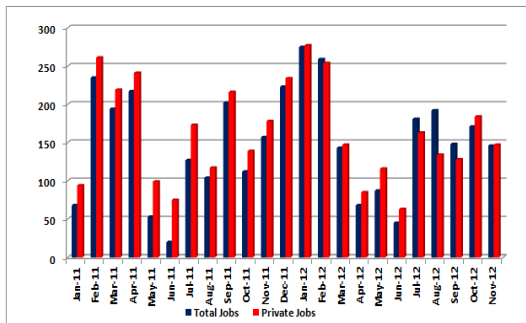


ECONOCAST™ UPDATE – December 10, 2012

U.S. Economy – Employment Better than Feared

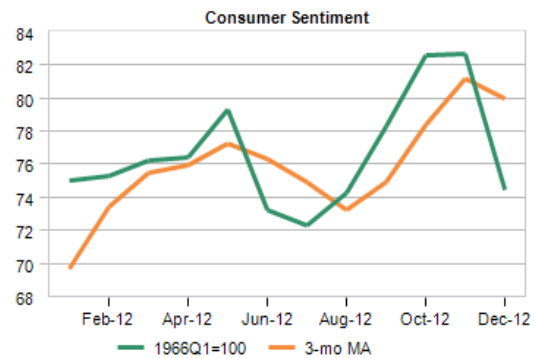
Payroll employment increased 146,000 in November which was better than expected considering Hurricane Sandy struck on Halloween. The unemployment rate edged lower, but this was due to a contraction in the labor force as unemployed workers suspended job searches because of the storm. Overall November's report indicates that labor markets continue to slowly improve with private payroll growth averaging 152,000 over the last three months.



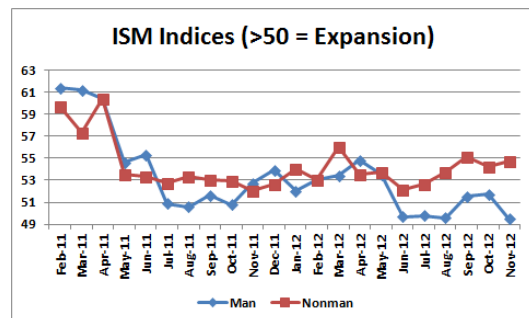
I expect job growth to slow some over the next few months due to uncertainty over government policy and the fiscal cliff. Once this is resolved, the labor market should improve measurably. In addition, reconstruction in the aftermath of Hurricane Sandy will provide a

positive stimulus to building and retail sales.

Concerns over the fiscal cliff finally caught up with consumers in December, and confidence dropped 8.2 points to settle at 74.5.

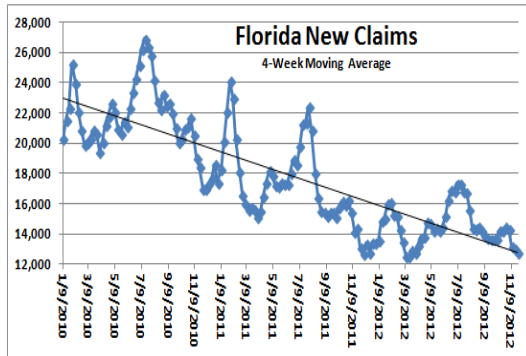


U.S. manufacturing unexpectedly weakened in November as the ISM manufacturing index fell from 51.7 to 49.5. Services fared better than expected in November; the ISM nonmanufacturing index rose from 54.2 to 54.7, reversing some of the previous month's decline.

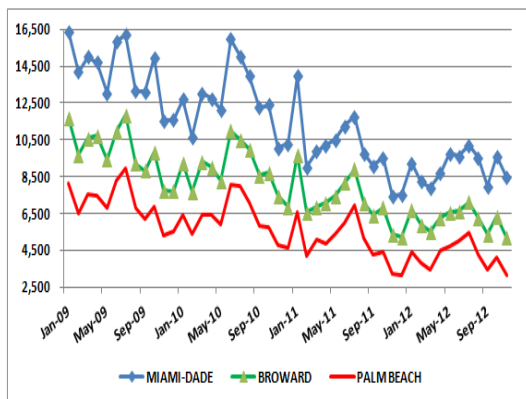


Florida Economy: Florida's Labor Markets Continue to Heal

Florida's labor market is continuing to slowly heal, much like the improvement in the U.S. at a slow but steady rate. New claims for unemployment compensation continued to trend lower in November along much the same downward trajectory as before.

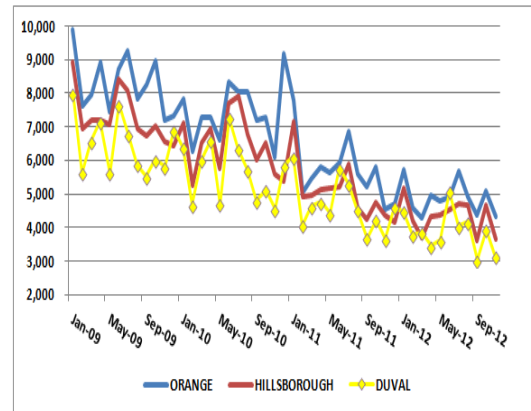


New claims declined in almost every county of the State. The improvement for new claims in south Florida was muted with improvement much slower than the statewide average. Miami-Dade's claims remain stubbornly high, which is surprising given the strength in its tourism, trade, and real estate markets. Broward and Palm Beach exhibit similar trends with only slow improvement.



Central Florida's labor markets are improving much faster. The slope

for the decline in new claims is steeper than statewide. Furthermore, improvements have accelerated over the last year particularly in Orange County. Central Florida's real estate markets are healing fast and the tourism, trade, and health care sectors are all enjoying stronger sales.



Southwest Florida's labor markets are mixed. Lee County's labor market has flattened over the last six months with only modest overall reductions in claims. This reflects some stalling in its real estate market. By contrast and despite the monthly noise in the data, Sarasota Collier counties improving claims reflect their relatively stronger real estate markets, and more buoyant overall economies.

