

Economic Highlights

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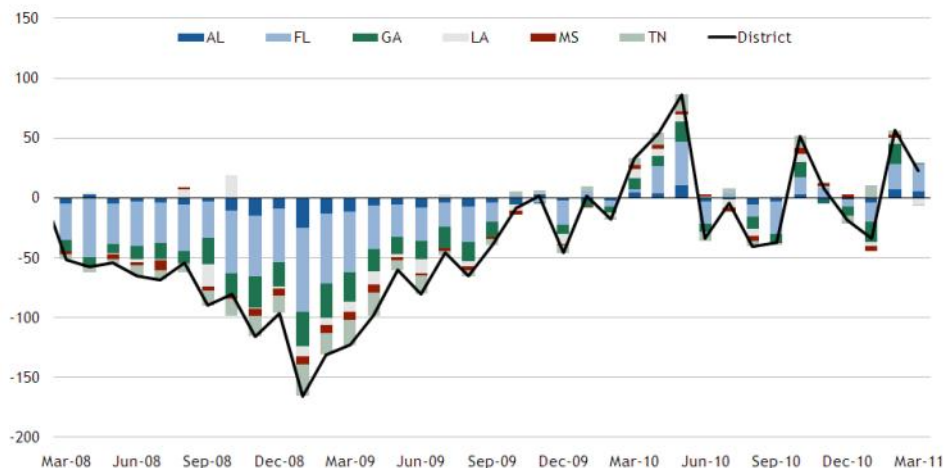
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Employment

Summary

The March employment report showed improvement in the district. The district states added 22,400 nonfarm jobs in March, led by a large gain in Florida.

Payroll Employment Growth by State
monthly change, thousands
March 2011

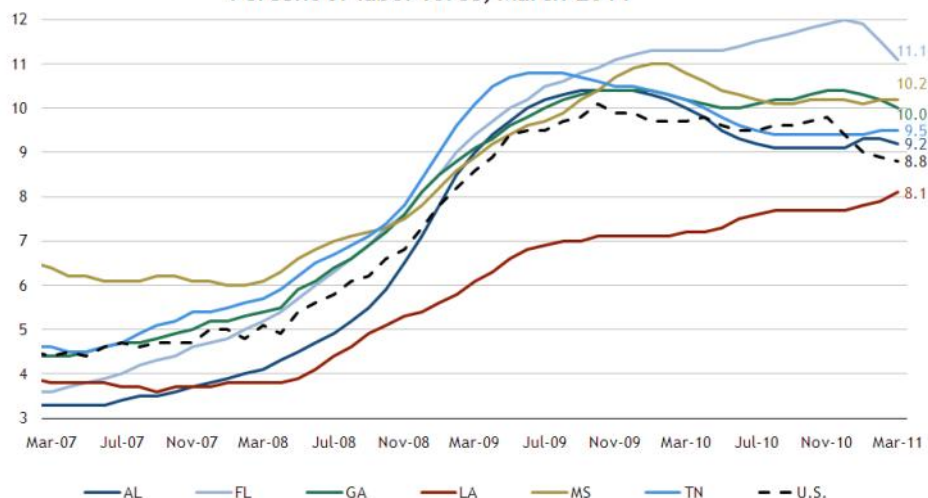


Source: U.S. Bureau of Labor Statistics

- The district added 22,400 jobs in March, largely driven by increases in Florida. Half of district states added jobs, and nationwide nonfarm payrolls increased in 38 states. Florida had one of the largest over-the-month job gains in the nation.
- Payroll employment declined in Alabama, Florida, and Georgia, and it increased in Louisiana, Mississippi, and Tennessee over the month.

The district unemployment rate decreased to 10.2% in March.

District Unemployment Rates
Percent of labor force, March 2011



Source: U.S. Bureau of Labor Statistics

- The district unemployment rate declined to 10.2% in March, down 0.2 percentage points from February. Nationwide, 34 states posted unemployment rate decreases.
- The unemployment rate decreased in Alabama, Florida and Georgia, while it increased in Louisiana and remained unchanged in Mississippi and Tennessee.

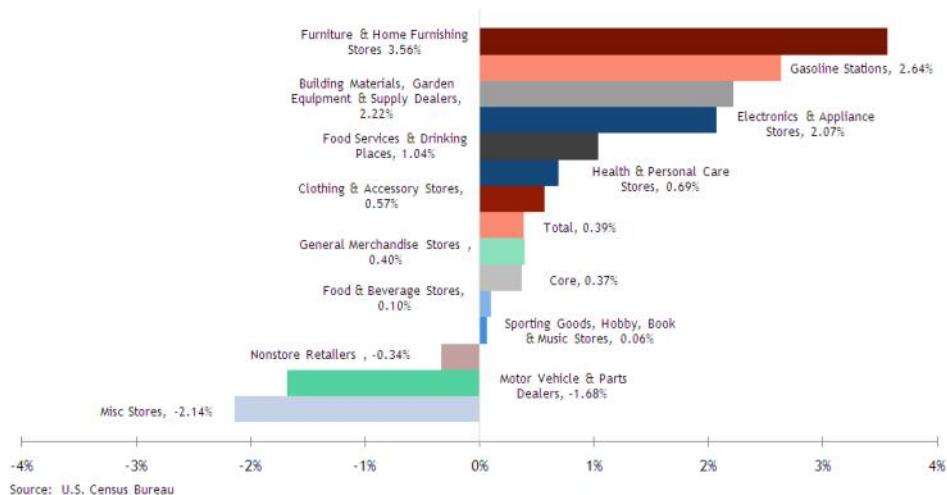
Consumer Spending

Summary

Retail sales increased modestly in March.

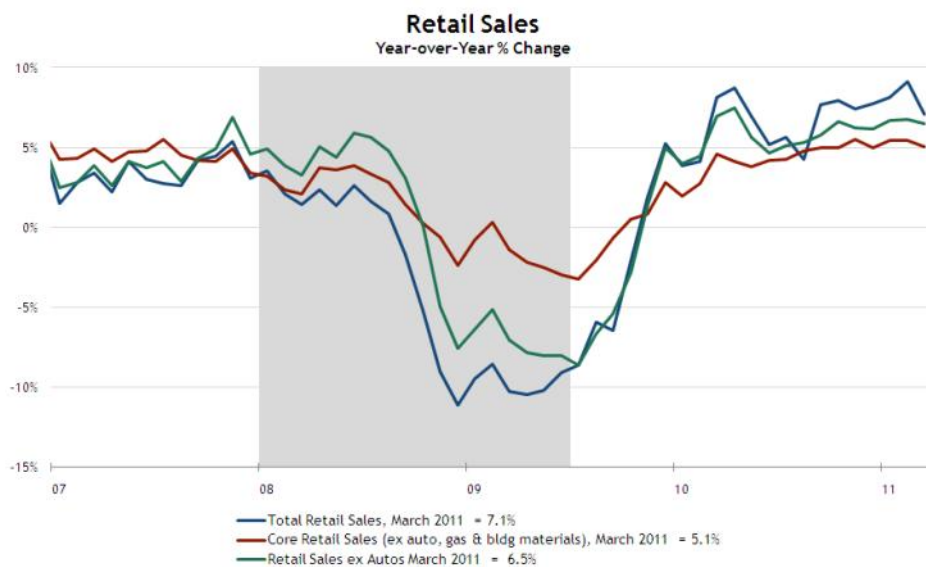
U.S. Retail Sales Components

Month-to-Month Percent Change
March 2011



- Total retail sales increased 0.4% in March, in line with expectations, marking the smallest gain since July 2010.
- While most retail categories posted increases over the month, some were likely reflect price increases such as gas station sales. Core retail sales (excluding gas, autos, and building supplies sales) increased by 0.4% over the month.
- Retail sales for February were revised up slightly, from 1% to 1.1%, and January retail sales were revised up slightly from 0.7% to 0.8%.

On a year-over-year basis, retail sales have decelerated.

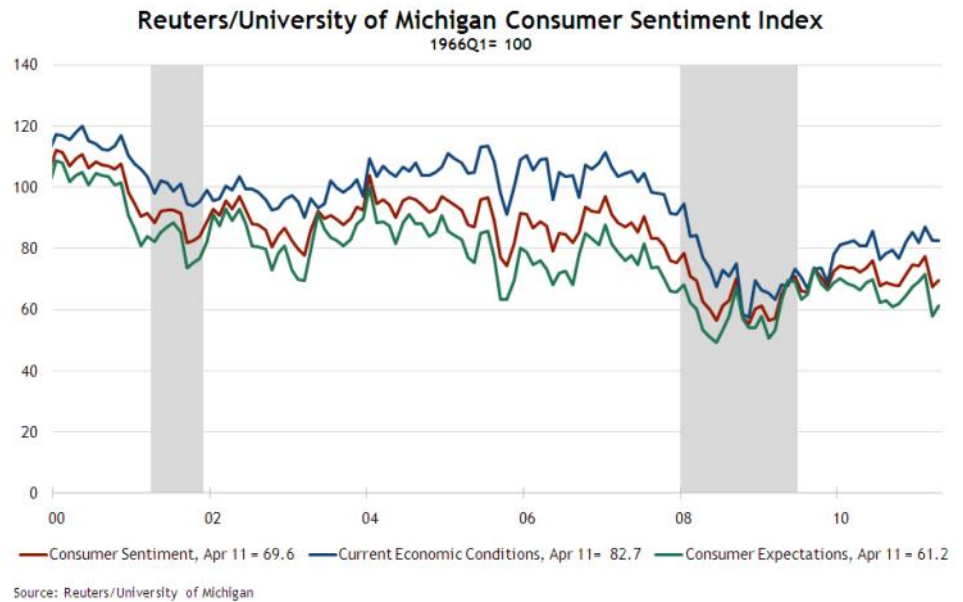


- On a year-over-year basis, core retail sales were up 5.1%, below rates of 5.4% in the prior two months.
- Total retail sales were up 7.1% in March, down from 9.1% in February and 8.2% in January.

Consumer Spending

Summary

The University of Michigan's consumer confidence index rose only slightly in April and remains at a depressed level.



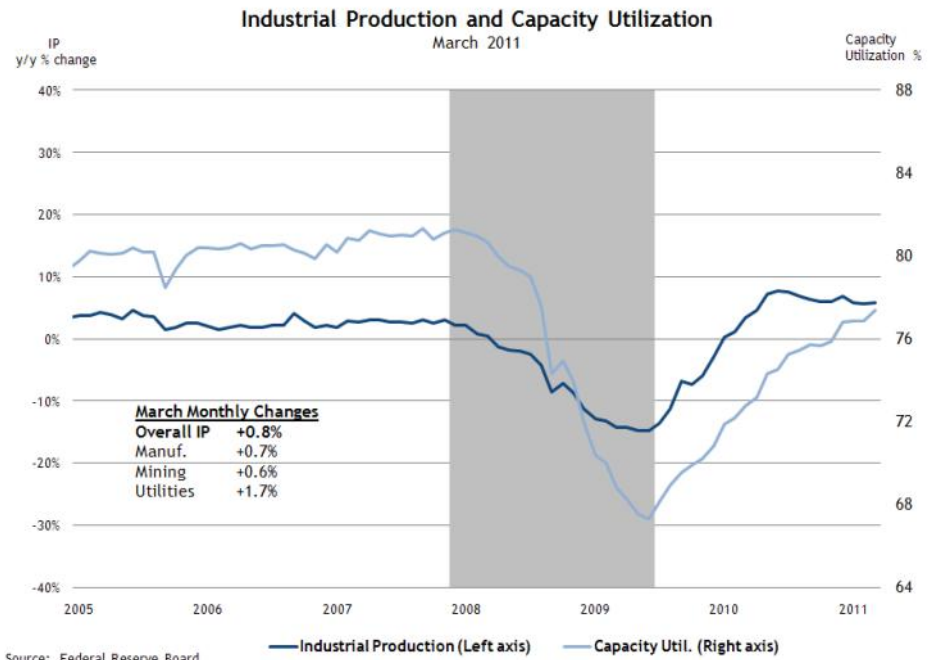
- According to the preliminary release, the University of Michigan's consumer sentiment increased 2.1 points in April to 69.6, following a 10-point drop in March. The index still remains well below prerecession levels.
- The increase in the overall index reflected an increase in the expectations component from 57.9 in March to 61.2 in April. The current conditions component was essentially unchanged in April.

Manufacturing

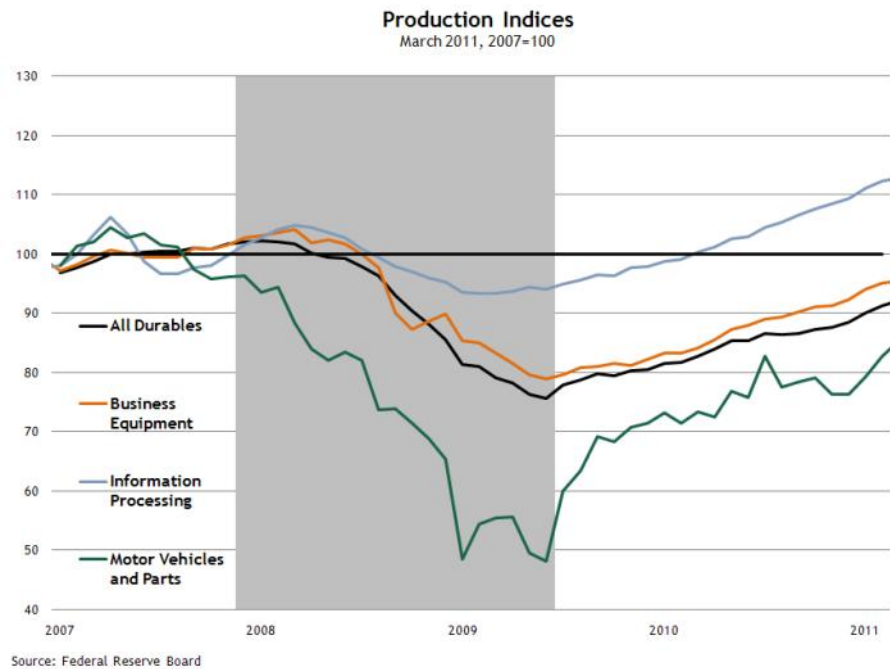
Summary

Industrial production increased 0.8% in March and rose at an annual rate of 6% in the first quarter. Manufacturing output advanced 0.7% in March, while mining output rose 0.6%. The output of utilities increased 1.7% over the month.

Capacity utilization was up 0.5%, to 77.4%, in March.

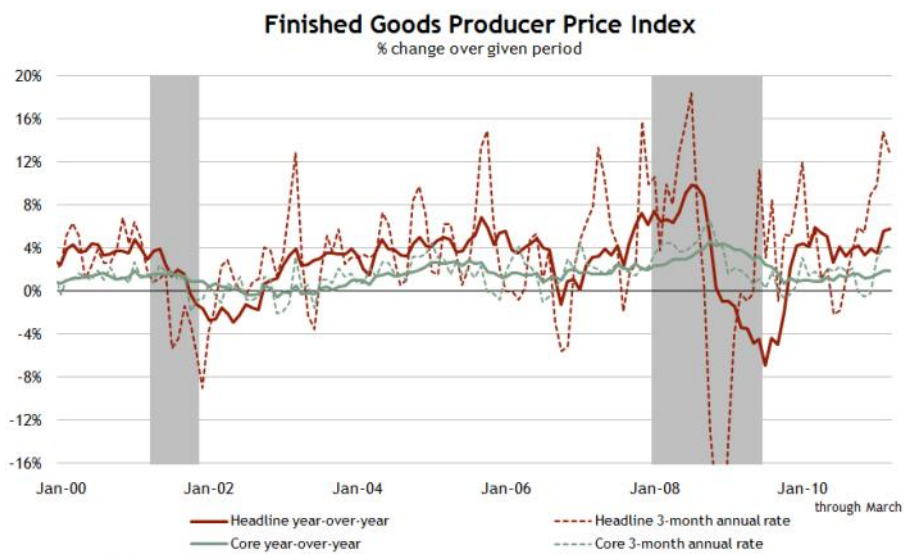


The production of all durable goods increased 0.8% over the month, while the production of business equipment was up 0.5%. Information processing also added 0.6% in March, and the production of motor vehicles was up 2.4% for the month.



Summary

PPI continues to rise at all stages of production, boosted by higher food and energy costs.

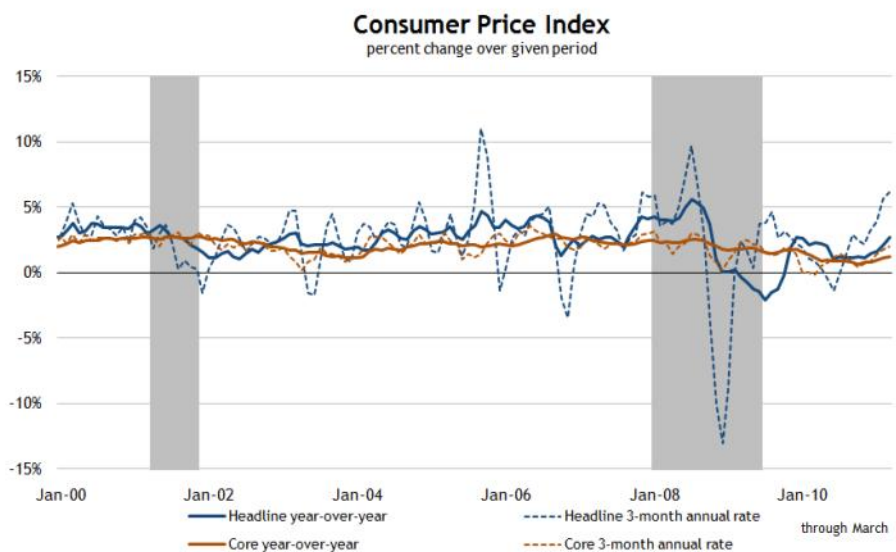


- The March headline **producer price index (PPI)** for finished goods rose 8.6% (annual rate). Most of the March gain can be attributed to advances in the energy subindices as finished energy goods rose 35.6%. Excluding food and energy, PPI rose 3.5% in March. The 12-month core PPI, which has been trending higher since early 2010, was 2% in March.
- Rising energy costs also pushed the headline PPI in March above 12-month trends for intermediate goods. Crude core prices decreased at a 6% annual rate in March.

PPI by Stage of Processing					
	1-month*	3-month*	12-month*	2008**	2003-08**
Finished	8.6	13.0	5.7	-1.2	3.2
Less food and energy	3.5	4.2	2.0	4.5	2.5
Intermediate	19.4	20.0	8.9	-2.6	5.0
Less food and energy	11.4	13.0	5.6	2.9	4.8
Crude	-6.0	27.3	16.5	-24.3	4.1
Less food and energy	-24.8	16.6	19.2	-24.1	5.4
*Seasonally adjusted annualized rates of change in price indices for given period ending March 2011.					
**Seasonally adjusted annualized rates of change in price indices for given period					
Source: U.S. Bureau of Labor Statistics					

Summary

A continued rise in gasoline and food inflation pushed headline CPI up.

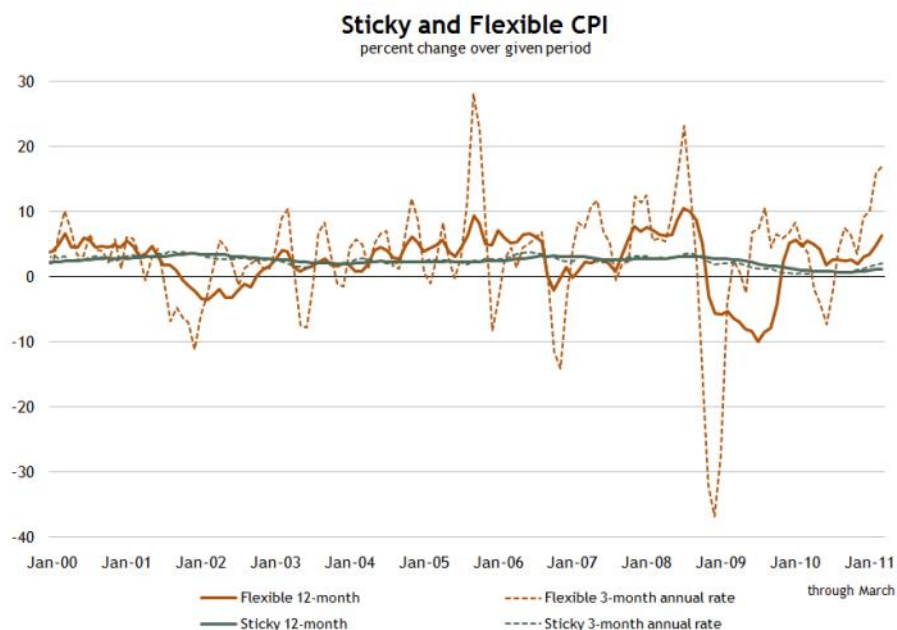


Source: Bureau of Labor Statistics

- The **headline** consumer price index (CPI) rose at a 6.8% annual rate in March. Gasoline and food prices together accounted for almost three-quarters of the increase. Excluding these categories, the CPI increased 1.6%, annualized. On a year-over-year basis, headline CPI is up 2.7% , and core CPI is up 1.2%.
- The **trimmed-mean** CPI as calculated by the Federal Reserve Bank of Cleveland was up a 3% (annualized) in March, double its 12-month pace. Meanwhile, the Bank's median CPI rose 1.6% (annualized), down from 2.4% the previous month and above its 12-month pace of 1.2%.

Summary

The Atlanta Fed's sticky price CPI was up 1.5% in March.

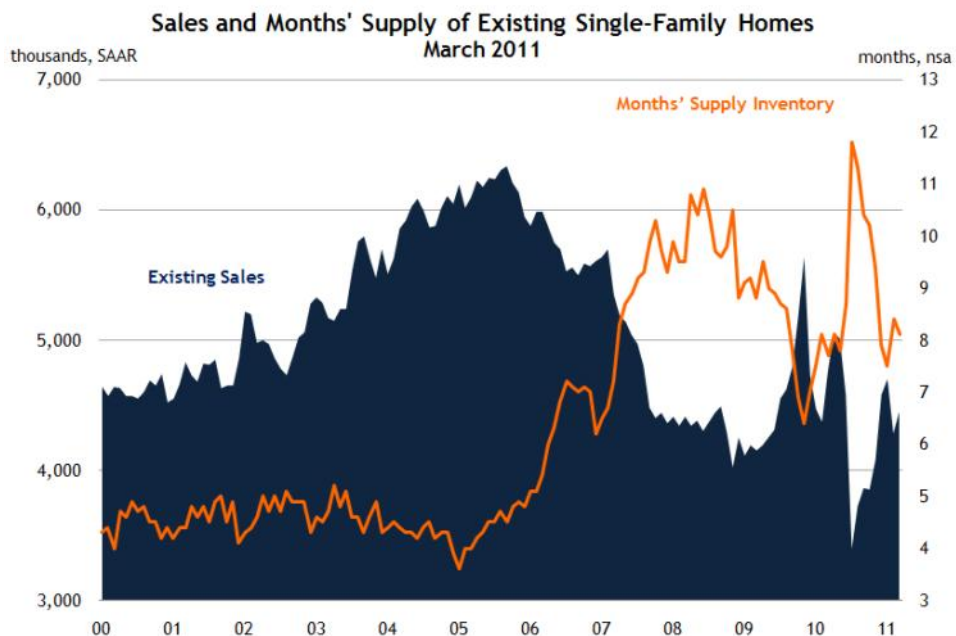


Source: Atlanta Fed, Bureau of Labor Statistics

- Growth in the **sticky** price measure—the weighted basket of goods consumers purchase that change prices relatively infrequently—rose **1.5%** (annualized) in March following a 2.7% jump in February. The 12-month index rose 1.3%, a slight increase from the 0.8% to 1% range seen over the past year, though still below the longer-term trend for the series.
- The sticky price index increased 1.3% (annualized) on a core—excluding food and energy—basis, above recent 12-month trends in the range of 0.7% to 1.1%.
- The **flexible** cut of the CPI— weighted basket of goods that change price relatively frequently—rose at a **21.1%** annual rate and was up 6.4% from year-earlier levels in March. Excluding food and energy, flexible CPI rose 3.8% (annual rate) and is up 1.3% from year-earlier levels.

Summary

The National Association of Realtors reported that March total existing home sales increased 3.7% from February but fell 6.3% below the year-earlier level.



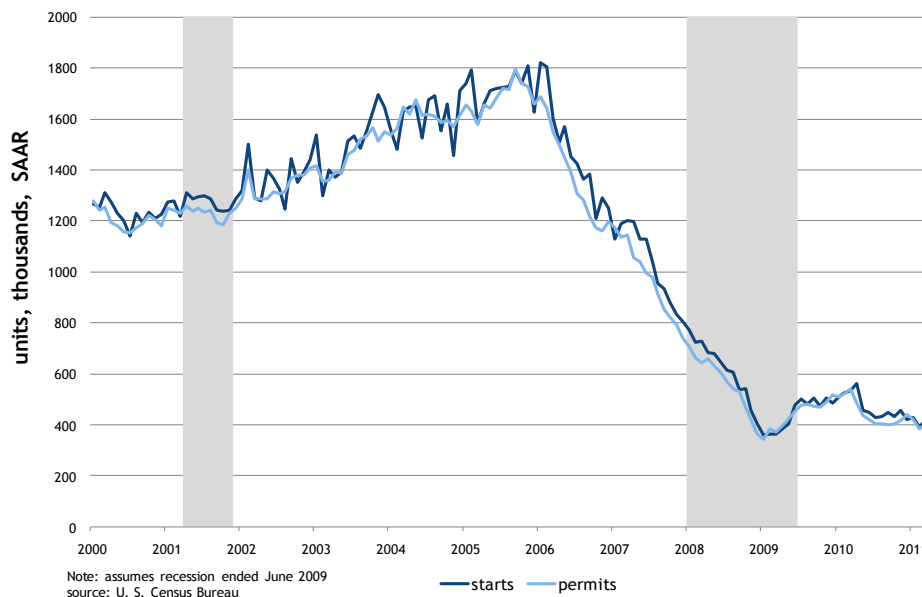
Source: National Association of Realtors

March 2011 Home Sales			
	thousands, SAAR	M/M	Y/Y
Existing home sales:	5,100	3.7%	-6.3%
Existing single-family:	4,450	4.0%	-6.5%
Existing multifamily:	650	1.6%	-4.1%

Summary

U.S. total housing starts and permits both increased in March yet remain near record-low levels

US Single Family Home Construction March 2011



March Permits, SAAR

Total	594k	-13.3% y/y	11.2% m/m
Single-family	405k	-25.3% y/y	5.7% m/m
Multifamily	189k	32.2% y/y	25.2% m/m

Source: U.S. Census Bureau

March Starts, SAAR

Total	549k	-13.4% y/y	7.2% m/m
Single-family	422k	-21.1% y/y	7.65% m/m
Multifamily	127k	28.3% y/y	5.8% m/m

Source: U.S. Census Bureau