

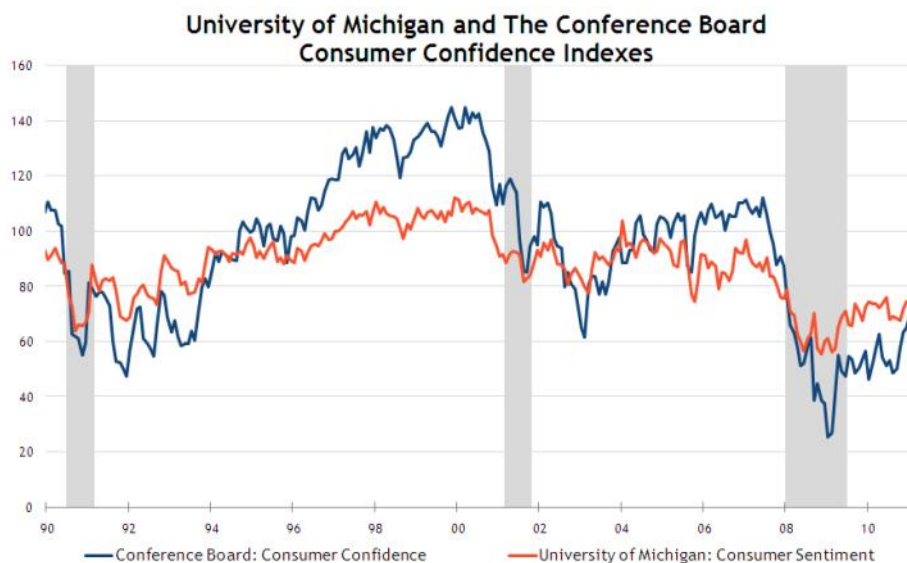
Economic Highlights

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Consumer Spending

Summary

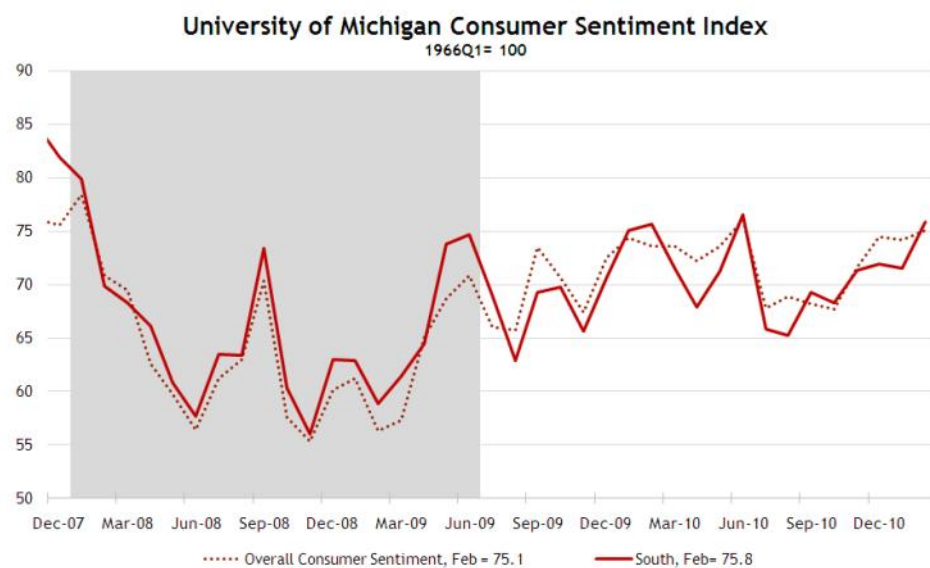
The increases in consumer confidence indexes put them at the highest levels since early 2008, but they are still below prerecessionary levels.



Source: The Conference Board, Reuters/University of Michigan

- The Conference Board's consumer confidence index increased in February for the third consecutive month, up 5.6 points in to 70.4.
- The University of Michigan's consumer sentiment index increased in February, up 0.9 points in to 75.1.
- Both indexes are at the highest level since early 2008 but remain below prerecessionary levels.

Consumer sentiment in the South census region increased in February, in line with the U.S. consumer sentiment.

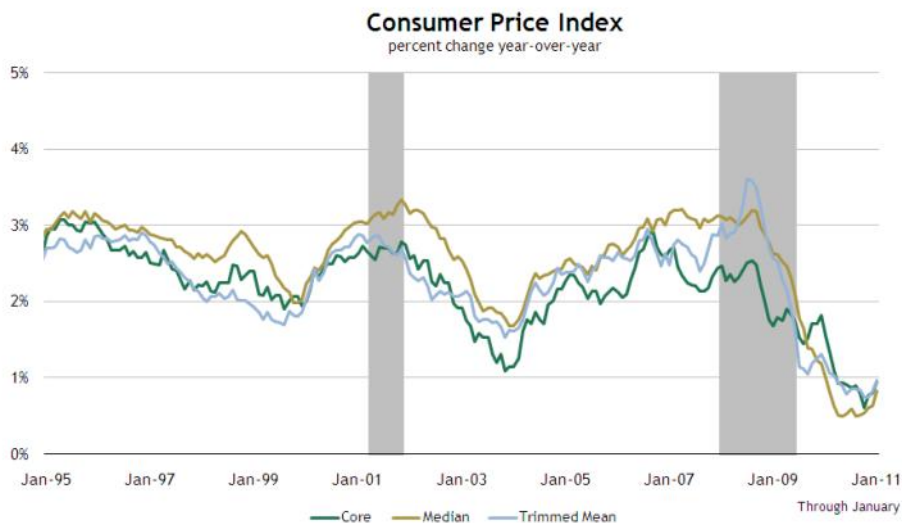


Source: Reuters/University of Michigan

- The University of Michigan's consumer sentiment index for the South census region also increased in February and is in line with the overall U.S. consumer sentiment index.

Summary

Measures of the consumer price index increased in January but remained near 1% on a year-over-year basis.

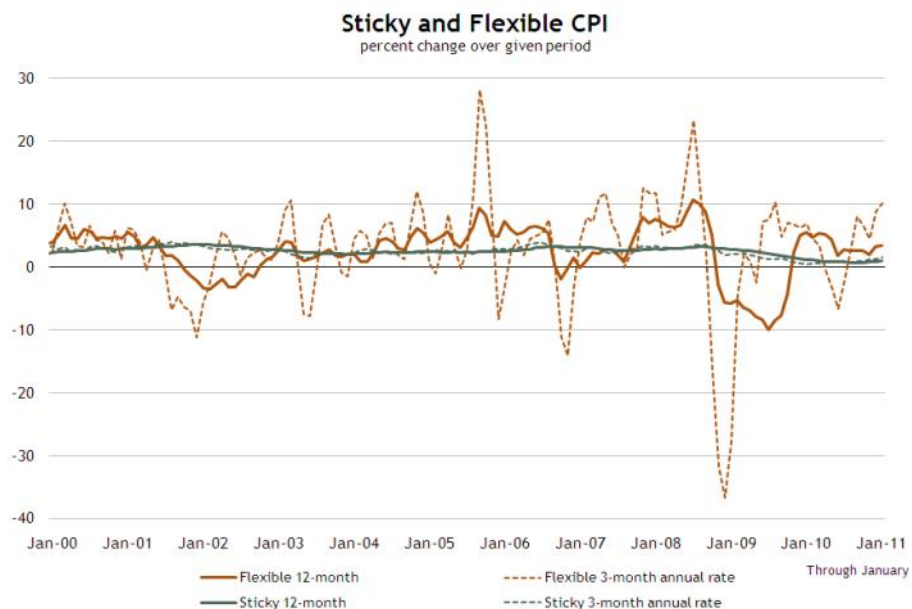


Source: Bureau of Labor Statistics, FRB Cleveland

- The headline consumer price index (CPI) rose at a 4.9 percent annual rate in January. The increase reflected the continued upward trend in the indexes for gasoline and fuel oil as well as a jump in the index for food at home, which posted its largest increase in over two years. On a year-over-year basis, headline CPI in January was up 1.7 percent.
- Excluding food and energy, core inflation rose 2.1 percent (annual rate) in January, marking the largest increase since October 2009. An increase in the indexes for apparel, shelter, airline fares, and recreation more than offset declines in the indexes for new vehicles and for used cars and trucks. On a year-over-year basis, core CPI was up 1 percent.
- The median CPI, as calculated by the Federal Reserve Bank of Cleveland, rose 2 percent (annualized) in January following a 1.7 percent increase in December. In addition, the Cleveland Fed's trimmed-mean CPI was up 2.7 percent in January, up from December's 1.6 percent pace. Both inflation measures continued their upward trends on a 12-month basis in January.

Summary

The Atlanta Fed's sticky price measures rose in January.

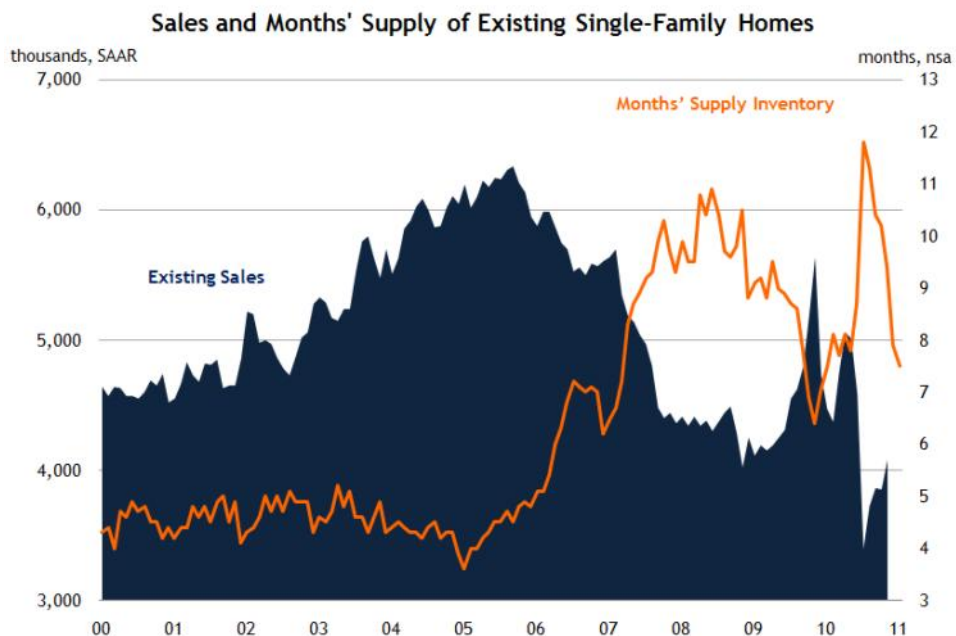


Source: Atlanta Fed, Bureau of Labor Statistics

- Growth in the sticky price measure—the weighted basket of goods consumers purchase that change prices relatively infrequently—rose 2 percent (annualized) in January. The 12-month index rose 1 percent, a slight increase from 0.7 percent-0.8 percent range seen midyear 2010, though still below the longer-term trend for the series.
- The sticky price index increased 1.9 percent (annualized) on a core basis (excluding food and energy) in January, and the 12-month index rose 1 percent, above recent 12-month trends in the 0.65 percent-0.9 percent range.
- The flexible cut of the CPI—a weighted basket of goods that change price relatively frequently—rose at a 12.6 percent annual rate in January and was up 3.4 percent from year-earlier levels, accelerating since midyear 2010. Excluding food and energy, flexible CPI rose 2.7 percent (annual rate) and was up 1 percent from year-earlier levels.

Summary

The National Association of Realtors indicates existing home sales increased 2.7 percent in January from the prior month, and sales also turned positive once again on a year-over-year basis following six months of declining sales.



Source: National Association of Realtors

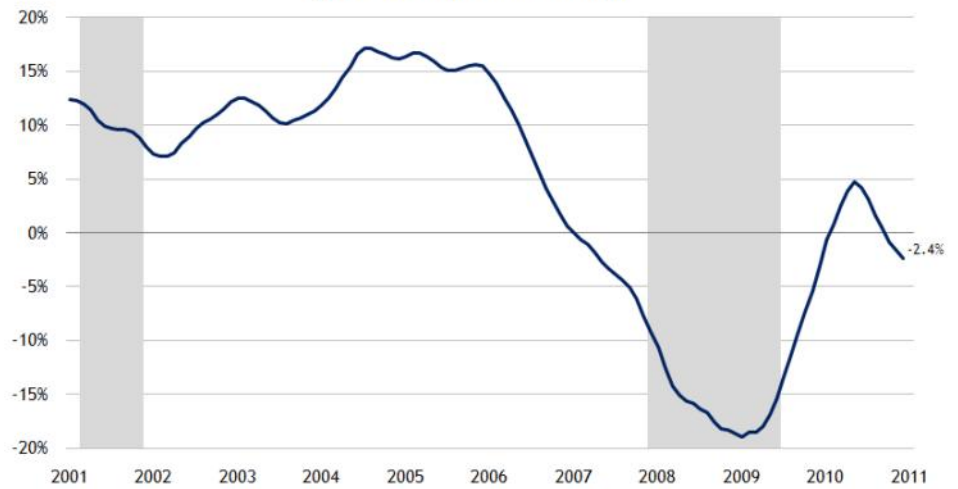
January Home Sales

	thousands, SAAR	yr/yr change	mo/mo change
Existing Total:	5,360	5.3%	2.7%
Single Family:	4,690	4.9%	2.4%
Multifamily:	670	7.9%	4.7%

Summary

The S&P/Case-Shiller 20-City Composite weakened further on a year-over-year basis in December, down 2.4%. On a month-to-month basis, the index declined for the sixth consecutive month.

S&P Case-Shiller Home Price Index: Composite 20 year over year % change



Source: Standard & Poor's, and Fiserv Inc.