



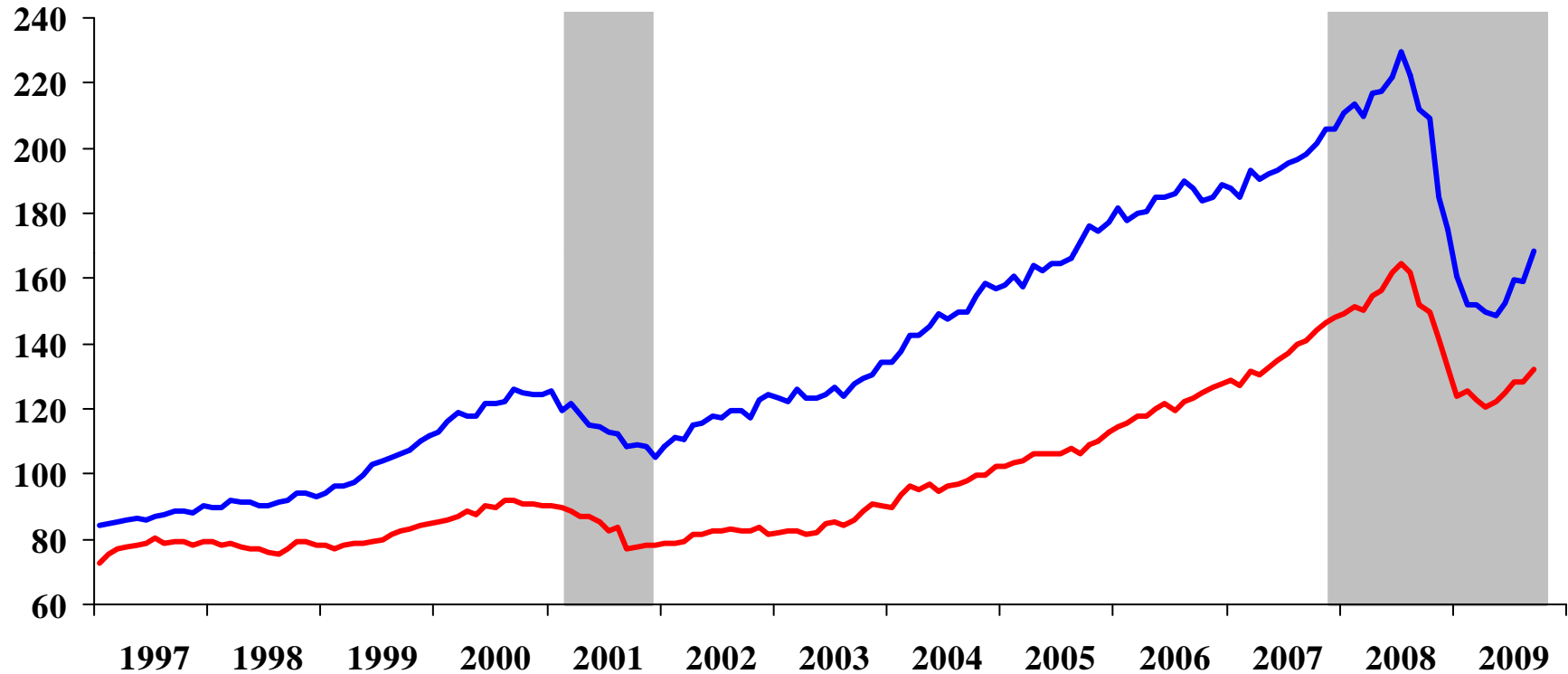
# **INTERNATIONAL INFLUENCES**

**<http://www.dallasfed.org>**



# U.S. Imports and Exports

Billions of Dollars



■ Recession    — Exports (Nov 13 release, Sep = 132)    — Imports (Nov 13 release, Sep = 168.4)

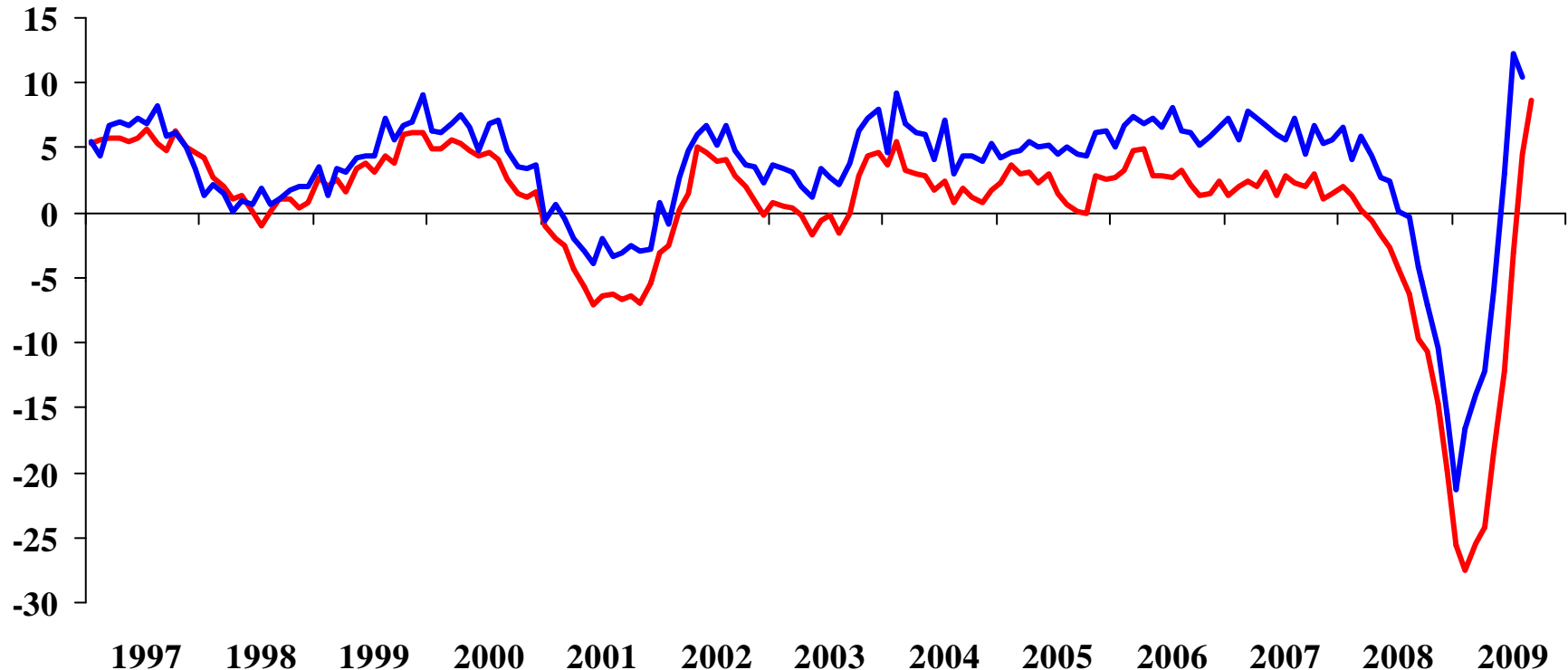
Source: Bureau of the Census

<http://www.dallasfed.org>



6-month % change,  
annualized

# Industrial Production: OECD Big 7 & OECD + 6



— OECD Big 7 (Nov 06 release, Sep=8.6)

— OECD+Major 6 Non-Members (Nov 06 release, Aug=10.4)

OECD Big 7: Canada, France, Germany, Italy, Japan, UK, U.S.

Major 6 Non-Members: Brazil, China, India, Indonesia, Russia, South Africa

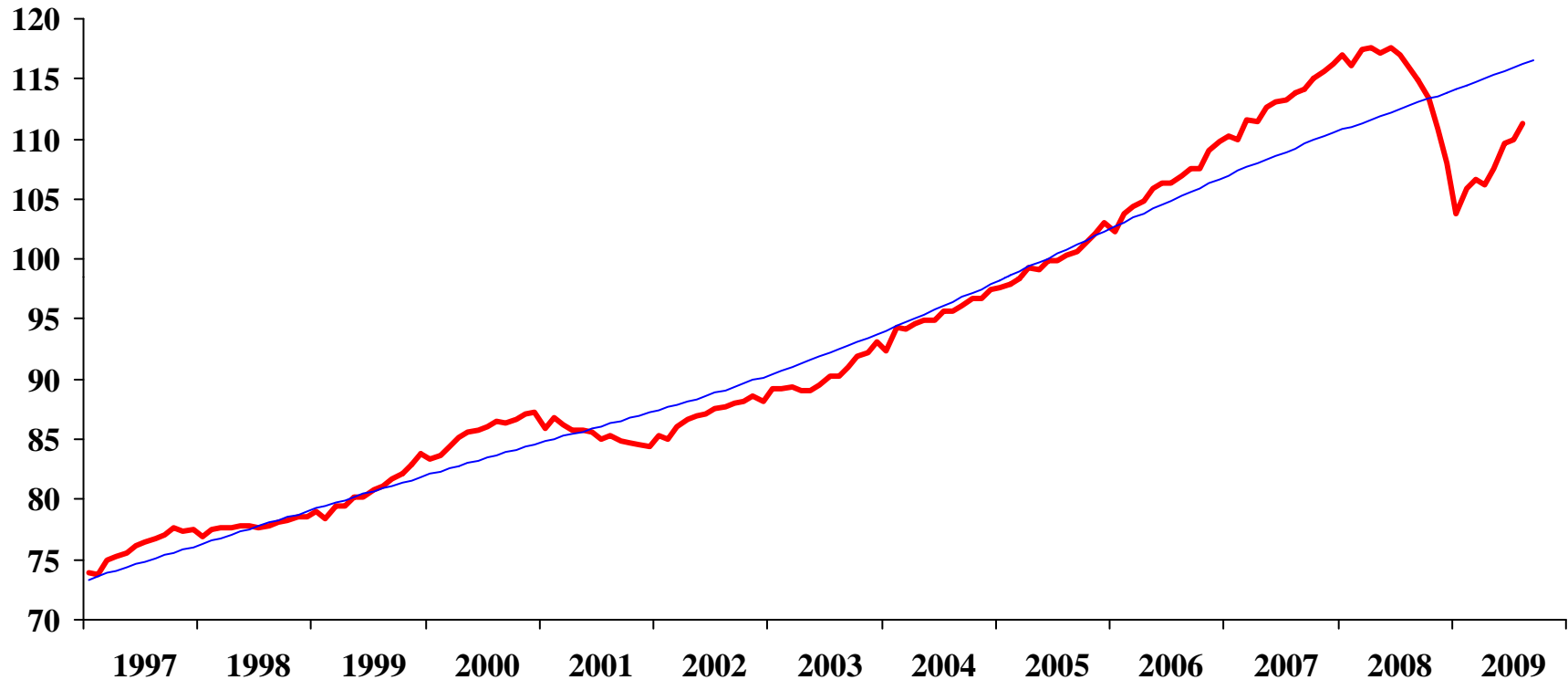
Source: OECD

<http://www.dallasfed.org>



# Industrial Production & Trend OECD + 6

Index 2000=100



— OECD + Major 6 Non-Members (Nov 06 release, Aug=111.3) — Trend (Nov 06 release, Sep=116.6)

OECD Big 7: Canada, France, Germany, Italy, Japan, UK, U.S.

Major 6 Non-Members: Brazil, China, India, Indonesia, Russia, South Africa

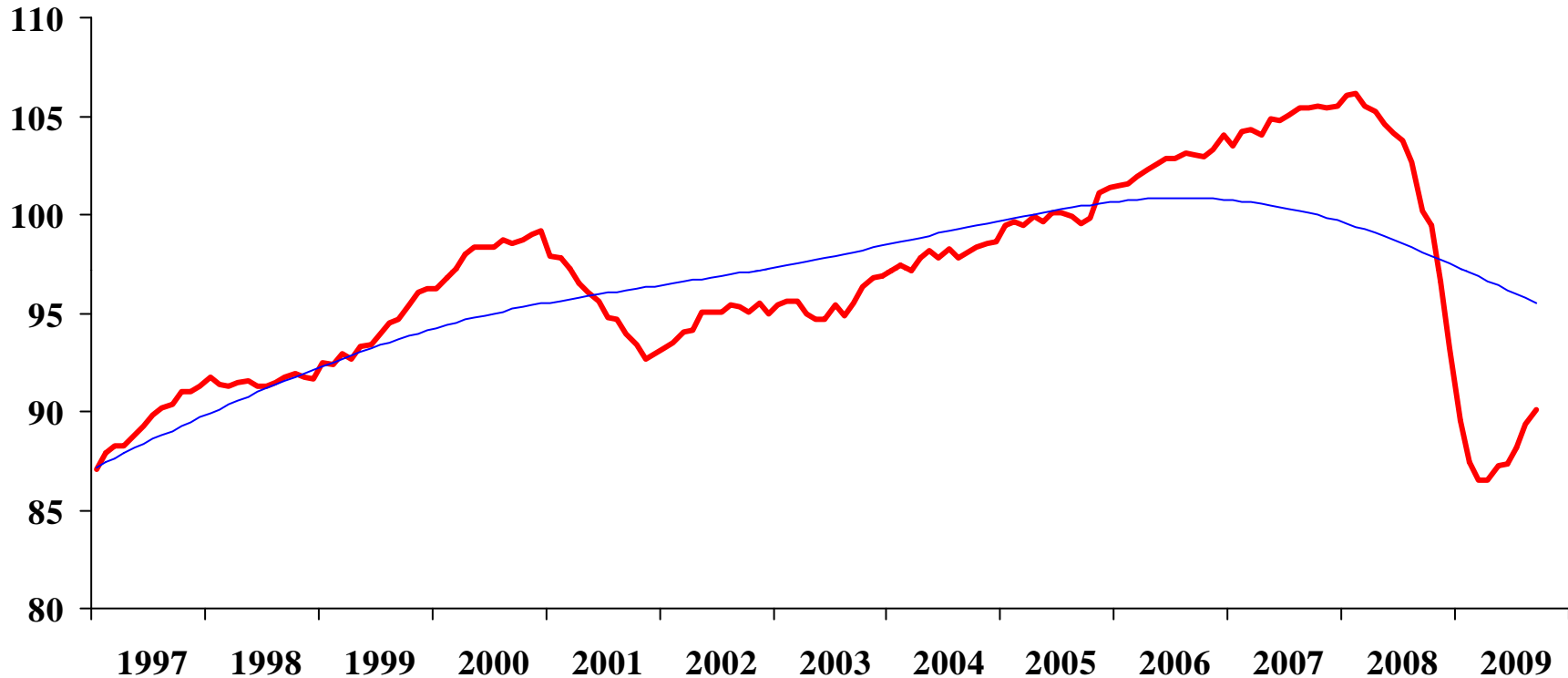
Source: OECD

<http://www.dallasfed.org>



# Industrial Production & Trend OECD Big 7

Index 2000=100



— OECD Big 7 (Nov 06 release, Sep=90.1)

— Trend (Nov 06 release, Sep=95.5)

OECD Big 7: Canada, France, Germany, Italy, Japan, UK, U.S.

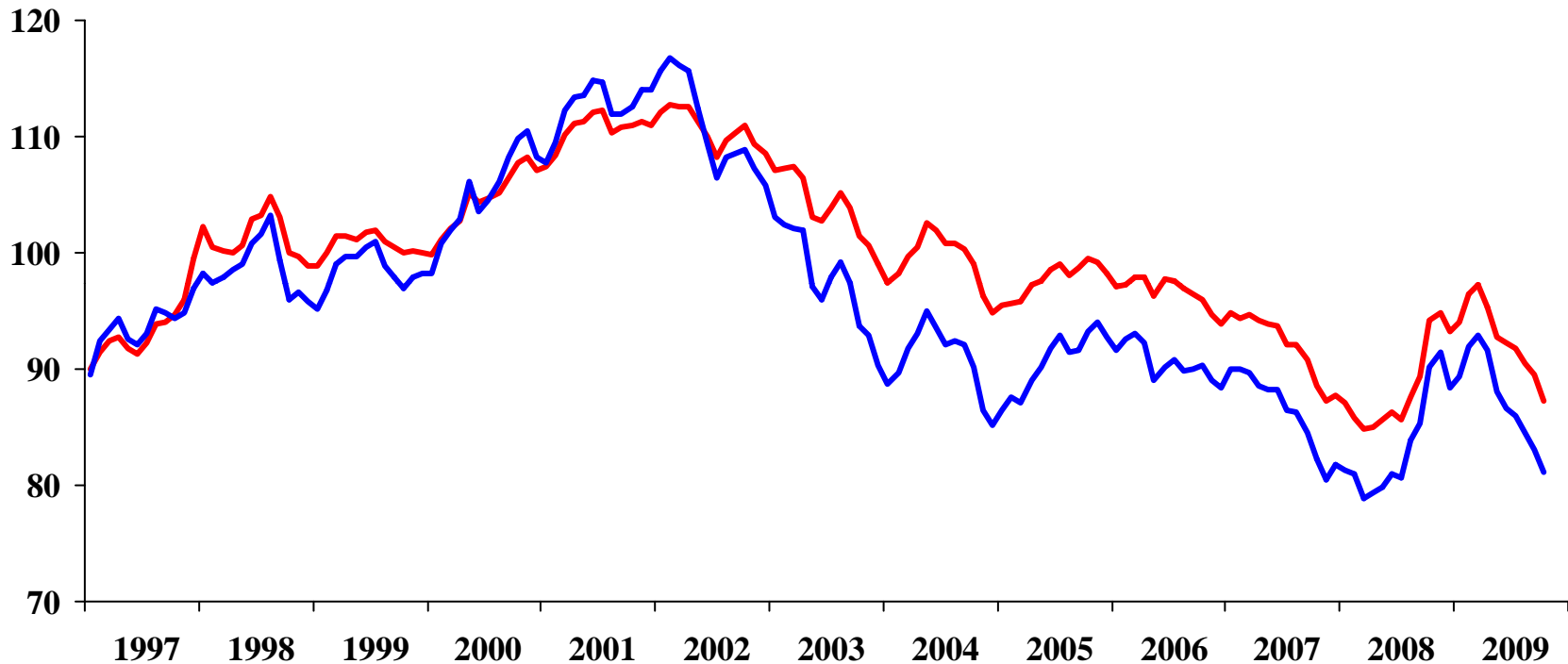
Source: OECD

<http://www.dallasfed.org>



# Real Value of the Dollar

March 1973 = 100



— Exchange Value of the US\$ (Nov 02 release, Oct=87.2)

— US\$ vs Major Currencies\* (Nov 02 release, Oct=81.1)

\* Euro Area, Canada, Japan, UK, Switzerland, Australia, and Sweden

Source: Federal Reserve Board

<http://www.dallasfed.org>



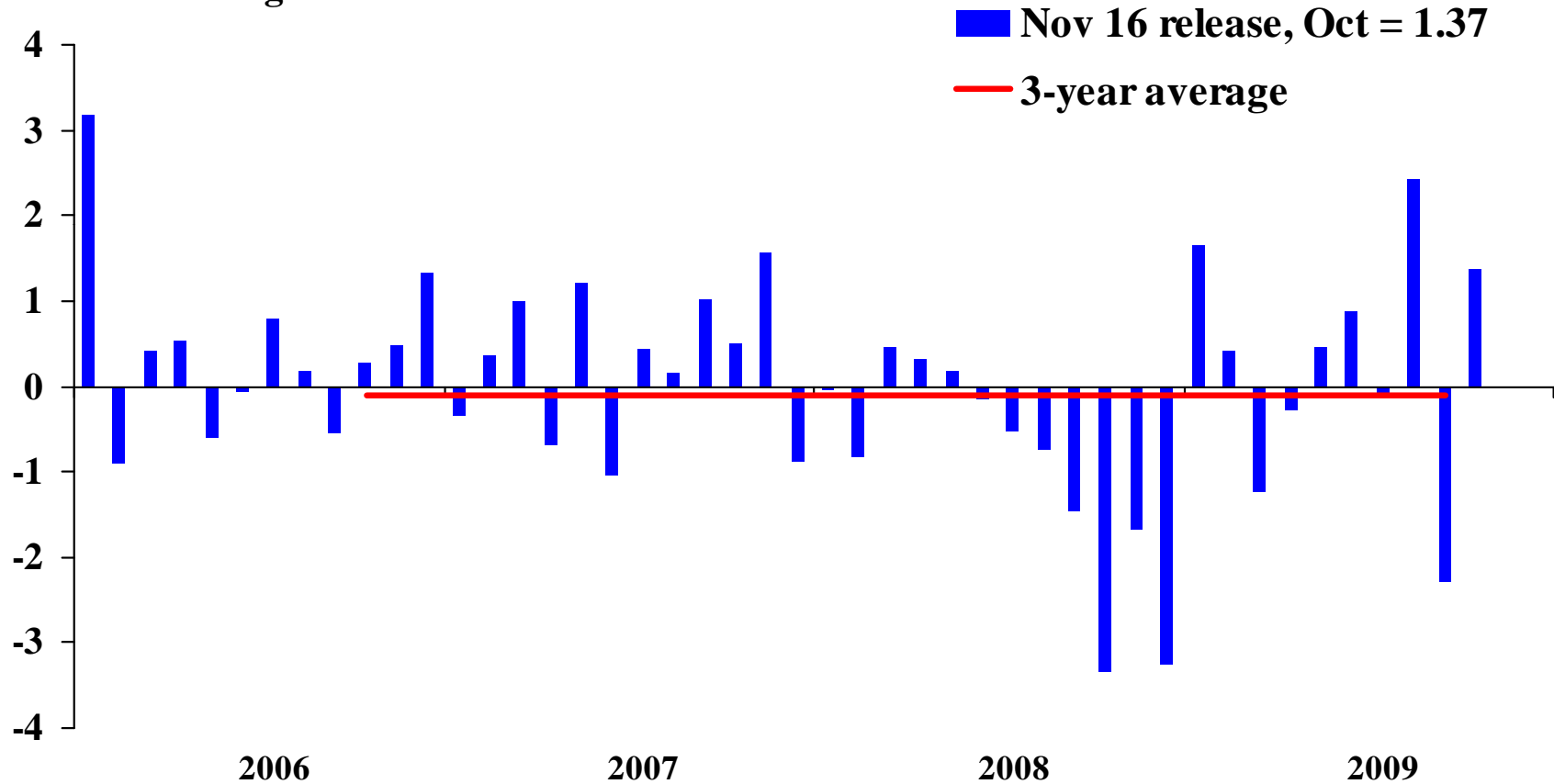
# **DOMESTIC ECONOMIC ACTIVITY**

**<http://www.dallasfed.org>**



# Retail Sales

1-month % change



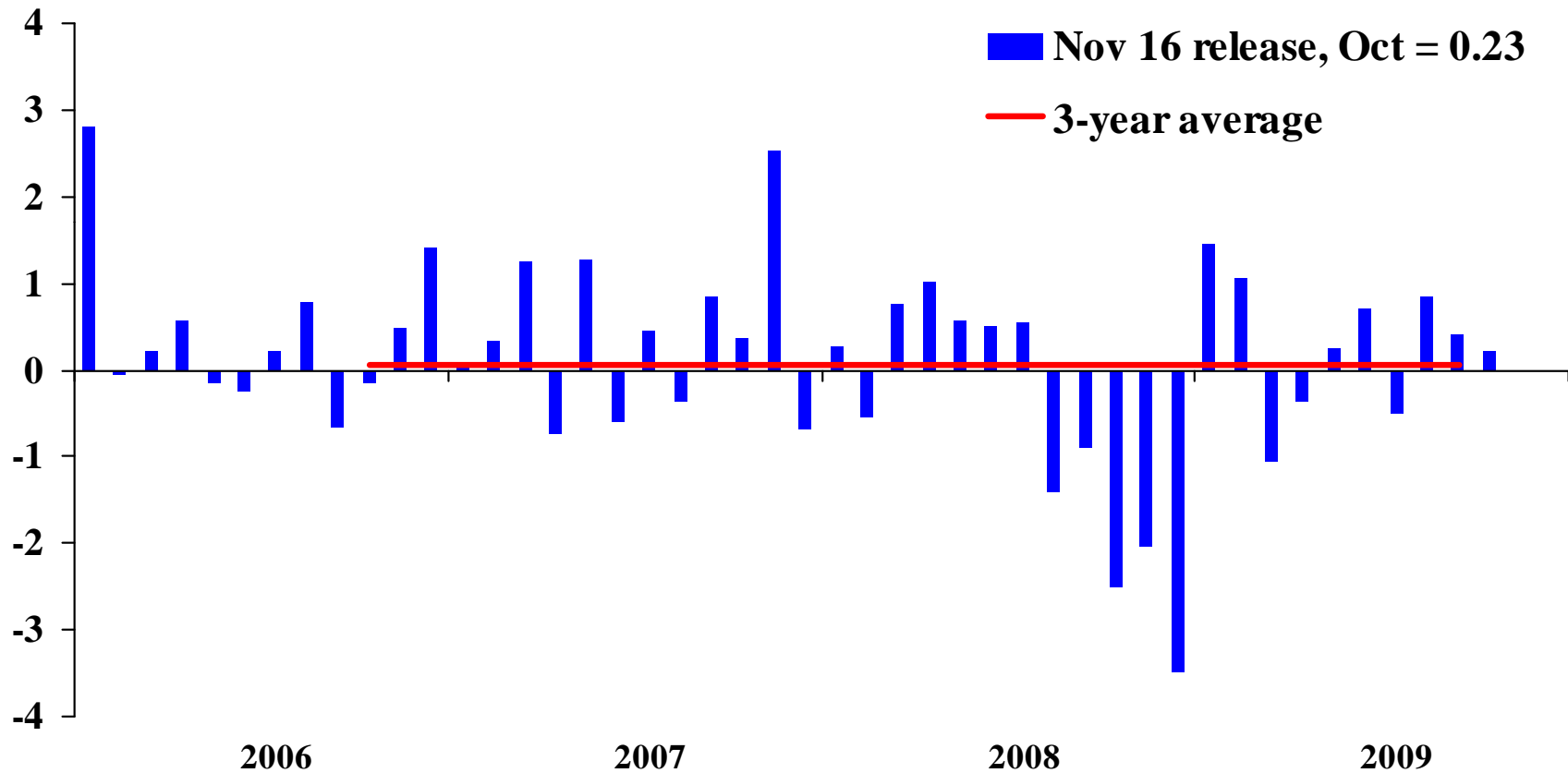
Source: Bureau of the Census

<http://www.dallasfed.org>



# Retail Sales, Excluding Autos

1-month % change

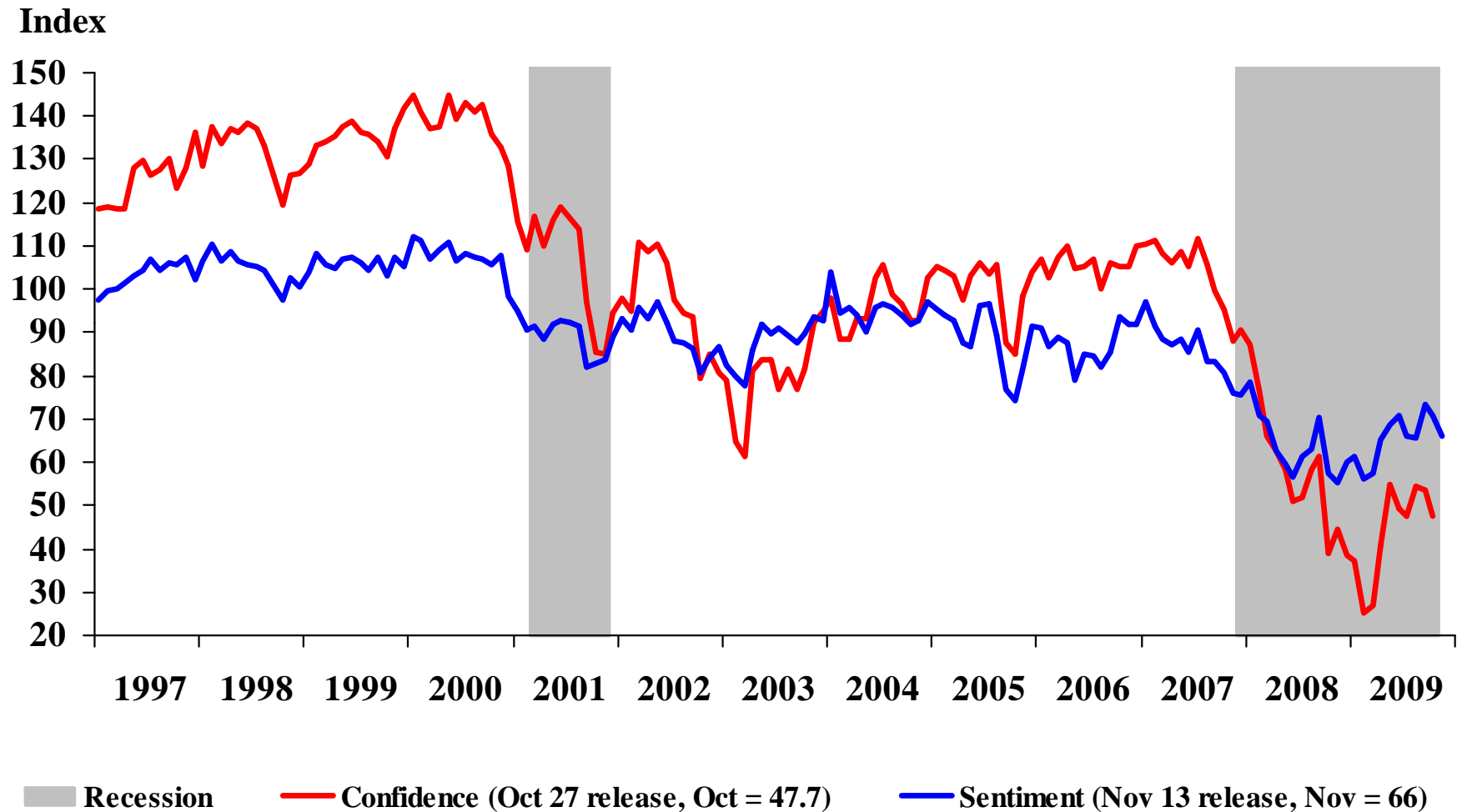


Source: Bureau of the Census

<http://www.dallasfed.org>



# Consumer Confidence/Sentiment



**Consumer Sentiment: Survey of Consumers, Survey Research Center, U. of Michigan**

**Consumer Confidence: The Conference Board**

<http://www.dallasfed.org>



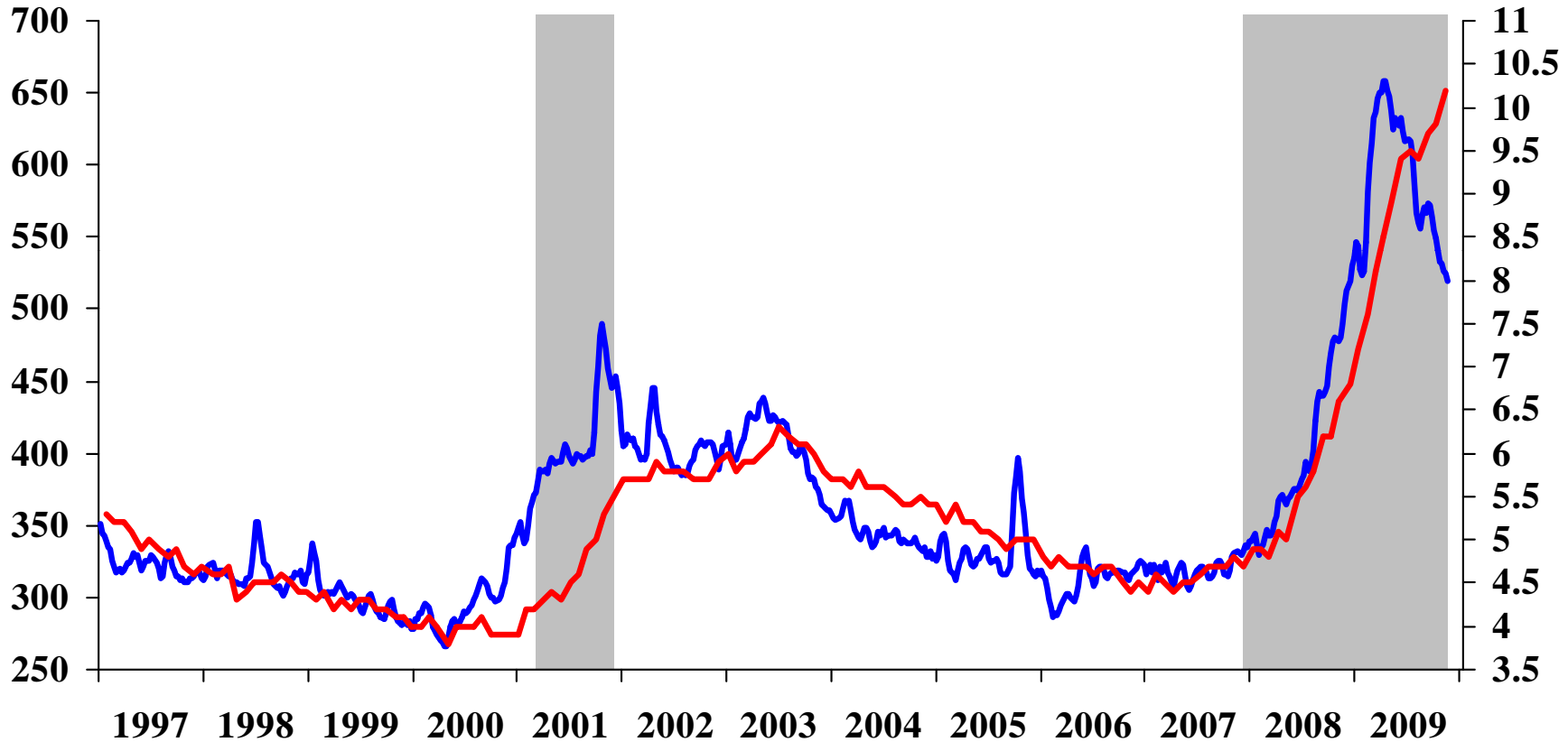
# Initial Claims for Unemployment and Unemployment Rate

4-week MA

Thousands of Initial Claims

Percent

Unemployment



— Initial Claims (Nov 12 release, 07-Nov-520)

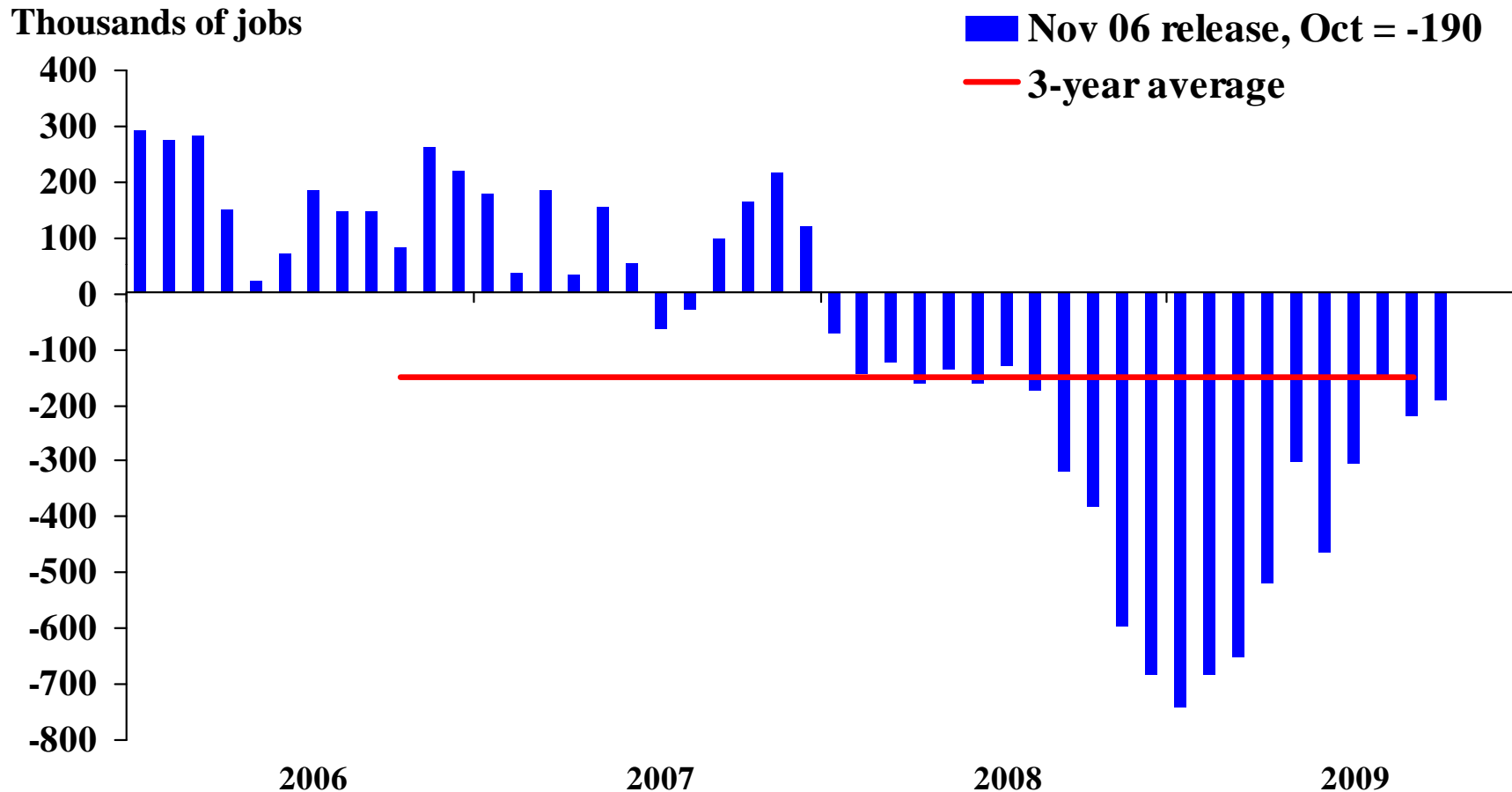
— Unemployment Rate (Nov 06 release, Oct-10.2)

■ Recession

Source: Bureau of Labor Statistics, Department of Labor <http://www.dallasfed.org>



# Change in Nonfarm Employment

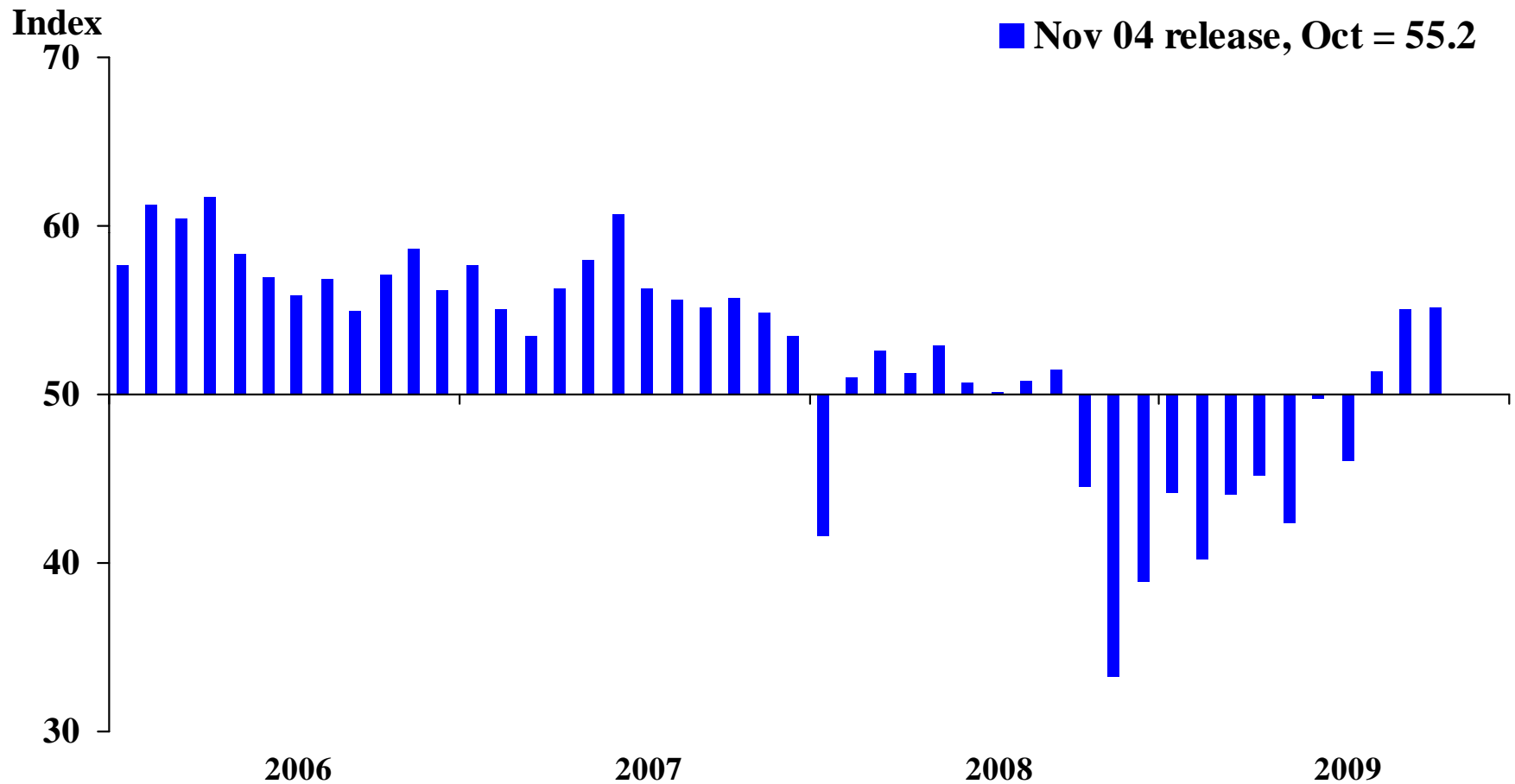


Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



# ISM Non-Manufacturing Activity Index



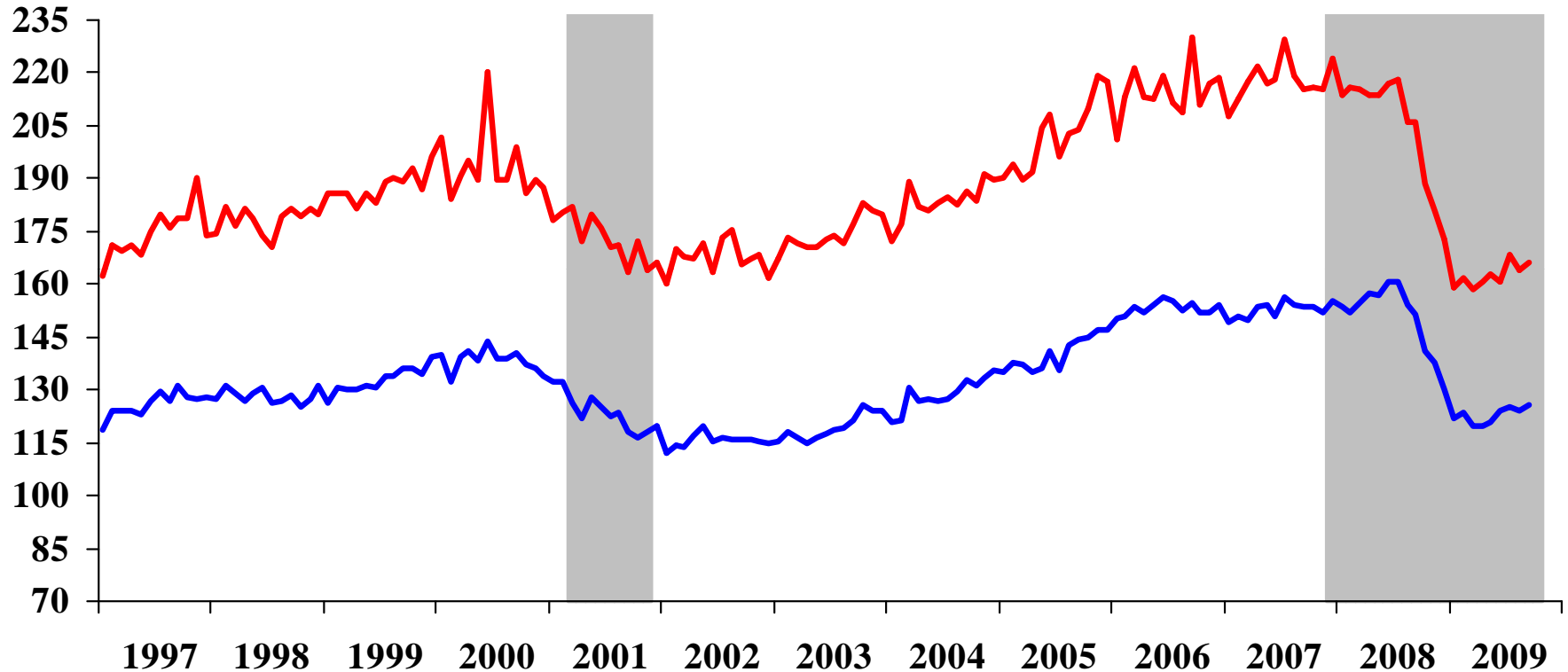
Source : Institute for Supply Management <sup>TM</sup>

<http://www.dallasfed.org>



# New Orders for Durable Goods

Billions of Dollars



— Durable Goods (Nov 03 release, Sep = 166.2)

— Excl. Transportation (Nov 03 release, Sep = 125.7)

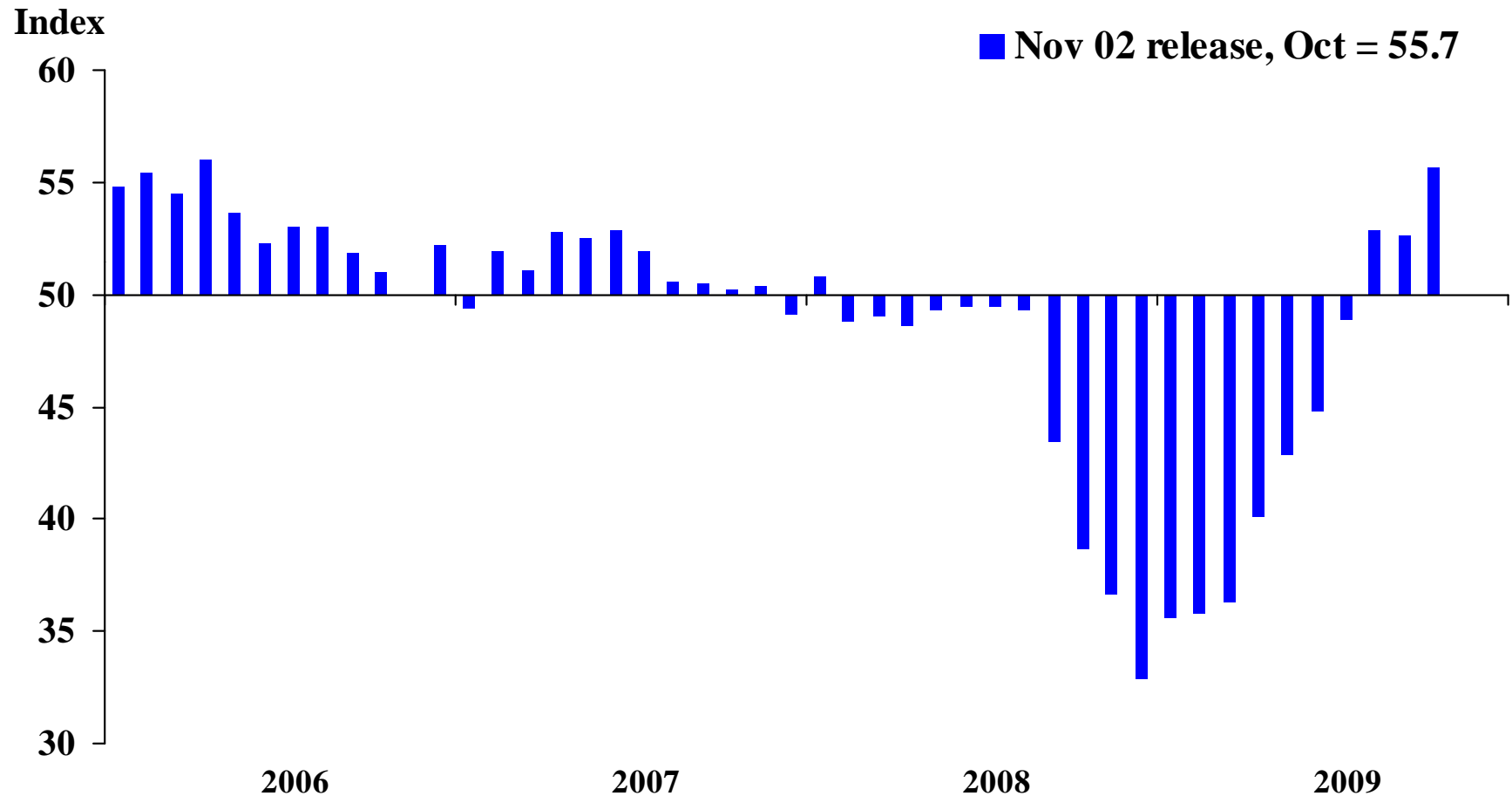
■ Recession

Source: Bureau of the Census

<http://www.dallasfed.org>



# Purchasing Managers' Index



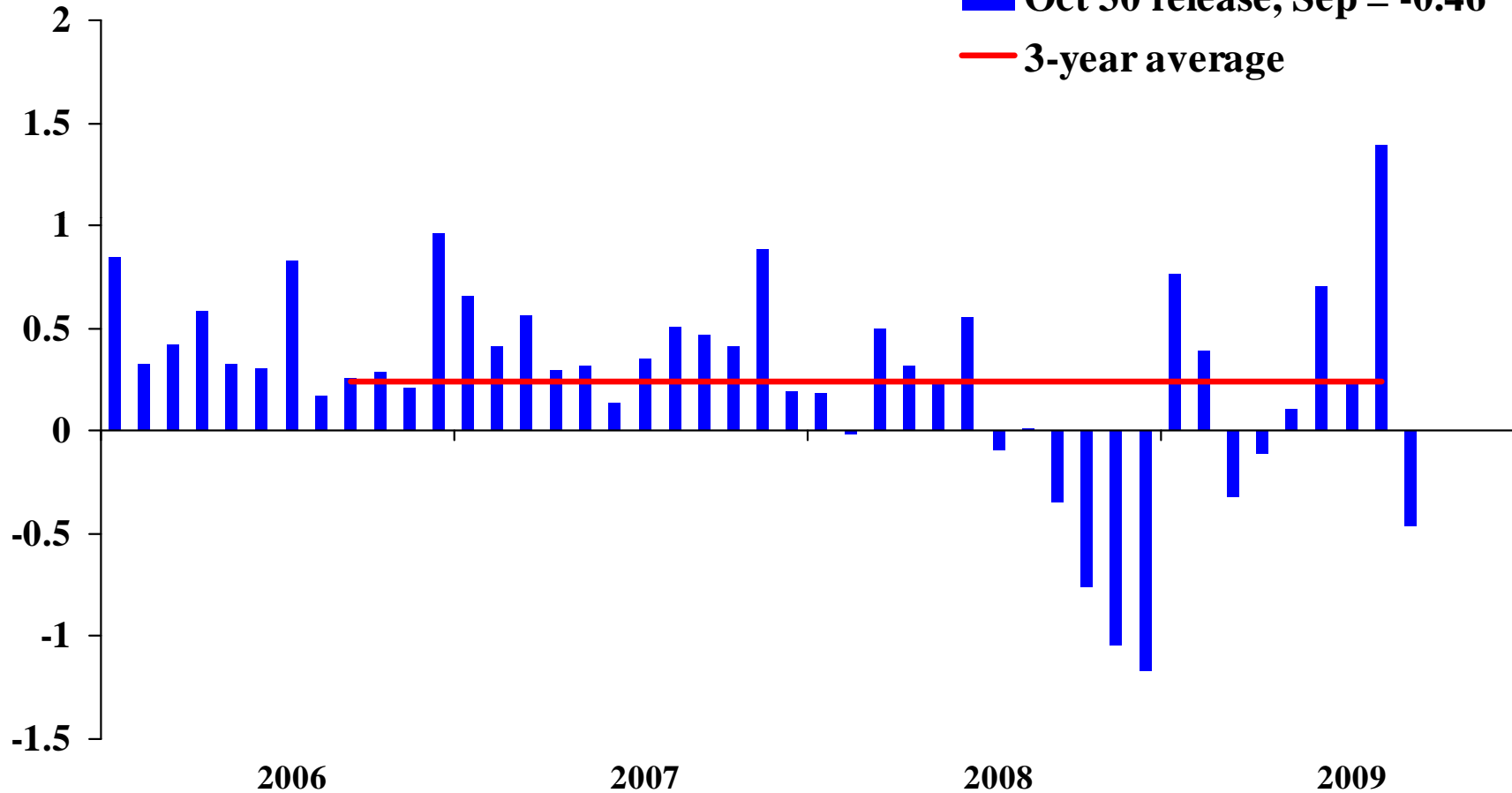
Source: Institute for Supply Management <sup>TM</sup>

<http://www.dallasfed.org>



# Nominal Personal Consumption Expenditures

1-month % change



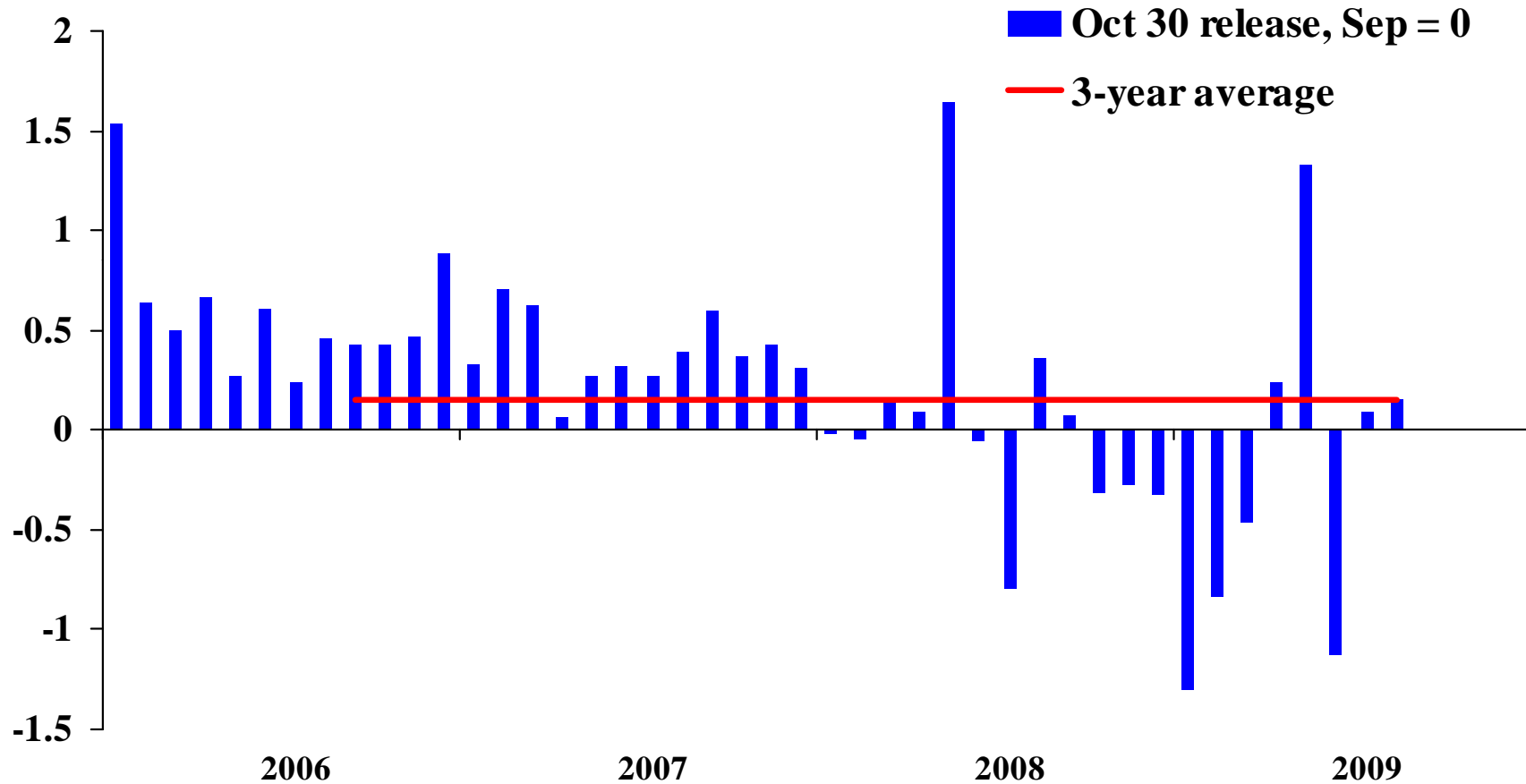
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



# Personal Income

1-month % change



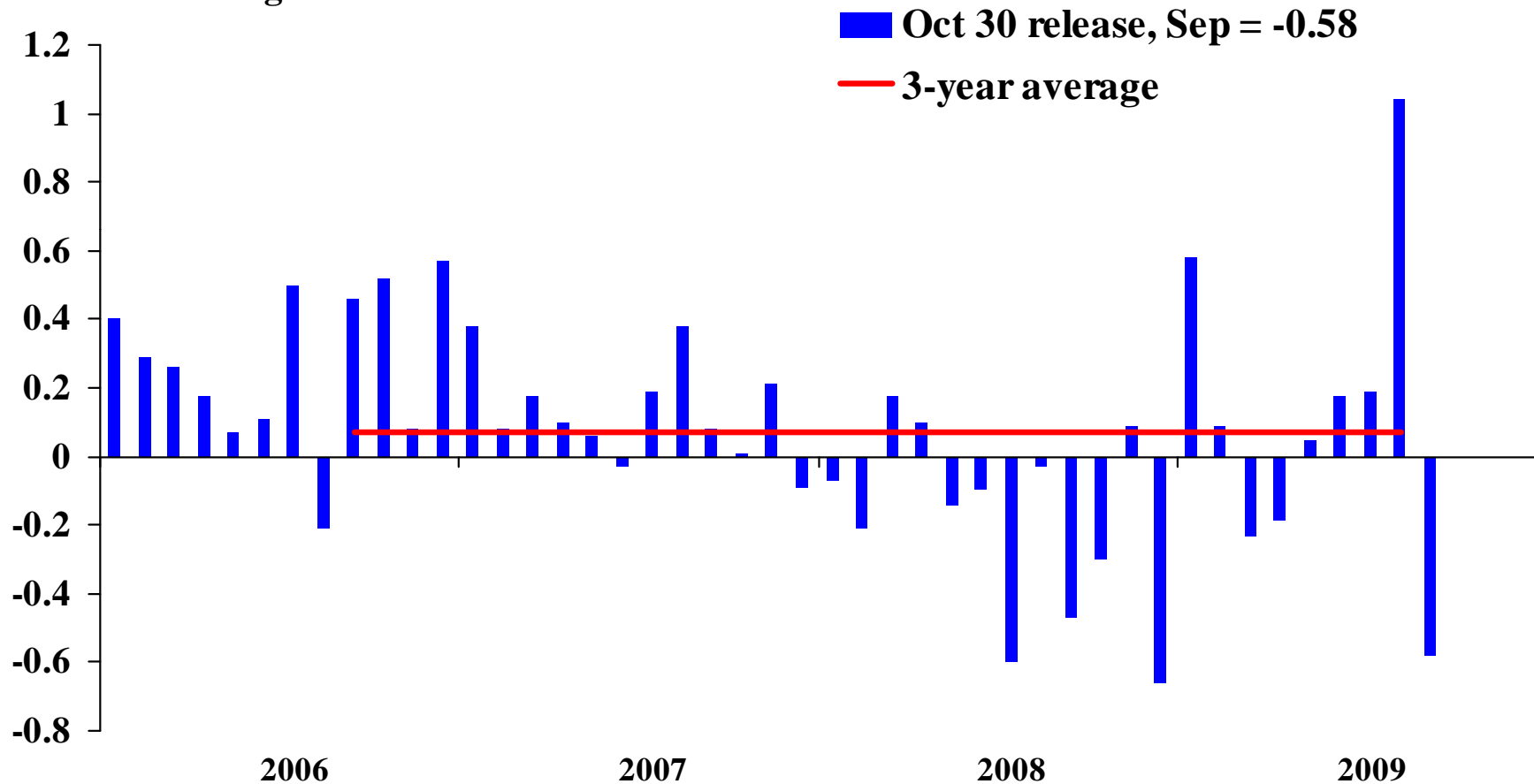
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



# Real Personal Consumption Expenditures

1-month % change



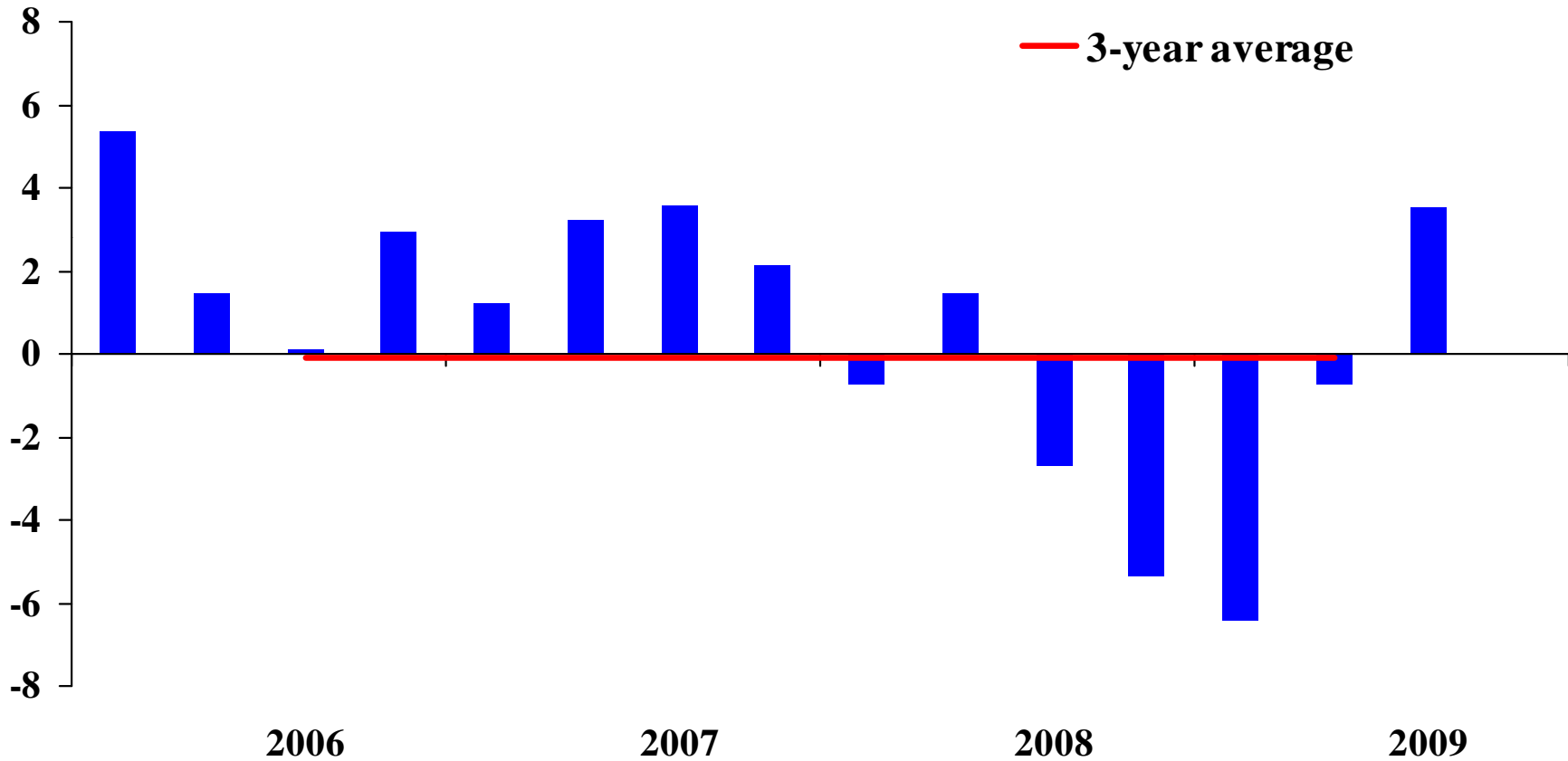
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



# Real GDP

1-quarter % change,  
annualized

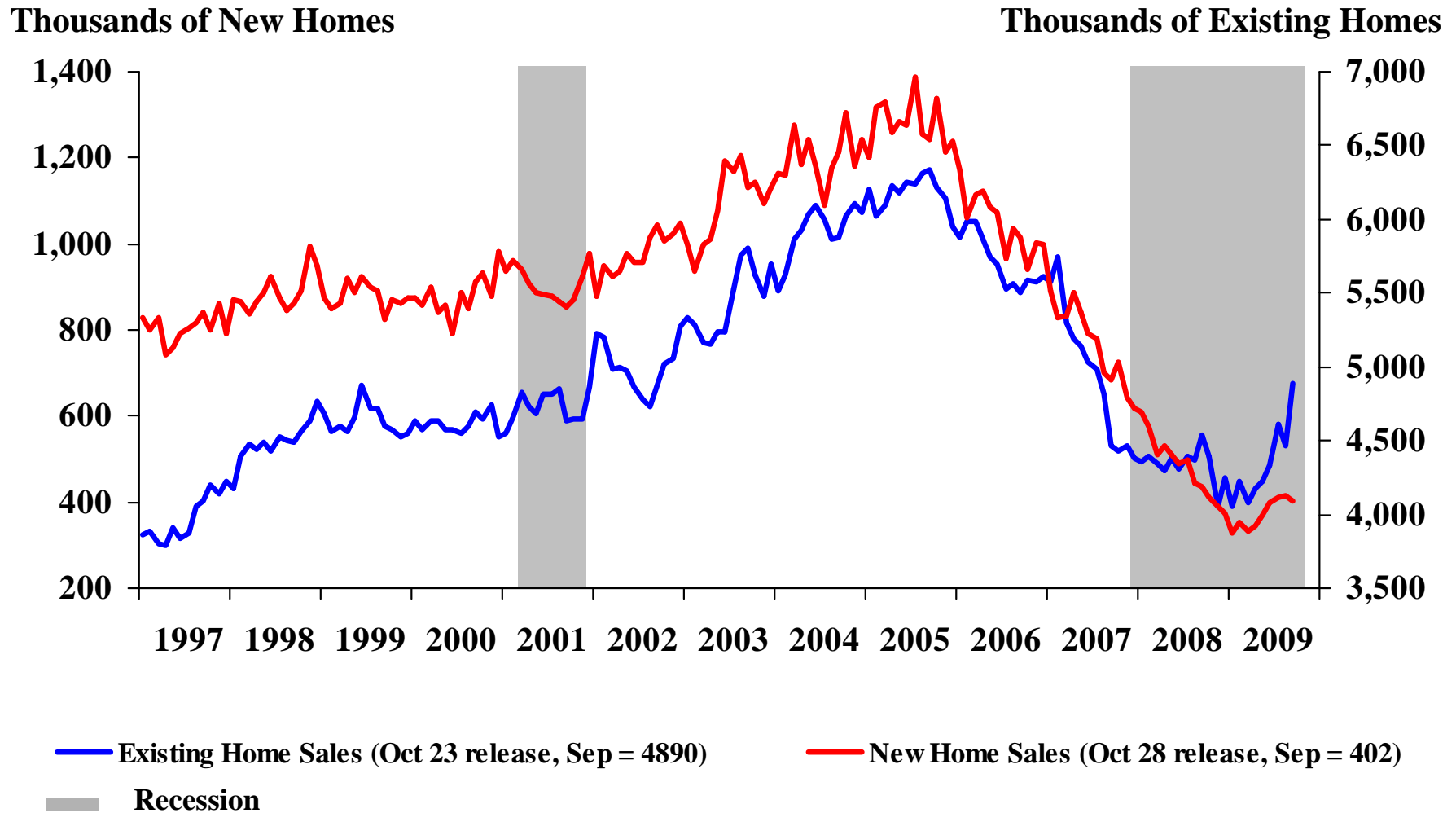


Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



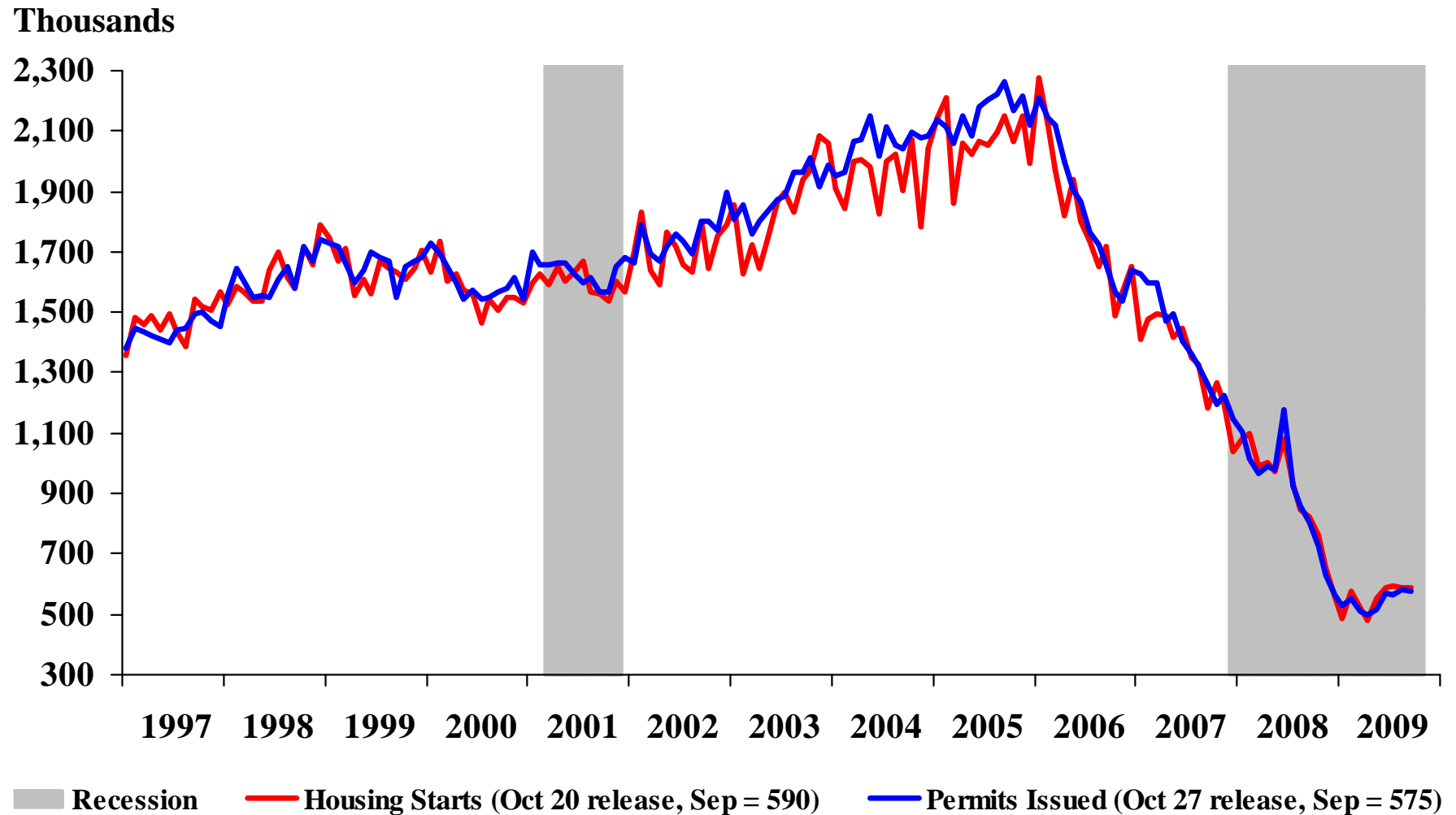
# Home Sales



Source: Bureau of the Census, National Association of Realtors <http://www.dallasfed.org>



# Housing Starts and Permits

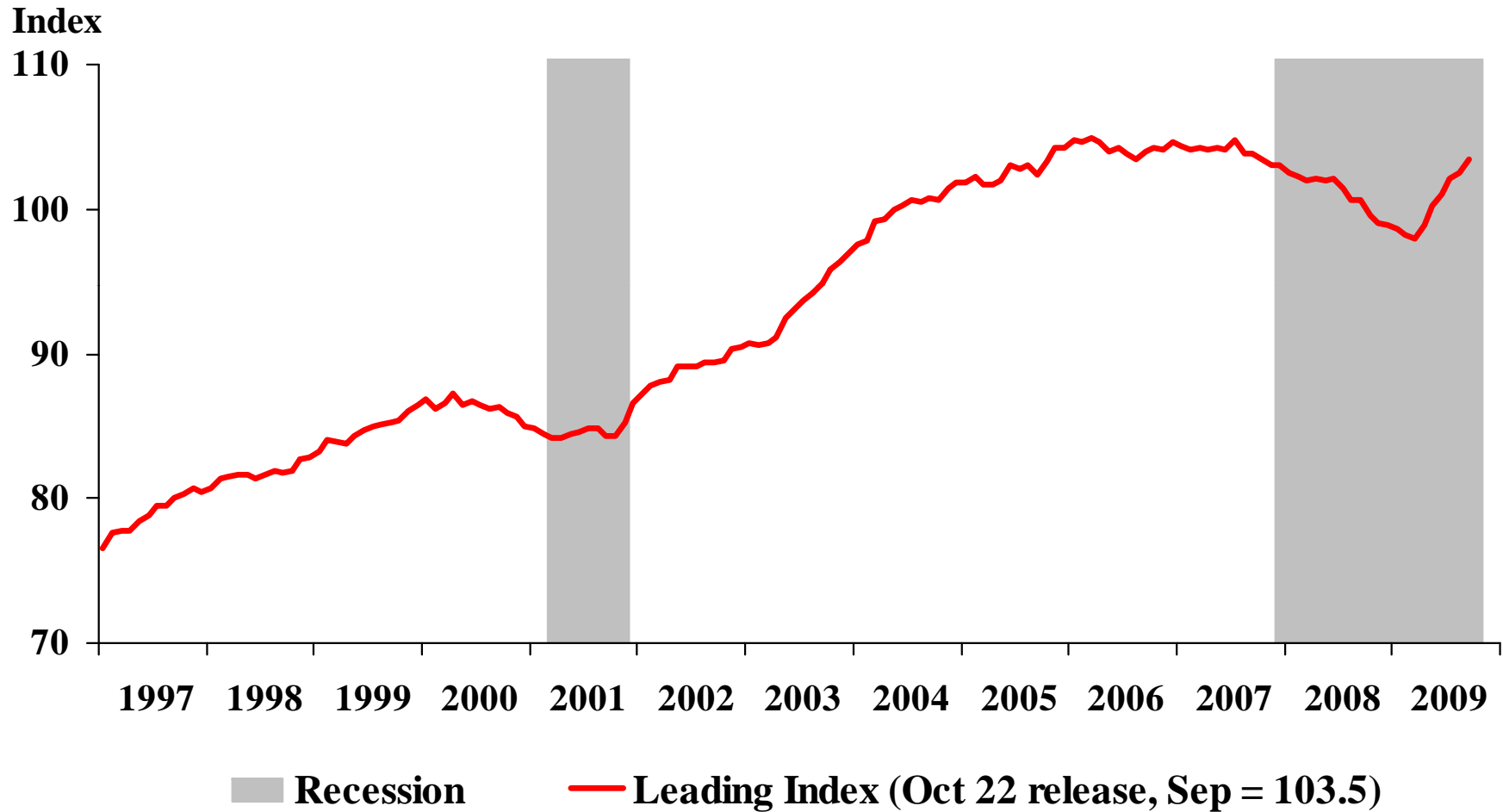


Source: Bureau of the Census

<http://www.dallasfed.org>



# Index of Leading Economic Indicators



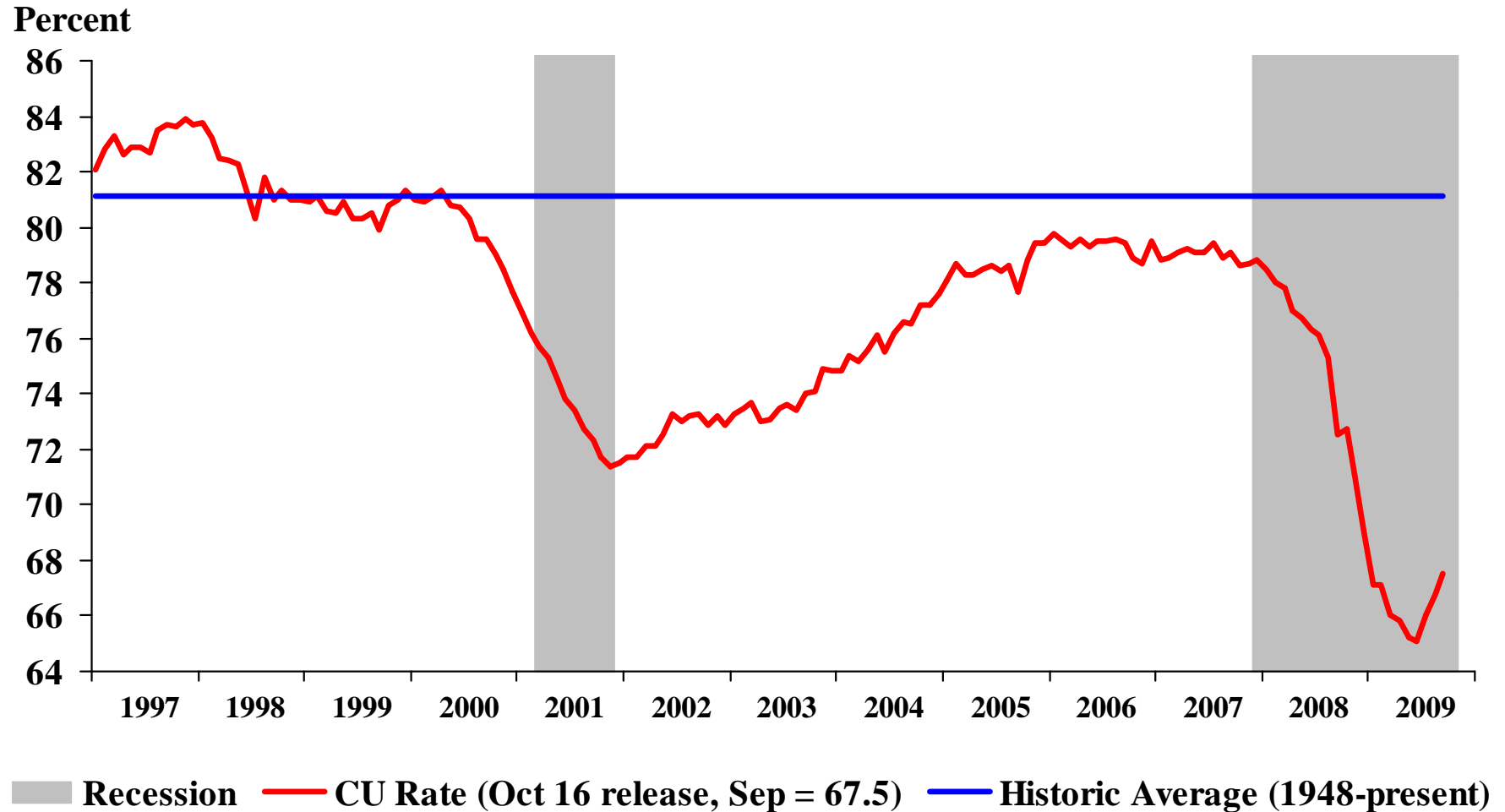
Source: The Conference Board

<http://www.dallasfed.org>





# Manufacturing Capacity Utilization Rate



Source: Federal Reserve Board

<http://www.dallasfed.org>



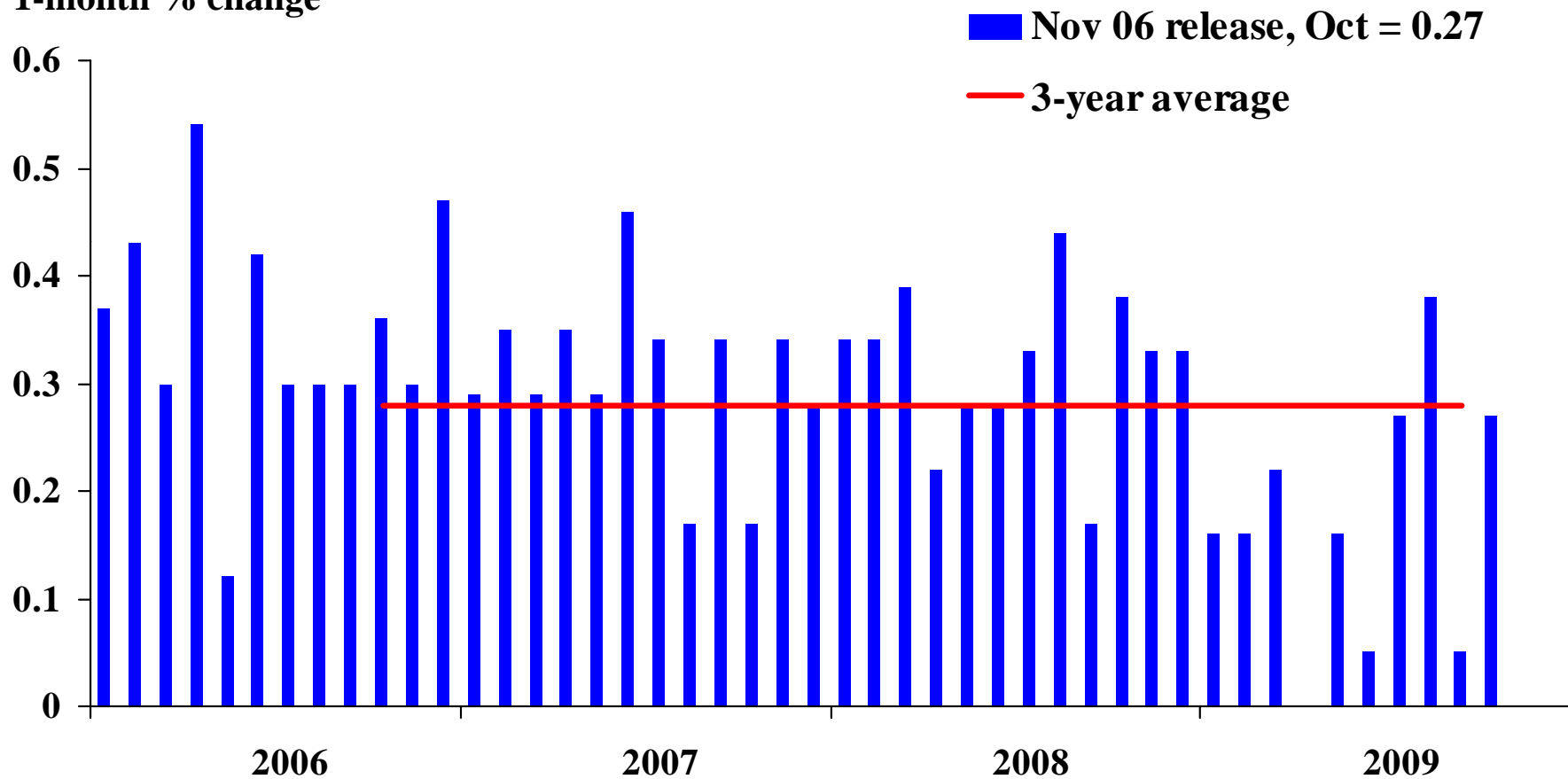
# WAGES AND PRICES

<http://www.dallasfed.org>



# Average Hourly Earnings

1-month % change



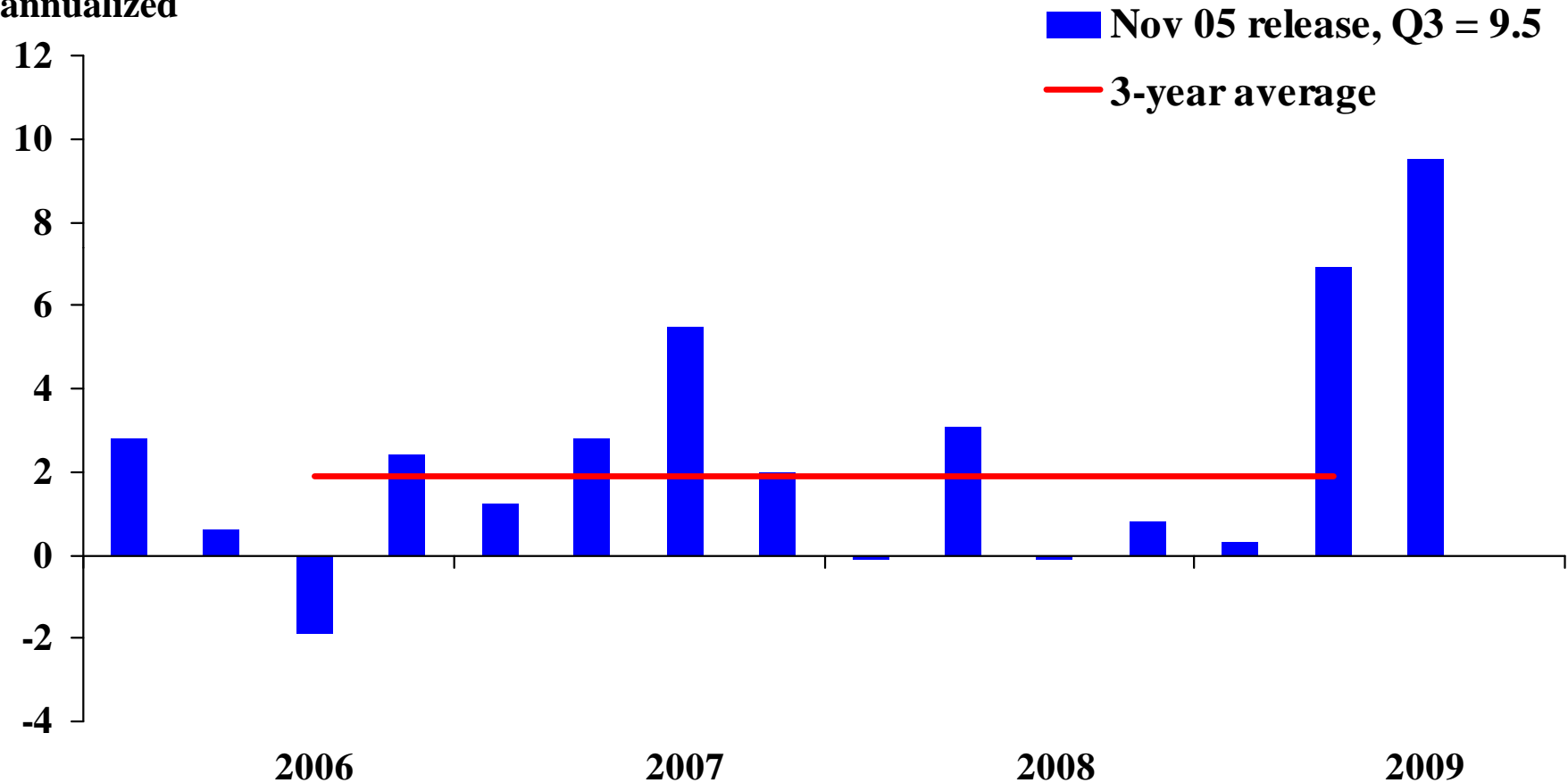
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



# Nonfarm Business Productivity

1-quarter % change,  
annualized



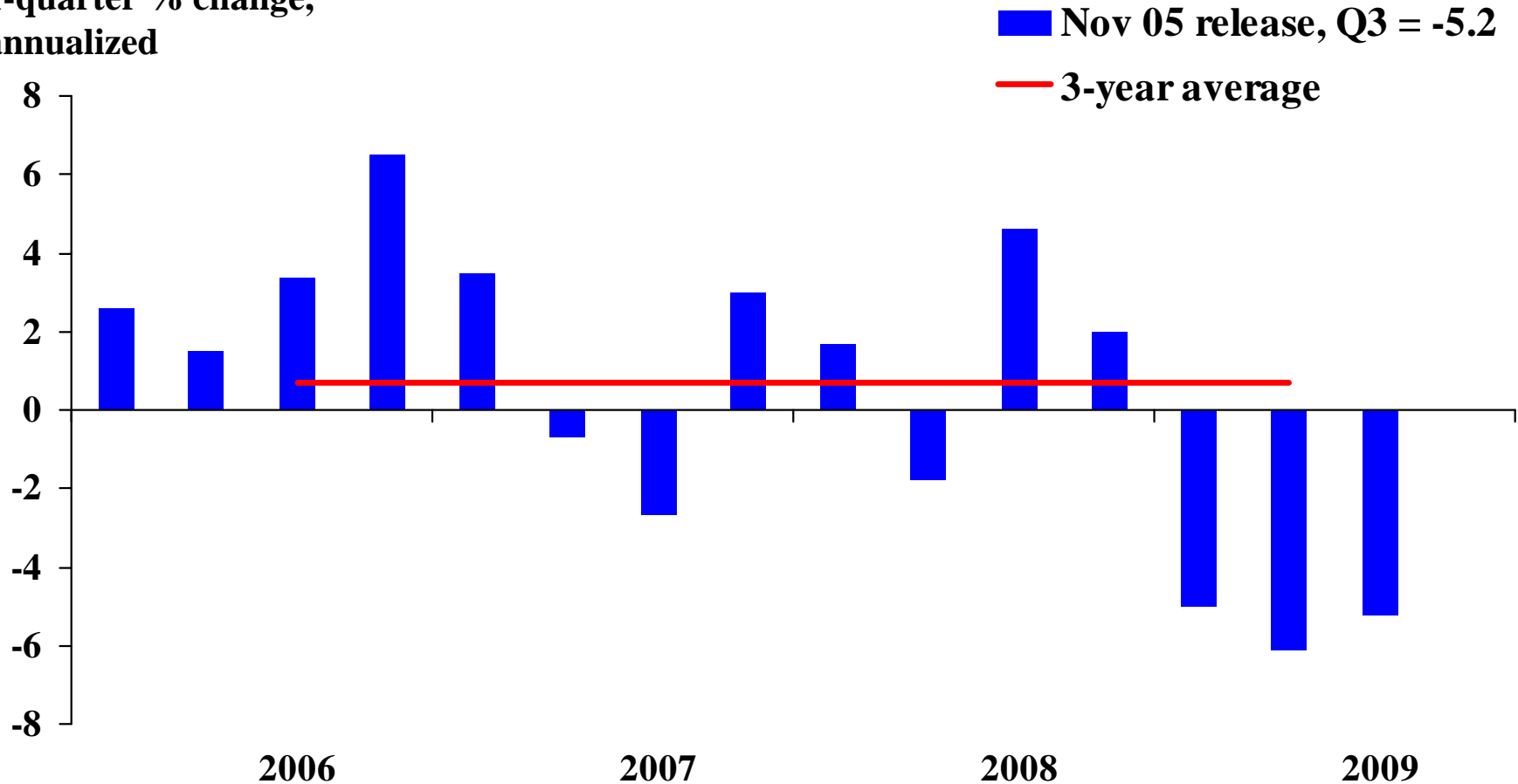
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



# Nonfarm Business Unit Labor Cost

1-quarter % change,  
annualized



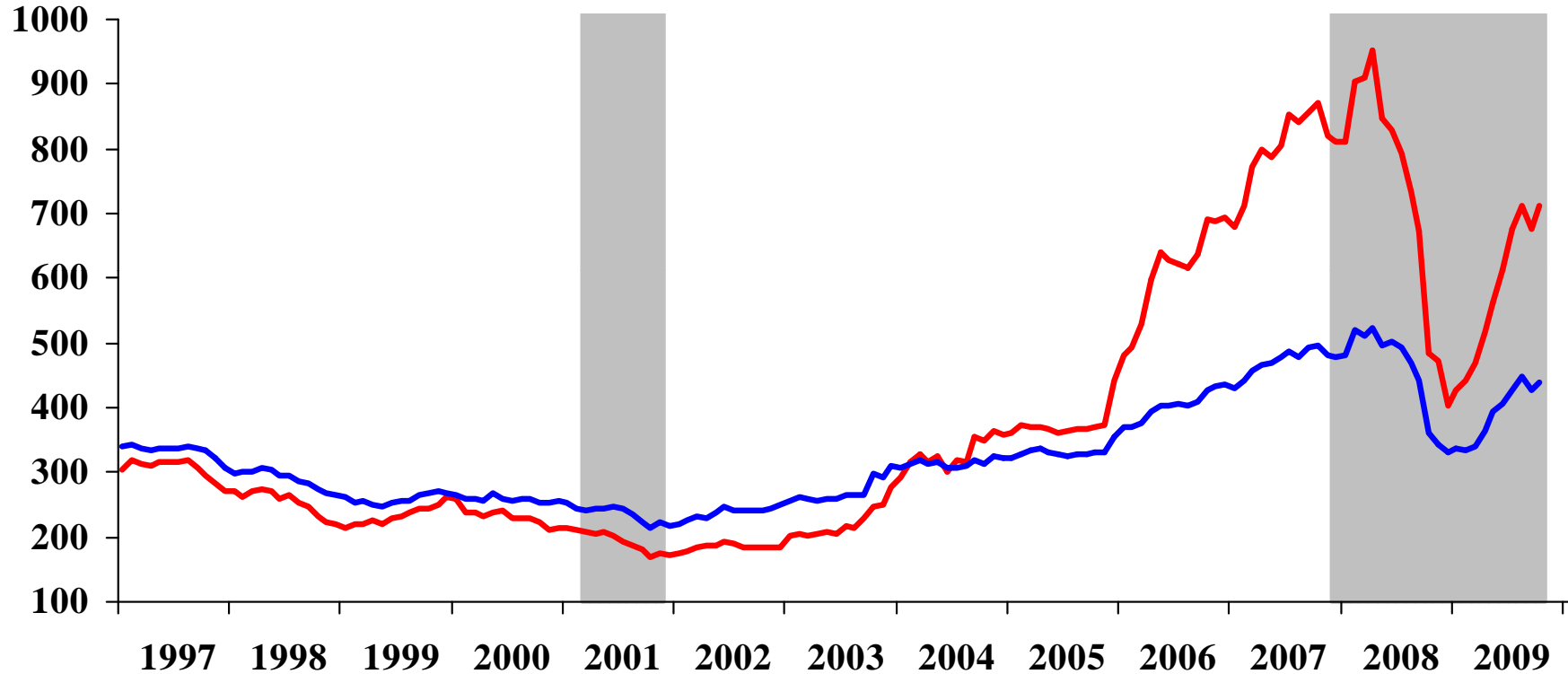
Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



# Commodity Prices

1967=100, EOP



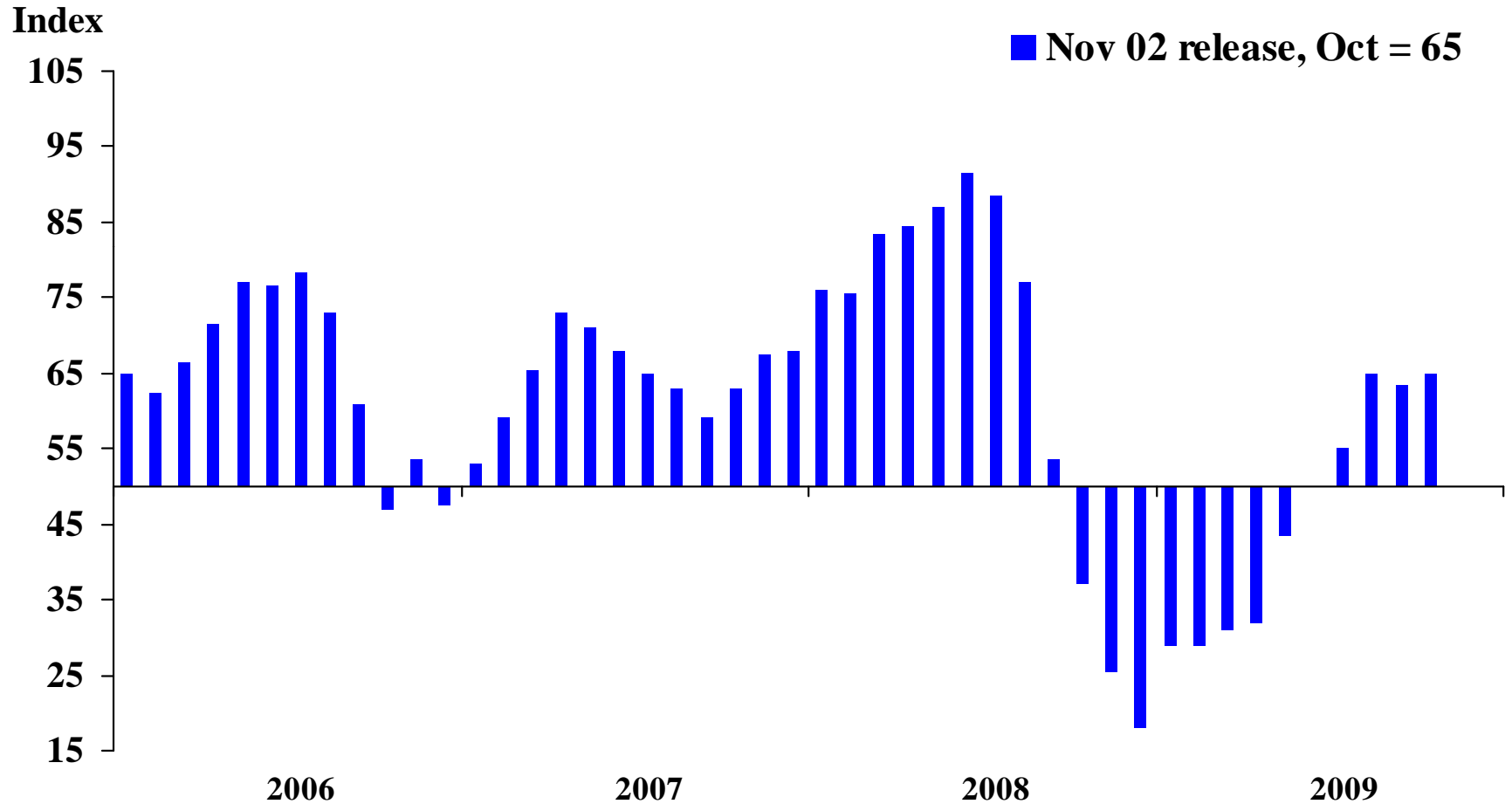
- KR-CRB Spot Commodity Price Index: Metals (Nov 03 release, Oct=712.2)
- KR-CRB Spot Commodity Price Index: Raw Industrials (Nov 03 release, Oct=440.1)
- Recession

Source: Commodity Research Bureau

<http://www.dallasfed.org>



# ISM Manufacturing Prices Index



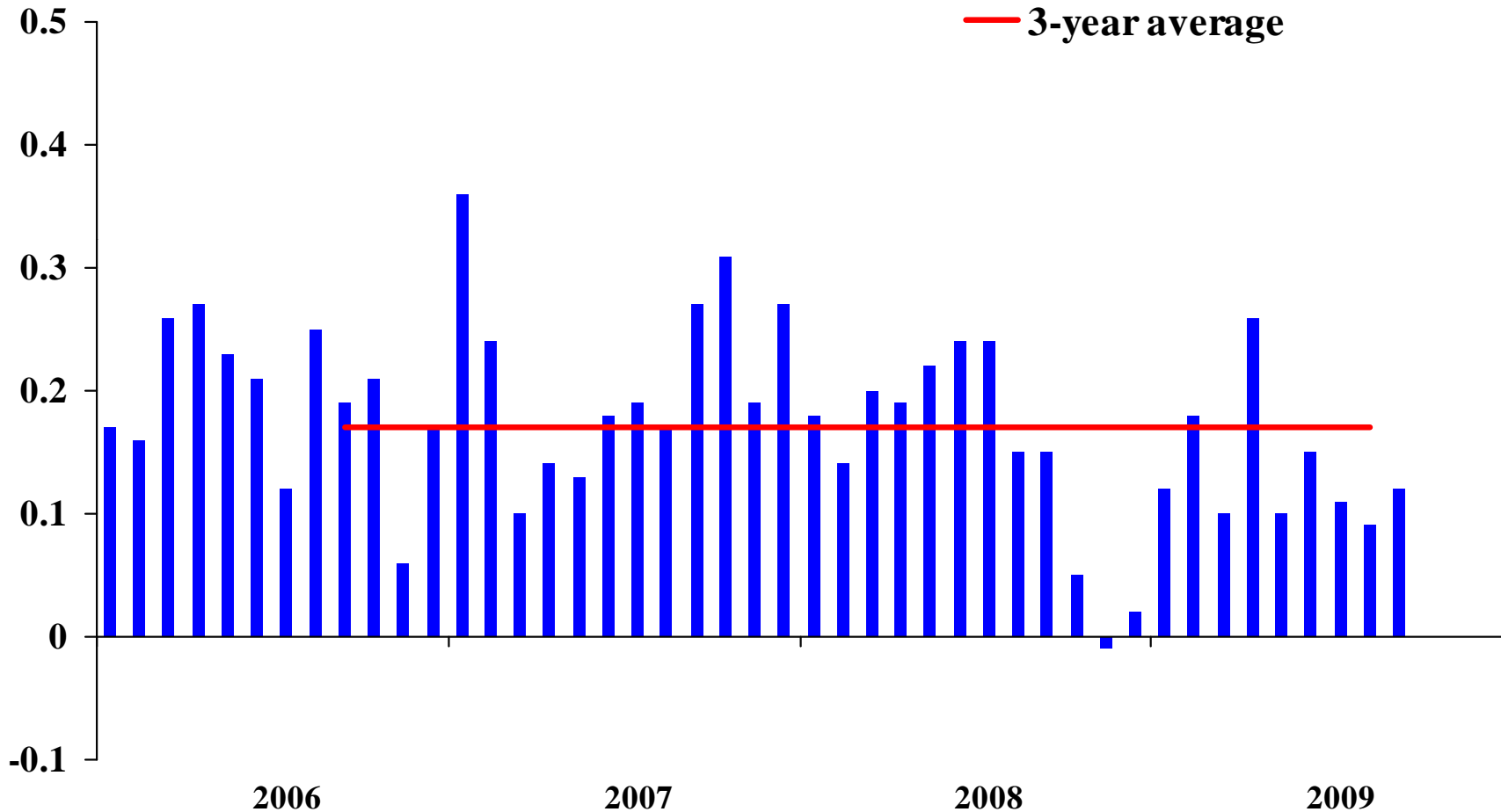
Source : Institute for Supply Management <sup>TM</sup>

<http://www.dallasfed.org>



# Core PCE Price Index

1-month % change



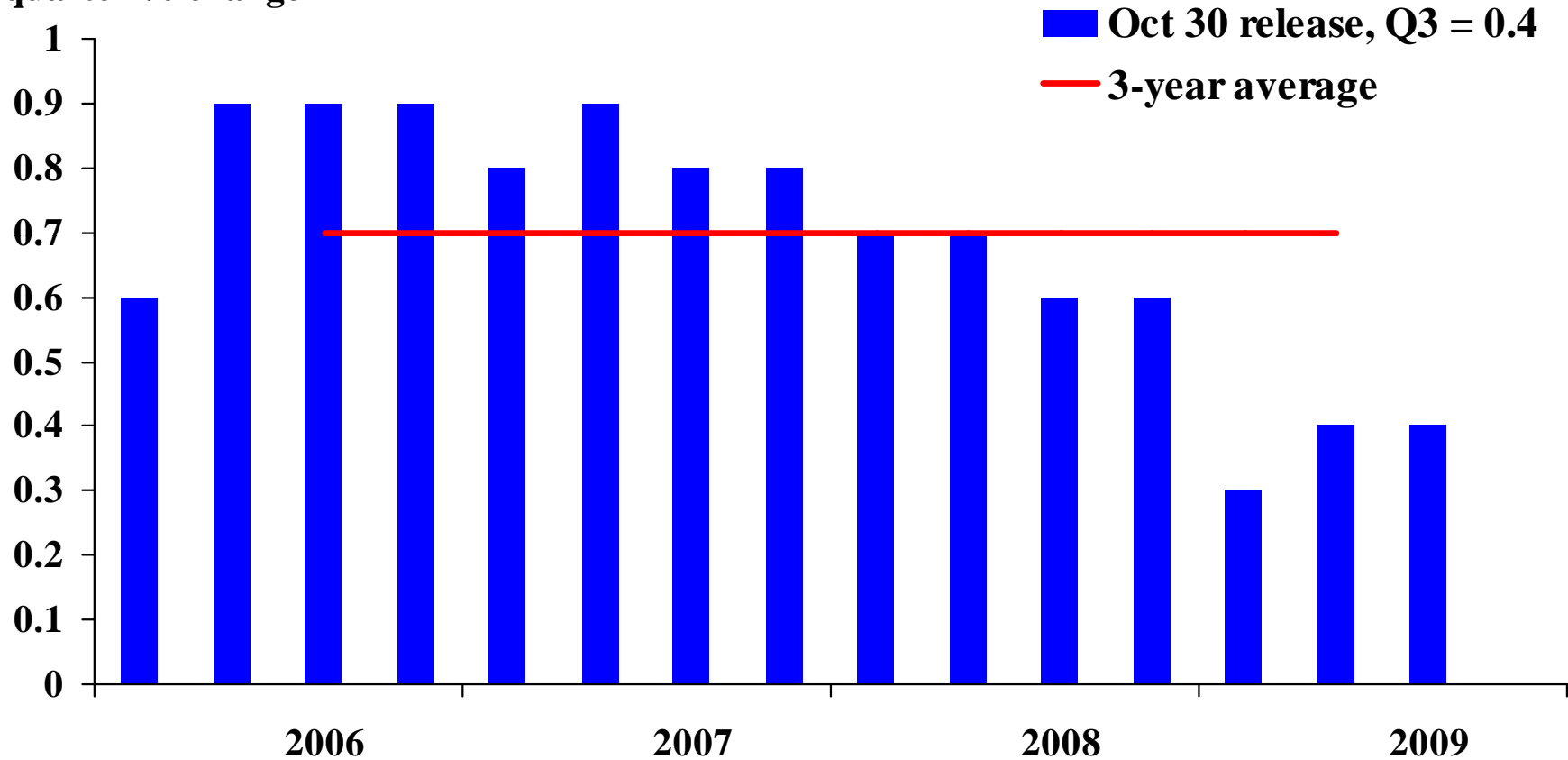
Source: Bureau of Economic Analysis

<http://www.dallasfed.org>



# Employment Cost Index

1-quarter % change



Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



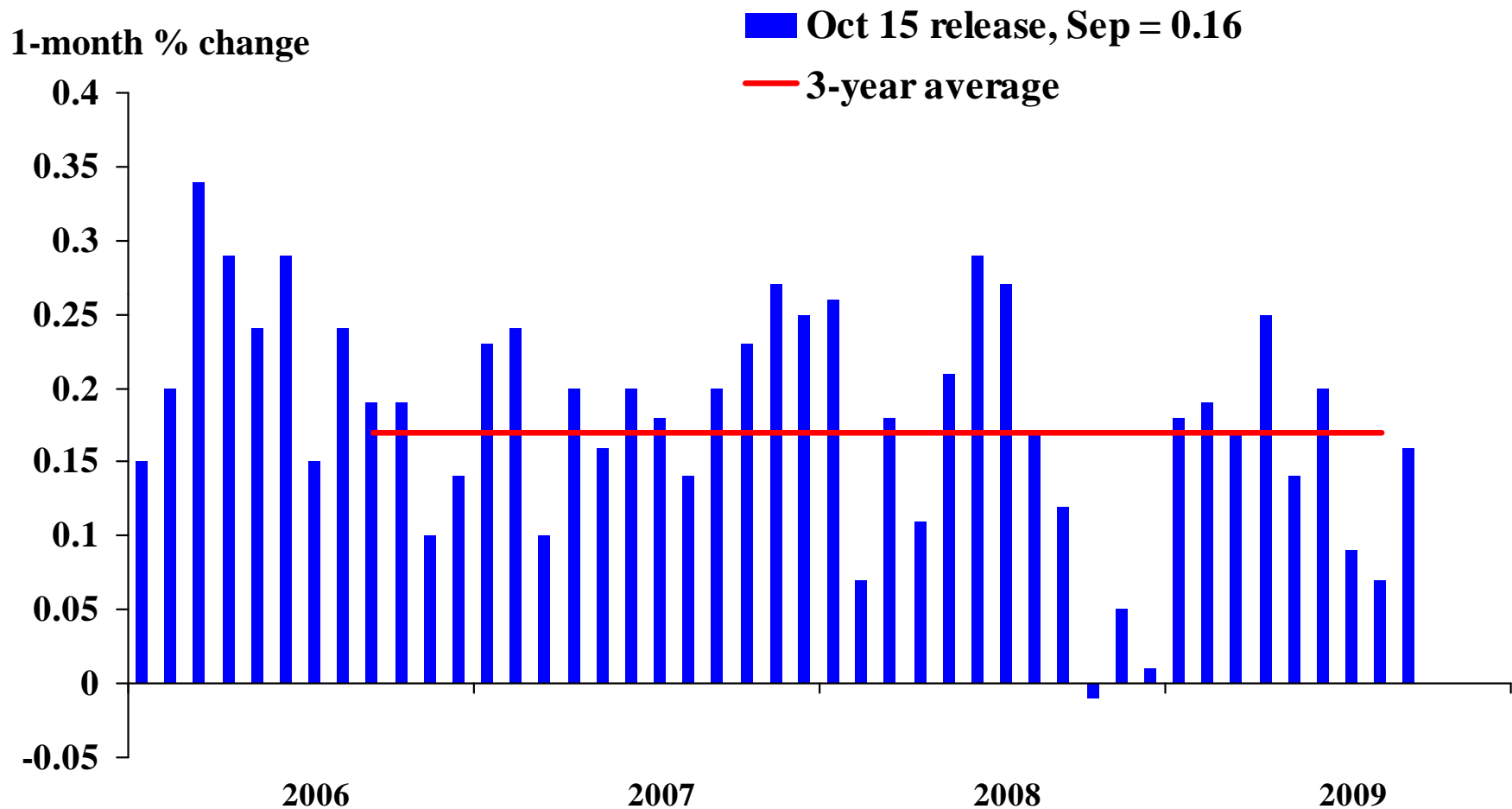








# Core Consumer Price Index



Source: Bureau of Labor Statistics

<http://www.dallasfed.org>



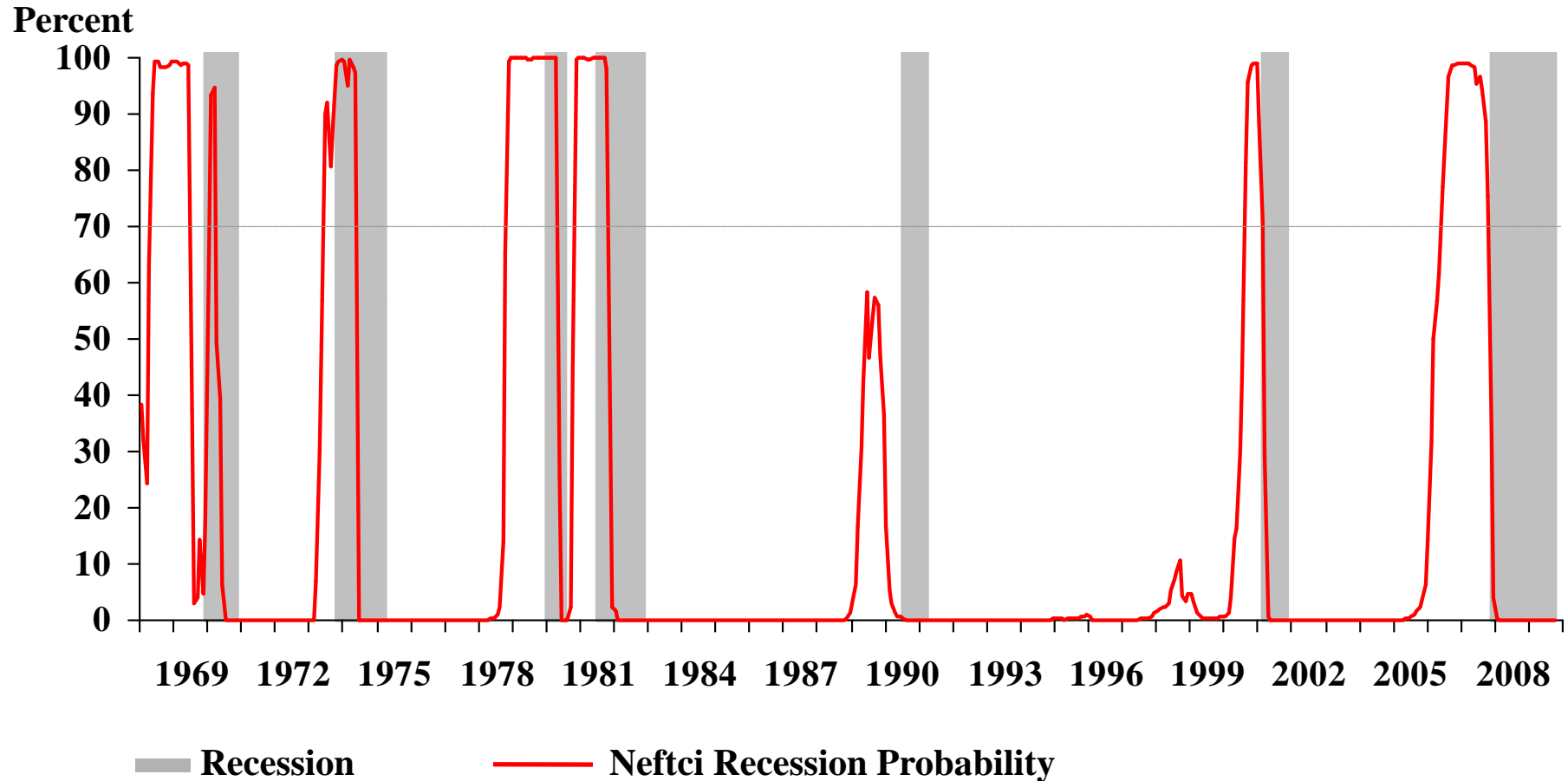
# **FINANCIAL-SECTOR DEVELOPMENTS**

**<http://www.dallasfed.org>**



# Recession Probability

Real-time Neftci probability calculated from 10-yr.--1-yr. Treasury yield spread



Crosses 70% threshold with a lead of between 5 and 18 months, and averaging 11 months.

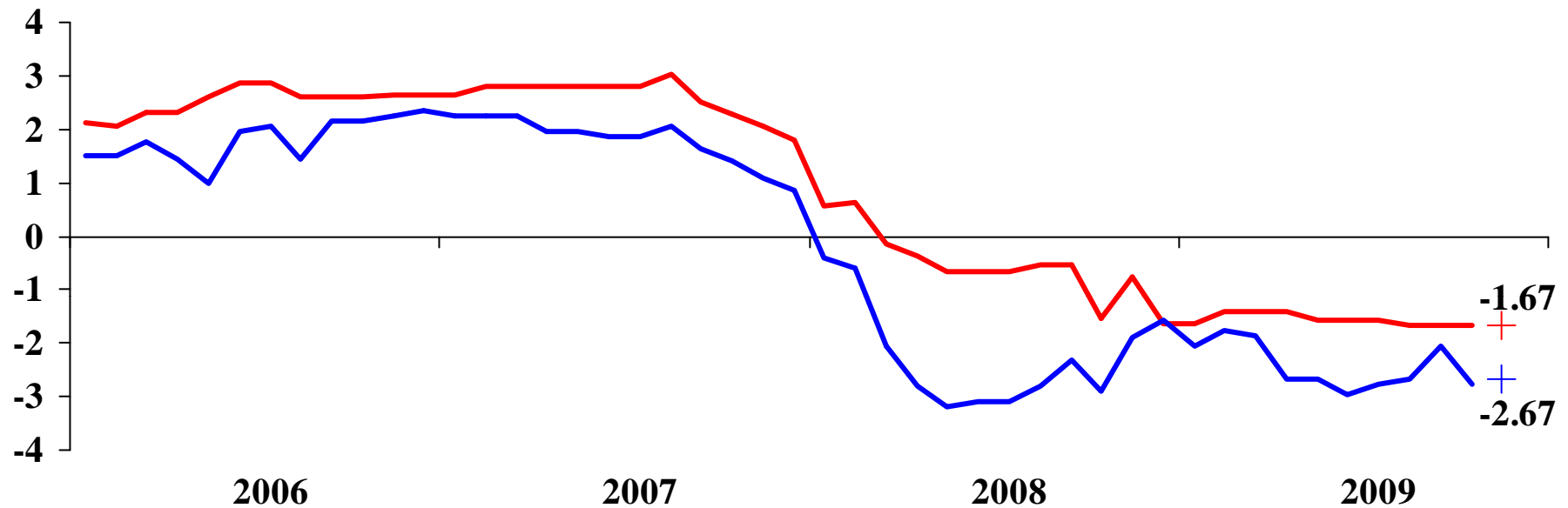
Source: Federal Reserve Board; calculations by FRB Dallas

<http://www.dallasfed.org>



# Real Federal Funds Rate

Percent



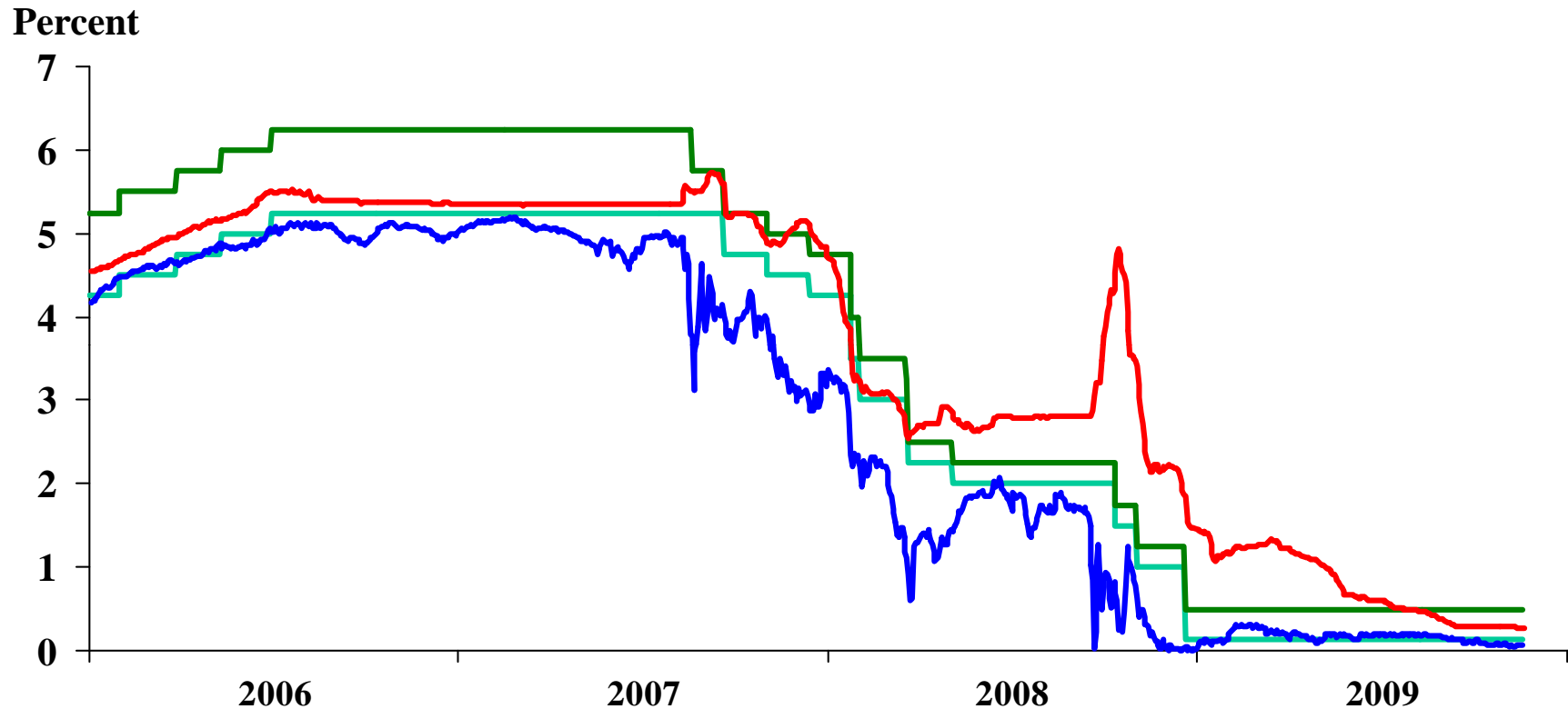
- End-of-Month Target Fed Funds Rate less SPF Expected Inflation
- + Target Fed Funds Rate (Nov 13) less SPF Expected Inflation (Nov 16)
- End-of-Month Target Fed Funds Rate less U. of Michigan Expected Inflation
- + Target Fed Funds Rate (Nov 13) less U. of Michigan Expected Inflation (Oct 30)

Sources: Target Fed Funds Rate: Federal Reserve Board; SPF Expected Inflation: FRB Philadelphia; U. of Michigan Expected Inflation: Survey of Consumers, Survey Research Center, U. of Michigan

<http://www.dallasfed.org>



# Short-Term Interest Rates



- Target Fed Fund Rate (Nov 13 = 0.125)
- 3-Month T-Bill Rate (Nov 12 = 0.07)
- Discount Window Primary Credit Rate (Nov 12 = 0.5)
- 3-month LIBOR (Nov 16 = 0.271)

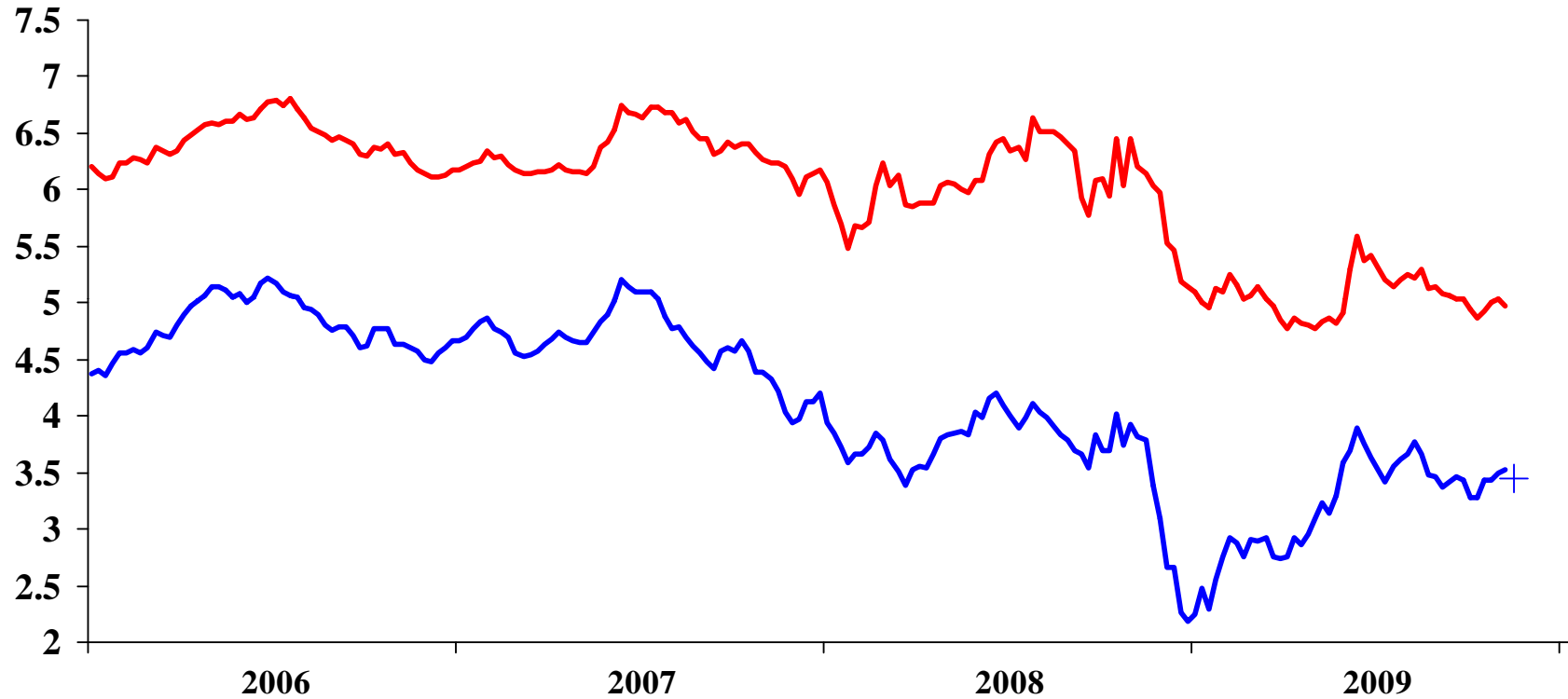
Source: Federal Reserve Board

<http://www.dallasfed.org>



# Long-Term Interest Rates

Percent



— Mortgage Rate (week of Nov 06= 4.98)

— 10-year T-Bond (week of Nov 06= 3.53)

+ 10-year T-Bond (Nov 12 = 3.45)

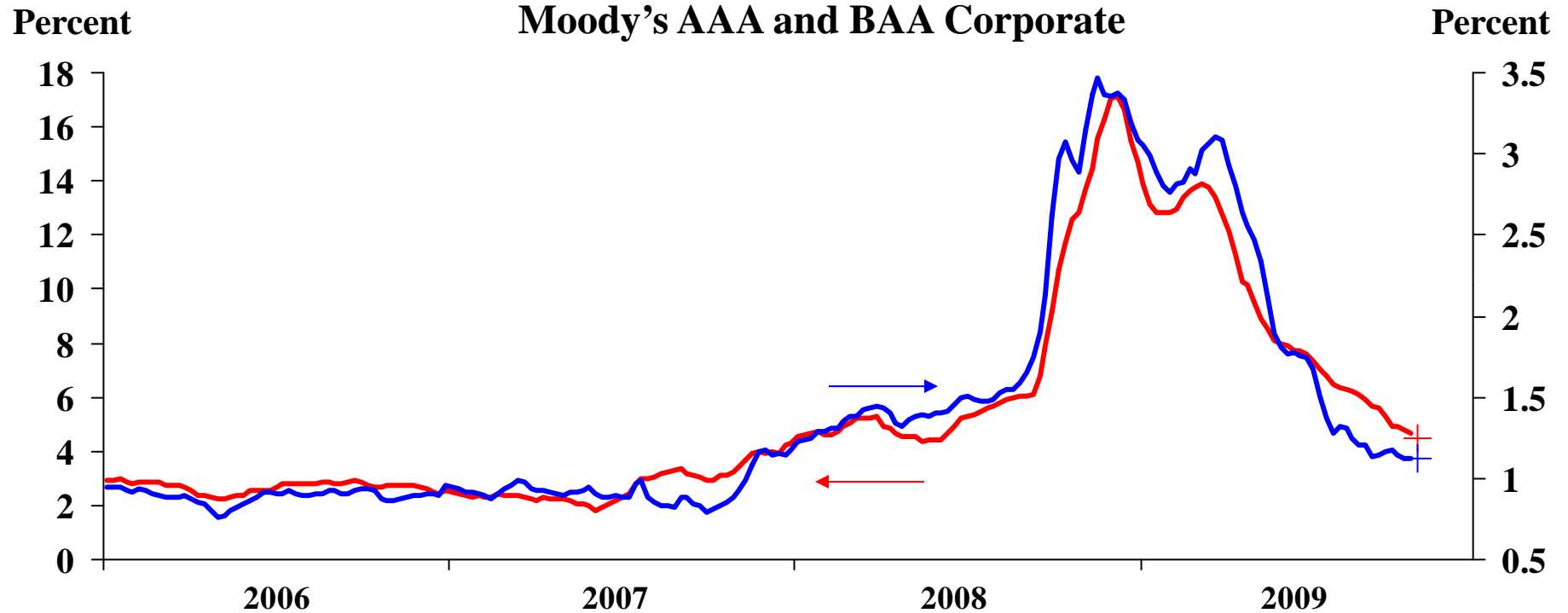
Source: Federal Reserve Board

<http://www.dallasfed.org>



# Bond Spreads

Merrill Lynch's Yield on Low-Grade Corporate Bonds,  
Moody's AAA and BAA Corporate



— Low-Grade Corporate less AAA Corporate (week of Nov 06 = 4.66)

+ Daily (Nov 12 = 4.49)

— BAA Corporate less AAA Corporate (week of Nov 06 = 1.12)

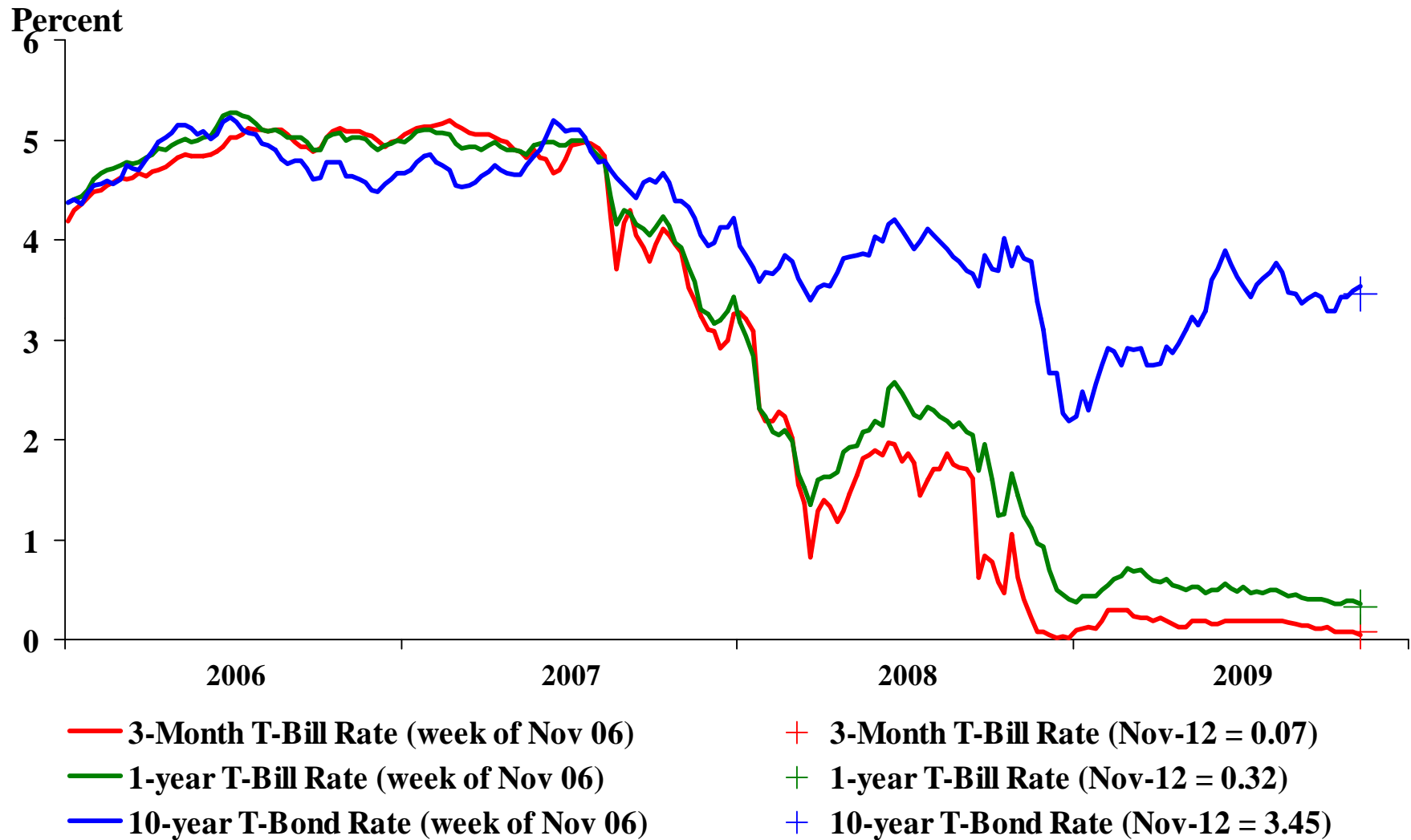
+ Daily (Nov 12 = 1.12)

Source: Moody's Investors Service, Merrill Lynch

<http://www.dallasfed.org>



# Yield Curve



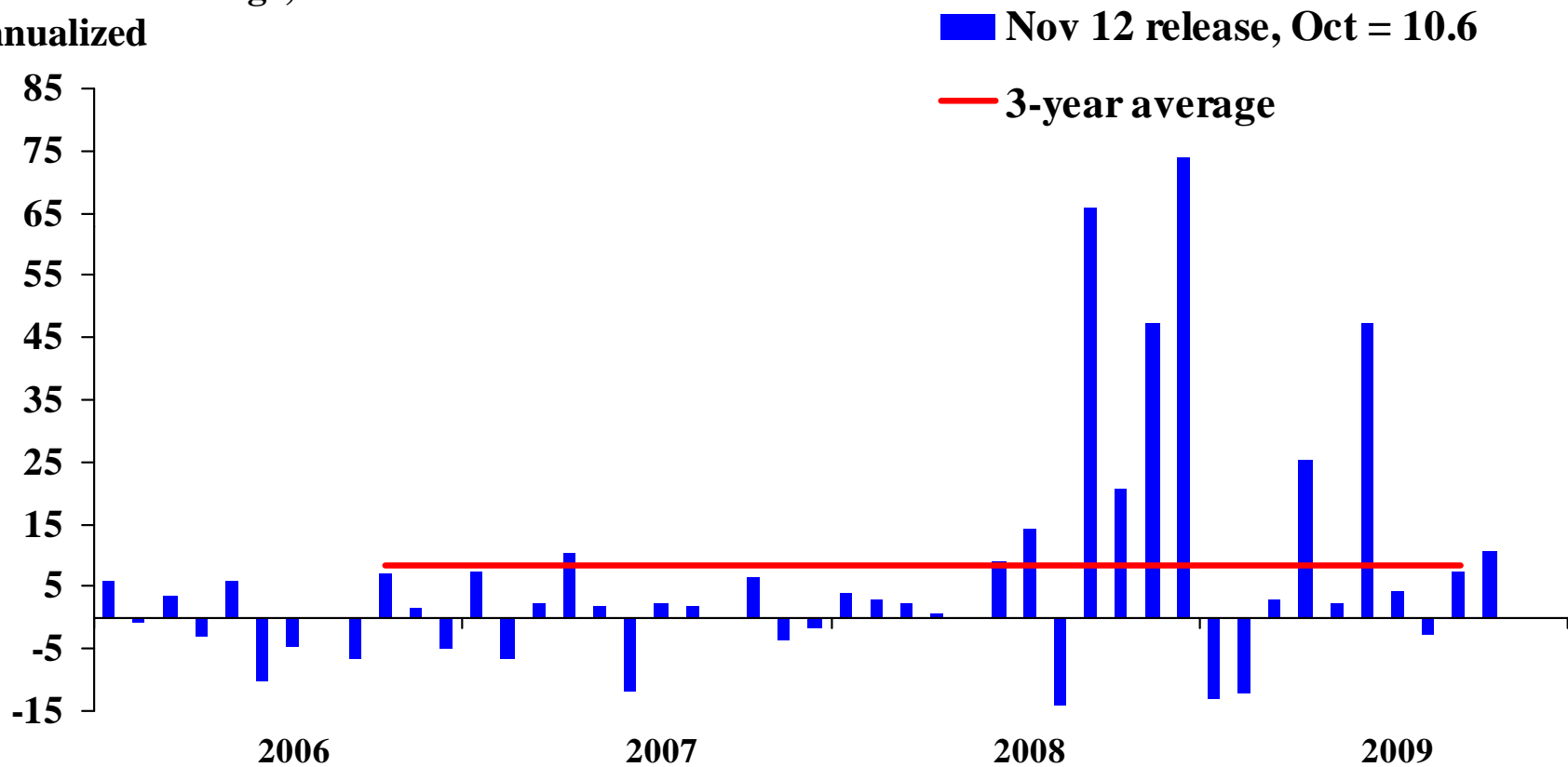
Source: Federal Reserve Board

<http://www.dallasfed.org>



# Money Supply: M1

1-month % change,  
annualized



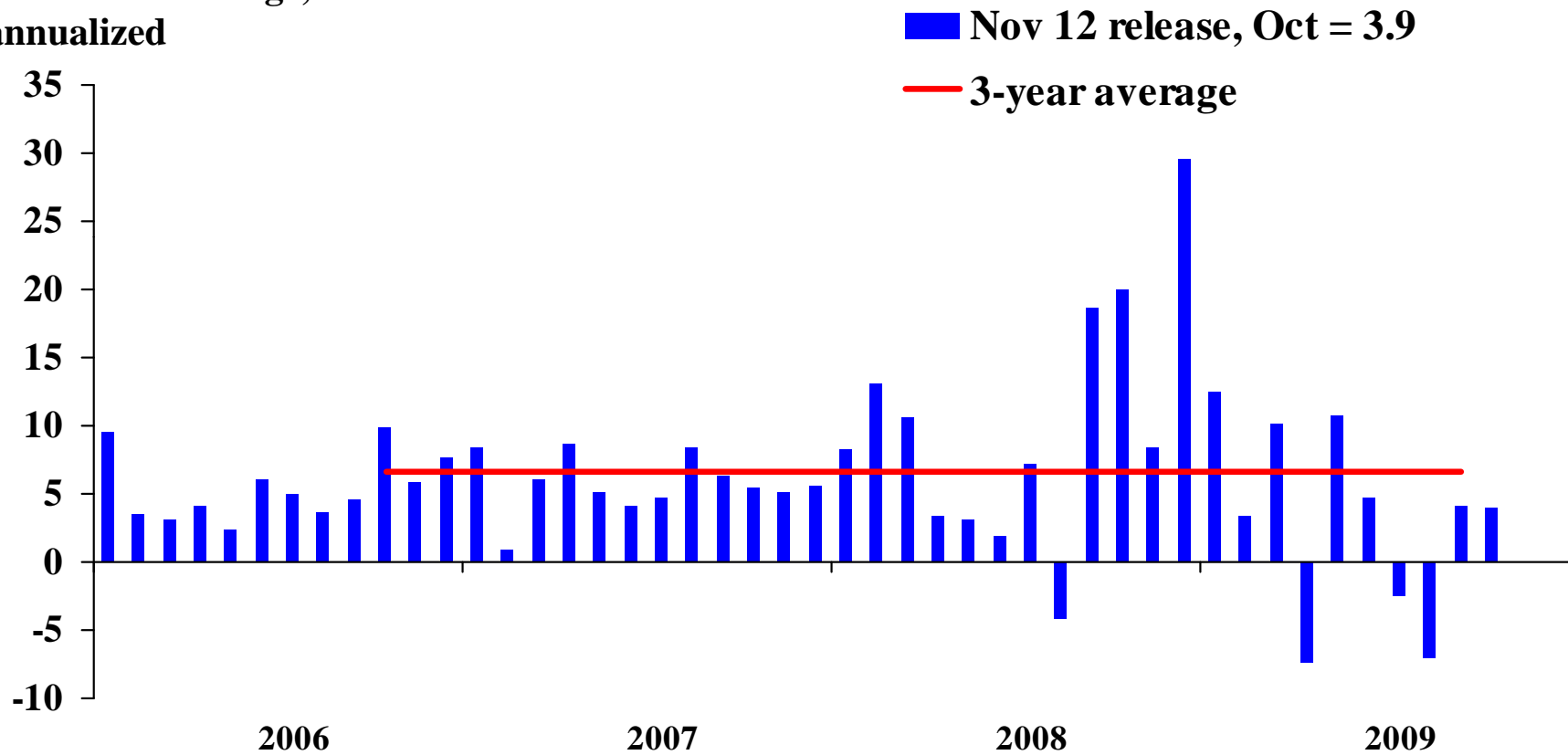
Source: Federal Reserve Board

<http://www.dallasfed.org>



# Money Supply: M2

1-month % change,  
annualized



Source: Federal Reserve Board

<http://www.dallasfed.org>