March 08, 2019

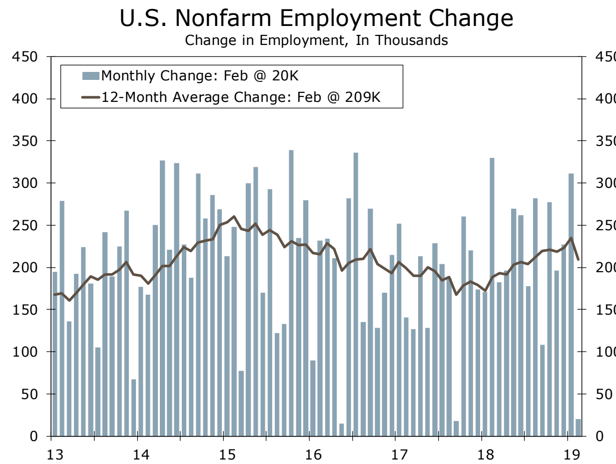
Economics Group

Weekly Economic & Financial Commentary

U.S. Review

Labor Market Slowing but Still Strong

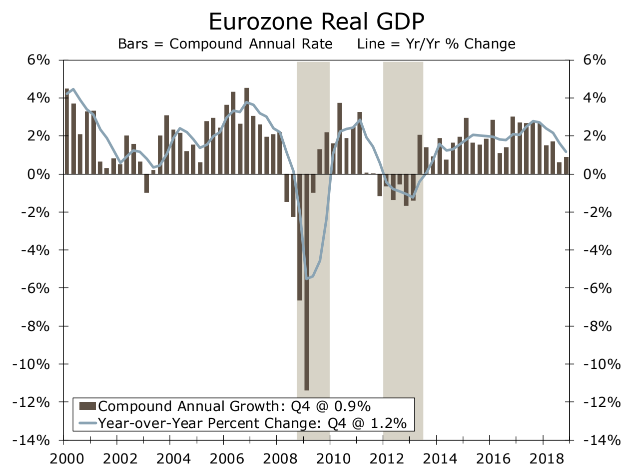
- Nonfarm payrolls came in well below expectations, as employers added 20K new jobs in February after adding 311K in January. The three-month average gain of 186K is still rather strong, but marks a moderation in the pace of job growth.
- The ISM non-manufacturing survey continues to point to robust growth in the service sector, while the manufacturing sector succumbs to trade tensions and slowing global growth. The trade deficit widened to a ten-year high in December.
- Housing starts rebounded in January, as lower rates and improved builder sentiment should provide a moderate boost to the housing market this spring.



Global Review

Central Bankers Acknowledge Global Growth Concerns

- The precarious economic outlook in the Eurozone took center stage this week, capped by a high-profile meeting of the European Central Bank (ECB). Policymakers cut their growth and inflation forecasts and adopted a more dovish stance.
- Although economic growth has been slowing in the Eurozone for the past few quarters, the most recent economic data for Q1 have shown some tentative signs of stabilization.
- The Bank of Canada (BoC) also met this week against a backdrop of weakening domestic growth. Policymakers seemed concerned about global growth, and the Canadian housing market continues to face challenges.



Wells Fargo U.S. Economic Forecast

	Actual 2018 1Q	2Q	3Q	Forecast 4Q	2019 1Q	2Q	3Q	4Q	Actual 2016	2017	Forecast 2018	2019	2020
Real Gross Domestic Product [1]	2.2	4.2	3.4	2.6	2.0	2.8	2.4	2.4	1.6	2.2	2.9	2.5	2.2
Personal Consumption	0.5	3.8	3.5	2.8	2.4	2.6	2.5	2.4	2.7	2.5	2.6	2.7	2.2
Inflation Indicators [2]													
PCE Deflator	1.9	2.2	2.2	1.9	1.4	1.6	1.8	2.1	1.1	1.8	2.0	1.7	2.2
Consumer Price Index	2.2	2.7	2.6	2.2	1.7	1.9	2.1	2.4	1.3	2.1	2.4	2.0	2.6
Industrial Production [1]	2.5	5.2	4.9	4.6	-1.1	2.1	1.2	4.0	-1.9	1.6	4.0	2.3	2.6
Corporate Profits Before Taxes [2]	5.9	7.3	10.4	6.7	3.9	6.6	6.7	5.1	-1.1	3.2	7.6	5.6	0.2
Trade Weighted Dollar Index [3]	86.3	90.0	90.1	91.8	90.8	90.0	89.0	87.8	91.5	91.1	89.0	89.4	85.6
Unemployment Rate	4.1	3.9	3.8	3.8	3.9	3.7	3.6	3.5	4.9	4.4	3.9	3.7	3.4
Housing Starts [4]	1.32	1.26	1.23	1.17	1.30	1.30	1.30	1.30	1.17	1.20	1.25	1.30	1.30
Quarter-End Interest Rates [5]													
Federal Funds Target Rate	1.75	2.00	2.25	2.50	2.50	2.50	2.75	2.75	0.52	1.13	1.96	2.63	2.69
Conventional Mortgage Rate	4.44	4.57	4.63	4.64	4.45	4.55	4.65	4.70	3.65	3.99	4.54	4.59	4.65
10 Year Note	2.74	2.85	3.05	2.69	2.85	2.95	3.05	3.10	1.84	2.33	2.91	2.99	3.05

Forecast as of: March 01, 2019
[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: Federal Reserve Board, IHS Markit, U.S. Department of Commerce, U.S. Department of Labor and Wells Fargo Securities

Inside

U.S. Review

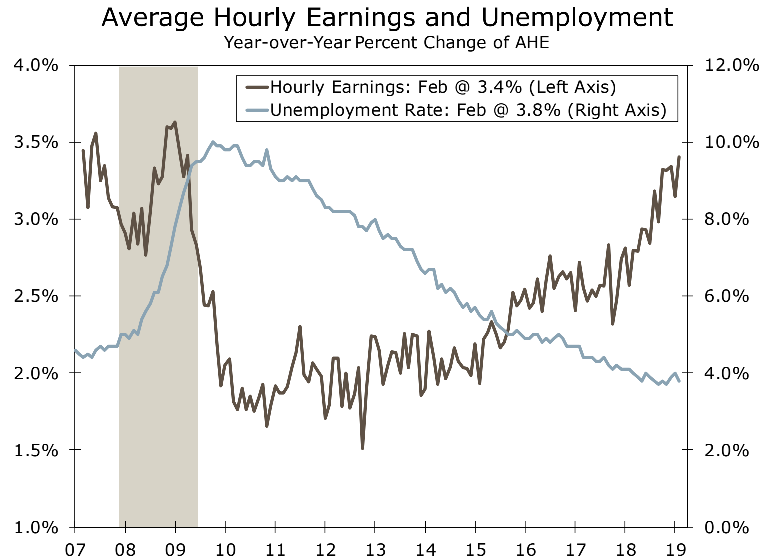
Labor Market Slowing but Still Strong

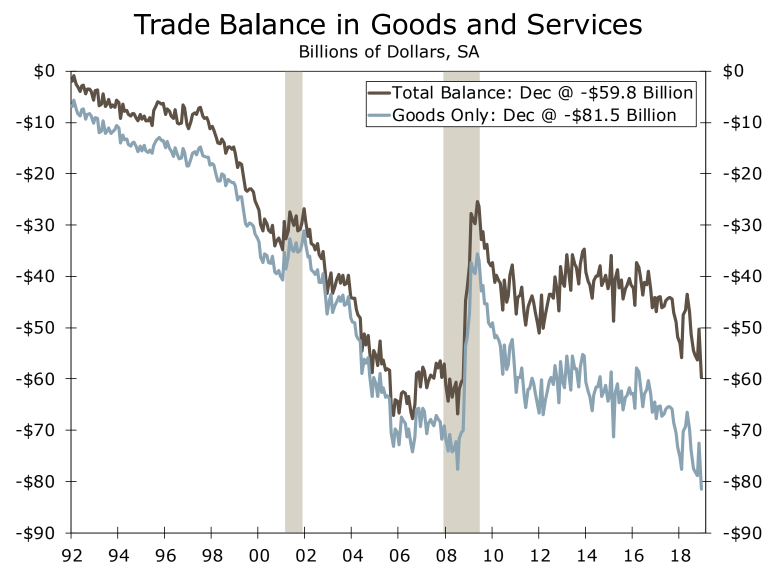
With the Fed firmly on 'pause', all eyes are on incoming data for clues to its next move. Nonfarm payrolls came in well below expectations, as employers added just 20K new jobs in February after adding 311K in January. Through the volatility, the three-month average gain of 186K is still rather strong, but marks a moderation, consistent with an upward tick in jobless claims and more moderate survey evidence from purchasing managers. The unemployment rate fell to 3.8% from 4.0%. An increasingly tight labor market is finally feeding through to higher wage growth, as average hourly earnings rose 0.4%, pushing the year-over-year increase to 3.4%, the highest pace of this cycle. Yet, with the expansion pulling more into the labor force—prime age participation is up 0.4 percentage points this year—the extent of tightness, and, by extension, inflationary pressure, is perhaps overstated. That, along with a pickup in productivity growth of late, provides the Fed further reason to be patient.

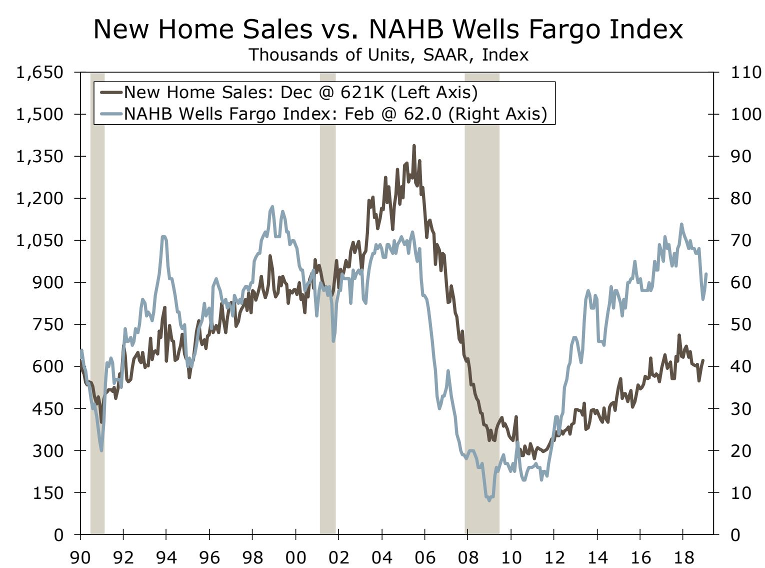
Purchasing managers' surveys point to a growing divergence between the manufacturing and service sectors. The ISM non-manufacturing index rebounded three points this week to 59.7, and the underlying cycle highs for business activity (64.7) and new orders (65.2) point to considerable momentum. Such strength in largest sector of the economy, if realized, would likely be justification for the final Fed rate hike we expect for this cycle, in H2-2019. That assumes that the Fed's pause allows the economy to weather ongoing 'crosscurrents'. The ISM manufacturing survey has more clearly succumbed to a slowdown. Down to 54.2, the index has retreated from the sky-high readings of the past couple of years amidst slowing growth overseas and no definitive signs of the long-awaited trade deal with China.

Speaking of trade wars, the U.S. trade deficit widened in December to $59.8 billion, a ten-year high, as exports fell 1.9% and imports rose 2.1%. Exports to China in particular have fallen in seven consecutive months amidst retaliatory tariffs and a slowdown in the world's second largest economy. We now expect revised Q4 GDP data to reflect a drag of 0.3 percentage points from net exports. While the cloud of trade uncertainty will likely persist for the foreseeable future, financial conditions—one of the other major crosscurrents identified by the Fed as a reason to pause on rate hikes—have eased markedly to start the year. We learned this week that household aggregate wealth fell 3.7% in the fourth quarter, with the drop owed entirely to the sharp decline in equity markets. Year to date, equity markets have retraced most of their decline, with the S&P 500 up nearly 10% as investors attempt to price in the Fed's dovish shift.

We also suspect the pause in rate hikes came just in time to deliver a much needed reprieve to the housing market. The plunge in the NAHB homebuilders' survey accurately predicted the string of four consecutive monthly declines in housing starts, including the 14% drop in December. Yet optimism rebounded on the Fed's shift and the 50 bps decline in mortgage rates, and the hard data followed, with starts bouncing back 18.6% in January. Permits have risen four out of the past five months and are now running 15% ahead of starts, indicating further relief is likely ahead for housing as we enter the spring buying season with rates lower, price appreciation cooling and builder sentiment improving.







Source: U.S. Department of Labor, U.S. Department of Commerce, NAHB and Wells Fargo Securities

Retail Sales • Monday

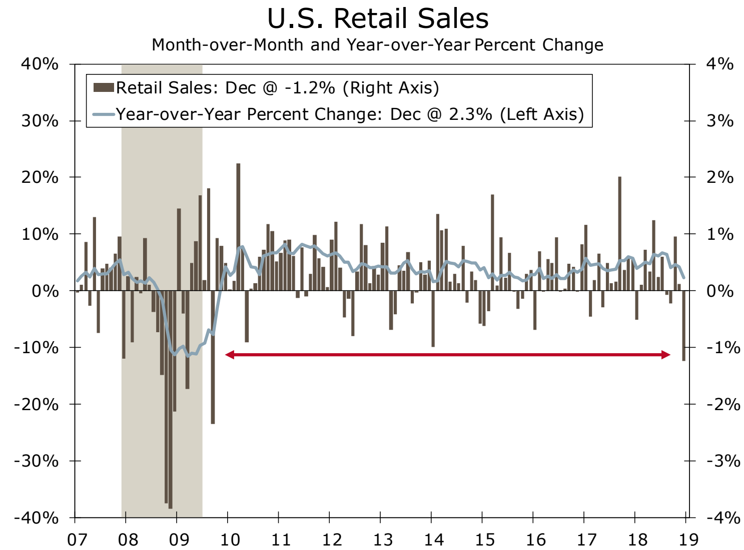
Shoppers did not rush home with their treasures this past December, but was it really the worst month for retailers in 10 years?

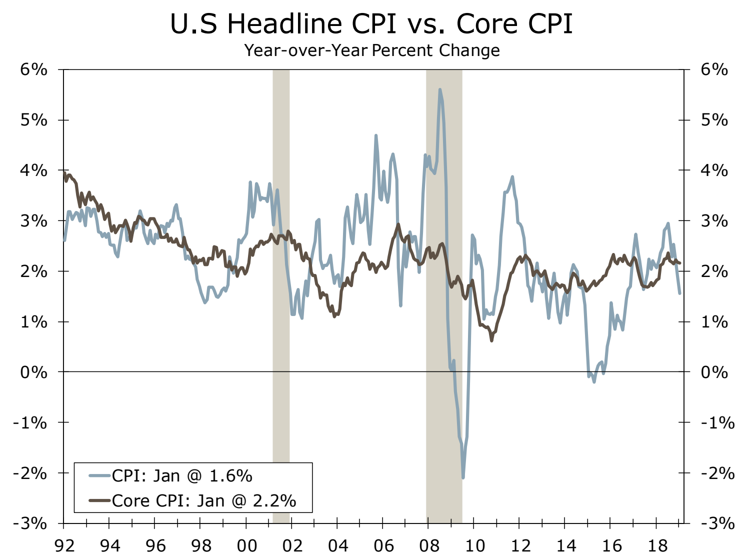
Admittedly there were more than a few factors to weigh on holiday spirits. From the high to the low, the S&P 500 shed more than 15% of its value during that month. Unable to pass a budget, the U.S. government shut down. Amid all this uncertainty and a reporting delay due to the shutdown, retail sales cratered 1.2% on the month.

On Monday of next week we will get a look at retail sales for January. Although the shutdown stretched well into that month, the stock market finished January about 15% above the December lows. We look for a partial bounce-back in January and would not be surprised to see an upward revision to December's figures.

Previous: -1.2% **Wells Fargo: 0.2%**

Consensus: 0.0% (Month-over-Month)





CPI • Tuesday

After years of struggling to hit its inflation target, the Fed has been much closer recently. Headline inflation has been pushed lower by soft energy prices, but core measures of inflation have been closer to 2.0%. The core PCE deflator, for example, came in at 1.9% year-over-year in December. The core CPI index registered 2.2% in January, and February figures will print on Wednesday.

The more recent available figures for the CPI can be explained by the government shutdown, which impacted the BEA (tasked with the PCE measure), but did not affect the BLS, keeper of the CPI.

By about any reckoning the inflation figures are more or less in line with the Fed's 2.0% target, at least core measures. We are not looking for headline inflation to snap back in this report on Wednesday. Were that to occur, it might shake some of the market complacency about whether or not the Fed will hike rates in 2019.

Previous: 1.6% **Wells Fargo: 1.5%**

Consensus: 1.6% (Year-over-Year)

Industrial Production • Friday

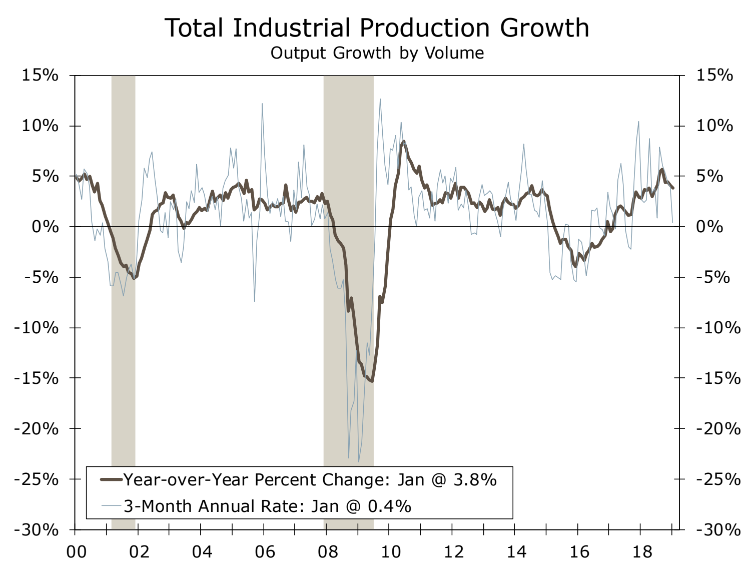
The manufacturing sector has lost momentum. Industrial production increased in nine out of 12 months in 2018, but started 2019 with a decline of 0.6%. Utilities (+0.4%) and mining (+0.1%) each managed a gain in January, but modest as they were, they were easily swamped by the 0.9% decline in the manufacturing category, which comprises about three quarters of all industrial output.

The weakness was most pronounced in motor vehicles and parts, which fell 8.8%, marking the largest one-month drop in auto production since the recession in 2009.

We may see some bounce here in February, but there are not a lot of reasons to be optimistic about manufacturing in general. The ISM index is lower on trend in recent months and core capital goods orders and shipments have both been spotty at best.

Previous: -0.6% **Wells Fargo: 0.5%**

Consensus: 0.6% (Month-over-Month)



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

Global Review

Central Bankers Acknowledge Global Growth Concerns

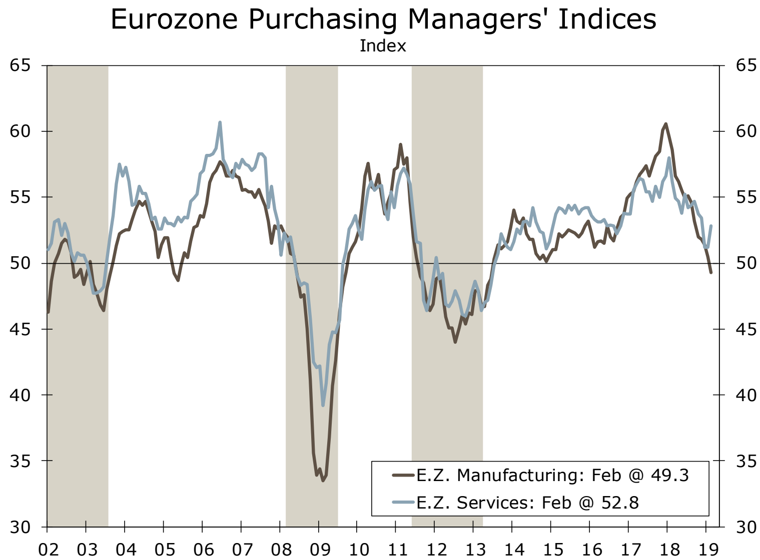
The precarious economic outlook in the Eurozone took center stage this week, capped by a high-profile meeting of the ECB. More details on the ECB meeting can be found in this week's Interest Rate Watch on page 6, but in short, monetary policymakers cut their growth and inflation forecasts, pushed back their forward guidance for future rate increases and introduced a new package of Targeted Longer-Term Refinancing Operations (LTROs).

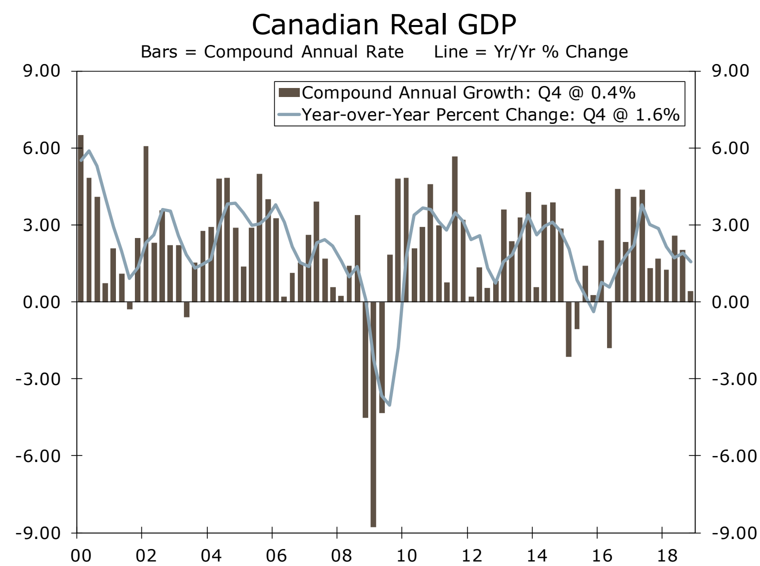
As illustrated in the chart on the front page, economic growth in the Eurozone has clearly been slowing over the past few quarters, sparking the more dovish stance from ECB policymakers. Despite this slowdown, the most recent economic data have been a bit more encouraging. Eurozone retail sales bounced back from an unusually weak December with a strong 1.3% month-over-month gain in January. On a year-over-year basis, real retail sales were up 2.2%, up from 0.3% in December. While there has clearly been some noise in the data of late, January's rebound was an encouraging start to the first quarter.

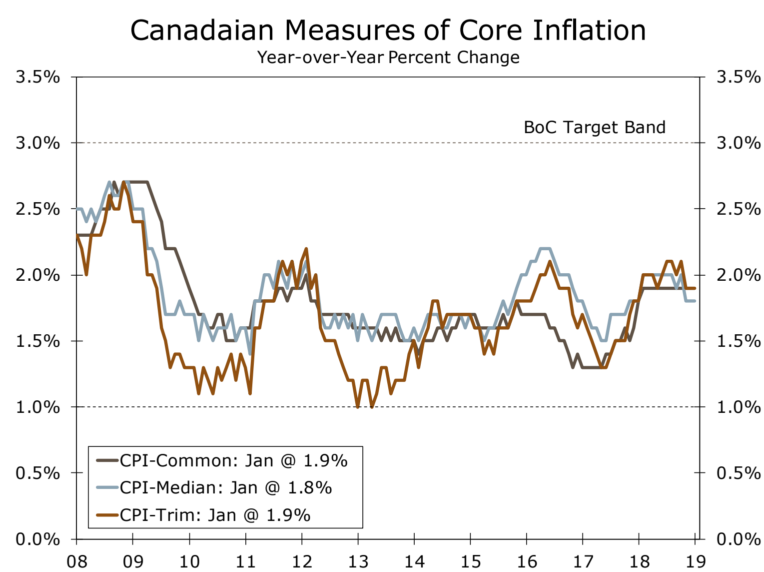
The final Eurozone PMI readings for February also revealed some potential signs of stabilization. As we wrote back in January, a historical analysis of Eurozone PMI data suggests that a reading of 51.0 for the composite index is a key level. Analogous to a bicycle needing to maintain a certain amount of forward momentum to avoid falling over, the idea is that the economy needs to maintain a certain degree of forward momentum to avoid falling into recession. The Eurozone composite PMI reached a low of 51.0 in January but then bounced back to 51.9 in February. While this is only a modest gain and just one data point, when paired with the retail sales data it is encouraging to see the downward momentum at least temporarily halted. One worrisome piece of data, however, was the manufacturing PMI, which fell below 50 for the first time since 2013 (top chart).

The Bank of Canada (BoC) also met this week against a backdrop of weakening domestic growth. Data released on Friday of last week indicated Canada's economy slowed sharply in Q4. Quarterly GDP grew at an annualized rate of only 0.4%, the weakest quarterly growth rate since mid-2016 (middle chart). Examining the underlying figures more closely, the details are also worrying and raise some concern about an extended economic slowdown. In Q4, household consumption slowed to 0.7%, its slowest pace since 2014 when oil prices first collapsed, while gross fixed capital formation contracted more than 10% in the quarter.

With this in mind, the BoC's policy statement this week led with the following line: "Recent data suggest that the slowdown in the global economy has been more pronounced and widespread than the Bank had forecast in its January *Monetary Policy Report*." In addition to the global growth challenges, the housing market continues to face headwinds. Like the Fed, we do not believe the BoC is done hiking interest rates in the current cycle. However, the next hike is likely not for a few more months at the earliest, particularly as other central banks have adopted decisively more dovish stances of late.







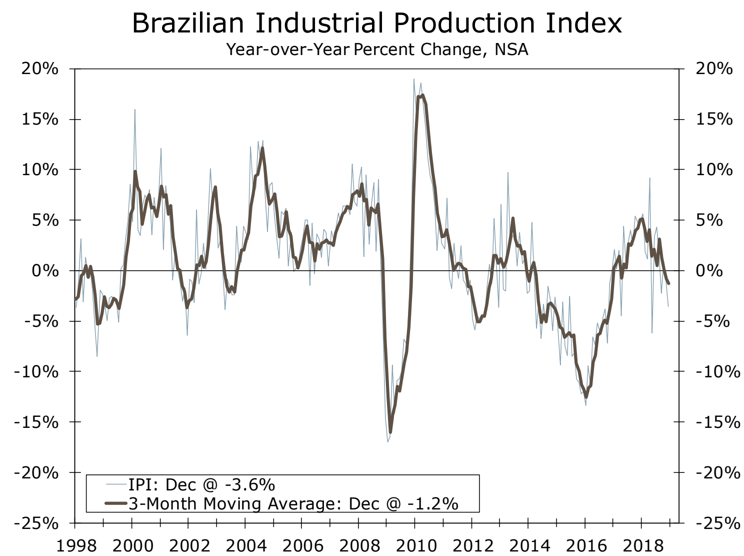
Source: Bloomberg LP, IHS Markit and Wells Fargo Securities

Brazil Industrial Production• Wednesday

After climbing out of a deep recession, the Brazilian economy has remained fragile over the past year. Industrial production growth has returned to negative territory on a year-over-year basis. Retail sales growth, for which January data will print next Thursday, also exhibited a sharp slowdown towards the end of last year. An uncertain political environment, fiscal imbalances and a generally challenging environment for emerging markets have all likely weighed on the Brazilian economy.

Brazil's President, Jair Bolsonaro, submitted his much anticipated pension reform proposal to Congress last week. While the proposal should keep markets optimistic in the short term, a fractured Congress and a lengthy constitutional amendment process are likely to make an approval challenging. Still, given Brazil's sizable budget deficit of roughly 8% at present, any reform proposal to reign in government borrowing is an encouraging step.

Previous: -3.6% (Year-over-Year)



China Retail Sales • Wednesday

Next Wednesday will see the first release of Chinese retail sales, industrial production and fixed investment spending for 2019. The Chinese economy grew 6.6% in 2018, the slowest pace since 1990. Chinese economic growth was slowing well before the trade dispute with the United States that ramped up in 2018. Working-age population growth has slowed significantly, investment spending growth has been on a secular decline for years and the rapid pace of technological adaption has abated. The recent enactment of several rounds of tariffs has likely contributed to a further slowdown.

Chinese policymakers have done their best to combat this slowdown via monetary and fiscal stimulus. Tax cuts and tariff reductions in particular were ramped up in the second half of 2018 and may help halt the slowdown in retail sales growth. Next week's data will offer a first look at how successful these efforts have been thus far in 2019.

Previous: 9.0%

Consensus: 8.1% (Cumulative Year-over-Year)

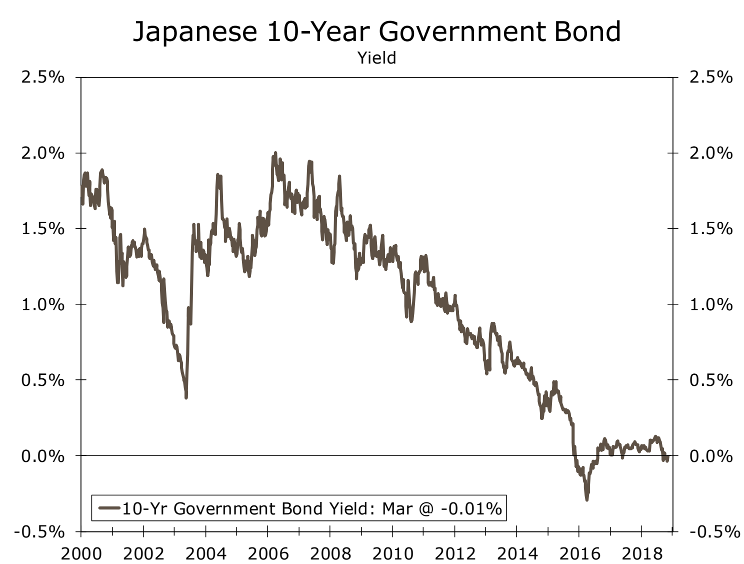
Bank of Japan Meeting • Thursday

After a period of steady growth, Japan's economy has slowed more recently. The economy experienced up-and-down growth in 2018, while inflation has remained well below the central bank's target. That sluggish momentum has carried into 2019, with activity indicators suggesting economic growth is likely to remain subdued. In addition, fiscal policymakers are set to enact an increase in the consumption tax later this year that, should it take place, will also likely weigh on the economy in the near term.

Previously, we had been looking for the Bank of Japan (BoJ) to make some modest monetary policy adjustments in mid-2019, specifically bringing its policy rate back to 0% (from -0.10%) and further increasing the tolerance band for the 10-year yield. As the economic outlook remains underwhelming, along with a more dovish tone from other central banks, we no longer expect the BoJ to tighten monetary policy this year.

Previous: -0.10% **Wells Fargo: -0.10%**

Consensus: -0.10% (Policy Rate)



Source: Bloomberg LP, IHS Markit and Wells Fargo Securities

Interest Rate Watch

Bringing Back the Punch Bowls

If there was a theme for global central banks in 2018, it was the gradual removal of ultra-accommodative monetary policy. If there is a refrain emerging thus far in 2019, it is one of global central banks demonstrating that there is no rush.

The Federal Reserve has indicated that it is in less of a hurry to raise the fed funds rate and that the shrinkage of its balance sheet would stop this year as it considers new ways to measure its progress toward meeting its mandates amid a dialed-back outlook for U.S. GDP growth.

The Bank of England has said the “fog of Brexit” will weigh on growth prospects and said it could not rule out rate cuts in the event of a hard Brexit as it lowered its forecast for the U.K. economy.

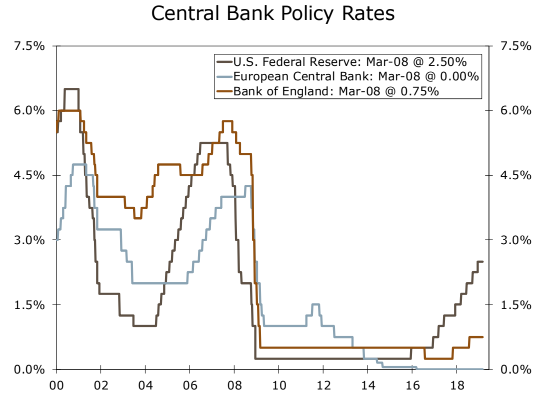
This week, at its scheduled meeting, the European Central Bank (ECB) became the latest monetary authority with a more timid growth outlook and extra measures of reassurance for worried financial markets.

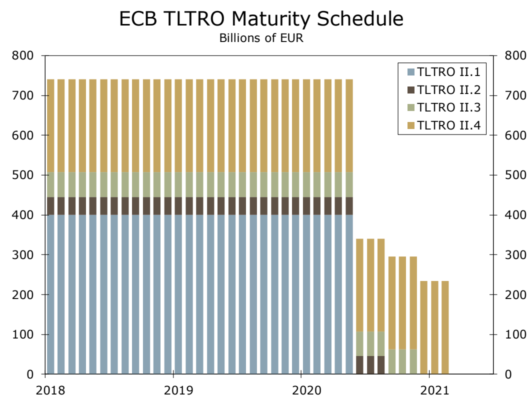
Specifically, the ECB slashed its 2019 GDP forecast for the Eurozone to just 1.1% from 1.7% previously. Rate cuts are likely off the table for 2019 as well, as the ECB expects rates to remain unchanged “at their present levels at least through the end of 2019, and in any case for as long as necessary” to meet its inflation target.

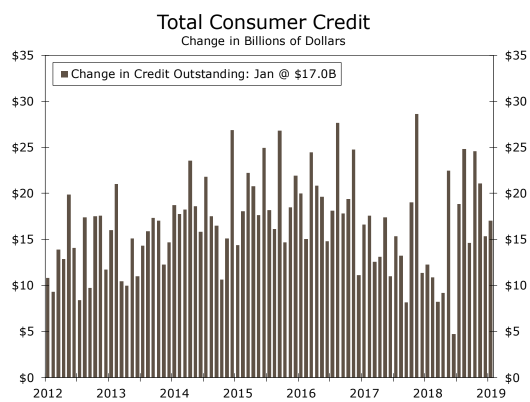
It also announced a new package of what it calls TLTROs–shorthand for Targeted Long-Term Refinancing Operations. These offer the ECB a way to provide low-cost long-term funding to commercial banks in the Eurozone as a means of encouraging those banks to lend to the private sector.

Despite the downgrade to the growth outlook, the postponement of rate hikes and the expansion of TLTROs, we do not see these moves as the opening bids in a sustained campaign to embrace increasingly accommodative monetary policy. However, in light of the new guidance from the ECB, we have pushed back our expected timing of eventual ECB rate hikes to the first quarter of 2020.

Global central banks have lowered growth forecasts, now we see if the measures they’ve taken can slow the expected decline.







Source: Bloomberg LP, IHS Markit and Wells Fargo Securities

Credit Market Insights

Debt On the Rise

Following a decline in December, consumer credit rose 5.1% or $17.0B in January (bottom chart). Revolving credit outstanding posted a solid $2.6B increase for the month, while non-revolving credit, which includes student and auto loans, increased $14.5B in January.

A separately released report from the Federal Reserve showed that U.S. credit card debt hit a record high $870B in Q4-2018, a $26B increase from the previous quarter. Credit cards are the fourth-largest portion of consumer debt in the United States after mortgages, student loans and auto loans. Credit card limits continued to rise for the 24th consecutive quarter and more borrowers are falling delinquent on their payments. Thirty-seven million credit card accounts are 90+ days delinquent.

The Quarterly Report on Household Debt and Credit at the New York Fed revealed 53.7% of credit card debt is held by Americans who are 50 or older. As expected, the younger population holds the greatest amount of student loan debt. Student loan balances rose $15B to a new high of $1.5T in the fourth quarter, and 11.4% of student debt was 90+ days delinquent.

Overall, consumer credit rose to slightly over $4T in January, marking an all-time high. The Fed’s more patient outlook on raising interest rates could further stimulate borrowing, while a tight labor market giving way to higher wages suggests American’s have the ability to borrow.

Credit Market Data

Mortgage Rates	Current	Week Ago	4 Weeks Ago	Year Ago
30-Yr Fixed	4.41%	4.35%	4.37%	4.46%
15-Yr Fixed	3.83%	3.77%	3.81%	3.94%
5/1 ARM	3.87%	3.84%	3.88%	3.63%
Bank Lending	**Current Assets (Billions)**	**1-Week Change (SAAR)**	**4-Week Change (SAAR)**	**Year-Ago Change**
Commercial & Industrial	$2,348.7	-0.50%	5.40%	10.63%
Revolving Home Equity	$346.8	-6.40%	-8.20%	-7.72%
Residential Mortgages	$1,897.3	55.15%	6.49%	3.25%
Commerical Real Estate	$2,201.9	6.07%	5.62%	4.55%
Consumer	$1,509.5	10.13%	9.24%	5.19%

Mortgage Rates Data as of 03/08/19, Bank Lending Data as of 02/20/19

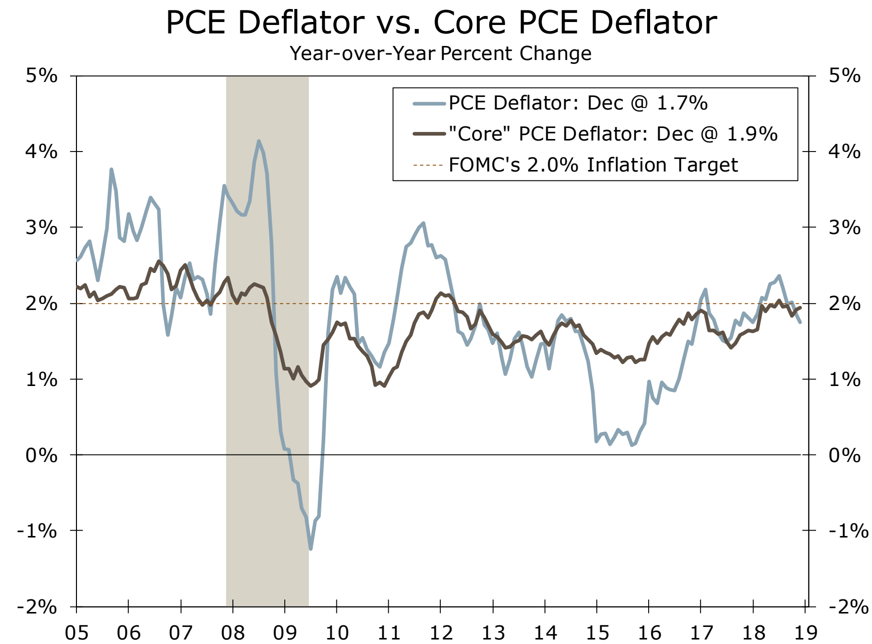
Source: Freddie Mac, Federal Reserve Board and Wells Fargo Securities

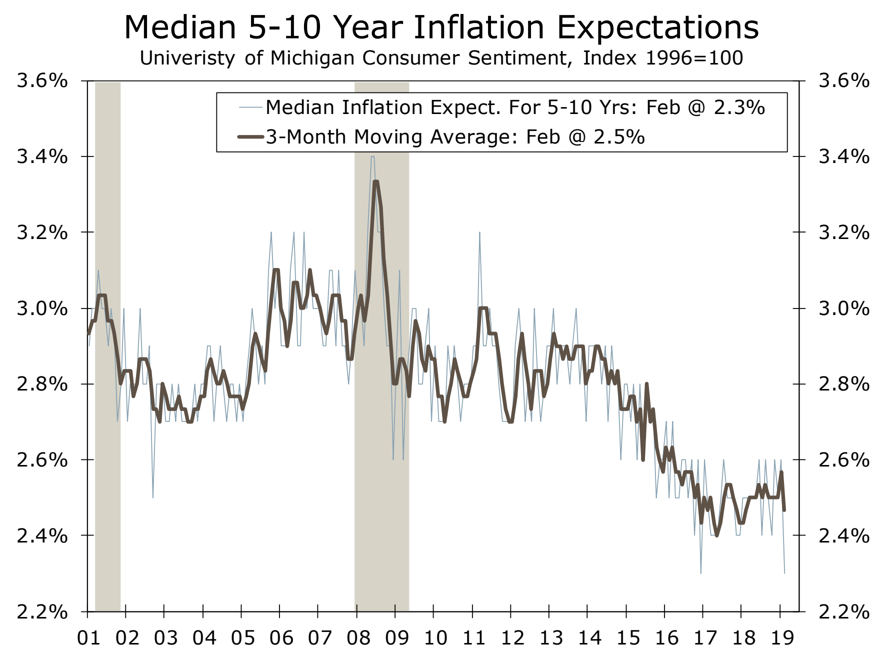
Topic of the Week

The Fed Reconsiders Its Inflation Target

The Fed is currently in the process of rethinking how it conducts monetary policy, and one area it is considering changing is its inflation target of 2%. A key reason for this rethink is that the Fed, like many other global central banks, has generally been facing below-target inflation for much of the current cycle (top chart). Indeed, the risks have generally been skewed toward mild deflation rather than too high inflation. Low inflation can become problematic for a central bank because it limits the central bank's ability to reduce real interest rates to stimulate economic activity in a downturn. A central bank can run out of conventional "ammunition" when its policy rate nears the effective lower bound (ELB) near 0%. Consequently, the Fed's policy review is intended to identify ways to strengthen its credibility in generating 2% inflation over the business cycle and give the FOMC more recession-fighting capability when future downturns arrive.

The Fed has discussed a number of possible alternatives for its current 2% inflation target, including raising its inflation target, moving to an inflation target range or introducing a somewhat more radical approach known as price-level targeting (PLT). However, the approach we see as most likely to be adopted is average-inflation targeting. This framework would involve an explicit aim for inflation to average a given rate over time. For example, if the Fed adopted this framework with its current 2% target, it would aim for 2% inflation on average over the medium or longer term. If inflation were to undershoot 2% for a given period of time, then overshoots would be tolerated with the specific aim of raising the mean rate of inflation over a multiyear period. Implicitly, the Fed already has moved toward average-inflation targeting through its recent emphasis on the "symmetric" nature of the 2% target. If the Fed shifts to this new framework, it would likely lead to higher inflation and inflation expectations. That could see the yield curve steepen, nominal bond yields rise and the dollar depreciate, all else equal.





Source: The University of Michigan, U.S. Department of Commerce and Wells Fargo Securities

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Market Data ♦ Mid-Day Friday

U.S. Interest Rates

	Friday 3/8/2019	1 Week Ago	1 Year Ago
1-Month LIBOR	2.49	2.49	1.72
3-Month LIBOR	2.60	2.62	2.06
3-Month T-Bill	2.44	2.43	1.65
1-Year Treasury	2.52	2.55	2.02
2-Year Treasury	2.45	2.55	2.25
5-Year Treasury	2.42	2.56	2.63
10-Year Treasury	2.62	2.75	2.86
30-Year Treasury	3.02	3.12	3.12
Bond Buyer Index	4.09	4.19	3.88

Foreign Exchange Rates

	Friday 3/8/2019	1 Week Ago	1 Year Ago
Euro ($/€)	1.124	1.137	1.231
British Pound ($/£)	1.300	1.320	1.381
British Pound (£/€)	0.865	0.861	0.892
Japanese Yen (¥/$)	111.070	111.890	106.230
Canadian Dollar (C$/$)	1.342	1.330	1.290
Swiss Franc (CHF/$)	1.007	0.999	0.951
Australian Dollar (US$/A$)	0.705	0.708	0.779
Mexican Peso (MXN/$)	19.488	19.271	18.660
Chinese Yuan (CNY/$)	6.721	6.706	6.342
Indian Rupee (INR/$)	70.149	70.910	65.148
Brazilian Real (BRL/$)	3.864	3.779	3.265
U.S. Dollar Index	97.350	96.527	90.179

Source: Bloomberg LP and Wells Fargo Securities

Foreign Interest Rates

	Friday 3/8/2019	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	-0.33	-0.34	-0.38
3-Month Sterling LIBOR	0.84	0.85	0.60
3-Month Canada Banker's Acceptance	2.05	2.11	1.68
3-Month Yen LIBOR	-0.07	-0.08	-0.05
2-Year German	-0.53	-0.51	-0.56
2-Year U.K.	0.75	0.80	0.81
2-Year Canadian	1.66	1.77	1.78
2-Year Japanese	-0.15	-0.15	-0.15
10-Year German	0.07	0.18	0.63
10-Year U.K.	1.19	1.30	1.47
10-Year Canadian	1.77	1.94	2.23
10-Year Japanese	-0.03	-0.01	0.05

Commodity Prices

	Friday 3/8/2019	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	55.28	55.80	60.12
Brent Crude ($/Barrel)	64.86	65.07	63.61
Gold ($/Ounce)	1297.97	1293.40	1321.97
Hot-Rolled Steel ($/S.Ton)	700.00	714.00	819.00
Copper (¢/Pound)	289.75	293.35	305.85
Soybeans ($/Bushel)	8.52	8.54	10.30
Natural Gas ($/MMBTU)	2.86	2.86	2.76
Nickel ($/Metric Ton)	13,156	12,969	13,534
CRB Spot Inds.	489.24	487.29	524.61

Next Week's Economic Calendar

	Monday	Tuesday	Wednesday	Thursday	Friday
	11	12	13	14	15
U.S. Data	**Retail Sales (MoM)** December -1.2% January 0.2% (W) **Business Inventories (MoM)** November -0.1% December 0.6% (W)	**NFIB Small Business Optimism** January 101.2 **CPI (YoY)** January 1.6% February 1.5% (W)	**PPI Final Demand (YoY)** January 2.0% February 1.9% (W) **Durable Goods Orders (MoM)** December 1.2% January -2.3% (W)	**Import Price Index (YoY)** January -1.7% February -1.7% (W) **New Home Sales** December 621K January 638K (W)	**Industrial Production (YoY)** January -0.6% February 0.3% (W) **JOLTS Job Openings** December 7,335K
Global Data		**United Kingdom** **Industrial Production (YoY)** December -0.9% **India** **Industrial Production (YoY)** December 2.4%	**Brazil** **Industrial Production (YoY)** December -3.6% **China** **Retail Sales (YTD YOY)** January 9.0%	**Japan** **Bank of Japan Policy Decision** Previous -0.10% **Brazil** **Retail Sales (YoY)** December 0.6%	**Canada** **Existing Home Sales (MoM)** January 3.6%

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

Source: Bloomberg LP and Wells Fargo Securities

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