

The Outlook for the US Economy

Univest National Bank and Trust Co.

May 20, 2010

Luke A. Tilley



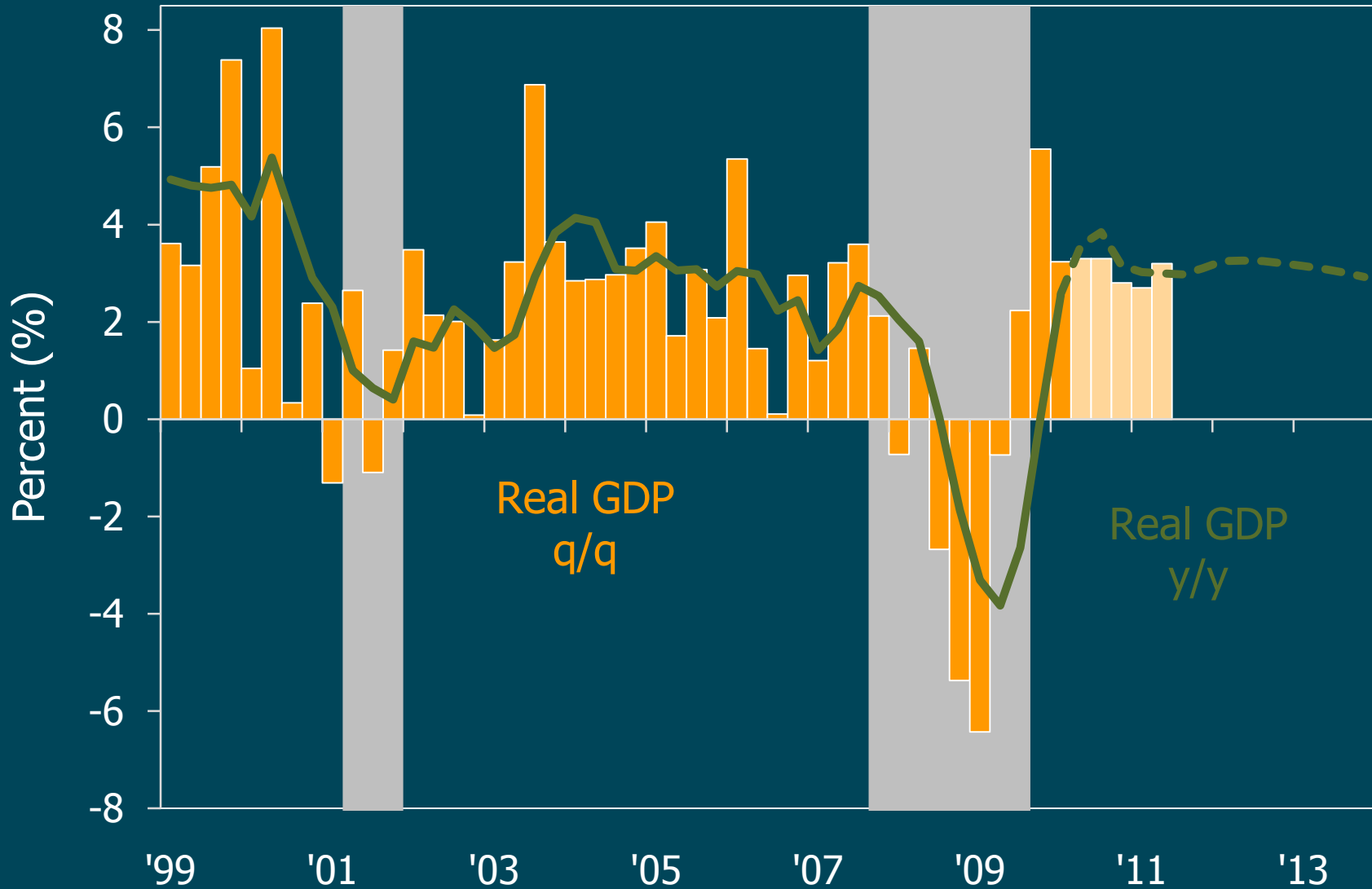
FEDERAL RESERVE BANK
OF PHILADELPHIA

Today's agenda

- Recent Economic Performance and Outlook
- Housing and Consumers
- Financial Markets
- Monetary Policy



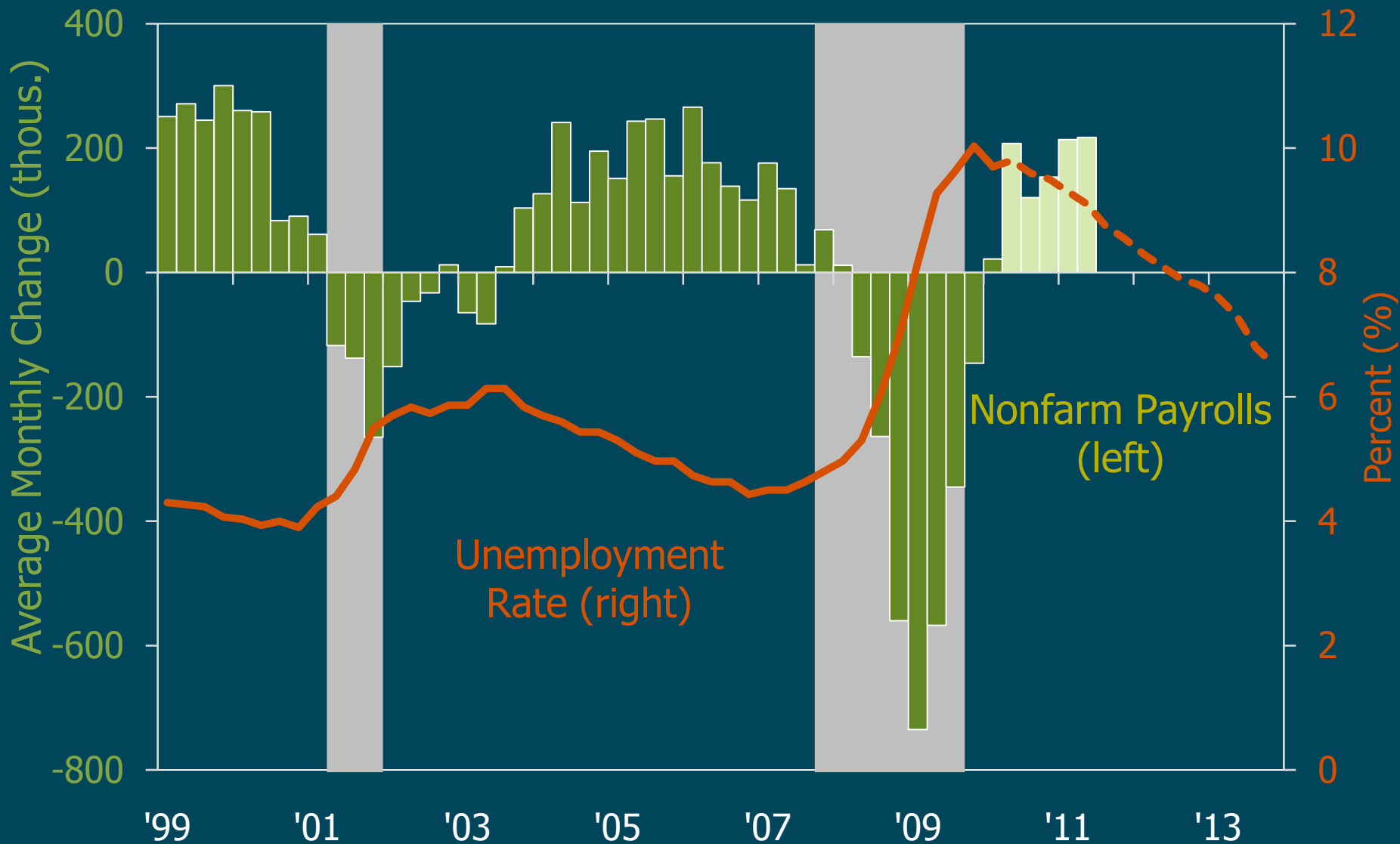
SPF Forecast – Real GDP



Source: Bureau of Economic Analysis
Survey of Professional Forecasters 2010Q2



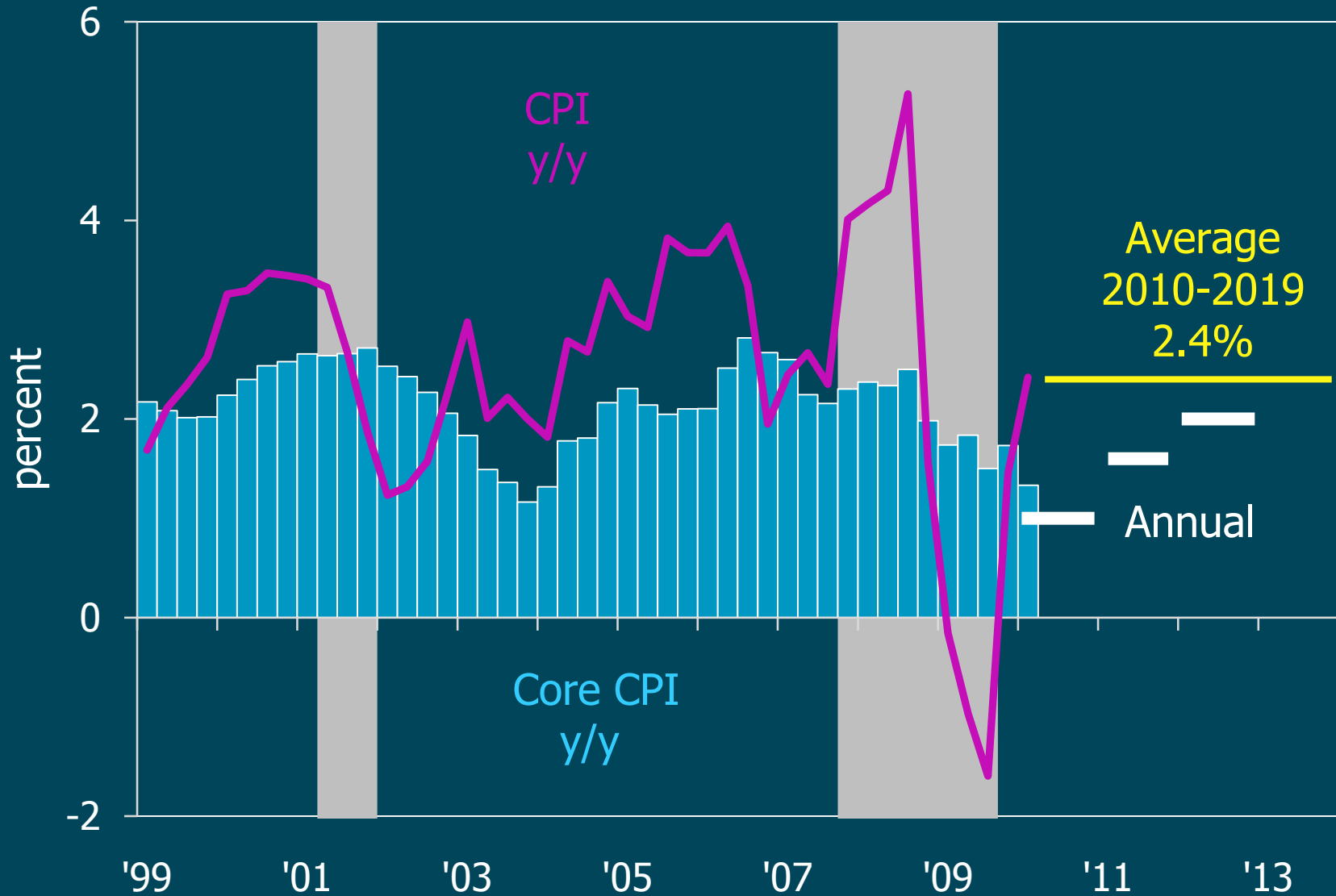
SPF Forecast – Labor Market



Source: Bureau of Labor Statistics
Survey of Professional Forecasters 2010Q2



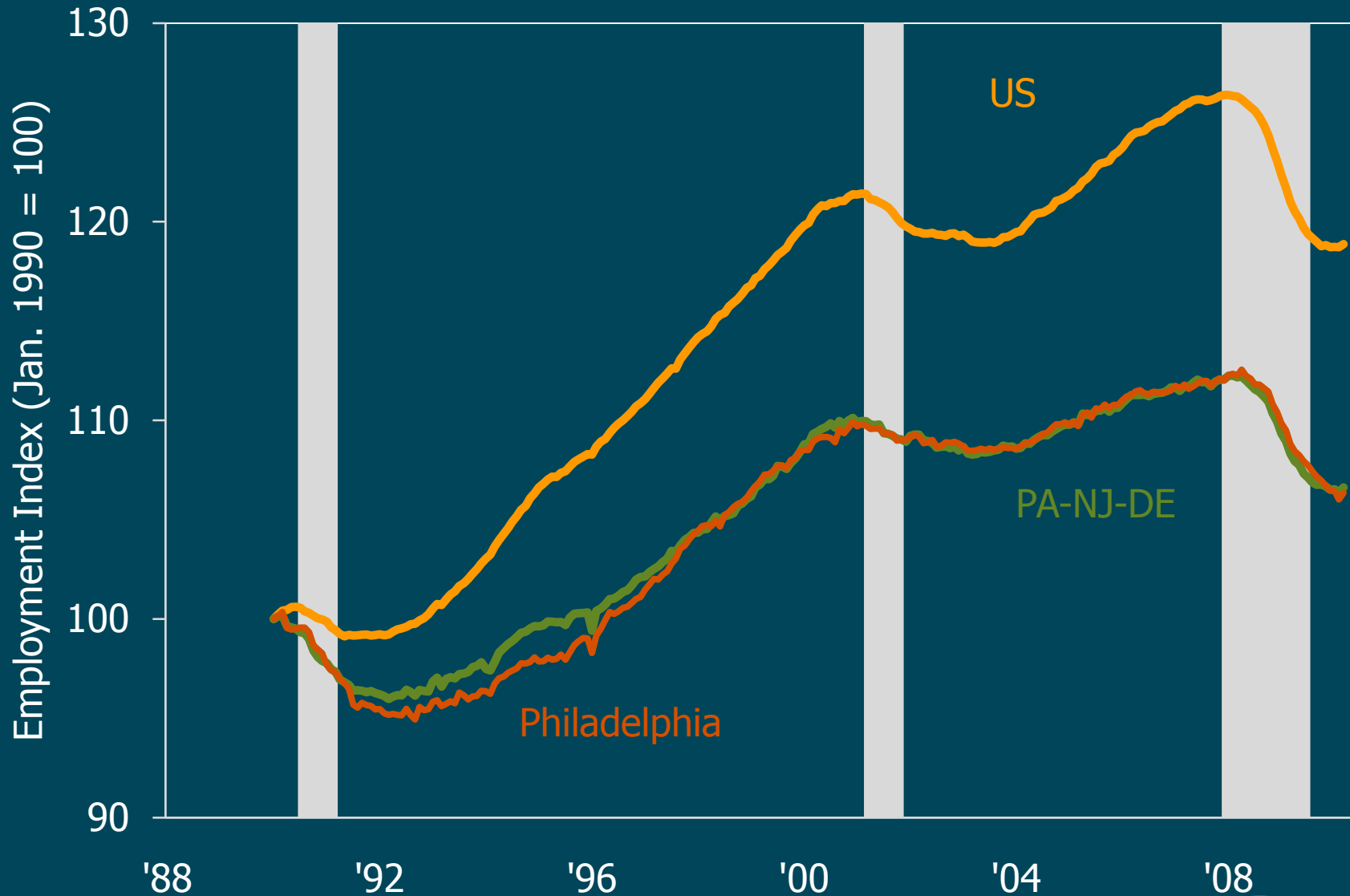
SPF Forecast - Inflation



Source: Bureau of Labor Statistics
Survey of Professional Forecasters 2010Q2



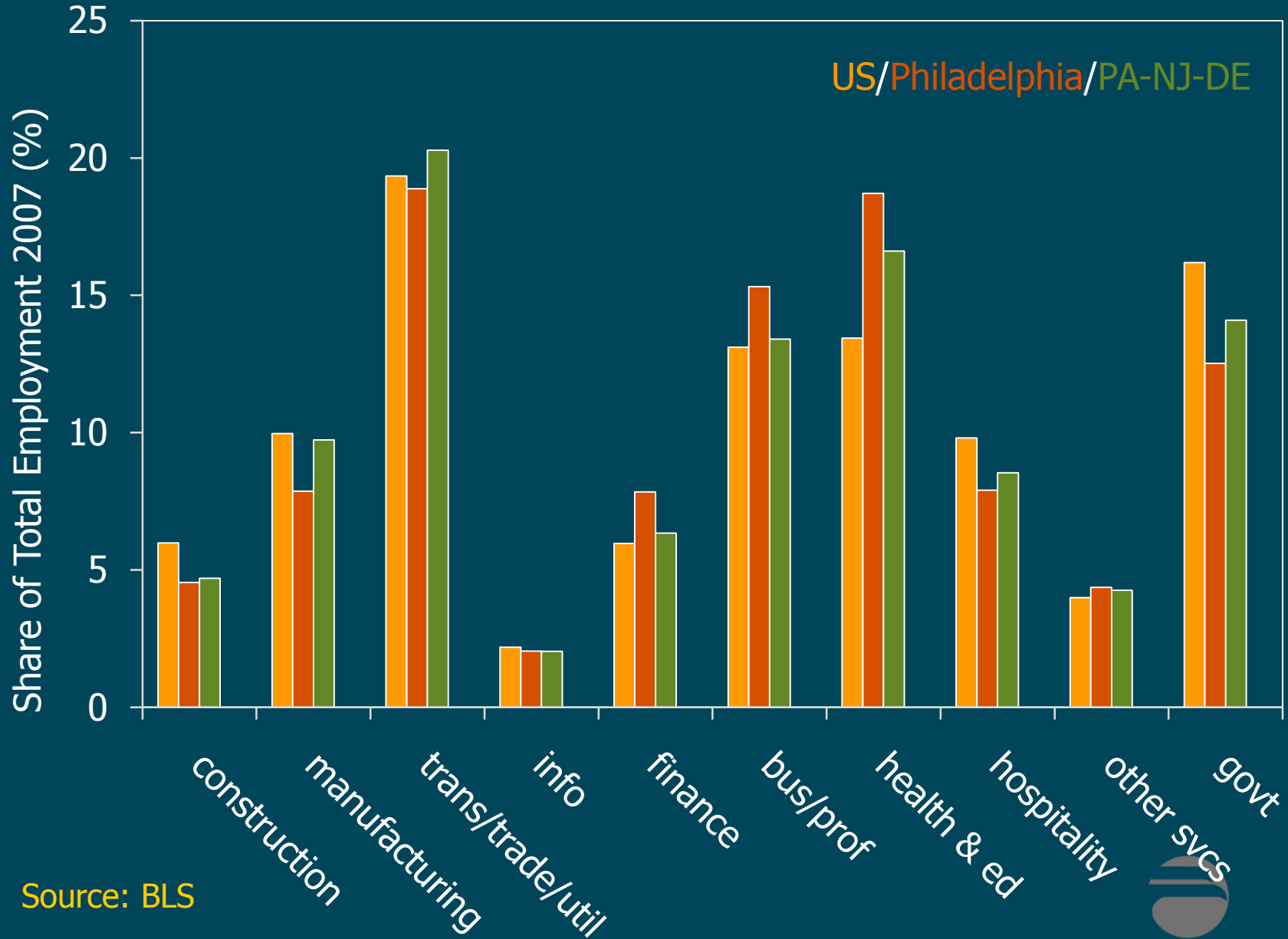
Nonfarm Employment



Source: Bureau of Labor Statistics, Philadelphia Fed
Last Point Plotted: Mar. 2010



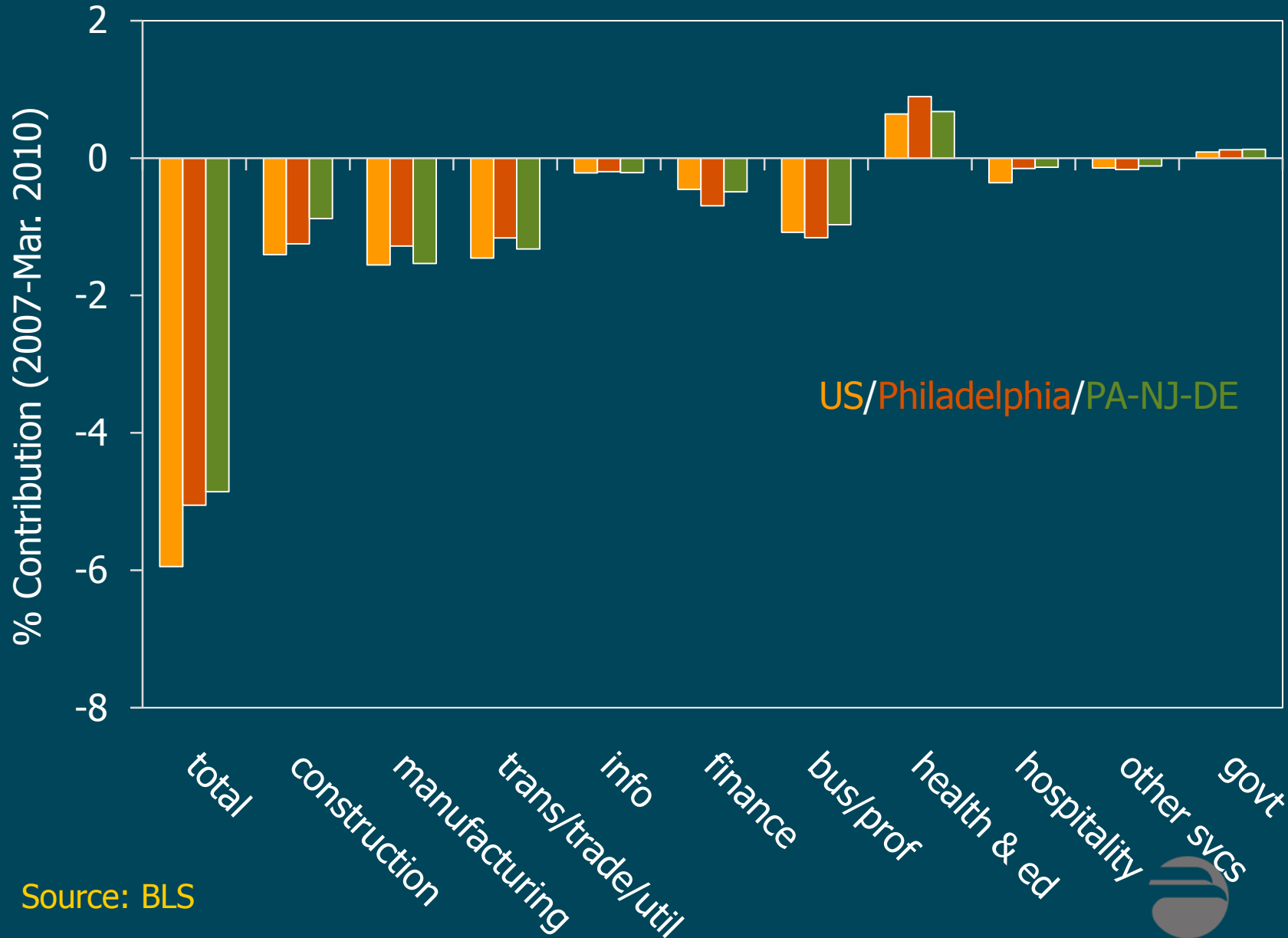
Economic Structure: Employment by Sector



Source: BLS



Economic Performance: Job Losses/Gains by Sector



Source: BLS

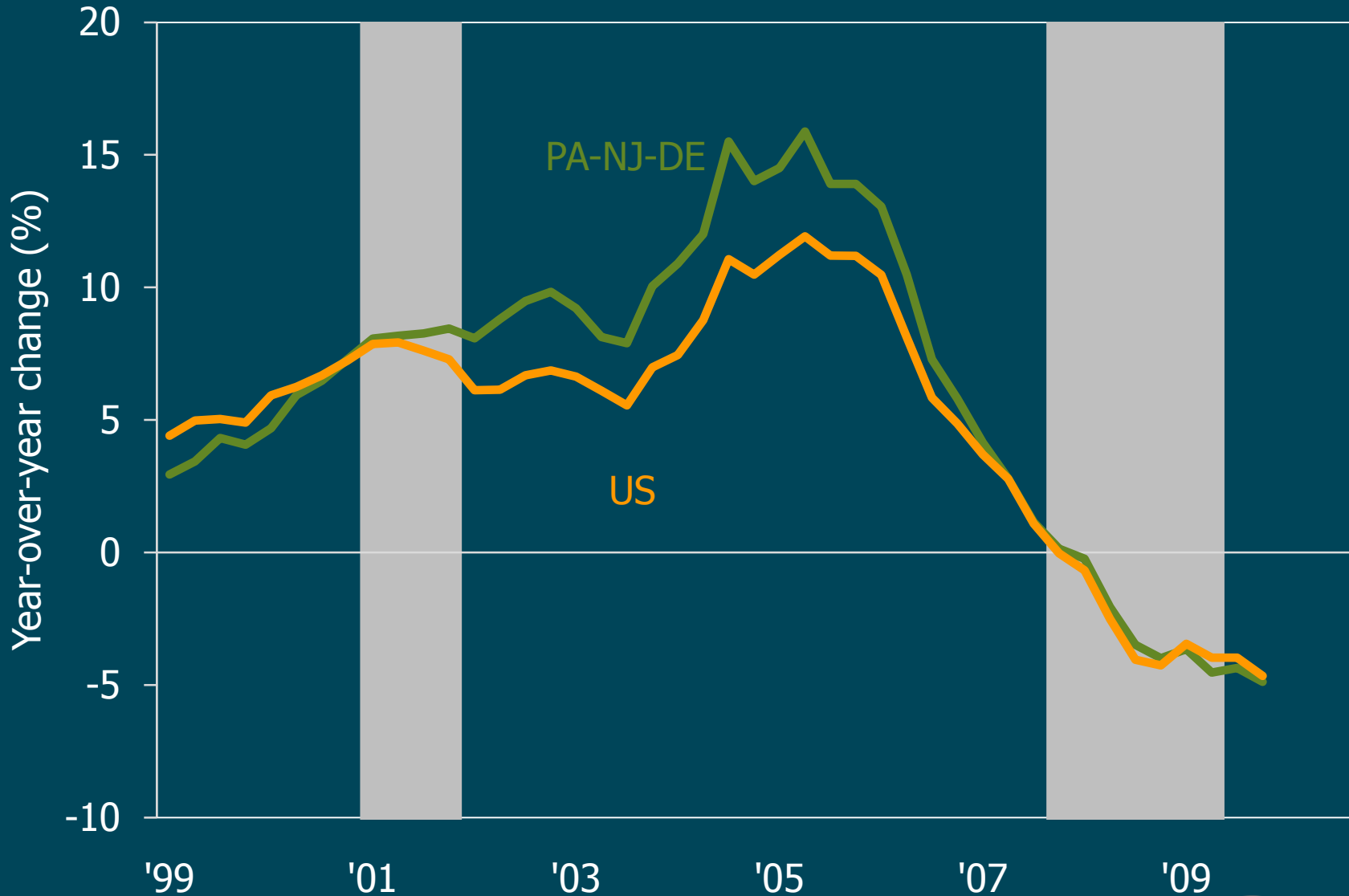


Today's agenda

- Recent Economic Performance and Outlook
- Housing and Consumers
- Financial Markets
- Monetary Policy



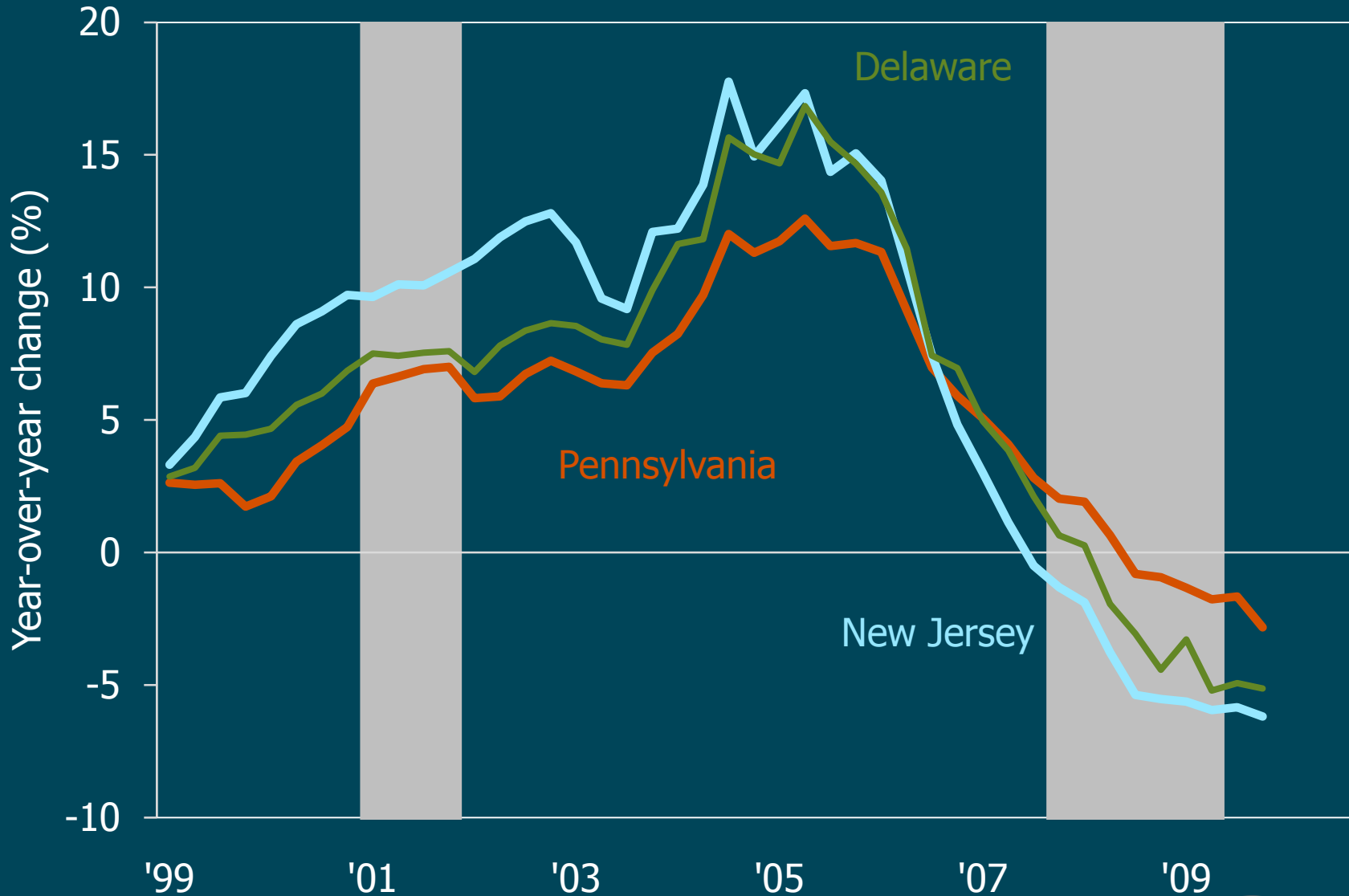
Average Change in Home Prices



Source: Federal Housing Finance Agency
Last Point Plotted: 2009Q4



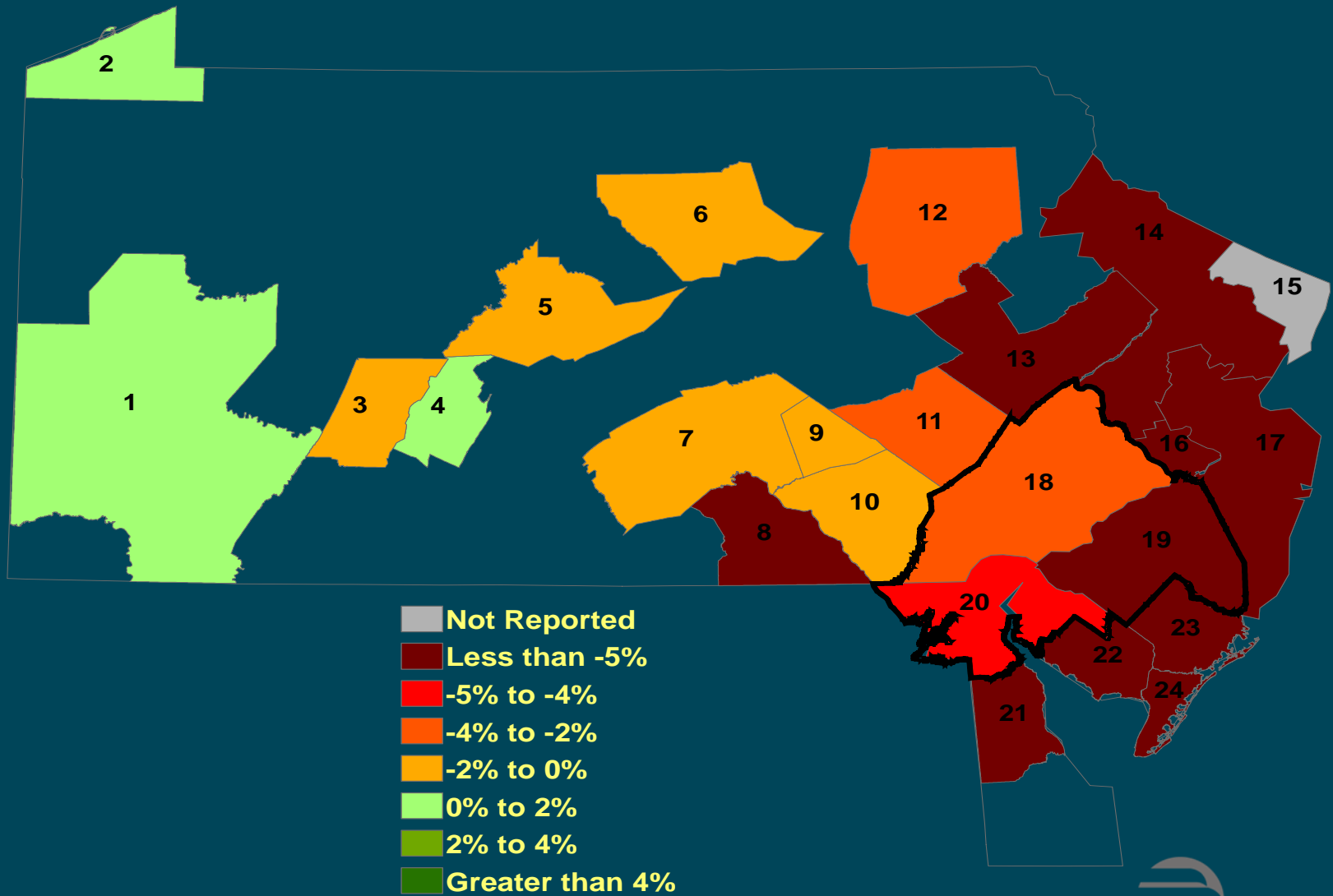
Average Change in Home Prices: 3rd District



Source: Federal Housing Finance Agency
Last Point Plotted: 2009Q4

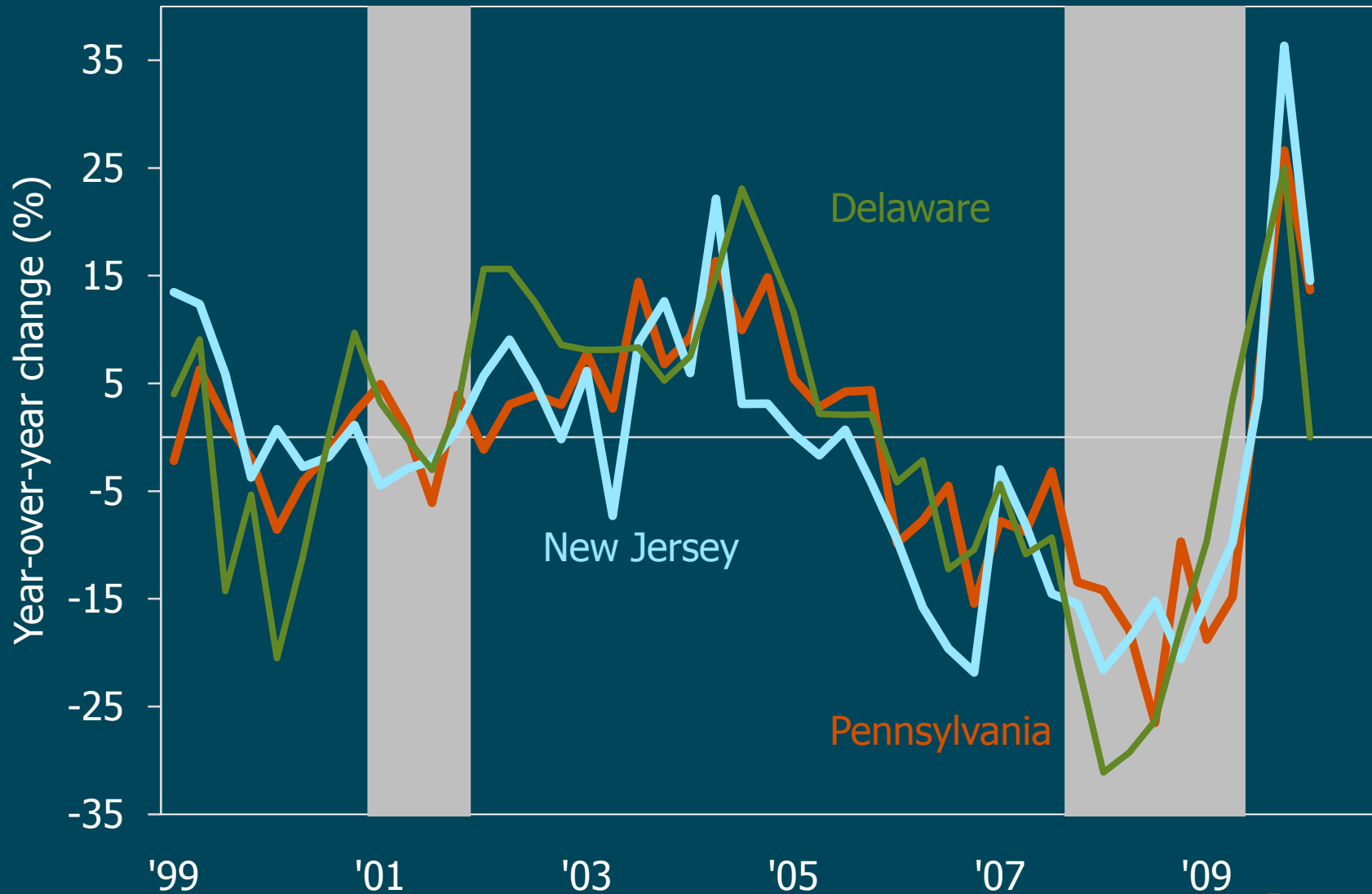


Average Change in Home Prices: 3rd District FHFA Home Price Index



1- Pittsburgh, 2- Erie, 3- Johnstown, 4- Altoona, 5- State College, 6- Williamsport, 7- Harrisburg-Carlisle, 8- York-Hanover, 9- Lebanon, 10- Lancaster, 11- Reading, 12- Scranton-Wilkes-Barre, 13- Allentown-Bethlehem-Easton, 14- Newark-Union, 15- Bergen-Passaic-Hudson, 16- Trenton-Ewing, 17- Edison, 18- Philadelphia, 19- Camden, 20- Wilmington, 21- Dover, 22- Vineland-Millville-Bridgeton, 23- Atlantic City, 24- Ocean City

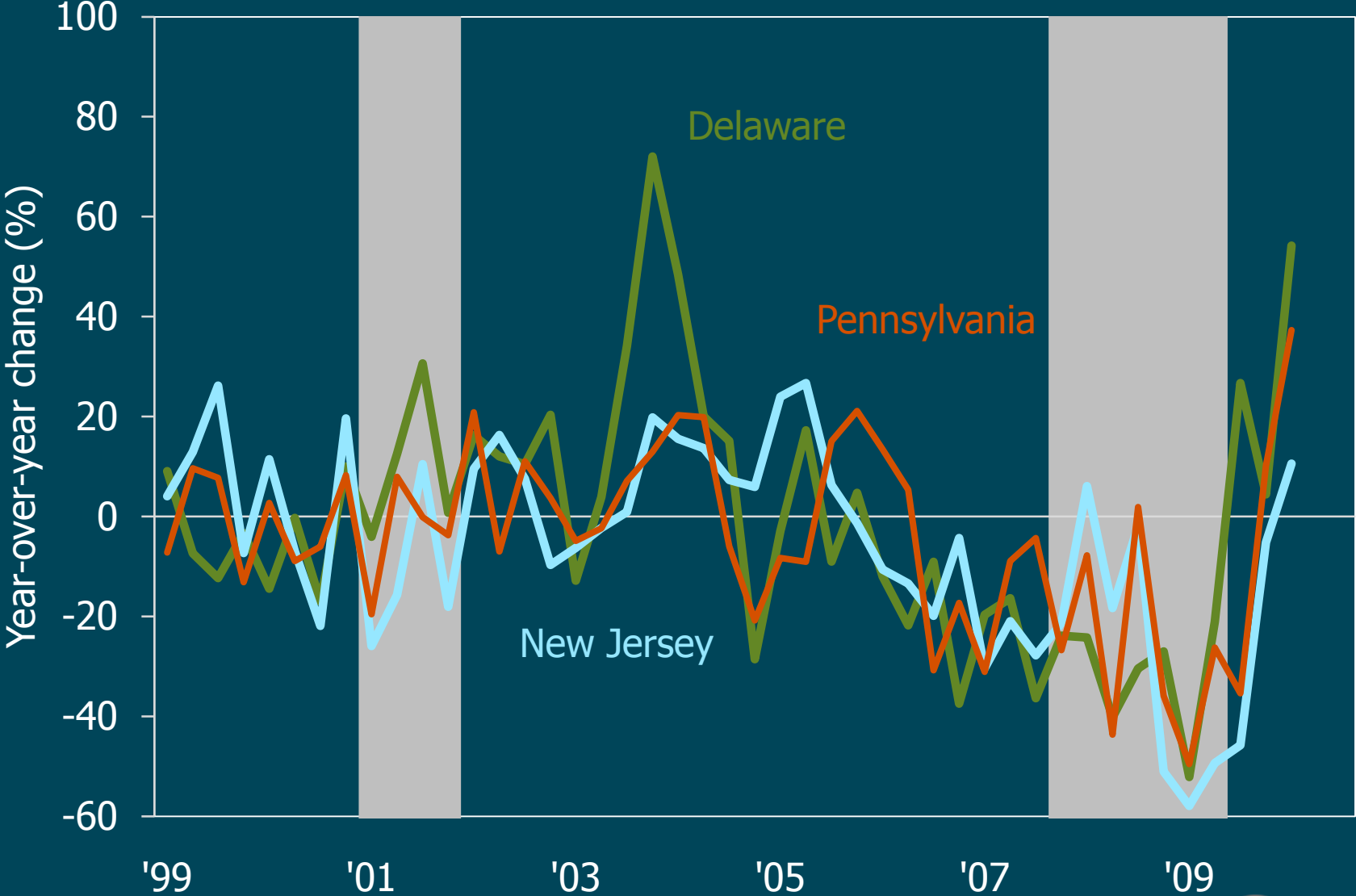
Existing Home Sales: 3rd District



Source: National Association of REALTORS
Last Point Plotted: 2010Q1



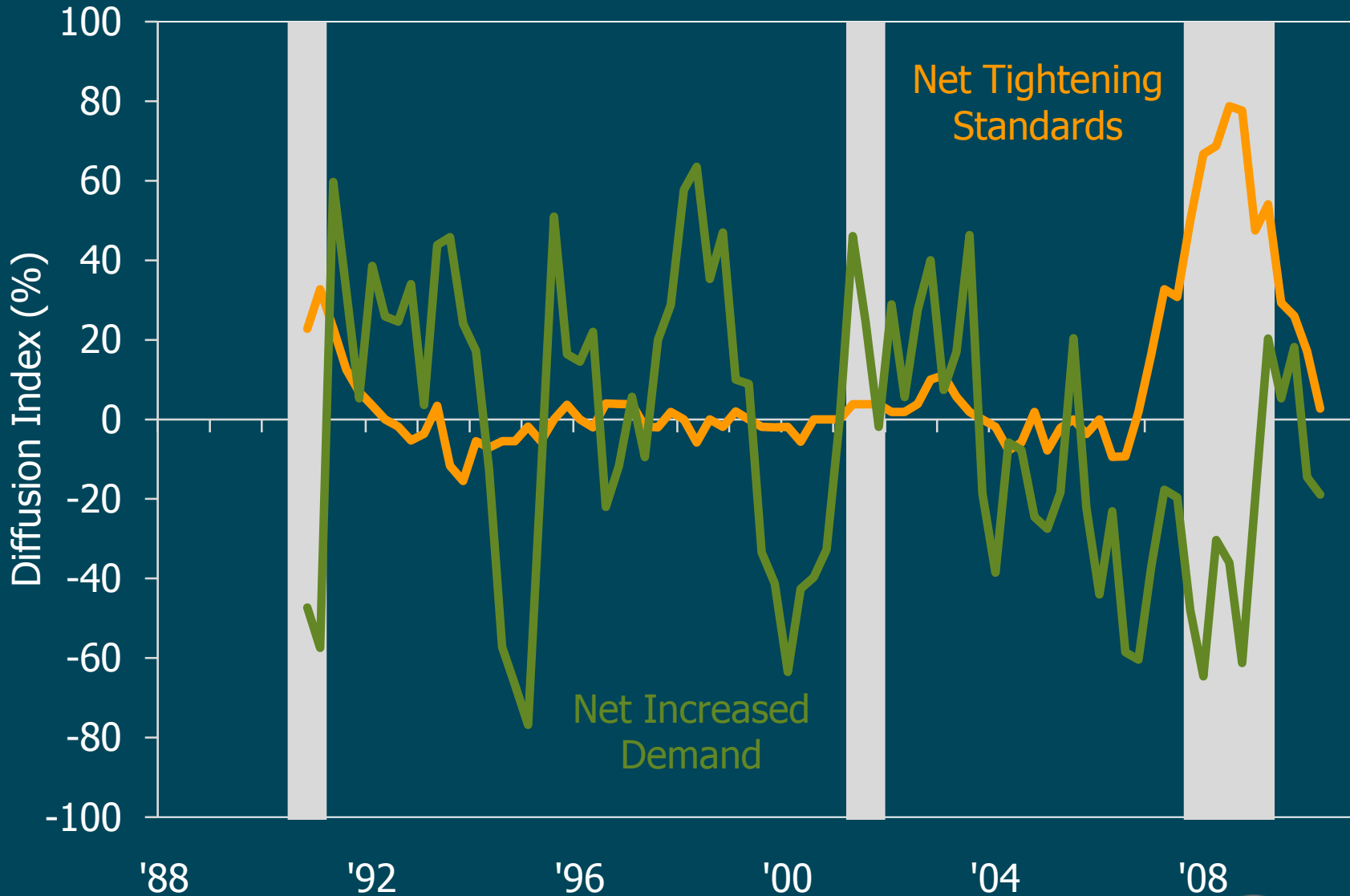
Housing Starts: 3rd District



Source: Census Bureau, Bank of Tokyo – Mitsubishi UFJ
Last Point Plotted: 2010Q1



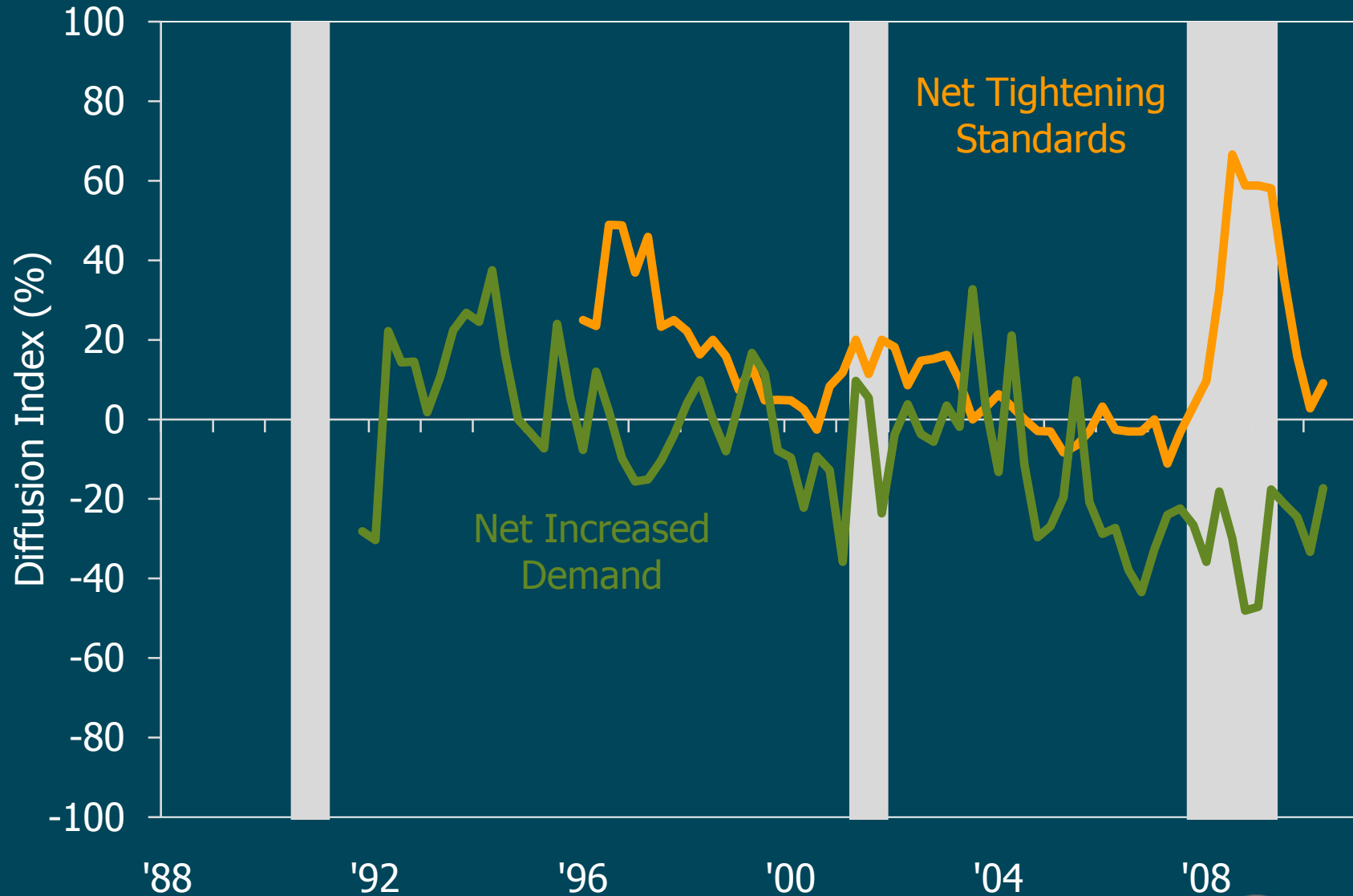
Senior Loan Officer Survey: Residential Mortgages



Source: Federal Reserve Board
Last Point Plotted: 2010Q2



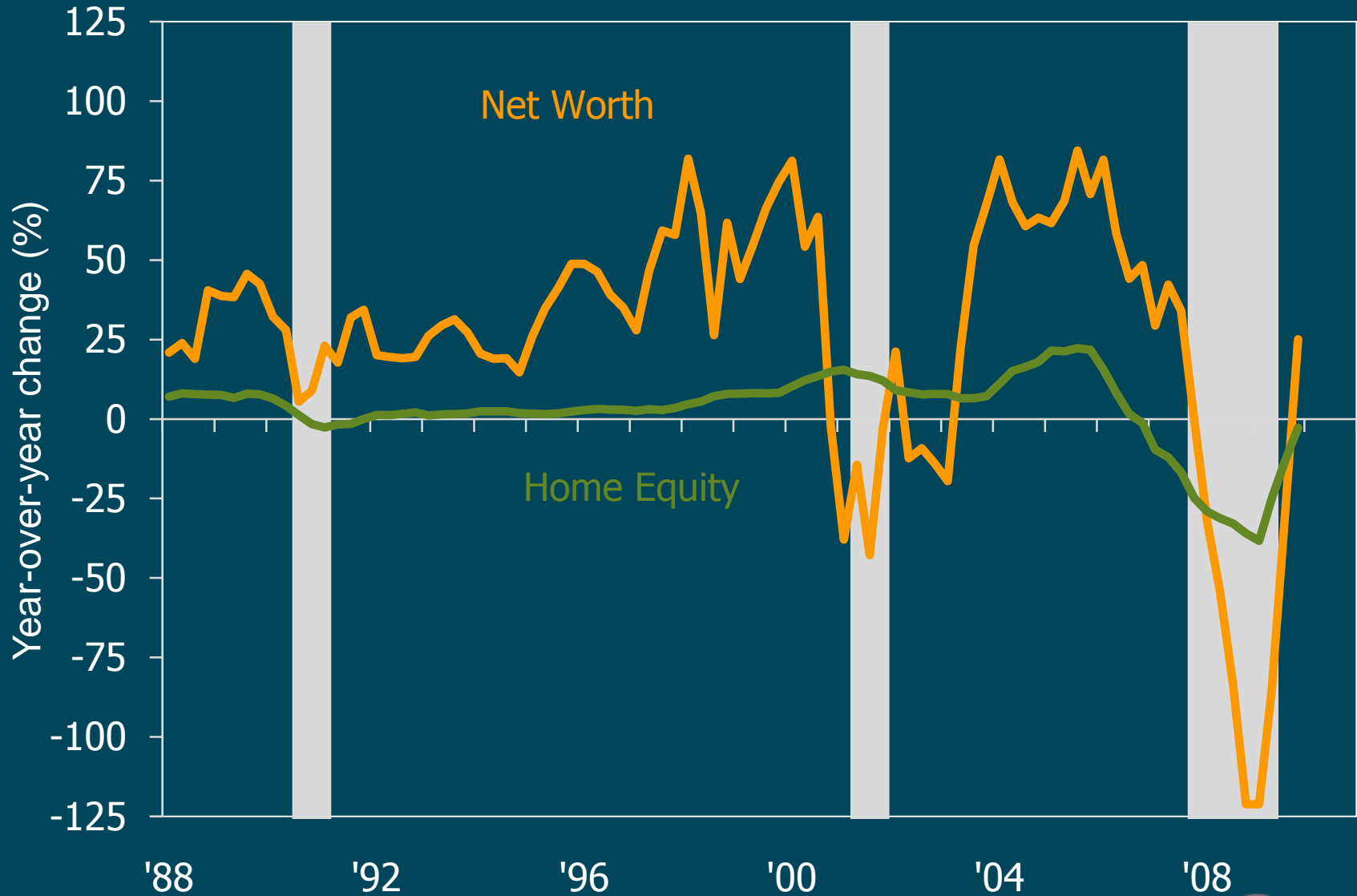
Senior Loan Officer Survey: Consumer Loans



Source: Federal Reserve Board
Last Point Plotted: 2010Q1



Change in Wealth as a Percentage of Disposable Income



Source: Federal Reserve Board
Last Point Plotted: 2010Q1

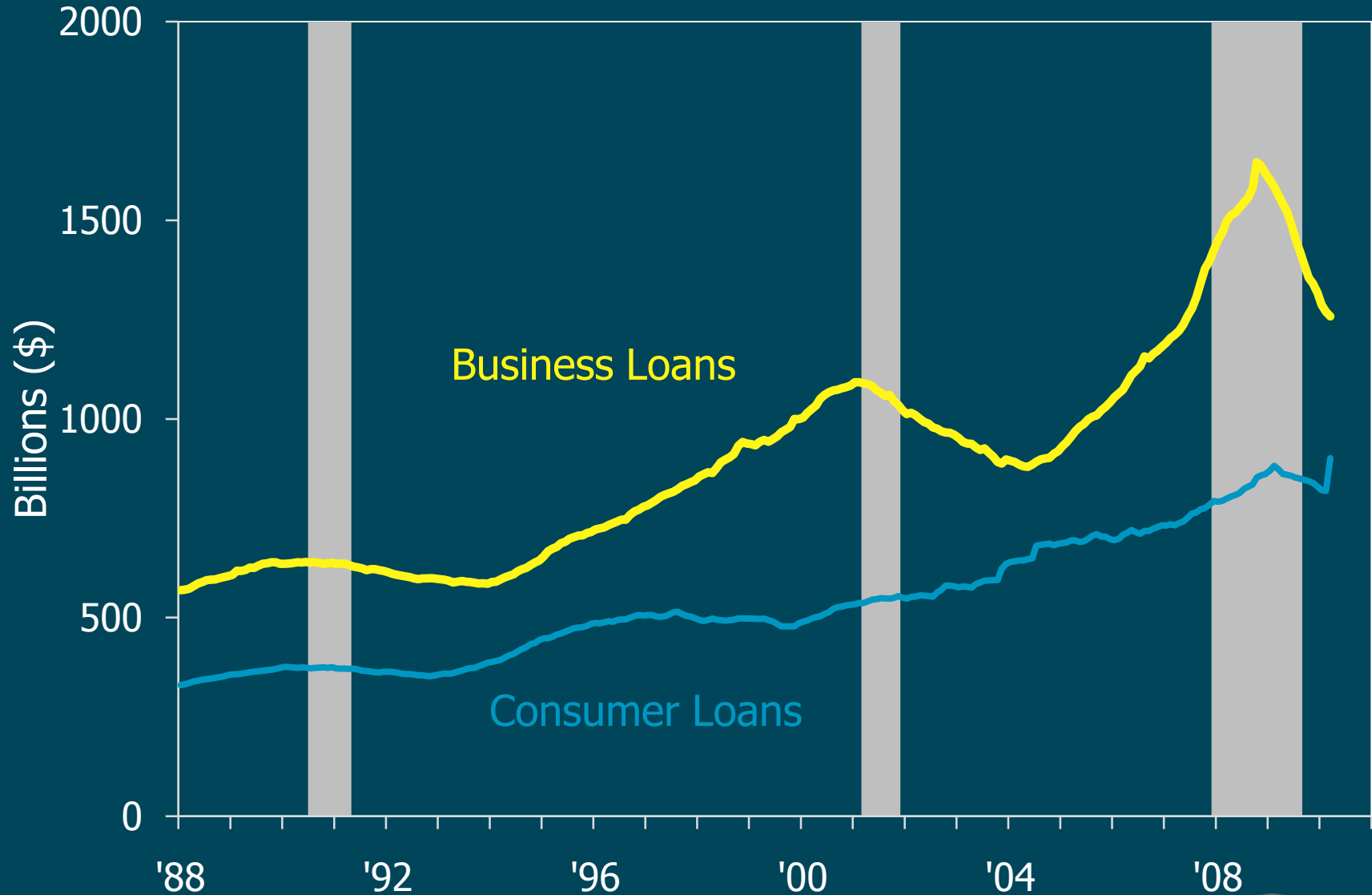


Today's agenda

- Recent Economic Performance and Outlook
- Housing and Consumers
- Financial Markets
- Monetary Policy



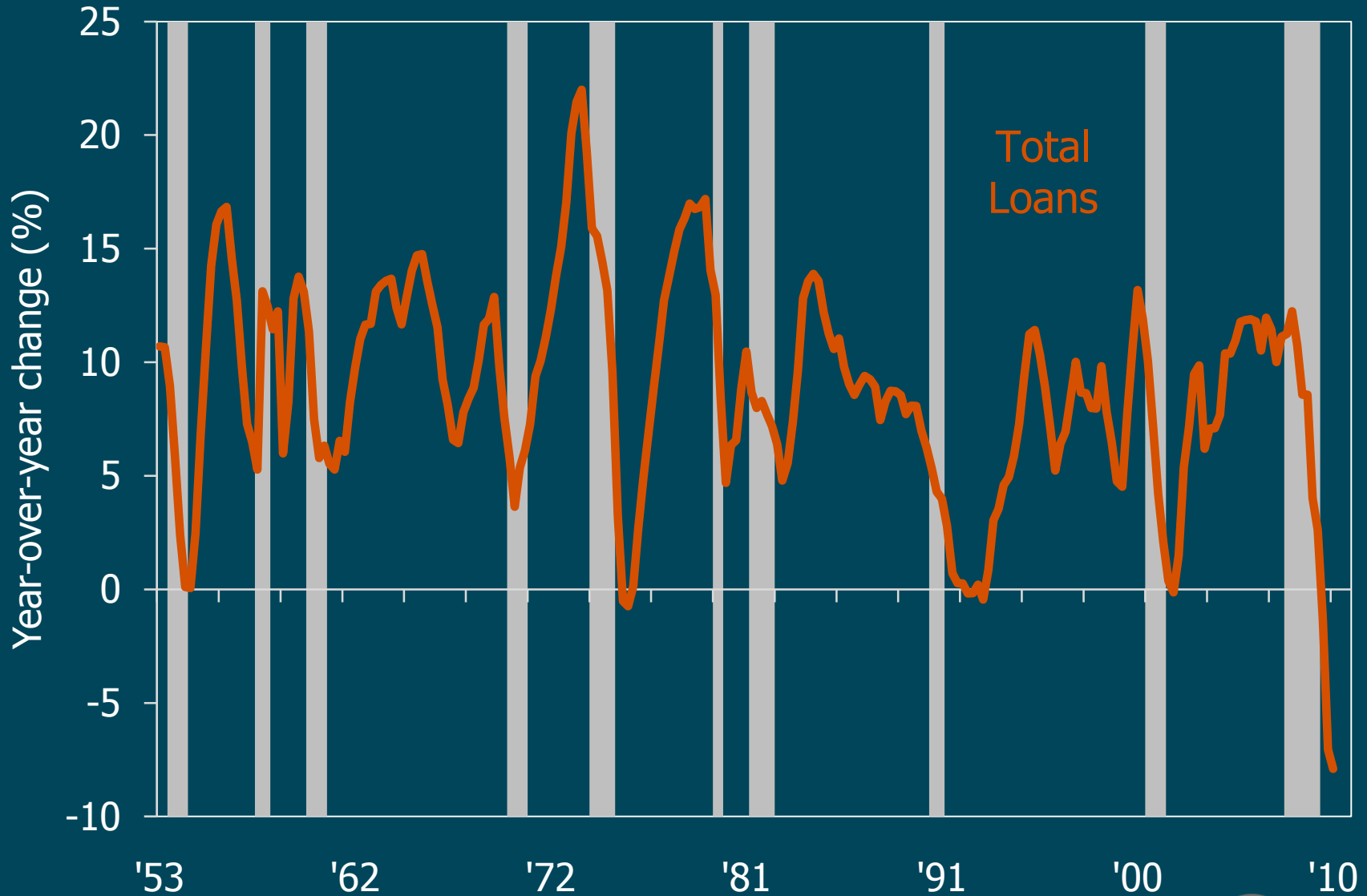
Commercial Bank Loan Activity



Source: Federal Reserve Board
Last Point Plotted: Mar. 2010



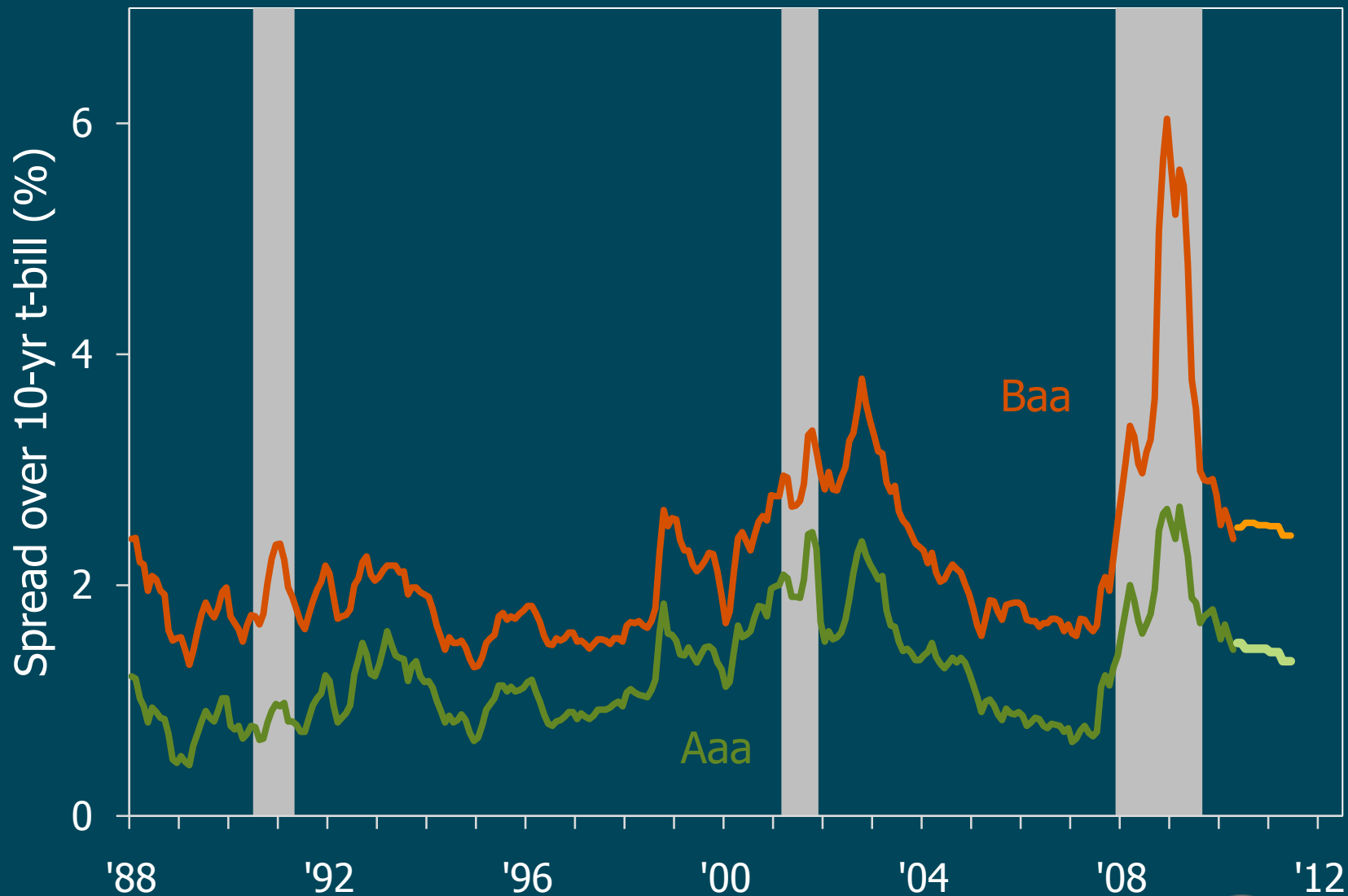
Total Commercial Bank Loans



Source: Federal Reserve Board
Last Point Plotted: Jan. 2010



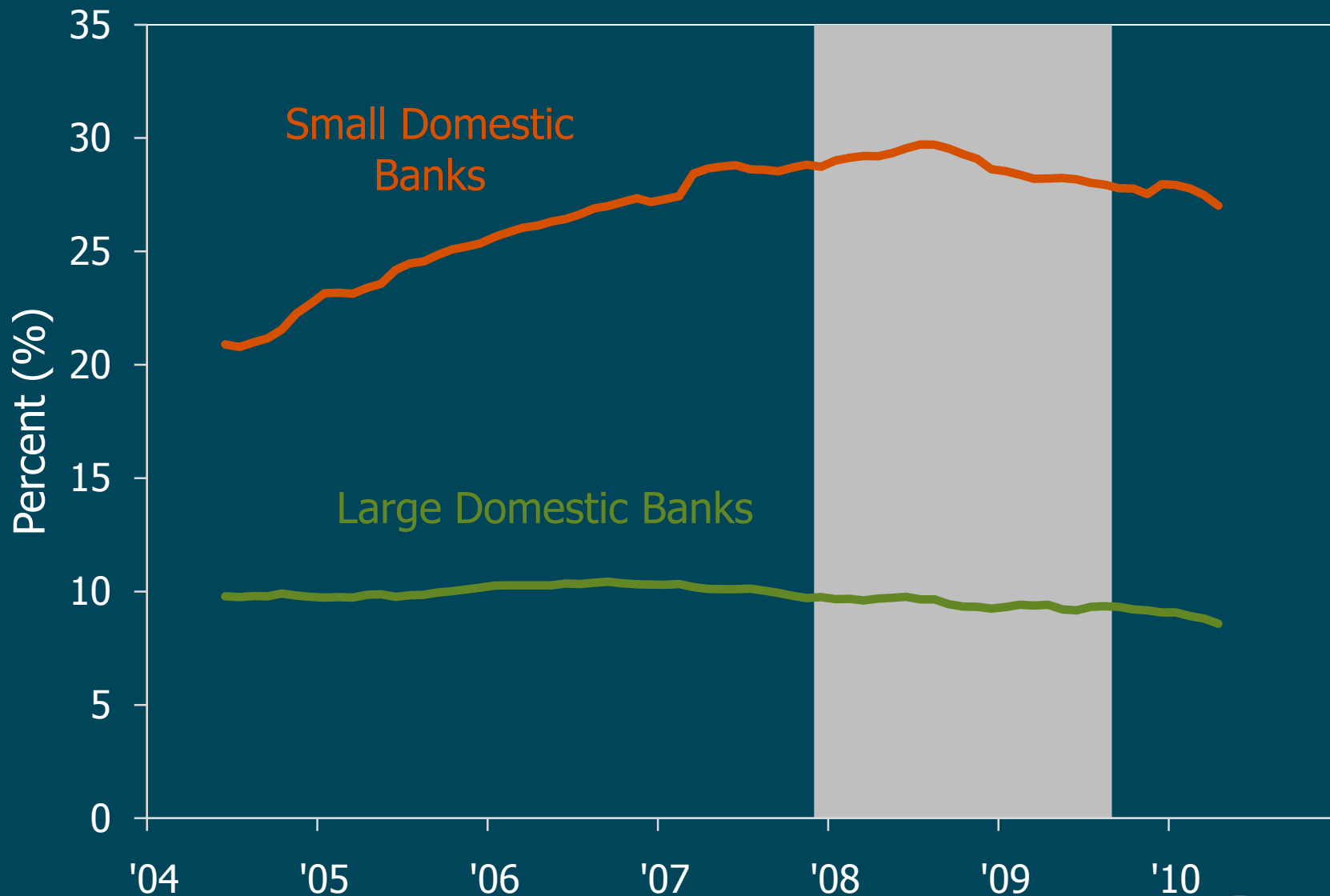
Corporate Bond Yield Spreads



Source: Federal Reserve Board, Moody's, FRB Philadelphia
Last Point Plotted: Apr. 2010 (hist.), 2011Q2 (fcst.)



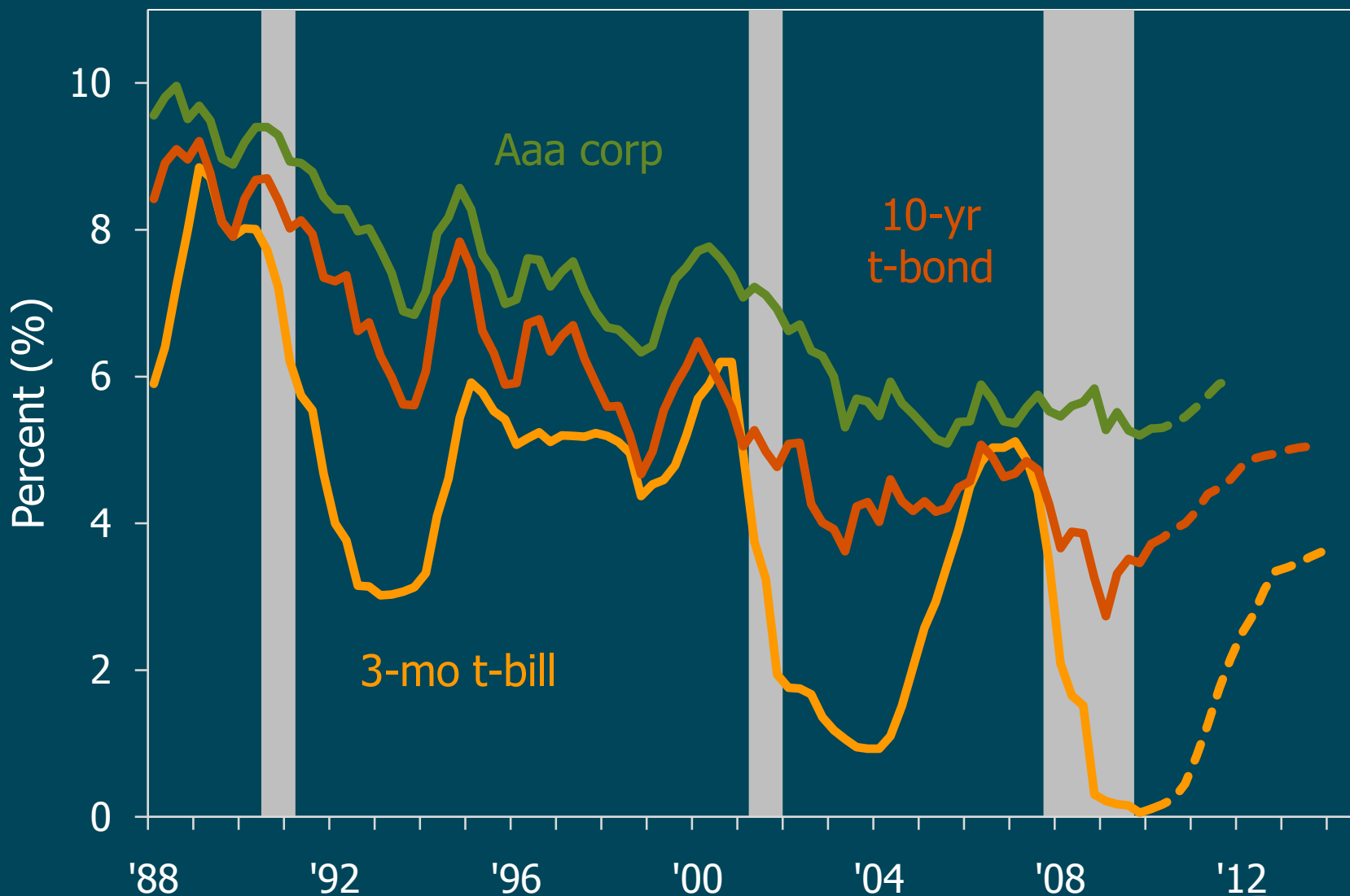
Commercial Real Estate Loans: Share of Total Assets



Source: Federal Reserve Board
Last Point Plotted: Apr. 2010



Survey of Professional Forecasters: Treasury yields move up



Source: Federal Reserve Board, Moody's, FRB Philadelphia
Last Point Plotted: 2010Q1 (hist.), 2013Q4 (fcst.)

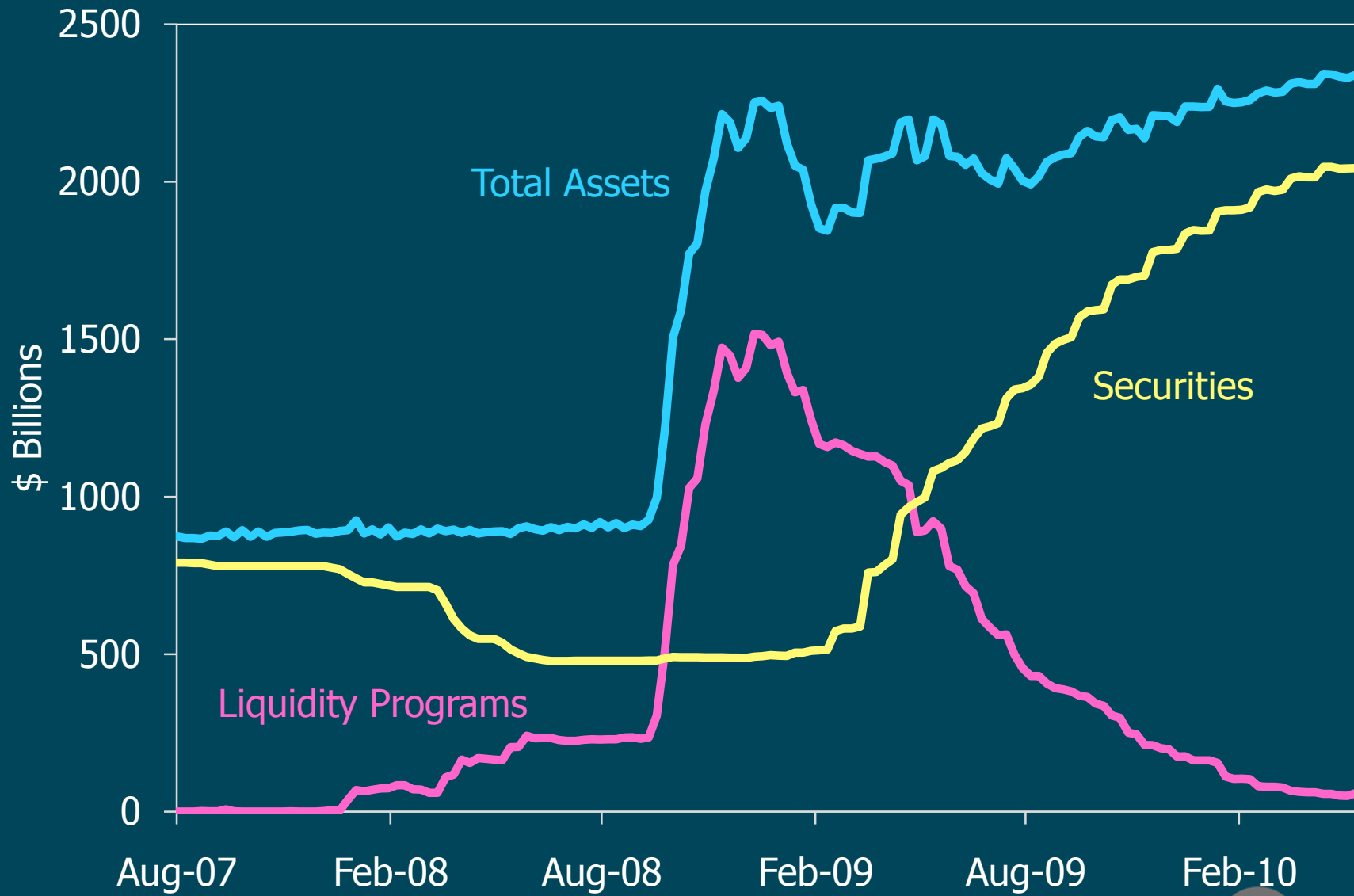


Today's agenda

- Recent Economic Performance and Outlook
- Housing and Consumers
- Financial Markets
- Monetary Policy



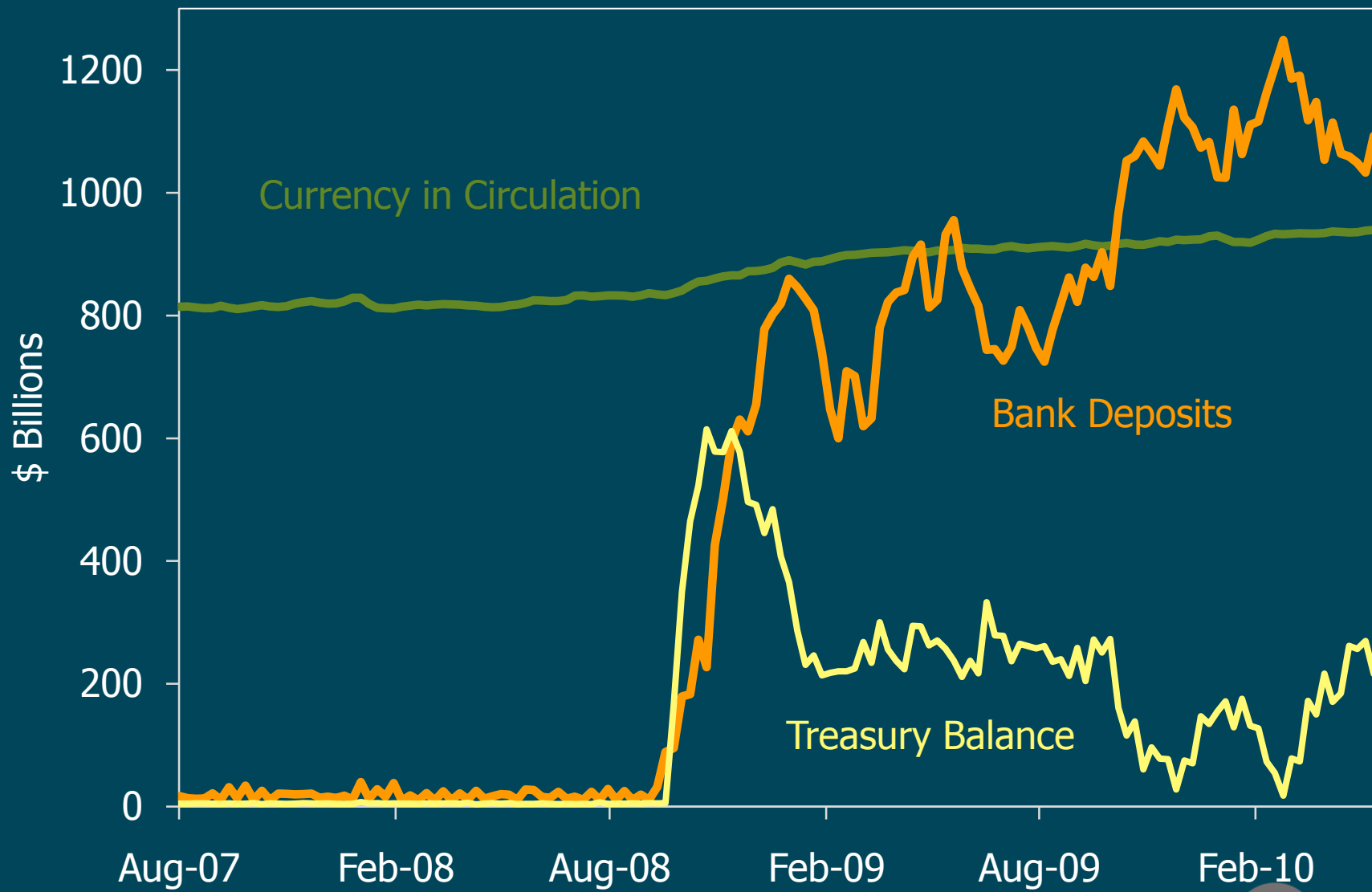
Federal Reserve Balance Sheet: Selected Assets



Source: Federal Reserve Board
Last Point Plotted: May. 12, 2010



Federal Reserve Balance Sheet: Selected Liabilities



Source: Federal Reserve Board
Last Point Plotted: May. 12, 2010

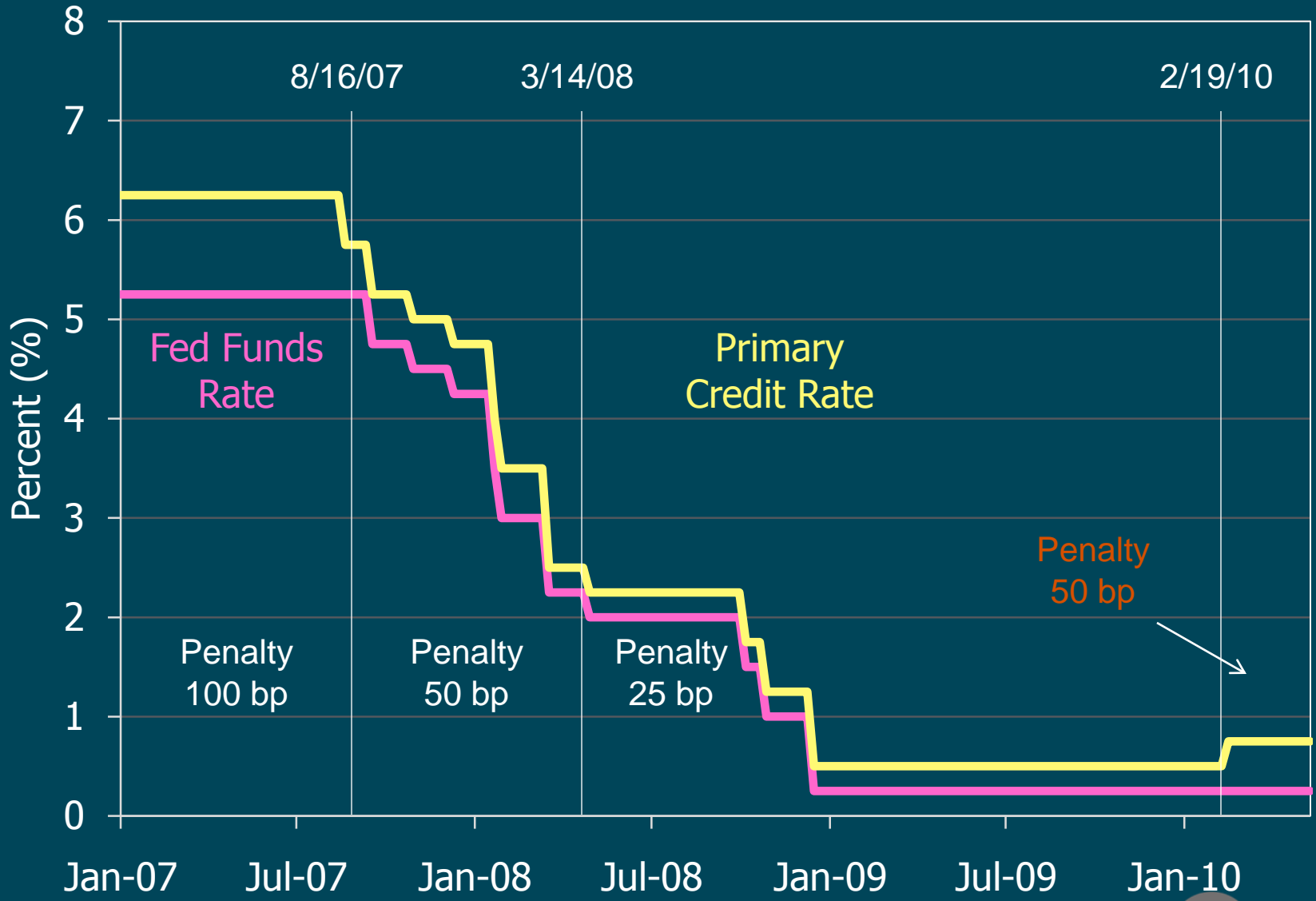


The Federal Reserve's Tools for Monetary Tightening

- Higher interest on Bank Reserves
- Reverse Repurchase Agreements
- Term Deposits
- Redemption and sales of long term assets:
Treasuries, Agency Debt, MBS



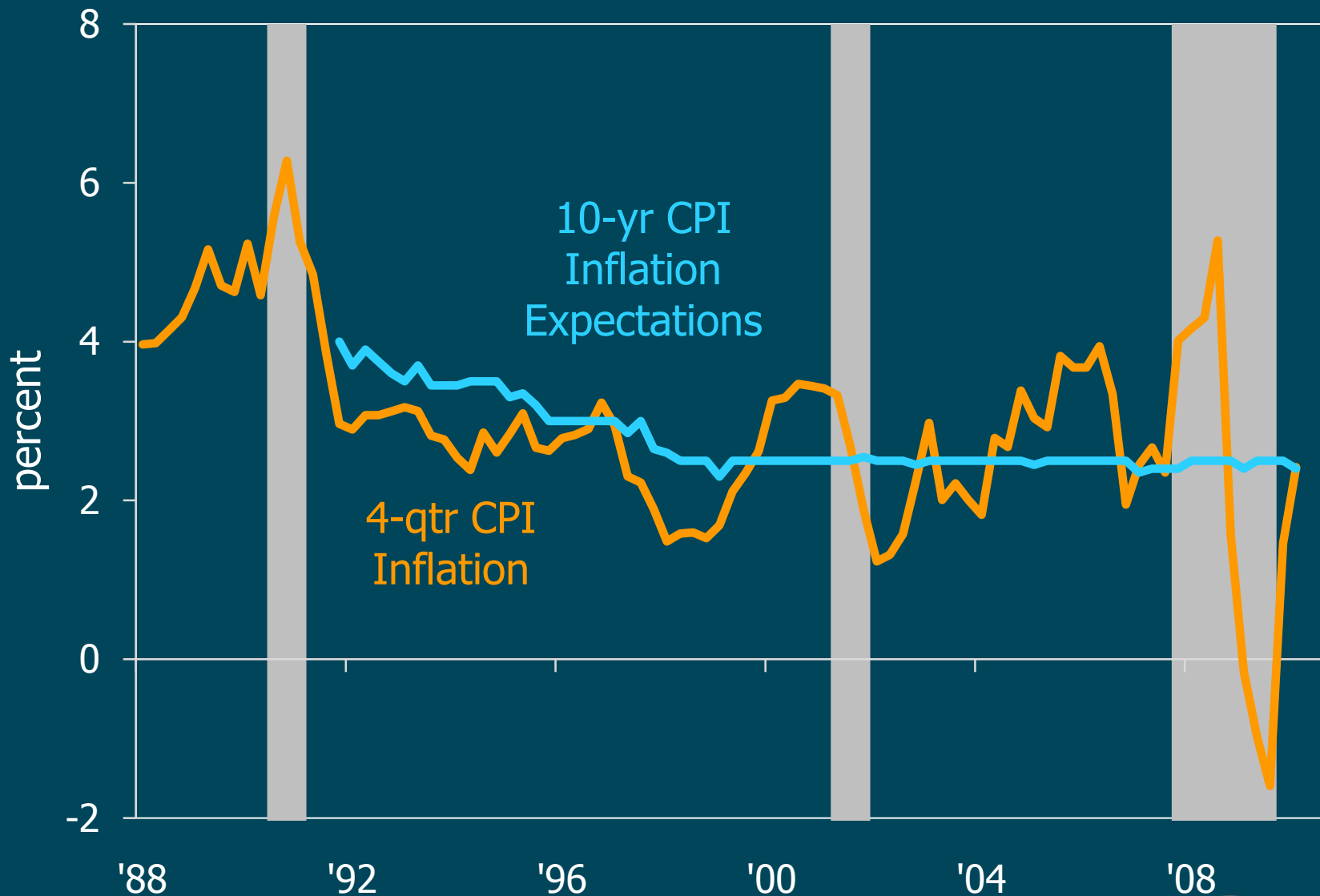
Fed Funds Rate, Primary Credit Rate, and the Penalty



Source: Federal Reserve Board
Last Point Plotted: May. 12, 2010



SPF: Inflation Expectations



Source: Bureau of Labor Statistics, Philadelphia Fed
Last Point Plotted: 2010Q1



For more information from the Federal Reserve Bank of Philadelphia

- Go to www.philadelphiafed.org
- Next SPF: August 13, 2010
- Links to Board of Governors & other Reserve Banks

