



Economics Group

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Broad-Based Increase in August Leading Economic Index

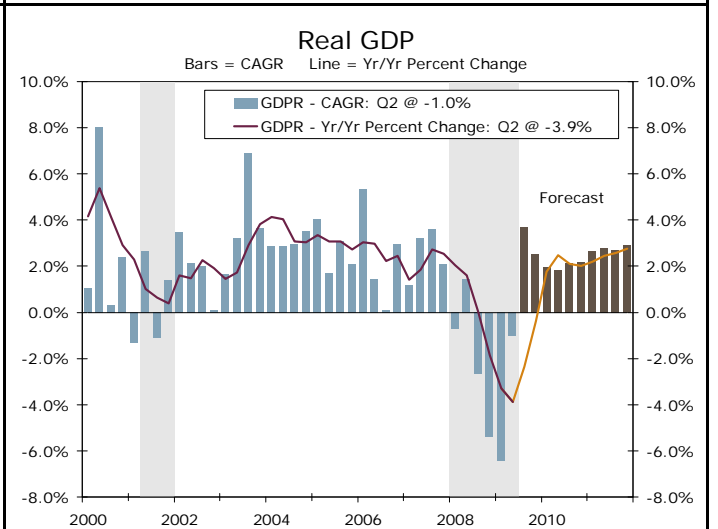
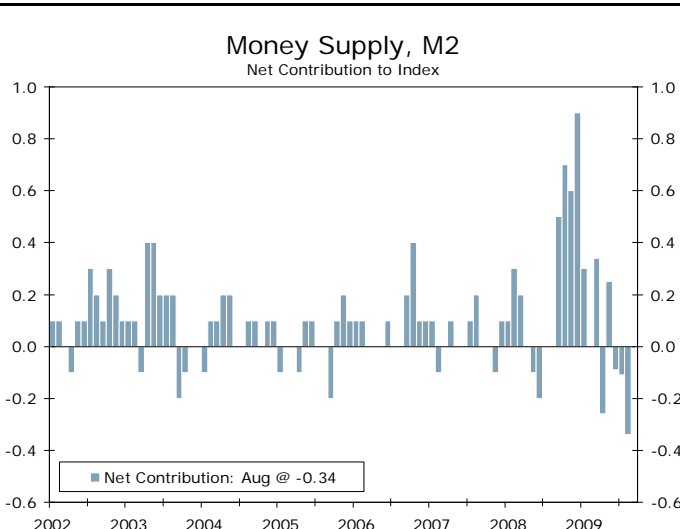
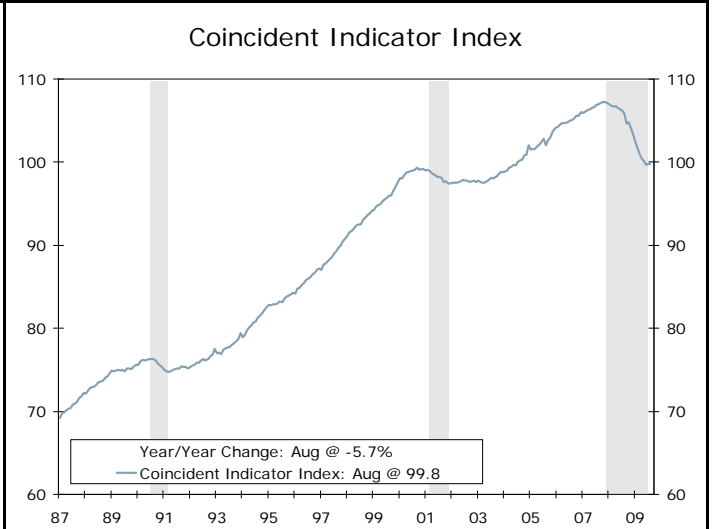
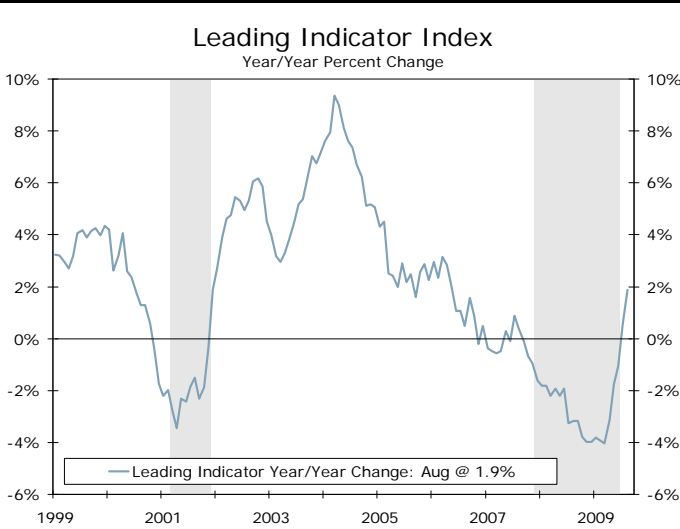
Receiving positive contributions from five of the ten components, the Leading Economic Index (LEI) rose for the fifth consecutive month in August. Today's report is consistent with the recession's end.

LEI Rose in August

- The LEI, which is designed to measure aggregate economic activity three to six months in the future, rose 0.6 percent in August, bringing the year-over-year rate to 1.9 percent. Since the cycle low in March, the LEI has risen 4.7 percent.
- Significant contributions to the headline index came from supplier deliveries, the yield curve and stock prices. A negative contribution was seen in the money supply.

Coincident Indicator Improved

- After posting declines in 17 out of the past 21 months, the coincident index, which is designed to measure current turns in the economy, remained flat. However, July was revised positive.
- For six out of the past seven recessions, the coincident index has bottomed the same month as the U.S. economy. The recent improvement is further evidence that the recession may have ended at the close of the second quarter.



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

Wells Fargo Securities, LLC Economics Group

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