TOWN

ECONOMICS AT A GLANCE™

November 2014

EMPLOYMENT & THE MARKET

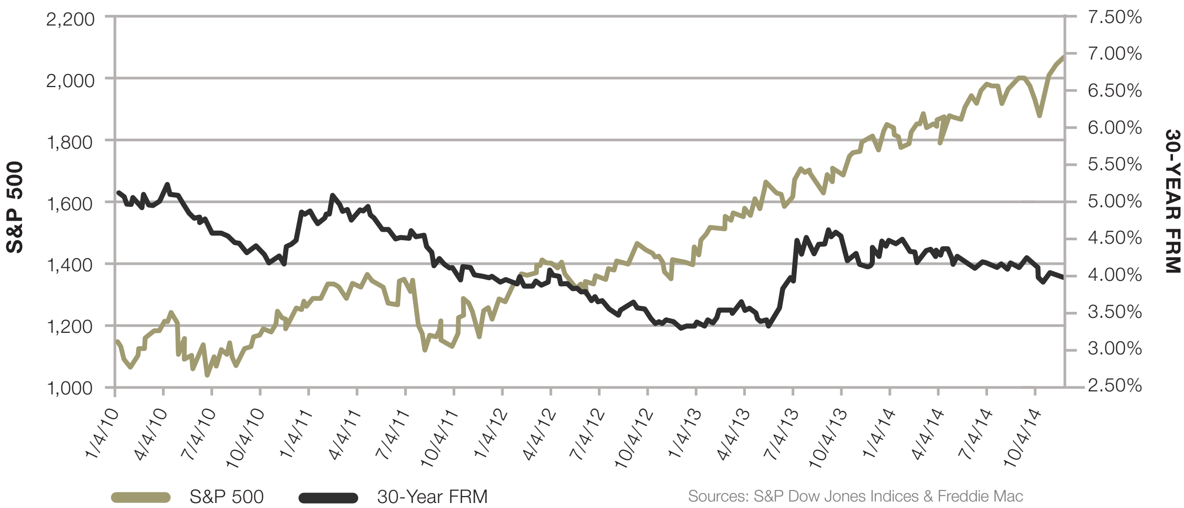
The New York State Department of Labor updated the employment statistics for October to reflect that New York City experienced a combined jobs increase of 2.1% in the private and government sectors. Statewide the official seasonally adjusted unemployment rate decreased to approximately 6.0% while the New York City unemployment rate decreased to 6.4%.

Year-over-year, manufacturing and government sectors shed jobs, while the primary industries contributing to job growth were professional and business services, educational & health services as well as leisure & hospitality.

The S&P 500 has fluctuated above the 2,000 mark with increased volatility and the 30-Year Fixed Rate Mortgage decreased to approximately 3.99%. Since the Federal Reserve has terminated the quantitative easing policies, it should be interesting to see the interplay between interest rates and asset prices as new policies are revealed in 2015.

*The following chart demonstrates fluctuations in the S&P 500 Stock Index as well as the 30-Year FRM on a weekly basis from 2010 through November 2014:

S&P 500 Stock Index and 30-Year FRM



MONEY & THE MARKET

Another important economic trend regarding fluctuations in interest rates, is the flow of funds as measured by the Investment Company Institute's studies of mutual fund activity. The most recent trend has been out of both taxable bond mutual funds and equity. According to ICI estimates, in the previous month through November equity investments saw a negative outflow of approximately $5.5 Billion while Bonds saw a negative outflow of approximately $30.1 Billion. This trend is observed amidst increased stock prices and Central Bank discussions of early rate increases in 2015.

Taken in conjunction with lower than usual trading volume, year-over-year decreases in the number of financial activities jobs, housing inventory shortages, slowly increasing mortgage rates as well as rising real estate prices, many are hoping to see stability emerging in the construction and housing sectors and an increase in the supply side of the Manhattan inventory as we enter a new stage in economic recovery and shifting monetary policy.

*The following chart displays monthly flow of funds into and out of both Equity and Bond mutual funds from January 2007 through to the present:

Monthly Domestic Equity and Taxable Bond Mutual Fund Flow of Funds