

# Economics Group

## Weekly Economic & Financial Commentary

### U.S. Review

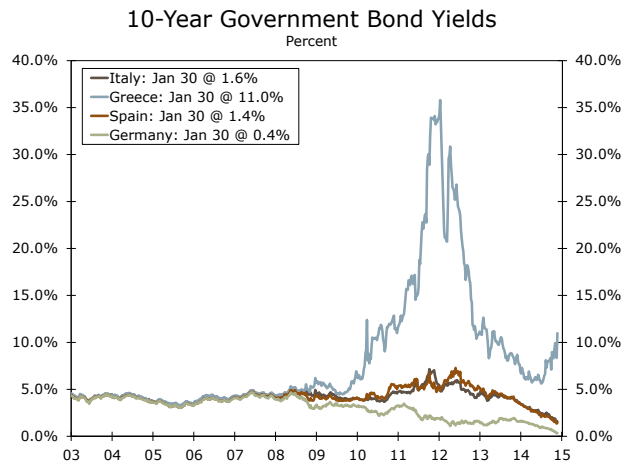
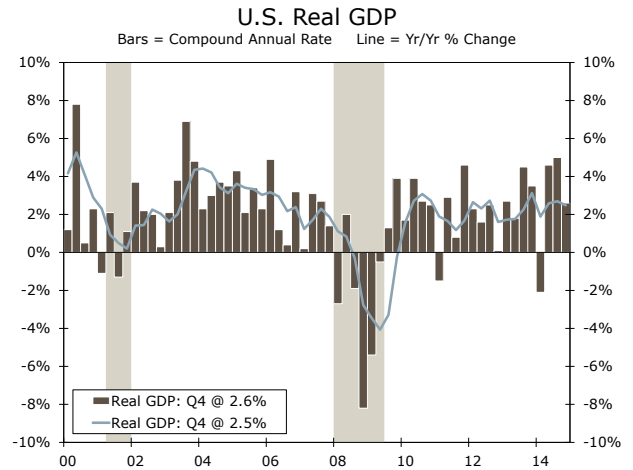
#### Mixed Signals on the Domestic Front

- The U.S. economy grew at a 2.6 percent annualized pace in the final quarter of 2014. The outturn was weaker than expectations. Equipment spending fell at a 1.9 percent annualized pace as businesses put cap-ex plans on hold, in part, amid the steep drop in oil prices.
- The fourth decline in five months for durable goods orders this week offers no reason to expect investment spending to pick up meaningfully any time soon.
- On the upside, housing and consumer confidence figures reported this week highlight bright spots for future growth.

### Global Review

#### Will Greece Leave the Eurozone?

- The rise to power of the far-left Syriza party in Greece has raised the specter of Greek default and exit from the Eurozone. It will be a game of brinkmanship between the Greek government and its creditors, which are mostly other European governments and the IMF, in the coming weeks and months.
- If Greece were to leave the Eurozone, the probability of an extreme market dislocation in Europe is lower today, than it was three years ago. There are now institutions in place to help prevent contagion spilling over to other countries.



Wells Fargo U.S. Economic Forecast													
	Actual				Forecast				Actual		Forecast		
	2014				2015				2012	2013	2014	2015	2016
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Real Gross Domestic Product <sup>1</sup>	-2.1	4.6	5.0	3.2	2.7	2.6	2.8	2.9	2.3	2.2	2.5	3.2	2.9
Personal Consumption	1.2	2.5	3.2	4.1	3.0	2.7	2.7	2.6	1.8	2.4	2.5	3.1	2.6
Inflation Indicators <sup>2</sup>													
PCE Deflator	1.1	1.6	1.5	1.1	0.8	0.7	0.9	1.4	1.8	1.2	1.3	1.0	2.0
Consumer Price Index	1.4	2.1	1.8	1.2	0.7	0.4	0.7	1.6	2.1	1.5	1.6	0.9	2.4
Industrial Production <sup>1</sup>	3.9	5.7	4.1	5.6	4.7	4.9	3.5	3.1	3.8	2.9	4.3	4.6	3.6
Corporate Profits Before Taxes <sup>2</sup>	-4.8	0.1	1.4	1.5	3.7	3.6	4.1	4.6	11.4	4.2	-0.4	4.0	5.2
Trade Weighted Dollar Index <sup>3</sup>	76.9	75.9	81.3	85.1	86.8	88.0	89.3	90.5	73.5	75.9	78.5	88.6	92.9
Unemployment Rate	6.6	6.2	6.1	5.7	5.5	5.4	5.3	5.2	8.1	7.4	6.2	5.4	5.0
Housing Starts <sup>4</sup>	0.93	0.99	1.03	1.07	1.06	1.13	1.21	1.24	0.78	0.92	1.01	1.17	1.28
Quarter-End Interest Rates <sup>5</sup>													
Federal Funds Target Rate	0.25	0.25	0.25	0.25	0.25	0.50	0.75	1.00	0.25	0.25	0.25	0.63	2.00
Conventional Mortgage Rate	4.34	4.16	4.16	3.86	3.60	3.72	3.87	3.89	3.66	3.98	4.17	3.77	4.56
10 Year Note	2.73	2.53	2.52	2.17	1.99	2.21	2.29	2.30	1.80	2.35	2.54	2.20	2.82

Forecast as of: January 23, 2015  
<sup>1</sup> Compound Annual Growth Rate Quarter-over-Quarter  
<sup>2</sup> Year-over-Year Percentage Change  
<sup>3</sup> Federal Reserve Major Currency Index, 1973=100 - Quarter End  
<sup>4</sup> Millions of Units  
<sup>5</sup> 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	2
U.S. Outlook	3
Global Review	4
Global Outlook	5
Point of View	6
Topic of the Week	7
Market Data	8

Together we'll go far



## U.S. Review

### Warning Sign from Durables, but Housing Looking Up

Developments over the past several months have provided a mixed picture for the current state of capital spending for the U.S. economy. During the fourth quarter, we saw the ISM rise to an initially-reported 59.0 in October, and its new orders component rise as high as 66.0 in November. (The annual seasonal adjustment revision which occurred on Thursday brought those figures down slightly.) In addition, the Business Outlook Survey from the Philadelphia Federal Reserve hit a 25-year high of 40.2 in November. Even though some of these surveys came down from their lofty highs, they are still in expansion territory.

In a Dec. 3 paper, *“Equipment Spending Prospects Fall With Oil Prices,”* we argued that the hit to equipment spending from the oil shock would happen in the fourth quarter and early Q1. However, what we are seeing now is weakness in core spending as well. The durable goods report this week showed broad-based weakness across most sectors. Core capital goods orders fell for the fourth straight month and are down 11.4 percent on a three-month annualized basis through December.

Inasmuch as the retrenching in equipment spending is a reaction to the oil shock, cutbacks are unlikely to be ongoing. However, the fourth decline in five months for durable goods and the fourth straight drop in core capital goods is an unambiguously negative signal for business spending.

We learned this week that new home sales rose to the fastest annualized pace since 2008. December is generally one of the slower months of the year for new home sales and therefore tends to be favored by seasonal adjustment. Having said that, there are other signs of improvement in the nation’s new home market. Single-family housing starts increased 7.9 percent in 2014 and overall starts are above the 1 million mark. Meanwhile, a key proxy for builder sentiment, the NAHB index, is at 57, and remains near the current cycle high of 59.

### Gas Money

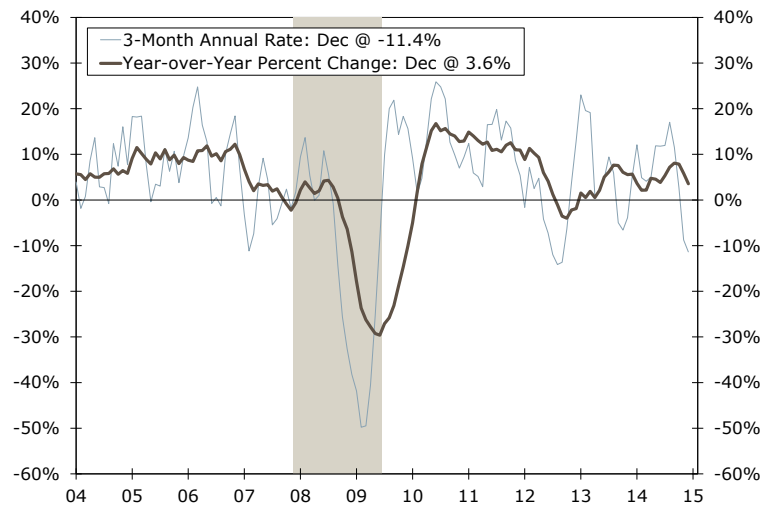
The stock market has been volatile but remains within a few percentage points of all-time highs. The unemployment rate has continued its steady march lower as well. Both of these trends have been more or less in place for the past couple of years and have underpinned confidence. However, the recent surge in the Conference Board’s consumer confidence index to levels not seen in seven years has to do with the fact that consumers have more money left over after paying for gas. In many parts of the country, gasoline prices have fallen below \$2/gallon.

### FOMC Does Not Blink

Given the run-up in the value of the trade-weighted dollar, the continued decline in oil prices and significant moves from foreign central banks in recent weeks, there was some hope that the language of the FOMC statement might signal either a renewed commitment to mid-year tightening or a move to a more dovish stance. Instead, the Fed gave up nothing. For a breakdown of the FOMC meeting, see this week’s Interest Rate Watch on page 6.

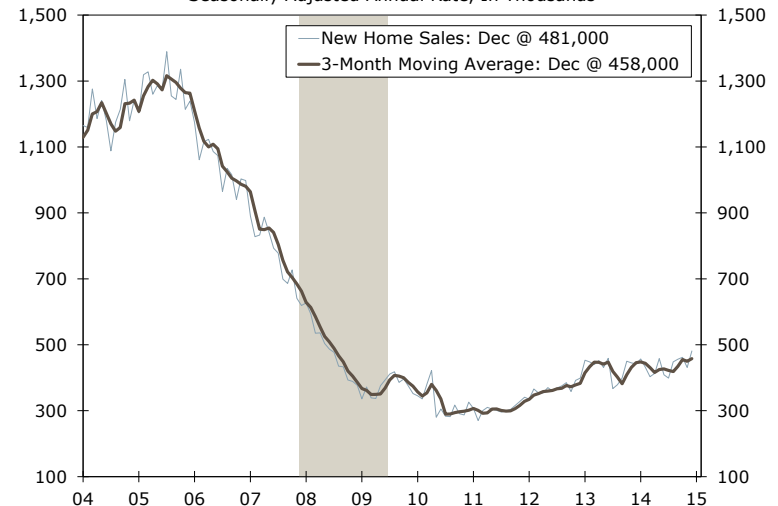
### Nondefense Capital Goods Orders, Ex-Aircraft

Series Are 3-Month Moving Averages



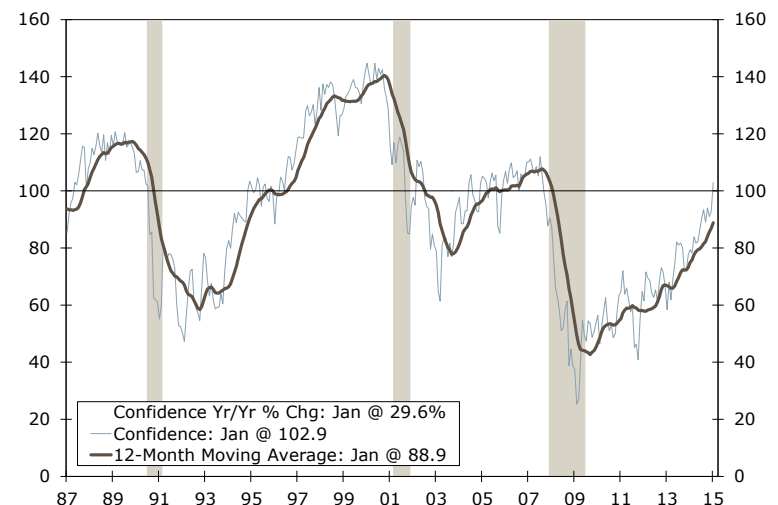
### New Home Sales

Seasonally Adjusted Annual Rate, In Thousands



### Consumer Confidence Index

Conference Board



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

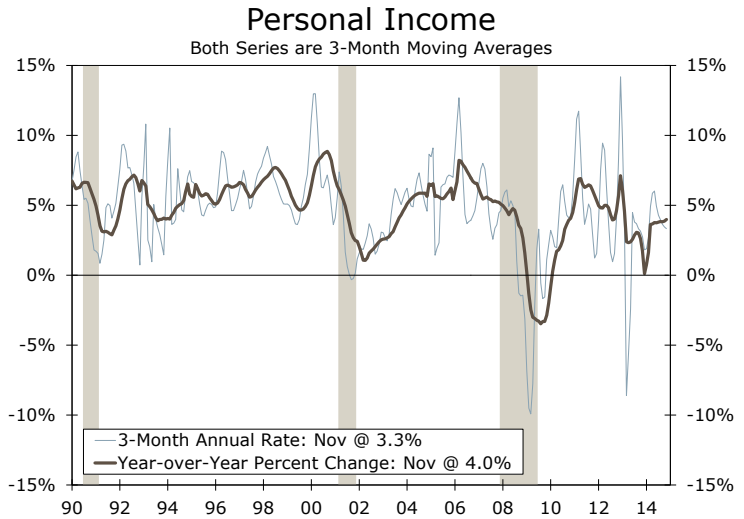
**Personal Income & Spending • Monday**

Personal income rose 0.4 percent in November, while personal spending jumped 0.6 percent for the month. Wage and salary growth rose 0.5 percent as the effects of stronger job growth helped to support the higher reading. Inflation, as measured by the PCE deflator, continued to march lower, declining 0.2 percent in November. One of the key factors keeping a lid on inflation and in turn helping to boost real income and spending was the slide in oil prices. Real disposable income was up 2.9 percent on a year-ago basis, while real spending rose 2.8 percent. We suspect personal income rose 0.2 percent in December, reflecting the continued pace of strong job growth. December's control group within retail sales showed that sales activity tapered off in December, and thus we expect to see a 0.1 percent decline in spending activity. Even with our expectations for a slower pace of spending in December, real consumer spending rose 4.3 percent in the fourth quarter.

**Previous: 0.4%**

**Wells Fargo: 0.2%**

**Consensus: 0.2% (Personal Income, Month-over-Month)**



**Trade Balance • Thursday**

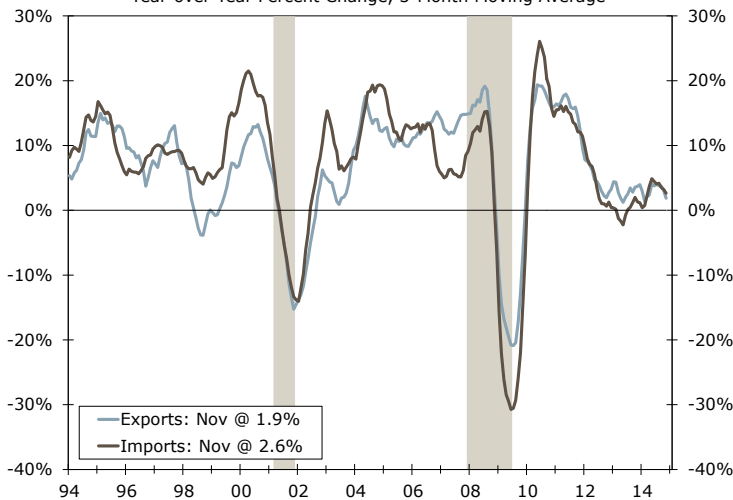
The trade deficit narrowed in November as the dramatic drop in oil prices helped to shrink the deficit. Imports fell 2.2 percent for the month with declines in several categories. The one exception to the drop in imports was for consumer goods, consistent with our view that, outside of the consumer sector, domestic demand may have softened a bit in the fourth quarter. Exports also fell for the month, but not as dramatically as the decline in imports. We suspect the trade deficit narrowed slightly again in December to \$37.9 billion. The continued slide in oil prices will likely be the key factor influencing the December reading. We expect trade to be a drag on economic growth throughout this year. The continued strength of the U.S. economy will continue to support import growth, while the much slower global growth environment will weigh on export growth. We expect trade to subtract 0.1 percent off of headline GDP for 2015.

**Previous: -\$39.0B**

**Wells Fargo: -\$37.9B**

**Consensus: -\$37.9B**

**U.S. Exports and Imports**  
Year-over-Year Percent Change, 3-Month Moving Average



**Employment • Friday**

December's nonfarm payroll report reflected ongoing solid job growth with 252,000 jobs added for the month. Job growth was broad-based across a number of industries. The unemployment rate fell to 5.6 percent, reflecting better hiring and a decline in the labor force participation rate. One of the more disappointing aspects of the report was the pullback in average hourly earnings, which fell 0.2 percent for the month. Looking ahead to the January jobs report, we suspect 240,000 jobs were added for the month, while the unemployment rate dropped to 5.5 percent. We expect job growth to continue, however we do not see the current pace of 250,000 plus jobs per month as sustainable. In the months ahead, we expect the monthly rate of job growth to decelerate slightly. However, we still expect the unemployment rate to fall to 5.2 percent by the end of the year.

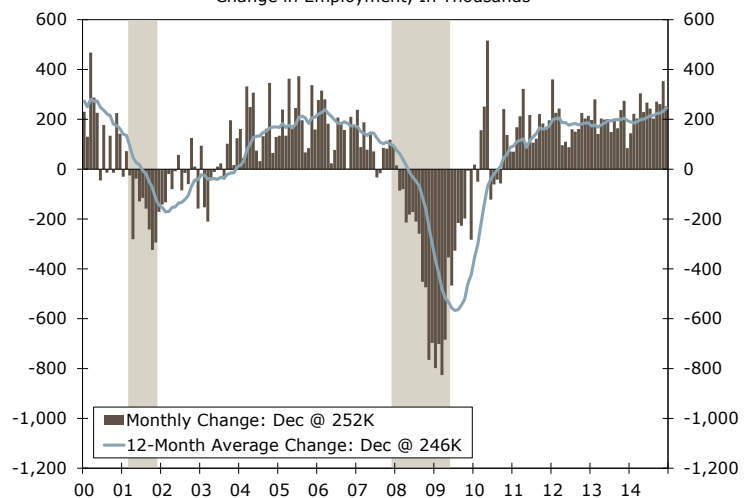
**Previous: 252,000**

**Wells Fargo: 240,000**

**Consensus: 235,000**

**Nonfarm Employment Change**

Change in Employment, In Thousands



Source: U.S. Dept. of Commerce, U.S. Dept. of Labor and Wells Fargo Securities, LLC

## Global Review

### Will Greece Leave the Eurozone?

Greek voters went to the polls on Sunday and delivered a resounding victory to the far-left Syriza party. Although Syriza came only two seats short of an absolute majority in the 300-seat Greek Parliament, it quickly formed a governing coalition with the far-right Independent Greeks party. What these two seemingly different political parties have in common is their antipathy toward the austerity that Greece has experienced for the past five years or so.

The top chart shows that Greece has indeed endured significant austerity over the past few years. The Greek government has moved its underlying primary fiscal balance, which adjusts for the effects of the economic cycle and which excludes interest payments on debt, from a deficit of 12 percent of GDP in 2009 to a surplus of nearly 8 percent today, a truly herculean effort.

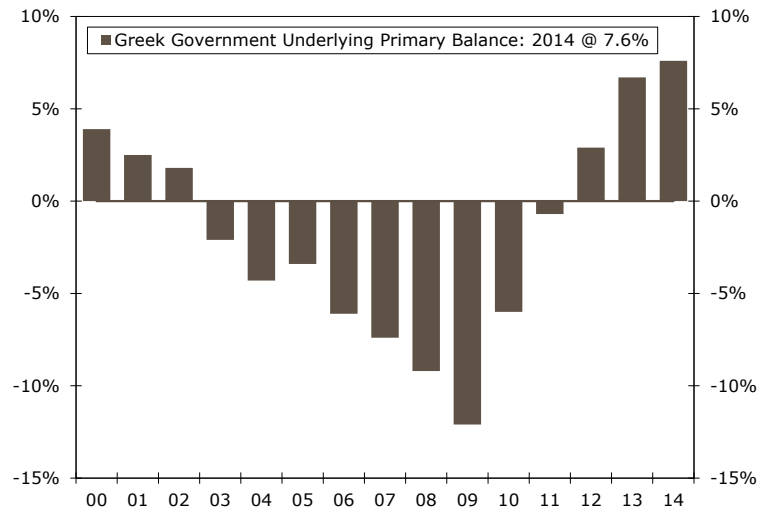
Yet, this extraordinary amount of fiscal tightening (i.e., tax increases and spending reductions) has also contributed to the collapse of the Greek economy. Although the economy is slowly starting to grow again, the level of real GDP in Greece is more than 25 percent below its pre-depression peak at present (middle chart). The overall rate of unemployment in the Hellenic Republic exceeds 25 percent (bottom chart), but the rate among young people is much higher.

So, what happens now? During the campaign, Alexis Tsipras, the leader of Syriza and newly-installed prime minister, backed off his earlier vow to repudiate Greek debt. He now wants to work with Greece's European partners to forgive or restructure some of the debt. Between now and July, the Hellenic Republic must come up with more than €14 billion for principal redemptions on its debt, which the cash-strapped government will struggle to do. Therefore, Greece and its creditors must agree to restructure or forgive some of the country's debt or the government will face default. In that event, Greece could leave the Eurozone.

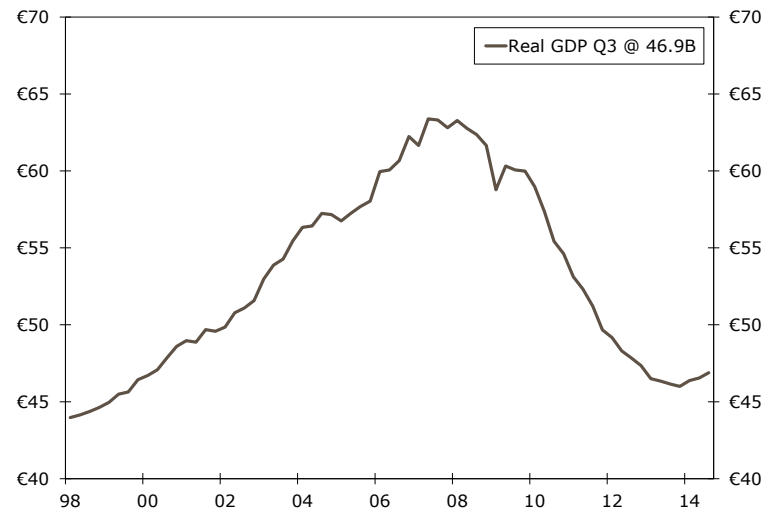
If Greek debt were to be restructured, it would be the second such occurrence in the past three years. The last time that Greek debt was restructured, private-sector investors bore the brunt of the haircuts. With the vast majority of Greek debt now being held by European institutions, other European governments and the IMF, those creditors would bare the present-value losses. Therefore, it will be a game of brinkmanship between the Greek government and its creditors in the coming weeks and months.

Would a Greek exit from the Eurozone cause contagion for other euro area countries? As shown on the front page, yields on Italian and Spanish government bonds have continued to move lower. If Greece were to leave the Eurozone, the probability of an extreme market dislocation in Europe is lower today, although it is not yet miniscule, than it was three years ago. The €500 billion European Stability Mechanism (ESM) could now be tapped to help countries in financial difficulties, and the ECB has already expressed its willingness to buy sovereign bonds via its quantitative easing program. We expect European policymakers to find a way to muddle through in the near term.

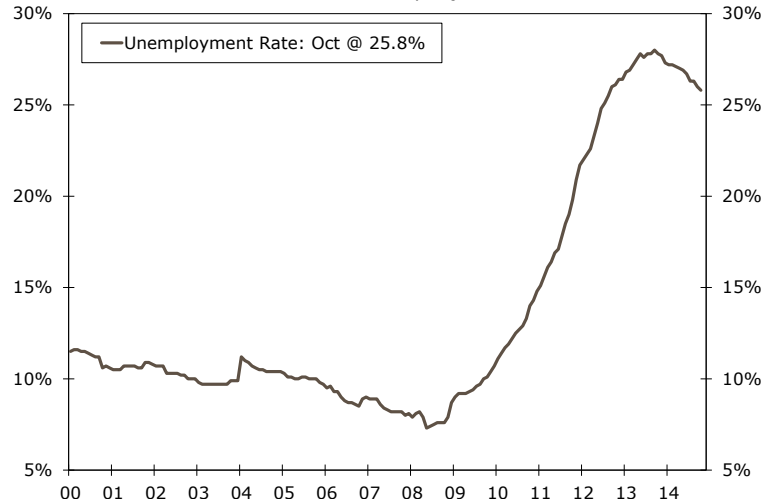
Greek Government Underlying Primary Balance  
As Percent of Potential GDP



Greek Real Level of GDP  
Billions of Euros, Not Annualized



Greek Unemployment Rate  
Percent, Seasonally Adjusted



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

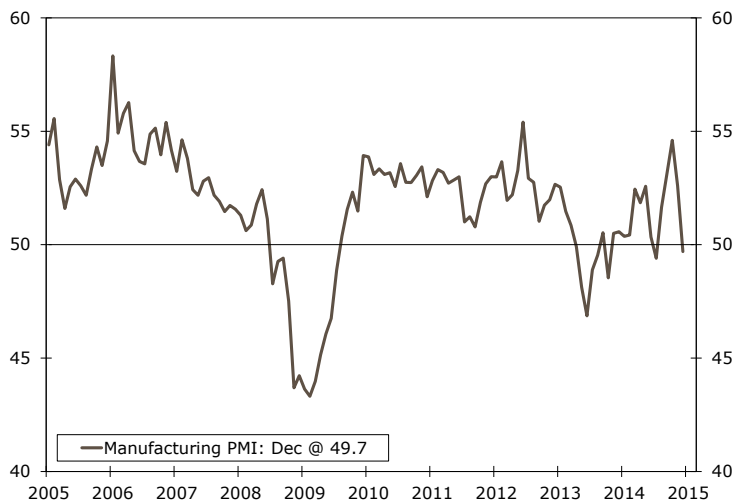
## Brazil Manufacturing PMI • Monday

The Brazilian manufacturing sector has continued to suffer from the weak global economic environment and we are not expecting any surprise once the manufacturing PMI is released on Monday. Interestingly, December's number crept above 50 (50.2) for the first time since August 2014, which could be a harbinger of potentially better numbers coming down the pipeline for the embattled manufacturing sector.

On Tuesday, we will have the opportunity to see if this better PMI for December is reflected when the industrial production index for that month is reported. The industrial production print in November was dismal, plunging 5.8 percent versus a year earlier, with manufacturing production dropping 7.0 percent and automobile manufacturing plunging 14.4 percent. We are not very upbeat about the Brazilian manufacturing sector as higher interest rates will likely continue to negatively affect the sector.

**Previous: 50.2**

Mexico IMEF Manufacturing Index



## Germany Industrial Production • Friday

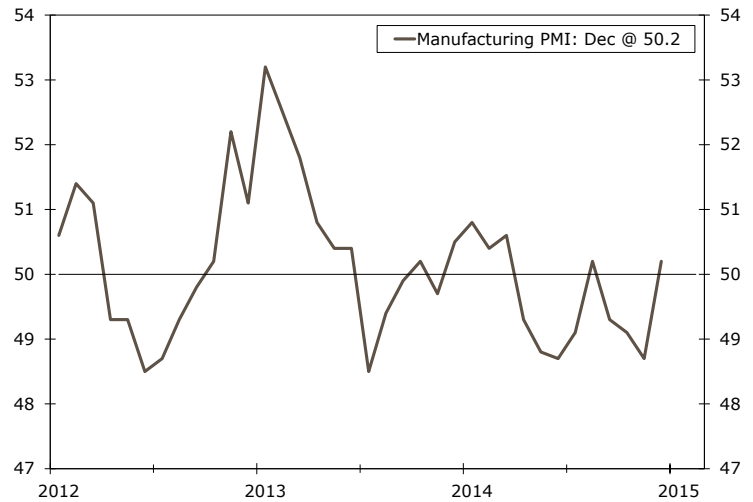
At first glance, Germany's economy started the new year as it ended 2014—on a weak note. Last week's release of the preliminary PMI manufacturing number showed a manufacturing sector that remains weak, and perhaps even weaker than before.

On Thursday, we will get factory orders for December, and on Friday, we will get industrial production for the same month. Markets expect both factory orders and industrial production to bounce back from a very weak performance the month before when the former declined 2.4 percent, month on month, and the latter dropped 0.1 percent. Consensus expects factory orders to partially rebound, by 0.8 percent, while industrial production is expected to make a relatively stronger comeback and post a 0.4 percent increase. Both indices have remained relatively volatile, so we should not be surprised if they do not conform to consensus expectations.

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

**Consensus: 0.4%**

Brazil HSBC Manufacturing PMI  
Index, SA



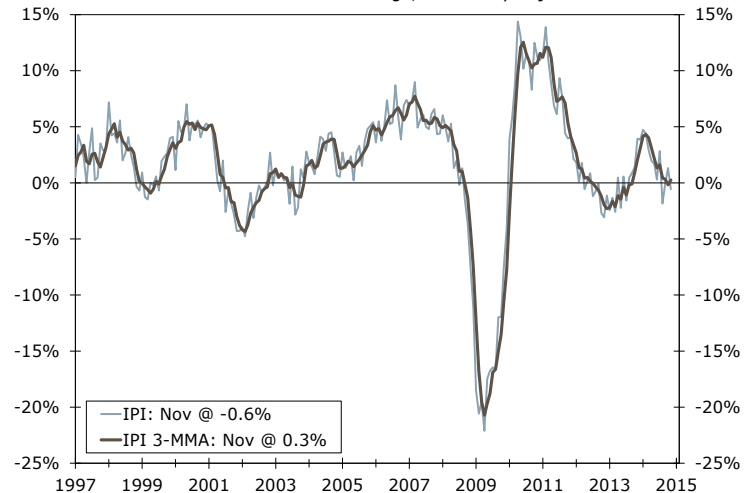
## Mexico Manufacturing PMI • Tuesday

Manufacturing has been one of the leading economic sectors in Mexico buoyed by the strong performance of automobile exports to the U.S. market. Recently, the HSBC manufacturing PMI has been strengthening, posting a reading of 55.3 in December. However, the Mexican institute's (IMEF) manufacturing index has been showing a different performance, as it dropped below the 50 demarcation line in December, to 49.7 from a level of 52.6 in November.

Thus, it will be very interesting to see if this discrepancy remains in place in January. Historically, the HSBC index has been more stable than the IMEF index, but recently the direction of both indices has been relatively consistent, although not perfect. Many times the IMEF index has gone down, while the HSBC index has remained relatively stable, but December was the first instance of such a strong discrepancy.

**Previous: 49.7**

German Industrial Production Index  
Year-over-Year Percent Change, Seasonally Adjusted



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

Interest Rate Watch

FOMC Stays on Course

The Federal Open Market Committee (FOMC) held its first meeting of the year this week. No major moves were expected, but Fed-watchers were looking for any signs that the further deterioration in inflation and the weak global backdrop may be pushing back the timing of this year’s much-anticipated rate hike.

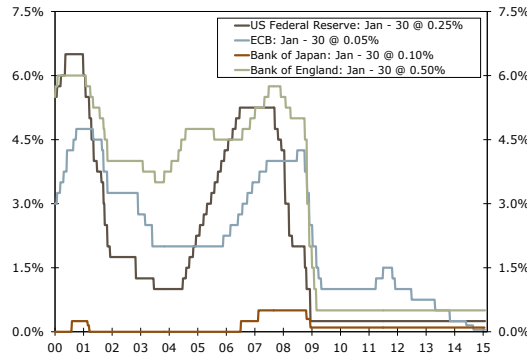
The FOMC did make a nod to international developments, but the global picture was not spelled out as a significant current risk. Instead, “international developments” were added to the list of factors the committee will consider before raising rates, indicating it will keep an eye on how international conditions are affecting the U.S. economy but that it is not particularly worried at this time. Although divergent paths in monetary policy are driving the dollar higher—a pseudo tightening in financial conditions—global central bank policies and growth conditions are also driving down market rates, which provides implicit accommodation.

While the sheer mention of “international developments” may be considered a bit more dovish, we view the upgraded assessment of the economy as an offset. Recent economic activity was described as “solid,” a characterization of the economy that last appeared in January 2006.

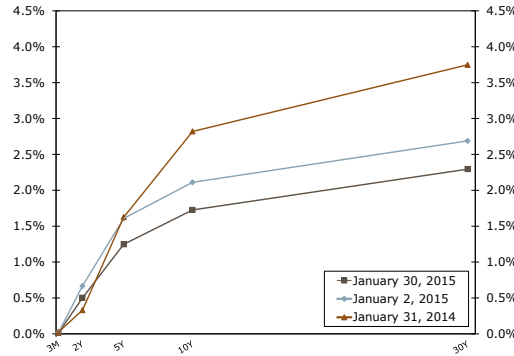
Despite the further decline in oil and other commodity prices since the last meeting, the FOMC is still a believer in inflation. Members acknowledged that the inflation numbers are likely to get worse before they get better, but still see price growth returning to target over the medium term. Our outlook is for the PCE deflator to moderate through the second quarter before beginning to move higher later in the year.

Overall, our read is that the FOMC is still on track to begin normalizing policy later this year. The statement fully dropped the “considerable time” phrase and continued to note it will be patient in raising rates. Once it does begin to raise rates, however, we expect low inflation and accommodative policy elsewhere in the world to continue to pressure longer-dated Treasury rates and generate a flatter yield curve.

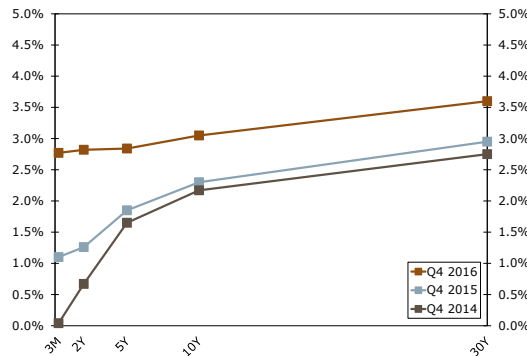
Central Bank Policy Rates



Yield Curve  
U.S. Treasuries, Active Issues



Wells Fargo Rates Forecast  
Through 2016



Source: Bloomberg LP and Wells Fargo Securities, LLC

Credit Market Insights

Lending Market Returns to “Normal”

According to the Office of the Comptroller of the Currency, 2014 was strikingly similar to 2006 in terms of the credit market. The percentage of firms tightening lending standards fell to 10 percent or less—a rate not seen since 2006, the last “normal” year prior to the housing crisis.

Following years of limited credit access, the lending market appears to be returning to “normal” as banks become more confident in borrowers’ abilities to cover their debts. Although increased lending should encourage spending and boost economic growth, lending standards that are too easy can lead to risky loans and defaults.

In the retail sphere, 38 percent of banks eased standards for student and auto loans in 2014. In the commercial sphere, more than half of banks eased lending standards for leveraged loans. Given the rapid expansion in student/auto debt since the past recession, some are concerned that borrowers may be less creditworthy or incapable of paying back their debts. In fact, auto sales to subprime borrowers now make up a quarter of all used auto sales and subprime student loans composed a third of all student loans in 2012.

At present, delinquency rates remain low and have fallen over the past year. Absent a rise in delinquency rates, we believe the lending market remains stable at present, but we will watch for signs of trouble moving forward. For more information, see our report, “Lower Lending Standards, Higher Risk in 2015”.

Credit Market Data

Mortgage Rates	Current	Week Ago	4 Weeks Ago	Year Ago
	30-Yr Fixed	3.66%	3.63%	3.73%
15-Yr Fixed	2.98%	2.93%	3.05%	3.40%
5/1 ARM	2.86%	2.83%	2.98%	3.12%
1-Yr ARM	2.38%	2.37%	2.39%	2.55%

Bank Lending	Current Assets (Billions)	1-Week Change (SAAR)	4-Week Change (SAAR)	Year-Ago Change
	Commercial & Industrial	\$1,805.7	44.70%	15.82%
Revolving Home Equity	\$456.5	-1.73%	-2.42%	-3.14%
Residential Mortgages	\$1,570.7	21.20%	-2.32%	1.20%
Commercial Real Estate	\$1,606.9	11.92%	9.23%	6.95%
Consumer	\$1,215.5	31.13%	21.74%	6.46%

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

**Topic of the Week**

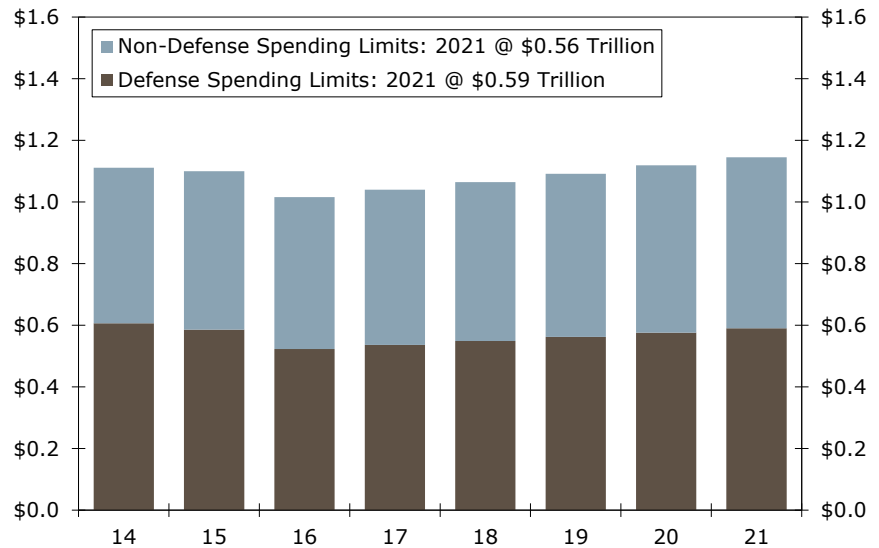
**Five Key Issues to Watch in the 114th Congress**

As the 114th Congress ramps up over the coming weeks, we wanted to take a moment to point out five of the key policy issues that we will be watching. The first of the essential policy debates to take place this spring will be over the budget for federal fiscal year 2016. Beginning with the 2016 fiscal year, the full set of discretionary budget cuts, known as sequestration, enacted by the Budget Control Act of 2011 will go into effect. Another issue to watch related to the budget process is the exhaustion of the Disability Insurance Trust Fund within Social Security in 2016. Beyond the budget, on March 15, the nation's debt ceiling will be reestablished and set to the level of borrowing that took place since the debt ceiling was suspended in February of last year. After the debt ceiling is reestablished, the Treasury Department can begin using "extraordinary" measures to stay under the debt ceiling. We estimate that these "extraordinary" measures would keep the nation under the borrowing limit until May or perhaps June of this year. The current funding for the Highway Trust Fund is set to expire on May 31. The fund has been patched since August of last year when it received a \$10.8 billion infusion to keep from running out of money and halting construction projects around the country. The point of contention remains around how to fund the Trust Fund going forward. Corporate tax reform has been on the Congressional agenda for quite some time, but key policy differences continue to plague progress. In our view, there is a somewhat greater chance that corporate tax reform takes place in the 114th Congress and the effort may be tied to highway funding. There are also two main trade agreements currently under negotiation: the Transatlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TPP). The TPP, a trade agreement with 11 other Asian-Pacific countries, is still under negotiation but is much closer to completion.

For more information, see our special report, "Five Key Issues to Watch in the 114<sup>th</sup> Congress."

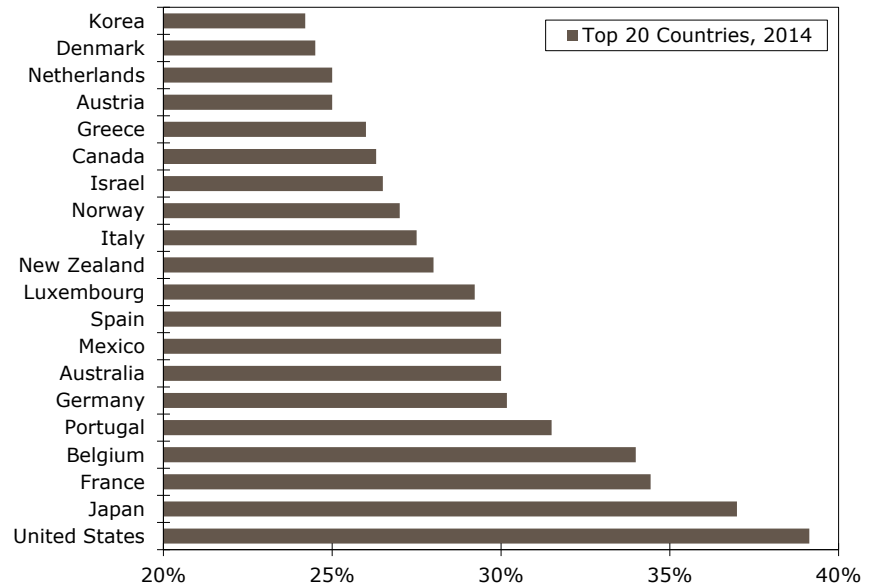
**Discretionary Budget Authority**

Trillions of Dollars, CBO Projections



**Combined Corporate Income Tax Rate**

Basic Combined Central and Sub-Central (statutory) Rate



Source: Congressional Budget Office, OECD and Wells Fargo Securities, LLC

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## Market Data ♦ Mid-Day Friday

## U.S. Interest Rates

	Friday 1/30/2015	1 Week Ago	1 Year Ago
3-Month T-Bill	0.01	0.02	0.02
3-Month LIBOR	0.25	0.26	0.24
1-Year Treasury	0.14	0.14	0.10
2-Year Treasury	0.47	0.49	0.34
5-Year Treasury	1.20	1.31	1.51
10-Year Treasury	1.68	1.80	2.69
30-Year Treasury	2.25	2.37	3.63
Bond Buyer Index	3.36	3.36	4.48

## Foreign Exchange Rates

	Friday 1/30/2015	1 Week Ago	1 Year Ago
Euro (\$/€)	1.130	1.120	1.356
British Pound (\$/£)	1.501	1.499	1.649
British Pound (£/€)	0.753	0.748	0.822
Japanese Yen (¥/\$)	117.540	117.770	102.720
Canadian Dollar (C\$/\\$)	1.274	1.242	1.116
Swiss Franc (CHF/\\$)	0.927	0.880	0.903
Australian Dollar (US\$/A\\$)	0.776	0.791	0.879
Mexican Peso (MXN/\\$)	14.992	14.657	13.365
Chinese Yuan (CNY/\\$)	6.251	6.229	6.060
Indian Rupee (INR/\\$)	61.870	61.435	62.575
Brazilian Real (BRL/\\$)	2.682	2.580	2.409
U.S. Dollar Index	94.853	94.762	81.085

Source: Bloomberg LP and Wells Fargo Securities, LLC

## Foreign Interest Rates

	Friday 1/30/2015	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	0.03	0.03	0.27
3-Month Sterling LIBOR	0.56	0.56	0.52
3-Month Canada Banker's Acceptance	1.01	1.03	1.27
3-Month Yen LIBOR	0.10	0.10	0.14
2-Year German	-0.17	-0.17	0.10
2-Year U.K.	0.35	0.34	0.52
2-Year Canadian	0.41	0.54	0.97
2-Year Japanese	0.01	-0.01	0.10
10-Year German	0.33	0.36	1.72
10-Year U.K.	1.35	1.48	2.75
10-Year Canadian	1.29	1.45	2.37
10-Year Japanese	0.28	0.23	0.63

## Commodity Prices

	Friday 1/30/2015	1 Week Ago	1 Year Ago
WTI Crude (\\$/Barrel)	45.28	45.59	98.23
Gold (\\$/Ounce)	1268.07	1294.10	1243.92
Hot-Rolled Steel (\\$/S.Ton)	550.00	583.00	659.00
Copper (¢/Pound)	248.00	250.15	322.65
Soybeans (\\$/Bushel)	9.59	9.67	12.77
Natural Gas (\\$/MMBTU)	2.67	2.99	5.01
Nickel (\\$/Metric Ton)	14,846	14,792	13,929
CRB Spot Inds.	480.44	482.70	525.56

## Next Week's Economic Calendar

	Monday 2	Tuesday 3	Wednesday 4	Thursday 5	Friday 6
U.S. Data	<b>Personal Income &amp; Spending</b> November 0.4% & 0.6% December 0.2% & -0.1% (W)	<b>Factory Orders</b> November -0.7% December -2.2% (W)	<b>ISM Non-Manufacturing</b> December 56.2 January 56.6 (W)	<b>Trade Balance</b> November -\$39.0B December -37.9B (W)	<b>Unemployment Rate</b> December 5.6% January 5.5% (W)
	<b>ISM Manufacturing</b> December 55.5 January 54.0 (W)				<b>Nonfarm Payrolls</b> December 252K December 240K (W)
	<b>Brazil</b> <b>Manufacturing PMI</b> Previous (December) 50.2	<b>Mexico</b> <b>Manufacturing PMI</b> Previous (December) 49.7		<b>Russia</b> <b>CPI (YoY)</b> Previous (December) 11.4%	<b>Germany</b> <b>Industrial Production (YoY)</b> Previous (November) -0.1%
					<b>Canada</b> <b>Unemployment Rate</b> Previous (December) 6.7%

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

Source: Bloomberg LP and Wells Fargo Securities, LLC



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