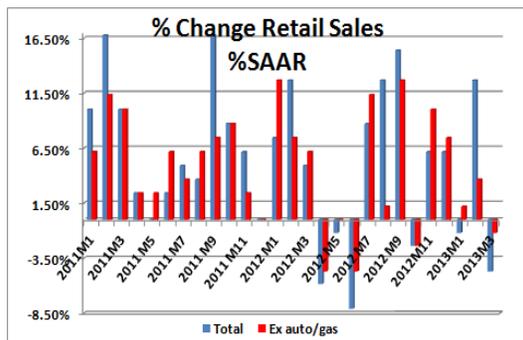


ECONOCAST™ UPDATE – April 15, 2013

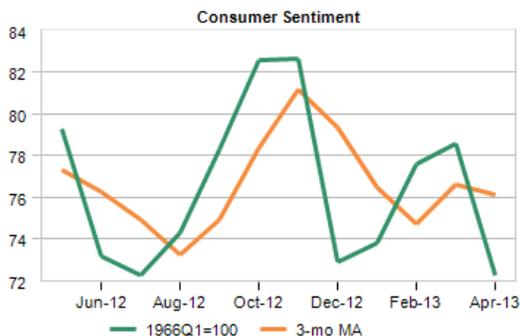
U.S. Economy – More Speed Bumps

Retail sales plummeted in March dropping at a 4.7% annual rate. For 2013Q1 sales grew at a rate of 2.3% compared to 3.3% in 2012Q4. The slowdown was caused in part by falling gasoline prices, but core sales also declined in March at a 1.2% rate.

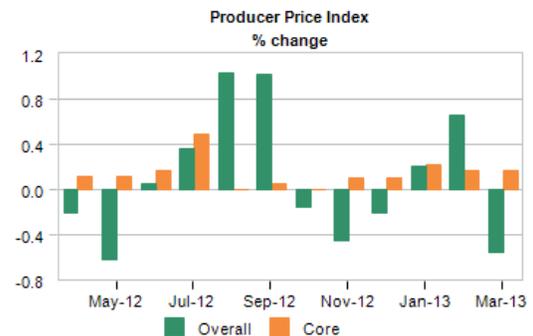


The massive swings in sentiment in recent months reflect uncertainty among consumers regarding the economy and their personal situations. While consumers are benefiting from rising stock and house values and falling gasoline prices, they face high unemployment, growing fiscal drag, and the political brinkmanship in Washington.

Consumer confidence also dropped sharply in April after rising strongly earlier this year.



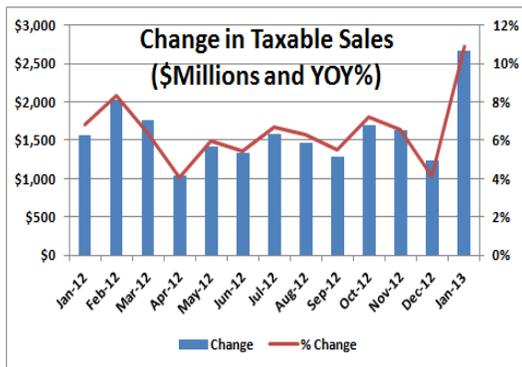
Producer prices fell in March driven down by the drop in oil prices. The core rate remained very low.



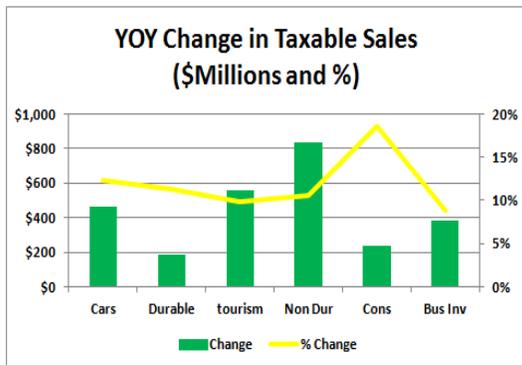
In this environment of slowing growth and low inflation, the Fed will continue with its extraordinarily expansive monetary policy. So, interest rates will remain very low and equity markets may still manage to advance.

Florida Economy: Stronger Retail Sales through January 2013

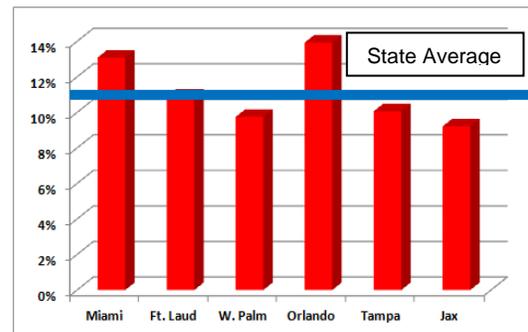
The latest data on retail sales for Florida are for January 2013. Florida's taxable sales rose 11% year over year ("YOY") far faster than in the U.S. For the 12 months ending January 2013 sales increased on average by 6%. As the chart below shows, January was a very good month for sales gains. While sales gains are good, there is no sign of sustained acceleration.



Sales of non durable goods contributed over \$800 million to lead all sectors in sales growth in January. Construction sales jumped over 17% growing the fastest of all sectors reflecting the recovery in Florida's residential housing market. Given the continuing gains in building permits this should continue.



Orlando lead all major metro areas in January posting a robust year-over-year gain of 14%. Orlando's retail growth was propelled by its strong tourism sector and rebounding residential housing sector. Similarly, sales were up strongly in Miami again pushed higher by tourism and construction. While posting good gains over the year, the other major metro areas generated sales gains somewhat below the statewide average.



The sharp slowdown in U.S. retail sales in the first quarter, and especially in March, will show up in the Florida data over the next months. However, Florida is outperforming the nation in retail sales growth and the winter tourism season was a strong one, so the slowing in sales will likely be modest in Florida.

The future course of sales, in both Florida and in the U.S., will depend on the trajectory of U.S. macro growth and the resolution of our national budgetary drama. The uncertainties surrounding fiscal policy have already taken a toll on growth. The big question going forward is by how much more?