

Economic Highlights

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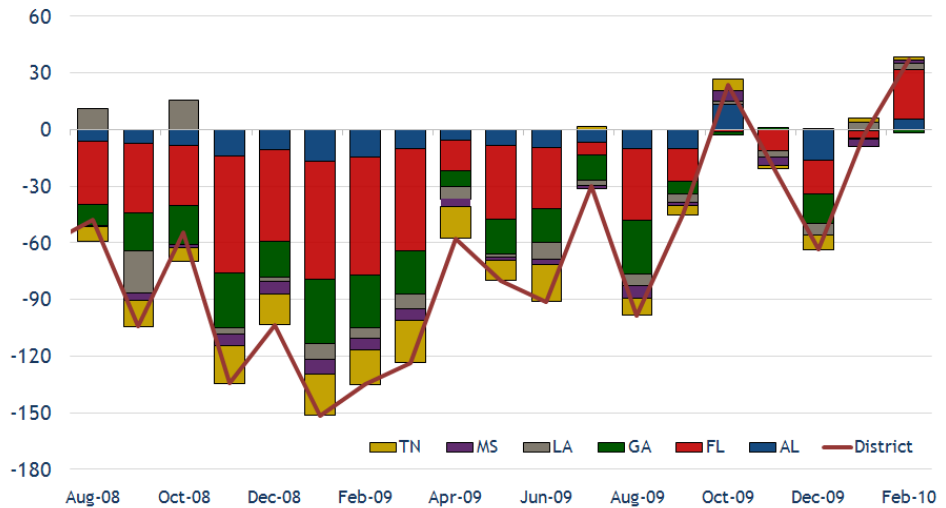
Employment

Summary

The District added 36,900 jobs in February after shedding 2,800 jobs in January.

Florida added jobs for the first time since November 2007, likely boosted by temporary hiring.

Payroll Employment Growth by State
monthly change, thousands

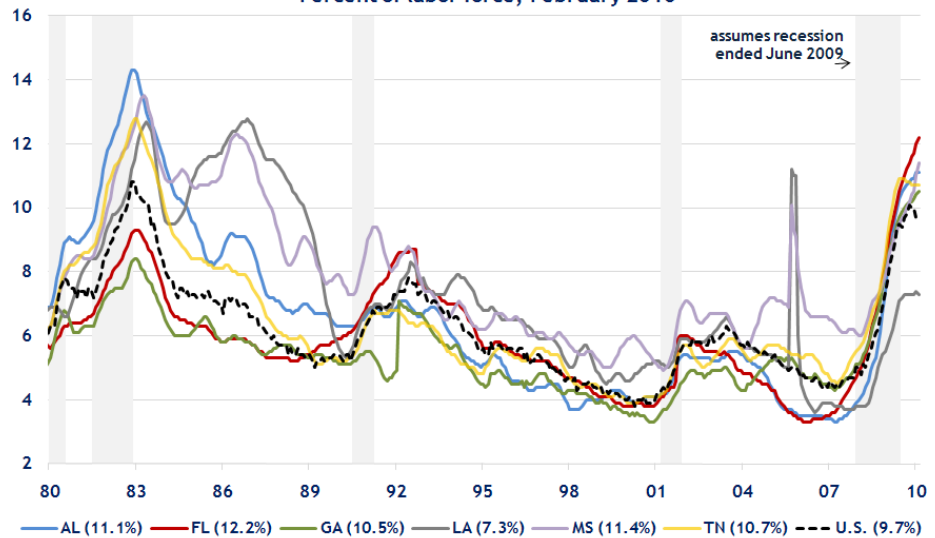


Source: U.S. Bureau of Labor Statistics

- In February, all District states except Georgia added jobs. **Alabama** added 5,600 jobs, largely in retail and professional and business services. **Florida** added 26,300 jobs, largely boosted by its employment services sector, which includes temporary hiring.
- Payroll figures across the District are volatile on a month-to-month basis but have shown considerable improvement in 2010.

Despite the encouraging signs in payrolls, unemployment rates remained elevated in District states, well above prerecession levels.

District Unemployment Rates
Percent of labor force, February 2010



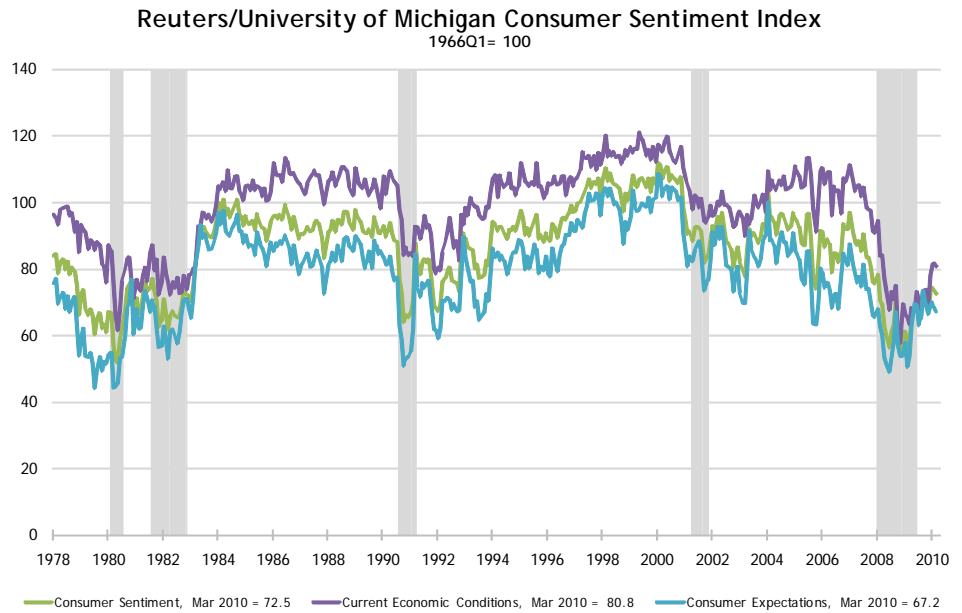
Source: U.S. Bureau of Labor Statistics

- Similar to the national average, unemployment rates in Tennessee and Louisiana have eased in recent months. However, rates are steady climbing in Florida, Alabama, Georgia, and Mississippi.
- Florida's 12.2% unemployment rate in February is one of the highest in the nation and the highest in the state since the series began in 1976.

Consumer Spending

Summary

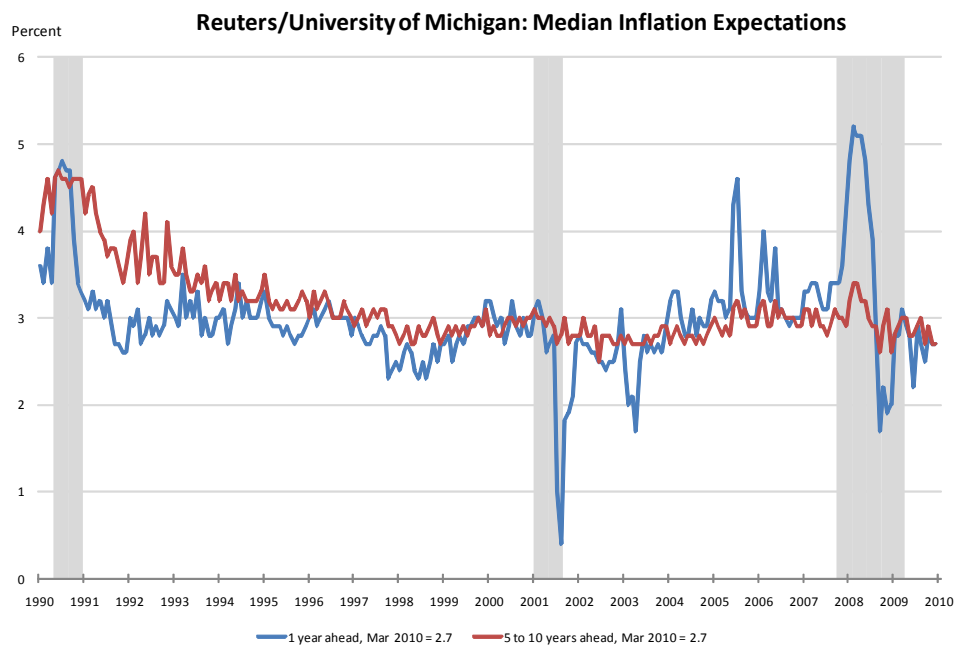
The Reuters/University of Michigan Consumer Sentiment Index remained unchanged from February to March.



Source: Reuters/University of Michigan

Assumes recession ended June 2009

- In March, the Reuters/University of Michigan Consumer Sentiment Index remained at 73.6, unchanged from February. The present conditions component modestly increased 0.7 points while the expectations component offset the increase, declining a modest 0.5 points. The current economic conditions component reached its highest level in almost two years.
- Although the Reuters/University of Michigan index was unaltered in March, it remains near its two-year high set in January 2010 and is almost 20 points above its cyclical low in November 2008.
- From January to February, both the median one-year-ahead and five-to-ten-year expected inflation rate also remained unchanged from February to March at 2.7%.



Source: Reuters/University of Michigan

Assumes recession ended June 2009

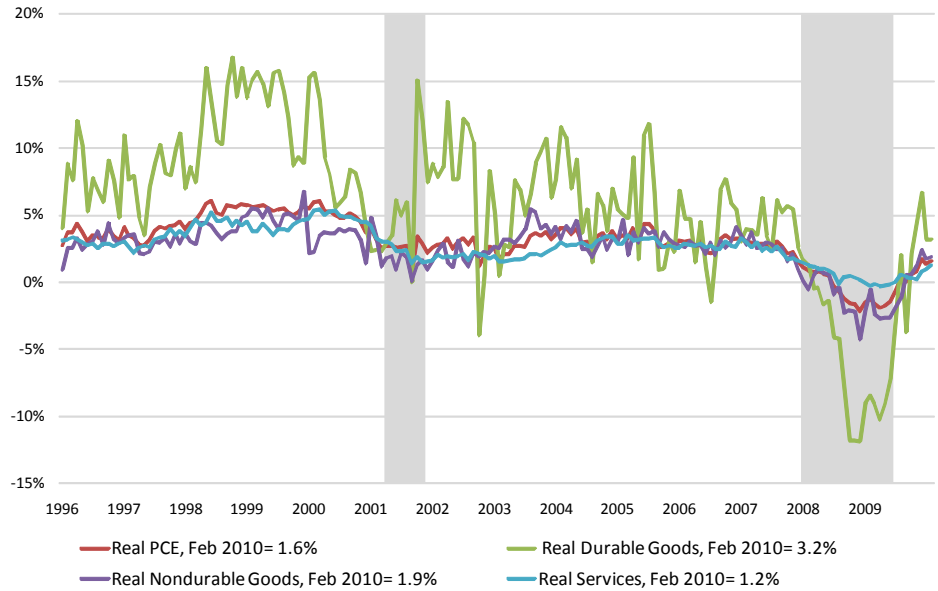
Consumer Spending

Summary

Real personal consumption expenditures (PCE) rose from January to February and are up on a yearly basis for the fifth consecutive month.

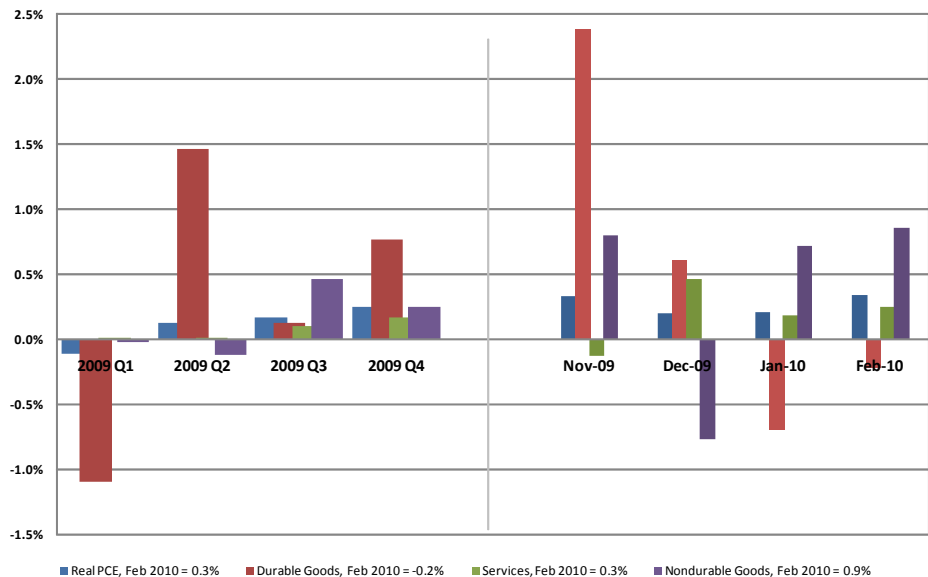
At an annualized rate, real PCE rose 4.2% in February.

Real Personal Consumption Expenditures
Year over Year % Change



- In February, real PCE rose 1.4% from February 2009. Nondurable goods, durable goods, and services increased 1.9%, 3.2%, and 1.2%, respectively.
- The monthly data experienced modest increases except for durable goods, which fell 0.2% from January to February. Real PCE and its other components, nondurable goods and services, are slightly higher from January. Overall, real PCE increased 0.3%. On an annual basis, however, real PCE rose 4.2% in February.
- Personal savings as a percentage of disposable income dropped 0.3 percentage point to 3.1, the second consecutive monthly decline and the lowest level since October 2008.

Real Personal Consumption Expenditure
Period-to-Period % Change

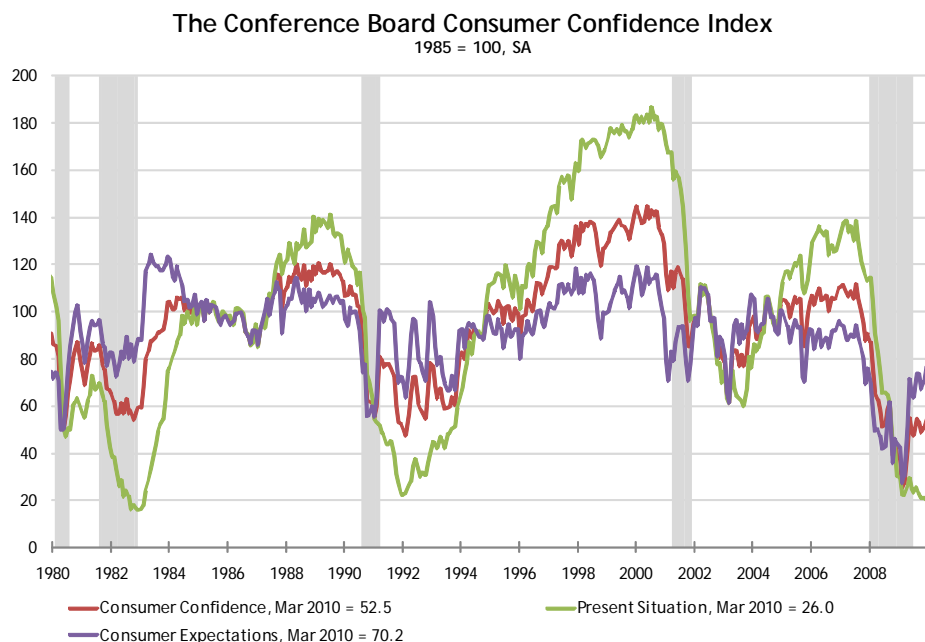


Consumer Spending

Summary

The Conference Board Consumer Confidence Index rose in March, almost reversing the deterioration of the index in February.

Both components of the index, present situation and consumer expectations, increased.



Source: The Conference Board

Assumes recession ended June 2009

- In March, the Conference Board index of consumer confidence strengthened, rising 6.1 points to 52.5, rebounding from the index's deterioration in February, when it plunged 10.1 points. Bloomberg's market expectation was for a slightly more modest increase of 5.6 points.
- Both components of the Index experienced large increases in March. The consumer expectations component led to the increase, rising 7.3 points from February to 70.2, and the present situation component rose 4.3 points to 26.
- In March, consumers' assessment of the labor market improved somewhat from February. A reported 45.8% of respondents said jobs were hard to get, down from 47.3% in February; 4.4% reported jobs were plentiful, up from 4% in February.
- The percentage of respondents planning to buy autos and appliances in the next six months decreased in March from 5.3 to 3.8 and 27.8 to 25.8, respectively; however, the percentage of respondents planning to purchase a house in the next six months rose from 2.7 to 2.8 from February to March.

Consumer Spending

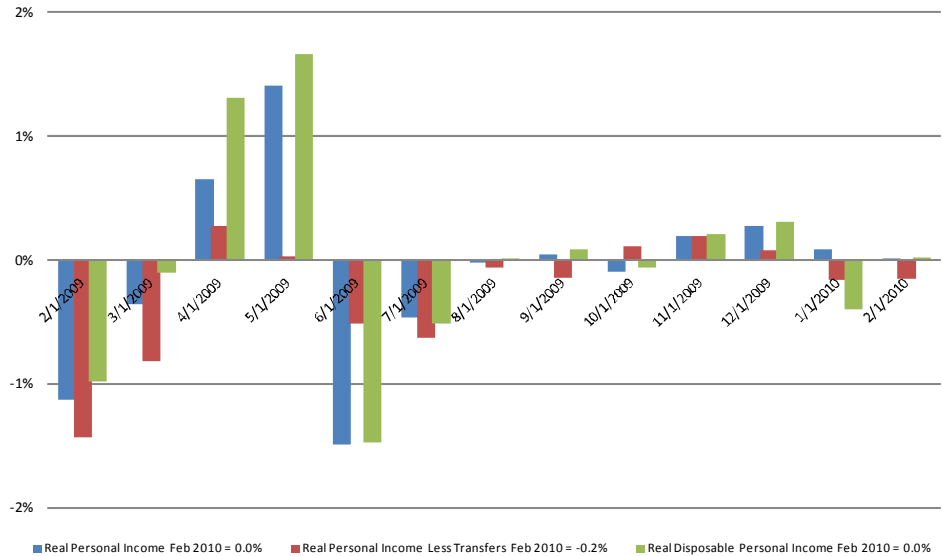
Summary

Real personal income and real personal disposable income were virtually unchanged on a month-to-month basis in February.

Real personal income less transfers experienced a modest decline from January to February.

Real personal income less transfers fell on a yearly basis in February while real personal income and real disposable personal income rose on an annual basis.

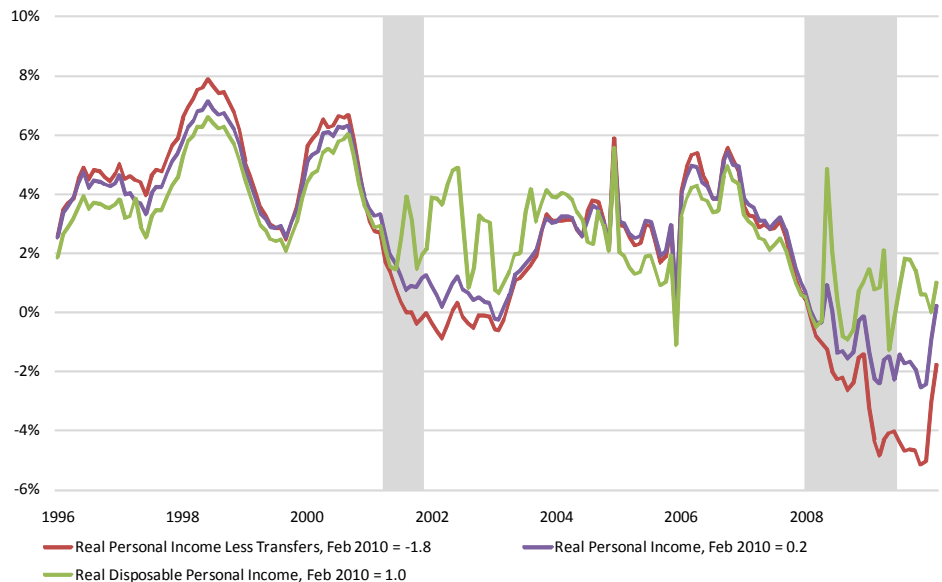
Real Personal Income Growth
Month to Month Change



Source: BEA

- In February, real personal income and real disposable personal income remained virtually unchanged from January, increasing 0.01 and 0.02%, respectively.
- Real personal income less transfers fell from January, declining 0.2%.
- Wages and salaries were flat from January to February, likely because of poor weather conditions affecting the employment of hourly workers.
- On an annual basis, real personal income and real personal disposable income increased 0.2% and 1%, respectively, from February 2009. Real personal income less transfers fell 3.8% during the same period, but real personal income less transfers is declining at a decelerating rate.

Real Personal Income
Year over Year % Change



Source: BEA, Haver

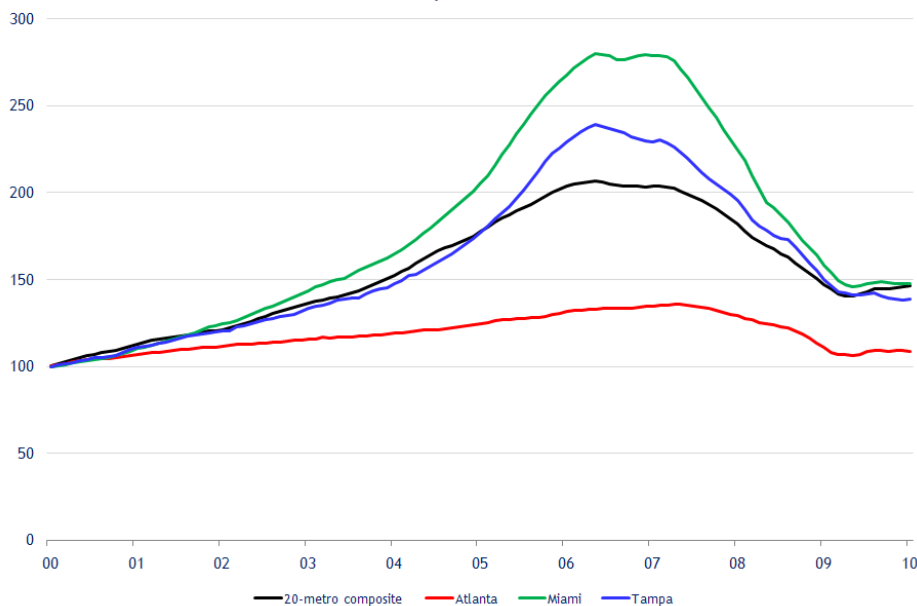
Assumes recession ended June 2009

Summary

The Case-Shiller composite indexes (seasonally adjusted) improved on a month-to-month basis in January while very modest declines were noted among Southeastern cities tracked.

Year-over-year declines continued to abate in January.

January 2010 S&P Case-Shiller Home Price Indexes
January 2000 = 100

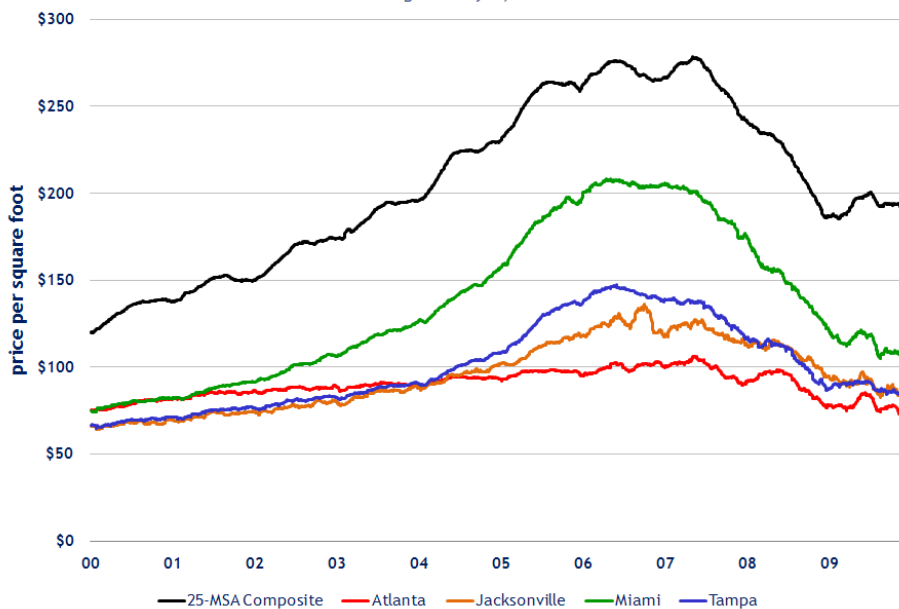


Source: Standard & Poor's and Fiserve Inc.

	Jan. (NSA)	Jan. (SA)	M/M (NSA)	M/M(SA)	Y/Y
Case-Shiller					
20-city index	145.2	146.3	-0.4%	0.3%	-0.7%
10-city index	157.9	158.7	-0.2%	0.4%	0.0%
Atlanta	107.0	108.5	-1.5%	-0.5%	-2.1%
Miami	148.3	147.6	-0.2%	-0.1%	-6.8%
Tampa	138.2	138.8	-0.5%	0.5%	-7.4%

Radar Logic Analytics' home price index, which measures home prices in terms of square footage, indicated home prices softened in January. Data on Southeastern markets indicated that home prices weakened as well.

Radar Logic 28-Day Home Price Indexes
through January 27, 2010

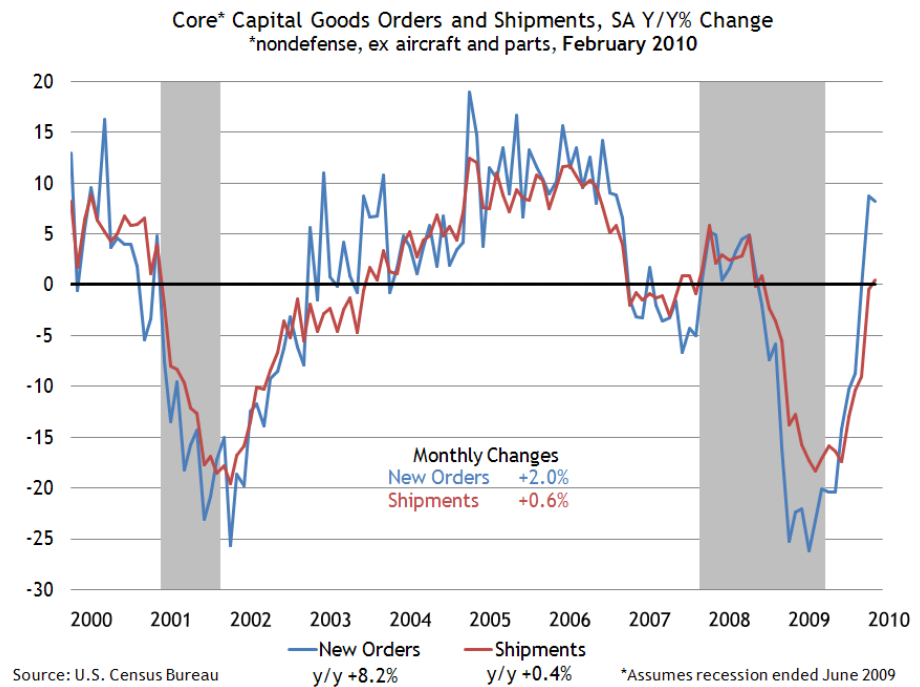


Note: The 28-day daily price index reflects all transactions that day and the preceding 27 days.
Source: Radar Logic

Manufacturing

Summary

New orders for core capital goods were revised up to a 2% increase in February. Shipments were revised down to 0.6%.



- In February, new orders for core capital goods gained 2% from January levels, higher than the previous estimate of 1.1%. New orders for core capital goods are now up 8.2% from year-earlier levels.
- The biggest driver in core capital goods orders in February was new orders for machinery, up three of the past four months, which added 5.1% for the month. While the computers and electronic products category was flat for February, new orders in the computers component jumped 17%. Drags on core capital goods orders included orders for nondefense communications equipment, down 1.2% from January, and motor vehicle bodies and parts, down 1.7% for the month.
- In February, shipments of core capital goods increased 0.6% and were up 0.4% from February 2009.
- Shipments of computers and related products dropped sharply, losing 2.9% from January's level of shipments, as did computer storage devices, which lost 7.9%.