WELLS FARGO

Weekly — July 2, 2026

Economics Week Ahead

Next week's release of the June FOMC meeting minutes should provide further insight into what could shift a divided Committee toward additional tightening, although we continue to expect the Fed to remain on hold as recent inflation strength appears largely driven by fading supply-side factors rather than overheating demand. Abroad, Japan's labor cash earnings data will be closely watched for signs that wage growth remains consistent with the Bank of Japan's policy normalization path. In Canada, we expect labor market conditions to remain broadly stable despite some moderation in hiring after May's strong employment gain, supporting a patient approach from the Bank of Canada. In emerging markets, Mexico's June CPI report should show further progress on disinflation, but persistent services inflation is likely to keep Banxico on hold.

United States:

- FOMC Meeting Minutes (Wednesday)

G10 Economies:

- Japan Labor Cash Earnings (Tuesday), Canada Labor Force Survey (Friday)

Emerging Markets:

- Mexico CPI (Thursday)

Wells Fargo Economics Week Ahead

United States					
Indicator Releases		Period	Consensus	Wells Fargo	Prior
6-Jul	ISM Services	Jun	54.2	54.4	54.5
7-Jul	Trade Balance	May	-$78.8B	-$78.9B	-$55.9B
9-Jul	Existing Home Sales (SAAR)	Jun	4.24M	4.08M	4.17M
Fed Speakers *(*Designating 2026 Voting Member)*					
6-Jul	*Fed's Waller*, ECB's Schnabel, Wunsch, Riksbank's Seim in Rome (11:00a ET)*				
8-Jul	*FOMC Meeting Minutes (2:00p ET)*				
9-Jul	*Fed's Williams* in Moderated Discussion (9:00a ET)*				
9-Jul	*Fed's Logan* Moderates Panel on Market Liquidity (1:30p ET)*				
International					
G10 Economies		Period	Consensus	Wells Fargo	Prior
7-Jul	Japan Labor Cash Earnings (YoY)	May	3.4%	—	3.5%
10-Jul	Canada Net Change in Employment	Jun	—	—	88K
10-Jul	Canada Unemployment Rate	Jun	6.8%	—	6.6%
Emerging Markets		Period	Consensus	Wells Fargo	Prior
9-Jul	Mexico CPI (YoY)	Jun	—	3.75%	3.94%
9-Jul	Mexico Core CPI (YoY)	Jun	—	4.10%	4.19%
10-Jul	Brazil CPI (MoM)	Jun	0.32%	—	0.58%
10-Jul	Brazil CPI (YoY)	Jun	—	—	4.72%

Forecast as of July 02, 2026

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

Economist(s)

Tom Porcelli
Chief 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

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

Azhin Abdulkarim
Economic Analyst | Wells Fargo Economics
Azhin.Abdulkarim@wellsfargo.com | 212-214-5154

Related Information:

- U.S. Economic Forecast
- FOMC 101
- U.S. Tariff Tracker
- U.S. Tariff Policy 101
- 2026 Economic Calendar

U.S. Week Ahead

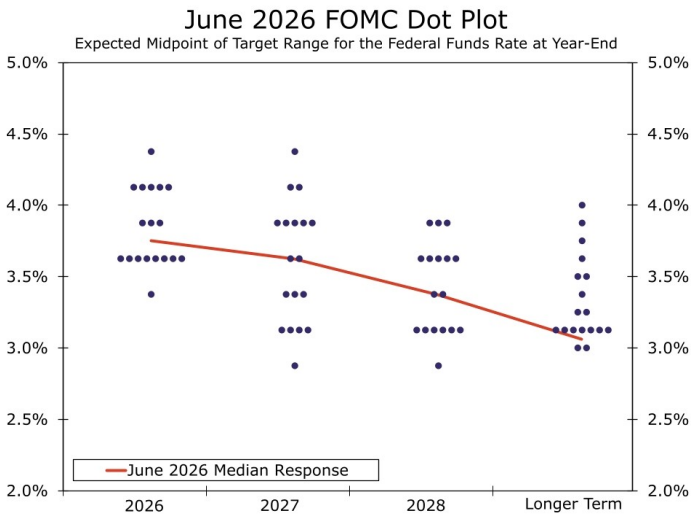
FOMC Meeting Minutes • Wednesday

We will look to next week's FOMC minutes for any signs of what could shift a divided Committee from a hold toward rate hikes. The dot plot from the last meeting made clear that policymakers are split on whether rate hikes are warranted, but with forward guidance getting tamped down under Chair Warsh, the Fed's reaction function remains uncertain in terms of what exactly would build broader support for more restrictive policy.

We will be looking to whether a majority of participants view the recent pickup in inflation as persistent enough to warrant additional tightening or as primarily a temporary supply-shock. We will also be interested to see the extent to which Committee members view the labor market/the demand side of the economy as an inflationary problem.

While the minutes may lean hawkish, we continue to view recent inflation strength as being driven largely by supply side factors, including tariffs and energy, that should fade over time. Since the June meeting, oil prices have fallen further, which should help ease concerns that energy-related inflation will broaden further. And the June employment report showed no signs that the labor market is overheating or contributing to broader inflationary pressures. **We thus continue to expect the FOMC to keep the funds rate on hold for the foreseeable future.**

(Return)



Source: Federal Reserve Board and Wells Fargo Economics

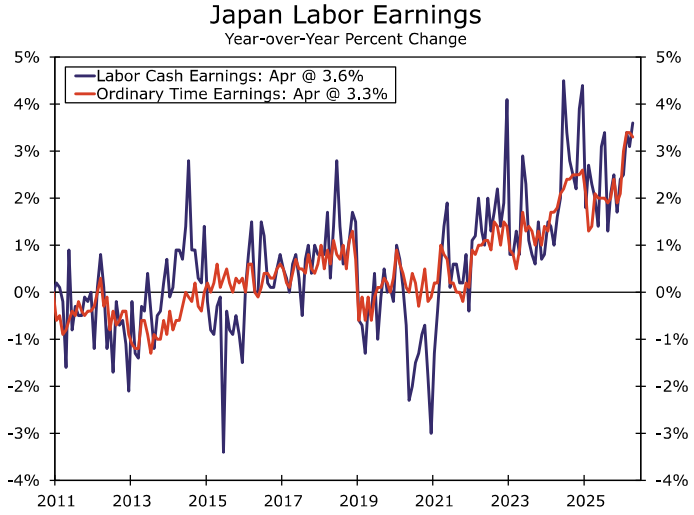
G10 Week Ahead

Japan Labor Cash Earnings • Tuesday

With Japan's labor cash earnings for May due next week, the release will offer a fresh read on whether the wage-price cycle remains intact. The Bank of Japan (BoJ) continues to signal conviction in its path toward policy normalization, as April labor cash earnings and ordinary time earnings (the BoJ's preferred gauge of underlying wage momentum) rose 3.6% and 3.3% year over year, respectively. This year's Shuntō negotiations delivered another round of strong pay gains, with labor unions securing average wage increases of more than 5% for a third consecutive year, effective from April. Given the limited coverage of union workers and the lagged pass-through from negotiated settlements to realized earnings, wage growth should remain supported in the months ahead. Lower oil prices could also help ease margin pressure for smaller firms, supporting a broader pass-through of negotiated wage increases.

While inflation has been soft, the fading of government subsidies and impact of a weaker yen on import prices should contribute to a gradual pickup in inflation. Combined with resilient GDP growth and a solid Q2 Tankan report, a strong wage print would support the case for further tightening. As such, **we continue to expect the BoJ to deliver a 25 bps rate hike in Q3 (most likely September), bringing the policy rate to a terminal level of 1.25% by year-end.**

(Return)



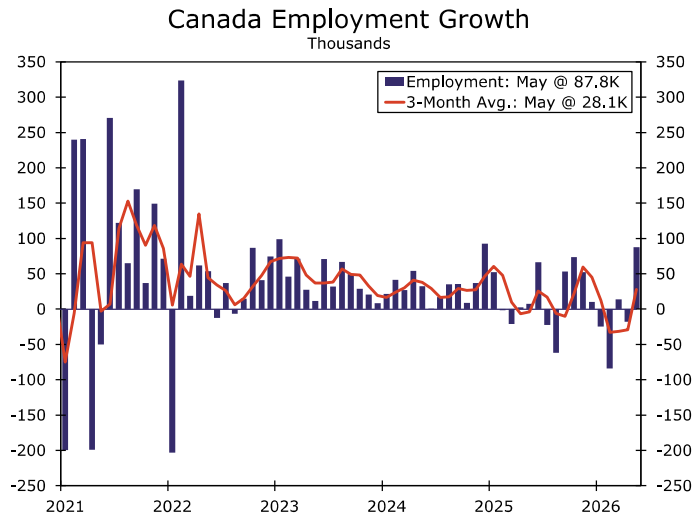
Source: Bloomberg Finance L.P. and Wells Fargo Economics

Canada Labor Force Survey • Friday

Canada's labor market remains soft, though weakness earlier in the year was met with a sharp rebound in May. Even so, employment is up less than 1% from a year ago, underscoring the sluggish pace of hiring beneath the month-to-month volatility. While demand has softened, recent gains having been concentrated in full-time positions, rather than part-time work, is a sign of stability.

Labor supply constraints are also easing only gradually. An aging workforce and slower immigration flows should continue to limit labor force growth, helping keep a lid on any significant increase in unemployment. As a result, we expect the jobless rate to remain broadly within the 6.5–7.1% range that has prevailed over the past 12–18 months.

Following the strongest monthly employment gain since late 2024, some payback in June would not be surprising. Still, our broader assessment is that labor market conditions are stabilizing rather than deteriorating. Wage growth remains positive but is no longer accelerating materially, consistent with labor demand that has softened enough to reduce inflation pressures but not enough to raise meaningful recession concerns. Taken together, **the labor market argues for continued patience from the Bank of Canada, keeping policy on hold for the foreseeable future.**



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

(Return)

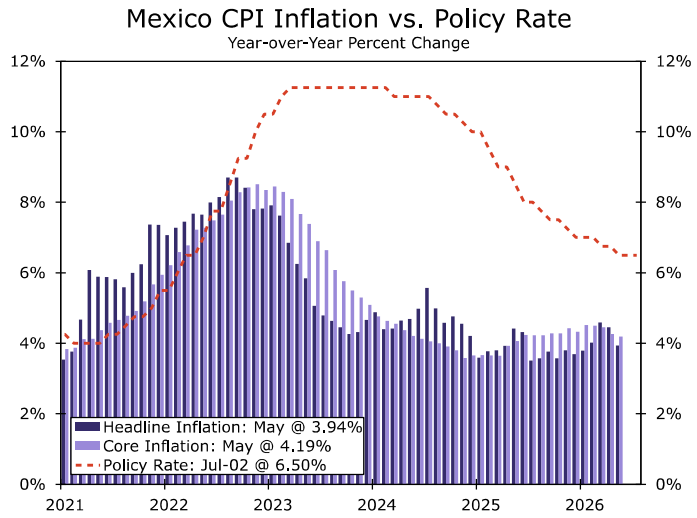
EM Week Ahead

Mexico CPI • Thursday

Mexico's June CPI release next week should provide more clarity on whether disinflation is broadening enough to reopen the door to rate cuts. Based on the mid-month data, we expect headline and core inflation to slow to 3.75% year over year and 4.10%, respectively, from 3.94% and 4.19% in May. Still, core services inflation remains sticky, which should keep Banxico cautious.

At its June meeting, Banxico's Governing Board unanimously held the Overnight Rate at 6.50% and suggested that the current policy setting remains appropriate for an extended period. Policymakers also revised their Q2-2026 headline inflation forecast slightly lower, while the core forecast moved slightly higher.

Our base case remains for Banxico to stay on hold through year-end and into 2027. That said, risks are tilted toward a cut rather than a hike. Banxico expects growth to rebound in Q2 after contracting in Q1, then expand at a steady pace. If activity instead continues to struggle and disinflation broadens further, a rate cut could come by year-end.



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

(Return)

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
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
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