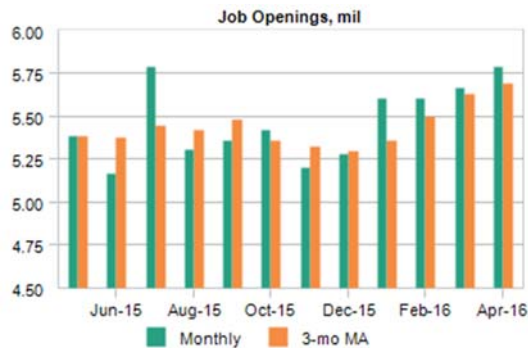


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U.S. Economy – Job Openings Up, Home Prices Up, Confidence Steady

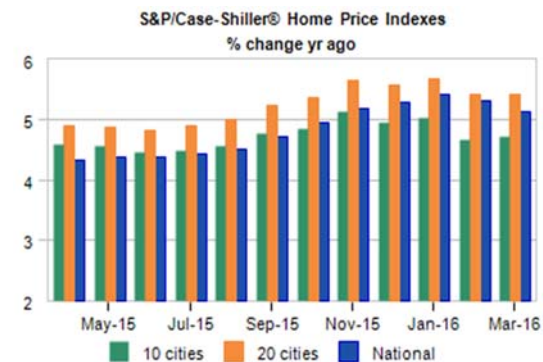
Last week’s economic reports confirm that the sky is not falling. April’s Job Openings and Labor Turnover Survey showed job openings rising to an all-time high, and they were up 15% over last year.



However, the number of hires declined to 5.09 million. It is odd that openings are up while hiring is down. It is likely that employers are finding it difficult to fill positions at current wage levels. These data suggest two things. First, hiring will rebound. Second, wages will grow more strongly going forward this year as employers work to fill openings.

Prices for existing homes advanced 5.2% over the 12 months ended in March according to the Case-Schiller

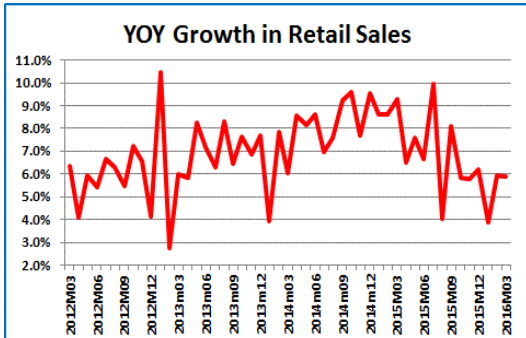
home price index. Although prices continue advancing at a healthy clip, the pace of appreciation has slowed. Nationally, the index is just 4.2% below its prior Great Recession peak. However, prices are far below their prior peaks in many major cities including Las Vegas (-37%), Miami (-26%), and Chicago (-23%).



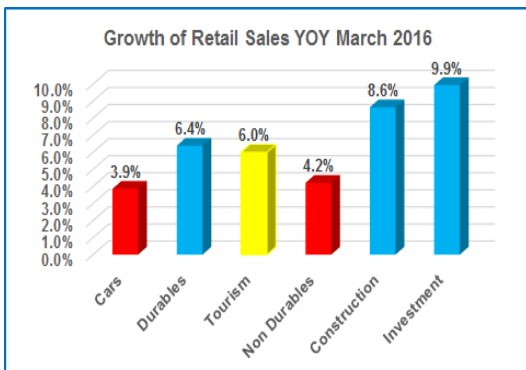
Housing markets have rebounded, and they will make a major contribution to growth this year. Total home sales have reached 6 million annualized, but they are still slightly below last decade’s pre-housing boom average. Construction of single-family homes is accelerating, slowly but steadily, but they remain far below the pre-housing boom average. Multifamily construction, particularly of apartments, will continue at a high level adding to GDP.

Florida Economy: Retail Sales Up a Solid 6% Over the Year

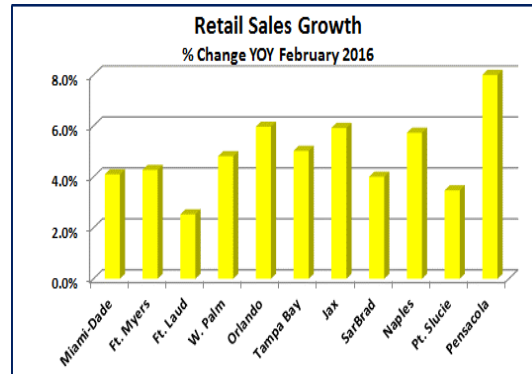
Florida's retail sales continued advancing at a 6% annual pace over the 12-months ending in March. While sales gains have slowed over the last six months, an annualized gain of 6% without inflation represents a strong gain in the real volume of sales.



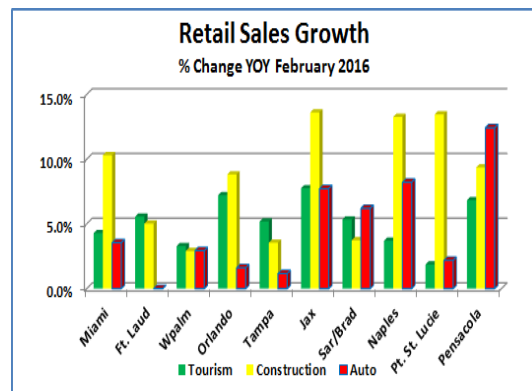
The composition of the sales gains has shifted significantly over the last six months. Previously, sales gains in autos and in nondurables were the leading sectors, but both have now cooled. They were replaced by big jumps in business investment and in construction spending. At the same time, sales gains in the tourism and durables sectors remained robust. With Florida's strong population growth it is odd that sales of nondurables are not advancing faster.



The growth in retail sales varied sharply across Florida's major metro areas. Pensacola lead the pack with a gain of 8% over the year followed by gains of 6% in both Orlando and Jacksonville. Surprisingly, retail sales grew a paltry 2.5% over the year in Ft. Lauderdale and by only 3.5% for the year in Port St. Lucie. In light of their good growth in population and employment, these modest sales gains are likely to be short lived.



The big gain in retail sales in Pensacola came from soaring auto sales, which is, probably, catch up from last year's weaker levels. Construction spending was up by double-digits in Jacksonville, Naples, and Miami.



The slower growth in auto sales in most markets is consistent with national trends as pent up demand is now mostly satisfied.