



Economics Group

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LEI Climbs Higher on Rebound in Labor Market Components

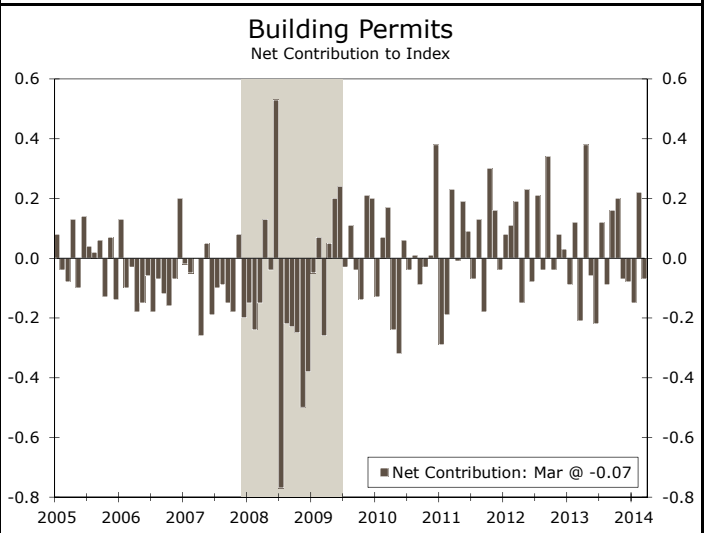
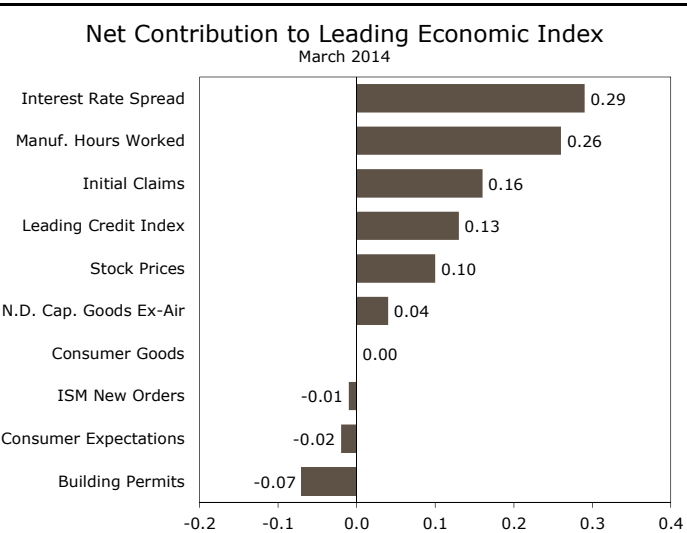
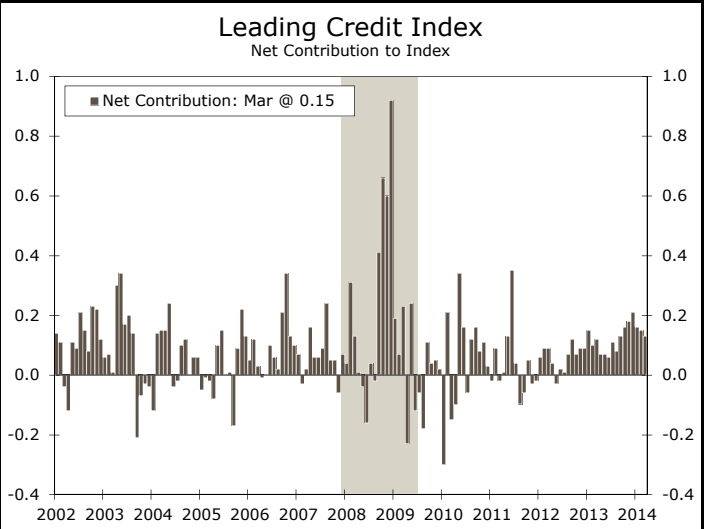
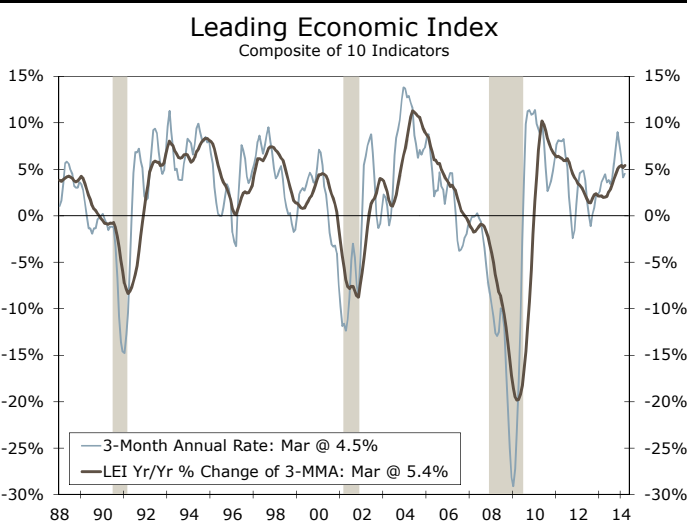
The Leading Economic Index (LEI) rose 0.8 percent in March and is up 6.1 percent from a year ago. Improving labor market and financial conditions more than offset a slowdown in building permits.

Employment Components Firm

- In another indication that the economy has bounced back from a slowdown this winter, the LEI rose 0.8 percent in March with gains widespread across components.
- Improving indicators of the labor market were a key driver of the gain in March. A rebound in average hours worked in manufacturing and a drop in initial jobless claims contributed a combined 0.4 percentage points to the headline.

Financial Conditions Remain Supportive of Growth

- Financial conditions were also supportive of growth in March. The yield spread posted another positive gain, while the credit index and stock index also rose.
- Three components were a drag in March, but only mildly so. A slowdown in building permits shaved off 0.7 percentage point, while consumer confidence and the ISM new orders index edged slightly lower.



Source: The Conference Board and Wells Fargo Securities, LLC

Wells Fargo Securities, LLC Economics Group

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