

New Mexico in the Recession and Recovery

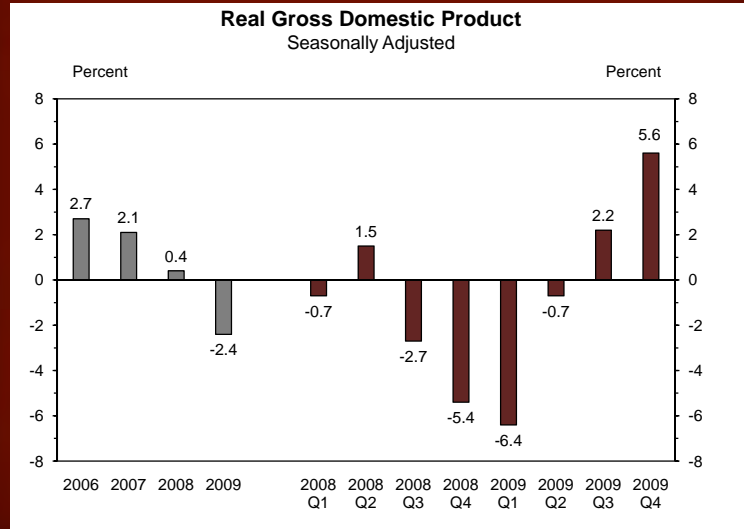
2010
Regulatory Update
— SEMINAR —
Federal Reserve Bank of Kansas City

New Mexico (NM) Recession and Recovery

- Recession Reached NM and The 10th District In Late 2008
- NM and District Job Markets Underperformed the U.S. Over Past Six Quarters
- Bottom is Near – Output and Income Have Turned, Labor Market is Next
- Clear Improvement in Several Key Industries
- Real Estate Remains A Concern
- NM Likely One Quarter Behind U.S.

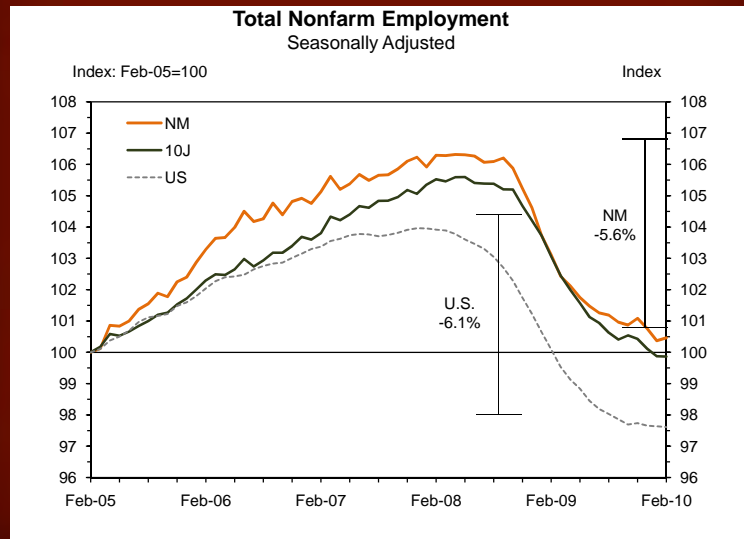
2010 REGULATORY UPDATE SEMINARS
FEDERAL RESERVE BANK OF KANSAS CITY

The 'Technical' Recession is Over

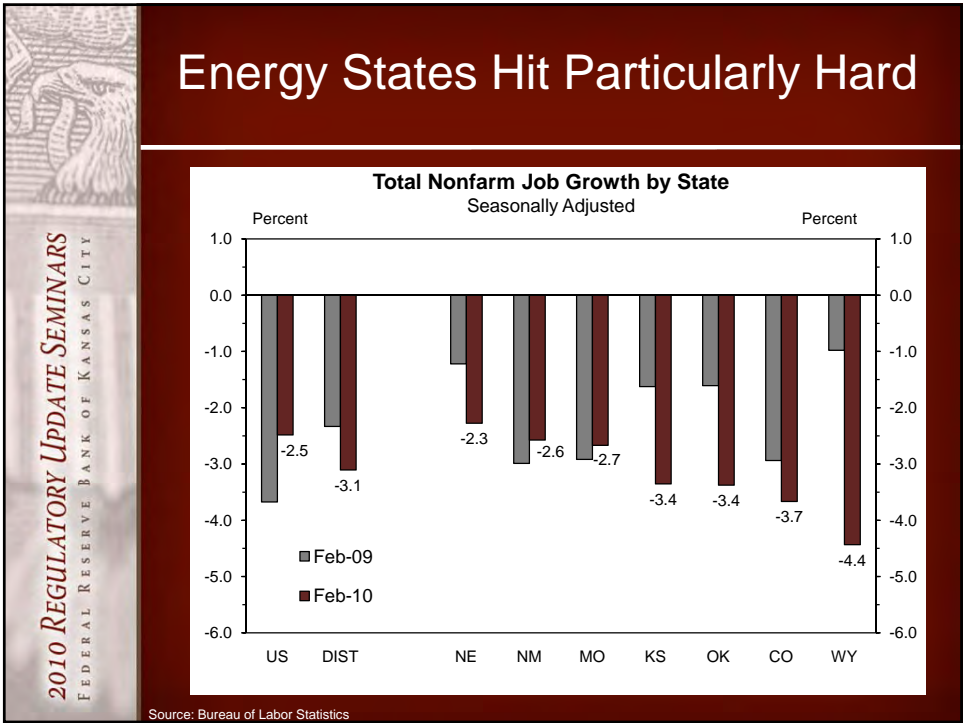
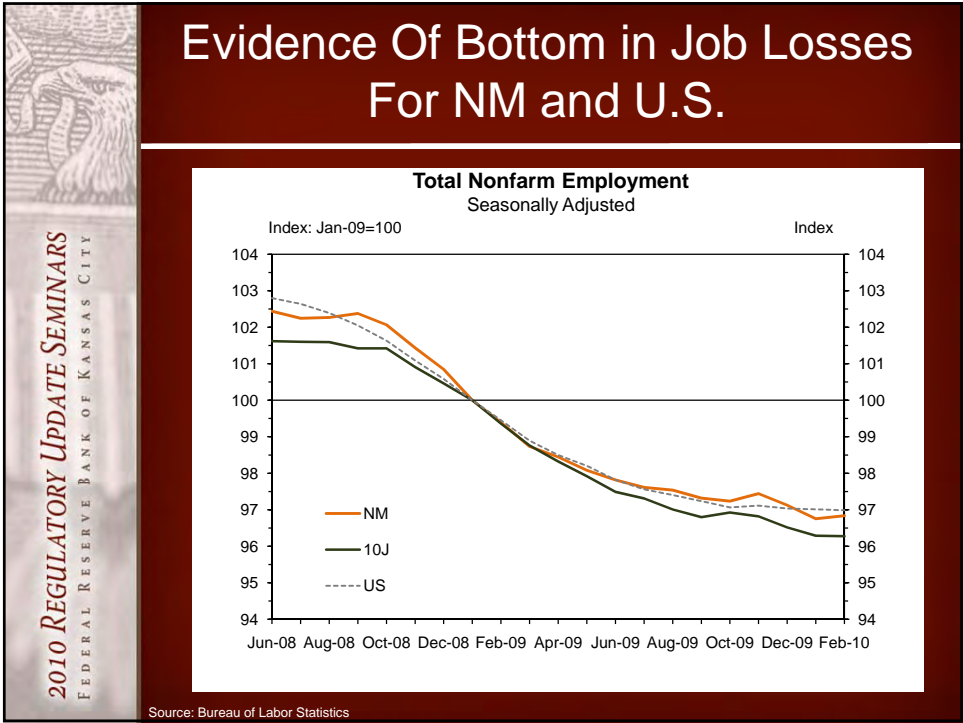


Source: Bureau of Economic Analysis

NM Job Loss Nearly Equal to U.S. Decline

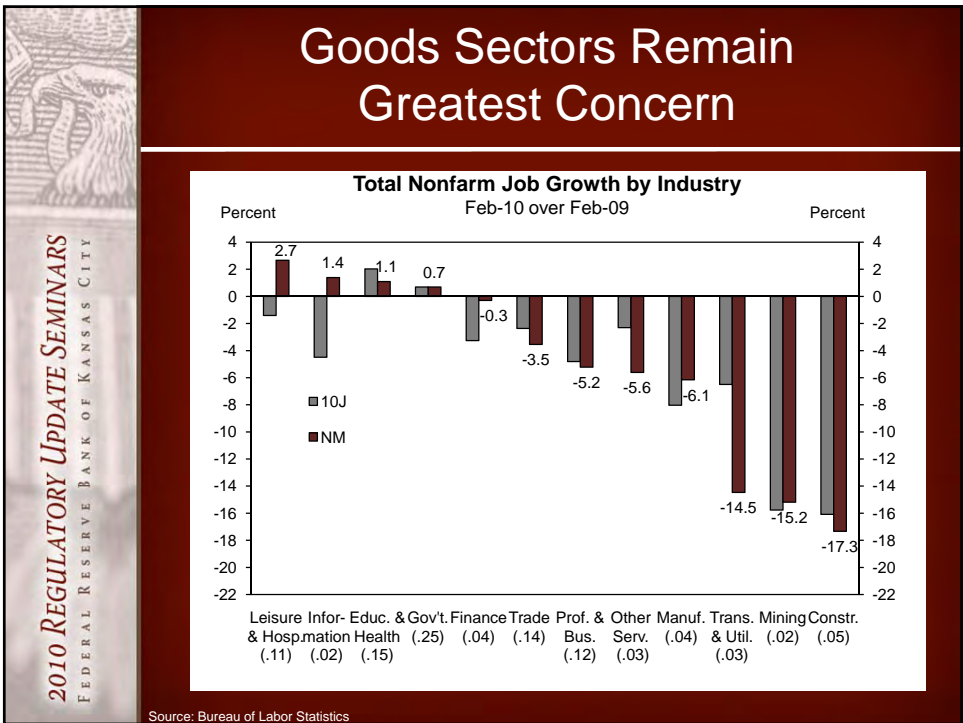
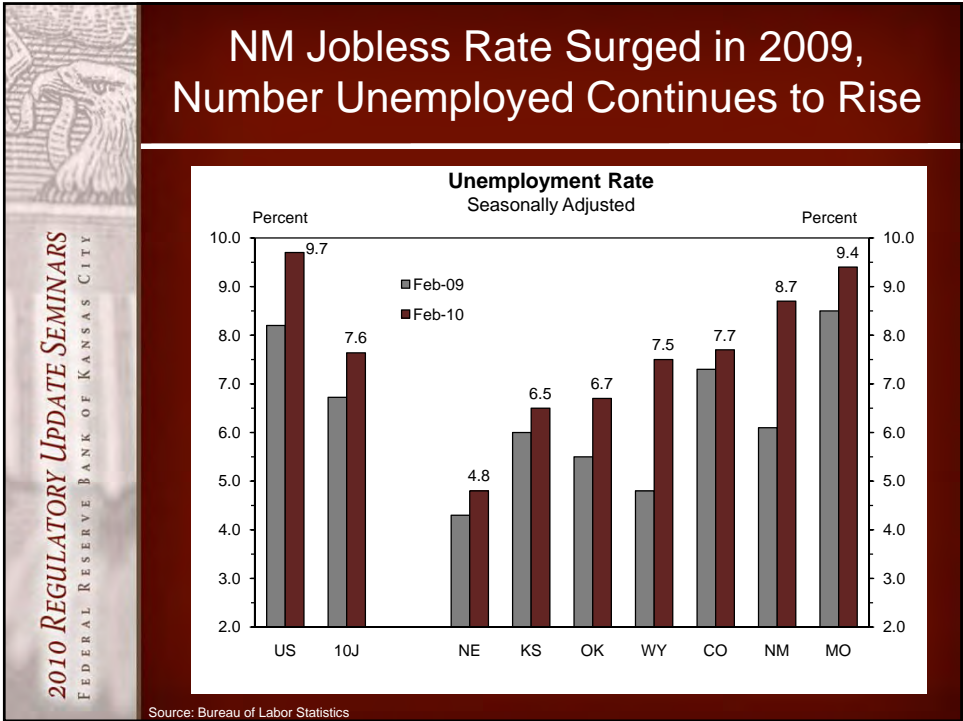


Source: Bureau of Labor Statistics



2010 REGULATORY UPDATE SEMINARS
FEDERAL RESERVE BANK OF KANSAS CITY

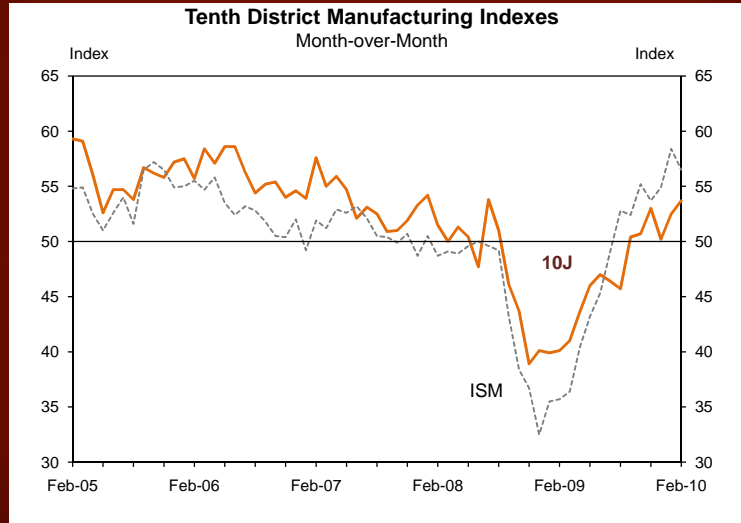
2010 REGULATORY UPDATE SEMINARS
FEDERAL RESERVE BANK OF KANSAS CITY



2010 REGULATORY UPDATE SEMINARS
FEDERAL RESERVE BANK OF KANSAS CITY

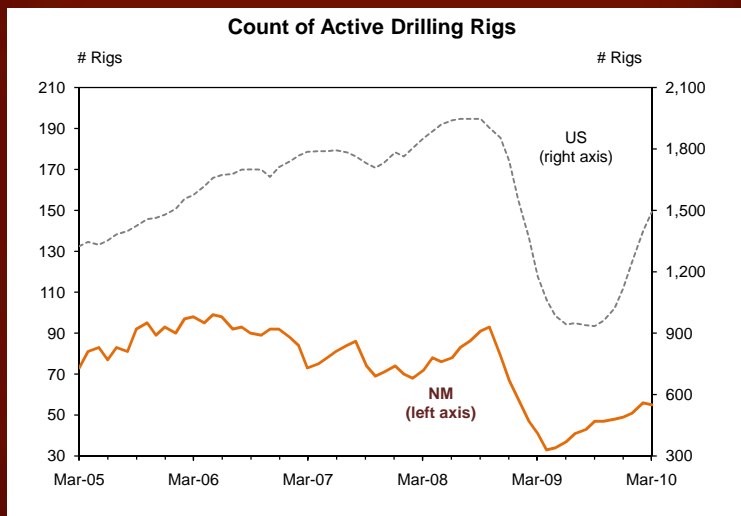
2010 REGULATORY UPDATE SEMINARS
FEDERAL RESERVE BANK OF KANSAS CITY

Manufacturing Showing Clear Signs of Rebound



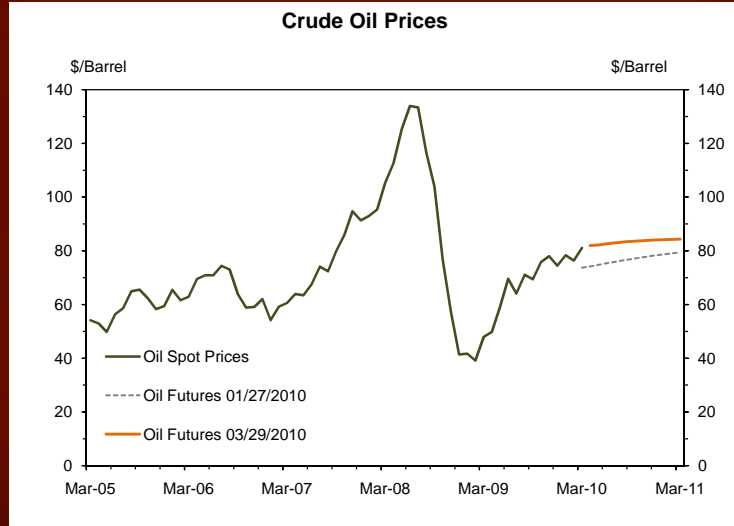
Source: FRBKC Manufacturing Survey, ISM

Energy Drilling Rebound but Low Natural Gas Prices Remain A Concern



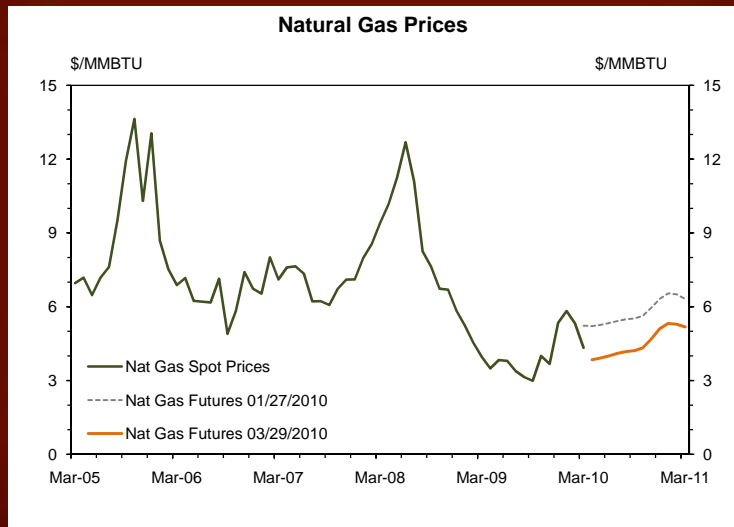
Source: Baker-Hughes

Energy Sector Buoyed by Oil Prices



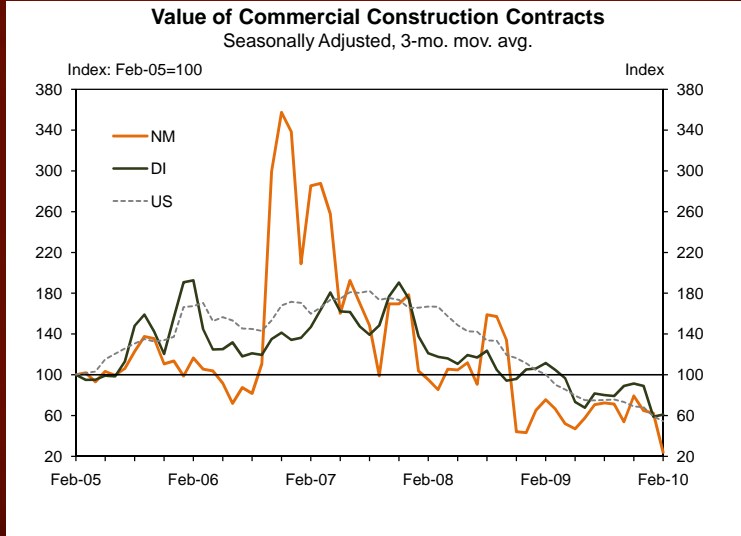
Source: Bloomberg Energy Services

NM And 10J Tied More Closely to Natural Gas



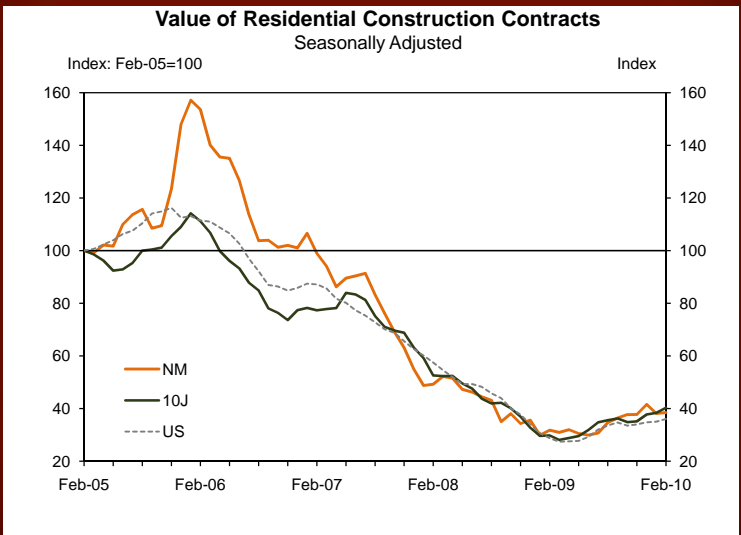
Source: Bloomberg Energy Services

No Clear Sign of A Bottom in Commercial Real Estate

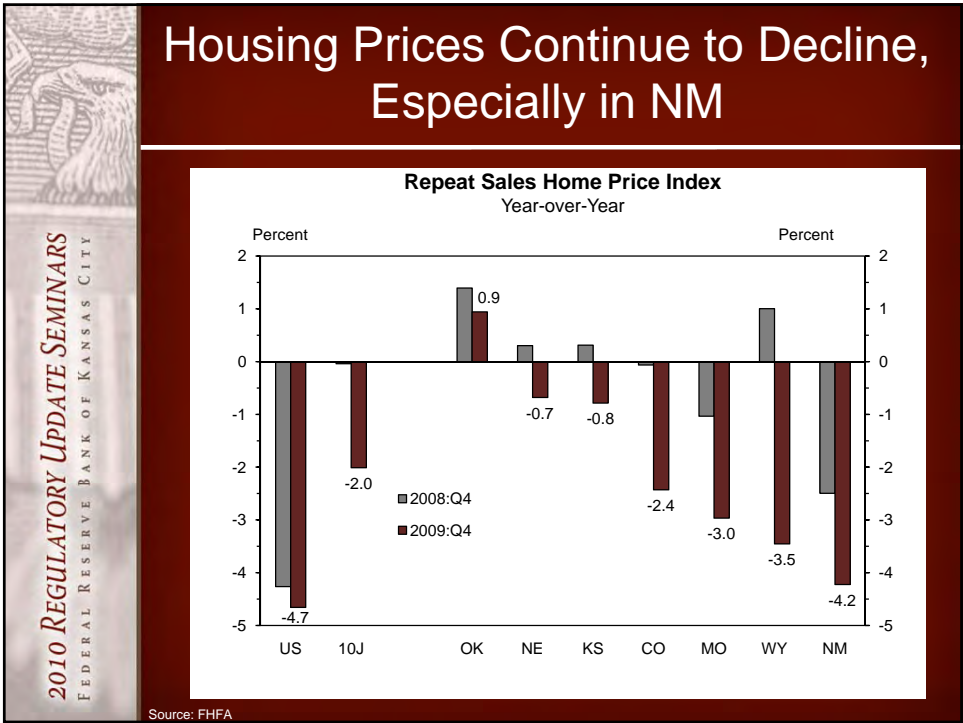
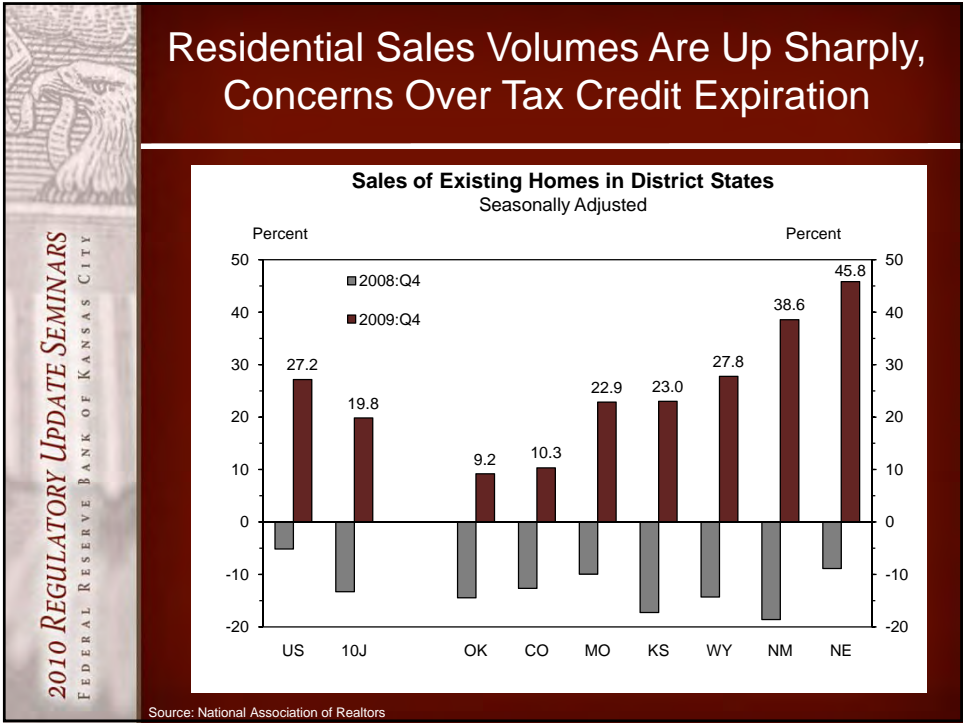


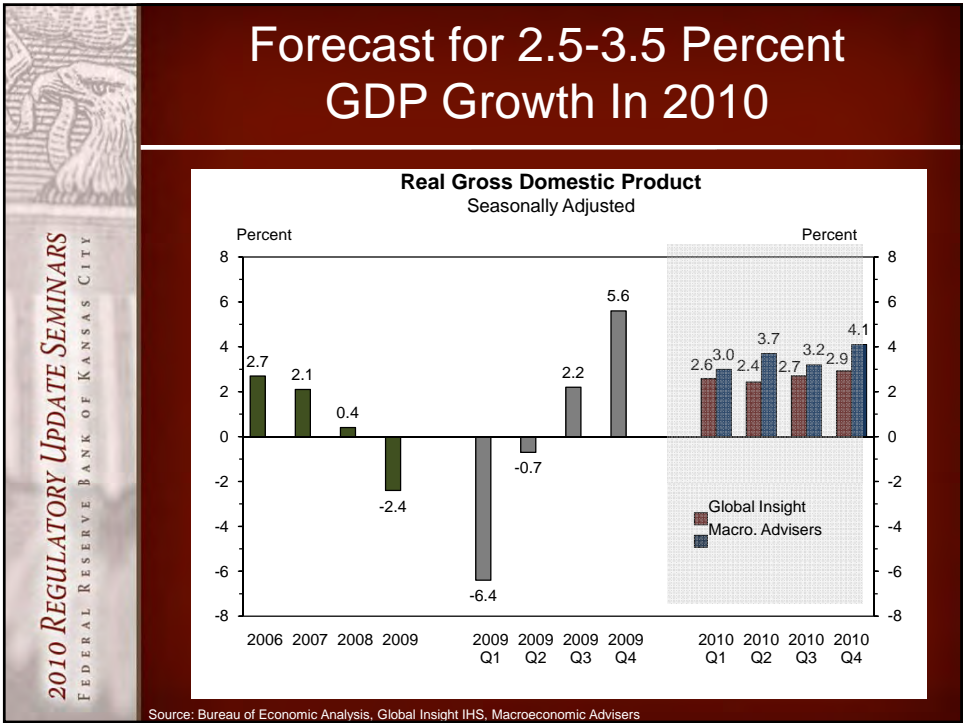
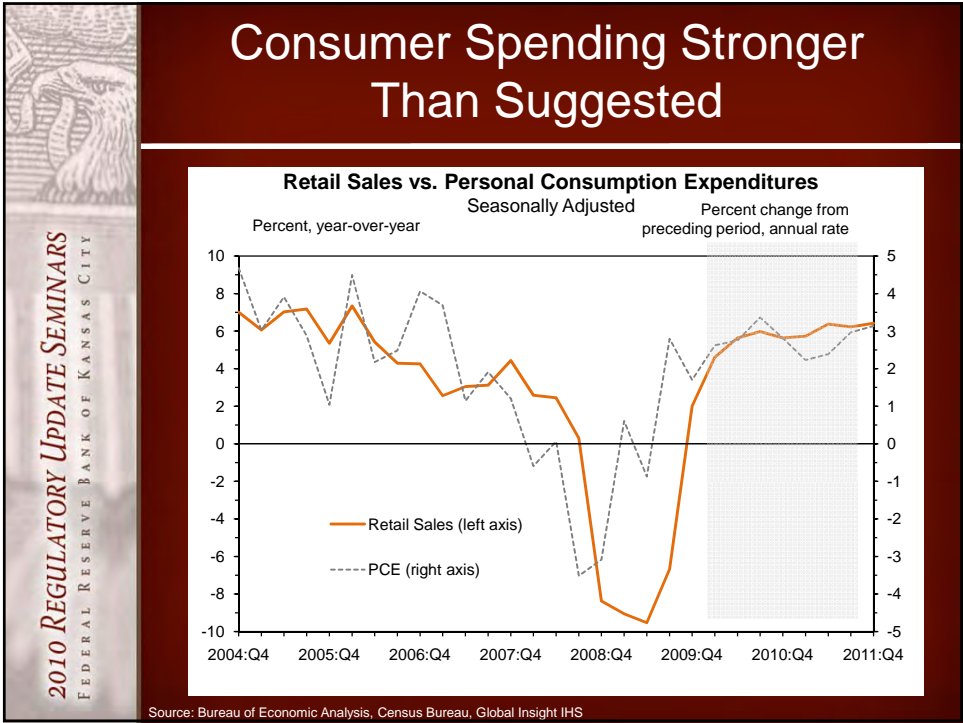
Source: F.W. Dodge, Inc.

Continued Growth in New Housing Construction

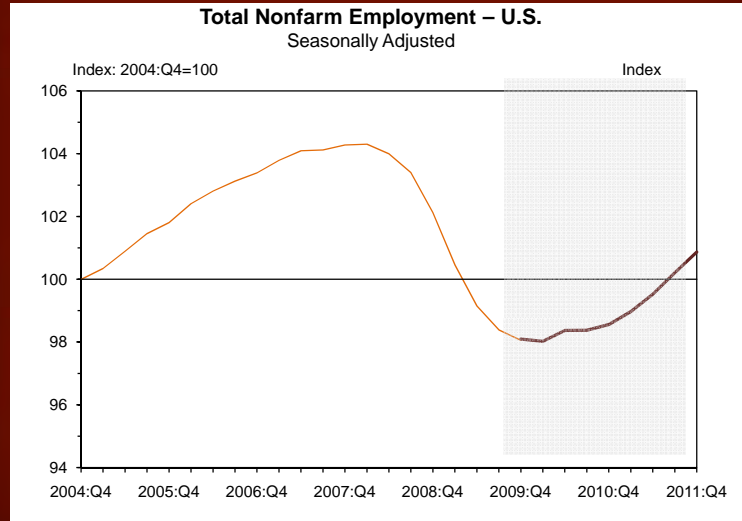


Source: F.W. Dodge, Inc.





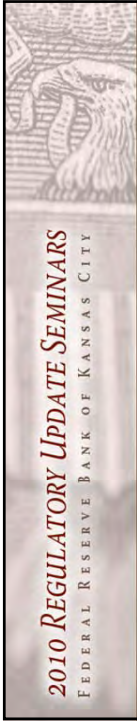
At or Near A Bottom in the Labor Market



Source: Bureau of Labor Statistics, Global Insight IHS

NM Recession and Recovery

- Technical Recession Ended Around Q3 2009
- Moderate GDP Growth Expected in 2010
- Overhang Remains From Declining Residential Prices and Commercial RE
- Income Growth has Resumed In NM and U.S.
- Job Growth Expected By Q2 2010
- NM May Lag One Quarter



NM Recession and Recovery

Questions?