

# The Amazing Race

*On Behalf of*

*Banyan Consulting, LLC*

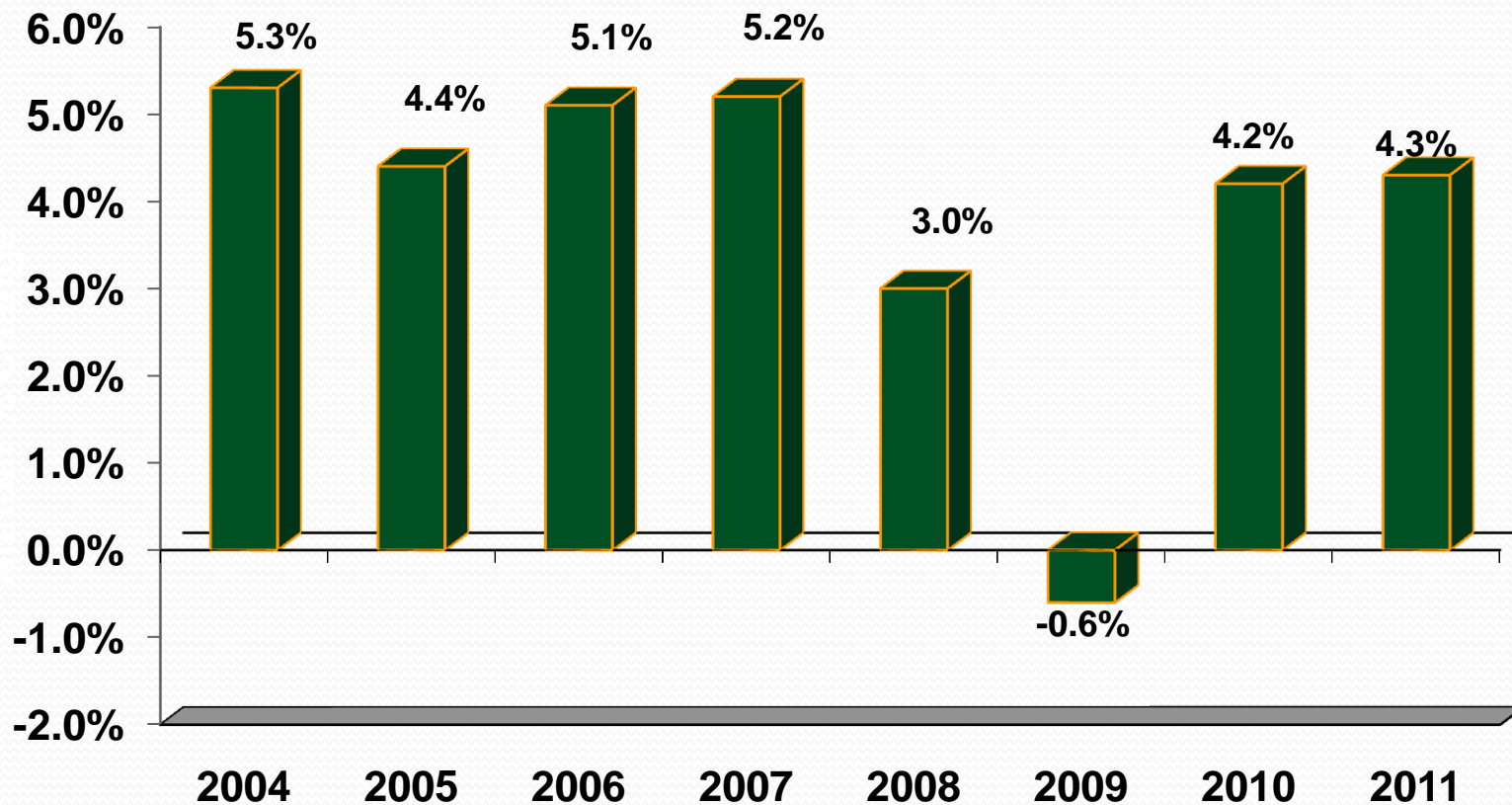
***By: Anirban Basu***

***Sage Policy Group, Inc. (MD) & Commonwealth Economics, LLC (PA)***

***May 19, 2010***

# Biggest Loser

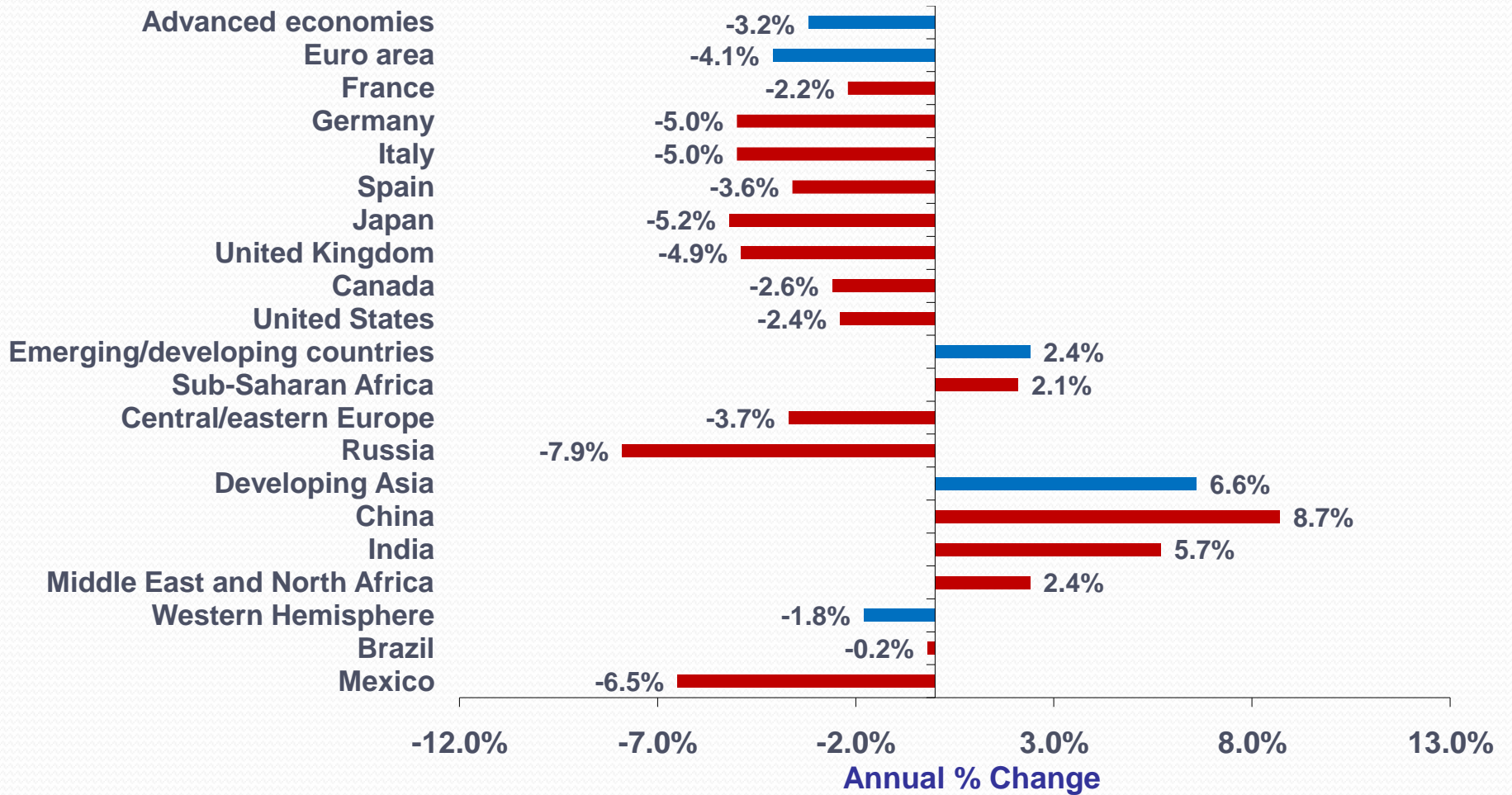
# Historic and Projected World Output Growth 2004 through 2011\*



Source: International Monetary Fund

\*2010-2011 data are projections

# Estimated Growth in Output by Select Global Areas, 2009



Source: International Monetary Fund

# Top 12 Stock Exchanges

## 2008 Growth

Rank	Exchange	Index	2008 % Change
3	London SE	FTSE 100	-31.3%
<b>1</b>	<b>NYSE Group</b>	<b>DJI A</b>	<b>-33.8%</b>
12	Swiss Exchange	Swiss Market	-34.2%
9	TSX Group	S&P TSX Composite	-35.4%
2	Nasdaq	NASDAQ Composite	-39.6%
8	Bolsa De Madrid	Madrid General	-40.0%
6	Frankfurt SE	DAX	-40.2%
4	Tokyo SE	Nikkei 225	-41.5%
5	Euronext	CAC 40	-42.6%
11	Hong Kong Exchanges	Hang Seng Index	-47.9%
10	Borsa Italiana	MIBTel	-48.5%
7	Shanghai SE	Shanghai Composite	-65.4%

Source: Yahoo! Finance

# Top 12 Stock Exchanges

## 2009 Growth

Rank	Exchange	Index	Growth
7	Shanghai SE	Shanghai Composite	77.2%
11	Hong Kong Exchanges	Hang Seng Index	51.4%
2	Nasdaq	NASDAQ Composite	43.7%
9	TSX Group	S&P TSX Composite	31.2%
6	Frankfurt SE	DAX	29.9%
1	NYSE Group	DJI A	26.8%
8	Bolsa De Madrid	Madrid General	26.7%
3	London SE	FTSE 100	22.1%
5	Euronext	CAC 40	21.5%
12	Swiss Exchange	Swiss Market	18.4%
4	Tokyo SE	Nikkei 225	16.6%
10*	Borsa Italiana	FTSE MIB	NA

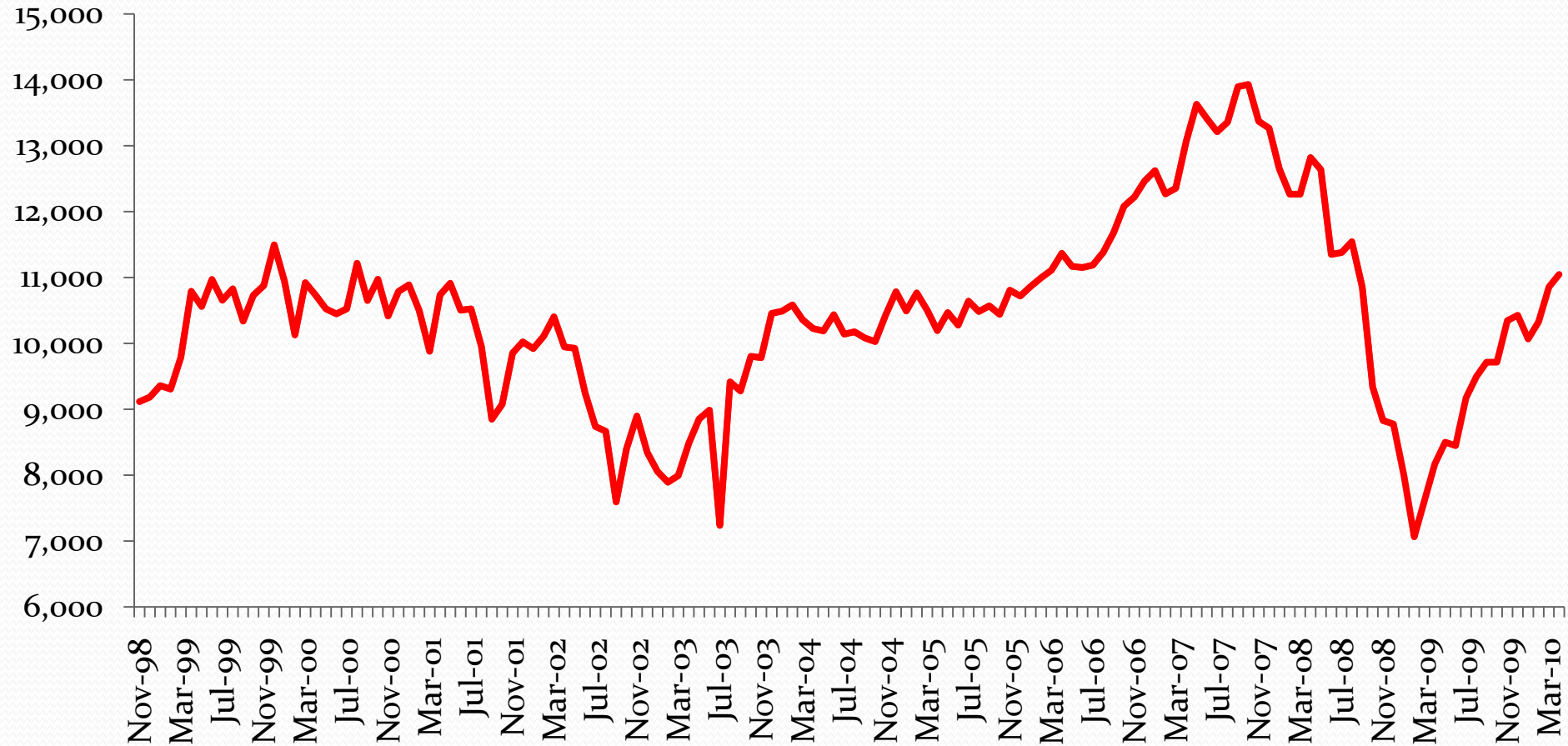
*\*Formerly MIBTel Index, Switched  
June 2009 (Up 52.2 percent from  
MIBTel January 2<sup>nd</sup> Value)*



Sage Policy  
Group, Inc.

# Dow Jones Industrial Average

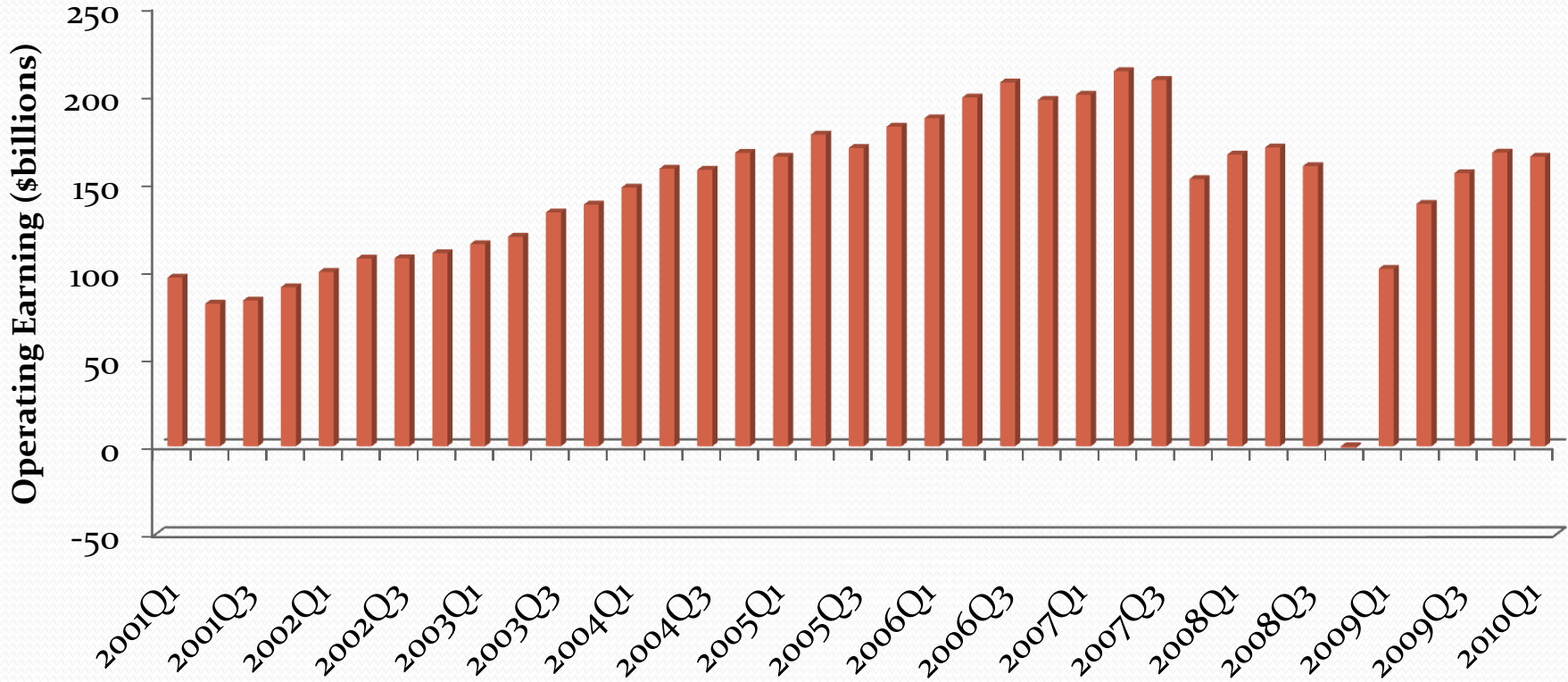
November 1998-April 2010



Source: Yahoo! Finance

# S&P 500 Corporate Operating Earnings

## 2001Q1-2010Q1

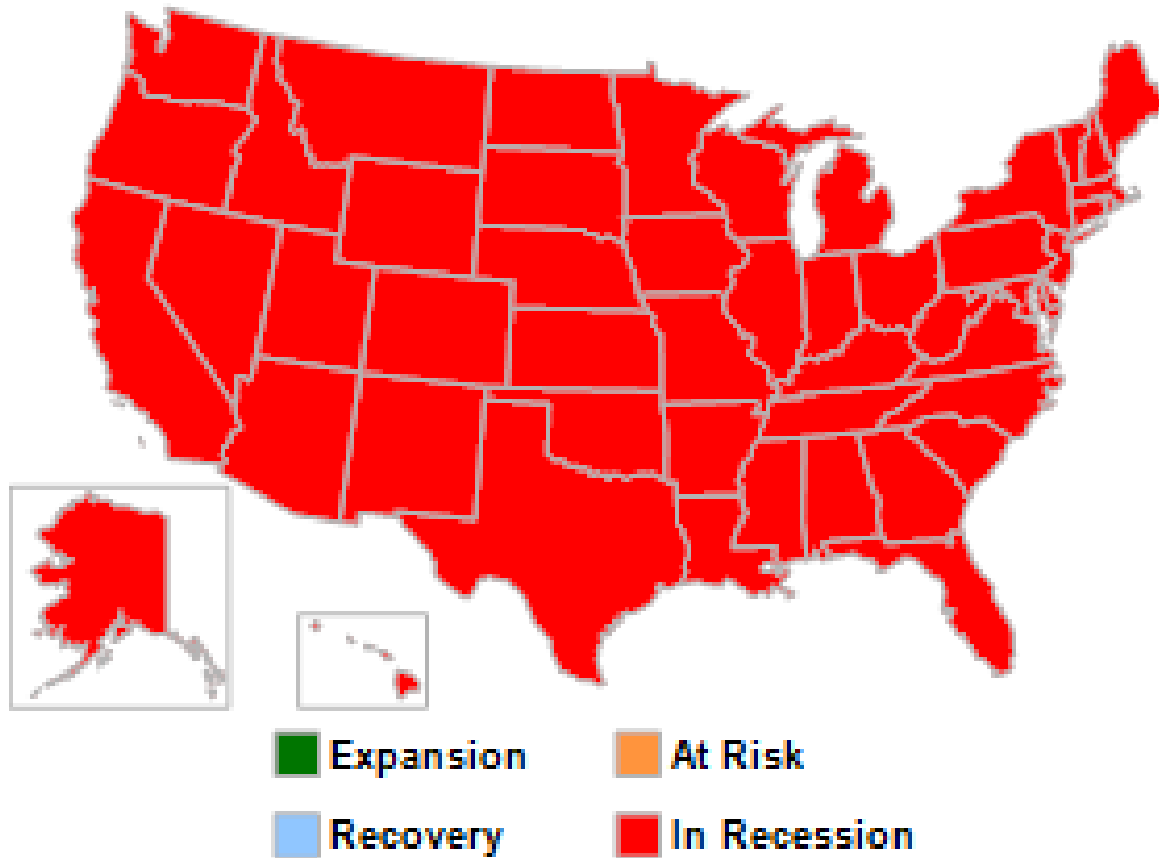


Source: Standard and Poor's

# American Idle

# Recession Watch

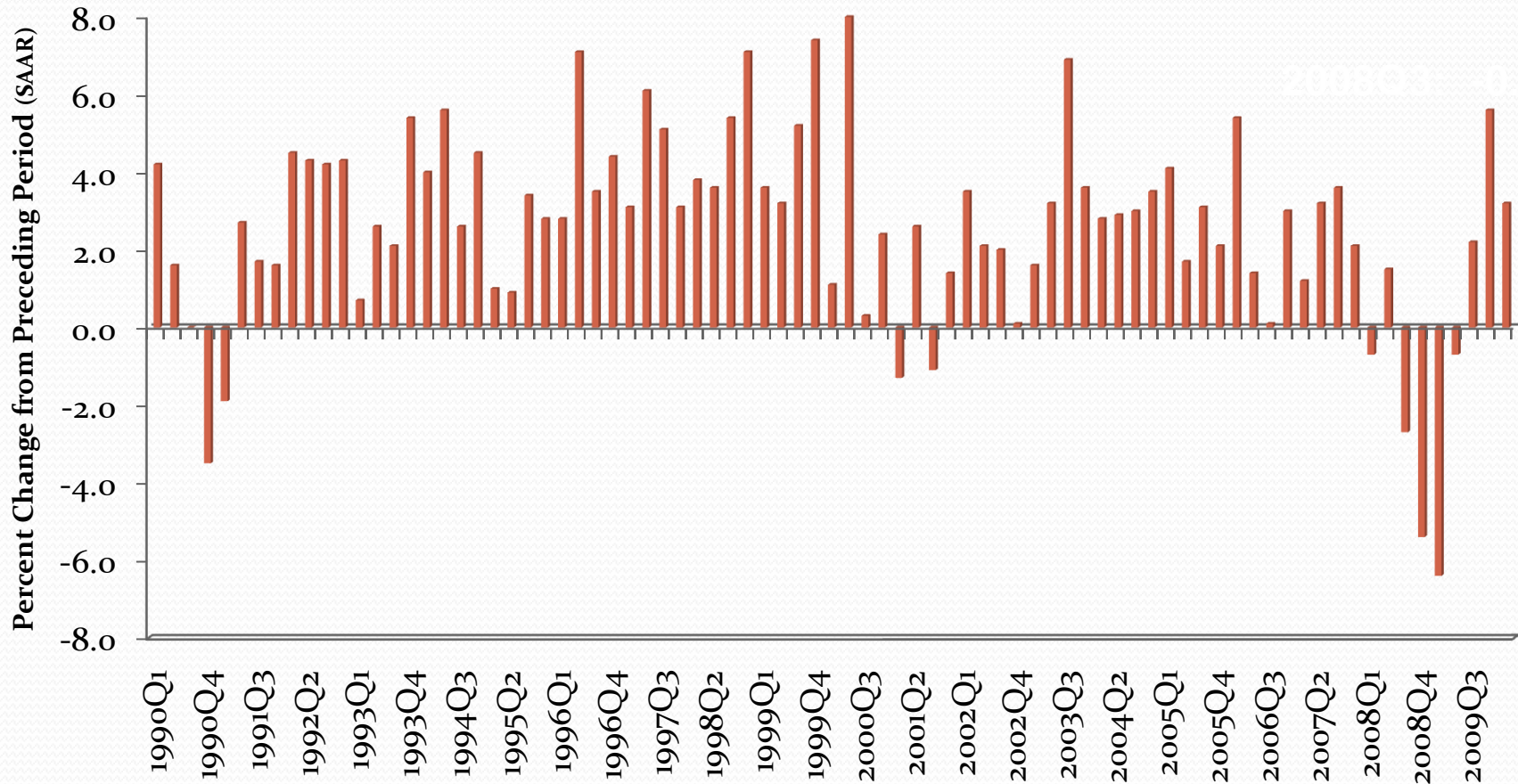
*as of May 2009*



Source: Moody's Economy

# Gross Domestic Product

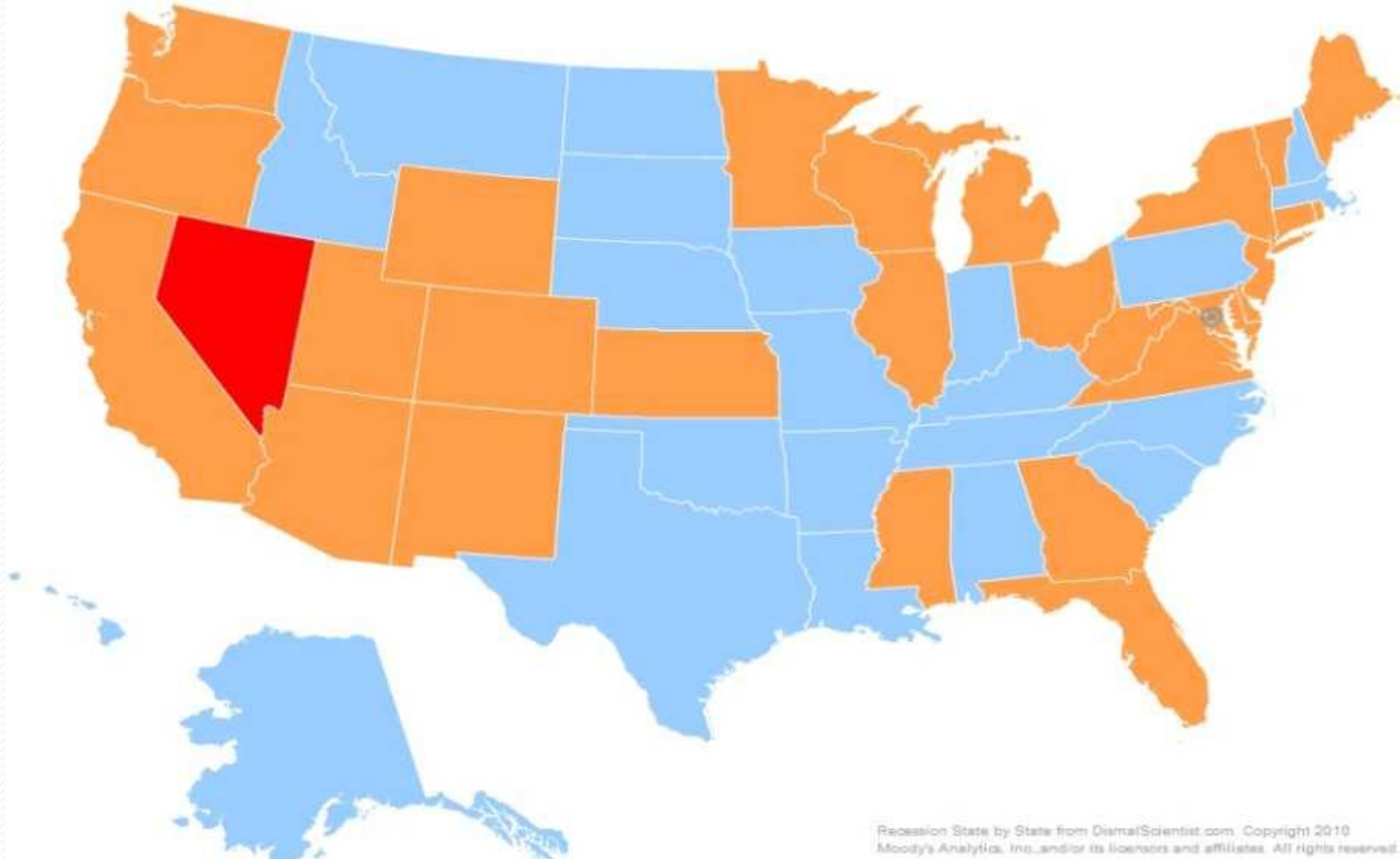
1990Q1 through 2010Q1



Source: Bureau of Economic Analysis

# Recession Watch

as of April 2010



Source: Moody's Economy

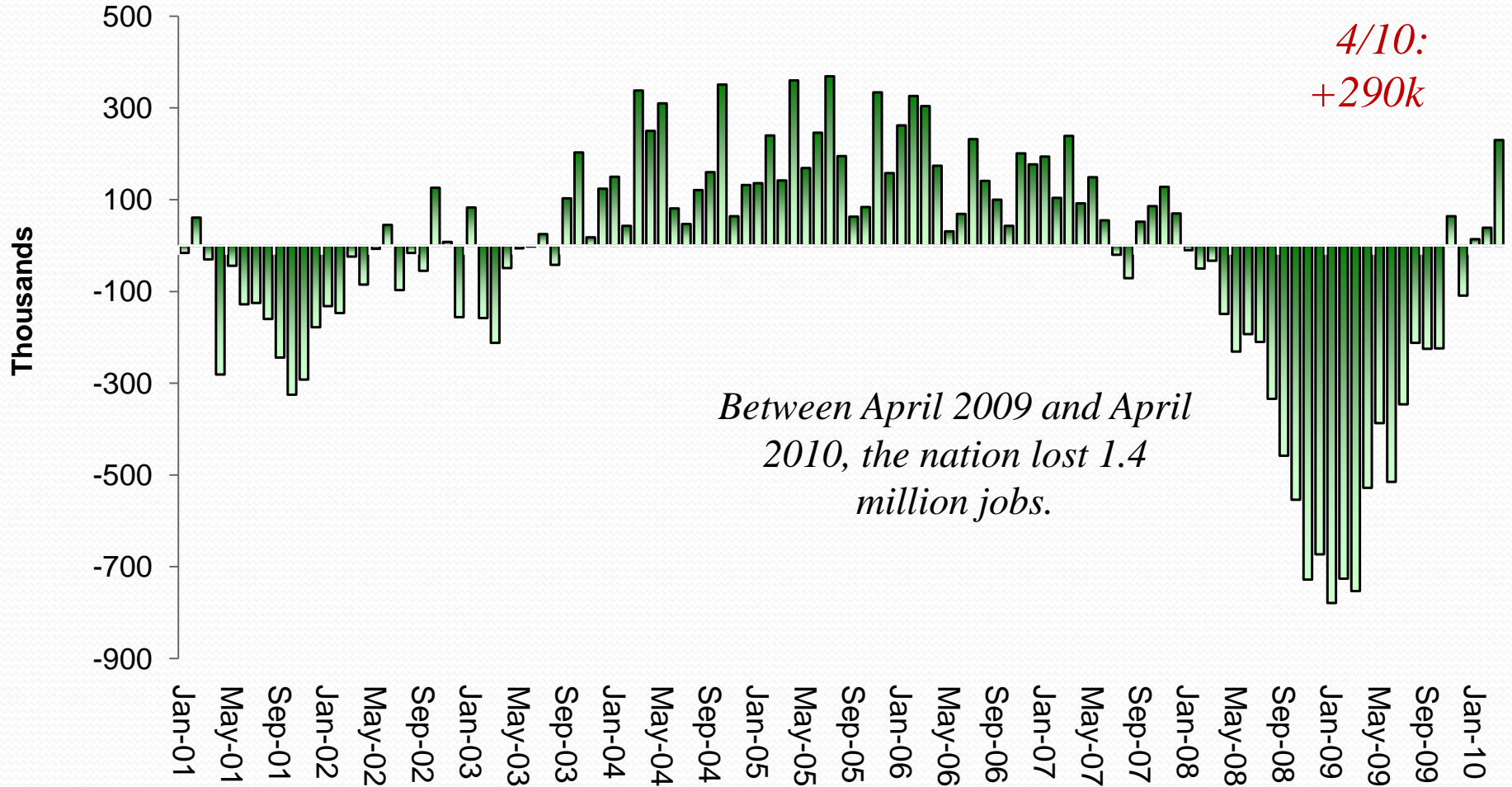
**■** In Recession    **■** Moderating    **■** Recovering    **■** Expanding



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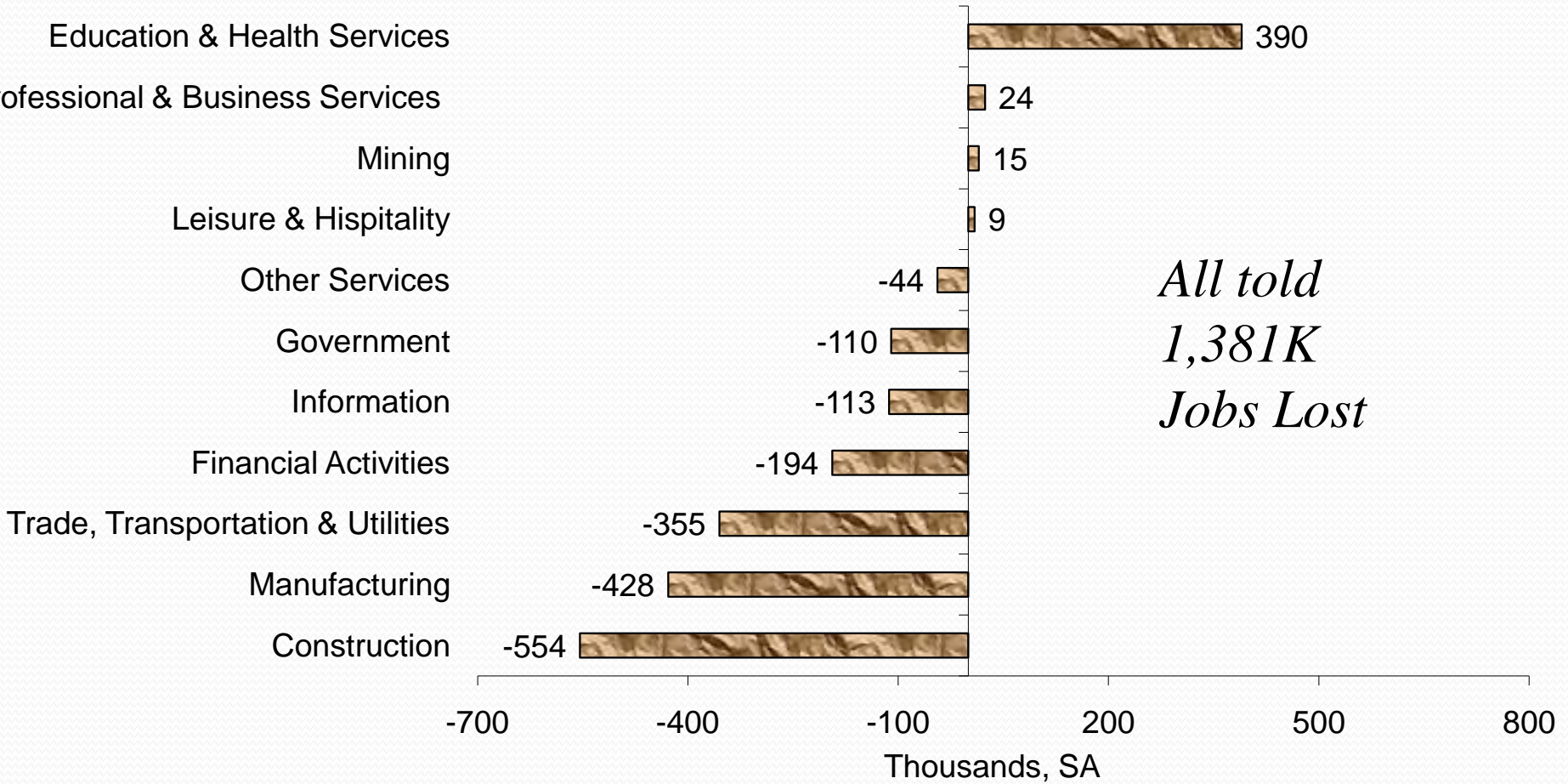
# Net Change in U.S. Jobs, BLS

January 2001 through April 2010



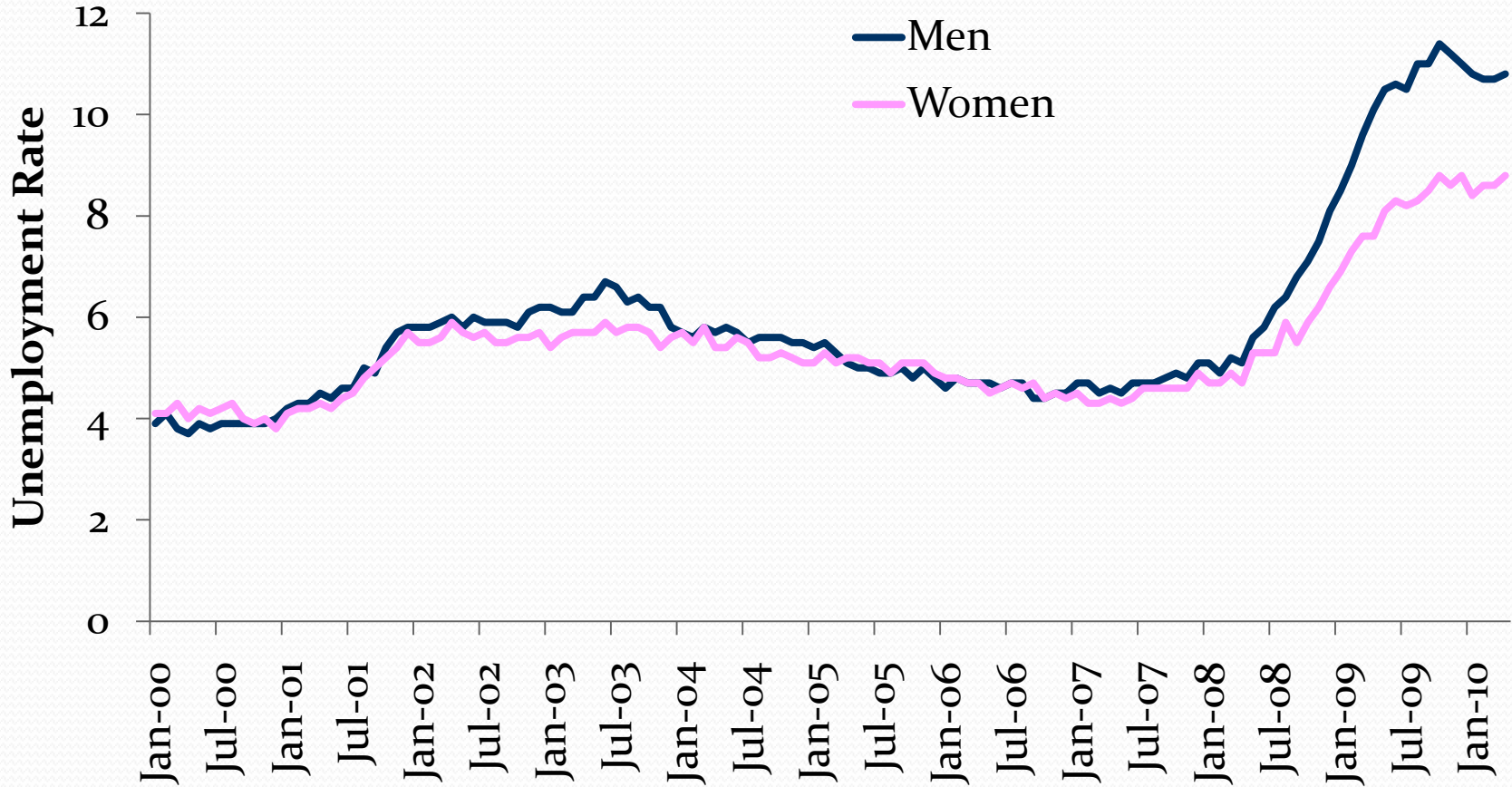
# National Nonfarm Employment by Industry Sector Groups

April 2009v. April 2010



# Pretty in Pink (Unemployment Rate for Men and Women)

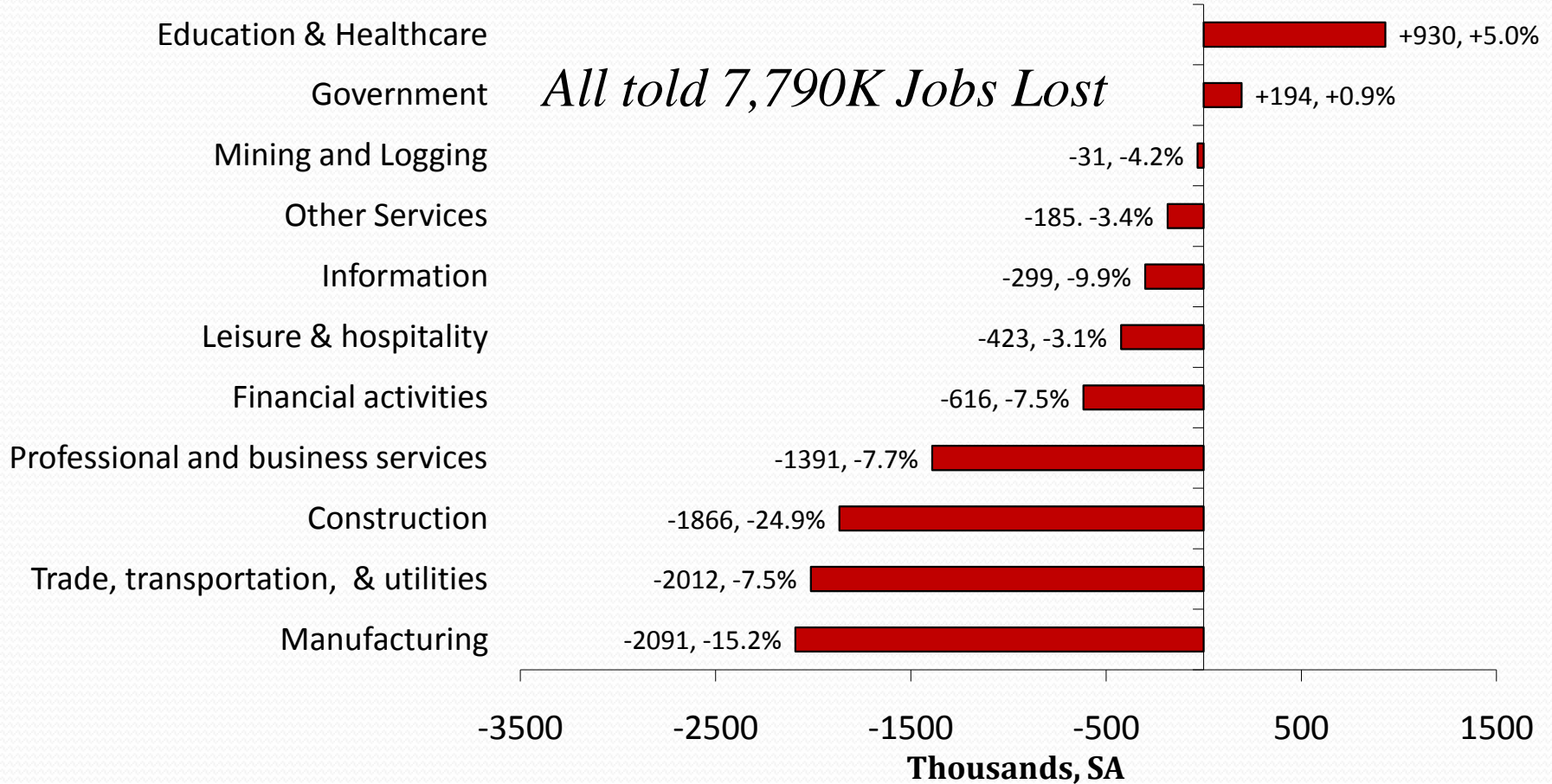
January 2000- April 2010



Source: Bureau of Labor Statistics

# National Nonfarm Employment by Industry Sector Groups

December 2007 v. April 2010

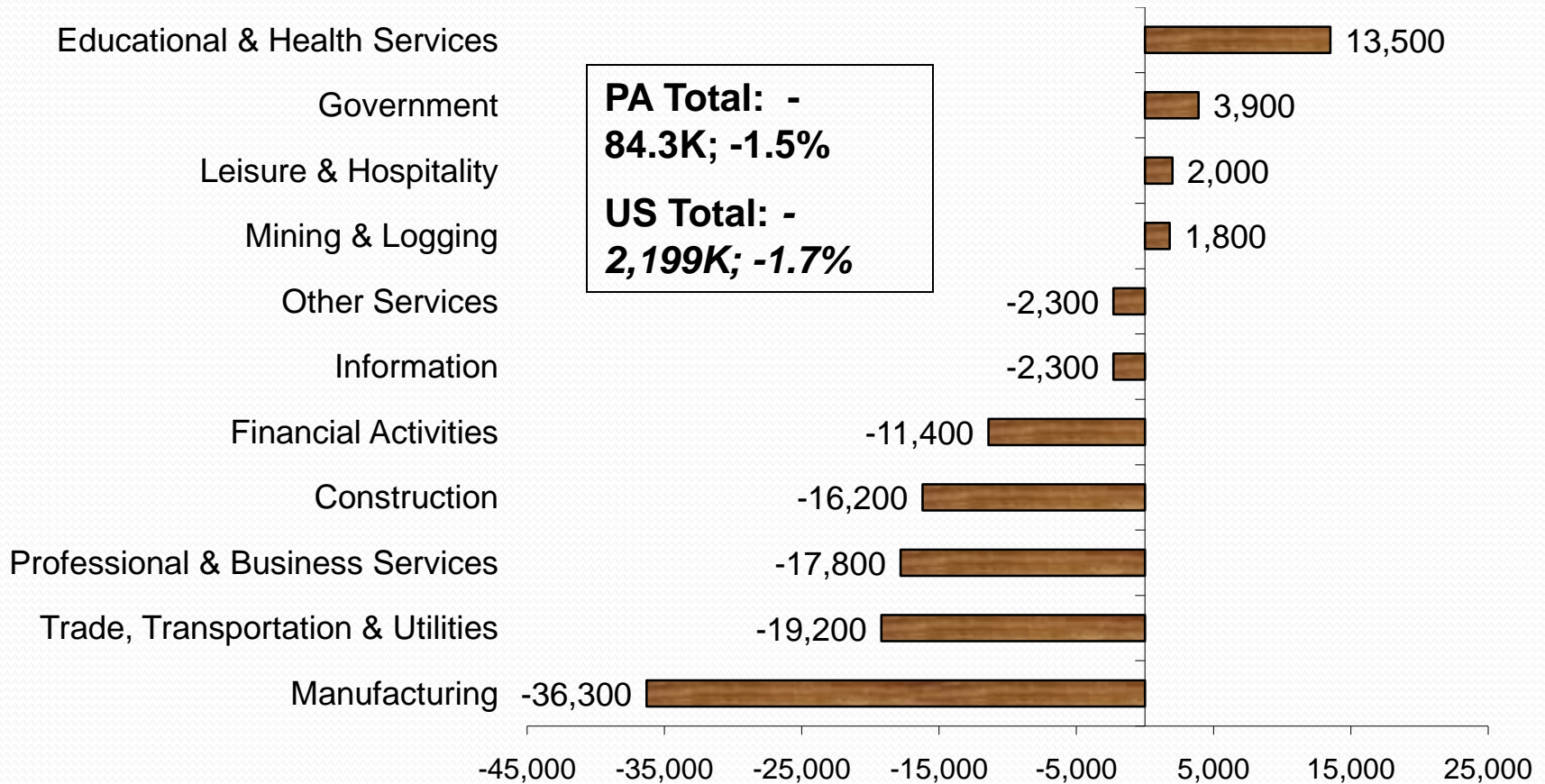


# Pennsylvania Nonfarm Employment

## by Industry Sector Groups (SA)

March 2009 v. March 2010

Absolute Change



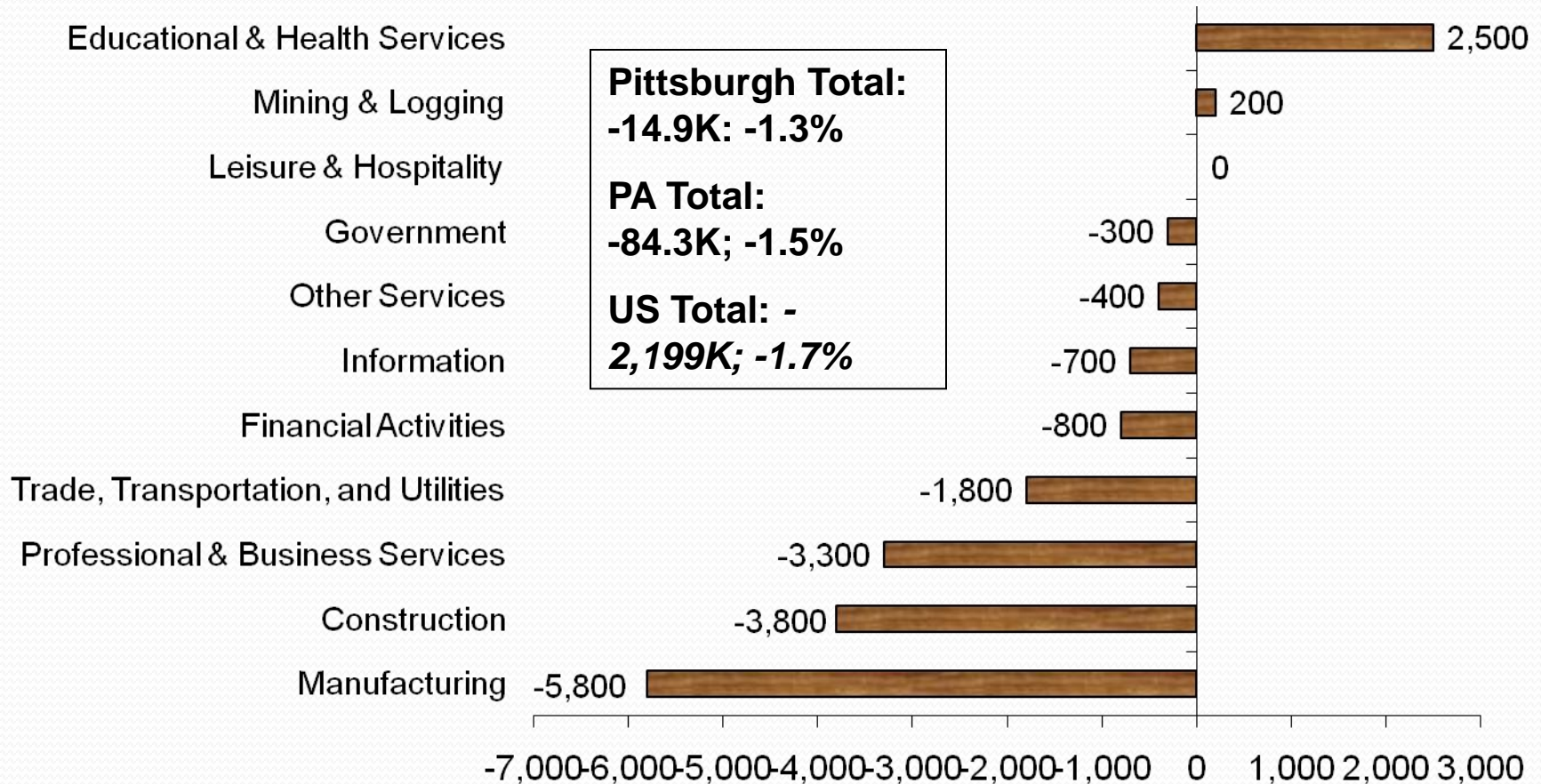
Source: Bureau of Labor Statistics

# Pittsburgh MSA Nonfarm Employment

## by Industry Sector Groups (NSA)

March 2009 v. March 2010

Absolute Change



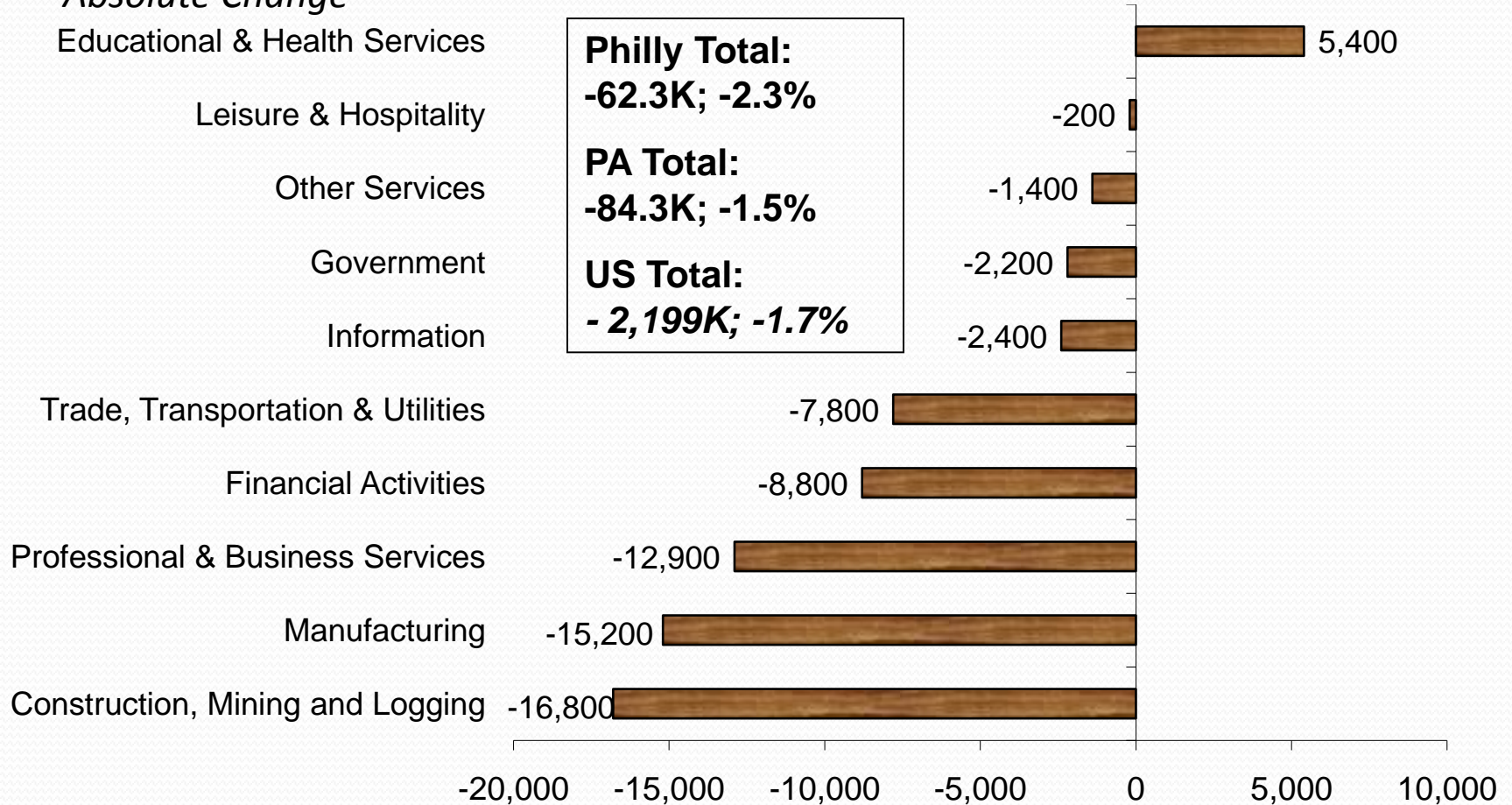
Source: Bureau of Labor Statistics

# Philadelphia MSA Nonfarm Employment

## by Industry Sector Groups (NSA)

March 2009 v. March 2010

Absolute Change



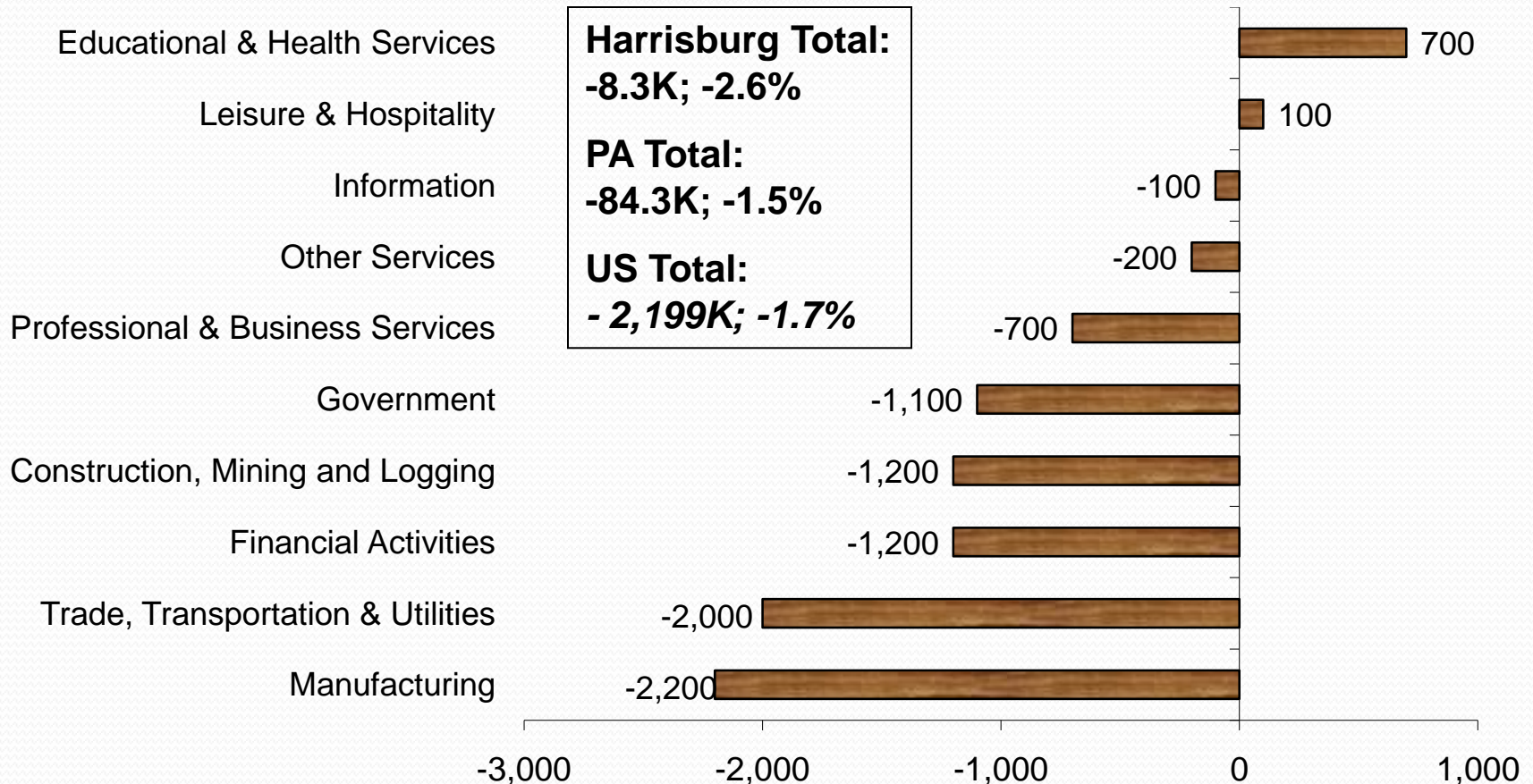
Source: Bureau of Labor Statistics

# Harrisburg MSA Nonfarm Employment

## by Industry Sector Groups (NSA)

March 2009 v. March 2010

Absolute Change



Source: Bureau of Labor Statistics

# Unemployment Rates, Largest 20 Metros(NSA)

March 2010

Rank	MSA	UR
1	Washington-Arlington-Alexandria, DC-VA-MD-WV	6.7
2	Minneapolis-St. Paul-Bloomington, MN-WI	7.8
3	Baltimore-Towson, MD	8.0
4	Boston-Cambridge-Quincy, MA-NH	8.3
4	Dallas-Fort Worth-Arlington, TX	8.3
6	Houston-Sugar Land-Baytown, TX	8.5
7	Phoenix-Mesa-Glendale, AZ	8.9
8	Seattle-Tacoma-Bellevue, WA	9.0
9	New York-Northern New Jersey-Long Island, NY-NJ-PA	9.3
<b>10</b>	<b>Philadelphia-Camden-Wilmington, PA-NJ-DE-MD</b>	<b>9.4</b>

Rank	MSA	UR
11	Atlanta-Sandy Springs-Marietta, GA	10.4
12	St. Louis, MO-IL	10.9
13	San Diego-Carlsbad-San Marcos, CA	11.0
13	San Francisco-Oakland-Fremont, CA	11.0
15	Chicago-Joliet-Naperville, IL-IN-WI	11.3
16	Miami-Fort Lauderdale-Pompano Beach, FL	11.5
17	Los Angeles-Long Beach-Santa Ana, CA	11.7
18	Tampa-St. Petersburg-Clearwater, FL	12.7
19	Riverside-San Bernardino-Ontario, CA	15.0
20	Detroit-Warren-Livonia, MI	15.5

Source: Bureau of Labor Statistics

# Unemployment Rates, U.S. States (SA)

March 2010

Rank	State	Rate	Rank	State	Rate	Rank	State	Rate
1	NORTH DAKOTA	4.0	18	COLORADO	7.9	35	INDIANA	9.9
2	SOUTH DAKOTA	4.8	19	MAINE	8.2	36	GEORGIA	10.6
3	NEBRASKA	5.0	19	TEXAS	8.2	36	OREGON	10.6
4	KANSAS	6.5	21	ALASKA	8.6	36	TENNESSEE	10.6
4	VERMONT	6.5	21	NEW YORK	8.6	39	KENTUCKY	10.7
6	OKLAHOMA	6.6	23	NEW MEXICO	8.8	40	ALABAMA	11.0
7	IOWA	6.8	23	WISCONSIN	8.8	40	OHIO	11.0
8	HAWAII	6.9	<b>25</b>	<b>PENNSYLVANIA</b>	<b>9.0</b>	42	NORTH CAROLINA	11.1
8	LOUISIANA	6.9	26	CONNECTICUT	9.2	43	ILLINOIS	11.5
10	NEW HAMPSHIRE	7.0	26	DELAWARE	9.2	43	MISSISSIPPI	11.5
11	MONTANA	7.1	28	MASSACHUSETTS	9.3	45	DISTRICT OF COLUMBIA	11.6
12	UTAH	7.2	29	IDAHO	9.4	46	SOUTH CAROLINA	12.2
13	WYOMING	7.3	30	MISSOURI	9.5	47	FLORIDA	12.3
14	MINNESOTA	7.4	30	WASHINGTON	9.5	48	CALIFORNIA	12.6
14	VIRGINIA	7.4	30	WEST VIRGINIA	9.5	48	RHODE ISLAND	12.6
16	MARYLAND	7.7	33	ARIZONA	9.6	50	NEVADA	13.4
17	ARKANSAS	7.8	34	NEW JERSEY	9.8	51	MICHIGAN	14.1

Source: Bureau of Labor Statistics

• *U.S. Unemployment Rate: March 10' = 9.7%*



# PA Metro Unemployment Rates

March 2010

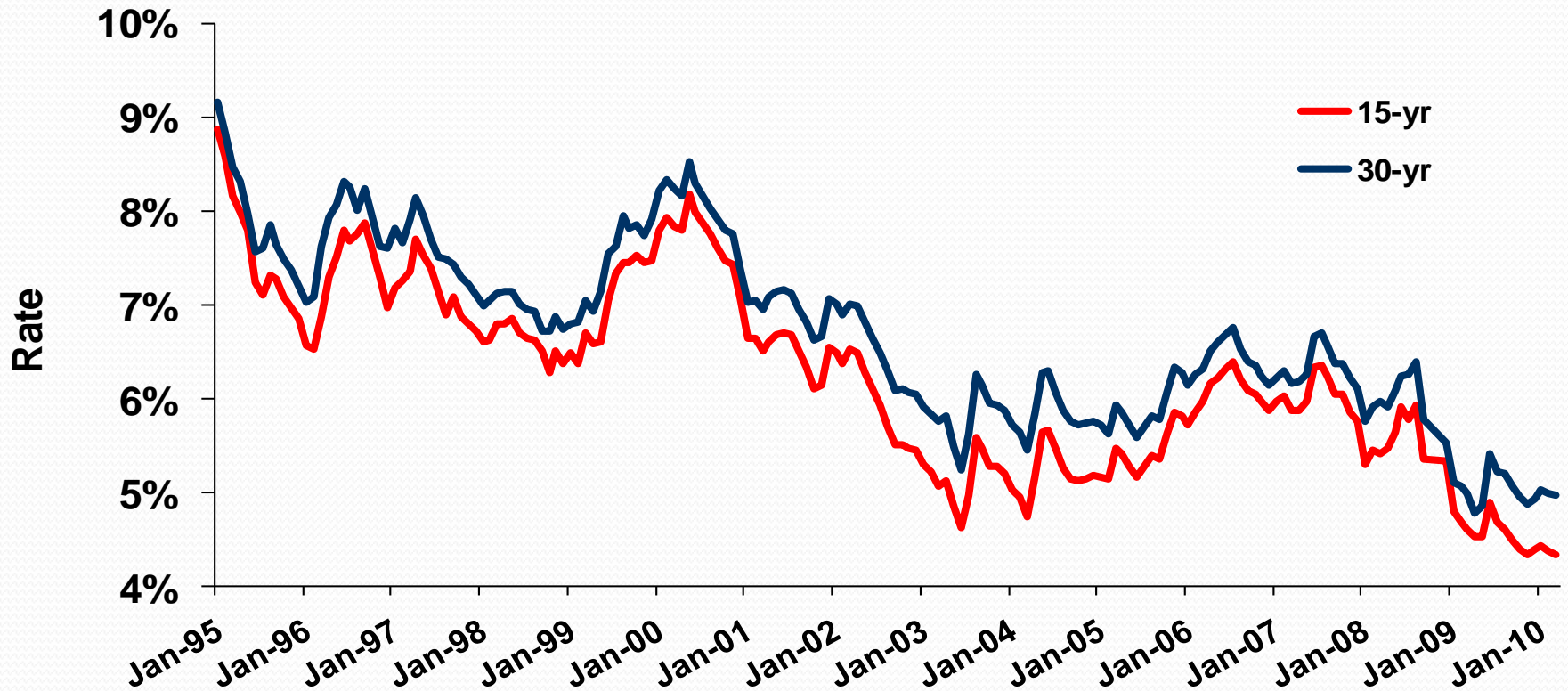
Rank	Metropolitan Area	UR	Rank	Metropolitan Area	UR
1	State College, PA	6.7	9	York-Hanover, PA	9.6
2	Lebanon, PA	8.0	10	Allentown-Bethlehem-Easton, PA-NJ	10.2
3	Harrisburg-Carlisle, PA	8.4	10	Reading, PA	10.2
3	Lancaster, PA	8.4	10	Williamsport, PA	10.2
5	Altoona, PA	8.6	13	Johnstown, PA	10.3
6	Pittsburgh, PA	8.9	14	Scranton--Wilkes-Barre, PA	10.5
7	New York-Northern New Jersey-Long Island, NY-NJ-PA	9.3	15	Erie, PA	10.6
8	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	9.4	16	Youngstown-Warren-Boardman, OH-PA	14.0

Source: Bureau of Labor Statistics

# Trading Spaces

# 15-Year & 30-Year Fixed Mortgage Rates

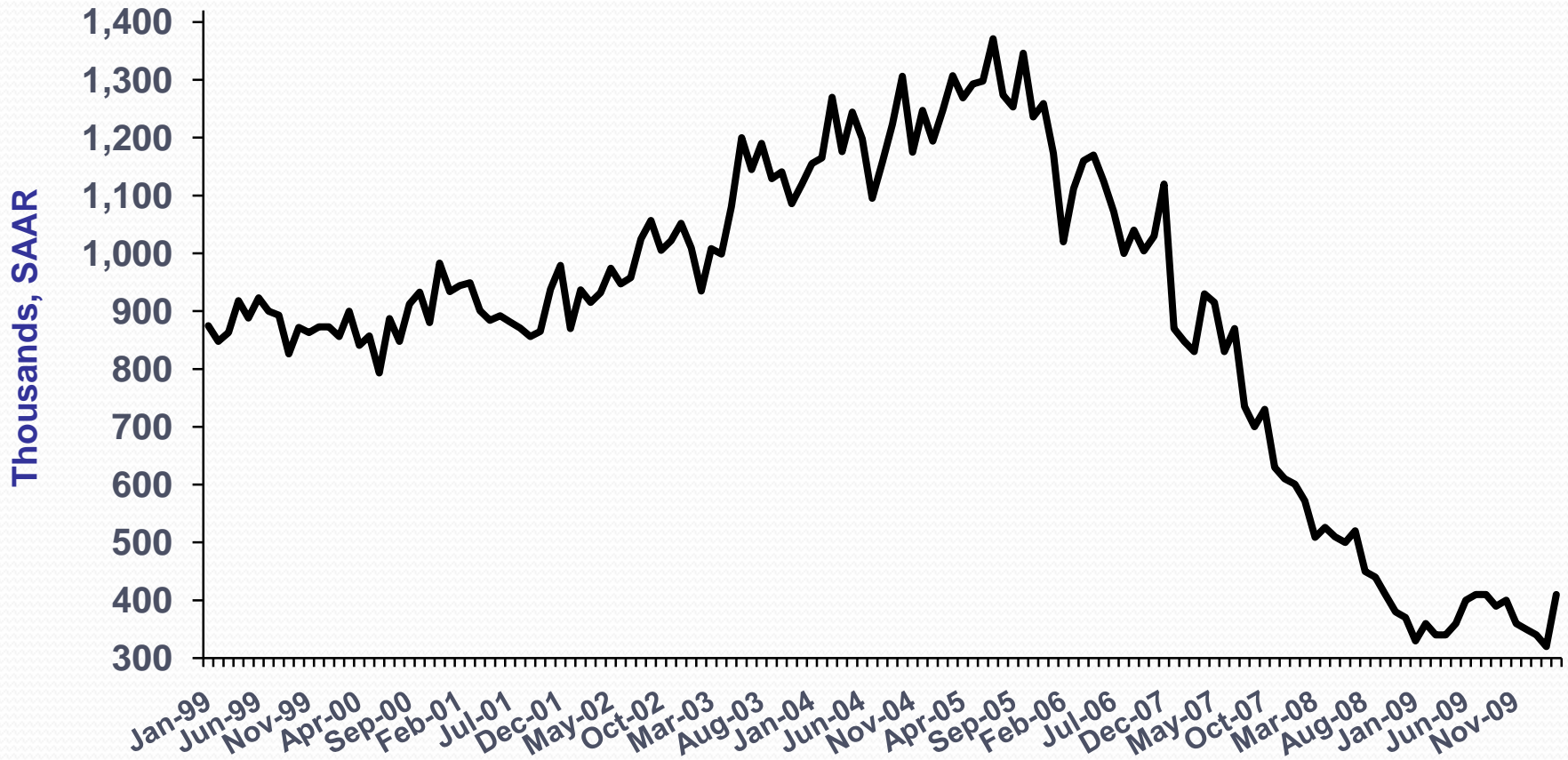
January 1995 through March 2010



Source: Freddie Mac

# U.S. New Home Sales

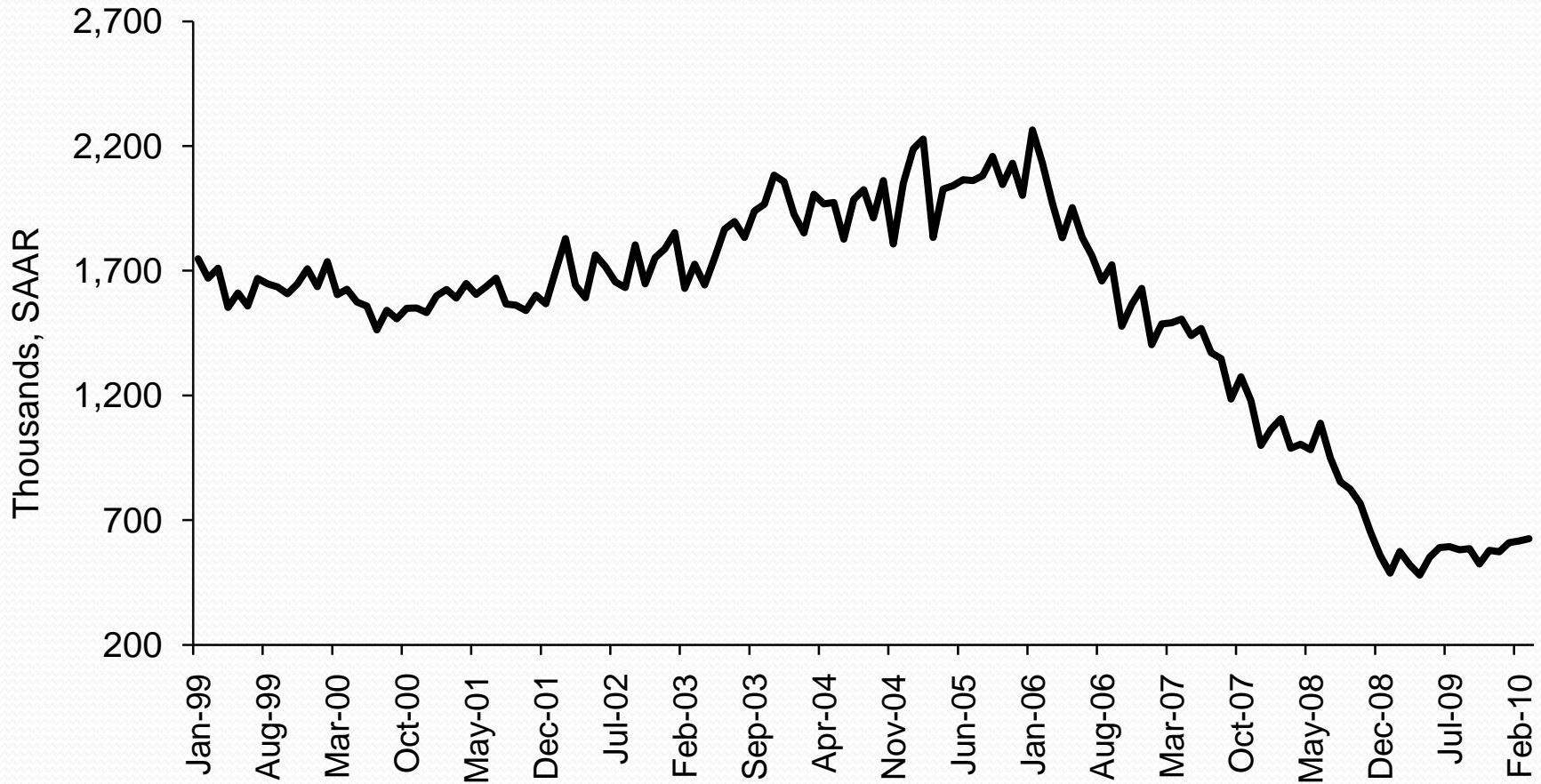
January 1999 through March 2010



Source: Economy.com, Census Bureau

# U.S. Housing Starts

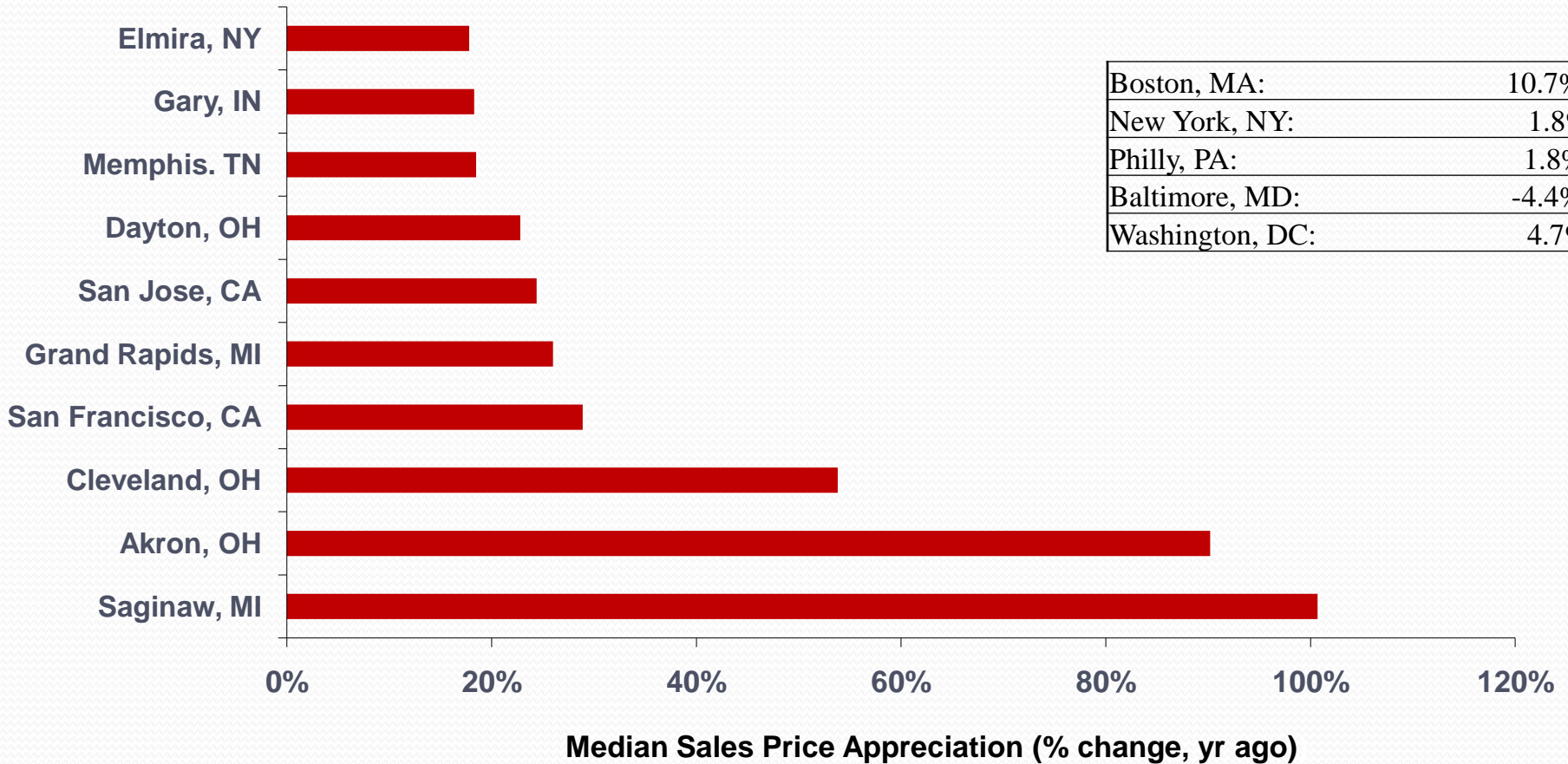
January 1999 through March 2010



Source: [Economy.com](http://Economy.com)

# Current Hot Metro Housing Markets (150)

Annual Existing Single-Family Home Price Appreciation  
2009Q1 v. 2010Q1

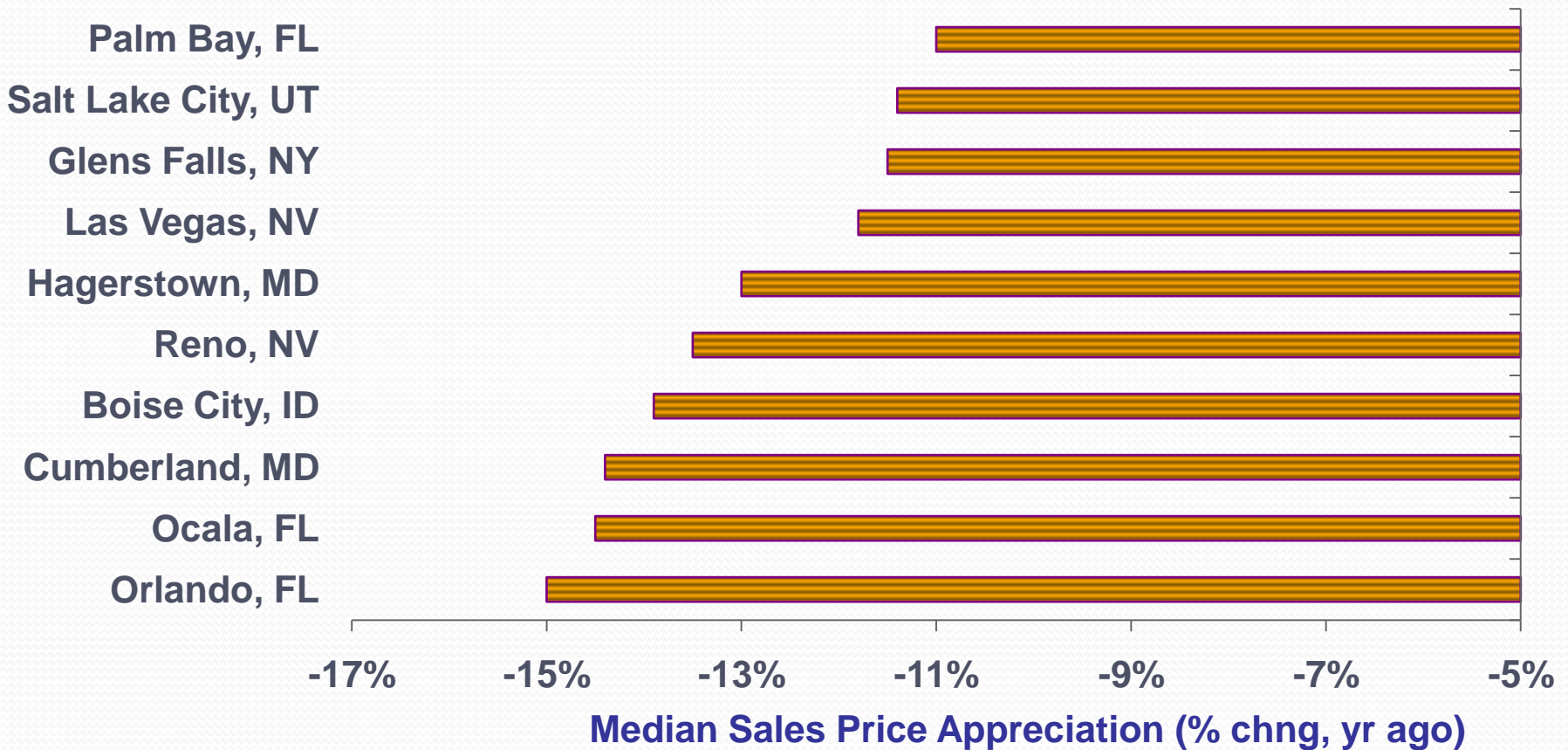


Source: National Association of Realtors

U.S.: -0.7% in 2010Q1

# Worst Performing Metro Housing Markets (150)

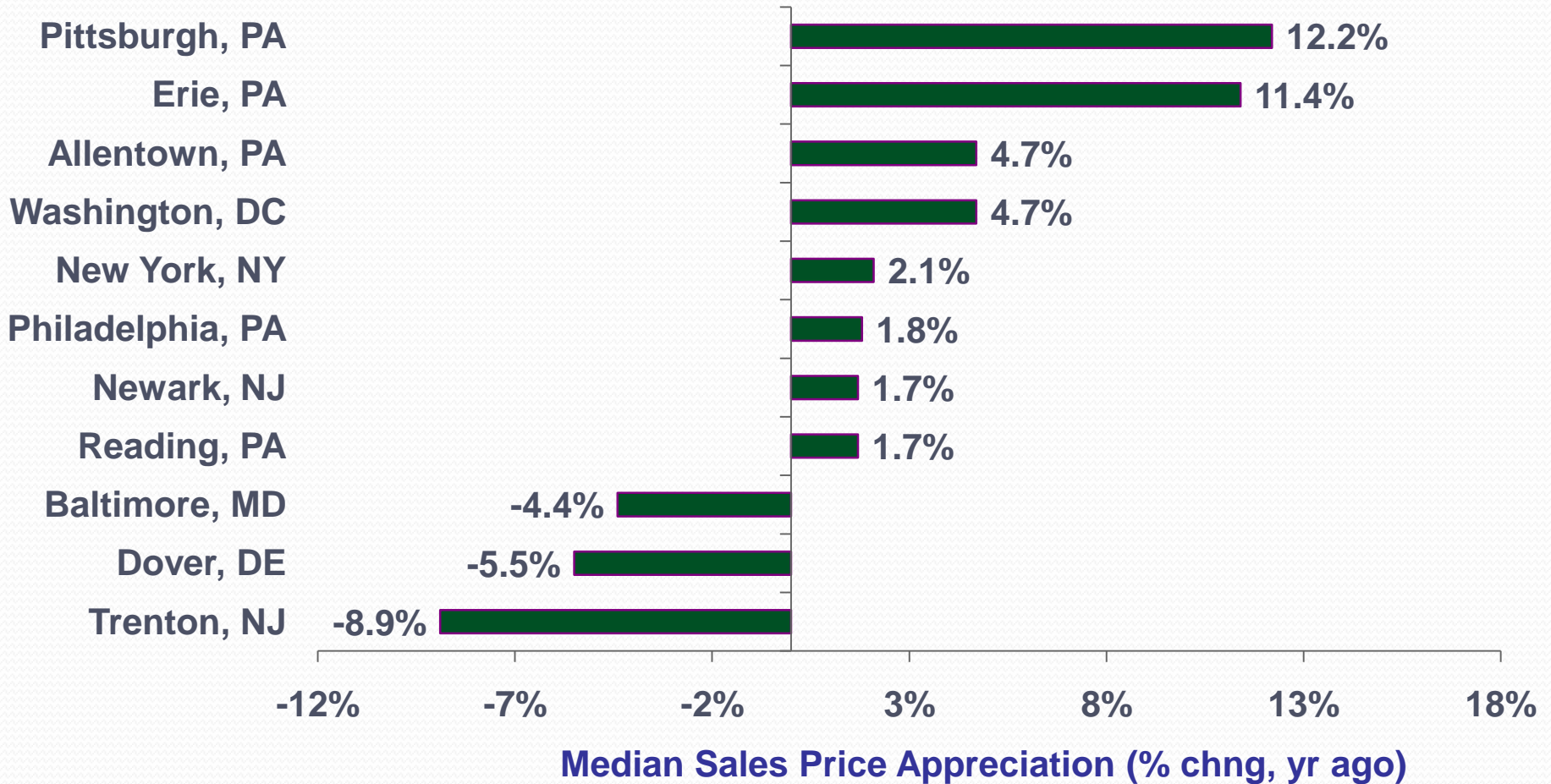
Annual Existing Single-Family Home Price Appreciation  
2009Q1 vs. 2010Q1



*U.S.: -0.7% in 2010Q1*

# Select Area Housing Markets

Annual Existing Single-Family Home Price Appreciation 2009Q1 vs. 2010Q1

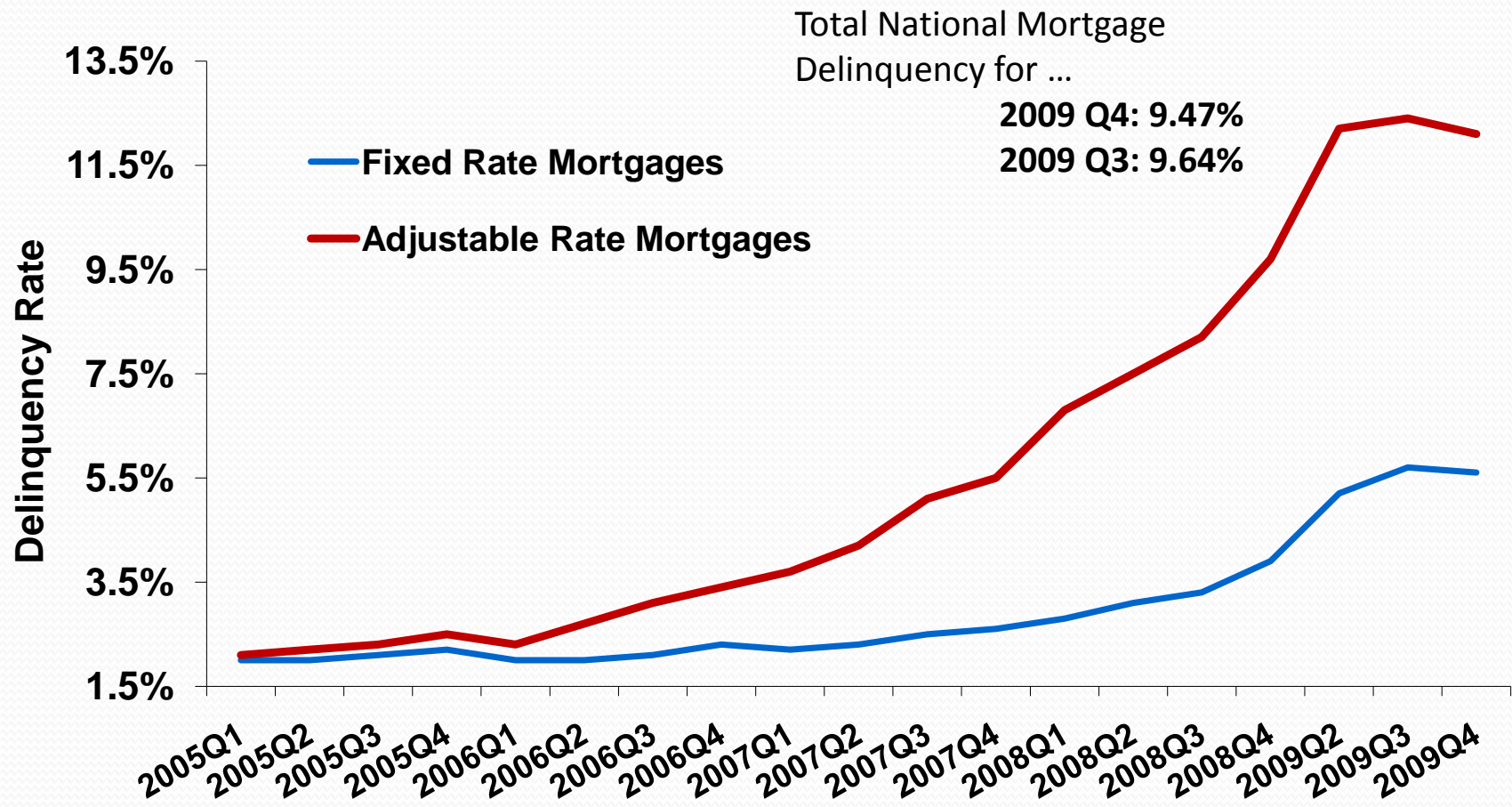


Source: National Association of Realtors

U.S.: -0.7% in 2010Q1

North East: 9.0% in 2010Q1

# Mortgage Banker's Association Delinquency Rates, Prime Mortgage Loans 2005Q2 through 2009Q4



Source: Economy.com

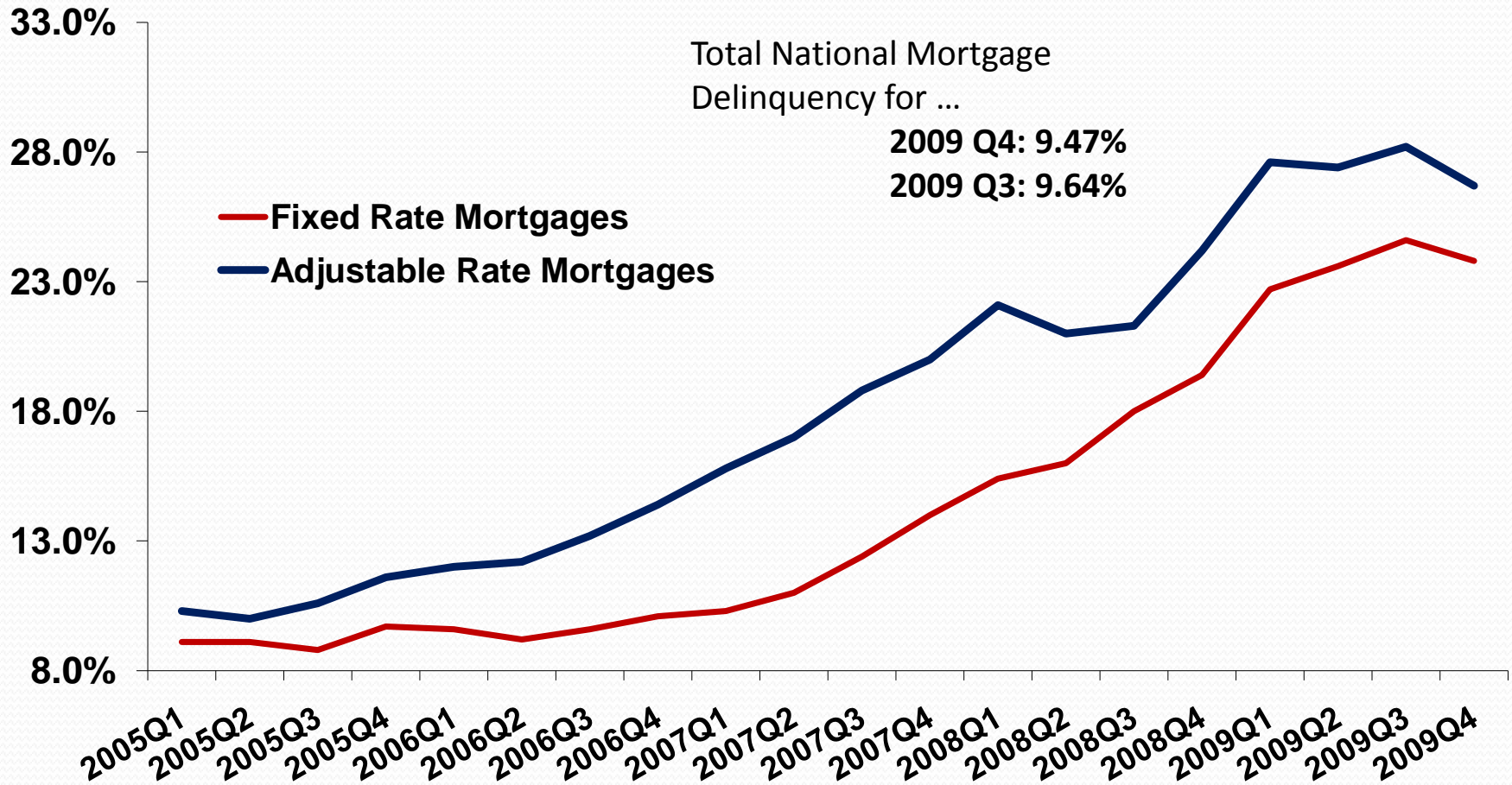
The delinquency rate does not include loans in the process of foreclosure. The percentage of loans in the foreclosure process was 0.9 percent of Fixed Rate prime loans and 2.0 percent of all adjustable rate prime loans outstanding at the end of the fourth quarter.



# Mortgage Banker's Association Delinquency Rates

## Subprime Mortgage Loans

2005Q2 through 2009Q4



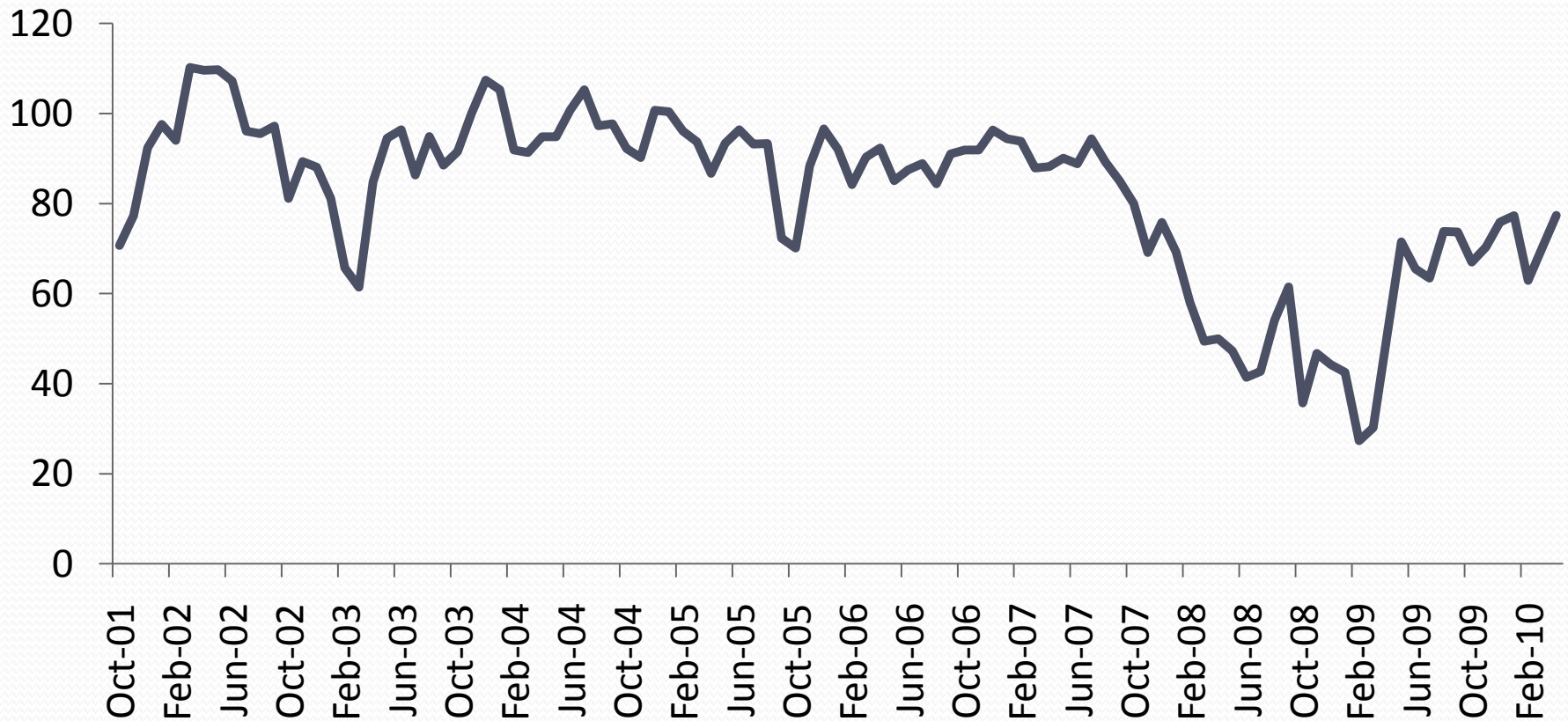
Source: Economy.com

The delinquency rate does not include loans in the process of foreclosure. The percentage of fixed rate subprime loans in the foreclosure process was 2.6 percent while those with adjustable rates were 4.5 percent.

# Fear Factor

# Conference Board Consumer Expectations Index

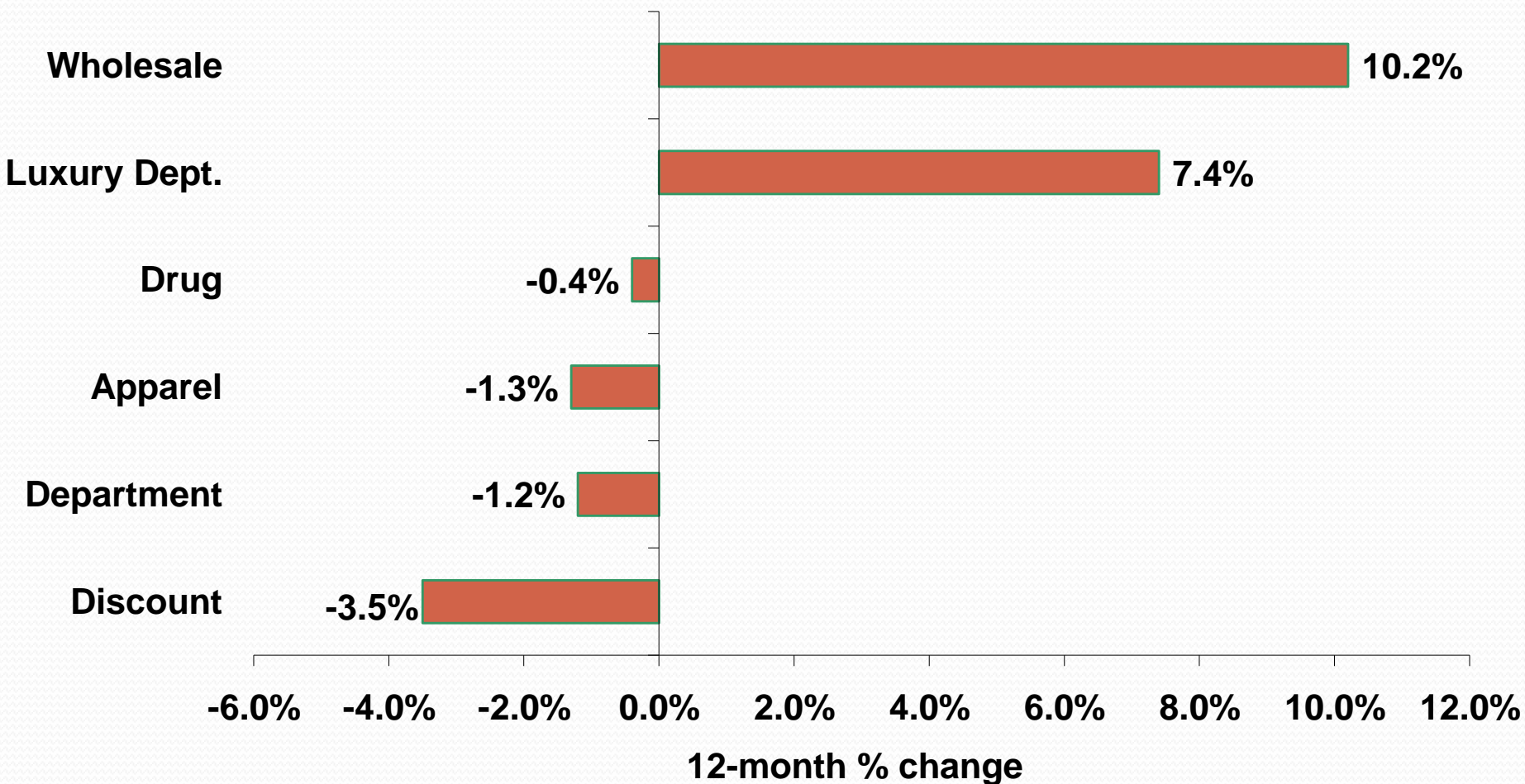
October 2001 through April 2010



Source: Conference Board

# U.S. Chain Store Sales Growth by Type of Store

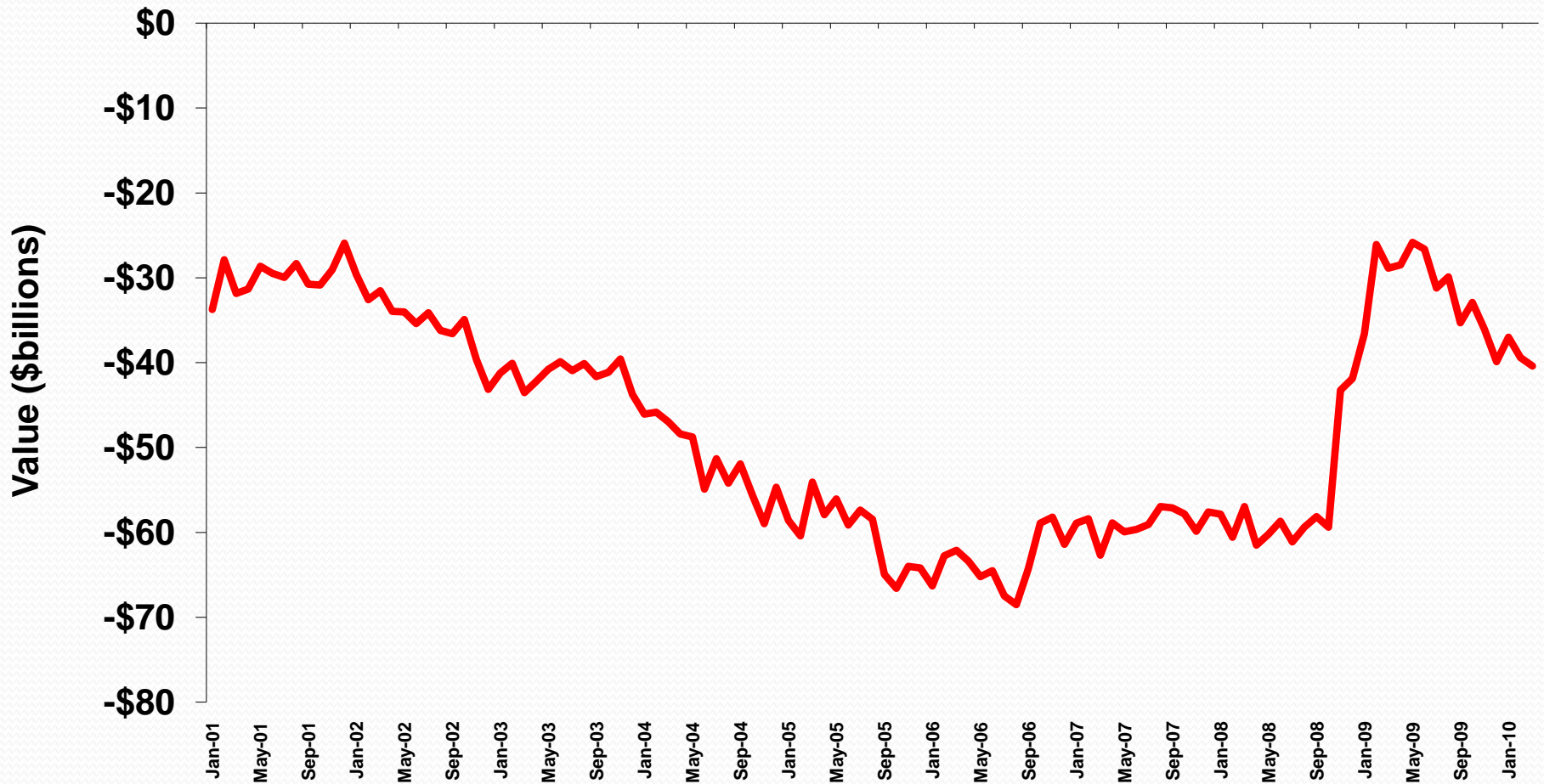
April 2009 v. April 2010



Source: Economy.com

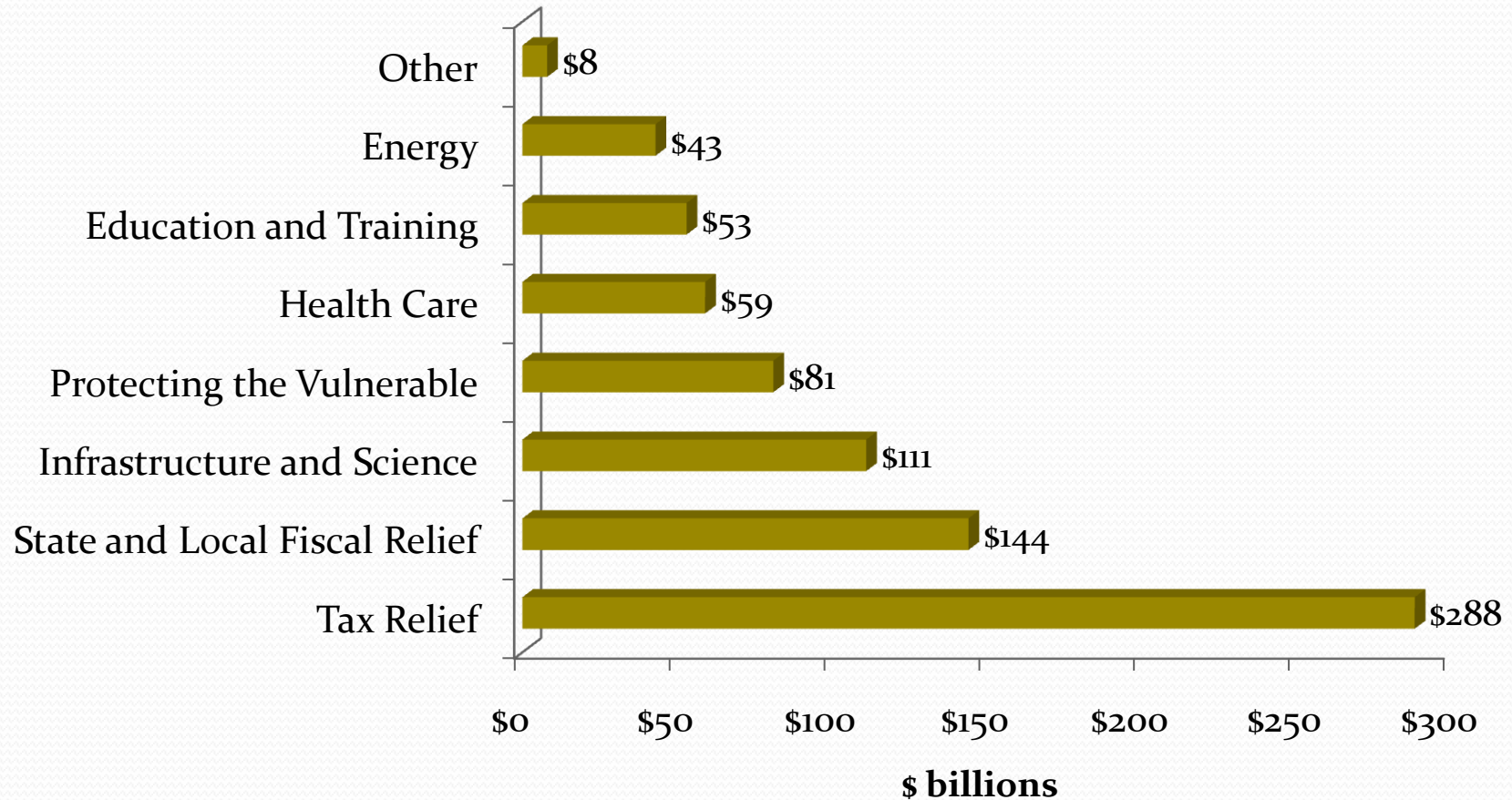
# U.S. Trade Deficit

January 2001 through March 2010



Source: Dismal.com

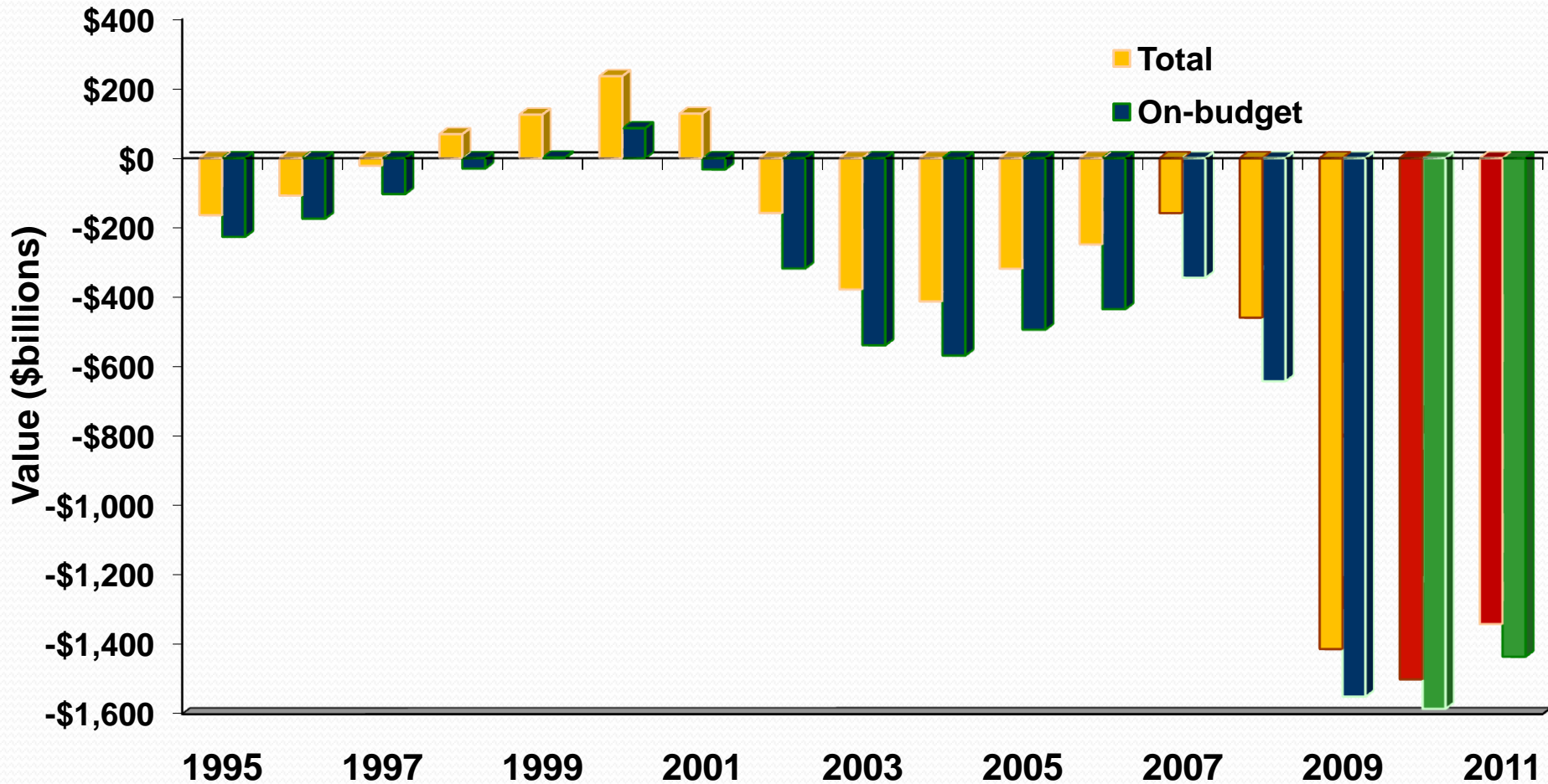
# Overview of where the \$787 billion is going



Source: Recovery.gov

# U.S. Federal Budget Deficit

## 1995-2011\*



Source: Congressional Budget Office

\*2010-2011 data are projections

# America's Next Top Model

- Stimulus, stimulus, stimulus;
- We've seen the worst of it from a broader economic perspective;
- Too soon to tell if inflation will be problematic;
- Big issues – pensions, aid to local government, unemployment insurance;
- BRAC;
- Washington/Baltimore region will continue to outperform and the degree of outperformance will probably surprise you;
- This year represents a year of moderate improvement; &
- 2011????

# Thank You

- You can always reach me at [abasu@sagepolicy.com](mailto:abasu@sagepolicy.com)
- If you appreciate this type of information and would like regular updates, please see our newsletter service at [www.spgtrend.com](http://www.spgtrend.com)
- Also, if you need us in a hurry, we are at 410.522.7243 (410.522.SAGE)
- Please contact us when you require economic research & policy analysis.