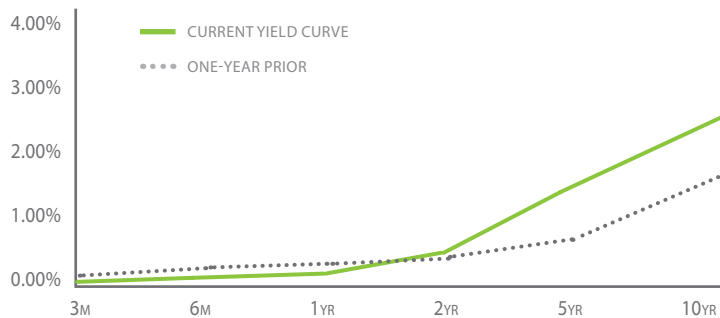


PMA MARKET UPDATE



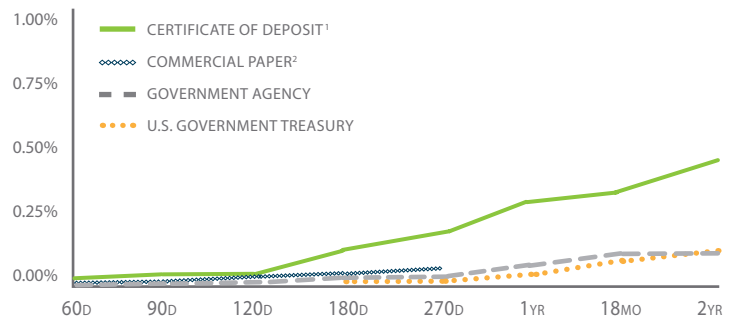
NOVEMBER 2013

Historical Yield Curve



Source: Bloomberg Finance L.P., 11/1/13

Indicative Rates



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

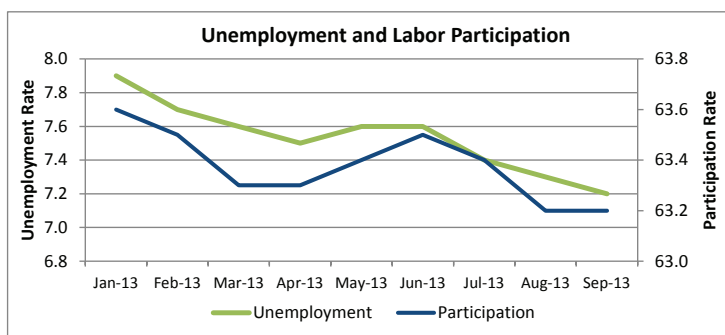
Source: PMA Financial Network, Inc., Bloomberg Finance L.P., 11/1/13

FEATURED ECONOMIC INDICATOR

Employment Considerations for Policymakers

The Evans Rule, which links the Fed's decision on the federal funds rate and the unemployment rate, is only part of the story on employment. The unemployment rate continues to benefit from a slowly declining labor force participation rate. Economists and policymakers examine a number of ratios to better understand the trend. One such ratio is the Job Openings and Labor Turnover Survey, or JOLTS. Labor turnover is important to the economy because it creates new opportunities for workers. The voluntary quit rate plummeted during the recession and the number of voluntary quits remains well below prerecession levels despite some recovery. Long-term unemployed (those jobless for 27 weeks or more) also impacts labor participation. In September, these individuals accounted for 37% of the unemployed.

Source: Bureau of Labor Statistics, Wall Street Journal



Source: Bloomberg

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Existing Home Sales	10/21/13	SEP	5.30M	5.29M	5.39M (R)
Durable Goods Orders Ex. Transportation (MoM)	10/25/13	SEP	0.5%	-0.1%	-0.4% (R)
Retail Sales Ex Auto and Gas (MoM)	10/29/13	SEP	0.5%	0.4%	0.1%
Consumer Confidence	10/29/13	OCT	75.0	71.2	80.2 (R)
Consumer Price Index (YoY)	10/30/13	SEP	1.2%	1.2%	1.5%
ISM Manufacturing	11/01/13	OCT	55.0	56.4	56.2
Initial Jobless Claims	11/07/13	NOV 2	335K	-	340K
Change in Nonfarm Payrolls	11/08/13	OCT	120K	-	148K
Unemployment Rate	11/08/13	OCT	7.3%	-	7.2%

Source: Bloomberg Finance L.P., 11/1/13

RECENT NEWS

Consumer Confidence

The Consumer Confidence Index experienced the largest decline since August 2011 after the debt limit fight. Lynn Franco, Director of Economic Indicators at the Conference Board said, "Consumer confidence deteriorated considerably as the federal government shutdown and debt ceiling crisis took a particularly large toll on consumers' expectations." She continued, "However, given the temporary nature of the current resolution, confidence is likely to remain volatile for the next several months." Consumers' appraisal of the job market was particularly hard hit as those saying jobs are "hard to get" increased to 35.8% from 33.6%.

Source: The Conference Board

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