



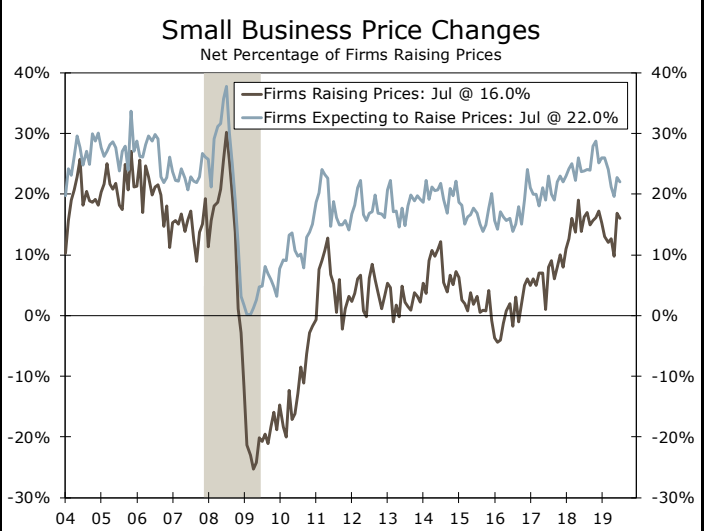
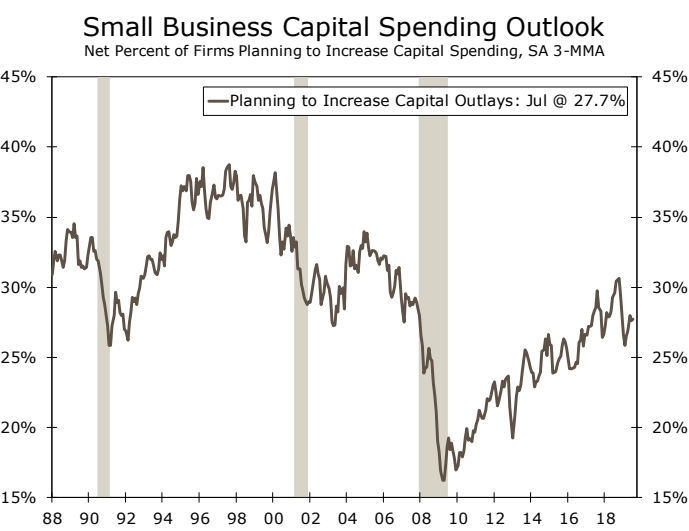
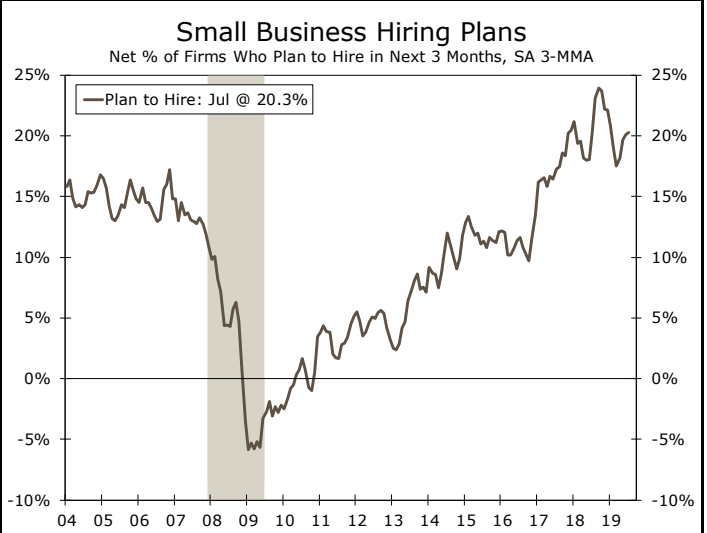
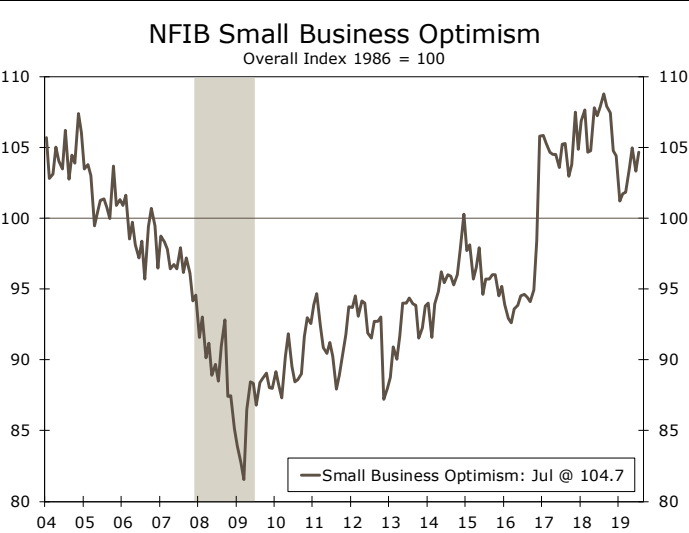
# Economics Group

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## Small Businesses Remain Optimistic

*The NFIB Small Business Optimism Index rose 1.4 points to 104.7 in July. Owners appear to be navigating trade uncertainty well, and are more concerned about finding qualified workers than tariff threats.*

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| <p><b>Optimism Remains Elevated</b></p> <ul style="list-style-type: none"> <li>Seven of the ten components rose as small businesses remain confident in the outlook for the economy. Plans to increase employment rose three points while future capex plans rose a point. Moreover, the Uncertainty Index dropped ten points, reversing the sharp rise last month and likely reflecting the last minute deal with Mexico to avert tariffs. Plans to raise selling prices stabilized after jumping last month.</li> </ul> | <p><b>Main Street More Upbeat than Wall Street</b></p> <ul style="list-style-type: none"> <li>The broad-based optimism from small businesses seems to belie some of the distress signals emanating from the bond market. However, the latest escalation with China and ensuing financial market volatility will likely hit confidence in coming months.</li> <li>Owners reported credit conditions are still highly supportive of growth. Interestingly, asked if a 100 bps reduction in borrowing costs would change capex plans, 21% answered “no” (12% “yes”).</li> </ul> |
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Source: National Federation of Independent Business and Wells Fargo Securities

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