

ECONOMIC AND FINANCIAL HIGHLIGHTS

HOUSING

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AUGUST 1, 2012



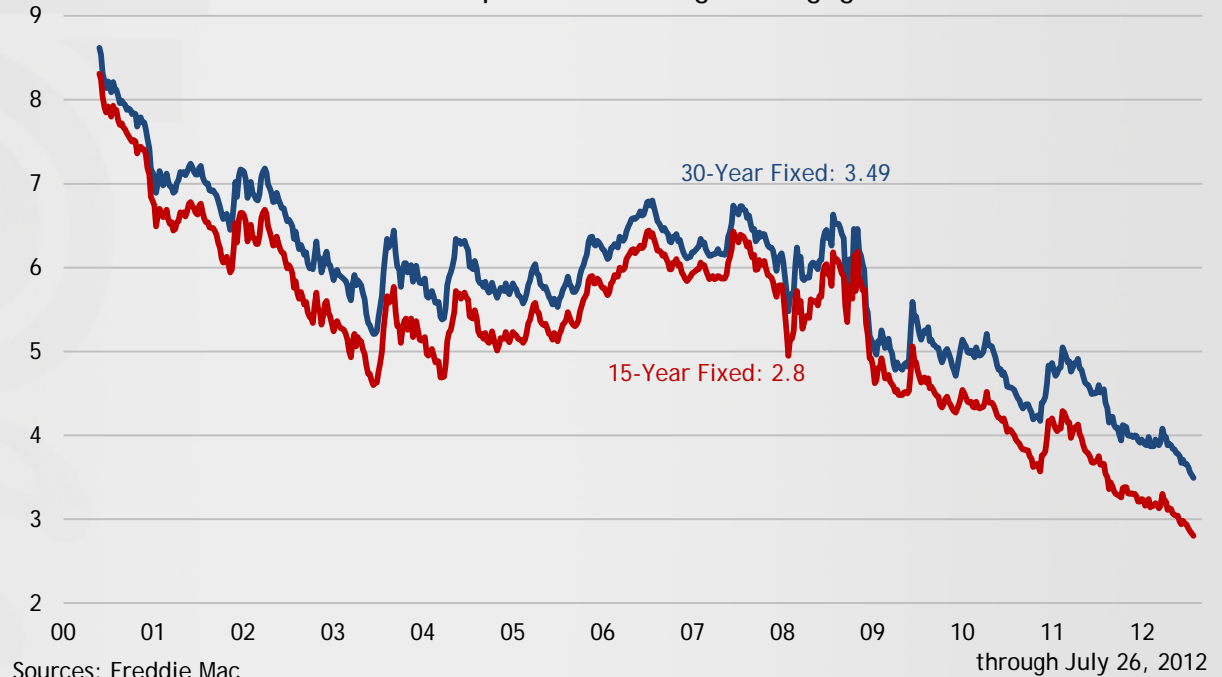
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SUMMARY

The average rates for 30-year and 15-year fixed-rate mortgages fell to 3.49 percent and 2.80 percent, respectively.

These rates are the lowest recorded average rates since the survey began in April 1971.

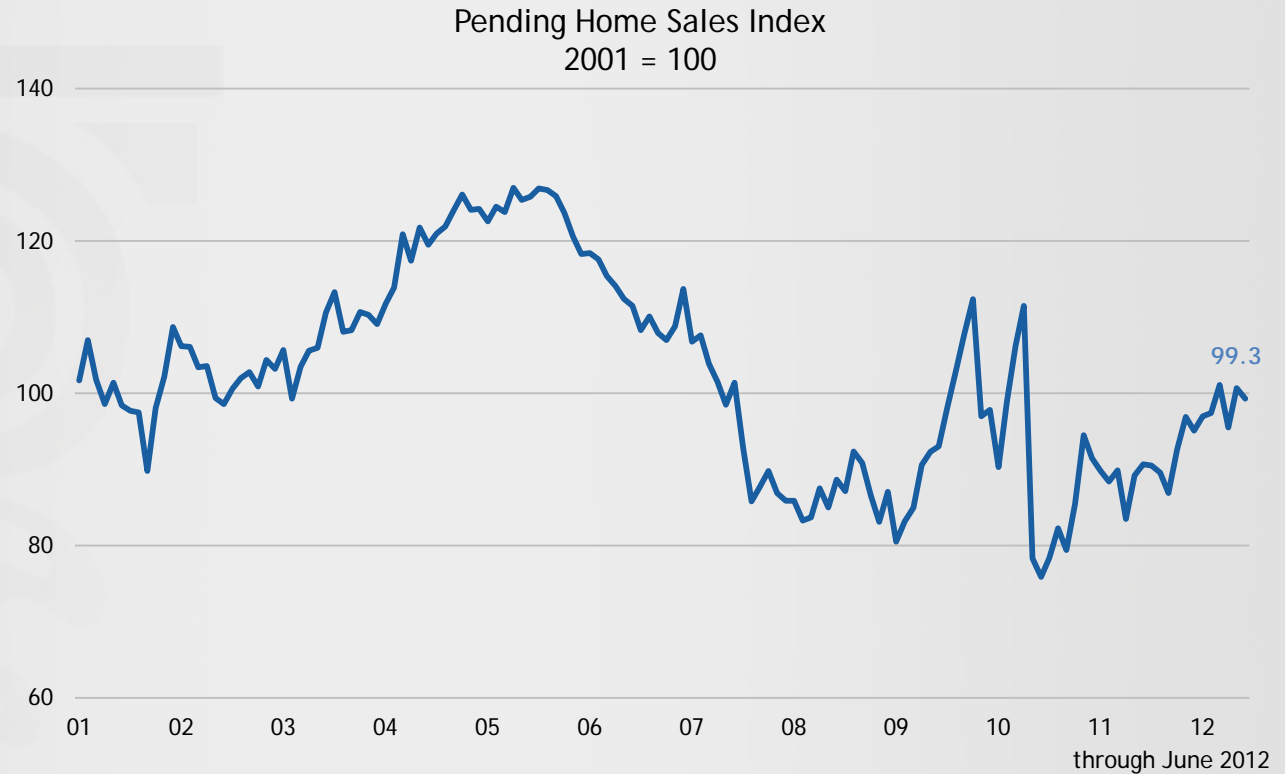
Freddie Mac, Primary Mortgage Market Survey percent, average mortgage rate



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SUMMARY

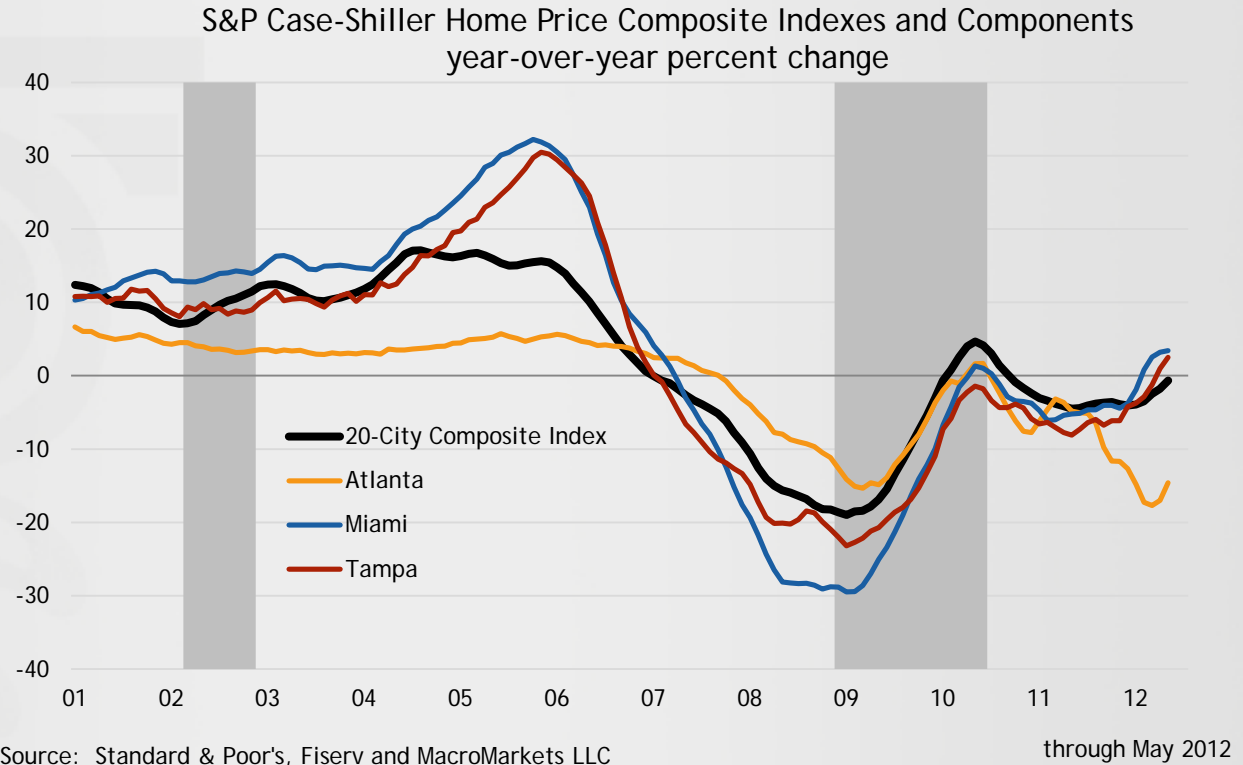
The National Association of Realtors reported that its pending home sales index slipped in June, down 1.4 percent from the May level, but still 9.5 percent ahead of the year-earlier level.



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SUMMARY

Annual home price declines continue to abate. The S&P/Case-Shiller 20-City Composite home price index declined 0.7 percent in May from year-earlier levels.



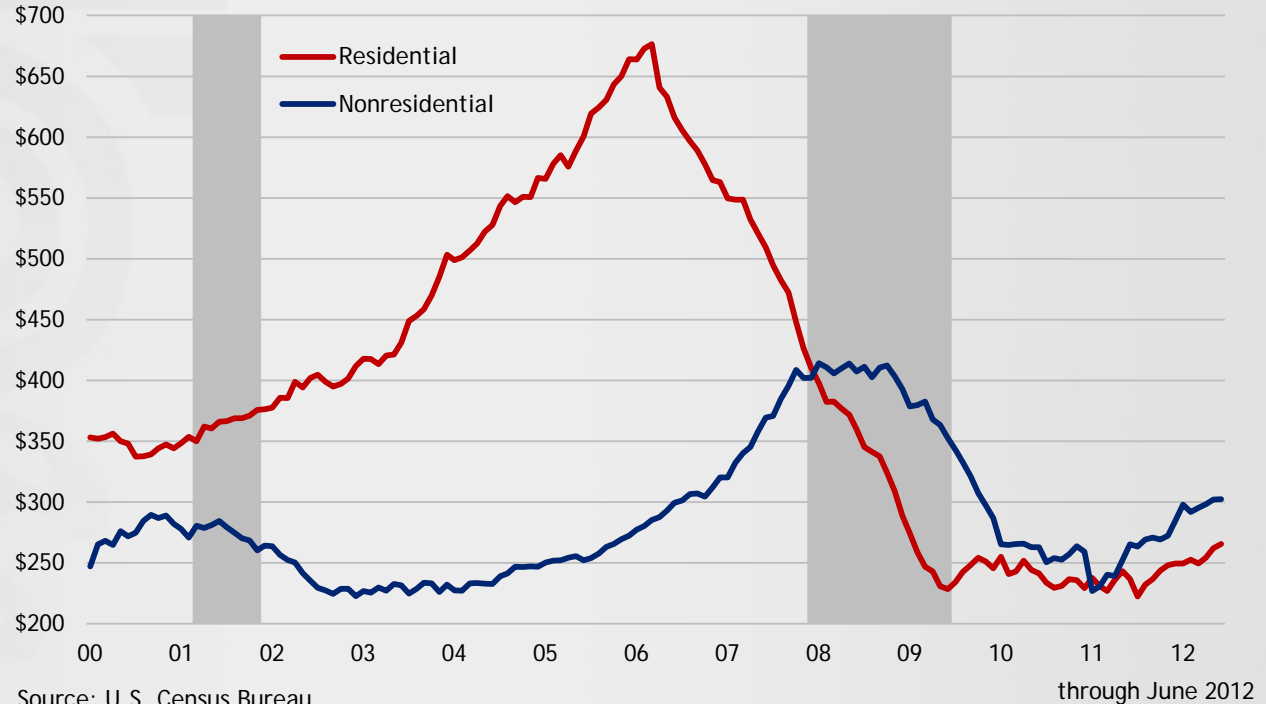
| | May 2012 S&P/Case-Shiller Home Price Indexes | | | | |
|---------------------------|--|-------|----------|-----------|--------|
| | SA | NSA | M/M (sa) | M/M (nsa) | Y/Y |
| 20-City Composite: | 139.9 | 139.0 | 0.9% | 2.2% | -0.7% |
| 10-City Composite: | 152.9 | 151.8 | 0.9% | 2.2% | -1.0% |
| Atlanta: | 87.6 | 87.9 | 2.0% | 4.0% | -14.6% |
| Miami: | 145.4 | 143.4 | 0.7% | 1.4% | 3.4% |
| Tampa: | 131.3 | 130.2 | 1.0% | 2.0% | 2.5% |

HOUSING

SUMMARY

The U.S. Census Bureau reported that total construction spending was essentially unchanged from May to June. Total spending remained ahead of the year-earlier level, but growth slowed again. Private residential construction spending increased 1.3 percent while private nonresidential spending held steady at May's level.

U.S. Private Construction Spending
billions, SAAR



June 2012 Construction Spending Put in Place

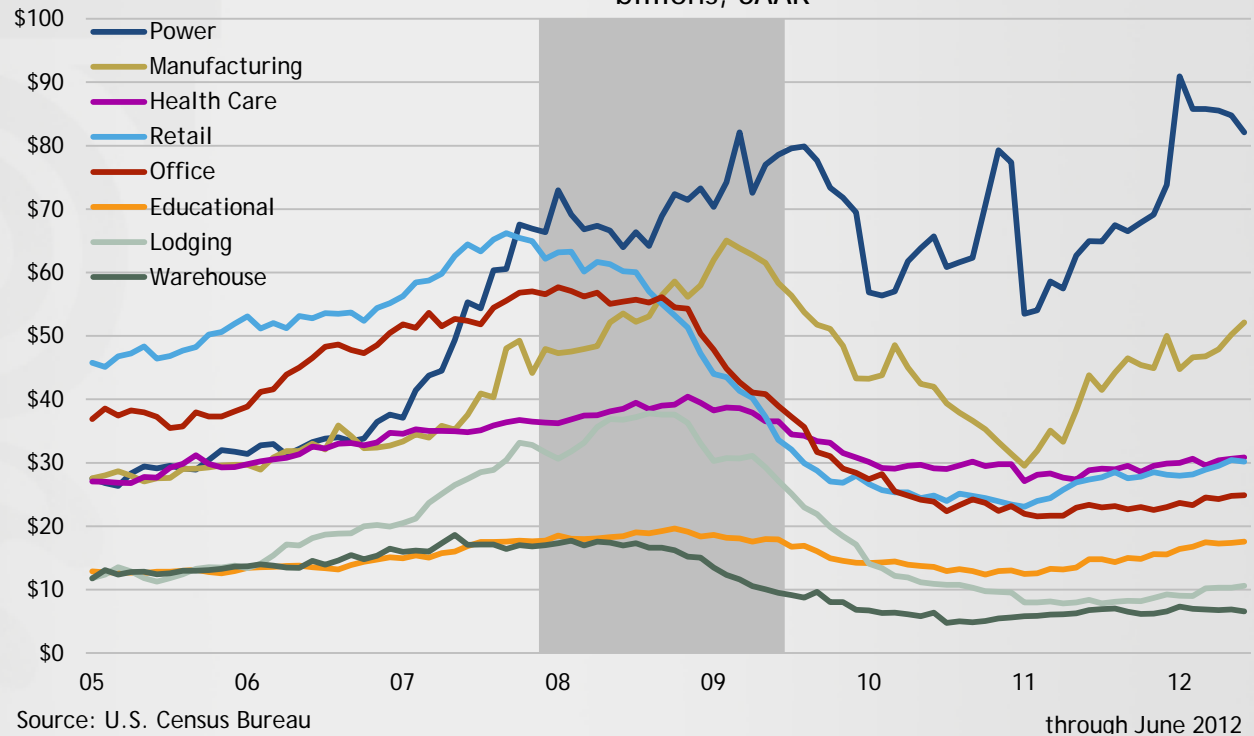
| | Total | Total Private | Total Public | Total Nonresidential | Private Nonresidential | Public Nonresidential | Total Residential | Private Residential |
|-----------------------|-------|---------------|--------------|----------------------|------------------------|-----------------------|-------------------|---------------------|
| Billions, SAAR | 842.1 | 567.9 | 274.2 | 570.0 | 302.3 | 267.8 | 272.1 | 265.6 |
| M/M | 0.4% | 0.7% | 0.0% | 0.0% | 0.1% | 0.0% | 1.3% | 1.3% |
| Y/Y | 7.0% | 13.1% | -3.7% | 5.4% | 14.0% | -27.5% | 10.7% | 12.1% |

HOUSING

SUMMARY

The U.S. Census Bureau reported that private construction spending on power continued to soften in June while private construction spending on manufacturing continued to improve.

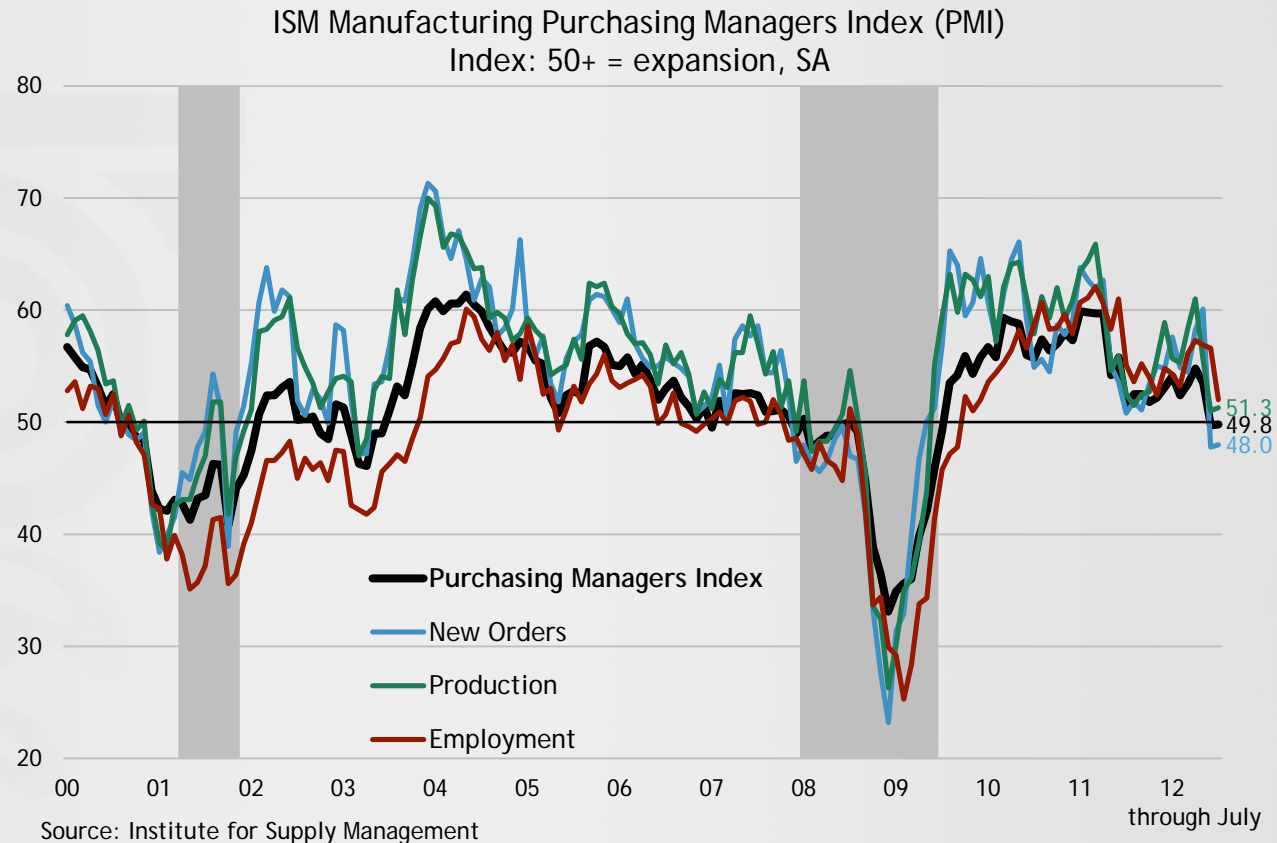
U.S. Private Nonresidential Construction Spending Components
billions, SAAR



MANUFACTURING

SUMMARY

The Institute for Supply Management's (ISM) Purchasing Managers Index (PMI) for manufacturing was below the threshold of expansion for the second consecutive month, though the index indicated it contracted at a slightly slower pace than in June. The overall PMI added 0.1 percent to reach 49.8, just shy of the 50-point benchmark that indicates growth.



ADDITIONAL DETAIL

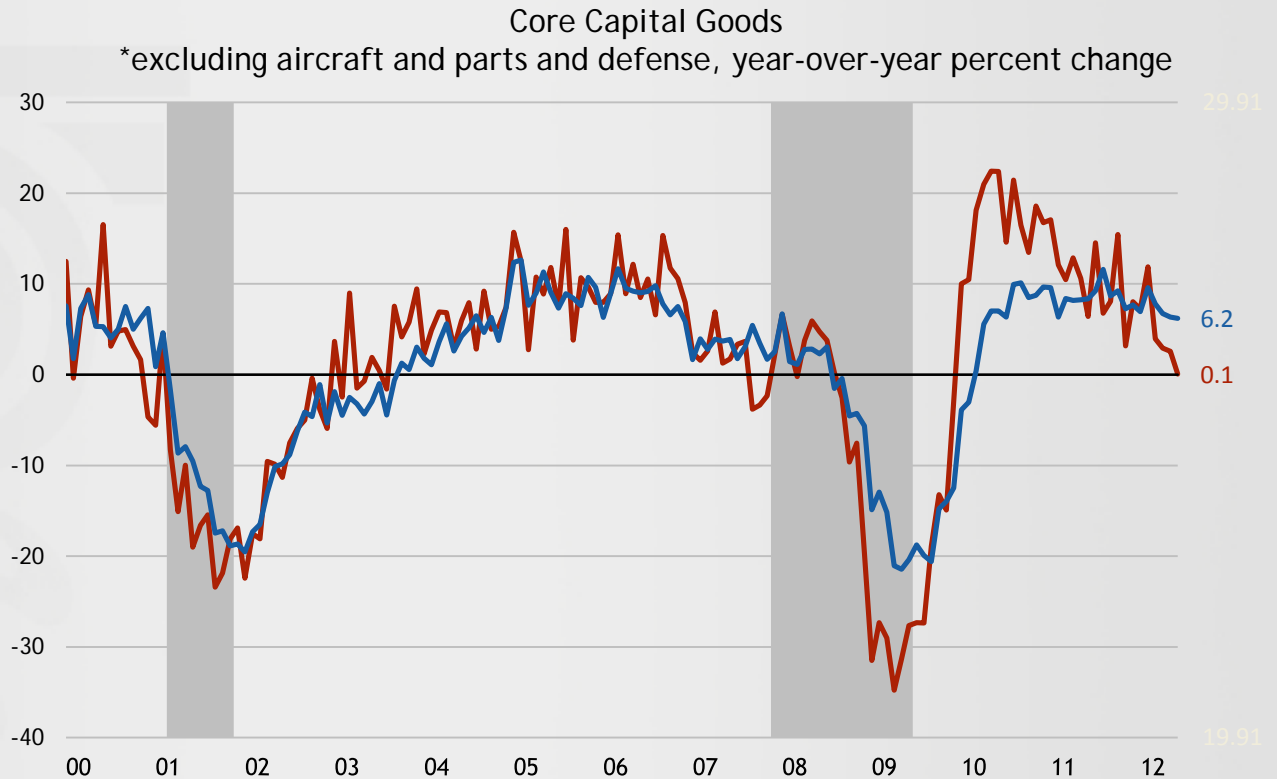
- The ISM's manufacturing PMI tacked on 0.1 index point in July to reach 49.8, but it continued to fall short of the threshold for growth, which is 50. Fewer subcomponents indicated expansion than previously in the year, but the pace of contraction lessened in July. For example, the new orders subcomponent added 0.2 index points to reach 48.0. Production, a current measure of manufacturing activity, continued to indicate expansion, and at a slightly faster pace in July: the index gained 0.3 points to reach 51.3. The manufacturing employment subcomponent continues to indicate expansion but suffered a sizeable 4.6 index point decrease in July to reach 52.0.

MANUFACTURING

SUMMARY

The headline number for new orders for durable goods in June was an increase of 1.6 percent. Core capital goods orders, however, which exclude volatile series on aircraft and defense, dropped 1.4 percent. The difference is explained largely by a 14.3 percent spike in orders for nondefense aircraft in June. New orders for transportation equipment also surged 8 percent over the month.

New orders for communications equipment fell the most in June's report, dropping 4.9 percent from May levels.



Source: U.S. Census Bureau

through June 2012

ADDITIONAL DETAIL

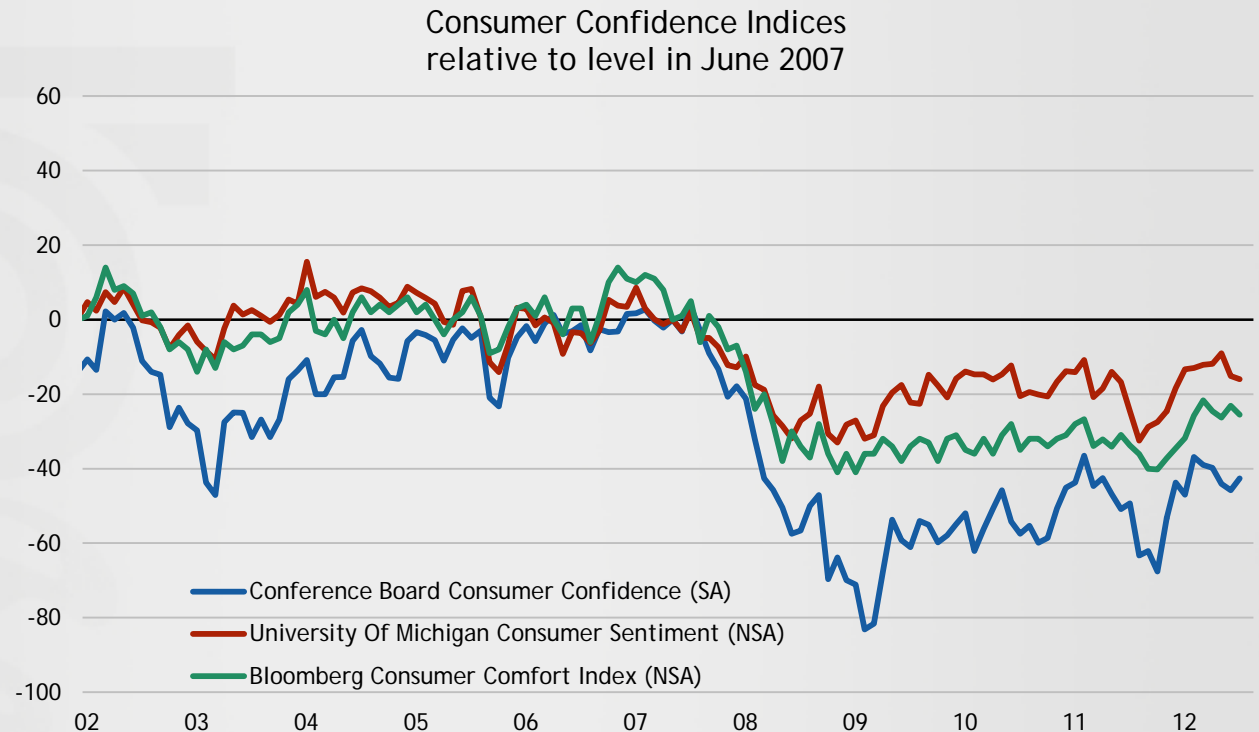
- Compared with year-ago levels, shipments of core capital goods, a current indicator, are up 6.2 percent.
- The forward-looking new orders levels, however, are almost even with those of June 2011, adding just 0.1 percent.

CONSUMERS

SUMMARY

Final measures of overall consumer sentiment as measured Reuters/University of Michigan's and the Conference Board indicated essentially no change in July, while the Conference Board's measure suggests a slight improvement in sentiment.

The weekly Bloomberg Consumer Comfort Index has been mostly flat since February.



Sources: The Conference Board, Reuters/University of Michigan, Bloomberg

through July 2012

ADDITIONAL DETAIL

- The Conference Board's Consumer Confidence Index was led higher by the future component, which increased by 5.7 points. The similar Reuters/University of Michigan Consumer Sentiment future component declined 2.2 points in July.
- While the future components of both the Conference Board and Reuters/University of Michigan survey have fairly similar underlying questions, the present components are notably different. The Conference Board's Present Situation Index is based on consumers' perception of local business conditions and local availability of jobs. The Reuters/University of Michigan current conditions asks about attitudes toward big-ticket purchases and whether personal finances have improved over the past year. The Bloomberg Consumer Comfort survey is somewhat of a hybrid, probing consumers about their perception of the current state of the national economy, their personal finances, and the buying climate.