

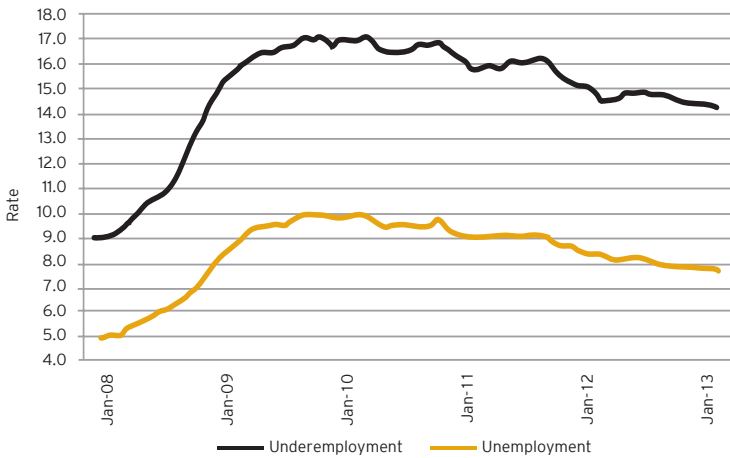


Monthly Economic Update

Unemployment Drops 0.2 Percent

The U.S. unemployment rate decreased to 7.7 percent in February, while payrolls jumped 236,000. A surge in job growth pushed the unemployment rate to the lowest since December 2008. The decrease reflects an increase in employment and a gain in people exiting the labor force. The underemployment rate, which includes part-time workers who desire full time positions and those who have given up looking, fell from 14.4 percent to 14.3 percent. Ben S. Bernanke testified last week that “consistent with the moderate pace of economic growth, conditions in the labor market have been improving gradually.”

U.S. Unemployment
(2008–Present)



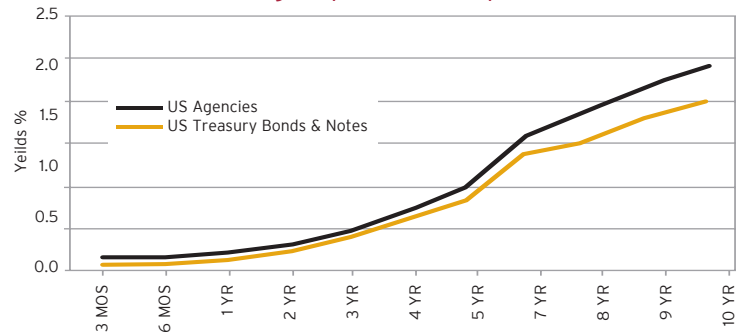
Source: Department of Labor

Selected Current Economic Data

| DATA | PERIOD | Value |
|------------------|------------|-----------|
| GDP QoQ | Q4 '12 | 0.1% |
| GDP YoY | Q4 '12 | 1.6% |
| PPI YoY | Jan '13 | 1.4% |
| CPI YoY | Jan '13 | 1.6% |
| Jobless Rate | Feb '13 | 7.7% |
| Fed Funds Target | Jan 30 '13 | 0 - 0.25% |

Source: Bloomberg

Yield Curves (Agency vs. Treasury)



Source: Bloomberg

Treasury Yields

| Term | 3/7/13 | 2/28/13 | Change |
|---------|--------|---------|--------|
| 3-Month | 0.10% | 0.11% | -0.01% |
| 6-Month | 0.11% | 0.12% | -0.01% |
| 1-Year | 0.14% | 0.15% | -0.01% |
| 2-Year | 0.25% | 0.23% | 0.02% |
| 5-Year | 0.86% | 0.76% | 0.10% |
| 10-Year | 2.00% | 1.90% | 0.10% |
| 30-Year | 3.21% | 3.11% | 0.10% |

Source: Bloomberg

Agency Yields

| Term | 3/7/13 | 2/28/13 | Change |
|---------|--------|---------|--------|
| 3-Month | 0.14% | 0.15% | -0.01% |
| 6-Month | 0.13% | 0.16% | -0.03% |
| 1-Year | 0.17% | 0.19% | -0.02% |
| 2-Year | 0.29% | 0.28% | 0.01% |
| 5-Year | 1.00% | 0.91% | 0.09% |
| 10-Year | 2.39% | 2.28% | 0.11% |

Source: Bloomberg

Commercial Paper Yields (A-1/P-1 Dealers)

| Term | 3/7/13 | 2/28/13 | Change |
|---------|--------|---------|--------|
| 1-Month | 0.17% | 0.16% | 0.01% |
| 3-Month | 0.22% | 0.23% | -0.01% |
| 6-Month | 0.36% | 0.34% | 0.02% |
| 9-Month | 0.44% | 0.44% | 0.00% |

Source: Bloomberg

The opinions expressed are those of the Program Administrator for LAMP, and are subject to change without notice.