

Chart 1: Trends in CPI Inflation

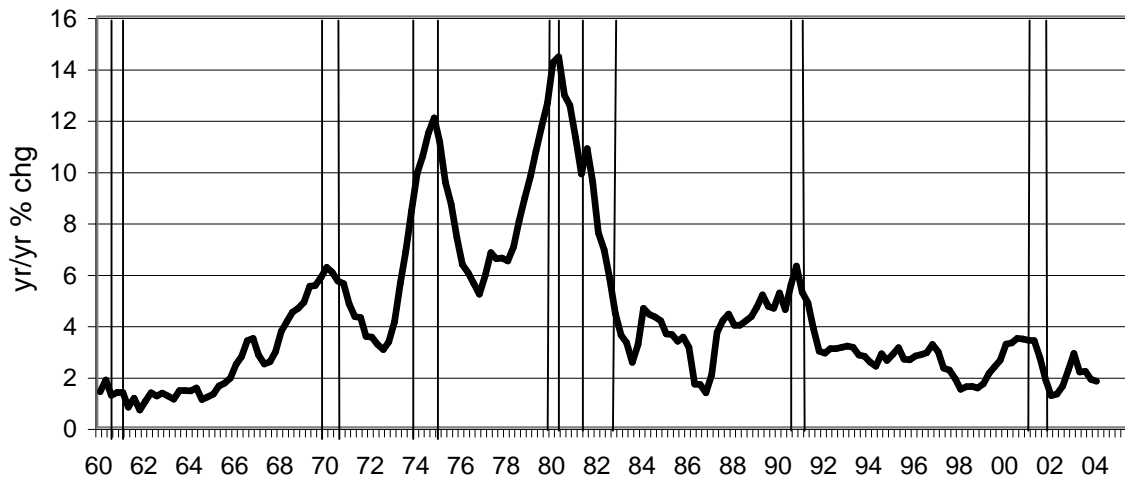


Chart 2: Trends in Nominal GDP

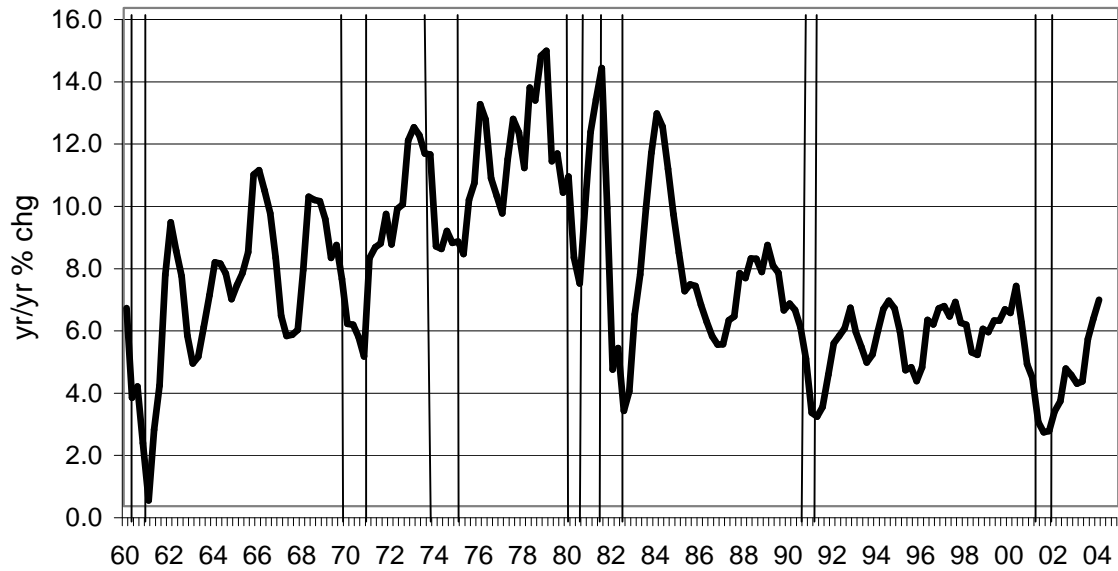


Chart 3: Trends in Labor Productivity

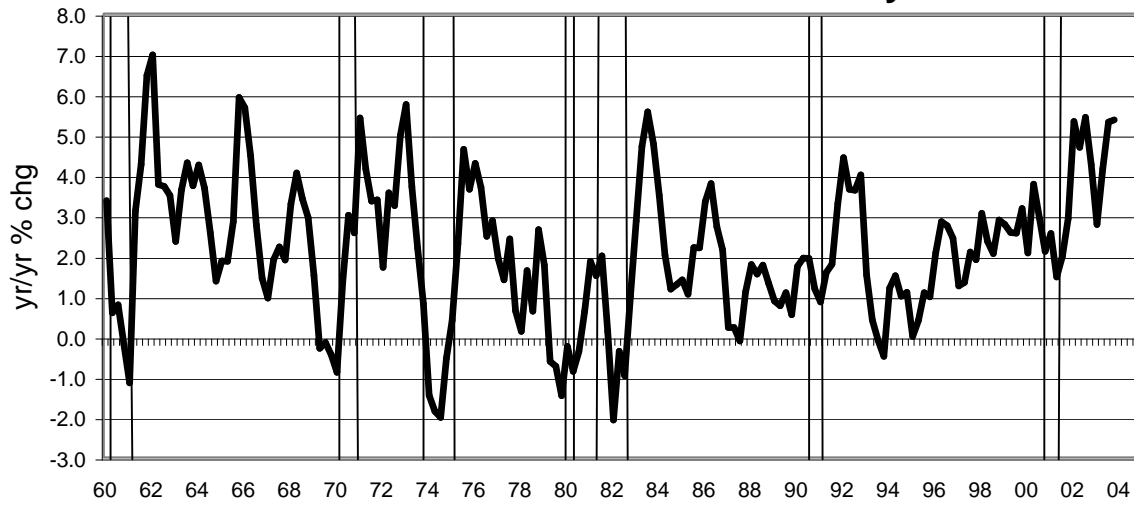


Chart 4: Trends in Unemployment

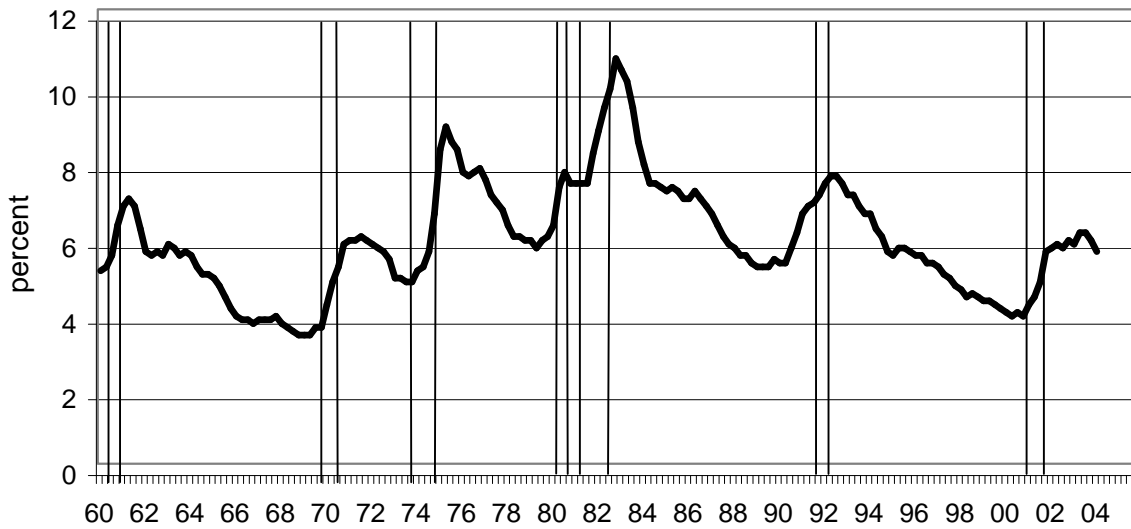


Table 1

**Recent Inflation Indicators
(Year-over-year % chg, 4th/4th)**

	2001	2002	2003	2004Q1
CPI	1.8	2.2	1.9	1.8
- Ex food & energy	2.7	2.0	1.2	1.3
- Chain-weighted	2.2	1.7	0.8	0.9
GDP Deflator	2.4	1.4	1.6	1.7
PCE Deflator	1.6	1.8	1.5	1.6
- Ex food & energy	2.1	1.6	1.0	1.3
- Durable Goods	-2.4	-3.1	-4.1	-3.1
- Services	3.4	2.8	2.6	2.5

Chart 5: Recent Trends in "Core" CPI Inflation

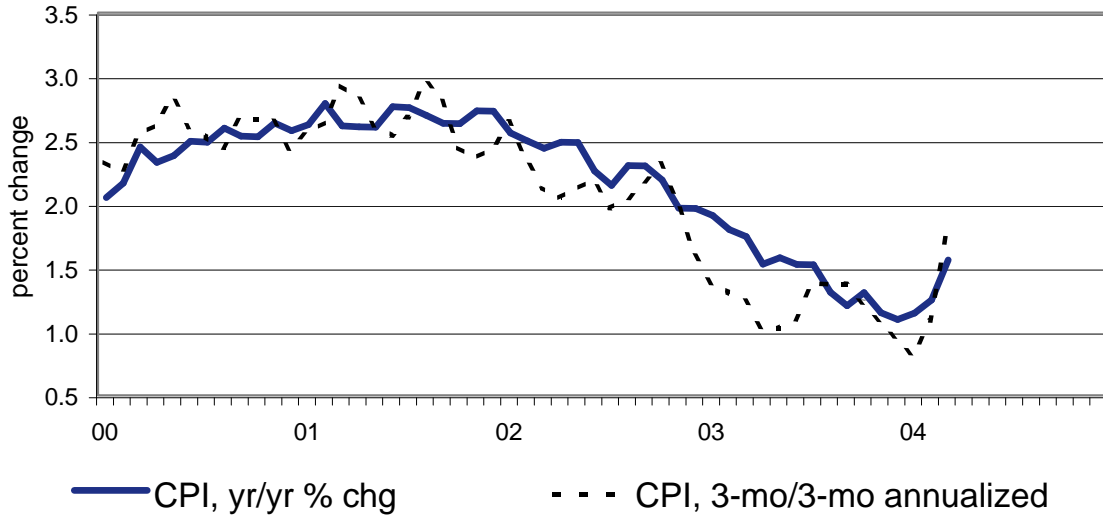


Chart 6: Recent Trends in "Core" PCE Inflation

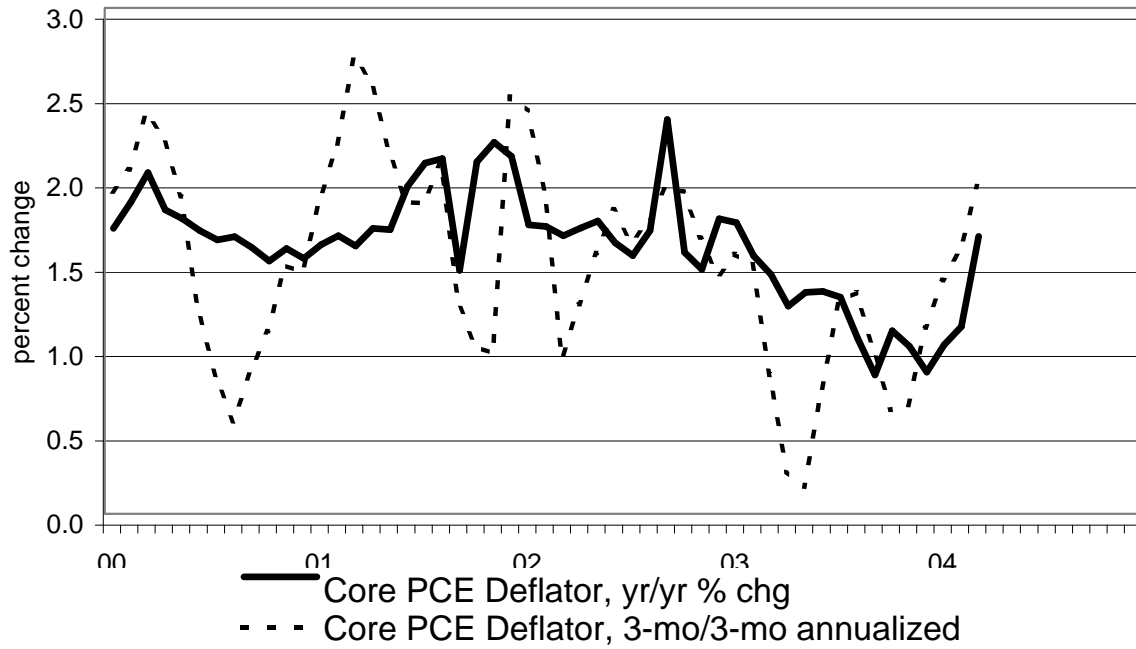


Chart 7: Nominal & Real Federal Funds Rate

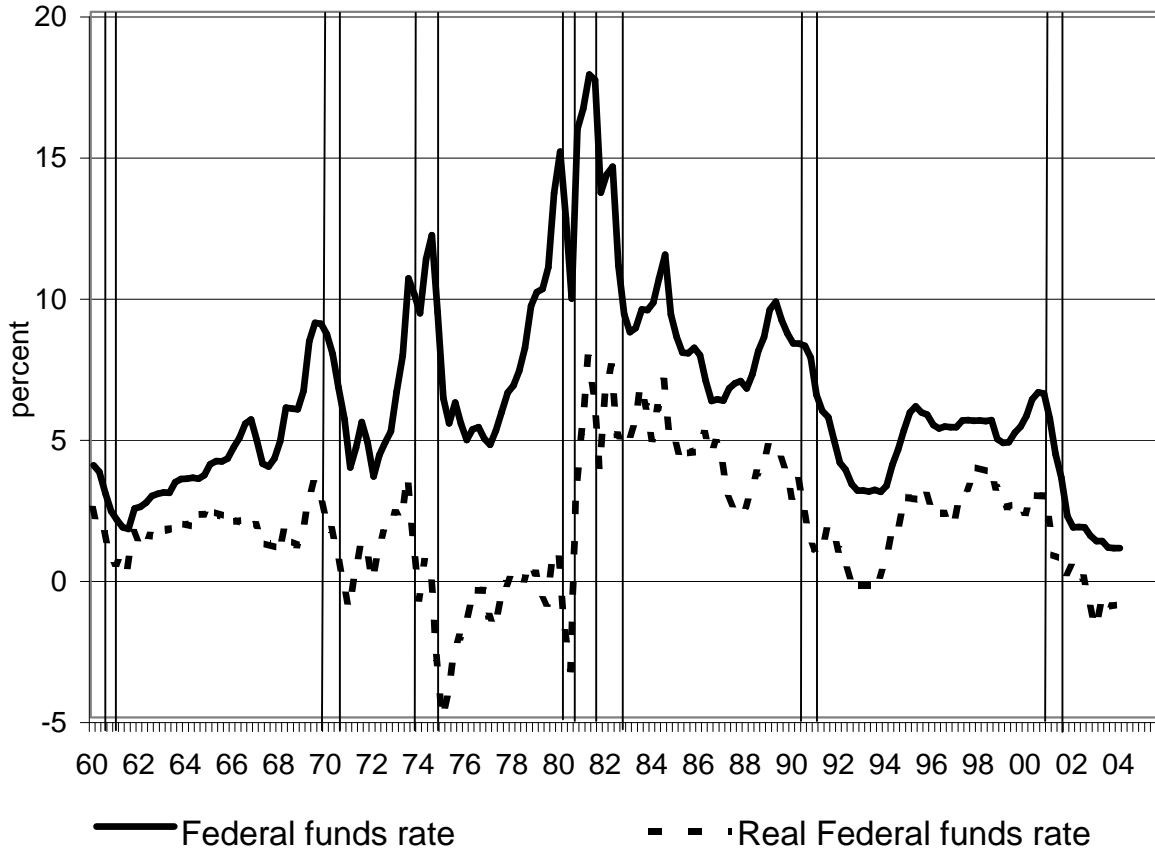


Table 2

	Central Tendency Forecasts (July 2003)		(Feb 2004)	Actual	Actual
	2003(Q4/Q4)	2004(Q4/Q4)	2004(Q4/Q4)	2003(Q4/Q4)	2004Q1/2003Q4
Real GDP	2.5-2.75	3.75-4.75	4.5-5.0	4.3	4.2
Nominal GDP	3.75-4.5	5.25-6.25	5.25-6.25	6	6.8
PCE Deflator	1.25-1.5	1.0-1.5	1.0-1.25	1.5	3.2
Unempl. Rate(Q4)	6.0-6.25	5.5-6.0	5.25-5.5	5.9	5.6

Table 3

Federal Reserve Policy in Presidential Election Years

Year	Presidential Candidates <i>Incumbent Party/Opposition</i>	Federal Funds Rate			Real GDP		Unemployment Rate		CPI Inflation	
		<i>Prev. Dec.</i>	<i>November</i>	<i>Change</i>	<i>Q4/Q4% chg (Prev. Year)</i>	<i>Q4% (Prev. year)</i>	<i>Q4/Q4% chg (Prev. Year)</i>	<i>Q4/Q4% chg (Prev. Year)</i>	<i>Q4/Q4% chg (Prev. Year)</i>	
1960	Nixon/ Kennedy	3.99%	2.44%	-1.55	0.6% (5.2%)	6.3% (5.6%)	1.4% (1.5%)			
1964	Johnson /Goldwater	3.38	3.52	+0.14	5.1 (5.2)	5.0 (5.6)	1.2 (1.4)			
1968	Humphrey/ Nixon	4.51	5.82	+1.31	5.0 (2.3)	3.4 (3.9)	4.6 (2.9)			
1972	Nixon /McGovern	4.14	5.06	+0.92	7.1 (4.2)	5.4 (5.9)	3.3 (3.5)			
1976	Ford/ Carter	5.20	4.95	-0.25	4.2 (2.5)	7.8 (8.3)	5.2 (7.4)			
1980	Carter/ Reagan	13.78	15.85	+2.07	0.1 (1.6)	7.4 (6.0)	12.5 (12.6)			
1984	Reagan /Mondale	9.47	9.43	-0.04	5.7 (7.4)	7.3 (8.5)	4.2 (3.2)			
1988	Bush /Dukakis	6.77	8.35	+1.58	3.7 (4.6)	5.3 (5.8)	4.3 (4.5)			
1992	Bush/ Clinton	4.43	3.09	-1.34	4.1 (1.2)	7.4 (7.1)	3.1 (3.0)			
1996	Clinton /Dole	5.60	5.31	-0.29	4.2 (2.2)	5.3 (5.6)	3.1 (2.7)			
2000	Gore/ Bush	5.30	6.51	+1.21	2.2 (4.3)	3.9 (4.0)	3.4 (2.7)			

Summary: Up = 6
Down = 5