



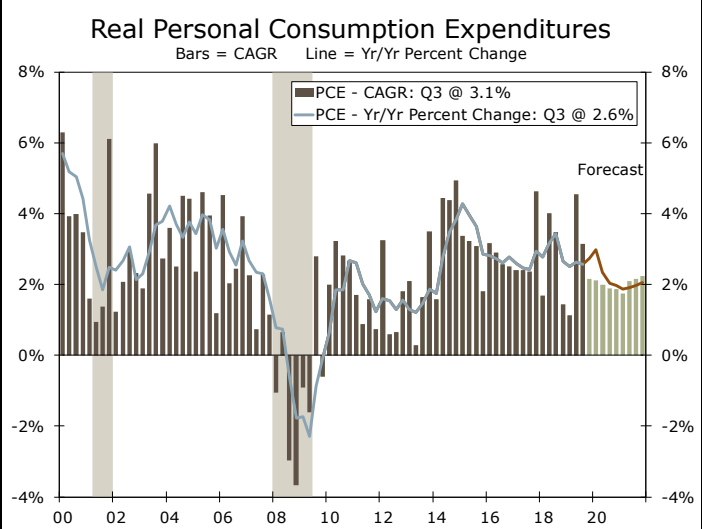
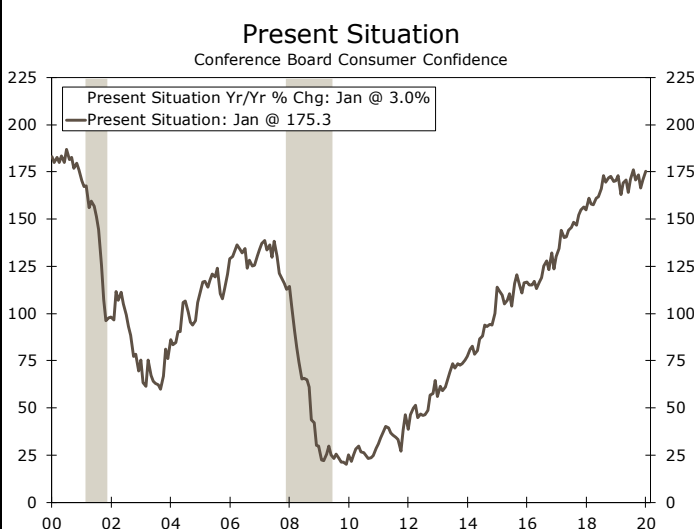
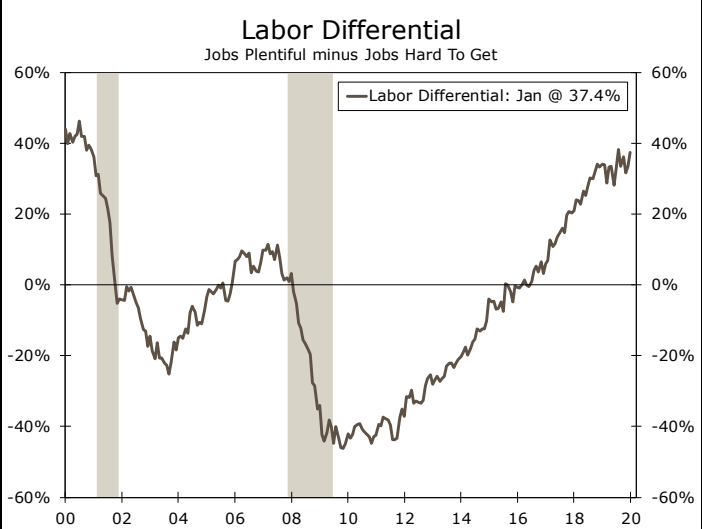
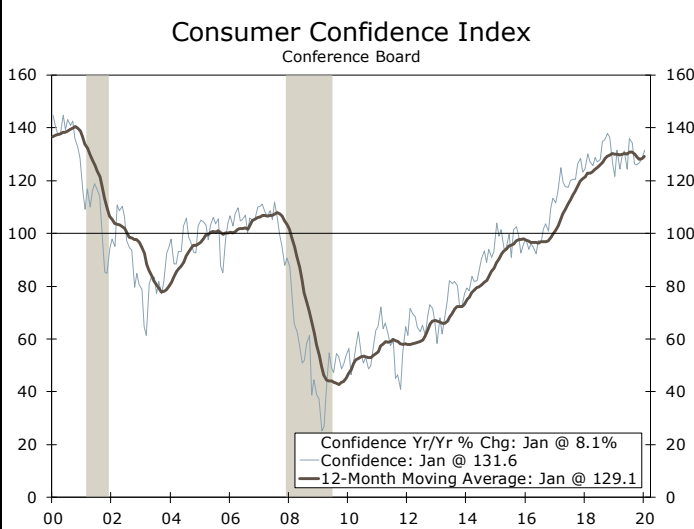
Economics Group

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Consumers Remained Confident in January

Increased optimism about current and expected conditions supported a better than expected print for the consumer confidence index in January. Consumer spending should remain a key driver of growth this year.

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| <p>Higher Confidence on Trade War De-escalation</p> <ul style="list-style-type: none"> Consumer confidence rose 3.4 points in January to 131.6. This is the highest level since August, when the Trump administration announced consumer tariffs would go into effect in September and raised existing tariffs. The U.S. and China signed the Phase I trade deal on January 15, which was also the cutoff of this month's survey. Prospects of the de-escalation in the trade war therefore likely buoyed optimism in January. | <p>Labor Market Optimism</p> <ul style="list-style-type: none"> The present situation index ticked up 4.8 points to 175.3, supported by a strong labor market. The labor differential, or the difference between those who view jobs as plentiful versus hard to get, rose to its second highest level of the expansion. This indicates optimism around job prospects and will likely support spending. Consumer expectations were also higher, though income expectations did moderate slightly in January. |
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Source: The Conference Board, U.S. Department of Commerce and Wells Fargo Securities

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