

THE US LED FINANCIAL HOUSING CRISIS AND ITS GLOBAL IMPLICATIONS

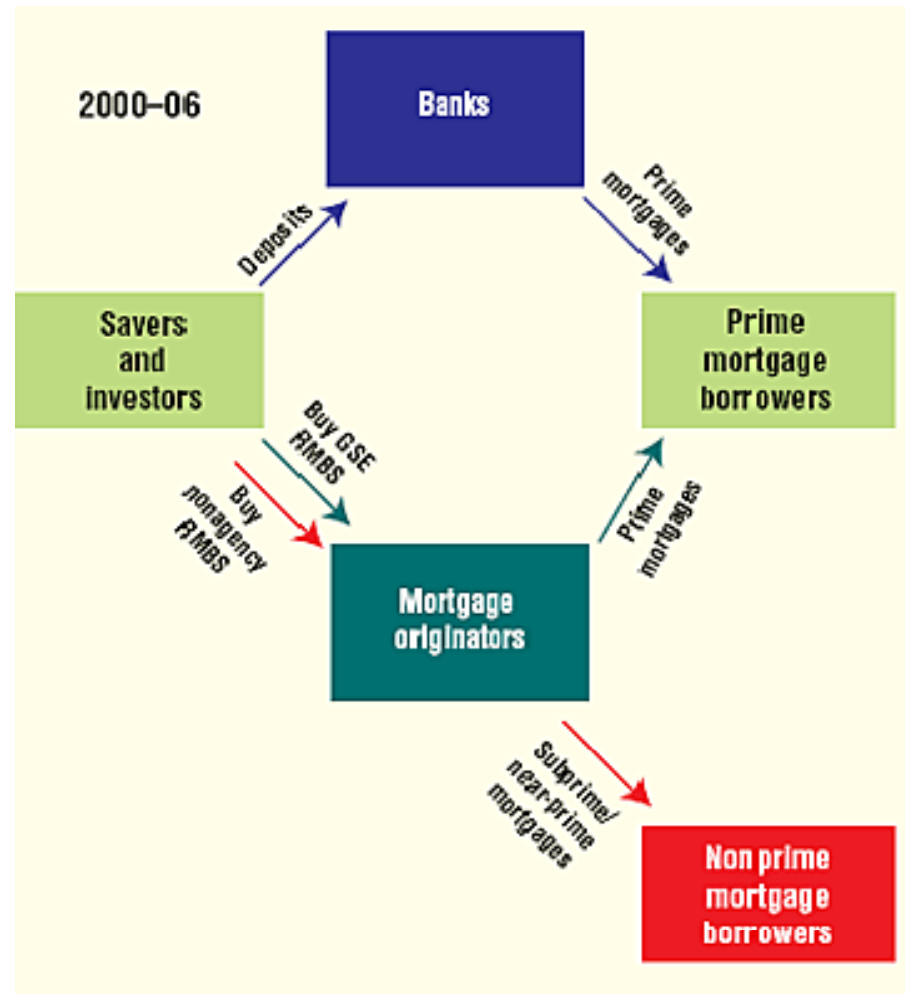
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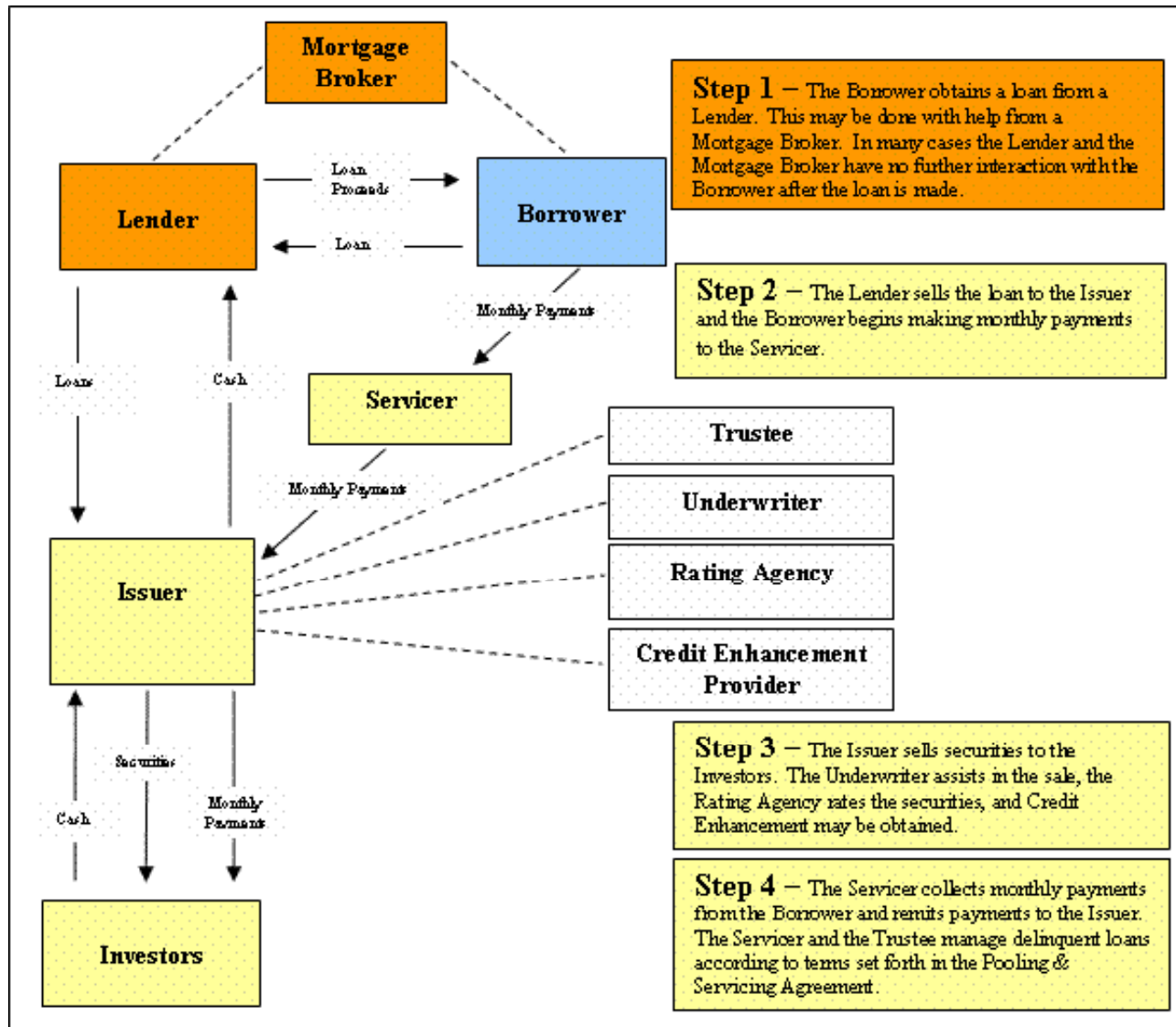
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Union of Maghreb Banks
INTERNATIONAL CONFERENCE
TUNIS, TUNISIA
JULY-11-2008

Mortgage Financial Flows

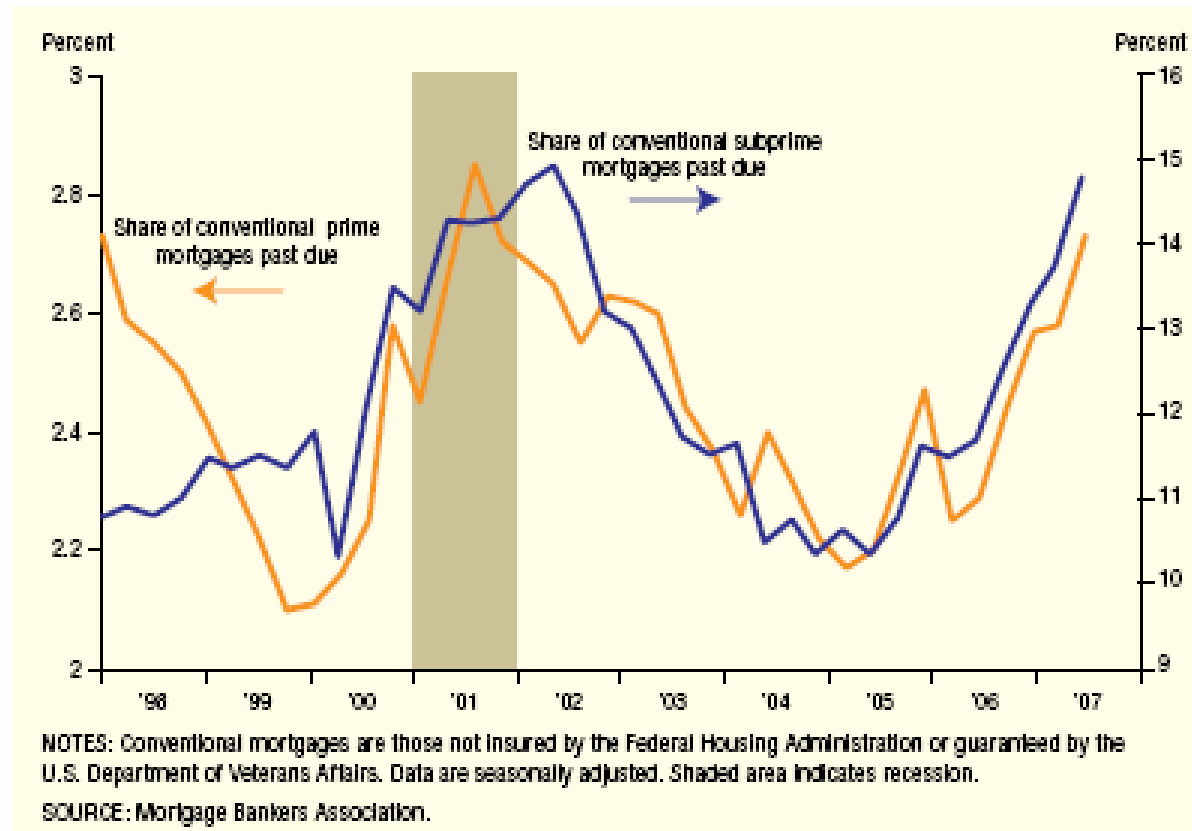


Borrowing Under a Securitization Structure



Source FDIC

Quality of Prime and Sub-Prime Mortgages Deteriorates



Housing Construction and Sales

HOUSING STARTS

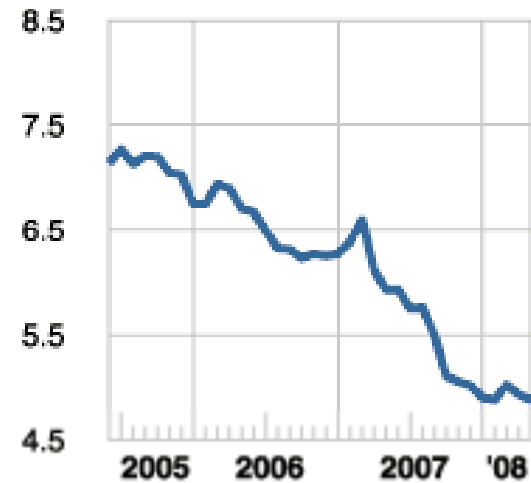
Annual rate in millions of units,
seasonally adjusted



Source: Department of Commerce

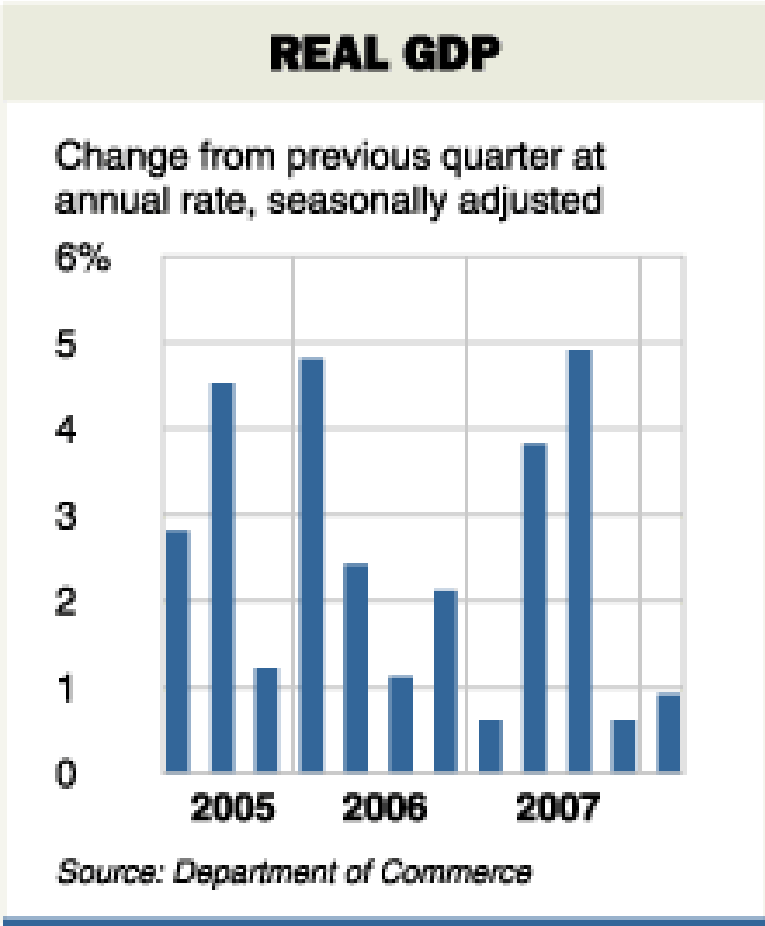
EXISTING-HOME SALES

Annual rate, in millions of units,
seasonally adjusted



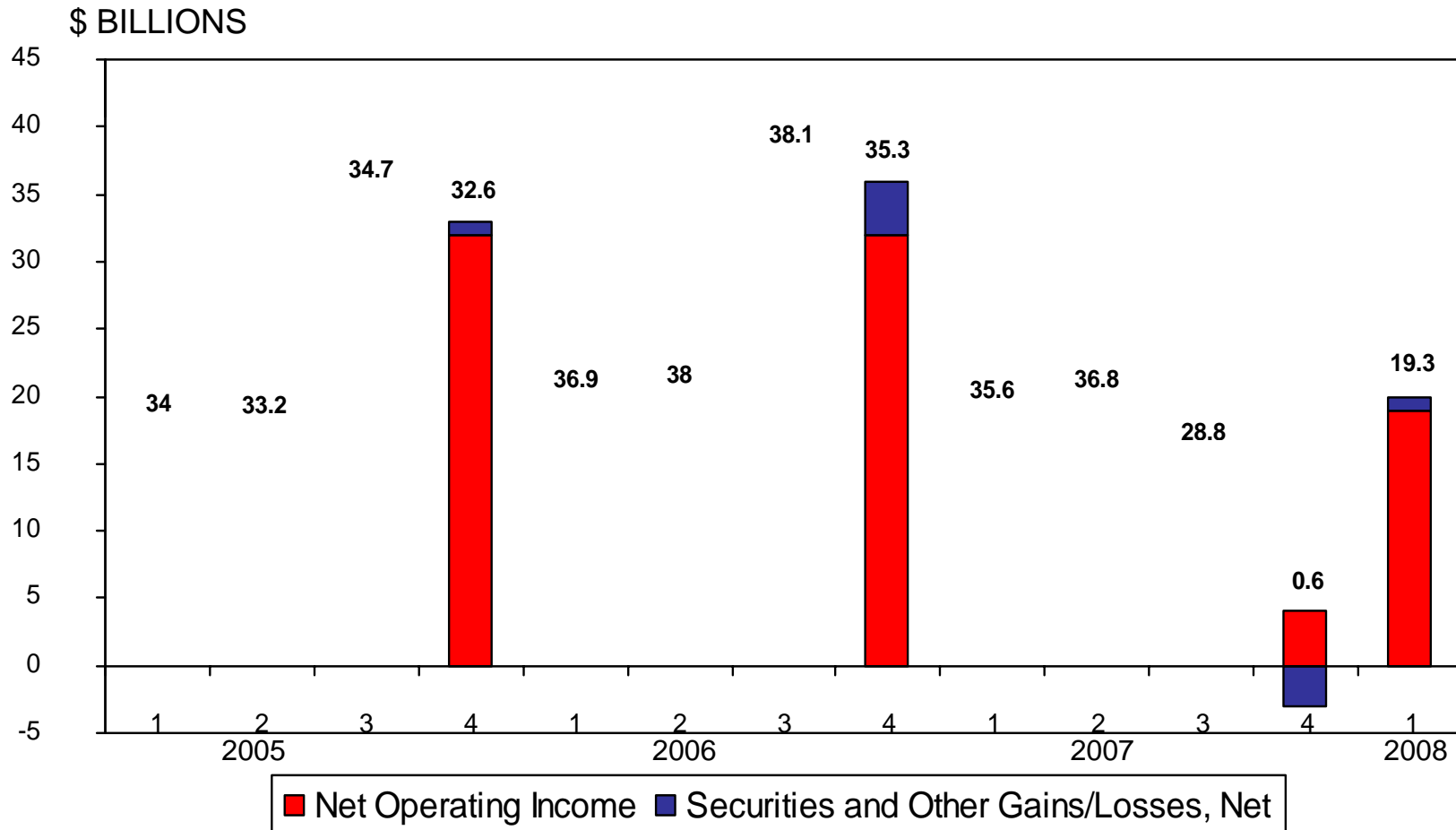
Source: National Association of Realtors

Economic Growth and Employment

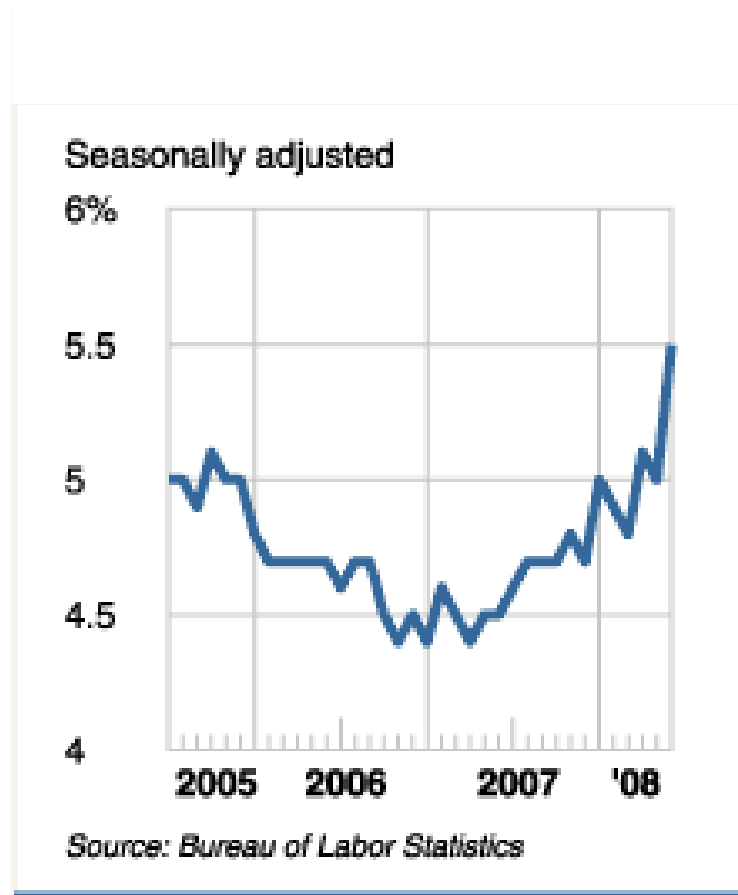


The Largest US Banks

Profits



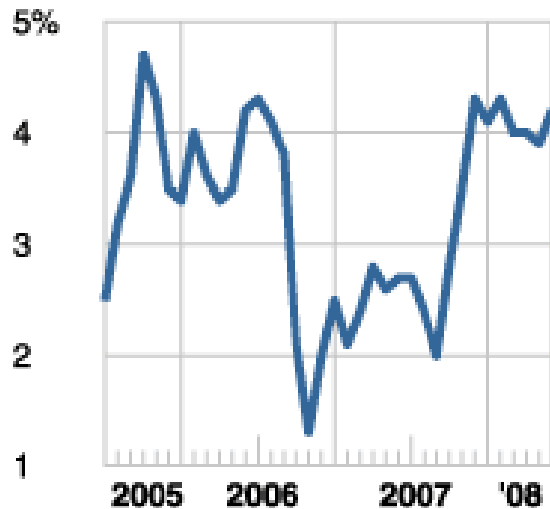
Unemployment Rate



Inflation

CONSUMER PRICES

Change from previous year, not seasonally adjusted



Source: Bureau of Labor Statistics

PRODUCER PRICES

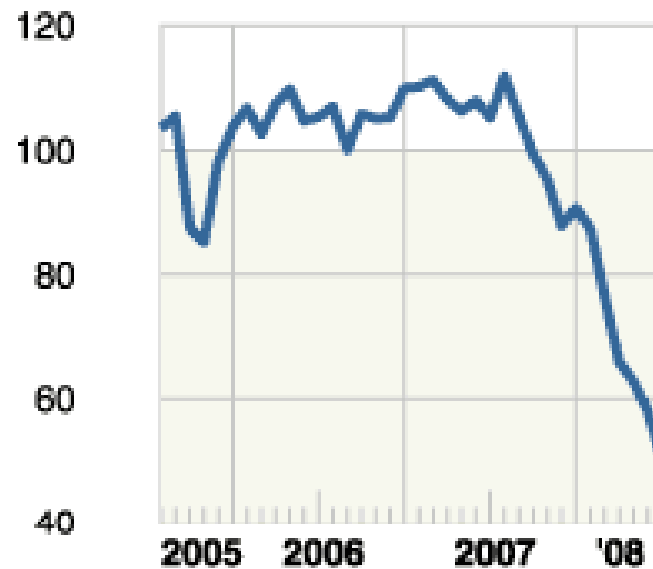
Change from previous year, not seasonally adjusted



Source: Bureau of Labor Statistics

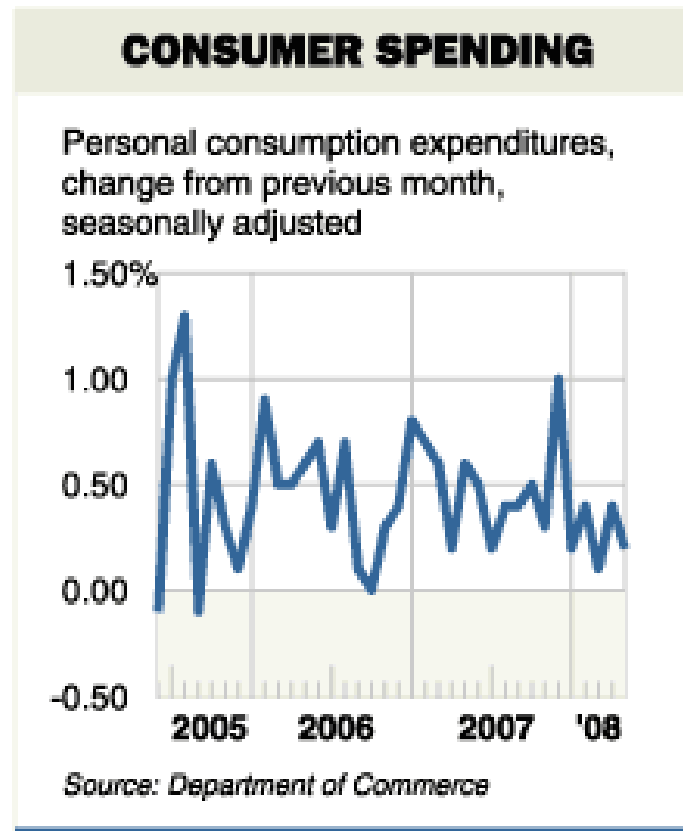
US Consumer Confidence

Index stood at 100 in 1985, its base year



Source: Conference Board

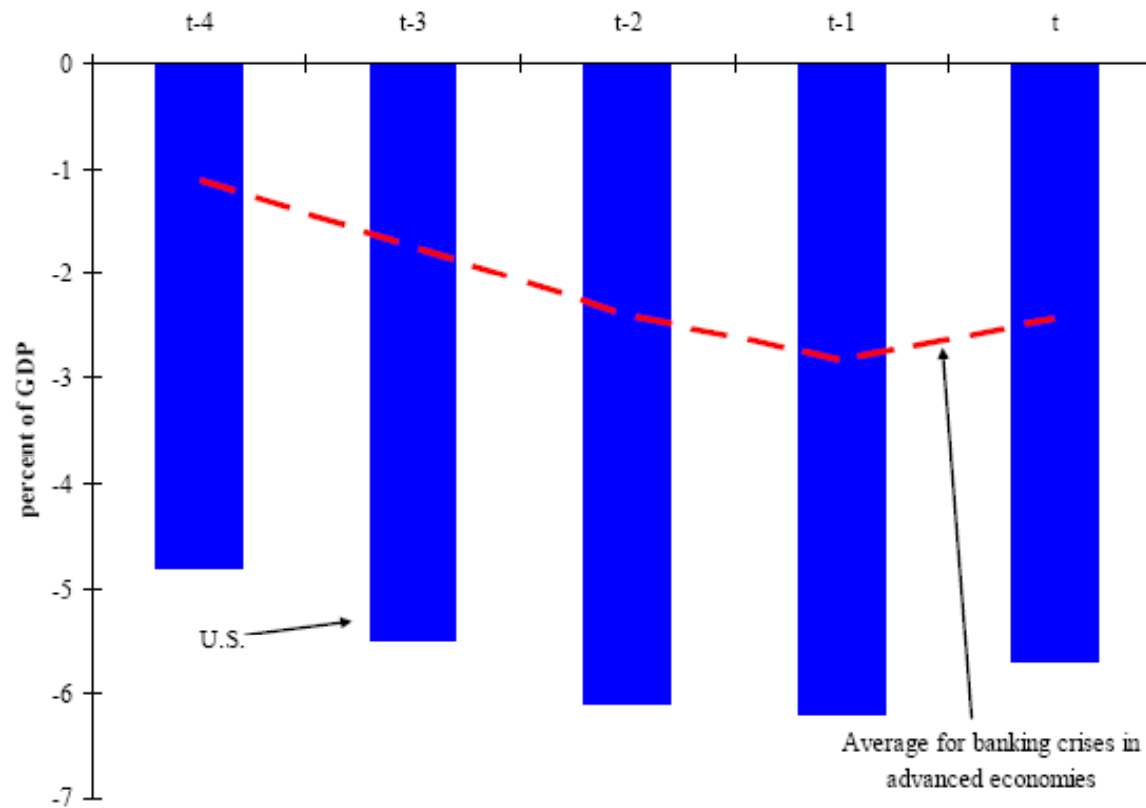
Consumer Activity



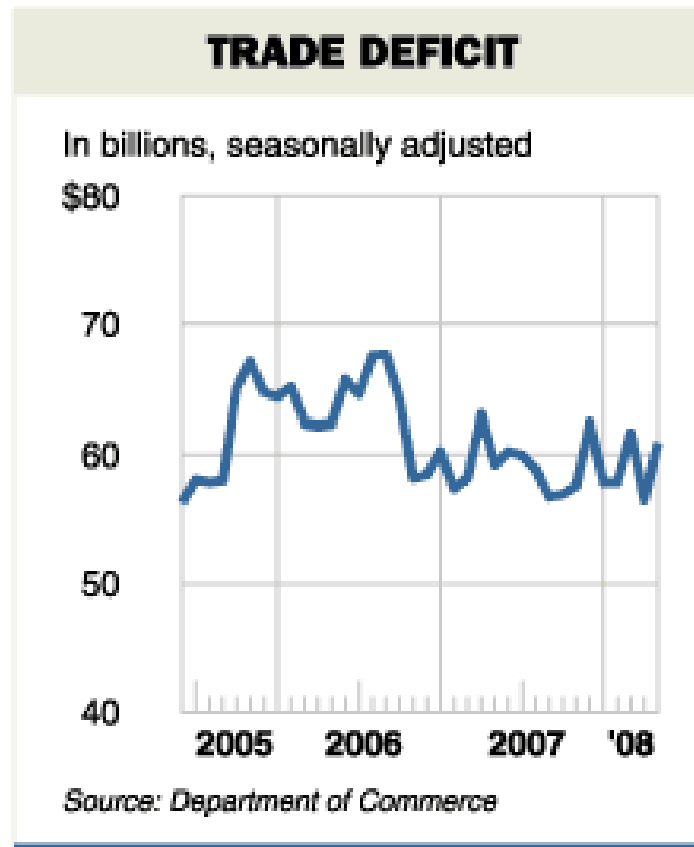
CAB/GDP-2007-2008(1Q)

US VS ADVANCED ECONOMIES

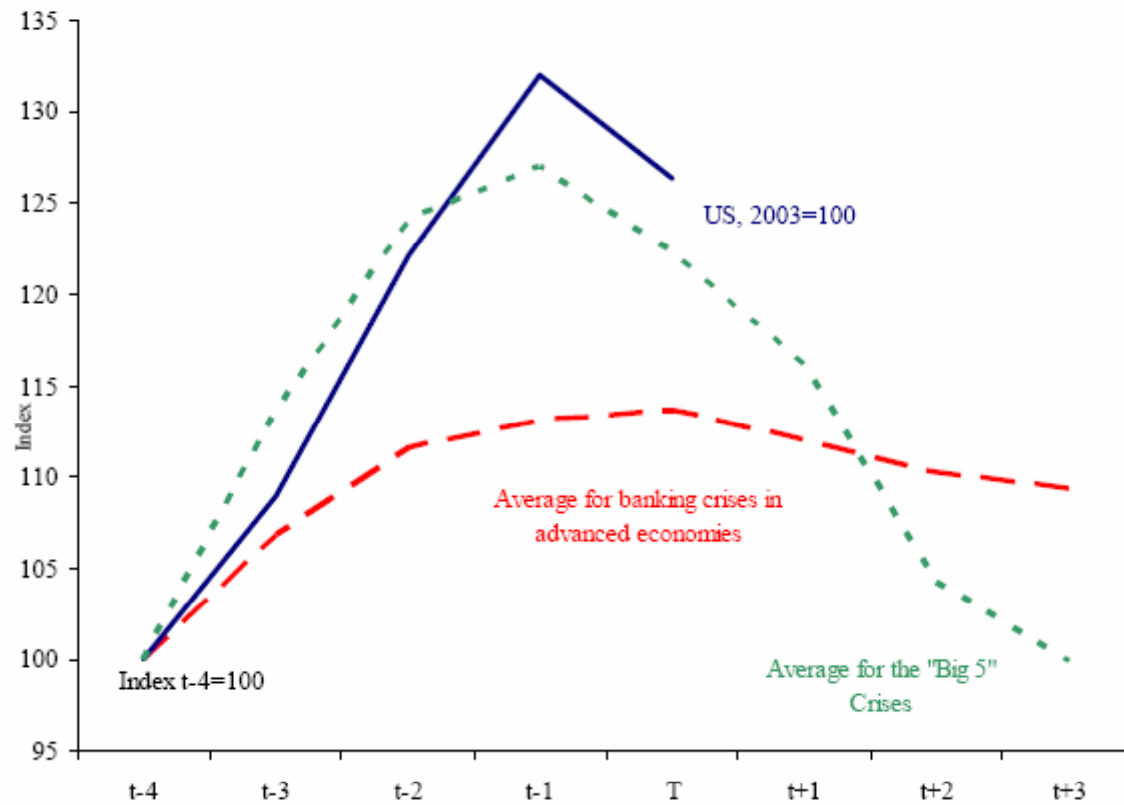
Figure 3: Current Account Balance/GDP on the Eve of Banking Crises



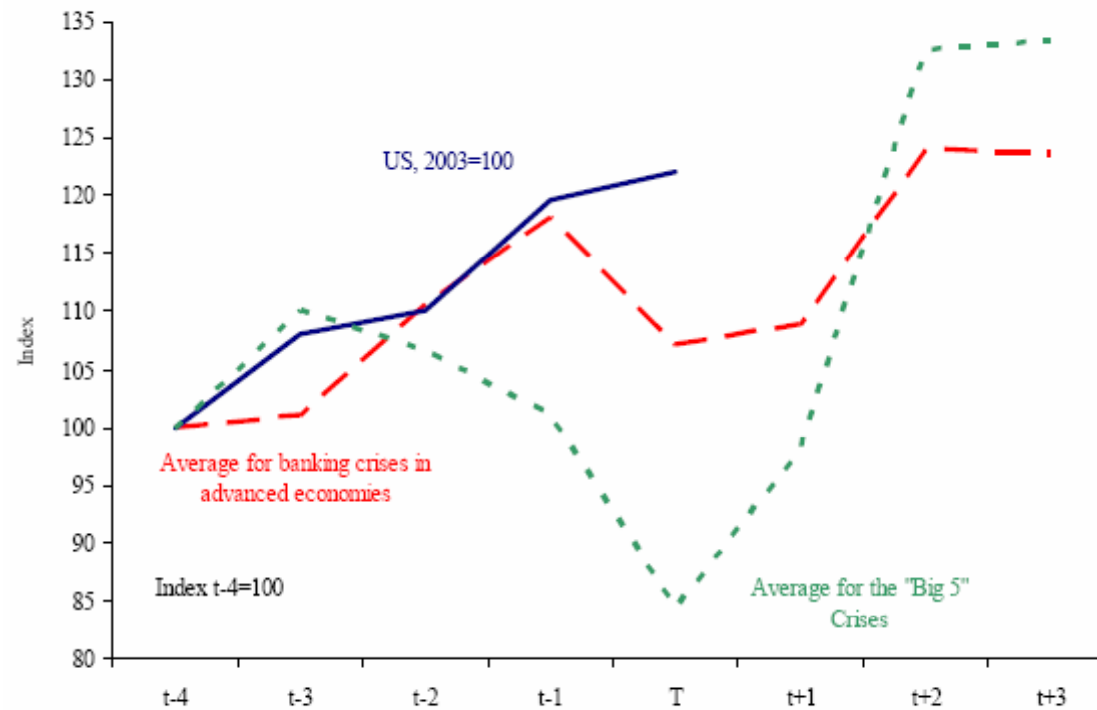
International Trade



Real Housing Prices & Banking Crises



Real Equity Prices and Banking Crises



Fed Policy Changes in Federal Fund Rates 2007-2008

Target Federal Funds Rate

September 18	50 basis point cut
October 31	25 basis point cut
December 11	25 basis point cut
January 21	75 basis point cut
January 30	50 basis point cut
March 18	75 basis point cut
April 30	25 basis point cut

Other Fed Reserve Actions 2008

March 14	Announced approval of loan to Bear Stearns through JPMorgan Chase
March 16	Announced creation of Primary Dealer Credit Facility (PDCF); announced approval of \$30 billion loan to JPMorgan Chase for the purposes of purchasing Bear Stearns; cut in primary lending rate from 50 to 25 basis points above the federal funds rate target; an increase in the term of discount lending from a maximum of 30 days to a maximum of 90 days.
May 2	Increase in the size of the TAF to \$150 billion. Increase in the swap lines with the European Central Bank and the Swiss National Bank to \$50 billion and \$12 billion, respectively. Expansion in the collateral that can be pledged in the TSLF to include AAA-rated asset-backed securities including student loans, credit card debt, and auto loans; addition to those backed by residential and commercial mortgages.
Source: Board of Governors of the Federal Reserve System and Federal Reserve Bank of New York, various press releases.	