

Economic Highlights

Manufacturing

Industrial Production 1

Consumer Spending

Retail Sales and Components 2

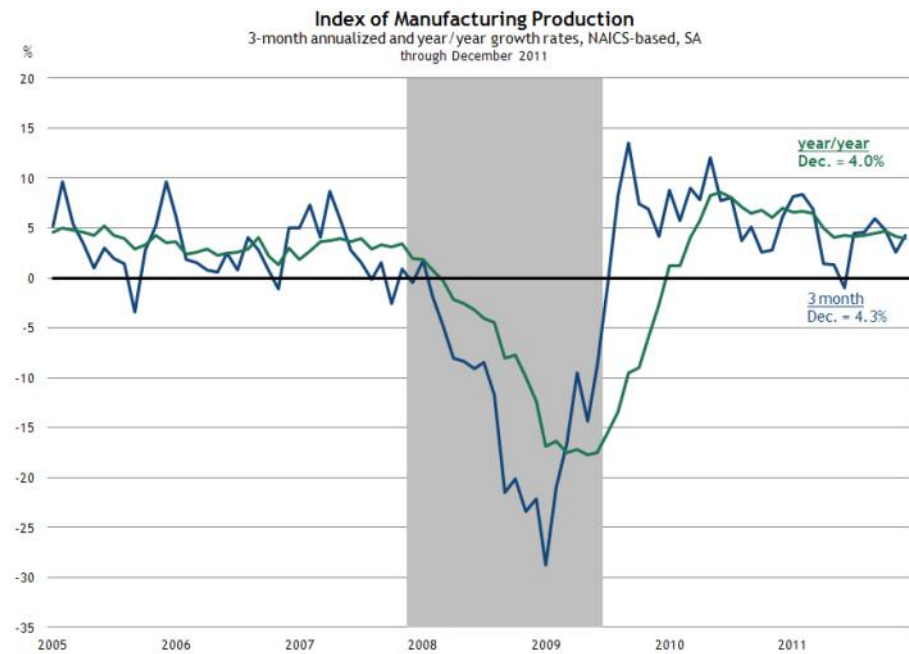
Consumer Sentiment Index 3

Manufacturing

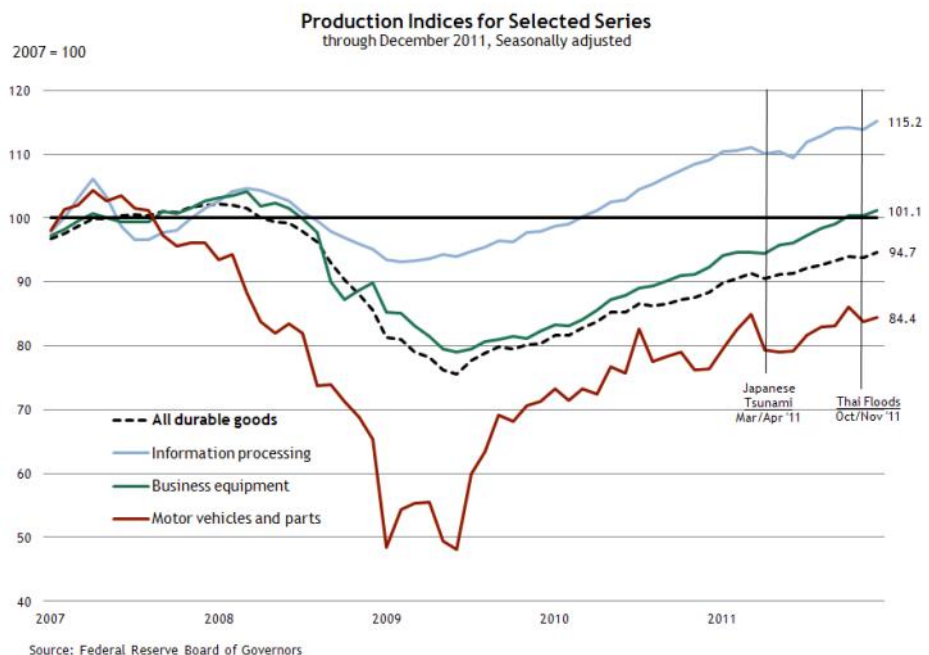
Summary

In December 2011, industrial production added 0.4 percent.

The increase was a result of a stronger month of manufacturing production, the index for which added 0.9 percent in December, and gains in the mining sector, in which output increased 0.3 percent. These gains offset a monthly decline in the utilities sector, where output slipped 2.7 percent due to unseasonably warm weather.



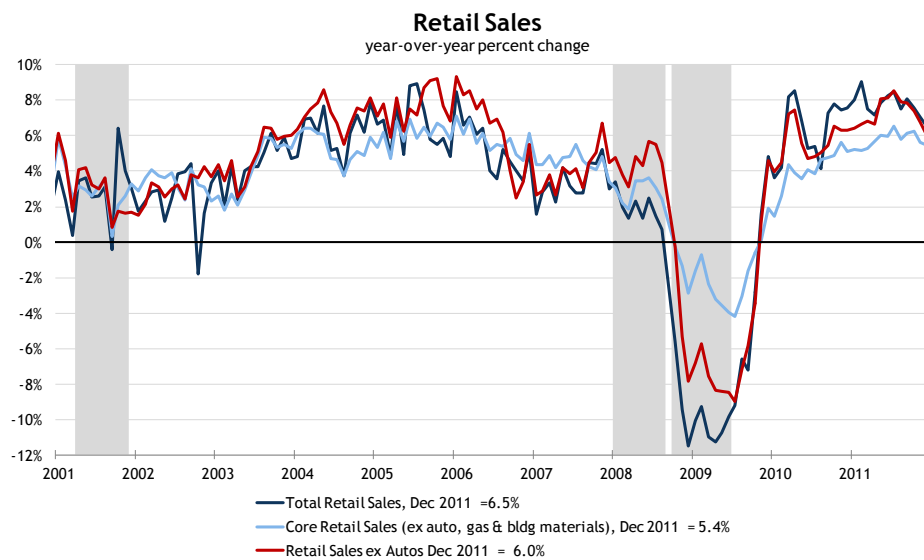
The output of durable goods moved up 0.8 percent in December. Motor vehicles and related parts manufacturers saw an increase in output of 0.5 percent, and the production of business equipment increased 0.7 percent. Information processing output was up 1.3 percent over the month.



Consumer Spending

Summary

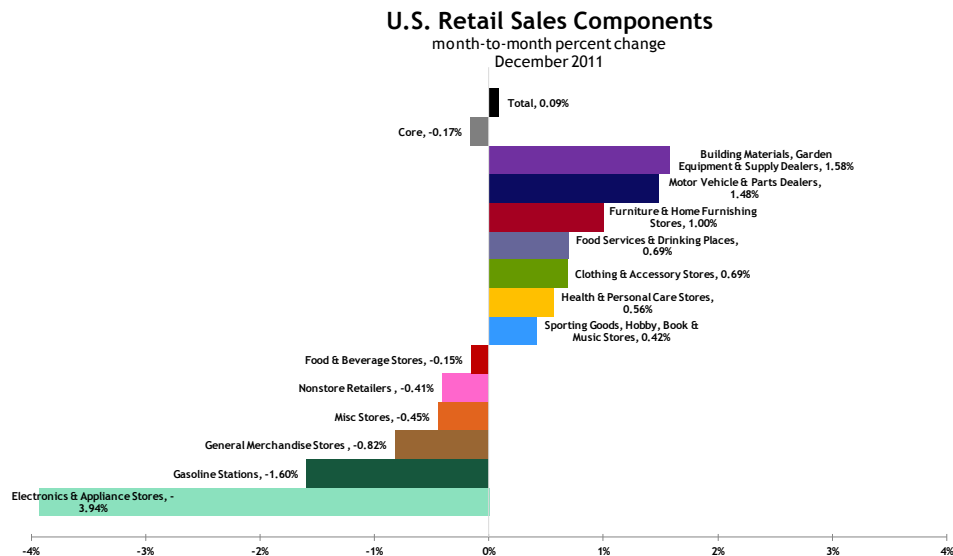
Retail sales rose just 0.1 percent in December. November sales growth was revised up to 0.4 percent from 0.2 percent.



Source: U.S. Census Bureau

- Despite early anecdotal reports of strong holiday spending, December retail sales were quite soft, growing at just 0.1 percent over the month, which was the slowest pace since May 2011.

Spending was strong for building materials, motor vehicles, and furniture.



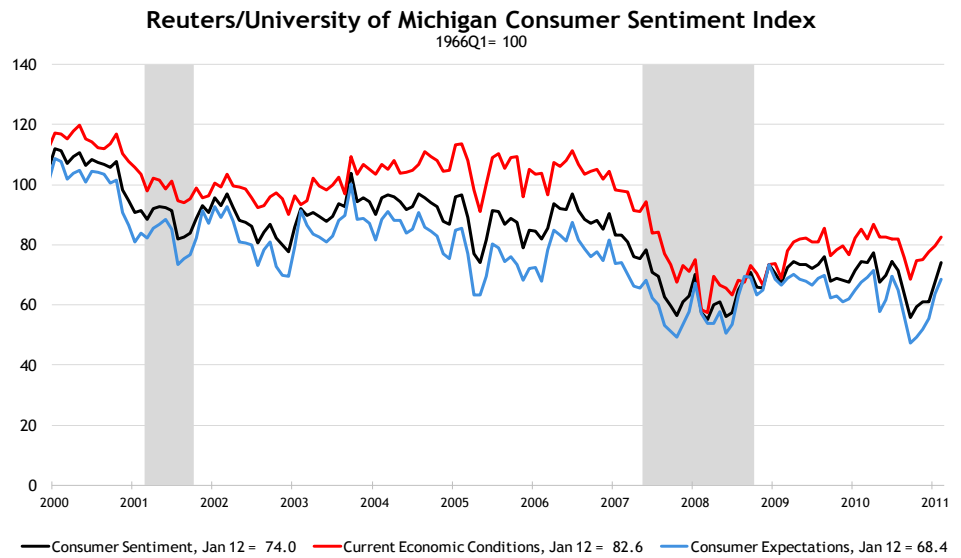
Source: U.S. Census Bureau

- Sales were mixed across retail categories in December. Spending was strong for building materials, motor vehicles, furniture, clothing, and dining out. Sales at electronics and appliance stores were particularly weak.
- Sales at gasoline stations also declined. The data are reported as total dollar value so the decline in gasoline prices in December (national average down 3 percent) is reflected in the sales number as well.

Consumer Spending

Summary

Consumer sentiment improved in January's preliminary reading from the Reuters/University of Michigan consumer sentiment index.



Source: Reuters/University of Michigan

	Month/month	Year/year
Consumer sentiment	4.1	-0.2
Current conditions	3.0	0.8
Expectations	4.8	-0.9