

Blue Chip Financial Forecasts[®]

**Top Analysts' Forecasts Of U.S. And Foreign Interest Rates, Currency Values
And The Factors That Influence Them**

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BLUE CHIP FINANCIAL FORECASTS®

EXECUTIVE EDITOR:

RANDELL E. MOORE

3663 Madison Ave.

Kansas City, MO 64111

Phone (816) 931-0131

Fax (816) 931-0430

E-mail: randy.moore@wolterskluwer.com

Publisher: Paul Gibson

Marketing Director: Dom Cervi

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Consensus Forecasts Of 2013 GDP Growth Perked Up A Bit

Domestic Commentary U.S. real GDP growth in the final quarter of last year may well have been the slowest since Q1 2011 but consensus forecasts of growth during the first three quarters of this year inched up a bit over the past month, according to our January 23rd-24th survey. The consensus outlook for near-term growth was likely buoyed by early-January Congressional action to avoid the “fiscal cliff” and the more recent Congressional move to suspend the debt ceiling until mid-May. Also likely contributing to an improved outlook is that while real GDP growth last quarter was weaker-than-previously believed, underlying demand as measured by final sales may have matched or exceeded that in Q3. Nonetheless, constrained by higher taxes (most notably the jump in workers’ payroll taxes), and continued policy uncertainty, the consensus continues to anticipate below-trend real GDP growth during the first half of this year. In the second half of this year, however, the consensus still forecasts that real GDP will begin to grow at an above-trend rate and sustain that pace in the first half of 2014.

The consensus now predicts real GDP grew 1.3% (seasonally-adjusted annual rate) in the final quarter of 2012, 0.3 of a percentage point less than forecast a month ago, and less than half the 3.1% registered in Q3. Real GDP now is forecast to grow 1.6% in the current quarter, 2.1% in Q2, and 2.5% in Q3. Each estimate increased 0.1 of a percentage point over the past month. Consensus forecasts of real GDP growth in Q4 2013 and Q1 2014 remained at 2.7% while the forecast of growth in Q2 2014 was unchanged at 2.8%. Consensus forecasts of inflation over the forecast horizon inched somewhat lower over the past month. The Consumer Price Index now is expected to increase at an annualized rate of less than 2.0% during the first half of this year as is the GDP chained price index. In the second half of this year, annualized growth of about 2.0% is predicted for both, followed by a slightly faster pace in the first half of 2014.

There was little change over the past month in near-term consensus forecasts of Treasury and corporate bond yields but forecasts of yields further out the forecast horizon inched up. The consensus believes yields have bottomed and will increase modestly over our forecast horizon on improving economic growth and demand for credit. Initially, the increase is expected to be slow, restrained by the still-modest nature of the economy’s performance, benign inflation and the Federal Reserve’s quantitative easing program. As the economy continues to improve and market participants increasingly favor riskier assets and the end of the Fed’s asset purchase program, the increase in yields is expected to become more pronounced. Despite comments from some that minutes of the FOMC’s January meeting were bearish, 85.7% of our panelists said in response to a special question this month that the minutes did not cause them to anticipate an earlier-than-expected tightening of Fed policy. About 29% of the panelists said they think the Fed will halt its monthly \$45 billion purchases of Treasury Securities in the second half of this year and another 47% believe Treasury purchases will be halted in the first half of 2014. The consensus still predicts the trade-weighted value of the U.S. dollar will increase over the first half of this year, likely most notably against the Japanese yen, but then stabilize thereafter.

The consensus forecast that real GDP growth slowed markedly last quarter largely results from an anticipated decline in nonfarm business inventories and federal government spending following large Q3 increases, coupled with considerable drag from net exports. On the other hand, personal consumption, capital spending and residential investment appear to have registered faster growth in Q4 than in Q3. As a result, final sales in Q4 likely matched or exceeded the 2.5% (saar) increase registered in the prior quarter.

The consensus undoubtedly assumes that higher taxes and reduced government spending will cap real GDP growth in the first half of 2013, but the degree of restraint still remains uncertain given the

looming spending cuts associated with the sequester (approximately \$950 billion of spending cuts over the next nine years) that go into effect March 1st and the continuing resolution that funds federal government operations that is set to expire March 27th. Some 86% of our panelists said in response to a special question this month that they expect at least “partial” implementation of the sequestration. A temporary shut-down of the federal government in late-March and early April due to a fight over passage of another continuing resolution would likely have little impact on GDP, as was the case in early 1995. However, full or even partial implementation of the sequestration would clearly amp up the fiscal drag on GDP growth.

At present, the consensus expects personal consumption expenditures (PCE) to register modest growth of about 2.0% this year, very similar to that in 2012 but less than in 2010. Growth in nonresidential fixed investment in 2013 is expected to slow a bit from that seen in the past two years. However, growth in residential investment is forecast to accelerate with a second straight year of 20%-plus growth in housing starts. Economic growth in the first half of this year also should be supported by a rebuilding of farm inventories after the 2012 decline resulting from drought. For 2013 as a whole, however, nonfarm business inventories appear at present unlikely to contribute much to GDP. Net exports contribution to GDP this year is likely to be on par with that in 2012. Growth in early 2014 is expected to be supported primarily by faster growth in real PCE and capital spending, a rebuilding of business inventory levels, and additional gains in residential investment.

The January 29th-30th FOMC meeting will occur a week after the Fed’s balance sheet tipped the \$3 trillion mark for the first time ever. The outcome of the meeting is expected to be uneventful after the important changes enacted in December. The policy statement will likely reiterate expectations that the federal funds rate will remain exceptionally low as long “as the unemployment rate remains above 6.5%, inflation between one and two years ahead is projected to be no more than a half percentage point above the Committee’s 2.0% longer-run goal, and longer-term inflation expectations continue to be well anchored.” It also will state that the Fed is maintaining its current \$85 billion-a-month asset purchase program (\$40 billion of mortgage-backed securities and \$45 billion of Treasuries). There will be no press conference by the Chairman following the meeting, nor the release of any new economic forecasts. It will, however, be interesting to see if one or both of the two regional bank presidents rotating onto the committee take up departing member Jeffery Lacker’s dissenting role.

Consensus Forecast The consensus is a bit more optimistic about near-term economic growth but still predicts real GDP to grow at a below-trend rate of less than 2.0% during the first half of this year. As policy uncertainty lifts, real GDP will accelerate in the second half of this year to about 2.6% and grow a bit faster than that in the first half of 2014. Inflation is expected to remain benign with the CPI running at an annualized rate of 2.0% or a bit more over the forecast horizon. Interest rates have bottomed and medium-to-long term yields will steadily march higher, slowly at first, but then faster as economic growth accelerates and markets anticipate an end to the Fed’s asset purchase program (*see page 2*).

Special Questions Asked which would occur first, a sustained drop in the unemployment rate to 6.5% or a sustained rise in inflation to the 2.5% level, 57.1% of our panelists said a decline in the unemployment rate to 6.5% while 42.7% said an increase in inflation to 2.5%. The consensus now predicts nonfarm payrolls will register an average monthly increase of 164,900 in 2013, only slightly better than the 152,900 average monthly increase in 2012. Almost 37% of the panelists said the 10-year Treasury yield will jump to 2.5% or more at some point this year (*see page 14*).

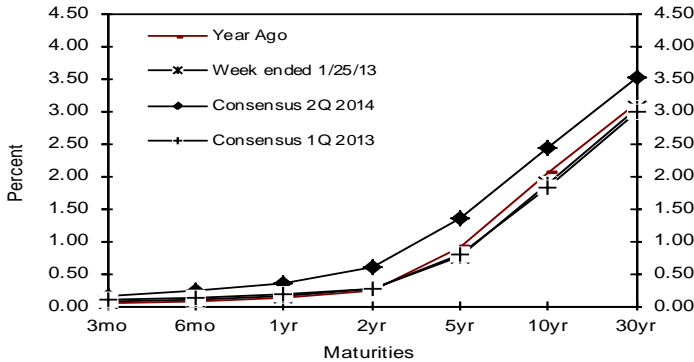
Consensus Forecasts Of U.S. Interest Rates And Key Assumptions¹

Interest Rates	-----History-----								Consensus Forecasts-Quarterly Avg.						
	-----Average For Week Ending-----				-----Average For Month-----				Latest Q	1Q	2Q	3Q	4Q	1Q	2Q
	Jan. 25	Jan. 18	Jan. 11	Jan. 4	Dec.	Nov.	Oct.	4Q 2012		2013	2013	2013	2013	2014	2014
Federal Funds Rate	0.14	0.14	0.16	0.15	0.16	0.16	0.16	0.16	0.2	0.2	0.2	0.2	0.2	0.2	
Prime Rate	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.3	3.3	3.3	3.3	3.3	3.3	
LIBOR, 3-mo.	0.30	0.30	0.30	0.30	0.31	0.31	0.33	0.32	0.3	0.3	0.3	0.4	0.4	0.4	
Commercial Paper, 1-mo.	0.11	0.11	0.12	0.12	0.13	0.14	0.14	0.13	0.1	0.2	0.2	0.2	0.2	0.2	
Treasury bill, 3-mo.	0.08	0.08	0.07	0.07	0.07	0.09	0.10	0.09	0.1	0.1	0.1	0.1	0.1	0.2	
Treasury bill, 6-mo.	0.10	0.11	0.10	0.12	0.12	0.14	0.15	0.14	0.1	0.1	0.2	0.2	0.2	0.2	
Treasury bill, 1 yr.	0.14	0.14	0.14	0.15	0.16	0.18	0.18	0.17	0.2	0.2	0.2	0.3	0.3	0.4	
Treasury note, 2 yr.	0.27	0.26	0.26	0.27	0.26	0.27	0.28	0.27	0.3	0.3	0.4	0.4	0.5	0.6	
Treasury note, 5 yr.	0.77	0.77	0.79	0.78	0.70	0.67	0.71	0.69	0.8	0.9	1.0	1.1	1.2	1.3	
Treasury note, 10 yr.	1.87	1.87	1.90	1.87	1.72	1.65	1.75	1.71	1.8	1.9	2.0	2.2	2.3	2.4	
Treasury note, 30 yr.	3.03	3.03	3.07	3.05	2.88	2.80	2.90	2.86	3.0	3.1	3.2	3.3	3.4	3.5	
Corporate Aaa bond	3.76	3.76	3.77	3.77	3.65	3.50	3.47	3.54	3.7	3.8	3.8	3.9	4.1	4.2	
Corporate Baa bond	4.70	4.69	4.70	4.71	4.63	4.51	4.58	4.57	4.7	4.8	4.9	4.9	5.1	5.2	
State & Local bonds	3.54	3.53	3.60	3.68	3.48	3.46	3.65	3.53	3.6	3.6	3.7	3.7	3.8	3.9	
Home mortgage rate	3.42	3.38	3.40	3.34	3.35	3.35	3.38	3.36	3.4	3.5	3.6	3.7	3.9	4.0	

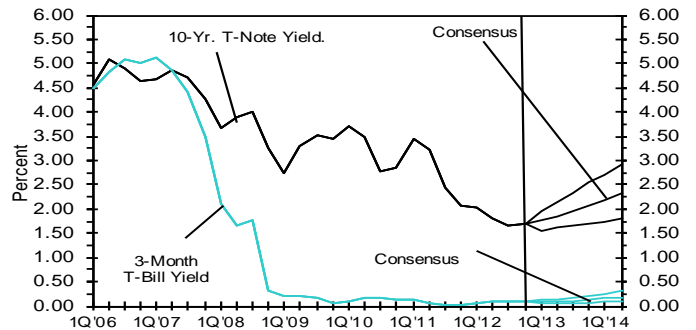
Key Assumptions	-----History-----								Consensus Forecasts-Quarterly					
	1Q		2Q		3Q		4Q		1Q	2Q	3Q	4Q	1Q	2Q
	2011	2011	2011	2011	2012	2012	2012	2012	2013	2013	2013	2013	2014	2014
Major Currency Index	71.9	69.6	69.9	72.4	72.9	73.9	74.0	73.2	73.5	73.9	74.1	74.1	73.9	74.0
Real GDP	0.1	2.5	1.3	4.1	2.0	1.3	3.1	1.3*	1.6	2.1	2.5	2.7	2.7	2.8
GDP Price Index	2.0	2.6	3.0	0.4	2.0	1.6	2.7	1.6*	1.7	1.8	2.0	1.9	2.1	2.1
Consumer Price Index	4.5	4.4	3.1	1.3	2.5	0.8	2.3	2.1	1.5	1.9	2.2	2.1	2.2	2.3

Forecasts for interest rates and the Federal Reserve's Major Currency Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index and Consumer Price Index are seasonally-adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data for interest rates except LIBOR is from Federal Reserve Release (FRSR) H.15. LIBOR quotes available from *The Wall Street Journal*. Interest rate definitions are the same as those in FRSR H.15. Treasury yields are reported on a constant maturity basis. Historical data for the Fed's Major Currency Index is from FRSR H.10 and G.5. Historical data for Real GDP and GDP Chained Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index (CPI) history is from the Department of Labor's Bureau of Labor Statistics (BLS). *Data for 4Q 2012 Real GDP and GDP Chained Price Index are consensus forecasts based on a special question asked this month of the panelists.

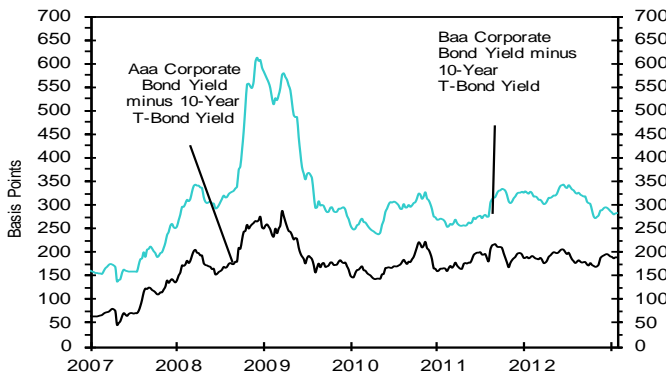
U.S. Treasury Yield Curve
Week ended January 25, 2013 and Year Ago vs.
1Q 2013 and 2Q 2014 Consensus Forecasts



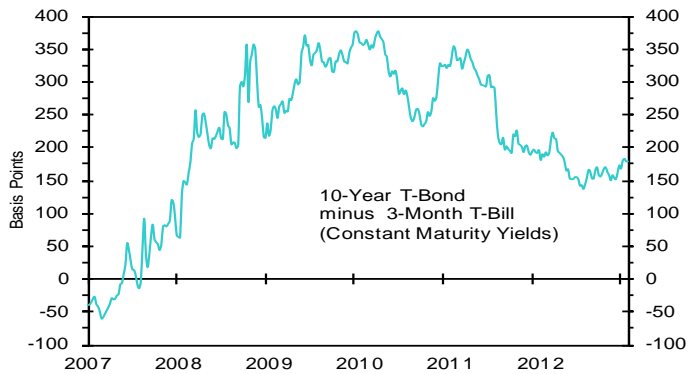
U.S. 3-Mo. T-Bills & 10-Yr. T-Note Yield
(Quarterly Average) History Forecast



Corporate Bond Spreads
As of week ended January 25, 2013



U.S. Treasury Yield Curve
As of week ended January 25, 2013



-----3-Month Interest Rates¹-----

	History-----			Consensus Forecasts		
	Month	Year	Months From Now:			
Latest:	Ago:	Ago:	3	6	12	
U.S.	0.46	0.35	0.65	0.29	0.29	0.34
Japan	0.26	0.25	0.35	0.24	0.23	0.23
U.K.	0.69	0.62	1.10	0.55	0.55	0.60
Switzerland	0.10	0.10	0.20	0.03	0.05	0.05
Canada	1.29	1.24	1.48	1.25	1.25	1.25
Australia	3.21	3.24	4.66	2.60	2.70	2.70
Eurozone	0.24	0.27	1.35	0.19	0.20	0.28

-----10-Yr. Government Bond Yields²-----

	History-----			Consensus Forecasts		
	Month	Year	Months From Now:			
Latest:	Ago:	Ago:	3	6	12	
U.S.	1.83	1.79	1.93	1.97	2.06	2.28
Germany	1.56	1.41	1.86	1.56	1.65	1.92
Japan	0.74	0.77	0.99	0.87	0.91	1.07
U.K.	2.01	1.93	2.09	1.94	2.04	2.24
France	2.14	2.00	3.12	2.29	2.34	2.49
Italy	4.20	4.43	6.08	4.54	4.31	4.20
Switzerland	0.70	0.49	0.73	0.72	0.79	0.94
Canada	1.87	1.85	2.03	1.99	2.17	2.57
Australia	3.31	3.37	4.01	3.23	3.30	3.52
Spain	5.07	5.25	5.21	5.02	4.86	4.74

-----Foreign Exchange Rates¹-----

	History-----			Consensus Forecasts		
	Month	Year	Months From Now:			
Latest:	Ago:	Ago:	3	6	12	
U.S.	73.773	72.940	73.247	74.9	75.3	76.7
Japan	89.90	83.50	76.970	87.6	88.7	91.1
U.K.	1.5876	1.614	1.5540	1.60	1.59	1.57
Switzerland	0.9346	0.9200	0.9347	0.95	0.97	0.99
Canada	0.9937	0.986	1.0142	0.99	0.98	0.99
Australia	1.0495	1.0550	1.0471	1.04	1.03	1.03
Euro	1.3303	1.313	1.2948	1.29	1.28	1.23

	Consensus 3-Month Rates vs. U.S. Rate			Consensus 10-Year Gov't Yields vs. U.S. Yield	
	Now	In 12 Mo.		Now	In 12
Japan	-0.20	-0.11	Germany	-0.27	-0.36
U.K.	0.23	0.26	Japan	-1.09	-1.21
Switzerland	-0.36	-0.29	U.K.	0.18	-0.03
Canada	0.83	0.91	France	0.31	0.21
Australia	2.75	2.36	Italy	2.37	1.92
Eurozone	-0.22	-0.06	Switzerland	-1.13	-1.34
			Canada	0.04	0.29
			Australia	1.48	1.24
			Spain	3.24	2.46

International Commentary Riskier asset markets continued to score meaningful price gains over the past month despite generally weaker-than-expected global economic growth in the Q4 2012 and further reductions by many analysts in projected 2013 growth. The rally, which began last summer, corrected from mid-September to mid-November, but then resumed its advance, has been fueled by an easing of financial stress in the Eurozone since European Central Bank president Mario Draghi promised to “do whatever it took” to preserve the currency union, signs of a pickup in China’s economy, and more recently a reduction in investor worry about America’s fiscal cliff/debt ceiling issues. Also lifting investor sentiment was the announcement of additional quantitative easing steps by the Federal Reserve last September and again in December, coupled with expectations that the election of Shinzo Abe as Japan’s prime minister would result in a much more dovish policy response from the Bank of Japan. While most analysts concede that global growth in the first half of this year will remain tepid, dampened by continued fiscal drag in the U.S. and Europe, the presumed reduction in tail risks has lifted optimism about growth in the second half of the year and in 2014. Nonetheless, headline risks still lurk, and like early last year, today’s current optimism could well fade. Indeed, at Davos, International Monetary Fund head Christine Lagarde urged governments “Do not relax.”

The ECB left policy unchanged at its January meeting and most analysts anticipate the same outcome in February. While Draghi acknowledged in January that economic growth in the near-term would likely remain weak he stressed that several indicators of economic activity have stabilized at low levels and that financial market confidence has improved significantly. The ECB still sees the risks mainly on the downside, but the policy statement dropped the reference to risks from the debt crisis and instead focused on “the slow implementation of structural reforms in the euro area, geopolitical issues and imbalances in major industrialized countries”. A 2.0% (saar) contraction in German real GDP during the final quarter of last year suggests GDP for the Eurozone as a whole declined for a fifth consecutive quarter in Q4 2012 and fell 0.4% for the year. The IMF now projects that real GDP in the Eurozone will contract a further 0.2% in 2013.

The Bank of England also left policy unchanged in January. Minutes of the meeting indicated the expected vote split, which was 8-1 to keep the QE total unchanged and 9-0 to keep the repo rate at its historic low of 0.5%. Real GDP contracted a worse than expected 1.2% (saar) in Q4, according to the preliminary estimate and inclement January weather have raised the odds that the U.K. will suffer a triple dip recession. Despite the weak GDP figures, employment growth remains healthier than one would expect, although real incomes continue to slide. Chancellor Osborne recently affirmed the government’s commitment to its “Plan A” fiscal plan, rejecting advice from IMF that Britain should ease its austerity measures. The IMF now predicts the U.K. economy will grow just 1.0% this year after contracting 0.2% in 2012. Prime Minister Cameron’s vow to hold a 2017 referendum on continued U.K. participation in the EU was seen by most market participants, rightly or wrongly, as primarily political theater.

Under pressure from the new government headed by Abe the Bank of Japan in January raised its inflation target from 1% to 2% and announced an open-ended asset purchase program. However, the QE program is not slated to start until 2014 and the BoJ’s own projections suggest the 2.0% inflation target is a medium-to-long-term goal, not a short-term one. As a result, markets expect Abe to replace the current head of the BoJ and two other members in April, paving the way for a much more aggressive policy stance. Japan likely eked out slightly positive real GDP growth in Q4 2012 after the sharp 3.5% (saar) contraction in Q3. Export growth remains weak, hurt by recession in Europe and the territorial dispute with China (see pages 10-11 for individual panelists’ forecasts).

Forecasts of panel members are on pages 10 and 11. Definitions of variables are as follows: ¹Three month rate on interest-earning money market deposits denominated in selected currencies. ²Government bonds are yields to maturity. Foreign exchange rate forecasts for U.K., Australia and the Euro are U.S. dollars per currency unit. For the U.S. dollar, forecasts are of the U.S. Federal Reserve Board’s Major Currency Index.

First Quarter 2013 Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum-- Average For Quarter-----															Avg. For ---Qtr.--- Fed's Major Currency \$ Index	------(Q-Q % Change)----- ------(SAAR)-----							
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----						A.	B.	C.	D.				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15						Fed's Major	Real	GDP	Price
	Federal Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate						Currency \$ Index	GDP	Price Index	Price Index
Bank of Toyko-Mitsubishi UFJ	0.3 H	3.3	0.3 L	0.2	0.1	0.2 H	0.2	0.3	0.7	1.9	3.1	3.6	4.8	3.5	3.5	74.0	1.5	1.7	1.2					
RBC Capital Markets	0.3	3.3	0.3 L	na	0.1	0.1 L	0.1 L	0.3	0.8	1.9	3.2 H	na	na	na	na	na	1.2	0.7 L	1.3					
Scotiabank Group	0.3	3.3	na	na	0.1	na	na	0.3	0.7	1.7	2.9	na	na	na	na	na	1.9	na	2.0					
Swiss Re	0.3	3.3	0.4	0.2	0.1	0.2 H	0.3 H	0.3	0.8	1.8	3.0	3.7	4.7	na	3.5	na	2.3	2.7 H	2.7 H					
Fannie Mae	0.2	3.3	0.3 L	na	0.1	na	0.2	0.3	0.8	1.8	2.9	na	na	na	3.5	na	1.5	1.5	1.2					
Wells Fargo	0.2	3.3	0.3 L	0.2	0.1	0.1 L	0.2	0.3	0.7	1.8	2.8	3.7	4.7	3.5	3.4	73.5	1.0	1.9	1.3					
Wintrust Wealth Management	0.2	3.3	0.3 L	0.2	0.1	0.2 H	0.2	0.3	0.8	1.8	3.0	3.7	4.8	3.4	3.5	73.0	1.4	1.7	1.5					
Chase Wealth Management	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.9	3.1	3.8	4.7	3.6	3.4	73.8	1.5	1.8	2.0					
Mesirow Financial	0.2	3.3	0.5 H	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.7	2.8	3.5 L	4.7	3.4	3.4	73.5	1.7	1.5	1.1					
Stone Harbor Investment Partners	0.2	3.3	0.5 H	0.2	0.1	na	na	0.2 L	0.8	1.9	3.0	3.8	5.2 H	na	3.7	74.0	0.7	2.3	2.1					
Loomis, Sayles & Company	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.9	3.1	3.8	4.8	3.6	3.4	74.4	2.0	1.5	0.3					
Standard & Poor's Corp.	0.2	3.3	0.3 L	0.2	0.1	0.1 L	0.2	0.3	0.8	1.8	na	3.7	4.7	3.6	3.4	na	2.7	1.6	0.6					
AIG	0.2	3.3	na	na	0.1	0.2 H	0.2	0.3	0.9	1.9	3.1	3.6	4.7	na	3.4	na	1.7	1.5	1.1					
Barclays Capital	0.2	3.3	0.3 L	0.2	0.1	0.2 H	0.2	0.3	0.8	1.9	3.0	3.5 L	4.5	3.5	3.4	na	1.5	0.9	0.6					
The Northern Trust Company	0.2	3.3	0.4	0.4 H	0.1	0.1 L	0.2	0.3	0.8	1.8	3.0	3.6	5.1	3.8 H	3.8 H	na	1.2	0.7 L	0.9					
Wells Capital Management	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	2.0 H	3.1	3.8	4.6	3.7	3.4	73.5	1.8	1.3	0.9					
RBS Securities	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.1 L	0.3	0.7	1.8	2.8	3.7	4.6	3.6	3.5	75.0 H	1.4	1.7	1.1					
Pierpont Securities	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.1 L	0.3	0.8	1.8	3.0	3.7	4.7	3.6	3.4	73.8	2.2	2.5	1.1					
ClearView Economics	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.1 L	0.3	0.8	1.9	3.1	3.8	4.7	3.5	3.4	73.7	0.8	0.7 L	1.2					
Woodworth Holdings	0.2	3.3	0.3 L	0.1 L	0.1	0.2 H	0.2	0.3	0.8	1.8	3.1	3.8	4.8	3.5	3.4	73.5	1.0	1.4	1.4					
RidgeWorth Investments	0.2	3.3	0.3 L	0.1 L	0.1	0.2 H	0.2	0.3	0.8	1.8	3.0	3.7	4.7	3.6	3.5	74.0	1.5	1.5	1.5					
Action Economics	0.2	3.3	0.4	0.2	0.1	0.1 L	0.1 L	0.3	0.9	1.9	3.1	3.8	4.8	3.6	3.4	73.3	1.3	1.3	1.8					
Daiwa Capital Markets America	0.2	3.3	0.3 L	0.2	0.1	0.2 H	0.2	0.3	0.8	1.9	3.0	3.8	4.7	3.4	3.4	73.0	1.4	1.8	2.0					
DePrince & Assoc.	0.2	3.3	0.4	0.2	0.1	0.1 L	0.2	0.3	0.8	1.9	3.1	3.8	4.7	3.5	3.5	73.3	2.6	1.9	2.0					
Oxford Economics	0.2	3.3	0.3 L	na	0.1	0.2 H	0.2	0.3	0.8	1.8	3.1	na	na	na	3.4	74.5	2.3	1.7	2.1					
Comerica Bank	0.2	3.3	0.3 L	na	0.1	0.1 L	0.1 L	0.2 L	0.8	1.9	3.1	na	na	na	na	na	0.9	1.9	2.1					
Chimura Economics & Analytics	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.8	3.0	3.8	na	na	3.4	71.8 L	1.4	2.2	2.1					
PNC Financial Services Corp.	0.2	3.3	0.4	na	0.1	0.1 L	0.2	0.3	0.7	1.7	na	na	4.4 L	3.6	3.3	72.7	1.4	2.1	2.4					
Naroff Economic Advisors	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.8	3.0	3.8	4.7	3.5	3.4	73.0	2.2	2.4	2.4					
MacroFin Analytics	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.9	3.0	3.7	4.7	3.6	3.4	73.4	1.6	1.3	1.0					
Societe Generale	0.1 L	na	0.4	na	na	na	na	0.3	1.0	2.0 H	3.1	na	na	na	na	na	2.9 H	1.6	0.0 L					
J.P. Morgan Chase	0.1 L	na	0.3 L	na	0.1	na	na	0.3	0.8	1.8	3.0	na	na	na	na	na	1.0	2.0	0.2					
UBS	0.1 L	na	0.4	na	0.1	na	na	0.3	0.8	1.8	3.0	na	na	na	na	na	2.3	2.0	0.3					
Goldman Sachs & Co.	0.1 L	na	0.3 L	na	0.1	na	na	0.3	0.9	1.9	3.0	na	na	na	3.4	na	1.5	1.7	0.7					
Bank of America Merrill Lynch	0.1 L	na	0.3 L	na	0.0 L	na	na	0.2 L	0.6 L	1.6	2.7	na	na	na	na	na	1.0	1.5	0.9					
BMO Capital Markets	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.2 L	0.8	1.8	3.0	3.8	4.7	3.6	3.4	73.5	2.0	1.4	1.1					
Nomura Securities, Inc.	0.1 L	3.3	0.4	0.1 L	0.1	0.1 L	0.2	0.2 L	0.7	1.8	3.1	3.6	4.9	na	3.4	73.8	0.5 L	2.6	1.4					
Economist Intelligence Unit	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.1 L	0.3	0.8	1.9	3.0	na	na	na	3.4	na	1.6	na	2.0					
SunTrust Banks	0.1 L	3.3	0.3 L	0.2	0.1	0.1 L	0.2	0.3	0.9	1.9	3.0	4.0 H	4.7	3.7	3.5	72.5	1.2	2.1	2.1					
J.W. Coons Advisors LLC	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	na	0.3	0.8	1.9	3.0	3.8	4.7	na	3.4	73.2	1.2	1.9	2.2					
Moody's Capital Markets Group	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.2 L	0.8	1.8	3.0	3.7	4.7	3.5	3.4	73.7	1.2	1.9	2.2					
GLC Financial Economics	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.2 L	0.8	1.9	3.0	3.7	4.7	3.6	3.4	73.4	2.3	1.8	2.4					
Georgia State University	0.1 L	3.3	na	na	0.1	0.1 L	0.1 L	0.3	0.8	2.0 H	3.1	3.9	4.9	na	3.4	na	0.8	1.5	0.6					
Russell Investments	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.9	1.9	2.8	3.7	4.6	3.6	3.5	74.0	1.6	1.9	0.9					
Kellner Economic Advisers	0.1 L	3.3	0.3 L	0.2	0.2 H	0.2 H	0.3 H	0.4	1.0 H	1.2 L	2.5 L	3.6	4.7	3.7	3.2 L	74.0	0.9	1.4	1.5					
Cycledata Corp.	0.1 L	3.3	0.4	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.8	3.0	3.7	4.7	3.5	3.5	72.0	1.3	1.9	2.0					
RDQ Economics	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.9	1.8	3.0	3.6	4.7	3.8 H	3.5	73.1	1.9	2.3	2.2					
Nat'l Assn. of Realtors	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.1 L	0.3	0.8	1.9	3.0	3.8	4.8	3.7	3.5	na	2.2	2.1	2.3					
Moody's Analytics	0.1 L	3.3 L	0.3 L	0.1 L	0.1	0.2 H	0.3 H	0.6 H	1.0 H	1.9	2.9	3.5 L	4.5	3.1 L	3.5	na	1.2	2.3	2.1					
February Consensus	0.2	3.3	0.3	0.1	0.1	0.1	0.2	0.3	0.8	1.8	3.0	3.7	4.7	3.6	3.4	73.5	1.6	1.7	1.5					
Top 10 Avg.	0.2	3.3	0.4	0.2	0.1	0.2	0.2	0.3	0.9	1.9	3.1	3.8	4.9	3.7	3.6	74.2	2.4	2.4	2.3					
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.0	0.1	0.1	0.2	0.7	1.7	2.8	3.6	4.6	3.4	3.3	72.8	0.9	1.1	0.5					
January Consensus	0.2	3.3	0.3	0.1	0.1	0.1	0.2	0.3	0.8	1.8	2.9	3.7	4.8	3.5	3.4	73.7	1.5	1.8	1.6					
<u>Number of Forecasts Changed From A Month Ago:</u>																								
Down	6	0	24	17	18	20	21	18	9	8	6	6	15	7	12	6	15	20	25					
Same	40	44	19	15	23	16	15	21	16	9	11	8	10	8	10	10	17	19	12					
Up	3	0	3	4	6	5	5	10	24	32	30	23	12	17	20	15	17	8	12					
Diffusion Index	47 %	50 %	27 %	32 %	37 %	32 %	30 %	42 %	65 %	74 %	76 %	73 %	46 %	66 %	60 %	65 %	52 %	37 %	37 %					

Second Quarter 2013

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum -- Average For Quarter-----															Avg. For ---Qtr.--- A. Fed's Major Currency \$ Index	------(Q-Q % Change)----- ------(SAAR)-----		
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----						B. Real GDP	C. Price Index	D. Price Index
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bond 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate				
Swiss Re	0.3 H	3.3 H	0.4	0.2	0.1	0.2 H	0.3 H	0.5	1.0	2.0	3.1	3.8	4.8	na	3.6	na	2.6	1.3	1.5
RBC Capital Markets	0.3 H	3.3	0.3 L	na	0.1	0.1 L	0.2	0.3	0.9	2.1	3.4 H	na	na	na	na	na	1.5	1.6	1.6
Scotiabank Group	0.3 H	3.3	na	na	0.1	na	na	na	0.3	0.9	1.8	3.0	na	na	na	na	2.2	na	2.3
Bank of Toyko-Mitsubishi UFJ	0.3 H	3.3	0.3 L	0.2	0.1	0.2 H	0.2	0.3	0.7	2.1	3.3	3.7	5.0	3.6	3.7	75.0	2.4	2.4	2.4
Fannie Mae	0.2	3.3	0.3 L	na	0.1	na	0.2	0.3	0.9	1.8	2.9	na	na	na	3.6	na	1.7	1.4	1.3
Chase Wealth Management	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.9	3.1	3.8	4.7	3.6	3.4	73.9	2.0	1.9	1.8
Wintrust Wealth Management	0.2	3.3	0.3 L	0.2	0.1	0.2 H	0.2	0.3	0.9	1.9	3.1	3.8	4.9	3.5	3.6	73.8	1.7	1.8	1.9
Wells Fargo	0.2	3.3	0.3 L	0.2	0.1	0.1 L	0.2	0.3	0.7	1.9	2.9	3.8	4.8	3.6	3.5	74.5	1.7	2.0	2.0
Stone Harbor Investment Partners	0.2	3.3	0.5 H	0.4 H	0.2 H	na	na	0.4	1.0	2.0	3.3	3.9	4.7	na	3.6	76.0	2.4	1.9	2.4
Mesirow Financial	0.2	3.3	0.5 H	0.2	0.2 H	0.2 H	0.2	0.3	0.8	1.7	2.7	3.4 L	4.6	3.4	3.4	74.3	2.5	1.4	1.2
AIG	0.2	3.3	na	na	0.1	0.2 H	0.2	0.3	1.0	2.0	3.2	3.6	4.7	na	3.5	na	2.3	1.4	1.1
Standard & Poor's Corp.	0.2	3.3	0.3 L	0.2	0.1	0.2 H	0.3 H	0.4	1.0	1.9	na	3.7	4.8	3.8	3.4	na	4.5 H	1.6	1.2
Loomis, Sayles & Company	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.9	2.1	3.3	3.9	4.9	3.8	3.6	75.7	2.5	1.4	2.0
ClearView Economics	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.1 L	0.3	0.8	1.9	3.1	3.8	4.7	3.5	3.4	74.5	1.3	0.8 L	1.2
MacroFin Analytics	0.2	3.3	0.3 L	0.1 L	0.1	0.2 H	0.2	0.3	0.8	1.8	3.0	3.8	4.8	3.6	3.4	73.6	2.2	1.5	1.5
Woodworth Holdings	0.2	3.3	0.3 L	0.1 L	0.1	0.2 H	0.2	0.3	0.8	1.9	3.1	3.9	4.9	3.6	3.5	74.5	1.0	1.6	1.6
The Northern Trust Company	0.2	3.3	0.5 H	0.4 H	0.1	0.2 H	0.2	0.3	0.9	1.8	3.1	3.6	4.9	3.7	3.7	na	2.0	1.5	1.7
SunTrust Banks	0.2	3.3	0.4	0.2	0.1	0.2 H	0.2	0.4	1.1	2.0	3.0	4.0 H	4.8	3.8	3.7	71.9	1.6	1.9	1.7
Comerica Bank	0.2	3.3	0.3 L	na	0.1	0.1 L	0.1 L	0.2 L	0.8	1.9	3.1	na	na	na	na	na	2.0	2.1	1.7
RidgeWorth Investments	0.2	3.3	0.3 L	0.1 L	0.1	0.2 H	0.2	0.3	0.8	1.8	3.0	3.6	4.6	3.4	3.5	75.3	2.1	1.8	1.8
Barclays Capital	0.2	3.3	0.3 L	0.2	0.1	0.2 H	0.2	0.2 L	0.7	1.7	2.8	3.5	4.5	3.5	3.4	na	2.0	2.0	1.8
Chimura Economics & Analytics	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.9	3.0	3.8	na	na	3.5	74.1	1.8	1.7	2.2
DePrince & Associates	0.2	3.3	0.4	0.2	0.1	0.2 H	0.3 H	0.4	1.1	2.1	3.3	3.9	4.8	3.4	3.7	73.2	2.8	1.9	2.2
Daiwa Capital Markets America	0.2	3.3	0.3 L	0.2	0.1	0.2 H	0.2	0.3	0.8	1.9	3.0	3.8	4.7	3.3 L	3.4	73.0	1.6	2.0	2.2
Wells Capital Management	0.2	3.3	0.3 L	0.2	0.1	0.2 H	0.3 H	0.3	1.0	2.3 H	3.3	3.9	4.6	3.9	3.5	73.5	2.8	2.1	2.3
PNC Financial Services Corp.	0.2	3.3	0.4	na	0.1	0.1 L	0.2	0.3	0.8	1.8	na	na	4.3 L	3.6	3.4	72.3	2.1	2.1	2.4
Oxford Economics	0.2	3.3	0.3 L	na	0.1	0.1 L	0.2	0.4	0.8	1.8	3.2	na	na	na	3.5	75.3	2.4	2.9 H	2.5
Action Economics	0.2	3.3	0.4	0.2	0.1	0.1 L	0.2	0.4	1.2	2.2	3.3	3.9	5.0	3.6	3.6	73.2	1.5	2.4	2.6
Pierpont Securities	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.1 L	0.3	0.8	1.8	3.0	3.7	4.7	3.5	3.4	74.2	1.8	2.0	2.7
Naroff Economic Advisors	0.2	3.3	0.4	0.2	0.1	0.2 H	0.2	0.3	0.8	1.9	3.1	3.8	4.8	3.6	3.5	71.8	4.2	2.6	2.7
RBS Securities	0.2	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.9	1.9	2.9	3.7	4.7	3.6	3.5	78.0 H	2.0	1.9	2.9
Societe Generale	0.1 L	na	0.4	na	na	na	na	0.3	1.1	2.1	3.3	na	na	na	na	na	2.5	1.7	0.3 L
Moody's Capital Markets Group	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.9	3.1	3.8	4.7	3.5	3.4	73.8	2.1	1.8	0.7
J.P. Morgan Chase	0.1 L	na	0.3 L	na	0.1	na	na	0.2 L	0.8	1.8	3.0	na	na	na	na	na	1.5	1.4	1.2
UBS	0.1 L	na	0.4	na	0.1	na	na	0.3	1.0	2.0	3.1	na	na	na	na	na	2.8	2.0	1.3
Nomura Securities, Inc.	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	2.0	3.1	3.6	5.1	na	3.6	74.4	1.2	1.1	1.8
Bank of America Merrill Lynch	0.1 L	na	0.3 L	na	0.0 L	na	na	0.2 L	0.6 L	1.8	2.9	na	na	na	na	na	1.5	1.6	2.0
Goldman Sachs & Co.	0.1 L	na	0.3 L	na	0.1	na	na	0.3	0.9	2.0	3.1	na	na	na	3.5	na	2.0	1.5	2.1
J.W. Coons Advisors LLC	0.1 L	3.3	0.3 L	0.1 L	0.1	0.2 H	na	0.3	0.9	1.9	3.0	3.9	4.9	na	3.6	72.7	2.1	1.9	2.2
BMO Capital Markets	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.9	3.1	3.8	4.8	3.7	3.5	73.0	2.8	2.2	2.7
Economist Intelligence Unit	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	2.0	3.1	na	na	na	na	na	2.4	na	3.0 H
GLC Financial Economics	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.8	3.0	3.6	4.7	3.7	3.4	73.3	2.3	1.7	2.6
Georgia State University	0.1 L	3.3	na	na	0.1	0.1 L	0.2	0.3	0.9	2.1	3.1	4.0 H	5.2 H	na	3.4	na	1.4	1.4	1.2
Russell Investments	0.1 L	3.3	0.3 L	0.1 L	0.1	0.2 H	0.2	0.3	1.0	2.0	3.0	3.7	4.6	3.5	3.6	74.0	2.2	2.1	1.5
Kellner Economic Advisers	0.1 L	3.3	0.3 L	0.2	0.2 H	0.2 H	0.3 H	0.4	1.0	1.2 L	2.5 L	3.6	4.7	3.8	3.2 L	74.0	0.0 L	1.5	1.6
Cycledata Corp.	0.1 L	3.3	0.4	0.1 L	0.1	0.2 H	0.2	0.4	0.9	2.0	3.1	3.8	5.0	3.7	3.5	71.0 L	1.8	2.0	2.2
RDQ Economics	0.1 L	3.3	0.3 L	0.2	0.1	0.1 L	0.2	0.3	1.0	2.1	3.3	3.9	5.0	4.0 H	3.8	73.1	2.4	2.5	2.3
Nat'l Assn. of Realtors	0.1 L	3.3	0.3 L	0.1 L	0.1	0.1 L	0.2	0.4	0.9	2.0	3.1	3.9	4.9	3.8	3.6	na	2.9	2.3	2.8
Moody's Analytics	0.1 L	3.3 L	0.3 L	0.2	0.1	0.2 H	0.3 H	0.7 H	1.4 H	2.2	3.2	3.7	4.8	3.3 L	3.9 H	na	2.0	1.8	2.4
February Consensus	0.2	3.3	0.3	0.2	0.1	0.1	0.2	0.3	0.9	1.9	3.1	3.8	4.8	3.6	3.5	73.9	2.1	1.8	1.9
Top 10 Avg.	0.2	3.3	0.4	0.2	0.1	0.2	0.3	0.4	1.1	2.1	3.3	3.9	5.0	3.8	3.7	75.3	3.0	2.4	2.7
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.1	0.1	0.2	0.2	0.7	1.7	2.8	3.6	4.6	3.4	3.4	72.5	1.3	1.3	1.1
January Consensus	0.2	3.3	0.3	0.2	0.1	0.2	0.2	0.3	0.9	1.9	3.0	3.8	4.9	3.6	3.5	73.9	2.0	1.8	2.0
Number of Forecasts Changed From A Month Ago:																			
Down	7	0	16	15	15	16	15	16	8	6	7	9	15	7	13	6	14	9	16
Same	40	44	23	16	27	19	19	26	19	12	12	7	8	8	9	7	16	26	23
Up	2	0	5	4	5	6	7	7	22	31	28	21	13	16	19	16	19	12	10
Diffusion Index	45 %	50 %	38 %	34 %	39 %	38 %	40 %	41 %	64 %	76 %	72 %	66 %	47 %	65 %	57 %	67 %	55 %	53 %	44 %

Third Quarter 2013

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum -- Average For Quarter--															Avg. For			
	Short-Term					Intermediate-Term					Long-Term					---Qtr---	----(Q-Q % Change)----		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	A.	B.	C.	D.
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bond 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate	Fed's Major Currency \$ Index	Real GDP	Price Index	Cons. Price Index
Bank of Toyko-Mitsubishi UFJ	0.3 H	3.3 H	0.3	0.2	0.1	0.2	0.2	0.4	0.7	2.3	3.5	3.8	5.1	3.7	3.9	76.0	2.7	2.1	1.4 L
Swiss Re	0.3 H	3.3	0.3	0.2	0.1	0.2	0.3	0.6	1.2	2.1	3.2	3.9	4.8	na	3.7	na	2.9	1.4	1.6
RBC Capital Markets	0.3 H	3.3	0.4	na	0.1	0.1	L	0.2	0.3	1.0	2.2	3.5	na	na	na	na	2.0	3.7 H	2.0
Scotiabank Group	0.3 H	3.3	na	na	0.1	na	na	0.4	1.3	2.1	3.2	na	na	na	na	na	2.3	na	2.3
Fannie Mae	0.2	3.3	0.3	na	0.1	na	0.2	0.3	1.0	1.9	3.0	na	na	na	3.7	na	2.3	1.6	1.8
Wells Fargo	0.2	3.3	0.3	0.2	0.2 H	0.2	0.3	0.4	0.8	2.0	3.0	3.9	4.9	3.7	3.5	75.5	2.2	1.9	2.0
Wintrust Wealth Management	0.2	3.3	0.3	0.2	0.1	0.2	0.3	0.4	1.0	2.0	3.2	3.9	5.0	3.6	3.7	74.4	2.3	1.9	2.0
Chase Wealth Management	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.9	3.1	3.8	4.7	3.6	3.4	74.0	2.4	2.0	2.1
Stone Harbor Investment Partners	0.2	3.3	0.4	0.4 H	0.2 H	na	na	0.7	1.2	2.2	3.5	4.1	4.9	na	3.8	74.0	3.0	1.7	2.2
Cycledata Corp.	0.2	3.3	0.4	0.2	0.2 H	0.3 H	0.4 H	0.5	1.0	2.1	3.3	4.0	5.1	3.9	3.8	71.0	1.9	2.1	2.4
Mesirow Financial	0.2	3.3	0.4	0.2	0.2 H	0.2	0.2	0.4	1.0	1.9	2.9	3.6	4.7	3.6	3.6	75.0	3.3	1.6	1.8
MacroFin Analytics	0.2	3.3	0.4	0.2	0.1	0.2	0.2	0.4	0.9	1.8	3.0	3.9	4.8	3.7	3.4	73.8	2.4	1.4 L	1.6
AIG	0.2	3.3	na	na	0.1	0.2	0.3	0.3	1.1	2.2	3.3	3.6	4.8	na	3.7	na	2.2	1.6	1.8
Standard & Poor's Corp.	0.2	3.3	0.4	0.2	0.1	0.2	0.3	0.4	1.1	2.2	na	3.8	4.8	3.8	3.4	na	4.1 H	2.0	2.0
Loomis, Sayles & Company	0.2	3.3	0.4	0.1 L	0.1	0.1 L	0.2	0.3	1.1	2.4	3.4	4.1	5.1	4.1 H	3.9	76.2	2.5	1.7	2.1
Woodorth Holdings	0.2	3.3	0.3	0.1 L	0.1	0.2	0.2	0.3	0.9	2.0	3.2	3.9	4.9	3.6	3.5	75.0	1.5	1.6	1.6
The Northern Trust Company	0.2	3.3	0.5 H	0.4 H	0.1	0.2	0.2	0.3	0.9	1.8	3.1	3.6	4.8	3.6	3.6	na	2.4	1.5	1.7
ClearView Economics	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.1 L	0.3	0.8	1.9	3.1	3.8	4.7	3.5	3.4	75.2	2.0	1.4 L	1.8
Chimura Economics & Analytics	0.2	3.3	0.4	0.1 L	0.1	0.1 L	0.2	0.3	0.9	1.9	3.1	3.9	na	na	3.6	75.9	2.3	2.3	1.8
SunTrust Banks	0.2	3.3	0.4	0.2	0.1	0.2	0.3	0.5	1.2	2.1	3.1	4.1	4.8	3.8	3.8	71.4	2.4	2.0	2.1
Comerica Bank	0.2	3.3	0.3	na	0.1	0.1 L	0.1 L	0.2	0.8	1.9	3.1	na	na	na	na	na	2.5	2.1	2.1
DePrince & Associates	0.2	3.3	0.5 H	0.3	0.1	0.2	0.4 H	0.6	1.3	2.3	3.4	4.0	4.9	3.4	3.9	73.5	2.7	1.9	2.2
Daiwa Capital Markets America	0.2	3.3	0.3	0.2	0.1	0.2	0.2	0.3	0.8	1.9	3.1	3.8	4.7	3.3 L	3.4	74.0	2.3	2.0	2.2
RidgeWorth Investments	0.2	3.3	0.3	0.1 L	0.1	0.2	0.2	0.3	0.8	1.9	3.1	3.5	4.5	3.3 L	3.6	76.0	2.5	2.1	2.2
Action Economics	0.2	3.3	0.4	0.2	0.1	0.2	0.2	0.5	1.4	2.3	3.4	3.9	5.2	3.6	3.7	73.2	2.0	2.2	2.2
Oxford Economics	0.2	3.3	0.3	na	0.1	0.1 L	0.2	0.4	0.9	1.9	3.4	na	na	na	3.7	76.1	2.8	3.3	2.3
Wells Capital Management	0.2	3.3	0.3	0.2	0.2 H	0.2	0.3	0.4	1.1	2.4	3.5	4.0	4.7	4.0	3.6	73.4	2.2	2.2	2.4
Pierpont Securities	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.9	3.1	3.7	4.7	3.5	3.4	74.4	2.3	2.1	2.5
PNC Financial Services Corp.	0.2	3.3	0.4	na	0.1	0.2	0.2	0.4	0.9	1.9	na	na	4.3 L	3.7	3.4	72.0	2.6	2.1	2.5
RBS Securities	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.3	0.9	2.0	3.0	3.8	4.8	3.7	3.7	79.0 H	2.5	2.1	2.6
Naroff Economic Advisors	0.2	3.3	0.4	0.2	0.1	0.2	0.3	0.4	0.9	1.9	3.1	3.9	4.9	3.6	3.6	70.5 L	3.1	2.5	2.9
Barclays Capital	0.2	3.3	0.2 L	0.2	0.1	0.2	0.2	0.2	0.7 L	1.6	2.8	3.5 L	4.5	3.5	3.4	na	2.5	3.0	3.5
J.P. Morgan Chase	0.1 L	na	0.3	na	0.1	na	na	0.2	0.8	1.8	3.0	na	na	na	na	na	2.5	1.4 L	1.7
Nomura Securities, Inc.	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.3	0.9	2.1	3.1	3.7	5.2	na	3.7	74.5	2.5	1.6	1.7
Moody's Capital Markets Group	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.9	3.1	3.8	4.7	3.5	3.5	74.0	2.5	2.0	2.0
Goldman Sachs & Co.	0.1 L	na	0.3	na	0.1	na	na	0.4	1.0	2.1	3.1	na	na	na	3.6	na	2.5	1.4 L	2.1
Bank of America Merrill Lynch	0.1 L	na	0.3	na	0.0 L	na	na	0.2 L	0.7 L	1.8	2.9	na	na	na	na	na	2.2	1.7	2.1
J.W. Coons Advisors LLC	0.1 L	3.3	0.4	0.1 L	0.1	0.2	na	0.4	1.0	2.0	3.1	4.0	5.0	na	3.7	72.2	2.7	1.9	2.1
BMO Capital Markets	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.3	0.8	2.1	3.2	3.9	4.8	3.8	3.6	72.5	3.3	2.0	2.3
Economist Intelligence Unit	0.1 L	3.3	0.4	0.2	0.2 H	0.2	0.2	0.4	0.9	2.1	3.2	na	na	na	3.5	na	3.2	na	2.8
Societe Generale	0.1 L	na	0.4	na	na	na	na	na	1.2	2.3	3.4	na	na	na	na	na	3.1	2.4	3.6
UBS	0.1 L	na	0.4	na	0.1	na	na	na	0.3	1.3	2.2	3.3	na	na	na	na	3.0	2.0	3.8 H
GLC Financial Economics	0.1 L	3.3	0.4	0.2	0.1	0.1 L	0.2	0.3	0.8	1.9	3.1	3.7	4.8	3.8	3.5	73.1	2.8	2.2	2.8
Kellner Economic Advisers	0.1 L	3.3	0.3	0.2	0.2 H	0.2	0.3	0.4	1.0	1.2 L	2.5 L	3.6	4.7	3.9	3.2 L	75.0	0.0 L	1.4 L	1.6
Georgia State University	0.1 L	3.3	na	na	0.1	0.1 L	0.1 L	0.3	1.1	2.3	3.3	4.2 H	5.3	na	3.4	na	2.1	1.7	1.8
Russell Investments	0.1 L	3.3	0.3	0.2	0.1	0.2	0.3	0.4	1.2	2.1	3.1	3.8	4.7	3.5	3.6	73.5	2.4	2.0	2.2
RDQ Economics	0.1 L	3.3	0.3	0.2	0.1	0.1 L	0.3	0.4	1.2	2.4	3.6 H	4.2 H	5.4 H	4.1 H	4.1	73.0	2.5	2.6	2.4
Nat'l Assn. of Realtors	0.1 L	3.3	0.3	0.1 L	0.1	0.2	0.2	0.6	1.1	2.1	3.1	3.9	5.0	3.9	3.8	na	3.0	2.4	3.0
Moody's Analytics	0.1 L	3.3 L	0.3	0.2	0.2 H	0.3 H	0.4 H	0.9 H	2.0 H	2.5 H	3.5	4.0	5.0	3.4	4.6 H	na	3.1	2.6	2.6
February Consensus	0.2	3.3	0.3	0.2	0.1	0.2	0.2	0.4	1.0	2.0	3.2	3.8	4.9	3.7	3.6	74.1	2.5	2.0	2.2
Top 10 Avg.	0.2	3.3	0.4	0.3	0.2	0.2	0.3	0.6	1.3	2.3	3.5	4.1	5.1	3.9	3.9	76.0	3.2	2.7	3.0
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.1	0.1	0.1	0.2	0.7	1.7	2.9	3.6	4.6	3.5	3.4	72.2	1.8	1.5	1.7
January Consensus	0.2	3.3	0.3	0.2	0.1	0.2	0.2	0.4	0.9	2.0	3.1	3.9	4.9	3.7	3.6	74.3	2.4	2.0	2.3
Number of Forecasts Changed From A Month Ago:																			
Down	6	0	16	14	14	16	15	11	6	6	5	9	15	8	13	9	12	12	15
Same	40	44	27	17	29	18	18	28	20	16	16	13	11	10	15	8	17	24	22
Up	3	0	3	5	4	7	8	9	23	27	26	15	11	14	14	14	20	11	12
Diffusion Index	47 %	50 %	36 %	38 %	39 %	39 %	41 %	48 %	67 %	71 %	72 %	58 %	45 %	59 %	51 %	58 %	58 %	49 %	47 %

Fourth Quarter 2013

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum-- Average For Quarter-----															Avg. For ---Qtr.--- A. Fed's Major Currency \$ Index	----- (Q-Q % Change) -----		
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----						B. Real GDP	C. GDP Price Index	D. Cons. Price Index
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bond 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate				
Wintrust Wealth Management	0.3 H	3.3 H	0.4	0.3	0.1	0.2	0.4 H	0.5	1.2	2.1	3.3	4.0	5.1	3.6	3.8	75.1	2.5	1.9	2.1
RBC Capital Markets	0.3 H	3.3	0.4	na	0.1	0.1 L	0.2	0.4	1.2	2.4	3.8	na	na	na	na	na	2.2	-0.3 L	1.4
Swiss Re	0.3 H	3.3	0.3	0.2	0.1	0.2	0.3	0.6	1.3	2.2	3.3	4.0	4.7	na	3.8	na	3.1	1.4	1.6
Bank of Toyko-Mitsubishi UFJ	0.3 H	3.3	0.3	0.2	0.1	0.2	0.2	0.5	0.8	2.6	3.8	4.2	5.2	3.8	4.2	75.0	3.0	2.0	2.1
Scotiabank Group	0.3 H	3.3	na	na	0.1	na	na	0.4	1.5	2.5	3.7	na	na	na	na	na	2.5	na	2.2
Fannie Mae	0.2	3.3	0.4	na	0.1	na	0.2	0.4	1.1	2.0	3.0	na	na	na	3.9	na	2.5	1.7	1.9
Stone Harbor Investment Partners	0.2	3.3	0.4	0.4 H	0.2	na	na	0.8	1.4	2.4	3.6	4.3	5.1	na	4.0	72.0	3.0	1.9	2.0
Wells Fargo	0.2	3.3	0.3	0.2	0.3 H	0.3 H	0.4 H	0.5	1.0	2.2	3.1	4.0	5.0	3.8	3.7	76.5	2.4	2.0	2.1
Chase Wealth Management	0.2	3.3	0.3	0.2	0.1	0.2	0.2	0.3	0.9	1.9	3.1	3.8	4.7	3.6	3.4	73.9	2.3	2.0	2.2
SunTrust Banks	0.2	3.3	0.4	0.2	0.1	0.3 H	0.4 H	0.5	1.2	2.1	3.1	4.1	4.8	3.8	3.8	70.8	3.1	2.2	2.3
Cycledata Corp.	0.2	3.3	0.4	0.2	0.2	0.3 H	0.4 H	0.5	1.0	2.1	3.3	4.0	5.2	4.0	3.8	70.0	2.0	2.3	2.6
Mesirow Financial	0.2	3.3	0.4	0.2	0.2	0.2	0.2	0.4	1.2	2.2	3.2	3.8	4.9	3.8	3.9	75.8	3.5	1.7	1.7
MacroFin Analytics	0.2	3.3	0.4	0.2	0.2	0.2	0.3	0.4	1.0	1.8	3.1	4.0	4.9	3.8	3.5	74.0	2.5	1.5	1.7
AIG	0.2	3.3	na	na	0.1	0.2	0.3	0.4	1.3	2.3	3.4	3.6	4.8	na	3.8	na	2.5	1.7	1.8
Loomis, Sayles & Company	0.2	3.3	0.4	0.2	0.1	0.1 L	0.2	0.3	1.3	2.5	3.5	4.2	5.2	4.2	4.1	76.2	2.6	1.7	2.1
Standard & Poor's Corp.	0.2	3.3	0.4	0.3	0.1	0.2	0.3	0.5	1.3	2.4	na	3.9	4.9	3.9	3.4	na	4.0	2.0	2.2
Woodworth Holdings	0.2	3.3	0.3	0.1 L	0.1	0.2	0.2	0.3	0.9	2.0	3.3	3.9	4.9	3.7	3.5	75.5	2.5	1.8	1.7
The Northern Trust Company	0.2	3.3	0.5 H	0.3	0.1	0.2	0.3	0.5	1.0	2.0	3.3	3.6	4.9	3.5	3.7	na	2.4	1.8	2.0
Oxford Economics	0.2	3.3	0.3	na	0.1	0.1 L	0.3	0.5	1.0	2.0	3.5	na	na	na	3.8	76.8	3.3	2.3	2.1
DePrince & Assoc.	0.2	3.3	0.4	0.3	0.1	0.3 H	0.4 H	0.7	1.4	2.4	3.6	4.2	5.1	3.4	4.1	73.9	2.9	1.9	2.2
Comerica Bank	0.2	3.3	0.3	na	0.1	0.1 L	0.1 L	0.2 L	0.8	1.9	3.1	na	na	na	na	na	3.3	2.1	2.2
RidgeWorth Investments	0.2	3.3	0.3	0.1 L	0.1	0.2	0.3	0.3	0.9	2.0	3.2	3.5 L	4.5	3.3 L	3.7	76.0	2.7	2.1	2.3
Daiwa Capital Markets America	0.2	3.3	0.3	0.2	0.1	0.2	0.2	0.4	0.9	1.9	3.1	3.8	4.7	3.3 L	3.4	74.0	2.4	2.2	2.3
ClearView Economics	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.1 L	0.3	0.8	1.9	3.1	3.8	4.7	3.5	3.4	76.0	2.6	1.8	2.4
Action Economics	0.2	3.3	0.5 H	0.2	0.1	0.2	0.3	0.7	1.5	2.5	3.5	4.0	5.3	3.7	3.7	73.3	2.5	2.1	2.4
Wells Capital Management	0.2	3.3	0.4	0.3	0.2	0.3 H	0.4 H	0.5	1.2	2.7	3.6	4.1	4.7	4.0	3.7	73.4	2.4	2.3	2.4
PNC Financial Services Corp.	0.2	3.3	0.4	na	0.1	0.2	0.2	0.4	0.9	1.9	na	na	4.2 L	3.7	3.5	71.6	3.1	2.1	2.5
Barclays Capital	0.2	3.3	0.2 L	0.2	0.1	0.2	0.2	0.2 L	0.7 L	1.6	2.8	3.5 L	4.5	3.5	3.4	na	2.5	2.4	2.5
Naroff Economic Advisors	0.2	3.3	0.5 H	0.3	0.2	0.3 H	0.3	0.4	0.9	2.0	3.2	4.0	4.9	3.7	3.7	69.2 L	4.3 H	2.4	2.5
Pierpont Securities	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.3	0.8	1.9	3.1	3.7	4.6	3.6	3.4	74.7	2.4	2.2	2.6
Chmura Economics & Analytics	0.2	3.3	0.4	0.2	0.1	0.1 L	0.2	0.3	0.9	2.0	3.2	3.9	na	na	3.6	76.2	2.7	1.7	2.7
RBS Securities	0.2	3.3	0.3	0.2	0.1	0.1 L	0.2	0.3	1.0	2.2	3.2	4.0	5.0	3.8	3.8	79.0 H	2.7	2.3	2.7
Nomura Securities, Inc.	0.1 L	3.3	0.4	0.1 L	0.1	0.1 L	0.2	0.4	1.0	2.3	3.3	3.8	5.3	na	3.8	74.8	2.8	1.7	1.6
J.P. Morgan Chase	0.1 L	na	0.3	na	0.1	na	na	0.3	0.9	2.0	3.2	na	na	na	na	na	3.0	1.4	1.7
UBS	0.1 L	na	0.4	na	0.1	na	na	0.3	1.5	2.3	3.4	na	na	na	na	na	3.4	2.0	1.8
Moody's Capital Markets Group	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.3	0.9	2.0	3.1	3.8	4.7	3.5	3.6	74.2	2.7	2.0	1.9
BMO Capital Markets	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.3	0.9	2.2	3.3	4.0	4.9	3.9	3.8	72.0	3.5	1.8	2.0
Bank of America Merrill Lynch	0.1 L	na	0.3	na	0.0 L	na	na	0.2 L	0.9	2.0	3.3	na	na	na	na	na	2.5	1.8	2.1
J.W. Coons Advisors LLC	0.1 L	3.3	0.5 H	0.2	0.2	0.3 H	na	0.5	1.1	2.1	3.1	4.1	5.1	na	3.8	72.2	2.2	1.9	2.1
Societe Generale	0.1 L	na	0.4	na	na	na	na	0.3	1.5	2.6	3.6	na	na	na	na	na	3.6	2.1	2.1
Goldman Sachs & Co.	0.1 L	na	0.3	na	0.1	na	na	0.4	1.2	2.2	3.3	na	na	na	3.7	na	2.5	1.3	2.3
Economist Intelligence Unit	0.1 L	3.3	0.4	0.2	0.2	0.2	0.3	0.5	1.0	2.2	3.3	na	na	na	3.7	na	3.2	na	2.6
GLC Financial Economics	0.1 L	3.3	0.5 H	0.2	0.1	0.2	0.2	0.3	0.8	1.9	3.1	3.8	5.0	3.8	3.6	73.0	3.2	2.5	2.7
Russell Investments	0.1 L	3.3	0.3	0.2	0.1	0.2	0.4 H	0.5	1.3	2.2	3.1	3.8	4.7	3.6	3.7	72.5	2.3	2.1	1.3 L
Kellner Economic Advisers	0.1 L	3.3	0.3	0.2	0.2	0.2	0.3	0.4	1.0	1.3 L	2.5 L	3.6	4.7	3.9	3.2 L	75.0	0.5 L	1.5	1.5
Georgia State University	0.1 L	3.3	na	na	0.1	0.2	0.2	0.3	1.2	2.5	3.5	4.4	5.4	na	3.4	na	1.3	1.6	1.9
RDQ Economics	0.1 L	3.3	0.3	0.2	0.1	0.1 L	0.3	0.5	1.4	2.7	3.9 H	4.5 H	5.7 H	4.4 H	4.4	73.0	2.6	2.7 H	2.5
Nat'l Assn. of Realtors	0.1 L	3.3	0.3	0.1 L	0.1	0.2	0.3	0.8	1.3	2.3	3.4	4.0	5.1	4.0	3.9	na	3.1	2.4	3.1 H
Moody's Analytics	0.1 L	3.3 L	0.3	0.3	0.3 H	0.3 H	0.4 H	0.9 H	2.4 H	2.8 H	3.7	4.2	5.2	3.6	4.9 H	na	3.8	2.1	2.4
February Consensus	0.2	3.3	0.4	0.2	0.1	0.2	0.3	0.4	1.1	2.2	3.3	3.9	4.9	3.7	3.7	74.1	2.7	1.9	2.1
Top 10 Avg.	0.2	3.3	0.4	0.3	0.2	0.3	0.4	0.7	1.5	2.6	3.7	4.2	5.3	4.0	4.1	76.3	3.6	2.4	2.7
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.1	0.1	0.2	0.2	0.8	1.8	3.0	3.6	4.6	3.5	3.4	71.6	2.0	1.4	1.6
January Consensus	0.2	3.3	0.4	0.2	0.1	0.2	0.3	0.4	1.1	2.1	3.2	3.9	5.0	3.7	3.7	74.5	2.7	1.9	2.2
Number of Forecasts Changed From A Month Ago:																			
Down	7	0	11	12	13	17	15	12	6	4	4	9	13	6	14	7	7	13	13
Same	39	44	28	18	28	17	18	25	18	20	17	12	10	9	12	13	20	23	27
Up	3	0	7	6	6	7	8	12	25	25	26	16	10	13	16	11	22	11	9
Diffusion Index	46 %	50 %	46 %	42 %	43 %	38 %	41 %	50 %	69 %	71 %	73 %	59 %	45 %	63 %	52 %	56 %	65 %	48 %	46 %

First Quarter 2014

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum -- Average For Quarter--															Avg. For ---Qtr.---	----(Q-Q % Change)----			
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----						A. Fed's Major Currency \$ Index	B. Real GDP	C. GDP Price Index	D. Cons. Price Index
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					
	Federal Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bonds 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate					
Cycledata Corp.	0.5 H	3.5 H	0.7 H	0.5 H	0.5 H	0.6 H	0.7 H	0.9	1.4	2.5	3.7	4.4	5.6	4.4	4.0	69.0	2.0	2.3	2.6	
Wintrust Wealth Management	0.3	3.3 L	0.4	0.3	0.1 L	0.3	0.5	0.5	1.3	2.2	3.4	4.1	5.2	3.7	3.9	75.7	2.6	2.0	2.1	
Scotiabank Group	0.3	3.3 L	na	na	0.1 L	na	na	0.5	1.6	2.8	3.9	na	na	na	na	na	2.6	na	2.1	
Swiss Re	0.3	3.3 L	0.3 L	0.2	0.1 L	0.2	0.3	0.7	1.4	2.3	3.4	4.0	4.7	na	4.0	na	3.4	2.4	2.4	
Bank of Toyko-Mitsubishi UFJ	0.3	3.3 L	0.3 L	0.2	0.1 L	0.2	0.2	0.7	1.1	2.8	3.9	4.2	5.6	4.0	4.3	74.0	2.9	2.0	2.9	
RBC Capital Markets	0.3	3.3 L	0.4	na	0.1 L	0.1 L	0.2	0.4	1.4	2.5	3.9	na	na	na	na	na	na	na	na	
SunTrust Banks	0.2	3.3 L	0.4	0.2	0.1 L	0.3	0.5	0.5	1.2	2.1	3.1	4.1	4.8	3.8	3.8	70.2	3.1	1.7	2.3	
Fannie Mae	0.2	3.3 L	0.4	na	0.1 L	na	0.2	0.4	1.1	2.1	3.0	na	na	na	4.0	na	2.5	2.2	2.0	
Stone Harbor Investment Partners	0.2	3.3 L	0.4	0.4	0.2	na	na	0.9	1.6	2.7	2.8	4.6	5.4	na	4.3	70.0	2.9	2.5	2.1	
Chase Wealth Management	0.2	3.3 L	0.4	0.3	0.2	0.3	0.3	0.4	1.0	2.0	3.2	3.9	4.8	3.7	3.5	73.8	2.2	2.1	2.2	
Wells Fargo	0.2	3.3 L	0.3 L	0.2	0.3	0.4	0.5	0.6	1.1	2.3	3.2	4.2	5.1	3.9	3.8	75.5	2.5	2.1	2.2	
Russell Investments	0.2	3.3 L	0.3 L	0.2	0.1 L	0.3	0.4	0.6	1.4	2.2	3.2	3.9	4.9	3.6	3.8	73.4	2.3	2.1	2.4	
Mesirow Financial	0.2	3.3 L	0.4	0.2	0.1 L	0.1 L	0.2	0.4	1.3	2.4	3.4	4.2	5.2	4.0	4.1	76.8	2.7	2.1	1.8	
DePrince & Associates	0.2	3.3 L	0.5	0.4	0.2	0.3	0.5	0.8	1.5	2.5	3.7	4.3	5.2	3.5	4.2	74.3	3.0	1.9	2.1	
Action Economics	0.2	3.3 L	0.5	0.2	0.1 L	0.2	0.5	0.9	1.8	2.6	3.7	4.0	5.3	3.7	3.8	73.3	3.1	2.4	2.5	
MacroFin Analytics	0.2	3.3 L	0.4	0.2	0.2	0.2	0.3	0.5	1.0	1.9	3.1	3.9	5.1	3.9	3.5	74.4	2.5	1.5	1.8	
AIG	0.2	3.3 L	na	na	0.1 L	0.2	0.3	0.4	1.4	2.4	3.5	3.7	4.9	na	3.9	na	2.5	2.1	1.9	
Loomis, Sayles & Company	0.2	3.3 L	0.4	0.2	0.1 L	0.2	0.2	0.3	1.3	2.5	3.5	4.2	5.2	4.2	4.1	76.2	2.0	2.2	2.2	
Standard & Poor's Corp.	0.2	3.3 L	0.4	0.3	0.1 L	0.2	0.3	0.4	1.3	2.5	na	4.2	5.1	4.0	3.5	na	2.2	2.3	2.2	
Woodworth Holdings	0.2	3.3 L	0.3 L	0.1 L	0.1 L	0.2	0.2	0.4	1.0	2.1	3.3	4.0	5.0	3.7	3.6	76.0	3.0	1.8	1.7 L	
The Northern Trust Company	0.2	3.3 L	0.5	0.3	0.1 L	0.2	0.4	0.6	1.2	2.1	3.4	3.7	4.9	3.4 L	3.6	na	3.3	1.7	1.9	
Oxford Economics	0.2	3.3 L	0.3 L	na	0.1 L	0.1 L	0.3	0.5	1.1	2.1	3.6	na	na	na	3.9	77.8	2.9	2.1	2.0	
RBS Securities	0.2	3.3 L	0.4	0.2	0.1 L	0.2	0.2	0.4	1.2	2.4	3.4	4.2	5.2	3.9	4.0	80.0 H	2.3	1.7	2.0	
Chmura Economics & Analytics	0.2	3.3 L	0.4	0.2	0.1 L	0.2	0.2	0.4	1.9	3.0	3.3	4.0	na	na	3.7	72.6	2.5	2.3	2.1	
Comerica Bank	0.2	3.3 L	0.3 L	na	0.1 L	0.1 L	0.1 L	0.2 L	0.8 L	1.9	3.1	na	na	na	na	na	3.1	2.1	2.2	
Naroff Economic Advisors	0.2	3.3 L	0.5	0.3	0.2	0.3	0.4	0.5	1.0	2.1	3.3	4.0	5.0	3.8	3.8	68.4 L	3.6	2.6	2.2	
Daiwa Capital Markets America	0.2	3.3 L	0.3 L	0.2	0.1 L	0.2	0.2	0.4	0.9	1.9	3.2	3.8	4.7	3.4 L	3.5	74.0	2.4	2.2	2.3	
RidgeWorth Investments	0.2	3.3 L	0.4	0.1 L	0.1 L	0.2	0.3	0.4	1.1	2.2	3.4	3.6 L	4.6	3.4 L	3.8	75.0	2.5	2.2	2.3	
PNC Financial Services Corp.	0.2	3.3 L	0.4	na	0.1 L	0.2	0.2	0.4	1.0	2.0	na	na	4.2 L	3.8	3.6	71.2	2.7	2.1	2.5	
ClearView Economics	0.2	3.3 L	0.3 L	0.1 L	0.1 L	0.1 L	0.1 L	0.3	0.8 L	1.9	3.1	3.8	4.7	3.5	3.4	77.0	2.6	2.0	2.6	
Wells Capital Management	0.2	3.3 L	0.4	0.4	0.3	0.4	0.4	0.6	1.2	2.9	3.8	4.3	4.7	4.3	4.0	73.7	2.6	2.4	2.6	
Pierpont Securities	0.2	3.3 L	0.3 L	0.1 L	0.1 L	0.1 L	0.2	0.3	0.8 L	2.0	3.2	3.7	4.7	3.6	3.5	75.0	2.5	2.5	2.8	
Goldman Sachs	0.1 L	na	0.3 L	na	0.1 L	na	na	0.5	1.3	2.4	3.4	na	na	na	3.9	na	3.0	1.4 L	1.9	
Societe Generale	0.1 L	na	0.4	na	na	na	na	0.4	1.6	2.8	3.7	na	na	na	na	na	2.3	2.0	1.9	
Nomura Securities, Inc.	0.1 L	3.3 L	0.4	0.1 L	0.1 L	0.1 L	0.2	0.5	1.1	2.4	3.4	3.9	5.4	na	4.0	74.8	2.9	2.0	1.9	
J.W. Coons Advisors LLC	0.1 L	3.3 L	0.4	0.1 L	0.2	0.3	na	0.5	1.2	2.1	3.1	4.1	5.2	na	3.9	72.2	2.0	1.9	2.0	
BMO Capital Markets	0.1 L	3.3 L	0.3 L	0.2	0.1 L	0.1 L	0.2	0.4	1.1	2.4	3.5	4.2	5.2	4.0	4.0	71.5	3.2	2.0	2.0	
Moody's Capital Markets Group	0.1 L	3.3 L	0.3	0.1 L	0.1 L	0.2	0.2	0.3	0.9	2.0	3.1	3.8	4.7	3.4 L	3.5	74.2	3.2	2.0	2.1	
UBS	0.1 L	na	0.4	na	0.1 L	na	na	0.3	1.6	2.5	3.6	na	na	na	na	na	2.8	2.0	2.5	
Economist Intelligence Unit	0.1 L	3.3 L	0.5	0.2	0.2	0.3	0.3	0.6	1.2	2.3	3.4	na	na	na	3.8	na	2.9	na	2.9	
GLC Financial Economics	0.1 L	3.3 L	0.5	0.2	0.1 L	0.1 L	0.2	0.3	0.8 L	1.8	3.0	3.9	5.1	3.7	3.4	73.2	3.1	2.4	2.6	
Kellner Economic Advisers	0.1 L	3.3 L	0.3 L	0.2	0.2	0.3	0.4	0.5	1.0	1.3 L	2.5 L	3.6 L	4.7	4.0	3.3 L	76.0	1.0 L	1.5	1.7 L	
Georgia State University	0.1 L	3.3 L	na	na	0.1 L	0.2	0.3	0.3	1.2	2.7	3.7	4.5	5.6	na	3.6	na	2.7	1.9	1.9	
RDQ Economics	0.1 L	3.3 L	0.3 L	0.2	0.1 L	0.1 L	0.4	0.6	1.7	3.0	4.2 H	4.8 H	6.0 H	4.6 H	4.7	72.8	2.5	2.8 H	2.6	
Nat'l Assn. of Realtors	0.1 L	3.3 L	0.4	0.2	0.2	0.3	0.4	1.0	1.6	2.5	3.7	4.2	5.2	4.1	4.0	na	3.1	2.5	3.3 H	
Moody's Analytics	0.1 L	3.3 L	0.3 L	0.3	0.3	0.4	0.5	1.1 H	2.5 H	3.2 H	4.0	4.5	5.5	3.7	5.3 H	na	4.2 H	2.1	2.5	
February Consensus	0.2	3.3	0.4	0.2	0.1	0.2	0.3	0.5	1.2	2.3	3.4	4.1	5.1	3.8	3.9	73.9	2.7	2.1	2.2	
Top 10 Avg.	0.3	3.3	0.5	0.3	0.3	0.4	0.5	0.8	1.7	2.8	3.8	4.4	5.5	4.2	4.3	76.6	3.3	2.5	2.7	
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.1	0.1	0.2	0.3	0.9	1.9	3.0	3.7	4.6	3.5	3.5	71.1	2.1	1.7	1.8	
January Consensus	0.2	3.3	0.4	0.2	0.1	0.2	0.3	0.5	1.2	2.2	3.3	4.0	5.1	3.8	3.8	74.4	2.7	2.1	2.2	
Number of Forecasts Changed From A Month Ago:																				
Down	9	0	14	13	12	18	17	13	6	7	4	10	14	8	9	6	14	11	8	
Same	34	43	22	18	27	17	15	23	17	14	14	10	8	8	16	17	19	23	25	
Up	3	0	7	4	5	5	8	10	23	25	26	16	14	15	16	9	12	9	12	
Diffusion Index	43 %	50 %	42 %	37 %	42 %	34 %	39 %	47 %	68 %	70 %	75 %	58 %	50 %	61 %	59 %	55 %	48 %	48 %	54 %	

Second Quarter 2014 Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	-----Percent Per Annum----- Average For Quarter-----															Avg. For ---Qtr.--- A. Fed's Major Currency \$ Index	------(Q-Q % Change)-----		
	-----Short-Term-----					-----Intermediate-Term-----					-----Long-Term-----						B. Real GDP	C. GDP Price Index	D. Cons. Price Index
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15				
	Federal Funds Rate	Prime Bank Rate	LIBOR Rate 3-Mo.	Com. Paper 1-Mo.	Treas. Bills 3-Mo.	Treas. Bills 6-Mo.	Treas. Bills 1-Yr.	Treas. Notes 2-Yr.	Treas. Notes 5-Yr.	Treas. Notes 10-Yr.	Treas. Bond 30-Yr.	Aaa Corp. Bond	Baa Corp. Bond	State & Local Bonds	Home Mtg. Rate				
Cycledata Corp.	0.5 H	3.5 H	0.7	0.5 H	0.5 H	0.7 H	0.8 H	1.1	1.7	2.7	3.9	4.6	5.8	4.6	4.1	69.0	2.1	2.4	2.7
Bank of Toyko-Mitsubishi UFJ	0.5 H	3.5 H	0.9 H	0.4	0.5 H	0.4	0.6	1.6 H	1.4	3.0	4.0	4.6	6.0	4.1	4.5	77.0	2.9	3.0 H	3.5
Wintrust Wealth Management	0.3	3.3 L	0.4	0.3	0.2	0.3	0.6	0.6	1.4	2.3	3.5	4.2	5.3	3.8	4.0	76.3	2.7	2.1	2.2
Scotiabank Group	0.3	3.3 L	na	na	0.1 L	na	na	0.8	1.6	3.0	4.0	na	na	na	na	na	2.6	na	2.2
Naroff Economic Advisors	0.3	3.3 L	0.6	0.4	0.3	0.4	0.5	0.6	1.2	2.2	3.5	4.1	5.2	3.9	4.0	68.0 L	3.9	2.5	2.5
Swiss Re	0.3	3.3 L	0.3 L	0.2	0.1 L	0.2	0.3	0.7	1.5	2.4	3.4	4.1	4.8	na	4.2	na	3.4	2.4	2.6
Action Economics	0.3	3.3 L	0.6	0.3	0.2	0.4	0.8 H	1.2	2.0	2.8	3.8	4.1	5.5	3.8	3.8	73.3	3.3	2.3	2.7
SunTrust Banks	0.3	3.3 L	0.5	0.3	0.1 L	0.3	0.5	0.7	1.3	2.2	3.2	4.2	4.8	3.8	3.9	69.7	3.4	2.1	2.8
RBC Capital Markets	0.3	3.3 L	0.5	na	0.1 L	0.1 L	0.2	0.5	1.5	2.6	3.9	na	na	na	na	na	na	na	na
MacroFin Analytics	0.2	3.3 L	0.5	0.2	0.2	0.3	0.4	0.5	1.0	2.0	3.2	4.0	5.2	4.0	3.6	75.0	2.7	1.4	1.9
DePrince & Assoc.	0.2	3.3 L	0.5	0.4	0.2	0.4	0.6	0.9	1.6	2.6	3.7	4.4	5.3	3.6	4.3	74.5	3.2	1.8	2.0
Fannie Mae	0.2	3.3 L	0.4	na	0.1 L	na	0.2	0.5	1.2	2.1	3.1	na	na	na	4.1	na	2.5	1.8	2.1
Russell Investments	0.2	3.3 L	0.4	0.2	0.2	0.3	0.4	0.7	1.5	2.3	3.3	4.0	5.0	3.8	4.0	73.3	2.4	2.1	2.3
Chase Wealth Management	0.2	3.3 L	0.4	0.3	0.2	0.3	0.3	0.4	1.0	2.0	3.2	3.9	4.8	3.7	3.5	73.7	2.5	2.1	2.3
Stone Harbor Investment Partners	0.2	3.3 L	0.4	0.4	0.2	na	na	1.0	1.8	3.0	4.0	4.9	5.7	na	4.6	70.0	3.2	2.7	2.3
Wells Fargo	0.2	3.3 L	0.3 L	0.2	0.3	0.4	0.5	0.7	1.2	2.4	3.3	4.3	5.2	4.0	3.9	74.5	2.5	2.1	2.4
Mesirow Financial	0.2	3.3 L	0.4	0.2	0.1 L	0.2	0.2	0.5	1.5	2.5	3.6	4.4	5.4	4.1	4.2	77.8	2.9	1.7	1.9
AIG	0.2	3.3 L	na	na	0.2	0.2	0.3	0.5	1.5	2.5	3.7	3.8	5.0	na	4.0	na	2.7	1.7	1.9
Standard & Poor's Corp.	0.2	3.3 L	0.4	0.3	0.1 L	0.2	0.2	0.4	1.3	2.6	na	4.3	5.3	4.1	3.7	na	2.4	2.0	2.0
Loomis, Sayles & Company	0.2	3.3 L	0.4	0.2	0.1 L	0.2	0.2	0.4	1.3	2.5	3.5	4.1	5.1	4.1	4.2	76.2	2.5	1.7	2.2
The Northern Trust Company	0.2	3.3 L	0.5	0.3	0.1 L	0.4	0.6	1.1	1.7	2.6	3.9	4.1	5.3	3.6	4.1	na	3.3	1.3 L	1.5 L
RBS Securities	0.2	3.3 L	0.4	0.2	0.1 L	0.2	0.2	0.5	1.4	2.5	3.6	4.2	5.2	4.1	4.1	81.0 H	2.6	1.7	1.8
Woodworth Holdings	0.2	3.3 L	0.3 L	0.1 L	0.1 L	0.2	0.3	0.4	1.1	2.2	3.4	4.1	5.1	3.8	3.7	76.5	3.0	1.8	1.8
Chmura Economics & Analytics	0.2	3.3 L	0.4	0.2	0.1 L	0.2	0.2	0.4	1.1	2.1	3.3	4.1	na	na	3.8	68.4	3.1	1.8	1.9
Oxford Economics	0.2	3.3 L	0.3 L	na	0.1 L	0.1 L	0.3	0.6	1.2	2.3	3.8	na	na	na	4.1	78.8	3.1	1.7	2.0
Comerica Bank	0.2	3.3 L	0.3 L	na	0.1 L	0.1 L	0.1 L	0.2 L	0.8 L	1.9	3.1	na	na	na	na	na	3.1	2.1	2.2
RidgeWorth Investments	0.2	3.3 L	0.4	0.1 L	0.1 L	0.2	0.4	0.4	1.1	2.2	3.4	3.6 L	4.6	3.2 L	3.8	73.0	2.5	2.2	2.3
Daiwa Capital Markets America	0.2	3.3 L	0.3 L	0.2	0.1 L	0.2	0.2	0.5	1.0	2.0	3.2	3.8	4.7	3.5	3.6	74.0	2.6	2.2	2.4
PNC Financial Services Corp.	0.2	3.3 L	0.4	na	0.1 L	0.2	0.2	0.5	1.1	2.1	na	na	4.3 L	3.9	3.7	70.8	3.0	2.1	2.5
Wells Capital Management	0.2	3.3 L	0.5	0.5	0.4	0.4	0.5	0.6	1.2	3.1	4.0	4.3	4.7	4.3	4.1	73.9	2.5	2.4	2.6
ClearView Economics	0.2	3.3 L	0.3 L	0.1 L	0.1 L	0.1 L	0.1 L	0.3	0.8 L	1.9	3.1	3.8	4.7	3.5	3.4 L	78.0	2.5	2.1	2.8
Pierpont Securities	0.2	3.3 L	0.3 L	0.1 L	0.1 L	0.1 L	0.2	0.3	0.9	2.1	3.4	3.8	4.8	3.7	3.5	76.0	2.6	2.2	2.8
Goldman Sachs & Co.	0.1 L	na	0.3 L	na	0.1 L	na	na	0.5	1.4	2.5	3.5	na	na	na	4.0	na	3.0	1.4	1.7
Nomura Securities, Inc.	0.1 L	3.3 L	0.5	0.1 L	0.1 L	0.1 L	0.2	0.6	1.2	2.5	3.5	4.0	5.6	na	4.1	74.8	3.2	1.8	1.7
UBS	0.1 L	na	0.4	na	0.1 L	na	na	0.3	1.6	2.6	3.7	na	na	na	na	na	2.8	2.0	1.7
Societe Generale	0.1 L	na	0.4	na	na	na	na	0.5	1.7	2.8	3.7	na	na	na	na	na	2.6	2.0	1.9
J.W. Coons Advisors LLC	0.1 L	3.3 L	0.4	0.2	0.2	0.3	na	0.6	1.3	2.2	3.2	4.2	5.3	na	3.9	72.1	2.1	1.9	2.0
Moody's Capital Markets Group	0.1 L	3.3 L	0.4	0.1 L	0.1 L	0.2	0.3	0.5	1.0	2.0	3.1	3.8	4.6	3.4	3.6	74.6	2.8	2.2	2.3
BMO Capital Markets	0.1 L	3.3 L	0.4	0.2	0.1 L	0.1 L	0.3	0.6	1.3	2.6	3.6	4.4	5.4	4.2	4.3	71.0	3.1	2.3	2.4
Economist Intelligence Unit	0.1 L	3.3 L	0.5	0.3	0.3	0.3	0.4	0.7	1.3	2.4	3.5	na	na	na	4.0	na	2.6	na	2.4
GLC Financial Economics	0.1 L	3.3 L	0.5	0.2	0.1 L	0.2	0.2	0.3	0.8 L	1.9	3.0	4.0	5.2	3.8	3.6	73.3	2.7	2.3	2.8
Moody's Analytics	0.1 L	3.3 L	0.4	0.3	0.3	0.4	0.5	1.2	2.7 H	3.5 H	4.3	4.7	5.7	3.9	5.6 H	na	4.4 H	2.1	2.5
Kellner Economic Advisers	0.1 L	3.3 L	0.3 L	0.2	0.3	0.3	0.4	0.5	1.0	1.3 L	2.5 L	3.6	4.7	4.0	3.4 L	76.0	1.5 L	1.5	1.6
Georgia State University	0.1 L	3.3 L	na	na	0.1 L	0.3	0.4	0.3	1.3	2.8	3.8	4.6	5.7	na	3.8	na	2.7	1.7	1.7
RDQ Economics	0.1 L	3.3 L	0.3 L	0.2	0.1 L	0.1 L	0.4	0.7	1.9	3.3	4.4 H	5.1 H	6.3 H	4.8 H	5.0	72.9	2.6	2.9	2.7
Nat'l Assn. of Realtors	0.1 L	3.3 L	0.4	0.2	0.2	0.3	0.4	1.1	1.7	2.6	3.8	4.3	5.3	4.2	4.1	na	3.1	2.6	3.5 H
February Consensus	0.2	3.3	0.4	0.2	0.2	0.2	0.4	0.6	1.3	2.4	3.5	4.2	5.2	3.9	4.0	74.0	2.8	2.1	2.3
Top 10 Avg.	0.3	3.3	0.6	0.4	0.3	0.4	0.6	1.1	1.8	3.0	4.0	4.6	5.7	4.3	4.5	77.4	3.4	2.6	2.9
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.1	0.1	0.2	0.3	0.9	1.9	3.1	3.8	4.7	3.6	3.5	70.5	2.3	1.6	1.7
January Consensus	0.2	3.3	0.4	0.2	0.2	0.3	0.4	0.6	1.3	2.3	3.4	4.1	5.2	3.9	3.9	74.4	2.8	2.0	2.2
Number of Forecasts Changed From A Month Ago:																			
Down	6	1	10	10	10	14	13	11	7	4	4	7	13	8	9	5	13	11	7
Same	37	42	24	21	27	20	19	23	19	19	17	11	11	9	16	18	23	27	28
Up	3	0	9	4	7	6	8	12	20	23	23	18	12	14	16	9	9	5	10
Diffusion Index	47 %	49 %	49 %	41 %	47 %	40 %	44 %	51 %	64 %	71 %	72 %	65 %	49 %	60 %	59 %	56 %	46 %	43 %	53 %

International Interest Rate And Foreign Exchange Rate Forecasts

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
Nomura Securities	na	na	na
Barclays	na	na	na
Mizuho Research Institute	0.28	0.28	0.28
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	0.30	0.30	0.40
Moody's Capital Markets	na	na	na
February Consensus	0.29	0.29	0.34
High	0.30	0.30	0.40
Low	0.28	0.28	0.28
Last Months Avg.	0.34	0.31	0.35

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
Nomura Securities	na	na	na
Barclays	na	na	na
Mizuho Research Institute	0.31	0.31	0.31
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	0.17	0.15	0.15
Moody's Capital Markets	na	na	na
February Consensus	0.24	0.23	0.23
High	0.31	0.31	0.31
Low	0.17	0.15	0.15
Last Months Avg.	0.22	0.22	0.24

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
Nomura Securities	na	na	na
Barclays	na	na	na
Mizuho Research Institute	0.50	0.50	0.50
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	0.60	0.60	0.70
Moody's Capital Markets	na	na	na
February Consensus	0.55	0.55	0.60
High	0.60	0.60	0.70
Low	0.50	0.50	0.50
Last Months Avg.	0.55	0.55	0.60

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
Nomura Securities	na	na	na
Barclays	na	na	na
Mizuho Research Institute	na	na	na
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	0.03	0.05	0.05
Moody's Capital Markets	na	na	na
February Consensus	0.03	0.05	0.05
High	0.03	0.05	0.05
Low	0.03	0.05	0.05
Last Months Avg.	0.03	0.05	0.05

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
Nomura Securities	na	na	na
Barclays	na	na	na
Mizuho Research Institute	na	na	na
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	1.25	1.25	1.25
Moody's Capital Markets	na	na	na
February Consensus	1.25	1.25	1.25
High	1.25	1.25	1.25
Low	1.25	1.25	1.25
Last Months Avg.	1.25	1.25	1.25

United States		
10 Yr. Gov't Bond Yield %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
1.70	1.80	2.50
1.85	2.19	2.78
2.00	2.10	2.35
2.83	2.71	na
2.00	1.90	2.00
2.10	2.25	2.55
1.75	1.85	2.00
1.70	1.90	2.10
1.82	1.85	1.95
1.97	2.06	2.28
2.83	2.71	2.78
1.70	1.80	1.95
1.69	1.84	2.20

Japan		
10 Yr. Gov't Bond Yield %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
na	na	na
0.83	0.90	1.07
0.91	1.02	1.26
0.70	0.71	na
1.00	0.90	1.00
1.00	1.15	1.30
0.90	0.95	1.10
0.90	1.00	1.10
0.70	0.68	0.65
0.87	0.91	1.07
1.00	1.15	1.30
0.70	0.68	0.65
0.77	0.85	0.87

United Kingdom		
10 Yr. Gilt Yields %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
na	na	na
1.86	1.98	2.26
1.50	1.60	1.75
1.94	2.11	na
2.10	2.05	2.10
2.30	2.40	2.70
2.25	2.40	2.80
1.60	1.80	2.00
1.95	2.00	2.10
1.94	2.04	2.24
2.30	2.40	2.80
1.50	1.60	1.75
1.84	1.96	2.16

Switzerland		
10 Yr. Gov't Bond Yield %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
na	na	na
0.72	0.79	0.87
na	na	na
na	na	na
na	na	na
1.00	1.10	1.30
na	na	na
0.50	0.60	0.90
0.65	0.65	0.70
0.72	0.79	0.94
1.00	1.10	1.30
0.50	0.60	0.70
0.72	0.81	1.01

Canada		
10 Yr. Gov't Bond Yield %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
1.75	1.95	2.40
1.91	2.28	2.91
2.10	2.30	2.70
na	na	na
na	na	na
2.30	2.45	2.80
2.20	2.40	3.20
1.80	1.90	2.00
1.87	1.90	2.00
1.99	2.17	2.57
2.30	2.45	3.20
1.75	1.90	2.00
1.82	1.98	2.40

Fed's Major Currency \$ Index		
In 3 Mo.	In 6 Mo.	In 12 Mo.
na	na	na
na	na	na
74.4	74.5	74.8
na	na	na
77.2	77.5	79.9
na	na	na
na	na	na
74.5	75.1	77.9
73.7	73.9	74.1
74.9	75.3	76.7
77.2	77.5	79.9
73.7	73.9	74.1
75.7	76.4	77.0

Yen/USD		
In 3 Mo.	In 6 Mo.	In 12 Mo.
85.0	87.0	90.0
81.0	81.6	82.8
90.0	90.0	92.0
90.0	90.0	92.0
88.0	87.0	86.0
na	na	na
88.0	89.0	91.0
88.0	90.0	95.0
91.0	95.0	100.0
87.6	88.7	91.1
91.0	95.0	100.0
81.0	81.6	82.8
81.8	83.5	85.8

USD/Pound Sterling		
In 3 Mo.	In 6 Mo.	In 12 Mo.
1.62	1.63	1.64
1.60	1.61	1.62
1.59	1.56	1.54
1.62	1.58	1.56
na	na	na
na	na	na
1.59	1.57	1.58
1.60	1.58	1.50
1.58	1.57	1.56
1.60	1.59	1.57
1.62	1.63	1.64
1.58	1.56	1.50
1.59	1.59	1.58

CHF/USD		
In 3 Mo.	In 6 Mo.	In 12 Mo.
0.93	0.94	0.96
0.94	0.95	0.97
1.00	0.98	0.96
0.92	0.99	1.02
na	na	na
na	na	na
0.95	0.97	1.01
0.98	1.00	1.04
0.93	0.93	0.94
0.95	0.97	0.99
1.00	1.00	1.04
0.92	0.93	0.94
0.96	0.98	0.99

CAD/USD		
In 3 Mo.	In 6 Mo.	In 12 Mo.
0.97	0.97	0.96
0.99	0.99	0.98
1.00	1.01	1.03
0.98	0.97	0.95
na	na	na
na	na	na
0.98	0.96	0.98
1.00	1.00	1.01
0.99	0.98	0.99
1.00	1.01	1.03
0.97	0.96	0.95
0.99	0.99	0.99

International Interest Rate And Foreign Exchange Rate Forecasts

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
Nomura Securities	na	na	na
Barclays	na	na	na
Mizuho Research Institute	na	na	na
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	2.60	2.70	2.70
Moody's Capital Markets	na	na	na
February Consensus	2.60	2.70	2.70
High	2.60	2.70	2.70
Low	2.60	2.70	2.70
Last Months Avg.	2.60	2.70	2.80

Australia		
10 Yr. Gov't Bond Yield %		
In 3 Mo.	In 6 Mo.	In 12 Mo.
na	na	na
3.07	3.18	3.51
3.00	3.10	3.30
3.29	3.23	na
na	na	na
3.50	3.65	4.00
na	na	na
3.30	3.50	3.70
3.20	3.15	3.10
3.23	3.30	3.52
3.50	3.65	4.00
3.00	3.10	3.10
3.10	3.20	3.38

USD/AUD		
In 3 Mo.	In 6 Mo.	In 12 Mo.
1.05	1.06	1.08
1.04	1.03	1.00
1.01	1.00	1.00
1.05	1.02	0.98
na	na	na
na	na	na
na	na	na
1.04	1.06	1.08
1.05	1.04	1.01
1.04	1.03	1.03
1.05	1.06	1.08
1.01	1.00	0.98
1.03	1.03	1.03

Blue Chip Forecasters	3 Mo. Interest Rate %		
	In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na
Moody's Analytics	na	na	na
Nomura Securities	0.18	0.20	0.20
Barclays	na	na	na
Mizuho Research Institute	0.20	0.20	0.25
UBS	na	na	na
Wells Fargo	na	na	na
ING Financial Markets	0.20	0.20	0.40
Moody's Capital Markets	na	na	na
February Consensus	0.19	0.20	0.28
High	0.20	0.20	0.40
Low	0.18	0.20	0.20
Last Months Avg.	0.20	0.20	0.23

Eurozone

USD/EUR		
In 3 Mo.	In 6 Mo.	In 12 Mo.
1.30	1.29	1.27
1.28	1.27	1.26
1.20	1.18	1.15
1.32	1.26	1.22
1.30	1.29	1.23
na	na	na
1.30	1.27	1.24
1.28	1.25	1.20
1.32	1.30	1.25
1.29	1.28	1.23
1.32	1.30	1.27
1.20	1.25	1.15
1.26	1.24	1.22

Blue Chip Forecasters	10 Yr. Gov't Bond Yields %											
	Germany			France			Italy			Spain		
	In 3 Mo.	In 6 Mo.	In 12 Mo.	In 3 Mo.	In 6 Mo.	In 12 Mo.	In 3 Mo.	In 6 Mo.	In 12 Mo.	In 3 Mo.	In 6 Mo.	In 12 Mo.
ING Financial Markets	1.40	1.40	1.70	2.05	1.95	2.05	4.25	3.90	3.70	5.05	4.70	4.50
Wells Fargo	1.70	1.85	2.40	na	na	na	na	na	na	na	na	na
UBS	1.70	1.80	2.00	2.60	2.70	2.90	4.50	4.30	4.50	na	na	na
Nomura Securities	1.35	1.48	1.64	na	na	na	na	na	na	na	na	na
Mizuho Research Institute	1.55	1.45	1.55	na	na	na	na	na	na	na	na	na
BMO Capital Markets	1.65	2.00	2.55	na	na	na	na	na	na	na	na	na
Moody's Capital Markets	1.57	1.60	1.70	2.10	2.10	2.10	4.10	4.05	4.00	5.00	4.95	4.90
Moody's Analytics	1.58	1.61	1.82	2.41	2.61	2.91	5.30	5.00	4.60	5.01	4.94	4.81
February Consensus	1.56	1.65	1.92	2.29	2.34	2.49	4.54	4.31	4.20	5.02	4.86	4.74
High	1.70	2.00	2.55	2.60	2.70	2.91	5.30	5.00	4.60	5.05	4.95	4.90
Low	1.35	1.40	1.55	2.05	1.95	2.05	4.10	3.90	3.70	5.00	4.70	4.50
Last Months Avg.	1.48	1.59	1.83	2.29	2.41	2.60	4.84	4.60	4.41	5.72	5.54	5.22

	Consensus Forecasts			
	10-year Bond Yields vs U.S. Yield			
	Current	In 3 Mo.	In 6 Mo.	In 12 Mo.
Japan	-1.09	-1.10	-1.15	-1.21
United Kingdom	0.18	-0.03	-0.02	-0.03
Switzerland	-1.13	-1.25	-1.28	-1.34
Canada	0.04	0.02	0.11	0.29
Australia	1.48	1.25	1.24	1.24
Germany	-0.27	-0.41	-0.41	-0.36
France	0.31	0.32	0.28	0.21
Italy	2.37	2.57	2.25	1.92
Spain	3.24	3.05	2.80	2.46

	Consensus Forecasts			
	3 Mo. Deposit Rates vs U.S. Rate			
	Current	In 3 Mo.	In 6 Mo.	In 12 Mo.
Japan	-0.20	-0.05	-0.52	-0.11
United Kingdom	0.23	0.26	0.26	0.26
Switzerland	-0.36	-0.26	-0.24	-0.29
Canada	0.83	0.96	0.96	0.91
Australia	2.75	2.31	2.41	2.36
Eurozone	-0.22	-0.10	-0.09	-0.06

Viewpoints:

A Sampling of Views on the Economy, Financial Markets and Government Policy Excerpted from Recent Reports Issued by our Blue Chip Panel Members and Others

Why Are "Several" FOMC Members Nervous About Continuing Asset Purchases Through Yearend?

The minutes from the December FOMC meeting created a bit of a stir when they revealed that "several" members felt it would be appropriate to slow or stop asset purchases well before the end of 2013. Up until that point, there was little indication that anyone other than a few hawks were concerned about the consequences of continued asset purchases (and only one of these hawks was a voting member in December). Indeed, as recently as the September meeting, the FOMC decided to implement an open-ended QE3 program and in December they announced that Operation Twist would be converted to outright purchases. So, why the apparent cautiousness on the part of some members regarding the sustainability of such asset purchases? According to the minutes, a key consideration involved "the size of the balance sheet". A new study <http://www.federalreserve.gov/pubs/feds/2013/201301/201301abs.html> by Fed staffers may shine some light on this concern.

The study was posted on the Fed's website last week but the December minutes suggest that the analysis was part of a staff briefing at the FOMC meeting on the costs and benefits of asset purchases. The study is an update of an earlier version that was made public several months ago, but the new version points to an increased possibility that the Fed might suffer significant losses on its portfolio of Treasuries and agencies if interest rates rise at some point down the road.

In normal times, the Fed earns more than enough on their assets to cover their expenses and it remits the balance to the Treasury. But, the Fed would run into problems if the interest earned on their assets drops below their expenses. Expenses include interest paid on bank reserve accounts at the Fed, realized capital losses on assets sold and salaries for the Fed staff. If the Fed's revenue is not sufficient to meet its expenses, they would suffer a loss. And, if Congress gets wind of this, it could cause significant political problems for the Fed -- even though, as Bernanke has pointed out, the Fed has remitted a far larger amount to Treasury in recent years than is typical.

The key charts in the Fed study are found in Figure 12 on page 58 and in Figure 14 on page 60 (the latter is an alternative scenario with higher interest rates). There are a number of assumptions that need to be made to conduct these types of Fed P&L simulations but the bottom line is that potential losses are much larger in scenarios in which the Fed is assumed to continue to buy assets throughout 2013. For example, in the Fed's simulation, the so-called "deferred asset" account -- which is a measure of the cumulative losses -- hits \$40 billion in 2019 under the assumption that purchases continue for the rest of this year but reaches only about \$10 billion under the assumption that purchases stop at mid-year. In the higher interest rate alternative, the deferred asset account gets all the way up to \$120 billion in 2019 under the full year purchase assumption and to only about half that amount if purchases are assumed to end at midyear.

Even though the Fed's job is not to turn a profit, the financial and political costs associated with losses of such magnitude may raise concerns on the part of some Fed policymakers. The new Fed study helps to quantify these risks.

At the Jan 29-30 meeting, the FOMC is expected to tweak the description of the state of the economy but announce no new policy measures. At some point, policymakers may decide to reconcile their conditional commitment on rates and unconditional on asset purchases, but this is unlikely to occur at the January meeting. Note that the annual rotation of voting members means that we will lose the dissent from Richmond

Fed's Lacker as Evans, Rosengren, Bullard and George come on board. Finally, note that the schedule going forward is that all meetings are two-day sessions with a press conference and release of SEP occurring in the last month of the calendar quarter.

David Greenlaw, Morgan Stanley, New York, NY

Prepare For A Budget Battle

The House of Representatives has reordered the three gorges by voting to suspend the debt ceiling until May 18th. Senate Democratic leaders have said they would accept the House measure without changes, and are expected to vote soon. We take this as a positive development, but still see risks of a messy battle over the spending sequester and fiscal year 2013 budget.

At first glance, the debt ceiling bill appears to be a major capitulation by House Republicans. Until now, they have insisted that any increase in the debt ceiling be matched with a dollar-for-dollar cut in spending -- this is commonly referred to as the "Boehner rule." This bill violates the Boehner rule by not including spending reductions in exchange for raising the debt ceiling. However, several things could give the Republicans comfort in their tactical retreat.

First, Republicans technically did not vote to raise the debt ceiling; they voted to suspend it until May 18th. On May 18th, the borrowing limit will reset to account for whatever increase in debt has accumulated during that period. Second, Republicans included a provision to withhold pay for all members of Congress starting on April 15th, unless they can pass a formal fiscal year budget, or until the 113th Congress ends. This is designed to force Senate Democrats to go on record and vote on a full fiscal year budget.

Third, the bill removes the possibility of the Republicans being blamed for breaching the debt ceiling and the ensuing economic fallout. Fourth, it puts the focus entirely on the spending sequester and budget battle, one in which the Republicans arguably have more leverage than the Democrats.

Reordering the three gorges allows both parties to take a harder line on the spending sequester and the budget battle without having to worry about the debt ceiling. But in our opinion, the balance of power may have likely swung in the Republicans' court. Republicans believe they have already given in to President Obama on increased revenues, and have again drawn a hard line on no new tax or revenue increases.

If both sides cannot agree on how to modify the spending sequester or on a fiscal year 2013 budget, automatic spending cuts kick in. Boehner even fired a warning shot, saying "the sequester is going to go into effect on March 1st unless there are cuts and reforms that get us on a plan to balance the budget over the next 10 years."

However, the Republican position here is not likely as strong as that of the Democrats during the fiscal cliff debate. During those negotiations, Democrats gave Republicans the option of increasing taxes on just the wealthiest Americans, or everyone. The choice was easy.

In the upcoming spending sequester and budget battles, Republicans still face a quandary on spending: roughly half of the spending sequester is from defense, and Republicans would rather cut other areas of the budget. Meanwhile, a government shutdown could disproportionately impact Republican constituents. What to do? Stay tuned.

Joshua Dennerlein, Bank of America-Merrill Lynch, New York, NY

Viewpoints

A Sampling of Views on the Economy, Financial Markets and Government Policy Excerpted from Recent Reports Issued by our Blue Chip Panel Members and Others

An Uneventful Meeting, But An Interesting Question

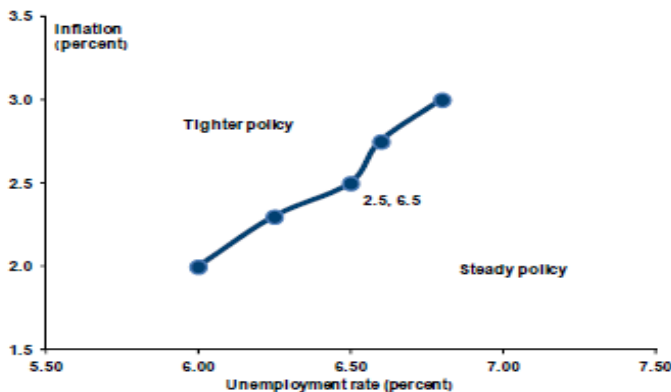
We do not expect meaningful changes in monetary policy at the FOMC meeting on January 29 and 30. Policymakers could provide additional information on their plans for asset purchases, but we suspect that officials have not altered their views on this issue. The size and duration of the purchase programs depend on conditions in the labor market, and the Committee has probably not received enough new information on jobs and unemployment to justify a shift. (Initial claims for unemployment insurance have declined noticeably in the past two weeks, but January often shows large random swings, and thus the latest readings will probably be interpreted cautiously by Fed officials.)

We do not expect any changes in the guidelines for interest rate changes announced at the December meeting (6.5 percent for the unemployment rate, 2.5 percent for projected inflation, and well anchored inflation expectations.) The Committee provided this information to help market participants judge when policy rates might change in the future. The guidelines are indeed helpful, but investors and traders will still face considerable uncertainty because it is not clear how the Committee might react if one guideline approaches its threshold but the other does not, or how officials might respond to possible conflicts (e.g. a pickup in inflation while unemployment is elevated).

We suspect that the Committee as a group has not sorted out these issues. However, possible responses to various developments are perhaps under discussion, as the latest survey of primary dealers conducted by the New York Fed before each FOMC meeting included a question along these lines. Specifically, the NY Fed asked how much unemployment did we expect the FOMC to tolerate if inflation exceeded its threshold. Similarly, it asked what inflation rate we expected the Fed to tolerate if unemployment fell below 6.5 percent.

In effect, the NY Fed was seeking to ascertain the market's perception of the Fed's reaction function. We found the question difficult to answer because the unique stance of the Fed does not allow us to draw on history for guidance; in addition, officials have just started working with thresholds and have not provided much information on how they will react to various developments. Nevertheless, we provided an answer based largely on impressions gathered from FOMC minutes and statements of officials.

■ Fed Reaction Function*



* The line shows combinations of inflation and unemployment that would lead us to expect the Federal Open Market Committee to increase the federal funds rate.

Source: Daiwa Capital Markets America

Our responses traced the reaction function shown in the graph above. Observations above the line, in our view, would trigger a hike in inter-

est rates, while readings below would leave Fed officials comfortable with their current interest rate policy.

Our responses suggested that the current group of policymakers will give more weight to unemployment than inflation in making future decisions. The slope of the line above the 6.5/2.5 threshold is steeper than that below this point (although not obvious on the graph, the slope above the threshold averages approximately 1.7, while the slope below averages 1.0). The steeper slope above the threshold indicates that policymakers would need to see a considerable increase in inflation before they would give up on reducing unemployment and act to curb price pressure. Conversely, the gentle slope below the 6.5/2.5 threshold, along with the levels of inflation and unemployment along the function, indicate that policymakers would not rush to raise rates even with unemployment much improved from its current level and inflation at or above its long-run target of 2.0 percent.

We emphasize that this reaction function is purely impressionistic and based on little concrete information from the Fed. Moreover, our perceptions could change as Fed officials provide more information on how they view developments in the economy.

The New York Fed will publish the results of its survey in late February or early March, and the responses will allow the construction of a "consensus view" of the Fed's reaction function. We will be interested in seeing how primary dealers expect the Fed to react to changes in inflation and unemployment.

Michael Moran, Daiwa Capital Markets America, New York, NY

Better Economics Suggests Modest Rise in Rates

Recent economic data, such as jobless claims and housing data released this week, intimate that the economy is improving and that a rising demand for credit will lead to a modest rise in interest rates. Given continued Fed ease and low inflation, any rise in rates remains very limited compared to past economic recoveries.

After a weak fourth quarter (GDP will be released January 30th and we expect a gain of just one percent) recent economic signals suggest an upswing in the economy with growth at 1.5 percent in the first half of this year and rising to 2 percent plus in the second half. We are also encouraged by the improvement in the labor market with initial and continuing jobless claims having declined over the past two months. Looking ahead to February 1st, we expect a gain of 200,000 jobs for January.

Meanwhile, housing data suggest a strong demand for homes as well as mortgage credit over the past few months. Total existing home sales and prices have moved up while the month's supply (inventory) of homes has declined over the last few months. This rising demand for homes, and thereby mortgage credit, is likely to lead to rising mortgage rates over time. Moreover, home prices are rising faster than the level of mortgage rates similar to the period of the housing boom of 2004-2007 and, therefore, hints at an imbalance in the marketplace that is likely to be reconciled by rising mortgage rates.

On the credit side, the strong issuance (demand) for credit in the high-grade and high-yield bond markets suggest that there is also a bias upward in rates, as demand for credit is likely to increase rates over time.

On balance, the trend in credit demand is on the upswing and will likely lead to a modest rise in market rates. The dominant force, however, remains the Federal Reserve policy of maintaining low interest rates on benchmark federal funds and Treasury debt. So any rise in interest rates will be modest—for now.

Wells Fargo Economics Group, Charlotte, NC

Special Questions:

1. The Bureau of Economic Analysis will release its first estimate of Q4 2012 GDP on January 30th. Please provide your estimate of real GDP growth last quarter and the change in the GDP chained price index?

	Q4 2012 (saar)	
	<u>Real GDP</u>	<u>GDP chained price index</u>
Consensus	1.3%	1.6%
Top 10 Avg.	2.0%	2.1%
Bottom 10 Avg.	0.7%	0.9%

2. Did minutes of the FOMC's December meeting prompt you in any way to anticipate an earlier-than-previously-expected tightening of monetary policy?

(Percentage of those responding)	
<u>Yes</u>	<u>No</u>
14.3%	85.7%

3. Which do you think will occur first: a sustained decline in the unemployment rate to 6.5% or a sustained increase in inflation (the personal consumption price index) to 2.5%?

(Percentage of those responding)	
<u>Drop in jobless rate to 6.5%</u>	<u>Increase in inflation to 2.5%</u>
57.1%	42.9%

4. The central tendency of the Fed's latest forecasts indicates the unemployment rate WILL NOT decline to the 6.0%-6.6% range until Q4 2015. When do you think the unemployment rate will decline to 6.5% or less on a sustained basis?

(Percentage of those responding)					
<u>1H 2014</u>	<u>2H 2014</u>	<u>1H 2015</u>	<u>2H 2015</u>	<u>1H 2016</u>	<u>2H 2016 or later</u>
4.1%	14.3%	18.4%	46.9%	14.3%	2.0%

5. When do you think the Fed will halt its monthly purchases of \$45 billion of long-term Treasury securities?

(Percentage of those responding)				
<u>2H 2013</u>	<u>1H 2014</u>	<u>2H 2014</u>	<u>1H 2015</u>	<u>2H 2015</u>
28.6%	46.9%	16.3%	2.0%	6.1%

6. Will the federal sequester (\$1.2 trillion in budget cuts over nine years) be entirely implemented, partially implemented, or entirely avoided?

(Percentage of those responding)		
<u>Entirely implemented</u>	<u>Partially implemented</u>	<u>Avoided entirely</u>
8.2%	85.7%	6.1%

7. What will be the average MONTHLY change in total nonfarm employment during 2013?

	Average monthly change in total nonfarm payroll employment
	<u>during 2013</u>
Consensus	164.9 thousand
Top 10 Avg.	201.4 thousand
Bottom 10 Avg.	131.7 thousand

8. At any point in 2013 will the 10-year Treasury yield increase to 2.5%?

(Percentage of those responding)	
<u>Yes</u>	<u>No</u>
36.7%	63.3%

2012 Historical Data

Monthly Indicator	Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec
Retail and Food Service Sales (a)	0.6	1.0	0.4	-0.5	-0.1	-0.7	0.7	1.0	1.2	-0.2	0.4	0.5
Auto & Light Truck Sales (b)	13.93	14.43	14.09	14.08	13.90	14.33	14.04	14.46	14.88	14.23	15.48	15.30
Personal Income (a, current \$)	0.8	0.6	0.5	0.2	0.3	0.3	0.1	0.1	0.4	0.1	0.6	
Personal Consumption (a, current \$)	0.5	0.8	0.3	0.2	-0.2	0.0	0.3	0.3	0.8	-0.1	0.4	
Consumer Credit (e)	8.4	4.0	6.1	4.0	8.7	6.0	-1.1	8.4	5.3	6.2	7.0	
Consumer Sentiment (U. of Mich.)	75.0	75.3	76.2	76.4	79.3	73.2	72.3	74.3	78.3	82.6	82.7	72.9
Household Employment (c)	712	411	1	-86	368	146	-198	-86	810	354	-51	28
Non-farm Payroll Employment (c)	275	259	143	68	87	45	181	192	132	137	161	155
Unemployment Rate (%)	8.3	8.3	8.2	8.1	8.2	8.2	8.2	8.1	7.8	7.9	7.8	7.8
Average Hourly Earnings (All, cur. \$)	23.28	23.33	23.37	23.40	23.43	23.50	23.52	23.52	23.60	23.59	23.66	23.73
Average Workweek (All, hrs.)	34.5	34.6	34.5	34.5	34.4	34.5	34.4	34.4	34.4	34.3	34.4	34.5
Industrial Production (d)	4.4	5.2	3.7	5.1	4.7	4.5	4.3	3.0	3.0	2.0	2.8	2.3
Capacity Utilization (%)	78.7	79.0	78.4	79.0	78.9	78.8	79.2	78.3	78.4	78.0	78.7	78.8
ISM Manufacturing Index (g)	54.1	52.4	53.4	54.8	53.5	49.7	49.8	49.6	51.5	51.7	49.5	50.7
ISM Non-Manufacturing Index (g)	56.8	57.3	56.0	53.5	53.7	52.1	52.6	53.7	55.1	54.2	54.7	56.1
Housing Starts (b)	0.720	0.718	0.706	0.747	0.706	0.754	0.728	0.750	0.843	0.889	0.851	0.954
Housing Permits (b)	0.684	0.707	0.769	0.723	0.784	0.760	0.811	0.801	0.890	0.868	0.900	0.903
New Home Sales (1-family, c)	339	366	352	358	369	361	373	366	374	364	398	369
Construction Expenditures (a)	-0.7	-0.4	-0.3	0.9	1.7	0.8	0.2	1.1	0.7	0.7	-0.3	
Consumer Price Index (nsa., d)	2.9	2.9	2.7	2.3	1.7	1.7	1.4	1.7	2.0	2.2	1.8	1.7
CPI ex. Food and Energy (nsa., d)	2.3	2.2	2.3	2.3	2.3	2.2	2.1	2.0	2.0	2.0	1.9	1.9
Producer Price Index (n.s.a., d)	4.1	3.4	2.8	1.8	0.6	0.7	0.5	1.9	2.1	2.3	1.5	1.3
Durable Goods Orders (a)	-4.9	2.0	-3.7	-0.3	1.5	1.6	3.3	-13.1	9.1	1.1	0.7	
Leading Economic Indicators (g)	0.0	0.7	0.2	-0.1	0.3	-0.5	0.4	-0.5	0.5	0.3	0.0	0.5
Balance of Trade & Services (f)	-52.2	-44.5	-51.7	-49.7	-46.9	-40.9	-41.6	-42.6	-40.3	-42.1	-48.7	
Federal Funds Rate (%)	0.08	0.10	0.13	0.14	0.16	0.16	0.16	0.13	0.14	0.16	0.16	0.16
3-Mo. Treasury Bill Rate (%)	0.03	0.09	0.08	0.08	0.09	0.09	0.10	0.10	0.11	0.10	0.09	0.07
10-Year Treasury Note Yield (%)	1.97	1.97	2.17	2.05	1.80	1.62	1.53	1.68	1.72	1.75	1.65	1.72

2011 Historical Data

Monthly Indicator	Jan	Feb	Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov	Dec
Retail and Food Service Sales (a)	0.8	0.9	0.8	0.4	0.0	0.5	0.4	0.2	1.2	0.9	0.5	0.0
Auto & Light Truck Sales (b)	12.51	12.83	12.75	12.91	11.87	11.68	12.37	12.42	13.09	13.30	13.51	13.57
Personal Income (a, current \$)	1.9	0.4	0.1	0.3	0.0	0.2	0.1	0.0	0.1	0.3	-0.2	0.3
Personal Consumption (a, current \$)	0.4	0.6	0.8	0.4	0.1	-0.1	0.7	0.2	0.5	0.2	0.1	0.1
Consumer Credit (e)	2.2	3.2	2.2	2.8	3.0	5.6	5.8	-4.7	3.7	3.3	9.8	7.9
Consumer Sentiment (U. of Mich.)	74.2	77.5	67.5	69.8	74.3	71.5	63.7	55.7	59.4	60.9	64.1	69.9
Household Employment (c)	-42	218	172	-37	75	-276	104	361	294	150	457	125
Non-Farm Payroll Employment (c)	110	220	246	251	54	84	96	85	202	112	157	223
Unemployment Rate (%)	9.1	9.0	8.9	9.0	9.0	9.1	9.1	9.1	9.0	8.9	8.7	8.5
Average Hourly Earnings (All, cur. \$)	22.86	22.88	22.92	22.97	23.02	23.05	23.13	23.12	23.16	23.12	23.23	23.25
Average Workweek (All, hrs.)	34.3	34.3	34.3	34.4	34.4	34.4	34.4	34.3	34.4	34.4	34.4	34.5
Industrial Production (d)	5.8	5.1	5.4	4.4	3.1	3.2	3.3	3.4	3.3	4.2	4.0	3.8
Capacity Utilization (%)	76.1	75.9	76.5	76.1	76.3	76.3	77.0	77.1	77.2	77.6	77.7	78.3
ISM Manufacturing Index (g)	59.9	59.8	59.7	59.7	54.2	55.8	51.4	52.5	52.5	51.8	52.6	53.1
ISM Non-Manufacturing Index (g)	58.3	59.0	56.3	54.4	54.5	53.3	53.4	53.8	52.6	52.6	52.6	53.0
Housing Starts (b)	0.632	0.518	0.600	0.552	0.551	0.615	0.614	0.581	0.647	0.630	0.708	0.697
Housing Permits (b)	0.566	0.536	0.590	0.578	0.624	0.633	0.627	0.645	0.616	0.667	0.709	0.701
New Home Sales (1-family, c)	308	273	301	312	308	304	297	292	306	314	327	339
Construction Expenditures (a)	-1.4	-1.0	-0.2	0.7	2.5	1.6	-3.3	2.2	1.1	0.3	1.9	1.1
Consumer Price Index (s.a., d)	1.6	2.1	2.7	3.2	3.6	3.6	3.6	3.8	3.9	3.5	3.4	3.0
CPI ex. Food and Energy (s.a., d)	1.0	1.1	1.2	1.3	1.5	1.6	1.7	2.0	2.0	2.1	2.2	2.2
Producer Price Index (n.s.a., d)	3.6	5.4	5.6	6.6	7.1	6.9	7.1	6.6	7.0	5.8	5.6	4.7
Durable Goods Orders (a)	4.0	-1.1	4.6	-2.5	2.0	-1.2	4.2	0.1	-1.4	0.1	4.2	3.3
Leading Economic Indicators (g)	0.2	0.9	1.1	0.0	0.5	0.0	0.2	-0.7	-0.5	0.6	0.3	0.6
Balance of Trade & Services (f)	-47.5	-44.8	-44.9	-43.6	-47.7	-50.3	-45.6	-44.8	-44.5	-45.7	-48.8	-51.8
Federal Funds Rate (%)	0.17	0.16	0.14	0.10	0.09	0.09	0.07	0.10	0.08	0.07	0.08	0.07
3-Mo. Treasury Bill Rate (%)	0.15	0.13	0.10	0.06	0.04	0.04	0.04	0.02	0.01	0.02	0.01	0.01
10-Year Treasury Note Yield (%)	3.39	3.58	3.41	3.46	3.17	3.00	3.00	2.30	1.98	2.15	2.01	1.98

(a) month-over-month % change; (b) millions, saar; (c) thousands, saar; (d) year-over-year % change; (e) annualized % change; (f) \$ billions; (g) level.

Most series are subject to frequent government revisions. Use with care.

Calendar Of Upcoming Economic Data Releases

Monday	Tuesday	Wednesday	Thursday	Friday
January 28 Durable Goods Orders (Dec) Pending Home Sales (Dec) Dallas Fed survey (Jan)	29 FOMC Meeting S&P Chase-Shiller Home Price Index (Nov) Consumer Confidence (Jan, Conference Board) ABC Consumer Comfort Index Weekly Store Sales	30 FOMC Meeting GDP (Q4 2012, Advance) ADP Employment (Jan) EIA Crude Oil Stocks Mortgage Applications	31 Chicago PMI (Jan) Personal Income and Consumption (Dec) Employment Cost Index (Q4) Weekly Jobless Claims Weekly Money Supply	February 1 Employment Report (Jan) ISM Manufacturing (Jan) Construction Spending (Dec) Vehicle Sales (Jan) Construction Spending (Dec) Consumer Sentiment (Jan, University of Michigan)
4 Factory Orders (Dec) Senior Bank Loan Officer Survey (Q1, tentative)	5 ISM Non-Manufacturing (Jan) ABC Consumer Comfort Index Weekly Store Sales	6 EIA Crude Oil Stocks Mortgage Applications	7 Consumer Credit (Dec) Chain Store Sales (Jan) Productivity and Costs (Q4, Preliminary) Weekly Jobless Claims Weekly Money Supply	8 International Trade (Dec) Wholesale Trade (Dec) Federal budget (Dec)
11	12 NFIB Survey (Jan) JOLTS (Dec) Federal Budget(Jan) ABC Consumer Comfort Index Weekly Store Sales	13 Retail Sales (Jan) Import Prices (Jan) Business Inventories (Dec) EIA Crude Oil Stocks Mortgage Applications	14 Weekly Jobless Claims Weekly Money Supply	15 Industrial Production (Jan) TIC Survey (Dec) Empire State Survey (Feb) Consumer Sentiment (Feb, Preliminary, University of Michigan)
18 President's Day U.S. Markets Closed	19 NAHB Housing Market Index (Feb) ABC Consumer Comfort Index Weekly Store Sales	20 Producer Price Index (Jan) Housing Starts (Jan) FOMC Minutes EIA Crude Oil Stocks Mortgage Applications	21 Consumer Price Index (Jan) Philadelphia Fed Index (Feb) Existing Home Sales (Jan) Weekly Jobless Claims Weekly Money Supply	22
25	26 S&P Case-Shiller Home Price Index (Dec) New Home Sales (Jan) FIHA Home Price Index (Dec) Consumer Confidence (Conference Board, Feb) ABC Consumer Comfort Index Weekly Store Sales	27 Durable Goods (Jan) Pending Home Sales (Jan) EIA Crude Oil Stocks Mortgage Applications	28 GDP (Q4 2012, Second Estimate) Chicago PMI (Feb) Weekly Jobless Claims Weekly Money Supply	March 1 Personal Income and Consumption (Jan) ISM Manufacturing (Feb) Construction Spending (Jan) Vehicle Sales (Feb) Consumer Sentiment (University of Michigan, Final, Feb)
4	5 ISM Non-Manufacturing (Feb) ABC Consumer Comfort Index Weekly Store Sales	6 ADP Employment (Feb) Factory Orders (Jan) Fed's Beige Book EIA Crude Oil Stocks Mortgage Applications	7 Trade Balance (Jan) Nonfarm Productivity (Q4, Final) Consumer Credit (Jan) Weekly Jobless Claims Weekly Money Supply	8 Employment Report (Feb) Wholesale Inventories (Jan)

BLUE CHIP FORECASTERS

CONTRIBUTORS TO DOMESTIC SURVEY

Action Economics, LLC, Boulder, CO
Michael Englund
AIG, New York, NY
Katharine Wolchik
Bank of America Merrill Lynch, New York, NY
Ethan Harris
Bank of Tokyo-Mitsubishi UFJ, Ltd., New York, NY
Christopher S. Rupkey
Barclays Capital, New York, NY
Dean Maki
BMO Capital Markets Economics, Toronto, Canada
Douglas Porter
Chase Wealth Management, New York, NY
Anthony Chan
Chmura Economics & Analytics, Richmond, VA
Christine Chmura and Xiaobing Shuai
ClearView Economics, LLC, Cleveland, OH
Kenneth T. Mayland
Comerica, Dallas, TX
Robert A. Dye
Cycledata Corp., San Diego, CA
Robert S. Powers
Daiwa Capital Markets America, New York, NY
Michael Moran
Economist Intelligence Unit, New York, NY
Leo Abruzzese and Jan Friederich
DePrince & Associates, Murfreesboro, TN
Albert E. DePrince Jr.
Fannie Mae, Washington, DC
Douglas Duncan
Georgia State University, Atlanta, GA
Rajeev Dhawan and Emin Hajiyev
GLC Financial Economics, Providence, RI
Gary L. Ciminero
Goldman, Sachs & Co., New York, NY
Jan Hatzius
J.P. Morgan Chase, New York, NY
Bruce Kasman and Robert Mellman
J.W. Coons Advisors, LLC, Columbus, OH
James W. Coons
Kellner Economic Advisers, Port Washington, NY
Irwin L. Kellner
Loomis, Sayles & Company, L.P., Bloomfield, MI
Brian Horrigan
MacroFin Analytics, Wayne, NJ
Parul Jain
Mesirow Financial, Chicago, IL
Diane Swonk
Moody's Capital Markets Group, New York, NY
John Lonski
Moody's Analytics, West Chester, PA
Mark M. Zandi
Naroff Economic Advisors, Philadelphia, PA
Joel L. Naroff
National Association of Realtors, Washington, DC
S. Lawrence Yun

Nomura Securities International, Inc., New York, NY
Lewis Alexander
Oxford Economics, Wayne, PA
Lea Tyler
Pierpont Securities, Stamford, CT
Stephen Stanley
PNC Financial Services Group, Pittsburgh, PA
Stuart G. Hoffman
RBC Capital Markets, New York, NY
Thomas Porcelli
RBS, Greenwich, CT
Michelle Girard
RDQ Economics, New York, NY
John Ryding and Conrad DeQuadros
RidgeWorth Capital Management, Richmond, VA
Alan Gayle
Russell Investments, Seattle, WA
Michael Dueker
Scotiabank Group, Toronto, Canada
Aron Gampel and Dr. Warren Jestin
Societe Generale, NY, New York
Stephen W. Gallagher
Standard & Poor's Corp., New York, NY
Beth Ann Bovino
Stone Harbor Investment Partners, LP, New York, NY
Brian Keyser
SunTrust Banks, Inc., Atlanta, GA
Gregory L. Miller
Swiss Re, New York, NY
Kurt Karl
The Northern Trust Company, Chicago, IL
Carl Tannenbaum and Asha G. Bangalore
UBS, New York, NY
Maury Harris, Samuel Coffin and Kevin Cummins
Wintrust Wealth Management., Chicago, IL
William B. Hummer
Wells Capital Management, San Francisco, CA
Gary Schlossberg
Wells Fargo, Charlotte, NC
John Silvia and Mark Vitner
Woodworth Holdings, Ltd., Summit, NJ
Jay N. Woodworth

CONTRIBUTORS TO INTERNATIONAL SURVEY

Barclays Capital, New York, NY
ING Financial Markets, London, England
Mizuho Research Institute, Tokyo, Japan
Moody's Analytics, West Chester, PA
Moody's Capital Markets Group, New York, NY
Nomura Securities International, New York, NY
Scotiabank Group, Toronto, Canada
Societe Generale, New York, NY
UBS, New York, NY
Wells Fargo, Charlotte, NC