

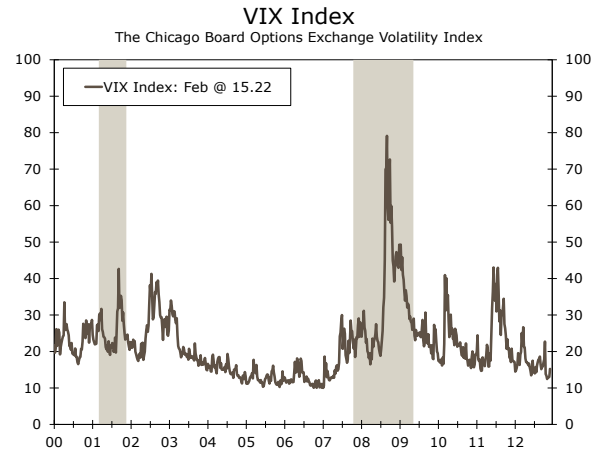
# Economics Group

## Weekly Economic & Financial Commentary

### U.S. Review

#### VIX at Five-Year Low & 2013 High, All in the Same Week

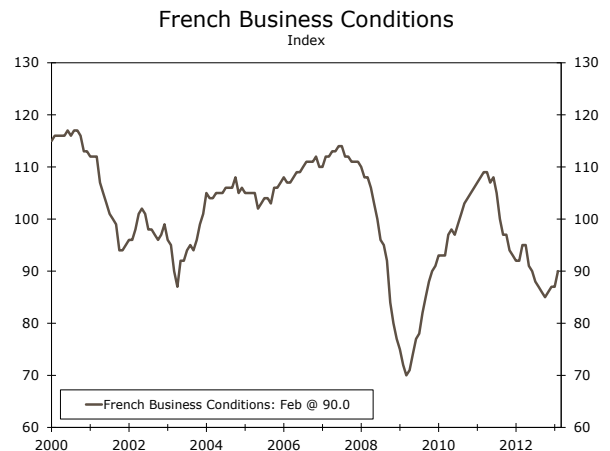
- With a relatively positive run for equity markets and not much in the way of volatility, the CBOE volatility index, or VIX, started this week at more than a five-year low. Before the week was out, however, the VIX soared more than 20 percent to rise to its highest level of the year.
- In this week's U.S. Review, we discuss how Fed policy has undeniably helped some parts of the economy, such as housing, while other areas, such as manufacturing, still struggle. To judge by the recent jitters in financial markets, the dichotomy is not going unnoticed.



### Global Review

#### Economic Data in Foreign Economies Remains Mixed

- Recent economic data suggest that positive growth has returned in Germany, which contracted in the fourth quarter. However, growth in other major Eurozone economies, such as France, Italy and Spain, likely remains very weak.
- Real GDP growth in Brazil slowed over the course of 2012, and recent indicators suggest that growth remained weak in the fourth quarter. Official GDP data for Q4 will be released next week. Despite sluggish growth, the Brazilian central bank has turned hawkish due to the recent increase in CPI inflation.



Wells Fargo U.S. Economic Forecast

	Actual 2012				Forecast 2013				Actual			Forecast	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2010	2011	2012	2013	2014
Real Gross Domestic Product <sup>1</sup>	2.0	1.3	3.1	-0.1	2.0	2.0	1.9	2.1	2.4	1.8	2.2	1.7	2.1
Personal Consumption	2.4	1.5	1.6	2.2	1.8	1.3	1.1	1.6	1.8	2.5	1.9	1.6	1.6
Inflation Indicators <sup>2</sup>													
PCE Deflator	2.4	1.6	1.5	1.5	1.0	1.2	1.2	1.3	1.9	2.4	1.7	1.2	1.9
Consumer Price Index	2.8	1.9	1.7	1.9	1.5	1.8	1.7	1.7	1.6	3.1	2.1	1.7	2.1
Industrial Production <sup>1</sup>	5.9	2.4	0.4	1.0	2.4	3.5	4.1	4.1	5.4	4.1	3.7	2.4	3.8
Corporate Profits Before Taxes <sup>2</sup>	10.3	6.7	7.5	5.0	4.8	5.2	5.3	5.7	26.8	7.3	7.3	5.3	6.4
Trade Weighted Dollar Index <sup>3</sup>	72.7	74.5	72.7	73.4	73.0	74.0	75.0	76.0	75.4	70.9	73.5	74.5	76.8
Unemployment Rate	8.3	8.2	8.0	7.8	7.8	7.6	7.5	7.4	9.6	8.9	8.1	7.6	7.2
Housing Starts <sup>4</sup>	0.71	0.74	0.77	0.90	0.90	0.96	1.02	1.08	0.59	0.61	0.78	0.99	1.18
Quarter-End Interest Rates <sup>5</sup>													
Federal Funds Target Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Conventional Mortgage Rate	3.95	3.68	3.50	3.35	3.50	3.60	3.70	3.80	4.69	4.46	3.66	3.65	4.20
10 Year Note	2.23	1.67	1.65	1.78	1.90	2.00	2.10	2.20	3.22	2.78	1.80	2.05	2.60

Forecast as of: February 6, 2013

<sup>1</sup> Compound Annual Growth Rate Quarter-over-Quarter

<sup>2</sup> Year-over-Year Percentage Change

<sup>3</sup> Federal Reserve Major Currency Index, 1973=100 - Quarter End

<sup>4</sup> Millions of Units

<sup>5</sup> Annual Numbers Represent Averages

Source: U.S. Department of Commerce, U.S. Department of Labor, Federal Reserve Board, IHS Global Insight, Bloomberg LP and Wells Fargo Securities, LLC

### Inside

U.S. Review	2
U.S. Outlook	3
Global Review	4
Global Outlook	5
Point of View	6
Topic of the Week	7
Market Data	8

Together we'll go far



## U.S. Review

### Another Round of Decent Housing Data

Housing starts for January came in well below consensus expectations, but, after adjusting for an upward revision to December data, starts were just a shade weaker than the consensus had expected. The decline was entirely attributable to a drop in the volatile multifamily component. Building permits increased in January—not just for single-family homes, which climbed 1.9 percent on the month, but for multifamily as well, where permits increased 1.5 percent.

Momentum in housing-related economic activity is not limited to residential construction. Existing home sales data for January also came in better than expected. Sales activity quickened in the first month of 2013 to set at an annualized pace of 4.92 million homes. Since 2007, there have only been two months when existing homes were selling faster, and one of those months was November 2009 when time was running out on the homebuyer tax credit. The existing home market has a long way to go in terms of both the pace of sales and the price of the homes sold, but the market is clearly healing. The number of homeowners that are either in foreclosure or offering their home as a short sale fell in January, and, nationwide home prices are up more than 12 percent versus where they were a year ago.

### James' Addiction

Consumer and producer price inflation data released this week both delivered essentially the same message to financial markets: With inflation more or less in check, the FOMC can continue to maintain an accommodative monetary policy.

To the extent that some financial market participants took comfort from the inflation figures, that euphoria did not last long. Shortly after the CPI report hit the wire, St. Louis Fed President James Bullard suggested that the Fed could dial back its asset-purchase program by the middle part of this year should economic growth improve. In his own words, “If you get some good data for a couple of months, maybe you’d say, ‘Okay, we go back to \$75 billion per month instead of \$85 billion or something like that.’”

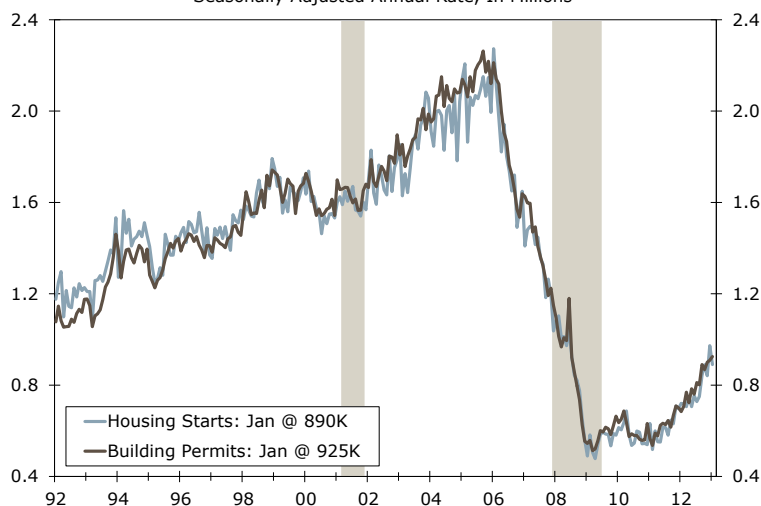
### Don't Look for That “Good Data” in Manufacturing

The Leading Economic Index (LEI) increased another 0.2 percent in January, helped primarily by a big boost from the yield spread (the difference between the 10-year Treasury yield and the Fed Funds rate). Like the housing sector, the yield spread clearly benefits from ultra-accommodative monetary policy. It does not seem that U.S. businesses and factories are getting the same sort of boost. Three components of the LEI are bellwethers for the manufacturing sector: core capital goods orders, ISM new orders and manufacturing hours worked. All three were net drags on the leading index in January.

The Philadelphia Fed index also offered a sobering assessment of how the factory sector is faring in the current month as it plunged to an eight-month low in February. New orders, unfilled orders and the average workweek components all hit multi-month lows underscoring the risk to first quarter investment spending.

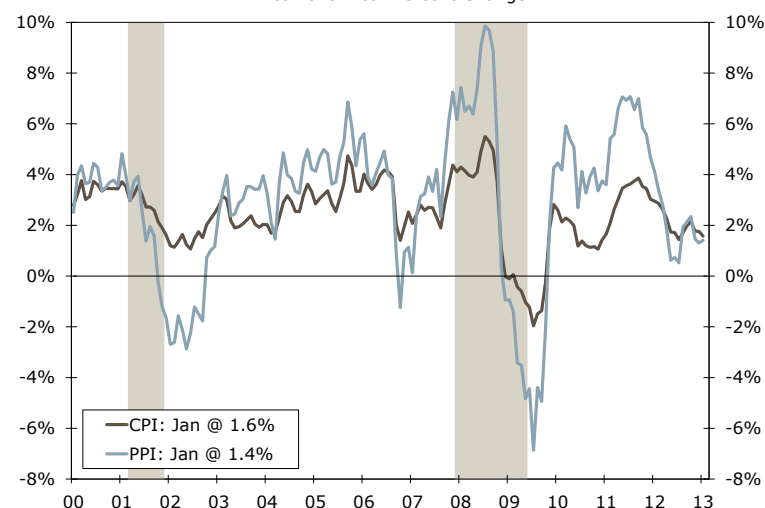
### Housing Starts and Building Permits

Seasonally Adjusted Annual Rate, In Millions



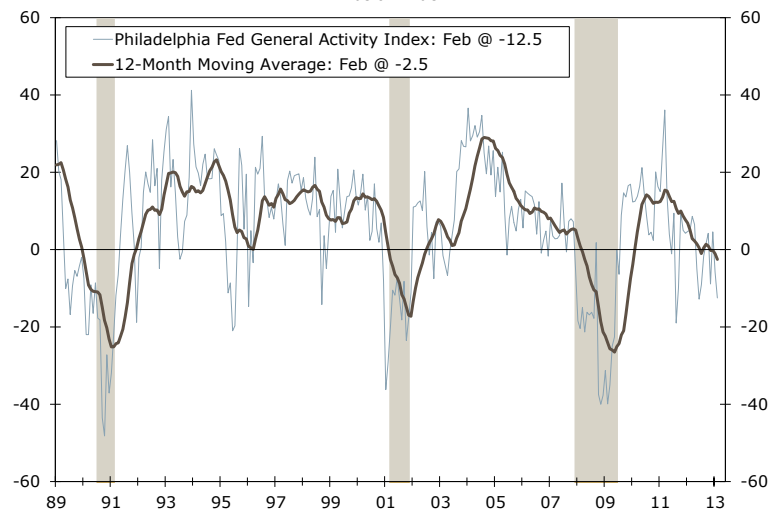
### Consumer Price Index vs. Producer Price Index

Year-over-Year Percent Change



### Philadelphia Fed General Activity Index

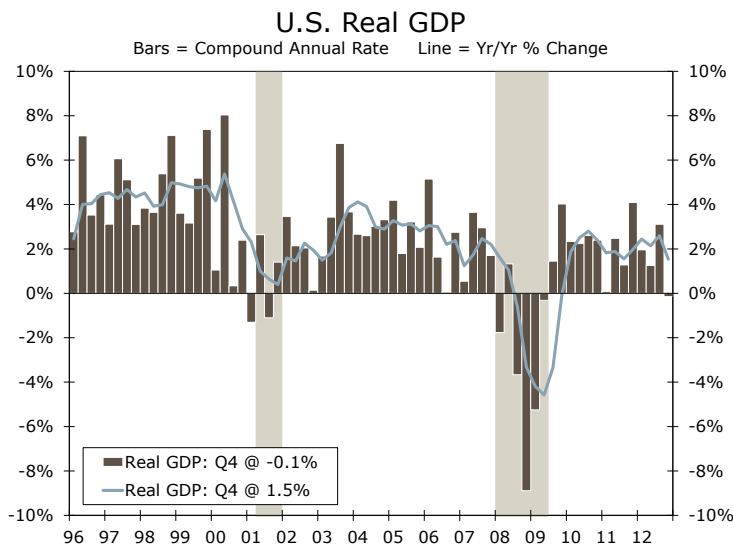
Diffusion Index



Source: U.S. Dept. of Commerce, U.S. Dept. of Labor, Federal Reserve Board and Wells Fargo Securities LLC

**Durable Goods • Wednesday**

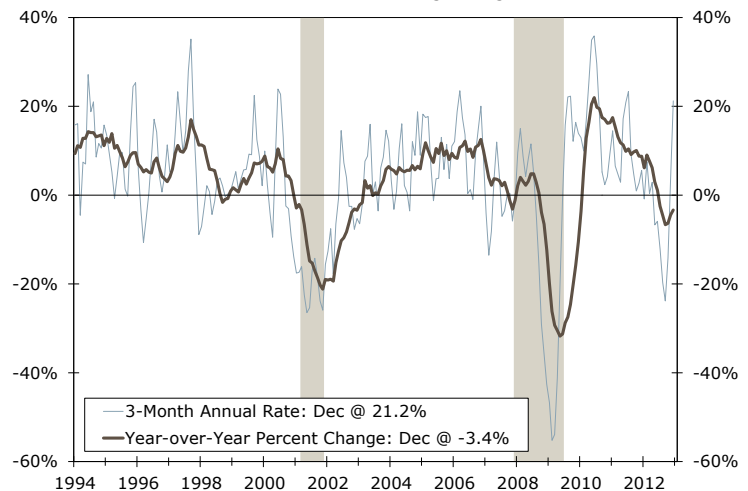
New durable goods orders jumped a stronger-than-expected 4.3 percent in December with large gains in the volatile aircraft and defense spending components. Indeed, defense orders surged more than 100 percent in December and defense aircraft jumped more than 50 percent. That said, the outsized gains in December have paved the way for a large headline payback in January. Outside of the volatile components, core business spending is somewhat muted, which is consistent with other manufacturing indicators showing slow growth. Following an increase of 3 percent in each of the last two months, orders for nondefense capital goods excluding aircraft rose a modest 0.2 percent as businesses showed apprehension at the end of last year as the fiscal cliff approached. Keeping with the theme of economic policy uncertainty, we do not expect significant gains in business spending in 2013. Businesses will likely remain on the fence until policy is more certain.

**Previous: 4.3%****Wells Fargo: -2.0%****Consensus: -4.0% (Month-over-Month)****ISM Manufacturing • Friday**

Last month's ISM manufacturing index gave hope that the factory sector was finally reverting from slow growth to faster expansion. The index rose to 53.1 in January making a clear upward break after being range bound in the second half of last year. While the gain is encouraging, we do not think the monthly gain is the start of a solid upward trend. In fact, other manufacturing indicators have recently shown signs of weakness as businesses and households are still conservative in making purchasing decisions as they grapple with economic policy uncertainty and tax increases. One such indicator is the Philadelphia Fed index, which fell sharply in February to -12.5 from -5.8. Industrial production also showed slower activity in January with the manufacturing component declining on the month. We suspect that the factory sector will remain in expansion territory, but the pace will remain sluggish along with economic growth.

**Previous: 53.1****Wells Fargo: 52.0****Consensus: 52.5**

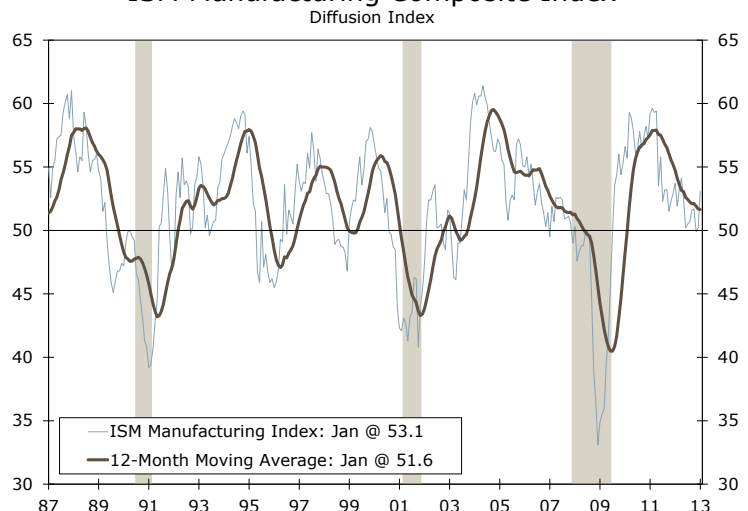
**Nondefense Capital Goods Orders, Ex-Aircraft**  
Series are 3-Month Moving Averages

**Real GDP • Thursday**

Real GDP unexpectedly fell at a 0.1 percent annual pace in the fourth quarter, which was in stark contrast to consensus estimates of modest growth. The declines were concentrated in federal defense spending, inventory investment and a widening in the trade balance. These components shaved 2.85 percentage points from the headline. In fact, the largest decline was in defense spending, which saw the biggest drop since 1972. While naysayers may be painting a picture of looming doom, the headline is more discouraging than the details. In fact, private final sales to domestic purchasers increased at a solid 3.3 percent pace. Moreover, residential investment increased at a 15.3 percent pace and software and equipment spending rose at a 12.4 percent rate. While economic activity is sluggish, a contraction overstates the weakness. We expect some of the headline weakness to be revised higher putting economic growth in the fourth quarter in positive territory.

**Previous: -0.1%****Wells Fargo: 0.6%****Consensus: 0.5% (Q/Q Annualized)**

**ISM Manufacturing Composite Index**



Source: U.S. Department of Commerce, Institute for Supply Management and Wells Fargo Securities, LLC

## Global Review

### Germany Remains Outlier in the Eurozone

Last week in this report we noted that German GDP contracted 0.6 percent (2.4 percent at annualized rate) in the fourth quarter. The demand-side components that were released this week showed that the contraction was driven, at least in part, by a sharp decline in exports. In contrast, total domestic demand rose 0.8 percent at an annualized rate in Q4, certainly not a strong rate of increase but positive nevertheless. In other words, the slowdown that appeared in the rest of the world in the second half of last year did not cause German residents to completely retrench.

We also noted that more recent data suggest that German real GDP growth has returned to positive territory in the first quarter. Data that were released this week reinforced that message. An index of economic sentiment among institutional investors jumped to its highest level in three years. In addition, the widely followed Ifo index of business sentiment came out much stronger than expected in February. Because the Ifo index has a degree of correlation with growth in German industrial production, the marked rise in the index over the past few months suggests that the German economy has strengthened in the first quarter (top chart).

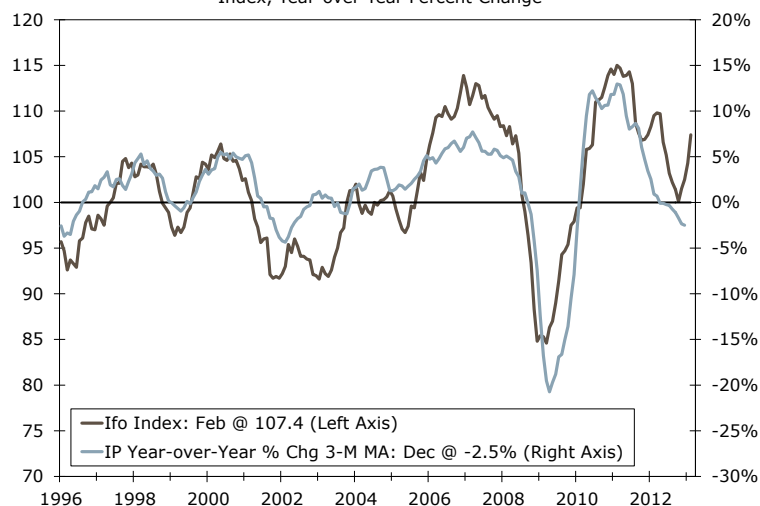
On the other hand, however, recent data indicate that growth in most other euro area economies remains weak. The business confidence indicator in France edged higher in February, but it remains low relative to its long-run average. Moreover, the Eurozone manufacturing PMI edged down a notch in February while the service sector PMI declined markedly. The composite PMI index, which is the weighted-average of the two sectors, remained well below the demarcation line separating expansion from contraction, where it has consistently hovered for more than a year. Even if the German economy rebounds, it will be difficult to realize strong growth in the overall euro area if other large economies, such as France, Italy and Spain, remain weak.

### Tighter Policy in Brazil Despite Weak Growth?

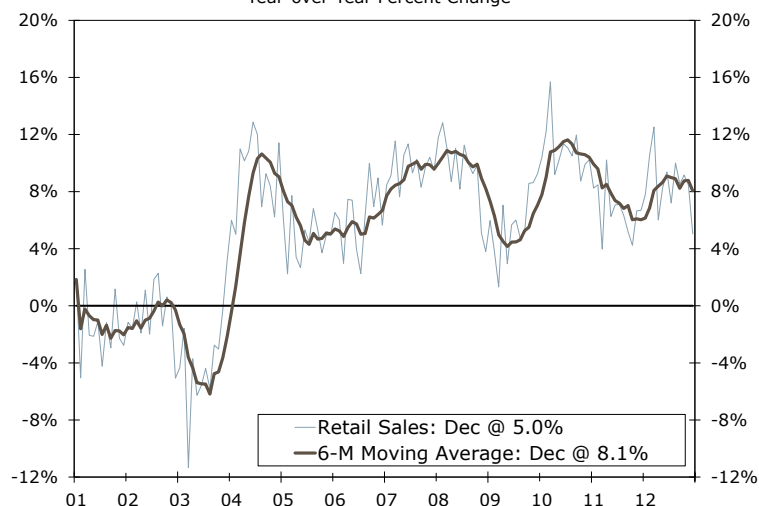
Real GDP growth in Brazil was sluggish for most of 2012. Although official GDP data for Q4 will not be released until next week, recent data suggest that the overall pace of economic activity likely remained lackluster. Data released this week showed that retail sales in December declined 0.5 percent, pulling the year-over-year growth rate down to 5.0 percent, which was much weaker than most analysts had expected (middle chart). As we discuss further on page 5, we suspect the year-over-year rate of real GDP growth in Brazil remained below one percent in Q4.

Despite signs of continued slow economic growth, the Brazilian central bank has sounded increasingly more hawkish due to the recent rise in CPI inflation (bottom chart). Although a rate hike or two may not have much immediate impact on growth, tightening likely would lead to further strength in the Brazilian real, which has appreciated about 10 percent vis-à-vis the U.S. dollar since early December.

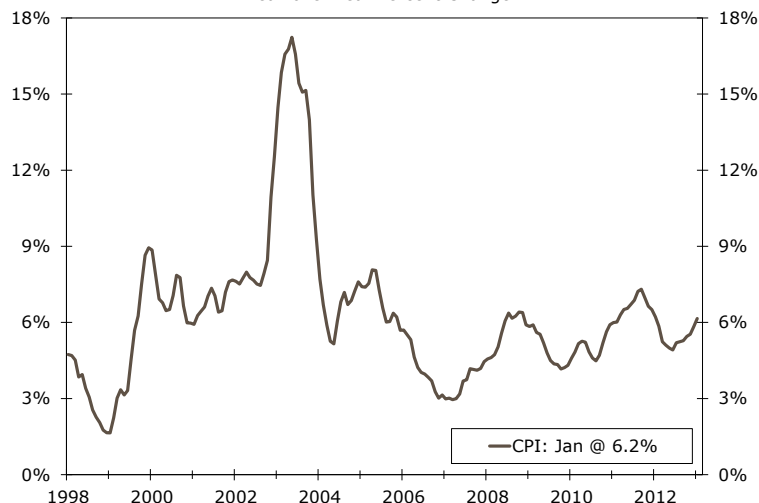
German Production Indicators  
Index, Year-over-Year Percent Change



Brazilian Retail Sales Index  
Year-over-Year Percent Change



Brazilian Consumer Price Index  
Year-over-Year Percent Change



Source: IHS Global Insight and Wells Fargo Securities, LLC

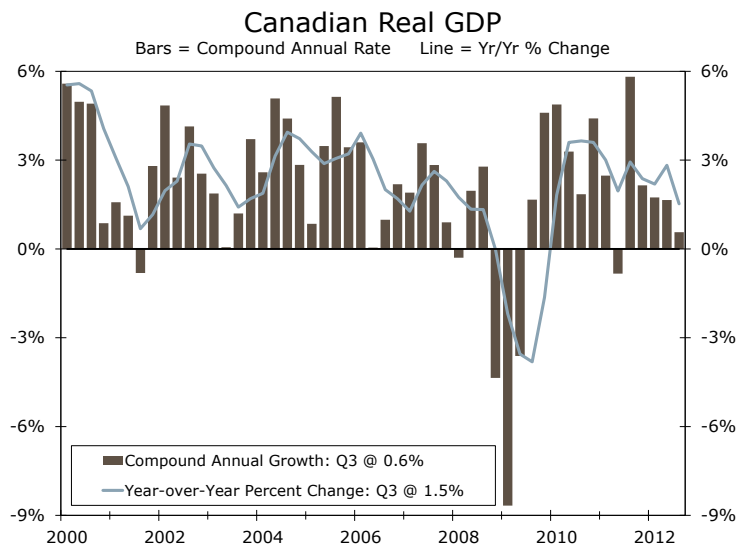
## Japan Industrial Production • Wednesday

On Wednesday, we get Japanese preliminary industrial production for January, and markets are expecting another improvement, at 1.5 percent compared to December after posting a 2.4 percent increase in December. If markets are correct then this would be the third month-over-month increase in industrial production in the past four months.

This improvement in industrial production is also expected to be reflected in the year-over-year numbers where markets expect industrial production to go from a drop of 7.9 percent in December to a drop of “only” 4.8 percent for the 12 months ended in January. On the same day we also get Japanese automobile production and the expectation is for the industry to remain weak, showing still weak global demand for one of Japan’s most important exports. Thus, while the economy is slowly improving, the recovery is still weak and full of potential roadblocks.

**Previous: -7.9%**

**Consensus: -4.8% (Year-over-Year)**



## Brazil GDP • Friday

The Brazilian economy has been struggling to go back to the “happy” years of President Lula da Silva, but the fact is that the international environment faced by current President Dilma Rousseff is different from that of her predecessor. Specifically, Rousseff has had to deal with a very unforgiving world economy at a time when Brazilian growth strategy shifted to a more “export-oriented” type of strategy. But, few of the export markets have performed well lately and the administration has had to rely more on domestic demand. However, the attempts by the central bank to increase domestic demand have not been very successful so we are not very upbeat for the fourth quarter GDP release. We estimate fourth quarter GDP to have improved by only 0.9 percent from the year-earlier and 2012 GDP to have grown by only 0.76 percent over 2011.

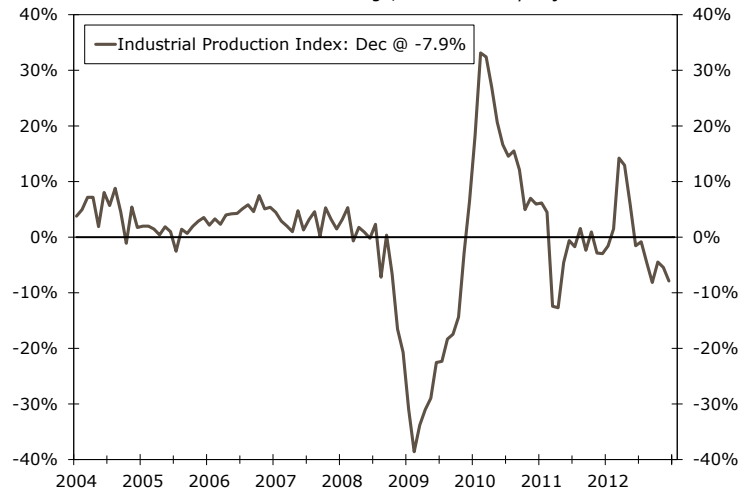
**Previous: 0.9%**

**Wells Fargo: 0.9%**

**Consensus: 1.4% (Year-over-Year)**

## Japanese Industrial Production Index

Year-over-Year Percent Change, Not Seasonally Adjusted



## Canada GDP • Friday

As a very open economy, the Canadian economy has not been immune to the slowdown in economic activity around the world and while the Canadian economy has the added advantage that its main market continues to be the U.S. economy, stability south of the border has benefited its economic performance.

However, we do not expect the external economy to have contributed much to growth during the last quarter of 2012. Thus, we expect the Canadian economy to have grown at a 1.4 percent annualized rate during the last quarter of 2012, up from a growth of 0.6 percent during the third quarter of the year. Most of this increase is expected to have come from the domestic economy and the key energy sector. The basic issue is that the external sector remains constrained by the still-weak global economy and this will continue to keep Canada’s economic performance from improving further.

**Previous: 0.6%**

**Wells Fargo: 1.4%**

**Consensus: 0.7% (Q/Q Annualized)**



Source: IHS Global Insight and Wells Fargo Securities, LLC



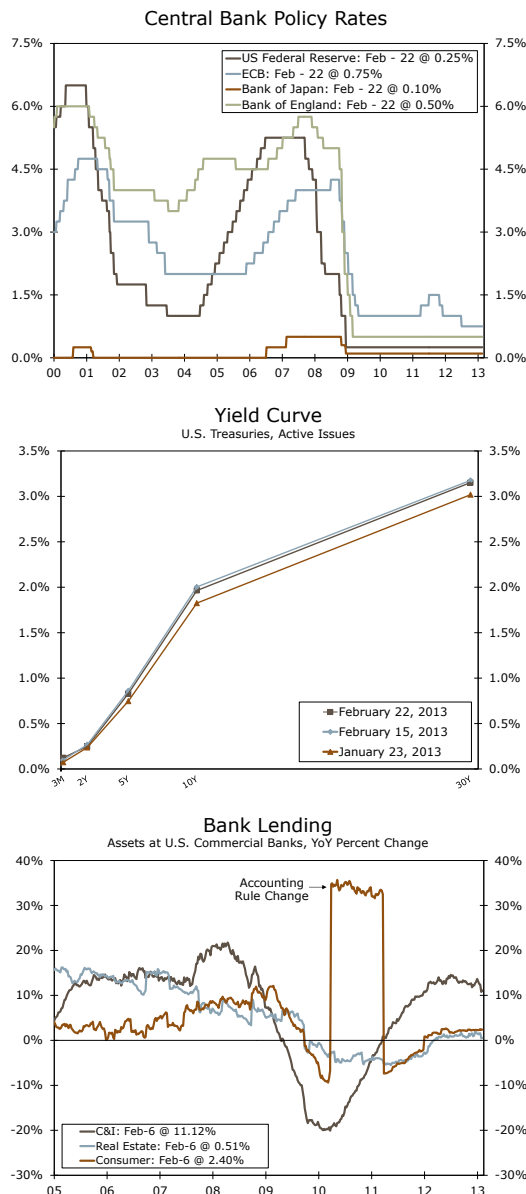
## Interest Rate Watch

### Efficacy, Costs & Risks

Minutes from the Fed's January FOMC meeting temporarily raised the prospect that the Fed may begin to wind down their asset purchases a little sooner than the markets had been expecting. The Fed's assessment of economic conditions was generally more upbeat than it had been and the resolution of the fiscal cliff had, at that time, alleviated concerns about fiscal policy. There was also a lengthy discussion about efficacy, costs and risks of the Fed's asset purchase program. The stock market sold off after digesting the minutes and turned in its worst two-day performance of the year.

First impressions from the Fed's minutes may have been a bit overdone. Federal Reserve Bank of St. Louis President James Bullard, who has been skeptical about the magnitude of the Fed's easy monetary policy, reiterated this point on CNBC Friday morning when he said that "Fed policy is very easy, and it's going to stay easy for a long time." On the surface that statement would be quite definitive that policy would remain as is through the rest of the year. Our read on it, however, is that policy is very easy with the Fed purchasing \$85 billion a month in mortgage-backed securities and Treasuries and will still be easy even if they taper it back to \$75 billion or so later this year or in early 2014. The key point is that monetary policy will likely remain accommodative for the foreseeable future.

Bullard is a bit more outspoken than other FOMC members and may lean a little more in the tapering direction. In order for the Fed to change policy we will need to move past the sequester, continuing resolution, government shutdown mess and see overall economic growth improve. One other key date that we are looking for is the comprehensive revision to GDP growth on July 31. These new data should be revised up in line with what we saw with the nonfarm employment data. We expect the new GDP data to show that growth has averaged a 2.4 percent pace since the recession ended and that growth will be slightly stronger than that (post revision) during the second half of the year. With the economy on surer footing, the Fed will not need to wait as long to begin to scale back the size of their monthly asset purchases.



Source: IHS Global Insight, Bloomberg LP and Wells Fargo Securities, LLC

## Credit Market Insights

### Business Lending Conditions Improving

In the minutes from January 29-30 FOMC meeting, participants noted the improving conditions in domestic credit markets, citing the recent fiscal agreement, accommodative monetary policy and actions taken by European authorities as supporting current lending practices.

The Fed's Senior Loan Officer Opinion Survey on Q1 2013 bank lending practices, released earlier this month, supported the observations made by FOMC participants. Domestic banks have continued to ease standards across all major loan categories over the past three months. Specifically, terms for commercial and industrial (C&I) lending remain loose, as nearly all survey respondents cite aggressive competition from other banks and lenders as the primary reason to continue to ease standards. C&I lending offers an opportunity for banks to post earnings on their loans in an environment of easy monetary policy and suppressed interest rates.

In turn, demand for business loans has also strengthened. While demand for C&I loans has wavered between positive and negative territory over the past two years, in the first quarter banks reported a surge in demand for business loans from all firm sizes. Favorable to near-term economic growth expectations, banks cited an increased demand for loans by businesses to be used to invest in plant and equipment, as well as to finance mergers or acquisitions.

### Credit Market Data

#### Mortgage Rates

	Current	Week Ago	4 Weeks Ago	Year Ago
30-Yr Fixed	3.56%	3.53%	3.42%	3.95%
15-Yr Fixed	2.77%	2.77%	2.71%	3.19%
5/1 ARM	2.64%	2.64%	2.67%	2.80%
1-Yr ARM	2.65%	2.61%	2.57%	2.73%

#### Bank Lending

	Current Assets (Billions)	1-Week Change (SAAR)	4-Week Change (SAAR)	Year-Ago Change
Commercial & Industrial	\$1,521.7	20.51%	0.34%	11.12%
Revolving Home Equity	\$506.9	-12.95%	-9.03%	-7.95%
Residential Mortgages	\$1,622.3	-9.88%	4.52%	4.21%
Commercial Real Estate	\$1,425.2	-1.83%	-2.37%	-0.24%
Consumer	\$1,115.1	-0.30%	-1.92%	2.40%

Source: Freddie Mac, Federal Reserve Board and Wells Fargo Securities, LLC

## Topic of the Week

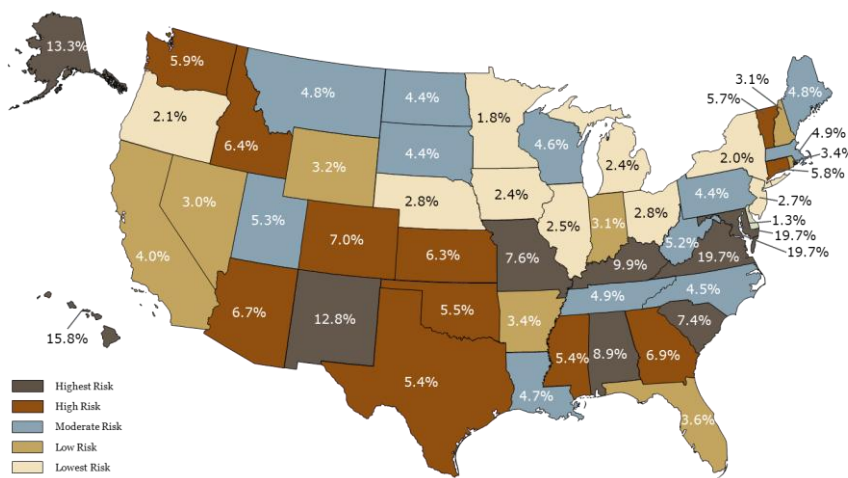
### Sequestration and the States

Over the course of the past few weeks, it has become more and more likely that the sweeping set of automatic federal spending cuts known inside the D.C. Beltway as “Budget Sequestration” will take place as scheduled beginning on March 1. To assess the potential regional impact of these budget cuts, we have identified those states that have the greatest exposure to federal funding cuts. We utilize the metrics calculated by the Pew Center on the States for federal spending as a percentage of state GDP. Even a cursory review of the data shows that the process of budget sequestration will harm certain states disproportionately. In general, the greater Washington, D.C. area and southern states will be the hardest hit, while states in the Midwest and along the West Coast will likely be affected to a lesser extent. The impending defense cuts will likely have a greater immediate effect on state economies due to the fact that these cuts are concentrated in a specific industry, which itself is concentrated in a handful of areas, as opposed to the nondefense cuts that are spread across a wider number of industries and geographic areas.

Our expectation is that Congress will allow the sequestration process to begin, while it completes work on a continuing resolution for the remainder of the fiscal year, which is required to be completed prior to March 27 or the nation will face a government shutdown. While a government shutdown will likely be avoided, the debate over taxes and spending policy will likely take place in the first half of March. It is likely that a deal will be reached to offset some spending cuts with tax increases or closing loopholes but, in general, we do not expect the magnitude of spending cuts to be significantly reduced. Regardless of the political outcome, we still expect some moderate impact on state economies from the pullback in government spending in the short term, as agencies hold off on major spending commitments and put hiring on hold. In the end, the magnitude of the impact will be left to policymakers.

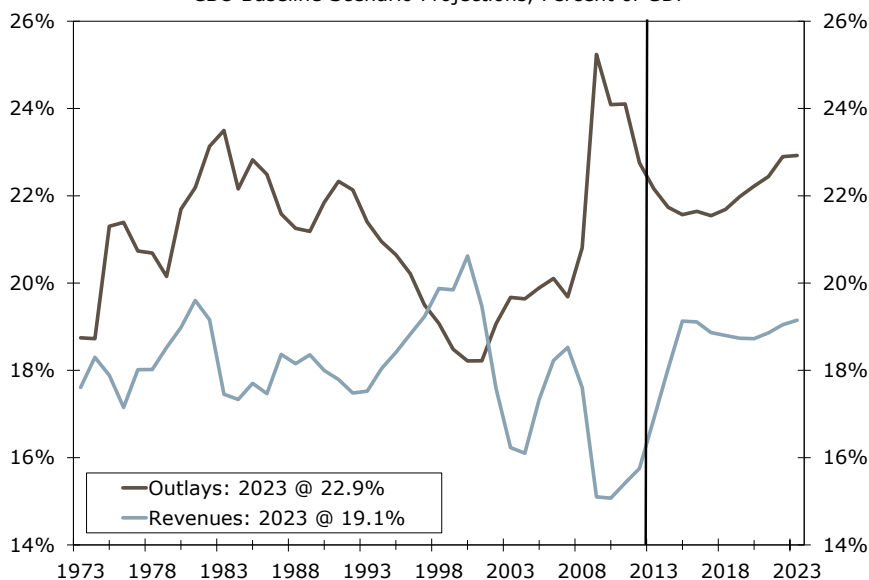
For more information, see our report available online, *Sequestration: Which States are Most Vulnerable?*

Federal Spending as a Percent of State GDP



## U.S. Budget Gap

CBO Baseline Scenario Projections, Percent of GDP



Source: Pew Center on the States, Congressional Budget Office and Wells Fargo Securities, LLC

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## Market Data ♦ Mid-Day Friday

## U.S. Interest Rates

	Friday 2/22/2013	1 Week Ago	1 Year Ago
3-Month T-Bill	0.12	0.10	0.08
3-Month LIBOR	0.29	0.29	0.49
1-Year Treasury	0.19	0.20	0.24
2-Year Treasury	0.25	0.27	0.30
5-Year Treasury	0.83	0.86	0.86
10-Year Treasury	1.96	2.00	2.00
30-Year Treasury	3.15	3.18	3.15
Bond Buyer Index	3.74	3.72	3.69

## Foreign Exchange Rates

	Friday 2/22/2013	1 Week Ago	1 Year Ago
Euro (\$/€)	1.316	1.336	1.325
British Pound (\$/£)	1.527	1.552	1.567
British Pound (£/€)	0.862	0.861	0.846
Japanese Yen (¥/\$)	93.240	93.500	80.290
Canadian Dollar (C\$/ \$)	1.025	1.006	1.000
Swiss Franc (CHF/\$)	0.932	0.922	0.910
Australian Dollar (US\$/A\$)	1.031	1.031	1.064
Mexican Peso (MXN/\$)	12.758	12.690	12.845
Chinese Yuan (CNY/\$)	6.239	6.237	6.296
Indian Rupee (INR/\$)	54.185	54.225	49.232
Brazilian Real (BRL/\$)	1.972	1.969	1.706
U.S. Dollar Index	81.530	80.458	79.211

## Foreign Interest Rates

	Friday 2/22/2013	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	0.14	0.14	0.94
3-Month Sterling LIBOR	0.51	0.51	1.07
3-Month Canadian LIBOR	1.20	1.20	1.39
3-Month Yen LIBOR	0.16	0.16	0.20
2-Year German	0.13	0.19	0.27
2-Year U.K.	0.27	0.31	0.39
2-Year Canadian	1.07	1.13	1.10
2-Year Japanese	0.04	0.04	0.11
10-Year German	1.56	1.65	1.89
10-Year U.K.	2.11	2.19	2.11
10-Year Canadian	1.96	2.02	2.06
10-Year Japanese	0.73	0.75	0.98

## Commodity Prices

	Friday 2/22/2013	1 Week Ago	1 Year Ago
WTI Crude (\$/Barrel)	92.85	97.31	106.28
Gold (\$/Ounce)	1577.31	1610.10	1776.22
Hot-Rolled Steel (\$/S.Ton)	611.00	612.00	728.00
Copper (¢/Pound)	354.20	373.75	383.35
Soybeans (\$/Bushel)	15.02	14.31	12.66
Natural Gas (\$/MMBTU)	3.25	3.16	2.64
Nickel (\$/Metric Ton)	16,571	18,187	20,146
CRB Spot Inds.	538.70	542.57	545.12

## Next Week's Economic Calendar

	Monday 25	Tuesday 26	Wednesday 27	Thursday 28	Friday 1
U.S. Data		<b>S&amp;P/CS HPI (YoY)</b>	<b>Durable Goods Orders</b>	<b>GDP (Annualized)</b>	<b>Personal Income</b>
		November 5.52%	December 4.3%	4 Q A -0.1%	December 2.6%
		December 6.60% (C)	January -2.0% (W)	4 Q S 0.6% (W)	January -2.0% (W)
		<b>Consumer Confidence</b>	<b>Durables Ex. Transport.</b>	<b>Personal Consumption</b>	<b>Personal Spending</b>
		January 58.6	December 1.0%	4 Q A 2.2%	December 0.2%
		February 66.5 (W)	January 0.2% (W)	4 Q S 2.3% (C)	January 0.2% (W)
		<b>New Home Sales</b>	<b>Pending Home Sales</b>		<b>ISM Manufacturing</b>
Global Data		December 369K	December -4.3%		January 53.1
		January 386K (W)	January 2.0% (C)		February 52 (W)
			<b>U.K.</b>	<b>Eurozone</b>	<b>Brazil</b>
			<b>GDP (YoY)</b>	<b>CPI (YoY)</b>	<b>GDP (YoY)</b>
			Previous (3 Q) 0.0%	Previous (Dec) 2.0%	Previous (3 Q) 0.6%
			<b>Japan</b>	<b>Japan</b>	<b>Canada</b>
			<b>IP (YoY)</b>	<b>CPI (YoY)</b>	<b>GDP (Annualized)</b>
			Previous (Dec) -7.9%	Previous (Dec) -0.1%	Previous (3 Q) 0.6%

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

Source: Bloomberg LP and Wells Fargo Securities, LLC



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