

## Economics Group

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### Leading Index Posts Solid November Gain

*In its latest affirmation that the economic expansion will continue, the Leading Economic Index (LEI) added 0.8 percent in November with eight out of ten sub-components in positive territory.*

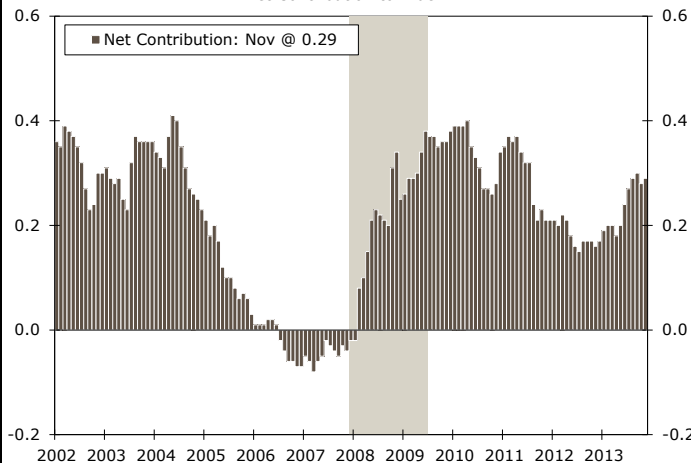
#### More Than Just the Yield Spread

- The difference in yield between the 10-year Treasury and the Fed Funds rate has been a positive contributor to the LEI without missing a month for over 5 years.
- In recent months we are starting to see contribution from more areas, which suggests the expansion could gain steam in coming months, with broad-based contributions to growth coming from a variety of sectors.

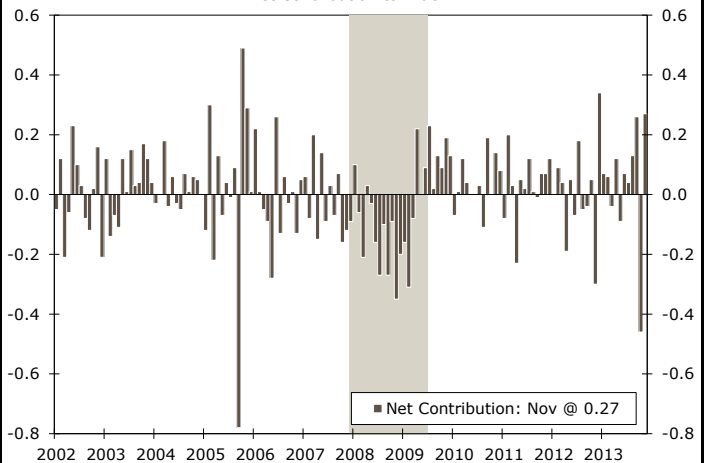
#### Jobless Claims: Like Watching Tennis

- When initial claims for unemployment insurance fall, the result is a boost to LEI. November saw the second biggest boost since 2005. This comes on the heels of October when rising jobless claims exerted the largest drag from this component since 2005.
- In a separate report this morning, we learned claims in the second week of December jumped to the second highest level of the year. Claims could be up again in December. What a drag.

10-Year Treasury less Federal Funds Rate  
Net Contribution to Index



Unemployment Claims  
Net Contribution to Index



Net Contribution to Leading Economic Index  
November 2013



Initial Claims for Unemployment  
Seasonally Adjusted, In Thousands



Source: The Conference Board, U.S. Department of Labor and Wells Fargo Securities, LLC

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