

Selected Figures – Lecture of 28 January 2008

0. Recession

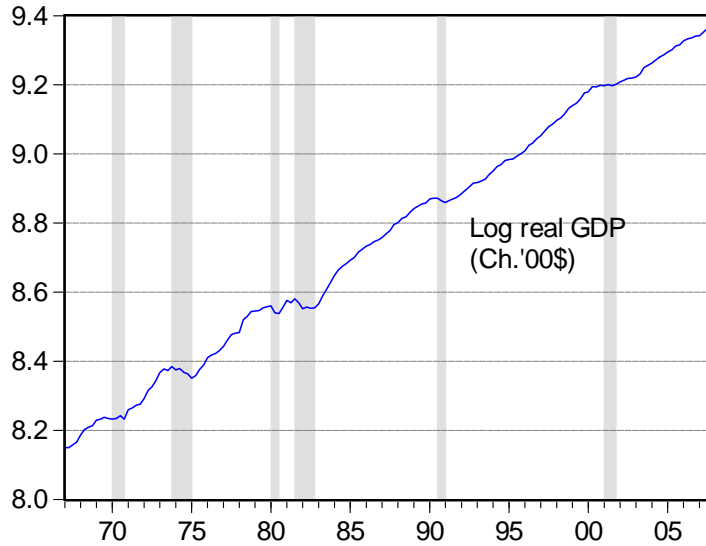


Figure 1: Log real GDP, in Chained 2000\$, SAAR. BEA, NIPA release of 20 Dec 2007

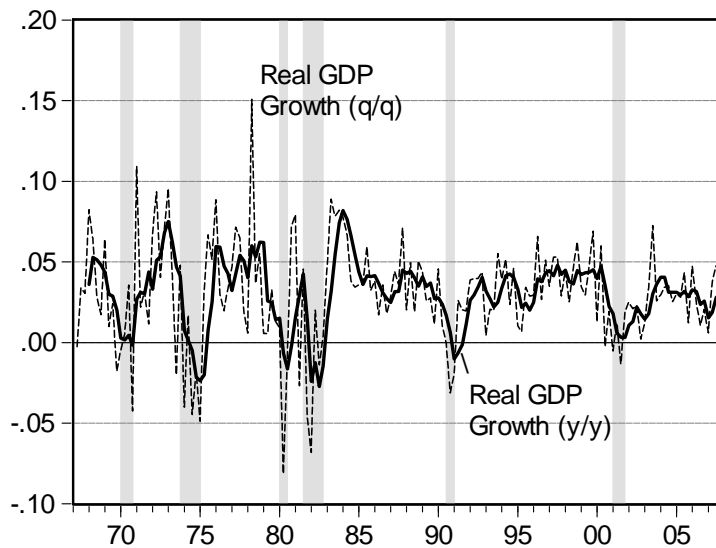


Figure 2: Year on year change (thick) and quarter on quarter annualized change, in Chained 2000\$, SAAR. BEA, NIPA release of 20 Dec 2007

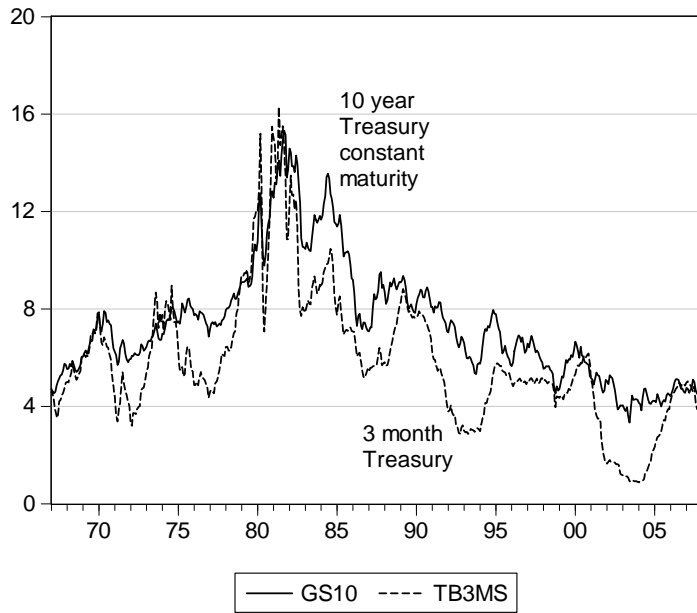


Figure 3: 10 year constant maturity Treasury yield and 3 month Treasury yield. Source: St. Louis Fed FRED.

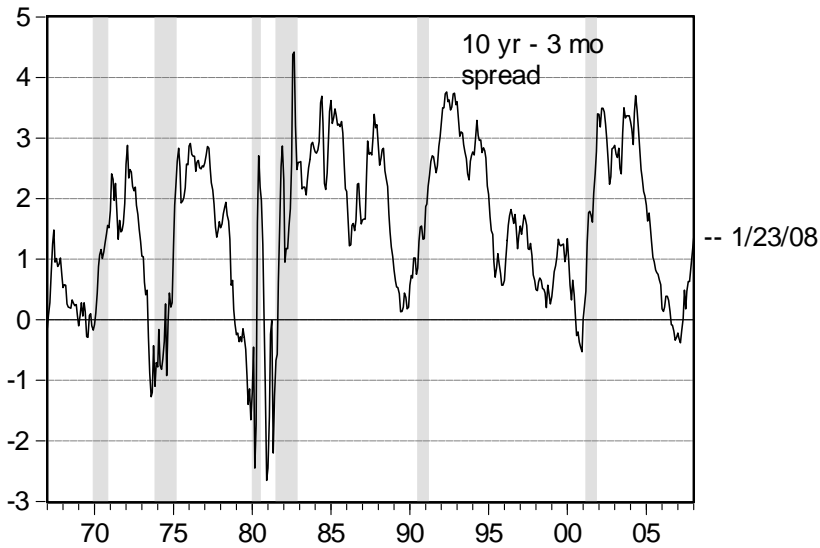
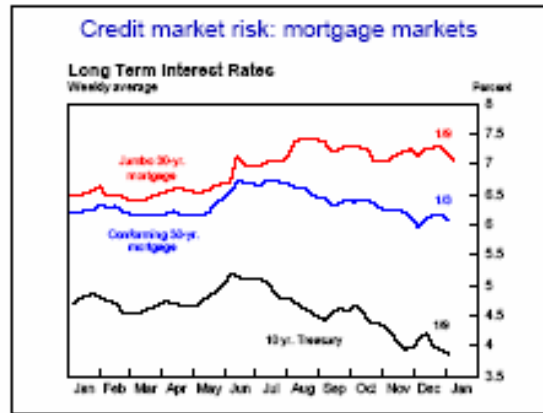
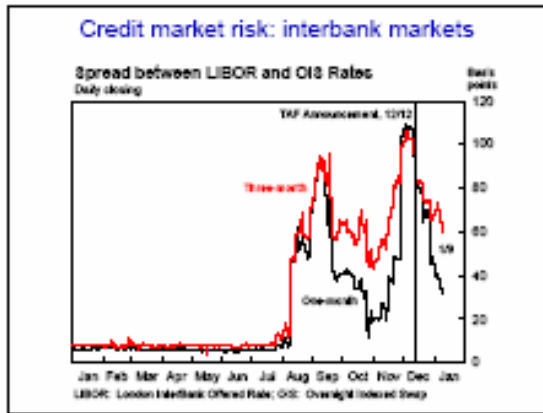


Figure 4: 10 year constant maturity Treasury yield minus 3 month Treasury yield spread. Source: St. Louis Fed FRED.



Source: Federal Reserve Bank of San Francisco, Fed Views, January 10, 2008.
<http://www.frbsf.org/publications/economics/fedviews/graphs.pdf>

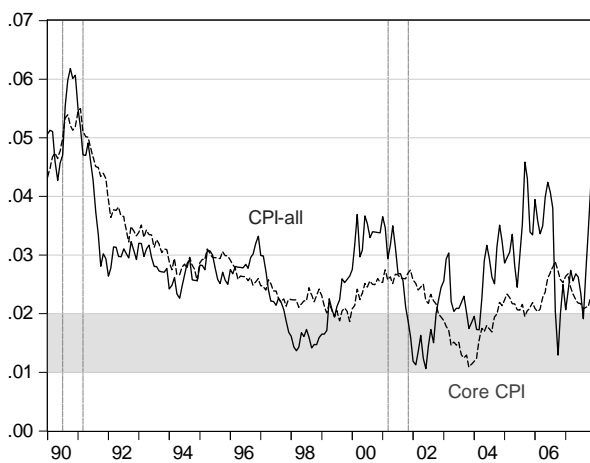


Figure 5: Inflation - 12 month log difference.

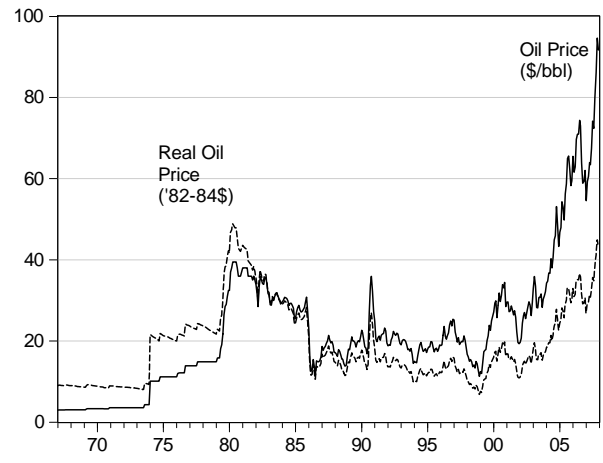
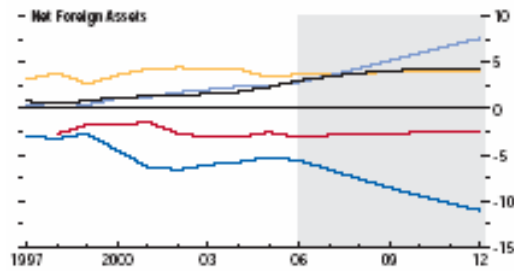
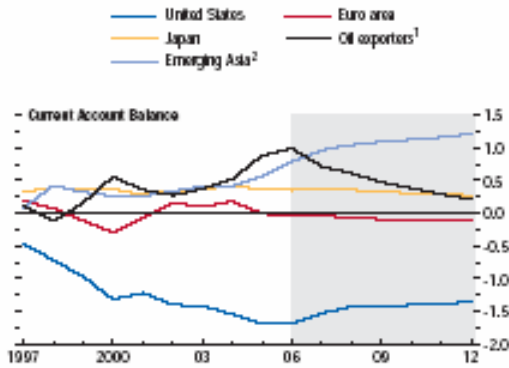


Figure 6: Oil price (nom, real), per barrel.

1. Global Imbalances

Figure 1.13. Current Account Balances and Net Foreign Assets
(Percent of world GDP)

The U.S. current account deficit is projected to come down only slowly relative to world output and still be close to 1.5 percent of global GDP in 2012. This trajectory implies a continuing buildup in U.S. net foreign liabilities, with the main counterpart being a steady rise in net assets of emerging Asia.



Sources: Lane and Miles-Ferrell (2006) and IMF staff estimates.
 ¹Nigeria, Angola, Azerbaijan, Bahrain, Republic of Congo, Ecuador, Equatorial Guinea, Gabon, I.R. of Iran, Kuwait, Libya, Nigeria, Norway, Oman, Qatar, Russia, Saudi Arabia, Syria Arab Republic, Turkmenistan, United Arab Emirates, Venezuela, and the Republic of Yemen.
 ²China, Hong Kong SAR, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan Province of China, and Thailand.

Source: IMF, World Economic Outlook, September 2007.

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

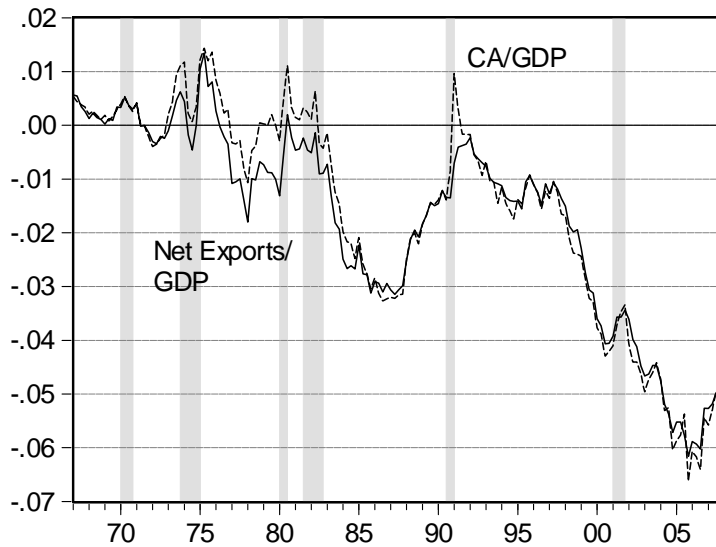


Figure 1. The Current Account Balance and Net Exports to GDP ratio. NBER defined recession dates shaded gray. Sources: Bureau of Economic Analysis (December 2007 release) and NBER.

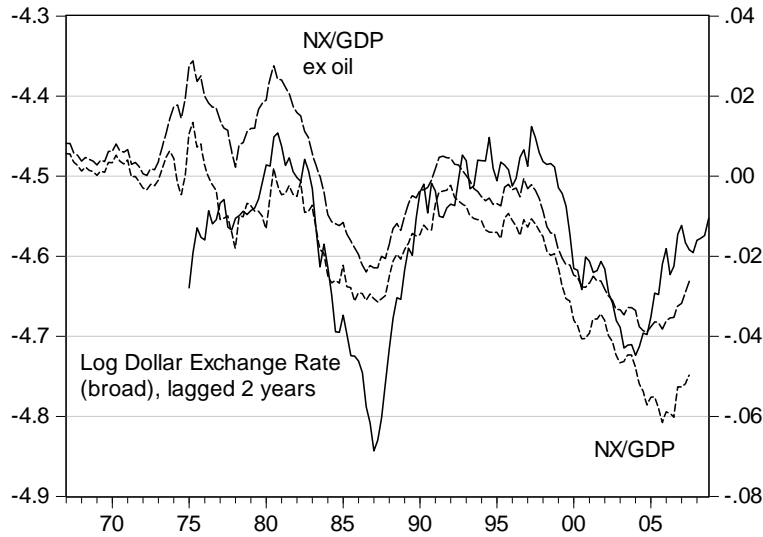


Figure 2: The Trade Balance and the Dollar's exchange rate. Source: Bureau of Economic Analysis and Federal Reserve Board.

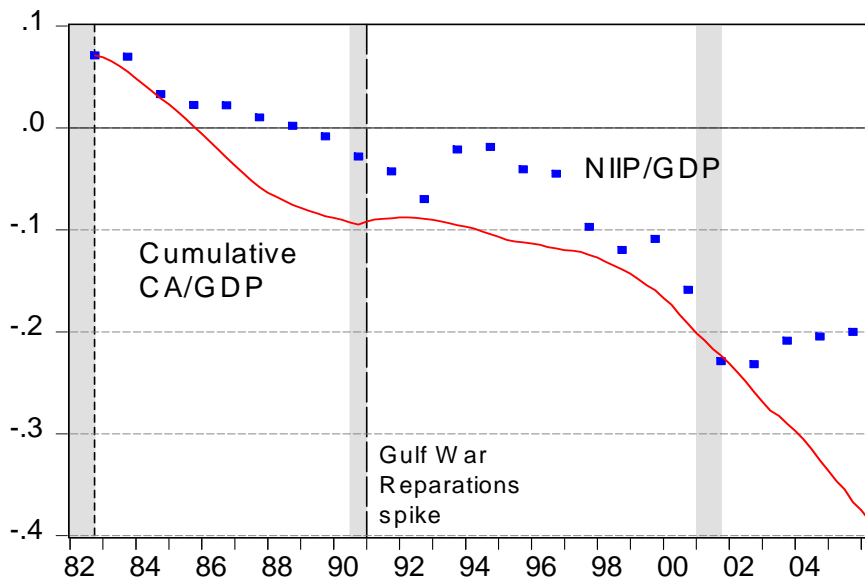


Figure 3: The Net International Investment Position (with direct investment at market rates) to GDP ratio, and the cumulated current account to GDP ratio. Source: Bureau of Economic Analysis, 2005 NIIP release and NIPA releases, and author's calculations.

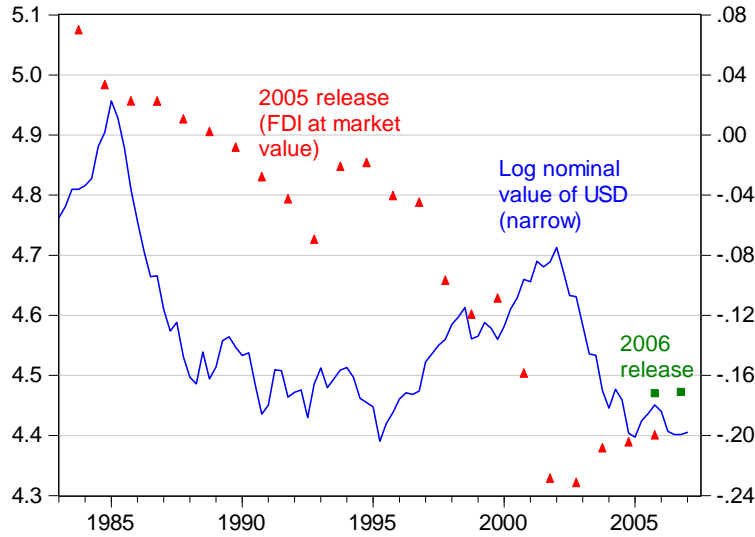


Figure 4: The Net International Investment Position (with direct investment at market rates) to GDP ratio, and value of USD (narrow). Source: Bureau of Economic Analysis, 2006 NIIP release, and NIPA releases, Federal Reserve Board, and author's calculations.

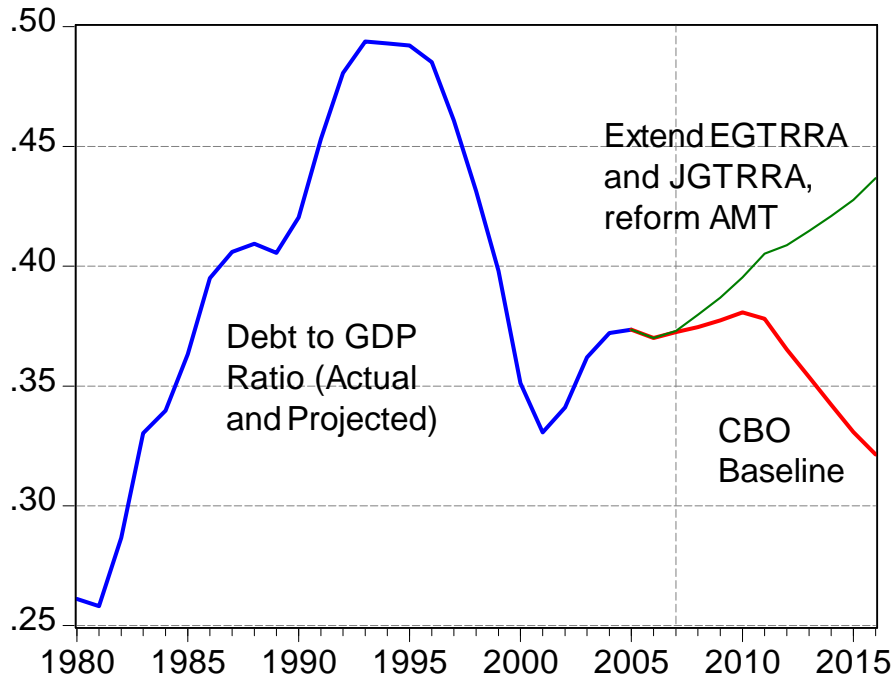


Figure 5: Federal debt held by the public, baseline, and baseline adjusting for tax cut extensions and reform of AMT, all as percent of nominal GDP. Source: CBO, The Budget and Economic Outlook: An Update, August 2006 and CBO, Historical Budget Statistics, January 2006; and author's calculations

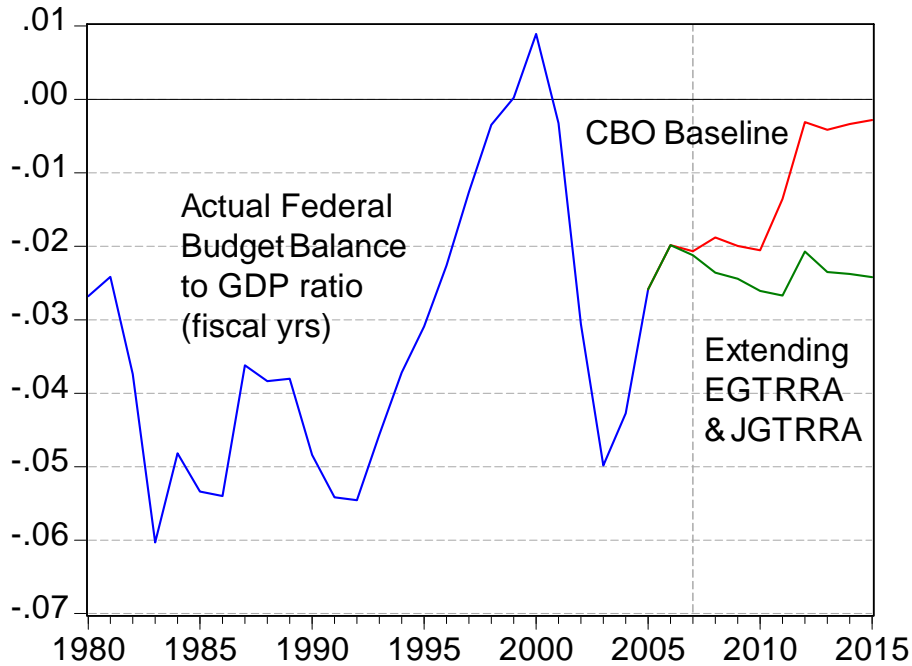
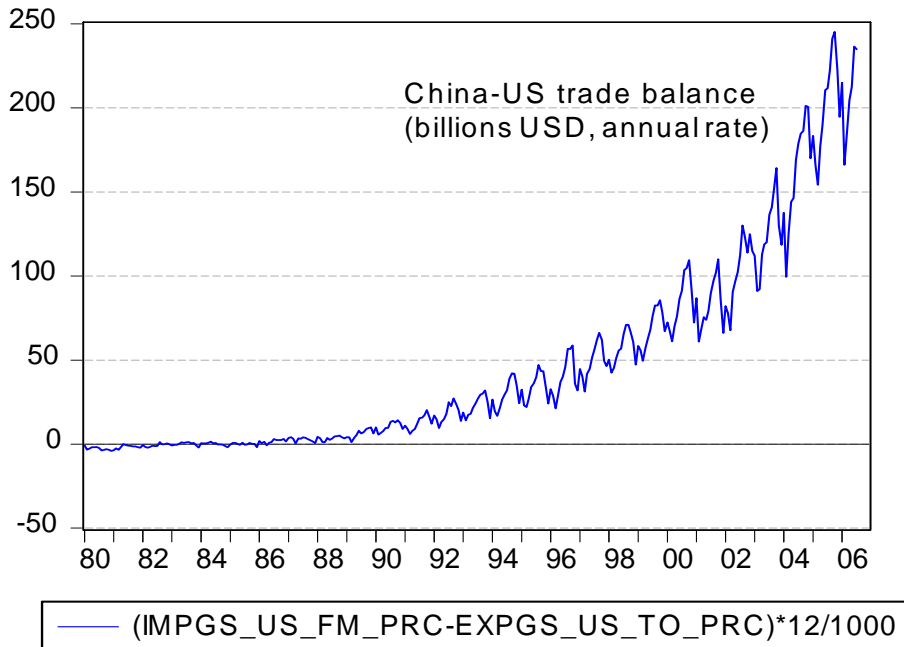


Figure 6: Federal budget balance in billions of dollars, fiscal years, baseline, and baseline adjusting for tax cut extensions and reform of AMT, all as percent of nominal GDP. Source: CBO, The Budget and Economic Outlook: An Update, August 2006 and CBO, Historical Budget Statistics, January 2006; and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

3. China's Role



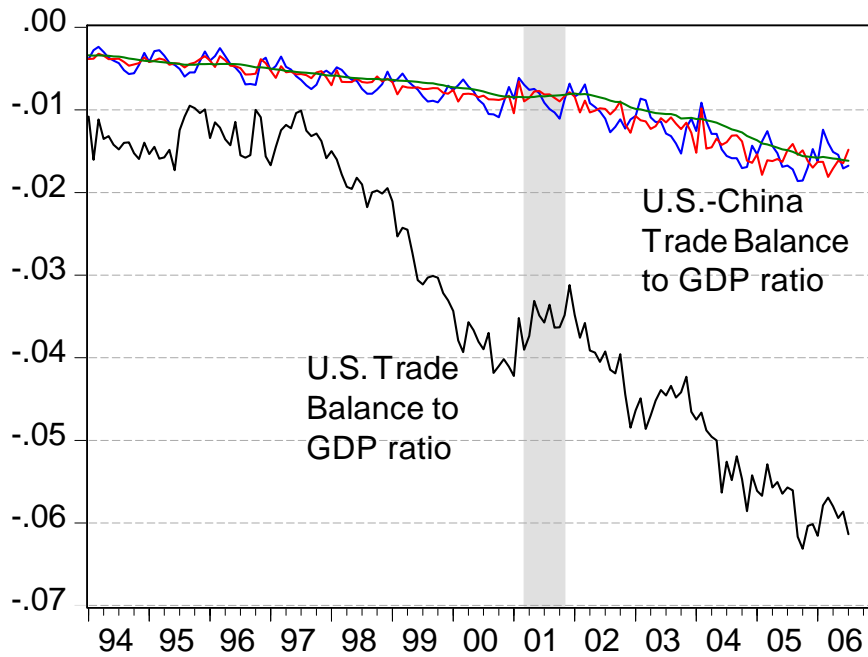
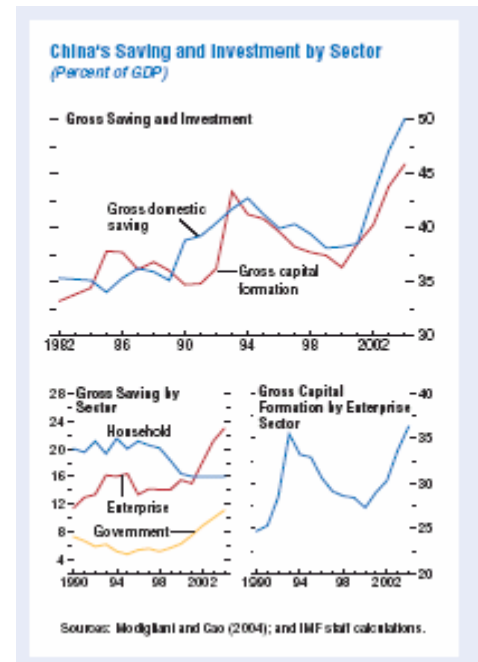
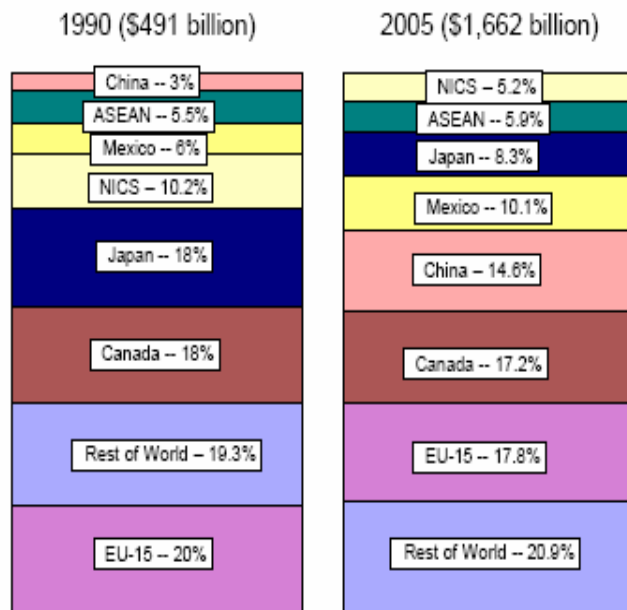


Figure 2. Shares of Total U.S. Imports by Country and Country Group, 1990 and 2005



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