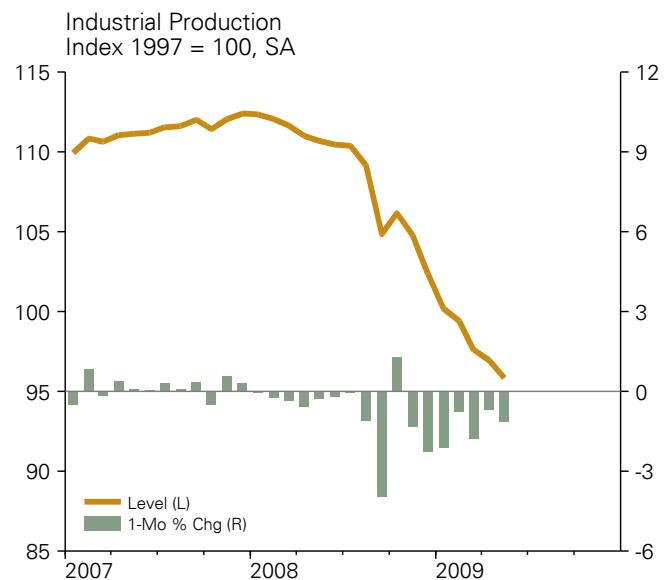


Industrial production decreased 1.1% in May following a downward-revised 0.7% drop in April. The May decline was broad-based across industries. Production is down 14.6% annualized year-to-date and 13.4% from a year earlier. Utility output fell 1.4% and mining output fell 2.1%. The rate of capacity utilization fell to 68.3% - well below the previous cyclical low of 70.9% that occurred in the first month of recovery from the 1981-82 recession.

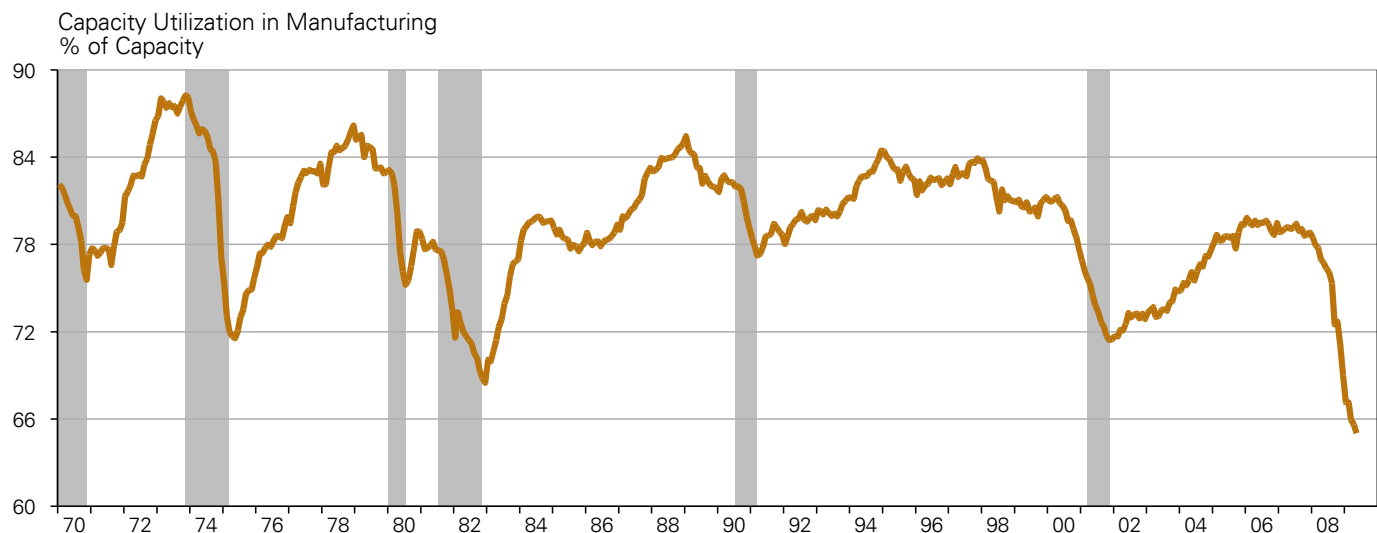
Manufacturing activity continued to deteriorate at a brisk pace in May both in the Midwest and across the country. Capacity utilization in manufacturing fell to a new all-time low.

Manufacturing production fell 1.0% in May to 15.3% below the year earlier level and 16.9% below the cyclical peak reached in December 2007. The next closest cyclical decline in manufacturing was the drop of 15.3% that occurred in the mid 1970s. Large decreases in production occurred in motor vehicles and parts, machinery, textile and product mills, paper and petroleum and coal products. The rate of capacity utilization in manufacturing fell to a new all-time low of 65.0%, further surpassing the previous low of 68.6% reached in December 1982.

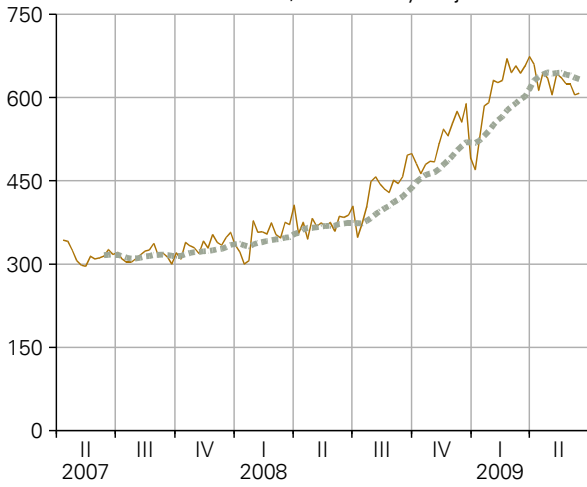
Midwest manufacturing production fell 3.1% in May to 24.4% below the year earlier level, according to the Federal Reserve Bank of Chicago. Output contracted 10.7% in the auto sector, 3.3% in the machinery sector and 2.2% in the steel sector, while rising 0.2% in the resource sector. Ongoing adjustments in the motor vehicle industry are expected to prolong weakness in manufacturing in Ohio and the Great Lakes states.



Jim Coons



Initial Claims for Unemployment Insurance
Thousands Per Week, Seasonally Adjusted



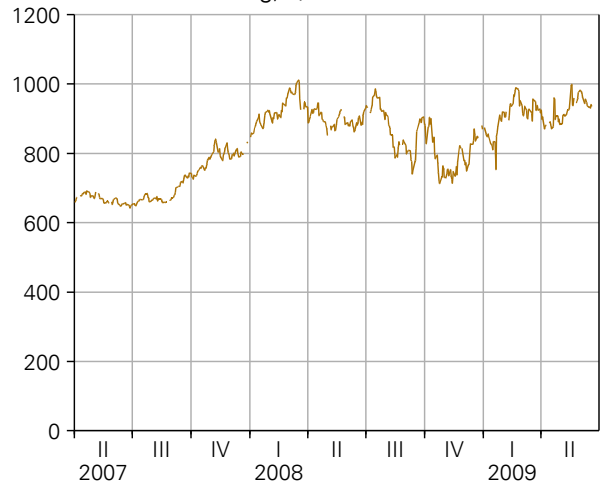
U. S. Dollar Exchange Rate
FRB Major Currency Index, 1973 = 100



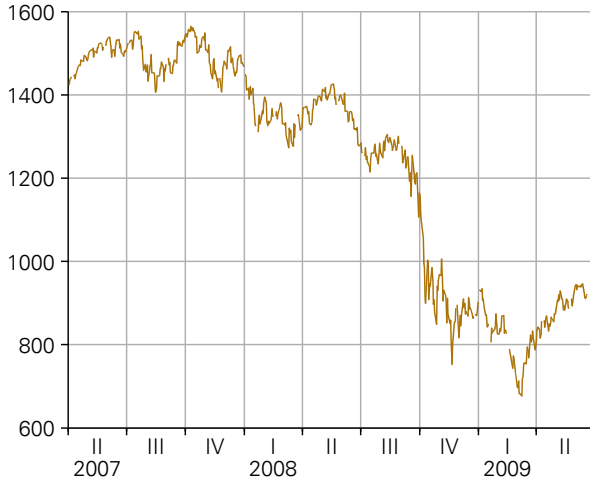
Price of Oil
West Texas Int, \$/bbl



Price of Gold
London PM Fixing, \$/oz



S&P 500 Stock Prices
Daily Close, Index 1941-43 = 10



Mortgage Loan Originations
MBA Purchase Index 3/16/90=100 SA

