

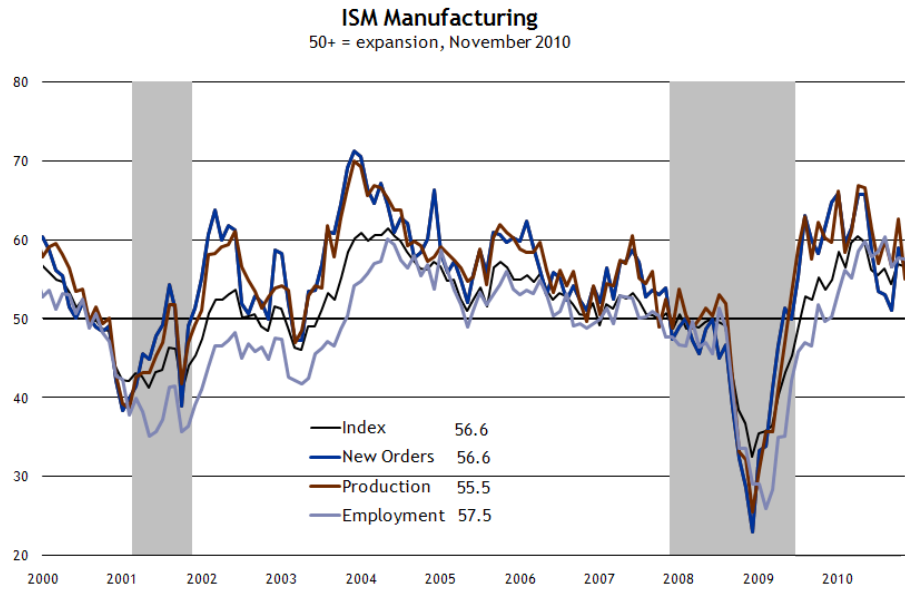
Economic Highlights

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Manufacturing

Summary

The Institute for Supply Management Purchasing Managers Index (PMI) dipped 0.3 index points in November after moderate gains in October.



Source: Institute for Supply Management

- The ISM's PMI indicates that the manufacturing sector expanded at a slightly slower pace in November as the aggregate index dipped 0.3 points to reach 56.6.
- The index for new orders declined 2.3 index points in November to reach 56.6, a result of more respondents indicating that conditions remained the same month-to-month from October to November.
- Production growth had a notable slowdown in November. The index for production lost 7.7 index points to reach 55.
- The employment component also slipped 0.2 points to reach 57.5.

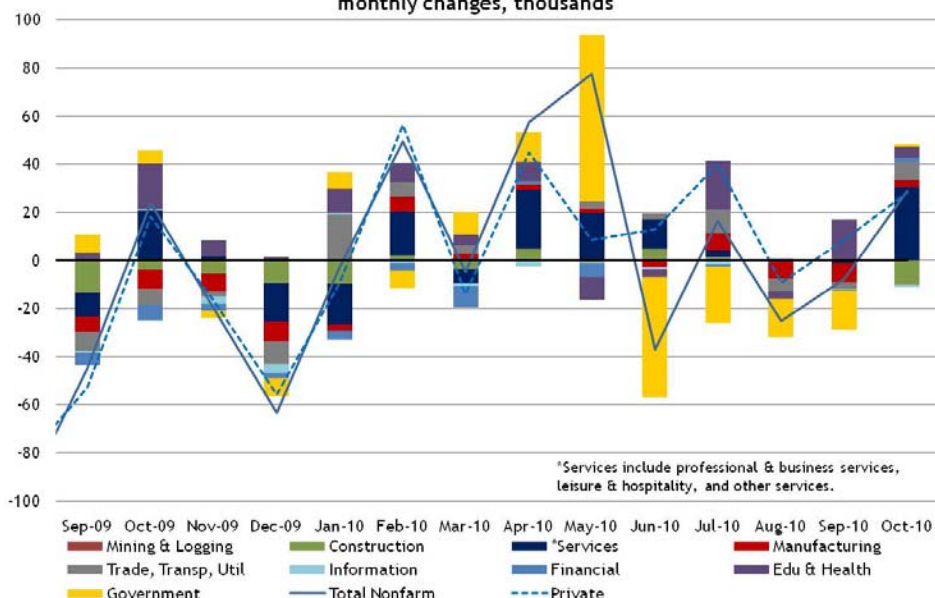
Employment

Summary

The Sixth Federal Reserve District added 29,000 nonfarm jobs in October, reflecting a gain in both private and government payrolls for the first time since May 2010.

6th District Payroll Employment by Industry

monthly changes, thousands



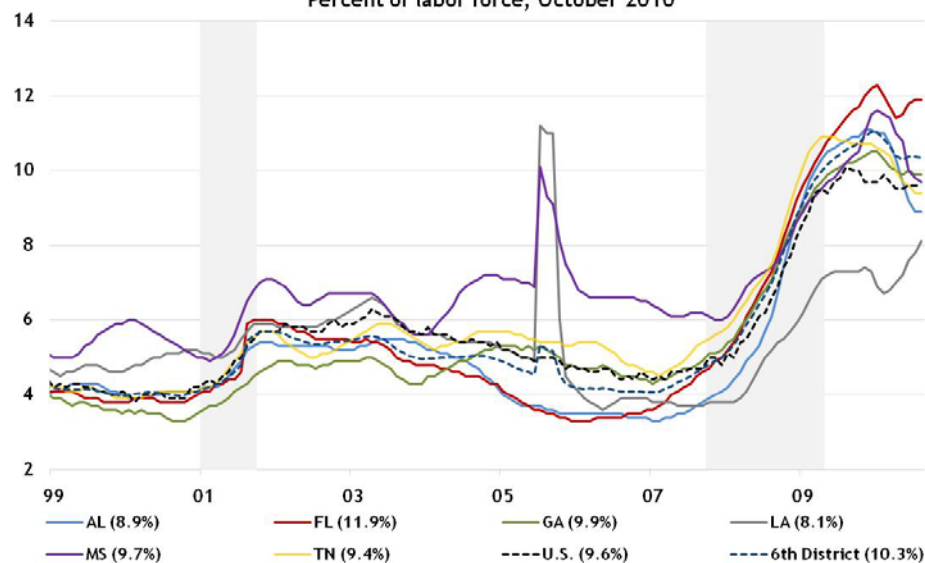
Source: U.S. Bureau of Labor Statistics

- The District added 29,000 jobs in October after losing 7,900 in September. Most of this increase was in the leisure and hospitality sector, which added 20,400 jobs. Government payrolls added 800 jobs, the first positive gain since May 2009.
- In October, payroll employment increased in all District states. Nationwide, nonfarm payroll employment increased in 41 states.

The District unemployment rate decreased to 10.3% in October.

District Unemployment Rates

Percent of labor force, October 2010



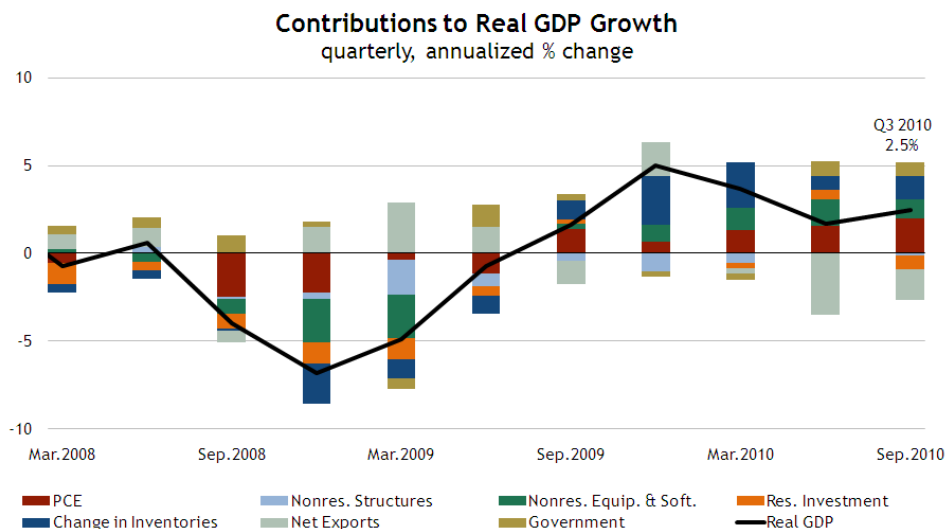
Source: U.S. Bureau of Labor Statistics

- The unemployment rate decreased in one District state (Mississippi) and increased in one state (Louisiana). Florida's unemployment rate continues to be one of the highest in the country.
- Half of the states in the District have unemployment rates above the national rate of 9.6%.

Economic Activity

Summary

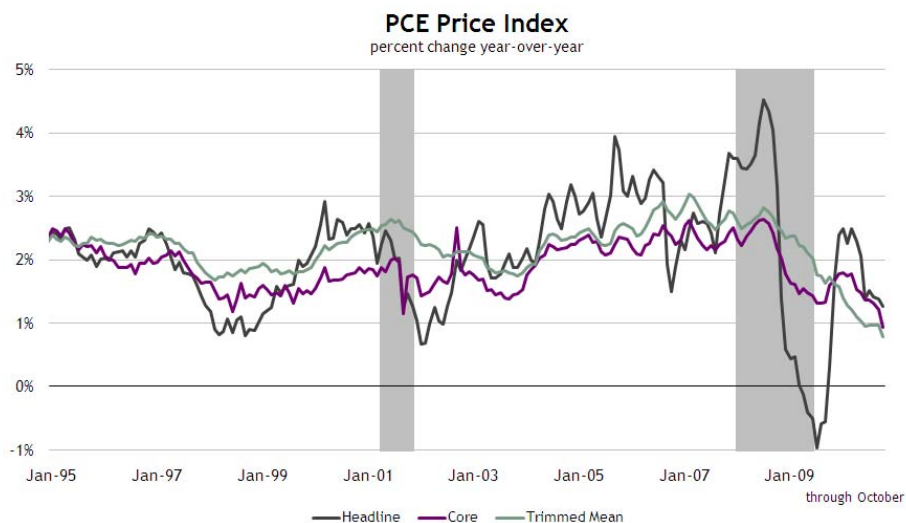
Real GDP grew 2.5% in the third quarter, according to the Bureau of Economic Analysis second estimate—an upward revision of half a percentage point from the advance release.



- Real GDP in the third quarter was revised upward to 2.5% in the BEA's second estimate from 2% in the advance estimate.
- Business investment in equipment and software contributed 1.11 percentage points to third quarter growth, up three-tenths from the advance release.
- Net exports subtracted 1.75 percentage points from growth, less than the 2 percentage point subtraction in the earlier estimate. Imports increased at a 16.8% annualized pace in the third quarter, outpacing 6.3% growth in exports.
- Personal consumption expenditures (PCE) grew 2.8% in the third quarter, a slight upward revision from the advance estimate.

Summary

Core personal consumption expenditures (PCE) inflation was unchanged in October.

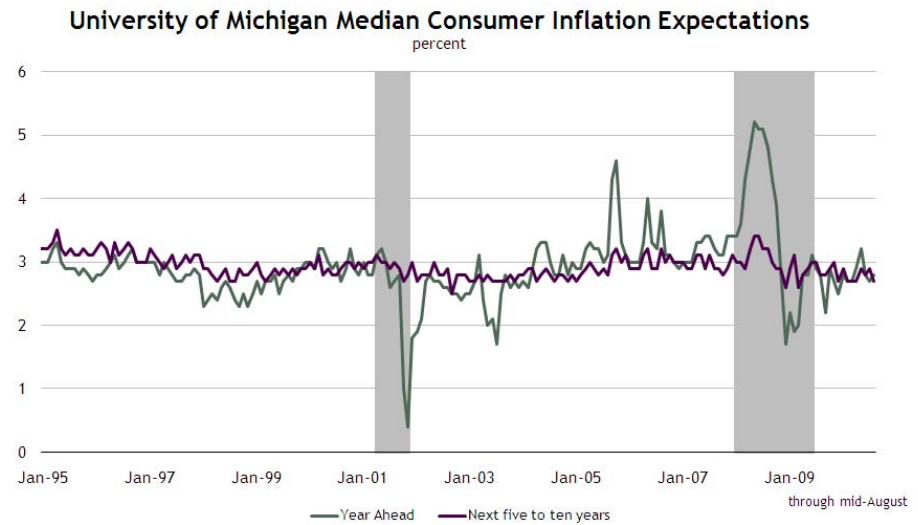


Source: Bureau of Economic Analysis, FRB Dallas

- Headline inflation, as measured by the consumer spending deflator, rose at a 2% annualized pace in October, bolstered by a large increase in energy prices. Headline PCE prices were up 1.3% year over year.
- Core (less food and energy) PCE prices have been mostly unchanged for the past five months, growing by less than 1% (annual rate) from June to October. Year-over-year core PCE inflation was 0.9%, the smallest one-year growth in the index since the beginning of the series in 1959.
- The Dallas Fed's trimmed mean PCE price measure rose 0.1% (annual rate) in October, marking the smallest monthly increase in the series' history. The inflation statistic also decelerated on both a six- and 12-month annualized basis, both growing 0.8% (annual rate) in October. The six-month measure is down from 0.9% the previous month, and the 12-month measure is down from three consecutive months of 1% gains.

Summary

Survey data compiled in November by the University of Michigan showed year-ahead consumer inflation expectations up from October.



Source: University of Michigan

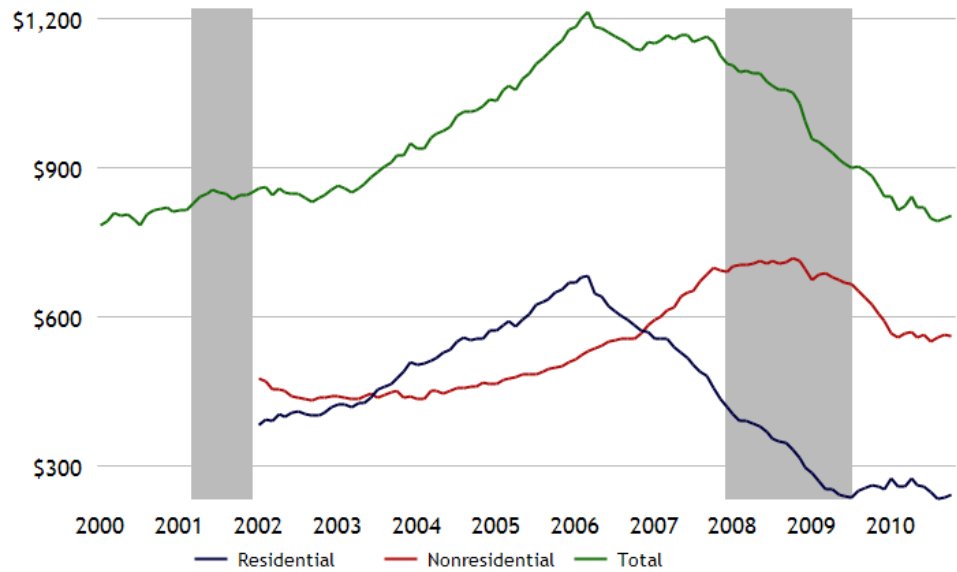
Assumes recession ended June 09.

- According to the University of Michigan's inflation expectations survey, the median inflation rate expected by consumers 12 months out was 3% in November, up from 2.7% from the month before and marking the highest reading since May 2010.
- The median expectation for inflation in five to 10 years was 2.8% in November, unchanged from the prior month.

Summary

The U.S. Census Bureau reported a slight increase in total construction spending in October, boosted by residential and public construction spending.

October 2010 U.S. Construction Spending
billions, SAAR



Source: U.S. Census Bureau

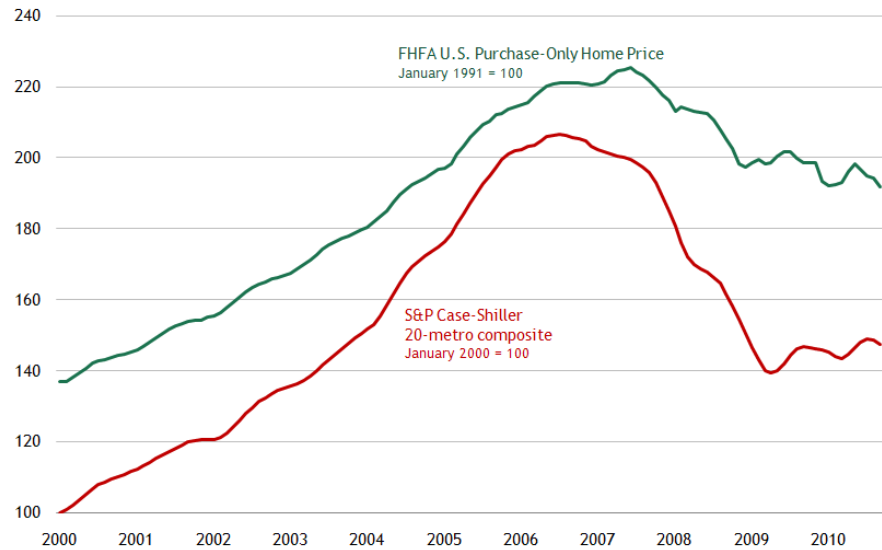
October 2010 Construction Spending Put in Place

	billions, SAAR	y/y change	m/m change
Total	802.3	-9.3%	0.7%
Total private	481.8	-15.6%	0.8%
Total public	320.5	2.2%	0.4%
Total nonresidential	562.0	-9.9%	-0.1%
Private nonresidential	252.2	-20.7%	-0.7%
Public nonresidential	309.8	1.4%	0.4%
Total residential	240.3	-8.0%	2.4%
Private residential	229.6	-9.2%	2.5%

Summary

Both the S&P/Case-Shiller and FHFA purchase-only home price indexes weakened further from August to September.

September 2010 Home Price Indexes

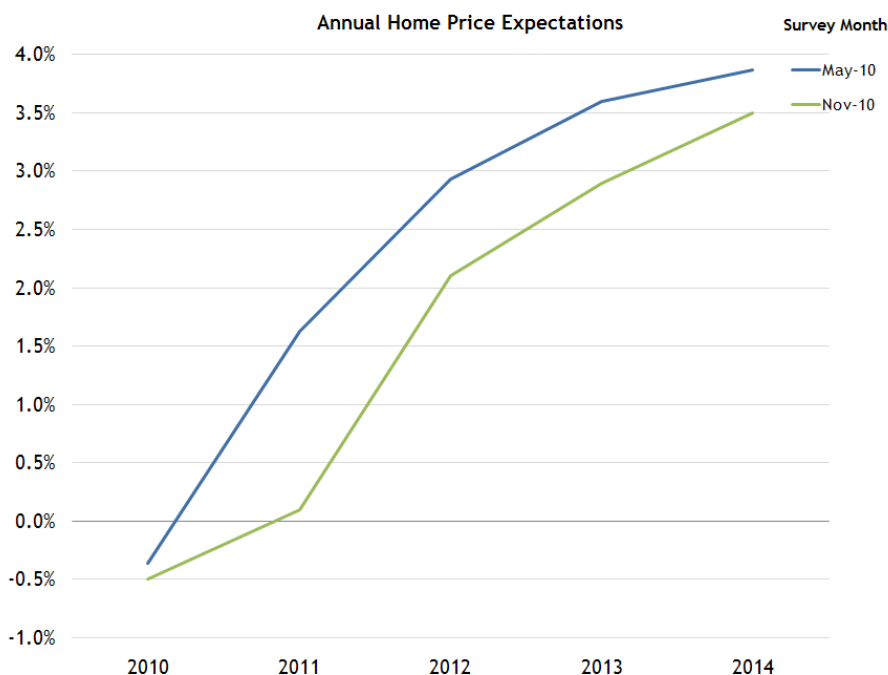


Source: Standard & Poor's and Fiserve Inc., Federal Home Finance Authority

	Sept. (nsa)	Sept. (sa)	M/M (nsa)	M/M (sa)	Y/Y
S&P/Case-Shiller®					
20-city composite	147.5	145.5	-0.7%	-0.8%	0.6%
10-city composite	161.3	159.1	-0.5%	-0.7%	1.6%
Atlanta	107.8	105.8	-1.0%	-0.7%	-3.1%
Miami	145.6	144.8	-1.2%	-1.2%	-2.7%
Tampa	136.5	134.3	-0.8%	-1.3%	-4.3%
U.S. FHFA Purchase-Only	191.9	190.5	-1.2%	-0.7%	-3.4%

Summary

According to MacroMarkets' November monthly survey of home price expectations, the outlook for home price growth has weakened from the initial survey this past spring.



Note: The Home Price Survey is a monthly survey of more than 100 economists, real estate experts, and investment and market strategists. The survey is based on the projected path of the S&P/Case-Shiller U.S. National Home Price Index over the coming five years.

Source: MacroMarkets

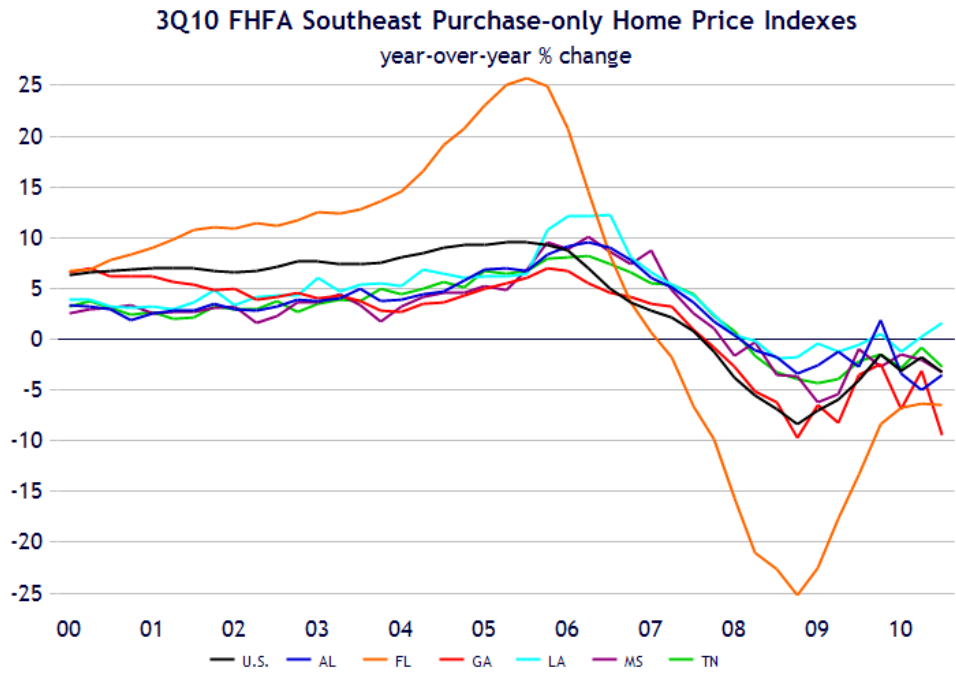
Expected Home Price Changes, by Survey Month Year-over-Year (Q4 vs. Q4 of prior year)

Year	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
2010	-0.4%	-1.4%	-1.7%	-2.1%	-0.8%	-0.6%	-0.5%
2011	1.6%	1.3%	1.1%	0.8%	0.8%	0.2%	0.1%
2012	2.9%	2.7%	2.6%	2.4%	2.5%	2.2%	2.1%
2013	3.6%	3.5%	3.4%	3.2%	3.2%	3.9%	2.9%
2014	3.9%	3.8%	3.7%	3.7%	3.6%	3.4%	3.5%

- MacroMarkets noted in its press release that the November data showed that the survey panel was evenly split among a group of experts who foresee the onset of a housing recovery by 2011 and those who do not expect a recovery to take hold until 2012 or later. There was a similar split among panelists in the October survey.

Summary

Southeast home price indexes were mixed on a year-over-year basis in the third quarter but remained below the year level across the region except in Louisiana, where growth turned positive.

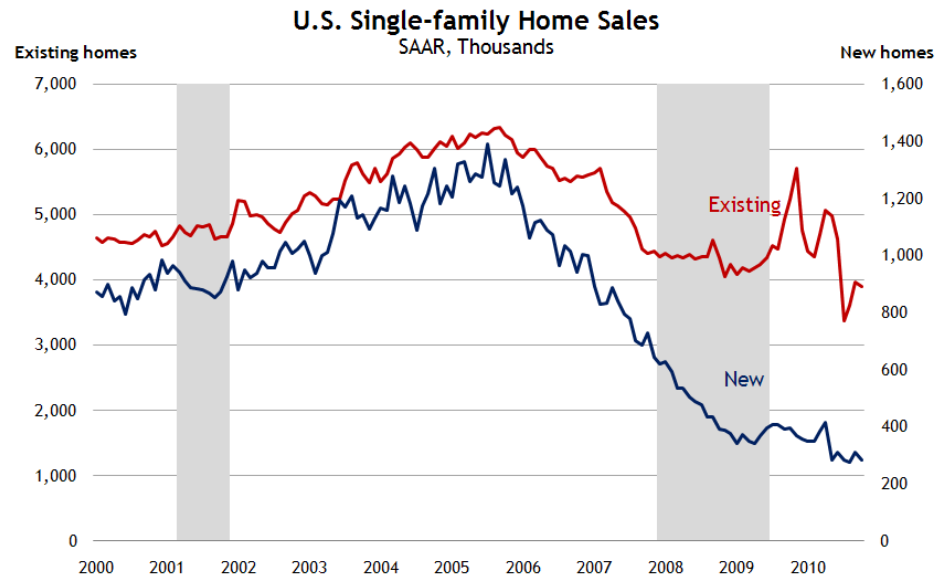


Q3 2010 FHFA Home Price Index

	Index (SA)	y/y change	q/q change
U.S.	190.6	-3.2%	-1.6%
Alabama	184.5	-3.6%	-0.6%
Florida	179.8	-6.5%	-1.7%
Georgia	161.6	-9.5%	-4.3%
Louisiana	233.7	1.7%	1.2%
Mississippi	177.4	-3.2%	-0.6%
Tennessee	187.4	-2.7%	-1.4%

Summary

The National Association of Realtors and the U.S. Census Bureau reported that home sales softened from September to October.



October Home Sales

	thousands, SAAR	y/y change	m/m change
Existing total	4,430	-25.9%	-2.2%
Single-family	3,890	-25.6%	-2.0%
Multifamily	540	-27.6%	-3.6%
New single-family	283	-28.5%	-8.1%