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Current Economic Conditions And Their Effects On The Financial Markets

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**Treasury Management
Essentials
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COMMERCIAL BANKING

Confusion in the Markets



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Market Outlook Bipolarity



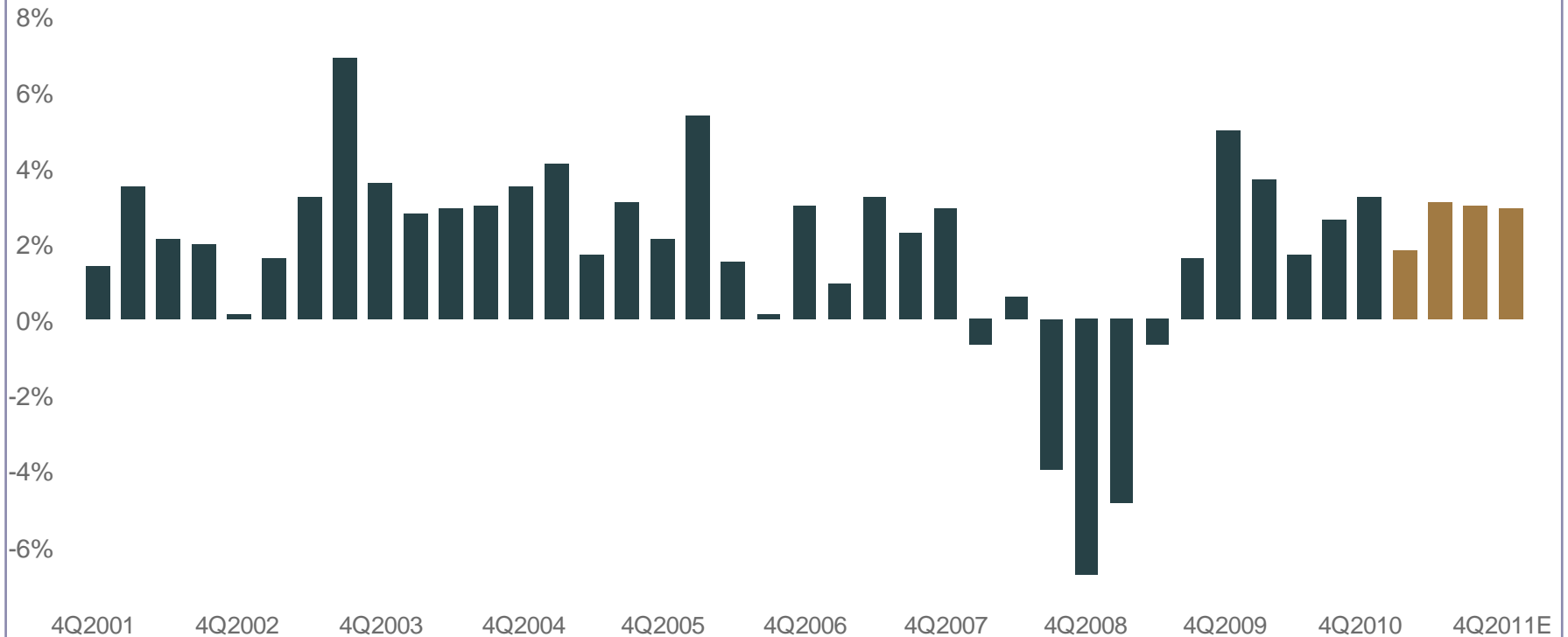
PIMCO



BLACKROCK

MARKET BRIEFING

U.S. GDP Quarterly Growth



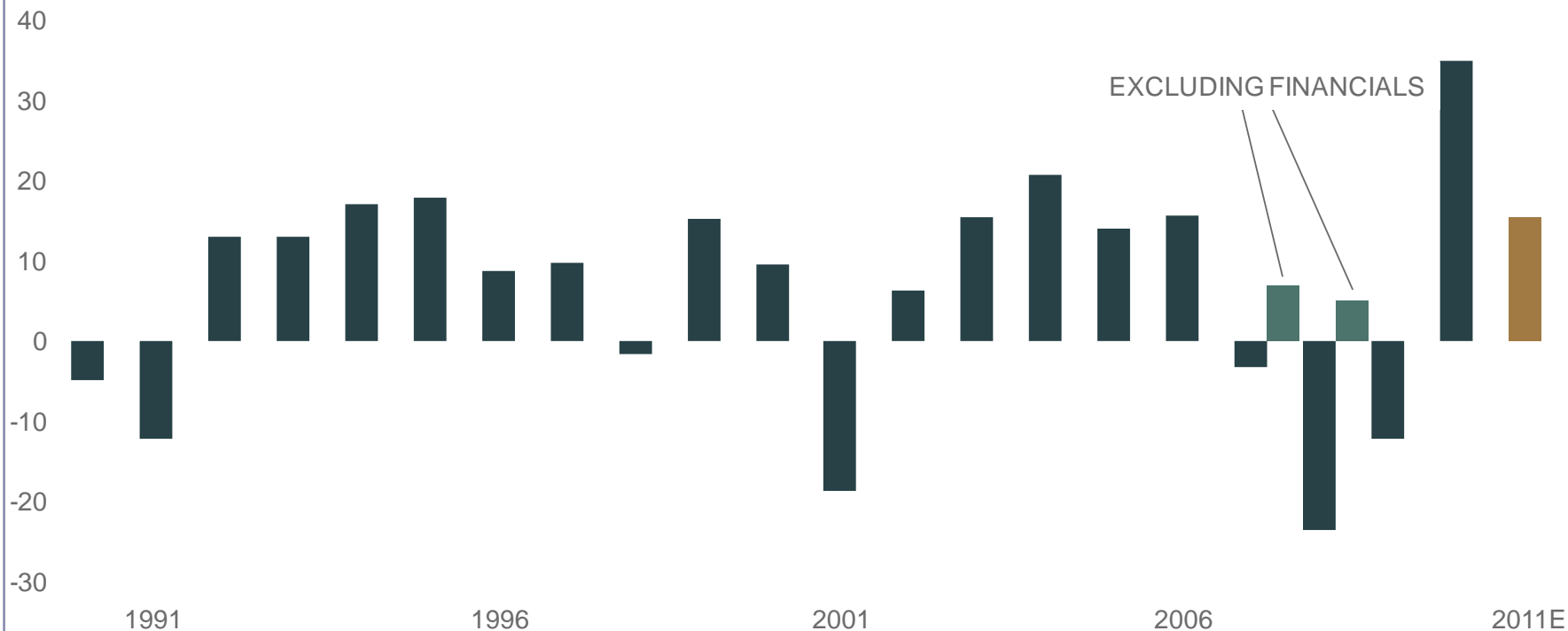
Source: Bloomberg Economic Forecast

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Corporate Earnings



Annual % Change



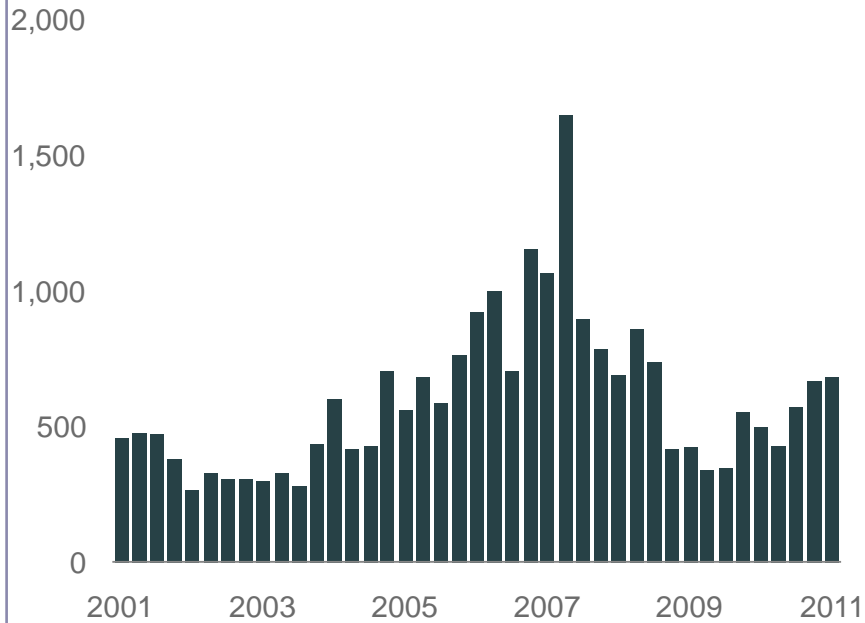
Source: Bloomberg

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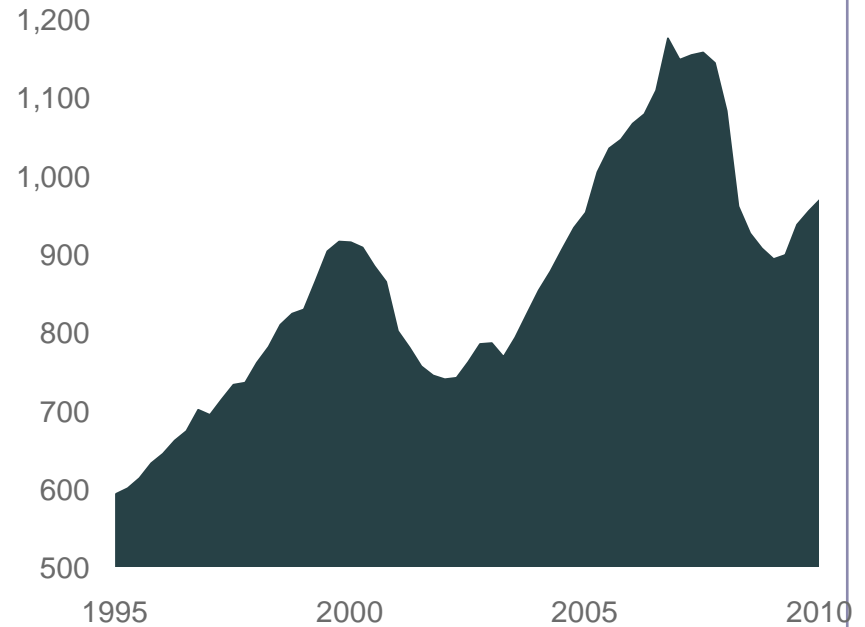
Corporations Spending



MERGER AND ACQUISITION ACTIVITY (\$BB)



CAPITAL EXPENDITURES (\$BB)



Source: Federal Reserve Board

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Equity Valuations



S&P 500 P/E Ratio



Source: Bloomberg

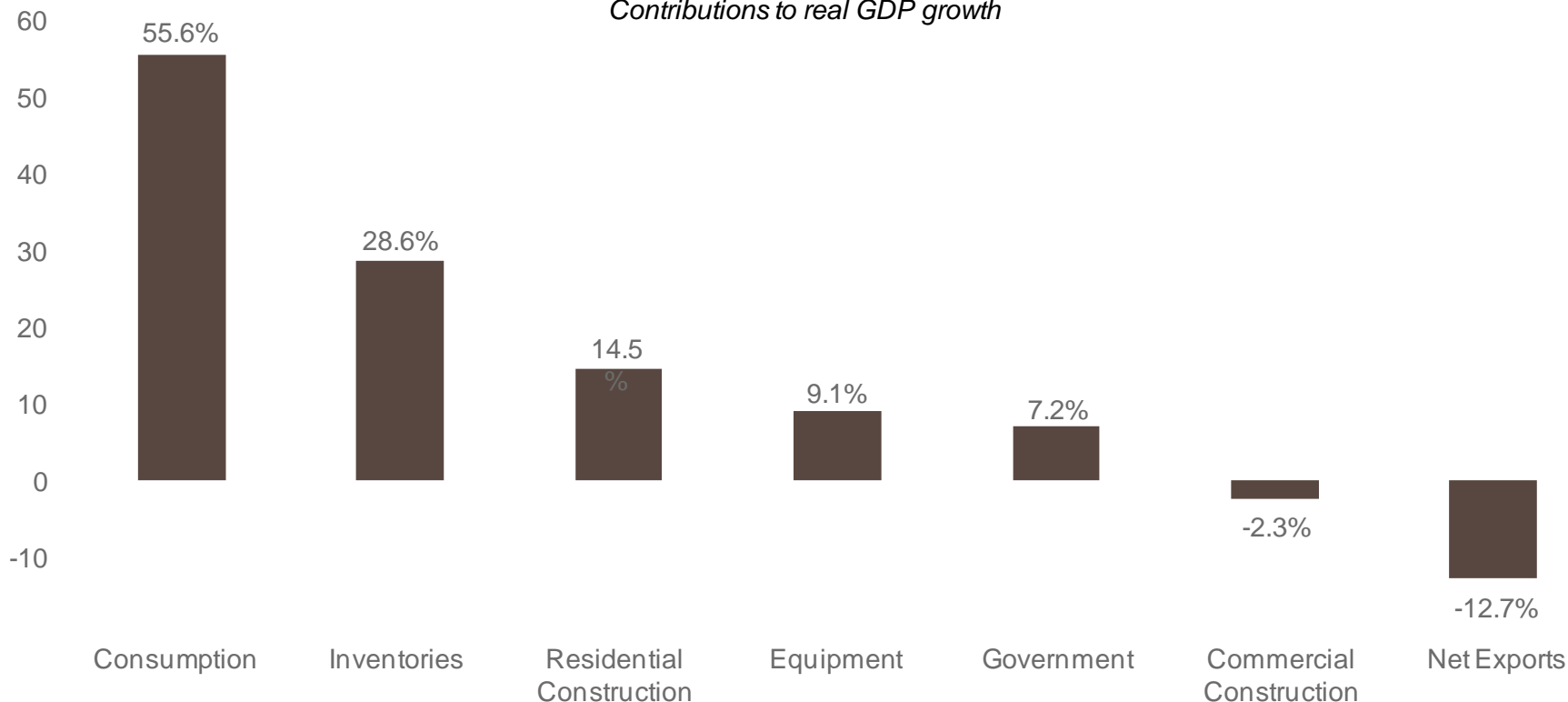
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GDP Growth Contributions



LAST SEVEN RECOVERIES

Contributions to real GDP growth

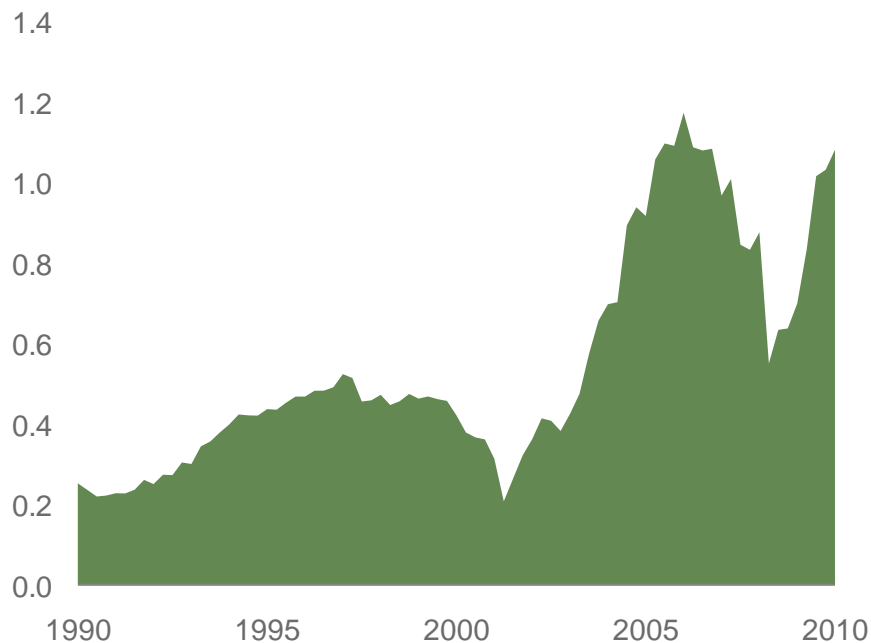


Source: Bureau of Economic Analysis; National Bureau of Economic Research

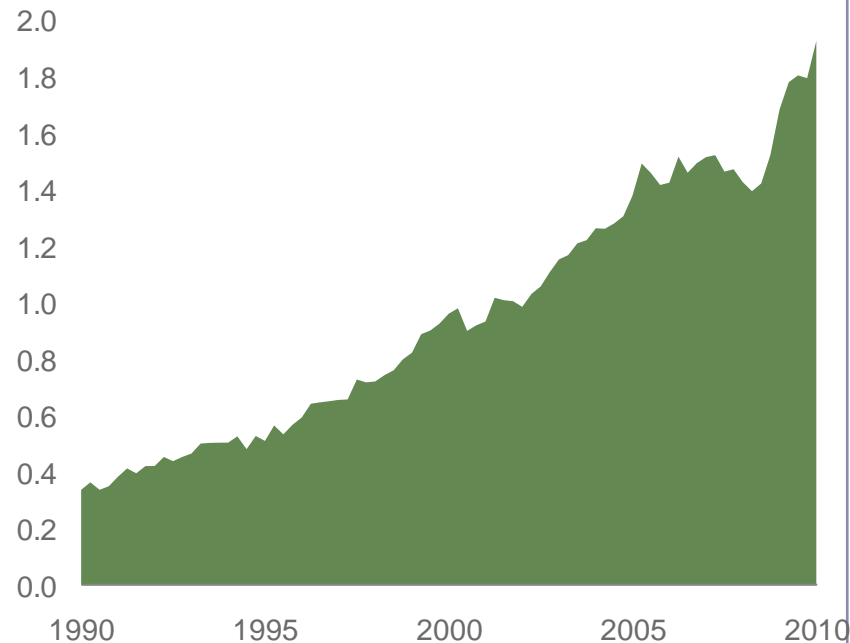
Corporate Cash Reserves



PROFITS BEFORE TAX (\$T)



CORPORATE CASH HOARD (\$T)



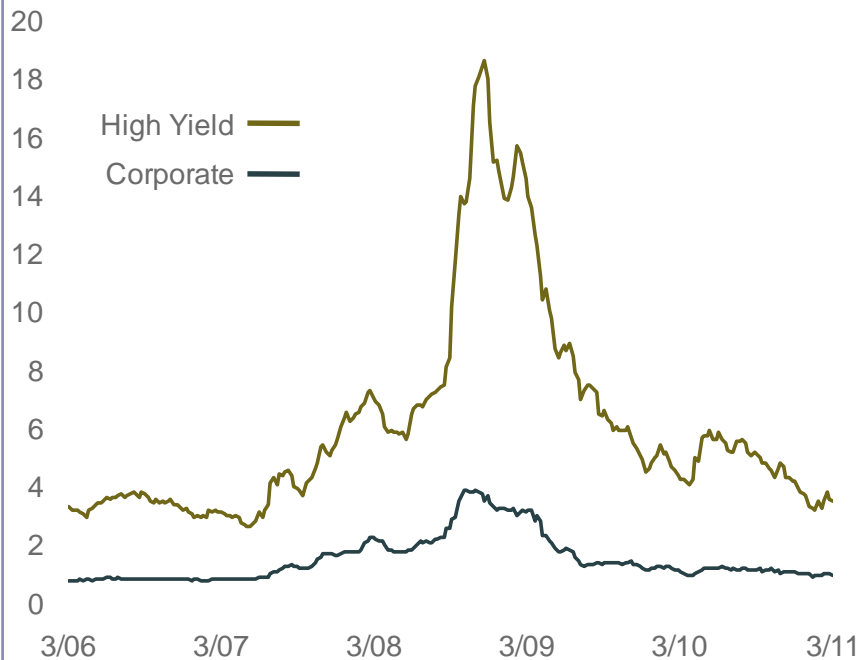
Source: Federal Reserve Board

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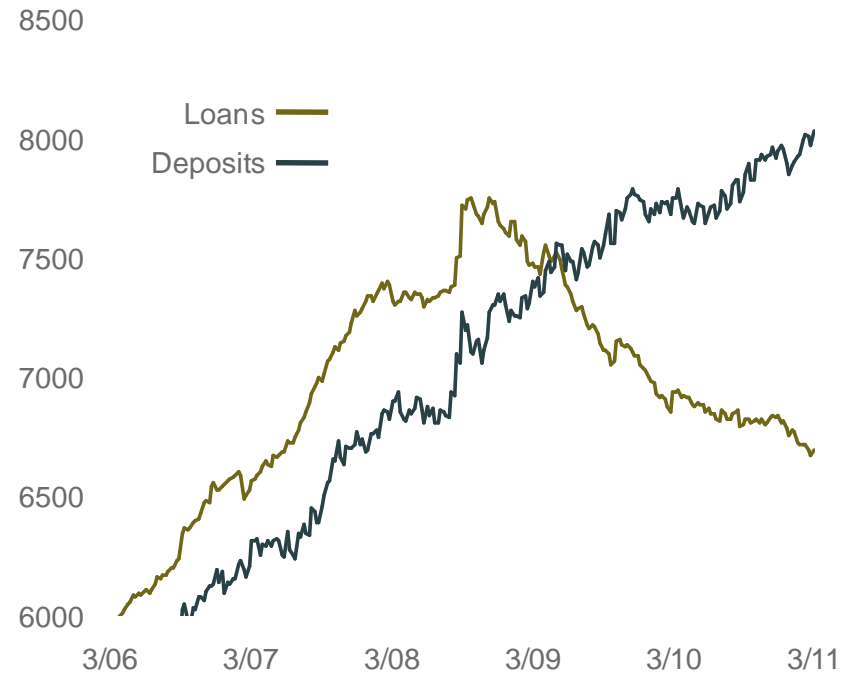
Credit Markets



CORPORATE & HIGH YIELD SPREADS (%)*



COMMERCIAL BANKS TOTAL DEPOSITS AND LOANS (\$BB)

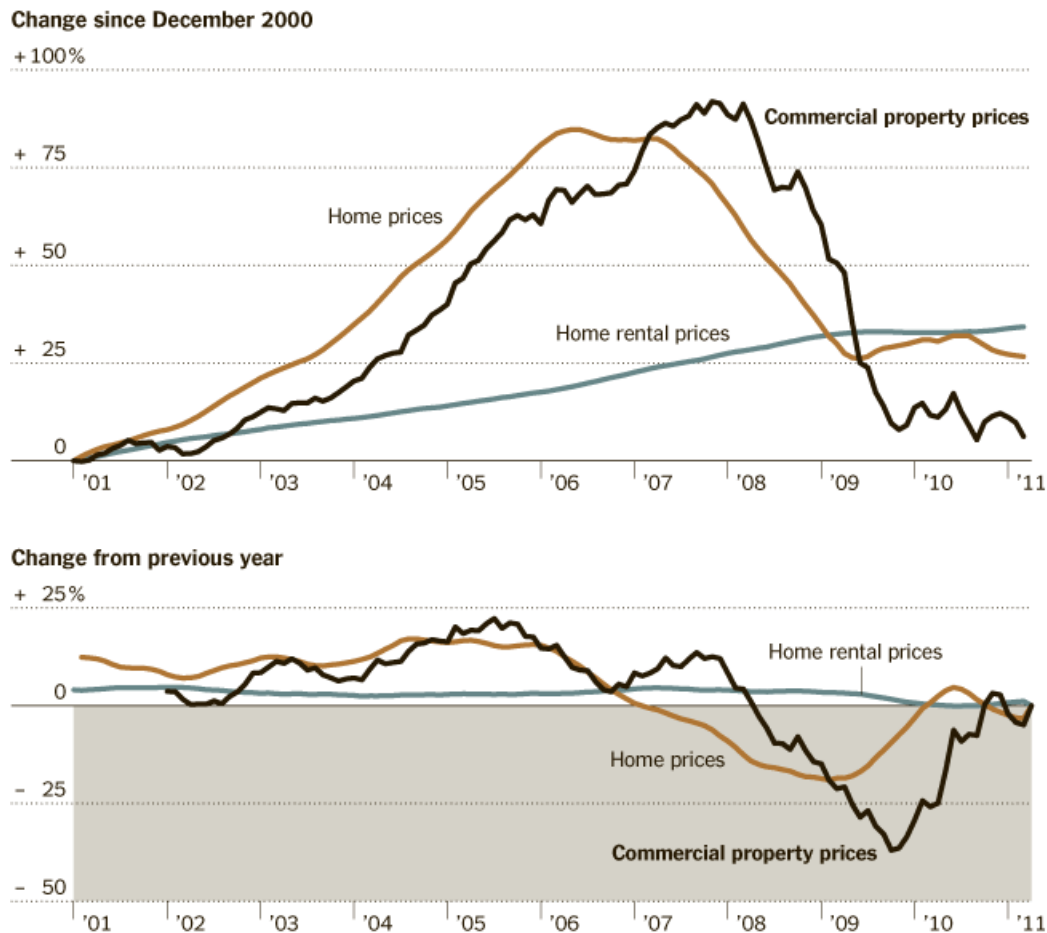


* Relative to 10 Year Treasury

Source: Bloomberg, Federal Reserve Board

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Housing Price Freefall



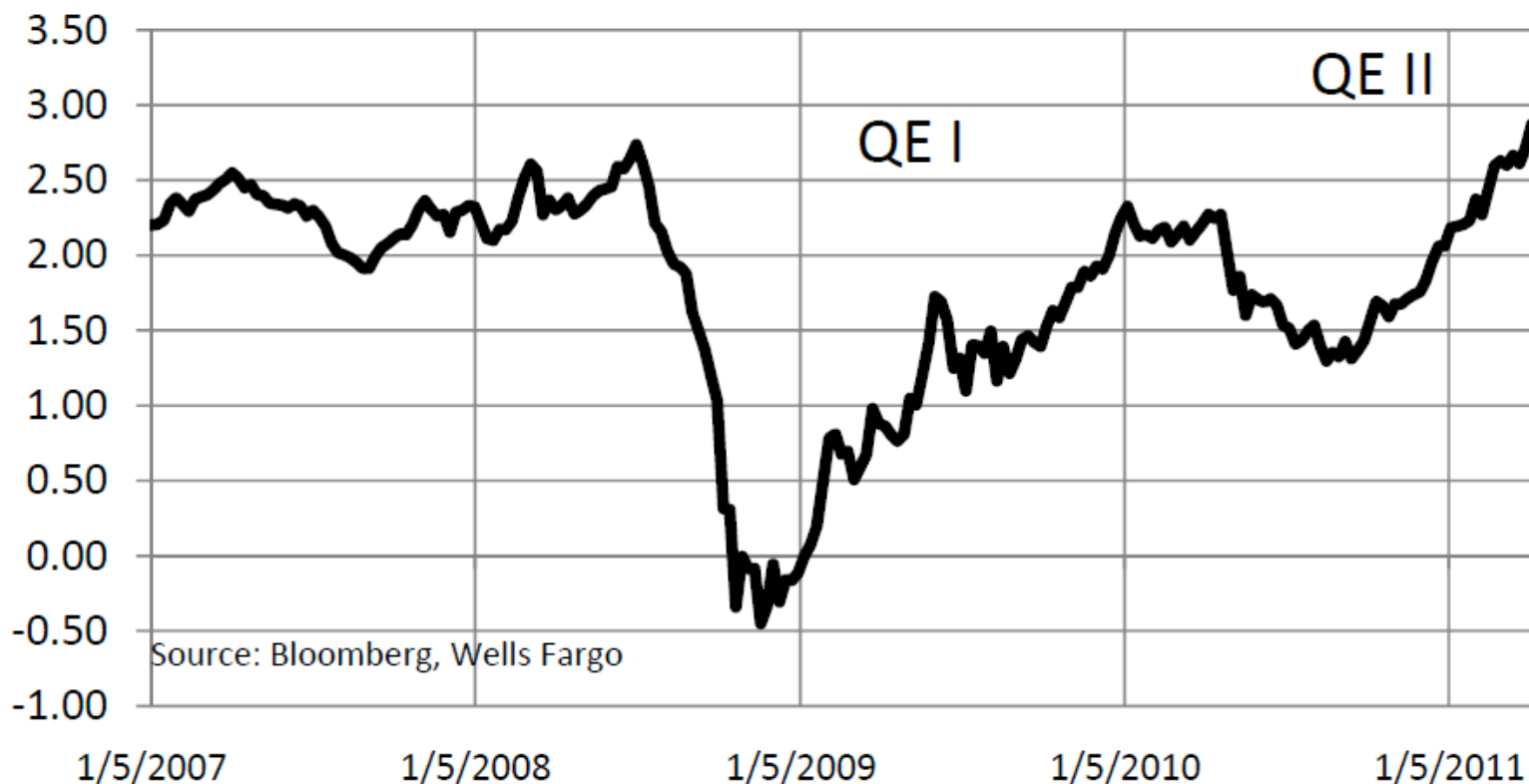
Source: ASG Wells

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QE1/QE2 Impact on Inflation



Breakeven Five-Year Expected Inflation Rate (Percent)



Source: Bloomberg, Wells Fargo

Source: Bloomberg, Wells Fargo

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Deficits and Debt



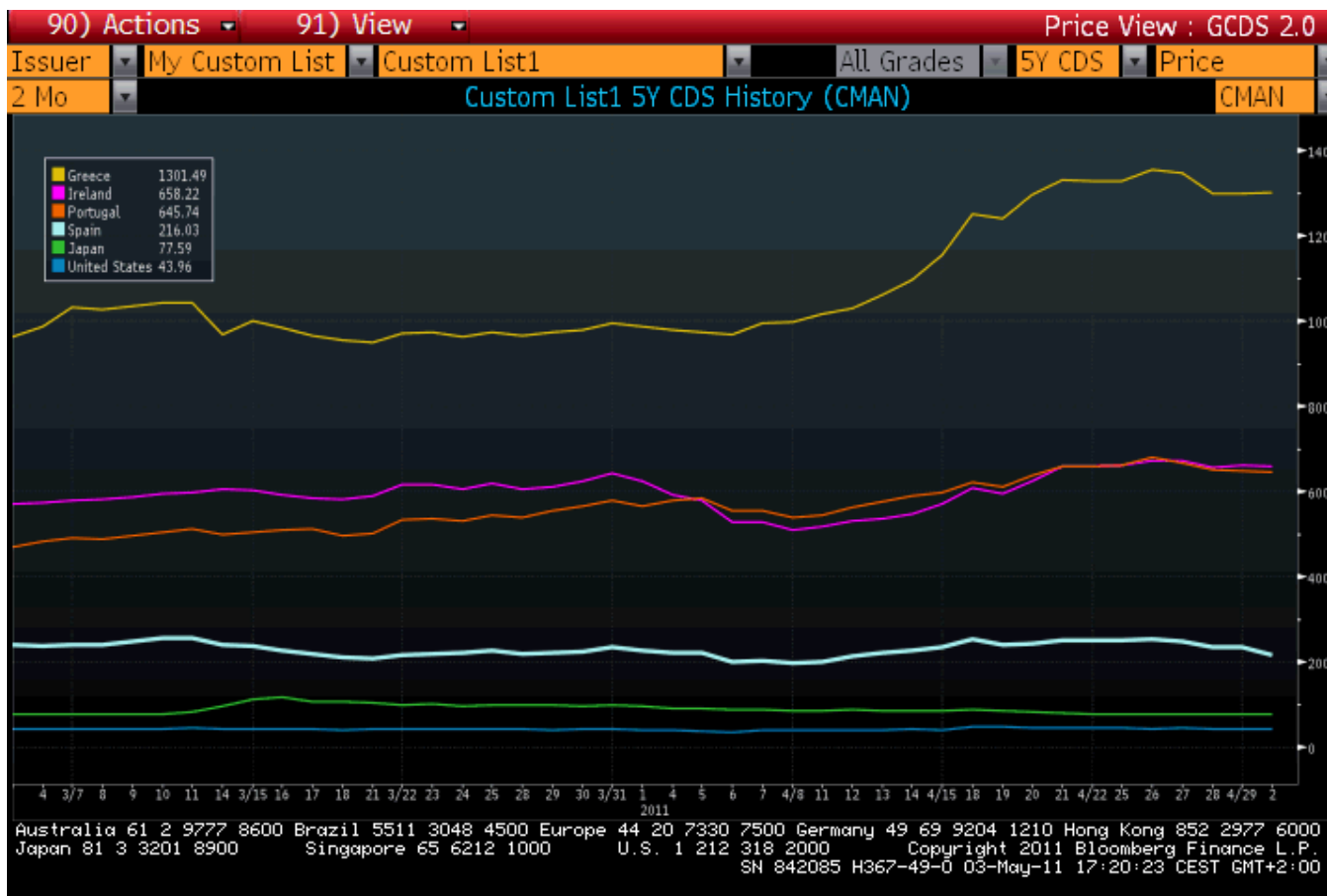
Budget Deficits and Government Debt



Source: International Monetary Fund, 2011 Estimates

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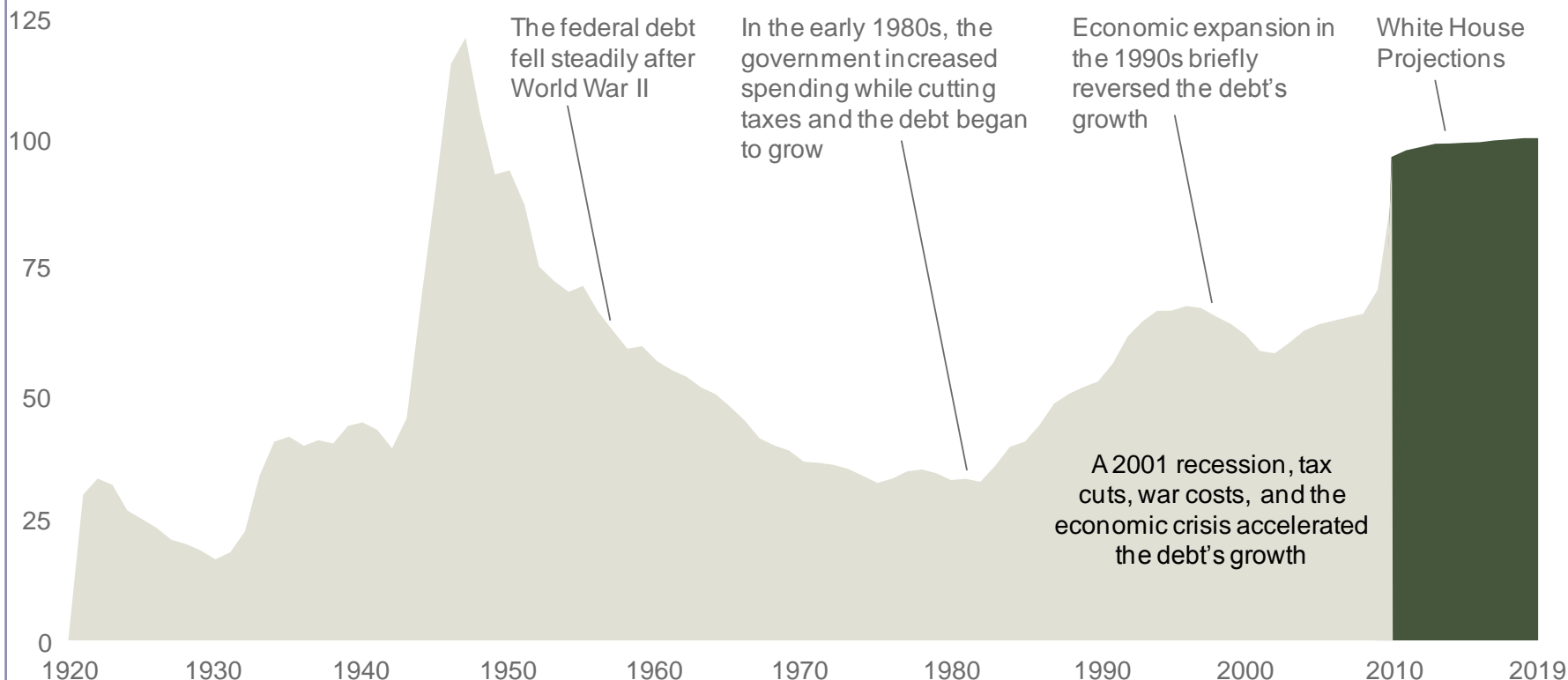
Default Protection Cost



Source: Bloomberg

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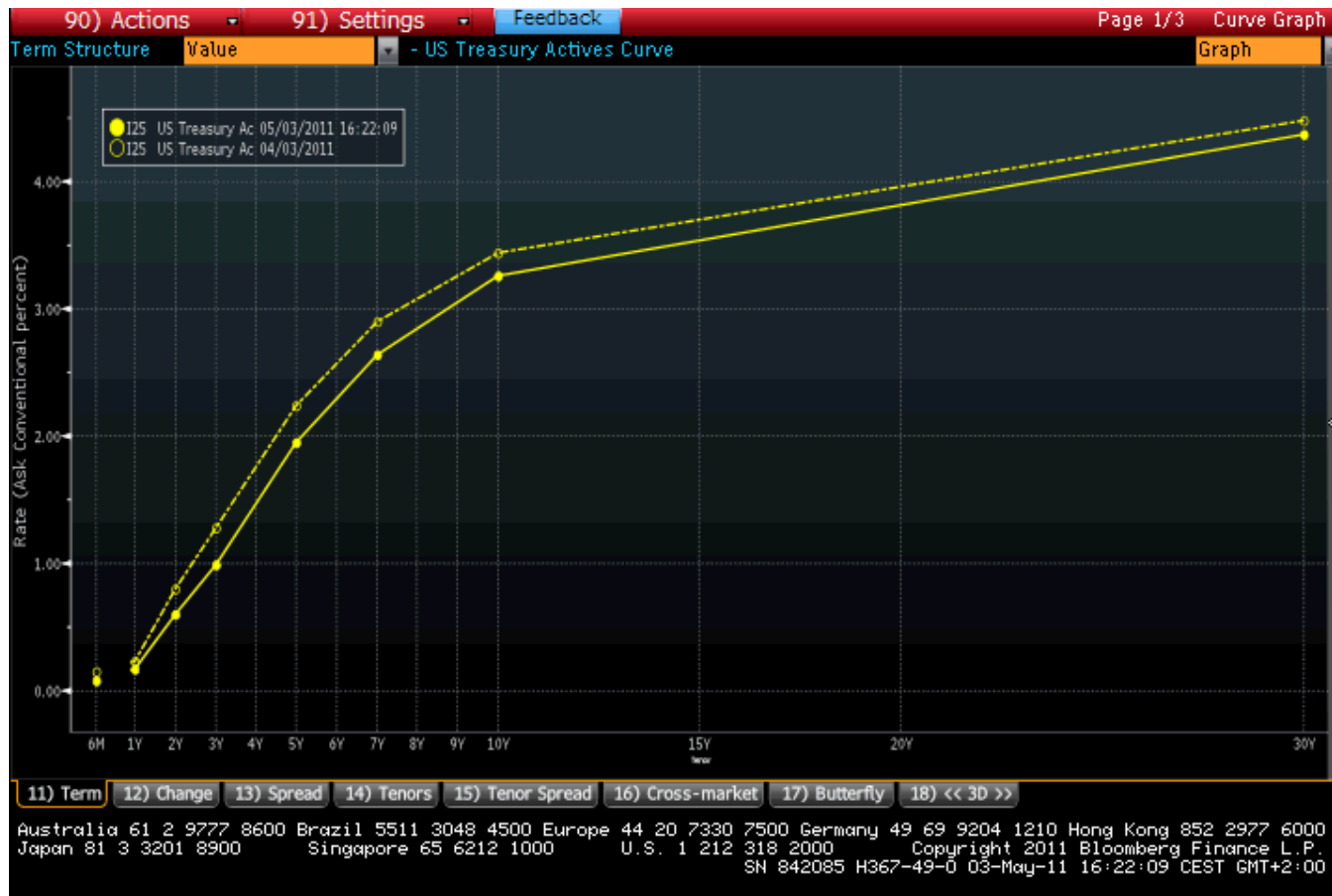
Debt as a % of gdp



Source: Congressional Budget Office; After 2009: White House Projections

MARKET BRIEFING

Treasury Yield Curve



Source: Bloomberg

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THANK YOU

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Disclosure



All data as of March 31, 2011 unless otherwise stated.

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