



Economics Group

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Consumer Confidence Takes Big Hit in February

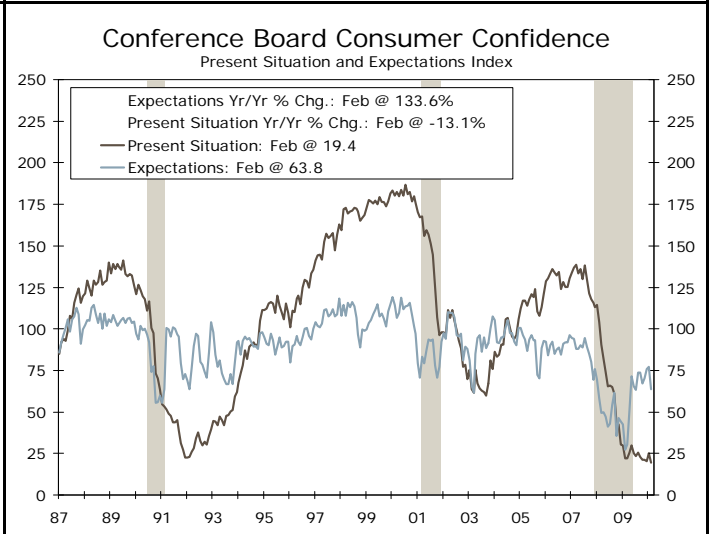
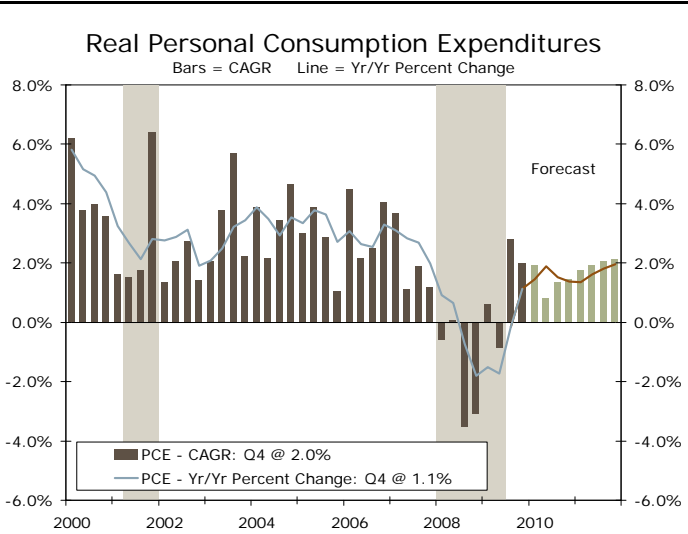
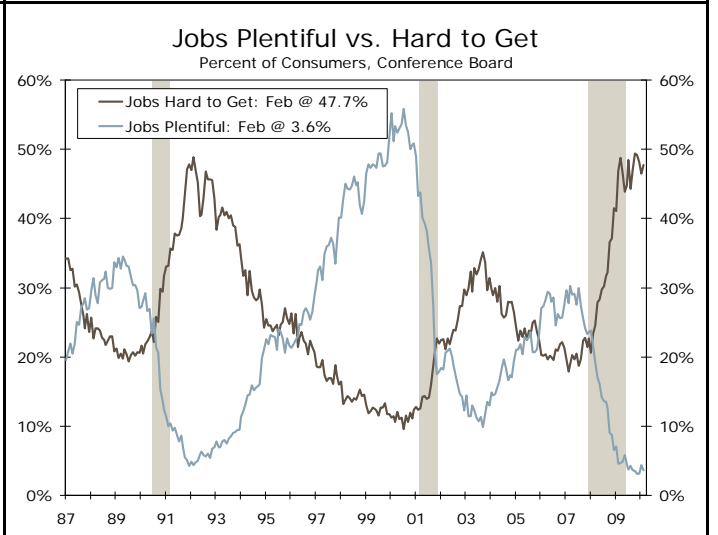
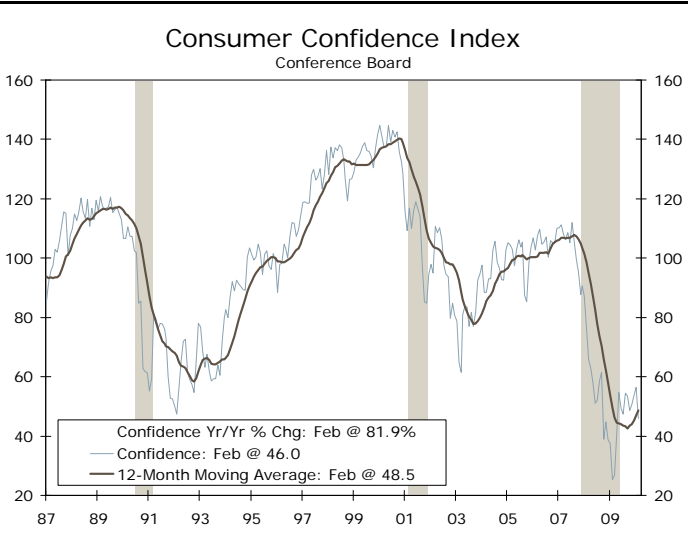
Consumer confidence dropped a surprising 10.5 points to 46.0 in February. Consensus estimates had been looking for a much higher reading. The labor differential declined for the first time since November.

Confidence Down Sharply

- Consumer confidence fell by the largest amount since last February. Consumers remain concerned about the present situation of the economy as well as the outlook for future growth. We expect modest gains in consumption in the first quarter, but much of this growth will be fueled by higher utility spending. Consumers are still forced to concentrate on things they have to buy, not things they want to buy.

Jobs, Jobs, Jobs

- Consumers expressed a more negative sentiment on the labor market for the first time in months. More consumers reported that jobs were “hard to get” while less reported that jobs were “plentiful.”
- The labor market remains a major concern for the economy. Next Friday’s employment situation report is likely to be quite poor, with weather effects slicing February payrolls.



Source: Conference Board, U.S. Department of Commerce and Wells Fargo Securities, LLC

Wells Fargo Securities, LLC Economics Group

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