



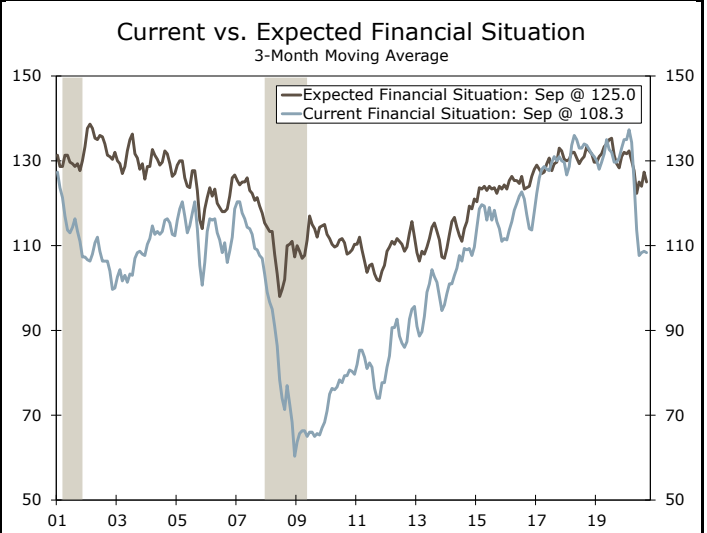
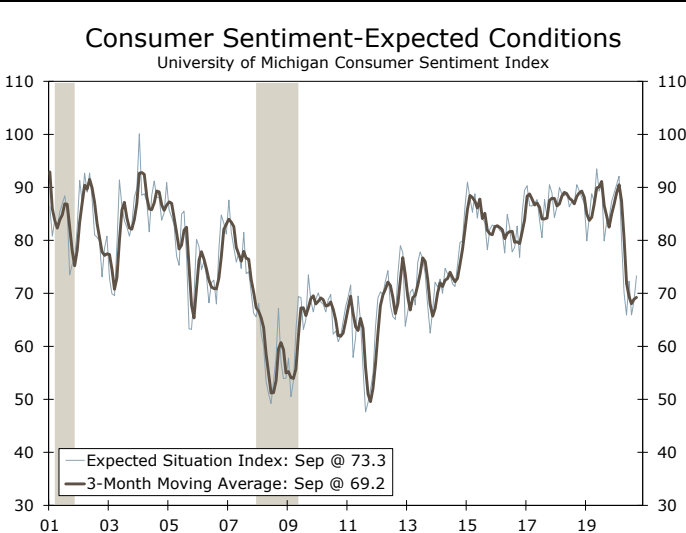
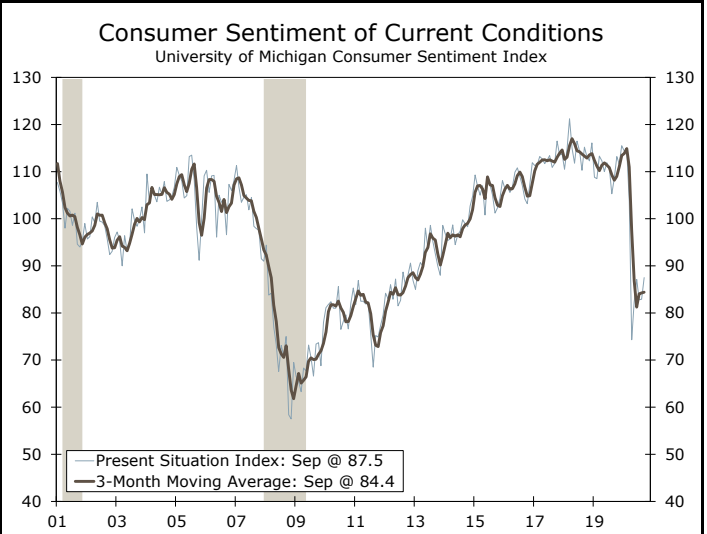
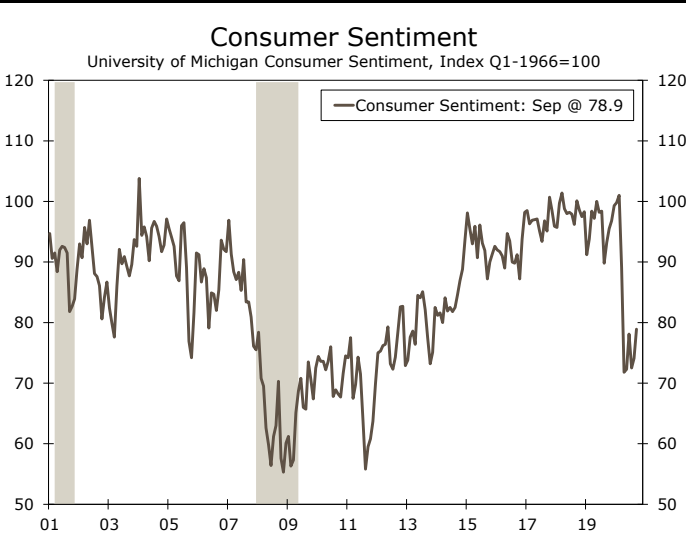
Economics Group

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Consumer Sentiment is Improving

Consumer sentiment picked-up in early-September as perceptions about the economy improved. Confidence still remains well-below its pre-virus level, but it moved in the right direction in September.

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| <p>Sentiment Rebounding</p> <ul style="list-style-type: none"> The University of Michigan’s consumer sentiment index rose to 78.9 in September, marking the highest reading since March. Both current conditions and expectations improved. Notably, just 16% of consumers, the smallest proportion since 2015, expected the economy to worsen over the next year. Sentiment remains way-below its pre-virus level, but notably it hasn’t tested the lows visited in the aftermath of the 2008-crisis. | <p>Keeping An Eye on Household Finances</p> <ul style="list-style-type: none"> Perception of finances were influenced by declining incomes, with more respondents reporting an income decline rather than gain for the first time since 2014. Lower-income households reported a decline more frequently, likely reflecting the expiration of supplemental jobless benefits. With much hand-wringing over if dwindling stimulus would weigh on spending, perceptions of finances clearly took a hit, but overall sentiment remains buoyant. |
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Source: University of Michigan and Wells Fargo Securities

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