Weekly — October 20, 2023

Weekly Economic & Financial Commentary

United States: **Higher Mortgage Rates Burn the Housing Market**

- The recent run-up in mortgage rates is nudging the housing market back toward recession. Existing home sales in September sank to their slowest pace since 2010. Single-family building has been more resilient; however, builders are growing less confident in their ability to sustain sales.
- Next week: New Home Sales (Wed.), Real GDP Growth (Thu.), Personal Income & Spending (Fri.)

International: **China's Economy Outperforms in Q3**

- The challenges facing China's economy are abundant; however, China's economy was able to record solid growth in Q3. Incorporating Q3 data into China's growth prospects for this year leads us to believe China's economy could reach authorities' official growth target of 5%. With that said, China's fundamental and structural problems have not disappeared with just one quarter of solid growth.
- Next week: Bank of Canada (Wed.), European Central Bank (Thu.), Chilean Central Bank (Thu.)

Interest Rate Watch: **Impact of Middle East Developments on Rates and Inflation**

- Many financial market participants are looking over their shoulders wondering what could be the next catalyst to drive rates higher. What might we see in the rates market, given the conflict in the Middle East and potential inflation drivers from higher commodity prices and overall wartime expenditure from the federal government?

Topic of the Week: **A Surge in Household Net Worth and Progress in Bridging the Wealth Gap**

- This week, the Federal Reserve released its 2022 Survey of Consumer Finances (SCF) encompassing the time period between 2019 and 2022. The triennial report provides a comprehensive snapshot of the financial circumstances of households as it pertains to income, net worth, asset ownership and credit usage.

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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	5.0	0.9	0.7	-0.3	-1.6	0.4	1.9	2.4	0.9	1.0
Personal Consumption	3.8	0.8	4.2	1.0	0.7	0.3	-1.5	-0.4	2.5	2.2	0.8	0.7
Consumer Price Index [2]	5.8	4.1	3.6	3.4	3.1	2.7	2.1	2.0	8.0	4.2	2.5	2.4
"Core" Consumer Price Index [2]	5.6	5.2	4.4	4.1	3.7	3.2	3.0	2.5	6.1	4.8	3.1	2.2
Quarter-End Interest Rates [3]												
Federal Funds Target Rate[4]	5.00	5.25	5.50	5.50	5.50	5.25	4.50	3.75	2.02	5.31	4.75	3.25
Conventional Mortgage Rate	6.54	6.71	7.20	7.30	7.00	6.50	6.20	5.85	5.38	6.94	6.39	5.70
10 Year Note	3.48	3.81	4.59	4.45	4.20	3.75	3.55	3.40	2.95	4.08	3.73	3.38

Forecast as of: October 20, 2023 [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.

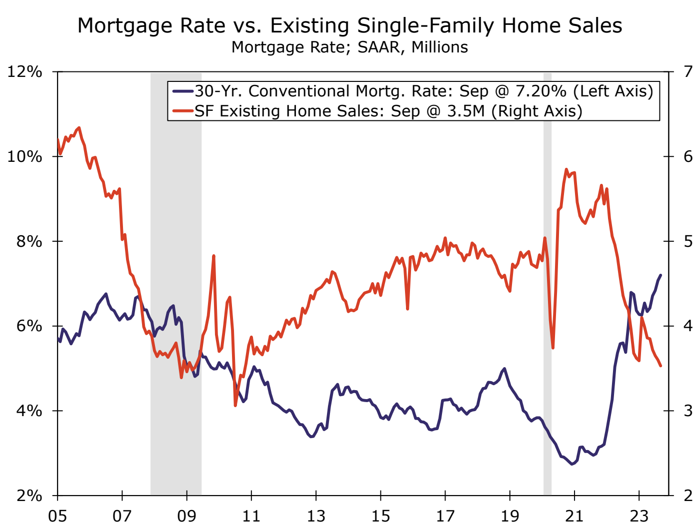
U.S. Review

Higher Mortgage Rates Burn the Housing Market

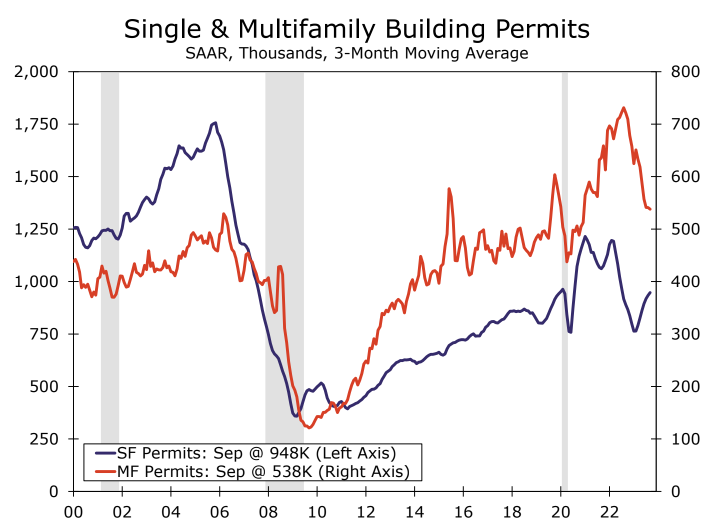
Treasury yields shot up this week amid resilient economic activity. As markets adjust their expectations for longer-term rates, the yield on the 10-year has moved to its highest level since the months preceding the global financial crisis. This development has numerous implications for the path of the economy and the Federal Reserve's policymaking. Chair Powell acknowledged that the recent jump in yields intensifies the financial tightening already under way in the economy, noting that the Federal Reserve is paying attention to financial conditions as it charts the course of monetary policy.

The run-up in yields set off a surge in mortgage rates, nudging the housing market back toward recession. This week, the average 30-year fixed mortgage rate reported by Freddie Mac hit a near 23-year high of 7.6%. Higher frequency data from Mortgage News Daily suggest that mortgage rates are currently hovering above 8.0%, adding a new layer of financial and psychological strain for prospective homebuyers. Housing demand was in retreat long before this week's increase, however. Existing home sales have posted four back-to-back declines culminating in a new cycle low in September, when sales sank to their slowest pace since 2010. With near-term affordability relief out of sight, the persistent downward trend in mortgage purchase applications suggests that resales likely have further to fall.

Single-family building has remained fairly resilient amid rising pressure on housing demand. In contrast to weakening resales, builders have found success using mortgage rate buydowns and price discounts to sell new construction. A pickup in new home sales sparked a trend rise in single-family permits since the start of the year, which notched its eighth back-to-back upswing in September. Tides may be turning as spiking mortgage rates test builders' ability to bridge the affordability gap. The NAHB Housing Market Index gauging builder sentiment fell to a nine-month low in October, reflecting a worsening sales outlook. Meanwhile, multifamily construction continued to downshift as builders battle tighter credit conditions and rising trend in apartment vacancies. Despite a bump in multifamily starts in September, multifamily permits plunged to their lowest level since October 2020.



Source: NAR, Freddie Mac and Wells Fargo Economics



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

Higher financing costs are also pressuring the manufacturing sector. An uptick in manufacturing output drove industrial production 0.3% higher in September. That said, prior revisions revealed that manufacturing has largely flatlined since late last year. We expect manufacturing to continue to flounder as tighter credit conditions create an unfavorable environment for new capital investment. The ISM Manufacturing Survey has long signaled that higher rates are reducing demand for manufactured goods, and that sentiment was echoed this week in the Federal Reserve's October Beige Book. Better inventory management is also taking some air out of production as producers opt not to stockpile into a slowdown.

With all that said, it is hard to imagine an economic tumble without some give from consumers. Thus far, consumer resilience has shown little signs of shaking. While buyers are backing away from home purchases, retail sales posted an expectation-defying 0.7% jump in September. Control group sales also heated up, advancing 0.6% over the month compared to an upwardly revised 0.2% move in August. Persistent strength in retail sales fuels our expectation for a solid outturn in consumer spending in Q3. Consumers will be empowered to spend as long as the tight labor market fuels sturdy income gains; however, the recent trend rise in credit card delinquencies gives us pause about how long their staying power will last.

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U.S. Outlook

Weekly Domestic Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
25-Oct	New Home Sales	Sep	684K	683K	675K
26-Oct	GDP Annualized (QoQ)	3Q	4.3%	5.0%	2.1%
27-Oct	Personal Income	Sep	0.4%	0.4%	0.4%
27-Oct	Personal Spending	Sep	0.4%	0.5%	0.4%

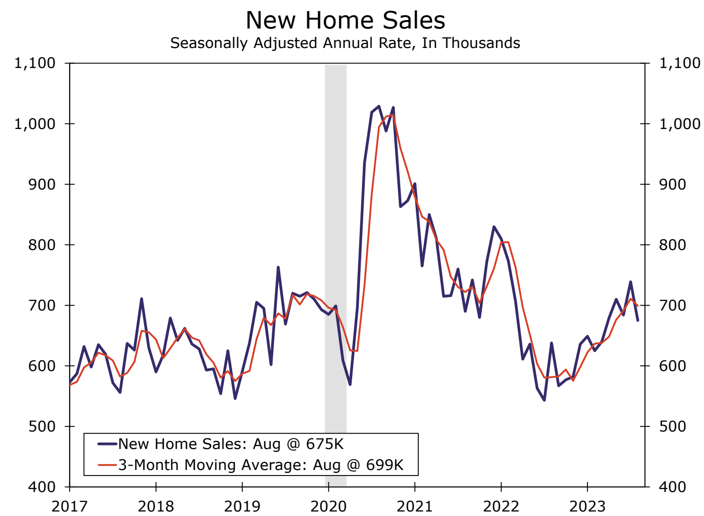
Forecast as of October 20, 2023

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

New Home Sales • Wednesday

Sales of new homes have trended higher since late 2022. Limited inventory in the existing home market has bolstered demand for new construction, and builders have capitalized on the opportunity by offering incentives. Building permits for new single-family homes have also increased for the past eight months, suggesting that builders still have confidence in underlying homebuyer demand.

The strength in new home demand is poised to weaken in the months ahead, however. The conventional 30-year fixed mortgage rate's ascent toward 8% has priced out many prospective home buyers. Sales sank 9% to a 675K-unit annual pace in August, and the National Association of Home Builders' latest Housing Market Index points to a deteriorating sales outlook. On a sequential basis, we look for new home sales to inch up 1% to a 683K-unit pace in September. Further out, we expect the leg higher in mortgage rates to weigh on sales in the coming quarters.

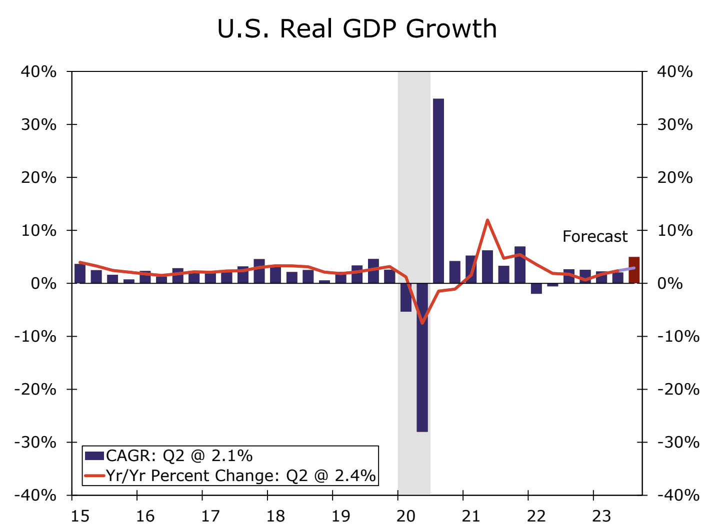


Source: U.S. Department of Commerce and Wells Fargo Economics

Real GDP Growth • Thursday

The U.S. economy's resilience will likely be on full display in the third quarter's advance GDP print. Consumer spending kicked off the quarter with plenty of momentum, as real personal consumption expenditures (PCE) rose 0.6% in July. Even with August's scant 0.1% gain, the latest retail sales data point to a sturdiness in consumer spending at the end of quarter as well. We suspect real PCE expanded at a 4.2% annualized rate in Q3, a notable pickup from the second quarter's 0.8% gain.

Beyond the consumer, we estimate real business spending on equipment edged down. Modest gains in intellectual property and nonresidential construction investment likely offset the weakening in capital expenditures, however. Elsewhere, we suspect residential investment snapped its nine-quarter streak of contractions, and we look for real net exports to positively contribute to growth. Piecing these expectations together, we forecast real GDP expanded at a 5.0% annualized rate in Q3. If realized, economic growth will be up 3.0% on a year-over-year basis, roughly half a percentage point ahead of its pre-pandemic average.



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

Personal Income & Spending • Friday

The day following the GDP report, the Bureau of Economic Analysis will release its monthly report on household spending and income. Despite the resumption of student loan payments, dwindling excess liquidity and tighter credit conditions, consumer spending looks to have picked up in September. Retail sales' upside surprise, coupled with upward revisions to prior months' data, add further evidence to the resilience in consumption. We look for personal spending to rise 0.5%, up a notch from its 0.4% increase in August. Factoring in our expectation for the headline and core PCE deflators to increase 0.3% during the month, real consumer spending likely rose around 0.2%.

Dynamics are not as rosy on the income side of the ledger. Real disposable personal income has edged lower for three months straight, and cooling average hourly earnings growth points to further moderation ahead. We look for nominal personal income to increase 0.4% in September, matching its gain in August. Should the labor market gradually loosen in the coming months, as we anticipate, softening wages and salaries will likely weigh on consumer spending.

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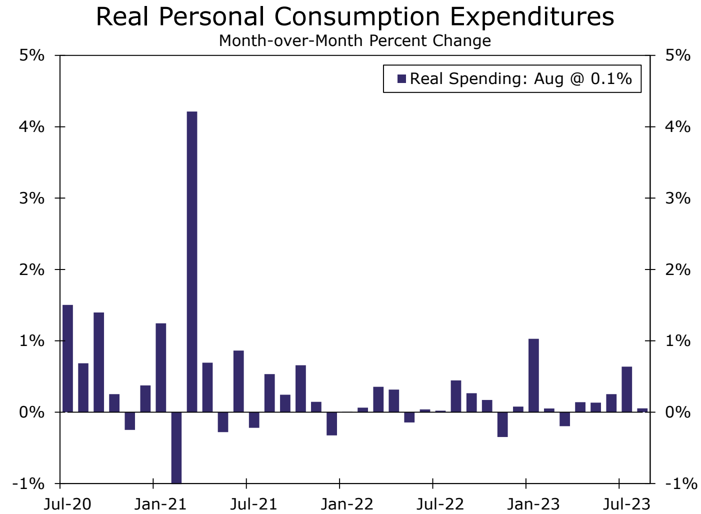


Source: U.S. Department of Commerce and Wells Fargo Economics

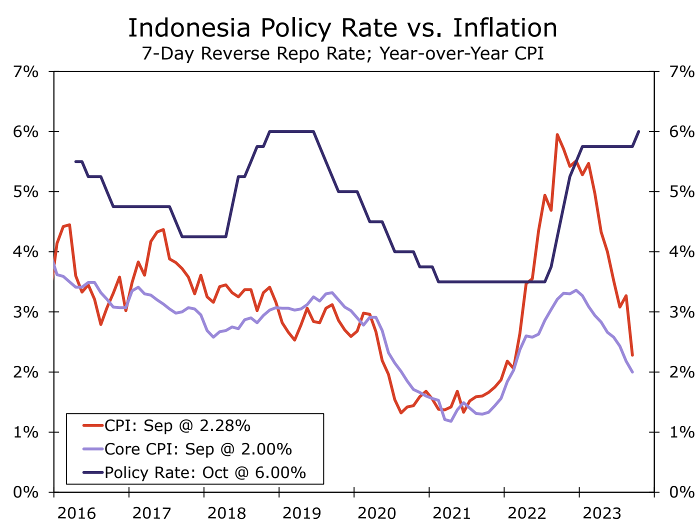
International Review

China's Economy Outperforms in Q3

The challenges facing China's economy are abundant; however, China's economy was able to record solid growth in Q3. To that point, China's economy grew 1.3% quarter-over-quarter and 4.9% year-over-year. Incorporating Q3 data into China's growth prospects for this year leads us to believe China's economy could reach authorities' official growth target of 5%. With that said, China's fundamental and structural problems have not disappeared with just one quarter of solid growth. The real estate sector is still deteriorating due to an elevated debt burden and falling real estate prices, China's population is aging and in outright decline, consumption continues to be subdued, while geopolitics and the direction of local politics continue to disrupt investment flows into the country. While 5% growth may be achievable this year, we have our doubts that pace of growth can be sustained going forward. The issues mentioned are likely to compound over time and reduce the overall growth prospects for China over the medium to long term. In fact, we forecast China's economy to grow closer to 4%-4.5% in 2024 and for growth rates to steadily fall as we get deeper into the decade.

With China's troubles likely to persist, we continue to believe the People's Bank of China (PBoC) will ease monetary policy again. Just this year, PBoC policymakers have lowered lending rates and cut local bank Reserve Requirement Ratios (RRR) to support economic activity. Going forward, we expect additional reductions to lending rates and for bank RRRs to be cut even further. For most of this year, the PBoC and the Fed have been on diverging paths for monetary policy. These divergences have placed depreciation pressure on the Chinese currency, pushing the renminbi up above 7.30. But while diverging paths for policy are still present, PBoC authorities have taken strong action to defend the renminbi from further depreciation. China's central bank has set the overnight fix stronger than analyst estimates—an indication of defending the currency—while authorities have also used verbal intervention as a method for currency stability. In our view, the PBoC is effective at supporting the currency, and we believe further depreciation from current levels is unlikely, even though the currency may remain on the defensive for the time being.

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



Source: DataStream and Wells Fargo Economics

Emerging Market Central Banks Turning More Hawkish

In our September International Economic Outlook publication, we highlighted the likelihood of central banks around the world adopting a "higher for longer" stance on monetary policy. We noted how the Fed is unlikely to lower interest rates before the end of this year and how the terminal fed funds rate is likely to be higher for longer, as inflation pressures still exist and the U.S. labor market remains tight. While select policymakers in the emerging markets have initiated easing cycles and paused tightening cycles, policymakers are starting to shift back to a more hawkish outlook on interest rates. To that point, policymakers at the Chilean Central Bank this week commented that currency depreciation could refuel inflation and the possibility of a more gradual pace of easing could be more appropriate. Also, Bank Indonesia restarted its tightening cycle this week as currency depreciation is complicating the central bank's fight against inflation. This week's actions are consistent with the view on monetary policy that policymakers from other countries and regions have expressed recently. The Reserve Bank of India continues to hold firm and not provide any indications that it is ready to pivot to interest rate cuts, while the central bank of the Philippines is likely to restart its tightening cycle. In Latin America, Mexico's central bank continues to push back on the possibility of rate cuts, and while Peruvian policymakers have cut interest rates, they have also expressed caution in the overall magnitude of the easing cycle.

While we expect further rate reductions in the emerging markets, we have expressed our view for some time that financial markets are priced for too much easing and institutions in the developing world will adopt a version of “higher for longer” as well. This thesis may be starting to unfold, as the Fed remains somewhat hawkish and geopolitical uncertainty has injected new volatility into global financial markets. From here, we will be keeping an eye on rhetoric from central banks to gather insight into the direction of interest rates. Should policymakers continue to shift language in a more hawkish/ less dovish direction, we could adjust our central bank forecasts to show fewer rate cuts or push out the timing for when central banks do pivot to easier monetary policy.

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International Outlook

Weekly International Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
25-Oct	Bank of Canada Policy Rate Decision	Oct	5.00%	5.00%	5.00%
26-Oct	ECB Policy Rate Decision (Deposit)	Oct	4.00%	4.00%	4.00%
26-Oct	Bank of Chile Policy Rate Decision	Oct	--	8.75%	9.50%

Forecast as of October 20, 2023

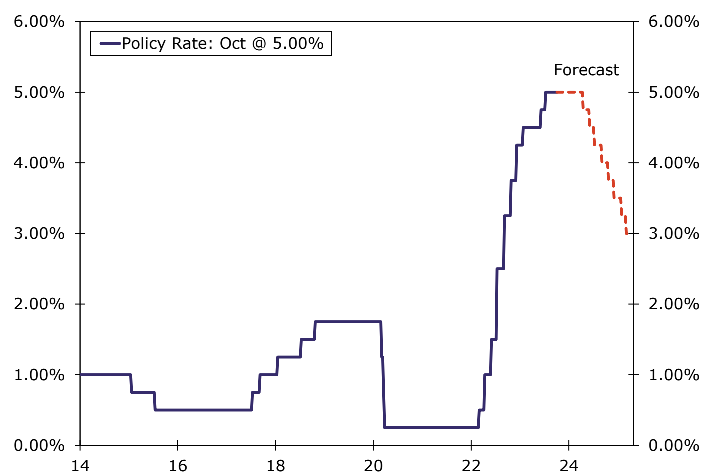
Source: Bloomberg Finance L.P. and Wells Fargo Economics

Bank of Canada • Wednesday

Gauging the Bank of Canada's intentions for monetary policy has been a bit of a challenge this year as policymakers have started, stopped, restarted and restopped the tightening cycle over the past 12 months. With inflation more firmly on a downward trajectory and the economy showing signs of deceleration, we feel more comfortable now saying Bank of Canada interest rates have peaked and additional rate hikes are unlikely to be delivered. We also expect this message to be communicated next week at the central bank's October monetary policy assessment.

But while further rate hikes may not be forthcoming, a pivot to interest rate cuts may still be a ways off. Inflation is headed lower, but the path back to the Bank of Canada's CPI target may still be bumpy. Also, with the Fed unlikely to cut rates for some time, Bank of Canada policymakers may have little justification for their own rate cuts. In our view, policy rates in Canada are on hold until Q2-2024. Once the easing cycle is initiated, we expect BoC policy rates to continue lower over the course of 2024 and into 2025, eventually reaching a terminal rate of 3.00% by Q1-2025.

Bank of Canada Policy Rate

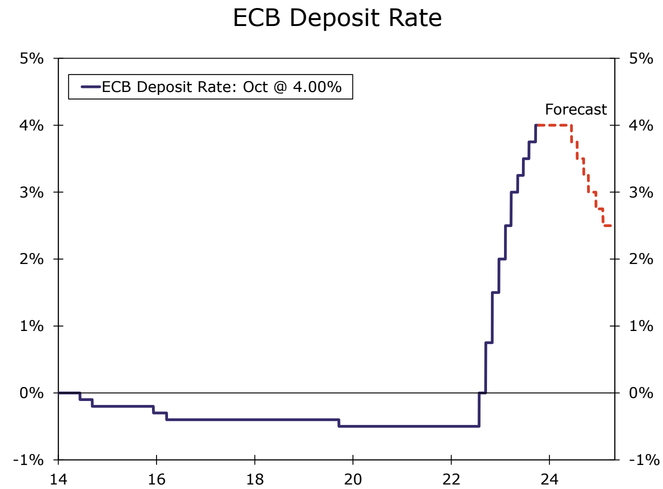


Source: Bloomberg Finance L.P. and Wells Fargo Economics

European Central Bank • Thursday

Following the European Central Bank's 10th straight policy rate increase at its September meeting, we believed the ECB leaned in a more dovish direction as far as forward guidance. GDP growth forecasts were revised lower, CPI forecasts were revised higher (although still heading lower from current levels), while ECB official communications stated that policy rates have reached levels that are high enough to bring inflation further back toward the ECB's target range.

With the Eurozone likely in recession and inflation heading lower, we also believe the ECB has reached peak policy rates. With that said, we expect the ECB will be cautious about reducing interest rates until inflation is much closer to its target. As a result, we do not expect an initial 25 bps rate cut until the June 2024 meeting, which would lower the Deposit Rate to 3.75%. Moreover, we expect the ECB to reduce rates at a gradual 25 bps per meeting pace through the second half of next year, which would see the Deposit Rate end 2024 at 2.75%. The combination of an underwhelming growth outlook and peak policy rates should also keep the euro on the defensive around the $1.06 level for the time being.

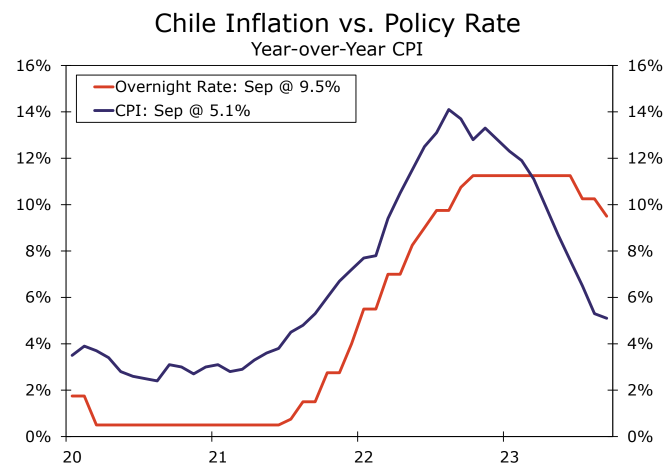


Source: DataStream and Wells Fargo Economics

Chilean Central Bank • Thursday

Chilean policymakers have been easing monetary policy over the course of the past few months, and while we expect the central bank to cut rates again next week, policymakers are starting to turn more cautious. Just this week, policymakers expressed concern that peso depreciation, as a result of rate cuts and financial market volatility, could result in inflationary pressures rebuilding. Since the first rate reduction, policymakers have already scaled back the pace of easing, and given the recent communication, the pace of cuts could be slowed again.

For now, we believe the Chilean Central Bank will deliver another 75 bps rate cut at the October meeting, but risks are now tilted toward a 50 bps cut. The Chilean peso has been under pressure for most of this year, and that depreciation seems to be concerning policymakers. Over time, currency depreciation will filter through to inflation and reduce the overall policy space the central bank has to ease monetary policy. At the same time, Chile's economy is headed for recession. And with real policy rates well into positive territory, justification for interest rate cuts does exist.



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

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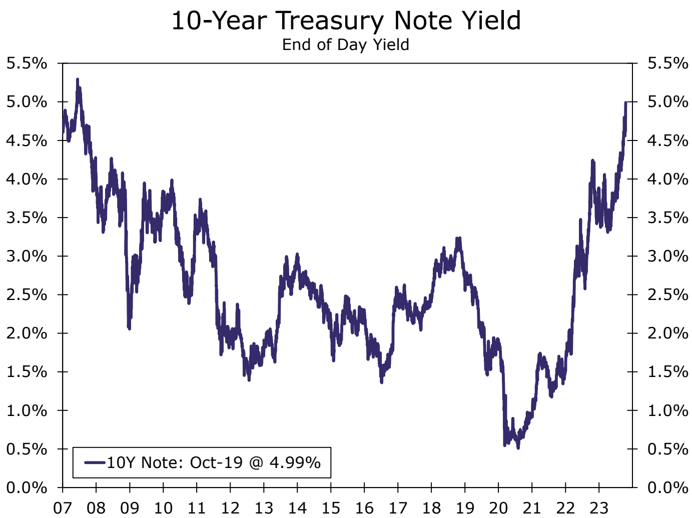
Interest Rate Watch

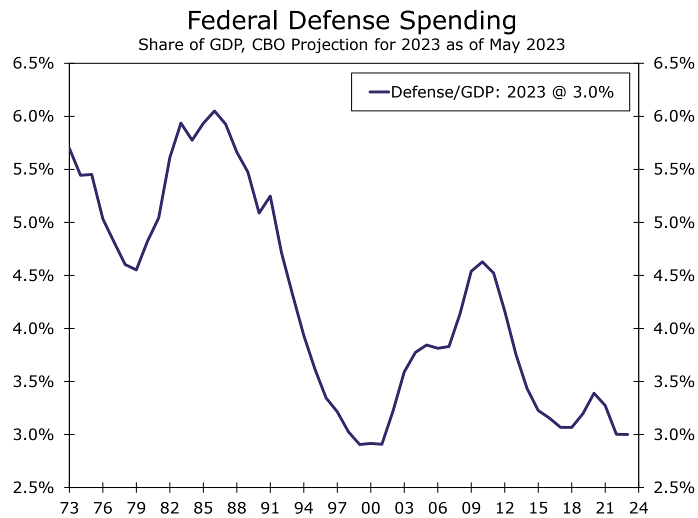
Impact of Middle East Developments on Rates and Inflation

Oil prices were below $70/barrel earlier this summer but have risen on trend to north of $90/barrel as of this writing, an increase of about 30%. The rise in gasoline prices has been more modest. At the summer low, the national average cost of gasoline was $3.52/gallon. In September, prices at the pump were close to $4/gallon but have come down sharply since and were $3.56 as of Thursday of this week. Up until the war broke out in Israel, the recent run-up in oil prices largely had been a function of supply, as Saudi Arabia and Russia announced an extension of earlier production cuts through year-end. A recent New York Fed report finds that the effect of supply tends to be much more impactful on price than demand side factors. So, we will be monitoring supply dynamics closely in coming months.

For the Fed, oil prices at around $90 will not likely dissuade it from holding rates steady at the upcoming Oct 31-Nov. 1 meeting. Further out, to the extent that elevated oil and gas prices slow disinflation, or halt it altogether, it could mean rates stay higher for longer. That said, core rates are more stable, the pass-through effects at current prices would not be big enough to influence policy, in our view.



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



Source: Congressional Budget Office and Wells Fargo Economics

What about government debt and yields? Reports in the news today discuss plans for a considerable aid package, set to be presented to Congress today, which includes $60 billion earmarked for the Ukrainian conflict and $14 billion for Israel's ongoing strife in the Middle East. Last year's fiscal deficit was $1.5 trillion. The current year's will be larger. The combined total of $74 billion is a lot of money, but it would represent less than 5% of the overall deficit and on that basis probably not on its own a large determinant of the yield on the 10-year Treasury. Whether this actually becomes law is, of course, anyone's guess, given that we're now in the middle of week three with no speaker of the House. Just keeping the government open past Nov. 17 feels like a Herculean task at this point. Check out our recent special report for a deeper dive on fiscal and budget issues.

National defense is not driving the widening budget deficit as much as some might think, given the war in Ukraine. Defense spending as a share of GDP in 2023 was about 3%, which is roughly flat to 2022 and near the lows of the past 50 years. You can see this in the nearby chart. Defense spending may rise a bit in 2024, but certainly not to Iraq/Afghanistan war levels, let alone the Cold War highs.

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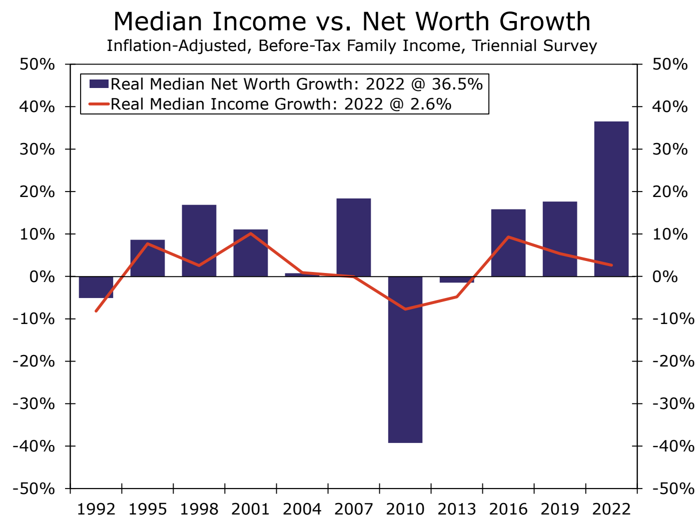
Topic of the Week

A Surge in Household Net Worth and Progress in Bridging the Wealth Gap

This week, the Federal Reserve released its 2022 Survey of Consumer Finances (SCF) encompassing the time period between 2019 and 2022. The triennial report provides a comprehensive snapshot of the financial circumstances of households as it pertains to income, net worth, asset ownership and credit usage. This edition of the SCF reflects the unprecedented economic impact of the COVID-19 pandemic and its myriad effects on the labor market, fiscal activity and markets.

The 2022 SCF found that household net worth surged during the pandemic. Real median net worth climbed 37% from 2019 to 2022, the largest three-year jump on record dating back to 1989. Average real net worth climbed 23%, implying a narrowing of the wealth gap over the time period. Such significant growth rates primarily reflect rapid appreciation in home and equity prices during the pandemic. Indeed, between Q1-2019 and Q1-2022, just before the beginning of this SCF survey period, the national CoreLogic Home Price Index grew at an 11.8% annual rate and the S&P 500 grew at a 16.1% annual rate.

Income growth was comparatively smaller, even as a tight labor market and strong wage gains helped support income growth. Without adjusting for inflation, median income in the SCF rose 20% from 2019 to 2022; however, decades-high inflation eroded much of these gains. Real median income rose a softer 3%, lower than the roughly 5% gain seen in the previous SCF covering 2016-2019. While income gains were most apparent among affluent households, net worth gains were comparatively stronger in lower wealth brackets in percentage terms. It is important to note that income measures utilized by the SCF captured some pandemic-related fiscal support such as enhanced unemployment and food stamps, but excludes stimulus payments from the government in 2021.



Source: Federal Reserve Board and Wells Fargo Economics

Wealthier households tend to hold more assets such as real estate and stocks, assets which appreciated rapidly in the low interest rate environment of the pandemic, among other factors. This asset ownership gap is shrinking, particularly on the equity side. Direct ownership of stocks rose to 21% of families compared to 15% in 2019, the largest jump on record. Including indirect holdings such as retirement accounts, 58% of households own stocks, an all-time high in the survey's history. Homeownership rates have also improved on balance, with a higher rate of growth for younger households as well as Black and Hispanic families.

While the overall wealth gap shrank on a percent basis, a vast chasm remains. Families in the bottom wealth quartile saw their median net worth grow 900% to $3,500 from $400. Among the top 10% of families, net worth grew 26% to $3.8 million from $3.0 million. Black and Hispanic households also saw above-average increases in median net worth, growing 60% and 47%, respectively. For a more detailed view of the economic progress of Black and Hispanic families, see our Black History Month and Hispanic Heritage Month reports. White non-Hispanic household median net worth grew 31% to reach $285,000, a number six times that of median Black wealth and nearly five times that of median Hispanic wealth. Notably, this was the first SCF to include data on Asian families. Asian households had a median net worth of $536,000, higher than all other surveyed racial or ethnic groups.

Ultimately, the SCF highlights the strong financial position households enjoyed while exiting the pandemic. The data point to material wealth building among lower-income families and non-White households. Higher net worth and higher real income on average have helped fuel consumer spending in the post-pandemic economy even as rising interest rates have taken hold. That said, our own analysis suggests that excess savings will be less of a driver of spending moving forward and for real personal income growth to be the sustaining driver of household consumption heading into 2024.

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Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 10/20/2023	1 Week Ago	1 Year Ago
SOFR	5.30	5.31	3.04
Effective Fed Funds Rate	5.33	5.33	3.08
3-Month T-Bill	5.46	5.48	3.96
1-Year Treasury	5.32	5.33	4.45
2-Year Treasury	5.12	5.05	4.61
5-Year Treasury	4.86	4.64	4.44
10-Year Treasury	4.97	4.61	4.23
30-Year Treasury	5.07	4.75	4.22
Bond Buyer Index	4.19	3.97	3.87

Foreign Exchange Rates

	Friday 10/20/2023	1 Week Ago	1 Year Ago
Euro ($/€)	1.058	1.051	0.979
British Pound ($/£)	1.214	1.214	1.124
British Pound (£/€)	0.872	0.865	0.871
Japanese Yen (¥/$)	149.880	149.570	150.150
Canadian Dollar (C$/$)	1.370	1.366	1.377
Swiss Franc (CHF/$)	0.893	0.902	1.004
Australian Dollar (US$/A$)	0.631	0.630	0.628
Mexican Peso (MXN/$)	18.251	18.090	20.040
Chinese Yuan (CNY/$)	7.315	7.305	7.215
Indian Rupee (INR/$)	83.120	83.264	82.760
Brazilian Real (BRL/$)	5.045	5.079	5.215
U.S. Dollar Index	106.234	106.648	112.881

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

Foreign Interest Rates

	Friday 10/20/2023	1 Week Ago	1 Year Ago
3-Month German Govt Bill Yield	3.72	3.69	0.80
3-Month U.K. Govt Bill Yield	5.18	5.32	2.79
3-Month Canadian Govt Bill Yield	5.15	5.15	3.96
3-Month Japanese Govt Bill Yield	-0.17	-0.16	-0.13
2-Year German Note Yield	3.15	3.14	2.12
2-Year U.K. Note Yield	4.92	4.85	3.59
2-Year Canadian Note Yield	4.86	4.85	4.29
2-Year Japanese Note Yield	0.08	0.05	-0.02
10-Year German Bond Yield	2.93	2.74	2.40
10-Year U.K. Bond Yield	4.70	4.39	3.91
10-Year Canadian Bond Yield	4.14	3.97	3.68
10-Year Japanese Bond Yield	0.84	0.76	0.26

Commodity Prices

	Friday 10/20/2023	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	90.16	87.69	85.98
Brent Crude ($/Barrel)	93.27	90.89	92.38
Gold ($/Ounce)	1988.76	1932.82	1628.02
Hot-Rolled Steel ($/S.Ton)	703.00	695.00	757.00
Copper (¢/Pound)	356.45	357.10	341.05
Soybeans ($/Bushel)	13.03	12.78	13.70
Natural Gas ($/MMBTU)	2.91	3.24	5.36
Nickel ($/Metric Ton)	18,282	18,462	21,818
CRB Spot Inds.	544.43	549.75	555.96

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