



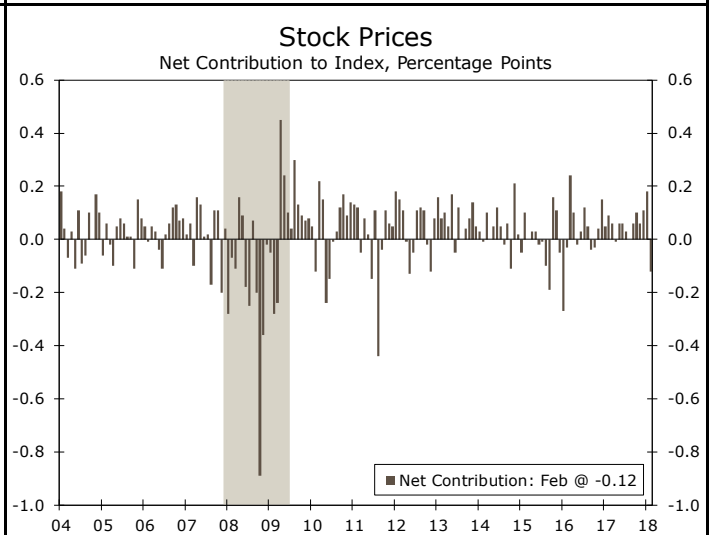
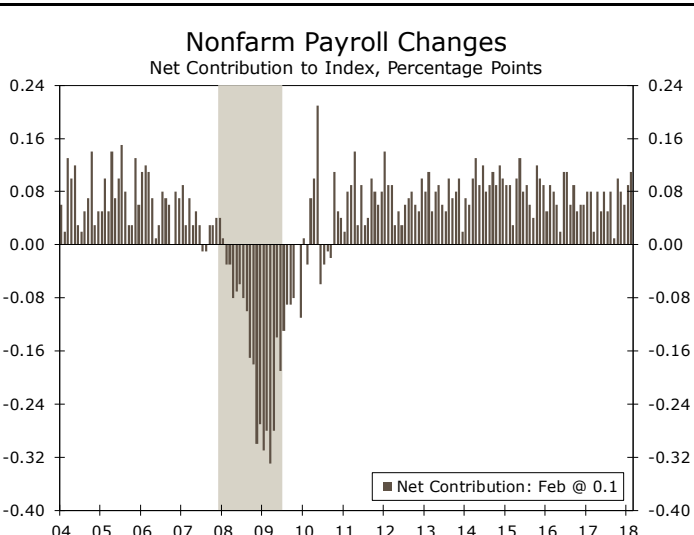
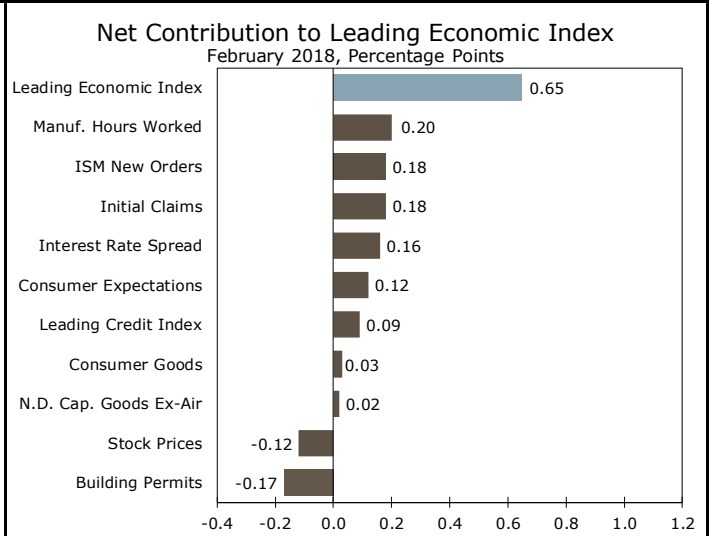
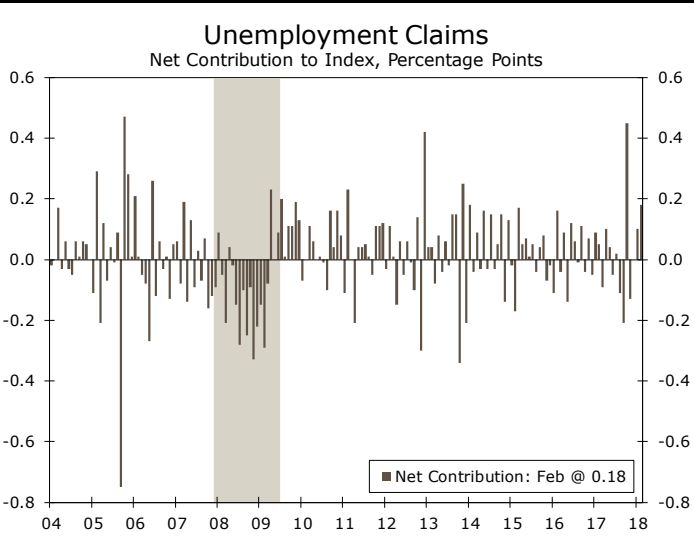
Economics Group

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LEI Echoes the Fed: “Economic Outlook Has Strengthened”

Today’s 0.6 percent increase in the Leading Economic Index (LEI) for February was better than expected and is consistent with the official statement released by the Fed yesterday afternoon.

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| <p>Jobs: The Rising Tide that Lifts All Ships</p> <ul style="list-style-type: none"> The top contributors to the headline improvement in the LEI came from the labor market indicators. The average work week was the top contributor, followed by jobless claims which tied with ISM new orders for the number two spot. Labor market indicators in the other cycle indexes were up as well, with nonfarm payrolls boosting the Coincident Index and a shorter duration of unemployment lifting the Lagging Index. | <p>Into Every Life a Little Rain Must Fall</p> <ul style="list-style-type: none"> The Leading Index has not posted a decline in over a year and a half, but unlike last month in which all components were positive, there were a few misses this time. A decline in the number of new permits pulled by homebuilders resulted in the larger of the two drags this month. The give-back in stock prices that occurred during a run of volatile trading sessions in February was the other drag. |
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Source: Conference Board and Wells Fargo Securities

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