



# Economics Group

## Weekly Economic & Financial Commentary

### U.S. Review

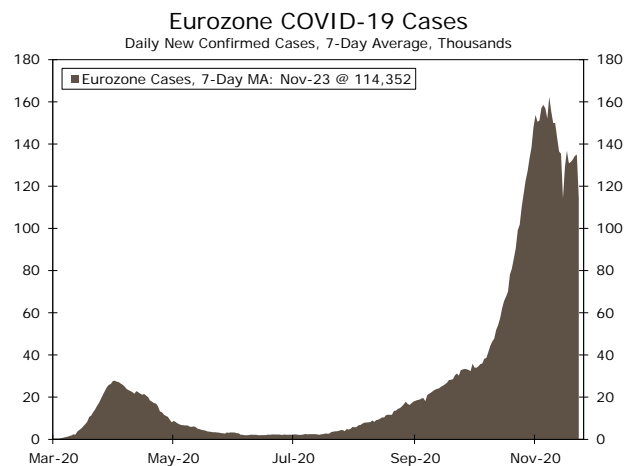
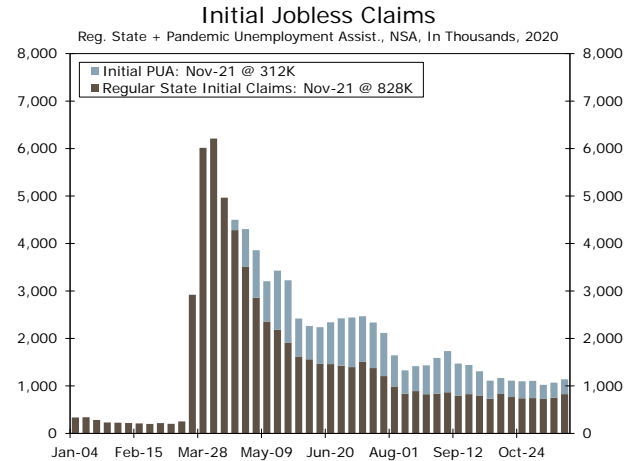
#### One Can of Condensed Soup

- It may be a holiday-shortened week, but there have been as many developments and economic indicators packed into three days as we can recall seeing in any other week this year.
- We might have a third vaccine, but amid record case counts and double-digit positivity rates in many places, jobless claims posted the first back-to-back weekly increases since July.
- But, there is hope. The manufacturing rebound continued with another solid increase in durable goods orders and corporate profits crested above its pre-pandemic peak for the first time.
- Consumers, undaunted, increased spending 0.5% in October.

### Global Review

#### Data Pointing to Softer Activity in Some Countries

- In the Eurozone, November survey data continued to soften, with the manufacturing PMI edging lower to 53.6, while the services PMI fell further into contraction territory at 41.3. As COVID cases across Europe have increased, and lockdown measures have been re-imposed, the risk of an economic stumble has increased. Meanwhile, in the United Kingdom, survey data also pointed to softer activity as the November services PMI fell to 45.8.
- In contrast to the subdued data in parts of the Northern hemisphere, New Zealand's Q3 retail sales surged 28.0% quarter-over-quarter, the largest increase on record.



Wells Fargo Securities U.S. Economic Forecast													
	Actual				Forecast				Actual 2019	Forecast			
	2020				2021					2020	2021		2022
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2021	2022	
Real Gross Domestic Product <sup>1</sup>	-5.0	-31.4	33.1	4.5	4.0	3.1	2.9	2.8	2.2	-3.5	4.2	2.8	
Personal Consumption	-6.9	-33.2	40.6	4.9	3.5	3.3	3.1	2.9	2.4	-3.8	4.7	2.8	
Inflation Indicators <sup>2</sup>													
PCE Deflator	1.7	0.6	1.2	1.3	1.3	2.1	1.6	1.6	1.5	1.2	1.7	1.7	
Consumer Price Index	2.1	0.4	1.3	1.2	1.3	2.6	1.7	1.8	1.8	1.2	1.7	1.7	
Industrial Production <sup>1</sup>	-6.8	-42.8	41.4	3.8	5.0	5.0	5.7	3.6	0.9	-7.4	4.4	4.1	
Corporate Profits Before Taxes <sup>2</sup>	-6.7	-19.3	3.3	-2.0	8.0	22.0	10.0	3.0	0.3	-8.5	10.2	4.0	
Trade Weighted Dollar Index <sup>3</sup>	112.7	110.3	106.6	105.5	105.0	104.3	103.8	103.3	110.1	108.8	104.1	102.1	
Unemployment Rate	3.8	13.0	8.8	6.8	6.7	6.5	6.2	5.9	3.7	8.1	6.3	5.2	
Housing Starts <sup>4</sup>	1.48	1.08	1.44	1.45	1.40	1.40	1.40	1.40	1.29	1.36	1.40	1.43	
Quarter-End Interest Rates <sup>5</sup>													
Federal Funds Target Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	2.25	0.25	0.25	0.25	
Conventional Mortgage Rate	3.45	3.16	2.89	2.80	2.80	2.85	2.90	3.00	3.94	3.08	2.89	3.13	
10 Year Note	0.70	0.66	0.69	0.85	1.00	1.10	1.20	1.30	2.14	0.73	1.15	1.43	

Forecast as of: November 10, 2020

<sup>1</sup> Compound Annual Growth Rate Quarter-over-Quarter  
<sup>2</sup> Year-over-Year Percentage Change

<sup>3</sup> Federal Reserve Advanced Foreign Economies Index, 2006=100 - Quarter End  
<sup>4</sup> Millions of Units

<sup>5</sup> Annual Numbers Represent Averages

### 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

Source: Bloomberg LP, Federal Reserve Board, IHS Markit, U.S. Department of Commerce, U.S. Department of Labor and Wells Fargo Securities

**U.S. Review**

**Thankful 2020 Is Almost Over**

This year has been characterized by two major sources of uncertainty: a global pandemic and a bitterly contested U.S. election. Despite the fact that we now have workable vaccines from various pharmaceutical companies and the election is over, the uncertainty persists, like a door that is shut but not quite all the way. That said, we moved closer to resolution on both fronts this week. The third major vaccine announcement on Monday offered the latest evidence that this awful virus will eventually be on the run (pending final approvals and vaccine production and distribution) and President Trump cleared the way for a transition of government to the president elect.

But with the case counts near their highest levels ever, and without a full presidential concession, we can't quite turn the page. Perhaps it should come as no surprise then that the Conference Board's measure of consumer confidence saw the expectations component drop from 98.2 last month to 89.5 in November. Overall confidence fell below 100 for the first time since August. The University of Michigan's survey also saw diminished confidence and slumping expectation about the future.

Despite the wilting confidence, consumers are still spending, particularly on goods. We have been above pre-pandemic spending levels in goods spending for months now. The critical questions for the consumer at this stage of the game are: Will the momentum carry into holiday sales? How bad will the inevitable air pocket be for durables as spending eventually shifts back to services?

This week's personal income and spending report for October offered some indication of how things are playing out. Note in the middle chart how most of the service categories still below their peak. We are not yet seeing a big reversal. Transportation and recreation services continued to improve through October, though the two categories remain the farthest off their pre-virus February levels. People are getting nervous about going out to eat again too, as food services notched the first monthly sales decline since April.

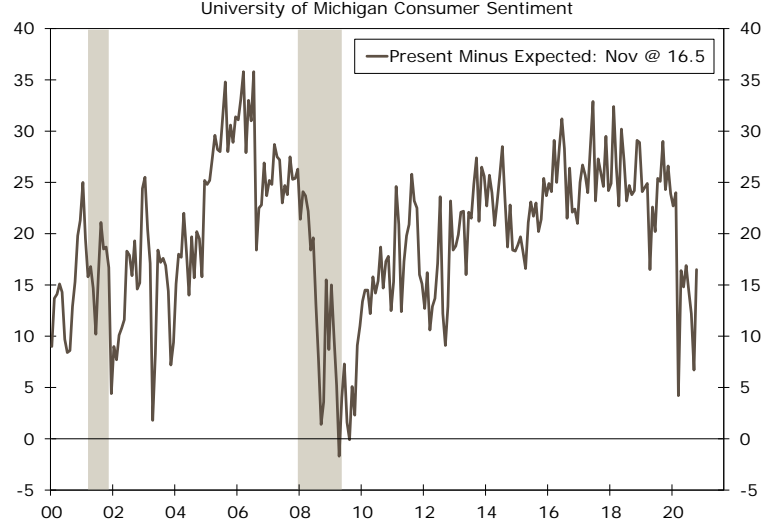
But that frees up more money for real goods spending, which rose 0.2% in the month despite declines in clothing and gas, which were both down again and held non-durables spending flat. Durable goods real outlays shot up 0.8%. In short, holiday sales are on track and services spending is still under pressure.

**Manufacturing Rebound Intact**

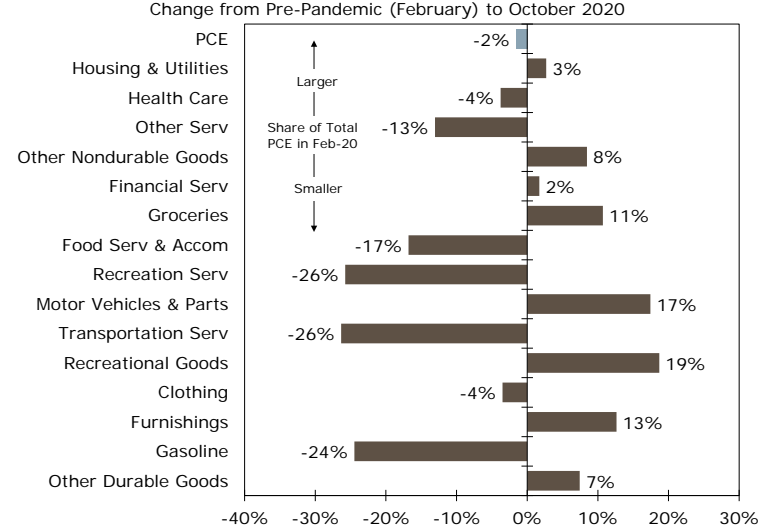
October durable goods figures were a clear bright spot with the headline increase of 1.3% in October, even after prior months' figures were revised higher, making the outcome much better than the modest 0.8% that had been expected by the consensus.

Revised equipment spending numbers for Q3 released this week showed a 66.6% annualized growth rate, a slight downward revision from the initial estimate. However, core capital goods shipments shot up 2.3% in the October durable goods report, which starts the fourth quarter on decent footing for equipment spending. Core capital goods orders also bested expectations suggesting there is some pressure in the production pipeline to sustain capex spending going forward.

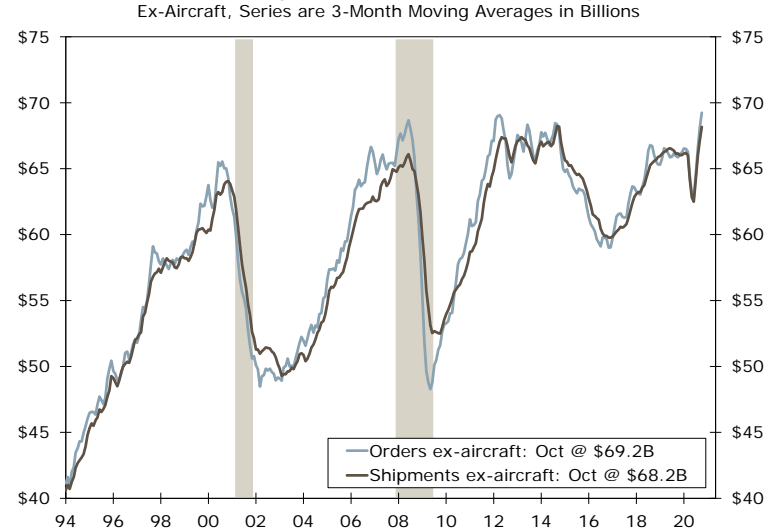
Present vs. Expected Situation Indices



Personal Consumption by Category



Nondefense Capital Goods Orders vs. Shipments



Source: University of Michigan, U.S. Department of Commerce and Wells Fargo Securities

**ISM Manufacturing Index • Tuesday**

The industrial sector keeps clawing its way back from the steep decline that occurred in the spring. The new orders component of the ISM manufacturing index hit 67.9 in October, the highest reading since January 2004. The new export orders component also rose for the fifth consecutive month.

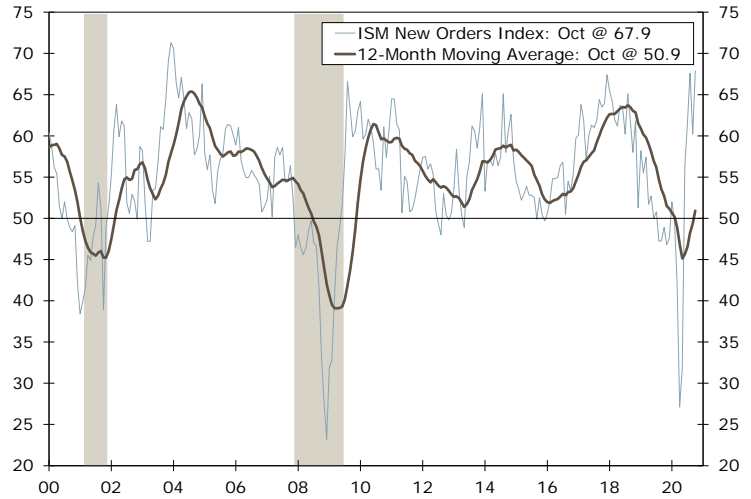
U.S. industrial output was still 5.6% lower in October than it was in February. This recovery has lagged the consumer recovery; real personal consumption was down just 0.7% over the same period. Production of consumer goods has outpaced that of business goods over the short recovery thus far. Consumers have shifted their consumption toward goods and away from services, but business investment has been weak due to the economic downturn and high uncertainty. With multiple effective vaccines on the horizon, we will be looking for signs of a business investment acceleration in the U.S. manufacturing data.

**Previous: 59.3**

**Wells Fargo: 57.1**

**Consensus: 57.5**

ISM New Orders Index  
Diffusion Index



**Construction Spending • Tuesday**

The U.S. housing market has been a notable bright spot during the ongoing economic recovery, while the commercial real estate market has been more of a mixed bag. Residential construction spending was up 10.1% year-over-year in September, while nonresidential construction spending was down 4.4% on a year-ago basis. Based off of the more recent data, it would not surprise us to see these two trends continue in the near term, particularly the ongoing strength in the residential market. We look for total construction spending to grow 0.7% in the month of October.

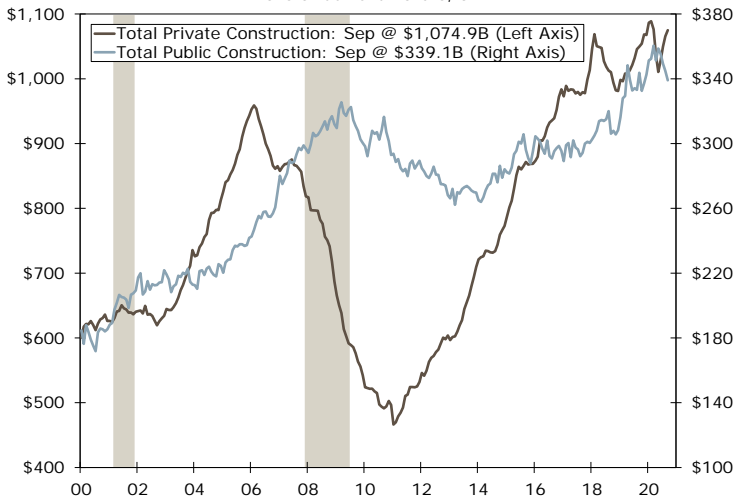
Thus far, public construction spending has held up reasonably well despite the fiscal challenges facing state and local governments. But, as the chart to the left illustrates, the public sector construction slowdown following the 2008-2009 recession occurred gradually. A faster private sector recovery in the year ahead would help stave off a similar dynamic in this recovery.

**Previous: 0.3%**

**Wells Fargo: 0.7%**

**Consensus: 0.8% (Month-over-Month)**

Total Public and Private Construction  
Billions of Current Dollars, SAAR



**Nonfarm Payrolls • Friday**

Over March and April, the U.S. economy lost about 22 million jobs. Since then, about 12 million jobs have been created, for a net loss of about 10 million jobs, or 6.6% of February's total employment. The more volatile household survey on which the unemployment rate is based offers a more optimistic picture, with about 25.4 million jobs lost over March and April and 16.4 million jobs created since then.

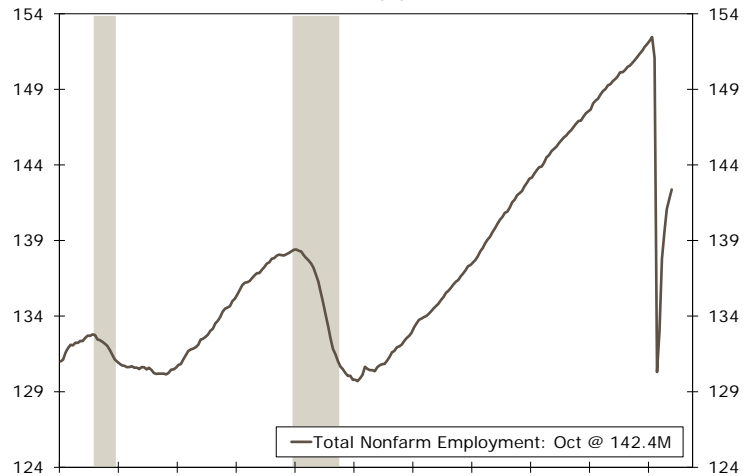
The next few months will be critical for the labor market's recovery. With a vaccine finally in sight, life may begin to return to normal by next summer. However, with new COVID cases elevated headed into the holiday season, and with many states imposing new restrictions on private activity, the next few months could be an especially tough stretch for the economy. Even if monthly nonfarm payroll growth is "only" a few hundred thousand for the next few months, avoiding negative readings could help get us to another employment growth "bump" post-vaccine.

**Previous: 638K**

**Wells Fargo: 425K**

**Consensus: 500K**

Total Nonfarm Employment  
Millions



Source: Institute for Supply Management, U.S. Department of Commerce, U.S. Department of Labor and Wells Fargo Securities

## Global Review

### Eurozone Caution Warranted Despite Stimulus Efforts

The near-term outlook for the Eurozone economy remains very tentative; an uncertain outlook that was highlighted by a wide range of survey data from the region this week. Most important, the Eurozone November services PMI fell markedly to 41.3, with the fall in the French services PMI to 38.0 sharper than the drop in Germany's services PMI to 46.2. At the Eurozone level, incoming new business fell to 40.0, the lowest level since May. Meanwhile the manufacturing sector held up better, even though the manufacturing PMI fell to 53.6 in November from 54.8 in October. Manufacturing new orders also eased to 54.0.

The softness in the Eurozone PMI was also reflected in national level surveys. Germany's November IFO business confidence index dropped to 90.7, with the current assessment component falling modestly to 90.0, and the expectations component falling more noticeably to 91.5. French November business confidence also fell 11 points to 79. This week also saw an early but important indication on the health of the European consumer. German Q3 GDP growth was revised slightly higher to 8.5% quarter-over-quarter, with the details showing a sizeable 10.8% jump in Q3 consumer spending. Q3 household disposable income rose 3.0% quarter-over-quarter, more than reversing the Q2 decline. While government stimulus effort may eventually help a consumer and overall economic recovery, the Eurozone faces an uncertain interim period. Indeed, for Q4 we see Eurozone GDP falling 3% quarter-over-quarter.

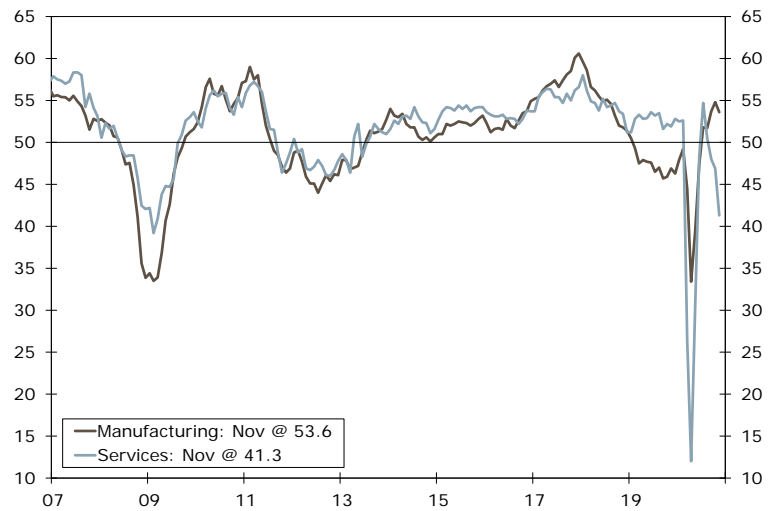
### U.K. Data Bad, but Could Have Been Worse

Survey data also pointed to softer activity in the United Kingdom for November, but less so than in the Eurozone. The U.K. November services PMI fell less than expected to 45.8, while the new business sub-component of the services index was broadly steady at 47.2. Meanwhile, the U.K. manufacturing PMI unexpectedly rose to 55.2. The new orders component fell, but at 54.2 remained in expansion territory for a fifth consecutive month. Separately, a survey of retailers by the Confederation of British Industry indicated softer retail sales in November. The reported sales index dipped from -23 in October to -25 in November. While this week's data out of the U.K. are not as soft as for the Eurozone, we still expect U.K. Q4 GDP to decline, by 1.5% quarter-over-quarter.

### Down Under Data Perks Up

The economic news from Down Under was, in contrast, much more upbeat. Although mildly dated, New Zealand's Q3 real retail sales surged 28.0% quarter-over-quarter as the country emerged from its COVID-related lockdown. While strength was broad-based, there were especially large increases in food and beverage (65.5%), accommodation (66.2%), liquor (60.9%) and motor vehicles & parts (47.7%). In Australia, the November PMI surveys were encouraging, as the manufacturing PMI rose to 56.1, while the services PMI rose to 54.9.

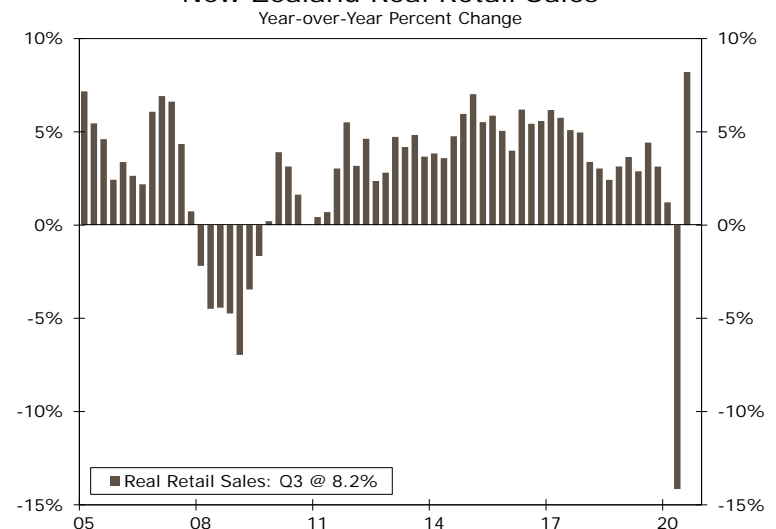
Eurozone PMIs



United Kingdom PMIs



New Zealand Real Retail Sales

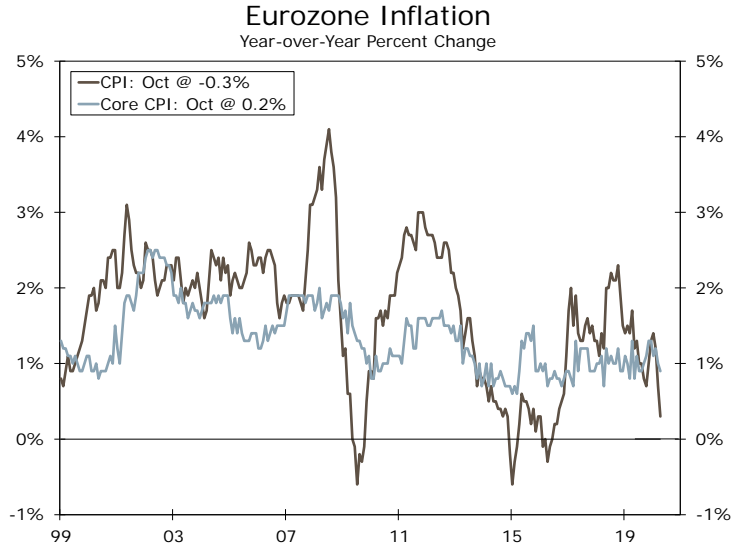


Source: Bloomberg LP, Datastream and Wells Fargo Securities

**Eurozone Inflation • Tuesday**

As COVID cases over the past few weeks and months have climbed higher across the Eurozone, many countries have re-imposed lockdown restrictions, which could threaten the Eurozone’s economic rebound. The pace of the Eurozone rebound has already shown signs of lost momentum with the November manufacturing PMI edging lower to 53.6, the services PMI falling further into contraction territory at 41.3 and the October CPI remaining unchanged at -0.3% year-over-year. Next week’s release of the November Eurozone inflation report will be of particular interest as any further slowing would support the case for further European Central Bank (ECB) easing. Given the recent subpar data, we currently look for the ECB to announce a €500 billion increase in Pandemic Emergency asset purchases in December, to a program size of €1.850 trillion, and extend the purchase program through until December 2021.

**Previous: -0.3%**                      **Wells Fargo: -0.2%**  
**(Year-over-Year)**



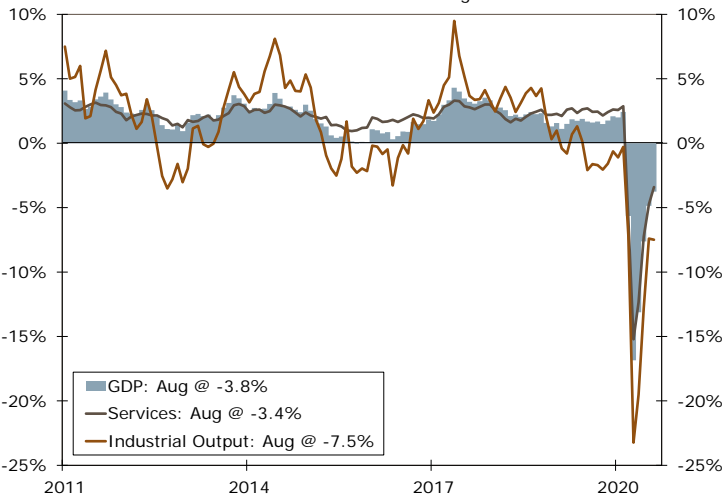
**Canada GDP • Tuesday**

While the pace of the Canadian rebound appears to have slowed slightly, the economy maintains steady forward momentum heading into the second half of this year. August GDP expanded 1.2% month-over-month, slightly more than expected, while the preliminary estimate for September showed a 0.7% gain, the fifth consecutive month of positive growth. Other data have been encouraging as September retail sales jumped 1.1% month-over-month, exceeding consensus estimates, while labor market data have also continued to recover.

Next week’s release of Q3 GDP will provide the latest insight into how the Canadian economy is recovering from the pandemic. After a record decline in the second quarter, like many other countries, Q3 GDP is expected to surge. We look for Q3 growth to rebound 46.4% quarter-over-quarter on an annualized basis.

**Previous: -38.7%**                      **Wells Fargo: 46.4%**  
**(Quarter-over-Quarter, annualized)**

Canadian Economic Growth  
 Year-over-Year Percent Change



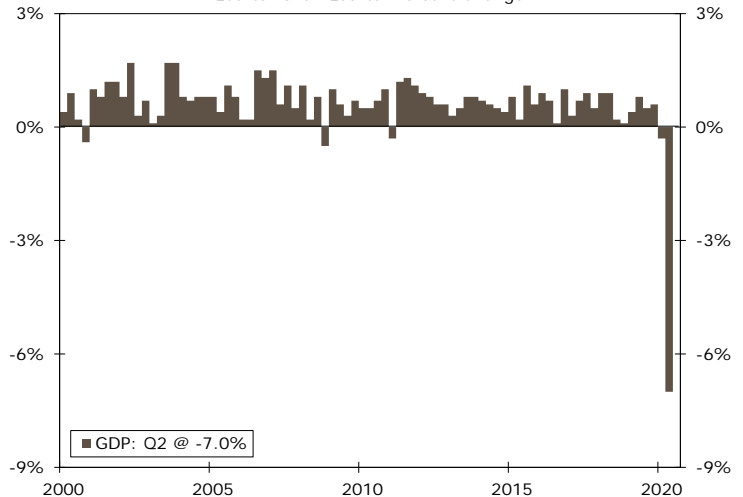
**Australia GDP • Tuesday**

Next week, Australia will report Q3 GDP data. The Australian economy slumped in Q2, falling 7.0% quarter-over-quarter. Like many other countries, Australia’s economy likely rebounded in Q3, but the recovery has been uneven. Australian retail sales declined 1.1% month-over-month in September, following a 4% decline in August. In addition, the uneven recovery has been evident in the labor market. In October, Australian employment rebounded by 178,800 after a 29,500 fall the previous month. Although other data are improving, it still has some way to go before it fully recovers the declines from H1-2020. That said, we expect Q3 GDP growth to increase 1.5% quarter-over-quarter.

Next week, the Reserve Bank of Australia also announces policy. We do not anticipate any further easing and look for rates to remain steady at a record low of 0.10%.

**Previous: -7.0%**                      **Wells Fargo: 1.5%**  
**(Quarter-over-Quarter)**

Australian GDP  
 Quarter-over-Quarter Percent Change



Source: Bloomberg LP, Datastream and Wells Fargo Securities

**Interest Rate Watch**

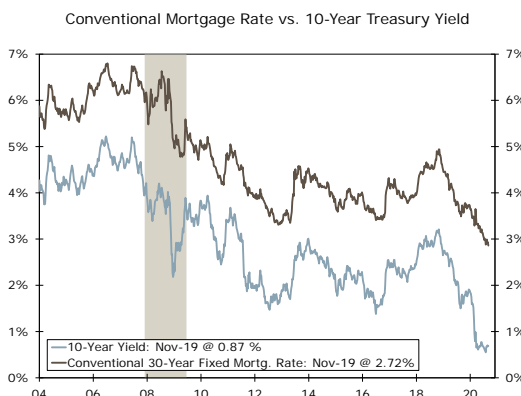
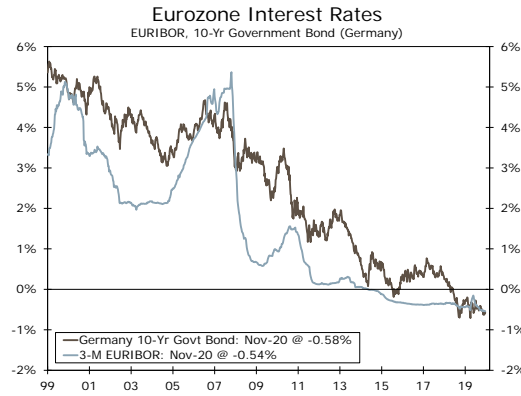
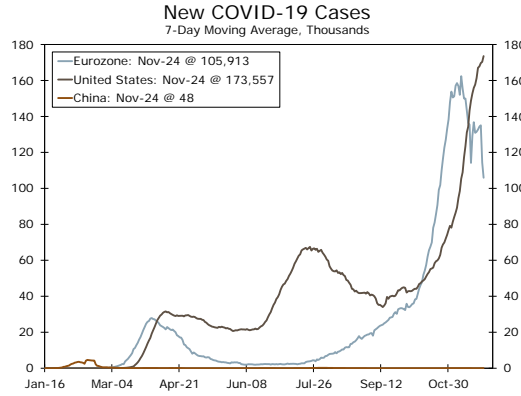
**Outlook for Rates in the Eurozone**

As shown in the top chart, COVID cases in the Eurozone spiked sharply when summer turned to autumn. Consequently, governments in many European countries have re-imposed some economic restrictions in recent weeks in an effort to arrest the spread of the virus. These efforts may be having some success, although the daily count of new cases has receded only modestly so far. But, the restrictions are sure to have an economic knock-on effect. As noted on page 4, we project that these restrictions will cause real GDP in the Eurozone to contract 3% (not annualized) on a sequential basis in the fourth quarter.

It is in this context that the Governing Council of the ECB will hold its next policy meeting on December 10. As we discussed in a previous [report](#), the statement that the Governing Council released after its last policy meeting on October 29 was rather dovish. Furthermore, ECB President Lagarde said in her post-meeting press conference that policymakers agreed that it was necessary to take action.

Consequently, we expect the Governing Council will announce an increase in the size of its Pandemic Emergency Purchases Program (PEPP), which is one of the vehicles through which the ECB buys government bonds. Specifically, we look for the ECB to increase the PEPP by €500 billion, which would bring its overall size to €1.850 trillion. But, we suspect that the Governing Council will keep its main refi rate and its discount rate unchanged at 0.00% and -0.50%, respectively.

In practical terms, these steps should ensure that interest rates in the Eurozone remain at extraordinarily low levels for the foreseeable future (middle chart). Although the Governing Council may not reduce its policy rates further, very few market participants expect it to hike rates anytime soon either. Therefore, the three-month Euribor rate, which serves as a benchmark on which many short-term borrowing rates are based, should remain near -0.50% for the foreseeable future. In addition, increased PEPP purchases should keep the yield on the benchmark 10-year German government bond well below 0% in coming months.



Source: Bloomberg LP, IHS Markit, Freddie Mac and Wells Fargo Securities

**Credit Market Insights**

**Thanksgiving Mortgage Spread**

Part of what is fueling the fire behind the white-hot housing market has been record low mortgage rates. According to Freddie Mac, the conventional 30-year fixed mortgage rate fell to 2.72% during the week ending November 19, the lowest dating back to 1971. With borrowing costs testing new lows, many are likely wondering how much further mortgage rates can fall.

Taking a step back, mortgage rates closely follow the 10-year Treasury yield. The reason for this relationship is that financial institutions sell bundled mortgage loans to government sponsored enterprises (GSE) such as Freddie Mac and Fannie Mae which then securitize those loans and sell mortgage-backed securities (MBS) to investors. Because MBS have implied government backing, and a 30-year mortgage has an average life of around seven years, mortgage rates are closely correlated with the 10-year Treasury yield.

That said, this relationship is not constant. Earlier in the year, the spread between the two widened considerably as mortgage rates rose and Treasury yields declined. More recently, the spread has compressed as vaccine news has brighten economic growth prospects and pushed treasury yields up a bit. If history is any guide, mortgage rates could start to tick higher as well. Even if that were to occur, we do not expect a significant break-out. In short, mortgage rates may begin to rise slightly. Borrowing costs, however, should remain relatively low and supportive of the housing market for the foreseeable future.

**Credit Market Data**

Mortgage Rates	Current	Week Ago	4 Weeks Ago	Year Ago
	30-Yr Fixed	2.72%	2.72%	2.78%
15-Yr Fixed	2.28%	2.28%	2.32%	3.15%
5/1 ARM	3.16%	2.85%	2.89%	3.43%
Bank Lending	Current Assets (Billions)	1-Week Change (SAAR)	4-Week Change (SAAR)	Year-Ago Change
	Commercial & Industrial	\$2,656.4	-15.38%	-18.26%
Revolving Home Equity	\$289.1	-9.32%	-14.59%	-11.12%
Residential Mortgages	\$1,973.3	18.14%	-1.88%	1.08%
Commercial Real Estate	\$2,409.7	1.44%	3.37%	5.10%
Consumer	\$1,524.0	1.96%	2.34%	-3.87%

Mortgage Rates Data as of 11/27/20, Bank Lending Data as of 11/11/20

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

## Topic of the Week

### Can You Pass the Gravy...Over Zoom?

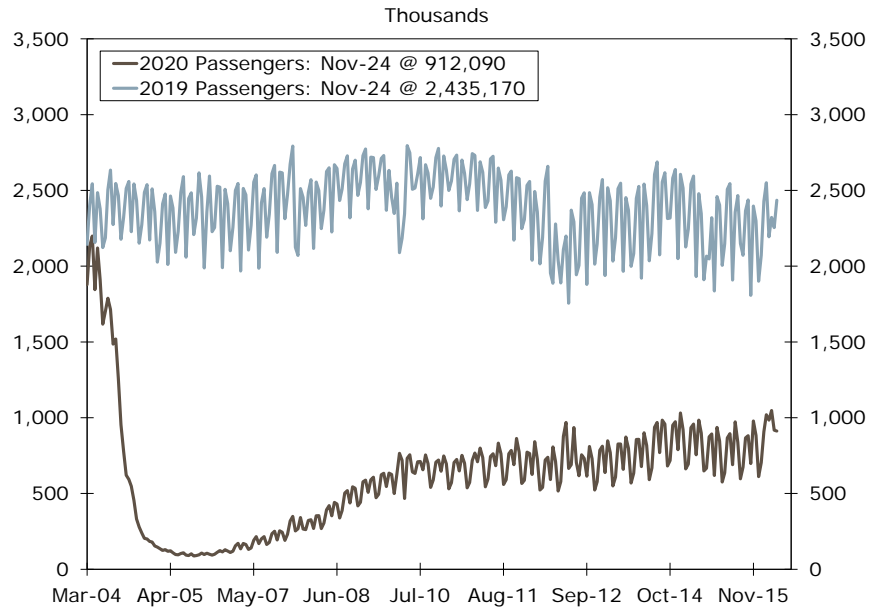
With millions travelling across the country and the beginning of the holiday shopping season, Thanksgiving is usually quite a big holiday for the economy. Of course, this year's celebrations are expected to be far from normal.

With a host of new state restrictions in place and COVID cases on the rise, many are opting for a virtual celebration, but not everyone. As can be seen in the top graph, airport passenger traffic hit one million for the first time since the spring, though traffic remains down almost 60% compared to this time last year. Millions more are expected to travel by car. A [report](#) from AAA and IHS Markit forecasts roughly 50 million Americans will travel this Thanksgiving season (from Wednesday, Nov. 25 through Sunday, Nov. 29), with the percentage of those travelling by car up to 95% from 89% last year. Overall, the total number of trips is down about 5.5 million, or 10%, from 2019.

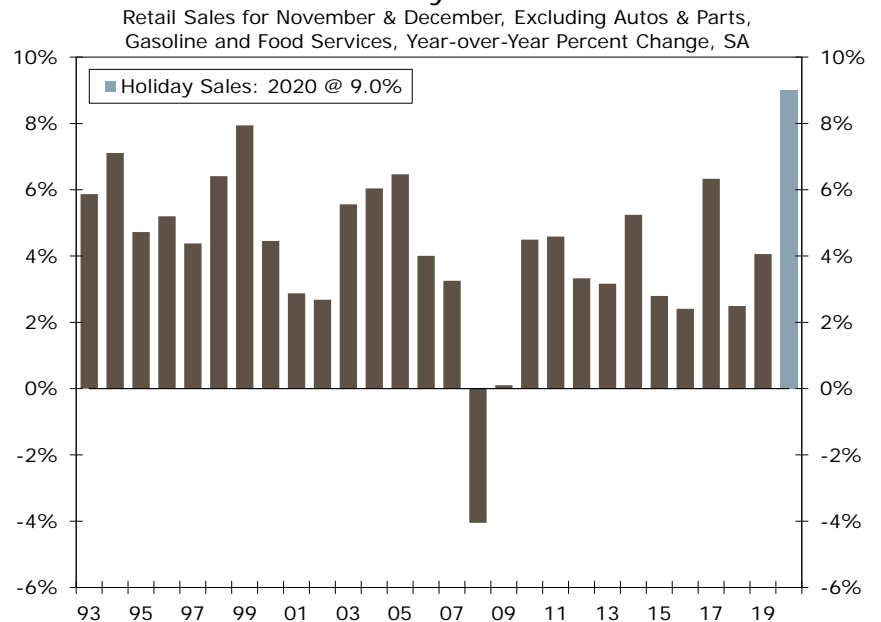
Those that are able to gather will be paying a little less for their Thanksgiving feast. According to the American Farm Bureau Federation, the price of a Thanksgiving meal for 10 is down roughly 4% from 2019. Price declines continue to be driven by retail turkey prices, which are the lowest since 2010, according to an informal [survey](#).

Less spending on food and travel should leave some consumers with a few extra bucks in their pocket as we enter the holiday shopping season. Given the risks of gathering in large groups and state restrictions on retail store capacity, we should continue to see sales volume shift from Black Friday to Cyber Monday. Regardless of how consumers plan to shop though, we expect to see a record increase in holiday sales. As we highlighted in our [Holiday Sales Outlook](#), a record increase in the midst of a pandemic is hardly intuitive, but our measure of holiday sales already sits comfortably above the level of sales reached last year. With many parts of the service sector still shutdown, consumers have shifted spending toward goods, which, along with record savings, should equate to a few more presents under the tree.

### TSA - Number of U.S. Fliers



### Holiday Sales



Source: TSA, U.S. Department of Commerce and Wells Fargo Securities

## Subscription Info

Wells Fargo's *Weekly Economic & Financial Commentary* is distributed to subscribers each Friday afternoon by e-mail.

To subscribe please visit: [www.wellsfargo.com/economicsemail](http://www.wellsfargo.com/economicsemail)

The *Weekly Economic & Financial Commentary* is available via the Internet at [www.wellsfargo.com/economics](http://www.wellsfargo.com/economics)

Via The Bloomberg Professional Service at WFRE.

And for those with permission at [www.wellsfargoresearch.com](http://www.wellsfargoresearch.com)

## Market Data ♦ Mid-Day Friday

## U.S. Interest Rates

	Wednesday 11/25/2020	1 Week Ago	1 Year Ago
1-Month LIBOR	0.14	0.15	1.70
3-Month LIBOR	0.23	0.23	1.92
3-Month T-Bill	0.08	0.07	1.58
1-Year Treasury	0.07	0.10	1.65
2-Year Treasury	0.16	0.17	1.61
5-Year Treasury	0.38	0.40	1.61
10-Year Treasury	0.87	0.87	1.76
30-Year Treasury	1.60	1.60	2.20
Bond Buyer Index	2.19	2.28	2.79

## Foreign Exchange Rates

	Wednesday 11/25/2020	1 Week Ago	1 Year Ago
Euro (\$/€)	1.191	1.185	1.101
British Pound (\$/£)	1.338	1.327	1.290
British Pound (£/€)	0.890	0.893	0.854
Japanese Yen (¥/\$)	104.390	103.820	108.930
Canadian Dollar (C\$/\\$)	1.300	1.308	1.330
Swiss Franc (CHF/\\$)	0.909	0.912	0.997
Australian Dollar (US\$/A\\$)	0.736	0.731	0.678
Mexican Peso (MXN/\\$)	20.018	20.322	19.445
Chinese Yuan (CNY/\\$)	6.579	6.561	7.036
Indian Rupee (INR/\\$)	73.919	74.193	71.731
Brazilian Real (BRL/\\$)	5.332	5.363	4.228
U.S. Dollar Index	92.061	92.316	98.323

Source: Bloomberg LP and Wells Fargo Securities

## Foreign Interest Rates

	Wednesday 11/25/2020	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	-0.55	-0.55	-0.45
3-Month Sterling LIBOR	0.04	0.05	0.79
3-Month Canada Banker's Acceptance	0.49	0.49	1.97
3-Month Yen LIBOR	-0.10	-0.10	-0.10
2-Year German	-0.75	-0.73	-0.63
2-Year U.K.	-0.03	-0.03	0.52
2-Year Canadian	0.27	0.27	1.58
2-Year Japanese	-0.14	-0.13	-0.18
10-Year German	-0.57	-0.55	-0.35
10-Year U.K.	0.32	0.34	0.70
10-Year Canadian	0.70	0.70	1.46
10-Year Japanese	0.02	0.02	-0.08

## Commodity Prices

	Wednesday 11/25/2020	1 Week Ago	1 Year Ago
WTI Crude (\\$/Barrel)	45.45	41.82	58.01
Brent Crude (\\$/Barrel)	48.27	44.34	63.65
Gold (\\$/Ounce)	1810.44	1872.24	1455.26
Hot-Rolled Steel (\\$/S.Ton)	805.00	715.00	495.00
Copper (\\$/Pound)	329.45	319.80	264.75
Soybeans (\\$/Bushel)	11.89	11.75	8.90
Natural Gas (\\$/MMBTU)	2.76	2.71	2.53
Nickel (\\$/Metric Ton)	16,197	15,887	14,595
CRB Spot Inds.	482.68	475.07	436.27

## Next Week's Economic Calendar

	Monday 30	Tuesday 1	Wednesday 2	Thursday 3	Friday 4
U.S. Data		<b>ISM Manufacturing</b> October 59.3 November 57.1 (W)		<b>ISM Services</b> October 56.6 November 56.2 (W)	<b>Nonfarm Payrolls</b> October 638K November 425K (W)
		<b>Construction Spending (MoM)</b> September 0.3% October 0.7% (W)			<b>Trade Balance</b> September -\$63.9B October -\$64.7B (W)
Global Data	<b>China</b> <b>Manufacturing PMI</b> Previous 53.6	<b>Canada</b> <b>GDP Annualized (QoQ)</b> Previous -38.7%	<b>Eurozone</b> <b>Unemployment Rate</b> Previous 8.3%	<b>Brazil</b> <b>GDP (QoQ)</b> Previous -9.7%	<b>Canada</b> <b>Net Employment Change</b> Previous 83.6K
	<b>Eurozone</b> <b>CPI (YoY)</b> Previous -0.3%	<b>Australia</b> <b>GDP (QoQ)</b> Previous -7.0%			<b>India</b> <b>Central Bank Rate Decision</b> Previous 4.00%

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

Source: Bloomberg LP and Wells Fargo Securities



## Wells Fargo Securities Economics Group

Jay H. Bryson, Ph.D.	Chief Economist	(704) 410-3274	jay.bryson@wellsfargo.com
Mark Vitner	Senior Economist	(704) 410-3277	mark.vitner@wellsfargo.com
Sam Bullard	Senior Economist	(704) 410-3280	sam.bullard@wellsfargo.com
Nick Bennenbroek	International Economist	(212) 214-5636	nicholas.bennenbroek@wellsfargo.com
Tim Quinlan	Senior Economist	(704) 410-3283	tim.quinlan@wellsfargo.com
Azhar Iqbal	Econometrician	(212) 214-2029	azhar.iqbal@wellsfargo.com
Sarah House	Senior Economist	(704) 410-3282	sarah.house@wellsfargo.com
Charlie Dougherty	Economist	(704) 410-6542	charles.dougherty@wellsfargo.com
Michael Pugliese	Economist	(212) 214-5058	michael.d.pugliese@wellsfargo.com
Brendan McKenna	International Economist	(212) 214-5637	brendan.mckenna@wellsfargo.com
Shannon Seery	Economist	(704) 410-1681	shannon.seery@wellsfargo.com
Jen Licis	Economic Analyst	(704) 410-1309	jennifer.licis@wellsfargo.com
Hop Mathews	Economic Analyst	(704) 383-5312	hop.mathews@wellsfargo.com
Nicole Cervi	Economic Analyst	(704) 410-3059	nicole.cervi@wellsfargo.com
Sara Cotsakis	Economic Analyst	(704) 410-1437	sara.cotsakis@wellsfargo.com
Coren Burton	Administrative Assistant	(704) 410-6010	coren.burton@wellsfargo.com

Wells Fargo Securities Economics Group publications are produced by Wells Fargo Securities, LLC, a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority, and the Securities Investor Protection Corp. Wells Fargo Securities, LLC, distributes these publications directly and through subsidiaries including, but not limited to, Wells Fargo Securities Canada, Ltd., Wells Fargo Securities Asia Limited and Wells Fargo Securities (Japan) Co. Limited. Wells Fargo Securities, LLC is registered with the Commodities Futures Trading Commission as a futures commission merchant and is a member in good standing of the National Futures Association. Wells Fargo Bank, N.A. is registered with the Commodities Futures Trading Commission as a swap dealer and is a member in good standing of the National Futures Association. Wells Fargo Securities, LLC and Wells Fargo Bank, N.A. are generally engaged in the trading of futures and derivative products, any of which may be discussed within this publication. Wells Fargo Securities, LLC does not compensate its research analysts based on specific investment banking transactions. Wells Fargo Securities, LLC's research analysts receive compensation that is based upon and impacted by the overall profitability and revenue of the firm which includes, but is not limited to investment banking revenue. The information and opinions herein are for general information use only. Wells Fargo Securities, LLC does not guarantee their accuracy or completeness, nor does Wells Fargo Securities, LLC assume any liability for any loss that may result from the reliance by any person upon any such information or opinions. Such information and opinions are subject to change without notice, are for general information only and are not intended as an offer or solicitation with respect to the purchase or sales of any security or as personalized investment advice. Wells Fargo Securities, LLC is a separate legal entity and distinct from affiliated banks and is a wholly owned subsidiary of Wells Fargo & Company © 2020 Wells Fargo Securities, LLC.

### Important Information for Non-U.S. Recipients

For recipients in the EEA, this report is distributed by Wells Fargo Securities International Limited ("WFSIL"). WFSIL is a U.K. incorporated investment firm authorized and regulated by the Financial Conduct Authority. For the purposes of Section 21 of the UK Financial Services and Markets Act 2000 ("the Act"), the content of this report has been approved by WFSIL, an authorized person under the Act. WFSIL does not deal with retail clients as defined in the Directive 2014/65/EU ("MiFID2"). The FCA rules made under the Financial Services and Markets Act 2000 for the protection of retail clients will therefore not apply, nor will the Financial Services Compensation Scheme be available. This report is not intended for, and should not be relied upon by, retail clients.

SECURITIES: NOT FDIC-INSURED/NOT BANK-GUARANTEED/MAY LOSE VALUE

WELLS  
FARGO

SECURITIES