



# Economics Group

Tim Quinlan, Economic Analyst  
[tim.quinlan@wachovia.com](mailto:tim.quinlan@wachovia.com) • (704) 374-4407

## Leading Index Signals Recovery...Again. Should you Believe it?

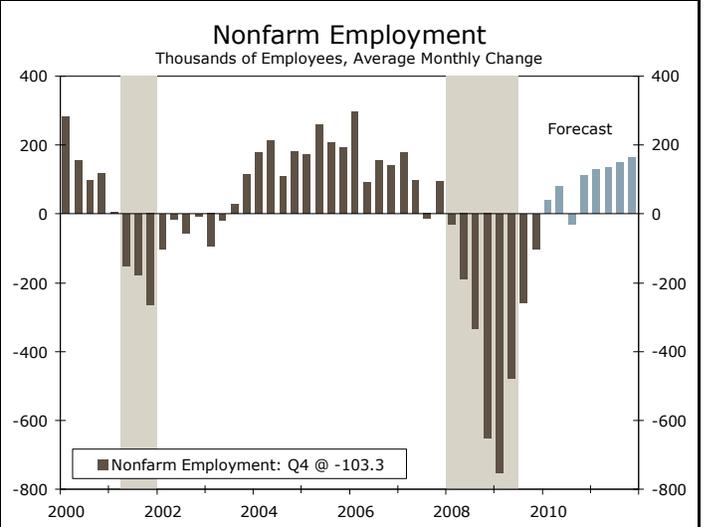
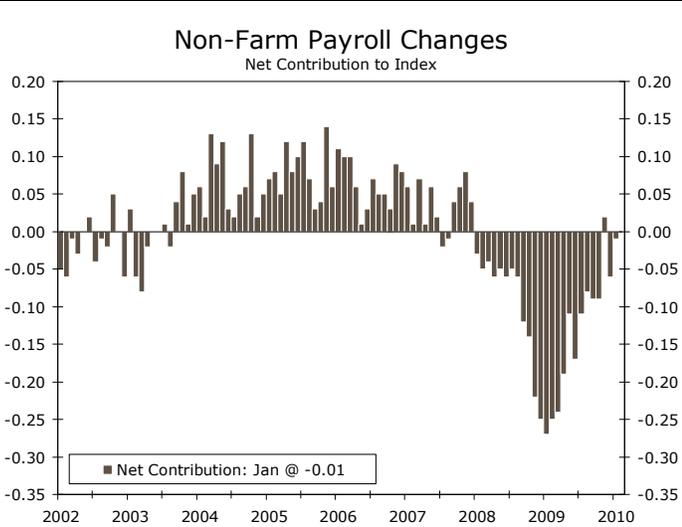
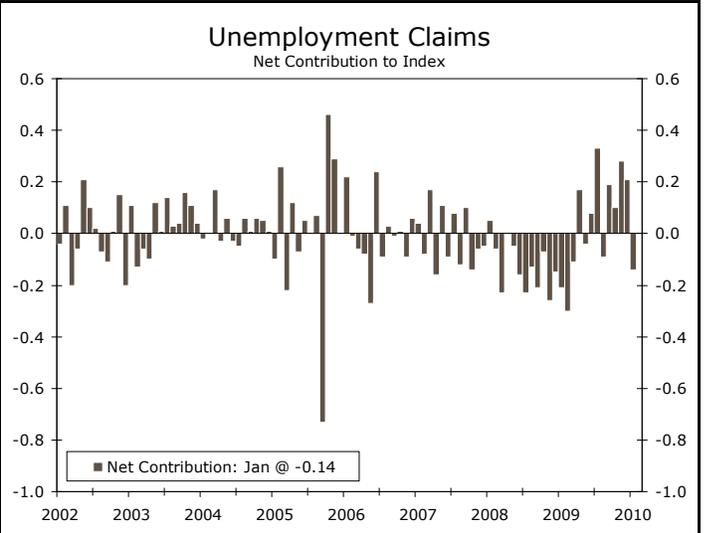
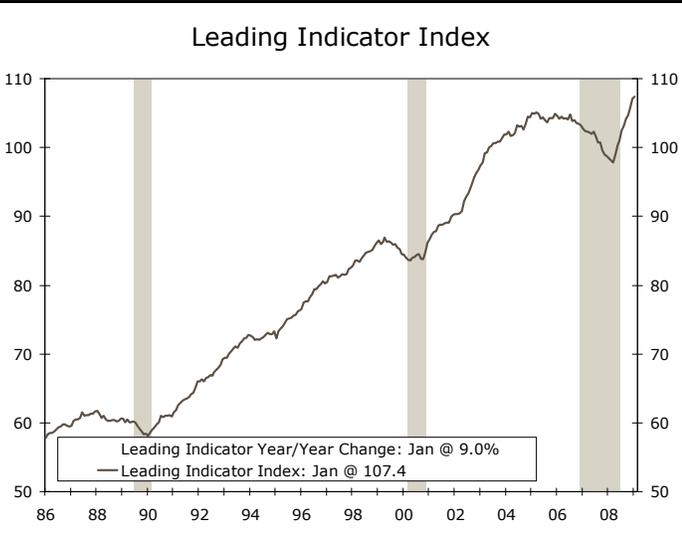
*January marked the tenth straight month that the Leading Economic Index has signaled coming economic growth. The Coincident Index has been positive since July 2009. Is the Recession over? Ask a job-seeker.*

### If The Recession is Over, Where are the Jobs?

- After 10 months of steady increases in the Leading Economic Index, recovery is indeed underway. By our estimate, the recession ended in June, 2008, which is also the month that the Coincident Index turned positive.
- Other forward-looking economic indicators like the ISM and ISM non-manufacturing indexes also signal recovery. But the job market has yet to join the party.

### Job Woes Cast a Shadow on Past, Present and Future

- Initial claims weighed on the Leading Index; non-farm payrolls held back the Coincident Index; and the average duration of unemployment was a burden on the Lagging Index.
- We do believe that the recovery will extend to the job market, and we look for gradual payroll growth to return in coming months. But after losing 8.4 million jobs in the recession, it will be several years before we return to full employment.



Source: Conference Board and Wells Fargo Securities, LLC

## Wells Fargo Securities, LLC Economics Group

Diane Schumaker-Krieg	Global Head of Research & Economics	(704) 715-8437 (212) 214-5070	diane.schumaker@wachovia.com
John E. Silvia, Ph.D.	Chief Economist	(704) 374-7034	john.silvia@wachovia.com
Mark Vitner	Senior Economist	(704) 383-5635	mark.vitner@wachovia.com
Jay Bryson, Ph.D.	Global Economist	(704) 383-3518	jay.bryson@wachovia.com
Scott Anderson, Ph.D.	Senior Economist	(612) 667-9281	scott.a.anderson@wellsfargo.com
Eugenio Aleman, Ph.D.	Senior Economist	(612) 667-0168	eugenio.j.aleman@wellsfargo.com
Sam Bullard	Economist	(704) 383-7372	sam.bullard@wachovia.com
Anika Khan	Economist	(704) 715-0575	anika.khan@wachovia.com
Azhar Iqbal	Econometrician	(704) 383-6805	azhar.iqbal@wachovia.com
Adam G. York	Economist	(704) 715-9660	adam.york@wachovia.com
Ed Kashmarek	Economist	(612) 667-0479	ed.kashmarek@wellsfargo.com
Tim Quinlan	Economic Analyst	(704) 374-4407	tim.quinlan@wachovia.com
Kim Whelan	Economic Analyst	(704) 715-8457	kim.whelan@wachovia.com
Yasmine Kamaruddin	Economic Analyst	(704) 374-2992	yasmine.kamaruddin@wachovia.com

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