

Weekly — May 15, 2026

Economics Week Ahead

Next week's release of the April FOMC minutes will shed light on how members of the committee saw the Fed's next move as balanced between a hike and a cut. U.S. housing data, meanwhile, point to a moderating construction backdrop, as March's rebound in starts likely overstated momentum amid a 2.6% year-to-date decline in permits and continued affordability pressures. In Canada, inflation remains elevated but mixed, with headline near 3.4% and softer core measures around 2.1–2.2%, keeping the Bank of Canada cautiously tilted toward further tightening. In the UK, easing labor market conditions—wage growth near 3.8% and declining vacancies—contrast with still-firm inflation around 3.0%+, leaving policy finely balanced. In China, growth remains uneven but steady, with industrial production near 5.9% and retail sales around 1.9%, as strong manufacturing offsets softer domestic demand and points to a gradual cooling ahead.

United States:

- [FOMC Minutes](#) (Wednesday), [Housing Starts](#) (Thursday)

G10 Economies:

- [Canada CPI](#) (Monday), [UK Labor Market Overview & CPI](#) (Tuesday & Wednesday)

Emerging Markets:

- [China Retail Sales & Industrial Production](#) (Monday)

Wells Fargo Economics Week Ahead

| United States | | | | | |
|--|--|--------|-----------|-------------|-------|
| Indicator Releases | | Period | Consensus | Wells Fargo | Prior |
| 21-May | Housing Starts (SAAR) | Apr | 1400K | 1337K | 1502K |
| Fed Speakers (*Designating 2026 Voting Member) | | | | | |
| 19-May | Fed's Waller* in Moderated Discussion (8:00a ET) | | | | |
| 19-May | Fed's Paulson* Speaks on Economic Outlook (7:00p ET) | | | | |
| 20-May | Fed's Barr* Speaks on Consumer Financial Health (9:15a ET) | | | | |
| 20-May | FOMC Meeting Minutes (2:00p ET) | | | | |
| 21-May | Fed's Barkin Speaks on the Economy (12:20p ET) | | | | |
| 22-May | Fed's Waller* Speaks on Economic Outlook (10:00a ET) | | | | |
| International | | | | | |
| G10 Economies | | Period | Consensus | Wells Fargo | Prior |
| 19-May | Canada CPI (MoM) | Apr | 0.6% | 0.9% | 0.9% |
| 19-May | Canada CPI (YoY) | Apr | 3.1% | 3.4% | 2.4% |
| 19-May | Canada Core Median | Apr | 2.2% | 2.2% | 2.3% |
| 20-May | Canada Core Trim | Apr | 2.2% | 2.1% | 2.2% |
| 19-May | U.K. Average Weekly Earnings (3M/YoY) | Mar | 3.8% | 3.7% | 3.8% |
| 19-May | U.K. ILO Unemployment Rate | Mar | 4.8% | 4.9% | 4.9% |
| 20-May | U.K. CPI (YoY) | Apr | 3.0% | 3.0% | 3.3% |
| 20-May | U.K. Core CPI (YoY) | Apr | 2.6% | - | 3.1% |
| Emerging Markets | | Period | Consensus | Wells Fargo | Prior |
| 18-May | China Retail Sales (YoY) | Apr | 2.0% | 1.9% | 1.7% |
| 18-May | China Industrial Production (YoY) | Apr | 6.0% | 5.9% | 5.7% |

Forecast as of May 15, 2026

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

Economist(s)

Tom PorcelliChief Economist | Wells Fargo Economics
Tom.Porcelli@wellsfargo.com | 212-214-6422**Tim Quinlan**Senior Economist | Wells Fargo Economics
Tim.Quinlan@wellsfargo.com | 704-410-3283**Sarah House**Senior Economist | Wells Fargo Economics
Sarah.House@wellsfargo.com | 704-410-3282**Aroop Chatterjee**International Economist | Wells Fargo Economics
Aroop.Chatterjee@wellsfargo.com | 212-214-8819**Charlie Dougherty**Senior Economist | Wells Fargo Economics
Charles.Dougherty@wellsfargo.com | 212-214-8984**Michael Pugliese**Senior Economist | Wells Fargo Economics
Michael.D.Pugliese@wellsfargo.com | 212-214-5058**Jackie Benson**Economist | Wells Fargo Economics
Jackie.Benson@wellsfargo.com | 704-410-4468**Shannon Grein**Economist | Wells Fargo Economics
shannon.grein@wellsfargo.com | 704-410-0369**Nicole Cervi**Economist | Wells Fargo Economics
Nicole.Cervi@wellsfargo.com | 704-410-3059

Related Information:

- [U.S. Economic Forecast](#)
- [FOMC 101](#)
- [U.S. Tariff Tracker](#)
- [U.S. Tariff Policy 101](#)
- [2026 Economic Calendar](#)

U.S. Week Ahead

FOMC Minutes • Wednesday

The minutes to the April 29 FOMC meeting will provide details on where the Committee stood just ahead of the leadership transition to Chair Warsh. Three voters dissented to the easing bias maintained in April’s post-meeting statement (even as they agreed with the decision to keep the fed funds rate unchanged), highlighting growing discomfort with signaling cuts as the default next move.

We will be looking at the minutes to see the extent to which non-voters shared the view that the Fed’s next move is equally likely to be a hike as a cut. Heading into the April meeting, policymakers had received more favorable employment data but were seeing renewed risks to inflation, a dynamic that has since intensified. This will make any discussion of the conditions that would warrant rate hikes more salient to the current policy outlook. At the same time, the departure of Governor Miran suggests the minutes may overstate the degree of dovish support on the Committee.

Even with a more hawkish tone likely to come through, we expect the minutes to indicate that most participants still favored holding rates steady for some time while they assess how the energy shock feeds through to inflation and the labor market.

[\(Return\)](#)

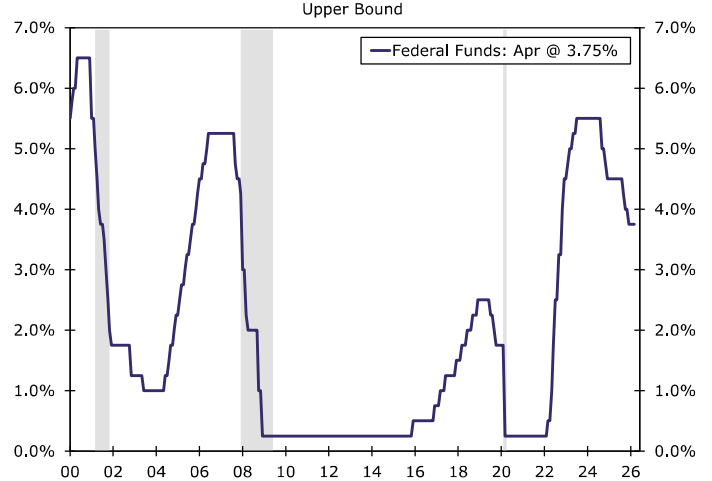
Housing Starts • Thursday

Residential construction appears to be downshifting. Total housing starts rose strongly during March, with gains registered across both the single-family and multifamily categories. Although the improvement is an encouraging sign activity is not contracting sharply, our sense is the monthly gain was mostly payback from February’s weather-related slowdown and vastly overstated the underlying moderating trend in new construction.

So far this year, building permits have trended lower and were down 2.6% on a year-to-date basis in March. The slowdown has been most apparent within single-family, largely reflecting increased caution on the part of home builders stemming from ongoing buyer affordability challenges, soft new home sales, and elevated inventory levels. Multifamily permits have outperformed, which we attribute to firming apartment market conditions as well as a slightly lower cost of capital. Taking all of these factors into consideration, we expect housing starts declined to a 1,337K unit pace in April, lower than the current consensus estimate.

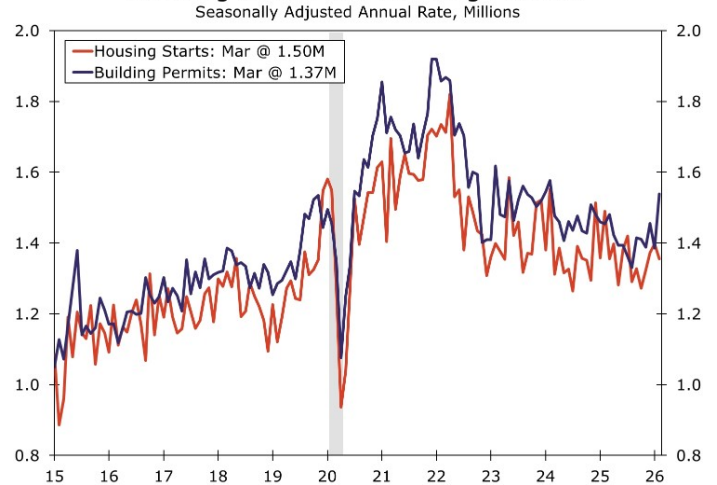
[\(Return\)](#)

Federal Funds Target Rate



Source: Federal Reserve Board and Wells Fargo Economics

Housing Starts and Building Permits



G10 Week Ahead

Canada CPI • Monday

We expect headline inflation to rise another 0.9% month-over-month in April, following a similar print in March, lifting year-over-year inflation to 3.4%. Core measures, including trimmed mean and weighted median inflation, are likely to show a further month of softening, aided by favorable base effects. We look for both trimmed mean and weighted median inflation to ease to 2.1% and 2.2% year-over-year, respectively. That said, April is likely to mark an inflection point for core inflation, with signs of underlying price pressures beginning to broaden. With headline inflation running well above the upper end of the Bank of Canada's target range and underlying inflation set to reaccelerate, we continue to expect the Bank of Canada (BoC) to hike rates at its July meeting. The policy rate remains at the bottom of its estimated neutral range, and we expect downside risks to the BoC's outlook to diminish as the July 1 USMCA deadline passes without new tariffs, leaving the parties locked into a prolonged annual review process.

[\(Return\)](#)

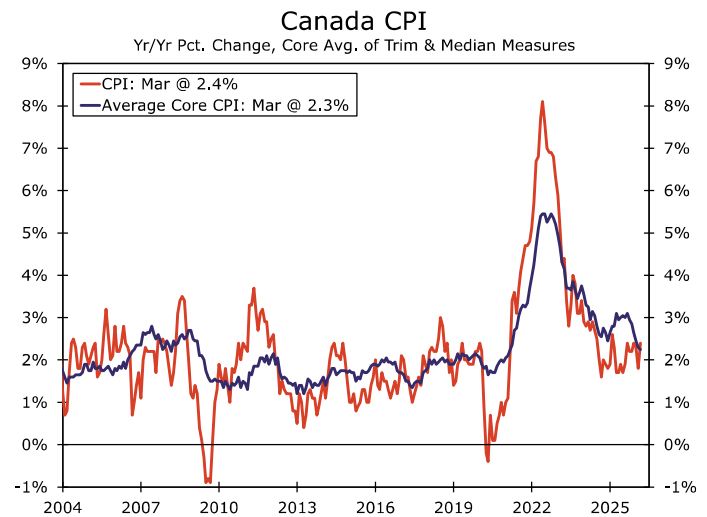
UK Labor Market Overview & CPI • Tuesday & Wednesday

U.K. labor and wage data on Tuesday and April CPI on Wednesday will give market participants a fresh read on wage dynamics and inflationary pressures as Bank of England (BoE) policymakers weigh the appropriate response to an energy-driven price shock against a fundamentally weaker labor market. For the three months to February, average weekly earnings growth eased to 3.8% year-over-year, marking the first sub-4% total pay reading since 2020. The broader labor market has continued to loosen gradually, with vacancies at 711K, the lowest since early 2021, and payrolled employees down 65K on the year in the March early estimate. Pay growth is expected to ease slightly further, though base effects and the recent National Living Wage uplift warrant attention.

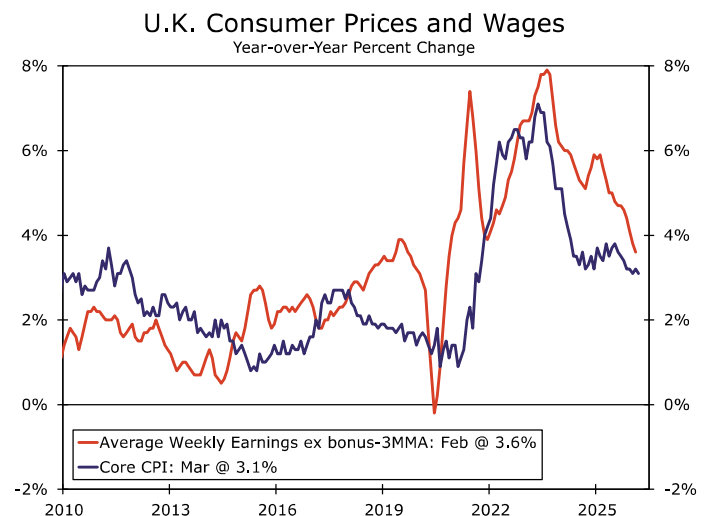
Turning to prices, Wednesday's release follows March's upside surprise of 3.3% year-over-year, with services inflation at 4.5% and core at 3.1%. The BoE's April Monetary Policy Report projects headline CPI to ease to 3.0% year-over-year, largely reflecting base effects. Any new upward pressure from energy showing up in the data would therefore require a closer look at the underlying components.

While 2026 public pay awards and the bulk of private sector wage settlements were largely completed before the energy shock and the labor market has visibly loosened, we still see risks to second-round effects skewed to the upside even if they do not show up via the wage channel this year. With energy and fertilizer prices still rising amid the ongoing conflict, the pass-through to core goods and food prices argues for a more pre-emptive stance, in our view. As such, and as noted in our May international outlook, we look for a 25 bps hike to 4.00% in July, with a further Q4 move to 4.25% contingent on Middle East developments.

[\(Return\)](#)



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



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

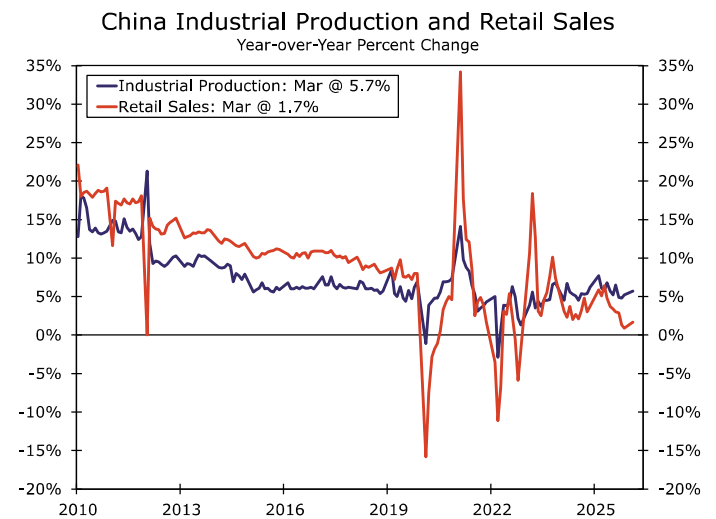
EM Week Ahead

China Retail Sales & Industrial Production • Monday

Next week's retail sales and industrial production data for April will provide an early read on how China's economy fared at the beginning of the second quarter. China's economy got off to a solid start in 2026, outperforming expectations, although growth has been somewhat uneven. Strength has been largely driven by firmer manufacturing production, solid external trade performance and front-loaded fiscal stimulus, while domestic demand has remained relatively weak. To that point, March activity data showed some stabilization, with industrial production growth firming to 5.7% year-over-year and retail sales growth rising to 1.7%. However, China's April PMIs suggest conditions may have softened at the start of Q2, as export-backed manufacturing resilience contrasted with contractions in services and construction. As such, we expect both measures grew at a somewhat slower pace in April and look for year-over-year industrial production growth of 5.9% and retail sales growth of 1.9%.

Looking at the bigger picture, we expect recent strength in China's economy to gradually abate in the second half of 2026. The boost from fiscal stimulus should fade over time, while higher energy prices and tighter energy supply could become more meaningful headwinds. Accordingly, we look for China's annual GDP growth to ease to 4.5% in 2026, before slowing further to 4.3% in 2027.

[\(Return\)](#)



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

Economics Group

| | | | |
|-------------------|------------------|--------------|-----------------------------------|
| Tom Porcelli | Chief Economist | 212-214-6422 | Tom.Porcelli@wellsfargo.com |
| Tim Quinlan | Senior Economist | 704-410-3283 | Tim.Quinlan@wellsfargo.com |
| Sarah House | Senior Economist | 704-410-3282 | Sarah.House@wellsfargo.com |
| Aroop Chatterjee | Senior Economist | 212-214-8819 | Aroop.Chatterjee@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 |
| 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 |
| 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 |

Required Disclosures

This report is produced by the Economics Group of Wells Fargo Securities, LLC (“Wells Fargo Securities”). This report is not a product of Wells Fargo Global Research and the information contained in this report is not financial research. Wells Fargo Securities distributes this report directly and through affiliates including, but not limited to, Wells Fargo & Company, Wells Fargo Bank, N.A., 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 internal client 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 Wells Fargo Securities. Wells Fargo Securities does not provide the products and services on these websites and the views expressed on these websites do not necessarily represent those of Wells Fargo Securities.

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 Wells Fargo Securities to be reliable, but has not been independently verified by Wells Fargo Securities, may not be current, and Wells Fargo Securities 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 Wells Fargo Securities and may differ from the views and opinions of other departments or divisions of Wells Fargo Securities and its affiliates. Wells Fargo Securities is not providing any financial, economic, legal, accounting, or tax advice or recommendations in this report. Neither Wells Fargo Securities 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. Wells Fargo Securities 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 Wells Fargo Securities, 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 Wells Fargo Securities, 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 Wells Fargo Securities 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 Wells Fargo Securities or the third-party providers from whom Wells Fargo Securities has obtained the applicable information. © 2026 Wells Fargo Securities, LLC

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