

Weekly — October 3, 2025

Weekly Economic & Financial Commentary

United States: Employment Friday That Wasn't

- The first Friday of the month has come, but since the U.S. federal government is shut down, it didn't bring with it the latest read on the jobs market. The manufacturing and services sector purchasing manager surveys suggest activity held up at the end of the third quarter, but underlying conditions remain uneasy.
- [Next week](#): Trade Balance (Tue.), Consumer Credit (Tue.)

International: Mix of Economic Data from Advanced and Emerging Economies

- This week saw a range of international economic data releases. On the policy front, the Reserve Bank of Australia held its Cash Rate steady at 3.60%. In the Eurozone, inflation ticked higher but remained broadly in line with expectations. Across Asia, Japan's Q3 Tankan survey reflected broadly favorable trends, while China's PMI readings were more mixed but still suggested modest overall improvement.
- [Next week](#): Japan Labor Cash Earnings (Wed.), RBNZ Policy Rate (Wed.), Norway CPI (Fri.)

Topic of the Week: Shutdown Showdown

- Fiscal year 2026 began on Wednesday, Oct. 1 with a government shutdown. The economic and financial market impact of a 1-2 week government shutdown should be modest, but a longer shutdown would be more painful, and the indefinite delay of key economic data clouds the near-term outlook for U.S. monetary policy.

Wells Fargo U.S. Economic Forecast

	Actual				Forecast				Actual		Forecast		
	2025				2026				2024		2025		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2024	2025	2026	2027	
Real Gross Domestic Product (a)	-0.6	3.8	1.7	0.7	1.5	2.9	2.7	2.3	2.8	1.8	2.0	2.3	
Personal Consumption	0.6	2.5	1.5	0.5	2.0	2.7	2.4	2.2	2.9	2.3	1.9	2.2	
Consumer Price Index (b)	2.7	2.5	2.8	2.8	2.7	3.0	2.9	2.7	3.0	2.7	2.8	2.4	
"Core" Consumer Price Index	3.1	2.8	3.0	3.0	2.9	3.1	2.9	2.8	3.4	3.0	2.9	2.5	
Quarter-End Interest Rates (c)													
Federal Funds Target Rate (d)	4.50	4.50	4.25	3.75	3.50	3.25	3.25	3.25	5.27	4.25	3.31	3.25	
Conventional Mortgage Rate	6.65	6.82	6.35	6.30	6.20	6.20	6.25	6.25	6.72	6.53	6.23	6.30	
10 Year Note	4.23	4.24	4.16	4.00	3.95	4.00	4.10	4.15	4.21	4.16	4.05	4.20	

Forecast as of: September 10, 2025

Notes: (a) Compound Annual Growth Rate Quarter-over-Quarter
(c) Quarterly Data - Period End; Annual Data - Annual Averages

(b) Year-over-Year Percentage Change
(d) Upper Bound of the Federal Funds Target Range

Source: U.S. Dept. of Commerce, U.S. Dept. of Labor, Federal Reserve Board and Wells Fargo Economics

Submit a question to our ["Ask Our Economists"](#) podcast at askoureconomists@wellsfargo.com.

U.S. Review

Employment Friday That Wasn't

The first Friday of the month typically brings the latest read on the U.S. jobs market. But after Congress failed to pass a funding bill by Tuesday night's fiscal year-end deadline, the U.S. government has shut down, preventing the release of the Employment Situation report. We dig into the details surrounding a government shutdown in [Topic of the Week](#), and while the halt to government operations will weigh on Q4 growth and potentially sentiment, from a macro perspective one of the biggest challenges today is the delayed data flow.

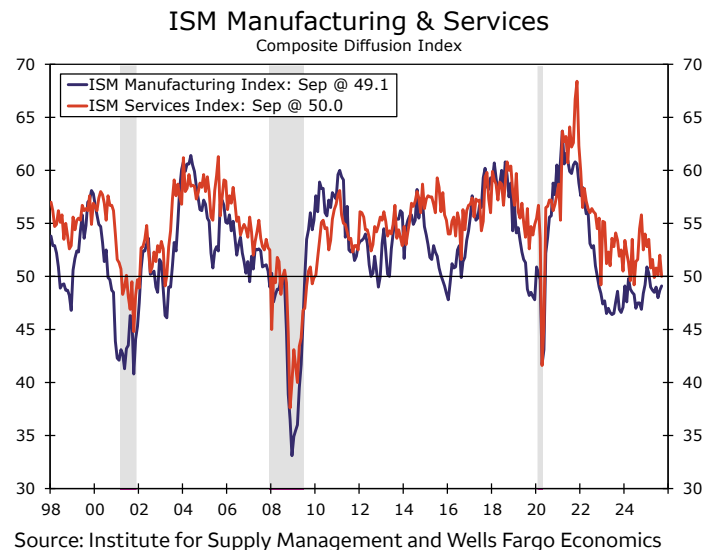
In the Fed's post-meeting press conference at its last monetary policy meeting in September, Chair Powell described the labor market as a "curious balance" with weakness in both the demand and supply of workers. The jobs market remains in a precarious position making the latest data a valuable input in the Fed's decision around interest rates in about two weeks at its October policy meeting. As our team points out, there may be [no payrolls, but there is still plenty to stew over in the jobs market](#). Just before the shutdown, we did get the latest JOLTS report on Tuesday, which showed stalling demand with the number of job openings just below the number of unemployed workers. Separate data from ADP suggest hiring was weak in September, with the private sector cutting 32K jobs in the month. While not a reliable predictor of the first monthly estimate of nonfarm payrolls, the ADP data track the direction of travel well and add further evidence that job growth has lost significant momentum.



Source: U.S. Department of Labor and Wells Fargo Economics

Reliance on private sector data has increased amid the shutdown's government data vacuum. Anything released by a private agency or the Federal Reserve will continue to be released, though if the data rely on federal government agency inputs, the data accuracy could be affected. We got the latest purchasing manager indices for September from the Institute for Supply Management and auto sales this week, all of which suggest underlying demand held up at the end of the third quarter.

Manufacturing activity remains in contraction, though September signaled the mildest pace of decline in seven months due to longer wait times and slightly positive production activity. The services ISM continued to show a sector stalling rather than collapsing amid a drop in new orders after what looks like a temporary tariff-induced pop the month prior. The drop in current business activity looks more concerning, falling to contraction or the lowest level since the pandemic. The release notes weaker export demand as part of the reason, which could be offsetting more resilient domestic demand. The prices paid measures remain elevated across manufacturing and services, and we continue to expect inventory drawdown dynamics will be a key piece of future price developments. Auto sales pushed higher in September, likely reflecting a last push amid EV tax credits expiring at the end of the month, and we ultimately suspect we'll see some payback in auto sales in Q4 after a pull-forward earlier this year. All in all, the overall consumer data suggest households are still broadly spending today in the face of uncertainty, providing a necessary anchor to layoffs. ([Return to Summary](#))



Source: Institute for Supply Management and Wells Fargo Economics

U.S. Outlook

Weekly Domestic Indicator Forecasts					
Date	Indicator	Period	Consensus	Wells Fargo	Prior
7-Oct	Trade Balance	Aug	-\$61.4B	-\$59.9B	-\$78.3B

Forecast as of October 03, 2025

Source: Bloomberg Finance L.P and Wells Fargo Economics

Trade Balance • Tuesday

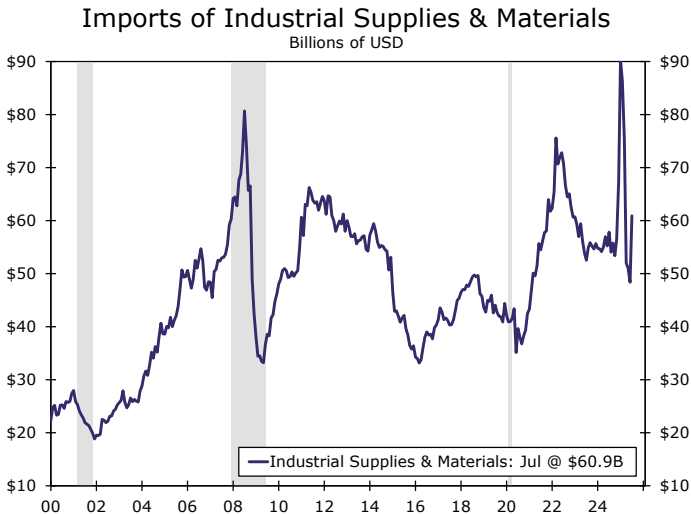
The constantly changing tariff landscape has made for an unpredictable trade environment. The trade deficit blew out in Q1 in a rush to get ahead of Liberation Day tariffs and then plummeted back in Q2 once inventories had been stockpiled. In July, the trade balance increased to \$78.3B, not far off from its average level in 2024. However, July's print was not a straight-forward trade normalization. About half of the increase in imports can be attributed to non-monetary gold (included in industrial supplies). Another large chunk was devoted to computers, reflecting the rush to usher in a high-tech future that is defining the current zeitgeist. There is plenty more uncertainty to be had in the coming months. Just in the past seven days, the president announced new facets to his tariff plan that will affect pharmaceuticals, semiconductors and lumber. Furthermore, more than half of the administration's currently imposed tariffs are undergoing a legal challenge that will face a Supreme court ruling in the coming months.

What does this mean for the August trade deficit? If the government remains shut down, those details will not be revealed next Tuesday as currently scheduled. However, the Census Bureau did release its preliminary trade report last week before the shutdown began. That data suggested that the trade deficit dipped in August, driven by a steep decline in industrial supplies imports (likely driven in part by gold) and corresponding pullbacks in capital and consumer goods imports. We forecast that the trade balance slipped to \$59.9B in August, roughly 24% below July's print.

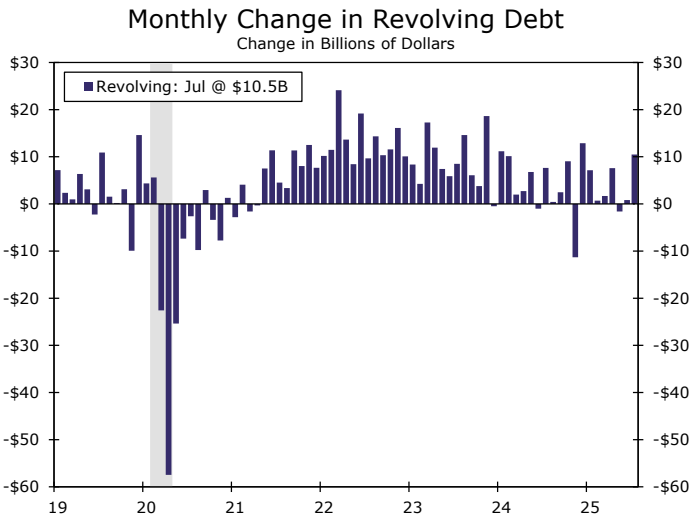
Consumer Credit • Tuesday

Consumer spending has been surprisingly solid in recent months after a somewhat shakier start to the year. Retail sales, personal consumption expenditures and consumer credit all continue to grow at a healthy clip despite ongoing economic uncertainty, a resilience that is likely the product of steady income gains. Overall consumer credit increased by \$16.0B in July. This upturn was propelled by a \$10.5B increase in revolving credit (i.e., credit card debt), marking the largest monthly addition since December 2024. Nonrevolving credit also increased, but to a lesser extent (\$5.5B). Looking to next month's print, the greater-than-expected 0.6% rise in personal spending in August suggests consumers did not back down in the twilight of summer.

Consumer credit is published by the Federal Reserve, an independent government agency that is not affected by the government shutdown. Data from sources like these has become increasingly important, while traditional federal agencies are temporarily unable to publish their regular economic reports. The next batch of consumer spending data is slated for Oct. 16 (retail sales) and Oct. 30 (Q3 GDP). Time will tell whether the government will be open and able to publish these reports, or if we will have to keep relying on alternative data sources for economic insights.



Source: U.S. Department of Commerce and Wells Fargo Economics



Source: Federal Reserve Board and Wells Fargo Economics

[\(Return to Summary\)](#)

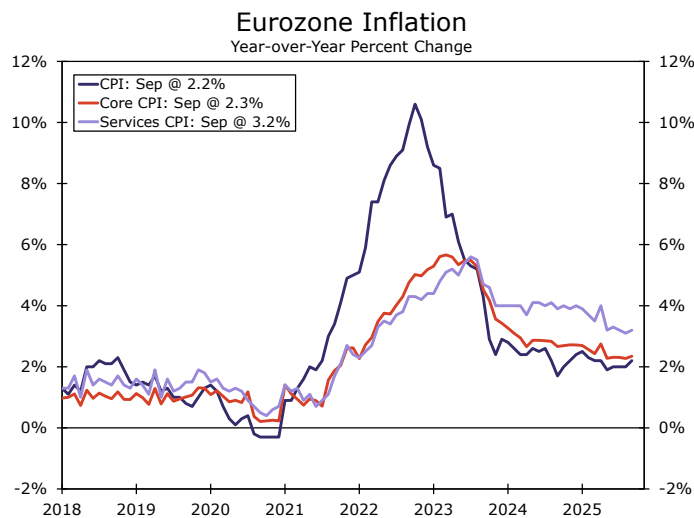
International Review

Mix of Economic Data from Advanced and Emerging Economies

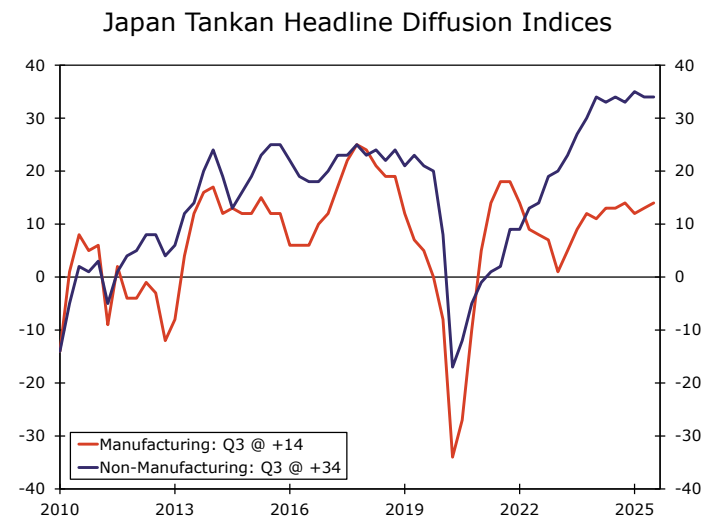
This week brought a range of data and events from across the G10 economies. Starting off with monetary policy announcements, the Reserve Bank of Australia (RBA) held its cash rate steady at 3.60%, in line with our forecast and consensus expectations. The decision was unanimous, and the accompanying statement and press conference struck a neutral tone, with a slight hawkish tilt. The RBA noted that recent data—though “partial and volatile”—suggest inflation in the September quarter may be higher than expected at the time of its August monetary policy meeting. Headline inflation came in at 3.0% year-over-year in August, right at the upper edge of the RBA’s 2%–3% target range, while trimmed mean inflation eased slightly to 2.6%. With the unemployment rate at a rather low 4.2% and Q2 GDP surprising to the upside, holding rates seems appropriate, though a hold does not necessarily signal the end of the easing cycle. Household spending data released this week showed a softening consumer, raising questions about the sustainability of prior resilient consumption patterns. With key data on employment and Q3 inflation due before the November meeting, we expect the RBA to remain data dependent. Those data, however, in our view, should lead to 25 bps cuts in November and February, bringing the policy rate to 3.10% by early 2026.

In the Eurozone, September inflation data released this week showed headline inflation rising to 2.2% year-over-year, driven by base effects from energy prices. Core inflation held steady at 2.3%, marking the first time since April that both measures exceeded the European Central Bank’s (ECB) 2% medium-term inflation target. Services inflation also ticked up to 3.2% from 3.1%, continuing to reflect persistent domestic cost pressures—a key concern for the ECB. We expect policymakers to hold the Deposit Rate at 2.00% at its upcoming meeting at the end of October. While sluggish growth and mixed sentiment indicators support the case for easing, the outlook hinges on upcoming wage and inflation data. If core and services inflation show further signs of slowing, we see a 25 bps rate cut in December as likely. However, if inflation remains sticky, the ECB may opt to hold rates steady for longer.

Key measures from the Bank of Japan’s (BoJ) Tankan survey—a closely watched measure of business confidence in Japan—showed broadly favorable trends across industries during Q3, suggesting exporters are weathering higher U.S. tariffs and supporting the growth outlook. The large manufacturers’ diffusion index rose to +14 and the index for large non-manufacturers held steady at +34, both in line with consensus expectations. While recent political developments complicated the outlook for Bank of Japan monetary policy, incoming data support our original view of an imminent rate hike from Japanese policymakers. We now expect the BoJ to deliver a 25 bps rate hike in October, lifting the policy rate to 0.75%.



Source: Bloomberg Finance L.P. and Wells Fargo Economics



Source: Bloomberg Finance L.P. and Wells Fargo Economics

Turning to emerging economies, China's official manufacturing PMI edged up to 49.8 in September from 49.4, slightly beating consensus expectations of a 49.6 reading. While still below the 50 "break-even" level that separates expansion from contraction, it was the strongest reading in six months, suggesting gradual stabilization in industrial activity. Meanwhile, the non-manufacturing PMI moderated to 50, below expectations, largely due to a slowdown in services following the end of the summer travel season. The composite PMI rose slightly to 50.6 from 50.5 in August, indicating modest recovery in growth momentum as Q3 concluded. These soft data reinforce the need for continued policy support, although large scale stimulus remains unlikely to be delivered. Rather, drip-feed style fiscal support and gradual monetary easing should continue through the end of this year and into 2026. For now, we maintain our forecast for Chinese GDP growth to slow to 4.8% in 2025, followed by a further deceleration to 4.5% in 2026.

[\(Return to Summary\)](#)

International Outlook

Weekly International Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
8-Oct	Japan Labor Cash Earnings (YoY)	Aug	2.7%	—	4.1%
8-Oct	Reserve Bank of New Zealand Policy Rate	8-Oct	2.75%	2.50%	3.00%
10-Oct	Norway CPI (YoY)	Sep	3.5%	—	3.5%
10-Oct	Norway Underlying CPI (YoY)	Sep	3.1%	—	3.1%

Forecast as of October 03, 2025

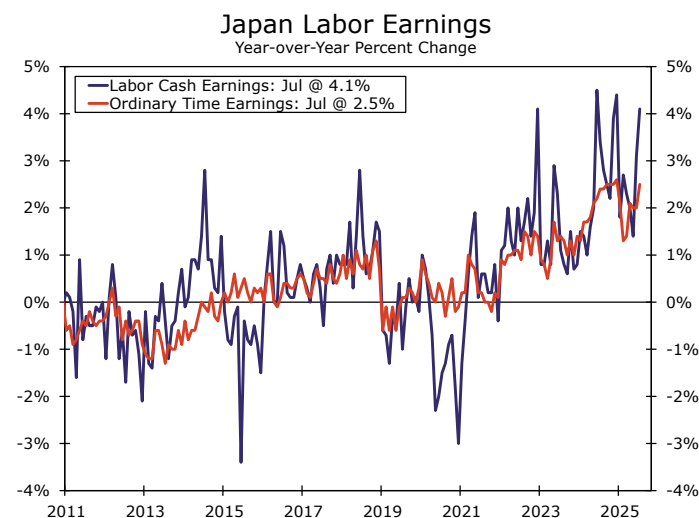
Source: Bloomberg Finance L.P. and Wells Fargo Economics

Japan Labor Cash Earnings • Wednesday

Next week will see the release of Japan's monthly labor earnings data for August. Wage growth has become a central focus for Bank of Japan (BoJ) policymakers in shaping the BoJ's policy normalization path.

July's labor cash earnings surprised to the upside, likely attributed to stronger summer bonuses, initially reported at 4.1% year-over-year before being revised down to 3.4%—still the highest level in 2025. On a same-sample basis—the BoJ's preferred measure—earnings rose 3.1%. Consensus expectations are for some moderation in August, with headline labor cash earnings forecast at 2.7% year-over-year. While inflation is trending on a downward trajectory, it remains above the BoJ's 2% target. The unemployment rate rose unexpectedly to 2.6% in August, its highest since July 2024, though the broader labor market remains tight. A weaker job market could limit wage growth and influence the BoJ's policy path.

As noted in our review, we now expect the BoJ to raise its policy rate by 25 bps to 0.75% at its October meeting, assuming wage and inflation data remain firm. For now, the August earnings data will be a key signal for policymakers as they assess whether the wage-driven inflation cycle remains intact.



Source: Bloomberg Finance L.P. and Wells Fargo Economics

Reserve Bank of New Zealand Policy Rate • Wednesday

The Reserve Bank of New Zealand Policy Rate (RBNZ) announces its monetary policy decision next week, at which it is widely expected to cut rates—though by how much is uncertain. We expect the central bank to cut its Official Cash Rate (OCR) by 50 bps, while consensus expectations are for a smaller 25 bps cut.

At its last announcement in August, the RBNZ lowered the OCR by 25 bps and delivered a distinctly dovish forward guidance, projecting the rate to fall to 2.55% by Q1 2026. Since then, incoming data have supported this stance. Growth has stalled, with Q2 GDP surprising to the downside, contracting 0.9% year-over-year versus expectations for a 0.3% decline. August's manufacturing PMI also slipped into contraction territory, falling from 52.8 to 49.9.

While we expect a 50 bps cut next week, risks are tilted toward a smaller move, as policymakers may prefer to wait for additional data before committing to deeper easing—potentially reserving further action for the November meeting.

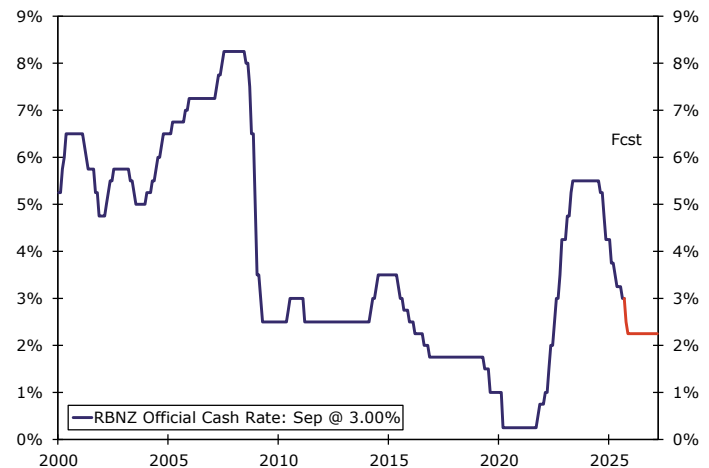
Norway CPI • Friday

Inflation data for Norway will be released next week and will provide a pulse on the behavior of consumer prices in September. In August, headline CPI rose to 3.5% year-over-year, in line with consensus expectations. While underlying inflation surprised slightly to the upside, it remained steady at 3.1% year-over-year for the third consecutive month. Consensus expectations for September are for no change in either measure. Even if inflation prints softer than expected, we see limited implications for the monetary policy path unless a sustained downward trend emerges. Meanwhile, labor market data released this week showed the unemployment rate dipping to 2.1% in September from 2.2% previously.

At its September meeting, Norges Bank cut its key deposit rate to 4.00% but maintained a hawkish tone, noting that “a somewhat higher policy rate will likely be needed ahead compared with the outlook in June.” With Q2 GDP surprising to the upside and inflation still above target, we expect the central bank to maintain its cautious stance and keep the policy rate at 4.00% through year-end.

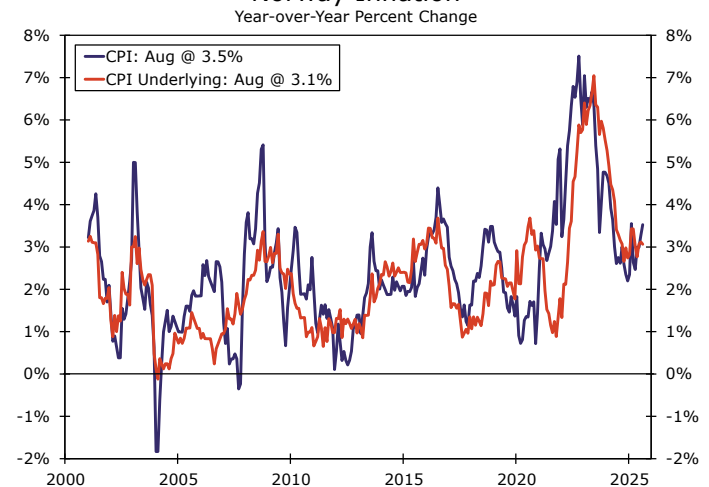
[\(Return to Summary\)](#)

Reserve Bank of New Zealand Policy Rate



Source: Bloomberg Finance L.P. and Wells Fargo Economics

Norway Inflation



Source: Bloomberg Finance L.P. and Wells Fargo Economics

Topic of the Week

Shutdown Showdown

Fiscal year 2026 began on Wednesday, Oct. 1 with a government shutdown. Congress did not enact any of the 12 annual appropriation bills before the Sept. 30 deadline, causing appropriations to lapse and all non-essential government activity to cease. A government shutdown involves the 26% of the federal budget that is "discretionary" spending and determined through the annual appropriations process. Examples include the military, border security, air traffic control, NASA, the IRS and some veterans' benefits. "Mandatory" spending, which is determined by a variety of eligibility requirements, formulas and other processes, generally continues uninterrupted during a government shutdown. Examples of mandatory spending include Social Security, Medicare and Medicaid.

Federal government employment is affected by a government shutdown. Civilian federal employment is roughly 2.3 million excluding the self-funded Post Office, and active-duty military personnel total another 1.3 million. Federal government employees deemed "essential" continue to work during a shutdown, but they do not receive pay. "Non-essential" employees are furloughed and their activities cease. All workers receive back pay after the shutdown ends. The Congressional Budget Office [recently estimated](#) that roughly 750,000 federal workers would be furloughed in the event of a shutdown.

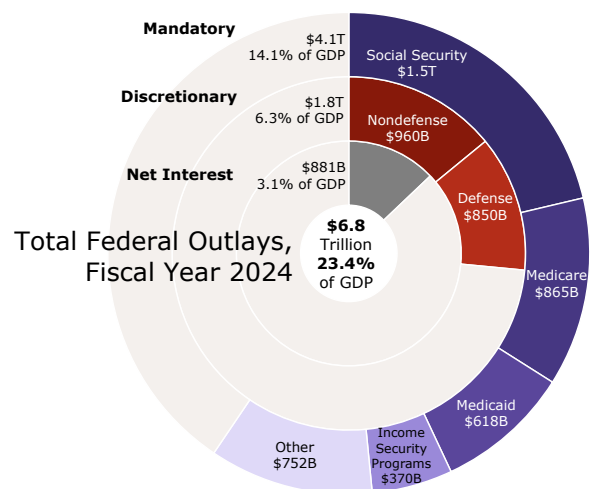
This is the first government shutdown since 2018-2019, but that shutdown differs from this one in a major way. The 2018-2019 shutdown was "partial" in the sense that roughly 75% of the appropriations process was complete when the shutdown began. For example, the annual defense appropriations bill had been enacted, and so had the bill governing the Bureau of Labor Statistics. The current shutdown is thus bigger in scope and more similar to the 16-day shutdown that occurred in October 2013.

For financial markets, it is important to note that the current government shutdown episode is unrelated to the debt ceiling. The U.S. debt limit was increased by \$5 trillion in the Republican-passed One Big Beautiful Bill in July. As a result, the government will not run out of borrowing capacity during the shutdown, and Treasury security issuance will not be affected. The economic impact of a 1-2 week government shutdown would be relatively modest, in our view.

That said, a longer shutdown would be more painful, and an extended shutdown would cause considerable delay to key government economic data releases. The employment report for September scheduled to be released today has been delayed indefinitely, and the September CPI report to be released on Oct. 15 also looks threatened. Following the 2013 shutdown, the monthly employment and CPI reports, among others, were delayed by about two weeks. Collection, processing and publication delays stretched into the following month as well.

So what happens next? At the moment, we are left waiting until policymakers can come to an agreement on a continuing resolution (CR) to turn the lights back on. The House of Representatives passed a CR in September that funds the government until Nov. 21, but it remains stuck in the Senate. It will take at least 60 votes to break a Senate filibuster and pass the CR through the upper chamber, but so far, Senate Democrats have been reluctant to lend Republicans the support needed to pass the bill. Differing views on the level of spending, the allocation of spending across programs, health care policy and Democratic frustration over the Trump administration's impoundment/recissions are among the issues driving the budget stalemate. Our best guess is that after 10-15 days cooler heads will prevail, but for now, we are left waiting for a resolution.

[\(Return to Summary\)](#)



Source: Congressional Budget Office and Wells Fargo Economics

Market Data • Mid-Day Friday

U.S. Interest Rates			
	Friday 10/3/2025	1 Week Ago	1 Year Ago
SOFR	4.20	4.18	4.92
Effective Fed Funds Rate	4.09	4.09	4.83
3-Month T-Bill	3.94	3.95	4.58
1-Year Treasury	3.85	3.85	5.24
2-Year Treasury	3.55	3.64	3.71
5-Year Treasury	3.68	3.77	3.63
10-Year Treasury	4.09	4.18	3.85
30-Year Treasury	4.69	4.75	4.18
Bond Buyer Index	4.85	4.90	3.74

Foreign Exchange Rates			
	Friday 10/3/2025	1 Week Ago	1 Year Ago
Euro (\$/€)	1.174	1.170	1.103
British Pound (\$/£)	1.346	1.340	1.312
British Pound (£/€)	0.872	0.873	0.840
Japanese Yen (¥/\$)	147.240	149.490	146.930
Canadian Dollar (C\$/ \$)	1.396	1.393	1.356
Swiss Franc (CHF/\$)	0.796	0.798	0.853
Australian Dollar (US\$/A\$)	0.660	0.654	0.684
Mexican Peso (MXN/\$)	18.398	18.368	19.352
Chinese Yuan (CNY/\$)	7.122	7.113	7.019
Indian Rupee (INR/\$)	88.783	88.716	83.969
Brazilian Real (BRL/\$)	5.350	5.344	5.477
U.S. Dollar Index	97.725	98.152	101.989

Source: Bloomberg Finance L.P. and Wells Fargo Economics

Foreign Interest Rates			
	Friday 10/3/2025	1 Week Ago	1 Year Ago
3-Month German Govt Bill Yield	1.71	1.76	3.01
3-Month U.K. Govt Bill Yield	4.08	4.07	4.87
3-Month Canadian Govt Bill Yield	2.41	2.43	3.99
3-Month Japanese Govt Bill Yield	0.50	0.47	0.05
2-Year German Note Yield	2.01	2.03	2.08
2-Year U.K. Note Yield	3.97	4.02	3.97
2-Year Canadian Note Yield	2.44	2.50	3.05
2-Year Japanese Note Yield	0.94	0.93	0.37
10-Year German Bond Yield	2.70	2.75	2.14
10-Year U.K. Bond Yield	4.69	4.75	4.02
10-Year Canadian Bond Yield	3.17	3.23	3.10
10-Year Japanese Bond Yield	1.66	1.65	0.83

Commodity Prices			
	Friday 10/3/2025	1 Week Ago	1 Year Ago
WTI Crude (\$/Barrel)	60.94	65.72	73.71
Brent Crude (\$/Barrel)	64.56	70.13	77.62
Gold (\$/Ounce)	3882.14	3759.98	2655.89
Hot-Rolled Steel (\$/S.Ton)	805.00	818.00	715.00
Copper (\$/Pound)	503.40	471.55	455.30
Soybeans (\$/Bushel)	9.95	9.86	10.29
Natural Gas (\$/MMBTU)	3.39	2.84	2.97
Nickel (\$/Metric Ton)	15,136	15,105	17,896
CRB Spot Inds.	578.71	575.81	560.95

Subscription Information

To subscribe please visit: www.wellsfargo.com/economicsemail

Via The Bloomberg Professional Services at WFRE

Economics Group

Tim Quinlan	Senior Economist	704-410-3283	Tim.Quinlan@wellsfargo.com
Sarah House	Senior Economist	704-410-3282	Sarah.House@wellsfargo.com
Charlie Dougherty	Senior Economist	212-214-8984	Charles.Dougherty@wellsfargo.com
Michael Pugliese	Senior Economist	212-214-5058	Michael.D.Pugliese@wellsfargo.com
Brendan McKenna	International Economist	212-214-5637	Brendan.Mckenna@wellsfargo.com
Jackie Benson	Economist	704-410-4468	Jackie.Benson@wellsfargo.com
Shannon Grein	Economist	704-410-0369	Shannon.Grein@wellsfargo.com
Nicole Cervi	Economist	704-410-3059	Nicole.Cervi@wellsfargo.com
Delaney Conner	Economic Analyst	704-374-2150	Delaney.Conner@wellsfargo.com
Ali Hajibeigi	Economic Analyst	212-214-8253	Ali.Hajibeigi@wellsfargo.com
Azhin Abdulkarim	Economic Analyst	212-214-5154	Azhin.Abdulkarim@wellsfargo.com
Anagha Sridharan	Economic Analyst	704-410-6212	Anagha.Sridharan@wellsfargo.com
Andrew Thompson	Economic Analyst	704-410-2911	Andrew.L.Thompson@wellsfargo.com
Coren Miller	Administrative Assistant	704-410-6010	Coren.Miller@wellsfargo.com

Required Disclosures

This report is produced by the Economics Group of Wells Fargo Bank, N.A. ("WFBNA"). This report is not a product of Wells Fargo Global Research and the information contained in this report is not financial research. WFBNA distributes this report directly and through affiliates including, but not limited to, Wells Fargo Securities, LLC, Wells Fargo & Company, Wells Fargo Clearing Services, LLC, Wells Fargo Securities International Limited, Wells Fargo Securities Europe S.A., and Wells Fargo Securities Canada, Ltd. Wells Fargo Securities, LLC is registered with the Commodity Futures Trading Commission as a futures commission merchant and is a member in good standing of the National Futures Association. WFBNA is registered with the Commodity Futures Trading Commission as a swap dealer and is a member in good standing of the National Futures Association. Wells Fargo Securities, LLC and WFBNA are generally engaged in the trading of futures and derivative products, any of which may be discussed within this report. All reports published by the Economics Group are disseminated and available to all clients simultaneously through electronic publication to our public website. Clients may also receive our reports via third party vendors. We are not responsible for the redistribution of our reports by third-party aggregators. Any external website links included in this report are not maintained, controlled or operated by WFBNA. WFBNA does not provide the products and services on these websites and the views expressed on these websites do not necessarily represent those of WFBNA.

This publication has been prepared for informational purposes only and is not intended as a recommendation, offer or solicitation with respect to the purchase or sale of any security or other financial product, nor does it constitute professional advice. The information in this report has been obtained or derived from sources believed by WFBNA to be reliable, but has not been independently verified by WFBNA, may not be current, and WFBNA has no obligation to provide any updates or changes. All price references and market forecasts are as of the date of the report or such earlier date as may be indicated for a particular price or forecast. The views and opinions expressed in this report are those of its named author(s) or, where no author is indicated, the Economics Group; such views and opinions are not necessarily those of WFBNA and may differ from the views and opinions of other departments or divisions of WFBNA and its affiliates. WFBNA is not providing any financial, economic, legal, accounting, or tax advice or recommendations in this report. Neither WFBNA nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this report, and any liability therefore (including in respect of direct, indirect or consequential loss or damage) is expressly disclaimed. WFBNA is a separate legal entity and distinct from affiliated banks, and is a wholly-owned subsidiary of Wells Fargo & Company.

You are permitted to store, display, analyze, modify, reformat, copy, duplicate and reproduce this report and the information contained within it for your own use and for no other purpose. Without the prior written consent of WFBNA, no part of this report may be copied, duplicated or reproduced in any form by any other means. In addition, this report and its contents may not be redistributed or transmitted to any other party in whole or in part, directly or indirectly, including by means of any AI Technologies (defined below) through which this report or any portion thereof may be accessible by any third-party. "AI Technologies" means any deep learning, machine learning, and other artificial intelligence technologies, including without limitation any and all (a) proprietary algorithms, software, or systems that make use of or employ neural networks, statistical learning algorithms (such as linear and logistic regression, support vector machines, random forests or k-means clustering) or reinforcement learning, or curated data sets accessible by any of the foregoing or (b) proprietary embodied artificial intelligence and related hardware or equipment. In addition, certain text, images, graphics, screenshots and audio or video clips included in this report are protected by copyright law and owned by WFBNA, its affiliates or one or more third parties (collectively, "Protected Content"). Protected Content is made available to clients by Wells Fargo under license or otherwise in accordance with applicable law. Any use or publication of Protected Content included in this report for purposes other than fair use requires permission from WFBNA or, in the case of content attributed to any third party, the third-party copyright owner. You may not alter, obscure, or remove any copyright, trademark or any other notices attached to or contained within this report. All rights not expressly granted herein are reserved by WFBNA or the third-party providers from whom WFBNA has obtained the applicable information. © 2025 Wells Fargo Bank, N.A.

Important Information for Non-U.S. Recipients

For recipients in the United Kingdom, this report is distributed by Wells Fargo Securities International Limited ("WFSIL"). WFSIL is a U.K. incorporated investment firm authorized and regulated by the Financial Conduct Authority ("FCA"). For the purposes of Section 21 of the UK Financial Services and Markets Act 2000 (the "Act"), the content of this report has been approved by WFSIL, an authorized person under the Act. WFSIL does not deal with retail clients as defined in the Directive 2014/65/EU ("MiFID2"). The FCA rules made under the Act for the protection of retail clients will therefore not apply, nor will the Financial Services Compensation Scheme be available. For recipients in the EFTA, this report is distributed by WFSIL. For recipients in the EU, it is distributed by Wells Fargo Securities Europe S.A. ("WFSE"). WFSE is a French incorporated investment firm authorized and regulated by the Autorité de contrôle prudentiel et de résolution and the Autorité des marchés financiers. WFSE does not deal with retail clients as defined in MiFID2. This report is not intended for, and should not be relied upon by, retail clients.

SECURITIES: NOT FDIC-INSURED - MAY LOSE VALUE - NO BANK GUARANTEE