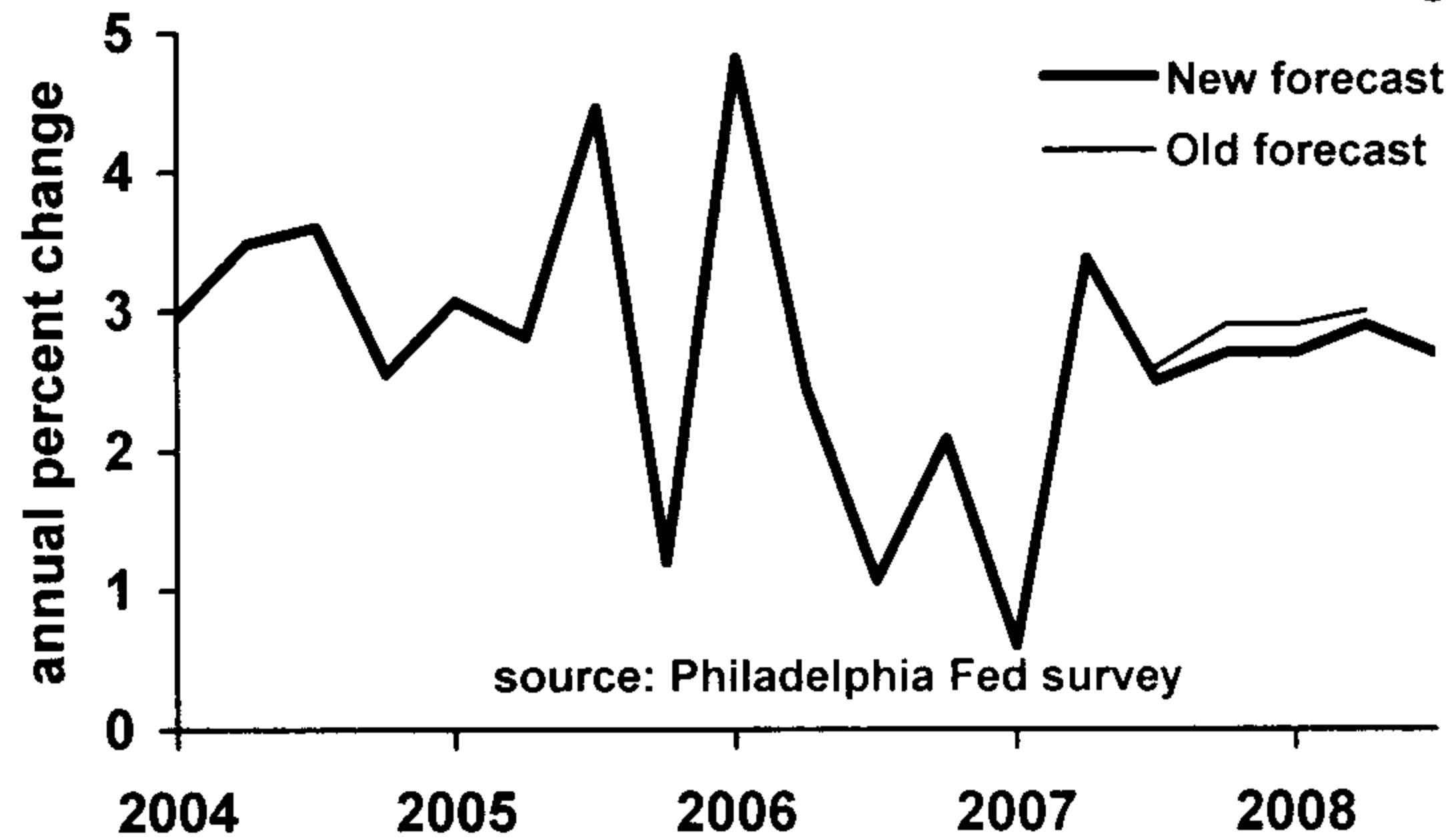


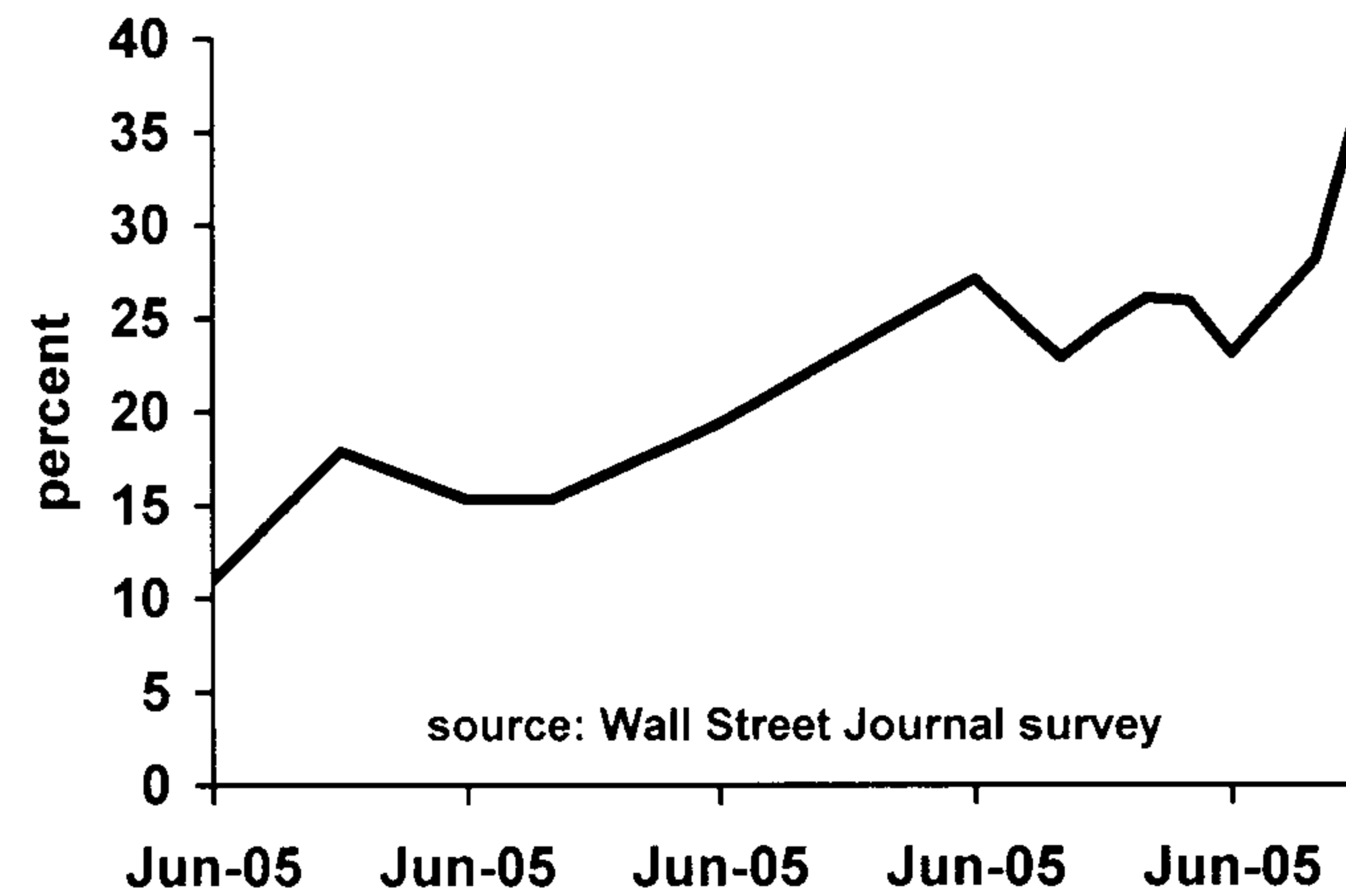
Real GDP Growth

Consensus Economic Forecast



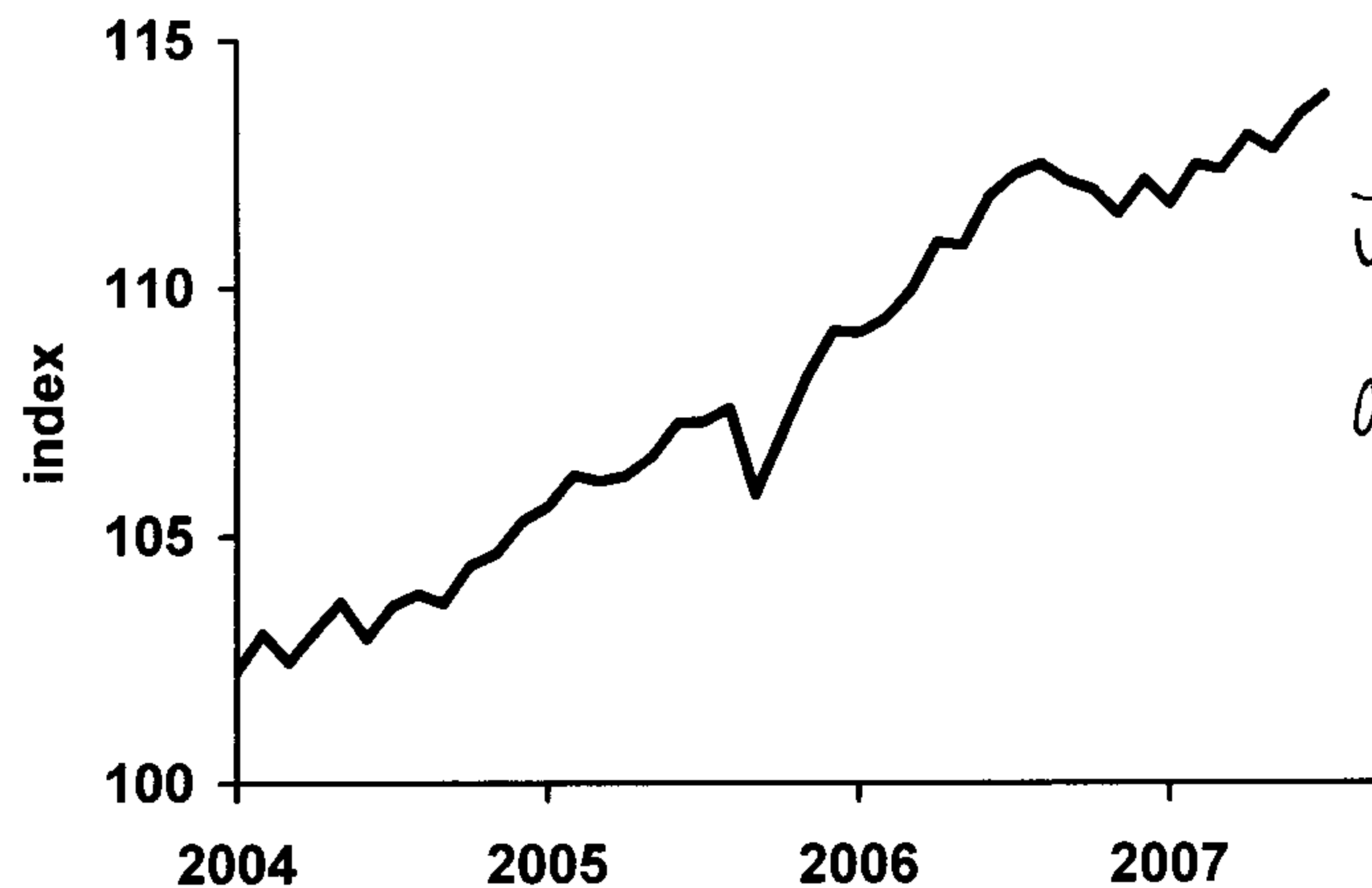
Consensus calls for slightly sub-par growth.

Probability of Recession



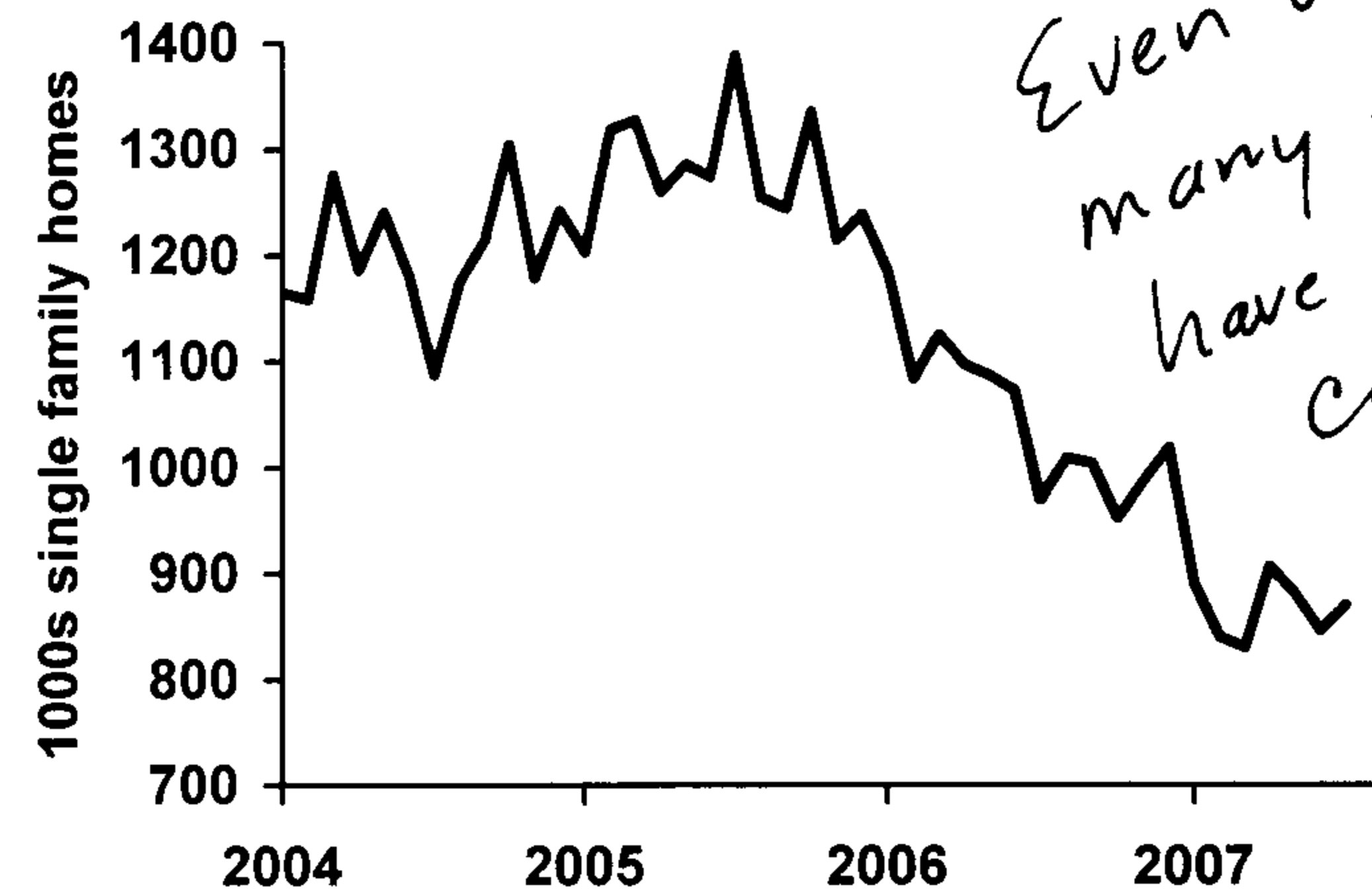
But we economists are worrying about recession.

Industrial Production



Industry is looking better after a little slump.

New Home Sales



Even worse news: many of these sales have been cancelled by the buyers.

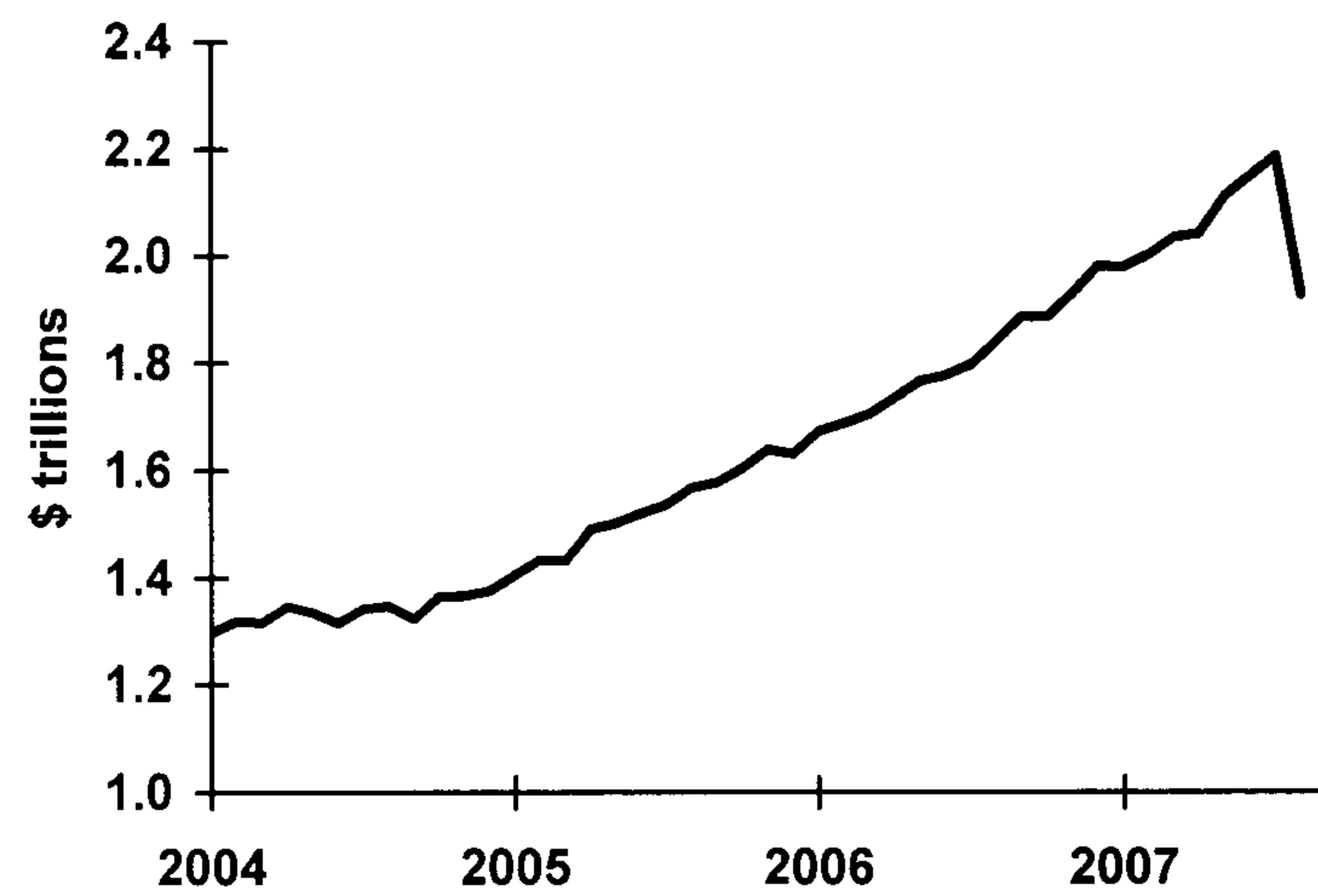
Corporate Profits After-Tax

based on tax data



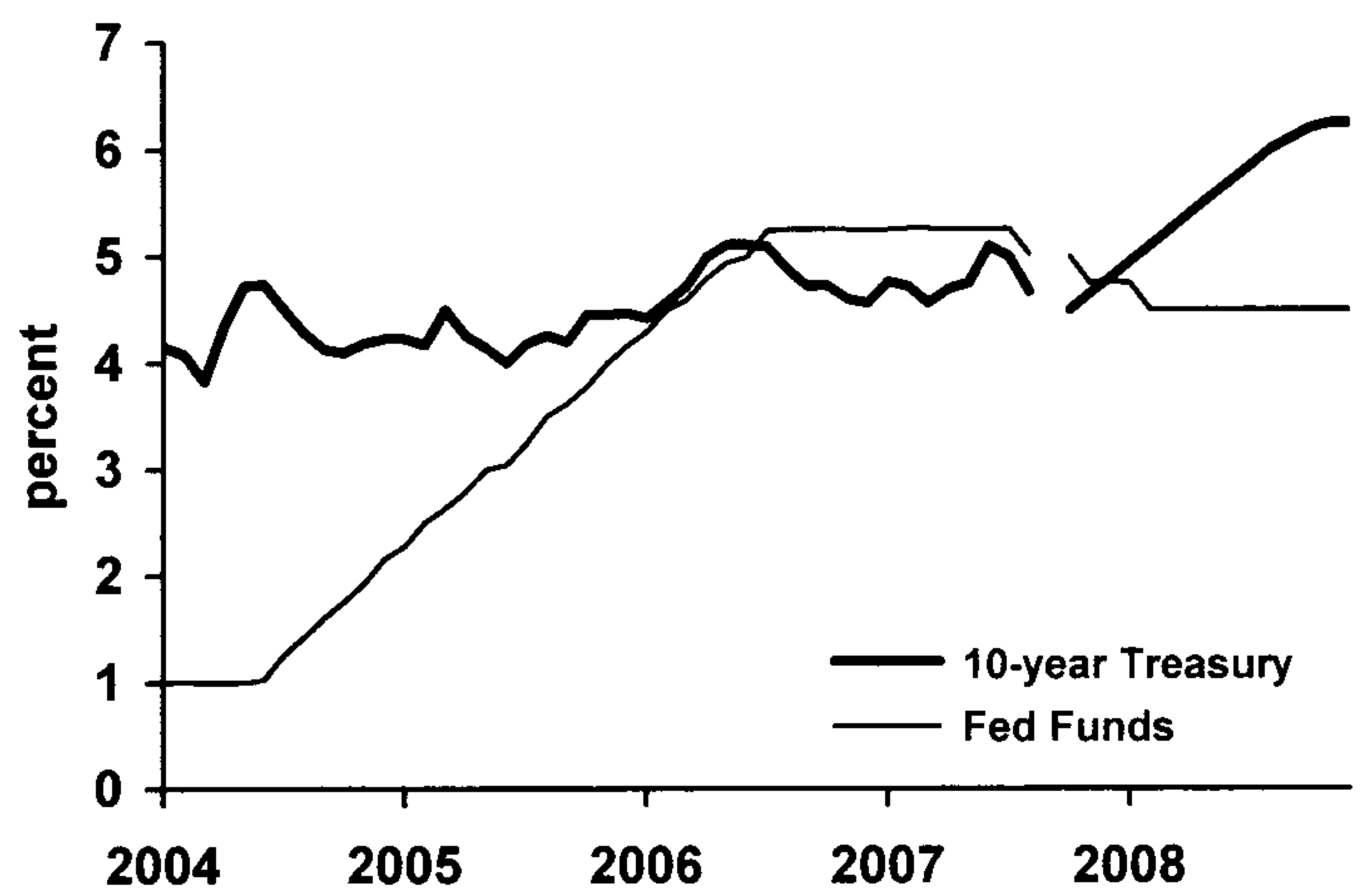
Earnings are OK.

Commercial Paper Outstanding



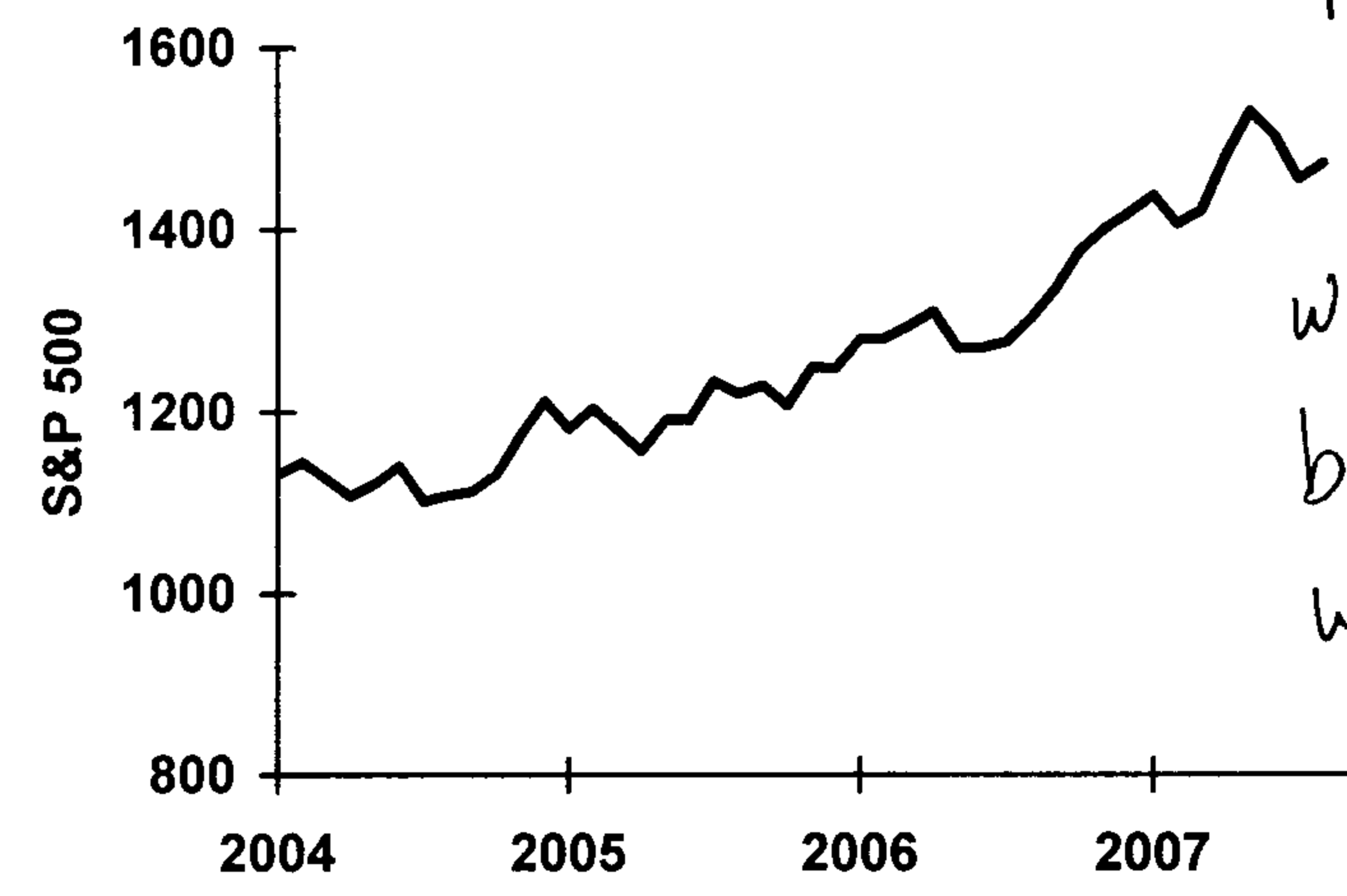
Investors are now a afraid of risk.

Interest Rates



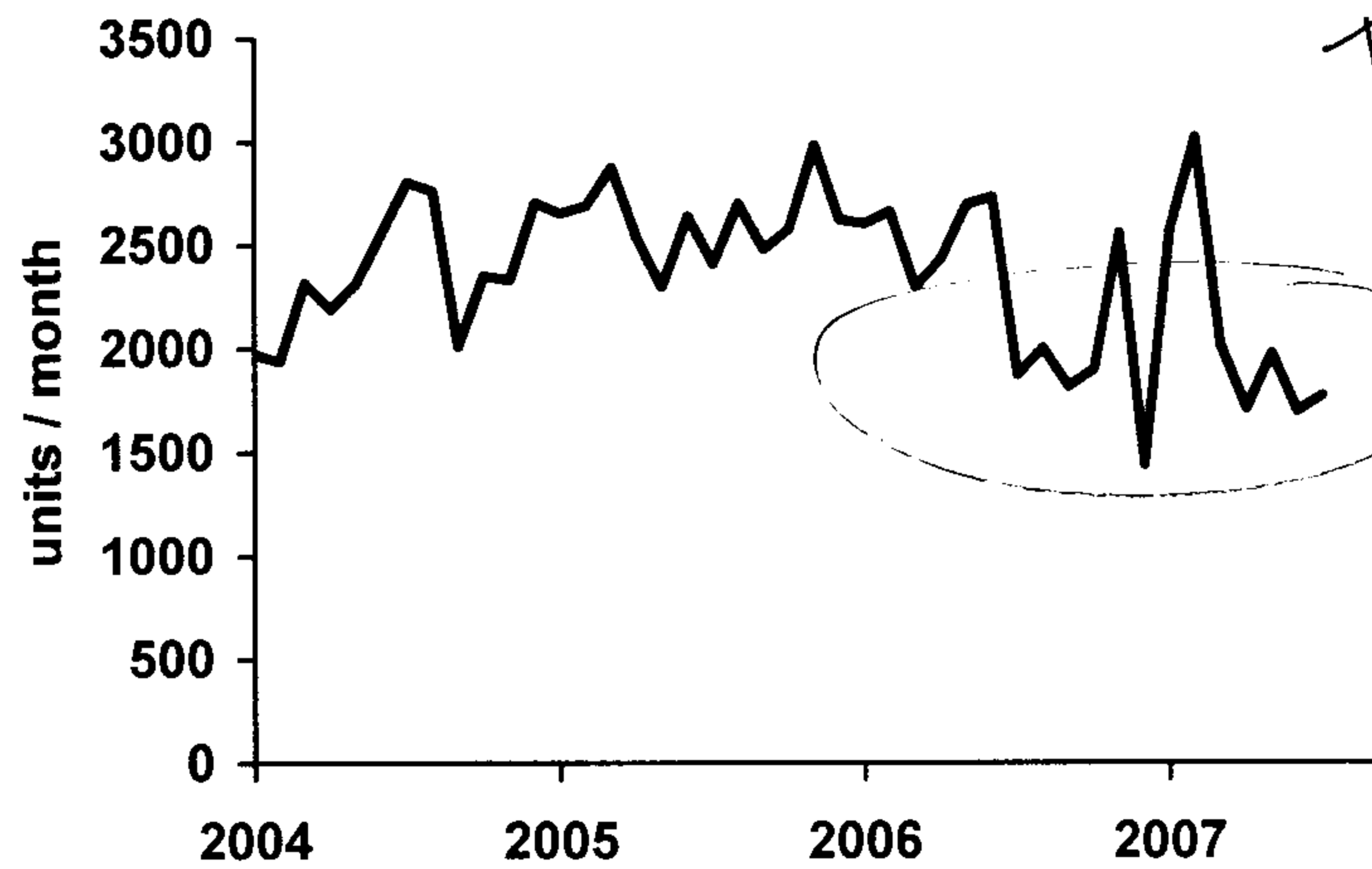
Look for a few Fed cuts, but long rates to rise.

Stock Market



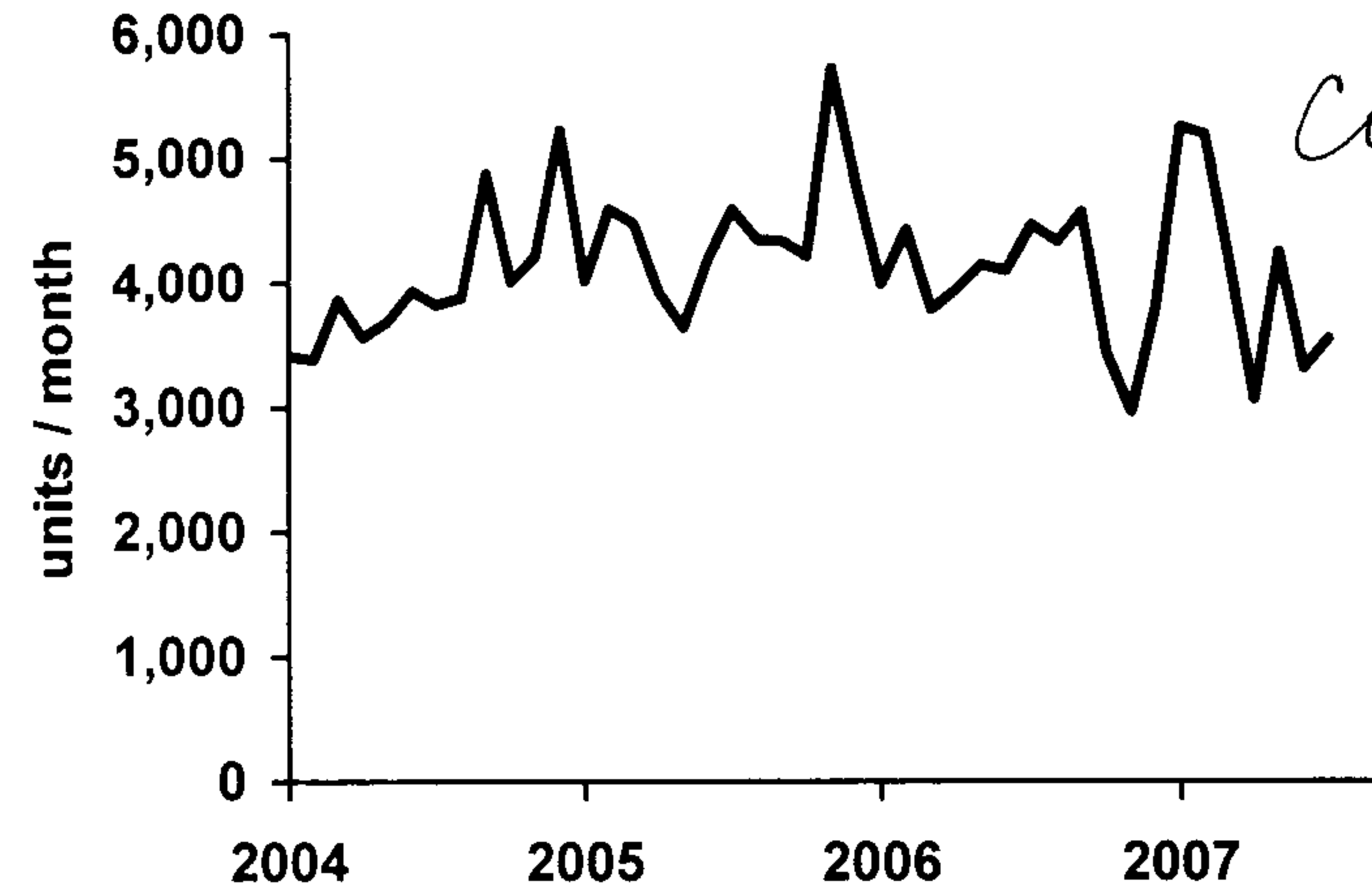
After it sorts out who is holding bad assets, Wall Street will buy everything else.

Oregon Home Building
Seasonally Adjusted



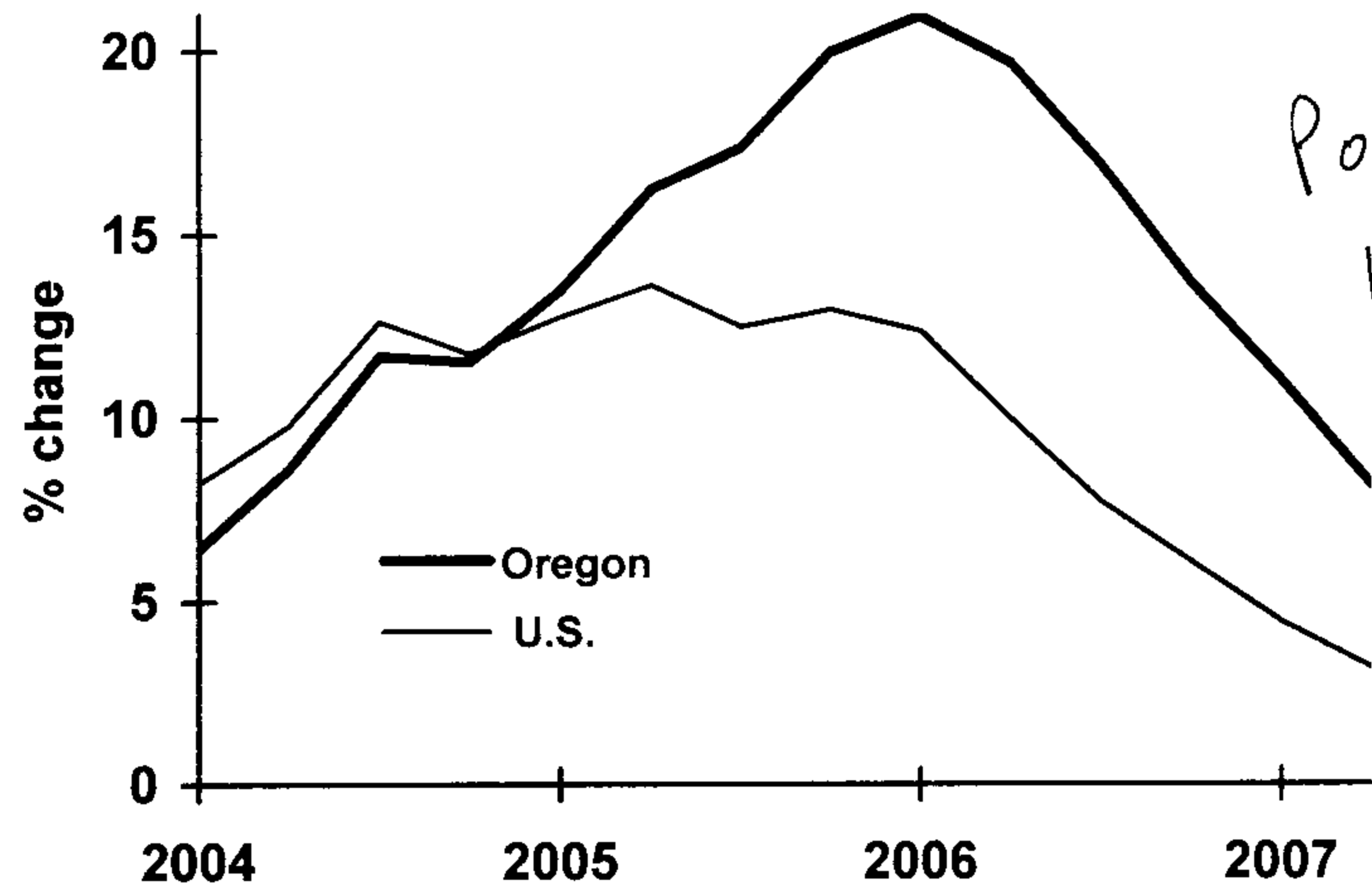
The new, lower level is about equal to average demand.

Washington Home Building
Seasonally Adjusted



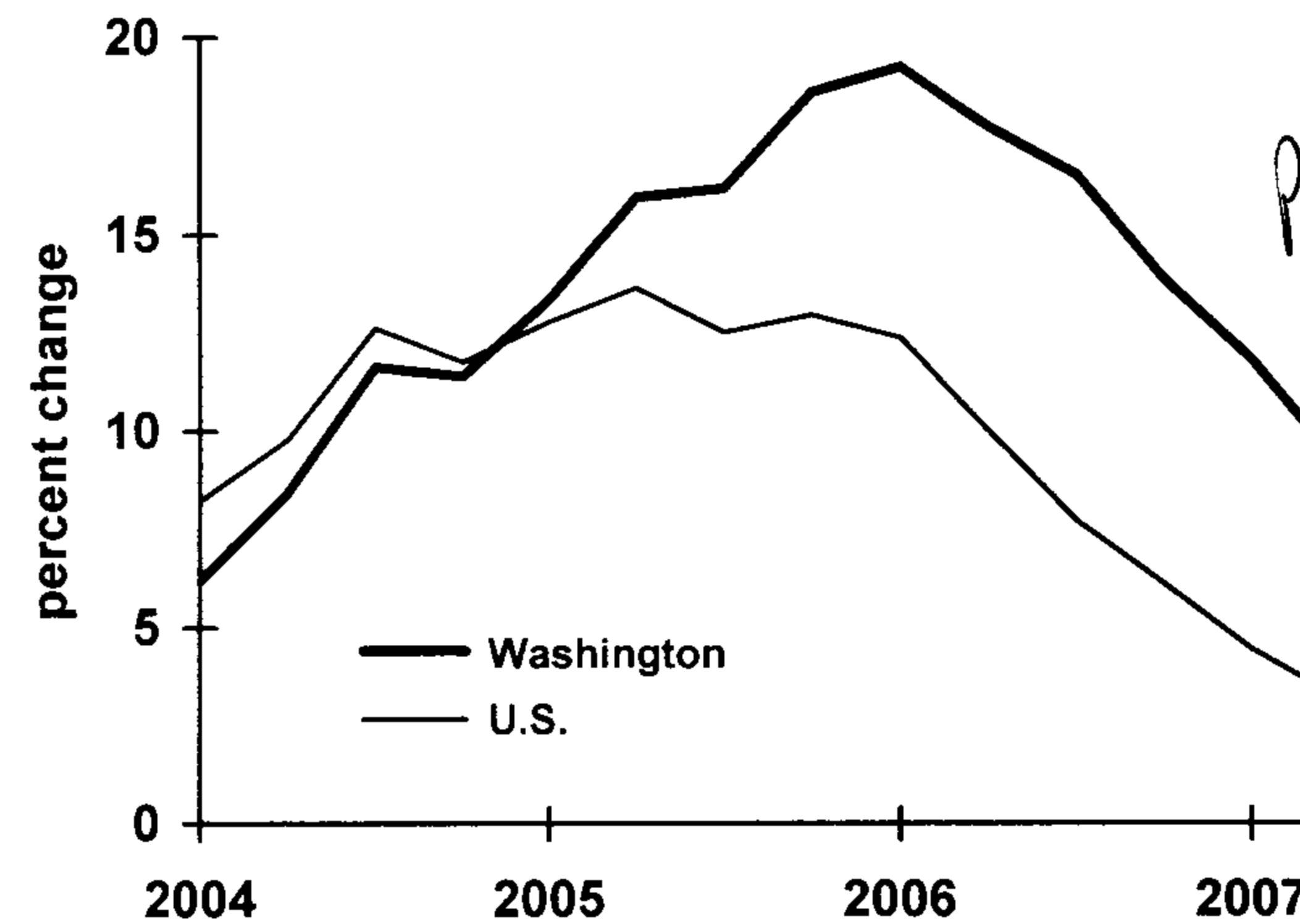
Construction now in line with needs of the growing population.

Home Price Appreciation



Poised for low-to-moderate gains next year.

Washington Home Appreciation



Price appreciation continues, but at a more reasonable pace.