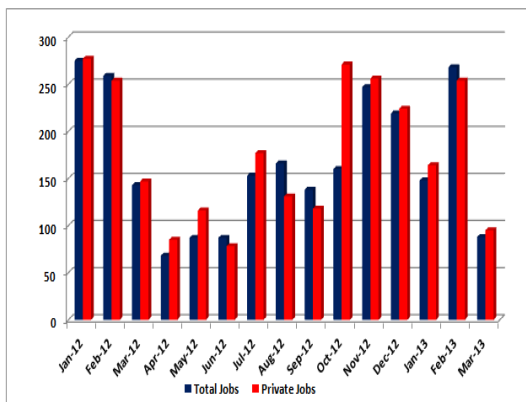


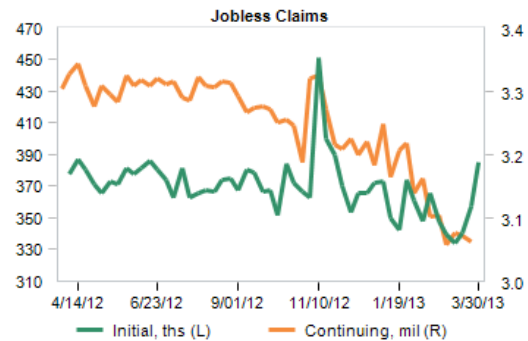
ECONOCAST™ UPDATE – April 8, 2013

U.S. Economy – Speed Bump not a Road Block

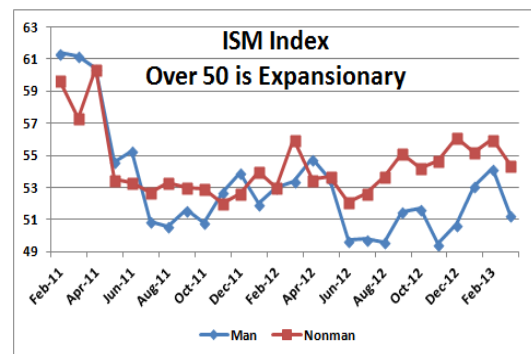
After appearing to gain momentum earlier in the year growth has slowed. The March employment report signals dramatically that the pace of growth was slower prior to the drag from sequestration which will build towards midyear. Nonfarm payrolls increased only 88,000, way below consensus, following the stronger 236,000 jobs in February. The March report is not quite as bad as it looks. Some of the slowdown likely resulted from the abnormally cold and snowy weather in much of the country, pushing down clothing and restaurant sales supporting less seasonal hiring than in years past. April should see some bounce back, as normal spring activity gets a late start.



The data for new claims for unemployment compensation correctly signaled the slowing pace of job creation rising steadily over the last three week. The index bears careful monitoring over the next few weeks to determine if the slowdown was in part weather related or if something more ominous is unfolding.

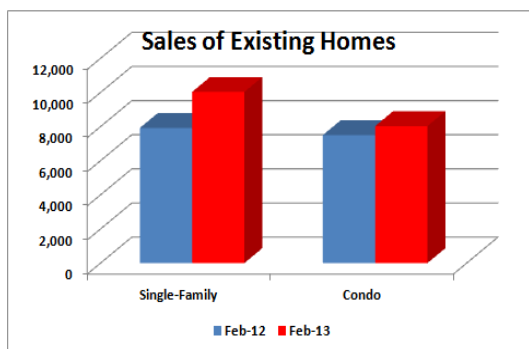


The purchasing manager's indexes were also weaker in March as new order volumes declined and exports retreated.



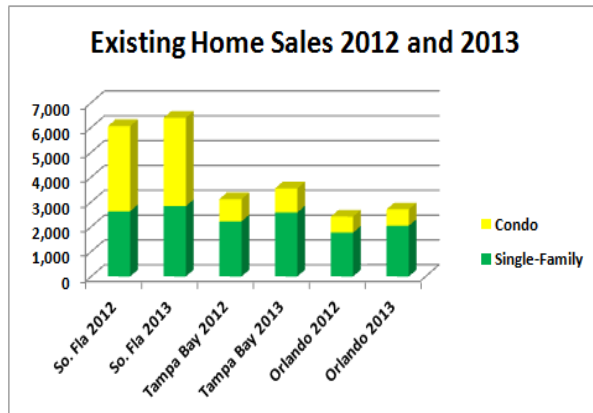
Florida Economy: Housing Sales Continue Rising in February

Sales of existing homes in Florida continued improving in February with single-family sales rising 26% over 2012 to more than 10,000 units and condo sales up 7% over the year to over 8,000 units.



The inventory of units for sale has plunged over 20% for singles and condos, so at current sales levels there is less than six months of inventory making for very tight markets. As a result, the median prices have increased 12% for single-family homes and 21% for condominiums. Pending sales are rising much faster than closed sales portending even stronger sales going forward.

Existing home sales rose 6% to 6,400 over the last 12-months in South Florida (Dade, Broward, and Palm Beach counties). Single-family sales were up 8% with condo sales up 4% over the year. Total home sales rose much faster in Tampa Bay, up 14% over the year. Sales gains were driven by a 16% jump in single-family home sales over the last 12 months. Orlando lies in between with total sales up by 12% over the year paced by a 16% gain in single-family sales.



The rising sales volumes drove prices up in all major metro areas. For example, in South Florida the median prices rose 22% for single-family homes and 25% for condominiums over the last year. While not as ebullient as south Florida's pricing performance, in Tampa Bay home prices rose 15% for single-family units and 8% for condominiums for the 12-months ending February 2013. In Orlando prices for existing single-family homes rose by 16% and 20% for condominiums.

The rapid increase in sales volumes has depleted the inventory of homes for sale all across these major metro areas. In South Florida at current sales rates the inventory is less than six months for single-family homes and for condos. The inventory is even tighter in Tampa Bay with just 4.5 months of single-family inventory and 5.2 months of condominiums for sale. Finally, the Orlando market is particularly tight. There is only 3.5 months of single-family inventory and just 3.1 months of condominium inventory at current sales rates in Orlando. The levels of pending sales are quite high, so markets should continue to tighten.