



Economics Group

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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.

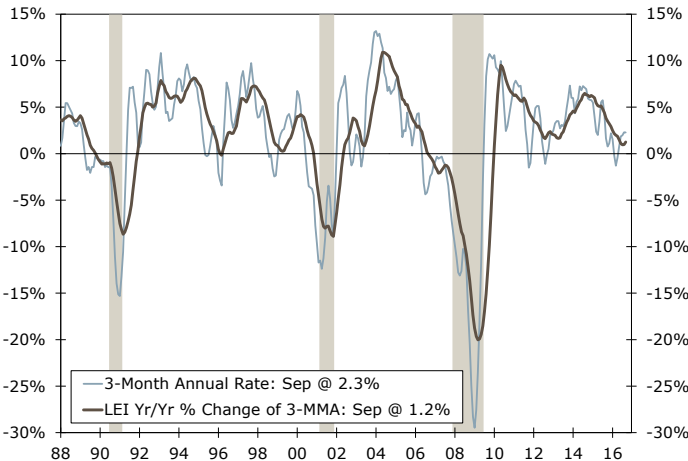
Small Strength Concentration

- 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.

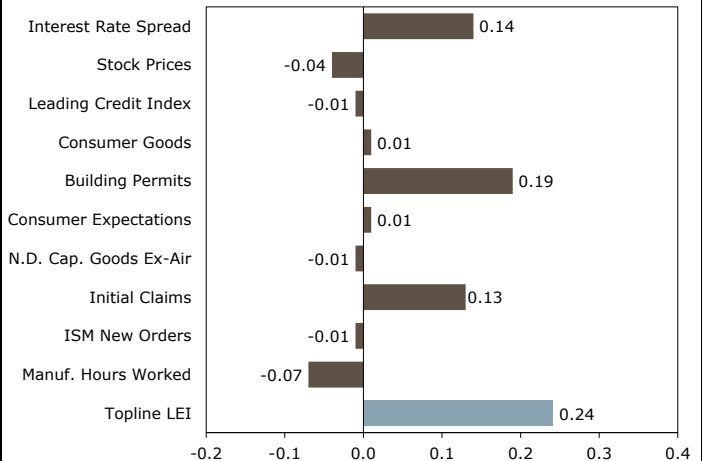
Continues to Support Low Recession Probability

- 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.

Leading Economic Index
Composite of 10 Indicators

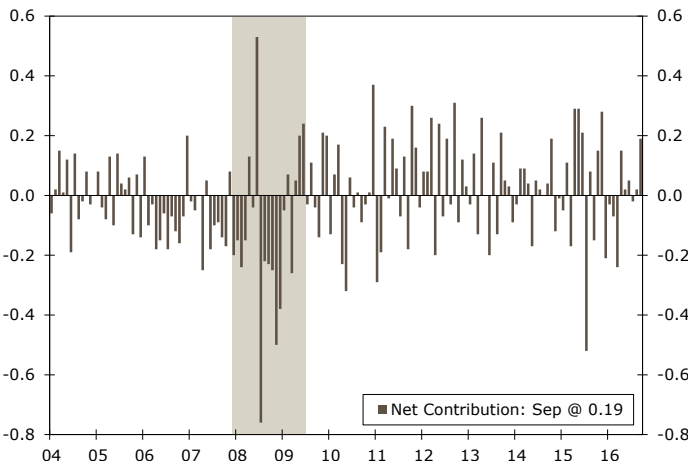


Net Contribution to Leading Economic Index
September 2016, Percentage Points



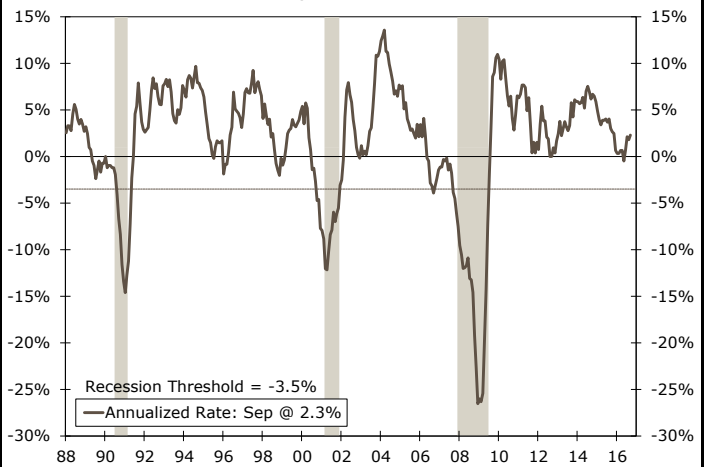
Building Permits

Net Contribution to Index, Percentage Points



Leading Economic Index

Annualized Change In the LEI Over Six Months



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