

## Economics Group

Sam Bullard, Senior Economist  
[sam.bullard@wellfargo.com](mailto:sam.bullard@wellfargo.com) • (704) 410-3280

### Leading Economic Indicators Index Rebounds in September

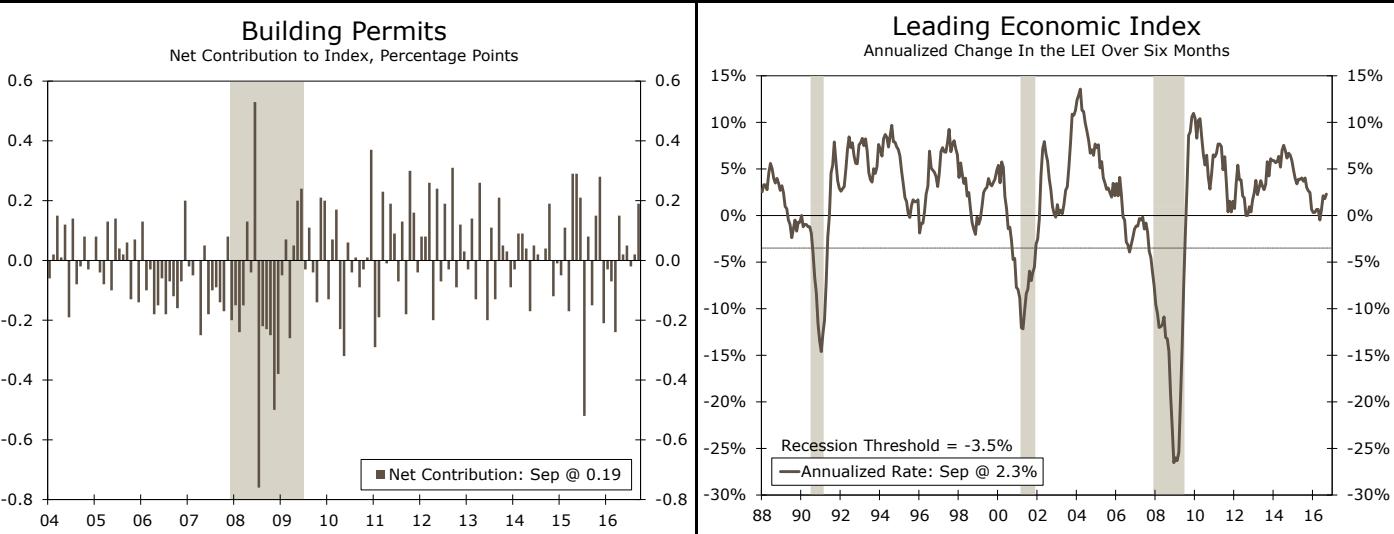
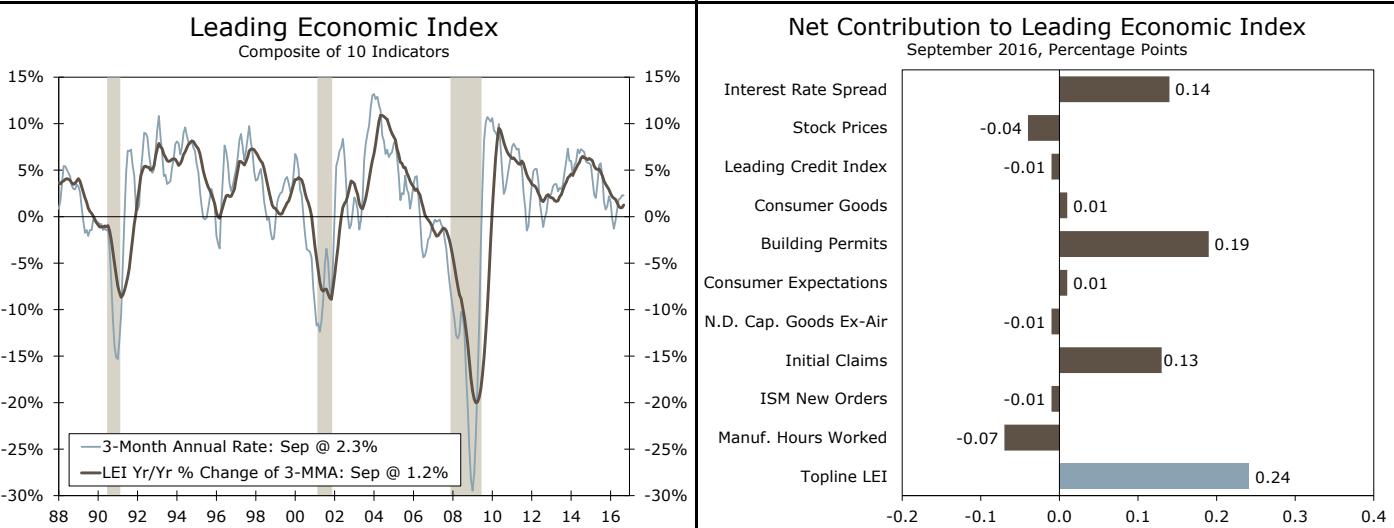
**Fully reversing August's slide, the LEI increased 0.2 percent in September. The 1.5 percent year-over-year pace is consistent with the slow growth environment we expect to unfold in the year ahead.**

#### Small Strength Concentration

- Meeting consensus expectations, the Leading Economic Indicators Index (LEI) increased 0.2 percent in September and improved to a 1.5 percent year-over-year pace.
- Despite five components falling on the month, the strength of building permits, unemployment insurance claims and the interest rate spread was robust enough to lead the headline index higher.

#### Continues to Support Low Recession Probability

- Leading the decliners were the average work-week and stock prices. On balance, the manufacturing components remain sluggish.
- Positive monthly gains in the LEI help support a low probability of a near-term U.S. recession. That said, the LEI performance also points to the limitations of just how fast the U.S. economy is likely to expand over the coming year.



Source: The Conference Board and Wells Fargo Securities

# Wells Fargo Securities Economics Group

|                          |   |                                  |                                     |
|--------------------------|---|----------------------------------|-------------------------------------|
| Diane Schumaker-Krieg    | Global Head of Research, Economics & Strategy | (704) 410-1801<br>(212) 214-5070 | diane.schumaker@wellsfargo.com      |
| John E. Silvia, Ph.D.    | Chief Economist                               | (704) 410-3275                   | john.silvia@wellsfargo.com          |
| Mark Vitner              | Senior Economist                              | (704) 410-3277                   | mark.vitner@wellsfargo.com          |
| Jay H. Bryson, Ph.D.     | Global Economist                              | (704) 410-3274                   | jay.bryson@wellsfargo.com           |
| Sam Bullard              | Senior Economist                              | (704) 410-3280                   | sam.bullard@wellsfargo.com          |
| Nick Bennenbroek         | Currency Strategist                           | (212) 214-5636                   | nicholas.bennenbroek@wellsfargo.com |
| Anika R. Khan            | Senior Economist                              | (212) 214-8543                   | anika.khan@wellsfargo.com           |
| Eugenio J. Alemán, Ph.D. | Senior Economist                              | (704) 410-3273                   | eugenio.j.aleman@wellsfargo.com     |
| Azhar Iqbal              | Econometrician                                | (704) 410-3270                   | azhar.iqbal@wellsfargo.com          |
| Tim Quinlan              | Senior Economist                              | (704) 410-3283                   | tim.quinlan@wellsfargo.com          |
| Eric Viloria, CFA        | Currency Strategist                           | (212) 214-5637                   | eric.viloria@wellsfargo.com         |
| Sarah House              | Economist                                     | (704) 410-3282                   | sarah.house@wellsfargo.com          |
| Michael A. Brown         | Economist                                     | (704) 410-3278                   | michael.a.brown@wellsfargo.com      |
| Jamie Feik               | Economist                                     | (704) 410-3291                   | jamie.feik@wellsfargo.com           |
| Erik Nelson              | Currency Analyst                              | (212) 214-5652                   | erik.f.nelson@wellsfargo.com        |
| Misa Batcheller          | Economic Analyst                              | (704) 410-3060                   | misa.n.batcheller@wellsfargo.com    |
| Michael Pugliese         | Economic Analyst                              | (704) 410-3156                   | michael.d.pugliese@wellsfargo.com   |
| Julianne Causey          | Economic Analyst                              | (704) 410-3281                   | julianne.causey@wellsfargo.com      |
| E. Harry Pershing        | Economic Analyst                              | (704) 410-3034                   | edward.h.pershing@wellsfargo.com    |
| Donna LaFleur            | Executive Assistant                           | (704) 410-3279                   | donna.lafleur@wellsfargo.com        |
| Dawne Howes              | Administrative Assistant                      | (704) 410-3272                   | dawne.howes@wellsfargo.com          |

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