



Economics Group

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Leading Indictors Point To Moderate Growth

The February index of leading economic indicators pointed to a continued moderate pace of economic growth. The index improved 0.7 percent in February, while January's index was revised lower to a 0.2 percent rise.

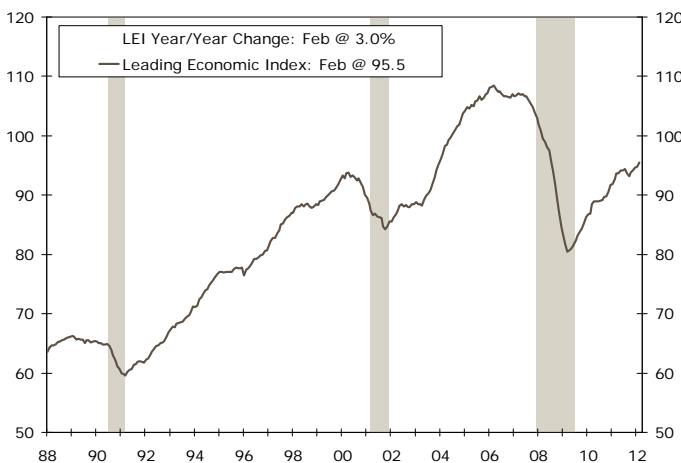
Jobless Claims and Interest Rate Spread Boost LEI

- The fall in initial jobless claims in February along with a narrowing of the interest rate spread helped to boost the leading economic index 0.7 percent for the month. The six-month annual change now stands at 3.9 percent, the highest since June of last year.
- Detracting from the leading index was the ISM new orders component and consumer expectations for business conditions.

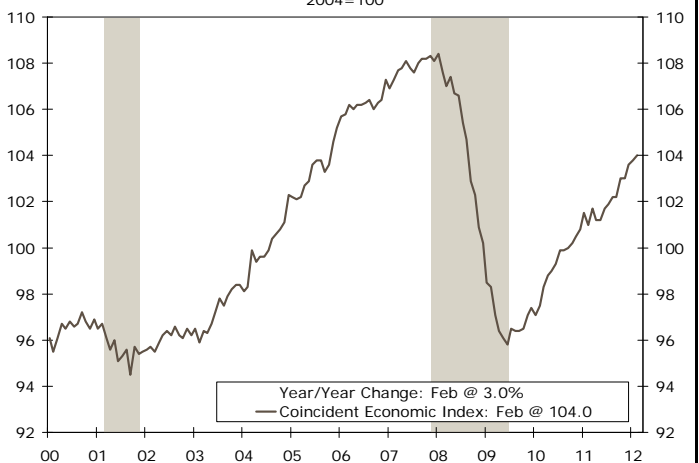
Coincident Index Posts Another Improvement

- The coincident index posted a 0.2 percent improvement, mostly due to stronger business sales. Payroll growth and personal income ex-transfers also contributed to the positive reading.
- The coincident-to-lagging index ratio, a measure of the trend in expected economic growth, remained stable, suggesting that while somewhat slower than in the fourth quarter, economic growth continues to maintain its current moderate pace.

Leading Economic Index

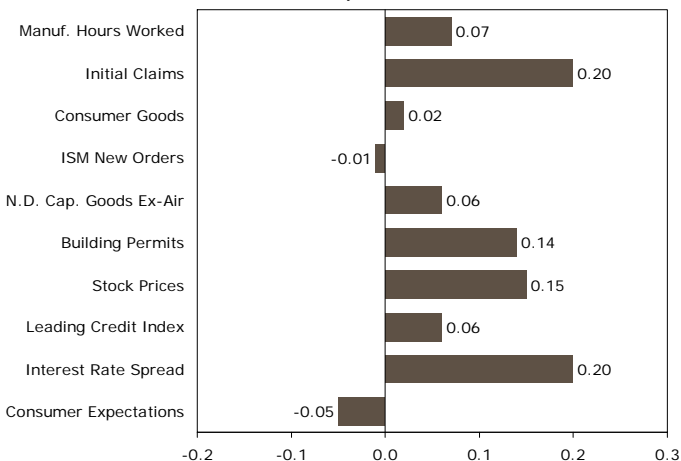


Coincident Economic Index

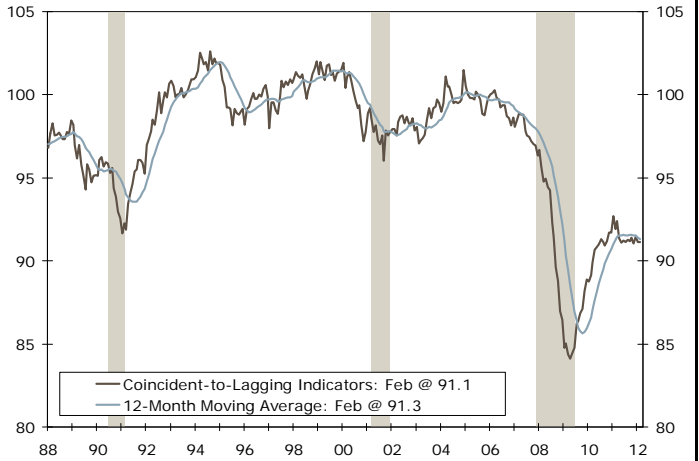


Net Contribution to Leading Economic Index

February 2012



Coincident-to-Lagging Indicators



Source: The Conference Board and Wells Fargo Securities, LLC

Wells Fargo Securities, LLC Economics Group

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