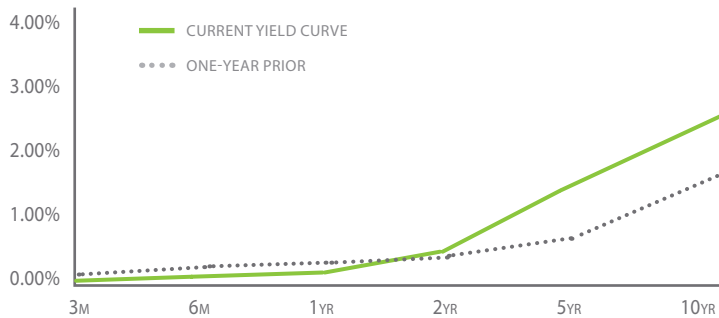


PMA MARKET UPDATE



DECEMBER 2013

Historical Yield Curve



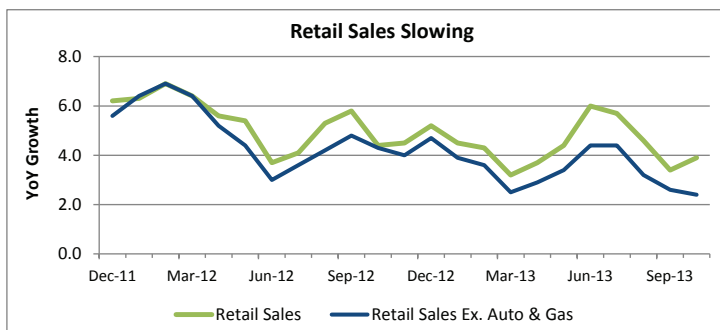
Source: Bloomberg Finance L.P., 12/4/13

FEATURED ECONOMIC INDICATOR

Shoppers Remain Cautious

Retail sales and retail sales excluding volatile auto and gas both exceeded economists expectations in October, but the growth trend has been weak. This was highlighted over Thanksgiving weekend when retail sales dropped for the first time in at least seven years according to the National Retail Federation. The lower holiday weekend sales numbers which include retailers' crucial Black Friday sales came just after the Conference Board announced on November 26 that Consumer Confidence dipped to 70.4 in November from 71.2 the prior month. Thanksgiving weekend sales fell 2.7% from a year ago even as retailers warned that large promotions will cut into margins and customer traffic increased from the prior year both in stores and online. Consumers continue to watch for bargains and limit purchases as they feel pressure from weak employment and economic growth.

Source: Bloomberg, Wall Street Journal



Source: Bloomberg

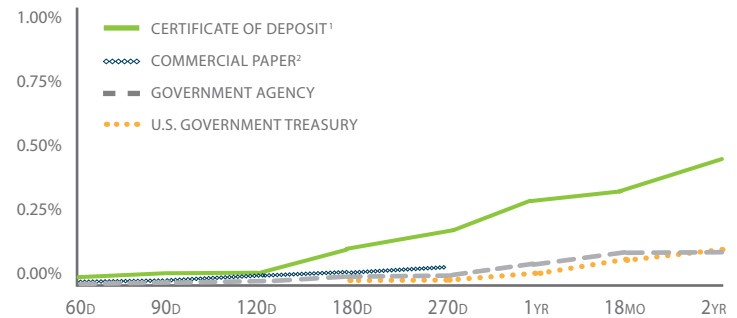
RECENT NEWS

Federal Reserve Still Sees Financial System Risks

The Federal Reserve has begun implementing capital and liquidity rules to limit financial system risks. However, many rules have not yet been implemented and the Federal Reserve has indicated that it seeks to focus more on short-term funding including repurchase agreements. Scaling back this funding source would not be easy or without market risks since so many borrowers and investors rely on repurchase agreements. The Fed is weighing the potential downside, including reducing the amount of available credit, of any actions it takes. Higher capital and margin requirements may be required in the future.

Source: Wall Street Journal

Indicative Rates



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

Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 12/4/13

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	11/20/13	OCT	1.0%	1.0%	1.2%
S&P Case-Shiller Composite-20 (YoY)	11/26/13	SEP	13.00%	13.29%	12.80% (R)
Consumer Confidence	11/26/13	NOV	72.6	70.4	72.4 (R)
Durable Goods Orders Ex. Transportation (MoM)	11/27/13	OCT	0.5%	-0.1%	0.2% (R)
Domestic Vehicle Sales	12/03/13	NOV	12.20M	-	11.73M (R)
Initial Jobless Claims	12/05/13	NOV 30	325K	-	316K
GDP Annualized (QoQ)	12/05/13	3Q S	3.1%	-	2.8%
Change in Nonfarm Payrolls	12/06/13	NOV	180K	-	204K
Unemployment Rate	12/06/13	NOV	7.2%	-	7.3%

Source: Bloomberg Finance L.P., 12/4/13

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