

Wells Fargo U.S. Economic Forecast

	Actual												Forecast												Actual		Forecast			
	2009						2010						2011						2012						2008	2009	2010	2011	2012	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2008	2009	2010	2011	2012	
Real Gross Domestic Product (a)	-4.9	-0.7	1.6	5.0	3.7	1.7	2.6	3.1	1.8	2.0	2.9	3.0	2.6	2.5	2.8	2.8	2.6	2.5	2.8	2.8	2.6	2.5	2.8	2.8	0.0	-2.6	2.9	2.4	2.7	
Personal Consumption	-0.5	-1.6	2.0	0.9	1.9	2.2	2.4	4.0	2.7	2.4	2.2	2.2	2.2	2.2	2.4	2.5	2.2	2.3	2.4	2.5	2.2	2.3	2.4	2.5	-0.3	-1.2	1.7	2.7	2.3	
Business Fixed Investment	-35.2	-7.5	-1.7	-1.4	20.5	17.2	10.0	7.7	1.8	19.1	10.5	11.8	11.8	11.5	10.6	10.0	10.2	11.2	10.6	10.0	10.2	10.6	10.0	10.2	0.3	-17.1	5.7	9.7	11.4	
Equipment and Software	-31.6	0.2	4.2	14.6	20.5	24.8	15.4	7.7	11.6	11.4	12.7	14.2	12.9	11.6	11.2	10.2	10.0	11.2	10.6	10.0	10.2	10.6	10.0	10.2	-2.4	-15.3	15.3	12.3	12.2	
Structures	-41.0	-20.2	-12.4	-29.2	-17.8	-0.5	-3.6	7.7	-21.8	2.0	2.0	3.0	3.0	6.0	8.0	9.0	11.0	6.0	8.0	9.0	11.0	11.0	11.0	11.0	5.9	-20.4	-13.7	-4.3	5.7	
Residential Construction	-36.2	-19.7	10.6	-0.8	-12.3	25.6	-27.3	3.3	-4.1	-0.8	4.0	6.0	6.0	10.0	15.0	18.0	22.0	10.0	15.0	18.0	22.0	22.0	22.0	22.0	-24.0	-22.9	-3.0	-2.3	10.5	
Government Purchases	-3.0	6.2	1.6	-1.4	-1.6	3.9	3.9	-1.7	-5.2	-1.0	-1.7	-1.7	-1.7	-1.5	-1.3	-0.5	-0.4	-1.5	-1.3	-0.5	-0.4	-0.4	-0.4	-0.4	2.8	1.6	1.0	-1.4	-1.3	
Net Exports	-389.2	-342.0	-390.8	-330.1	-338.4	-449.0	-505.0	-397.7	-399.7	-405.4	-399.6	-405.3	-419.9	-439.8	-459.9	-485.8	-504.1	-363.0	-422.5	-451.3	-402.5	-402.5	-402.5	-402.5	-504.1	-363.0	-422.5	-402.5	-451.3	
Pct. Point Contribution to GDP	2.9	1.5	-1.4	1.9	-0.3	-3.5	-1.7	3.3	-0.1	-0.2	0.2	-0.2	-0.4	-0.6	-0.6	-0.7	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	0.2	-0.4
Inventory Change	-125.8	-161.8	-128.2	-36.7	44.1	68.8	121.4	16.2	43.8	14.0	25.0	40.0	49.0	55.0	60.0	64.0	-37.6	-113.1	62.6	30.7	57.0	30.7	57.0	30.7	-37.6	-113.1	62.6	30.7	57.0	
Pct. Point Contribution to GDP	-1.1	-1.0	1.1	2.8	2.6	0.8	1.6	-3.4	0.9	-0.9	0.3	0.4	0.3	0.2	0.1	0.1	-0.5	-0.6	1.4	-0.2	0.2	-0.2	0.2	-0.2	-0.5	-0.6	1.4	-0.2	0.2	
Nominal GDP	-3.9	-0.4	2.3	4.7	4.8	3.7	4.6	3.5	3.7	3.8	4.7	4.7	4.4	4.4	4.4	4.7	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	-1.7	3.8	4.0	4.5	
Real Final Sales	-3.9	0.2	0.4	2.1	1.1	0.9	0.9	6.7	0.8	3.1	2.6	2.5	2.3	2.3	2.4	2.6	0.5	-2.1	1.4	2.7	2.5	2.5	2.5	2.5	0.5	-2.1	1.4	2.7	2.5	
Retail Sales (b)	-10.3	-10.6	-7.7	1.1	5.3	6.9	5.6	7.7	8.0	7.5	7.5	5.7	4.7	5.4	6.7	7.4	-1.0	-7.0	6.4	7.2	7.2	7.2	7.2	7.2	-1.0	-7.0	6.4	7.2	6.1	
Inflation Indicators (b)																														
"Core" PCE Deflator	1.6	1.5	1.3	1.7	1.8	1.5	1.2	0.8	0.9	1.1	1.4	1.8	2.0	2.2	2.1	1.9	2.3	1.5	1.3	1.3	1.3	1.3	1.3	1.3	2.3	1.5	1.3	1.3	2.0	
Consumer Price Index	-0.2	-1.0	-1.6	1.5	2.4	1.8	1.2	1.2	2.2	3.4	3.7	3.9	3.5	3.3	3.4	3.3	3.8	-0.3	1.6	1.6	1.6	1.6	1.6	1.6	3.8	-0.3	1.6	1.6	3.3	
"Core" Consumer Price Index	1.8	1.8	1.5	1.7	1.3	1.0	0.9	0.6	1.1	1.3	1.6	2.0	2.1	2.2	2.2	1.9	2.3	1.7	1.0	1.0	1.0	1.0	1.0	1.0	2.3	1.7	1.0	1.5	2.1	
Producer Price Index	-2.3	-4.1	-5.2	1.5	5.1	4.3	3.7	3.9	5.1	6.6	7.2	6.5	4.5	4.4	4.8	5.0	6.4	-2.6	4.2	4.2	4.2	4.2	4.2	4.2	6.4	-2.6	4.2	4.2	6.3	
Employment Cost Index	2.1	1.8	1.5	1.4	1.7	1.9	1.9	2.0	2.0	1.7	1.7	1.9	2.2	1.9	1.8	2.0	3.0	1.7	1.3	1.3	1.3	1.3	1.3	1.3	3.0	1.7	1.3	1.8	2.0	
Real Disposable Income (a)	0.4	5.9	-4.4	0.0	1.3	5.6	1.0	1.8	2.9	1.0	2.1	2.5	1.6	1.9	2.2	2.6	1.7	0.6	1.4	1.4	1.4	1.4	1.4	1.4	1.7	0.6	1.4	2.2	2.0	
Nominal Personal Income (b)	-1.7	-2.1	-2.3	-0.9	2.1	2.6	3.5	4.0	5.1	4.7	4.8	4.5	3.0	2.7	2.6	2.6	4.0	-1.7	3.1	3.1	3.1	3.1	3.1	3.1	4.0	-1.7	3.1	4.8	2.7	
Industrial Production (a)	-18.9	-11.5	5.3	5.6	8.1	7.1	6.7	3.2	6.0	4.0	4.6	4.0	3.8	3.9	4.0	4.1	-3.3	-11.1	5.3	5.0	5.0	5.0	5.0	5.0	-3.3	-11.1	5.3	5.0	4.0	
Capacity Utilization	69.7	67.7	68.9	70.3	72.3	74.0	75.5	76.1	77.1	76.9	77.4	77.6	77.9	78.1	78.4	78.7	77.7	69.2	74.5	77.2	78.3	78.3	78.3	78.3	77.7	69.2	74.5	77.2	78.3	
Corporate Profits Before Taxes (b)	-17.3	-11.4	-3.9	42.5	37.6	37.0	26.4	18.3	8.2	6.2	6.2	6.7	6.8	7.0	7.2	7.1	-16.4	-0.4	29.2	6.8	7.0	6.8	6.8	6.8	-16.4	-0.4	29.2	6.8	7.0	
Corporate Profits After Taxes	-10.1	-3.1	0.4	41.9	27.0	26.5	16.2	13.7	6.2	5.7	6.2	7.7	8.2	8.5	8.6	8.5	-10.4	5.1	20.4	6.5	8.5	8.5	8.5	8.5	-10.4	5.1	20.4	6.5	8.5	
Federal Budget Balance (c)	-448.9	-304.9	-329.4	-388.1	-328.9	-287.0	-290.2	-369.0	-460.4	-260.0	-345.0	-390.0	-400.0	-145.0	-165.0	-215.0	-454.8	-1415.7	-1294.2	-1434.4	-1100.0	-1100.0	-1100.0	-1100.0	-454.8	-1415.7	-1294.2	-1434.4	-1100.0	
Current Account Balance (d)	-95.6	-84.4	-97.5	-100.9	-108.7	-122.7	-125.5	-113.3	-130.0	-145.0	-155.0	-165.0	-170.0	-180.0	-190.0	-195.0	-668.9	-378.4	-470.2	-595.0	-735.0	-735.0	-735.0	-735.0	-668.9	-378.4	-470.2	-595.0	-735.0	
Trade Weighted Dollar Index (e)	83.2	77.7	74.3	74.8	76.1	78.8	73.6	73.2	70.6	71.0	72.0	73.0	74.0	75.0	76.0	77.0	74.3	77.7	75.6	71.6	75.5	75.5	75.5	75.5	74.3	77.7	75.6	71.6	75.5	
Nonfarm Payroll Change (f)	-780.7	-516.0	-255.7	-135.3	39.3	181.0	-45.7	138.7	174.7	191.3	170.0	175.0	180.0	185.0	185.0	190.0	-295.9	-421.9	78.3	177.8	185.0	185.0	185.0	185.0	-295.9	-421.9	78.3	177.8	185.0	
Unemployment Rate	8.2	9.3	9.7	10.0	9.7	9.6	9.6	9.6	8.9	8.8	8.5	8.2	8.0	7.9	7.8	7.7	5.8	9.3	9.6	8.6	8.6	8.6	8.6	8.6	5.8	9.3	9.6	8.6	7.8	
Housing Starts (g)	0.53	0.54	0.59	0.56	0.62	0.60	0.59	0.53	0.56	0.58	0.64	0.70	0.76	0.82	0.86	0.89	0.90	0.55	0.59	0.62	0.83	0.83	0.83	0.83	0.90	0.55	0.59	0.62	0.83	
Light Vehicle Sales (h)	9.6	9.7	11.6	10.8	11.0	11.3	11.6	12.3	13.0	13.0	13.2	13.5	13.7	13.9	14.1	14.3	13.2	10.4	11.5	13.2	14.0	14.0	14.0	14.0	13.2	10.4	11.5	13.2	14.0	
Crude Oil - WTI - Front Contract (i)	43.08	59.62	68.30	76.19	78.72	78.03	76.20	85.17	94.10	107.01	108.00	111.00	112.00	114.00	115.00	116.00	99.65	61.80	79.53	105.03	114.25	114.25	114.25	114.25	99.65	61.80	79.53	105.03	114.25	
Quarter-End Interest Rates (j)																														
Federal Funds Target Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1.88	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1.88	0.25	0.25	0.25	1.19	
3 Month LIBOR	1.19	0.60	0.29	0.25	0.29	0.53	0.29	0.30	0.30	0.30	0.35	0.40	0.60	1.10	1.60	1.90	2.93	0.69	0.34	0.34	0.34	0.34	0.34	0.34	2.93	0.69	0.34	0.34	1.30	
Prime Rate	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	4.88	3.25	3.25	3.25	3.25	3.25	3.25	3.25	4.88	3.25	3.25	3.25	4.19	
Conventional Mortgage Rate	5.00	5.42	5.06	4.93	4.97	4.74	4.35	4.71	4.84	4.80	5.00	5.10	5.40	5.50	5.55	5.65	6.04	5.04	4.69	4.94	5.53	5.53	5.53	5.53	6.04	5.04	4.69	4.94	5.53	
3 Month Bill	0.21	0.19	0.14	0.06	0.16	0.18	0.16	0.12	0.09	0.15	0.20	0.25	0.50	1.00	1.50	1.70	1.40	0.15	0.14	0.14	0.14	0.14	0.14	0.14	1.40	0.15	0.14	0.17	1.18	
2 Year Note	0.81	1.11	0.95	1.14	1.02	0.61	0.42	0.61	0.80	0.65	0																			