

## US economy still growing says Fed

Most areas of the US saw their economy continue to expand in December and early January, the US Federal Reserve said in its latest Beige Book report.

Of the 12 US regions it identifies for the study, 11 showed stronger economic growth, with only the Cleveland area falling behind with a "mixed" rating. Consumer spending was higher in December than November, and festive sales were also up on 2003. The employment picture also improved, the Fed said.

"Labour markets firmed in a number of districts, but wage pressures generally remained modest," the Beige Book said. "Several districts reported higher prices for building materials and manufacturing inputs, but most reported steady or only slightly higher overall price levels." The report added that residential real estate activity remained strong and that commercial real estate activity strengthened in most districts. "Office leasing was especially brisk in Washington DC, and New York City, two of the nation's strongest commercial markets," the Fed said.