

Economic Highlights

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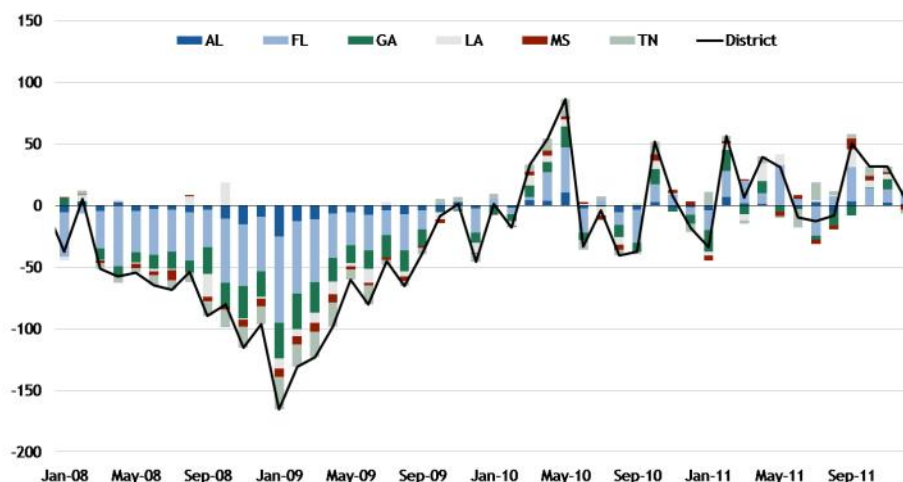
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Employment

Summary

The December employment report indicated a gain of 6,000 jobs for the district.

Payroll Employment Growth by State
monthly change, thousands
December 2011

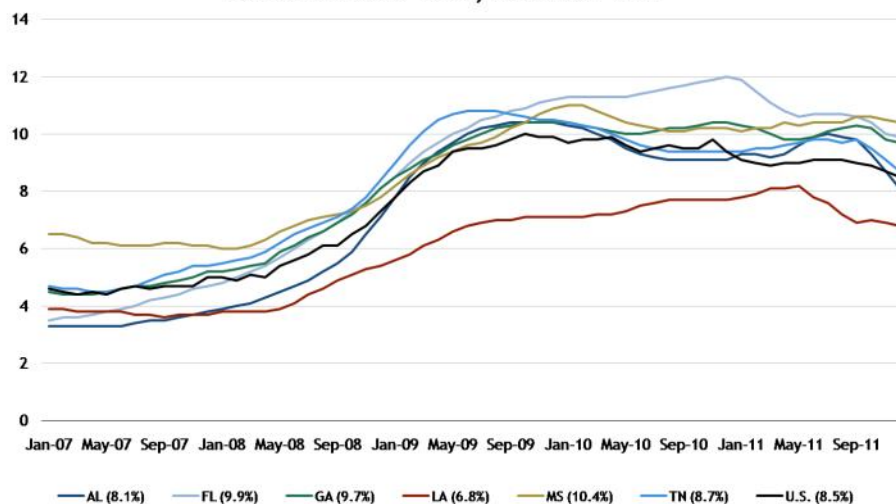


Source: U.S. Bureau of Labor Statistics

- The district added 6,000 nonfarm jobs in December; from September to November 2011, the district experienced monthly payroll increases of 37,700, on average.
- Alabama, Florida, Georgia, and Louisiana reported job gains over the month, adding a combined total of 12,700 payrolls. More than half of these job gains were offset by employment decreases of 3,600 and 3,100 in Mississippi and Tennessee, respectively, in December; none of the states within the district cut payrolls in October or November.
- The monthly changes in employment weren't driven by any particular industry; payroll gains as well as losses were spread out across sectors.

The district unemployment rate decreased to 9.3 percent in December.

District Unemployment Rates
Percent of labor force, December 2011



Source: U.S. Bureau of Labor Statistics

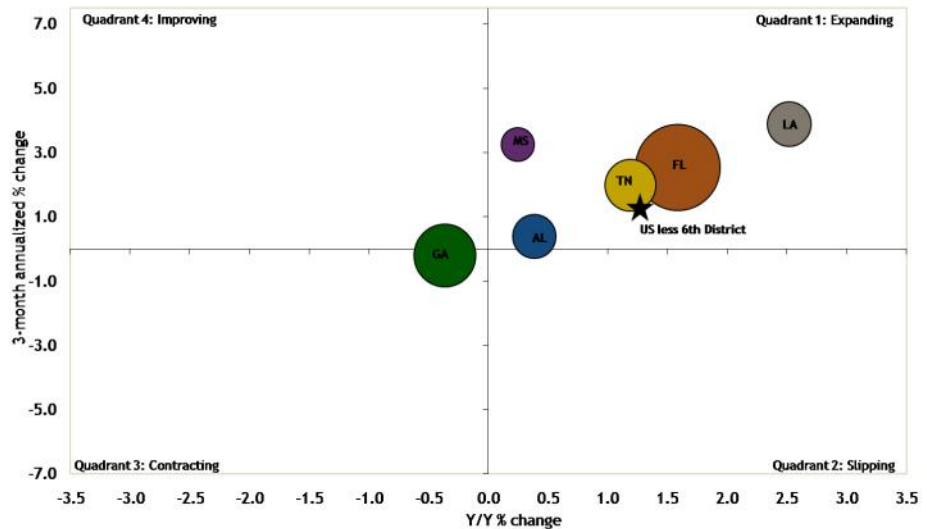
- The district unemployment rate decreased by 0.2 percentage point, to a level of 9.3 percent in December; the rate has decreased by 0.8 percentage point since August 2011.
- All the states within the district experienced unemployment rate decreases. Florida, Georgia, Louisiana, and Mississippi each experienced a decrease of 0.1 percentage point, while Tennessee reported a decrease of 0.4 percentage point. However, the state with the largest monthly decline in the unemployment rate in the country was Alabama, recording a decrease of 0.6 percentage point.
- Alabama and Louisiana are the only states in the district with unemployment rates lower than the national unemployment rate.

Employment

Summary

Most of the states within the district appear to have decent employment momentum.

Sixth District State Employment Momentum
December 2011



Source: U.S. Bureau of Labor Statistics

- When attempting to assess labor market conditions, trends often provide a more complete picture than a single data point. With that in mind, this momentum chart aims to add some perspective to the district’s somewhat weak employment performance in December.
- All the states in the district, with the exception of Georgia, have a higher employment level in December 2011 compared with December 2010. So, most of the district has experienced employment growth on a year-over-year basis.
- More importantly, based on the data of the last three months, most of the district is continuing to experience employment growth.
- In fact, Florida and Louisiana have stronger employment growth momentum than the rest of the country, with Tennessee hot on their heels. Alabama and Mississippi are also in the “expanding” quadrant. However, Georgia remains mired in a weak recovery.

Guide to the Momentum Chart

The size of each state’s bubble reflects its relative share of total employment among the six measured states.

The **horizontal (X) axis** measures long-term trends (year-over-year percent change).

The **vertical (Y) axis** measures short-term trends (three-month average annualized percent change).

Quadrant 1—Short- and long-term employment growth are positive. (The higher in the right-hand corner of the chart a state’s bubble appears, the stronger the state’s employment momentum.)

Quadrant 2—Short-term growth is negative, and long-term growth is positive. (Recent data point to slipping employment momentum.)

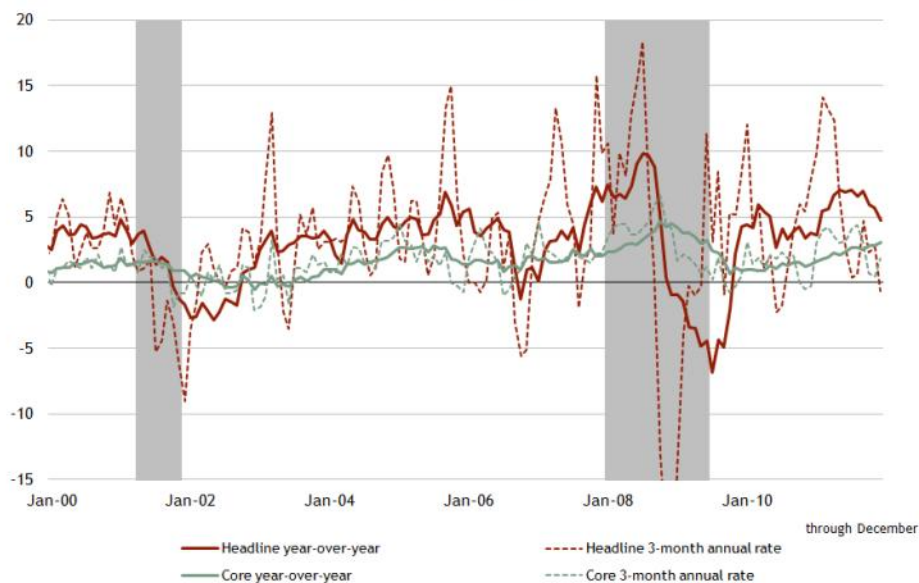
Quadrant 3—Both short- and long-term employment growth are negative. (The lower in the left-hand corner of the chart a state’s bubble appears, the weaker the state’s employment momentum.)

Quadrant 4—Short-term growth is positive, and long-term growth is negative. (Recent data point to improving employment momentum.)

Summary

The headline finished producer price index declined in December, and core accelerated.

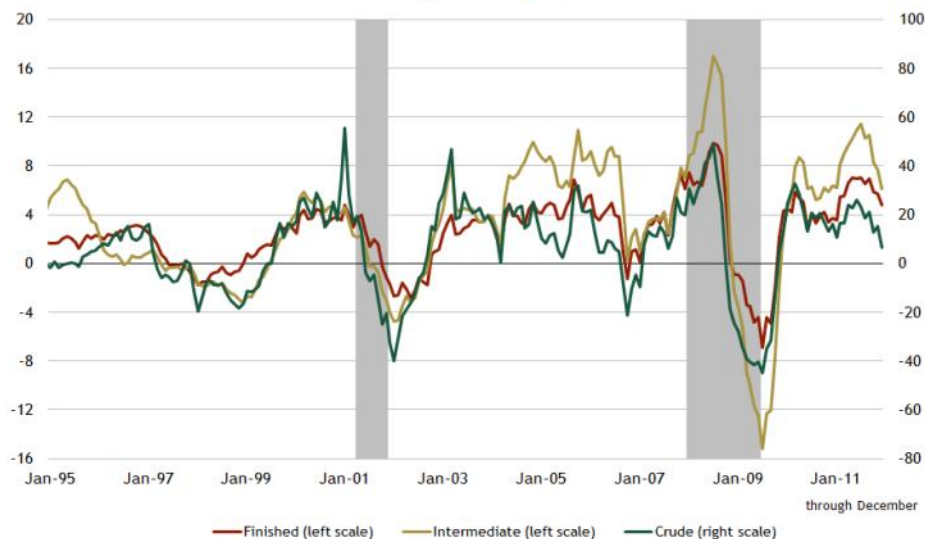
Finished Goods Producer Price Index
% change over given period



Source: Bureau of Labor Statistics

- The August headline producer price index (PPI) for finished goods fell 1.2 (annualized) percent in December, following a 3.2 percent increase in November. The index for finished energy goods declined 8.9 percent, while finished consumer foods prices advanced 8.7 percent (annual rate).
- Excluding food and energy, PPI rose 4.1 percent at an annualized pace, following a 1.4 percent gain in November. The 12-month core PPI, which has been trending higher since early 2010, was 3 percent in December. The finished headline index was up 4.8 percent on a year-over-year basis.
- Looking at earlier stages of production, intermediate PPI declined 5.8 percent. Headline PPI at the crude level declined 12 percent (annual rate) in December. Excluding food and energy, crude PPI rose 0.3 percent.

Headline Producer Price Index, Stages of Production
% year-over-year



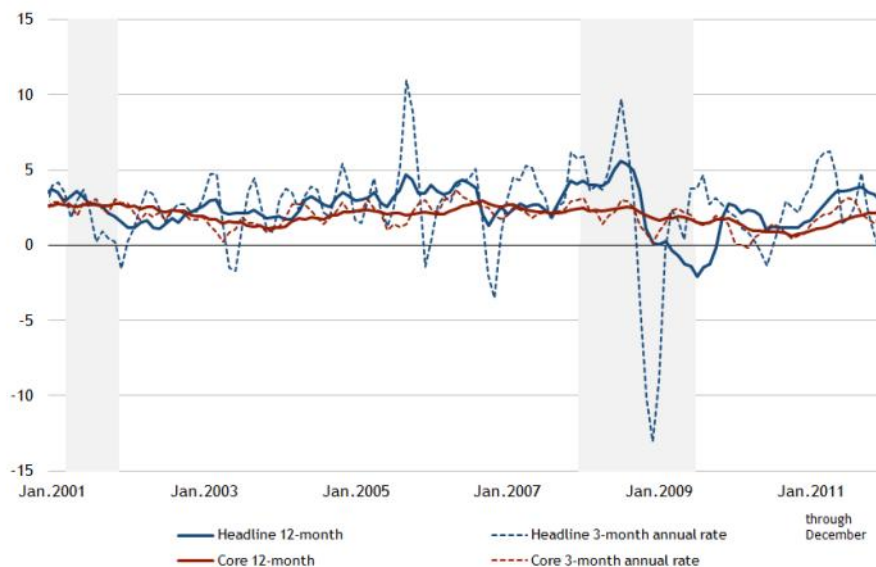
Source: Bureau of Labor Statistics

Summary

The consumer price index (CPI) was about unchanged in December as a decline in the energy index offset increases elsewhere.

Consumer Price Index

percent change over given period



Source: Bureau of Labor Statistics

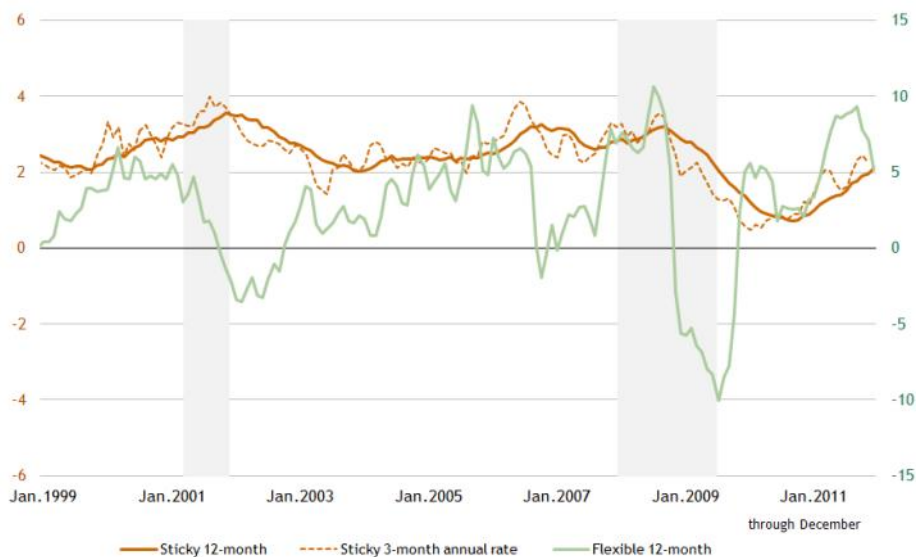
- The headline consumer price index (CPI) increased at a 0.1 percent annual rate in December, following small declines in each of the two prior months. The index for energy declined for the third consecutive month in December. On a three-month annualized basis, the index is down 18 percent.
- Excluding food and energy, the CPI rose 1.8 percent (annual rate) in December, following a 2.1 percent increase in November. Increases in the indices for shelter (up 2.3 percent), medical care (up 4.4 percent), recreation (up 5.5 percent), and education (up 3.5 percent) were accompanied by declines in the indices for apparel (down 1.4 percent), motor vehicles (down 5 percent), and communication (down 0.5 percent).
- On a year-over-year basis, headline CPI in December was up 3 percent, decelerating from 3.9 percent in September. Core CPI was up 2.3 percent.

Summary

Atlanta Fed's sticky price CPI rose 2.7 percent in December.

Sticky and Flexible CPI

percent change over given period

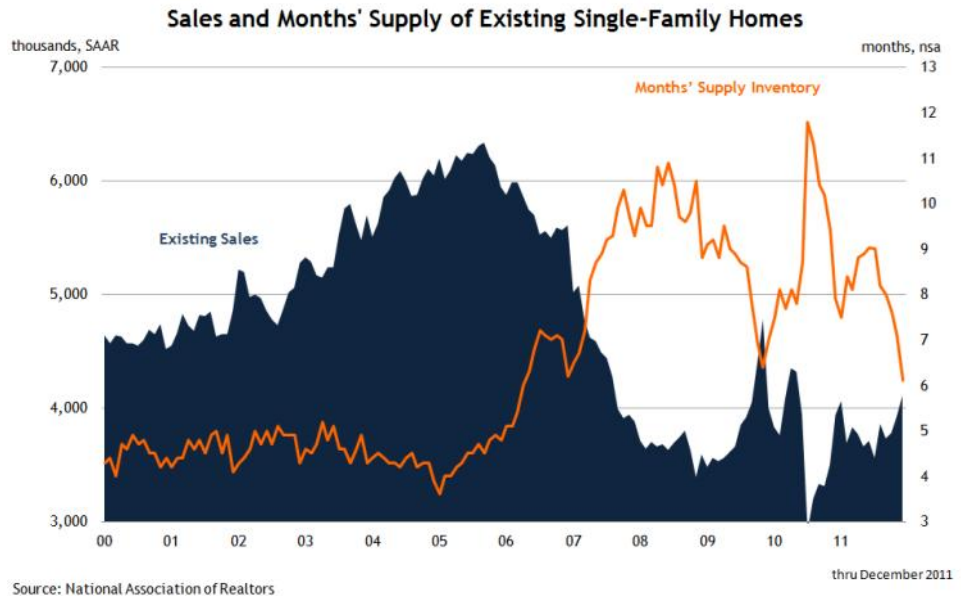


Source: Bureau of Labor Statistics, Atlanta Fed

- The Atlanta Fed's sticky price CPI measure—the weighted basket of goods consumers purchase that change prices relatively infrequently—rose 2.7 percent (annualized) in December, following 2.3 percent growth in November. Compared with a year ago, the index rose 2.1 percent, the largest year-over-year increase since June 2009.
- The sticky price index increased 2.8 percent (annualized) on a core basis (excluding food and energy) in December, and the 12-month index rose 2 percent, continuing to accelerate since the middle of 2010.
- The flexible cut of the CPI—a weighted basket of goods that change price relatively frequently—declined at a 5.6 percent annual rate in December and was up 5.2 percent from year-earlier levels.

Summary

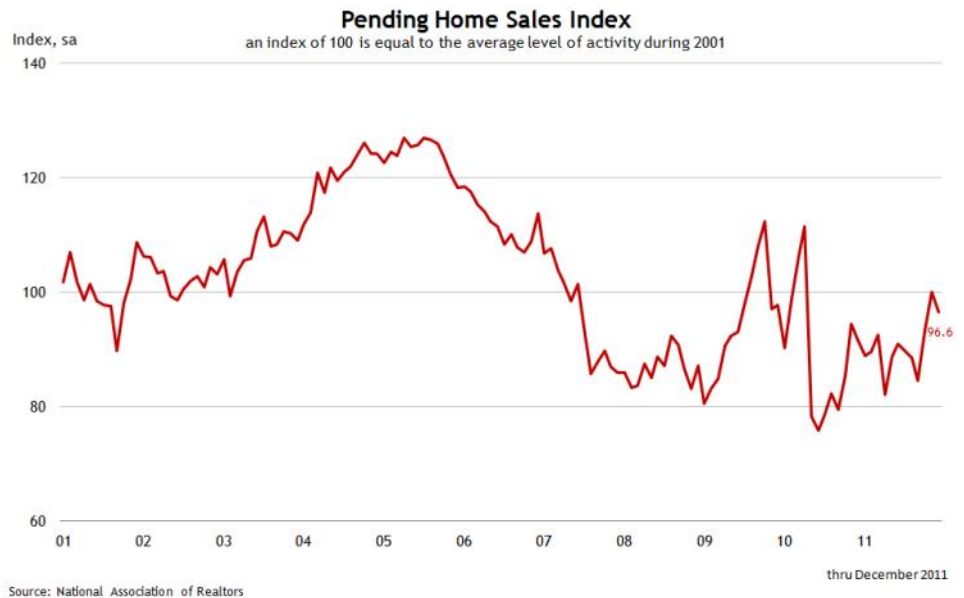
The National Association of Realtors reported that existing home sales improved for the third consecutive month in December, up 5 percent from the prior month, and the months' supply of single-family homes available for sale declined to six months.



December 2011 Home Sales

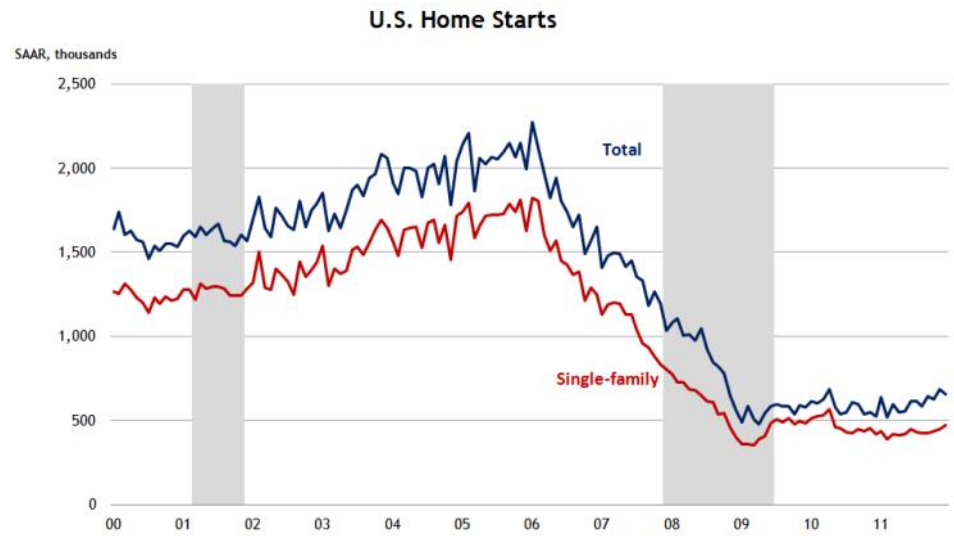
	Thousands, SAAR	Year/year change	Month/month change
Existing Total:	4,610	3.6%	5.0%
Single-Family:	4,110	4.3%	4.6%
Multifamily:	500	-2.0%	8.7%

The National Association of Realtors reported that pending home sales in December edged down slightly.



Summary

The U.S. Census Bureau reported that housing starts edged down slightly from November to December but remained ahead of weak levels a year earlier.



Source: U.S. Census Bureau

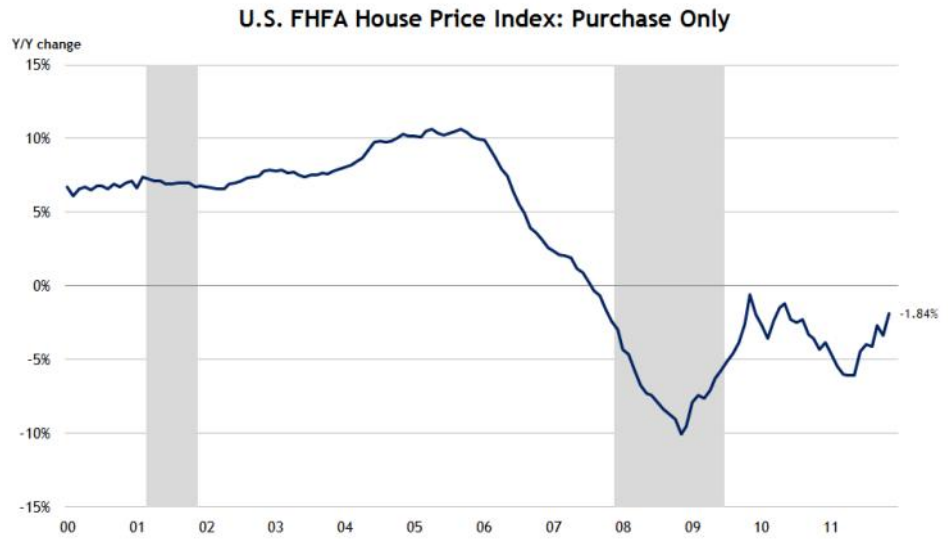
thru December 2011

December 2011

	SAAR, Thousands	Month/month (sa)	Year/year
Permits			
Total:	679	-0.2%	7.8%
Single-family:	444	7.8%	-0.2%
Multifamily:	235	-3.7%	27.0%
Starts			
Total:	657	-4.1%	24.9%
Single-family:	470	4.4%	11.6%
Multifamily:	187	-20.4%	78.1%

Summary

The Federal Housing Finance Agency reported that their home price purchase-only index edged down nearly 2 percent from October to November, but year-over-year declines moderated.



Source: Federal Housing Finance Agency