



Economics Group

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Consumer Confidence Rises Solidly in September

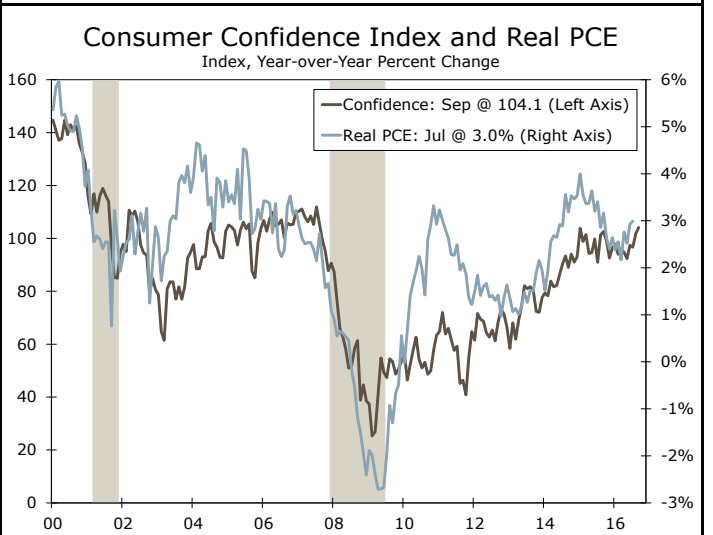
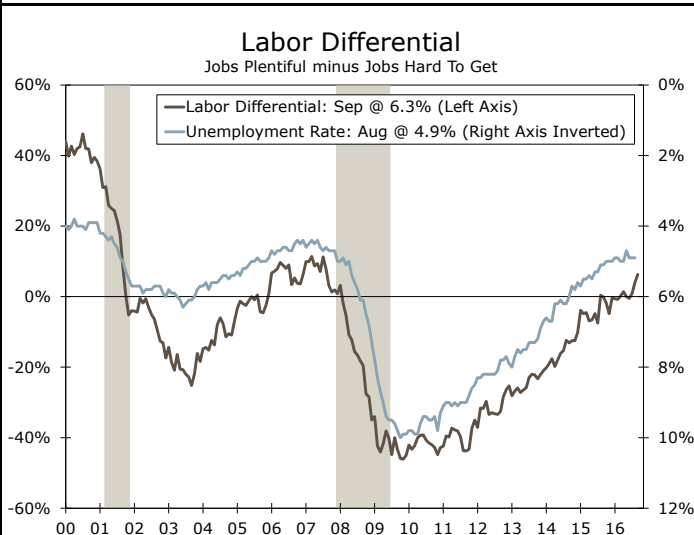
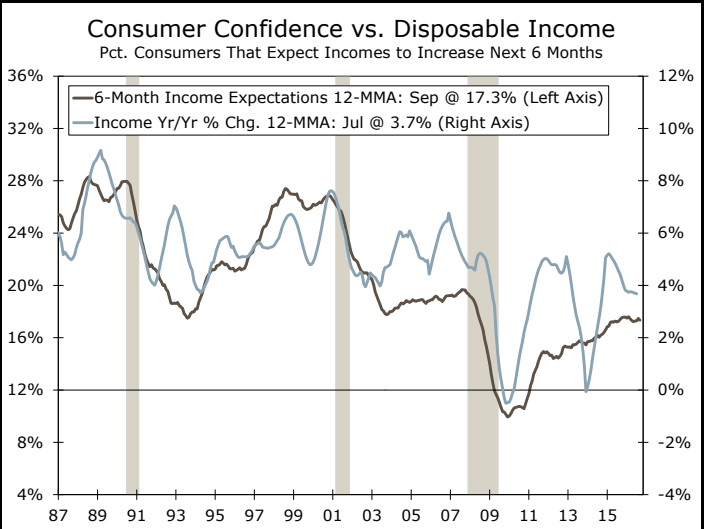
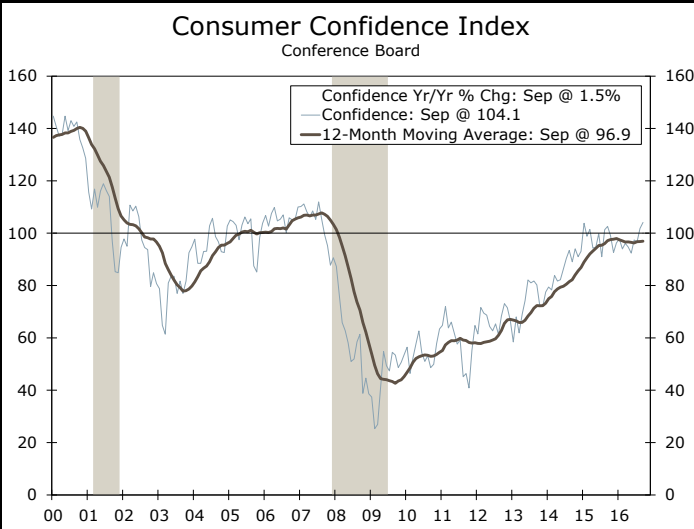
Marking a new post-recession high, confidence increased in September. Optimism continues to build over the near-term hiring outlook, but business conditions and income prospects remain stuck in neutral.

Labor Market Improvement Boosts Current Sentiment

- Increasing for the second consecutive month, consumer confidence unexpectedly rose 2.3 points to a new cycle high of 104.1 in September. Gains were seen in both the present situation and expectations indices.
- Consistent with the Fed's assessment of "strengthening," labor market conditions have been supportive to the recent increase we have seen in confidence and consumer spending growth.

Confidence Supports Solid Q3 Spending Growth

- Not all was rosy in this report, as reflected by consumers' assessment of future business conditions and income prospects. Both fell in September and stand below year-ago levels.
- Fundamentals for future consumer spending, including confidence, remain favorable. As we see it, consumer spending is still poised to remain the primary contributor to U.S. GDP growth over the medium-term.



Source: The Conference Board, U.S. Dept. of Commerce, U.S. Dept. of Labor and Wells Fargo Securities

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