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VOLUME 39, PART 2

Mike Stathis'

Intelligent Investor

AUGUST 17, 2012

INSIDE THIS ISSUE:

OPENING STATEMENT

The U.S. economy added 163,000 jobs in July, beating consensus estimates. This recent data raised the average job additions over the last five months to 106,200. This number is just under the rate required to keep up with population growth. In other words, there has been no net job growth for several months. This compares to a much more impressive monthly rate of 252,000 for the three months from November 2011 to February 2012.

In addition, the unemployment rate rose slightly to 8.3% in July from the 8.2% reading from June.

Estimates for job growth through the remainder of 2012 are quite optimistic in our view, in excess of 170,000 each month. While this type of job growth is possible due to seasonal and other factors, we remain doubtful due to what we believe will be a continued loss of momentum in the economy for at least the next 2-3 months.

We have even begun to see softness in productivity. As discussed last month, after the first phase of revisions, U.S. GDP for 2012 Q1 remained at 1.9%. More recently, preliminary GDP data for Q2 fell to 1.5% as we had anticipated.

This time last year we warned of a global economic slowdown that would intensify going into 2013. We also warned of some earnings weakness in 2013 and reiterated this point in early 2013. As we expected, the problems in Europe have spilled over to the rest of the world via trade, financial, and commodity price linkages.

So far, the intensity of spillover from Europe has been less than that seen in late 2011. As a result, we feel that there is potential for additional spillover depending on how the crisis in Europe is managed.

In contrast, Wall Street, the Federal Reserve Bank, the European Central Bank, the European Commission, the International Monetary Fund and several other establishment bodies claimed that if the problems in Europe did not develop into a crisis, the spillover effects to the rest of the world would be modest. Again, the establishment has been dead wrong.

As the European debt crisis continues to worsen, investors have piled into U.S. Treasury securities due to their safe haven status, causing yields to plummet. Make no mistake. Treasury yields are headed lower.

We continue to believe U.S. equities and government bonds will offer the best risk-adjusted returns during the worst of scenarios. But of course the absolute best defensive posture is to maintain a nice cash balance.

Navigating large swings in the stock market through timely liquidation of select investment positions will lead to huge gains in coming years, as it has in the recent past.

As we have emphasized in many publications, the persistence of record-low interest rates in advanced nations has flooded emerging and developing economies with excessive capital. This has caused inflation in many of these nations, adding to property bubbles seen in China, Hong Kong, Australia and Canada.

We are now witnessing the impact of a withdrawal of foreign capital from these once booming economies.

OPENING STATEMENT

Of particular note is the effect of spillover from Europe to low-income nations. As we have discussed in prior issues, low-income nations and emerging nations were the primary beneficiaries of the global economic stimulus passed in 2009.

The increase in demand seen due to the stimulus elevated output in many of these nations. Moreover, banks and financial institutions from advanced nations poured massive amounts of capital into several low-income and emerging nations, causing variable outcomes. In some of these nations (Brazil), the currency appreciated to high levels, which eventually hampered export trade. For others (Vietnam), inflation became the main problem.

We issued numerous warnings with respect to the outcome of this flood of foreign capital. We stated that once global economic risk rose, this capital would be withdrawn. And if the capital withdrawal did not occur slowly, it would cause the implosion of many of these nations. Brazil has been the main nation we have been warning about for around two years now.

As expected, the Brazilian economy is facing the increasing chance of a hard landing. Some would say that it has already reached this point. Brazilian officials are desperate to cool the real in effort to boost export trade. In just one year, the central bank has lowered the SELIC rate by 450 basis points. Currently, the rate stands at 8.00%, a record-low. Throughout this time, we have forecast lower rates. We feel that the SELIC could fall to 4.50% over the next 12 months.

The IMF has claimed that they see no evidence that the Federal Reserve pushed the Brazilian real up. Thus, the IMF is clueless or lying; most likely, both. It is obvious that several rounds of quantitative easing and other measures have added to the real's appreciation.

In contrast, while China faces many risks, we feel that it has sufficient resources to recover from a hard landing and even a complete economic meltdown.

Developing nations are much more limited in resources to hold off a hard landing. Many nations in South East Asia, Africa, the Caribbean and Mexico are likely to feel the full effects of the withdrawal of foreign capital.

Most economists expect the economy to pick up speed in the second half of 2012, but we do not feel this is likely. The external risks alone threaten to at least keep growth in the U.S. subdued, as the spillover effects of the recession in Europe begin to be felt in coming months. This is something we warned about several months ago. Thus, we have previously factored these projections into our market forecasts. Regardless, it is important to take note of the short-term disconnect between stock market performance and forward earnings and economic data.

In addition, U.S. financial institutions continue to hold large claims in the euro area and United Kingdom. A more severe and/or prolonged recession in Europe combined with further appreciation of the dollar could significantly impair U.S. economic growth through a reduction in export trade (U.S. exports to Europe account for 15% of its total). Finally, we must not forget that U.S. multinational firms have a strong presence in Europe. Thus, profitability will continue to be hit by the recession in Europe.

A stronger dollar and weaker global demand will continue to weigh on exports, although lower oil prices will partially offset the effect of the dollar's appreciation on the current account. Recently, we have seen a nice rally in oil prices, which has served to offset this effect somewhat.

OPENING STATEMENT

The U.S. economy faces increasing risks, both internal and external. However, it has more control over internal risks.

While the unemployment rate is not likely to decline much below the 7.8% mark in 2013, according to our estimates for economic growth and no real job creation proposal, the economy could worsen in 2013 due to one of many scenarios.

Internal risks are mainly centered on the inability to reach agreements in Washington on near-term tax and spending proposals threatens to trigger the “fiscal cliff” starting in 2013.

As well, the entitlement situation must be addressed. At the same time, depletion of economic stimulus funds coincided with the global slowdown, opening the door for possible economic stimulus of some sort in 2013.

Credit ratings agencies will be closely monitoring Washington looking for more fiscal consolidation. If these issues are not addressed by late 2013, the U.S. could face another downgrade of sovereign debt. By that time, we are likely to see whether or not China has avoided a hard landing. Regardless, 2013 is expected to face some growth issues due to automatic spending cuts set to take effect in that year.

Monetary conditions are expected to remain highly accommodative through late-2014, assuming a modest improvement to the economy by then.

Tightening is slated to commence in mid-2014, as the Federal Reserve begins the process of disposition of its enormous securities holdings. However, much of this deleveraging will be due to maturation of these securities.

Investment has been the key driver of growth in China. But the global slowdown has reduced investment. This is expected to hinder growth in many of its trading partners (Taiwan, Malaysia and South Korea). In addition, the impact of lower commodity prices is expected to adversely impact select nations in Latin America, the Middle East and Australia.

China’s economic slowdown has thus far been a reflection of the overall global economic downturn. However, China faces the very real possibility of its own internal problems, which would most definitely spillover to the rest of the world.

Real estate investment accounts for 25% of all investment in China. Real estate growth has been a key to China’s growth boom for many years. However, Chinese officials started becoming concerned over the impact of a real estate bubble.

Over the past two years, the Chinese government introduced numerous measures aimed to cool the nation’s real estate bubble. Although seemed to be working over the past year, there are now new signs that much more government intervention will be required if China is to reduce the potential impact on the economy when this bubble bursts.

In July, a plot of residential land in Beijing sold for a record $5,316 per square meter, making it the most expensive residential land sale ever in the city.

The difficulty for the government is to strike the proper balance between taming growth in the real estate sector, versus shutting it down.

A shutdown in real estate would be nearly as detrimental as the bursting of the bubble, since real estate remains the main driving force behind its economic growth. It is even more important that its export trade.

OPENING STATEMENT

According to estimates from several Wall Street firms, after adding in the impact on related industries such as steel, cement, household appliances and other goods, China's real estate sector accounts for 30% of the nation's $7.5 trillion GDP. Thus, a shock or protracted slowdown in China's real estate sector would have wide-reaching effects. Clearly, China's economy would be severely affected. However, many of its trading partners would also be negatively impacted.

Perhaps the only positive result from a severe slowdown in China's real estate sector would be the downward impact on commodity prices.

In the meantime, China continues to provide excellent prospects for makers of luxury goods. Part of this spending spree is due to the practice of giving expensive gifts to business leaders and politicians in order to facilitate or as a reward for opening channels of business in China.

According to some sources, 60% of luxury goods sales are purchases as gifts. While the global slowdown will continue to hit companies that produce luxury items, China may help these companies make it through the storm.

Investors must remember that significant global economic risks will persist for many years. Thus, we must keep things in perspective at all times rather than following the knee-jerk response of the equities markets. This will enable us to transform the panic expressed by investors into investment gains. It will also enable us to capture upside while minimizing downside due to our emphasis on risk management.

As you go through this report, keep in mind that as is always the case (unless otherwise noted), you should not be concerned with going to the details of every chart and table. We have provided an extensive array of data for those who may wish to study the data in detail. Everything you need to know is contained in print. In some cases, it will be helpful (but not mandatory) to review recent issues of this publication from the economic analysis section.

ANALYSIS OF 20 SECURITIES TRADING OVER $100

We wanted to remind those of you who still have not ordered our special twenty-video series covering the fundamental and technical analysis of stocks trading over $100.

We gave subscribers complimentary access to two of these videos, but if you haven't seen them all you are missing a great deal insight and educational training.

Combined, this video series is more than FIVE HOURS of <u>unique</u> insight from Mike Stathis.

<u>Some of the Questions Answered in the Video Presentations</u>:

- Is the stock overvalued, undervalued or fair value?
- What are some of the risks facing the firm?
- How much exposure does the firm have relative to current economic risk?
- What is the short-term guidance for the stock?
- What is the intermediate-term guidance?
- What is the longer-term guidance?
- How safe is the stock?

Even if you don't own any of these stocks, we <u>strongly advise</u> you to watch as many of these videos as you can because they contain many learning points.

NOTE: PRICES HAVE BEEN RAISED ACTIVE SUBSCRIBERS WILL RECEIVE THE $299 DISCOUNT RATE THROUGH THE END OF JUNE 2012.

PACKAGE DEAL: The remaining eighteen (18) videos: $299 (38% off the regular price)

Please visit the website for more details

U.S. ECONOMICS—EMPLOYMENT PICTURE

Between May 2007 and October 2009, the unemployment rate soared from 4.4% to 10.0%, as millions of jobs vaporized. The U.S. stock market responded accordingly, declining by 42% over the same time frame.

Millions of layoffs during the recession resulted in a sharp and unprecedented decline in the labor force participation rate. Economists claim that the majority of the decline in the labor participation rate has been due to workers who do not want a job. While it may be true that some workers are unwilling to accept a job paying 40% or 50% less than they are accustomed to, the main factor accounting for the loss in labor participation has been the large imbalance between available workers and open jobs. With poor job growth since the official end of the recession, job matching efficiency continues to worsen.

Unlike the stock market, which has since regained much of what was lost, the job market has recorded virtually no real gains. The problem is that a rising stock market adds disproportionately to the wealth effect of high-income Americans, but does very little to help middle- and working-class Americans. They need real jobs.

When we examine other macroeconomic data, we can partially account for the lingering job growth. GDP has generally remained fairly weak since reaching its 6% lows in 2009. In order to have job growth you must have GDP growth because productivity is (theoretically) closely related to corporate earnings. But the employment-population ration is hovering right around its so-called "post-recession" highs, while the labor force participation ratio remains at levels not seen since the early 1980s.

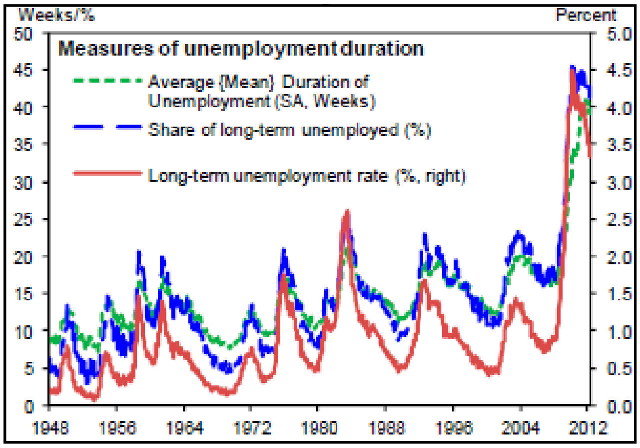
The disparity seen between GDP growth, job growth and corporate earnings can easily be explained by the fact that more of the U.S. economy has become dependent on overseas dynamics. This is a very worrisome trend whose foundation rests on the misaligned dynamics of U.S. trade policy.

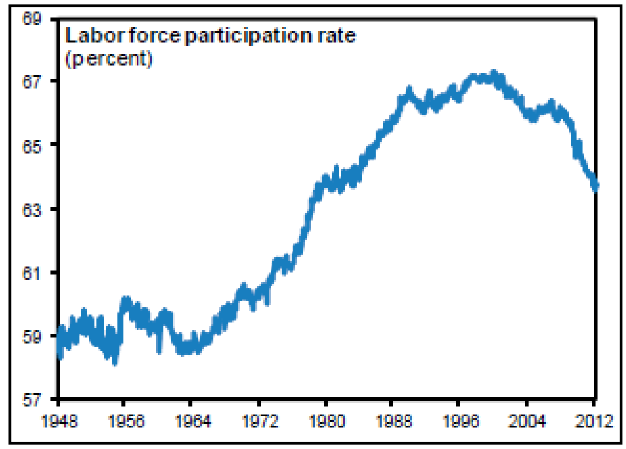
The chronically high unemployment rate is creating more economic problems than absence of income for millions. In our estimate, more than one-half of those who have been unemployed since 2008 are now considered unemployable due to their long departure from the labor force. This is a consequence that will persist and it is going to lead to high levels of mental depression, suicides and crime waves.

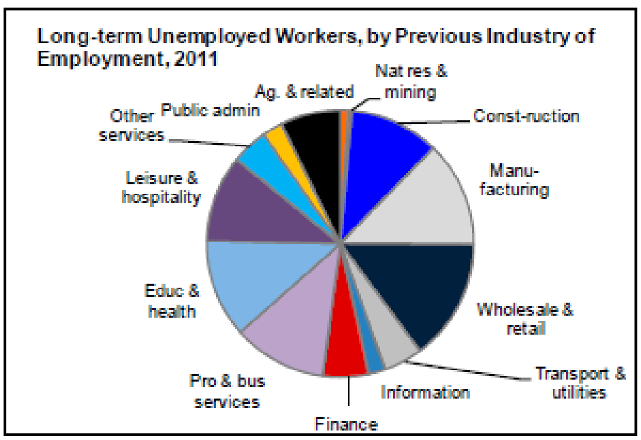
Unlike Europe, the U.S. had not previously experienced persistently high unemployment rate, so one can only guess as to the full effects this trend will have on the economy. But if European economic history has any relevance to the U.S., the persistently high unemployment rate in the U.S. is likely to last much longer. Moreover, it is likely to shift the natural unemployment rate upwards permanently.

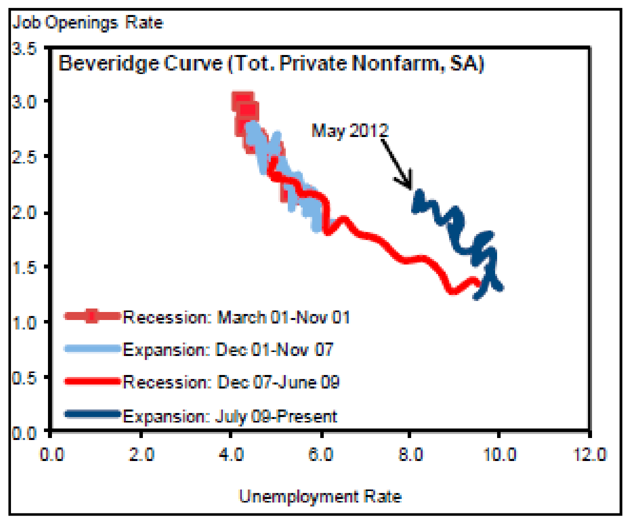
Today, the percentage of Americans who have been unemployed for over one year is around 31%, versus an average for OECD nations of around 33%. As discussed in past issues, as well as on the website, despite the rhetoric from government hacks, America's stubbornly high unemployment rate is not due to structural factors (when workers' skills are not matched to the needs of employers). But the other side of the argument is not true either. That is, the high rate of unemployment is not (largely) due to cyclical factors. Again, the persistently high unemployment rate is due to U.S. trade policy.

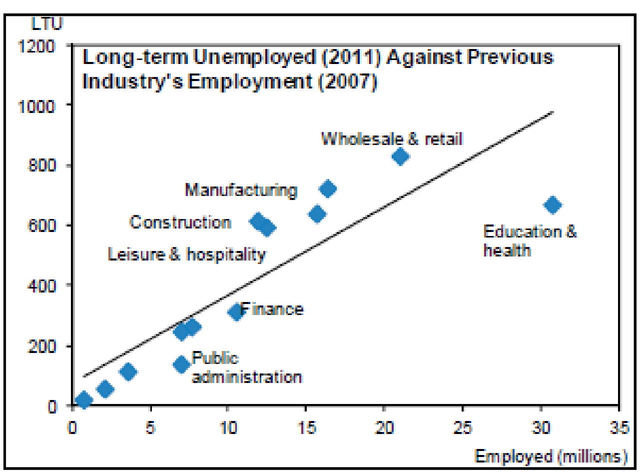
U.S. ECONOMICS—EMPLOYMENT PICTURE











	2007 Q4	2012 Q1	Change
	(Civilian population share, percent)		
In the labor force	66.0	63.8	-2.2
Not in the labor force	34.0	36.2	2.2
Do not want a job	32.0	33.6	1.6
16-24	5.8	6.3	0.5
25-54	8.3	8.4	0.1
55+	17.8	18.8	1.0
Want a job	2.0	2.5	0.5
16-24	0.7	0.8	0.1
25-54	0.9	1.1	0.2
55+	0.4	0.6	0.2

U.S. ECONOMICS—EMPLOYMENT PICTURE

In a recent study, the BLS reported the results of a longitude survey tracking the employment history of baby boomers over the past 30 years.

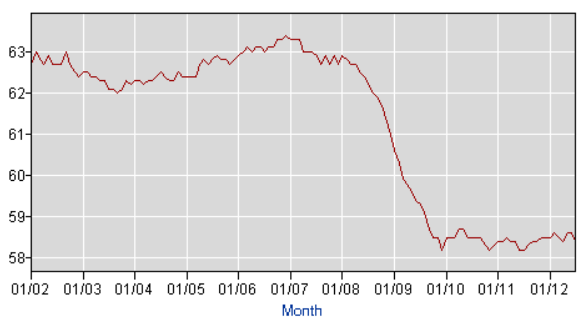
When older baby boomers were in their 40's, approximately one-third of them were employed in jobs that lasted less than one year.

In addition, in under five years, 70% were at some point unemployed, while 50% of this group between the ages of 40-46 had lost their job in less than two years.*

*These findings are from the National Longitudinal Survey of Youth 1979; a survey of 9,964 men and women who were ages 14 to 22 when first interviewed in 1979 and ages 45 to 53 when interviewed most recently in 2010-11. These respondents were born in the years 1957 to 1964, the latter years of the "baby boom" that occurred in the United States from 1946 to 1964.

Labor Force Statistics from the Current Population Survey

Series Id: LNS12300000
Seasonally Adjusted
Series title: (Seas) Employment-Population Ratio
Labor force status: Employment-population ratio
Type of data: Percent or rate
Age: 16 years and over

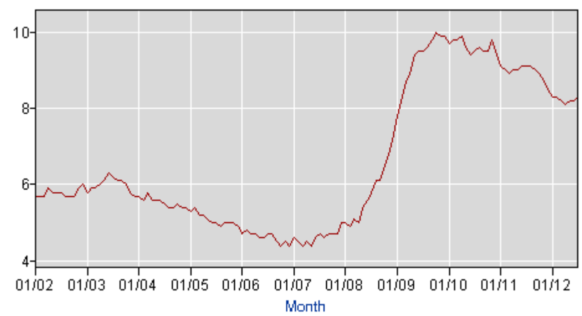


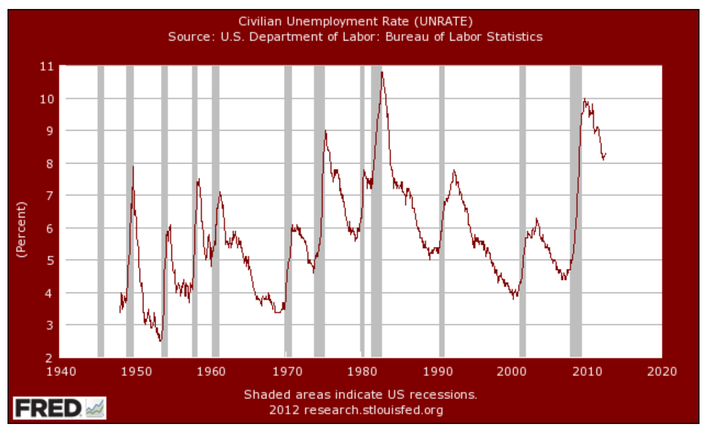
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2002	5.7	5.7	5.7	5.9	5.8	5.8	5.8	5.7	5.7	5.7	5.9	6.0	
2003	5.8	5.9	5.9	6.0	6.1	6.3	6.2	6.1	6.1	6.0	5.8	5.7	
2004	5.7	5.6	5.8	5.6	5.6	5.6	5.5	5.4	5.4	5.5	5.4	5.4	
2005	5.3	5.4	5.2	5.2	5.1	5.0	5.0	4.9	5.0	5.0	5.0	4.9	
2006	4.7	4.8	4.7	4.7	4.6	4.6	4.7	4.7	4.5	4.4	4.5	4.4	
2007	4.6	4.5	4.4	4.5	4.4	4.6	4.7	4.6	4.7	4.7	4.7	5.0	
2008	5.0	4.9	5.1	5.0	5.4	5.6	5.8	6.1	6.1	6.5	6.8	7.3	
2009	7.8	8.3	8.7	8.9	9.4	9.5	9.5	9.6	9.8	10.0	9.9	9.9	
2010	9.7	9.8	9.8	9.9	9.6	9.4	9.5	9.6	9.5	9.5	9.8	9.4	
2011	9.1	9.0	8.9	9.0	9.0	9.1	9.1	9.1	9.0	8.9	8.7	8.5	
2012	8.3	8.3	8.2	8.1	8.2	8.2	8.3						

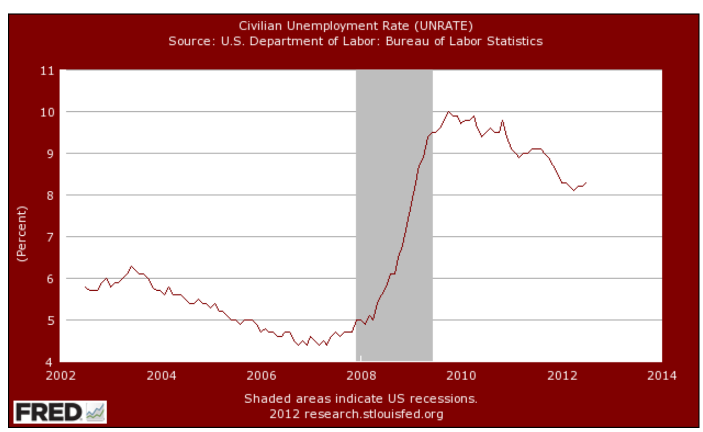
Data extracted on: August 8, 2012 (5:12:59 AM)

Labor Force Statistics from the Current Population Survey

Series Id: LNS14000000
Seasonally Adjusted
Series title: (Seas) Unemployment Rate
Labor force status: Unemployment rate
Type of data: Percent or rate
Age: 16 years and over

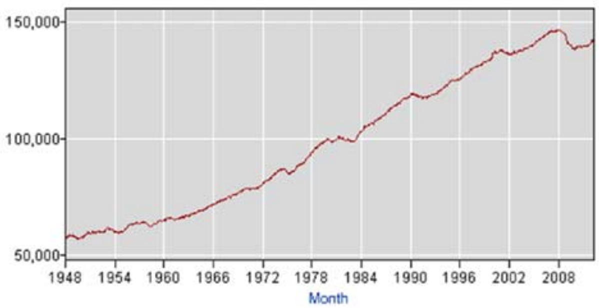




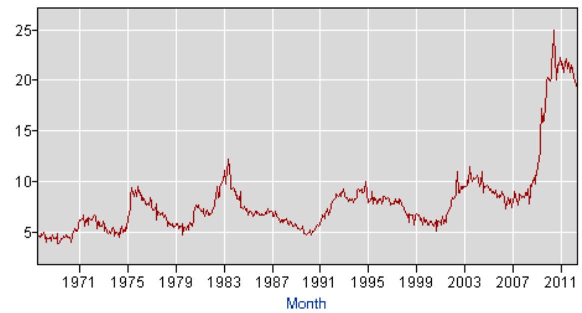


U.S. ECONOMICS—EMPLOYMENT PICTURE

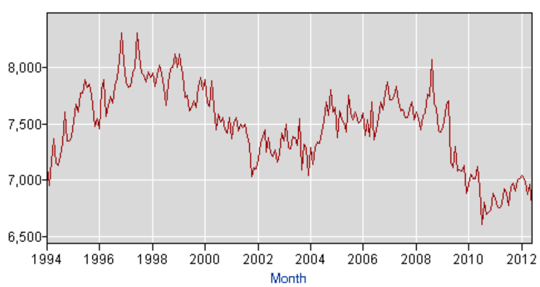
Series Id: LNS12000000
Seasonally Adjusted
Series title: (Seas) Employment Level
Labor force status: Employed
Type of data: Number in thousands
Age: 16 years and over



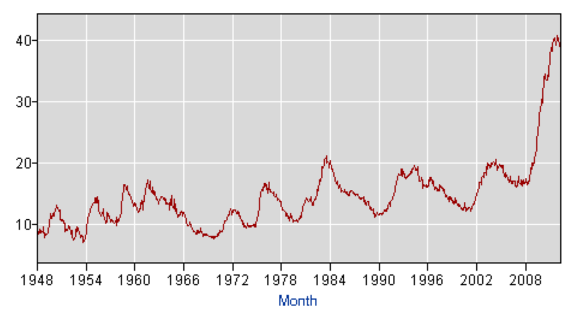
Series Id: LNS13008276
Seasonally Adjusted
Series title: (Seas) Median Weeks Unemployed
Labor force status: Unemployed
Type of data: Number of weeks
Age: 16 years and over



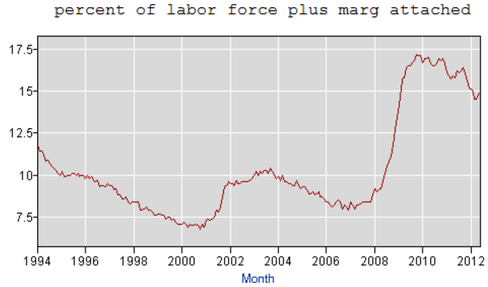
Seasonally Adjusted
Series title: (Seas) Multiple Jobholders
Labor force status: Employed
Type of data: Number in thousands
Age: 16 years and over
Multiple jobholders: Multiple job holders



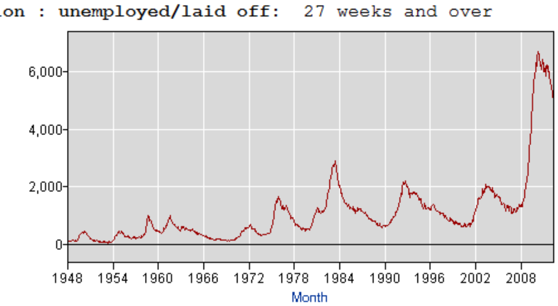
Series Id: LNS13008275
Seasonally Adjusted
Series title: (Seas) Average Weeks Unemployed
Labor force status: Unemployed
Type of data: Number of weeks
Age: 16 years and over



Series Id: LNS13327709
Seasonally Adjusted
Series title: (seas) Total unemployed, plus all marginally attached workers plus total employed part time for economic reasons, as a percent of all civilian labor force plus all marginally attached workers
Labor force status: Aggregated totals unemployed
Type of data: Percent or rate
Age: 16 years and over
Percent/rates: Unemployed and mrg attached and pt for econ reas as percent of labor force plus marg attached



Series Id: LNS13008636
Seasonally Adjusted
Series title: (Seas) Number Unemployed for 27 Weeks & over
Labor force status: Unemployed
Type of data: Number in thousands
Age: 16 years and over
Duration : unemployed/laid off: 27 weeks and over

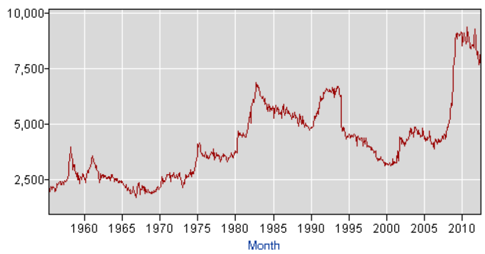


U.S. ECONOMICS—EMPLOYMENT PICTURE

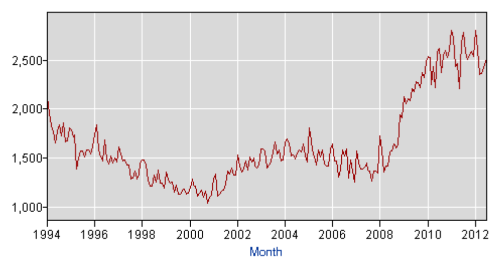
Data extracted on: August 8, 2012 (5:21:56 AM)

Labor Force Statistics from the Current Population Survey

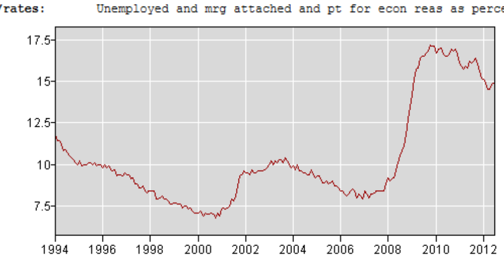
Series Id: LNS12032194
Seasonally Adjusted
Series title: (Seas) Employment Level - Part-Time for Economic Reasons, All Industries
Labor force status: Employed
Type of data: Number in thousands
Age: 16 years and over
Hours at work: 1 to 34 hours
Reasons work not as scheduled: Economic reasons
Worker status/schedules: At work part time



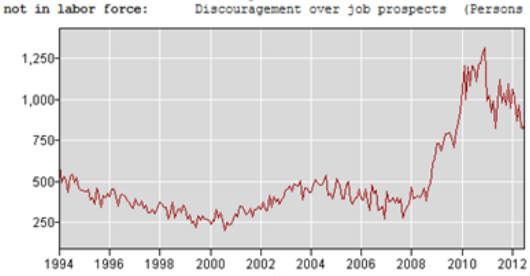
Series Id: LNU05026642
Not Seasonally Adjusted
Series title: (Unadj) Not in Labor Force, Searched For Work and Available
Labor force status: Not in labor force
Type of data: Number in thousands
Age: 16 years and over
Job desires/not in labor force: Want a job now
Reasons not in labor force: Available to work now



Series Id: LNS13327709
Seasonally Adjusted
Series title: (seas) Total unemployed, plus all marginally attached workers plus total employed part time for economic reasons, as a percent of all civilian labor force plus all marginally attached workers
Labor force status: Aggregated totals unemployed
Type of data: Percent or rate
Age: 16 years and over
Percent/rates: Unemployed and mrg attached and pt for econ reas as percent of labor force plus marg attached



Series Id: LNU05026645
Not Seasonally Adjusted
Series title: (Unadj) Not in Labor Force, Searched For Work and Available, Discouraged Reasons For Not Currently Looking
Labor force status: Not in labor force
Type of data: Number in thousands
Age: 16 years and over
Job desires/not in labor force: Want a job now
Reasons not in labor force: Discouragement over job prospects (Persons who believe no job is available.)



While employment data might improve in a few years, the fact is that the job picture is not likely to improve measurably. Most of the jobs that will be created in the U.S. will be low-wage, entry-level or dead-end jobs with few to no benefits.

On another important front, the American people are doing nothing to protest the massive banking fraud, bailouts, and destruction of the nation's future, so the establishment will continue to seize more control of their lives while extorting even more of their wealth.

Corporate profits remain at record levels despite the most severe recession since the Great Depression. Moreover, much of the advanced world remains in a recession. Yet, U.S. corporations are registering record profits.

Once you consider that the majority of operating costs from U.S. corporations based domestically arise from the labor force, simple math reveals that outsourcing has been a primary contributor to these record profits. Since corporate America controls Washington, it is easy to see why U.S. trade policy remains on course.

The migration of millions of U.S. jobs to Asia and Latin America has meant more than a loss of income for millions of Americans. In America, if you lose your job you also lose affordable access to healthcare (assuming your previous employer offered employer-based health insurance to begin with).

Because employers pay for about 75% of the total costs of health insurance premiums, if the employee loses his job he is stuck paying the full rate in the private market.

U.S. ECONOMICS—EMPLOYMENT PICTURE

Table A. States with unemployment rates significantly different from that of the U.S., July 2012, seasonally adjusted

State	Rate P
United States [1]	8.3
Arkansas	7.3
California	10.7
Delaware	6.8
Georgia	9.3
Hawaii	6.4
Iowa	5.3
Kansas	6.3
Maryland	7.0
Massachusetts	6.1
Minnesota	5.8
Missouri	7.2
Montana	6.4
Nebraska	4.0
Nevada	12.0
New Hampshire	5.4
New Jersey	9.8
New Mexico	6.6
New York	9.1
North Carolina	9.6
North Dakota	3.0
Ohio	7.2
Oklahoma	4.9
Rhode Island	10.8
South Carolina	9.6
South Dakota	4.4
Texas	7.2
Utah	6.0
Vermont	5.0
Virginia	5.9
Wisconsin	7.3
Wyoming	5.6

[1] Data are not preliminary.
P = preliminary.

Table B. States with statistically significant unemployment rate changes from June 2012 to July 2012, seasonally adjusted

State	Rate		Over-the-month change P
	June 2012	July 2012 P	
Alabama	7.8	8.3	0.5
Alaska	7.2	7.7	.5
Connecticut	8.1	8.5	.4
Florida	8.6	8.8	.2
Georgia	9.0	9.3	.3
Iowa	5.1	5.3	.2
Michigan	8.6	9.0	.4
Minnesota	5.6	5.8	.2
Nebraska	3.9	4.0	.1
Nevada	11.6	12.0	.4
New Hampshire	5.1	5.4	.3
Oregon	8.5	8.7	.2
Pennsylvania	7.6	7.9	.3
South Dakota	4.3	4.4	.1
Tennessee	8.1	8.4	.3
Vermont	4.7	5.0	.3
Virginia	5.7	5.9	.2
Wisconsin	7.0	7.3	.3

P = preliminary.

Table C. States with statistically significant unemployment rate changes from July 2011 to July 2012, seasonally adjusted

State	Rate		Over-the-year change P
	July 2011	July 2012 P	
Arizona	9.6	8.3	-1.3
California	11.9	10.7	-1.2
District of Columbia	10.5	8.9	-1.6
Florida	10.6	8.8	-1.8
Idaho	8.9	7.5	-1.4
Illinois	10.1	8.9	-1.2
Kentucky	9.7	8.3	-1.4
Massachusetts	7.4	6.1	-1.3
Michigan	10.6	9.0	-1.6
Minnesota	6.6	5.8	-.8
Mississippi	10.9	9.1	-1.8
Missouri	8.6	7.2	-1.4
Nevada	13.8	12.0	-1.8
New York	8.2	9.1	.9
North Carolina	10.7	9.6	-1.1
North Dakota	3.6	3.0	-.6
Ohio	8.9	7.2	-1.7
Oklahoma	6.2	4.9	-1.3
Texas	8.1	7.2	-.9

P = preliminary.

U.S. ECONOMICS—EMPLOYMENT PICTURE

Table D. States with statistically significant employment changes from June 2012 to July 2012, seasonally adjusted

State	June 2012	July 2012 p	Over-the-month change p
Alaska	330,600	327,200	-3,400
California	14,333,400	14,358,600	25,200
Hawaii	595,800	598,600	2,800
Indiana	2,878,900	2,889,600	10,700
Kansas	1,343,900	1,350,700	6,800
Michigan	3,982,500	4,004,300	21,800
New Jersey	3,911,600	3,899,600	-12,000
Vermont	302,800	305,300	2,500
Virginia	3,722,800	3,744,100	21,300

p = preliminary.

Table E. States with statistically significant employment changes from July 2011 to July 2012, seasonally adjusted

State	July 2011	July 2012 p	Over-the-year change p
Arizona	2,401,100	2,457,500	56,400
California	13,993,500	14,358,600	365,100
Colorado	2,257,600	2,294,900	37,300
Florida	7,261,500	7,331,400	69,900
Georgia	3,883,000	3,933,800	50,800
Indiana	2,827,100	2,889,600	62,500
Kansas	1,331,900	1,350,700	18,800
Kentucky	1,791,100	1,827,900	36,800
Louisiana	1,901,800	1,942,600	40,800
Massachusetts	3,206,500	3,249,300	42,800
Michigan	3,944,500	4,004,300	59,800
Minnesota	2,653,600	2,710,300	56,700
Nebraska	940,600	957,300	16,700
New Jersey	3,859,400	3,899,600	40,200
New York	8,695,200	8,808,500	113,300
North Carolina	3,919,900	3,956,700	36,800
North Dakota	393,600	420,400	26,800
Ohio	5,086,800	5,187,100	100,300
Oklahoma	1,551,200	1,588,300	37,100
Oregon	1,617,900	1,635,000	17,100
Rhode Island	463,200	455,900	-7,300
Tennessee	2,656,700	2,689,600	32,900
Texas	10,581,500	10,804,000	222,500
Utah	1,209,700	1,234,700	25,000
Vermont	299,300	305,300	6,000
Virginia	3,678,500	3,744,100	65,600
Washington	2,826,400	2,879,200	52,800

p = preliminary.

U.S. ECONOMICS—LAYOFFS

In the second quarter of 2012, 1,476 extended mass layoff events involved 262,848 worker separations; both measures were down from the second quarter of 2011. This is supposed to be viewed as signs of a recovery.

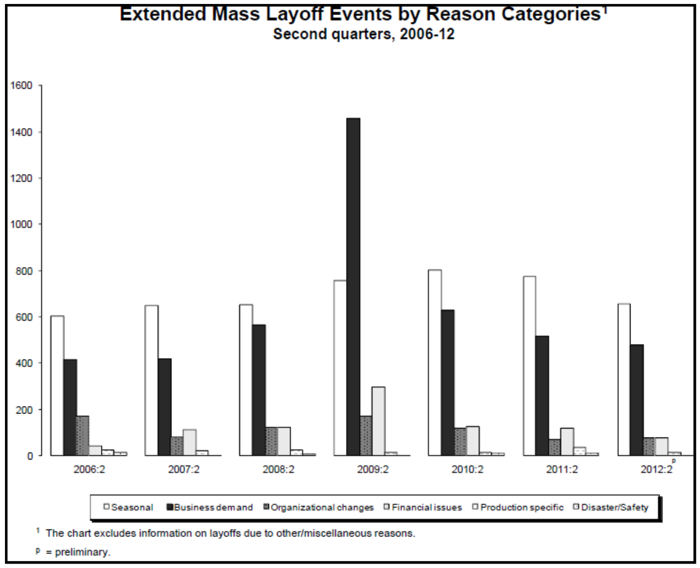


Table A. Selected measures of extended mass layoff activity

Period	Layoff events	Separations	Initial claimants
2008			
January-March	1,340	230,098	259,292
April-June	1,756	354,713	339,630
July-September	1,581	290,453	304,340
October-December	3,582	641,714	766,780
2009			
January-March	3,979	705,141	835,551
April-June	3,395	651,318	731,049
July-September	2,034	345,531	406,823
October-December	2,416	406,212	468,577
2010			
January-March	1,870	314,512	368,664
April-June	2,008	381,622	396,441
July-September	1,370	222,357	260,077
October-December	1,999	338,643	390,584
2011			
January-March	1,490	225,456	258,220
April-June	1,810	317,546	342,530
July-September r	1,393	235,325	291,066
October-December r	1,903	334,383	403,439
2012			
January-March r	1,290	245,901	286,384
April-June p	1,476	262,848	221,997

r = revised.
p = preliminary.

Table B. Metropolitan areas with the largest number of initial claimants associated with extended mass layoff events in the second quarter 2012, by residency of claimants

Metropolitan area	2011 II r		2012 II p	
	Initial claimants	Rank	Initial claimants	Rank
Total, 372 metropolitan areas	278,922	…	181,686	…
Los Angeles-Long Beach-Santa Ana, Calif.	34,819	1	22,248	1
New York-Northern New Jersey-Long Island, N.Y.-N.J.-Pa.	20,469	2	16,019	2
Chicago-Joliet-Naperville, Ill.-Ind.-Wis.	14,664	3	12,497	3
Riverside-San Bernardino-Ontario, Calif.	9,355	4	6,134	4
Philadelphia-Camden-Wilmington, Pa.-N.J.-Del.-Md.	8,621	5	4,561	5
St. Louis, Mo.-Ill.	5,077	9	4,190	6
San Francisco-Oakland-Fremont, Calif.	7,826	6	4,087	7
Kansas City, Mo.-Kan.	1,904	27	3,353	8
Pittsburgh, Pa.	5,600	8	3,042	9
Houston-Sugar Land-Baytown, Texas	3,118	13	2,881	10

r = revised.
p = preliminary.
NOTE: The geographic boundaries of the metropolitan areas shown in this table are defined in Office of Management and Budget Bulletin 10-02, December 1, 2009.