Colorado in the Recession and Recovery

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Recession Reached CO and 10J in 2009

- Recession reached CO and the 10th District in 2009
- CO and the District underperformed the U.S. since early 2009
- Near or at the bottom in economic activity in CO based on most economic measures
- Clear improvement in several areas
- Overhang remains but CO will expand in 2010
- One quarter behind U.S.
The Technical Recession is Over

Real Gross Domestic Product
Seasonally Adjusted

Job Losses Reached CO and 10J in 2009

Total Nonfarm Employment
Seasonally Adjusted

Source: Bureau of Economic Analysis
Source: Bureau of Labor Statistics
CO and 10J Labor Markets Continue to Underperform

Energy States Hit Particularly Hard
District Jobless Rates Remain Below U.S.

Unemployment Rate
Seasonally Adjusted

<table>
<thead>
<tr>
<th>Percent</th>
<th>US</th>
<th>10J</th>
<th>NE</th>
<th>KS</th>
<th>OK</th>
<th>WY</th>
<th>CO</th>
<th>NM</th>
<th>MO</th>
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<td>9.7</td>
<td>7.6</td>
<td>4.8</td>
<td>6.5</td>
<td>6.7</td>
<td>7.5</td>
<td>7.7</td>
<td>8.7</td>
<td>9.4</td>
</tr>
<tr>
<td>Feb-10</td>
<td>7.6</td>
<td>6.5</td>
<td>4.8</td>
<td>7.5</td>
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<td>7.5</td>
<td>7.7</td>
<td>8.7</td>
<td>9.4</td>
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</tbody>
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Source: Bureau of Labor Statistics

Goods Sectors Remain Greatest Concern

Total Nonfarm Job Growth by Industry
Feb-10 over Feb-09

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<td>Feb-09</td>
<td>-14.8</td>
<td>-20.8</td>
<td>(.12)</td>
<td>(.06)</td>
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<td>(.04)</td>
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<td>(.14)</td>
<td>(.03)</td>
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</tbody>
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Source: Bureau of Labor Statistics
Manufacturing Showing Clear Signs of Rebound

Tenth District Manufacturing Indexes

Month-over-month

Source: FRBKC Manufacturing Survey, ISM

Energy Drilling Rebound, but low Natural Gas Prices Remain a Concern

Count of Active Drilling Rigs

Source: Baker Hughes
Energy Sector Buoyed by Oil Prices

CO And 10J Tied More Closely to Natural Gas

Source: Bloomberg Energy Services
No Clear Sign of a Bottom in Commercial Real Estate

Continued Growth in New Housing Construction
Residential Home Sales Volumes are Up; Concerns Over Tax Credit Expiration

Sales of Existing Homes in District States
Seasonally Adjusted

Housing Prices Remain Weak in Many District States

Source: National Association of Realtors

Source: FHFA
Consumer Spending Stronger than Suggested

Retail Sales vs. Personal Consumption Expenditures
Seasonally Adjusted

Percent, year-over-year

Retail Sales (left axis)
PCE (right axis)


Retail Sales (left axis)
PCE (right axis)

Source: Bureau of Economic Analysis, Census Bureau, Global Insight IHS

Forecast for 3.0-3.5% GDP Growth in 2010

Real Gross Domestic Product
Seasonally Adjusted

Percent

2006 2007 2008 2009 Q1 Q2 Q3 Q4 2010 Q1 Q2 Q3 Q4

Consensus Forecast
Macro. Advisers

Source: Bureau of Economic Analysis, Global Insight IHS, Macroeconomic Advisers
At or Near a Bottom in Labor Market

Colorado Recession and Recovery

- Technical recession ended around Q3 2009
- Improvement in most major areas
- Likely at or near the turning point for most economic indicators
- Job growth expected by Q2 2010
- Colorado may lag one quarter in recovery
Colorado Recession and Recovery

Questions?