

Economic Highlights

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Employment

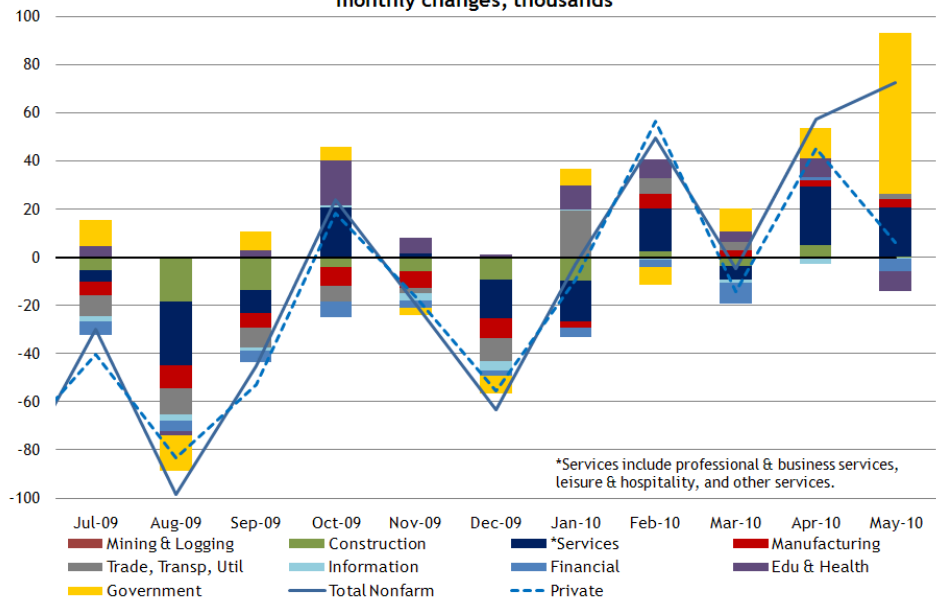
Summary

The District added 72,600 jobs in May, the majority of which were in the government sector.

Much like the national employment report for May, the employment report for District states did not continue to improve.

District Payroll Employment by Industry

monthly changes, thousands



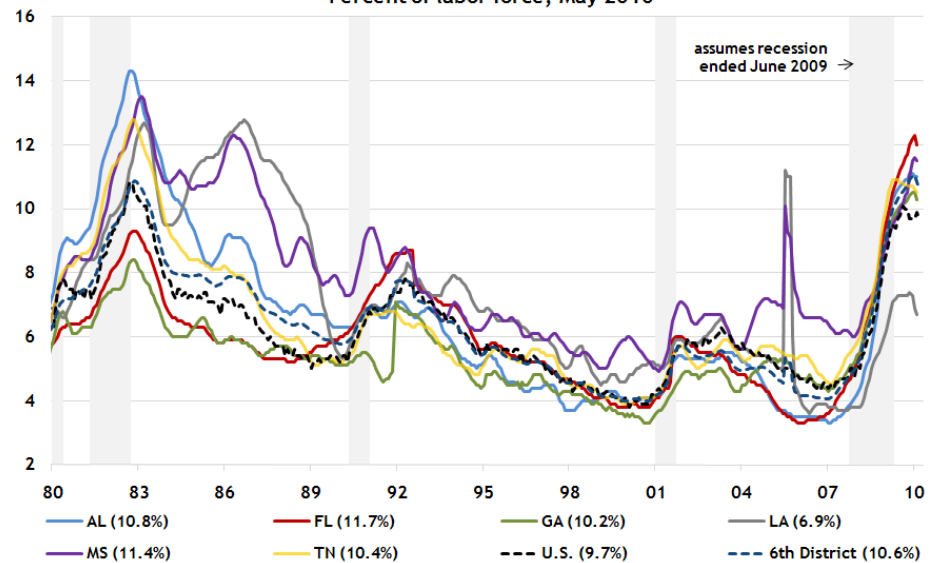
Source: U.S. Bureau of Labor Statistics

- In May, all District states added jobs. However, excluding government payrolls, all of the District states posted small gains (ranging from 2,000 to 6,000 each) in May with the exception of Florida, which lost 11,800 jobs.

The District unemployment rate decreased to 10.6% in May from 10.8% in April.

District Unemployment Rates

Percent of labor force, May 2010

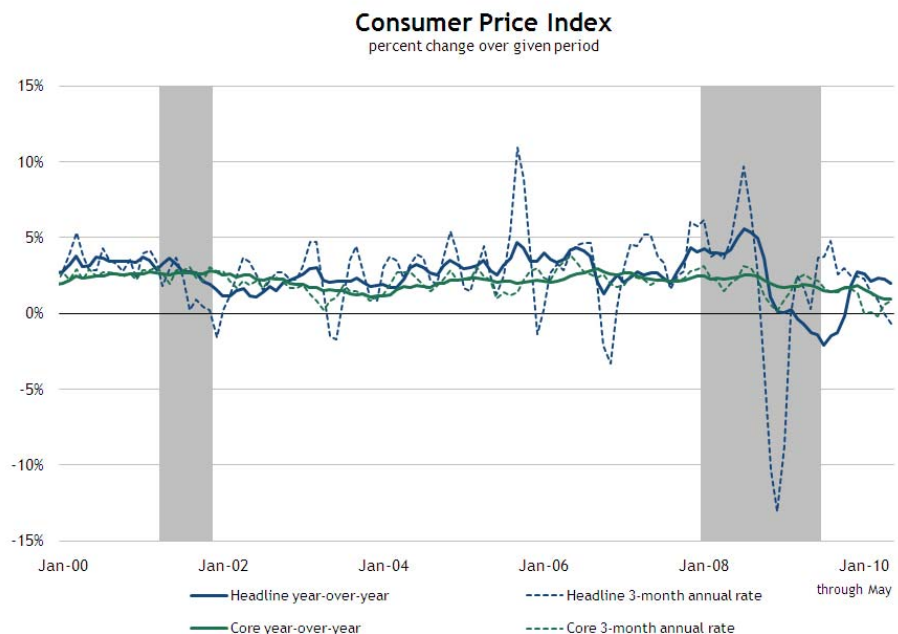


Source: U.S. Bureau of Labor Statistics

- The unemployment rate decreased in all District states except Louisiana, where it increased slightly.
- All states in the District (except Louisiana) have unemployment rates above the national unemployment rate of 9.7%; Louisiana's unemployment rate is 6.9%.

Summary

Core CPI rose at a 1.5% annual rate in May, the largest one-month increase since October 2009, boosted by a jump in the index for lodging away from home.



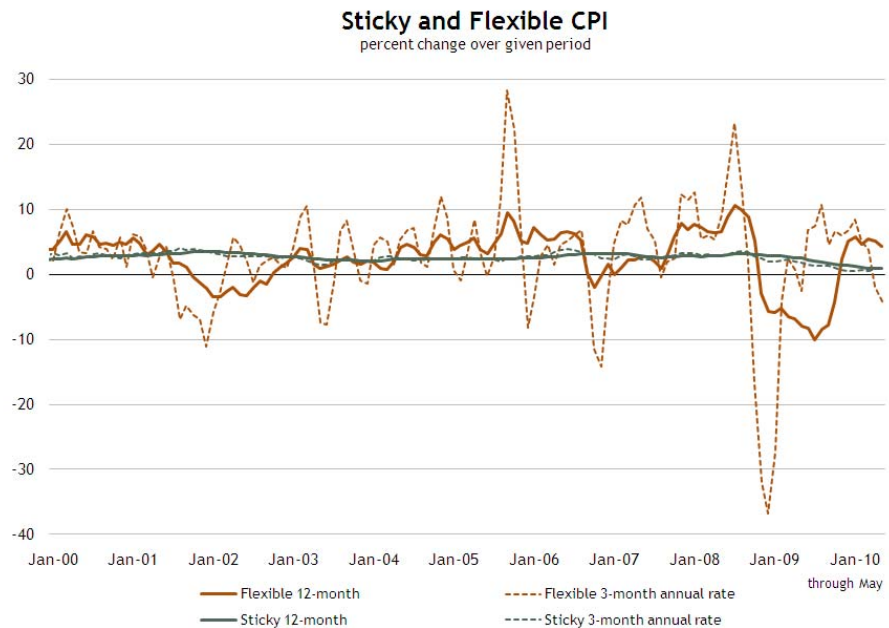
Source: Bureau of Labor Statistics

Assumes recession ended June 09.

- **Headline inflation**, measured by the consumer price index (CPI), was **down 1.9%** (annual rate) in May from the previous month. A **46% decline in the gasoline index** and a **7.1% decline** in the index for household energy accounted for the seasonally adjusted fall in the overall index. The index for food increased at a **0.4%** annual rate in May. Headline CPI is **2%** above year-earlier levels; note that much of the year-over-year strength comes from a lower comparison level.
- The **core** (excluding food and energy) measure of **consumer prices increased 1.5%** (annual rate) from the month before, with increases in the indices for shelter, used vehicles, tobacco, apparel, and medical care.
- Year-over-year core CPI increased **0.9%** in May, matching a similar increase in April, the smallest annual increase since January 1966.
- The **shelter** index, which makes up about a third of the overall CPI index, increased at a **1.1%** annual rate in May, the largest increase in the index since May 2009. A **34.6%** (annual rate) increase in the index for lodging away from home contributed to the rise. Year over year, shelter prices continue to trend downward.
- The **median CPI**, as calculated by the Federal Reserve Bank of Cleveland, remained **unchanged** from April to May (up 0.5% annualized), continuing a trend of essentially no change in the inflation measure since October 2009. Indeed, the median CPI is up a mere 0.5% over the past 12 months, a historical first for the series.

Summary

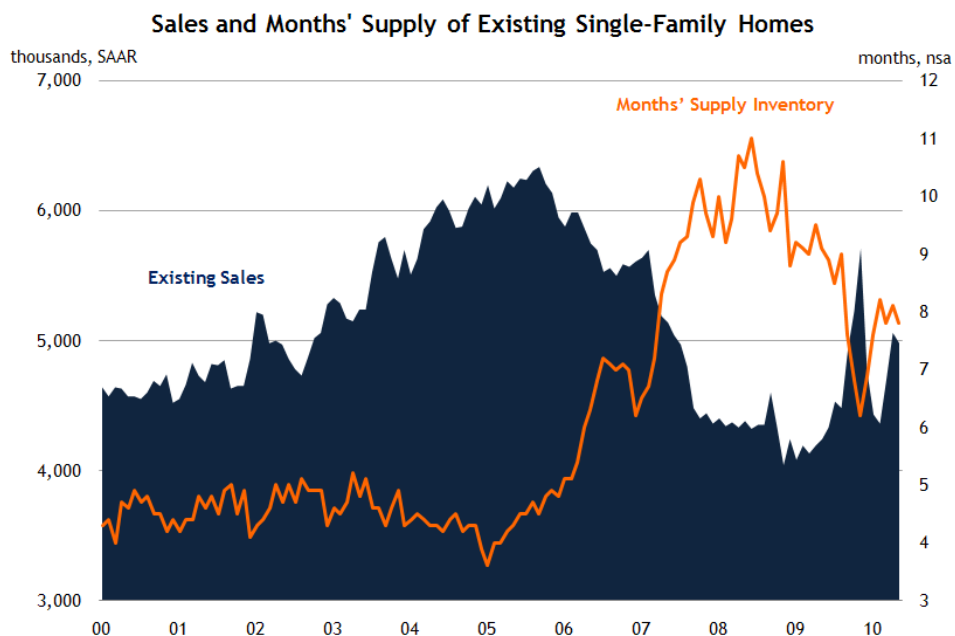
The Atlanta Fed's sticky price CPI data showed continuing disinflation in May.



- The **flexible** cut of the CPI, as measured by the Atlanta Fed, **declined** at an **8.4%** annual rate and was up **1.6%** from year-earlier levels in May. Excluding food and energy, flexible CPI rose **5.5%** (annual rate) and is up **1.6%** from year-earlier levels.
- Growth in the **sticky** price measure increased on both a headline and a core basis, **rising 0.7%** and **0.6%** (annual rate), respectively. The headline sticky CPI is up a mere **0.9%**, and the core sticky CPI is up **0.8%** on a 12-month basis—new lows for both series.

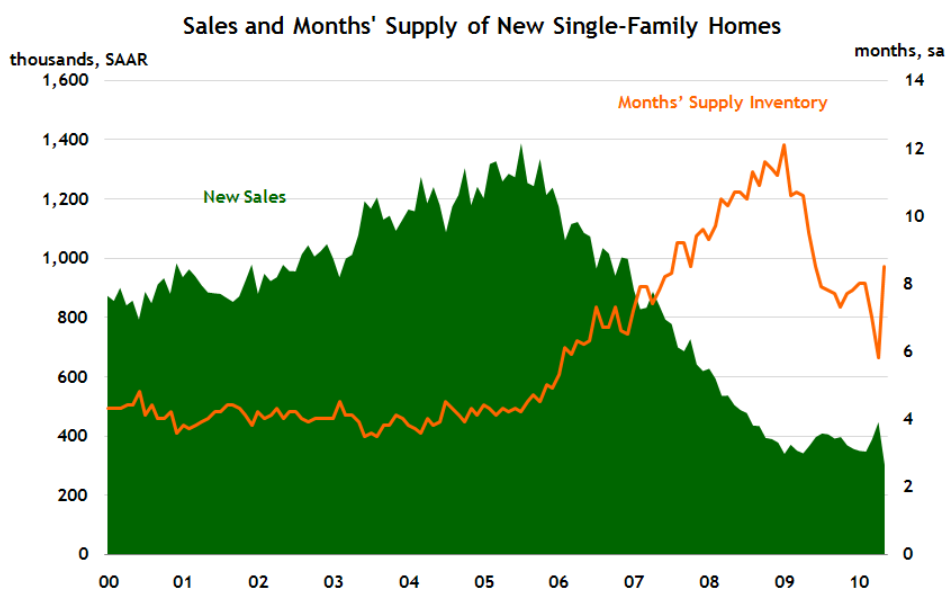
Summary

The National Association of Realtors reported that existing home sales softened from April to May. Months' supply also slipped to 7.8 months as listing inventory declined as well.



Source: National Association of Realtors

The U.S. Census Bureau reported that single-family home sales dropped sharply in May, declining 33% from April. Months' supply jumped from 5.8 months to 8.5 months while inventory was little changed.



Source: U.S. Census Bureau

May 2010 Home Sales

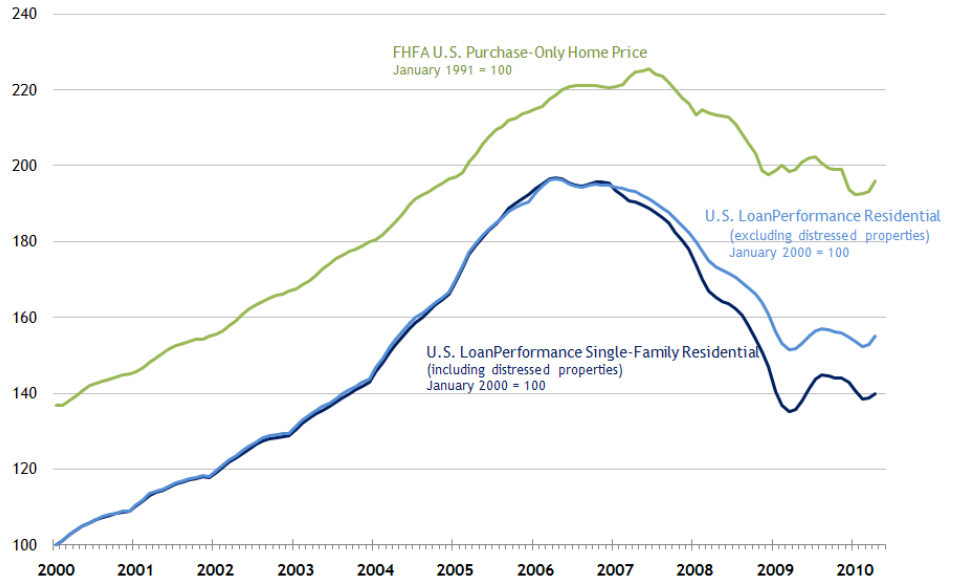
	thousands, SAAR	yr/yr change	mo/mo change
Existing home sales	5,660	19.2%	-2.3%
Existing single-family	4,980	17.5%	-1.6%
Existing multifamily	680	32.6%	-6.9%
New single-family	300	-18.3%	-32.7%

Source: National Association of Realtors, U.S. Census Bureau

Summary

Home price indexes rose again in April from the prior month's level.

Home Price Indexes April 2010



Source: First American CoreLogic, Federal Home Finance Authority

	Apr. (NSA)	Apr. (SA)	M/M (NSA)	M/M(SA)	Y/Y
U.S. FHFA Purchase-Only	196.0	194.7	1.4%	0.8%	-1.5%
U.S. LoanPerformance					
Combined*	141.3		0.8%		2.6%
Combined* excl. distressed	155.0		1.4%		2.2%
Single-family detached	139.8		0.8%		2.9%
Single-family attached	149.0		0.7%		0.9%

*Combined refers to single-family and single-family detached homes.
Source: Federal Home Finance Authority, First American Core Logistics