WELLS FARGO

Weekly — August 12, 2022

Weekly Economic & Financial Commentary

United States: **What Shall We Do Now?**

- Piecing together the implications of this week's softer-than-expected inflation data with last week's blowout nonfarm payroll report for the Fed's policy path is top of mind for many. The FOMC has made it clear that it needs to see inflation slowing on a *sustained* basis before pivoting from its current stance.
- Next week: Housing Starts (Mon.), Retail Sales (Tues.), Industrial Production (Tues.)

International: **Lower U.S. CPI Fuels International Financial Markets**

- The U.S. dollar broadly sold off against foreign currencies, particularly emerging market currencies this week. Currencies across Latin America and EMEA rallied in the immediate aftermath of the July U.S. CPI print and sustained those gains over the second half of the week.
- Next week: Canada CPI (Tues.), German ZEW Survey (Tues.), U.K. CPI (Wed.)

Interest Rate Watch: **The Great Flattener**

- On Tuesday of this week, the spread between the two-year Treasury yield and the 10-year Treasury yield reached -50 bps, the largest inversion between the two securities since 2000. What is driving this move, and what does it tell us about future economic conditions?

Credit Market Insights: **Running a Tight Ship**

- The Fed released its Senior Loan Office Opinion Survey for Q2-2022 last week. Surveyed banks pointed to the beginnings of tightening in lending standards and plans to continue to tighten throughout the rest of the year. Demand for credit card loans rose as consumers continue to spend amid blazing inflation.

Topic of the Week: **Mind the Gap: New Evidence Suggests Early Emergence of Gender Wage Gap**

- Recent data released by the Department of Education suggests the gender wage gaps form almost immediately upon workforce entry. These findings provide color and insight into our continuously evolving understanding of wage disparities among gender.

Wells Fargo U.S. Economic Forecast

	Actual				Forecast				Actual		Forecast	
	2021				2022				2020	2021	2022	2023
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Real Gross Domestic Product [1]	6.3	6.7	2.3	6.9	-1.6	-0.9	2.4	0.0	-3.4	5.7	1.7	-0.4
Personal Consumption	11.4	12.0	2.0	2.5	1.8	1.0	2.0	-0.6	-3.8	7.9	2.3	-0.1
Consumer Price Index [2]	1.9	4.8	5.3	6.7	8.0	8.6	8.2	7.2	1.2	4.7	8.0	3.5
"Core" Consumer Price Index [2]	1.4	3.7	4.1	5.0	6.3	6.0	6.2	6.1	1.7	3.6	6.2	4.2
Quarter-End Interest Rates [3]												
Federal Funds Target Rate	0.25	0.25	0.25	0.25	0.50	1.75	3.25	4.00	0.50	0.25	2.38	3.63
Conventional Mortgage Rate	3.17	3.02	2.88	3.11	4.42	5.81	5.20	5.25	3.12	2.95	5.17	4.83
10 Year Note	1.74	1.45	1.52	1.52	2.32	2.98	3.05	3.15	0.89	1.45	2.88	2.86

Forecast as of: August 11, 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

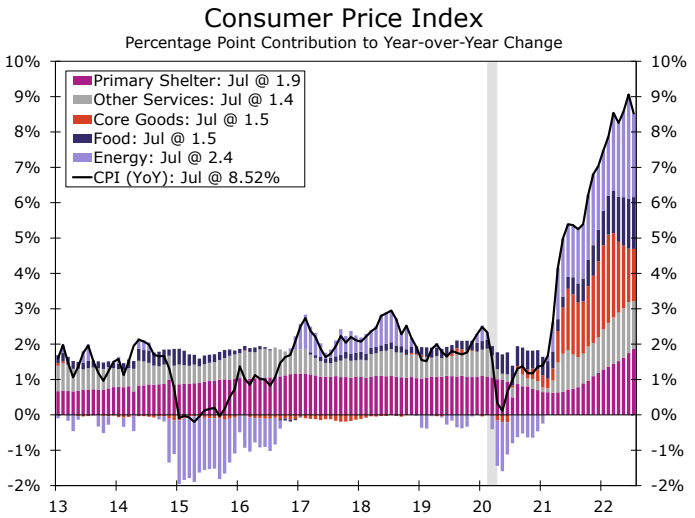
Please see our full U.S. Economic Forecast and our updated Pressure Gauge.

U.S. Review

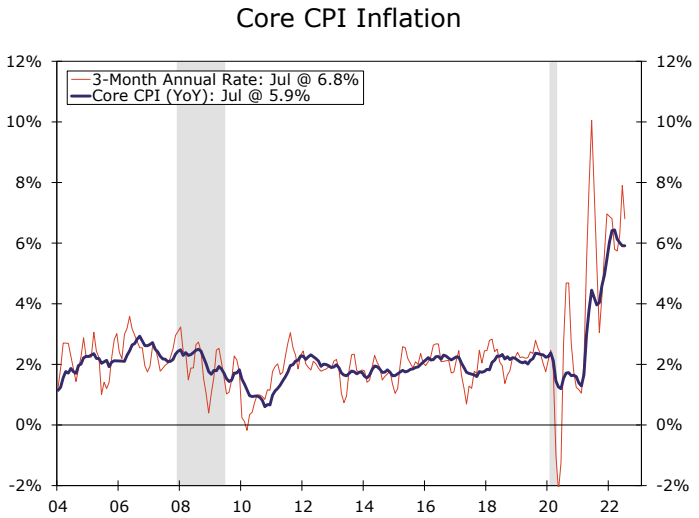
What Shall We Do Now?

Consumers are finally seeing some price relief. The Consumer Price Index surprised to the downside in July, with the headline coming in flat over the month—the smallest monthly change since May 2020. A steep decline in gasoline prices was the major driver of the headline miss. Since the beginning of July, the price per gallon of regular gas has fallen around 80 cents. Unlike energy, food inflation continued on its torrid path higher. Prices for food at home rose 1.3% in July, pushing the year-over-year change to 13.1%, the highest rate since 1979.

Excluding food and energy, the core CPI rose 0.3%. Core goods prices rose 0.2%, a noticeable step down from its 0.8% increase in June. Modest declines in education & communication goods and apparel dragged the category down, while medical care goods, furniture and alcoholic beverages each came in stronger than the prior month. Meanwhile, core services rose a weaker-than-expected 0.4%. Transportation services contracted, with notable declines in airfare (-7.8%) and rental vehicles (-9.5%). That said, shelter continued to show strength, with rent (0.7%) and owners equivalent rent (0.6%) rising in July. We do not anticipate a peak in the shelter component of the CPI, which comprises roughly 30% of the overall index, until later this year or early next.



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



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

Piecing together the implications of this week's softer-than-expected inflation data with last week's blowout nonfarm payroll report for the Fed's policy path is top of mind for many. The FOMC has made it clear that it needs to see inflation slowing on a *sustained* basis before pivoting from its current stance. This week's CPI report is a step in the right direction, but we believe the FOMC will err on the side of caution and not take its foot off the pedal until it sees broader signs of an inflation slowdown. The soft July price data are not enough on their own to call for less aggressive Fed action, as there are still signs the descent in inflation may be slow. Rent growth has only started to cool and labor costs continue to rise at a lofty pace.

The latest productivity data for Q2 point to worse growth since the pandemic, with nonfarm productivity plummeting at a 4.2% annualized pace in Q2 on the heels of a 7.4% decline in Q1. Unit labor costs (ULC), the productivity-adjusted cost of labor, rose at a 10.8% annualized pace in Q2, the second straight quarter of double-digit gains. Essentially, businesses are paying workers more to produce less. With labor as one of the biggest expenses for many businesses, higher operating costs are making it difficult for businesses to set competitive prices. More broadly, the rapid rate at which employers continue to hire, and the still-elevated number of small businesses that report plans to raise compensation, suggest there may be further pressure in the pipeline for labor costs. Labor costs tend to be a stickier source of inflation and the Fed is taking note of these continued pressures.

Ultimately, the July consumer price data are just one data point. When we consider the downward miss against the backdrop of significant upside surprises the prior two months, the July data does not yet leave inflation on materially lower footing (chart). What's more, consumer expectations for medium

to longer-term inflation moved higher to 3.0% in early August and are back toward the upper-end of the past decade's range. As such, we continue to expect the Fed to tighten policy until it sees wage growth subside and inflation moving meaningfully lower. Specifically, we see the FOMC raising rates by 75 bps at its September monetary policy meeting, followed by a 50 bps hike in November and 25 bps in December. By year-end, that would lift the target range of the federal funds rate to 3.75%-4.00%. (Return to Summary)

U.S. Outlook

Weekly Domestic Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
16-Aug	Housing Starts (SAAR)	Jul	1537K	1516K	1559K
16-Aug	Industrial Production (MoM)	Jul	0.3%	0.3%	-0.2%
17-Aug	Retail Sales (MoM)	Jul	0.2%	-0.1%	1.0%
18-Aug	Existing Home Sales (SAAR)	Jul	4.86M	4.82M	5.12M
18-Aug	Leading Index (MoM)	Jul	-0.5%	-0.5%	-0.8%

Forecast as of August 12, 2022

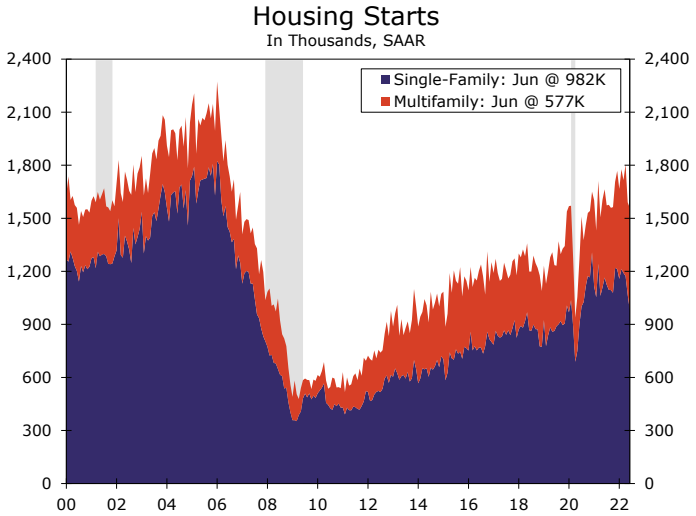
Source: Bloomberg Finance L.P. and Wells Fargo Economics

Housing Starts & Building Permits • Tuesday

One of the most visible manifestations of the Federal Reserve's rate hikes is the slowing effect that it has had on residential construction activity. This is as evident in the survey data as it is in hard measures like new construction starts and applications for building permits. Fresh data on all of these measures will be released on Tuesday.

The NAHB index of builder confidence has shed 29 points so far this year, and aside from a brief period during the onset of the pandemic, this measure is lower now than at any point since 2015. It fell eight points in July to 55; another eight-point drop in August would mean more builders see conditions as bad rather than good. Housing starts are down 13% since May with most of the weakness in multifamily.

Building permits fell in two out of the past three months and are down more than 10% from the start of the year. Tuesday's numbers for this leading indicator will be closely watched by anyone interested in how the construction business is holding up amid higher interest rates.



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

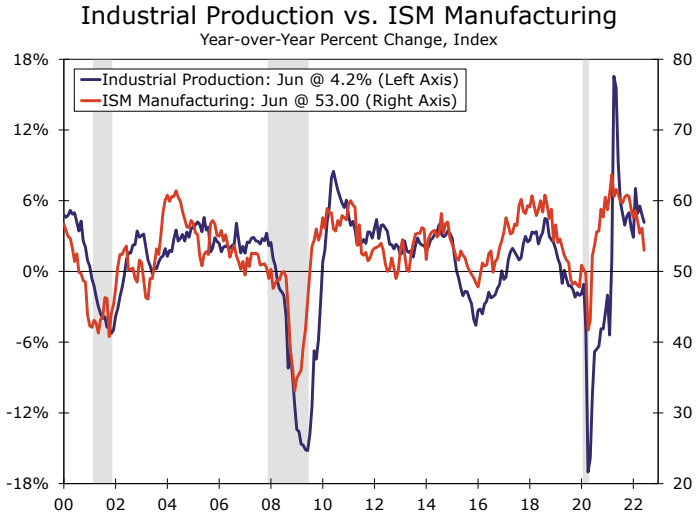
Industrial Production • Tuesday

Industrial production lost momentum in May, and it declined in June. Total industrial production fell 0.2% in June despite expectations for a modest gain.

Factory output is mostly to blame with a 0.5% decline in each of the past two months. This all happened fast; from an all-time high in April, the level of manufacturing output is now back to 2018 levels.

Activity in the larger manufacturing sector remains under pressure as evident in the July ISM manufacturing index, which had mixed signals. The new orders component slipped further into contraction territory as production cooled although prices paid fell sharply.

Supply problems are less bad; the supplier delivery component fell to 55.2, the lowest since before COVID. We have long held the view that a more sustainable growth trajectory for manufacturing may be warranted today even as activity remains under pressure amid higher material and borrowing costs. Recent data have made that a tougher story to tell.



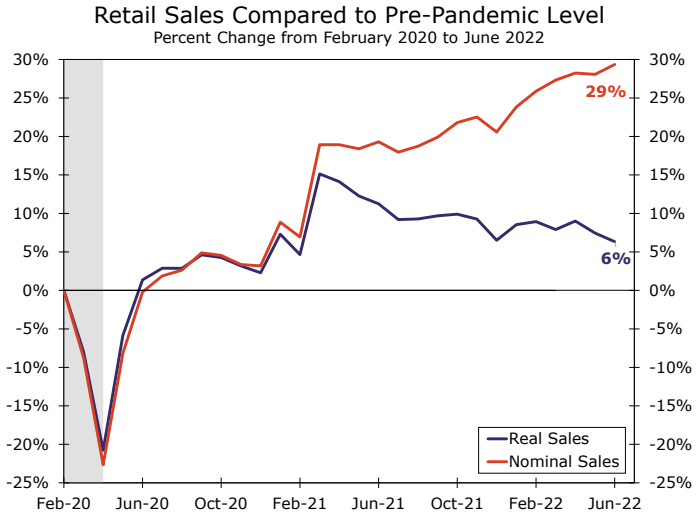
Source: Federal Reserve Board, ISM and Wells Fargo Economics

Retail Sales • Wednesday

A theme in our consumer coverage lately has been that people are paying more but getting less. That was certainly evident in the June retail sales report that showed the total dollar amount of retail sales grew 1.0%, which topped consensus estimates, but after applying our inflation adjustment, we estimate that real retail sales actually *fell* by 1.0%.

Continued moderation in real goods consumption should help alleviate pressure on supply chains and contribute to a decline in goods inflation. Ultimately, that is what the Fed is trying to achieve: slower demand to bring down inflation. But with real retail sales still more than 6% above pre-pandemic levels through June, we expect more tightening yet before demand meaningfully declines to facilitate a reprieve in goods prices.

Even if retail sales stumbled in July, as long as services demand holds up, which high-frequency indicators suggest is the case, PCE can remain positive in the third quarter. We expect spending to contract in the fourth quarter. (Return to Summary)

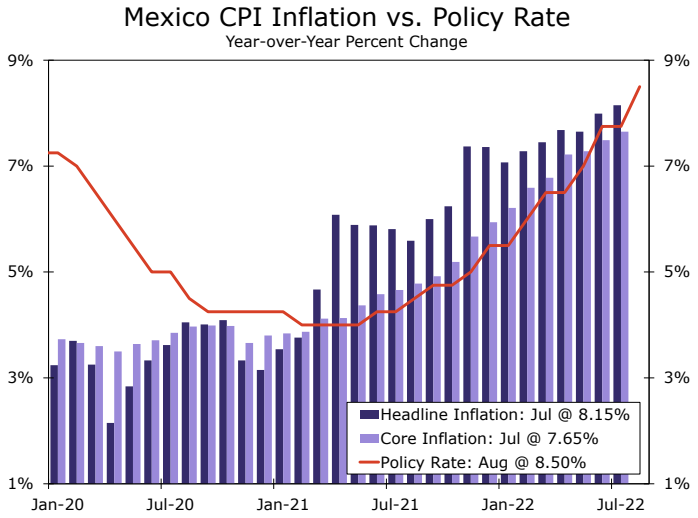


Source: U.S. Department of Commerce and Wells Fargo Economics

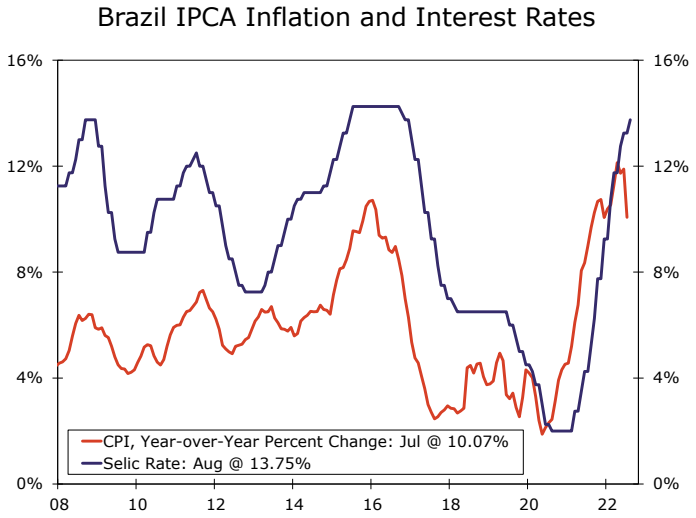
International Review

Lower U.S. CPI Fuels International Financial Markets

As mentioned, this week was punctuated by a sharper-than-expected slowdown in U.S. inflation. Arguably, inflation and monetary policy have been the greatest drivers of financial markets over the course of this year. So, when inflation dipped sharply in July, market participants started to price the idea that the Federal Reserve could slow the pace of interest rate hikes going forward. This Fed repricing fueled risk assets higher this week, especially some of the more risk- and Fed-sensitive currencies. To that point, the U.S. dollar broadly sold off against foreign currencies, particularly emerging market currencies. Currencies across Latin America and EMEA rallied in the immediate aftermath of the July U.S. CPI print and sustained those gains over the second half of the week. The risk rally extended to international equities as well. Equity prices across Europe and the emerging markets pushed higher and continued to recover losses experienced earlier this year. As far as currency markets, we expect the dollar to stabilize and push higher in the coming months; however, we do acknowledge the possibility that financial markets could be hitting peak interest rates as inflation shows signs of cooling in the U.S. and other countries around the world. We currently forecast the dollar to peak in Q1-2023; although if peak hawkishness has been achieved, the greenback could soften earlier than we expect and foreign currencies could extend their current rally.



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



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

Mexico Shifts to Data Dependent

This week, the Central Bank of Mexico met to assess monetary policy conditions. As expected, policymakers lifted the Overnight Rate 75 bps to 8.50% in a unanimous decision. While the actual interest rate decision was widely expected, the forward guidance policymakers would deliver was more uncertain leading into the meeting. As it turns out, Banxico members took a page from the Fed and other G10 central banks and shifted their stance to provide less explicit forward guidance. In that sense, policymakers essentially said they would assess how conditions, particularly local inflation, evolve and base their monetary policy decisions without a pre-set path for interest rates. We interpret this shift as modestly dovish as we feel this language opens the door to a slower pace of rate hikes going forward. While we believe another 75 bps rate hike makes sense as inflation remains elevated, policymakers gave themselves a chance to be flexible at future monetary policy meetings.

Banxico is not the only emerging market central bank to shift toward data dependency. Last week, Brazilian Central Bank policymakers opted for a flexible approach to monetary policy as inflation appears to have topped out. To that point, July CPI in Brazil came down sharply amid energy tax reductions, which could provide BCB policymakers with the justification to end its tightening cycle in the near future. Going forward, we expect more institutions to provide less forward guidance and adopt a "wait and see" approach to interest rates. In our view, a shift toward data dependency for many central banks would be a shift in a dovish direction and could signal the beginning of the end to tight monetary policy. (Return to Summary)

International Outlook

Weekly International Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
16-Aug	Canada CPI NSA (MoM)	Jul	--	-0.4%	0.7%
16-Aug	Canada CPI NSA (YoY)	Jul	--	7.0%	8.1%
16-Aug	Germany ZEW Expectations	Aug	-53.8	--	-53.8
16-Aug	Germany ZEW Current Situation	Aug	-48.0	--	-45.8
17-Aug	UK CPI (MoM)	Jul	0.4%	0.4%	0.8%
17-Aug	UK CPI (YoY)	Jul	9.8%	9.9%	9.4%

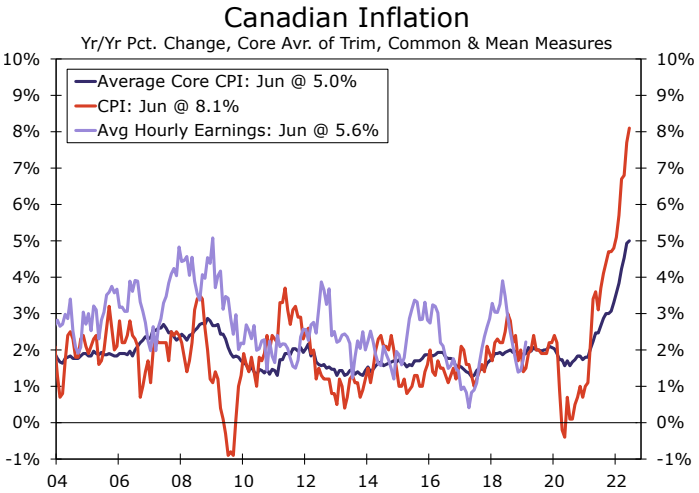
Forecast as of August 12, 2022

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

Canada CPI • Tuesday

Inflation has gotten a fair amount of attention this week; however, price growth should stay top of mind next week as Canada reports July CPI data. Canada's June CPI topped 8% year-over-year, one of the highest paces of price growth on record and the highest since the early 2000s. Similar to the U.S., lower energy prices over the course of July should contribute to a softer CPI reading in July, while Bank of Canada rate hikes should also start to have an impact on slowing price growth.

In our view, the July CPI softened to around 7% year-over-year. We expect lower oil and natural gas prices to play a significant role in slower inflation, although aggressive BoC monetary tightening should also be starting to contribute to softer inflation. While CPI is likely to head lower, we believe BoC policymakers will continue raising policy rates at their next meeting. Granted, we expect the BoC to slow its pace of tightening in September and for policymakers to raise interest rates "only" 50 bps, down from the 100 bps rate hike in July.

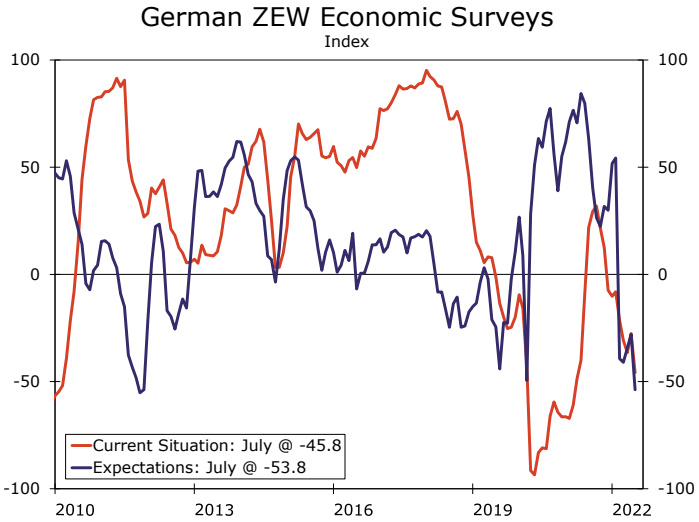


Source: Bloomberg Finance L.P. and Wells Fargo Economics

German ZEW Surveys • Tuesday

In Germany, survey data have typically been a reliable indicator of economic activity, which places a notable amount of importance on the August ZEW surveys to be released next week. The ZEW surveys look to capture sentiment regarding the current state of the German economy as well as where consumers and manufacturers believe the economy is headed in the future. For the most part, the current situation and expectations surveys trend in the same direction and are indicative of overall economic activity across Germany.

As of July, both the current situation and expectations indices are in negative territory, consistent with a sharp slowdown in the German economy. Indeed, these surveys have been in negative territory for months now and were leading indicators for an underwhelming Q2-2022 GDP print. The August surveys are forecast to drop further into negative territory. The expectations survey is likely to slip below levels last seen in March 2020, while the current situation index is expected to fall further. We would interpret these survey data as evidence the German economy, and broader Eurozone economy, could be headed toward recession in the very near future.

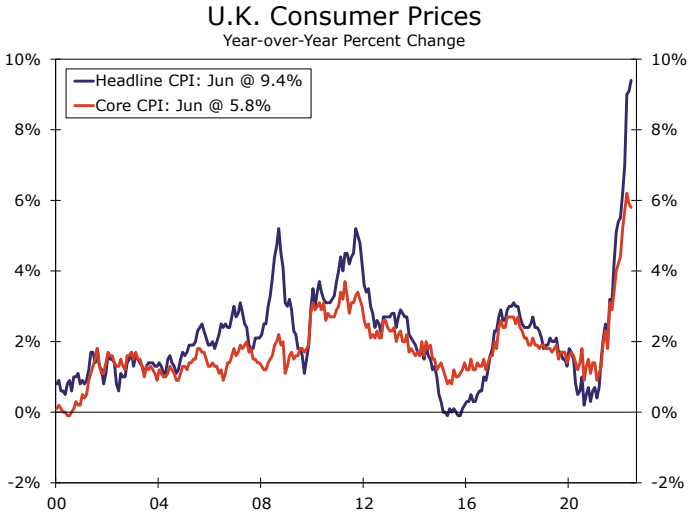


Source: Bloomberg Finance L.P. and Wells Fargo Economics

U.K. CPI • Wednesday

U.K. inflation is currently the highest on record, with the June CPI hitting 9.4% year-over-year. While core inflation dipped slightly in June, the core CPI is running close to 6% year-over-year, a signal of broad price pressures across the entire economy. Around the world, we have gotten preliminary evidence that inflation may be peaking; however, those dynamics may not apply to U.K. CPI. Contrary to the U.S., we believe U.K. inflation rose in July and the British economy has not yet experienced peak inflation.

We believe U.K. CPI is likely to trend closer to 10% when data are released next week. European energy prices continue to move higher as a result of limited exports from Russia and supply shortages across the continent. As inflation rockets higher, we believe the U.K. economy will be one of the first major economies to tip into recession by the end of this year. Q2 GDP data reveal the recession may be imminent as the economy contracted in the second quarter. Bank of England policymakers also forecast a recession lasting through 2023 due to energy shortages and more aggressive tightening. (Return to Summary)



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

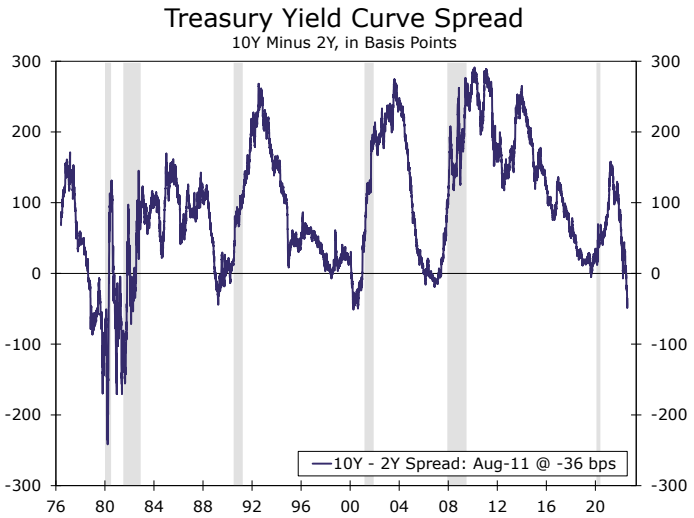
Interest Rate Watch

The Great Flattener

On Tuesday of this week, the spread between the two-year Treasury yield and the 10-year Treasury yield reached -50 bps, the largest inversion between the two securities since 2000. Since then, the 2s/10s Treasury curve has steepened somewhat, although it remains deeply negative. What is driving this move, and what does it tell us about future economic conditions?

An inverted curve is often treated as an ominous sign for the economy. When the curve is inverted, it generally implies that markets expect short-term interest rates to be higher in the near term than they will be over the medium to longer run. This, in turn, suggests that the Federal Reserve might eventually need to reduce its policy rate in response to a weakening economy.

At present, markets are priced for an outcome along those lines. In the near term, markets are priced for the FOMC to continue increasing the federal funds rate as the central bank combats high inflation. As of this writing, markets are priced for roughly 63 bps of tightening at the September FOMC meeting and 130 bps of cumulative tightening by March 2023. However, by mid-2023, financial markets are priced for the Federal Reserve to start modestly *reducing* its policy rate back toward a more neutral level of 2.50% or so.



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

In the late 1970s/early 1980s when Paul Volcker's Federal Reserve was combating even higher inflation than exists today, the 2s/10s Treasury curve was inverted by more than 200 bps at its deepest point (chart). At that time, the policies adopted by the FOMC pushed the federal funds rate up to 20% in order to short circuit the inflationary pressures of the period. Shortly thereafter, a deep recession took hold, inflation receded and the FOMC eventually began reducing short-term interest rates.

In our view, it is highly unlikely that a 20% federal funds rate and such a deep recession lies ahead in 2023. That said, the general narrative told by the yield curve is consistent with our base case forecast. We look for the FOMC to continue tightening policy in the near term, and we expect this restrictive stance of monetary policy to produce a mild recession in 2023. Eventually, we expect the FOMC to start cutting the fed funds rate after inflation is in check, and once markets more fully price that in, the yield curve should begin to steepen out again. (Return to Summary)

Credit Market Insights

Running a Tight Ship

The Fed released its Senior Loan Office Opinion Survey for Q2-2022 last week. Observations from banks concerning lending standards and demand for a variety of types of loans over the past three months are included in this survey. Survey respondents answered questions about loans made to businesses and consumers alike.

Loans to Firms

Data from banks concerning loans made to businesses, also known as Commercial and Industrial (C&I) loans, can tell us how banks are feeling about extending credit to firms as well as how much demand there is for these loans. Firms use C&I loans to finance capital expenditures or other projects. The trend of easier standards for C&I lending was reversed in Q2, with about a quarter of banks reporting tighter lending standards to all business types. Most of this tightening came in the form of steeper premiums for riskier loans. What were the primary reasons behind the tightening? "Less favorable or more uncertain outlook" takes the cake, with 96.8% of respondents citing this, either as a somewhat or very important consideration. A reduced tolerance for risk also came up often, which ties in with the looming sense of economic uncertainty. Another form of lending to firms that saw tightening over the past quarter was commercial real estate (CRE) lending; CRE loan demand also pulled back.

Loans to Households

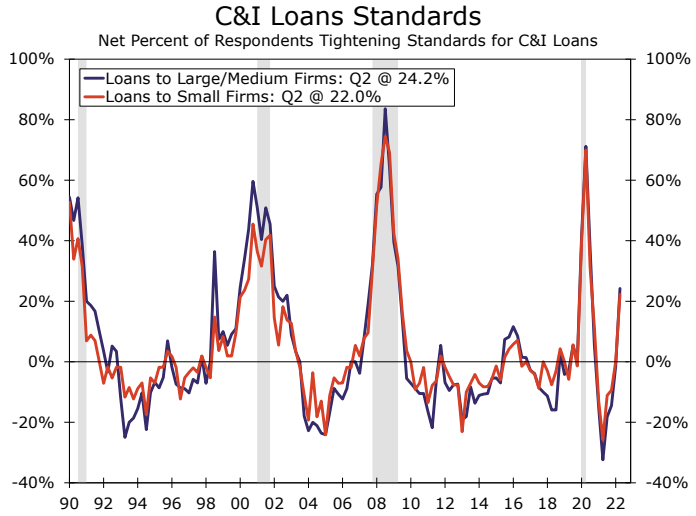
Lending to households mainly comes in two categories: residential real estate lending and consumer lending. In each sub-category of residential real estate lending, about half of banks surveyed reported moderately weaker demand for mortgages. Concurrently, housing starts have declined sharply in the past couple of months, with June offering the slowest pace in the metric since September 2021. This reflects a dwindling desire for new housing projects, and this survey data bolsters that story. While construction projects do not necessarily begin right after loans originate, the broader contours of this sector point to weakening demand for homes and fewer housing projects being started. Higher mortgage rates have strained buyers and made it more difficult for homes to be sold, in turn, allowing home inventories to rise. Home builders have tapped the brakes in response.

Data from the consumer lending realm may help us to gain clarity on how consumers are financing their purchases in the face of blaring inflation and, subsequently, eroding purchasing power. Real average weekly earnings were down 3.6% year-over-year in July. So, where do consumers turn to finance their purchases? Credit cards. Roughly one quarter of banks surveyed noted moderately stronger demand for credit card loans over the past three months. Meanwhile, consumer demand for other types of loans, such as auto or residential real estate loans, has been weaker. Lending standards remained mostly unchanged for consumer loan categories and unchanged or tighter for most residential real estate lending.

Expectations

Banks expect that their lending standards will tighten at least somewhat over the latter half of 2022. Over 50% of banks surveyed about expectations for C&I loans to large and middle-market firms cited expectations for moderate tightening. When asked about standards for approving credit card loans, roughly 20% of bank respondents pointed to expectations for some form of tightening, and several banks cited inflation as a top reason. More specifically, banks expressed concern over borrowers' ability to service their debt due to higher inflation. If banks tighten lending standards as 2022 progresses, this may pose a challenge for consumers who are looking to finance their spending through the use of credit card loans.

Overall, the survey revealed a budding concern about inflation and general economic conditions. As such, lenders are starting to tighten up their practices in response. We will continue to monitor consumer and firm borrowing amid blazing inflation and an impending recession that we forecast to begin in early 2023. (Return to Summary)



Source: Federal Reserve Board and Wells Fargo Economics

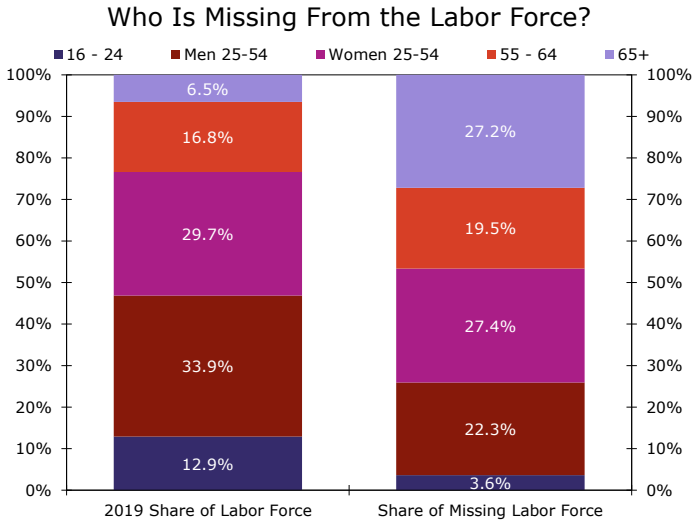
Topic of the Week

Mind the Gap: New Evidence Suggests Early Emergence of Gender Wage Gap

The gender wage gap is not a new phenomenon, but recent data released by the Department of Education suggest it begins sooner than previously thought. The data cover about 1.7 million undergraduate and graduate students from over 2,000 universities who received federal aid and graduated in 2015 and 2016. The results demonstrate pay gaps form almost immediately upon workforce entry: The median pay for men exceeded the pay for women three years after graduation in nearly 75% of the undergraduate and graduate programs studied. In almost half of these programs, male median earnings were greater than women by 10% or more.

While the data do not account for factors such as students who do not receive student loans or the possibility of recipients of the same degrees migrating toward different career paths, it still reveals early-career pay disparities across a range of fields. Even in female-dominated areas, such as teaching, most programs had higher median earnings for men at every degree level.

This data provide important context in the discussion behind the gender wage gap. Past research suggests that pay gaps emerge later in women's careers: popular theories include the motherhood penalty, gender differentiation in self-promotion and women's inclination to pursue lower-paying career paths. Childcare has been especially emphasized in the gender pay disparity. As we detailed in a past report, women are more likely to exit the workforce or reduce work hours because of childcare responsibilities. This disproportionately affects women's wages in comparison to men's, as they are exposed to lower salaries or missed promotions due to time taken off. But this newly released data suggest greater complexity to the issue.



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

These findings are particularly important today when considering the disproportionate effects COVID-19 had on women's participation in the labor force. Nearly one million more women than men lost employment in the initial pandemic-related layoffs, and prime-age women took longer to return to the workforce. The decline in employment likely further aggravated the wage gap by reducing the financial incentive to return to the job market post-pandemic. Labor force participation of prime-age women is still almost 0.6% below pre-pandemic levels, and this group represents the largest share of the missing labor force today (chart).

These new data provide color to our continuously evolving understanding of wage disparities and are particularly important in the context of today's tight labor market where many businesses report still-difficult conditions finding qualified labor. Addressing the wage gap may help. (Return to Summary)

Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 8/12/2022	1 Week Ago	1 Year Ago
SOFR	2.28	2.29	0.05
3-Month LIBOR	2.91	2.86	0.12
3-Month T-Bill	2.53	2.47	0.04
1-Year Treasury	3.04	2.93	0.06
2-Year Treasury	3.25	3.23	0.22
5-Year Treasury	2.97	2.96	0.82
10-Year Treasury	2.85	2.83	1.36
30-Year Treasury	3.13	3.07	2.00
Bond Buyer Index	3.27	3.21	2.14

Foreign Exchange Rates

	Friday 8/12/2022	1 Week Ago	1 Year Ago
Euro ($/€)	1.025	1.018	1.173
British Pound ($/£)	1.212	1.207	1.381
British Pound (£/€)	0.846	0.843	0.850
Japanese Yen (¥/$)	133.600	135.010	110.410
Canadian Dollar (C$/$)	1.279	1.293	1.253
Swiss Franc (CHF/$)	0.943	0.962	0.923
Australian Dollar (US$/A$)	0.710	0.691	0.734
Mexican Peso (MXN/$)	19.881	20.404	19.965
Chinese Yuan (CNY/$)	6.743	6.762	6.480
Indian Rupee (INR/$)	79.655	79.249	74.256
Brazilian Real (BRL/$)	5.088	5.164	5.253
U.S. Dollar Index	105.776	106.621	93.035

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

Foreign Interest Rates

	Friday 8/12/2022	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	-0.58	-0.59	-0.57
3-Month Sterling LIBOR	2.12	2.02	0.07
3-Month Canada Banker's Acceptance	3.59	3.54	0.44
3-Month Yen LIBOR	-0.01	-0.01	-0.10
2-Year German	0.61	0.48	-0.75
2-Year U.K.	2.05	1.97	0.16
2-Year Canadian	3.25	3.25	0.46
2-Year Japanese	-0.08	-0.10	-0.12
10-Year German	0.99	0.96	-0.46
10-Year U.K.	2.11	2.05	0.60
10-Year Canadian	2.77	2.74	1.26
10-Year Japanese	0.19	0.17	0.03

Commodity Prices

	Friday 8/12/2022	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	92.36	89.01	69.09
Brent Crude ($/Barrel)	98.02	94.92	71.31
Gold ($/Ounce)	1796.91	1775.50	1752.90
Hot-Rolled Steel ($/S.Ton)	812.00	818.00	1880.00
Copper (¢/Pound)	365.05	355.20	436.00
Soybeans ($/Bushel)	15.31	15.77	13.75
Natural Gas ($/MMBTU)	8.77	8.06	3.93
Nickel ($/Metric Ton)	23,585	22,137	19,344
CRB Spot Inds.	611.15	603.58	620.45

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