

DAILY GLOBAL COMMENTARY

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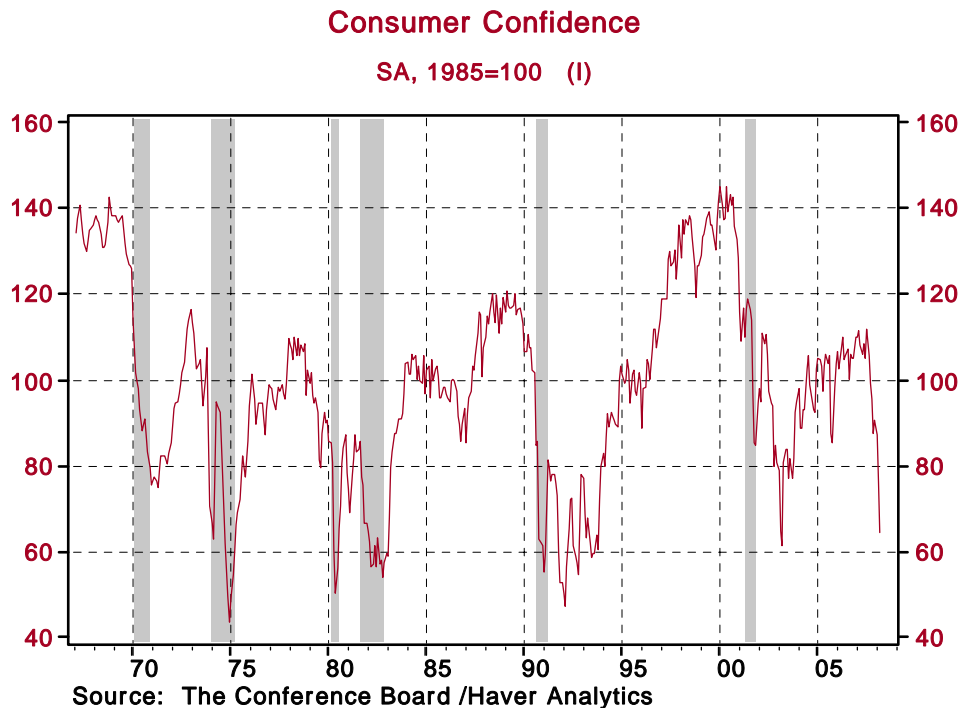
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Consumer Confidence Index Posts New Cycle Low

March 25, 2008

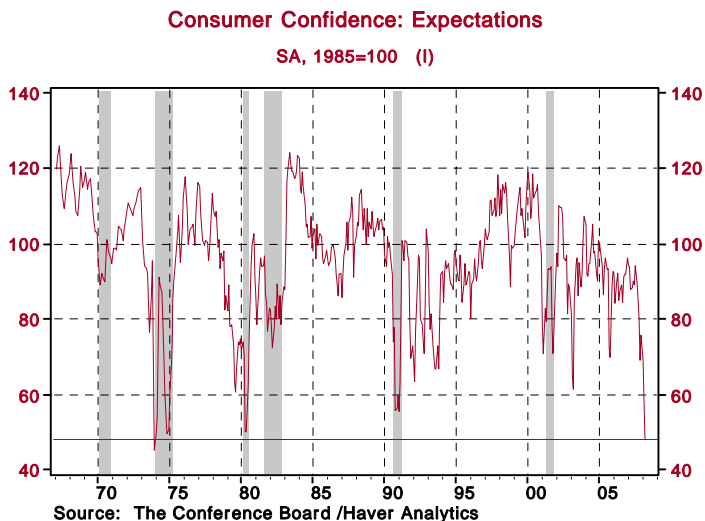
The Conference Board's Consumer Confidence Index dropped to 64.5 in March, the lowest reading for the current business cycle, excluding the 61.4 mark seen in March 2003 when the war in Iraq commenced. The index has dropped 47.4 points from a cycle peak of 111.9 in July 2007. The Present Situation Index (89.0 vs. 104.2) and the Expectations Index (47.9 vs. 58) also fell sharply in March. Overall, the outlook of consumers is the gloomiest since October 1993 (see chart 1).

Chart 1



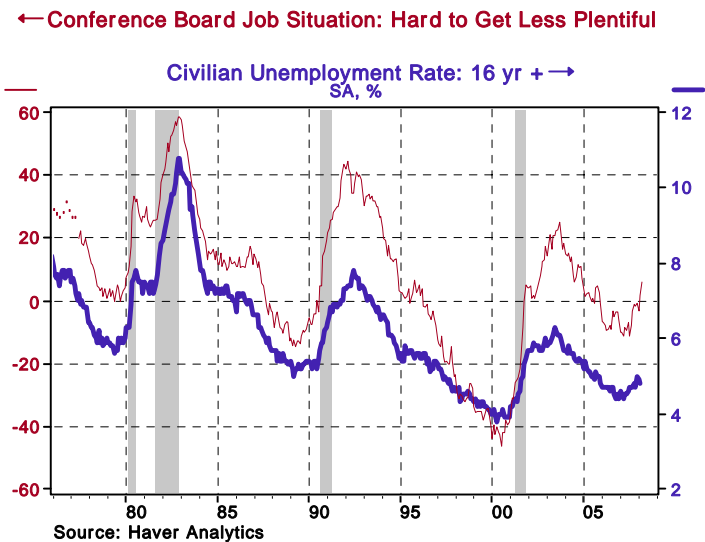
Consumers were extremely concerned about the future, with the Expectations Index at its lowest since December 1973 (54.2).

Chart 2



The assessment of the job market is also grim. Respondents indicating that jobs are “hard-to-find” increased to 25.1% from 23.4%, while those indicating “jobs are plentiful” fell to 18.8 from 21.5 in February. The net of these two indexes (see chart 3) moved up to 6.3. The upward trend of this measure is associated with weakening labor market conditions. The unemployment tends to move up when the job situation (Hard to get less Plentiful) depicted by the Conference Board’s survey is positive (see chart 3).

Chart 3

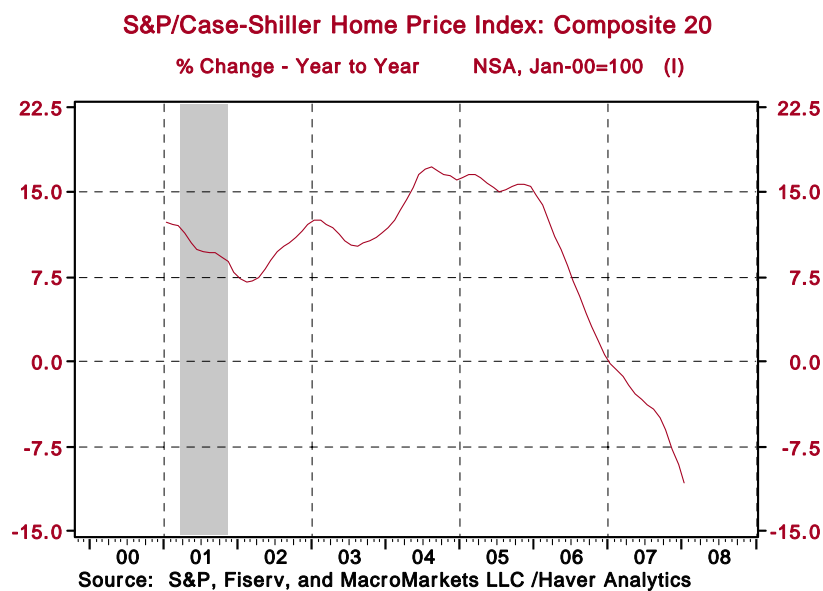


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House Prices Continue To Decline

The Case-Shiller Home Price Index in 20 metro areas of the nation fell 10.7% during the twelve months ended January 2008. The OFHEO House Price Index declined 2.8% in the same period. The universes of the two price indexes are different with the OFHEO price index covering mortgages securitized by Fannie Mae and Freddie Mac, while the Case-Shiller index excludes 13 states. The existing home sales report for February also showed a sharp drop in home prices.

Chart 4



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