



## The City of New York

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# Monthly Report

## On

# Current Economic Conditions

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July 7, 2011

### Highlights

- **U.S.**—High energy prices and the sovereign debt crisis in Europe may have unexpectedly slowed consumption, investment and employment growth, but the future for the labor and housing markets looks promising.
- **Financial**—Financial markets have been lackluster, moving in tandem with the weak economy. Two major banks announced settlements stemming from dodgy mortgage deals and first quarter FDIC banking data showed mixed results. Regulators continued to flesh out the Dodd-Frank financial market reform legislation.
- **Inflation**—The Fed ended the second round of quantitative easing on schedule at the end of June but will continue rolling over maturing mortgage securities into new Treasury purchases. The policy is credited with averting deflation, but inflation expectations actually slumped in the second quarter due to the slowing economy.
- **Labor Markets**—New York City's private sector has regained 95,000 of the 140,000 jobs lost during the recession, corresponding to 3.0 percent employment growth from the trough. The pace of job gains is similar to the previous two recoveries.
- **Office Market**—Activity in the office market has been strong in the first half of 2011 with leasing topping 17 million square feet. A good deal of activity has occurred Downtown, where vacancy rates in the Class A market have dropped by more than two percentage points within the last nine months.
- **Tourism**—While it was slowed by bad weather early on in 2011, the City's tourism sector has shown stability. A major reason why the City has remained a top world tourist destination may be found in the relative weakness of the dollar.

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## The U.S. Economy

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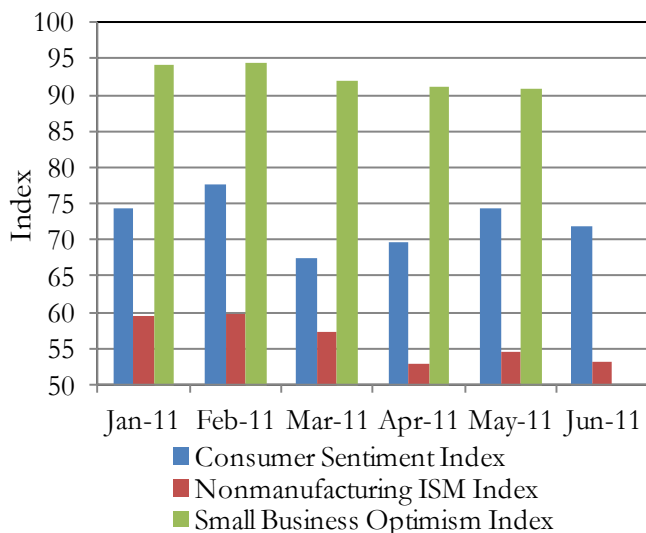
A string of disappointing data indicates that economic weakness is persisting. Retail sales in May fell for the first time in a year, employment growth stalled or fell in many of the major sectors and the housing market is still looking for a bottom. In response to eroded consumer confidence, forecasters have downwardly revised their near-term outlook and the bond market has assumed a deflationary stance. The lingering sovereign debt crisis in Europe and slower growth readings have caused investors to become risk averse again and could pose a problem for investment growth.

According to the final tally, real GDP grew 1.9 percent in Q1 2011. Durable spending, which surged by over 20 percent in the fourth quarter of last year, decelerated to just over 9 percent, mainly pulled down by the slowdown in auto sales. The market for automobiles faced extremely lean inventory due to production disruptions in Japan. Auto sales fell 10.5 percent in May, which was the main reason for the 0.2 percent decline in overall retail sales for the month. Even excluding autos, the sales figures suggest that the economy may be facing an overall retrenchment in consumption spending. According to the University of Michigan consumer sentiment in-

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*Lately, confidence has eroded across consumers and businesses.*



dex, confidence declined from 74.3 in May to 71.5 in June and remains below last year's level. The June release of the Blue Chip Consensus shows a drop in its Q2 estimate of real GDP growth from 3.2 percent to 2.6 percent. Although its forecast for the rest of the year remains high and unchanged, pessimism has increased for the near-term outlook according to other surveys. The non-manufacturing ISM index remains five percentage points below its last peak of nearly 60 back in February. The small business optimism index fell in May to its lowest level since September, and for the third month in a row businesses are expecting the economy to deteriorate. More significantly, the hiring index declined in May after reporting consistent expansion in its prior surveys.

Excluding the education and health services sector which has been rising secularly, the rest of the private sector added only 49,000 jobs in May. Most of the major sectors experienced at least some decline, including manufacturing (-5,000), leisure & hospitality (-6,000) and retail trade (-9,000). The only exception was professional and technical services, which added 40,000 jobs mainly in accounting and computer system design. March and April payroll figures were also revised down by a total of 39,000 and the unemployment rate rose a notch to 9.1 percent. The Federal Reserve now predicts that the unemployment rate will range between 8.6-8.9 percent by the end of this year, up from its April estimate of 8.4-8.7 percent. The Blue Chip Consensus however shows a relatively smaller upward revision – from 8.5 percent (April) to 8.6 percent (June) for the fourth quarter of this year.

The one silver lining to the employment report is that hours worked have increased in April and May. If this trend is maintained for one more month, then hours worked in Q2 2011 would increase at the same pace as GDP, which implies that productivity growth has either slowed or declined. Over the last year, growth in nonfarm business productivity has declined steadily from 6.7 percent (year-over-year basis) to 1.3 percent in the first quarter. This bodes well for the labor market since companies will now likely have to rely more on hiring to increase output. Although the deceleration of productivity

growth will shave profit margins, this is not expected to deter future capital investment as companies have already accumulated huge cash reserves. The 10.1 percent rise in Q1 2011 profit (after adjusting for inventory valuation and capital consumption allowance) was the sixth straight quarter of double-digit growth. More importantly, companies are allowed 100 percent depreciation of all capital goods purchased this year. Outstanding risks include the contagion effect if Greece defaults and the political stalemate surrounding the enormous U.S. federal debt burden. Both have lately forced investors to become more risk averse. Overall, core capital investment growth has already slowed to 8.8 percent in the first quarter. The drop in orders for core capital goods in April (-0.8%) and the slight improvement in May (+1.6%) indicate a holding pattern for capital investment in Q2 2011.

The most recent data on the residential investment front remain mixed. Both new and existing home sales fell in May from their already abysmal levels. According to the NAHB/Wells Fargo Housing Market Index for June, developers' sentiment has fallen to a nine-month low and the expectation index has tied the previous record low. On a positive note, CoreLogic reported that the reduced flow of newly delinquent loans is causing the shadow inventory (based on loans that are delinquent by 90 days or more) of residential housing units to fall. As of April the total figure has declined to 1.7 million from 1.9 million a year ago. In addition, housing starts for May increased 3.5 percent, permits rose 8.7 percent and the S&P/Case-Shiller home price index, which hit another cyclical low in March, has turned upward slightly in April with the 20-city index advancing 0.7 percent.

## Financial Markets

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The recent economic weakness has been reflected in lackluster financial market performance. The legacy of the imploding mortgage market continues to haunt the financial sector, with both JPMorgan Chase and Bank of America announcing large settlements stemming from mortgage deals that went sour. Furthermore, data shows that banks hit a rough patch in the first quarter with a decline of revenue caused by the lack of loan growth, a decrease in fee income and a flattening yield curve. Moreover, regulators made some progress fleshing out the details of the Dodd-Frank financial reform law, which could constrain profits. With the end of the Fed's bond buying program (QE2) and international risk due to the fiscal problems in Greece and other Eurozone countries, financial markets are facing continued uncertainty.

Two recent high profile settlements highlight the ongoing litigation over dubious mortgage products created and traded during the housing boom. In mid-June, JPMorgan Chase agreed to pay \$154 million to settle civil charges lodged by the SEC that it misled investors in a complex mortgage bond deal. JPMorgan Chase marketed a 2007 collateralized debt obligation (CDO) but did not inform investors that a hedge fund involved in selecting the components of the CDO was taking a large short position against the security.<sup>1</sup> At the end of June, Bank of America (BoA) agreed to pay \$8.5 billion to purchasers of mortgage securities created largely by Countrywide, the mortgage company bought by BoA in 2008. Both of these cases underscore the potential future legal jeopardy that other large mortgage originators face for dodgy mortgage products created during the housing boom.

First quarter bank data released by the FDIC revealed mixed results. The good news was that FDIC-insured commercial banks and savings institutions posted their highest net income since the financial crisis, marking the 7th consecutive quarter of profit growth (year-over-year). At \$29 billion, profits are

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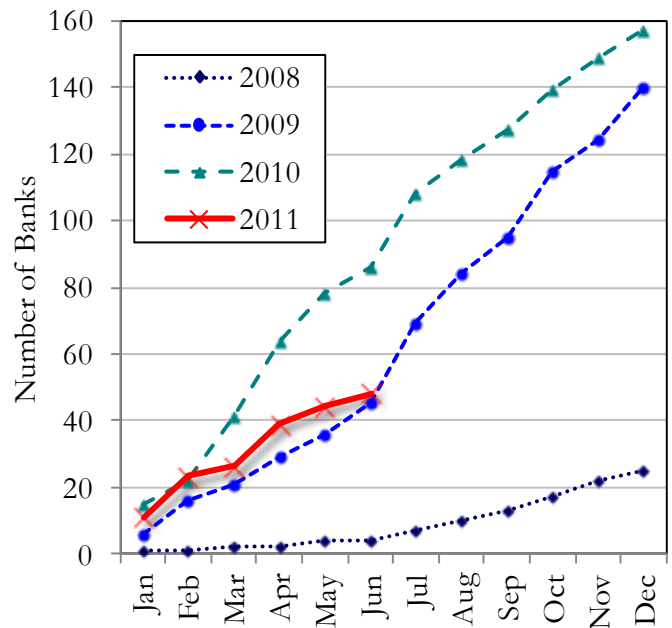
*1. The JPMorgan Chase settlement is similar in many ways to the Goldman Sachs case last year. Goldman paid \$550 million to settle claims that it misled investors in a CDO that was heavily shorted by Paulson & Co.*

up \$11.6 billion from the same quarter a year ago, due largely to a large drop in provisions for loan losses. However, revenue fell \$5.5 billion compared to Q1 2010, which is only the second decline in the FDIC's 27 years of data. The last time revenue dropped was in the midst of the financial crisis (Q4 2008) when banks suffered a \$1.9 billion decline in revenue. A number of factors appear to be behind this weakness. First, loan balances have been shrinking since 2007 due to weak borrowing demand and higher credit standards. Bank fees have also been curtailed as the Fed has imposed limits on charges such as overdraft fees. Finally, with the decline of longer-term interest rates, the yield curve has flattened leading to a smaller spread between banks' borrowing and lending rates. As a result, net interest income fell in Q1 by \$3.2 billion, the first year-over-year decline since 1989.

Another relatively positive sign is that the pace of bank failures has slowed compared to last year and may even fall below that of 2009. In the first half of 2011, 48 banks were shuttered by the FDIC, compared to 86 and 45 in 2010 and 2009, respectively. Nevertheless, banks on the FDIC's "problem list" actually increased slightly in the first quarter to 888, up from 884 in Q4 2010.

Regulators on both sides of the Atlantic are discussing increases in capital levels for "systematically important financial institutions." Last year the Basel Committee on Banking Supervision passed rules that would impose a seven percent capital requirement on all banks, to be phased in by 2019. At the end of June, the regulators further proposed that the 30 or so largest international banks hold an additional 1 to 2.5 percent of extra capital above this seven percent to discourage risky behavior. Moreover, banks in this category that grow further would be subject to an additional 1 percent capital charge to reflect their systemic importance and risk. At the same time, the Federal Reserve governor Daniel Tarullo revealed that the Fed is considering capital levels of 8 to 14 percent on U.S. banks. There are about 35 large U.S. banks with assets greater than \$50 billion that would automatically be subject to these capital rules. The overall message is that banks will need to accumulate additional capital through profit retention, slower dividend payments

*The rate of bank failures has slowed in 2011 and will likely fall below 2009 levels.*



or stock buybacks, or even new equity issue over the next few years.

A major section of the Dodd-Frank legislation is directed at the \$600 trillion derivatives market. The Commodity Futures Trading Commission (CFTC) and the SEC were scheduled to finish the regulatory framework for trading and clearing derivatives by July 21, the one year anniversary of the law's signing. However, both regulators are behind schedule in finalizing the more than 100 new derivatives rules and have decided to delay the deadlines for six months. The difficulty in meeting deadlines underscores both the difficulty and divisions inherent in reforming the financial regulatory system. There were 27 Dodd-Frank rule deadlines in Q2, of which 24 were missed. With 109 rulemakings due in Q3, it's inevitable that regulators will slip further behind as the year progresses.

Not surprisingly, equity markets are reflecting the headwinds buffeting the financial sector. While the S&P500 has been largely flat over the first half of 2011, the banking subsector has declined more than 20 percent over the same period. In general, over the last two months stock market performance has been weak. In the last nine weeks of the second

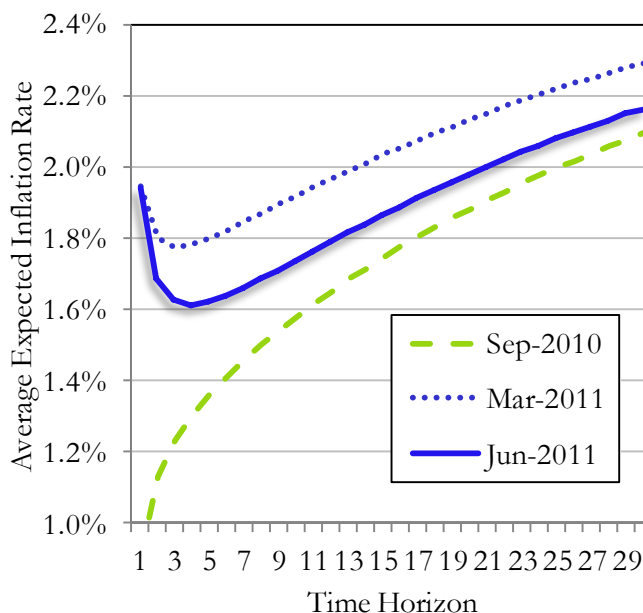
quarter, the S&P500 suffered seven weeks of declines, losing 3.2 percent in May and June. Likewise, the Dow and Nasdaq were also down 3.1 percent and 3.5 percent, respectively, over the same period. For the entire second quarter, the S&P was down 0.4 percent while the Dow rose by 0.8 percent. The end of the Fed's quantitative easing program and the turmoil associated with the Greek fiscal crisis were also factors in the general nervousness in asset markets. One consequence has been talk of impending job layoffs at major securities firms as trading opportunities slowed.

## Inflation and Fed Policy

One potential explanation for the recent decline of equity prices is the anticipated end of the Fed's second round of asset purchases (QE2). Chairman Bernanke has made a number of public statements justifying quantitative easing's beneficial wealth effects via rising asset prices. However, since the Fed has steadfastly maintained its intention to terminate purchases at the end of June, it is not surprising that some early retrenchment has occurred in both equity and commodity markets.

Although the Fed's \$600 billion program has been shuttered, it will continue replacing maturing mortgage securities in its portfolio in order to prevent a "passive" tightening. Every FOMC statement carries the caveat that "... the Committee will regularly review the size and composition of its securities holdings and is prepared to adjust those holdings as appropriate." Purchases of Treasuries to replace maturing debt could be as high as \$300 billion over the next year. In his Jackson Hole speech in August 2010, Bernanke mentioned another policy lever that the Fed could also use to support its accommodative stance – lowering the interest rate it pays on reserves held by banks. Currently, banks hold over \$1 trillion in excess reserves in their Fed accounts on which they earn 0.25 percent. Lowering this rate could force banks to reallocate the funds to riskier uses such as bank loans or asset purchases. Conversely, when the Fed decides to tighten, it will undoubtedly start by slowing the rate of its rollover purchases and will raise the interest rate on reserves to soak up liquidity.

*Inflation expectations increased through most of QE2 but have shifted lower in the second quarter.*



When Bernanke first hinted at QE2, the Fed's main concern was the risk of deflation. Judged on these terms, the program has been a relative success. In August 2010, headline inflation was 1.2 percent (year-over-year) and had fallen over the previous 6 months. As of May 2011, headline inflation was 3.4 percent. Inflation has increased steadily since the November 2010 inception of QE2, which appears to have lifted commodity prices as well as asset prices. Likewise, the CPI core measures have increased over the same period from 1.0 percent in August to 1.5 percent in May. However, the Fed's preferred inflation measure, the core PCE index, has fallen from 1.4 percent in August to 1.2 percent in May. In the New York area, headline CPI inflation was 2.9 percent in May, up from 2.5 percent the previous month. Likewise core CPI increased from 1.4 percent in April to 1.6 percent in May.

Another way to view the impact of QE2 is to look at the influence it had on inflation expectations. The Cleveland Fed publishes a monthly estimate imputed from Treasury market prices of expectations across a span of 1 to 30 years – an expected inflation yield curve. Clearly QE2 had some role in shifting these expectations up at all time horizons. However, with the Fed signaling a definitive end to

the program, expectations have declined somewhat. The one caveat is that other factors – such as the prospects for a pickup in future growth – also influence expectations so the decline from March to June may be reflecting the realization that the economic recovery will be slower and longer than anticipated.

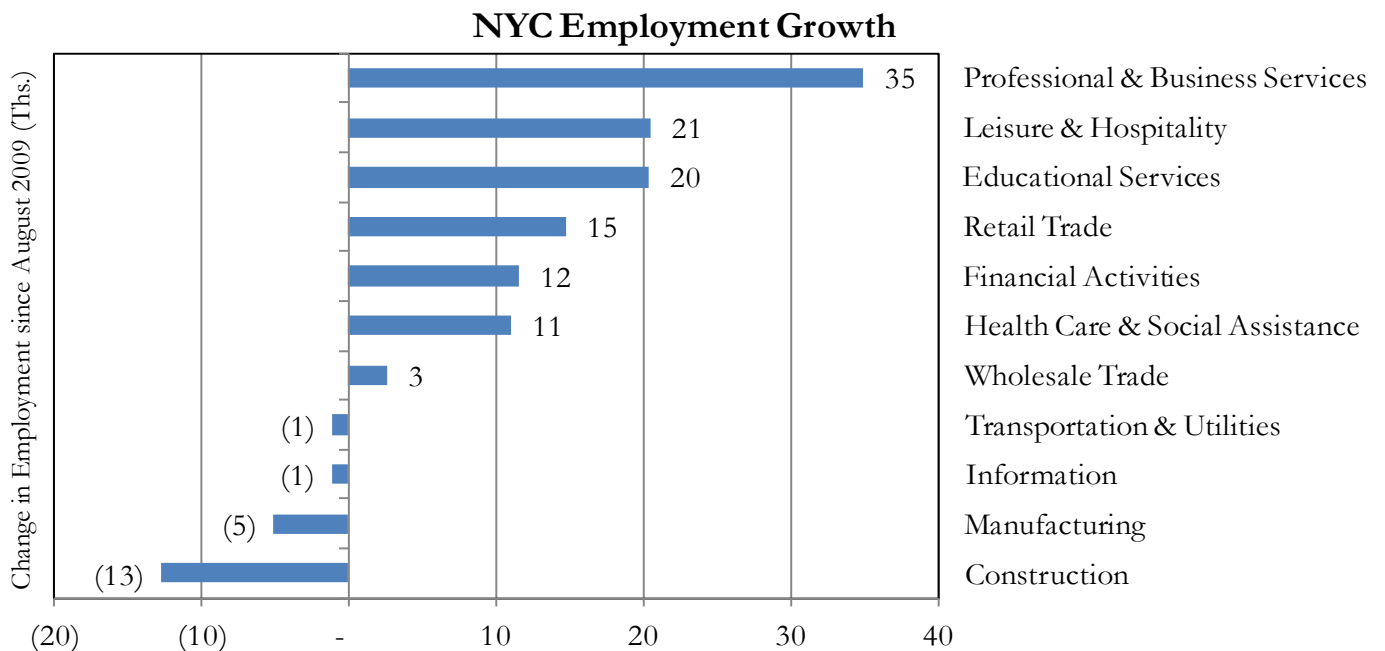
### New York City Employment

New York City’s private sector has regained 95,000 of the 140,000 jobs lost during the recession, corresponding to 3.0 percent employment growth from the trough. The pace of job gains is similar to the previous two recoveries. Twenty-one months after the bottom, the City saw employment growth of 2.6 percent during the recovery period after the 2001 recession and 3.0 percent after the early 1990s downturn. The household survey also reflects improvement in the labor market. The unemployment rate has decreased by 1.4 percentage points from January 2010 to 8.6 percent in May 2011. This is on par with the early expansionary period in the mid-1990s when the unemployment rate still hung at 8.4 percent. However, at the same point in the recovery after the 2001 recession, the unemployment rate was much lower at 5.7 percent.

Job growth has been widespread across major sectors since the trough of the 2008 recession. Professional & business services has led the way, adding 35,000 jobs from August 2009. Leisure & hospitality has gained 21,000 jobs. Education employment rose by 20,000. Retail trade added 15,000 jobs. Financial activities employment increased by 12,000. Health care & social assistance grew by 11,000 jobs. Wholesale trade also gained 3,000 jobs.

There are a handful of sectors that have been a drag on overall employment growth: construction has declined by 13,000 jobs in the last 20 months and manufacturing by 5,000. Both transportation & utilities and information lost 1,000 jobs respectively.

*The New York City labor market has experienced widespread growth since the trough of the recession.*



## New York City Office Market

Leasing activity has been feverish in the first half of 2011 as firms signed deals for over 17.6 million square feet. This is the strongest start in the past 10 years and was highlighted by a surge of over ten million square feet leased in the second quarter. Over 4 million square feet alone was leased in May, which can be directly attributed to two pre-leases at the World Trade Center (WTC) site. According to Cushman & Wakefield, even outside of these large pre-leases, over 3.1 million square feet were leased in May, the strongest monthly figure since December 2004.

There has been a good deal of excitement in the downtown market. World Trade Center construction is in full motion as buildings One and Four grace the skyline. There are rumors that the third tower might soon follow as the Swiss bank UBS has reportedly been in negotiations with Silverstein Properties to take a large block of space at the site. All told, the three towers (One, Three, and Four) would add 6-7 million square feet to the Class A Downtown market of 47 million square feet.

Currently, Class A vacancy rates Downtown are 9.3 percent, over two percentage points below the 11.9

percent peak in September of 2010.<sup>2</sup> The drop in vacancy rates represents absorption of approximately 1.3 million square feet. Over 700,000 of the net absorption during this period have occurred in the Financial East area, bringing vacancy rates in the area down to 14.5 percent from 17.9 percent. Vacancy rates in the World Financial sub-market have also improved to 4.1 percent, leaving only 492,073 square feet available for lease in the sub-market. The strong level of absorption over the past year offers some level of solace to the area building owners as the 4.8 million square feet in the WTC One and Four will increase the size of the submarket by nearly 40 percent when they come online in late 2013.<sup>3</sup>

## New York City Tourism

Although the tourism sector was slowed by bad weather earlier this year, activity has begun to pick up again. Year-to-date through April, total air passenger volume to New York City airports was up 1.6 percent from a year earlier.<sup>4</sup> Broadway has also benefited from the influx of tourists. So far in 2011, box office gross receipts and attendance were up five percent and 3.2 percent, respectively over the levels recorded last year.<sup>5</sup>

### Downtown Class A Statistics (Cushman & Wakefield)

	Inventory (sf)	Vacancy (sf)		Vacancy Rate		Asking Rents	
		Sep-10	Jun-11	Sep-10	Jun-11	Sep-10	Jun-11
City Hall	6,298,488	152,149	50,889	2.4%	0.8%	\$38.03	\$44.00
World Financial	11,902,802	787,622	492,073	6.6%	4.1%	\$48.65	\$60.12
Financial West	663,315	80,487	114,726	12.1%	17.3%	\$38.07	\$35.37
Financial East	23,074,388	4,136,141	3,353,318	17.9%	14.5%	\$41.73	\$43.02
Insurance	5,202,929	448,554	377,539	8.6%	7.3%	\$39.59	\$37.25
<b>Totals</b>	<b>47,141,922</b>	<b>5,604,953</b>	<b>4,388,545</b>	<b>11.9%</b>	<b>9.3%</b>	<b>\$42.35</b>	<b>\$44.29</b>

2. The vacancy rates spiked up in September 2010 because Goldman Sachs released about one million square feet on to the market as it consolidated into its new headquarters on West Street.

3. Even though the leases have been recorded, Cushman & Wakefield does not include the inventory in their statistics until a building is within 6 months of occupancy. Even with these pre-leases, the inventory being added is still less than 50 percent occupied.

4. Port Authority of NY & NJ

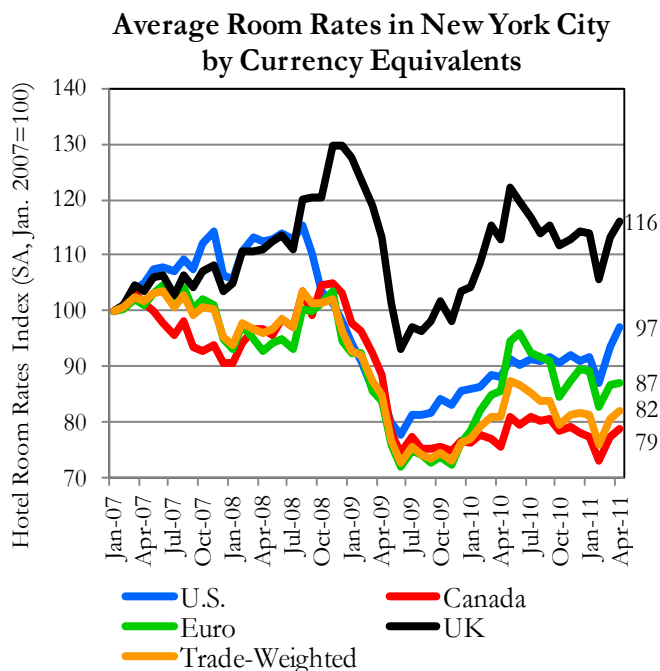
5. The Broadway League

Hotels in the City continue to thrive even as over 12,000 new rooms were added to the City's inventory in the last three years. While occupancy rates have fallen on a year-over-year basis in the first four months of 2011, they are still hovering above 80 percent. A more accurate picture of hotel activity is painted by the record number of room nights sold, which stood at eight million year-to-date through April. Additionally, the average daily room rate was \$274 dollars in April, the highest room rate recorded since December 2008 and up 25 percent from the current cycle's low which occurred in June 2009.<sup>6</sup>

A major reason why the City remains an attractive destination for international visitors may be found in the relative weakness of the dollar. The graph shows the movement of hotel room rates in terms of U.S. dollars and currency equivalents from areas where the majority of foreign tourists originate from, namely the United Kingdom, the European Union and Canada. In addition, the figure includes a trade-weighted currency value comprised of major U.S. trading partners. With the sole exception of the British pound, room rate equivalents for all other currencies have dropped more than the modest decline in the U.S. dollar index. This increased affordability for foreign travelers has made local accommodations and shopping more appealing and has allowed NYC to maintain a competitive edge over other world tourist destinations.

While the weakness of the dollar is expected to persist, the continuing debt crisis in Europe and slowing growth of economies across the globe may pose a challenge to the growth prospects for New York City as a tourist destination. However, the City has responded well to challenges in the past, so it is likely that tourist activity will remain stable for some time to come.

*Measured in foreign currencies, room rates have fallen, making New York City more affordable for international travelers.*



6. PKF Consulting. Room rates and occupancy rates are seasonally adjusted by OMB.









## U.S. Price and Production

**Consumer Price Index, (1982-84=100, SA)**

	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011
All Items	217.5	217.6	217.6	217.6	217.3	216.9	217.6	218.1	218.4	219	219.2	220.2	221.1	222.3	223.5	224.4	224.8
(% ch.)	0.1	0	0	0	-0.1	-0.2	0.3	0.2	0.2	0.2	0.1	0.4	0.4	0.5	0.5	0.4	0.2
(year % ch.)	2.6	2.2	2.4	2.3	2	1.1	1.3	1.2	1.1	1.2	1.1	1.4	1.7	2.2	2.7	3.1	3.4
Core (All Items Less Food & Energy)	220.5	220.6	220.7	220.8	221	221.3	221.6	221.7	221.8	221.8	222.1	222.2	222.6	223	223.3	223.7	224.4
(% ch.)	-0.1	0.1	0	0	0.1	0.1	0.1	0.1	0	0	0.1	0.1	0.2	0.2	0.1	0.2	0.3
(year % ch.)	1.5	1.3	1.2	1	1	1	1	0.9	0.8	0.6	0.7	0.6	0.9	1.1	1.2	1.3	1.5
Commodities	174.9	174.8	174.6	174.3	173.4	172.3	173.5	174.2	174.7	175.6	175.8	177.3	178.8	180.5	182.6	184.1	184.2
(% ch.)	0.7	0	-0.1	-0.2	-0.5	-0.6	0.7	0.4	0.3	0.5	0.1	0.8	0.9	1	1.2	0.8	0.1
(year % ch.)	5.8	4.7	4.9	4.5	3.6	1.3	1.7	1.6	1.6	1.7	1.4	2.1	2.3	3.3	4.6	5.6	6.3
Services	259.8	260	260.4	260.7	261	261.2	261.5	261.6	261.8	262.1	262.4	262.8	263	263.7	264.2	264.6	265.1
(% ch.)	-0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.3	0.2	0.2	0.2
(year % ch.)	0.5	0.5	0.7	0.8	0.9	1	1	0.9	0.9	0.8	0.8	0.9	1.3	1.4	1.4	1.5	1.6

**Personal Consumption Expenditures**

## PCE C-W Price Index, (2000 = 100, SA)

	110.8	110.9	111	111	110.9	110.8	111	111.1	111.2	111.4	111.5	111.8	112.2	112.6	113.1	113.5	113.7
(% ch.)	0.3	0	0.2	0	-0.1	-0.1	0.2	0.2	0.1	0.2	0.1	0.3	0.3	0.4	0.4	0.3	0.2
(year % ch.)	2.5	2.3	2.5	2.3	2.1	1.4	1.5	1.4	1.3	1.2	1	1.1	1.2	1.6	1.9	2.2	2.5
PCE C-W Price Index Less Food & Energy, (2000 = 100, SA)	109.8	109.9	110	110.1	110.2	110.3	110.3	110.3	110.3	110.4	110.5	110.5	110.7	110.9	111	111.2	111.5
(% ch.)	0.1	0.1	0.2	0	0.1	0.1	0	0	0	0	0.1	0	0.2	0.2	0.2	0.2	0.3
(year % ch.)	1.8	1.7	1.8	1.5	1.5	1.4	1.3	1.2	1.1	0.9	0.8	0.7	0.8	0.9	0.9	1.1	1.2

**Producer Price Index, (1982=100, SA)**

Finished Goods	178.9	178.2	179.5	179.4	179.1	178.5	178.6	179.7	180.2	181.2	182.1	183.7	185.5	188.5	189.8	191.3	191.7
(% ch.)	1.1	-0.4	0.7	-0.1	-0.2	-0.3	0.1	0.6	0.3	0.6	0.5	0.9	1	1.6	0.7	0.8	0.2
(year % ch.)	4.7	4.4	6	5.3	5	2.6	4	3.2	3.9	4.2	3.3	3.8	3.7	5.8	5.7	6.6	7
Finished Goods Less Food and Energy	172.7	172.7	173	173.2	173.6	173.8	174.2	174.4	174.7	174.2	174.2	174.6	175.5	175.9	176.4	176.9	177.2
(% ch.)	0.3	0	0.2	0.1	0.2	0.1	0.2	0.1	0.2	-0.3	0	0.2	0.5	0.2	0.3	0.3	0.2
(year % ch.)	1	0.9	0.9	0.9	1.3	1	1.5	1.3	1.6	1.6	1.2	1.4	1.6	1.9	2	2.1	2.1
West Texas Intermediate Oil Price, (\$ per Bbl)	78.2	76.4	81.2	84.5	73.8	75.4	76.4	76.8	75.3	81.9	84.1	89	89.4	89.6	102.9	110	101.3
(% ch.)	5.3	-2.3	6.3	4	-12.6	2	1.4	0.6	-2	8.8	2.7	5.8	0.4	0.2	14.9	6.9	-7.9

**Production**

## Industrial Production, (Index 2002=100, SA)

	87.7	87.9	88.4	88.7	89.9	90	90.8	91	91.2	91.1	91.4	92.6	92.7	92.4	92.9	92.9	93
(% ch.)	1.2	0.2	0.5	0.4	1.3	0.1	0.9	0.2	0.3	-0.1	0.3	1.3	0.1	-0.3	0.6	0	0.1
Purchasing Managers Index	58.3	57.1	60.4	59.6	57.8	55.3	55.1	55.2	55.3	56.9	58.2	58.5	60.8	61.4	61.2	60.4	53.5
(dif)	1.9	-1.2	3.3	-0.7	-1.8	-2.5	-0.2	0	0.1	1.7	1.3	0.3	2.3	0.6	-0.2	-0.8	-6.9
Business Activity	52.6	55.1	58.1	58.9	60	57.2	56.3	55.8	54.4	58.5	59.4	62.9	64.6	66.9	59.7	53.7	53.6
(dif)	-0.6	2.5	3	0.9	1.1	-2.8	-0.9	-0.4	-1.5	4.1	0.9	3.5	1.7	2.3	-7.2	-6	-0.1
Total New Orders	174.4	174.9	172.7	180.3	179.5	178.4	184.5	179.6	191	183.9	184.7	183.4	190.7	188.7	197.3	192	195.6
(% ch.)	6.5	0.3	-1.2	4.4	-0.5	-0.6	3.4	-2.6	6.3	-3.7	0.4	-0.7	4	-1.1	4.6	-2.7	1.9
(year % ch.)	14.2	14.2	16.2	21.3	16.1	19.1	13.3	13.7	18.4	12.5	15	12	9.4	7.9	14.2	6.4	9
Excluding Defense	160.5	163	160.2	168.3	167.3	167	172.8	168.6	177.5	174.6	173.2	172.1	178	179.1	186.6	181.2	184.6
(% ch.)	4.6	1.5	-1.7	5.1	-0.6	-0.2	3.5	-2.4	5.3	-1.6	-0.8	-0.7	3.4	0.6	4.2	-2.9	1.9
(year % ch.)	10.7	14.1	16.1	23.6	18.7	20.3	14.5	15	19.1	14.1	14.8	12.1	10.9	9.9	16.5	7.7	10.4

## Inventory/Sales Ratios, SA

Total Business	1.29	1.29	1.27	1.27	1.28	1.29	1.29	1.29	1.3	1.29	1.28	1.28	1.26	1.27	1.25	1.26	--
Manufacturing	1.31	1.33	1.31	1.31	1.32	1.34	1.32	1.33	1.33	1.33	1.33	1.32	1.31	1.32	1.3	1.32	--

Data: Orders in Bil. \$, SA

## Rates &amp; Trade

	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011
<b>Rates</b>																	
M2 Money Stock, (Bil. \$, SA)	8471.6	8539.3	8517.4	8529.2	8570.3	8601.1	8617.3	8662.6	8710.2	8750.2	8787.3	8816.9	8836.8	8891.2	8912.9	8946	9000.8
(year % ch.)	1.9	2.3	1.4	1.6	1.6	1.7	1.9	2.8	3	3.1	3.2	3.4	4.3	4.1	4.6	4.9	5
Discount Rate, (% P.A.)	0.5	0.59	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Federal Funds Target Rate, (%)	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Federal Funds Effective Rate, (% P.A.)	0.11	0.13	0.16	0.2	0.2	0.18	0.18	0.19	0.19	0.19	0.19	0.18	0.17	0.16	0.14	0.1	0.09
Prime Rate, (% P.A.)	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3-Month T-Bill Auction Average, (%)	0.06	0.1	0.15	0.16	0.16	0.12	0.16	0.15	0.15	0.13	0.14	0.15	0.15	0.13	0.1	0.06	0.04
10-Year T-Bond Nominal, (% P.A.)	3.73	3.69	3.73	3.85	3.42	3.2	3.01	2.7	2.65	2.54	2.76	3.29	3.39	3.58	3.41	3.46	3.17
10-Year T-Bond minus FFunds Rate (Y.Curve)	362	356	357	365	322	302	283	251	246	235	257	311	322	342	327	336	308
Moodys AAA Corporate, (% P.A.)	5.26	5.35	5.27	5.29	4.96	4.88	4.72	4.49	4.53	4.68	4.87	5.01	5.04	5.22	5.13	5.16	4.96
AAA minus 10-Year Bond	153	166	154	144	154	168	171	179	188	214	211	172	165	164	172	170	179
Municipal Bond Yield Average, (% Seasoned)	4.7	4.62	4.59	4.61	4.39	4.44	4.34	4.08	4.21	4.44	4.67	5.35	5.5	5.47	5.2	5.57	5.05
New York Stock Exchange Vol. (Mil)	33536	32679	36705	41460	51958	46340	37254	34015	32436	33795	33244	31224	32872	29294	35633	26610	28704
Dow Jones Industrials, (Index 1920=100, Monthly End)	10067	10325	10857	11009	10137	9774	10466	10015	10788	11118	11006	11578	11892	12226	12320	12811	12570
S&P 500 Stock Price (Index 1941-43=10, Monthly Avg)	1124	1089	1152	1197	1125	1083	1080	1087	1122	1172	1199	1242	1283	1321	1304	1332	1338
Nasdaq Composite Index, (Index Feb 05 1971=100)	2268	2194	2362	2476	2319	2235	2210	2205	2298	2441	2531	2632	2717	2784	2722	2797	2815
<b>Trade, (Bil. \$, SA)</b>																	
Total Exports	143.6	144	148.9	147.7	152.1	151.3	154.7	154.9	155.7	159.5	161.2	164	167.6	165.2	173.4	175.6	--
(% ch.)	0.3	0.3	3.4	-0.8	2.9	-0.5	2.2	0.1	0.5	2.5	1.1	1.7	2.2	-1.4	4.9	1.3	--
(year % ch.)	14.6	13.4	18.2	19	21	18.1	19.1	18.4	14.9	14.4	15.2	14.5	16.7	14.8	16.4	18.8	--
Total Imports	181.1	185	190.1	189.2	194.2	198.2	196.2	200.4	199.7	199	200.1	204.5	215.5	211.3	220.2	219.2	--
(% ch.)	-0.5	2.1	2.7	-0.5	2.7	2	-1	2.1	-0.4	-0.4	0.6	2.2	5.4	-2	4.2	-0.4	--
(year % ch.)	11.5	20.1	22.9	23.4	28.5	28	20.2	23.9	17.2	15.5	13.5	12.4	19	14.2	15.9	15.9	--
Total Trade Balance	-37.5	-41	-41.1	-41.5	-42.2	-46.9	-41.6	-45.5	-44	-39.5	-38.8	-40.5	-47.9	-46	-46.8	-43.7	--
(% ch.)	-3.1	9.4	0.3	0.8	1.7	11.2	-11.4	9.6	-3.3	-10.4	-1.5	4.2	18.5	-3.9	1.7	-6.7	--
(year % ch.)	0.8	51.7	44	42.1	65.2	75.7	24.5	46.8	26.1	20.3	7	4.6	27.8	12.3	13.8	5.3	--
<b>Import Price Index, (2000=100, NSA)</b>																	
<u>Total Imports</u>	125.9	125.8	126.3	127.7	126.7	125.2	125.2	125.7	125.7	127.1	129.2	131	133	135.3	139.3	142.2	142.5
(% ch.)	1.2	-0.1	0.4	1.1	-0.8	-1.2	0	0.4	0	1.1	1.7	1.4	1.5	1.7	3	2.1	0.2
(year % ch.)	11.4	11.3	11.2	11.2	8.5	4.3	4.9	3.8	3.6	3.9	4.1	5.3	5.6	7.6	10.3	11.4	12.5
Excluding Fuels	113.4	113.5	113.7	114.4	114.9	114.4	114.1	114.4	114.7	115.1	116	116.4	117.2	117.8	118.7	119.4	119.9
(% ch.)	0.4	0.1	0.2	0.6	0.4	-0.4	-0.3	0.3	0.3	0.3	0.8	0.3	0.7	0.5	0.8	0.6	0.4
(year % ch.)	1.3	1.9	2.7	3.2	3.5	2.9	2.8	2.7	2.5	2.5	3	3	3.4	3.8	4.4	4.4	4.4
Canada (% ch.)	3.6	0.7	0	0.4	-1.5	-2	0.4	0.4	-0.3	0.6	2.6	2.6	1.1	1.3	2.6	3.1	0.5
Mexico (% ch.)	1.7	-1.1	1.2	1.3	-1.4	-0.9	-0.8	0.1	0.2	1.2	0.7	0.9	1.4	1.3	3.8	2.8	-0.7
European Union (% ch.)	0.2	0.4	0.1	0.3	0	-0.8	-0.2	0.6	0.2	-0.1	0.6	0	1	0.6	1.2	1	0.8
Japan (% ch.)	0.1	-0.1	0.3	0.2	0.1	0.2	0	0.2	0.2	0.3	0.2	0.3	0.6	0.5	0.2	0.2	0
China (% ch.)	-0.3	-0.1	-0.1	0.2	0.3	-0.2	0.1	0	0	0.3	0.3	0.3	0.4	0.3	0.6	0.4	0.3
<b>Export Price Index, (2000=100, NSA)</b>																	
<u>Total Exports</u>	120.7	120.3	121.2	122.5	123.1	122.2	122	123	123.7	124.7	126.6	127.5	129.1	130.8	132.7	133.9	134.2
(% ch.)	0.8	-0.3	0.7	1.1	0.5	-0.7	-0.2	0.8	0.6	0.8	1.5	0.7	1.3	1.3	1.5	0.9	0.2
(year % ch.)	3.5	3.4	4.9	5.5	5.6	3.7	3.9	4.1	4.9	5.8	6.5	6.5	7	8.7	9.5	9.3	9
Yen Per U.S. \$	91.1	90.1	90.7	93.5	92	90.8	87.5	85.4	84.4	81.7	82.5	83.3	82.6	82.5	81.6	83.2	81.1
\$ per EURO	1.4	1.4	1.4	1.3	1.3	1.2	1.3	1.3	1.3	1.4	1.4	1.3	1.3	1.4	1.4	1.4	1.4
Total Surplus or Deficit, (\$Mil)	-42634	-220909	-65387	-82689	-135927	-68422	-165043	-90526	-34607	-140432	-150394	-78134	-49796	-222507	-188153	-40387	-57641

<b>NYC Economic Data</b>	<b>2006 Q4</b>	<b>2007 Q1</b>	<b>2007 Q2</b>	<b>2007 Q3</b>	<b>2007 Q4</b>	<b>2008 Q1</b>	<b>2008 Q2</b>	<b>2008 Q3</b>	<b>2008 Q4</b>	<b>2009 Q1</b>	<b>2009 Q2</b>	<b>2009 Q3</b>	<b>2009 Q4</b>	<b>2010 Q1</b>	<b>2010 Q2</b>	<b>2010 Q3</b>	<b>2010 Q4</b>
Wage Rate	74,738	109,602	66,223	66,157	78,298	108,867	67,198	66,751	78,483	86,330	65,286	64,781	79,058	94,188	69,870	67,376	80,680
(year % ch.)	5.5	15	6	7.6	4.8	-0.7	1.5	0.9	0.2	-20.7	-2.8	-3	0.7	9.1	7	4	2.1
Finance Wage Rate	216,817	578,666	167,910	168,880	228,548	560,292	169,120	165,356	226,644	366,098	159,848	154,286	239,841	446,178	204,895	161,537	236,240
(year % ch.)	7.2	24.8	7.6	16.9	5.4	-3.2	0.7	-2.1	-0.8	-34.7	-5.5	-6.7	5.8	21.9	28.2	4.7	-1.5
Securities Wage Rate	298,737	864,304	212,206	214,988	321,933	818,936	215,063	212,525	318,107	502,620	204,639	194,527	335,490	643,435	275,191	205,662	329,630
(year % ch.)	7.2	25	6.4	17.5	7.8	-5.2	1.3	-1.1	-1.2	-38.6	-4.8	-8.5	5.5	28	34.5	5.7	-1.7
Private Non-Finance Wage Rate	61,493	62,923	56,039	55,768	64,465	64,501	57,198	57,183	65,372	59,951	56,257	56,336	65,447	62,736	57,638	58,603	67,825
(year % ch.)	5.45	7.22	6.18	5.71	4.83	2.51	2.07	2.54	1.41	-7.05	-1.64	-1.48	0.11	4.65	2.45	4.02	3.63
Total Wage Earnings	270.3	392.9	241.1	239.8	290.4	398.1	248.3	244.7	289.9	308.9	233.1	228.2	283.4	332.8	251.9	240.8	294.5
(year % ch.)	7.6	18	8.5	10.1	7.4	1.3	3	2.1	-0.2	-22.4	-6.1	-6.7	-2.3	7.7	8.1	5.5	3.9
Finance Wage Earnings	72.7	194.5	56.9	58.5	78.7	190.7	57.2	56.3	75.1	117.1	49.5	47.4	72.9	134.2	61.9	50.1	73.1
(year % ch.)	10.8	29.1	10.8	20.1	8.2	-2	0.5	-3.7	-4.5	-38.6	-13.4	-15.8	-2.9	14.6	24.9	5.7	0.2
Securities Wage Earnings	53.5	154.8	38.7	40.5	60	151.6	39.6	39.5	56.9	85.8	33.7	31.8	54.1	101.9	43.9	33.9	53.8
(year % ch.)	11.8	31	11.4	22.8	12.2	-2.1	2.4	-2.5	-5.2	-43.4	-15	-19.4	-4.9	18.7	30.5	6.5	-0.6
Private Non-Finance Wage Earnings	168.2	169.9	154.3	152.7	181.4	178.3	160.3	159.1	183.8	162.2	152.3	150.8	178.8	168.5	157.8	159.8	189.8
(year % ch.)	7.8	10.3	9.2	8.4	7.9	4.9	3.9	4.2	1.3	-9	-5	-5.2	-2.7	3.9	3.6	5.9	6.1
NYSE Member-Firm Profits, (Bil. \$)	7.6	4.7	4.2	-3.8	-16.4	-22.4	1.6	-10.7	-11.2	8.2	28	13.5	11.7	10.3	3.8	7.3	6.3
(dif)	3.5	-2.9	-0.4	-8.1	-12.5	-6	24	-12.3	-0.5	19.4	19.8	-14.6	-1.7	-1.4	-6.5	3.5	-1
Total Employment, SA	3697.4	3725.2	3735.9	3744.9	3771.9	3796.3	3801.4	3801.8	3778.5	3732.3	3685.4	3686.7	3669.8	3683.9	3719.5	3710.7	3717.2
(year % ch.)	2.09	2.35	2.05	2.01	2.02	1.91	1.75	1.52	0.17	-1.69	-3.05	-3.03	-2.88	-1.3	0.93	0.65	1.29
Private Employment, SA	3140.1	3165.7	3179.2	3186.8	3209.9	3232.4	3238.2	3238.7	3212.1	3166.4	3124.8	3107	3108.5	3123.9	3148.1	3162.3	3165.4
(year % ch.)	2.37	2.64	2.35	2.23	2.23	2.11	1.86	1.63	0.07	-2.04	-3.5	-4.07	-3.23	-1.34	0.75	1.78	1.83
Unemployment Rate	4.6	4.6	4.9	5.1	4.9	4.6	4.9	5.6	6.6	8	9.2	9.9	10	9.9	9.6	9.3	8.9
(dif)	-0.23	0.03	0.27	0.2	-0.23	-0.23	0.27	0.7	1	1.37	1.2	0.7	0.13	-0.07	-0.3	-0.33	-0.4
Consumer Price Index, (1982-84=100, SA)																	
All Items	221.3	223.1	227.1	228.4	229.2	231.3	236.2	240.3	235.3	234.4	236.2	238.2	238.5	239.3	240.8	241.4	241.9
(year % ch.)	2.75	2.9	2.53	2.26	3.55	3.68	4.02	5.2	2.69	1.31	0.02	-0.9	1.37	2.11	1.93	1.36	1.43
Core (All Items Less Food & Energy)	233	233.9	236.2	237.6	237.8	239	241.2	244.2	244.5	245.3	246.8	247.6	248.3	248.6	249.9	251.1	251
(year % ch.)	3.59	2.98	2.1	2.17	2.09	2.18	2.09	2.79	2.79	2.62	2.32	1.4	1.58	1.35	1.26	1.4	1.07
<b>NYC Real Estate</b>	<b>Feb 2010</b>	<b>Mar 2010</b>	<b>Apr 2010</b>	<b>May 2010</b>	<b>Jun 2010</b>	<b>Jul 2010</b>	<b>Aug 2010</b>	<b>Sep 2010</b>	<b>Oct 2010</b>	<b>Nov 2010</b>	<b>Dec 2010</b>	<b>Jan 2011</b>	<b>Feb 2011</b>	<b>Mar 2011</b>	<b>Apr 2011</b>	<b>May 2011</b>	<b>Jun 2011</b>
Primary Asking Rent (\$)	61.28	61.66	61.55	61.13	61.32	60.8	61.1	60.69	61.17	61.6	61.94	62.24	61.37	62.48	62.89	63.26	63.56
(dif)	0.03	0.38	-0.12	-0.42	0.19	-0.52	0.3	-0.4	0.48	0.43	0.35	0.29	-0.87	1.11	0.41	0.37	0.3
Midtown Asking Rent (Pri, \$)	64.42	64.9	64.87	64.61	65.1	64.5	64.92	65.28	65.82	66.29	66.55	66.48	65.56	67.08	67.28	67.46	67.83
(dif)	0.07	0.48	-0.03	-0.26	0.5	-0.61	0.42	0.36	0.53	0.48	0.26	-0.07	-0.92	1.51	0.2	0.18	0.37
Downtown Asking Rent (Pri, \$)	42.44	41.46	41.11	40.7	39.78	41.49	41.47	42.35	42.22	42.28	42.68	43.06	42.79	43.06	43.81	44.11	44.29
(dif)	-0.31	-0.98	-0.35	-0.41	-0.92	1.71	-0.02	0.88	-0.13	0.06	0.4	0.38	-0.27	0.27	0.75	0.3	0.18
Primary Vacancy Rate	12.2	12.5	12.5	12	11.5	11.7	11.5	11.6	11.7	11.6	11	11.2	10.9	10.7	10.6	10.6	10
Midtown Vacancy Rate (Pri)	13	13.4	13.4	12.8	12.1	12.2	11.9	11.5	11.6	11.6	11	11.4	11	10.7	10.7	10.8	10.1
Downtown Vacancy Rate (Pri)	8.9	8.9	9	9	8.8	9.7	9.6	11.9	11.8	11.6	10.9	10.4	10.3	10.5	10.2	9.8	9.3
NYC Housing Permits	210	542	217	552	1487	374	392	364	586	222	1696	465	293	383	499	1272	--
(dif)	-43	332	-325	335	935	-1113	18	-28	222	-364	1474	-1231	-172	90	116	773	--
NY Metro Area CSW Index	170.6	169.3	168.9	170.5	172.9	175	175.2	174.4	171.4	169.4	167.6	165.7	164.6	162.9	164.2	--	--
(year % ch.)	-4.1	-2.5	-1.1	-0.4	0.3	0.6	0	-0.2	-1.7	-1.9	-2.4	-3.3	-3.5	-3.7	-2.8	--	--







NY Household Employment

**New York City**

	Feb 2010	Mar 2010	Apr 2010	May 2010	Jun 2010	Jul 2010	Aug 2010	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	2010	2011
Labor Force SA	4,023	4,025	4,022	4,016	4,008	4,000	3,994	3,989	3,984	3,980	3,977	3,988	3,993	3,991	3,988	3,994	4,003	3,991
(dif)	4.8	1.8	-2.4	-6	-8	-8.3	-6.5	-4.9	-4.3	-4	-3.1	11.1	4.9	-2.6	-2.5	5.4	-1.7	-12.3
Labor Force NSA	4,030	4,035	4,023	3,994	3,992	4,035	4,022	3,981	3,980	3,974	3,964	4,005	4,001	3,986	3,966	3,980	4,003	3,988
(year dif)	32.4	38.5	34.2	8.8	-18.4	-26.4	-18.7	-11.5	-29.7	-33.2	-27.9	-6.2	-28.4	-48.4	-57.4	-14.1	-0.3	-15.9
(year % ch.)	0.8	1	0.9	0.2	-0.5	-0.6	-0.5	-0.3	-0.7	-0.8	-0.7	-0.2	-0.7	-1.2	-1.4	-0.4	0	-0.8
Employed Residents SA	3,623	3,628	3,630	3,629	3,627	3,624	3,623	3,623	3,624	3,625	3,625	3,635	3,639	3,645	3,647	3,649	3,625	3,643
(dif)	6.6	4.9	2	-0.8	-2.4	-2.7	-1.1	0.4	0.8	0.6	0.7	9.4	4.2	6.1	2	2.3	-9.9	18.3
Employed Residents NSA	3,619	3,633	3,641	3,621	3,618	3,644	3,643	3,620	3,623	3,620	3,624	3,629	3,635	3,652	3,637	3,637	3,625	3,638
(year dif)	-41.1	-22.7	-18.5	-8.8	-13.2	-11.6	5.9	22.3	17.5	3.3	26.7	35.6	16.6	19.2	-4.2	15.8	-8.4	13.2
(year % ch.)	-1.1	-0.6	-0.5	-0.2	-0.4	-0.3	0.2	0.6	0.5	0.1	0.7	1	0.5	0.5	-0.1	0.4	-0.2	0.5
Unemployed Residents SA	400	397	393	387	382	376	371	366	361	356	352	354	354	346	341	344	378	348
(dif)	-1.8	-3.1	-4.3	-5.3	-5.7	-5.5	-5.4	-5.2	-5.1	-4.7	-3.8	1.6	0.8	-8.7	-4.5	3.1	8.3	-30.6
Unemployed Residents NSA	411	402	382	373	374	391	379	362	357	354	340	375	366	334	329	343	378	349
(year dif)	73.5	61.3	52.7	17.7	-5.2	-14.8	-24.6	-33.8	-47.2	-36.6	-54.7	-41.8	-45	-67.8	-53.2	-30	8.1	-29
(year % ch.)	21.8	18	16	5	-1.4	-3.6	-6.1	-8.5	-11.7	-9.4	-13.9	-10	-11	-16.9	-13.9	-8.1	3.5	-12
LF Participation Rate SA	60.7	60.7	60.6	60.5	60.4	60.2	60.1	60	59.9	59.8	59.7	59.8	59.9	59.8	59.7	59.8	60.3	59.8
LF Participation Rate NSA	60.8	60.8	60.6	60.2	60.1	60.7	60.5	59.9	59.8	59.7	59.5	60.1	60	59.8	59.4	59.6	60.3	59.8
Emp Pop Ratio SA	54.6	54.7	54.7	54.7	54.6	54.5	54.5	54.5	54.4	54.4	54.4	54.4	54.6	54.6	54.6	54.6	54.6	54.6
Emp Pop Ratio NSA	54.6	54.8	54.9	54.5	54.5	54.8	54.8	54.4	54.4	54.4	54.4	54.5	54.5	54.7	54.5	54.5	54.6	54.5
Unemployment Rate SA	9.9	9.9	9.8	9.6	9.5	9.4	9.3	9.2	9	8.9	8.8	8.9	8.9	8.7	8.6	8.6	9.4	8.7
Unemployment Rate NSA	10.2	10	9.5	9.3	9.4	9.7	9.4	9.1	9	8.9	8.6	9.4	9.1	8.4	8.3	8.6	9.5	8.8

**New York State**

Labor Force SA	9,671	9,677	9,674	9,660	9,641	9,623	9,608	9,598	9,589	9,582	9,575	9,586	9,591	9,583	9,575	9,580	9,630	9,583
(dif)	12.4	6.6	-3.5	-13.7	-18.8	-18.4	-14.8	-10.6	-9	-6.8	-6.8	10.7	5.2	-8.2	-7.5	5.3	-50.7	-46.7
Labor Force NSA	9,635	9,641	9,640	9,615	9,703	9,775	9,730	9,569	9,567	9,556	9,526	9,565	9,556	9,523	9,489	9,543	9,631	9,535
(year dif)	-38.2	-15.6	-0.9	-32.4	-85	-88.4	-61.6	-43.7	-61.8	-62.3	-51	-47	-79.2	-118.5	-151.3	-72.2	-46.8	-95.7
(year % ch.)	-0.4	-0.2	0	-0.3	-0.9	-0.9	-0.6	-0.5	-0.6	-0.6	-0.5	-0.5	-0.8	-1.2	-1.6	-0.8	-0.5	-1
Employed Residents SA	8,816	8,828	8,831	8,827	8,817	8,805	8,796	8,792	8,790	8,788	8,787	8,795	8,804	8,816	8,822	8,828	8,806	8,813
(dif)	15.4	11.9	3.8	-4.5	-10.3	-12	-8.2	-4.1	-2.2	-2.1	-1	8.2	9.2	11.6	6.3	6.1	-61.3	6.9
Employed Residents NSA	8,724	8,764	8,823	8,816	8,892	8,932	8,919	8,785	8,800	8,773	8,761	8,711	8,728	8,761	8,763	8,802	8,807	8,753
(year dif)	-150.3	-99.1	-68.5	-45.8	-57.5	-66.5	-27.3	11.8	7.2	-24	24.3	17.6	4.1	-2.2	-60.3	-13.5	-57.5	-53.8
(year % ch.)	-1.7	-1.1	-0.8	-0.5	-0.6	-0.7	-0.3	0.1	0.1	-0.3	0.3	0.2	0	0	-0.7	-0.2	-0.6	-0.1
Unemployed Residents SA	855	850	843	833	825	818	812	805	798	794	788	791	787	767	753	752	823	770
(dif)	-3.1	-5.3	-7.3	-9.1	-8.6	-6.4	-6.6	-6.5	-6.9	-4.5	-5.8	2.4	-3.9	-19.9	-13.8	-0.8	10.6	-53.5
Unemployed Residents NSA	912	878	817	800	812	844	811	784	767	783	765	855	828	761	726	741	824	782
(year dif)	112	83.5	67.7	13.4	-27.5	-21.9	-34.3	-55.4	-69	-38.5	-75.4	-64.7	-83.3	-116.2	-91	-58.7	10.8	-41.9
(year % ch.)	14	10.5	9	1.7	-3.3	-2.5	-4.1	-6.6	-8.2	-4.7	-9	-7	-9.1	-13.2	-11.1	-7.3	1.7	-9.6
LF Participation Rate SA	62.8	62.8	62.8	62.7	62.5	62.4	62.2	62.1	62	62	61.9	61.9	61.9	61.9	61.8	61.8	62.4	61.9
LF Participation Rate NSA	62.6	62.6	62.6	62.4	62.9	63.4	63	61.9	61.9	61.8	61.6	61.8	61.7	61.5	61.2	61.6	62.4	61.6
Emp Pop Ratio SA	57.2	57.3	57.3	57.3	57.2	57.1	57	56.9	56.9	56.8	56.8	56.8	56.9	56.9	56.9	56.9	57.1	56.9
Emp Pop Ratio NSA	56.6	56.9	57.3	57.2	57.7	57.9	57.8	56.9	56.9	56.7	56.6	56.3	56.4	56.6	56.6	56.8	57.1	56.5
Unemployment Rate SA	8.8	8.8	8.7	8.6	8.6	8.5	8.4	8.4	8.3	8.3	8.2	8.2	8.2	8	7.9	7.9	8.5	8
Unemployment Rate NSA	9.5	9.1	8.5	8.3	8.4	8.6	8.3	8.2	8	8.2	8	8.9	8.7	8	7.6	7.8	8.6	8.2

Source: NYS DOL

Labor Force Data in Ths., Rates & Ratios in %  
Annual Figures: Average YTD

U.S. General Economic Indicators

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>GDP</b>																	
Nominal GDP	7085.2	7414.6	7838.5	8332.4	8793.5	9353.5	9951.5	10286.2	10642.3	11142.2	11867.8	12638.4	13398.9	14061.8	14369.1	14119.1	14660.4
Real GDP	8870.7	9093.8	9433.9	9854.4	10283.5	10779.9	11226	11347.2	11553	11840.7	12263.8	12638.4	12976.3	13228.9	13228.9	12880.6	13248.2
(% ch.)	4.1	2.5	3.7	4.5	4.4	4.8	4.1	1.1	1.8	2.5	3.6	3.1	2.7	1.9	0	-2.6	2.9
Final Sales of Domestic Product	8809.2	9073.2	9412.5	9782.6	10217	10715.7	11167.5	11391.7	11543.5	11824.8	12198.2	12588.4	12917.1	13200	13268.1	12992.8	13176.7
(% ch.)	3.5	3	3.7	3.9	4.4	4.9	4.2	2	1.3	2.4	3.2	3.2	2.6	2.2	0.5	-2.1	1.4
Final Sales to Domestic Producers	8914.5	9168.3	9520.5	9920.9	10473.5	11077.1	11623.1	11870.8	12098.4	12433.5	12886.8	13311.2	13646.6	13855.1	13768.2	13345	13592.2
(% ch.)	3.8	2.8	3.8	4.2	5.6	5.8	4.9	2.1	1.9	2.8	3.6	3.3	2.5	1.5	-0.6	-3.1	1.9
<u>Personal Consumption Expenditures</u>	5918.9	6079	6291.2	6523.4	6865.5	7241	7608.1	7813.9	8021.9	8247.5	8532.7	8819	9073.5	9289.5	9265	9153.9	9313.7
(% ch.)	3.8	2.7	3.5	3.7	5.2	5.5	5.1	2.7	2.7	2.8	3.5	3.4	2.9	2.4	-0.3	-1.2	1.7
Durable Goods	492.1	511.7	549.8	594.7	667.2	753.8	819.9	864.4	930.1	986.2	1051	1105.5	1150.4	1198.6	1136.4	1094.6	1178.3
(% ch.)	8	4	7.5	8.2	12.2	13	8.8	5.4	7.6	6	6.6	5.2	4.1	4.2	-5.2	-3.7	7.7
Nondurable Goods	1403	1437.8	1479.4	1522.9	1580.3	1660.9	1714.7	1745.6	1780.3	1845.7	1904.6	1968.4	2023.6	2064.3	2041.2	2017.4	2072.6
(% ch.)	3.9	2.5	2.9	2.9	3.8	5.1	3.2	1.8	2	3.7	3.2	3.4	2.8	2	-1.1	-1.2	2.7
<u>Gross Private Domestic Investment</u>	1220.9	1258.9	1370.3	1540.8	1695.1	1844.3	1970.3	1831.9	1807	1871.6	2058.3	2172.2	2230.4	2161.6	1957.3	1515.7	1774.5
(% ch.)	13.6	3.1	8.8	12.4	10	8.8	6.8	-7	-1.4	3.6	10	5.5	2.7	-3.1	-9.5	-22.6	17.1
Nonresidential	716.9	792.2	866.2	970.8	1087.4	1200.8	1318.6	1281.8	1180.2	1191	1263	1347.3	1453.9	1552	1556.6	1290.8	1365
(% ch.)	9.2	10.5	9.3	12.1	12	10.4	9.8	-2.8	-7.9	0.9	6	6.7	7.9	6.7	0.3	-17.1	5.7
Residential	471.5	456.1	492.5	501.8	540.4	574.2	580	583.2	613.9	664.3	729.5	775	718.2	584.2	444.2	342.7	332.5
(% ch.)	9.7	-3.3	8	1.9	7.7	6.3	1	0.6	5.3	8.2	9.8	6.2	-7.3	-18.7	-24	-22.9	-3
<u>Net Exports of Goods &amp; Services</u>	--	-98.8	-110.7	-139.9	-252.6	-356.6	-451.6	-472.1	-548.8	-604	-688	-722.7	-729.2	-654.9	-504	-363	-422.5
(% ch.)	--	--	12.1	26.3	80.6	41.2	26.6	4.5	16.3	10	13.9	5	0.9	-10.2	-23	-28	16.4
<u>Government Consumption &amp; Investment</u>	1878.1	1888.9	1907.9	1943.8	1985	2056.1	2097.8	2178.3	2279.6	2330.4	2362	2369.9	2402.1	2434.2	2502.7	2542.6	2568.4
(% ch.)	0	0.6	1	1.9	2.1	3.6	2	3.8	4.7	2.2	1.4	0.3	1.4	1.3	2.8	1.6	1
Change in Private Inventories	69.3	32.1	31.2	77.4	71.6	68.6	60.2	-41.8	12.8	17.3	66.4	49.9	59.4	27.7	-37.6	-113.1	62.6
(dif)	47	-37.2	-0.9	46.2	-5.8	-3.1	-8.3	-102	54.5	4.6	49	-16.4	9.5	-31.7	-65.4	-75.5	175.8
<b>Additional U.S. Indicators</b>																	
GDP Implicit Price Deflator (% ch.)	2.1	2.1	1.9	1.8	1.1	1.5	2.2	2.3	1.6	2.1	2.8	3.3	3.3	2.9	2.2	0.9	1
Corporate Profits	628.2	716.2	801.5	884.9	812.4	856.3	819.2	784.2	872.2	977.8	1246.9	1456.1	1608.3	1510.7	1262.8	1258	1624.8
(% ch.)	15.6	14	11.9	10.4	-8.2	5.4	-4.3	-4.3	11.2	12.1	27.5	16.8	10.5	-6.1	-16.4	-0.4	29.2
ECI Private: Total Compensation	68.1	70	72	74.2	76.8	79.3	82.9	86.3	89.3	92.7	96.2	99.2	102.1	105.2	108.2	109.8	111.9
(% ch.)	3.4	2.8	2.8	3.1	3.5	3.2	4.5	4.1	3.5	3.8	3.8	3.1	2.9	3.1	2.9	1.5	1.8
NonFarm Business Productivity	74.7	75	76.9	78.1	80.4	83	85.8	88.4	92.4	95.7	98.4	100	100.9	102.5	103.6	107.4	111.5
(% ch.)	1	0.4	2.6	1.5	2.9	3.3	3.3	3	4.5	3.6	2.8	1.6	0.9	1.6	1	3.7	3.8
Unit Labor Costs	85.6	87	87.6	88.9	91.6	92.4	96.1	97.5	96.2	97.3	97.8	100	102.8	105.3	107.6	105.9	104.4
(% ch.)	0.8	1.7	0.7	1.6	3	0.9	3.9	1.5	-1.3	1.1	0.5	2.3	2.8	2.4	2.2	-1.6	-1.5

Data: Real GDP & Components in Bil. 2000 \$, SA

Data: Profits with IDA & CCAadj in Bil \$, SA

Data: ECI All Workers, Index Dec 2005=100, SA

Data: Prod & Unit Labor All Persons, Index 1992=100, SA

## U.S. Employment

**Payroll Survey: Current Employment Statistics (CES)**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total Nonfarm	114,282	117,307	119,698	122,767	125,923	128,992	131,794	131,830	130,340	129,996	131,419	133,694	136,092	137,587	136,778	130,789	129,822
(dif)	3,435	3,025	2,392	3,069	3,156	3,069	2,802	36	-1,489	-344	1,423	2,275	2,397	1,496	-809	-5,989	-967
Total Private	95,008	97,872	100,169	103,108	106,013	108,680	111,003	110,710	108,831	108,416	109,801	111,890	114,117	115,367	114,278	108,231	107,335
(dif)	3,154	2,864	2,298	2,938	2,906	2,666	2,324	-294	-1,878	-415	1,385	2,089	2,227	1,251	-1,089	-6,047	-896
Financial Activities	6,866	6,828	6,969	7,178	7,462	7,646	7,688	7,809	7,848	7,976	8,031	8,153	8,328	8,299	8,143	7,770	7,632
(dif)	158	-38	142	209	284	185	42	121	39	128	55	122	175	-29	-156	-373	-138
Finance & Insurance	5,132	5,069	5,152	5,302	5,528	5,664	5,677	5,770	5,814	5,919	5,945	6,019	6,156	6,131	6,014	5,775	5,692
(dif)	100	-63	83	150	226	135	13	93	45	105	26	74	137	-25	-117	-239	-83
Securities	553	562	590	636	692	737	805	831	790	757	766	786	818	848	864	811	801
(dif)	46	9	27	46	56	45	68	26	-41	-32	8	21	32	30	16	-53	-10
Banking	2,376	2,314	2,368	2,433	2,532	2,591	2,548	2,598	2,686	2,793	2,818	2,870	2,925	2,866	2,732	2,590	2,545
(dif)	15	-62	54	65	98	59	-43	50	88	107	25	52	55	-59	-134	-142	-45
Real Estate & Rental & Leasing	1,734	1,759	1,818	1,876	1,933	1,982	2,011	2,039	2,034	2,057	2,086	2,134	2,172	2,168	2,129	1,994	1,940
(dif)	58	25	59	58	58	49	29	28	-5	23	29	48	39	-4	-40	-134	-55
Information	2,739	2,843	2,940	3,084	3,219	3,418	3,630	3,629	3,394	3,189	3,117	3,061	3,038	3,032	2,984	2,803	2,711
(dif)	71	105	97	144	135	199	212	-1	-235	-205	-72	-56	-23	-6	-48	-180	-93
Professional & Business Services	12,171	12,847	13,461	14,333	15,142	15,955	16,672	16,480	15,975	15,985	16,388	16,952	17,572	17,945	17,740	16,571	16,680
(dif)	678	676	614	872	810	813	717	-192	-505	10	403	564	620	374	-205	-1,169	108
Educational & Health Services	12,806	13,288	13,683	14,088	14,445	14,795	15,109	15,643	16,201	16,588	16,950	17,370	17,825	18,319	18,838	19,191	19,563
(dif)	503	482	395	405	357	349	315	534	558	387	362	420	455	495	519	353	371
Leisure & Hospitality	10,098	10,499	10,774	11,016	11,232	11,544	11,860	12,032	11,986	12,175	12,492	12,813	13,109	13,425	13,436	13,074	13,017
(dif)	365	401	274	243	216	312	316	173	-46	189	317	321	296	316	11	-362	-57
Other Services	4,429	4,572	4,691	4,825	4,976	5,087	5,168	5,258	5,372	5,401	5,409	5,395	5,438	5,493	5,515	5,366	5,365
(dif)	78	143	119	134	151	111	82	90	114	28	9	-15	43	55	22	-149	-1
Trade, Transportation & Utilities	23,123	23,833	24,240	24,700	25,186	25,770	26,225	25,986	25,500	25,287	25,536	25,960	26,278	26,626	26,294	24,902	24,609
(dif)	745	711	406	460	486	584	455	-239	-486	-213	250	424	317	349	-333	-1,391	-293
Manufacturing	17,024	17,244	17,237	17,418	17,560	17,323	17,265	16,440	15,257	14,508	14,315	14,225	14,156	13,877	13,402	11,845	11,527
(dif)	248	220	-7	182	142	-237	-58	-825	-1,184	-748	-194	-89	-69	-279	-475	-1,557	-318
Construction	5,094	5,276	5,538	5,813	6,147	6,545	6,788	6,827	6,715	6,736	6,973	7,333	7,690	7,627	7,161	6,014	5,527
(dif)	315	182	262	275	334	397	243	39	-111	20	238	360	356	-62	-466	-1,147	-487
Government	19,274	19,435	19,529	19,659	19,910	20,312	20,790	21,120	21,509	21,580	21,618	21,804	21,975	22,220	22,500	22,558	22,487
(dif)	281	161	94	130	251	402	478	330	389	71	38	186	171	245	280	58	-71
<b>Other Employment Data</b>																	
Unemployment Rate	6.1	5.6	5.4	4.9	4.5	4.2	4	4.7	5.8	6	5.5	5.1	4.6	4.6	5.8	9.3	9.6
(dif)	-0.8	-0.5	-0.2	-0.5	-0.4	-0.3	-0.3	0.8	1	0.2	-0.4	-0.5	-0.5	0	1.2	3.5	0.4
Avg. Weekly Hours: Total Private (CES)	--	--	--	--	--	--	--	--	--	--	--	--	--	34.6	34.5	33.9	34.2
(dif)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	-0.1	-0.6	0.2
Avg. Wk. Earnings: Total Private (CES)	--	--	--	--	--	--	--	--	--	--	--	--	--	725	745	753	772
(dif)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	21	8	19
Initial Claims, SA	1,502	1,555	1,524	1,394	1,374	1,289	1,322	1,757	1,750	1,743	1,484	1,462	1,354	1,391	1,813	2,489	1,982
(dif)	12	53	-30	-131	-20	-85	33	435	-8	-6	-259	-22	-109	37	422	676	-507
Continued Claims, SA	2,670	2,589	2,553	2,301	2,214	2,185	2,110	3,010	3,571	3,530	2,928	2,658	2,457	2,547	3,336	5,808	4,540
(dif)	-98	-81	-36	-251	-88	-29	-75	899	561	-41	-602	-270	-202	90	789	2471	-1268
ISM Employment Diffusion Index, SA	50.1	46.9	46.3	51.1	47.5	50.6	50.4	38.3	45.8	46.3	56.8	53.5	51.6	50.5	43.1	40.6	57.3
(dif)	5	-3.2	-0.6	4.8	-3.6	3.1	-0.2	-12	7.5	0.4	10.6	-3.3	-1.9	-1.1	-7.4	-2.5	16.7
ISM Non-Mfg. Emp. Index, SA	--	--	--	--	52.9	52.3	53.5	46.9	46.3	50.6	54.3	55.9	53.8	52.1	43.7	40	49.7
(dif)	--	--	--	--	--	-0.7	1.2	-6.6	-0.6	4.4	3.6	1.6	-2.1	-1.7	-8.4	-3.7	9.7

Data: CES and Claims in Ths.

The U.S. Consumer & Housing Market

**Personal Income, Consumption and Credit**

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total Personal Income	5874.8	6200.9	6591.6	7000.8	7525.4	7910.8	8559.4	8883.3	9060.1	9378.1	9937.3	10485.9	11268.1	11912.3	12391.2	12174.9	12546.7
(% ch.)	5.5	5.6	6.3	6.2	7.5	5.1	8.2	3.8	2	3.5	6	5.5	7.5	5.7	4	-1.7	3.1
Disposable Personal Income	5184.3	5457	5759.6	6074.6	6499	6803.3	7327.2	7648.5	8009.7	8377.8	8889.4	9277.3	9915.7	10423.6	10953	11034.9	11380
(% ch.)	5.3	5.3	5.5	5.5	7	4.7	7.7	4.4	4.7	4.6	6.1	4.4	6.9	5.1	5.1	0.7	3.1
Wage Rate (\$)	28268	29136	30210	31573	33205	34573	36630	37565	38341	39536	41283	42640	44593	46673	47955	47977	49336
(% ch.)	1.9	3.1	3.7	4.5	5.2	4.1	5.9	2.6	2.1	3.1	4.4	3.3	4.6	4.7	2.7	0	2.8
Personal Consumption Expenditures (PCE)	4750.8	4987.3	5273.6	5570.6	5918.5	6342.8	6830.4	7148.8	7439.2	7804	8285.1	8819	9322.7	9806.3	10104.5	10001.3	10349
(% ch.)	6	5	5.7	5.6	6.2	7.2	7.7	4.7	4.1	4.9	6.2	6.4	5.7	5.2	3	-1	3.5
Consumer Installment Credit: Total Outstanding	997.3	1140.7	1253.4	1324.8	1421	1531.1	1717	1866.5	1971.2	2076.9	2192.1	2291	2384.8	2522.2	2561.1	2449.4	2407.5
(% ch.)	15.2	14.4	9.9	5.7	7.3	7.7	12.1	8.7	5.6	5.4	5.5	4.5	4.1	5.8	1.5	-4.4	-1.7
Personal Saving as a % of Disposable Personal Income, (%)	5.2	5.2	4.9	4.6	5.3	3.1	2.9	2.7	3.5	3.5	3.4	1.4	2.4	2.1	4.1	5.9	5.8

**Retail Sales**

Total Retail Sales & Food Services	194.5	204.9	216.9	227.9	238.4	257.6	274.1	282.2	288.9	301.5	320.1	341.1	359.4	371.2	367.4	344.1	366.3
(% ch.)	8.2	5.4	5.9	5	4.6	8.1	6.4	2.9	2.4	4.3	6.2	6.5	5.4	3.3	-1	-6.4	6.5
excl. Food Services & Drinking Places	175.7	185.4	196.7	206.3	215.7	233.9	248.7	255.6	261.3	272.2	288.9	307.9	324	334	329.3	305.8	326.9
(% ch.)	8.7	5.5	6.1	4.9	4.5	8.4	6.4	2.8	2.2	4.2	6.1	6.6	5.2	3.1	-1.4	-7.1	6.9
excl. Autos & Gasoline Stations	134.9	141.3	148.5	156.5	164.8	176.1	186.9	193.1	199.7	208.3	221	235.4	248.8	257.6	260.7	255.5	266.8
(% ch.)	6.6	4.7	5.1	5.4	5.3	6.8	6.1	3.3	3.4	4.3	6.1	6.5	5.7	3.5	1.2	-2	4.4

**TCB Consumer Confidence Index**

Overall	90.6	100	104.6	125.4	131.7	135.3	139	106.6	96.6	79.8	96.1	100.3	105.9	103.3	57.9	45.2	54.5
(dif)	24.7	9.5	4.5	20.8	6.3	3.6	3.6	-32.4	-9.9	-16.8	16.3	4.2	5.6	-2.5	-45.4	-12.7	9.3
Present Situation	88	112.9	121	151.4	169.3	176.6	181	141.7	94.6	68	94.9	116.1	130.2	128.8	69.9	24	25.7
(dif)	39.3	24.9	8.1	30.5	17.9	7.3	4.4	-39.4	-47.1	-26.6	26.9	21.2	14.1	-1.4	-58.9	-45.8	1.7
Expectations	92.3	91.5	93.7	108	106.6	107.8	110.9	83.2	98	87.7	96.9	89.7	89.7	86.4	50	59.4	73.7
(dif)	14.9	-0.8	2.2	14.3	-1.4	1.2	3.1	-27.7	14.8	-10.3	9.1	-7.1	-0.1	-3.3	-36.4	9.4	14.3

**The Reuters/UM Index of Consumer Sentiment**

Overall	92.3	92.2	93.6	103.2	104.6	105.8	107.6	89.2	89.6	87.6	95.2	88.6	87.3	85	63.8	66.3	71.8
(dif)	9.5	0	1.4	9.6	1.4	1.2	1.8	-18.3	0.3	-2	7.6	-6.7	-1.2	-2.3	-21.3	2.5	5.6
Expectations	83.8	83.2	85.7	97.7	98.3	99.3	102.7	82.3	84.6	81.4	88.5	77.4	75.9	75.6	57.3	64.1	66
(dif)	11	-0.6	2.5	12	0.6	1	3.4	-20.4	2.3	-3.1	7.1	-11.1	-1.5	-0.3	-18.3	6.8	1.9

**Housing Market**

New Single-Family Homes Sold	667	670	756	806	889	879	880	907	976	1091	1201	1279	1049	769	482	374	322
(% ch.)	-1.1	0.3	12.9	6.7	10.3	-1.2	0.2	3.1	7.6	11.7	10.1	6.5	-18	-26.7	-37.3	-22.5	-14
Existing Single-Family Homes Sold	3554	3514	3783	3973	4492	4636	4614	4727	4998	5443	5914	6181	5712	4959	4337	4559	4311
(% ch.)	3.9	-1.1	7.6	5	13.1	3.2	-0.5	2.4	5.7	8.9	8.6	4.5	-7.6	-13.2	-12.6	5.1	-5.4
Housing Starts	1446	1361	1469	1475	1621	1647	1573	1601	1710	1854	1950	2073	1812	1342	900	554	585
(% ch.)	12	-5.9	7.9	0.4	9.9	1.6	-4.5	1.8	6.8	8.4	5.2	6.3	-12.6	-25.9	-32.9	-38.4	5.6
Housing Permits	1367	1336	1419	1442	1619	1664	1598	1637	1749	1889	2058	2160	1844	1392	896	583	594
(% ch.)	13.2	-2.3	6.2	1.6	12.3	2.7	-3.9	2.4	6.8	8	8.9	5	-14.6	-24.5	-35.6	-35	2
Median New Single-Family Home Price	130.4	133.4	139.8	145.1	152	159.8	166.5	172.6	185	191.4	217.8	234.2	243.1	243.7	230.4	214.5	220.9
(% ch.)	3.4	2.3	4.7	3.8	4.8	5.2	4.2	3.6	7.2	3.4	13.8	7.5	3.8	0.3	-5.5	-6.9	3
Median Existing Single-Family Home Price	112.7	115.8	121.9	128	135	140.3	146	154.5	166.2	178.3	192.8	217.5	221.9	215.5	195.8	172.5	172.7
(% ch.)	4.1	2.8	5.2	5.1	5.4	3.9	4.1	5.8	7.6	7.3	8.1	12.8	2	-2.9	-9.2	-11.9	0.1

Data: Income & Consumption in Bil. \$, SA

Data: Credit & Retail Sales in Bil. \$, SA

Data: Home Sales, Starts & Permits in Ths., SA

Data: Home Prices in Ths. \$

U.S. Price and Production

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Consumer Price Index, (1982-84=100, SA)</b>																	
All Items	148.2	152.4	156.9	160.5	163	166.6	172.2	177	179.9	184	188.9	195.3	201.6	207.3	215.3	214.5	218.1
(% ch.)	2.6	2.8	2.9	2.3	1.5	2.2	3.4	2.8	1.6	2.3	2.7	3.4	3.2	2.9	3.8	-0.3	1.6
Core (All Items Less Food & Energy)	156.5	161.2	165.6	169.5	173.4	177	181.3	186.1	190.4	193.2	196.6	200.9	205.9	210.7	215.6	219.2	221.3
(% ch.)	2.8	3	2.7	2.4	2.3	2.1	2.4	2.7	2.3	1.5	1.8	2.1	2.5	2.3	2.3	1.7	1
Commodities	133.8	136.4	139.9	141.8	141.9	144.4	149.2	150.6	149.7	151.2	154.7	160.2	164	167.5	174.7	169.7	174.6
(% ch.)	1.7	2	2.5	1.4	0.1	1.8	3.3	1	-0.6	1	2.3	3.5	2.4	2.2	4.3	-2.8	2.9
Services	163.1	168.6	174.1	179.4	184.2	188.8	195.3	203.4	209.8	216.5	222.8	230.1	238.9	246.8	255.5	259.2	261.3
(% ch.)	3.3	3.4	3.2	3.1	2.6	2.5	3.4	4.2	3.2	3.2	2.9	3.3	3.8	3.3	3.5	1.4	0.8
<b>Personal Consumption Expenditures</b>																	
PCE C-W Price Index, (2000 = 100, SA)	80.3	82	83.8	85.4	86.2	87.6	89.8	91.5	92.7	94.6	97.1	100	102.7	105.6	109.1	109.3	111.1
(% ch.)	2.1	2.2	2.2	1.9	1	1.6	2.5	1.9	1.4	2	2.6	3	2.7	2.7	3.3	0.2	1.7
PCE C-W Price Index Less Food & Energy, (2000 = 100, SA)	81.8	83.7	85.3	87	88.2	89.6	91.1	92.7	94.3	95.8	97.8	100	102.3	104.7	107.2	108.8	110.2
(% ch.)	2.2	2.3	1.9	1.9	1.4	1.5	1.7	1.8	1.7	1.5	2.1	2.3	2.3	2.4	2.3	1.5	1.3
<b>Producer Price Index, (1982=100, SA)</b>																	
Finished Goods	125.5	127.9	131.3	131.8	130.7	133	138	140.7	138.9	143.3	148.5	155.8	160.4	166.6	177.2	172.7	180
(% ch.)	0.6	1.9	2.6	0.4	-0.9	1.8	3.8	1.9	-1.3	3.2	3.6	4.9	2.9	3.9	6.4	-2.5	4.2
Finished Goods Less Food and Energy	137.1	139.9	142	142.4	143.7	146.1	148	150	150.1	150.4	152.7	156.3	158.7	161.9	167.4	171.7	173.8
(% ch.)	1	2.1	1.5	0.3	0.9	1.6	1.3	1.4	0.1	0.2	1.5	2.4	1.5	2	3.4	2.5	1.2
West Texas Intermediate Oil Price, (\$ per Bbl)	17.2	18.4	22.2	20.6	14.4	19.3	30.3	25.9	26.1	31.1	41.4	56.5	66.1	72.4	99.6	61.7	79.4
(% ch.)	-6.9	7.2	20.2	-7	-30.2	33.8	57.4	-14.4	0.7	19.3	33.1	36.3	17.1	9.5	37.6	-38	28.7
<b>Production</b>																	
Industrial Production, (Index 2002=100, SA)	68.4	71.6	74.8	80.2	84.9	88.5	92.1	88.9	89.1	90.2	92.3	95.3	97.4	100	96.3	85.5	90.1
(% ch.)	5.3	4.7	4.4	7.2	5.8	4.3	4	-3.4	0.2	1.3	2.3	3.2	2.2	2.7	-3.7	-11.2	5.3
Purchasing Managers Index	57.8	49.5	50.1	55	50.2	54.6	51.7	43.4	50.8	51.7	59.1	54.4	53.1	51.1	45.5	46.3	57.3
(dif)	5.3	-8.4	0.7	4.9	-4.8	4.4	-3	-8.3	7.4	0.9	7.4	-4.7	-1.2	-2	-5.6	0.8	11
Business Activity	--	--	--	--	57.3	59.1	59.3	49	55.1	58.3	62.5	60.1	58	56	47.5	48.1	57.4
(dif)	--	--	--	--	--	1.8	0.1	-10.3	6.2	3.2	4.2	-2.4	-2.2	-1.9	-8.5	0.6	9.3
Total New Orders	144.1	154.2	161.9	174.5	178.1	187.8	193.6	173	167.7	174.3	183.5	202.2	214.9	235.8	214.5	170.2	193.4
(% ch.)	12	7	5	7.8	2.1	5.4	3.1	-10.6	-3.1	3.9	5.3	10.2	6.3	9.7	-9	-20.7	13.6
Excluding Defense	137.2	147.9	153.9	168.5	172	181.3	185.9	165.2	160.7	165.1	174.9	193.1	205.8	224.3	202.2	158.1	180.9
(% ch.)	12.8	7.8	4.1	9.5	2	5.4	2.5	-11.1	-2.7	2.7	6	10.4	6.5	9	-9.8	-21.8	14.4
Inventory/Sales Ratios, SA																	
Total Business	1.46	1.48	1.46	1.42	1.43	1.4	1.41	1.42	1.36	1.34	1.3	1.27	1.28	1.28	1.32	1.36	1.25
Manufacturing	1.44	1.44	1.43	1.37	1.39	1.35	1.35	1.38	1.28	1.24	1.19	1.17	1.2	1.22	1.28	1.36	1.26

Data: Orders in Bil. \$, SA

## Rates &amp; Trade

Rates	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
M2 Money Stock, (Bil. \$, SA)	3493.8	3637.8	3818.3	4033.1	4375	4634.6	4916	5431.5	5776.4	6064.9	6408.6	6674.4	7066	7494.7	8248.3	8530.9	8816.9
(% ch.)	0.4	4.1	5	5.6	8.5	5.9	6.1	10.5	6.3	5	5.7	4.1	5.9	6.1	10.1	3.4	3.4
Discount Rate, (% P.A.)	3.6	5.21	5.02	5	4.92	4.62	5.73	3.41	1.17	2.12	2.34	4.19	5.96	5.86	2.39	0.5	0.72
Federal Funds Target Rate, (%)	5.5	5.5	5.25	5.5	4.75	5.5	6.5	1.75	1.25	1	2.25	4.25	5.25	4.25	0.13	0.13	0.13
Federal Funds Effective Rate, (% P.A.)	4.2	5.84	5.3	5.46	5.35	4.97	6.24	3.89	1.67	1.13	1.35	3.21	4.96	5.02	1.93	0.16	0.18
Prime Rate, (% P.A.)	7.14	8.83	8.27	8.44	8.35	7.99	9.23	6.92	4.68	4.12	4.34	6.19	7.96	8.05	5.09	3.25	3.25
3-Month T-Bill Auction Average, (%)	4.26	5.52	5.02	5.07	4.82	4.66	5.85	3.45	1.62	1.01	1.37	3.15	4.72	4.41	1.47	0.16	0.14
10-Year T-Bond Nominal, (% P.A.)	7.08	6.58	6.44	6.35	5.26	5.64	6.03	5.02	4.61	4.01	4.27	4.29	4.79	4.63	3.67	3.26	3.21
10-Year T-Bond minus FFunds Rate (Y.Curve)	288	74	114	89	-9	67	-21	113	294	289	293	108	-17	-39	174	310	304
Moodys AAA Corporate, (% P.A.)	7.96	7.59	7.37	7.26	6.53	7.04	7.62	7.08	6.49	5.67	5.63	5.23	5.59	5.56	5.63	5.31	4.94
AAA minus 10-Year Bond	88	101	93	91	127	141	159	206	188	165	135	94	79	93	197	206	173
Municipal Bond Yield Average, (% Seasoned)	5.98	5.9	5.68	5.41	5.03	5.47	5.8	5.27	5.13	4.81	4.77	4.51	4.45	4.33	5.03	5.08	4.54
New York Stock Exchange Vol. (Mil.)	6118	7268	8720	11109	14145	16926	21873	25626	30261	29154	31833	36539	40516	44336	55020	45775	37054
Dow Jones Industrials, (Index 1920=100, Monthly End)	3834	5117	6448	7908	9181	11497	10787	10022	8342	10454	10783	10718	12463	13265	8776	10428	11578
S&P 500 Stock Price (Index 1941-43=10, Monthly Avg)	460	542	671	873	1084	1326	1427	1192	996	964	1131	1207	1311	1477	1221	947	1139
S&P Common Stock P/E Ratio, (% NSA, Month Avg)	19.9	16.9	19.3	22.1	27.5	33.6	28.8	27.1	37.8	30.9	22.7	19.8	18.1	18	20.6	--	--
Nasdaq Composite Index, (Index Feb 05 1971=100)	752	925	1165	1468	1793	2721	3778	2031	1544	1643	1987	2099	2265	2577	2162	1841	2348

## Trade, (Bil. \$, SA)

Total Exports	58.6	66.2	71	77.9	77.8	80.5	89.2	83.7	81.5	85	96.6	106.8	121.4	136.9	153.3	130.9	152.8
(% ch.)	9.4	13	7.2	9.7	-0.1	3.5	10.8	-6.1	-2.7	4.4	13.6	10.5	13.7	12.8	11.9	-14.6	16.8
Total Imports	66.8	74.2	79.6	86.9	91.6	102.6	120.9	114.2	116.6	126.3	147.4	166.4	184.2	195.4	211.5	162.1	194.2
(% ch.)	12.4	11.1	7.3	9.1	5.4	12	17.8	-5.5	2.1	8.3	16.8	12.9	10.7	6.1	8.2	-23.3	19.7
Total Trade Balance	-8.2	-8	-8.7	-9	-13.8	-22.1	-31.7	-30.5	-35.1	-41.3	-50.8	-59.6	-62.8	-58.5	-58.2	-31.2	-41.3
(% ch.)	40.1	-2.1	8	4	53.4	59.6	43.3	-3.8	15.3	17.4	23.2	17.3	5.3	-6.9	-0.4	-46.4	32.2

## Import Price Index, (2000=100, NSA)

Total Imports	96.2	100.6	101.6	99.1	93.1	93.9	100	96.5	94.1	96.9	102.3	110	115.4	120.2	134.1	118.6	126.8
(% ch.)	1.7	4.5	1	-2.5	-6	0.9	6.5	-3.5	-2.5	2.9	5.6	7.5	4.9	4.2	11.5	-11.5	6.9
Excluding Fuels	--	--	--	--	--	--	--	--	99.9	100.4	102.9	104.9	106.9	109.6	115	111.6	114.6
(% ch.)	--	--	--	--	--	--	--	--	--	0.5	2.4	1.9	1.9	2.6	4.9	-3	2.7
Canada (% ch.)	1.9	7	0.6	-0.9	-3.5	1.7	9.4	0.4	-2.6	5.9	8.7	9.7	4.4	4.4	15	-16.5	10.2
Mexico (% ch.)	--	--	--	--	--	--	--	--	--	--	--	7.2	7.2	7.1	13.4	-9	4.7
European Union (% ch.)	1.4	5.6	2.5	-1.2	-1.1	0.4	0.5	-1.6	1.1	3.5	5.7	5	3.9	2.6	6.8	-4	2.7
Japan (% ch.)	4.9	4.5	-2.2	-4.9	-4.8	0.2	1.5	-1.6	-3.1	-1.2	1.2	0.5	-1.4	-0.5	1.3	1.8	1.9
China (% ch.)	--	--	--	--	--	--	--	--	--	--	--	-0.8	-1.1	0.8	4.1	-1.6	-0.1

## Export Price Index, (2000=100, NSA)

Total Exports	98.9	103.9	104.5	103.1	99.7	98.4	100	99.2	98.2	99.7	103.6	106.9	110.7	116.1	123.1	117.4	123.1
(% ch.)	2.1	5	0.5	-1.4	-3.3	-1.3	1.6	-0.8	-1	1.6	3.9	3.2	3.6	4.9	6	-4.6	4.9
Yen Per U.S. \$	102.2	94.1	108.7	121	130.7	113.7	107.8	121.5	125.3	115.9	108.2	110.1	116.3	117.8	103.4	93.6	87.8
\$ per EURO	1.2	1.4	1.3	1.1	1.1	1.1	0.9	0.9	0.9	1.1	1.2	1.2	1.3	1.4	1.5	1.4	1.3
Total Surplus or Deficit, (\$Mil.)	-174982	-146454	-110891	-2440	54388	158616	254848	94263	-230644	-396771	-398474	-321779	-209219	-187940	-680469	-1471297	-1275104

NYC Economic Data

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Nominal GCP	294.8	307.7	332.9	357.3	368.3	405.8	451.8	438.3	433.4	458.4	493.4	542.7	595.9	635.2	610.9	601.5	--
(% ch.)	4.2	4.4	8.2	7.3	3.1	10.2	11.3	-3	-1.1	5.8	7.6	10	9.8	6.6	-3.8	-1.5	--
Real GCP	376.7	386.1	410	432.4	440.4	479.4	523.9	498.3	480.3	493.6	512.4	542.6	574.1	595	559	541.4	--
(year % ch.)	2.3	2.5	6.2	5.5	1.9	8.8	9.3	-4.9	-3.6	2.8	3.8	5.9	5.8	3.6	-6	-3.2	--
Wage Rate	40,872	43,394	45,980	48,884	51,336	54,000	59,139	61,014	59,477	60,355	64,861	67,912	73,508	80,070	80,325	73,864	78,029
(% ch.)	1.38	6.17	5.96	6.32	5.02	5.19	9.52	3.17	-2.52	1.48	7.47	4.7	8.24	8.93	0.32	-8.04	5.64
Finance Wage Rate	81,473	93,990	107,861	124,363	129,215	144,072	174,561	181,137	165,568	167,061	196,190	209,405	245,253	286,001	280,353	230,018	262,213
(% ch.)	-4.6	15.4	14.8	15.3	3.9	11.5	21.2	3.8	-8.6	0.9	17.4	6.7	17.1	16.6	-2	-18	14
Securities Wage Rate	113,424	132,451	160,102	176,802	195,568	196,054	242,211	247,252	225,750	226,519	270,589	291,244	343,123	403,358	391,158	309,319	363,480
(% ch.)	-12.5	16.8	20.9	10.4	10.6	0.2	23.5	2.1	-8.7	0.3	19.5	7.6	17.8	17.6	-3	-20.9	17.5
Private Non-Finance Wage Rate	35,478	36,709	38,134	39,627	42,177	43,730	46,449	47,852	48,615	49,757	51,768	53,923	56,429	59,799	61,063	59,498	61,701
(% ch.)	2.68	3.47	3.88	3.92	6.44	3.68	6.22	3.02	1.59	2.35	4.04	4.16	4.65	5.97	2.11	-2.56	3.7
Total Wage Earnings	132.5	140.7	150.9	163.2	175.9	189.5	213.1	217.4	205.9	206.7	223	236.8	260.8	291	295.2	263.4	280
(% ch.)	2	6.2	7.3	8.2	7.8	7.7	12.5	2	-5.3	0.4	7.9	6.2	10.1	11.6	1.4	-10.8	6.3
Finance Wage Earnings	29.3	33.1	37.4	43.4	45.9	51.2	62.9	64.8	53.9	52.1	61.3	67.1	80.9	97.2	94.8	71.7	79.8
(% ch.)	-3.6	13	13.1	15.8	5.8	11.6	22.8	3.1	-16.8	-3.4	17.6	9.5	20.5	20.1	-2.4	-24.4	11.3
Securities Wage Earnings	16.4	19.2	23.2	27.3	32	33.1	46	47.4	37.7	35.8	43.6	48.8	59.8	73.5	71.9	51.4	58.4
(% ch.)	-6.8	16.5	21.3	17.5	17.1	3.4	38.9	3.1	-20.5	-5.1	21.9	11.8	22.7	22.8	-2.2	-28.6	13.7
Private Non-Finance Wage Earnings	82.9	87	92.4	98.2	107.2	114.2	125.3	127.2	125.6	127.7	133.8	141.5	151.1	164.6	170.4	161	169
(% ch.)	4.04	4.96	6.17	6.33	9.15	6.55	9.72	1.52	-1.31	1.73	4.74	5.76	6.78	8.93	3.53	-5.48	4.92
Personal Income, (Bil. \$)	207	220.6	234	246.5	260.5	273.6	293.2	298.9	299.7	305.8	327.7	351.8	387	417	425.1	408	--
(% ch.)	3.3	6.5	6.1	5.3	5.7	5	7.2	2	0.3	2	7.2	7.4	10	7.8	1.9	-4	--
NYSE Member-Firm Profits, (Bil. \$)	1.1	7.4	11.3	12.2	9.8	16.3	21	10.4	6.9	16.7	13.7	9.4	20.9	-11.3	-42.6	61.4	27.6
(% ch.)	-86.9	556.5	52.2	8.3	-19.8	66.2	28.9	-50.4	-33.5	142.1	-18.3	-30.9	121.2	-154.1	276.8	-244.3	-55
Total Employment, SA	3320.4	3337.4	3367.1	3439.7	3526.8	3618.4	3717.1	3689.4	3581.2	3531.3	3549.4	3602.5	3667.2	3744.5	3794.5	3693.5	3707.8
(% ch.)	0.94	0.51	0.89	2.16	2.53	2.6	2.73	-0.75	-2.93	-1.39	0.51	1.5	1.8	2.11	1.34	-2.66	0.39
Private Employment, SA	2742.8	2778	2822	2889.4	2966.4	3051.5	3148.3	3127.1	3015	2974.6	2994.9	3046.8	3112	3185.4	3230.4	3126.7	3149.9
(% ch.)	1.49	1.28	1.58	2.39	2.67	2.87	3.17	-0.67	-3.59	-1.34	0.68	1.73	2.14	2.36	1.41	-3.21	0.74
Unemployment Rate	8.8	8.18	8.82	9.43	7.92	6.86	5.78	6.03	8.05	8.29	7.04	5.77	5	4.88	5.43	9.25	9.44
(dif)	-1.53	-0.62	0.64	0.6	-1.51	-1.06	-1.08	0.26	2.02	0.24	-1.25	-1.28	-0.77	-0.13	0.56	3.82	0.19
Consumer Price Index, (1982-84=100, SA)																	
All Items	158.2	162.2	166.9	170.8	173.6	177	182.5	187.1	191.9	197.8	204.8	212.7	220.7	226.9	235.8	236.8	240.9
(% ch.)	2.38	2.51	2.94	2.33	1.63	1.94	3.11	2.55	2.55	3.07	3.53	3.88	3.78	2.81	3.9	0.44	1.71
Core (All Items Less Food & Energy)	167.5	171.9	176.9	181.4	185.4	188.8	193.5	198.7	205.8	210.9	217	223.5	231	236.4	242.2	247	250.1
(% ch.)	2.6	2.64	2.91	2.55	2.23	1.83	2.5	2.69	3.56	2.46	2.92	2.96	3.38	2.33	2.46	1.97	1.27

