Appendix 1: Materials used by Mr. Reinhart
Note. Treasury yield shown is that of the on-the-run issue.

+ denotes today’s observation (taken at approximately 12:00 pm).

* Quotes taken at approximately 12:00 pm.
Selected Equity Market Quotes

<table>
<thead>
<tr>
<th>Major Indexes</th>
<th>Today 4/1/03*</th>
<th>Wednesday 3/19/03</th>
<th>Change (1)-(2)</th>
<th>Option-Implied Volatility</th>
<th>Today</th>
<th>Wednesday</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Wilshire 5000</td>
<td>8082.23</td>
<td>8258.42</td>
<td>-2.1</td>
<td>4. S&amp;P 100 (VIX)</td>
<td>32.45</td>
<td>35.74</td>
<td>-3.29</td>
</tr>
<tr>
<td>2. S&amp;P 500</td>
<td>851.94</td>
<td>874.02</td>
<td>-2.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Nasdaq</td>
<td>1343.92</td>
<td>1397.08</td>
<td>-3.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Quotes taken at approximately 12:00 pm.
Exhibit 3
Monetary Policy Expectations

Interest Rate Futures

Expected Federal Funds Rates

Short-term Eurodollar Implied Volatility

Probability of 1.00% target as opposed to 1.25% target

*Represents the probability that the target funds rate will be 1.00% following the May 6 FOMC meeting. Calculation based on May 2003 federal funds futures contract.
Exhibit 4
Selected Credit Market Indicators

Ten-year Swap Spread

Five-minute intervals

Last Monday 4:00 pm

Basis Points

03/13 03/14 03/17 03/18 03/21 03/24 03/25 03/28 03/31 04/01

Stock Prices and Credit Default Swap Premia for Selected Financial Intermediaries

<table>
<thead>
<tr>
<th></th>
<th>Stock Prices</th>
<th>CDS Premia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Today 4/1/03* 1</td>
<td>Wednesday 3/19/03 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock Prices</td>
<td></td>
<td>CDS Premia</td>
</tr>
<tr>
<td></td>
<td>Change (1)-(2)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-percent-</td>
<td>-basis points-</td>
</tr>
<tr>
<td>1. Bank of America</td>
<td>67.54</td>
<td>28.0</td>
</tr>
<tr>
<td></td>
<td>69.50</td>
<td>31.0</td>
</tr>
<tr>
<td></td>
<td>-2.8</td>
<td>-3.0</td>
</tr>
<tr>
<td>2. Citigroup</td>
<td>35.05</td>
<td>28.0</td>
</tr>
<tr>
<td></td>
<td>35.46</td>
<td>34.0</td>
</tr>
<tr>
<td></td>
<td>-1.2</td>
<td>-6.0</td>
</tr>
<tr>
<td>3. Goldman Sachs</td>
<td>69.07</td>
<td>48.0</td>
</tr>
<tr>
<td></td>
<td>70.27</td>
<td>56.8</td>
</tr>
<tr>
<td></td>
<td>-1.7</td>
<td>-8.8</td>
</tr>
<tr>
<td>4. Lehman Brothers</td>
<td>58.75</td>
<td>43.0</td>
</tr>
<tr>
<td></td>
<td>59.69</td>
<td>54.2</td>
</tr>
<tr>
<td></td>
<td>-1.6</td>
<td>-11.2</td>
</tr>
<tr>
<td>5. Merrill Lynch</td>
<td>35.95</td>
<td>53.0</td>
</tr>
<tr>
<td></td>
<td>36.74</td>
<td>56.8</td>
</tr>
<tr>
<td></td>
<td>-2.2</td>
<td>-3.8</td>
</tr>
</tbody>
</table>

* Quotes taken at approximately 12:00 pm.

Swaption Implied Volatility (Ten-year Swap Rate)

+ denotes today’s observation (taken at approximately 12:00 pm).
Exhibit 5
Actual and Implied Volatilities

Two-Year Swap Volatilities

Ten-Year Swap Volatilities

S&P 100 Volatilities

Nasdaq Volatilities

Last observation: March 31, 2003
Exhibit 6
Term Structure of Forward Swap Rate Volatilities*
(Annual Yield Volatilities, Percent)

One-year Swap Rate

Two-year Swap Rate

Five-year Swap Rate

Ten-year Swap Rate

*Implied by swaptions
Appendix 2: Material used by Ms. Johnson
Recent Developments in International Financial Markets

April 1, 2003

Note: Data for April 1 are as of 10 a.m. EST.
**Selected Exchange Rates**
(Foreign currency per dollar)

![Graph showing daily and FOMC changes in exchange rates]

**Indexes of Trade-Weighted Value of the Dollar**

![Graph showing daily and FOMC changes in trade-weighted indexes]

**Change since 3/12**
- Can. dollar: 0.2%
- Swiss franc: 1.7%
- Euro: 1.1%
- Yen: 0.9%
- Sterling: 2.5%

**Change since 3/12**
- Major curr.: 0.7%
- Broad: 0.1%
- OITP: 0.7%
Selected Yield Curves

3-Month Eurocurrency Futures Rates

Yen

1-Year Forward Rates Derived From Swaps

Yen

Euro

Sterling

Dollar

April 1, 2003
March 24, 2003
March 17, 2003 (FOMC)

April 1, 2003
March 24, 2003
March 17, 2003 (FOMC)
Stock Market Indexes

(Ratio scale, Index, March 12, 2003 = 100, daily data)

Euro Area

United Kingdom

Japan

United States
Crude Oil Futures Prices

Implied Distributions from Oil Futures Options
March 31, 2003

<table>
<thead>
<tr>
<th>Contract</th>
<th>Futures</th>
<th>Implied Volatility</th>
<th>2/3 Bounds</th>
<th>Skew1</th>
<th>Skew2</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2003</td>
<td>31.0</td>
<td>62.60</td>
<td>[27.49,34.23]</td>
<td>+0.24</td>
<td>-0.01</td>
</tr>
<tr>
<td>Dec 2003</td>
<td>26.4</td>
<td>31.88</td>
<td>[19.55,31.65]</td>
<td>-0.72</td>
<td>-0.18</td>
</tr>
</tbody>
</table>
Appendix 3: Materials used by Mr. Stockton
NONFINANCIAL DEVELOPMENTS
**Current Indicators**

**UI--Initial Claims**

- 4-week moving average
- Weekly

Note: Seasonally adjusted using FRB seasonals.

**UI--Insured Unemployment**

- 4-week moving average
- Weekly

Note: Seasonally adjusted using FRB seasonals.

**IP Weekly Production Index**

- Monthly aggregate of weekly index
- Weekly Index--total IP points of 16 components

Note: March through June are schedules.

**Production of Domestic Motor Vehicles**

- Quarterly averages
- Schedules
- (FRB Seasonals)

Note: March through June are schedules.

**Michigan SRC Survey**

<table>
<thead>
<tr>
<th>Feb:H2</th>
<th>Mar:H1</th>
<th>Mar:H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total</td>
<td>81.3</td>
<td>75.0</td>
</tr>
<tr>
<td>2. Current</td>
<td>95.6</td>
<td>87.1</td>
</tr>
<tr>
<td>3. Expected</td>
<td>72.1</td>
<td>67.2</td>
</tr>
</tbody>
</table>

Source: Bank of Tokyo-Mitsubishi.
Chart 2

Domestic Energy Markets

Gasoline and Crude Oil Prices

Note. Not seasonally adjusted.

Gasoline Inventories

Note. Not seasonally adjusted.

Natural Gas Spot Price

(Henry Hub, daily)

Natural Gas Inventories*

*End of month. Working gas in storage.
Chart 3

New Orders and Shipments of Nondefense Capital Goods
(Percent change from preceding period, seasonally adjusted)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipments</td>
<td>- -</td>
<td>- -</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1. Nondefense ex. aircraft</td>
<td>1.5</td>
<td>-6.4</td>
<td>-1.3</td>
<td>3.5</td>
<td>-3.0</td>
</tr>
<tr>
<td>3. Communications equipment</td>
<td>-25.9</td>
<td>-12.6</td>
<td>-5.9</td>
<td>9.4</td>
<td>-2.8</td>
</tr>
<tr>
<td>4. All other</td>
<td>2.1</td>
<td>-5.3</td>
<td>-3.0</td>
<td>2.0</td>
<td>-1.2</td>
</tr>
</tbody>
</table>

New Orders

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Nondefense ex. aircraft</td>
<td>- .6</td>
<td>-1.4</td>
<td>- .6</td>
<td>4.3</td>
<td>-2.8</td>
</tr>
<tr>
<td>6. Computers and peripherals</td>
<td>45.9</td>
<td>5.4</td>
<td>10.0</td>
<td>1.2</td>
<td>-12.3</td>
</tr>
<tr>
<td>7. Communications equipment</td>
<td>-61.5</td>
<td>26.3</td>
<td>-15.0</td>
<td>34.4</td>
<td>-5.5</td>
</tr>
<tr>
<td>8. All other</td>
<td>4.5</td>
<td>-5.0</td>
<td>- .6</td>
<td>1.8</td>
<td>- .7</td>
</tr>
</tbody>
</table>

Computers & Peripherals

Billions of dollars*

Orders
Shipments

Communications Equipment

Billions of dollars*

Orders
Shipments

Other Equipment

Billions of dollars*

Orders
Shipments

Note. Three-month moving averages.

ISM Survey--Total

Index

Mar.

ISM Survey--New Orders

Index

Mar.
### Chart 4

**Household Sector**

**Personal Consumption Expenditures**

(Percent change; seasonally adjusted)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Real PCE</td>
<td>4.2</td>
<td>1.7</td>
<td>1.0</td>
<td>-.2</td>
<td>-.4</td>
</tr>
<tr>
<td>2. New autos and trucks</td>
<td>76.4</td>
<td>-34.3</td>
<td>24.0</td>
<td>-13.5</td>
<td>-4.4</td>
</tr>
<tr>
<td>3. Excluding new autos and trucks</td>
<td>2.2</td>
<td>3.4</td>
<td>.2</td>
<td>.3</td>
<td>-.3</td>
</tr>
<tr>
<td>4. Real DPI</td>
<td>1.8</td>
<td>2.4</td>
<td>.3</td>
<td>.2</td>
<td>-.2</td>
</tr>
</tbody>
</table>

**Memo:**

5. Personal saving rate ¹

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Personal saving rate ¹</td>
<td>3.5</td>
<td>3.8</td>
<td>3.4</td>
<td>3.8</td>
<td>4.0</td>
</tr>
<tr>
<td>6. Core PCE prices</td>
<td>1.8</td>
<td>1.5</td>
<td>.1</td>
<td>.0</td>
<td>.1</td>
</tr>
</tbody>
</table>

¹. Percent.

---

**New Home Sales and Starts**

(Seasonally adjusted)

**Existing Home Sales**

(Seasonally adjusted using FRB seasonals)