WELLS FARGO

Weekly — November 10, 2023

Weekly Economic & Financial Commentary

United States: **Long and Variable Lags Evident in Credit Availability**

- Ben Franklin famously said, "If you would know the value of money, try to borrow some." Amid a light calendar for economic data, we focus this week on how lenders tightened standards for most loan types in Q3 even as demand for loans weakened, according to the Federal Reserve's Senior Loan Officer Opinion Survey (SLOOS).
- Next week: CPI (Tue.), Retail Sales (Wed.), Housing Starts (Fri.)

International: **British Economy Stalls During the Third Quarter**

- The U.K. economy stalled during the third quarter, as Q3 GDP registered a flat quarter-over-quarter outcome. While that was better than the consensus forecast for a small decline, the details of the report were less encouraging. Consumer spending, government spending and business investment all fell during the quarter, indicative of very weak domestic demand. We still expect the U.K. to fall into a mild recession through late 2023 and into early 2024.
- Next week: Japan GDP (Wed.), China Industrial Production & Retail Sales (Wed.), U.K. CPI (Wed.)

Interest Rate Watch: **Reserve Bank of Australia Resumes Rate Hikes**

- While the Federal Reserve and many of the world's other major central banks are currently on hold, a few central banks are continuing to nudge interest rates higher. One such institution is the Reserve Bank of Australia (RBA), which, after remaining on pause since July, resumed its monetary tightening cycle this week with a 25 bps policy rate increase to 4.35%.

Topic of the Week: **Census Projects Population Dip in 2080**

- This week, the U.S. Census Bureau released its first population projections incorporating the results of the 2020 Census. The projections, stretching into 2100, show population growth plateauing over the next few decades. The population is expected to peak at 370 million in 2080 before contracting in the following years.

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

Wells Fargo U.S. Economic Forecast

	Actual			Forecast					Actual	Forecast		
	2023				2024				2022	2023	2024	2025
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Real Gross Domestic Product [1]	2.2	2.1	4.9	0.7	0.9	-0.3	-1.5	0.3	1.9	2.4	0.8	1.4
Personal Consumption	3.8	0.8	4.0	1.5	0.8	0.3	-1.5	-0.5	2.5	2.2	0.8	0.8
Consumer Price Index [2]	5.8	4.1	3.6	3.4	3.1	2.7	2.1	2.1	8.0	4.2	2.5	2.4
"Core" Consumer Price Index [2]	5.6	5.2	4.4	4.1	3.8	3.2	3.1	2.6	6.1	4.8	3.2	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	7.45	7.20	6.70	6.40	6.05	5.38	6.98	6.59	5.81
10 Year Note	3.48	3.81	4.59	4.50	4.30	3.85	3.65	3.50	2.95	4.10	3.83	3.48

Forecast as of: November 09, 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.

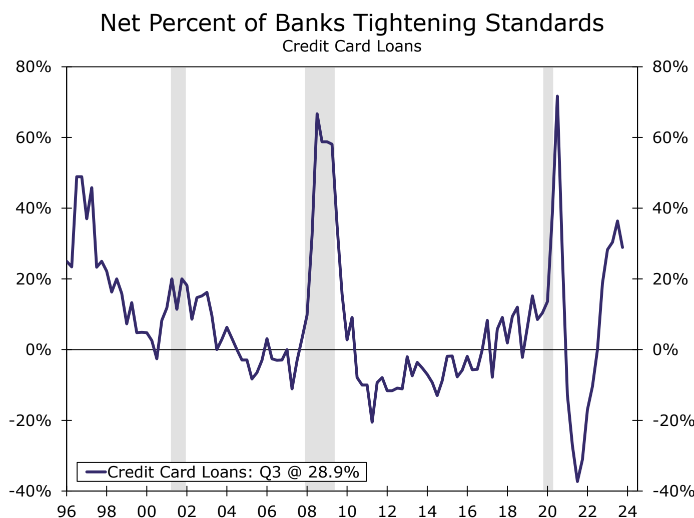
U.S. Review

Any Which Way but SLOOS

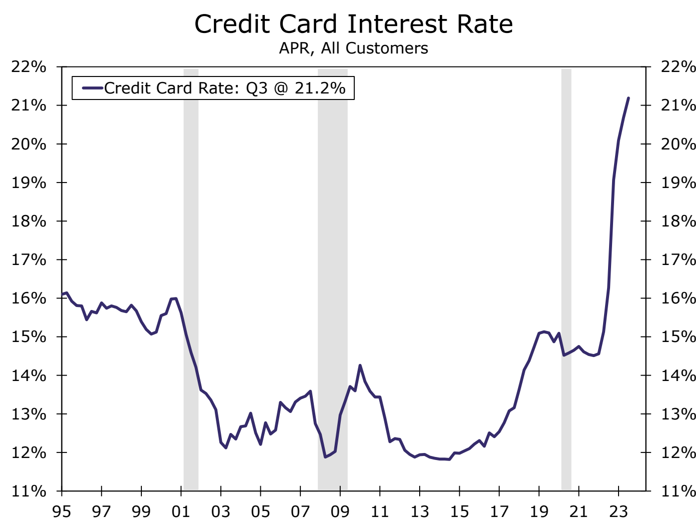
The phrase "long and variable lags" coined by Milton Friedman refers to the difficulty of gauging precisely when higher interest rates will negatively affect economic growth. It is a maddeningly difficult thing to measure. During a press conference following the November 2022 FOMC meeting, Federal Reserve Chair Jay Powell used the word "lag" or some variation of it a combined 17 times as he pledged policymakers' vigilance to monitoring it.

Sometimes, the impact of higher rates is quite obvious, such as the series of bank failures that occurred earlier this year. Other times, the impact of higher rates is harder to tease out and is not measured in an objective, quantifiable way like some bellwether indicators, such as the monthly jobs number or the core rate of PCE inflation. As it weighs policy decisions, the Federal Reserve seeks to better understand these more subtle ways that higher rates can creep into the economy. One of the more widely overlooked monitoring tools is a survey, conducted by the Fed, of up to 80 large domestic banks and 24 U.S. branches and agencies of foreign banks. Because this survey is a vital input for the FOMC meetings, it is conducted quarterly so that results are available for the January/February, April/May, August and October/November FOMC meetings.

Sometimes, a performance is so electrifying it demands an encore. Known at the FOMC and among its fan base of econ enthusiasts as the Senior Loan Office Opinion Survey (or SLOOS, for short), this indicator has the rare characteristic of additional, off-cycle releases. The Federal Reserve is known to occasionally conduct one or two additional surveys throughout any given year. Questions are intended to turn over every stone in an attempt to identify those variable lags influencing policy. These include changes in the standards and terms of the banks' lending as well as the state of business and household demand for loans. The survey can, and often does, include questions on one or two other topics of current interest.



Source: Federal Reserve Board and Wells Fargo Economics



Source: Federal Reserve Board and Wells Fargo Economics

The October SLOOS released earlier this week revealed changes in the standards and terms on, as well as demand for, bank loans to businesses and households over the past three months. On balance, bankers are apparently not terribly inclined to extend credit to commercial and industrial (C&I) firms, but fewer of those firms are keen to increase their credit.

Banks are tightening their standards for loans to households as well, particularly across all categories of residential real estate loans other than government residential mortgages, for which standards remained more-or-less unchanged. As was the case for business loans though, it is not as though the phone is ringing off the hook for mortgage brokers and loan officers. Demand weakened for all residential real estate loan categories. Banks also reported tighter standards and weaker demand for home equity lines of credit (HELOCs).

So, what are the special factors that the Federal Reserve is most curious about in this latest survey? Apparently, eyebrows are being raised by policymakers amid a rapid increase in credit card debt and auto lending. Specifically, the October SLOOS included a set of special questions regarding the likelihood of approving credit card and auto loan applications by borrower FICO score in comparison with the beginning of the year. In what might rank as one of the more predictable outcomes of any survey, lenders are more inclined to lend to those with good credit and less inclined to lend to those with poor credit. To put it more quantifiably, the results showed banks were "less likely to approve such loans for borrowers with FICO scores of 620 and 680 in comparison with the beginning of the year, while they were more likely to approve credit card loan applications and about as likely to approve auto loan applications for borrowers with FICO scores of 720 over this same period."

There were also special questions asking about banks' rationales for changing standards for all loan categories in the third quarter of 2023. More often than not, banks listed many of the same factors we offer when describing our apprehension about the outlook for consumer spending, specifically "a less favorable or more uncertain economic outlook: reduced tolerance for risk, deterioration in the credit quality of loans and collateral values, and concerns about funding costs."

While survey data can be useful and can help in identifying turning points, we place higher value on hard numbers even when they move in the opposite direction. For example, the SLOOS reported that standards tightened in Q3 for credit card, auto and other consumer loans, while demand for these categories weakened on balance. Yet, the latest hard data also published this week tell a different story. The Federal Reserve's own consumer credit report showed that revolving debt (which is mostly credit cards) increased at an annualized rate of 8.6%, which is faster than the prior quarter. This was corroborated by the Household Debt & Credit Report published by the Federal Reserve Bank of New York, which showed that credit card balances increased faster in Q3 than they did in Q2, reaching an outstanding level of $1.08 trillion, with auto loan balances also increasing to $1.6 trillion.

The growth of consumer credit card debt strikes us as an unsustainable driver of consumer spending, particularly given the fact that credit card interest rates are near a 25-year-high. The apparent discrepancy between the SLOOS and the consumer credit data calls to mind another of Ben Franklin's sayings, "Well done is better than well said."

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U.S. Outlook

Weekly Domestic Indicator Forecasts					
Date	**Indicator**	**Period**	**Consensus**	**Wells Fargo**	**Prior**
14-Nov	CPI (MoM)	Oct	0.1%	0.1%	0.4%
14-Nov	CPI (YoY)	Oct	3.3%	3.2%	3.7%
14-Nov	Core CPI (MoM)	Oct	0.3%	0.3%	0.3%
14-Nov	Core CPI (YoY)	Oct	4.1%	4.1%	4.1%
14-Nov	CPI Index NSA	Oct	307.834	307.689	307.789
15-Nov	Retail Sales (MoM)	Oct	-0.3%	-0.2%	0.7%
15-Nov	Retail Sales Less Autos (MoM)	Oct	-0.2%	0.0%	0.6%
17-Nov	Housing Starts	Oct	1350K	1343K	1358K

Forecast as of November 10, 2023

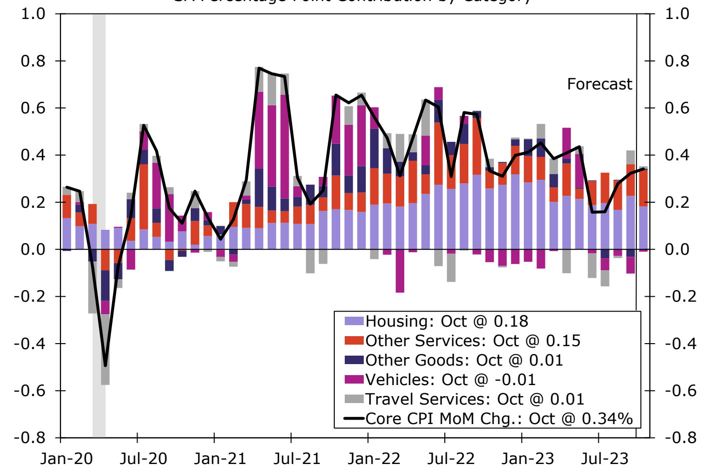
Source: Bloomberg Finance L.P. and Wells Fargo Economics

CPI • Tuesday

Inflation's descent has been slower going. The Consumer Price Index rose slightly stronger than expected in September, holding the year-over-year rate steady at 3.7%. Core inflation continued to moderate on a year-ago basis, falling 0.2 percentage points to 4.1%.

Since the end of September, gas prices have steadily fallen and food inflation has appeared to move sideways. These dynamics underpin our call for the headline CPI to increase only 0.1% in October. If realized, that would be the smallest monthly gain since May. Yet, the modest rise will likely be overshadowed by continued strength in the core CPI, which we expect to increase 0.3% for the third straight month. Core services excluding shelter (i.e., "super-core" CPI) is poised for another solid gain, helped along by health insurance reversing its deflationary trend and firmness in transportation services. Core goods prices are shaping up to be a small drag, as partial rebounds in auto parts, apparel and medical goods look likely.

Through the monthly moves, we expect inflation to continue to gradually cool. Consumer spending is set to moderate from its breakneck pace in Q3 amid weaker income and less pronounced job gains. Less robust demand will pressure businesses' pricing power in the coming year.



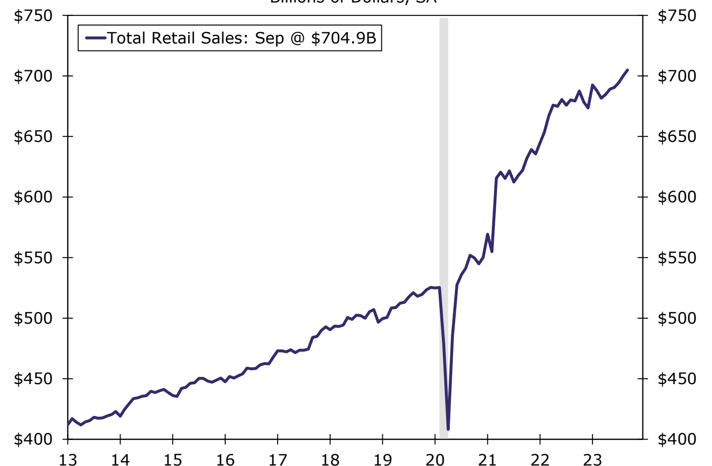
Source: U.S. Department of Labor and Wells Fargo Economics

Retail Sales • Wednesday

The staying power of the consumer has been on full display this year. Retail sales beat expectations the past three months straight and were up 3.4% year-over-year in September. Stronger-than-expected sales underpinned real personal consumption expenditures' 4.0% annualized growth rate in Q3, the fastest pace since 2021.

Some payback is likely in store. Real disposable income has slipped the past four months, excess liquidity has dwindled and credit growth has slowed. While these factors did not appear to weigh on the consumer this summer, the impressive run will be difficult to sustain as prices and borrowing costs remain elevated. We forecast retail sales declined 0.2% in October. Consumers who pulled their holiday spending forward to take advantage of Amazon's Prime Big Deal Days and Target's Circle Week last month pose an upside risk to our call.

Beyond next week's data, we look for a relatively muted pace of growth in retail sales this holiday season compared to 2022



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

as households continue to pivot more of their wallet share to experiences rather than goods.

Housing Starts • Friday

Residential construction strengthened over the third quarter. Single-family construction led the charge as builders were able to attract buyers with incentives such as price discounts and rate buy-downs. Total housing starts ended the quarter on a strong note, rising 7.0% in September with broad-based strength.

We expect the upturn in construction to lose its legs. The National Association of Home Builders' Housing Market Index has fallen 16 points since July, signaling that single-family home builders are losing confidence in their ability to sustain sales. While incentives have thus far aided builders in securing buyers, mortgage rates nearly reached 8% in October, according to Freddie Mac. Elevated rates likely made offering affordable rate buy-downs a costly provision for builders. On the multifamily side, the pipeline of new apartment projects is poised to thin. Multifamily permits have trended lower throughout the year and portend a downshift in new apartment construction. We forecast overall housing starts slipped 1% in October to a 1,343K-unit annualized pace.

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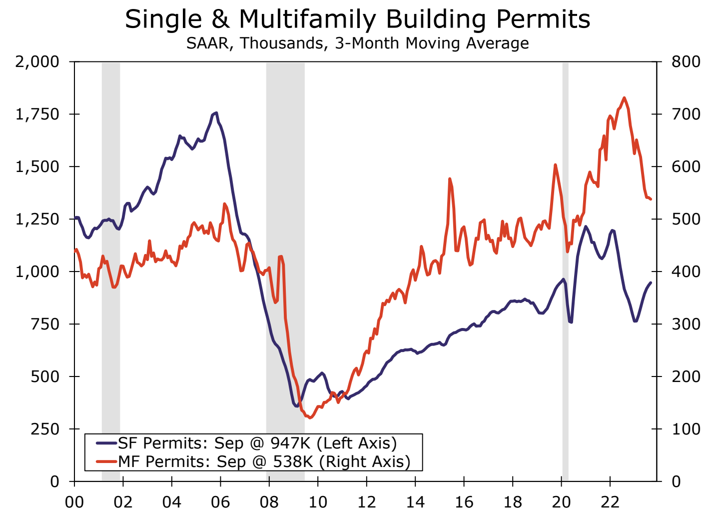


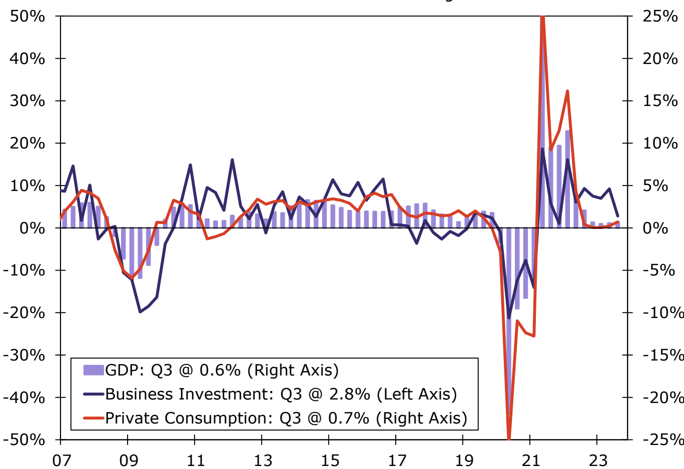
Source: U.S. Department of Commerce and Wells Fargo Economics

International Review

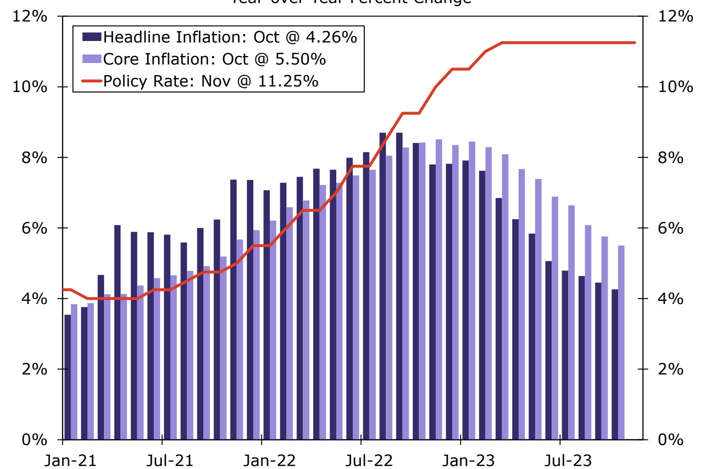
British Economy Stalls During the Third Quarter

This week's Q3 GDP report for the United Kingdom indicated a stall from the British economy heading into the second half of this year. Q3 GDP was flat quarter-over-quarter, slightly better than the consensus forecast for a 0.1% fall, but following a 0.2% gain in Q2, Q3 GDP growth was steady at 0.6% year-over-year. The details of the report were underwhelming, as consumer spending fell 0.4% quarter-over-quarter, while business investment fell 4.2%, fully reversing its Q2 gain. The British economy ended the quarter on a marginally firmer note, as September GDP rose 0.2% month-over-month, with services activity rising 0.2% and industrial output flat for the month. However, as the Bank of England's policy rate hikes increasingly filter through to the economy and with sentiment surveys at levels consistent with economic contraction, our outlook remains for the U.K. economy to fall into a mild recession by the end of 2023.

Elsewhere, this week's Japanese data were mixed, suggesting a Bank of Japan policy rate increase might still be some ways off. Japan's September labor cash earnings rose 1.2% year-over-year, larger than the 0.8% gain in August, but still short of wage growth perceived as consistent with the central bank reaching its 2% inflation target on a sustainable basis. Meanwhile, with respect to sentiment data, Japan's economy watchers survey softened modestly in October. The current conditions index eased to 49.5, while the outlook index also slipped to 48.4. Another rate hike from Norway's central bank might come a bit sooner than in Japan. Last week, Norway's central bank held its Deposit Rate steady at 4.25% but said a rate increase in December was more likely than not. Norway's October underlying CPI unexpectedly quickened to 6.0% year-over-year and remains well above the central bank's inflation target, an outcome that supports the case for further monetary tightening.



Source: Datastream and Wells Fargo Economics



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

In Mexico, October saw a further deceleration of inflation as the headline CPI slowed to 4.26% year-over-year and the core CPI slowed to 5.50%. Core goods inflation slowed further to 5.64%; however, services inflation firmed slightly further to 5.34%. Moreover, inflation remains elevated above the central bank's 3% +/- 1% inflation target range. Against this backdrop, the Bank of Mexico again held its policy rate steady at 11.25% at this week's monetary policy meeting. It did, however, make some modest changes to its accompanying statement, with the central bank saying that "in order to achieve an orderly and sustained convergence of headline inflation to the 3% target, the reference rate must be maintained at its current level from some time." Previously, the central bank had said interest rates could need to remain at their current level for an "extended period." The Bank of Mexico did say that inflation risks were still biased to the upside. Overall, the Bank of Mexico appears to be on course to initiate a rate cut cycle starting in the early part of 2024.

Finally, Brazilian CPI inflation reverted to a decelerating trend in October, after base effects had contributed to some quickening of inflation in recent months. The October CPI slowed to 4.82% year-over-year, with the details showing a slowdown in food and beverages (0.48%), housing (4.95%), household goods (-0.10%), clothing (5.25%) and health and personal care (7.85%). We view the

outcome as consistent with steady monetary easing from Brazil's Central Bank and expect another 50 bps rate cut at the December monetary policy announcement.

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International Outlook

Weekly International Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
15-Nov	Japan GDP (QoQ Annualized, SA)	3Q	-0.4%	-0.4%	4.8%
15-Nov	UK CPI (MoM)	Oct	0.1%	0.1%	0.5%
15-Nov	UK CPI (YoY)	Oct	4.7%	4.7%	6.7%
15-Nov	China Industrial Production (YoY)	Oct	4.5%	--	4.5%
15-Nov	China Retail Sales (YoY)	Oct	7.0%	--	5.5%

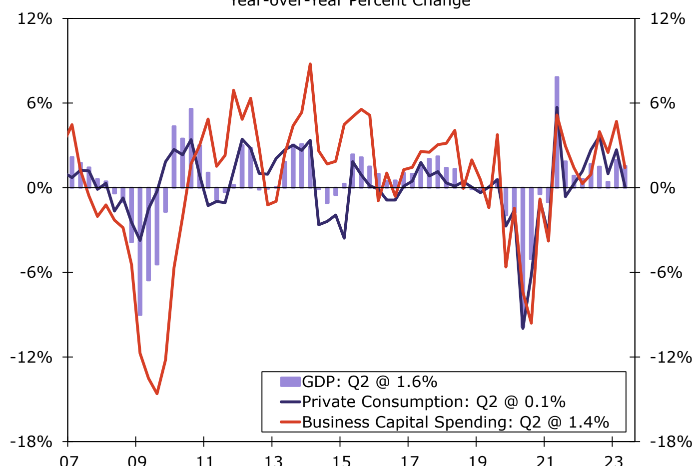
Forecast as of November 10, 2023

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

Japan GDP • Wednesday

Next week's release of Japanese GDP may provide some insight into the Bank of Japan (BoJ)'s future monetary policy path. We believe that the BoJ will want to see two key developments in the Japanese economy—that is, stronger and more balanced economic growth and stronger wage growth—in order to feel comfortable making a more substantial move toward tighter monetary policy.

Japan's economy has experienced solid growth so far in 2023. The Q2 quarter-over-quarter growth rate of 1.2% and annualized rate of 4.8% was strong on the surface, though the underlying details were less robust; net exports were the primary driver of growth, while consumer spending and business investment declined. We will be watching for signs of improvement in domestic demand in the GDP report next week. The consensus forecast is for both aforementioned categories to modestly increase. The consensus forecast is for Japan's overall Q3 GDP to decline by 0.4% quarter-over-quarter annualized, but we would not view this as a cause for particular concern, as this would be only a modest correction after a strong first half. If the BoJ sees more balanced economic growth for Q3 and future quarters, we forecast that it will lift its Policy Rate Balance by 10 bps to 0.00% and potentially scrap altogether its Yield Curve Control program at its April 2024 meeting.

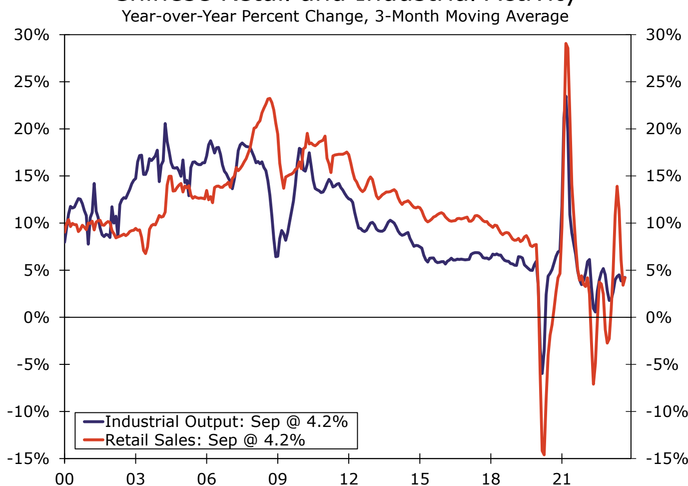


Source: Datastream and Wells Fargo Economics

China Industrial Production & Retail Sales • Wednesday

Next week, China's industrial production and retail sales data will be released and offer an updated read on China's economy. 2023 has been a back-and-forth year for Chinese economic data, and this trend may have continued with the activity figures for October.

After a burst of growth at the start of 2023, China's economy slowed down, and the current economic backdrop is marked by uncertainty. In response to the slowdown, policymakers have made some efforts to ease policy, namely by reducing the Reserve Requirement Ratio and reducing various benchmark interest rates. If we see strong activity data for October, this may be a sign that these policies have some effect in stabilizing activity. In fact, consensus economists are currently forecasting retail sales to firm to 7.0% year-over-year, while growth in industrial production is forecast to remain steady at 4.5% year-over-year. However, the overall economic outlook for China remains uncertain. Due to several structural issues—high youth unemployment, a struggling property industry and generally weak domestic demand—we are forecasting a slowdown in GDP growth to 4.5% and 4.3% for 2024 and 2025, respectively, after our forecast for 5.2% growth this year.

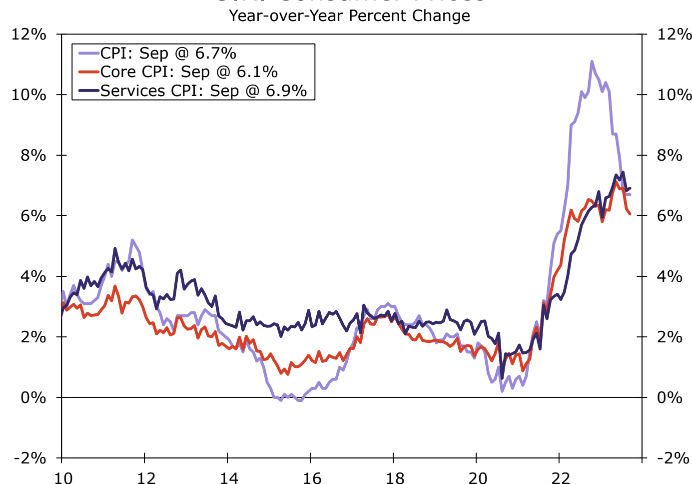


Source: Datastream and Wells Fargo Economics

U.K. CPI • Wednesday

Next week, market participants will be watching the release of U.K. CPI for insights into the potential path forward for the Bank of England's(BoE) monetary policy. At their Nov. 2 monetary policy meeting, policymakers held rates steady at 5.25% and said they would aim to keep rates high enough for long enough in order to tame inflation.

The Bank of England appears to have adopted a "higher for longer" stance on interest rates amid inflation that has generally slowed in 2023 but remains elevated. Market participants are now focused on when the central bank will begin monetary easing; we believe it will be some time before this will occur—specifically, not until Q2-2024. Headline inflation was 6.7% year-over-year in September, and the consensus forecast is for that to slow to 4.7% for October, largely due to base effects associated with 2022 energy price increases dropping out of the CPI calculation. Also of interest will be the core CPI reading, as that measure gives better insight into underlying price trends. The consensus forecast is for core CPI to slow moderately, to 5.7% from 6.1%, while services inflation is forecast to ease only slightly to 6.7% from 6.9%. Overall, we believe that the BoE will want to see a more marked slowdown in underlying price pressures before it pivots to interest rate cuts.



Source: Datastream and Wells Fargo Economics

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Interest Rate Watch

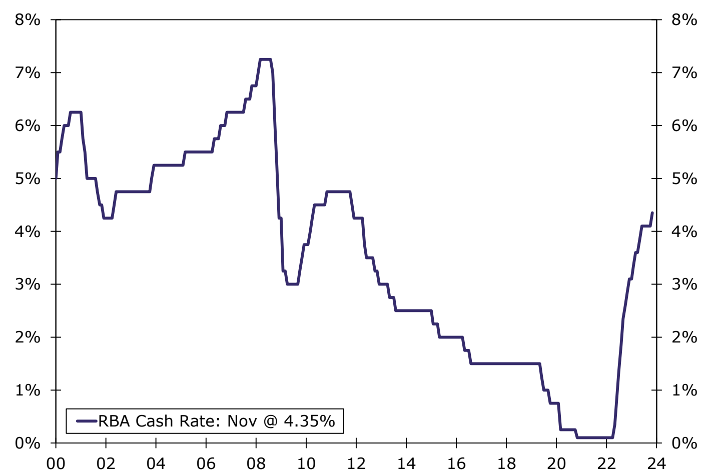
Reserve Bank of Australia Resumes Rate Hikes

While the Federal Reserve and many of the world's other major central banks are currently on hold, a few central banks are continuing to nudge interest rates higher. One such institution is the Reserve Bank of Australia (RBA), which, after remaining on pause since July, resumed its monetary tightening cycle this week with a 25 bps policy rate increase to 4.35%.

In deciding to raise interest rates, the RBA said inflation has passed its peak but is still too high and is proving more persistent than expected a few months ago. Although goods inflation is easing, the central bank said that the prices of many services continue to rise briskly. As a result, the RBA's updated economic forecasts project a slower decline in inflation than previously expected. CPI inflation is now forecast to be around 3.5% by the end of 2024 and at the top of its target range of 2% to 3% by the end of 2025.

At the same time, the RBA announcement was not overtly hawkish. While acknowledging the upside risks to services inflation, the central bank said the outlook for household consumption remains uncertain, and that there is also a high level of uncertainty around the outlook for the Chinese economy and the implications of the conflicts abroad. Given only a mild, and conditional, tightening bias, at the current juncture we believe it is more likely than not that this week's move will be the last rate hike of the current cycle.

The Reserve Bank of Australia is one of only a few central banks still tightening monetary policy. Just last week, the Bank of Japan (BoJ) delivered a tweak to its monetary policy implementation that allowed for longer-term bond yields to move higher. With respect to its Yield Curve Control (YCC) policy, the BoJ said it would continue to target a 10-year Japanese Government Bond (JGB) yield of zero percent, but that it would regard the 1.00% upper bound for 10-year JGB yields as a “reference” in its market operations. Previously that upper bound had been viewed as a “hard cap” above which it had prevented yields from rising. We also think the case for a more substantial policy adjustment is gradually building. Should Japan's economy enjoy ongoing and more balanced economic growth, and if wages firm further in the months ahead, we expect the Bank of Japan to lift its Policy Balance Rate by 10 bps to 0.00% at its April 2024 meeting. Finally, Norway's central bank held its Deposit Rate steady at 4.25% last week. But even as past monetary tightening begins to take some effect on Norway's economy, underlying inflation remains high, and the central bank indicated that another rate increase in December remains more likely than not.



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

Notwithstanding these latest developments, we remain of the view that monetary tightening from the G10 central banks is largely complete. That said, inflation is still elevated and above target across many of the advanced major economies, and we expect it will be well into 2024 before the G10 central banks embark on their respective monetary easing cycles.

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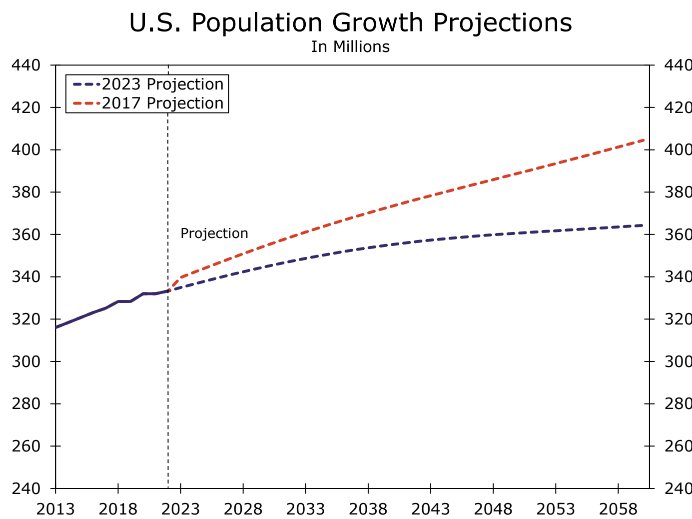
Topic of the Week

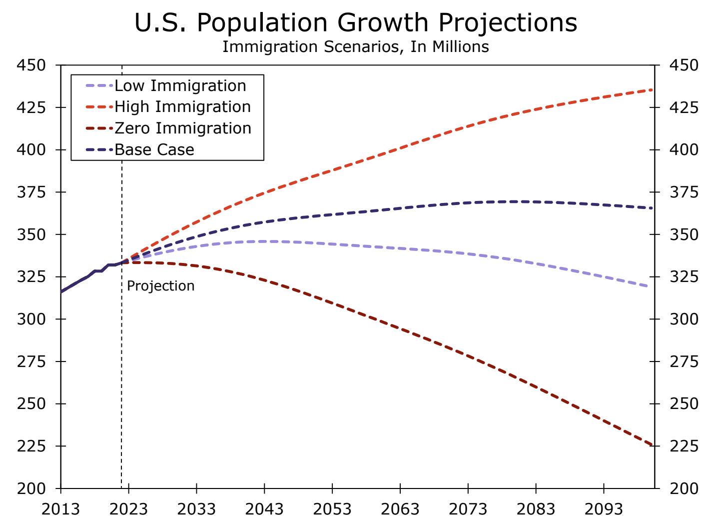
Census Projects Population Dip in 2080

This week, the U.S. Census Bureau released its first population projections incorporating the results of the 2020 Census. The projections, stretching into 2100, show population growth plateauing over the next few decades. The Census estimates that the population will peak at around 370 million people in 2080 before outright contracting in the following years, the first time ever the bureau has projected a population decline. Indeed, the results are a radical departure from the previous projections published in 2017, which forecasted a stronger growth pattern, with a projected 2060 population 40 million higher than current projections (chart).

The stall in population growth reflects an array of demographic shifts in the United States, including lower birth rates, increasing reliance on immigration and higher death rates as the population ages. Births have been on a steady downward trend since the Global Financial Crisis. For context, births in 2022 were about 19% lower than in 2007—or about 616K fewer. The bureau does not see this trend dissipating and expects for annual births and deaths to converge by 2038. The steady rise in deaths comes as a result of an aging population. For context, the percentage of the population over the age of 65 rose to 16.8% in 2020, up from 13% in 2010.



Source: U.S. Census Bureau and Wells Fargo Economics



Source: U.S. Census Bureau and Wells Fargo Economics

With natural growth expected to flatline in the next 15 years, overall population growth will become increasingly, and eventually entirely, reliant on immigration. Immigration slowed during the pandemic but has rebounded sharply as of late, with an estimated one million net migrants coming to the U.S. in 2022, up from a low of 376K in 2021. In the Census's base case, annual net immigration will average 939K over the next 78 years. This is lower than the 1.1 million averaged in the five years preceding the pandemic, but substantial enough to offset weakening natural growth, at least until 2080. It is important to note that immigration patterns can be influenced by hard-to-predict developments in domestic policy, the economy and climate. To account for this uncertainty, the Census lays out three alternative immigration scenarios: High, low and zero immigration (chart). The high-immigration scenario projects a population of 435 million by 2100 and is the only scenario in which the U.S. avoids population shrinkage. The low-immigration scenario peaks at 346 million in 2043 before declining. With zero immigration, the U.S. population would enter contraction in 2024 and fall to 226 million by 2100, over 100 million fewer people than in the base case.

Population shrinkage is an issue pressuring an increasing number of developed economies as birth rates trend lower. Nations such as Japan, South Korea and Italy are already contending with the challenges of population decline and aging populations, which places strain on their respective economies. Population growth is a key driver of economic growth, and these demographic developments may make it more difficult for the U.S. economy to navigate future headwinds.

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Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 11/10/2023	1 Week Ago	1 Year Ago
SOFR	5.32	5.33	3.78
Effective Fed Funds Rate	5.33	5.33	3.83
3-Month T-Bill	5.41	5.39	4.16
1-Year Treasury	5.15	5.15	4.58
2-Year Treasury	5.03	4.84	4.33
5-Year Treasury	4.64	4.50	3.94
10-Year Treasury	4.61	4.57	3.81
30-Year Treasury	4.73	4.77	4.05
Bond Buyer Index	3.93	4.17	4.02

Foreign Exchange Rates

	Friday 11/10/2023	1 Week Ago	1 Year Ago
Euro ($/€)	1.067	1.073	1.021
British Pound ($/₤)	1.221	1.238	1.172
British Pound (₤/€)	0.874	0.867	0.871
Japanese Yen (¥/$)	151.520	149.390	140.980
Canadian Dollar (C$/$)	1.382	1.366	1.332
Swiss Franc (CHF/$)	0.903	0.899	0.964
Australian Dollar (US$/A$)	0.635	0.651	0.662
Mexican Peso (MXN/$)	17.715	17.465	19.317
Chinese Yuan (CNY/$)	7.290	7.275	7.187
Indian Rupee (INR/$)	83.344	83.285	81.806
Brazilian Real (BRL/$)	4.907	4.903	5.380
U.S. Dollar Index	105.950	105.021	108.206

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

Foreign Interest Rates

	Friday 11/10/2023	1 Week Ago	1 Year Ago
3-Month German Govt Bill Yield	3.77	3.70	0.98
3-Month U.K. Govt Bill Yield	5.20	5.28	2.71
3-Month Canadian Govt Bill Yield	5.03	4.98	4.01
3-Month Japanese Govt Bill Yield	-0.18	-0.16	-0.10
2-Year German Note Yield	3.07	2.96	2.08
2-Year U.K. Note Yield	4.67	4.68	3.10
2-Year Canadian Note Yield	4.55	4.39	3.83
2-Year Japanese Note Yield	0.11	0.15	-0.05
10-Year German Bond Yield	2.72	2.65	2.01
10-Year U.K. Bond Yield	4.34	4.29	3.29
10-Year Canadian Bond Yield	3.82	3.74	3.15
10-Year Japanese Bond Yield	0.85	0.93	0.25

Commodity Prices

	Friday 11/10/2023	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	77.24	80.51	86.47
Brent Crude ($/Barrel)	81.54	84.89	93.67
Gold ($/Ounce)	1939.34	1992.65	1755.45
Hot-Rolled Steel ($/S.Ton)	893.00	873.00	658.00
Copper (¢/Pound)	359.30	368.15	375.80
Soybeans ($/Bushel)	13.36	13.25	14.55
Natural Gas ($/MMBTU)	3.03	3.52	6.24
Nickel ($/Metric Ton)	17,584	17,754	24,595
CRB Spot Inds.	539.72	539.72	562.35

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