

ECONOMIC AND FINANCIAL HIGHLIGHTS

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APRIL 4, 2012

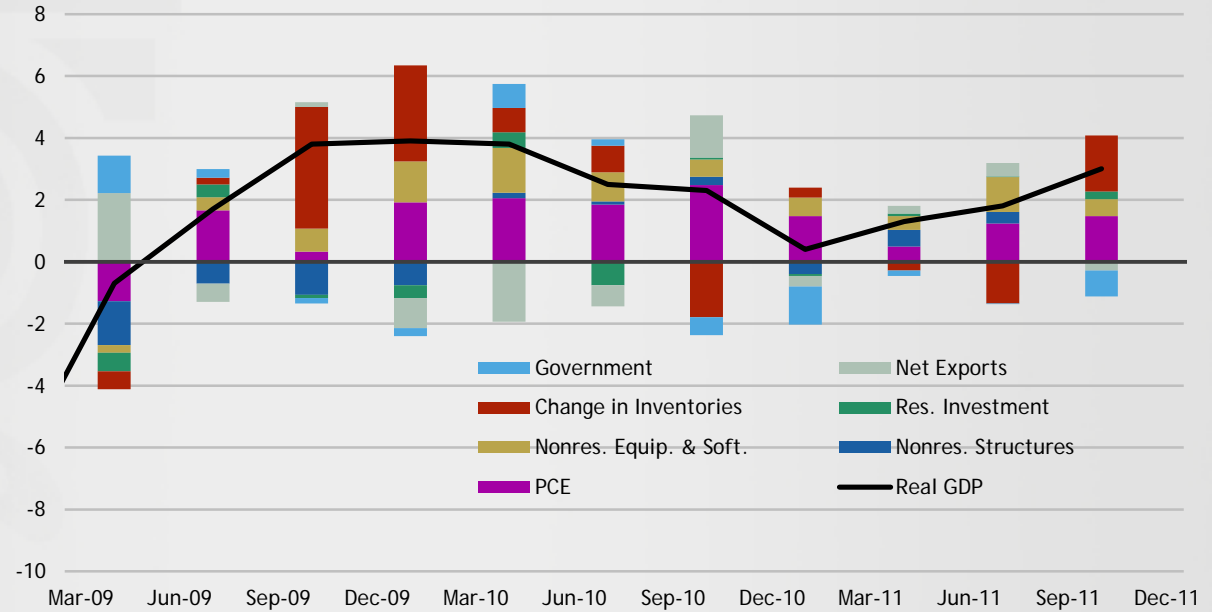


GROSS DOMESTIC PRODUCT

SUMMARY

The third and final estimate of 2011 Q4 real GDP growth was unchanged at 3 percent (annualized). Real fixed business investment was revised up from 2.8 percent to 5.2 percent, which offset greater drag from net exports and lower government spending and investment. Real personal consumption expenditures (PCE) was unchanged at 2.1 percent.

Contributions to Real GDP Growth quarterly, annualized percent change

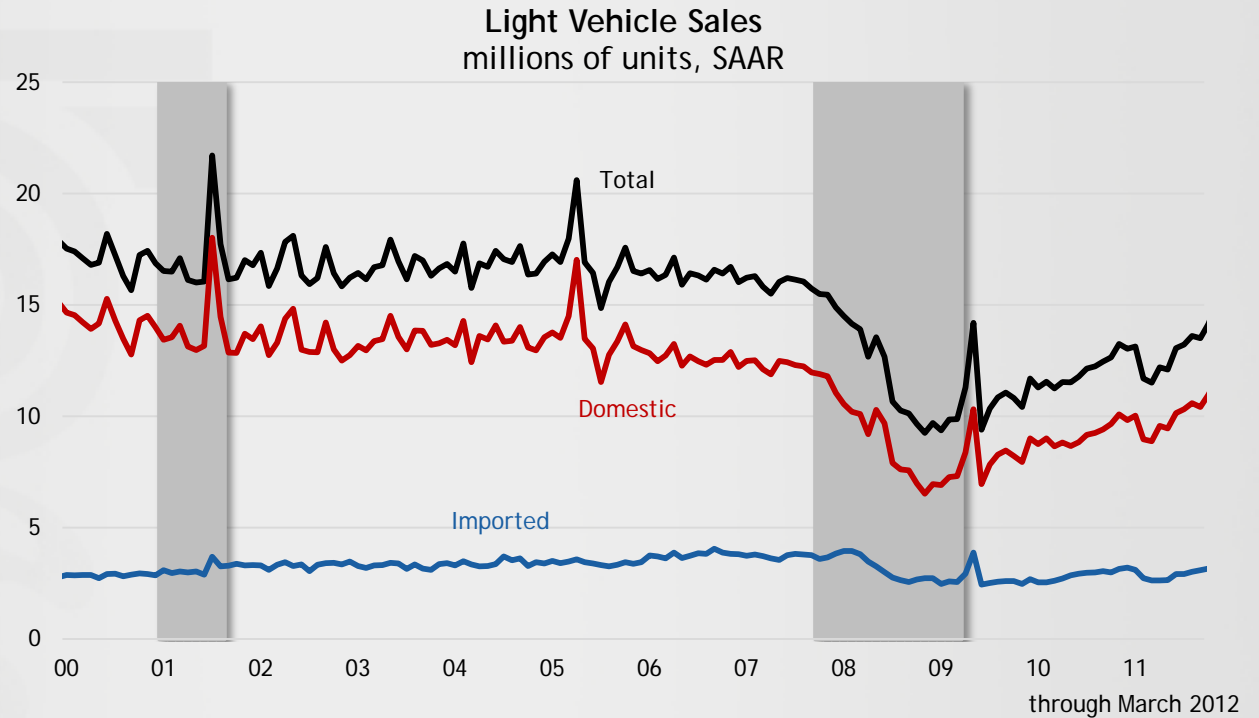


Source: U.S. Bureau of Economic Analysis

CONSUMER SPENDING

SUMMARY

After six months of gains, light vehicles sales decreased 5 percent in March over the month, to a seasonally adjusted annual rate of 14.3 million units.



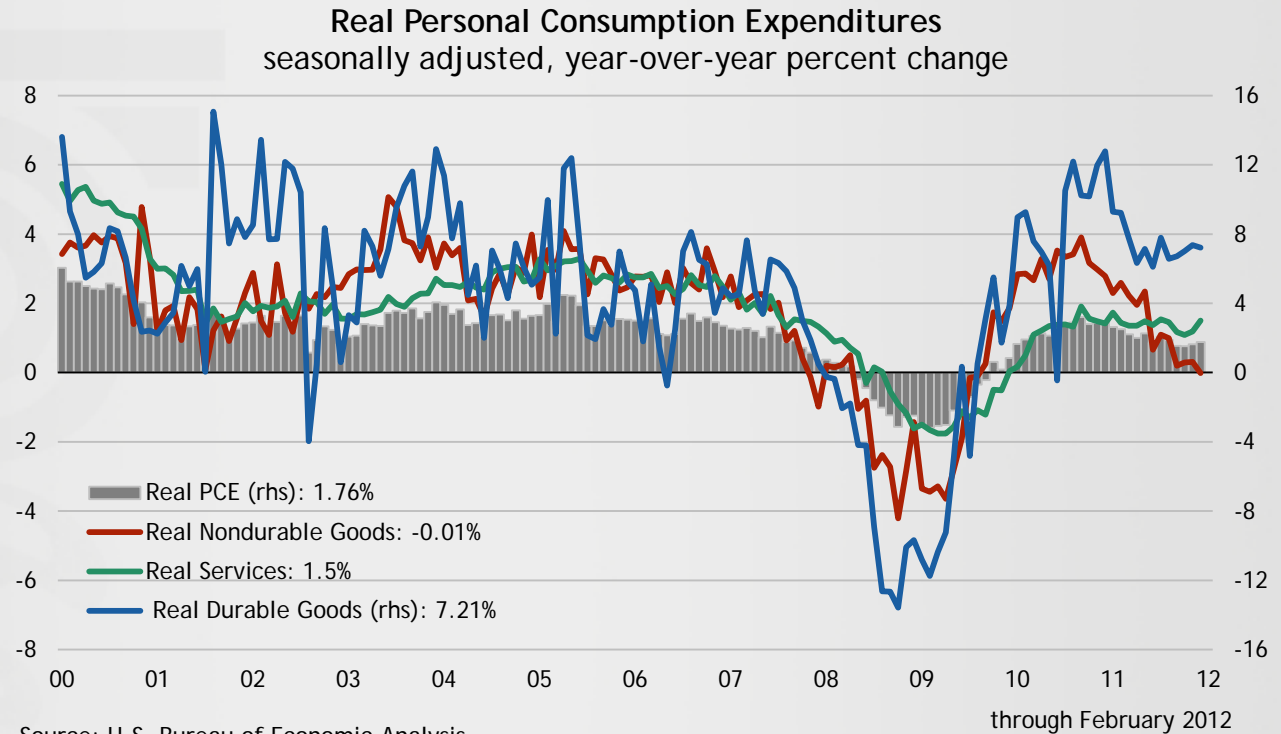
Source: U.S. Bureau of Economic Analysis

CONSUMER SPENDING

SUMMARY

Month over month, consumer spending as measured by real PCE increased 0.5 percent in February. The January reading was revised up from 0 to 0.2 percent.

Spending on durables posted large gains in February, rising 1.6 percent over the month. Spending on nondurables and services posted more modest gains, increasing 0.1 percent and 0.4 percent, respectively.



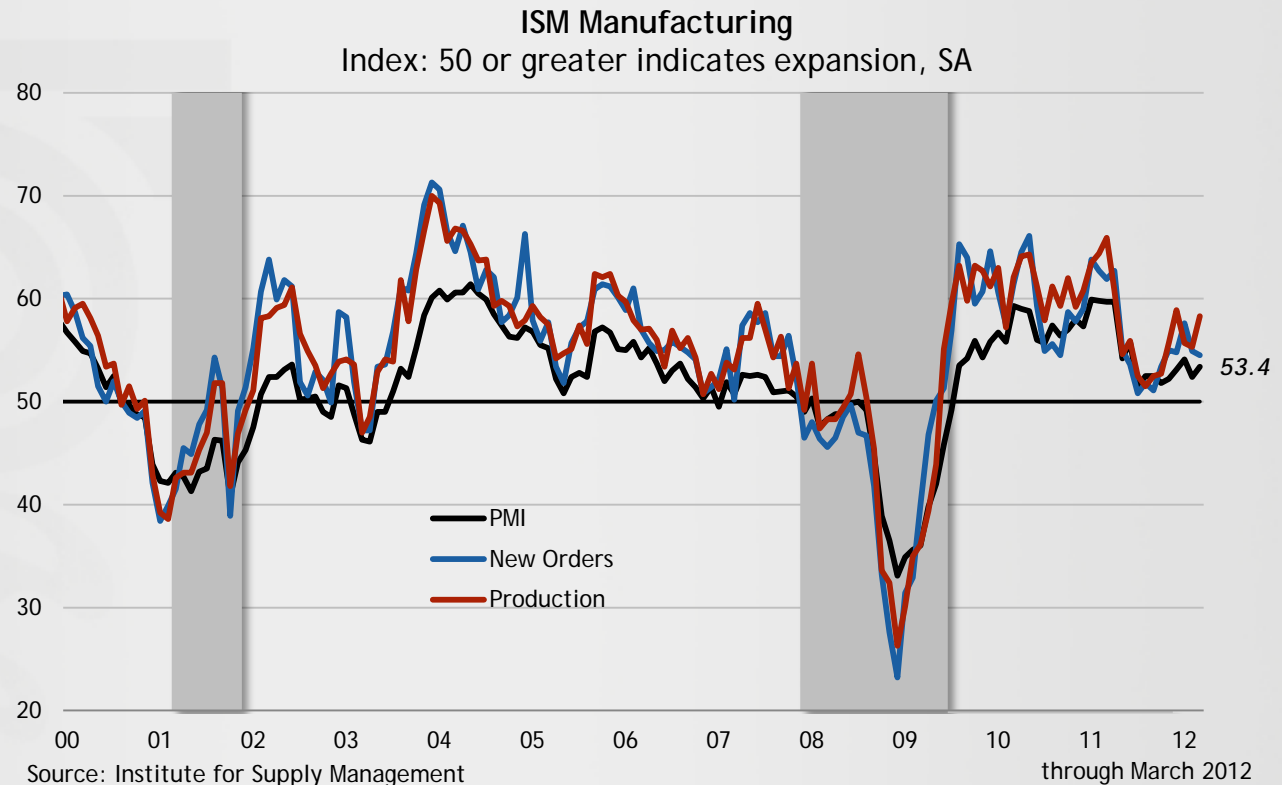
ADDITIONAL DETAIL

- Twenty-five percent of the growth in nominal PCE over the past six months has come from sales of new motor vehicles.
- Unadjusted for price changes, spending on electricity and natural gas services has decreased 8 percent over the past six months. Spending on motor vehicle fuels is up only 1 percent over the past six months.
- Real disposable personal income (also released by the Bureau of Economic Analysis) decreased 0.1 percent over the month, and the January reading was revised down from -0.1 percent to -0.2 percent.

MANUFACTURING SECTOR

SUMMARY

The Institute for Supply Management's (ISM) Purchasing Managers Index (PMI) indicated a slightly faster pace of growth in the manufacturing sector in March. The aggregate index added 1 index point to reach 53.4, a result of gains in production, employment, supplier deliveries, and inventories.



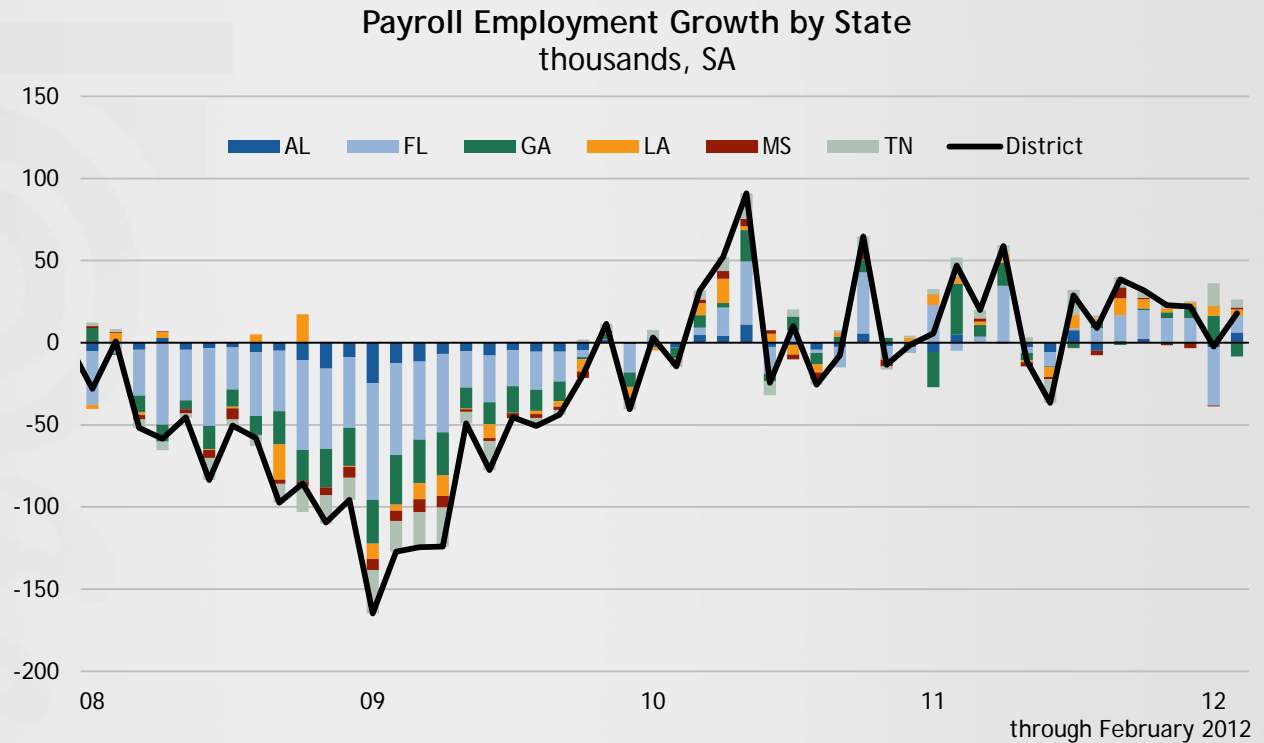
ADDITIONAL DETAIL

- The ISM's index measuring of **new orders** for manufacturers indicated a continuation of growth in March, but at a slightly slower pace than in February. The index dipped 0.5 index points for the month, slipping from 54.9 to 54.5.
- The **production** component had the largest gain for the month (+3.0 index points), jumping from 55.3 to 58.3.
- The **employment** index, which tends to correlate with actual changes in manufacturing payrolls as measured by the U.S. Bureau of Labor Statistics, added 2.9 index points in March to reach 56.1.

LABOR MARKET

SUMMARY

The February regional employment report indicated a gain of 17,900 jobs for the Sixth Federal Reserve District.



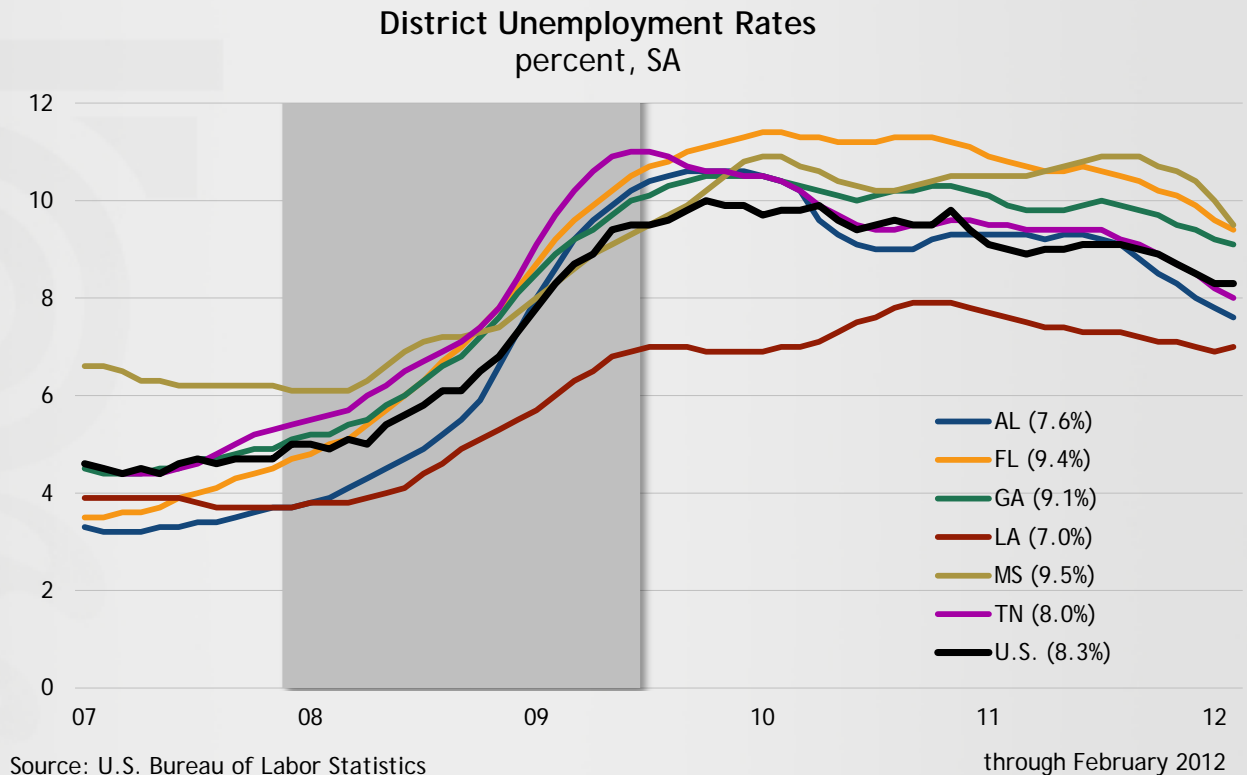
ADDITIONAL DETAIL

- The district as a whole gained 17,900 jobs in February 2012.
- All district states except for Georgia added payrolls over the month.
- Out of all the states in the nation, Georgia lost the second-most jobs in February, cutting payrolls by 8,300. Government and construction accounted for most of the job losses. Prior to February, Georgia had added payrolls for four consecutive months.
- Florida added 10,100 jobs over the month, while Alabama added 6,200. Florida had reduced employment by 35,400 (revised) in January.

LABOR MARKET

SUMMARY

The district unemployment rate decreased to 8.7 percent in February.



ADDITIONAL DETAIL

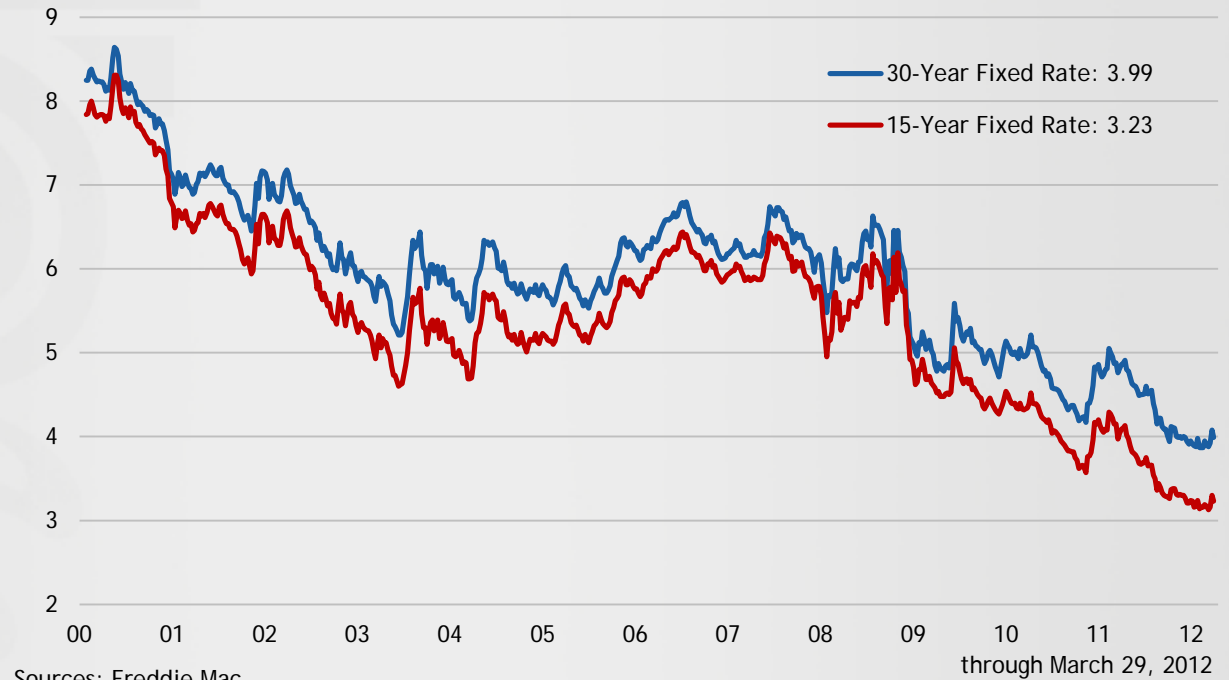
- All the states in the Sixth Federal Reserve District except Louisiana experienced a decrease in their unemployment rates over the month.
- The unemployment rates for district states have been declining at a relatively rapid pace. Alabama, Louisiana, and Tennessee now have unemployment rates that are less than the national rate of 8.3 percent.
- The unemployment rate for the district as a whole has declined by a full percentage point since September 2011.

REAL ESTATE MARKET

SUMMARY

The average mortgage rates for both 15-year fixed rate and 30-year fixed rate mortgages fell from the prior week, hovering slightly above their all time lows for the PMMS series.

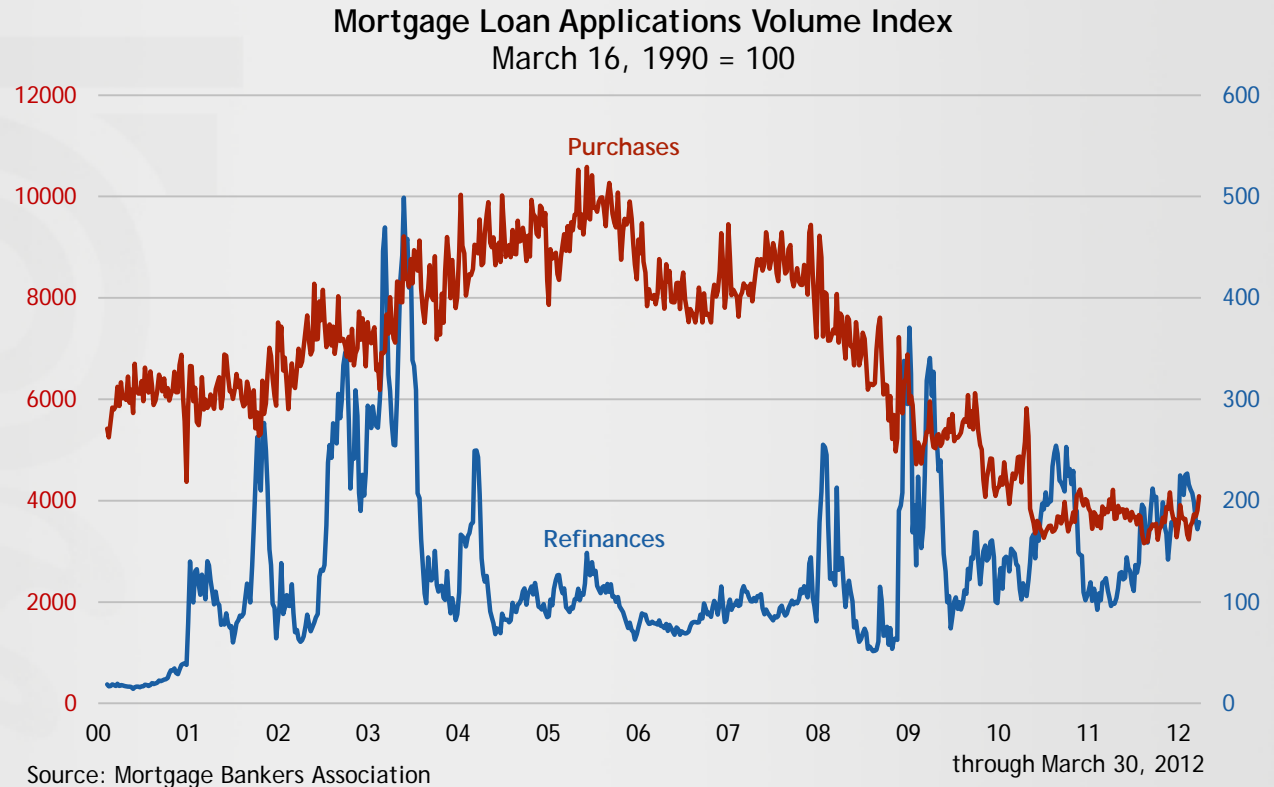
Freddie Mac, Primary Mortgage Market Survey (PMMS)
percent



REAL ESTATE MARKET

SUMMARY

Mortgage loan applications for purchases are up 14.4 percent over the month. However, applications for refinancing, while up 7 percent from last week, are down 13.7 percent over the month.

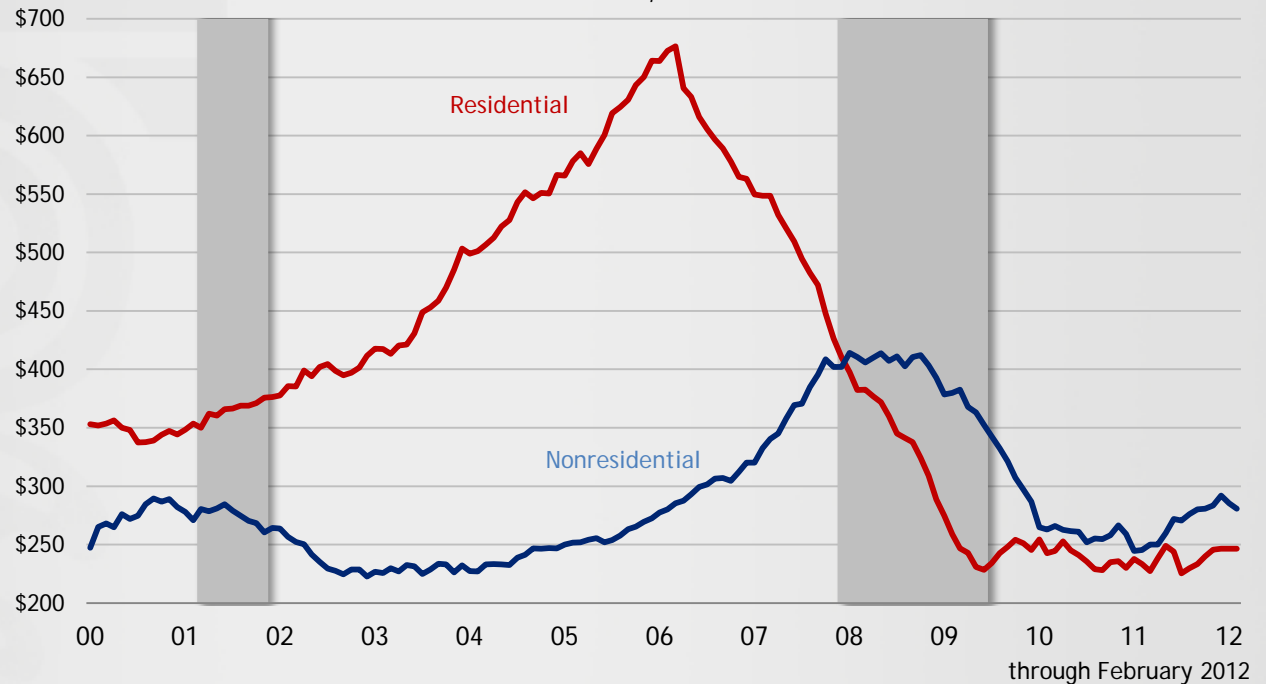


REAL ESTATE MARKET

SUMMARY

The U.S. Census Bureau reported that total construction spending edged down slightly from January to February but remained ahead of the year-earlier level, driven largely by private nonresidential construction spending.

U.S. Private Construction Spending
billions, SAAR



Source: U.S. Census Bureau

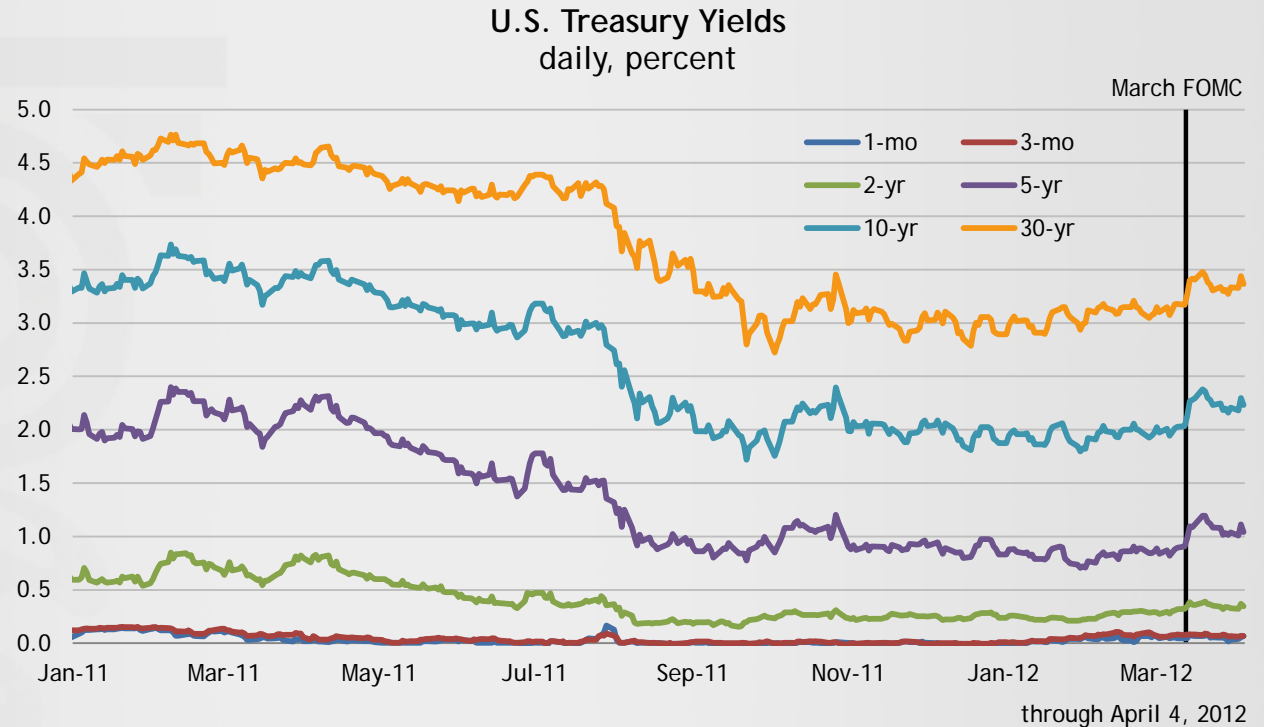
February 2012 Construction Spending Put in Place

	Total	Total Private	Total Public	Total Nonresidential	Private Nonresidential	Public Nonresidential	Total Residential	Private Residential
Billions, SAAR	808.9	527.3	281.6	555.4	280.8	274.6	253.5	246.5
M/M	-1.1	-0.8	-1.7	-1.6	-1.6	-1.7	0.0	0.0
Y/Y	5.8	10.2	-1.4	6.4	14.5	-0.7	4.6	5.6

INTEREST RATES

SUMMARY

Longer-term U.S. Treasury yields have stabilized after their initial rise following the March 13 meeting of the Federal Open Market Committee. Since then, the 30-year bond and the 10-year note have each had a 10-basis-point (bps) rise in their yields, and are now at 3.37 percent and 2.23 percent, respectively. The 5-year is up 6 bps, to 1.04 percent, and the 2-year is flat at 0.34 percent. However, current levels are 11 to 15 bps lower than the recent peak seen on March 19.



Source: Bloomberg