

ECONOMIC AND FINANCIAL HIGHLIGHTS

EMPLOYMENT

Change in Southeast Payrolls 2

HOUSING

S&P Case Shiller Home Prices 3

New Single Family Home Sales and Months' Supply 4

INTEREST RATES

Treasury Yields 5

EUROPE

European Bond Yields 6

INFLATION EXPECTATIONS

Breakeven Inflation Rate 7

Business Inflation Expectations 8

SEPTEMBER 26, 2012

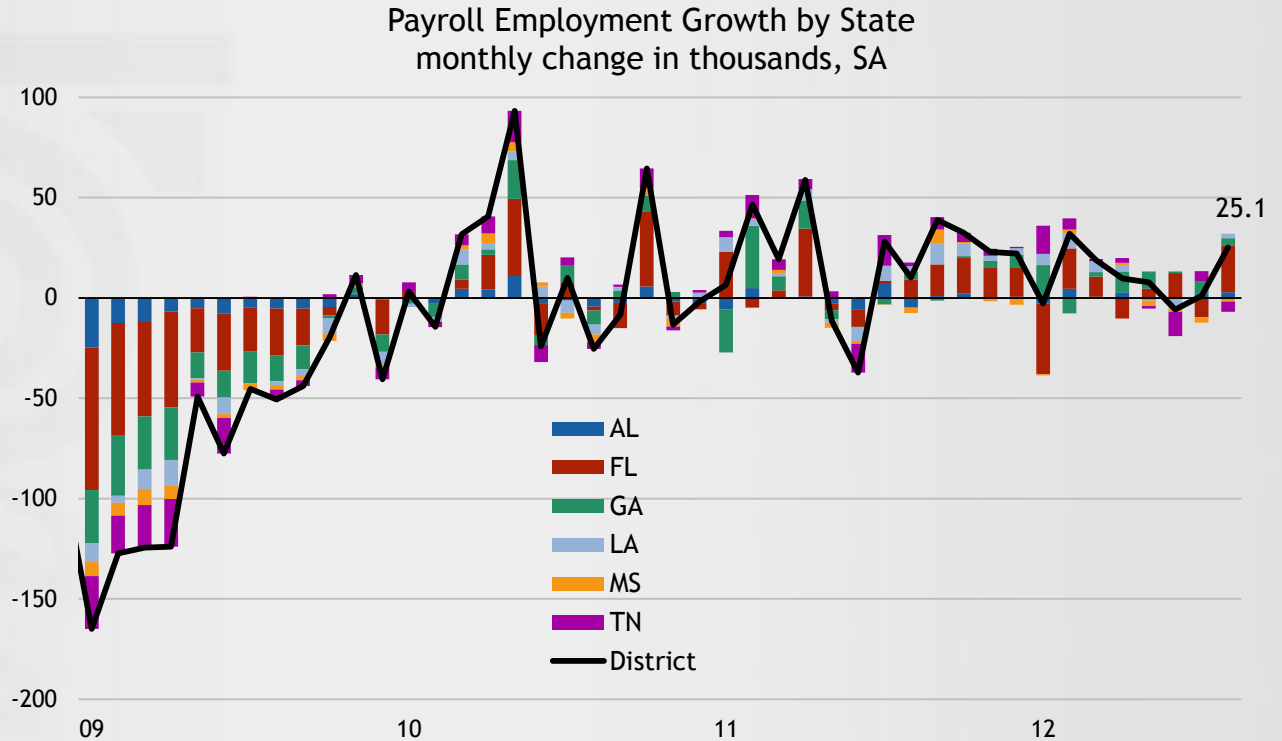


EMPLOYMENT

SUMMARY

The Sixth District added a net 25,100 payrolls in August, according to the U.S. Bureau of Labor Statistics. Four states contributed to the net gain: Louisiana added 2,300 net payrolls, while Alabama added a net 2,800; Georgia saw an addition of 3,700 payrolls in August, while Florida posted the second-largest gain in payrolls of any state in the country for the month, gaining 23,200 payrolls.

Mississippi posted a net loss of 1,800 payrolls for August, while Tennessee's payrolls fell by 5,100.



Source: U.S. Bureau of Labor Statistics

through August 2012

ADDITIONAL DETAIL

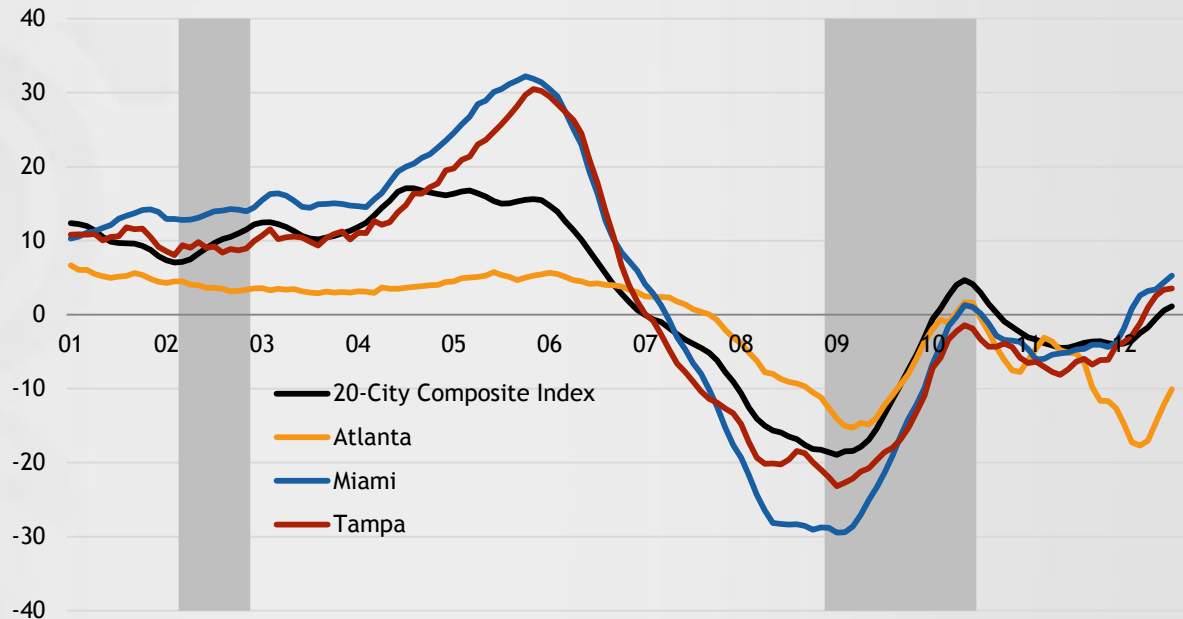
- Florida posted the second-largest payroll growth of any state in the nation in August, adding 23,200 payrolls. Many of these payrolls were in the professional and business services sector, which added 11,700 payrolls over the month. Florida's construction sector added 5,300 new payrolls, while the state's leisure and hospitality sector tacked on 4,500 net new payrolls in August. Education and health services in Florida also increased by 4,500 in August.
- The only sectors to post payroll losses in Florida last month were trade, transportation, and utilities, which shed 800 payrolls. Florida's government sector shrank by 5,200 payrolls in August.

REAL ESTATE

SUMMARY

The S&P/Case-Shiller 20-City Composite home price index continued to improve on a year-over-year basis, up 1.1 percent in July.

S&P Case-Shiller Home Price Indexes
percent change, year-over-year



Source: Standard & Poor's, Fiserv and MacroMarkets LLC

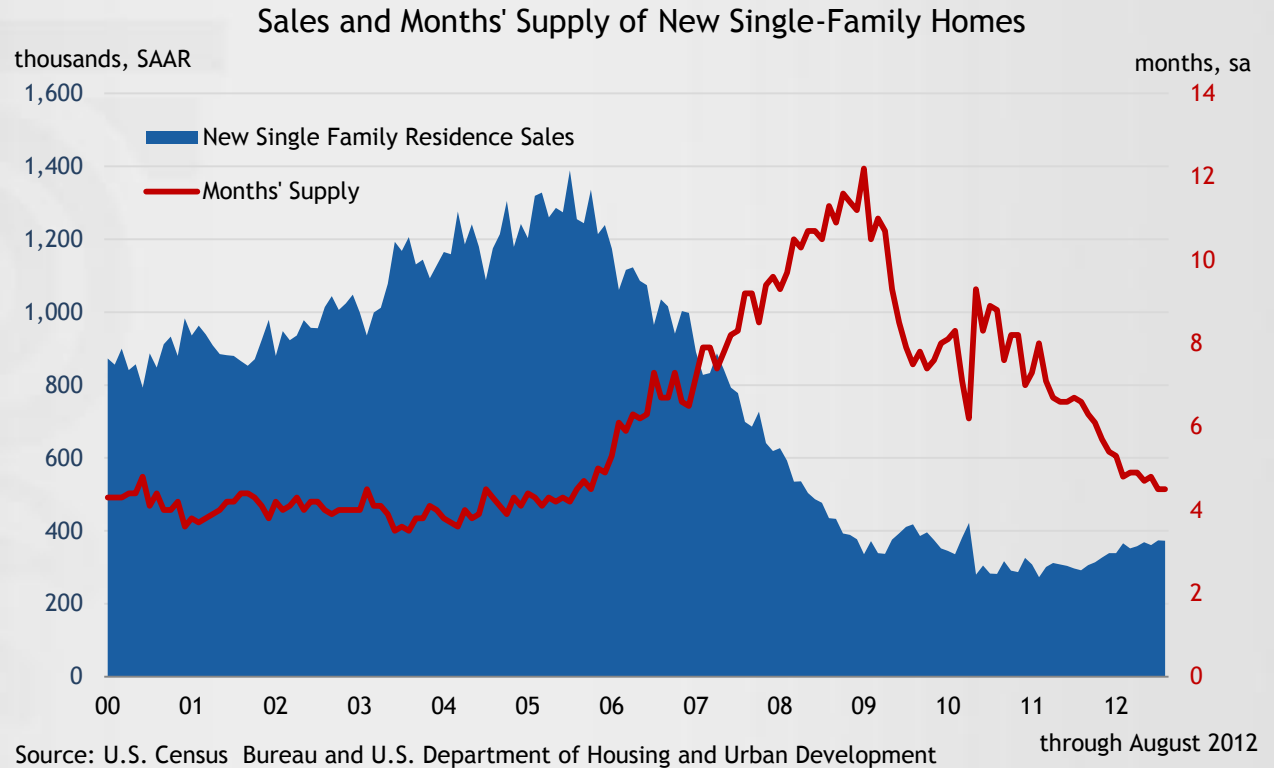
through July 2012

	July 2012 S&P/Case-Shiller Home Price Indexes				
	SA	NSA	M/M (sa)	M/M (nsa)	Y/Y
20-City Composite:	142.1	144.6	0.4%	1.6%	1.1%
10-City Composite:	154.9	157.3	0.4%	1.5%	0.6%
Atlanta:	90.8	94.2	1.1%	2.6%	-10.1%
Miami:	147.2	148.7	0.6%	2.1%	5.3%
Tampa:	132.2	134.1	0.1%	0.9%	3.6%

REAL ESTATE

SUMMARY

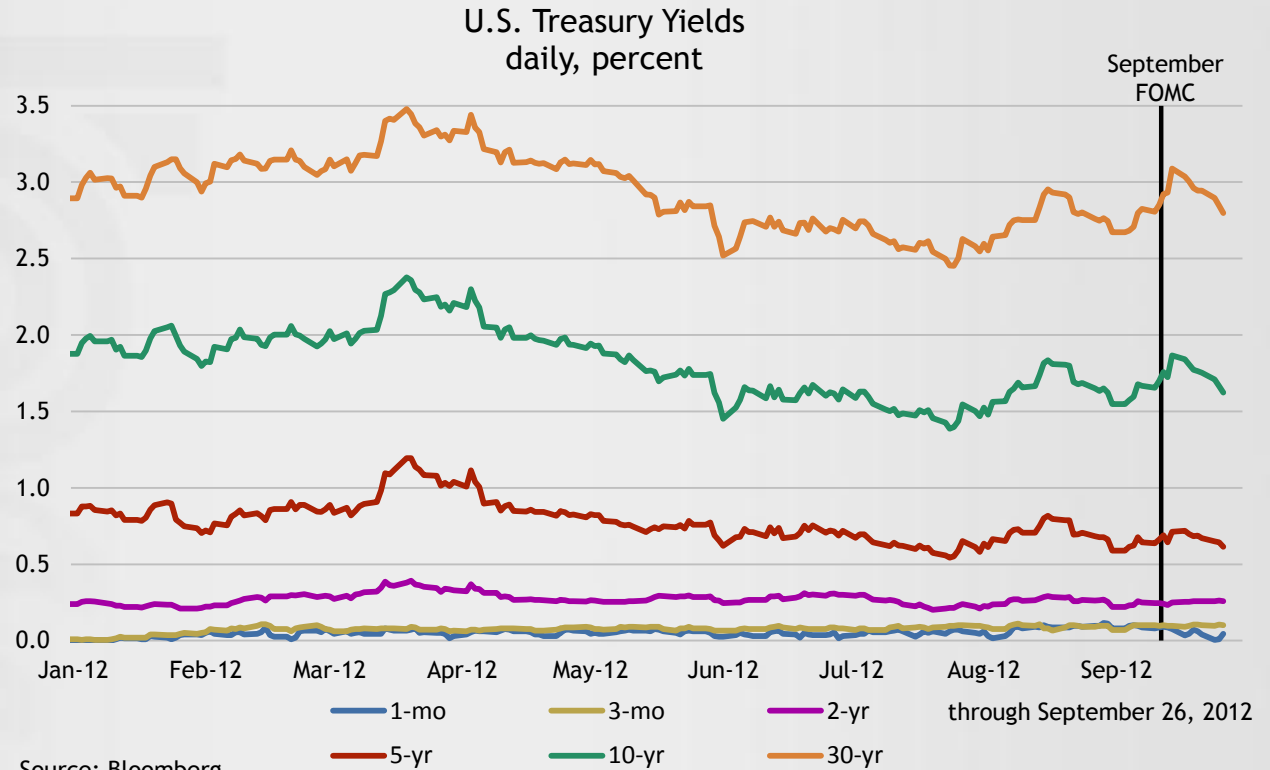
The U.S. Census Bureau and the U.S. Department of Housing and Urban Development reported that new single-family home sales declined 0.3 percent from July to August but exceeded the year-earlier level by 27.7 percent.



INTEREST RATES

SUMMARY

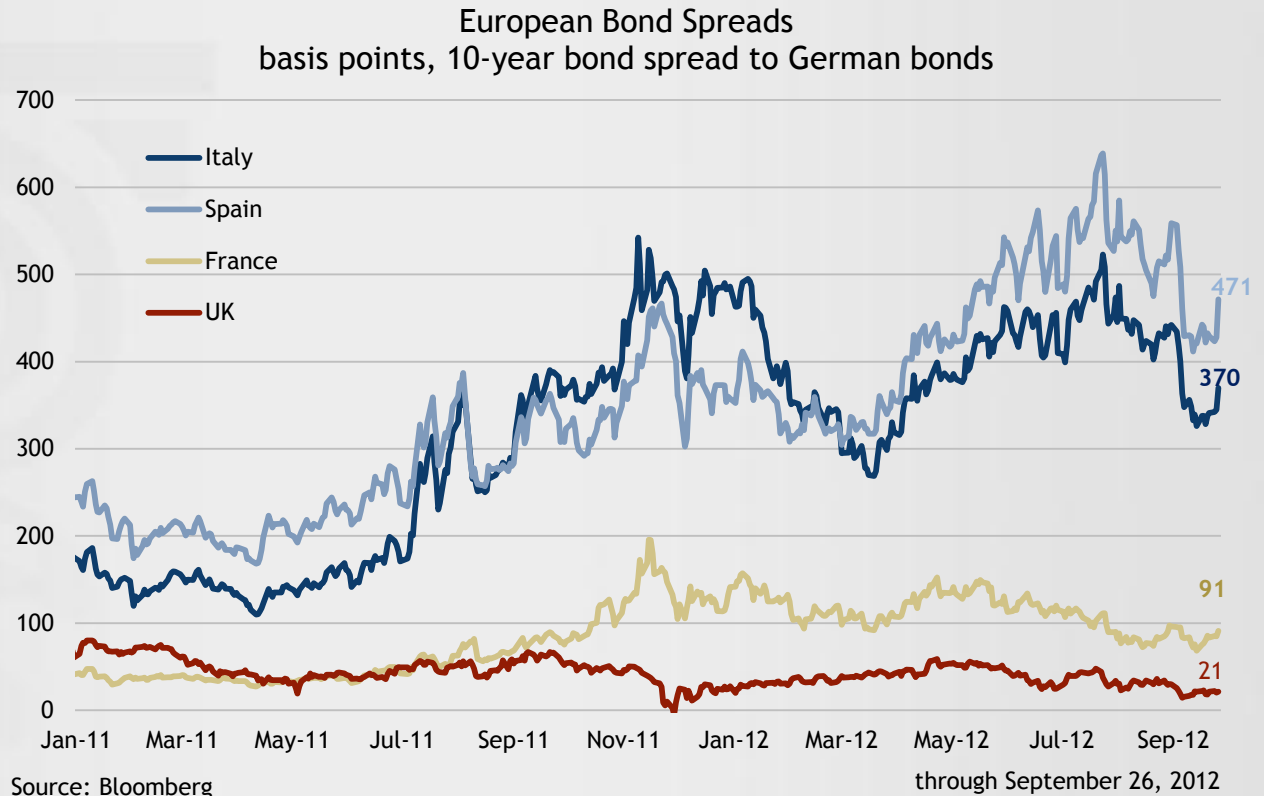
Longer-term U.S. Treasury yields, after initially rising following the September FOMC meeting, are lower. Since the close on September 12, the 10-year note and 30-year bond have declined about 12 basis points (bps) each and now yield about 1.6 percent and 2.8 percent, respectively.



EUROPE

SUMMARY

European bond spreads have narrowed considerably since their recent highs in late-July. Following the European Central Bank's unveiling of its new program on September 6, with the capability to conduct (potentially) unlimited sovereign bond purchases, financial conditions improved initially but appear to have deteriorated somewhat over the last two weeks. Between September 12 and 27, Spanish spreads rose approximately 60 bps and Italian spreads were 37 bps higher.

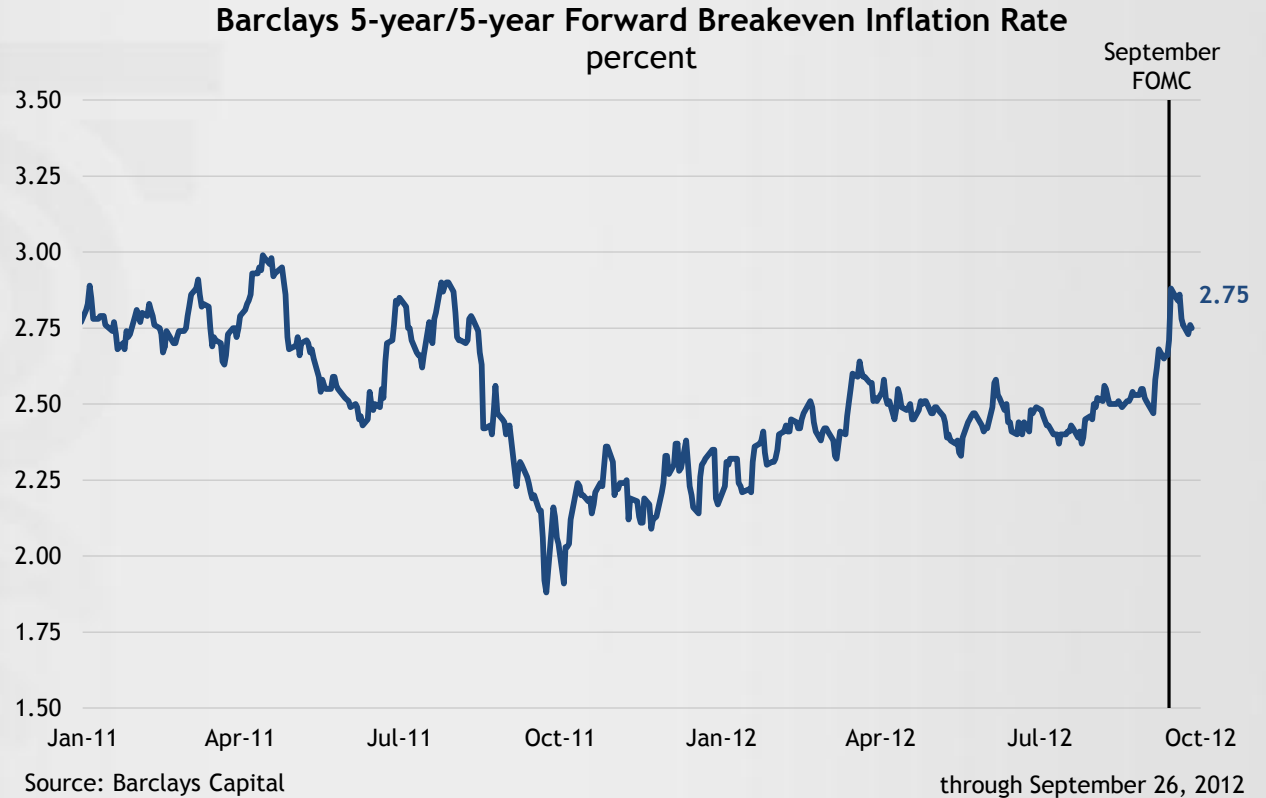


INFLATION EXPECTATIONS

SUMMARY

The Barclays 5-year/5-year forward breakeven inflation rate initially rose as much as 20 bps following the Fed's September FOMC decision but has since settled in only about 10 bps higher. The current breakeven rate of 2.75 percent is well within the range seen since last year.

(Note: the breakeven inflation rate is a measure of expected inflation derived from "nominal" Treasury securities and their counterparts—"real," or inflation-protected TIPS securities.)

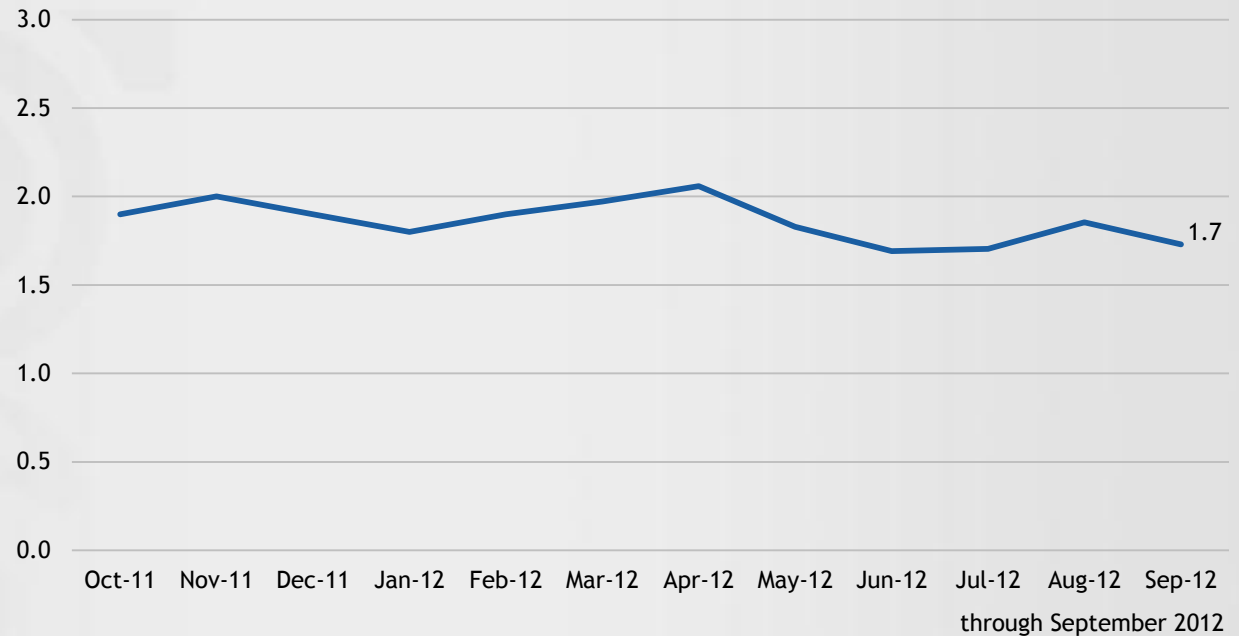


INFLATION EXPECTATIONS

SUMMARY

The inflation expectations of businesses in the Southeast for the coming year was 1.7 percent in September, down from 1.9 percent in August, according to the Federal Reserve Bank of Atlanta's most recent Business Inflation Expectations (BIE) Survey. The survey was conducted September 10–14 with 192 firms responding.

Year-Ahead Unit Cost Expectations
percent change



Source: Federal Reserve Bank of Atlanta's Business Inflation Expectations (BIE) Survey