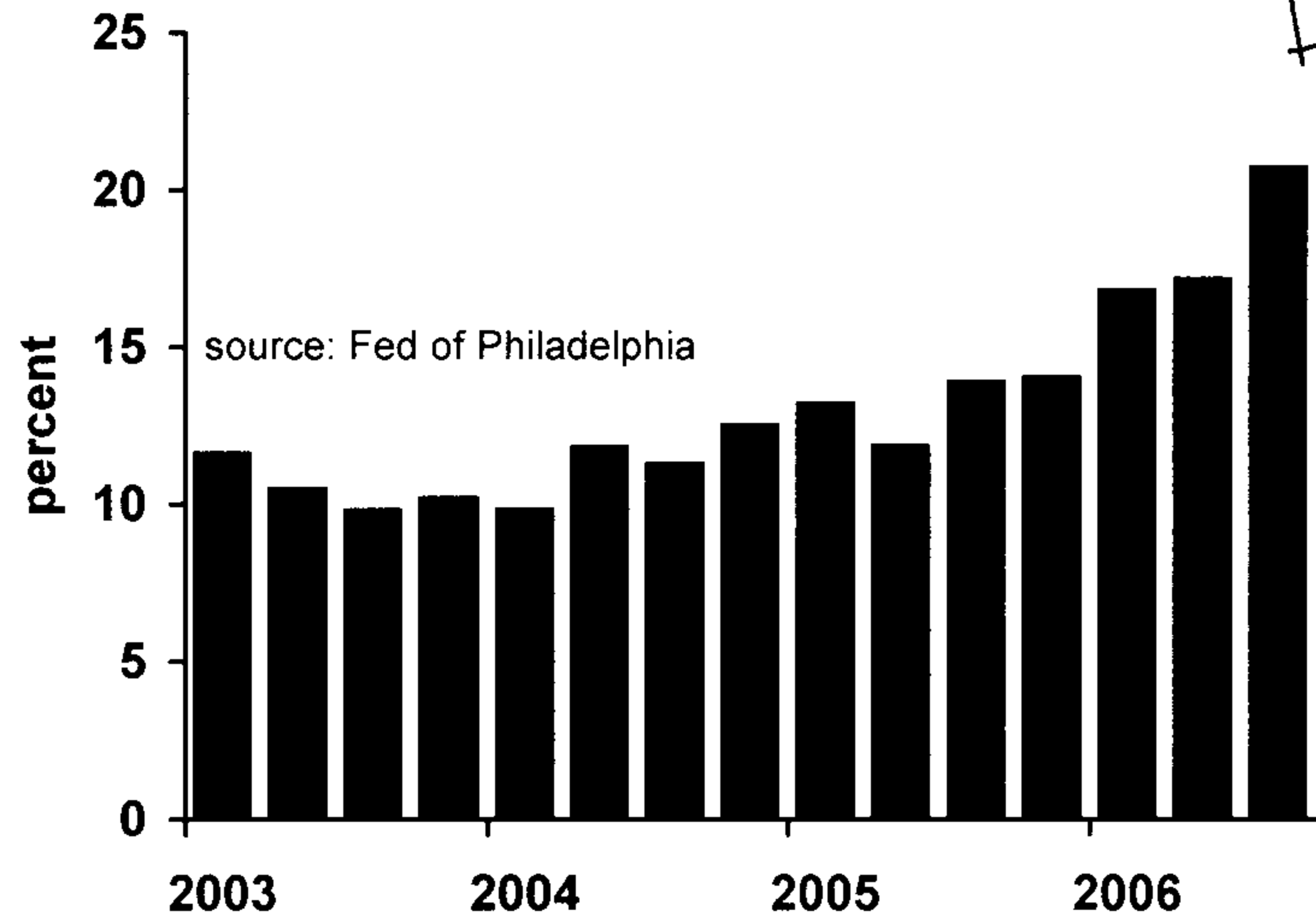


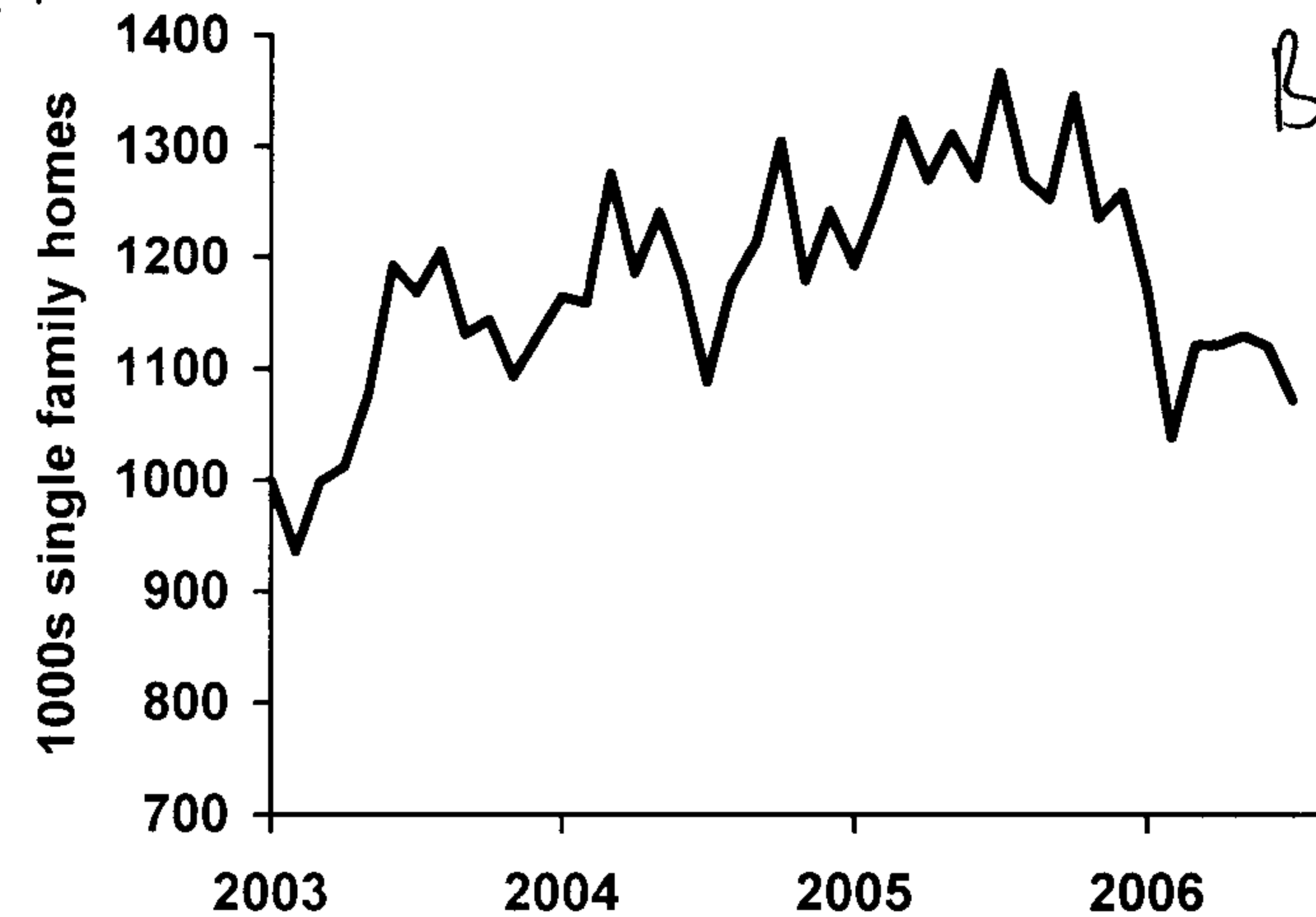
Probability of Recession

Average of Professional Forecasters



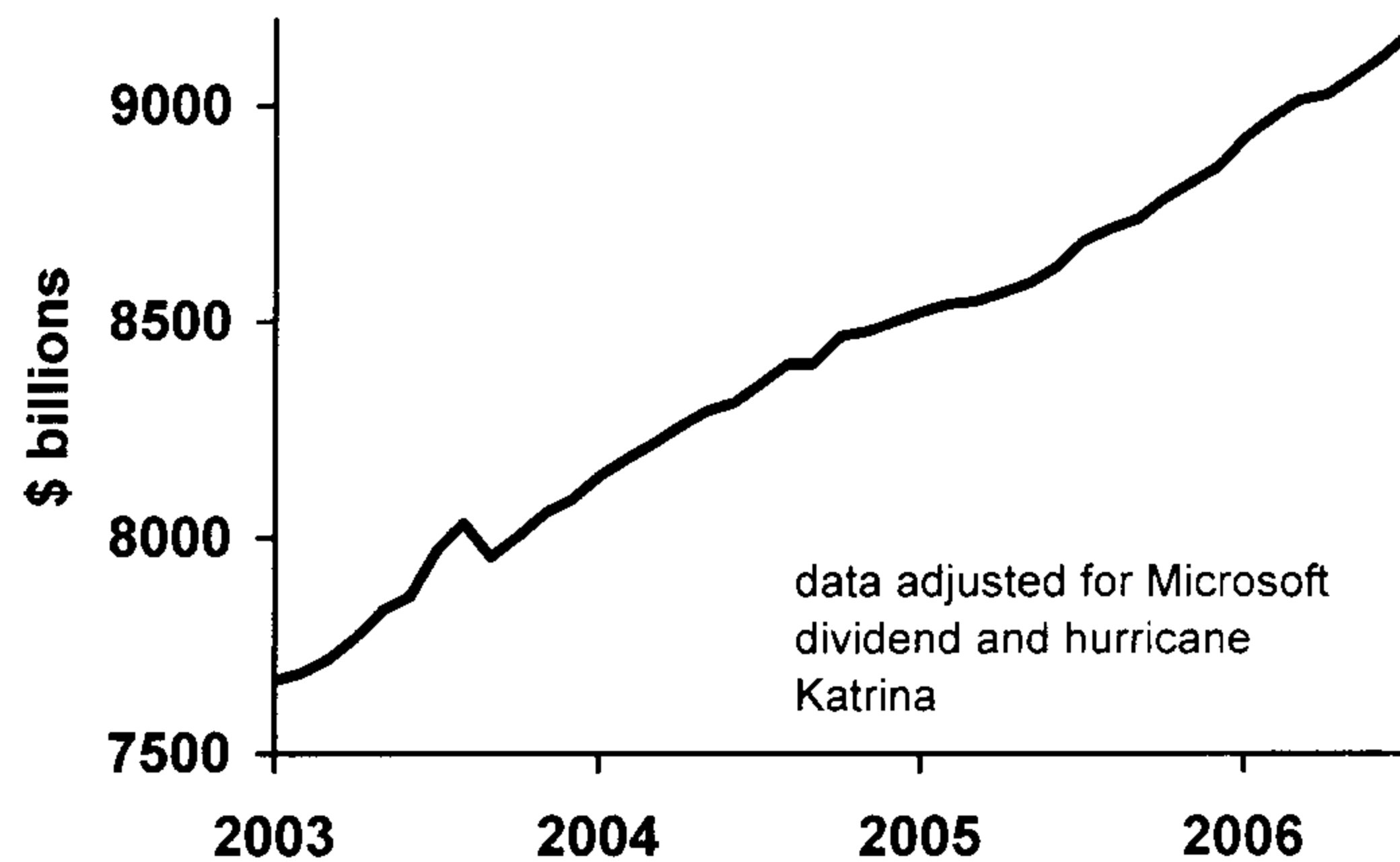
I think the risk is one chance in four. (I help companies with contingency planning.)

New Home Sales



Biggest weakness in the economy.

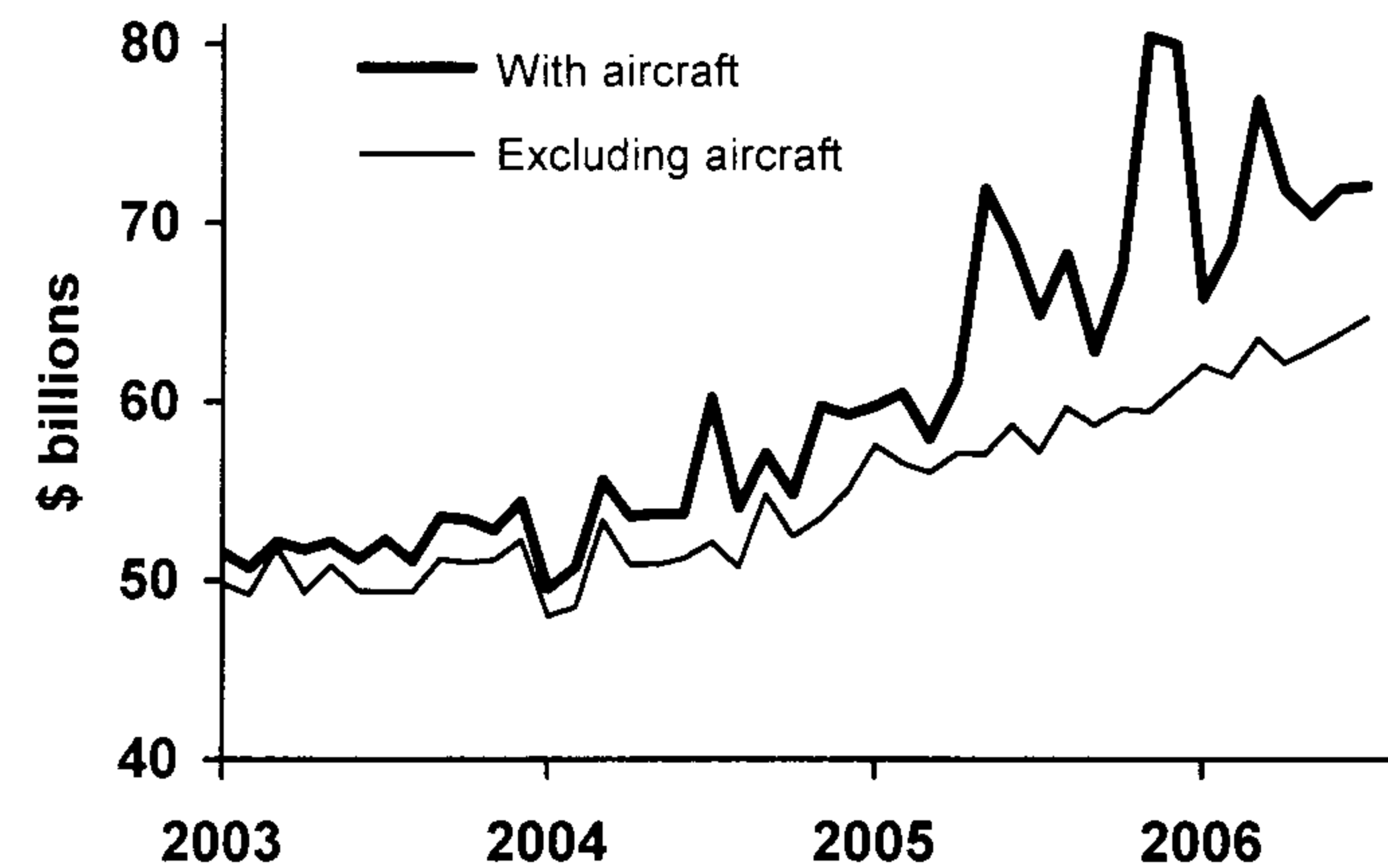
Disposable Income Less Gasoline Spending



Despite high gas prices, we still have money to spend.

Capital Goods Orders

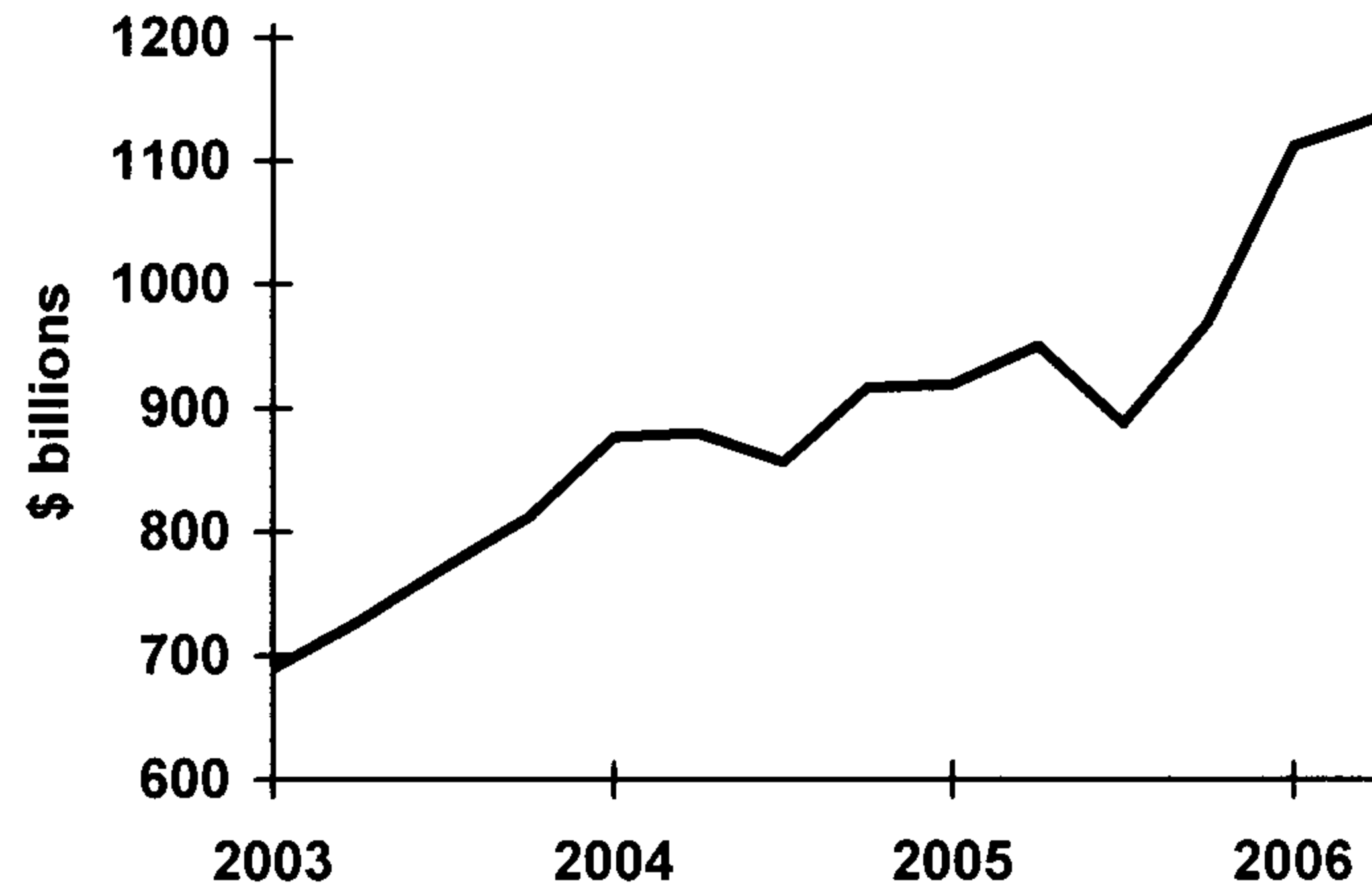
non-defense



Business spending at a decent pace.

Corporate Profits After-Tax

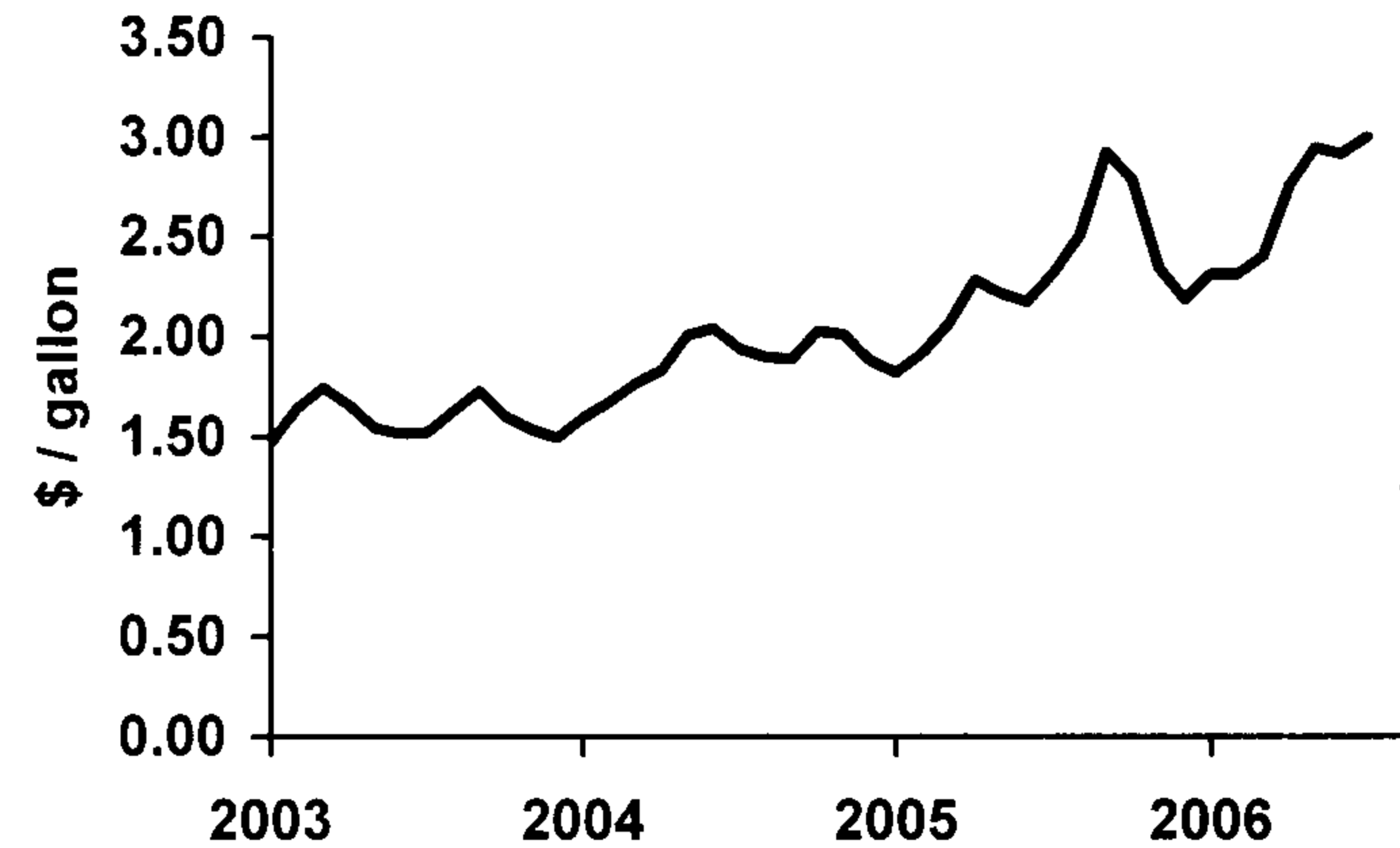
based on tax data



Wall Street thinks the strong profit growth is over.

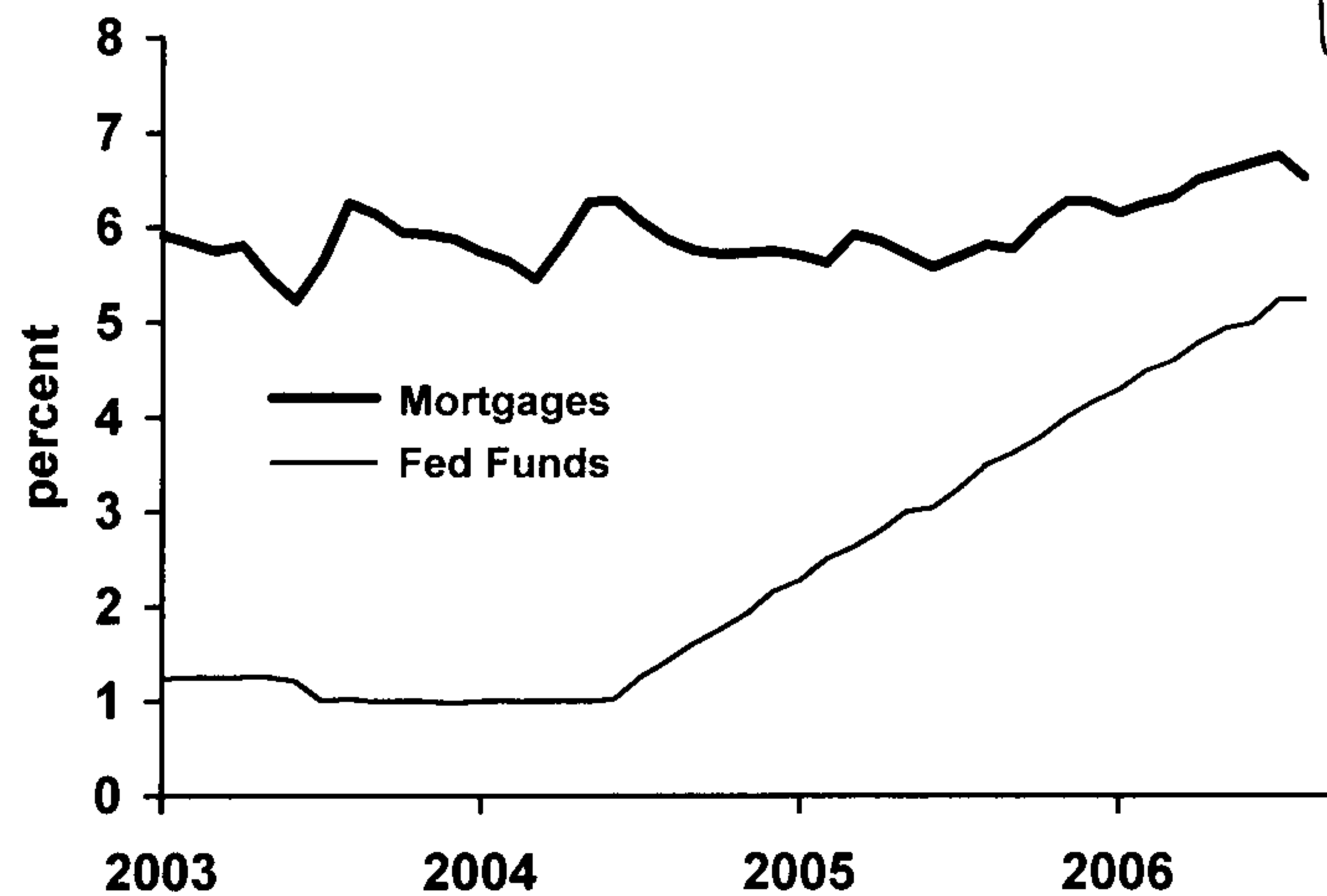
Retail Gasoline Price

U.S. average, regular unleaded



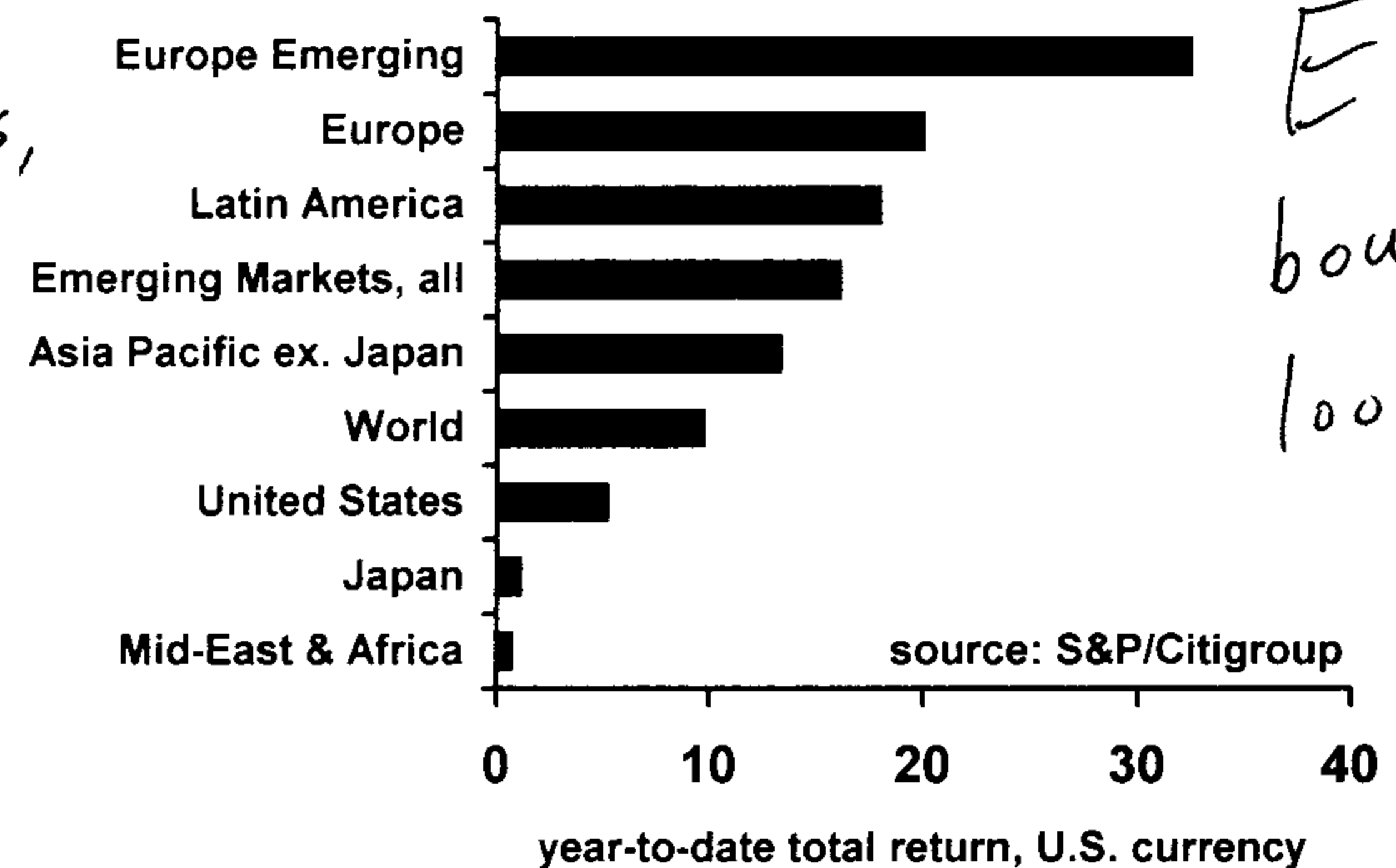
Prices usually fall in autumn, so some relief is on its way.

Interest Rates



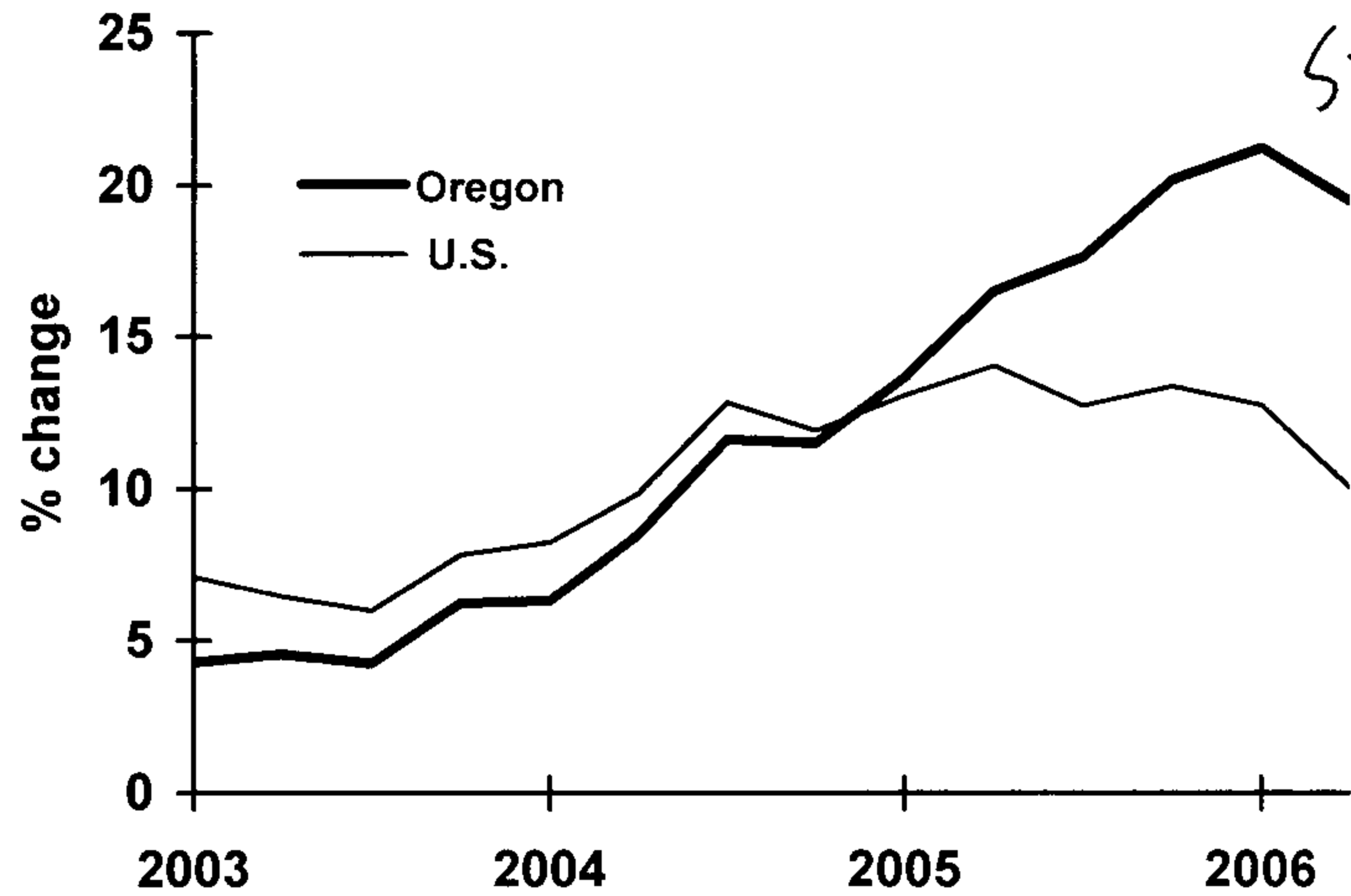
Long rates have dropped a bit on recession fears, which I think is overdone.

Stock Market Returns



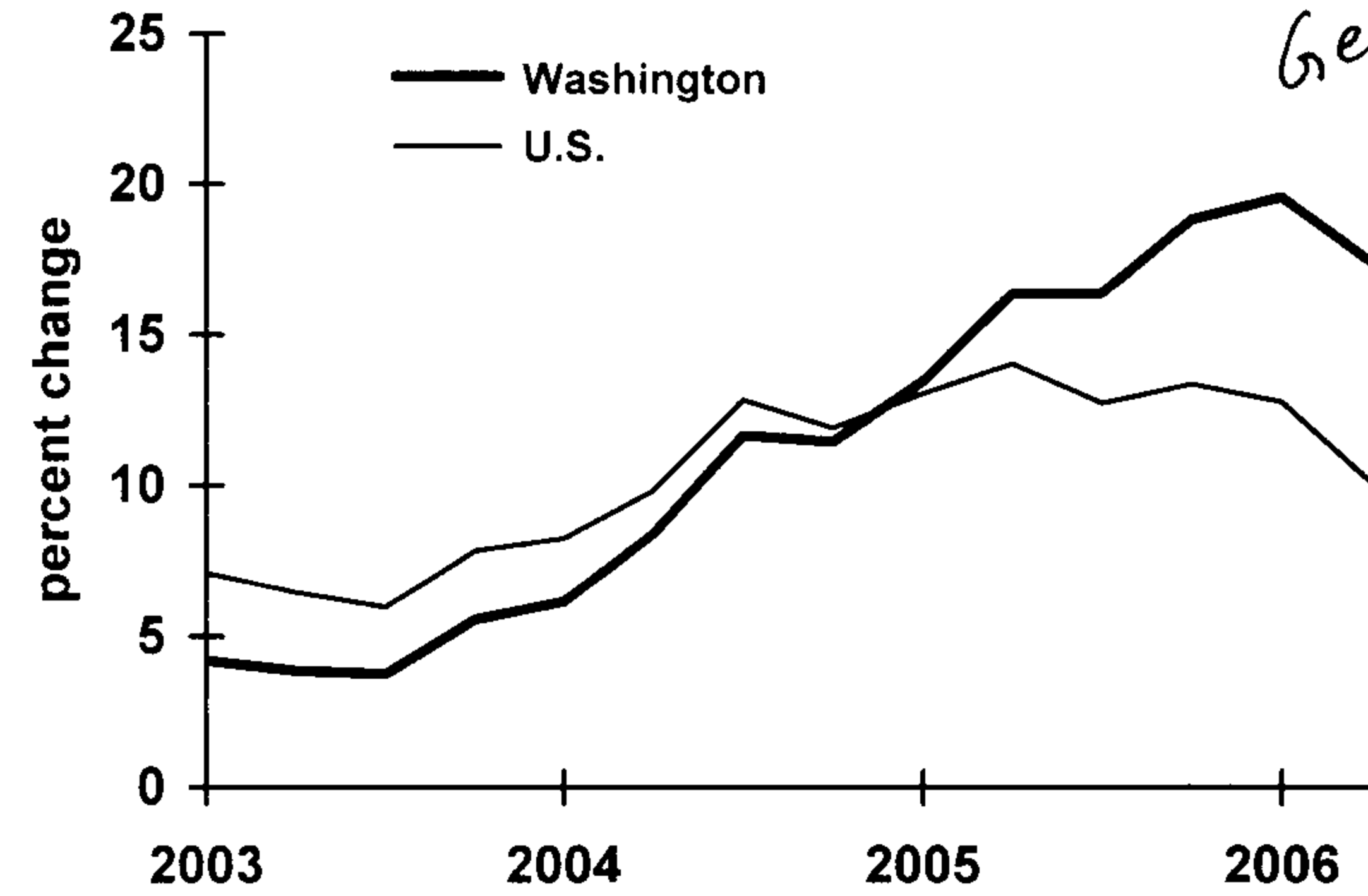
Europe's bourses looking good

Oregon Home Prices



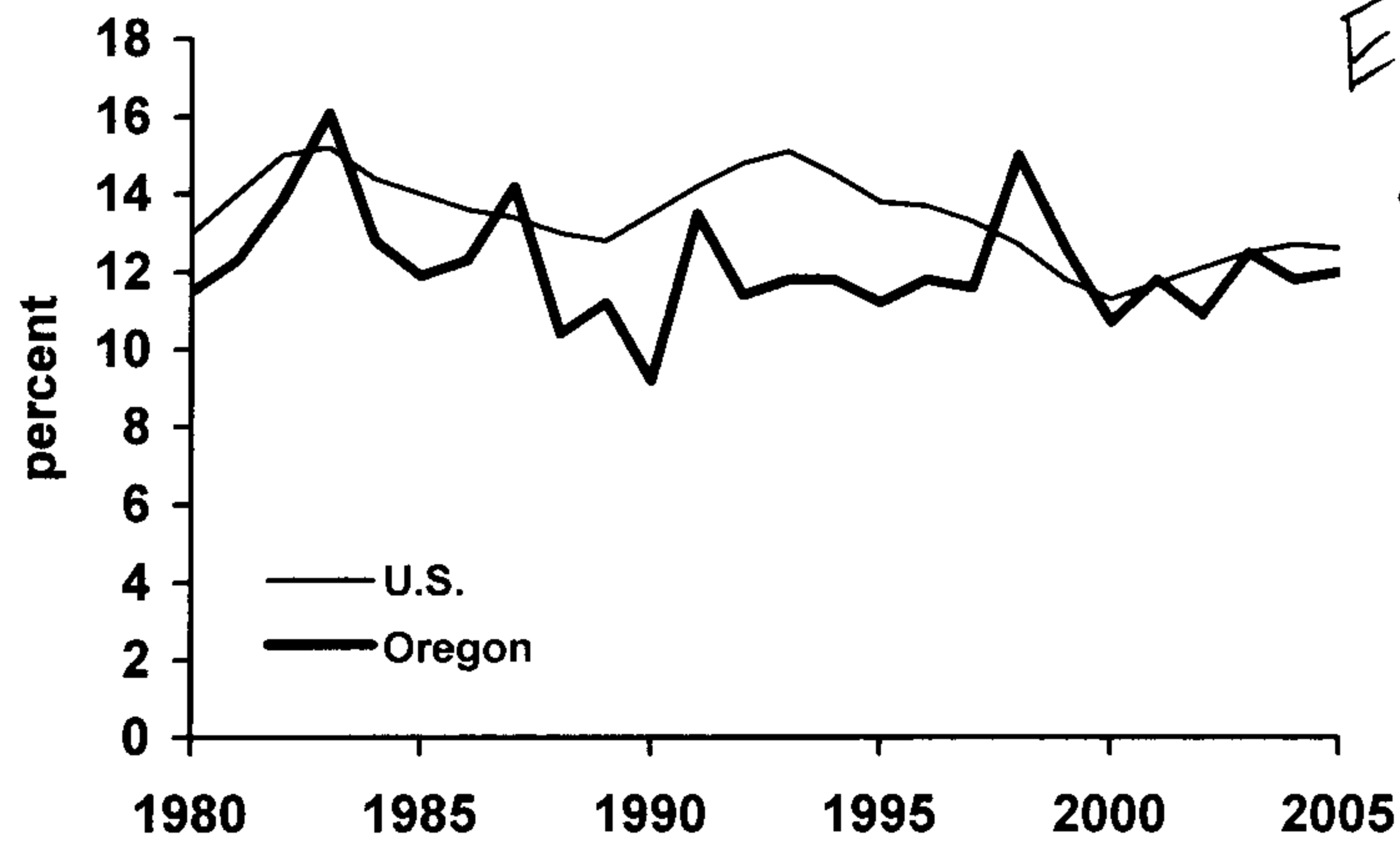
Strong migration and growth controls push prices up.

Washington Home Prices



Geography of Puget Sound also limits supply.

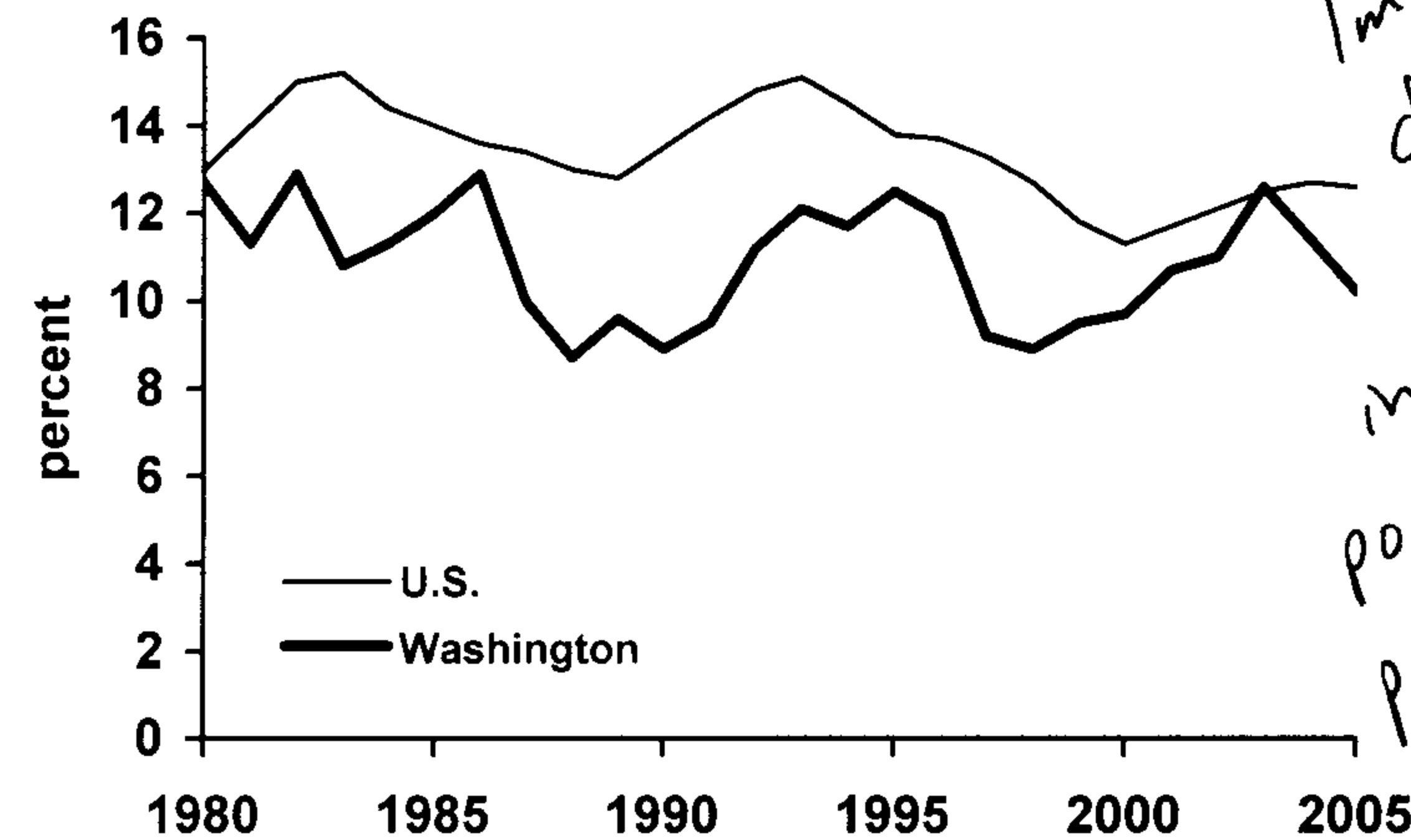
Poverty Rate in Oregon



Edging up slightly.

Note: poverty estimates are based on income excluding earned income tax credit, food stamps, Medicaid and subsidized housing.

Poverty Rate in Washington



Impressive drop, especially in light of poor immigrants pushing up poverty rate.