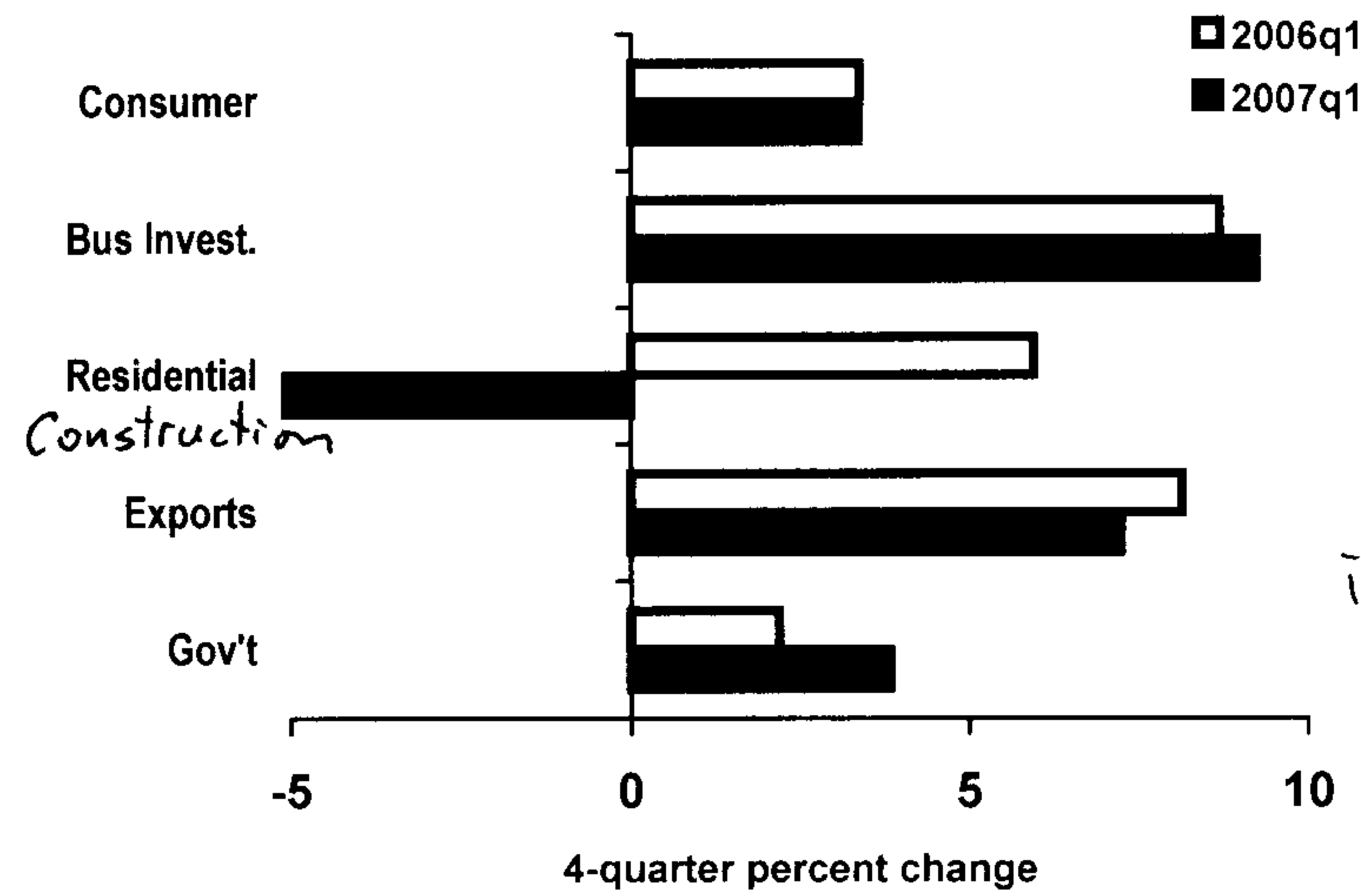
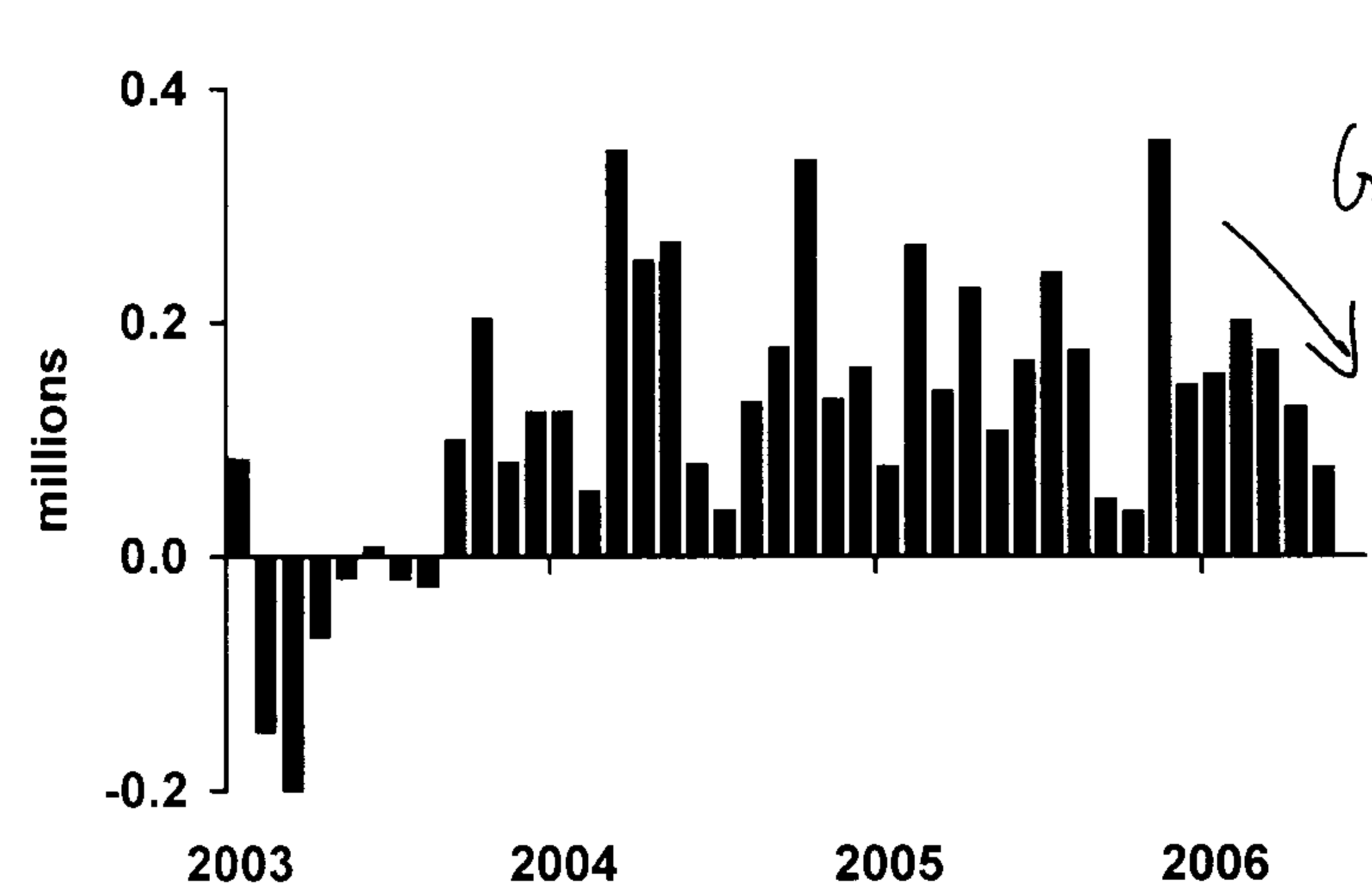


Growth by Sector



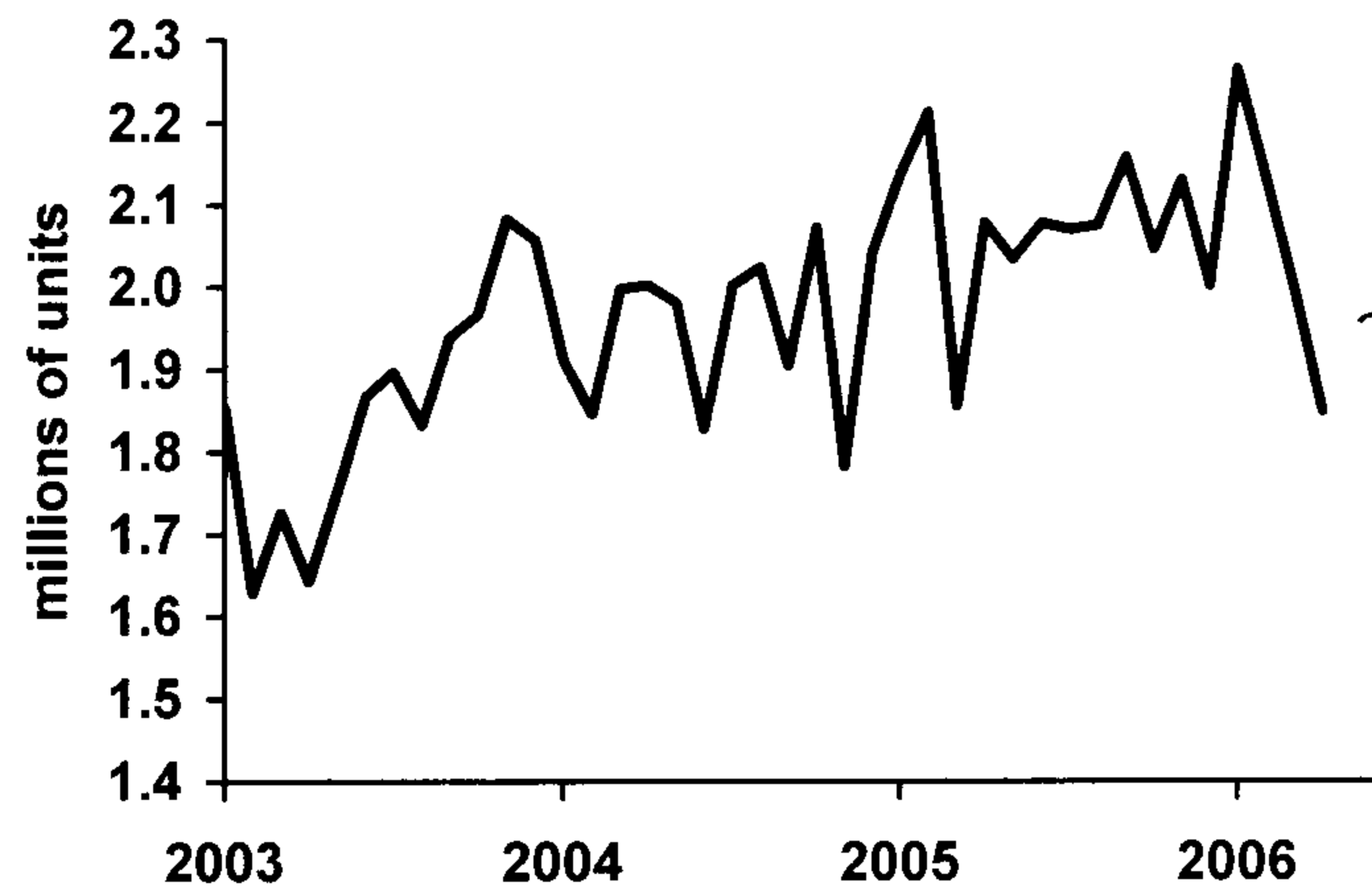
My forecast: only major weakness is housing

Net New Jobs



Growth is slowing, though still positive

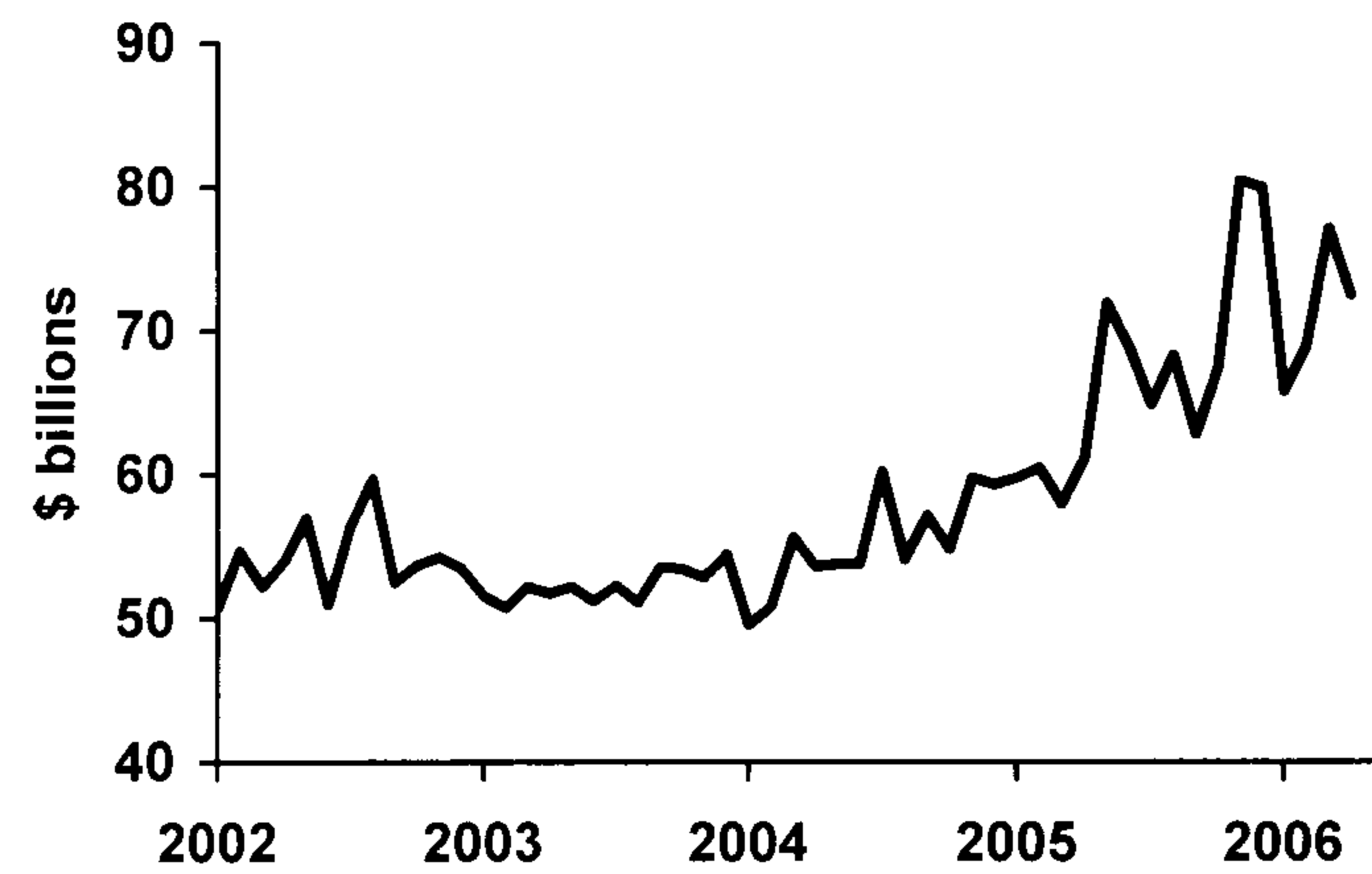
Housing Starts



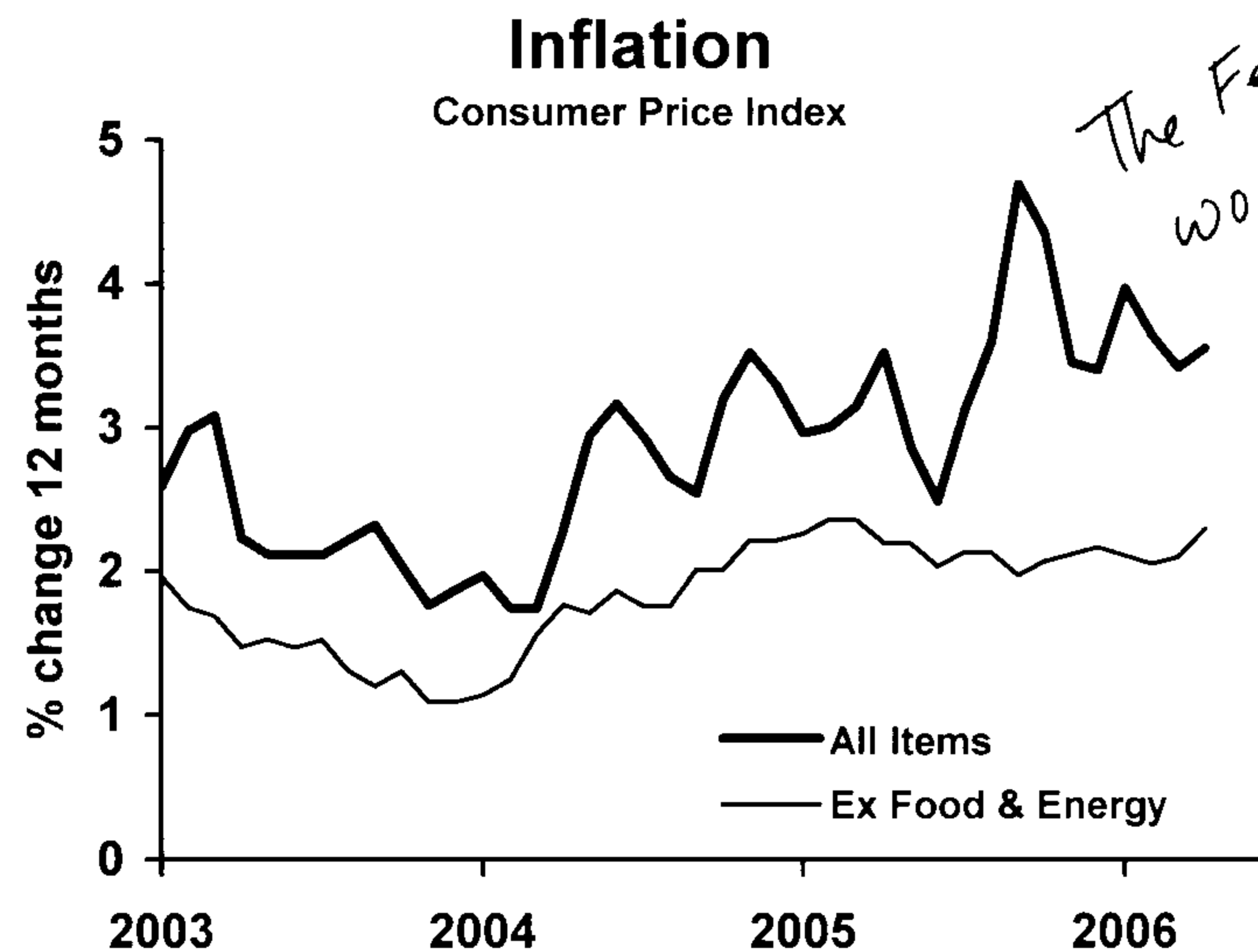
Downward slide

Capital Goods Orders

Non-Defense



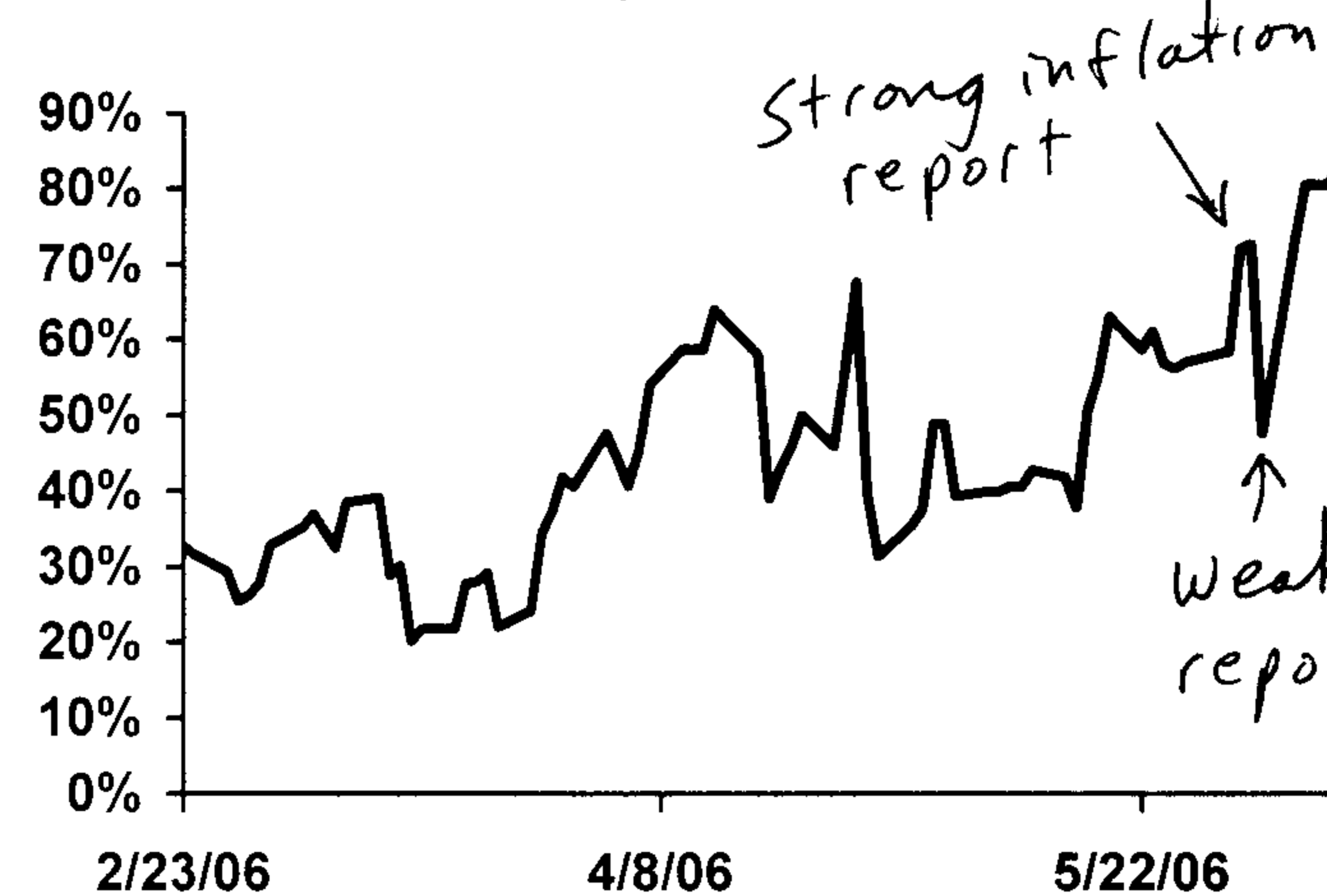
Capital spending should stay strong; lots of corporate cash lying around.



The Fed is worrying about inflation.

Odds of a 1/4% Rate Hike

in June, based on options on Fed Funds futures

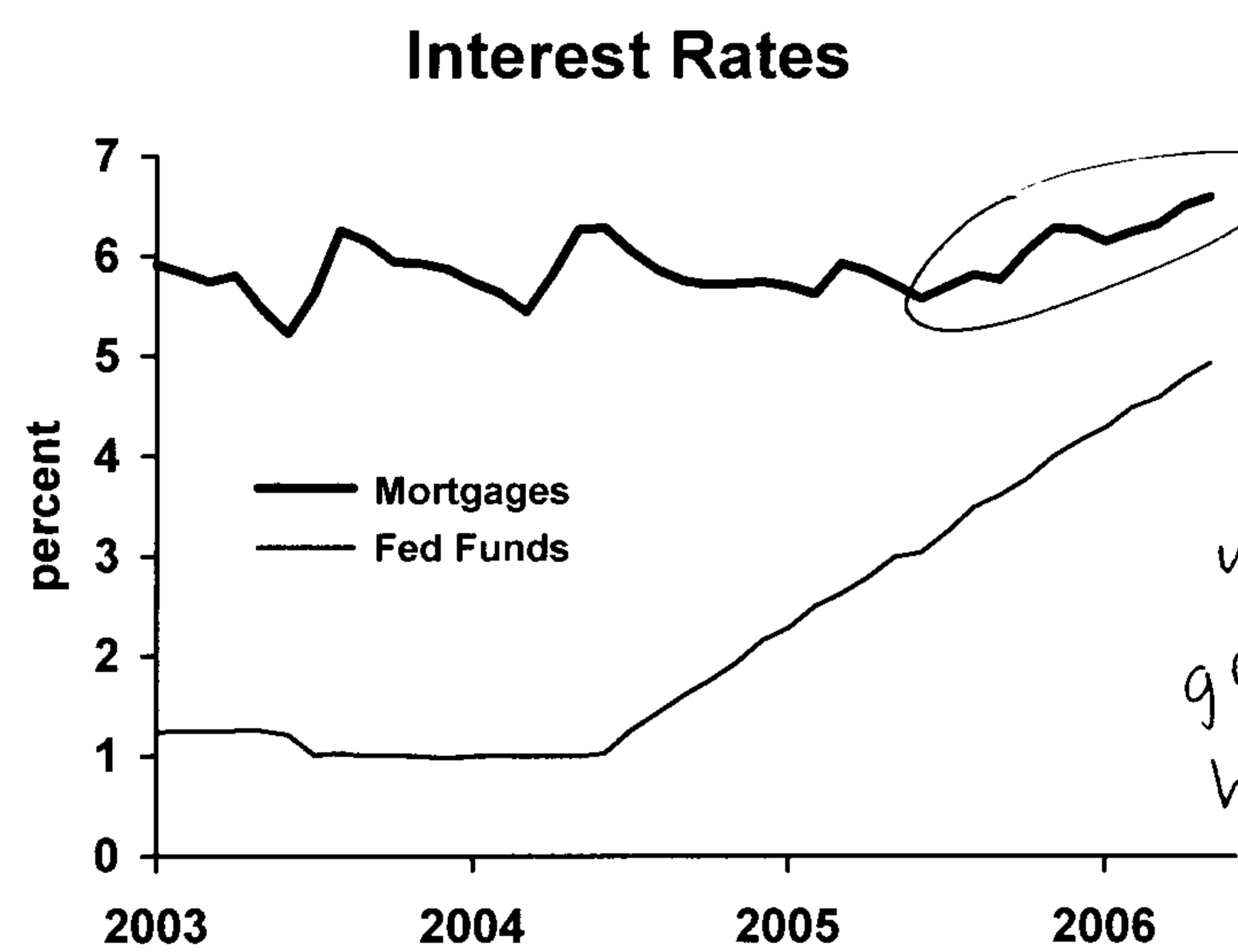


Strong inflation report

Weak jobs report

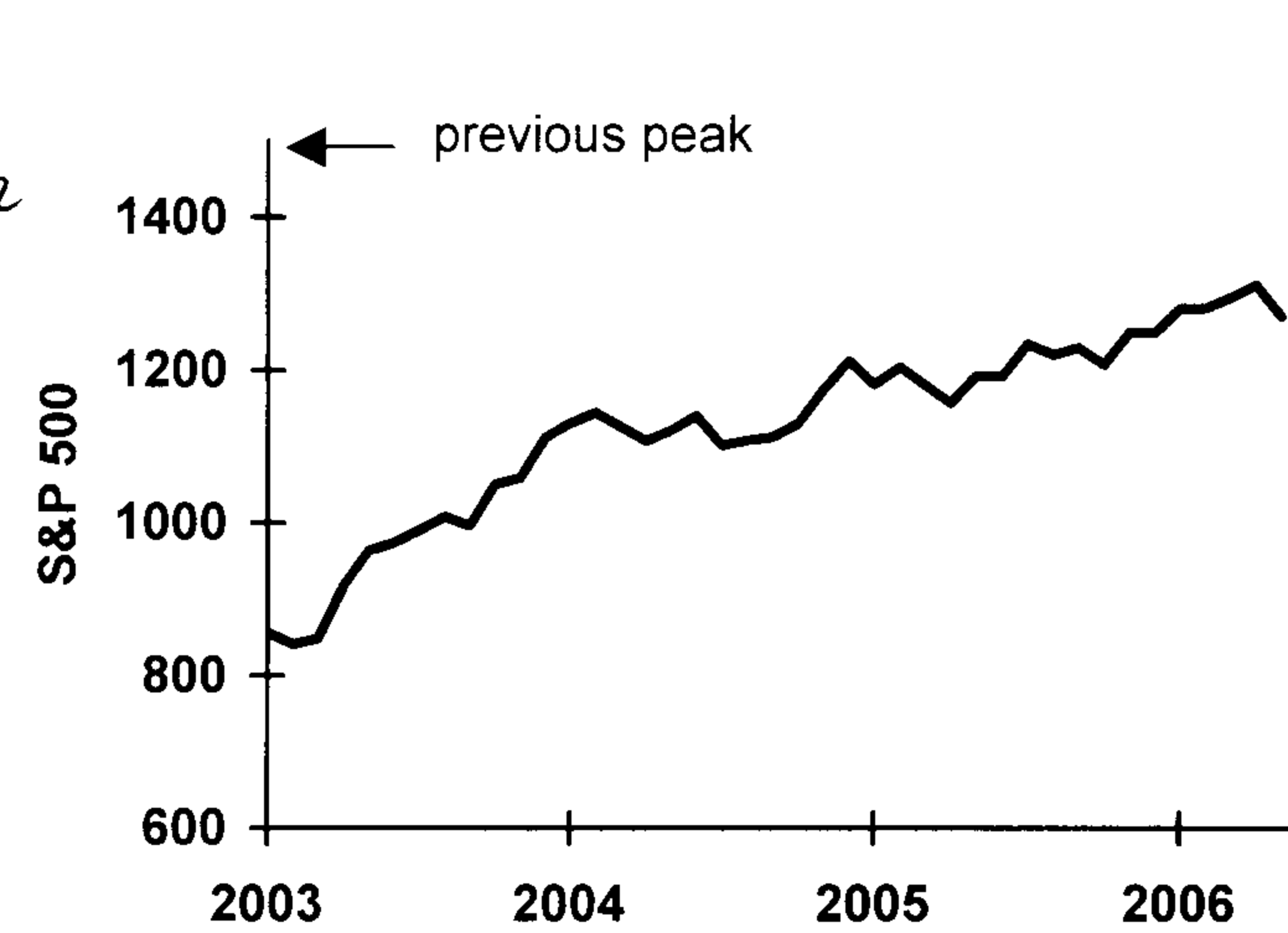
Bernanke speech about inflation

Looks like a rate hike.



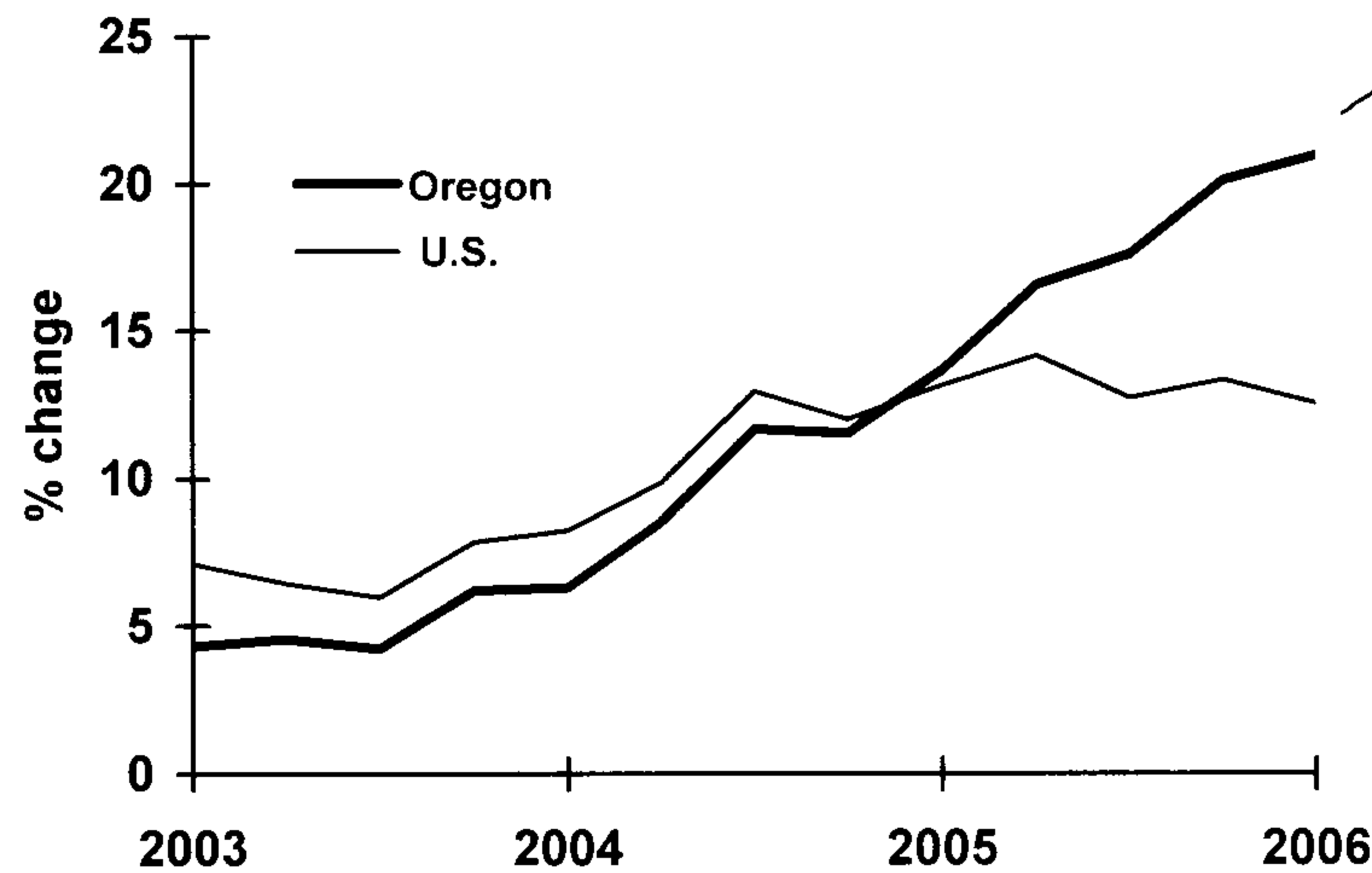
Upward trend in long rates will slow economic growth more than hike in short rates.

Stock Market



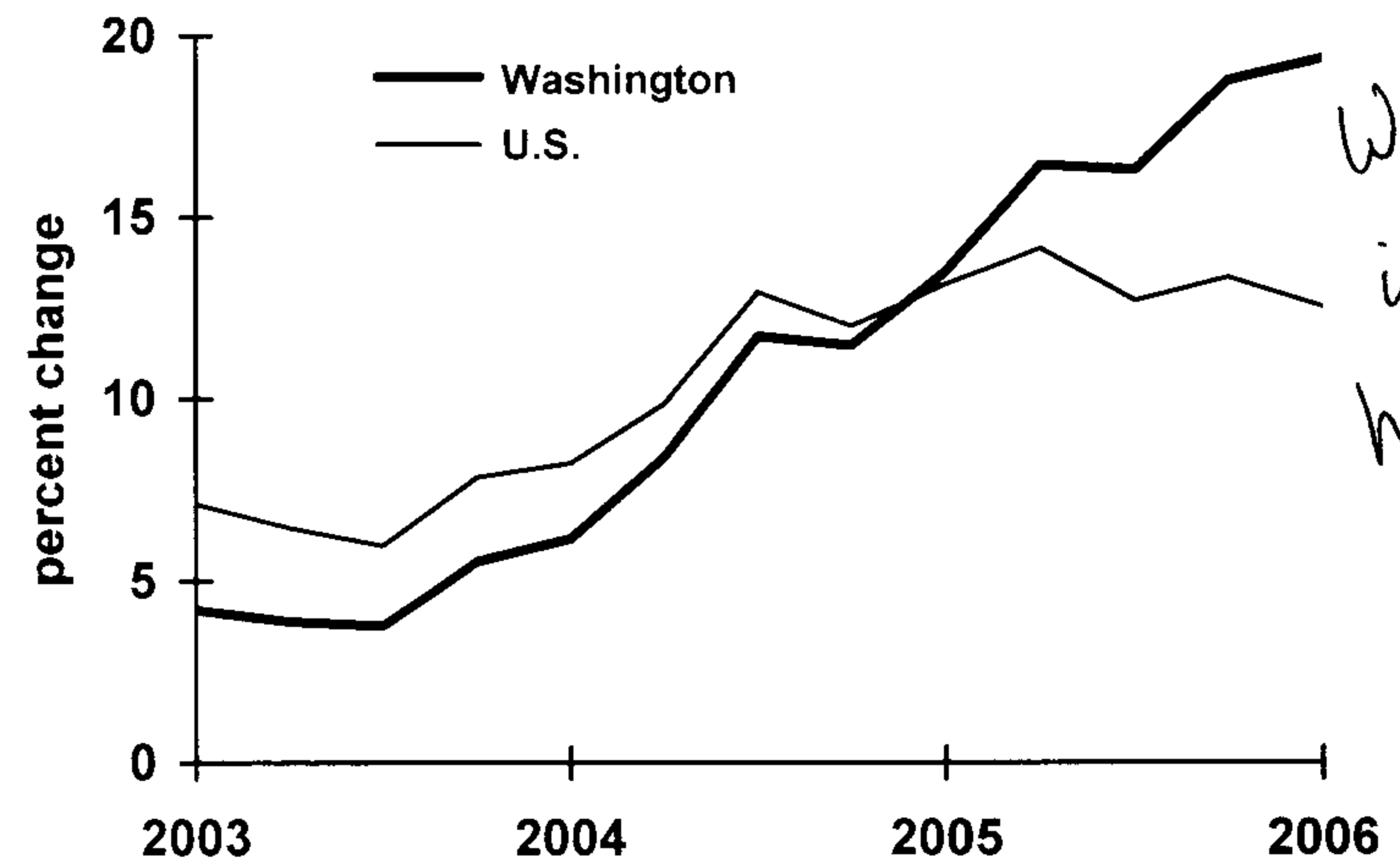
Market disappointed that rate hikes are continuing.

Oregon Home Prices



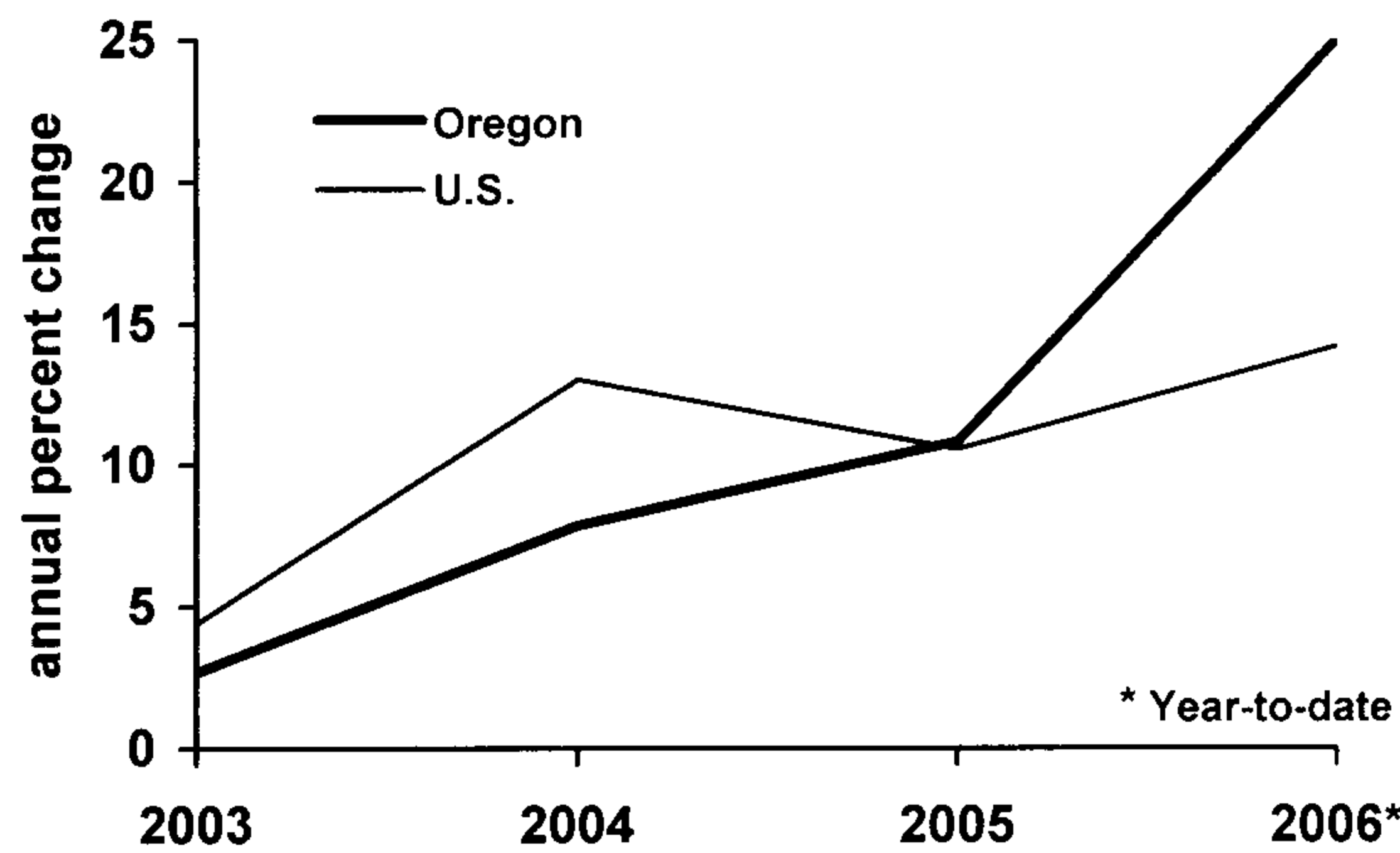
The national slowdown has not shown up.

Washington Home Prices



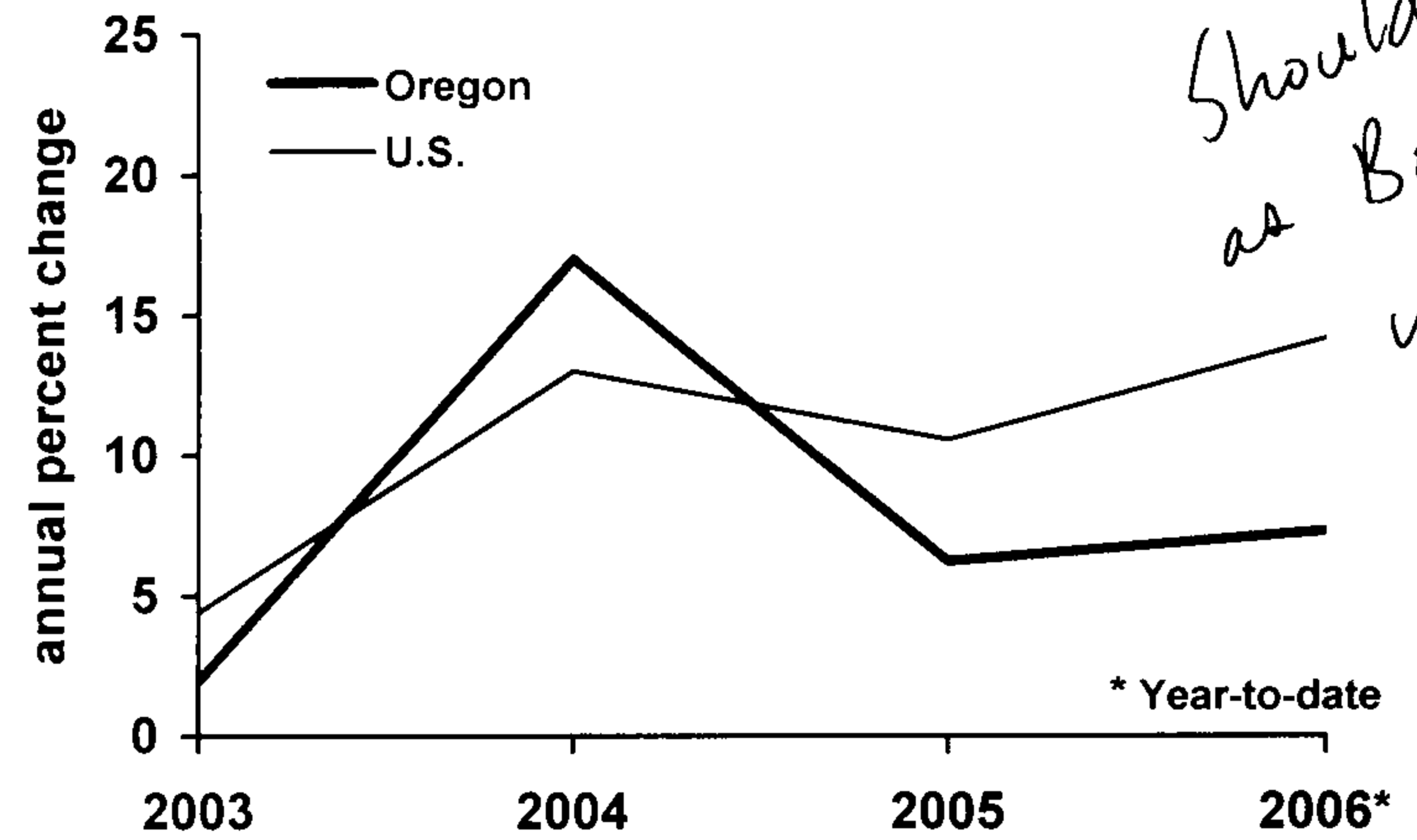
Washington is still heating up

Oregon Export Growth



Very strong exports helping state's manufacturing sector.

Washington Export Growth



Should rebound as Boeing ramps up production.