



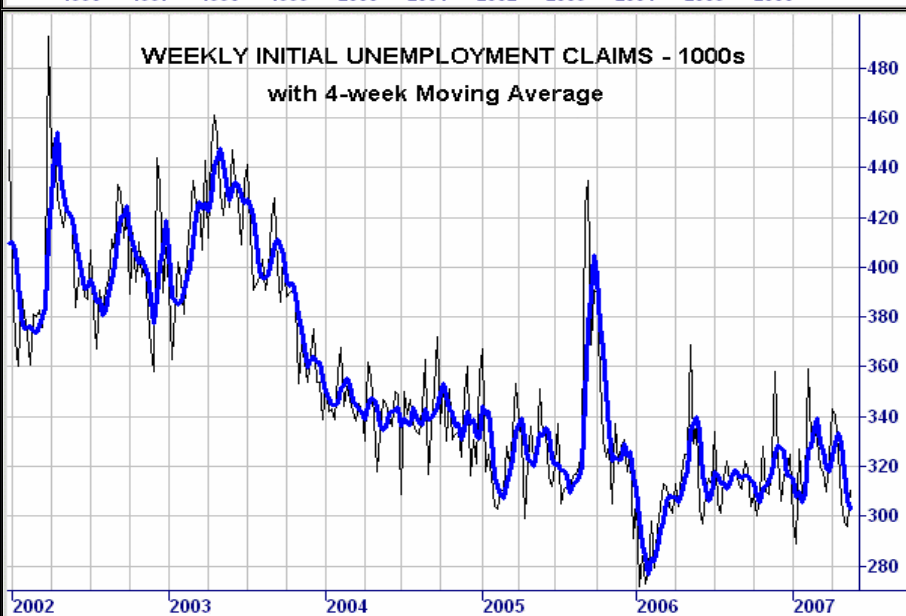
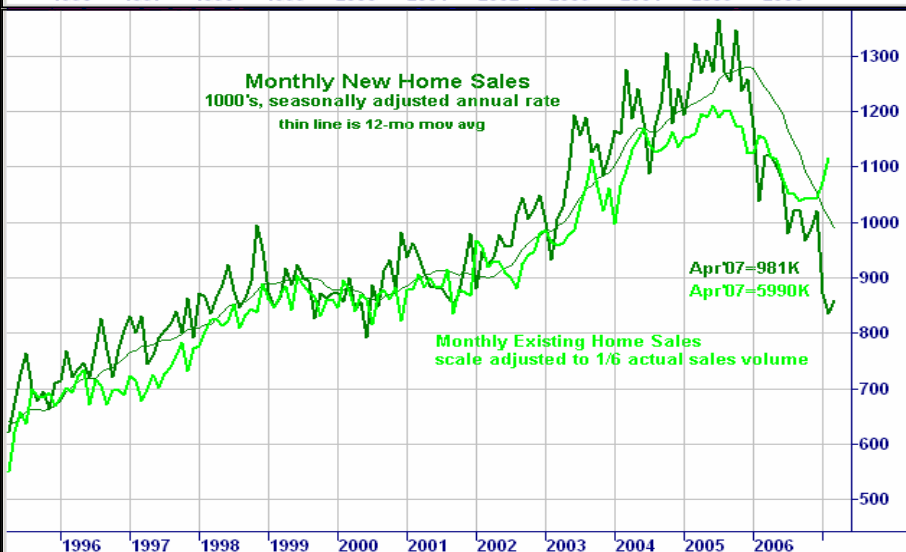
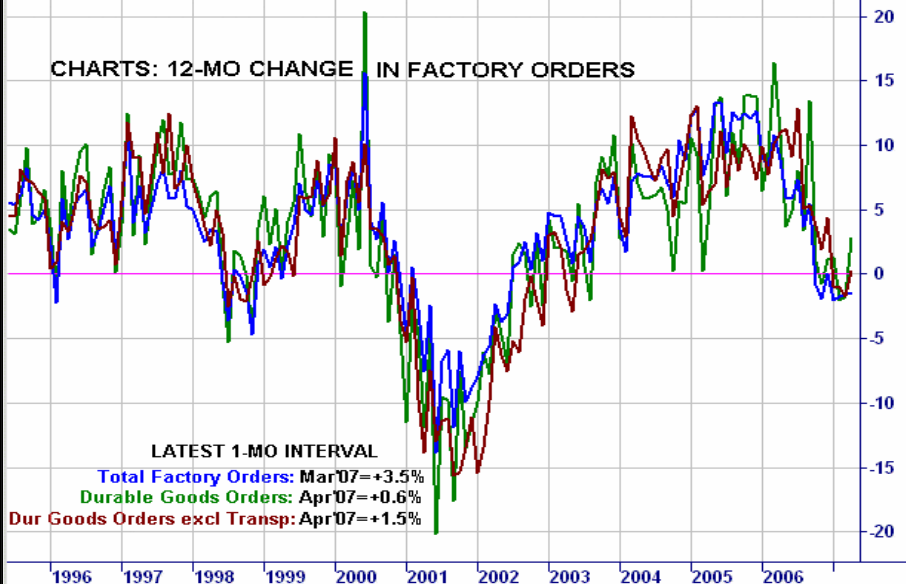
Martin Capital Advisors Weekly Economic Review

May 29, 2007

April orders for durable goods rose 0.6%, while orders for durables excluding transportation were up 1.5% for the month. Over 12 months, the respective increases were 2.8% and 0.2%, not a strong showing. The latest durable number boosted the yearly increase, perhaps signaling a turnaround.

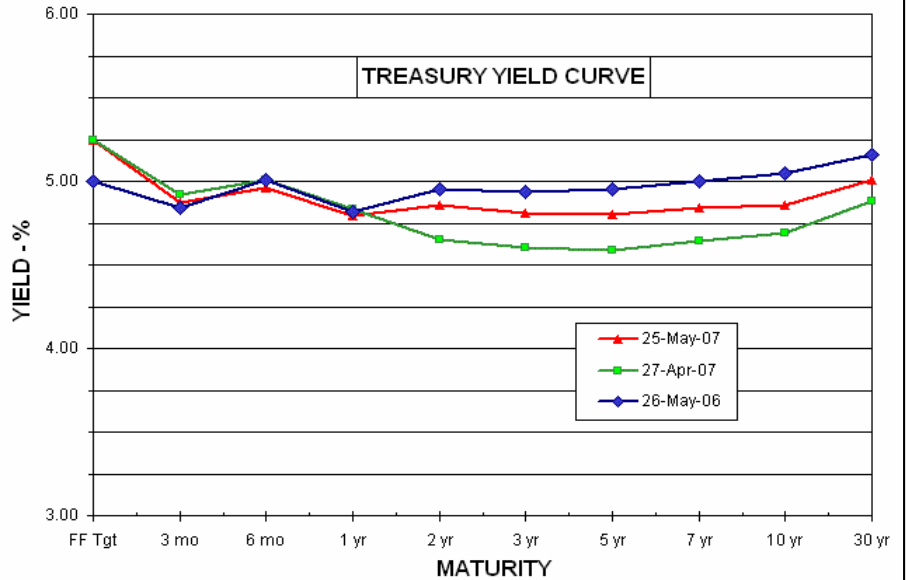
New home sales in April were 941,000, stronger than expected, and 138,000 from the previous month. The bad news was that average prices were down, signaling that prices had to be cut to get those sales. Existing home sales fell 140,000 to 5,990,000, not much of a change and essentially keeping a recovery intact.

Initial unemployment claims for the week ended 5/19 were up 15,000 to 311,000. The 4-week average was 303,000, still a 14-month low.

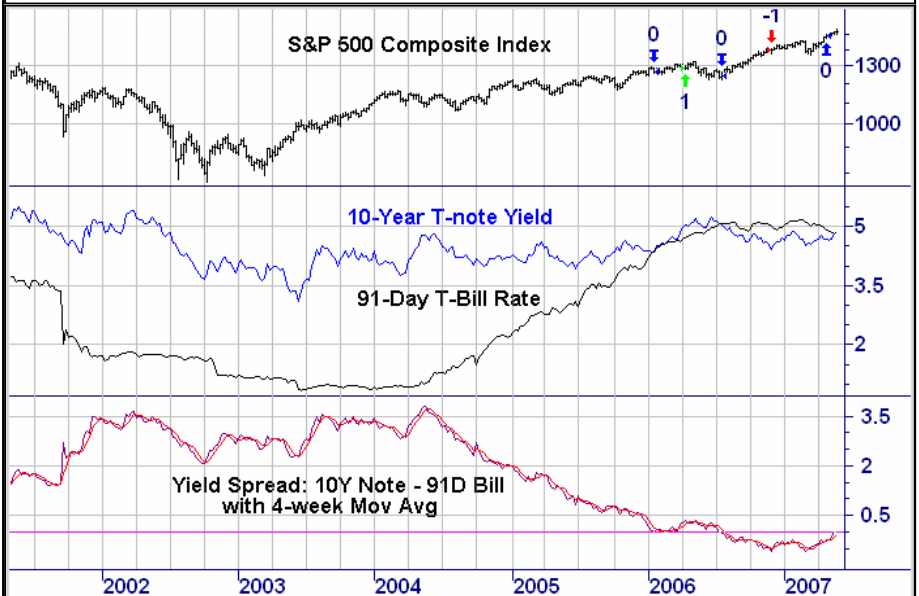


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The Treasury yield curve was lower from the 2-year on out to the 30-year maturity.



The spread between the 10-year T-note and the 91-day T-bill remained unchanged over the last week at -0.01% . The 4-week average of that spread was -0.11% , the lowest such average since last August.



The Composite Indicator was unchanged at plus 6.

