December 02, 2016

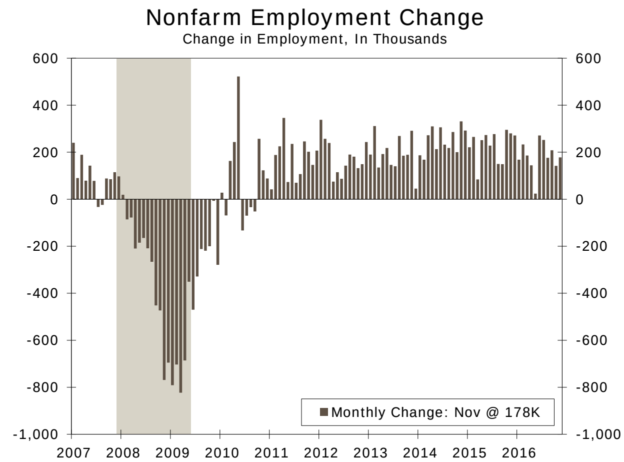
# Economics Group

## Weekly Economic & Financial Commentary

## U.S. Review

### Confidence & Business Activity Both Up, Jobs Mixed

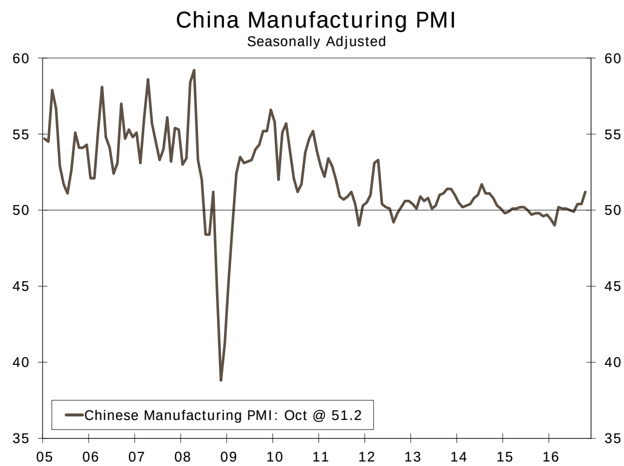
- The November jobs report was a mixed bag. The 178,000 increase was a shade weaker than expectations even as October's increase was revised lower by about 20,000 jobs. The unemployment rate fell to a cycle low of 4.6 percent but it came amidst another decline in participation.
- Jumping more than six points, consumer confidence rose to a fresh cycle high in November. Consumers reported feeling better about both their present and future situations.
- The ISM manufacturing index rose to 53.2 in November with production and new orders up over the month.




## Global Review

### Mixed Results On Global Economic Activity

- The week started with mixed results on global economic activity. On the positive side, the Chinese manufacturing sector saw a slight improvement in November when the manufacturing PMI increased to 51.7 from 51.2 in October as analysts were expecting a slight deterioration of the index.
- In Europe, the U.K. manufacturing sector seems to have weakened a bit further, looking at the November manufacturing PMI print, going from 54.2 in October to 53.4 in November.




**Wells Fargo U.S. Economic Forecast**

| | Actual | | | Forecast | | | | | Actual | | Forecast | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | | | | 2017 | | | | 2014 | 2015 | 2016 | 2017 | 2018 |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| Real Gross Domestic Product [1] | 0.8 | 1.4 | 2.9 | 1.9 | 1.8 | 2.3 | 2.1 | 2.1 | 2.4 | 2.6 | 1.5 | 2.1 | 2.1 |
| Personal Consumption | 1.6 | 4.3 | 2.1 | 2.3 | 2.2 | 2.4 | 2.3 | 1.9 | 2.9 | 3.2 | 2.6 | 2.4 | 2.2 |
| Inflation Indicators [2] | | | | | | | | | | | | | |
| PCE Deflator | 0.9 | 1.0 | 1.0 | 1.5 | 2.0 | 2.0 | 2.1 | 2.1 | 1.5 | 0.3 | 1.1 | 2.1 | 2.2 |
| Consumer Price Index | 1.1 | 1.1 | 1.1 | 1.8 | 2.4 | 2.4 | 2.6 | 2.5 | 1.6 | 0.1 | 1.3 | 2.5 | 2.6 |
| Industrial Production [1] | -1.7 | -0.8 | 2.0 | 0.5 | 2.6 | 2.2 | 2.3 | 2.1 | 2.9 | 0.3 | -0.9 | 1.8 | 1.8 |
| Corporate Profits Before Taxes [2] | -6.6 | -4.3 | -0.8 | 3.0 | 2.7 | 2.1 | 2.1 | 2.1 | 5.9 | -3.0 | -2.3 | 2.3 | 2.1 |
| Trade Weighted Dollar Index [3] | 89.8 | 90.6 | 90.0 | 94.0 | 94.0 | 95.0 | 95.8 | 97.0 | 78.4 | 91.1 | 91.1 | 95.4 | 97.6 |
| Unemployment Rate | 4.9 | 4.9 | 4.9 | 4.9 | 4.8 | 4.7 | 4.7 | 4.6 | 6.2 | 5.3 | 4.9 | 4.7 | 4.5 |
| Housing Starts [4] | 1.15 | 1.16 | 1.15 | 1.20 | 1.15 | 1.17 | 1.18 | 1.19 | 1.00 | 1.11 | 1.14 | 1.18 | 1.20 |
| Quarter-End Interest Rates [5] | | | | | | | | | | | | | |
| Federal Funds Target Rate | 0.50 | 0.50 | 0.50 | 0.75 | 0.75 | 1.00 | 1.00 | 1.25 | 0.25 | 0.27 | 0.56 | 1.00 | 1.50 |
| Conventional Mortgage Rate | 3.69 | 3.57 | 3.46 | 4.21 | 4.23 | 4.28 | 4.30 | 4.34 | 4.17 | 3.85 | 3.73 | 4.29 | 4.44 |
| 10 Year Note | 1.78 | 1.49 | 1.60 | 2.27 | 2.30 | 2.35 | 2.38 | 2.43 | 2.54 | 2.14 | 1.79 | 2.37 | 2.56 |

Forecast as of: November 30, 2016
[1] Compound Annual Growth Rate Quarter-over-Quarter
[2] Year-over-Year Percentage Change
[3] Federal Reserve Major Currency Index, 1973=100 - Quarter End
[4] Millions of Units
[5] Annual Numbers Represent Averages

**Source: U.S. Department of Commerce, U.S. Department of Labor, Federal Reserve Board, IHS Global Insight and Wells Fargo Securities**

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## U.S. Review

### Gradual Economic Improvement

This week's major data releases showed economic conditions continue to gradually improve. Growth was stronger than initially reported in the third quarter, with GDP now estimated to have risen at a 3.2 percent annualized pace. While business investment was even weaker than originally reported, stronger consumer spending helped the economy to grow at the fastest pace in two years.

Support from consumers may wane a bit in the current quarter. Household spending started the fourth quarter on a soft note, increasing just 0.1 percent in real terms. The disappointing print—expectations were for a 0.3 percent rise—can be traced to the services sector, where spending fell in October. However, last month's drop in services spending is likely due, at least in part, to unseasonably warm weather in much of the country reducing demand for utilities. Consumers' spending position remains in relatively good shape heading into the holidays. Personal income in October rose a solid 0.6 percent and was slightly stronger than initially reported in September.

Higher inflation in the coming months will erode some of the income gains for households, but the overall inflation environment remains fairly tame. The PCE deflator, the Fed's preferred gauge of inflation, rose 0.2 percent in October due to rising energy prices, pushing the year-over-year rate to 1.4 percent. Core inflation continues to gradually climb, but at 1.7 percent also remains below the Fed's target.

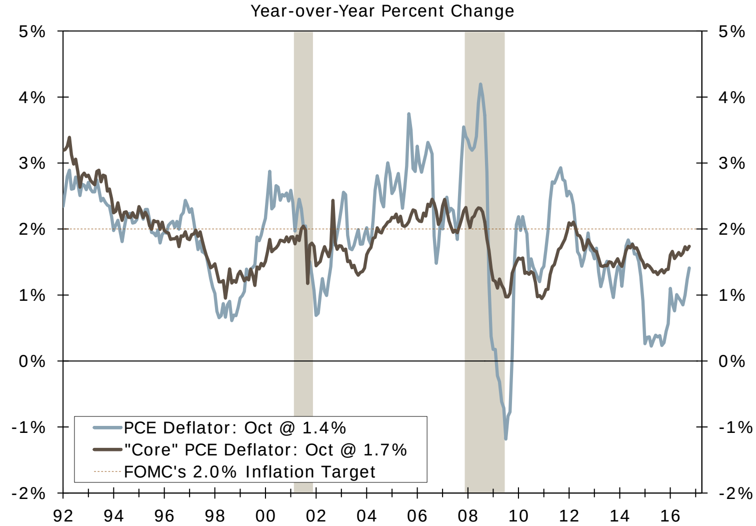
The still-benign inflation environment has likely contributed to gains in consumer confidence over the past year. Confidence surged in November with the index jumping 6.3 points to a new post-recession high of 107.1. Some of this exuberance could be attributed the election results and stock market gains that followed, but the Conference Board indicated that most results were received prior to November 8.

More likely propelling consumer confidence higher is further strengthening in hiring and wage gains. Although average hourly earnings disappointed in November, declining 0.1 percent, earnings are still up 2.5 percent over the past year and add to the evidence of a tightening labor market. Wage gains remain widespread across industries and we suspect that with the labor market at or near full employment, wage pressures will increase in coming months. Over the past year, wage gains of 2.5 percent exceeded the rise in the Consumer Price Index of 1.6 percent, thereby resulting in real wage gains and providing support for improved consumer spending

Manufacturing employment fell 4,000 jobs in November, but layoffs for October were revised to a loss of just 5,000 versus 9,000 previously. Manufacturing in general is turning around though job growth in the sector has been slower to recover. The ISM manufacturing index improved to 53.2 in October matching the strongest reading for the index in more than a year and a half. While still only indicating a modest rate of growth in the factory sector, the upturn suggests further improvement in durable goods orders and industrial production.

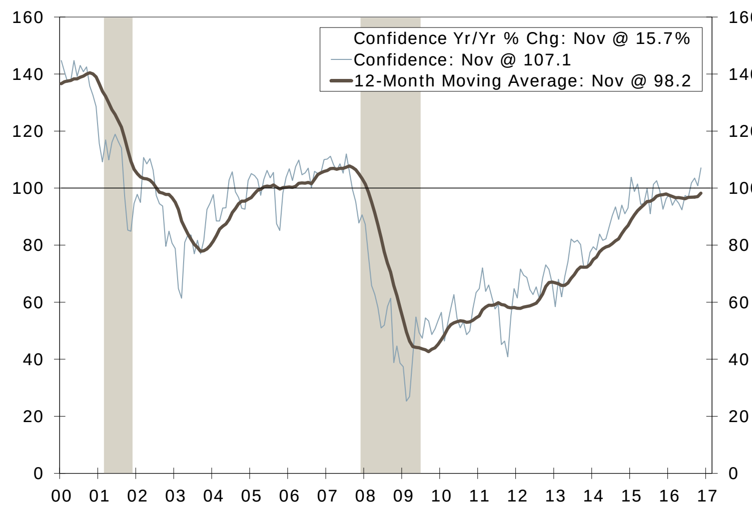
PCE Deflator vs. Core PCE Deflator

Year-over-Year Percent Change



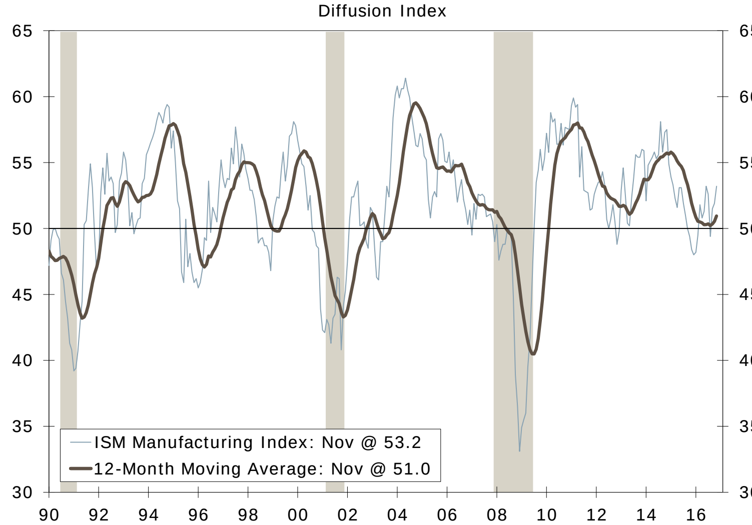

Consumer Confidence Index

Conference Board




ISM Manufacturing Composite Index

Diffusion Index




**Source: U.S. Department of Commerce, The Conference Board, Institute for Supply Management and Wells Fargo Securities**

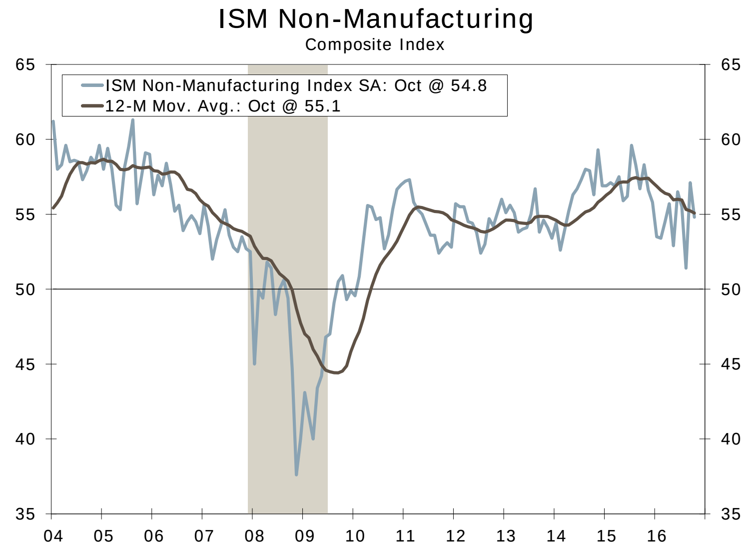
## ISM Non-Manufacturing • Monday

ISM's non-manufacturing survey fell 2.3 points in October to 54.8 with the business activity, new orders and employment components all falling for the month. Even with the pullback in October's reading, the service sector remains firmly in expansion territory. Another interesting aspect of October's report was the fact that respondents indicated that price pressures were starting to build. The prices paid component is now up 2.6 points so far in 2016, consistent with our expectation for higher producer and consumer prices in the fourth quarter.

Looking ahead to November's reading, we expect the index to climb somewhat higher to 55.5, reinforcing the idea that the service sector remains a key support to GDP growth. Our expectation is for fourth quarter GDP growth around 2 percent after a solid 3.2 percent reading in the third quarter.

**Previous: 54.8** **Wells Fargo: 55.5**

**Consensus: 55.3**



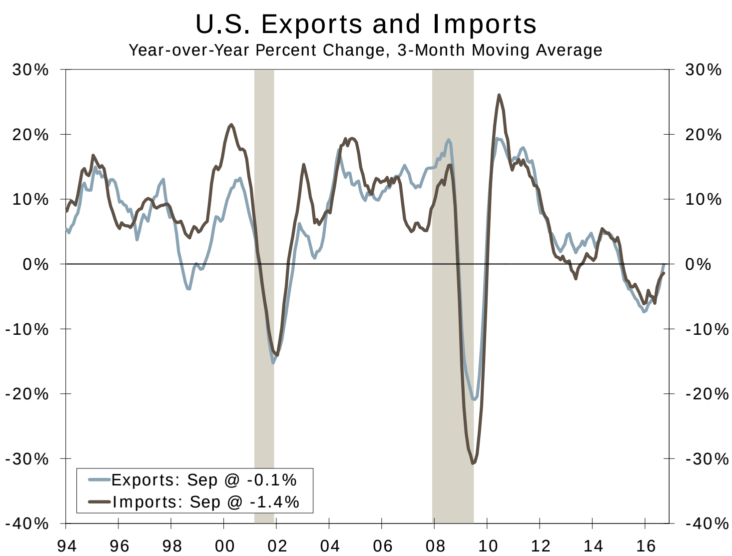

## Trade Balance • Tuesday

The trade deficit in September narrowed by $4.1 billion as a surplus in trade services helped to keep the deficit more narrow than expected. Exports rose 0.6 percent for the month while imports fell 1.3 percent. With the data for the final month of the quarter, trade ended up contributing 0.9 percentage points to growth in Q3.

We expect that the trade deficit widened in October to $41.9 billion as imports once again outpace export growth. While trade provided a sizable boost to third quarter GDP growth, we do not expect this trend to continue. Improving domestic demand in the U.S., a stronger U.S. dollar and a continued sluggish global economic growth environment is expected to widen the trade deficit beginning in the fourth quarter and continue throughout our current forecast horizon of 2018.

**Previous: -$36.4B** **Wells Fargo: -$41.9B**

**Consensus: -$41.7B**



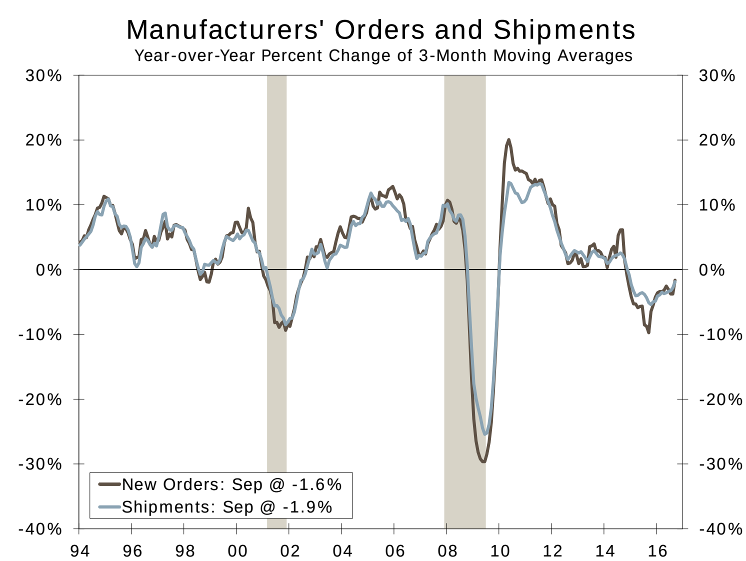

## Factory Orders • Tuesday

Factory orders rose 0.3 percent in the final month of the third quarter. A more forward-looking indicator of possible equipment spending, core capital goods orders, declined 1.4 percent in September, but durable goods order data for October showed the measure rose 0.4 percent in October. Core capital goods orders are now rising at a 4.4 percent annualized pace, consistent with our view for positive but modest equipment spending in the fourth quarter.

We estimate that October factory orders rose 2.5 percent, in October, setting up a good start to Q4. Looking beyond the end of this year, we expect the factory sector to gradually continue to improve. Following what we estimate to be a 2.6 percent year-over-year contraction in equipment spending this year, we expect equipment investment to rise 1.7 percent in 2017.

**Previous: 0.3%** **Wells Fargo: 2.5%**

**Consensus: 2.5% (Month-over-Month)**




**Source: Institute for Supply Management, U.S. Department of Commerce and Wells Fargo Securities**

## Global Review

### Mixed Results On Global Economic Activity

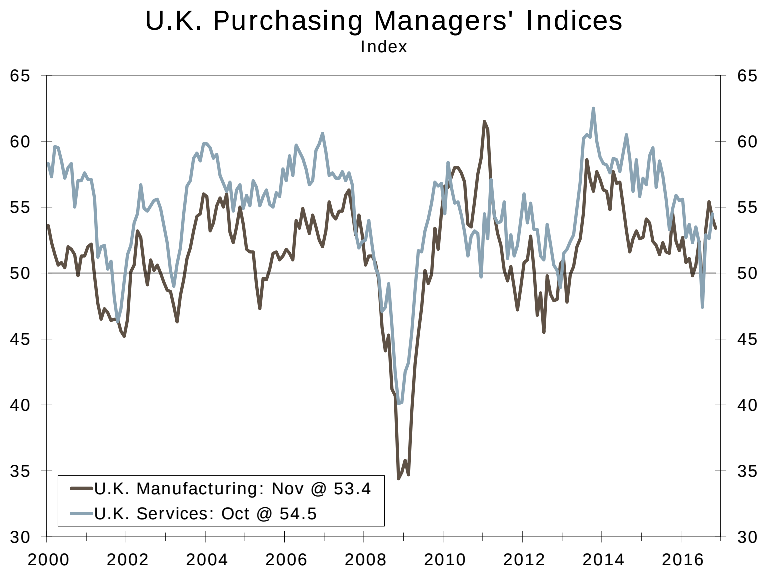
The week started with mixed results on global economic activity. On the positive side, the Chinese manufacturing sector saw a slight improvement in November when the manufacturing PMI increased to 51.7 from 51.2 in October as analysts were expecting a slight deterioration of the index. However, the Caixin PMI manufacturing index, which measures manufacturing firms linked to the rest of the global economy, saw a decline from 51.2 in October to 50.9 in November. Meanwhile, Japanese industrial production for October was up 0.1 percent, slightly higher than expectations at 0.0 percent, after a strong print in September of 0.6 percent.

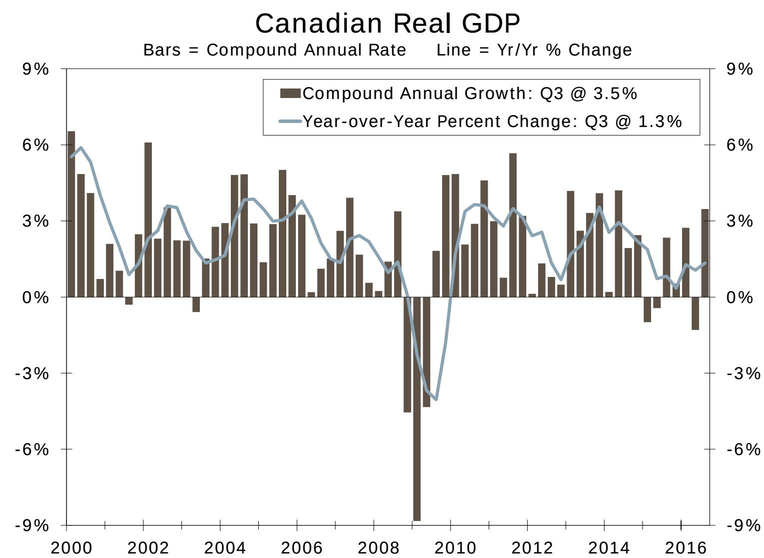
In Europe, the U.K. manufacturing sector seems to have decelerated a bit further, looking at the November manufacturing PMI, going from 54.2 in October to 53.4 in November. Still, the number remained above the 50-demarcation point, showing the resilience of the U.K.'s manufacturing sector to the Brexit decision in late-June.

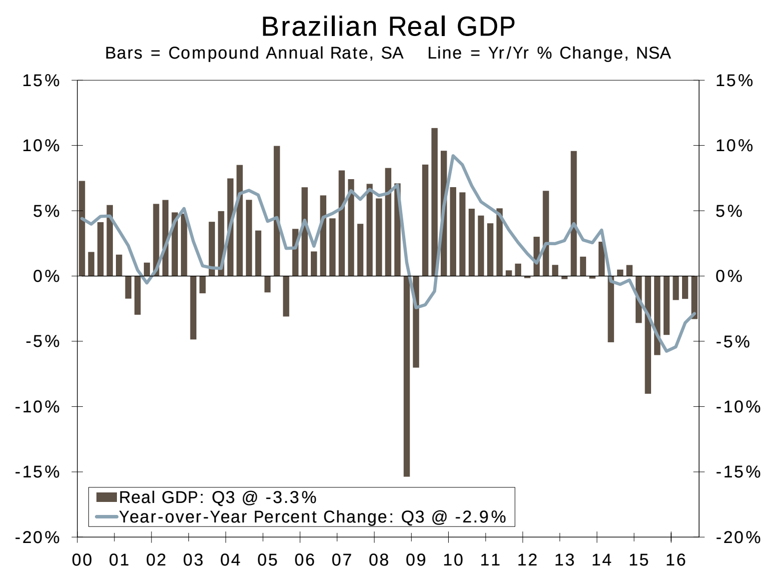
In the Americas, on the other hand, the Canadian economy showed a better-than-expected increase in GDP of 3.5 percent annualized in the third quarter, compared to an upwardly revised decline of 1.3 percent annualized during the second quarter. However, as we reported on our Canadian Q3 GDP report this week, the result is probably not sustainable as it was based on a bounce-back in oil exports during the quarter, which is unlikely to be repeated.

Meanwhile, the Mexican economy continued to adjust to the new environment created by the election of Donald Trump in the U.S. with the currency taking another hit when markets were informed that Agustín Carstens, the Mexican central bank president, will resign in July of next year to head the Bank for International Settlements in Geneva. At the same time, the country's manufacturing indices weakened once again with the official IMEF index dropping below the 50-demarcation point, at 49.4 from a previous reading of 50.3, and the Markit index nearing the threshold, at 51.1.

In Brazil, the country's statistical institute released the results for the economy during the third quarter, and the numbers were not good. The economy dropped 0.8 percent on a quarter-on-quarter basis and by 2.9 percent on a year-earlier basis. The quarter-on-quarter result showed deterioration compared to the previous quarter, while the year-over-year number showed an improvement from the previous quarter. However, the details of the report were negative overall with the only exception of net exports, which have continued to contribute to GDP growth because real imports of goods and services have continued to collapse rather than having a very strong export sector. Perhaps the best news from the report is that it seems that the worse is over and we should expect some improvement for the Brazilian economy in the near future. The economy dropped 4.4 percent during the last four quarters compared to a decline of 4.8 percent during the previous four quarters, the first time that this measure improved since the beginning of the recession.




**Source: IHS Global Insight, Bloomberg LP and Wells Fargo Securities**

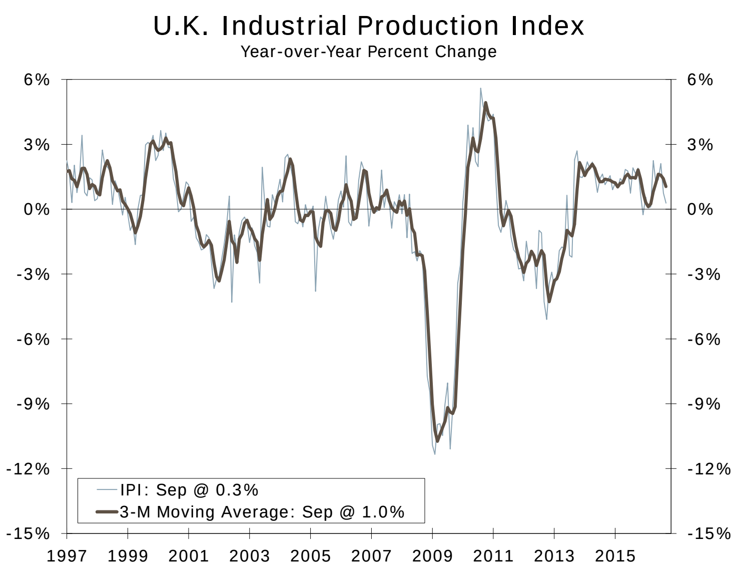
## German Industrial Production • Wed

Factory orders and industrial production (IP) in Germany have followed a saw-tooth pattern in recent months with the result that both indicators are more or less flat on a year-ago basis at present. Data on factory orders in October, which will print on Tuesday, will be followed by IP data on Wednesday. Weakness in exports—real goods exports were up only 1.4 percent on a year-ago basis in the third quarter—has contributed to the anemic growth in German IP over the past year. The trade data that are on the docket on Friday will shed some light on the current state of the foreign sector in Germany.

A clearer picture of IP growth in the overall euro area will be provided when Spain releases its data on Monday and France and the Netherlands both print data on Friday. French data on non-farm payrolls in the third quarter are slated for release on Thursday.

**Previous: -1.8%**

**Consensus: 0.8% (Month-over-Month)**


## U.K. Industrial Production • Wednesday

Although British IP grew 1.0 percent on a year-ago basis in the third quarter, IP contracted on a sequential basis in both August and September. Although it would be tempting to link the recent weakness in IP to the Brexit referendum in June, the contraction really reflects maintenance shutdowns in the North Sea oilfields. Manufacturing production, which is more reflective of the underlying trends in the overall industrial sector, rose in both August and September. IP data for October are slated for release on Wednesday.

The National Institute of Economic and Social Research (NIESR), a widely respected think tank, will also release its monthly estimate of GDP growth on Wednesday. Another positive outturn would indicate that the British economy remains resilient in the aftermath of the Brexit referendum.

**Previous: -0.4%**

**Consensus: 0.2% (Month-over-Month)**

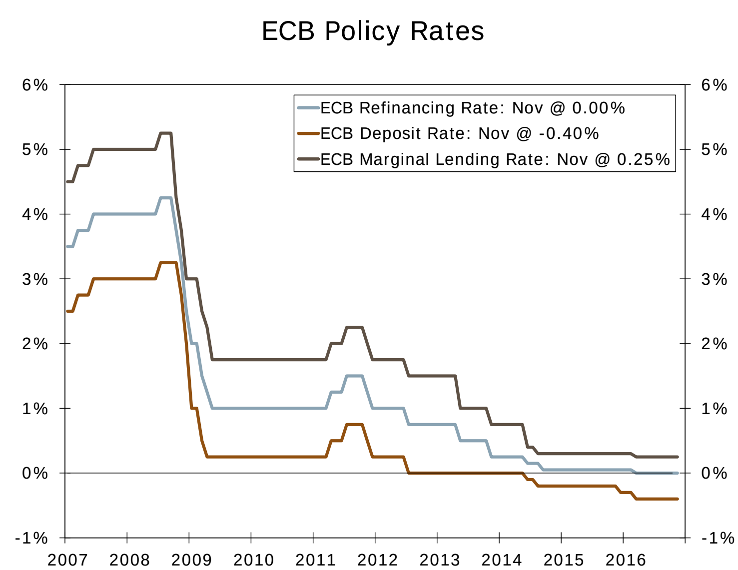
## ECB Policy Meeting • Thursday

The European Central Bank (ECB) holds a regularly scheduled policy meeting on Thursday. We do not expect the Governing Council to make any changes to its major policy rates, nor do we look for it to increase the size of its monthly quantitative easing (QE) program which currently stands at €80 billion per month. That said, because inflation is well below the ECB's target of "below, but close to 2 percent" we expect that the Governing Council will extend its QE program, which is currently set to expire in March 2017. The ECB may also make some technical tweaks to the QE program.

Preliminary data showed that real GDP in the Eurozone grew 0.3 percent (not annualized) on a sequential basis in the third quarter. The first disaggregation of the GDP data into its underlying demand components will become available on Tuesday.

**Previous: 0.00%** **Wells Fargo: 0.00%**

**Consensus: 0.00% (Refinancing Rate)**




**Source: IHS Global Insight, Bloomberg LP and Wells Fargo Securities**

## Interest Rate Watch

### Triple Jump Fundamentals

Inflation expectations, the yield curve and the dollar exchange rate have moved in recent weeks, signaling a market response to expected changes in economic policy. While this is the short-run reaction, the long-run trend is another matter.

### Inflation Expectations: Moving Up

Five-year/five years forward inflation expectations have risen (top graph) and this is one development we think will continue going forward. A stimulative fiscal policy will add to aggregate demand while we are already witnessing a rise in core inflation over the past year. In addition, the underlying fundamentals of both commodity and labor costs will continue to add to upward pressure on inflation going forward.

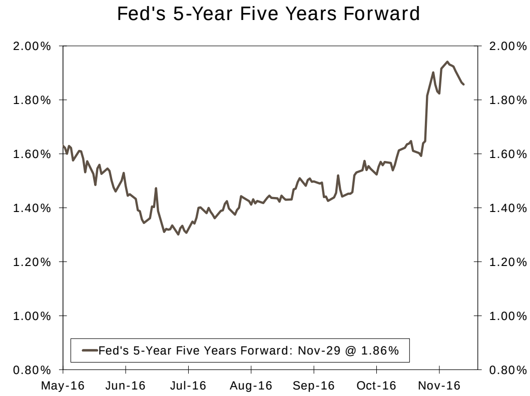
### Steeper Yield Curve: Bet on Growth and Inflation, Deficit Finance?

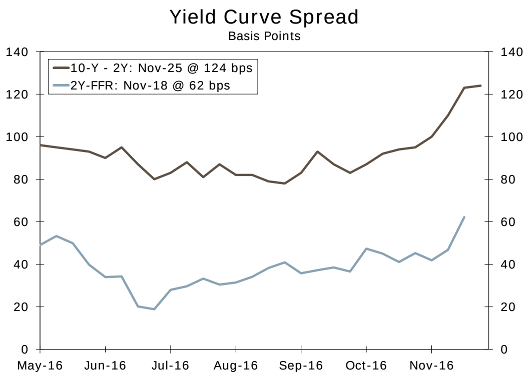
Our expectation is that the rising yield curve will continue going forward into 2017 and 2018 (middle graph). Already we know that inflation has upward momentum. In addition, the expansionary approach to fiscal policy (tax cuts, infrastructure and defense spending) will promote expectations for growth and thereby greater demand for private credit finance.

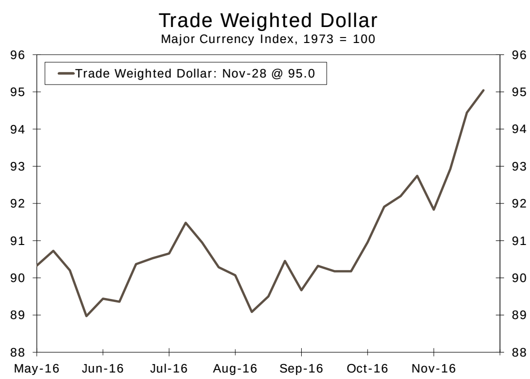
Finally, there is the issue of deficit finance. How much credit supply is out there for sovereign debt when higher expected rates of return are available on private assets? Moreover, what is the strength of interest for foreign capital inflows to purchase U.S. sovereign debt if there is less of a flight to safety motive in light of stronger economic growth? Given the upward revision in global growth from the OECD this week, the case for a steeper yield curve based upon expectations for growth is reinforced.

### Dollar Strength: Sustained

Dollar strength (bottom graph) is expected to be sustained as U.S. interest rates are forecast to rise slightly faster that currently priced into the futures curve and certainly at a faster pace compared to other major economics (Japan, Euro). Moderate U.S. dollar long positions indicate that there is still scope for further dollar gains.




**Source: IHS Global Insight, Bloomberg LP and Wells Fargo Securities**

## Credit Market Insights

### Beige Book Shows Few Signs of Credit Concerns

The most recent *Beige Book* from the Fed depicted a broadly stable credit market in the United States. Demand and credit quality varied by district. The New York, Philadelphia and St. Louis districts experienced strong demand for commercial and industrial loans (C&I), while C&I lending cooled in Dallas. Residential mortgage activity was steady or higher in most districts, with notable strength in Chicago and Cleveland.

Credit quality was unchanged across most districts, with improvements seen in New York, Philadelphia and Chicago. Contacts in the Dallas district reported that loan quality was stable, and cited improvements in the quality of energy related loans.

Although the slide in commodity prices continues to affect credit conditions in some of the more energy/agriculture-centric districts, on balance credit demand and quality appears to be stable or improving in most parts of the country. The improvement in C&I lending and credit quality in some of the more traditional manufacturing districts, such as Chicago, Philadelphia and Cleveland, aligns with the recent progress seen in factory sector data at the national level. The *Beige Book* offers anecdotal evidence that, despite a rough year for manufacturers and energy producers, credit conditions have managed to hold steady and may improve in the coming months as the outlook for these industries firms.

**Credit Market Data**

| Mortgage Rates | Current | Week Ago | 4 Weeks Ago | Year Ago |
|---|---|---|---|---|
| 30-Yr Fixed | 4.08% | 4.03% | 3.57% | 3.93% |
| 15-Yr Fixed | 3.34% | 3.25% | 2.88% | 3.16% |
| 5/1 ARM | 3.15% | 3.12% | 2.88% | 2.99% |

| Bank Lending | Current Assets (Billions) | 1-Week Change (SAAR) | 4-Week Change (SAAR) | Year-Ago Change |
|---|---|---|---|---|
| Commercial & Industrial | $2,103.6 | 3.29% | 2.90% | 8.25% |
| Revolving Home Equity | $409.3 | -6.51% | -8.53% | -6.16% |
| Residential Mortgages | $1,743.2 | -9.48% | -2.43% | 5.72% |
| Commerical Real Estate | $1,953.1 | 4.19% | 9.00% | 10.99% |
| Consumer | $1,355.9 | -2.74% | 3.68% | 8.02% |

Source: Freddie Mac, Federal Reserve Board and Wells Fargo Securities

## Topic of the Week

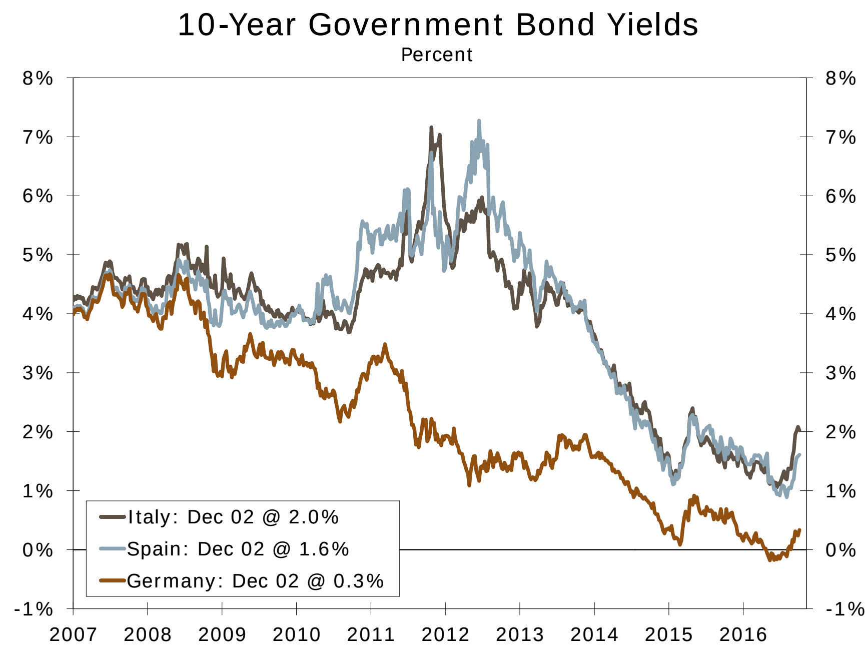
### Italian Referendum Brings Uncertainty

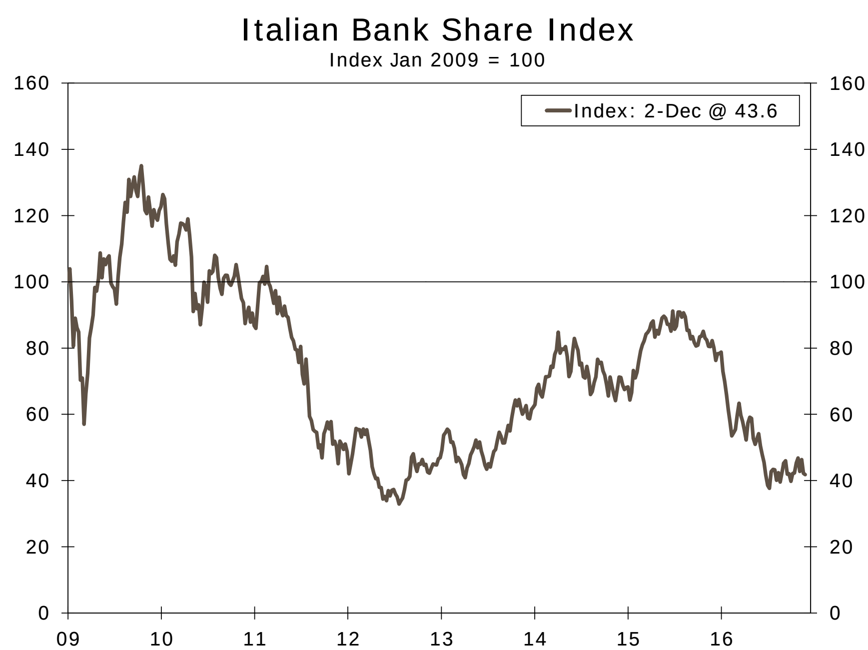
Italian voters go to the polls on Sunday to vote on a referendum to reform that country's political system. The referendum has been advocated by Prime Minster Renzi, who has indicated in the past that he would resign if the measure is not approved by the voters. Unfortunately for the prime minister, most opinion polls report that the "no" vote will prevail on Sunday (i.e., the referendum will not pass).

If the referendum is not approved and Renzi resigns, Italy could face a period of political uncertainty. In addition, some observers could interpret a "no" vote as indicating that Italians are not interested in pursuing steps that are need to reform their moribund economy. Although yields on sovereign bonds in most countries have moved higher recently, Italian government bonds have underperformed most other European sovereign bonds as the referendum has drawn nearer. Share prices of publically-traded Italian banks remain depressed. Could Europe be facing another sovereign debt crisis if Italians reject the referendum?

In our view, prices of Italian government bonds will come under downward pressure if Italians vote "no." In that event, bond yields in other so-called "peripheral" European countries such as Greece, Portugal and Spain could also rise further. However, we do not think that financial markets would be shaken to the same extent as they were during the 2011-2012 episodes of the sovereign debt crisis. For starters, Europe has more financial backstops in place than it did a few years ago. In addition, the European Central Bank likely would ramp up purchases of peripheral European government bonds to prevent their yields from spiking.

That said, the Eurozone faces some fundamental issues related to its long-run viability and voters' evident distrust of establishment politicians raise questions about the outlook for deep structural reforms. The Eurozone may survive the Italian referendum, but it is hardly out of the woods.




Source: IHS Global Insight, Bloomberg LP and Wells Fargo Securities

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## Market Data ♦ Mid-Day Friday

### U.S. Interest Rates

| | Friday 12/2/2016 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| 3-Month T-Bill | 0.47 | 0.49 | 0.20 |
| 3-Month LIBOR | 0.94 | 0.94 | 0.42 |
| 1-Year Treasury | 0.94 | 0.92 | 0.73 |
| 2-Year Treasury | 1.11 | 1.12 | 0.93 |
| 5-Year Treasury | 1.83 | 1.84 | 1.63 |
| 10-Year Treasury | 2.38 | 2.36 | 2.18 |
| 30-Year Treasury | 3.05 | 3.00 | 2.91 |
| Bond Buyer Index | 4.20 | 3.80 | 3.63 |

### Foreign Exchange Rates

| | Friday 12/2/2016 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| Euro ($/€) | 1.067 | 1.059 | 1.062 |
| British Pound ($/£) | 1.268 | 1.248 | 1.495 |
| British Pound (£/€) | 0.841 | 0.850 | 0.710 |
| Japanese Yen (¥/$) | 113.730 | 113.220 | 123.240 |
| Canadian Dollar (C$/$) | 1.330 | 1.352 | 1.334 |
| Swiss Franc (CHF/$) | 1.011 | 1.014 | 1.018 |
| Australian Dollar (US$/A$) | 0.745 | 0.744 | 0.731 |
| Mexican Peso (MXN/$) | 20.609 | 20.654 | 16.565 |
| Chinese Yuan (CNY/$) | 6.880 | 6.919 | 6.399 |
| Indian Rupee (INR/$) | 68.225 | 68.468 | 66.605 |
| Brazilian Real (BRL/$) | 3.458 | 3.413 | 3.837 |
| U.S. Dollar Index | 100.720 | 101.490 | 99.993 |

Source: Bloomberg LP and Wells Fargo Securities

### Foreign Interest Rates

| | Friday 12/2/2016 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| 3-Month Euro LIBOR | -0.33 | -0.33 | -0.12 |
| 3-Month Sterling LIBOR | 0.38 | 0.40 | 0.57 |
| 3-Month Canada Banker's Acceptance | 0.90 | 0.89 | 0.84 |
| 3-Month Yen LIBOR | -0.06 | -0.07 | 0.07 |
| 2-Year German | -0.74 | -0.74 | -0.44 |
| 2-Year U.K. | 0.11 | 0.11 | 0.57 |
| 2-Year Canadian | 0.73 | 0.67 | 0.62 |
| 2-Year Japanese | -0.18 | -0.14 | -0.01 |
| 10-Year German | 0.28 | 0.24 | 0.47 |
| 10-Year U.K. | 1.38 | 1.42 | 1.75 |
| 10-Year Canadian | 1.61 | 1.56 | 1.52 |
| 10-Year Japanese | 0.04 | 0.04 | 0.32 |

### Commodity Prices

| | Friday 12/2/2016 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| WTI Crude ($/Barrel) | 51.38 | 46.06 | 39.94 |
| Gold ($/Ounce) | 1175.94 | 1183.90 | 1053.70 |
| Hot-Rolled Steel ($/S.Ton) | 565.00 | 510.00 | 380.00 |
| Copper (¢/Pound) | 261.20 | 266.80 | 202.90 |
| Soybeans ($/Bushel) | 10.20 | 10.14 | 8.87 |
| Natural Gas ($/MMBTU) | 3.46 | 3.09 | 2.16 |
| Nickel ($/Metric Ton) | 11,157 | 11,533 | 8,944 |
| CRB Spot Inds. | 491.23 | 490.22 | 400.71 |

## Next Week's Economic Calendar

| | Monday 5 | Tuesday 6 | Wednesday 7 | Thursday 8 | Friday 9 |
|---|---|---|---|---|---|
| U.S. Data | **ISM Non-Manufacturing**<br>October 54.8<br>November 55.5 (W) | **Trade Balance**<br>September -$36.4B<br>October -$41.9B (W)<br>**Factory Orders**<br>September 0.3%<br>October 2.5% (W) | **JOLTS**<br>September 5486<br>October 5390 (C)<br>**Consumer Credit**<br>September $19.292B<br>October $17.750B (C) | | |
| Global Data | **Eurozone**<br>**Retail Sales (MoM)**<br>Previous (September) -0.2%<br>**Eurozone**<br>**Services PMI**<br>Previous (October) 54.1 | **Russia**<br>**CPI (YoY)**<br>Previous (October) 6.1% | **United Kingdom**<br>**Industrial Production (MoM)**<br>Previous (September) 0.3%<br>**China**<br>**Exports (YoY)**<br>Previous (October) -3.2% | **China**<br>**CPI (YoY)**<br>Previous (October) 1.2% | **United Kingdom**<br>**Construction Output (MoM)**<br>Previous (September) 0.3% |

Note: (W) = Wells Fargo Estimate (C) = Consensus Estimate

**Source: Bloomberg LP and Wells Fargo Securities**

# Wells Fargo Securities Economics Group



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