

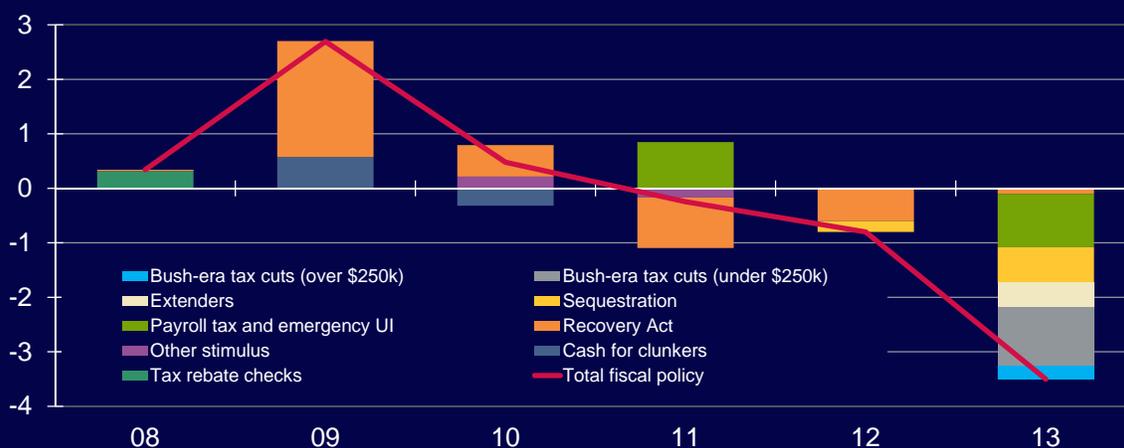
The Economic Outlook

STEVEN COCHRANE, MANAGING DIRECTOR
Moody's Analytics

State of North Dakota, December 5, 2012

From Fiscal Stimulus to Fiscal Cliff

Fiscal policy contribution to real GDP growth under current law, %

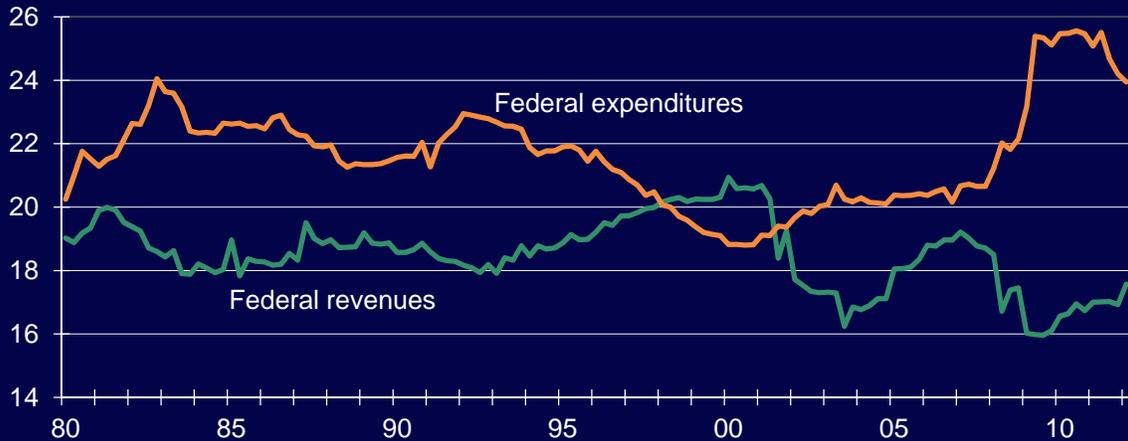


Source: Moody's Analytics



Fiscal Sustainability Requires Compromise

Expenditures and revenues as a % of GDP

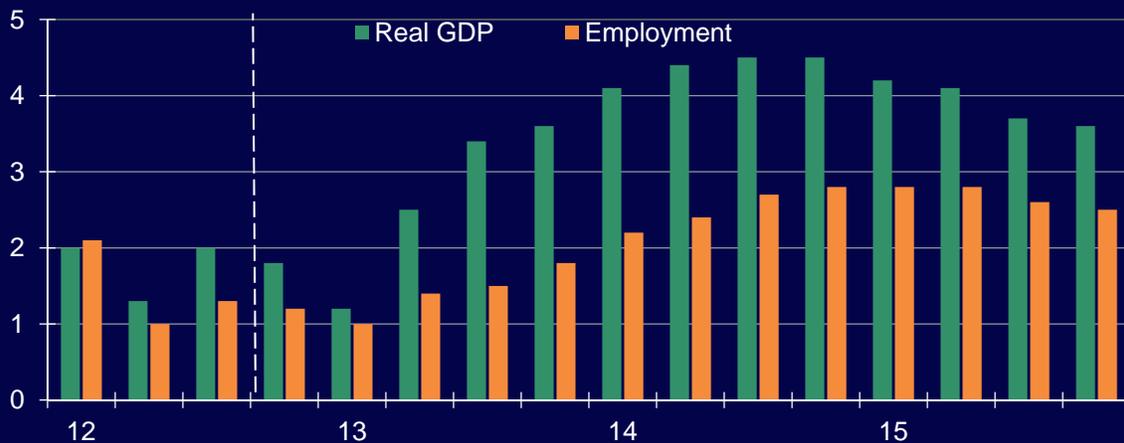


Sources: BEA, Moody's Analytics



2013 Starts Slowly

U.S. forecast indicators, quarterly annualized % change



Sources: BLS, BEA, Moody's Analytics



U.S. Dollar Nearly Fairly Valued



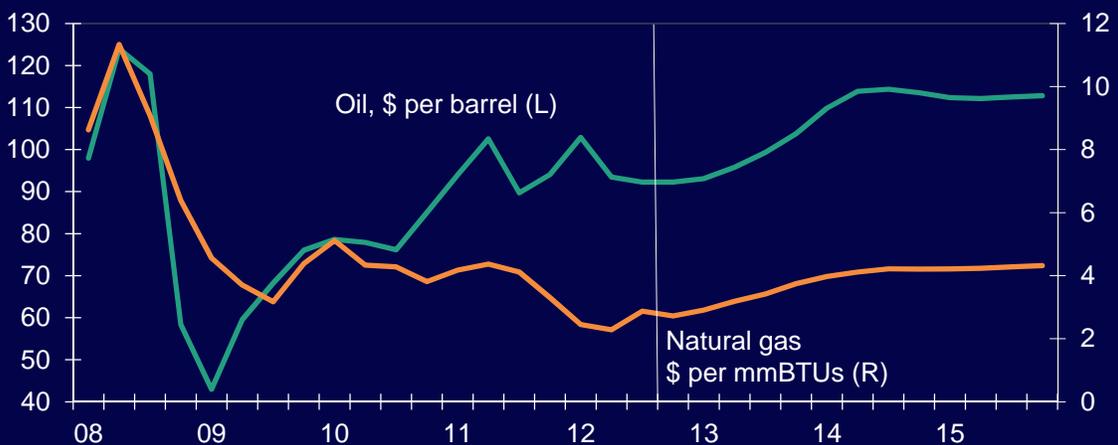
Sources: Federal Reserve, Moody's Analytics



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Energy Prices Will Rise With Global Economy

Quarterly WTI crude oil and Henry Hub natural gas prices



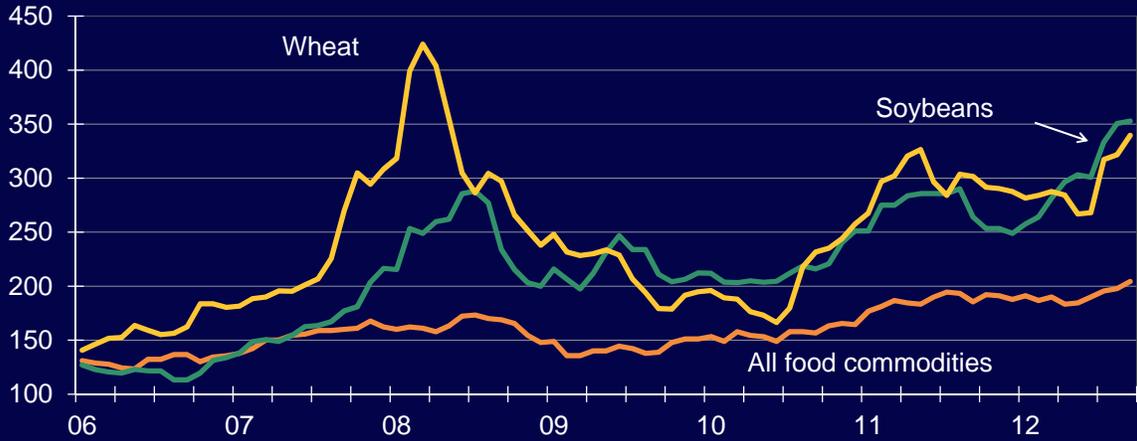
Sources: Federal Reserve, EIA, Moody's Analytics



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Core Crop Prices See a Resurgence

Crop prices, 2000=100



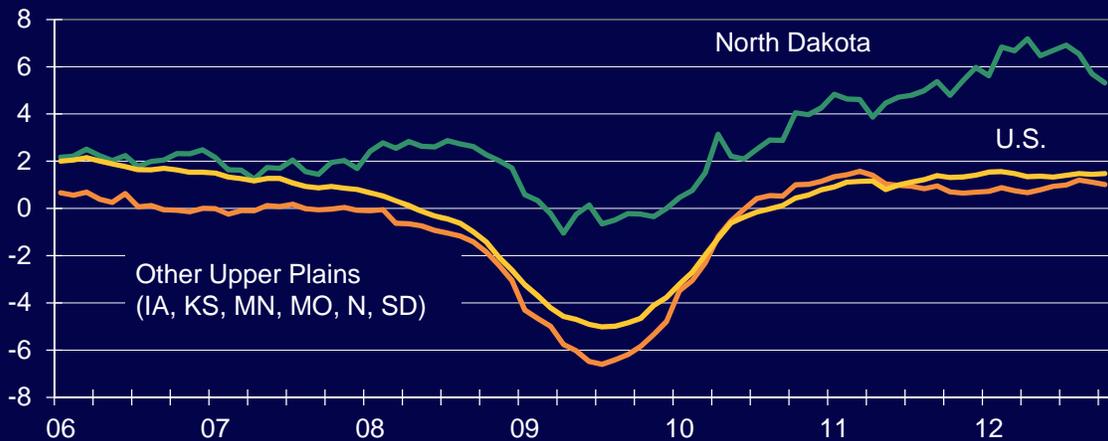
Sources: USDA – Agricultural Statistics Board, Moody's Analytics



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North Dakota Is Fastest Growing State...

Nonfarm payroll employment, % change yr ago



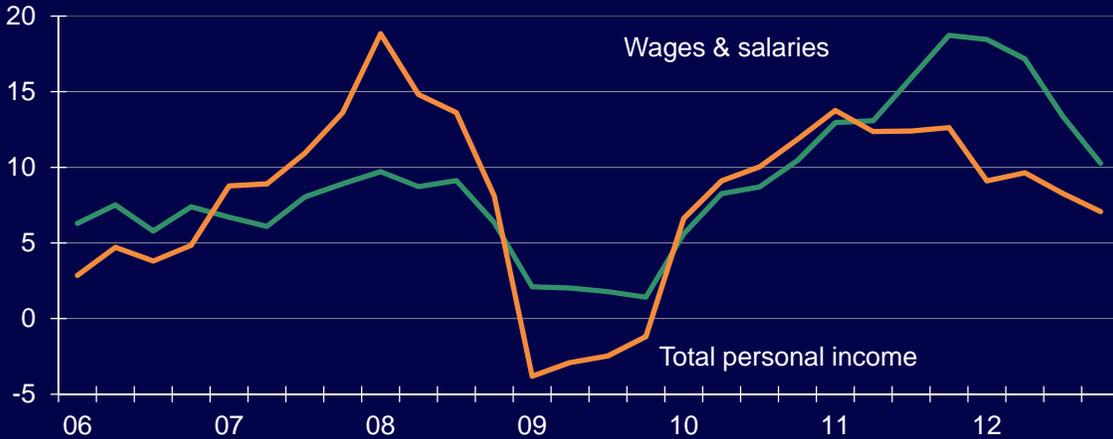
Sources: BLS, Moody's Analytics



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...With Jobs Driving Wage and Salary Income

Personal income, North Dakota, % change yr ago



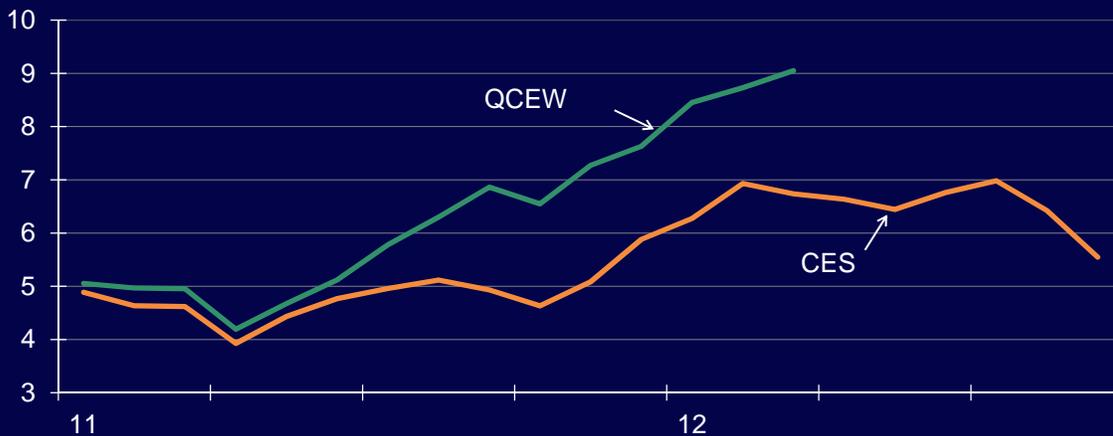
Sources: BEA, Moody's Analytics



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Revisions Could Look Even Stronger...

Nonfarm payroll employment, % change yr ago, NSA

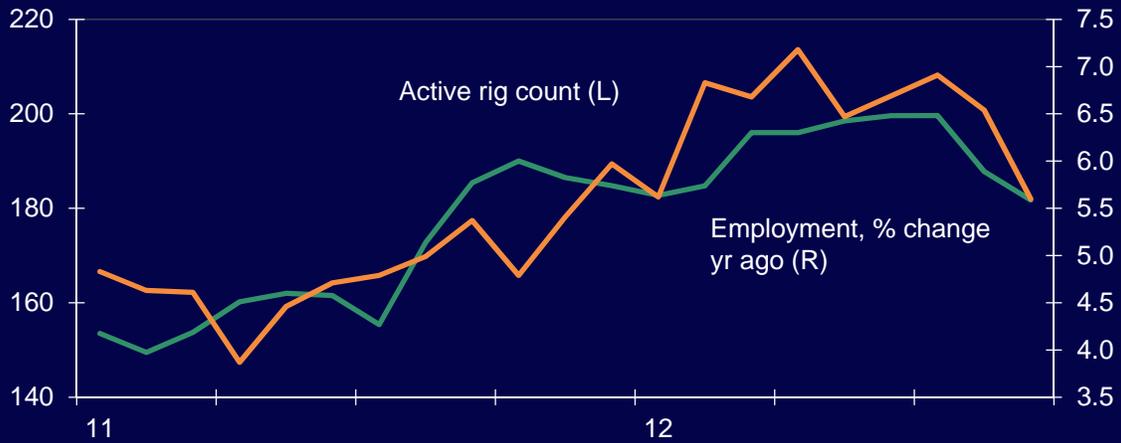


Sources: BLS, Moody's Analytics



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...But Less Drilling Has Slowed Job Growth



Sources: BLS, Baker Hughes Incorporated, Moody's Analytics



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It Is Not Just Oil, But Services...

Private service-producing employment, Jan 2000=100



Sources: BLS - QCEW, Moody's Analytics



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...And Agriculture

Private crop production employment, 12-mo MA, Jan 2000=100



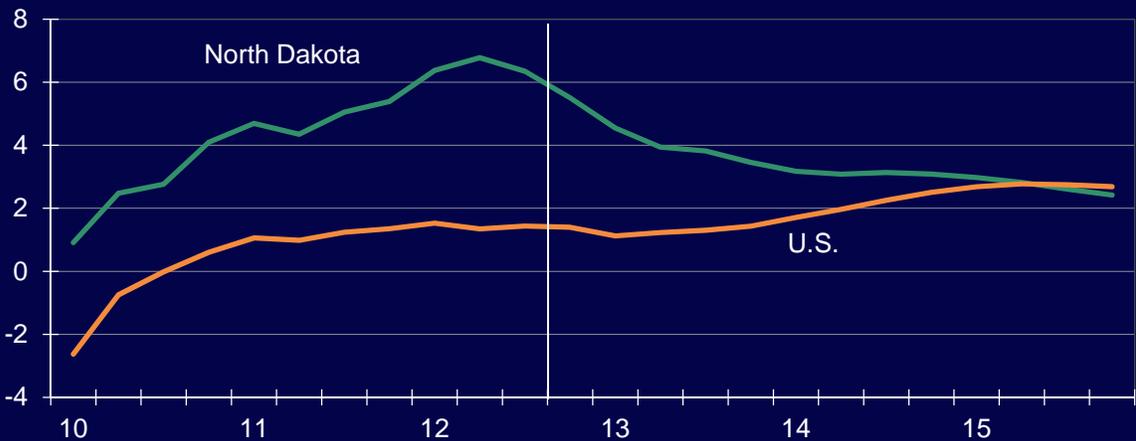
Sources: BLS – QCEW, Moody's Analytics



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Growth Will Settle Into a More Sustainable Pace...

Payroll employment forecast, % change yr ago



Sources: BLS, Moody's Analytics



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...And Incomes Will Be More Robust

Disposable personal income forecast, % change yr ago



Sources: BEA, Moody's Analytics



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