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

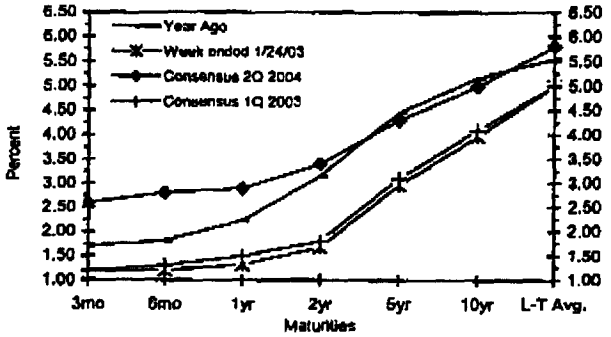
Interest Rates	History: Average For Week Ending Jan. 24	Jan. 17	Jan. 10	Jan. 3	Average For Month Dec.	Nov.	Oct.	Latest Q Q4 2002	Consensus Forecasts-Quarterly Avg. 1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004	2Q 2004
Federal Funds Rate	1.23	1.26	1.20	1.20	1.24	1.34	1.75	1.44	1.2	1.2	1.4	1.8	2.1	2.6
Prime Rate	4.25	4.25	4.25	4.25	4.25	4.35	4.75	4.45	4.2	4.2	4.4	4.8	5.1	5.6
LIBOR, 3-mo.	1.35	1.37	1.38	1.38	1.41	1.47	1.79	1.56	1.4	1.4	1.6	2.0	2.4	2.8
Commercial Paper, 1-mo.	1.25	1.25	1.25	1.28	1.31	1.34	1.72	1.46	1.3	1.3	1.5	1.9	2.3	2.7
Treasury bill, 3-mo.	1.17	1.19	1.20	1.22	1.21	1.25	1.61	1.36	1.2	1.3	1.4	1.8	2.2	2.6
Treasury bill, 6-mo.	1.20	1.23	1.25	1.24	1.27	1.30	1.59	1.39	1.3	1.3	1.5	1.9	2.3	2.8
Treasury bill, 1 yr.	1.32	1.38	1.41	1.38	1.45	1.49	1.65	1.53	1.5	1.6	1.8	2.1	2.5	2.9
Treasury note, 2 yr.	1.67	1.75	1.80	1.70	1.84	1.92	1.91	1.89	1.8	2.0	2.2	2.6	3.0	3.4
Treasury note, 5 yr.	2.96	3.11	3.12	2.91	3.03	3.05	2.95	3.01	3.1	3.2	3.4	3.8	4.0	4.3
Treasury note, 10 yr.	3.97	4.10	4.10	3.94	4.03	4.05	3.94	4.01	4.1	4.2	4.4	4.7	4.9	5.0
Treasury Long-Term Avg.	5.00	5.11	5.13	5.00	5.06	5.10	5.07	5.08	5.0	5.1	5.2	5.5	5.6	5.8
Corporate Aaa bond	6.11	6.22	6.24	6.16	6.21	6.31	6.32	6.28	6.2	6.3	6.4	6.5	6.7	6.8
Corporate Baa bond	7.30	7.39	7.44	7.37	7.45	7.62	7.73	7.60	7.4	7.4	7.5	7.6	7.8	7.9
State & Local bonds	4.89	4.95	4.94	4.84	4.85	4.95	4.88	4.89	4.9	4.9	5.0	5.2	5.3	5.4
Home mortgage rate	5.91	5.97	5.95	5.85	6.05	6.07	6.11	6.08	6.0	6.1	6.2	6.5	6.7	6.9

Key Assumptions	History: 1Q 2001	2Q 2001	3Q 2001	4Q 2001	1Q 2002	2Q 2002	3Q 2002	4Q 2002	Consensus Forecasts-Quarterly Avg. 1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004	2Q 2004
Major Currency Index	101.9	105.3	104.4	105.3	108.2	104.4	100.0	100.0	96.4	96.2	96.1	96.0	95.9	96.2
Real GDP	-0.6	-1.6	-0.3	2.7	5.0	1.3	4.0	0.7	2.6	3.2	3.5	3.7	3.6	3.7
GDP Price Index	3.7	2.5	2.2	-0.5	1.3	1.2	1.0	1.8	1.8	1.7	1.6	1.7	1.9	2.0
Consumer Price Index	4.0	3.2	0.7	-0.2	1.4	3.4	1.8	2.5	2.5	2.1	2.1	2.2	2.3	2.4

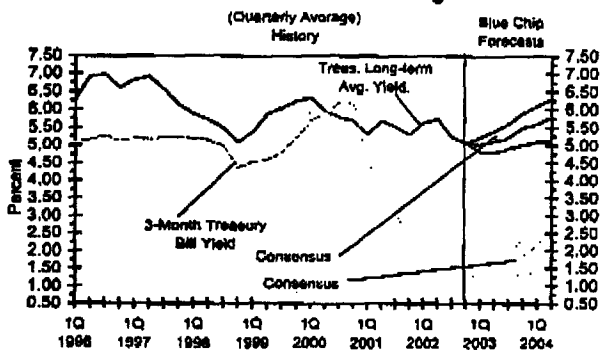
[1]Individual panel members' forecasts are on pages 4 through 9. Historical data for interest rates except LIBOR is from Federal Reserve Release (FRSR) H.15. LIBOR quotes available from *The Wall Street Journal*. Definitions reported here are same as those in FRSR H.15. Treasury yields are reported on a constant maturity basis. Historical data for the U.S. Federal Reserve Board'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).

U.S. Treasury Yield Curve

Week ended January 24th, 2003 and Year Ago vs. 1Q 2003 and 2Q 2004 Consensus forecasts

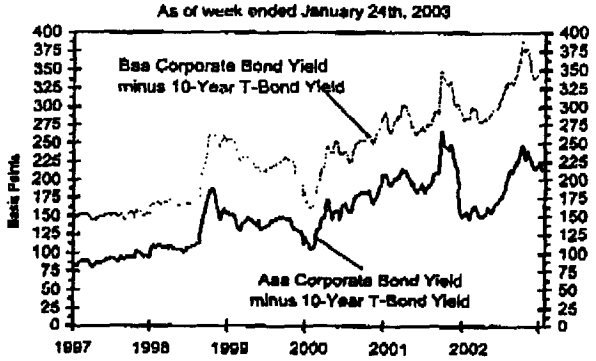


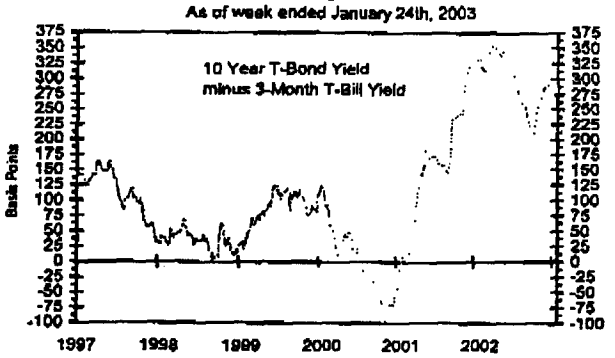
U.S. 3-Mo. T-Bills & L-T Avg. Yield



Corporate Bond Spreads

As of week ended January 24th, 2003



U.S. Treasury Yield Curve

As of week ended January 24th, 2003