

The Weekly Leading Index (WLI) published by the Economic Cycle Research Institute increased for the ninth straight week on a 4-week moving average during the week ending January 15. The smoothed six-month rate of change was 23.4%, below the all-time high of 28.6% in early October, but still up substantially from the low for the cycle and the all-time low of -29.7% reached in December 2008. The WLI remains consistent with continued economic recovery.

The peak growth rate in the WLI has been highly correlated with the peak 4-quarter growth rate in real GDP during the first two years of previous economic recoveries. The current growth rate of the WLI is consistent with a much stronger rate of growth in real GDP at some point during the next two years than is widely anticipated.

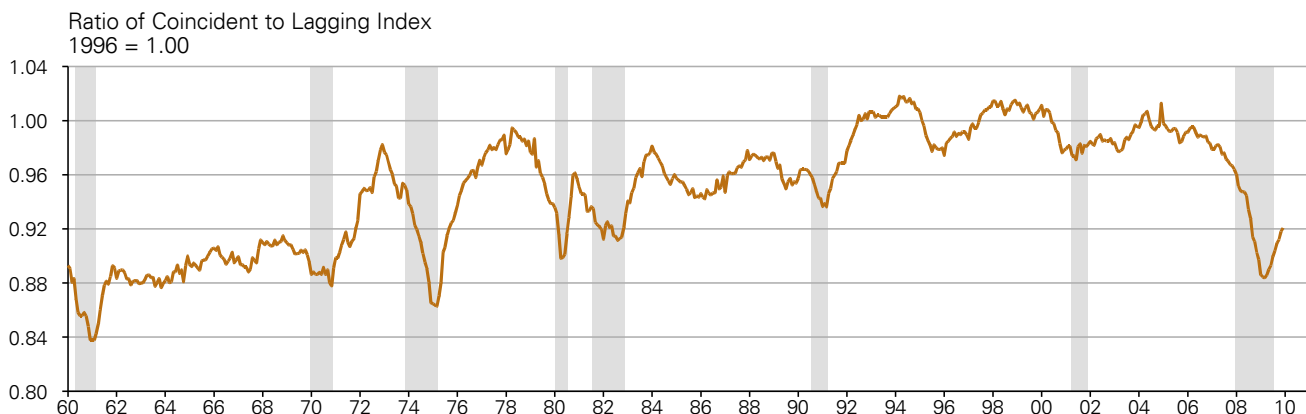
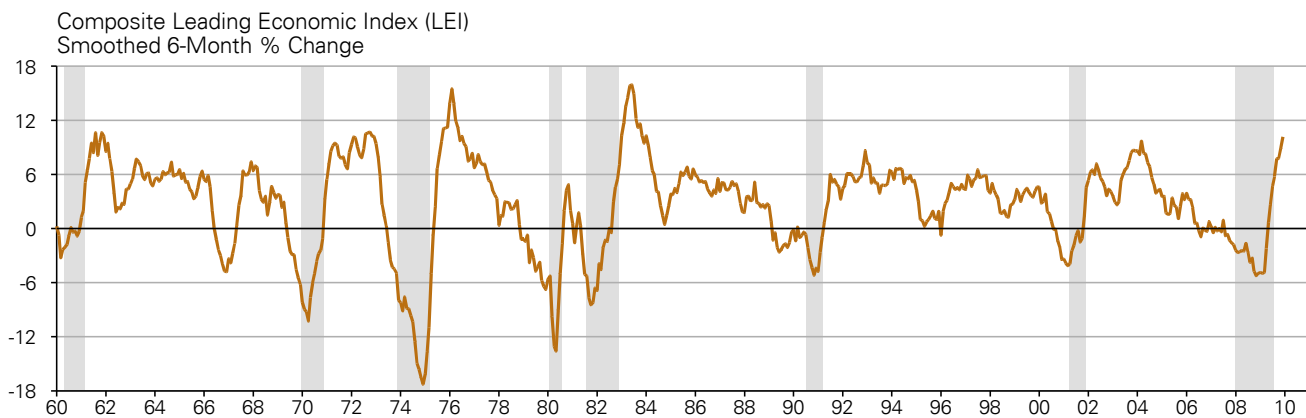
The Leading Economic Index published by the Conference Board increased 1.1% in December – the ninth

Leading economic indicators continue to build the case that the recession ended and recovery has begun.

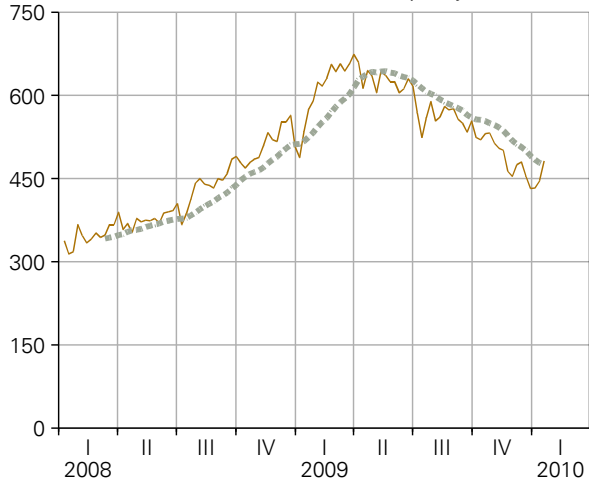
consecutive monthly rise. The smoothed six-month rate of change increased to 7.7% – the sixth consecutive positive change and the best since July 2004. The sharp upturn is very strong evidence that economic recovery is underway.

The Ratio of the Coincident to Lagging Economic Index increased for the ninth straight month and has been higher than the year earlier level for three straight months. The ratio has reached its cyclical trough at approximately the same time that recessions have ended on many occasions in the past.

Jim Coons



Initial Claims for Unemployment Insurance
Thousands Per Week, Seasonally Adjusted



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



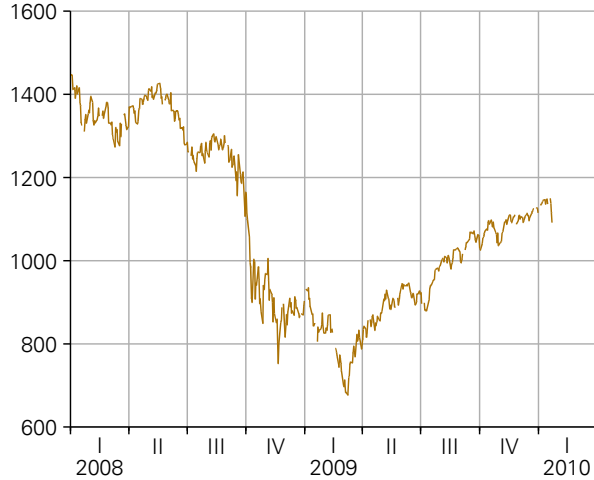
Price of Oil
West Texas Int, \$/bbl



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

