February 26, 2010

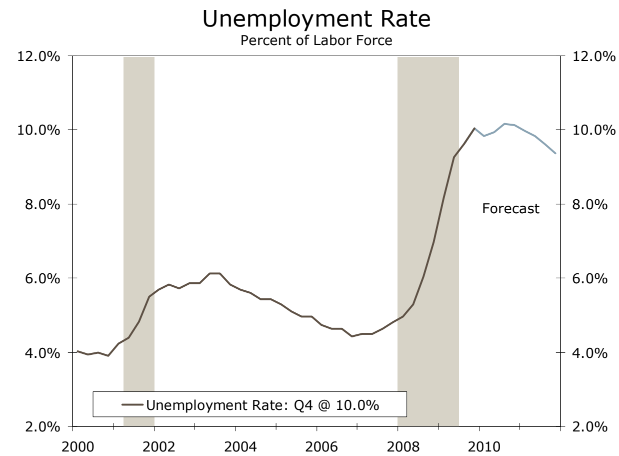
# Economics Group

Weekly Economic & Financial Commentary

## U.S. Review

**What if Sustainable is also Insufficient?**

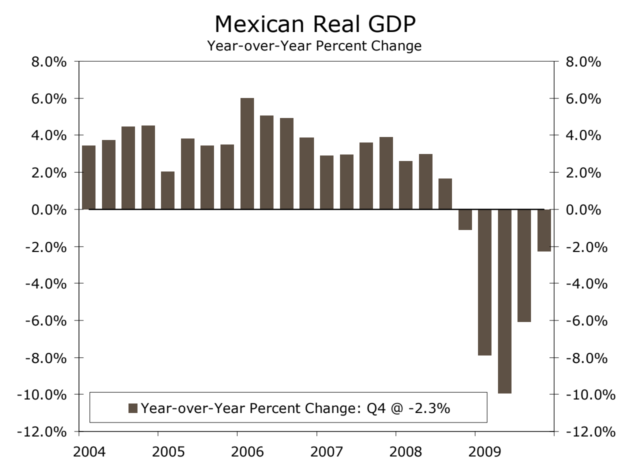
- Although the recovery continues to take shape and the pace of growth this year appears to be on trend, there is a growing realization that such growth is insufficient to significantly lower unemployment or generate enough public sector revenues to meet campaign promises.
- Moreover, there are also growing concerns that the applied stimulus to the economy today to reinvigorate growth may lead to lurching the economy in the direction of higher inflation and unsustainable deficits in the near future--from the frying pan into the fire?




## Global Review

**The Mexican Economy Shows Some Life**

- Although the Mexican economy contracted for the full year 2009, the economy grew by 2.0 percent during the last quarter of the year compared to the previous quarter on a seasonally adjusted basis.
- Mexico seems to be turning the corner. However, our current forecast for the Mexican economy is for a growth rate of 3.4 percent, which is a good growth rate for a developed country but is below par for a developing country like Mexico.




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

| | Actual 2009 | | | | Forecast 2010 | | | | Actual | | | | Forecast | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Real Gross Domestic Product [1] | -6.4 | -0.7 | 2.2 | 5.7 | 3.7 | 1.7 | 1.9 | 2.3 | 2.7 | 2.1 | 0.4 | -2.4 | 2.9 | 2.4 |
| Personal Consumption | 0.6 | -0.9 | 2.8 | 2.0 | 1.9 | 0.8 | 1.3 | 1.5 | 2.9 | 2.6 | -0.2 | -0.6 | 1.6 | 1.7 |
| Inflation Indicators [2] | | | | | | | | | | | | | | |
| "Core" PCE Deflator | 1.7 | 1.6 | 1.3 | 1.4 | 1.3 | 1.2 | 1.2 | 1.3 | 2.3 | 2.4 | 2.4 | 1.5 | 1.2 | 1.7 |
| Consumer Price Index | -0.2 | -0.9 | -1.6 | 1.5 | 2.6 | 2.6 | 2.1 | 1.7 | 3.2 | 2.9 | 3.8 | -0.3 | 2.2 | 2.1 |
| Industrial Production [1] | -19.0 | -10.4 | 6.9 | 7.0 | 6.8 | 3.9 | 3.4 | 6.5 | 2.3 | 1.5 | -2.2 | -9.7 | 4.7 | 5.7 |
| Corporate Profits Before Taxes [2] | -19.0 | -12.6 | -6.6 | 24.0 | 22.0 | 16.0 | 10.0 | 8.5 | 10.5 | -4.1 | -11.8 | -5.1 | 13.8 | 8.0 |
| Trade Weighted Dollar Index [3] | 83.2 | 77.7 | 74.3 | 74.7 | 74.0 | 74.9 | 76.0 | 78.5 | 81.5 | 73.3 | 79.4 | 74.7 | 78.5 | 82.3 |
| Unemployment Rate | 8.2 | 9.3 | 9.6 | 10.0 | 9.8 | 9.9 | 10.2 | 10.1 | 4.6 | 4.6 | 5.8 | 9.3 | 10.0 | 9.7 |
| Housing Starts [4] | 0.53 | 0.54 | 0.59 | 0.55 | 0.59 | 0.64 | 0.67 | 0.70 | 1.81 | 1.34 | 0.90 | 0.55 | 0.65 | 0.76 |
| Quarter-End Interest Rates | | | | | | | | | | | | | | |
| Federal Funds Target Rate | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.50 | 5.25 | 4.25 | 0.25 | 0.25 | 0.50 | 3.25 |
| Conventional Mortgage Rate | 5.00 | 5.42 | 5.06 | 4.88 | 5.40 | 5.70 | 5.80 | 5.80 | 6.14 | 6.10 | 5.33 | 4.88 | 5.80 | 6.10 |
| 10 Year Note | 2.71 | 3.53 | 3.31 | 3.85 | 3.70 | 3.80 | 4.00 | 4.10 | 4.71 | 4.04 | 2.25 | 3.85 | 4.10 | 4.50 |

Forecast as of: February 10, 2010
[1] Compound Annual Growth Rate Quarter-over-Quarter
[2] Year-over-Year Percentage Change

## Inside

## U.S. Review

### When Good is Not Good Enough

Chairman Bernanke's testimony this week stated the increasingly obvious reality of this recovery "Notwithstanding these positive signs, the job market remains quite weak, with the unemployment rate near 10 percent and job openings scarce." Meanwhile, the Obama administration projected 9.8 percent unemployment at the end of this year. On the budget front the outlook for local, state and federal budgets is for significant deficits that will force local and state spending cuts while raising concerns about the long-run position of the federal debt. Therefore, in a year where economic growth is expected to come in at trend, the inability of the economy to deliver lower unemployment and more balanced public finances is worrisome. By the way this is also an election year.

### Claims and Confidence: Disappointment

While growth has improved jobless claims and consumer confidence disappointed this week. Jobless claims have stopped declining and in fact have actually risen since mid-January. Consumer confidence, meanwhile, fell sharply. There was a noticeable failure in both the jobs hard to get (staying too high) and jobs plentiful (still too low). These results reinforce the jobs data and suggest that employment has become less responsive both in size and timing to economic growth. Sustainable trend growth in the economy does not appear to be associated with historically strong job growth of 200,000 jobs per month.

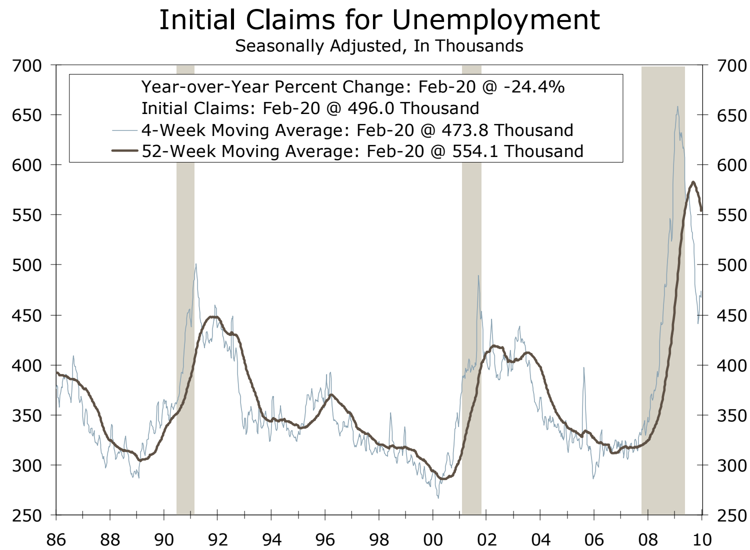
### Bernanke: Structural Deficit of 4 to 7 percent is Unsustainable

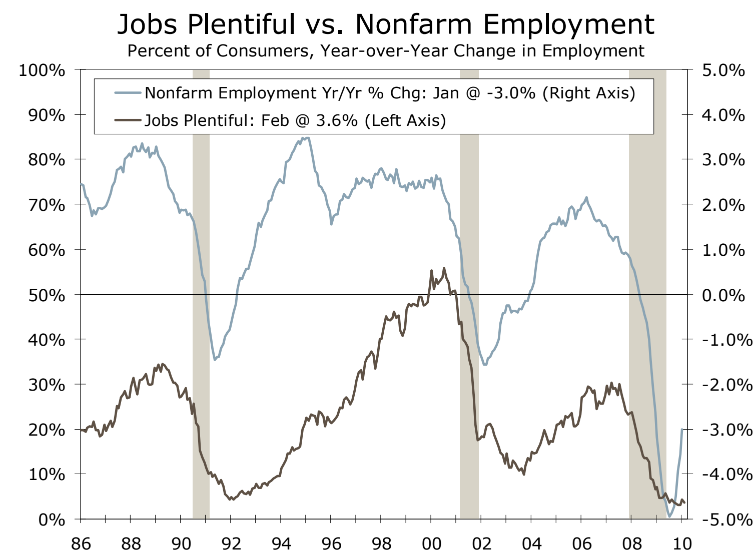
Public sector deficits, not just federal but also state and local deficits, remain very large in the current first year of the recovery. This is not unusual. What is unusual is the persistence of the fiscal gaps for the number of years ahead. No longer is there any pretense of projecting a balanced budget sometime in the future. With a permanently unbalanced federal budget the implications are that some other element of the global economy needs to fill in that gap. This creates a major uncertainty for decision-makers and raises the interest rate and currency risks associated with federal deficits.

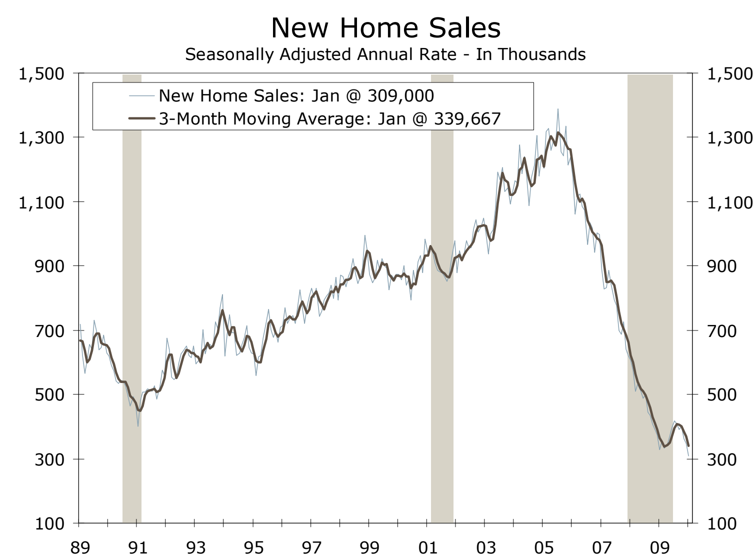
### Stimulus Addiction: Growth without Stimulus not enough

New home sales data this week were a real wake up call for the U.S. outlook. Sales fell sharply in January and may have reflected weather but also the expiration of the first time home buyer credit—which has since been renewed. Moreover, the Mortgage Bankers Association's purchase application index declined to a twelve-year low.

Unfortunately the implication is that the economy will not deliver the results that make the political class happy and meet the expectations of consumers/voters. Yet, if permanent stimulus is required then the implications are that federal deficits will remain unsustainable in the long-run and that unsustainable deficits will give rise to higher interest rates and weaken growth once again.



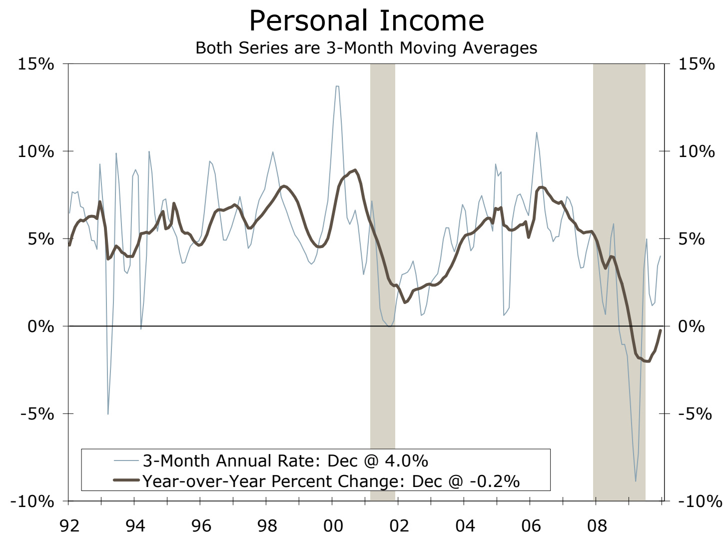



## Personal Income • Monday

Personal income rose 0.4 percent in December due in large part to gains in dividends and transfer payments. On a year-ago basis, personal income less transfer payments has fallen consecutively for over a year, but the pace of the decline is slowing. Moreover, the wage and salary component fell 2 percent year over year in December. In the previous recession, wage and salary growth continued to fall six months after the recession ended. Consumer spending rose 0.2 percent in nominal terms and 0.1 percent in real terms in December. While consumer spending growth was solid in the second half of 2009, we do not expect the robust gains will stick. Sustainable consumer spending requires income and therefore job and wage gains. With the unemployment rate rising and hiring still sluggish, we expect consumer spending will grow at a modest 1.6 percent annual pace in 2010.

**Previous: 0.4%** **Wells Fargo: 0.3%**

**Consensus: 0.4%**

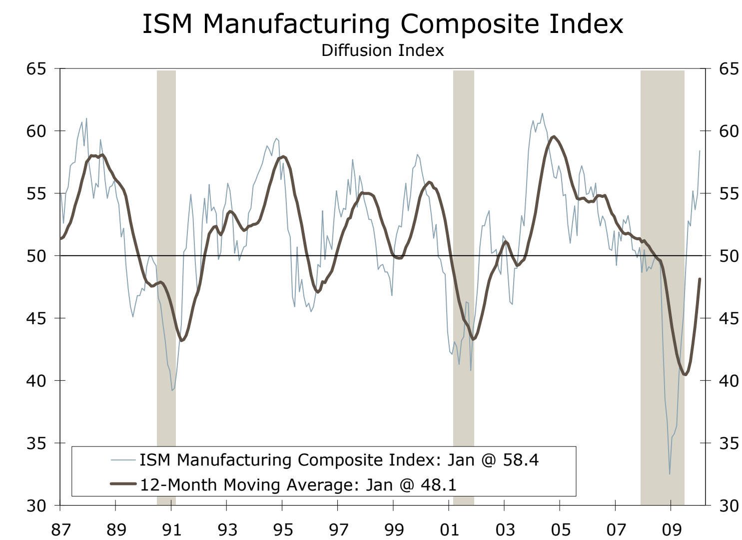



## ISM Manufacturing • Monday

The Institute for Supply Management's (ISM) headline manufacturing index remained solidly in expansionary territory for the sixth consecutive month in January. The forward-looking new orders index has remained well above the threshold of 50 for seven consecutive months and at 65.9, is at its highest level in five years. Most regional manufacturing surveys rose in February suggesting headline ISM will remain in expansionary territory. With inventory levels still lean, the spread between the new orders and the inventories indexes continue to suggest further gains in production are likely in coming months. The employment index has also been above 50 for two consecutive months and continues to suggest stabilization in manufacturing employment. Consequently, we expect the ISM index will remain solidly in expansionary territory in February.

**Previous: 58.4** **Wells Fargo: 57.2**

**Consensus: 57.9**

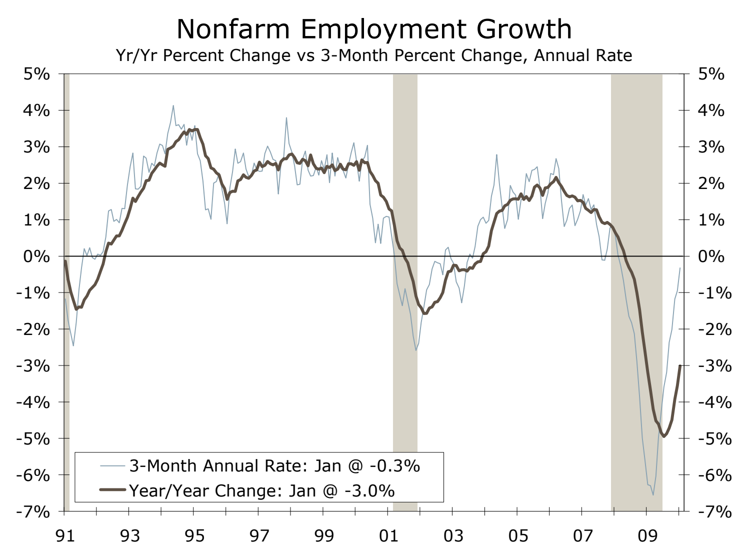



## Nonfarm Employment • Friday

January's employment report included benchmark revisions, which revised data as far back as March 2008. Revisions to previously published data revealed that job losses were a lot worse than initially thought. January payrolls, however, fell by only 20,000 jobs suggesting the deterioration in the labor market is abating. Moreover, manufacturing posted its first gain in nearly three years. Initial jobless claims, however, paint a very different picture, though weather conditions are likely adversely affecting the data. The four-week moving average for initial claims now sits sharply higher at 473,750. The level that is typically associated with sustained employment growth is 400,000 and below. We expect jobs will fall by 80,000 in February and the unemployment rate will remain unchanged at 9.7 percent.

**Previous: -20K** **Wells Fargo: -80K**

**Consensus: -40K**



## Global Review

### The Mexican Economy Shows Some Life

The Mexican economy is starting to show signs of life after the worst crisis in more than forty years. According to the INEGI, the country's statistical institute, the Mexican economy contracted by 2.3 percent during the fourth quarter of 2009 compared to the same period a year earlier, leaving the full year with a drop of 6.5 percent. However, the Mexican economy ended on an up-note, growing 2.0 percent during the last quarter of the year compared to the previous quarter on a seasonally adjusted basis.

Last year's recession was a bit worse than the self-inflicted Tequila Crisis of 1995 when the economy plunged by 6.2 percent. Furthermore, while the Mexican economy experienced a strong recovery from the Tequila Crisis, growing by 5.2 percent the following year, we are not expecting a similar recovery this time. Our current forecast for the Mexican economy is for a growth rate of 3.4 percent in 2010— a good growth rate for a developed country but below par for a developing country like Mexico.

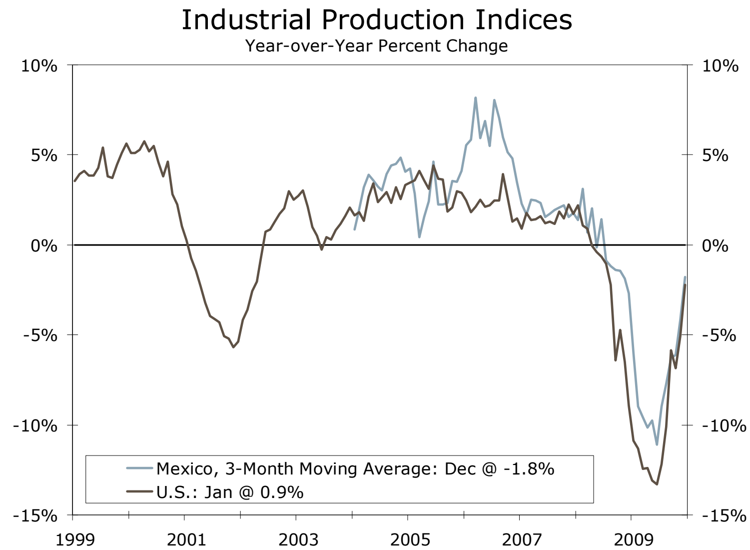
One of the reasons we are not expecting the Mexican economy to post a strong recovery this year is because we are still expecting U.S. consumers to remain more or less on the sidelines. Almost 90 percent of Mexican exports go to the U.S. consumer market and this dependency is going to keep economic growth limited. Furthermore, remittances from Mexicans living in the U.S. are not showing any improvement, and this is going to contribute to a less than stellar performance as well.

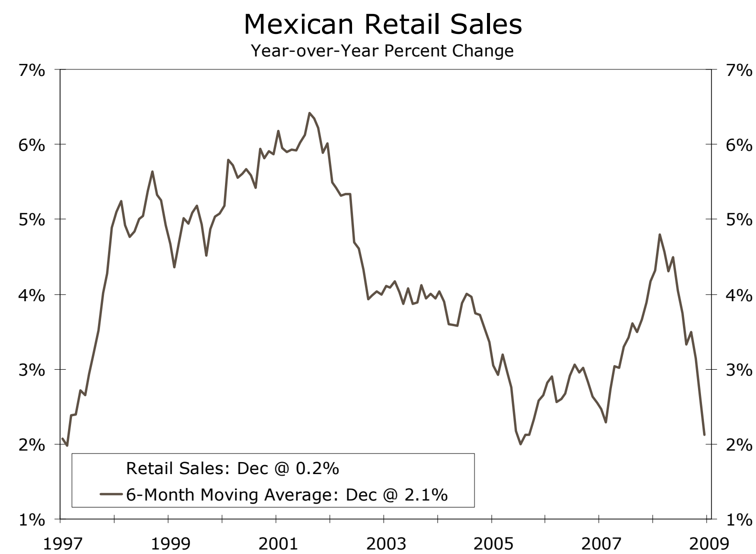
Remittances from Mexicans in the U.S. dropped by 15.7 percent during 2009 to $21.2 billion from $25.1 billion recorded in 2008. But the most important issue regarding remittances is that this money normally gets to the neediest sectors of the Mexican economy, helping to keep social protest relatively at bay. So while not necessarily directly related to this issue, the recent increase in violence all across the country could be a sign that poverty is increasing, and the drop in remittances is not helping to ameliorate the effects on the neediest sectors of the country.

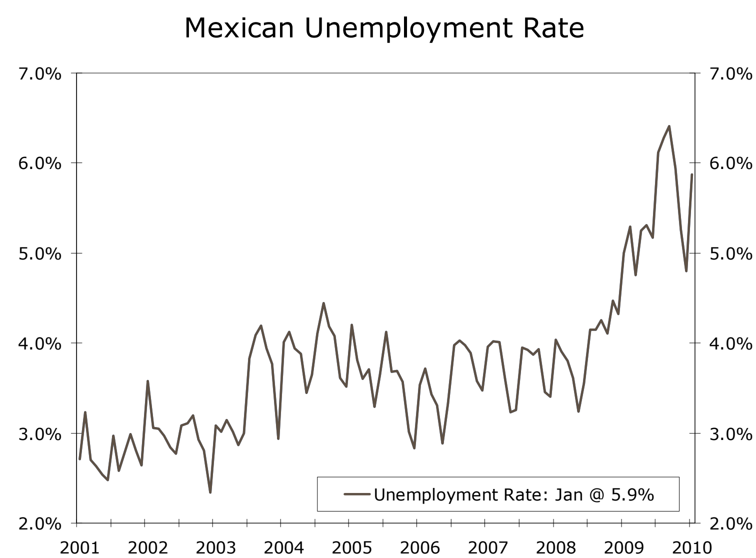
But the biggest issue regarding remittances is that the downward trend is probably going to continue as the conditions of Mexican migrants, especially the illegal ones, continue to deteriorate in the U.S. as new restrictions on immigration threaten their ability to earn a living and send monies south of the border.

Another limiting factor for this year's economic performance remains the very weak credit market. While lending to the housing market seems to have started to recover, growing at a 16 percent rate in December on a year-to-year basis, loans to consumers and businesses remain challenged with business lending growing by only 4 percent and consumer lending dropping by 17 percent, during the same time period.

Thus, while we remain positive regarding this year's economic performance for the Mexican economy, the real test going forward will be how the Mexican government deals with the security and violence issues plaguing the country and their negative effects on investment, which continues to suffer.



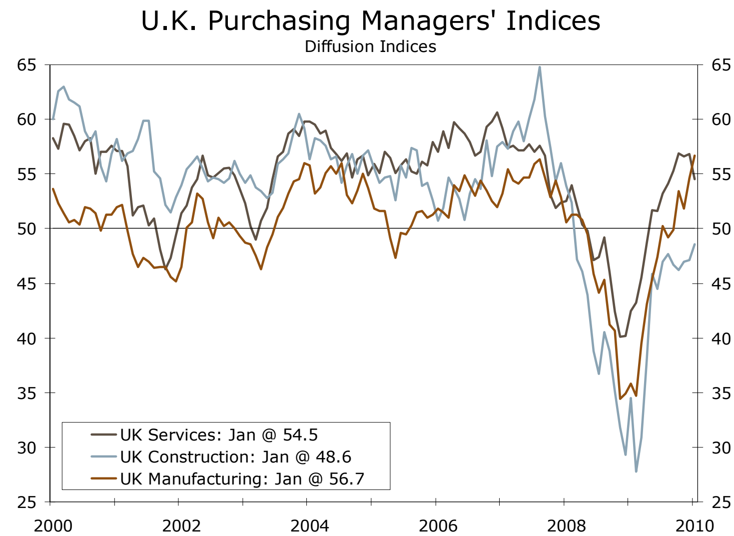
## U.K. Manufacturing PMI • Monday

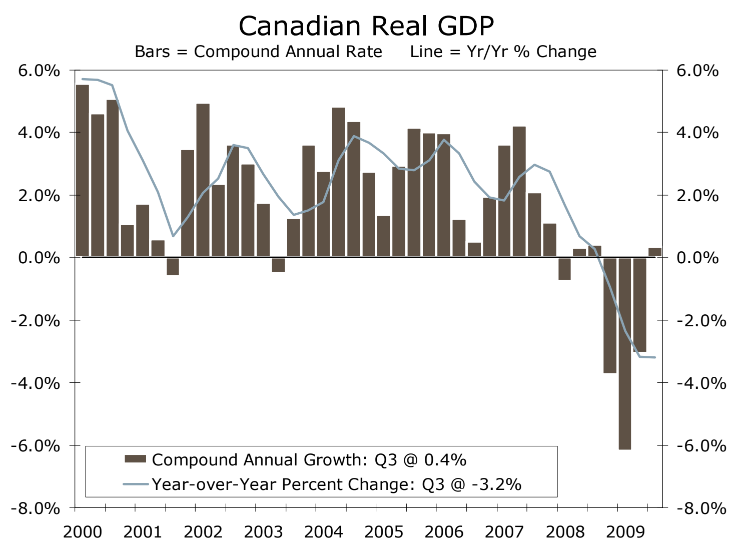
The British manufacturing sector PMI rose to a 10-year high of 56.7 in January, and the comparable index for the service sector, which has been well above the demarcation line that separates expansion from contraction, likely overstates the strength of the British economy at present. To wit, real GDP in the United Kingdom edged up only 0.1 percent (not annualized) in the fourth quarter, barely a pulse at all. Nevertheless, investors will be interested in the PMI readings in February to see if they contain any nugget of information about the current state of the economy.

The Bank of England's policy meeting on Thursday likely will be a non-event, because there is very little chance that the MPC will change its main policy rate from 0.50 percent. In addition, we do not look for a change in the asset purchase program from its current size of £200 billion.

**Previous Manufacturing PMI: 56.7** **Consensus: 56.3**

**Previous Services PMI: 54.5** **Consensus:: 54.9**




## Canadian GDP • Monday

Monthly GDP data in Canada in recent months attest to the steadiness of the Canadian recovery. Through November, the Canadian economy expanded for a third consecutive month, led by a 2.4 percent jump in wholesale trade and a 1.8 percent gain in mining and quarrying. Thanks to an improving labor market, the domestic demand picture is brightening in Canada as the declines in retail sales that we saw in the first three quarters of 2009 have been replaced with positive, or at least unchanged, sales growth in recent months. One headwind for growth going forward is the strength of the Canadian dollar, which will keep a lid on export growth. Also on the docket for the Canadian economy next week is an interest rate announcement from the Bank of Canada. We do not expect a change in the lending rate but will be interested in the Bank's latest assessment of the pace of the Canadian recovery.

**Previous: 0.4% (annualized)** **Wells Fargo: 3.7%**

**Consensus: 4.0%**

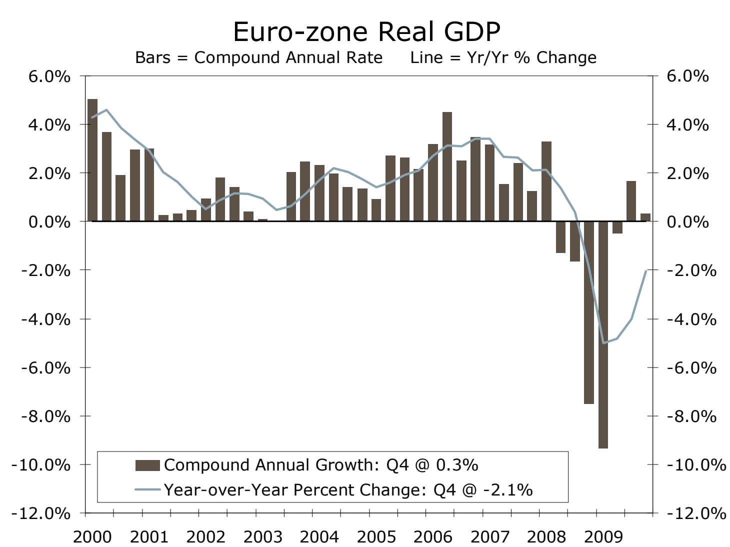
## Euro-zone GDP (2nd Estimate) • Thursday

Statistical authorities announced two weeks ago that Euro-zone real GDP edged up only 0.1 percent (not annualized) in the fourth quarter, but a breakdown into the demand components was not available at that time. The disaggregation, which will become available on Thursday, will give analysts a better understanding of the current weakness in the Euro-zone economy. If German GDP, which was released recently, is any guide, then all spending categories other than exports in the euro area likely contracted in the fourth quarter.

Speaking of weakness, Euro-zone retail sales data for January will be released on Wednesday. Retail spending fell about 2 percent in December on a year-ago basis, and not much improvement is expected in January. The ECB likely will keep rates unchanged at its policy meeting on Thursday.

**Previous: 0.1% (not annualized)** **Wells Fargo: 0.1%**

**Consensus: 0.1%**



## Interest Rate Watch

### Ben Reasserts "Extended Period"

Short-term policy rates are headed nowhere for now. That is the bottom line message from Chairman Bernanke's Semiannual Monetary Policy Report. Why?

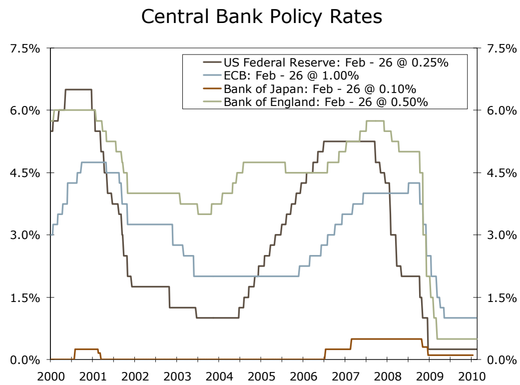
Inflation and the unemployment rate appear to be the two key factors. Inflation indicators, according to the Chairman, "suggest that inflation likely will be subdued for some time." We concur. We expect the core personal consumption deflator to remain below 1.5 percent at least through the third quarter of this year. Our WTI crude oil estimate is near $80/barrel for all of this year.

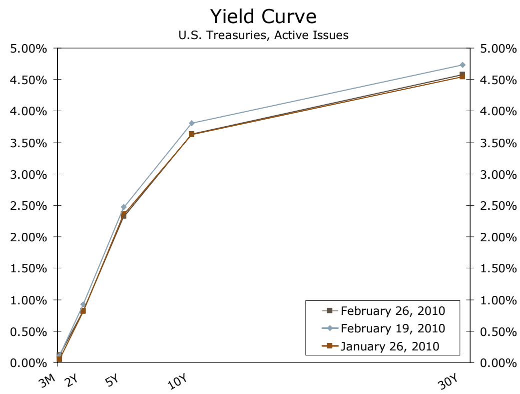
Unemployment, as a proxy measure of the economy, remains disappointing. For the Fed, "the job market remains quite weak, with the unemployment rate near 10 percent and job openings scarce." This is consistent with Bernanke's assessment of a nascent recovery with growth at 3-3.5 percent for 2010. This is also consistent with our outlook.

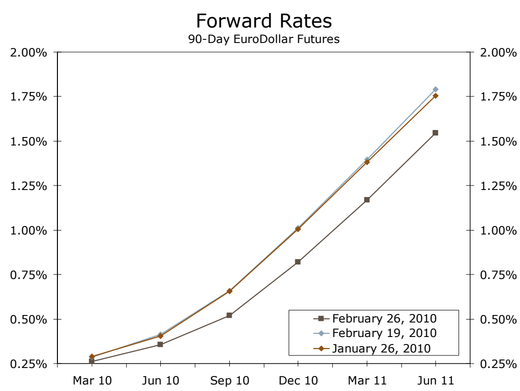
### "Normalizing"

For investors and business leaders, the Fed's focus on normalization should be read as code words for upward pressure on short-term rates. While the direction may be clear, the speed and magnitude remains uncertain. Our bet is that the Fed is unlikely to raise short rates—the funds rate—until the fourth quarter at the earliest. We have two reasons. First, we agree that inflation remains low as indicated above. This buys the Fed lots of time to watch the recovery take hold. Second, Bernanke refers to the current recovery as "nascent" and this suggests to us that the Fed remains unsure about the strength of the recovery and its sustainability. Here we would watch the path of jobless claims and housing starts.

Jobless claims provide insight into the growth of jobs which, in turn, provides insight into the pace of consumer spending. Housing starts will provide a guide to the housing recovery. Both indicators will signal economic repair and therefore a green light on the Fed getting rates back to normal. As for long-term rates, there is always the federal budget outlook.




## Consumer Credit Insights

### Implications for Consumers

Chairman Bernanke, in his testimony, faced a question on payment shock. In essence the concern is that when interest rates rise many people are likely to face rising interest rates on their mortgage for example and that would be painful.

Indeed, a rapid and large increase in rates would suggest significant payment shock. However, our expectation is that any interest rate increase would be small and delayed at least until the fourth quarter. Any Fed decision to raise rates would be taken within the context of the pace of economic growth and the view of what the impact of any rate rise would be on the market. With low rates and a very cautious Fed the extent of any payment shock for the national economy is likely to be very small. Certain areas, however, will see rates rise while local housing conditions remain weak. Interest rates are set nationally. Housing market prices are local. Monetary policy has historically not impacted all sectors/regions of the economy evenly.

### Housing Prices

One big positive in this area has been the upturn in housing prices in many metro areas as indicated by the Case-Shiller indices out this week. The majority of metro areas are seeing home price appreciation and this will ease the pain of higher mortgage rates for distressed homeowners. Rising home prices mean rising equity positions and therefore reduce the incentive for strategic defaults.

### Mortgage Data

| | Current | Week Ago | 4 Weeks Ago | Year Ago |
|---|---|---|---|---|
| Mortgage Rates | | | | |
| 30-Yr Fixed | 5.05% | 4.93% | 4.98% | 5.07% |
| 15-Yr Fixed | 4.40% | 4.33% | 4.39% | 4.68% |
| 5/1 ARM | 4.16% | 4.12% | 4.25% | 5.06% |
| 1-Yr ARM | 4.15% | 4.23% | 4.29% | 4.81% |
| MBA Applications | | | | |
| Composite | 549.5 | 600.5 | 513.0 | 743.5 |
| Purchase | 196.8 | 212.3 | 215.6 | 250.5 |
| Refinance | 2,605.3 | 2,860.1 | 2,260.4 | 3,618.0 |

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

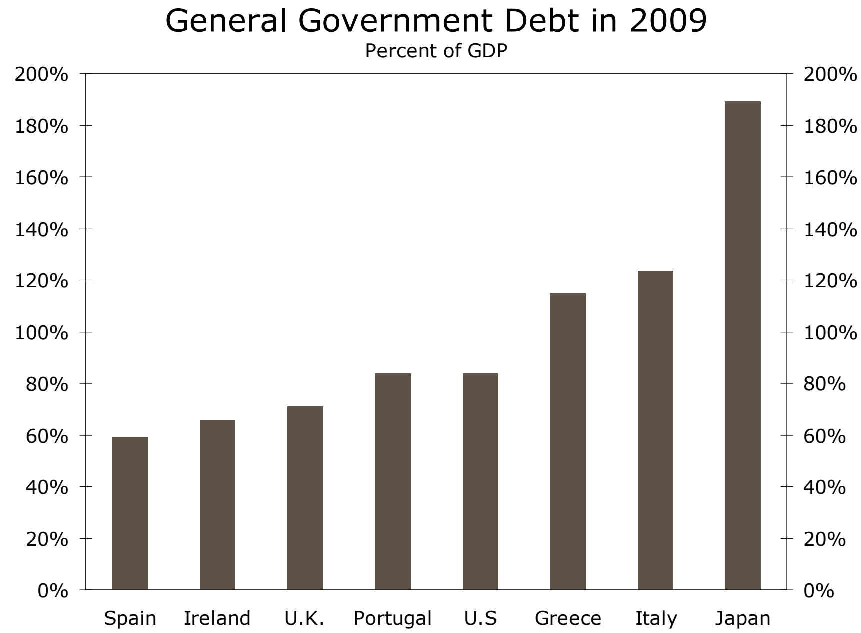
## Topic of the Week

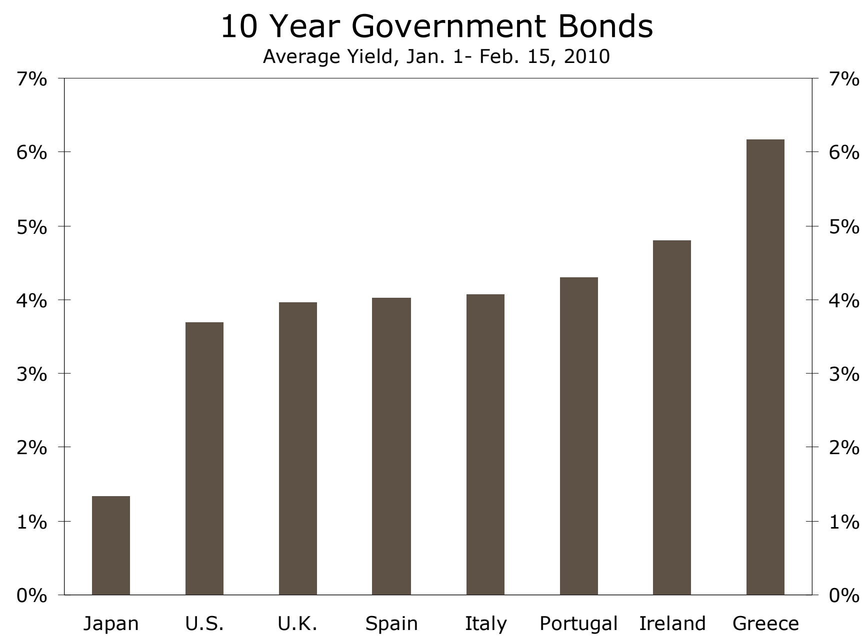
### Is Greece the Tip of the Iceberg?

When Thailand was forced to break its peg to the U.S. dollar on July 2, 1997, many observers at the time considered it to be just an isolated event. However, the imbalances in the Thai economy were symptomatic, and investors began to look around to see if there were any other countries with similar problems. By the end of the 1997, not only had the International Monetary Fund (IMF) come to the rescue of Thailand, but the IMF also had to extend support packages for Indonesia and Korea. The crisis then went global as the Russian government defaulted in July 1998 and Brazil was forced off its fixed exchange rate in January 1999.

Fast forward 12 years. Concerns have surfaced recently over the ability of the Greek government to honor its debt obligations. However, Greece is not the only country in the world in which the government has racked up enormous deficits over the past year or two, and investors are rightfully questioning who else "looks and smells" like the Hellenic republic. Government debt-to-GDP ratios in Japan, the United Kingdom and the United States will also rise indefinitely unless significant fiscal adjustments are made. Meanwhile, other economies in the Euro-zone that have received raised eyebrows from investors recently, such as Ireland, Portugal and Spain.

In a recent special report we examine these other foreign economies that "look and smell" like Greece and we examine the various governments' ability to deliver the necessary fiscal adjustment to avert a similar crisis. Ultimately these fiscal adjustments depend on the willingness of the public to accept painful spending cuts and tax increases. The questions that investors need to ask themselves regarding each of theses economies is whether the citizenry will have the will to bear the necessary pain. Answers to these questions likely will not be forthcoming overnight. Therefore, long-term government bond yields in economies that require substantial adjustments could remain elevated for quite some time. See our website for the complete report.

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## Market Data ♦ Mid-Day Friday

### U.S. Interest Rates

| | Friday 2/26/2010 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| 3-Month T-Bill | 0.11 | 0.09 | 0.27 |
| 3-Month LIBOR | 0.25 | 0.25 | 1.26 |
| 1-Year Treasury | 0.31 | 0.43 | 0.78 |
| 2-Year Treasury | 0.81 | 0.92 | 1.08 |
| 5-Year Treasury | 2.31 | 2.45 | 2.07 |
| 10-Year Treasury | 3.61 | 3.77 | 2.99 |
| 30-Year Treasury | 4.55 | 4.70 | 3.67 |
| Bond Buyer Index | 4.36 | 4.38 | 4.87 |

### Foreign Exchange Rates

| | Friday 2/26/2010 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| Euro ($/€) | 1.357 | 1.361 | 1.274 |
| British Pound ($/£) | 1.516 | 1.547 | 1.432 |
| British Pound (£/€) | 0.895 | 0.880 | 0.890 |
| Japanese Yen (¥/$) | 88.930 | 91.520 | 98.520 |
| Canadian Dollar (C$/$) | 1.061 | 1.039 | 1.254 |
| Swiss Franc (CHF/$) | 1.079 | 1.076 | 1.165 |
| Australian Dollar (US$/A$) | 0.889 | 0.899 | 0.647 |
| Mexican Peso (MXN/$) | 12.812 | 12.798 | 14.967 |
| Chinese Yuan (CNY/$) | 6.826 | 6.833 | 6.839 |
| Indian Rupee (INR/$) | 46.085 | 46.306 | 50.483 |
| Brazilian Real (BRL/$) | 1.819 | 1.803 | 2.356 |
| U.S. Dollar Index | 80.599 | 80.643 | 87.727 |

### Foreign Interest Rates

| | Friday 2/26/2010 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| 3-Month Euro LIBOR | 0.60 | 0.61 | 1.84 |
| 3-Month Sterling LIBOR | 0.64 | 0.64 | 2.06 |
| 3-Month Canadian LIBOR | 0.40 | 0.41 | 1.36 |
| 3-Month Yen LIBOR | 0.25 | 0.25 | 0.64 |
| 2-Year German | 0.94 | 1.09 | 1.34 |
| 2-Year U.K. | 0.93 | 1.15 | 1.49 |
| 2-Year Canadian | 1.28 | 1.40 | 1.23 |
| 2-Year Japanese | 0.17 | 0.16 | 0.40 |
| 10-Year German | 3.10 | 3.29 | 3.13 |
| 10-Year U.K. | 4.03 | 4.17 | 3.64 |
| 10-Year Canadian | 3.39 | 3.50 | 3.15 |
| 10-Year Japanese | 1.31 | 1.34 | 1.28 |

### Commodity Prices

| | Friday 2/26/2010 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| WTI Crude ($/Barrel) | 79.21 | 79.81 | 45.22 |
| Gold ($/Ounce) | 1108.78 | 1119.20 | 946.20 |
| Hot-Rolled Steel ($/S.Ton) | 545.00 | 545.00 | 475.00 |
| Copper (¢/Pound) | 321.55 | 335.70 | 156.50 |
| Soybeans ($/Bushel) | 9.29 | 9.36 | 8.73 |
| Natural Gas ($/MMBTU) | 4.84 | 5.04 | 4.08 |
| Nickel ($/Metric Ton) | 20,270 | 20,375 | 9,998 |
| CRB Spot Inds. | 483.57 | 481.92 | 334.12 |

## Next Week's Economic Calendar

| | Monday | Tuesday | Wednesday | Thursday | Friday |
|---|---|---|---|---|---|
| | **1** | **2** | **3** | **4** | **5** |
| **U.S. Data** | **ISM Manufacturing**<br>January 58.4<br>February 57.2 (W)<br>**Personal Income**<br>December 0.4%<br>January 0.3% (W)<br>**Personal Spending**<br>December 0.2%<br>January 0.4% (W) | **Total Vehicle Sales**<br>January 10.82M<br>February 10.70M (W) | **ISM Non-Manufacturing**<br>January 50.5<br>February 50.3 (W) | **Factory Orders**<br>December 1.0%<br>January 2.9% (W)<br>**Nonfarm Productivity**<br>4Q (Adance) 6.2%<br>4Q (Final) 6.2% (W)<br>**Unit Labor Cost**<br>4Q (Adance) -4.4%<br>4Q (Final) -4.3% (W) | **Nonform Payrolls**<br>January -20K<br>February -80K (W)<br>**Unemployment Rate**<br>January 9.7%<br>February 9.7% (W) |
| **Global Data** | **Canada**<br>**GDP**<br>Previous (3Q) 0.4%<br>**UK**<br>**PMI Manufacturing**<br>Previous (Jan) 56.7 | **Canada**<br>**Bank of Canada Rate**<br>Previous 0.25%<br>**Japan**<br>**Jobless Rate**<br>Previous (Dec) 5.1% | **UK**<br>**PMI Services**<br>Previous (Jan) 54.5<br>**Euro-zone**<br>**Retail Sales (MoM)**<br>Previous (Dec) 0.0% | | **Germany**<br>**Factory Orders (MoM)**<br>Previous (Dec) -2.3% |

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

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