U.S. and Indiana Economic Update

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U.S. Economic Highlights

- Economic growth rebounds on strong consumer, business spending
- Manufacturing continues strong growth
- Is Dollar weakness just starting?
- Gas prices get headlines, but inflation still tame
- Who can predict the Fed?
GDP Bounces Back Sharply
Business Spending Roars to Life

Manufacturing Output Still Surging

U.S. Industrial Production Index, Manufacturing, 1997=100
Interest Rates Move Up
Exchange Rate, Canadian Dollar

$1.10
$1.20
$1.30
$1.40
$1.50
$1.60
$1.70

Jan-00 Jul-00 Jan-01 Jul-01 Jan-02 Jul-02 Jan-03 Jul-03 Jan-04 Jul-04 Jan-05 Jul-05 Jan-06
Exchange Rate, Yen
Exchange Rate, Yuan
Preliminary Data Portray Weaker State Economy

Employment Growth (percent) Apr 06 / Apr 05

- Fort Wayne: 1.6
- South Bend: 1.5
- Michigan City: 1.5
- U.S. (SA): 1.5
- Lafayette: 1.1
- Indiana: 0.6
- Evansville: 0.6
- Gary-Hammond: 0.5
- Indianapolis: 0.5
- Columbus: 0.2
- Elkhart: 0.1
- Terre Haute: -0.1
- Anderson: -0.2
- Bloomington: -0.8
- Muncie: -1.5
- Kokomo: -2.1