

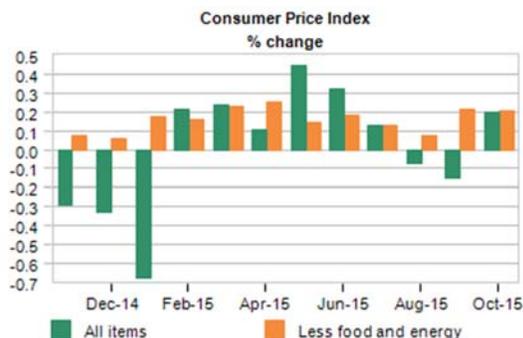
ECONOCAST™ UPDATE – November 23, 2015

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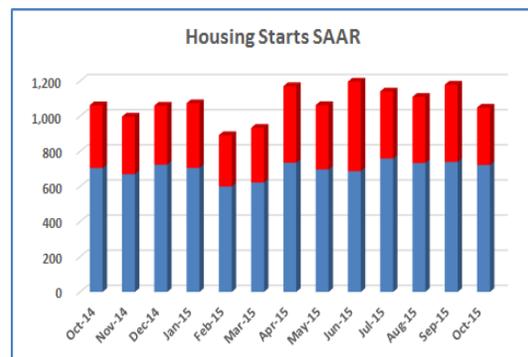
U.S. Economy – Steady Prices

The terrible terrorist attacks on Paris and Bamako highlight the vulnerability of our open economic systems in general, and the tourism sector in particular. Somewhat surprisingly, world financial markets seemed to shrug off the horrible news, at least so far.

The CPI rose 0.2% in October after falling in each of the prior two months. The drag from energy pricing dissipated and energy prices added 0.3% to the CPI. The rise in food prices slowed to 0.1%, a deceleration from September's 0.4%. Excluding food and energy, the core prices increased 0.2% in October and by 1.9% over last year. Barring any significant setbacks in financial markets or the labor market, the Fed will raise rates at its December meeting



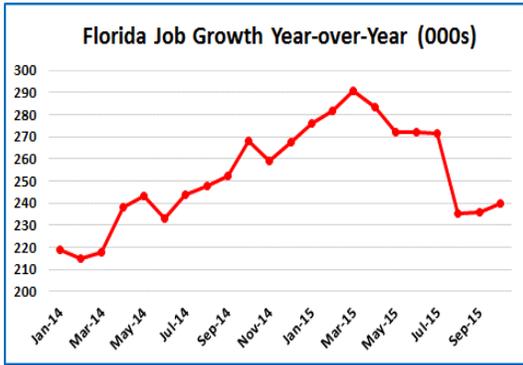
Surprisingly housing starts fell 11% from September, and now they are down by 1.8% from October 2014. Completions also fell but are still above levels from a year earlier. However, there is no reason for panic. Most of the decline came in the volatile multifamily sector, but single-family starts dipped as well. However, this decline in residential construction is probably just a blip because building permits, including for single-family structures, rose strongly in October.



Other economic reports were generally positive last week. New claims for unemployment compensation remained very low at 275,000 pointing to continuing strong hiring. Industrial production dipped 0.2%, but only due to contractions in mining and utilities. Manufacturing increased 0.4% in October.

Florida Economy: Job Growth Remains Strong

Job growth totaled 239,900 for the 12-months ending in October, and Florida's unemployment rate dipped to 5.1%. Despite the sturdy gains, job growth has clearly decelerated.

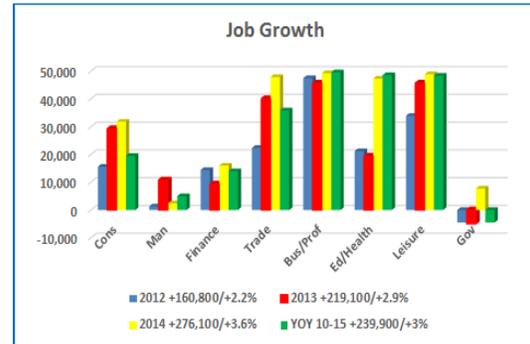


Nevertheless, Florida's job growth still placed it 2nd among all states, and with a 3% rate of growth Florida compares well to other states with strong job growth.



Review of the sectorial distribution of job growth is revealing. Job growth slowed by more than 12,000 so far in 2015 compared to 2014 in construction, trade and government. The slowdown in construction hiring reflects the topping out in Florida's construction market which has achieved its recovery for this cycle. Job gains in retail stores slowed too, which was surprising given rising population and rising retail sales. Most probably technological

advances are limiting retail hiring. Finally, government sector jobs hiring slowed primarily for local school boards and local governments.



Job gains slowed over the last year in every major metro area except for the I-4 corridor from Tampa to Lakeland to Orlando and in Punta Gorda. The acceleration in job growth in these areas came mostly from stronger hiring in tourist related industries. Orlando continued to lead all metro areas as a result of tourism gains.

South Florida generated 53,000 new jobs over the year leading the State. Almost half of the new jobs were in Broward County. The slowdown in job growth in Miami-Dade was surprising, and I suspect that there will be large revisions upward when the benchmark revisions are made in March.

Data as of October 2015	Unemployment Rate	% Change Jobs	Jobs last 12 Months
Florida		239,900	3.0%
Cape Coral-Ft. Myers	4.8%	9,000	3.8%
Gainesville	4.2%	2,600	2.0%
Jacksonville	4.8%	12,700	2.0%
Lakeland-Winter Haven	5.7%	8,000	3.9%
South Florida	5.3%	53,000	2.2%
Ft. Lauderdale	4.7%	26,200	3.3%
Miami	5.9%	14,700	1.3%
West Palm Beach	4.9%	11,800	2.1%
Naples	5.2%	3,800	2.9%
North Port-Sarasota-Bradenton	4.8%	8,200	3.0%
Ocala	5.9%	2,000	2.1%
Orlando	4.6%	42,800	3.8%
Palm Bay	5.4%	4,900	2.5%
Pensacola	4.8%	3,600	2.2%
Port St. Lucie	5.5%	2,200	1.7%
Punta Gorda	5.7%	1,600	3.7%
Sebastian-Vero	6.7%	600	1.3%
Tallahassee	4.7%	1,600	0.9%
Tampa-St. Pete	4.8%	37,000	3.0%