September 11, 2015

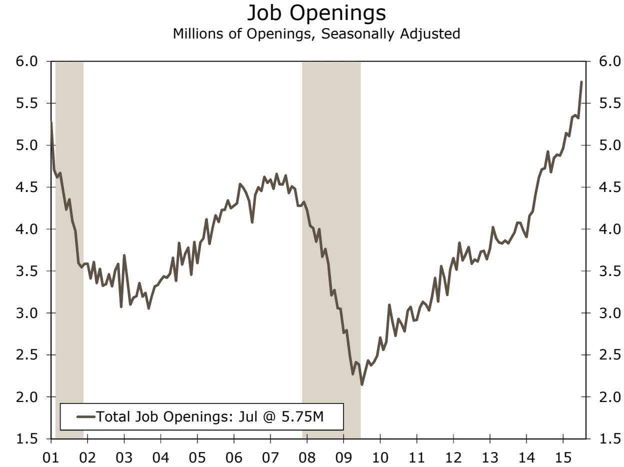
# Economics Group

## Weekly Economic & Financial Commentary

## U.S. Review

### One Week Until the FOMC Meeting

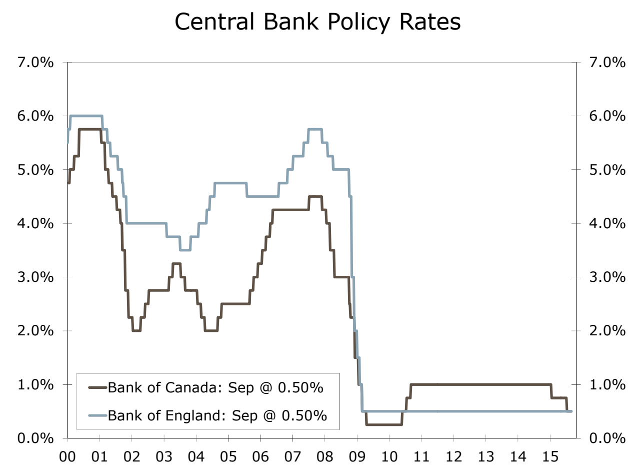
- With less than a week to go before the September FOMC meeting, we feel the data continue to support a move.
- Job openings jumped to a series high in July, which adds to the case for "some" improvement in the labor market. That said, labor market turnover remains weak.
- The import and producer price indices pointed to continued weakness in inflation. We maintain that this is largely transitory, and the Fed's June projections concur.




## Global Review

### Central Banks on Hold, Firming in German Production

- Both the Bank of England and the Bank of Canada (BoC) met this week and in both instances stayed on hold. We expect the Bank of England to embark on rate increases early next year, and we expect the Bank of Canada to follow suit later in the year.
- Industrial production figures out of Germany this week for July raise hopes that the Eurozone's largest economy may be seeing a pick-up in its factory sector.




**Wells Fargo U.S. Economic Forecast**

| | Actual 2015 1Q | Actual 2015 2Q | Forecast 2015 3Q | Forecast 2015 4Q | Forecast 2016 1Q | Forecast 2016 2Q | Forecast 2016 3Q | Forecast 2016 4Q | Actual 2013 | Actual 2014 | Forecast 2015 | Forecast 2016 | Forecast 2017 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Real Gross Domestic Product [1] | 0.6 | 3.7 | 1.8 | 2.7 | 2.6 | 2.8 | 2.8 | 2.6 | 1.5 | 2.4 | 2.4 | 2.6 | 2.4 |
| Personal Consumption | 1.8 | 3.1 | 2.9 | 3.0 | 2.5 | 2.6 | 2.5 | 2.3 | 1.7 | 2.7 | 3.0 | 2.7 | 2.2 |
| Inflation Indicators [2] | | | | | | | | | | | | | |
| PCE Deflator | 0.2 | 0.2 | 0.4 | 0.9 | 1.8 | 1.7 | 1.9 | 1.9 | 1.4 | 1.4 | 0.4 | 1.8 | 2.0 |
| Consumer Price Index | -0.1 | 0.0 | 0.3 | 0.9 | 2.2 | 2.0 | 2.0 | 2.2 | 1.5 | 1.6 | 0.3 | 2.1 | 2.2 |
| Industrial Production [1] | -0.2 | -2.0 | 3.2 | 3.1 | 3.5 | 3.7 | 3.5 | 3.5 | 1.9 | 3.7 | 1.8 | 3.1 | 3.4 |
| Corporate Profits Before Taxes [2] | 4.6 | -0.5 | 5.8 | 6.8 | 6.5 | 7.2 | 5.0 | 5.8 | 2.0 | 1.7 | 4.2 | 6.1 | 5.5 |
| Trade Weighted Dollar Index [3] | 92.1 | 89.9 | 92.0 | 93.0 | 94.0 | 95.3 | 96.5 | 97.8 | 75.9 | 78.5 | 91.7 | 95.9 | 99.1 |
| Unemployment Rate | 5.6 | 5.4 | 5.2 | 5.0 | 4.9 | 4.8 | 4.7 | 4.6 | 7.4 | 6.2 | 5.3 | 4.8 | 4.5 |
| Housing Starts [4] | 0.98 | 1.16 | 1.21 | 1.22 | 1.24 | 1.24 | 1.25 | 1.26 | 0.92 | 1.00 | 1.14 | 1.25 | 1.35 |
| Quarter-End Interest Rates [5] | | | | | | | | | | | | | |
| Federal Funds Target Rate | 0.25 | 0.25 | 0.50 | 0.50 | 0.75 | 1.00 | 1.25 | 1.50 | 0.25 | 0.25 | 0.38 | 1.13 | 2.13 |
| Conventional Mortgage Rate | 3.77 | 3.98 | 4.00 | 4.15 | 4.23 | 4.28 | 4.37 | 4.63 | 3.98 | 4.17 | 3.98 | 4.38 | 4.82 |
| 10 Year Note | 1.94 | 2.35 | 2.38 | 2.40 | 2.49 | 2.53 | 2.63 | 2.77 | 2.35 | 2.54 | 2.27 | 2.61 | 2.92 |

Forecast as of: September 11, 2015
[1] Compound Annual Growth Rate Quarter-over-Quarter
[2] Year-over-Year Percentage Change
[3] Federal Reserve Major Currency Index, 1973=100 - Quarter End
[4] Millions of Units
[5] Annual Numbers Represent Averages

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

## Inside

## U.S. Review

### One Week Until the FOMC Meeting

With less than a week to go before the highly anticipated Federal Open Market Committee (FOMC) meeting, there is still significant uncertainty in the marketplace regarding whether or not the Fed will opt to raise its policy rate for the first time in nine years. This past week's data, in our view, should not dissuade the FOMC from moving ahead with a 25 bps increase next Thursday.

The July Job Openings and Labor Turnover Survey (JOLTS) added to the "some" improvement in the labor market that the FOMC members have been looking for. Job openings increased an impressive 430,000, pushing the total number of job openings to a series high of 5.75 million. Although the openings data clearly show significant improvement, total turnover in the labor market remains weak. Gross hiring and separations fell in July. Involuntary separations and quits fell during the month, but the quit rate held steady at 1.9 percent. The quit rate has declined slightly over recent months, which may give some FOMC members pause about raising rates.

### Continued Transitory Weakness in Prices

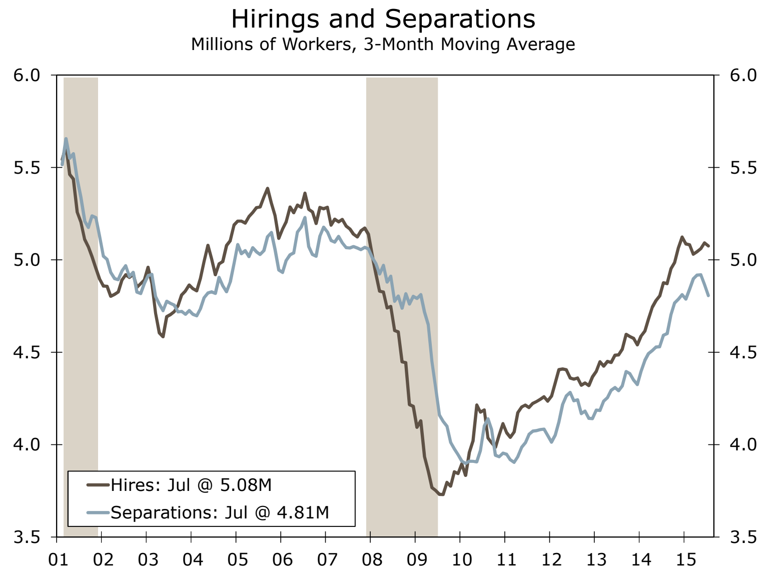
This past week also saw continued softening in the inflation picture. The import price index declined 1.8 percent in August, pulling the year-over-year decline down to 11.4 percent. The trade-weighted dollar has increased roughly 16 percent over the past year, which has weighed on import prices. In addition, import prices are still feeling the effects of the decline in energy prices. Nonfuel import prices have still declined on a year-over-year basis, but the decline was more moderate at -3.0 percent.

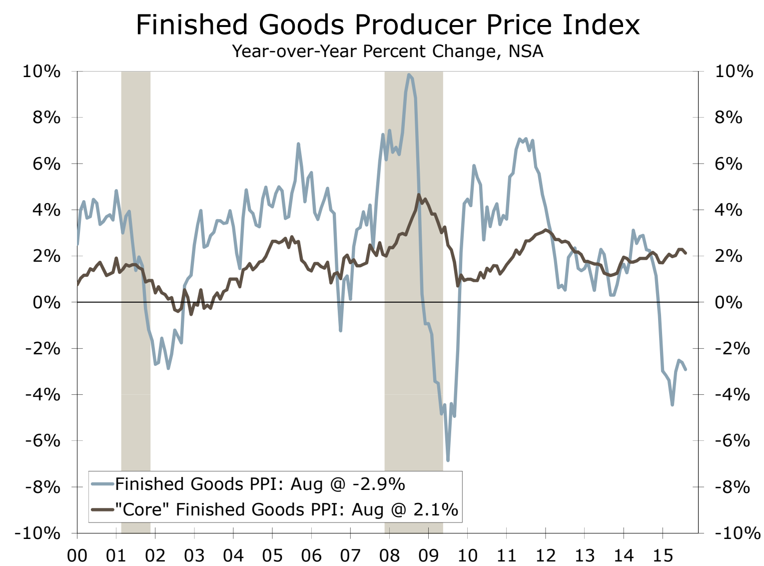
In addition, the producer price index moderated in August. Lower energy prices played a role here and the dollar may have weighed on the prices for inputs. Stripping out the more volatile food, energy and trade services components, producer prices paint a firmer inflation picture. We suspect much of the slowdown in inflation is transitory and a tightening labor market, combined with more stable energy prices, should lead to inflation gradually approaching the Fed's two percent target.

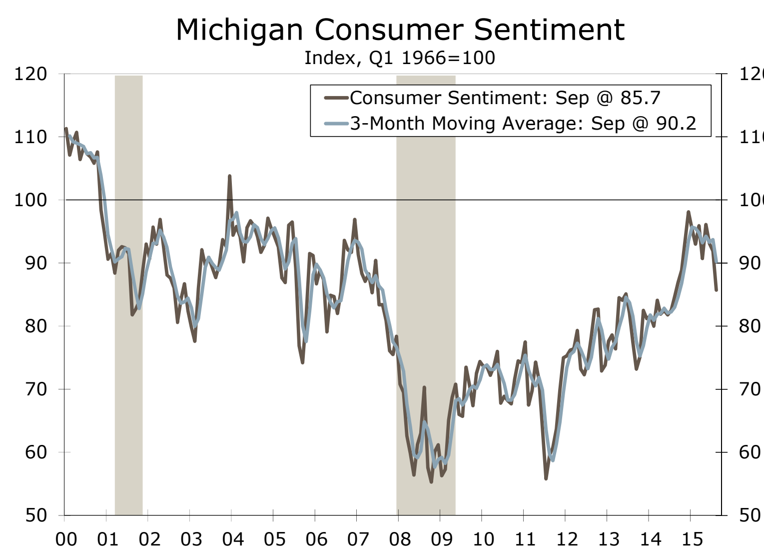
### Confidence Has Held Up Relatively Well

Data on confidence are encouraging to the outlook for consumer spending and hiring. Consumer confidence indicators continue to hold up reasonably well considering the heightened volatility in the financial markets and the worrisome headlines regarding global growth. The University of Michigan Index of Consumer Sentiment fell only slightly to 100.3 in September's preliminary reading and the Bloomberg Consumer Comfort index has remained near expansion highs.

Small business owners also remain cautiously optimistic, according to the National Federation of Independent Businesses. The percentage of firms planning to hire increased to 13 percent and those reporting having positions not able to be filled increased 4 percentage points to 29 percent. This should support wages and prices. In sum, it appears the economy continues to improve and should give the Fed confidence to move in September.




**Source: U.S. Department of Labor, University of Michigan, Bloomberg LP and Wells Fargo Securities, LLC**

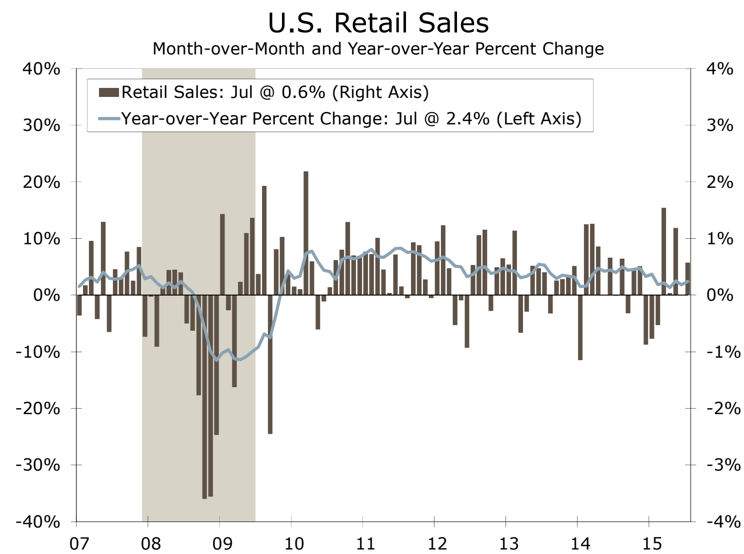
## Retail Sales • Tuesday

Retail sales are expected to have risen modestly in August, reflecting continued strength in motor vehicle sales. We are looking for a gain of 0.3 percent for the month, following a 0.6 percent rise in July. With gasoline prices falling again, however, there is some downside risk to the top line number. Moreover, the turmoil in the stock market may have cut into discretionary spending, although there is no evidence pointing to that just yet.

Back-to-school spending was largely reported to be disappointing, which should restrain gains at department and clothing stores. However, spending at home improvement stores may be a bright spot, as improving home sales and steady gains in home prices have bolstered remodeling activity. Restaurant dining also appears to be holding up well, benefitting from lower gasoline prices and stronger job growth.

**Previous: 0.6%** **Wells Fargo: 0.3%**

**Consensus: 0.3% (Month-over-Month)**



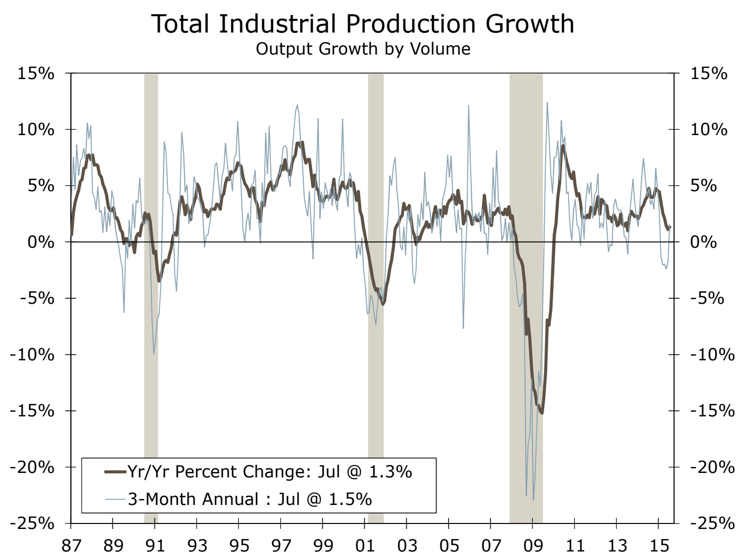

## Industrial Production • Tuesday

We estimate that industrial production fell 0.3 percent in August, following its solid 0.6 percent gain in July. Manufacturing employment fell by 17,000 during the month and total hours worked in the factory sector declined 0.4 percent during the month. Job losses were fairly broad based, but were especially apparent in fabricated metals and food processing. The former is tied to still weakening energy exploration and production, while the latter follows earlier large gains.

Industrial production growth has been losing momentum for much of this year, likely reflecting the effect of slower global economic growth and an unwanted buildup in inventories. Output of motor vehicles and building materials are two areas that could provide upside surprises in August. Mining and related manufacturing are expected to be net drags. Capacity utilization should also fall.

**Previous: 0.6%** **Wells Fargo: -0.3%**

**Consensus: -0.2% (Month-over-Month)**



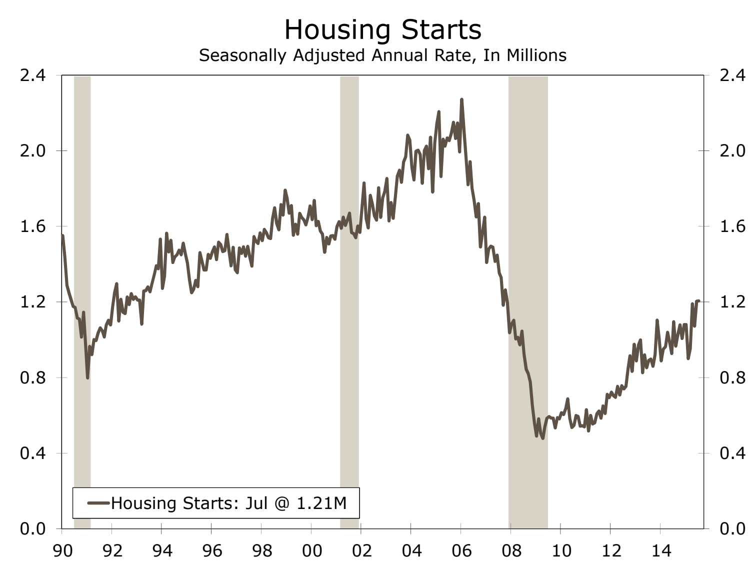

## Housing Starts • Thursday

Housing starts are expected to have fallen modestly in August, mostly reflecting a falloff in apartment starts after several months of strong growth. Single-family starts should be little changed, as permits and starts have been moving closely together in recent months and both have been trending higher.

Apartment development has accounted for most of the recovery in housing starts, but the momentum now seems to be swinging back in favor of single-family construction, particularly large-scale residential development, which has largely been missing for the past few years. Builder and home buyer optimism have both improved, as have job growth and household formation. Historical relationships between job growth and housing starts remain near historic lows, suggesting that housing is being underbuilt. Affordability and credit availability remain a challenge, however, which will likely keep recovery in starts on a slow but steady accent.

**Previous: 1206K** **Wells Fargo: 1176K**

**Consensus: 1170K**




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

## Global Review

### Signs of Firming in German Industrial Production

We learned this week that industrial production in Germany increased just 0.7 percent in July. That was a smaller gain than the 1.1 percent increase expected by the consensus, but it does follow an upward revision to June output figures. Still, the outturn is an indication that output in the Eurozone's largest economy is off on the right foot heading into Q3.

Survey data for Q3 in Germany have been more positive recently as well with the ZEW and the Ifo surveys showing improvement in their respective measures of current conditions. The Markit manufacturing PMI for Germany also reached a 16-month high in August. Perhaps the long-anticipated positive effect of the weaker euro is beginning to be felt in terms of actual activity in the German manufacturing sector. Having said that, the manufacturing PMI remained in expansion territory earlier this year even as monthly industrial production figures showed declines on a sequential basis in three out of the first six months of the year.

### Bank of Canada Stays on Hold

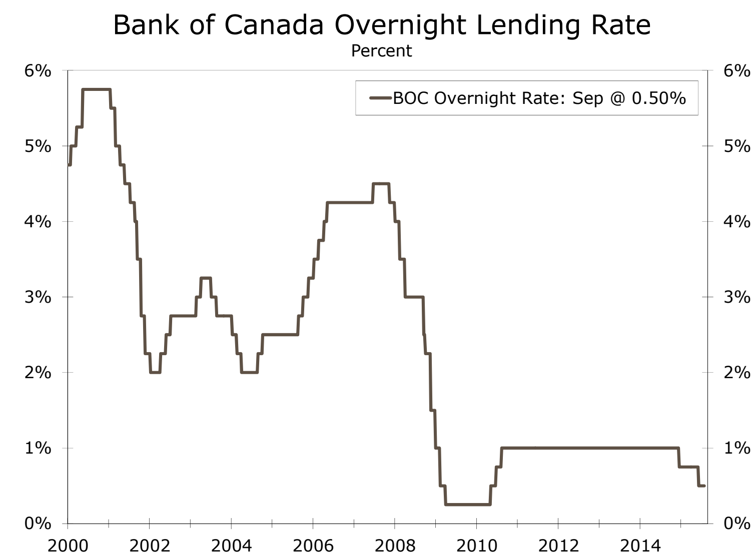
Our view on Canada has been that despite two back-to-back quarters of declines in GDP, the BoC would remain on hold. At its meeting in Ottawa this week, Canada's central bank kept rates on hold citing positive developments in the "dynamics of GDP growth" and noting that the Canadian economy continues to be supported by the "firm recovery in the United States."

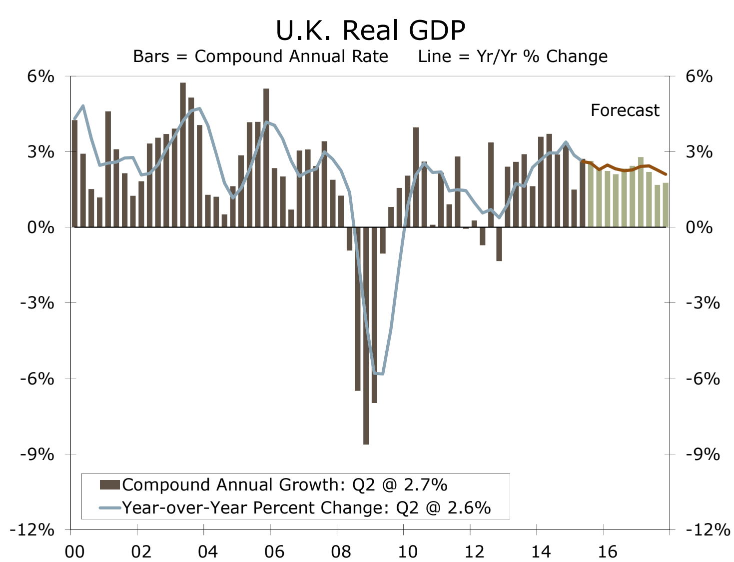
Oil prices remain under pressure and we would be remiss not to recognize the influence of the oil sector in Canada's growth prospects. Having said that, a lot of spending cuts related to oil exploration and extraction have already taken place. We anticipate a second-half recovery, and barring another drop in oil prices, we expect the BoC to remain on hold with the next move likely being to raise rates. The timing of that first rate hike will not be until well into 2016 and will be contingent on what CPI inflation looks like after oil's price decline is less of a factor.

### No Change from the Bank of England

The economic picture is pretty similar for the United Kingdom and the United States at present. Our latest forecast estimates for full-year 2015 GDP growth to come in at 2.6 percent in the United Kingdom and 2.4 percent for the U.S. economy. Our forecast for year-over-year 2015 CPI inflation is the same for both of these economies at 0.3 percent, not far from the current near-zero readings. Yet, even though the Federal Reserve is at the cusp of raising rates, policymakers at the Bank of England are in no hurry to follow suit.

In the accompanying statement following it decision to leave its benchmark policy rate unchanged, the Monetary Policy Committee (MPC) said that while global developments do not yet present enough to roil the economic expansion in the United Kingdom, they still merit careful monitoring. We expect the first rate increase from the MPC early next year.


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

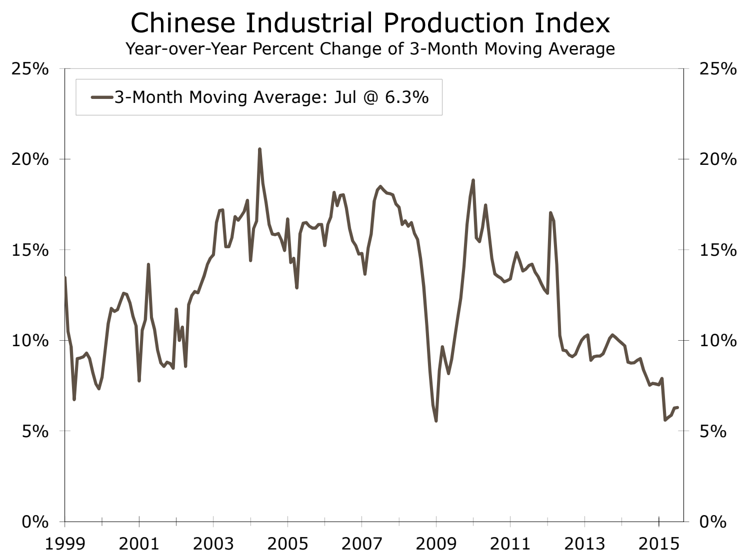
## Chinese Industrial Production • Monday

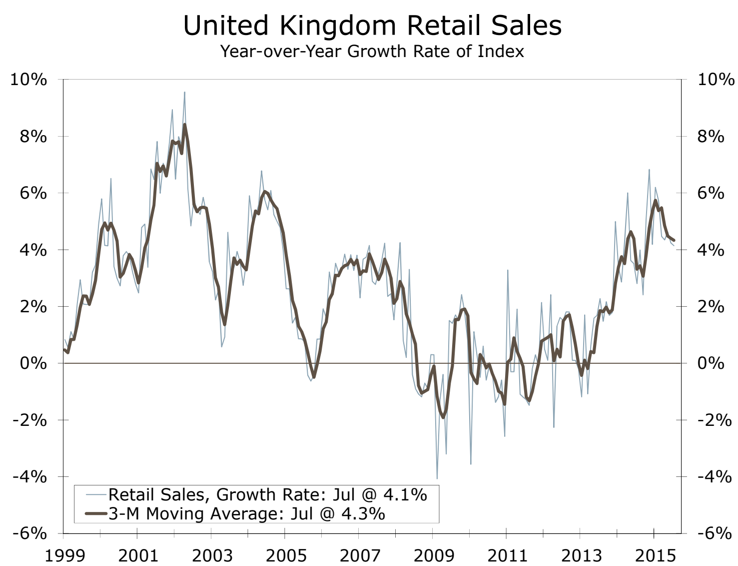
The Chinese economy has garnered the world's attention over the past few months due to the stock market swoon that started in June and the devaluation of the Chinese yuan in August. Any signs of slower-than-expected economic growth would likely raise concerns about further slowing in the world's second-largest economy. In that regard, analysts will be closely watching the industrial production data for August that are slated for release early in the week for insights into the current state of the Chinese economy. August data on retail spending and fixed-asset investment are also on the docket.

The downturn in house prices that began about a year ago raised investor concern that a property bubble was blowing up in China. However, prices seem to have stabilized this summer. Data on house prices in August will be released next week.

**Previous: 6.0%**

**Consensus: 6.5% (Year-over-Year)**




## U.K. Retail Sales • Thursday

Growth in real retail spending in the United Kingdom has slowed a bit over the past few months, but it generally remained strong with growth in excess of 4 percent on a year-ago basis. Data on retail spending in August that are on the docket on Thursday will shed some light on the resiliency of the British consumer sector.

Earlier in the week, data on CPI inflation in August will print. The overall rate of CPI inflation is more or less flat at present, although the core rate is a bit higher at 1.2 percent. Either way, inflation is well below the Bank of England's target rate of 2 percent, making a rate hike in the near term unlikely. However, wages have accelerated this year, and investors will be watching the employment report that is on the docket on Wednesday to ascertain whether the labor market has tightened further.

**Previous: 0.4%**

**Consensus: 0.1% (Month-over-Month)**

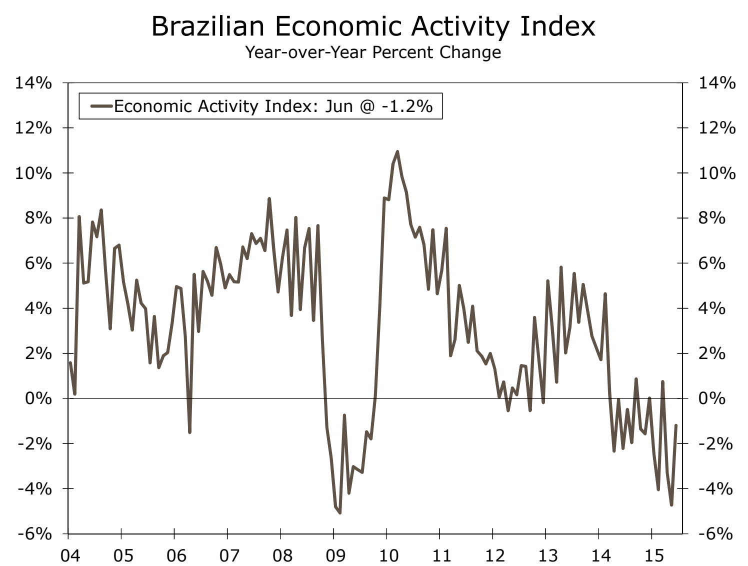
## Brazil Economic Activity Index • Friday

If recession is defined as two consecutive quarters of negative growth in real GDP, then the Brazilian economy fell into recession in the first quarter of this year. Indeed, real GDP in Brazil was down 2.6 percent on a year-ago basis in Q2-2015. Year-over-year changes in the monthly economic activity index have a high degree of correlation with year-over-year growth in real GDP, so analysts will be watching the economic activity index in July, which is on the docket on Thursday, to see just how weak the Brazilian economy was at the beginning of the current quarter.

The GDP data revealed that real personal consumption expenditures fell 2.7 percent on a year-ago basis in the second quarter. The retail sales data for July, which will be released on Wednesday, will show whether this weakness in consumer spending in Brazil has carried over into the current quarter. If it has, then the Brazilian economy likely remains mired in recession.

**Previous: -1.2% (Year-over-Year)**

**Consensus: -4.0%**




**Source: IHS Global Insight and Wells Fargo Securities, LLC**

## Interest Rate Watch

### September: As Good as It Gets?

The FOMC has been slowly setting the stage for a liftoff in the federal funds rate this year. In March, the committee removed its explicit promise to be "patient," as it did the meeting prior to lifting rates in 2004, while in July the FOMC noted it only needed to see "some" further improvement in the labor market.

September has never been a sure bet for liftoff, but recent volatility in financial markets, increased concerns about slowing growth overseas, and renewed pressure on commodity prices have only added to the complexity of the Fed's decision.

While international events have been dominating headlines, the domestic economy has been quietly strengthening. GDP growth in the first half of the year was revised higher and the service sector is expanding at the fastest clip in a decade.

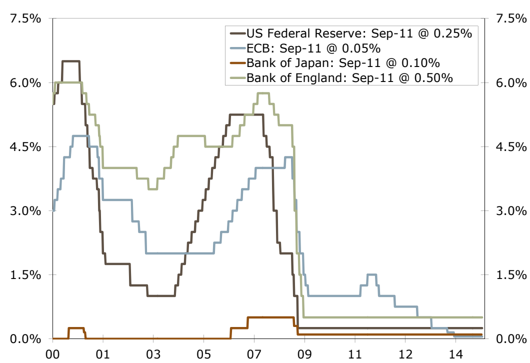
In our view, the labor market has clearly seen "some" further improvement. The unemployment rate is now within the FOMC's estimates of full employment. Although job growth slowed last month, hiring in prior months was revised up. In addition, the first print for August payrolls has frequently underestimated actual hiring, as noted by the FOMC in the meeting minutes from last September.

Whether the outlook for inflation is sufficient to give the FOMC confidence to begin lifting rates is a bigger question, but as we discuss on the next page in Topic of the Week, recent inflation developments do not necessarily alter the Fed's medium-term outlook for inflation.

### One and Done (for 2015 at Least)

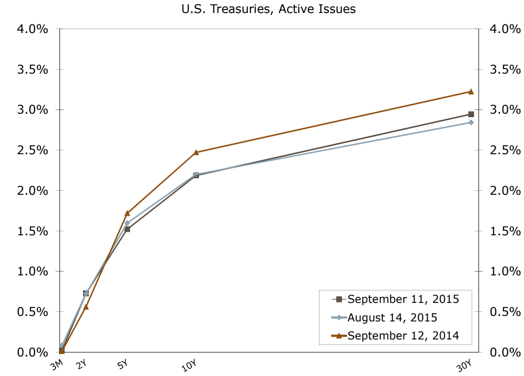
Although it is a close call, we still look for the FOMC to announce an increase in the fed funds rate next week. We expect a rate rise would be tempered, however, with a more dovish path for future rate hikes. The "dot plot" could show that most members expect the fed funds target rate to remain at 25 bps-50 bps through the end of the year. Such a move would drive home the notion that the FOMC intends to move more gradually than in prior tightening cycles, but also make clear its focus is on the cumulative progress of the U.S. economy.

Central Bank Policy Rates



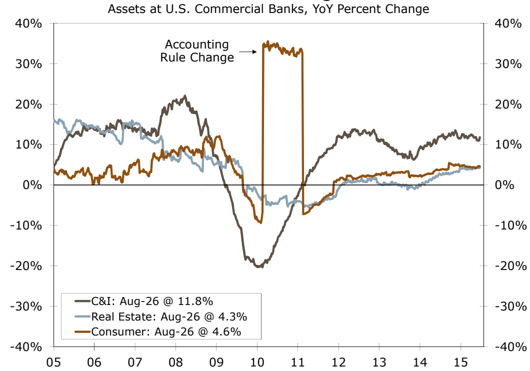

Yield Curve

U.S. Treasuries, Active Issues




Bank Lending

Assets at U.S. Commercial Banks, YoY Percent Change




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

## Credit Market Insights

### Consumer Credit Supports Spending

Consumer credit increased by $19.1 billion in July. Including upward revisions to the previous months, consumer credit is up 6.8 percent year over year. Importantly, revolving credit, which is largely consists of credit card debt, is up 3.9 percent year over year, near its cycle high. Nonrevolving forms of credit have largely led the way during this expansion, and greater revolving credit growth is an encouraging sign for consumer spending. Reflecting this trend, personal consumption was up a strong 3.1 percent year over year in Q2. Revolving credit remains 10.4 percent below its prerecession peak, however, highlighting the steep fall during the recession and subsequent gradual recovery.

Nonrevolving credit, which is largely made up of student debt and auto loans, should also post healthy growth in the months ahead. Auto sales have maintained their strong momentum, and auto loans were up 8.3 percent in Q2. Student debt continues to grow at a healthy clip, which should also contribute to higher levels of total consumer credit.

We expect the gap between growth rates of nonrevolving credit and revolving credit to narrow. In addition, we expect consumer credit to continue to increase, as a stronger economy and an improved household financial situation offset any drags realized from higher interest rates and volatility in financial markets.

**Credit Market Data**

| Mortgage Rates | Current | Week Ago | 4 Weeks Ago | Year Ago |
|---|---|---|---|---|
| 30-Yr Fixed | 3.90% | 3.89% | 3.93% | 4.12% |
| 15-Yr Fixed | 3.10% | 3.09% | 3.15% | 3.26% |
| 5/1 ARM | 2.91% | 2.93% | 2.94% | 2.99% |
| 1-Yr ARM | 2.63% | 2.62% | 2.62% | 2.45% |
| **Bank Lending** | **Current Assets (Billions)** | **1-Week Change (SAAR)** | **4-Week Change (SAAR)** | **Year-Ago Change** |
| Commercial & Industrial | $1,921.9 | 40.39% | 22.53% | 11.78% |
| Revolving Home Equity | $443.3 | -0.66% | -7.80% | -3.99% |
| Residential Mortgages | $1,616.6 | -19.20% | -0.80% | 1.97% |
| Commerical Real Estate | $1,717.8 | 15.99% | 10.68% | 9.06% |
| Consumer | $1,238.1 | 2.19% | 5.70% | 4.58% |

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

## Topic of the Week

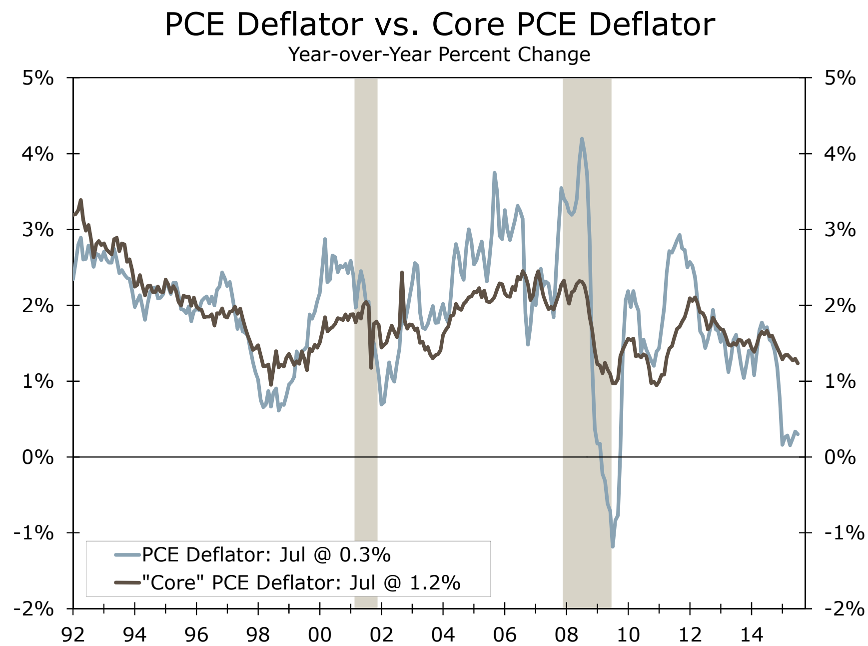
### Inflation and the FOMC: Slack Still Matters

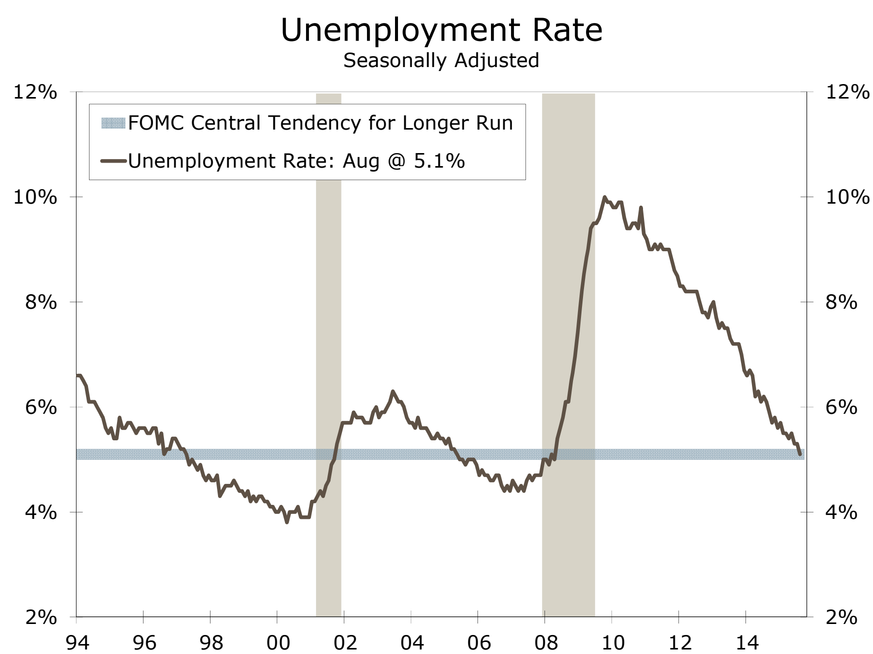
Heading into the September FOMC meeting, inflation continues to run well below the Fed's 2 percent target. Minutes from the July FOMC meeting showed "almost all" members needed to see further evidence before they were confident inflation would return to target over the medium term, typically defined as two to three years.

If not quite confident as of July, will FOMC members be ready in September? Near-term inflation prospects have only diminished since the Fed's previous meeting. Oil prices have fallen another 6 percent and the dollar has appreciated an additional 2.1 percent. Global economic conditions also appear more tenuous, leading to erosion in market-based measures of inflation compensation.

In a recent speech, Fed Vice Chair Stanley Fischer did not appear terribly concerned with the latest inflation downdrafts from lower commodity prices and the stronger dollar, as oil prices cannot fall indefinitely and the effects of the stronger dollar on inflation are "likely already starting to fade." However, all else equal, the recent moves in the dollar and commodity prices would lengthen the journey back to 2 percent inflation.

Therefore greater confidence that inflation will return to 2 percent over the medium term likely hinges on a continued reduction in resource slack. Despite the weaker ties between slack and inflation since the financial crisis, most Fed officials still believe slack remains an important determinant of inflation. In the July FOMC minutes, "Many participants indicated that their outlook for sustained economic growth and further improvement in labor markets was key in supporting their expectations that inflation would move up." Although recent moves in the dollar and commodity prices will keep near-term inflation tepid, the labor market continues to make strides. The 209,000 average gain in payrolls the past two months and decline in the unempl0yment rate to 5.1 percent—consistent with the Fed's estimate for full employment—may be enough to qualify as "some" improvement as well as make Fed officials more confident in the path of inflation.




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

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## Market Data ♦ Mid-Day Friday

**U.S. Interest Rates**

| | Friday 9/11/2015 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| 3-Month T-Bill | 0.02 | 0.03 | 0.01 |
| 3-Month LIBOR | 0.33 | 0.33 | 0.23 |
| 1-Year Treasury | 0.46 | 0.43 | 0.16 |
| 2-Year Treasury | 0.72 | 0.71 | 0.56 |
| 5-Year Treasury | 1.52 | 1.47 | 1.79 |
| 10-Year Treasury | 2.19 | 2.12 | 2.55 |
| 30-Year Treasury | 2.94 | 2.88 | 3.28 |
| Bond Buyer Index | 3.82 | 3.82 | 4.14 |

**Foreign Exchange Rates**

| | Friday 9/11/2015 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| Euro ($/€) | 1.128 | 1.115 | 1.293 |
| British Pound ($/£) | 1.543 | 1.517 | 1.626 |
| British Pound (£/€) | 0.731 | 0.735 | 0.795 |
| Japanese Yen (¥/$) | 120.750 | 118.990 | 107.110 |
| Canadian Dollar (C$/$) | 1.326 | 1.328 | 1.104 |
| Swiss Franc (CHF/$) | 0.977 | 0.971 | 0.936 |
| Australian Dollar (US$/A$) | 0.706 | 0.691 | 0.910 |
| Mexican Peso (MXN/$) | 16.770 | 16.940 | 13.232 |
| Chinese Yuan (CNY/$) | 6.375 | 6.356 | 6.130 |
| Indian Rupee (INR/$) | 66.541 | 66.465 | 60.931 |
| Brazilian Real (BRL/$) | 3.853 | 3.843 | 2.298 |
| U.S. Dollar Index | 95.454 | 96.229 | 84.298 |

**Foreign Interest Rates**

| | Friday 9/11/2015 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| 3-Month Euro LIBOR | -0.04 | -0.03 | 0.05 |
| 3-Month Sterling LIBOR | 0.59 | 0.58 | 0.56 |
| 3-Month Canada Banker's Acceptance | 0.75 | 0.75 | 1.27 |
| 3-Month Yen LIBOR | 0.09 | 0.09 | 0.12 |
| 2-Year German | -0.23 | -0.23 | -0.08 |
| 2-Year U.K. | 0.61 | 0.61 | 0.81 |
| 2-Year Canadian | 0.46 | 0.44 | 1.15 |
| 2-Year Japanese | 0.02 | 0.02 | 0.08 |
| 10-Year German | 0.67 | 0.67 | 1.04 |
| 10-Year U.K. | 1.85 | 1.83 | 2.50 |
| 10-Year Canadian | 1.49 | 1.44 | 2.20 |
| 10-Year Japanese | 0.35 | 0.36 | 0.57 |

**Commodity Prices**

| | Friday 9/11/2015 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| WTI Crude ($/Barrel) | 44.94 | 46.75 | 92.83 |
| Gold ($/Ounce) | 1099.91 | 1123.45 | 1240.93 |
| Hot-Rolled Steel ($/S.Ton) | 449.50 | 457.00 | 657.00 |
| Copper (¢/Pound) | 244.50 | 239.00 | 308.70 |
| Soybeans ($/Bushel) | 8.72 | 8.67 | 10.64 |
| Natural Gas ($/MMBTU) | 2.70 | 2.73 | 3.82 |
| Nickel ($/Metric Ton) | 10,420 | 9,976 | 18,647 |
| CRB Spot Inds. | 444.71 | 444.43 | 527.98 |

Source: Bloomberg LP and Wells Fargo Securities, LLC

## Next Week's Economic Calendar

| | Monday 14 | Tuesday 15 | Wednesday 16 | Thursday 17 | Friday 18 |
|---|---|---|---|---|---|
| U.S. Data | | **Retail Sales (MoM)**<br>July 0.6%<br>August 0.3% (W)<br>**Industrial Production (MoM)**<br>July 0.6%<br>August -0.3% (W) | **CPI (MoM)**<br>July 0.1%<br>August -0.1% (W)<br>**TIC**<br>June -$110.3B | **Housing Starts**<br>July 1206K<br>August 1176K (W)<br>**FOMC Rate Decision**<br>August 0.25%<br>September 0.50% (W) | **LEI**<br>July -0.2%<br>August 0.1% (W) |
| Global Data | **China**<br>**Industrial Production (YoY)**<br>Previous (July) 6.0% | | | **United Kingdom**<br>**Retail Sales (MoM)**<br>Previous (July) 0.4%<br>**Russia**<br>**Unemployment Rate**<br>Previous (July) 5.3% | **Brazil**<br>**Economic Activity Index (YoY)**<br>Previous (June) -1.2%<br>**Argentina**<br>**GDP (YoY)**<br>Previous (Q1) 1.1% |

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

**Source: Bloomberg LP and Wells Fargo Securities, LLC**

# Wells Fargo Securities, LLC Economics Group



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