Weekly — February 26, 2021

Weekly Economic & Financial Commentary

U.S. Review

The U.S. Economy Continues to Start 2021 on a High Note

- In January, personal spending increased at a robust 2.4% pace, while personal income soared 10.0%. The core PCE deflator rose 0.3% during the month and 1.5% over the year. Fed Chair Powell testified in front of Congress and underscored the FOMC's commitment to keep monetary policy accommodative, as the U.S. economy continues to recover from the COVID crisis.
- Pending home sales dropped 2.8% in January, reflecting some moderation in the housing market. Durable goods orders jumped 3.4% in January, besting consensus estimates. Jobless claims unexpectedly fell to 730K during the week ending February 20. The Leading Economic Index (LEI) jumped 0.5% in January. Consumer sentiment (University of Michigan) dipped to 76.8 in February.

Global Review

Central Banks on Hold This Week

- The Reserve Bank of New Zealand (RBNZ) met this week to discuss policy, opting to maintain its Official Cash Rate at 0.25% and leaving its Funding for Lending program and Large Scale Asset Purchase program unchanged. Separately, the New Zealand government instructed the RBNZ to keep house price sustainability in mind when making its policy decisions.
- The Bank of Korea also held policy steady, leaving its seven-day repo rate unchanged at 0.50%, a record low. The central bank maintained its growth forecasts, but noted that its inflation expectations for 2021 have risen.
- The Swedish economy unexpectedly contracted in the fourth quarter of 2020, driven mainly by a fall in household consumption and changes in inventories.

Wells Fargo Securities U.S. Economic Forecast

	Actual 2020				Forecast 2021				Actual	Forecast		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2019	2020	2021	2022
Real Gross Domestic Product [1]	-5.0	-31.4	33.4	4.0	4.9	8.3	8.3	6.7	2.2	-3.5	6.2	5.1
Personal Consumption	-6.9	-33.2	41.0	2.5	4.7	11.7	10.4	7.6	2.4	-3.9	7.4	5.7
Inflation Indicators [2]												
PCE Deflator	1.7	0.6	1.2	1.2	1.8	2.8	2.4	2.5	1.5	1.2	2.4	2.0
Consumer Price Index	2.1	0.4	1.3	1.2	1.8	3.4	2.7	2.8	1.8	1.2	2.7	2.4
Industrial Production [1]	-6.8	-42.6	43.3	10.0	8.0	7.0	6.7	5.5	0.9	-6.6	7.3	5.2
Corporate Profits Before Taxes [2]	-6.7	-19.3	3.5	2.5	15.6	33.0	6.5	6.0	0.3	-5.0	14.2	4.9
Trade Weighted Dollar Index [3]	112.8	110.4	106.6	103.3	103.5	103.3	102.5	102.0	110.2	109.1	102.8	100.8
Unemployment Rate	3.8	13.1	8.8	6.8	6.4	6.2	5.9	5.6	3.7	8.1	6.0	4.9
Housing Starts [4]	1.48	1.08	1.43	1.59	1.53	1.49	1.47	1.48	1.29	1.38	1.49	1.56
Quarter-End Interest Rates [5]												
Federal Funds Target Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	2.25	0.50	0.25	0.25
Conventional Mortgage Rate	3.45	3.16	2.89	2.69	2.90	3.05	3.20	3.30	3.94	3.12	3.11	3.51
10 Year Note	0.70	0.66	0.69	0.93	1.20	1.35	1.50	1.60	2.14	0.89	1.41	1.81

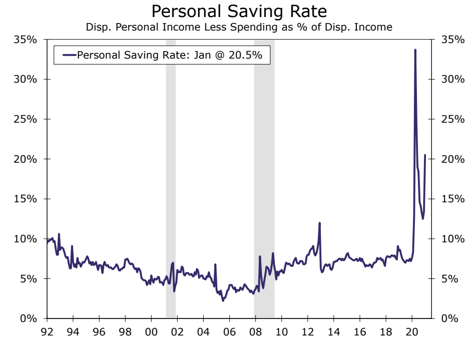
Forecast as of: February 19, 2021
[1] Compound Annual Growth Rate Quarter-over-Quarter
[2] Year-over-Year Percentage Change
[3] Federal Reserve Advanced Foreign Economies Index, 2006=100 - Quarter End
[4] Millions of Units
[5] Annual Numbers Represent Averages

Source: Fed. Reserve Board, IHS Markit, U.S. Dept. of Commerce, U.S. Dept. of Labor, and Wells Fargo Securities

U.S. Review

The U.S. Economy Continues to Start 2021 on a High Note

Most of the economic data released this week handily beat market expectations, which is just the latest sign that the economic recovery is regaining momentum after slowing toward the end of 2020. During January, personal spending increased at a robust 2.4% pace. The strong monthly gain in consumption arrived alongside a 10.0% surge in personal incomes. Many households received a second round of pandemic-relief checks during the month, which helped provide a jolt to consumer spending. The saving rate shot up to 20.5% from 13.4%, which we expect to help propel consumer spending forward in the months to come. The latest estimate of Personal Consumption Expenditure (PCE) deflator was also reported in the personal income and outlays report. The core PCE deflator, which is the Fed's preferred measure of consumer price inflation, rose 0.3% during the month and 1.5% over the year. This outcome is slightly ahead of market expectations but still well below the Fed's 2% inflation target.

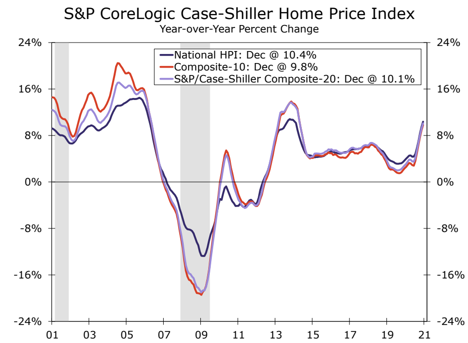


Source: U.S. Department of Commerce and Wells Fargo Securities

The Fed Appears Unmoved by Rising Long-Term Rates

Fed Chair Powell underscored the FOMC's commitment to keep monetary policy accommodative as the U.S. economy continues to recover from the COVID crisis. Powell appeared in front of Senate Banking Committee on Tuesday and the House Financial Services Committee on Wednesday, and emphasized that "the economy is a long way from our employment and inflation goals, and it is likely to take some time for substantial further progress to be achieved." Powell's comments arrived against a backdrop of rising long-term rates and inflation expectations. However, in our view, this is just the latest piece of evidence that the Fed is unlikely to alter the pace of asset purchases or lift the federal funds target rate for the foreseeable future.

Powell also commented on the white-hot housing market. Over the past few months, low mortgage rates have led to surging home sales. With relatively scarce supply on the market, home price appreciation has heated up considerably. In December, the S&P CoreLogic National Home Price Index accelerated to a 10.4% year-over-year pace, the fastest since 2014. There were some signs of cooling in the housing market this week. During the week ending February 19, mortgage applications for purchase declined 11.6%, the third straight decline. Pending home sales, which lead existing sales by a month or two, dropped 2.8% in January. Mortgage rates have moved slightly higher in recent weeks, which partially explains some of the recent pullback. For more insight on this, please see the Credit Market Insights section.



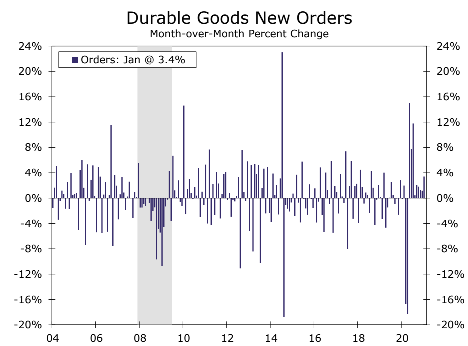
Source: S&P CoreLogic and Wells Fargo Securities

Business Spending on the Upswing

Meanwhile, manufacturing and business spending on equipment also appears to be off to a strong start in 2021. Durable goods orders jumped 3.4% in January, well ahead of consensus estimates. Nondefense capital goods shipments rose 3.5%. Civilian aircraft lifted both orders and shipments as Boeing restarted deliveries of the 737-MAX. The strength in durable goods extended beyond aircraft, with solid gains in primary and fabricated metals, computers and related products, as well as transportation equipment.

Several indicators released this week also point to the recovery gaining additional steam in February. Initial jobless claims unexpectedly fell to 730K during the week ending February 20, which is the lowest level since November. The drop in claims is probably overstated somewhat by the harsh winter weather that much of the country experienced last week. Some of the decline, however, may reflect genuine improvement as operating restrictions on businesses have been relaxed and consumer spending has improved in recent weeks.

That said, the path forward is not without hazards. The University of Michigan's measure of consumer sentiment dipped to 76.8 in February, a six-month low. Both the current conditions and expectations gauges of sentiment slipped during the month. Overall, the monthly drop is a reminder that, even though new COVID case counts appear to be receding alongside an accelerated pace of vaccinations, the pandemic is still weighing heavily on households.



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

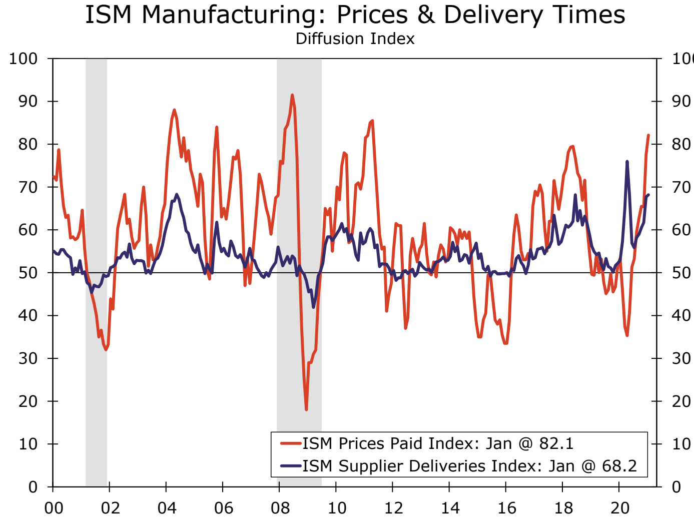
U.S. Outlook

ISM Manufacturing • Monday

Manufacturing has continued to grow at an impressive pace, buoyed by the shift in demand for goods amid the pandemic. But as the productive capacity of the economy has struggled to keep up with the pivot to goods spending, there have been a series of bottlenecks in the sector. Ongoing supply disruptions have kept order backlogs rising, which will keep activity humming in the near term as will low levels of customer inventories. Supply constraints will also add to price pressure, and we expect the prices paid component continued to grow at a rapid clip in February. Multiple manufacturing industries have cited labor shortages as a problem in recent months, and we expect labor remained difficult to find in the sector in February. Orders likely continued to roll in this month, but components tied to supply constrains like the supplier deliveries, backlogs and prices paid indices should also push the ISM manufacturing index higher for February.

Previous: 58.7; Wells Fargo: 59.0

Consensus: 58.6



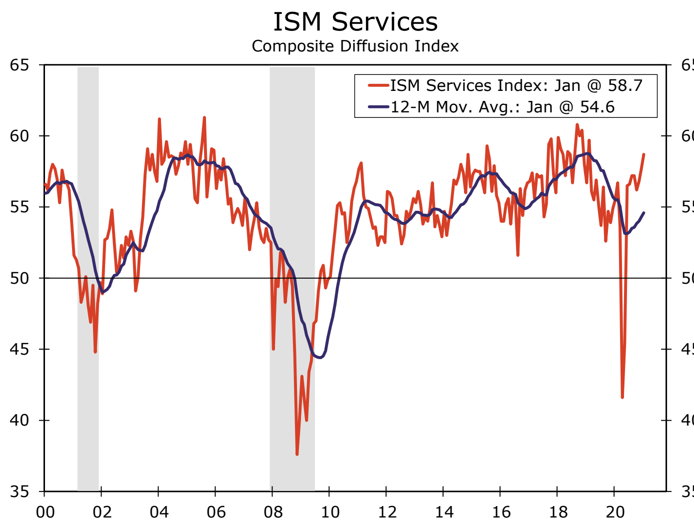
Source: Institute of Supply Management and Wells Fargo Securities

ISM Services • Wednesday

After service activity surprised to the upside in January, we expect activity continued at a similar pace in February. The rapidly improving public health situation is particularly encouraging for the sector, which has been disproportionately affected during the pandemic. Bottlenecks are affecting the service industries similar to manufacturing, evident in increased backlogs. Labor shortages have also been reported as a constraint in the sector, but the employment component likely continued to improve in February and will be indicative of what to expect from the official U.S. payroll report released a few days later. The ISM services index may give up some ground, but we expect it to remain solidly in expansion territory.

Previous: 58.7; Wells Fargo: 58.5

Consensus: 58.7



Source: Institute for Supply Management and Wells Fargo Securities

Employment • Friday

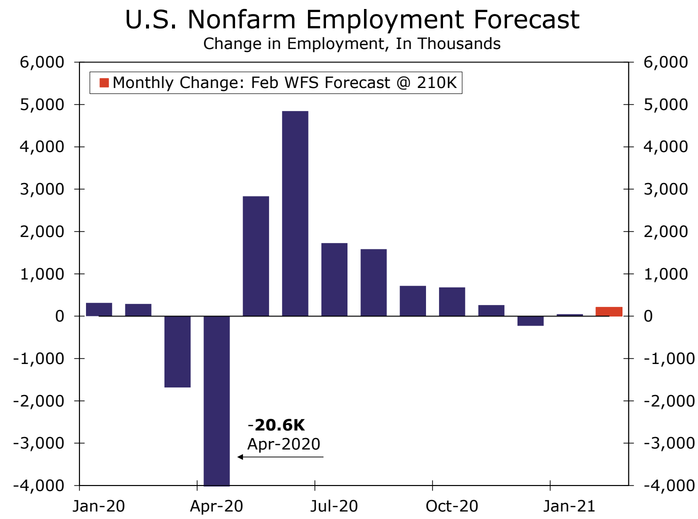
Easing COVID restrictions and the flow-through of December's fiscal support package likely helped the labor market recovery regain momentum in February. Jobless claims trended lower heading into the survey week, while regional purchasing manager indices firmed over the month. With the polar vortex that ground activity to a halt in parts of the country hitting *after* the survey week, we expect to see payrolls climb 210K.

Despite stronger hiring, we expect the unemployment rate to remain unchanged after declining sharply to 6.3% in January. An increase in the labor force participation rate, however, would not be surprising and would signal some underlying improvement. A more balanced composition of hiring, with leisure & hospitality in particular benefiting from declining COVID cases, points to a modest monthly increase in average hourly earnings of 0.2%.

Another soft report akin to January would underscore that the labor market recovery still has a very long road ahead, and a quick snapback is far from assured despite rising optimism around the broader growth outlook. A significantly better-than-expected report, however, would suggest that the more constructive outlook is warranted and the recovery has legs under it that extend beyond temporary fiscal support measures.

Previous: 49K; Wells Fargo: 210K

Consensus: 145K



Source: U.S. Department of Labor and Wells Fargo Securities

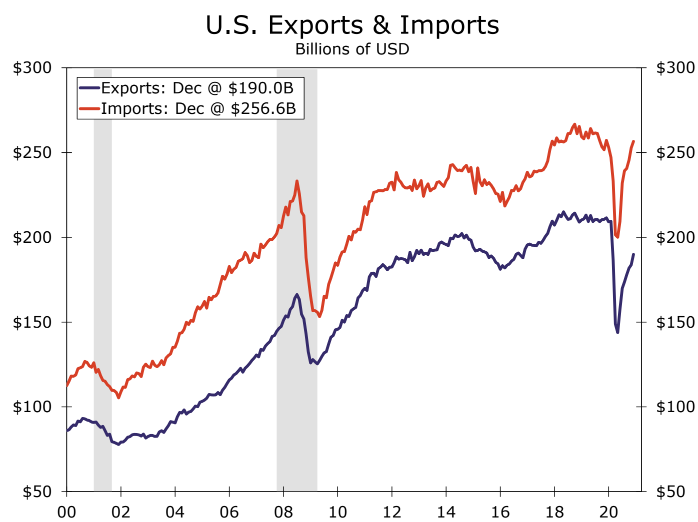
Trade Balance • Friday

Purchasing manager indices in foreign economies indicate activity held up in January, and the advanced merchandise trade data suggest exports rose 1.4% during the month. A more stable global backdrop and improvement on the vaccine front suggest overall prospects for 2021 global growth are rising. Strong domestic U.S. demand for retail goods and vehicles likely also kept imports growing, as did more positive expectations regarding consumption and still-lean retail inventories. Merchandise imports are set to rise around 1% based on the advanced trade report. Strong imports are also underscored by the anecdotal reports of cargo surges causing congestion at ports across the nation.

We look for the trade deficit to widen slightly in January. A larger-than-expected widening in the deficit could suggest even more domestic stockpiling than we are expecting. A smaller widening or even a narrowing in the deficit would suggest the global economy is finding firmer footing.

Previous: -$66.6B; Wells Fargo: -$67.2B

Consensus: -$67.3B

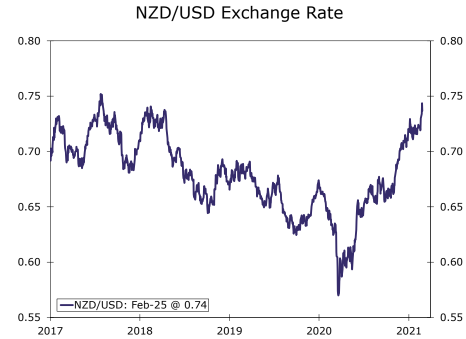


Source: U.S. Department of Commerce and Wells Fargo Securities

International Review

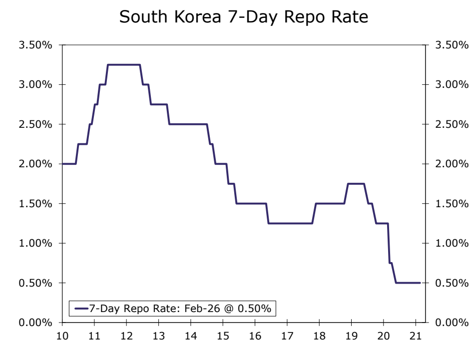
Central Banks on Hold This Week

The Reserve Bank of New Zealand (RBNZ) opted to maintain the current policy settings, holding the Official Cash Rate (OCR) at 0.25%. It also maintained the size of its Large Scale Asset Purchase (LSAP) program at NZ$100B and left its Funding for Lending Program (FLP) operation unchanged, as expected. The central bank indicated that it remains prepared to provide additional stimulus measures if needed, including taking the OCR negative. It also noted that prolonged monetary stimulus and considerable time and patience is needed until it is confident that inflation is sustained at its 2% target midpoint and employment is at or above its maximum sustainable level. In the accompanying statement, the central bank noted that demand in tourism-related sectors remain weak, and it does not look for borders to re-open until 2022. However, the RBNZ did acknowledge that the economic rebound has been stronger than expected, and its new forecasts reflect an improved economic outlook. The central bank now looks for 2021 GDP growth to rebound 3.7%, up from 3.4% in the November forecasts, while the unemployment rate is now expected to reach 5.2%, down from 6.4%. Following the announcement, the New Zealand dollar initially fell, but soon recovered as analysts looked toward the RBNZ's unconstrained OCR forecast, which was revised higher, hinting that less stimulus measures may be needed going forward.



Source: Bloomberg LP and Wells Fargo Securities

Separately, the New Zealand government instructed RBNZ to consider the impact on the housing market when setting interest rates, with the new remit set to go into effect on March 1. The central bank's targets to maintain stability in inflation and contribute to maximum employment remain unchanged, and the committee still maintains autonomy over its decisions; however, the central bank is now required to also regularly explain the impact of its policy decisions on the government's housing objectives. Following the news of the replacement remit, the New Zealand dollar jumped as investors see less scope for expansionary monetary policy.

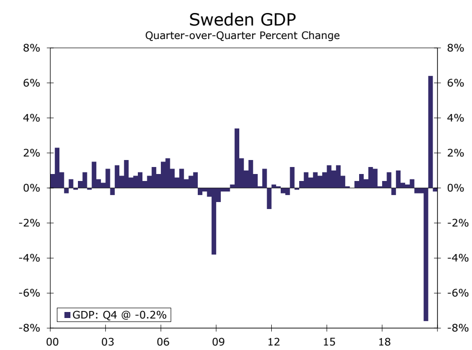


Source: Bloomberg LP and Wells Fargo Securities

The Bank of Korea (BoK) held its seven-day repo rate at 0.50%, a record-low, at its policy meeting this week, as expected. The central bank indicated that the Korean economy has continued to recover modestly and is likely to continue to recover going forward, with the recovery led by exports and investments. That said, the BoK maintained its growth forecasts, looking for GDP growth to be around 3% and 2.5% in 2021 and 2022, respectively. It also noted its inflation expectations have risen for 2021, now looking for CPI at 1.3% from 1% in November. Meanwhile, BoK Governor Lee noted that the economic path remains dependent on the vaccine rollout and reiterated the central bank's plan to keep monetary policy accommodative.

Swedish Economy Unexpectedly Contracted in Q4

The Swedish economy unexpectedly contracted in the fourth quarter of 2020, driven mainly by a fall in household consumption and changes in inventories. GDP growth declined 0.2% quarter-over-quarter in Q4, compared to the Q4 GDP indictor which increased 0.5%. The fourth quarter results followed a strong rebound in Q3 as growth jumped 4.9% quarter-over-quarter, as COVID cases were largely contained during summer. The details of the report indicated that full-year 2020 GDP decreased 2.8% compared to 2019, still a milder contraction than other European economies. Household final consumption dropped 0.8%, with decreased housing expenses and consumption of hotel and restaurant services contributing to the downturn. Inventories also weighed on headline GDP as changes in inventories took off 0.7 percentage points from growth. On the flip side, net exports contributed upwards to growth, adding 0.8 percentage points, while households' real disposable income increased 2.5%. Despite the underwhelming GDP print, more timely data suggest the Swedish economy is starting to pick up. In a separate release, January retail sales surged 3.4% month-over-month, exceeding market expectations for a 2% increase, while confidence indicators continued to improve in February.



Source: Bloomberg LP and Wells Fargo Securities

International Outlook

China Manufacturing and Non-manufacturing PMI • Monday

For most of past year, China's economy outperformed and was the only major economy to experience positive growth. We expect China to record another strong year of economic growth in 2021; however, new COVID outbreaks in China led the government to impose new lockdown measures in an effort to limit the spread of the virus. Given the recent COVID disruptions, Chinese PMI data slipped in January. The manufacturing PMI dipped to 51.3, while the non-manufacturing PMI declined to 52.4. Although both indicators remain in expansion territory (above the 50-level), if COVID cases rise and the government implements stricter restrictions, as a result, the PMI data could slow going forward. Next week's data are expected to soften further with the consensus looking for the February manufacturing PMI to slip to 51.0, while the non-manufacturing PMI is expected to fall 0.4 points to 52.0.

Previous: 51.3 & 52.4

Consensus: 51.0 & 52.0 (Manufacturing & Non-manufacturing PMI)

Source: Bloomberg LP and Wells Fargo Securities

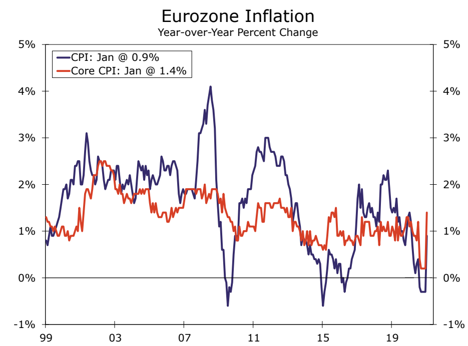
Eurozone CPI • Tuesday

The Eurozone economy remained resilient at the end of last year, as the economy shrank less than expected; however, further economic softness followed by a slow recovery appears likely this year. Although, deflationary risks appear to have lessened slightly for now. The January Eurozone inflation report indicated headline CPI jumped 0.9% year-over-year from a 0.3% decline the previous month, while core inflation—a measure which excludes alcohol and tobacco prices—was also higher, rising 1.4% year-over-year. Looking ahead to next week, we expect February Eurozone headline CPI rose 1.0% year-over-year, remaining in positive territory for a second month in a row.

Next week, the January retail sales report is also due. In December, retail sales rose 2.0% month-over-month, against estimates for a 2.8% rebound, and came after a November sales slump.

Previous: 0.9%; Wells Fargo: 1.0%

Consensus: 1.0% (Year-over-Year)



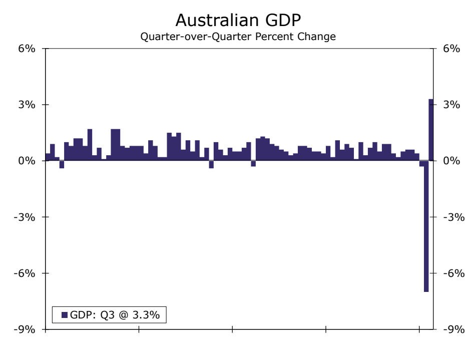
Source: Bloomberg LP and Wells Fargo Securities

Australia Q4 GDP • Tuesday

Next week, Australia reports fourth quarter GDP data. The Australian economy grew at a faster-than-expected pace in Q3, rising 3.3% quarter-over-quarter, and marked the largest quarterly rise since 1976. Data over the quarter were a bit mixed as Australia experienced the emergence of COVID clusters in some cities, including Sydney and Brisbane, leading the government to impost new health orders to limit the spread of the virus. After a surge in November retail sales, households pulled back spending in December. Retail sales plunged 4.1% month-over-month, with five of the six retail categories recording a fall. Other data over the quarter were more encouraging, however, as employment jumped by 90,000 in November, while the December labor market report showed unemployment fell to 6.6%, exceeding market expectations. In December, employment also rose by 50,000, with about 90% of the jobs lost between March and May recouped. Looking ahead, analysts expect Q4 GDP growth to increase 2.4% quarter-over-quarter.

Previous: 3.3%

Consensus: 2.4% (Quarter-over-Quarter)



Source: Bloomberg LP and Wells Fargo Securities

Credit Market Insights

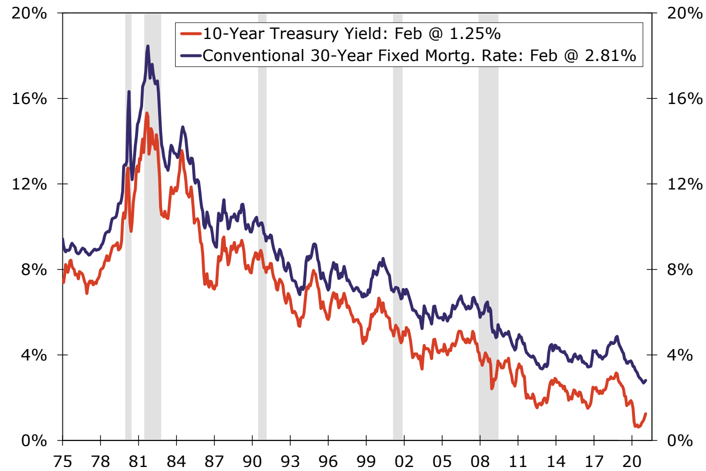
Will Higher Mortgage Rates Derail Housing?

Bond yields have been on a tear in recent weeks, as market participants price-in the expectation for faster economic growth and inflation over the coming quarters. The yield on the 10-year Treasury note, which fell to only 0.50% in early August, had been rising slowly through the back half of last year. But, the selloff has accelerated in recent weeks, and the yield on the benchmark Treasury note rose to its highest level in more than a year this week.

The 30-year fixed rate mortgage is priced off of the yield on the 10-year Treasury, and the rise in the former has led to some increase in the latter in recent weeks. Since notching a record low of 2.65% in the first week of 2021, the average 30-year fixed rate mortgage, as tracked by Freddie Mac's national survey, has risen over 30 bps. Higher rates already appear to be weighing on some high-frequency measures of mortgage activity. Mortgage purchase applications tracked by the Mortgage Bankers Association have fallen in four out of the past six weeks. While some of the more recent weakness could be the result of disruptions stemming from winter storms that froze economic activity in many parts of the United States, it is worth considering if higher rates could slow the ongoing housing boom.

In our view, higher mortgage rates alone are likely not sufficient to cut off the recent rise in housing demand. Demographic tailwinds alongside shifts in preferences for more space have driven home buying higher over the past year and are unlikely to disappear anytime soon. Moreover, while we expect mortgage rates to rise over the next two years, we do not anticipate a jump that would significantly alter individuals' ability to afford a home. If affordability problems do arise, it will more likely be the result of low housing supply, which, alongside strong demand, has been pushing up house prices at an accelerating rate. Ultimately, even if there is some moderation in the pace of home buying, we still expect the pace of home sales to be strong relative to the past decade.

30-Year Mortgage Rate and 10-Year Treasury



Source: Bloomberg LP and Wells Fargo Securities

Topic of the Week

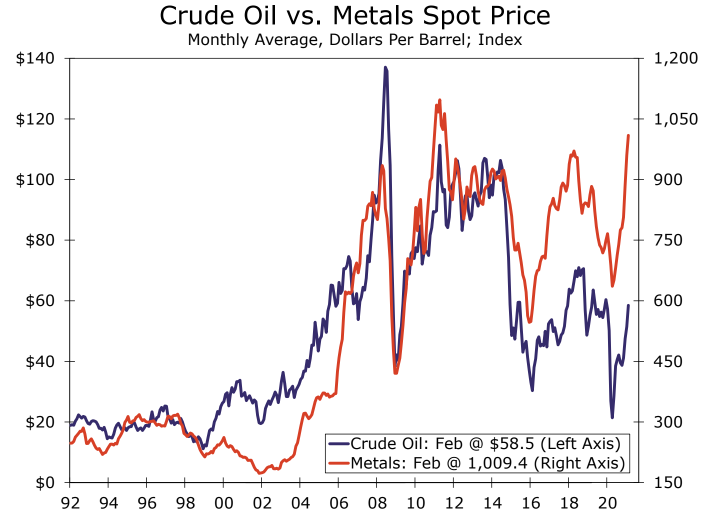
Hot Commodities

In recent months, commodity prices have surged ahead, making marked comebacks from the declines seen last spring. The Commodity Research Bureau's (CRB) metals spot price index is as high as it has been in 10 years after having risen over 200 points since October with more than half of the gain occurring just since the start of this year. West Texas Intermediate (WTI) crude oil has followed suit and stands at $62.6 per barrel as of this writing, which is fully recovered to its pre-pandemic price level. While some of this month's surge in prices may reflect oil supply disruptions from the storms in Texas, spot prices are more forward-looking and today's data are reflective of longer-term upward pressures on prices that were already in place.

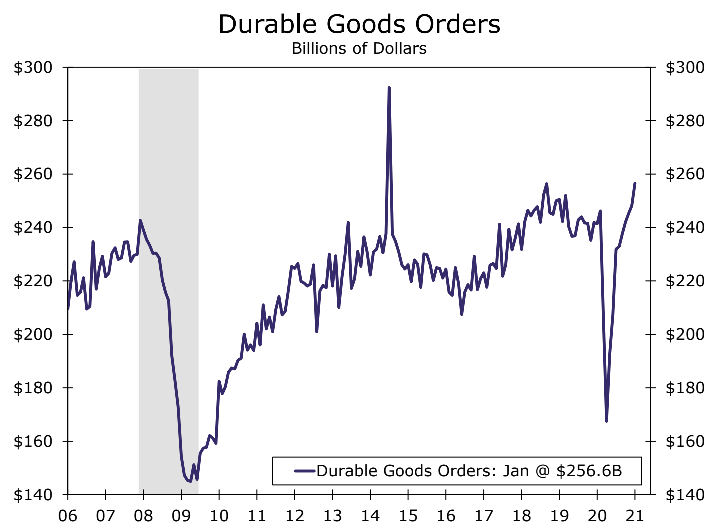
One of these pressures comes from the evolving COVID environment, which is paving the way for America to get back to work. Bloomberg's vaccine tracker reports that 68.3 million doses of the vaccine have been administered in the U.S. That accounts for around 30% of doses administered worldwide, and even per capita, the U.S. has set an impressive pace with its distributions. As of today, the United States has given around 21 doses per 100 people, which is more than both China (~3 per 100) and the European Union (~7 per 100) and not far behind the United Kingdom (~29 per 100). U.S. average new case counts have also dropped around 60% over the past two months, outpacing the global case count drop, which is down around 40%. As vaccinations globally catch up with countries that are now leading the way, a revitalization of manufacturing worldwide amid widespread re-openings would imply greater demand for commodities.

Manufacturing Jumpstart in 2021

January's consensus-shattering 3.4% rise in durable goods has made us feel more confident about our recent upgrade for the U.S. economy this year. As noted in our prior *Weekly Economic and Financial Commentary*, the slowing in manufacturing recovery toward the end of 2020 is giving way to a stronger demand environment so far this year. Beyond the improvements with the battle against the virus, other factors like backlogged orders and low inventories give production room to run as manufacturers catch up from the soft patch at the end of last year. We expect the goods spending to remain strong throughout 2021 before downshifting to more moderate growth in 2022. While commodity spot prices have impressively rebounded up to this point, continued demand from the manufacturing sector will be instrumental in determining where they land in the next few months.



Source: Commodity Research Bureau and Wells Fargo Securities



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

Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 2/26/2021	1 Week Ago	1 Year Ago
1-Month LIBOR	0.11	0.11	1.62
3-Month LIBOR	0.19	0.18	1.65
3-Month T-Bill	0.04	0.03	1.51
1-Year Treasury	0.05	0.02	1.32
2-Year Treasury	0.16	0.10	1.16
5-Year Treasury	0.82	0.58	1.16
10-Year Treasury	1.51	1.34	1.34
30-Year Treasury	2.25	2.13	1.82
Bond Buyer Index	2.44	2.17	2.46

Foreign Exchange Rates

	Friday 2/26/2021	1 Week Ago	1 Year Ago
Euro ($/€)	1.212	1.212	1.088
British Pound ($/£)	1.395	1.402	1.291
British Pound (£/€)	0.868	0.865	0.843
Japanese Yen (¥/$)	106.500	105.450	110.430
Canadian Dollar (C$/$)	1.267	1.262	1.333
Swiss Franc (CHF/$)	0.906	0.896	0.977
Australian Dollar (US$/A$)	0.775	0.787	0.654
Mexican Peso (MXN/$)	20.939	20.429	19.281
Chinese Yuan (CNY/$)	6.479	6.458	7.023
Indian Rupee (INR/$)	73.465	72.654	71.663
Brazilian Real (BRL/$)	5.563	5.388	4.450
U.S. Dollar Index	90.627	90.364	98.996

Foreign Interest Rates

	Friday 2/26/2021	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	-0.55	-0.55	-0.44
3-Month Sterling LIBOR	0.06	0.06	0.74
3-Month Canada Banker's Acceptance	0.44	0.44	1.94
3-Month Yen LIBOR	-0.08	-0.08	-0.06
2-Year German	-0.66	-0.68	-0.70
2-Year U.K.	0.13	-0.01	0.37
2-Year Canadian	0.38	0.23	1.32
2-Year Japanese	-0.11	-0.11	-0.19
10-Year German	-0.27	-0.31	-0.51
10-Year U.K.	0.81	0.70	0.50
10-Year Canadian	1.49	1.21	1.22
10-Year Japanese	0.16	0.11	-0.09

Commodity Prices

	Friday 2/26/2021	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	62.37	59.24	48.73
Brent Crude ($/Barrel)	66.14	62.91	53.43
Gold ($/Ounce)	1725.40	1784.25	1640.96
Hot-Rolled Steel ($/S.Ton)	1255.00	1162.00	572.00
Copper (¢/Pound)	418.00	407.40	257.25
Soybeans ($/Bushel)	14.09	13.80	8.71
Natural Gas ($/MMBTU)	2.74	3.07	1.82
Nickel ($/Metric Ton)	19,158	19,114	12,372
CRB Spot Inds.	562.62	549.87	456.39

Source: Bloomberg LP and Wells Fargo Securities

Next Week's Economic Calendar

	Monday	Tuesday	Wednesday	Thursday	Friday
	1	2	3	4	5
U.S. Data	**ISM Manufacturing** January 58.7 February 59.0 (W) **Construction Spending (MoM)** December 1.0% January 0.9% (W)		**ISM Services** January 58.7 February 58.5 (W)	**Factory Orders (MoM)** December 1.1% January 2.0% (W)	**Nonfarm Payrolls** January 49K February 210K (W) **Trade Balance** December -$66.6B January -$67.2B (W)
Global Data	**China** **Manuf. & Non-Manuf. PMI** Previous 51.3, 52.4 **Chile** **Economic Activity (YoY)** Previous -0.4%	**Eurozone** **CPI (YoY)** Previous 0.9% **Australia** **GDP (QoQ, SA)** Previous 3.3%	**South Korea** **CPI (YoY)** Previous 0.6%	**Philippines** **CPI (YoY)** Previous 4.2%	**Brazil** **Industrial Production (YoY)** Previous 8.2%

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

Source: Bloomberg LP and Wells Fargo Securities

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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

Required Disclosures

Important Information for Non-U.S. Recipients