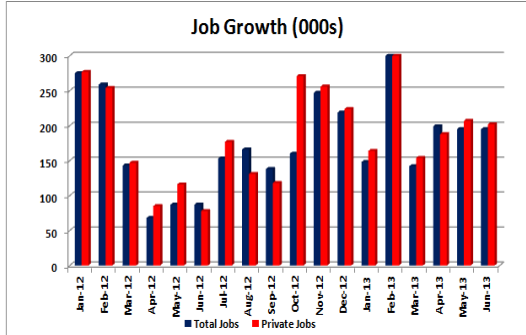


## ECONOCAST™ UPDATE – July 8, 2013

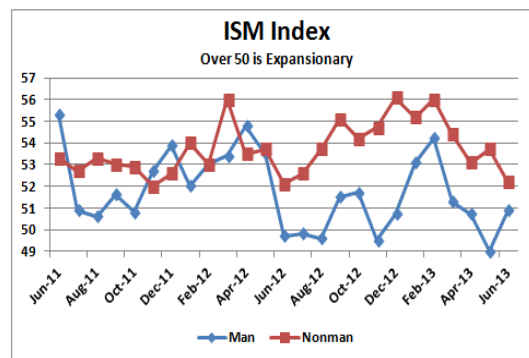
### U.S. Economy – More Jobs

Payroll employment increased by 195,000 in June, much stronger than expected. In addition, job growth in April and May were revised upward by a collective 70,000. So far this year job growth has averaged over 200,000 per month. The unemployment rate was unchanged at 7.6%, but this was because new labor force entrants offset net hires.



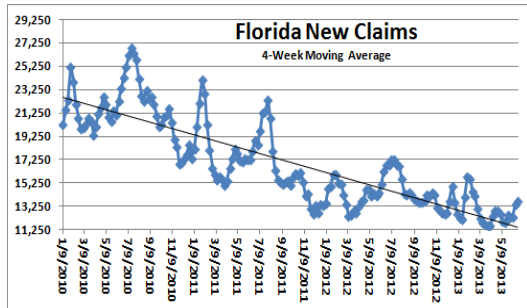
Big gains in leisure/hospitality, business/professional services and retail trade drove the June gains. A recovering housing market is supporting growth in construction and real estate. Rising consumer spending continues is driving leisure/hospitality, retail trade, and auto sales despite the bite from higher payroll taxes on disposable income.

Manufacturing, however, has retreated over the last few months as exports have fallen. However, the ISM manufacturing index rose 50.9 in June pushed up by rising new orders and production. The increases in U.S. auto sales and rebounding business investment point to a stronger second half. The ISM nonmanufacturing index has dropped in three of the last four months reflecting the downshift in GDP growth to less than 2%. However, it still remains above 50. Nevertheless, these sensitive indices indicate that growth is poised to re-accelerate in the second half of 2013 as the headwinds from higher taxes and the sequester begin to dissipate.

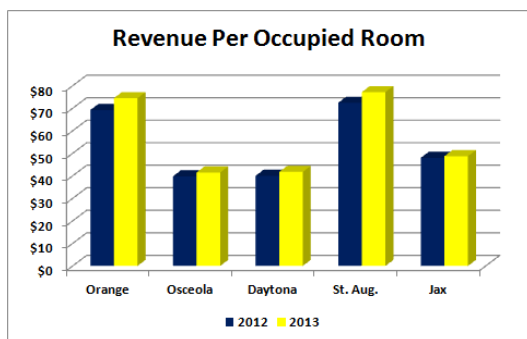


## Florida Economy: Tourism Gains Momentum

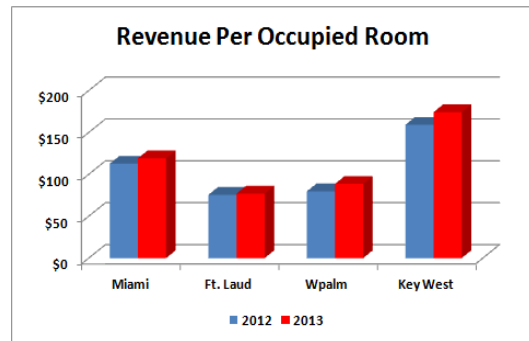
The U.S. employment data for June featured a strong gain in leisure/hospitality employment, which is good news for Florida. If leisure/hospitality is doing well in the U.S. it is likely to be doing very well in Florida. We will know more in a couple of weeks when the Florida jobs data are released. However, new claims for unemployment compensation in Florida continue to drop suggesting strengthening employment growth.



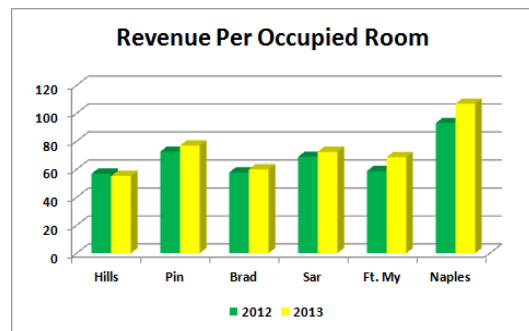
Florida's hotel data reflect the buoyant tourism market. June occupancy levels were up 2% to 66% compared to 2012 and revenue per available room ("RevPar") increased almost 7% as average room rates improved. Orange County, home to the biggest attractions, enjoyed an increase of almost 8% in RevPar pushed by gains in both occupancy and in room rates.



South Florida's hotels did very well in June 2013 paced by a an 11% gain in RevPar in West Palm Beach and strong gains in Key West and Miami as well.



Southwest Florida also posted good gains in June, especially in Naples and Ft. Myers. Although this is their off-season, occupancy rates improved and room rates were considerably higher in 2013.



But, Florida's panhandle posted modest gains in June. Even though this is the high season. In part 2013 gains are modest, because of the outsized improvement in 2011 and 2012.

