

## Economic Highlights

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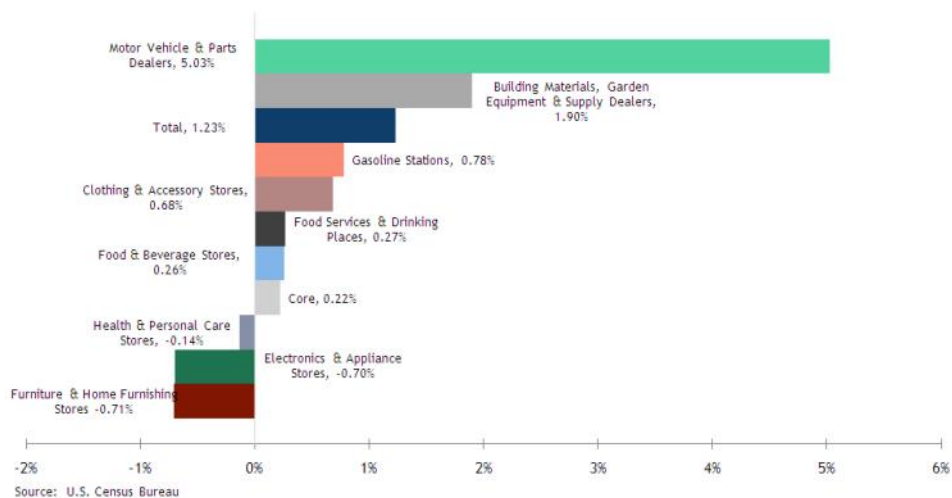
# Consumer Spending

## Summary

Retail sales increased more than expected in October, reflecting a jump in motor vehicles and parts.

## U.S. Retail Sales Components

Month-to-Month Percent Change  
October 2010

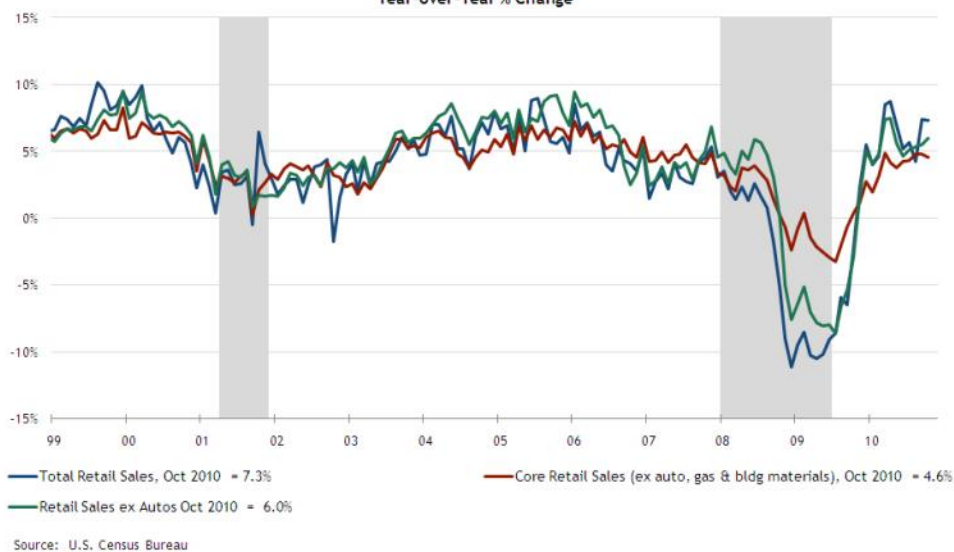


- Total retail sales increased 1.2% in October, above expectations of a 0.7% increase. The increase in total retail sales for October was concentrated in motor vehicles and parts as well as building supplies.
- Excluding gas, autos, and building supplies sales, core retail sales increased less than total sales, by 0.2% over the month.

Excluding motor vehicles, gas and building supplies, core retail sales inched down in October on a year-over-year basis.

## Retail Sales

Year-over-Year % Change

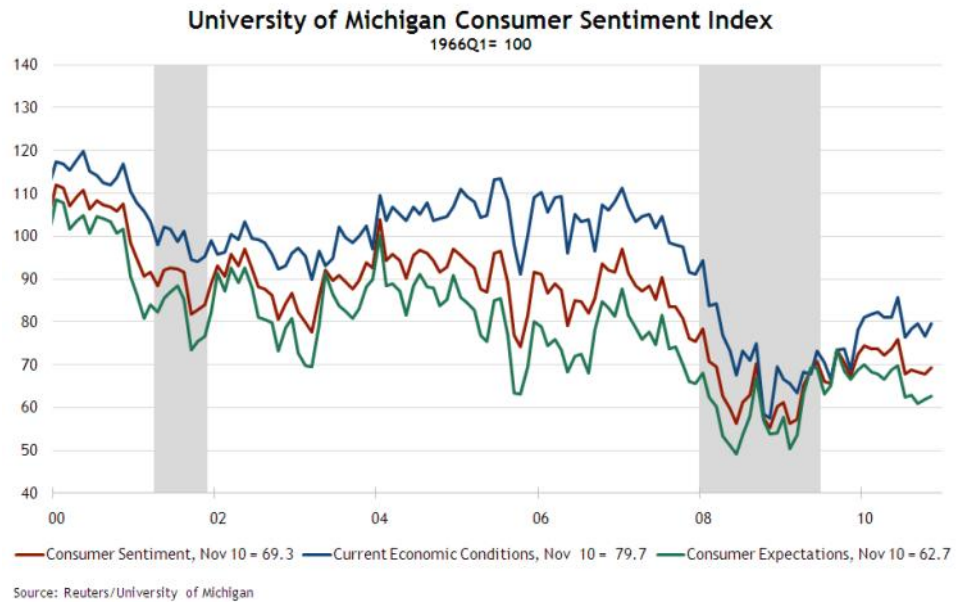


- On a year-over-year basis, total retail sales were up 7.3% in October and core retail sales inched down from 4.8% to 4.6%.

# Consumer Spending

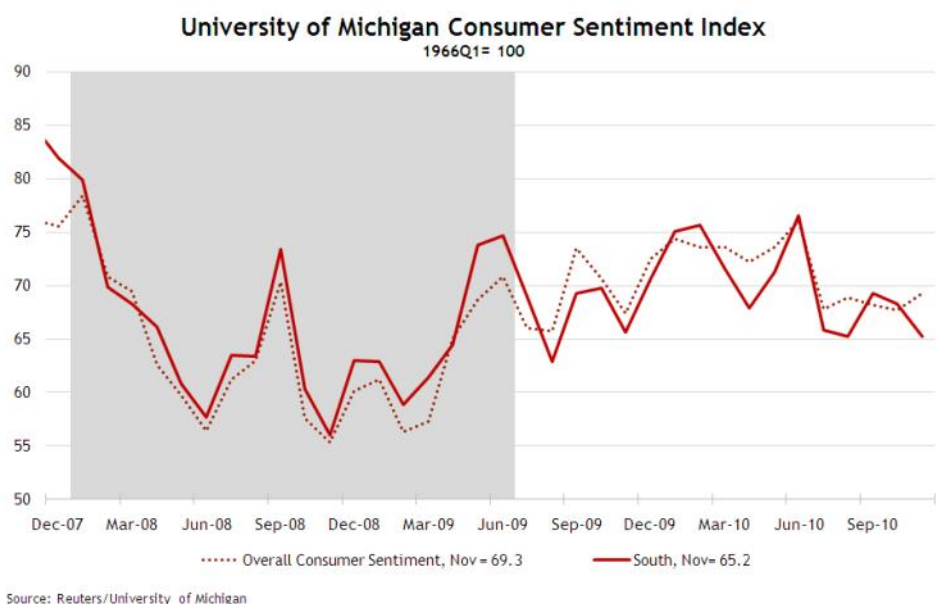
## Summary

Consumer sentiment increased in November but remains at depressed levels.



- The University of Michigan’s consumer sentiment index increased in November by 1.6 points to 69.3. The index still remains well below prerecessionary levels.
- Both the future expectations and current conditions component indexes rose in November to 62.7 and 79.7 points, respectively.

Consumer sentiment in the southern census region dipped below the overall U.S. consumer sentiment level in November.

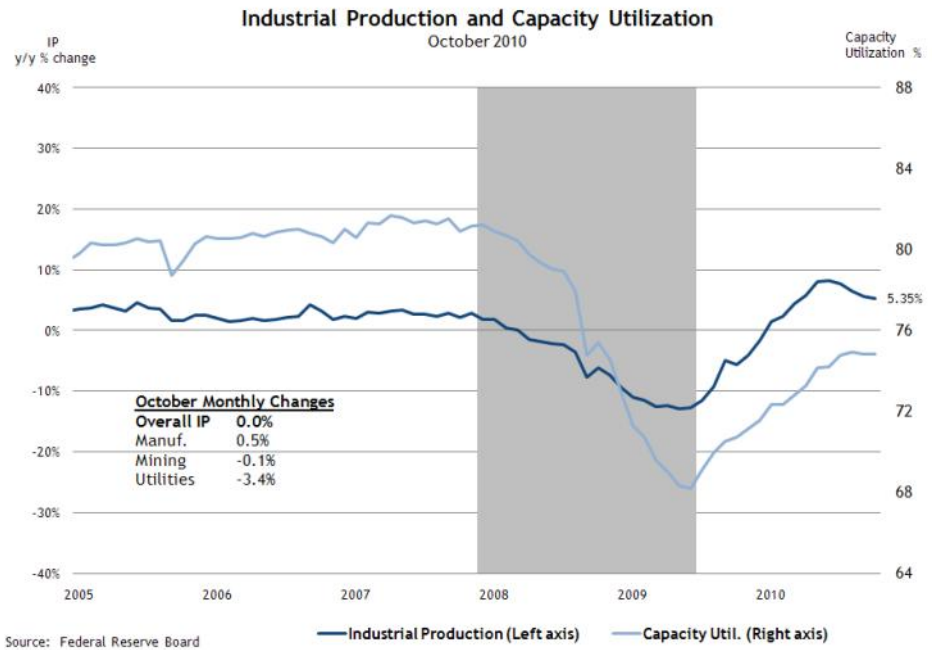


- The University of Michigan’s consumer sentiment index for the southern census region fell 3.1 points to 65.2 in November.

# Manufacturing

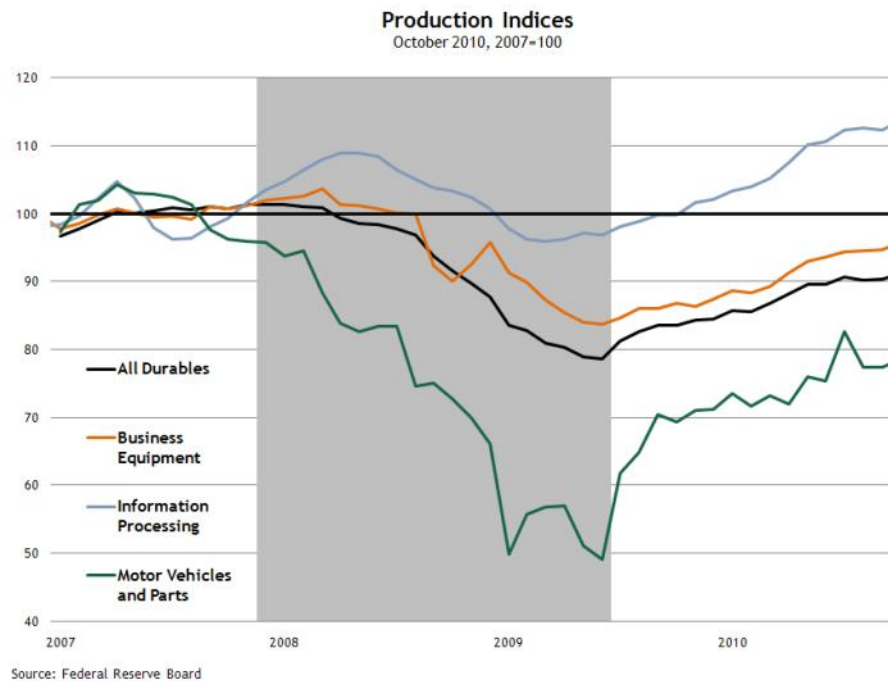
## Summary

Unseasonably warm weather held back industrial production in October. Manufacturing production, however, increased 0.5%, its largest increase since July. Mining production dropped 0.1%, and the production of utilities lost 3.4% for the month.



- Capacity utilization remained unchanged in October at 74.8%.

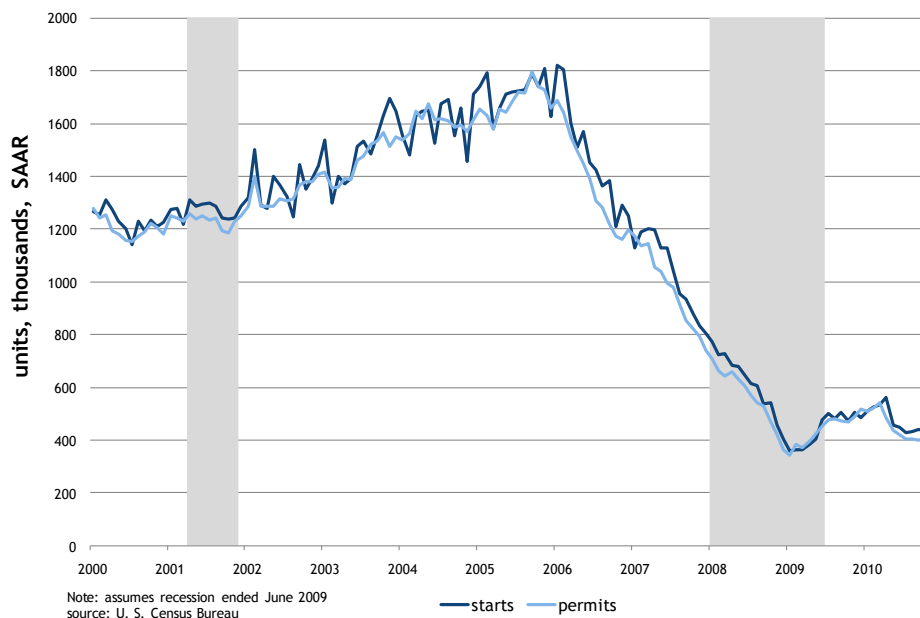
The production of durable goods increased 0.8% in October, and business equipment and motor vehicles and parts both increased 1.1%. The production of information processing equipment added 1.2%.



## Summary

U.S single-family home starts and permits continued to stabilize in October.

## US Single Family Home Construction October 2010



### October Permits, SAAR

Total	550k	-4.5% y/y	0.6% m/m
Single-family	406k	-13.3% y/y	1.0% m/m
Multifamily	144k	33.3% y/y	-0.7% m/m

Source: U.S. Census Bureau

### October Starts, SAAR

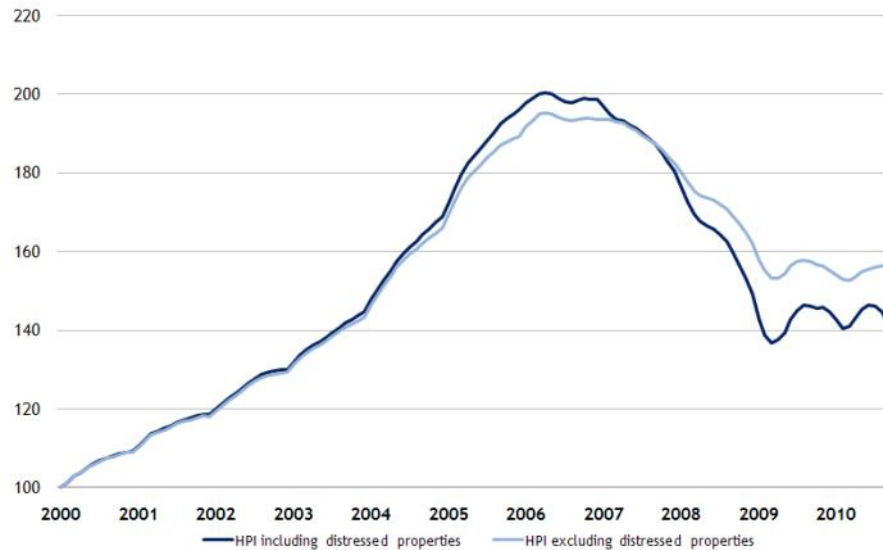
Total	519k	-1.89% y/y	-11.7% m/m
Single-family	436k	-8.2% y/y	-1.1% m/m
Multifamily	83k	53.7% y/y	-43.5% m/m

Source: U.S. Census Bureau

## Summary

CoreLogic reported that home prices declined once again in September, and its index—which excludes distressed property—sales held steady.

## U.S. CoreLogic® Home Price Indexes



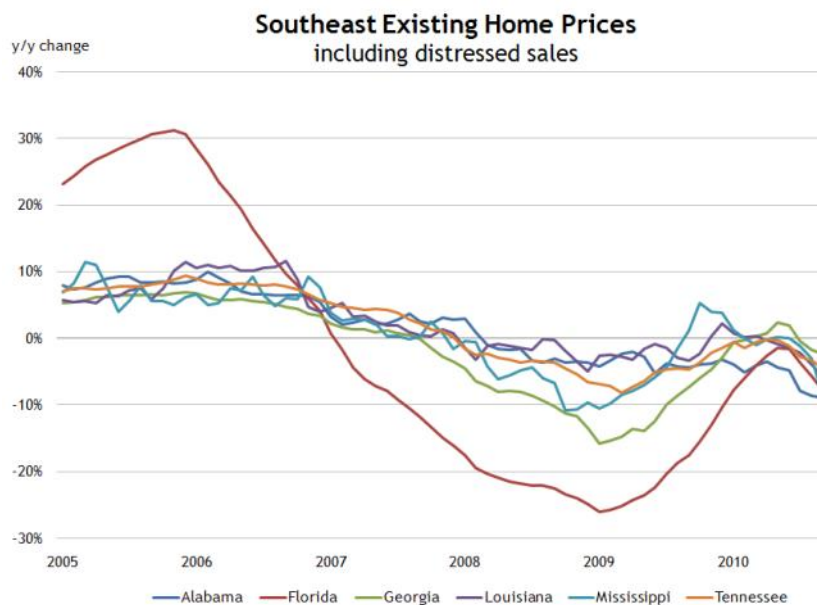
Note: January 2000 = 100  
Source: CoreLogic®

	Sept. (nsa)	M/M (nsa)	Y/Y
<b>U.S. CoreLogic Index</b>			
Combined	142.1	-1.8%	-2.8%
Combined excl. distressed	156.3	0.0%	-0.7%
Single-family detached	140.9	-1.9%	-2.6%
Single-family attached	148.6	-1.7%	-3.8%

Note: "Combined" refers to single-family attached and single-family detached homes.

## Summary

According to CoreLogic, Southeast year-over-year home price index changes, including distressed sales, continued to weaken in September.

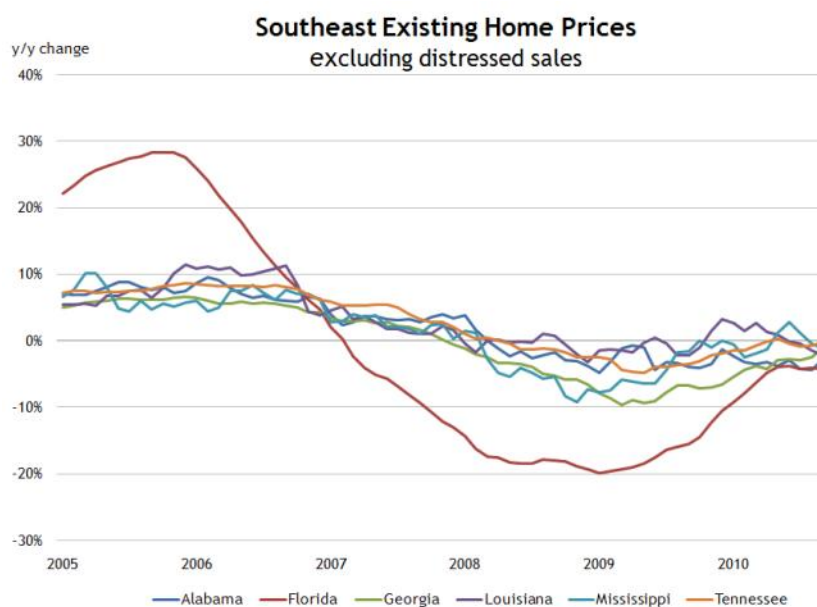


Source: CoreLogic®

through September 2010

- The Northeast Florida Association of Realtors reported that homes listed as foreclosed, REO, pre-foreclosure, or short sale accounted for 55% of home sales in September.
- The Orlando Regional Realtors Association reported that 70% of home sales in September were bank-owned or short sales.
- Southeast contacts indicate that distressed sales account for a smaller share of total sales outside of Florida.

CoreLogic reported that year-over-year home price changes in the Southeast, excluding distressed sales, were mixed but overall were steady in September.



Source: CoreLogic®

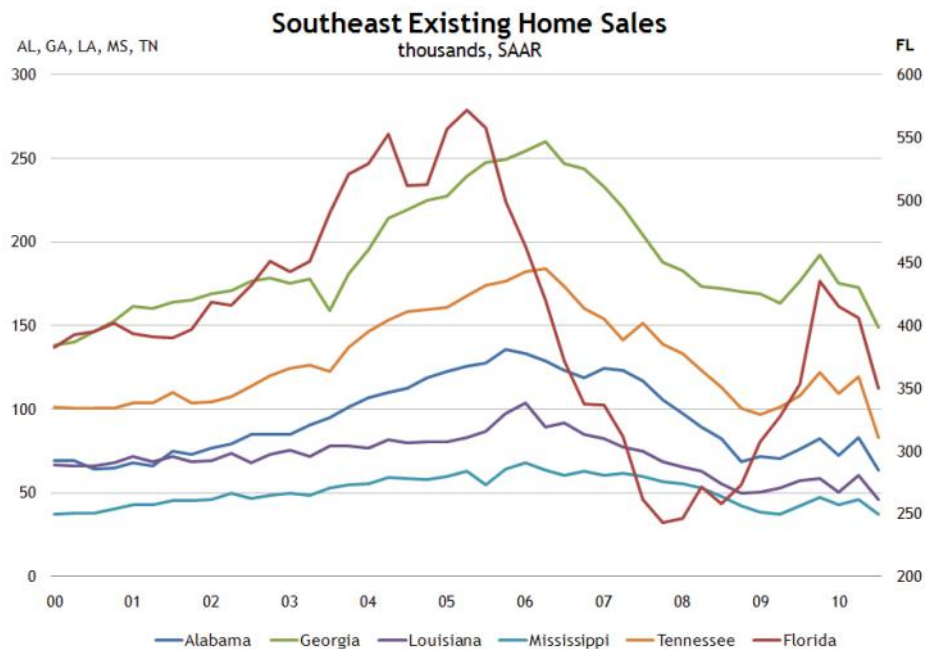
through September 2010

### CoreLogic® September Home Price Index, year-over-year change:

	U.S.	AL	FL	GA	LA	MS	TN
Including distressed sales:	-2.79%	-8.98%	-7.68%	-2.34%	-5.72%	-8.30%	-4.43%
Excluding distressed sales:	-0.73%	-2.89%	-4.29%	-1.15%	-2.11%	-1.21%	-0.26%

## Summary

According to the National Association of Realtors, existing home sales slowed across the Southeast during the third quarter, down 18% from the second quarter following the end of the federal housing stimulus.



Source: National Association of Realtors

through Q3 2010

### 3Q2010 Southeast Existing Home Sales

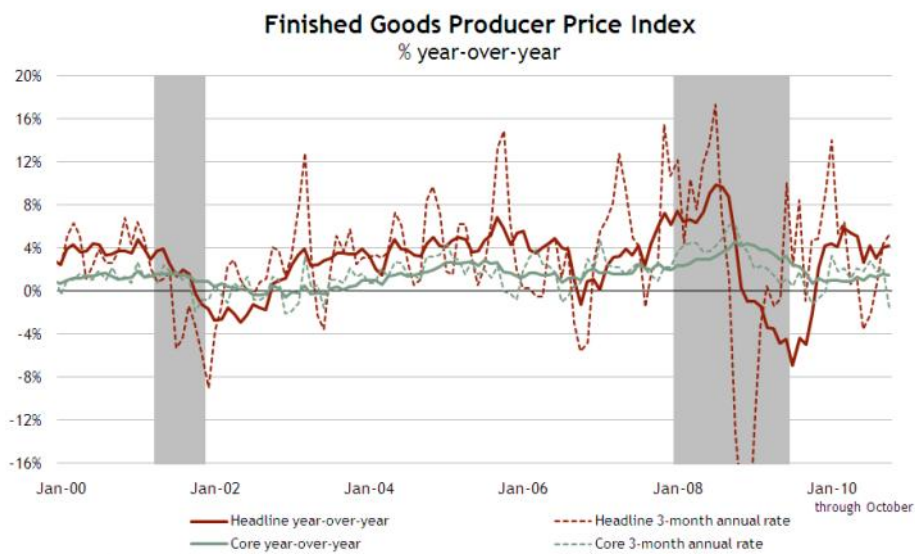
	thousands, SAAR	yr/yr change	qtr/qtr change
U.S.	4,163.0	-21.2%	-25.3%
Southeast	729.6	-10.4%	-17.9%
Alabama	63.6	-16.3%	-23.6%
Florida	350.0	-1.0%	-13.9%
Georgia	148.8	-15.8%	-13.9%
Louisiana	46.6	-18.9%	-23.7%
Mississippi	37.6	-11.3%	-18.3%
Tennessee	83.2	-23.3	-30.4

Source: National Association of Realtors



## Summary

Higher gasoline prices caused a modest increase in headline finished PPI in October. Core PPI declined for the first time in 12 months.

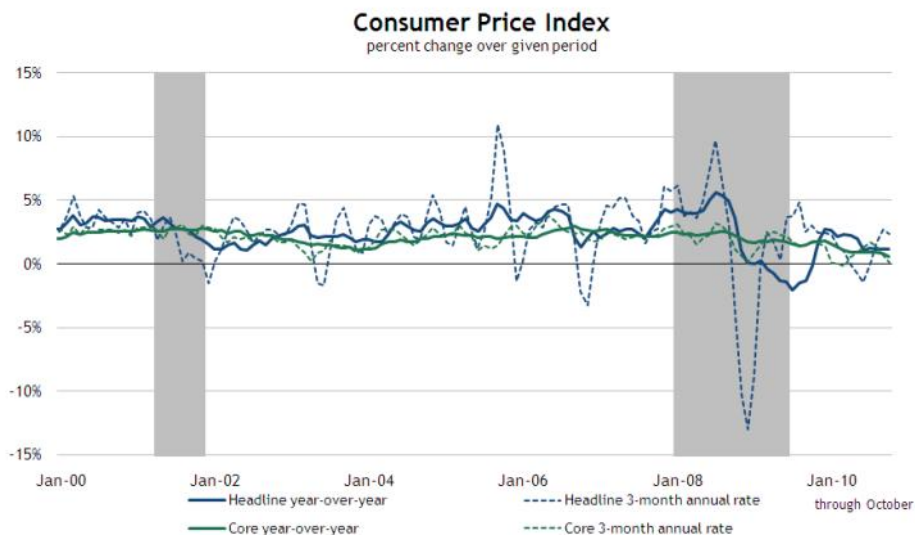


- The headline producer price index (PPI) for finished goods rose 5.5% (annual rate) in October, matching similar gains in September in August. The entire monthly increase can be attributed to a jump in prices for finished energy goods in October—gasoline prices rose 9.9% month-over-month, accounting for over 90% of the headline index gain. Headline PPI is up 4.3% on a 12-month basis.
- Core (less food and energy) PPI for finished goods declined 6.7% (annual rate) in October, following 11 consecutive months of increases. The indices for light motor trucks and passenger cars led the decline in the finished core index. The index for finished core PPI is up 1.5% year-over-year.
- Core prices increased at the intermediate level (up 0.5% m/m) and crude level (up 2.1% m/m). Higher metals prices have been pushing crude materials costs upward over the past several months.

<b>PPI by Stage of Processing</b>					
	1-month*	3-month*	12-month*	2008**	2003-2008**
Finished	5.5	5.2	4.3	-1.2	3.2
Less food & energy	-6.7	-1.6	1.4	4.5	2.5
Intermediate	15.4	8.4	6.3	-2.6	5.0
Less food & energy	6.8	3.4	4.4	2.9	4.8
Crude	64.9	27.1	17.1	-24.3	4.1
Less food & energy	28.7	58.3	26.0	-24.1	5.4
*Seasonally adjusted annualized rates of change in price indices for given period ending October 2010					
**Seasonally adjusted annualized rates of change in price indices for given period					
Source: U.S. Bureau of Labor Statistics					

## Summary

Gasoline prices pushed headline CPI up in October; the core measure remained unchanged.

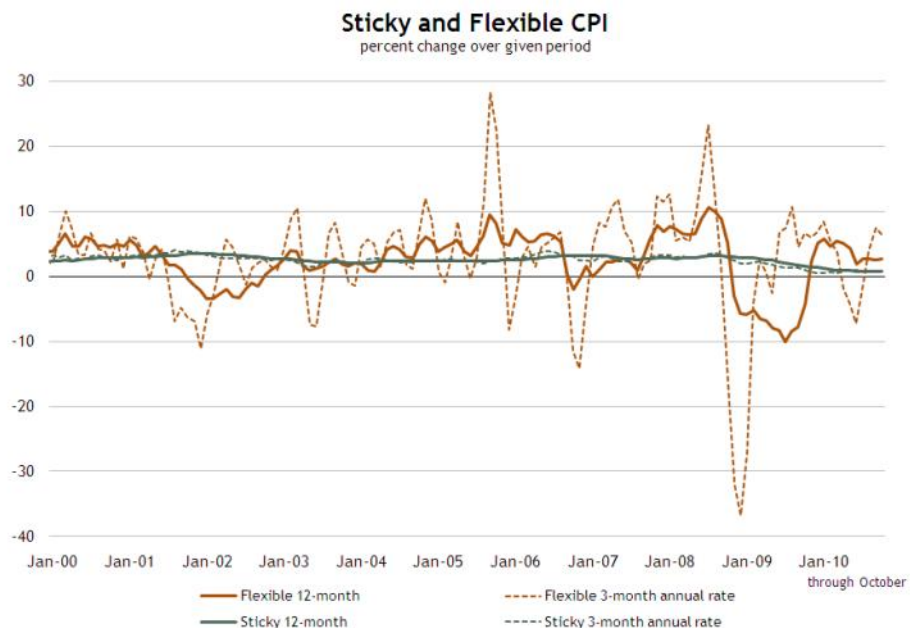


Source: Bureau of Labor Statistics

- Headline inflation, measured by the consumer price index (CPI), was up 2.8% (annual rate) in October from the previous month, as gasoline prices rose sharply. Headline CPI is 1.2% above year-ago levels.
- The core (excluding food and energy) measure of consumer prices was unchanged (-0.1% annual rate) in October, matching the September reading. Year-over-year core CPI was 0.6% in October (not seasonally adjusted), the smallest annual increase in the series' 53-year history.
- The median CPI as calculated by the Federal Reserve Bank of Cleveland was up 1.1% (annualized) in October, higher than its 0.5% year-over-year rate. Meanwhile, the Bank's trimmed-mean CPI rose 0.6% (annualized), just a touch lower than its 12-month pace.

## Summary

The Atlanta Fed's sticky price measure was nearly unchanged in October.



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—was 0.8% (annualized) in October. The 12-month trend in the series is 0.7%, a further modest disinflation from a 1% pace earlier in the year.
- The sticky price index increased 0.7% (annualized) on a core—excluding food and energy—basis, in line with recent 12-month trends.
- The flexible cut of the CPI—the weighted basket of goods that change price relatively frequently—rose at a 7.8% annual rate and was up 2.6% from year-earlier levels in October, a deceleration from earlier in the year. Excluding food and energy, flexible CPI declined 4.6% (annual rate) and is up 1.3% from year-earlier levels.