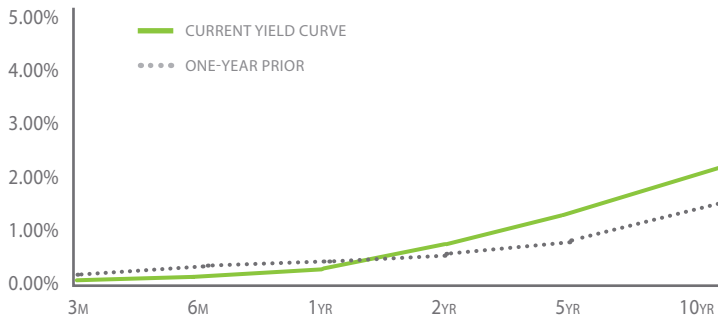


PMA MARKET UPDATE



AUGUST 2013

Historical Yield Curve



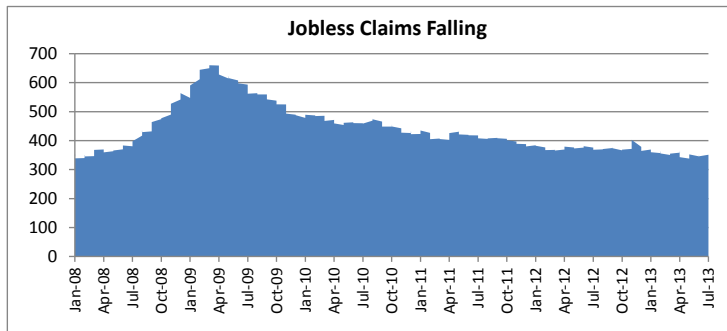
Source: Bloomberg Finance L.P., 8/1/13

FEATURED ECONOMIC INDICATOR

All Eyes on Jobs Data

The Labor Department reported on August 1st that initial jobless claims fell to the lowest level in more than five years. Seasonally adjusted jobless claims fell to 326,000 for the week ended July 27. This was the lowest number since January 2008 and better than the 345,000 new claims forecast by a survey of economists reported by Bloomberg. Also, the payroll firm ADP reported on July 31st that the private sector added 200,000 jobs in July, which was more than expected. The two reports may portend well for the payrolls data to be released August 2nd which will provide further information about job growth and unemployment.

Source: Wall Street Journal, Bloomberg



Source: Bloomberg

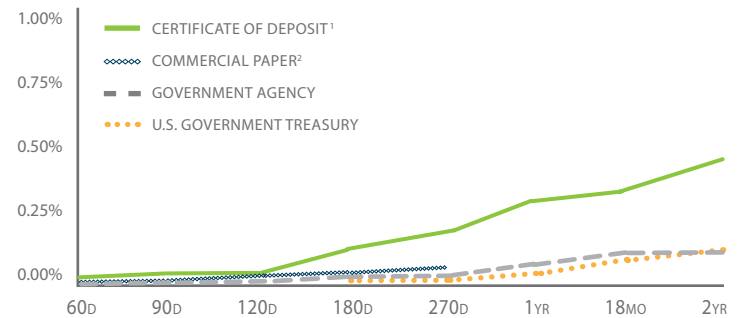
RECENT NEWS

Fed Monitors Economic Growth

Gross Domestic Product expanded 1.7% in the 2nd quarter. While the report exceeded forecasts, growth remains slow compared to prior recoveries. Consumer spending, which accounts for more than two-thirds of the economy, grew at a 1.8% rate. The pace was slower compared to the 1st quarter as consumers cut spending on hotels and restaurants. Improvements in jobs and housing and a diminishing effect from higher taxes should aid consumer spending in the second half of 2013 according to some economists. Lower consumer spending was offset by higher business spending, a smaller decline in federal spending and growth in state and local government spending. In addition to overall economic growth, the Fed will continue to monitor labor market measures and inflation expectations as it determines if and when to taper its bond buying program later this year.

Source: Wall Street Journal, Federal Reserve

Indicative Rates



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

Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 8/1/13

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Retail Sales Ex Auto and Gas (MoM)	07/15/13	JUN	0.4%	-0.1%	0.3%
Consumer Price Index (YoY)	07/16/13	JUN	1.6%	1.8%	1.4%
Housing Starts	07/17/13	JUN	960K	836K	928K (R)
Existing Home Sales	07/22/13	JUN	5.26M	5.08M	5.14M (R)
Consumer Confidence	07/30/13	JUL	81.3	80.3	82.1 (R)
GDP (QoQ)	07/31/13	2Q A	1.0%	1.7%	1.1% (R)
ISM Manufacturing	08/01/13	JUL	52.0	55.4	50.9
Change in Nonfarm Payrolls	08/02/13	JUL	185K	-	195K
Unemployment Rate	08/02/13	JUL	7.5%	-	7.6%

Source: Bloomberg Finance L.P., 8/1/13

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