

# National and Regional Economic Outlook

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March 9, 2010



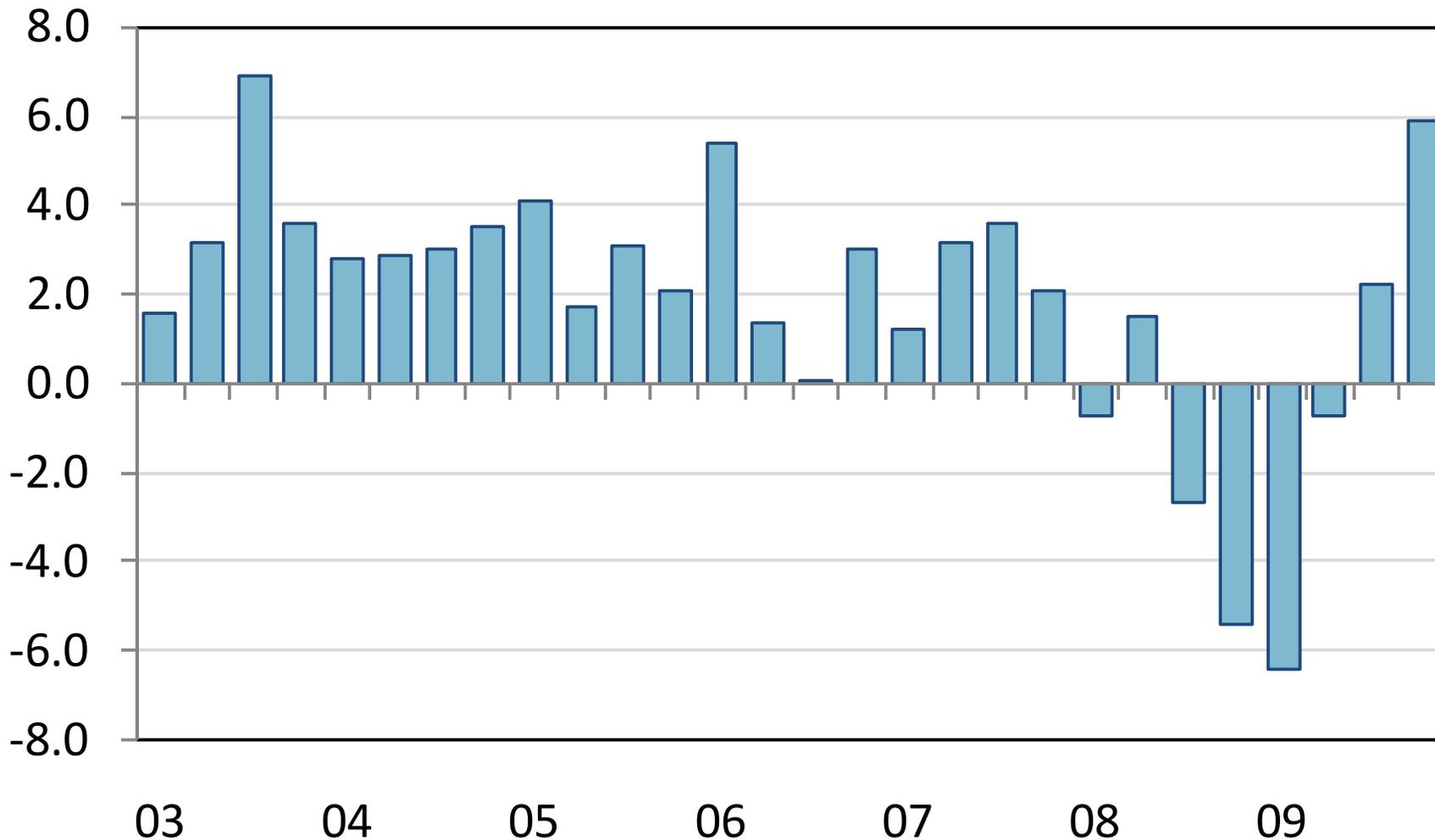
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# Real Gross Domestic Product

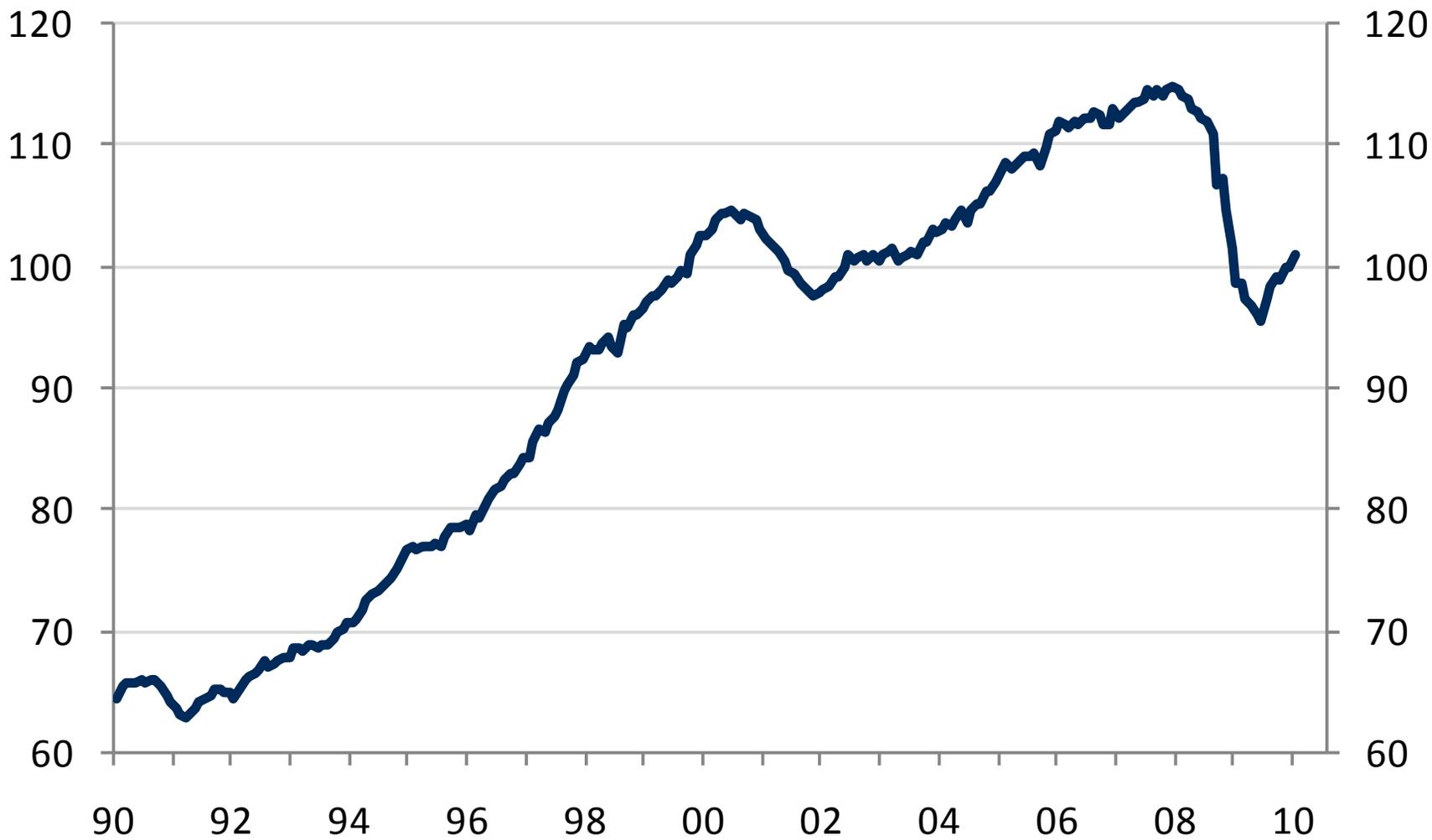
Percent change from previous quarter at annual rate





# Industrial Production Index: Manufacturing

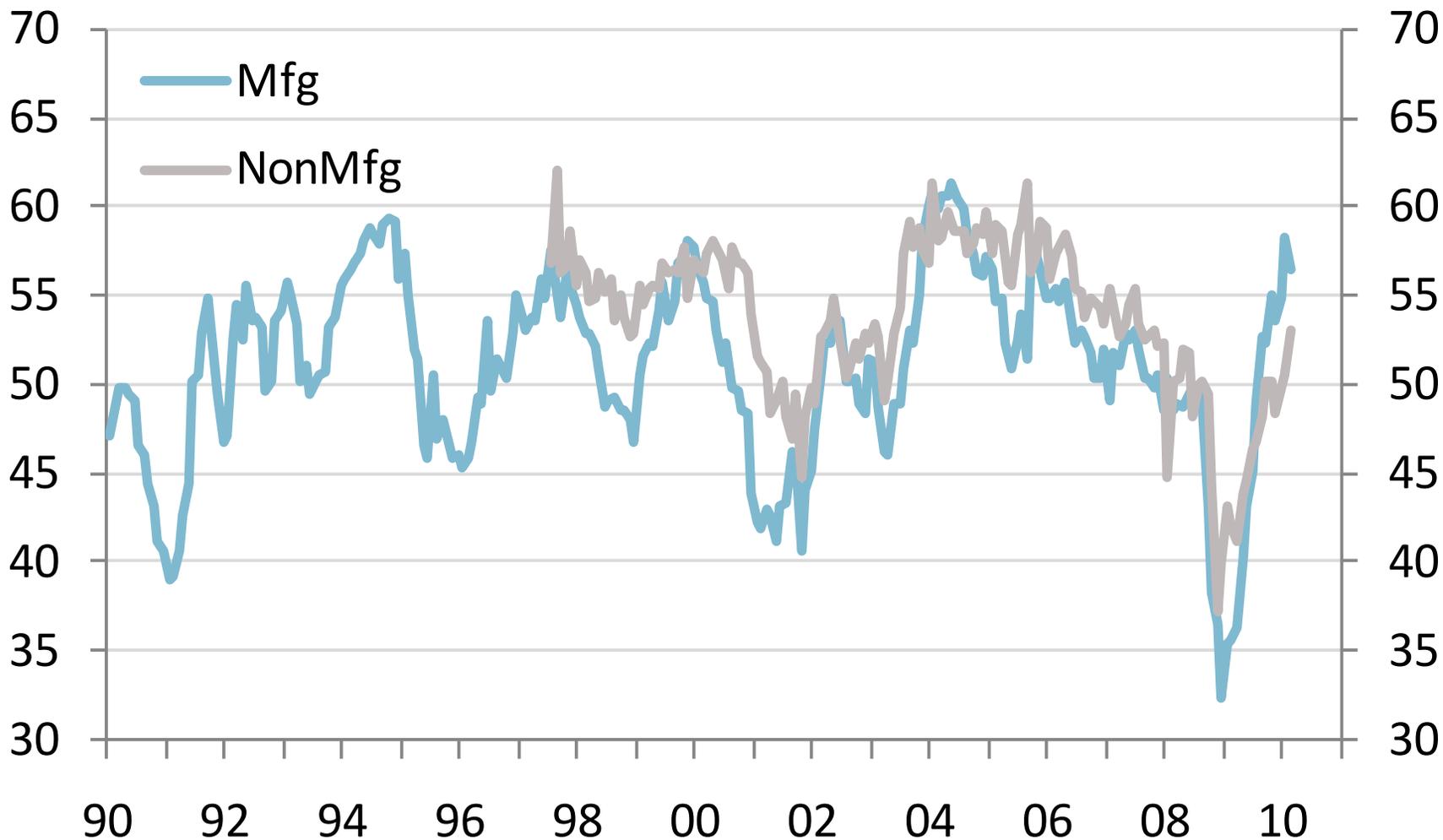
2002 = 100





# Purchasing Managers' Indexes

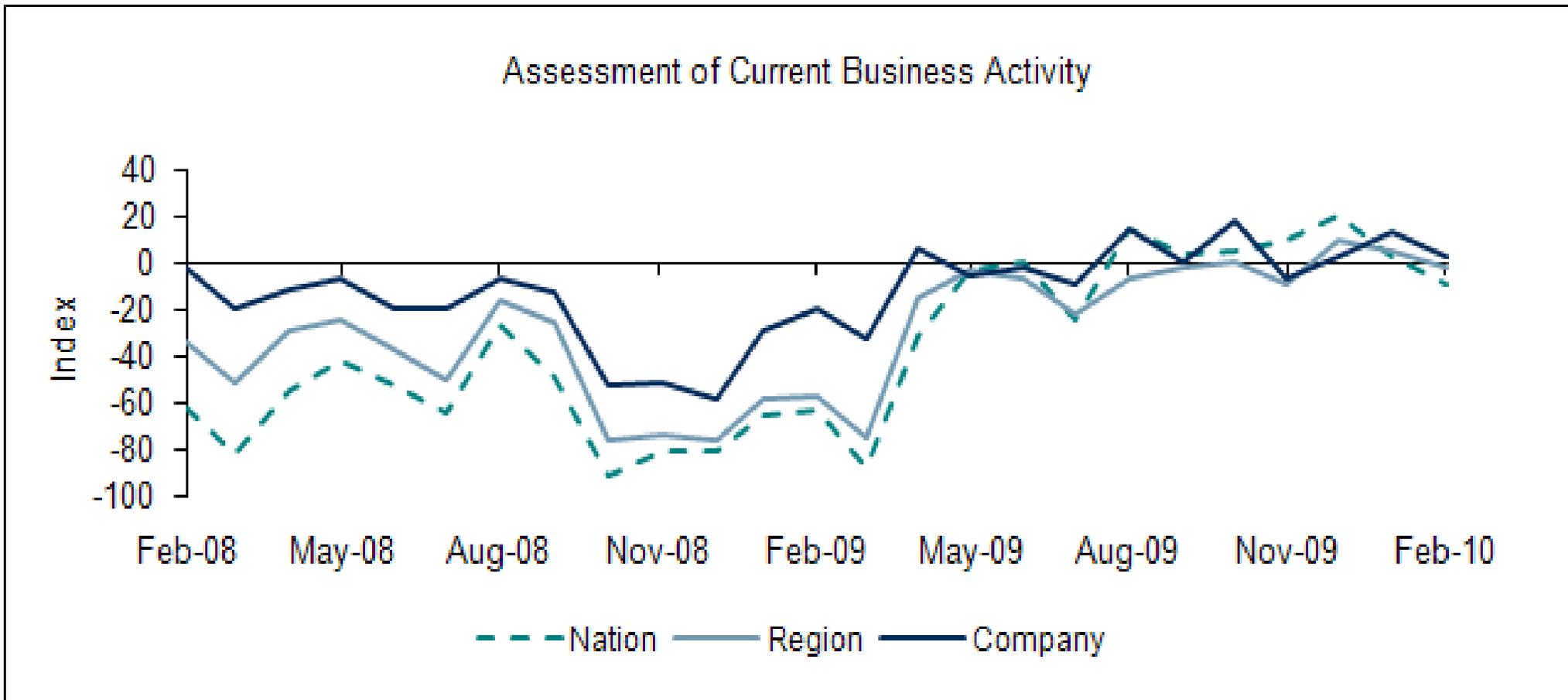
Index > 50 suggests expansion





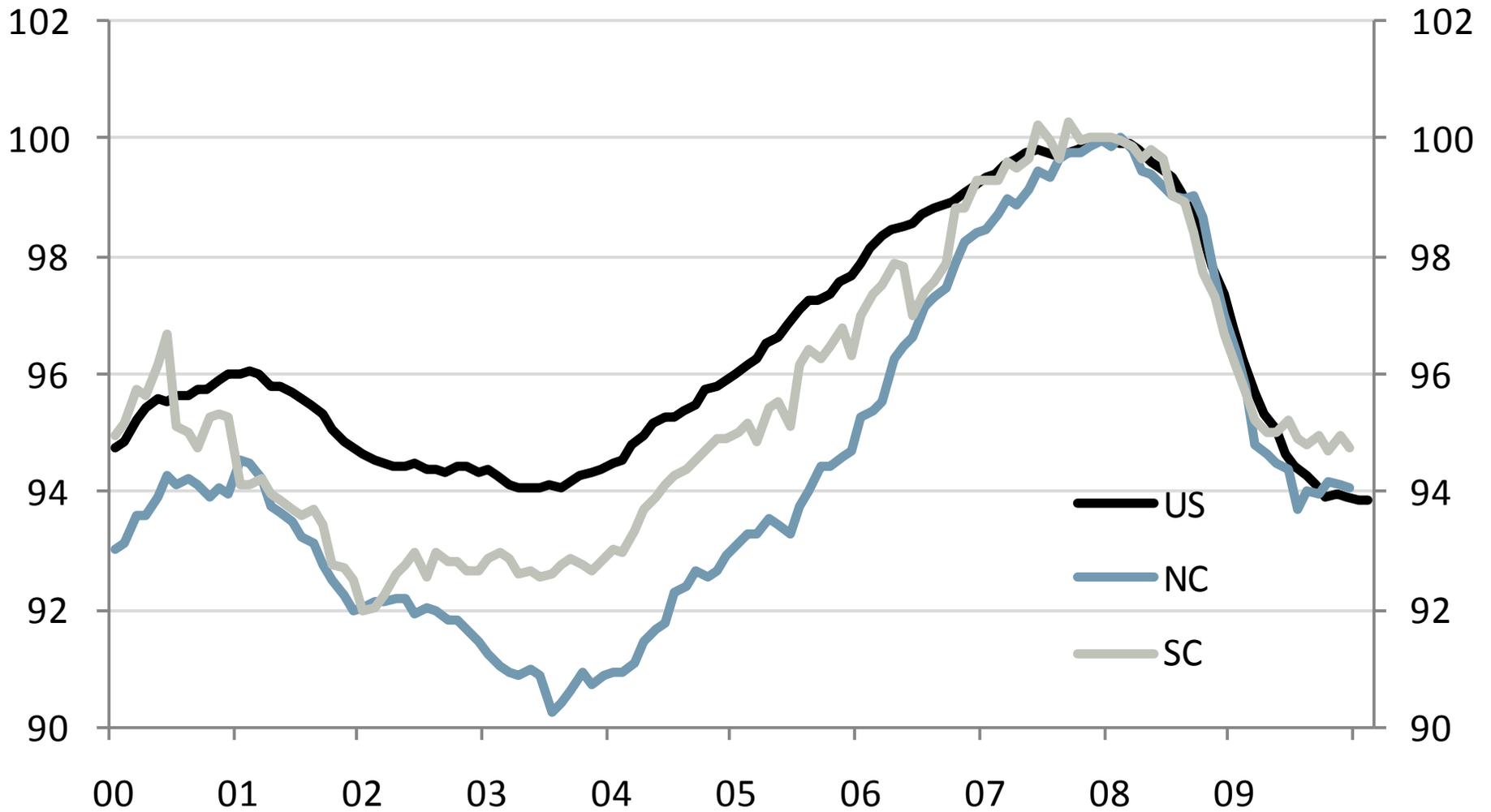
# Carolinas Business Activity Index

Index > 0 suggests expansion

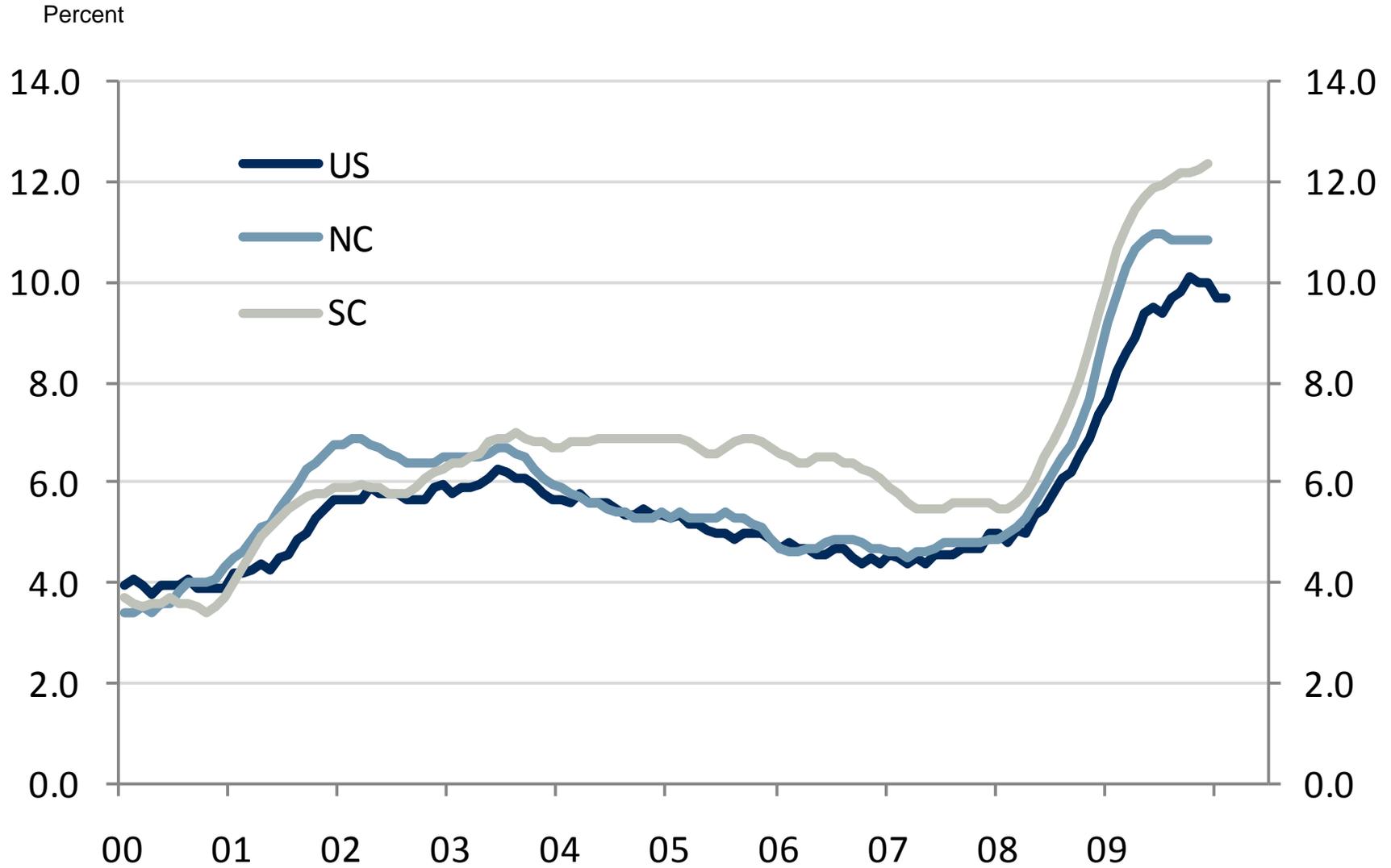


# Employment

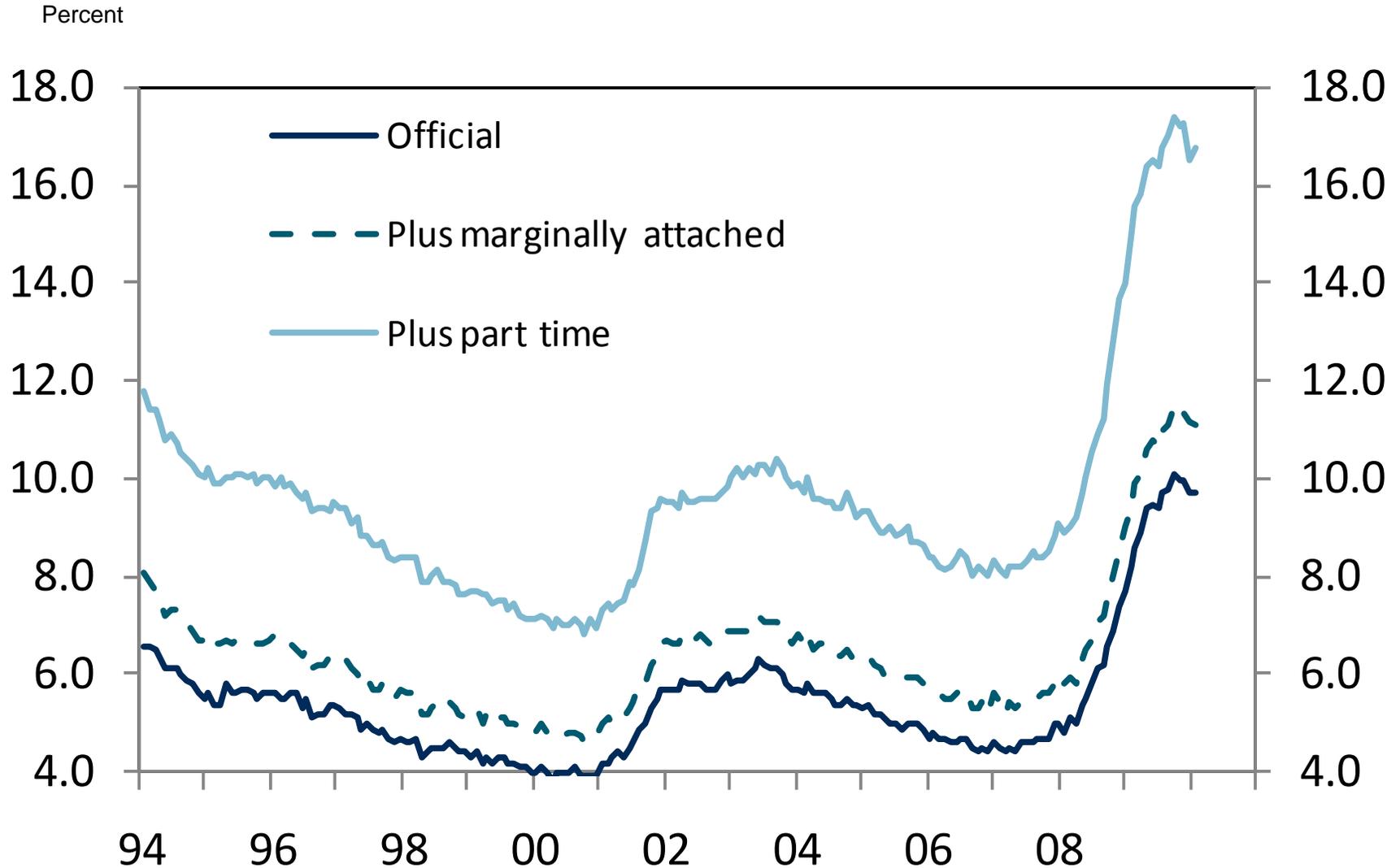
Index, Dec. 2007 = 100



# Unemployment Rates



# Alternative Measures of Labor Market Slack



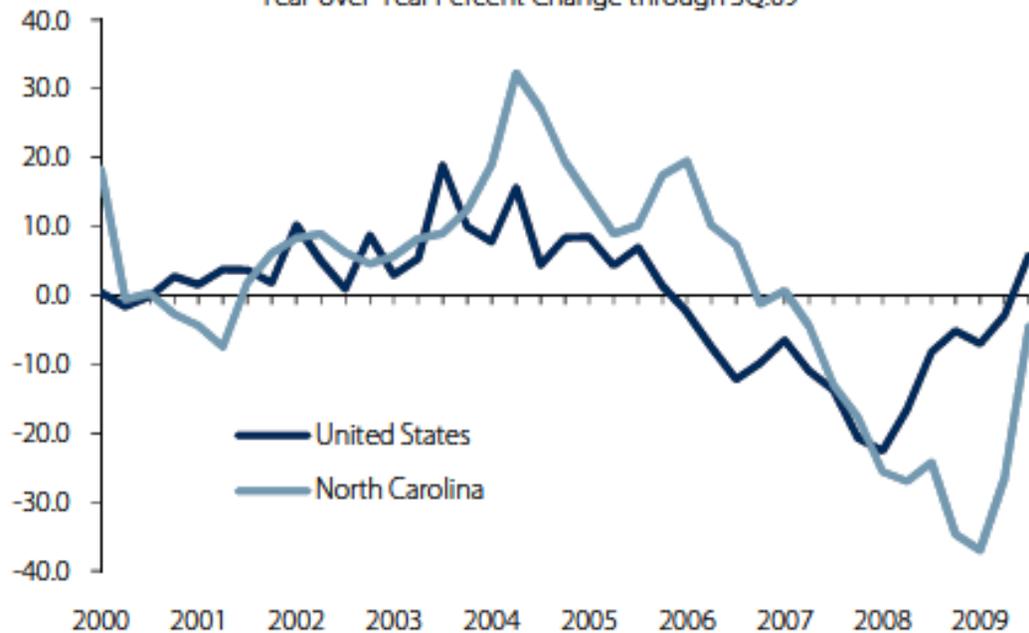


# Existing Home Sales

Percent Change, Y/Y

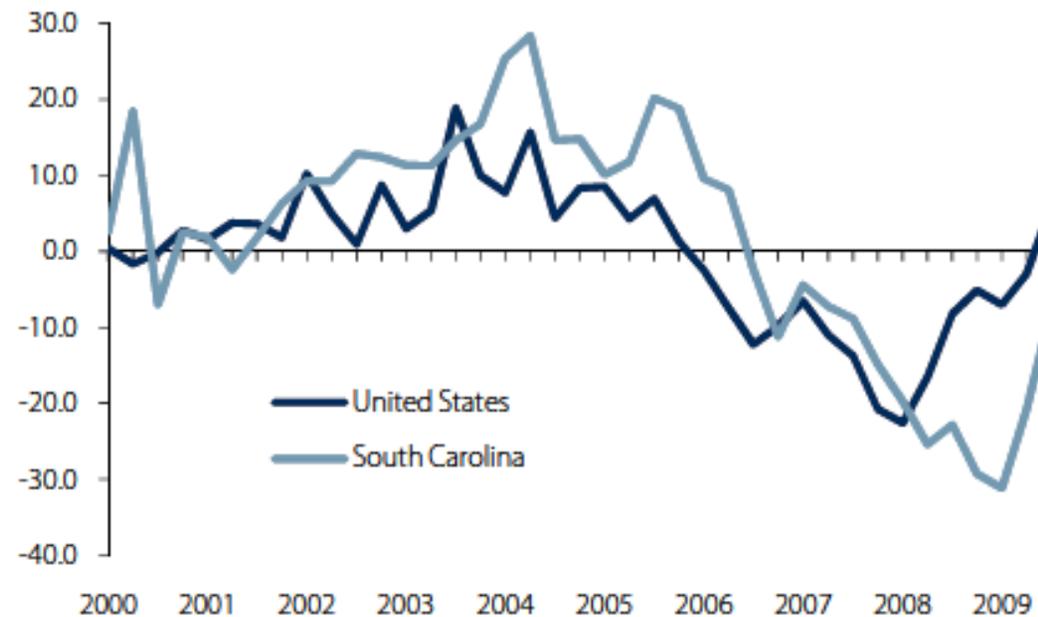
### North Carolina Existing Home Sales

Year-over-Year Percent Change through 3Q:09



### South Carolina Existing Home Sales

Year-over-Year Percent Change through 3Q:09





## The Outlook

- Worst is behind us: recession ended in middle of 2009
- But...economy is still weak, recovery is very fragile
- Reasons to be optimistic recovery will be sustained:
  - Financial markets are healing
  - Household spending and investment are firming
  - Exports are picking up
  - Businesses may be “looking forward” again
- Reasons to be cautious:
  - Households constrained by elevated unemployment and weak wage growth...
  - ...businesses by slow revenue growth and excess capacity





**Thank You For Your Time**



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