

Economic Highlights

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Manufacturing

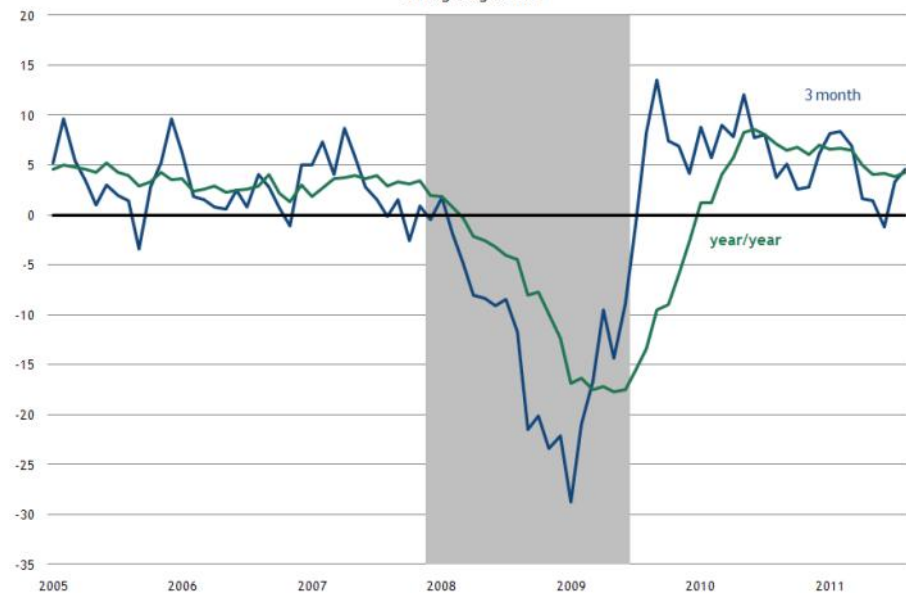
Summary

Overall industrial production rose 0.2 percent in August. Capacity utilization added 0.1 percentage point in August to reach 77.4 percent. The capacity utilization rate for manufacturers rose 0.3 percentage points to reach 75 percent.

The production of manufacturers, the most heavily weighted component of the overall industrial production index, rose by 0.5 percent in August after a 0.6 percent increase in July. The production of mines rose 1.2 percent, while output from utilities dragged the overall index, decreasing 3 percent.

Growth rates in production varied across industries in August. The production of all durable goods increased 0.8 percent in August, with motor vehicle and parts production advancing 1.7 percent after a 4.5 percent increase in July. The production of information processing equipment added 1.1 percent for the month, while the production of all business equipment gained 0.7 percent.

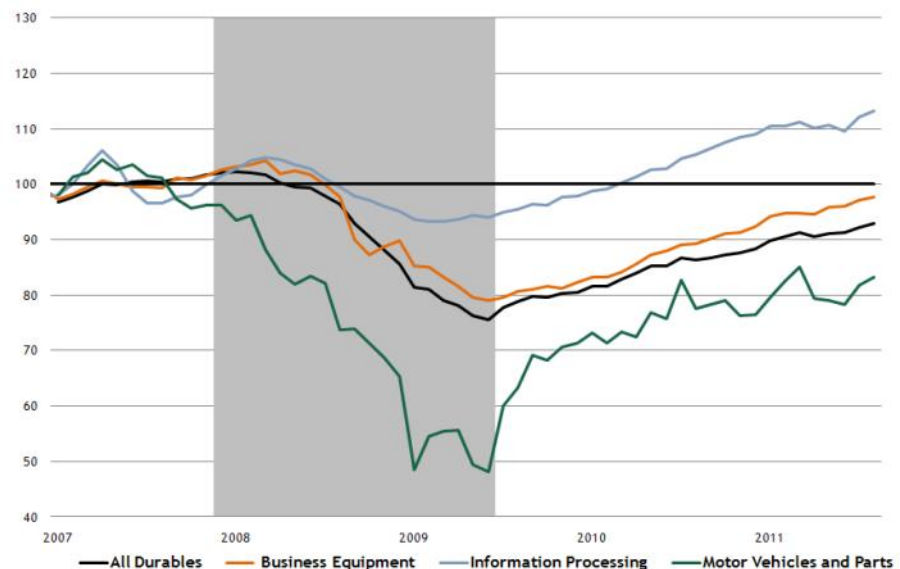
Index of Manufacturing Production (NAICS)
3-annualized and year/year growth rates
through August 2011



Source: Federal Reserve Board

- Overall industrial production rose 0.2 percent in August, a result of manufacturing production rising 0.5 percent and mining production gaining 1.2 percent, which offset a 3 percent decline in the output of utilities over the month.
- Gains in manufacturing production were fueled largely by gains in the production of durable goods, which were up 0.8 percent in August. Motor vehicles and parts production increased an average of 3.1 percent in July and August but has not yet returned to its level prior to supply chain disruptions that resulted from the earthquake in Japan.
- Nondurable goods production inched up 0.1 percent, largely a result of a 1.1 percent increase in the production of petroleum and coal that offset declines in the production of textiles and product mills and printing and support activities.

Production Indices
August 2011, 2007=100



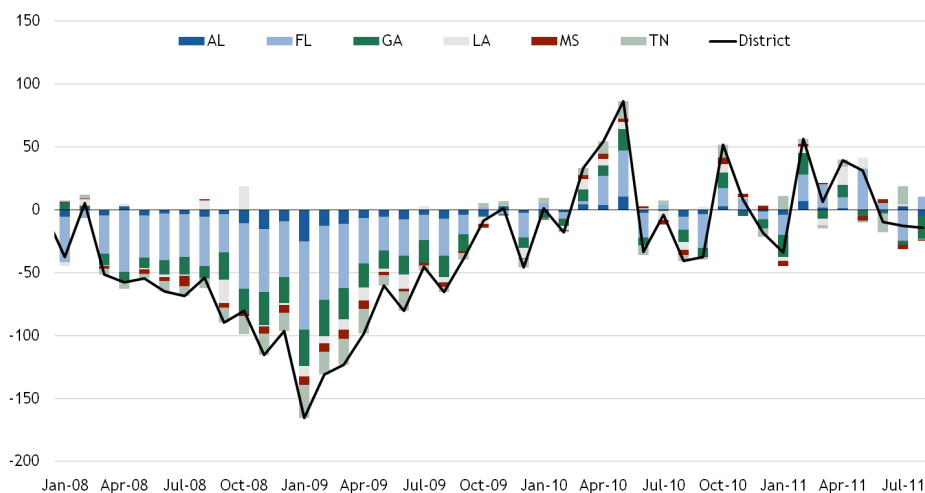
Source: Federal Reserve Board

Employment

Summary

The August payroll report indicated that the district lost 14,400 jobs over the month, with Georgia accounting for most of the decrease.

**Payroll Employment Growth by State
monthly change, thousands
August 2011**



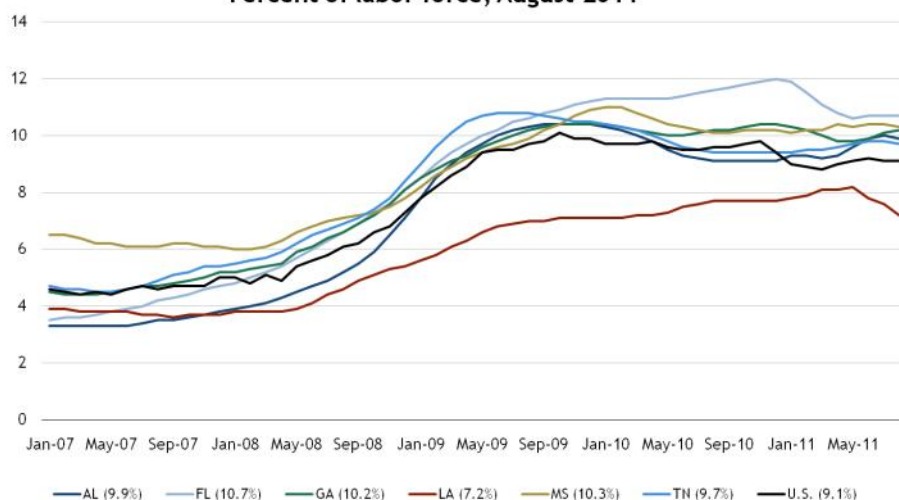
Source: U.S. Bureau of Labor Statistics

- The district shed 14,400 nonfarm jobs in August, the third consecutive month with job losses for the district.
- Florida and Tennessee recorded payroll increases in August, while Alabama, Georgia, Louisiana, and Mississippi cut payrolls over the month.
- Georgia decreased payrolls by 18,200 in August, driving the decrease for the district. Of those job losses, 7,500 were government jobs. Most industries in the district continue to experience only slight month-to-month changes in payrolls.
- Florida added 9,900 jobs, with trade, transportation, and utilities and leisure and hospitality adding the most payrolls over the month.

The district unemployment rate remained at 10.1 percent in August.

Most states within the district have an unemployment rate higher than the national unemployment rate.

**District Unemployment Rates
Percent of labor force, August 2011**

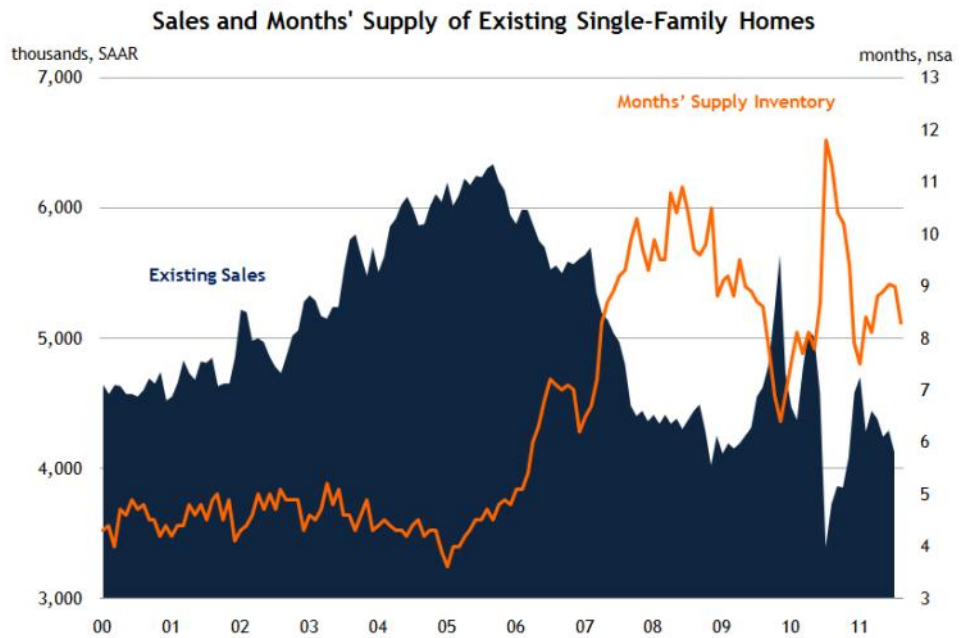


Source: U.S. Bureau of Labor Statistics

- The district unemployment rate remained at 10.1 percent in August, 1 percentage point higher than the national unemployment rate. Nationwide, 12 states posted unemployment rate decreases, 26 posted unemployment rate increases, and 12 states experienced no change.
- The unemployment rate decreased in Alabama, Louisiana, Mississippi, and Tennessee, increased in Georgia, and remained unchanged in Florida. Louisiana remains the only state in the district with an unemployment rate below the national unemployment rate.

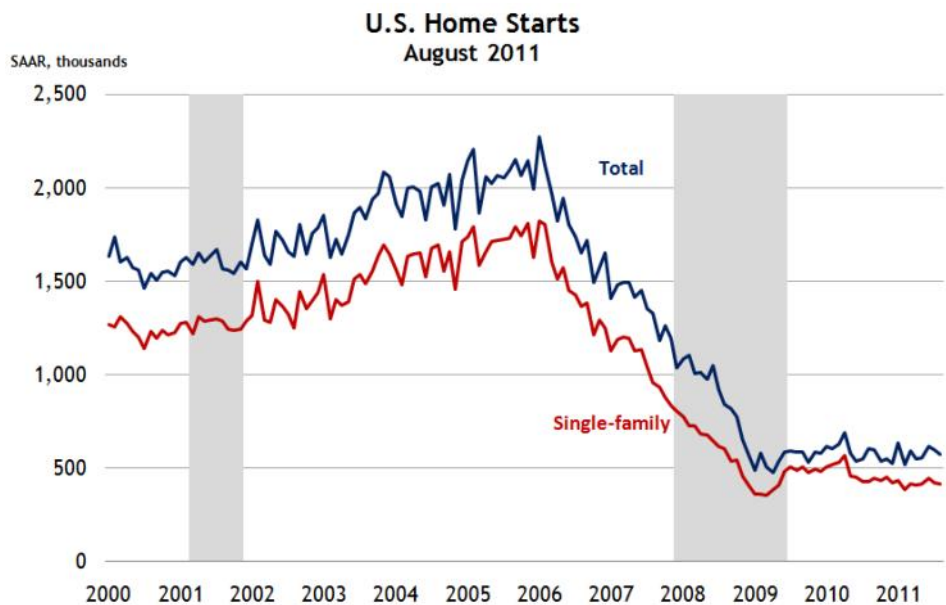
Summary

The National Association of Realtors reported that total existing home sales increased 8 percent from July to August and were 19 percent ahead of the year-earlier level.



Source: National Association of Realtors

The U.S. Census reported that total housing starts weakened in August, down 5 percent from July and 6 percent below the year-earlier level.



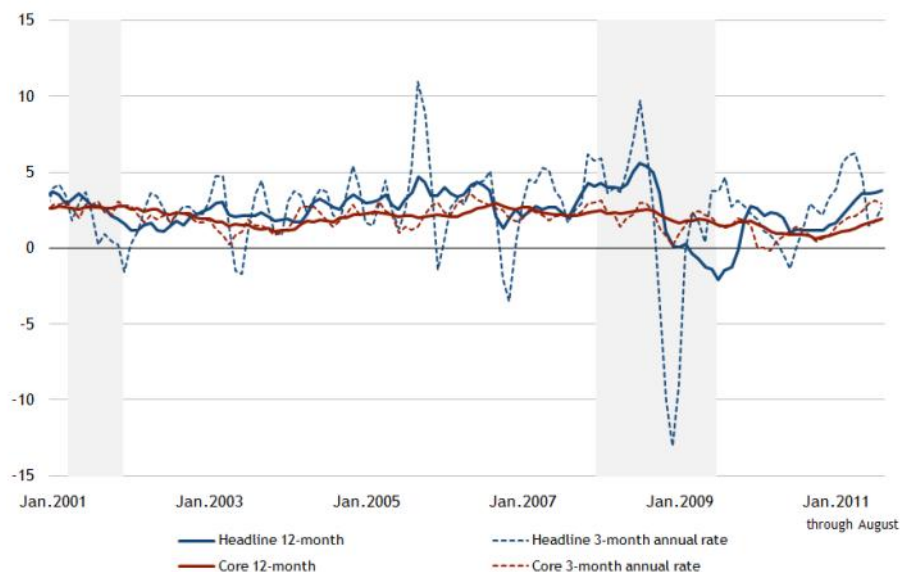
Source: U.S. Census Bureau

Summary

The consumer price index (CPI) posted a broad-based increase in August.

Consumer Price Index

percent change over given period



Source: Bureau of Labor Statistics

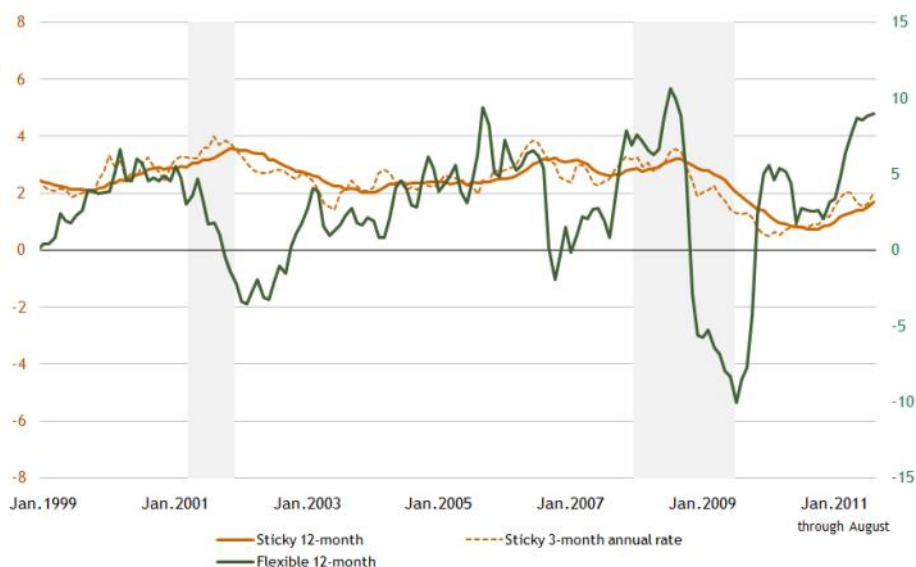
- The headline consumer price index (CPI) increased at a 4.6 percent annual rate in August, a slight deceleration from the month before. The headline gain was supported by 6.4 percent and 15 percent increases in the indexes for food and energy, respectively.
- Excluding food and energy, the CPI rose 3.0 percent (annual rate) in August, following a 2.7 percent increase in July. The index for shelter increased 2.3 percent in July, a deceleration from the previous month but still higher than its 12-month trend. The apparel index continued to post oversized price gains, increasing 14.2 percent, the fourth consecutive month of double-digit growth in the index. Used vehicle CPI also showed ongoing strength.
- On a year-over-year basis, headline CPI in August was up 3.8 percent, the largest 12-month gain since October 2008, and core CPI was up 2 percent, the largest 12-month change since November 2008.

Summary

The Atlanta Fed's sticky price CPI accelerated to 2.9 percent in August.

Sticky and Flexible CPI

percent change over given period

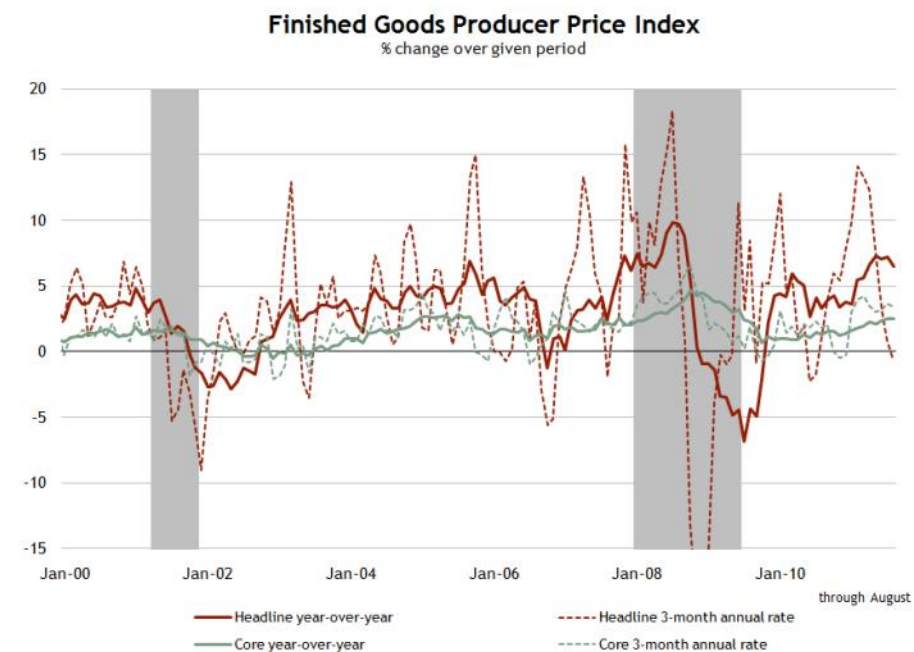


Source: Bureau of Labor Statistics, Atlanta Fed

- The Atlanta Fed's sticky price CPI measure—the weighted basket of goods consumers purchase that change prices relatively infrequently—rose 2.9 percent (annualized) in August, following an average 2 percent growth pace over the previous four months. The 12-month index rose 1.7 percent.
- The sticky price index increased 2.8 percent (annualized) on a core basis (excluding food and energy) in August, and the 12-month core index rose 1.6 percent, accelerating since midyear 2010.
- The flexible cut of the CPI—a weighted basket of goods that change price relatively frequently—increased at a 8.7 percent annual rate in August and was up 9 percent from year-earlier levels.

Summary

The headline finished producer price index (PPI) unchanged in August, and core decelerated.



Source: Bureau of Labor Statistics

- The August headline producer price index (PPI) for finished goods was unchanged in August from the previous month (0.0 percent annual rate), following a 2.5 percent increase in July. The index for finished energy goods declined for the third consecutive month in August (down 11.2 percent annualized), while finished consumer foods prices advanced 13.8 percent (annual rate).
- Excluding food and energy, PPI decelerated to a 0.7 percent annualized pace, which is the smallest one-month increase in the core index since October 2010. The core index for finished goods was supported by increases in the indexes for tires and radio and television communication equipment. The 12-month core PPI, which has been trending higher since early 2010, was unchanged at 2.5 percent in August. The finished headline index was up 6.5 percent on a year-over-year basis, following three months of greater than 7 percent year-over-year growth.
- Looking at earlier stages of production, intermediate PPI declined 5.8 percent, weighed down by a decline in intermediate energy goods prices and a modest decline in core intermediate prices. Headline PPI at the crude level rose 2.5 percent (annual rate) in August, following three consecutive energy-related declines. Excluding food and energy, crude PPI rose 21.2 percent, largely as a result of an oversized increase in the index for gold ores. Crude PPI remains 24.1 percent above year-ago levels.