CH6

Consensus Outlook For Growth Continues To Slide As Politicians Dither

Domestic Commentary Consensus forecasts of U.S. economic growth in the second half of 2011 and in 2012 shriveled a bit more over the past month against the backdrop of an intensifying political battle over an increase in the debt ceiling and federal budget cuts. Standard & Poor's warned that even if Congress raises the debt limit in time to avert a default, it might lower the America's AAA sovereign rating to AA+ with a negative outlook if a deal is not accompanied by a "credible solution" to the debt burden. Moody's, for its part, also said the U.S.'s Aaa rating was under review, noting in a report that "If the debt limit is raised and a default avoided, the Aaa rating would likely be confirmed. However, the outlook assigned at that time to the government bond rating would very likely be changed to negative at the conclusion of the review unless substantial and credible agreement is achieved on a budget that includes long-term deficit reduction." Passage of an increase in the debt ceiling in time to prevent a default is widely assumed by analysts and financial markets but opinion differs considerably on whether a sizable and credible, long-term budget deficit reduction plan will emerge from Congress and be approved by the White House.

The vast majority of our panelists believe economic growth will re-accelerate in the second half of this year as headwinds associated with the earlier surge in gasoline prices and supply-chain disruptions emanating from Japan abate. Nonetheless, predictions of real GDP's expected rate of growth going forward continue to be pared, according to our July 20th-21st survey. For starters, the consensus now forecasts the economy grew just 1.8% (seasonally-adjusted, annual rate) last quarter. That is 0.4 of a percentage point less than forecast a month ago and a whopping 1.5 percentage points less than predicted in our April survey. Real GDP now is projected to grow 2.9% in Q3 and 3.1% in Q4 of this year. The Q3 estimate slipped a further 0.2 of a point over the past month and the Q4 forecast another 0.1 of a point. In 2012, real GDP is expected to grow at respective rates of 2.8% in Q1, 3.0% in Q2, 3.1% in Q3 and 3.2% in Q4. The Q1 and Q3 estimates are 0.1 of a percentage point less than a month earlier while the Q2 and Q4 forecasts went unchanged this month.

The government's advance (first) estimate of Q2 GDP, coupled with benchmark revisions covering prior years, will be released July 29th. The data could immediately influence consensus forecasts of second half GDP depending on whether growth in the relatively recent past is revised up or down by any material degree and by significant revisions to the composition of past growth. In general, real GDP growth in Q2 is believed to have been held down by an especially soft gain in personal consumption expenditures, more modest growth in capital spending than in Q1, another drop in residential investment, and a further contraction in government spending and investment at the state and local level. A somewhat narrower trade deficit than in Q1 and an increase in business inventories are expected to serve as offsets to weakness elsewhere. The anticipated acceleration of real GDP growth during the second half is premised on a significant bounce back in consumer spending, increased capital spending coupled with a modest improvement of investment in structures, the beginning of a sustained, albeit modest recovery in residential investment, a small contribution from business inventories, and lessening fiscal drag at the state and local level.

In contrast to forecasts of GDP, consensus estimates of inflation had inched higher this year but appear to have steadied. The consensus continues to predict that consumer price inflation is poised to sharply decelerate from its first-half 2011 pace. The Consumer Price Index (CPI) registered respective increases of 5.2% (saar) in Q1 and 4.1% in Q2 of this year but is forecast by the consensus to increase only 2.1% in Q3 and Q4. In the first half of 2012, the CPI is projected to increase at about a 2.2% pace, rising to 2.3% in the second half of the year. However, consumer price inflation excluding food and energy prices (core CPI) will continue to creep somewhat higher, according to the consensus. In answer to a special question this month, the consensus predicts a December-over-December change in the core CPI of 2.0% this year and 2.1% in 2012. That compares with the 1.6% year-over-year rate reported for June.

In mid-July, Federal Reserve Chairman Ben Bernanke delivered the Fed's semi-annual Monetary Policy Report to Congress. His prepared testimony essentially reiterated his comments during the press conference that followed the FOMC's June 21st-22nd meeting and the minutes of that meeting which were released the day before his testimony. Bernanke said policymakers remained cautiously optimistic on the prospects for a medium-term recovery in economic growth and still expected that inflationary pressures would moderate. All in all, he suggested the Fed is content with the status quo of its very accommodative policy stance but remained prepared to respond with either additional easing or a shift to tightening if events dictated. Bernanke, despite what some market participants seemed to hear during his first day of testimony, reiterated that the bar is set high for a third round of asset purchases by the Fed (QE3). Indeed, it would likely require a sustained halt to recovery in job creation and a renewed decline in inflation and inflationary expectations.

The June FOMC meeting minutes did reveal that all members except one had agreed on "specific principles" for the Fed's exit strategy. The process will begin by stopping the reinvestment of some or all payments of principle on the securities holdings in the System Open Market Account (the Fed's balance sheet). At the same time or thereafter, the FOMC will change its guidance on the path of the federal funds rate and start temporary reserve-draining operations aimed at supporting the implementation of future increases in the federal funds rate. The next step would be the initiation of actual increases in the federal funds rate target. Sales of agency securities from the SOMA would start sometime after the first hike in interest rates with the timing and pace of sales telegraphed in advance. Once asset sales begin, the pace is expected to be aimed at eliminating the SOMA's holdings of agency debt over a period of three to five years.

Also of note in the minutes was clarification that when the FOMC is discussing "inflation" in its policy statements it is referring to the personal consumption expenditures price index not the PCE deflator excluding food and energy prices.

Consensus Forecast The consensus foresees a real GDP growth rate of 3.0% in the second half of this year versus less than 2.0% in the first half. Growth may be a tad weaker than 3.0% in the first half of 2012 but a bit stronger than 3.0% in the second half. Much may depend on the outcome of current negotiations over the federal budget. Fiscal policy already is slated to be a drag on GDP in 2012 but the amount of drag may wind up being more or less than now assumed by a good many of our panelists. Inflation is expected to ease considerably in the second half of this year, with consumer price inflation increasing at less than half its first half pace and remaining restrained in 2012. Relatively moderate economic growth and lower inflation will prompt the Fed to maintain its current policy stance well into next year. The first increase in the federal funds rate target is not likely until the middle of 2012 *(see page 2)*.

Special Questions The consensus puts the odds at 22% of another asset purchase program from the Fed (QE3) by the end of 2012. Almost 58% of the panelists said that over the past month they had reduced their estimate of second half 2011 growth in consumer spending. About one-third of the panelists said at least one of the major credit rating agencies would cut America's Aaa credit rating by the end of this year. A bit more than half of the panelists responding [illegible] reinvest some or all payments of principle on the securities it holds during Q1 2012 *(see page 14)*.

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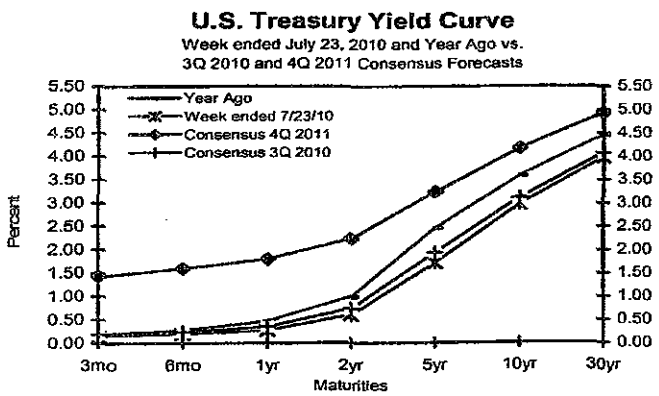
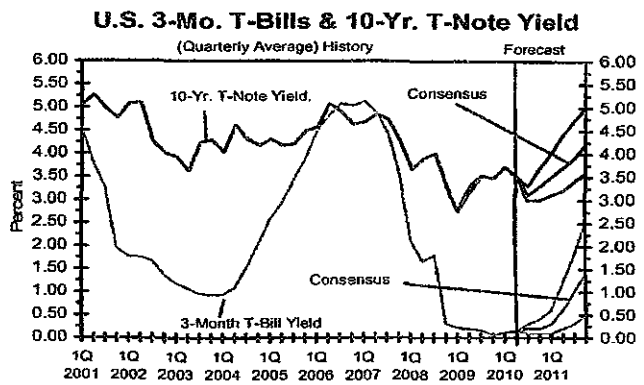
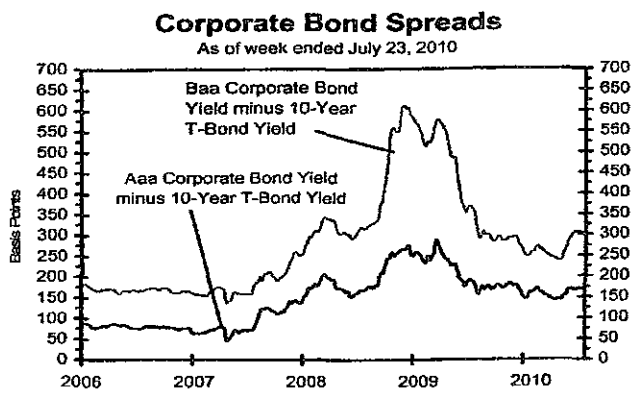
Consensus Forecasts Of U.S. Interest Rates And Key Assumptions[1]

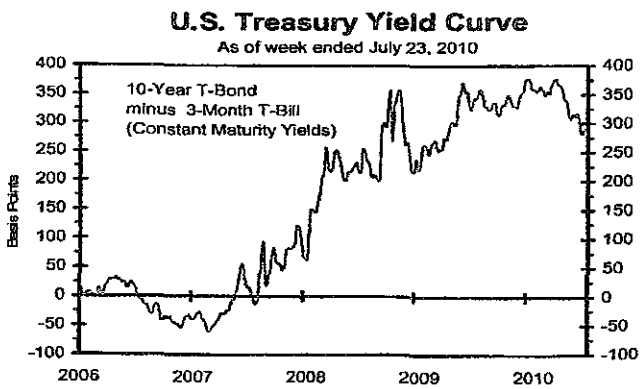
	History								Consensus Forecasts-Quarterly Avg.					
	Average For Week Ending				Average For Month			Latest Q	3Q	4Q	1Q	2Q	3Q	4Q
Interest Rates	July 22	July 15	July 8	July 1	Jun	May	Apr.	2Q 2011	2011	2011	2012	2012	2012	2012
Federal Funds Rate	0.06	0.07	0.08	0.08	0.09	0.09	0.10	0.09	0.1	0.2	0.3	0.4	0.7	1.1
Prime Rate	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.3	3.3	3.3	3.4	3.8	4.1
LIBOR, 3-mo.	0.25	0.25	0.25	0.25	0.29	0.26	0.28	0.28	0.3	0.4	0.5	0.7	1.0	1.3
Commercial Paper, 1-mo.	0.09	0.09	0.10	0.08	0.11	0.11	0.14	0.12	0.2	0.2	0.3	0.5	0.9	1.2
Treasury bill, 3-mo.	0.02	0.02	0.02	0.02	0.04	0.04	0.06	0.05	0.1	0.1	0.3	0.4	0.8	1.1
Treasury bill, 6-mo.	0.06	0.06	0.07	0.10	0.10	0.09	0.12	0.10	0.1	0.2	0.4	0.6	0.9	1.3
Treasury bill, 1 yr.	0.16	0.16	0.19	0.19	0.18	0.19	0.25	0.21	0.2	0.4	0.5	0.8	1.1	1.5
Treasury note, 2 yr.	0.38	0.37	0.44	0.46	0.41	0.56	0.73	0.57	0.5	0.7	1.0	1.3	1.6	2.0
Treasury note, 5 yr.	1.47	1.48	1.67	1.67	1.58	1.84	2.17	1.86	1.7	2.0	2.2	2.4	2.7	2.9
Treasury note, 10 yr.	2.95	2.94	3.12	3.11	3.00	3.17	3.46	3.21	3.1	3.3	3.5	3.7	3.9	4.1
Treasury note, 30 yr.	4.25	4.21	4.35	4.36	4.23	4.29	4.50	4.34	4.3	4.5	4.6	4.7	4.9	5.0
Corporate Aaa bond	4.91	4.89	5.07	5.11	4.99	4.96	5.16	5.04	5.0	5.1	5.2	5.3	5.5	5.6
Corporate Baa bond	5.74	5.71	5.84	5.88	5.75	5.78	6.02	5.85	5.8	5.9	6.1	6.2	6.3	6.5
State & Local bonds	4.46	4.51	4.65	4.59	4.51	4.59	4.99	4.70	4.6	4.7	4.8	5.0	5.1	5.2
Home mortgage rate	4.52	4.51	4.60	4.51	4.51	4.64	4.84	4.66	4.6	4.8	5.0	5.2	5.4	5.6
	History								Consensus Forecasts-Quarterly					
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q*	3Q	4Q	1Q	2Q	3Q	4Q
Key Assumptions	2009	2009	2010	2010	2010	2011	2011	*2011*	2011	2011	2012	2012	2012	2012
Major Currency Index	76.4	72.8	74.8	77.6	75.9	73.0	71.9	69.8	69.8	70.0	70.4	70.9	71.3	71.5
Real GDP	1.6	5.0	3.7	1.7	2.6	3.1	1.9	*1.8*	2.9	3.1	2.8	3.0	3.1	3.2
GDP Price Index	0.7	-0.2	1.0	1.9	2.1	0.4	2.0	*2.3*	1.9	1.7	2.0	2.0	2.0	2.0
Consumer Price Index	3.7	2.7	1.3	-0.5	1.4	2.6	5.2	4.1	2.1	2.1	2.3	2.2	2.3	2.3

Forecasts for interest rates and the Federal Reserve's Major Currency Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index and Consumer Price Index are seasonally-adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data for interest rates except LIBOR is from Federal Reserve Release (FRSR) H.15. LIBOR quotes available from *The Wall Street Journal*. Interest rate definitions are the same as those in FRSR H.15. Treasury yields are reported on a constant maturity basis. Historical data for the Fed's Major Currency Index is from FRSR H.10 and G.5. Historical data for Real GDP and GDP Chained Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index (CPI) history is from the Department of Labor's Bureau of Labor Statistics (BLS).). ***Figures for 2Q 2011 Real GDP and the GDP Chained Price Index are based on a special question asked of the panelists this month (see page 14).***









3-Month Interest Rates[1]

	History: Latest:	History: Month Ago:	History: Year Ago:	Consensus Forecasts Months From Now: 3	6	12
U.S.	0.48	0.31	0.90	**0.36**	**0.41**	**0.71**
Japan	0.23	0.33	0.43	**0.22**	**0.22**	**0.23**
U.K.	0.87	0.91	0.85	**0.78**	**0.82**	**1.20**
Switzerland	0.34	0.33	0.40	**0.40**	**0.70**	**1.20**
Canada	1.40	1.40	1.25	**1.45**	**1.45**	**2.20**
Australia	4.94	4.95	5.10	**5.00**	**5.40**	**5.65**
Eurozone	1.65	1.55	0.88	**1.77**	**1.98**	**1.95**

10-Yr. Government Bond Yields[2]

	History: Latest:	History: Month Ago:	History: Year Ago:	Consensus Forecasts Months From Now: 3	6	12
U.S.	3.01	2.91	3.05	**3.22**	**3.48**	**3.94**
Germany	2.88	2.87	2.78	**3.33**	**3.51**	**3.87**
Japan	1.10	1.11	1.06	**1.14**	**1.17**	**1.37**
U.K.	3.17	3.14	3.51	**3.50**	**3.63**	**3.95**
France	3.43	3.42	3.05	**3.70**	**3.83**	**3.94**
Italy	5.36	4.94	3.96	**5.00**	**5.13**	**5.24**
Switzerland	1.58	1.63	1.51	**2.01**	**2.18**	**2.33**
Canada	3.00	2.91	3.26	**3.28**	**3.53**	**3.90**
Australia	5.03	5.05	5.28	**5.46**	**5.52**	**5.79**
Spain	5.77	5.66	4.14	**5.81**	**5.78**	**5.74**

Foreign Exchange Rates[1]

	History: Latest:	History: Month Ago:	History: Year Ago:	Consensus Forecasts Months From Now: 3	6	12
U.S.	69.537	69.966	76.364	**69.1**	**69.5**	**71.2**
Japan	79.030	80.100	87.31	**82.1**	**83.6**	**87.3**
U.K.	1.6149	1.6186	1.5425	**1.59**	**1.60**	**1.62**
Switzerland	0.8158	0.8462	1.0529	**0.88**	**0.89**	**0.92**
Canada	0.9542	0.9797	1.0376	**0.97**	**0.98**	**0.98**
Australia	1.0656	1.0620	0.8946	**1.06**	**1.06**	**1.01**
Euro	1.4156	1.4326	1.2874	**1.43**	**1.43**	**1.39**

Consensus 3-Month Rates vs. U.S. Rate

	Now	In 12 Mo.
Japan	-0.25	**-0.47**
U.K.	0.39	**0.49**
Switzerland	-0.14	**0.49**
Canada	0.92	**1.49**
Australia	4.46	**4.94**
Eurozone	1.17	**1.24**

Consensus 10-Year Gov't Yields vs. U.S. Yield

	Now	In 12 Mo.
Germany	-0.13	**-0.07**
Japan	-1.91	**-2.57**
U.K.	0.16	**0.00**
France	0.42	**-0.01**
Italy	2.35	**1.30**
Switzerland	-1.43	**-1.61**
Canada	-0.01	**-0.04**
Australia	2.02	**1.85**
Spain	2.76	**1.80**

Forecasts of panel members are on pages 10 and 11. Definitions of variables are as follows: [1]Three month rate on interest-earning money market deposits denominated in selected currencies. [2]Government bonds are yields to maturity. Foreign exchange rate forecasts for U.K., Australia and the Euro are U.S. dollars per currency unit. For the U.S dollar, forecasts are of the U.S. Federal Reserve Board's Major Currency Index.

International Commentary The European Union's July 21st plan to bail out Greece for a second time and quell the Eurozone's sovereign debt crisis (the sixth attempt in 18 months) was clearly broader and more comprehensive than prior efforts. Its very complexity may in the near-term reduce the strain of the crisis on global financial markets for as investors attempt to sort through its full implications. Whether it boasts the monetary firepower actually needed to solve the crisis is debatable. As a result, spreads will likely continue to reflect skepticism about the plan's ability to ring-fence Greece as it moves into "restricted default" and prevent further contagion of Portugal and Ireland, much less Spain and Italy. In the minds of many analysts, real resolution of the Eurozone debt crisis is years away and unlikely absent a future political/fiscal union that matches the monetary union.

The European Central Bank (ECB) raised its refi rate by 25 basis points to 1.5% on July 7th. The hike was expected and President Trichet said that rates remained accommodative and risks to inflation tilted to the upside, leaving the door open to further rate increases. However, odds of another hike in rates this year have been pared as high-frequency indicators of activity suggest the pace of GDP growth in the Eurozone slowed during Q2 and began Q3 on an even softer note. The preliminary Eurozone manufacturing purchasing managers' index (PMI) declined to 50.4 in July, extending its recent slide and suggestive of near stagnation in the factory sector as Q3 began. The preliminary July services PMI dropped to 51.4, it lowest level since September 2009 and hinting of an even broader slowing of activity. Slippage in the PMI's for Germany and France, the biggest economies in the Eurozone, were certainly not offset by a pick up in periphery. Indeed, PMI's for the rest of the currency zone nations remained in contraction territory below 50 for a second straight month.

The Bank of England's Monetary Policy Committee (MPC) left the repo rate at its historic low of 0.5% in early July and many analysts assume it will remain there until at least early-2012. Minutes of the meeting were dovish, noting that "recent developments had reduced the likelihood that a tightening" will occur in the near term. The minutes noted that, "...sovereign debt and banking stresses could intensify, perhaps significantly," a backdrop that is contributing to raising the cost of bank funding in wholesale markets. The minutes also noted that recent evidence suggested relatively modest underlying GDP growth in Q2 and further softening in Q3. Inflation may jump to more than 5.0% (y/y) in July, but is expected to recede thereafter.

As expected, the Bank of Canada (BoC) left its overnight rate unchanged at 1.0% on July 19th. That marked the seventh consecutive meeting at which rates have been left unchanged. The accompanying statement was a bit more hawkish, dropping the word "eventually withdrawn" that previously had described when policy would be tightened to "will be withdrawn". That suggested a September or October rate hike was in the offing. However, as BoC president Caney noted the bank's tightening trajectory will likely to be dictated to an extent on whether U.S. growth rebounds in the second half of the year, coupled with developments in Europe's ongoing debt crisis.

The Reserve Bank of Australia (RBA) left its overnight rate unchanged at 4.75% on July 5th. Minutes of the meeting suggested patience on the part of policymakers as the nation continues to recover from massive floods that produced a sharp contraction in GDP during Q1 of this year, and in Q2, the weakest quarterly job growth since 2001. Although the RBA thinks the medium term outlook for the economy continues to look "strong", the minutes note that "household cautiousness and the high exchange rate were having a dampening effect on a number of other sectors." Indeed, since the RBA meeting, surveys indicated sharp drops in consumer and business confidence *(see pages 10-11 for individual panelists' forecasts).*

Third Quarter 2011

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum – Average For Quarter: Short-Term							Intermediate-Term				Long-Term				Avg. For Qtr.	(Q-Q % Change) (SAAR)		
	1 Federal Funds Rate	2 Prime Bank Rate	3 LIBOR Rate 3-Mo.	4 Com. Paper 1-Mo.	5 Treas. Bills 3-Mo.	6 Treas. Bills 6-Mo.	7 Treas. Bills 1-Yr.	8 Treas. Notes 2-Yr.	9 Treas. Notes 5-Yr.	10 Treas. Notes 10-Yr.	11 Treas. Bond 30-Yr.	12 Aaa Corp. Bond	13 Baa Corp. Bond	14 State & Local Bonds	15 Home Mtg. Rate	A. Fed's Major Currency $ Index	B. Real GDP	C. GDP Price Index	D. Cons. Price Index
Swiss Re	0.3 H	3.3 H	0.3	0.2	0.1	0.2 H	0.3	0.6	1.9	3.2	4.4	5.1	6.0	na	4.7	na	3.4	0.1 L	0.8
Bank of Toyko-Mitsubishi UFJ	0.3 H	3.3	0.4	0.1 L	0.0 L	0.1 L	0.2	0.8	2.1	3.4 H	4.4	5.0	5.7	4.4	4.9	69.0	3.2	2.0	3.0
Scotiabank Group	0.3 H	3.3	na	na	0.1	na	na	0.5	1.7	3.0	4.3	na	na	na	na	na	3.2	1.5	3.1
RidgeWorth Investments	0.2	3.3	0.5 H	0.3	0.2 H	0.2 H	0.3	0.5	1.6	3.0	4.3	4.9	5.7	4.3 L	4.4 L	71.0	2.5	1.9	1.2
Fannie Mae	0.2	3.3	na	na	0.1	na	0.3	na	na	3.2	4.1 L	4.8	na	na	4.7	na	3.1	2.1	1.7
Mesirow Financial	0.2	3.3	0.4	0.2	0.1	0.2 H	0.3	0.6	1.7	3.2	4.2	4.9	5.7	4.8	4.7	70.0	3.2	2.1	1.7
Wintrust Wealth Management	0.2	3.3	0.3	0.3	0.2 H	0.2 H	0.2	0.4 L	1.8	3.0	4.3	5.1	5.9	4.3 L	4.5	69.8	2.2	1.7	2.2
Thredgold Economic Assoc.	0.2	3.3	0.3	0.3	0.0 L	0.1 L	0.3	0.4 L	1.5	2.8 L	4.2	4.8	5.6	4.4	4.4	70.5	2.8	1.9	2.3
Societe Generale	0.2	3.3	0.2 L	0.2	0.1	0.2 H	0.3	0.6	1.8	3.4 H	4.7 H	5.2 H	6.1 H	na	4.9	68.2 L	3.6	2.4	2.4
Cycledata Corp.	0.2	3.3	0.4	0.1 L	0.1	0.1 L	0.2	0.4 L	1.5	3.0	4.3	5.0	5.9	4.3 L	4.6	70.0	2.4	1.9	3.3
Oxford Economics	0.2	3.3	0.3	na	0.1	na	na	na	1.7	3.1	4.2	5.0	na	na	4.7	70.2	2.7	2.3	1.9
JPMorgan Private Banking	0.2	3.3	0.3	0.1 L	0.0 L	0.1 L	0.2	0.4 L	1.5 L	3.0	4.3	4.9	5.7	4.5	4.5	70.0	2.6	2.0	2.2
Goldman Sachs & Co.	0.2	3.3	0.3	na	0.1	na	na	0.6	2.0	3.3	4.4	4.6 L	na	na	5.0 H	na	2.5	0.8	2.5
Naroff Economic Advisors	0.2	3.3	0.4	0.2	0.1	0.2 H	0.2	0.6	1.7	3.1	4.3	5.1	5.9	4.6	4.6	69.0	3.8	2.6	3.2
Woodworth Holdings	0.2	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.4 L	1.5 L	3.0	4.3	5.0	5.8	4.5	4.6	69.0	2.5	2.3	4.0 H
Moody's Analytics	0.1 L	3.3	0.3	0.3	0.1	0.2 H	0.3	0.6	2.0	3.2	4.5	5.2 H	6.0	na	4.9	na	3.4	1.9	2.4
Moody's Capital Markets Group	0.1 L	3.3	0.2 L	0.1 L	0.0 L	0.1 L	0.3	0.4 L	1.6	3.0	4.3	4.9	5.8	4.5	4.5	70.0	2.8	1.6	0.7
MF Global	0.1 L	3.3	na	na	0.1	0.1 L	0.4 H	0.7	1.8	3.3	4.4	na	na	na	na	na	3.5	1.4	1.4
BMO Capital Markets	0.1 L	3.3	0.3	0.1 L	0.0 L	0.1 L	0.3	0.8	1.7	3.3	4.5	5.2 H	6.0	4.6	4.6	70.0	3.2	2.5	1.4
GLC Financial Economics	0.1 L	3.3	0.3	0.1 L	0.0 L	0.1 L	0.2	0.4 L	1.5 L	3.0	4.3	4.9	5.8	4.5	4.6	70.0	2.0	2.2	1.7
Chmura Economics & Analytics	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.3	0.5	1.7	3.2	4.4	5.1	na	na	4.7	71.0	3.4	1.6	2.5
J.W. Coons Advisors LLC	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.4 L	1.6	3.0	4.3	5.0	5.8	na	4.6	69.0	2.0	2.3	2.5
Economist Intelligence Unit	0.1 L	3.3	0.3	0.1 L	0.0 L	0.1 L	0.2	0.4 L	1.6	3.1	4.2	na	na	na	4.6	na	3.0	na	3.0
Bank of America-Merrill Lynch	0.1 L	3.3	0.3	na	0.1	na	na	0.7	2.1	3.4 H	4.5	na	na	na	na	na	2.5	1.7	3.2
UBS	0.1 L	na	0.3	na	0.1	na	na	0.6	2.0	3.3	4.5	na	na	na	na	na	3.5	2.0	1.2
J.P. Morgan Chase	0.1 L	na	0.4	na	0.2 H	na	na	0.6	1.9	3.3	4.4	na	na	na	na	na	2.5	1.2	1.6
RBS Securities	0.1 L	3.3	0.3	0.2	0.1	0.1 L	0.2	0.6	1.8	3.2	4.3	5.0	5.9	4.6	4.6	72.0 H	3.7	2.3	1.2
Action Economics	0.1 L	3.3	0.3	0.2	0.1	0.1 L	0.2	0.6	1.7	3.1	4.3	4.9	5.8	4.6	4.6	70.0	3.0	1.6	0.3
Wells Fargo	0.1 L	3.3	0.2 L	0.2	0.1	0.1 L	0.2	0.6	1.6	3.1	4.4	5.0	5.8	4.5	4.6	69.5	2.2	2.1	0.8
The Northern Trust Company	0.1 L	3.3	0.3	na	0.1	na	0.1 L	0.4 L	1.5 L	2.9 L	4.2	na	na	na	na	na	2.2	na	1.0
Wells Capital Management	0.1 L	3.3	0.3	0.1 L	0.0 L	0.1 L	0.2	0.4 L	1.6	3.2	4.3	4.9	5.7	4.7	4.7	70.2	2.5	2.2	1.2
Stone Harbor Investment Partners	0.1 L	3.3	0.3	0.2	0.1	0.1 L	0.2	0.6	1.9	3.2	4.3	4.9	6.0	na	4.8	69.0	2.6	2.4	1.2
Daiwa Capital Markets America	0.1 L	3.3	0.3	0.2	0.1	0.2 H	0.3	0.6	1.8	3.2	4.4	5.1	6.0	4.6	4.7	70.0	3.1	1.5	2.0
DePrince & Assoc.	0.1 L	3.3	0.3	0.2	0.1	0.1 L	0.2	0.5	1.6	3.1	4.3	5.0	5.8	4.5	4.6	69.6	2.7	1.3	2.1
Pierpont Securities	0.1 L	3.3	0.4	0.1 L	0.1	0.2 H	0.4 H	0.7	2.0	3.3	4.6	5.2 H	6.1 H	4.9	4.9	70.0	4.1 H	1.6	2.3
MacroFin Analytics	0.1 L	3.3	0.3	0.1 L	0.1	0.1 L	0.2	0.5	1.6	3.0	4.3	5.0	5.8	4.6	4.6	70.5	2.5	2.0	2.3
Russell Investments	0.1 L	3.3	0.3	0.1 L	0.1	0.2 H	0.3	0.5	2.1	3.1	4.3	4.8	5.6	4.6	4.5	69.6	2.8	2.2	2.3
Loomis, Sayles & Company	0.1 L	3.3	0.3	0.1 L	0.0 L	0.1 L	0.2	0.5	1.6	3.1	4.3	5.0	5.9	4.6	4.6	69.5	3.2	2.2	2.3
Georgia State University	0.1 L	3.3	na	na	0.1	0.1 L	0.2	0.5	1.8	3.1	4.3	5.2 H	5.9	na	4.7	na	2.1	2.6	2.5
RDQ Economics	0.1 L	3.3	0.3	0.2	0.1	0.2 H	0.3	0.6	2.0	3.4 H	4.5	5.2 H	6.1 H	4.8	4.9	70.5	3.0	1.8	2.9
Nat'l Assn. of Realtors	0.1 L	3.3	0.4	0.2	0.1	0.1 L	0.3	0.5	1.8	3.1	4.4	5.0	5.8	4.8	5.0 H	na	2.6	2.6	3.1
Kellner Economic Advisers	0.1 L	3.3	0.2 L	0.3 H	0.1	0.1 L	0.2	0.7	2.1	3.4 H	4.4	5.0	5.8	4.9	4.7	70.0	2.0	2.4	3.5
Nomura Securities, Inc.	0.1 L	3.3	0.4	0.2	0.2 H	0.2 H	0.3	0.4 L	1.7	3.0	4.3	5.0	5.9	na	4.7	69.3	3.3	1.5	-0.2 L
ClearView Economics	0.1 L	3.3	0.3	0.1 L	0.0 L	0.1 L	0.2	0.4 L	1.5	3.0	4.3	5.0	5.8	4.5	4.5	68.5	1.3 L	2.0	1.2
Standard & Poor's Corp.	0.1 L	3.3	0.3	0.2	0.1	0.1 L	0.2	0.5	1.8	3.2	na	5.1	5.9	4.6	4.6	na	3.3	1.7	1.5
Barclays Capital	0.1 L	3.3	0.3	0.1 L	0.0 L	0.1 L	0.2	0.4 L	1.6	2.9 L	4.2	5.0	5.8	4.6	4.6	na	3.0	1.8	3.7
SunTrust Banks	0.1 L	3.3 L	0.3	0.1 L	0.0 L	0.1 L	0.2	0.8 H	2.2 H	3.3	4.4	5.0	5.1 L	5.3 H	4.6	70.0	3.8	3.5 H	2.8
August Consensus	**0.1**	**3.3**	**0.3**	**0.2**	**0.1**	**0.1**	**0.2**	**0.5**	**1.7**	**3.1**	**4.3**	**5.0**	**5.8**	**4.6**	**4.6**	**69.8**	**2.9**	**1.9**	**2.1**
Top 10 Avg.	0.2	3.3	0.4	0.2	0.1	0.2	0.3	0.7	2.1	3.4	4.5	5.2	6.0	4.8	4.9	70.6	3.6	2.6	3.3
Bottom 10 Avg.	0.1	3.3	0.2	0.1	0.0	0.1	0.2	0.4	1.5	3.0	4.2	4.8	5.6	4.4	4.5	69.0	2.1	1.2	0.8
July Consensus	0.2	3.3	0.3	0.2	0.1	0.2	0.3	0.6	1.9	3.2	4.3	5.0	5.8	4.6	4.7	70.1	3.1	1.9	2.2
Number of Forecasts Changed From A Month Ago:																			
Down	14	0	17	16	28	25	24	27	28	24	13	13	11	9	17	13	27	7	18
Same	32	45	24	16	15	12	13	12	11	15	14	13	14	10	12	10	15	22	14
Up	1	0	1	3	4	2	4	6	7	8	19	14	10	9	12	9	5	16	15
Diffusion Index	36 %	50 %	31 %	30 %	24 %	21 %	26 %	27 %	27 %	33 %	57 %	51 %	49 %	50 %	44 %	44 %	27 %	60 %	47 %

Fourth Quarter 2011

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum – Average For Quarter: Short-Term: 1 Federal Funds Rate	2 Prime Bank Rate	3 LIBOR Rate 3-Mo.	4 Com. Paper 1-Mo.	5 Treas. Bills 3-Mo.	6 Treas. Bills 6-Mo.	7 Treas. Bills 1-Yr.	Intermediate-Term: 8 Treas. Notes 2-Yr.	9 Treas. Notes 5-Yr.	10 Treas. Notes 10-Yr.	11 Treas. Bond 30-Yr.	Long-Term: 12 Aaa Corp. Bond	13 Baa Corp. Bond	14 State & Local Bonds	15 Home Mtg. Rate	Avg. For Qtr. A. Fed's Major Currency $ Index	(Q-Q % Change) (SAAR) B. Real GDP	C. GDP Price Index	D. Cons. Price Index
Pierpont Securities	0.4 H	3.4 H	1.0 H	0.5 H	0.6 H	0.9 H	1.4 H	1.7 H	2.9 H	4.0 H	5.2 H	5.9 H	6.6 H	5.5 H	5.6 H	74.0	4.6 H	2.0	3.2
Naroff Economic Advisors	0.3	3.4 H	0.5	0.3	0.3	0.4	0.5	0.9	2.0	3.4	4.5	5.3	6.1	4.8	5.0	67.0	4.2	2.3	2.9
Bank of Toyko-Mitsubishi UFJ	0.3	3.3 L	0.5	0.2	0.1	0.2	0.3	1.2	2.3	3.7	4.6	5.1	5.9	4.5	5.2	68.0	3.4	2.2	2.4
Swiss Re	0.3	3.3 L	0.3	0.2	0.2	0.2	0.3	0.8	2.2	3.4	4.6	5.2	6.1	na	4.8	na	3.6	0.8	1.0
Scotiabank Group	0.3	3.3 L	na	na	0.2	na	na	0.6	1.8	3.2	4.4	na	na	na	na	na	3.2	1.5	2.8
RBS Securities	0.2	3.3 L	0.3	0.3	0.2	0.3	0.5	0.9	2.2	3.5	4.5	5.0	5.9	4.9	5.0	74.5 H	3.7	2.9	2.6
DePrince & Associates	0.2	3.3 L	0.5	0.3	0.2	0.3	0.4	0.7	1.7	3.2	4.5	5.0	5.9	4.3	4.8	69.7	2.9	1.7	2.1
RidgeWorth Investments	0.2	3.3 L	0.5	0.3	0.1	0.2	0.2	0.5	2.0	3.0	4.3	4.8	5.6	4.2 L	4.4 L	72.0	2.5	2.0	1.8
Mesirow Financial	0.2	3.3 L	0.4	0.3	0.2	0.3	0.5	1.0	2.1	3.6	4.4	5.1	6.0	5.1	5.1	69.0	3.6	1.5	2.1
Wintrust Wealth Management	0.2	3.3 L	0.4	0.4	0.3	0.3	0.3	0.8	2.1	3.3	4.5	5.3	6.1	4.6	4.8	70.1	2.3	1.6	2.1
Thredgold Economic Assoc.	0.2	3.3 L	0.4	0.3	0.1	0.2	0.3	0.5	1.6	3.0	4.3	4.9	5.7	4.5	4.5	70.5	2.8	1.9	2.3
Cycledata Corp.	0.2	3.3 L	0.4	0.1 L	0.1 L	0.1 L	0.2	0.4 L	1.5	3.0	4.3	5.0	5.9	4.3	4.6	70.0	2.4	2.0	3.1
Societe Generale	0.2	3.3 L	0.3	0.2	0.2	0.2	0.4	0.8	1.7	3.3	4.6	5.2	6.1	na	4.9	67.2	3.8	1.5	1.5
Wells Fargo	0.2	3.3 L	0.3	0.2	0.2	0.3	0.4	0.6	1.7	3.2	4.4	5.1	5.9	4.6	4.7	71.0	2.3	2.0	2.6
Russell Investments	0.2	3.3 L	0.3	0.1 L	0.1	0.3	0.6	0.9	2.4	3.4	4.5	4.8	5.6	4.7	4.6	70.0	2.8	1.7	2.6
Fannie Mae	0.2	3.3 L	na	na	0.2	na	0.3	na	na	3.3	4.2	4.9	na	na	4.8	na	2.8	1.5	1.9
Moody's Analytics	0.2	3.3 L	0.4	0.4	0.2	0.3	0.4	0.7	2.0	3.8	5.0	5.6	6.4	na	5.4	na	3.9	2.0	0.9
Nomura Securities, Inc.	0.2	3.3 L	0.4	0.3	0.2	0.3	0.3	0.5	1.9	3.1	4.3	4.6 L	5.5	na	4.4 L	68.5	3.1	1.3	0.8
Daiwa Capital Markets America	0.2	3.3 L	0.4	0.2	0.1	0.2	0.3	0.8	2.0	3.3	4.5	5.2	6.0	4.8	4.8	69.0	3.4	1.5	1.8
JPMorgan Private Banking	0.2	3.3 L	0.4	0.1 L	0.1	0.1 L	0.2	0.4 L	1.5	3.0	4.3	4.9	5.8	4.5	4.5	69.9	2.9	1.8	2.1
Chmura Economics & Analytics	0.2	3.3 L	0.4	0.2	0.1	0.2	0.4	0.7	2.0	3.2	4.4	5.1	na	na	4.9	71.9	3.2	2.1	2.2
Goldman Sachs & Co.	0.2	3.3 L	0.3	na	0.1	na	na	0.9	2.5	3.6	4.6	5.0	na	na	5.4	na	3.3	2.1	2.7
Woodworth Holdings	0.2	3.3 L	0.3	0.1 L	0.1	0.1 L	0.2	0.4 L	1.6	3.1	4.3	5.1	5.9	4.5	4.6	67.0 L	3.0	2.3	3.5 H
Oxford Economics	0.2	3.3 L	0.3	na	0.1	na	na	na	1.8	3.1	4.0 L	4.9	na	na	4.7	71.4	2.7	1.6	1.9
J.W. Coons Advisors LLC	0.1 L	3.3 L	0.4	0.2	0.1	0.2	0.2	0.5	1.8	3.1	4.3	5.1	6.0	na	4.8	68.9	2.7	2.3	2.3
Action Economics	0.1 L	3.3 L	0.4	0.2	0.1	0.2	0.2	0.8	1.1 L	3.4	4.5	4.9	5.7	4.6	4.6	69.6	3.1	0.7	2.6
Bank of America-Merrill Lynch	0.1 L	3.3 L	0.4	na	0.2	na	na	1.0	2.4	3.6	4.7	na	na	na	na	na	3.5	1.5	1.6
GLC Financial Economics	0.1 L	3.3 L	0.3	0.1 L	0.0 L	0.1 L	0.2	0.5	1.7	3.1	4.3	5.0	5.9	4.6	4.6	70.3	2.9	1.5	1.9
Economist Intelligence Unit	0.1 L	3.3 L	0.3	0.1 L	0.1	0.1 L	0.2	0.5	1.7	3.4	4.4	na	na	na	5.0	na	3.2	na	2.4
BMO Capital Markets	0.1 L	3.3 L	0.3	0.1 L	0.1	0.1 L	0.5	1.1	2.3	3.6	4.8	5.5	6.3	4.8	4.9	69.5	3.4	2.2	2.0
Moody's Capital Markets Group	0.1 L	3.3 L	0.2 L	0.1 L	0.1	0.1 L	0.4	0.5	1.8	3.1	4.3	5.0	5.8	4.5	4.6	70.2	2.9	1.3	1.0
MF Global	0.1 L	3.3 L	na	na	0.2	0.3	0.6	1.1	2.1	3.7	4.5	na	na	na	na	na	3.5	1.2	1.2
UBS	0.1 L	na	0.5	na	0.3	na	na	0.9	2.4	3.7	4.7	na	na	na	na	na	3.0	1.0	0.6 L
J.P. Morgan Chase	0.1 L	na	0.3	na	0.2	na	na	0.8	2.2	3.5	4.6	na	na	na	na	na	3.0	1.1	1.3
SunTrust Banks	0.1 L	3.3 L	0.3	0.1 L	0.0 L	0.1 L	0.2	1.3	2.6	3.7	4.7	5.0	5.1 L	5.3	4.9	71.4	4.4	3.6 H	3.0
Wells Capital Management	0.1 L	3.3 L	0.3	0.1 L	0.1	0.1 L	0.3	0.5	1.8	3.3	4.4	4.9	5.5	4.6	4.8	70.2	2.8	2.1	2.4
Nat'l Assn. of Realtors	0.1 L	3.3 L	0.4	0.2	0.2	0.3	0.4	0.7	2.0	3.2	4.5	5.1	5.9	4.9	5.2	na	2.5	2.5	2.8
MacroFin Analytics	0.1 L	3.3 L	0.4	0.2	0.1	0.2	0.3	0.6	1.8	3.2	4.4	5.1	5.9	4.7	4.7	70.8	2.6	1.0	1.2
Barclays Capital	0.1 L	3.3 L	0.3	0.2	0.1	0.1 L	0.2	0.6	1.7	3.1	4.3	5.2	6.0	4.7	4.6	na	3.5	1.9	2.2
RDQ Economics	0.1 L	3.3 L	0.3	0.2	0.1	0.2	0.5	0.9	2.4	3.9	5.0	5.7	6.5	5.3	5.4	70.8	3.3	2.1	2.7
Kellner Economic Advisers	0.1 L	3.3 L	0.3	0.3	0.1	0.2	0.3	0.8	2.2	3.5	4.5	5.1	5.9	5.0	4.8	71.0	2.0 L	2.4	3.5
Stone Harbor Investment Partners	0.1 L	3.3 L	0.3	0.3	0.1	0.2	0.4	1.0	2.5	3.6	4.6	5.1	5.9	na	5.0	70.0	2.9	1.6	1.6
The Northern Trust Company	0.1 L	3.3 L	0.3	na	0.1	na	0.1 L	0.4 L	1.5	2.9 L	4.2	na	na	na	na	na	2.2	na	1.8
Loomis, Sayles & Company	0.1 L	3.3 L	0.3	0.1 L	0.0 L	0.1 L	0.2	0.6	1.7	3.3	4.3	5.1	6.0	4.8	4.8	69.8	3.1	1.4	2.1
Georgia State University	0.1 L	3.3 L	na	na	0.3	0.3	0.5	0.7	2.2	3.5	4.7	5.9 H	6.4	na	5.2	na	2.4	0.5	2.5
ClearView Economics	0.1 L	3.3 L	0.3	0.1 L	0.0 L	0.1 L	0.2	0.4 L	1.5	3.0	4.3	5.0	5.8	4.5	4.5	67.5	2.7	1.5	1.8
Standard & Poor's Corp.	0.1 L	3.3 L	0.3	0.2	0.1	0.2	0.3	0.6	1.9	3.2	na	5.1	5.9	4.7	4.8	na	3.0	-0.1 L	1.7
August Consensus	**0.2**	**3.3**	**0.4**	**0.2**	**0.1**	**0.2**	**0.4**	**0.7**	**2.0**	**3.3**	**4.5**	**5.1**	**5.9**	**4.7**	**4.8**	**70.0**	**3.1**	**1.7**	**2.1**
Top 10 Avg.	0.2	3.3	0.5	0.3	0.3	0.4	0.6	1.1	2.5	3.7	4.8	5.5	6.3	5.0	5.2	71.9	3.9	2.5	3.0
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.0	0.1	0.2	0.4	1.5	3.0	4.2	4.9	5.6	4.4	4.5	68.2	2.4	0.9	1.1
July Consensus	0.2	3.3	0.4	0.3	0.2	0.3	0.4	0.8	2.1	3.4	4.5	5.1	5.9	4.7	4.9	70.2	3.2	1.7	2.1
Number of Forecasts Changed From A Month Ago:																			
Down	13	2	13	15	21	19	22	19	25	19	15	16	16	8	18	10	20	6	11
Same	32	43	24	19	24	17	16	19	12	20	18	13	12	11	14	10	18	25	24
Up	2	0	4	2	2	3	3	7	9	8	13	11	6	7	9	10	9	14	12
Diffusion Index	38 %	48 %	39 %	32 %	30 %	29 %	27 %	37 %	33 %	38 %	48 %	44 %	35 %	48 %	39 %	50 %	38 %	59 %	51 %

First Quarter 2012

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum – Average For Quarter: Short-Term							Intermediate-Term				Long-Term				Avg. For Qtr.	(Q-Q % Change) (SAAR)		
	1 Federal Funds Rate	2 Prime Bank Rate	3 LIBOR Rate 3-Mo.	4 Com. Paper 1-Mo.	5 Treas. Bills 3-Mo.	6 Treas. Bills 6-Mo.	7 Treas. Bills 1-Yr.	8 Treas. Notes 2-Yr.	9 Treas. Notes 5-Yr.	10 Treas. Notes 10-Yr.	11 Treas. Bond 30-Yr.	12 Aaa Corp. Bond	13 Baa Corp. Bond	14 State & Local Bonds	15 Home Mtg. Rate	A. Fed's Major Currency $ Index	B. Real GDP	C. GDP Price Index	D. Cons. Price Index
Pierpont Securities	1.4 H	4.4 H	2.0 H	1.5 H	1.7 H	2.1 H	2.5 H	2.9 H	3.8 H	4.7 H	5.5 H	6.4 H	7.2 H	6.1 H	6.3 H	78.0 H	4.0 H	2.5	3.4
Bank of Toyko-Mitsubishi UFJ	1.0	4.0	1.1	1.1	1.1	1.2	1.3	2.1	3.1	4.0	4.7	5.2	6.2	4.6	5.5	72.0	3.2	2.3	2.8
Naroff Economic Advisors	0.5	3.8	1.0	1.3	0.8	0.9	1.1	1.7	2.6	3.9	4.8	5.6	6.5	5.1	5.5	65.0 L	3.6	2.5	2.7
DePrince & Associates	0.5	3.5	0.8	0.7	0.5	0.6	0.8	1.0	2.0	3.4	4.6	5.2	6.1	4.3	5.1	70.0	2.8	1.7	2.1
Nat'l Assn. of Realtors	0.5	3.5	0.7	0.6	0.6	0.7	0.8	1.1	2.2	3.4	4.7	5.2	6.0	5.0	5.3	na	2.6	2.3	2.7
Daiwa Capital Markets America	0.5	3.5	0.7	0.5	0.4	0.5	0.6	1.5	2.4	3.5	4.5	5.3	6.1	5.0	5.1	68.0	3.5	1.6	1.9
UBS	0.5	na	0.7	na	0.5	na	na	1.1	2.7	3.8	4.8	na	na	na	na	na	2.0	2.0	2.3
SunTrust Banks	0.4	3.4	0.5	0.3	0.0	0.1 L	0.6	1.4	2.6	3.7	4.6	5.3	5.3 L	5.5	5.0	72.8	3.6	3.8 H	3.4
Wintrust Wealth Management	0.3	3.4	0.7	0.6	0.5	0.6	0.7	1.1	2.3	3.6	4.7	5.4	6.2	4.9	5.1	70.5	2.4	1.5	2.3
J.W. Coons Advisors LLC	0.3	3.3 L	0.4	0.3	0.2	0.3	0.4	0.7	2.0	3.3	4.4	5.2	6.1	na	5.0	69.3	2.1	2.2	2.5
Stone Harbor Investment Partners	0.3	3.3 L	0.4	0.5	0.2	0.3	0.5	1.1	2.8	3.8	4.8	5.2	6.0	na	5.2	72.0	1.8	2.2	1.8
RBS Securities	0.3	3.3 L	0.4	0.3	0.4	0.5	0.8	1.2	2.5	3.7	4.6	5.0	5.8	4.9	5.2	74.5	3.0	2.6	2.5
Swiss Re	0.3	3.3 L	0.3	0.3	0.2	0.2	0.3	1.1	2.5	3.6	4.7	5.3	6.3	na	5.1	na	3.2	1.9	1.9
Scotiabank Group	0.3	3.3 L	na	na	0.2	na	na	0.9	2.0	3.5	4.6	na	na	na	na	na	2.6	1.6	2.0
RidgeWorth Investments	0.2	3.3 L	0.5	0.3	0.1	0.2	0.3	0.6	1.9	3.2	4.5	4.9	5.7	4.3	4.6	71.0	3.0	2.1	1.8
Nomura Securities, Inc.	0.2	3.3 L	0.4	0.3	0.2	0.3	0.3	0.6	1.9	3.1	4.4	4.7 L	5.5	na	4.5 L	68.2	1.8	1.3	1.0 L
MacroFin Analytics	0.2	3.3 L	0.4	0.3	0.2	0.3	0.5	0.8	2.0	3.3	4.5	5.2	6.1	5.0	5.0	71.0	2.7	1.0 L	1.1
Mesirow Financial	0.2	3.3 L	0.4	0.3	0.2	0.5	0.8	1.4	2.5	3.9	4.6	5.3	6.2	5.2	5.3	68.2	2.8	1.8	2.0
Thredgold Economic Assoc.	0.2	3.3 L	0.4	0.3	0.1	0.2	0.4	0.7	1.8	3.2	4.4	5.0	5.8	4.6	4.7	71.0	2.8	1.9	2.3
Cycledata Corp.	0.2	3.3 L	0.4	0.1	0.1	0.1	0.2	0.4	1.5	3.0	4.3	5.0	5.9	4.3 L	4.6	70.0	1.0 L	2.1	3.1
Kellner Economic Advisers	0.2	3.3 L	0.4	0.4	0.2	0.3	0.4	0.9	2.3	3.6	4.6	5.2	6.0	5.1	4.9	73.0	2.0	2.5	3.6 H
Russell Investments	0.2	3.3 L	0.4	0.1 L	0.2	0.5	0.8	1.3	2.7	3.7	4.8	5.1	5.8	4.9	4.9	70.0	3.3	2.3	2.6
Societe Generale	0.2	3.3 L	0.3 L	0.3	0.2	0.4	0.7	1.0	1.6	3.2	4.2	4.9	5.8	na	4.7	66.4	2.2	2.0	2.0
Wells Fargo	0.2	3.3 L	0.3 L	0.2	0.2	0.3	0.4	0.8	1.9	3.3	4.5	5.2	6.0	4.7	4.8	72.0	2.1	2.1	2.6
Barclays Capital	0.2	3.3 L	0.3 L	0.2	0.1	0.1 L	0.2	0.9	2.1	3.4	4.5	5.3	6.1	4.8	4.8	na	3.5	2.1	2.7
Moody's Analytics	0.2	3.3 L	0.3 L	0.5	0.2	0.3	0.5	0.9	2.4	4.3	5.3	5.9	6.7	na	5.8	na	3.9	2.0	1.7
Fannie Mae	0.2	3.3 L	na	na	0.2	na	0.4	na	na	3.4	4.3	4.9	na	na	4.9	na	2.6	1.7	1.8
Action Economics	0.2	3.3 L	0.5	0.2	0.2	0.3	0.4	1.0	2.4	3.7	4.7	5.0	5.8	4.6	4.6	69.5	3.3	2.3	3.1
Goldman Sachs & Co.	0.2	3.3 L	0.4	na	0.2	na	na	1.1	2.8	3.9	4.8	5.3	na	na	5.6	na	3.0	1.3	1.8
JPMorgan Private Banking	0.2	3.3 L	0.4	0.1 L	0.1	0.1 L	0.2	0.4 L	1.5 L	3.0	4.3	4.9	5.8	4.5	4.5 L	69.8	3.0	2.0	2.2
Chmura Economics & Analytics	0.2	3.3 L	0.3 L	0.2	0.3	0.4	0.5	0.7	2.0	3.2	4.4	5.2	na	na	4.9	73.3	2.6	2.4	2.5
Oxford Economics	0.2	3.3 L	0.3 L	na	0.1	na	na	na	1.9	3.2	3.8 L	4.8	na	na	4.6	73.0	2.7	2.2	2.0
Woodworth Holdings	0.2	3.3 L	0.3 L	0.1 L	0.1	0.1 L	0.2	0.4 L	1.6	3.1	4.3	5.1	5.9	4.6	4.6	66.0	3.0	2.2	3.0
Bank of America-Merrill Lynch	0.1 L	3.3 L	0.5	na	0.2	na	na	1.4	2.6	3.8	4.9	na	na	na	na	na	2.7	1.2	1.7
Wells Capital Management	0.1 L	3.3 L	0.4	0.2	0.1	0.2	0.4	0.6	2.0	3.7	4.7	5.1	5.7	4.8	5.1	70.3	3.0	2.3	2.5
GLC Financial Economics	0.1 L	3.3 L	0.3 L	0.2	0.1	0.1 L	0.2	0.5	1.7	3.1	4.4	5.1	5.9	4.7	4.7	70.6	3.4	2.0	2.0
Economist Intelligence Unit	0.1 L	3.3 L	0.3 L	0.1 L	0.1	0.1 L	0.3	0.7	2.0	3.5	4.6	na	na	na	5.1	na	3.1	na	2.0
Moody's Capital Markets Group	0.1 L	3.3 L	0.3 L	0.1 L	0.1	0.1 L	0.4	0.6	2.3	3.2	4.3	4.9	5.8	4.5	4.7	70.5	2.9	1.7	1.7
BMO Capital Markets	0.1 L	3.3 L	0.3 L	0.1 L	0.1	0.1 L	0.7	1.5	2.6	3.8	5.0	5.7	6.5	4.9	5.2	69.0	2.4	2.0	2.5
MF Global	0.1 L	3.3 L	na	na	0.3	0.4	0.7	1.4	2.4	3.9	4.5	na	na	na	na	na	3.5	2.1	2.1
J.P. Morgan Chase	0.1 L	na L	0.3 L	na	0.2	na	na	0.9	2.5	3.7	4.7	na	na	na	na	na	2.0	1.2	1.3
Standard & Poor's Corp.	0.1 L	3.3 L	0.3 L	0.2	0.1	0.2	0.3	0.7	1.9	3.3	na	5.1	6.0	4.8	4.8	na	2.4	1.1	1.6
RDQ Economics	0.1 L	3.3 L	0.3 L	0.2	0.1	0.2	0.6	1.2	2.8	4.3	5.4	6.1	7.0	5.6	5.9	70.9	3.3	2.3	2.7
Loomis, Sayles & Company	0.1 L	3.3 L	0.3 L	0.1 L	0.0 L	0.1 L	0.3	0.8	1.8	3.4	4.3	5.1	6.0	4.8	4.9	69.8	2.4	1.6	2.2
The Northern Trust Company	0.1 L	3.3 L	0.3 L	na	0.1	na	0.1 L	0.4 L	1.5 L	2.9 L	4.2	na	na	na	na	na	2.2	na	2.0
Georgia State University	0.1 L	3.3 L	na	na	0.4	0.5	0.8	1.0	2.5	3.7	4.9	6.0	6.6	na	5.4	na	2.6	1.7	2.3
ClearView Economics	0.1 L	3.3 L	0.3 L	0.1 L	0.0 L	0.1 L	0.2	0.4 L	1.5 L	3.0	4.3	5.0	5.8	4.5	4.5	66.5	1.9	2.0	2.4
August Consensus	**0.3**	**3.3**	**0.5**	**0.3**	**0.3**	**0.4**	**0.5**	**1.0**	**2.2**	**3.5**	**4.6**	**5.2**	**6.1**	**4.8**	**5.0**	**70.4**	**2.8**	**2.0**	**2.3**
Top 10 Avg.	0.6	3.6	0.9	0.8	0.7	0.8	1.0	1.6	2.8	4.0	5.0	5.7	6.5	5.2	5.8	73.2	3.6	2.6	3.1
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.0	0.1	0.2	0.5	1.6	3.1	4.2	4.9	5.7	4.5	4.6	67.6	1.9	1.3	1.5
July Consensus	0.3	3.4	0.6	0.5	0.4	0.5	0.7	1.1	2.4	3.6	4.6	5.3	6.1	4.9	5.1	70.6	2.9	1.9	2.3
Number of Forecasts Changed From A Month Ago:																			
Down	13	10	16	17	20	20	20	18	23	17	13	16	14	10	15	12	19	6	10
Same	34	35	24	18	25	19	19	20	17	21	21	16	11	11	17	11	23	27	28
Up	0	0	2	2	2	0	2	7	6	9	12	8	10	7	9	9	5	12	9
Diffusion Index	36 %	39 %	33 %	30 %	31 %	24 %	26 %	38 %	32 %	41 %	49 %	40 %	44 %	45 %	43 %	45 %	35 %	57 %	49 %

Second Quarter 2012

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum -- Average For Quarter: Short-Term							Intermediate-Term				Long-Term				Avg. For Qtr.	(Q-Q % Change) (SAAR)		
	1 Federal Funds Rate	2 Prime Bank Rate	3 LIBOR Rate 3-Mo.	4 Com. Paper 1-Mo.	5 Treas. Bills 3-Mo.	6 Treas. Bills 6-Mo.	7 Treas. Bills 1-Yr.	8 Treas. Notes 2-Yr.	9 Treas. Notes 5-Yr.	10 Treas. Notes 10-Yr.	11 Treas. Bond 30-Yr.	12 Aaa Corp. Bond	13 Baa Corp. Bond	14 State & Local Bonds	15 Home Mtg. Rate	A. Fed's Major Currency $ Index	B. Real GDP	C. GDP Price Index	D. Cons. Price Index
Pierpont Securities	2.4 H	5.4 H	2.9 H	2.5 H	2.6 H	3.0 H	3.4 H	3.9 H	4.3 H	4.9 H	5.7	6.4	7.3	6.2 H	6.5 H	81.0 H	4.1	2.3	3.5
Bank of Toyko-Mitsubishi UFJ	1.5	4.5	1.6	1.6	1.6	1.7	1.8	2.5	3.3	4.1	4.6	5.3	6.3	4.8	5.6	74.0	3.5	2.4	3.2
Naroff Economic Advisors	1.3	4.3	1.7	2.0	1.6	1.8	1.9	2.3	3.3	4.2	5.0	5.9	6.7	5.4	5.9	65.0	3.0	2.4	2.7
Nat'l Assn. of Realtors	1.0	4.0	1.2	1.1	1.1	1.2	1.3	1.6	2.4	3.6	4.8	5.3	6.1	5.1	5.4	na	3.0	2.2	2.7
Daiwa Capital Markets America	1.0	4.0	1.2	1.0	0.9	1.1	1.2	2.1	2.9	3.9	4.8	5.5	6.3	5.5	5.6	67.0	3.6	1.6	2.0
Stone Harbor Investment Partners	0.8	3.8	0.9	1.0	0.6	0.7	0.9	1.5	3.1	4.1	5.1	5.5	6.3	na	5.5	74.0	2.7	2.2	2.1
DePrince & Assoc.	0.7	3.7	1.1	0.9	0.8	0.8	1.1	1.4	2.2	3.6	4.8	5.4	6.3	4.4	5.3	70.3	3.0	1.6	2.2
Swiss Re	0.6	3.6	0.7	0.6	0.6	0.6	0.7	1.6	2.8	3.8	4.8	5.5	6.4	na	5.3	na	3.6	2.8	3.0
UBS	0.6	na	2.0	na	0.9	na	na	1.4	2.8	3.8	4.8	na	na	na	na	na	2.7	1.5	1.0 L
Wintrust Wealth Management	0.6	3.7	1.0	0.9	0.7	0.8	0.9	1.4	2.6	3.8	4.9	5.6	6.4	5.1	5.3	71.0	2.6	1.8	2.2
SunTrust Banks	0.6	3.6	1.0	0.5	0.2	0.1 L	1.2	2.3	3.2	4.1	4.9	5.3	5.3 L	5.5	5.0	74.3	3.1	3.8 H	3.5
J.W. Coons Advisors LLC	0.5	3.5	0.7	0.6	0.5	0.5	0.6	0.9	2.2	3.4	4.5	5.3	6.2	na	5.2	69.2	1.7 L	2.2	2.5
RBS Securities	0.5	3.5	0.9	0.6	0.6	0.8	1.1	1.7	2.9	3.8	4.7	5.0	5.7	5.0	5.4	74.0	3.4	2.4	2.6
Chmura Economics & Analytics	0.4	3.4	0.6	0.4	0.6	0.8	0.9	1.0	2.2	3.4	4.5	5.2	na	na	5.1	74.8	3.2	2.1	2.0
Moody's Analytics	0.4	3.4	0.4	0.7	0.4	0.5	0.6	0.9	2.7	4.7	5.7	6.2	7.1	na	6.1	na	4.3 H	1.9	1.8
MF Global	0.3	3.3 L	na	na	0.5	0.7	1.0	1.7	2.7	4.0	4.5	na	na	na	na	na	3.5	2.1	2.1
Societe Generale	0.3	3.3 L	0.3	0.4	0.4	0.7	1.0	1.3	1.8	3.5	4.6	5.1	6.0	na	5.0	66.6	3.2	2.0	2.0
Action Economics	0.3	3.3 L	0.6	0.3	0.2	0.3	0.6	1.3	2.6	4.0	5.0	5.0	5.9	4.9	4.7	69.4	3.5	2.6	2.7
Mesirow Financial	0.3	3.3 L	0.5	0.3	0.5	0.7	1.1	1.9	2.9	4.2	5.0	5.6	6.5	5.4	5.6	70.7	3.4	1.3	1.6
MacroFin Analytics	0.3	3.3 L	0.5	0.4	0.3	0.4	0.6	1.0	2.5	3.6	4.8	5.2	6.4	5.5	5.2	72.0	2.8	1.2	1.2
Barclays Capital	0.3	3.3 L	0.4	0.2	0.1	0.2	0.3	1.1	2.4	3.5	4.6	5.4	6.2	4.9	4.9	na	3.5	2.3	1.0 L
Scotiabank Group	0.3	3.3 L	na	na	0.4	na	na	1.1	2.5	3.8	4.7	na	na	na	na	na	2.5	1.7	1.6
GLC Financial Economics	0.2	3.3 L	0.5	0.3	0.2	0.2	0.4	0.7	1.9	3.3	4.6	5.2	6.2	4.8	4.9	71.2	3.9	2.3	2.2
Nomura Securities, Inc.	0.2	3.3 L	0.5	0.3	0.2	0.3	0.3	0.8	2.0	3.2	4.3	4.6 L	5.4	na	4.4 L	68.0	2.8	1.8	1.3
RidgeWorth Investments	0.2	3.3 L	0.5	0.3	0.1	0.3	0.4	0.7	2.1	3.4	4.4	4.9	5.7	4.4	4.7	70.0	3.0	2.2	2.4
Thredgold Economic Assoc.	0.2	3.3 L	0.4	0.3	0.2	0.3	0.4	0.9	2.1	3.5	4.7	5.3	6.1	4.9	4.9	71.0	2.8	1.9	2.5
Cycledata Corp.	0.2	3.3 L	0.4	0.1 L	0.1	0.1 L	0.2	0.4	1.5	3.0	4.3	5.0	5.9	4.3 L	4.6	70.0	2.0	2.3	3.2
Kellner Economic Advisers	0.2	3.3 L	0.4	0.5	0.2	0.4	0.5	1.0	2.4	3.7	4.7	5.3	6.1	5.2	5.0	75.0	2.0	2.5	3.7 H
Russell Investments	0.2	3.3 L	0.4	0.1 L	0.2	0.5	0.9	1.6	3.0	3.9	5.0	5.3	6.0	5.0	5.2	70.4	3.5	2.4	2.0
Wells Fargo	0.2	3.3 L	0.3 L	0.2	0.3	0.4	0.5	0.9	2.0	3.4	4.6	5.3	6.1	4.8	4.9	74.0	2.2	2.1	3.0
Fannie Mae	0.2	3.3 L	na	na	0.5	na	0.5	na	na	3.6	4.4	5.0	na	na	5.0	na	3.1	1.5	1.9
Goldman Sachs & Co.	0.2	3.3 L	0.5	na	0.2	na	na	1.4	2.9	4.0	4.9	5.4	na	na	5.6	na	3.0	1.9	2.1
JPMorgan Private Banking	0.2	3.3 L	0.4	0.1 L	0.1	0.1 L	0.2	0.4 L	1.5 L	3.0 L	4.3	4.9	5.8	4.6	4.5	70.0	3.0	2.0	2.2
Oxford Economics	0.2	3.3 L	0.3 L	na	0.0 L	na	na	na	1.9	3.2	3.8 L	4.8	na	na	4.6	74.1	2.6	2.2	2.0
Woodworth Holdings	0.2	3.3 L	0.3 L	0.1 L	0.1	0.1 L	0.3	0.5	1.6	3.1	4.4	5.1	5.9	4.6	4.7	65.0 L	3.0	2.2	2.5
ClearView Economics	0.1 L	3.3 L	0.4	0.2	0.1	0.2	0.3	0.5	1.6	3.0 L	4.3	5.0	5.8	4.5	4.6	66.0	2.2	2.1	2.7
Bank of America-Merrill Lynch	0.1 L	3.3 L	0.7	na	0.4	na	na	2.0	2.9	4.0	5.0	na	na	na	na	na	3.0	1.0	1.6
Wells Capital Management	0.1 L	3.3 L	0.5	0.3	0.2	0.2	0.5	0.7	2.1	3.6	4.6	5.0	5.5	4.6	5.2	71.0	2.8	2.4	2.5
Economist Intelligence Unit	0.1 L	3.3 L	0.3 L	0.2	0.2	0.2	0.3	0.9	2.2	3.6	4.7	na	na	na	5.2	na	2.4	na	1.6
BMO Capital Markets	0.1 L	3.3 L	0.3 L	0.2	0.1	0.1 L	1.0	1.9	3.0	3.9	5.1	5.8	6.6	5.0	5.4	68.5	3.1	1.8	2.4
Moody's Capital Markets Group	0.1 L	3.3 L	0.3 L	0.1 L	0.1	0.2	0.6	0.7	2.4	3.3	4.3	4.9	5.8	4.5	4.8	71.0	3.2	1.8	1.8
J.P. Morgan Chase	0.1 L	na	0.3 L	na	0.2	na	na	1.0	2.6	3.8	4.8	na	na	na	na	na	3.0	1.2	1.4
Standard & Poor's Corp.	0.1 L	3.3 L	0.3 L	0.2	0.2	0.3	0.4	0.8	2.0	3.4	na	5.2	6.1	4.9	4.9	na	2.1	0.9 L	1.1
RDQ Economics	0.1 L	3.3 L	0.3 L	0.2	0.1	0.2	0.7	1.4	3.1	4.7	5.8 H	6.5 H	7.4 H	6.0	6.4	71.2	3.4	2.4	2.8
Loomis, Sayles & Company	0.1 L	3.3 L	0.3 L	0.1 L	0.1	0.1 L	0.3	0.9	1.9	3.6	4.3	5.3	6.2	4.8	5.1	69.8	2.6	1.2	2.2
The Northern Trust Company	0.1 L	3.3 L	0.3 L	na	0.1	na	0.1 L	0.4 L	1.5 L	3.0 L	4.3	na	na	na	na	na	2.3	na	2.0
Georgia State University	0.1 L	3.3 L	na	na	0.4	0.6	0.6	1.1	2.5	3.9	5.0	5.8	6.8	na	5.5	na	2.6	1.2	2.5
August Consensus	**0.4**	**3.4**	**0.7**	**0.5**	**0.4**	**0.6**	**0.8**	**1.3**	**2.4**	**3.7**	**4.7**	**5.3**	**6.2**	**5.0**	**5.2**	**70.9**	**3.0**	**2.0**	**2.2**
Top 10 Avg.	1.0	4.1	1.4	1.2	1.1	1.3	1.5	2.2	3.2	4.3	5.2	5.9	6.7	5.5	5.8	74.7	3.7	2.6	3.1
Bottom 10 Avg.	0.1	3.3	0.3	0.1	0.1	0.1	0.3	0.6	1.7	3.1	4.3	4.9	5.7	4.5	4.6	67.5	2.2	1.3	1.4
July Consensus	0.6	3.6	0.9	0.7	0.6	0.8	0.9	1.4	2.6	3.8	4.8	5.4	6.2	5.0	5.3	71.2	3.0	2.0	2.3
Number of Forecasts Changed From A Month Ago:																			
Down	19	17	19	18	22	22	23	18	20	16	15	16	14	10	14	9	17	7	8
Same	27	27	21	17	23	15	14	21	18	23	20	16	11	8	18	16	20	26	26
Up	1	1	2	2	2	2	4	6	8	8	11	8	6	5	9	6	10	12	13
Diffusion Index	31 %	32 %	30 %	28 %	29 %	24 %	27 %	37 %	37 %	41 %	46 %	40 %	37 %	39 %	44 %	45 %	43 %	56 %	55 %

Third Quarter 2012

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum -- Average For Quarter: Short-Term							Intermediate-Term				Long-Term				Avg. For Qtr.	(Q-Q % Change) (SAAR)		
	1 Federal Funds Rate	2 Prime Bank Rate	3 LIBOR Rate 3-Mo.	4 Com. Paper 1-Mo.	5 Treas. Bills 3-Mo.	6 Treas. Bills 6-Mo.	7 Treas. Bills 1-Yr.	8 Treas. Notes 2-Yr.	9 Treas. Notes 5-Yr.	10 Treas. Notes 10-Yr.	11 Treas. Bond 30-Yr.	12 Aaa Corp. Bond	13 Baa Corp. Bond	14 State & Local Bonds	15 Home Mtg. Rate	A. Fed's Major Currency $ Index	B. Real GDP	C. GDP Price Index	D. Cons. Price Index
Pierpont Securities	3.4 H	6.4 H	3.9 H	3.4 H	3.5 H	3.9 H	4.2 H	4.7 H	4.9 H	5.0 H	5.8	6.3	7.3	6.2 H	6.7 H	84.0 H	4.3 H	2.5	3.5
Naroff Economic Advisors	2.0	5.0	2.5	2.6	2.6	2.6	2.8	2.9	3.7	4.6	5.3	6.1	7.0	5.7	6.2	66.0	2.4	2.6	2.5
Bank of Tokyo-Mitsubishi UFJ	2.0	5.0	2.1	2.1	2.1	2.2	2.3	2.9	3.6	4.2	4.6	5.5	6.4	4.8	5.7	70.0	3.4	2.6	2.9
SunTrust Banks	1.8	4.8	2.0	1.6	0.1	0.2	2.0	3.0	3.8	4.5	5.2	5.3	5.4 L	5.6	5.1	75.8	2.9	3.6 H	3.2
Daiwa Capital Markets America	1.5	4.5	1.7	1.5	1.4	1.6	1.7	2.5	3.3	4.2	5.0	5.8	6.5	5.7	5.9	66.0	3.9	1.7	2.0
Swiss Re	1.4	4.4	1.5	1.4	1.3	1.4	1.5	2.3	3.3	4.1	4.9	5.7	6.6	na	5.6	na	3.5	1.0 L	1.2
Nat'l Assn. of Realtors	1.3	4.3	1.5	1.4	1.3	1.4	1.6	1.9	2.6	3.8	4.9	5.4	6.2	5.2	5.6	na	3.0	2.2	2.7
Stone Harbor Investment Partners	1.3	4.3	1.4	1.5	1.2	1.3	1.6	2.1	3.5	4.4	5.3	5.8	6.6	na	5.8	71.0	2.9	2.5	2.2
DePrince & Associates	1.2	4.2	1.5	1.4	1.2	1.3	1.5	1.8	2.5	3.9	5.0	5.6	6.5	4.5	5.6	71.1	2.9	1.7	2.2
Wintrust Wealth Management	1.1	4.0	1.3	1.2	1.1	1.2	1.4	1.8	2.8	4.1	5.2	5.6	6.4	5.3	5.5	71.4	2.7	1.9	2.1
RBS Securities	1.0	4.0	1.5	1.1	1.2	1.5	1.8	2.2	3.3	3.9	4.7	5.0	5.7	4.9	5.5	74.0	3.1	2.2	2.4
J.W. Coons Advisors LLC	1.0	4.0	1.2	1.0	0.9	1.0	1.0	1.3	2.5	3.6	4.6	5.5	6.4	na	5.4	69.1	3.2	2.2	2.5
UBS	1.0	na	1.6	na	1.4	na	na	1.6	2.9	3.9	4.8	na	na	na	na	na	2.7	1.5	1.0 L
Chmura Economics & Analytics	0.9	3.9	1.0	0.9	1.0	1.1	1.3	1.5	2.4	3.6	4.7	5.3	na	na	5.2	75.9	3.2	2.3	1.9
GLC Financial Economics	0.8	3.8	1.0	0.8	0.7	0.8	0.9	1.2	2.5	4.0	5.2	5.9	6.9	5.5	5.8	71.5	3.5	3.6 H	3.2
Mesirow Financial	0.8	3.8	1.0	0.8	0.9	1.2	1.6	2.3	3.2	4.4	5.2	5.7	6.6	5.5	5.8	73.0	3.5	1.4	1.8
Scotiabank Group	0.8	3.8	na	na	1.0	na	na	1.4	2.8	4.1	5.0	na	na	na	na	na	2.4	1.8	2.2
Fannie Mae	0.7	3.7	na	na	0.9	na	0.6	na	na	3.7	4.5	5.1	na	na	5.1	na	3.2	1.4	1.9
Moody's Analytics	0.7	3.7	0.8	1.0	0.7	0.8	0.8	1.1	2.9	5.0 H	6.0 H	6.4	7.3	na	6.5	na	4.2	2.1	2.2
ClearView Economics	0.6	3.6	1.1	0.7	0.6	0.9	1.1	1.4	2.3	3.6	4.7	5.4	6.1	4.7	5.0	65.5 L	2.4	2.3	3.0
MF Global	0.6	3.6	na	na	0.8	0.9	1.3	2.0	3.0	4.1	4.6	na	na	na	na	na	3.5	2.1	2.1
Societe Generale	0.6	3.6	0.7	0.8	0.7	1.1	1.5	1.7	2.1	4.1	5.3	5.7	6.6	na	5.6	67.4	3.5	2.0	2.0
BMO Capital Markets	0.6	3.6	0.7	0.6	0.5	0.6	1.4	2.3	3.3	4.0	5.1	5.9	6.7	5.1	5.6	68.5	3.4	1.8	2.4
RidgeWorth Investments	0.5	3.5	0.8	0.6	0.4	0.6	0.7	1.1	2.4	3.7	4.8	5.1	5.9	4.5	5.0	69.0	3.0	2.3	2.4
JPMorgan Private Banking	0.5	3.5	0.7	0.5	0.4	0.5	0.5	0.8	1.9	3.4	4.7	5.3	6.1	4.9	4.9	70.3	3.2	1.9	2.1
Thredgold Economic Assoc.	0.5	3.5	0.7	0.6	0.5	0.6	0.8	1.2	2.4	3.8	4.9	5.5	6.3	5.1	5.2	71.5	2.8	1.9	2.5
MacroFin Analytics	0.5	3.5	0.5	0.7	0.6	0.8	0.9	1.5	2.6	3.9	4.9	5.5	6.8	5.8	5.2	73.5	3.0	1.3	1.2
Georgia State University	0.5	3.5	na	na	0.8	0.9	1.0	1.5	2.8	4.1	5.1	5.6	6.7	na	5.8	na	2.8	1.7	2.3
Woodworth Holdings	0.4	3.4	0.5	0.4	0.3	0.4	0.5	0.8	2.0	3.2	4.4	5.2	6.0	4.7	4.7	66.0	3.5	2.1	2.2
Bank of America-Merrill Lynch	0.4	3.5	1.0	na	0.7	na	na	2.3	3.2	4.3	5.2	na	na	na	na	na	3.0	1.0 L	2.0
Kellner Economic Advisers	0.3	3.3 L	0.5	0.7	0.3	0.5	0.6	1.2	2.5	3.8	4.8	5.4	6.2	5.3	5.1	77.0	2.2	2.6	3.9 H
Russell Investments	0.3	3.3 L	0.5	0.2	0.3	0.6	1.0	1.7	3.0	3.9	5.0	5.3	6.0	5.1	5.3	70.9	3.5	2.3	2.2
Action Economics	0.3	3.3 L	0.8	0.3	0.5	0.7	1.0	1.7	3.0	4.3	5.3	5.2	5.9	5.1	5.0	68.9	3.8	2.3	2.7
Oxford Economics	0.2	3.3 L	0.4	na	0.0 L	na	na	na	1.9	3.2	3.8 L	4.8	na	na	4.6	75.1	3.8	2.2	2.1
Standard & Poor's Corp.	0.2	3.3 L	0.5	0.4	0.3	0.5	0.7	1.1	2.3	3.7	na	5.4	6.3	4.9	5.0	na	2.4	1.7	2.2
RDQ Economics	0.2	3.3 L	0.5	0.3	0.3	0.6	1.1	1.8	3.3	4.8	5.9	6.8 H	7.5 H	6.1	6.5	71.2	3.4	2.5	2.8
Nomura Securities, Inc.	0.2	3.3 L	0.5	0.3	0.2	0.3	0.3	1.1	2.3	3.3	4.4	4.6 L	5.5	na	4.5 L	67.7	2.9	1.6	1.2
Cycledata Corp.	0.2	3.3 L	0.4	0.1 L	0.1	0.1 L	0.2	0.4 L	1.5 L	3.0 L	4.3	5.0	5.9	4.3 L	4.6	70.0	2.0 L	2.5	3.2
Wells Fargo	0.2	3.3 L	0.3	0.3	0.3	0.4	0.5	1.0	2.1	3.5	4.7	5.4	6.2	4.9	5.0	75.0	2.7	2.2	2.6
Goldman Sachs	0.2	3.3 L	0.6	na	0.3	na	na	1.6	3.0	4.1	5.0	5.5	na	na	5.7	na	3.5	1.2	1.7
Wells Capital Management	0.1 L	3.3 L	0.6	0.3	0.2	0.3	0.5	0.9	2.1	3.9	4.7	5.1	5.4 L	4.7	5.3	72.3	2.5	2.4	2.5
Economist Intelligence Unit	0.1 L	3.3 L	0.4	0.2	0.2	0.3	0.4	1.1	2.3	3.8	4.7	na	na	na	5.4	na	2.4	na	2.2
Moody's Capital Markets Group	0.1 L	3.3 L	0.3 L	0.2	0.1	0.2	0.6	0.8	2.6	3.6	4.3	4.9	5.8	4.4	5.1	71.5	2.9	1.8	1.7
Loomis, Sayles & Company	0.1 L	3.3 L	0.3 L	0.2	0.1	0.1 L	0.4	1.1	2.1	3.8	4.5	5.4	6.3	4.8	5.3	69.9	2.6	1.3	2.2
The Northern Trust Company	0.1 L	3.3 L	0.3 L	na	0.1	na	0.1 L	0.4 L	1.5 L	3.3	4.4	na	na	na	na	na	2.5	na	2.1
August Consensus	**0.7**	**3.8**	**1.0**	**0.9**	**0.8**	**0.9**	**1.1**	**1.6**	**2.7**	**3.9**	**4.9**	**5.5**	**6.3**	**5.1**	**5.4**	**71.3**	**3.1**	**2.0**	**2.3**
Top 10 Avg.	1.7	4.7	2.0	1.8	1.7	1.8	2.1	2.7	3.6	4.5	5.4	6.0	6.9	5.7	6.1	75.6	3.8	2.7	3.1
Bottom 10 Avg.	0.2	3.3	0.4	0.2	0.1	0.3	0.4	0.8	1.9	3.4	4.4	5.0	5.7	4.6	4.8	67.4	2.4	1.3	1.6
July Consensus	1.0	4.0	1.3	1.1	1.0	1.2	1.4	1.8	2.9	4.1	5.0	5.6	6.4	5.2	5.5	71.7	3.2	2.0	2.3
Number of Forecasts Changed From A Month Ago:																			
Down	17	17	17	17	21	20	21	17	17	16	15	14	15	10	14	9	12	6	9
Same	27	26	22	17	22	16	16	21	19	21	18	19	13	10	16	15	23	26	28
Up	1	1	2	2	2	2	3	5	8	8	11	6	6	7	10	7	10	11	8
Diffusion Index	32 %	32 %	32 %	29 %	29 %	26 %	28 %	36 %	40 %	41 %	45 %	40 %	37 %	44 %	45 %	47 %	48 %	56 %	49 %

Fourth Quarter 2012

Interest Rate Forecasts

Key Assumptions

Blue Chip Financial Forecasts Panel Members	Percent Per Annum – Average For Quarter: Short-Term							Intermediate-Term				Long-Term				Avg. For Qtr.	(Q-Q % Change) (SAAR)		
	1 Federal Funds Rate	2 Prime Bank Rate	3 LIBOR Rate 3-Mo.	4 Com. Paper 1-Mo.	5 Treas. Bills 3-Mo.	6 Treas. Bills 6-Mo.	7 Treas. Bills 1-Yr.	8 Treas. Notes 2-Yr.	9 Treas. Notes 5-Yr.	10 Treas. Notes 10-Yr.	11 Treas. Bond 30-Yr.	12 Aaa Corp. Bond	13 Baa Corp. Bond	14 State & Local Bonds	15 Home Mtg. Rate	A. Fed's Major Currency $ Index	B. Real GDP	C. GDP Price Index	D. Cons. Price Index
Pierpont Securities	4.2 H	7.2 H	4.5 H	4.3 H	4.3 H	4.6 H	4.9 H	5.1 H	5.2 H	5.2	5.8	6.3	7.4	6.3 H	6.9	85.0 H	4.4 H	2.7	3.6
Naroff Economic Advisors	2.8	5.8	3.2	3.3	3.2	3.3	3.4	3.6	4.1	5.0	5.5	6.4	7.2	6.0	6.5	87.5	2.9	2.5	2.6
SunTrust Banks	2.5	5.5	2.7	2.2	0.2	0.2	2.6	3.3	3.9	4.4	5.1	5.3	5.4 L	5.6	5.2	73.0	2.6	3.5	3.1
Bank of Toyko-Mitsubishi UFJ	2.5	5.5	2.6	2.6	2.6	2.7	2.8	3.3	3.8	4.2	4.6	5.6	6.5	4.9	5.7	68.0	3.4	2.7	2.8
Swiss Re	2.1	5.1	2.3	2.1	2.1	2.2	2.3	2.9	3.7	4.4	5.1	5.9	6.8	na	5.9	na	3.5	0.3 L	0.5 L
Daiwa Capital Markets America	2.0	5.0	2.2	2.0	1.9	2.1	2.2	3.0	3.7	4.5	5.3	6.0	6.8	5.9	6.3	65.0	3.9	1.8	2.2
J.W. Coons Advisors LLC	1.8	4.8	2.1	1.8	1.6	1.6	1.6	1.9	2.9	3.9	4.7	5.6	6.6	na	5.6	69.0	3.2	2.1	2.5
Stone Harbor Investment Partners	1.8	4.8	1.9	2.0	1.6	1.8	2.1	2.5	3.8	4.6	5.5	6.0	6.8	na	6.0	69.0	3.4	2.3	2.4
Nat'l Assn. of Realtors	1.5	4.5	1.7	1.6	1.5	1.6	1.8	2.1	2.7	4.0	5.0	5.5	6.3	5.3	5.8	na	3.3	2.2	2.7
Wintrust Wealth Management	1.5	4.4	1.6	1.7	1.5	1.7	1.8	2.1	3.1	4.3	5.3	6.0	6.8	5.4	5.6	72.0	2.7	1.7	2.2
UBS	1.5	na	1.9	na	1.8	na	na	1.9	3.1	3.9	4.8	na	na	na	na	na	2.6	2.0	2.1
DePrince & Assoc.	1.4	4.4	1.8	1.7	1.5	1.6	1.9	2.2	2.8	4.1	5.1	5.8	6.7	4.7	5.8	72.1	3.1	1.7	2.3
RBS Securities	1.3	4.3	1.8	1.4	1.5	1.8	2.1	2.6	3.5	4.0	4.8	5.0	5.7	5.0	5.6	73.0	3.5	2.2	2.2
Chmura Economics & Analytics	1.3	4.3	1.4	1.3	1.5	1.5	1.6	1.8	2.7	3.8	4.8	5.4	na	na	5.4	76.4	3.2	1.7	2.4
Mesirow Financial	1.3	4.3	1.5	1.3	1.2	1.4	1.8	2.6	3.4	4.5	5.3	5.8	6.7	5.6	6.0	73.9	3.8	1.4	1.8
Scotiabank Group	1.3	4.3	na	na	1.4	na	na	1.8	3.1	4.5	5.2	na	na	na	na	na	2.4	1.8	2.2
GLC Financial Economics	1.2	4.2	1.5	1.3	1.2	1.2	1.4	1.7	3.1	4.5	5.7	6.5	7.5	6.0	6.7	71.4	3.6	3.6 H	3.3
Fannie Mae	1.2	4.2	na	na	1.3	na	0.8	na	na	3.8	4.6	5.1	na	na	5.2	na	3.5	1.4	1.9
ClearView Economics	1.2	4.2	1.6	1.2	1.1	1.3	1.5	1.8	2.5	3.8	4.9	5.5	6.3	4.9	5.3	65.0 L	2.6	2.4	3.0
BMO Capital Markets	1.1	4.1	1.2	1.1	1.0	1.1	1.8	2.6	3.6	4.2	5.2	6.0	6.8	5.1	5.7	69.0	3.5	1.9	1.9
Societe Generale	1.1	4.1	1.2	1.3	1.2	1.6	1.9	2.1	2.3	4.4	5.8	6.0	6.9	na	6.2	67.4	3.1	2.2	2.2
RidgeWorth Investments	1.0	4.0	1.3	1.1	0.9	1.1	1.2	1.6	2.9	4.2	5.3	5.5	6.3	4.2 L	5.6	69.0	3.0	2.5	3.0
Thredgold Economic Assoc.	1.0	4.0	1.2	1.1	1.0	1.1	1.3	1.7	2.8	4.2	5.3	5.9	6.7	5.5	5.6	71.5	2.8	1.9	2.5
Georgia State University	1.0	4.0	na	na	1.3	1.4	1.5	2.0	3.0	4.2	5.1	5.5	6.6	na	5.7	na	2.8	1.5	2.1
Moody's Analytics	1.0	4.0	1.0	1.4	0.9	1.0	1.1	1.5	3.4	5.5 H	6.4 H	6.7 H	7.6 H	na	7.0 H	na	4.1	2.6	2.4
MF Global	0.9	3.9	na	na	1.0	1.0	1.5	2.2	3.2	4.1	4.6	na	na	na	na	na	3.5	2.1	2.1
Bank of America-Merrill Lynch	0.8	3.8	1.3	na	1.0	na	na	2.5	3.4	4.5	5.3	na	na	na	na	na	3.0	1.0	2.1
Action Economics	0.8	3.8	1.2	0.8	0.9	1.2	1.6	2.2	3.4	4.5	5.4	5.2	5.9	5.2	5.1	68.9	4.0	1.0	2.8
MacroFin Analytics	0.8	3.8	0.8	1.1	1.0	1.3	1.5	1.8	2.8	4.0	5.0	5.6	7.0	6.0	5.3	75.0	3.2	1.3	1.4
Oxford Economics	0.7	3.8	0.8	na	0.5	na	na	na	2.1	3.4	3.9 L	4.9	na	na	4.8	76.2	3.9	2.2	2.1
Woodworth Holdings	0.7	3.7	0.8	0.7	0.6	0.7	0.8	1.1	2.3	3.4	4.6	5.4	6.2	4.8	4.9	68.0	4.0	2.1	2.0
RDQ Economics	0.6	3.6	1.0	0.7	0.8	1.1	1.6	2.0	3.5	4.9	6.0	6.7 H	7.6 H	6.2	6.6	71.5	3.5	2.5	2.9
Standard & Poor's Corp.	0.6	3.5	0.8	0.7	0.7	0.9	1.1	1.4	2.5	3.9	na	5.5	6.4	5.0	5.2	na	3.1	1.6	1.8
Kellner Economic Advisers	0.5	3.5	0.7	0.9	0.5	0.6	0.7	1.5	2.7	3.9	4.9	5.5	6.3	5.4	5.3	79.0	2.4	2.8	4.0 H
Moody's Capital Markets Group	0.5	3.5	0.6	0.6	0.5	0.6	0.9	1.1	2.9	3.8	4.2	4.9	5.6	4.2 L	5.3	73.5	3.1	1.9	1.9
Russell Investments	0.3	3.3 L	0.6	0.3	0.4	0.7	1.1	1.8	3.1	4.1	5.2	5.4	6.1	5.2	5.3	71.3	3.3	2.2	2.2
Wells Capital Management	0.2	3.3 L	0.7	0.5	0.3	0.3	0.6	1.1	2.1	4.0	4.8	5.1	5.4	4.8	5.4	72.3	2.8	2.1	2.6
Nomura Securities, Inc.	0.2	3.3 L	0.5	0.3	0.2	0.3	0.3	1.4	2.6	3.5	4.5	4.8 L	5.7	na	4.7	67.7	3.1	1.2	1.1
Cycledata Corp.	0.2	3.3 L	0.4	0.1 L	0.1	0.1 L	0.2 L	0.4 L	1.5	3.0 L	4.3	5.0	5.9	4.3	4.6 L	70.0	2.0 L	2.5	3.2
JPMorgan Private Banking	0.2	3.3 L	0.3	0.2	0.1	0.1	0.2 L	0.4 L	0.2 L	3.0 L	4.3	5.0	5.8	4.6	4.6 L	70.2	3.1	2.0	2.2
Wells Fargo	0.2	3.3 L	0.3	0.3	0.3	0.4	0.5	1.2	2.3	3.6	4.6	5.5	6.3	4.9	5.1	76.0	2.7	2.2	2.4
Goldman Sachs & Co.	0.2	3.3 L	0.7	na	0.4	na	na	1.9	3.1	4.3	5.0	5.7	na	na	5.8	na	3.5	1.5	1.9
Economist Intelligence Unit	0.1 L	3.3 L	0.4	0.3	0.3	0.4	0.5	1.1	2.4	3.8	4.9	na	na	na	5.7	na	2.2	na	2.4
Loomis, Sayles & Company	0.1 L	3.3 L	0.3 L	0.2	0.1 L	0.2	0.6	1.4	2.3	3.8	4.5	5.3	6.2	4.7	5.3	70.0	2.7	1.3	2.1
The Northern Trust Company	0.1 L	3.3 L	0.3 L	na	0.1 L	na	0.2 L	0.5	1.6	3.3	4.6	na	na	na	na	na	2.8	na	2.1
August Consensus	**1.1**	**4.1**	**1.3**	**1.2**	**1.1**	**1.3**	**1.5**	**2.0**	**2.9**	**4.1**	**5.0**	**5.6**	**6.5**	**5.2**	**5.6**	**71.5**	**3.2**	**2.0**	**2.3**
Top 10 Avg.	2.3	5.3	2.5	2.4	2.2	2.3	2.6	3.1	3.9	4.8	5.6	6.3	7.2	5.8	6.4	76.1	3.9	2.8	3.2
Bottom 10 Avg.	0.2	3.3	0.4	0.3	0.2	0.3	0.5	1.0	1.9	3.5	4.4	5.0	5.8	4.6	4.9	67.6	2.5	1.2	1.6
July Consensus	1.4	4.4	1.7	1.6	1.4	1.6	1.8	2.2	3.2	4.3	5.2	5.7	6.6	5.3	5.7	71.9	3.2	2.0	2.4
Number of Forecasts Changed From A Month Ago:																			
Down	22.0	22.0	19.0	17.0	24.0	21.0	20.0	20.0	18.0	18.0	18.0	14.0	16.0	10.0	15.0	8.0	11.0	5.0	8.0
Same	23.0	22.0	20.0	17.0	21.0	15.0	17.0	21.0	20.0	21.0	18.0	20.0	13.0	11.0	18.0	17.0	25.0	30.0	28.0
Up	0.0	0.0	1.0	1.0	0.0	1.0	2.0	2.0	6.0	6.0	8.0	4.0	4.0	5.0	6.0	6.0	9.0	0.0	9.0
Diffusion Index	26 %	25 %	28 %	27 %	23 %	23 %	27 %	29 %	36 %	37 %	39 %	37 %	32 %	40 %	38 %	47 %	48 %	53 %	51 %

International Interest Rate And Foreign Exchange Rate Forecasts

United States

Blue Chip Forecasters	3 Mo. Interest Rate % In 3 Mo.	In 6 Mo.	In 12 Mo.	10 Yr. Gov't Bond Yield % In 3 Mo.	In 6 Mo.	In 12 Mo.	Fed's Major Currency $ Index In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na	3.00	3.20	3.80	na	na	na
Moody's Analytics	0.48	0.65	0.82	3.20	3.78	4.67	na	na	na
Barclays Capital	0.30	0.30	na	3.13	3.42	na	na	na	na
Mizuho Research Institute	0.25	0.30	0.50	3.30	3.40	3.75	69.3	70.4	71.2
Wells Fargo	na	na	na	na	na	na	na	na	na
ING Financial Markets	0.40	0.40	0.80	3.50	3.80	4.00	67.5	67.0	69.8
Moody's Captial Markets	na	na	na	3.20	3.30	3.50	70.5	71.0	72.5
August Consensus	**0.36**	**0.41**	**0.71**	**3.22**	**3.48**	**3.94**	**69.1**	**69.5**	**71.2**
High	0.48	0.65	0.82	3.50	3.80	4.67	70.5	71.0	72.5
Low	0.25	0.30	0.50	3.00	3.20	3.50	67.5	67.0	69.8
Last Months Avg.	0.37	0.43	0.70	3.38	3.65	4.09	69.3	69.6	71.2

Japan

Blue Chip Forecasters	3 Mo. Interest Rate % In 3 Mo.	In 6 Mo.	In 12 Mo.	10 Yr. Gov't Bond Yield % In 3 Mo.	In 6 Mo.	In 12 Mo.	Yen/USD In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na	na	na	na	79.0	80.0	83.0
Moody's Analytics	na	na	na	1.28	1.28	1.43	83.3	84.4	88.7
Barclays Capital	0.17	0.15	0.20	0.88	0.93	1.30	82.0	83.0	85.0
Mizuho Research Institute	0.30	0.30	0.30	1.20	1.20	1.30	84.0	86.0	89.0
Wells Fargo	na	na	na	1.20	1.23	1.50	na	na	na
ING Financial Markets	0.20	0.20	0.20	1.20	1.25	1.50	82.0	85.0	92.0
Moody's Captial Markets	na	na	na	1.05	1.10	1.20	82.0	83.0	86.0
August Consensus	**0.22**	**0.22**	**0.23**	**1.14**	**1.17**	**1.37**	**82.1**	**83.6**	**87.3**
High	0.30	0.30	0.30	1.28	1.28	1.50	84.0	86.0	92.0
Low	0.17	0.15	0.20	0.88	0.93	1.20	79.0	80.0	83.0
Last Months Avg.	0.22	0.21	0.22	1.18	1.16	1.34	82.7	84.4	87.9

United Kingdom

Blue Chip Forecasters	3 Mo. Interest Rate % In 3 Mo.	In 6 Mo.	In 12 Mo.	10 Yr. Gilt Yields % In 3 Mo.	In 6 Mo.	In 12 Mo.	USD/Pound Sterling In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na	na	na	na	1.61	1.63	1.67
Moody's Analytics	na	na	na	3.59	3.81	4.41	1.56	1.55	1.58
Barclays Capital	0.84	0.87	na	3.57	3.67	na	1.58	1.59	1.60
Mizuho Research Institute	0.80	0.80	1.10	3.40	3.50	3.70	na	na	na
Wells Fargo	na	na	na	na	na	na	na	na	na
ING Financial Markets	0.70	0.80	1.30	3.60	3.70	4.00	1.62	1.67	1.68
Moody's Captial Markets	na	na	na	3.35	3.45	3.68	1.60	1.58	1.55
August Consensus	**0.78**	**0.82**	**1.20**	**3.50**	**3.63**	**3.95**	**1.59**	**1.60**	**1.62**
High	0.84	0.87	1.30	3.60	3.81	4.41	1.62	1.67	1.68
Low	0.70	0.80	1.10	3.35	3.45	3.68	1.56	1.55	1.55
Last Months Avg.	0.82	1.02	1.40	3.57	3.75	4.00	1.63	1.63	1.65

Switzerland

Blue Chip Forecasters	3 Mo. Interest Rate % In 3 Mo.	In 6 Mo.	In 12 Mo.	10 Yr. Gov't Bond Yield % In 3 Mo.	In 6 Mo.	In 12 Mo.	CHF/USD In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na	na	na	na	0.83	0.83	0.84
Moody's Analytics	na	na	na	2.14	2.45	2.54	0.91	0.91	0.92
Barclays Capital	na	na	na	na	na	na	0.88	0.93	0.98
Mizuho Research Institute	na	na	na	na	na	na	na	na	na
Wells Fargo	na	na	na	na	na	na	na	na	na
ING Financial Markets	0.40	0.70	1.20	2.00	2.20	2.50	0.87	0.88	0.95
Moody's Captial Markets	na	na	na	1.88	1.90	1.95	0.90	0.92	0.93
August Consensus	**0.40**	**0.70**	**1.20**	**2.01**	**2.18**	**2.33**	**0.88**	**0.89**	**0.92**
High	0.40	0.70	1.20	2.14	2.45	2.54	0.91	0.93	0.98
Low	0.40	0.70	1.20	1.88	1.90	1.95	0.83	0.83	0.84
Last Months Avg.	0.40	0.70	1.40	1.93	2.10	2.25	0.89	0.91	0.93

Canada

Blue Chip Forecasters	3 Mo. Interest Rate % In 3 Mo.	In 6 Mo.	In 12 Mo.	10 Yr. Gov't Bond Yield % In 3 Mo.	In 6 Mo.	In 12 Mo.	CAD/USD In 3 Mo.	In 6 Mo.	In 12 Mo.
Scotiabank Group	na	na	na	3.00	3.20	3.45	0.96	0.96	0.95
Moody's Analytics	na	na	na	3.73	4.12	4.66	1.00	1.01	1.02
Barclays Capital	na	na	na	na	na	na	0.97	1.00	1.02
Mizuho Research Institute	na	na	na	na	na	na	na	na	na
Wells Fargo	na	na	na	3.40	3.70	4.10	na	na	na
ING Financial Markets	1.45	1.45	2.20	3.10	3.40	3.80	0.94	0.93	0.92
Moody's Captial Markets	na	na	na	3.15	3.25	3.50	0.99	1.00	1.01
August Consensus	**1.45**	**1.45**	**2.20**	**3.28**	**3.53**	**3.90**	**0.97**	**0.98**	**0.98**
High	1.45	1.45	2.20	3.73	4.12	4.66	1.00	1.01	1.02
Low	1.45	1.45	2.20	3.00	3.20	3.45	0.94	0.93	0.92
Last Months Avg.	1.53	2.00	2.85	3.41	3.64	3.96	0.96	0.96	0.97