



# Economics Group

**Tim Quinlan, Economist**  
[tim.quinlan@wellsfargo.com](mailto:tim.quinlan@wellsfargo.com) • (704) 410-3283

## Leading Index Higher in July

*The Leading Economic Index (LEI) increased 0.6 percent in July, with broad-based contributions from its underlying components, suggesting sustained growth for the economy. Only two components were negative.*

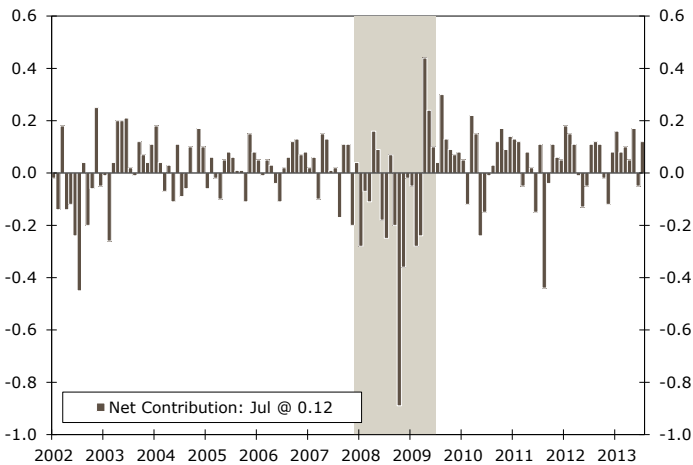
### Stock Market Volatility

- Stock prices were the third largest positive contributor to the index in July after having been a drag in June. Barring a surge in equities in the six remaining trading days in August, it looks as though this component will be negative again in next month's report, a testament to the volatility of equity markets this summer. Improvement in the stock market has been a key support for the wealth effect during this cycle.

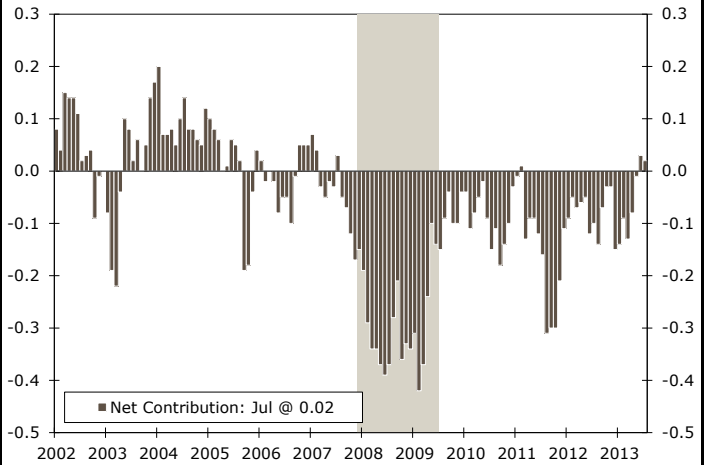
### Fickle Consumer Confidence

- Improvement in equities, combined with falling jobless claims and improvement in nonfarm payrolls, all buoyed the LEI in July. Consumer confidence was also positive in July, which is to a large extent, a reflection of the improvement in the jobs situation and the stock market.
- Only the average workweek for production workers and core capital goods orders were negative. We expect both to improve.

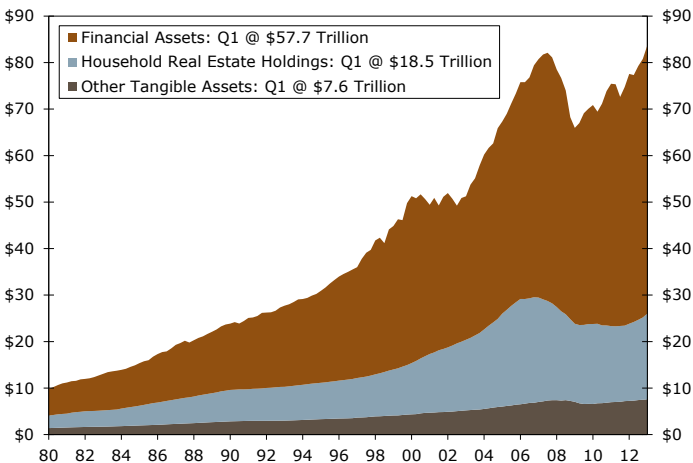
**Stock Prices**  
Net Contribution to Index



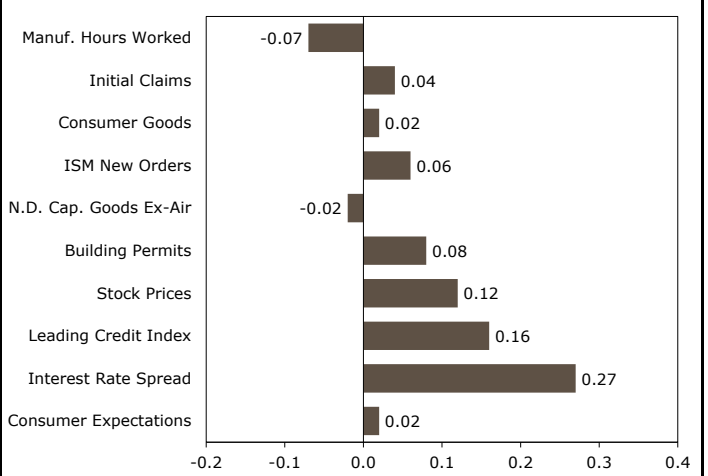
**Consumer Confidence**  
Net Contribution to Index



**Household Assets**  
Trillions of Dollars



**Net Contribution to Leading Economic Index**  
July 2013



## Wells Fargo Securities, LLC Economics Group

|                       |   |                                  |                                     |
|-----------------------|---|----------------------------------|-------------------------------------|
| Diane Schumaker-Krieg | Global Head of Research, Economics & Strategy | (704) 410-1801<br>(212) 214-5070 | diane.schumaker@wellsfargo.com      |
| John E. Silvia, Ph.D. | Chief Economist                               | (704) 410-3275                   | john.silvia@wellsfargo.com          |
| Mark Vitner           | Senior Economist                              | (704) 410-3277                   | mark.vitner@wellsfargo.com          |
| Jay Bryson, Ph.D.     | Global Economist                              | (704) 410-3274                   | jay.bryson@wellsfargo.com           |
| Sam Bullard           | Senior Economist                              | (704) 410-3280                   | sam.bullard@wellsfargo.com          |
| Nick Bennenbroek      | Currency Strategist                           | (212) 214-5636                   | nicholas.bennenbroek@wellsfargo.com |
| Eugenio Aleman, Ph.D. | Senior Economist                              | (704) 410-3273                   | eugenio.j.aleman@wellsfargo.com     |
| Anika Khan            | Senior Economist                              | (704) 410-3271                   | anika.khan@wellsfargo.com           |
| Azhar Iqbal           | Econometrician                                | (704) 410-3270                   | azhar.iqbal@wellsfargo.com          |
| Tim Quinlan           | Economist                                     | (704) 410-3283                   | tim.quinlan@wellsfargo.com          |
| Michael A. Brown      | Economist                                     | (704) 410-3278                   | michael.a.brown@wellsfargo.com      |
| Sarah Watt            | Economist                                     | (704) 410-3282                   | sarah.watt@wellsfargo.com           |
| Michael T. Wolf       | Economist                                     | (704) 410-3286                   | michael.t.wolf@wellsfargo.com       |
| Sara Silverman        | Economic Analyst                              | (704) 410-3281                   | sara.silverman@wellsfargo.com       |
| Zachary Griffiths     | Economic Analyst                              | (704) 410-3284                   | zachary.griffiths@wellsfargo.com    |
| Peg Gavin             | Executive Assistant                           | (704) 410-3279                   | peg.gavin@wellsfargo.com            |
| Cyndi Burris          | Administrative Assistant                      | (704) 410-3272                   | cyndi.burris@wellsfargo.com         |

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