Economics

WELLS FARGO

Weekly — August 9, 2024

Weekly Economic & Financial Commentary

United States: **A Wild Week in a Data Desert**

- It was a very quiet week on the U.S. economic data front, but financial markets were anything but calm. Last week's run of weak U.S. data, capped by a troubling rise in the unemployment rate and a slowdown in nonfarm payroll growth, helped spark a wild week in global markets.
- Next week: CPI (Wed.), Retail Sales (Thu.), Industrial Production (Thu.)

International: **Mixed Week for Foreign Central Banks, International Data**

- Among this week's central bank announcements, Australia and India held rates steady, and hawkish comments suggest rate cuts are still some months away. Mexico's central bank cut rates 25 bps, given soft growth and despite elevated inflation, while we still see gradual easing going forward. In this week's economic figures, Japan's wage data were sturdy, while labor market data from Canada and New Zealand were mixed.
- Next week: U.K. CPI (Wed.), Japan GDP (Thu.), China Industrial Production and Retail Sales (Thu.)

Credit Market Insights: **Households Are Feeling the Pinch**

- The Q2 New York Fed Household Debt & Credit report signaled that even as households continue to borrow, debt has increased at a slower rate in recent quarters, suggesting consumers may be feeling the pinch of higher rates.

Topic of the Week: **Have Lower Bond Yields Started the Easing Process Early?**

- A monetary policy pivot looks to be forthcoming. A move down in long-term interest rates has raised hopes that the easing process may already be under way. Unfortunately, lower mortgage rates have yet to result in a meaningful pickup in the mortgage demand, one sector of the economy most likely to benefit from reduced rates.

Submit a question to our "Ask Our Economists" podcast at askoureconomists@wellsfargo.com.

Wells Fargo U.S. Economic Forecast

	Actual						Forecast		Actual		Forecast	
	2023				2024				2022	2023	2024	2025
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Real Gross Domestic Product [1]	2.2	2.1	4.9	3.4	1.4	2.8	2.1	1.3	1.9	2.5	2.6	1.9
Personal Consumption	3.8	0.8	3.1	3.3	1.5	2.3	2.3	1.0	2.5	2.2	2.2	1.7
Consumer Price Index [2]	5.7	4.0	3.6	3.2	3.2	3.2	2.7	2.5	8.0	4.1	2.9	2.3
"Core" Consumer Price Index [2]	5.5	5.2	4.4	4.0	3.8	3.4	3.2	3.0	6.2	4.8	3.3	2.5
Quarter-End Interest Rates [3]												
Federal Funds Target Rate[4]	5.00	5.25	5.50	5.50	5.50	5.50	5.00	4.25	2.02	5.23	5.06	3.56
Conventional Mortgage Rate	6.54	6.71	7.20	6.82	6.82	6.92	6.40	6.25	5.38	6.80	6.60	5.93
10 Year Note	3.48	3.81	4.59	3.88	4.20	4.36	3.80	3.70	2.95	3.96	4.02	3.63

Forecast as of: August 07, 2024 [1] Compound Annual Growth Rate Quarter-over-Quarter [2] Year-over-Year Percentage Change
[3] Quarterly Data - Period End; Annual Data - Annual Averages [4] 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

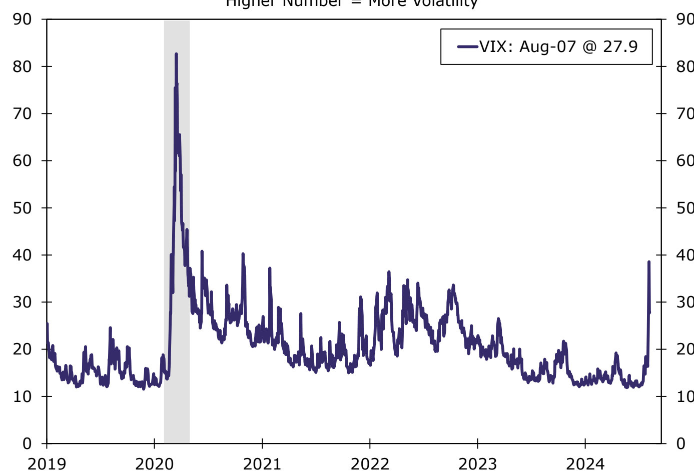
Please see our full U.S. Economic Forecast.

U.S. Review

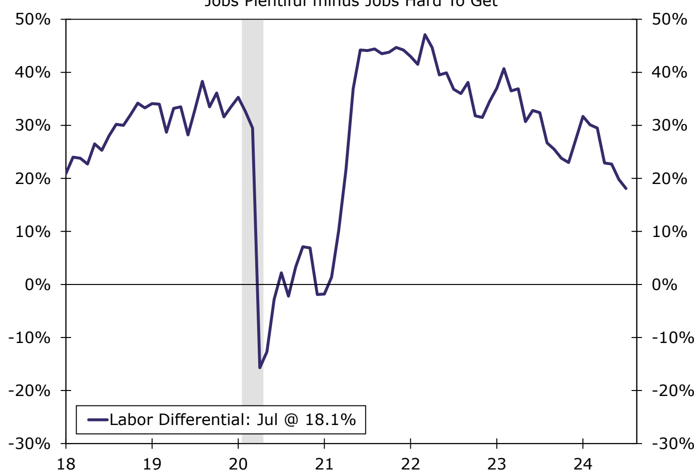
A Wild Week in a Data Desert

It was a very quiet week on the U.S. economic data front, but financial markets were anything but calm. Last week's run of weak U.S. data, capped by a troubling rise in the unemployment rate and a slowdown in nonfarm payroll growth, helped spark a wild week in global markets. It began Sunday night U.S. time when Asia markets opened and Japanese stocks fell a whopping 12%, propelled in part by an unwinding of the "yen carry trade" where traders borrow in a low-yielding currency and invest the proceeds in higher-yielding assets in a different currency. This financial market turbulence spilled over into the United States, and when paired with rising economic uncertainty, U.S. equities swung around sharply from days of steep losses to stretches of big gains. The VIX spiked to highs not seen since the pandemic (chart), and the 10-year Treasury yield traversed a range of 20 bps between Monday's lows and Thursday's highs.

The limited economic data we did receive this week provided a bit of optimism. The ISM services index bounced back to 51.4 in July from an unusually weak 48.8 reading in June, led by much stronger readings for business activity, new orders and employment. Initial jobless claims ticked lower in the week ended August 3, although continuing claims did not show the same improvement.



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



Source: The Conference Board and Wells Fargo Economics

Looking through the financial market volatility, we believe that the U.S. economy is losing momentum, and the risks of a recession in the next 12 months are on the rise. Nonfarm payrolls have risen by an average of 170K over the past three months. This is a solid pace of growth, but it marks a clear deceleration from the pace over the past year. Furthermore, the breadth of job growth has narrowed considerably. The government and healthcare & social assistance industries have added 56% of the new jobs created over the past three months despite those industries accounting for just 29% of total employment. The unemployment rate has increased 0.9 of a percentage point from its low of 3.4% in April 2023 and triggered the "Sahm Rule" last month. In the survey data, more and more consumers are saying that jobs are "hard to get," while fewer are sayings jobs "are plentiful" (chart). Meanwhile, on the inflation side of the Federal Reserve's dual mandate, the core PCE deflator has risen just 2.6% over the past year and 2.3% (annualized) over the past three months.

This is not to say that the U.S. economy suddenly has fallen off a cliff. The U.S. economy likely is still expanding, albeit at a slower pace than the past couple of years. There are good reasons to think that the recent rise in the unemployment rate may be driven in part by Hurricane Beryl's effects and labor force re-entrants. But with the labor market weakening on trend and inflation nearly back to the central bank's target, the balance of risks for monetary policy is tilted toward being excessively tight.

Given this, we have made some changes to our forecast for the fed funds rate. We expect the FOMC to cut the fed funds rate by 50 bps at its September meeting, 50 bps at its November meeting and 25 bps at its December meeting for a cumulative 125 bps of easing through year-end. We look for another 75 bps of rate cuts through the first half of next year followed by a long pause from the FOMC

as it assesses the impact from previous policy easing and feels its way to a neutral stance of monetary policy. If realized, we think a shift in U.S. monetary policy from restrictive to neutral can help sustain the U.S. economic expansion into 2025 and beyond.

For further reading on the outlook, please see our Monthly Economic Outlook, published this week.

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U.S. Outlook

Weekly Domestic Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
14-Aug	CPI (MoM)	Jul	0.2%	0.2%	-0.1%
14-Aug	Core CPI (MoM)	Jul	0.2%	0.2%	0.1%
15-Aug	Retail Sales (MoM)	Jul	0.3%	0.3%	0.0%
15-Aug	Retail Sales Ex Auto (MoM)	Jul	0.1%	0.1%	0.4%
15-Aug	Industrial Production (MoM)	Jul	0.0%	-0.2%	0.6%

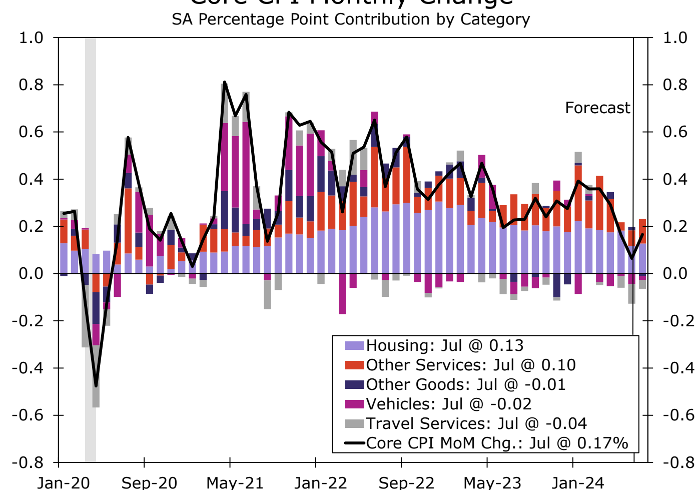
Forecast as of August 09, 2024

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

CPI • Wednesday

The June CPI report was one of the most encouraging reports the FOMC had received since it began raising rates. Food and energy prices led the charge, with consumer prices declining 0.1% on the month. Excluding food and energy, core consumer prices rose a modest 0.1%, or the smallest such increase since early 2021. Perhaps most encouraging in the report were core services prices, which increased only 0.1%, a marked improvement from the previous six-month average monthly gain of 0.4%. Core goods prices continued their deflationary streak for a fourth consecutive month, decreasing 0.1%. With core goods prices consistently coming down and the outlook for core services prices moderating through the rest of the year, the risks to the inflation and labor sides of the FOMC's dual mandate are in better balance.

We look for headline CPI to have advanced 0.2% in July, which would keep the year-over-year rate steady at more than a three-year low of 3.0%. The core CPI also looks set to advance 0.2% in July amid a rebound in some of the more volatile "super core" components. Looking beyond July, we expect inflation to continue to subside. For more, please see our July CPI Preview.

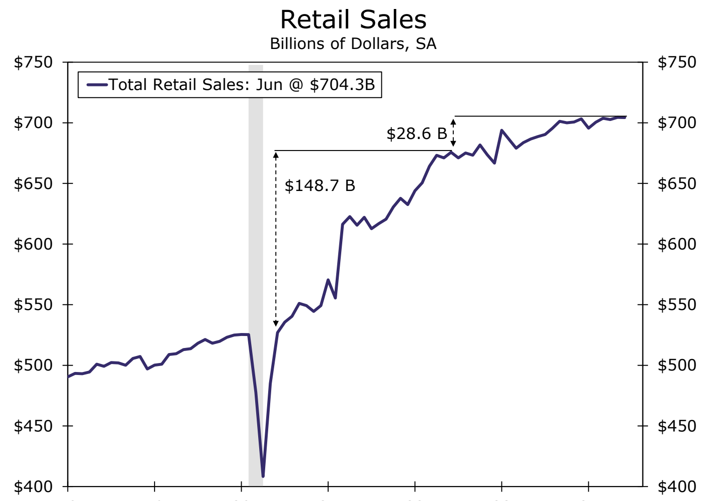


Source: U.S. Department of Labor and Wells Fargo Economics

Retail Sales • Thursday

Despite the flat headline retail sales number in June, retail spending still came in ahead of expectations and core retail spending held steady. Control group retail sales rose an impressive 0.9%, driven by a 1.9% surge in nonstore sales. Strength was apparent elsewhere in the report, with building material store sales increasing 1.4% over the month, bucking the residential sector trend of sluggish home sales. Most of the weakness in the top-line number of last month's report was due to a 2.0% decline in auto sales and a 3.0% decline in gasoline sales. While June's retail sales was a show of consumer resilience, it is still consistent with a moderation from the swift pace of retail spending that followed the pandemic. Consider that of the nearly $180 billion growth in retail sales that has occurred over the past four years since the COVID recession, over 83% of that growth occurred in the first two years of that stretch.

We expect a continuation of the recent moderate pace of growth in July data, with headline retail sales rising 0.3% amid a rebound in auto sales. Furthermore, we expect that retail sales ex-auto sales to rise a more modest 0.1%. The outlook for retail sales through the rest of the year is constrained by a slowdown in the labor market and slower real income growth.



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

Industrial Production • Thursday

The Industrial Production Index reached a new cycle high in June, after notching the largest back-to-back monthly gains since 2021. A solid 0.4% gain in manufacturing production along with a 2.8% increase in utilities production led the charge. On an industry level, chemicals and food & beverages both modestly added to June industrial production. Even so, industrial production has still not surpassed its prior peak reached in September 2018. The impact of higher rates in the industrial sector has been consequential. Take, for example, that the quarterly CAGR for industrial production did not surpass 1.5% for the nearly two years between Q2-2022 and Q2-2024, aligning with the beginning of the tightening cycle of the FOMC. Before the marked rise in interest rates, industrial production expanded at an average 3.9% annualized rate over Q1-2021 through Q2-2022.

We expect industrial production to decline 0.2% in July, as still high interest rates remain a formidable barrier to sustaining the recent strength in the sector. We forecast capacity utilization to decline a touch to 78.6%. The start of FOMC easing should provide the industrial sector with some breathing room, but a full recovery remains some ways off.

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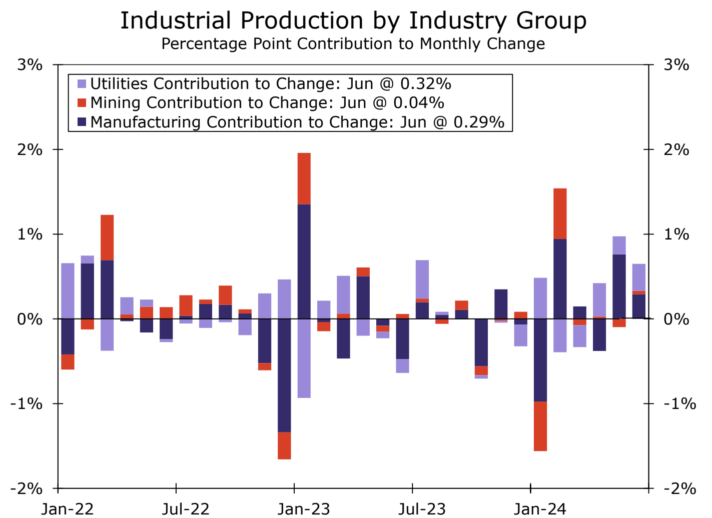


Source: Federal Reserve Board and Wells Fargo Economics

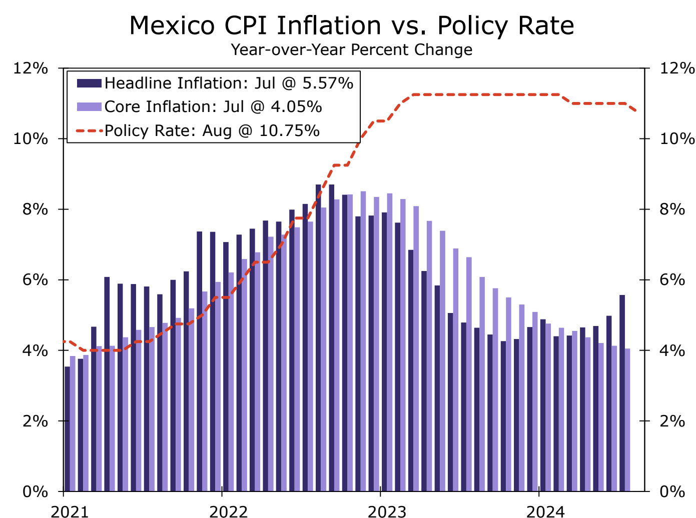
International Review

A Mixed Week for Foreign Central Banks, International Data

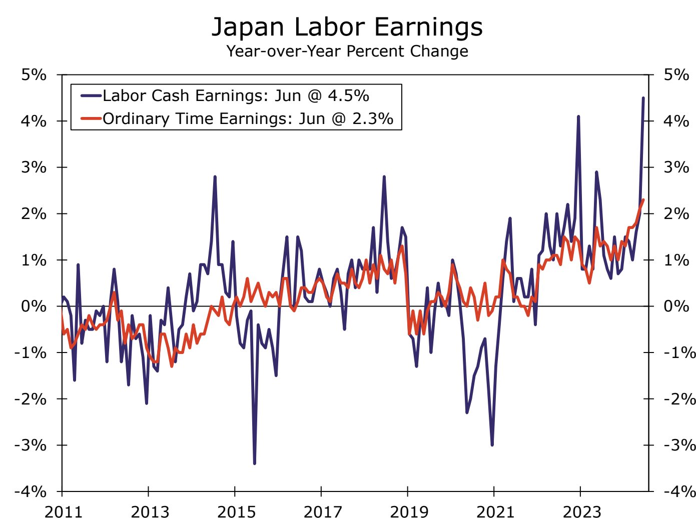
This week's central bank activity saw monetary policy announcements from Australia, Mexico and India. The Reserve Bank of Australia (RBA) held its Cash Rate steady at 4.35%, while its accompanying statement leaned hawkish in tone. The central bank said that inflation is proving persistent, and that the process of returning inflation to target is proving slow and bumpy. Indeed, in its updated economic projections, the RBA forecasted a slightly slower return of inflation to target than previously. The central bank envisages inflation returning to the 2%-3% target late in 2025, and approaching the midpoint in 2026. The RBA noted resilience in the labor market and said that wage growth is still elevated considering the trend of productivity growth, while also noting weakness in the broader economy. The RBA indicated that policy will need to be sufficiently restrictive until it is confident inflation is moving sustainably towards the target range, and in the post-meeting press conference Governor Bullock suggested it might not reach that judgement before the end of this year. As a result and despite recent market volatility, our view remains that an initial 25 bps RBA rate cut will come in February 2025.

This week's Reserve Bank of India (RBI) monetary policy announcement also leaned hawkish in tone. The central bank held its repurchase rate at 6.50%, while also repeating that it would continue to focus on the withdrawal of policy accommodation. The central bank highlighted "stubborn" food inflation, which Governor Das said could not be ignored. Meanwhile, deputy governor Patra said that considering a higher potential economic growth rate, the neutral interest rate has risen, and that the current level of the policy rate is probably exactly right. Even though two policymakers voted to lower interest rates (versus four policymakers who voted to hold rates steady), the hawkish comments mean we do not expect an imminent reduction in India's policy interest rates. An initial RBI policy rate cut may not come until late in Q4, or beyond.

Leaning in the other direction, Mexico's central bank—Banxico—cut its policy rate by 25 bps to 10.75% at this week's monetary policy announcement. The decision to lower interest rates was finely balanced, both in terms of analyst forecasts as well as Banxico policymakers, who voted 3-2 to reduce the policy rate. In terms of a rationale behind the easing as well as the possibility of further rate cuts to come, Banxico said it would consider the effects of weakness in economic activity, and said that growth risks were biased to the downside. The rate cut came even as the central bank raised its near-term headline inflation forecasts on the back of supply shocks, including higher food prices and a weaker peso, while leaving its core inflation forecasts broadly unchanged. Still, even after this week's rate cut, we expect Banxico to pursue a relatively gradual pace of monetary easing going forward, in view of some remaining upside risks to inflation, as well as the volatility of the Mexican currency.



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



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

In this week's data, Japanese wage growth showed some further firming in June, potentially supporting the case for further Bank of Japan tightening if and when a sense of calm returns to global financial markets. June labor cash earnings rose 4.5% year-over-year, far exceeding the consensus forecast for a

2.4% gain. Given the large increase in wages, real—or inflation-adjusted—cash earnings were positive for the first time in 27 months, rising 1.1%. To be sure, the pay gain was driven by one-off payments, likely reflecting bonuses, or back pay of the base salary increases agreed to earlier this year. That said, underlying wage growth also appears to be on a firming trend. Ordinary time earnings rose 2.3%, the largest increase since 1994, while measured on a same-sample basis, regular pay for full-time workers rose 2.7%. While we view firming wage growth and elevated inflation as important elements of any potential further Bank of Japan tightening, when and whether the central bank delivers further rate hikes will also likely be dependent on a stabilization in global financial markets.

In New Zealand, the second quarter labor market report was a bit firmer than expected. Q2 employment unexpectedly rose 0.4% quarter-over-quarter, while the jobless rate rose less than expected to 4.6%. That said, the employment gain was not as strong as it appears at first glance—the increase was driven entirely by part-time jobs, with full-time jobs and hours worked both down during the quarter. On the wage front, the private sector labor cost index rose 0.9% quarter-over-quarter, a bit more than expected, but eased to 3.6% year-over-year. While the mixed details of the report should pave the way for the Reserve Bank of New Zealand to lower interest rates in the months ahead, we don't view it as soft enough to trigger an immediate rate cut. We expect the central bank to hold its policy rate steady at 5.50% at next week's monetary policy announcement.

Canada's July labor market report was mixed but, we think, still consistent with another rate cut and the Bank of Canada's next announcement in September. Employment unexpectedly fell by 2.8K, although that reflected a large drop in part-time jobs as full-time jobs rose sharply. The unemployment rate was lower than forecast, holding steady at 6.4%, while hourly wages for permanent employees slowed but by less than the forecasted 5.2% year-over-year.

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International Outlook

Weekly International Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
13-Aug	U.K. Avg. Weekly Earnings (3M/YoY)	Jun	4.7%	–	5.7%
14-Aug	U.K. CPI (YoY)	Jul	2.3%	2.4%	2.0%
14-Aug	U.K. Core CPI (YoY)	Jul	3.4%	–	3.5%
15-Aug	U.K. GDP (QoQ)	Q2	0.6%	0.6%	0.7%
15-Aug	Japan GDP (QoQ Annualized)	Q2	2.4%	2.0%	-2.9%
15-Aug	China Industrial Production (YoY)	Jul	5.2%	–	5.3%
15-Aug	China Retail Sales (YoY)	Jul	2.6%	–	2.0%

Forecast as of August 09, 2024

Source: Bloomberg Finance L.P and Wells Fargo Economics

U.K. CPI • Wednesday

A swath of economic data from the United Kingdom coming out next week will provide market participants with insight into how the Bank of England's (BoE) monetary easing efforts could evolve in the coming months. In its decision to deliver an initial 25 bps policy rate cut last week, BoE policymakers signaled that they would be taking a cautious approach to rate cuts, given that risks around the inflation outlook remain. Policymakers forecast headline CPI inflation to rebound to 2.8% in the second half of this year before returning closer to target in the medium term.

In terms of next week's CPI inflation data for July, consensus economists expect the headline CPI to quicken to 2.3% but for a slight moderation in the core CPI to 3.4% and the services CPI to 5.5%. Other economic data coming out next week for the U.K. include second quarter GDP and June wage growth. Consensus economists expect the economy to grow 0.6% quarter-over-quarter, which would confirm the U.K. recovery is gathering momentum. Average weekly earnings are expected to decelerate to 4.6% in the three months to June as compared to the same period last year.

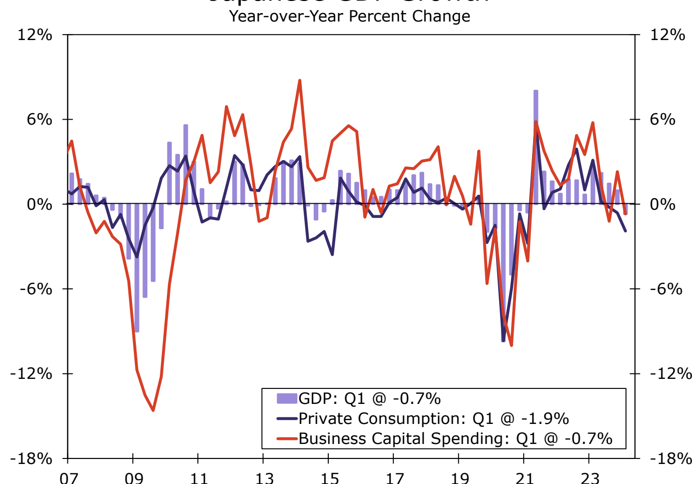
In terms of our own monetary policy outlook for the BoE, we believe central bank officials will wait until November to deliver another 25 bps policy rate cut, which would be consistent with its plan for a gradual pace of monetary easing. If next week's inflation and wage growth data were to surprise to the downside, an earlier rate cut (in September) could potentially be in play.

Source: Datastream and Wells Fargo Economics

Japan GDP • Thursday

Next week will see the release of Japan's GDP figures for the second quarter. After contracting at a 2.9% quarterly annualized pace in the first three months of 2024, the Japanese economy is expected to grow at a 2.4% pace in Q2. Some of the underlying details of the GDP report are expected to be somewhat encouraging, too. Private consumption growth and business spending growth are both expected to turn positive, rising 0.6% and 0.8% quarter-over-quarter (not annualized) respectively.

The question on everyone's mind will be: What implications do these data have for the Bank of Japan's (BoJ) monetary policy normalization efforts? In our view, if economic growth can recover and remain steady, and wage growth can also remain sturdy, additional BoJ rate hikes remain possible. In a recent report following the BoJ's July tightening, we laid out a path for further rate hikes in October 2024 and January 2025. With that being said, the past week has seen much turmoil in global markets. If this environment continues, or intensifies, this could impact whether, or to what extent, the BoJ follows through with additional rate increases.

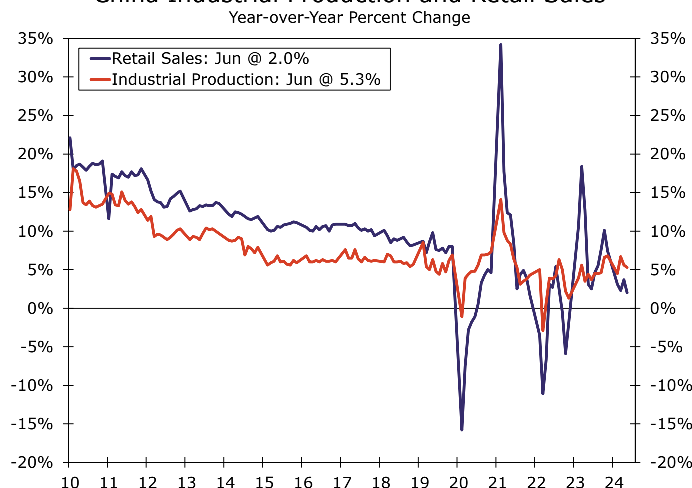


Source: Datastream and Wells Fargo Economics

China Industrial Production and Retail Sales • Thursday

Next week, China's industrial production and retail sales data for July will provide market participants with insight into how the economy performed at the start of the third quarter. Consensus forecasts for the July activity data are mixed, with industrial production growth forecast to ease to 5.2% year-over-year and retail sales growth is forecast to pick up to 2.6%. If these consensus forecasts are realized, the pace of growth would still not be that impressive by recent or historical standards for China. We also note that both measures of activity have surprised to the downside several times in recent months.

In the bigger picture, Chinese economic data have been generally underwhelming as of late. Second quarter GDP growth missed the official growth target of "around 5%" with a 4.7% year-over-year reading. The manufacturing PMI has spent five of the past seven months below the 50 "breakeven" level, and its non-manufacturing counterpart has slid lately. All in all, it is not the most encouraging picture for the economic superpower. As we wrote in a recent report, we expect economic growth to continue to underwhelm and slow in the medium term. We look for overall GDP growth of 4.8% in 2024 and 4.5% in 2025.



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

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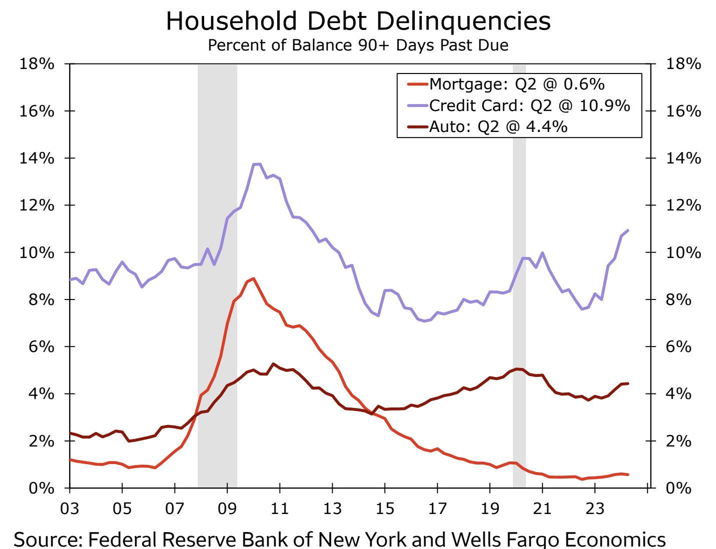
Credit Market Insights

Households Are Feeling the Pinch

The Federal Reserve Bank of New York released its Q2 Household Debt and Credit Report this week. The report provides context into the dynamics and flows of national household debt. This week's report showed total debt reached $17.8 trillion (+$109 billion from the last quarter)—the highest in the report's history. Even as households continue to borrow, household debt has increased at a slower rate in recent quarters, suggesting consumers may be feeling the pinch of higher rates.

Concern over delinquency rates has continued to persist, given the high rate environment. While the report highlighted aggregate delinquency rates held steady at 3.2% for the quarter, the transition for certain debt balances, namely credit cards and auto loans, have become elevated. These severely delinquent loans (90+ days past due) for households have increased to 4.4% for auto loans and 10.9% for credit cards. These growing rates suggest that many households are struggling to manage their debt obligations in current market conditions.



Source: Federal Reserve Bank of New York and Wells Fargo Economics

Households are also turning to other sources of borrowing. With homeowners holding a near-record share of equity in their homes today and many refinancing at low rates throughout the pandemic, mortgage delinquencies remain low. These trends are further extrapolated through other metrics as well. Households have, however, increasingly tapped HELOCs to leverage that equity by using their homes as collateral. Such balances have increased by 20% since 2021. With the Federal Reserve having held the fed funds rate at 5.25%–5.50% since July 2023, refinancing activity has plummeted as many homeowners locked in previously low mortgage rates, shifting households to seek HELOCs as an alternative instrument to access liquidity in the short term.

We ultimately expect some reprieve is on the horizon for households and look for the Fed to begin easing policy in September with a 50 bps cut followed with further cuts through mid-2025. While these anticipated rate cuts should provide relief, it will take some time for more accommodative conditions to reach households.

Furthermore, the Federal Reserve's Consumer Credit report indicated an $8.9 billion increase in June, roughly $5 billion less than the increase in May. But all of that gain was due to nonrevolving credit (like auto and student loans), while revolving credit dropped by $1.7 billion, which is not only the second drop in three months, but also only the second drop since April 2021. This suggests consumers are feeling the pinch of tighter monetary policy.

Looking ahead, these recent data underscore the balance and management households must maintain in this volatile and high interest environment. Rising debt levels along with continued delinquencies emphasize household situations with increasing concern for financial costs in the near- to mid-term. While rate easing is expected soon, the burden of previous debts coupled with economic uncertainty certainly places pressure on the shoulders of consumers.

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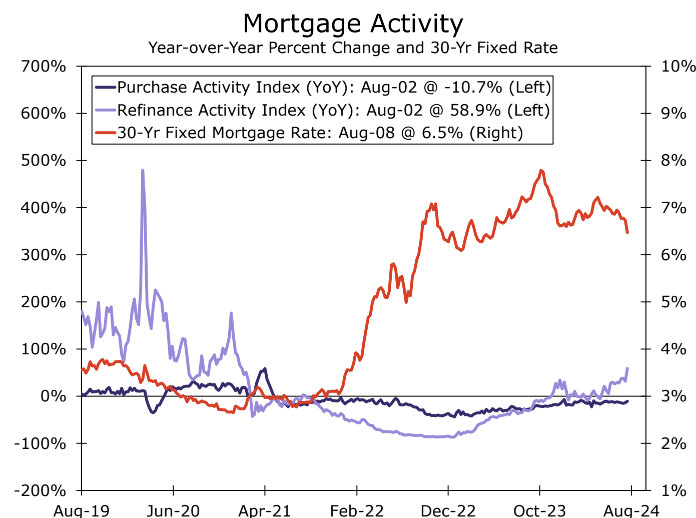
Topic of the Week

Have Lower Bond Yields Started the Easing Process Early?

As we noted in the U.S. Domestic Review, it was a roller coaster ride this week in financial markets. The volatility was partially owed to a string of weak economic data, which sparked concerns that a more substantial reduction in the federal funds target rate range would be needed in order to prevent a recession in the United States. As of this writing, markets were priced for about 100 bps of easing for the remainder of 2024, a dramatic change from 50 bps priced just one month earlier. A decline in interest rates across the yield curve has accompanied the change in monetary policy expectations, with the two-year Treasury yield falling 57 bps to 4.0% and the 10-year Treasury yield falling 29 bps to 4.0% over the past month. Our view is roughly in line with current market expectations for an easing to cycle to begin with a 50 bps cut at the September 17-18 FOMC meeting.

But with the meeting still more than five weeks out on the calendar, could the recent move lower in bond yields already be helping foster improvement in the sectors of the economy most affected by high interest rates? One way that decreased long-term rates may be giving the economy an early lift is through the housing market. According to Freddie Mac, the average 30-year mortgage rate declined to 6.47% during the week ended August 8, the lowest in more than a year and 75 bps below this year's peak of 7.22% hit back in early May. Lower mortgage rates typically boost the residential sector through increased home sales and higher home prices. What's more, declining financing costs can lift home builder confidence and foster growth in single-family construction. Consumer spending can also benefit, as categories of spending related to housing, such as spending at building material and furniture stores, increase alongside the pickup in residential activity.

So far, there has been little evidence that the relatively sharp pullback in mortgage rates has resulted in a noticeable improvement in the housing sector. Despite inching up in the week ended August 2, mortgage applications for purchase fell during July as a whole. Zooming out, the purchase applications index is still not far from the cycle low hit in October 2023 when mortgage rates were close to 8%.



Source: MBA, Freddie Mac and Wells Fargo Economics

Lower financing costs should eventually bring about a stronger improvement, but the lethargic response so far looks partially owed to the softening in the labor market that has occurred this year, which has resulted in a higher unemployment rate and more tepid income growth for prospective buyers. It is also a reminder that a drop in rates is not likely to be a panacea for a housing market still constrained by adverse affordability issues stemming from a structural shortage of available homes.

That said, the decrease in rates has led to an upturn in refinancing activity. Refinance applications are still low, yet are up almost 59% on a year-to-year basis at the end of last week. The uptick means some relief is on the way for those with high monthly mortgage payments. It is also a potential sign that homeowners are dipping further into the deep pool of equity accumulated over the past several years.

All told, a monetary policy pivot is almost certainly forthcoming; however, mortgage demand largely has been unresponsive so far despite a fairly significant dip in mortgage rates. This development serves as a reminder of the unique challenges the Federal Reserve is sure to encounter as they seek to dial back restriction on the economy. (Return to Summary)

Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 8/9/2024	1 Week Ago	1 Year Ago
SOFR	5.34	5.35	5.30
Effective Fed Funds Rate	5.33	5.33	5.33
3-Month T-Bill	5.21	5.17	5.43
1-Year Treasury	4.38	4.45	5.14
2-Year Treasury	4.02	3.88	4.81
5-Year Treasury	3.77	3.62	4.14
10-Year Treasury	3.93	3.79	4.01
30-Year Treasury	4.22	4.11	4.17
Bond Buyer Index	3.85	3.94	3.71

Foreign Exchange Rates

	Friday 8/9/2024	1 Week Ago	1 Year Ago
Euro ($/€)	1.093	1.091	1.097
British Pound ($/£)	1.277	1.280	1.272
British Pound (£/€)	0.855	0.852	0.863
Japanese Yen (¥/$)	146.490	146.530	143.730
Canadian Dollar (C$/$)	1.373	1.387	1.342
Swiss Franc (CHF/$)	0.864	0.859	0.877
Australian Dollar (US$/A$)	0.658	0.651	0.653
Mexican Peso (MXN/$)	18.831	19.179	17.059
Chinese Yuan (CNY/$)	7.166	7.172	7.211
Indian Rupee (INR/$)	83.956	83.748	82.823
Brazilian Real (BRL/$)	5.507	5.728	4.904
U.S. Dollar Index	103.077	103.208	102.490

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

Foreign Interest Rates

	Friday 8/9/2024	1 Week Ago	1 Year Ago
3-Month German Govt Bill Yield	3.28	3.30	3.49
3-Month U.K. Govt Bill Yield	4.98	5.02	3.89
3-Month Canadian Govt Bill Yield	4.29	4.32	5.06
3-Month Japanese Govt Bill Yield	0.09	0.16	-0.09
2-Year German Note Yield	2.38	2.35	2.96
2-Year U.K. Note Yield	3.64	3.60	4.93
2-Year Canadian Note Yield	3.32	3.18	4.60
2-Year Japanese Note Yield	0.29	0.41	0.01
10-Year German Bond Yield	2.23	2.17	2.50
10-Year U.K. Bond Yield	3.94	3.83	4.37
10-Year Canadian Bond Yield	3.11	3.00	3.52
10-Year Japanese Bond Yield	0.85	0.95	0.58

Commodity Prices

	Friday 8/9/2024	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	76.56	73.52	84.40
Brent Crude ($/Barrel)	79.48	76.81	87.55
Gold ($/Ounce)	2429.29	2443.24	1914.46
Hot-Rolled Steel ($/S.Ton)	685.00	681.00	801.00
Copper (¢/Pound)	400.00	410.30	378.35
Soybeans ($/Bushel)	10.47	10.49	13.89
Natural Gas ($/MMBTU)	2.14	1.97	2.96
Nickel ($/Metric Ton)	15,887	16,023	20,593
CRB Spot Inds.	538.63	541.69	558.77

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