



Forest Economic Advisors

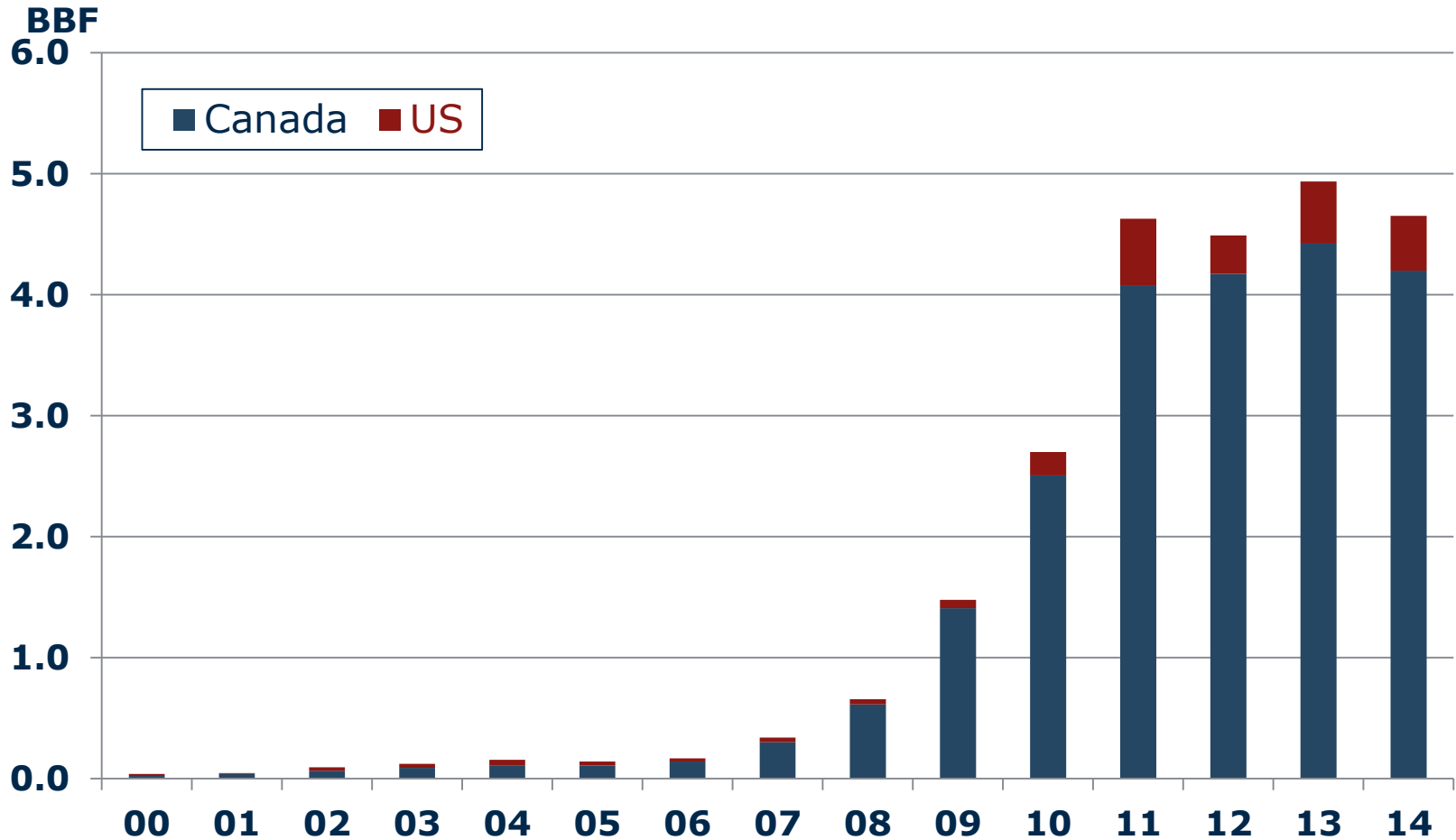
Key Global Economic Trends To Watch in 2015

**Chinese Imports, US Home
Construction and Gyrating Exchange
Rates**

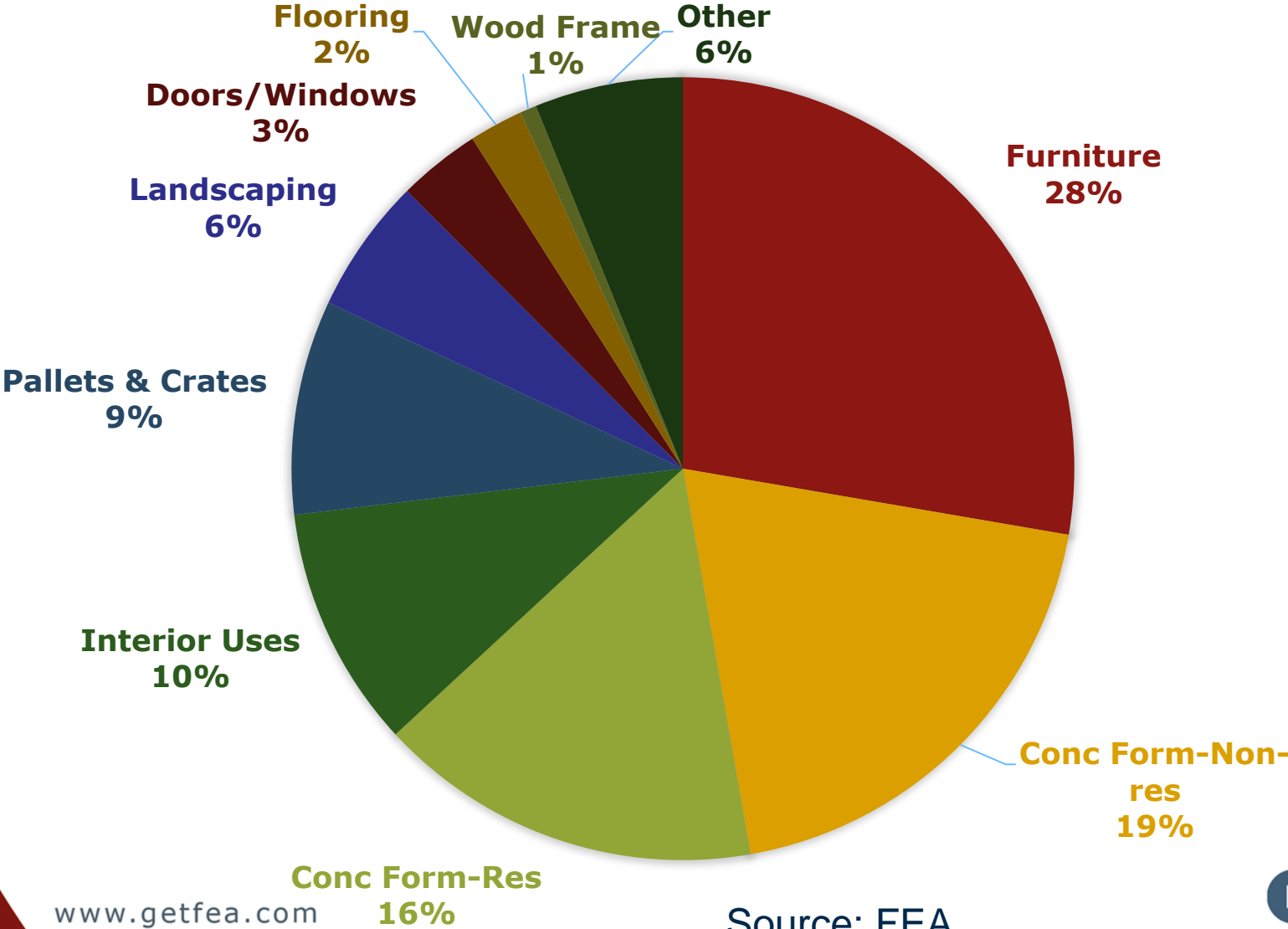


Chinese Economy is Faltering... ...It Could Tumble

North American Saw Tremendous Growth In Lumber Exports To China

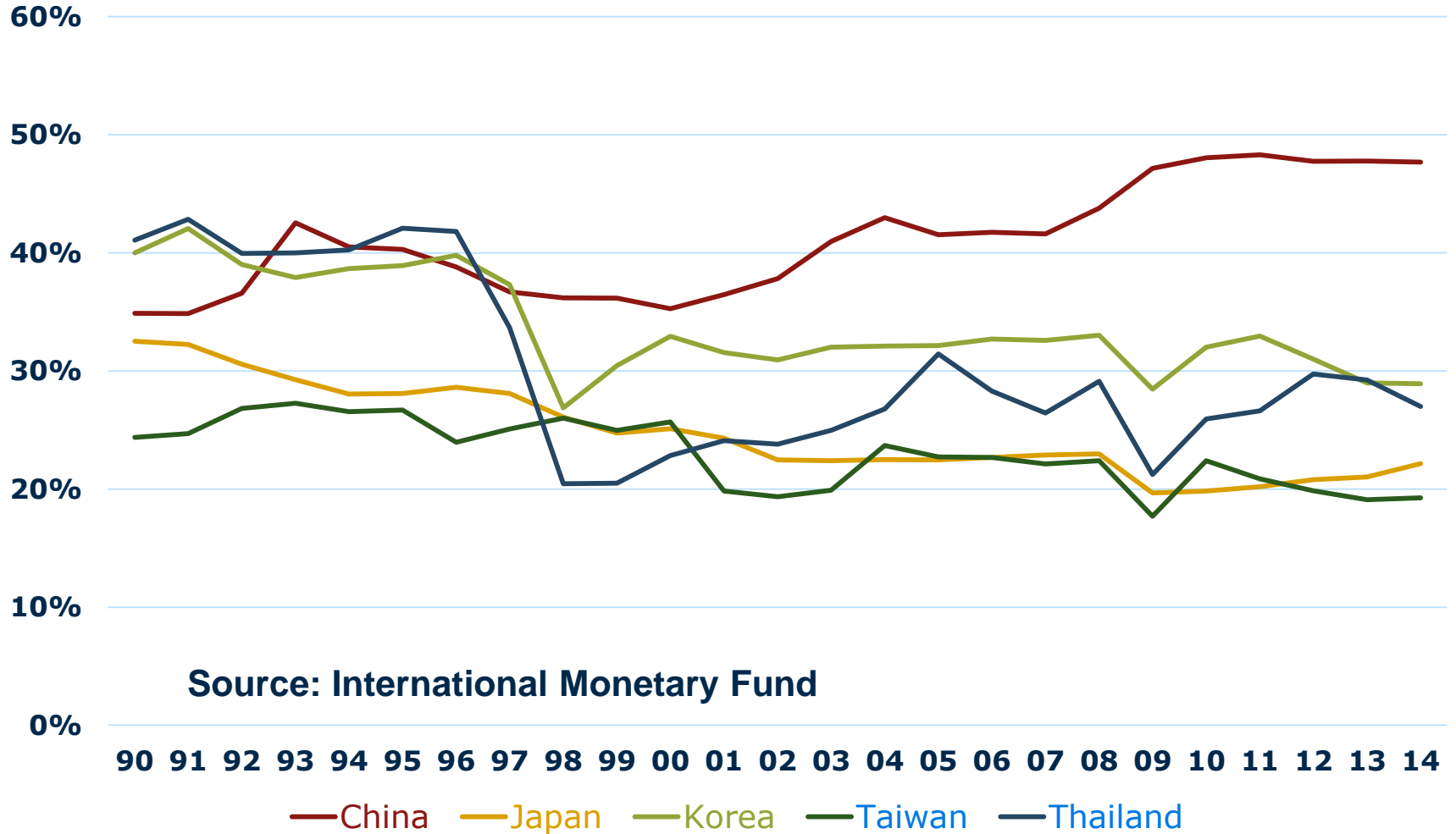


Chinese Softwood Consumption By End-Use



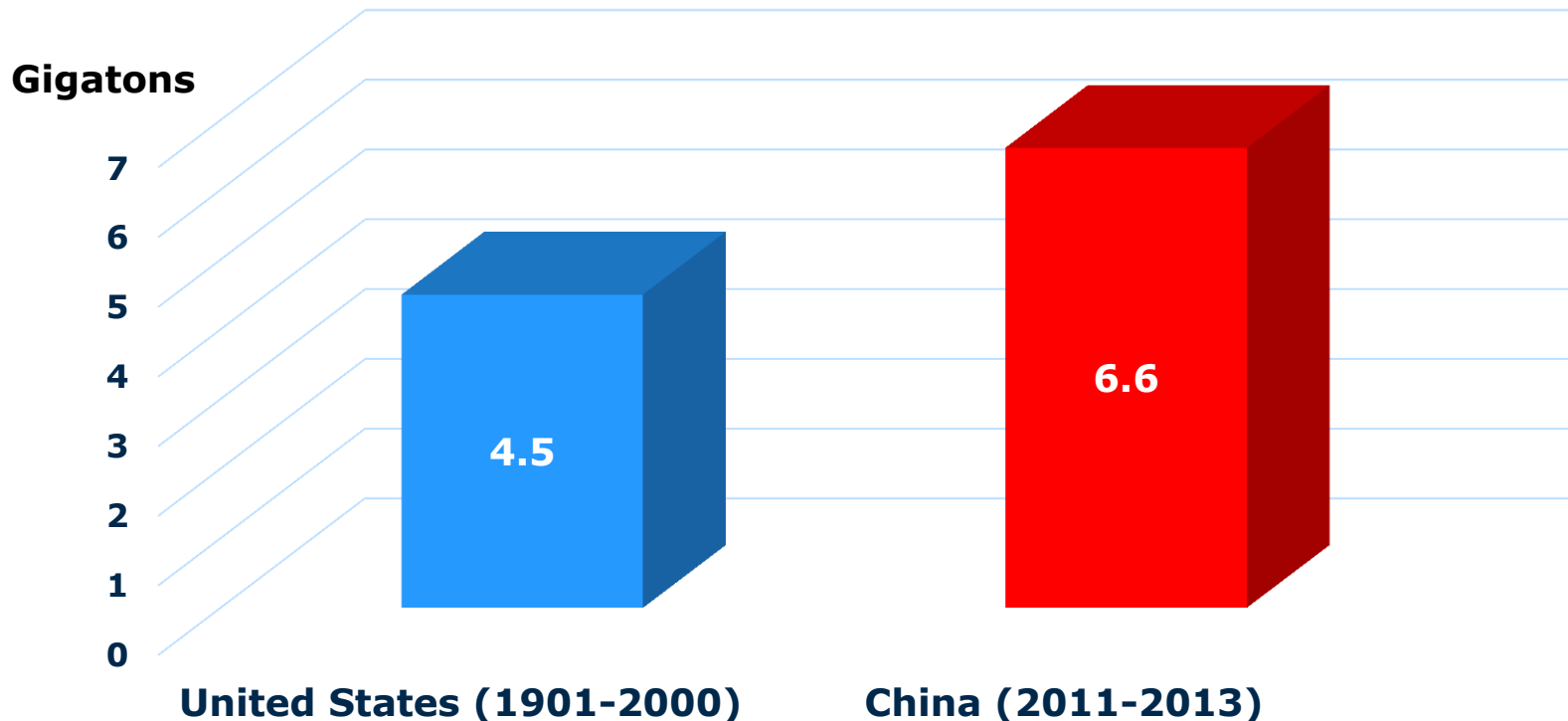
Chinese Investment Share is Alarming

Investment as a Percent of GDP



Source: International Monetary Fund

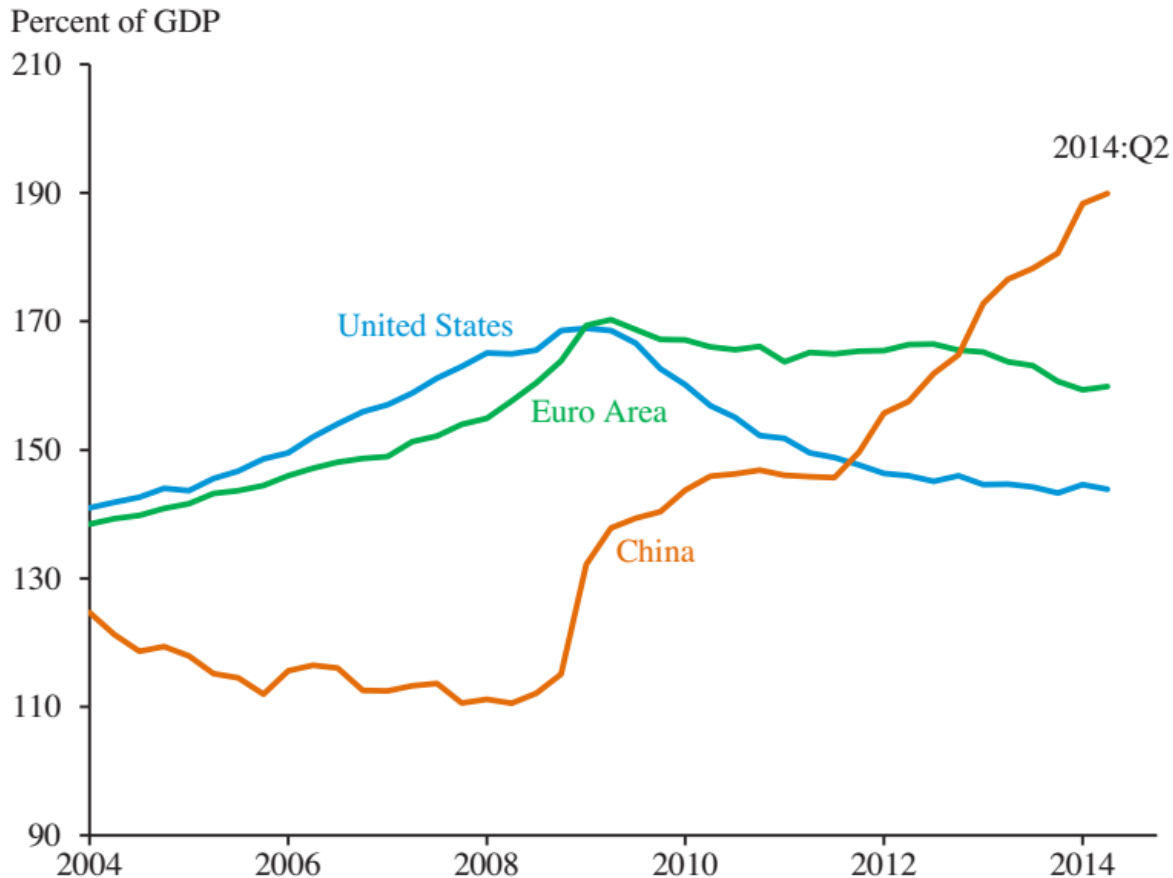
China Used More Cement in Last Three Years Than US Did in 20th Century



Source: Vaclav Smil, USGS, Cement Statistics 1900-2012, Mineral Industry of China, 1990-2013

China's Debt Bubble Looks Ominous

Figure 2-10
Credit to Nonfinancial Corporations and Households, 2004–2014



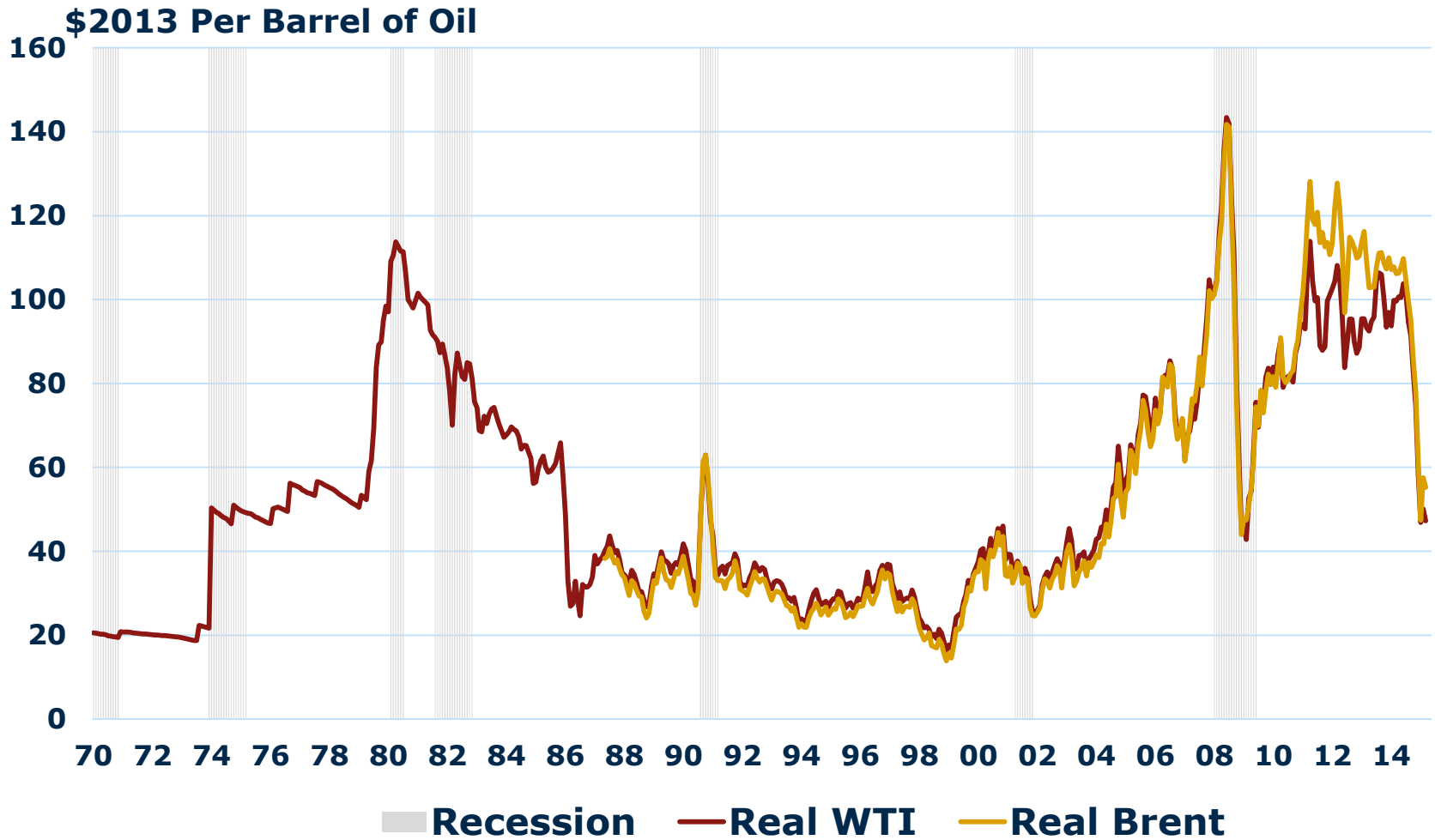
Source: Bank for International Settlements; People's Bank of China; Federal Reserve Board; National Sources.

Source: 2015 Economic Report of the President

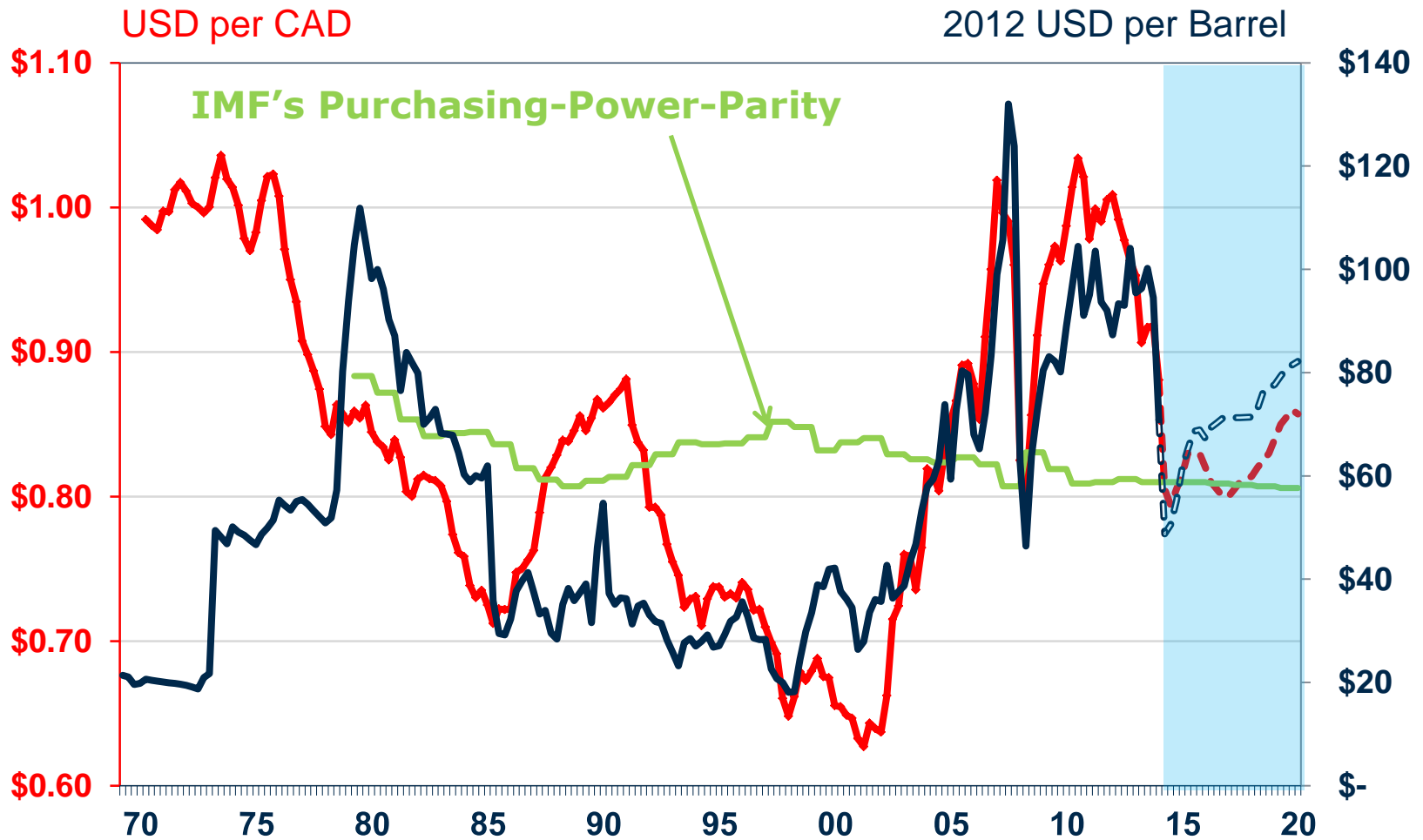
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Commodity Currencies Are Under Pressure

Oil Prices Have Plunged in Recent Months

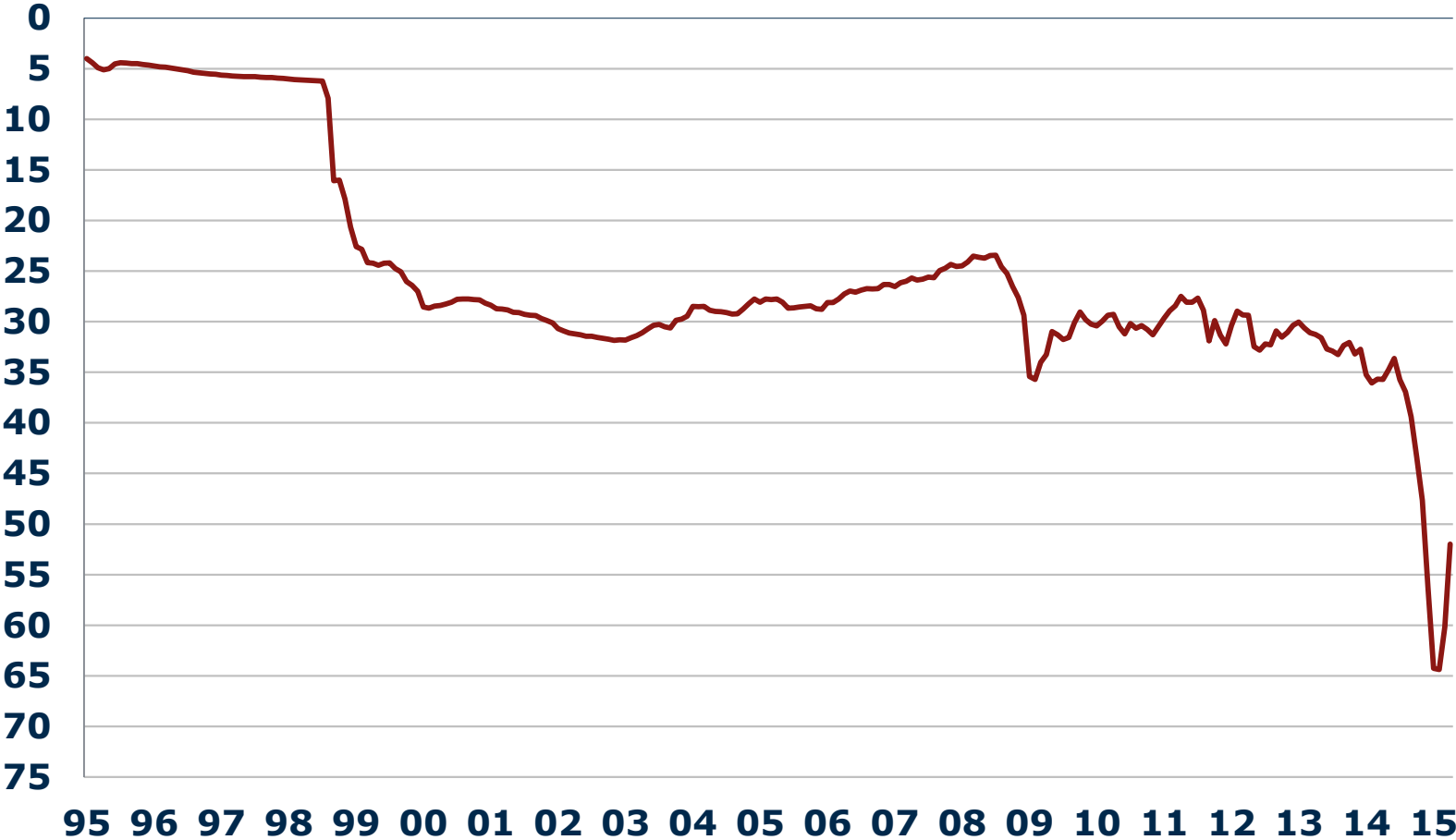


The Canadian Dollar Has Historically Tracked Real Oil Prices. It Will Eventually Gravitates Toward Its PPP Level



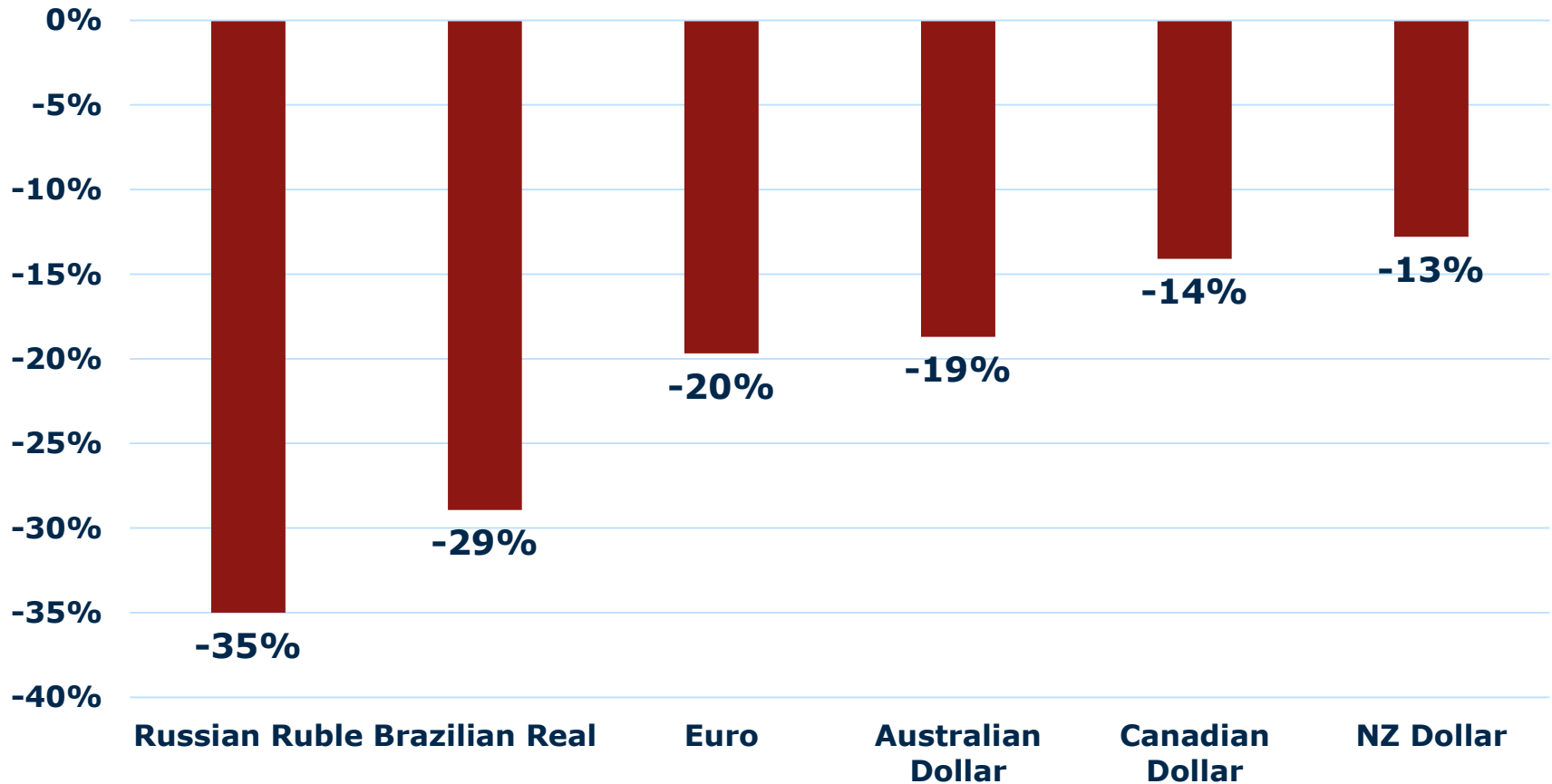
The Russian Ruble Turns to Rubble

Russian Rubles per US Dollar



The Ruble and Real Are Suddenly Much More Competitive

Loss in Value Against the US Dollar Since July 2014

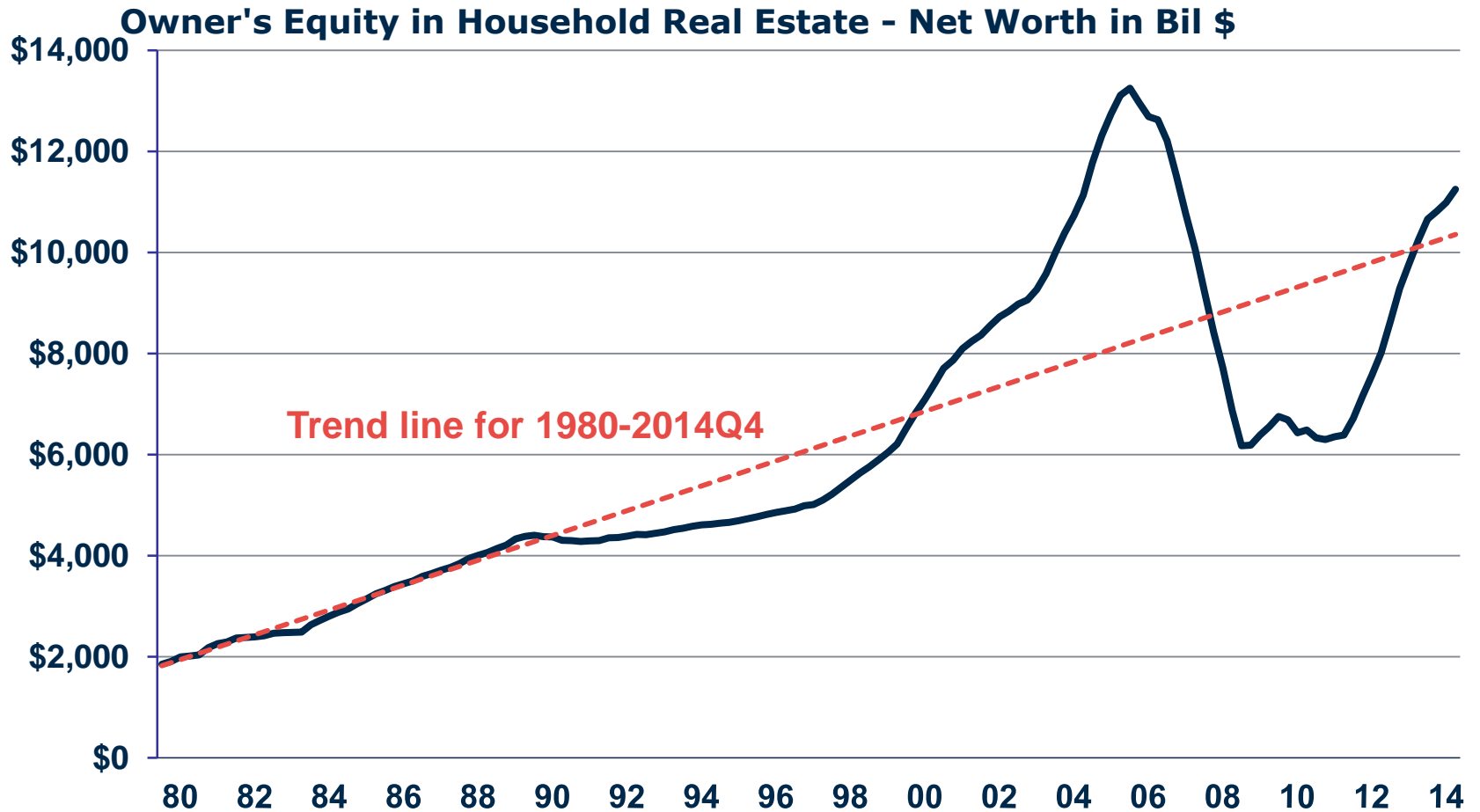


US Home Construction Will Return to Historical Typical Levels... Eventually

A Live Look at the US Housing Recovery



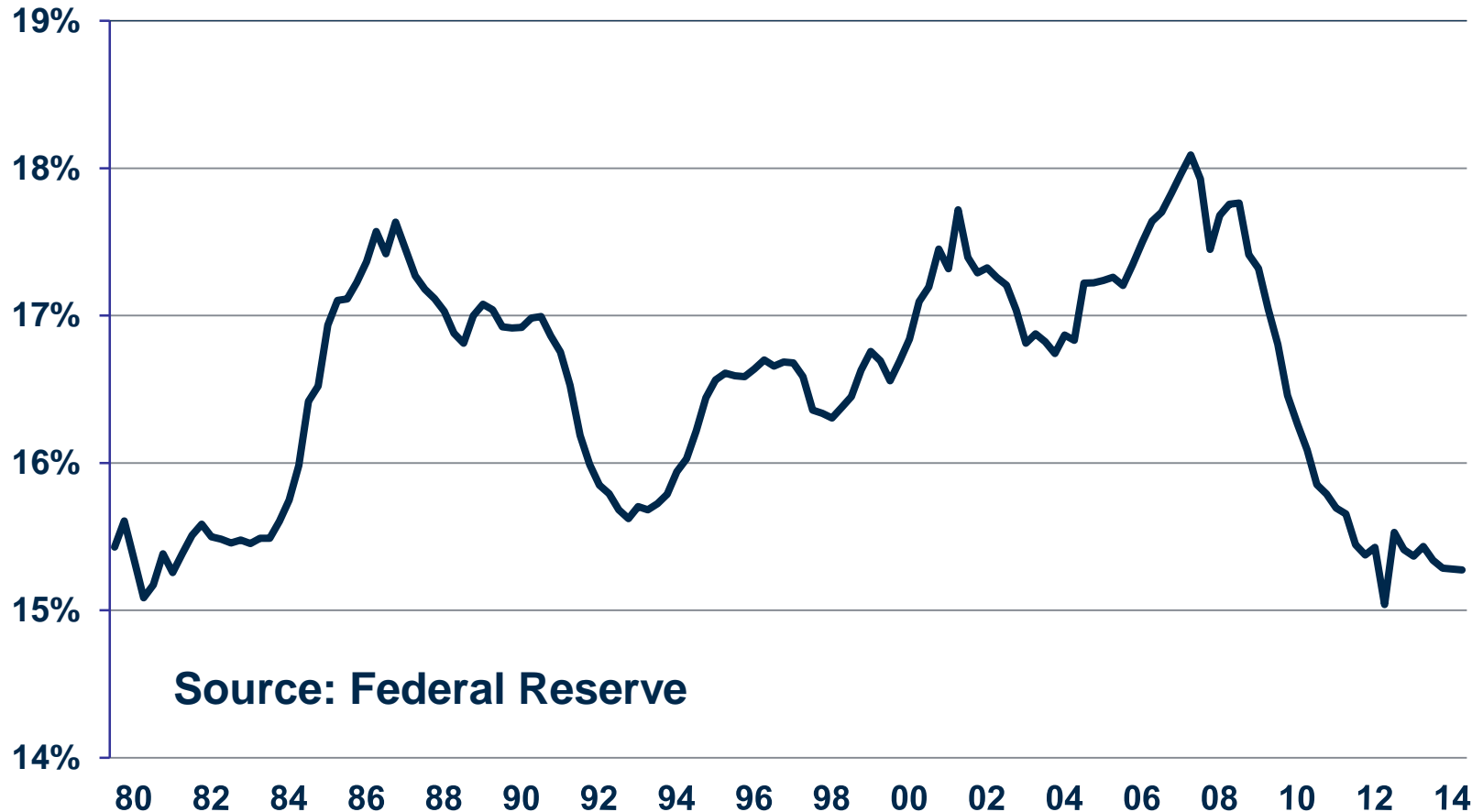
US Home Equity Now Exceeds Its Long-Term Trend



Source: Federal Reserve Flow of Funds data

Household Financial Obligations are Near a 30-Year Low

Household Financial Obligations* as a Percent of Disposable Income

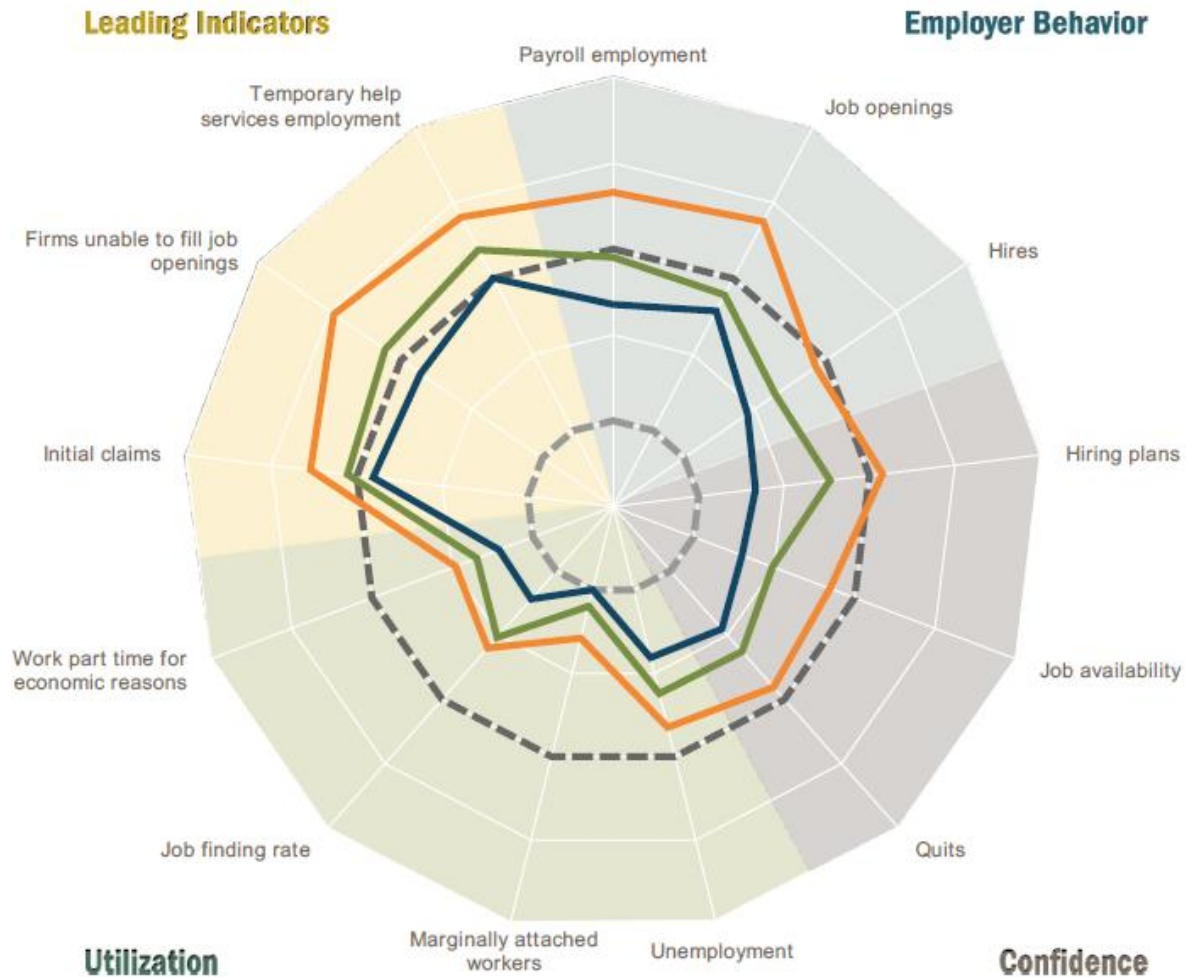


Source: Federal Reserve

*Sum of payments for mortgages, consumer debt, auto leases, rent paid by tenants, homeowner's insurance and property taxes

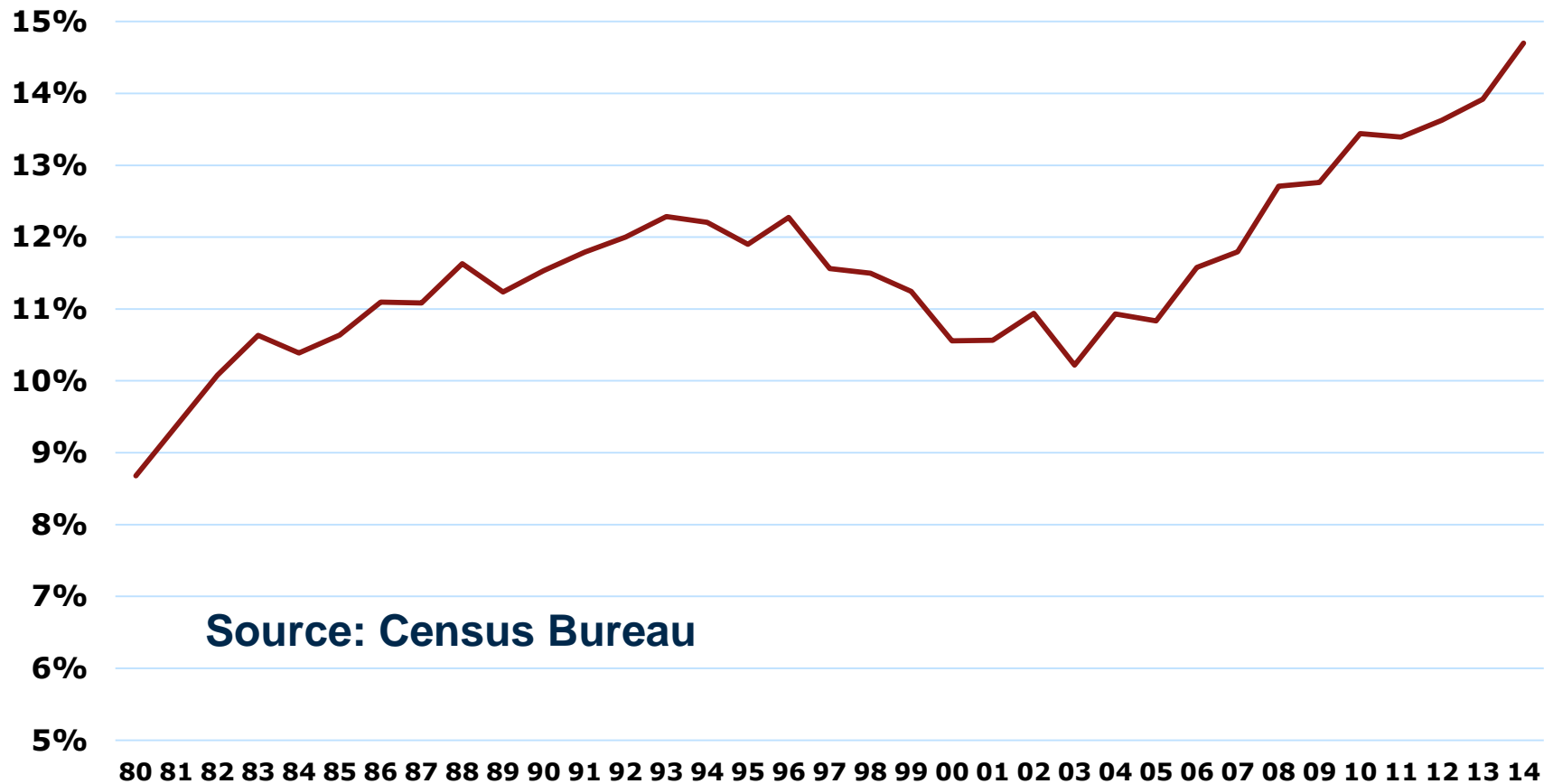
Atlanta Fed Labor Market Spider Chart

Atlanta Fed Labor Market Spider Chart: Levels



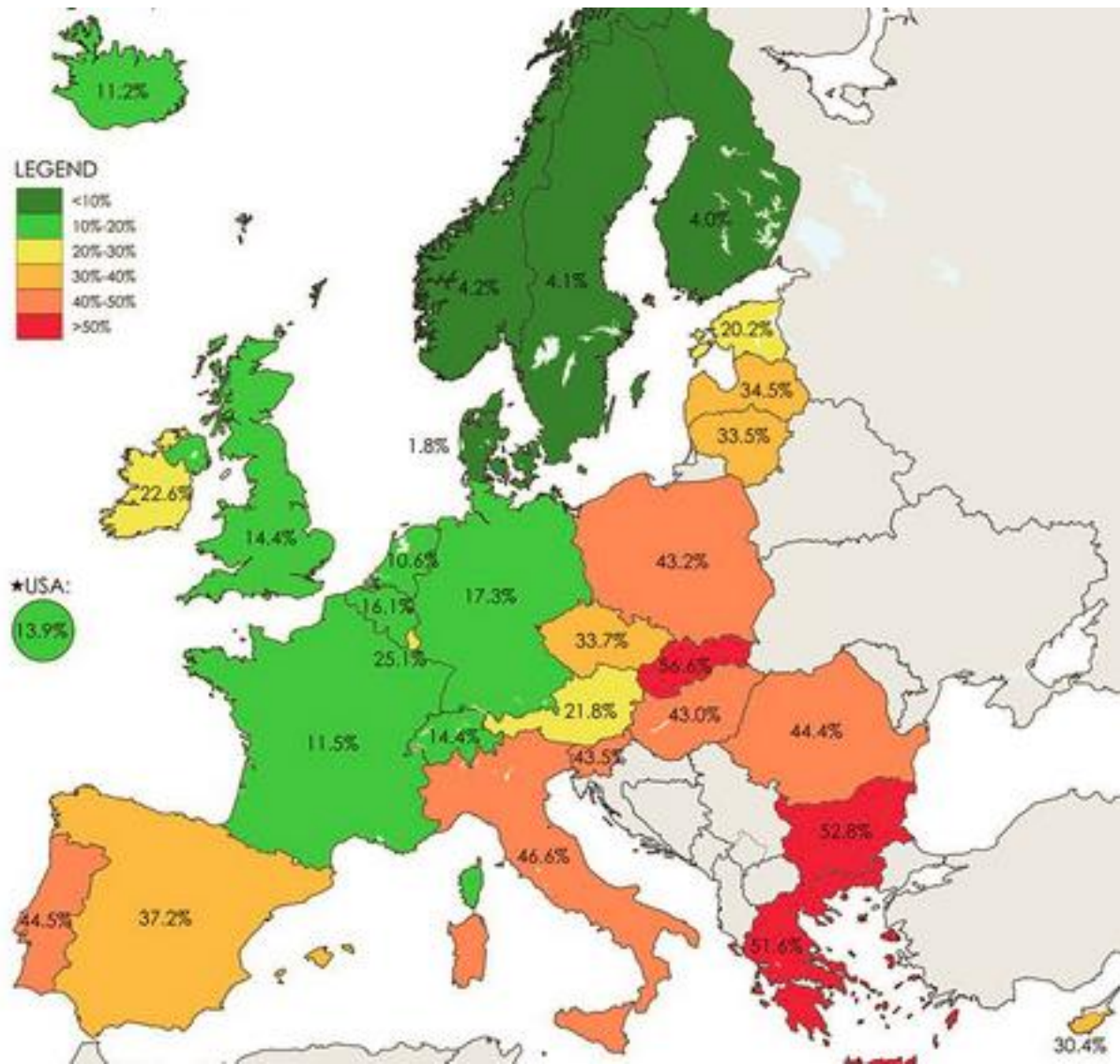
The Share of 25-34 Year Olds Living at Home is Well Above Long-Term Average

Percentage of adults aged 25-34 living at home

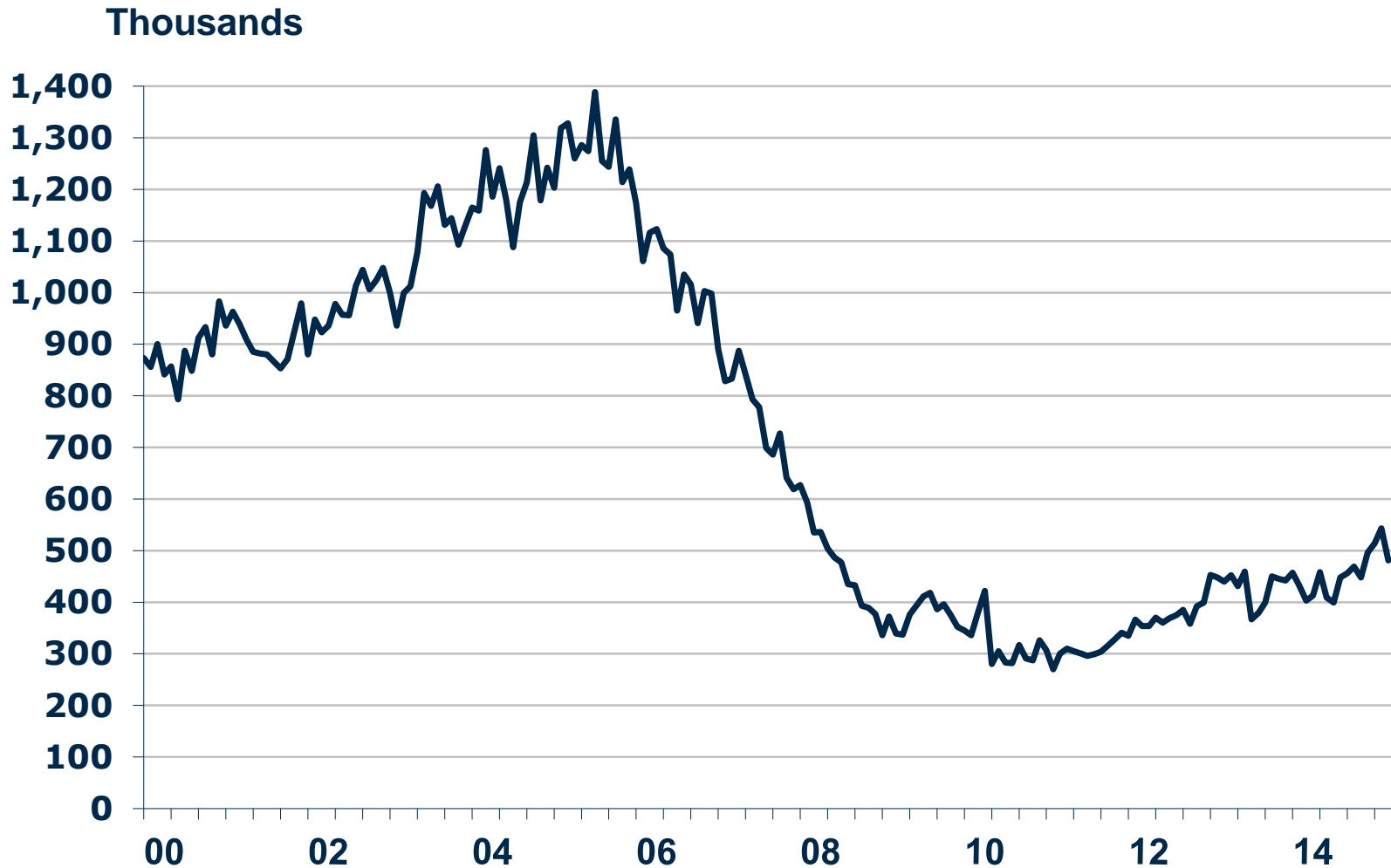


Source: Census Bureau

People in EU Aged 25-34 Who Still Live With Their Parents



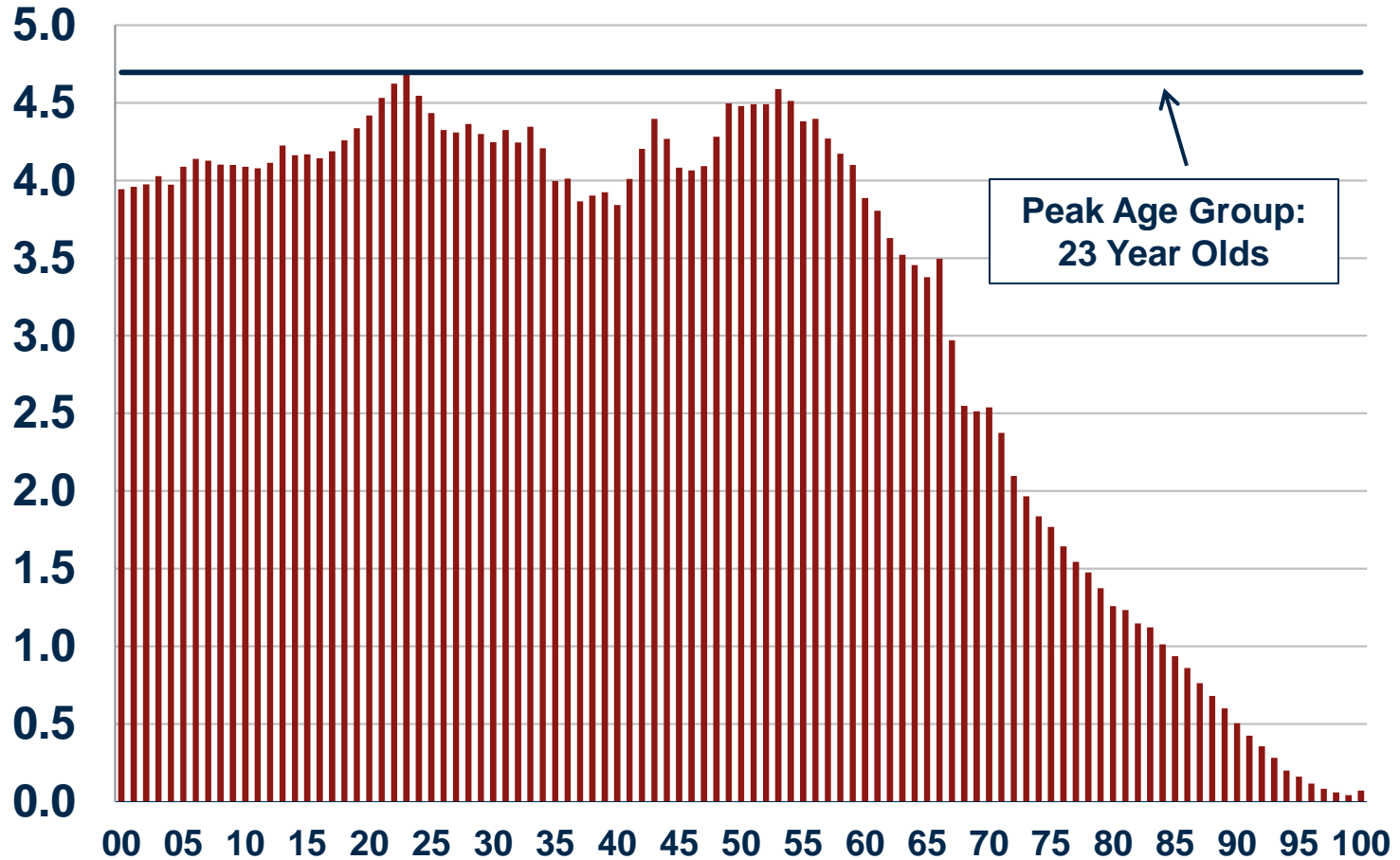
Key New Single-Family Home Sales Indicator Remains Weak



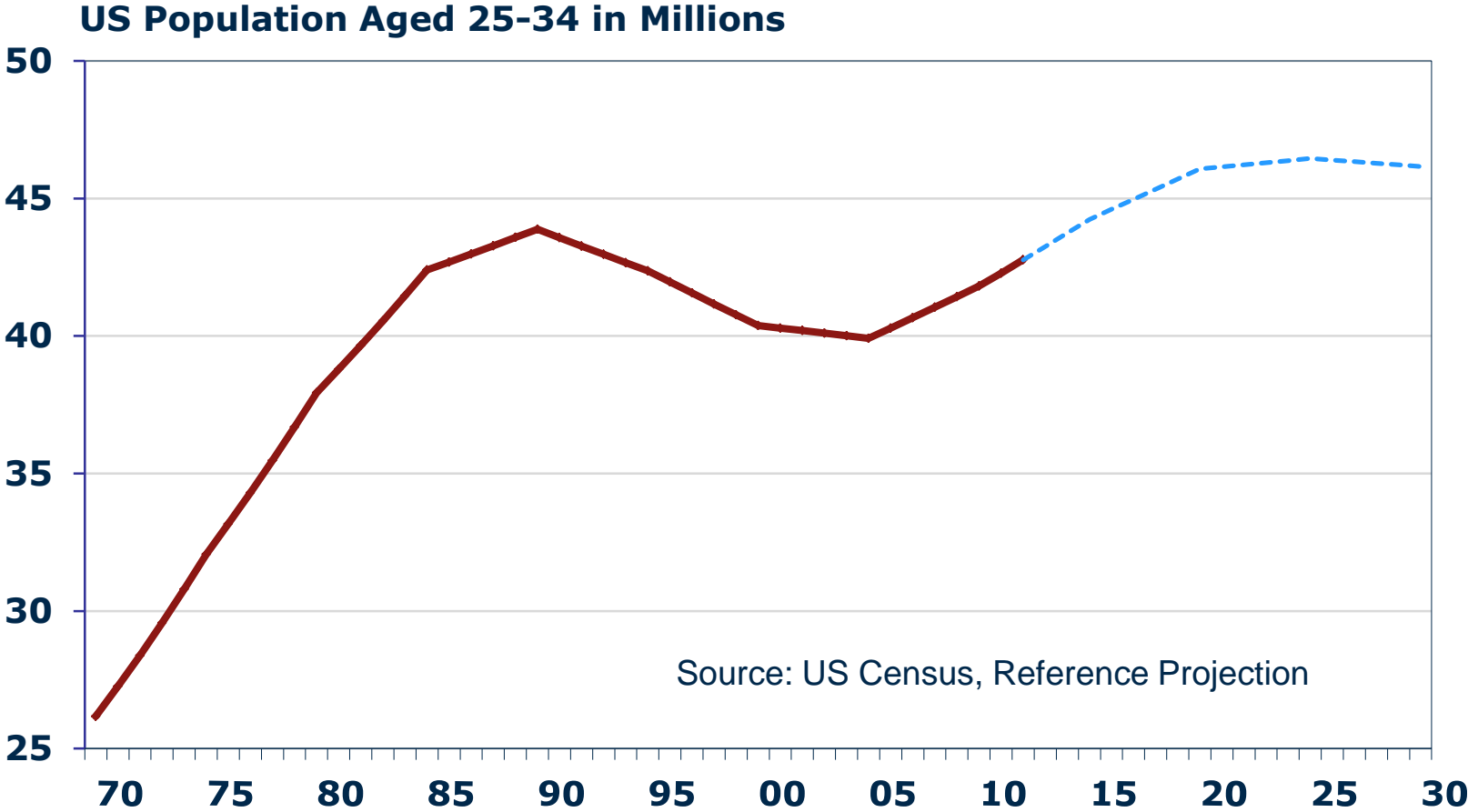
Underlying Demand for Housing

US Population By Age

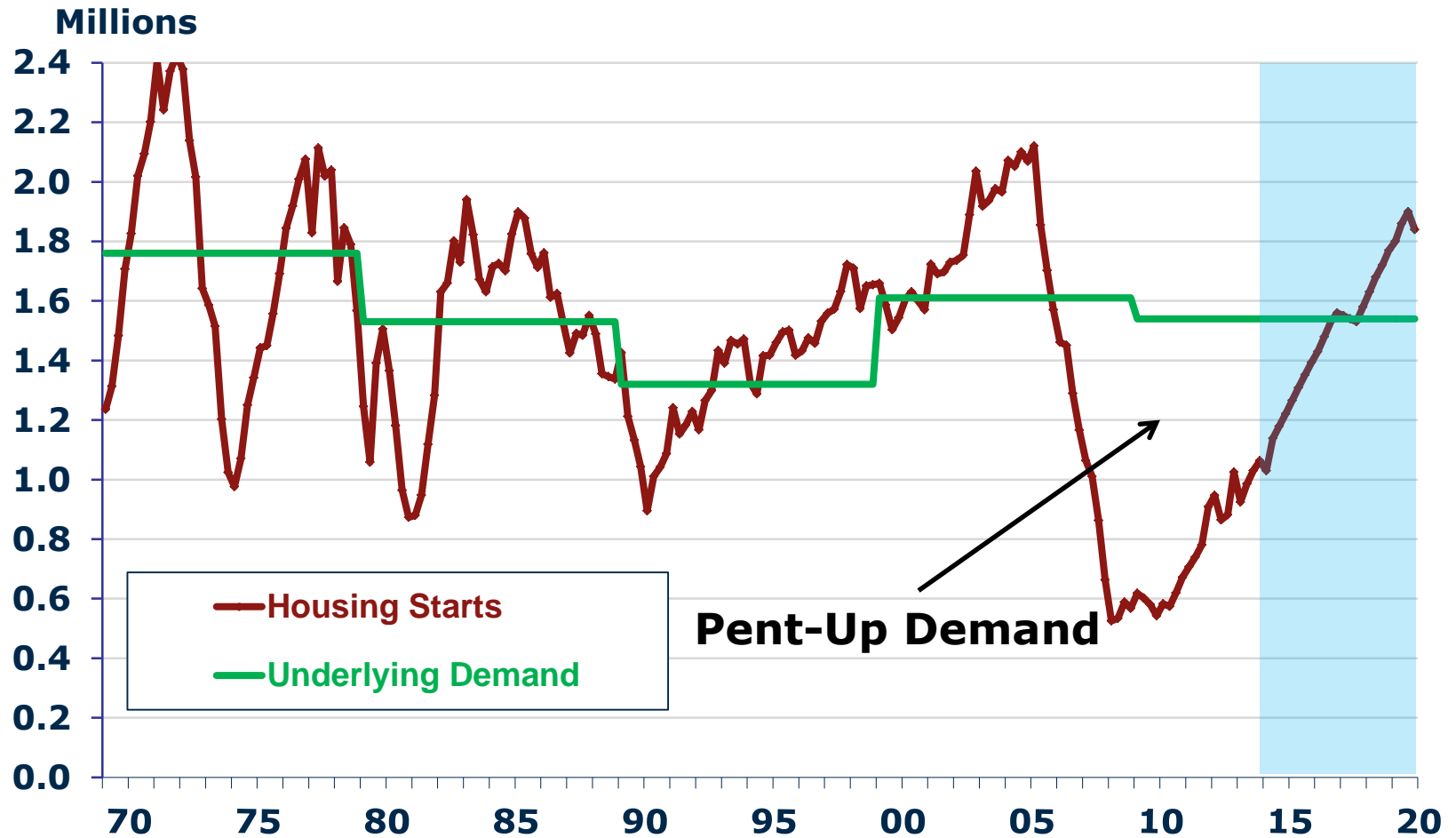
Million



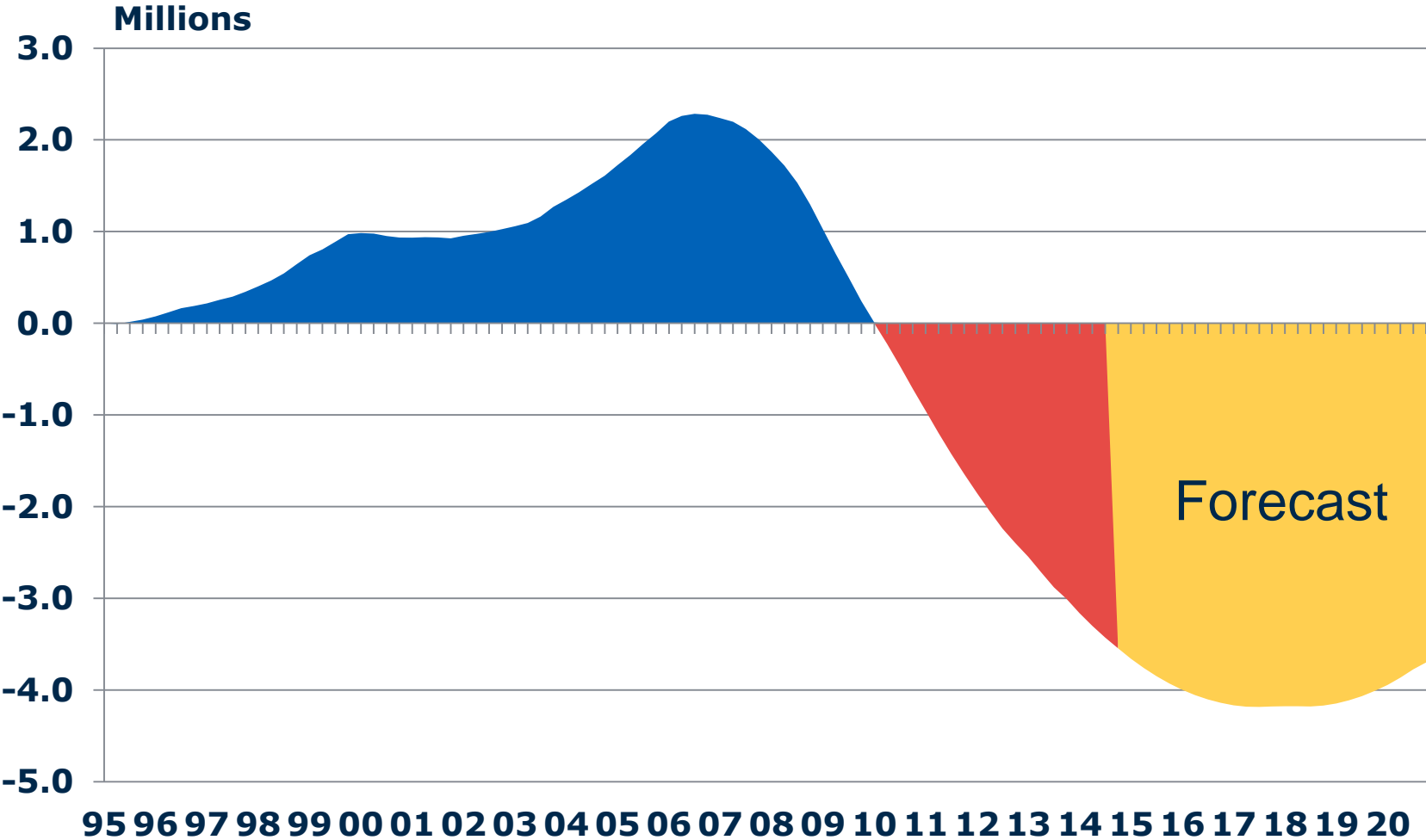
The Key 25-34 Age Cohort Will Soon Pass Its Previous Peak



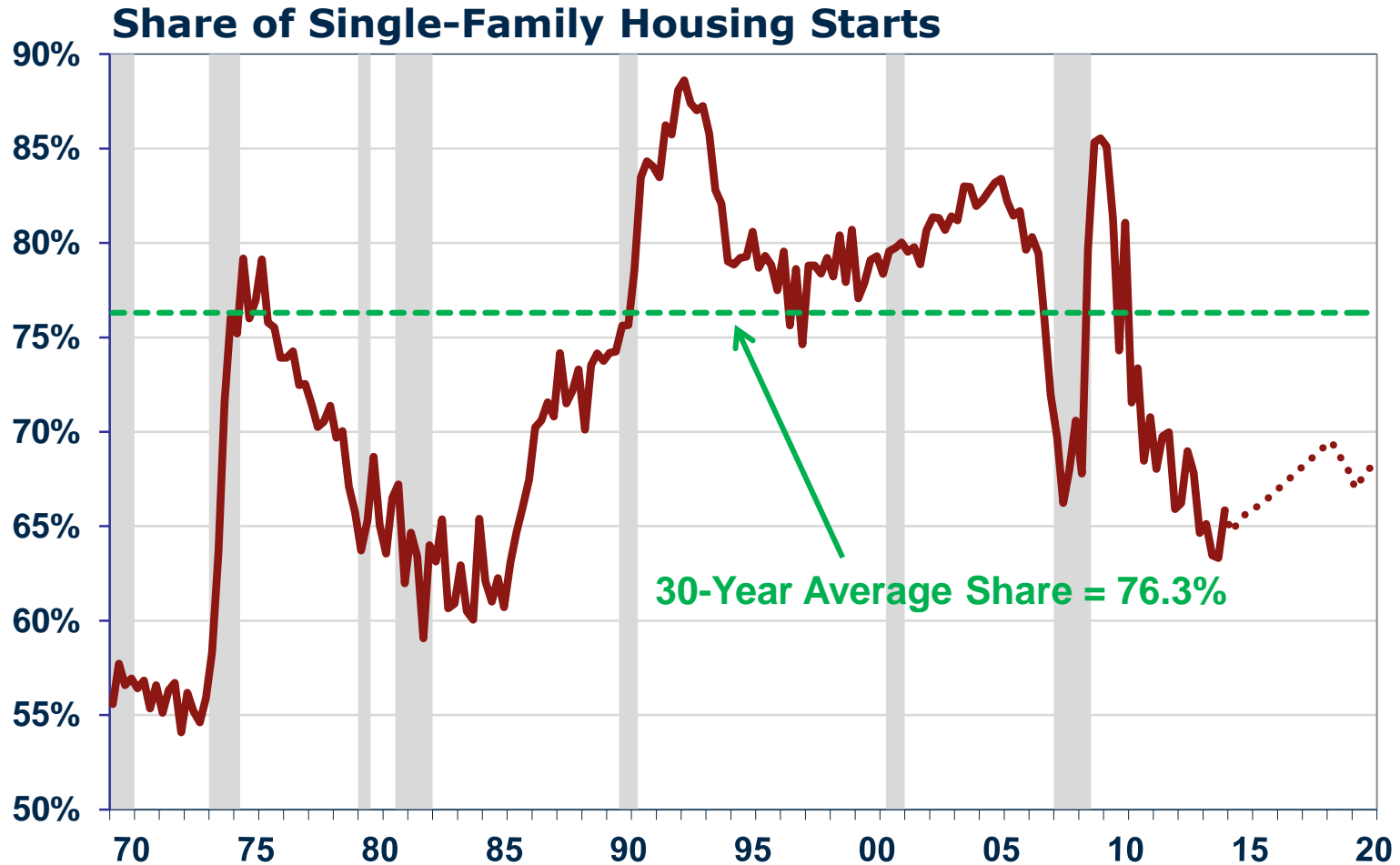
US Housing Starts to Remain Below Underlying Demand Until 2017-18



Cumulative Over-/Under-Building of Conventional US Homes

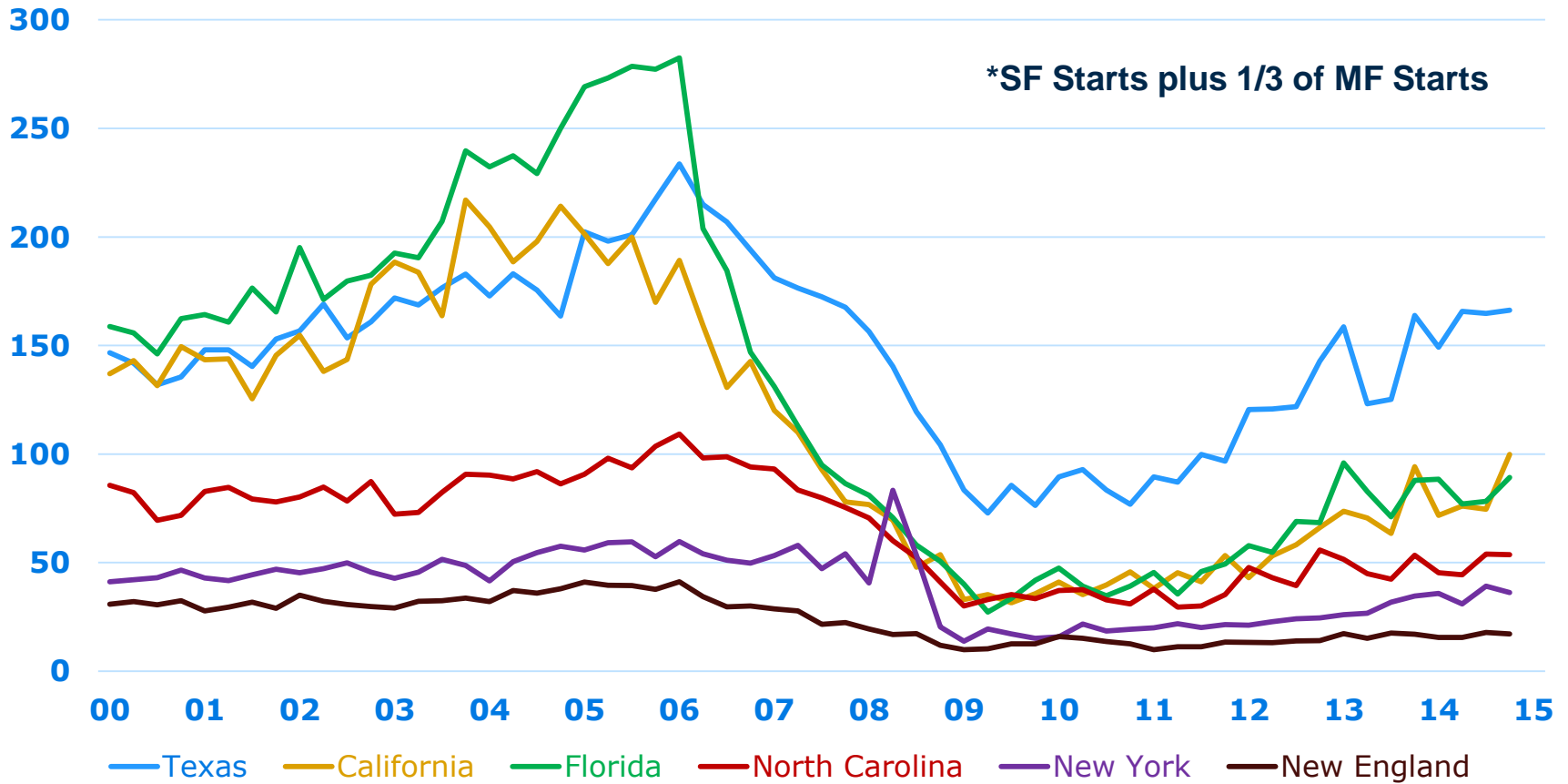


The Single-Family Share of Housing Will Remain Below its 30-Year Average



Texas Building More Single-Family Housing Start Equivalents than California and Florida Combined

Thousands, Seasonally Adjusted at an Annual Rate



Questions?

If you have questions or comments please don't hesitate to contact me at:

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