



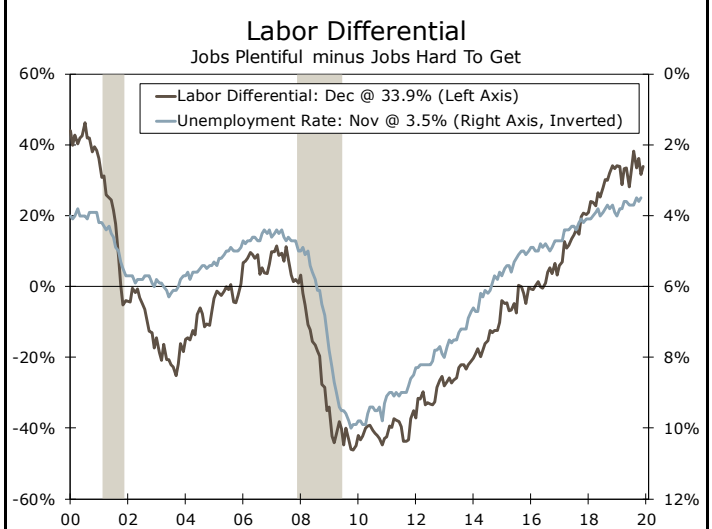
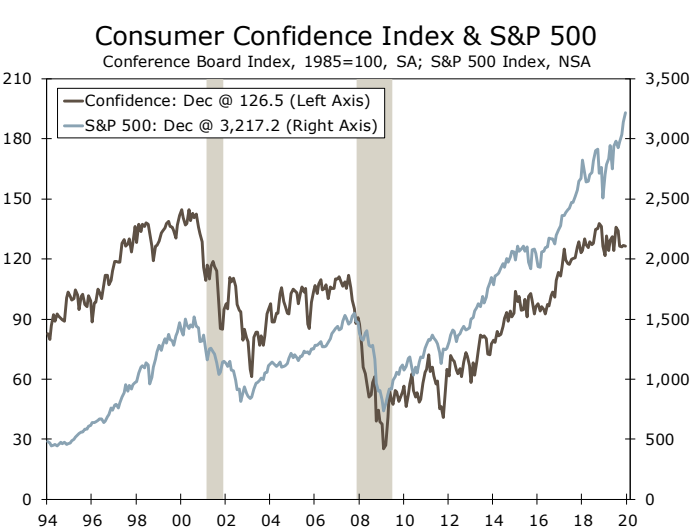
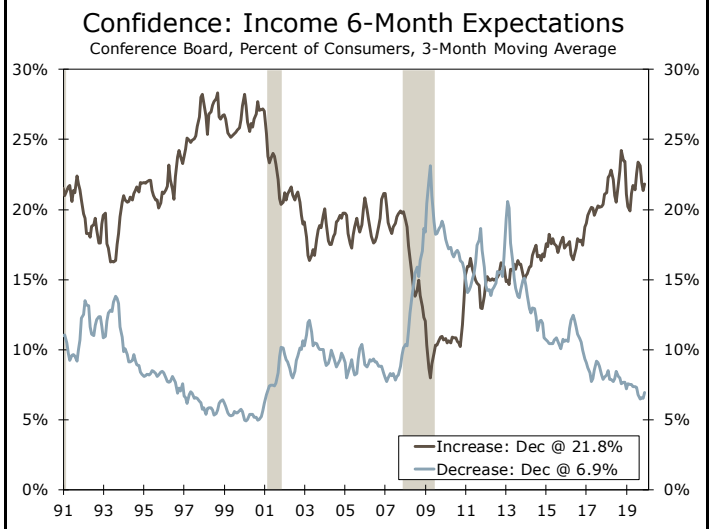
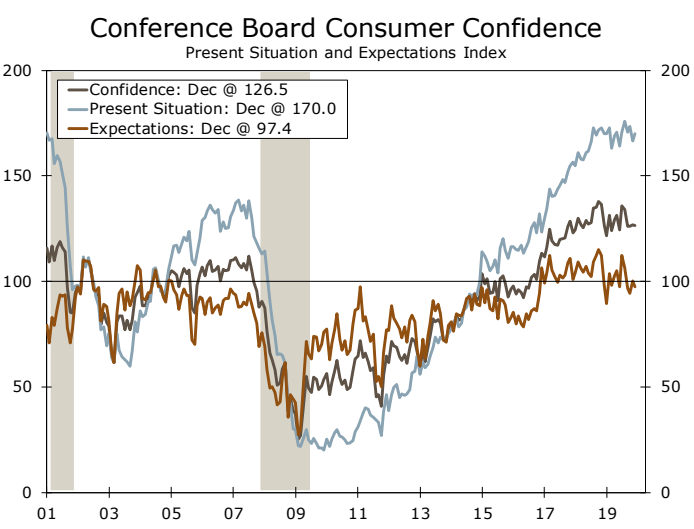
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Confidence Little Changed Heading into the New Year

Consumer confidence nudged down in December to 126.5. Positive developments since the survey suggest some near-term upside, while the high level remains supportive of consumer spending.

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| <p>Some Upside to Come?</p> <ul style="list-style-type: none"> Consumer confidence fell marginally in the final month of the year, slipping to 126.5. Confidence fell short of expectations, however, given new highs reached in the stock market and slightly lower gas prices. The underwhelming print may come down to timing. The cutoff date for the survey was Dec. 13, when a Phase I trade deal was more up in the air and tariffs on a swath of more consumer goods still loomed. | <p>Confidence Still Elevated and Supportive of Spending</p> <ul style="list-style-type: none"> Expectations led the decline, with the net share of households expecting income to rise slipping. Strong hiring, however, helped households become more upbeat on present conditions. Spending momentum has eased up through the first two months of the fourth quarter, but with confidence still high, we expect consumer spending to remain a key driver of growth in the fourth quarter and into the new year. |
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Source: The Conference Board, IHS Markit, U.S. Department of Labor and Wells Fargo Securities

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