

WELLS
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SECURITIES

Economic Outlook BusinessFirst Charlotte

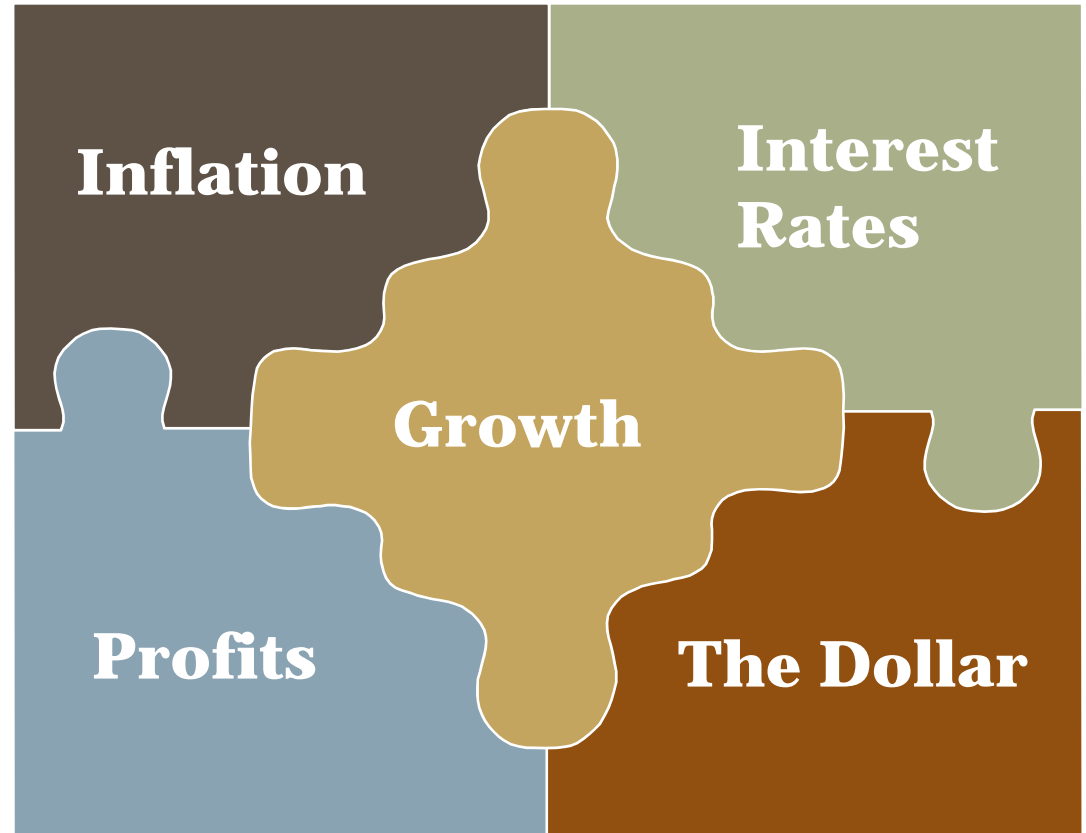
January 27, 2010

businessfirst
c h a r l o t t e
a City-Chamber Program

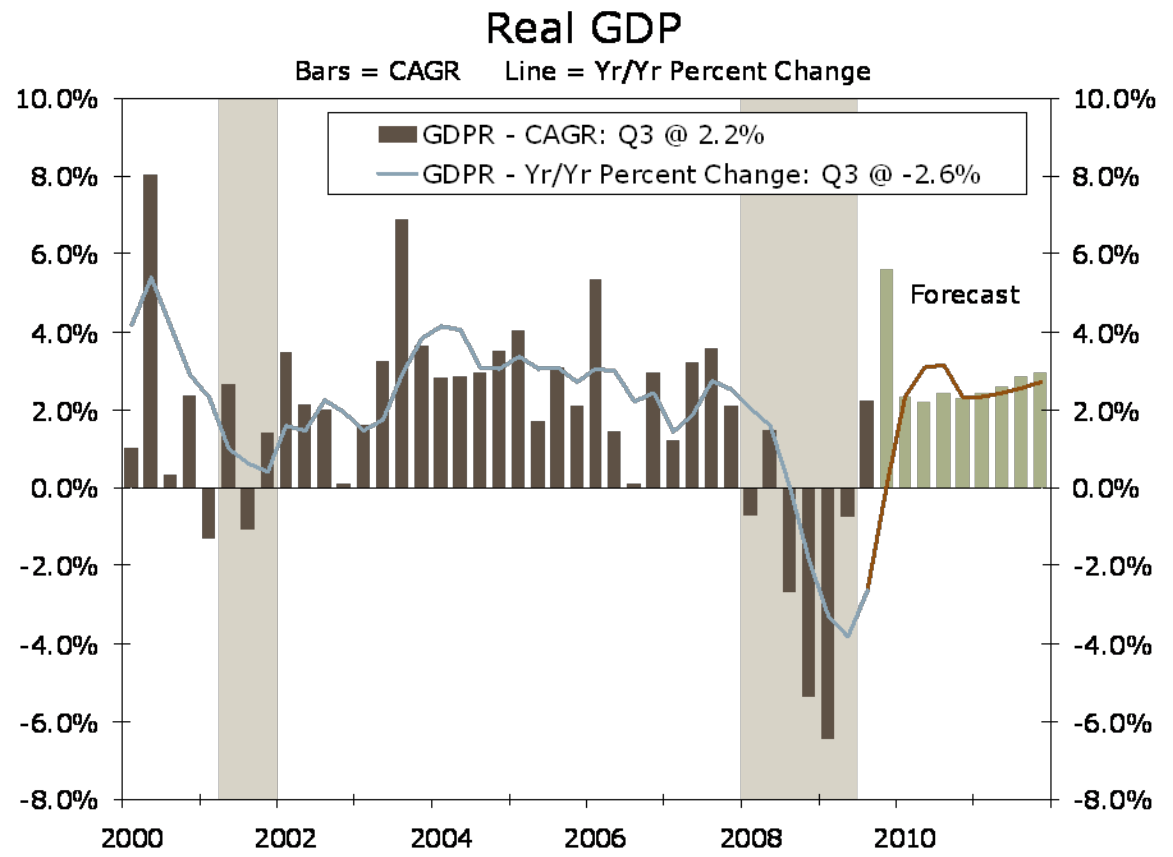
Together we'll go far



What is your outlook for...

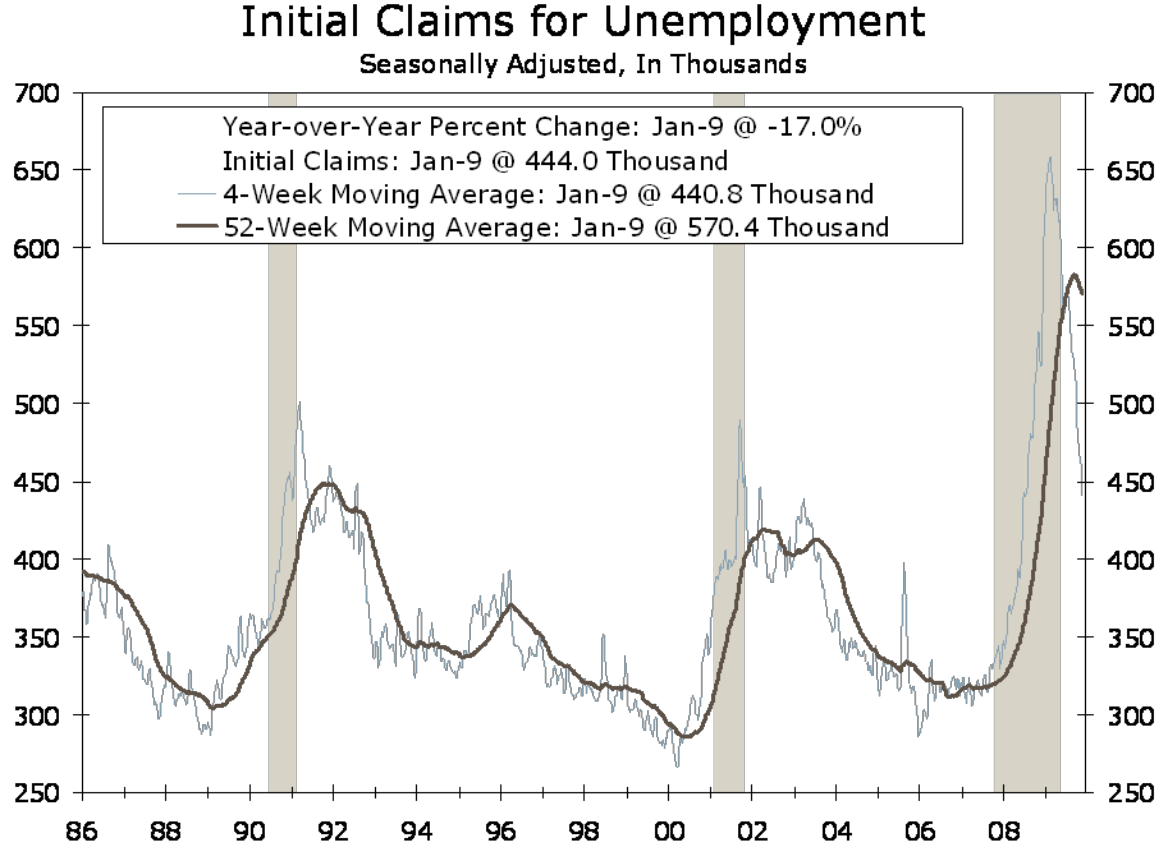


Sustained recovery in 2010



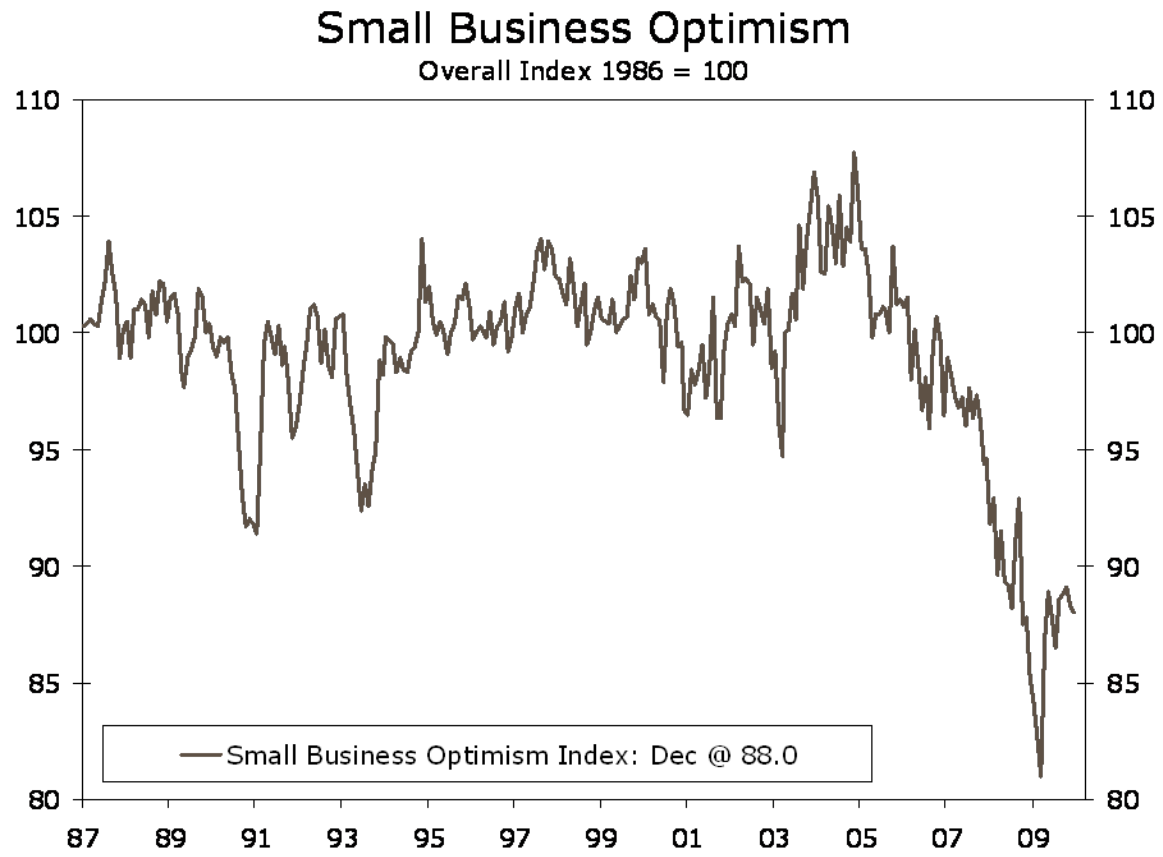
Source: U.S. Department of Commerce and Wells Fargo Securities, LLC

Recovery with job growth begins in 2010



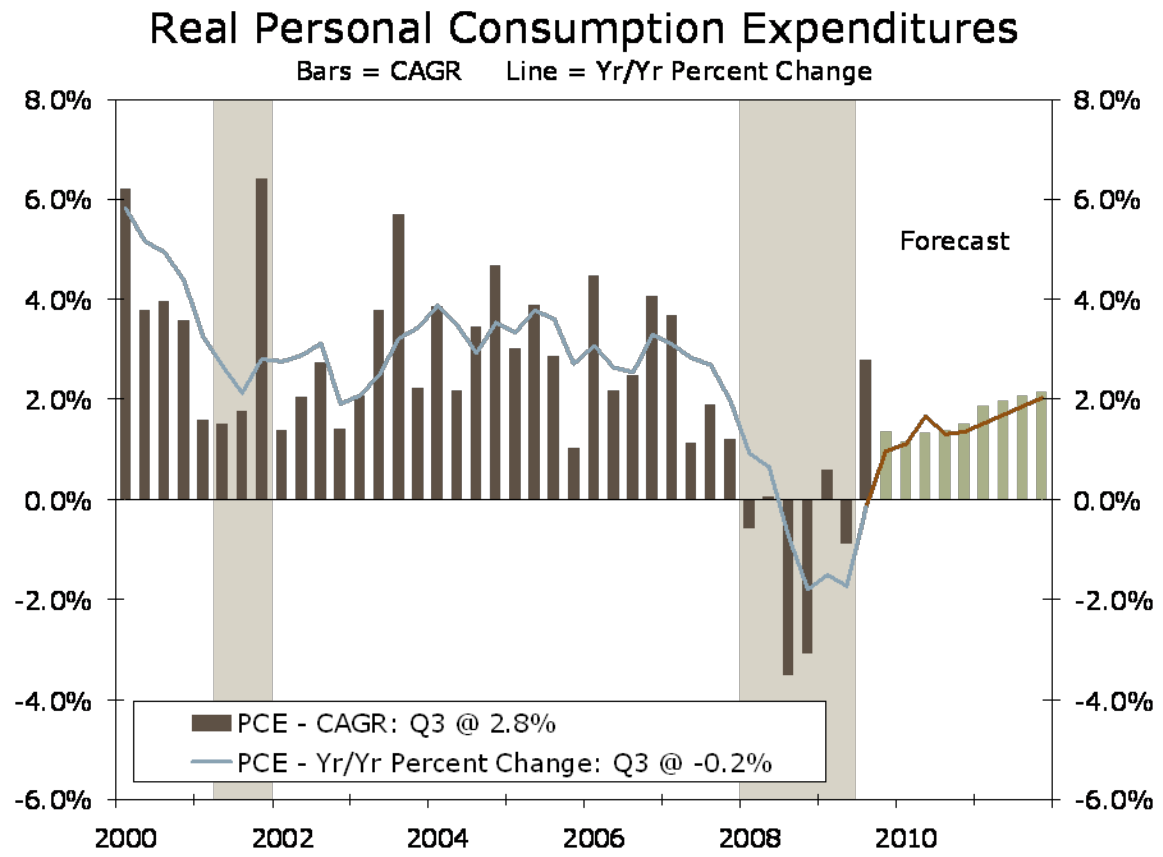
Source: U.S. Department of Labor and Wells Fargo Securities, LLC

Renewed confidence is still distant



Source: National Federation of Independent Businesses and Wells Fargo Securities, LLC

Subpar recovery suggests deleveraging consumer, cautious credit and slow job gains

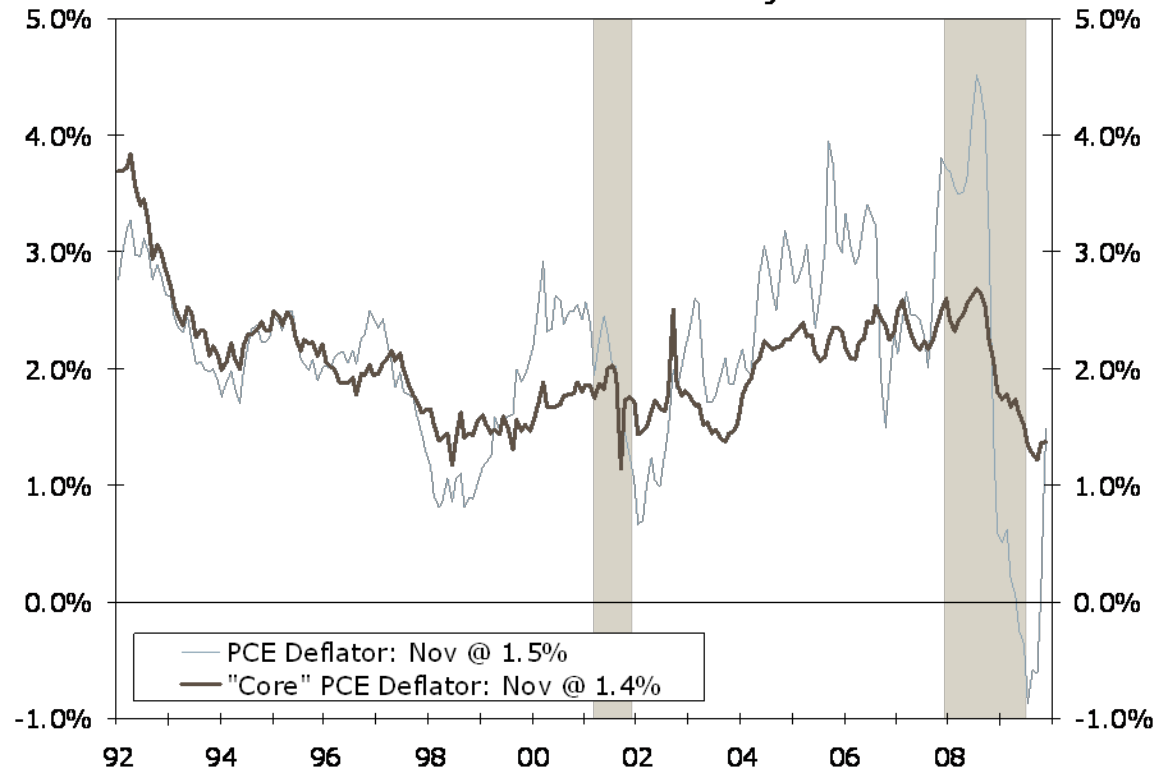


Source: U.S. Department of Commerce and Wells Fargo Securities, LLC

Low core inflation opens door for continued easy monetary policy

PCE Deflator vs. "Core" PCE Deflator

Year-over-Year Percent Change



Source: Federal Reserve Board and Wells Fargo Securities, LLC

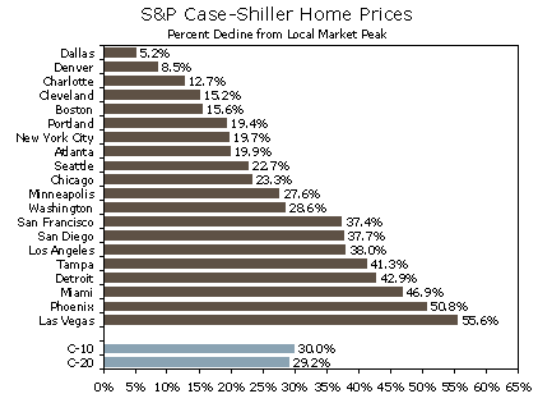
Timing of Recovery Will Vary Across Metro Areas

S&P/Case-Shiller Home Price Index – November

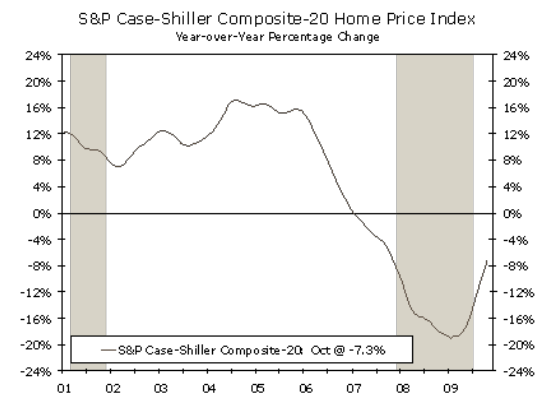
	<u>Yr/Yr % Change</u>	<u>3-Month Annual Rate</u>
Charlotte	-5.51%	0.74%
Dallas	1.40%	2.44%
Los Angeles	-3.53%	10.14%
San Francisco	0.99%	20.85%
New York City	-7.12%	-5.36%
Washington DC	-0.61%	3.60%

The steepest declines are behind us, but recovery will be slow

Historical Perspective



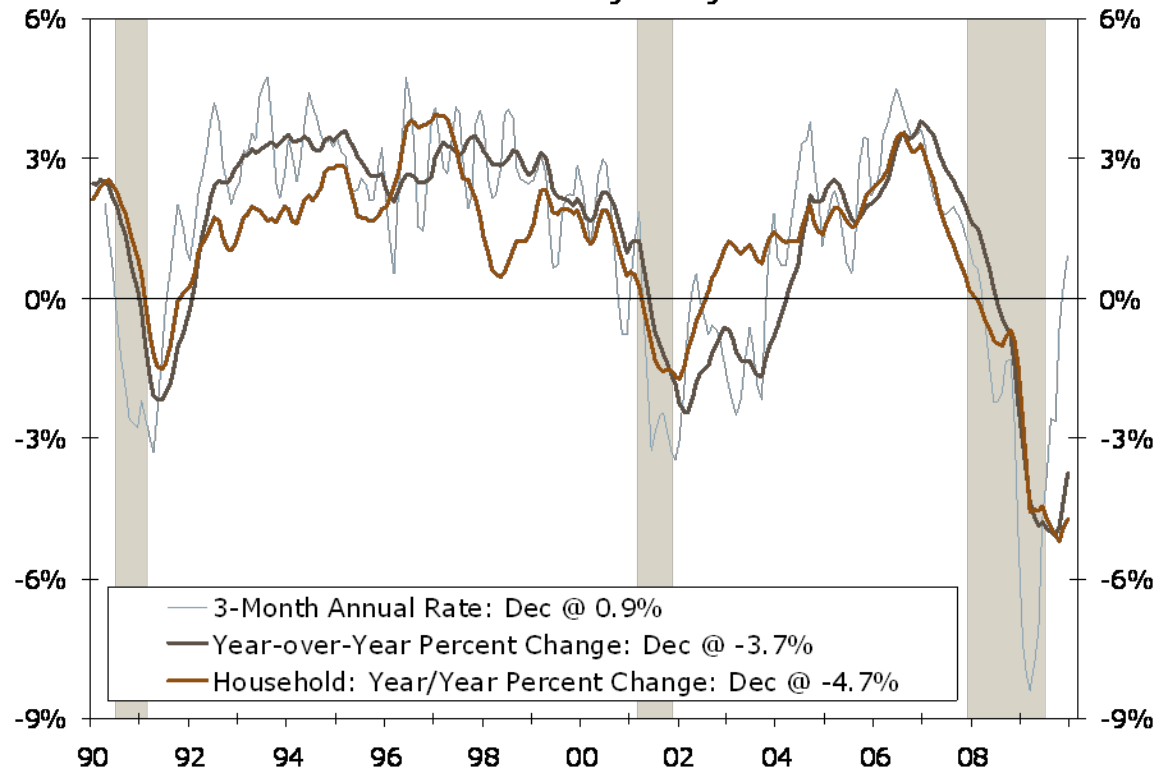
Historical Perspective



Source: S&P Case-Shiller and Wells Fargo Securities, LLC

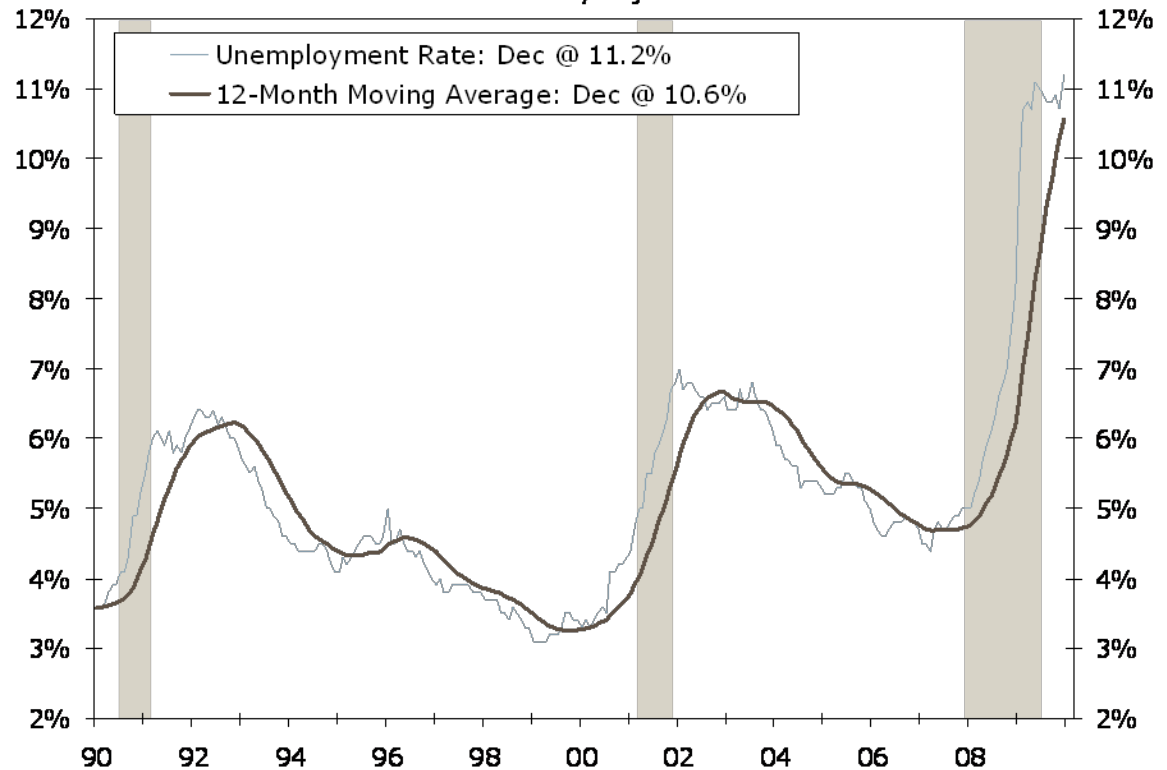
Employment prospects are essential to a viable recovery

North Carolina Nonfarm Employment 3-Month Moving Averages

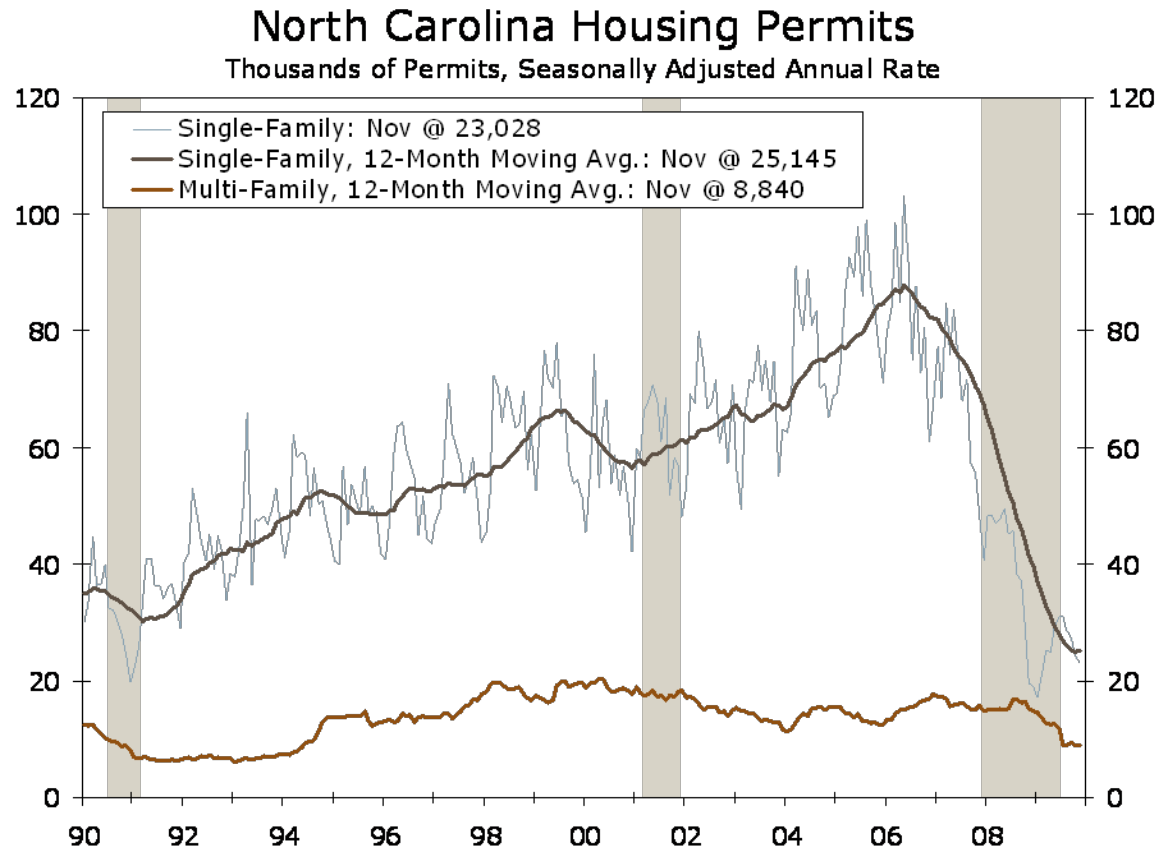


Unemployment has begun to level off, but remains extremely elevated

North Carolina Unemployment Rate
Seasonally Adjusted

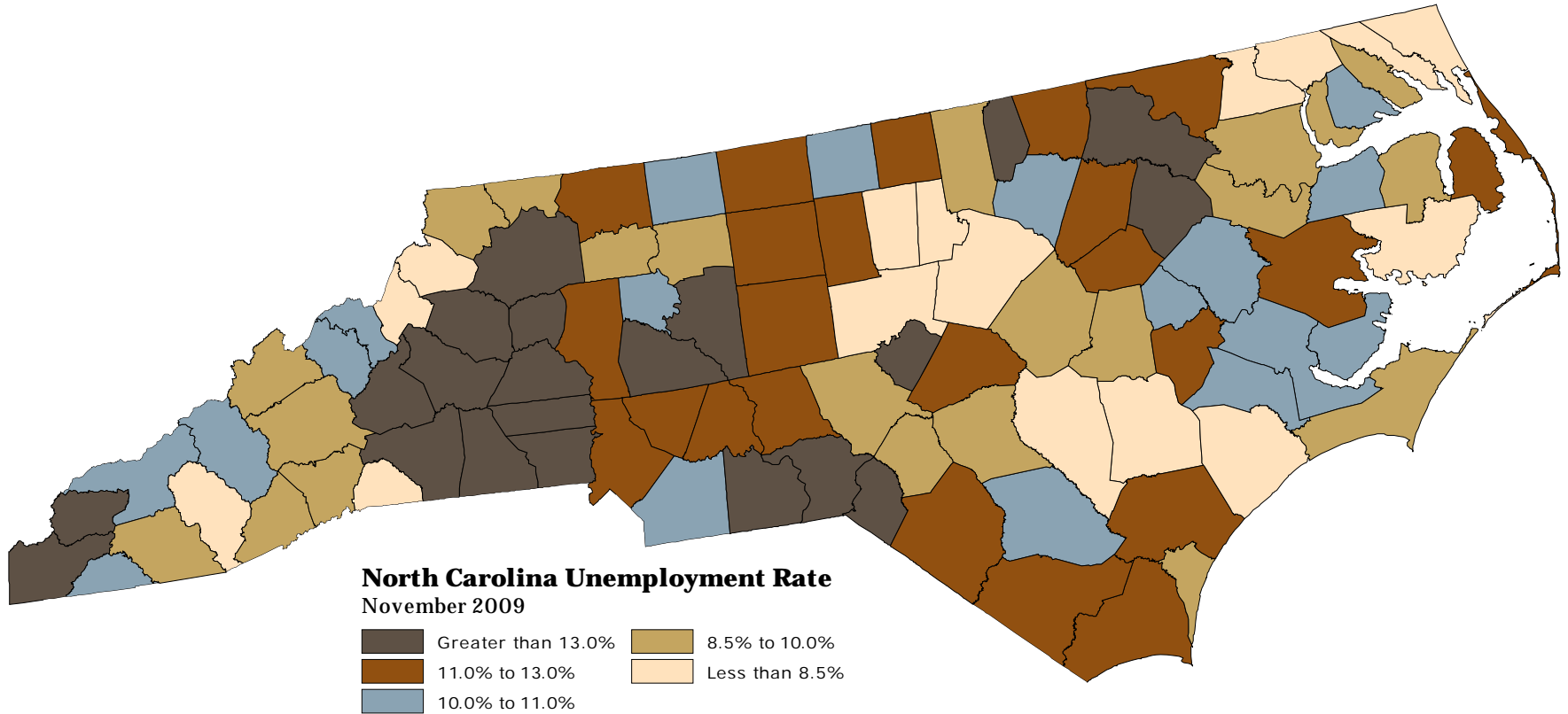


Building activity will remain slow for the foreseeable future



Unemployment continues to plague most North Carolina counties, though regional disparity is evident

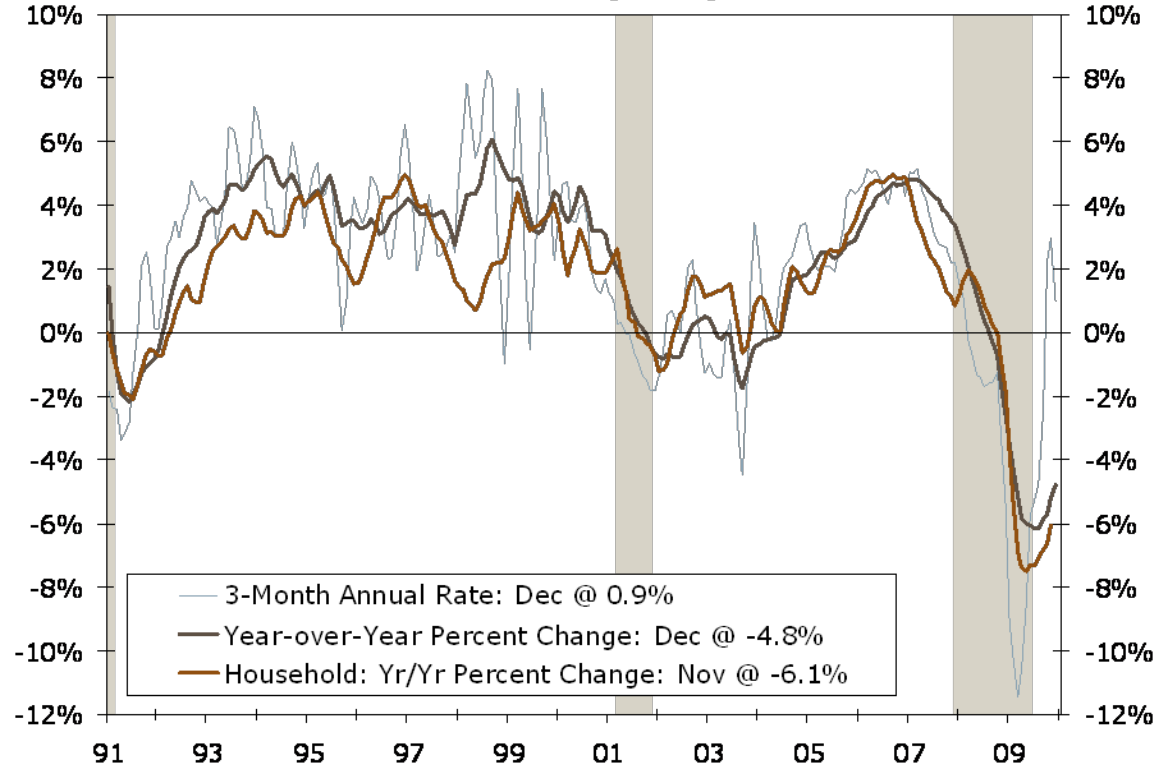
Unemployment Rate by County



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

Employment growth is key for renewed growth in Charlotte

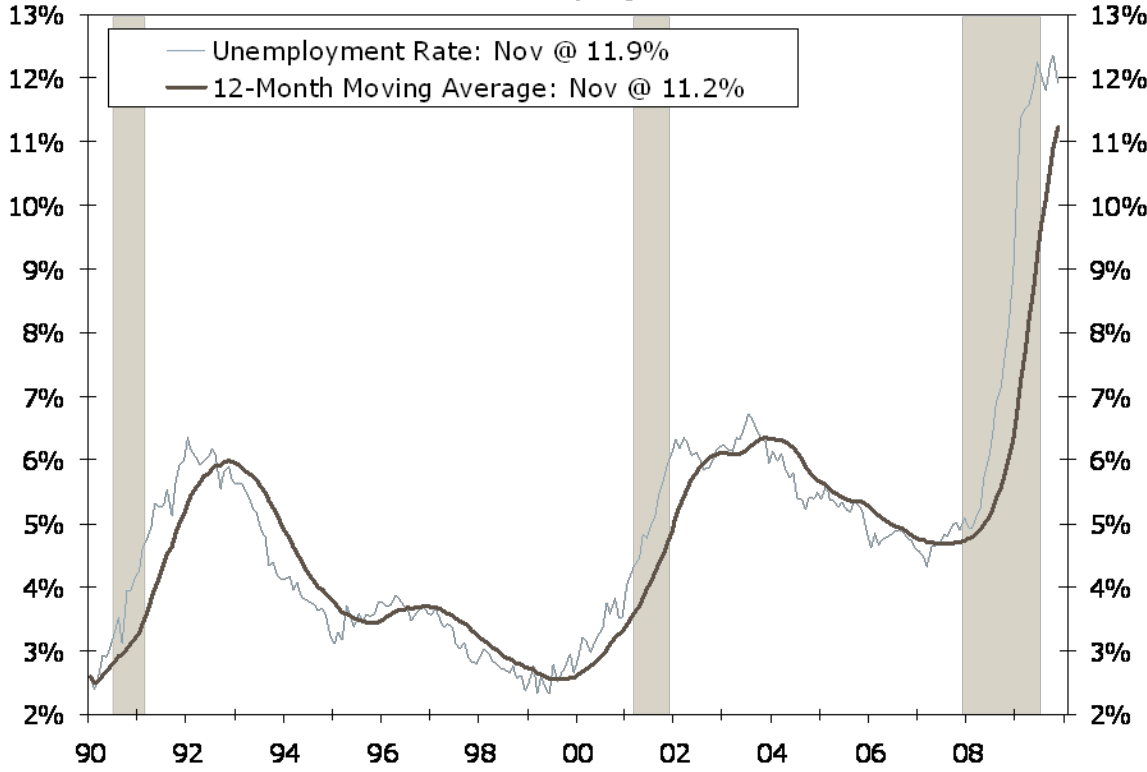
Charlotte MSA Nonfarm Employment 3-Month Moving Averages



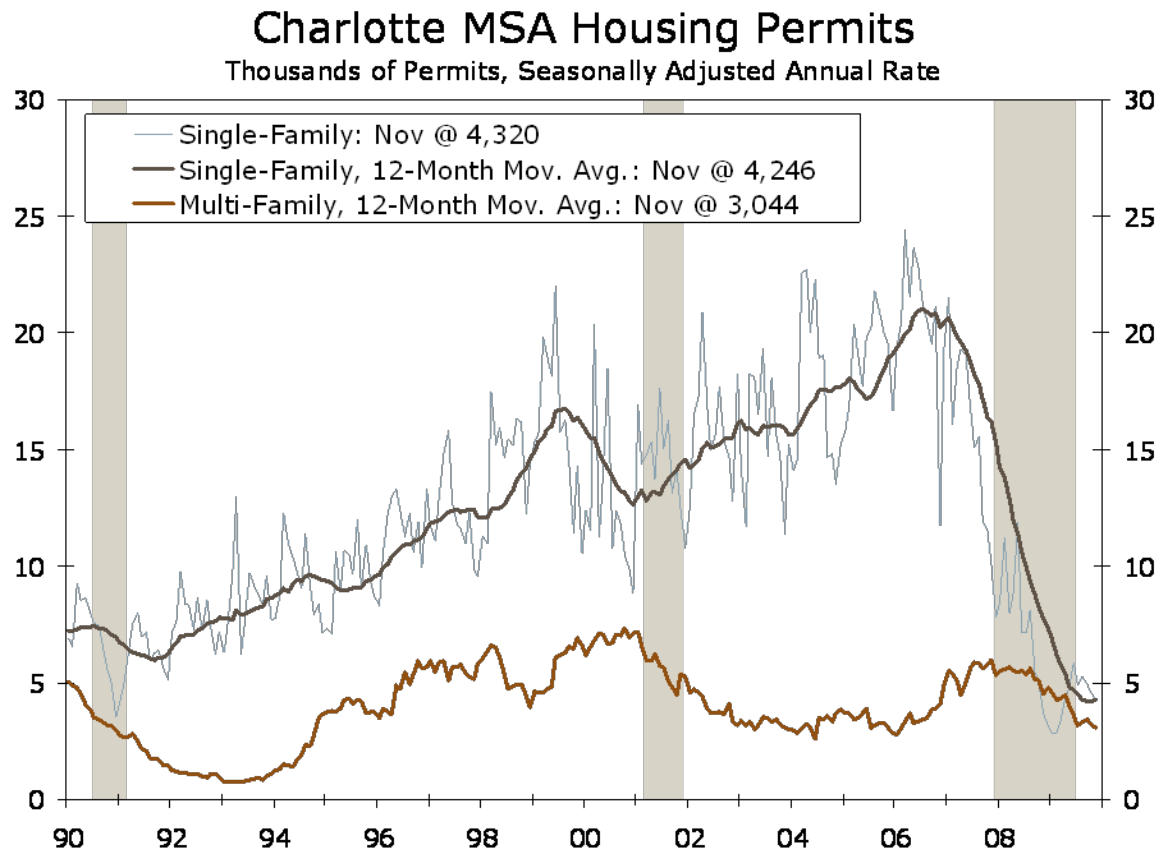
Like in the rest of the state, unemployment remains uncomfortably high

Charlotte MSA Unemployment Rate

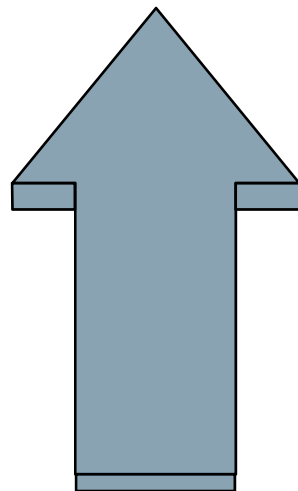
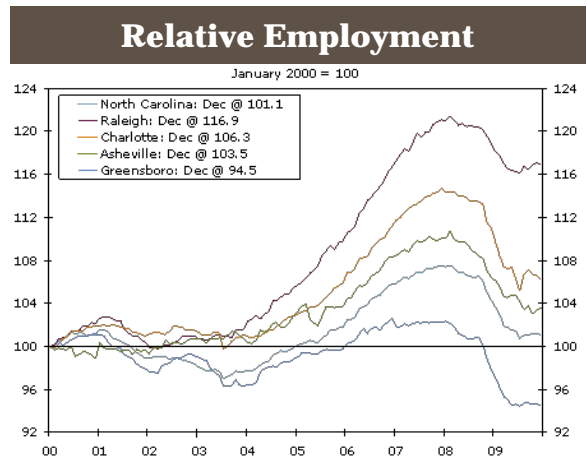
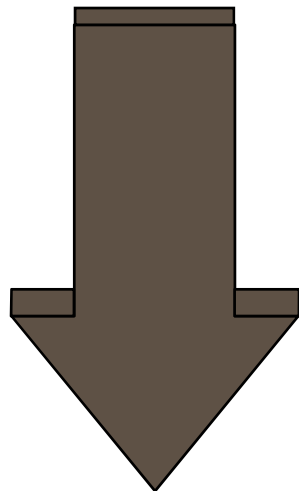
Seasonally Adjusted



Building activity has slowed to a crawl

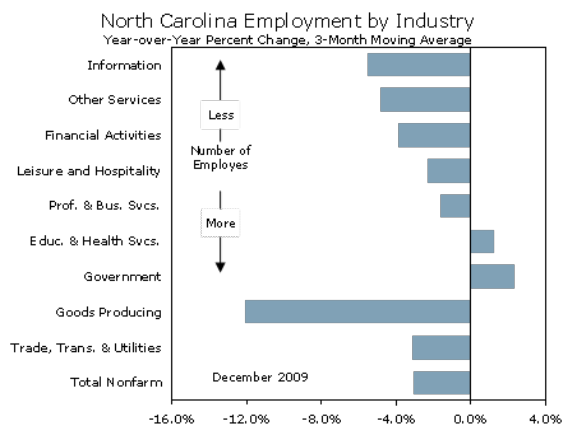


Despite a difficult starting point for the local economy, the future could be bright



Negative

- Financial sector volatility
 - Uncertainty of jobs & incomes
 - Pending legislation
- Manufacturing industry reliance, restructuring
- Household debt delinquencies are above 5 percent



Positive

- Low business costs
 - Net in-migration
 - Highly educated workers
- Technology research center
- Cyclical recovery
 - Job gains in August/September
 - Median home prices up

Source: U.S. Department of Labor, Moody's Economy.com and Wells Fargo Securities, LLC

Recovery Begins with Gains in Consumer Spending, Equipment Investment, Exports and Federal Spending

Wells Fargo U.S. Economic Outlook

	Actual			Forecast		
	2006	2007	2008	2009	2010	2011
Real Gross Domestic Product ¹	2.7	2.1	0.4	-2.4	2.7	2.5
Personal Consumption	2.9	2.6	-0.2	-0.6	1.4	1.8
Equipment and Software	7.4	2.6	-2.6	-17.4	4.3	6.6
Government Purchases	1.4	1.7	3.1	2.1	2.4	1.5
Consumer Price Index ²	3.2	2.9	3.8	-0.3	2.3	2.1
Corporate Profits Before Taxes ²	10.5	-4.1	-11.8	-5.1	13.8	8.0
10-Year Treasury Note	4.71	4.04	2.25	3.85	4.40	4.90

Forecast as of: January 13, 2010 ¹Compound Annual Growth Rate ²Year-over-Year Percent Change

Source: Wells Fargo Securities, LLC

Appendix

A Sampling of Our Recent Special, Regional & Industry Commentary

To join any of our research distribution lists please visit our website:
<http://www.wachovia.com/economicsemail>

Recent Special Commentary		
Date	Title	Authors
January-12	Colorado Economic Outlook: January 2010	Anderson & Kashmarek
December-31	Georgia Economic Outlook: December 2009	Vitner & Kamaruddin
December-31	Florida Economic Outlook: December 2009	Vitner & Kamaruddin
December-31	California Economic Outlook: December 2009	Anderson
December-30	New Jersey Economic Outlook: December 2009	Vitner, Khan & Kamar.
December-15	Pennsylvania Economic Outlook: Spotlight on Jobs	Bryson & Quinlan
November-18	Santa Tightens His Belt Another Notch	Vitner & York
November-13	North Carolina Faces Difficult Road to Recovery	Silvia, York & Whelan
November-11	Commercial Real Estate Chartbook: Q3	Vitner, Khan & Kamar.
November-04	Did the Nation Overdose on Debt?	Silvia & Whelan
November-04	An Economy at Non-Market Prices	Silvia
November-04	Inflation Chartbook: November 2009	Vitner, Khan & Kamar.
November-03	How Bleak Is the British Consumer Spending Outlook	Bryson
October-20	What Is Gold Telling Us?	Bryson, Khan & Kamar.
October-19	Housing Chartbook: October 2009	Vitner & York
October-15	Beyond America, Canadian Economic Prospects	Bryson & Quinlan
October-06	Georgia Economic Outlook: October 2009	Vitner & Kamaruddin
October-05	Comments Before Federal Reserve Advisory Panel	Silvia
September-24	What's Wrong With the Dollar?	Bryson
September-03	Commercial Real Estate Chartbook: Q2	Vitner, Khan & Kamar.
September-02	Clunkemomics: Auto Sales Set to Boost Real GDP	Vitner & Khan
August-31	Benchmarking Recovery: Rhyming not Repeating	Silvia
August-26	Will Debt Restrain Euro-zone Consumer Spending?	Bryson
August-24	State & Local Financial Woes Still Building	Vitner & Khan
August-18	Wobbly Fundamentals for Business Spending	Silvia & Quinlan
August-14	Housing Chartbook: August 2009	Vitner & York
August-14	Healthcare Employment Stays out of the Sick Ward	Silvia, York & Whelan
August-13	Early Recoveries are Typically "Jobless"	Silvia & York

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