

Economics Group

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Wholesale Inventories Decline Slightly in September

Inventories among wholesalers fell a slight 0.1 percent in September after a downwardly revised 0.1 percent rise in August. Sales among wholesalers remained positive in September, rising a modest 0.5 percent.

Inventories Down, Sales Remain Modest

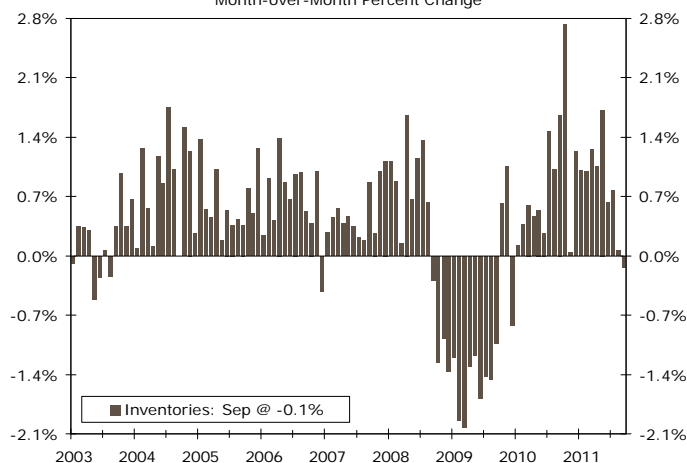
- Wholesale inventories fell 0.1 percent in September, led lower by a depletion of nondurable goods inventories. Inventories of computers also fell, while machinery inventories rose 2.7 percent.
- Sales among wholesalers rose 0.5 percent in September with the 1.2 percent increase in nondurable goods sales being offset by a 0.4 percent decline in durable goods sales.

Inventory-to-Sales Ratios Are Starting to Decline

- Over the past couple of months the inventory-to-sales ratio for wholesalers has been moving a bit lower. With sales remaining in positive territory and inventories beginning to be depleted, there is some evidence for a continued moderate pace of industrial output going forward. This is consistent with our view for moderate manufacturing output and a moderate pace of economic growth over the next quarter.

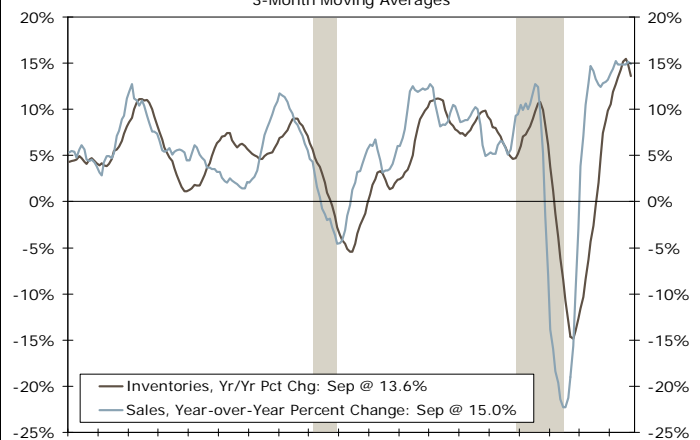
Wholesale Inventories

Month-over-Month Percent Change



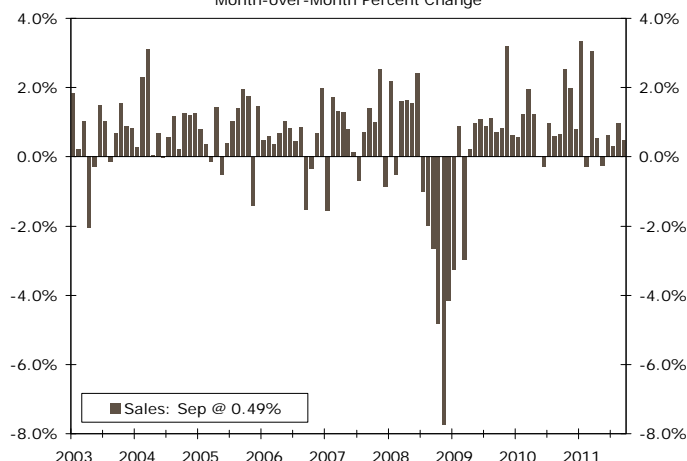
Wholesalers' Inventories & Sales

3-Month Moving Averages

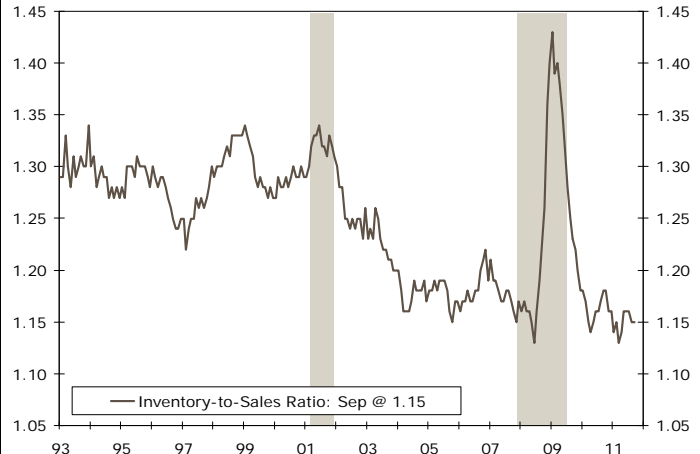


Sales of Wholesalers

Month-over-Month Percent Change



Wholesalers' Inventory-to-Sales Ratio



Source: U.S. Department of Commerce and Wells Fargo Securities, LLC

Wells Fargo Securities, LLC Economics Group

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