



Conf. Call: New Norm Too Slow

June 25, 2009

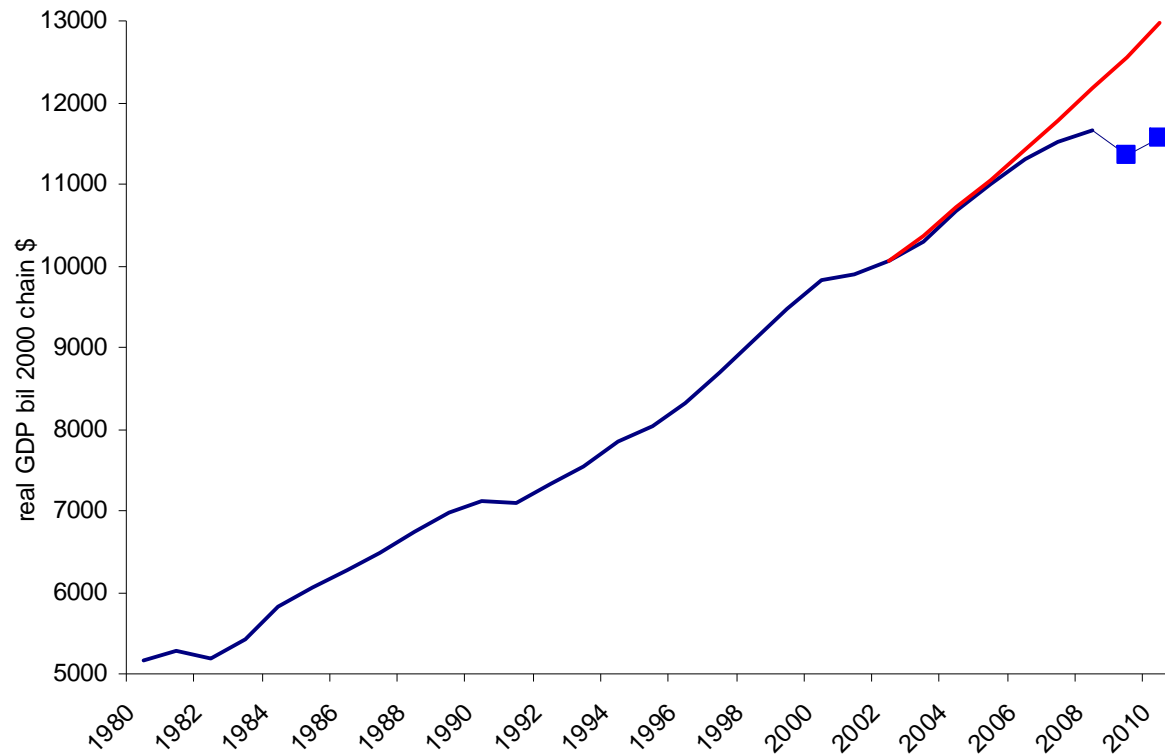
David Malpass
212.876.4400
dmalpass@encimaglobal.com

Please read the important disclosure information in the Addendum section of this presentation.



New Norm: Slower Rate, Lower Base

(blue line real GDP last obs. 2008, forecast 2009 and 2010;
straight red line, 1980-2000 growth extended 2002 to 2010)

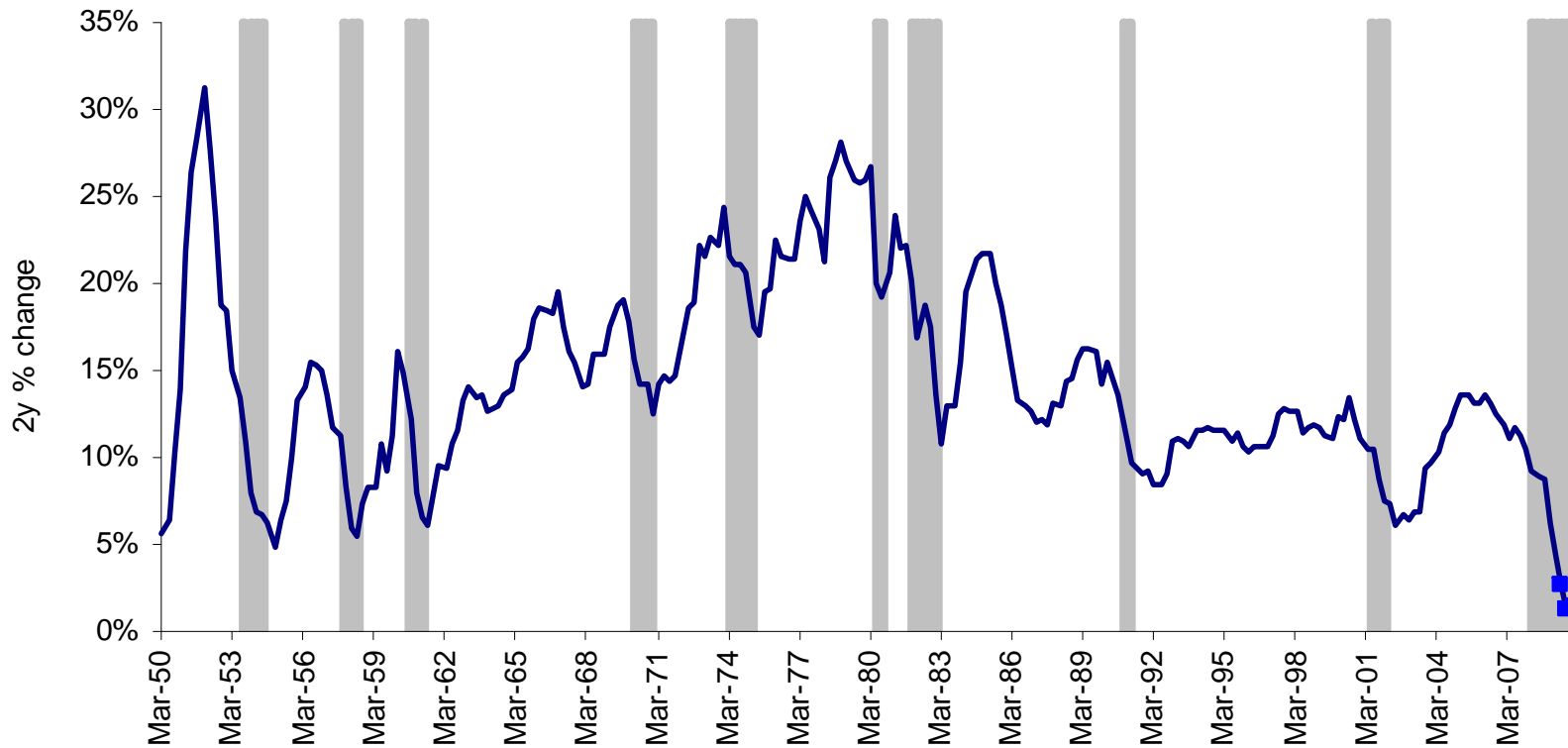


Source: Haver; Encima Global



Nominal GDP, Deep Trough

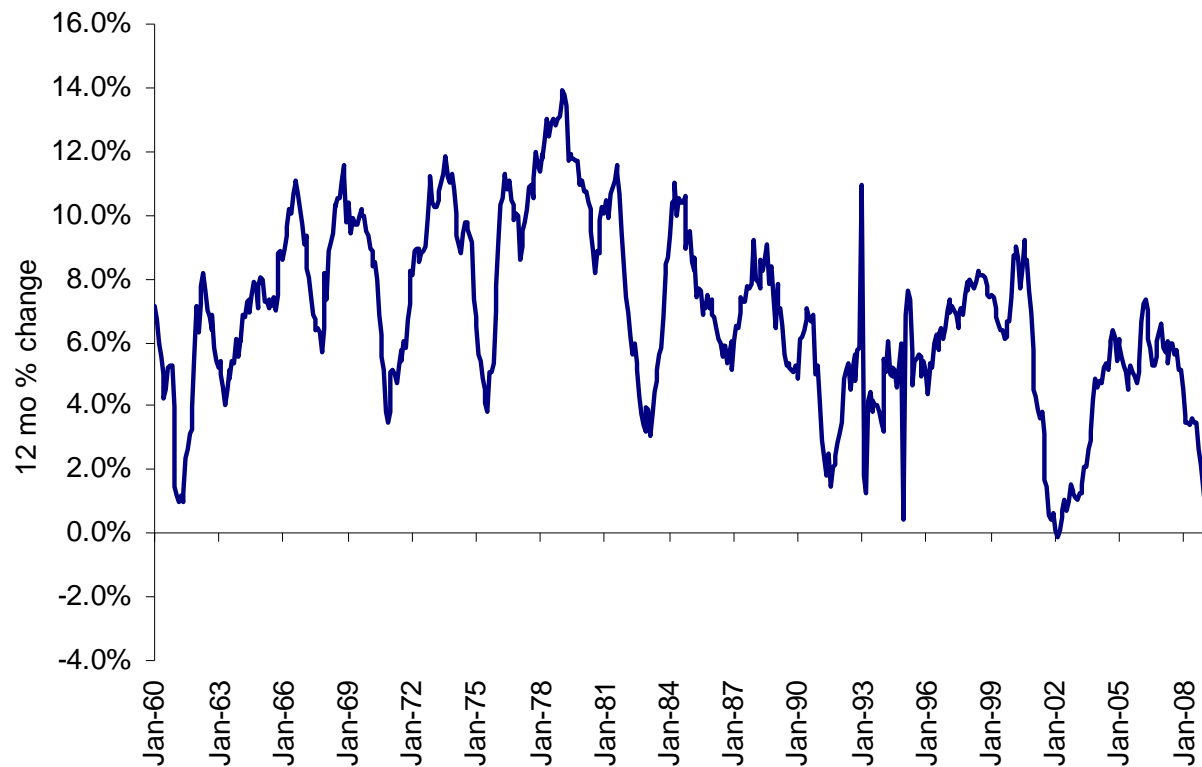
(2-yr change, last obs. Q1 2009, projected through Q4 2009)



Source: Haver; Encima Global

Wages & Salaries: 12 mo change since 1960

(last obs. April 2009)



Source: Haver; Encima Global

High Unemployment Not Sustainable

(last obs. May 2009)



Source: Haver; Encima Global

Jobless Claims – Will they break higher?

(red circle is Lehman, 4-week avg, last obs. June 20, 2009)

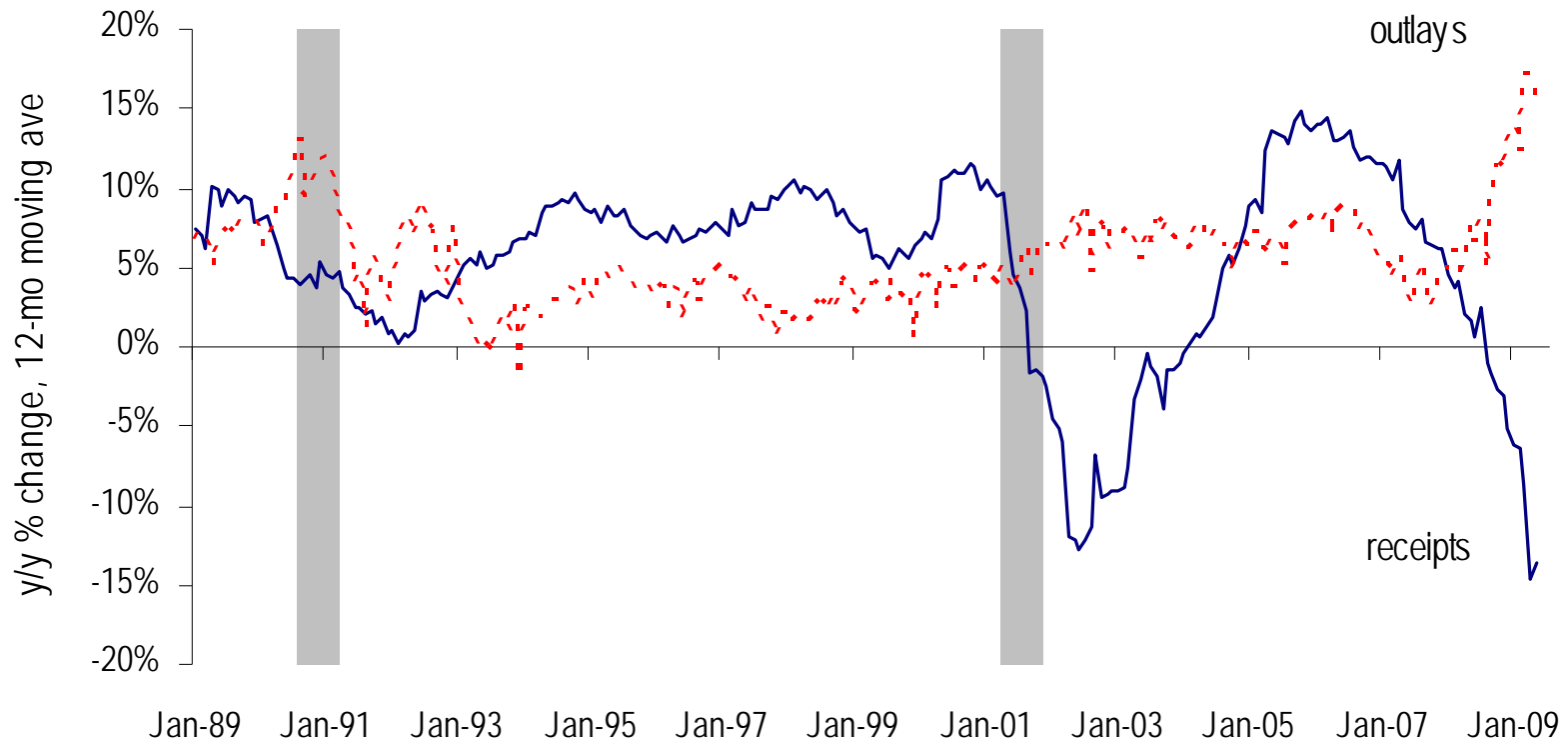


Source: Haver; Encima Global



Growth in Government Receipts and Outlays

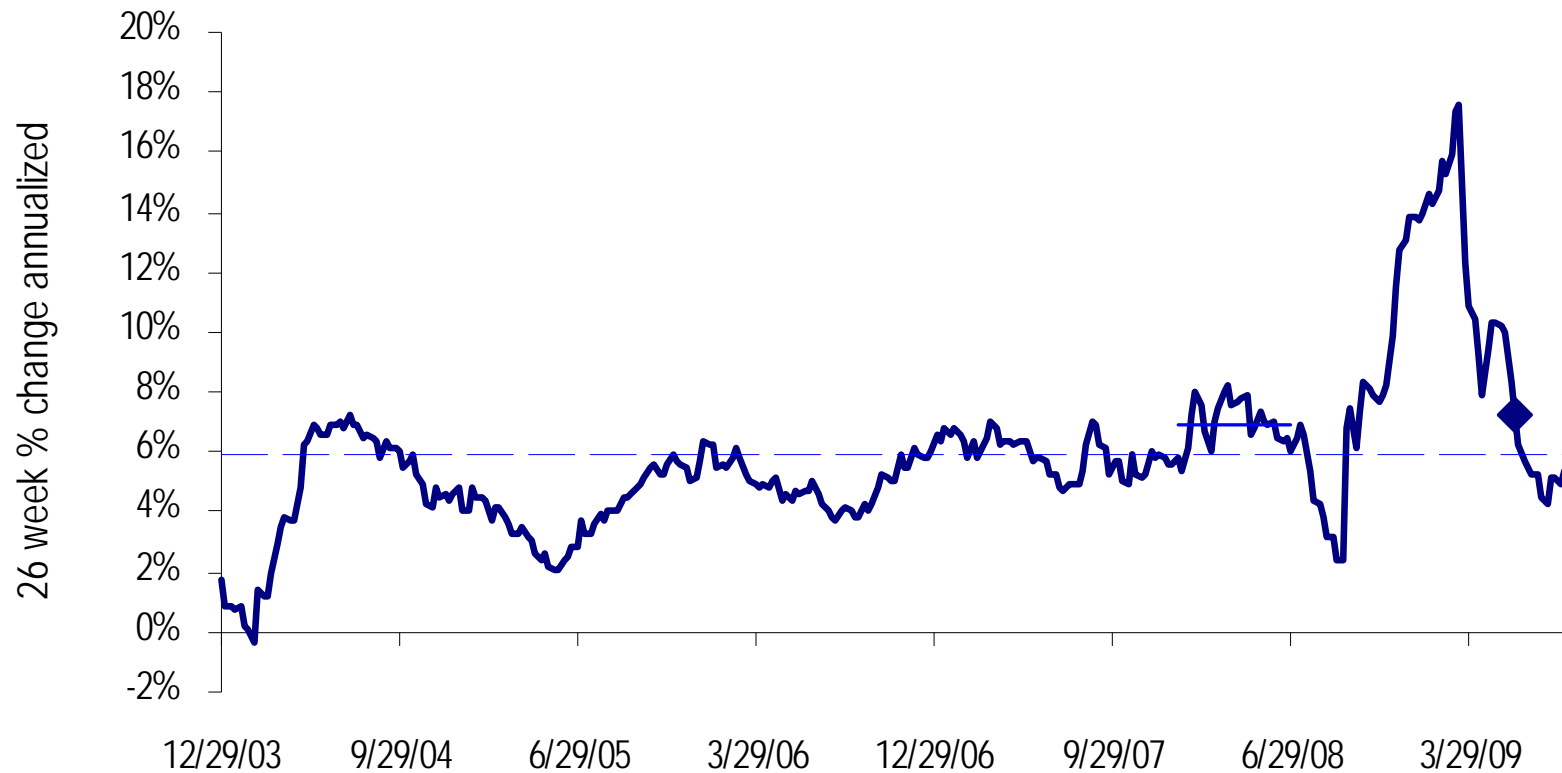
(last obs. May 2009)



Source: Haver; Encima Global

M2 26 Week % change Annualized

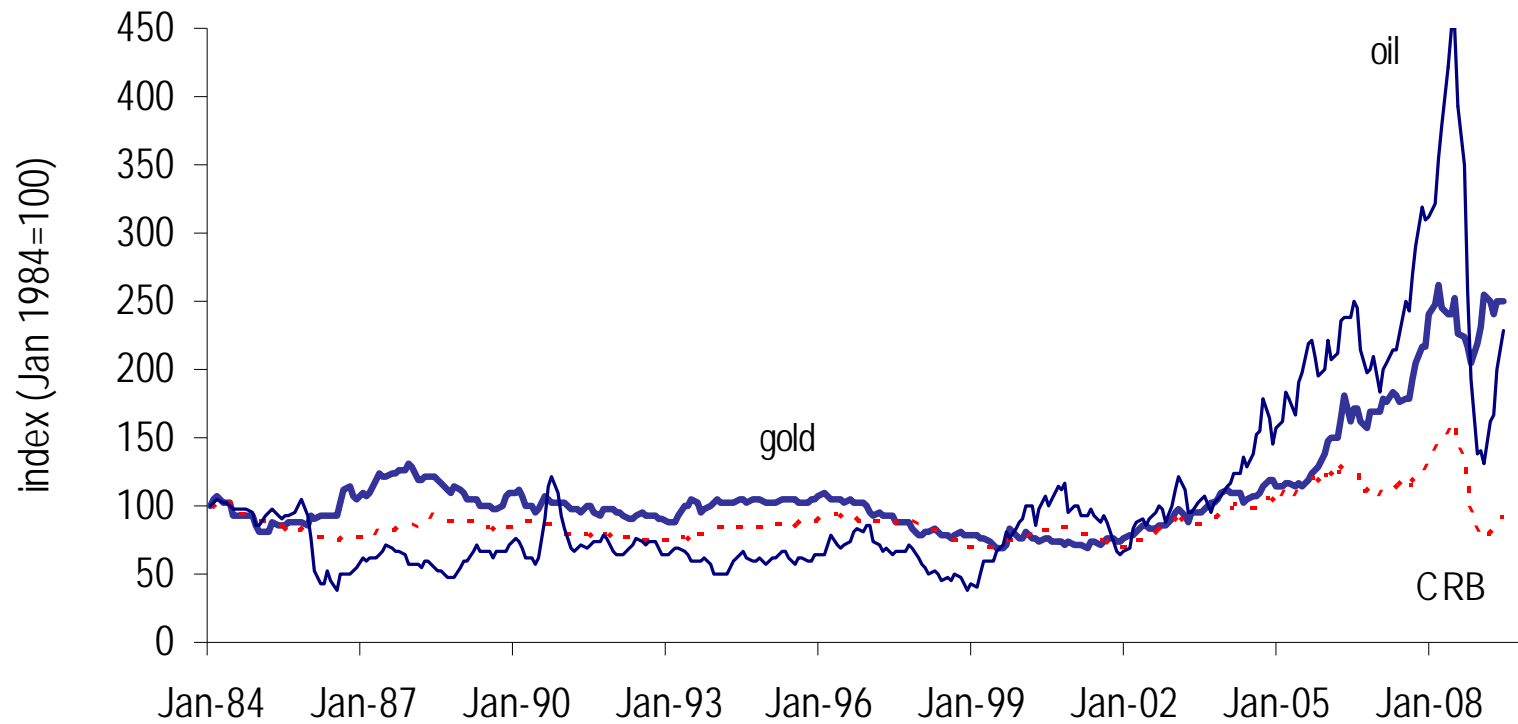
(last obs. June 8, 2009; forecast through 8/31/09)



Source: Haver; Encima Global

Indexed Gold, Oil and CRB

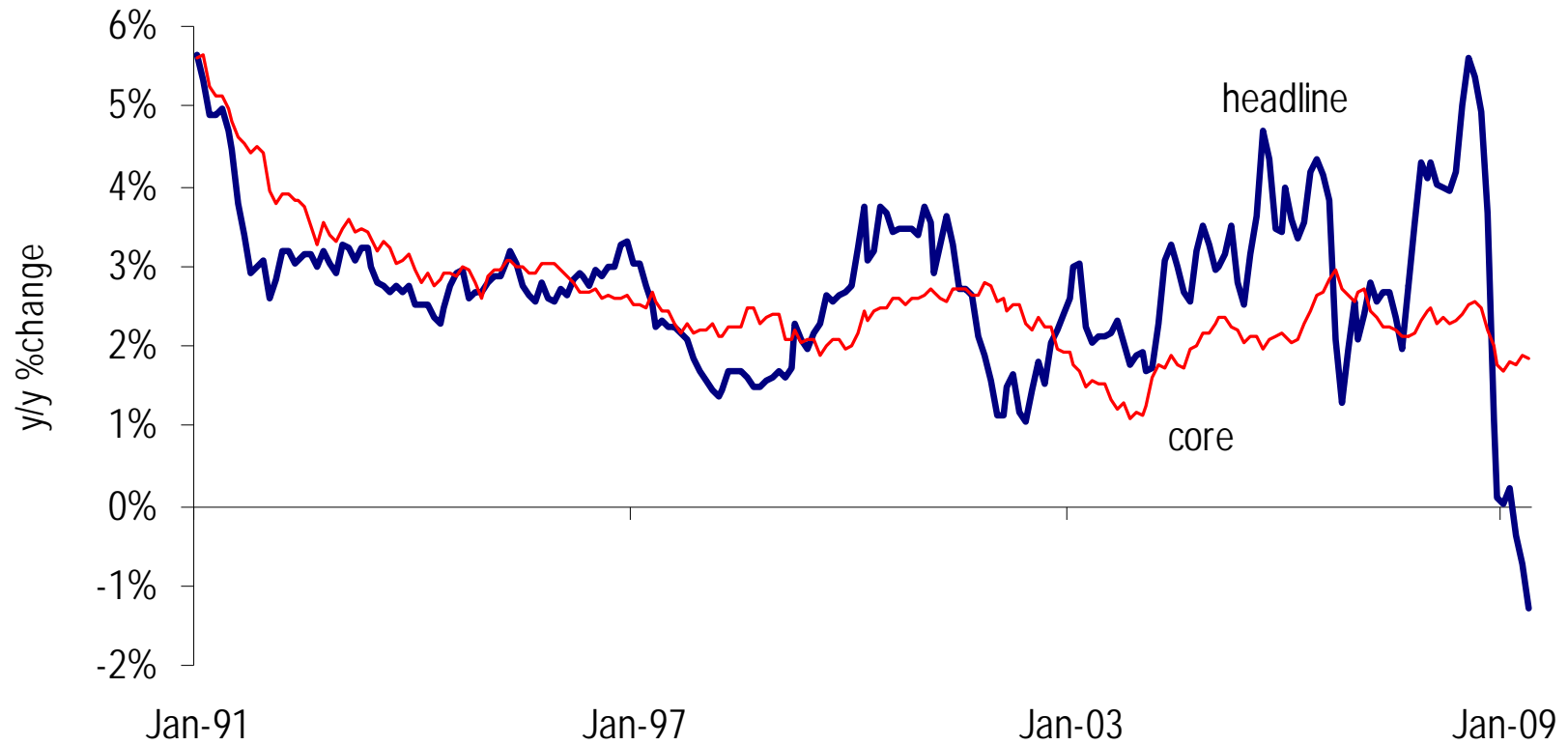
(last obs. June 24, 2009)



Source: Haver; Encima Global

Headline and core CPI inflation

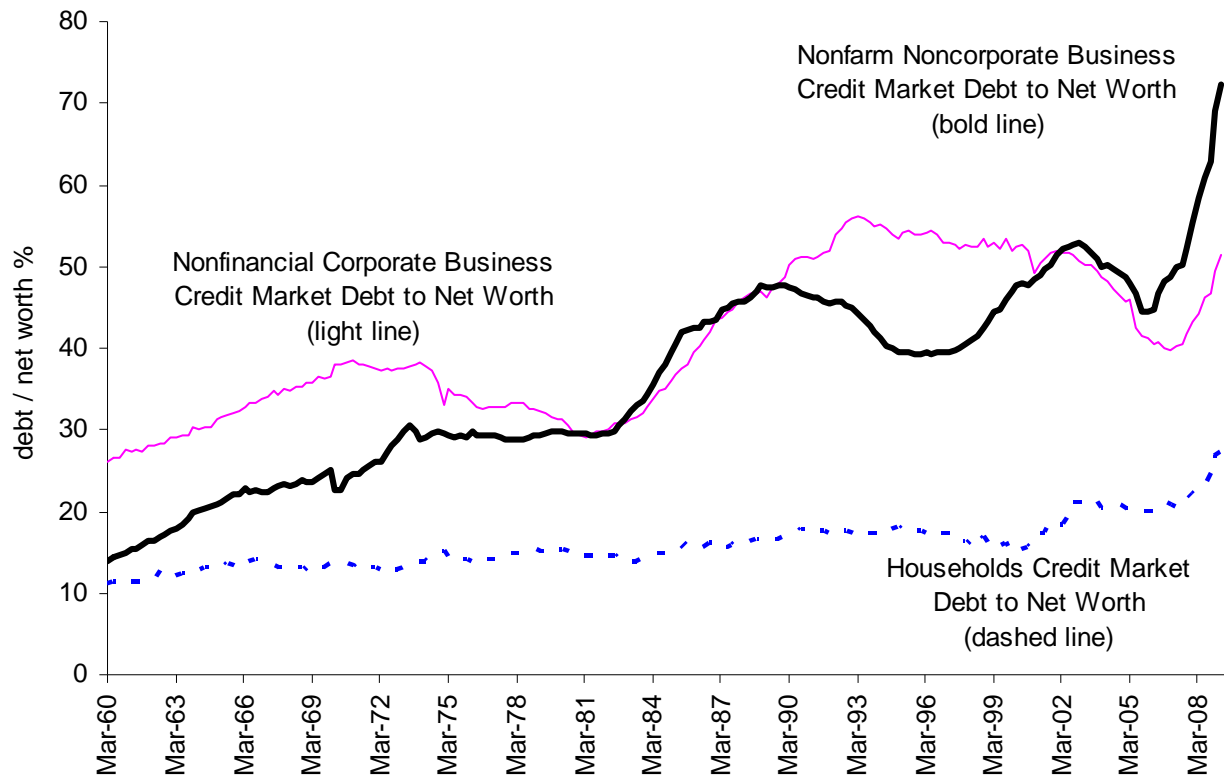
(year-over-year, last obs. May 2009)



Source: Haver; Encima Global

Credit Market Debt to Net Worth

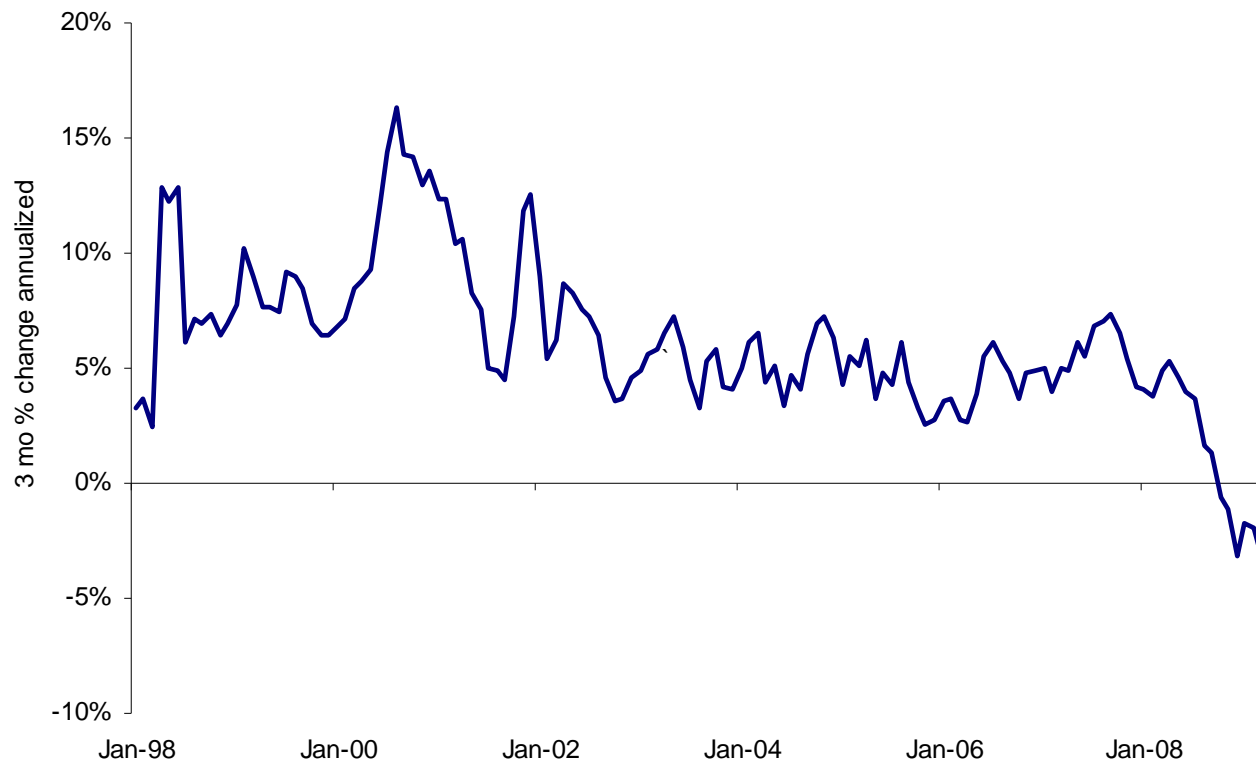
(last obs. Q1 2009)



Source: Haver; Encima Global

Consumer Credit Outstanding 3 mo % Change

(last obs. April 2009)

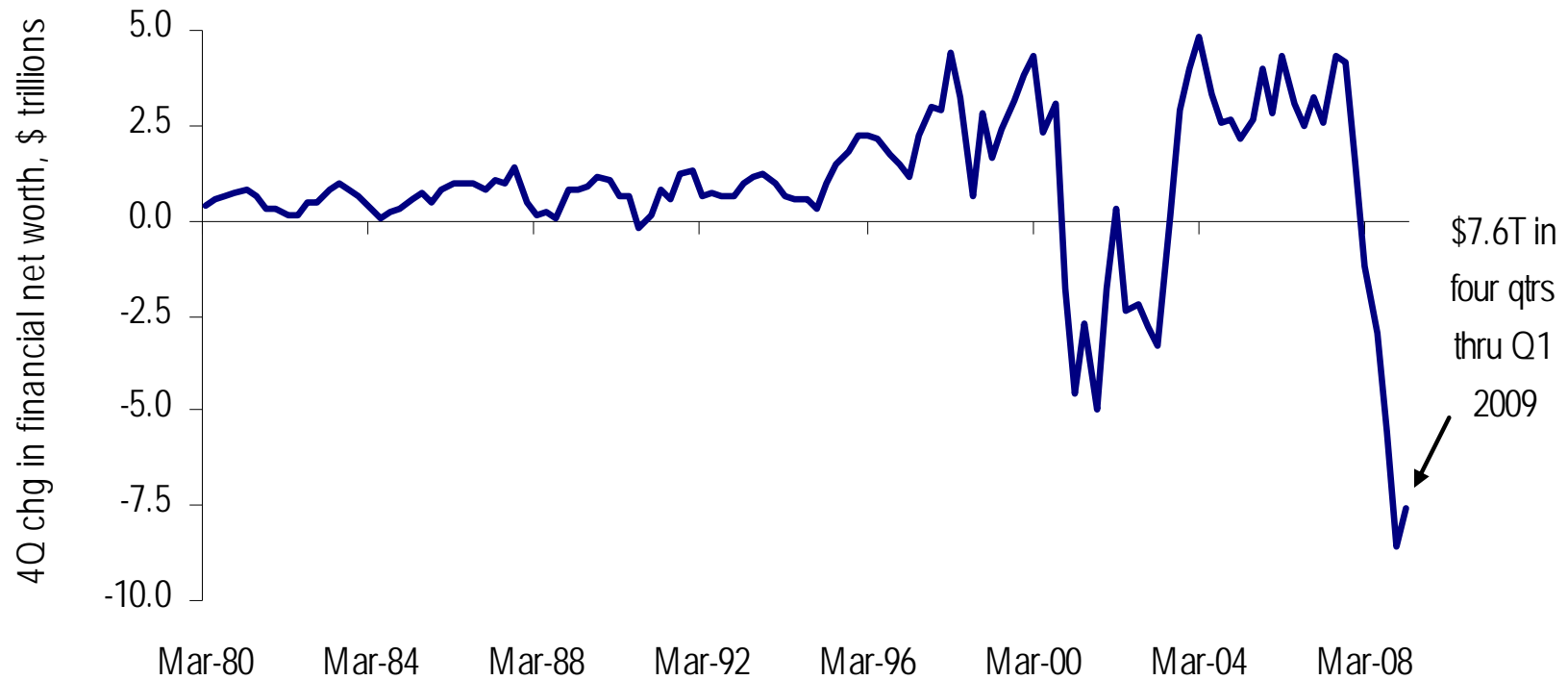


Source: Haver; Encima Global



Change in Financial Net Worth (Savings, \$Tril)

(year-over-year, last obs. Q1 2009)

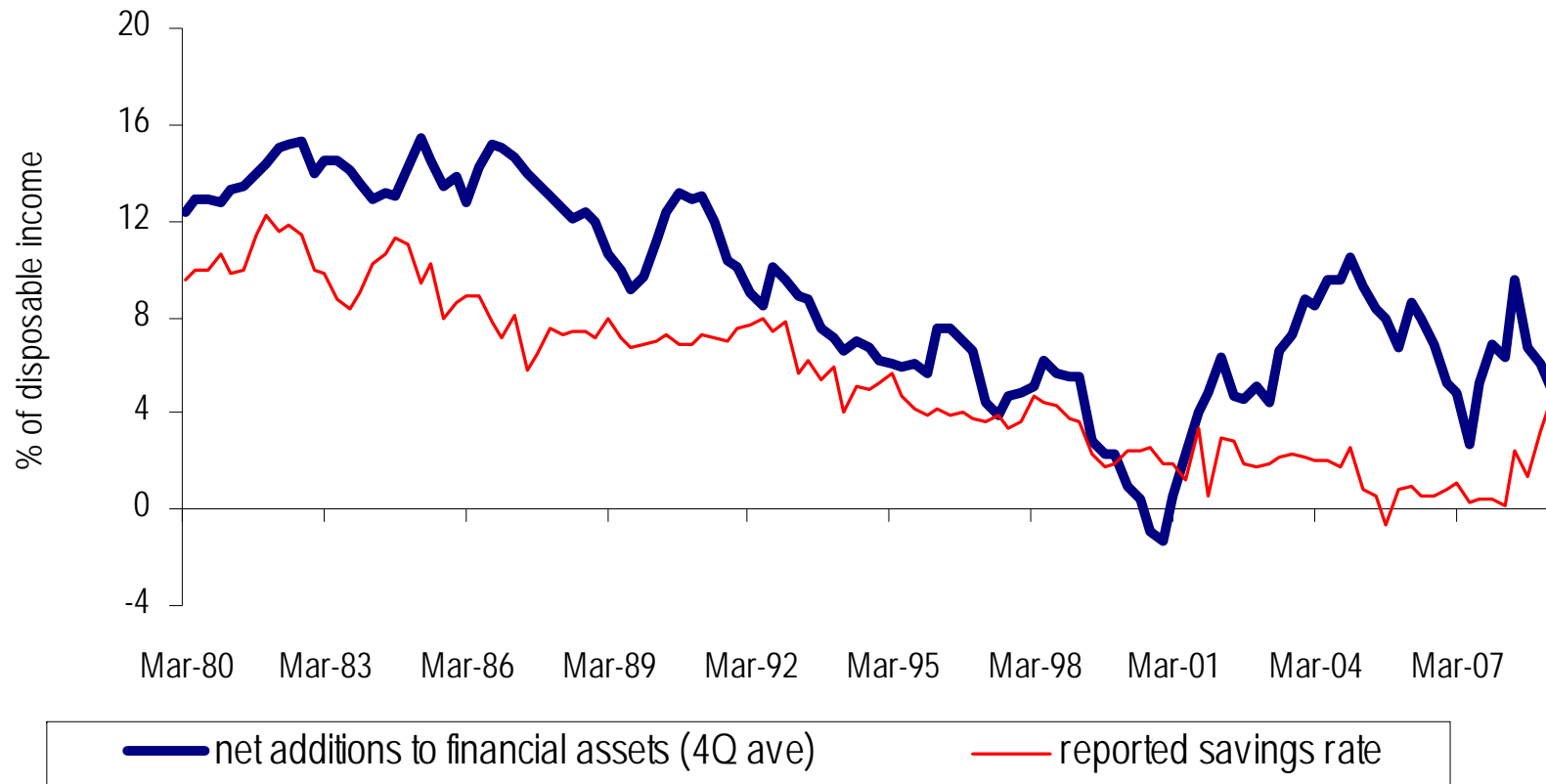


Source: Haver; Encima Global



Two Views of the Flow of Savings

(last obs. Q1 2009)



Source: Haver; Encima Global



Ten Year US Treasury Yield

(last obs. June 24, 2009)

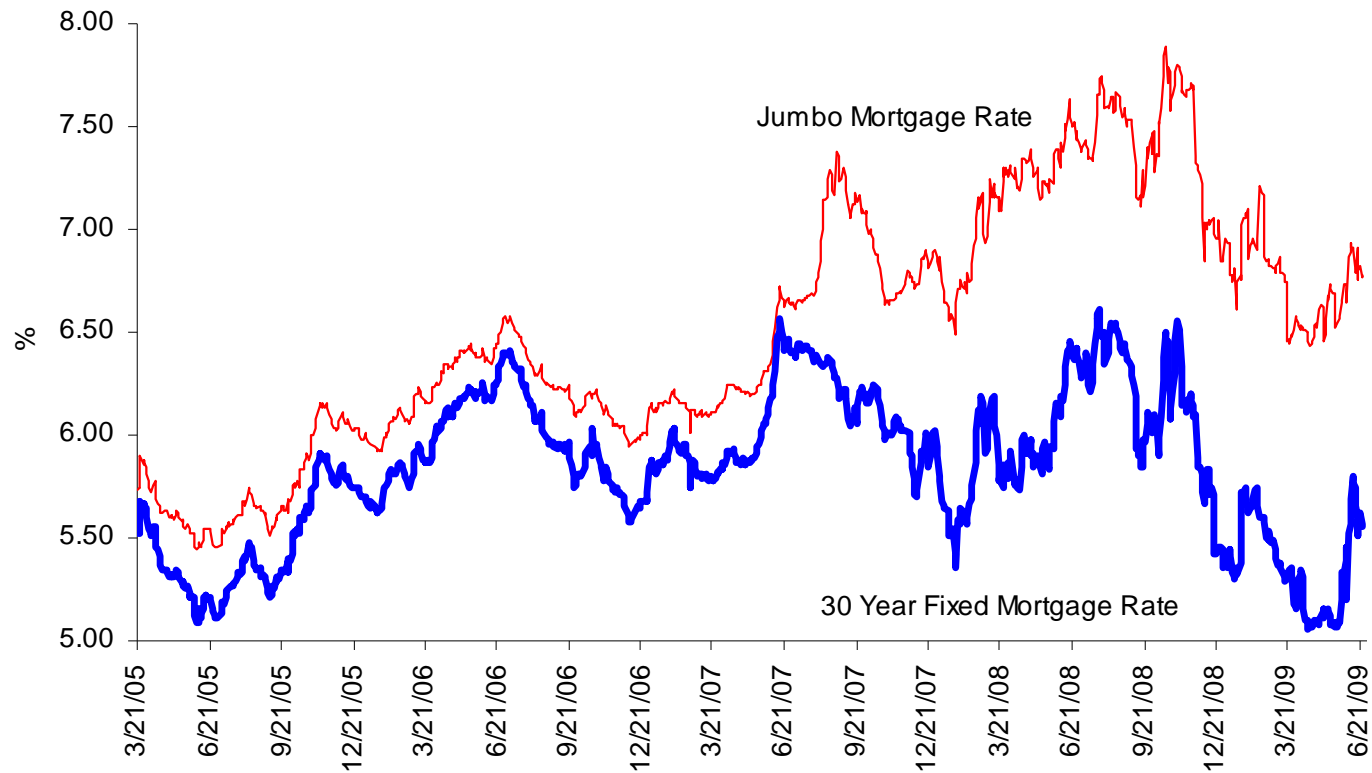


Source: Haver; Bloomberg; Encima Global



Jumbo and Fixed Rate Mortgages

(last obs. June 24, 2009)

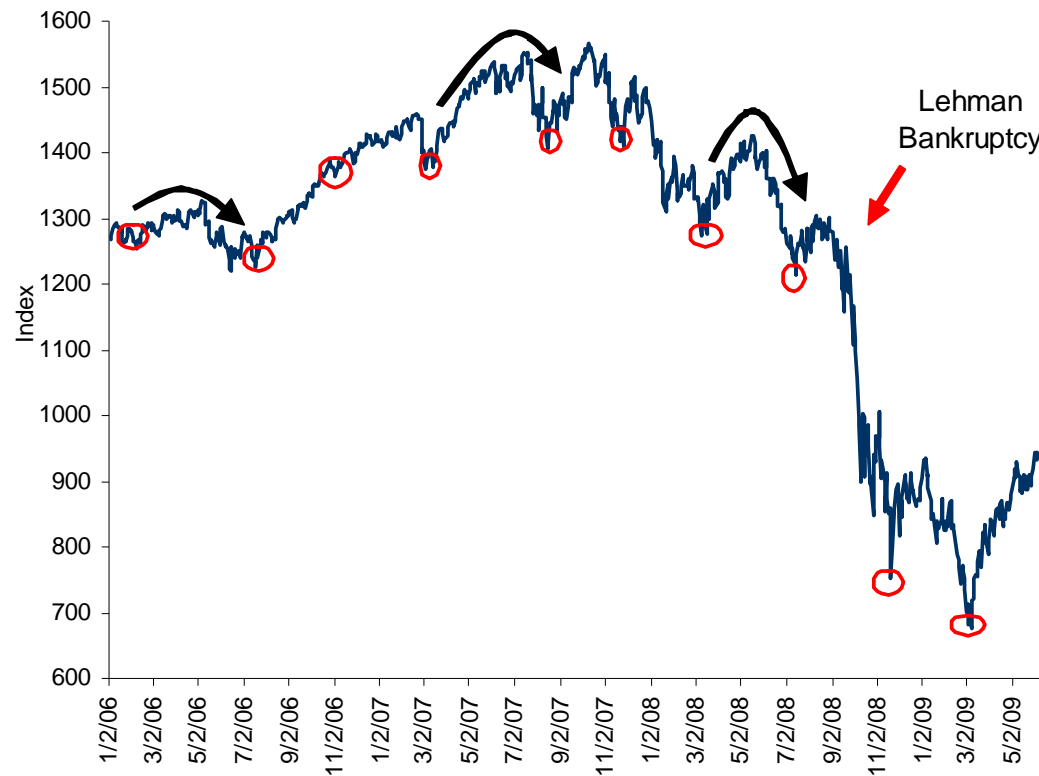


Source: Haver; Encima Global



Four-Month Time-Arc Pattern for S&P 500

(red circles show March-July-November lows; last obs. June 24, 2009)



Source: Haver; Encima Global



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