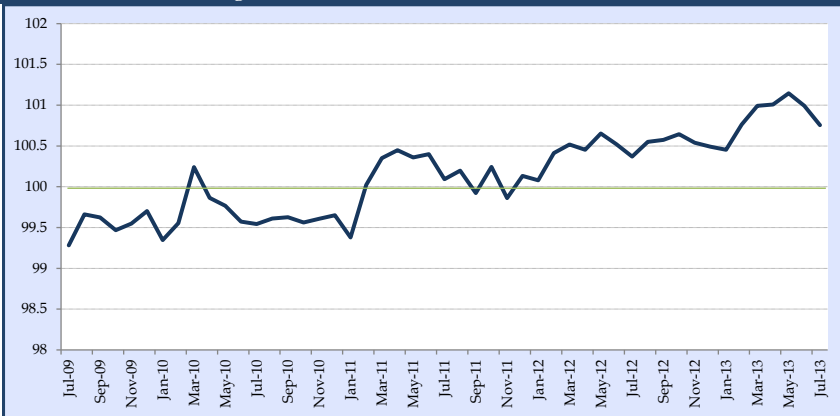


SC Leading Index Loses Ground in July

After a June decline of 0.12 points, July's reading of the South Carolina Leading Index (SCLI) shows a loss of 0.24 points. While above the 100 mark, forecasting improving economic conditions for the state, the expected pace of recovery has moderated. Strong gains in the stock market provided the only boost to the SCLI last month. In the labor market, an 11 percent increase in initial claims for Unemployment Insurance coupled with a 3.9 percent reduction in the average manufacturing workweek pushed the SCLI lower. On the housing front, a 2.2 percent decline in residential building permits and a 4.9 percent decrease in the valuation associated with those permits contributed to the decline of the SCLI. However, year-over-year, both the housing and labor market indicators have improved significantly.

-David Clayton

South Carolina Leading Index



Source: South Carolina Department of Commerce

Home Prices Up 5% Compared to a Year Ago

Although interest rates are now rising, the housing recovery in South Carolina continues to pick up steam. Last month, the number of residential real estate closings increased 2.2 percent while the median single-family home sales price essentially remained flat at \$163,000. Compared to one year ago, the volume of closings is up more than 21 percent and the median price has gained nearly 5 percent. The strongest housing recoveries are in the state's larger metro areas. Sales volume in Charleston was up 28 percent in July from a year ago; Columbia's closing volume is up 24 percent, and Greenville is up 30 percent. Likely due to poor weather in July, building permits were down 2.2 percent last month in South Carolina; however, permitting activity is still up 37 percent compared to last year.

The Research Division at the South Carolina Department of Commerce is a highly-skilled, multidisciplinary team of professionals dedicated to the economic development of South Carolina and the collection, analysis and dissemination of information to support that mission. The Research Division publishes reports and analyses for statewide constituents and proposals for companies considering South Carolina for investment. If you would like to receive Commerce's monthly Economic Outlook, e-mail dclayton@SCcommerce.com.

KEY S.C. INDICATORS

Income

-1.0%

State Personal Income

decreased to \$163.3 billion in the first quarter of 2013.

U.S. Bureau of Economic Analysis

+6.5%

South Carolina Stock Index

gained 6.43 points in July, closing at 104.61 on the last trading day of the month.

Bloomberg

Employment

-0.6%

Nonfarm Employment

decreased 11,200 non-seasonally adjusted jobs in July from the prior month.

U.S. Bureau of Labor Statistics

-0.2%

Labor Force

decreased by 3,962 to 2,161,966, seasonally-adjusted, in July.

U.S. Bureau of Labor Statistics

+0.1%

Unemployment Rate

increased from 8.0 percent to 8.1 percent for the month of July.

U.S. Bureau of Labor Statistics

-3.9%

Manufacturing Weekly Hours

decreased by 1.6 hours to 39.8 hours in July from 41.4 hours in June.

U.S. Bureau of Labor Statistics

-2.6%

Available Online Job Postings

decreased by 1,500 positions in July to a seasonally-adjusted 56,600 job postings.

The Conference Board Help Wanted Online Index

Real Estate

-1.1%

Single-Family Home Sales Price

decreased by \$1,800 to \$163,000 in July.

South Carolina Association of Realtors

-2.2%

Residential Building Permits

decreased by 45 permits from the previous month to 2,018 permits issued in July.

U.S. Census Bureau



South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

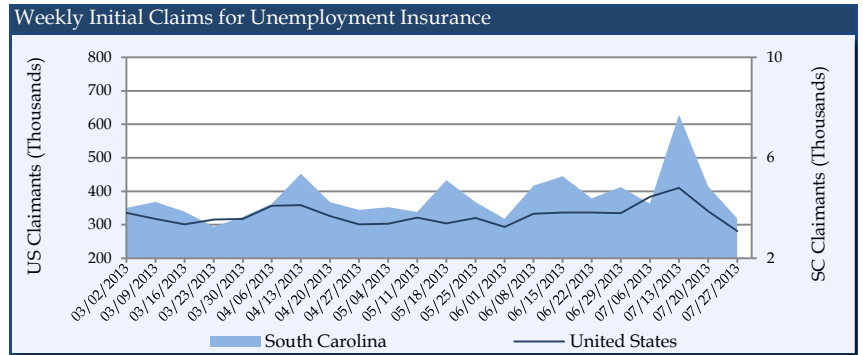
Total non-seasonally adjusted, nonfarm employment shed 11,200 jobs last month, or 0.6 percent. Seasonal job losses in the government sector, due to school closings between terms, contributed to most of the decline last month. Total Government employment was down 14,400 jobs, or 4.1 percent, while Manufacturing also shed 900 jobs, or 0.4 percent. Professional and Business Services added 2,400 jobs (1.0 percent) and the Leisure and Hospitality sector gained 1,400 jobs (0.6 percent). Over the course of the year, South Carolina has added 41,200 jobs to total nonfarm employment.

Industry Sector	July 2013	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	307,000	307,600	301,000	-0.20	1.99
Natural Resources and Mining	3,700	3,800	3,800	-2.63	-2.63
Construction	82,700	82,300	78,100	0.49	5.89
Manufacturing	220,600	221,500	219,100	-0.41	0.68
Service Providing	1,586,700	1,597,300	1,551,500	-0.66	2.27
Trade, Transportation, and Utilities	364,100	363,900	355,500	0.05	2.42
Information	26,000	25,700	25,700	1.17	1.17
Finance	103,000	103,500	99,500	-0.48	3.52
Professional and Business Services	241,400	239,000	236,100	1.00	2.24
Educational and Health Services	208,400	208,900	207,400	-0.24	0.48
Leisure and Hospitality	242,000	240,600	228,100	0.58	6.09
Other Services	69,100	68,600	69,700	0.73	-0.86
Total Private	1,561,000	1,557,800	1,523,000	0.21	2.50
Government	332,700	347,100	329,500	-4.15	0.97
Total Nonfarm	1,893,700	1,904,900	1,852,500	-0.59	2.22

Source: U.S. Department of Labor, Bureau of Labor Statistics

Weekly Unemployment Claims

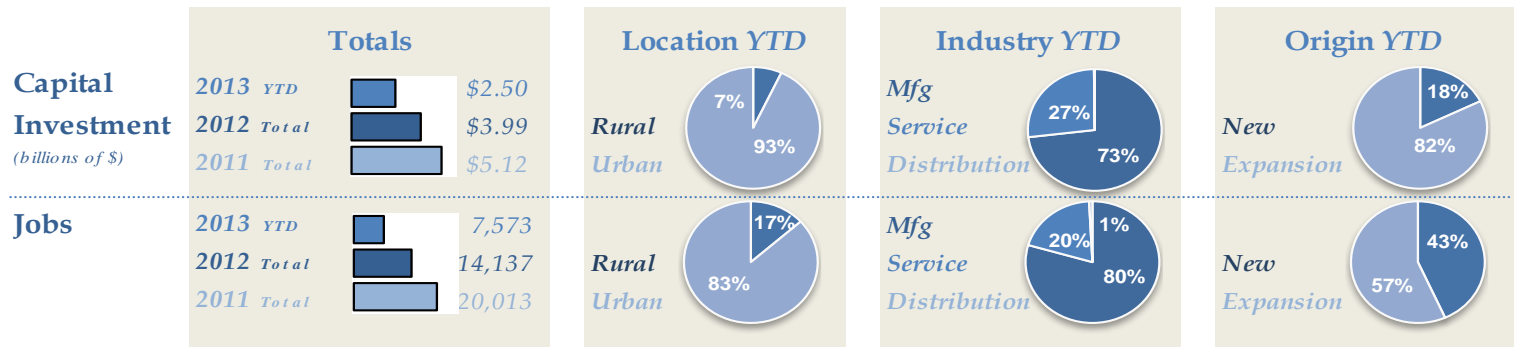
Due to a mid-July spike in claims activity for Unemployment Insurance, likely from seasonal plant closures for maintenance, the weekly average number of initial UI claims increased to 5,035 last month. July's level of UI claimant activity was 11 percent higher than the level in June, but 5 percent lower than July one year ago and 22 percent lower than July, 2011. The Upstate saw the greatest increase in claimant activity last month, with a 69 percent increase in initial claims in Spartanburg and a 40 percent increase in Greenville. Charleston, Florence and Myrtle Beach each had modest declines in initial UI claims in July.



Source: U.S. Department of Labor

Capital Investment and Job Recruitment

Capital Investment and Job Recruitment provide preliminary statistics on industry recruitment efforts, detailing upcoming jobs and capital investment projects closed by the South Carolina Department of Commerce year-to-date.



Source: S.C. Department of Commerce Note: Not all closed projects have yet undergone announcement.



South Carolina Real Estate

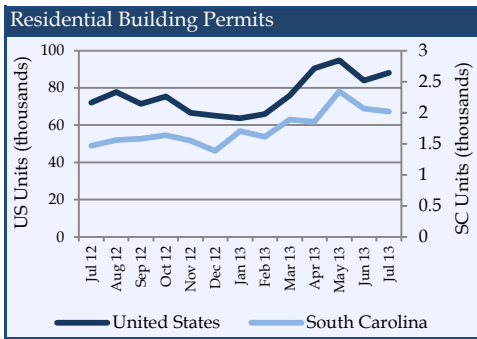
More than 6,000 homes were sold in South Carolina in July, 21 percent more than a year ago. The median single-family home sales price in July was \$163,100, up nearly 5 percent compared to last year. Foreclosure activity continues to slow in South Carolina, where more than 30 percent fewer foreclosure filings were issued last month compared to July 2012. Meanwhile, building permit activity is up 37

percent and the value associated with those permits has increased 35 percent compared to last year. However, last month, residential building permit activity was down 2.2 percent. The biggest declines in building permitting last month were in Greenville (32 percent decline) and Spartanburg (34 percent decline).

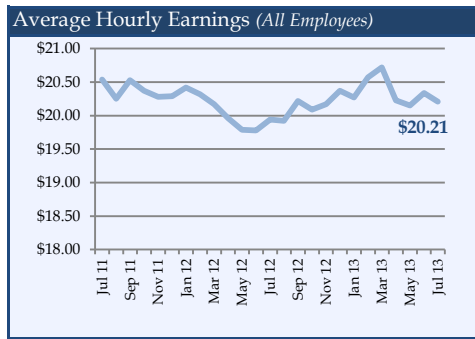
	Month	Current	Previous Year	% Change Year Ago	2013 YTD	2012 YTD	% Change YTD
Closings	July	6,087	5,015	21.4%	36,686	30,556	20.1%
Median Sales Price*	July	\$163.1	\$155.5	4.9%	\$155.0	\$150.0	3.3%
Foreclosures	July	2,704	3,991	-32.2%	21,117	25,663	-17.7%
Residential Building Permits -Total	July	2,018	1,468	37.5%	13,485	11,370	18.6%
Residential Building Permits -Valuation*	July	\$373,724	\$276,003	35.4%	\$2,543,211	\$1,950,648	30.4%

* Thousands of US dollars. Source: S.C. Association of Realtors, RealtyTrac, U.S. Census

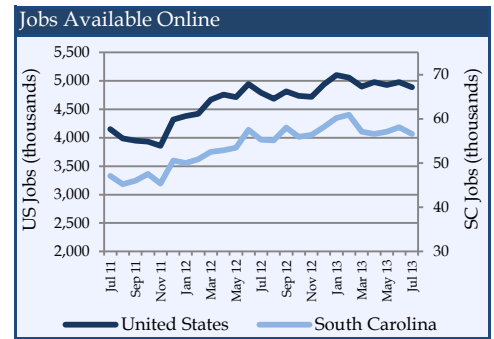
Business Activity



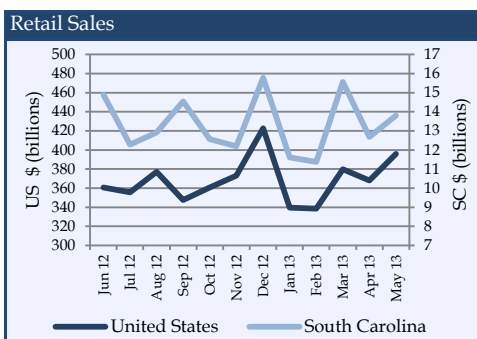
Source: U.S. Census



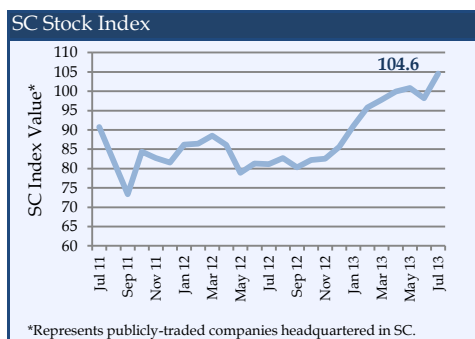
Source: U.S. Department of Labor



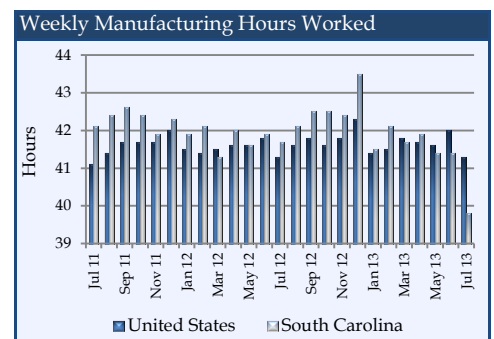
Source: The Conference Board Help Wanted Online Index



Source: South Carolina Department of Revenue

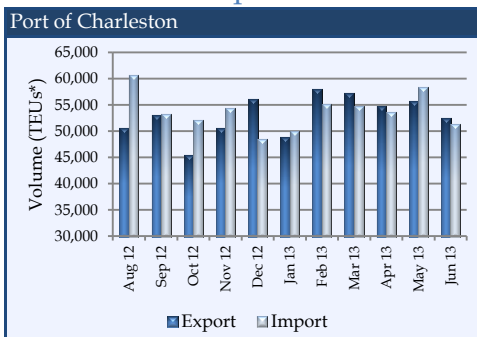


Source: Bloomberg

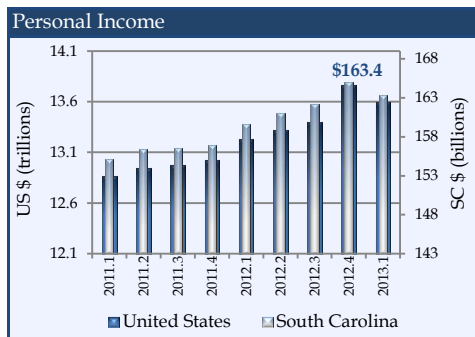


Source: U.S. Department of Labor

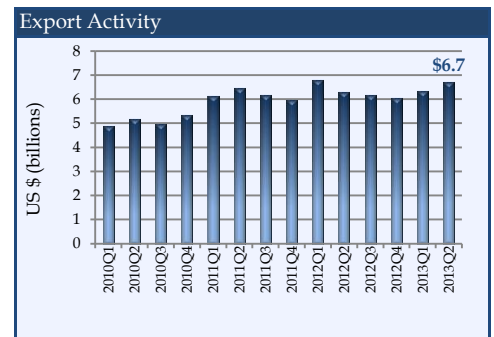
Income and Output



*Twenty-Foot Equivalent Units. Source: SC Ports Authority



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census



South Carolina Regional Update

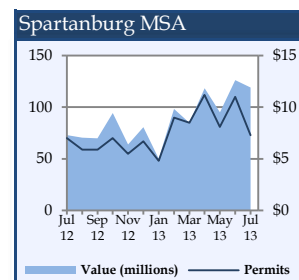
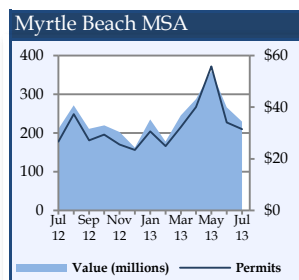
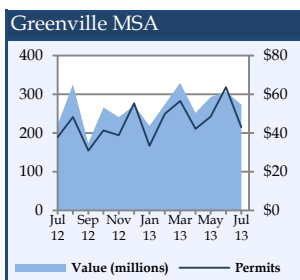
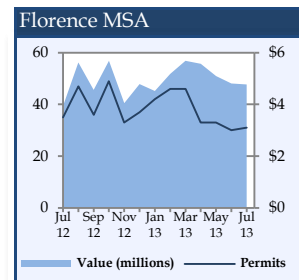
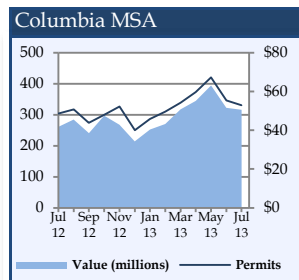
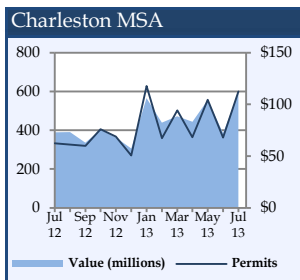
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state.

Home Sales

MSA	Indicator	Ju1 12	Ju1 13
Charleston	Sales Volume	1,000	1,267
	Median Price (000's)	\$200	\$212
Columbia	Sales Volume	729	924
	Median Price (000's)	\$139	\$147
Florence	Sales Volume	128	151
	Median Price (000's)	\$143	\$125
Greenville	Sales Volume	687	955
	Median Price (000's)	\$145	\$157
Myrtle Beach	Sales Volume	835	898
	Median Price (000's)	\$137	\$150
Spartanburg	Sales Volume	229	316
	Median Price (000's)	\$116	\$118
South Carolina	Sales Volume	5,015	6,087
	Median Price (000's)	\$155.5	\$163.1

Source: S.C. Association of Realtors

Building Permits



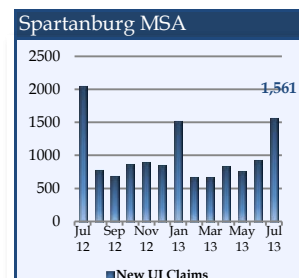
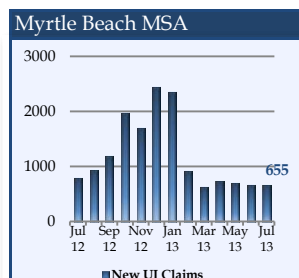
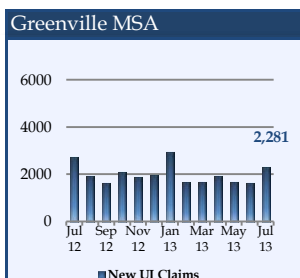
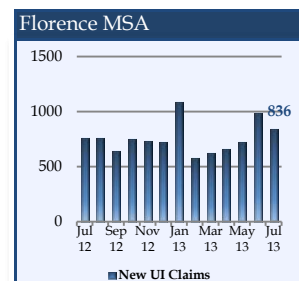
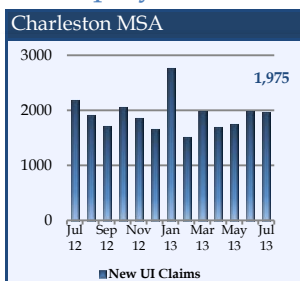
Source: U.S. Census

Employment

MSA	Indicator	Jun 13	Jul 13
Charleston	Employment (000's)	317.8	319.6
	Unemployment Rate	7.3	6.7
Columbia	Employment (000's)	349.7	351.0
	Unemployment Rate	7.9	7.3
Florence	Employment (000's)	84.0	83.7
	Unemployment Rate	10.1	9.5
Greenville	Employment (000's)	295.0	295.3
	Unemployment Rate	7.3	7.0
Myrtle Beach	Employment (000's)	126.7	128.9
	Unemployment Rate	8.6	7.6
Spartanburg	Employment (000's)	125.2	124.6
	Unemployment Rate	8.7	8.4
South Carolina	Employment (000's)	1,991.8	1,987.7
	Unemployment Rate	8.0	8.1

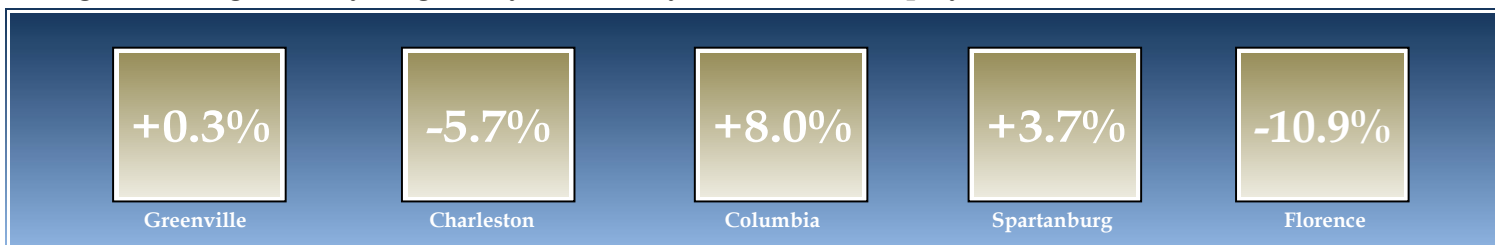
Source: U.S. Bureau of Labor Statistics (MSA figures not seasonally adjusted)

Unemployment Insurance Claims



Source: SCDOC analysis of SCDEW data

Change in Average Weekly Wage - July 2012 to July 2013, Private Employees



Source: US Bureau of Labor Statistics, August 2013