

### ECONOMICS & THE MARKET

The New York State Department of Labor updated the employment statistics for February to reflect that New York City experienced a combined jobs increase of 2.2% in the private and government sectors. Statewide the official seasonally adjusted unemployment rate remained at 6.8% while the New York City unemployment rate increased to 7.9%.

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

The S&P 500 continued to remain above the 1,800 mark and the 30-Year Fixed Rate Mortgage increased slightly to approximately 4.40%. The Federal Reserve has continued incremental reductions in its current bond buying strategy this month as planned, facilitating a gradual tapering of the quantitative easing policies. It should be interesting to see the interplay between interest rates and asset prices through 2014.

\*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 March 2014:

*S&P 500 Stock Index and 30-Year FRM*



### REAL ESTATE & THE ECONOMY

Another important economic trend worth following is the amount of trading volume as reported by the NYSE. Currently trading volume has been steadily decreasing since the start of the financial crisis. The stock market has made significant gains in recent years while simultaneously demonstrating great sensitivity to the path of Federal Reserve policy.

The NYSE most recently reported a slight 8% increase in activity with approximately 20.5 billion matched shares internally changing hands. In the absence of a strong securities industry, other industries have contributed more significantly to New York City jobs growth as well as a rebound in the real estate prices (as measured by the NY condo index). Although no other industry has been able to replace the income and tax revenue generated by the securities industry, real estate in conjunction with construction have also been integral in stabilizing the employment rates in the greater New York region.

\*The following chart displays stock volume along with the seasonally adjusted Case-Shiller NY Condo Index on a monthly basis from January 2004 through December 2013:

*NYSE Trading Volume & NY Case-Shiller Condo Index*

