

Economic Highlights

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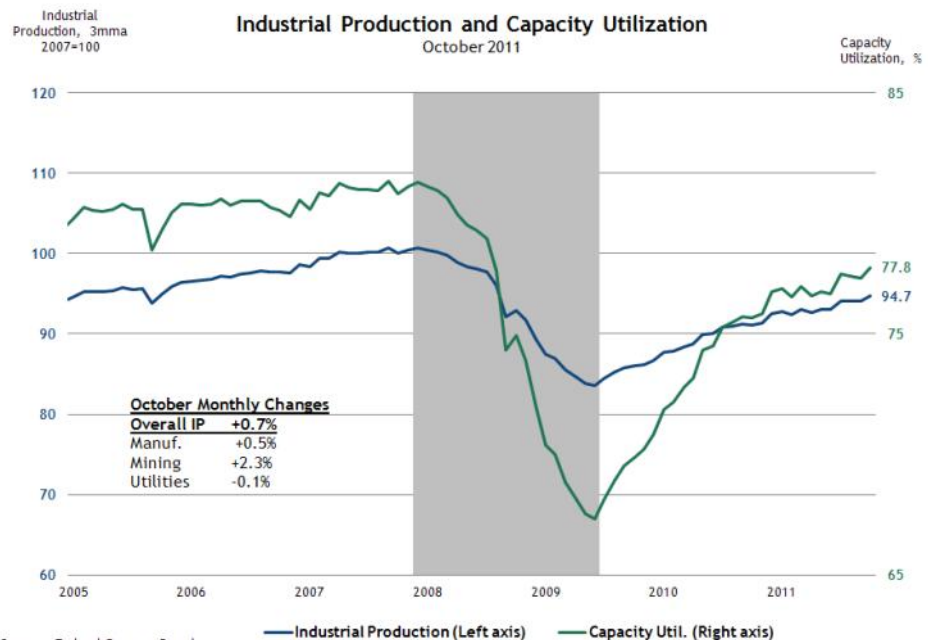
Real Estate

FRBA Real Estate Survey Results 4-5

Manufacturing

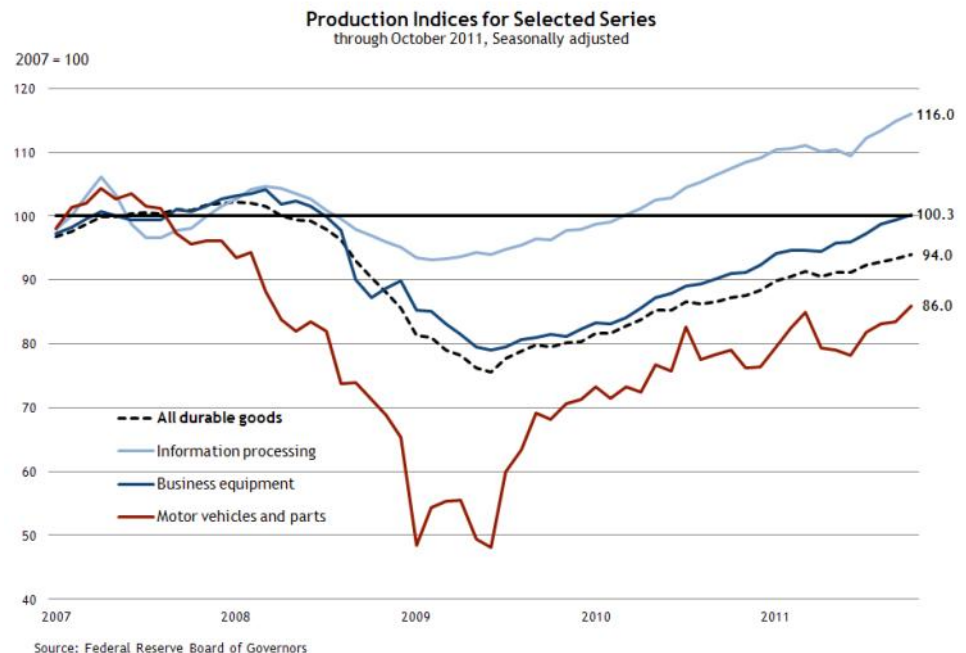
Summary

Overall industrial production climbed 0.7 percent in October. Manufacturing production grew 0.5 percent compared with September levels, while the output of mines was up 2.3 percent. Production at utilities was down 0.1 percent for the month.



- Industrial production climbed 0.7 percent in October, a result of increases in the output of manufacturers (up 0.5 percent) and mining establishments (up 2.3 percent). Utility output declined 0.1 percent over the month.
- The capacity utilization rate edged up 0.5 percentage points in October, to reach 77.8 percent. The factory utilization rate, which measures the capacity of manufacturing facilities, edged up 0.3 percentage points in October to reach 75.4 percent.

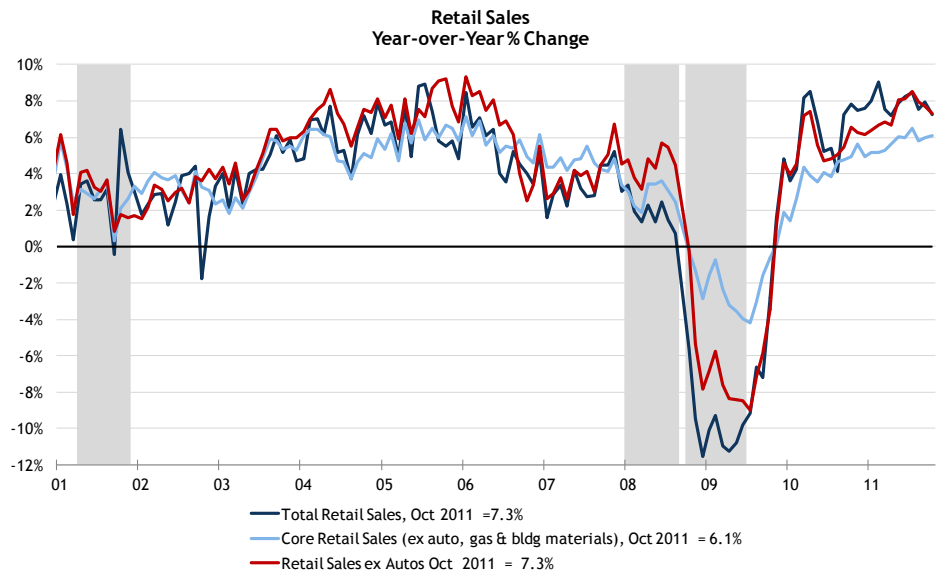
The production of all durable goods increased 0.7 percent in October, while the output of business equipment inched up 1 percent. Output in the information processing sector added 1.2 percent, while the production of motor vehicles and parts added 2.6 percent.



Consumer Spending

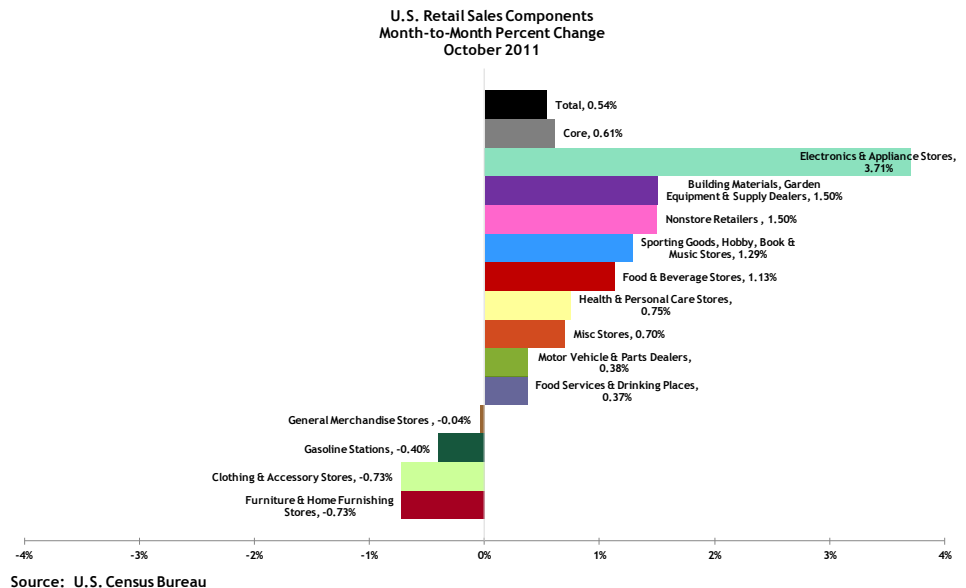
Summary

Retail sales were stronger than consensus expectations and increased for the fifth consecutive month in October.



- Total retail sales were up 0.5 percent over the month in October and 7.3 percent over the year.
- Core retail sales were up 0.6 percent over the month and 6.1 percent over the year.

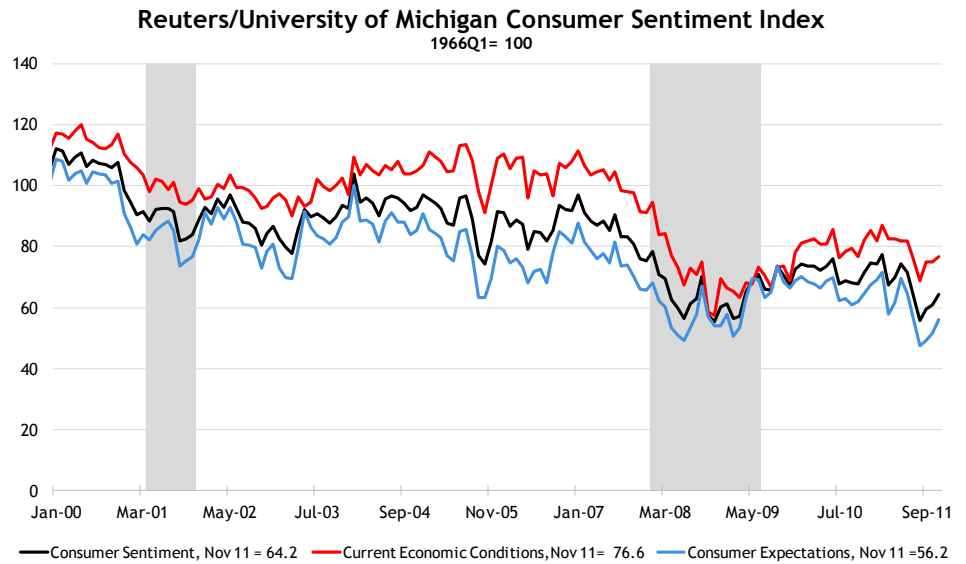
Sales increased across most categories.



Consumer Spending

Summary

Consumer sentiment increased in November.



Source: Reuters/University of Michigan

- The overall consumer sentiment index was up 3.3 points from October.
- The **current conditions** component increased 1.5 points, and the **expectations component** rose 4.4 points.

Summary

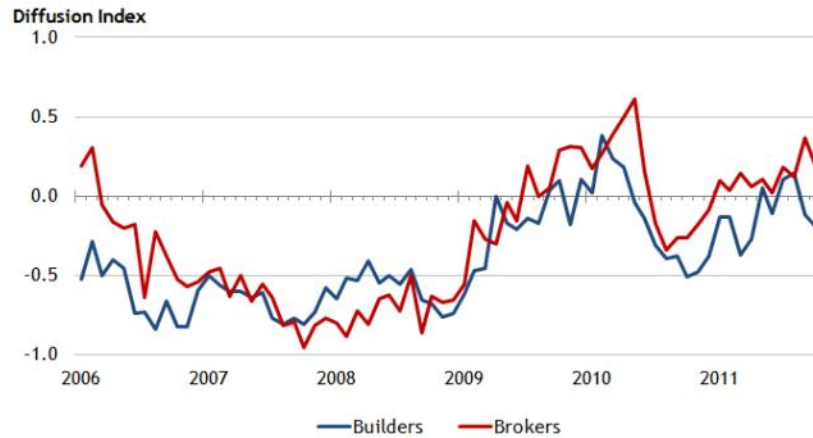
Southeast residential brokers reported that home sales growth weakened during October on a year-over-year basis but remained positive, while builders indicated that new home sales in October fell below weak levels a year earlier.

Note: The housing survey's diffusion indexes are calculated as the percentage of total respondents reporting increases minus the percentage reporting declines. Positive values in the index indicate increased activity while negative values indicate decreased activity.

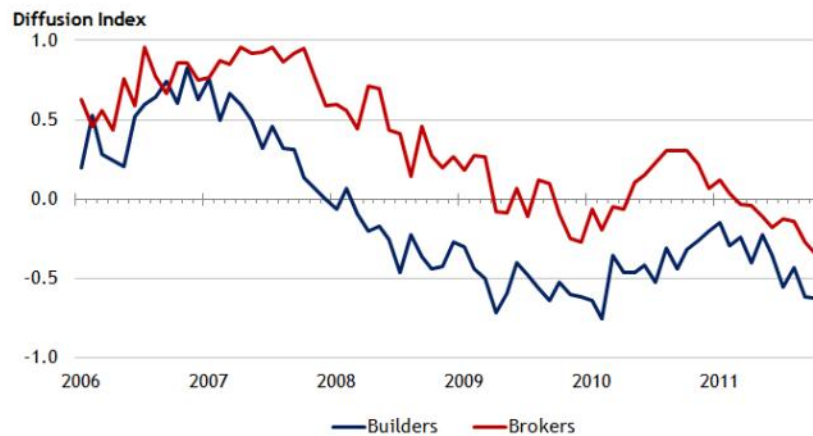
Southeast contacts reported that home inventories continued to decline on a year-over-year basis.

Southeast contacts continued to report downward pressure on home prices.

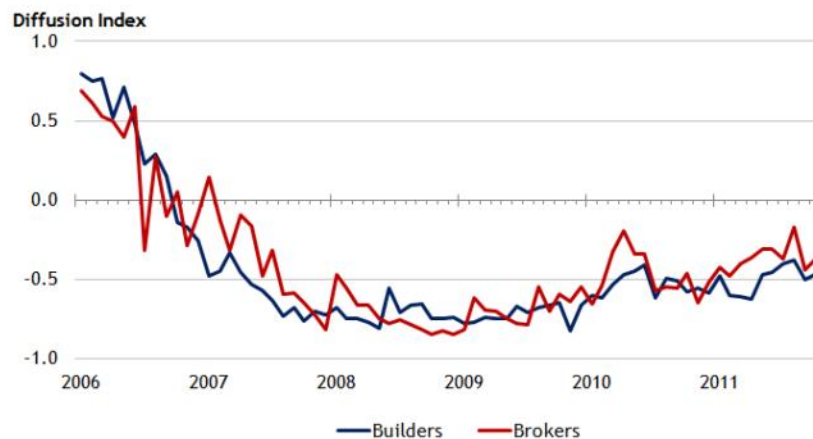
October 2011 Southeast Home Sales vs. a Year Earlier



October 2011 Southeast Home Inventory vs. a Year Earlier



October 2011 Home Price vs. a Year-ago

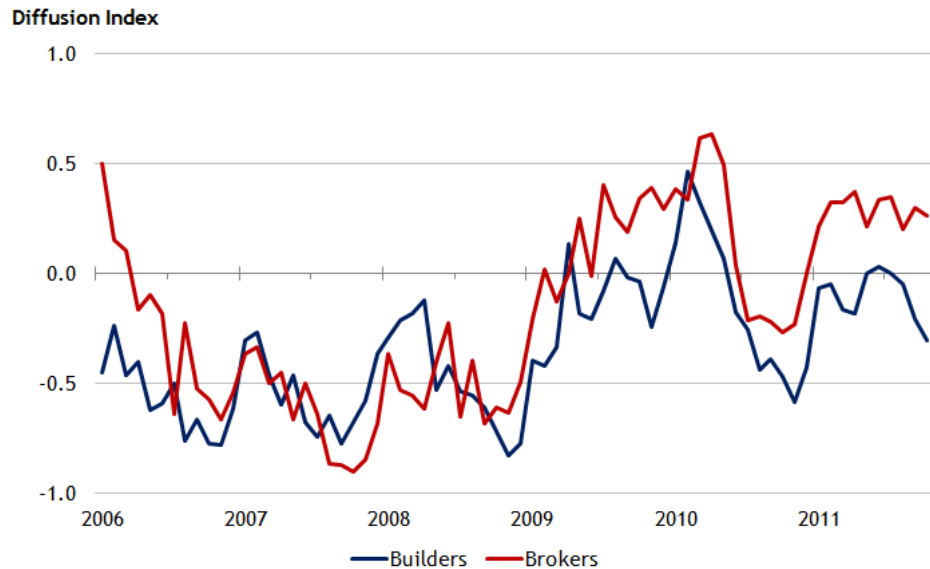


Note: October poll preliminary results are based on responses from 77 residential brokers and 37 homebuilders and were collected November 7-16, 2011.

Summary

Southeast residential brokers indicated that buyer traffic remained above the year-earlier level in October while half of builders reported that buyer interest was below last year.

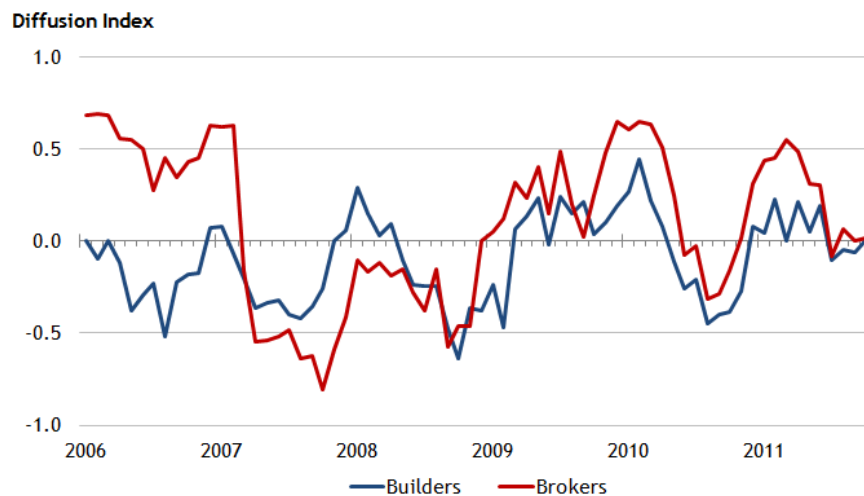
October 2011 Southeast Buyer Traffic vs. a Year Earlier



Source: FRBA business contact poll

Both Southeast builders and brokers indicate that sales growth will be similar to last year's levels over the next several months.

October 2011 Southeast Home Sales Outlook vs. a Year Earlier



Source: FRBA business contact poll