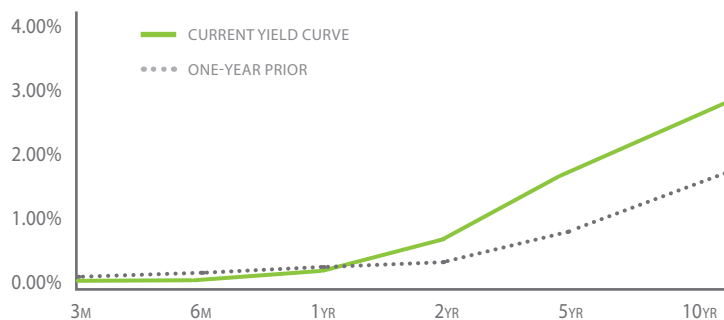


PMA MARKET UPDATE

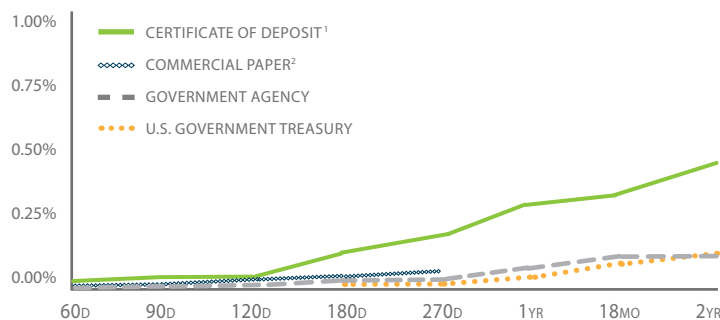
APRIL 2014

Historical Yield Curve



Source: Bloomberg Finance L.P., 4/1/14

Indicative Rates



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

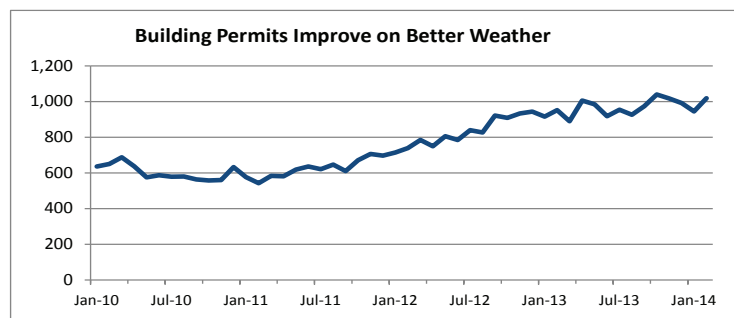
Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 4/1/14

FEATURED ECONOMIC INDICATOR

Consumers Say Current Conditions Improving

Building Permits on privately-owned housing units increased in February to a seasonally adjusted annual rate of 1,018,000. This is 7.7% above the revised January rate and above analysts' estimates for February. This forward looking metric suggests that weaker housing numbers in January were largely weather related.

Source: U.S. Census Bureau



Source: Bloomberg

RECENT NEWS

Fed Changes Language on Interest Rates

The Federal Open Market Committee (FOMC) dropped the 6.5% unemployment guidance which had been used to help communicate when the Fed would increase short-term interest rates. The Fed's new statement said the FOMC will assess a broader range of factors in deciding when to increase the target fed funds rate. After the meeting, the Fed released documents showing that 10 of 16 members expected the Fed would raise rates to 1% or higher by the end of 2015. This is up from December when most officials saw the Fed moving rates to 0.75% or lower. Fed Chairman Janet Yellen also spoke to how long the Fed might wait to hike interest rates after ending the Quantitative Easing program. While her comments were not strongly worded, she surprised the market by saying it could be as soon as six months, which would be around April 2015.

Source: Federal Reserve, Wall Street Journal

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	03/18/14	FEB	1.2%	1.1%	1.6%
Core CPI (YoY)	03/18/14	FEB	1.6%	1.6%	1.6%
Consumer Confidence	03/25/14	MAR	78.5	82.3	78.3 (R)
Durable Goods Orders Ex. Transportation (MoM)	03/26/14	FEB	0.3%	0.2%	0.9% (R)
ISM Manufacturing	04/01/14	MAR	54.0	53.7	53.2
Domestic Vehicle Sales	04/01/14	MAR	12.30M	12.78M	11.98M
Initial Jobless Claims	04/03/14	MAR 29	318K	-	311K
Change in Nonfarm Payrolls	04/04/14	MAR	200K	-	175K
Unemployment Rate	04/04/14	MAR	6.6%	-	6.7%

Source: Bloomberg Finance L.P., 4/1/14

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