

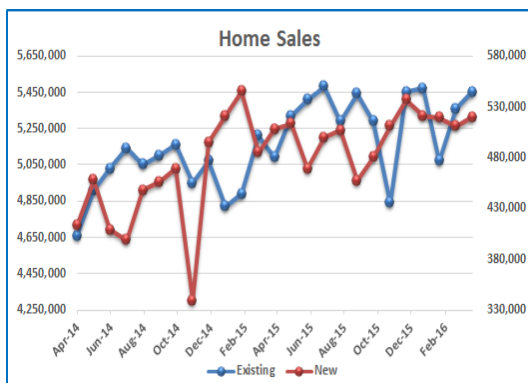
ECONOCAST™ UPDATE – May 23, 2016

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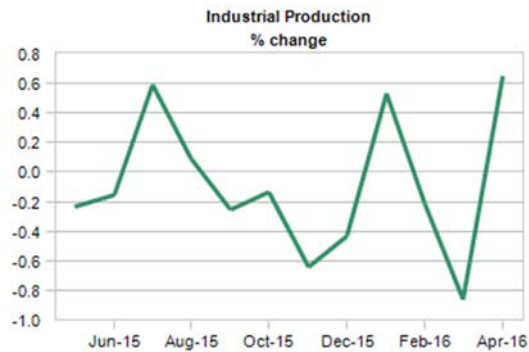
U.S. Economy – More Home Sales and Higher Production

Last week's economic reports were encouraging. Existing home sales jumped 1.7% in April and were 6% above April 2015. Even so, existing-home sales are still flat over the past nine months. Almost all of the improvement took place from May-to-July 2015. Sales gains were limited by weak wage growth and lower listing levels. Listings continue to trend downward, and they have not reacted yet to steadily rising house prices.

Data for new home sales will be released later this week, and I expect a modest rebound. Builders report rising activity through their model centers and consumers are becoming more optimistic.



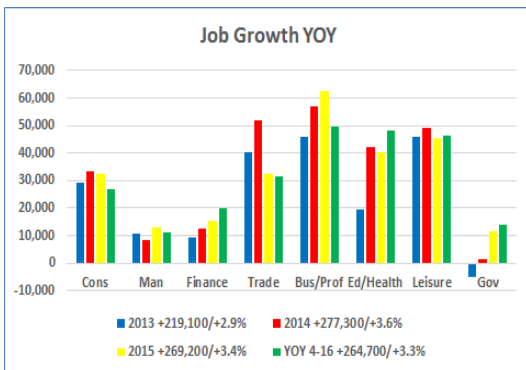
Industrial production rose strongly in April rising 0.7%. Although mining and oil production remained weak, their contractions are mostly behind us. The stabilizing dollar will boost exports and production this quarter. The capacity utilization rate edged higher to 75.4%, as there were broad-based gains in production.



The minutes from the Federal Reserve's April meeting indicate that policymakers believed a June rate hike could be warranted. As usual, the Fed noted that they would be guided by the economic data. Though the minutes signal that a June rate hike is still possible, odds are the Fed will wait. With the UK to vote on exiting the EU along with other risks, there are too obstacles to justify raising rates in June without disrupting financial markets.

Florida Economy: Job Growth Accelerates in April

For the first time in over nine months job growth accelerated on a year-over-year basis in April. Job gains were nearly 265,000 for a gain of 3.3%. All major sectors advanced including manufacturing and government that have lagged. Business and professional services, education and healthcare and leisure (tourism) each added almost 50,000 jobs over the last year.



Florida continued to rank second only to California for job growth. With a 3.3% rate of growth Florida ranked first among the leading states. Florida's performance is impressive with high absolute and percentage gains in employment.



Florida's unemployment rate edged down to 4.8% in April. Wage gains accelerated in tourism, trade, and construction as Florida's labor

markets approach full employment. It was particularly encouraging that Florida's labor force grew by 2.1% over the year as workers were attracted by the 2.8% annual gain in household employment. Florida's strong job market is drawing in discouraged workers from Florida and those seeing better jobs from other states.

All of Florida's 24 MSAs enjoyed positive job gains over the year, but the pace differed sharply across the State. Orlando continued to lead all MSAs with a job growth of 55,000 for a 4.7% gain over the year lead by strong gains in tourism, construction and healthcare. Tampa's job growth of 39,800 was fueled by gains in business and professional services, healthcare and tourism. Ft. Lauderdale's job growth was broad based with every sector advancing. Surging retiree growth supported the strong job gains in Cape-Coral/Ft. Myers and Port St. Lucie. Strong gains in tourism and healthcare supported gains in Jacksonville.

Data as of April 2016	Unemployment Rate	Job Gain last 12 Months	% Change Jobs
Florida	5.1%	264,700	3.3%
Cape Coral-Ft. Myers	4.1%	12,100	5.0%
Gainesville	3.9%	3,900	2.9%
Jacksonville	4.3%	21,400	3.3%
Lakeland-Winter Haven	5.0%	5,900	2.9%
South Florida	4.8%	66,100	2.7%
Ft. Lauderdale	4.2%	31,500	4.0%
Miami	5.4%	20,800	1.9%
West Palm Beach	4.3%	14,900	2.6%
Naples	4.1%	3,200	2.4%
North Port-Sarasota-Bradenton	4.2%	7,900	2.8%
Ocala	5.3%	2,100	2.2%
Orlando	4.1%	54,000	4.7%
Palm Bay	5.0%	1,800	0.9%
Pensacola	4.5%	2,200	1.3%
Port St. Lucie	4.8%	4,900	3.6%
Punta Gorda	4.9%	1,200	2.6%
Sebastian-Vero	5.5%	1,200	2.5%
Tallahassee	5.7%	2,800	1.6%
Tampa-St. Pete	4.3%	39,800	3.2%

Job growth was relatively slow in north Florida outside of Jacksonville. Pensacola and Tallahassee eked out gains of less than 2%.