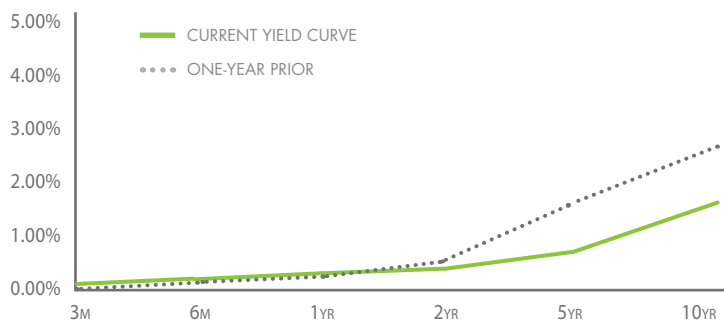


FL SAFE MARKET UPDATE



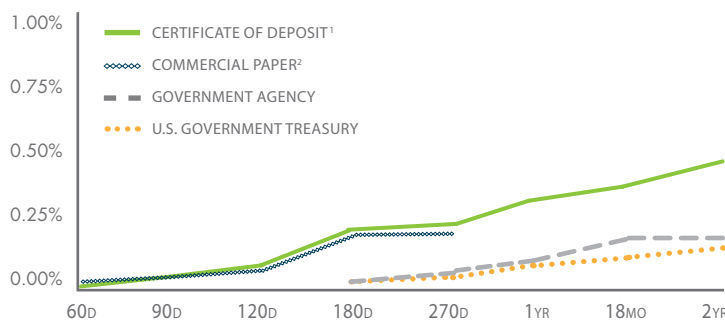
AUGUST 2012

Historical Yield Curve



Source: Bloomberg Finance L.P., 8/1/12

Indicative Rates



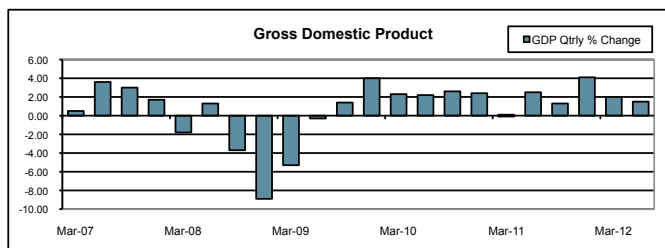
¹ Average of top ten banks; ² General Electric Capital Corp.

Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 8/1/12

FEATURED ECONOMIC INDICATOR

Fed Statement

The Federal Reserve confirmed plans on August 1 to keep short-term interest rates at “exceptionally low levels” at least through late 2014. In a statement after the policy-setting meeting, the Fed said it “will provide additional accommodation as needed” to support the economic recovery and labor markets. The Fed altered its statement from its prior meeting as it now says the economy “decelerated somewhat” compared with the previously language that said the economy is “expanding moderately.” The small change reveals the Fed’s concerns about economic slowing. The Fed also pointed to slower household spending. These changes to the statement signal an increased likelihood for a new round of monetary easing. Source: Wall Street Journal



Source: Bloomberg

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Core CPI (YoY)	07/17/12	JUN	2.2%	2.2%	2.3%
Housing Starts (MoM)	07/18/12	JUN	5.2%	6.9%	-4.8%
Building Permits (MoM)	07/18/12	JUN	-2.4%	-3.7%	8.4% (R)
Existing Home Sales (MoM)	07/19/12	JUN	1.5%	-5.4%	0.0% (R)
Durable Goods Orders Ex. Transportation	07/26/12	JUN	0.1%	-1.1%	0.8% (R)
GDP (QoQ)	07/27/12	2Q Adv.	1.4%	1.5%	2.0% (R)
S&P Case-Shiller Composite-20 (MoM)	07/31/12	MAY	0.40%	0.91%	0.70% (R)
Initial Jobless Claims	08/02/12	JUL 28	370K	-	353K

Source: Bloomberg Finance L.P., 8/1/12

RECENT NEWS

European Crisis Update: Bond Buying Proposal

European Central Bank President Mario Draghi announced in the last week of July he is working on a plan that involves Europe’s rescue fund buying government bonds on the primary market. The proposal also includes purchases on the secondary market by the European Central Bank in an effort to reduce borrowing costs in Spain and Italy. Some French, Italian and German leaders have already endorsed the proposal and have said they will do whatever it takes to preserve the Euro. However, Bundesbank (German Federal Bank) reiterated its opposition to the ECB bond buying, saying it blurs the line between monetary and fiscal policy. The proposal follows market declines after it became clear than plans to directly recapitalize banks and form a euro-wide banking supervisor will take months. Source: Bloomberg

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