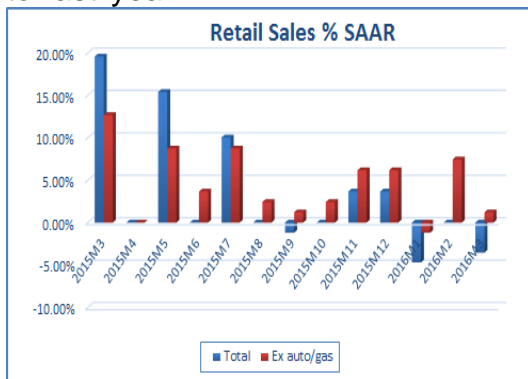


ECONOCAST™ UPDATE – April 18, 2016

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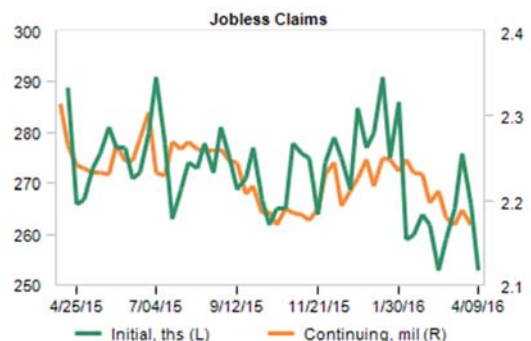
U.S. Economy – Retail Sales are Stronger than Reported

March retail sales disappointed again, dropping 0.3%. But, sales were actually much stronger. Lower car sales caused most of the drop. Excluding vehicles, sales rose 0.2%. In addition, the fall in February sales was revised away. Sales of big-ticket discretionary goods including building materials, furniture, electronics and appliances were all up in March. The declines at department and apparel stores was a statistical quirk caused by Easter falling in March this year. While sales were limited by a widespread lack of pricing power, past stock market declines, and the end of growth in vehicle sales; excluding autos and gasoline, they were still up 3.9% compared to last year.



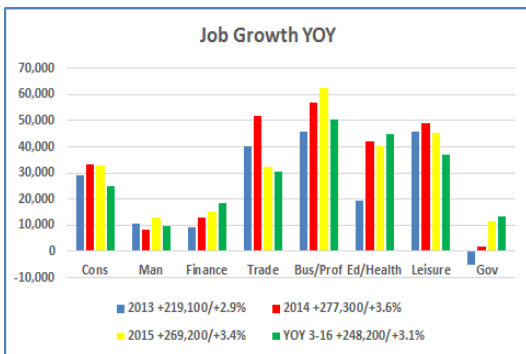
Three inflation reports from last week confirm that there is still no inflation to worry about. Core CPI and PPI prices dropped, and import prices fell. While this puts downward pressure on retail prices, it also delays an interest rate hike by the Fed.

The key to the outlook continues to revolve around the job market. The latest data on new claims for unemployment compensation point to further strong gains in employment ahead. New filings fell 13,000 to 253,000 in the week ended April 9, matching their lowest this cycle. Claims have been choppy this year as they have been as high as 291,000 and as low as 253,000. The trend remains positive with the four-week moving average down from 266,500 to 265,000, which is consistent with job growth in excess of 225,000. The looming strike at Verizon will have little longterm impact.



Florida Economy: No Surprises from the March Jobs Report

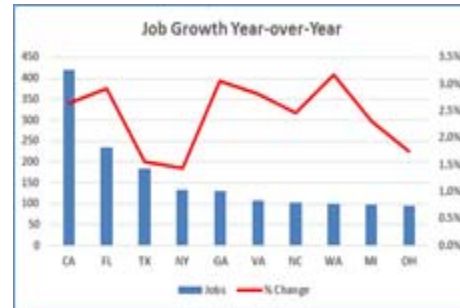
The March employment report was reassuringly strong with a gain of 248,200 jobs for the 12-months ending in March. While this is a strong report, the pace of job growth continues to slow consistently. Some of this reflects the fact that construction activity has rebounded from its recessionary lows, but activity is unlikely to move higher. Indeed, growth in construction jobs has slowed consistently over the last 18-months. Similar forces are at work in the trade and leisure sectors, too.



Also, some of the slower job growth this month reflects unusual seasonal patterns with Easter falling in March this year compared to April last year. The 6,900 job drop in leisure and hospitality this month conflicts with the record tourism counts for 2016Q1.

Business and professional services continued as the top sectoral performer in March with an annual gain of 50,000 jobs. While all component of the sector had gains, the 13,700 net new jobs in business services is particularly noteworthy. When these temporary jobs increase, it generally presages further overall growth in jobs. Jobs in healthcare rose 34,900 over the year boosted by big gains at hospitals and out-patient care centers.

Florida continues to perform strongly, especially compared to other states. Florida has consistently ranked second only to California in total job growth, and Florida ranks high in the rate of job growth.



All 24 of Florida's metro areas experienced job growth over the 12 months ending in March. Job growth was concentrated across the I-4 corridor and in South Florida. Orlando continued to lead all metro areas with an over-the-year gain of 47,900 jobs. The boom in tourism along with gains in defense, high tech, and healthcare propelled the gains. Tampa Bay was a close second posting an annual gain of 39,100. Job growth was also very strong in South Florida based on construction, tourism and healthcare. Jacksonville's 22,500 new jobs over the year was noteworthy with gains widespread across all employment sectors including government.

Data as of March 2016	Unemployment Rate	Job Gain last 12 Months	% Change Jobs
Florida	5.1%	248,200	3.1%
Cape Coral-Ft. Myers	4.3%	8,700	3.6%
Gainesville	4.0%	3,700	2.8%
Jacksonville	4.4%	22,500	3.5%
Lakeland-Winter Haven	5.2%	5,900	2.9%
South Florida	4.9%	56,200	2.3%
Ft. Lauderdale	4.4%	23,800	3.0%
Miami	5.6%	20,300	1.8%
West Palm Beach	4.5%	13,900	2.4%
Naples	4.3%	1,900	1.4%
North Port-Sarasota-Bradenton	4.3%	7,200	2.6%
Ocala	5.5%	1,800	1.9%
Orlando	4.3%	47,900	4.2%
Palm Bay	5.2%	2,000	1.0%
Pensacola	4.6%	4,300	2.6%
Port St. Lucie	5.0%	3,500	2.6%
Punta Gorda	5.1%	900	2.0%
Sebastian-Vero	5.5%	1,300	2.7%
Tallahassee	4.4%	2,400	1.4%
Tampa-St. Pete	4.4%	39,100	3.2%