

The U.S. Economy

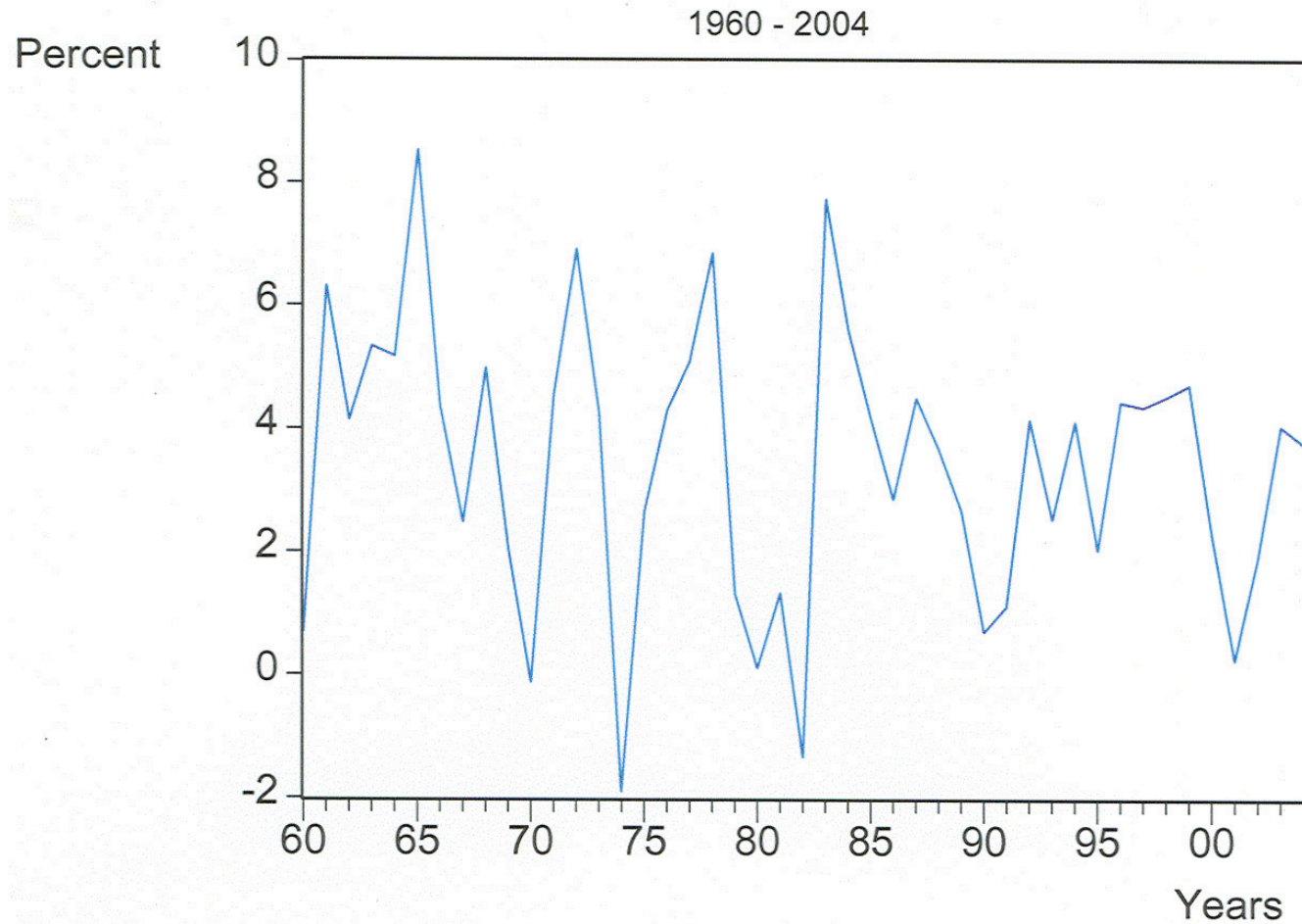
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U.S. Economy in 2005

Variable	AVERAGE	TIMES SERIES FORECAST					CONSENSUS	
	2004	2005.1	2005.2	2005.3	2005.4	Avg. 2005	ROUND TABLE	BLUE CHIP
REAL GDP GROWTH	3.8 4.2	2.3 3.8	3.7 3.4	3.1 3.8	3.5 (4.3)	3.2 (3.7)	3.5	3.5
INFLATION (GDP DEFLATOR)	2.3 2.6	2.5 3.1	2.6 2.6	2.2 3.1	2.4 (3.3)	2.5 (2.8)	2.5	1.9
UNEMPLOYMENT RATE	5.5	5.4 5.3	5.3 5.1	5.3 5.0	5.3 (5.0)	5.3 (5.1)	5.3	5.3
10 YEAR T-BND	4.3	4.1 4.3	4.1 4.2	4.0 4.2	4.1 (4.4)	4.1 (4.3)	4.7	4.8

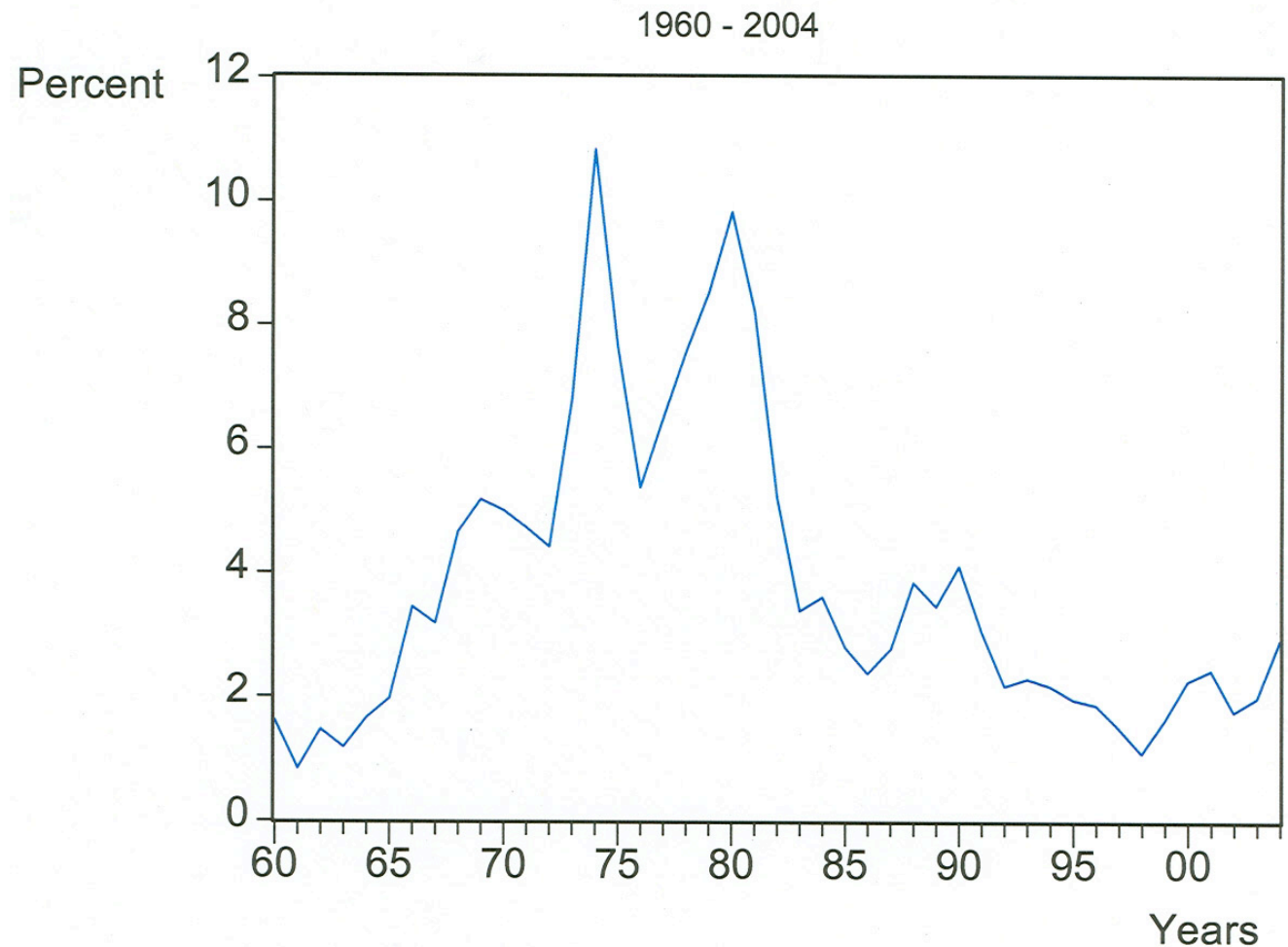
Growth in Real GDP



Growth in Real GDP

Year	Growth Rate
1994	4.1%
1995	2.0
1996	4.4
1997	4.4
1998	4.5
1999	4.7
2000	2.3
2001	0.2
2002	1.9
2003	4.1
2004	3.8
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Summary Statistics	1960 - 2004
Range	-1.9 - 8.5
Average	3.4
Standard Deviation	2.3

Inflation in the GDP Deflator

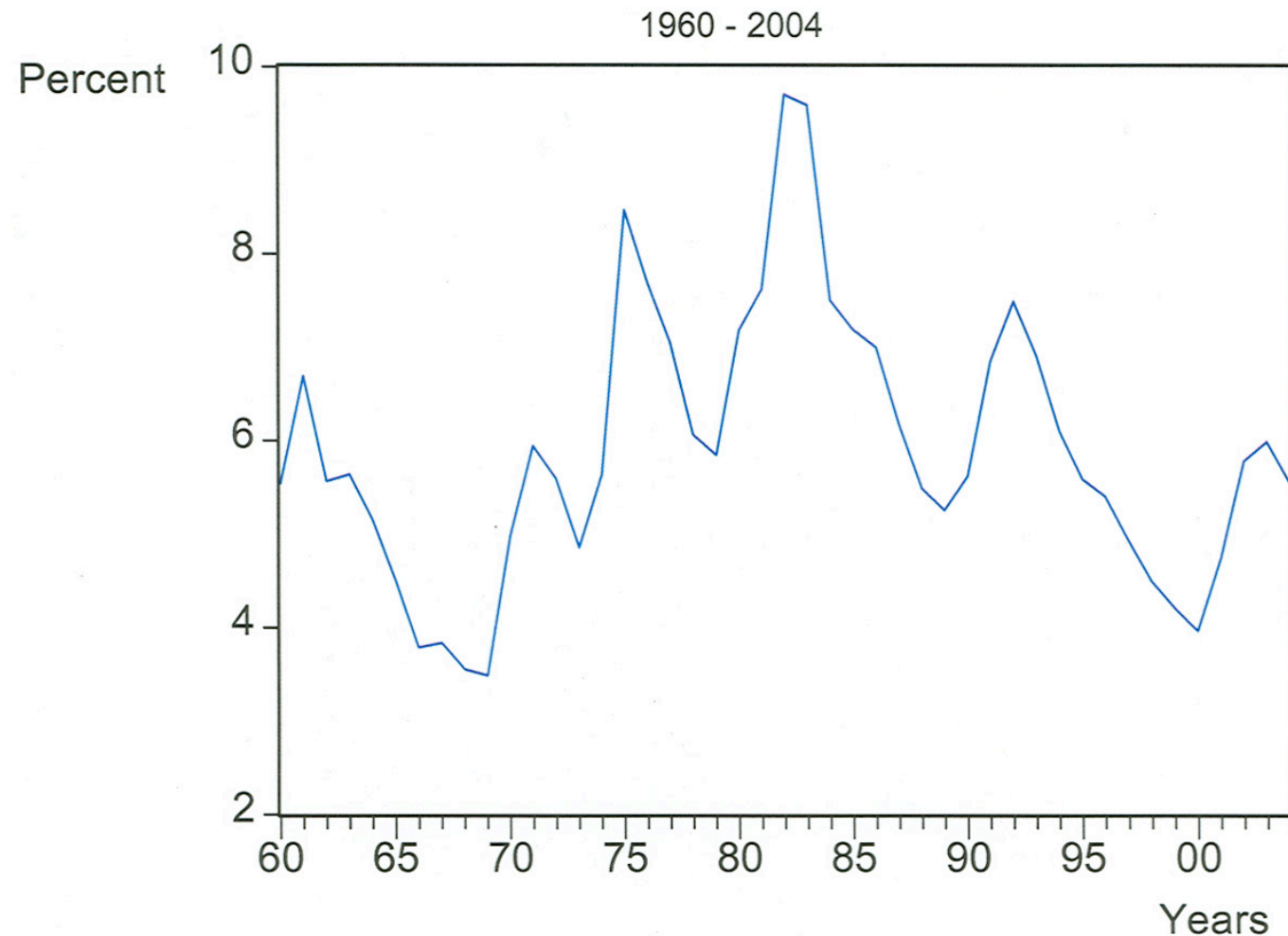


Inflation in the GDP Deflator

Year	Rate
1994	2.2%
1995	2.0
1996	1.9
1997	1.5
1998	1.1
1999	1.6
2000	2.3
2001	2.4
2002	1.8
2003	2.0
2004	2.9

Summary Statistics	1960 - 2004
Range	0.8 - 10.8
Average	3.8
Standard Deviation	2.5

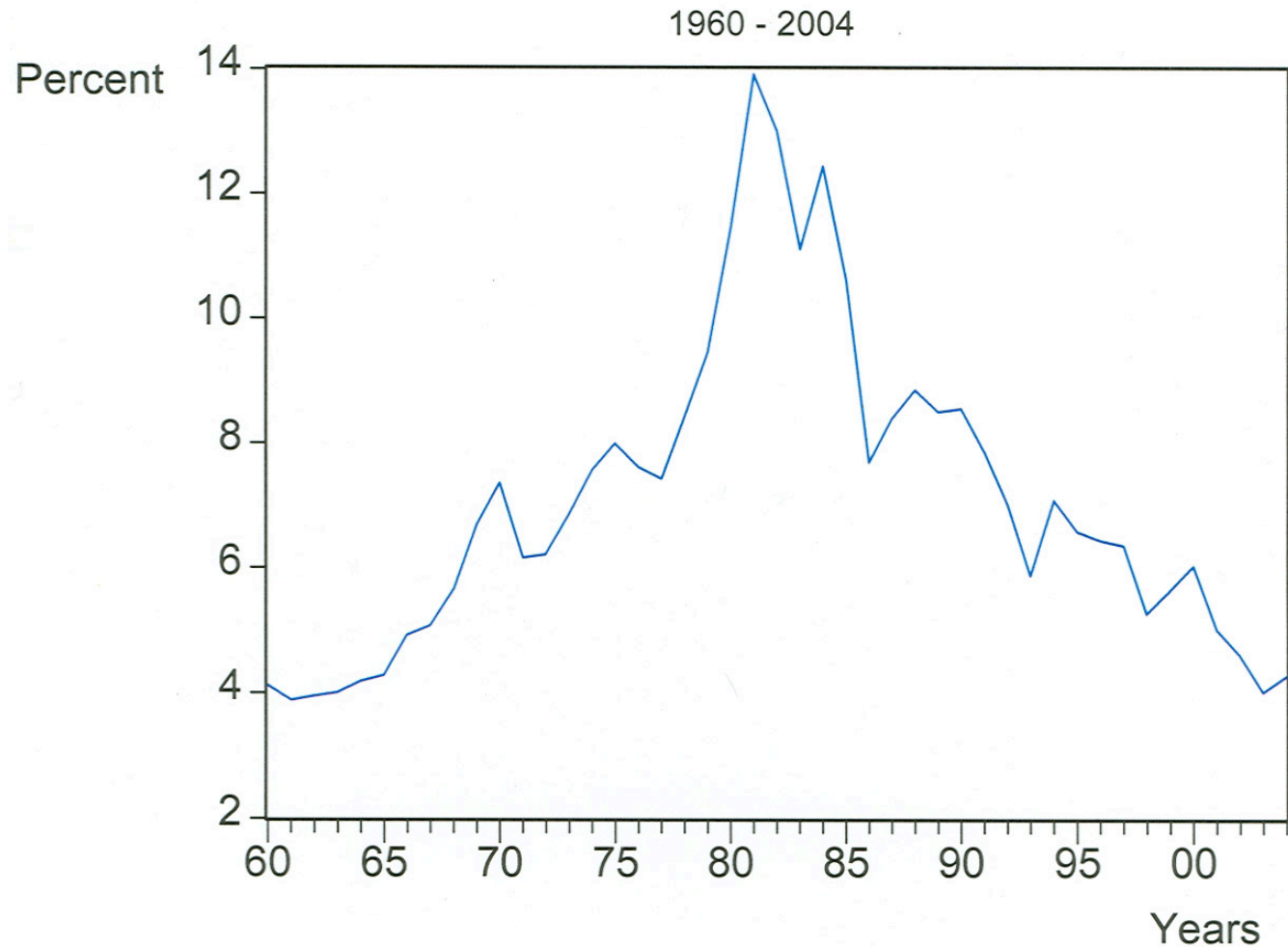
The Civilian Unemployment Rate



The Civilian Unemployment Rate

Year	Rate
1994	6.1%
1995	5.6
1996	5.4
1997	4.9
1998	4.5
1999	4.2
2000	4.0
2001	4.8
2002	5.8
2003	6.0
2004	5.5
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Summary Statistics	1960 - 2004
Range	3.5 - 9.7
Average	5.9
Standard Deviation	1.4

Yield on 10-Year T-Bond



Yield on 10-Year T-Bond

Year	Yield
1994	7.1%
1995	6.6
1996	6.4
1997	6.4
1998	5.3
1999	5.6
2000	6.0
2001	5.0
2002	4.6
2003	4.0
2004	4.3
Summary Statistics	1960 - 2004
Range	3.9 - 13.9
Average	7.1
Standard Deviation	2.5

U.S. Economy in 2006

Variable	AVERAGE	TIMES SERIES FORECAST					CONSENSUS	
	2005	2006.1	2006.2	2006.3	2006.4	Avg. 2006	ROUND TABLE	BLUE CHIP
REAL GDP GROWTH	3.8	3.1	3.9	5.0	3.9	3.9		3.3
INFLATION (GDP DEFLATOR)	3.0	3.2	3.2	3.4	3.4	3.2		2.4
UNEMPLOYMENT RATE	5.1	5.0	5.0	5.1	5.1	5.1		5.0
10 YEAR T-BOND	4.3	4.3	4.3	4.4	4.3	4.3		4.8

The Score Card RMSE*

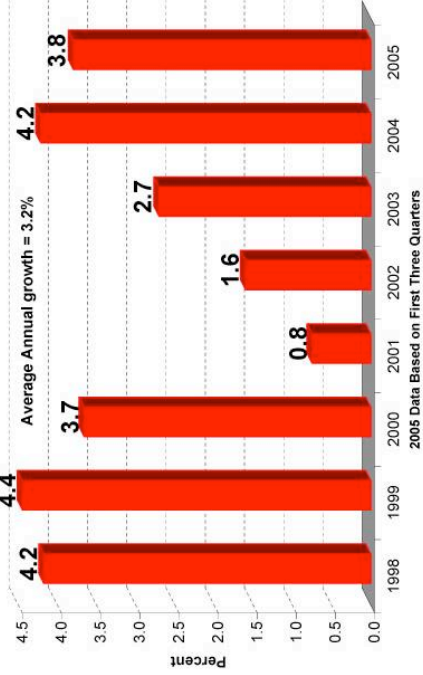
Year	Model	Round Table	Blue Chip
1998	1.11	–	1.33
1999	0.70	–	1.19
2000	0.50	0.30	0.62
2001	1.27	1.46	1.33
2002	0.77	0.67	0.34
2003	0.81	0.81	0.80
2004	0.45	0.35	0.52
Average	0.80	0.72	0.86

$$\text{RMSE} = \sqrt{\sum_i (F_i - A_i)^2 / N}$$

Forecast Entry Card – 2006

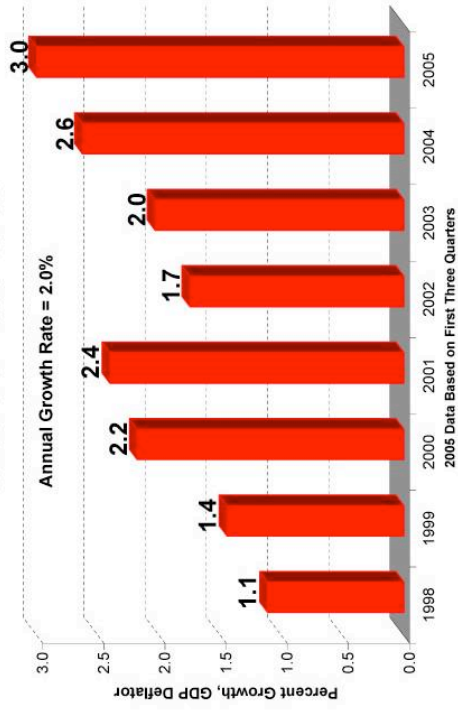
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Annual Growth of Gross Domestic Product Since 1998



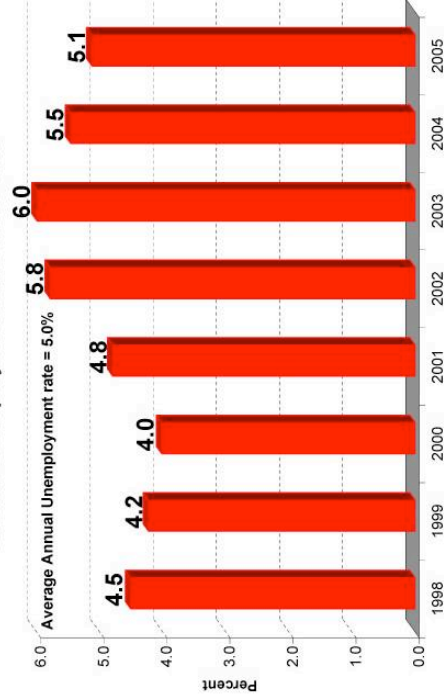
Real GDP Growth _____

Annual Growth of Prices Since 1998



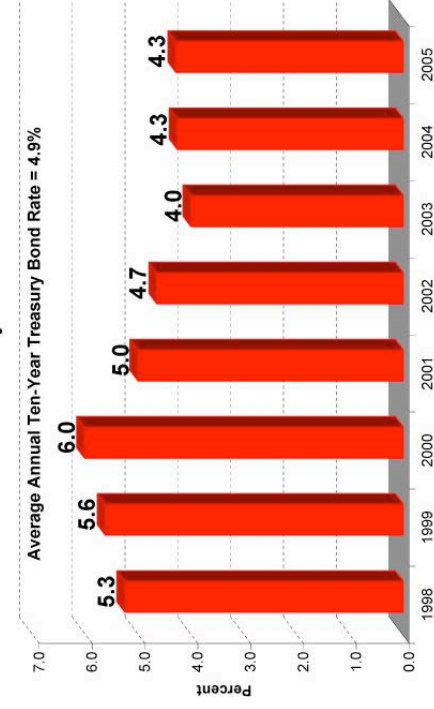
Inflation _____

Annual Unemployment Rate Since 1998



10-Year T-Bond _____

Annual Ten-Year Treasury Bond Rate Since 1998



Unemployment Rate _____