



The Dog Ate My Home

On Behalf of:

ABC - Georgia

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January 24, 2012



**Penny wise,
Euro foolish**

Top 12 Stock Exchanges

2008 Growth

Rank	Exchange	Index	2008 % Change
3	London SE	FTSE 100	-31.3%
1	NYSE Group	DJI A	-33.8%
12	Swiss Exchange	Swiss Market	-34.2%
9	TSX Group	S&P TSX Composite	-35.4%
2	Nasdaq	NASDAQ Composite	-39.6%
8	Bolsa De Madrid	Madrid General	-40.0%
6	Frankfurt SE	DAX	-40.2%
4	Tokyo SE	Nikkei 225	-41.5%
5	Euronext	CAC 40	-42.6%
11	Hong Kong Exchanges	Hang Seng Index	-47.9%
10	Borsa Italiana	MIBTel	-48.5%
7	Shanghai SE	Shanghai Composite	-65.4%

Source: Yahoo! Finance

Top 12 Stock Exchanges

2009 Growth

Rank	Exchange	Index	2009 % Change
7	Shanghai SE	Shanghai Composite	77.2%
11	Hong Kong Exchanges	Hang Seng Index	51.4%
2	Nasdaq	NASDAQ Composite	43.7%
9	TSX Group	S&P TSX Composite	31.2%
6	Frankfurt SE	DAX	29.9%
1	NYSE Group	DJI A	26.8%
8	Bolsa De Madrid	Madrid General	26.7%
3	London SE	FTSE 100	22.1%
5	Euronext	CAC 40	21.5%
10	Borsa Italiana	FTSE MIB	19.5%
12	Swiss Exchange	Swiss Market	18.4%
4	Tokyo SE	Nikkei 225	16.6%

Top 12 Stock Exchanges

2010 Growth

Rank	Exchange	Index	2010 % Change
2	Nasdaq	NASDAQ Composite	16.9%
6	Frankfurt SE	DAX	16.1%
9	TSX Group	S&P TSX Composite	14.4%
1	NYSE Group	DJI A	11.0%
3	London SE	FTSE 100	9.0%
11	Hong Kong Exchanges	Hang Seng Index	5.3%
12	Swiss Exchange	Swiss Market	-1.7%
4	Tokyo SE	Nikkei 225	-3.0%
5	Euronext	CAC 40	-3.3%
10	Borsa Italiana	FTSE MIB	-13.2%
7	Shanghai SE	Shanghai Composite	-14.3%
8	Bolsa De Madrid	Madrid General	-19.2%

Top 12 Stock Exchanges

2011 Growth through Third Quarter

Rank	Exchange	Index	% Change
1	NYSE Group	DJI A	-5.7%
2	Nasdaq	NASDAQ Composite	-9.0%
3	London SE	FTSE 100	-13.1%
9	TSX Group	S&P TSX Composite	-13.5%
8	Bolsa De Madrid	Madrid General	-14.0%
12	Swiss Exchange	Swiss Market	-14.1%
4	Tokyo SE	Nikkei 225	-14.9%
7	Shanghai SE	Shanghai Composite	-16.0%
6	Frankfurt SE	DAX	-20.4%
5	Euronext	CAC 40	-21.6%
11	Hong Kong Exchanges	Hang Seng Index	-23.6%
10	Borsa Italiana	FTSE MIB	-26.5%

Top 12 Stock Exchanges

2011 Growth

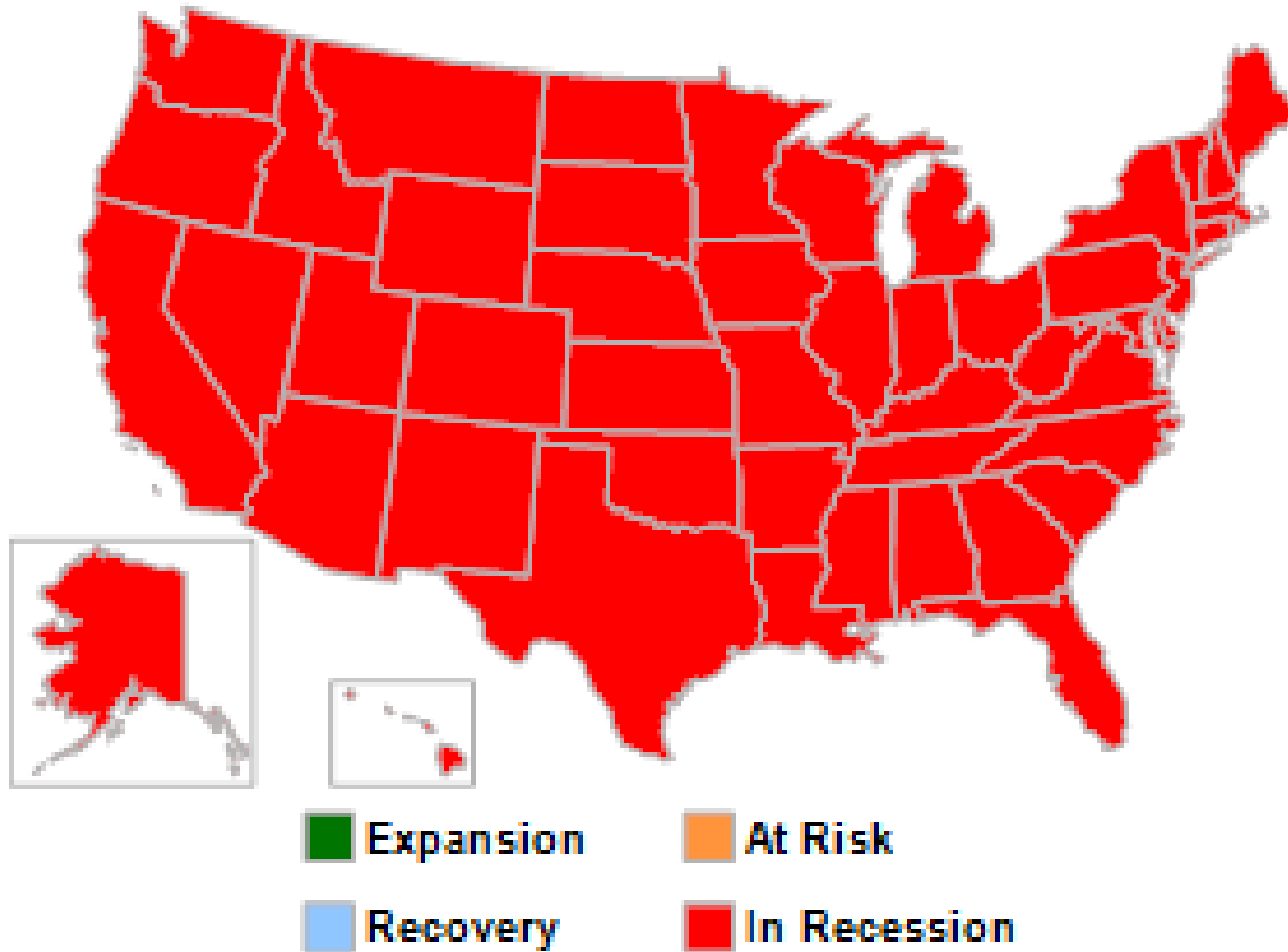
Rank	Exchange	Index	% Change
1	NYSE Group	DJI A	5.5%
2	Nasdaq	NASDAQ Composite	-1.8%
3	London SE	FTSE 100	-5.6%
12	Swiss Exchange	Swiss Market	-7.8%
9	TSX Group	S&P TSX Composite	-9.2%
8	Bolsa De Madrid	IGBM	-14.6%
6	Frankfurt SE	DAX	-14.7%
5	Euronext	CAC 40	-17.0%
4	Tokyo SE	Nikkei 225	-17.3%
11	Hong Kong Exchanges	Hang Seng Index	-20.0%
7	Shanghai SE	Shanghai Composite	-21.7%
10	Borsa Italiana	FTSE MIB	-25.2%



**All dressed up
with no place to go**

Recession Watch

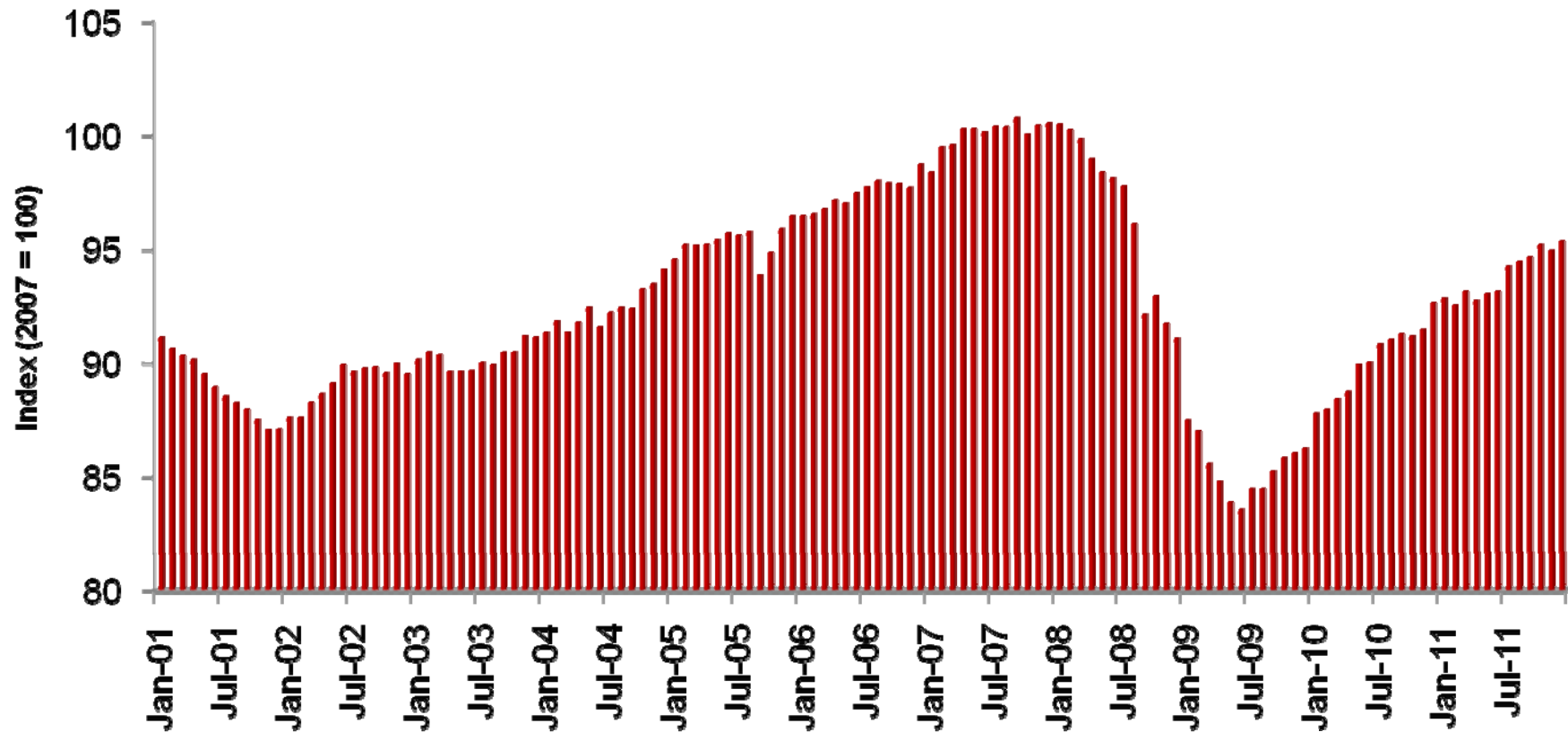
as of May 2009



Source: Moody's Economy

Industrial Production

January 2001 through December 2011

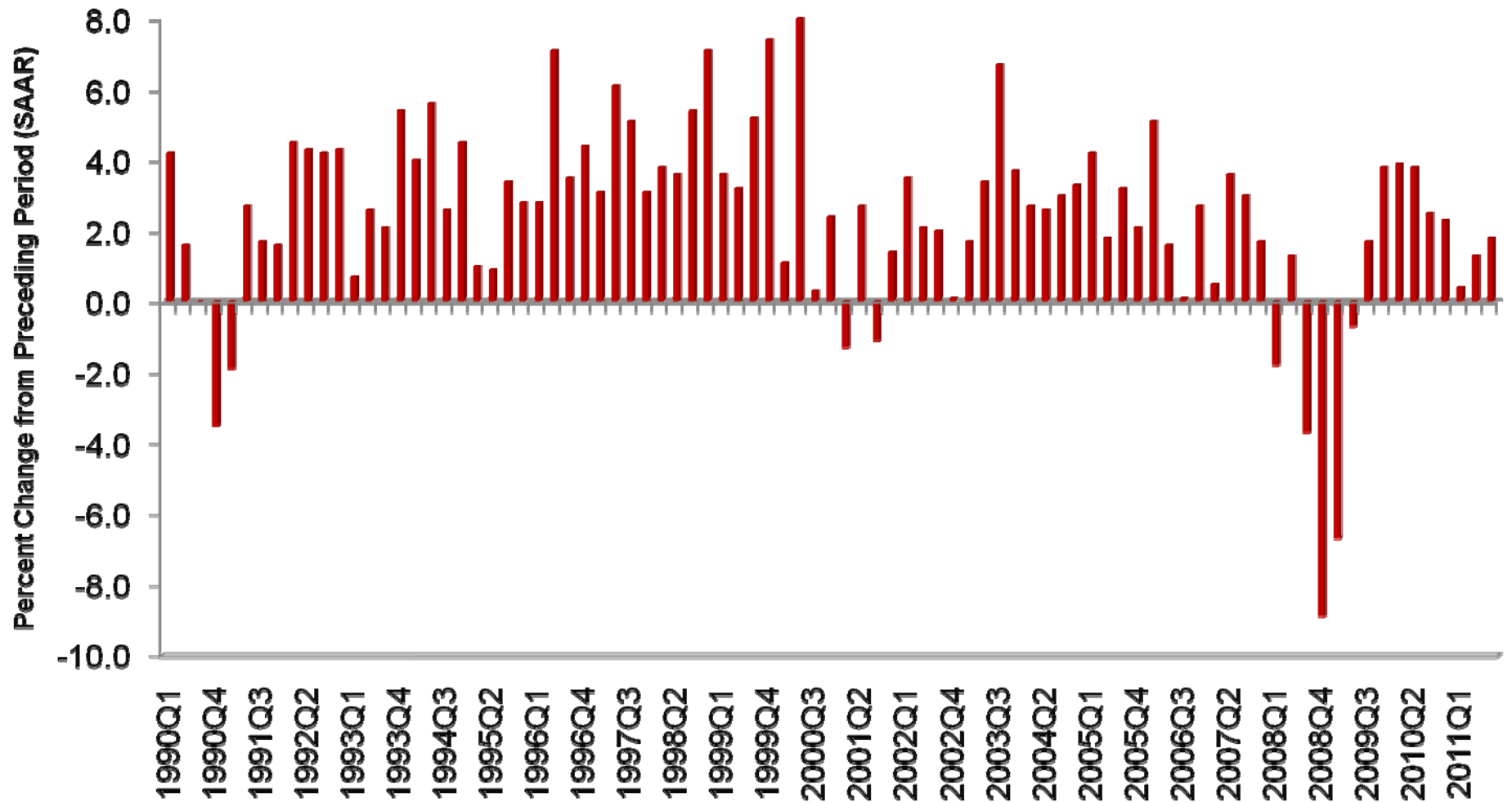


Source: Federal Reserve

The industrial production index measures the real output of the manufacturing, mining, and electric and gas utilities industries.

Gross Domestic Product

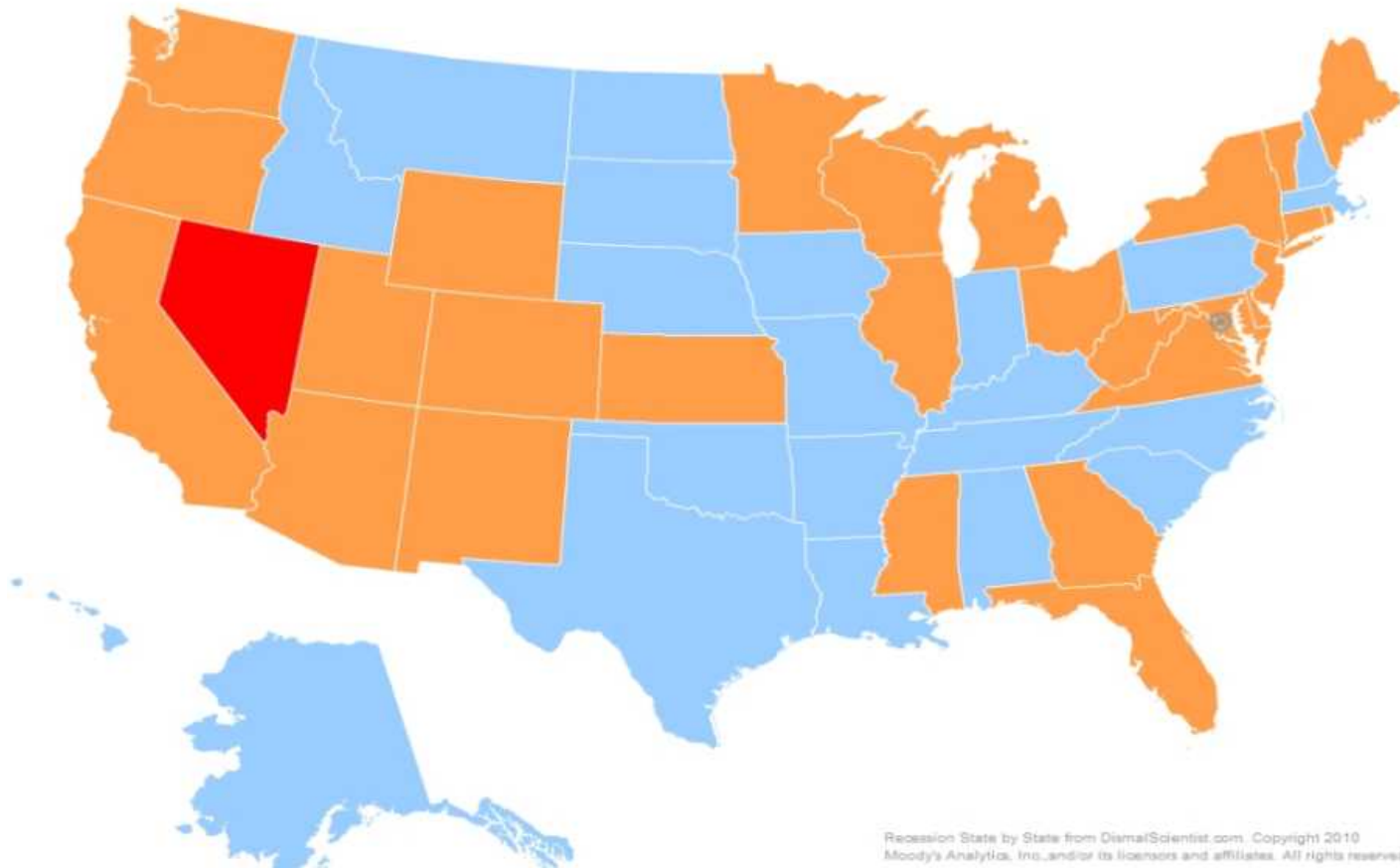
1990Q1 through 2011Q3



Source: Bureau of Economic Analysis

Recession Watch

as of April 2010

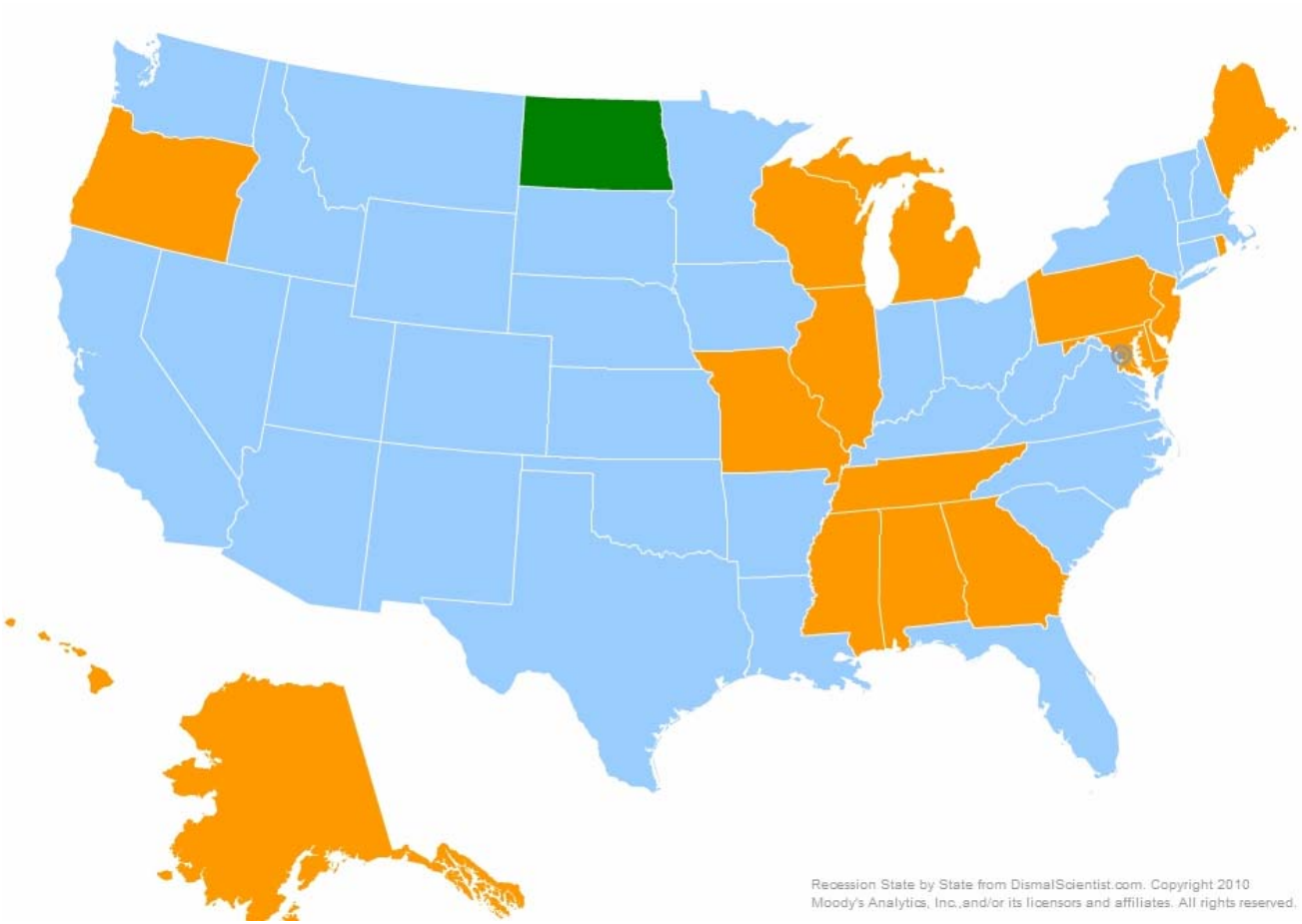


Source: Moody's Economy



Recession Watch

as of October 2011



Source: Moody's Economy

- In Recession
- At Risk
- Recovering
- Expanding

U.S. Economy Hits Soft Patch

- The Institute for Supply Management-Chicago business barometer **rebounded in September to 60.4** from August's reading of 56.5. Employment expanded to its highest level in four months and new orders erased net declines accumulated since April. Order backlogs remained in contraction at a 23-month low.
- The Empire State Manufacturing Survey's general business conditions index **remained negative in October at -8.5**. The new orders index hovered around zero while the shipments index rose above zero to 5.3.
- The Pennsylvania Federal Reserve District's (PA, NJ, DE) Business Outlook Survey suggests that regional manufacturing is showing signs of recovery after several months of decline. The diffusion index of current activity **increased from -17.5 in September to 8.7**, the first positive reading in three months.
- Retail sales fell again in August in the Richmond Federal Reserve District (VA, MD, NC, SC, WV), **pulling the revenues index to -32** following July's reading of 11.



Temporary Causal Factors

- **High Gas Prices**

- The average price for regular gasoline across the country was \$3.46 a gallon as of October 24th, an increase of 23 percent since last year.
- Crude oil prices were \$93.17 as of October 25th, up 12.9 percent from prices the same time last year.

- **Weak Housing Market**

- Indicators for the second quarter of 2011 show fragile recovery. While the national house price index rose 1.2 percent in the second quarter, the index is down 6 percent on a year-over-year basis.

- **High Staple Prices**

- According to the IMF, year-over-year, wheat prices have surged 16.3 percent while cotton prices are 11.4 percent higher, through October 2011.
- According to the Bureau of Labor Statistics, fresh fruit and vegetable prices were up 7.6 percent year-over-year as of September 2011.

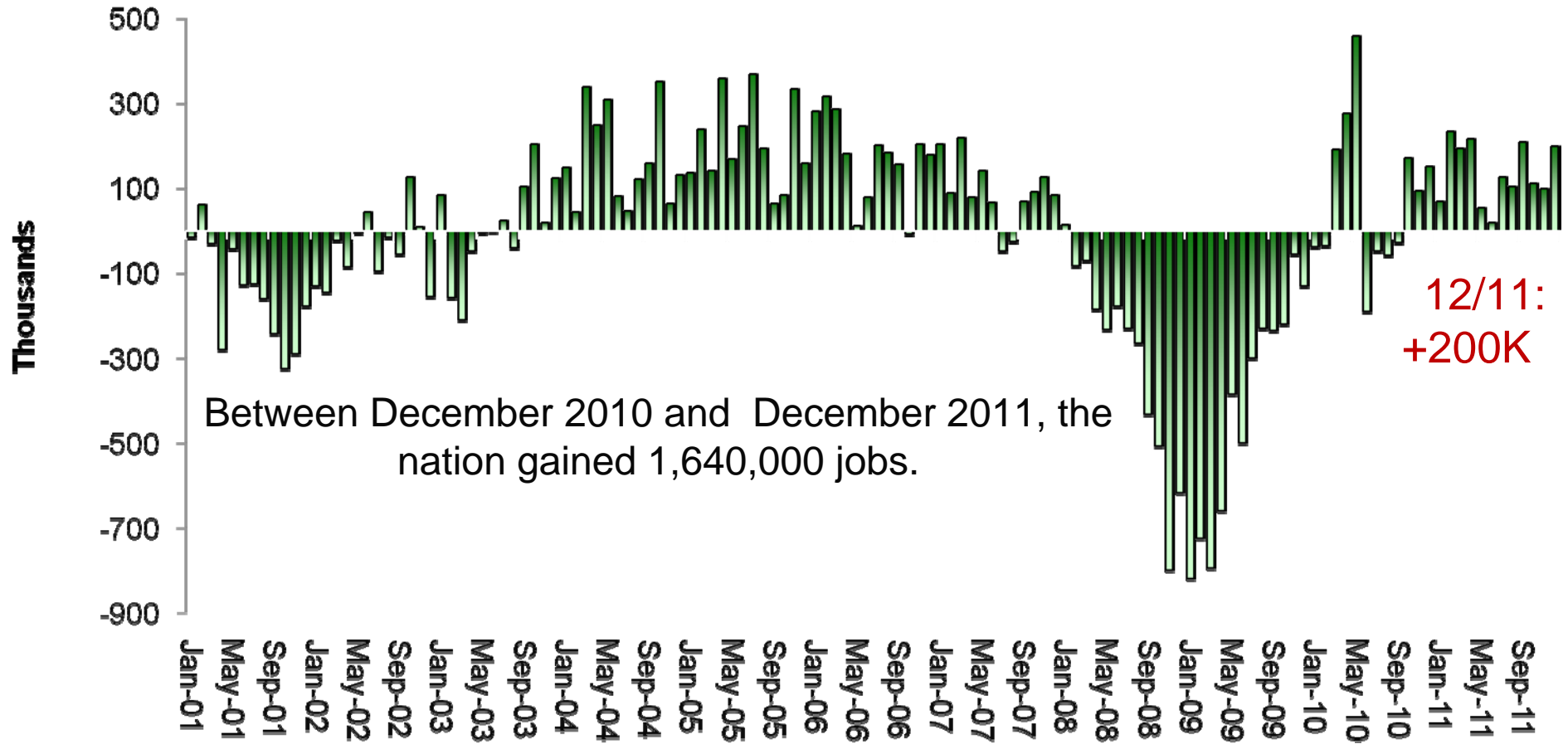
- **Failing Consumer Confidence**

- The Conference Board's index of consumer confidence fell sharply to 39.8 in October from 46.4 in September – a level last seen during the 2008-2009 recession.

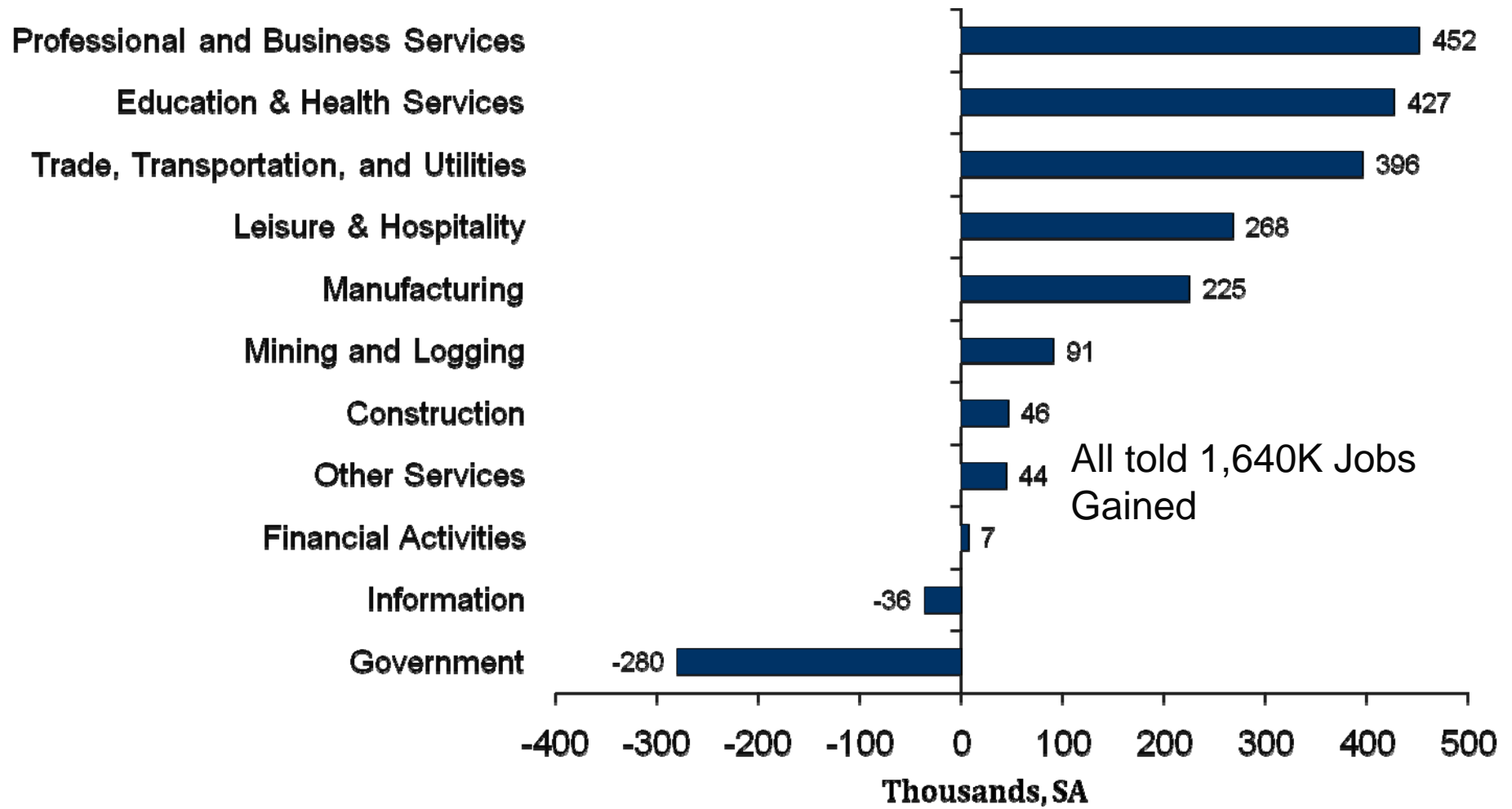


Net Change in U.S. Jobs, BLS

January 2001 through December 2011



National Nonfarm Employment by Industry Sector Groups December 2010 v. December 2011

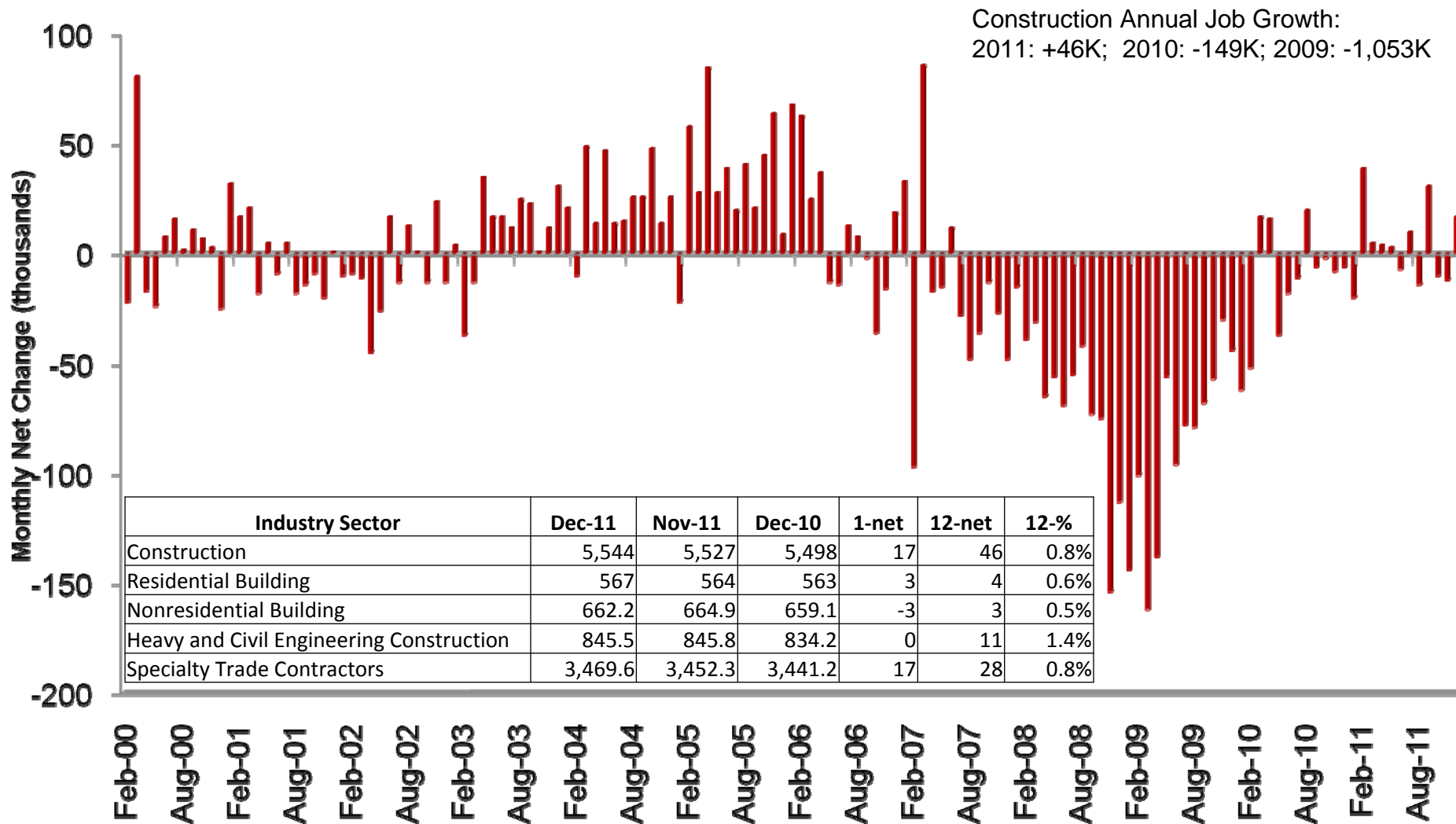


Source: Bureau of Labor Statistics

National Construction Employment

Monthly Net Change

February 2000 – December 2011



Source: Bureau of Labor Statistics

Employment Growth, U.S. States (SA)

November 2011 v. November 2010 Percent Change

Rank	State	%	Rank	State	%	Rank	State	%
1	North Dakota	4.5%	18	Kentucky	1.2%	33	Maryland	0.7%
2	Wyoming	3.0%	18	Nevada	1.2%	36	Arkansas	0.6%
3	Oklahoma	2.8%	18	Oregon	1.2%	36	South Dakota	0.6%
4	Louisiana	2.5%	18	Tennessee	1.2%	38	Connecticut	0.5%
4	Utah	2.5%	22	Colorado	1.1%	38	North Carolina	0.5%
6	Texas	2.2%	22	Montana	1.1%	38	Virginia	0.5%
6	Washington	2.2%	24	Illinois	1.0%	41	Minnesota	0.4%
8	Arizona	1.9%	24	Mississippi	1.0%	42	D.C.	0.3%
9	South Carolina	1.8%	24	New York	1.0%	43	Alabama	0.2%
10	California	1.7%	27	Pennsylvania	0.9%	43	Maine	0.2%
10	Massachusetts	1.7%	28	Hawaii	0.8%	43	Wisconsin	0.2%
12	Nebraska	1.6%	28	Idaho	0.8%	46	Missouri	0.1%
12	Vermont	1.6%	28	New Jersey	0.8%	47	Alaska	-0.1%
14	Michigan	1.5%	28	New Mexico	0.8%	47	Rhode Island	-0.1%
14	New Hampshire	1.5%	28	West Virginia	0.8%	49	Indiana	-0.2%
14	Ohio	1.5%	33	Iowa	0.7%	50	Georgia	-0.5%
17	Florida	1.4%	33	Kansas	0.7%	51	Delaware	-0.8%

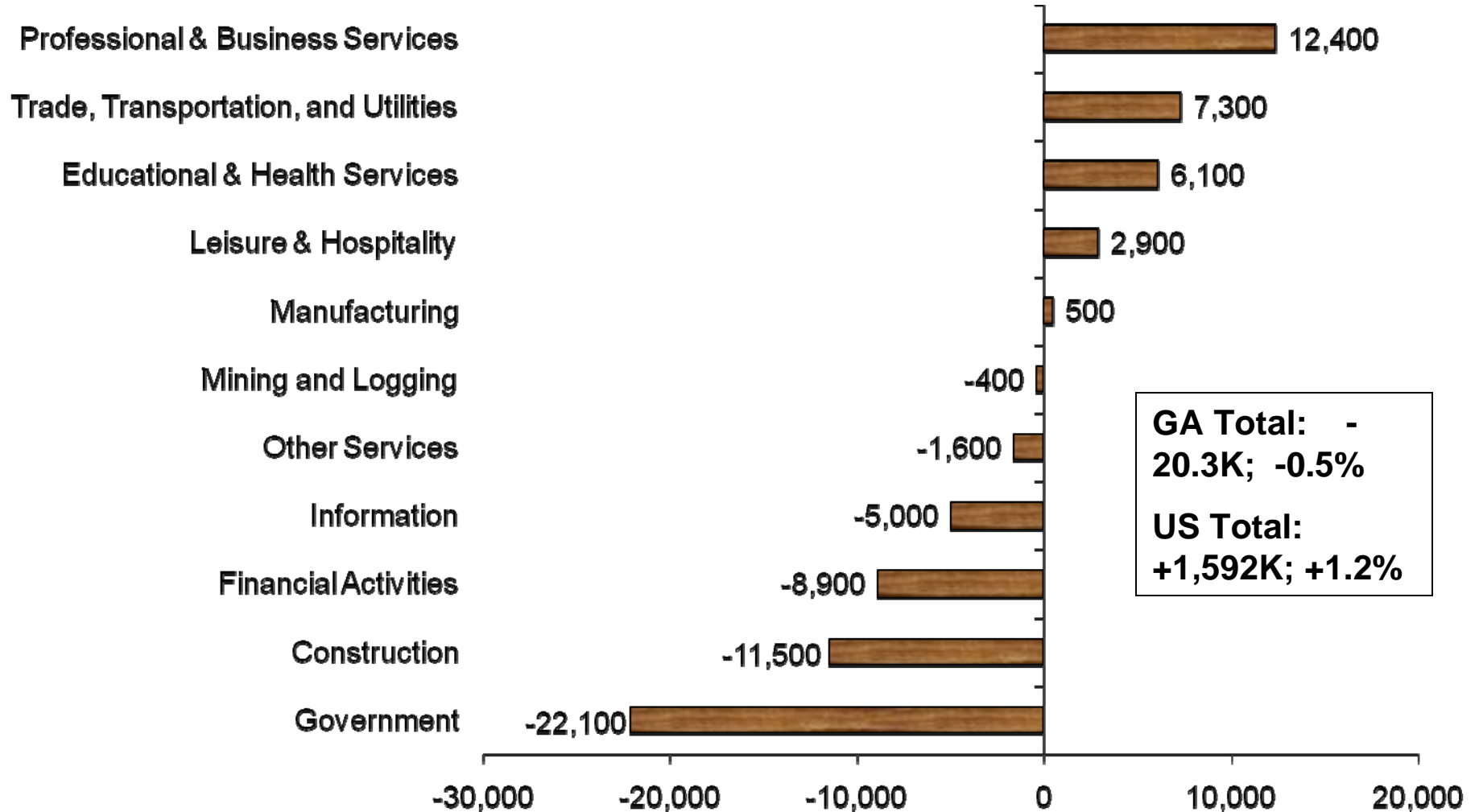
Source: Bureau of Labor Statistics

Georgia Nonfarm Employment

by Industry Sector Groups (SA)

November 2010 v. November 2011

Absolute Change

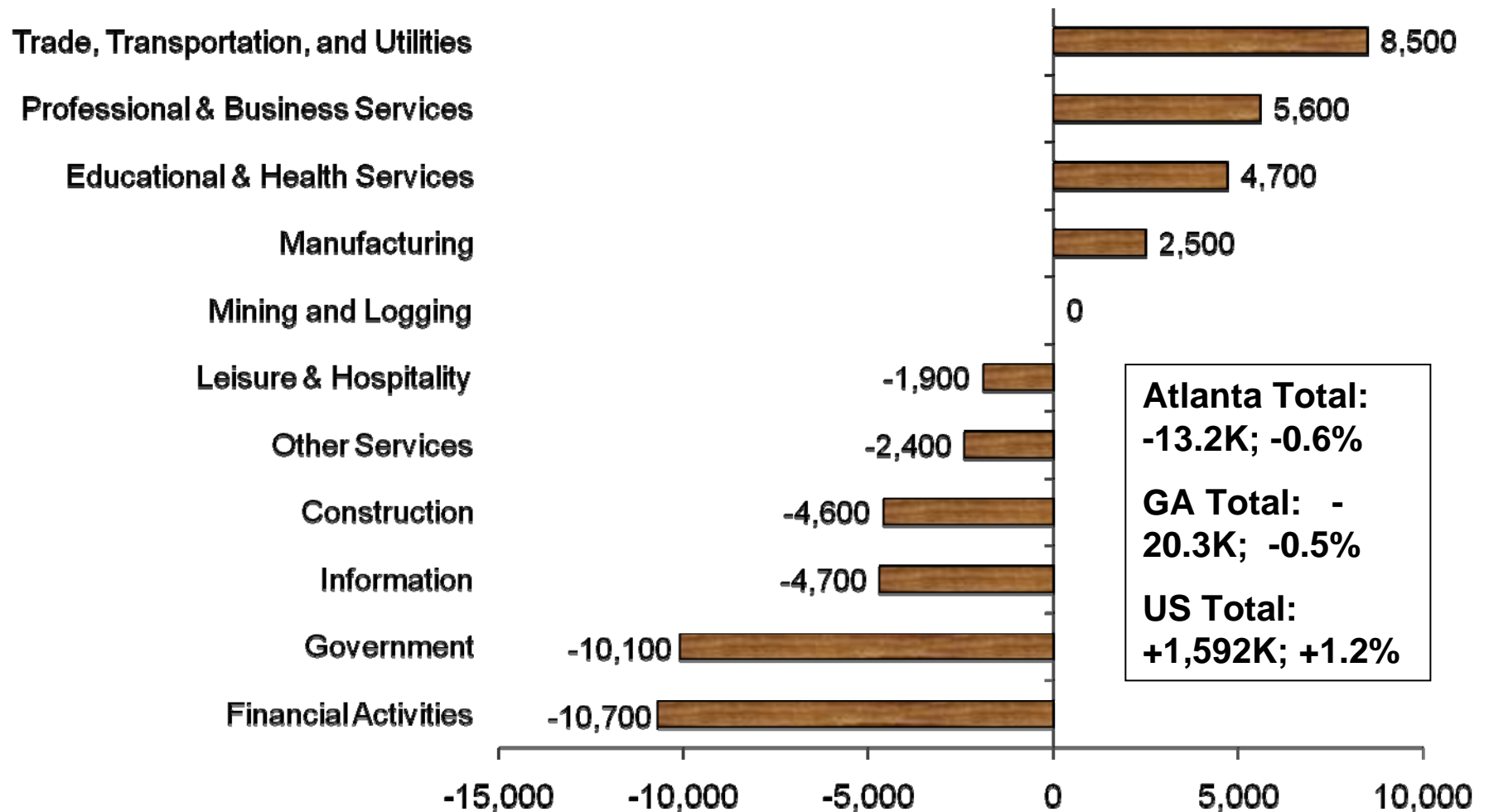


Atlanta-Sandy Springs-Marietta MSA Nonfarm Employment

by Industry Sector Groups (NSA)

November 2010 v. November 2011

Absolute Change

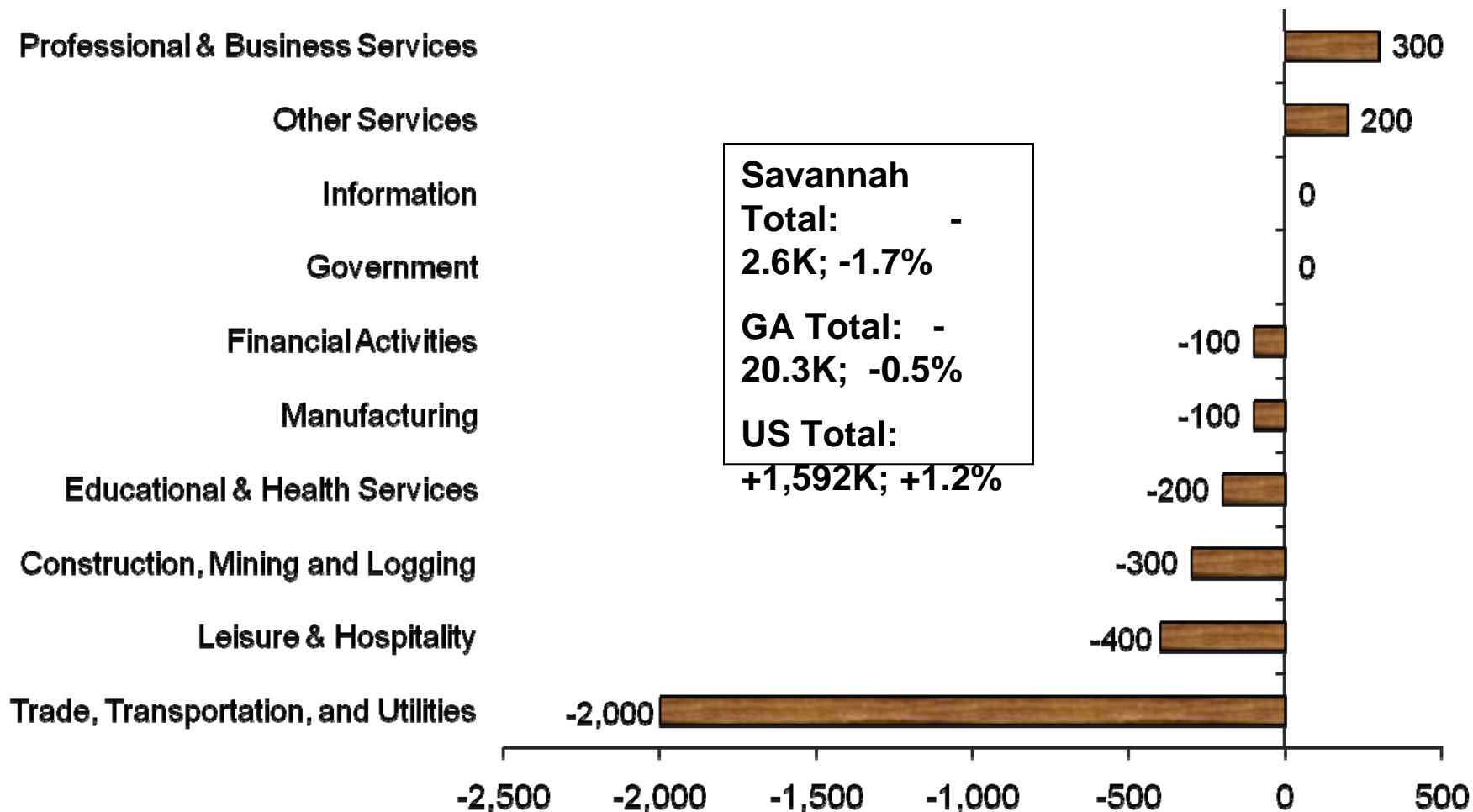


Savannah MSA Nonfarm Employment

by Industry Sector Groups (NSA)

November 2010 v. November 2011

Absolute Change



Unemployment Rates, Largest 20 Metros (NSA)

November 2011

Rank	MSA	UR
1	Minneapolis-St. Paul-Bloomington, MN-WI	5.1
2	Washington-Arlington-Alexandria, DC-VA-MD-WV	5.4
3	Boston-Cambridge-Quincy, MA-NH	5.7
4	Baltimore-Towson, MD	6.7
5	San Antonio-New Braunfels, TX	7.0
6	Dallas-Fort Worth-Arlington, TX	7.4
7	Houston-Sugar Land-Baytown, TX	7.6
8	Phoenix-Mesa-Glendale, AZ	7.7
9	Seattle-Tacoma-Bellevue, WA	8.0
10	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	8.1

Rank	MSA	Rank
11	New York-Northern New Jersey-Long Island, NY-NJ-PA	8.3
12	San Francisco-Oakland-Fremont, CA	8.7
13	Atlanta-Sandy Springs-Marietta, GA	9.2
13	San Diego-Carlsbad-San Marcos, CA	9.2
15	Miami-Fort Lauderdale-Pompano Beach, FL	9.4
16	Detroit-Warren-Livonia, MI	9.5
17	Chicago-Joliet-Naperville, IL-IN-WI	9.6
18	Tampa-St. Petersburg-Clearwater, FL	10.3
19	Los Angeles-Long Beach-Santa Ana, CA	10.7
20	Riverside-San Bernardino-Ontario, CA	12.5

Unemployment Rates, U.S. States (SA)

November 2011

Rank	State	Rate	Rank	State	Rate	Rank	State	Rate
1	NORTH DAKOTA	3.4	17	MASSACHUSETTS	7.0	33	WASHINGTON	8.7
2	NEBRASKA	4.1	19	MONTANA	7.1	36	INDIANA	9.0
3	SOUTH DAKOTA	4.3	20	ALASKA	7.3	37	NEW JERSEY	9.1
4	NEW HAMPSHIRE	5.2	20	WISCONSIN	7.3	37	OREGON	9.1
5	VERMONT	5.3	22	DELAWARE	7.6	37	TENNESSEE	9.1
6	IOWA	5.7	23	PENNSYLVANIA	7.9	40	KENTUCKY	9.4
7	WYOMING	5.8	23	WEST VIRGINIA	7.9	41	MICHIGAN	9.8
8	MINNESOTA	5.9	25	ARKANSAS	8.0	42	GEORGIA	9.9
9	OKLAHOMA	6.1	25	COLORADO	8.0	42	SOUTH CAROLINA	9.9
10	VIRGINIA	6.2	25	NEW YORK	8.0	44	FLORIDA	10.0
11	UTAH	6.4	28	TEXAS	8.1	44	ILLINOIS	10.0
12	HAWAII	6.5	29	MISSOURI	8.2	44	NORTH CAROLINA	10.0
12	KANSAS	6.5	30	CONNECTICUT	8.4	47	MISSISSIPPI	10.5
12	NEW MEXICO	6.5	31	IDAHO	8.5	47	RHODE ISLAND	10.5
15	LOUISIANA	6.9	31	OHIO	8.5	49	DISTRICT OF COLUMBIA	10.6
15	MARYLAND	6.9	33	ALABAMA	8.7	50	CALIFORNIA	11.3
17	MAINE	7.0	33	ARIZONA	8.7	51	NEVADA	13.0

Source: Bureau of Labor Statistics

•U.S. Unemployment Rate: November 11' = 8.7%

GA MSA Unemployment Rates

November 2011

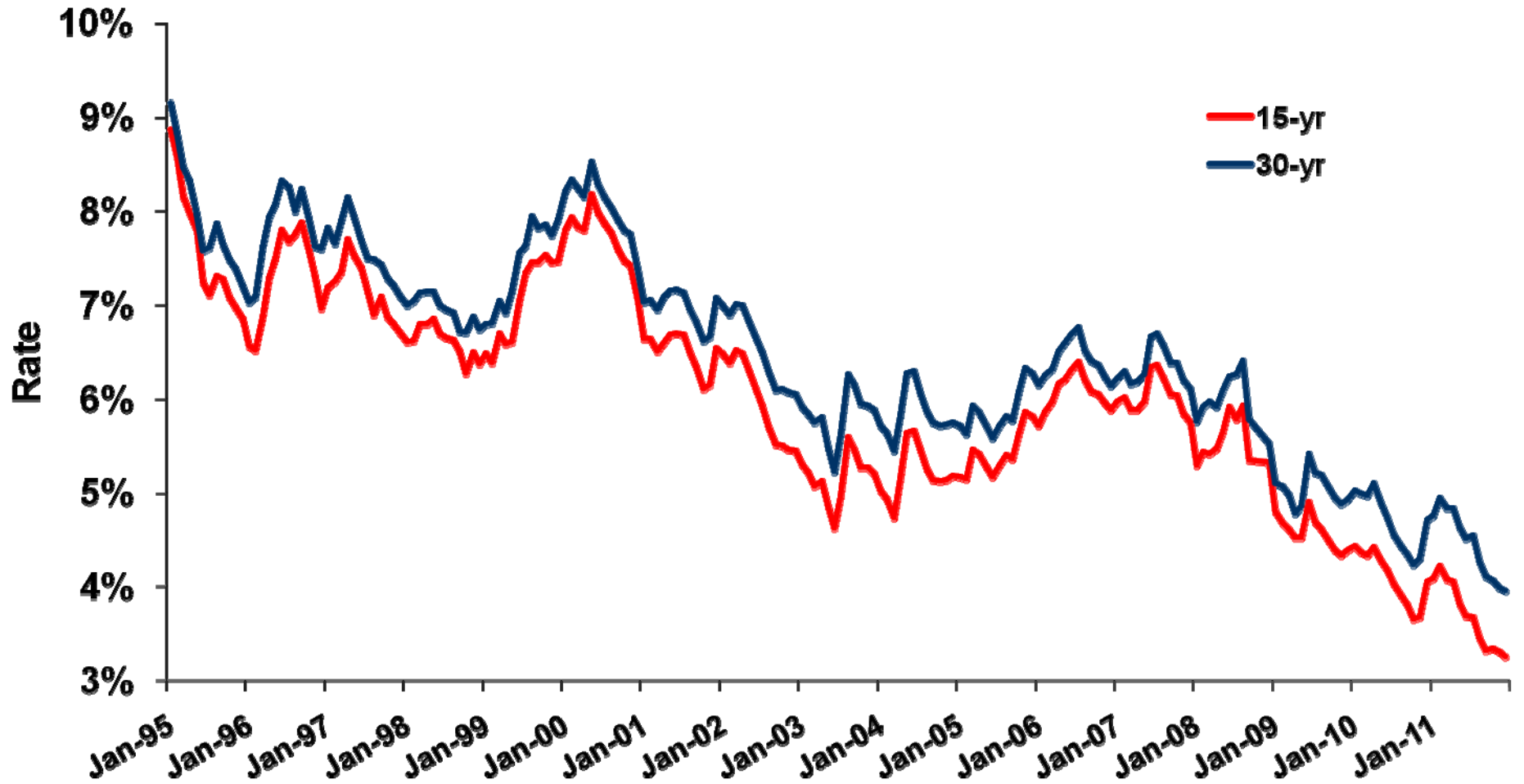
Rank	Jurisdiction	UR	Rank	Jurisdiction	UR
1	Athens-Clarke County, GA	6.9	9	Hinesville-Fort Stewart, GA	8.9
2	Warner Robins, GA	7.2	10	Atlanta-Sandy Springs-Marietta, GA	9.2
3	Chattanooga, TN-GA	7.5	11	Macon, GA	9.4
4	Gainesville, GA	7.7	12	Albany, GA	9.7
5	Savannah, GA	8.4	12	Brunswick, GA	9.7
6	Columbus, GA-AL	8.6	14	Rome, GA	10.4
6	Valdosta, GA	8.6	15	Dalton, GA	11.8
8	Augusta-Richmond County, GA-SC	8.7			



It could be worse, right??

15-Year & 30-Year Fixed Mortgage Rates

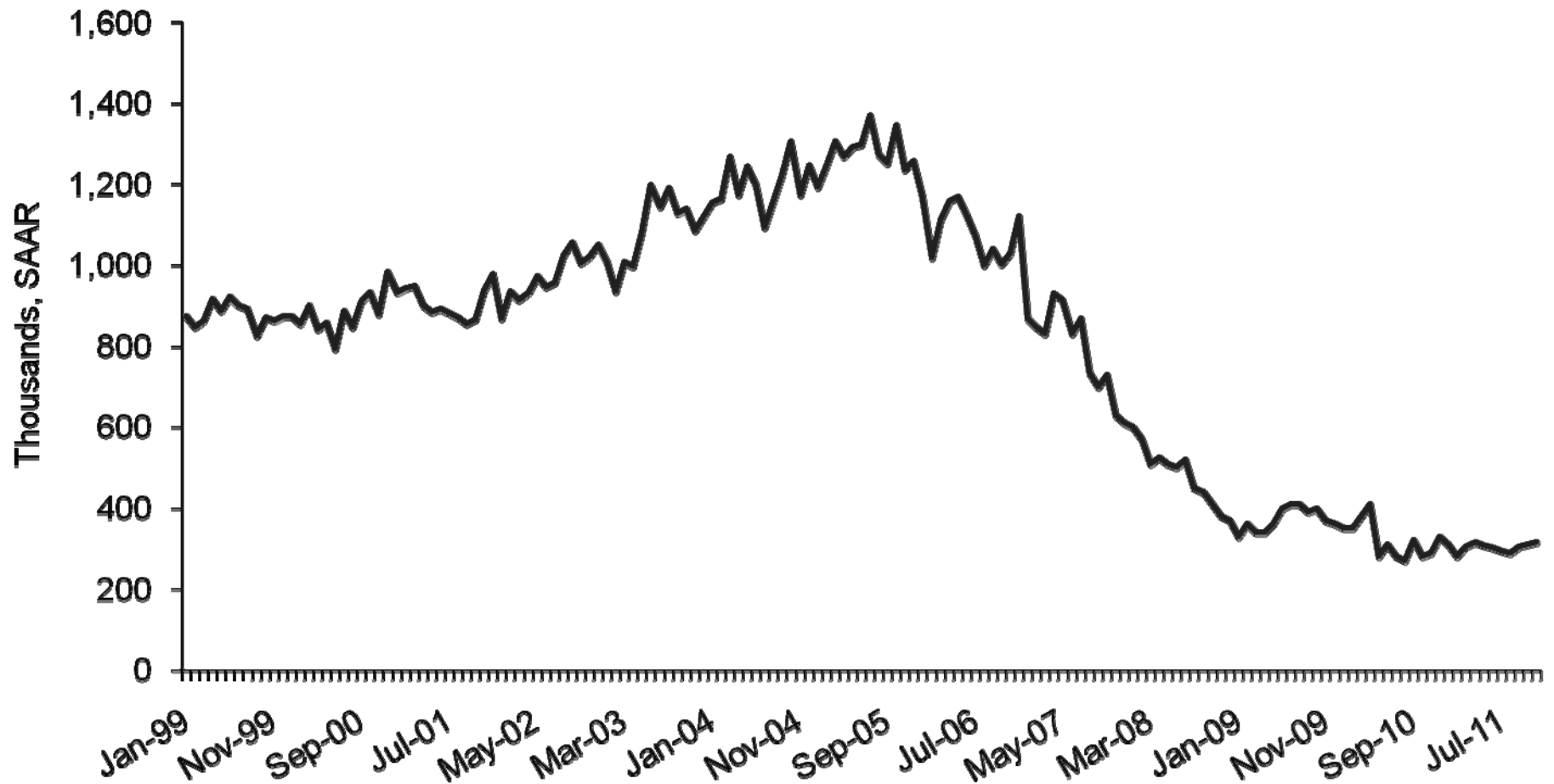
January 1995 through December 2011



Source: Freddie Mac

U.S. New Home Sales

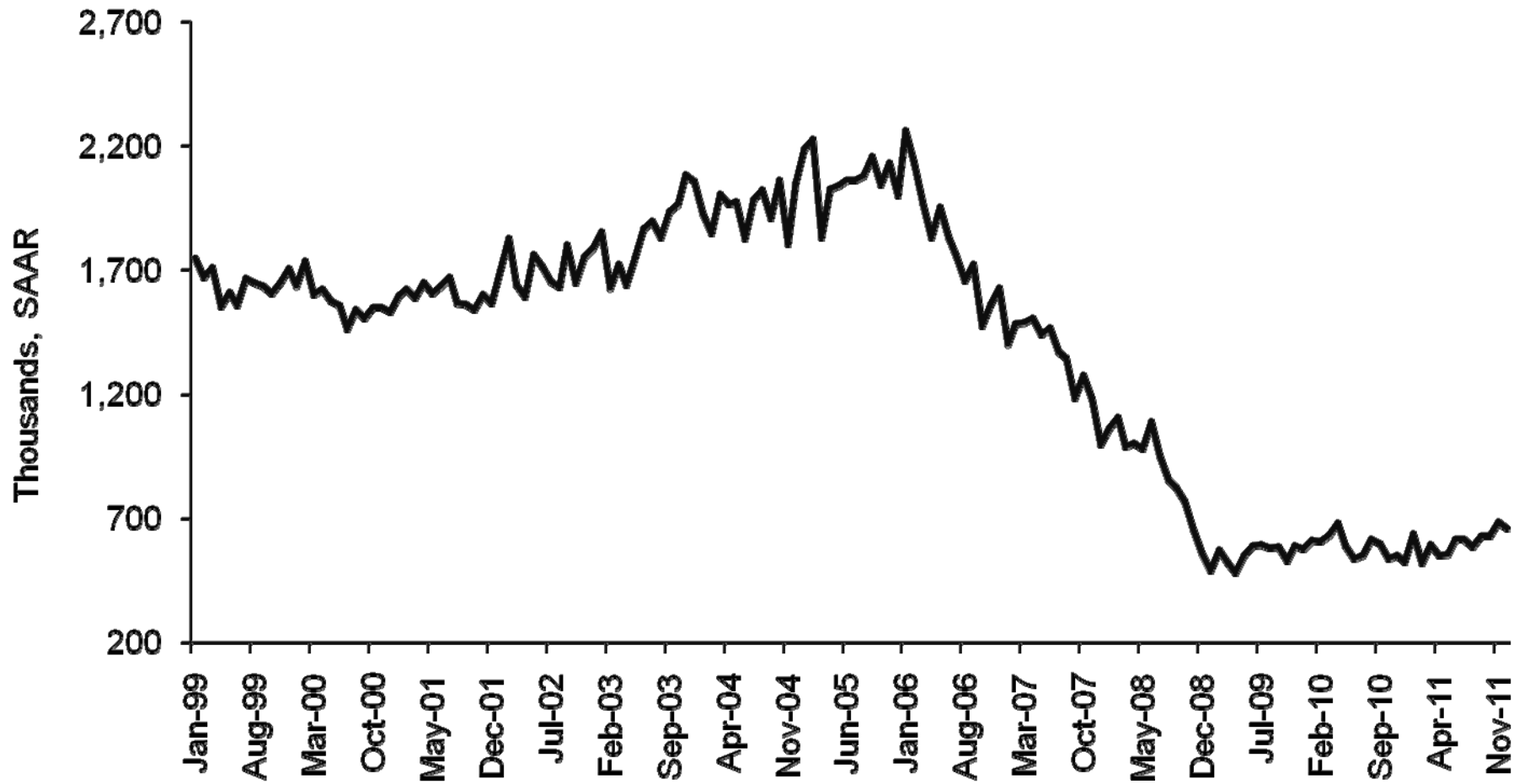
January 1999 through November 2011



Source: Economy.com, Census Bureau

U.S. Housing Starts

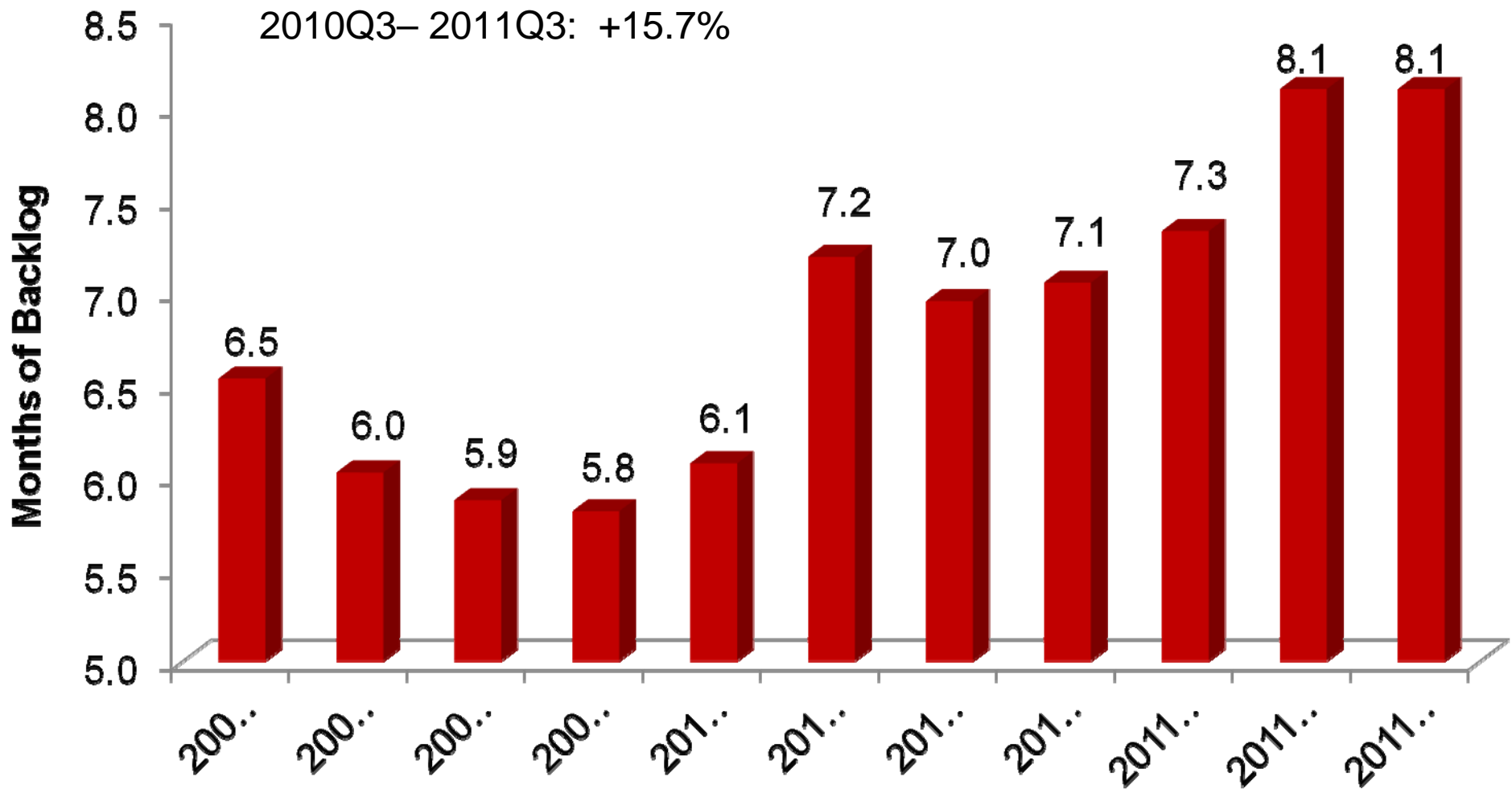
January 1999 through December 2011



Source: Economy.com

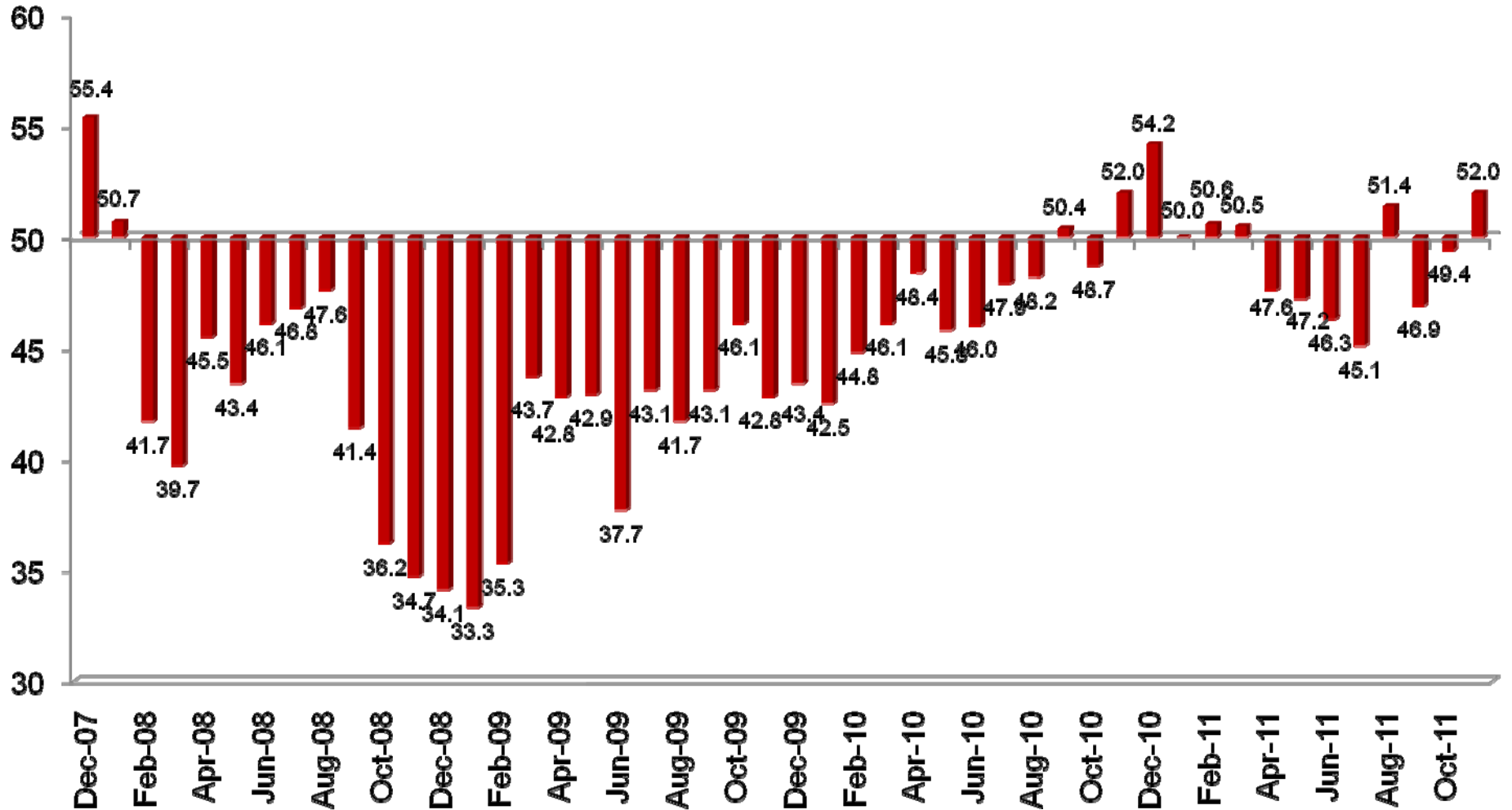
ABC's National Construction Backlog Indicator (CBI) Average

2009Q1 through 2011Q3



Architecture Billings Index

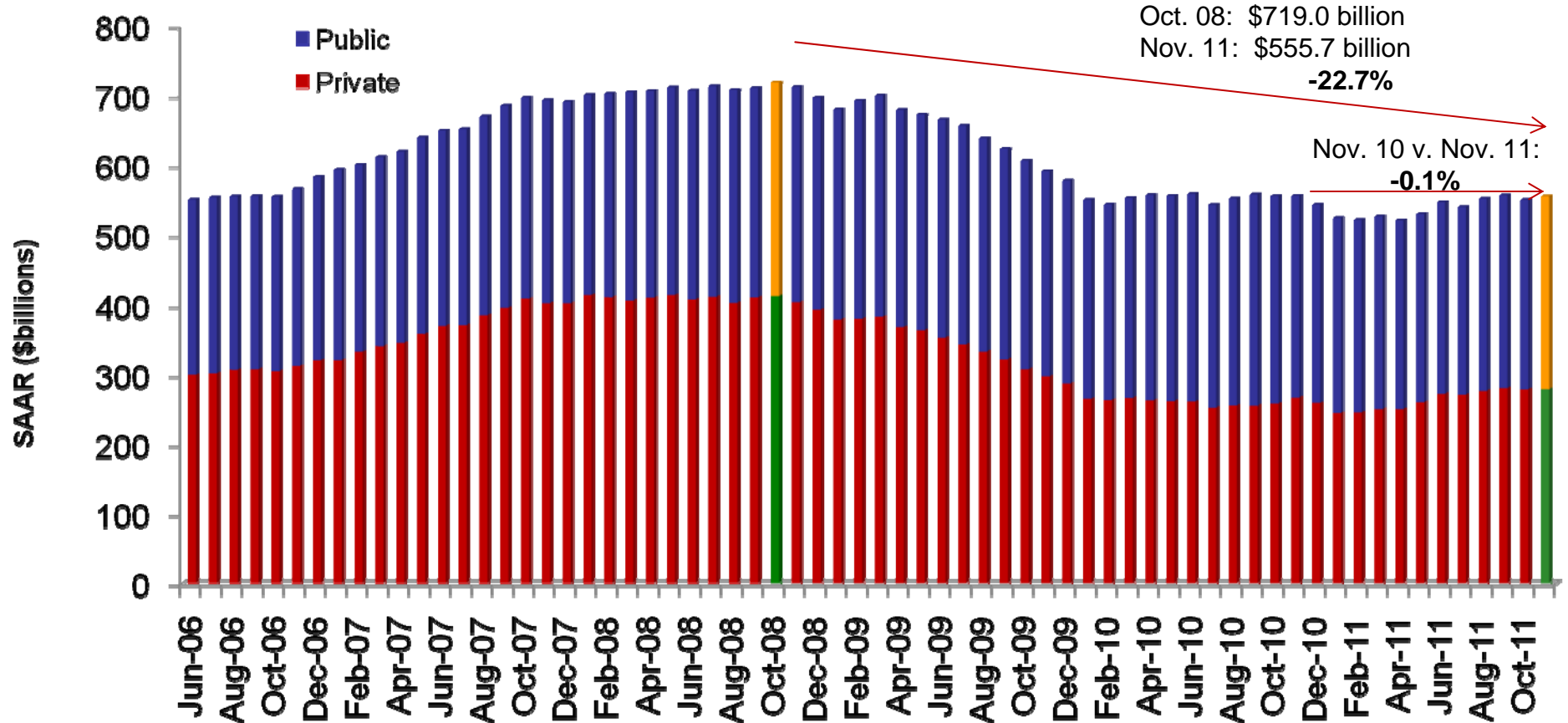
December 2007 through November 2011



Source: The American Institute of Architects

Nonresidential Construction Put-in-Place

June 2006 through November 2011

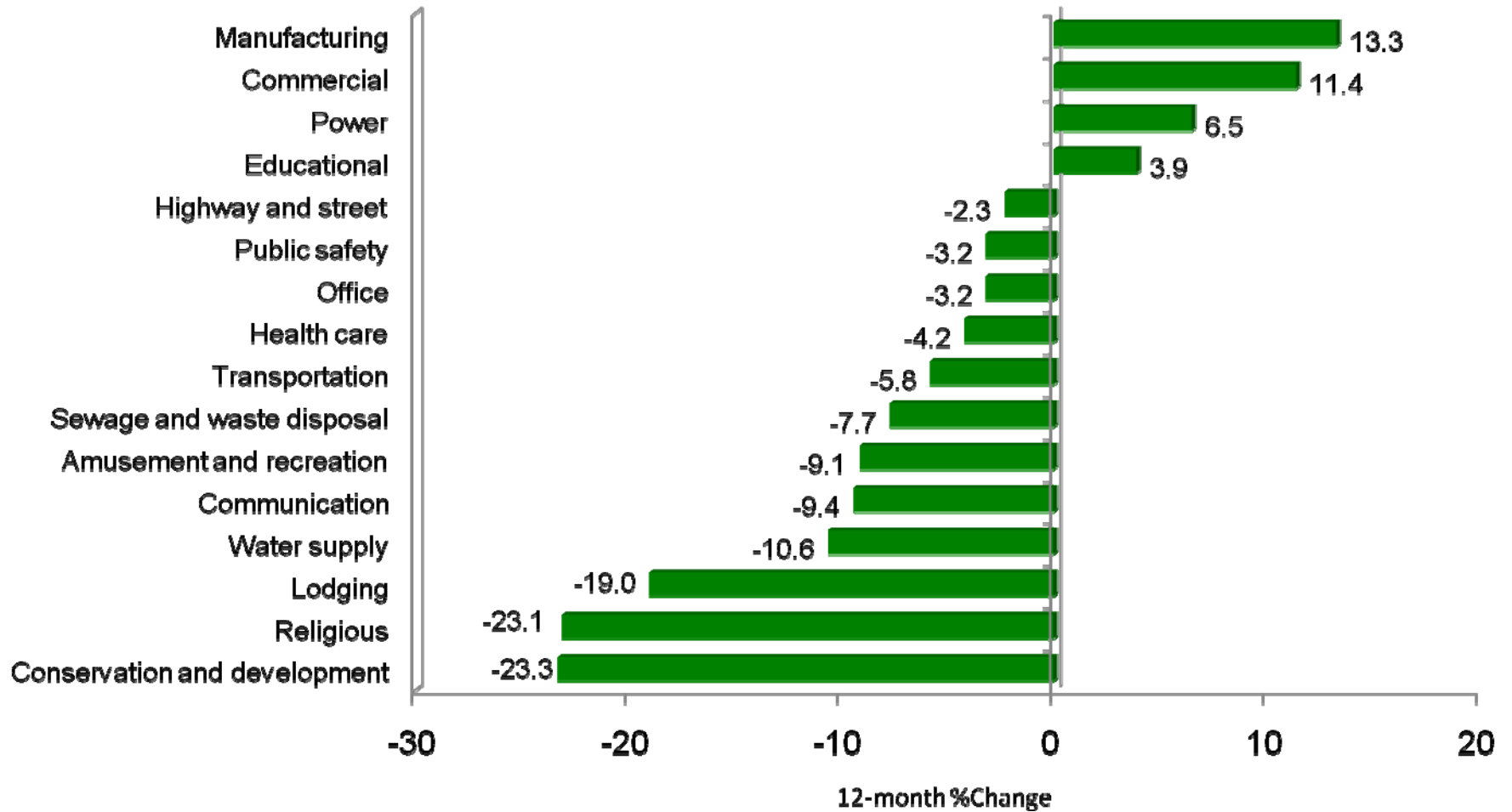


Type	Value	% Δ Oct-11	% Δ Nov-10
Private	\$278.6	0.0%	4.5%
Public	\$277.1	1.8%	-4.4%
Total	\$555.7	0.9%	-0.1%

Source: U.S. Census Bureau

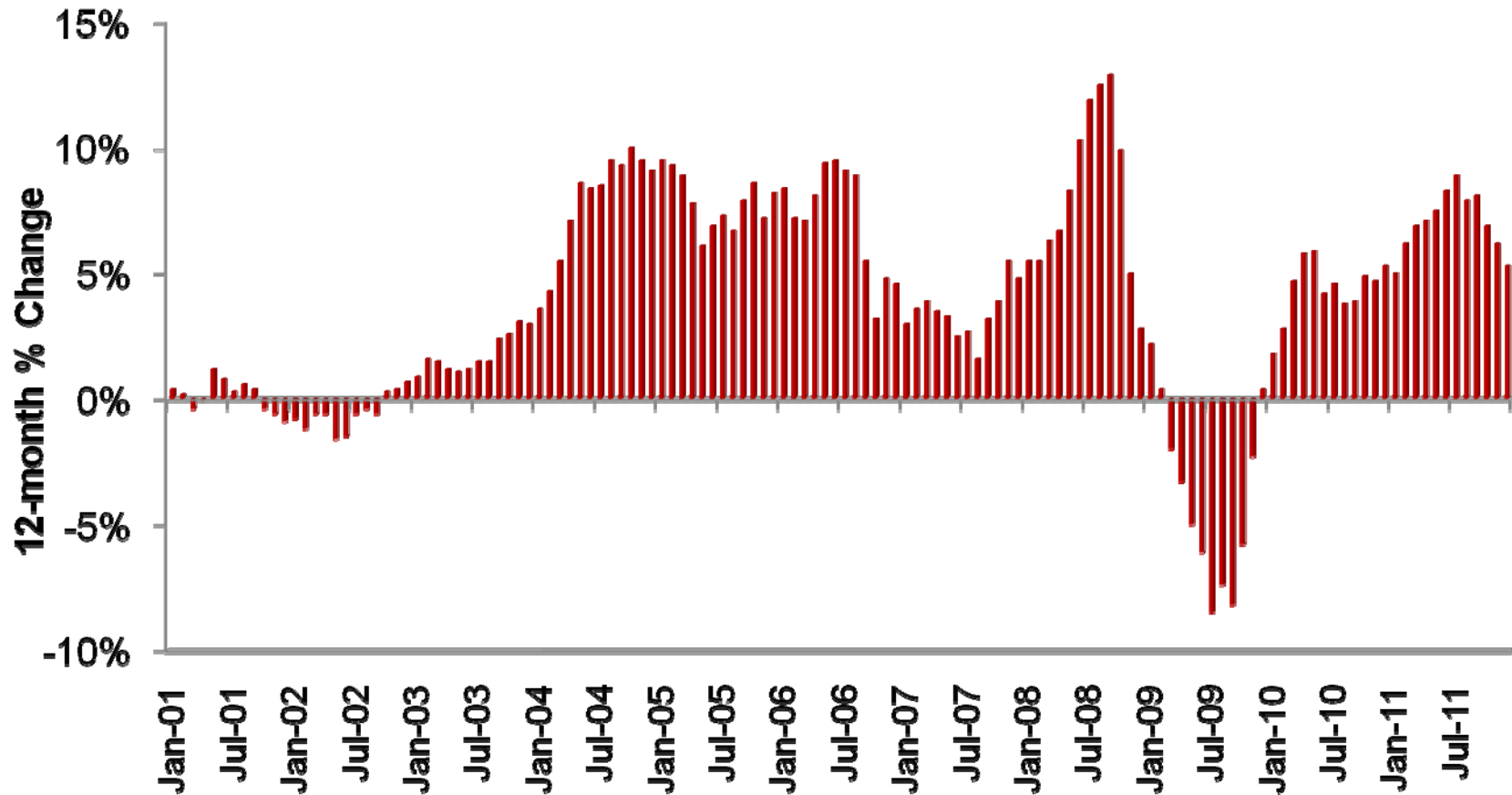
National Nonresidential Construction Spending by Subsector

November 2011 v. November 2010



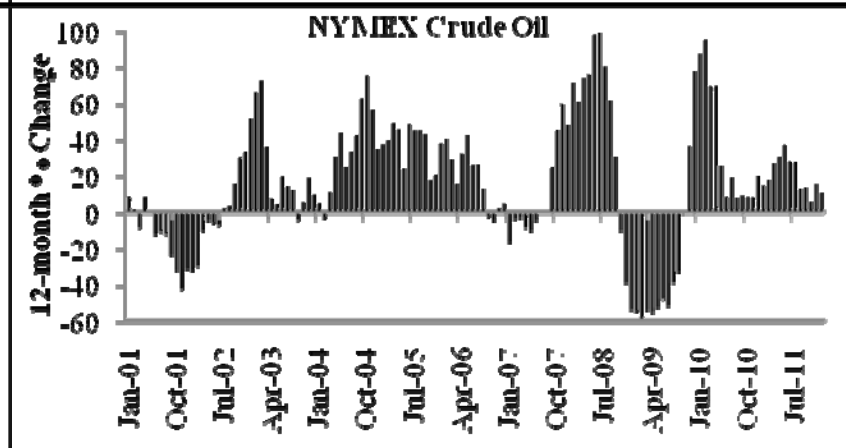
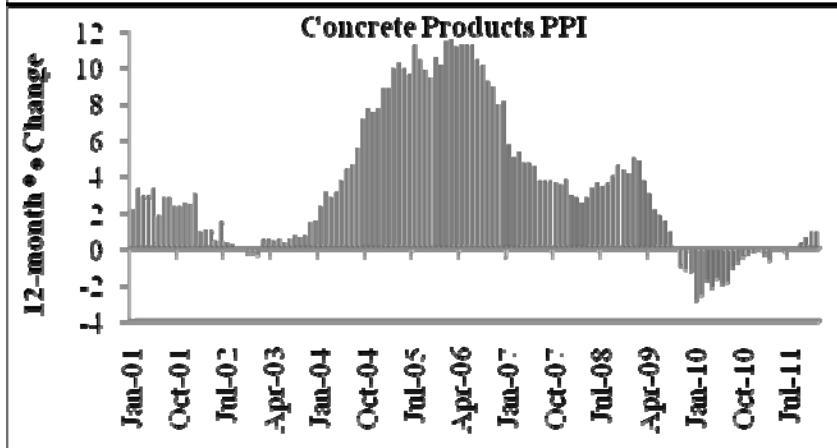
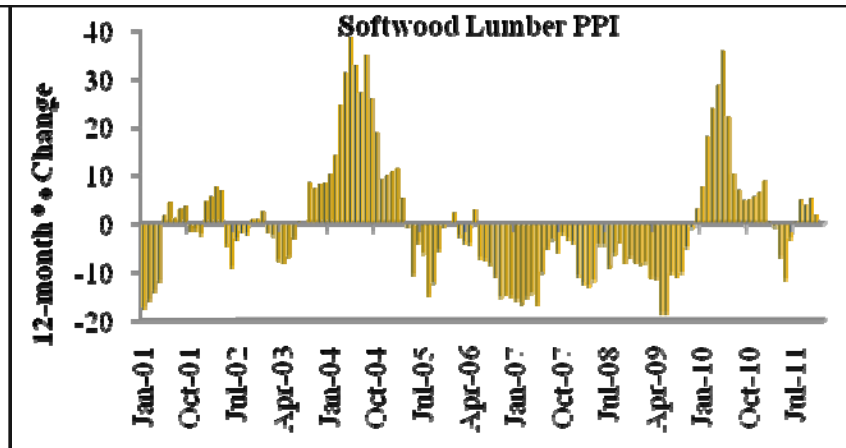
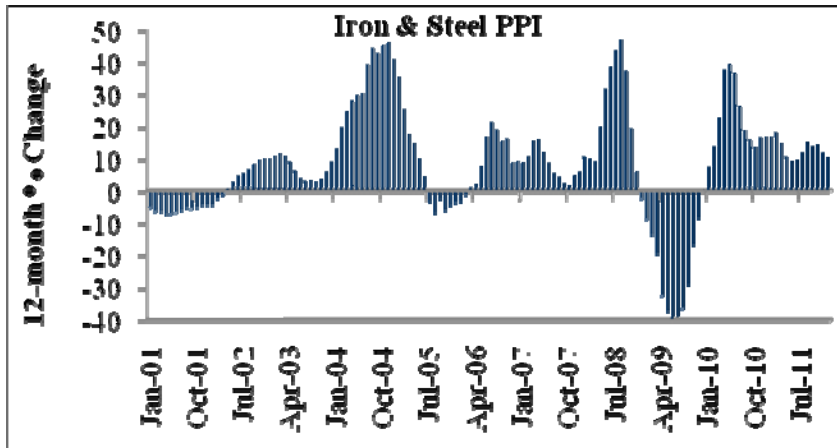
Inputs to Construction PPI

January 2001- December 2011



Key Commodity Prices

January 2001- December 2011



It's difficult to forecast, particularly the future

- Economy hit a soft patch;
- Recession no longer imminent;
- Black swan threats: (1) Iran (2) Israel/Iran (3) Europe;
- Georgia lags;
- 2012: Job growth accelerates, GDP growth = 1.5% to 3.2%;
- Leading threats to the U.S. recovery are political, not economic.

