

Economic Update



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www.kansascityfed.org/pubaffrs/omaha.htm

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SUPERVISION AND RISK MANAGEMENT

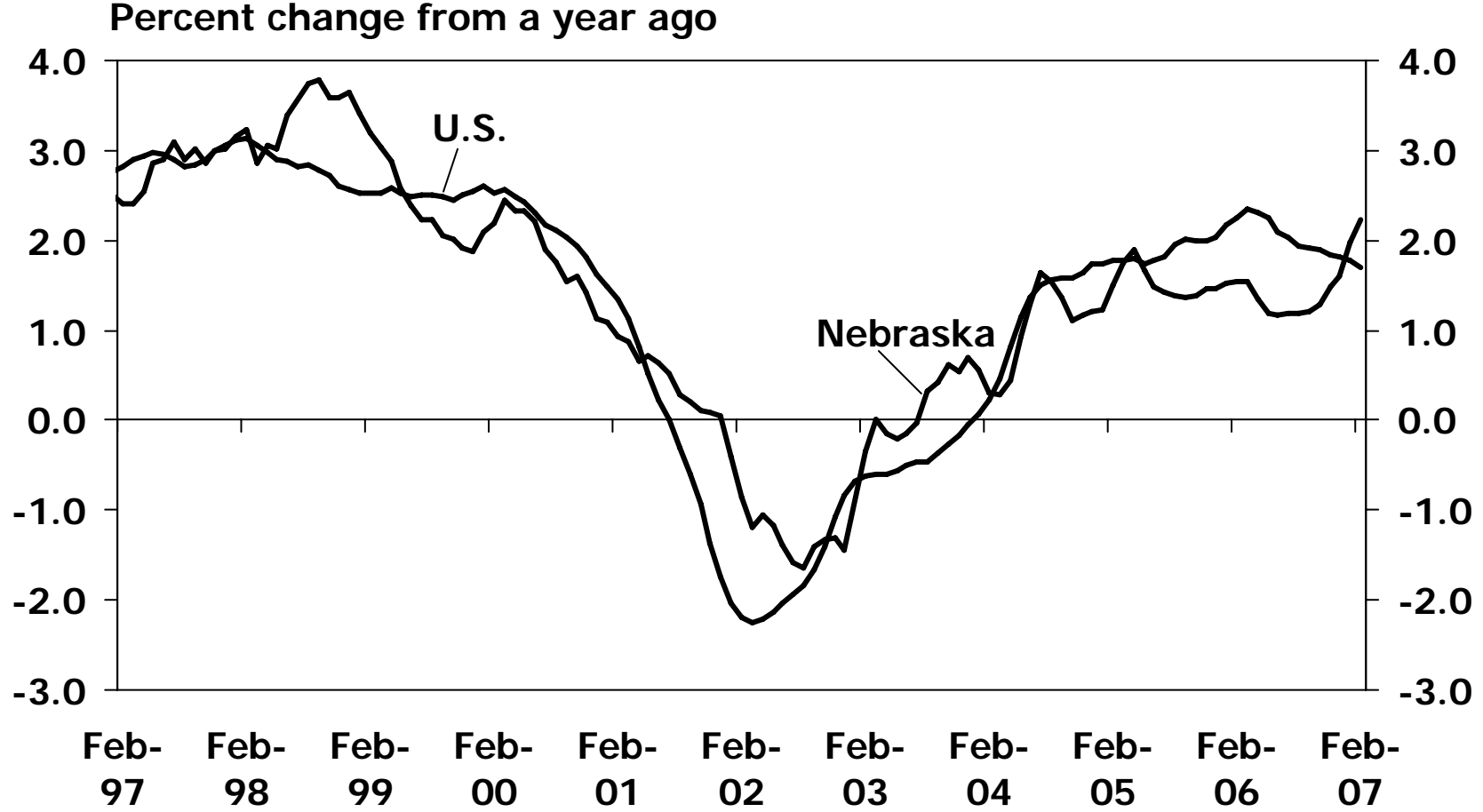


Economic Update

- Strong growth in the Nebraska economy
 - Robust activity on Main Street
 - Renewed strength at the Farm Gate
- Economic Issues for 2007
 - Have the housing markets hit bottom?
 - Will business investment remain strong?
 - Will capacity constraints fuel inflation?
 - Can ethanol power the rural economy?



Private Nonfarm Employment Growth

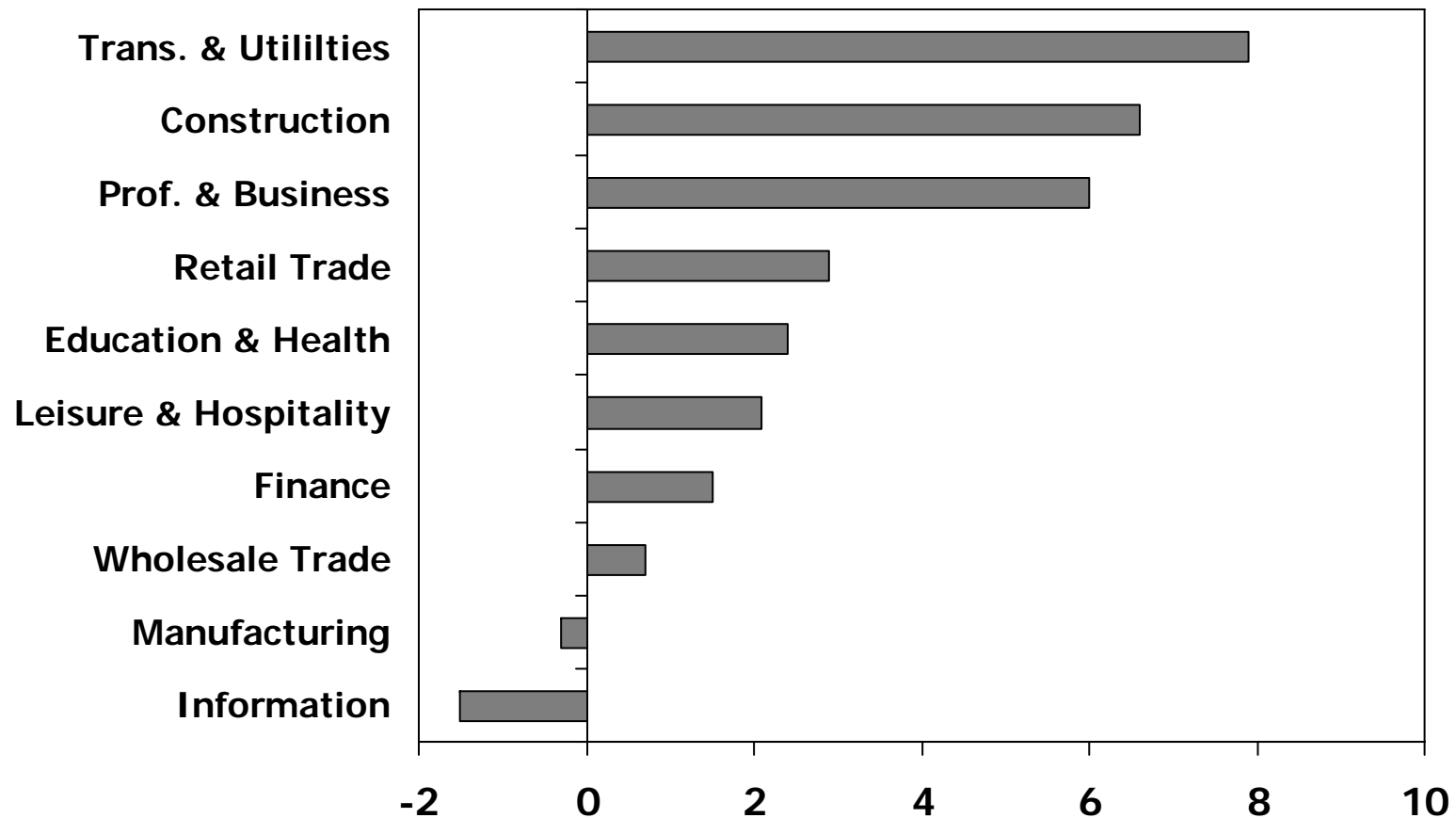


Source: Bureau of Labor Statistics



Nebraska Private Job Growth by Industry

Percent change year-over-year for February 2007



Source: Bureau of Labor Statistics

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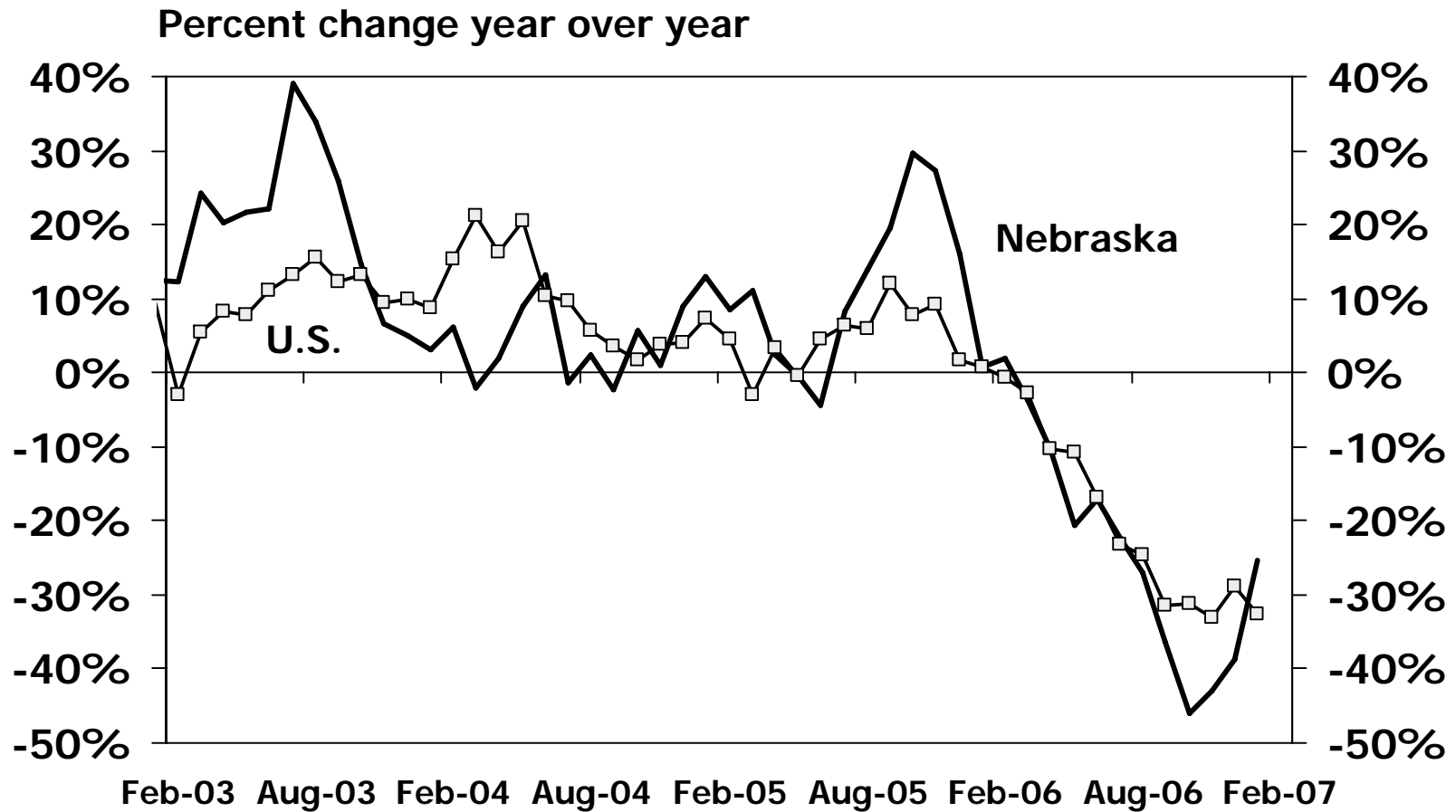
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Single-Family Housing Permits

Seasonally Adjusted, 3-month moving average

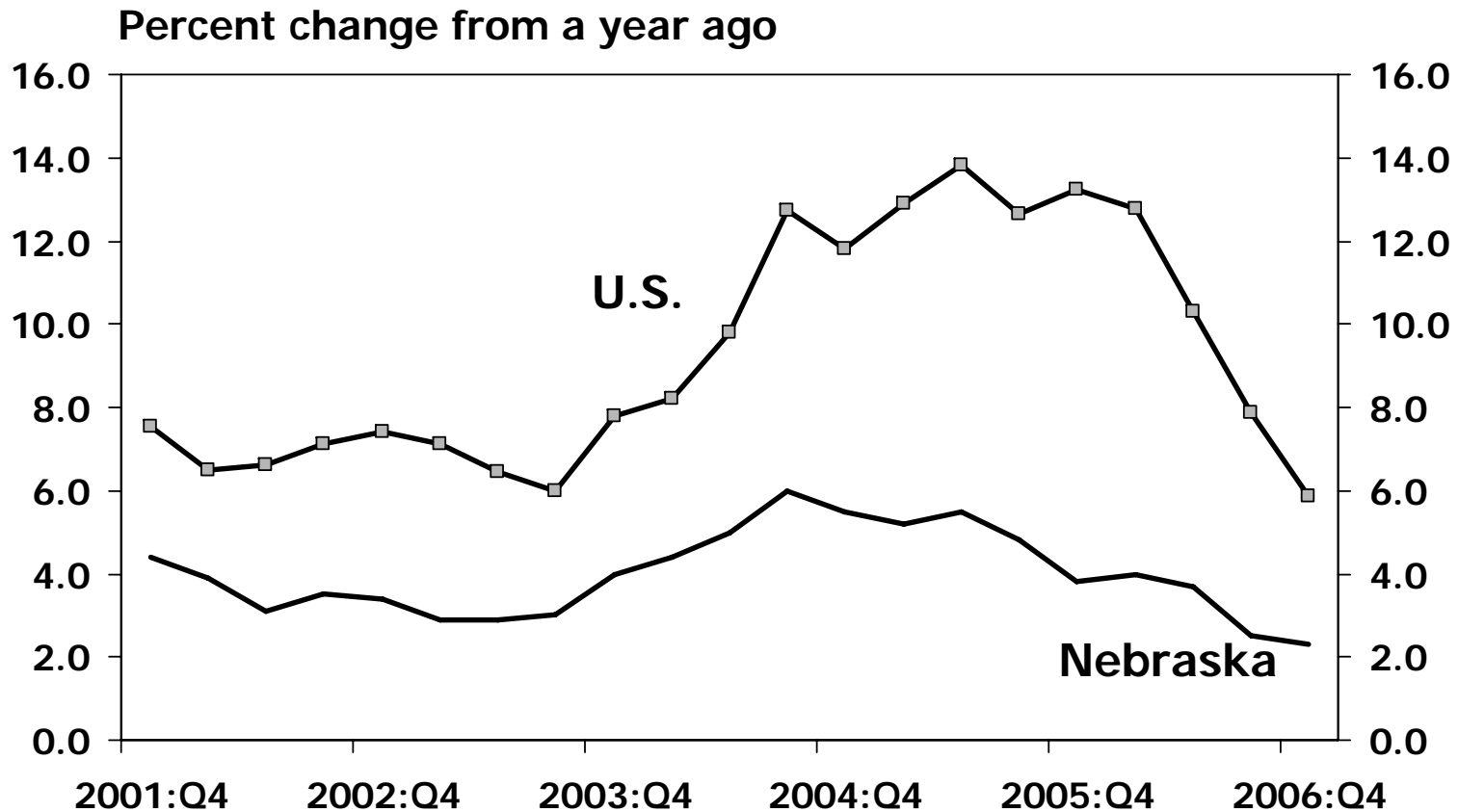


Source: U.S. Census Bureau

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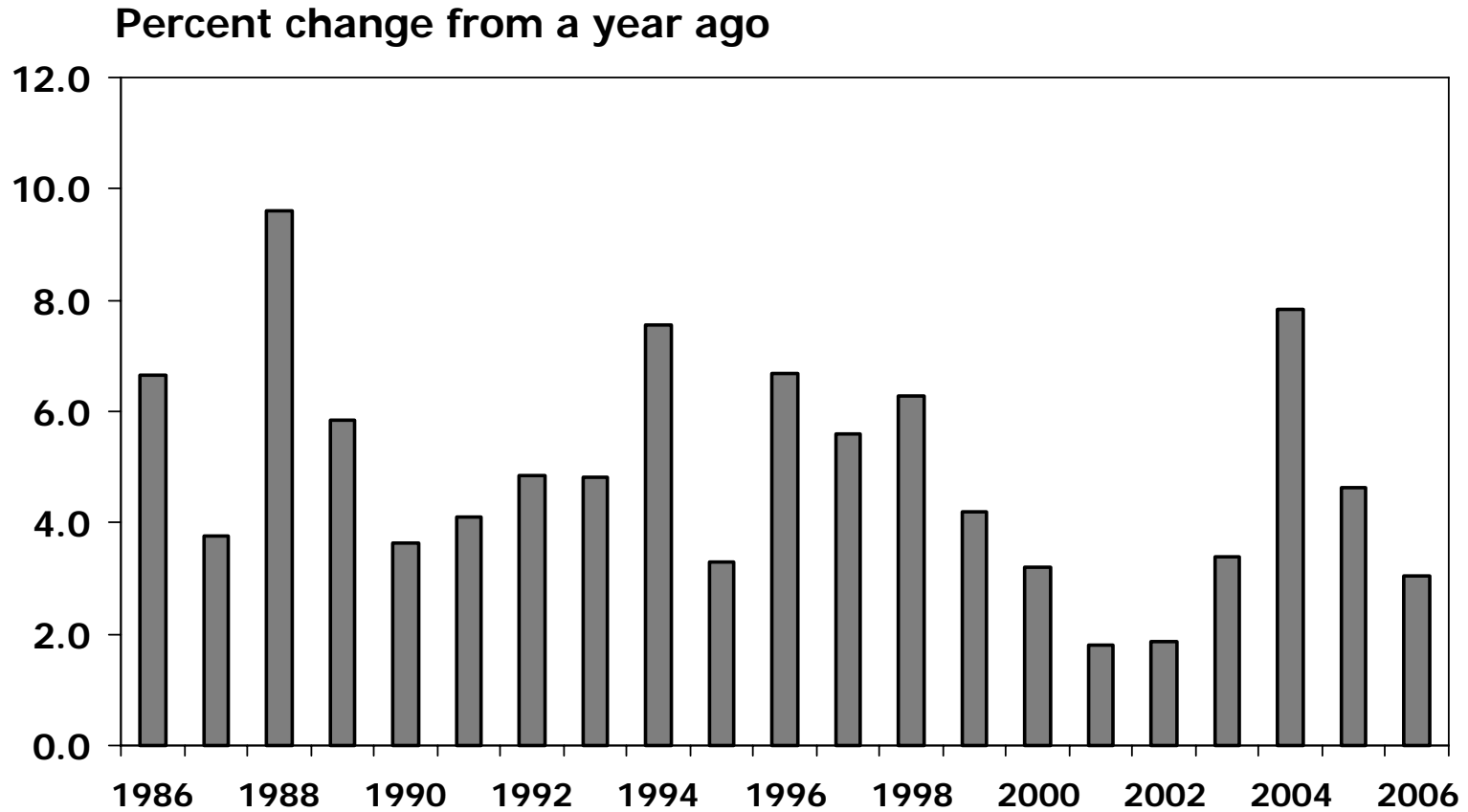
Repeat Sales Home Price Index



Source: OFHEO



Nebraska Net Taxable Retail Sales



Source: Nebraska Department of Revenue



Economic Update

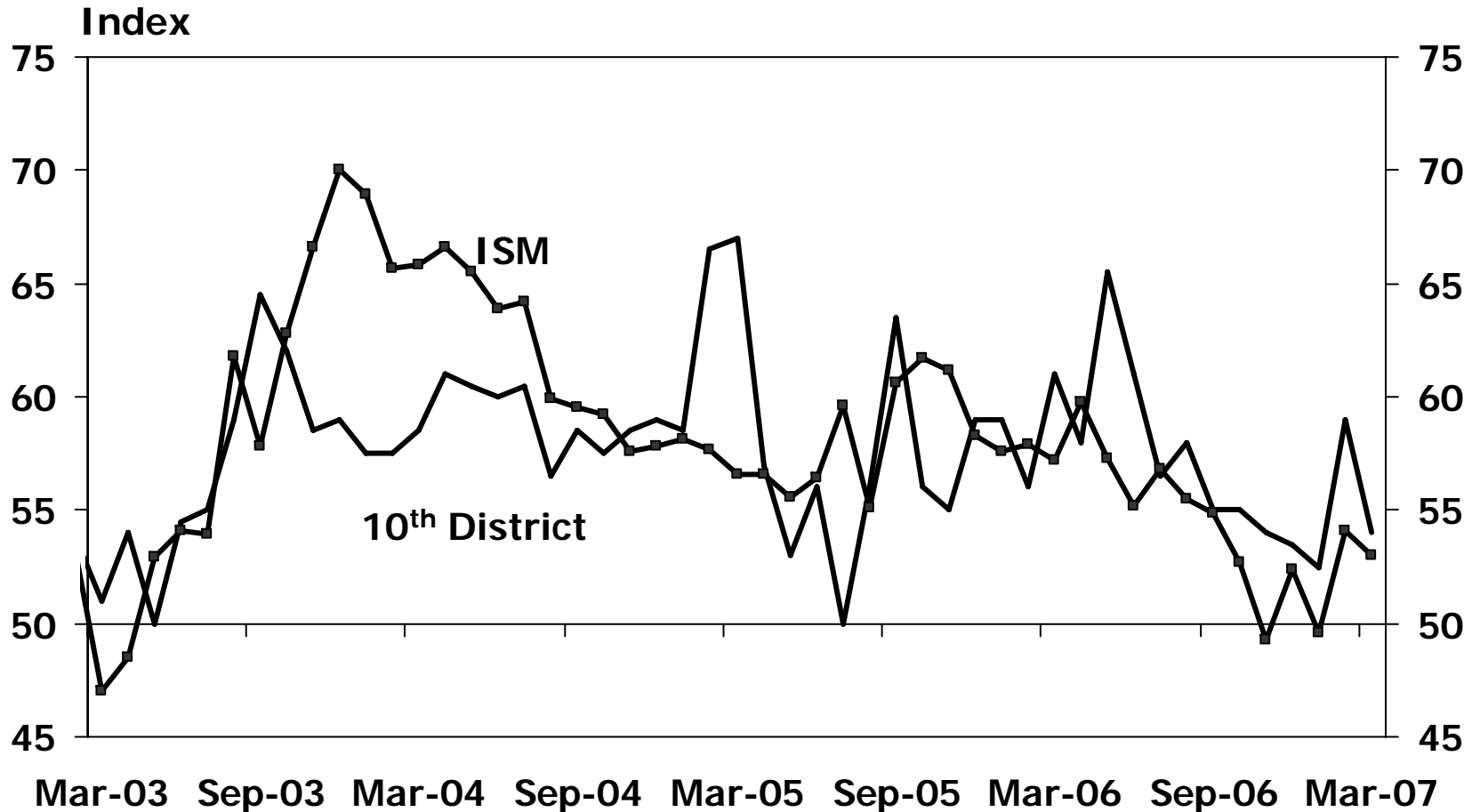
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Manufacturing Month-over-Month Production Indexes

Seasonally Adjusted



Source: ISM and FRBKC Manufacturing Survey

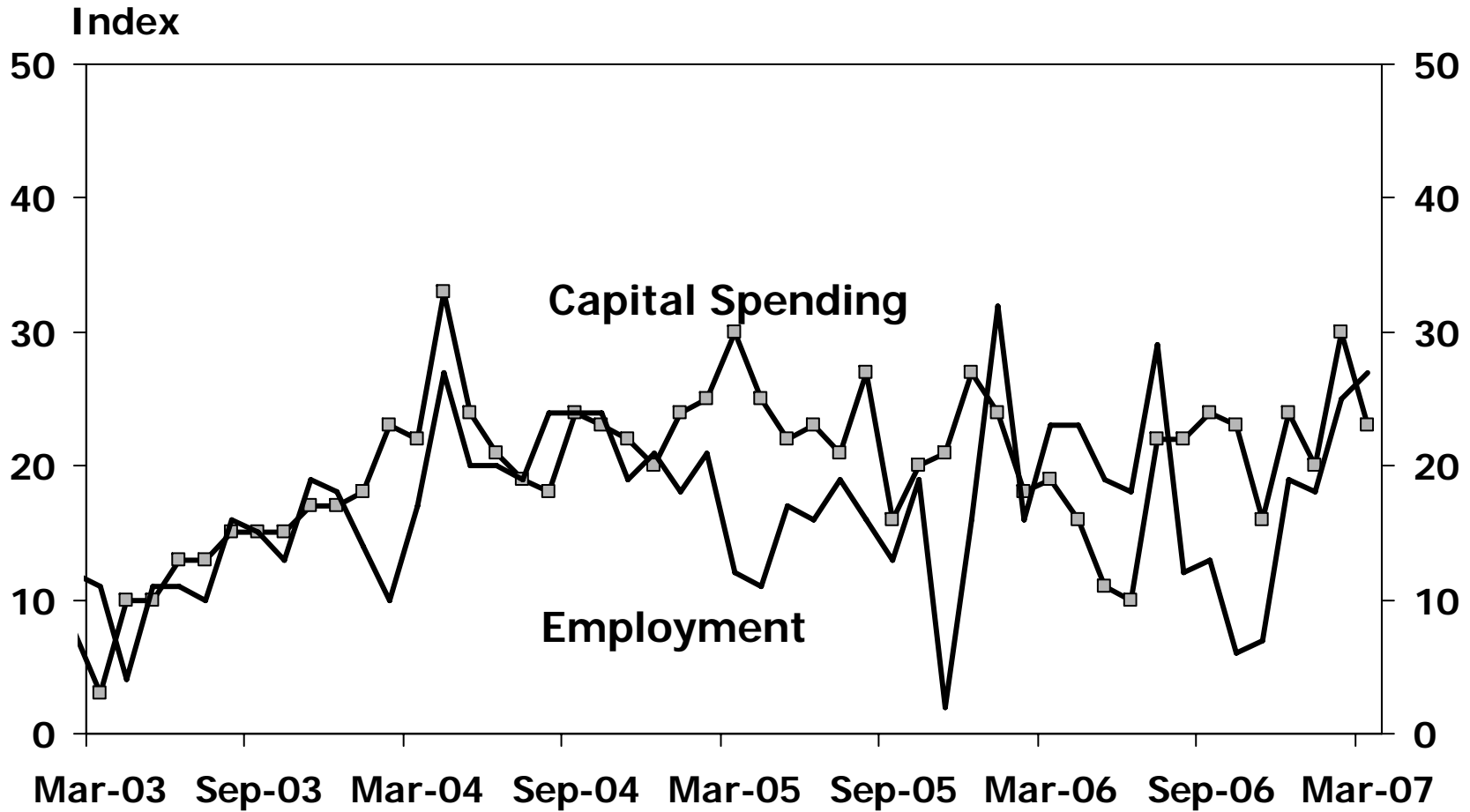
Note: 10th District index is computed on ISM basis (50 = zero change)

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Tenth District Manufacturing Activity Indexes

Six-months ahead, Seasonally Adjusted

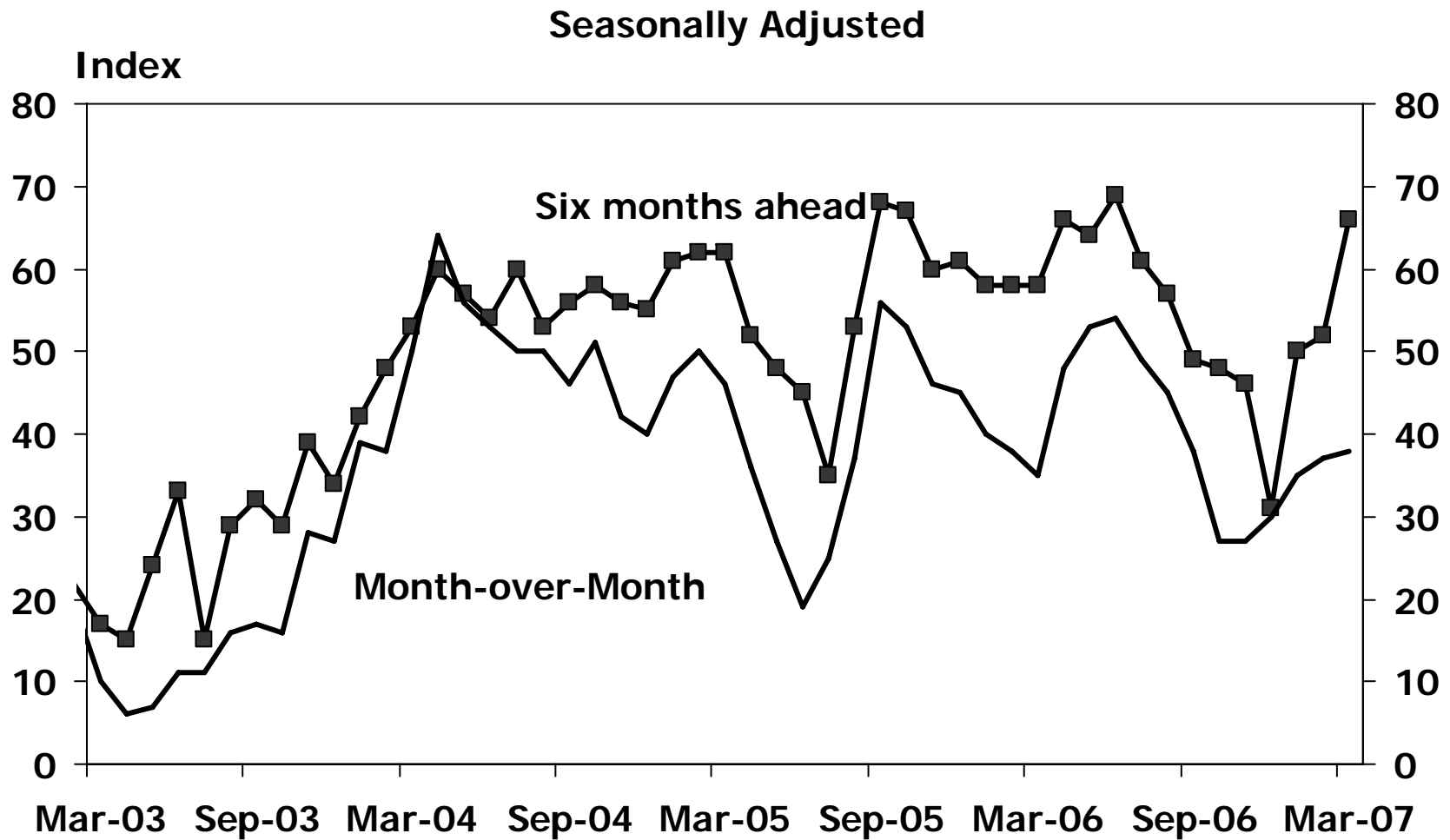


Source: KCFRB Manufacturing Survey

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Manufacturing Prices Paid for Raw Materials



Source: KCFRB Manufacturing Survey

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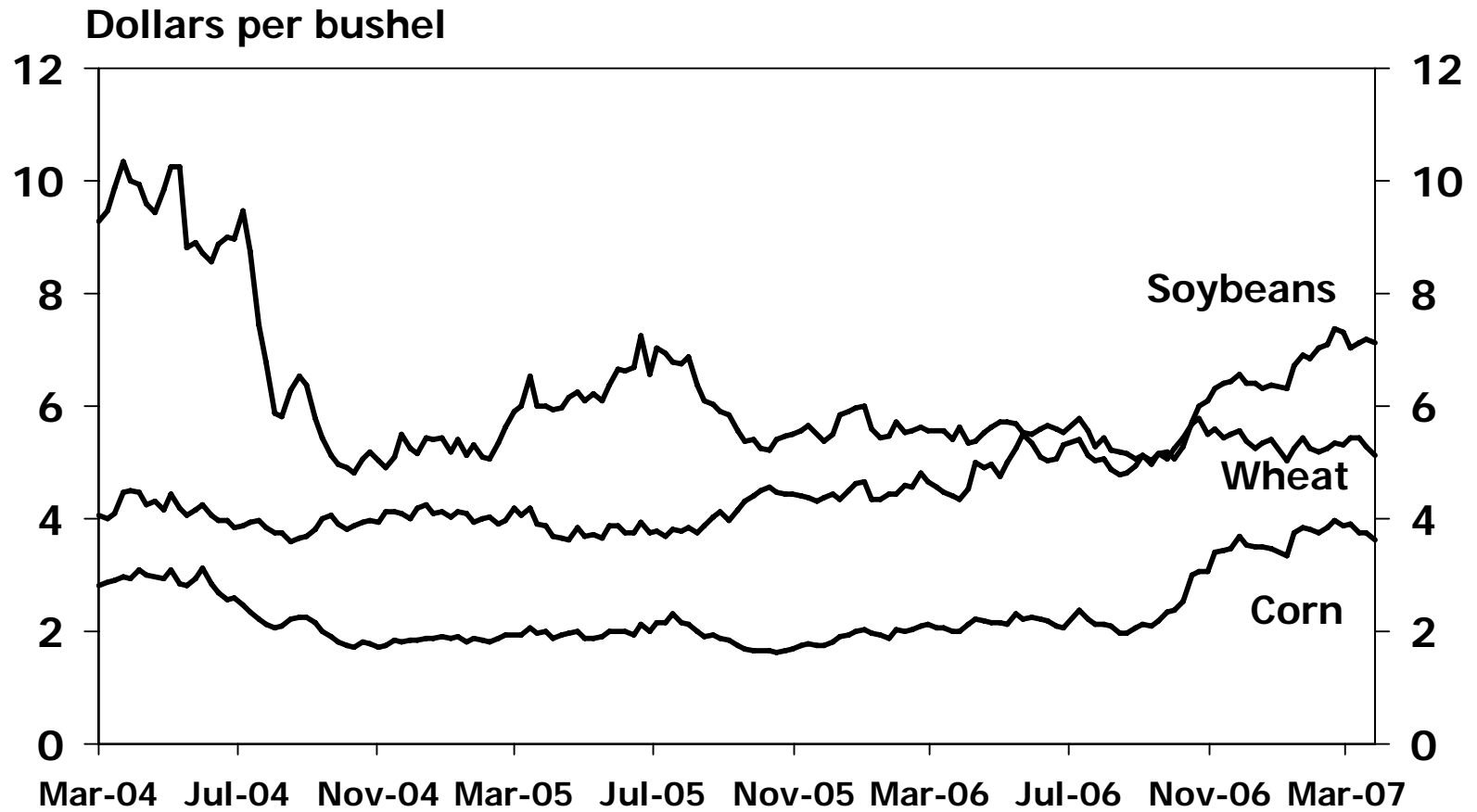
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U.S. Crop Prices

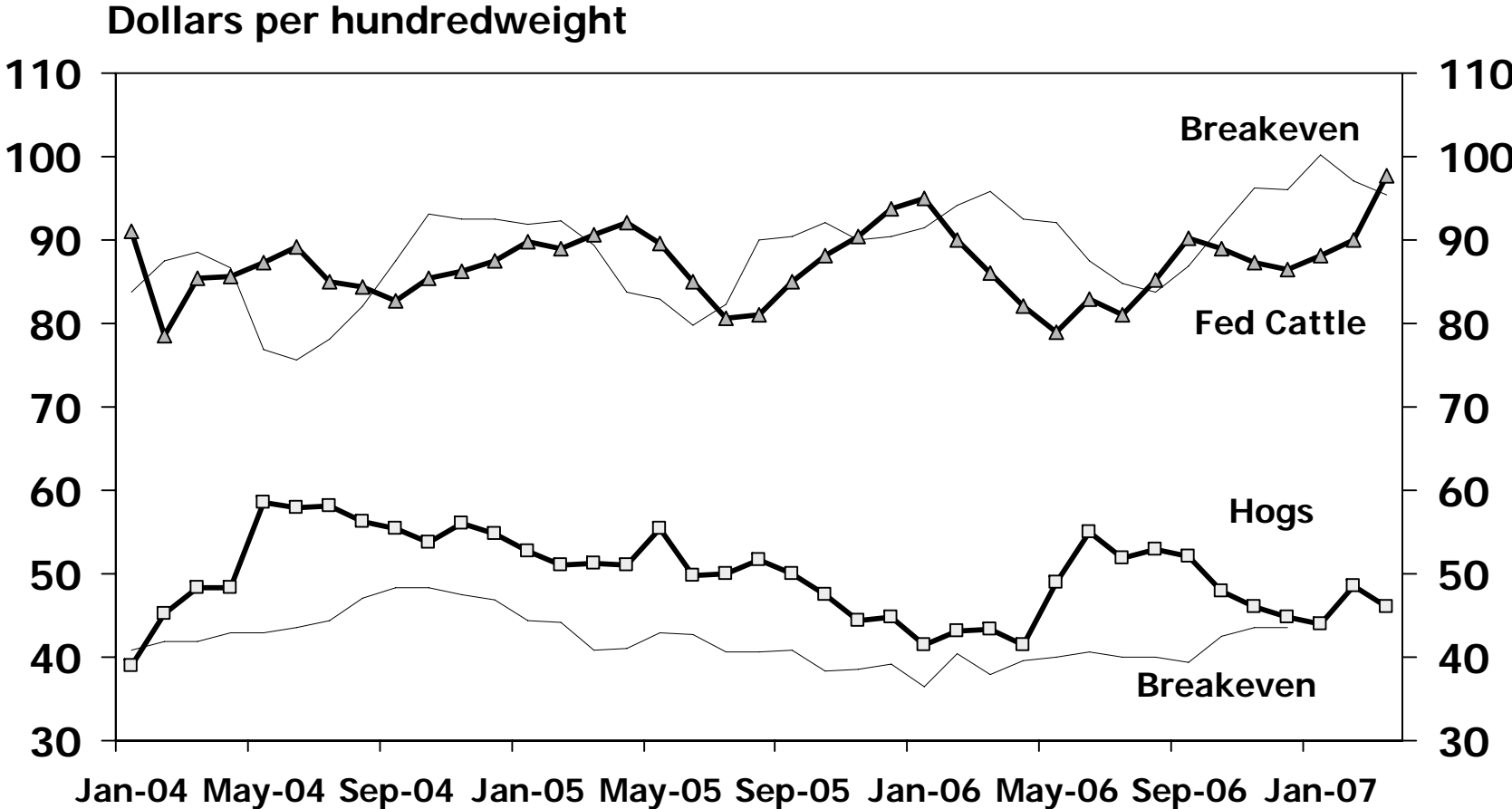


Source: Wall Street Journal

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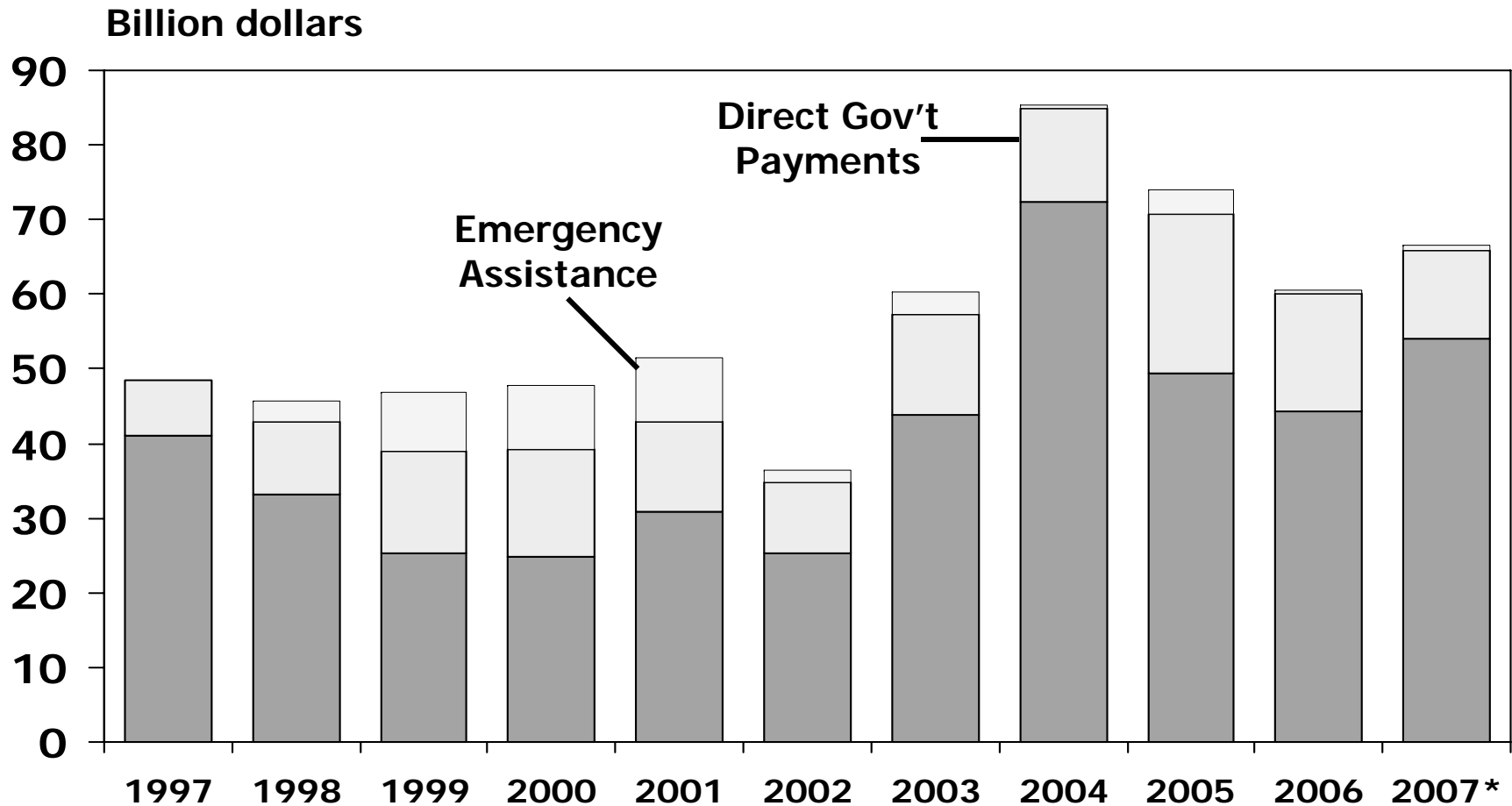
Livestock Prices and Breakeven Costs



Source: USDA



U.S. Net Farm Income



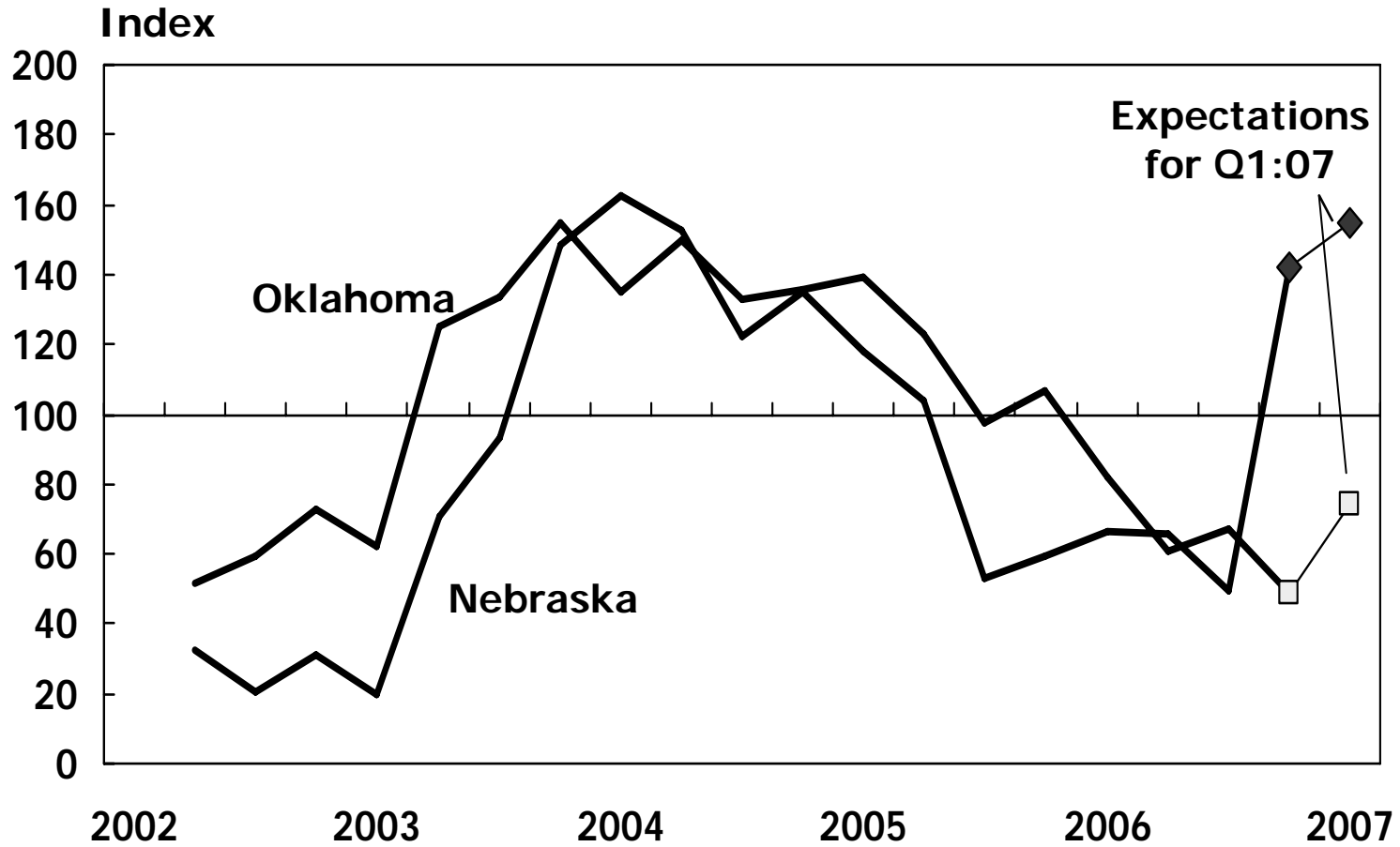
Source: USDA

*Forecast, February 2007

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Farm Income

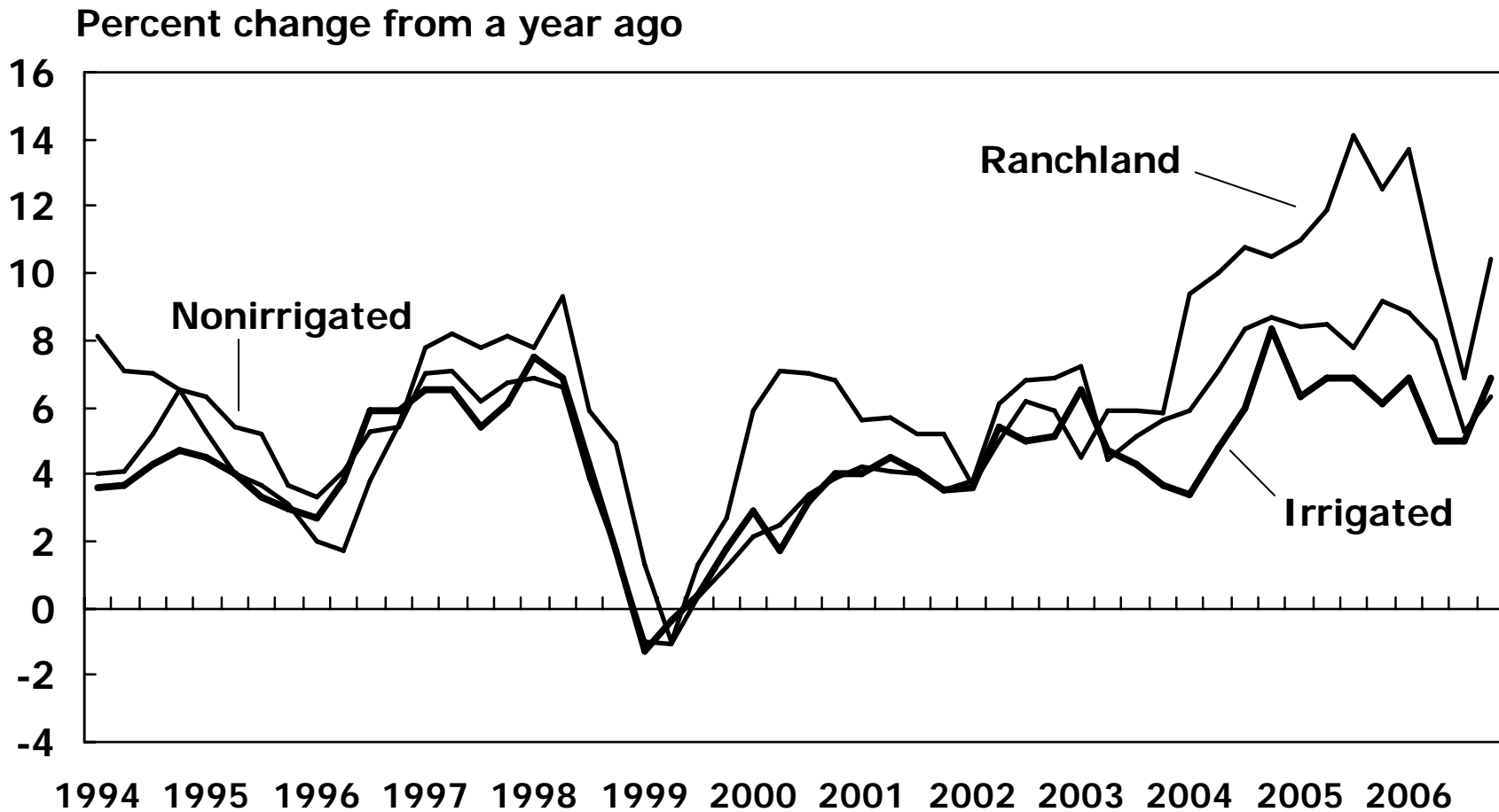


Source: Federal Reserve Bank of Kansas City

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Tenth District Farmland Values

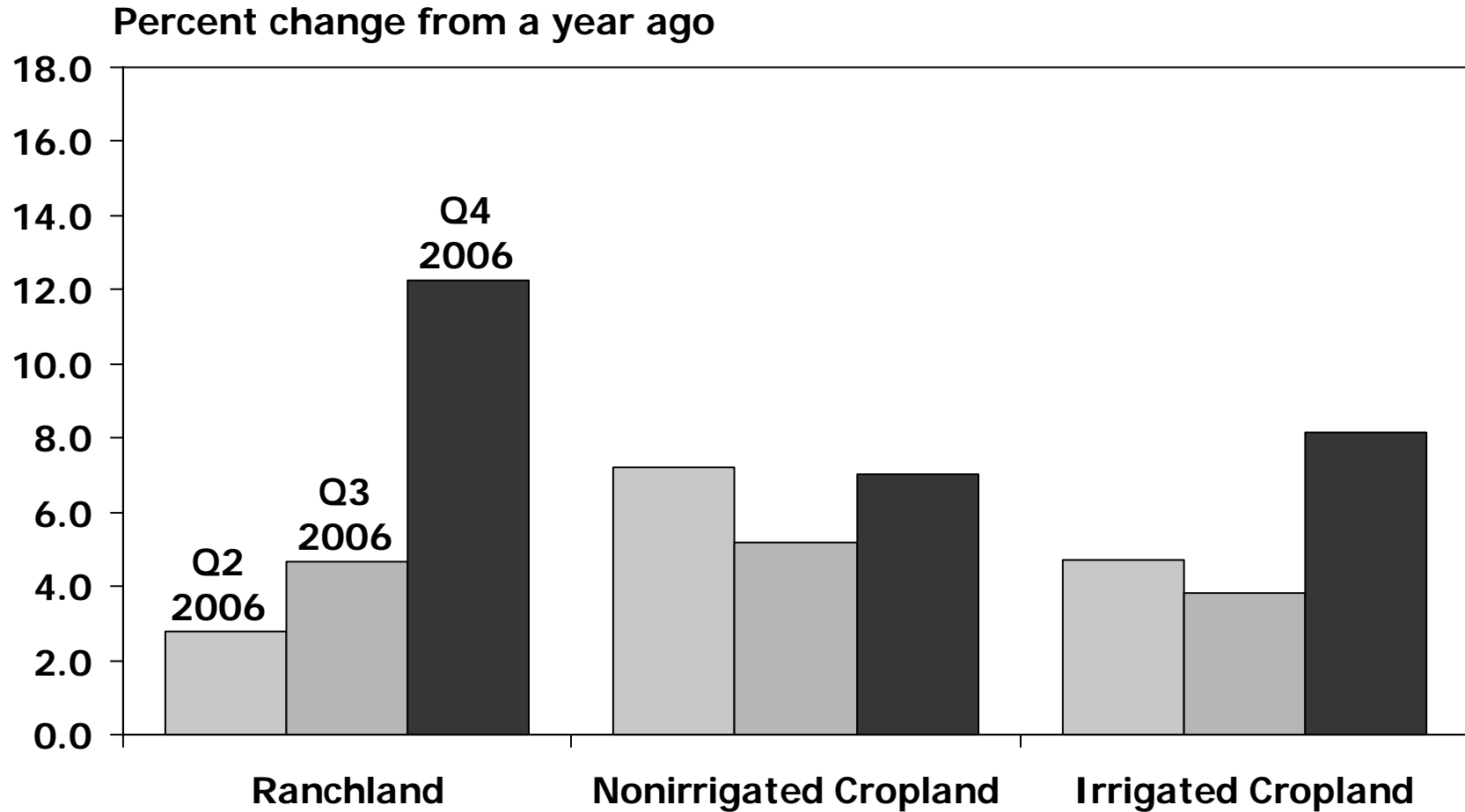


Source: Federal Reserve Bank of Kansas City

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Nebraska Land Values



Source: Federal Reserve Bank of Kansas City



Economic Update

- Robust Main Street activity and a farm rebound fueled the Nebraska economy in 2006
- The 2007 economic outlook looks bright
- The outlook, however, will depend on ...
 - Stabilization in the housing sector
 - Solid business investment
 - Easing inflationary pressures
 - Continued strength in the farm sector

