



Economics Group

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Leading Indicators Point Toward Further Growth

The Leading Economic Index (LEI) rose 0.7 percent in August with nearly all components pointing toward continued growth. Financial indicators were the biggest support, while permits were a negative.

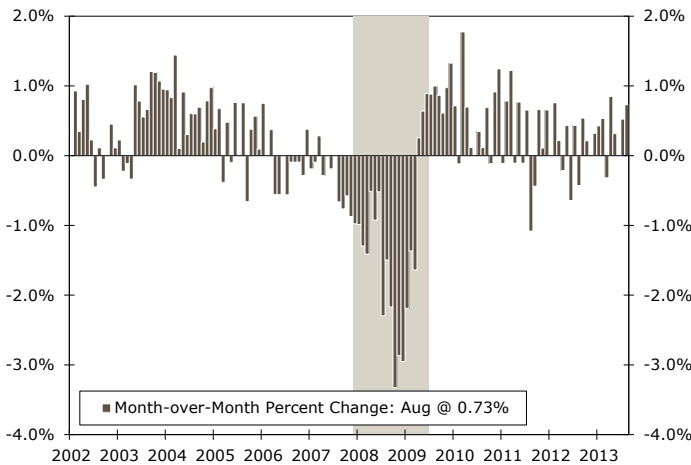
Financial Conditions Supportive of Growth

- After being downwardly revised to 0.5 percent in July, the LEI picked up steam in August, increasing 0.7 percent.
- Financial conditions continue to support the case for further growth. The yield spread was the largest contributor to the index in August, while the credit index was also positive. With the Fed's surprise announcement yesterday, financial conditions should be a net positive again in September.

Labor Market Improving, but Hiccups in Housing

- Ongoing improvement in the labor market boosted the LEI in August. Average hours worked bounced back following a dip in July, while jobless claims fell to levels last seen in late 2007.
- The sole negative in today's report stemmed from building permits. Permits fell in August on the heels of a decline in the volatile multifamily sector, but single-family permits point to the housing market continuing to recover after a slow summer.

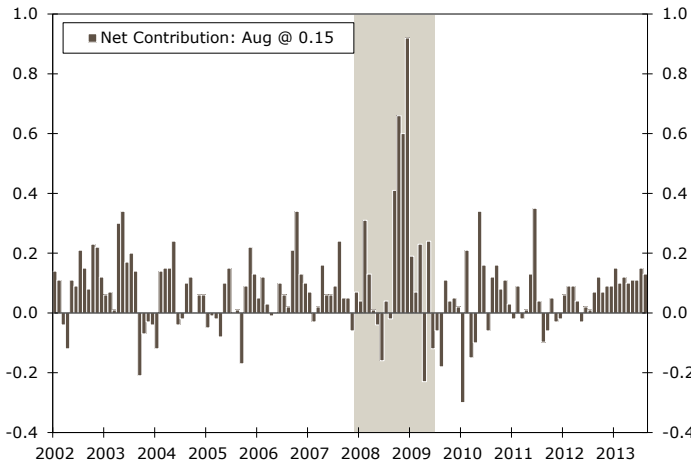
Leading Economic Index



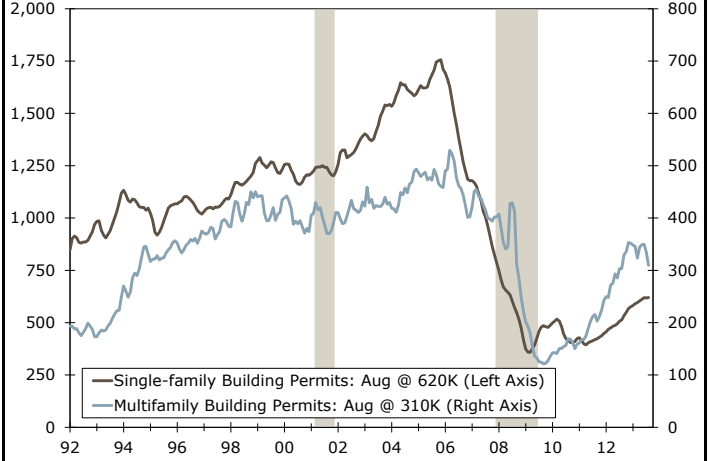
Net Contribution to Leading Economic Index
August 2013



Leading Credit Index
Net Contribution to Index



Single & Multifamily Building Permits
SAAR, In Thousands, 3-Month Moving Average



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