August 28, 2009

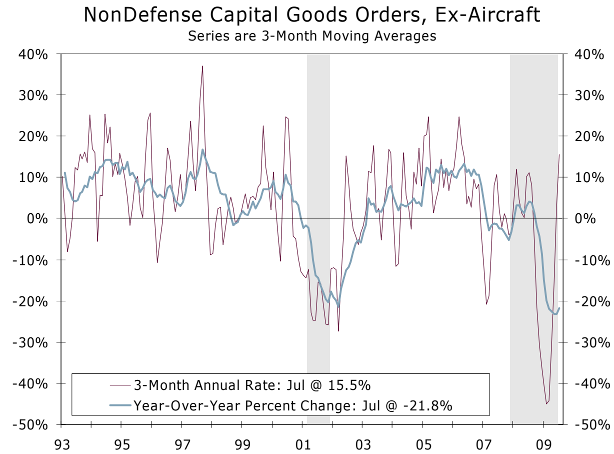
# Economics Group

## Weekly Economic & Financial Commentary

## U.S. Review

### The Economy is Poised to Snap Back in the Second Half

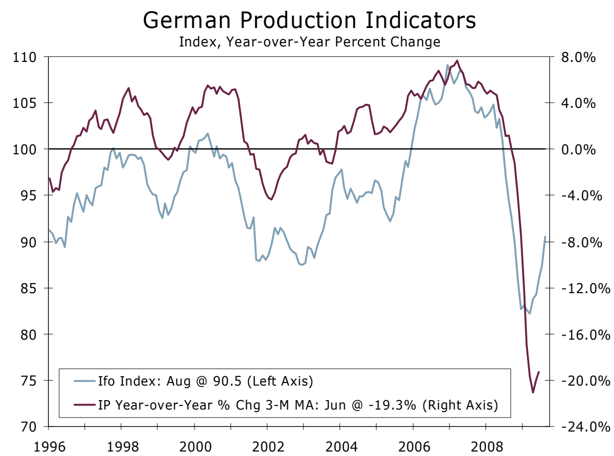
- Recent economic indicators point to a relatively robust bounce back in industrial activity during the second half of this year.
- Stimulus programs are exaggerating the improvement in motor vehicle and home sales but recent gains will translate into stronger near-term GDP growth.
- Bernanke's reappointment removes some of the uncertainty about the future monetary policy, while large budget deficits will constrain fiscal policy options.




## Global Review

### More Signs of Stabilization in Foreign Economies

- The Ifo index of German business sentiment rose in August to its highest level since last September, suggesting that industrial production in Germany continues to recover from the low that was hit this spring.
- Most Asian economies grew on a sequential basis in the second quarter, and recent data suggest that the upturn has continued into the current quarter. Latin America appears to be lagging Asia, but there have been indications recently that the region is starting to turn around.




**Wells Fargo U.S. Economic Forecast**

| | Actual | | | | | | Forecast | | Actual | | | | Forecast | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2008 | | | | 2009 | | | | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | | |
| Real Gross Domestic Product [1] | -0.7 | 1.5 | -2.7 | -5.4 | -6.4 | -1.0 | 3.4 | 2.6 | 3.1 | 2.7 | 2.1 | 0.4 | -2.5 | 2.1 |
| Personal Consumption | -0.6 | 0.1 | -3.5 | -3.1 | 0.6 | -1.2 | 2.0 | 1.6 | 3.4 | 2.9 | 2.7 | -0.2 | -0.8 | 1.1 |
| Inflation Indicators [2] | | | | | | | | | | | | | | |
| "Core" PCE Deflator | 2.4 | 2.5 | 2.6 | 2.0 | 1.7 | 1.6 | 1.3 | 1.2 | 2.3 | 2.3 | 2.4 | 2.4 | 1.5 | 1.2 |
| Consumer Price Index | 4.2 | 4.3 | 5.2 | 1.5 | -0.2 | -0.9 | -1.8 | 0.5 | 3.4 | 3.2 | 2.9 | 3.8 | -0.6 | 1.4 |
| Industrial Production [1] | 0.2 | -4.6 | -9.0 | -13.0 | -19.1 | -11.6 | 5.3 | 2.9 | 3.3 | 2.3 | 1.5 | -2.2 | -10.3 | 1.8 |
| Corporate Profits Before Taxes [2] | -4.9 | -12.0 | -5.4 | -25.1 | -19.0 | -14.0 | -11.0 | 2.0 | 16.8 | 10.5 | -4.1 | -11.8 | -11.2 | 7.0 |
| Trade Weighted Dollar Index [3] | 70.3 | 71.0 | 76.1 | 79.4 | 83.2 | 77.7 | 78.5 | 80.9 | 86.0 | 81.5 | 73.3 | 79.4 | 80.9 | 81.4 |
| Unemployment Rate | 4.9 | 5.4 | 6.1 | 6.9 | 8.1 | 9.3 | 9.6 | 10.0 | 5.1 | 4.6 | 4.6 | 5.8 | 9.2 | 10.1 |
| Housing Starts [4] | 1.06 | 1.02 | 0.87 | 0.66 | 0.53 | 0.54 | 0.59 | 0.64 | 2.07 | 1.81 | 1.34 | 0.90 | 0.58 | 0.79 |
| Quarter-End Interest Rates | | | | | | | | | | | | | | |
| Federal Funds Target Rate | 2.25 | 2.00 | 2.00 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 4.25 | 5.25 | 4.25 | 0.25 | 0.25 | 0.75 |
| Conventional Mortgage Rate | 5.97 | 6.32 | 6.04 | 5.33 | 5.00 | 5.42 | 5.50 | 5.40 | 6.27 | 6.14 | 6.10 | 5.33 | 5.40 | 5.80 |
| 10 Year Note | 3.45 | 3.99 | 3.85 | 2.25 | 2.71 | 3.53 | 3.80 | 3.80 | 4.39 | 4.71 | 4.04 | 2.25 | 3.80 | 4.20 |

Forecast as of: August 12, 2009
[1] Compound Annual Growth Rate Quarter-over-Quarter
[2] Year-over-Year Percentage Change
[3] Federal Reserve Major Currency Index, 1973=100 - Quarter End
[4] Millions of Units

## Inside

## U.S. Review

### Stronger Economic Gains Boost Recovery Hopes

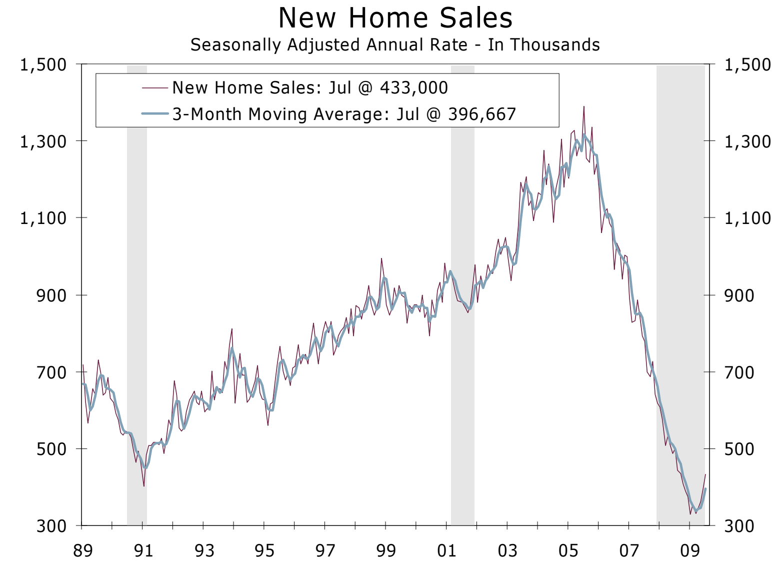
This past week's reports on consumer confidence, durable goods orders and new home sales all came in well above expectations and point to a stronger snap back in economic activity during the third quarter. Revisions to second quarter GDP and the early read on consumer spending during the third quarter are also consistent with a strong bounce back in economic activity. Even the home price data look a little better. That said, we have repeatedly noted that stimulus programs such as the cash-for-clunkers, $8,000 tax-credit for first-time home buyers, and the Federal Reserve's purchase of mortgages, asset-backed debt, and Treasuries is lending a great deal of support to the financial markets and broader recovery. Regardless of how it got started, the recovery looks like it is here to stay, although the initial burst of activity we expect in the current quarter should gradually give way as stimulus programs end or simply lose their effectiveness.

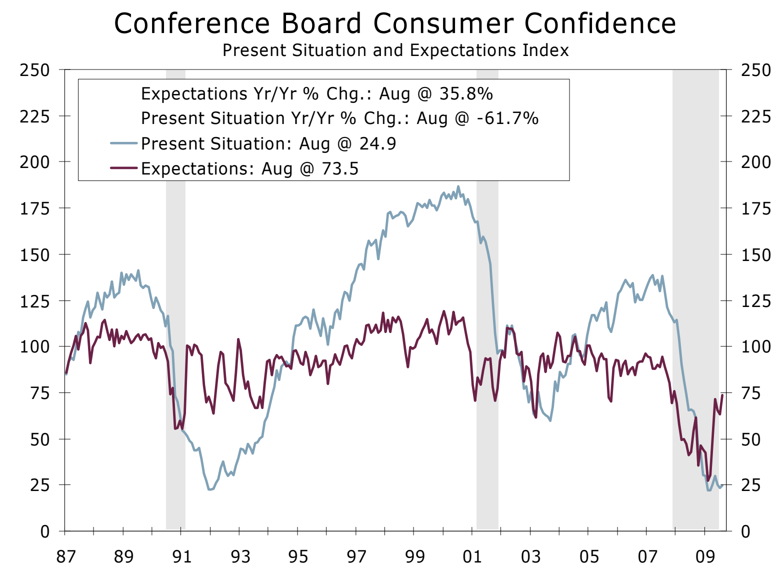
Consumers clearly sense the economy is on the mend. The Consumer Confidence Index rose 6.7 points in August to 54.1. While most of the improvement continues to be in the expectations component, consumers are slightly less pessimistic about near-term employment and income prospects. The improvement likely reflects the winding down of large layoff announcements. Expectations are likely getting a lift from the recent strength in the stock market and better news on housing.

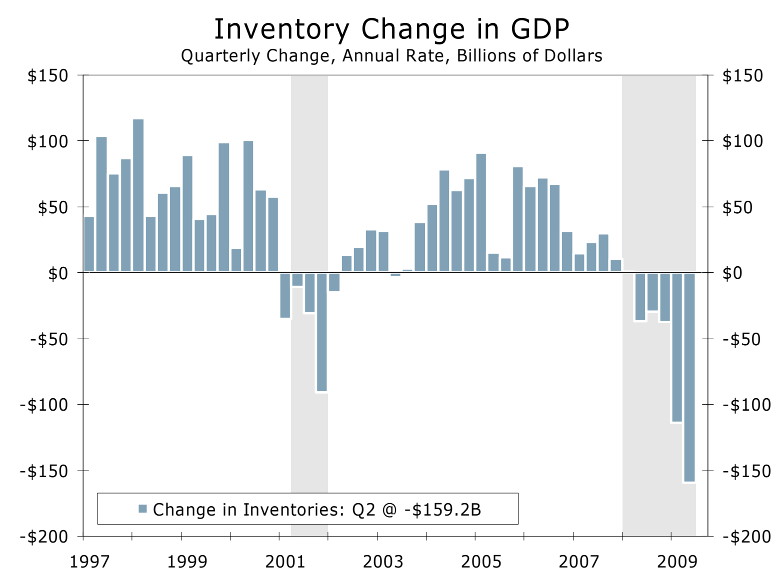
Do not read too much into the recent improvement in consumer confidence. The overall index remains exceptionally low and the current conditions component has barely risen off its lows. The consumer confidence index tends to track employment trends. Weekly first-time unemployment claims have clearly peaked, but the absolute level of claims remains relatively high, and there has also been a large increase in the number of people exhausting their unemployment insurance and filing for extended benefits. We expect consumer confidence to gradually grind higher, just like the rest of the economy.

The industrial side of the economy appears to be poised for a much stronger rebound. Production was slashed earlier this year and inventories were drawn down by $159.2 billion in the second quarter. That figure comes from the revised GDP figures and is $18 billion larger than first reported. A good portion of that inventory drop was likely in motor vehicles, where production was slashed during the period. Sales have rebounded more recently, with the cash-for-clunkers program helping fund the purchase of nearly 700,000 vehicles in July and August. The rise in sales will further reduce inventories in the current quarter but, with production rising, inventories should fall less, adding around 2 percentage points to third quarter real GDP.

Orders for durable goods jumped 4.9 percent in July, with orders for commercial aircraft soaring 107 percent. Orders also picked up for electrical equipment and steel. Part of that may still be tied to the ramp up of vehicle production but part also simply reflects a bounce back following and extended draw down in inventories. Either way production looks set to rebound.



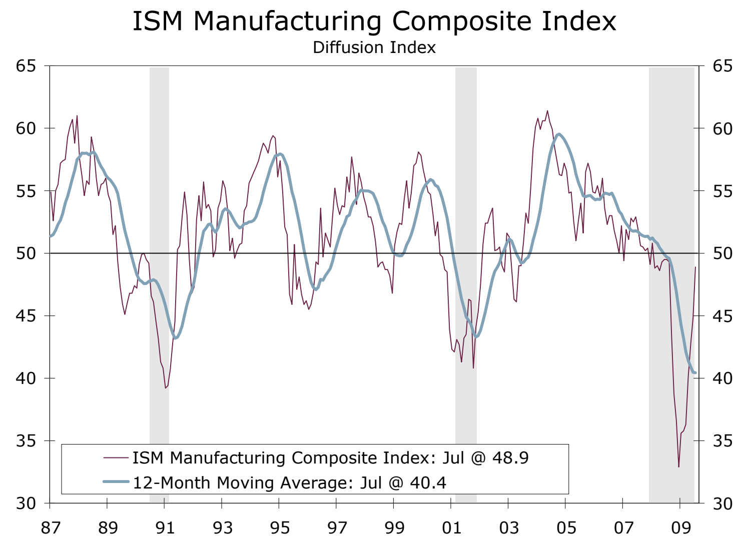



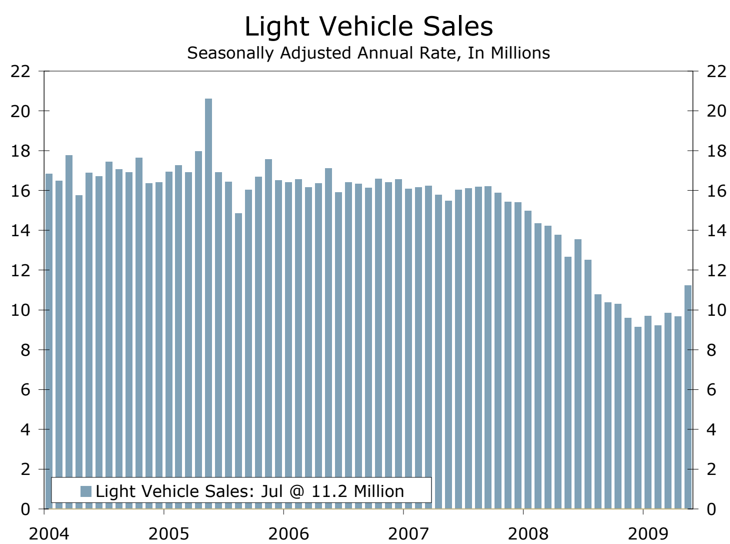
## ISM Manufacturing • Tuesday

The Institute for Supply Management's headline manufacturing index rose for the seventh consecutive month in July reflecting notion that the prolonged contraction in the manufacturing sector is staged for recovery. Increased auto production should help continue to buoy the headline index. The consecutive gains toward the expansion/contraction threshold of 50 are consistent with the end of post-War recessions which reached the demarcation line two or three months after the recession ended (the only exception is the 1973-1975 recession). The forward-looking new orders index rose four out of five months, breaking 50 in May which suggests stabilization in orders. The re-opening of motor vehicle assembly plants will likely continue to boost the employment index. Several regional purchasing managers' indices have shown continued improvement in August, suggesting a boost to ISM manufacturing.

**Previous: 48.9** **Wells Fargo: 50.1**

**Consensus: 50.1**




## Vehicle Sales • Tuesday

Motor vehicle sales should ramp up significantly in August due the cash-for-clunkers program. The CARS program once again exhausted its funding far ahead of the expiration date with auto dealers applying for nearly all of the $3 billion supplementary appropriation. Manufacturer motor vehicle sales rose to an 11.2 million unit pace in July, but August sales should far surpass last month's figure likely jumping to a 14.2 million unit pace. This surge in motor vehicle sales is the highest since May 2008. The spike in auto production and sales can be seen across a whole host of economic indicators and should help boost GDP growth to around a 3.4 percent annual pace in the third quarter. Outside of the auto sector, however, the economy is simply getting less bad. While final demand is showing some improvement, income remains under pressure suggesting the third quarter rebound in production will probably not be sustainable. This will likely set the economy up for a sluggish recovery.

**Previous: 11.2M** **Wells Fargo: 14.2M**

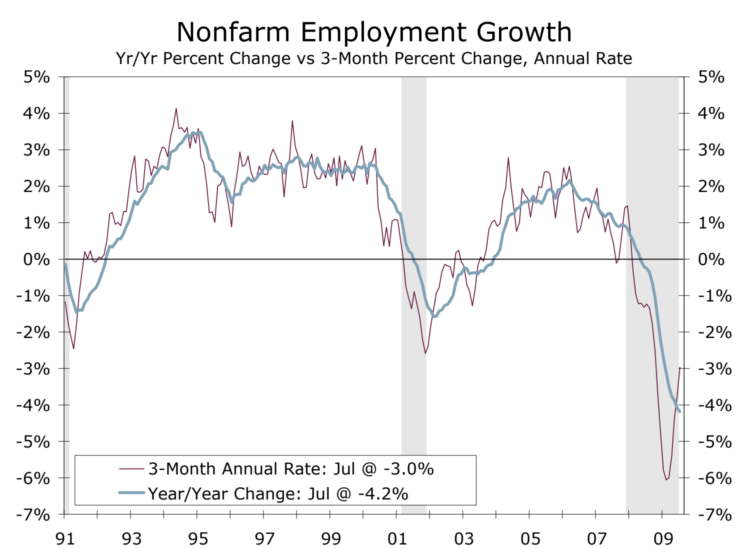
**Consensus: 12.0M**

## Employment • Friday

Nonfarm employment fell by 247,000 jobs in July producing a net loss of 6.7 million jobs since the recession began. Employment losses continue to be exceptionally broad based, but the biggest net declines remain in manufacturing and construction. Financial services and temporary staffing were also hit badly, but layoffs appear to have slowed. While the four-week moving average for initial jobless claims fell for the first time since the early auto plant shutdowns distorted figures, the recent decline is likely due to a slower pace in layoffs and the exhaustion of benefits. We expect nonfarm employment likely dropped by 306,000 jobs with the unemployment rate reaching 9.6 percent in August. Nonfarm employment is likely to continue declining into early 2010 and the unemployment rate will not likely top out until the middle of next year.

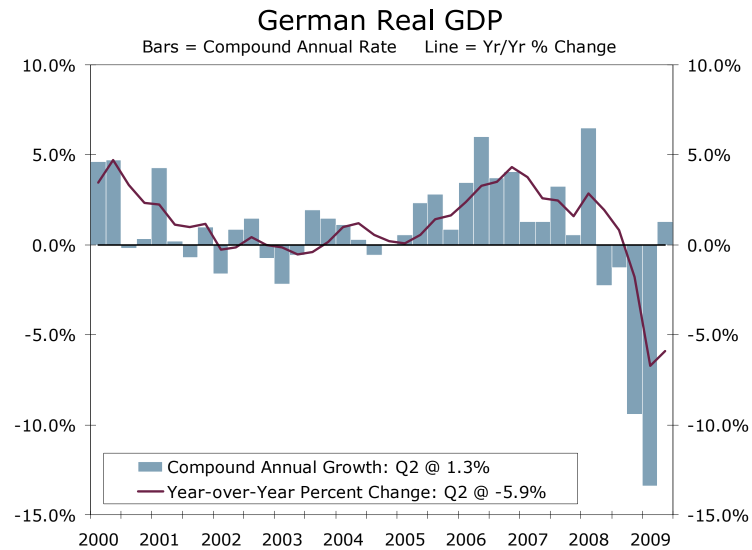
**Previous: -247K** **Wells Fargo: -306K**

**Consensus: -225K**



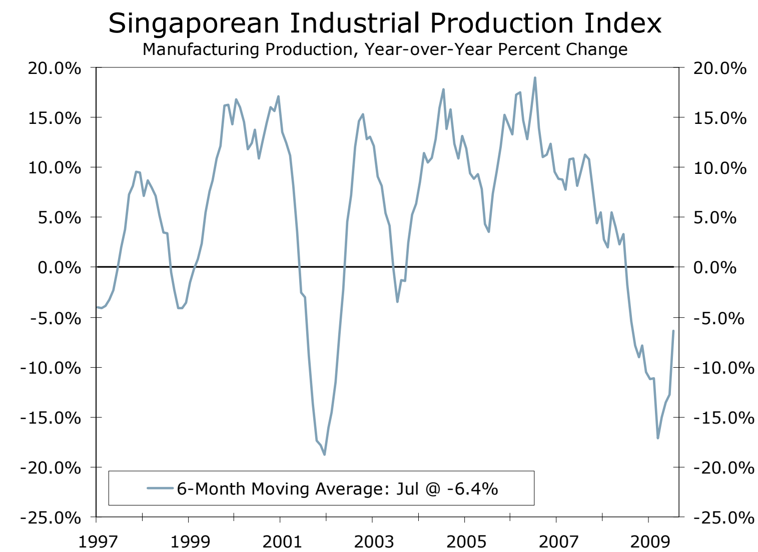
## Global Review

### More Signs of Global Economic Stabilization

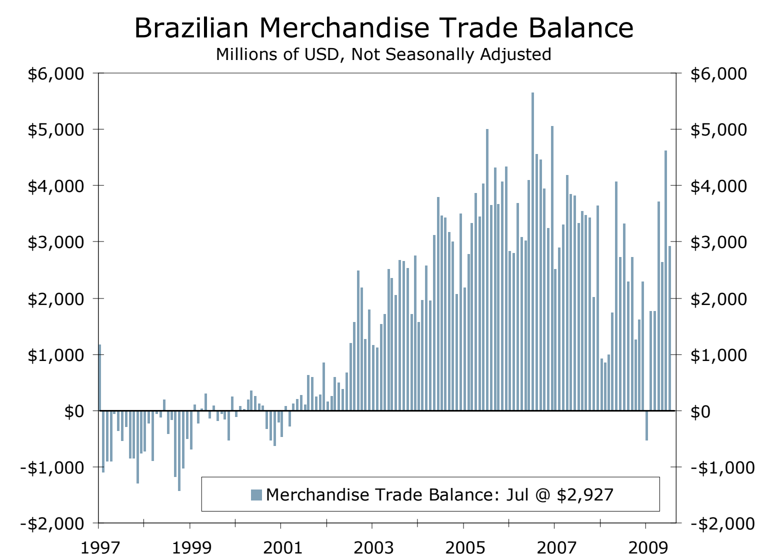



Incoming economic data continue to portray a global economy that is stabilizing and, probably, starting to grow again in the current quarter. For example, the Ifo index of German business sentiment rose for the fifth consecutive month in August (see chart on front page). Because the index is highly correlated with growth in industrial production (IP), the recent increase in the Ifo index suggests that IP is starting to recover.

The breakdown of German real GDP into its underlying demand components shows that macroeconomic stimulus was partially responsible for the 1.3 percent annualized growth rate that Germany was able to achieve in the second quarter (top chart). Real consumer spending rose nearly three percent, due in part to the country's "cash-for-clunkers" program, and government spending also provided a lift to GDP. Business spending on equipment continued to decline as did exports, although the rate of contraction in both components slowed significantly. That said, the significant liquidation of inventories that occurred in the second quarter lays the groundwork for further gains in GDP in the quarters ahead as the inventory cycle starts to swing the other way.




In Asia, news continues to pour in that shows bona fide recovery is underway in the region. For example, data released this week showed that real GDP growth in Malaysia, the Philippines and Thailand turned positive on a sequential basis in the second quarter. It appears that global trade, which was negatively impacted last year and earlier this year by the global credit crunch, is helping to lift real GDP in most Asian economies. Economic data thus far in the third quarter have generally been positive as well. Industrial production in Singapore jumped up 23 percent on a seasonally adjusted basis in July relative to the previous month. Although Singaporean IP tends to be very volatile on a monthly basis, even when the series is seasonally adjusted, the recent trend suggests that the economy continues to gather steam (middle chart). Moreover, the rise in IP is consistent with the increase in the purchasing managers' index since spring.




Recent data show that most Latin American countries are lagging behind Asia. For example, rates of economic contraction in Chile, Colombia and Peru all deepened in the second quarter, at least on a year-over-year basis. As we reported last week, Mexican real GDP tanked in the second quarter, plunging more than 10 percent in the second quarter on a year over year basis.

However, there are indications that the current quarter will be stronger than the second quarter for many Latin countries. The value of Chilean exports, which were up 14 percent in July relative to the previous month, rose to the highest level since last October. Brazil's exports have also trended higher recently, helping to lead to an increase in the country's trade surplus (bottom chart). In addition, Brazilian auto sales have recovered in recent months. Although most Latin economies are smaller today than they were last year at this time, growth in Latin America appears to be turning positive on a sequential basis.

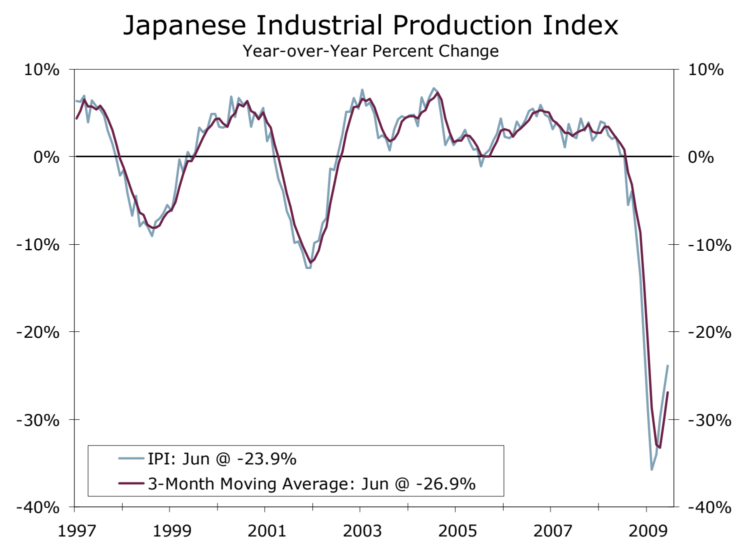
## Japanese Industrial Production • Monday

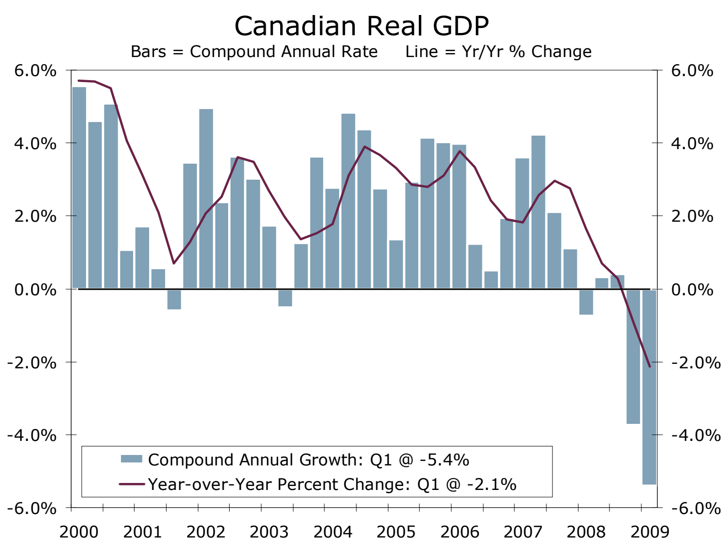
Japanese industrial production tanked late last year and earlier this year as global trade imploded. Indeed, at its nadir in February, Japanese IP was down 35 percent on a year-over-year basis. However, Japanese IP has risen for four consecutive months and is now up 16 percent from its low. The consensus forecast anticipates that IP posted another solid gain in July.

Data on Japanese retail spending in July will also be released on Monday. Although industrial production has bounced since spring, the value of retail spending has trended slightly lower during that period. (The rebound in industrial production is due to stronger exports). Most investors look for a modest decline in retail spending in July. Data on housing starts will also print on Monday.

**Previous: 2.3% (month-on-month change)**

**Consensus:1.3%**




## Canadian GDP • Monday

The Canadian economy contracted at the fastest pace since 1991 in the first quarter of this year. The decline in the first quarter was mostly attributable to a collapse in demand for Canadian exports, and a drop in business investment as business owners stopped all non-essential orders to survive the recession. The consensus looks for "less bad" numbers for economic growth for the second quarter which is scheduled for release on Monday. Government incentives in the United States to stimulate demand for autos may have contributed to some recovery in auto-exports from Canada, and business sentiment has improved since last winter.

On Friday of next week, the Canadian employment report for August will be released. These data have a tendency to be volatile but on trend, the pace of decline has been slowing in recent months and we expect that trend continued in August.

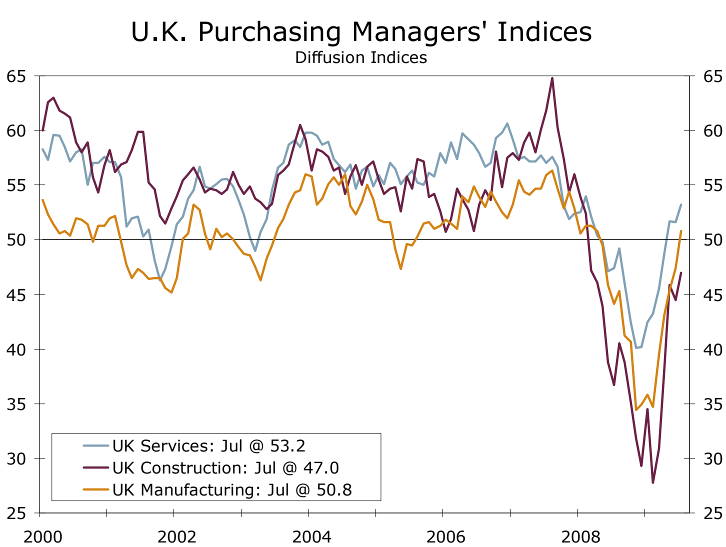
**Previous: -5.4%**

**Consensus: -3.0%**

## U.K. Purchasing Managers' Indices

The U.K. economy has contracted for five consecutive quarters, but the recent rise of the manufacturing and service sector PMIs above the demarcation line that separates expansion from contraction suggests that real GDP growth may be turning positive again. Most analysts look for further increases when the PMIs for the manufacturing (Tuesday), construction (Wednesday) and service sectors (Thursday) for August print next week.

Like the United States, house prices in the United Kingdom fell sharply starting in 2007. However, most house price indices stabilized earlier this year, and are beginning to creep higher. The August reading for a widely followed index of house prices (the Halifax index) is slated to print next week.




**Previous Manufacturing PMI: 50.8** **Consensus: 51.3**

**Previous Service PMI: 53.2** **Consensus: 53.9**

## Interest Rate Watch

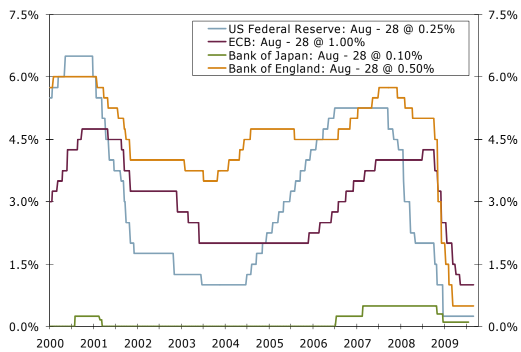
### Fiscal Policy is Monetary Policy

This week's Congressional Budget Office (CBO) mid-year budget outlook highlights the problems inherent in conducting an "independent" monetary policy and an effective exit strategy in a subpar economic recovery. The CBO expects relatively weak real economic growth of 1.7 percent in 2010 and sees the unemployment rate reaching 10.2 percent. Their 10-year Treasury rate forecast is 4.10 percent compared to today's rate of 3.48 percent. The CBO estimates the federal deficit at $1.38 trillion for 2010. In this context, decision-makers will need to be vigilant in assessing how independent and how effective any exit strategy will be in the year ahead.

How likely is policy to be independent of both negative economic and political feedbacks? The Fed has indicated a commitment to reduce liquidity and exit the current accommodative stance. This presents a challenge to investors. Any Fed exit strategy will alter the relative returns for all instruments the Fed attempts to sell. This is particularly true for longer maturity instruments such as Treasuries, mortgages and ABS. As interest rates rise, the likely feedback is that the housing sector will witness weaker starts and a weaker recovery in prices. How independent of this feedback will the Federal Reserve be in its pursuit of price stability?

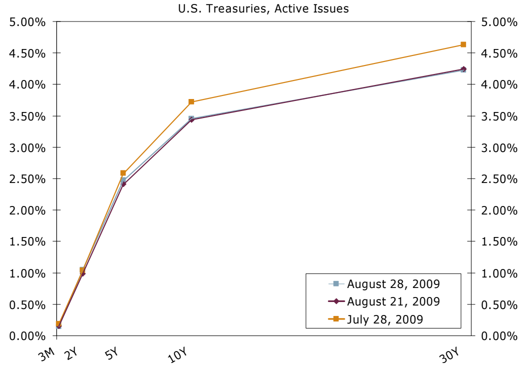
An effective exit strategy is also likely to coincide with a subpar economic recovery and large Treasury financing needs. Federal revenues will lag the economic recovery. The Fed's exit strategy will make Treasury auctions more difficult to place at the current low interest rates. The upward pressure on yields will likely be amplified. This week's CBO report brings into greater relief the fiscal/monetary policy conflict. Treasury debt will continue to be issued while the Fed will exit its easy policy and overall economic growth remains subpar. This all leaves us quite cautious on the Fed/Treasury being able to walk this tightrope. How will the Fed implement that exit strategy and be willing to accept the political criticism?

Central Bank Policy Rates



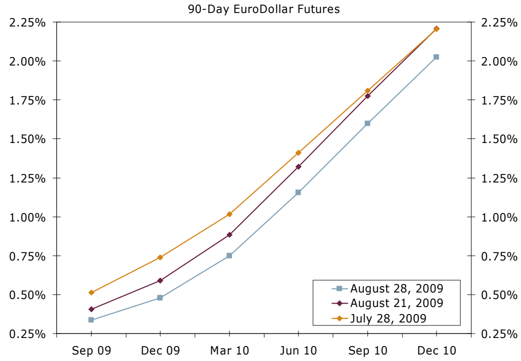

Yield Curve

U.S. Treasuries, Active Issues




Forward Rates

90-Day EuroDollar Futures




## Consumer Credit Insights

### Economics at the Community Level

This week we had the opportunity to speak at an Interagency Community Conference hosted by the FDIC in Washington, D.C. For communities and households in particular there are three key factors that determine economic success. First, economically diverse communities are more likely to succeed than undiversified economies over time. Being the world's capital in one business is great when that business is soaring but when that particular business is out of favor, then the downside is very difficult. We can see that today in Detroit.

Second, education achievement is critical for both individual and community success. Overtime, households and communities with a broader higher academic achievement levels tend to have higher average incomes and also bounce back from difficulties, (for example: Boston, San Francisco, Austin).

Finally, economic/financial education can be enhanced at the local level for many consumers by integrating the efforts of non-profits and private firms. Many non-profits, especially churches, that often have significant ties into communities that governments do not, can exercise outreach to offer job/financial counseling. The implementation of this three-pronged approach can foster community development that can turn around economically disadvantaged communities.

### Mortgage Data

| | Current | Week Ago | 4 Weeks Ago | Year Ago |
|---|---|---|---|---|
| **Mortgage Rates** | | | | |
| 30-Yr Fixed | 5.14% | 5.12% | 5.25% | 6.40% |
| 15-Yr Fixed | 4.58% | 4.56% | 4.69% | 5.93% |
| 5/1 ARM | 4.67% | 4.57% | 4.75% | 6.03% |
| 1-Yr ARM | 4.69% | 4.69% | 4.80% | 5.33% |
| **MBA Applications** | | | | |
| Composite | 566.4 | 527.0 | 495.4 | 421.6 |
| Purchase | 280.4 | 277.7 | 262.0 | 315.9 |
| Refinance | 2,233.5 | 1,982.5 | 1,862.1 | 1,038.0 |

Source: Freddie Mac, Mortgage Bankers Association and Wells Fargo Securities, LLC

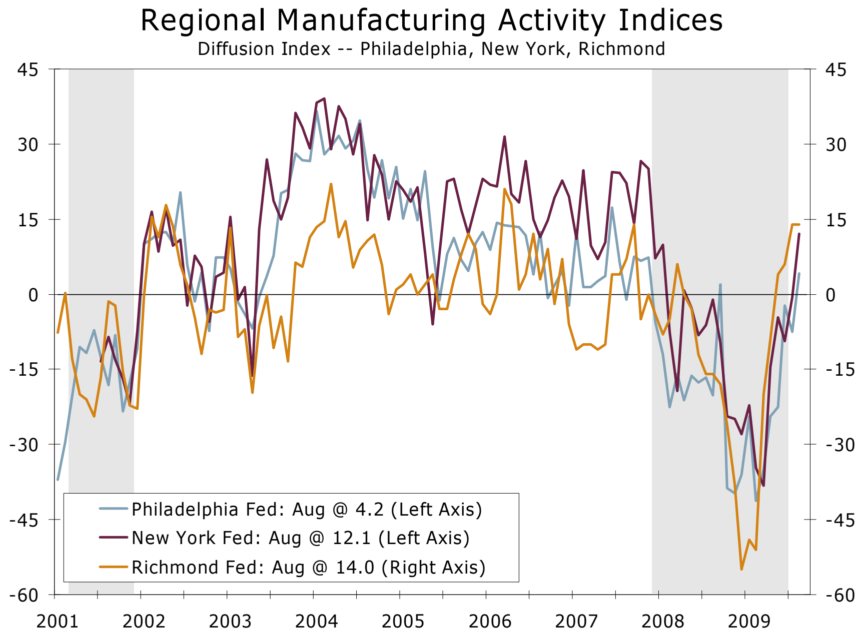
## Topic of the Week

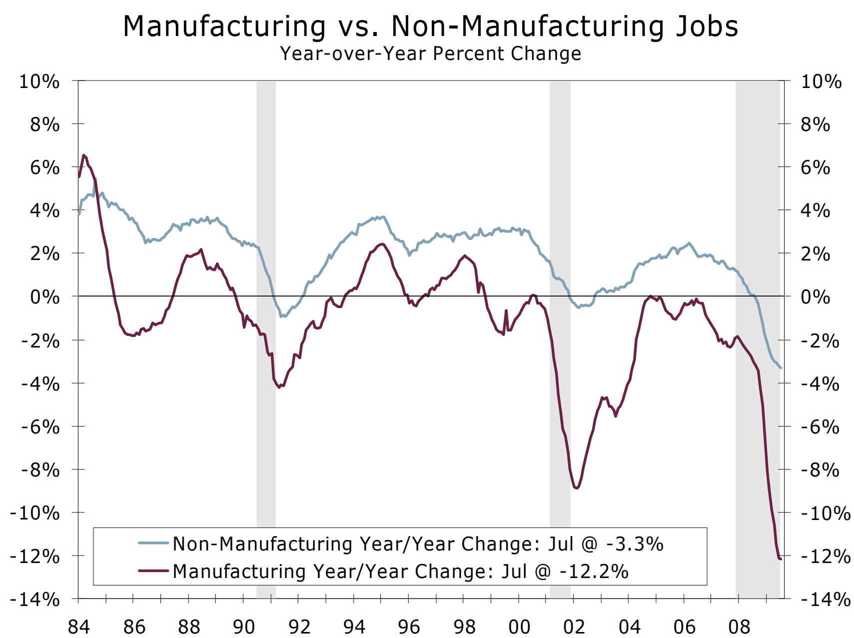
### Manufacturing Activity Rebounds

Manufacturing is clearly one of the hardest hit sectors in this business cycle, with manufacturing employment down more than 12 percent over the past year. Recent national and regional manufacturing economic indicators, however, show that manufacturing activity appears to be turning around. The ISM manufacturing index rose to 48.9 in July, close to the "50" demarcation line. Additionally, manufacturing industrial production in July inched up 1.0 percent. Recent regional manufacturing surveys have also brought in positive numbers. The Richmond Fed and the Empire manufacturing index both signaled expansion for the last few months while the Philadelphia Fed index rose to 4.2, the first positive reading since September 2008. Most of the improvements were in new orders and shipments, indicating improvement on the demand side. The employment indices, however, are still low, consistent with continued declines in manufacturing employment.

A few factors can be attributed to the recent uptrend in manufacturing activity. Inventories were heavily liquidated in the first and second quarters, a total of $273.1 billion, as businesses endeavored to keep inventories in line with declining sales. This has set the stage for a comeback in production. Many auto plants restarted in July after significant headwinds in the auto industry caused early plant shutdowns. Also, the cash-for-clunkers program has significantly increased car sales, enabling auto makers to increase production in order to replenish depleted inventories. However, real domestic final sales have been weak and may indicate that the ramp up in production will not be sustainable in the next few quarters.

While production is rebounding, it may happen without solid employment gains as capital-intensive industries will likely fare better than the labor-intensive sector. Additionally, the economy has been progressively shifting to be more service-oriented, and it is becoming increasingly difficult to sustain high-cost industries.

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## Market Data ♦ Mid-Day Friday

### U.S. Interest Rates

| | Friday 8/28/2009 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| 3-Month T-Bill | 0.14 | 0.16 | 1.73 |
| 3-Month LIBOR | 0.35 | 0.39 | 2.81 |
| 1-Year Treasury | 0.37 | 0.39 | 1.98 |
| 2-Year Treasury | 1.03 | 1.09 | 2.36 |
| 5-Year Treasury | 2.48 | 2.56 | 3.04 |
| 10-Year Treasury | 3.46 | 3.56 | 3.78 |
| 30-Year Treasury | 4.22 | 4.37 | 4.38 |
| Bond Buyer Index | 4.53 | 4.58 | 4.68 |

### Foreign Exchange Rates

| | Friday 8/28/2009 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| Euro ($/€) | 1.436 | 1.433 | 1.471 |
| British Pound ($/£) | 1.630 | 1.651 | 1.830 |
| British Pound (£/€) | 0.881 | 0.869 | 0.804 |
| Japanese Yen (¥/$) | 93.558 | 94.383 | 109.503 |
| Canadian Dollar (C$/$) | 1.084 | 1.081 | 1.051 |
| Swiss Franc (CHF/$) | 1.056 | 1.058 | 1.099 |
| Australian Dollar (US$/A$) | 0.844 | 0.835 | 0.863 |
| Mexican Peso (MXN/$) | 13.274 | 12.833 | 10.253 |
| Chinese Yuan (CNY/$) | 6.830 | 6.831 | 6.829 |
| Indian Rupee (INR/$) | 48.663 | 48.605 | 43.775 |
| Brazilian Real (BRL/$) | 1.876 | 1.830 | 1.632 |
| U.S. Dollar Index | 78.033 | 78.044 | 77.151 |

### Foreign Interest Rates

| | Friday 8/28/2009 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| 3-Month Euro LIBOR | 0.80 | 0.83 | 4.96 |
| 3-Month Sterling LIBOR | 0.69 | 0.72 | 5.75 |
| 3-Month Canadian LIBOR | 0.56 | 0.59 | 3.35 |
| 3-Month Yen LIBOR | 0.39 | 0.39 | 0.88 |
| 2-Year German | 1.26 | 1.38 | 4.15 |
| 2-Year U.K. | 0.86 | 0.90 | 4.52 |
| 2-Year Canadian | 1.30 | 1.35 | 2.74 |
| 2-Year Japanese | 0.25 | 0.25 | 0.72 |
| 10-Year German | 3.26 | 3.31 | 4.18 |
| 10-Year U.K. | 3.58 | 3.64 | 4.49 |
| 10-Year Canadian | 3.40 | 3.48 | 3.52 |
| 10-Year Japanese | 1.32 | 1.32 | 1.44 |

### Commodity Prices

| | Friday 8/28/2009 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| WTI Crude ($/Barrel) | 72.76 | 73.89 | 115.59 |
| Gold ($/Ounce) | 957.98 | 953.85 | 834.05 |
| Hot-Rolled Steel ($/S.Ton) | 465.00 | 465.00 | 1065.00 |
| Copper (¢/Pound) | 294.05 | 287.90 | 342.70 |
| Soybeans ($/Bushel) | 10.59 | 10.02 | 13.48 |
| Natural Gas ($/MMBTU) | 3.07 | 2.80 | 8.05 |
| Nickel ($/Metric Ton) | 18,781 | 18,878 | 20,925 |
| CRB Spot Inds. | 444.38 | 442.20 | 477.24 |

## Next Week's Economic Calendar

| | Monday | Tuesday | Wednesday | Thursday | Friday |
|---|---|---|---|---|---|
| | **31** | **1** | **2** | **3** | **4** |
| **U.S. Data** | | **ISM Manufacturing**<br>July 48.9<br>August 50.1 (W)<br>**Construction Spending**<br>June 0.3%<br>July -0.8% (W)<br>**Total Vehicle Sales**<br>July 11.3M<br>August 14.2M (W) | **Nonfarm Productivity**<br>2Q(A) 6.4%<br>2Q (F) 6.0% (W)<br>**Unit Labor Cost**<br>2Q (A) -5.8%<br>2Q (F) -4.4% (W)<br>**Factory Orders**<br>June 0.4%<br>July 2.6% (W) | **ISM Non-Manufacturing**<br>July 46.4<br>August 47.8 (W) | **Nonfarm Payrolls**<br>July -247K<br>August -306K (W)<br>**Unemployment Rate**<br>July 9.4%<br>August 9.6% (W) |
| **Global Data** | **Canada**<br>**GDP Annualized**<br>Previous (1Q) -5.4%<br>**Japan**<br>**Indus. Production (MoM)**<br>Previous (Jun) 2.3% | **UK**<br>**PMI Manufacturing**<br>Previous (Jul) 50.8<br>**Euro-zone**<br>**Unemployment Rate**<br>Previous (Jun) 9.4% | **UK**<br>**PMI Construction**<br>Previous (Jul) 47.0 | **UK**<br>**PMI Services**<br>Previous (Jul) 53.2<br>**Euro-zone**<br>**Retail Sales (MoM)**<br>Previous (Jun) -0.2% | **Canada**<br>**Unemployment Rate**<br>Previous (Jul) 8.6% |

Note: (W) = Wells Fargo Estimate (c) = Consensus Estimate

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