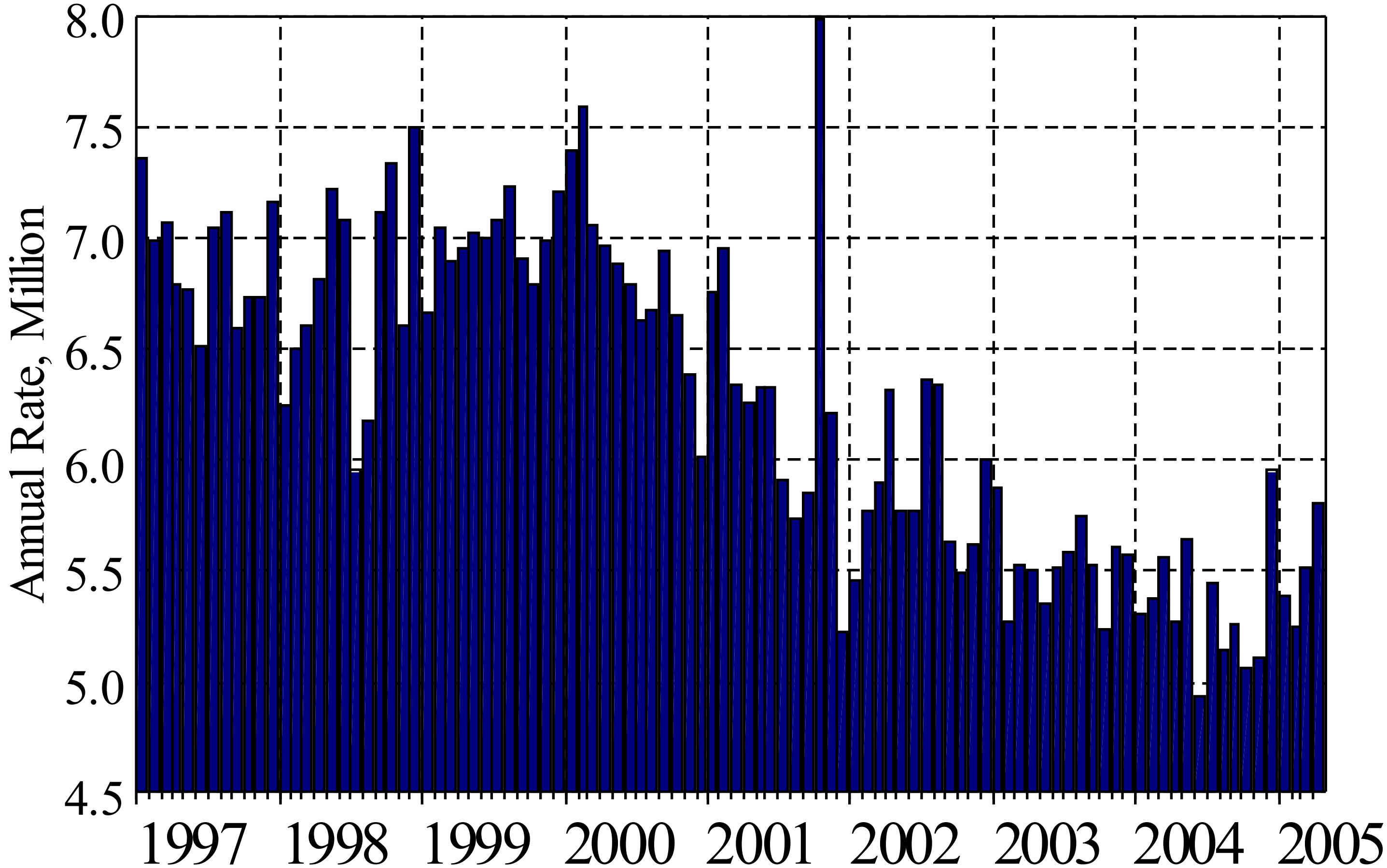
Retail Sales (excluding food services)

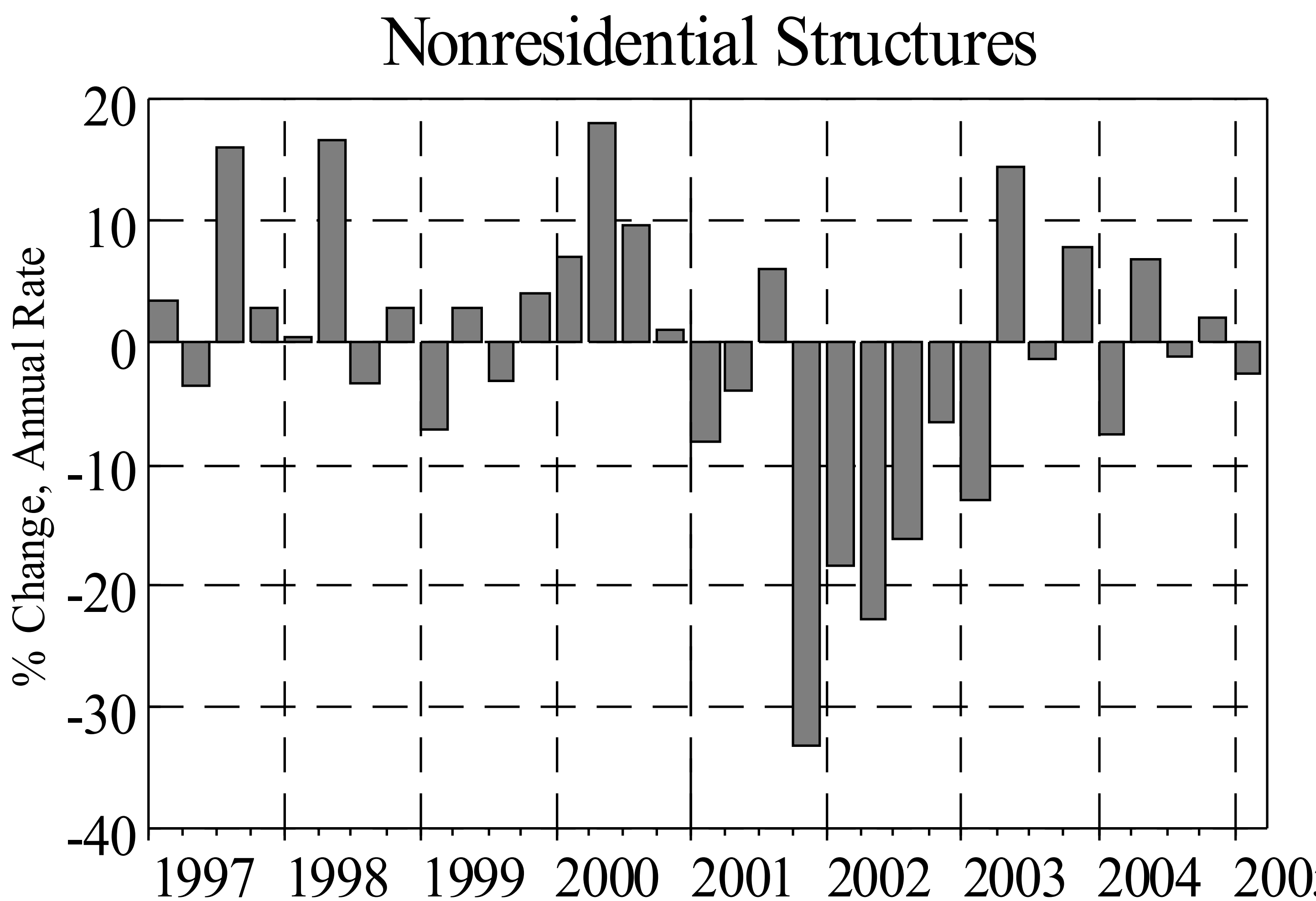


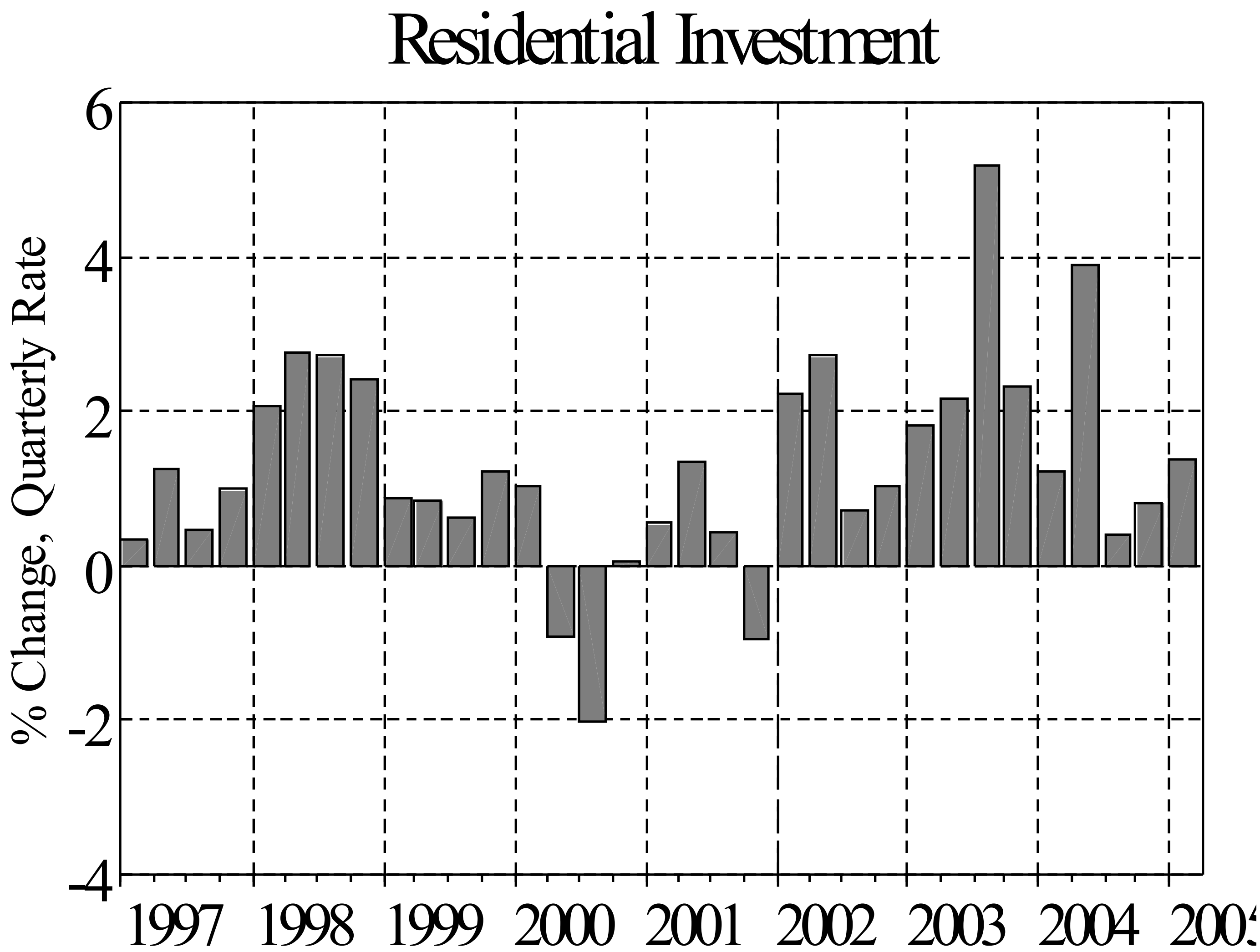


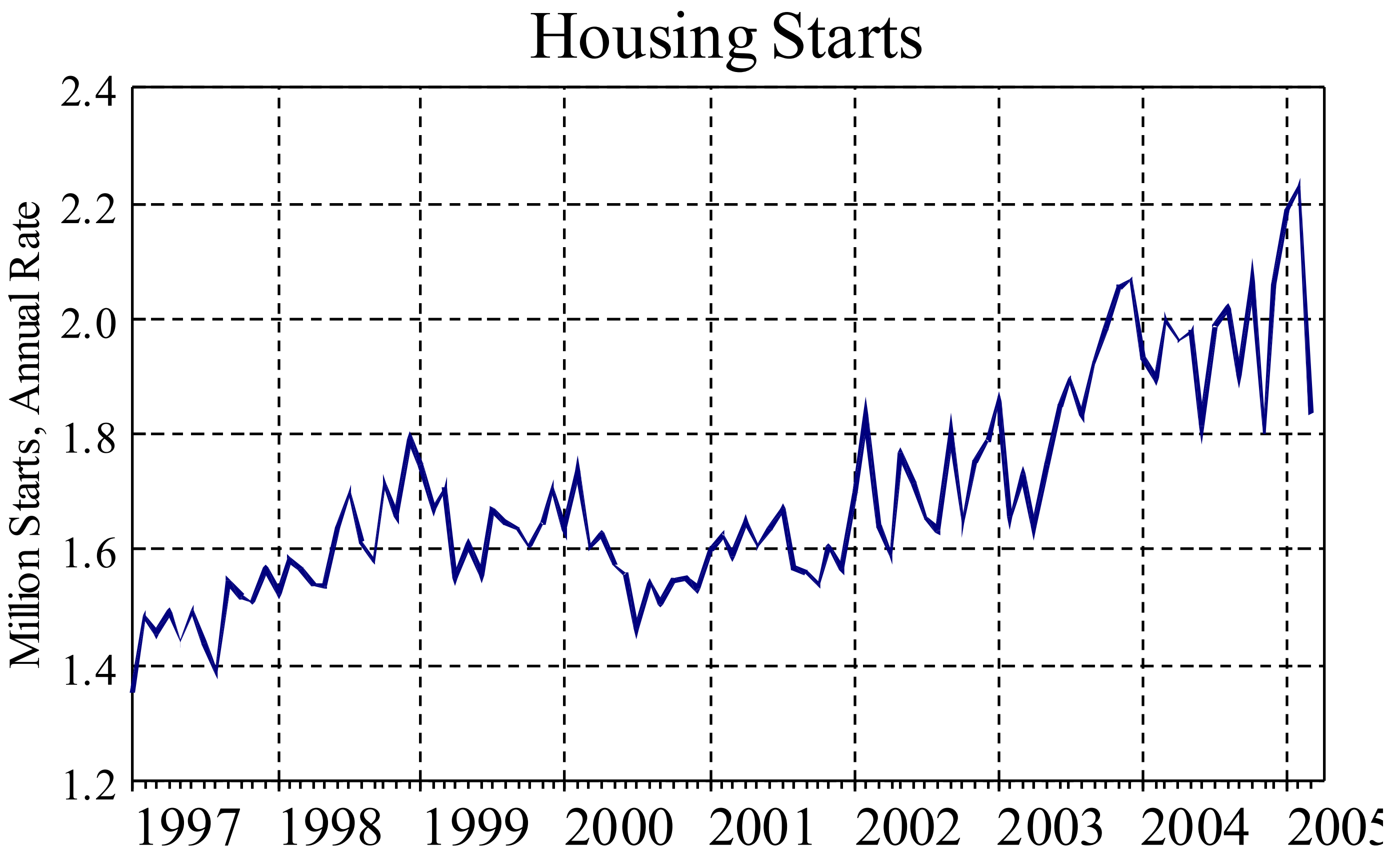
Monthly Consumption Expenditure (NIPA Concept)
% Change, Monthly Rate
% Change, Year-on-Year
3
2
1
0
-1
-2
9
8
7
6
5
4
3
2
1997
1998
1999
2000
2001
2002
2003
2004
2005
Monthly Growth
Year-on-Year Growth

Domestic Passenger Car Sales

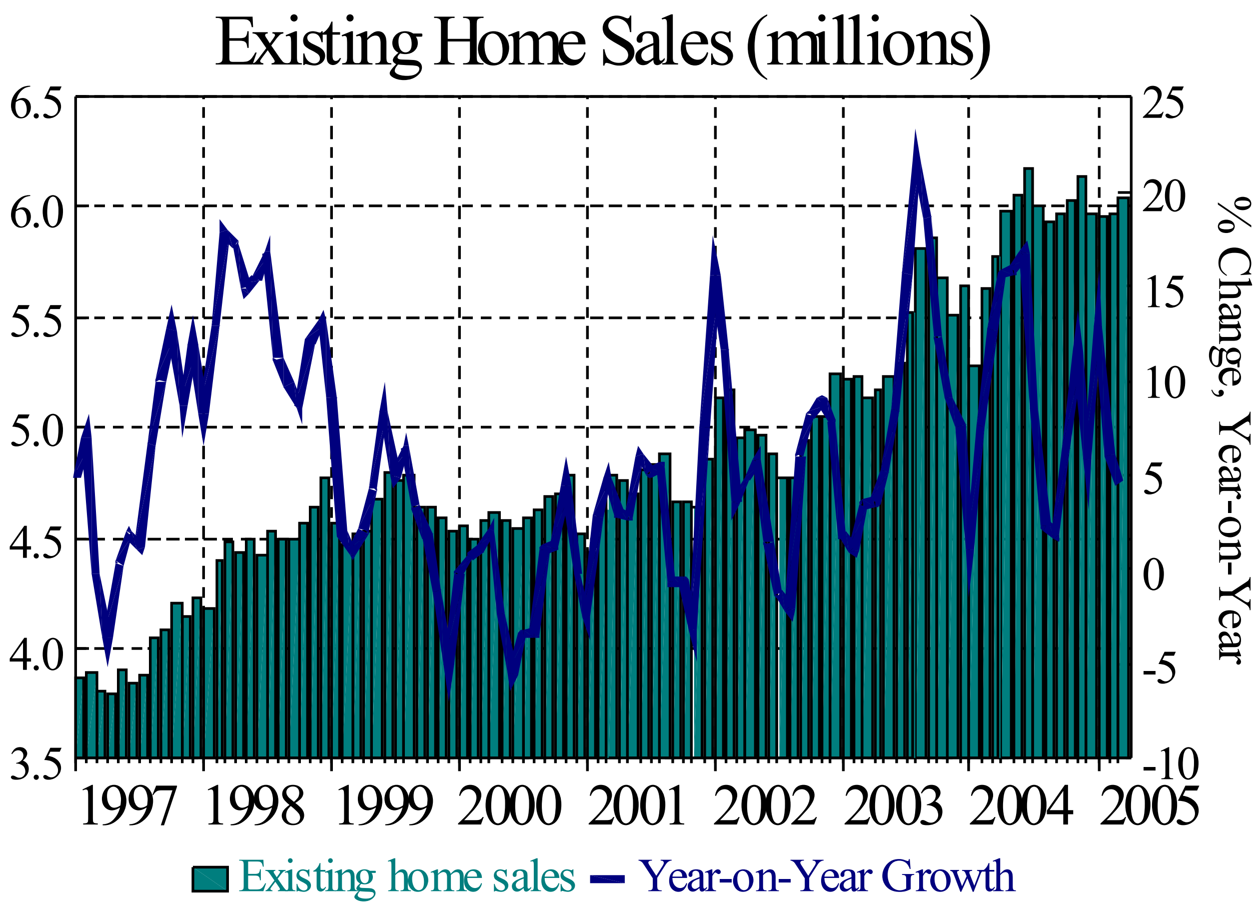



Nonresidential Structures
% Change, Annual Rate
20
10
0
-10
-20
-30
-40
1997
1998
1999
2000
2001
2002
2003
2004
2005


Residential Investment
% Change, Quarterly Rate
6
4
2
0
-2
-4
1997
1998
1999
2000
2001
2002
2003
2004

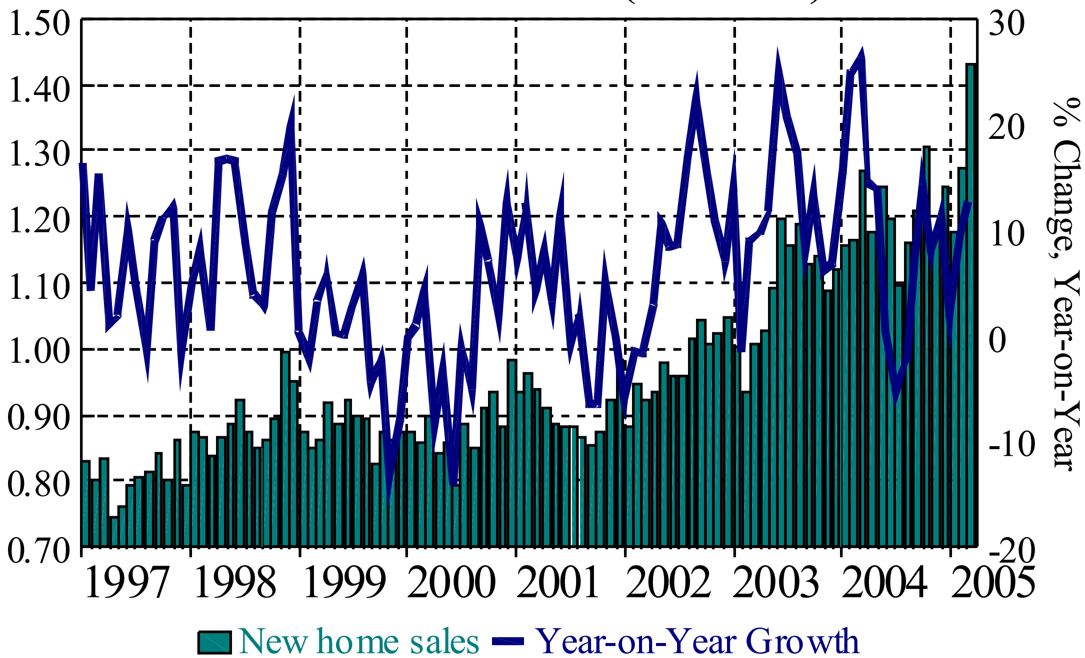


Housing Starts
Million Starts, Annual Rate
2.4
2.2
2.0
1.8
1.6
1.4
1.2
1997
1998
1999
2000
2001
2002
2003
2004
2005

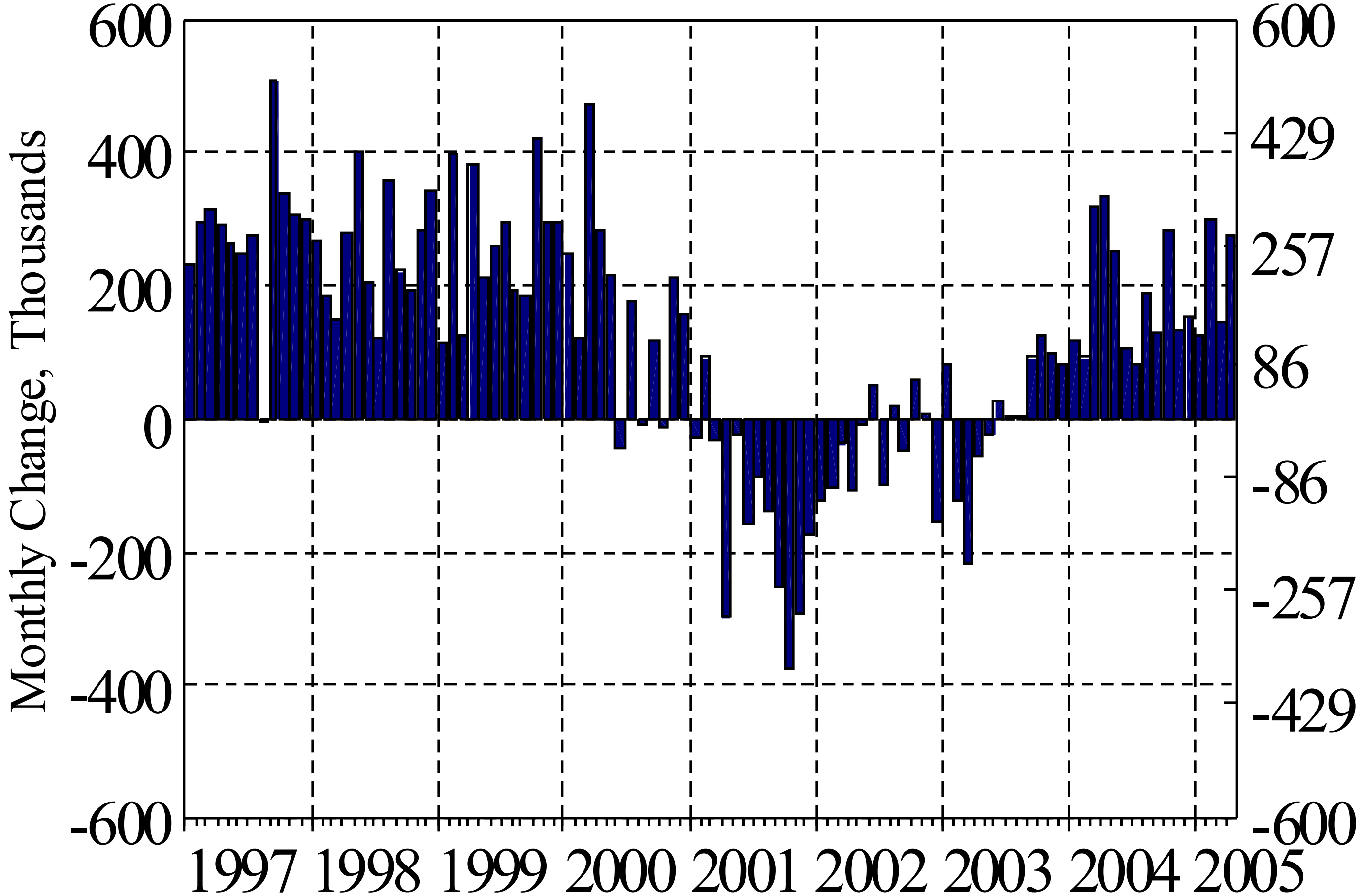


Existing Home Sales (millions)
6.5
6.0
5.5
5.0
4.5
4.0
3.5
25
20
15
10
5
0
-5
-10
% Change, Year-on-Year
1997
1998
1999
2000
2001
2002
2003
2004
2005
Existing home sales
Year-on-Year Growth

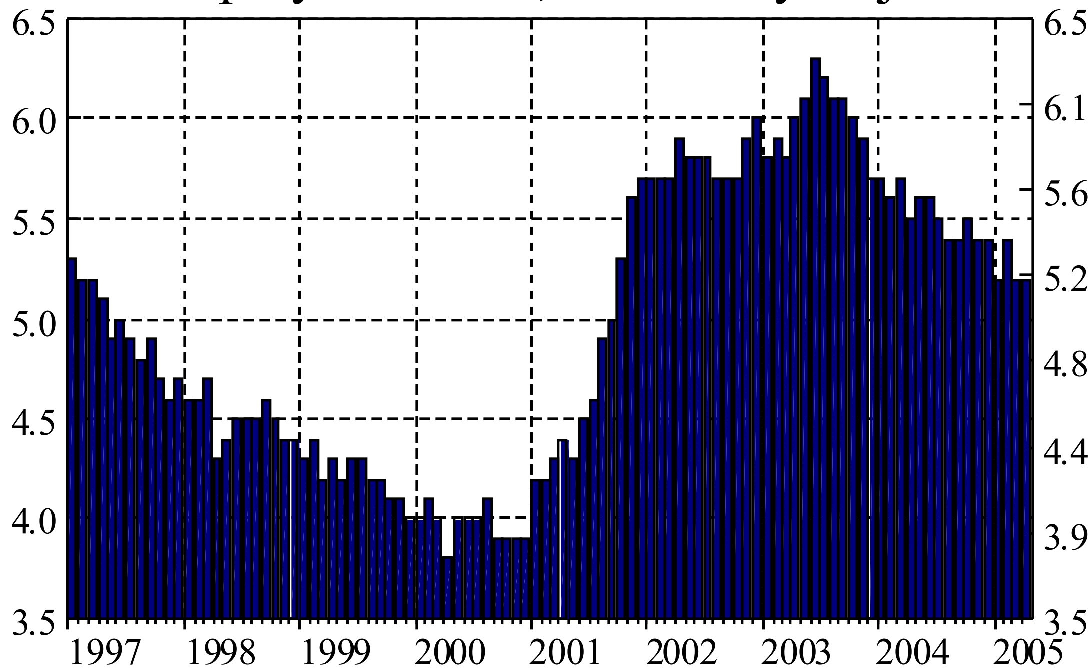
New Home Sales (millions)

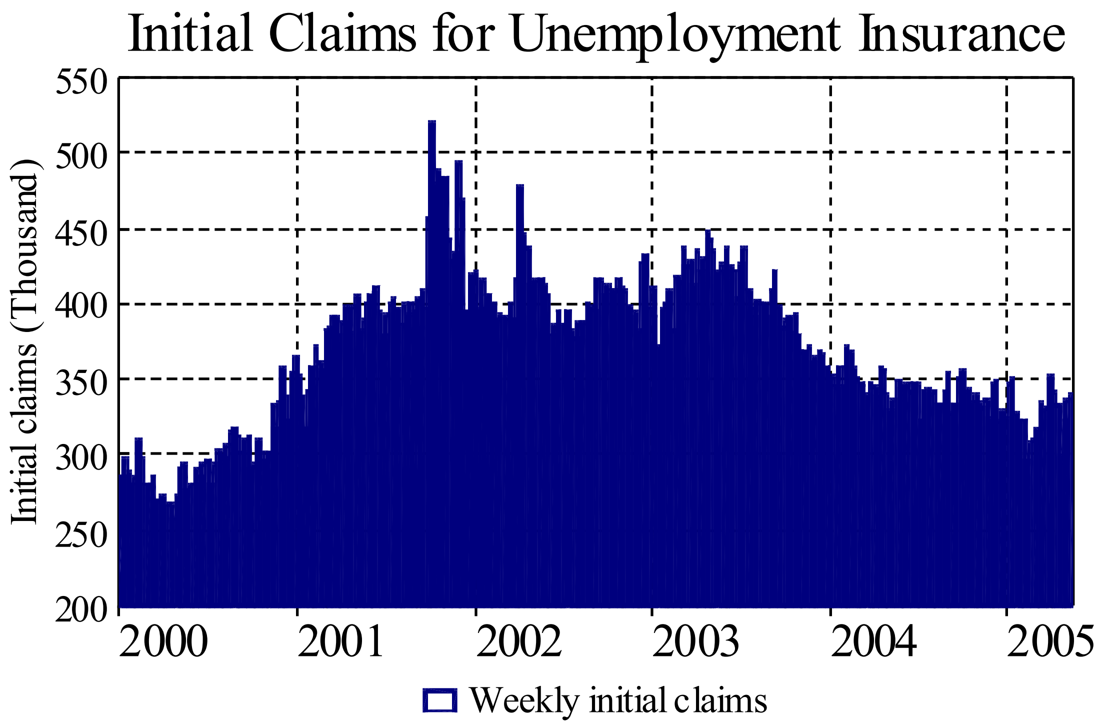


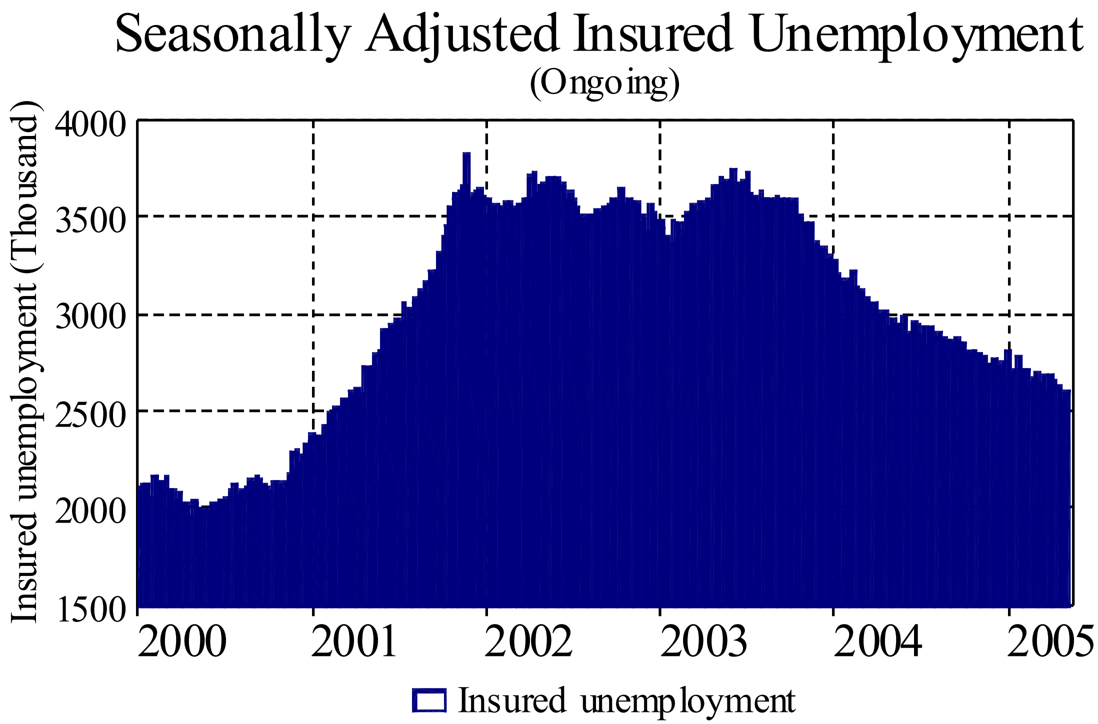
Nonfarm Payroll Employment

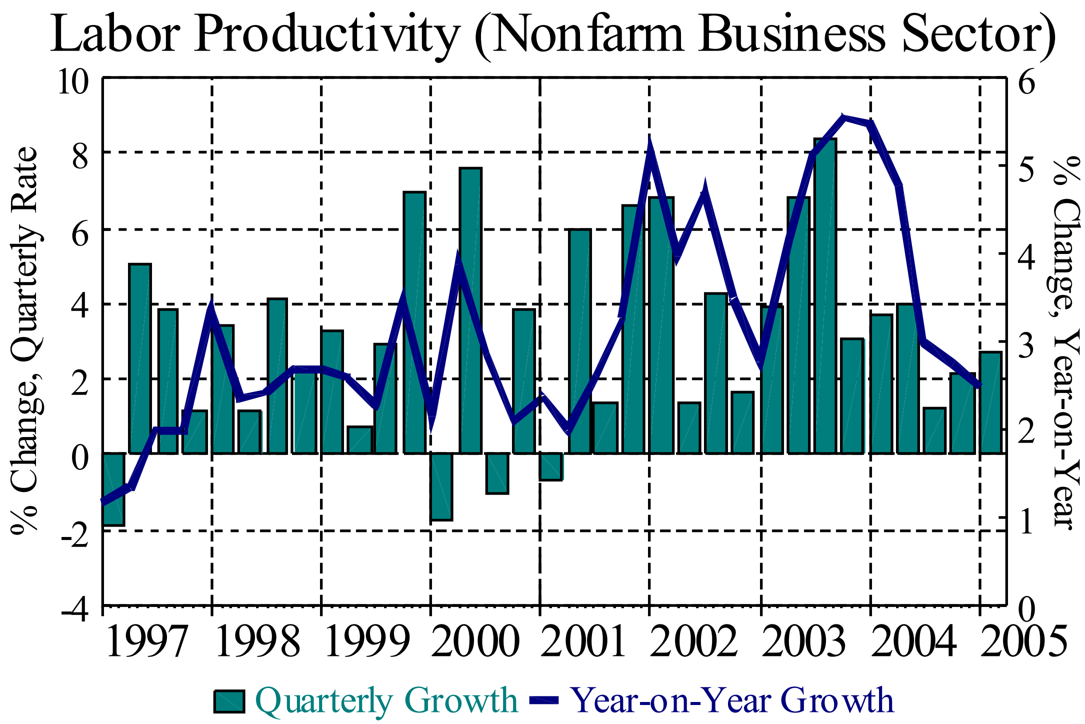


Unemployment Rate, Seasonally Adjusted

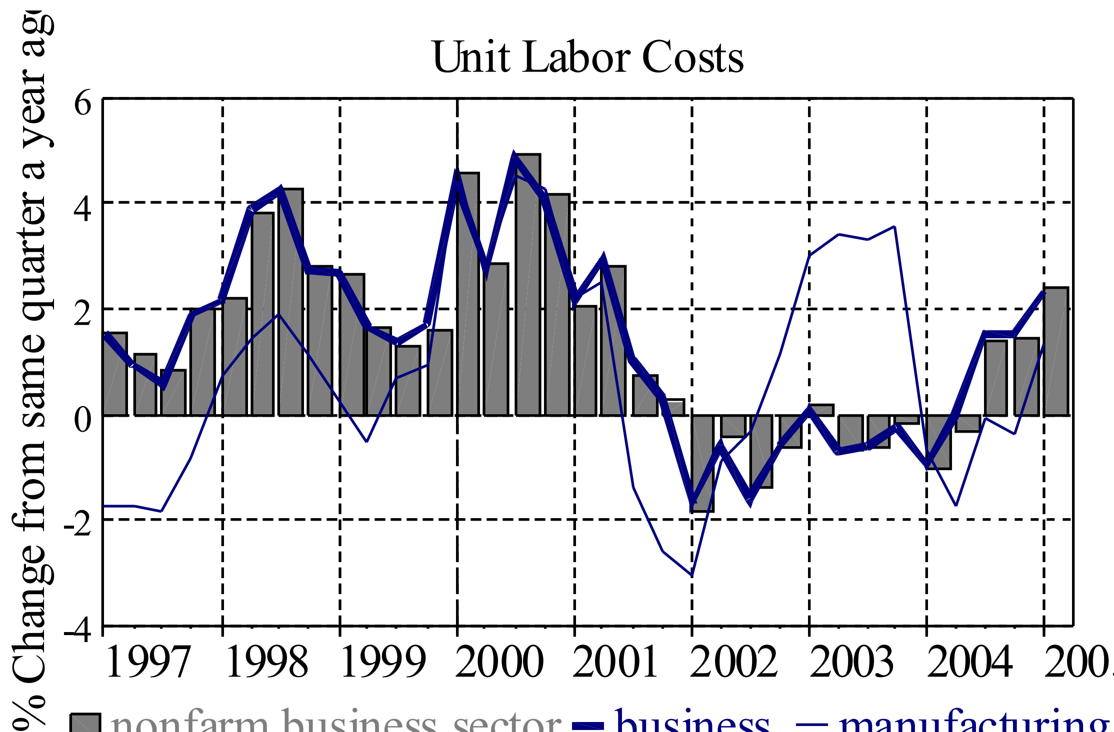



Initial Claims for Unemployment Insurance
Initial claims (Thousand)
550
500
450
400
350
300
250
200
2000
2001
2002
2003
2004
2005
Weekly initial claims

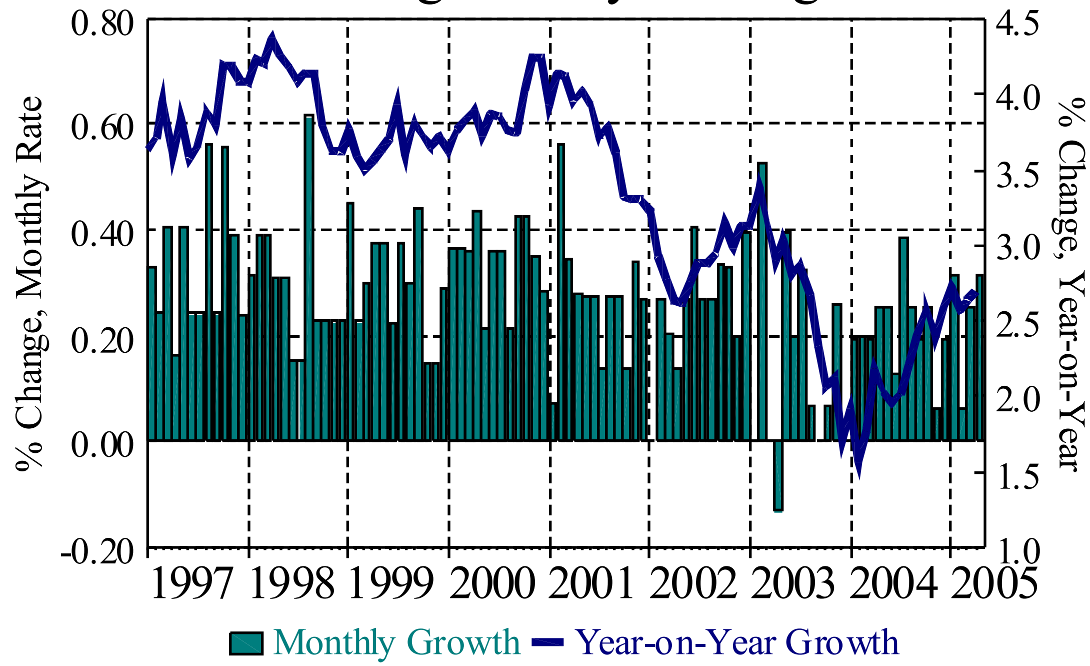

Seasonally Adjusted Insured Unemployment
(Ongoing)
Insured unemployment (Thousand)
4000
3500
3000
2500
2000
1500
2000
2001
2002
2003
2004
2005
Insured unemployment



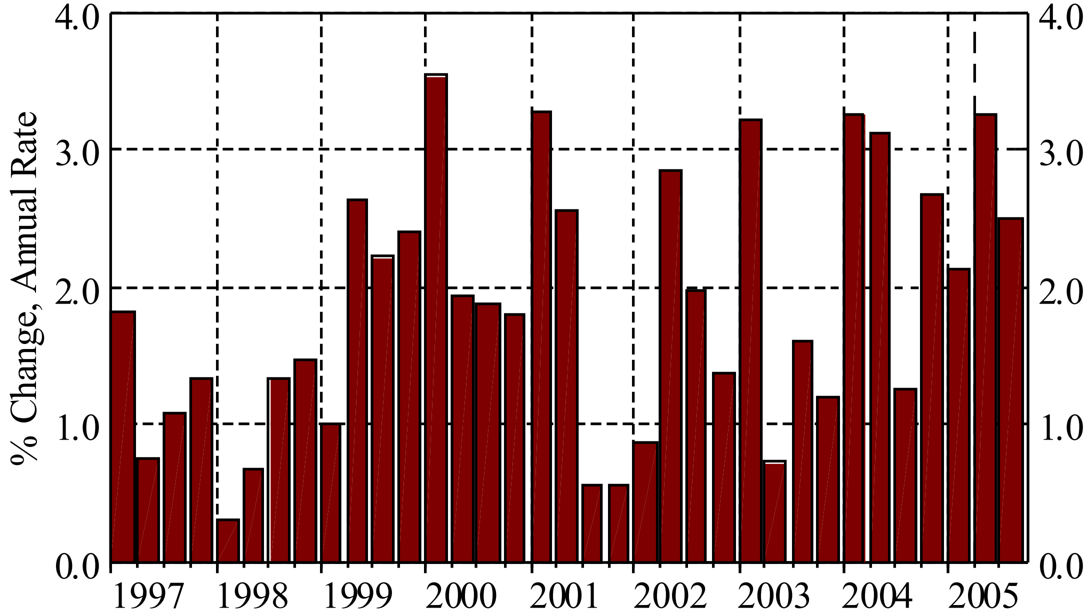
Labor Productivity (Nonfarm Business Sector)
% Change, Quarterly Rate
% Change, Year-on-Year
10
8
6
4
2
0
-2
-4
6
5
4
3
2
1
0
1997
1998
1999
2000
2001
2002
2003
2004
2005
Quarterly Growth
Year-on-Year Growth

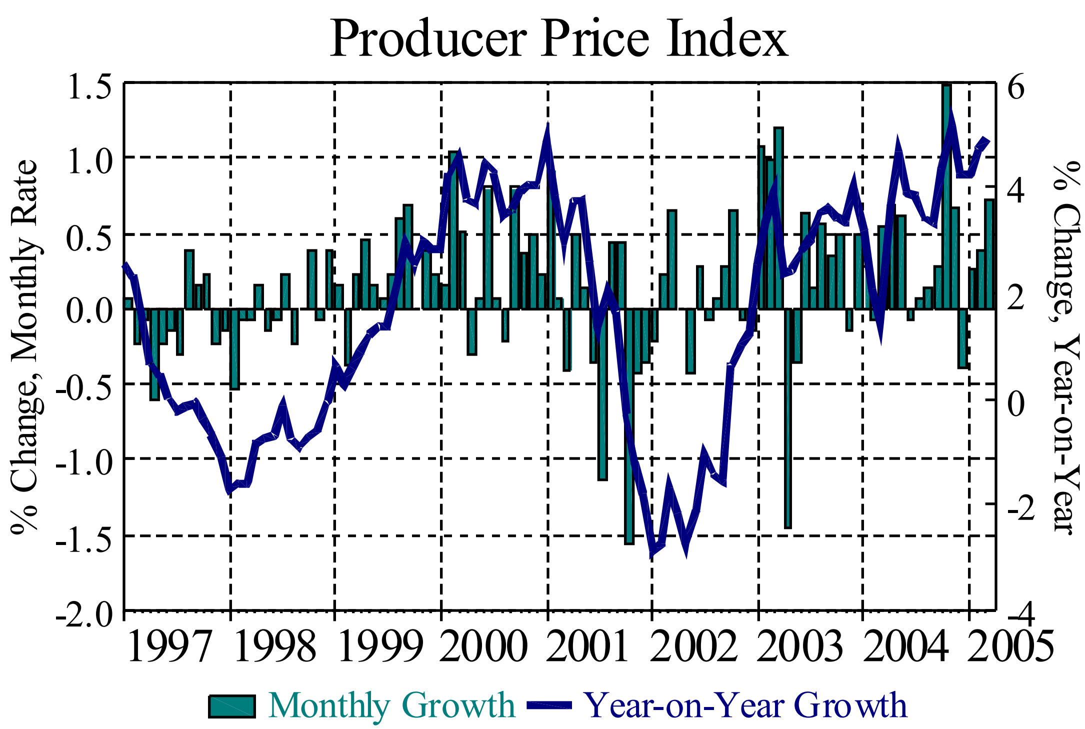

Unit Labor Costs
% Change from same quarter a year ag
6
4
2
0
-2
-4
1997
1998
1999
2000
2001
2002
2003
2004
200
nonfarm business sector
business
manufacturing

Average Hourly Earnings

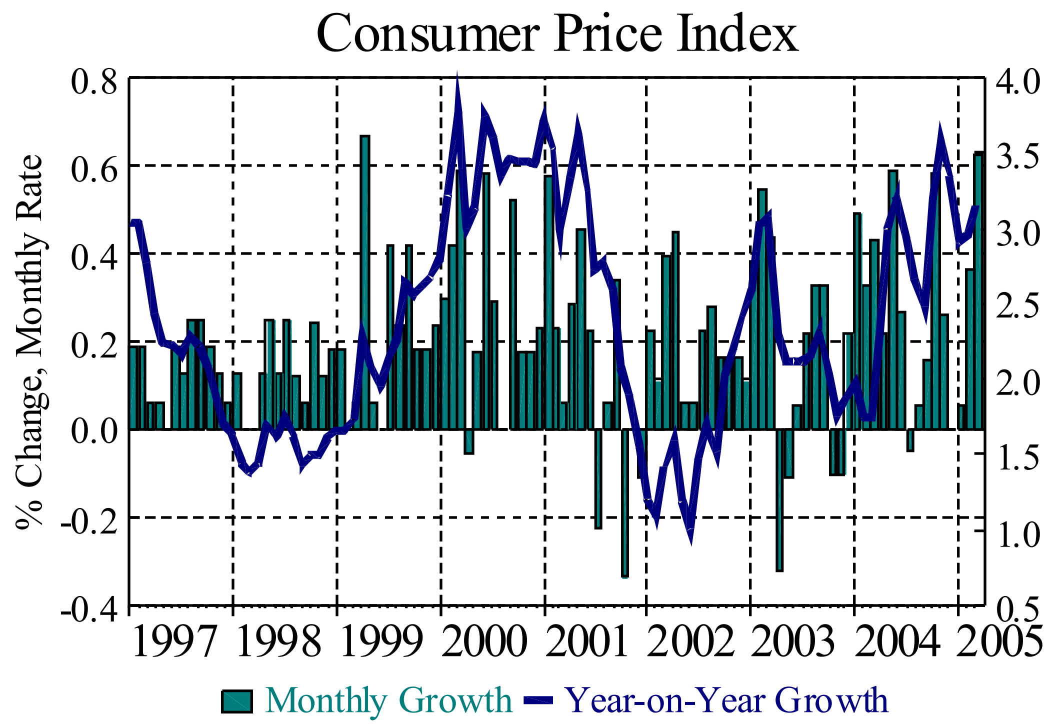


Consumption Price Inflation
(Chain-Type Price Index)



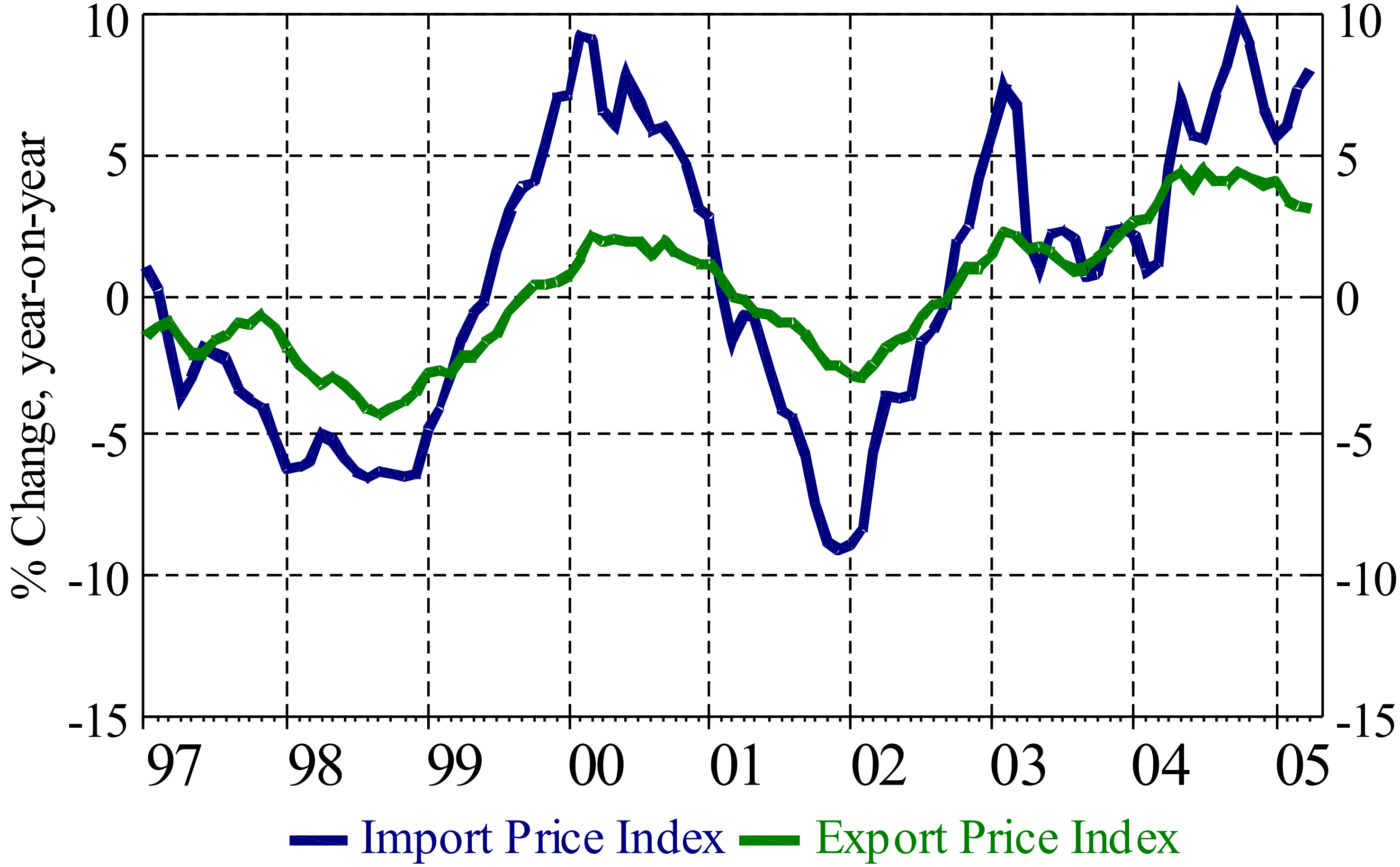


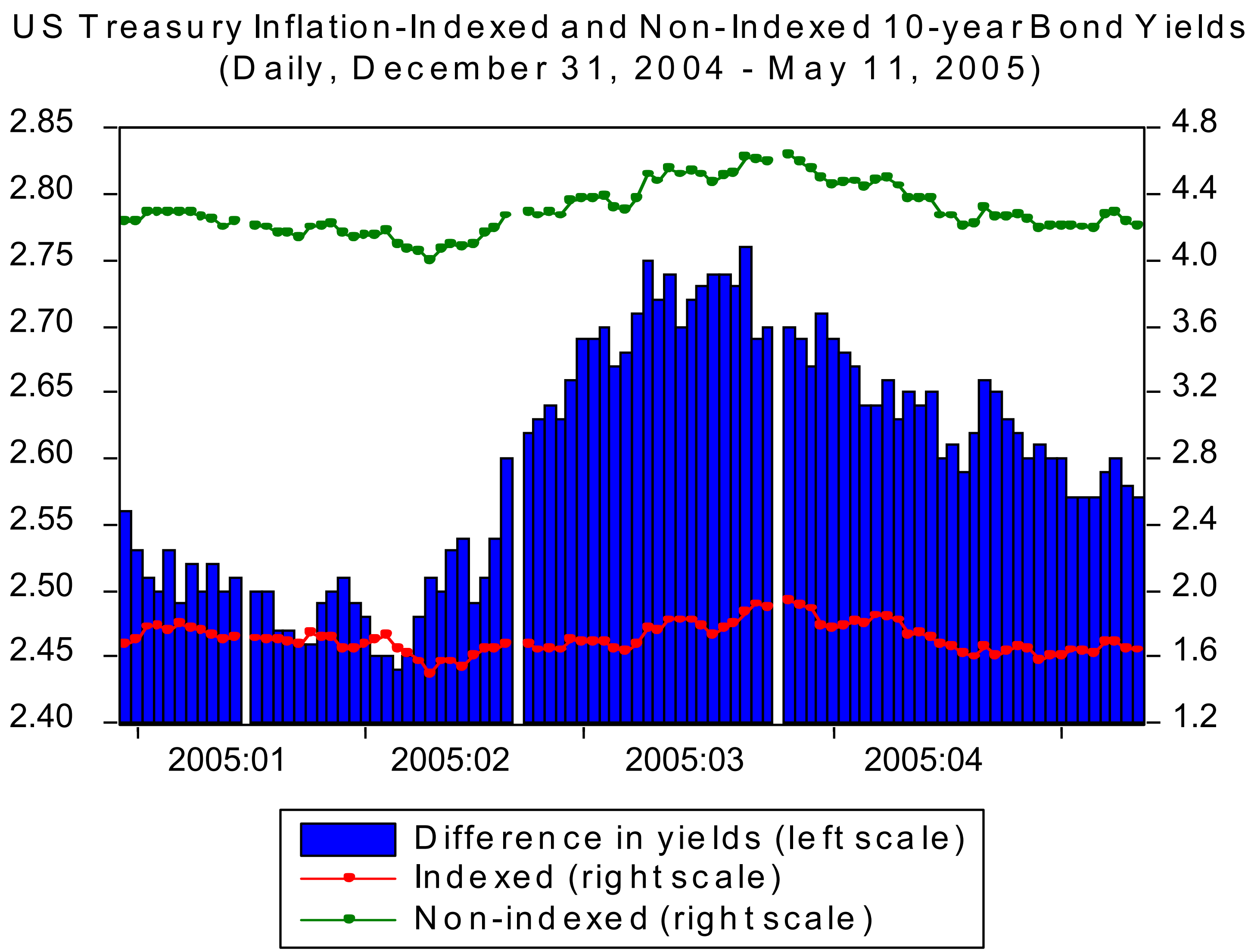
Producer Price Index
% Change, Monthly Rate
% Change, Year-on-Year
1.5
1.0
0.5
0.0
-0.5
-1.0
-1.5
-2.0
6
4
2
0
-2
-4
1997
1998
1999
2000
2001
2002
2003
2004
2005
Monthly Growth
Year-on-Year Growth

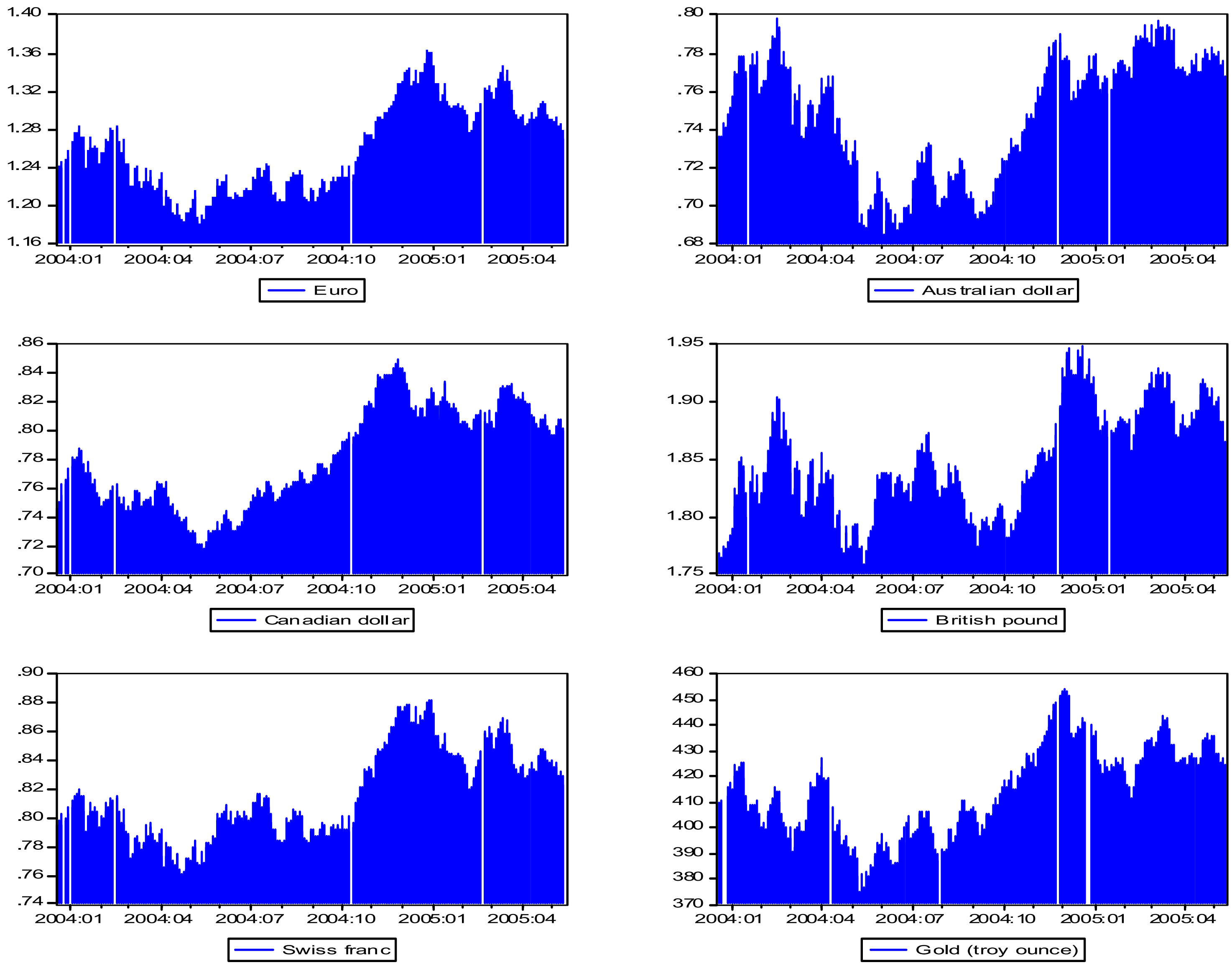


Consumer Price Index
% Change, Monthly Rate
% Change, Year-on-Year
0.8
0.6
0.4
0.2
0.0
-0.2
-0.4
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
1997
1998
1999
2000
2001
2002
2003
2004
2005
Monthly Growth
Year-on-Year Growth

Import and Export Price Index

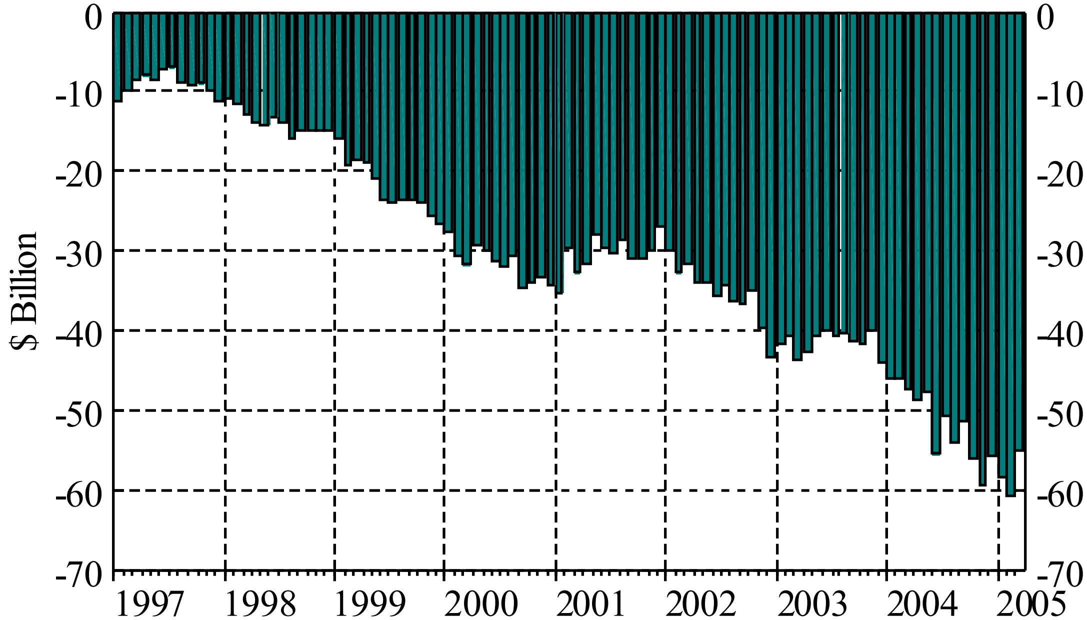


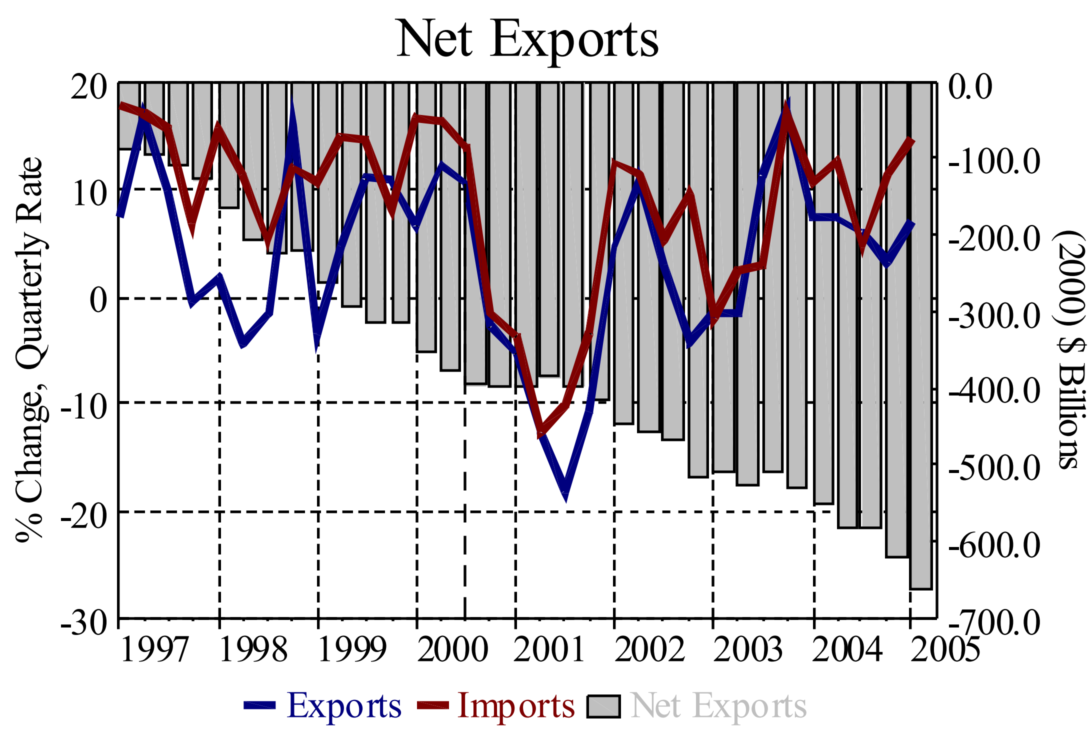

US Treasury Inflation-Indexed and Non-Indexed 10-year Bond Yields
(Daily, December 31, 2004 - May 11, 2005)
2.85
2.80
2.75
2.70
2.65
2.60
2.55
2.50
2.45
2.40
4.8
4.4
4.0
3.6
3.2
2.8
2.4
2.0
1.6
1.2
2005:01
2005:02
2005:03
2005:04
Difference in yields (left scale)
Indexed (right scale)
Non-indexed (right scale)


Euro
Australian dollar
Canadian dollar
British pound
Swiss franc
Gold (troy ounce)

Trade Balance

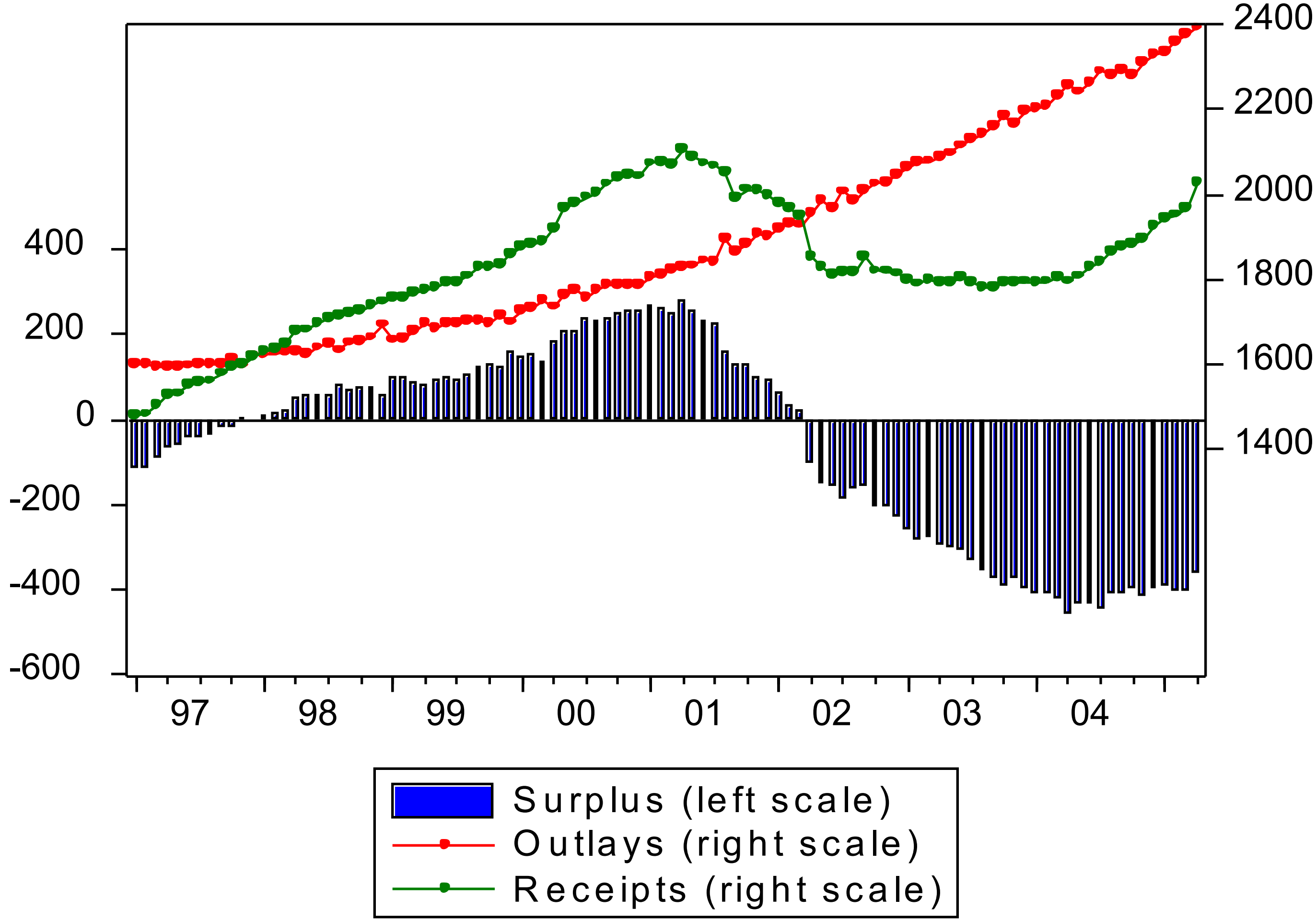
(Balance of Payments Basis)



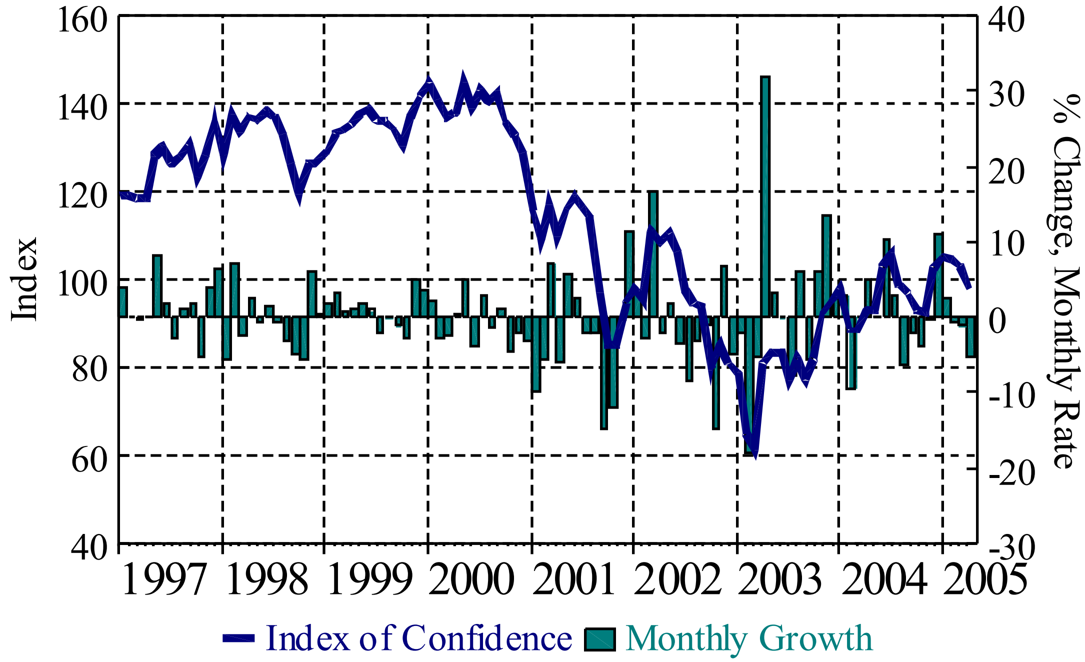


Net Exports
20
10
0
-10
-20
-30
% Change, Quarterly Rate
0.0
-100.0
-200.0
-300.0
-400.0
-500.0
-600.0
-700.0
(2000) $ Billions
1997
1998
1999
2000
2001
2002
2003
2004
2005
Exports
Imports
Net Exports

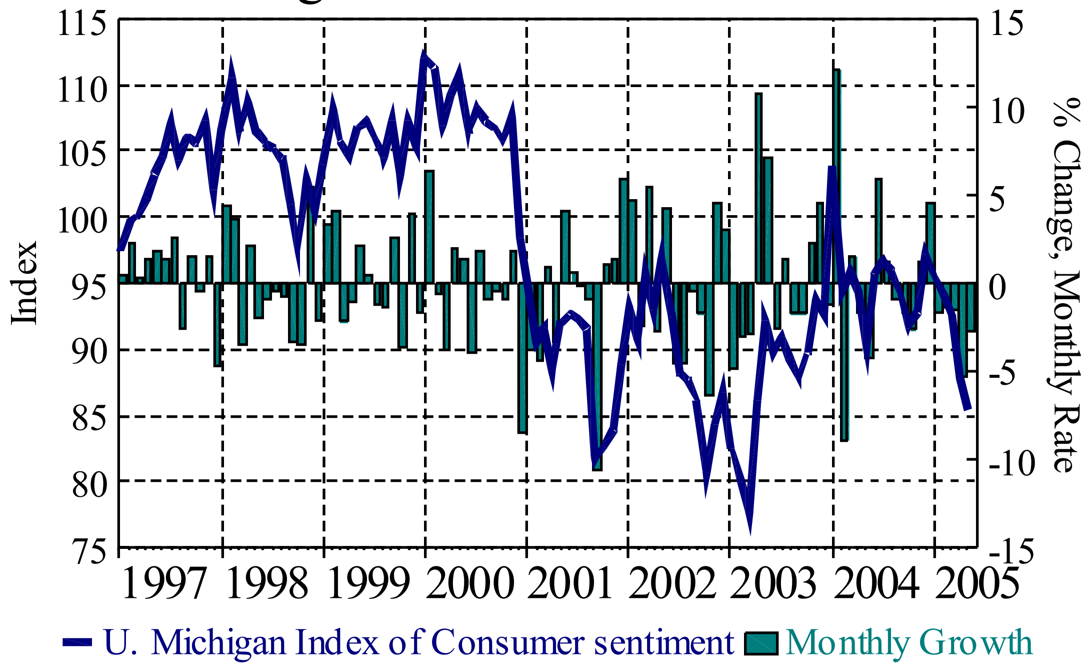
Receipts, Outlays and the Surplus/Deficit of the US Government
(12 month moving totals, billion dollars)



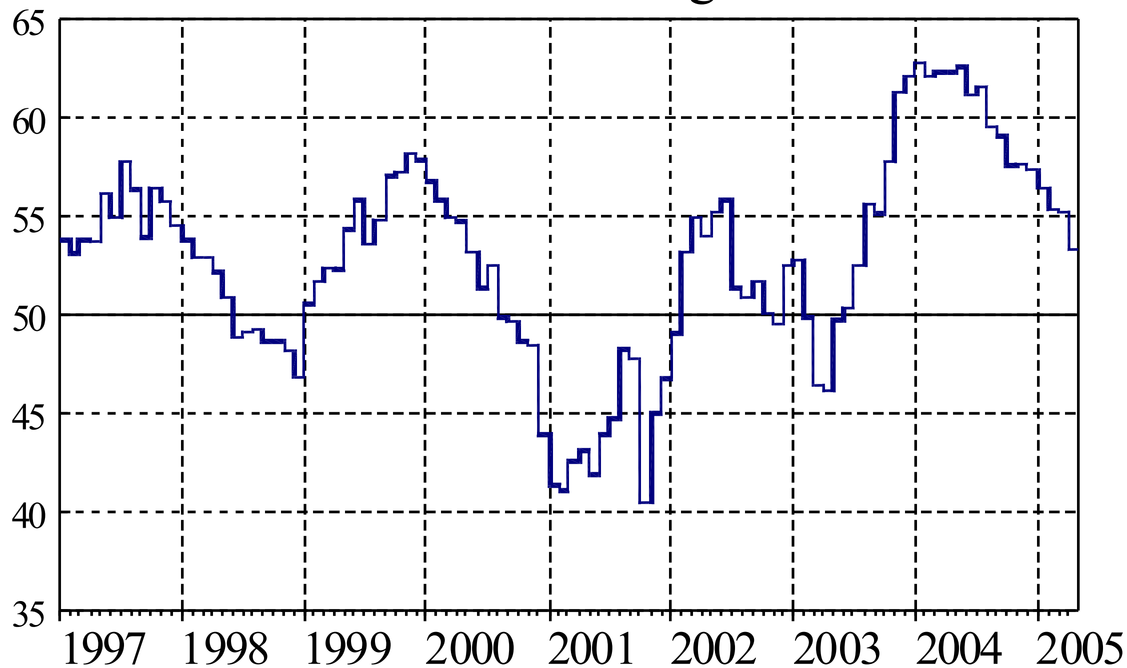
Consumer Confidence

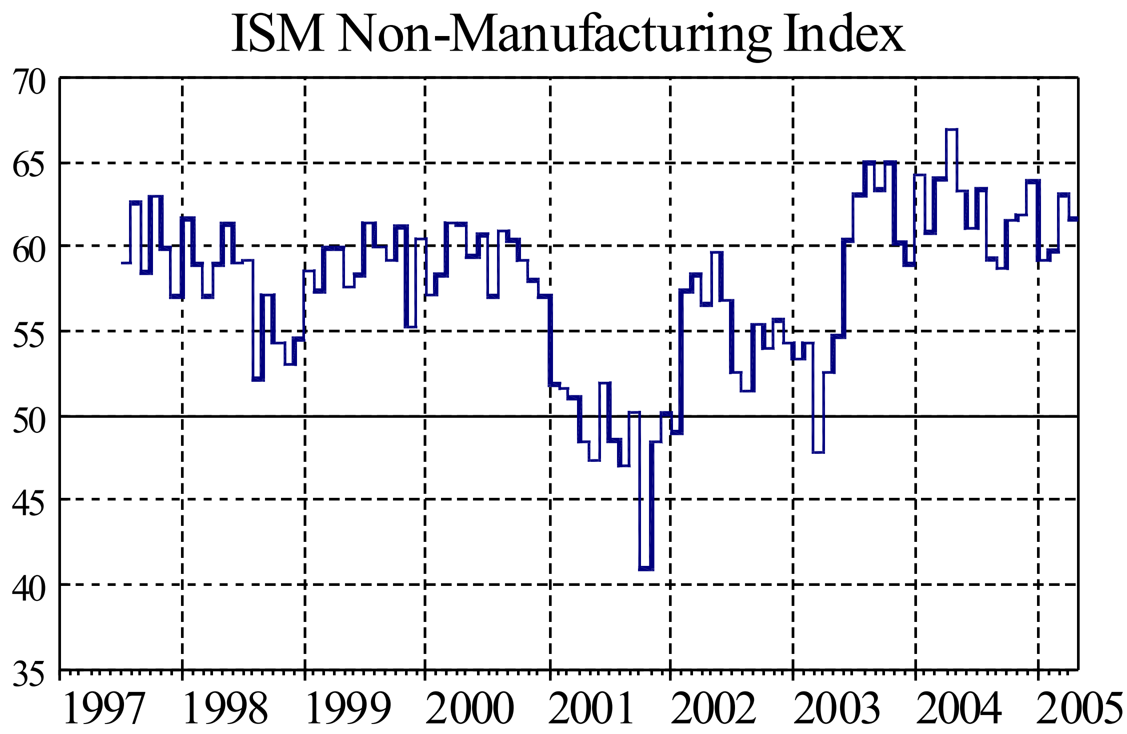


Uni. Michigan Index of Consumer Sentiment



ISM Manufacturing Index




ISM Non-Manufacturing Index
70
65
60
55
50
45
40
35
1997
1998
1999
2000
2001
2002
2003
2004
2005

Fundamental Equations of I-O Analysis

- $X=(I-A)^{-1}F$, X = Gross Output, F=Final Demand
- $P=(I-A')^{-1}$ VA, P = Price, VA=Value Added
- X: Column vector,
- P: Price vector
- F: Demand
- VA: Value added per unit of gross output

Change in Crude Oil Price by +10% Result in Overall Price Change Using Annual I-O Tables

1972	0.316
1977	0.700
1982	1.049
1987	0.380
1992	0.375
1997	0.334
2003	0.365