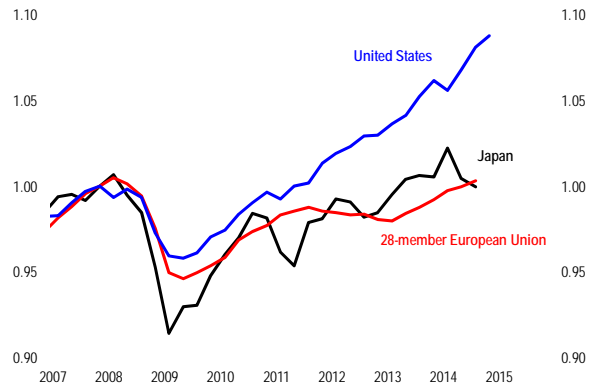


Doing Better than Most (Curve the Grade)

Real GDP, selected developed economies (ratio to 1997 Q4, 2005 US dollars, PPP basis)

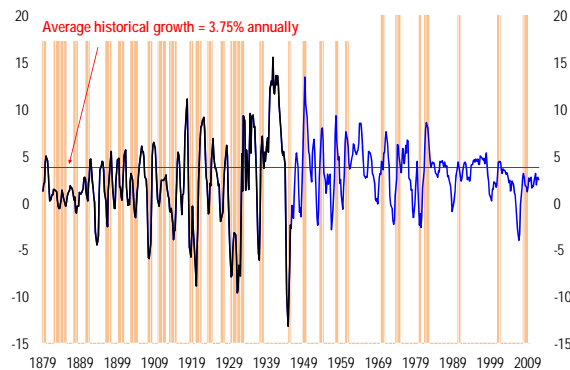


Sources: US Dep. of Commerce; Haver Analytics; JPMorgan Chase & Co. Updated through 2014 Q3.



GDP Growth Perspective ... ☹️

Real GDP and aggregate hours worked (percent change over the four quarters of the year)

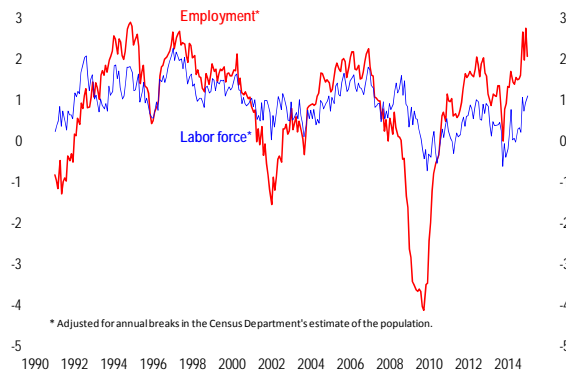


Sources: US Departments of Commerce and Labor. Updated through 2014 Q4 (GDP) and January 2015 (hours).



Production (Jobs) Perspectives ... ☺

Employment and the labor force (percent change from 12 months earlier)



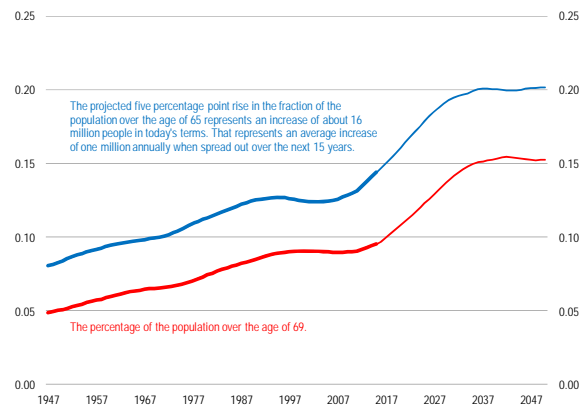
* Adjusted for annual breaks in the Census Department's estimate of the population.

Source: US Department of Labor. Updated through January 2015.



There's More to Life than Demographics

Selected elderly populations (percent of the population)



The projected five percentage point rise in the fraction of the population over the age of 65 represents an increase of about 16 million people in today's terms. That represents an average increase of one million annually when spread out over the next 15 years.

The percentage of the population over the age of 69.

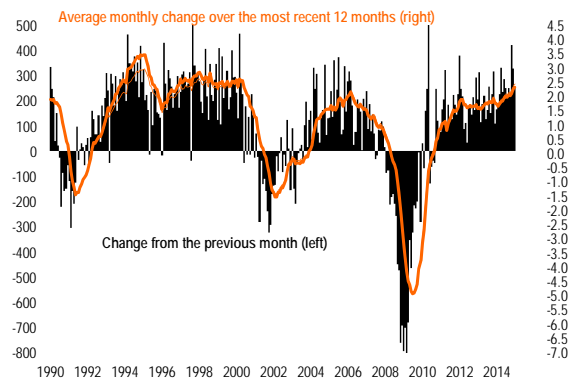
Source: US Department of Labor. Updated through July 2014.



P.S. Payroll Trends Look Normal

Nonfarm payroll employment
(monthly change in thousands)

(annualized percent change)



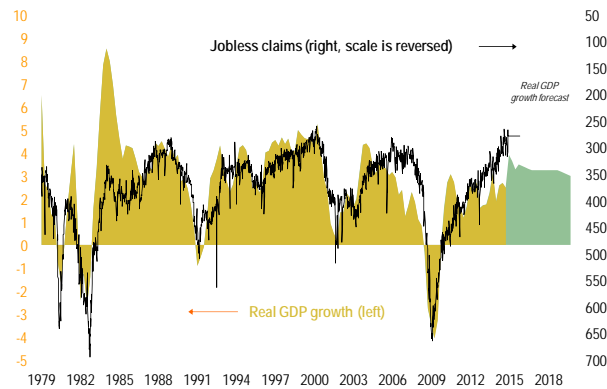
Source: US Department of Labor. Updated through January 2015.



This Is About All You Need to Know

Real GDP (% ch. from 4 quarters earlier)

Jobless claims ('000 weekly, scale reversed)

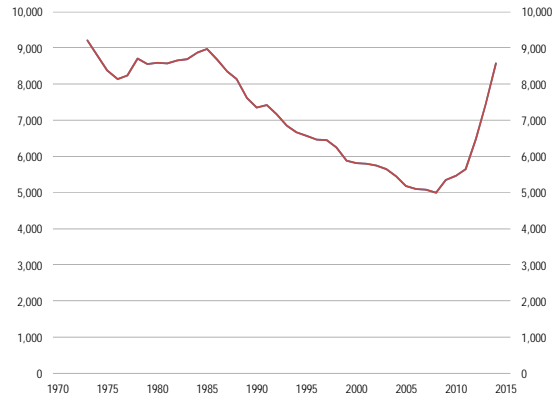


Sources: US Deps. of Labor and Com. Updated through 2014 Q4 (GDP) and January 31, 2015 (claims).



New Petroleum Supply ...

U.S. petroleum production (thousands of barrels daily)

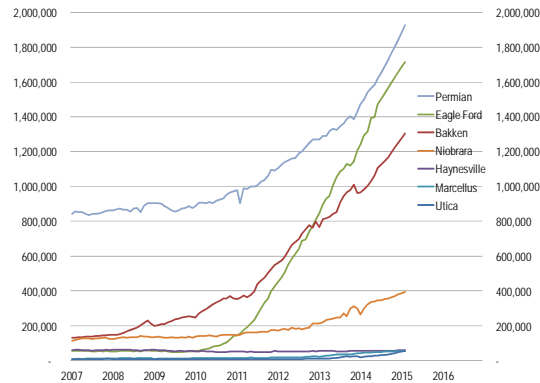


Source: US Department of Energy. Updated through January 2015.



... a Result of the Shale Boom ...

Petroleum production in selected U.S. shale formations (barrels per day)

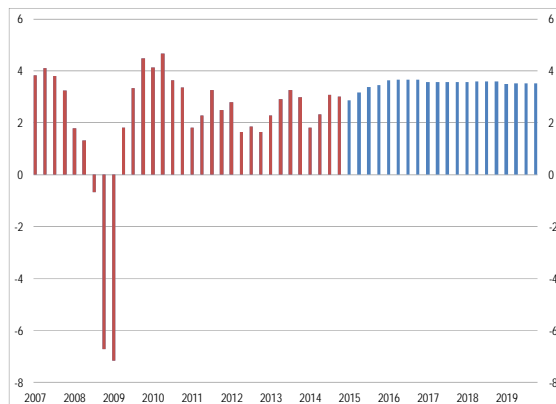


Source: US Department of Energy. Updated through January 2015.



... Not Less Demand ...

Real GDP in selected regions (percent change from four quarters earlier)



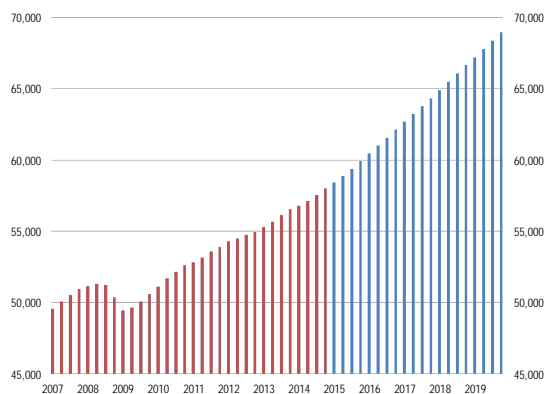
Sources: World Bank; US Dep. of Commerce; JPMorgan Chase & Co. Updated through 2014 Q3.



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... Which Is Rising Steadily ...

Real global GDP (2009 US dollars)



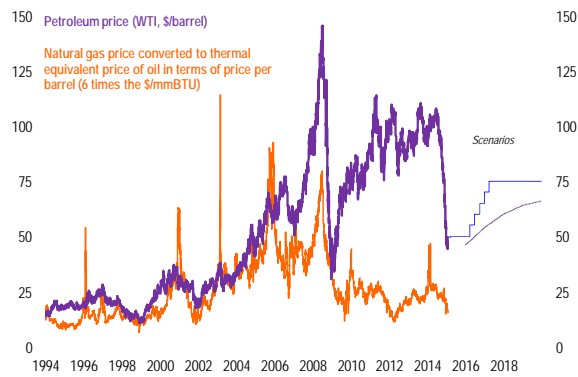
Sources: World Bank; US Dep. of Commerce; JPMorgan Chase & Co. Updated through 2014 Q3.



JPMorgan 12

... Has Brought Prices Down ...

Prices of oil and natural gas, thermally-equivalent comparison (dollars per barrel)



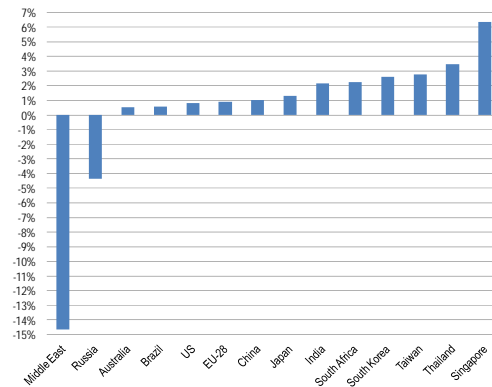
Source: American Petroleum Institute; Oil & Gas Journal. Updated through February 6, 2015.



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... Bringing New Growth for Many

Petroleum Used Less Petroleum Produced (percent of nominal GDP)



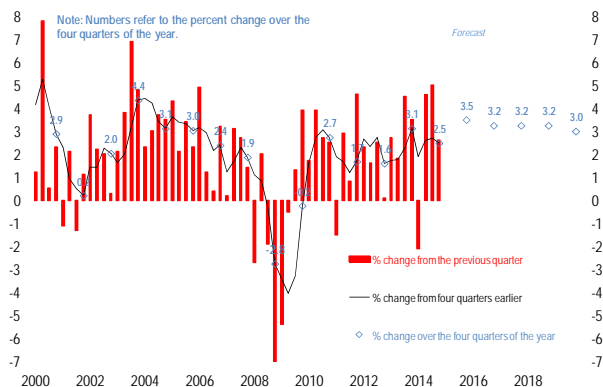
Sources: U.S. Department of Energy; U.S. Department of Commerce. Updated through 2014 Q3.



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For the US, Faster Growth for a Spell

Real GDP (annualized percent change)

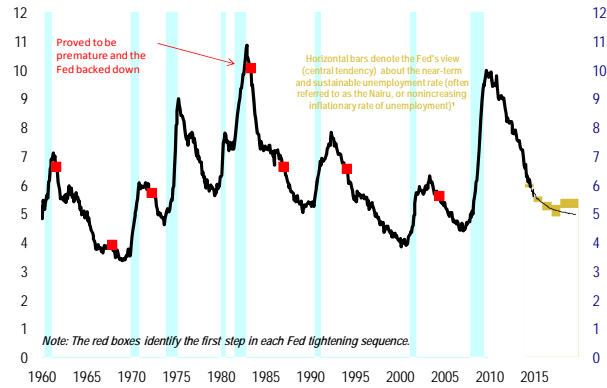


Source: US Department of Commerce. Updated through 2014 Q4.

Some Loose Ends

An Old Standard Looks Like We're Back ...

Unemployment rate (percent)

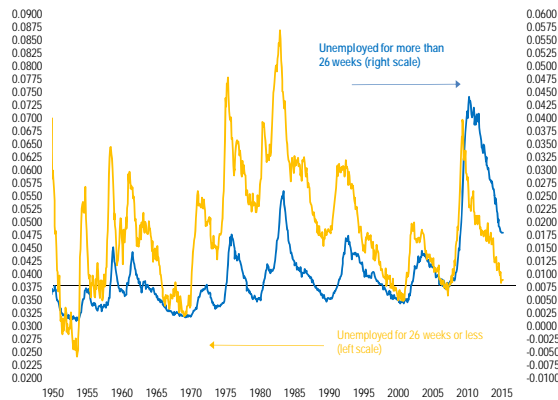


Sources: Vertical bars denote recessions and are designated by the NBER; US Department of Labor. Updated through January 2015 (unemployment) and December 17, 2014 (FOMC forecast).



The "Structural" Label Doesn't Work for Me

Duration of unemployment (percent of the labor force)

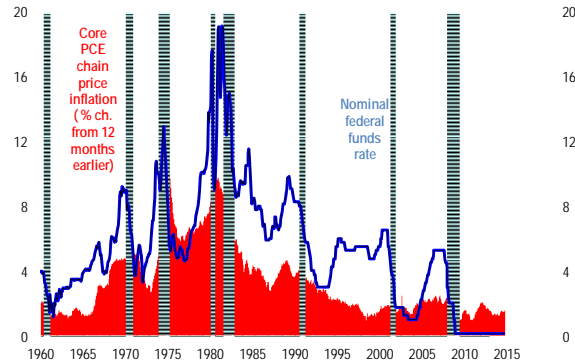


Source: U.S. Department of Labor. Updated through January 2015.



So, Why Is the Fed Still At Zero?

Nominal funds rate and core inflation¹ (% per annum and % ch. from 12 months earlier)

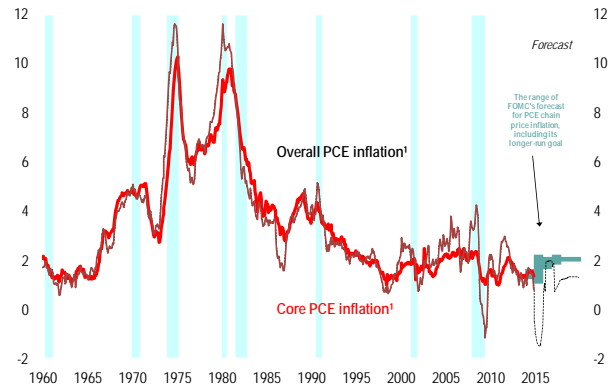


¹ Chain price index for personal consumption expenditures excluding food and energy.
 Source: Federal Reserve Board. Updated through February 6, 2015.



(1) Inflation ... What Problem Needs Fixing

Core PCE chain price index (percent change from 12 months earlier)

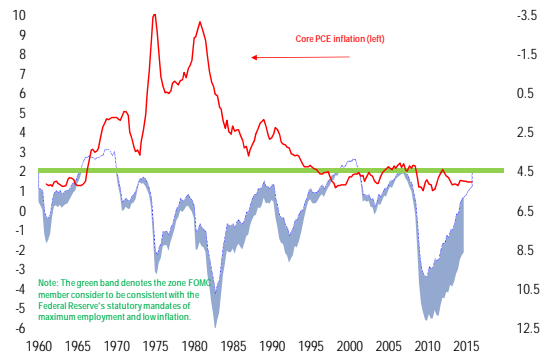


Sources: Vertical bars denote recessions and are designated by the NBER; US Department of Commerce. Updated through December 2014 (inflation) and December 18, 2014 (FOMC forecast).



(2) Actually, Neither Mandates Are Satisfied

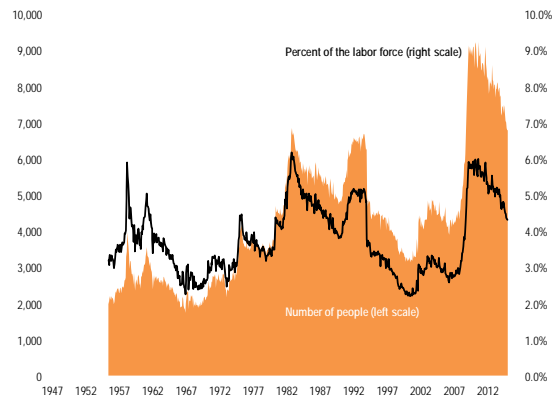
Core inflation (% ch. from 12 months earlier) Unemployment (percent of the labor force)



Sources: U.S. Department of Commerce; U.S. Department of Labor. Updated through January 2015/2014.

(3) Some Unemployed Aren't Counted ...

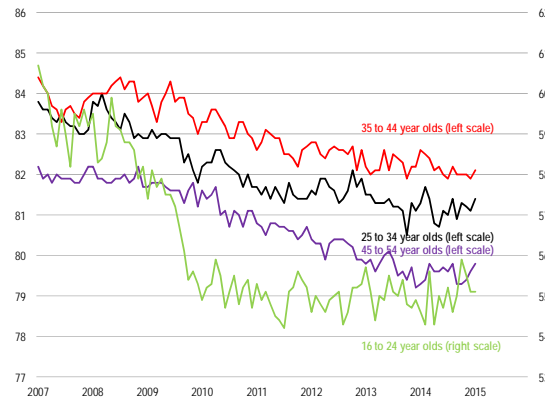
Involuntary part-time (thousands) (percent of the labor force)



Source: US Department of Labor. Updated through January 2015.

... Young Adults Didn't Exit for Retirement

Participation rate for selected age groups (percent of the respective population)



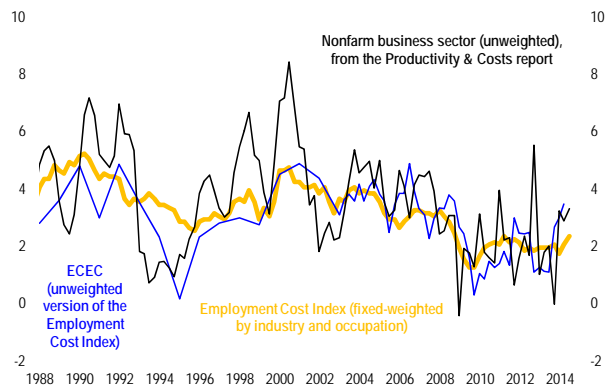
Source: US Department of Labor. Updated through January 2015.



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(4) Not Much Going on With Wages ...

Hourly labor compensation (percent change from four quarters earlier)



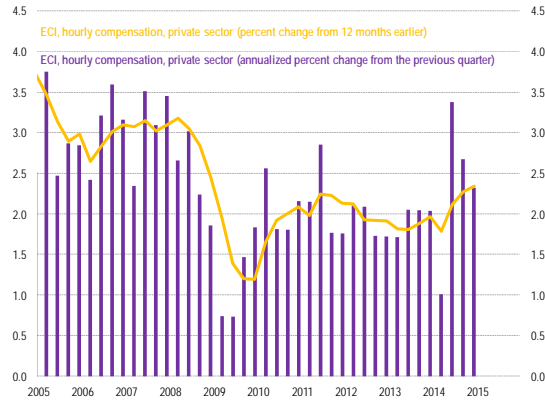
Sources: US Departments of Commerce and Labor; Updated through 2014 Q2.



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... Unless You Have a Microscope

Hourly labor compensation (percent change from four quarters earlier)



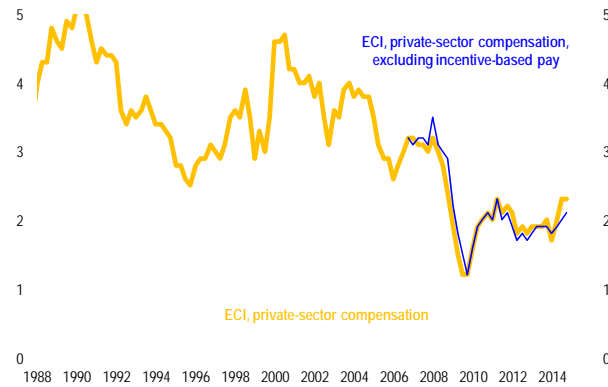
Sources: US Departments of Commerce and Labor; Updated through 2014 Q4.



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Incentive Pay Isn't a Signal of Issues ...

Hourly labor compensation (percent change from four quarters earlier)



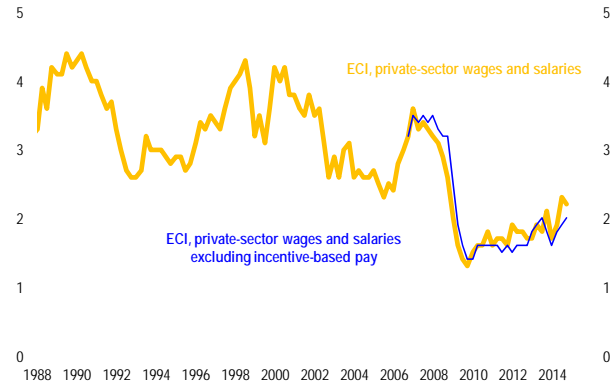
Sources: US Departments of Commerce and Labor; Updated through 2014 Q4.



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... Ditto for Wages

Hourly labor compensation (percent change from four quarters earlier)

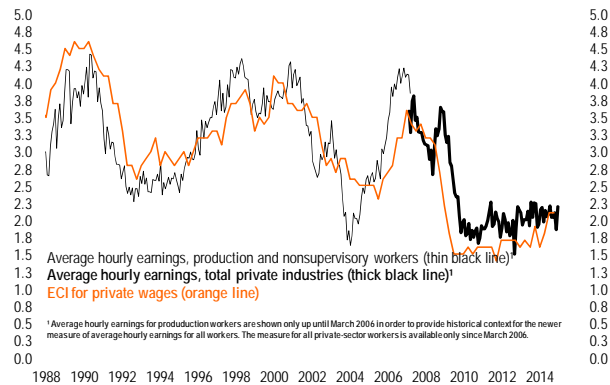


Sources: US Departments of Commerce and Labor; Updated through 2014 Q4.



Other Surveys Don't Show Much ...

Hourly labor compensation (percent change from four quarters earlier)



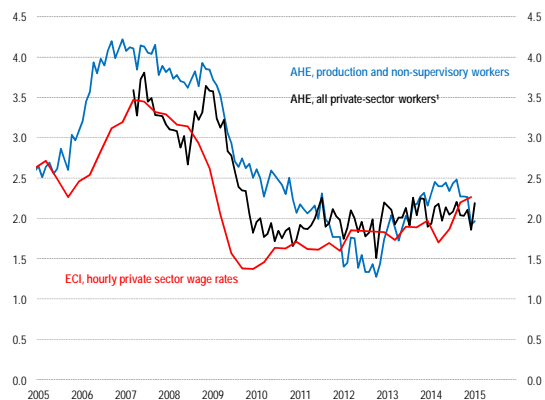
¹ Average hourly earnings for production workers are shown only until March 2006 in order to provide historical context for the newer measure of average hourly earnings for all workers. The measure for all private-sector workers is available only since March 2006.

Source: US Department Labor; Updated through 2014 Q4 (ECI) and Jan. 2015 (average hourly earnings).



... Except Steady

Selected measures of hourly wages (percent change from four quarters earlier)

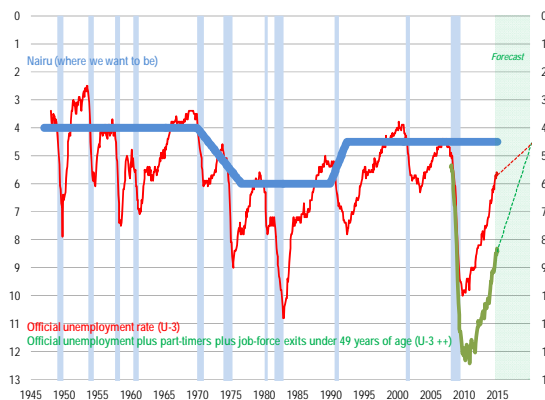


Source: US Dep. of Labor; Updated through January 2015.



The Goal Is in Sight but It's Not the 9th

The economic cycle (unemployment and the Nairu, percent of the labor force)

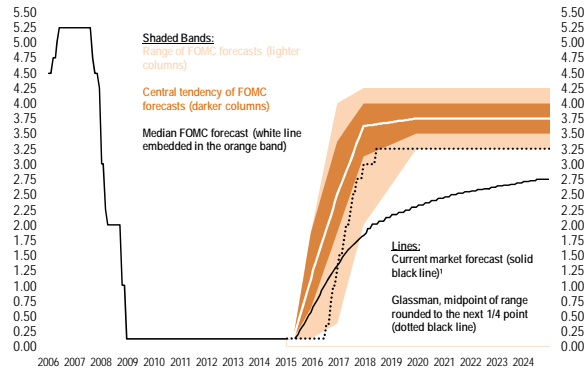


Source: US Department of Labor. Updated through January 2015.



The Fed Outlook

Forecasts of the federal funds rate (percent)



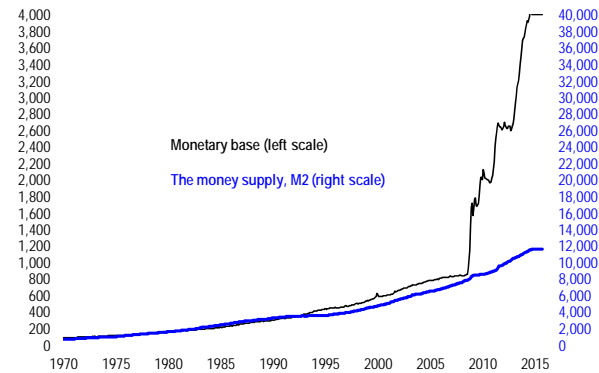
Sources: FRB; Bloomberg. Updated through December 18, 2014 (FOMC) and February 6, 2015 (futures).



P.S. Asset Purchases Aren't About Money

Monetary base (billions of dollars)

M2 (billions of dollars)



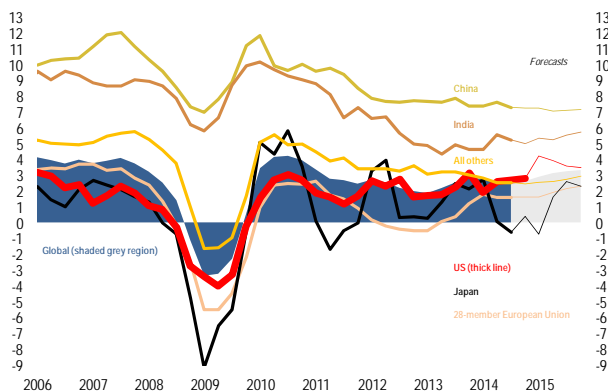
Source: Federal Reserve Board. Updated through October 2014.



ECB & BoJ Asset Buying Drives Bonds

Most Are Growing ... that's Not the Issue ...

Real GDP in selected regions (percent change from four quarters earlier)



Sources: World Bank; US Dep. of Commerce; JPMorgan Chase & Co. Updated through 2014 Q3.

... but Inflation Is Falling and That Is ...

Core CPI (percent change from 12 months earlier)



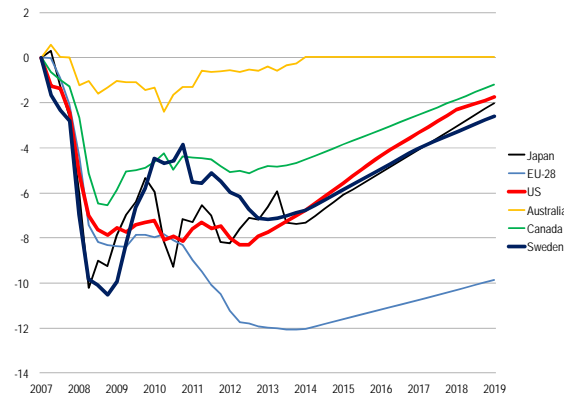
Sources: US Department of Labor; ECB; Bank of Japan. Updated through November 2014.



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... Because Some Dragged their Feet

Output gap in selected regions (actual less potential real GDP, % of potential real GDP)



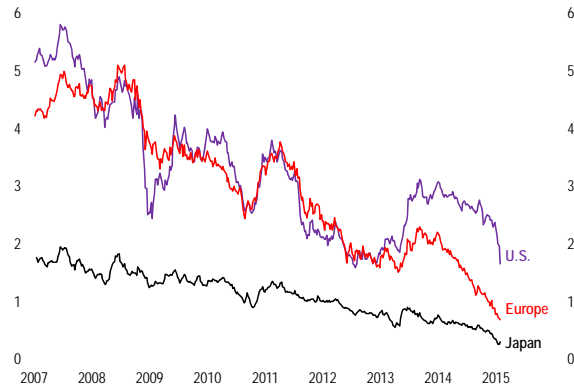
Source: US Department of Commerce; JPMorgan. Updated through 2014 Q3.



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ECB and BoJ Asset Buying Drives This ...

10-year risk-free interest rates (percent per annum)

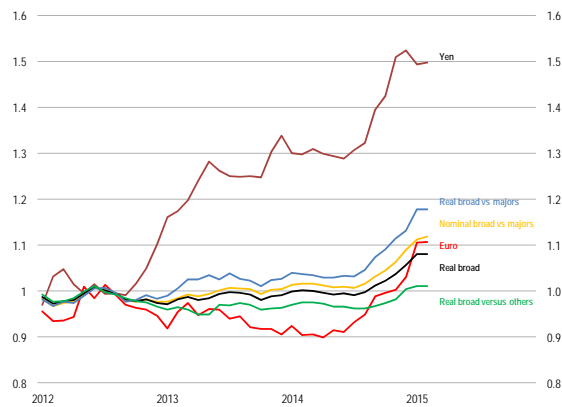


Sources: Bloomberg; Federal Reserve Board. Updated through January 30, 2015.



... and This

Selected foreign exchange rates (ratio to summer 2012 level)

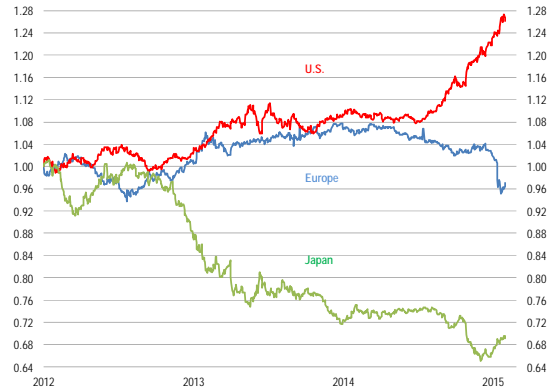


Source: Federal Reserve Board. Updated through February 2, 2015.



[P.S. Local Perspectives]

Trade-weighted currency indexes (January 3, 2012 = 1.0)

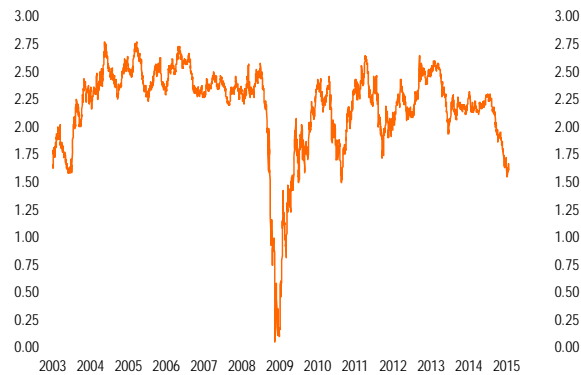


Source: Bank of England; Bloomberg. Updated through February 2, 2015.



This Isn't a Deflation Story ...

10-year inflation expectations (percent per annum)



Source: Federal Reserve Board. Updated through January 30, 2015.



... It's the Oil Distortion

Inflation expectations over selected horizons (percent per annum)



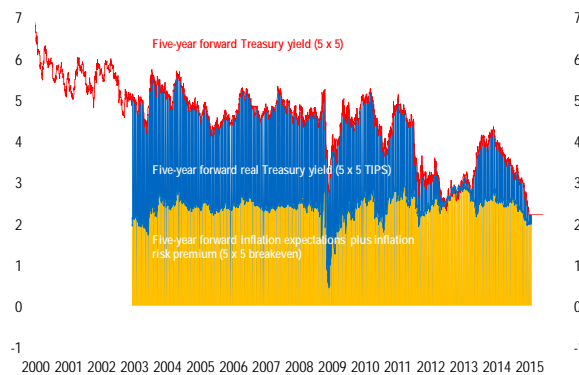
Source: Federal Reserve Board. Updated through January 30, 2015.



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Asset Purchases, Here We Go Again

Real versus inflation components of future interest rates (percent per annum)



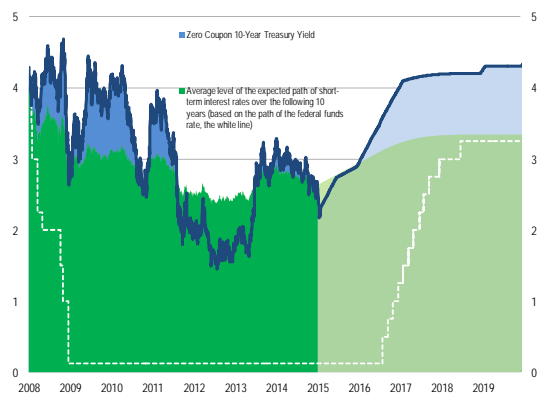
Source: Federal Reserve Board; Bloomberg. Updated through December 18, 2014.



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Asset Purchases, Here We Go Again

Term premium and expected short-term rates in 10-year Treasury yields (% per annum)

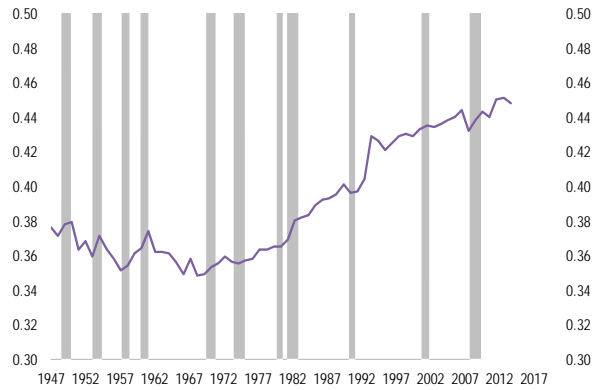


Source: Federal Reserve Board. Updated through January 23, 2014.

Innovation's Footprints

Income Distribution Widens After the 1980's

Gini Coefficient (0 = perfectly equal and 1 = perfectly unequal)

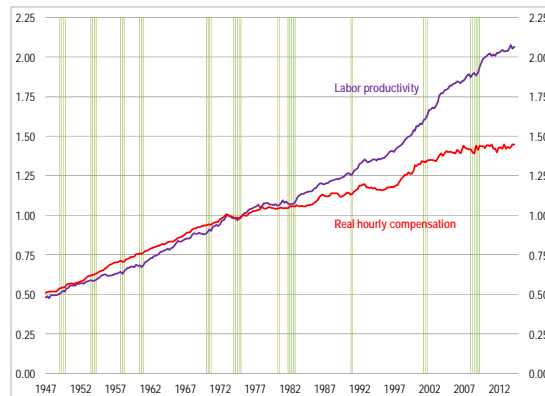


Sources: NBER-designated recession bars; US Department of Commerce. Updated through 2013.



Paralleling a Break in this Fundamental Link

Labor productivity versus real compensation, nonfarm business (ratio to 1970's average)

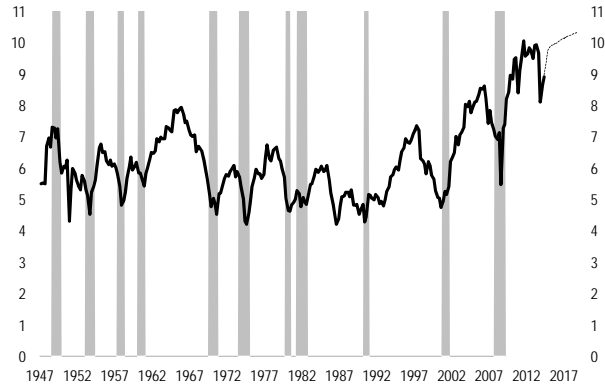


Sources: NBER-designated recession bars; US Department of Commerce. Updated through 2014 Q4.



And Those Connected to This ...

After-tax GDP profits of all US businesses (percent of nominal Gross Domestic Income)



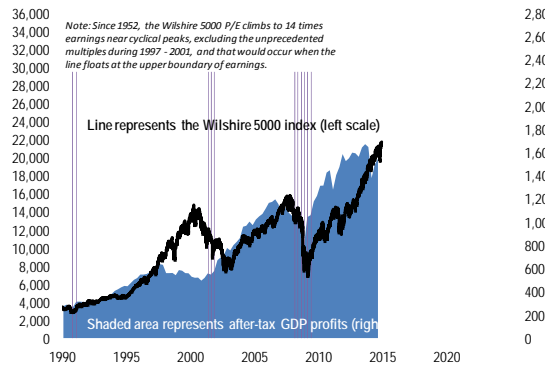
Sources: NBER-designated recession bars; US Department of Commerce. Updated through 2014 Q3.



... Which the Market Finally Recognizes ...

Wilshire 5000 (Dec 31, 1970 = 830.27)

After-tax GDP profits (billions of dollars)

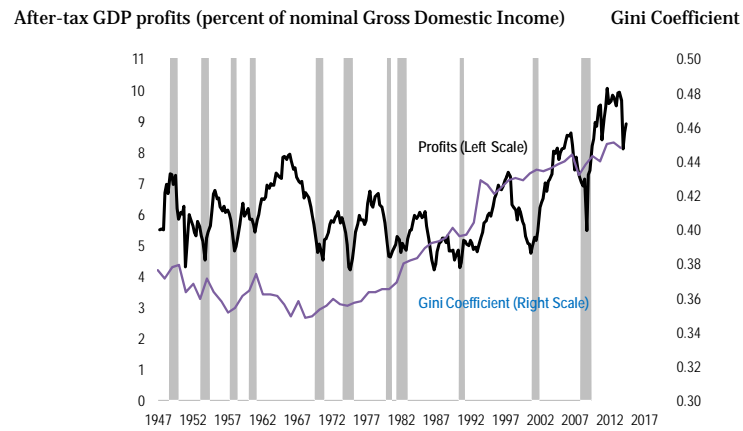


Note: scales aligned to reflect the historical P/E of 11 times ex. the multiples of 1997 through 2001.

Sources: US Department of Commerce; Dow Jones. Updated through 2014 Q3 (profits) and Nov. 26, 2014.



... Benefit from Equity Income



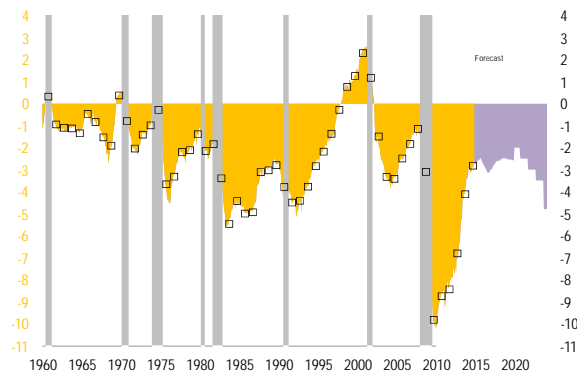
Sources: NBER-designated recession bars; US Department of Commerce. Updated through 2014 Q3.

Appendixes

Solve Healthcare, Solve the Fiscal Issue

What We See Isn't What Matters

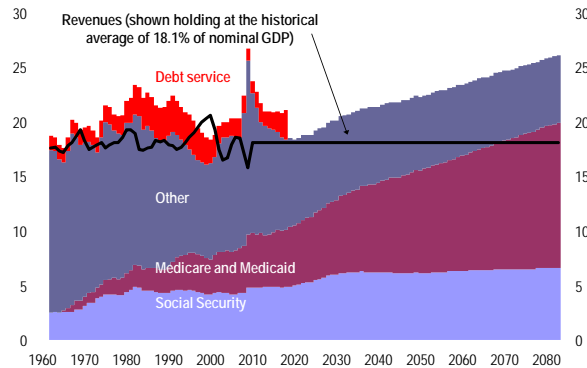
Federal deficit over the most recent 12 months (percent of nominal GDP)



Note: Black boxes denote the fiscal year end.
Sources: Vertical columns denote NBER-designated recessions; US Treasury. Updated through December 2014.

What's In Our (the CBO's) Mind's Eye Is Key

Long-term revenue and spending projections (percent of GDP)

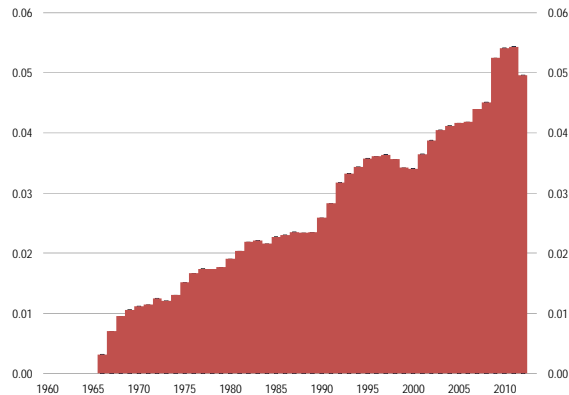


Source: Congressional Budget Office. Updated through October 2012.



The Real Fiscal Issue Is a Healthcare Issue

Federal healthcare spending (percentage of GDP)



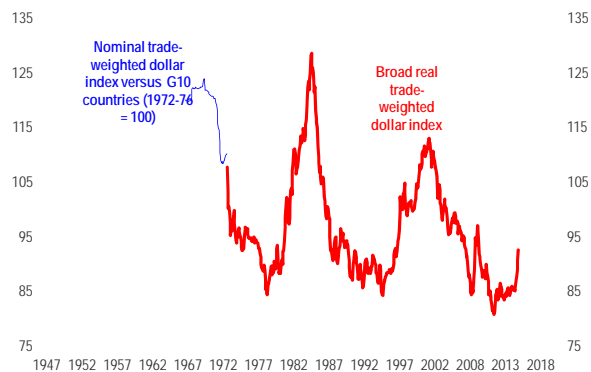
Source: Congressional Budget Office. Updated through 2012.



The Industrial Sector

The Dollar's Rise Isn't a Threat

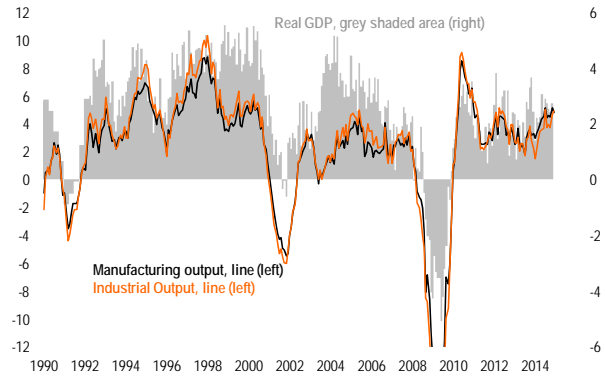
Selected trade weighted US dollar indexes (March 1973 = 100)



Source: Federal Reserve Board. Updated through January 2015.

Industrial Activity is Plodding Along

Real GDP and industrial output (percent change from 12 months earlier)

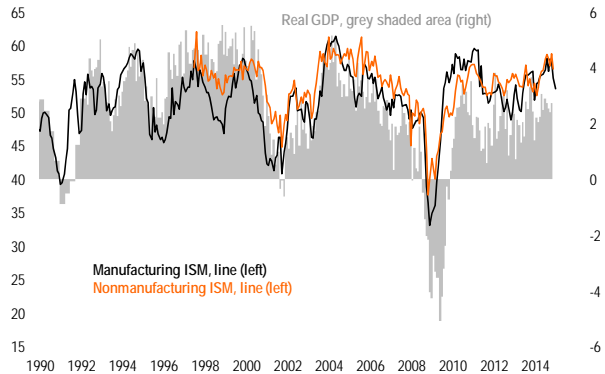


Sources: FRB; Macroeconomic Advisers. Updated through December 2014 (IP) and November 2014 (GDP).



ISM Sentiment and GDP

ISM indexes (50+ = increasing) Real GDP (percent change from 12 months earlier)

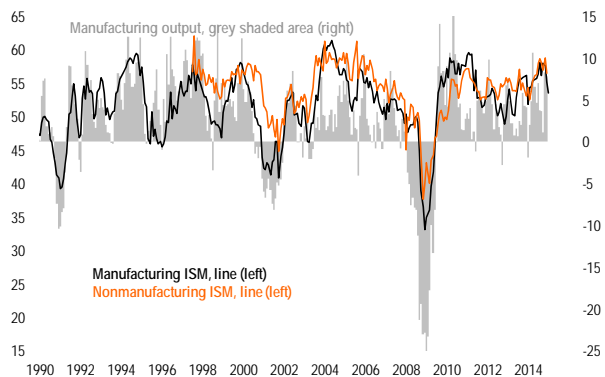


Sources: Federal Reserve Board. Updated through Jan. 2014 (ISM), Dec. 2014 (nonmfg ISM) and Nov. 2014 (GDP).



ISM Sentiment and Factory Output

ISM indexes (50+ = inc) Mfg output (annualized percent change from 3 months earlier)



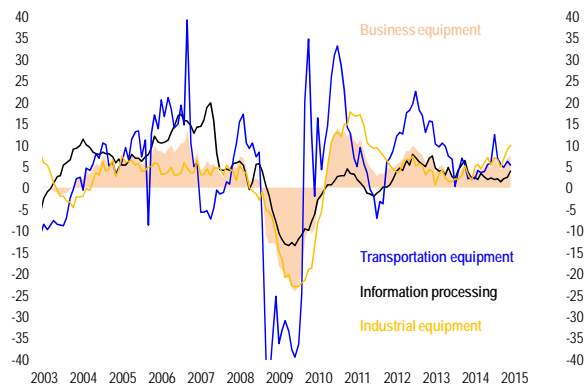
Sources: Federal Reserve Board; ISM. Updated through December 2014 (IP) and January 15, 2014 (ISM).



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Business Equipment Output

Selected sectors (2007 =100)



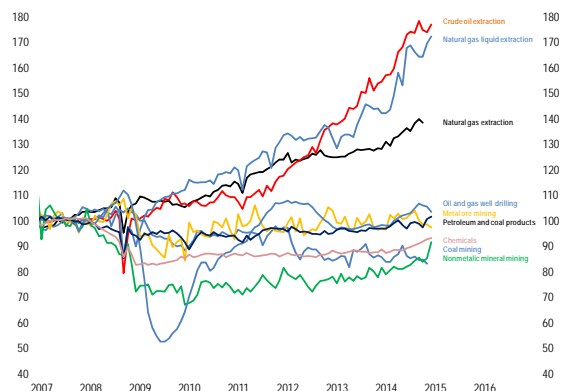
Source: Federal Reserve Board. Updated through December 2014.



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Energy Output

Selected sectors (2007 =100)

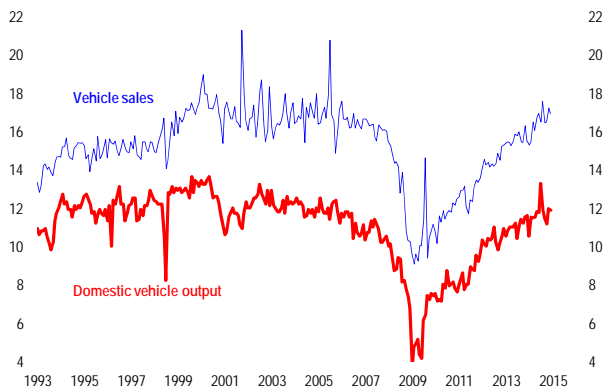


Source: Federal Reserve Board. Updated through December 2014.



Motor Vehicle Output

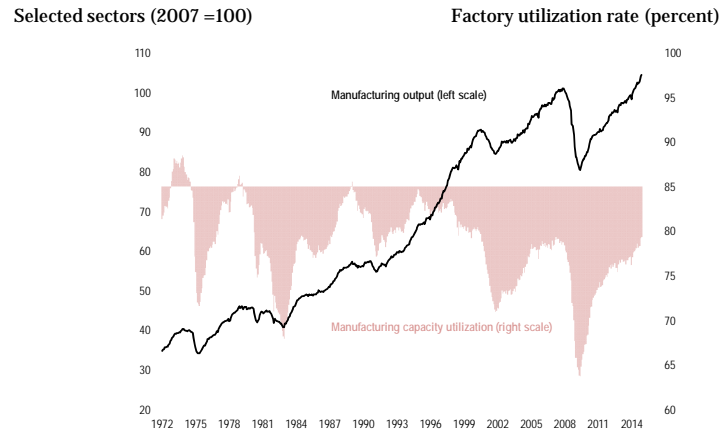
Selected sectors (2007 =100)



Source: Federal Reserve Board. Updated through December 2014 (output) and January 2015 (sales).



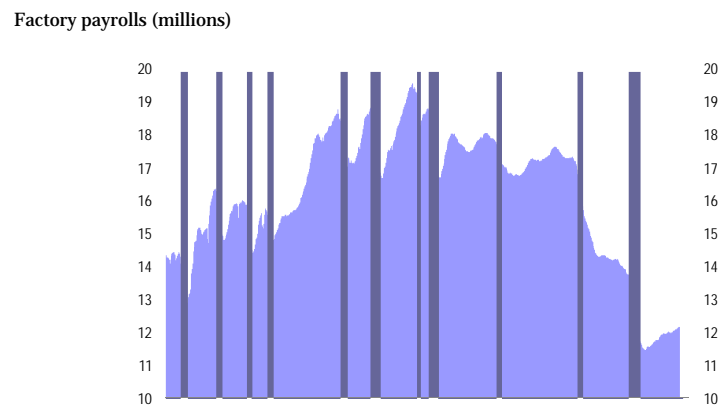
Industrial Capacity



CHASE

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Factory Employment



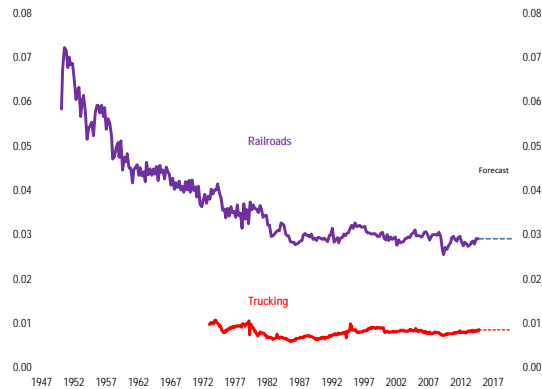
CHASE

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The Rail Industry

Tonnage-GDP Link Assumptions

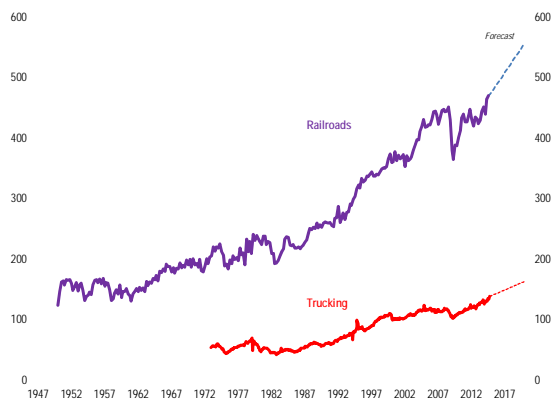
Rail and truck tonnage ratios (ratio of billions of ton miles to real GDP)



Sources: American Association of Railroads. Updated through 2014 Q4

Translation of GDP Outlook Into Rail Traffic

Truck and rail freight (billions of ton miles)



Sources: American Association of Railroads. Updated through 2014 Q4.

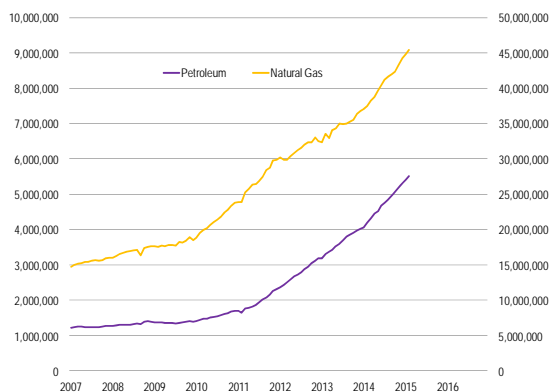


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Shale Production

Petroleum (barrels per day)

Natural gas (Mcf per day)



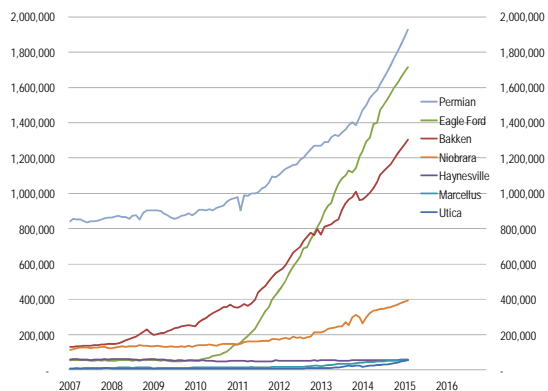
Source: Energy Information Agency. Updated through January 2014.



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Shale Oil

Petroleum output of selected shale fields (millions of barrels per day)



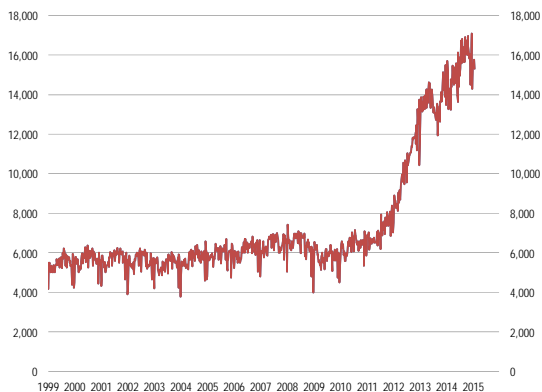
Source: Energy Information Agency. Updated through January 2014.



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Oil Production Holds Steady

Petroleum shipments over rail, U.S. class I railroad traffic originated (carloads)



Source: Association of American Railroads. Updated through January 23, 2015.

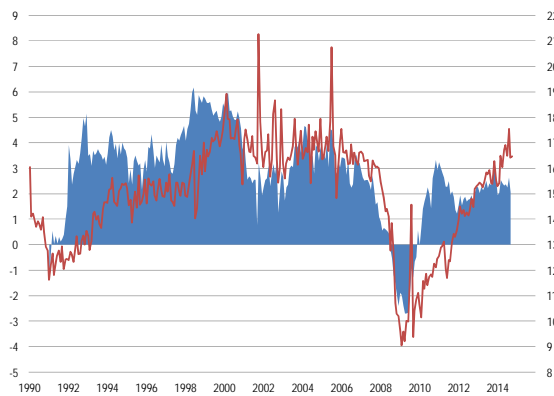


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Consumer Spending

Car Sales Say Everything About Confidence

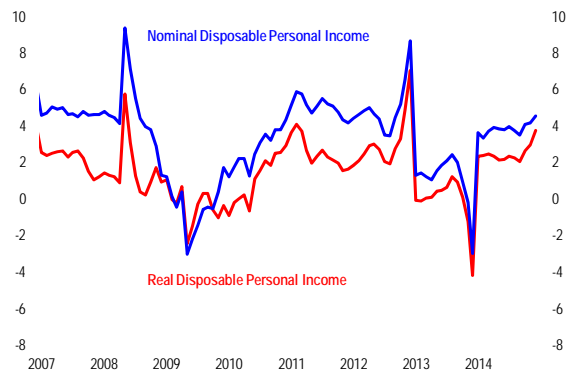
Real consumer spending (% ch from 12 months earlier) US vehicle sales (millions saar)



Sources: US Department of Commerce; Federal Reserve Board. Updated through October 2014.

Jobs and Prices Support Real Income

Nominal and real disposable income (percent change from 12 months earlier)



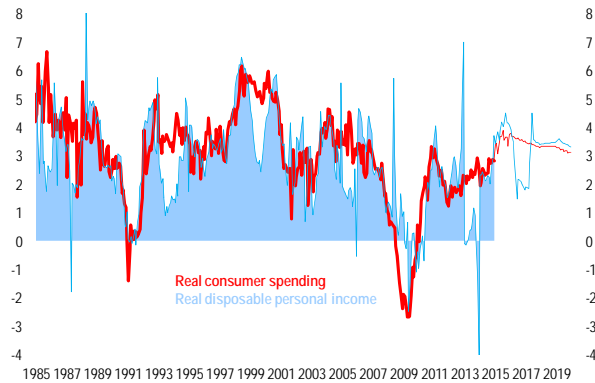
Source: US Department of Commerce. Updated through December 2014.



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Consumer Spending Set to Accelerate

Real consumer spending and disposable income (percent change from 12 months earlier)



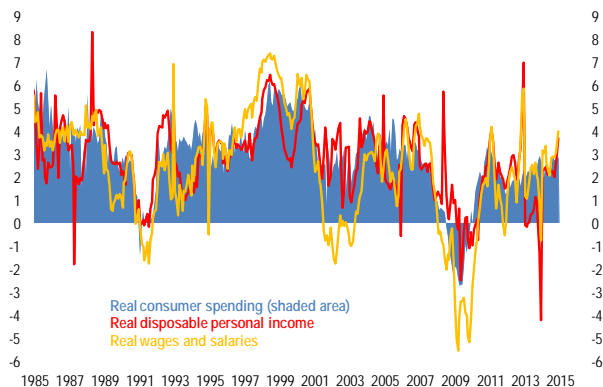
Source: US Department of Commerce. Updated through December 2014.



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Have Income, Will Spend

Real disposable income, wages, and consumption (% change from 12 months earlier)



Source: US Department of Commerce. Updated through December 2014.



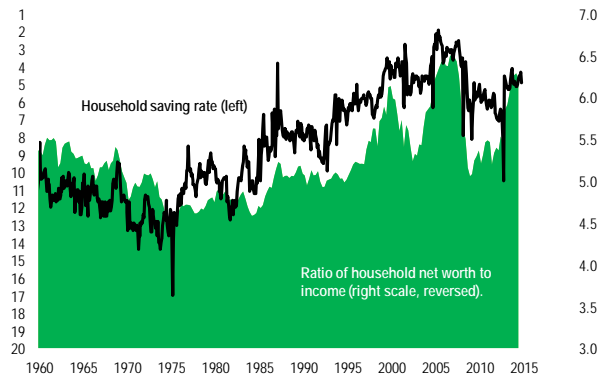
The Household Balance Sheet

Selected assets and liabilities (billions of dollars, unless noted otherwise)

	1960	1965	1970	1975	1980	1985	1990	1995	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total	1,468	2,317	3,538	5,047	7,029	9,742	13,212	17,812	23,812	31,812	35,812	40,812	45,812	50,812	55,812	60,812	65,812	70,812	75,812	
Assets	1,468	2,317	3,538	5,047	7,029	9,742	13,212	17,812	23,812	31,812	35,812	40,812	45,812	50,812	55,812	60,812	65,812	70,812	75,812	
Real Estate	400	475	520	580	650	720	800	880	950	1,020	1,080	1,150	1,220	1,280	1,350	1,420	1,480	1,550	1,620	1,680
Equity	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000	5,500	6,000	6,500	7,000	7,500	8,000	8,500	9,000	9,500	10,000	10,500
Debt	468	817	1,538	2,547	4,029	6,242	9,212	13,312	18,812	26,312	30,812	34,312	38,812	43,312	47,812	52,312	56,812	61,312	65,812	70,312
Government	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Corporate	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Financial	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Other	168	367	688	1,247	2,029	3,142	4,262	5,362	6,462	7,562	8,662	9,762	10,862	11,962	13,062	14,162	15,262	16,362	17,462	18,562
Government	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Corporate	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Financial	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Other	68	157	288	497	729	1,042	1,412	1,812	2,212	2,612	3,012	3,412	3,812	4,212	4,612	5,012	5,412	5,812	6,212	6,612
Government	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Corporate	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
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Government	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Corporate	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Financial	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Other	68	157	288	497	729	1,042	1,412	1,812	2,212	2,612	3,012	3,412	3,812	4,212	4,612	5,012	5,412	5,812	6,212	6,612
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Financial	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
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Financial	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
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Government	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Corporate	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Financial	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Other	68	157	288	497	729	1,042	1,412	1,812	2,212	2,612	3,012	3,412	3,812	4,212	4,612	5,012	5,412	5,812	6,212	6,612
Government	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Corporate	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Financial	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
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Government	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Corporate	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
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Corporate	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Financial	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
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Government	100	150	200	250	300	350	400	450	500	550	600	650	700	750	800	850	900	950	1,000	1,050
Corporate	100	150	200	250	300	350	400	450	500	550										

Saving Falls When Savings Rises

Saving rate (percent of income) Household net worth (ratio to income)

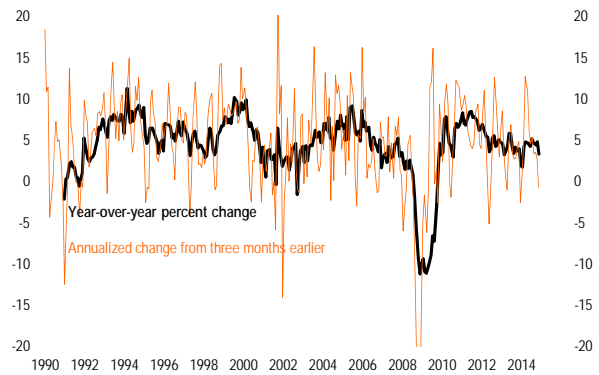


Source: US Department of Commerce. Updated through December 2014 (saving) and 2014 Q3 (net worth).



Retail Trends

Retail sales (percent change from 12 months earlier)

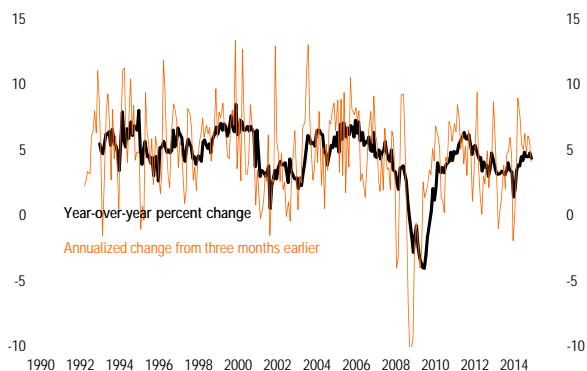


Source: US Department of Commerce. Updated through December 2014.



Core Retail Trends

Retail sales other than auto and gasoline purchases (% change from 12 months earlier)



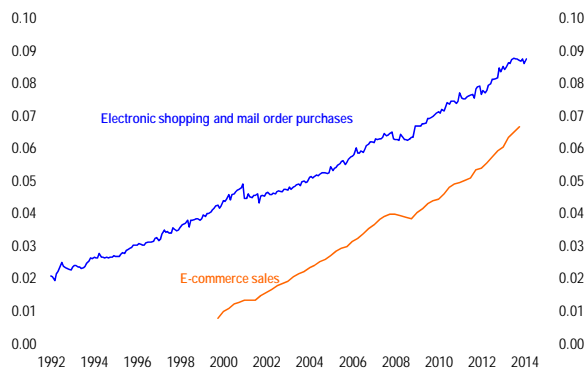
Source: US Department of Commerce. Updated through December 2014.



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Electronic Commerce

Non-store retail sales (percentage of nonauto retail sales)



Sources: US Dep. of Com.; ICSC. Updated by Feb. 2013 (electronic shopping) and Feb. 2013 (eCommerce).

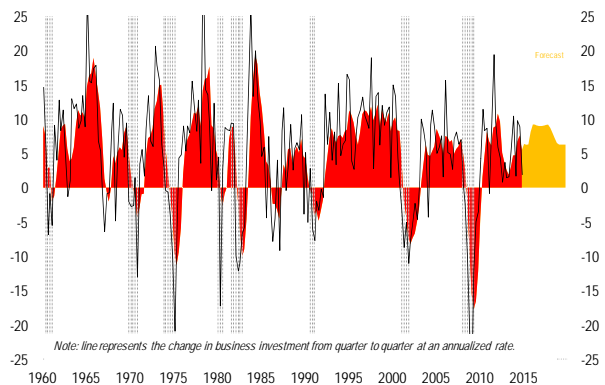


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Business Investment

Business Investment ...

Business fixed investment (% change from 4 quarters earlier unless noted otherwise)

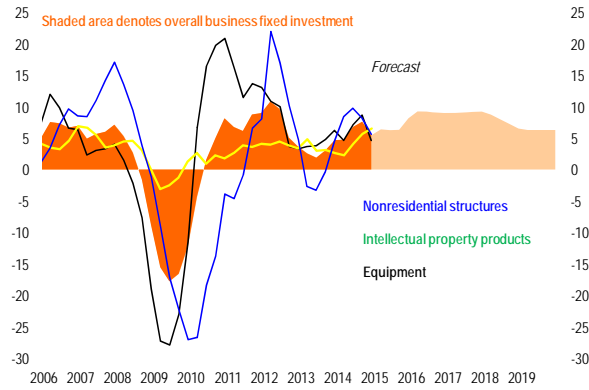


Note: line represents the change in business investment from quarter to quarter at an annualized rate.

Sources: NBER-designated recession bars; US Department of Commerce. Updated through 2014 Q4.

... Close Up

Components of business fixed investment (percent change from 4 quarters earlier)



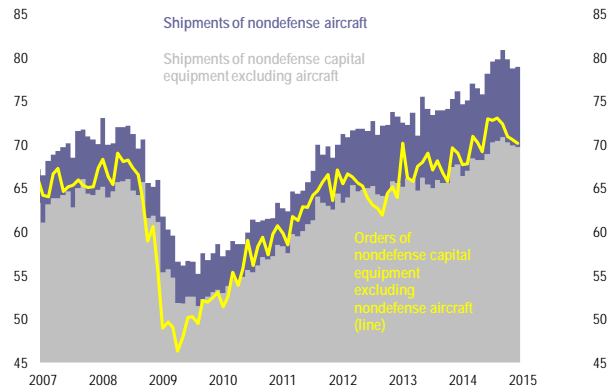
Sources: NBER-designated recession bars; US Department of Commerce. Updated through 2014 Q4.



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Equipment: Capital Goods Indicators

Capital goods orders and shipments (billions of dollars)



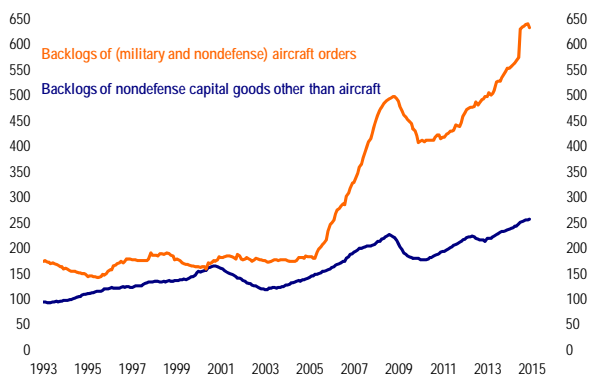
Source: US Department of Commerce. Updated through December 2014.



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Backlogs of Capital Goods Unfilled Orders ...

Backlogs of unfilled orders (billions of dollars)



Source: US Department of Commerce. Updated through December 2014.



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... Relative to Sales

Backlogs of unfilled orders (months' supply)



Source: US Department of Commerce. Updated through December 2014.



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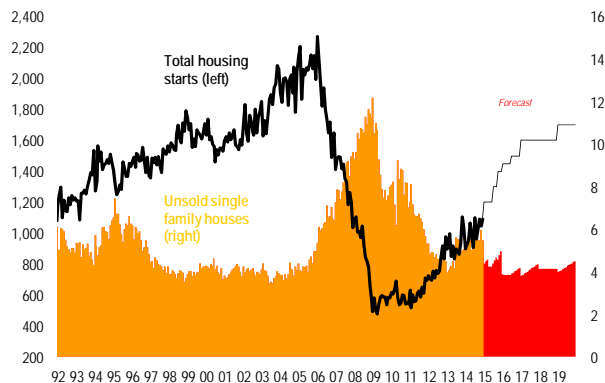
The Real Estate Cleanup

CHASE

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Builders Had to Under Build

New housing starts (thousands at an annual rate) Unsold homes (months' worth of sales)



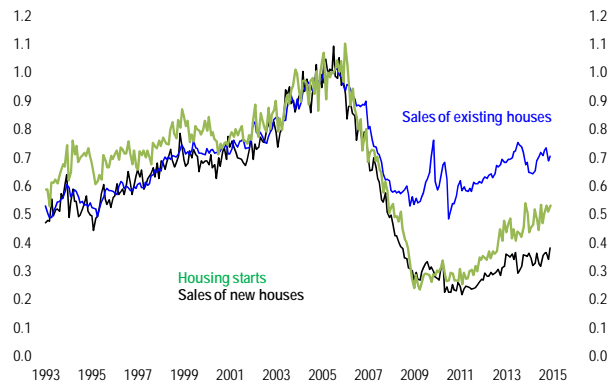
Source: US Department of Commerce. Updated through December 2014

CHASE

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New and Existing

Housing sales and starts (ratio to June 2005)



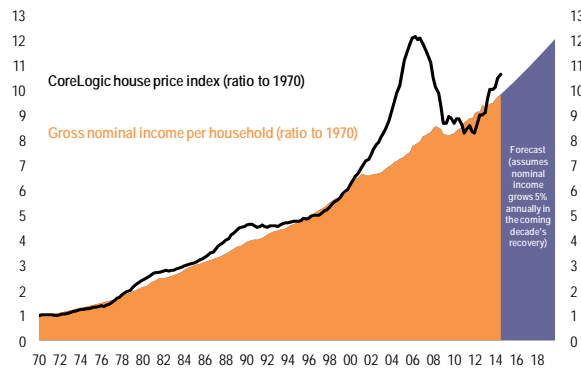
Source: US Department of Commerce. Updated through December 2014



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Economic Recovery and Time ...

Household income and house prices (ratio to 1970)



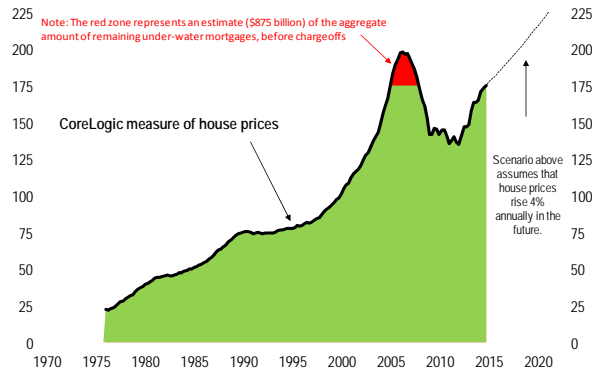
Sources: US Dep. of Commerce; CoreLogic. Updated through 2014 Q3 (income) and 2014 Q3 (house prices).



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Shrinks the Underwater Problem

House prices (January 2000 = 100)



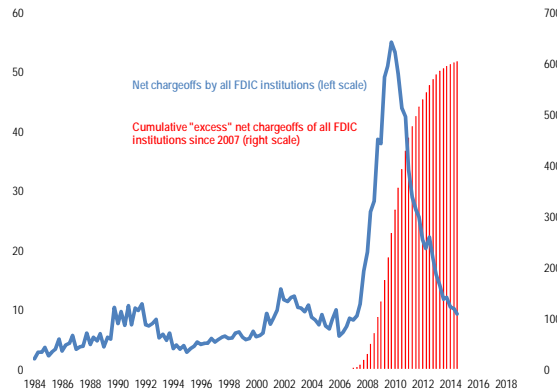
Source: CoreLogic. Updated through 2014 Q3.



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And Write Downs

Loan charge-offs (\$ billions quarterly) Cumulative charge-offs since 2006 (\$ billions)



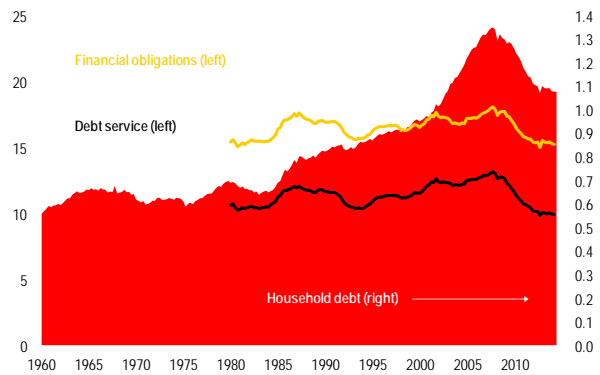
Source: Federal Deposit Insurance Corporation. Updated through 2014 Q3.



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That's How Leverage Got Reduced ...

Debt service (percent of monthly income) Household debt (ratio to income)

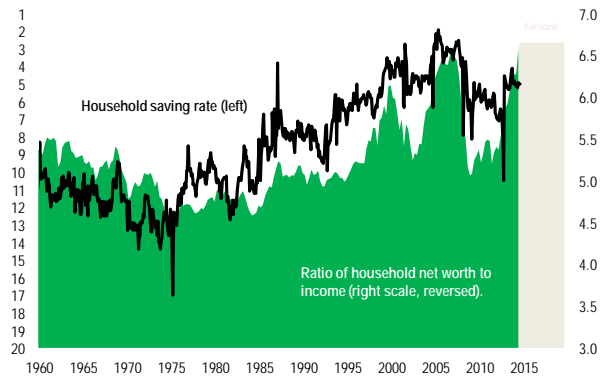


Source: Federal Reserve Board. Updated through 2014 Q3.



... and Household Net Worth Back Up

Personal saving (percent of disposable income) Household net worth (ratio to income)

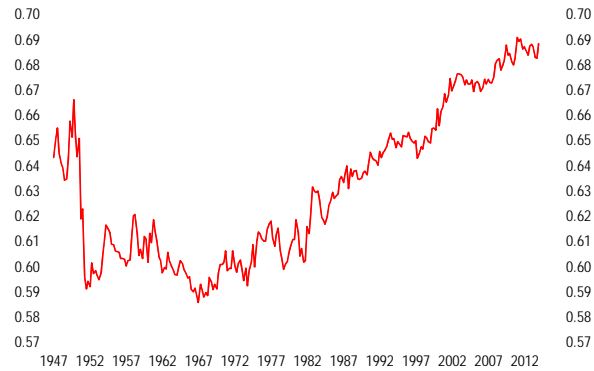


Sources: US Dep. of Com.; FRB. Updated through October 2014 (saving) and 2014 Q2 (net worth).



It Wasn't Consumers Who Adjusted

Nominal consumer spending (percentage of nominal GDP)

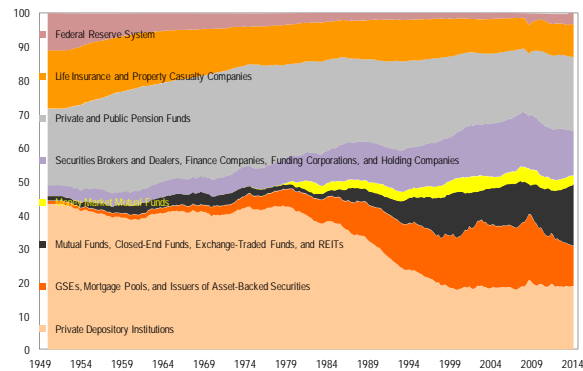


Source: US Department of Commerce. Updated through 2014 Q3.



REITs Stepping in as GSEs Exit

Credit provided by selected (percent of all credit provided)



Source: Federal Reserve Board. Updated through 2013 Q3.

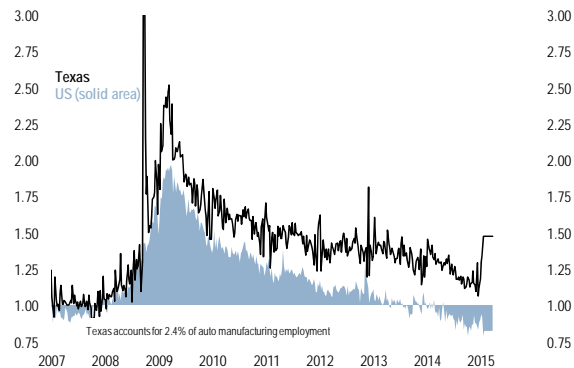


The Not-So-Alone-Anymore-Star State



Energy Businesses Recalibrate ...

Nonfarm employment in selected areas (ratio to 2000 Q4 level)

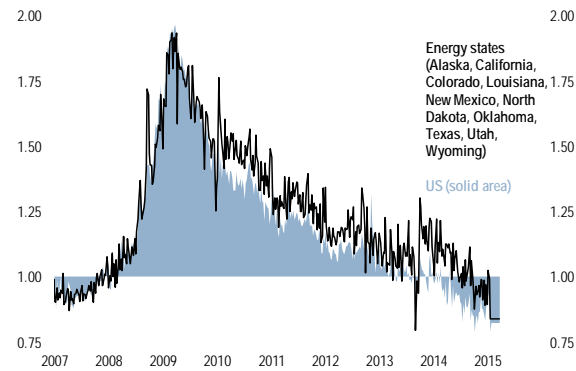


Source: US Department of Labor. Updated through September 2014 (US) and September 2014 (state).



... But It's Not So Visible Elsewhere

Nonfarm employment in selected areas (ratio to 2000 Q4 level)

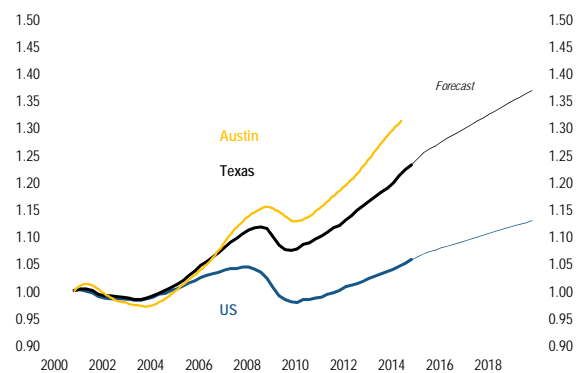


Source: US Department of Labor. Updated through September 2014 (US) and September 2014 (state).



Stunning Performance To Date

Nonfarm employment in selected areas (ratio to 2000 Q4 level)

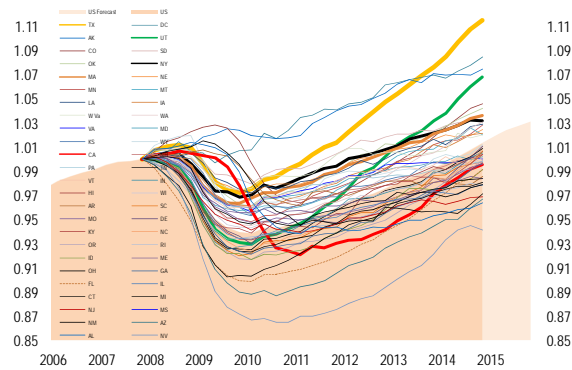


Source: US Department of Labor. Updated through December 2014 (state) and January 2015 (US).



Only North Dakota Beats This

Nonfarm payroll employment across the nation (ratio to 2007 Q4)

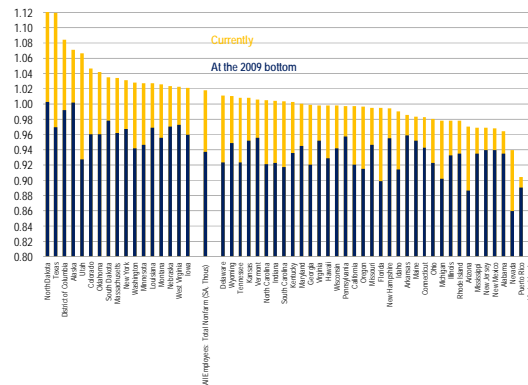


Source: US Department of Labor. Updated through December 2014 (state) and January 2015 (US).



The View Across the Country

Nonfarm employment in the 50 states (ratio to December 2007 level)

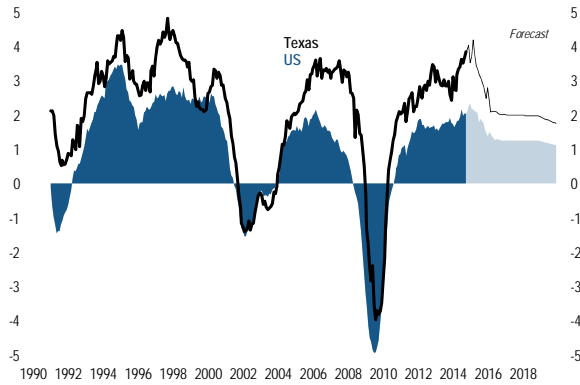


Source: US Department of Labor. Updated through December 2014 (state) and January 2015 (US).



Some Slowdown Probably Is in Store

Nonfarm employment in Texas and the US (percent change from 12 months earlier)

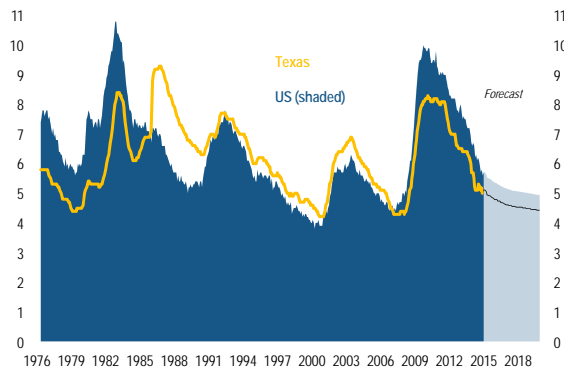


Source: US Department of Labor. Updated through December 2014 (state) and January 2015 (US).



Back to the Cycle Low in Unemployment

Unemployment rate in Texas and the US (percent of the labor force)

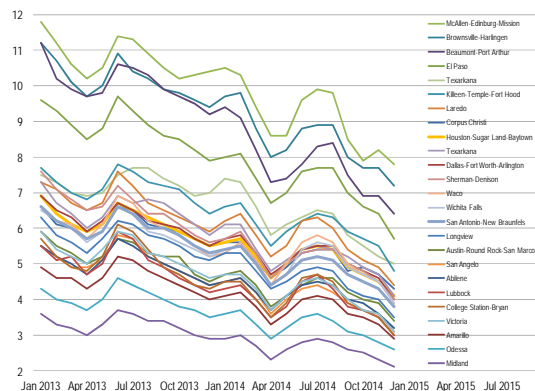


Source: US Department of Labor. Updated through December 2014 (state) and January 2015 (US).



Across the State, Not Much Reversion So Far

Unemployment rate in selected Texas communities (percent of the labor force)



Source: US Department of Labor. Updated through December 2014.

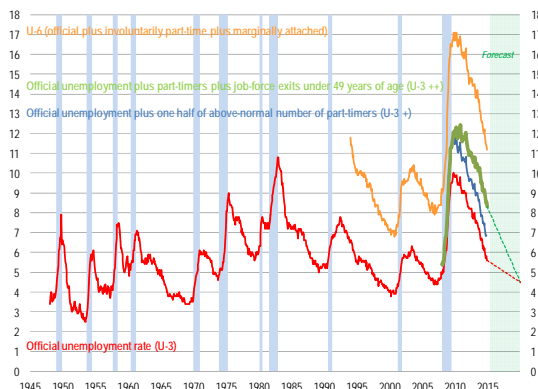


Miscellaneous



Apples-to-Apples Metrics Say 6th Inning

Selected unemployment rate measures (percent of the labor force)



Source: US Department of Labor. Updated through December 2014.



February 11, 2015

P.S. Perspectives on Unemployment

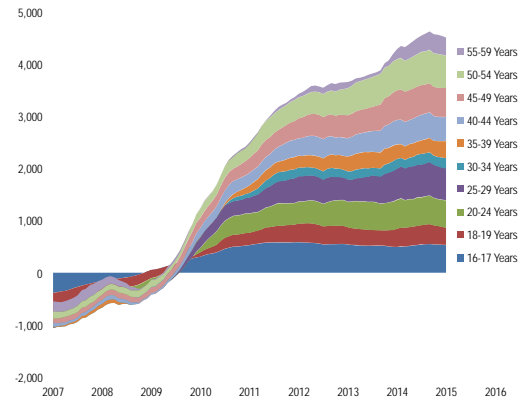
	2009 peak	Change since the peak	Steady-state assumptions	Excess vs steady state	Dec 2014	Jan 2015
Unemployment (thousands)	15,352	-6,373	8,645 8,173 7,073	334 806 1,906	8,688	8,979
% of the labor force	10.0%		(5.5%) (5.2%) (4.5%)	(at 5.9%) (at 5.2%) (at 4.9%)	5.6%	5.7%
Unemployed fewer than 27 weeks	9,781	-3,700	5,894	187	5,942	6,081
% of the labor force	6.4%		(3.7%)		3.8%	3.9%
Unemployed 27 weeks or more	5,643	-2,843	1,179	1,621	2,785	2,800
% of the Labor force	3.7%		(0.75%)		1.8%	1.8%
Part-time for economic reasons ('000)	8,979	-2,169	4,715 3,537	2,095 3,273	6,790	6,810
% of the labor force	5.9%		(3.0%) (2.25%)	(at 3.0%) (at 2.25%)	4.3%	4.3%
'Work is slow' (thousands)	6,681	-2,669	2,199	1,813	4,061	4,012
	4.4%		(1.4%)		2.6%	2.6%
'Full-time work not available' (thousands)	2,018	442	997	1,463	2,432	2,460
	1.3%		(0.6%)		1.6%	1.6%
20- to 49-yr old dropouts (thousands)	2,797	-116	0	2,684	2,666	2,684
20-year olds	1,205	-61	0	1,144	1,136	1,144
30-year olds	521	2	0	526	513	526
40-year olds	1,070	-57	0	1,013	1,018	1,013
Memo: 16- to 19-year olds	971	-107	0	864	885	864

Note: Blue-shaded area marks the components of hidden unemployment.



... and Surely Didn't Retire

Participation rate for selected age groups (percent of the respective population)

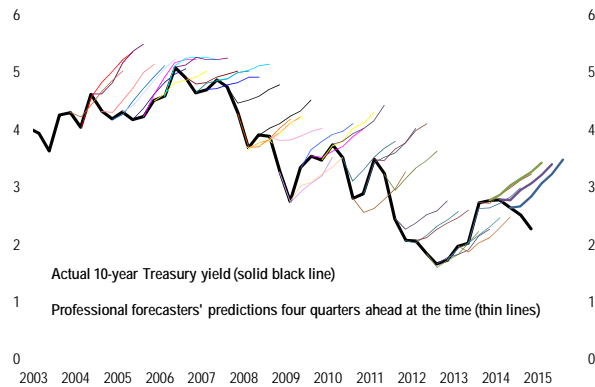


Source: US Department of Labor. Updated through January 2015.



Old Habits Die Hard

10-year Treasury yield forecasts (percent per annum)



Sources: Federal Reserve Board; Federal Reserve Bank of Philadelphia. Updated through December 8, 2014.



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