September 3, 2010

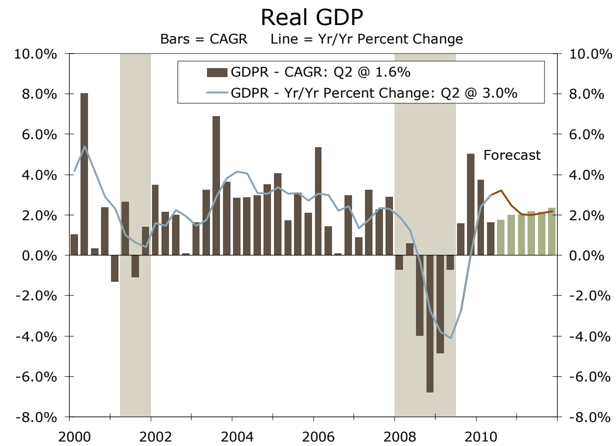
# Economics Group

## Weekly Economic & Financial Commentary

## U.S. Review

### Stability at Low Altitude

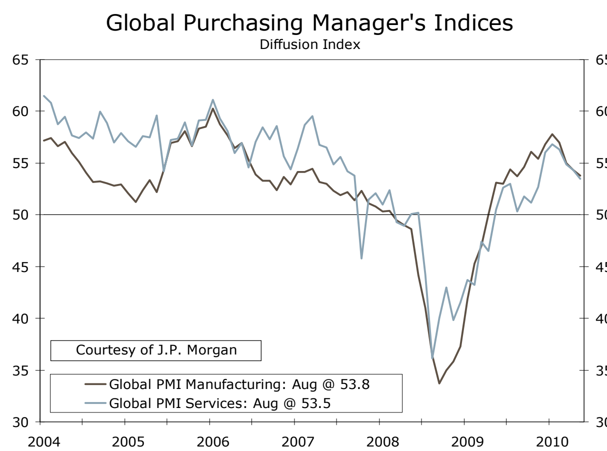
- This week's data suggest that the economic dive that goes by the alias "double dip" remains a low probability outcome. This view is reinforced by policy presentations suggesting that any future weakness would be met with further monetary easing.
- The roots of the current negative sentiment are found in the disappointing economic and jobs outlook relative to historical patterns. Fiscal stimulus associated with the Kennedy and Reagan tax cuts appeared to be more powerful than today, but the credit context of those stimulus programs was quite different.




## Global Review

### Global Recovery Remains Intact, At Least for Now

- More countries released second-quarter GDP data this week, and the results were generally strong. The Australian economy grew nearly 5 percent at an annualized pace in the second quarter, and growth in final domestic demand in Canada was strong.
- Indicators thus far in the third quarter show that the global expansion continues as most purchasing managers' indices remain in expansion territory. That said, the recoveries in some major economies remain fragile, and we do not expect a truly self-sustaining global expansion to take hold for some time yet.




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

| | Actual | | | | | | Forecast | | Actual | | | | Forecast | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2009 | | | | 2010 | | | | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | | |
| Real Gross Domestic Product [1] | -4.9 | -0.7 | 1.6 | 5.0 | 3.7 | 1.6 | 2.1 | 2.0 | 2.7 | 1.9 | 0.0 | -2.6 | 2.7 | 2.1 |
| Personal Consumption | -0.5 | -1.6 | 2.0 | 0.9 | 1.9 | 2.0 | 1.6 | 1.3 | 2.9 | 2.4 | -0.3 | -1.2 | 1.4 | 1.6 |
| Inflation Indicators [2] | | | | | | | | | | | | | | |
| "Core" PCE Deflator | 1.6 | 1.5 | 1.3 | 1.7 | 1.8 | 1.5 | 1.2 | 1.0 | 2.3 | 2.4 | 2.3 | 1.5 | 1.4 | 1.0 |
| Consumer Price Index | -0.2 | -1.0 | -1.6 | 1.5 | 2.4 | 1.8 | 1.1 | 0.6 | 3.2 | 2.9 | 3.8 | -0.3 | 1.5 | 1.0 |
| Industrial Production [1] | -17.6 | -10.3 | 8.3 | 7.0 | 7.0 | 6.6 | 3.3 | 2.2 | 2.2 | 2.7 | -3.3 | -9.3 | 5.1 | 3.3 |
| Corporate Profits Before Taxes [2] | -17.3 | -11.4 | -3.9 | 42.5 | 37.6 | 39.2 | 17.6 | 12.8 | 10.5 | -6.1 | -16.4 | -0.4 | 25.8 | 6.8 |
| Trade Weighted Dollar Index [3] | 83.2 | 77.7 | 74.3 | 74.8 | 76.1 | 78.8 | 75.4 | 81.5 | 81.5 | 73.3 | 79.4 | 74.8 | 81.5 | 88.0 |
| Unemployment Rate | 8.2 | 9.3 | 9.6 | 10.0 | 9.7 | 9.7 | 9.6 | 9.8 | 4.6 | 4.6 | 5.8 | 9.3 | 9.7 | 9.6 |
| Housing Starts [4] | 0.53 | 0.54 | 0.59 | 0.56 | 0.62 | 0.60 | 0.54 | 0.60 | 1.81 | 1.34 | 0.90 | 0.55 | 0.59 | 0.81 |
| Quarter-End Interest Rates | | | | | | | | | | | | | | |
| Federal Funds Target Rate | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 5.25 | 4.25 | 0.25 | 0.25 | 0.25 | 0.50 |
| Conventional Mortgage Rate | 5.00 | 5.42 | 5.06 | 4.93 | 4.97 | 4.74 | 4.56 | 4.70 | 6.14 | 6.10 | 5.33 | 4.93 | 4.70 | 5.60 |
| 10 Year Note | 2.71 | 3.53 | 3.31 | 3.85 | 3.84 | 2.97 | 2.86 | 3.00 | 4.71 | 4.04 | 2.25 | 3.85 | 3.00 | 3.60 |

Forecast as of: August 11, 2010
[1] Compound Annual Growth Rate Quarter-over-Quarter
[2] Year-over-Year Percentage Change

## Inside

## U.S. Review

### Instrument Readings: Pulling up from the Dive

For a generation of Americans brought up on action heroes who face impossible challenges and then win the day, the results of fiscal and monetary stimulus are disappointing. Yet, the level of pessimism and talk of a double-dip strike us as too much of a bad thing.

This week we saw leading economic indicators such as the Institute for Supply Management (ISM) manufacturing report, jobless claims, factory orders and pending home sales give us signals of an economy that is stabilizing, but certainly at a subpar level compared to expectations. Our action heroes in the private and public sectors have helped to cut off the decline, but the legacy of consumer leverage and housing finance will limit the gains for this year.

ISM manufacturing was the lead story on the upside this week. Although production and inventories added to the upside, the most welcome news came from employment data. While total payrolls remain negative, private sector employment has posted eight months of consecutive gains with strong upward revisions to June's numbers. Ten of the 18 sectors reported gains in employment with continued volatility in manufacturing mainly attributable to a decline in motor vehicles payrolls.

Meanwhile factory orders grew modestly in July, and our key indicators, new orders and non-defense capital goods ex-aircraft, are up double-digits over the last three months. Meanwhile, the inventory to shipments ratio remains steady. For this reason, we sense that firms have reestablished a balance of inventories to expected sales. There is equilibrium here—surely at a lower level of sales than many would like—but equilibrium nonetheless. We see little further downside momentum into a recession.

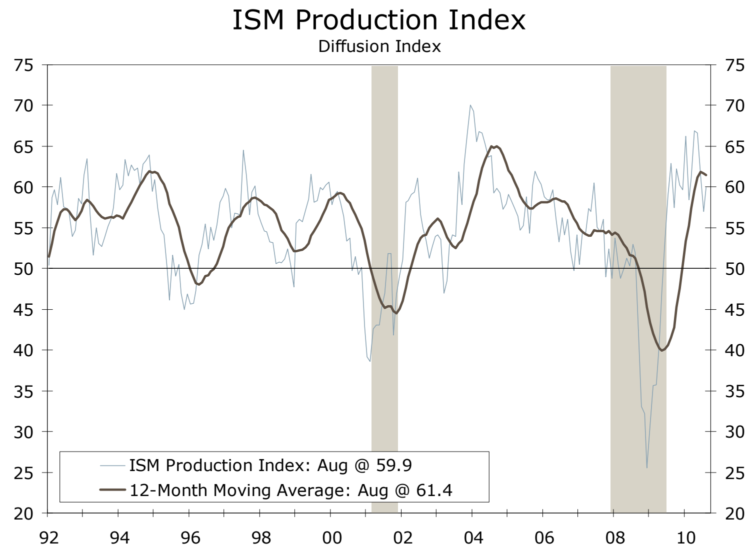
Finally, pending home sales rose in July and also rose in all four regions of the country. This suggests that the housing market has hit its bottom and gradual improvement is the best bet for the year ahead.

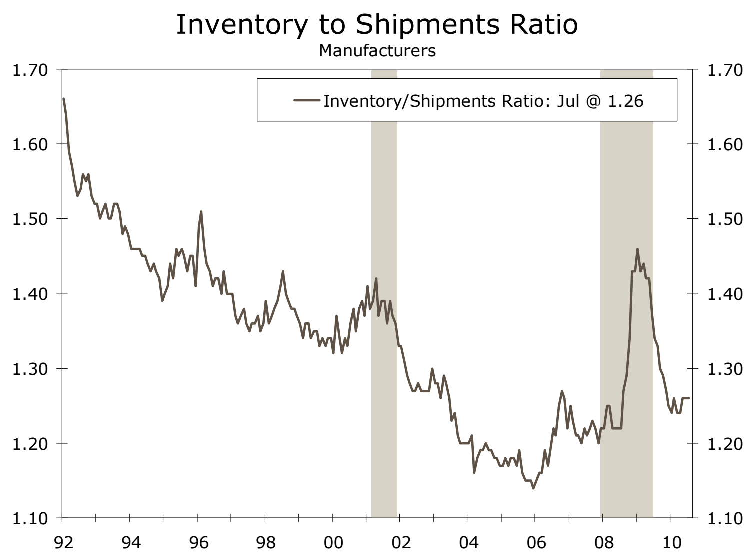
### Low Altitude Flying: The Two Percent Solution

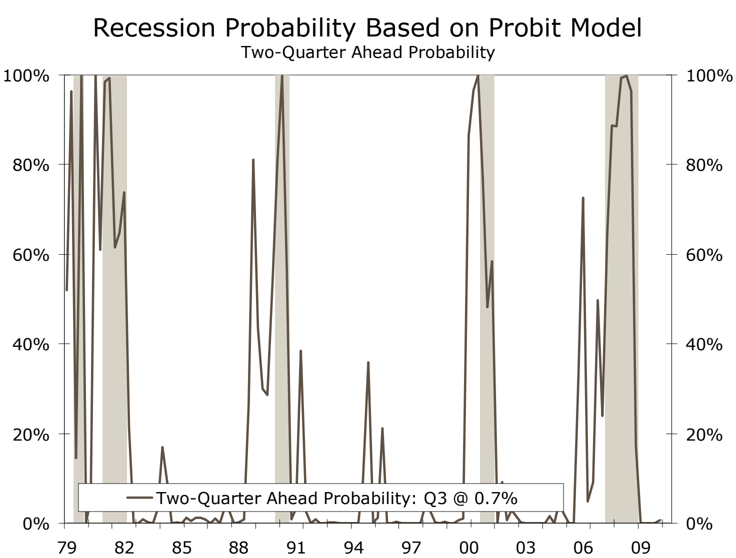
Current sentiment is overly negative on the economy and, yet, we can certainly appreciate the disappointment of many that the current economic and jobs outlook remains below the historical patterns of the 1960s and 1980s. Our outlook is for growth of two percent in the second half of this year.

Growth in the real economy has always been conditioned on developments in financial markets. The availability of foreign credit was foremost in the mind of Alexander Hamilton and certainly helped finance the great U.S. economic expansion of the post-Civil War period. Therefore, the slow gains of the current recovery have been conditioned on the deleveraging of the consumer, the ongoing housing correction and, most recently, fiscal stimulus associated with the Kennedy and Reagan tax cuts appeared to be more powerful than today but the credit context of those stimulus programs was quite different than today. Credit issues also hamper the Fed's ability to move the credit cycle forward given the legacy of overvalued real assets in housing and underpriced risk in structured assets.

Our outlook remains for moderate growth. As illustrated in the bottom graph, we do not assign a high, or even, moderate, probability to a double-dip recession. Instead, we maintain our no-hype outlook. Gradual mending with no quick fixes will be the approach in an economy with a legacy of underpricing risk.

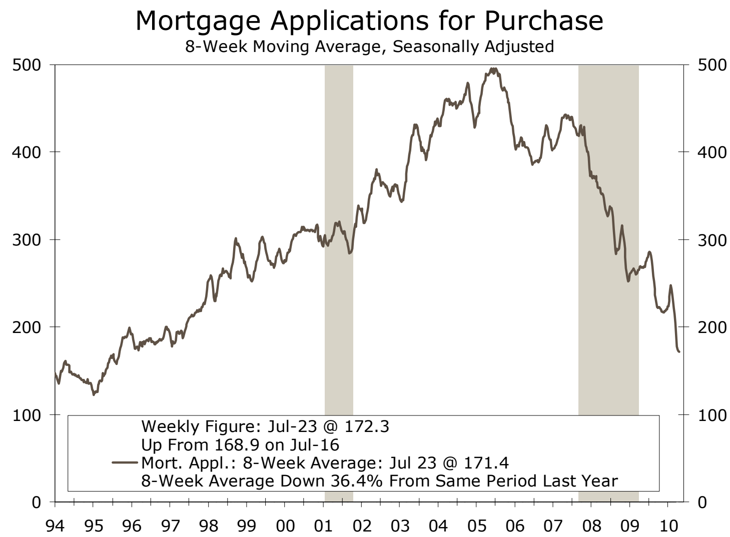


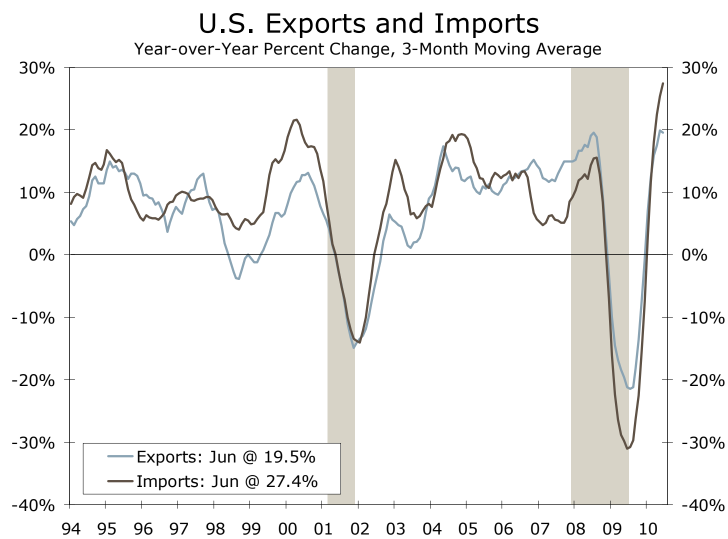
## MBA Mortgage Applications • Wednesday

The housing market continues to correct after sizable retracements in existing and new home sales due to the expiration of the homebuyers' tax credit. Mortgage purchase applications for purchase are now down roughly 40 percent after peaking in late April as homebuyers rushed to meet the tax credit deadline. The pullback in purchase applications likely signals residential construction outlays will fall further this summer. There is a glimmer of hope, however. Purchase applications likely set a new cycle low in early July and could be forming a trough. If so, this suggests at least a modest pickup in sales and construction is imminent following a tax credit payback. Refinance applications continue to gain strength due to favorable homebuying conditions.




**Previous: 2.7%**

**Consensus: N/A**




## Trade Balance • Thursday

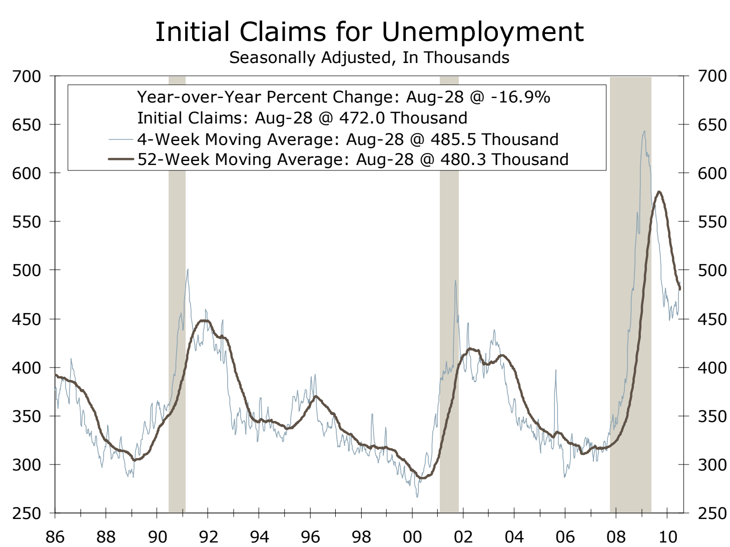
The trade deficit has widened over the past year or so as import growth continues to outpace export growth. Indeed, the $49.9 billion deficit the country incurred in June was the most red ink in the trade accounts since October 2008. Net exports shaved a whopping 3.37 percentage points off real GDP in the second quarter. We expect the trade balance to decrease a bit in July due in part to our lower expectation of petroleum imports. Although we forecast a modest narrowing in the deficit in July, we project that the deficit will widen somewhat in the coming months through the end of the year as the economy continues to recover.

**Previous: -49.9B** **Wells Fargo: -47.5B**

**Consensus: -47.3B**

## Initial Jobless Claims • Thursday

Initial jobless claims fell by 6,000 for the week ended August 28 to 472,000, the second consecutive weekly decline. While claims are moving in the right direction, they remain stubbornly above levels that would suggest sustainable employment growth. On a trend basis, the four-week moving average increased to 485,000. Claims have been trending around the 450,000-500,000 range for months now, but we would like to see them slip back around the 350,000-400,000 level that has historically reflected a stronger labor market during an economic expansion. Recent increases in claims data, however, likely reflect the roll-off of Census workers and payback from a few auto plants that remained opened during the traditional retooling months. Sluggish economic growth and the reentrance of discouraged workers back into the workforce will likely put upward pressure on the unemployment rate in the coming months.




**Previous: 472K**

**Consensus: 470K**

# Global Review

### Global Recovery Remains Intact, At Least for Now

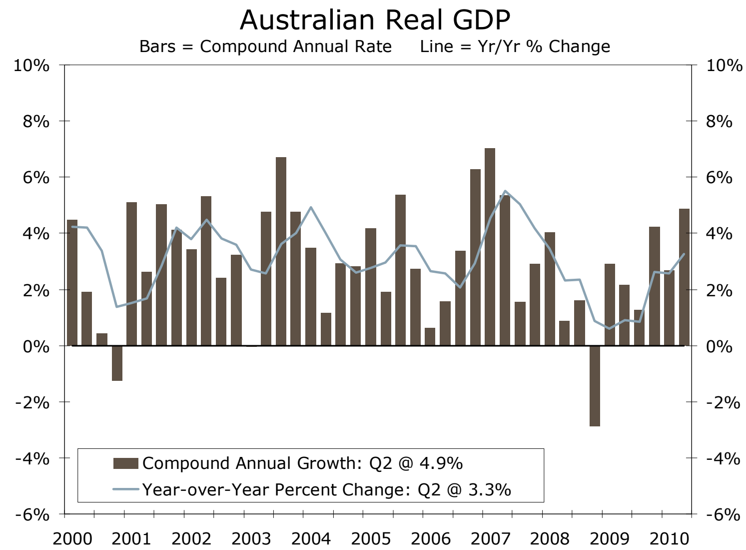
More countries released second-quarter GDP data this week, and the results were generally strong. For starters, real GDP in India rose 8.8 percent, the strongest year-over-year growth rate since the global economy started to slide into the tank at the end of 2007. Although we expect GDP growth to slow somewhat over the next few quarters, the Indian economy is clearly booming again. (For further insights, see the special report that we wrote on India this week, which is posted on our Web site.)

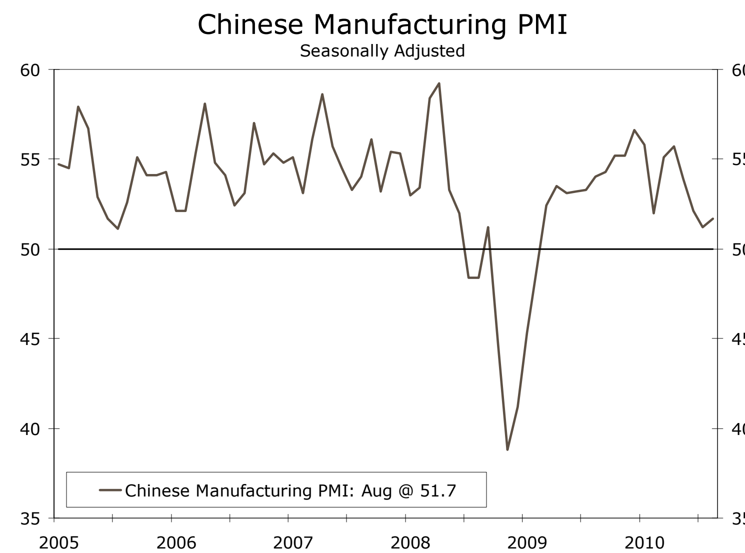
Moving to Australia, real GDP down under grew at an annualized rate of 4.9 percent in the second quarter relative to the previous quarter (top chart). Although Australia has clearly benefited from strong economic growth in Asia, there is more to the Australian expansion than simply robust export growth. Final domestic demand (final sales to consumers, businesses and government) rose nearly 6 percent in the second quarter. Canada is another country that has benefited from the global recovery, so the 2.0 percent annualized growth rate that was reported for the second quarter seems a bit disappointing. However, the overall rate of GDP growth was held back by a surge in imports, which reflects strong domestic demand. Indeed, final domestic demand in Canada was up 3.5 percent in the second quarter.

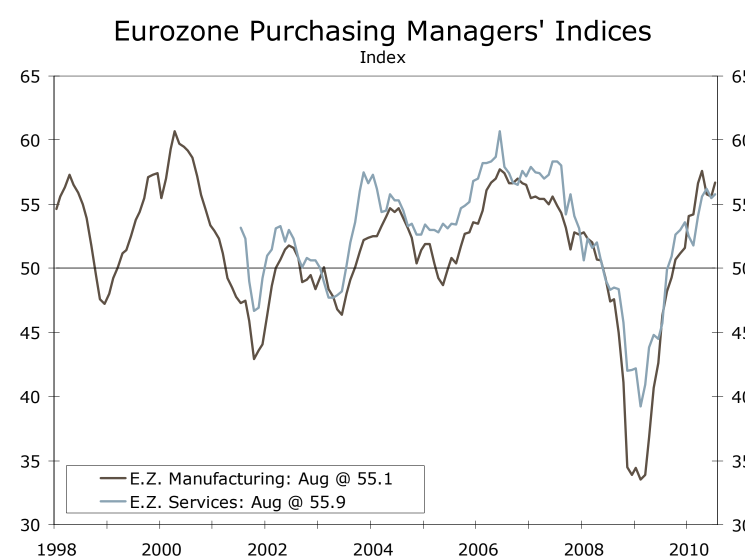
Of course, the second quarter seems like ancient history now, and investors are clearly interested in the implications of more recent data for the economic outlook. In that regard, the purchasing managers' indices for August that were released this week generally showed that economic activity in most countries continued to expand, albeit somewhat slower than earlier this year. Investors were heartened to see the manufacturing PMI in China edge up in August (middle chart). The Chinese government had clamped down on lending earlier this year in an attempt to rein in the runaway housing market. Consequently, concerns rose among some investors that growth in China, which has been a star economic performer over the past few years, would falter badly. However, the uptick in the PMI along with recent signs that credit growth is stabilizing have investors breathing a bit easier, at least for now.

In Europe, the purchasing managers' indices for most countries remained in expansion territory in August. Both the manufacturing and service sector PMIs remained at elevated levels in the Eurozone as did the manufacturing PMI in Switzerland. The exception was the United Kingdom where the PMIs fell noticeably, especially in the service sector where the index fell to its lowest level since spring 2009 when the British economy was mired in recession. Even in the United Kingdom, however, the indices remained north of the demarcation line that separates expansion from contraction.

In sum, it appears global economic activity continues to expand, which is highlighted in the graph on the front page. That said, the recoveries in some major economies like the United States, the Eurozone and Japan remain fragile, and we do not expect a truly self-sustaining global expansion to take hold for some time yet.



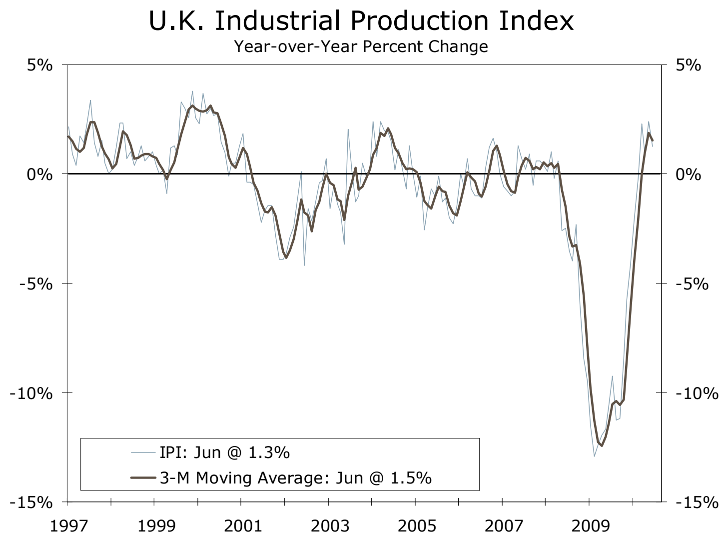
## U.K. Industrial Production • Wednesday

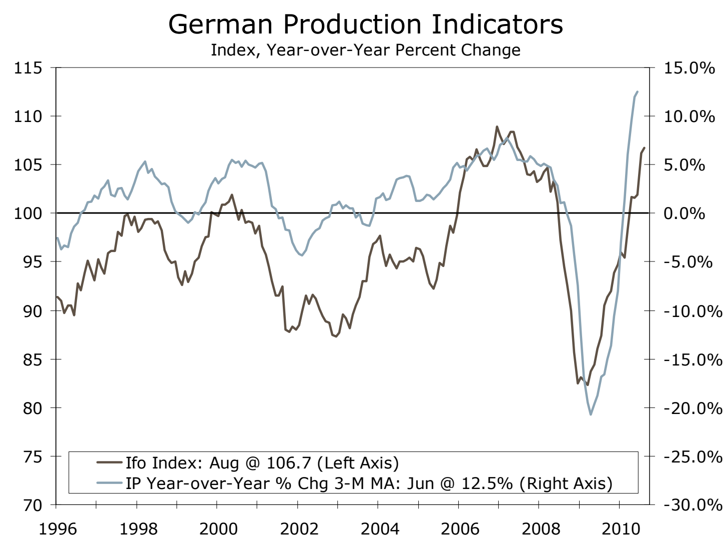
British industrial production (IP) has trended higher since its nadir in August 2009, but it has followed a sawtooth pattern in recent months. The manufacturing PMI remains in expansion territory, so IP should continue to rise in the months ahead. That said, IP remains 12 percent below its early-2008 peak.

The Bank of England holds a regularly scheduled policy meeting on Thursday, but there is little chance that the Monetary Policy Committee (MPC) will change its main policy rate from 0.50 percent, where it has been maintained since March 2009. There is a slight chance that MPC will announce an increase in the size of its quantitative easing program, which currently amounts to £200 billion. Although we do not rule out an increase in the size of the program in the future, we think the probability is rather low that the MPC will make a change at this meeting.

**Previous: -0.5 percent (month-on-month change)**

**Consensus: N/A**




## German IP • Wednesday

German IP has soared over the past few months. Indeed, IP in May was up an incredible 8 percent relative to February. Although the level of IP edged lower in June, the high reading on the Ifo index of German business sentiment and strong data on manufacturing orders indicates that the German factory sector should continue to expand, at least in the near term. The data on German consumer prices in August print on Thursday. With consumer prices up only 1 percent on a year-ago basis, the ECB does not need to worry about inflation in Germany, nor in the broader Eurozone.

Germany is an export powerhouse, and German manufacturers have benefited from strong export growth. Although IP in France and Italy has risen since spring 2009, the factory sectors in both countries have not recovered to the same extent as Germany's has. Both France and Italy release IP data for July on Friday.

**Previous: -0.6 percent (month-on-month change)**

**Consensus: N/A**

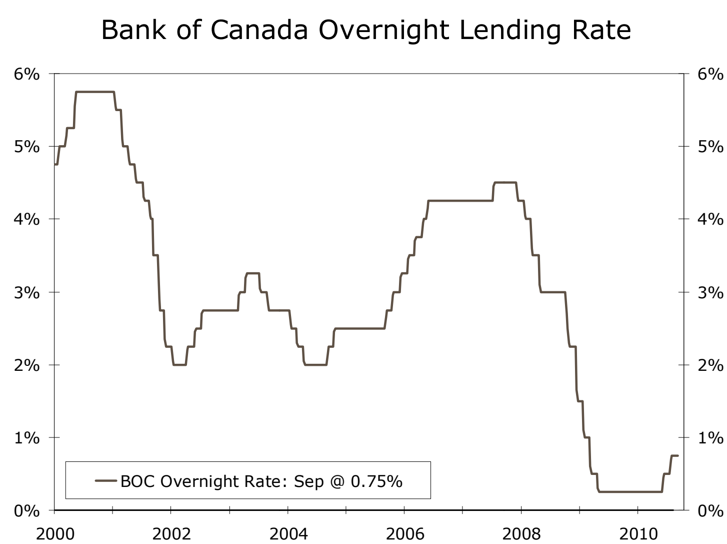
## Bank of Canada Meeting • Wednesday

Among the G-7 countries' central banks, the Bank of Canada is the only central bank that has tightened policy this year, hiking by 25 bps at each of its last two policy meetings. Although it is a close call, we believe the bank will raise rates by another 25 bps on Wednesday. Recent data on Canadian GDP, which rose at an annualized rate of only 2.0 percent in the second quarter, would seem to rule out a rate hike. However, a big jump in imports, which reflects underlying strength in domestic demand, helped to pull down the overall GDP growth rate.

The data on Canadian payrolls in August print on Friday, and the Bank of Canada will probably have some inkling about the state of the labor market in August. If it appears that employment fell again in August, then the bank may hold fire. Otherwise, we would look for a 25-bp rate hike on Wednesday.

**Current Policy Rate: 0.75%** **Wells Fargo: 1.00%**

**Consensus: 1.00%**



## Interest Rate Watch

### The Fed Continues to Closely Watch Incoming Data

Mirroring many salient points from Federal Reserve Chairman Bernanke's speech at last week's annual economic summit in Jackson Hole, the minutes of the August 10th FOMC meeting suggest the Fed is still assessing incoming economic data to determine whether the recent soft patch is fleeting or the beginnings of another sustained downturn.

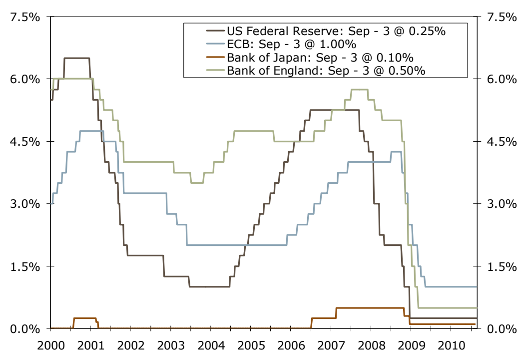
The minutes, as well as Bernanke's speech, show that policymakers are carefully balancing the consequences of various policy options and are taking a longer term view of the "extended period." That stance could be seen in the treatment of the Fed's balance sheet. Given the fragility of the economic recovery, the Fed determined it did not want to show any inadvertent tightening in monetary policy in the declining holdings of agency and mortgage backed securities and would reinvest principal payments.

While acknowledging the outlook had softened, primarily in the near term, most members still expect economic expansion to accelerate next year. Given this assessment of economic conditions and the subdued inflation environment, the Fed determined conditions have not deteriorated sufficiently enough to employ its policy tools.

That stance was supported by better-than-expected result in the latest reading of the ISM manufacturing index, and a modest growth in the factory orders report as manufacturing continues to contribute significantly to the recovery. In addition, private sector jobs gains, while admittedly very modest, continue to support growth and relieve some recent fears of a double dip-recession. However, the ISM's non-manufacturing index moderated further in August, which reminds us just how fragile the economic recovery truly is.

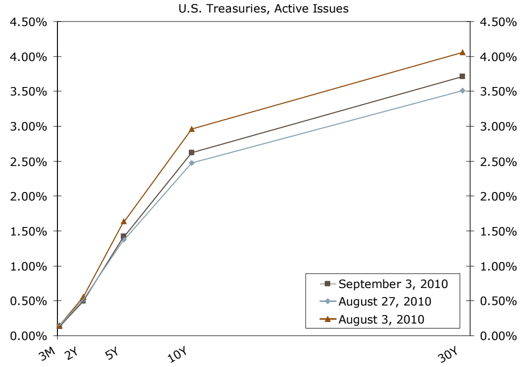
The economy has clearly lost some momentum over the past few months. The outlook, while still tenuous, appears to us as slow growth and not a double-dip. That said with unemployment remaining unacceptably high for the foreseeable future and inflation running below the Fed's implicit target (and with expectations on the decline), a second round of quantitative easing later this year is still a fairly high probability.

Central Bank Policy Rates



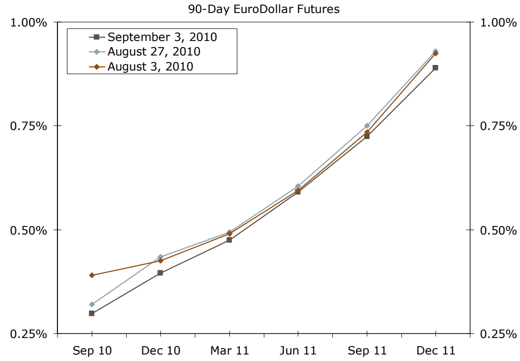

Yield Curve

U.S. Treasuries, Active Issues




Forward Rates

90-Day EuroDollar Futures




## Consumer Credit Insights

### The Devil is in the Details

The mortgage delinquency rate fell to 9.85 percent in the second quarter from 10.06 percent on a seasonally adjusted basis. The average change in the delinquency rate in the second quarter over the last 30 years is +3 basis points, so the 21-bp decline was certainly good news. However, the devil is in the details. The prime adjustable-rate mortgage (ARM) delinquency rate rose to 13.75 percent and the subprime ARM delinquency rate rose to 29.5 percent, both new cyclical highs.

There are a few points to be made here. First, the epicenter of the financial collapse, subprime ARMs, continued to deteriorate. Second, ARMs are still deteriorating for both prime and subprime loans, even though LIBOR rates, to which most ARM products are tied, have come down significantly from crisis levels. Third, delinquency rates for prime mortgages, held by those with the best credit, continue to worsen. Thus, while the headline number showed improvement, it was not across the board. It is clear that high unemployment and negative equity remain serious impediments to broader improvement in mortgage credit quality. Continued increases in delinquency rates suggest foreclosure rates will remain high. This, along with the slowing in home sales, bloated housing inventories and a stagnant job market, suggests that concerns about further home price declines are justified. In turn, this could feed back into more foreclosures as negative equity worsens.

### Mortgage Data

| | Current | Week Ago | 4 Weeks Ago | Year Ago |
|---|---|---|---|---|
| Mortgage Rates | | | | |
| 30-Yr Fixed | 4.32% | 4.36% | 4.49% | 5.08% |
| 15-Yr Fixed | 3.83% | 3.86% | 3.95% | 4.54% |
| 5/1 ARM | 3.54% | 3.56% | 3.63% | 4.59% |
| 1-Yr ARM | 3.50% | 3.52% | 3.55% | 4.62% |
| MBA Applications | | | | |
| Composite | 893.8 | 870.3 | 730.2 | 554.1 |
| Purchase | 173.6 | 170.5 | 174.9 | 277.6 |
| Refinance | 5,085.3 | 4,944.7 | 3,969.0 | 2,164.1 |

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

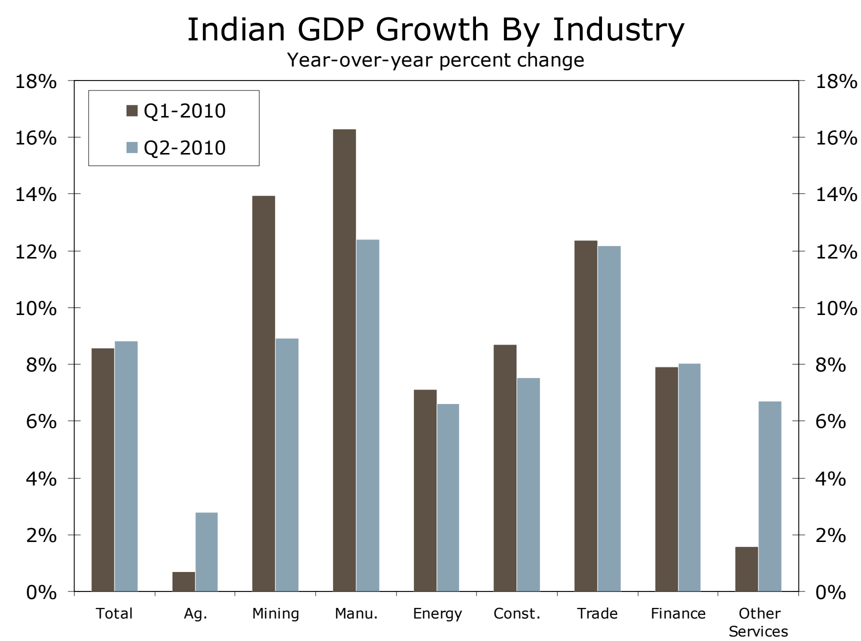
## Topic of the Week

### Indian Economy Booming Again

With the Indian economy booming again, the primary economic risk is shifting from insufficient growth to unacceptably high inflation. The Reserve Bank of India (RBI), which has already raised rates by 100 bps, will likely tighten further in the months ahead. We expect economic growth in India to slow modestly next year as exports decelerate and tightening measures begin to bite. Favorable economic fundamentals, namely the country's high rates of domestic savings and investment and its positive population growth rate, should keep economic growth well supported in the long run. However, a number of deep-seated problems could prevent India from realizing its true potential. In a follow-up report, we will describe some of the country's longer-run opportunities and its challenges.

Recently released data show that the year-over-year rate of real GDP growth in India edged up to 8.8 percent in the second quarter from 8.6 percent in the first quarter of 2010. A breakdown of the real GDP data by industry shows that slower growth in the goods-producing sectors of the economy was offset by stronger growth in the service sectors and in agricultural output. Mining and manufacturing showed the sharpest deceleration between the first and second quarters of 201o. That said, year-over-year growth rates in both sectors remained well within double-digit territory. Growth rates in the energy and construction sectors slowed modestly.

In contrast, the year-over-year growth rate in community, social and personal services, which accounts for 13 percent of value-added in the economy jumped to 6.7 percent in the second quarter from 1.6 percent in the first quarter. The agricultural sector, which represents about 15 percent of the economy, also accelerated. Agricultural output was depressed last year by the drier-than-normal monsoon season, and the bounce-back in output this year reflects a return to more normal weather conditions. For a full report see our website.


### Subscription Info

Wells Fargo's *Weekly Economic & Financial Commentary* is distributed to subscribers each Friday afternoon by e-mail.

To subscribe please visit: www.wellsfargo.com/economicsemail

The *Weekly Economic & Financial Commentary* is available via the Internet at www.wellsfargo.com/economics

Via The Bloomberg Professional Service at WFEC.

And for those with permission at www.wellsfargo.com/research

## Market Data ♦ Mid-Day Friday

### U.S. Interest Rates

| | Friday 9/3/2010 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| 3-Month T-Bill | 0.13 | 0.14 | 0.12 |
| 3-Month LIBOR | 0.29 | 0.30 | 0.32 |
| 1-Year Treasury | 0.22 | 0.25 | 0.28 |
| 2-Year Treasury | 0.51 | 0.55 | 0.91 |
| 5-Year Treasury | 1.50 | 1.49 | 2.30 |
| 10-Year Treasury | 2.71 | 2.64 | 3.34 |
| 30-Year Treasury | 3.78 | 3.69 | 4.16 |
| Bond Buyer Index | 3.86 | 3.88 | 4.37 |

### Foreign Exchange Rates

| | Friday 9/3/2010 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| Euro ($/€) | 1.288 | 1.276 | 1.425 |
| British Pound ($/£) | 1.544 | 1.553 | 1.632 |
| British Pound (£/€) | 0.834 | 0.822 | 0.873 |
| Japanese Yen (¥/$) | 84.480 | 85.220 | 92.640 |
| Canadian Dollar (C$/$) | 1.041 | 1.051 | 1.102 |
| Swiss Franc (CHF/$) | 1.018 | 1.028 | 1.063 |
| Australian Dollar (US$/A$) | 0.916 | 0.899 | 0.840 |
| Mexican Peso (MXN/$) | 12.949 | 13.010 | 13.537 |
| Chinese Yuan (CNY/$) | 6.804 | 6.798 | 6.830 |
| Indian Rupee (INR/$) | 46.640 | 46.888 | 48.913 |
| Brazilian Real (BRL/$) | 1.724 | 1.750 | 1.860 |
| U.S. Dollar Index | 82.088 | 82.918 | 78.465 |

### Foreign Interest Rates

| | Friday 9/3/2010 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| 3-Month Euro LIBOR | 0.83 | 0.83 | 0.78 |
| 3-Month Sterling LIBOR | 0.73 | 0.72 | 0.67 |
| 3-Month Canadian LIBOR | 1.03 | 1.01 | 0.51 |
| 3-Month Yen LIBOR | 0.23 | 0.23 | 0.38 |
| 2-Year German | 0.65 | 0.63 | 1.14 |
| 2-Year U.K. | 0.72 | 0.65 | 0.94 |
| 2-Year Canadian | 1.37 | 1.30 | 1.25 |
| 2-Year Japanese | 0.14 | 0.14 | 0.25 |
| 10-Year German | 2.36 | 2.20 | 3.24 |
| 10-Year U.K. | 3.01 | 2.89 | 3.59 |
| 10-Year Canadian | 2.94 | 2.87 | 3.34 |
| 10-Year Japanese | 1.15 | 1.01 | 1.31 |

### Commodity Prices

| | Friday 9/3/2010 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| WTI Crude ($/Barrel) | 73.68 | 75.17 | 67.96 |
| Gold ($/Ounce) | 1249.30 | 1238.10 | 991.85 |
| Hot-Rolled Steel ($/S.Ton) | 545.00 | 545.00 | 520.00 |
| Copper (¢/Pound) | 348.45 | 336.40 | 284.35 |
| Soybeans ($/Bushel) | 9.84 | 9.90 | 10.21 |
| Natural Gas ($/MMBTU) | 3.83 | 3.65 | 2.51 |
| Nickel ($/Metric Ton) | 21,595 | 20,031 | 18,100 |
| CRB Spot Inds. | 509.44 | 500.87 | 446.46 |

## Next Week's Economic Calendar

| | Monday | Tuesday | Wednesday | Thursday | Friday |
|---|---|---|---|---|---|
| | 6 | 7 | 8 | 9 | 10 |
| U.S. Data | | | **Consumer Credit**<br>June -$1.3B<br>July -$5.5B (C) | **Trade Balance**<br>June -$49.9B<br>July -$47.5B (W) | **Wholesale Inventories**<br>June 0.1%<br>July 0.4% (C) |
| Global Data | | | **Germany**<br>**Industrial Prod. (MoM)**<br>Previous (Jun) -0.6%<br>**Canada**<br>**Bank of Canada Rate**<br>Previous 0.75% | **UK**<br>**BOE Announces Rates**<br>Previous 0.50% | **Canada**<br>**Change in Employment**<br>Previous (Jul) -9.3K<br>**China**<br>**Trade Balance (USD)**<br>Previous (Jul) $28.73B |

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

## Wells Fargo Securities, LLC Economics Group



| | | | |
|---|---|---|---|
| Diane Schumaker-Krieg | Global Head of Research & Economics | (704) 715-8437<br>(212) 214-5070 | diane.schumaker@wellsfargo.com |
| John E. Silvia, Ph.D. | Chief Economist | (704) 374-7034 | john.silvia@wellsfargo.com |
| Mark Vitner | Senior Economist | (704) 383-5635 | mark.vitner@wellsfargo.com |
| Jay Bryson, Ph.D. | Global Economist | (704) 383-3518 | jay.bryson@wellsfargo.com |
| Scott Anderson, Ph.D. | Senior Economist | (612) 667-9281 | scott.a.anderson@wellsfargo.com |
| Eugenio Aleman, Ph.D. | Senior Economist | (612) 667-0168 | eugenio.j.aleman@wellsfargo.com |
| Sam Bullard | Senior Economist | (704) 383-7372 | sam.bullard@wellsfargo.com |
| Anika Khan | Economist | (704) 715-0575 | anika.khan@wellsfargo.com |
| Azhar Iqbal | Econometrician | (704) 383-6805 | azhar.iqbal@wellsfargo.com |
| Ed Kashmarek | Economist | (612) 667-0479 | ed.kashmarek@wellsfargo.com |
| Tim Quinlan | Economist | (704) 374-4407 | tim.quinlan@wellsfargo.com |





WELLS FARGO SECURITIES