

ECONOMIC AND FINANCIAL HIGHLIGHTS

LABOR MARKET

Nonfarm Payroll Employment	2
Unemployment and Labor Force Participation	3

CONSUMER SECTOR

Consumer Credit	4
-----------------	---

INTEREST RATES

European Bond Spreads	5
Interbank Lending Spreads	6

MAY 9, 2012



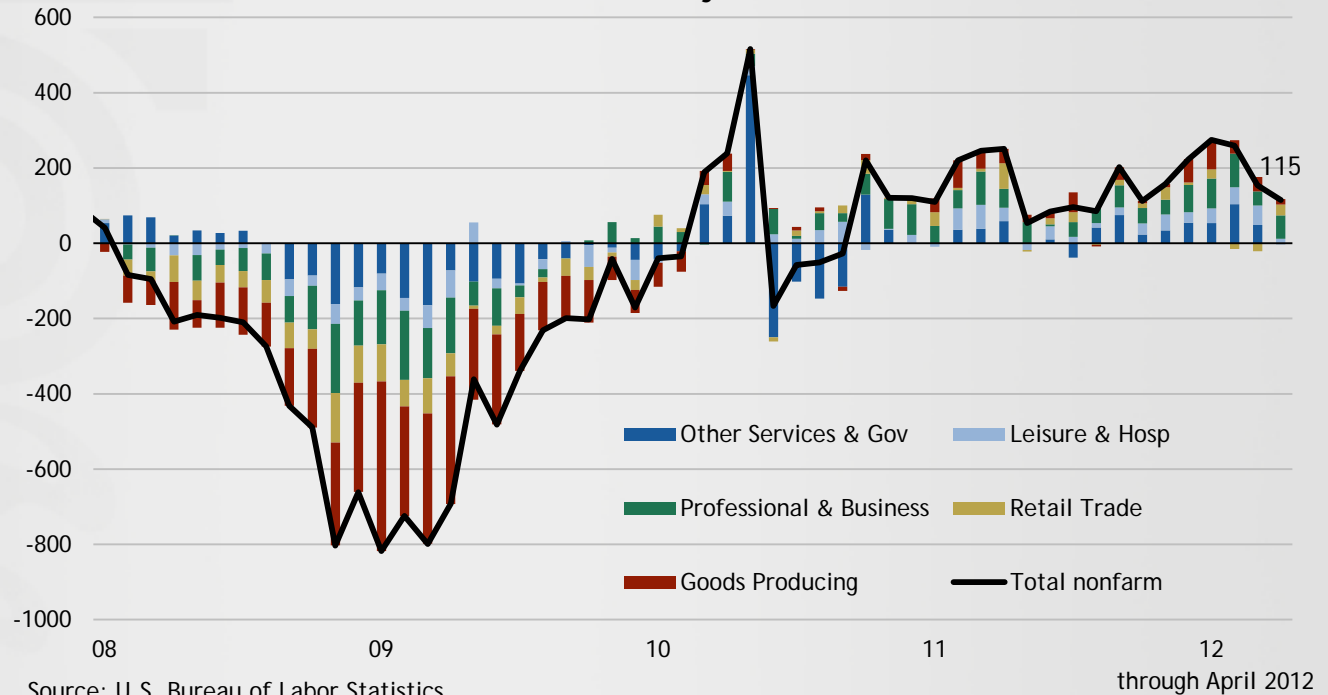
LABOR MARKET

SUMMARY

According to the U.S. Bureau of Labor Statistics payroll employment report for April, 115,000 new jobs were created last month.

March's figures were revised upward by 34,000 payrolls, while February's numbers were again revised upward, this time by 19,000.

Contributions to Change in Nonfarm Payroll Employment
thousands of jobs, SA



ADDITIONAL DETAIL

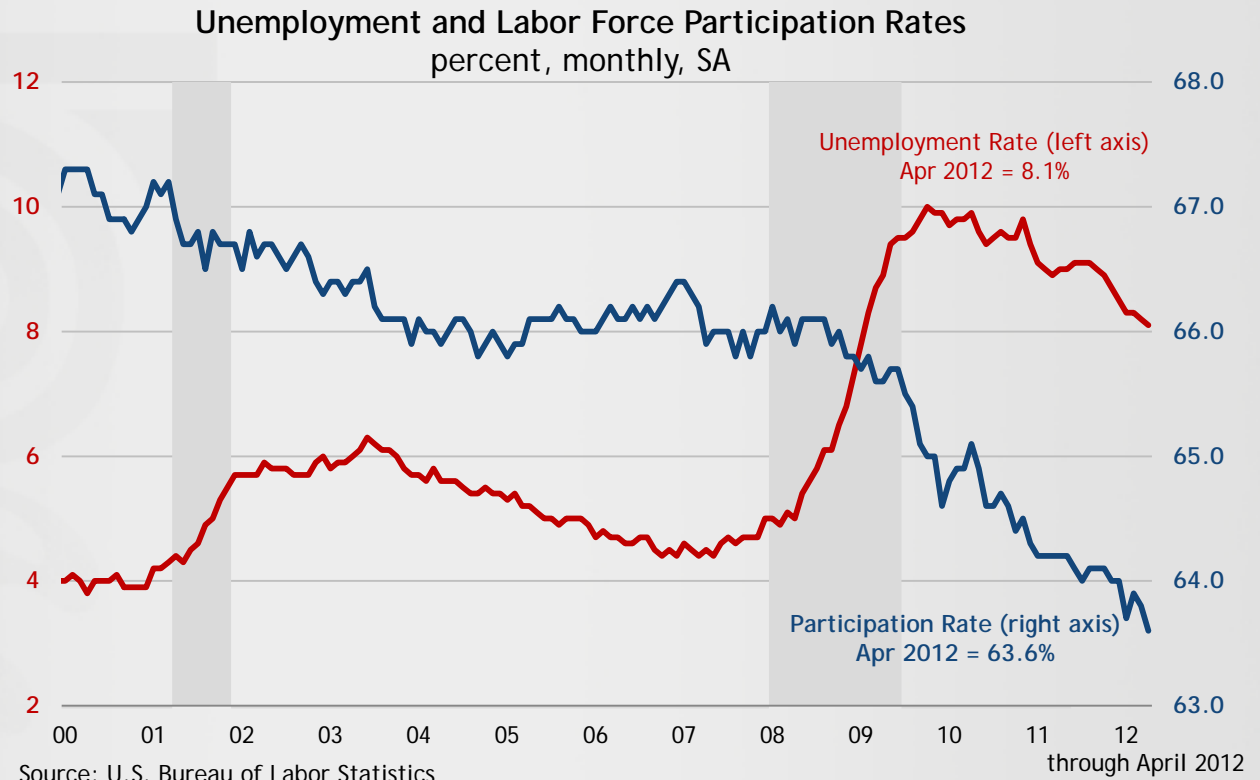
- The major job gains were in professional and business services (up 62,000), retail trade (up 29,000), health care (up 19,000), and manufacturing (up 16,000).
- The main sectors that cut jobs in April were transportation and warehousing (down 16,000), government (down 15,000), construction (down 2,000), information services (down 2,000), and "other services" (down 2,000).

LABOR MARKET

SUMMARY

The unemployment rate dropped 0.1 percentage point to 8.1 percent in April. However, this decrease was almost entirely the result of a drop in labor force participation.

A total of 342,000 people exited the labor force in April, the largest exit since January 2011, leading the labor force participation rate to dip to 63.6 percent.



ADDITIONAL DETAIL

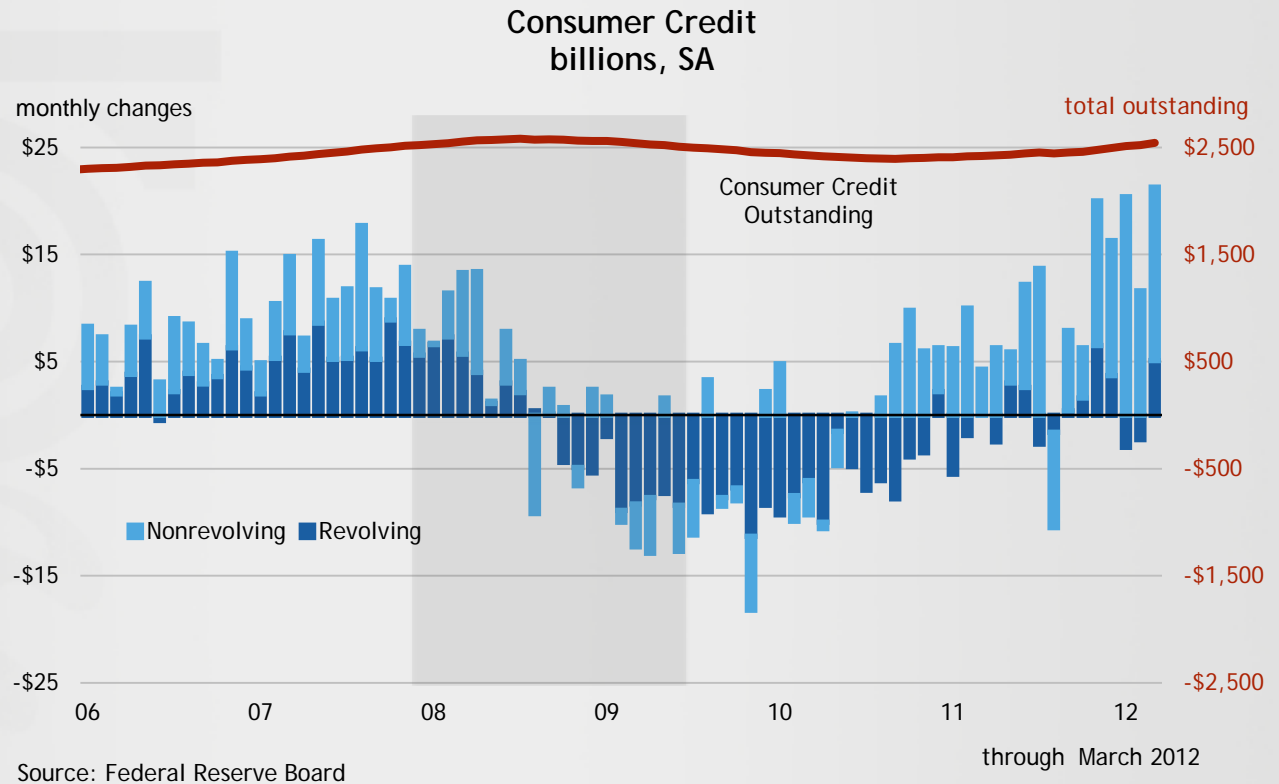
- The number of unemployed persons dropped by 173,000 in April, while the number of employed persons declined by 169,000. Together, these numbers account for the 342,000 who exited the labor force in April.
- Another detail from April's report includes data on average weekly hours, which remained flat in April at 34.5. The manufacturing work week edged up 0.1 hour to 40.8. Average hourly earnings for all employees rose \$0.01 to \$23.38.

CONSUMER SECTOR

SUMMARY

Consumer credit outstanding increased \$21.3 billion in March.

Nonrevolving increased \$16.2 billion. Revolving increased \$5.1 billion.



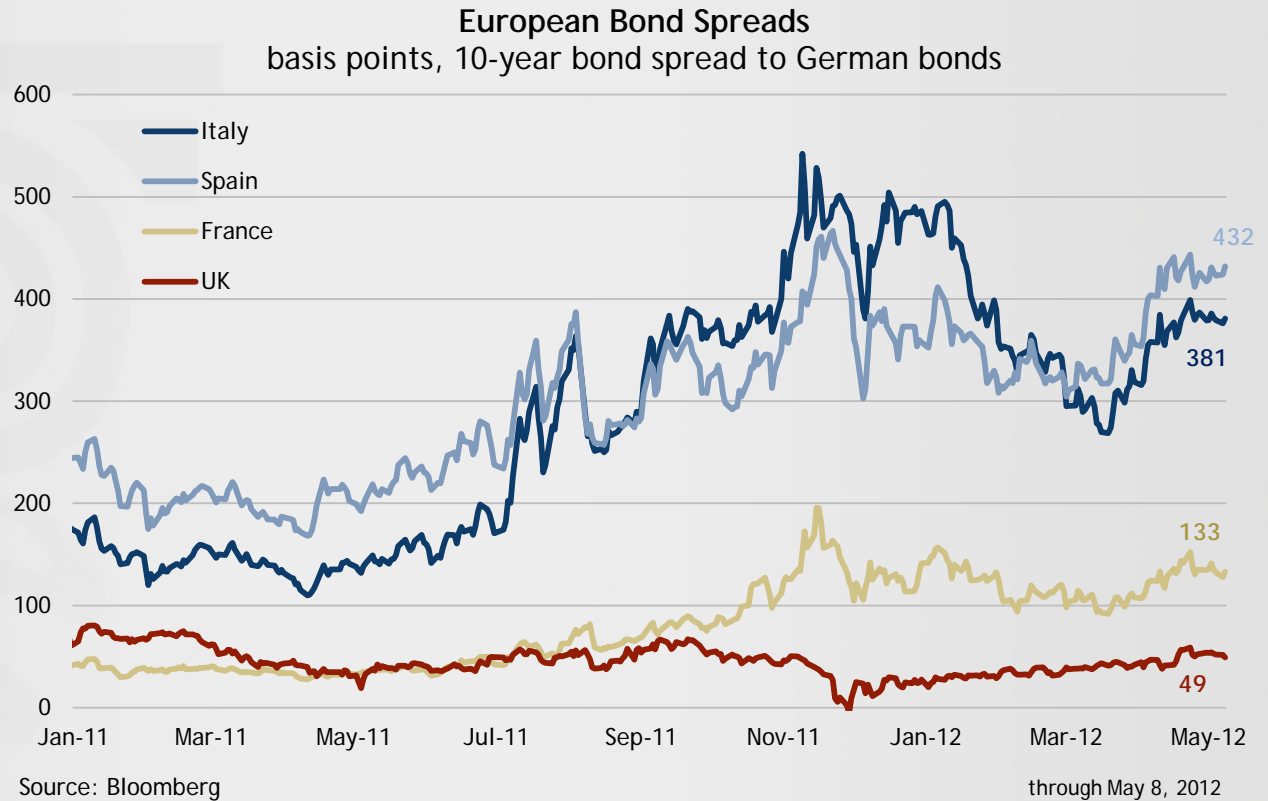
ADDITIONAL DETAIL

- Consumer credit outstanding is currently \$39 billion, or about 2 percent, shy of its prerecession peak.

INTEREST RATES

SUMMARY

European bond spreads (against German equivalents) continue to be elevated, particularly for Spain and Italy. Spain's spread is now 432 basis points (bps), and Italy's spread is 381 bps. Though still high, spreads are mostly unchanged over the past four weeks (since April 10).



INTEREST RATES

SUMMARY

Interbank lending spreads have declined since their recent peak on January 6, 2012, down 13 bps to 18 bps across all tenors. The current one- and three-month spreads are 9 bps and 32 bps, respectively.

