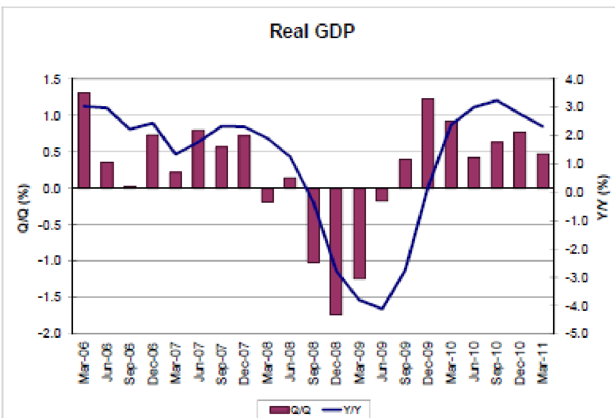
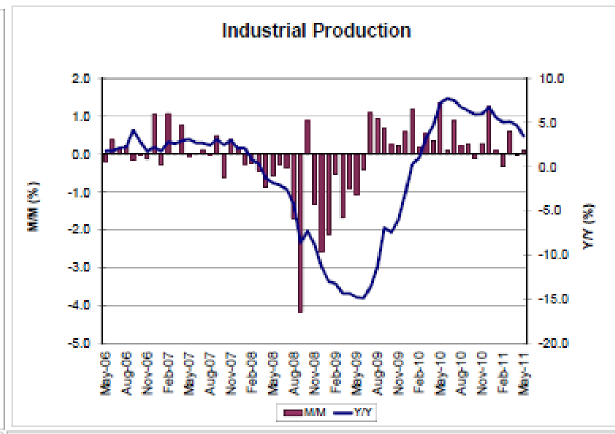
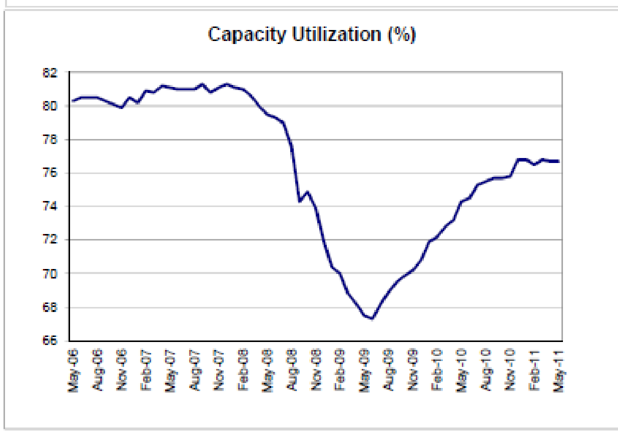
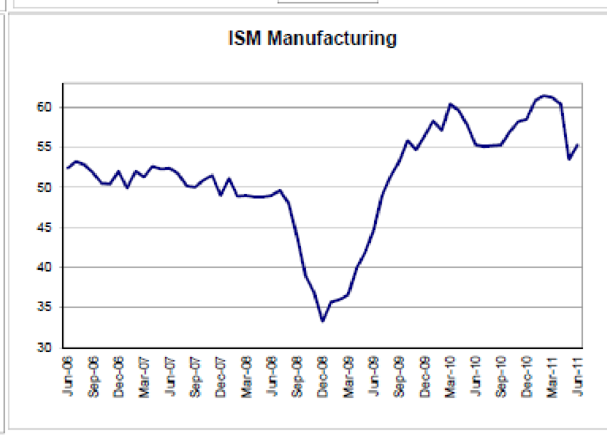
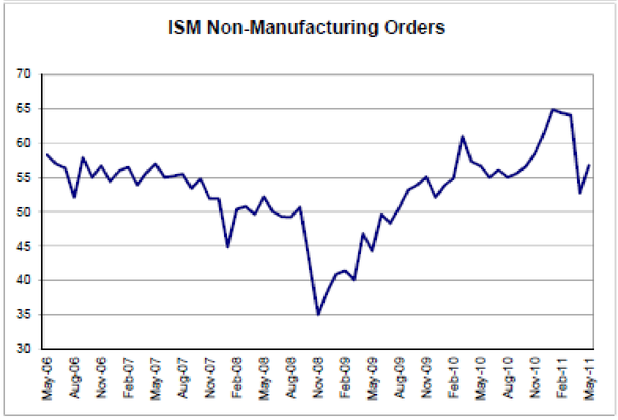
The charts are telling me at best we've bounced a bit, and then leveled off at pre-recession growth rates which weren't all that high. With unemployment currently over 9%, compared to just over 5% back then, at the current pace of growth and the current pace of productivity increases the output gap closes very slowly.



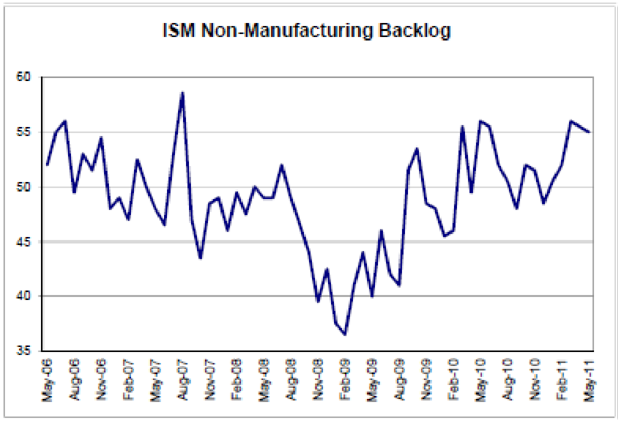


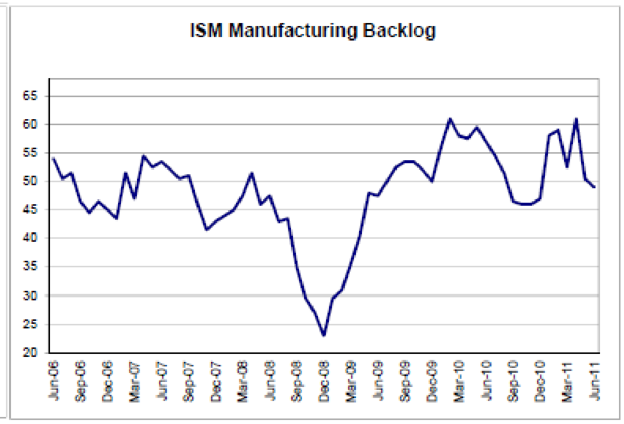


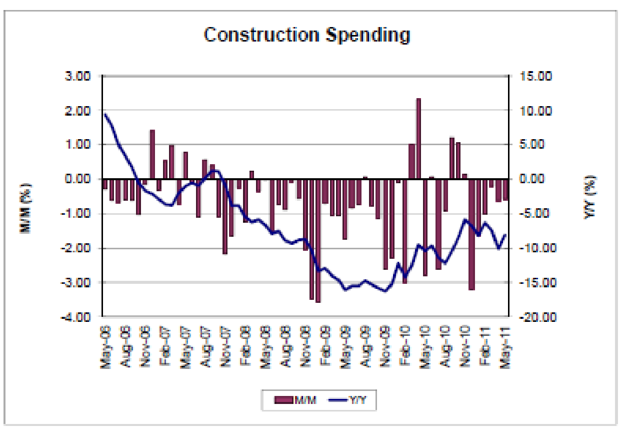


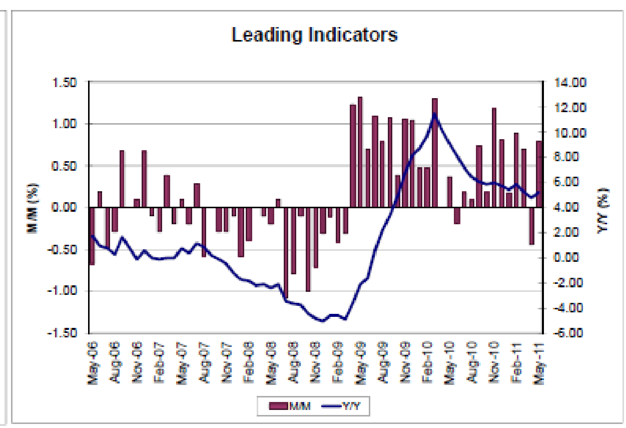

ISM Non-Manufacturing Orders

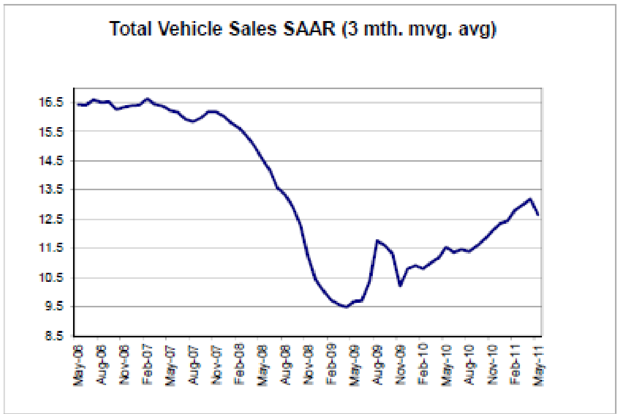

ISM Manufacturing Orders

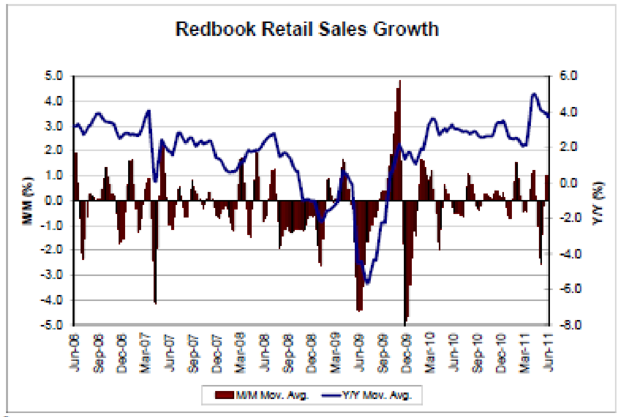

ISM Non-Manufacturing Backlog


ISM Manufacturing Backlog

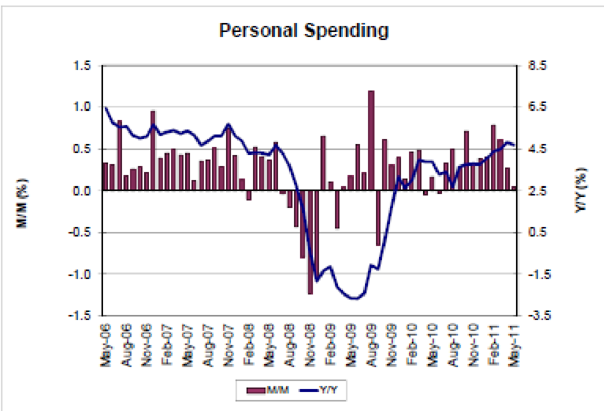

Construction Spending
M/M (%)
Y/Y (%)
M/M
Y/Y

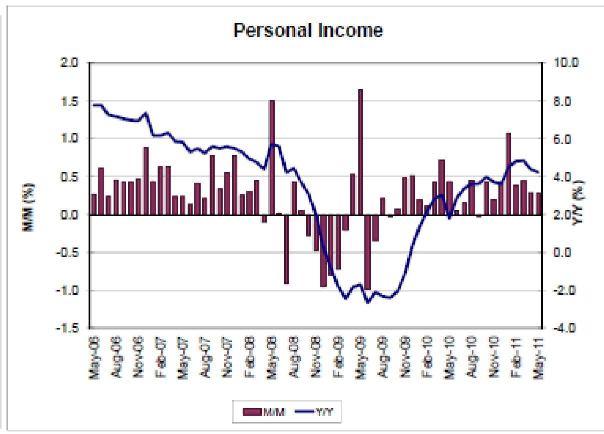

Leading Indicators
M/M (%)
Y/Y (%)
M/M
Y/Y



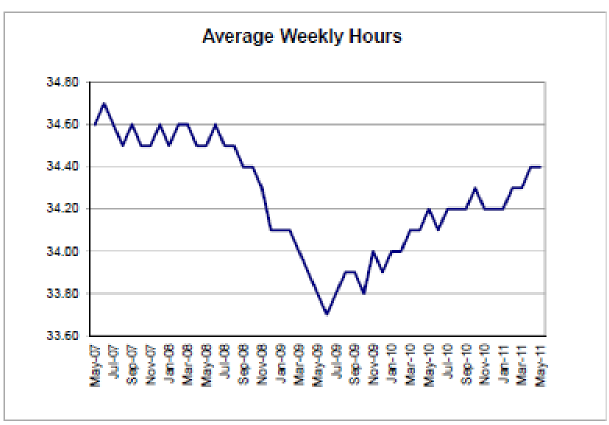


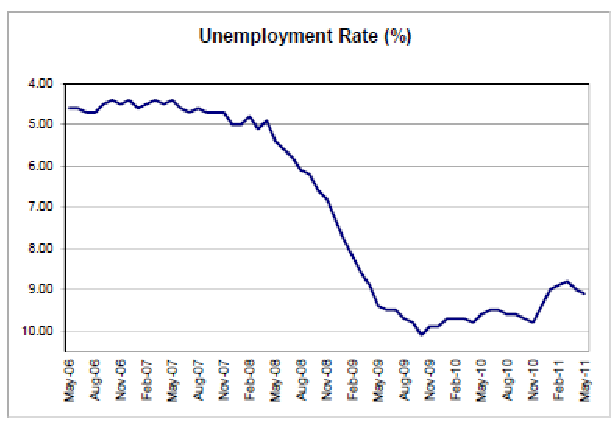
9

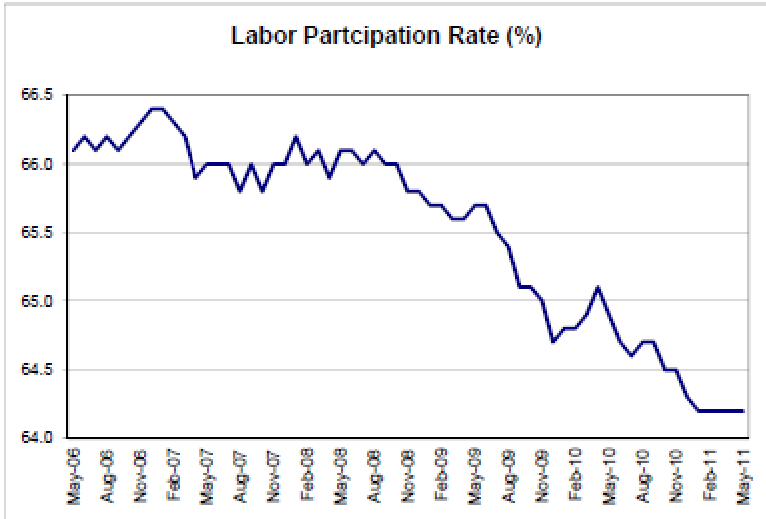


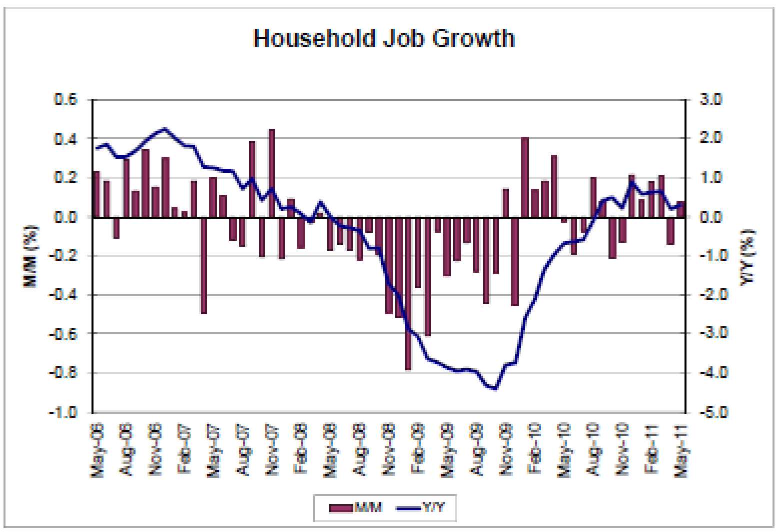


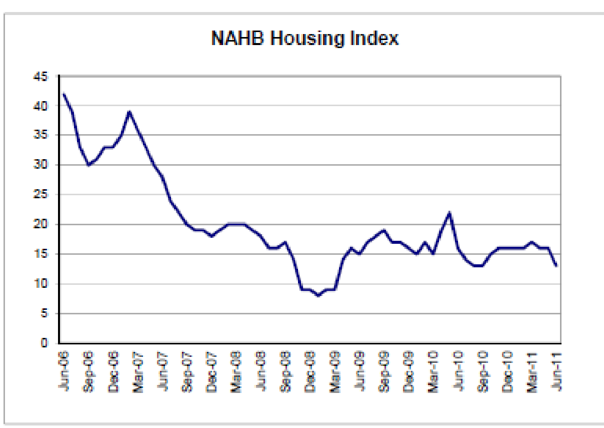
Personal income, in particular, is looking sideways and relatively weak, at least partially due to reduced interest income due to lower rates.

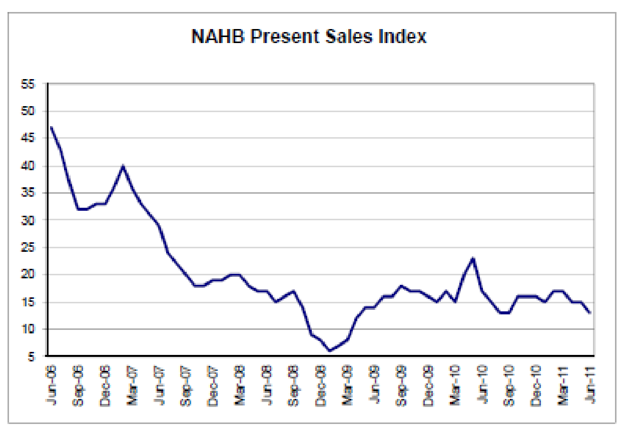


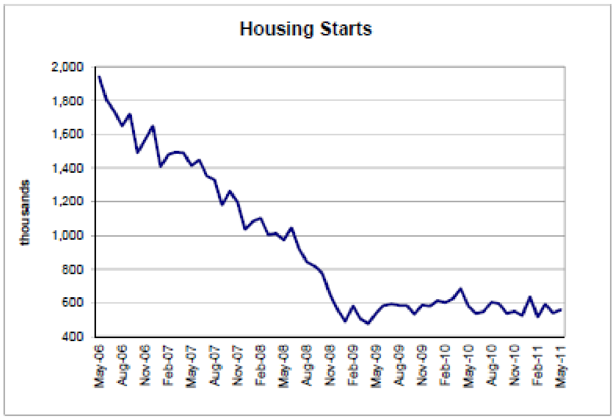


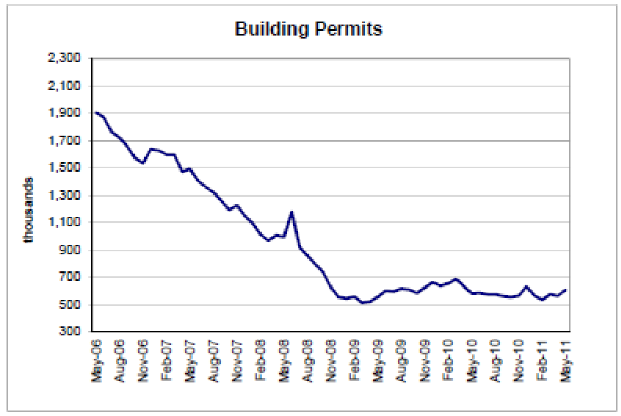

Labor Partcipation Rate (%)
66.5
66.0
65.5
65.0
64.5
64.0
May-06
Aug-06
Nov-06
Feb-07
May-07
Aug-07
Nov-07
Feb-08
May-08
Aug-08
Nov-08
Feb-09
May-09
Aug-09
Nov-09
Feb-10
May-10
Aug-10
Nov-10
Feb-11
May-11

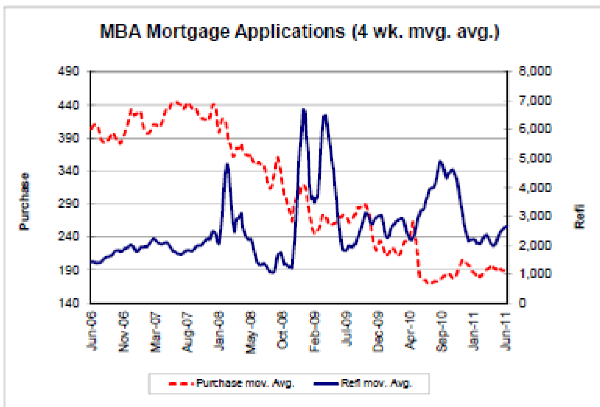

Household Job Growth
M/M (%)
Y/Y (%)
0.6
0.4
0.2
0.0
-0.2
-0.4
-0.6
-0.8
-1.0
3.0
2.0
1.0
0.0
-1.0
-2.0
-3.0
-4.0
-5.0
May-06
Aug-06
Nov-06
Feb-07
May-07
Aug-07
Nov-07
Feb-08
May-08
Aug-08
Nov-08
Feb-09
May-09
Aug-09
Nov-09
Feb-10
May-10
Aug-10
Nov-10
Feb-11
May-11
M/M
Y/Y

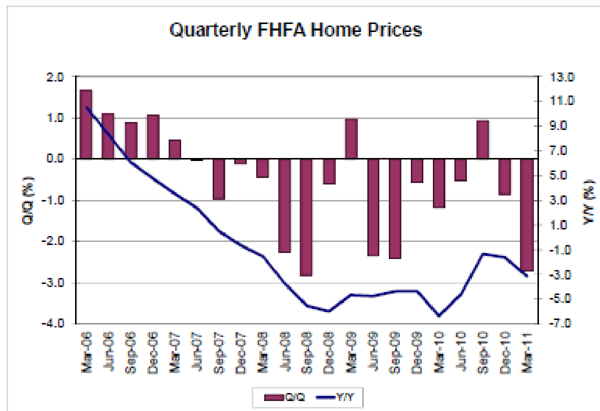

NAHB Housing Index
45
40
35
30
25
20
15
10
5
0


NAHB Present Sales Index
55
50
45
40
35
30
25
20
15
10
5

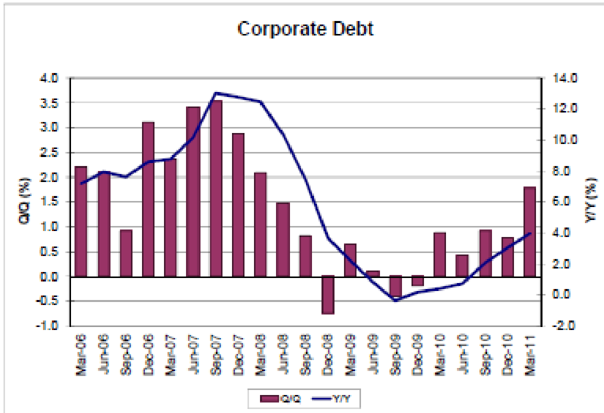


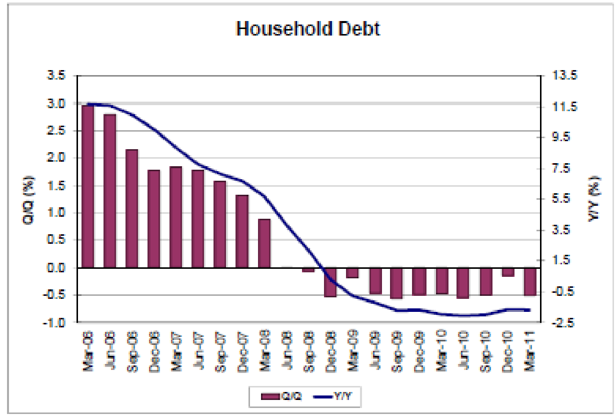


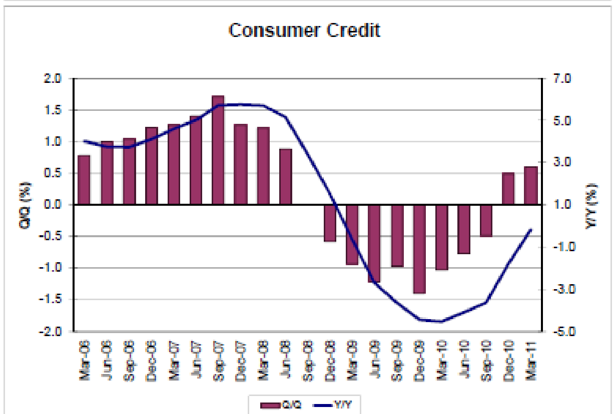


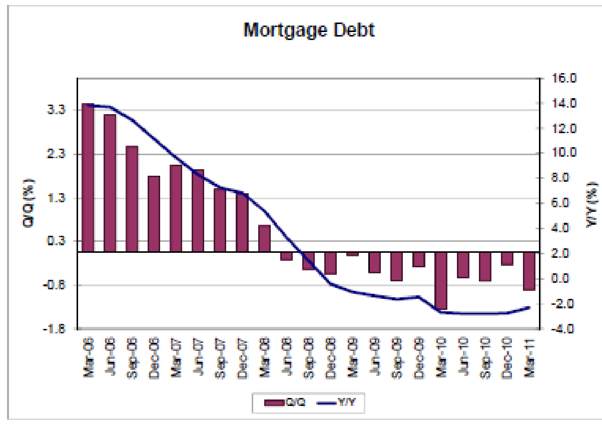


Housing remains weak. It could double and still be weak.

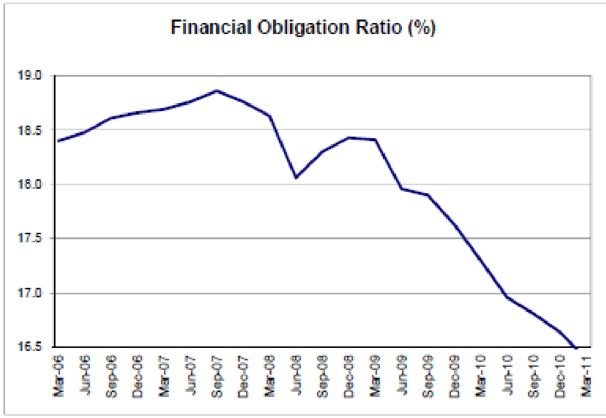


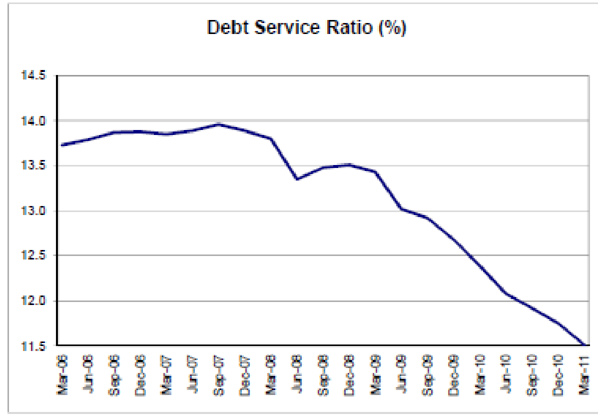


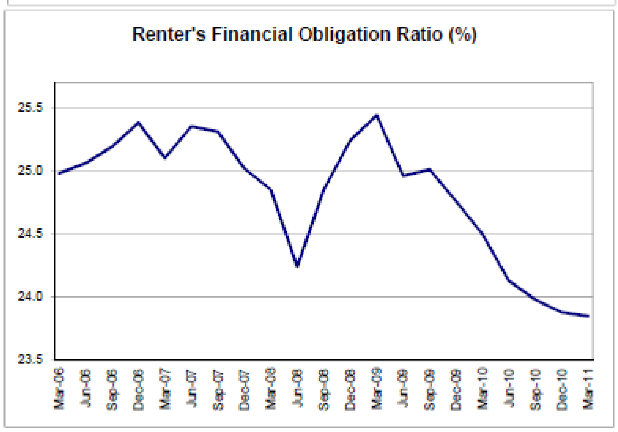


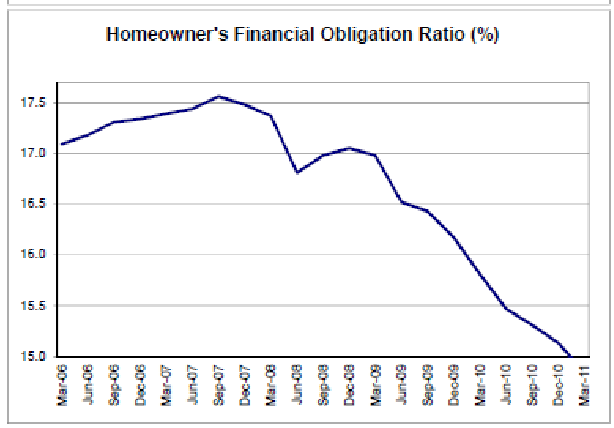


Not much private sector borrowing to spend to offset the ongoing demand leakages

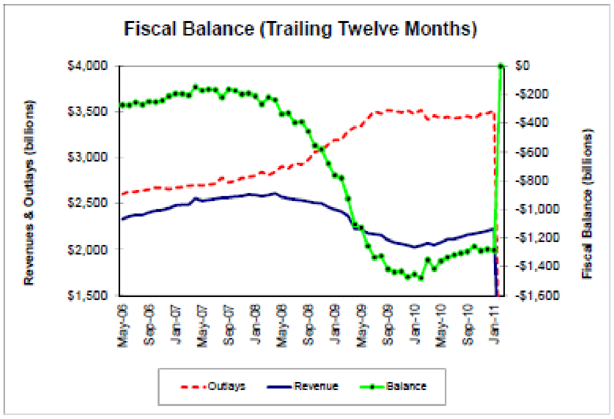


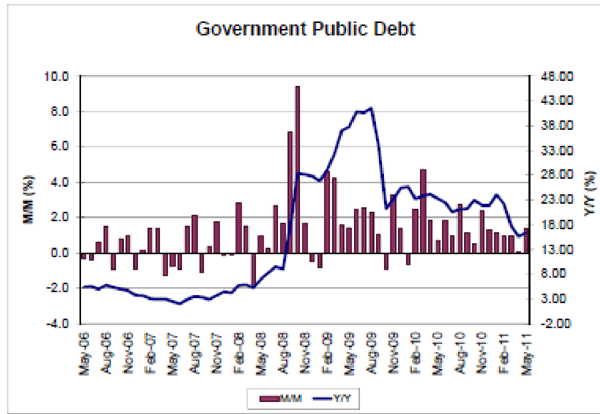


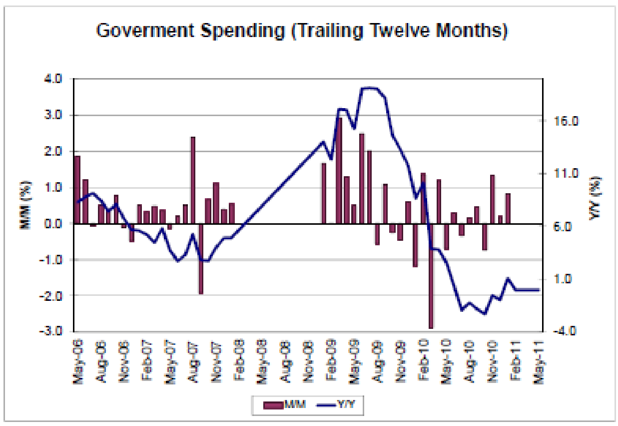


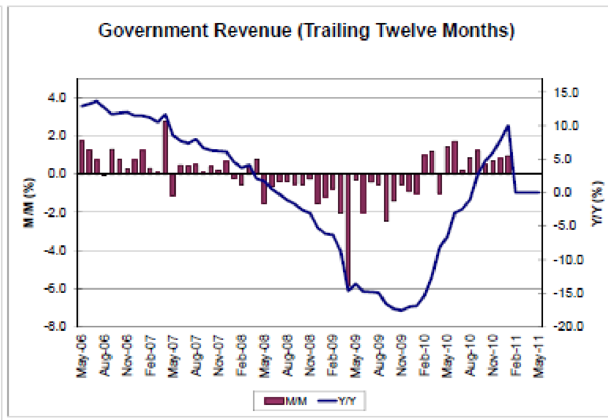


Public sector deficit spending continues to recharge private sector borrowing power.

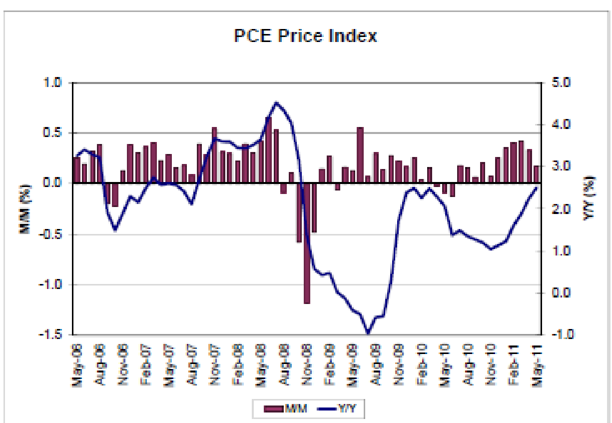


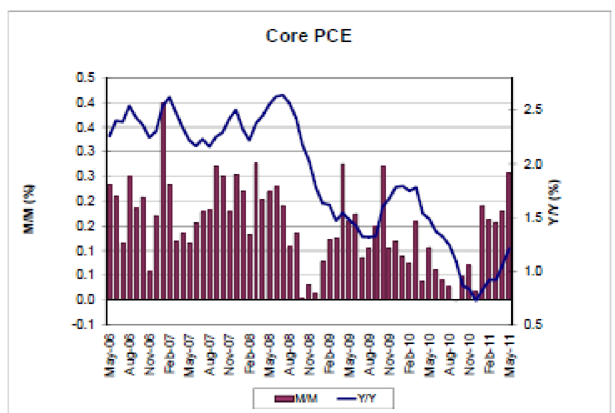




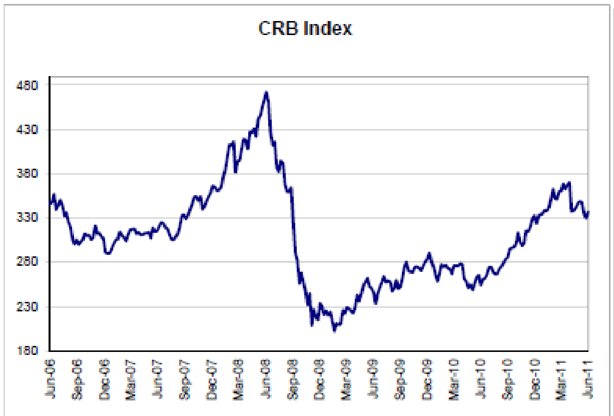


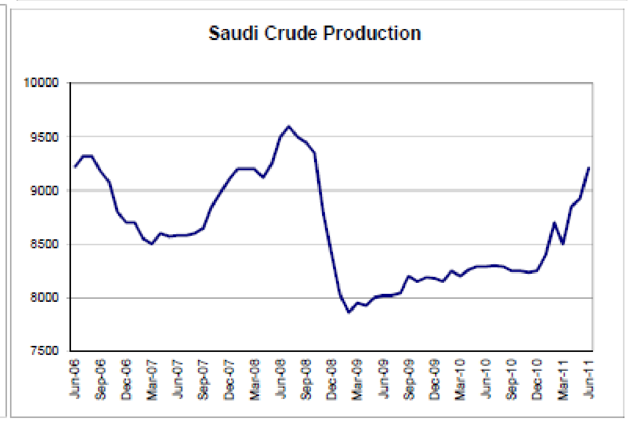
Govt deficit spending is still only partially filling the private sector spending gap.

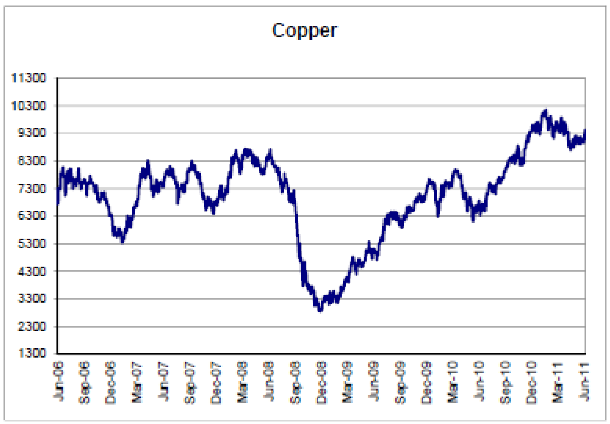


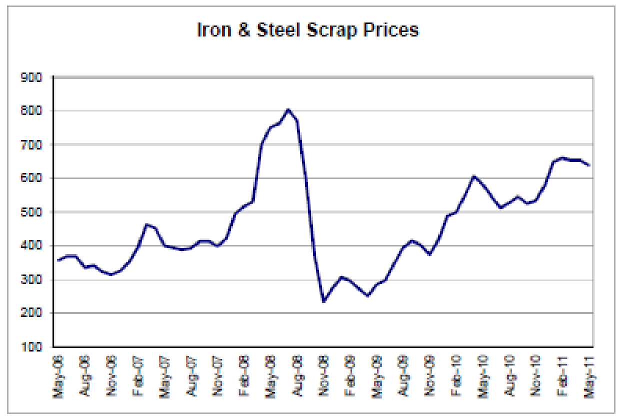


Core up enough to keep the Fed from doing more QE, etc. (and not that it would matter).









Commodities may be moderating with the soft spot, and Saudi production seems to have filled the Libya gap as the Saudis work with the US to bring crude prices down some.