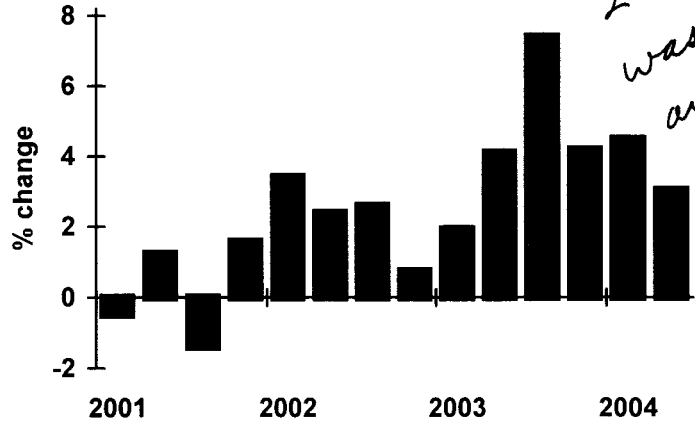
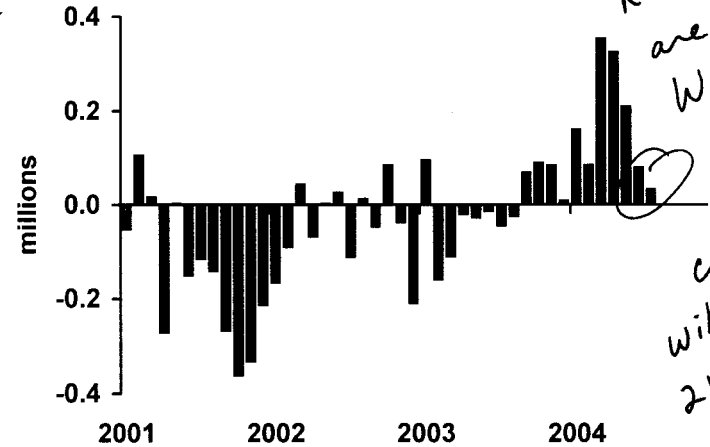


GDP Inflation Adjusted



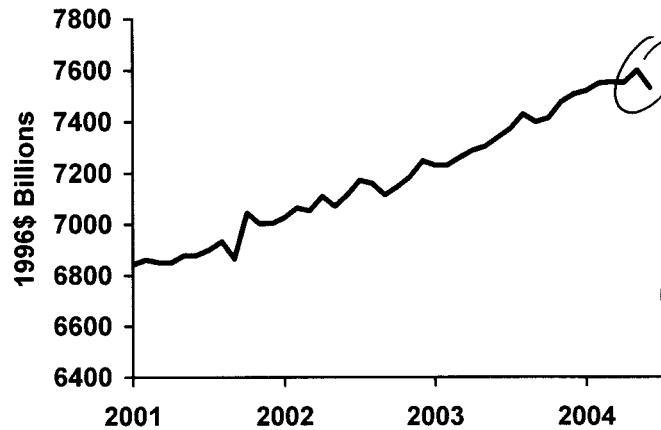
2nd quarter was at long-run average. Best estimate is that above-normal growth resumes, but ---

Net New Jobs



Recent data are troubling. Weak jobs numbers and many corporations with weak 2nd quarter sales.

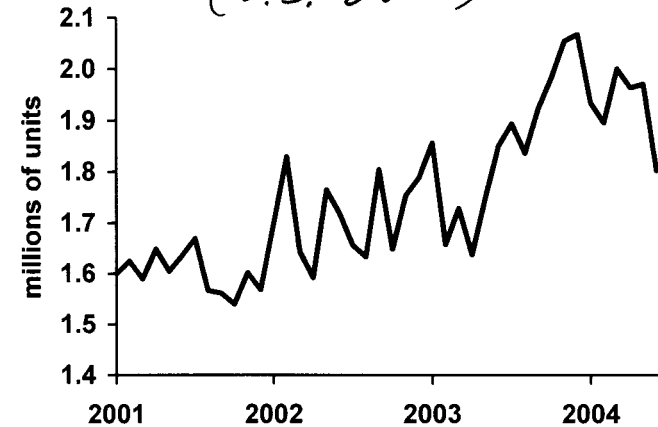
Consumer Spending



Consumers dialed back in the face of high prices and rising interest rates.

Housing Starts

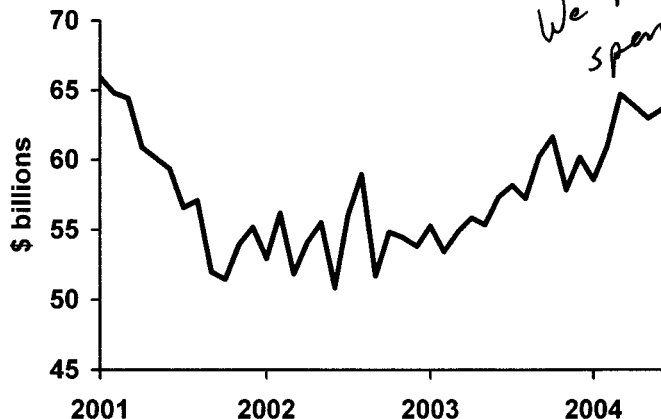
(U.S. data)



No surprise here, but it doesn't help.

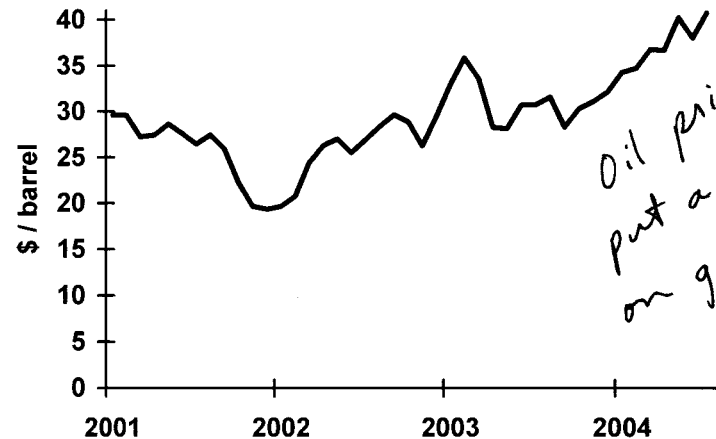
Capital Goods Orders

Non-Defense



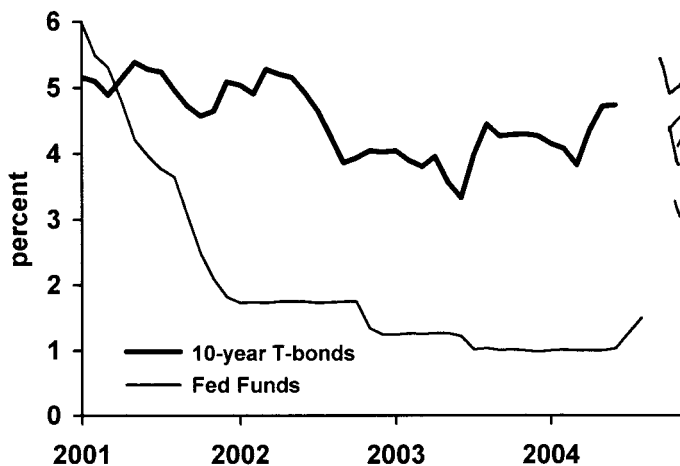
*We need business spending to take over from consumers.*

Oil Price



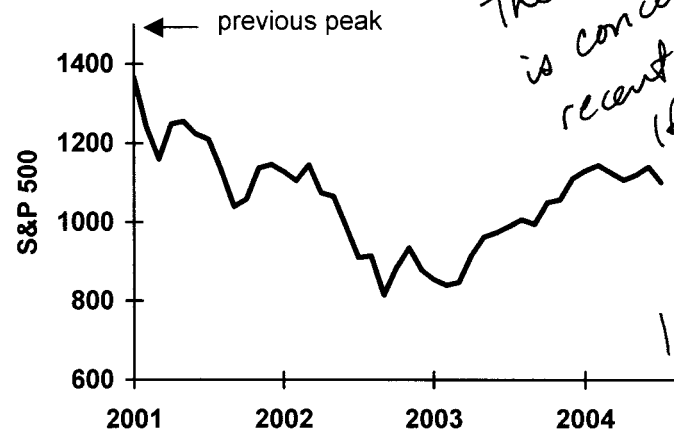
*Oil prices will put a damper on growth.*

Interest Rates



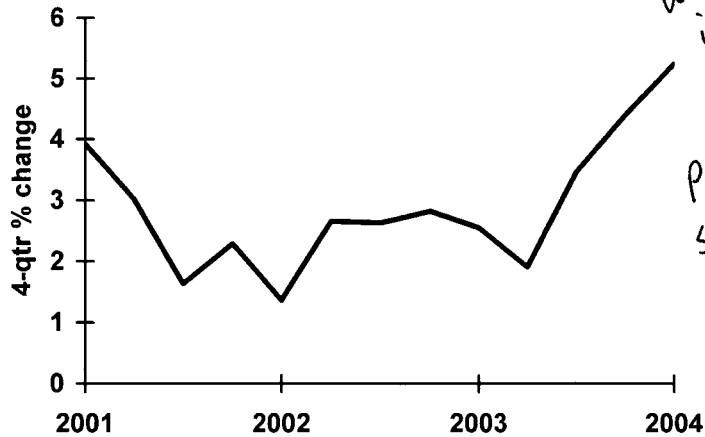
*Look for the Fed to take a vacation until after the election.*

Stock Market



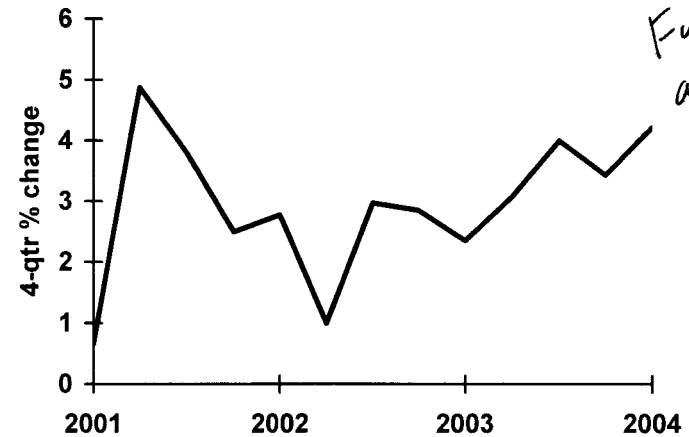
*The market, like me, is concerned about recent weakness. If I am right that growth will resume, look for strong stocks in coming months.*

Oregon Personal Income



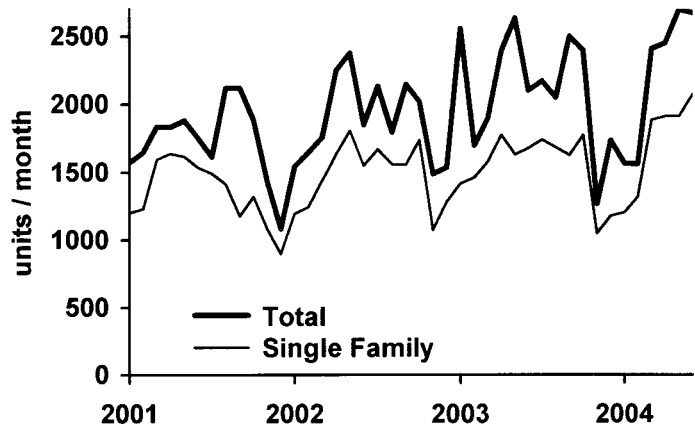
*Weakness is behind us. This pace is sustainable well into the future.*

Washington Personal Income



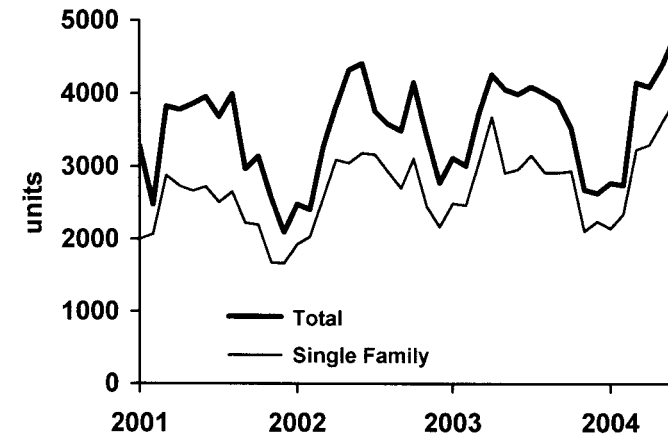
*Further acceleration likely.*

Oregon Home Building



*Migration is supporting new construction.*

Washington Home Building



*Northwest is bucking the national trend.*