

EXHIBIT 4



The Federal Reserve Board



January 14, 2009

Federal Reserve Districts

Fifth District--Richmond

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Reports from business contacts indicated that economic activity in the Fifth District slowed further in recent weeks, with disappointing holiday retail sales, declining activity at District ports, and continued weakness in real estate. Retail sales--including sales of big-ticket items--fell, and although the pace of payroll cuts in retail abated a bit, services firms reported workforce downsizing. District manufacturers noted declines in shipments, new orders, and employment while both import and export activity declined at District ports. In residential real estate, lenders reported an increase in refinancing due to lower interest rates, but home sales were sluggish and contacts described either tightened or unchanged credit standards. Commercial real estate conditions softened as contacts observed little sales activity and virtually no new construction. Meanwhile, temporary employment agents mentioned weaker demand for workers due to economic uncertainty and the reluctance of businesses to invest in new projects.

Retail

Most Fifth District retailers were disappointed by holiday sales this year. For some merchants, the decline accelerated as the holiday shopping period progressed. Contacts also told us that foot traffic was down, though not to the same degree that sales declined. Several retailers also said that in recent weeks more customers paid with cash than with credit cards. The manager at an established metropolitan-Washington, D.C., department store said, "We've had to use more coin (for change) than ever before." In Virginia Beach, Va., a discount store manager reported that customers were paying less than usual per transaction. In addition, most retailers told us that gift card sales were weak compared to previous years' sales. Contacts attributed the slide in retail sales to consumer fears of job loss and anxiety about possible changes to existing credit card agreements. Automobile and light truck dealers continued to report falling sales. A dealer in the Tidewater area of Virginia said his domestic car sales in the last four weeks were the worst he had experienced since the 1970's. Retail payroll cuts continued, but at a slower pace, since our last report. Wage growth held up, while retail price growth moderated.

Services

According to our contacts, revenues contracted sharply at most services firms in recent weeks, although a handful of security businesses and telecommunications firms reported stronger revenue growth. An administrator at a central North Carolina hospital said fewer elective procedures were scheduled in recent weeks, and a large care facility in central Virginia reported increased cost-saving efforts to avoid cutting staff. Executives at financial services firms noted that their clients continued to be wary. In addition, a CPA at a firm just outside Baltimore, Md., told us his small business clients were "feeling the squeeze" of the sagging economy. Services firms generally downsized since our last report. A contact at a North Carolina healthcare system reported a hiring freeze for administrative employees, although his facility continued to hire patient-care personnel. A Virginia airport contact said several empty positions would not be filled, and a contact at a central North Carolina non-profit firm told us that the requirement for a break-even cash flow would likely lead to eliminating additional employees in 2009. Average wage growth slowed at services firms, while price growth edged up slightly.

Manufacturing

District manufacturers reported that the contraction in activity deepened in recent weeks as shipments, new orders, and employment slipped further. A producer of paper products in North Carolina told us that business was down considerably and that they were planning to run only 7-9 days in December instead of the normal 24 days. He indicated that if these conditions continued for the next several months, they might have to close a facility. A furniture maker in North Carolina said that business was down 25 percent since the start of the third quarter and was, at best, tepid in the earlier part of the year. He reported that several suppliers and retailers had gone out of business, and stated that, "this is the worst business since 1982." Contacts reported that raw materials prices rose at a slightly quicker pace since our last report. A number of manufacturers reported that their margins were compressed due to a growing inability to pass along price increases.

Activity at District ports declined quickly in November and December. Contacts reported reduced levels of import and export containers, and a "precipitous drop" in container rates. On the import side, activity related to construction and household products--such as plywood and furniture--remained notably low. Exports of power-generating products remained the only bright spot at one District port, while used car shipments to the Middle East and Africa were still doing well at another. Despite these instances, contacts reported seeing some scaling back of shipping schedules.

Finance

Residential lenders reported an increase in activity in recent weeks, which they attributed to lower interest rates, after a "dismal" November and early December. Contacts reported a rise in residential refinances,

which accounted for 80 percent of applications in some areas of the District. However, purchase applications remained low, and one contact monitoring the region noted that "we haven't seen the uptick we usually would have with a similar decline in rates." Credit standards continued to tighten at some institutions, while others reported no change. Lenders noted that more time intensive underwriting and stricter qualifications were preventing some applicants from taking advantage of lower rates. Additionally, contacts noted an increase in clients drawing on home equity lines in recent weeks. In commercial lending, contacts reported stable to lower demand for loans. Lenders remained cautious as they shied away from real estate investment, reduced loan-to-value ratios and heavily scrutinized balance sheets. Reports on credit quality were mixed, with some contacts noting a slight deterioration of clients' portfolios and others reporting no material changes.

Real Estate

Fifth District Realtors continued to report generally sluggish home sales in recent weeks, although several added that this was typical for the season. A Richmond agent told us that although the lower interest rates had increased affordability, there were still some buyers who remained "on the fence" in anticipation of interest rates dropping even further. He reported an increase in refinancing activity but noted that lenders were being very thorough in evaluating applications, and that appraisers were being careful to value homes based on comparisons with other properties sold in the last few months. Several Realtors reported a rise in inventory and a Realtor in Greensboro, N.C., reported that builders continued to give major concessions to prospective buyers to boost sales. Agents in Washington, D.C., and Fairfax, Va., told us that the low mortgage interest rates had not only given buyers more buying power but had also spurred investor interest. House prices across the District were reportedly holding steady.

Commercial real estate conditions continued to deteriorate in recent weeks. Assessments of leasing activity across the Fifth District ranged from slowing to "frozen." Contacts stressed that transactions were taking longer to close due to client indecision and difficult financing conditions. A Roanoke, Va., agent reported that "the few deals that are closing are all taking longer than 180 days to complete, when they usually take 90 to 180 days." Quoted rental rates were mostly unchanged, although agents in Washington, D.C., and Richmond, Va., believed that rates would be declining if transactions were actually occurring. Vacancy rates crept up across Virginia and the Washington area, but held steady in other District markets. Little sales activity and virtually no new construction were reported. Contacts said that some banks were still financing projects, but with stronger constraints, including higher equity requirements and a greater percentage of pre-leased spaced.

Tourism

Reports on District tourism were mixed. Contacts along the coast told us

that bookings were somewhat weaker compared to our last report and to a year ago, which they attributed to the waning economy. A hotelier at Virginia Beach, Va., said that state-sponsored group bookings were much weaker due to budget cuts in Virginia. Analysts in North and South Carolina indicated weaker holiday bookings and fewer inquiries about Christmas and New Year's reservations. In contrast, a manager at a ski resort in Virginia told us that his hotel was "packed" during the week between Christmas and New Year's, crediting the increase to a bout of colder weather which enhanced their snow-making capabilities.

Temporary Employment

Fifth District temporary employment agents reported generally weaker demand for workers in recent weeks, due in part to economic uncertainty and weak business investment. An exception was a Raleigh agent who was optimistic that demand for workers at his agency would improve from its current level as businesses would be planning for the new year. Most agents reported continued difficulty obtaining clients. Demand was strongest for workers with high-level technical skills, workers proficient in common computer software, and workers providing professional and support services.

Agriculture

Above-average precipitation accompanied by below-normal temperatures delayed harvesting activity and hindered crop development in most of the District. Contacts in Virginia reported that excessive rainfall delayed the soybean harvest; approximately twenty-two percent of the crop had yet to be harvested. Other contacts in Virginia indicated that frost and snow had spoiled pastureland as a source of forage and that most cattlemen had switched over to supplemental feed. Furthermore, analysts in Virginia and North Carolina told us that winter wheat had been slow to emerge due to the cooler temperatures and rain in recent weeks. Nonetheless, analysts in South Carolina noted that ample rainfall had improved winter grazing conditions. In addition, small grain planting had been completed in North Carolina and was nearing completion in Maryland.

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