

Effect of Coronavirus on the U.S. Economy

Jay H. Bryson, Managing Director and Acting Chief Economist
February 11, 2020

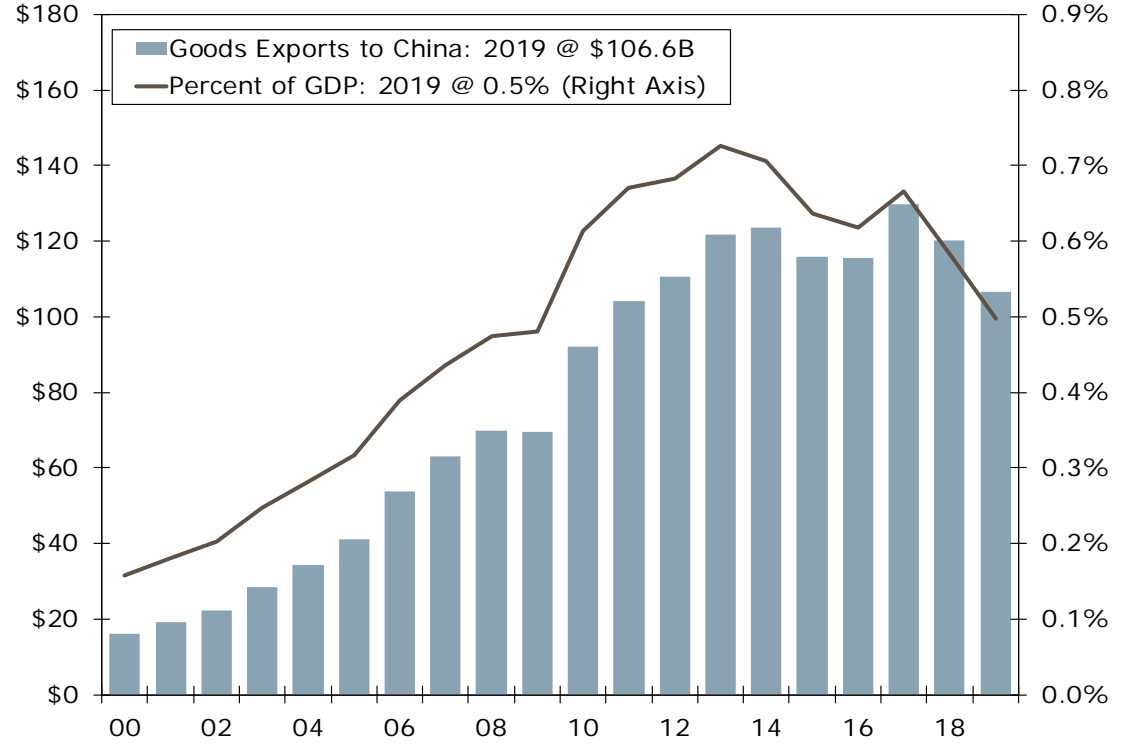
Together we'll go far



American exports to China are equivalent to only 0.5% of U.S. GDP

U.S. Goods Exports to China

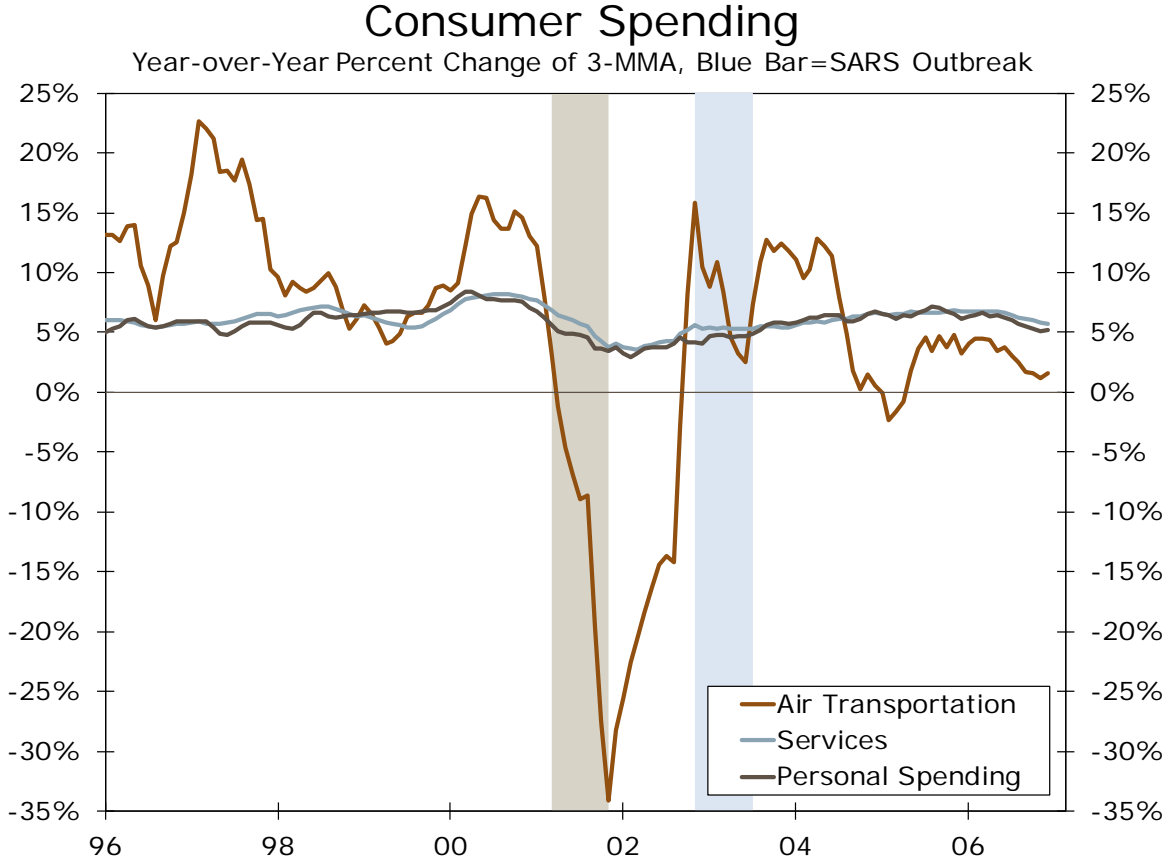
Billions of USD, Percent of Nominal GDP



Source: U.S. Department of Commerce and Wells Fargo Securities, February 2020

Consumer Spending During the SARS Outbreak

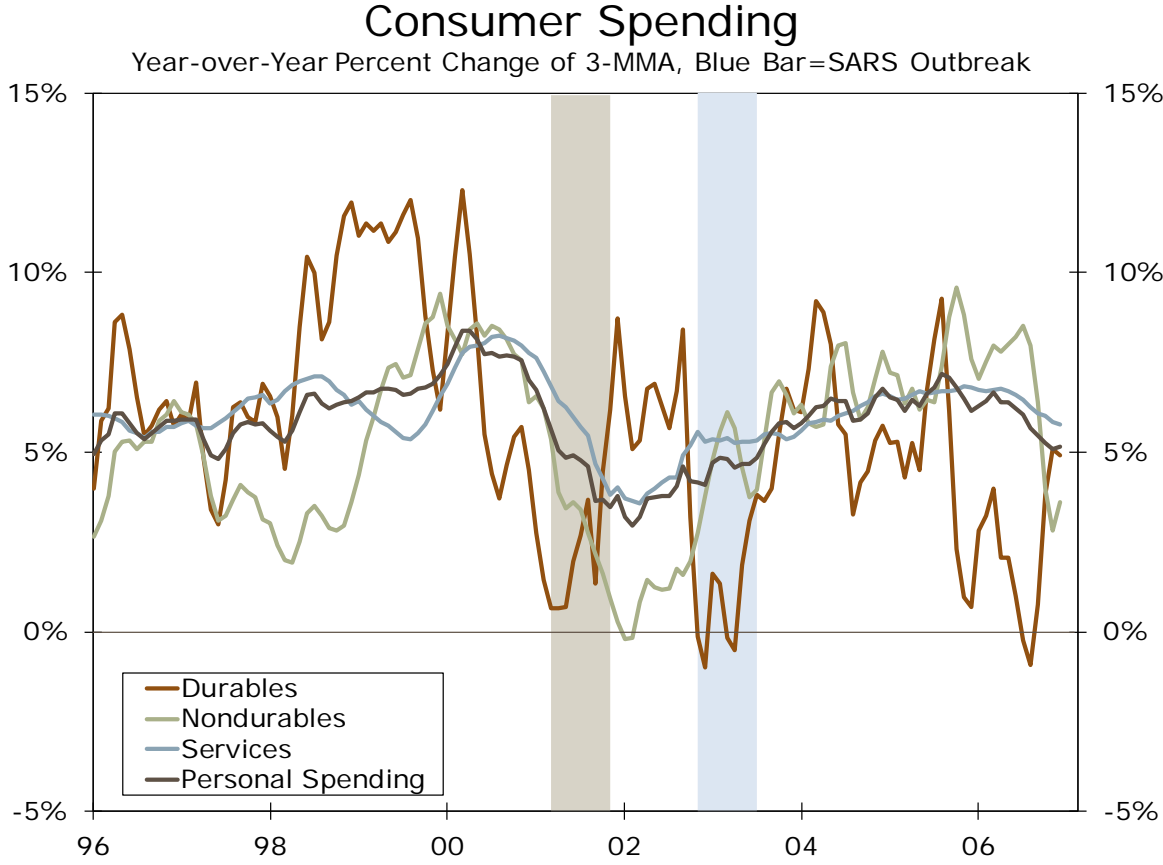
Air travel decelerated during the SARS outbreak



Source: U.S. Department of Commerce and Wells Fargo Securities, February 2020

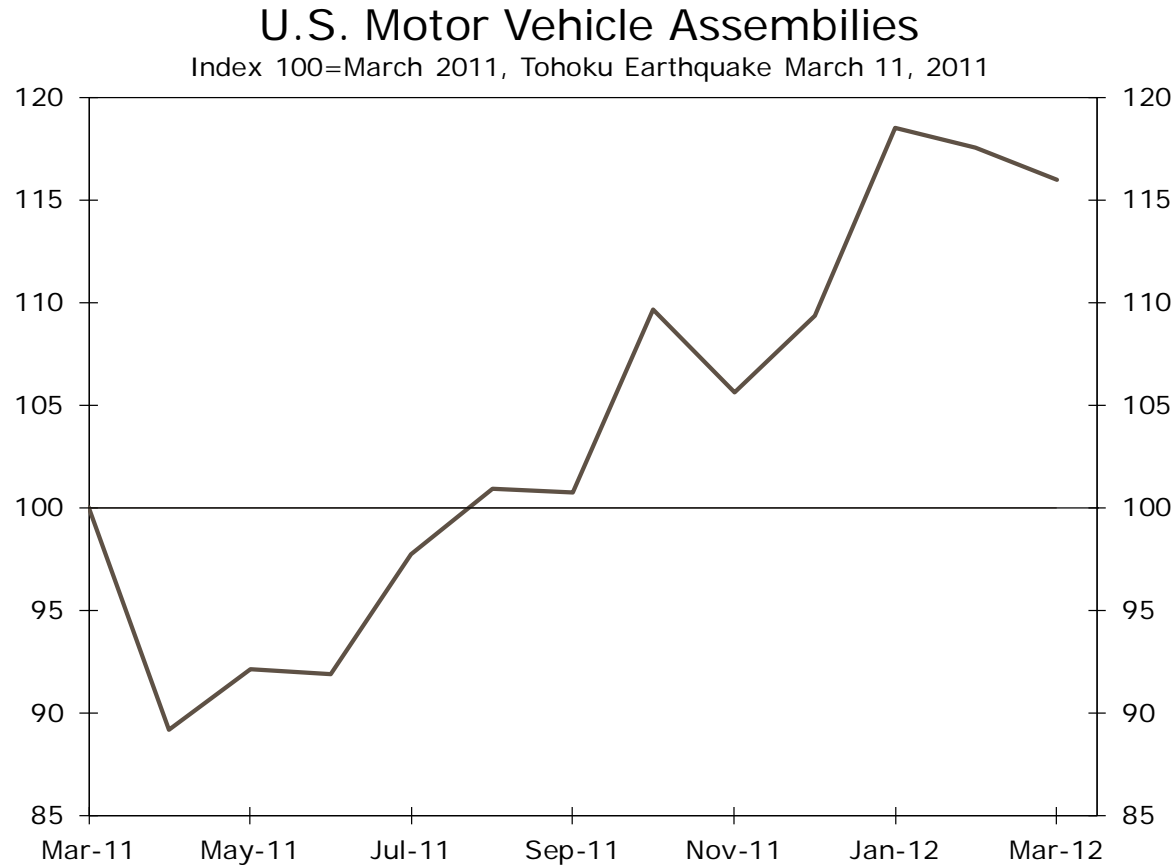
Consumer Spending During the SARS Outbreak

Spending on durable goods weakened in early 2003, but other categories of consumer spending were largely unaffected



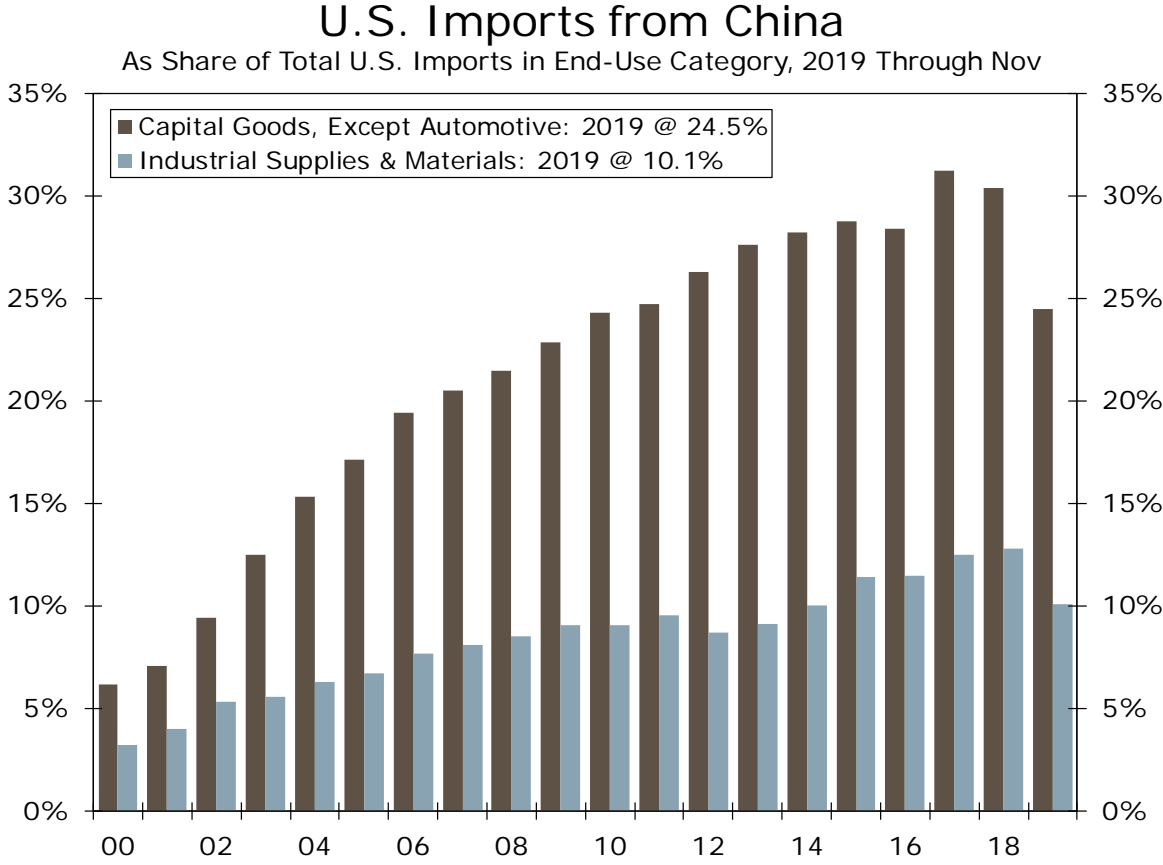
Source: U.S. Department of Commerce and Wells Fargo Securities, February 2020

Auto production in the United States took a marked hit in the wake of the Fukushima nuclear disaster in Japan



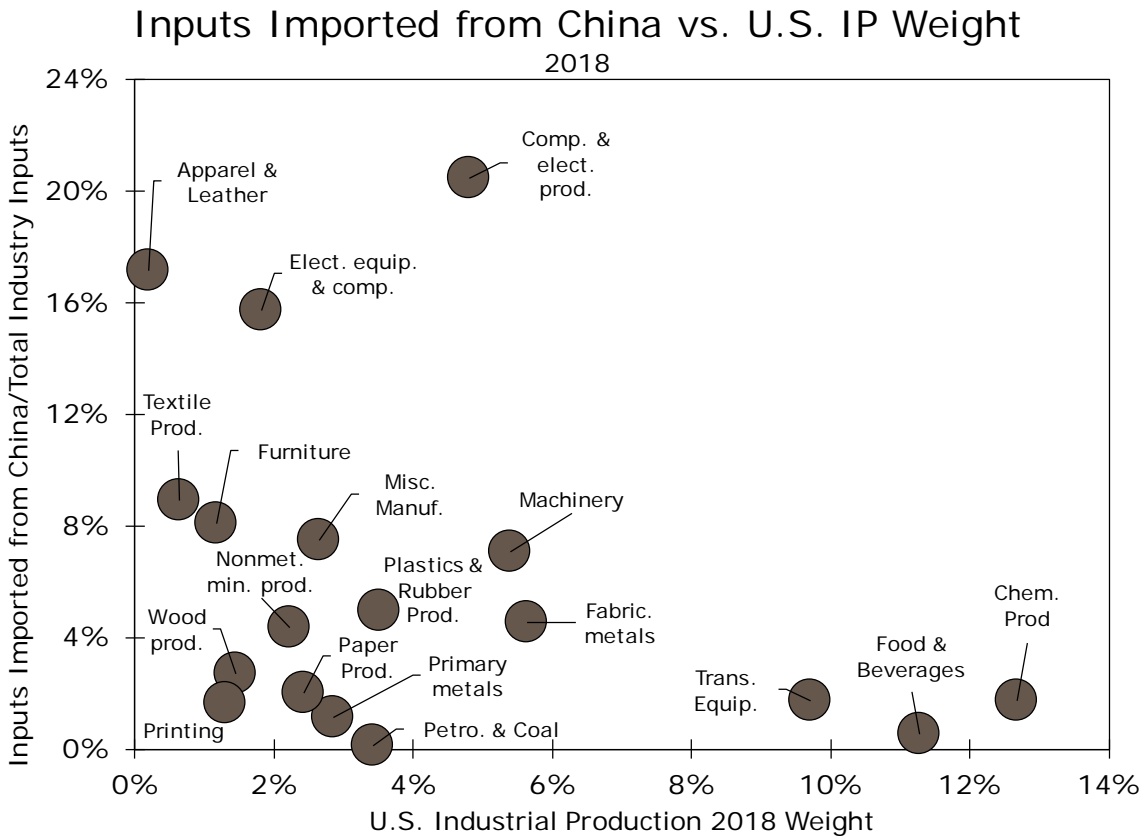
Source: Federal Reserve Board and Wells Fargo Securities, February 2020

China plays an important role in the U.S. supply chain



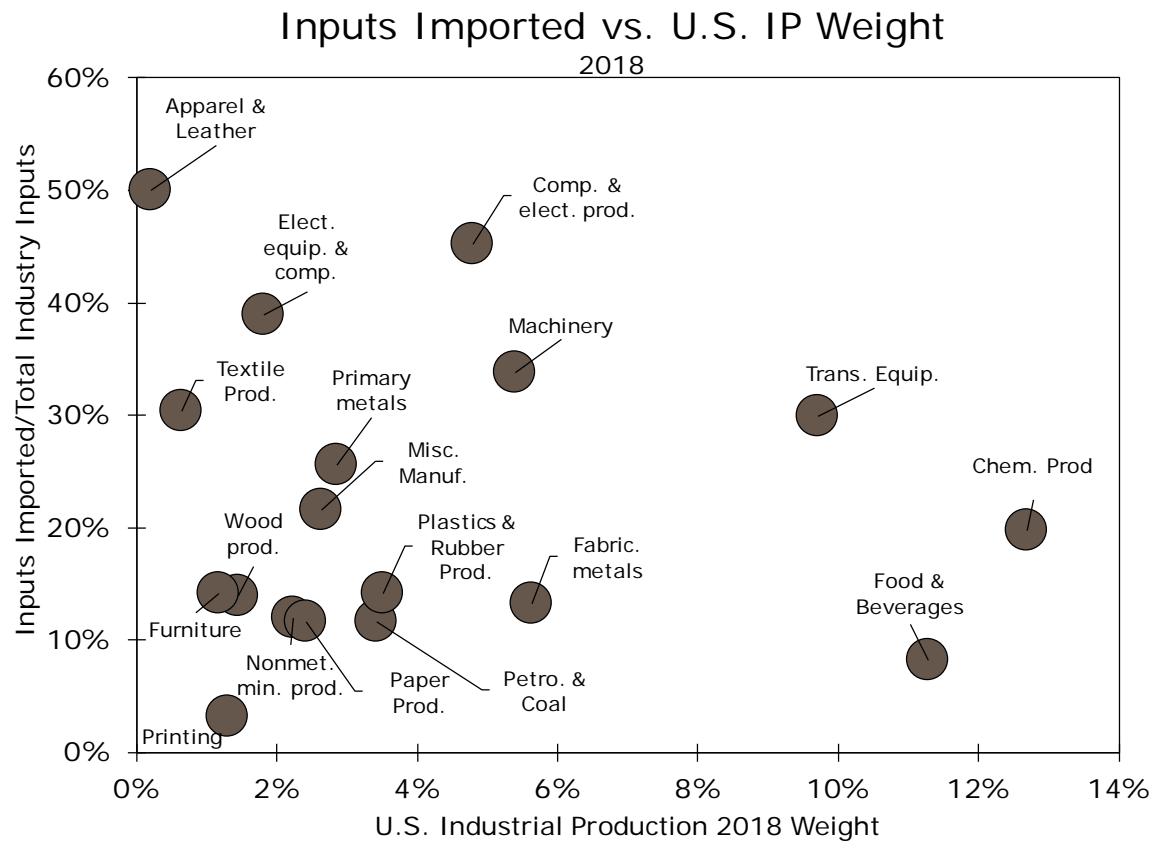
Source: U.S. Department of Commerce and Wells Fargo Securities, February 2020

The computer and electronic products sector is most exposed to imports from China



Source: U.S. Department of Commerce, Federal Reserve Board and Wells Fargo Securities, February 2020

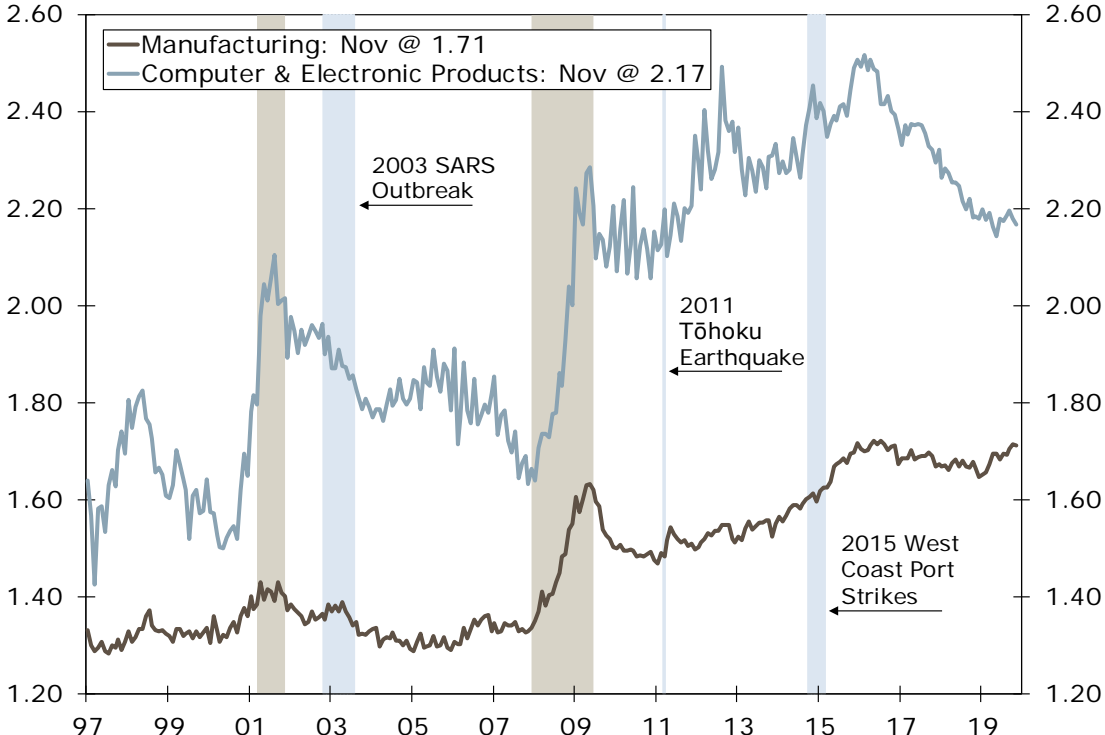
Other sectors could be more severely affected if the virus becomes more widespread



Source: U.S. Department of Commerce, Federal Reserve Board and Wells Fargo Securities, February 2020

The manufacturing sector has generally stockpiled inventories in recent years

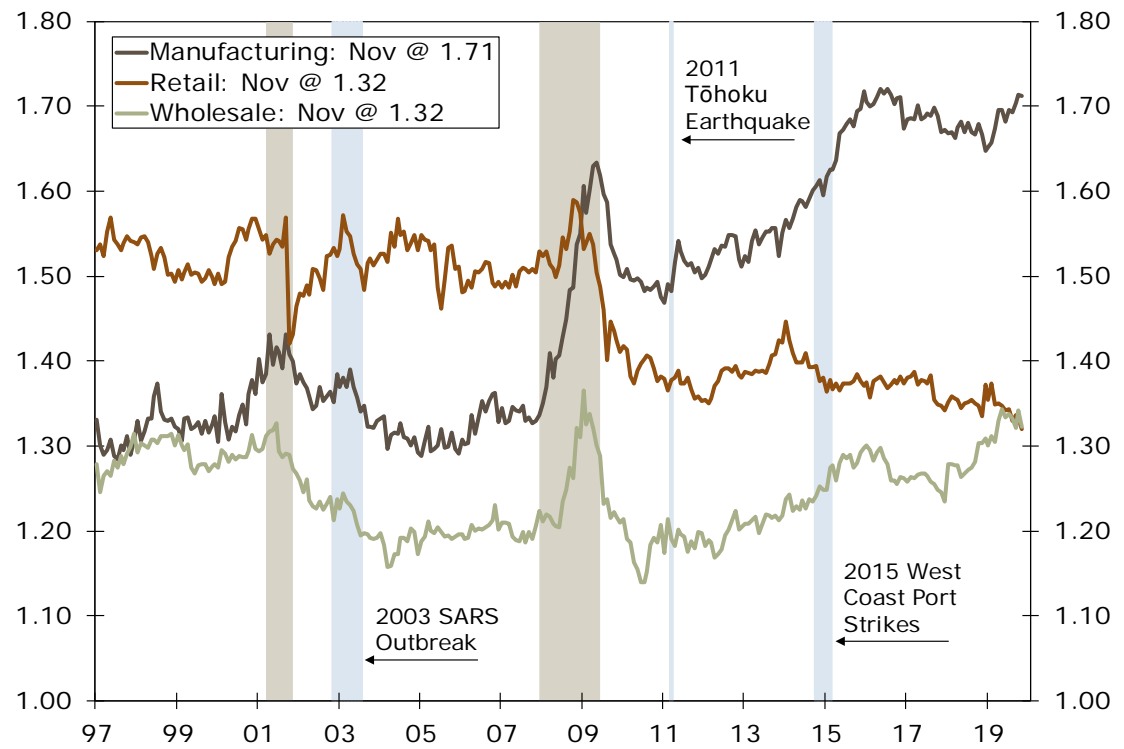
Real Inventory-to-Sales Ratios



Source: U.S. Department of Commerce and Wells Fargo Securities, February 2020

Retail inventories are very lean at present

Real Inventory-to-Sales Ratios



Source: U.S. Department of Commerce and Wells Fargo Securities, February 2020

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