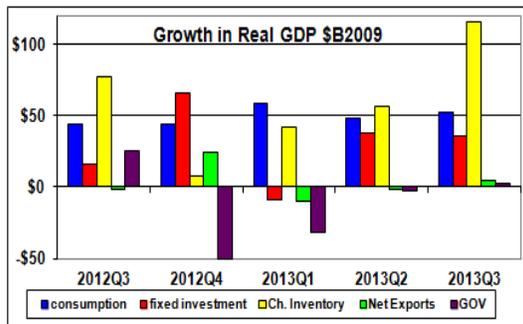


ECONOCAST™ UPDATE – December 23, 2013

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U.S. Economy – A Christmas Present for the Economy

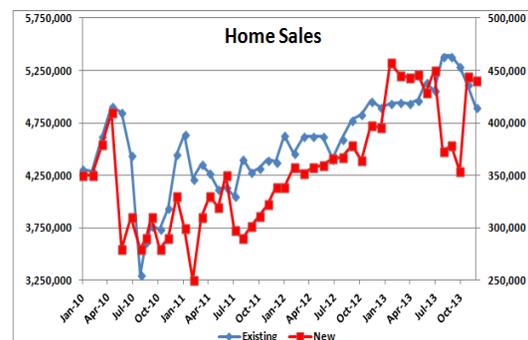
The economy is gaining some momentum as the year ends. Revised estimates now show that real GDP grew at a 4.1% pace in 2013Q3. GDP growth accelerated steadily in 2013 from 1.2% in the 1st quarter and 2.5% in the 2nd quarter. Inventory investment dominated growth, but this is not sustainable on its own. Gross domestic income added only 1.8%, its slowest advance in a year. So, the growth trajectory in 2014 depends upon job growth and investment.



Labor market indicators are all improving including faster job growth, lower unemployment, and turnover rates. With a two-year budget just passed all of the pieces were in place to support the FOMC's decision to reduce its pace of bond

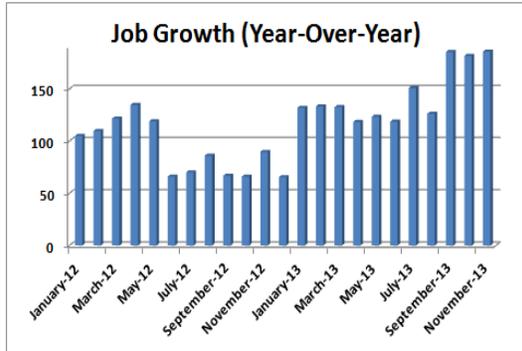
purchases by \$10 billion beginning in January. The pace of policy change will be in "measured steps" depending upon the data. The FOMC reiterated its commitment to keep interest rates very low until the unemployment rate falls "well past" 6.5%. Stocks rallied strongly on the new with the Dow shooting past 16,200. Bond prices fell pushing the yield on the 10-Year Note to 2.9%.

The only negative news was the continued declines in existing home sales. Rising mortgage rates have taken the steam out of existing sales which have fallen three months in a row. However, housing affordability is still historically high and the recent pickup in employment growth will bolster demand. The report for new home sales which will be released tomorrow should continue to show strength, but sales will be a bit lower due to the higher mortgage rates.

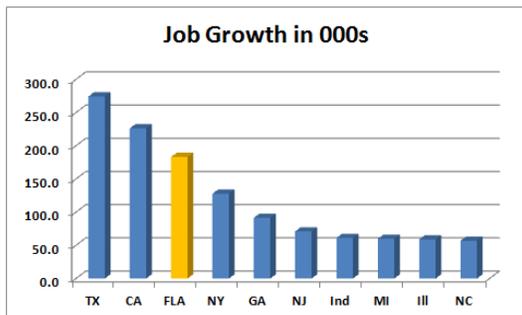


Florida Economy: More Jobs

Florida's labor markets continued to improve at an accelerating rate in November. Over the year job gains totaled 185,800 for a 2.5% gain far faster than the national average of 1.7%. November was the third month in a row with year-over-year job growth above 180,000.

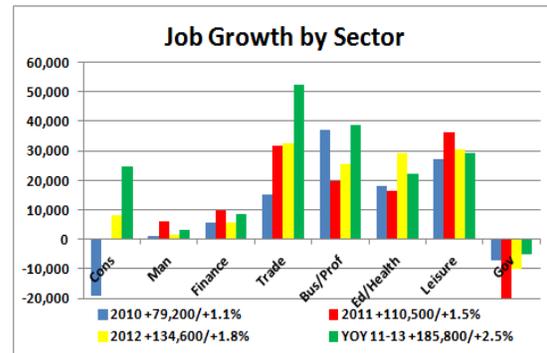


Florida continues to rank 3rd among the states in total job growth behind Texas and California. However, Florida is closing the gap as the State's job growth accelerates.



Employment gains for the 12-months ending in November were recorded for all major sectors except government. Strong gains in retail trade, business and professional services, leisure/hospitality, healthcare, and construction. The recovery in construction activity drove gains in specialty trade contractors. Gains in tourism and population growth pushed up retail

trade, eating and drinking places, food stores, and healthcare. There was a big jump in employment services which presages further gains in employment.



Job totals increased in 20 of Florida's 22 metro areas over the last year. Tampa-St. Pete continued to lead all areas posting a 39,300 job gain or 3.3%. Orlando followed with 28,900 jobs for a gain of 2.7% over the year. Only Palm Coast and Panama City recorded job losses for the 12 months ending in November.

Data as of October 2012	Unemployment Rate	Jobs last 12 Months	% Change Jobs
Bradenton-Sarasota	6.1%	6,800	2.7%
Cape Coral-Ft. Myers	6.2%	3,600	1.7%
Deltona-Daytona Bch.	6.3%	1,500	1.0%
Florida	6.2%	185,800	2.5%
Ft. Lauderdale-Pompano	5.2%	17,700	2.4%
Ft. Walton Bch	4.5%	2,900	3.7%
Gainesville	4.9%	4,400	3.3%
Jacksonville	5.8%	11,600	1.9%
Lakeland-Winter Haven	7.3%	1,200	0.6%
Miami	7.0%	1,600	1.5%
Naples	5.8%	9,500	7.9%
Ocala	7.1%	3,300	3.5%
Orlando-Kissimmee	5.8%	28,900	2.7%
Palm Bay-Melbourne	6.8%	3,100	1.6%
Palm Coast	9.2%	-200	-1.0%
Panama City	6.3%	-1,600	-2.3%
Pensacola	5.9%	2,500	1.5%
Port St. Lucie	7.6%	7,600	6.1%
Punta Gorda	6.3%	1,200	2.9%
Tallahassee	5.4%	5,000	3.0%
Tampa-St. Petersburg	6.2%	39,300	3.3%
Vero Beach	7.6%	3,700	8.1%
West Palm-Boca Raton	6.4%	12,000	2.3%

Percentage gains were notable in Vero Beach (+8.1%), Naples (+7.9%), and Port St. Lucie (+6.1%) driven by gains in retail trade and healthcare.