WELLS FARGO

Weekly — April 15, 2022

Weekly Economic & Financial Commentary

United States: **Inflation Hits Hard in March**

- This week's U.S. economic data were led by the largest monthly increase in the Consumer Price Index (CPI) since September 2005. The squeeze on households' from skyrocketing prices for necessities is very real and was evident in this week's retail sales data. However, underneath the surface there are signs that pandemic-related inflation is beginning to ease.
- Next week: Housing Starts (Tue), Existing Home Sales (Wed), Leading Economic Index (Thu)

International: **U.K. Inflation Soars While Growth Slows**

- Recent economic data from the United Kingdom reflected the global trend of higher inflation and slowing growth. The U.K.'s March CPI data release showed inflation pressures surged even higher last month. Headline CPI Inflation is now at a 30-year high, quickening more than expected to 7% year-over-year.
- Next week: China GDP (Mon), South Africa CPI (Wed), Eurozone PMIs (Fri)

Interest Rate Watch: **Foreign Central Banks Shifting into Tightening Mode**

- Not only did the Bank of Canada hike rates by 50 bps this week, but some other foreign central banks have also taken their policy rates higher in recent weeks. We expect that the Federal Reserve will tighten policy more than most other major central banks, with the possible exception of the Bank of Canada, which should continue to support the value of the U.S. dollar against most major foreign currencies.

Topic of the Week: **Factors to Consider for a Net Zero Carbon Economy**

- If corporations are to achieve net zero greenhouse gas emissions by 2050, there will be many economic impacts. Our recent report contextualizes the current state of greenhouse gas emissions and considers the larger economic implications of a transition to a net zero carbon future.

Wells Fargo U.S. Economic Forecast

	Actual 2021				Forecast 2022				Actual		Forecast	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2020	2021	2022	2023
Real Gross Domestic Product [1]	6.3	6.7	2.3	6.9	0.6	1.2	2.3	2.2	-3.4	5.7	2.8	2.1
Personal Consumption	11.4	12.0	2.0	2.5	3.0	0.1	1.9	1.7	-3.8	7.9	2.5	1.6
Consumer Price Index [2]	1.9	4.8	5.3	6.7	8.0	7.9	7.3	6.3	1.2	4.7	7.4	2.9
"Core" Consumer Price Index [2]	1.4	3.7	4.1	5.0	6.3	5.7	5.7	5.2	1.7	3.6	5.7	3.2
Quarter-End Interest Rates [3]												
Federal Funds Target Rate	0.25	0.25	0.25	0.25	0.50	1.50	2.00	2.50	0.50	0.25	1.63	3.19
Conventional Mortgage Rate	3.17	3.02	2.88	3.11	4.42	4.65	4.70	4.70	3.12	2.95	4.62	4.54
10 Year Note	1.74	1.45	1.52	1.52	2.32	2.60	2.70	2.75	0.89	1.45	2.59	2.70

Forecast as of: April 07, 2022

[1] Compound Annual Growth Rate Quarter-over-Quarter [2] Year-over-Year Percentage Change [3] Annual Numbers Represent Average

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

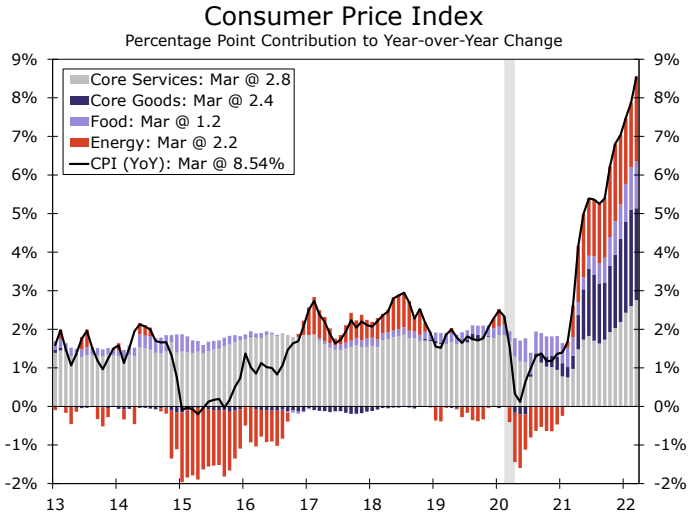
Please see our full U.S. Economic Forecast and our updated Consumer Dashboard and Pressure Gauge.

U.S. Review

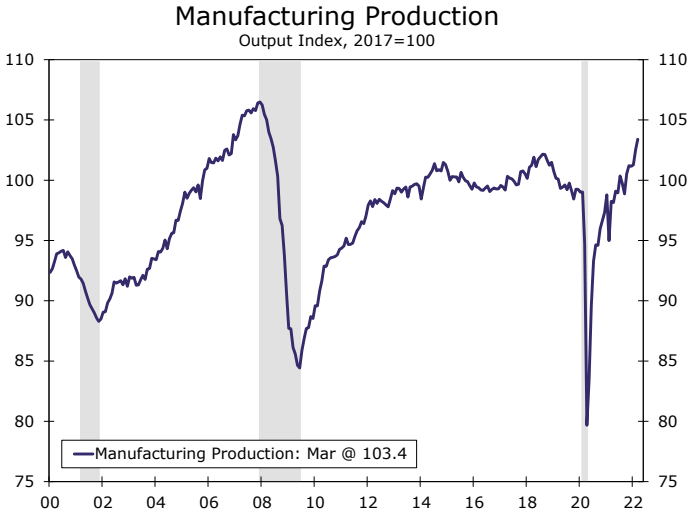
Inflation Hits Hard in March

This week's U.S. economic data were led by the largest monthly increase in the Consumer Price Index (CPI) since September 2005. About 70% of March's increase can be tied to higher energy prices following Russia's invasion of Ukraine. Prices at the pump leaped 18.3% last month on a seasonally adjusted basis, the biggest percentage increase since June 2009 when gas prices were still well-under $3 per gallon.The good news for consumers is that gasoline prices have retreated somewhat in recent weeks, but energy was not the only source of pain for households. Food at home prices jumped 1.5% in March and 10% over the past year, the latter being the largest one-year increase in grocery prices in 41 years.

The squeeze on households' from skyrocketing prices for necessities is very real. However, underneath the surface there are signs that pandemic-related inflation is beginning to ease. Core goods inflation fell by the most since April 2020, led by a decline in used auto prices, while core services inflation gathered steam amid higher prices for airfare, lodging away from home and other "reopening" categories. This rotation away from goods and toward services inflation has been long anticipated, and although widening lockdowns in China are a risk to this transition, this week's data are an encouraging sign that goods inflation is finally rolling over.



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



Source: Federal Reserve Board and Wells Fargo Economics

Retail sales data for March were also released this week, and the report highlighted the extent to which consumer spending is being pinched by faster inflation. Total retail sales increased 0.5% in March, but retail sales are reported in nominal dollars. Our inflation-adjusted retail sales estimate was -1.6%, which suggests that even as total dollar spending increased, the volume of goods and services purchased in March fell significantly. Retail sales at gasoline stations were a prime example of this phenomenon. Spending on gasoline increased 8.9% in March, but after adjusting for the nearly 20% increase in prices, sales volumes fell 7.9%. Typically, demand for gasoline is inelastic, but with the pandemic era normalizing work from home, it appears to have allowed some commuters to take advantage of that flexibility to save on gas.

Many stores saw weaker real sales during the month, but real sales were actually stronger for six retailers: auto dealers, general merchandise, nonstore, miscellaneous, electronics and sporting goods. Robust real consumer spending early in the first quarter should mean a reasonable solid print for personal consumption in the Q1 GDP figures to be reported on April 28, but the recent slowdown suggests Q2 may not be so rosy. Our current forecast looks for real consumer spending to grow at a 3.0% annualized rate in Q1 but see essentially zero real consumption growth in Q2.

Industrial production data for March rounded out the week and showed that the supply side of the economy continues to expand. Industrial output increased by 0.9% in March, and manufacturing output (which comprises about 75% of industrial production) also increased 0.9%. Like many parts of the economy, manufacturing production swooned early in the pandemic. At this point, however,

manufacturing output is above its 2018 peak and within the next year or two it may even eclipse the all-time set in 2007 (chart). This trend further reinforces our expectation that pandemic-related goods inflation will ease over the next year or so. But as mentioned previously, the ongoing lockdowns in China represent a risk to this outlook. The U.S. economy is tightly linked to the global economy, and a supply side recovery at home will not fully resolve the inflation problems if supply chains deteriorate further in major manufacturing hubs such as China. (Return to Summary)

U.S. Outlook

Weekly Domestic Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
19-Apr	Housing Starts (SAAR)	Mar	1,741K	1,741K	1,769K
20-Apr	Existing Home Sales (SAAR)	Mar	5.79M	5.82M	6.02M
21-Apr	Leading Index (MoM)	Mar	0.3%	0.1%	0.3%

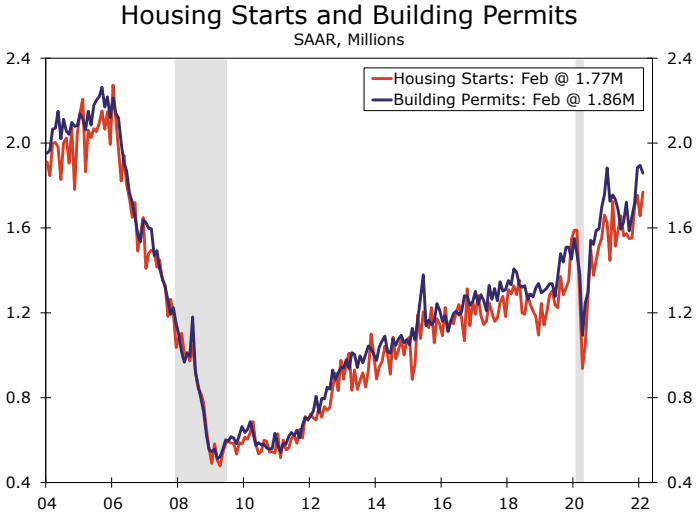
Forecast as of April 15, 2022

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

Housing Starts • Tuesday

Residential construction continues to hum, supported by a historic shortfall of homes available for sale. Housing starts jumped 6.8% to a 1.77 million-unit annual pace in February, with broad-based strength from single-family and multifamily projects. Building permits, which lead starts by one to two months, dipped 1.9% month-over-month, however. Shortages of building materials, appliances and labor have weighed on project completions, and with mortgage rates on the rise, builders are likely starting to tap the brakes on new developments.

We suspect housing starts moderated in March and forecast a 1.74 million-unit pace. Home builder confidence, as measured by the NAHB Housing Market Index, has been on the decline since the start of the year. The inability to secure critical inputs has made project timelines uncertain, all while eroding housing affordability appears set to send some prospective buyers to the sidelines. That said, builders have tremendous backlogs from the past year and apartment demand is red-hot, which together should provide a tailwind to construction in the coming months.

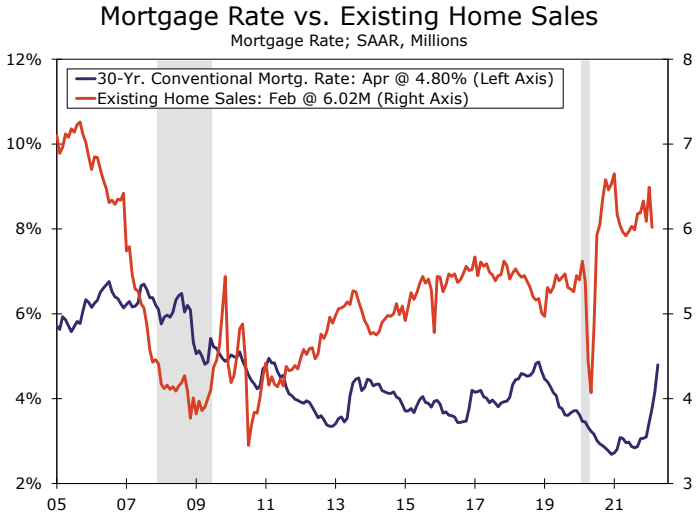


Source: U.S. Department of Commerce and Wells Fargo Economics

Existing Home Sales • Wednesday

Existing home sales fell 7.2% to a 6.02 million-unit annual pace in February, on the heels of a stronger-than-expected outturn in January. The rise in mortgage rates likely prompted buyers to pull forward purchases, which set the stage for sales to soften. Aside from higher borrowing costs, buyers are also faced with limited options. The total number of existing homes for sale was 870,000 at the end of February, near the all-time low of 850,000. With lean inventories, home prices have surged, albeit not quite to the record rates seen last year.

Existing home sales are expected to decline to a 5.82 million-unit pace in March. Pending home sales, which reflect purchase contracts and lead existing home sales by a month or two, declined for the third consecutive month in February. Higher home prices combined with rising borrowing costs are likely to challenge prospective first-time home buyers in particular and could dampen sales overall. For more on our housing outlook, please see our latest Housing Chartbook.

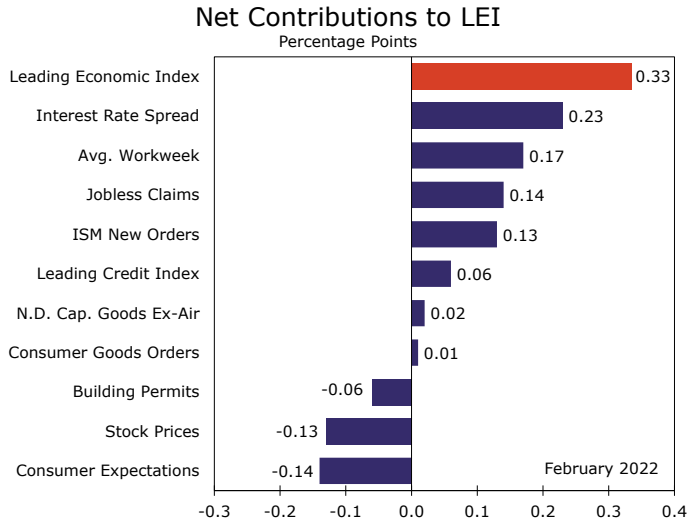


Source: National Association of Realtors, Freddie Mac and Wells Fargo Economics

Leading Economic Index • Thursday

After falling for the first time in 10 months in January, the Leading Economic Index (LEI) rebounded 0.3% in February. The interest rate spread (the spread between the yield on the 10-year Treasury and the fed funds rate) drove the bulk of February's rise, as the 10-year yield rose in anticipation of the March 16 fed funds rate hike. Elsewhere, average weekly hours in the manufacturing sector picked up over the month, as did the new orders component of the ISM manufacturing survey. Conversely, the slide in the S&P 500 alongside a slump in consumer expectations weighed on the index during February.

Looking ahead, we expect theLEI to modestly rise 0.1% in March. The 10-year yield continued to climb higher during the month, teeing up the interest rate spread to boost the headline index again. Jobless claims fell to their lowest weekly levels since 1968 last month, which will likely translate to a stronger positive contribution in March. On the other hand, we would not be surprised to see the ISM new orders contribution to reverse course, as the component fell sharply during March. Consumer expectations also softened further during the month, setting up for a larger drag in next week's report. (Return to Summary)



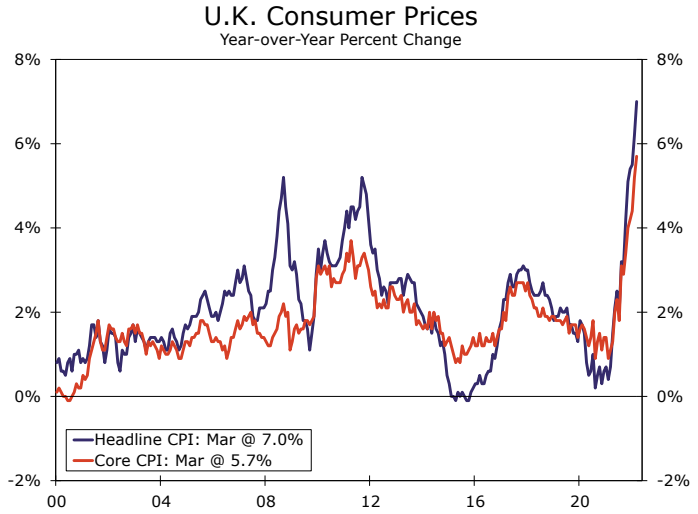
Source: The Conference Board and Wells Fargo Economics

International Review

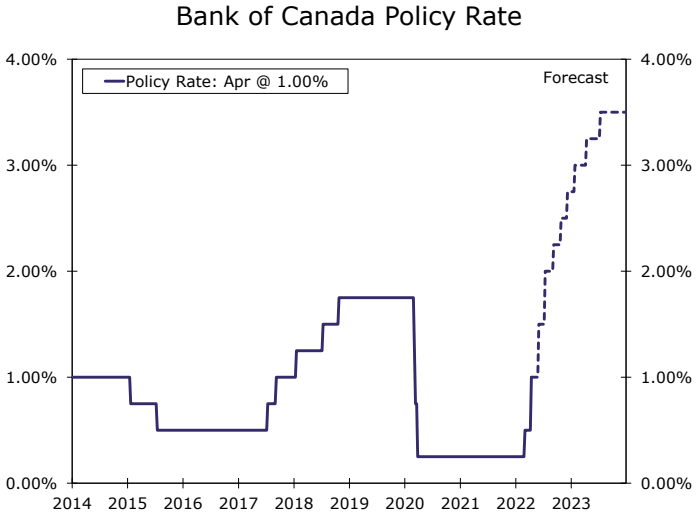
U.K. Inflation Soars While Growth Slows

Recent economic data from the United Kingdom reflected the global trend of higher inflation and slowing growth. The U.K.'s March CPI data release showed inflation pressures surged even higher last month. Headline CPI Inflation is now at a 30-year-high, quickening more than expected to 7% year-over-year. Even excluding volatile components like energy (up almost 25% year-over-year) and food, core CPI still quickened to 5.7%. In April, headline inflation is likely to accelerate even further, as another spike in energy prices is expected to take effect for consumers. The Bank of England (BoE) expects inflation to reach 8% in Q2-2022, and potentially climb even higher later this year depending on the path of energy prices. In response to persistent price pressures, we expect the BoE to increase its policy rate by 25 bps to 0.75% in May, but take a more gradual pace during the second half of this year. We forecast 25 bps increases in both August and November, which would see the policy rate end 2022 at 1.50%.

In addition to high inflation, GDP figures released this week revealed that the economy saw some deceleration in growth in February. GDP grew only 0.1% month-over-month, following a 0.8% gain in January. Several sectors demonstrated weakness; declines in industrial and manufacturing production as well as construction output in February may have reflected bad weather and supply chain issues. In addition, services growth was sluggish over the month. These figures signal some weakness in U.K. economic growth even before the effects from the Russia-Ukraine conflict began to reverberate throughout the global economy. Taking the conflict into account, growth may have decelerated even further in March.



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



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

Bank of Canada Accelerates Pace of Monetary Tightening

The Bank of Canada (BoC) continued its tightening cycle at this week's policy announcement, delivering a widely expected 50 bps rate increase, bringing the policy rate to 1.00%. In addition, the central bank announced plans to begin quantitative tightening (QT) and shrink the size of its balance sheet starting in late April by allowing maturing government bonds to roll off its balance sheet.

Some accompanying comments and economic projections added additional hawkish undertones to the BoC's announcement. The 2022 GDP growth forecast was raised to 4.2% from 4.0% previously. Importantly, the BoC anticipates growth will remain very sturdy in the near-term. There was also a marked increase in the central bank's CPI inflation forecasts. The BoC is clearly worried about the inflation outlook, estimating that the direct and indirect impacts from the war in Ukraine will add 0.7 percentage points to CPI inflation in 2022. The CPI is now expected to rise 5.3% in 2022 (compared to 4.2% previously) and by 2.8% in 2023 (2.3% previously). The Bank of Canada expects inflation to average almost 6% in the first half of this year. BoC Governor Macklem said there was a need to normalize monetary policy relatively quickly and that the central bank was prepared to move as forcefully as needed.

We expect the factors underlying the BoC's accelerated tightening to persist for the time being, and as a result, anticipate 50 bps rate hikes at the next two meetings, before the central bank reverts to a steadier 25 bps increase per meeting pace during the second half of this year. We now forecast the BoC's policy rate at 2.00% by July 2022, 2.75% by the end of this year, and 3.50% by the end of 2023.

European Central Bank Opts for a Flexible Path Forward

The European Central Bank (ECB) also delivered its monetary policy decision this week. While the central bank did not adjust its policy rates at this meeting, it announced that recent data has reinforced the expectation for net asset purchases to end in Q3-2022, and that it will reinvest Asset Purchase Programme (APP) bonds for an extended period after rate lift off. The ECB continues to expect that monthly net purchases under the APP will amount to €40 billion in April, €30 billion in May and €20 billion in June. We also expect net APP purchases of €10 billion for July, and for quantitative easing to end that month. The central bank maintained a flexible tone, saying that the Q3 calibration of net purchases will depend on incoming data and reflect an evolving assessment of the outlook. Additionally, it stated that it reserves the option to change the size and/or duration of net asset purchases if there are changes to the medium-term inflation outlook or if financing conditions become inconsistent with further progress toward the 2% target.

Commentary was somewhat more open-ended with regard to policy rates. The ECB said that rates will rise "some time" after net bond buying ends, and that any rate increases will be gradual, dependent on the path of inflation. Specifically, the statement mentioned that the ECB expects policy rates to remain at current levels until it sees inflation durably reaching 2% well ahead of its projection timeline, with underlying inflation consistent with a 2% target over the medium term. In the post-statement press conference, President Lagarde said upside risks to inflation have increased, and price pressures have become more widespread, with energy prices, the primary driver of high inflation, likely to stay elevated in the near term. This year, we see Eurozone inflation reaching 6.4%, and we forecast an initial 25 bps Deposit Rate increase to -0.25% at the ECB's September 2022 announcement. We also expect further 25 bps hikes to follow at the December 2022, March 2023 and June 2023 announcements.

Overall, the statement established a flexible stance that allows the ECB to "maintain optionality, gradualism and flexibility in the conduct of monetary policy." The ECB stressed that it is willing to take "whatever action is needed" to fulfill its price stability mandate. (Return to Summary)

International Outlook

Weekly International Indicator Forecasts

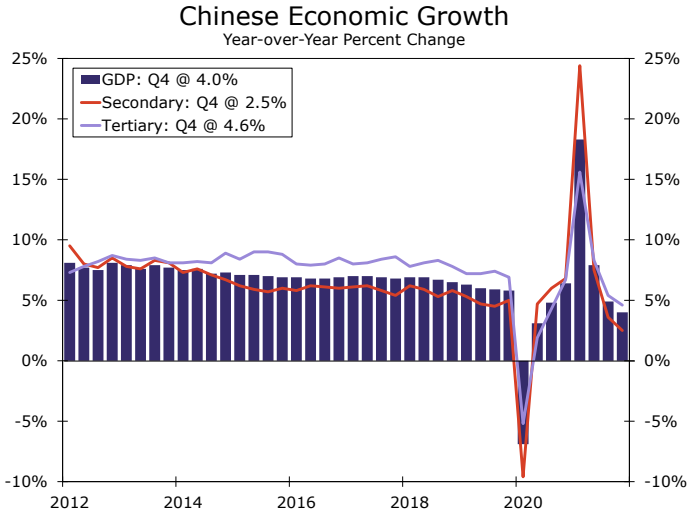
Date	Indicator	Period	Consensus	Wells Fargo	Prior
17-Apr	China GDP YoY	1Q	4.2%	--	4.0%
17-Apr	China SA QoQ	1Q	0.7%	--	1.6%
20-Apr	South Africa CPI YoY	Mar	6.0%	--	5.7%
20-Apr	South Africa CPI Core YoY	Mar	3.7%	--	3.5%
22-Apr	Eurozone Manufacturing PMI	Apr	54.7	--	56.5
22-Apr	Eurozone Services PMI	Apr	55.0	--	55.6

Forecast as of April 15, 2022

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

China GDP • Monday

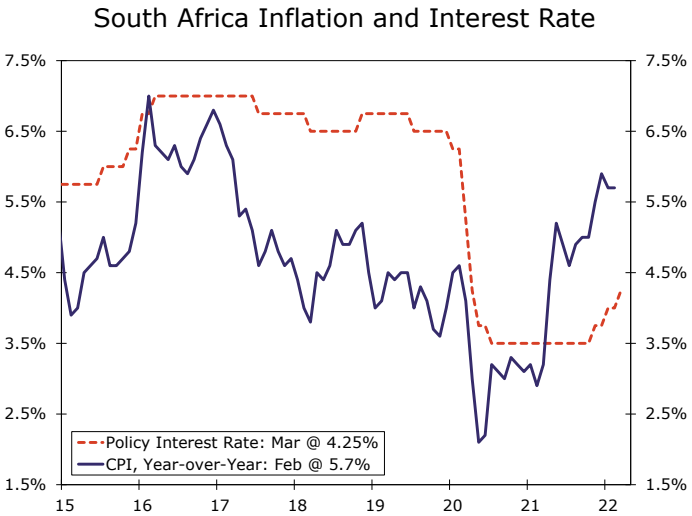
China's Q1 GDP data release next week should show the economy started the year with slower growth. As China continues to pursue its Zero-COVID policy while battling an Omicron outbreak, it has reimposed restrictions and lockdowns in multiple areas, most notably in business and technology hub Shanghai. Currently, the seven-day moving average of new cases per day hovers around 24,000, which will likely place downward pressure on economic activity as well as growth in the first half of 2022. Consensus forecasts estimate that GDP grew a seasonally-adjusted 0.7% quarter-over-quarter in Q1 on top of a 1.6% gain in Q4-2021. On a year-over-year basis, Q1 GDP is expected to have grown 4.2%. March data from sectors such as retail and industrial production are expected to show slowing momentum as well. Given the effect of new lockdowns and COVID protocols in place, we have revised our 2022 GDP forecast lower and now expect China's economy to grow less than 5% this year. With China's economy likely to decelerate, we expect People's Bank of China (PBoC) policymakers to ease monetary policy even further. In fact, the PBoC recently announced that it will lower the Reserve Requirement Ratio (RRR) for all banks by 25 bps to help bring down lending rates and support the economy.



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

South Africa CPI • Wednesday

In contrast to many economies, South Africa's has been somewhat more insulated from the global inflation shock. Even with its close connection to commodity prices, CPI inflation has so far remained within the South African Reserve Bank's (SARB) target range of 3% to 6%. Despite linkages to commodity prices, overall economic activity has been sluggish, which has potentially helped tame price growth. While the CPI had been inching closer to the central bank's upper bound the past few months, it remained within the target range in February. Headline and core CPI (ex. food and energy) were unchanged from the month prior, and remained at 5.7% and 3.5% year-over-year, respectively. In response to elevated inflation, SARB increased its policy rate by 25 bps to 4.25% at its March monetary policy meeting, with two out of five members voting in favor for a larger 50 bps increase. Additionally, the central bank raised its inflation forecast for 2022, and now sees full-year inflation averaging 5.8%, up from 4.9% previously, primarily due to higher prices for food and fuel. In March, headline and core CPI are expected to quicken to 6.0% and 3.7%, respectively. As inflation inches toward the ceiling of SARB's target range, the central bank may face pressures to tighten monetary policy at a faster rate.

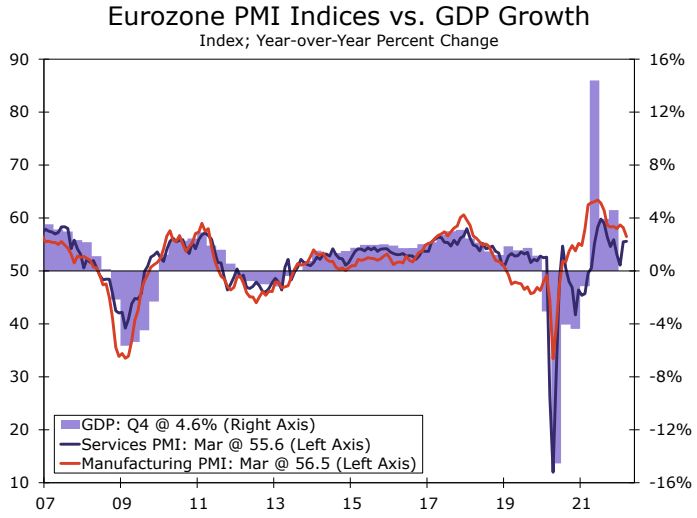


Source: Bloomberg Finance L.P. and Wells Fargo Economics

Eurozone PMIs • Friday

April PMI readings from the Eurozone should provide a glimpse at recent activity trends in the manufacturing and services sectors of the economy, and are expected show that activity in both sectors slowed in April against a backdrop of globally surging inflation and slowing growth. The consensus forecast is for the April manufacturing PMI to fall to 54.7 and the services PMI to slow to 55.0.

In March, the Eurozone PMIs showed surprising resilience, as the manufacturing PMI declined to 56.5, while the services PMI rose slightly to 55.6. However, fallout from the Russia-Ukraine conflict and elevated price pressures may have placed additional downward pressure on activity in April. Eurozone countries in particular are exposed to the conflict and higher commodity prices, as they are highly dependent on Russian oil and natural gas. As such, we recently upwardly revised our 2022 Eurozone inflation forecast for 2022, and now expect CPI inflation to average 6.4% this year, up from 5.2% previously. We expect this higher inflation to negatively impact economic activity, and recently revised our 2022 Eurozone GDP forecast down to 3.1%. Given the uncertainties associated with the Russia-Ukraine conflict as well as energy prices, risks around our Eurozone GDP forecast are tilted toward even slower growth. (Return to Summary)



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

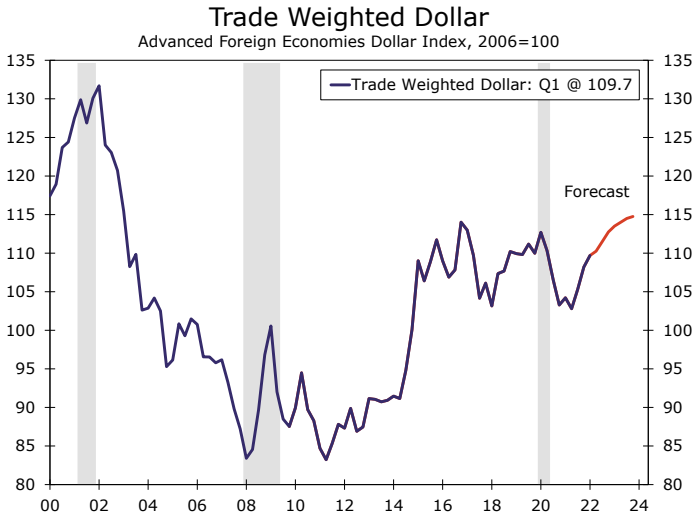
Interest Rate Watch

Foreign Central Banks Shifting into Tightening Mode

As noted in the International Review section, the Bank of Canada raised rates by 50 bps this week and the European Central Bank reaffirmed its expectation to cease purchasing assets at the end of Q3-2022. But these two major central banks were not the only monetary authorities that have tightened policy, or indicated that tighter policy is on the way, recently. Over the past two weeks, central banks in the following countries have raised rates: Chile (+150 bps), Colombia (+100 bps), Peru (+50 bps), Israel (+25 bps) and New Zealand (+50 bps). The tighter policy has been in response to rising inflation.

In short, monetary tightening is not just confined to the United States at present. Many central banks are in the process of removing policy accommodation, and this process should weigh on global GDP growth and help to rein in inflationary pressures, at least over time. As we outlined in our recent monthly U.S. Economic Outlook, we forecast that the Federal Open Market Committee (FOMC) will raise its target range for the federal funds rate by 275 bps between now and Q2-2023. Specifically, we look for 200 bps more of Fed rate hikes by the end of 2022 with another 75 bps early next year. But as noted previously, other major central banks are also pivoting to less accommodative policies. Although we do not explicitly forecast policy rates in every country in the world, we generally expect that the Fed will hike rates more than most other major central banks, with the notable exception of Canada where we look for policymakers to lift rates by a bit more than the Fed.

Higher rates in the United States relative to most other major foreign economies should continue to support the U.S. dollar *vis-á-vis* most other major currencies. Since the beginning of the year, the greenback has appreciated about 3% against the British pound and the Swiss franc, roughly 5% versus the euro and nearly 10% *vis-á-vis* the Japanese yen, on rising expectations of significant Fed tightening ahead. On a trade-weighted basis, the U.S. dollar has risen nearly 3% since the beginning of the year (see chart) and about 9% since its low last May. And as outlined in our most recent International Economic Outlook, we look for this appreciation to continue as monetary tightening in the United States outpaces that in most major foreign economies. Indeed, we look for the U.S. dollar to rise 3% to 5% more on a trade-weighted basis between now and the end of 2023. (Return to Summary)



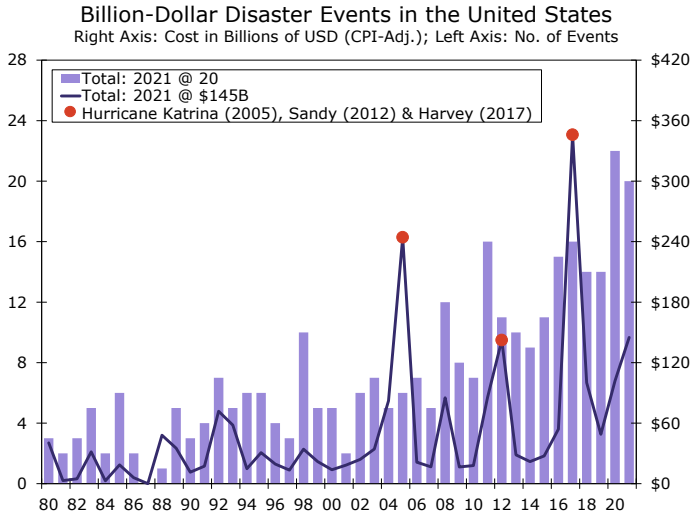
Source: Federal Reserve Board and Wells Fargo Economics

Topic of the Week

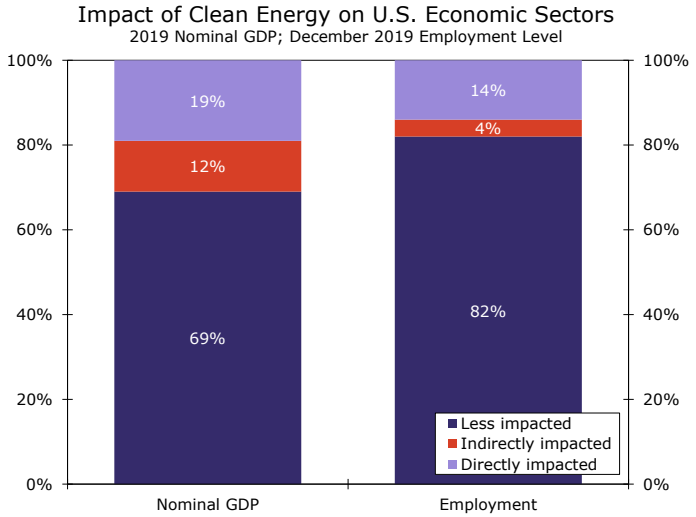
Factors to Consider for a Net Zero Carbon Economy

If corporations are to achieve net zero greenhouse gas emissions by 2050, the economy will be impacted in many ways. Our recent report contextualizes the current state of greenhouse gas emissions and considers the larger economic implications of a transition to a net zero carbon future.

Climate change can feel daunting or seem too far off, but it helps to start at the roots. Manufacturing (31%) and electricity (27%) have the largest share of emissions, followed by agriculture (19%), transportation (16%) and buildings (7%). Over half of emissions can be traced to three countries: China (30.7%), the U.S. (13.5%) and India (7.0%), while the E.U. emits 7.5%. To get to net zero, it will take a rethinking of these industries and require significant changes in how these top countries and regions operate. We are already paying for damaging the climate. Both the frequency and size of disaster events have increased in the past 40 years (chart). Besides rebuilding costs, severe weather can cause ripple effects due to extensively connected supply networks. Spikes in energy prices, as seen in recent weather disruptions such as the Texas Freeze or Hurricane Ida last year, are another cause of concern.



Source: National Centers for Environmental Information and Wells Fargo Economics



Source: U.S. Department of Commerce, Dallas Federal Reserve and Wells Fargo Economics

If avoiding costs isn't enough to shift to greener practices, there are other incentives. For one, ESG investments have become more popular. In 2021 the issuance of sustainable debt doubled, while the $17.1T invested in sustainable strategies in 2019 marked a 42% rise from two years prior. Consumers and employees are also valuing sustainability more, shown by the significant demand for electric vehicles and survey results, which found nearly 8 in 10 respondents thought it was at least "moderately important" that brands are sustainable/environmentally responsible while 71% of job seekers report environmentally sustainable companies are more attractive employers. There is a business case for embracing the transition to net zero carbon where both the planet and bottom line win.

Policy changes also matter—no business wants to be caught flat-footed by regulatory red tape or risk being outmaneuvered by competitor firms. The SEC recently proposed a new rule requiring registrants to include climate-related disclosures, which would detail firms' greenhouse gas emissions. Carbon pricing strategies are also becoming rule of law in the developed world. Fiscal support is ample, as the U.S. already has various tax credits for the adoption of clean products such as EVs and solar panels and funding for clean energy initiatives was part of the Bipartisan Infrastructure Bill ($62B) and Biden's proposed 2023 budget ($45B). It remains unclear how the United States will account for emissions, but the tide is certainly turning in favor of holding businesses responsible. The transition to net zero carbon will take time, but as with any big production overhaul, the climate revolution is sure to have its winners and losers. A study from the Dallas Fed reveals that 31% of U.S. GDP could be impacted by the transition, along with 18% of employment (chart). The transition also presents opportunity for innovative solutions and the world will need investments to make it happen. As firms make progress toward their net zero carbon pledges, we will have much more to explore. (Return to Summary)

Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 4/15/2022	1 Week Ago	1 Year Ago
SOFR	0.29	0.30	0.01
3-Month LIBOR	1.04	0.99	0.18
3-Month T-Bill	0.75	0.68	0.01
1-Year Treasury	1.58	1.62	0.02
2-Year Treasury	2.45	2.51	0.16
5-Year Treasury	2.79	2.75	0.82
10-Year Treasury	2.83	2.70	1.58
30-Year Treasury	2.91	2.72	2.27
Bond Buyer Index	3.48	2.73	2.30

Foreign Exchange Rates

	Friday 4/15/2022	1 Week Ago	1 Year Ago
Euro ($/€)	1.081	1.088	1.197
British Pound ($/£)	1.306	1.303	1.379
British Pound (£/€)	0.827	0.835	0.868
Japanese Yen (¥/$)	126.490	124.340	108.760
Canadian Dollar (C$/$)	1.261	1.257	1.254
Swiss Franc (CHF/$)	0.943	0.934	0.923
Australian Dollar (US$/A$)	0.740	0.746	0.775
Mexican Peso (MXN/$)	19.972	20.046	19.939
Chinese Yuan (CNY/$)	6.372	6.365	6.523
Indian Rupee (INR/$)	76.180	75.760	75.055
Brazilian Real (BRL/$)	4.701	4.754	5.654
U.S. Dollar Index	100.508	99.796	91.671

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

Foreign Interest Rates

	Friday 4/15/2022	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	-0.58	-0.59	-0.57
3-Month Sterling LIBOR	1.11	1.06	0.09
3-Month Canada Banker's Acceptance	1.52	1.40	0.44
3-Month Yen LIBOR	-0.01	0.00	-0.07
2-Year German	0.05	-0.01	-0.69
2-Year U.K.	1.56	1.47	0.06
2-Year Canadian	2.42	2.37	0.25
2-Year Japanese	-0.06	-0.08	-0.12
10-Year German	0.84	0.68	-0.26
10-Year U.K.	1.89	1.73	0.80
10-Year Canadian	2.76	2.58	1.53
10-Year Japanese	0.24	0.23	0.09

Commodity Prices

	Friday 4/15/2022	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	106.95	96.03	63.15
Brent Crude ($/Barrel)	111.70	100.58	66.58
Gold ($/Ounce)	1974.47	1947.54	1763.95
Hot-Rolled Steel ($/S.Ton)	1480.00	1552.00	1380.00
Copper (¢/Pound)	472.35	469.95	412.85
Soybeans ($/Bushel)	16.80	16.87	14.25
Natural Gas ($/MMBTU)	7.30	6.36	2.62
Nickel ($/Metric Ton)	33,144	33,700	16,335
CRB Spot Inds.	684.20	682.30	566.10

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