

Daytime Drama

On Behalf of

GWIB

*By: Anirban Basu
Sage Policy Group, Inc.*

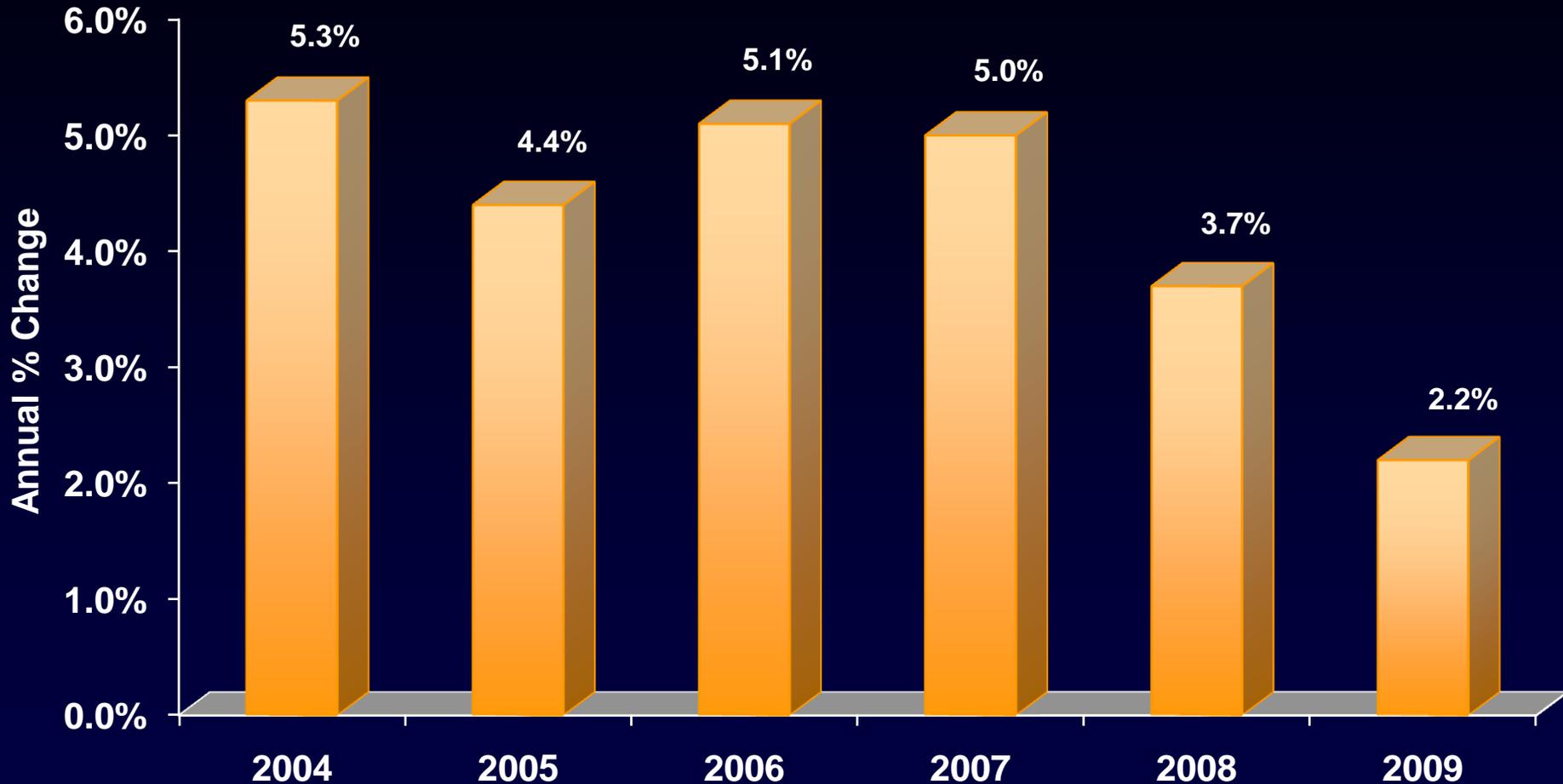
December 10, 2008



Sage Policy
Group, Inc.

As the World Turns (more slowly)

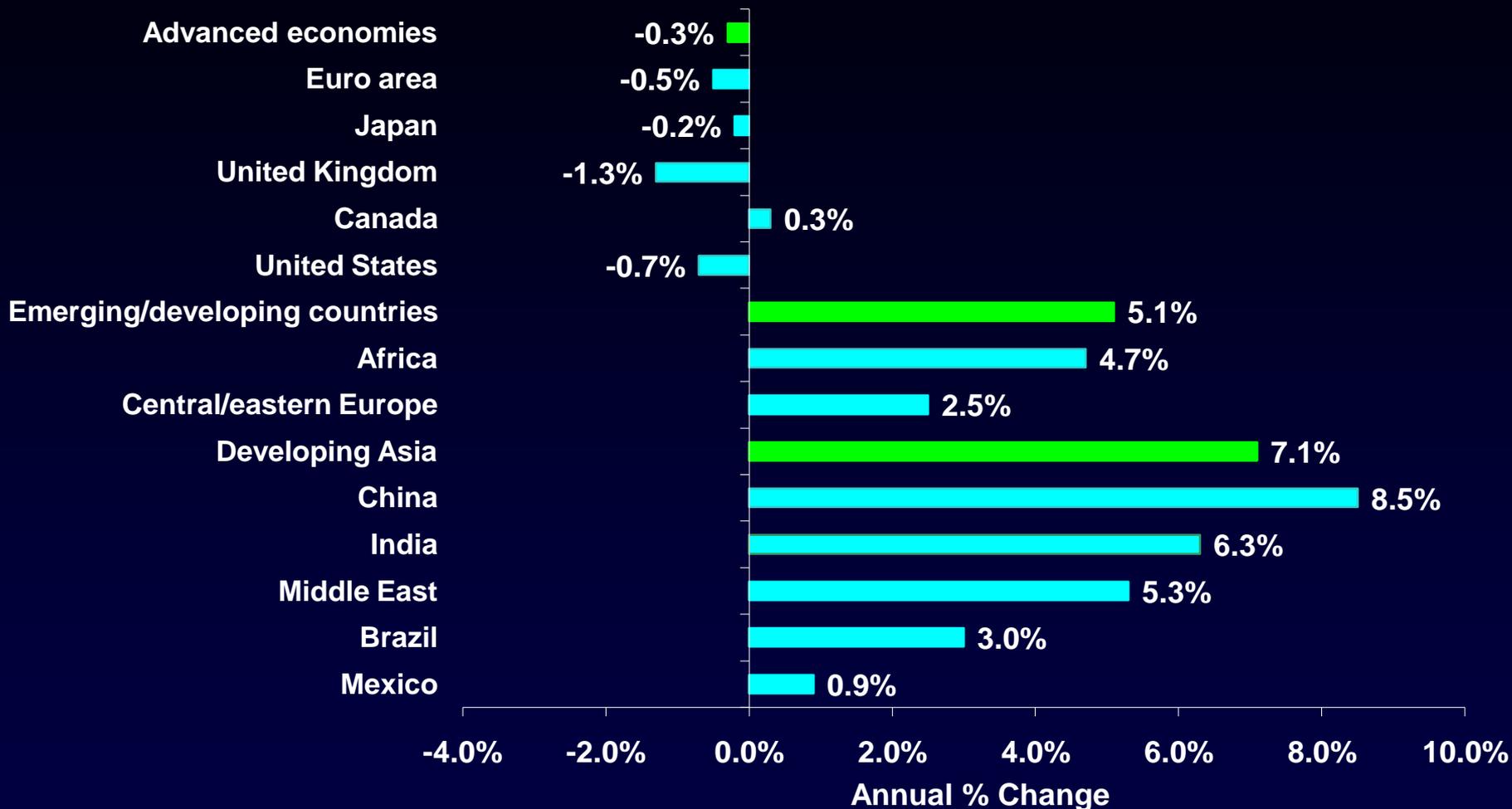
Historic and Projected World Output Growth, 2004 through 2009*



Source: International Monetary Fund

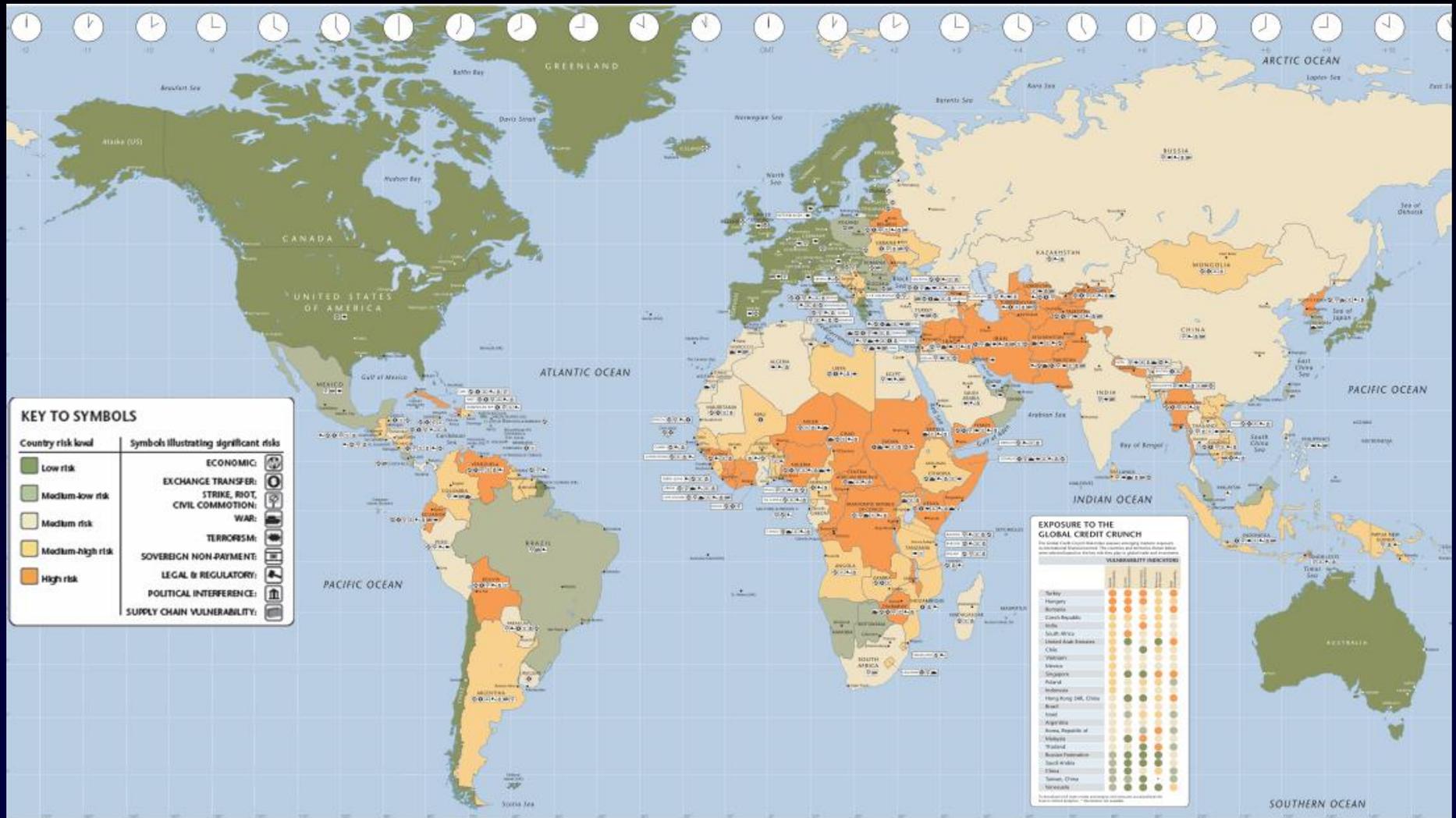
*2008-2009 data are projections

Estimated Growth in Output by Select Global Areas, 2009



Source: International Monetary Fund

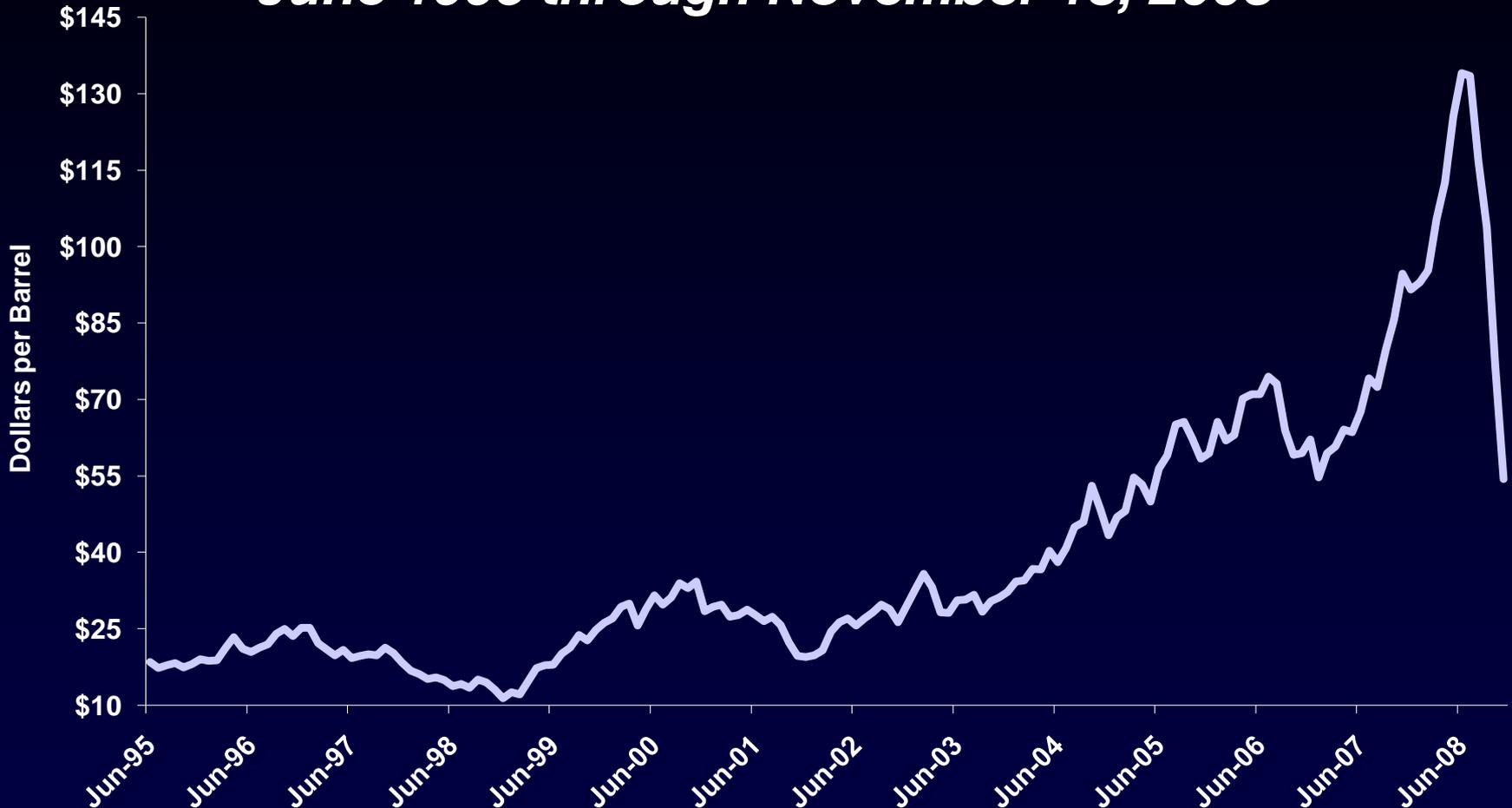
2008 Political and Economic Risk Map



Source: Oxford Analytica

NYMEX Crude Oil Future Prices in U.S. Dollars

June 1995 through November 18, 2008



Source: Energy Information Administration

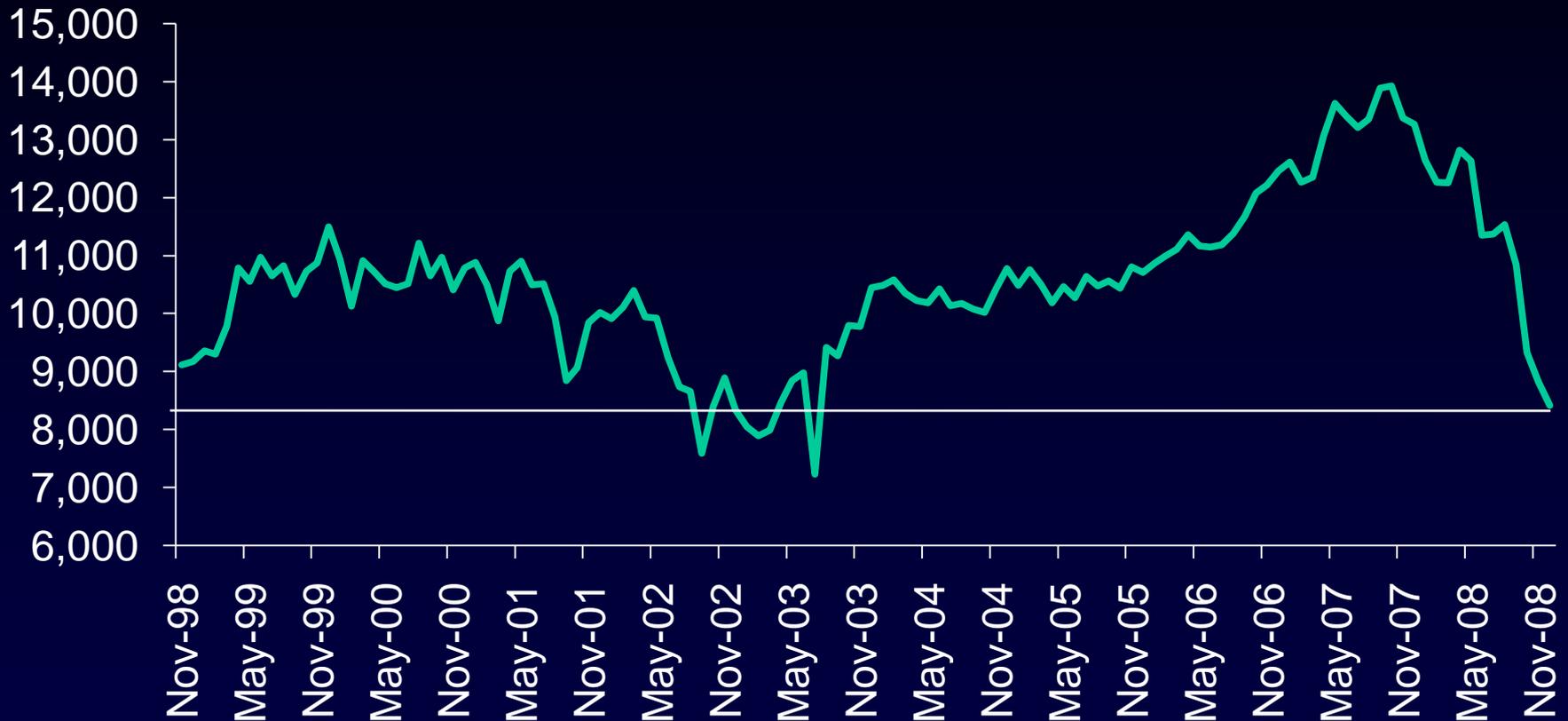
Top 12 Stock Exchanges YTD Growth, as of Dec. 2 Close

Rank	Exchange	Index	YTD % Change
7	Shanghai SE	Shanghai Composite	-64.1%
11	Hong Kong Exchanges	Hang Seng Index	-51.8%
10	Borsa Italiana	MIBTel	-49.2%
4	Tokyo SE	Nikkei 225	-48.6%
2	Nasdaq	NASDAQ Composite	-45.3%
6	Frankfurt SE	DAX	-43.8%
5	Euronext	CAC 40	-43.8%
8	Bolsa De Madrid	Madrid General	-42.5%
9	TSX Group	S&P TSX Composite	-39.8%
1	NYSE Group	DJI A	-36.5%
3	London SE	FTSE 100	-36.1%
12	Swiss Exchange	Swiss Market	-34.7%

Source: Yahoo! Finance

Days of Our Lives

Dow Jones Industrial Average Nov. 1998-Dec. 2, 2008

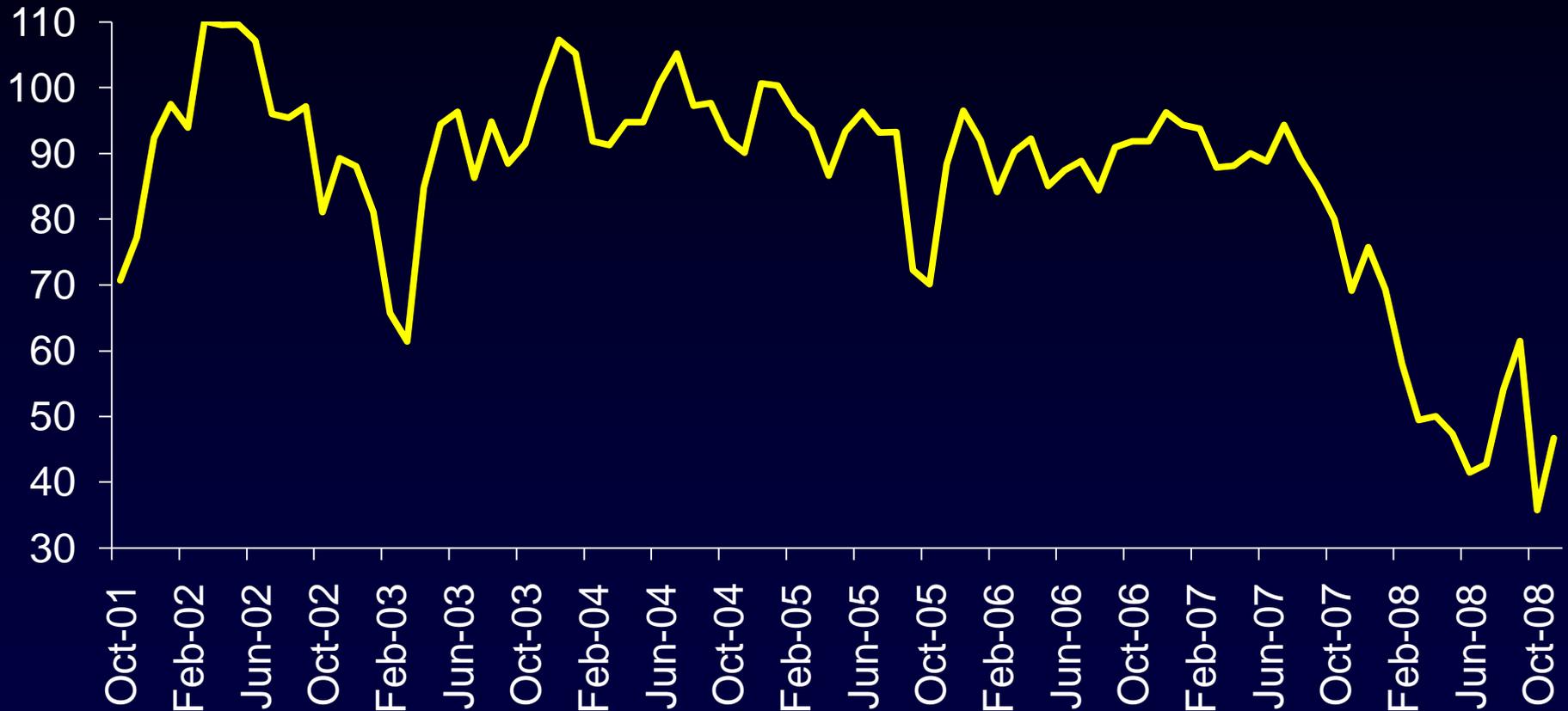


Source: Yahoo! Finance

DJIA: Lowest monthly numbers since July 2003

Conference Board Consumer Expectations Index

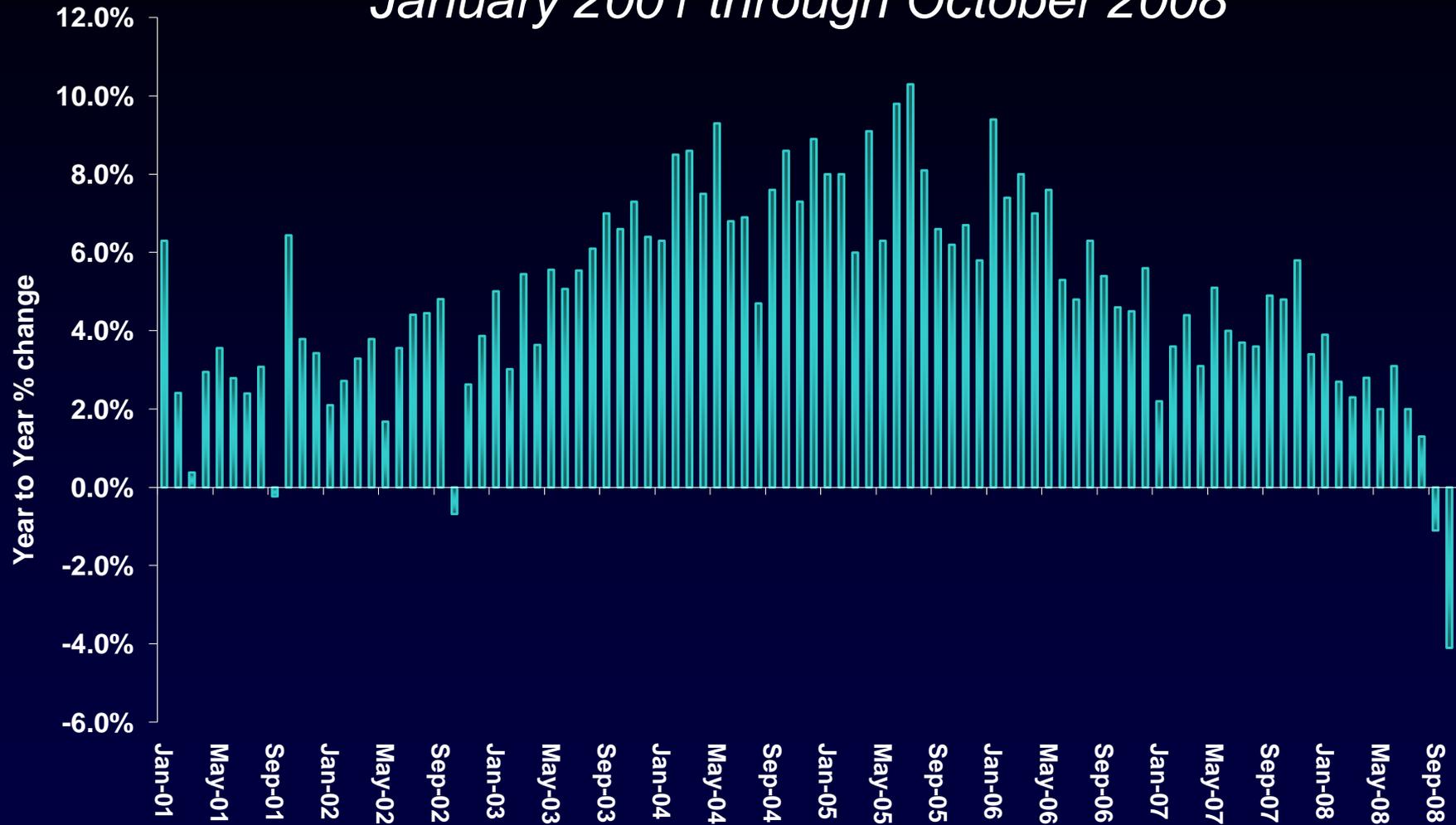
October 2001 through November 2008



Source: Conference Board

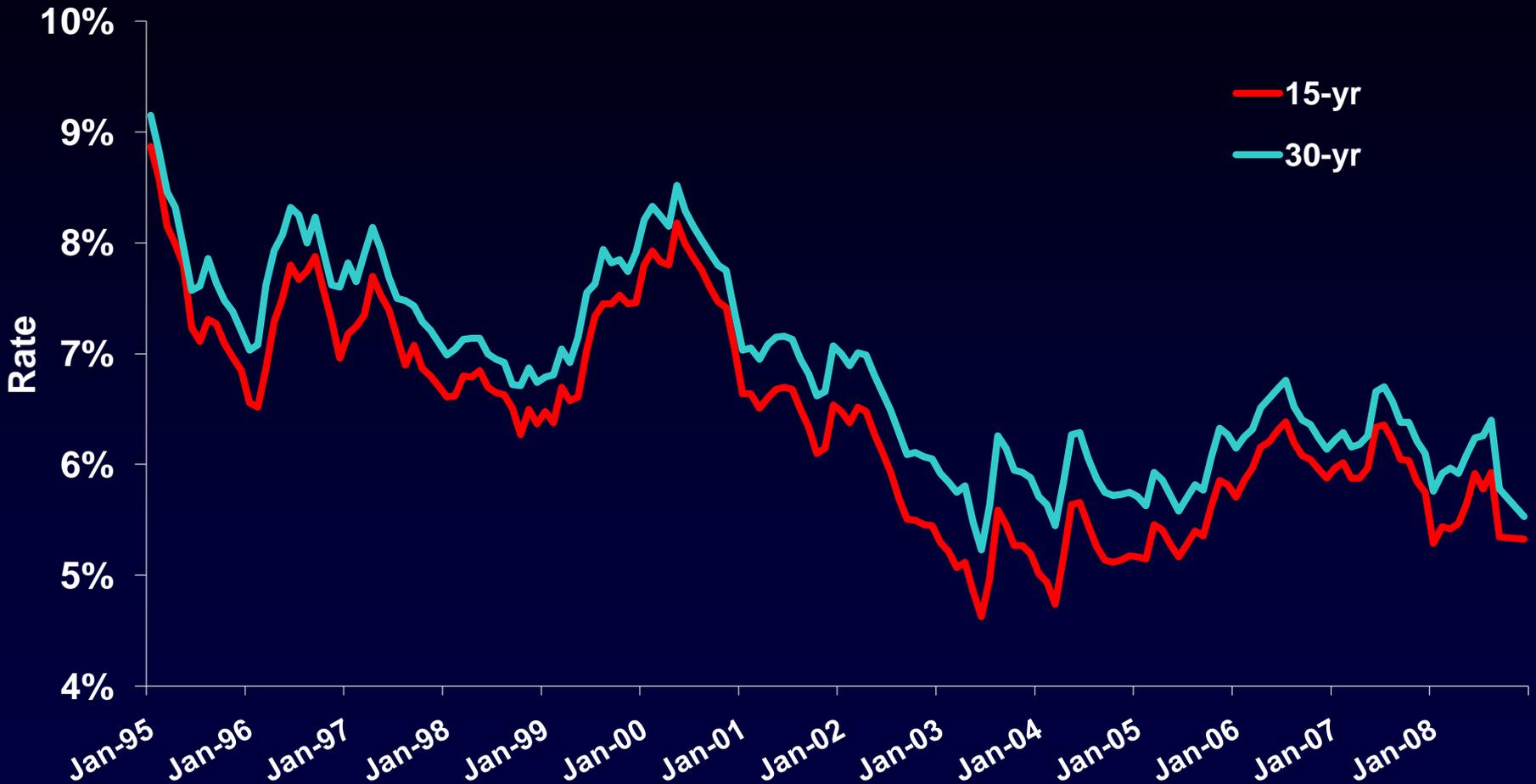
Retail & Food Services Sales

January 2001 through October 2008



Source: Dismal.com

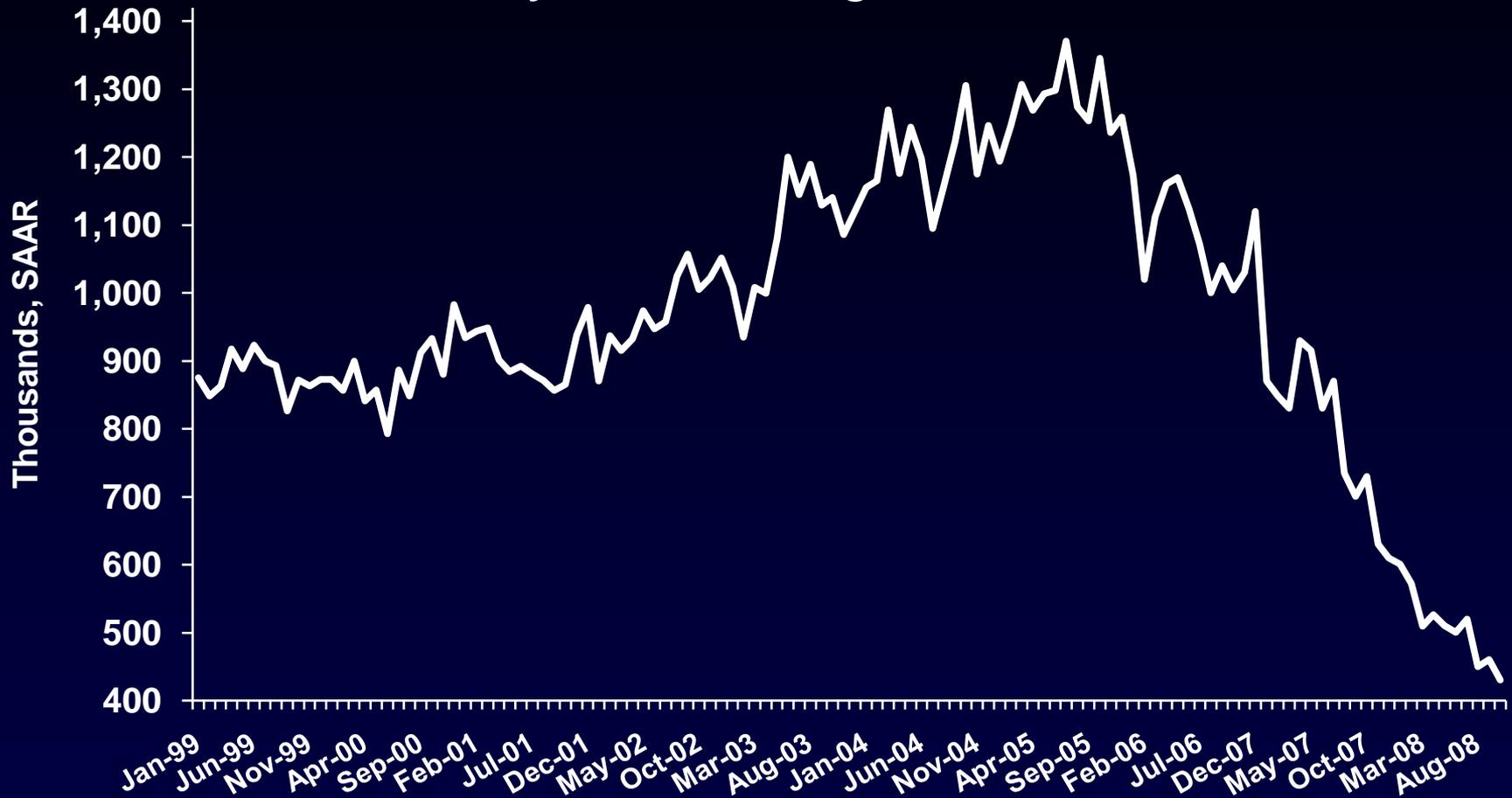
15-Year & 30-Year Fixed Mortgage Rates January 1995 through December 2008



Source: Freddie Mac

U.S. New Home Sales

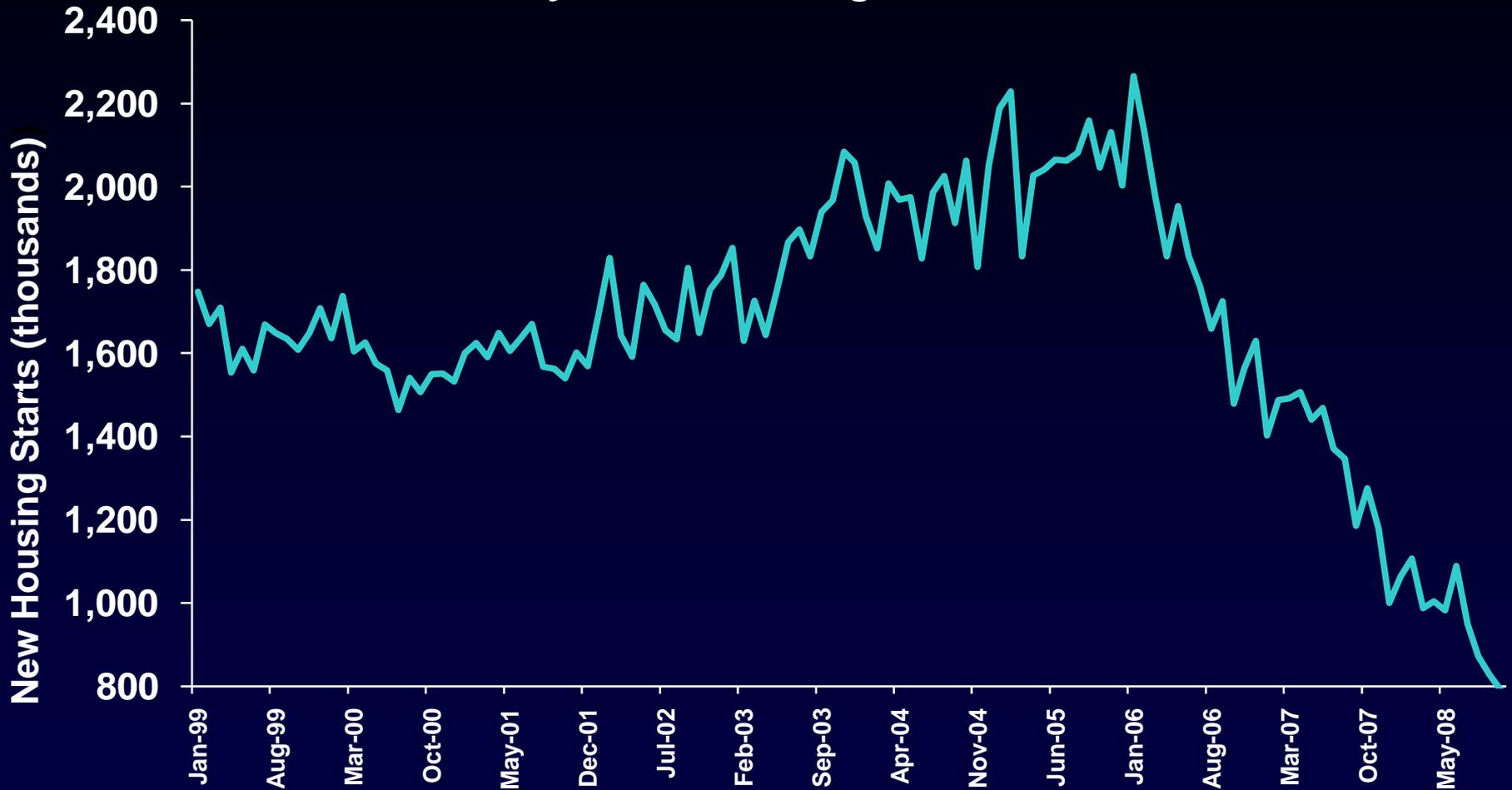
January 1999 through October 2008



Source: Economy.com, Census Bureau

U.S. New Residential Construction

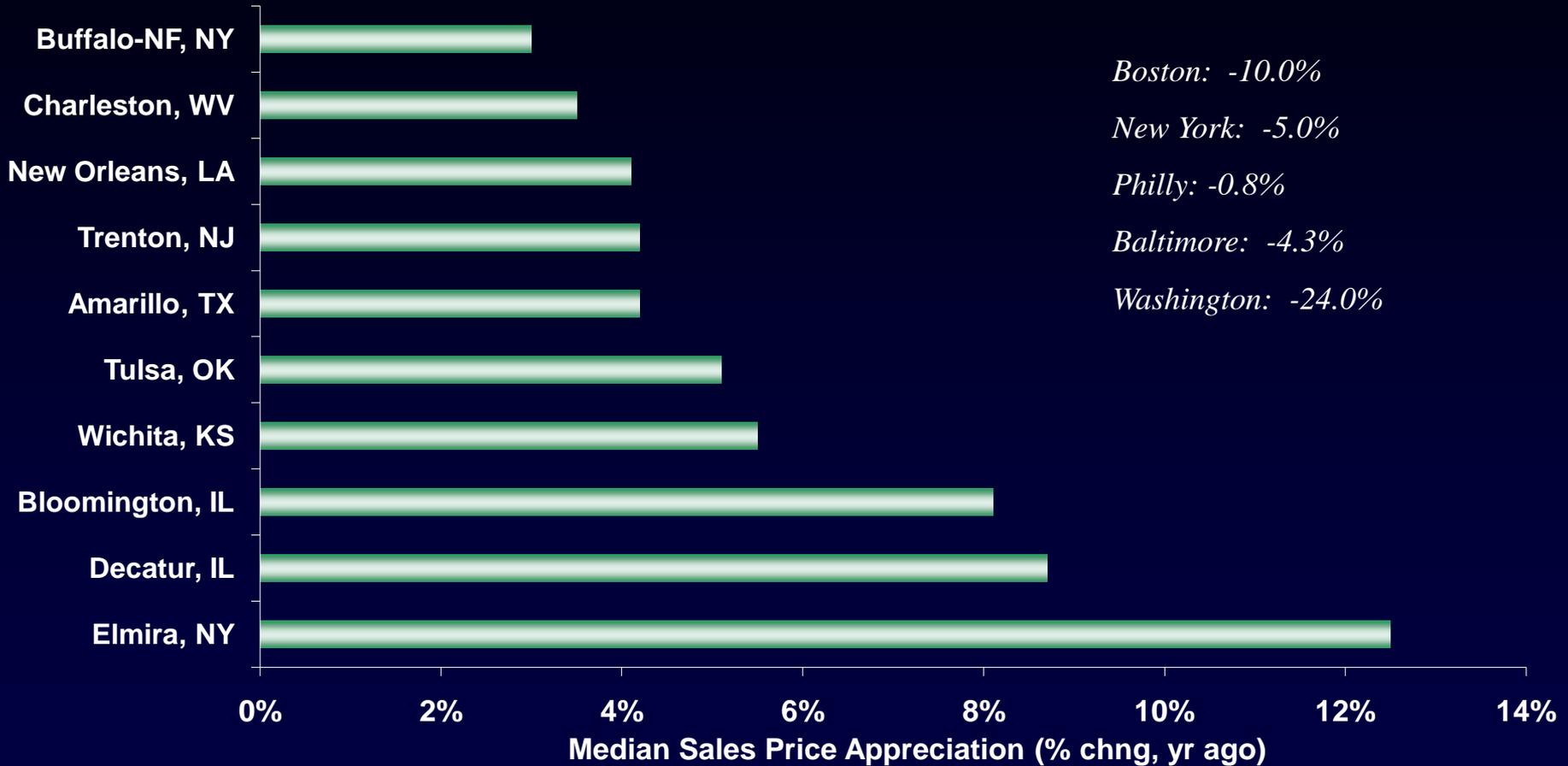
January 1999 through October 2008



Source: *Economy.com*

Current Hot Metro Housing Markets (150)

Annual Existing Single-Family Home Price Appreciation 2007Q3 vs. 2008Q3



Source: National Association of Realtors

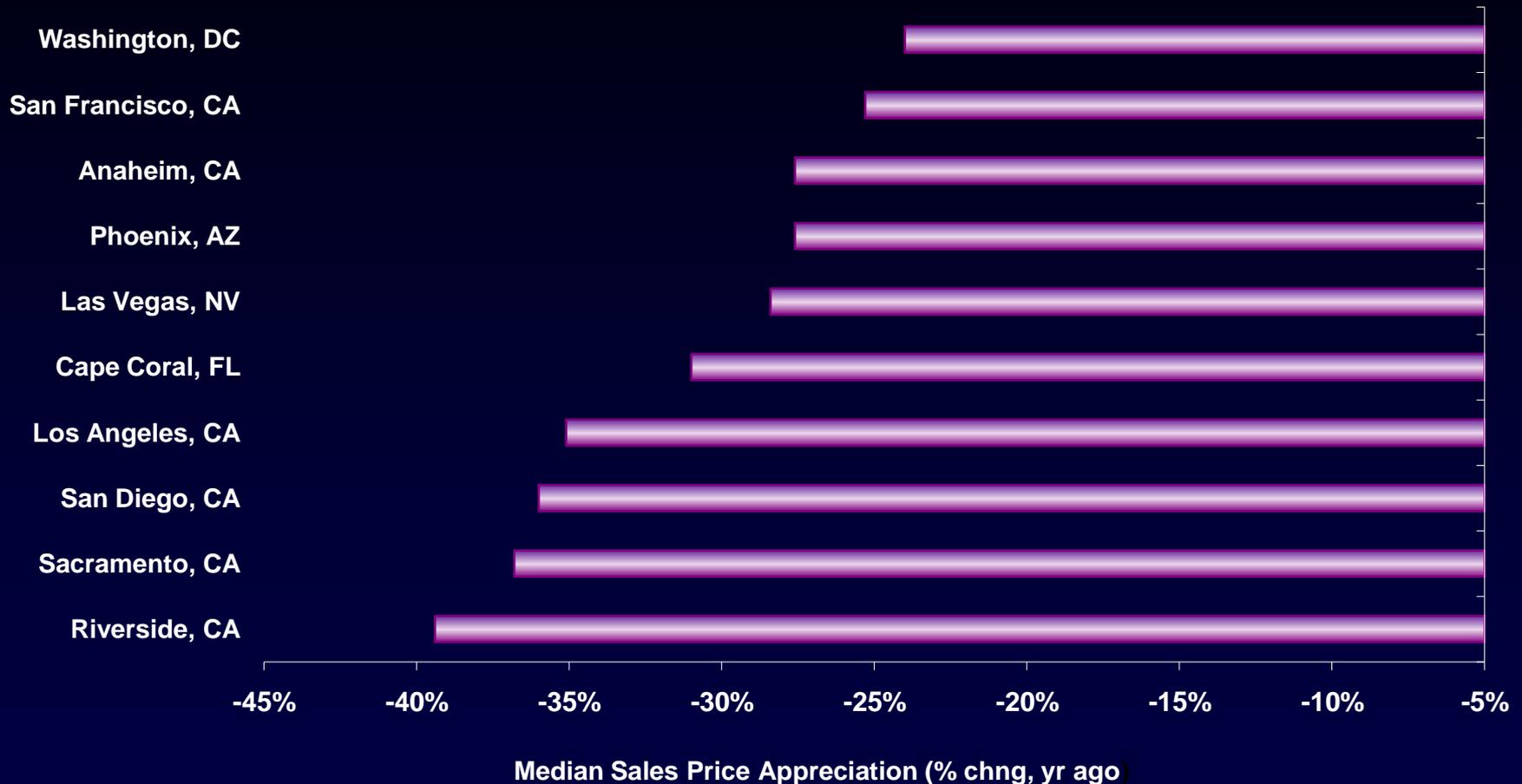
U.S.: -9.0% in 2008Q3



Worst Performing Metro Housing Markets (150)

Annual Existing Single-Family Home Price Appreciation

2007Q3 vs. 2008Q3



Source: National Association of Realtors

U.S.: -9.0% in 2008Q3

Maryland Median Home Prices, Oct. 08 vs. Oct. 07

Rank	County	%Chng	Rank	County	%Chng
1	Garrett County	9.6	13	Talbot County	-10.3
2	Harford County	2.2	14	St. Mary's County	-10.8
3	Baltimore City	1.4	14	Montgomery County	-10.8
4	Anne Arundel County	-3.0	16	Charles County	-12.3
5	Dorchester County	-6.0	17	Somerset County	-13.9
6	Carroll County	-6.1	18	Prince George's County	-14.0
7	Baltimore County	-6.4	19	Frederick County	-18.3
8	Washington County	-6.5	20	Calvert County	-19.5
9	Howard County	-7.4	21	Caroline County	-24.1
10	Wicomico County	-7.5	22	Kent County	-24.8
11	Queen Anne's County	-9.8	23	Worcester County	-25.7
12	Cecil County	-10.0	24	Allegany County	-27.5
	Maryland	-7.1			

Source: Bureau of Labor Statistics

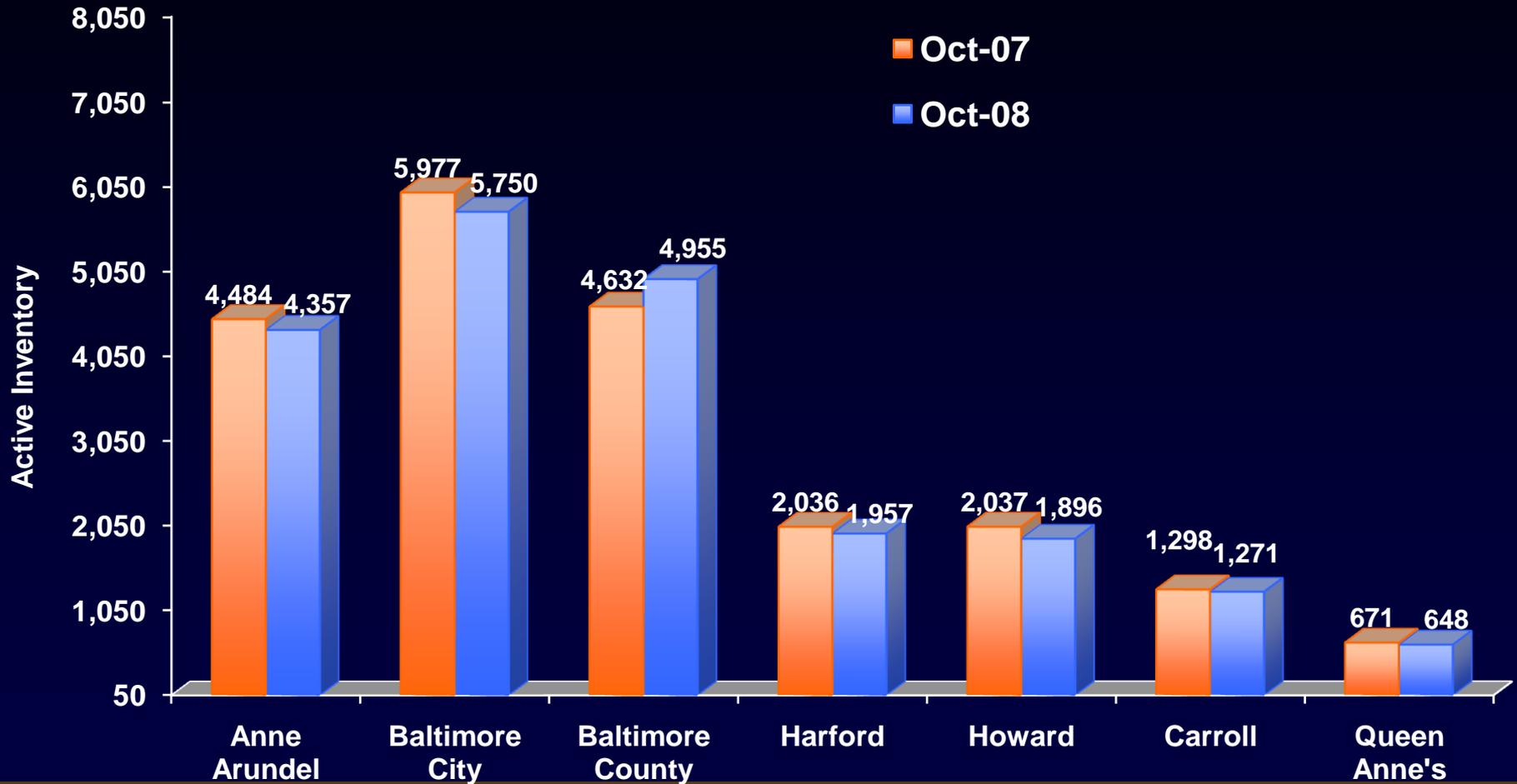
Active Housing Inventory by Suburban MD, October 2007 vs. October 2008



Source: Maryland Association of Realtors

Maryland = Oct. 2007: 49,136; Oct. 2008: 49,125

Active Housing Inventory by Baltimore MSA Jurisdiction, October 2007 vs. October 2008



Source: Maryland Association of Realtors

Maryland = Oct. 2007: 49,136; Oct. 2008: 49,125

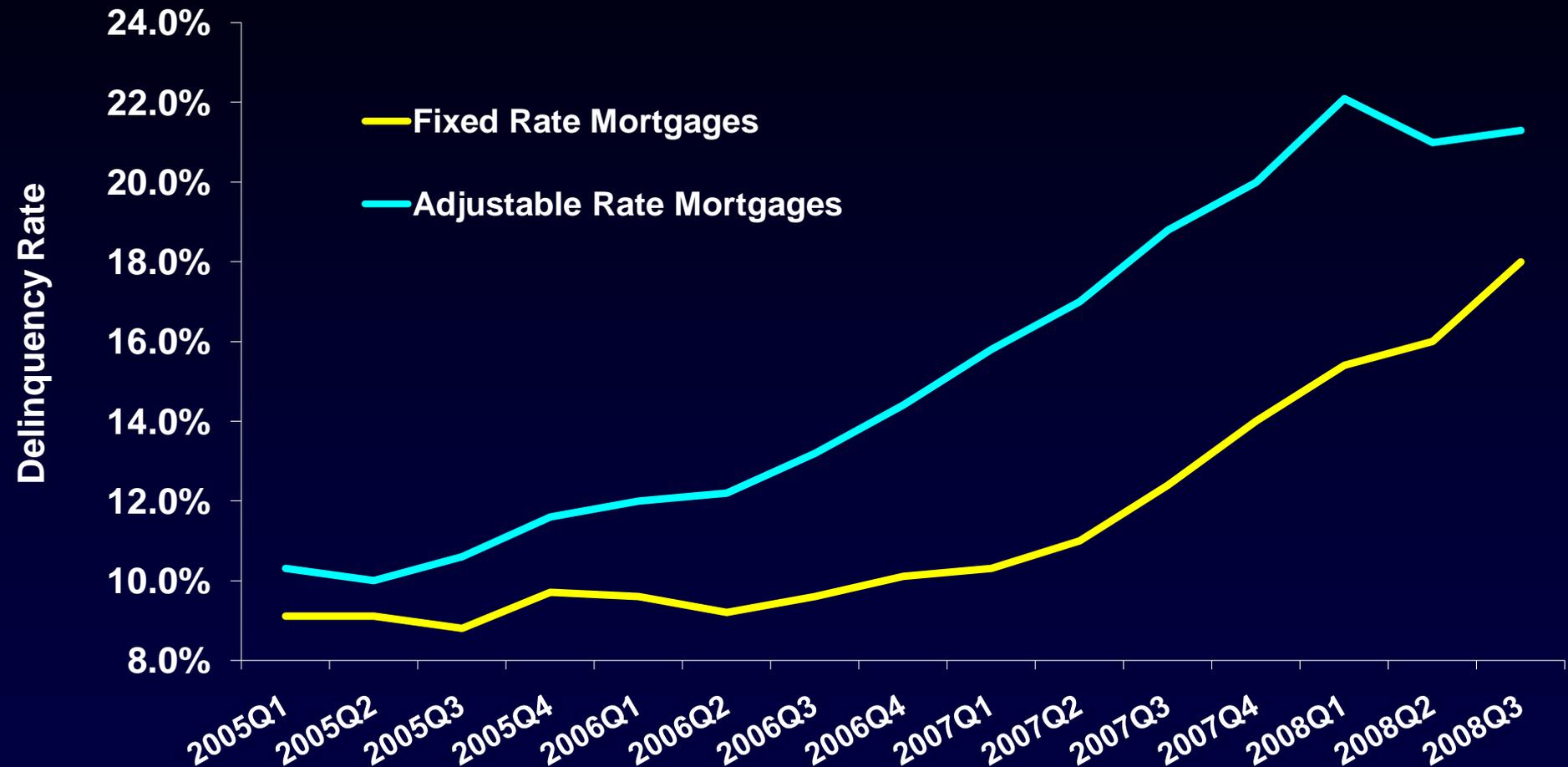
Mortgage Banker's Association Delinquency Rates, Prime Mortgage Loans, 2005Q1 through 2008Q3



Source: Economy.com

The delinquency rate does not include loans in the process of foreclosure. The percentage of loans in the foreclosure process was 1.42 percent of all prime loans outstanding at the end of the second quarter, an increase of 22 basis points from the first quarter of 2007.

Mortgage Banker's Association Delinquency Rates, Subprime Mortgage Loans, 2005Q1 through 2008Q3

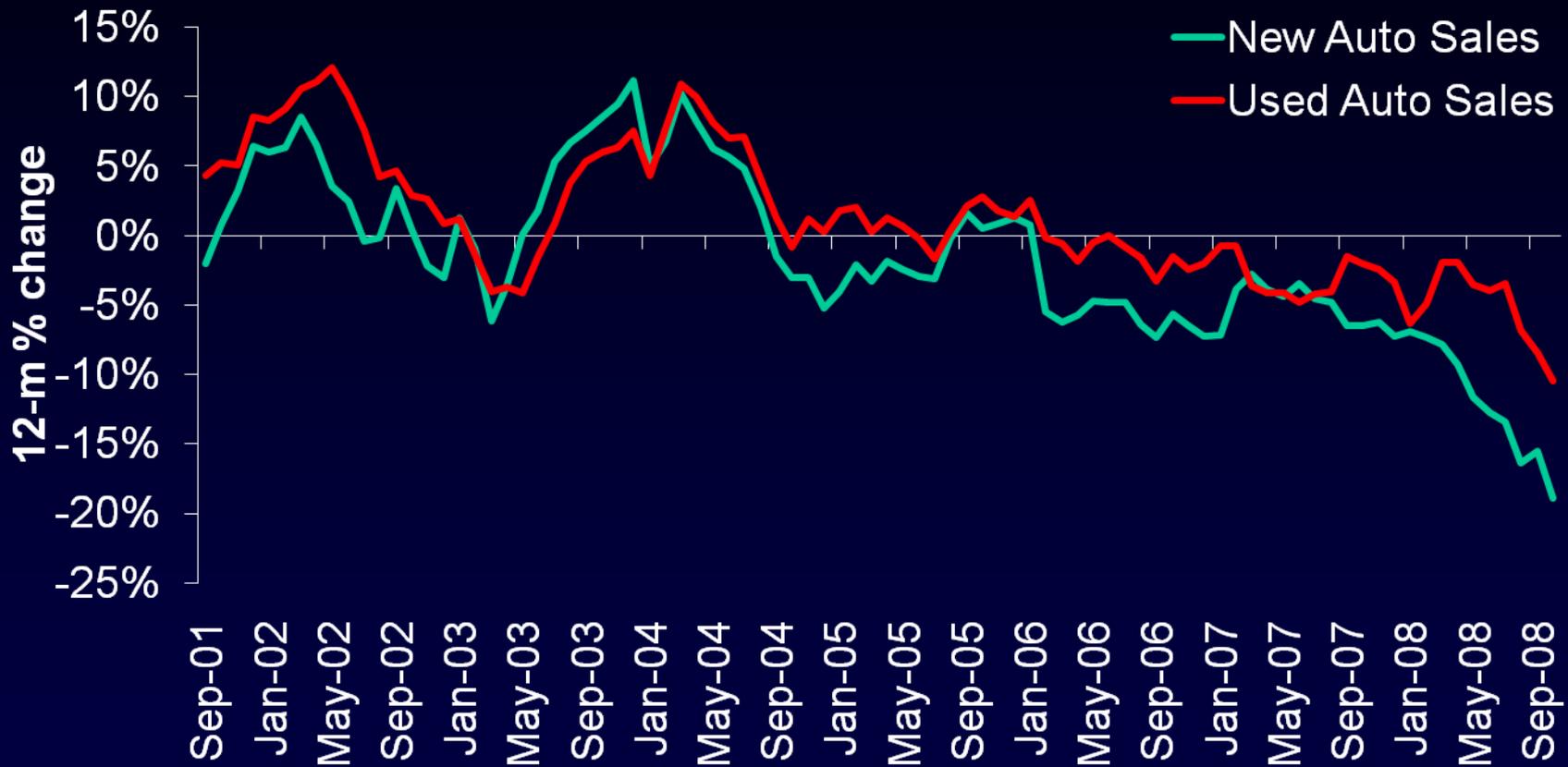


Source: Economy.com

The delinquency rate does not include loans in the process of foreclosure. The percentage of subprime loans in the foreclosure process was 18.67 percent of all loans outstanding at the end of the second quarter, decrease of 12 basis points from the first quarter of 2008.

Maryland Auto Sales

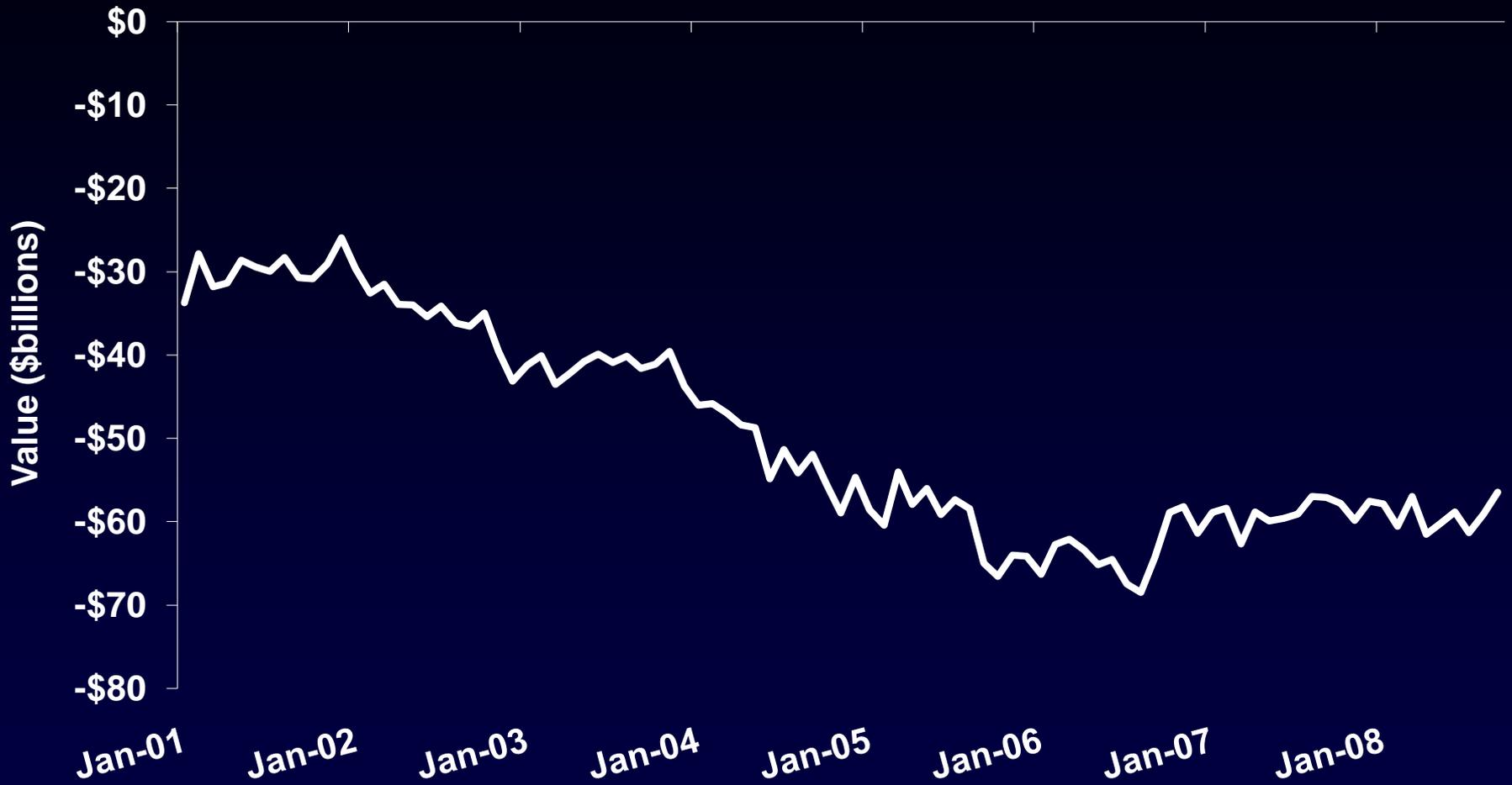
Sep. 2001- Oct. 2008



Source: Maryland Motor Vehicle Administration

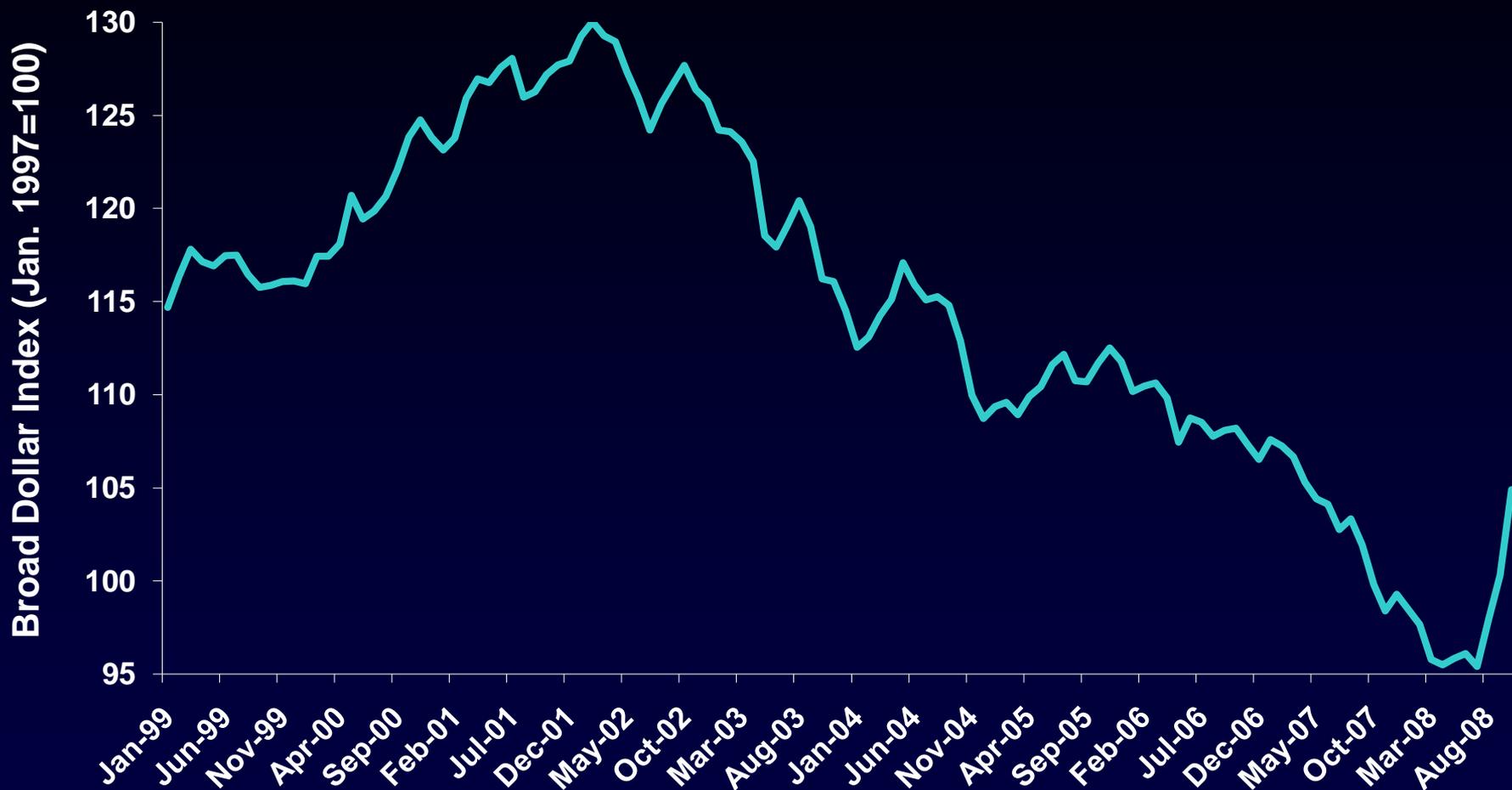
Oct. 08 New Car Sales: 23,216, down 29.6% from Oct. 07
Oct. 08 Used Car Sales: 50,727, down 14.5% from Oct. 07

U.S. Trade Deficit, January 2001 through September 2008



Source: Dismal.com

Value of the Dollar (Broad Dollar Index) January 1999 through October 2008

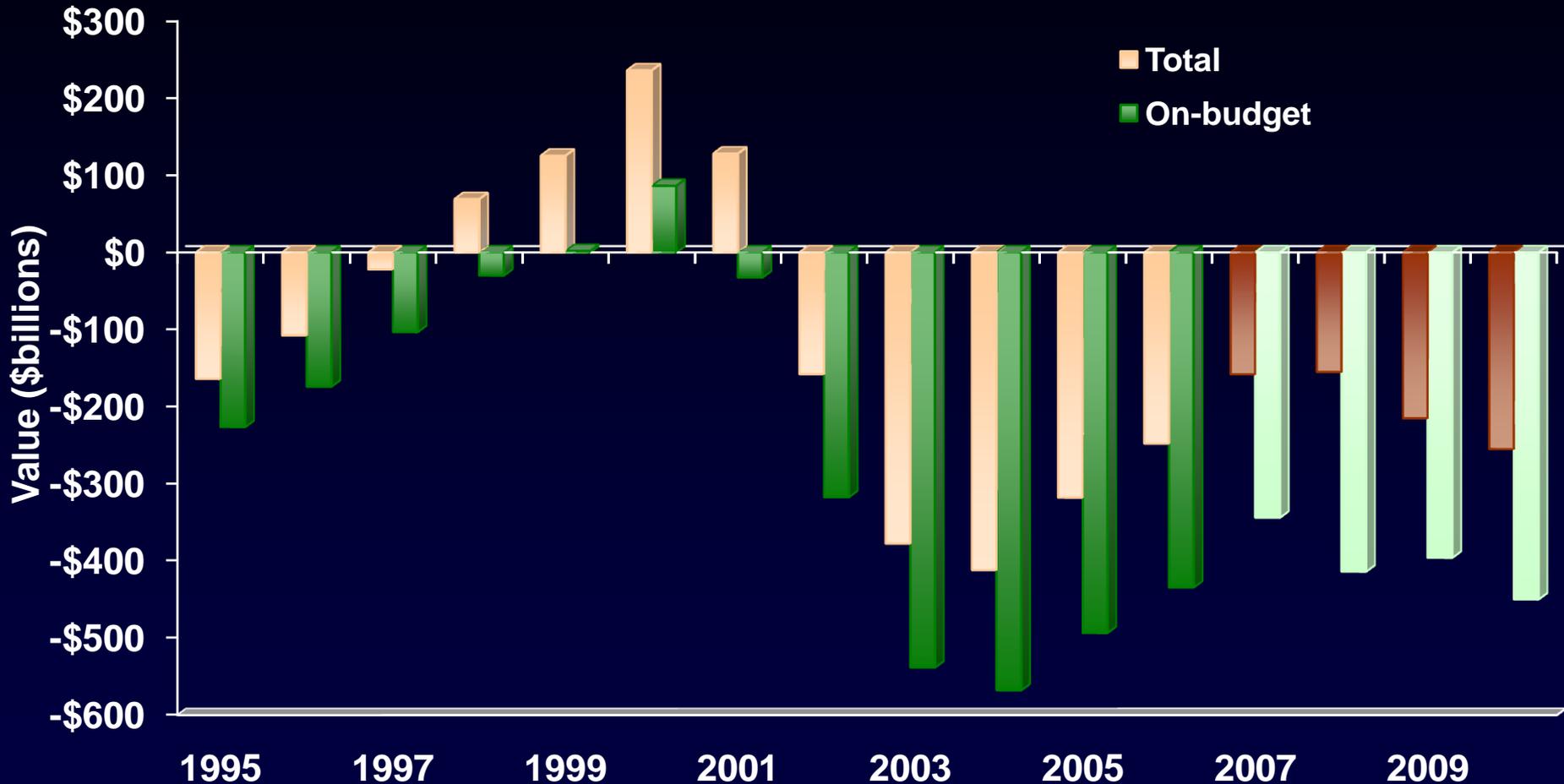


Source: Federal Reserve Board

Broad Dollar Index: a weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of major U.S. trading partners.



U.S. Federal Budget Deficit, 1995-2010*



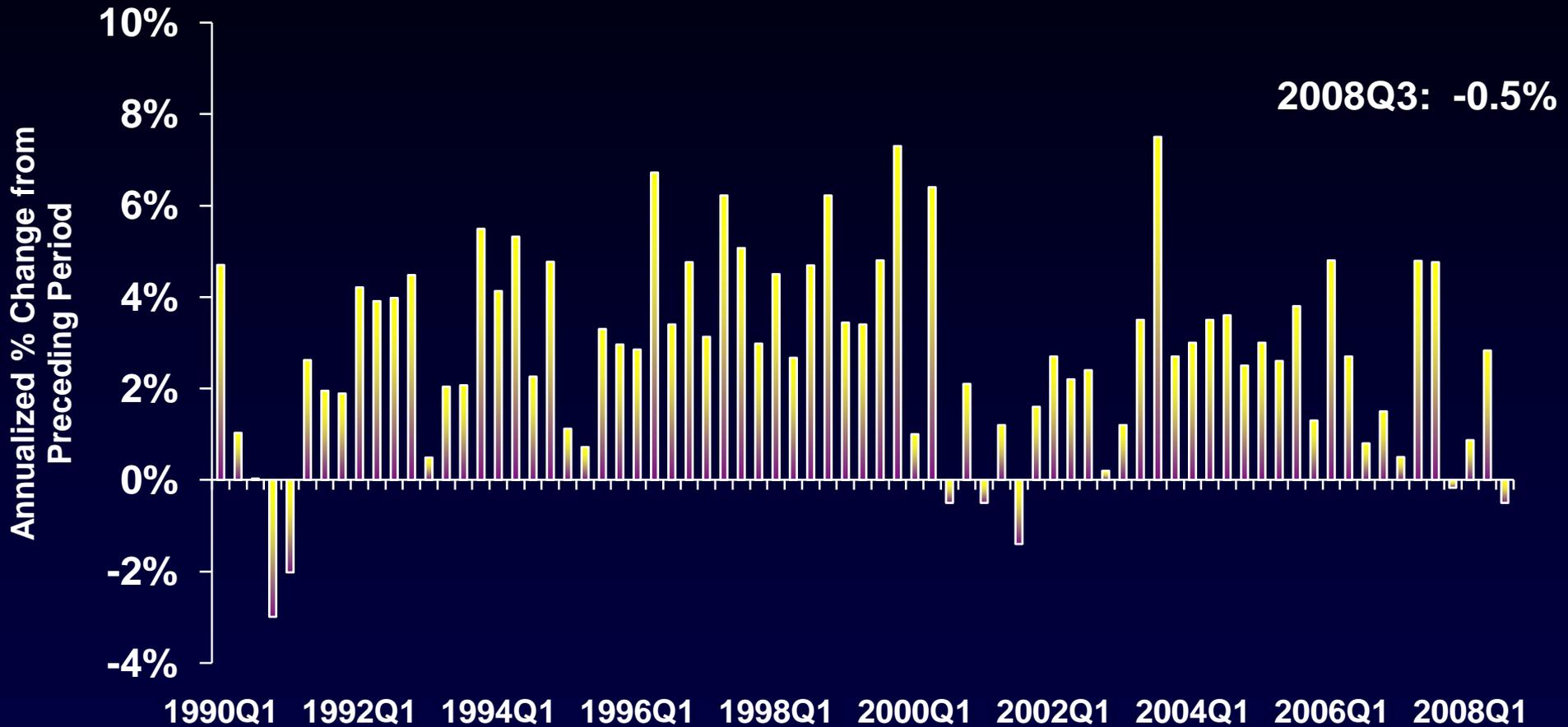
Source: Congressional Budget Office

*2007-2010 data are projections

Guiding Light

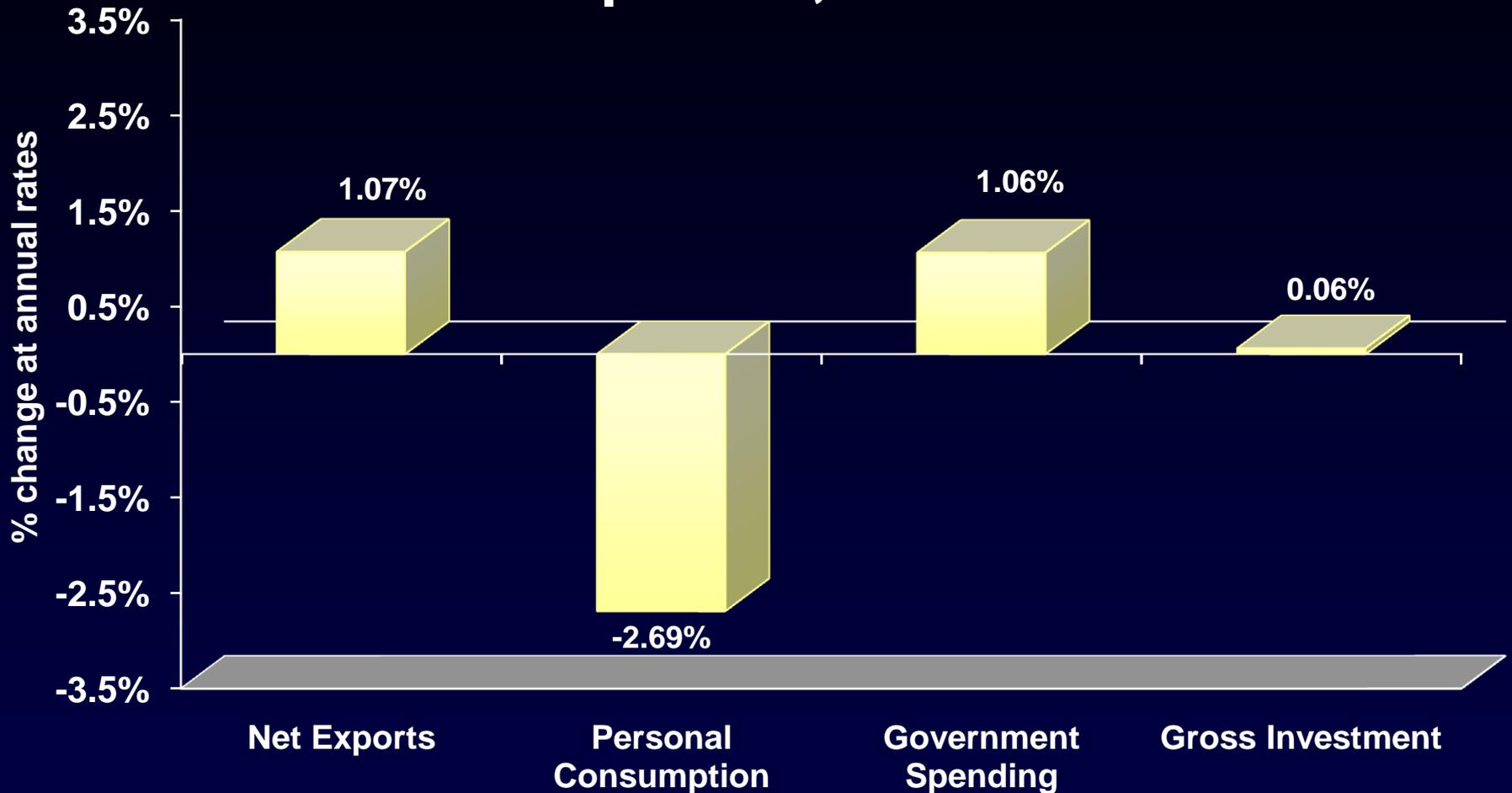
Gross Domestic Product

1990Q1 through 2008Q3



Source: Bureau of Economic Analysis

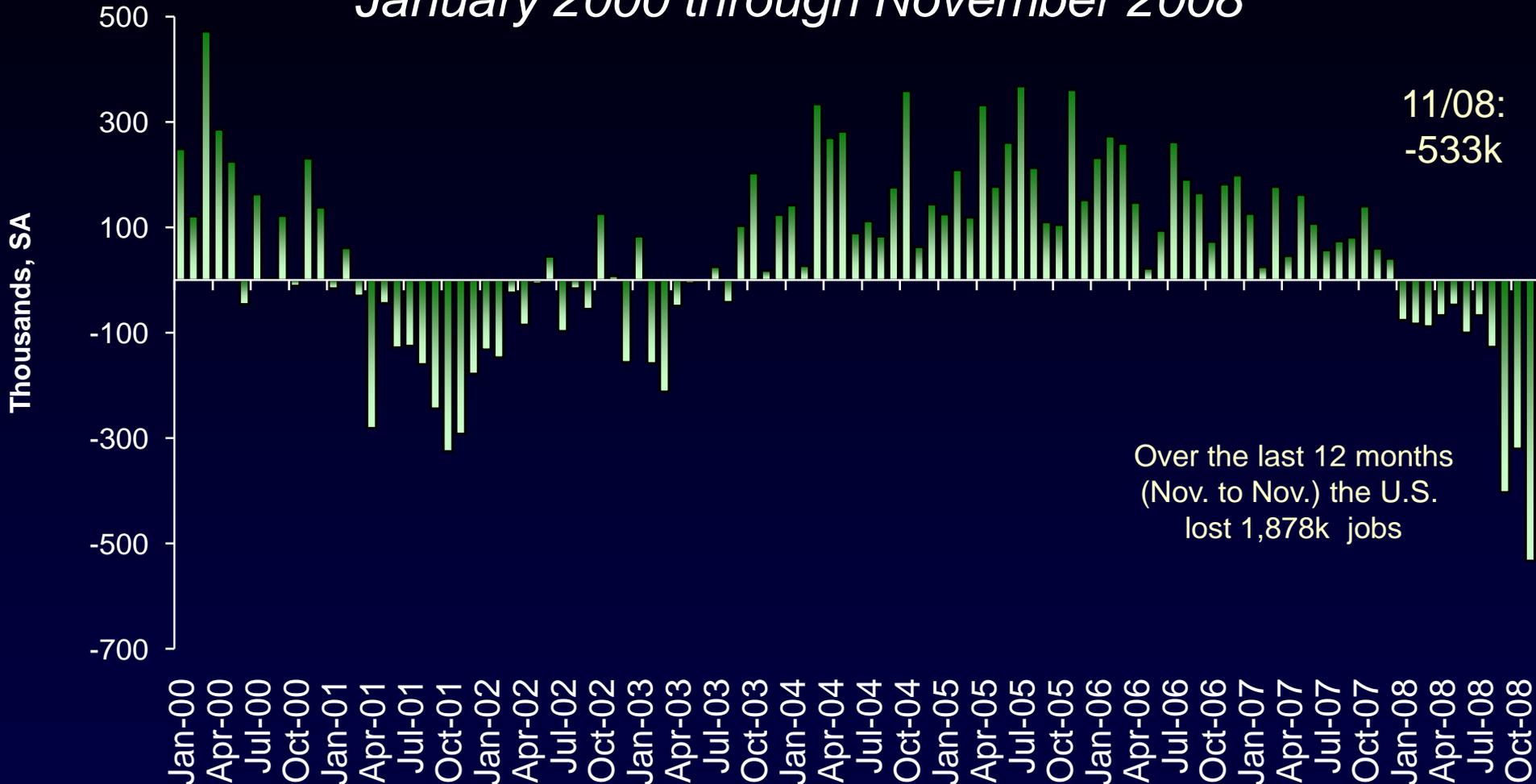
Contributions to GDP Growth by Component, 2008Q3



Source: Bureau of Economic Analysis

Net Change in U.S. Jobs

January 2000 through November 2008



Over the last 12 months
(Nov. to Nov.) the U.S.
lost 1,878k jobs

11/08:
-533k

Source: Economy.com, Bureau of Labor Statistics

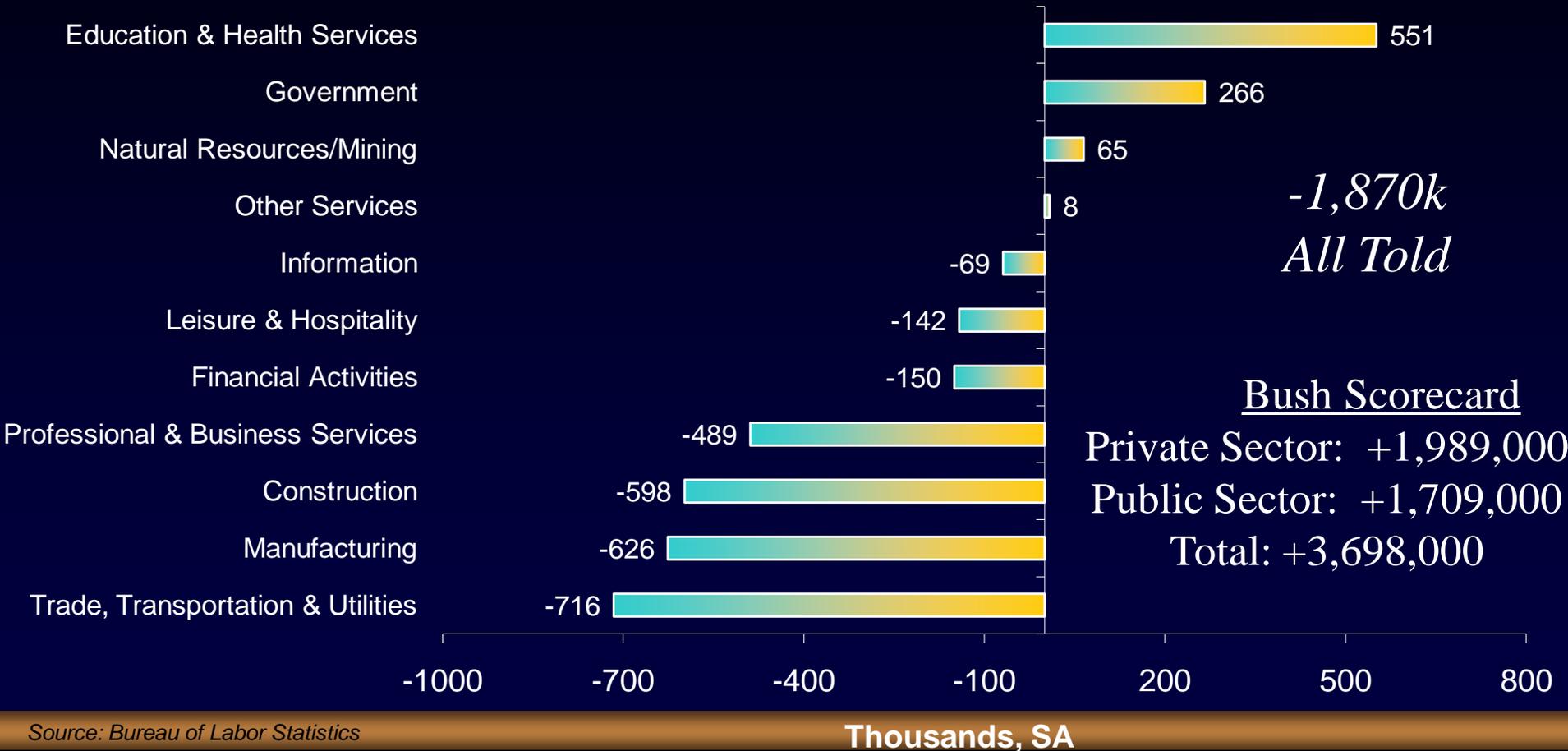
*Nov. 08: Largest monthly decrease
in jobs since Dec. 1974*



National Nonfarm Employment by Industry Sector Groups

November 2007 v. November 2008

Absolute Change

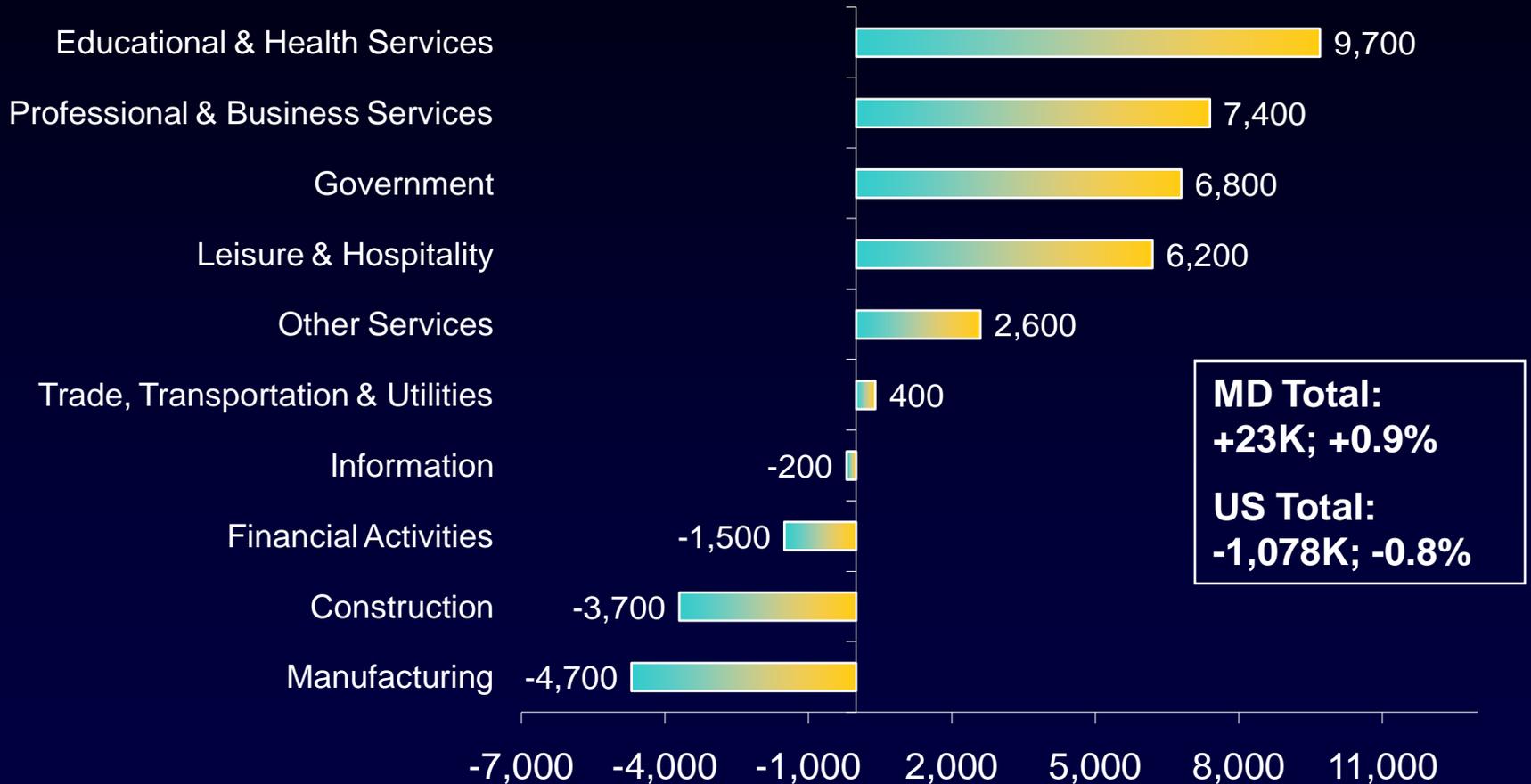


Source: Bureau of Labor Statistics

Maryland Nonfarm Employment by Industry Sector Groups

October 2007 v. October 2008

Absolute Change

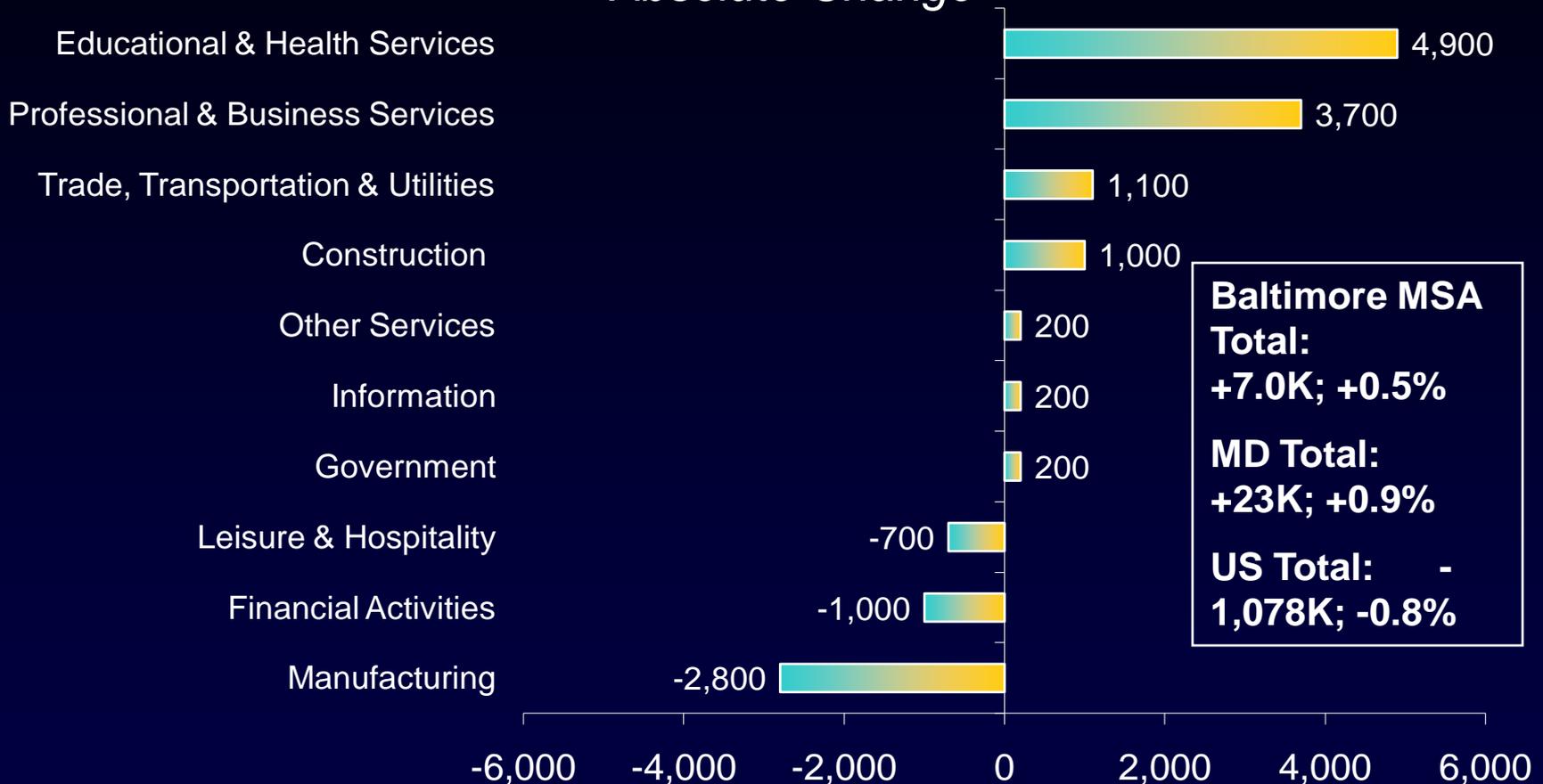


Source: Bureau of Labor Statistics

Baltimore MSA Nonfarm Employment by Industry Sector Groups (NSA)

October 2007 v. October 2008

Absolute Change



Source: Bureau of Labor Statistics

Washington, D.C. MSA Nonfarm Employment by Industry Sector Groups (NSA)

October 2007 v. October 2008

Absolute Change



Source: Bureau of Labor Statistics

Unemployment Rates, U.S. States (SA)

October 2008

Rank	State	Rate	Rank	State	Rate	Rank	State	Rate
1	South Dakota	3.3	18	Idaho	5.3	34	Missouri	6.5
1	Wyoming	3.3	19	Arkansas	5.4	36	Kentucky	6.8
3	North Dakota	3.4	19	Delaware	5.4	37	Florida	7.0
4	Utah	3.5	21	Louisiana	5.5	37	Georgia	7.0
5	Nebraska	3.6	21	Massachusetts	5.5	37	North Carolina	7.0
6	New Hampshire	4.1	23	Alabama	5.6	40	Tennessee	7.0
7	Oklahoma	4.3	23	Texas	5.6	41	Mississippi	7.2
8	Iowa	4.4	25	Colorado	5.7	42	Illinois	7.3
8	New Mexico	4.4	25	Maine	5.7	42	Ohio	7.3
8	Virginia	4.4	25	New York	5.7	42	Oregon	7.3
11	Hawaii	4.5	28	Pennsylvania	5.8	45	Alaska	7.4
12	West Virginia	4.7	29	Minnesota	6.0	45	District of Columbia	7.4
13	Montana	4.8	29	New Jersey	6.0	47	Nevada	7.6
14	Kansas	4.9	31	Arizona	6.1	48	South Carolina	8.0
15	Maryland	5.0	32	Washington	6.3	49	California	8.2
16	Wisconsin	5.1	33	Indiana	6.4	50	Michigan	9.3
17	Vermont	5.2	34	Connecticut	6.5	50	Rhode Island	9.3

Source: Bureau of Labor Statistics

•U.S. Unemployment Rate: October 08=6.5%



MD County Unemployment Rates, Sept. 2008

Rank	County	UE	Rank	County	UE
1	Howard County	3.3	13	Kent County	4.6
2	Montgomery County	3.3	14	Baltimore County	4.7
3	Carroll County	3.5	15	Prince George's County	4.8
4	Calvert County	3.6	15	Worcester County	4.8
5	Frederick County	3.7	17	Wicomico County	5.1
5	St. Mary's County	3.7	18	Caroline County	5.2
7	Charles County	3.9	19	Cecil County	5.3
8	Anne Arundel County	4.0	20	Allegany County	5.6
8	Queen Anne's County	4.0	21	Washington County	5.7
8	Talbot County	4.0	22	Dorchester County	6.2
11	Garrett County	4.1	23	Somerset County	6.6
11	Harford County	4.1	24	Baltimore City	7.1
	Maryland	4.6		United States	6.1

Source: Bureau of Labor Statistics

Search for Tomorrow

- National economy set to slow as housing market weakness continues and as employers become considerably more defensive;
- Second half of year much much worse than the first;
- \$700 billion represented a cap whereby federal government could choose assets it wants to buy through reverse auction (lowest offered price wins); &
- Washington, D.C. is the new financial capital of North America.

Thank You

- You can always reach me at abasu@sagepolicy.com
- If you appreciate this type of information and would like regular updates, please see our newsletter service at www.spgtrend.com
- Also, if you need us in a hurry, we are at 410.522.7243 (410.522.SAGE)
- Please contact us when you require economic research & policy analysis.