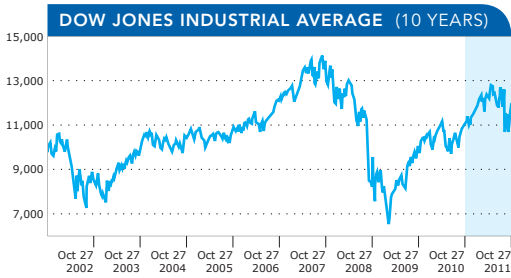
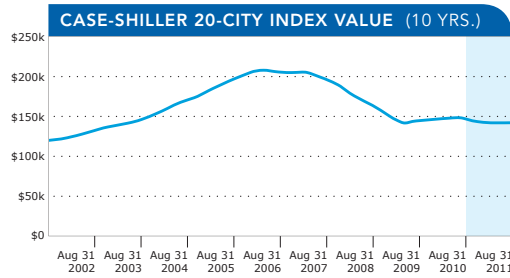


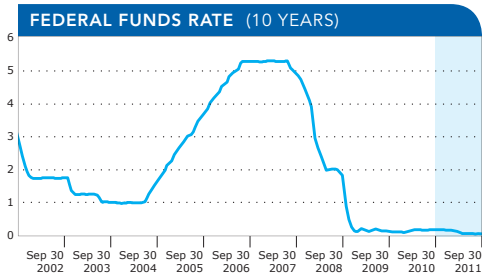
NOVEMBER 2011 ECONOMIC INDICATORS
 USING DATA AVAILABLE AUGUST 31 – OCTOBER 27



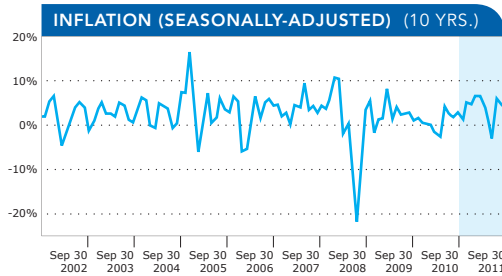
MONTHLY ANALYSIS The Dow saw a nasty decline at the end of quarter three, though there have been some recoveries made early in quarter four. Possible resolutions to the Greek/European crisis have been viewed positively in the market, and earnings have not been disappointing overall. The general trend over the last several years is still clearly positive, though the volatility is still high. The Dow Jones Industrial Average is comprised of 30 large, publicly owned companies based in the United States and is a good indicator of overall health of the market.



MONTHLY ANALYSIS The movement in home prices has been minimal in the last few months, though price levels remain low. Continued government actions to provide incentives for banks to work out loan terms with borrowers have failed to prompt changes in the housing market and at this point may be delaying consumer and market adjustment. The Case-Shiller 20-City Index tracks home prices in 20 major metropolitan areas in the United States.



MONTHLY ANALYSIS Monetary policy remains extremely accommodating, with rate levels near zero; however, the uncertainties of fiscal policy, impaired consumer balance sheets, and persistent/high unemployment offset any expansionary impetus this policy position may give the economy. The Federal Reserve's announcements regarding rates staying low for the foreseeable future has done little to reduce uncertainty. The Federal Funds Rate is the interest rate banks charge each other for loans.



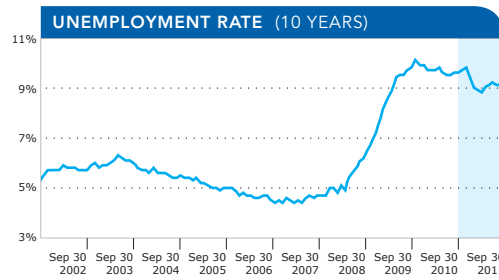
MONTHLY ANALYSIS There are no spikes in inflation, despite the incredibly loose monetary policy. This speaks to the deficiencies of consumer demand more than any other factor. Banks are interested in lending, but businesses and consumers are reluctant to take on additional leverage, allowing for low rates without creeping inflation. Inflation is the rise in the price of goods and services, and is measured by annualized monthly percentage changes in the consumer price index (CPI).



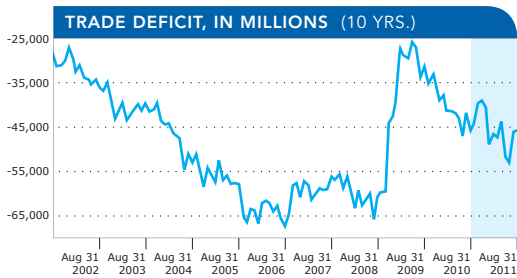
Always in
 your best interestSM



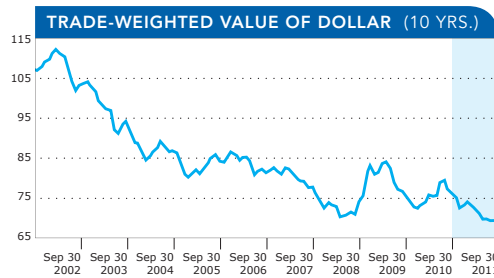
MONTHLY ANALYSIS Gross domestic product (GDP) growth was weak in the third quarter, coming in at 2.5% — though this is clearly preferred to declines or even weaker growth. The “recovery” consistently fails to generate growth at the level that encourages firms to hire more workers. This weak growth and high unemployment is indicative of consumers still remaining on the sidelines in large numbers. Real gross domestic product is an inflation-adjusted measure that reflects the value of all goods and services produced in a given year.



MONTHLY ANALYSIS Unemployment is one of the biggest factors contributing to weak consumer confidence. The unemployment rate continues to remain above nine percent and is creating significant concerns — even among those with jobs. Usually at this point in a recovery we would have seen significantly better growth numbers that encourage consumers to spend and businesses to hire, but that has not been the case this time around. The standard unemployment rate tracks people who have looked for work in the last 4 weeks.



MONTHLY ANALYSIS There was some improvement in the trade deficit in the last two months, but not a major adjustment as might be expected when looking at the path of the value of the dollar. The added issue of legislation declaring China a currency manipulator added uncertainty, and strained the trade relations between the U.S. and China. Whether this is a lasting problem will only be clear with the passage of time. The balance of trade measures the nation’s imports and exports. A negative balance is referred to as a trade deficit; this occurs when we import more than we export.



MONTHLY ANALYSIS The trade-weighted value of the dollar saw a small improvement in the latest reading, but it still remains well below the levels of even just a few years ago, let alone the strong dollar period from 2000 to 2002. Weak currency values are doing little to reduce imports (as shown in the trade deficit graph shown to the left). The trade-weighted U.S. dollar index is a measure of the value of the U.S. dollar relative to other world currencies.