

Economics Group

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Leading Indicators: Signs of Continued Moderate Growth

The March index of leading economic indicators pointed to a continued moderate pace of economic growth. The index improved 0.3 percent, led by gains in financial indicators, while consumer numbers were weak.

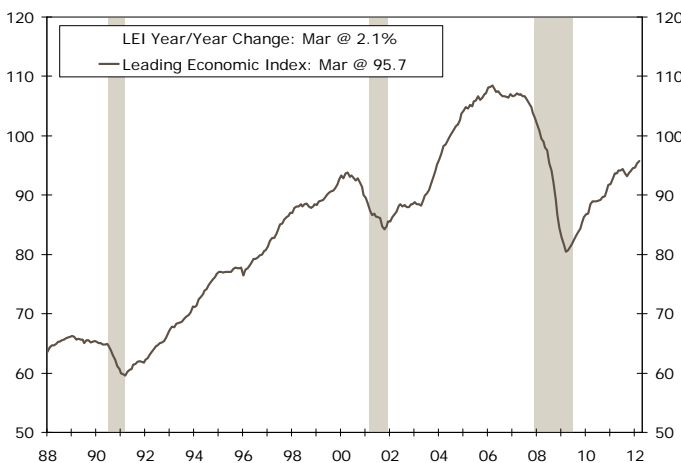
Stock Prices and Interest Rate Spread Boost LEI

- The rise in financial indicators, for example, equity prices and the credit spread, suggest that the financial half of the economy has made its repairs and is moving forward. There were also positive contributions from building permits and new orders.
- On the downside, the labor market—average weekly manufacturing hours—and consumer expectations reduced the gain in the leading index.

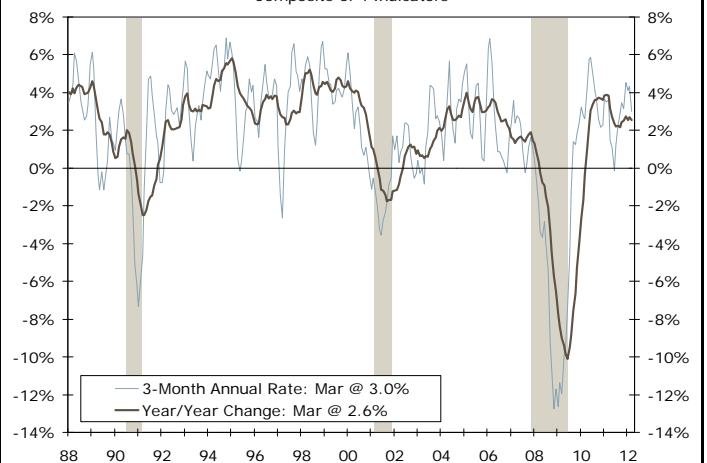
Coincident Index Posts Another Improvement

- The coincident index posted a 0.2 percent improvement and is up 0.4 percent over the past three months—a signal of continued growth mostly due to stronger manufacturing and trade sales. Personal income ex-transfers also made a positive contribution.
- The coincident-to-lagging index ratio, a measure of the trend in expected economic growth, remained stable, suggesting that the outlook for growth remains positive at a moderate pace.

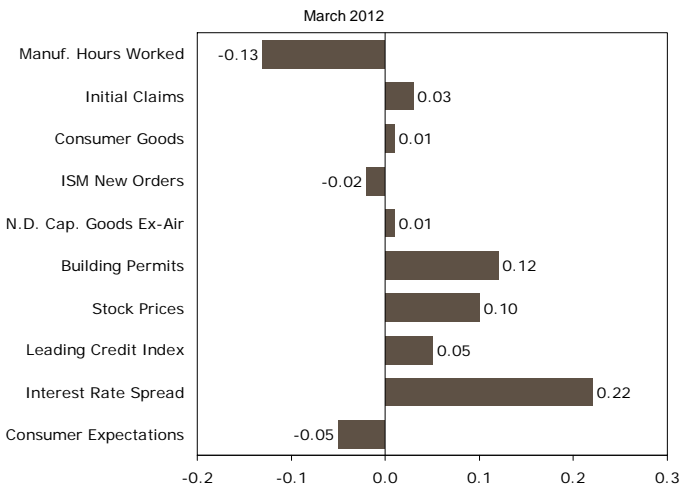
Leading Economic Index



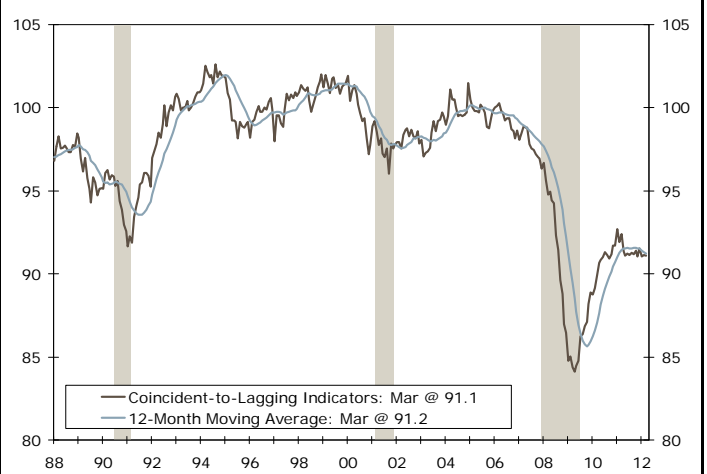
Coincident Index - 3-Month Moving Average



Net Contribution to Leading Economic Index



Coincident-to-Lagging Indicators



Source: The Conference Board and Wells Fargo Securities, LLC

Wells Fargo Securities, LLC Economics Group

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