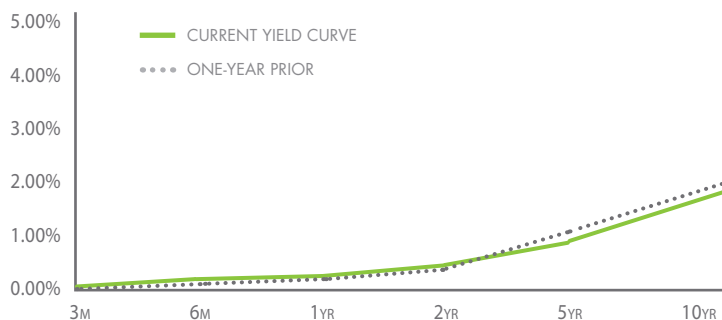


# FL SAFE MARKET UPDATE



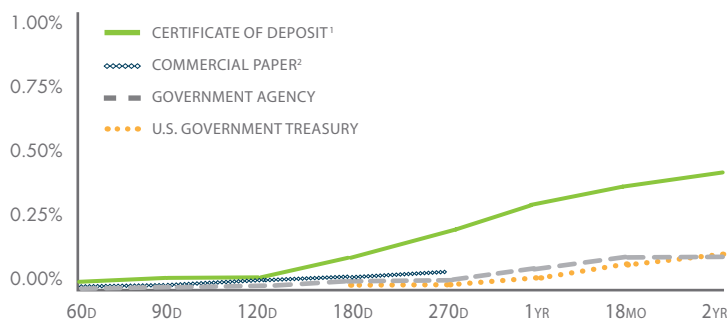
JANUARY 2013

## Historical Yield Curve



Source: Bloomberg Finance L.P., 1/2/13

## Indicative Rates



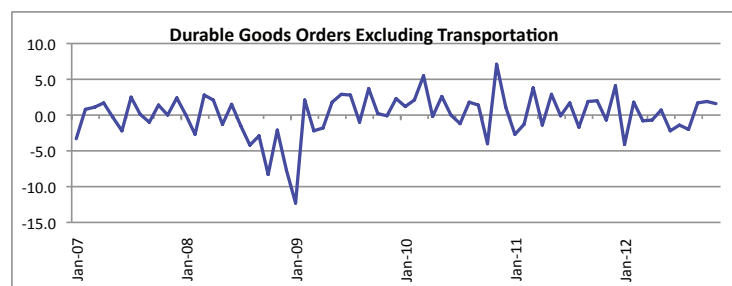
<sup>1</sup> Average of top ten banks; <sup>2</sup> General Electric Capital Corp.  
 Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 1/2/13

## FEATURED ECONOMIC INDICATOR

### Orders and Manufacturing Growth

New orders for manufactured durable goods in November increased 0.7 percent. This increase, up six of the last seven months, followed a 1.1 percent October increase. Excluding more volatile transportation, new orders increased 1.6 percent. Growth in durable goods orders and orders excluding transportation exceeded analysts' expectations in November. The ISM Manufacturing index increased to 50.7 in December. This report also exceeded analysts' expectations and returned the index to growth territory following a weaker October report.

Sources: U.S. Census Bureau, Bloomberg



Source: Bloomberg

## RECENT NEWS

### Fiscal Cliff Averted, For Now

The budget deal reached on January 1 reinstated income tax cuts for most workers and delayed previously agreed to spending cuts known as sequestration for two months. However, a two percentage point payroll tax was allowed to expire. This combined with higher income taxes for households earning more than \$450,000 is expected to reduce growth in the first quarter to 1 percent from 3.1 percent in 2012's third quarter according to economists at JPMorgan Chase & Co. and Bank of America Corp. Moody's also responded to the deal on January 3 by stating that the agreement didn't do enough to reduce the country's deficit. Moody's said it could downgrade U.S. debt if further measures to reduce debt levels are not implemented. The political battles over how to reduce debt are expected to intensify near the end of February when the U.S. Treasury is expected to be unable to pay its bills unless Congress boosts the federal borrowing limit.

Sources: Bloomberg, Wall Street Journal

## U.S. Economic Indicators

| Event   | Event Date | Period | Survey | Actual | Prior / Revised (R) |
|---|------------|--------|--------|--------|---------------------|
| Current Account Balance                       | 12/18/12   | OCT    |        |        | -\$118.1B (R)       |
| Building Permits (annual)                     | 12/19/12   | NOV    | 875K   | 899K   | 868K (R)            |
| Existing Home Sales (MoM)                     | 12/20/12   | NOV    | 2.3%   | 5.9%   | 1.5% (R)            |
| Durable Goods Orders Ex. Transportation (MoM) | 12/21/12   | NOV    | -0.2%  | 1.6%   | 1.9% (R)            |
| S&P Case-Shiller Composite-20 (YoY)           | 12/26/12   | OCT    | 4.00%  | 4.31%  | 2.97% (R)           |
| ISM Manufacturing                             | 01/02/13   | DEC    | 50.5   | 50.7   | 49.5                |
| Initial Jobless Claims                        | 01/03/13   | DEC 29 | 360K   | 372K   | 362K (R)            |
| Change in Nonfarm Payrolls                    | 01/04/13   | DEC    | 151K   | -      | 146K                |
| Unemployment Rate                             | 01/04/13   | DEC    | 7.7%   | -      | 7.7%                |

Source: Bloomberg Finance L.P., 1/2/13

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