



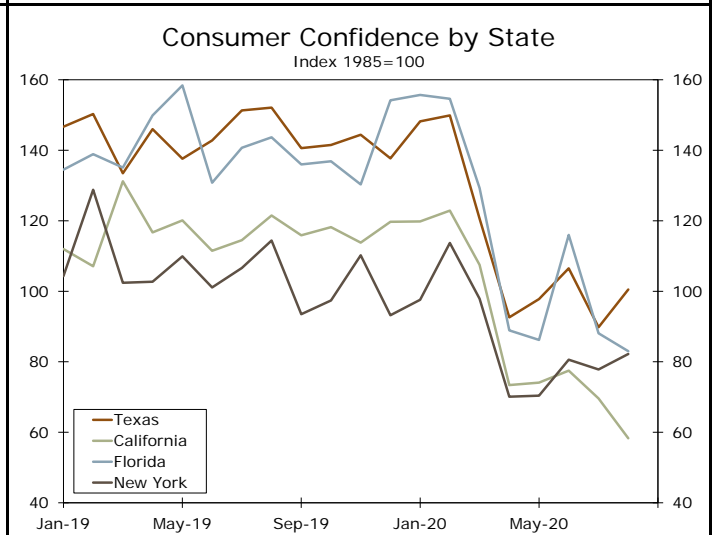
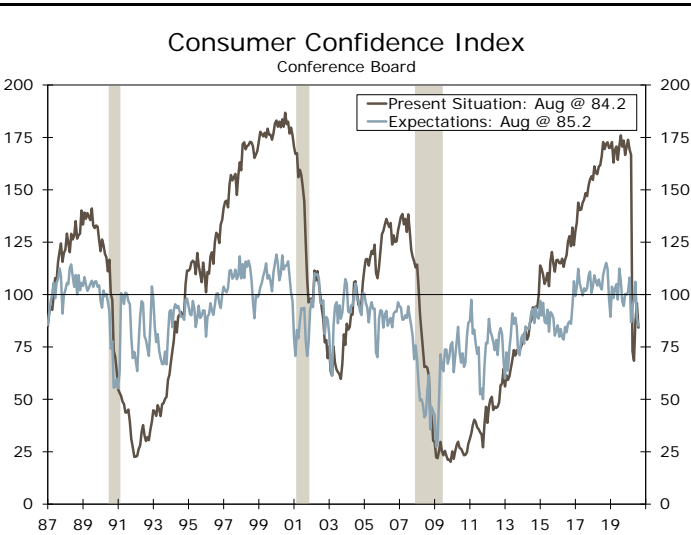
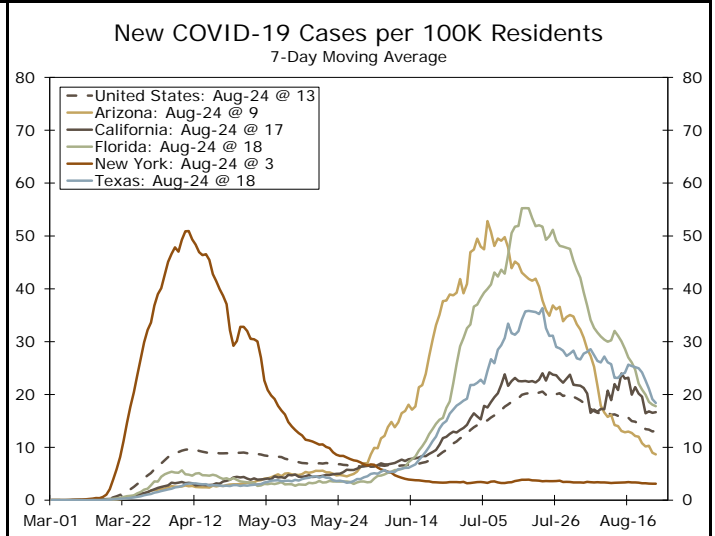
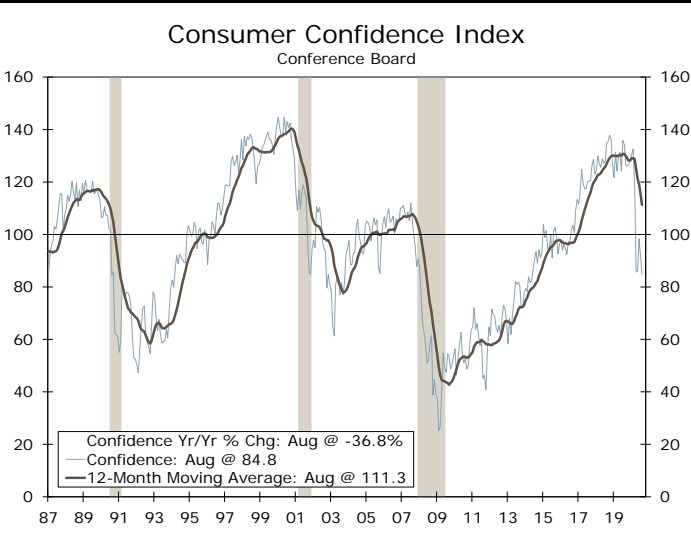
Economics Group

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Confidence Falls for a Second-Straight Month, Hits 6-Year Low

Consumer confidence fell to 84.8 in August. The initial relief that followed the lifting of lockdowns has been replaced by a resigned acceptance of a new way of life, but recent progress at containment may signal a turn.

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| <p>Fresh Lows</p> <ul style="list-style-type: none"> • Consumer Confidence is lower now than it was in April and May at the height of the lockdowns. Still confidence is not as battered as it typically might be during a recession. • What is particularly disconcerting is that the expectations component at 85.2 is now at a fresh period low. As recently as June, this measure was back up above 100 and offered hope that a consumer-led rebound was still in the cards. Less so today. | <p>Silver Linings?</p> <ul style="list-style-type: none"> • The number of new COVID cases was on the rise throughout June and most of July, but has been coming down more recently. While there is not a long enough time series to make a bullet-proof case, it appears that confidence lags the progress with the virus, at least to some extent. • If recent progress at containing the virus holds, there is a reasonable case for confidence to snap back. |
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Source: The Conference Board, Bloomberg LP and Wells Fargo Securities

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