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Real Activity and Labor Market

Real and Potential GDP

Source: Bureau of Economic Analysis and Congressional Budget Office

Quarterly Real GDP Growth

Source: Bureau of Economic Analysis

Level of Real GDP

(Series Set to 1.00 at NBER Peak)

Source: Bureau of Economic Analysis

Private Nonfarm Payroll Employment and Total Hours Worked

3-Month Moving Average of One-Month Change

Source: Bureau of Labor Statistics

Measures of the Employment Situation

Source: Bureau of Labor Statistics

Employment Declines During Recessions

(Series Set to 1.00 at NBER Peak)

Source: Bureau of Labor Statistics
Productivity and Household Spending

Productivity
Nonfarm Business Sector
% Change - Year to Year

Source: Bureau of Labor Statistics

Compensation and Unit Labor Costs
Nonfarm Business Sector
% Change - Year to Year

Source: Bureau of Labor Statistics

Real PCE, Disposable Income and Personal Saving Rate
% Change - Year to Year

Source: Bureau of Economic Analysis

Households' Net Worth and the Saving Rate
As a Percent of Disposable Income
Percent

Source: Bureau of Economic Analysis and Federal Reserve Board
Note: Fitted line is from 1983Q1 to 2005Q4.

Consumer Confidence/Sentiment Indices
Percent Balance

Source: University of Michigan and the Conference Board

Household Net Worth
As a Percent of Disposable Income
Percent

Source: Flow of Funds, Federal Reserve Board

Productivity and Household Spending

Real PCE, Disposable Income and Personal Saving Rate

Source: Bureau of Economic Analysis

Households' Net Worth and the Saving Rate
As a Percent of Disposable Income

Source: Bureau of Economic Analysis and Federal Reserve Board
Note: Fitted line is from 1983Q1 to 2005Q4.

Consumer Confidence/Sentiment Indices

Source: University of Michigan and the Conference Board

Household Net Worth
As a Percent of Disposable Income

Source: Flow of Funds, Federal Reserve Board
Housing and Trade

90+ Days Delinquency Rate by Loan Type

Percent of Balance

Source: FRBNY Consumer Credit Panel (Equifax)

Real Private Residential Investment

(Series Set to 1.0 at NBER Peak)

Source: Bureau of Economic Analysis

Single Family Housing Market

Level

Source: CoreLogic, National Association of Realtors

Price to Earnings Ratios

Ratio

Source: S&P, BLS, and CoreLogic

Current Account Balance

SAAR, Bill$, BOP Basis

Sources: Bureau of Economic Analysis

U.S. Trade

% Change - Year to Year

Sources: Bureau of Economic Analysis
Lending Standards, Corporate Profits, and Fiscal Situation

Net Percentage of Loan Officers Tightening Standards and Raising Spreads for Loans to Large and Mid-Sized Firms

Corporate Profits as a Percent of National Income

Real Government Consumption and Gross Investment

Oil Prices

Federal Reserve Securities Holdings
PCE and CPI Measures of Inflation since 2000

Total and Core PCE Deflator

Source: Bureau of Economic Analysis

Total and Core CPI Deflator

Source: Bureau of Labor Statistics

Measures of PCE Inflation

Source: Bureau of Economic Analysis, Dallas Fed, FRBNY, and Bank of Switzerland

Measures of CPI Inflation

Source: Bureau of Labor Statistics and FRBNY

Core PCE Inflation over Various Horizons

Source: Bureau of Economic Analysis

Core CPI Inflation over Various Horizons

Source: Bureau of Labor Statistics
Exports and Industrial Production

Exports
Jan 2005 = 100

Jan 2005 = 100

Industrial Production
Jan 2005 = 100

Jan 2005 = 100

Source: Haver
Note: In Dollar Terms

Exports
Jan 2005 = 100

Jan 2005 = 100

Industrial Production
Jan 2005 = 100

Jan 2005 = 100

Source: Haver
Note: In Dollar Terms
Market Policy Expectations and Uncertainty

**Expected Federal Funds Rate**

<table>
<thead>
<tr>
<th>Percent</th>
<th>Dec-10</th>
<th>Jun-11</th>
<th>Dec-11</th>
<th>Jun-12</th>
<th>Dec-12</th>
<th>Jun-13</th>
<th>Dec-13</th>
</tr>
</thead>
</table>

Source: Federal Reserve Board

**Eurodollar Implied Volatility Term Structure**

<table>
<thead>
<tr>
<th>Percentage Points</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/12/2011</td>
<td>1.0</td>
</tr>
<tr>
<td>9/20/2011</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Note: Width of a 90 percent confidence interval computed from the term structures for the expected federal funds rate and implied volatility.

**Fed Funds Probabilities September 2012**

<table>
<thead>
<tr>
<th>Percent</th>
<th>1-Apr</th>
<th>1-May</th>
<th>1-Jun</th>
<th>1-Jul</th>
<th>1-Aug</th>
<th>1-Sep</th>
<th>1-Oct</th>
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Source: Bloomberg

Note: Estimated from Fed Funds Futures

**Fed Funds Probabilities September 2012**

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Source: Bloomberg

Note: Estimated from Fed Funds Futures

**September 2011: Expected Fed Funds from BCFF Survey**

<table>
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<tr>
<th>Percent</th>
<th>0.00</th>
<th>0.25</th>
<th>0.50</th>
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Source: Federal Reserve Board

Note: Implied FFR are from Fed Funds and Eurodollar futures. The BCFF survey was conducted on August 24-25.

**October 2011: Expected Fed Funds from BCFF Survey**

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<th>0.50</th>
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Note: Implied FFR are from Fed Funds and Eurodollar futures. The BCFF survey was conducted on September 21-22.
Equity Markets and Corporate Credit Risk

**Equity Indices**
- S&P 500 (right axis) Oct 12: 2605
- NASDAQ Composite (left axis) Oct 12: 1207

**Equity Indices: One-Month Implied Volatility**
- S&P 500 (VIX) Oct 12: 32.3
- NASDAQ 100 (VNX) Oct 12: 31.3

**Corporate Credit Spreads**
- Investment Grade Oct 13: 254
- High Yield Oct 13: 805

**CDS Spreads**
- Investment Grade Oct 13: 742
- High Yield Oct 13: 133

**Mortgage Secondary Market**
- Zero Volatility Spread to LIBOR Oct 13: 48
- Option Adjusted Spread to LIBOR Oct 13: 88

**Mortgage Market Rates**
- Primary Market Oct 13: 4.20
- Secondary Market Oct 13: 3.21

**Source:** Datastream, Bloomberg, J.P. Morgan

**Note:** All values and indices are as of October 13, 2011.