

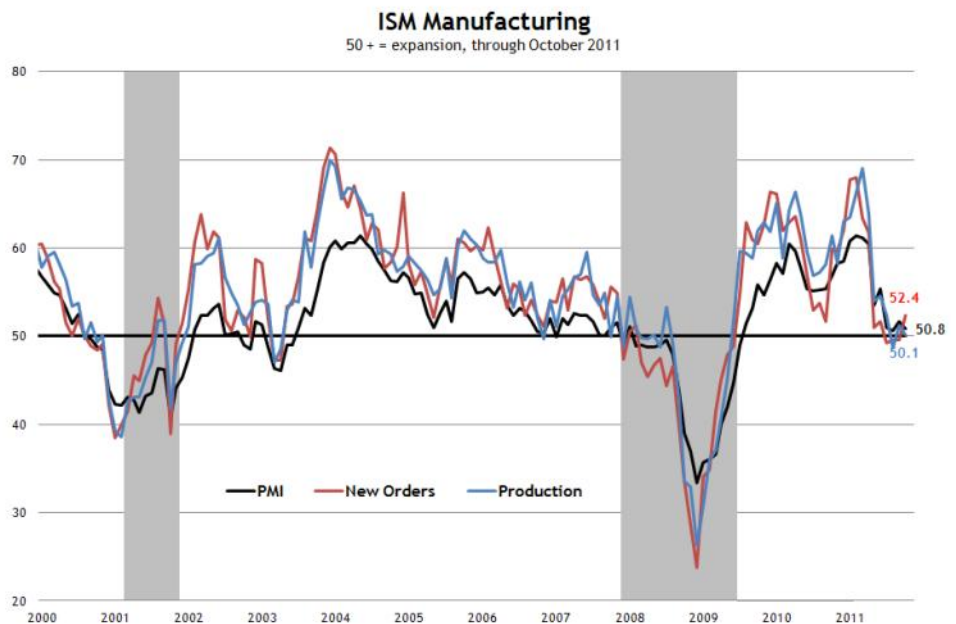
Economic Highlights

Manufacturing	
ISM Purchasing Managers Index	1
Consumer Spending	
Real Personal Consumption Expenditure	2
Reuters/University of Michigan Consumer Sentiment Index	3
Light Vehicle Sales	4
Real Estate	
Construction Spending	5
Home Sales Outlook	6

Manufacturing

Summary

The Institute for Supply Management's Purchasing Managers Index (PMI) dipped 0.8 index points over the month of October to reach 50.8 points.



Source: Institute for Supply Management

- The Institute for Supply Management's Purchasing Managers Index (PMI) dipped 0.8 index points over the month of October to reach 50.8 points.
- In one of the few bright spots of the October ISM report, the index's leading indicator, new orders, gained 2.8 index points to reach 52.4. The gain placed the new orders index above the 50-point benchmark indicating growth after a lackluster reading of 49.6 points in September.
- The production index, a measure of current manufacturing activity, lost 1.1 index points in October to reach 50.1 points.
- After reporting 28 consecutive months of input price increases, the ISM's purchasing managers within the manufacturing sector said input prices were down in October for the first time since May 2009. This information was reflected by a substantial 15 index point plunge in the index for prices paid by manufacturers.

The price component of the ISM survey is not used in calculating the overall Purchasing Managers Index but is still widely followed. A prices index above 50, over time, is generally consistent with an increase in the U.S. Bureau of Labor Statistics' index of manufacturers prices.

The price index dropped 15 index points to reach 41 points in October.

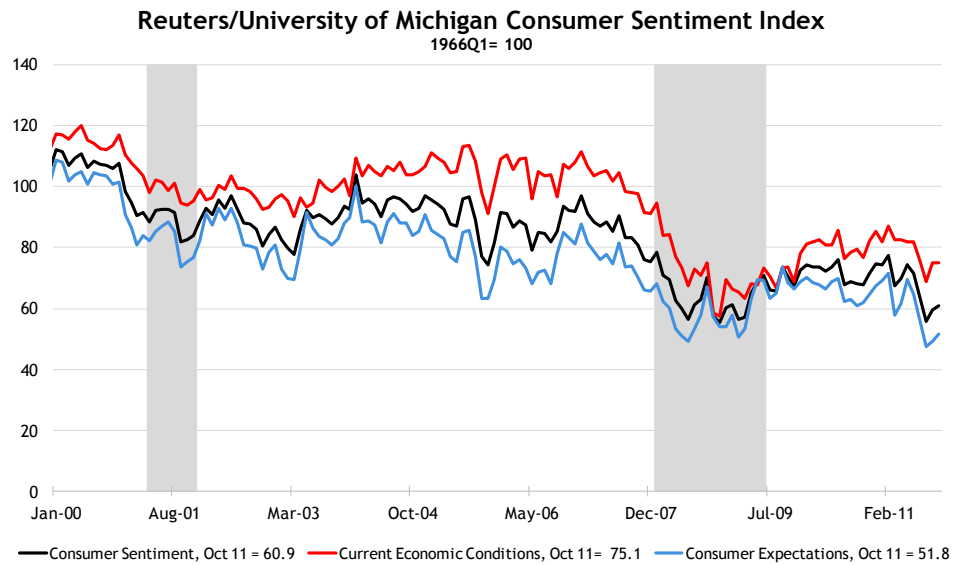


Sources: Institute for Supply Management

Consumer Spending

Summary

October consumer sentiment was revised up from its preliminary release, but it remains depressed.



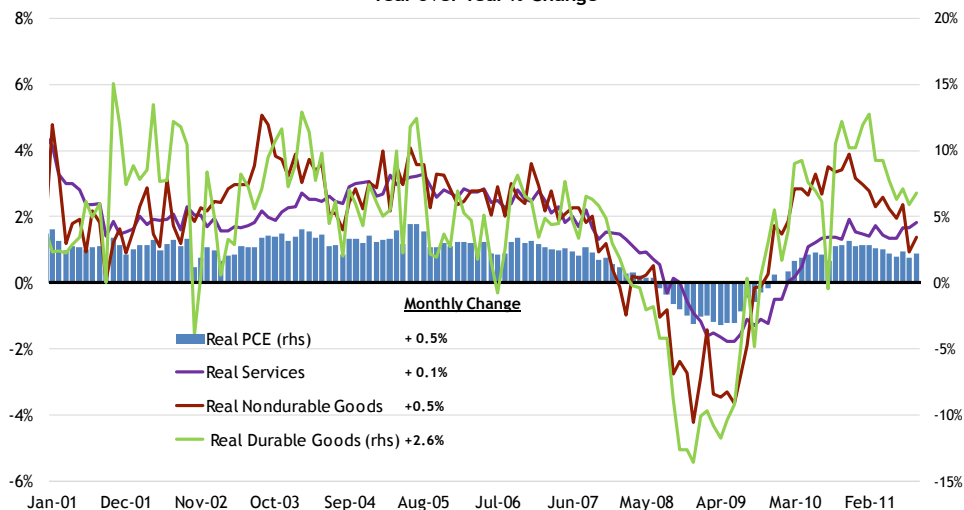
- The overall consumer sentiment index was revised up 3.4 points from its preliminary report to 60.9 points, up 1.5 points from September's final reading.
- The current conditions component was revised up 0.2 points, and the expectations component was revised up 4.8 points.

Consumer Spending

Summary

Consumer spending rose 0.5 percent over the month of September, fueled largely by strong durable goods spending.

Real Personal Consumption Expenditures Year over Year % Change



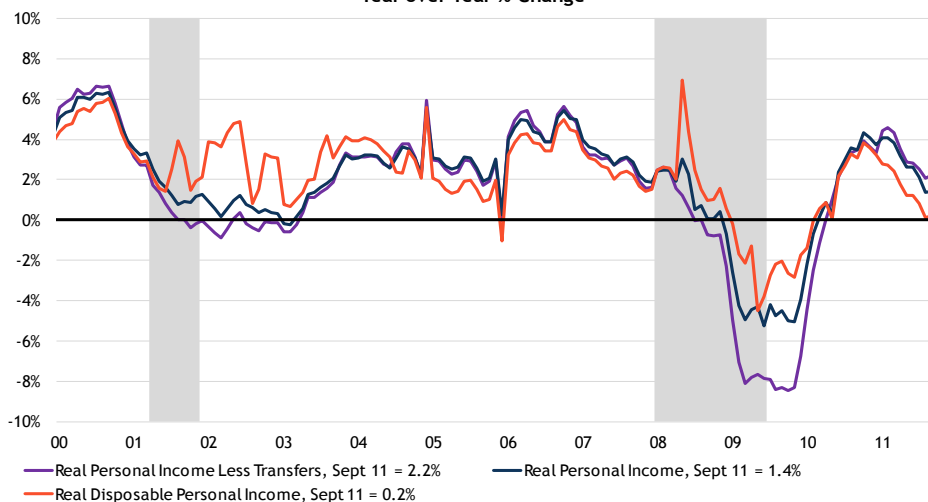
Source: BEA, Haver

Through September

- Real consumer spending in September was stronger than consensus expectations, growing 0.5 percent over the month and 2.2 percent over the year.
- Spending on **durable goods** increased 2.6 percent over the month. Purchases of **nondurable goods** rose 0.5 percent, and spending on **services** was relatively flat at 0.1 percent.

Real personal income fell for the third consecutive month in September.

Real Personal Income Year over Year % Change



Source: BEA, Haver

- All measures of real income had very small declines over the month. Real personal income fell 0.03 percent in September. Real disposable income declined 0.06 percent, and real income less transfer payments fell 0.01 percent.
- The **savings rate** fell to 3.6 percent, the lowest level seen since December 2007.

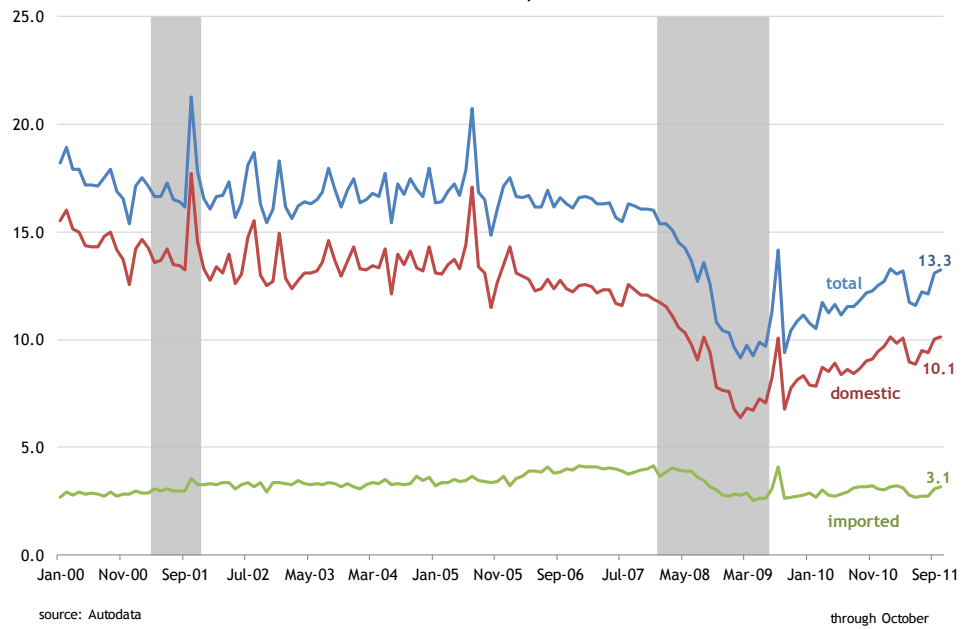
Consumer Spending

Summary

Sales of domestic and imported light vehicles rose in October.

Light Vehicle Sales

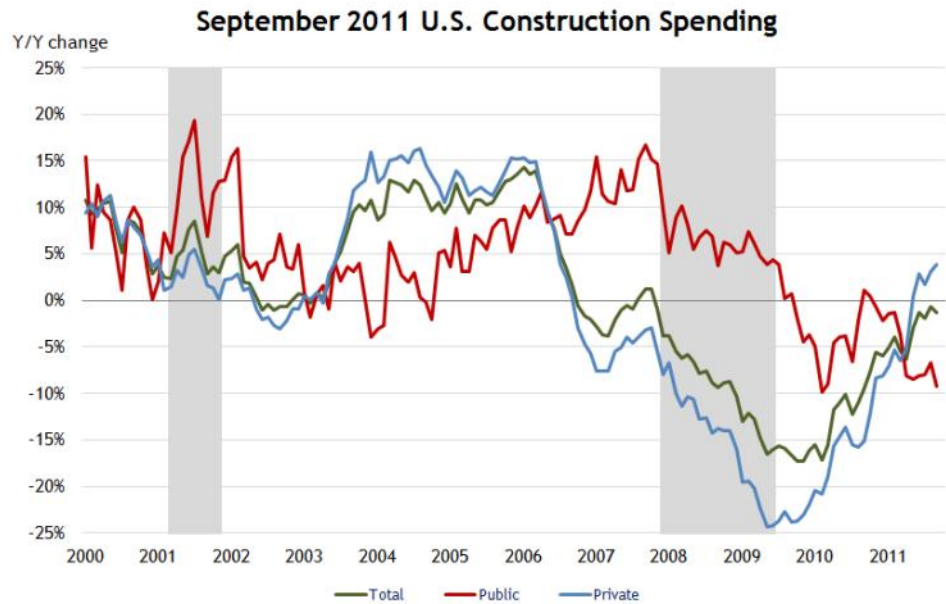
millions of units, SAAR



- Total light vehicle sales grew at an annualized rate of 13.3 million units, the strongest pace since February.
- Sales of domestic vehicles grew at an annualized rate of 10.1 million units, up from 10 million in September.
- Sales of imported vehicles grew at an annualized rate of 3.1 million units, up from 3.06 million in September.

Summary

The U.S. Census Bureau reported that construction declined slightly in September compared with weak levels a year earlier. Gains in private construction spending were largely offset by declines in public spending.



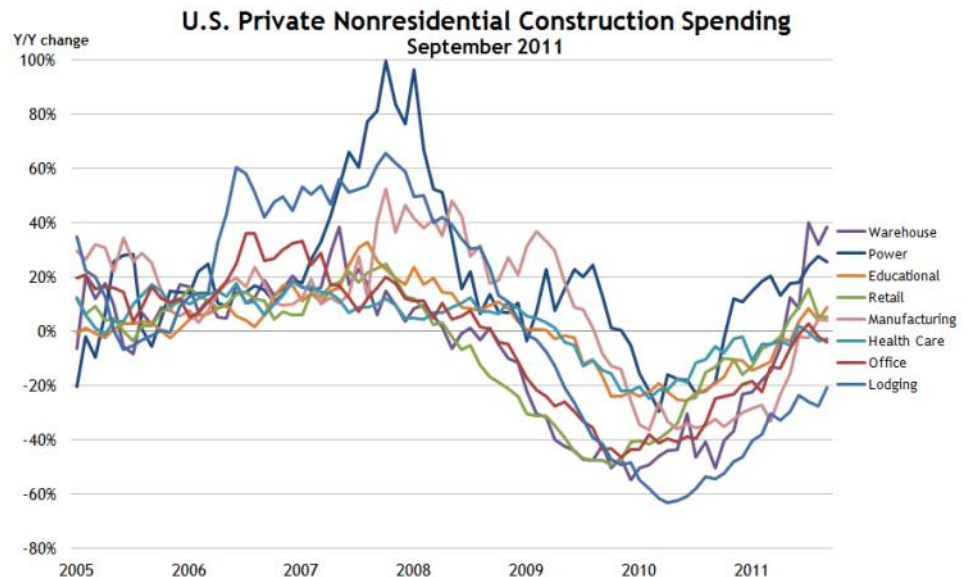
Source: U.S. Census Bureau

September 2011 Construction Spending Put in Place

	billions, SAAR	yr/yr change	mo/mo change
Total:	787.2	-1.3%	0.2%
Total Private:	501.8	3.9%	0.6%
Total Public:	285.4	-9.2%	-0.6%
Total Nonresidential:	550.9	-1.3%	-0.1%
Private Nonresidential:	273.5	7.4%	0.3%
Public Nonresidential:	277.4	-8.6%	-0.4%
Total Residential:	236.3	-1.1%	0.7%
Private Residential:	228.3	0.1%	0.9%

Source: U.S. Census Bureau

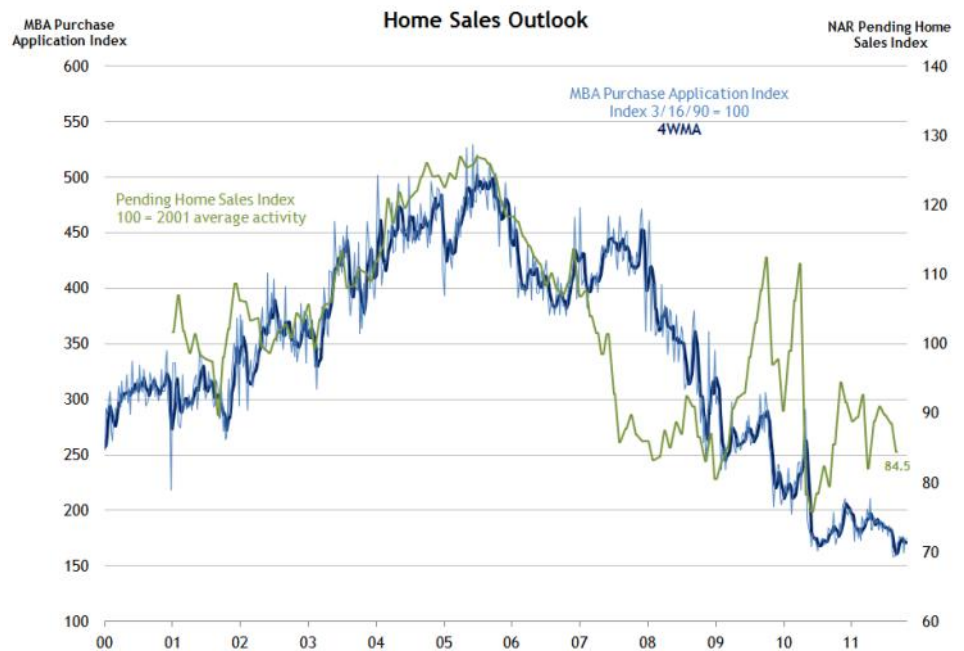
The U.S. Census reported private nonresidential construction spending increased 7 percent on a year-over-year basis in September. Gains were largely driven by the warehouse and power sectors.



Source: U.S. Census Bureau

Summary

The National Association of Realtors reported that pending home sales declined nearly 5 percent from August to September, similar to trends reported in the Mortgage Bankers Association's weekly mortgage applications survey reported through October 28, 2011.



Source: National Association of Realtors and MBA: Weekly Mortgage Applications Survey