Selected Figures – Lecture of 28 January 2008

0. Recession

Figure 1: Log real GDP, in Chained 2000$, SAAR. BEA, NIPA release of 20 Dec 2007

Figure 2: Year on year change (thick) and quarter on quarter annualized change, in Chained 2000$, SAAR. BEA, NIPA release of 20 Dec 2007
Figure 3: 10 year constant maturity Treasury yield and 3 month Treasury yield. Source: St. Louis Fed FRED.

Figure 4: 10 year constant maturity Treasury yield minus 3 month Treasury yield spread. Source: St. Louis Fed FRED.
Credit market risk: interbank markets

Credit market risk: mortgage markets

Credit market risk: bond markets

Asset-backed paper market has collapsed


Figure 5: Inflation - 12 month log difference.

Figure 6: Oil price (nom, real), per barrel.
1. Global Imbalances


2. The US Indebtedness and the Twin Deficits (Current Account and Budget)

Figure 1. The Current Account Balance and Net Exports to GDP ratio. NBER defined recession dates shaded gray. Sources: Bureau of Economic Analysis (December 2007 release) and NBER.
**Figure 2:** The Trade Balance and the Dollar’s exchange rate. Source: Bureau of Economic Analysis and Federal Reserve Board.

**Figure 3:** The Net International Investment Position (with direct investment at market rates) to GDP ratio, and the cumulated current account to GDP ratio. Source: Bureau of Economic Analysis, 2005 NIIP release and NIPA releases, and author’s calculations.
Figure 4: The Net International Investment Position (with direct investment at market rates) to GDP ratio, and value of USD (narrow). Source: Bureau of Economic Analysis, 2006 NIIP release, and NIPA releases, Federal Reserve Board, and author’s calculations.

Figure 5: Federal debt held by the public, baseline, and baseline adjusting for tax cut extensions and reform of AMT, all as percent of nominal GDP. Source: CBO, The Budget and Economic Outlook: An Update, August 2006 and CBO, Historical Budget Statistics, January 2006; and author’s calculations.
Figure 6: Federal budget balance in billions of dollars, fiscal years, baseline, and baseline adjusting for tax cut extensions and reform of AMT, all as percent of nominal GDP. Source: CBO, The Budget and Economic Outlook: An Update, August 2006 and CBO, Historical Budget Statistics, January 2006; and author's calculations.

3. China’s Role
Figure 2. Shares of Total U.S. Imports by Country and Country Group, 1990 and 2005

1990 ($491 billion) 2005 ($1,662 billion)

China – 3% NICS – 5.2%
ASEAN – 5.5% ASEAN – 5.9%
Mexico – 8% Japan – 3.3%
NICS – 10.2% Mexico – 10.1%
Japan – 18% China – 14.6%
Canada – 18% Canada – 17.2%
Rest of World – 19.3% EU-15 – 17.3%
EU-15 – 20% Rest of World – 20.9%

Source: Lum, CRS report RL31403 Aug. '06.