Appendix 1: Materials used by Mr. Reinhart
Two- and Ten-year Treasury Yields

Note. Treasury yield shown is that of the on-the-run issue.

Treasury Yield Curve

Ten-year TIPS Yield

Selected Treasury Yields

* Quotes taken at approximately 12:00 pm.
Major Stock Indexes

Five-minute intervals

S&P 500
Last Monday 4:00 pm

Wilshire 5000

Nasdaq

3/13/03 9:30 am = 100

S&P 100 Implied Volatility (VIX)

Five-minute intervals

Last Monday 4:00 pm

Selected Equity Market Quotes

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

| Option-Implied Volatility | 4. S&P 100 (VIX) | 32.45                 | 35.74          | -3.29 |

* 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*

*Estimates from federal funds and eurodollar futures

*Contract with approximately 3 months to expiration.

*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.
### Ten-year Swap Spread

Five-minute intervals

Last Monday 4:00 pm

### Stock Prices and Credit Default Swap Premia for Selected Financial Intermediaries

<table>
<thead>
<tr>
<th>Stock Prices</th>
<th>CDS Premia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Today 4/1/03* (1)</td>
<td>Wednesday 3/19/03 (2) Change (1)-(2)</td>
</tr>
<tr>
<td>Today 4/1/03* (3)</td>
<td>Wednesday 3/19/03 (4) Change (3)-(4)</td>
</tr>
</tbody>
</table>

- **1. Bank of America**: 67.54/69.50, -2.8 - 28.0/31.0, -3.0
- **2. Citigroup**: 35.05/35.46, -1.2 - 28.0/34.0, -6.0
- **3. Goldman Sachs**: 69.07/70.27, -1.7 - 48.0/56.8, -8.8
- **4. Lehman Brothers**: 58.75/59.69, -1.6 - 43.0/54.2, -11.2
- **5. Merrill Lynch**: 35.95/36.74, -2.2 - 53.0/56.8, -3.8

* Quotes taken at approximately 12:00 pm.

### Swaption Implied Volatility (Ten-year Swap Rate)

Daily

Three-months ahead

One-year ahead

* denotes today’s observation (taken at approximately 12:00 pm).
Exhibit 6
Term Structure of Forward Swap Rate Volatilities*
(Annual Yield Volatilities, Percent)

*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.
Chart 1

Selected Exchange Rates
(Foreign currency per dollar)

Index, March 12, 2003 = 100

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

Indexes of Trade-Weighted Value of the Dollar
Index, March 12, 2003 = 100

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

3-Month Eurocurrency Futures Rates

- Yen
- Euro
- Sterling
- Dollar

1-Year Forward Rates Derived From Swaps

- Yen
- Euro
- Sterling
- Dollar
Chart 3

Stock Market Indexes

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

Euro Area

United Kingdom

Japan

United States

Change since 3/12

DJ Euro 9.1%
DJ Euro Tech 8.6%
DJ Euro Bank 9.9%

FTSE-350 10.8%
FTSE-Tech 7.1%
FTSE-Bank 10.5%

TOPIX 0.8%
TOPIX-EM 0.7%
TOPIX-Bank -3.6%

S&P 500 5.6%
NASDAQ 5.0%
S&P Bank 9.3%
Chart 4

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
Chart 1

Current Indicators

UI--Initial Claims

UI--Insured Unemployment

Note. Seasonally adjusted using FRB seasonals.

IP Weekly Production Index

Production of Domestic Motor Vehicles

Note. March through June are schedules.

Chain Store Sales

Michigan SRC Survey

<table>
<thead>
<tr>
<th></th>
<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>
<td>81.9</td>
</tr>
<tr>
<td>2. Current</td>
<td>95.6</td>
<td>87.1</td>
<td>94.8</td>
</tr>
<tr>
<td>3. Expected</td>
<td>72.1</td>
<td>67.2</td>
<td>73.6</td>
</tr>
</tbody>
</table>

Source. Bank of Tokyo-Mitsubishi.
Chart 2
Domestic Energy Markets

Gasoline and Crude Oil Prices

- Retail price (DOE, weekly)
- Crude oil price (WTI spot, daily)

Note. Not seasonally adjusted.

Natural Gas Spot Price

(Henry Hub, daily)

Natural Gas Inventories*

- 1997-2000 average
- 2001
- 2002
- 2003

*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>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipments</td>
<td>- - - annual rate - - -</td>
<td>- - - - monthly rate - - -</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Nondefense excl. 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</td>
<td>2.0</td>
<td>-1.2</td>
</tr>
</tbody>
</table>

### New Orders

<table>
<thead>
<tr>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Nondefense excl. 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.
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>.42</td>
<td>.17</td>
<td>.10</td>
<td>-.2</td>
<td>-.4</td>
</tr>
<tr>
<td>2. New autos and trucks</td>
<td>.764</td>
<td>-.343</td>
<td>.240</td>
<td>-.135</td>
<td>-.44</td>
</tr>
<tr>
<td>3. Excluding new autos and trucks</td>
<td>.22</td>
<td>.34</td>
<td>.2</td>
<td>.3</td>
<td>-.3</td>
</tr>
<tr>
<td>4. Real DPI</td>
<td>.18</td>
<td>.24</td>
<td>.3</td>
<td>.2</td>
<td>-.2</td>
</tr>
</tbody>
</table>

Memo:

5. Personal saving rate

6. Core PCE prices

---

1. Percent.

New Home Sales and Starts

- Millions of units, annual rate
- (Seasonally adjusted)

- Starts
- Feb.

Existing Home Sales

- Millions of units, annual rate
- (Seasonally adjusted using FRB seasonals)

- Feb.