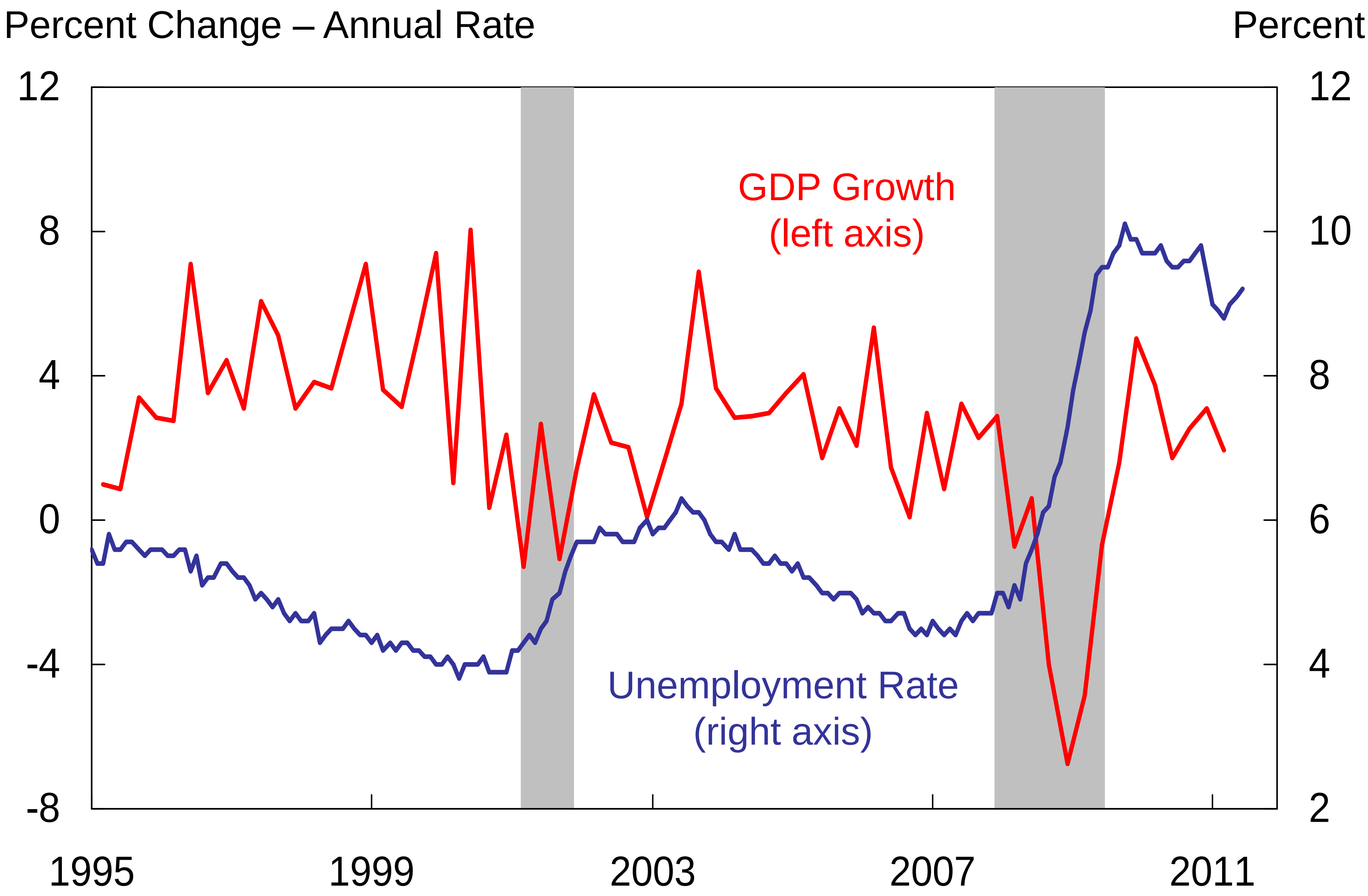
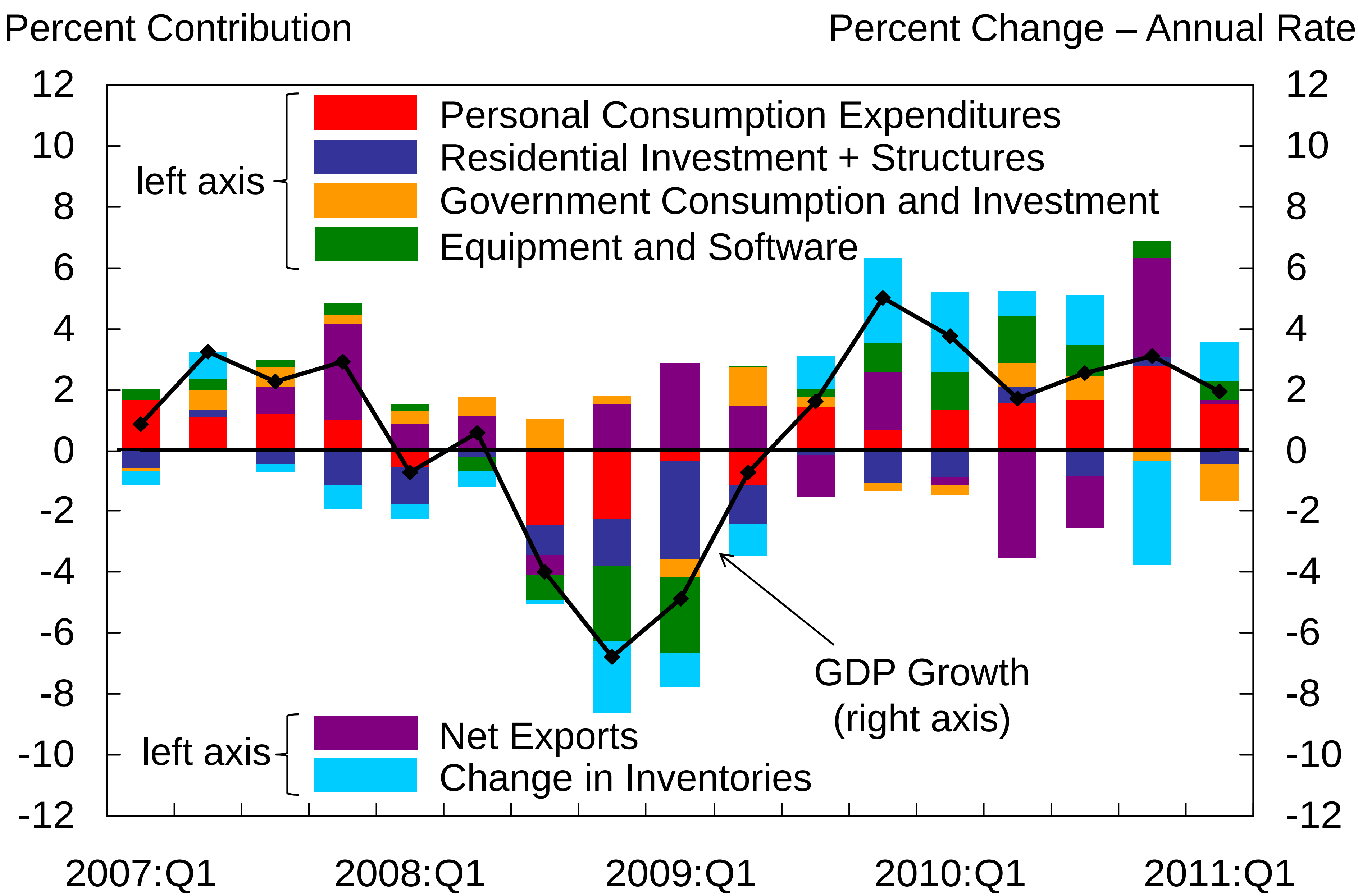
4. Macroeconomic Environment

4.0.1 Real GDP Growth and the Unemployment Rate



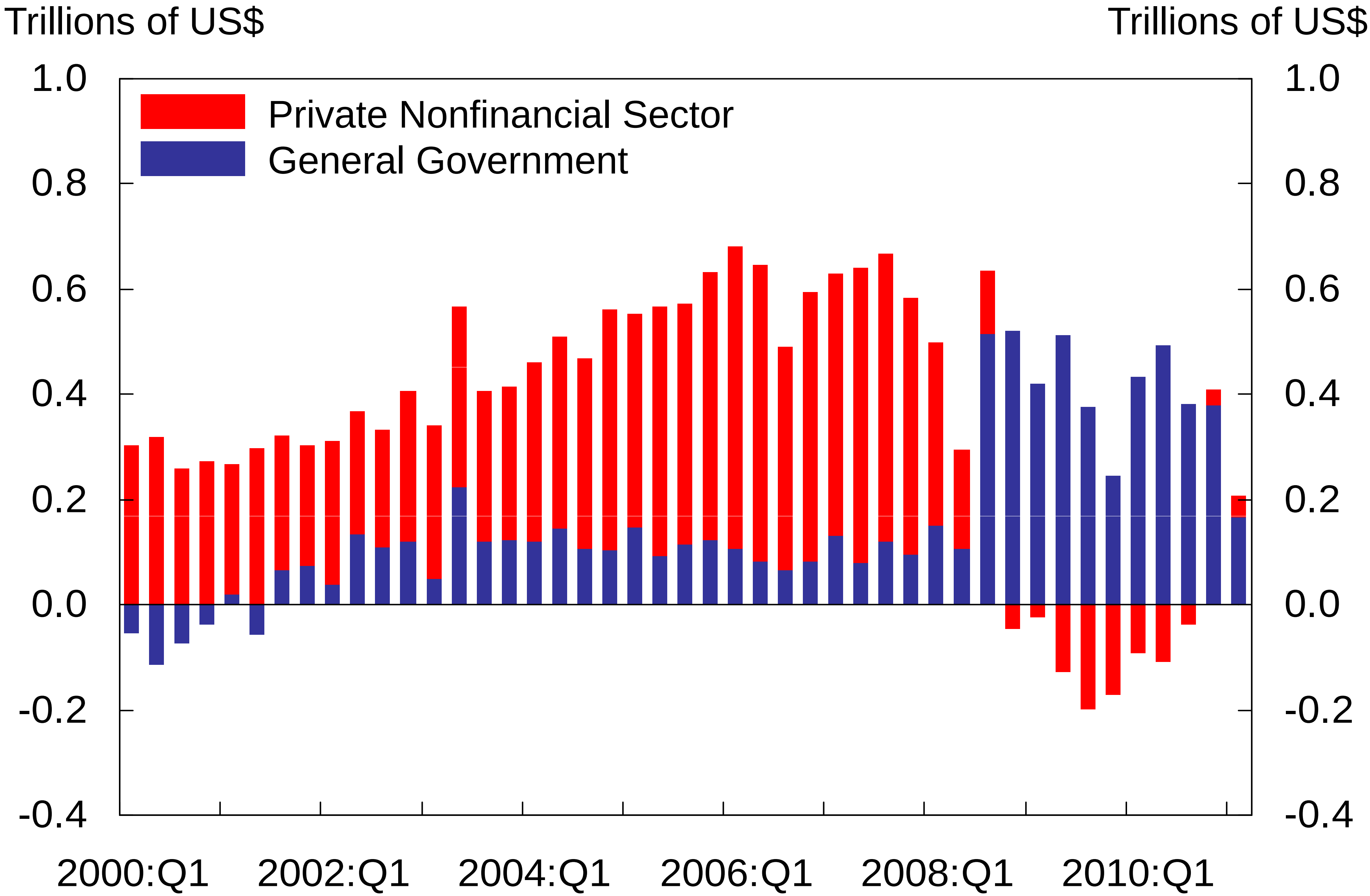
Source: BLS and BEA

4.0.2 Real GDP Growth and Its Components



Source: BEA

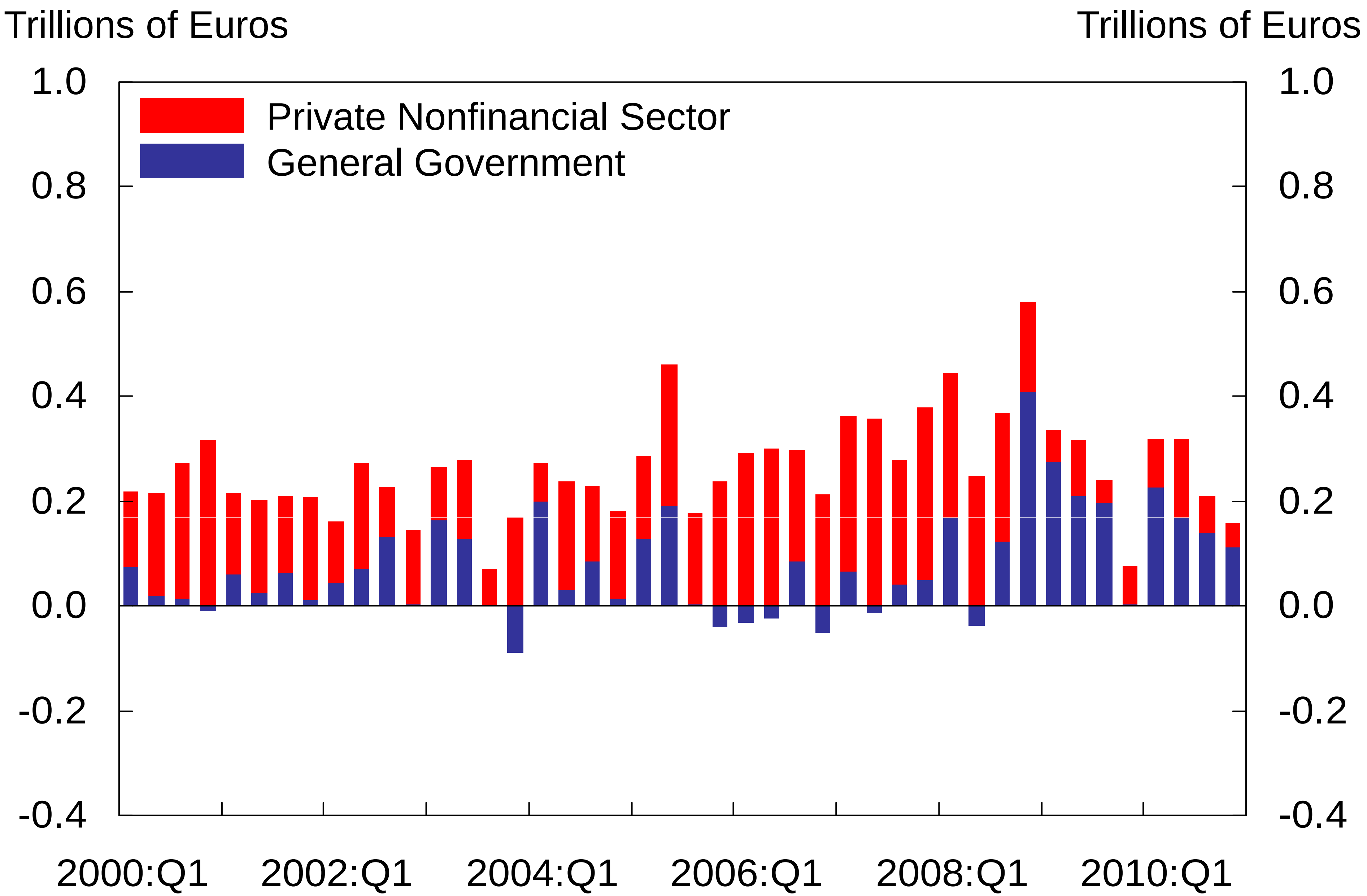
4.0.3 United States Nonfinancial Net Debt Flows



Source: Flow of Funds

Note: At a quarterly rate.

4.0.4 Euro Area Nonfinancial Net Debt Flows

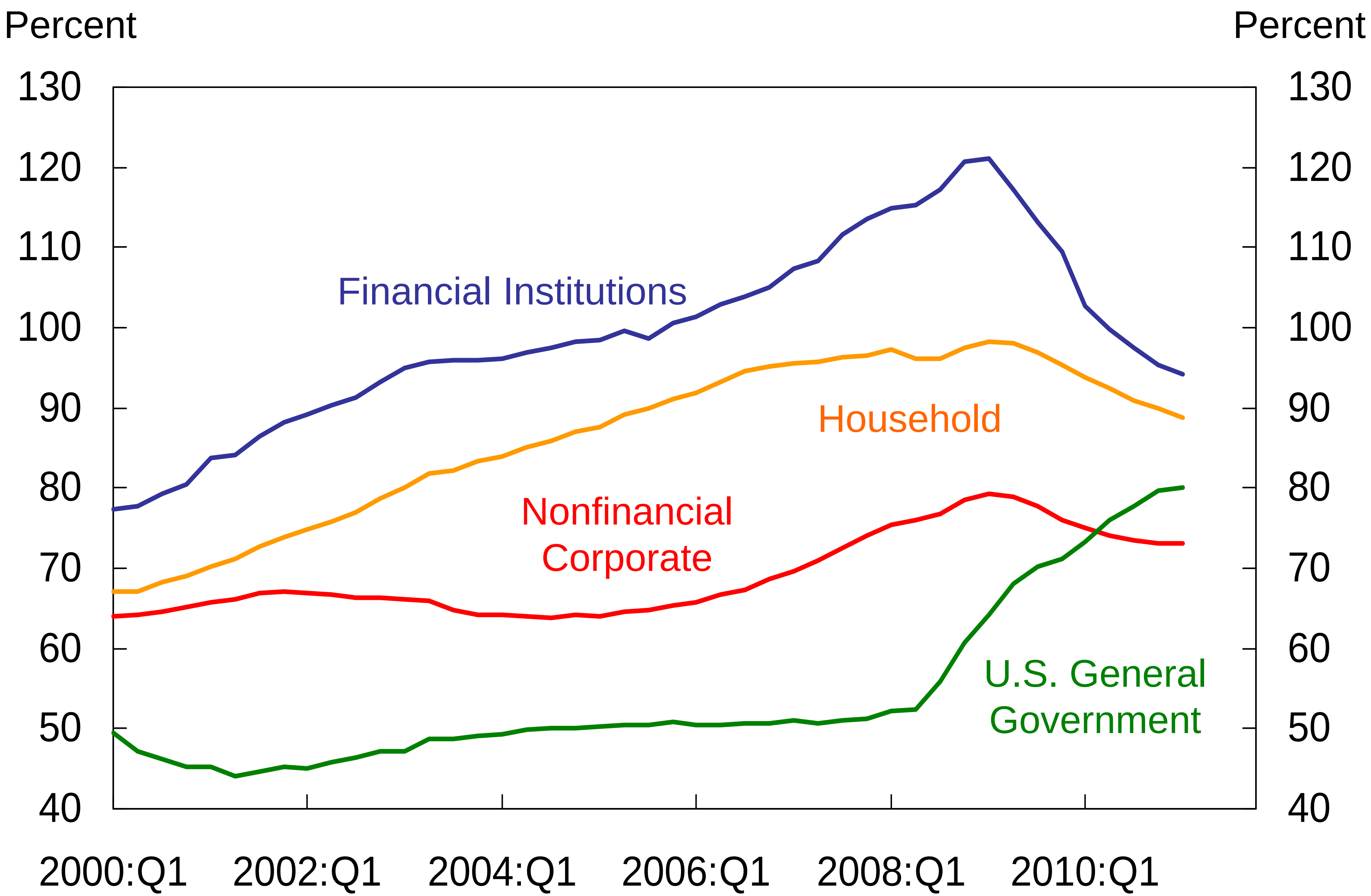


Source: Eurostat

Note: At a quarterly rate.

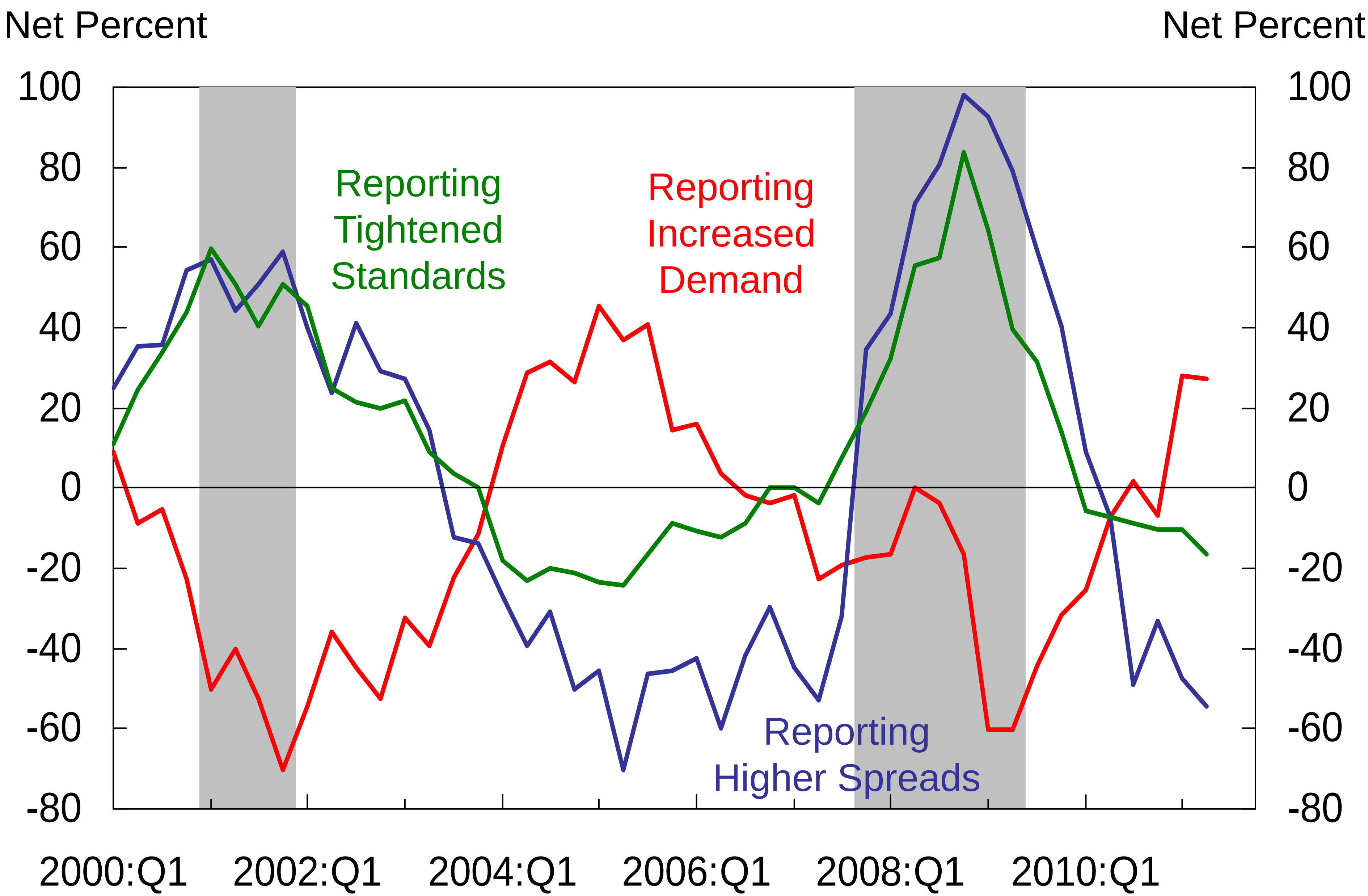
4.1 Provision of Financial Services to the Real Economy

4.1.1 Net Debt Outstanding as a Percent of GDP



Source: Flow of Funds, BEA

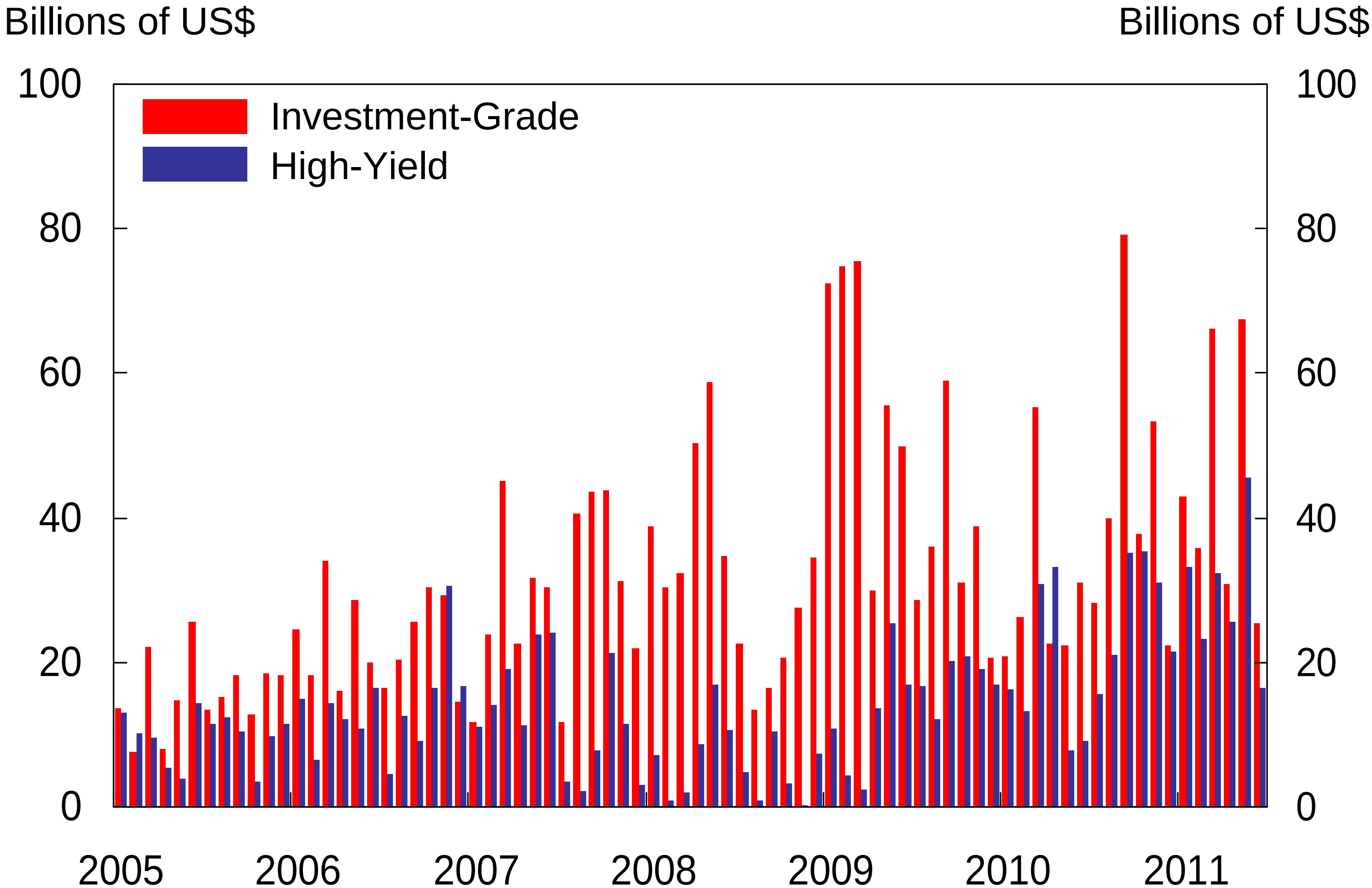
4.1.2 Bank Business Lending Standards and Demand



Source: SLOOS

Note: For C&I loans to medium and large firms.

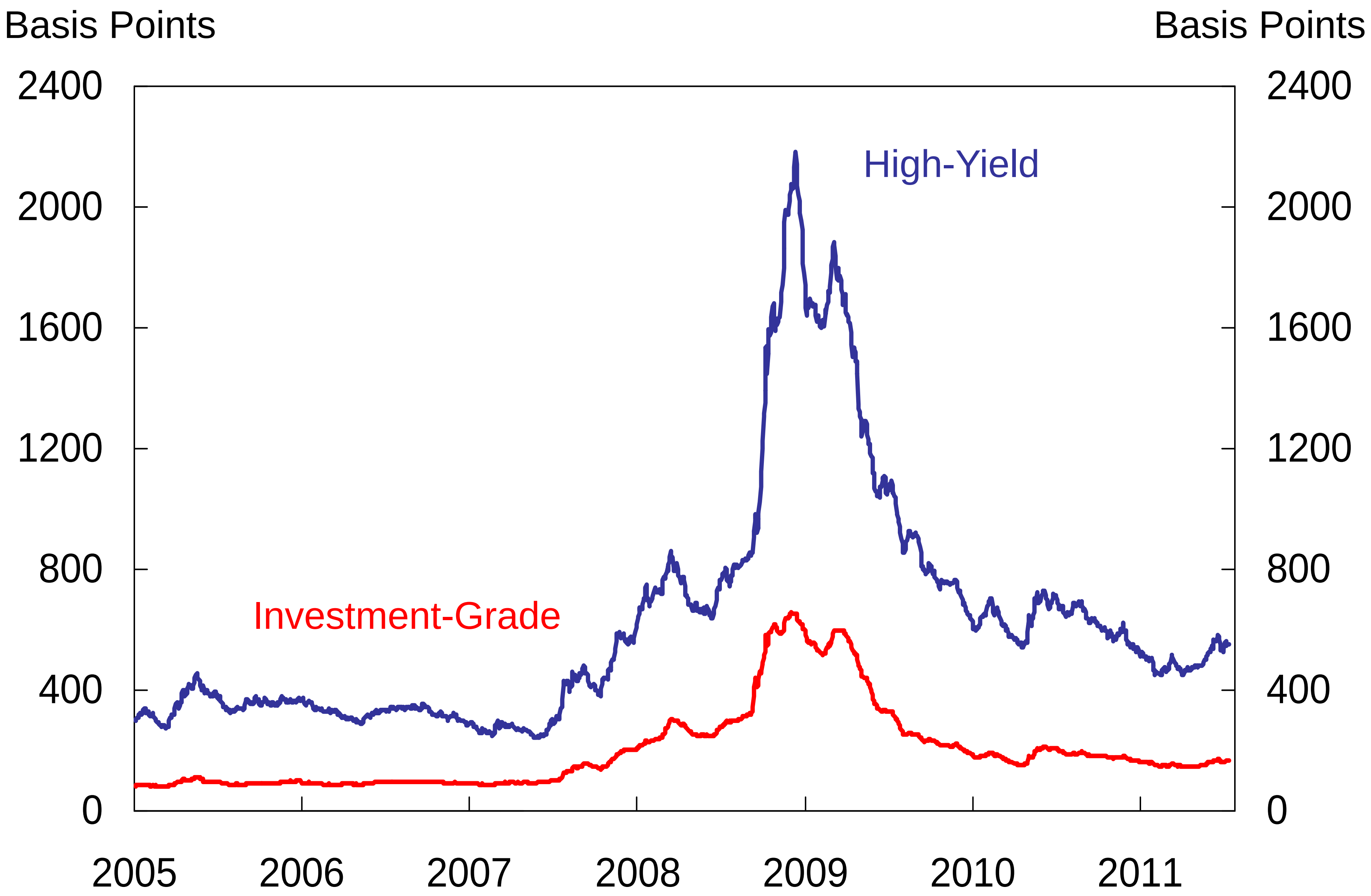
4.1.3 Corporate Bond Market Issuance



Source: Dealogic

Note: U.S. marketed issuance only.

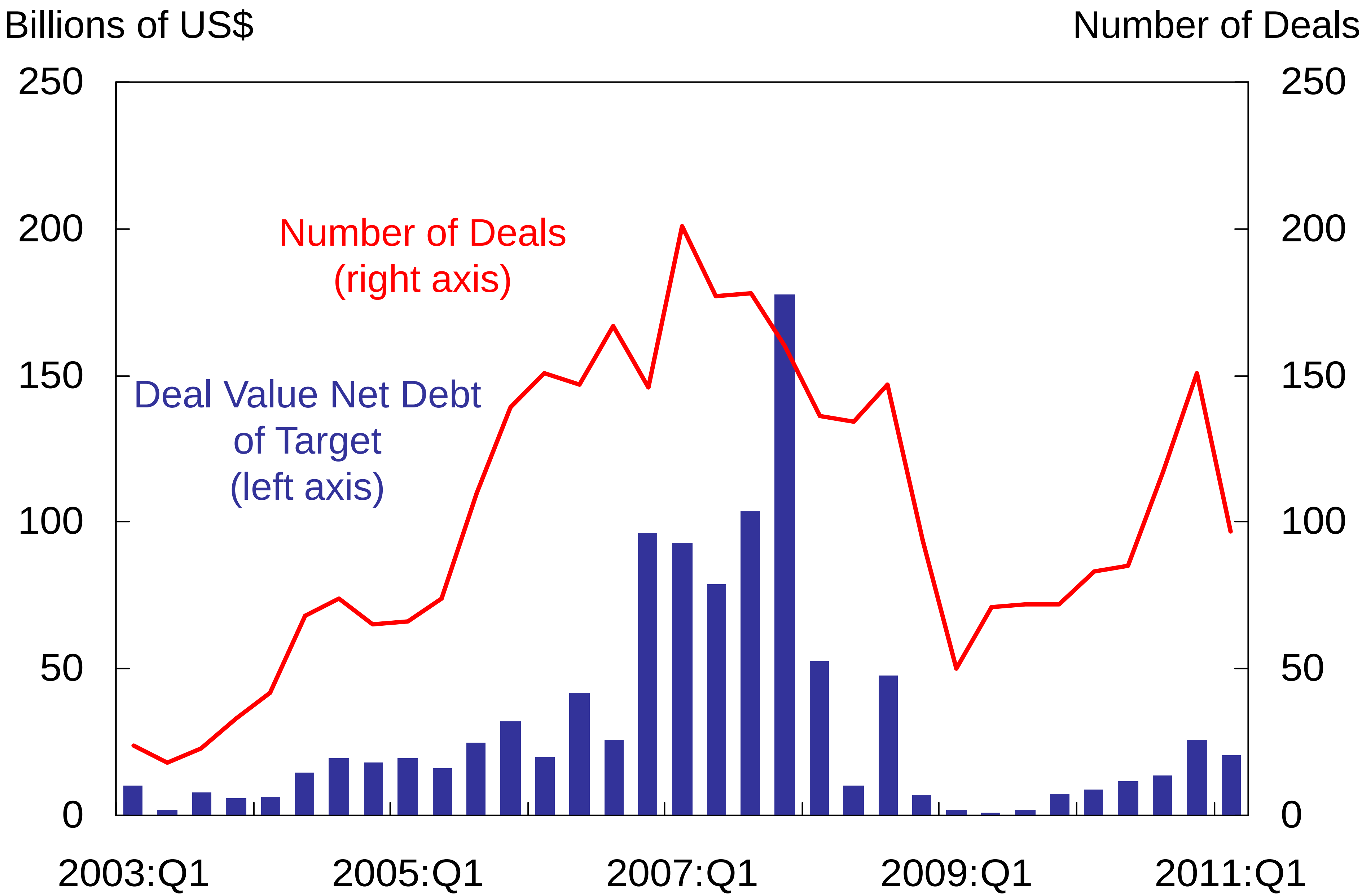
4.1.4 Corporate Bond Spreads



Source: Bloomberg

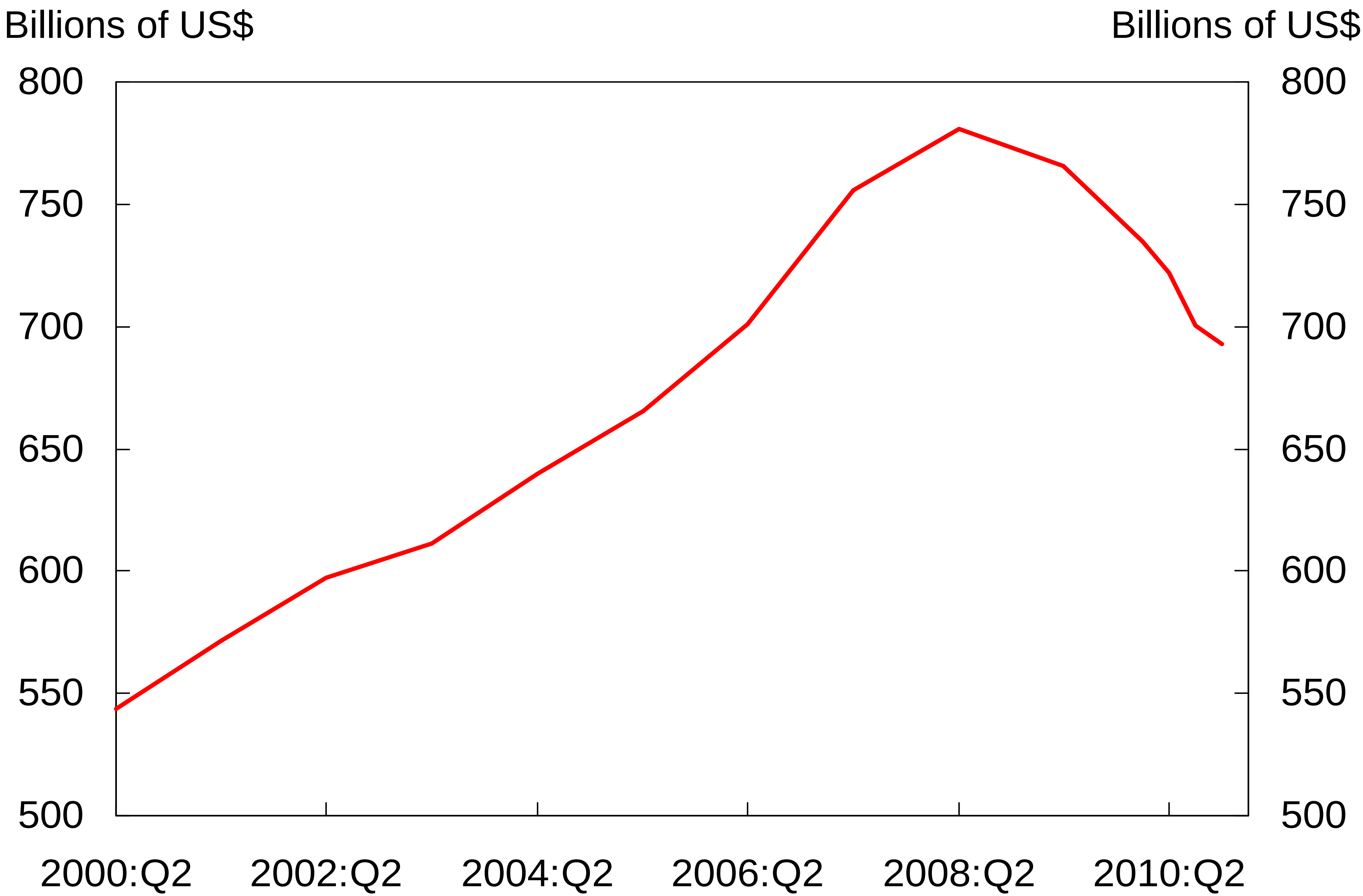
Note: Spreads to Treasuries.

4.1.5 North American Completed LBOs



Source: Thomson Reuters

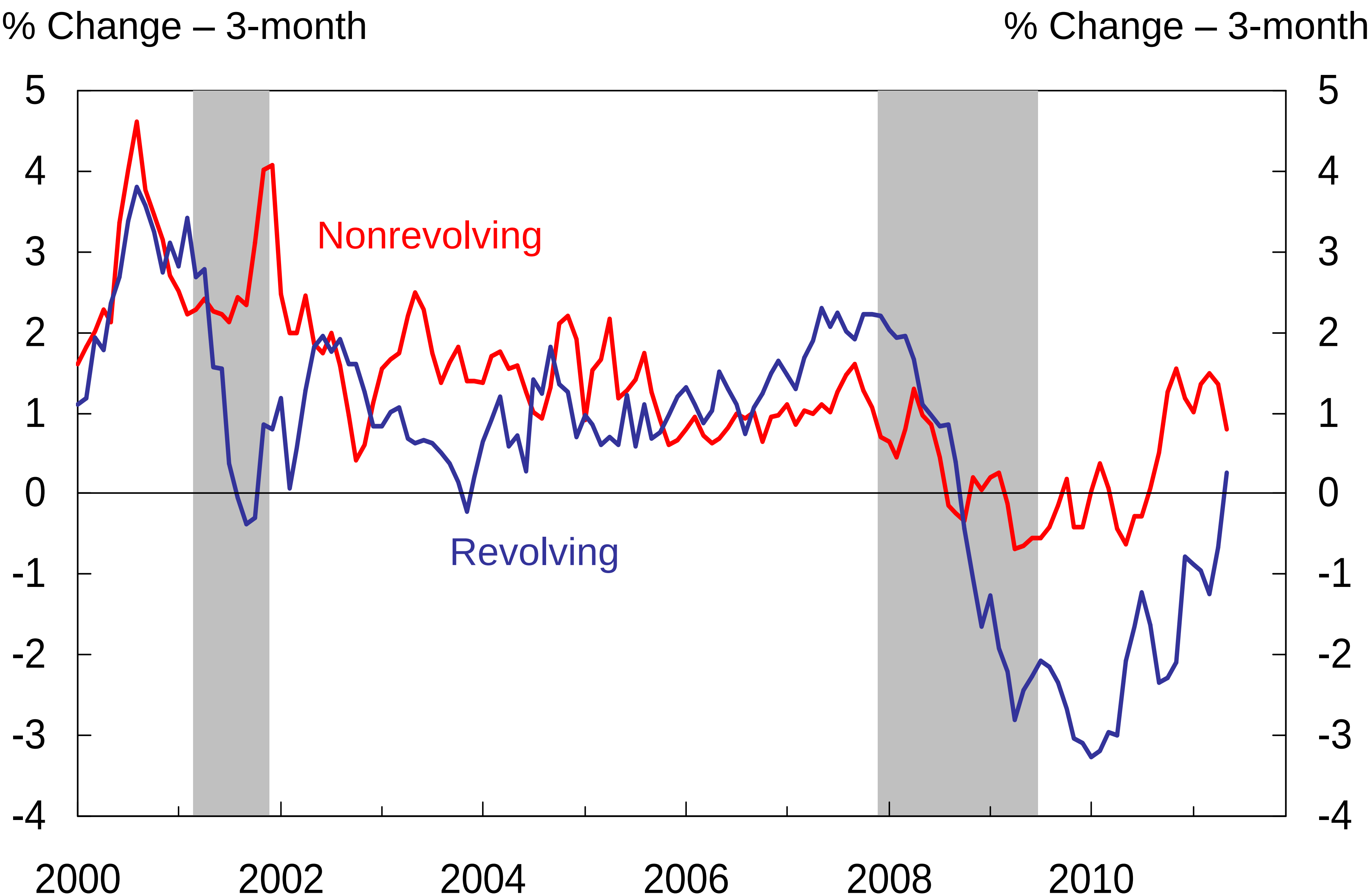
4.1.6 Proxy for Small Business Lending



Source: FDIC

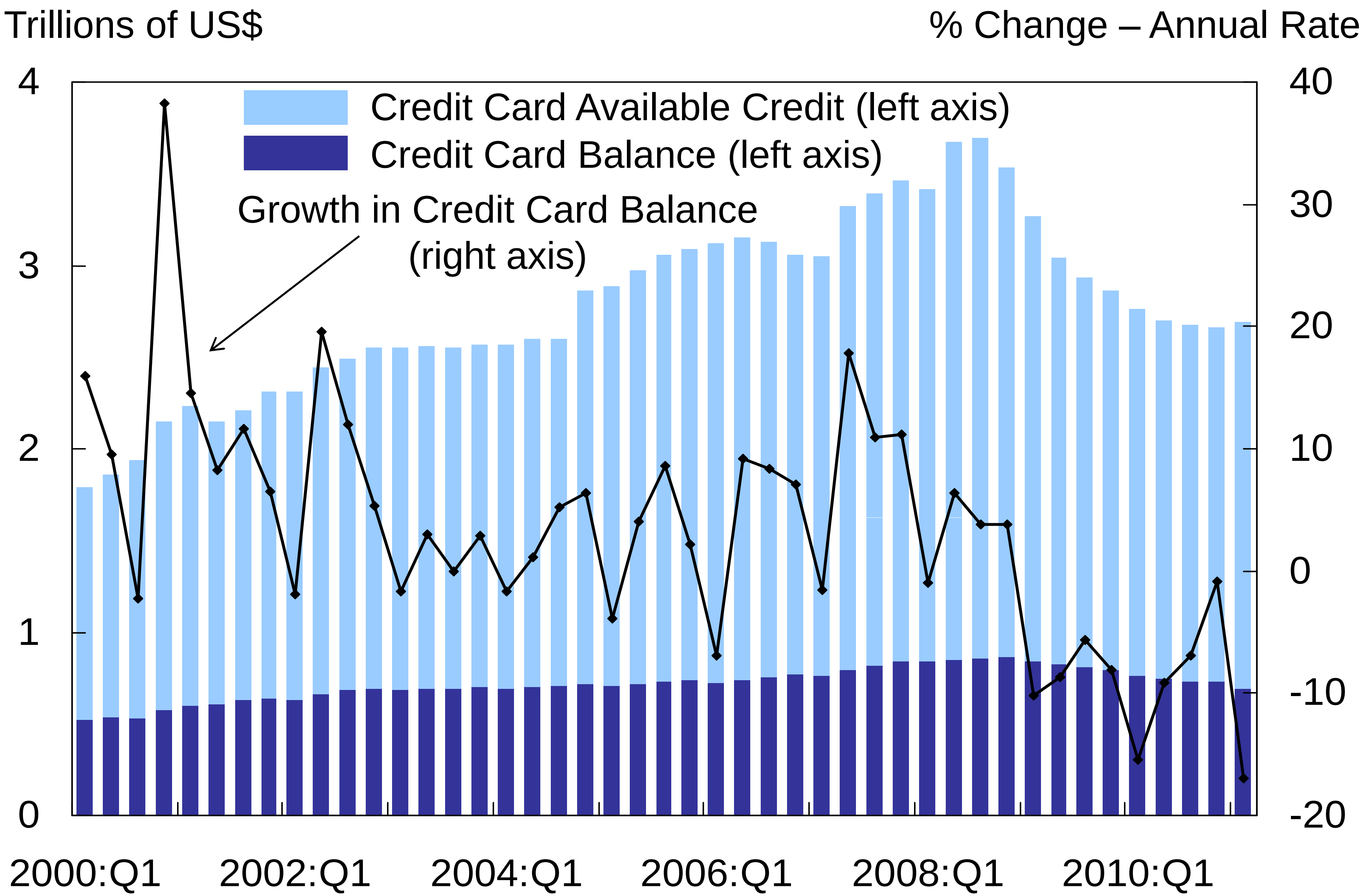
Note: Data from all FDIC-insured institutions; includes C&I and NFNR loans less than 1MM, agriculture and farm loans less than 500k.

4.1.7 Nonmortgage Consumer Credit Flows



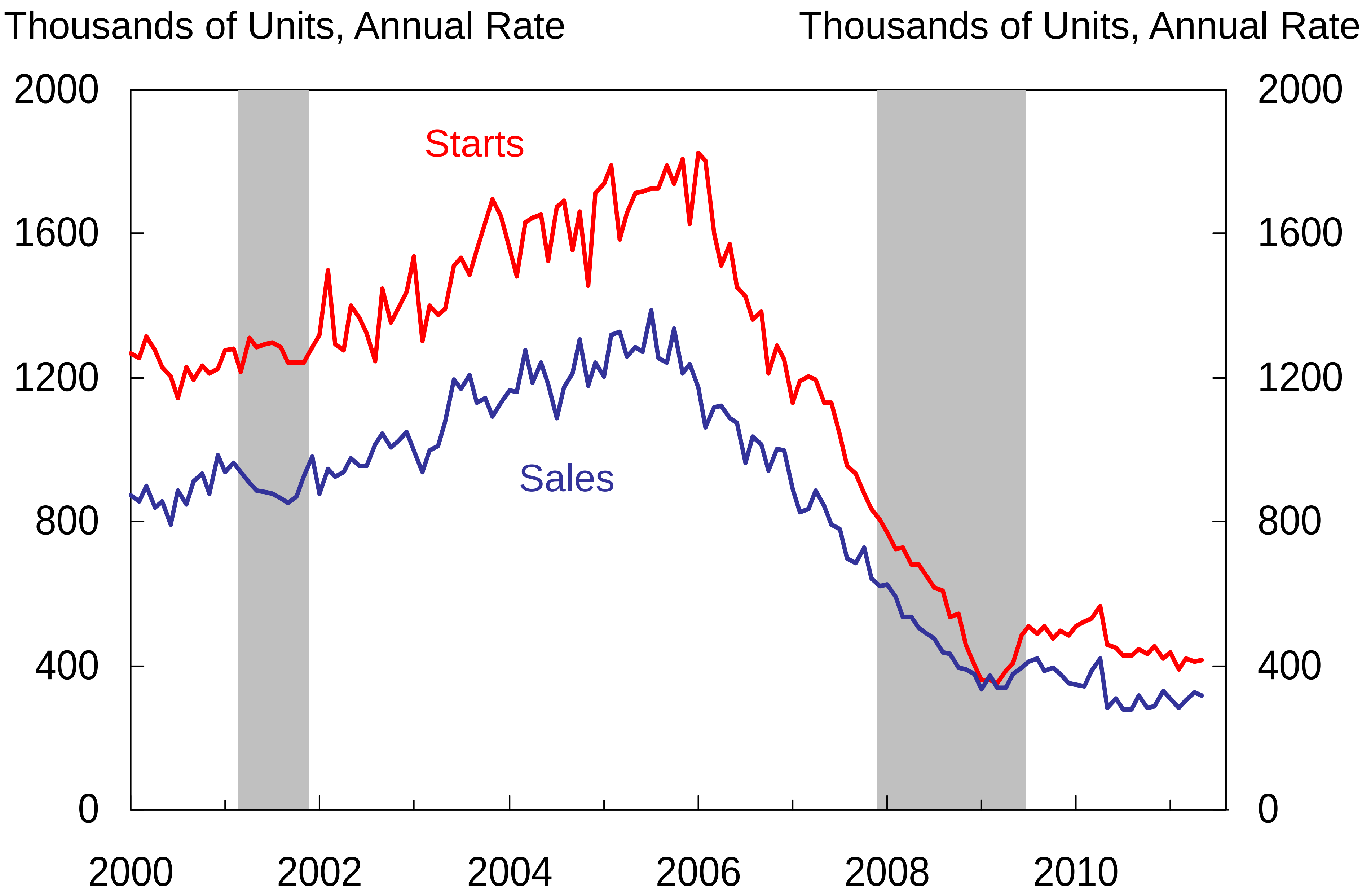
Source: FR G-19

4.1.8 Credit Card Limit and Outstanding Balance



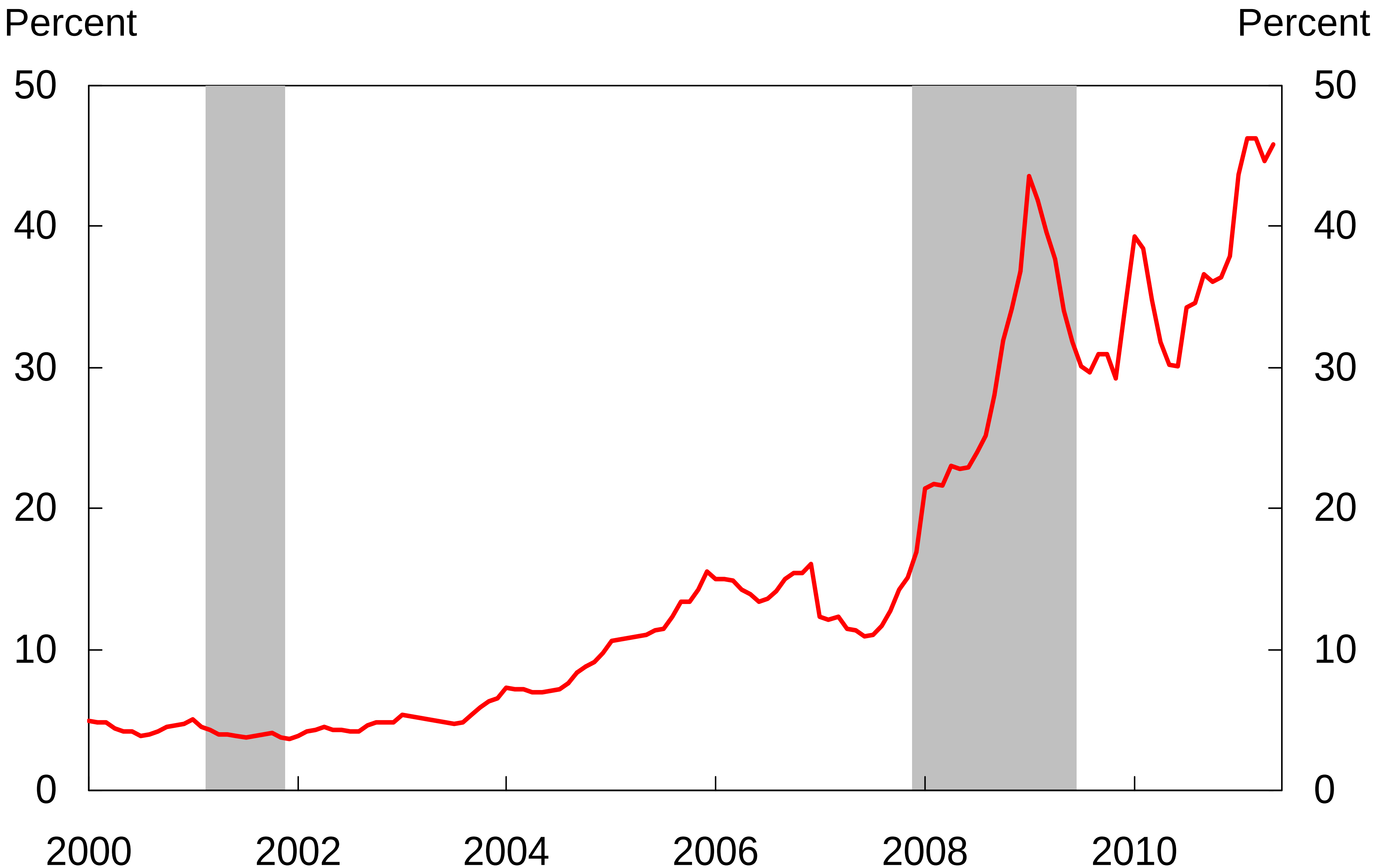
Source: FRBNY Consumer Credit Panel

4.1.9 Single-Family New Home Starts and Sales



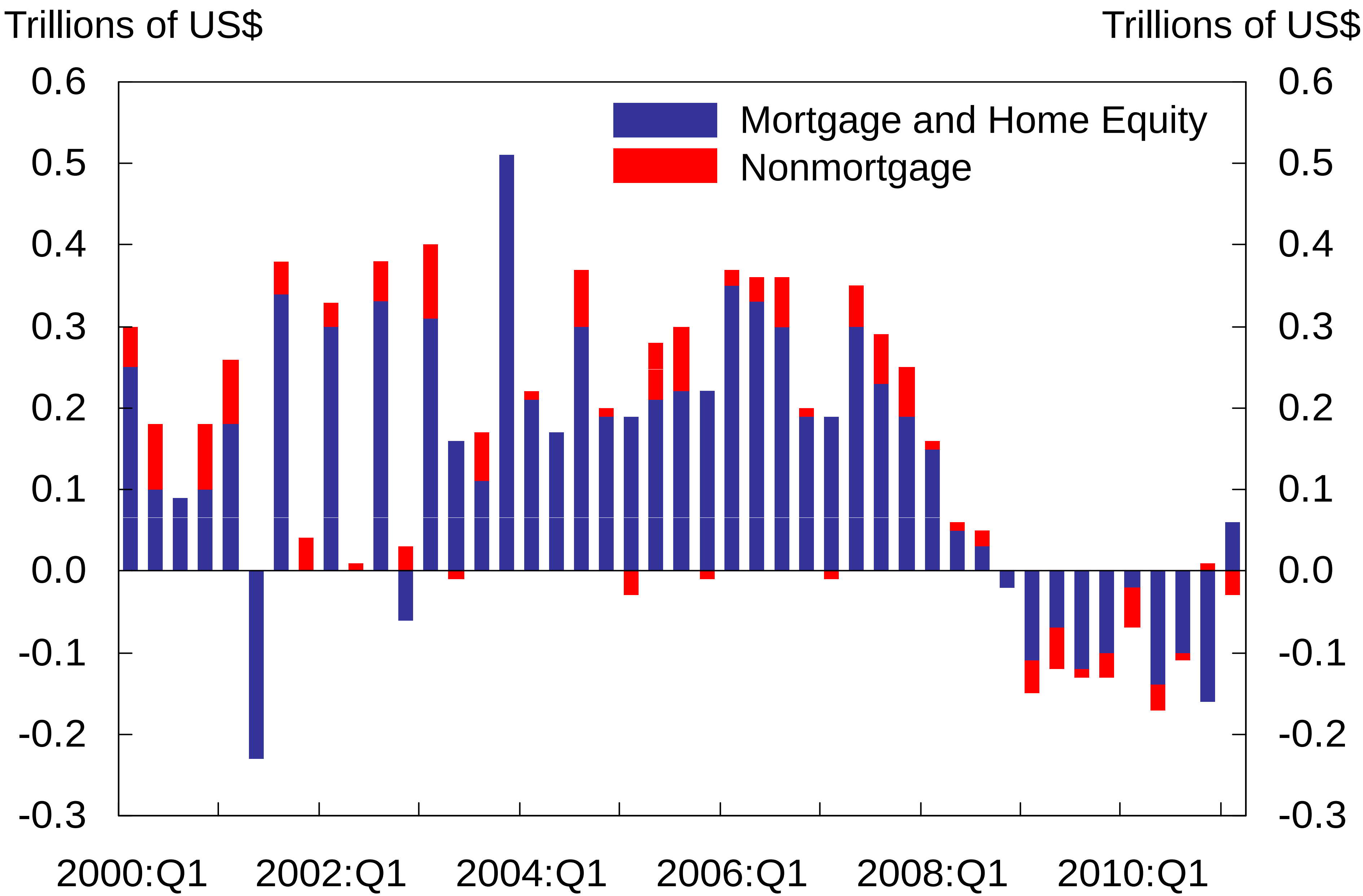
Source: Census Bureau

4.1.10 Distressed Sales Share of Total Home Sales



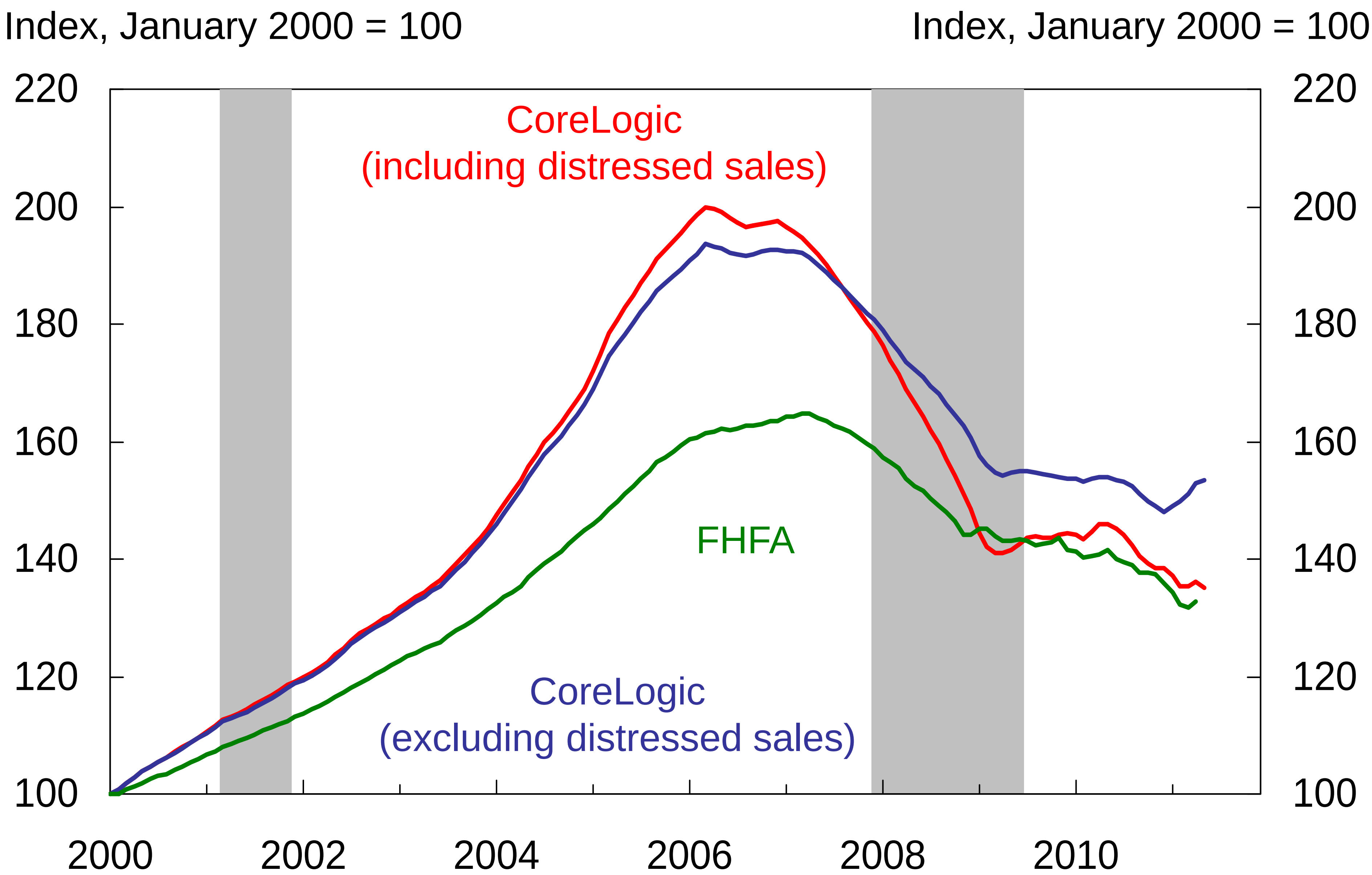
Source: CoreLogic

4.1.11 Net Consumer Sector Credit Flows



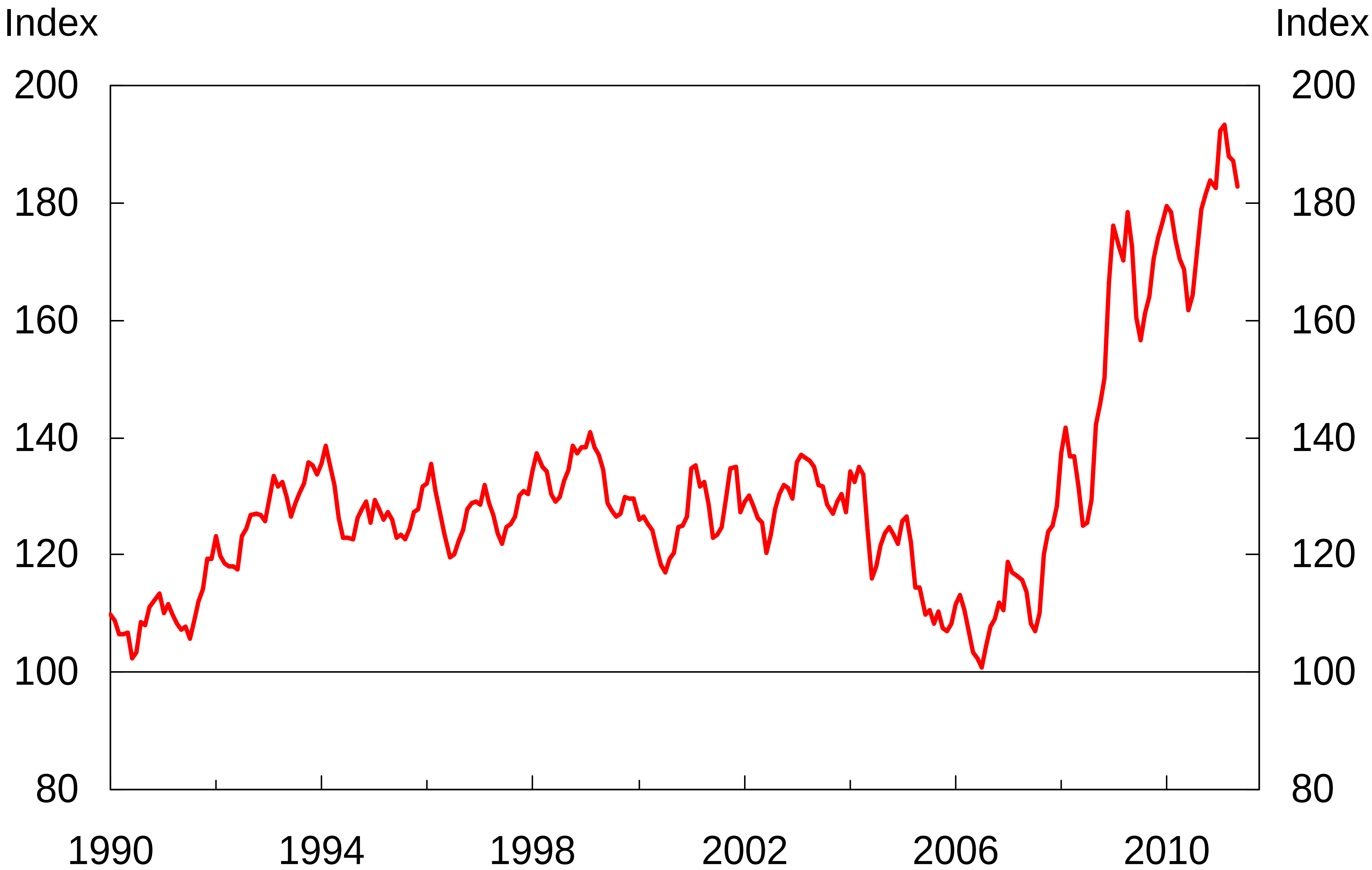
Source: FRBNY Consumer Credit Panel

4.1.12 National Repeat Sales Home Price Indexes



Source: FHFA and CoreLogic

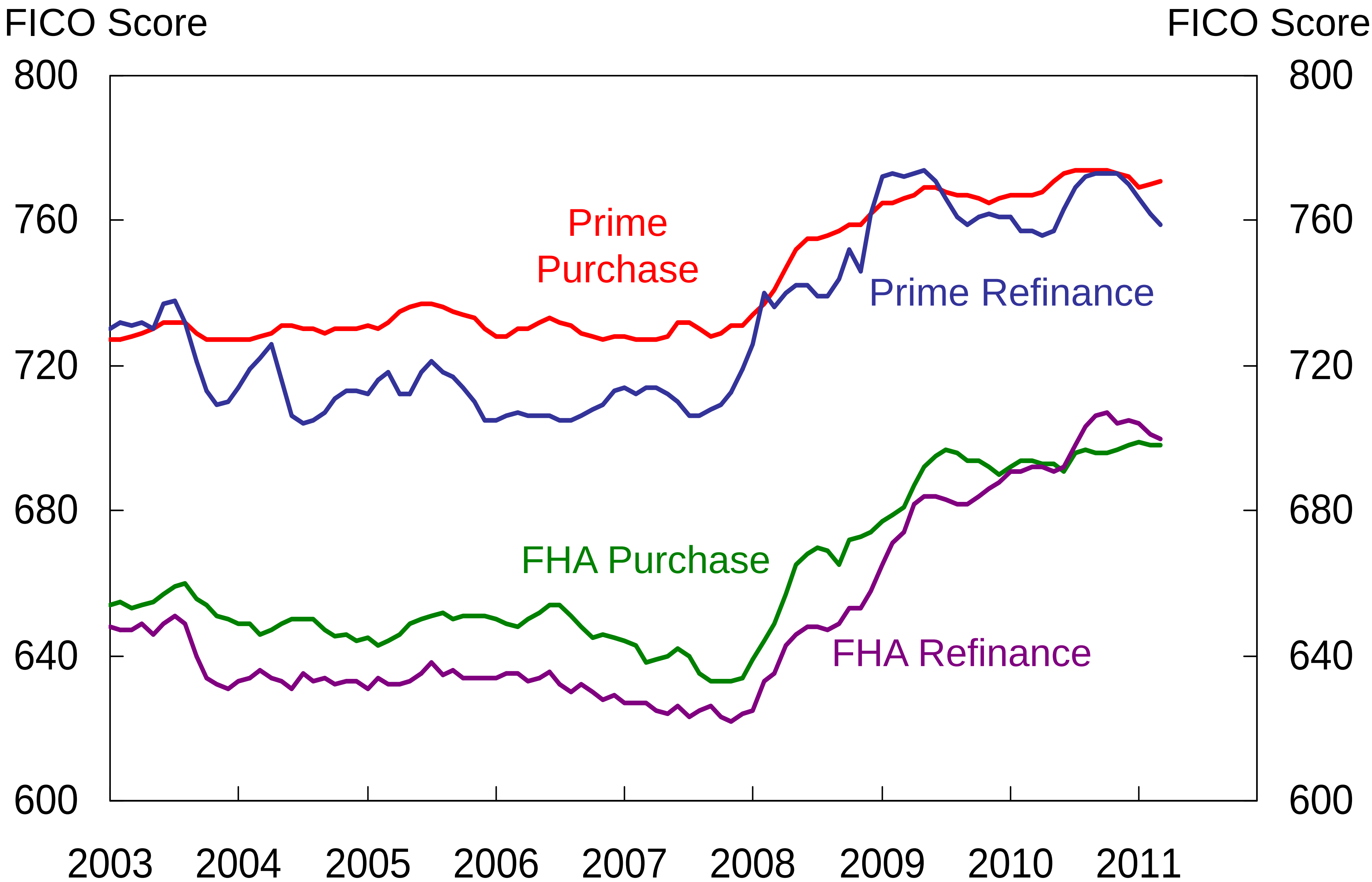
4.1.13 Housing Affordability Index



Note: At 100 the income of a median family would qualify for an 80% LTV mortgage on a median priced single-family home.

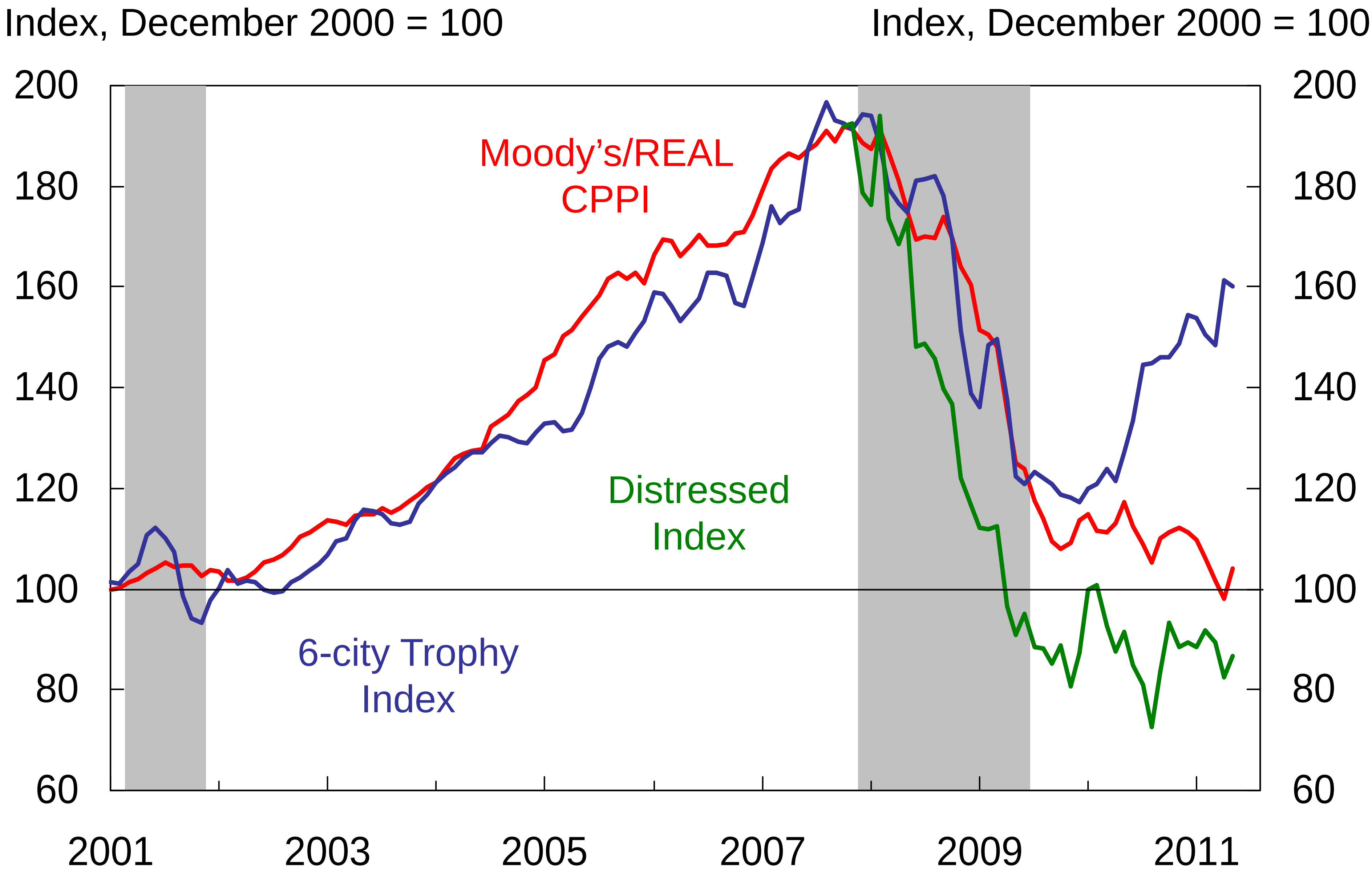
Source: NAR

4.1.14 Median Credit Score at Mortgage Origination



Source: LPS Applied Analytics

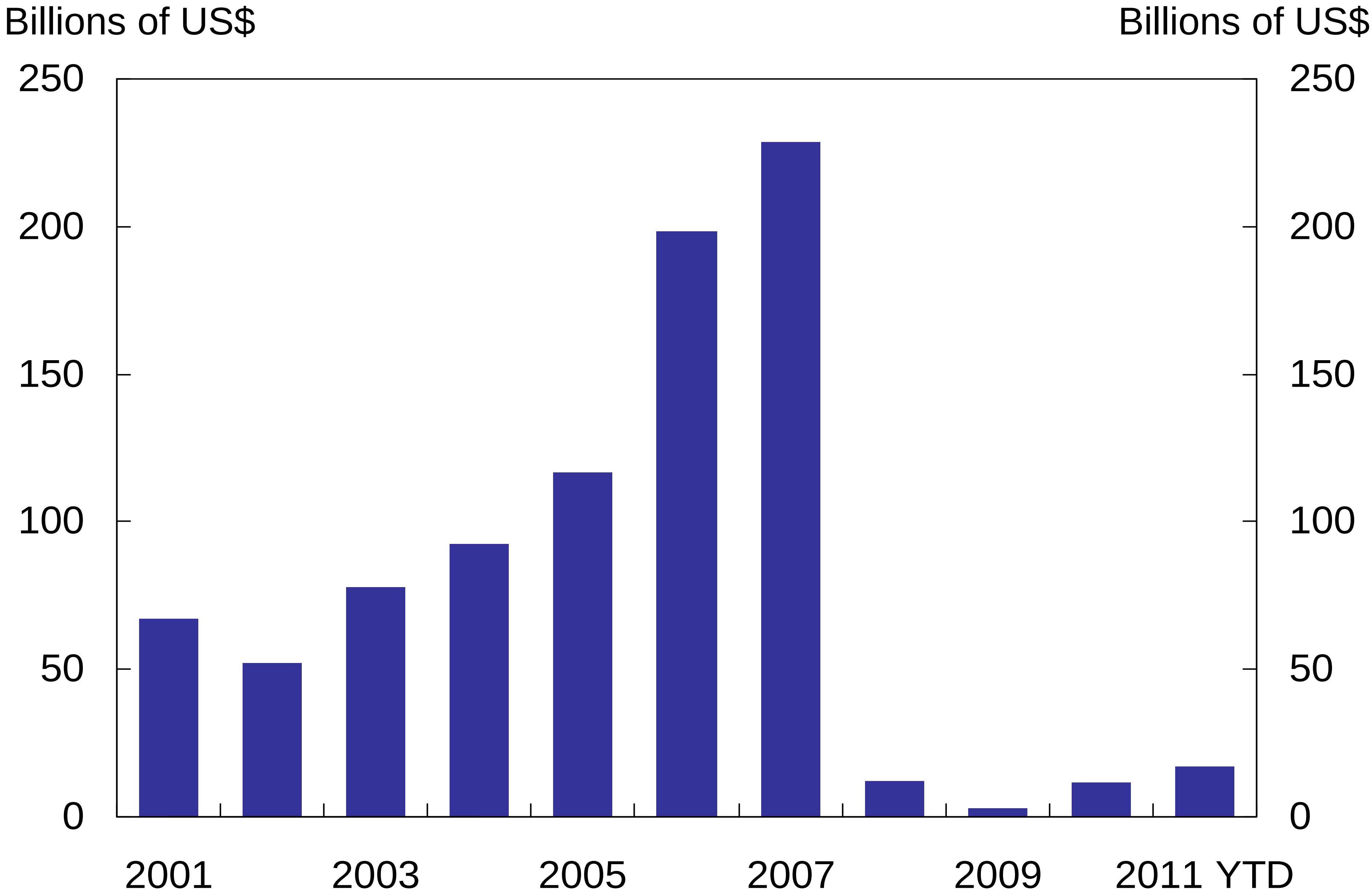
4.1.15 Commercial Property Price Indexes



Note: Trophy Index for sales >$10MM.

Source: Real Capital Analytics, Geltner & Associates

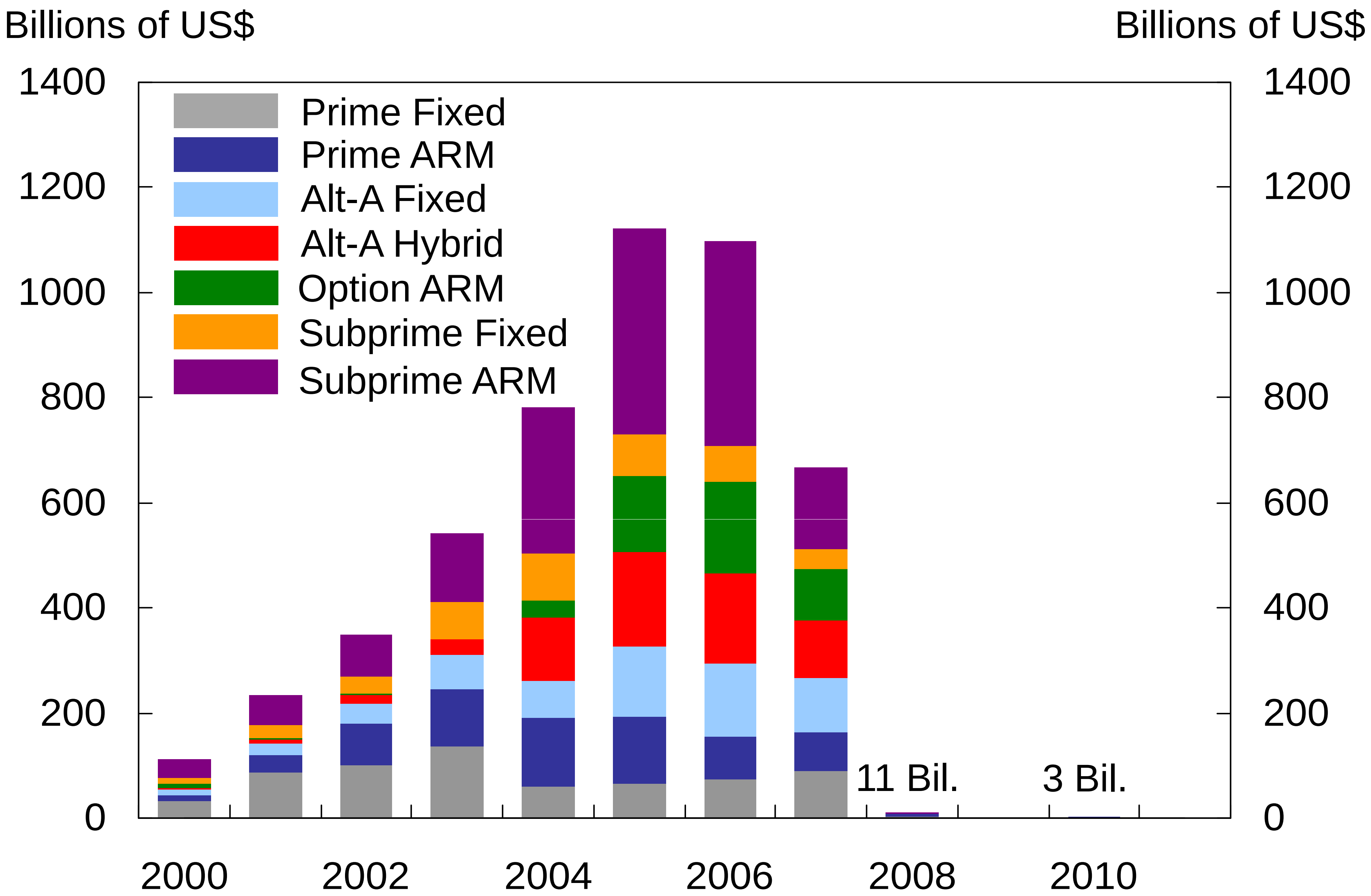
4.1.16 CMBS New Issuance



Source: Commercial Mortgage Alert

Note: 2011 YTD as of 6/30/2011.

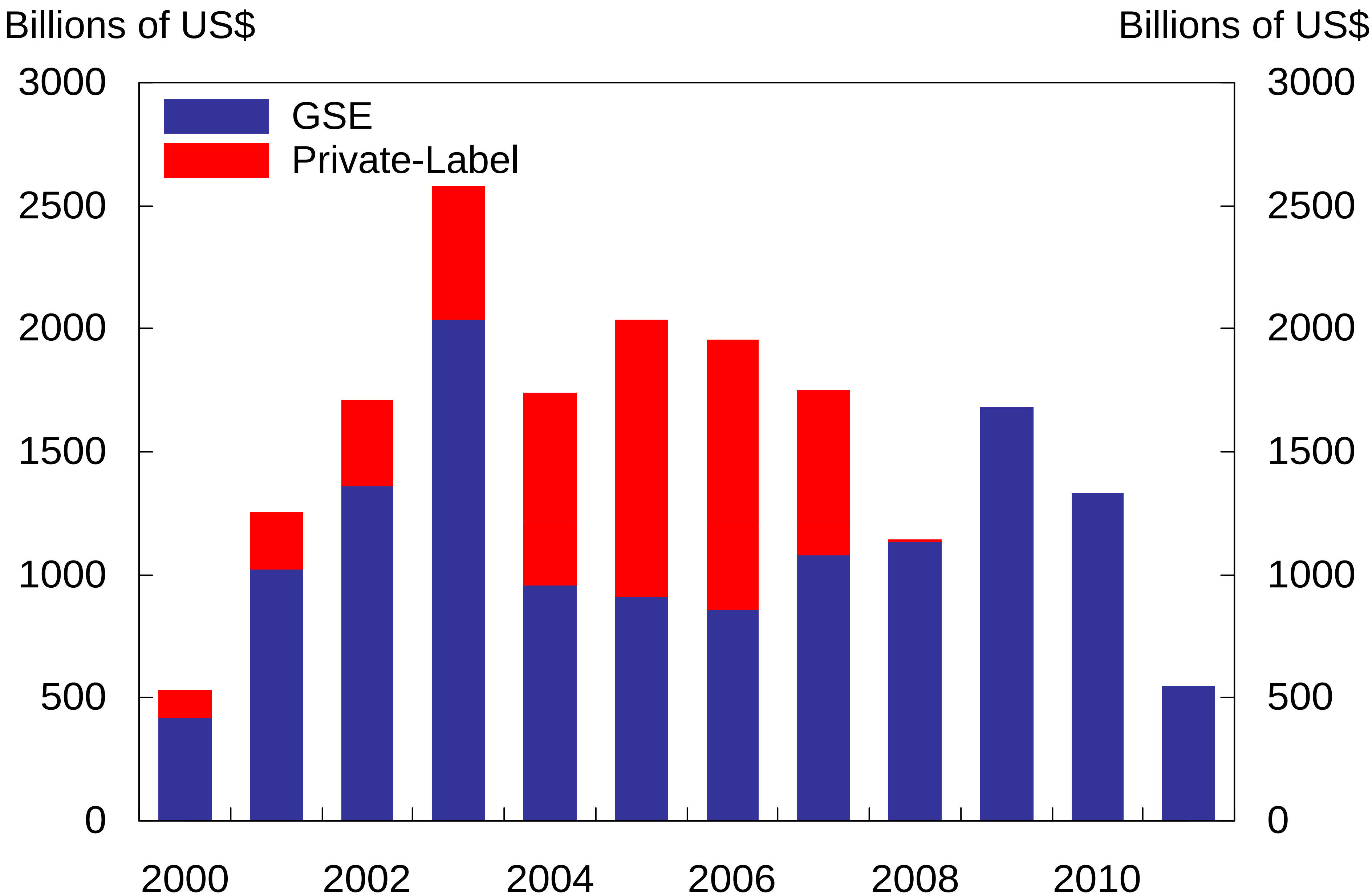
4.1.17 Private-Label RMBS Gross Issuance



Source: JPMorgan

Note: 2011 as of 2011:Q2.

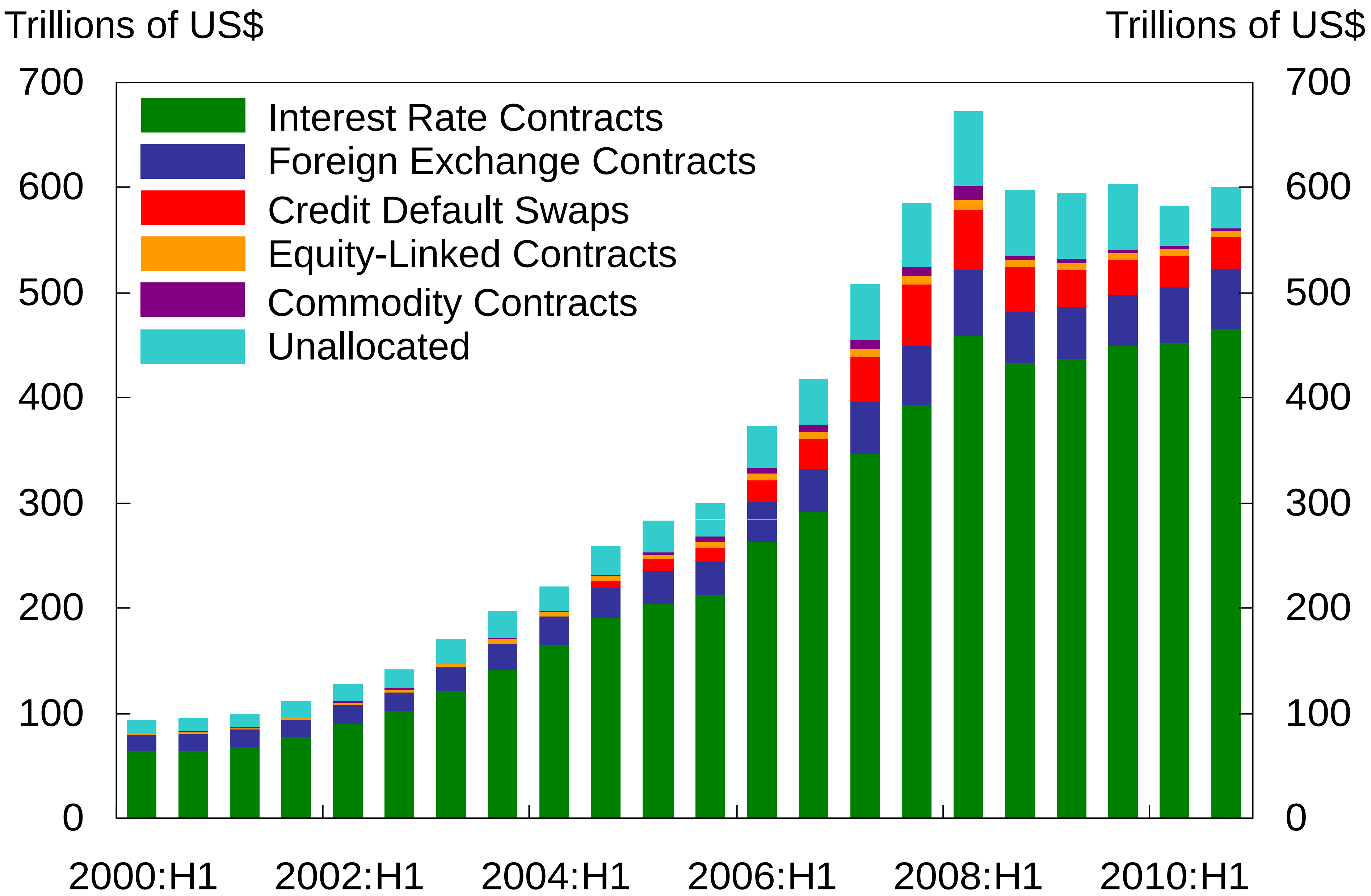
4.1.18 GSE and Private-Label RMBS Gross Issuance



Source: JPMorgan

Note: 2011 as of 2011:Q2.

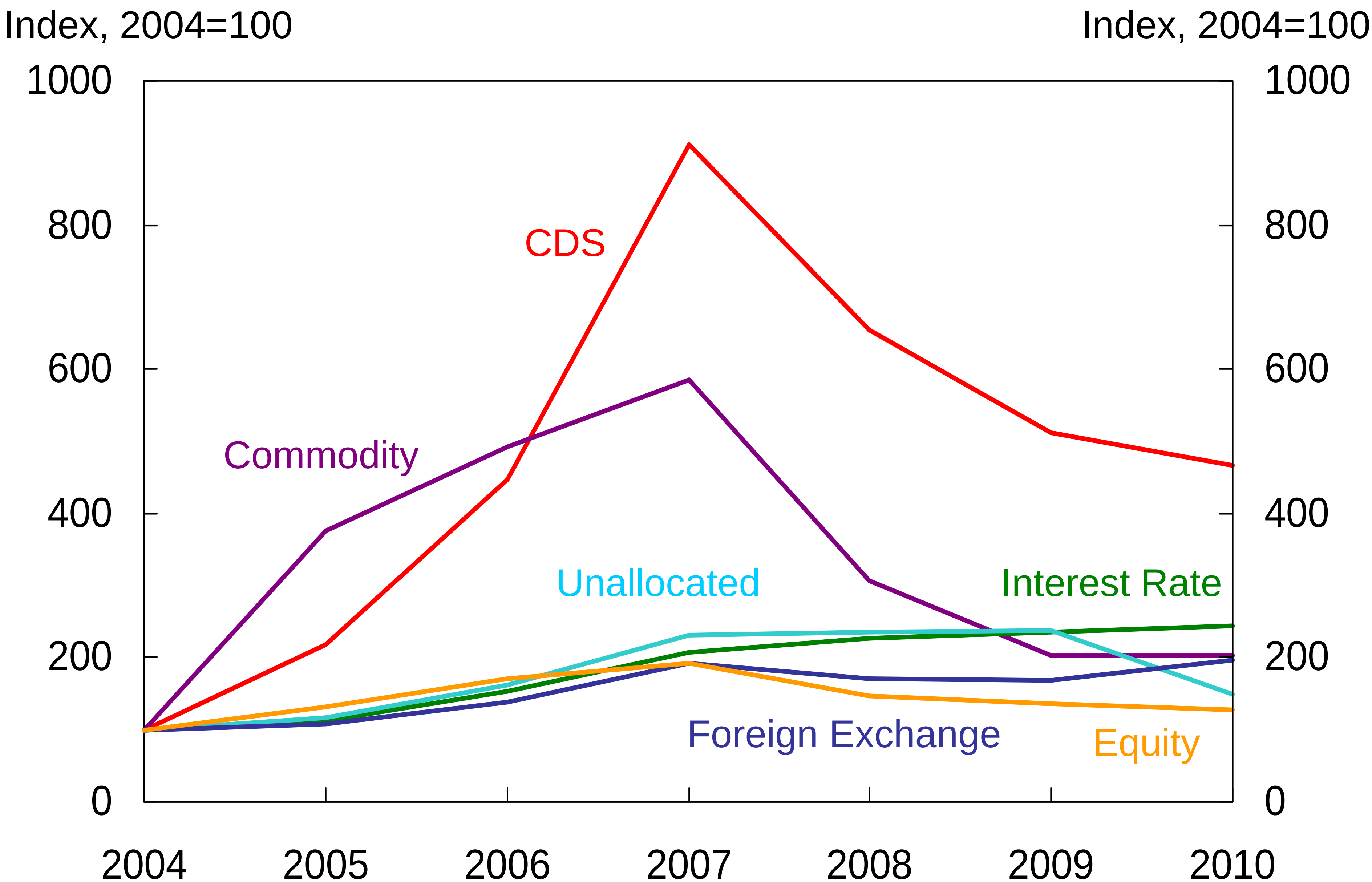
4.1.19 OTC Derivatives



Source: BIS

Note: Notional values, CDS data not available before 2004:H2.

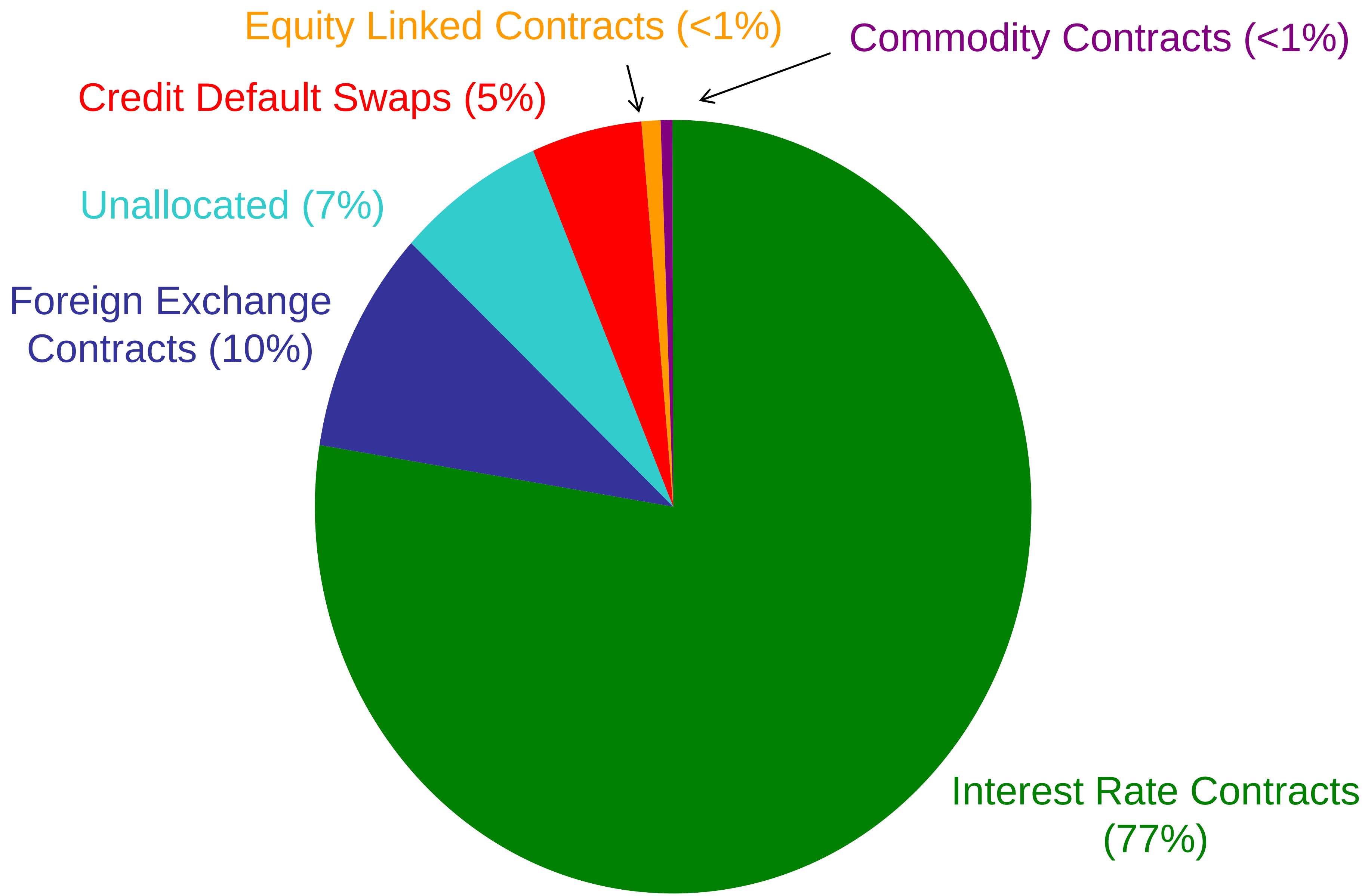
4.1.20 OTC Derivatives Growth



Source: BIS

Note: Year-end notional amounts outstanding.

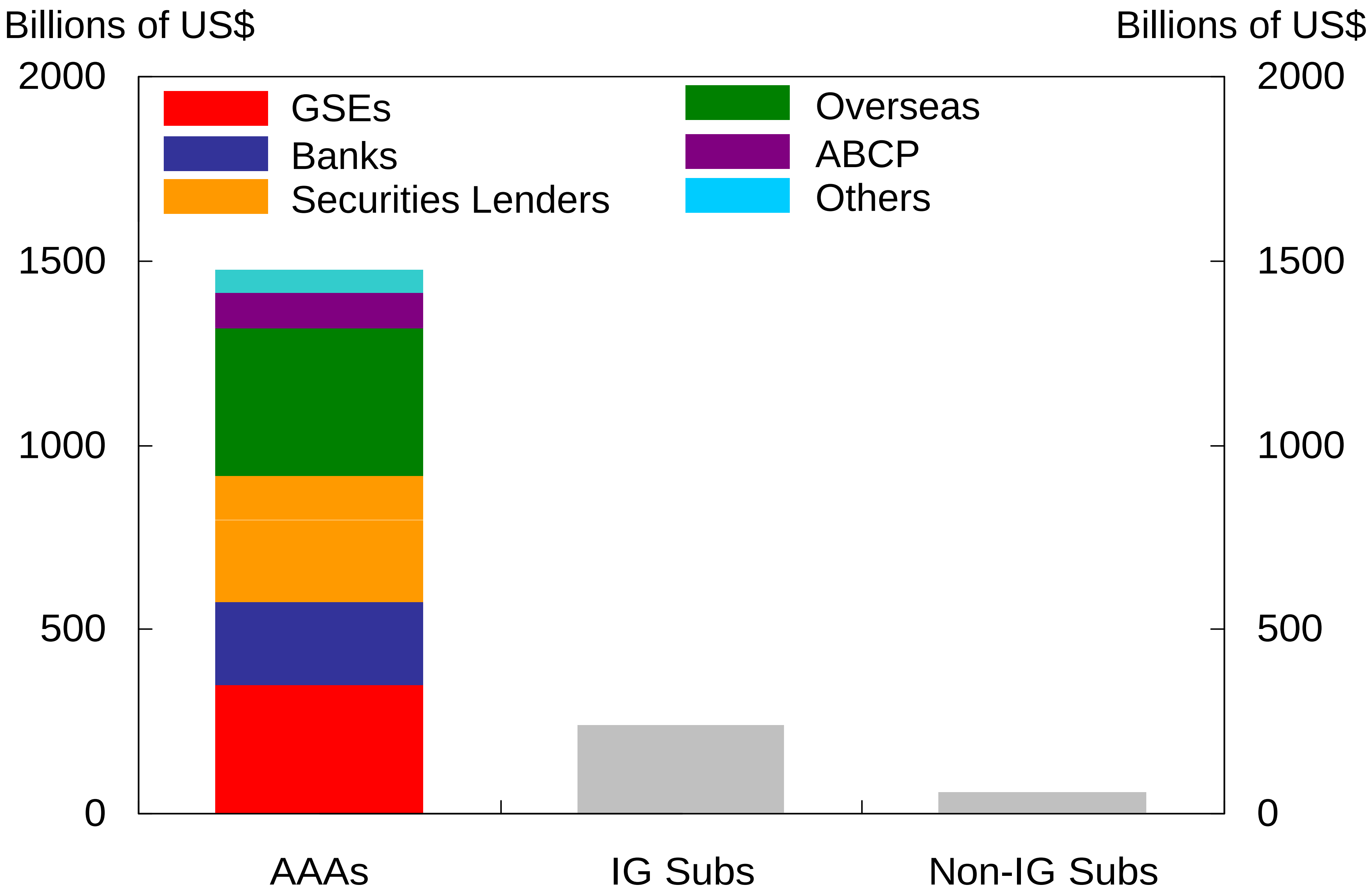
4.1.21 Distribution of OTC Derivatives



Source: BIS

Note: As of 2010:Q4.

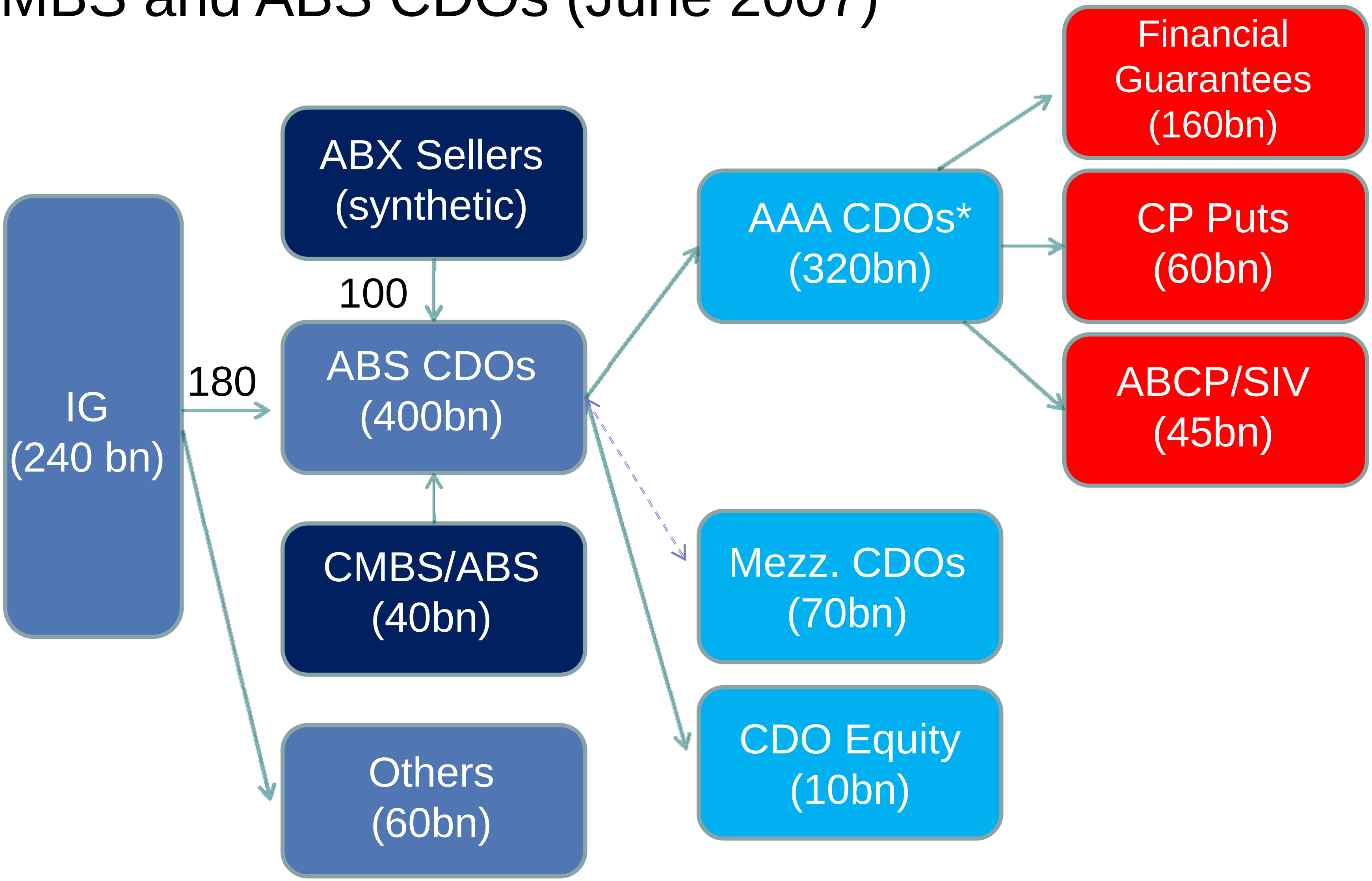
4.1.22 Private-Label Residential MBS Exposures



Source: Lehman Brothers

Note: As of 2007:Q2.

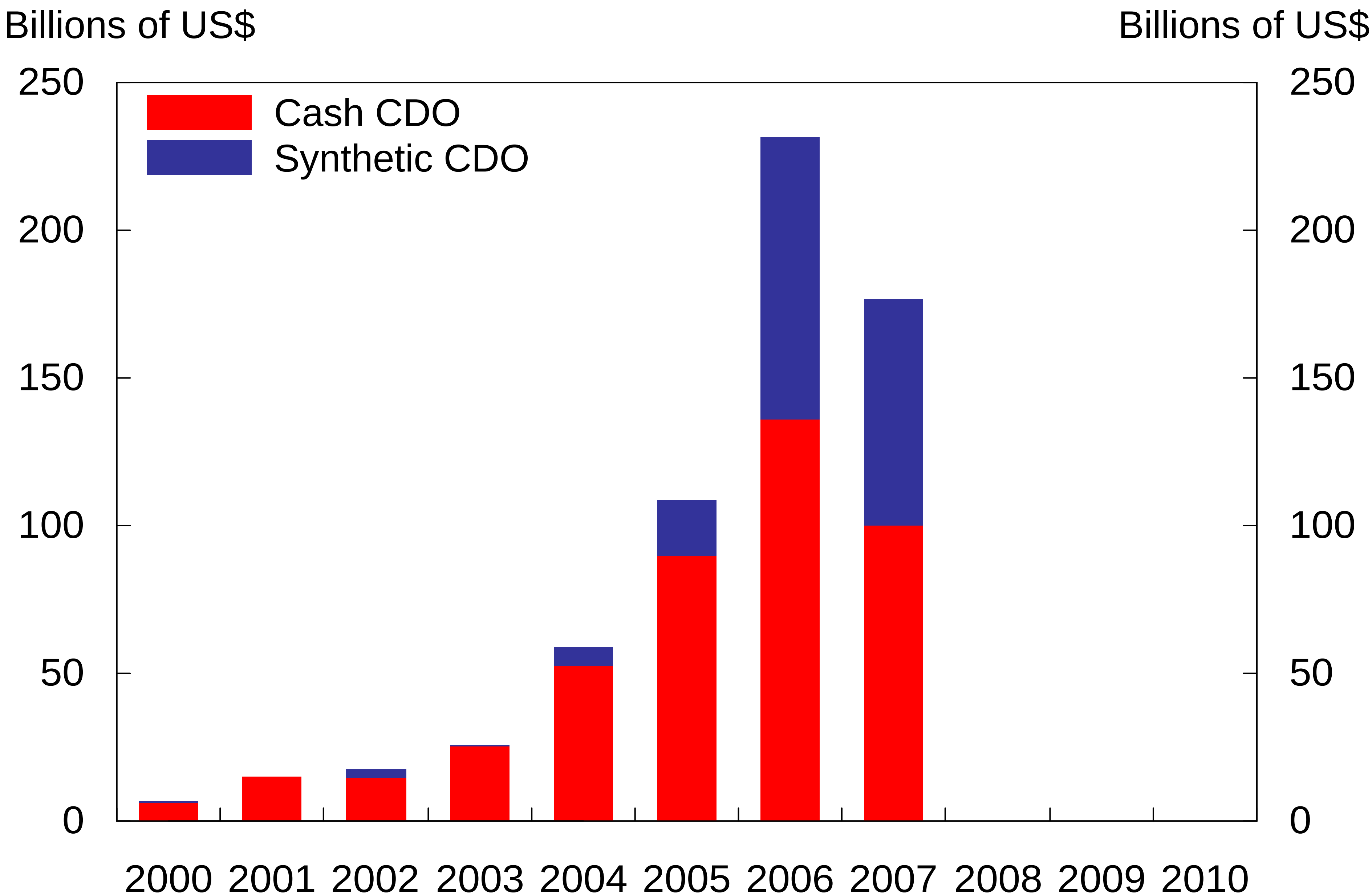
4.1.23 Ownership of Investment Grade Subordinates in RMBS and ABS CDOs (June 2007)



Note: *Issuing banks often retained AAA CDO securities while buying protection from guarantors. They also sold senior CDO securities to CP investors while providing protection in the form of liquidity puts.

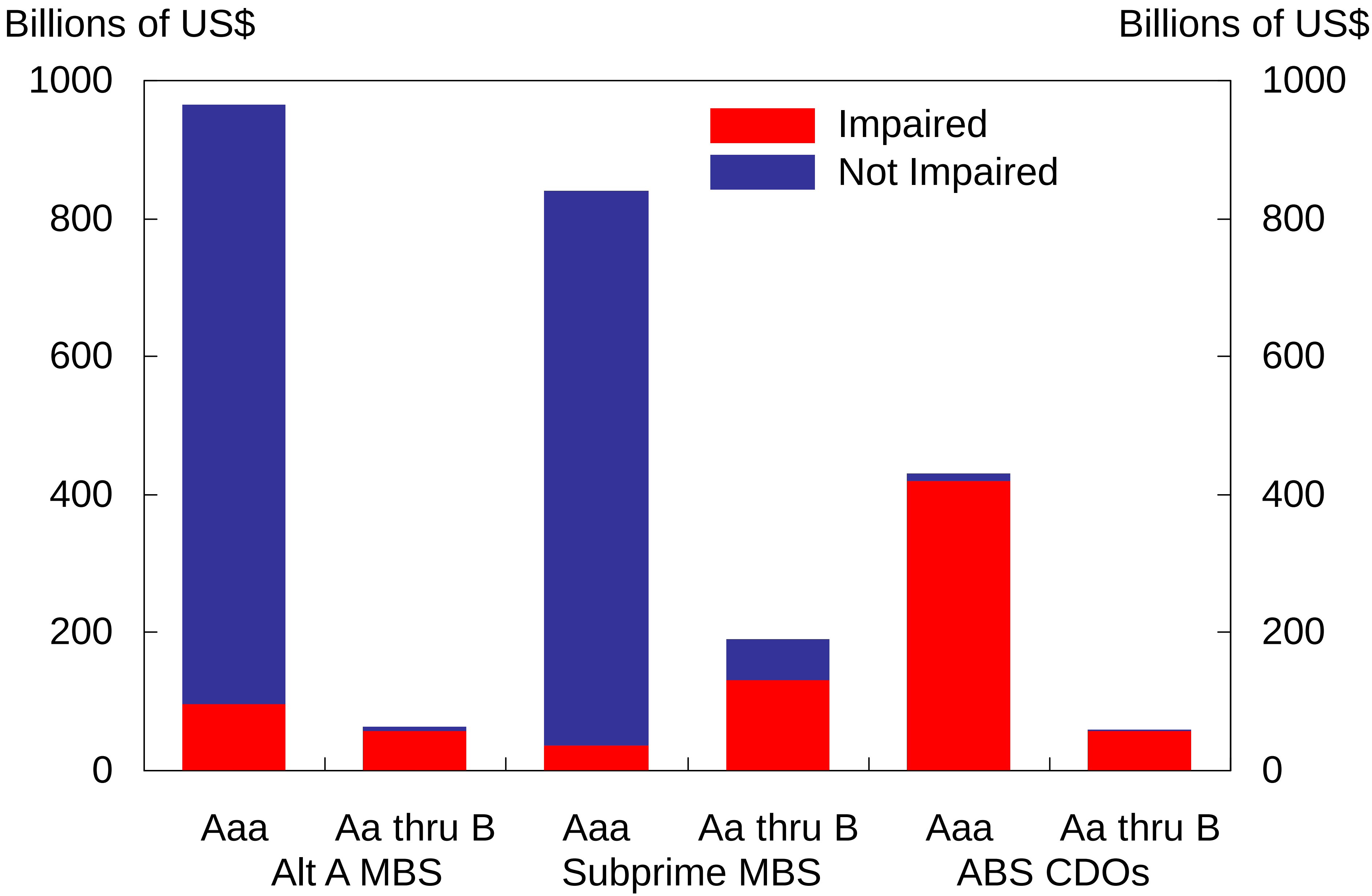
Source: Lehman Brothers

4.1.24 ABS Structured Finance CDO Issuance



Source: Cordell, Huang and Williams (2011)

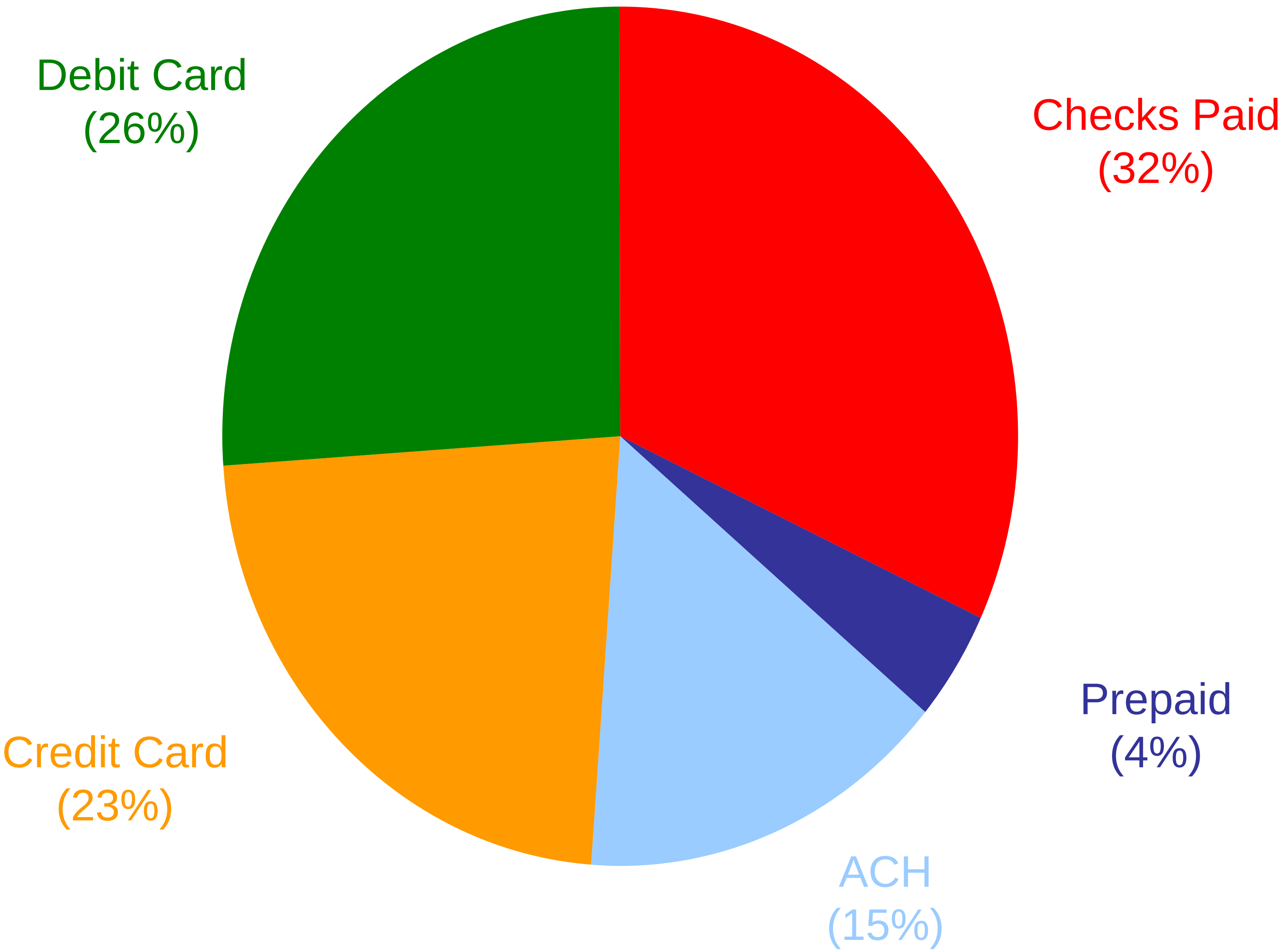
4.1.25 Impaired MBS and CDO Securities



Source: Cordell, Huang and Williams (2011), Moody's

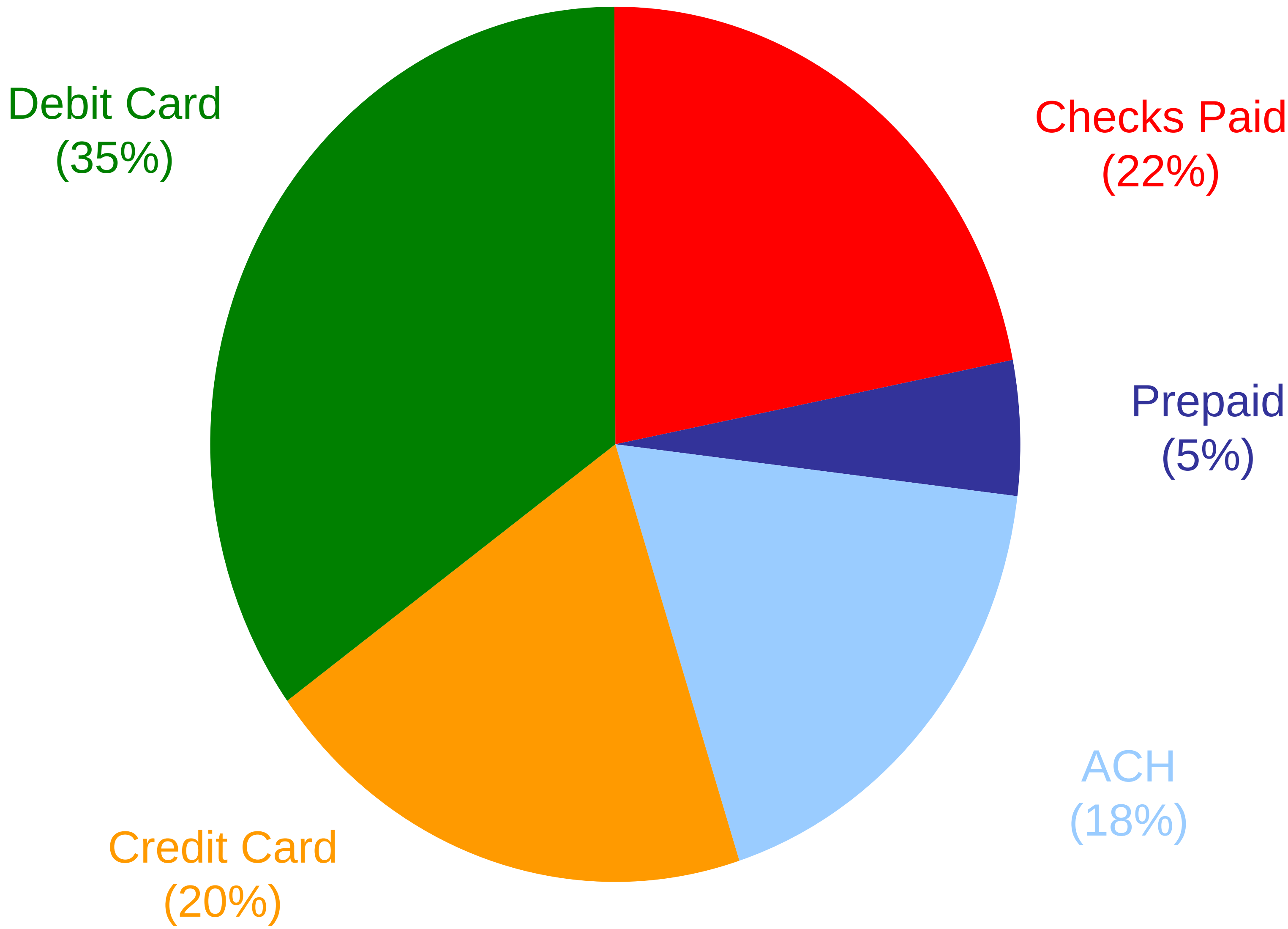
Note: As of 2009:Q4.

4.1.26 Noncash Retail Payments: 2006



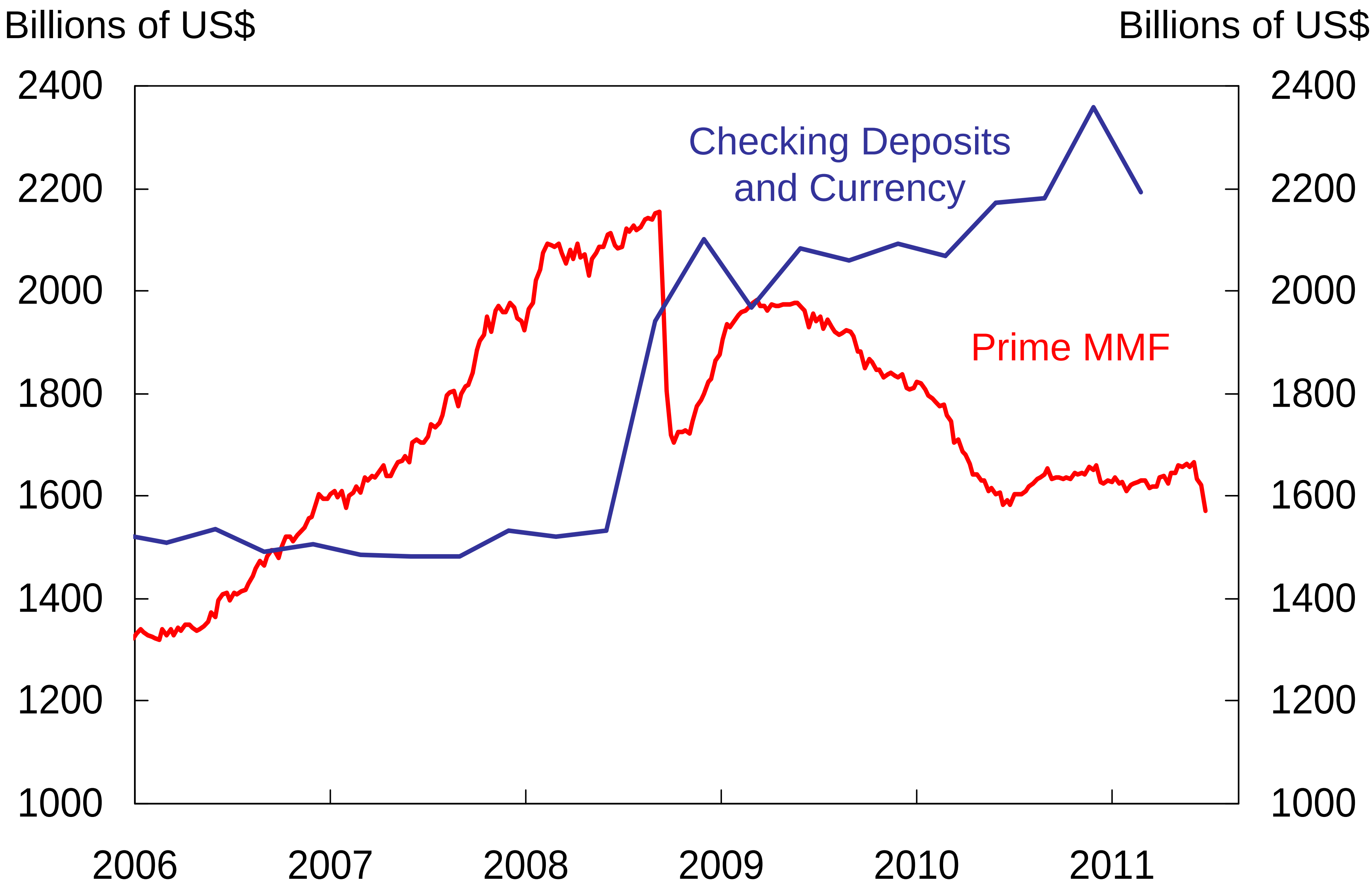
Source: 2010 Federal Reserve Payments Study

4.1.27 Noncash Retail Payments: 2009



Source: 2010 Federal Reserve Payments Study

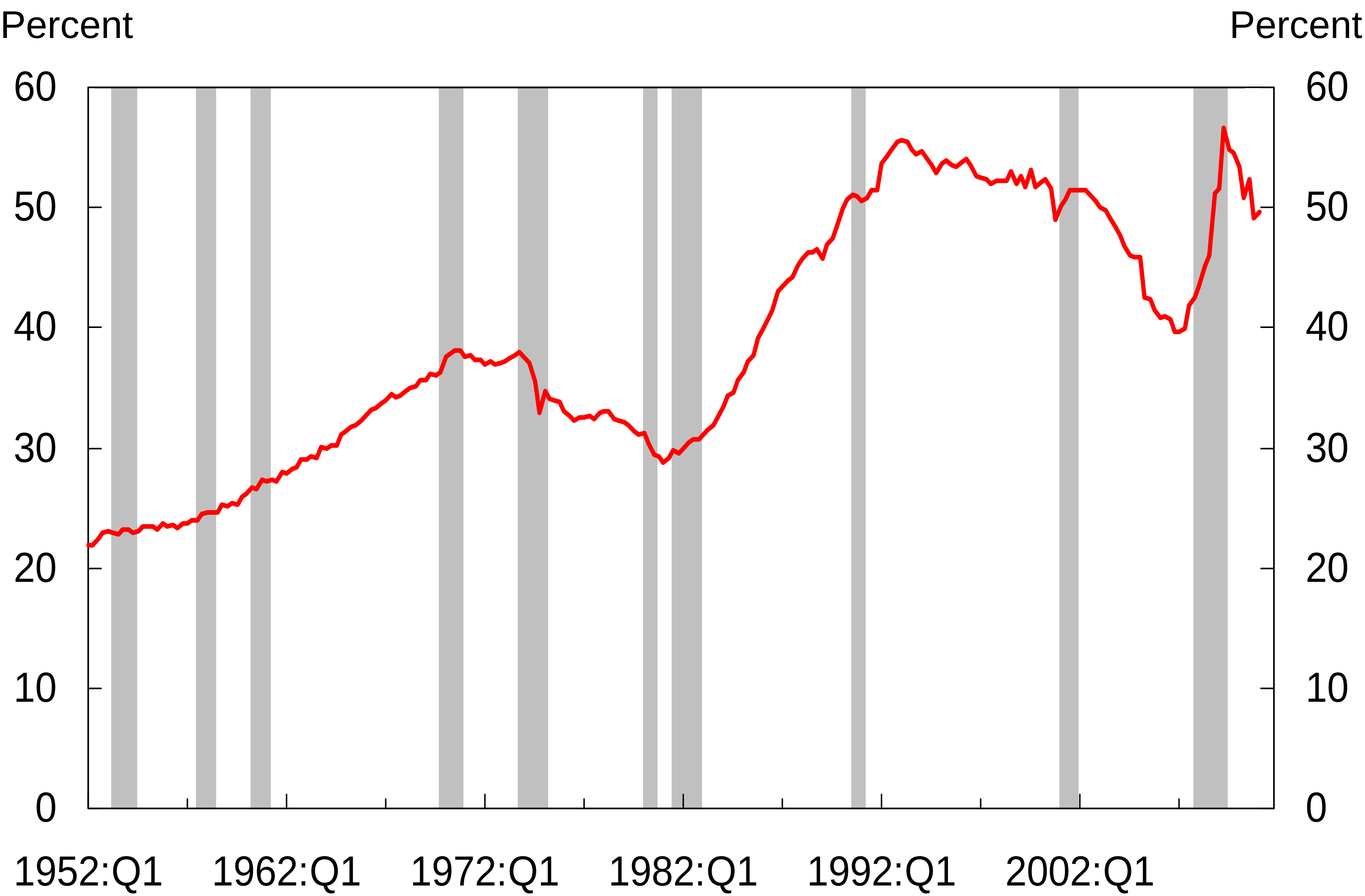
4.1.28 Money Market Funds and Checking Deposits



Source: ICI, Flow of Funds

4.2 Private Nonfinancial Sector Balance Sheets

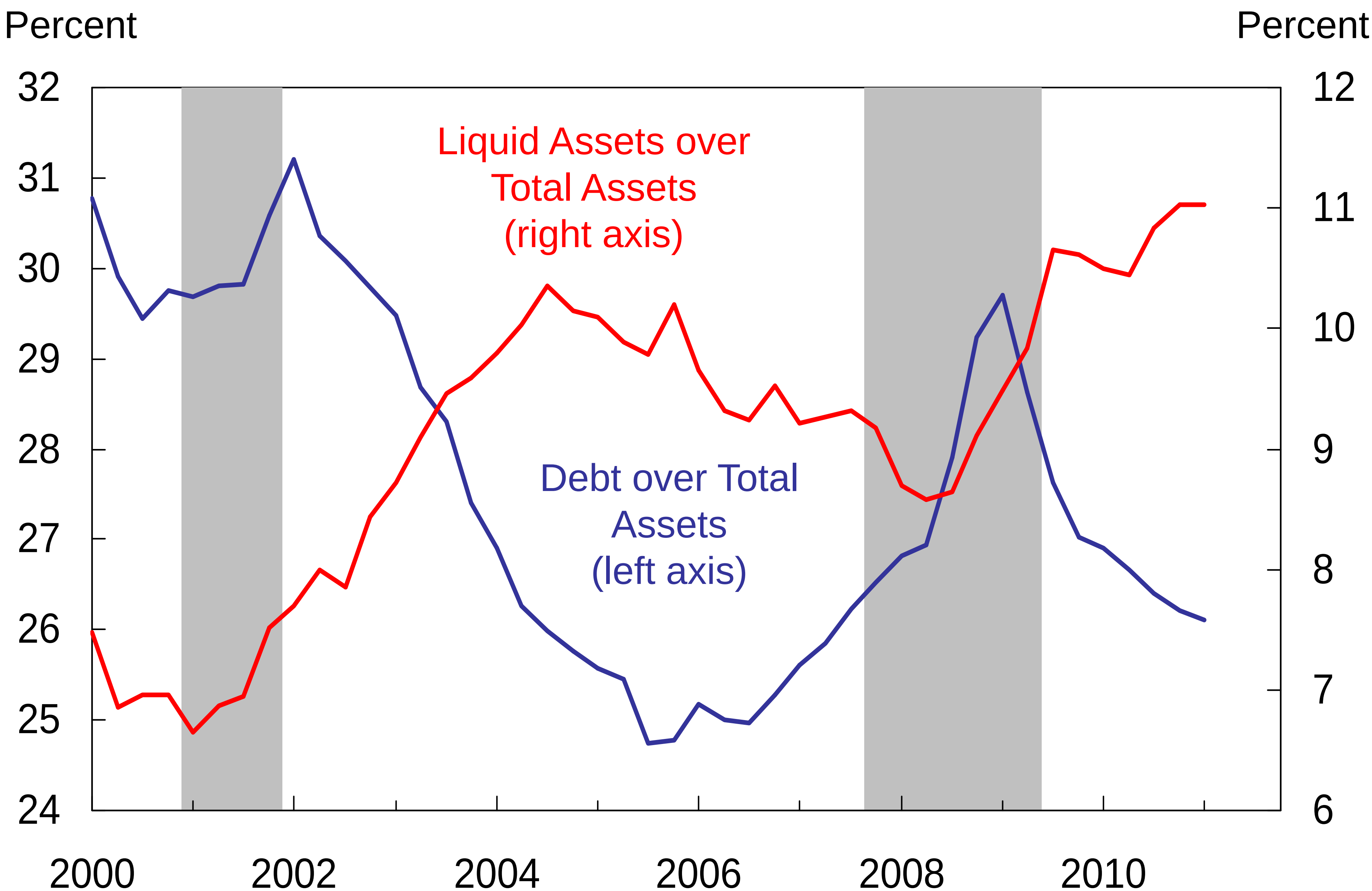
4.2.1 Corporate Credit Market Debt to Net Worth



Source: Flow of Funds

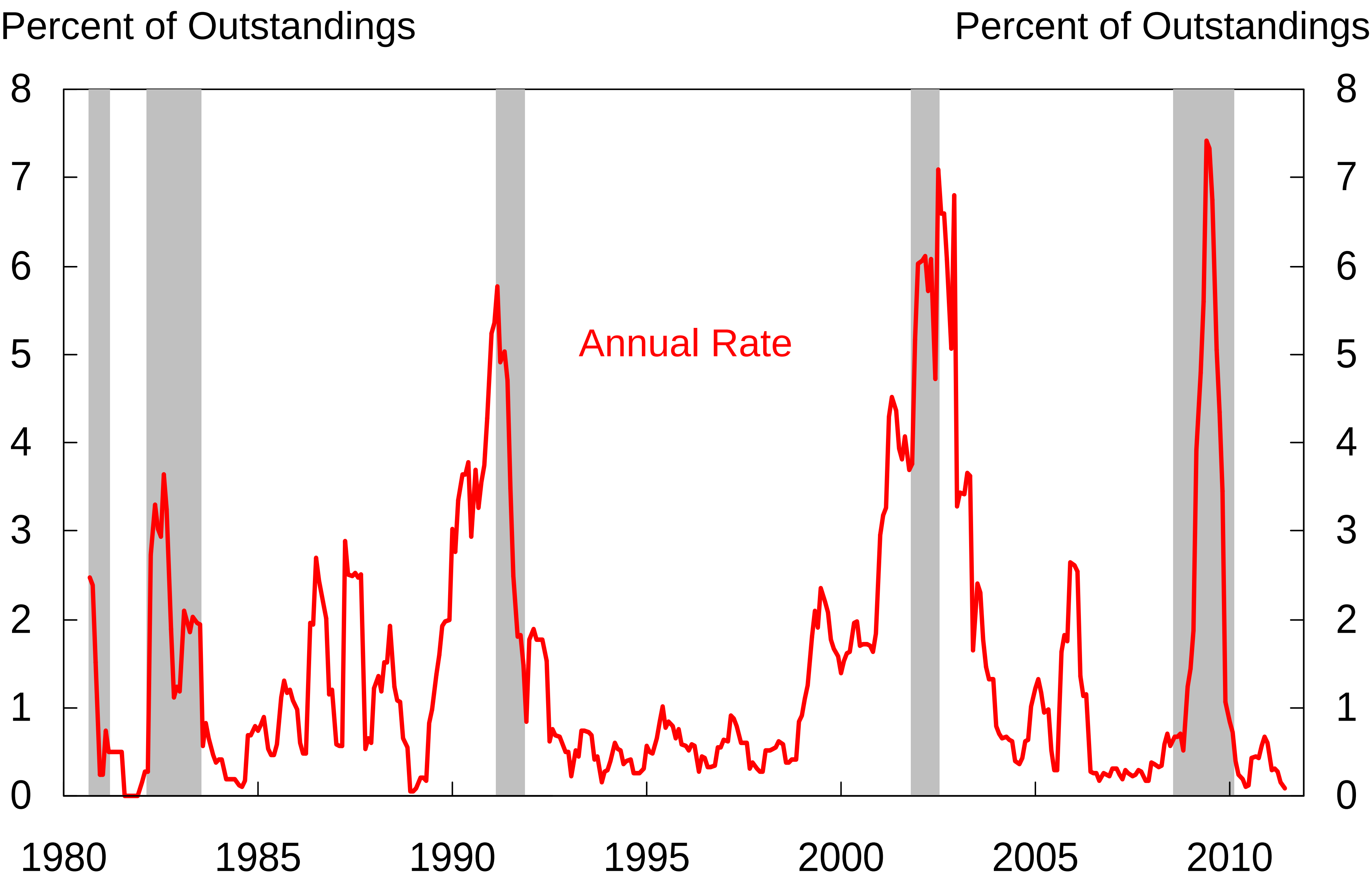
Note: Nonfarm nonfinancial corporate business.

4.2.2 Financial Ratios for Nonfinancial Corporations



Source: Compustat

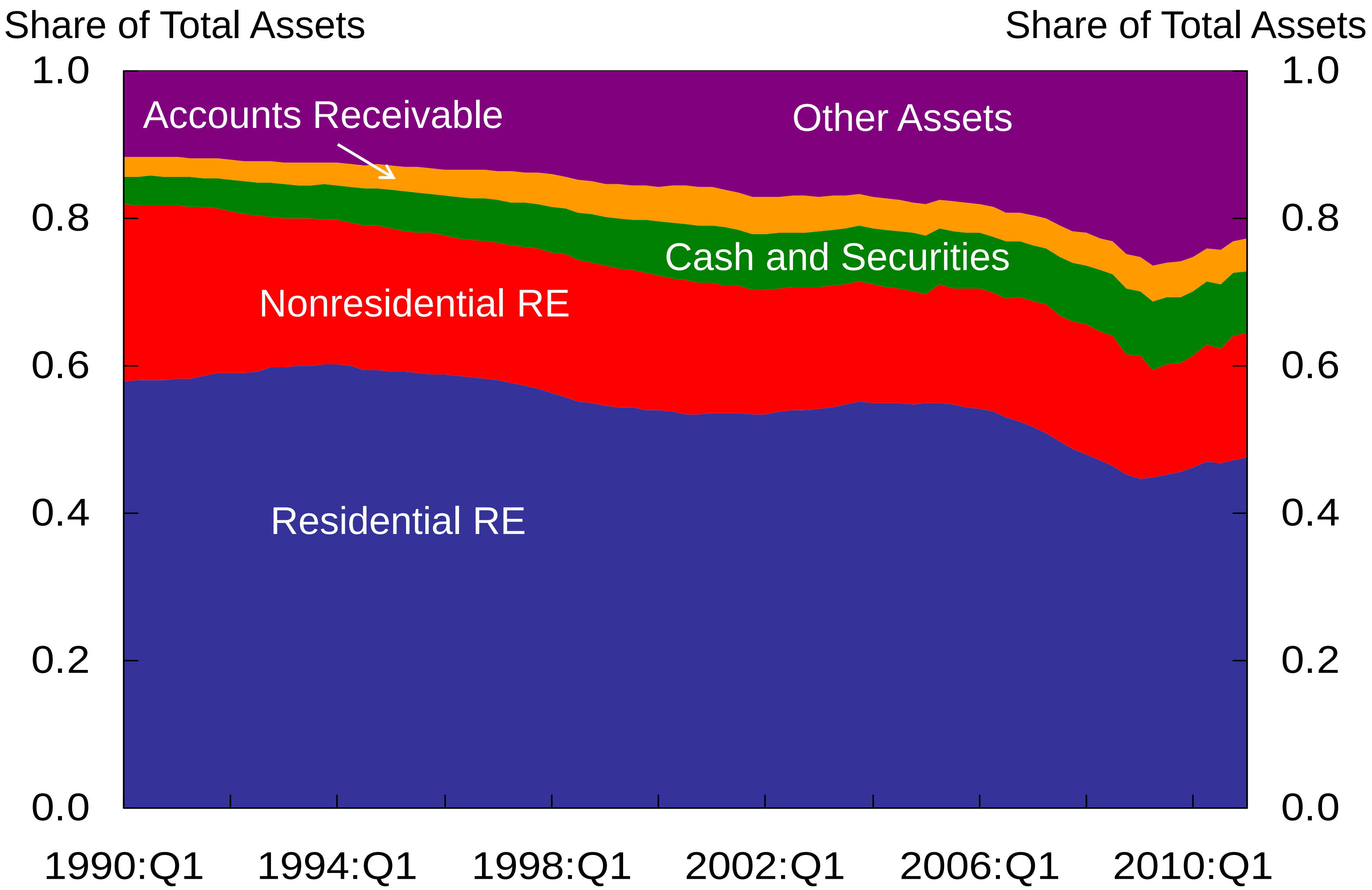
4.2.3 Nonfinancial Corporate Bond Default Rate



Note: 6-month trailing defaults divided by beginning-of-period outstandings.

Source: Moody's Investors Service

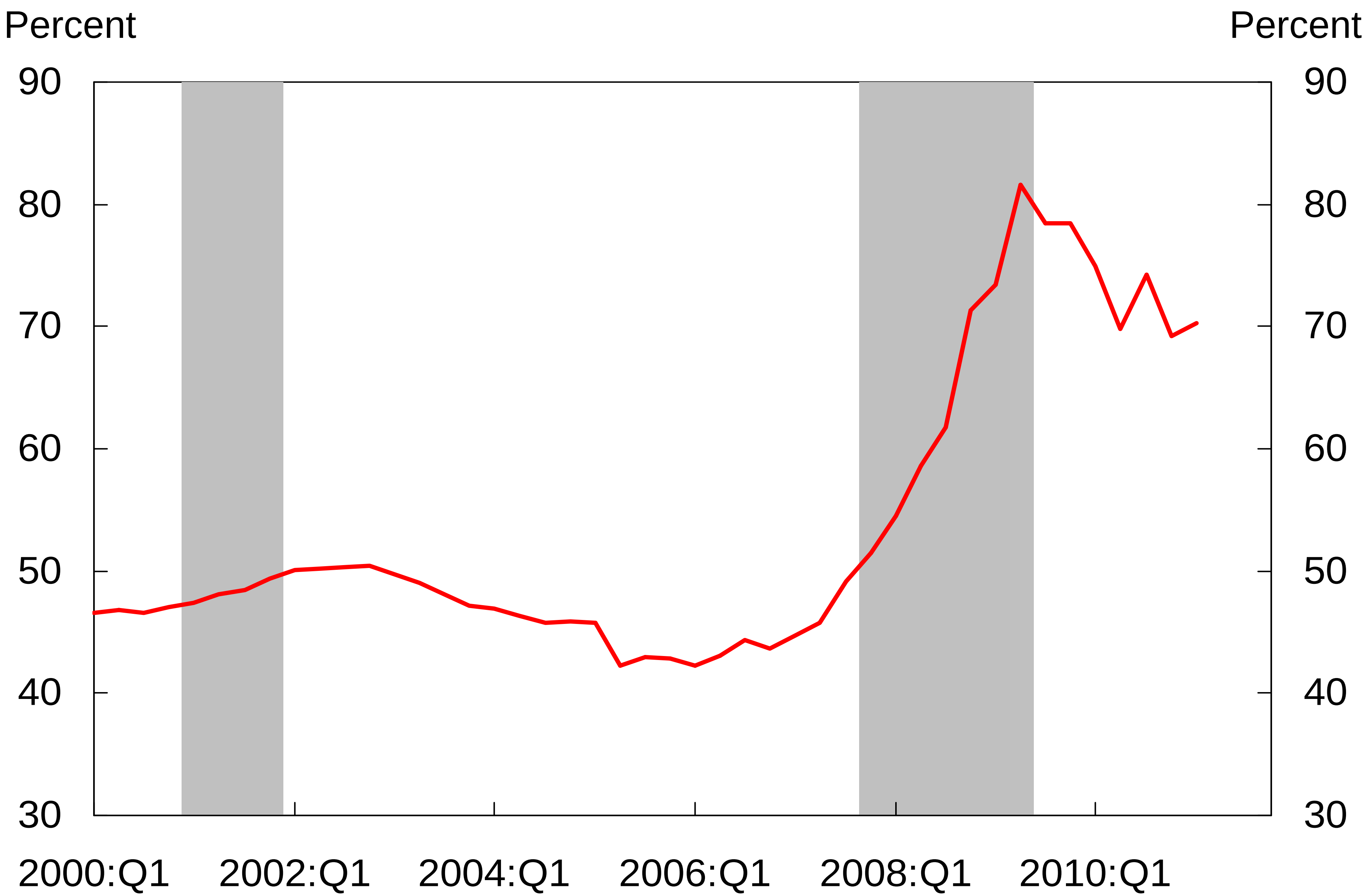
4.2.4 Noncorporate Assets



Source: Flow of Funds

Note: Nonfarm noncorporate business.

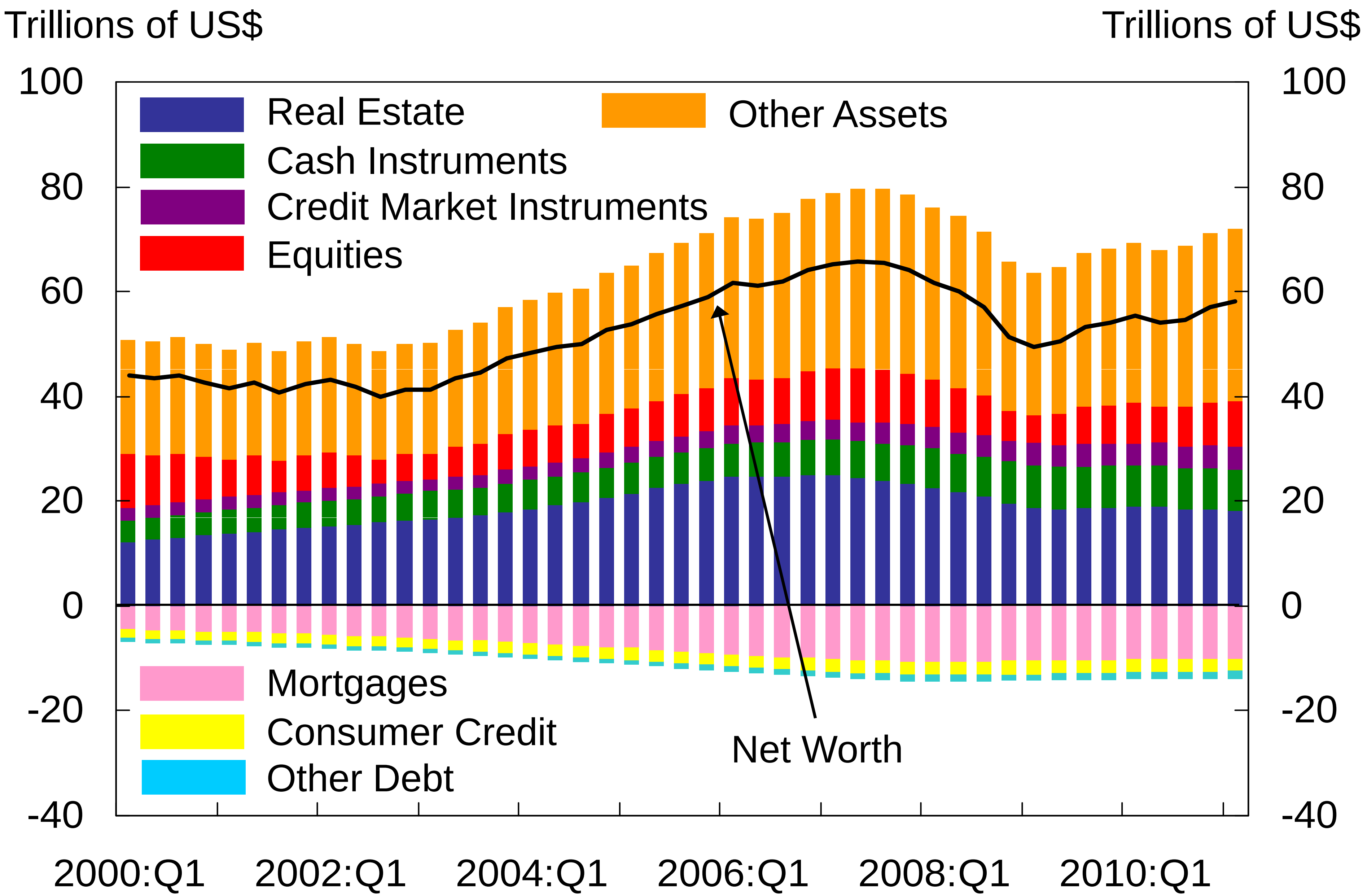
4.2.5 Noncorporate Credit Market Debt to Net Worth



Source: Flow of Funds

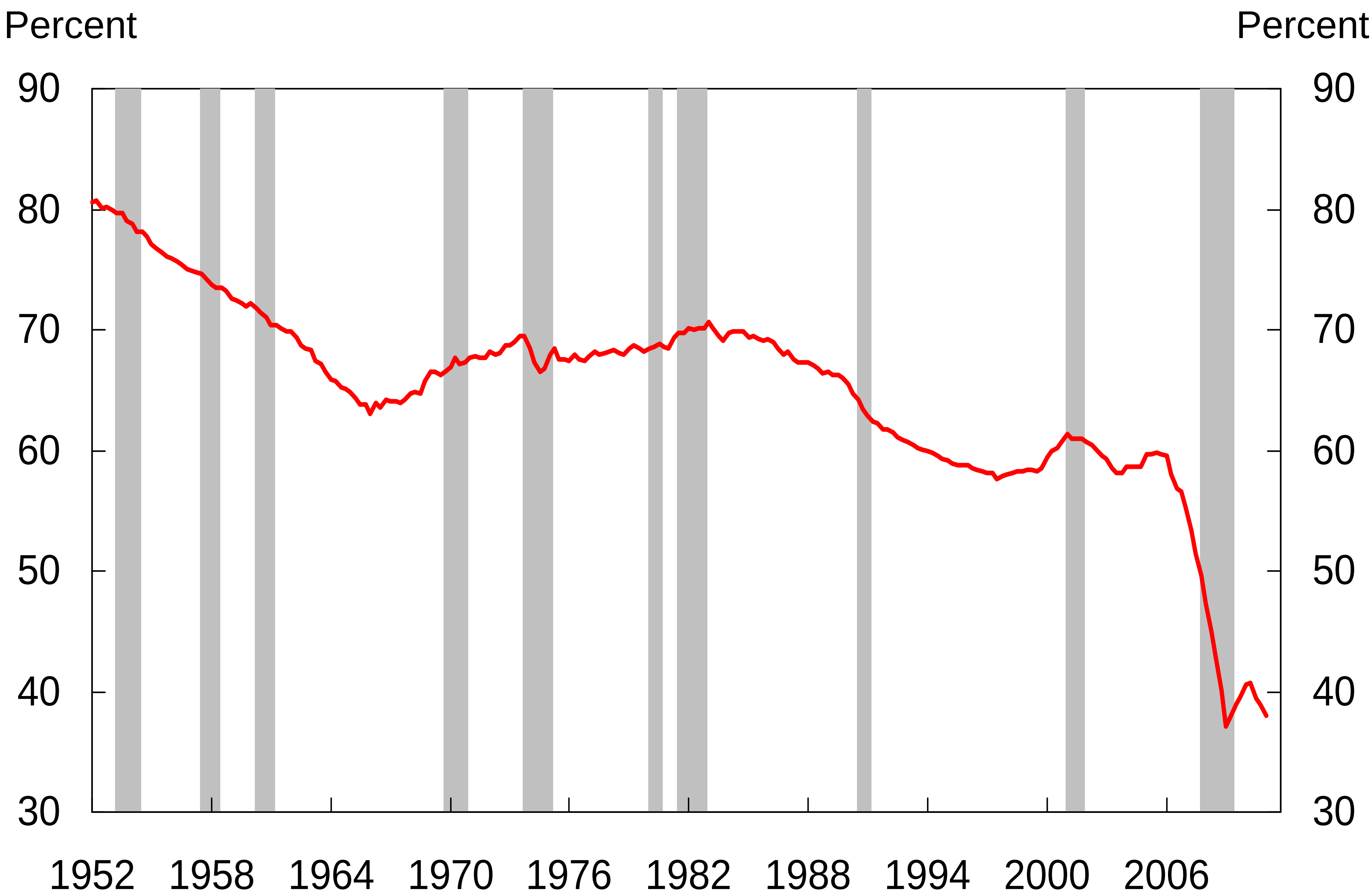
Note: Nonfarm noncorporate business.

4.2.6 Household and Nonprofit Balance Sheets



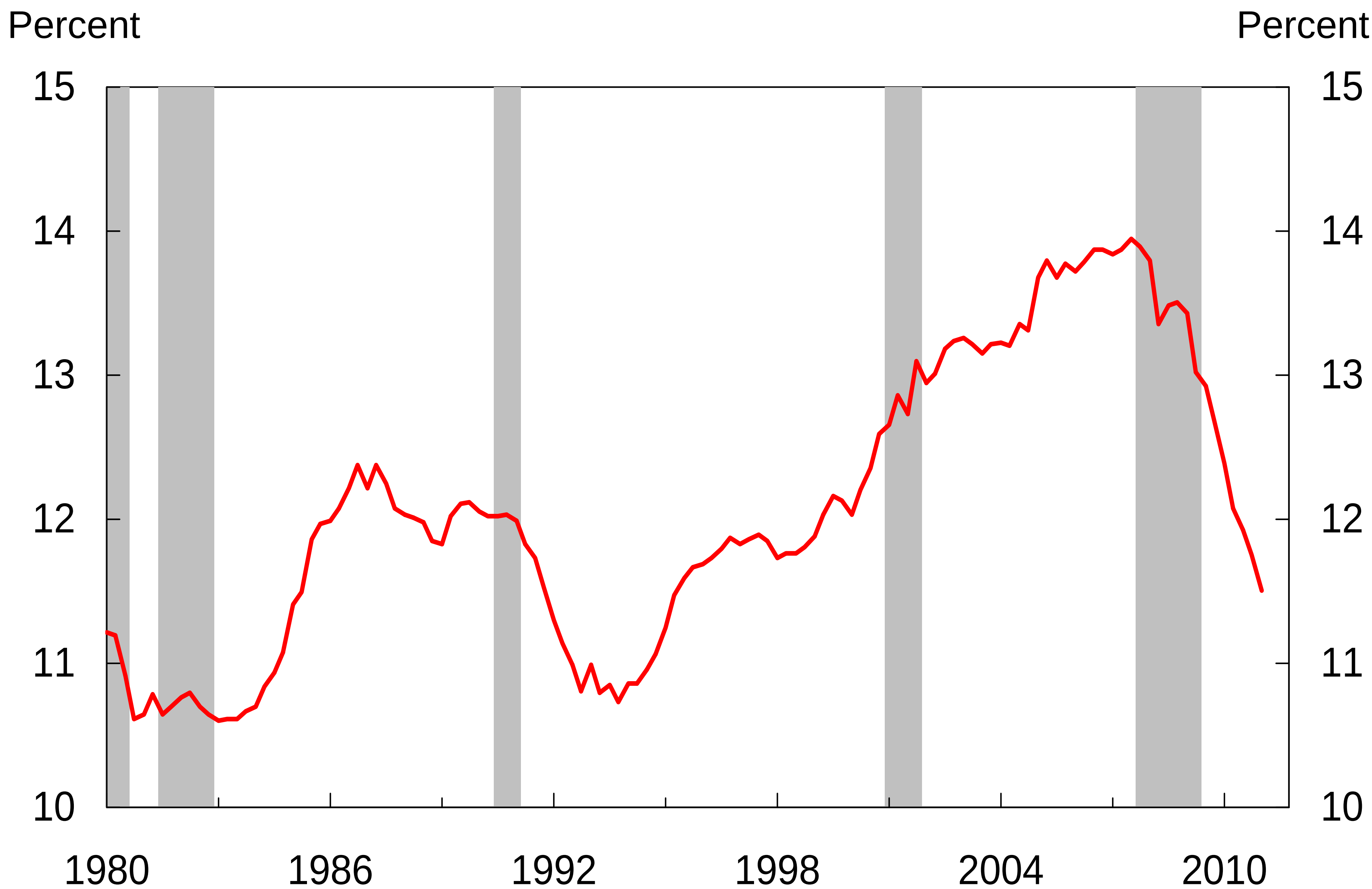
Source: Flow of Funds

4.2.7 Share of Owners' Equity in Household Real Estate



Source: Flow of Funds

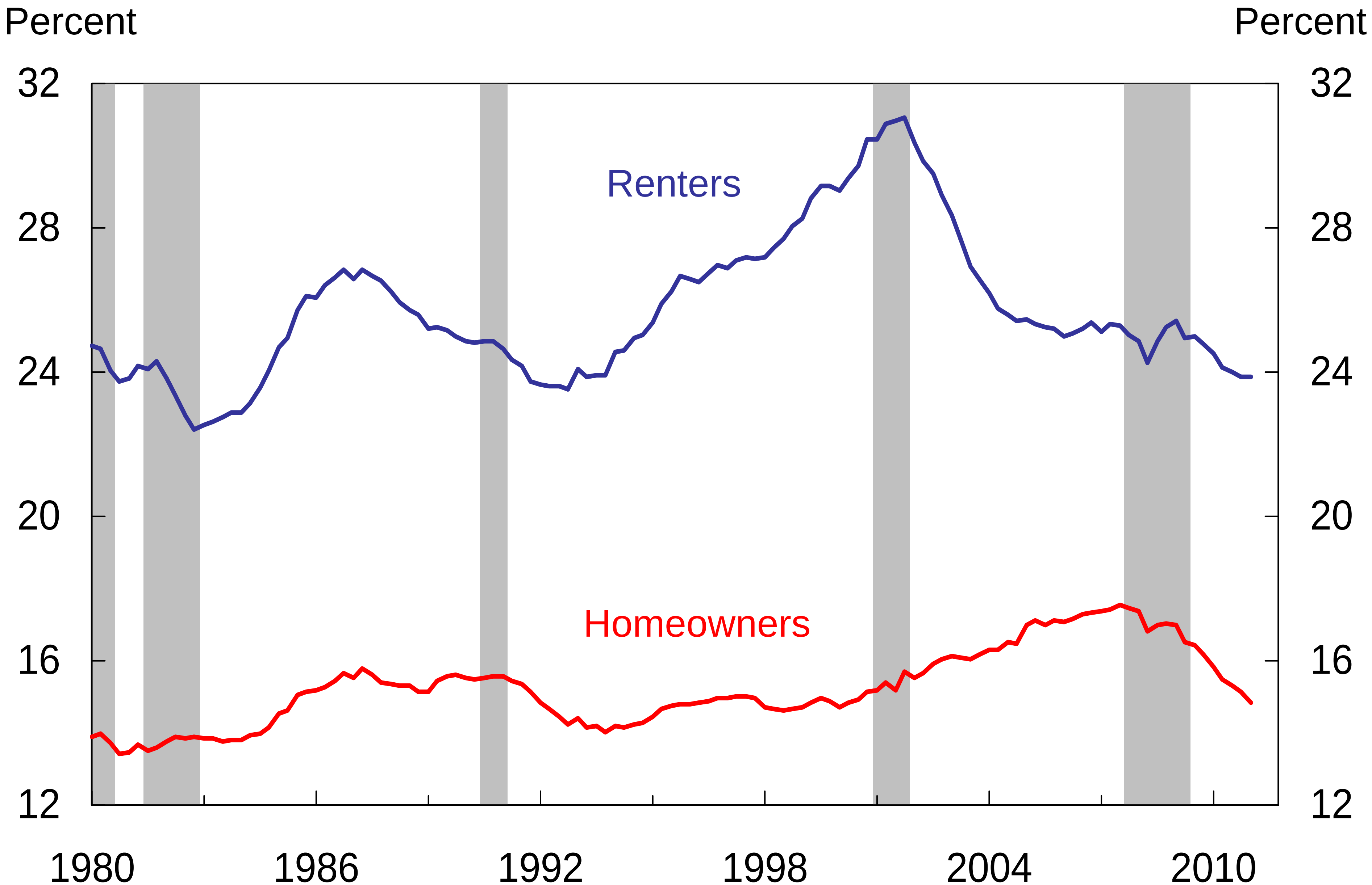
4.2.8 Household Debt Service Ratio



Source: FRB

Note: Seasonally adjusted.

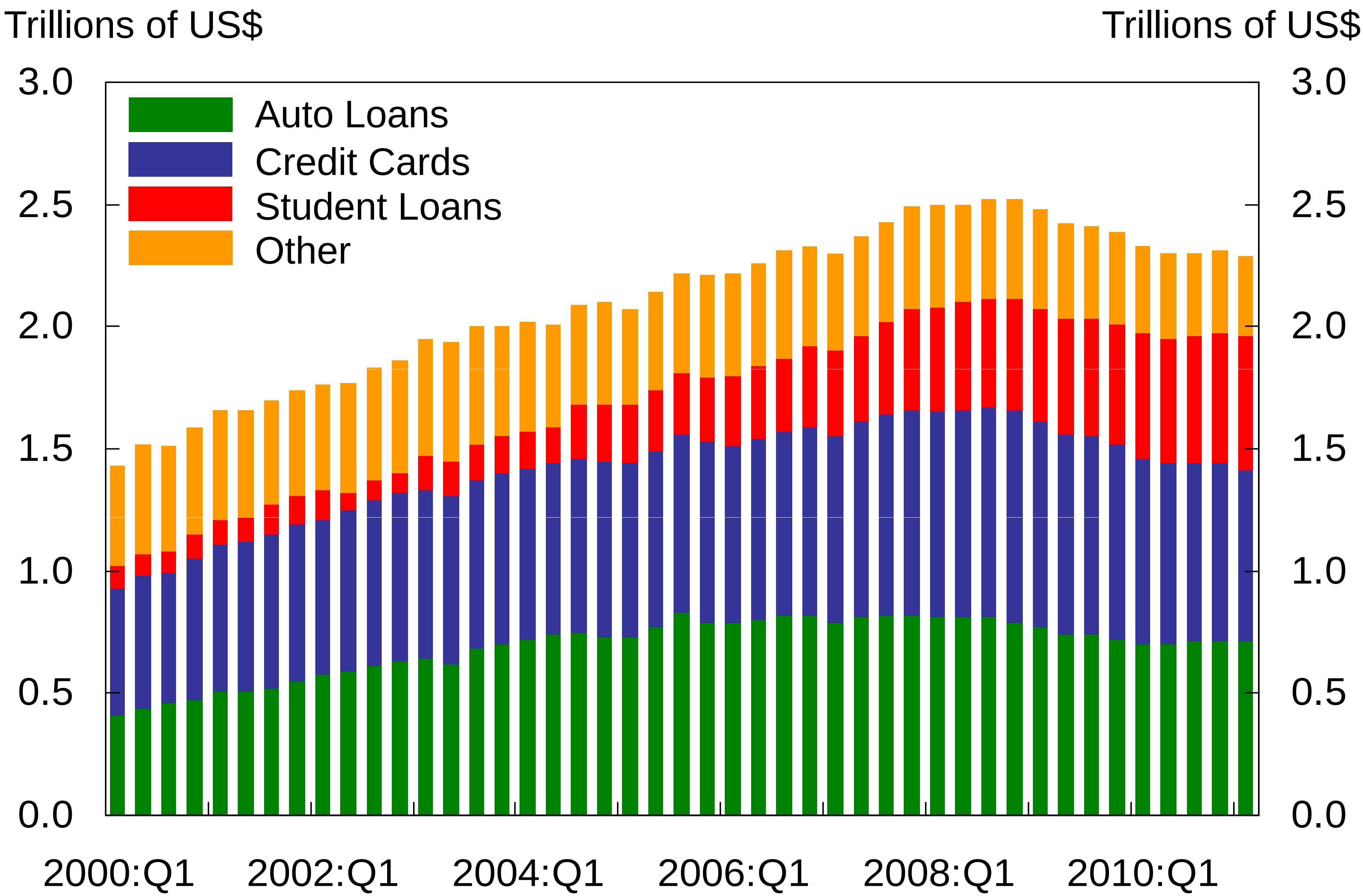
4.2.9 Household Financial Obligations Ratio



Source: FRB

Note: Seasonally adjusted.

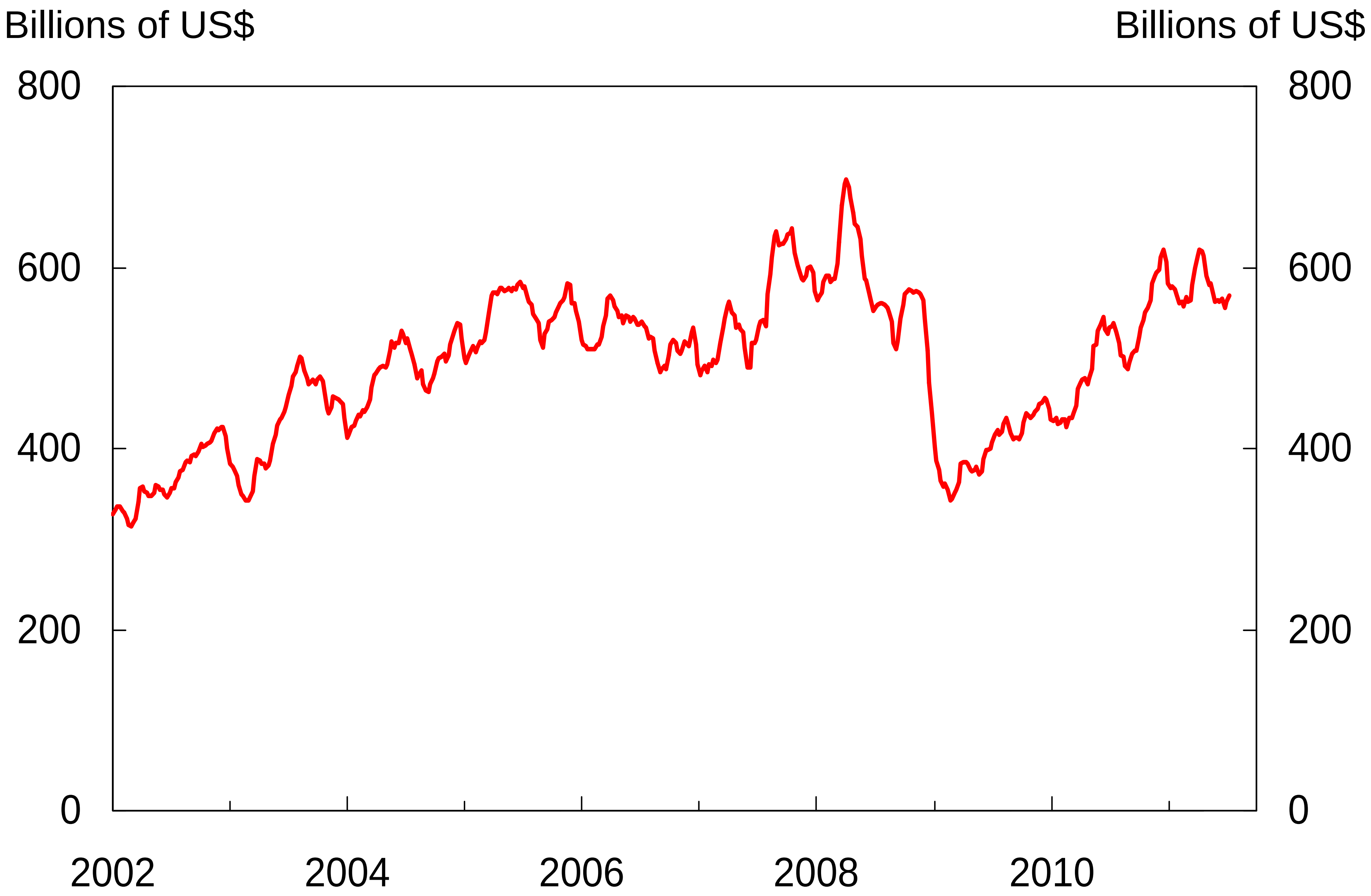
4.2.10 Outstanding Balances of Consumer Loans



Source: FRBNY Consumer Credit Panel

4.3 Government Balance Sheets

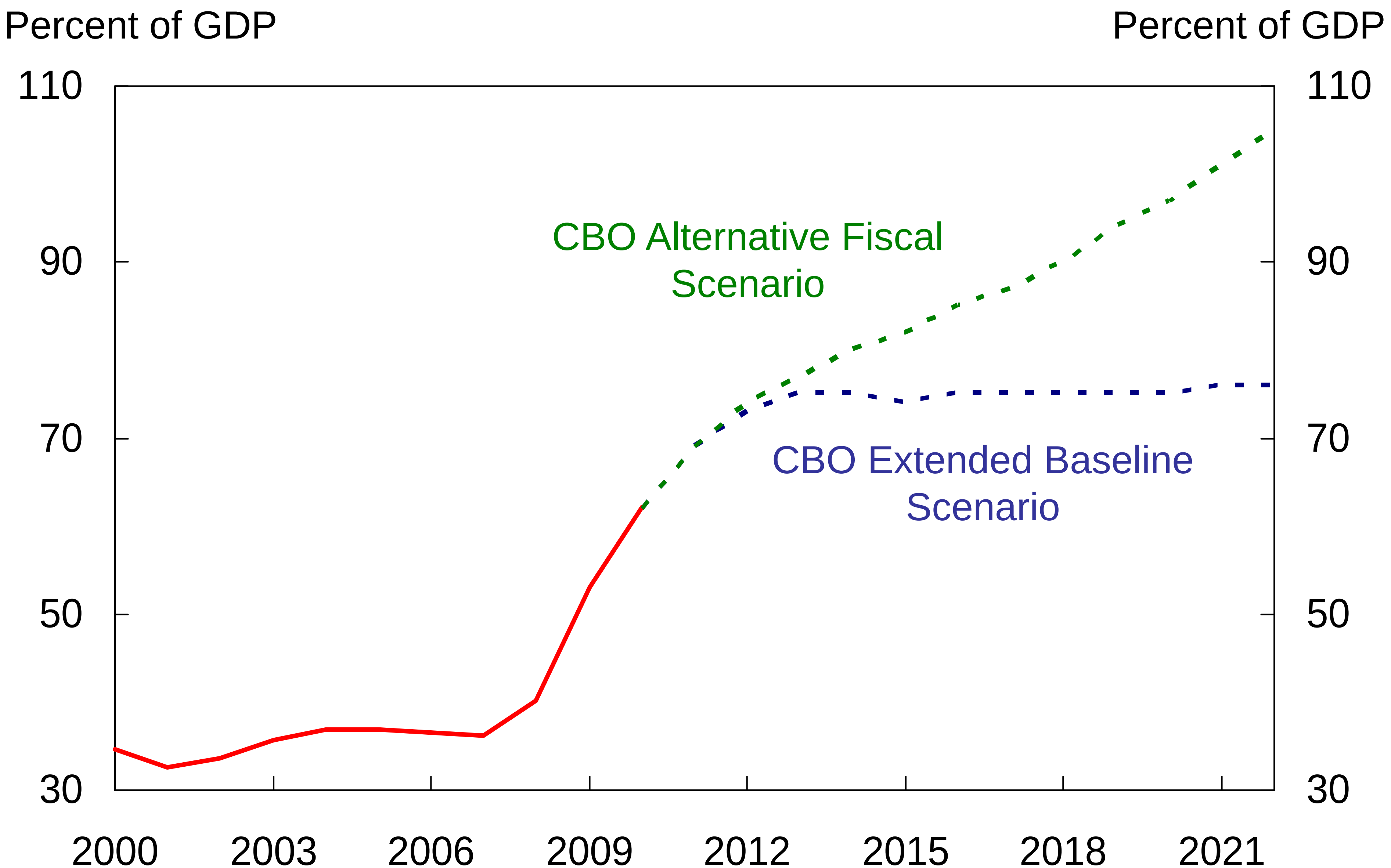
4.3.1 Total Treasury Market Turnover



Source: FR 2004

Note: 12-week moving average of daily values.

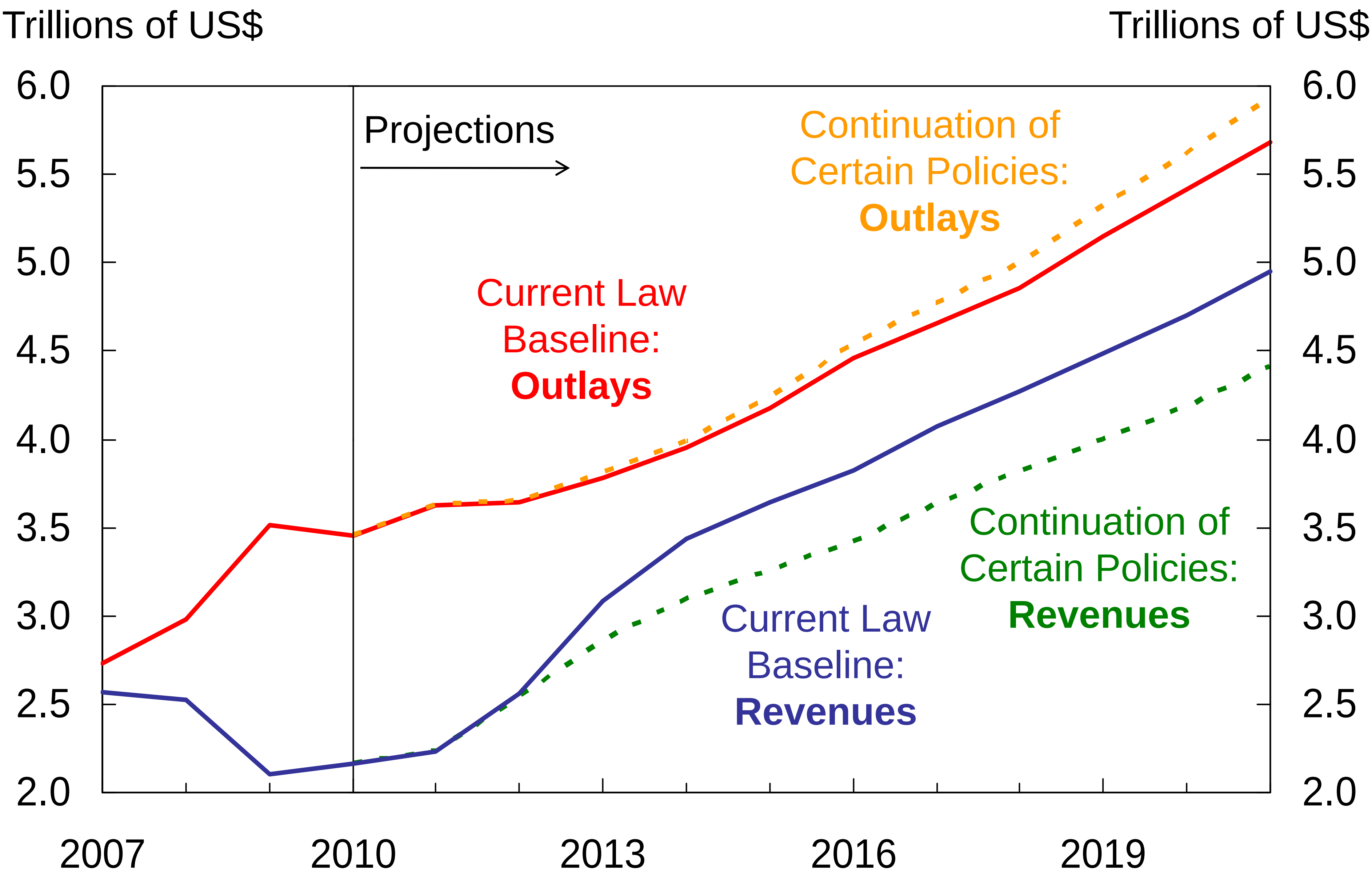
4.3.2 Federal Government Debt Held by the Public



Source: CBO

Note: Fiscal years.

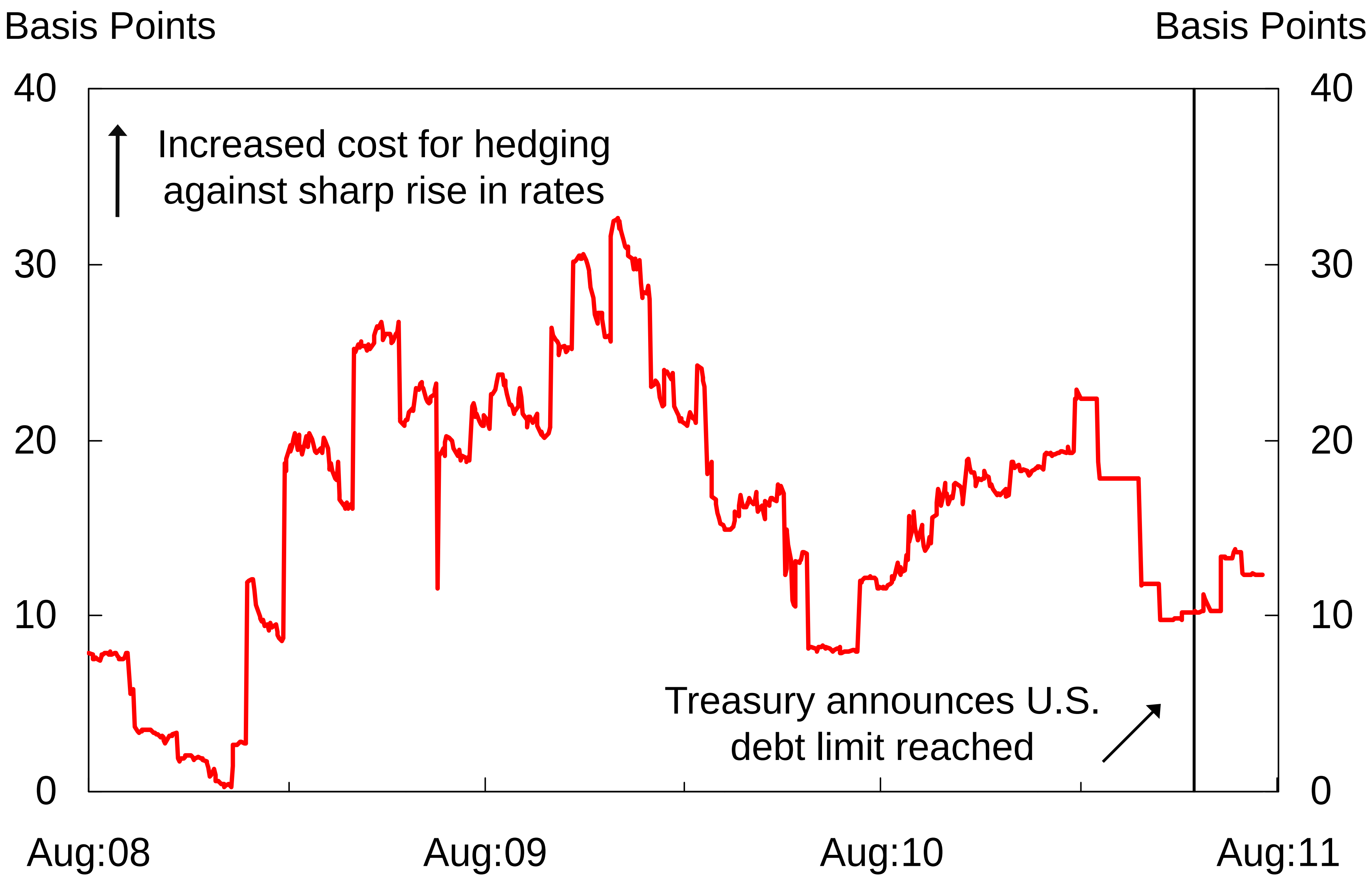
4.3.3 Outlays and Revenues Using CBO Projections



Source: CBO

Note: Projection is based on the Mar. 2011 CBO baseline budget forecast adjusted using Table 1.7 of the CBO Jan. 2011 outlook that specifies the effect of a continuation of certain policies. Revenues and outlays were adjusted from the baseline by accounting for the effects of maintaining the Medicare payment rates at the 2011 level, extending certain income, estate, and gift tax provisions scheduled to expire at the end of 2012 while indexing the AMT for inflation.

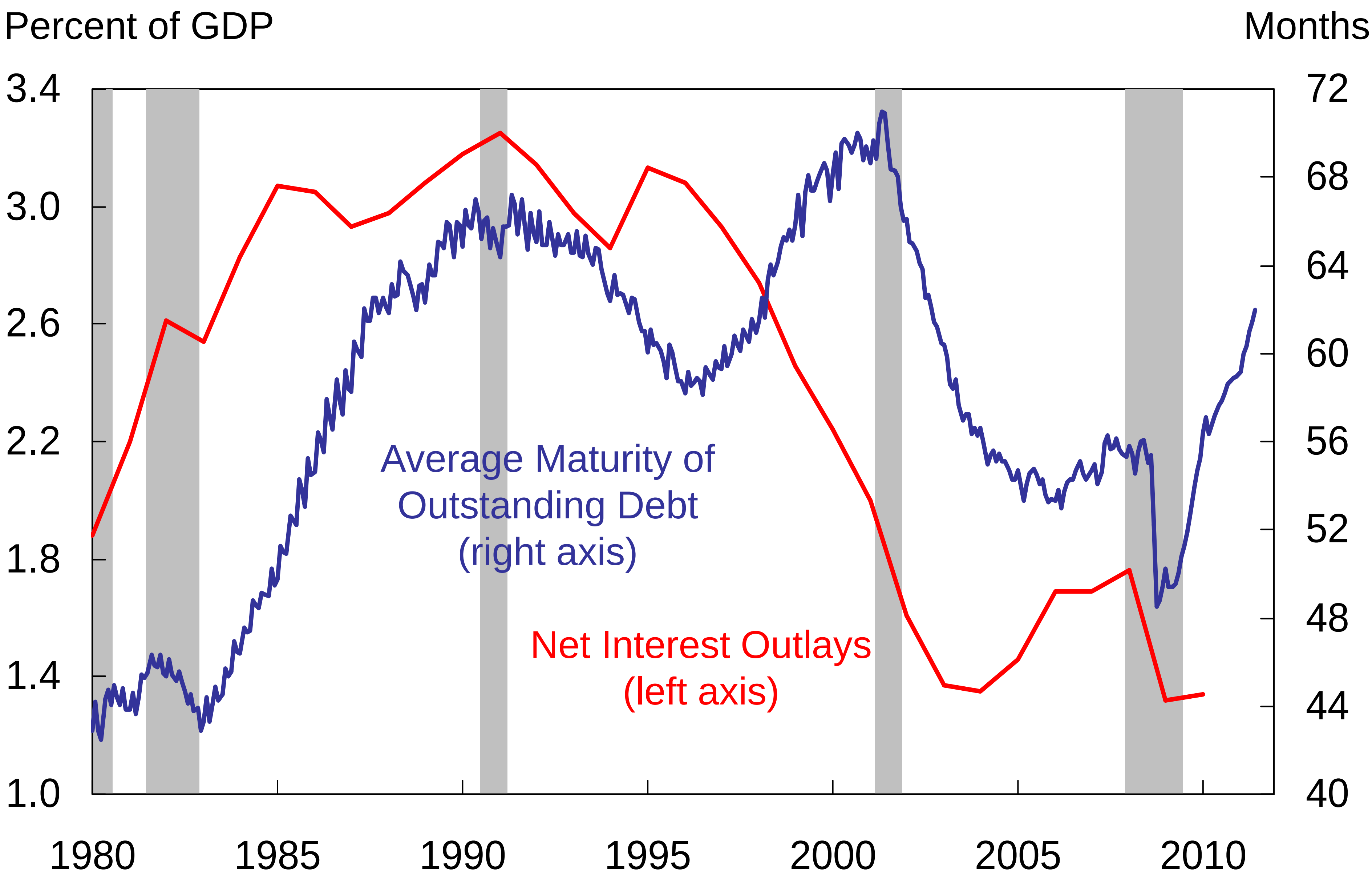
4.3.4 Interest Rate Payer Skew



Source: JPMorgan

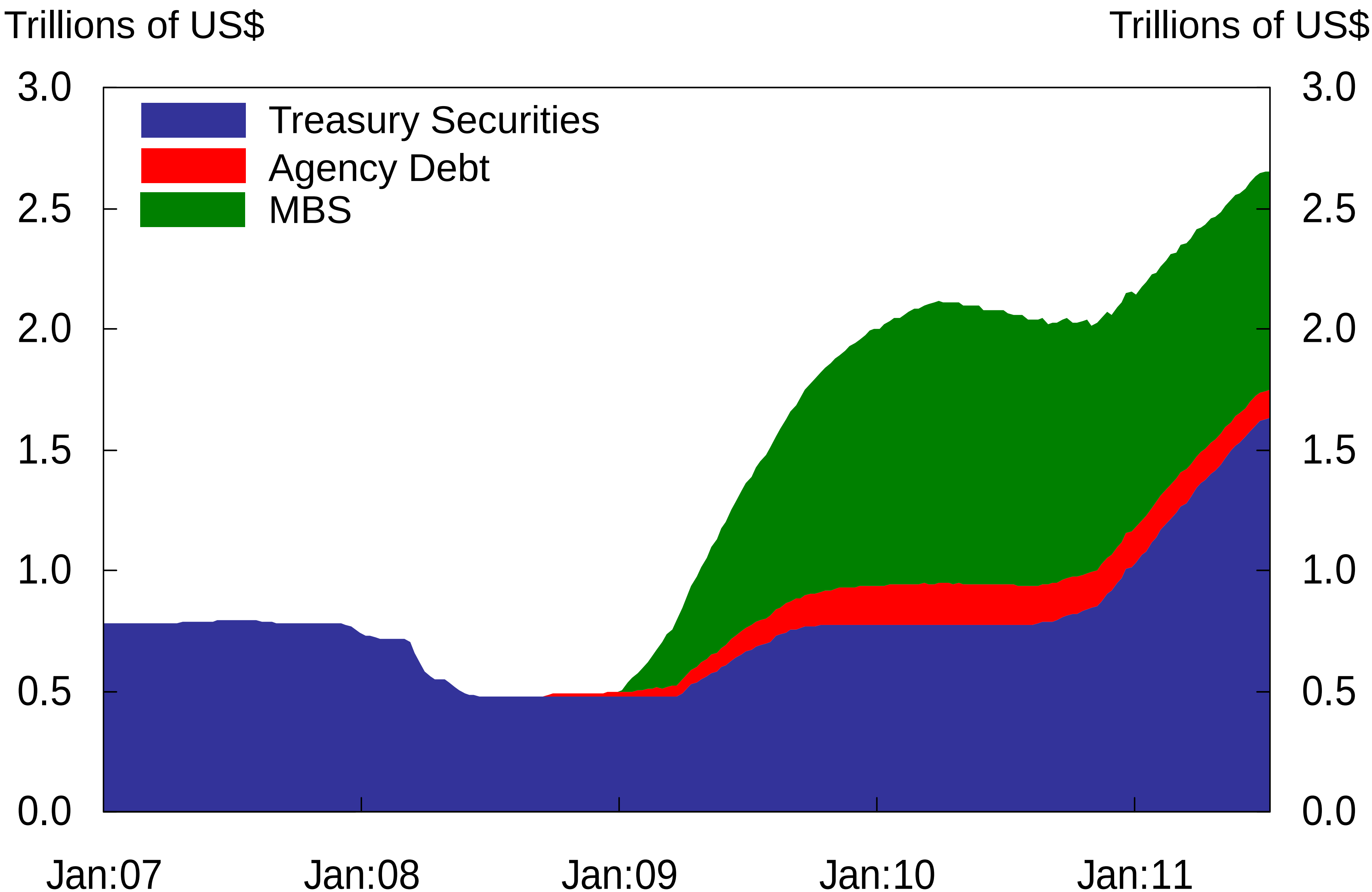
Note: 3M/10Y +/- 100 basis points implied volatility.

4.3.5 Interest Outlays and Average Maturity



Source: U.S. Department of the Treasury

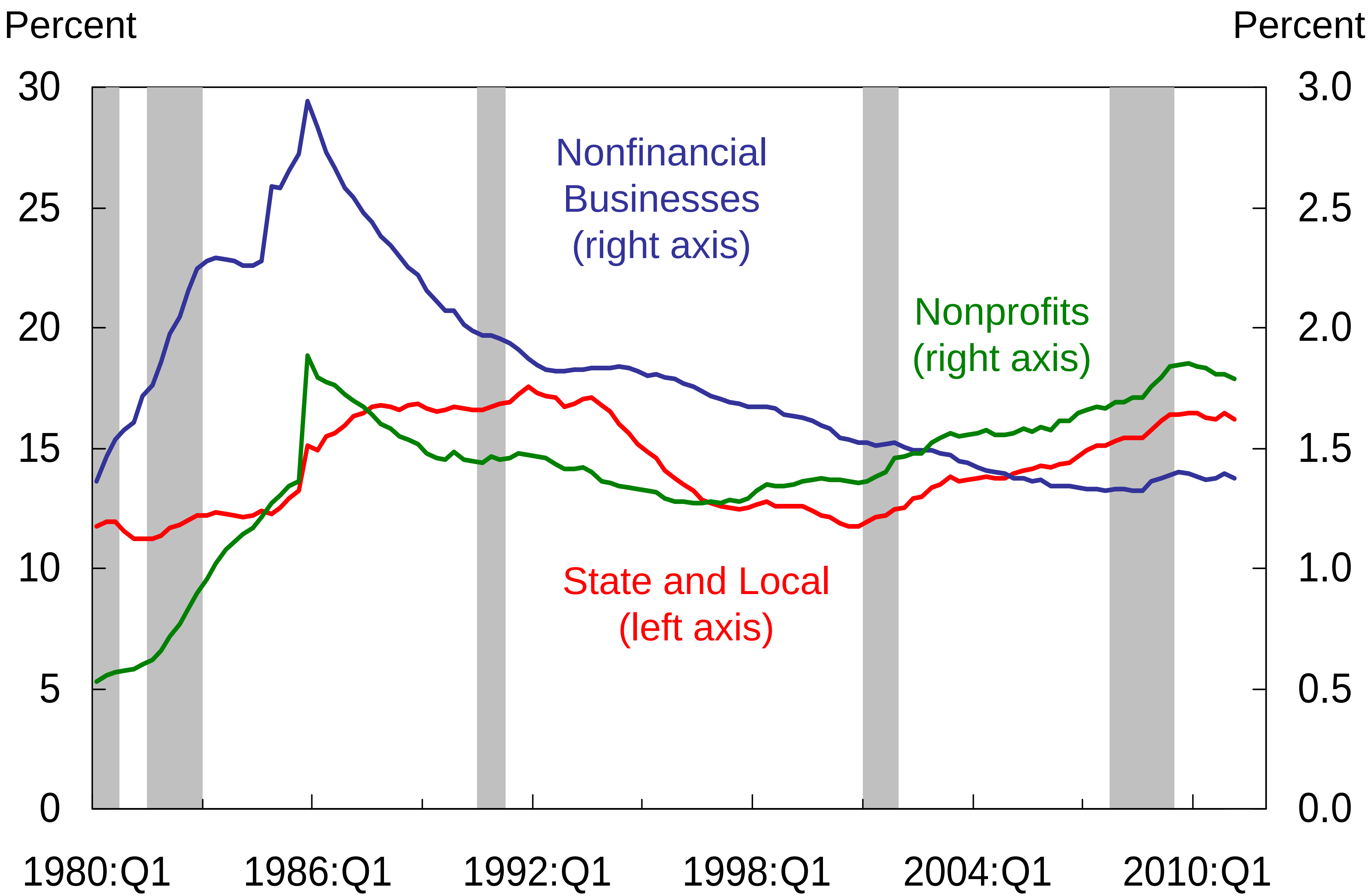
4.3.6 Outright Holdings of Domestic Assets in the SOMA



Source: FRBNY

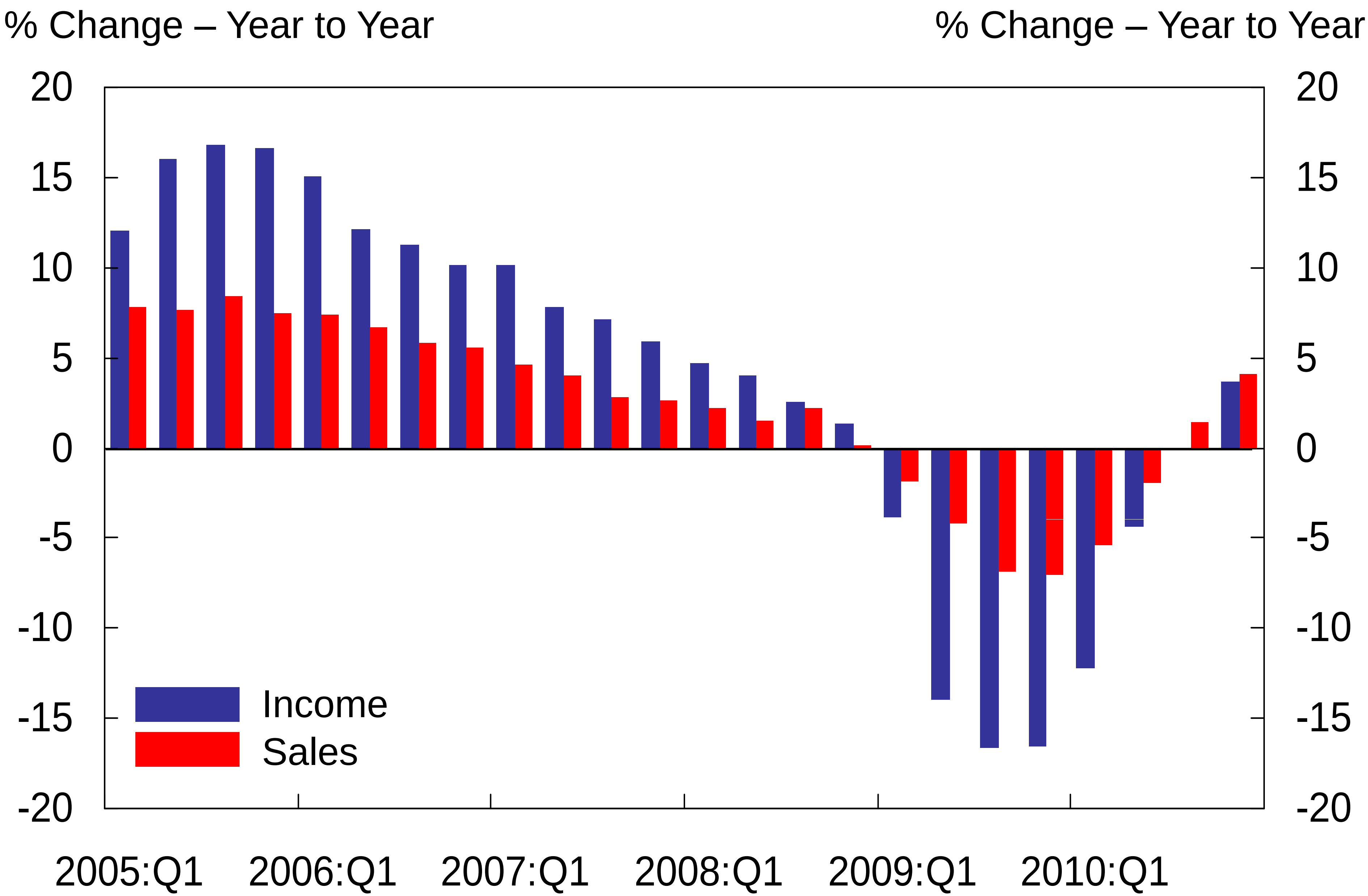
Note: Daily values.

4.3.7 Municipal Liabilities as a Percent of GDP



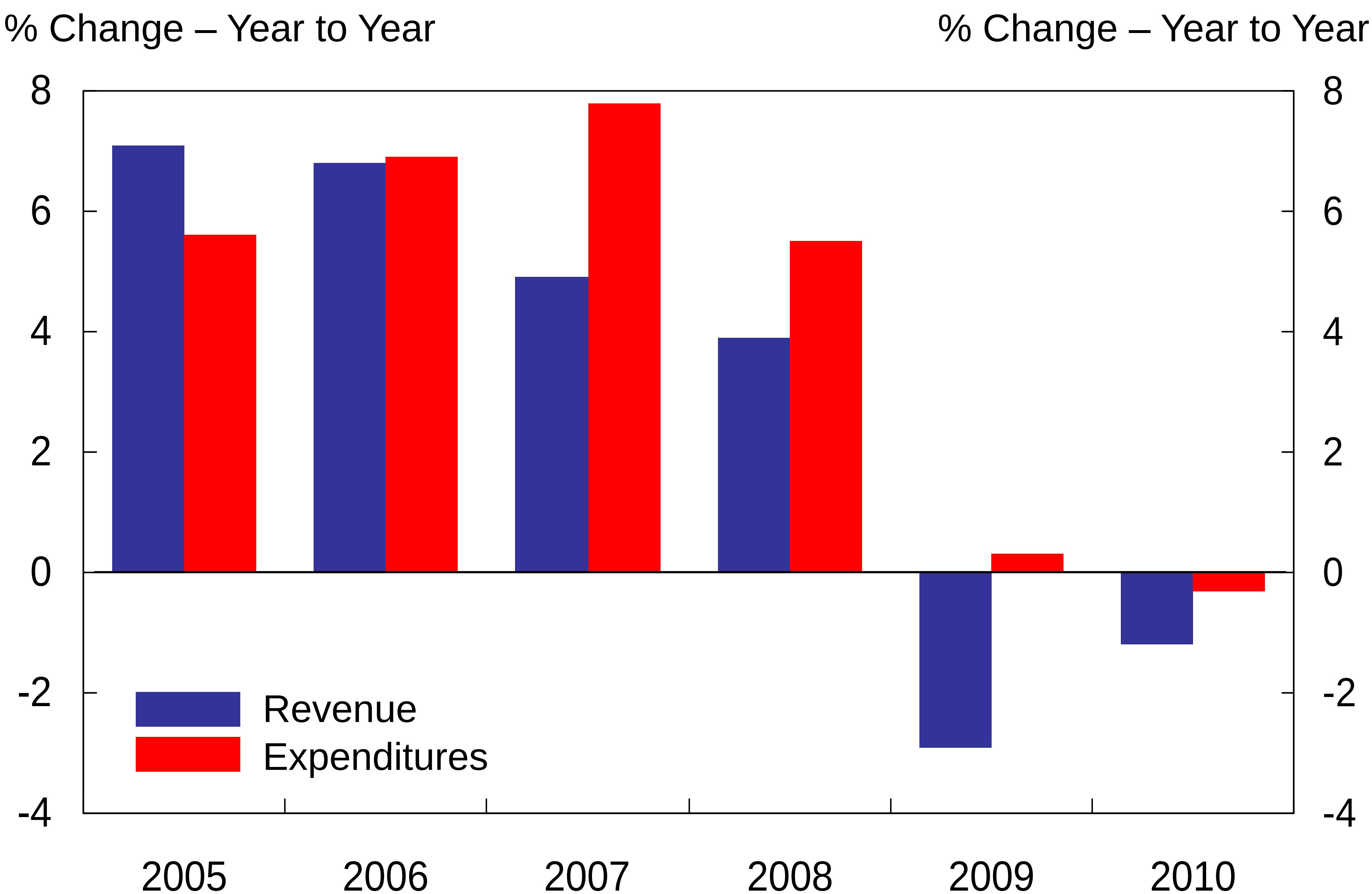
Source: Flow of Funds

4.3.8 State Tax Revenue



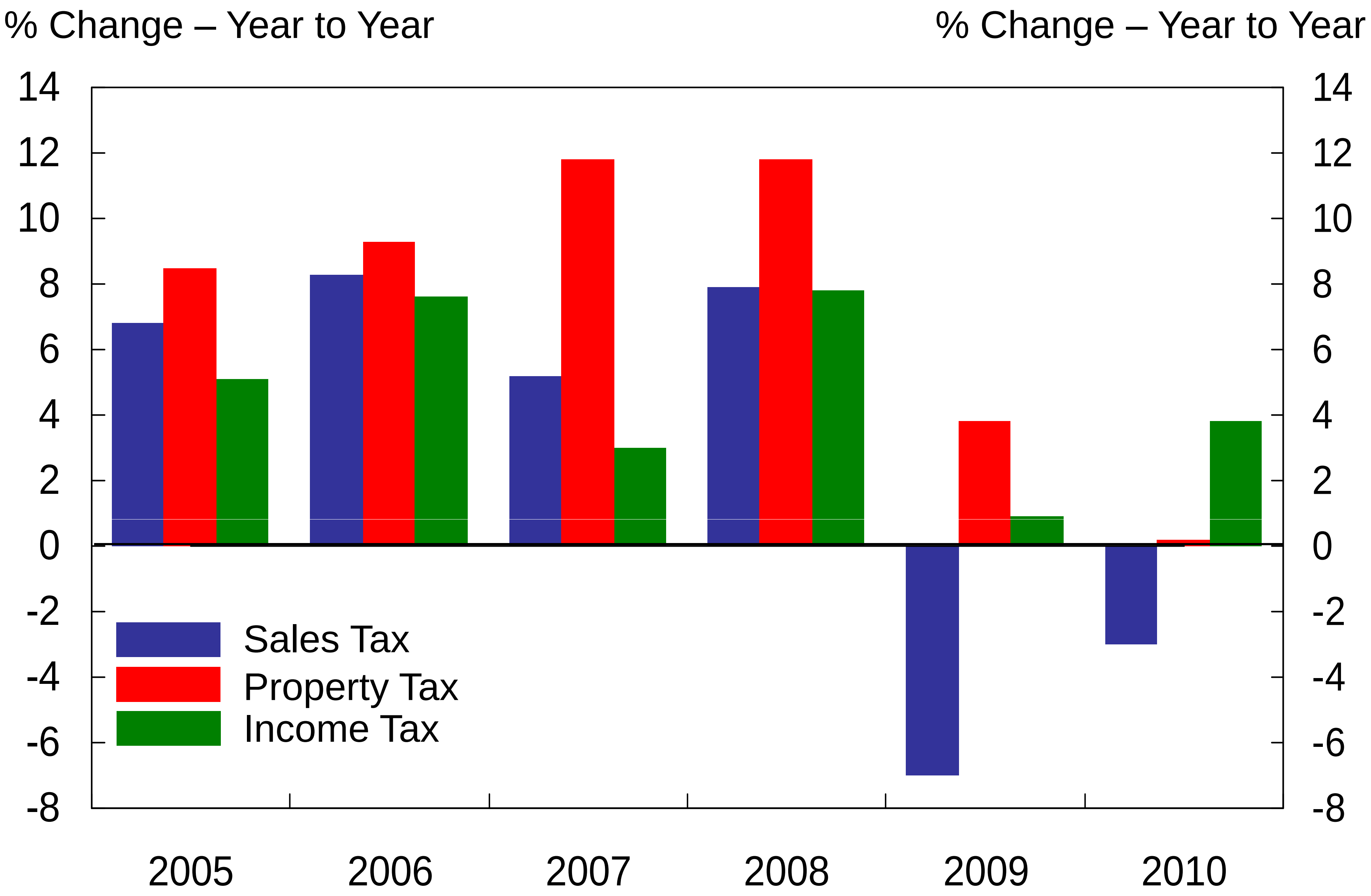
Source: U.S. Census Bureau

4.3.9 City General Fund Revenues and Expenditures



Source: National League of Cities

4.3.10 City General Fund Tax Receipts



Source: National League of Cities

4.4 External Environment

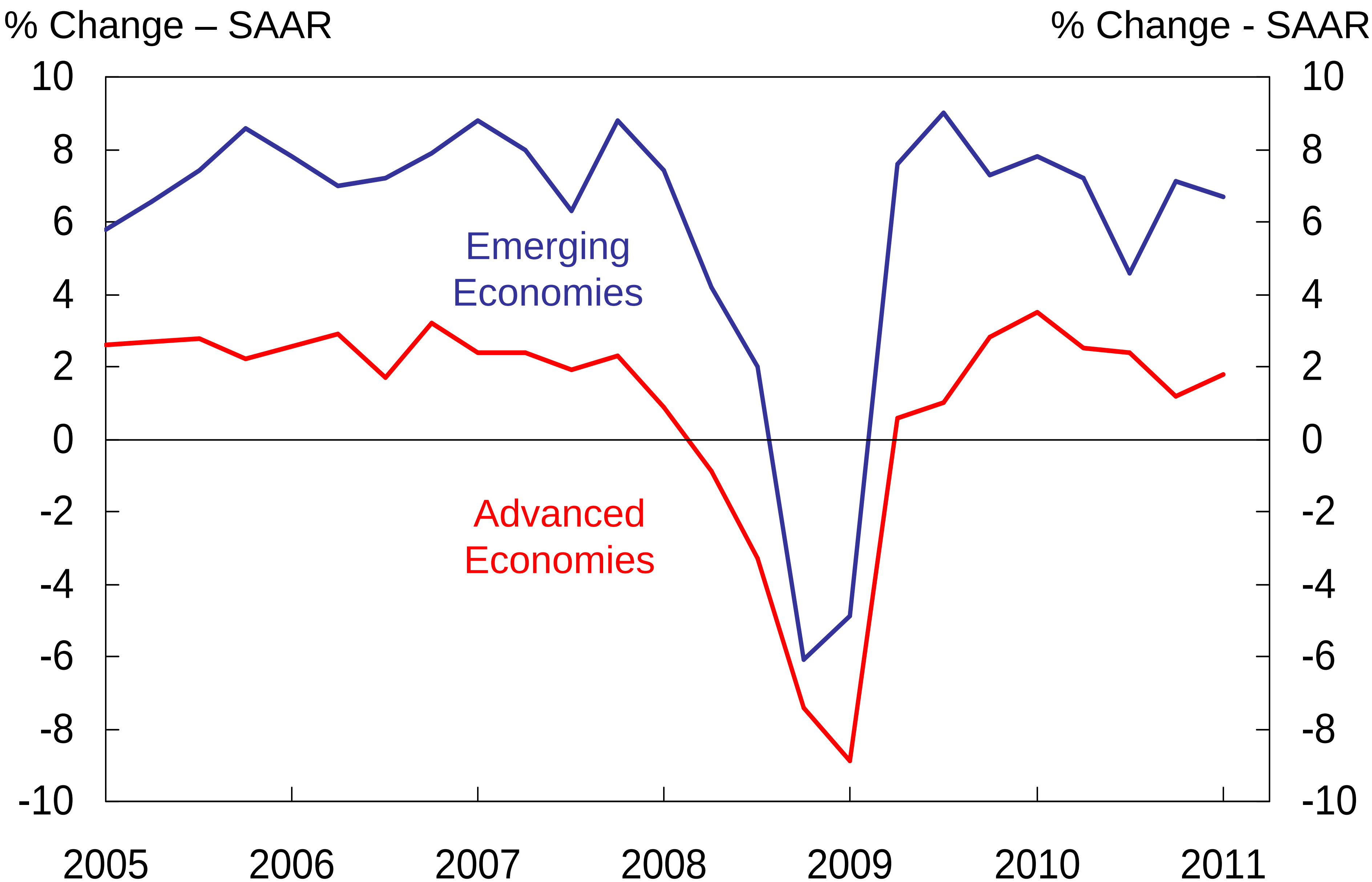
4.4.1 Indebtedness and Leverage in Selected Advanced Economies (April 2011)

	Government Net Debt, 2011	Primary Balance, 2011	Government debt held abroad (% of net debt)	Nonfinancial Corporates' Debt over Equity (percent)	Bank Leverage (tangible common equity)	Total Economy Net External Liabilities
US	72	-9	44	105	13	19
Japan	128	-8.6	13	176	23	-55
UK	75	-5.5	30	89	24	14
Canada	35	-4.1	48	72	18	7
Euro area	67	-1.7	38	106	26	13
Belgium	82	-0.5	80	43	30	-43
France	78	-3.5	72	76	26	11
Germany	55	-0.3	77	105	32	-39
Greece	N/A	-0.9	N/A	218	17	99
Ireland	95	-7.5	71	113	18	102
Italy	101	0.2	56	135	20	20
Portugal	86	-1.6	60	145	17	106
Spain	53	-4.6	60	152	19	90

Note: As a percent of 2010 GDP, unless otherwise noted.

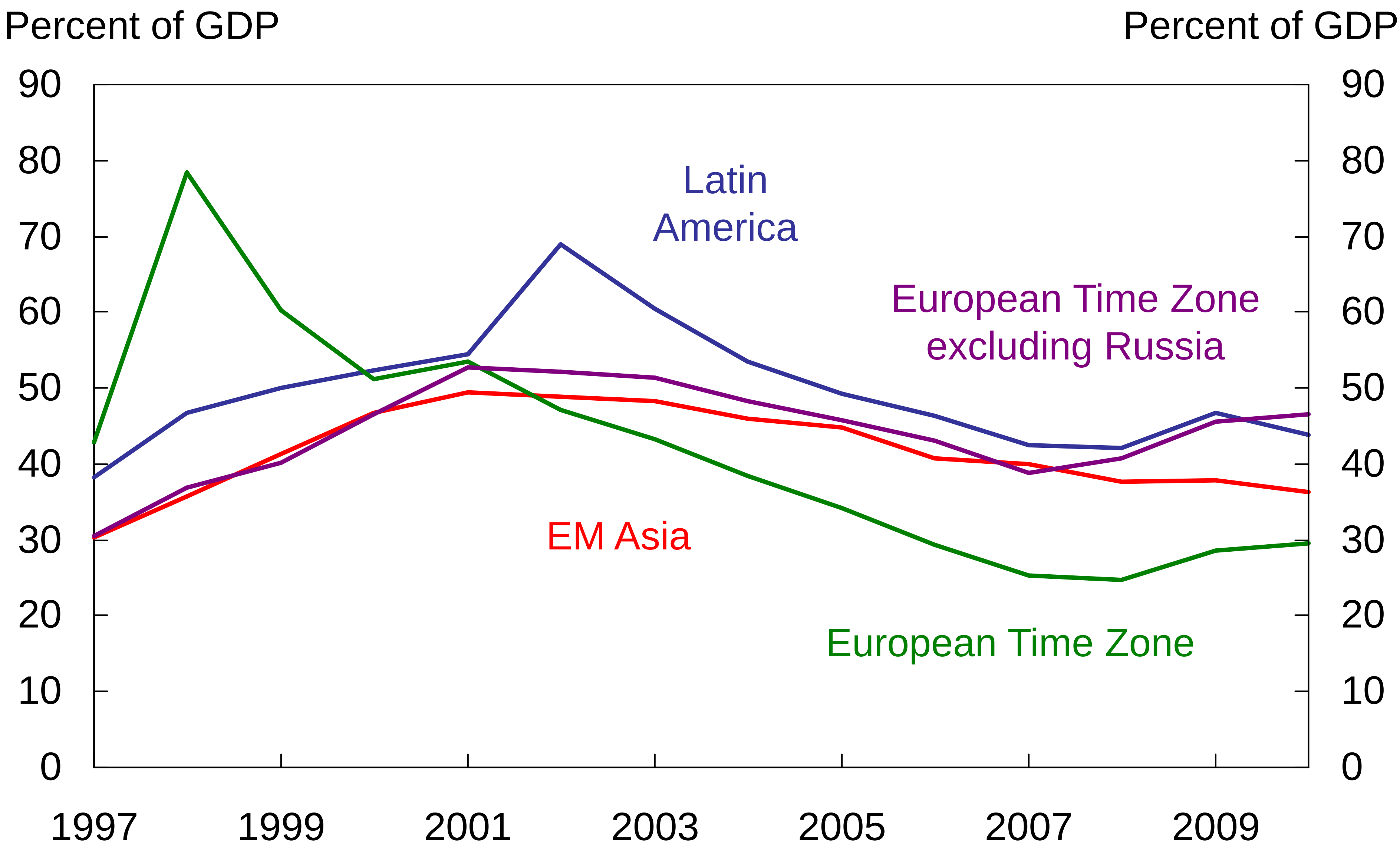
Source: IMF Global Financial Stability Report

4.4.2 Real GDP Growth



Source: National Authorities and FRBNY

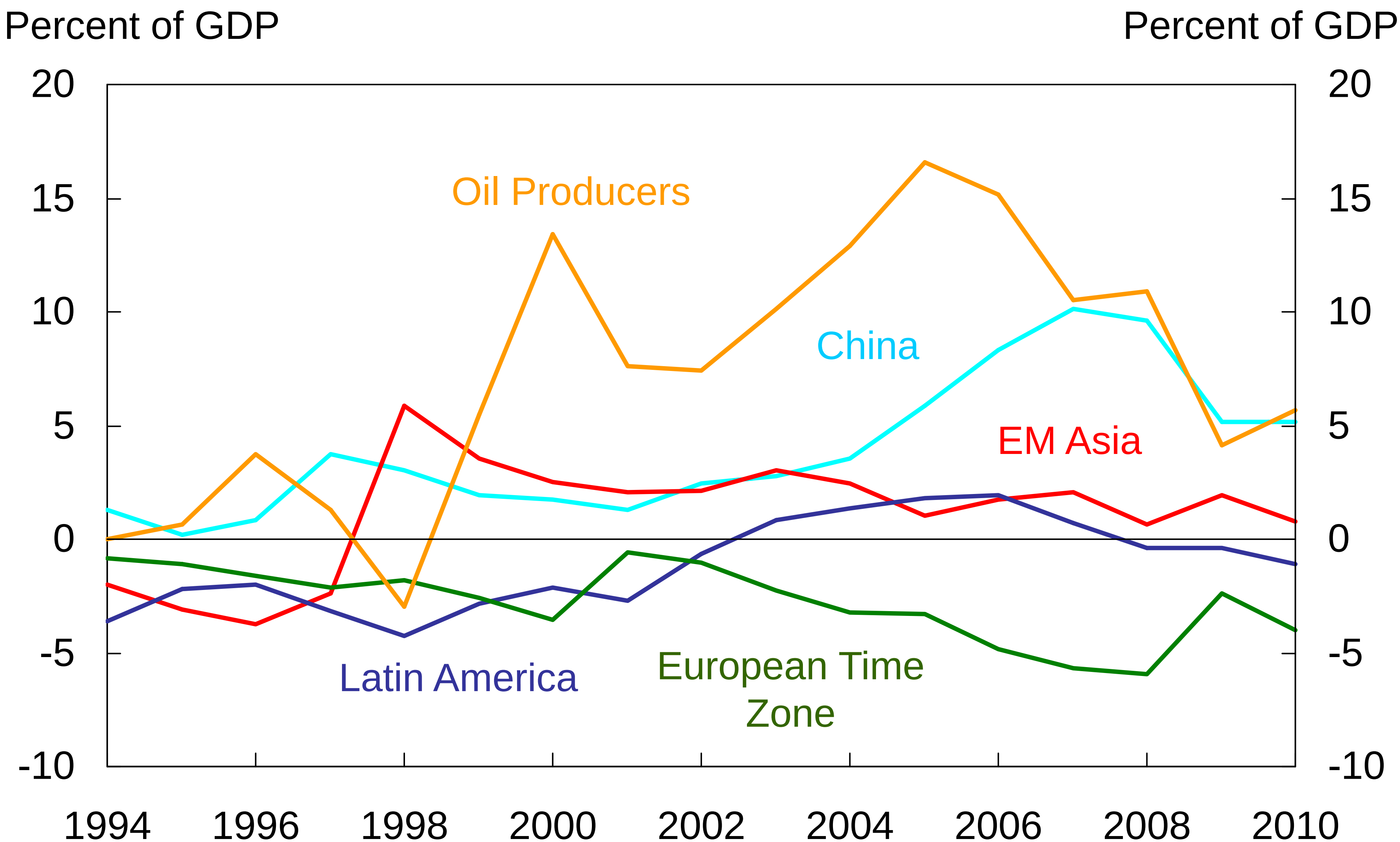
4.4.3 Emerging Markets: Public Debt to GDP



Source: National Authorities, CEIC Data, EMED, FSOC calculations

European Time Zone: Hungary, Poland, Russia, South Africa, Turkey, Ukraine; EM Asia: China, Korea, Indonesia, Malaysia, Philippines, Thailand; Latin America: Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Venezuela

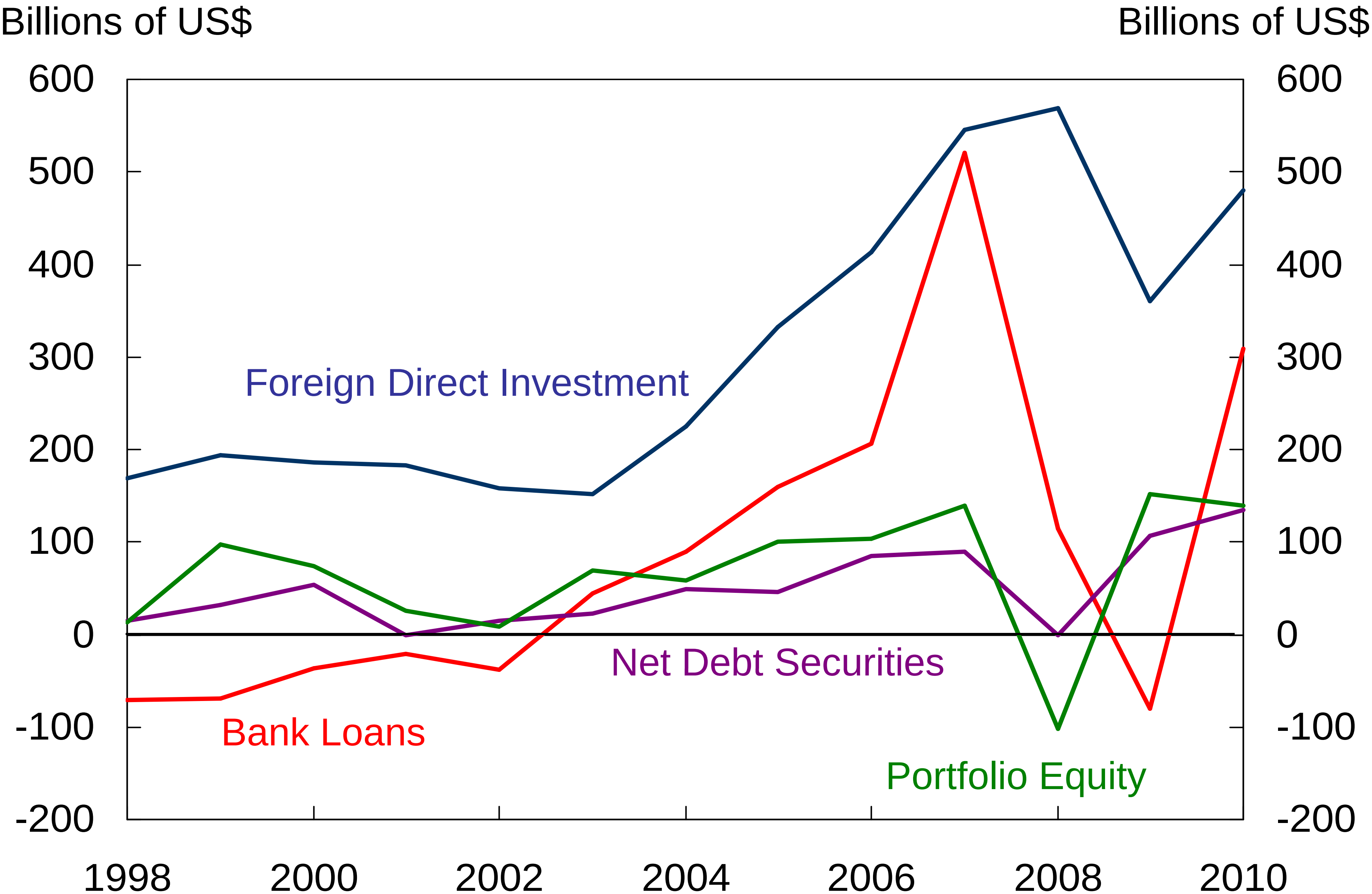
4.4.4 Emerging Markets: Current Account



Source: CEIC Data and EMED

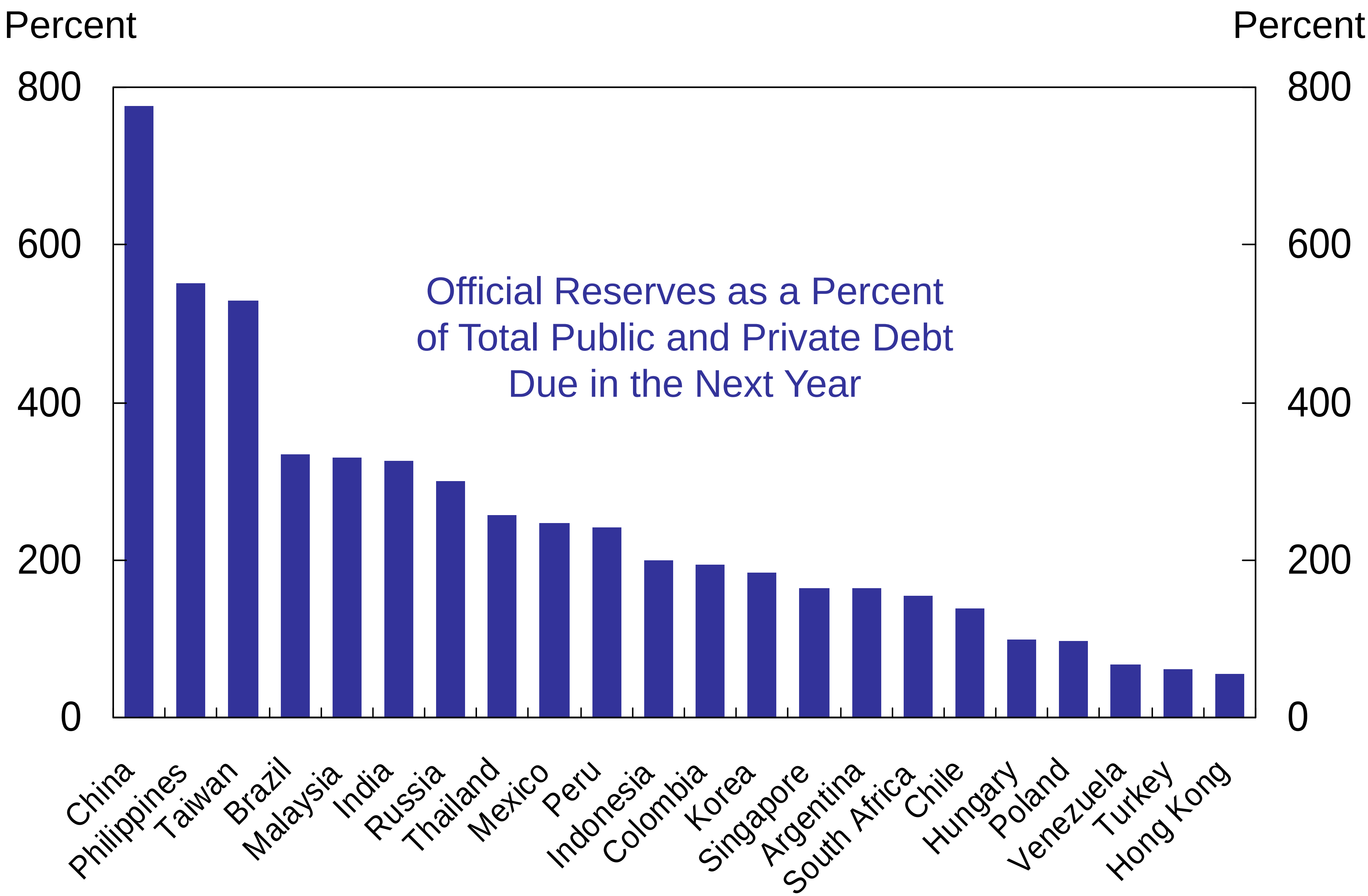
Oil producers: Russia, Saudi Arabia, UAE, Venezuela; EM Asia: India, Indonesia, Korea, Malaysia, Philippines, Thailand; Latin America: Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru; European Time Zone: Hungary, Poland, South Africa, Turkey, Ukraine

4.4.5 Private Capital Flows to Emerging Markets



Source: BIS, EMED, CEIC Data, and FSOC calculations

4.4.6 EM Foreign Exchange Reserves Coverage



Source: CEIC Data, EMED, IMF, FSOC calculations

Note: As of 2010.