



Economics Group

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Leading Index Improvement Continues

The Leading Economic Index (LEI) rose 0.4 percent in March, following an upwardly revised 1.0 percent increase in February. The index continues to signal moderate growth for the U.S. economy going forward.

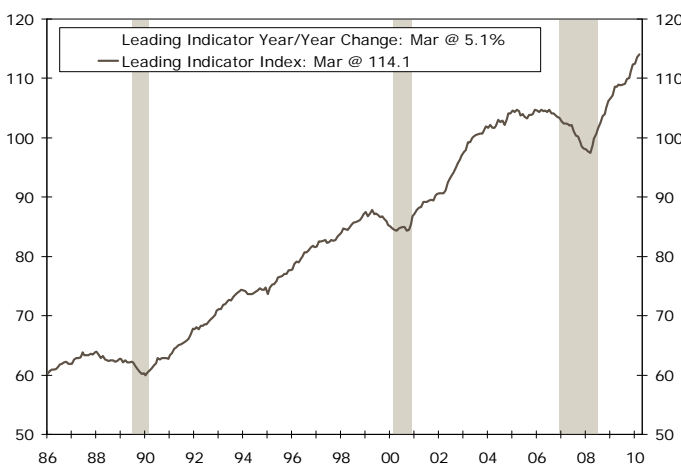
Positive Growth Momentum Remains

- The March LEI increase of 0.4 percent came in slightly above expectations on news of stronger contributions from housing permits, supplier deliveries and the interest rate spread. The index continues to signal positive economic growth.
- With increasing gas prices weighing on consumers, the largest negative component of the index came from the decline in consumer sentiment in March.

Permits Help Lift the Index in March

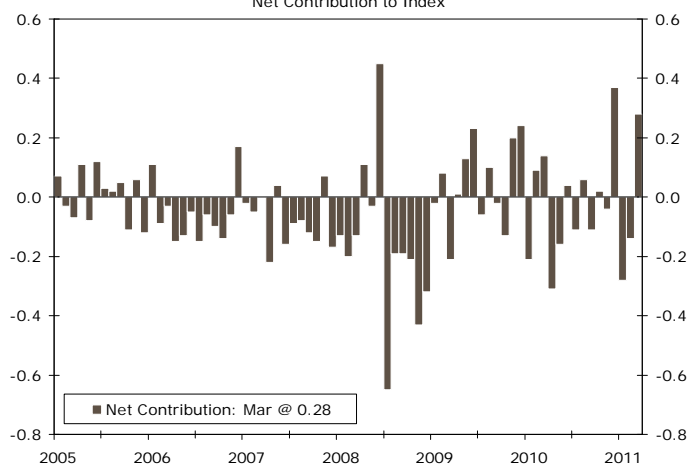
- Leading the improvement in the index this month was an 11.2 percent increase in building permits. The increase comes on the heels of last month's sharp decline in new home permits.
- The positive trend in the LEI over the last few months supports our view for a moderate pace of economic growth over the next year. We expect that GDP growth for this year will likely come in around 2.4 percent before picking up to 2.8 percent next year.

Leading Economic Index



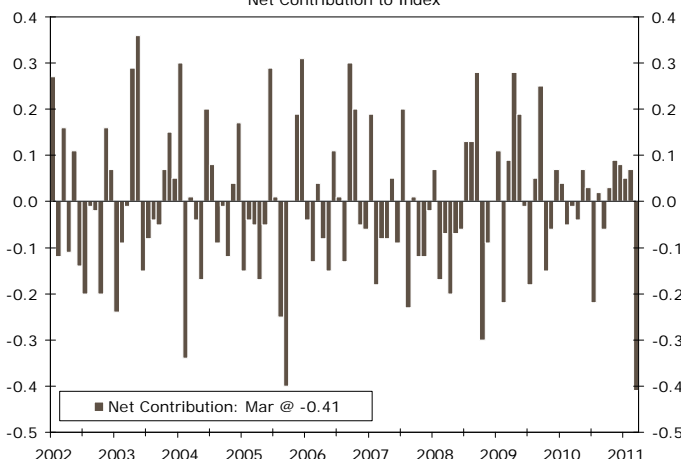
Building Permits

Net Contribution to Index



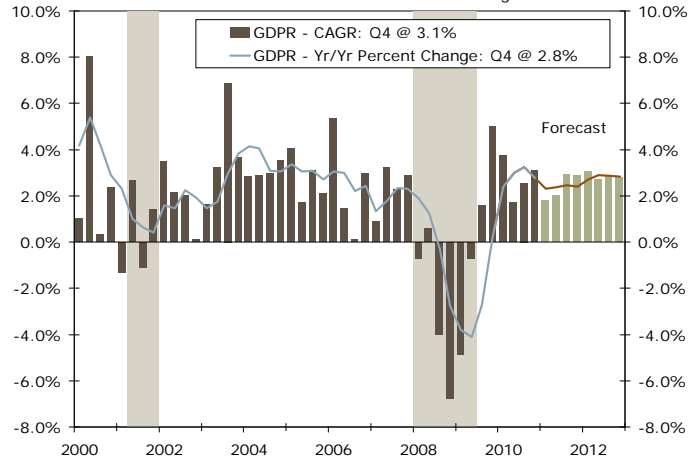
Index of Consumer Expectations

Net Contribution to Index



Real GDP

Bars = CAGR Line = Yr/Yr Percent Change



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