

## Economic Highlights

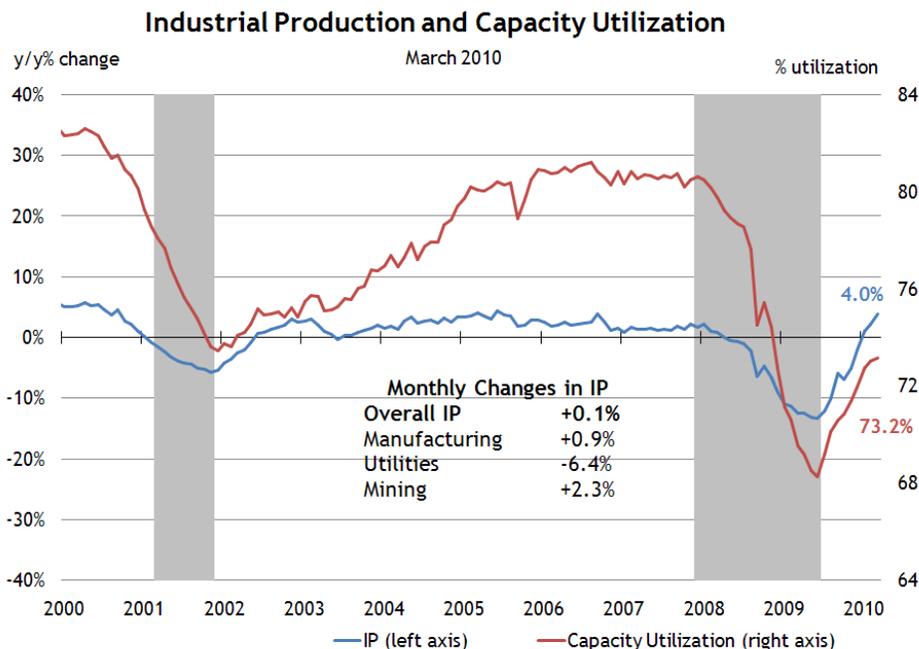
---

Manufacturing	
Industrial Production and Capacity Utilization	1
Business Equipment Index	1
Manufacturing Production	2
Real Estate	
U.S. Single-Family Home Construction	3
Employment	
Payroll Employment by State	4
Consumer Spending	
Reuters/University of Michigan Consumer Sentiment Index	5
Transportation	
Freight Trends	6
Growth of Selected Industry Railcar Loadings	6

# Manufacturing

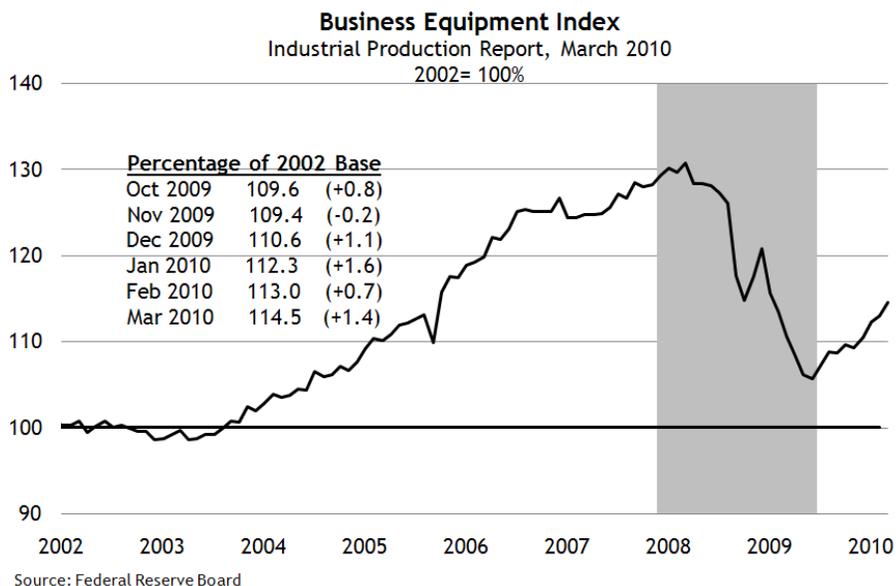
## Summary

Overall industrial production rose 0.1% in March. Manufacturing production rose 0.9% while mining production added 2.3%. The overall IP figure was dragged by utilities, which were down 6.4% as they returned to more normal levels after February's bad weather.



- Total industrial production rose 0.1% in March despite healthier gains in manufacturing production (+0.9%) and the production of mines (+2.3%). Utility production, which dragged the overall IP figure, lost 6.4% month over month as they returned to more normal levels of production.
- The rise in manufacturing production was broad based and led by durable goods industries, up 1.4% for the month. All major durable goods categories posted gains in March. Categories posting gains of more than 2% were computers and electronic products, motor vehicles and parts, and furniture and related products.
- The capacity utilization rate added 0.2 percentage point in March to reach 73.2, a rate 3.7 percentage points above its year-earlier level.
- The increasingly watched business equipment index added 1.4% in March. This index rose 13.2% (annualized rate) for the first quarter.

The business equipment index rose 13.2% (annualized rate) in the first quarter of 2010.

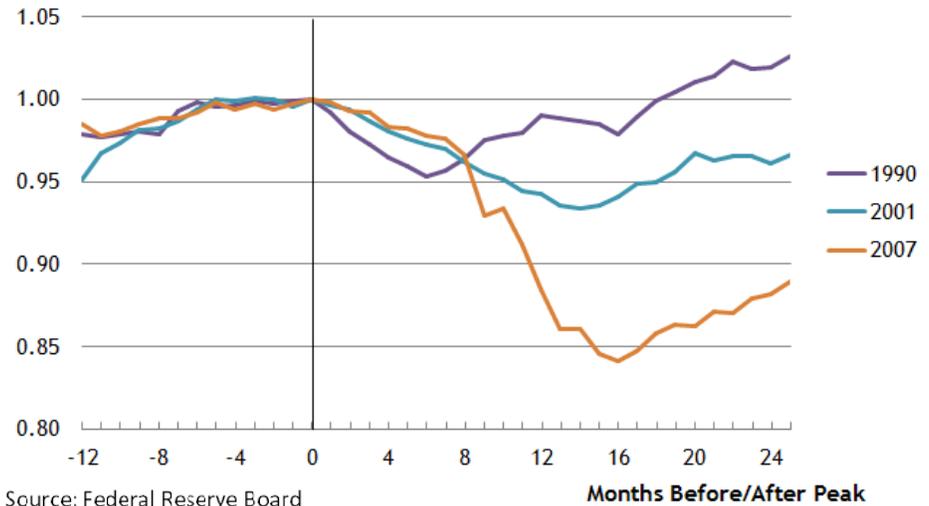


# Manufacturing

## Summary

In March, manufacturing production was 89% of its 2007 prerecessionary peak.

Manufacturing Production, Current and 2 Previous Recessions  
Normalized, Peak = 1



Source: Federal Reserve Board

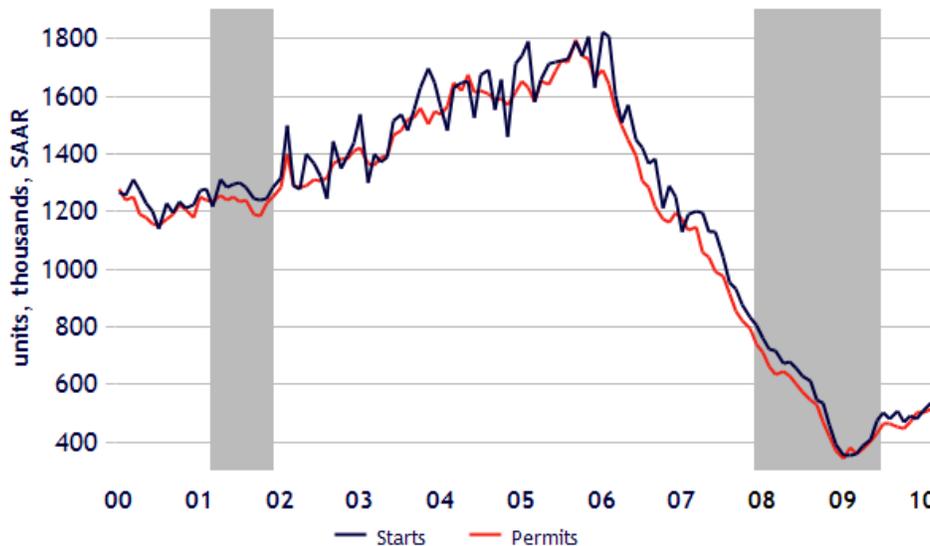
- Though manufacturing production is on the rise, it is taking longer to reach its prerecessionary level because of the severity of the drop in the current recession. In March, manufacturing production was 89% of its prerecessionary 2007 peak.
- The recession of 2007-2009 dragged manufacturing production to 84% of its cyclical peak. During the 2001 recession manufacturing production fell to 93% of its prerecessionary peak, and during the 1990 recession manufacturing production fell to 95% of its cyclical peak.

## Summary

U.S. single-family home permits and starts were mixed in March. Starts declined nearly 1% from February while permits rose 5.6%.

### U.S. Single-Family Home Construction

March 2010



Note: assumes recession ended June 2009

Source: U.S. Census Bureau

#### March permits, SAAR

Total	685K	34.1% y/y	7.5% m/m
Single-family	543K	50.8% y/y	5.6% m/m
Multifamily	142K	-6.0% y/y	15.5% m/m

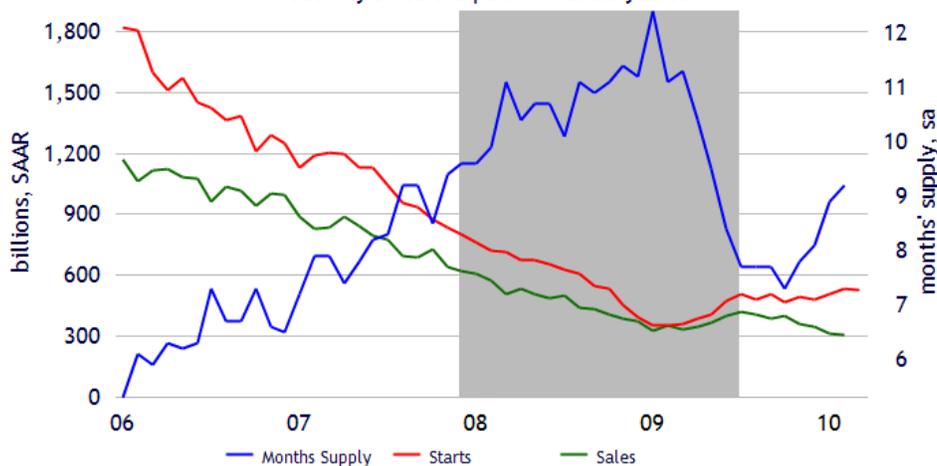
#### March starts, SAAR

Total	626K	20.2% y/y	1.6% m/m
Single-family	531K	47.1% y/y	-0.9% m/m
Multifamily	95K	-40.6% y/y	18.8% m/m

Single-family home starts softened in March following softer new home sales and rising months' supply in recent months.

### New Single-Family Home Market

activity since the peak in January 2006



Note: assumes recession ended June 2009

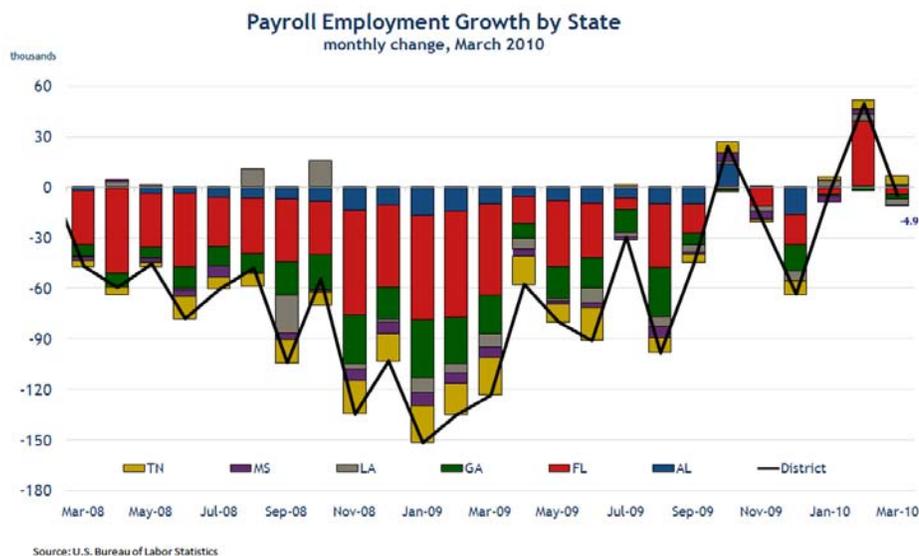
Source: U.S. Census Bureau

# Employment

## Summary

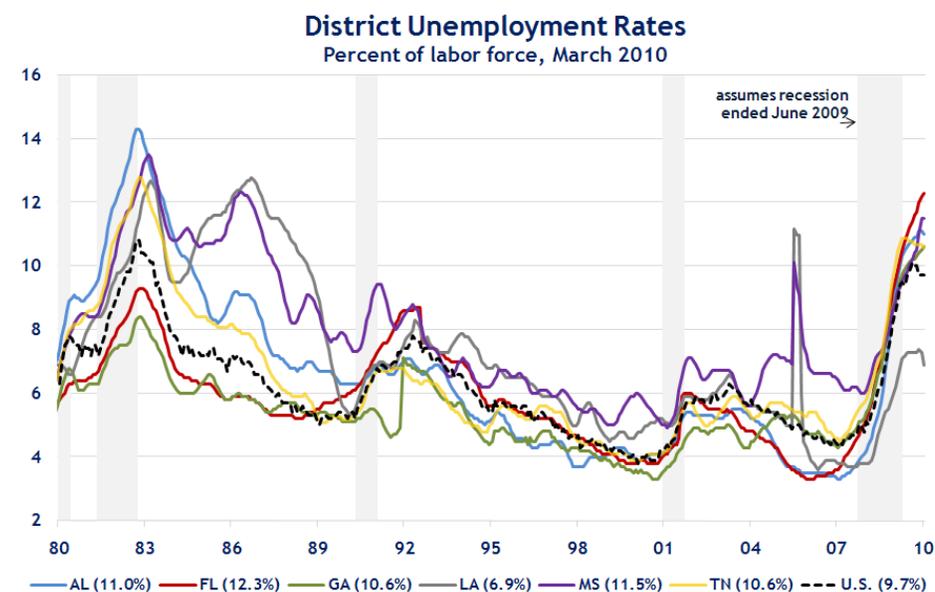
The District lost 4,900 jobs in March following a 49,300 jump in February.

The February District employment figures were revised upward by roughly 12,000 because of job gains in Florida.



- Alabama and Tennessee were the only District states to add jobs in March. Tennessee has added jobs for three consecutive months, largely supported by its professional and business, service, and manufacturing sectors.
- Florida experienced a boost in February from the employment services sector, which includes temporary hiring. Excluding Florida, the District would have added only 11,000 jobs in February.

The District unemployment rate remained at 11% in March. This is the first month the rate did not increase since April 2007.

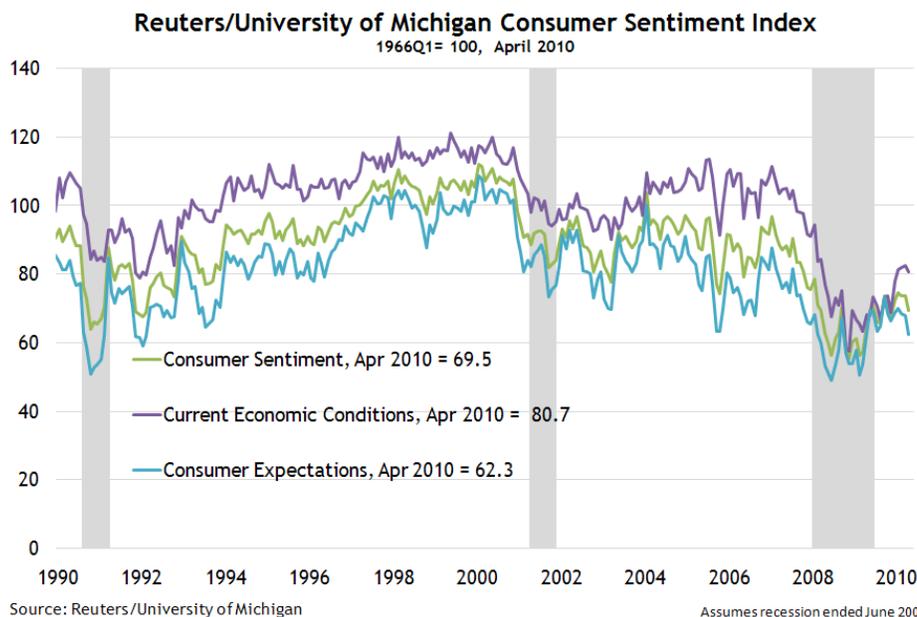


- The unemployment rate increased in Florida and Georgia, declined in Alabama, Louisiana, and Tennessee, but held steady in Mississippi.
- All states in the Sixth District have unemployment rates above the national unemployment rate of 9.7%, except Louisiana, with an unemployment rate of 6.9%.

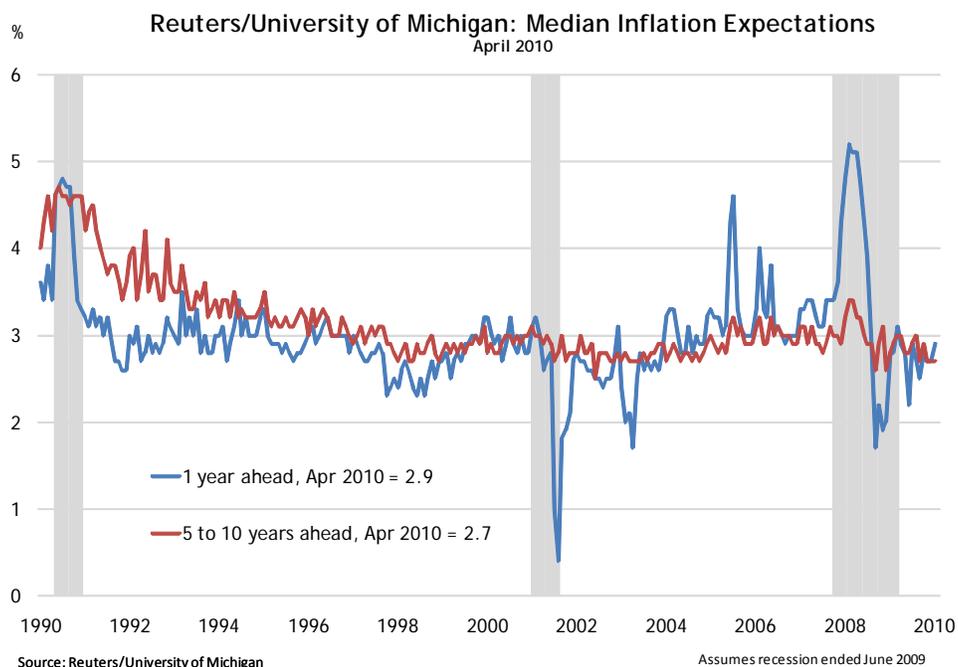
# Consumer Spending

## Summary

The Reuters/University of Michigan Consumer Sentiment Index decreased in April.



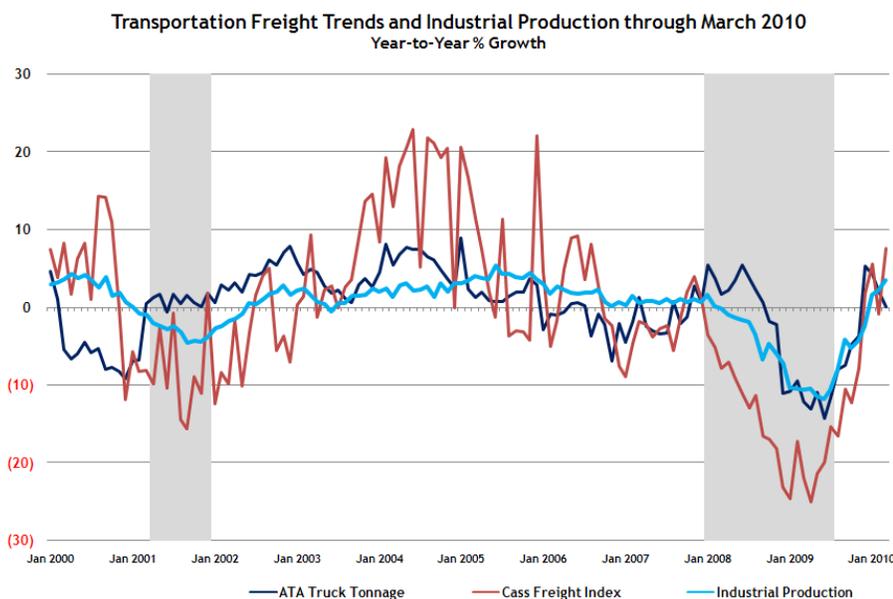
- In the April preliminary release, the Reuters/University of Michigan Consumer Sentiment Index decreased from 73.6 points to 69.5. Both components experienced declines: current economic conditions decreased 1.7 points to 80.7, and consumer expectations declined 5.6 points to 62.3 in April.
- The consumer sentiment index is at its lowest level since November but still above the troughs of the recession.
- In April, short-term inflation expectations were up slightly from March while longer-term inflation expectations held steady. The median one-year-ahead expected inflation rate increased from 2.7% to 2.9%, and the median five-to-ten-year outlook held steady at 2.7% for the third consecutive month.



# Transportation

## Summary

Recent year-over-year freight indicators continued to recover from depressed levels in early 2009. The Cass Freight Index has matched the recent rebound in industrial production activity.

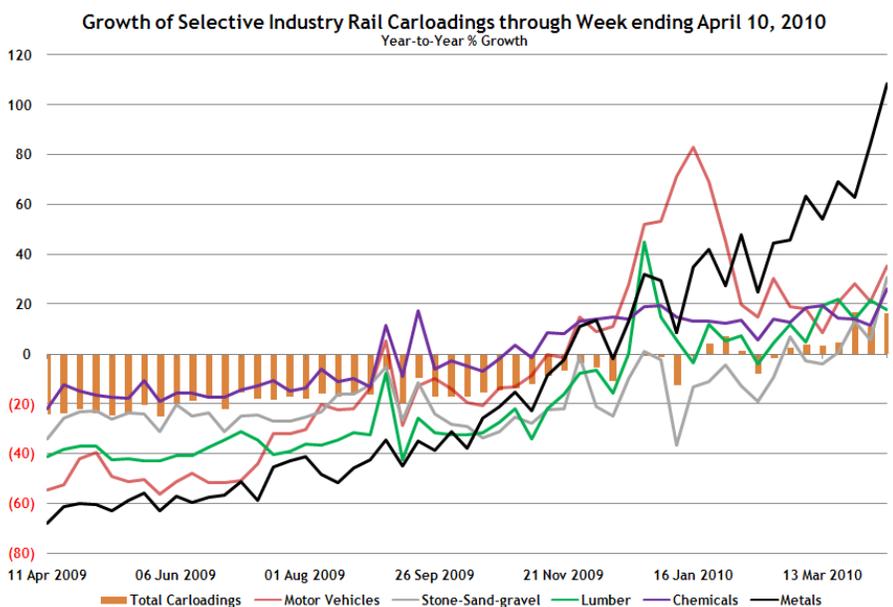


Source: American Trucking Associations, Cass Information Systems, and Federal Reserve Board

- The March Cass Freight index and American Trucking Associations tonnage index posted gains in freight activity from the first quarter of 2009, in line with recent growth in industrial production.
- Industry contacts noted that although freight demand is moving in the right direction, recent readings are not very conclusive. ATA economists suggest that demand and supply situations are steadily improving, but it will take some time to make up the ground lost during the recession.

Rail shipments, another important metric of the movement of goods across major rail lines, continued to recover through early April.

Key industrial shipments, such as autos and chemicals, appear to be moderating from strong growth reported in early 2010. Primary metal shipments climbed sharply from year-earlier volumes.



Source: American Association of Railroads

- Weekly American Association of Railroads rail shipments through early April were up 16% from a weaker pace in early 2009.
- Shipments of motor vehicles and chemicals are moderating while metals continue to lead car-load numbers with strong year-over-year growth.
- Despite the volatility of construction-related shipments, their recent pace is still showing an upward trend reported in previous weeks.