

## Economics Group

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### Conference Board Indicators Signal Ongoing Recovery

**The Leading Economic Index (LEI) climbed 1.4 percent in March—the 12<sup>th</sup> straight monthly increase. The coincident and lagging indexes also climbed suggesting the recovery is building momentum.**

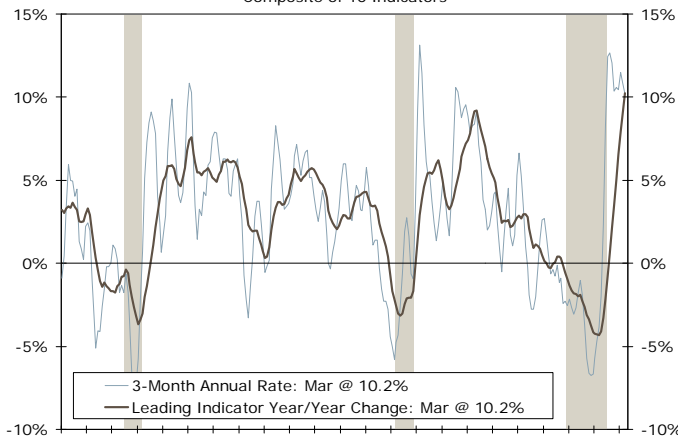
#### Faster Recovery Than Past Recession? Really?

- On a year-to-year basis, the LEI has gained 11.7 percent, which outpaces the recovery seen in the last two recessions. We do not expect a similar V-shaped recovery in this cycle. The “strength” in LEI is benefiting from a very low base a year ago. Still, the level of the index is at an all-time high and may suggest a swifter recovery than many currently expect.
- The coincident index increased with help from payroll growth.

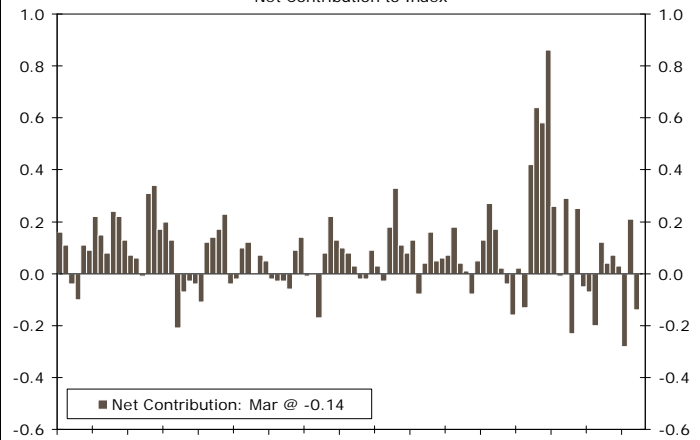
#### Growing Signs of Self-Sustaining Recovery

- In earlier stages of this recovery the positive contributions to the LEI were reflective of government stimulus in the form of growth in the money supply. At this stage, however, there are signs the recovery is becoming self-sustaining. Positive contributions this month reflected a labor market recovery with a jump in average weekly hours for production workers as well as a decline in claims for unemployment insurance.

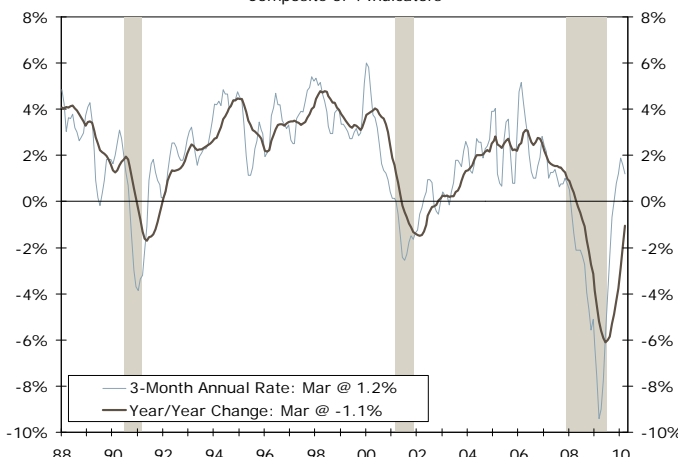
Leading Indicators  
Composite of 10 Indicators



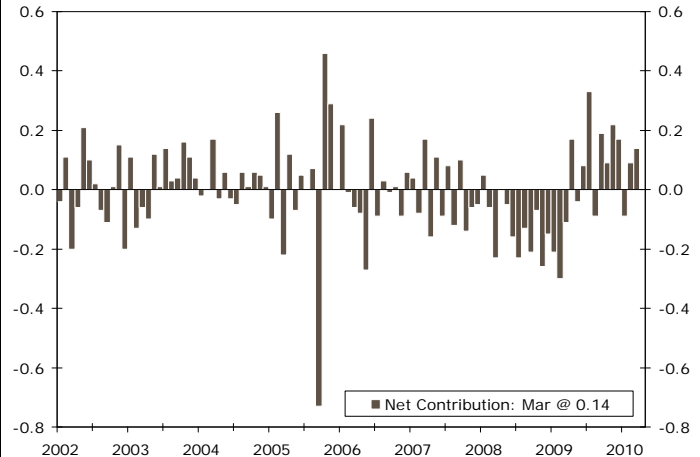
Money Supply, M2  
Net Contribution to Index



Coincident Index - 3-Month Moving Average  
Composite of 4 Indicators



Unemployment Claims  
Net Contribution to Index



Source: Conference Board and Wells Fargo Securities, LLC

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