

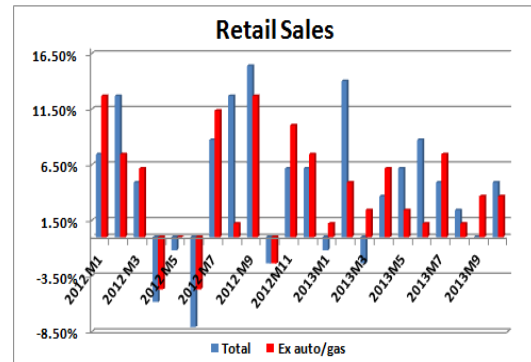
ECONOCAST™ UPDATE – November 25, 2013

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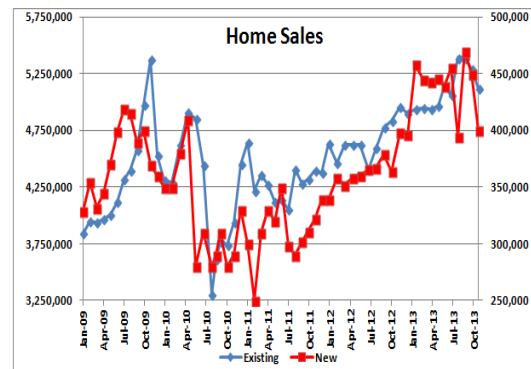
U.S. Economy – More Slow Growth

The latest U.S. economic indicators point to more slow growth. Core retail sales (sales less gasoline and autos) grew at a 3.6% annual pace in October, the same as September. Top line sales rebounded to a 5% annual pace on the strength of stronger auto sales. Overall, retail sales in October showed little effect of the government shutdown. However, sales are modest, because of weakness in disposable income and consumer confidence. Sales are not only soft, but they are volatile with different segments leading sales increases nearly every month. It appears that households periodically release pent-up demand which then drops due to weak income gains. So, the holiday season will be difficult for retailers.

Next year should be better, assuming Washington resolves the fiscal issues as I expect. This will drive confidence higher and allow the gains in employment to translate into higher levels of spending. Spending growth will accelerate in 2014, but the risks to the forecast are on the downside.



Housing markets have slipped over the last 60-days with sales down significantly from their near-term peaks. Sales have slowed since mortgage interest rates moved higher this summer and fighting over the federal budget hurt consumer confidence. Even so, all major measures of housing are well above their year-ago levels and sales of existing homes remain above the 5 million mark.

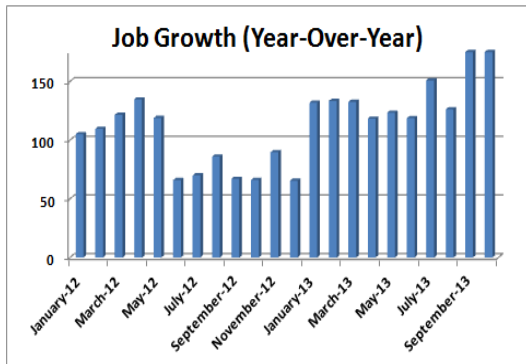


Florida Economy: Florida's Job Growth Accelerates

Florida's economy has finally turned the corner with job growth accelerating above the national average. Florida ranked 1st in the U.S. for job growth in October with a gain of 44,600. Over the year job growth jumped 181,700 for a 2.5% gain compared to 1.7% for the U.S. pushing Florida to 3rd place nationally.

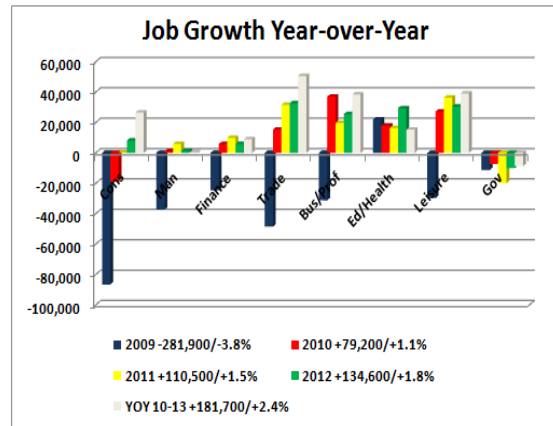


The accelerating pace of job growth is particularly noteworthy. On a year-over-year basis the upward trend is strong.



Every sector had positive job growth over the year, except for government. Even in the government sector, the local government subsector had an over the month gain suggesting losses to this sector are slowing. The breadth of the job growth across sectors

means that these gains should be sustainable going forward. Gains in retail trade, leisure/hospitality, construction and professional and business services were particularly noteworthy over the year.



Job growth was strong all across the state with only two metro areas losing jobs, Palm Coast and Panama City. Tampa-St.Pete lead all metros with 39,800 jobs over the year followed by Orlando, Ft. Lauderdale, West Palm and Jacksonville. On a percentage basis job growth soared 7.6% in Naples over the last 12-months followed by a gain of 6.7% in Vero Beach and 6% in Ft. Walton Beach.

Data as of October 2013	Unemployment Rate	Change in Jobs last 12 Months	% Change Jobs
Bradenton-Sarasota	6.5%	5,300	2.2%
Cape Coral-Ft. Myers	6.5%	5,300	2.6%
Deltona-Daytona Bch.	6.5%	2,400	1.5%
Florida	6.7%	181,600	2.5%
Ft. Lauderdale-Pompano	5.3%	18,900	2.6%
Ft. Walton Bch	4.4%	4,700	6.0%
Gainesville	4.8%	2,400	1.8%
Jacksonville	6.0%	11,200	1.9%
Lakeland-Winter Haven	7.5%	2,000	1.0%
Miami	8.5%	9,000	0.9%
Naples	6.4%	8,800	7.6%
Ocala	7.3%	3,100	3.4%
Orlando-Kissimmee	6.0%	29,100	2.8%
Palm Bay-Melbourne	7.0%	3,900	2.2%
Palm Coast	9.4%	-700	-3.4%
Panama City	6.0%	-2,200	-3.3%
Pensacola	5.9%	2,000	1.2%
Port St. Lucie	8.1%	5,500	4.4%
Punta Gorda	6.6%	1,200	2.9%
Tallahassee	5.4%	4,800	2.9%
Tampa-St. Petersburg	6.4%	39,800	3.4%
Vero Beach	8.0%	3,000	6.7%
West Palm-Boca Raton	6.7%	12,800	2.4%