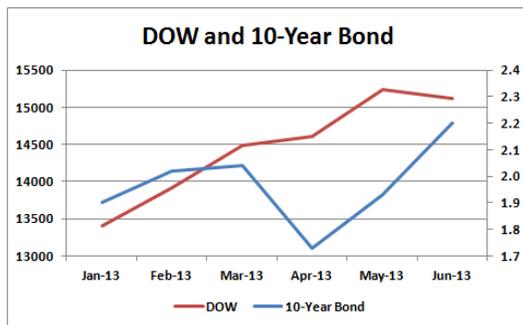


ECONOCAST™ UPDATE – June 24, 2013

U.S. Economy – Emerging Growth

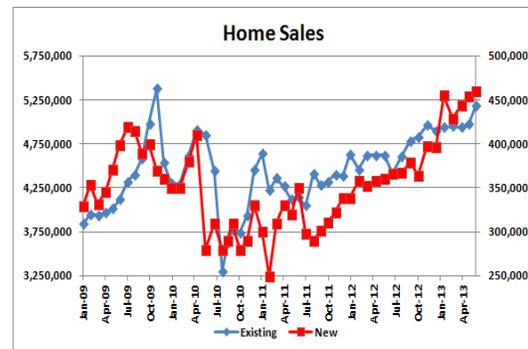
Despite Chairman Bernanke's moderate comments on the economy, financial markets dropped sharply. The mere idea that the Fed would taper off bond purchases when the economy improves, perhaps as early as this fall, spooked markets. The Dow fell and 10-year bond prices soared over 2.5%.



Markets clearly overreacted to FOMC comments that downside risks to the outlook and labor market have “diminished” since the fall. This does not mean that the Fed is closer to varying bond purchases. And the Fed promised not to raise the funds rate. Since the economy remains in a slow growth trajectory, fears of near term Fed tapering are overblown.

Housing markets continued to improve in May with sales of existing

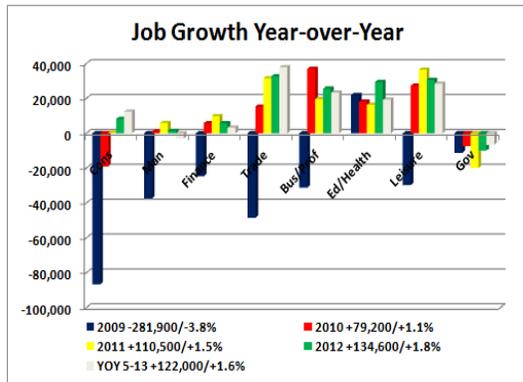
homes rising to 5.18 million annualized units, an increase of 4.2% from April. Sales are at their fastest pace since fall 2009. Inventories increased 3% m/m but remain tight: Listings are 10% below this time last year, and only 5.1 months of supply are on the market. The median existing-home price is up by 15% y/y. Tight inventories and the decline in the share of distress sales help caused the strong price growth.



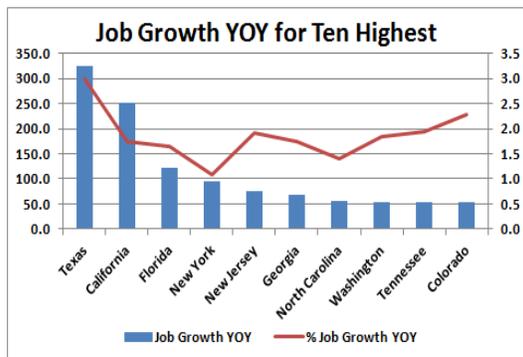
Florida Economy: Modest Job Growth in May

Florida's labor market continued to slowly improve in May. Job growth rose to 122,000 on a year-over-year basis and this 1.6% rate of growth equaled the U.S. average. Gains were widespread across the sectors, but manufacturing, government and finance all had modest contractions.

Jobs in retailing added 33,800 on a yearly basis drive up by auto dealers and food and beverage stores. These gains reflect building population growth and higher incomes. Leisure and hospitality jobs rose 28,500 supported by strong gains in restaurants and drinking places. The rebounding housing market boosted construction jobs by 12,400 and real estate employment by 8,400.



Florida continued to rank third in the U.S. for job growth in May, and only Texas and California outranked Florida. Reconstruction jobs boosted New York and New Jersey hiring.



Twenty of Florida's twenty-two metro areas enjoyed job growth in the 12-months ending in May 2013. Only Panama City had a small loss and Lakeland was neutral over the year.

Data as of May 2013	Unemployment Rate	Jobs Year-over-Year	Jobs Year-over-Year
Bradenton-Sarasota	6.8%	1,400	6.0%
Cape Coral-Ft. Myers	7.0%	2,700	1.3%
Deltona-Daytona Bch.	7.0%	1,100	0.7%
Florida	7.1%	122,000	1.6%
Ft. Lauderdale-Pompano	5.7%	14,400	2.0%
Ft. Walton Bch	4.8%	2,300	2.9%
Gainesville	5.3%	2,800	2.2%
Jacksonville	6.5%	14,400	2.6%
Lakeland-Winter Haven	7.7%	0	0.0%
Miami	8.7%	6,300	0.6%
Naples	6.4%	2,500	2.1%
Ocala	7.8%	3,300	3.6%
Orlando-Kissimmee	6.6%	16,800	1.6%
Palm Bay-Melbourne	7.4%	3,800	1.9%
Palm Coast	9.5%	300	1.5%
Panama City	6.3%	-1,500	-2.0%
Pensacola	6.5%	2,500	1.5%
Port St. Lucie	8.4%	2,200	1.8%
Punta Gorda	6.9%	200	0.5%
Tallahassee	6.1%	2,200	1.4%
Tampa-St. Petersburg	6.9%	33,800	2.9%
Vero Beach	8.6%	200	0.4%
West Palm-Boca Raton	7.0%	6,800	1.3%

Tampa Bay leads the MSAs with a job gain of 33,800 due to strong gains in business and professional services and in trade. Orlando followed with strong gains in leisure/hospitality and trade.

The data for South Florida show strong gains in Ft. Lauderdale and weak job growth in Miami-Dade. Given the huge revisions last year in job growth for Miami-Dade, the slow growth this year is inconsistent with the County's robust increases in construction and trade, and probably reflects continuing measurement problems.

Jacksonville's labor market is very strong with gains in business and professional services, particularly in temporary help services which are probably construction related. Despite the continuing contraction in State government, Gainesville and Tallahassee both posted good gains over the year. Finally, the recovery in Southwest Florida remained on track in May with job growth from Bradenton to Naples.