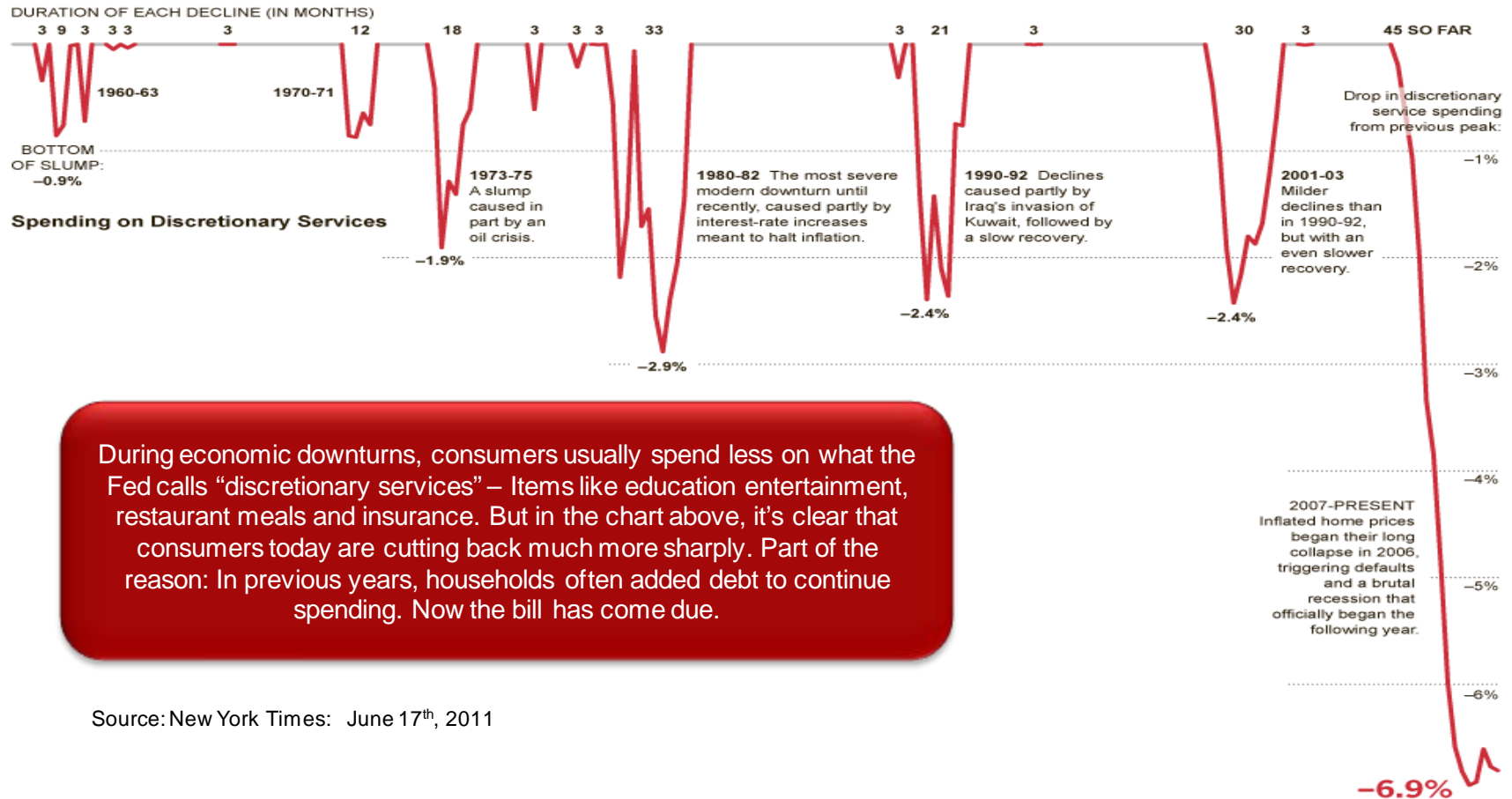


Slumps in Consumer Spending

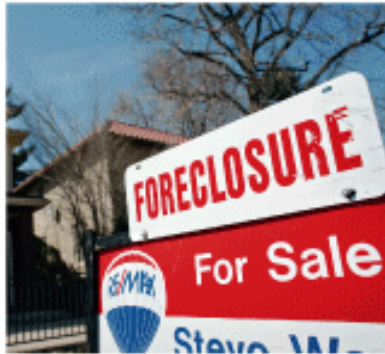


During economic downturns, consumers usually spend less on what the Fed calls "discretionary services" – Items like education entertainment, restaurant meals and insurance. But in the chart above, it's clear that consumers today are cutting back much more sharply. Part of the reason: In previous years, households often added debt to continue spending. Now the bill has come due.

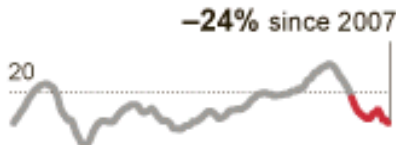
Source: New York Times: June 17th, 2011

Slumps in Consumer Spending

HOMES



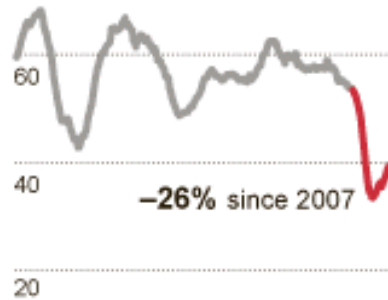
All charts show sales per 1,000 people.



AUTOMOBILES



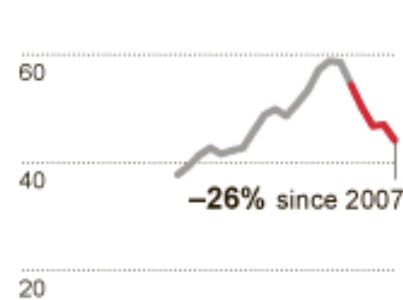
Light vehicles (excludes some trucks)



WASHERS AND DRYERS



Appliances data prior to 1991 not available.



STOVES AND OVENS



Source: New York Times: June 17th, 2011

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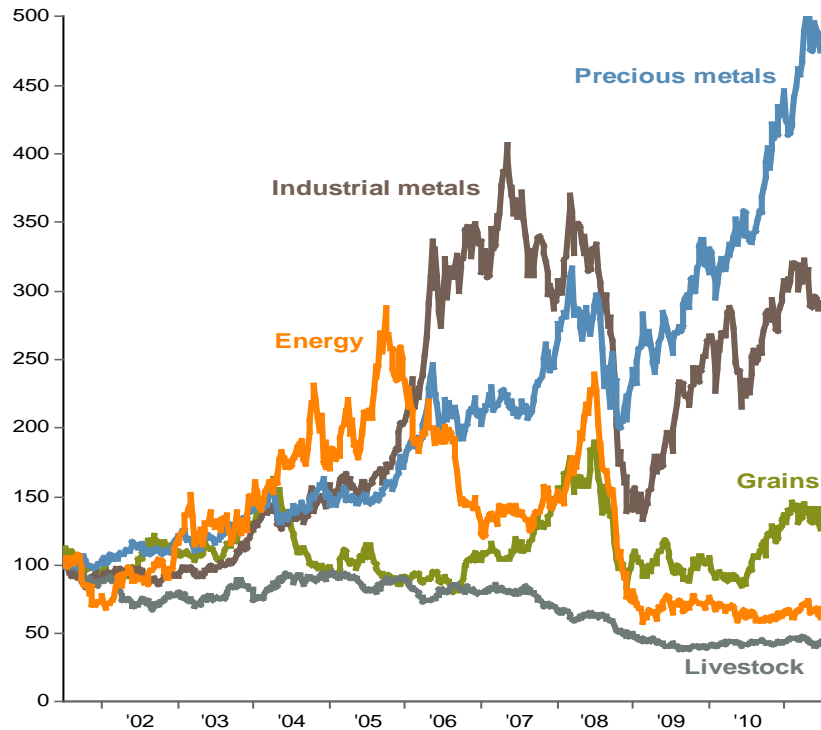
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Global Commodities

Commodity Prices

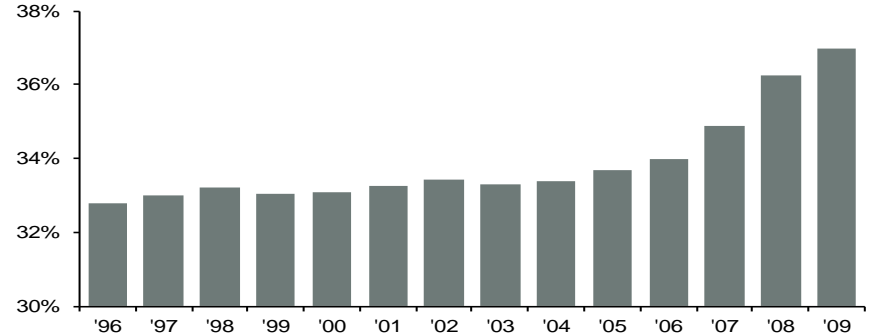
Weekly index prices rebased to 100



Source: Dow Jones/UBS, FactSet, J.P. Morgan Asset Management.
Commodity prices represented by the appropriate DJ/UBS Commodity sub-index.
Data reflect most recently available as of 6/30/11.

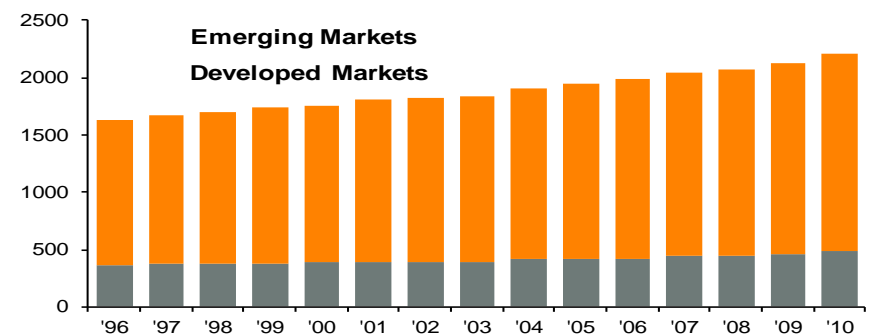
Oil Demand: Emerging Markets Share

Emerging markets as % of total global oil consumption



Grain Demand: Emerging vs. Developed Markets

Millions of metric tons



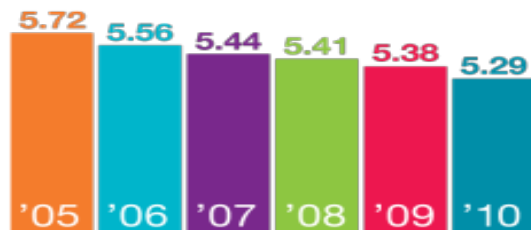
Source: USDA, BP Statistical Review of World Energy, J.P. Morgan Asset Management.
Data are as of 6/30/11.

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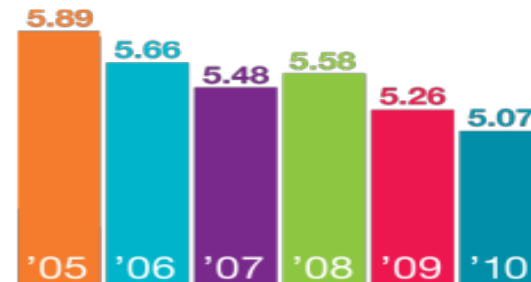
Kellogg Sustainability

Energy Use (in gigajoules)



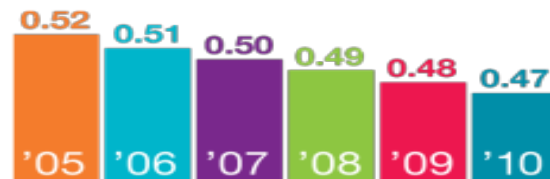
per metric tonne of food produced

Water Use (in cubic meters)



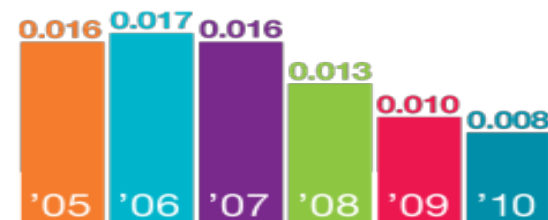
per metric tonne of food produced

GHG Emissions (in metric tonnes)



per metric tonne of food produced

Waste Sent to Landfill (in metric tonnes)

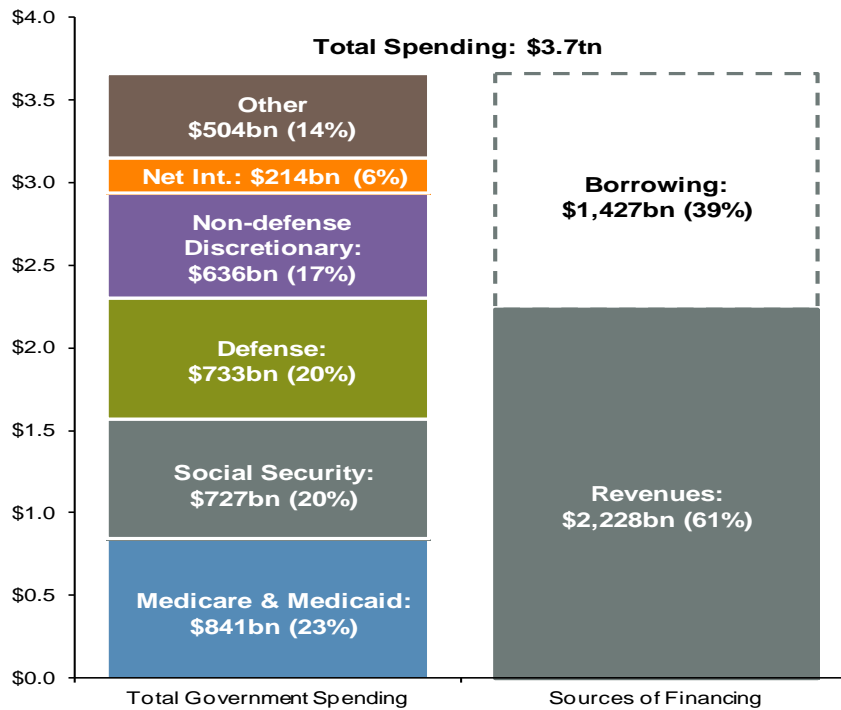


per metric tonne of food produced

Federal Budget

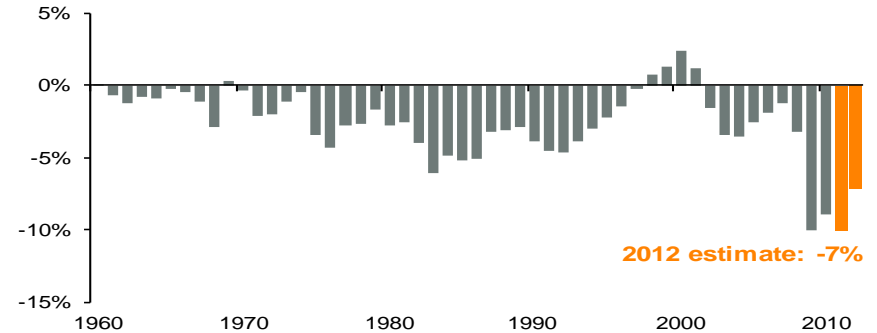
The 2011 Federal Budget

Trillions, USD



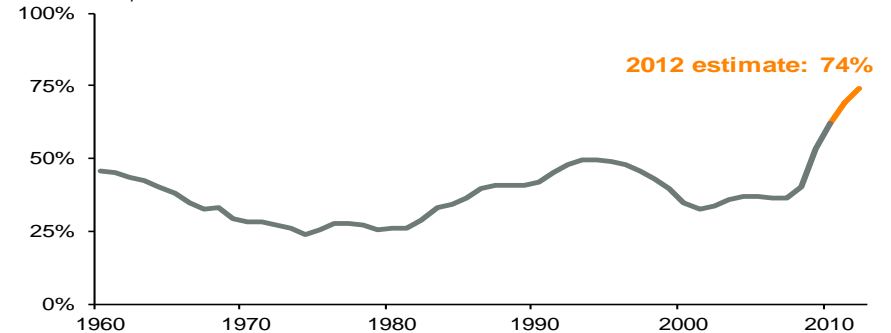
Federal Budget Surplus/Deficit

% of GDP, 1960 – 2012*



Federal Debt (Accumulated Deficits)

% of GDP, 1960 – 2012*



Source: U.S. Treasury, BEA, CBO, OMB, J.P. Morgan Asset Management.

2010 numbers reflect actual CBO data for FY 2010. *Other numbers are based on 2011 and 2012 budget projections from the CBO's "An Analysis of the President's Budgetary Proposals for Fiscal Year 2012" which was released on April 15, 2011.

Note: Years shown are fiscal years (Oct. 1 through Sep. 30). Top right chart displays federal surplus/deficit (revenues – outlays).

Data reflect most recently available as of 6/30/11.

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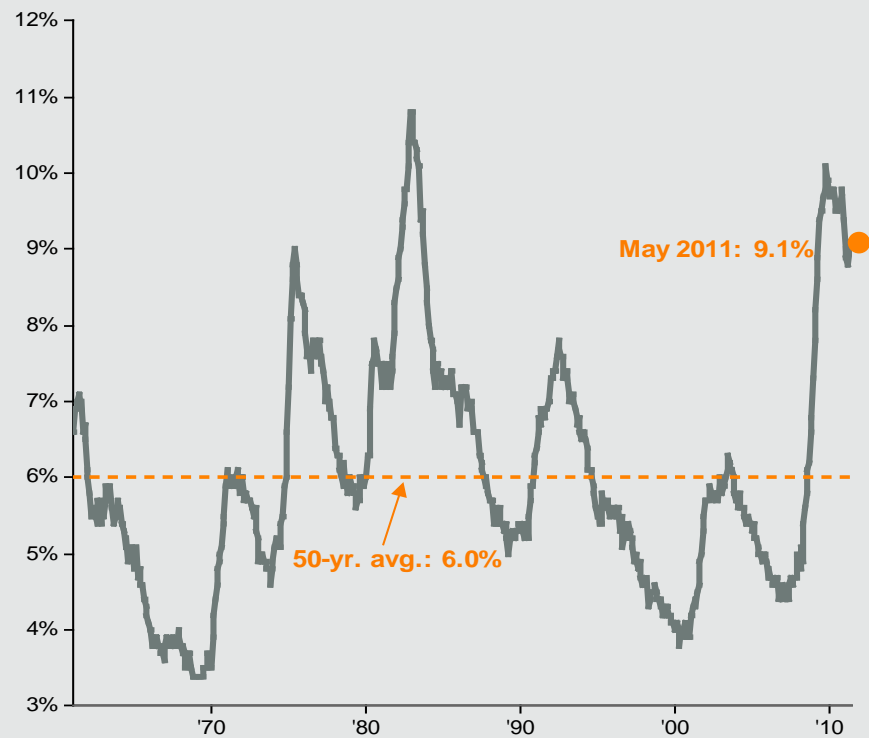
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Employment

Civilian Unemployment Rate

Seasonally adjusted

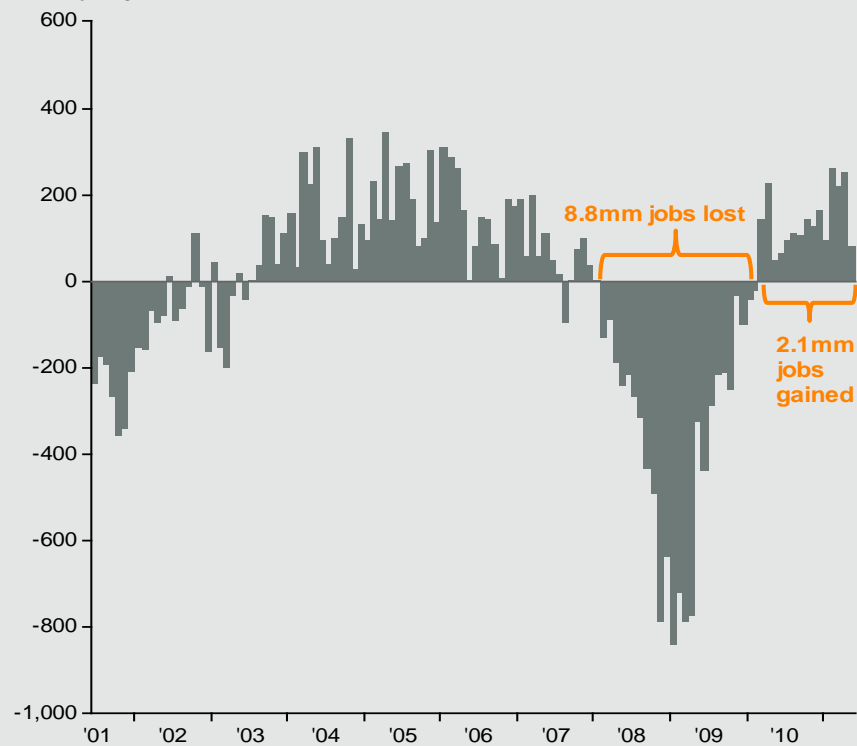


Source: BLS, FactSet, J.P. Morgan Asset Management.

Data reflect most recently available as of 6/30/11.

Employment – Total Private Payroll

Total job gain/loss (thousands)



Source: BLS, FactSet, J.P. Morgan Asset Management.

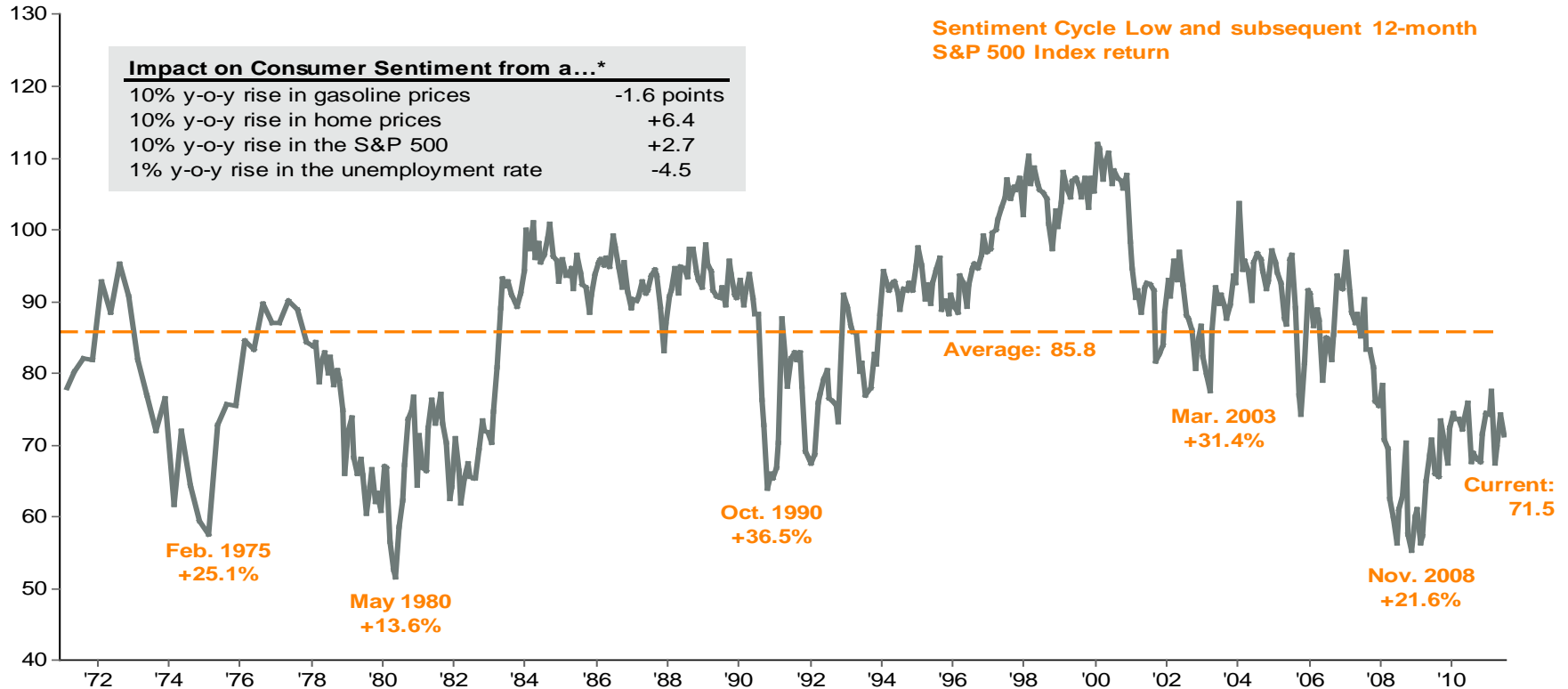
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Consumer Confidence

Consumer Sentiment Index – University of Michigan



Source: University of Michigan, FactSet, J.P. Morgan Asset Management.

*Based on regression analysis of monthly data from Jan. 1998 to Feb. 2011.

Data reflect most recently available as of 6/30/11.

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