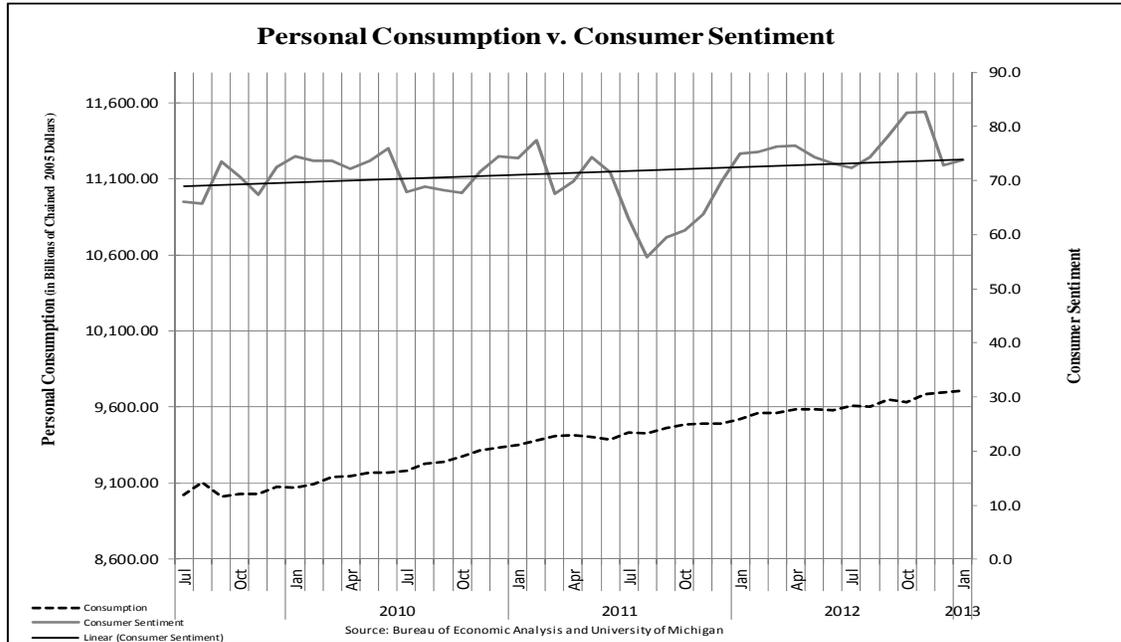


Consumption

The Consumer Sentiment Index was gaining some traction in the early part of 2011 until the S&P downgrade of US debt and the European debt crises, at which time it fell to 55.8, the lowest level since November of 2008 when it was 55.3. These are the two lowest points recorded in consumer sentiment since the era of stagflation in 1980. Job gains have been the most commonly cited reason for an improved outlook.



While consumer sentiment has fluctuated, personal consumption continues to grow steadily. Personal consumption broke the \$9,700 mark in January of 2013, showing month over month gains of .14%. This trend is expected to continue as personal consumption continues to trend upward and make small positive gains each month. This trend has generally held constant across all sectors of consumption: durable goods, non-durable goods, and services. However, the most recent data for January of 2013 shows both non-durable goods and services increasing by approximately 0.30% while durable goods declined by -0.82%.