

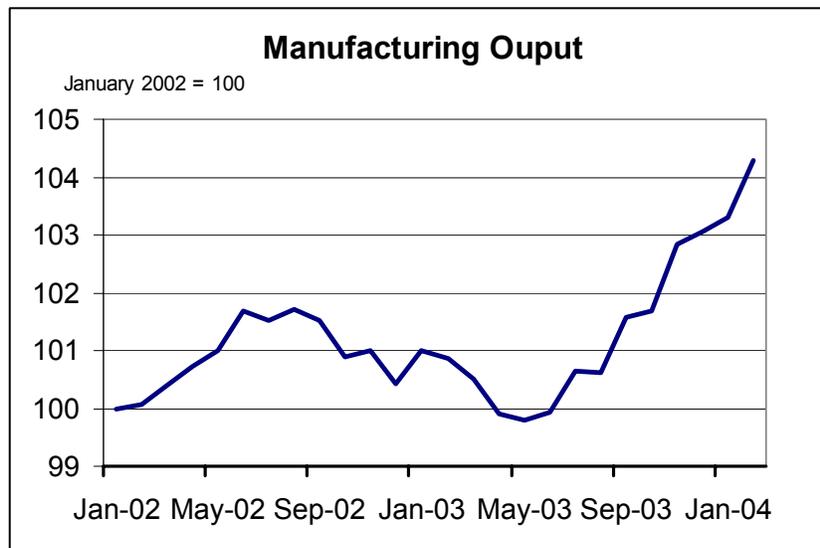
Committee on Ways and Means

More Positive Economic Data

Tax refunds expected to hit record highs. The Treasury Department expects tax refunds to reach \$195 billion this year and the average refund will be \$300 higher due to enactment of the Jobs and Growth Act of 2003. The Act is expected to lower April tax bills and boost overall refunds by \$50 billion.

Industrial Production increased 0.7 percent in February, exceeding market expectation. On an annual basis, industrial production has been expanding for six months. In recent months, the sector appears to be growing faster than the overall economy.

- **Manufacturing**, which makes up 85 percent of the overall index, rose 1.0 percent in February. Manufacturing has increased 7.4 percent in the last six months (annual rate). Growth for the last 12 months was at the fastest pace since September 2000.
- **High-tech equipment** production has increased 23 percent in the last six months (annual rate). The semiconductor industry has jumped 33 percent.



Lower interest rates are expected to fuel additional home refinancing and continued strong home sales.

- The average rate on a 30-year mortgage was 5.41 percent last week, the lowest level since last July.
- Rates for a 1-year adjustable mortgage slipped to 3.41 percent, the lowest rate since Freddie Mac began tracking this product in 1984.
- Refinancing activity is up about 15 percent over the last four weeks.