Weekly — December 1, 2023

Weekly Economic & Financial Commentary

United States: **Inflation Takes Another Leg Lower**

- The U.S. data this week signaled that the economic expansion remains intact even as inflation continues to slow. The year-ago rates of headline and core PCE inflation were the lowest since March 2021 and April 2021, respectively.
- Next week: ISM Services (Tue.), Employment (Fri.), Consumer Sentiment (Fri.)

International: **Mixed News on the International Economic Front**

- Eurozone inflation slowed more than expected in November, and Canada's Q3 GDP unexpectedly declined, while the Reserve Bank of New Zealand held interest rates steady but offered hawkish policy guidance. China's manufacturing and services PMIs both slipped in November, while India's Q3 GDP advanced at a solid pace.
- Next week: Australia Policy Rate (Tue.), Mexico CPI (Thu.), India Policy Rate (Fri.)

Credit Market Insights: **Credit Check: Is It Time to Worry About Credit Card Debt?**

- After paying off credit card debt during the COVID lockdown period, households have levered up at a pace seven times as fast as they did in the prior cycle. Credit card delinquencies are starting to tick higher as well amid the highest average annual percentage rate on credit card debt in data going back to the early 1980s. So, is it time to start worrying about credit card debt?

Topic of the Week: **Something in the Beige Tells Me We're Almost Done**

- The blistering pace of growth in the third quarter is on track to cool in the final months of the year. That is the takeaway from contacts across the 12 Federal Reserve Districts who noted slowing economic activity since early October in the final Beige Book of this year.

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	5.2	0.7	0.9	-0.3	-1.5	0.3	1.9	2.4	0.8	1.4
Personal Consumption	3.8	0.8	3.6	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

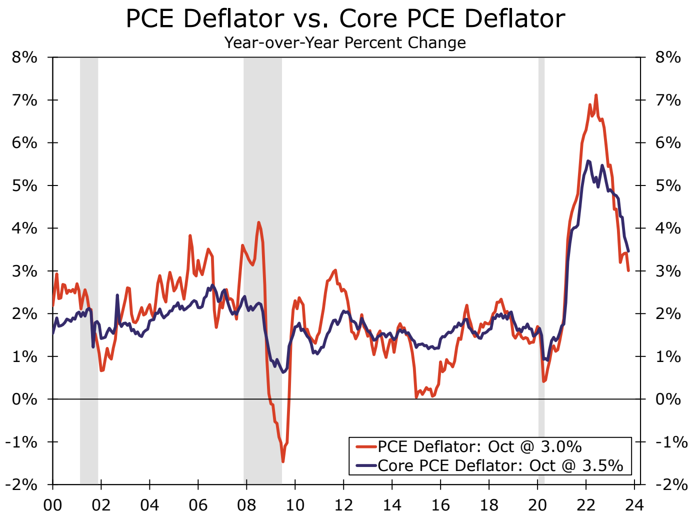
Please see our full U.S. Economic Forecast.

U.S. Review

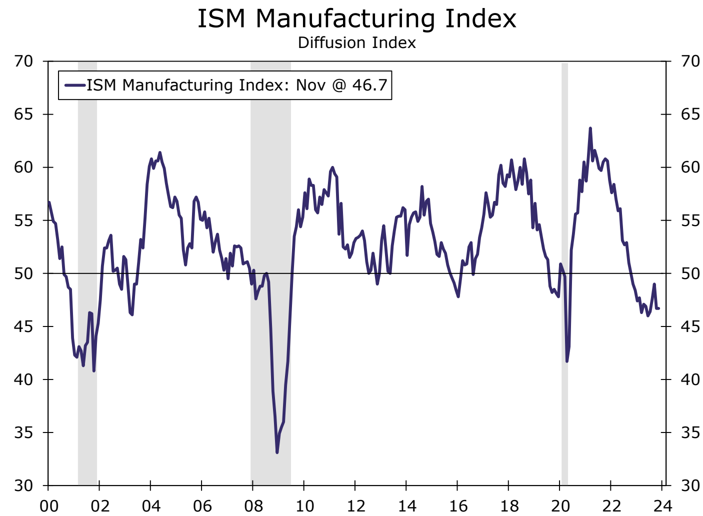
Inflation Takes Another Leg Lower

The U.S. data this week signaled that the economic expansion remains intact even as inflation continues to slow. The personal income and spending data for October showed that real household consumption growth remained solid, albeit not quite as strong as it was in the third quarter. Inflation-adjusted consumption growth in October was fueled by higher spending on services (+0.2%) and nondurable goods (+0.3%), while spending on durable goods declined by 0.3%. Real GDP growth in Q3 was revised up from 4.9% in the first release to an even-stronger 5.2% in the second release. A slowdown in Q4 from such a blistering pace is all but assured, but the initial consumer spending data for the quarter suggest that it will be a moderation rather than a nosedive.

The October reading of the PCE deflator confirmed what the October CPI data showed a few weeks ago: Inflation continued its descent in the month. The headline PCE deflator was unchanged in October and up 3.0% from one year ago. Excluding food and energy, prices increased 0.2% in October and 3.5% year-over-year. These year-ago rates of headline and core PCE inflation were the lowest since March 2021 and April 2021, respectively. The FOMC is not yet ready to declare mission accomplished in its inflation fight. Despite the slowdown, price growth is still above the central bank's 2% target, and policymakers want to feel confident that this inflation pace is *sustained* over time. That said, the deceleration in prices bodes well for the widening path to a soft landing for the U.S. economy.



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



Source: Institute for Supply Management and Wells Fargo Economics

It is important to remember that slowing inflation still means that prices are rising, just at a slower rate. Data released this week showed that this dynamic is also playing out in the housing market. The S&P CoreLogic Case-Shiller Home Price Index rose 0.7% in September and is up 3.9% compared to one year ago. This is fairly close to the pace that prevailed in 2018-2019 and marks a notable slowdown from September 2021 and 2022, when home prices were up 19.1% and 10.5% year-over-year, respectively. Elevated mortgage rates have clearly helped induce the slowdown, but limited inventory for sale and a still-solid labor market have kept prices from outright declining in most parts of the country. Still-solid demand and limited inventory have kept new home sales buoyed despite the surge in mortgage rates. New home sales fell 5.6% in October but are still running at roughly the same pace that prevailed in 2019 when mortgage rates were much lower.

High interest rates also continue to weigh on the manufacturing sector. The ISM manufacturing index for November came in at 46.7, matching October's number. A reading below 50 is consistent with a manufacturing sector that is generally contracting. Among the subcomponents of the index, the employment and current production measures weakened relative to October, while new orders perked up somewhat. Overall, the ISM manufacturing index is near the weakest levels seen over the past 25 years outside the 2001 and 2008-2009 recessions. The prospects for a soft landing for the U.S. economy are better today than they were a year ago, but they are far from assured. (Return to Summary)

U.S. Outlook

Weekly Domestic Indicator Forecasts					
Date	**Indicator**	**Period**	**Consensus**	**Wells Fargo**	**Prior**
5-Dec	ISM Services Index	Nov	52.5	52.4	51.8
8-Dec	Nonfarm Payrolls	Nov	190K	230K	150K
8-Dec	Unemployment Rate	Nov	3.9%	3.8%	3.9%
8-Dec	Average Hourly Earnings (MoM)	Nov	0.3%	0.3%	0.2%
8-Dec	U. of Mich. Sentiment	Dec	61.6	--	61.3

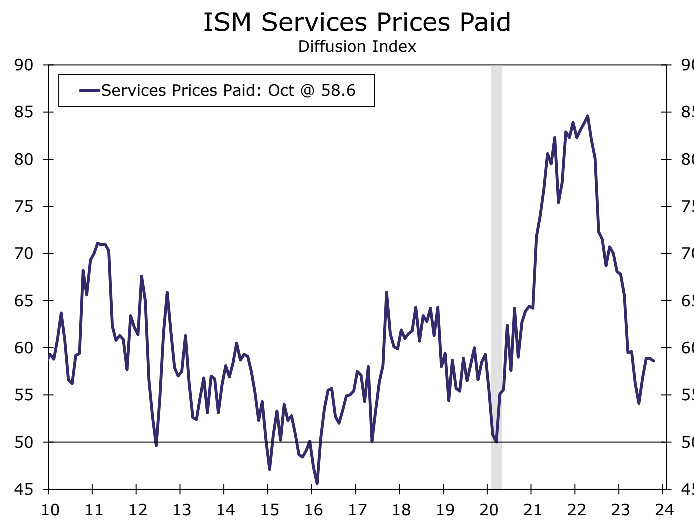
Forecast as of December 01, 2023

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

ISM Services Index • Tuesday

In contrast to the interest rate-sensitive manufacturing sector, the Fed's tightening cycle has yet to meaningfully dent demand for services. The ISM Services Index dipped to 51.8 in October, consistent with a somewhat slower increase in services spending over the month. But consumers are still spending. In real terms, economy-wide personal services expenditures climbed higher in 20 of the past 21 months. We expect service sector activity continued to expand in November, prompting the index to increase to 52.4.

As consumers continue to spend on services, labor challenges have moved to the top of employers' minds. The employment component of the ISM index barely indicated expansion in October. Recruitment challenges, in turn, appear to be pushing up labor costs and exerting upward pressure on inflation. This dynamic is apparent in the nearby chart, showing the abrupt end to the once-downward trend in prices paid by service providers. We expect sticky wage growth will slow disinflation moving forward, reinforcing our view that the road back to 2% inflation will be long and bumpy.

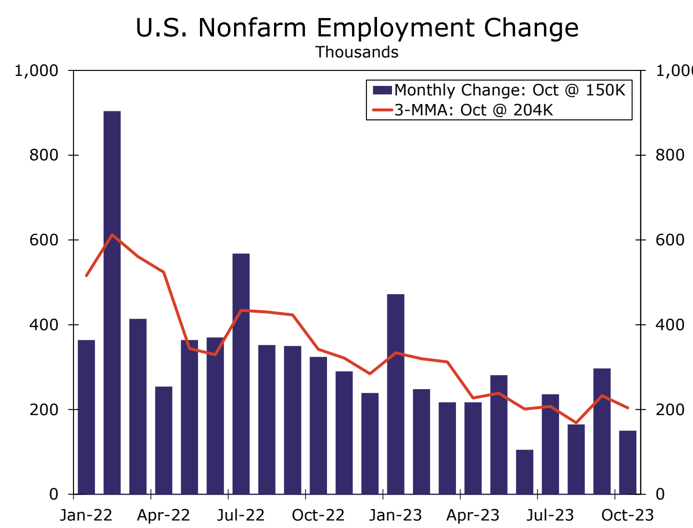


Source: Institute for Supply Management and Wells Fargo Economics

Employment • Friday

The most recent jobs report provided concrete evidence of labor market softening, an outcome we have been anticipating since the Fed committed to its battle against inflation. The 150K net payrolls added in October was roughly half September's 297K print. Combined with downward revisions to prior data, October's outturn solidified a trend decline that reflects a labor market gradually losing steam. Wage growth also continued to cool in October as labor demand and supply move closer toward balance. Average hourly earnings rose 0.2%, the slowest monthly pace in more than a year. On a three-month annualized basis, AHE were up 3.2%, a pace that could be deemed consistent with 2% inflation, if sustained, when factoring in the trend in productivity growth.

The United Auto Workers strike was a one-off factor that dampened payrolls in October. Even excluding auto manufacturing, however, job growth appears to be narrowing. The share of industries expanding headcounts in October fell to its lowest level since April 2020. We anticipate softening labor demand will remain a theme moving forward. That said, the end to UAW and Hollywood actors' strikes looks apt to boost November's payroll print by close to 45K. Furthermore, a relatively late survey week should help capture more holiday hiring than in prior years, supporting seasonally-adjusted gains. We estimate that employers added 230K payrolls over the month. We also expect the unemployment



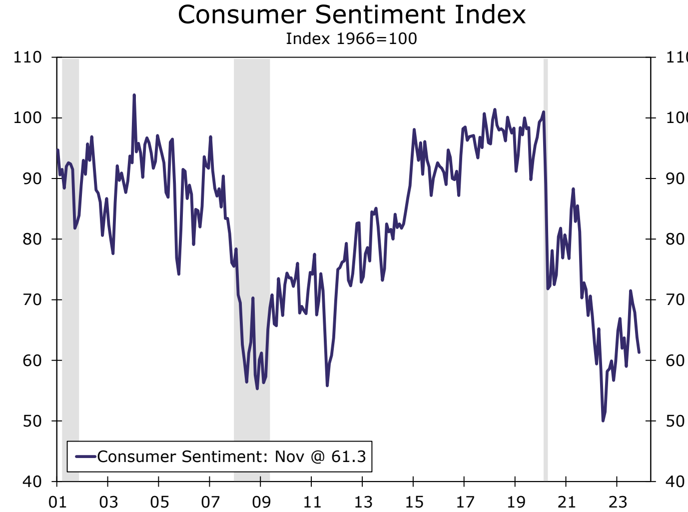
Source: U.S. Department of Labor and Wells Fargo Economics rate ticked down to 3.8% and look for average hourly earnings to increase 0.3% in November.

University of Michigan Consumer Sentiment • Friday

Economists may rejoice at a gradually slowing rate of price growth, but consumers are left with some serious sticker shock. The cumulative effect of more than two years of elevated inflation has depressed consumer sentiment to levels not seen since the years following the Great Recession. The Consumer Sentiment Index declined to 61.3 in November, reflecting worsening perceptions of both current and future conditions.

Financial health is not what worries consumers; more than half expect their incomes to rise next year amid a still-steady labor market. Rather, inflation concerns are front and center. Although longer-term inflation expectations remain relatively well-anchored, year-ahead expectations jumped to 4.5% in November. Digging deeper, the percentage expecting an uptick in gas prices reached its highest reading of the year (53%). Although inflation is receding, ongoing price pressures alongside the higher-for-longer interest rate environment are apt to dim consumer attitudes for some time.

(Return to Summary)



Source: University of Michigan and Wells Fargo Economics

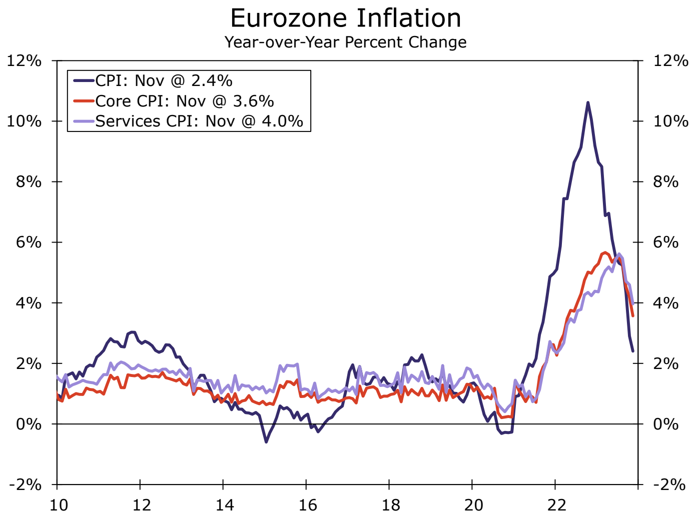
International Review

Mixed News on the International Economic Front

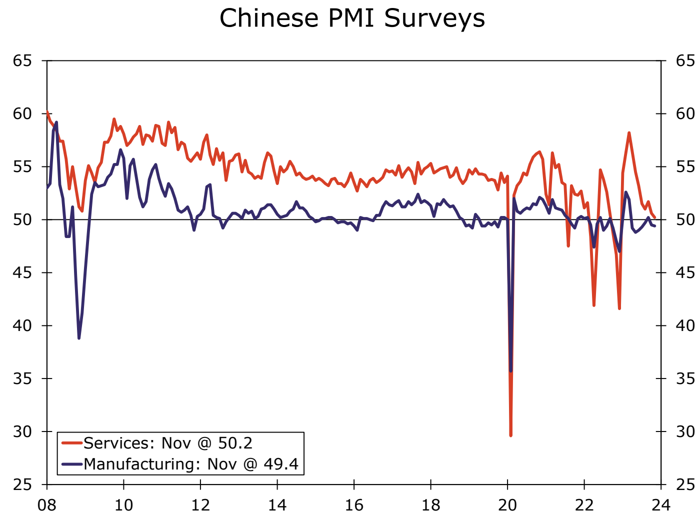
This week's November Eurozone CPI showed further progress for the European Central Bank (ECB) toward achieving its 2% inflation target. November headline inflation slowed more than expected to 2.4% year-over-year, as prices for food, alcohol and tobacco slowed to 6.9%, non-energy industrial goods slowed to 2.9% and energy prices showed a decline of 11.5%. At the same time, measures of underlying inflation also slowed. The November core CPI rose 3.6%, which was the slowest pace of increase since April 2022, and services inflation slowed 4.0%. Taking an even more recent and granular approach by examining three-month annualized growth rates, prices for the CPI ex food and energy rose at a 0.7% pace, while services prices rose at a 1.9% pace. With noticeable easing in price pressures becoming more evident, that should be sufficient in our view to prevent the ECB from hiking rates further. That is particularly the case, given that activity data and sentiment surveys remain in contractionary territory, notwithstanding the slight improvement in Eurozone economic confidence to 93.8 in November. We expect ECB interest rates to remain on hold for an extended period, until around mid-2024.

This week's Canadian economic news was subdued in tone overall. Canada's Q3 GDP unexpectedly shrank, by 1.1% quarter-over-quarter annualized, although that downside miss was broadly offset by an upward revision to Q2 GDP, which now shows growth of 1.4% quarter-over-quarter annualized. For Q3, the details were also underwhelming as consumer spending edged up at just a 0.1% pace, while business fixed investment contracted at a 2.0% pace. Meanwhile, monthly GDP data suggest the quarter ended on a slightly better note as September GDP rose 0.1% month-over-month, while Statistics Canada's flash estimate is for October GDP to rise by 0.2%. From the labor market, the Canadian employment report showed another month of steady growth in November. Overall employment rose by 24,900, although full-time employment was firmer, rising by 59,600. The unemployment rate ticked up to 5.8%, while the hourly wage rate for permanent employees held steady at 5.0% year-over-year. Taken together, the GDP and labor data do not significantly alter the outlook for Canadian monetary policy, and we expect the Bank of Canada to hold its policy rate steady at 5.00% at its monetary policy meeting next week.

Elsewhere, the Reserve Bank of New Zealand (RBNZ) held its Official Cash Rate at 5.50% this week, as expected, although its accompanying comments and economic projections were hawkish in tone. The central bank said inflation remains too high and that it remains wary of ongoing inflationary pressures. The RBNZ said that while record immigration has increased the supply of workers, the effects on aggregate demand are also becoming apparent, increasing the risk of inflation remaining above target. While the RBNZ is confident the current level of the Official Cash Rate is restricting demand, it did say that if inflationary pressures were to be stronger than anticipated, the policy rate would likely need to increase further. This is also reflected in the RBNZ's updated economic projections. Those forecasts envisage a modestly higher path for the policy rate, implying a possibility of a further rate increase and not envisaging an initial rate cut until mid-2025. Moreover, the RBNZ's updated economic projections no longer show a recession in the second half of 2023.



Source: Datastream and Wells Fargo Economics



Source: Datastream and Wells Fargo Economics

This week's news from emerging economies was mixed. In China, sentiment surveys have been a bit up and down in 2023, and November was another down month for the manufacturing and services PMIs. The November manufacturing PMI unexpectedly eased to 49.4, following its decline in October. Among the details, the output component dipped to 50.7, while the new orders component eased to 49.4. The November services PMI also dropped unexpectedly to 50.2, again a second straight fall. The details, however, were more encouraging, as the new orders component rose to 47.2, while business activity expectations rose to 59.8.

Finally, India's Q3 GDP report indicated that economic growth remains strong for the time being. India's GDP growth slowed, but by much less than expected, to 7.6% year-over-year in Q3 from 7.8% in Q2. Within the details, growth in fixed investment spending firmed to 11.0%, although growth in consumer spending slowed somewhat to 3.1%.

(Return to Summary)

International Outlook

Weekly International Indicator Forecasts					
Date	**Indicator**	**Period**	**Consensus**	**Wells Fargo**	**Prior**
5-Dec	Australia Policy Rate	5-Dec	4.35%	4.35%	4.35%
7-Dec	Mexico CPI (YoY)	Nov	--	4.40%	4.26%
8-Dec	India Policy Rate	8-Dec	6.50%	--	6.50%

Forecast as of December 01, 2023

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

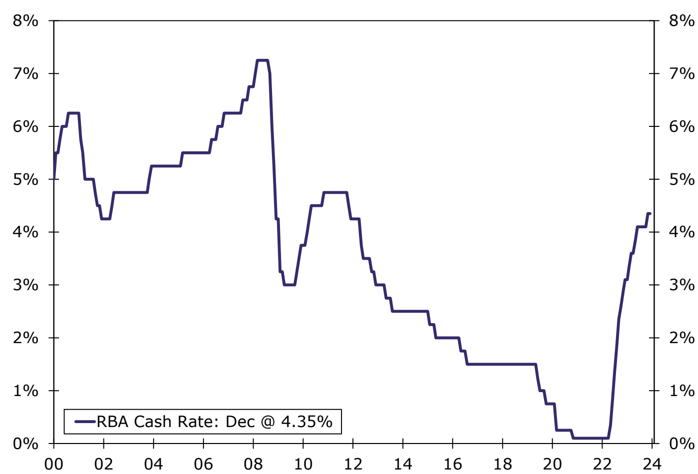
Reserve Bank of Australia Policy Rate • Tuesday

The Reserve Bank of Australia (RBA) announces its monetary policy decision next week and, after raising rates in November, we expect the RBA to hold its Cash Rate steady at 4.35% in December. To be sure, the central bank remains concerned about persistent inflationary pressures; RBA Governor Bullock says Australia's economy is proving a bit stronger than expected, helping to keep inflation pressures elevated. Bullock added that we're starting to see some second round effects of higher costs and that services inflation in particular is quite sticky.

While those hawkish comments suggest another rate hike remains a possibility, a favorable October inflation report suggests any hike is unlikely to come at next week's meeting. The headline CPI slowed more than forecast to 4.9% year-over-year, and while underlying inflation measures were mixed, they also hinted at some deceleration. Trimmed mean inflation eased only slightly to 5.3%, but services inflation slowed more noticeably to 5.0%. We believe the RBA will hold rates steady next week and continue assessing the incoming inflation data before deciding whether to raise interest rates again in the new year.

Finally, next week will also offer some insight into the state of the economy in the form of Australia's Q3 GDP report. The consensus forecast is for Q3 GDP to rise 0.4% quarter-over-quarter, which would match the increase seen in Q2, while Q3 GDP growth is expected to slow to 1.8% year-over-year.

Reserve Bank of Australia Policy Rate



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

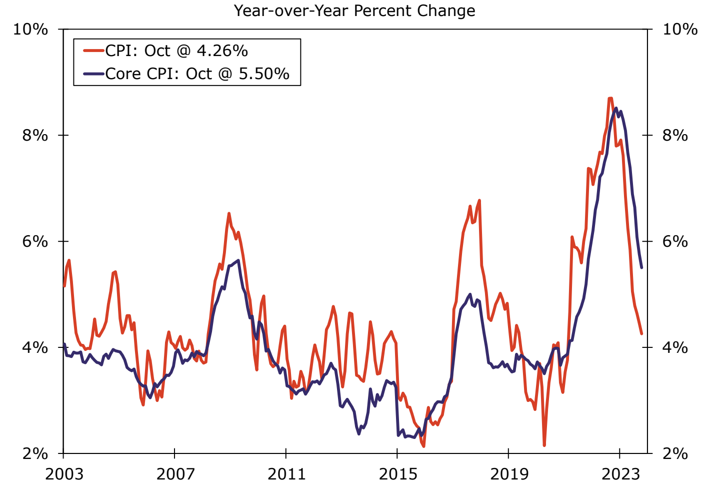
Mexico CPI • Thursday

Mexico's November CPI is released next week and, although the report may reveal some deceleration in underlying price pressures, inflation likely remains too elevated for the central bank to consider rate cuts at this time. Headline inflation has slowed markedly over the past several months, to 4.26% year-over-year in October, while the core CPI has also slowed, though more gradually to 5.50%. A deceleration in prices for food, beverages and tobacco, along with furniture & clothing and shoes have been among the key drivers of the deceleration. That said, services inflation—which has been a key focus for the Bank of Mexico—has actually ticked higher in recent months to 5.34%.

For November, we expect headline inflation to quicken moderately to 4.40%, with energy-related base effects contributing to the uptick. Meanwhile, we anticipate core inflation will slow modestly further. That said, for the time being, both headline and core inflation remain elevated above the central bank's 2%-4% inflation target range. Thus, even after the central bank softened its language at its most recent announcement, saying it would keep its policy rate steady “for some time” rather than an “extended period,”

Mexican Inflation

Year-over-Year Percent Change



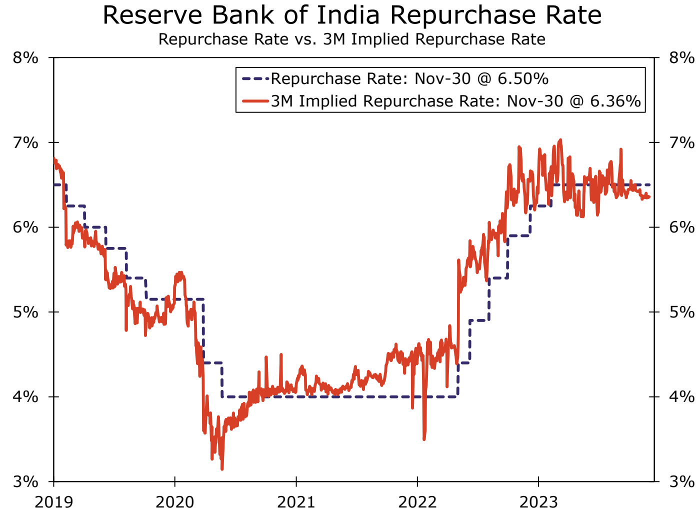
Source: Datastream and Wells Fargo Economics we still see the Bank of Mexico holding rates steady at its December monetary policy meeting.

Reserve Bank of India Policy Rate • Friday

The Reserve Bank of India (RBI) announces its monetary policy decision next week and is likely, in our view, to keep its repo rate steady at 6.50%. The RBI struck a hawkish tone at its most recent policy announcement in early October, saying it identified high inflation as a major risk and that it remains focused on taming inflation and withdrawing monetary policy accommodation. In fact, RBI Governor Das even hinted that the central bank might sell bonds to soak up excess liquidity, while also emphasizing that the RBI's inflation target "is 4% and not 2%-6%."

Since that announcement there has been some progress on the inflation front, as the October CPI slowed to 4.87% year-over-year and the core CPI slowed to 4.25%. Nonetheless, those readings are still above the central bank's inflation target, while economic growth continues to advance at a sturdy pace. Q3 GDP growth eased to a still strong 7.6% year-over-year pace, and although the October manufacturing and services PMIs fell to 55.5 and 58.4, respectively, both remain well above the breakeven 50 level. Against that backdrop, we think it is too early yet for the Reserve Bank of India to consider monetary easing, and we expect the central bank to hold its repo rate steady at 6.50% at next week's announcement.

(Return to Summary)



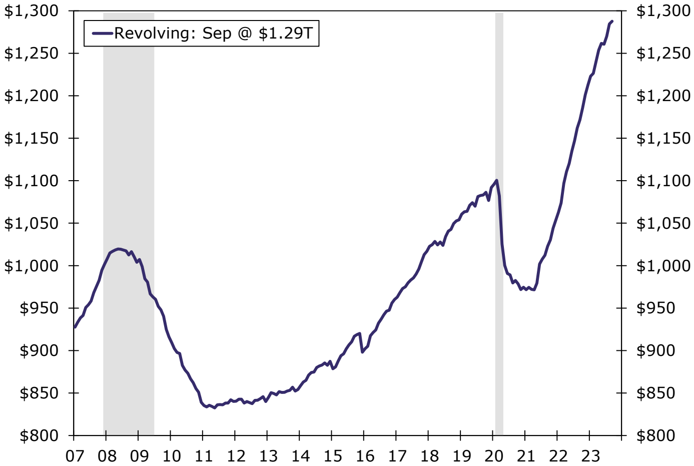
Source: Bloomberg Finance L.P. and Wells Fargo Economics

Credit Market Insights

Credit Check: Is It Time to Worry About Credit Card Debt?

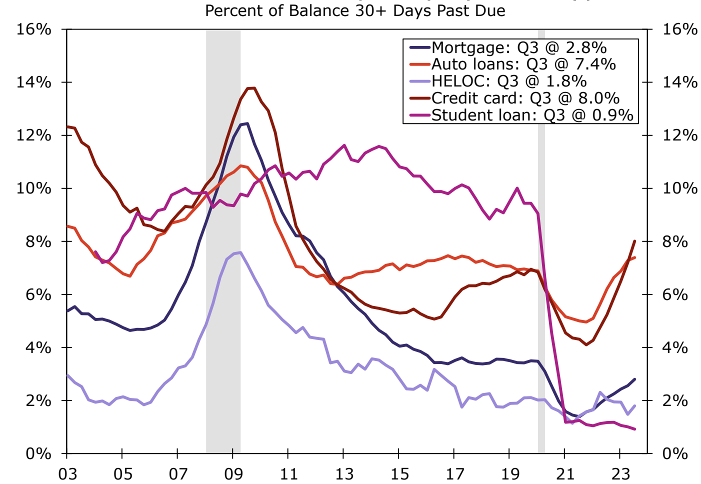
Earlier this week, we published a note highlighting the significant surge in U.S. consumer credit card debt over the past two years. Vivacious U.S. consumers have not only relied on "excess" savings but have increasingly reached for their credit cards to sustain spending as well. Revolving consumer credit, which consists mostly of credit card debt, sits at an all-time high of $1.3 trillion today. The pace of growth has been astonishing as households have levered up at a pace seven times faster than in the prior cycle (chart). The explosion in credit reliance has raised some alarm, especially when considered in the context of a rise in credit card delinquencies concentrated among younger and lower income borrowers. In our note, we posit that while credit card debt has grown at a rapid rate, in the context of rising incomes, it does not indicate a credit crunch is immediately at hand.

Revolving Consumer Credit
Billions of USD



Source: Federal Reserve Board and Wells Fargo Economics

Transition into Delinquency by Loan Type
Percent of Balance 30+ Days Past Due



Source: New York Fed Consumer Credit Panel, Equifax and Wells Fargo Economics

When COVID lockdowns caused consumers to go into hiding, households finally got a chance to catch up on credit card payments. But spending came back with a vengeance starting in early 2021, and consumers have not looked back since. Over the past two years, credit card debt has ballooned by more than 40%, more than double the 19% gain in mortgages, the next fastest major category. Financing costs on this debt have also risen sharply, with the average APR going from less than 15% as recently as last year to 21.2% as of Q3.

Higher rates haven't stopped consumer spending yet, but delinquencies are on the rise (chart). Recent analysis from the New York Fed revealed delinquencies are rising most rapidly for borrowers who have other forms of debt such as student and auto loans. Banks are wise to the risk of rising delinquencies, and a net majority have already moved to tighten lending standards, which should act as a headwind to sustained consumer spending going forward. Inflation is also at play here as price growth outpaced income growth for much of the past two years, forcing households to bridge the gap with credit. When expenses are growing faster than your paycheck, credit cards are not an indulgence, they're a lifeline.

While incomes have struggled at times to keep up with prices, slowing inflation has given way to some considerable gains in real income recently. So even though credit card borrowing has been growing fast, so too has income. Through September, consumer credit card debt accounts for only a 6.3% share of disposable personal income, a figure quite low by historical standards. Credit cards also only account for 6.2% of total household debt today, making it a comparatively small category. Consumer credit levels and payments are both manageable as a share of income, for now at least. Should income falter, that could change. Rising delinquencies warrant attention, but a credit crunch is not imminent. That said, relying on credit is never a sustainable source of purchasing power for the household sector, and we expect for less reliance on credit to take a bite out of spending momentum by mid-2024.

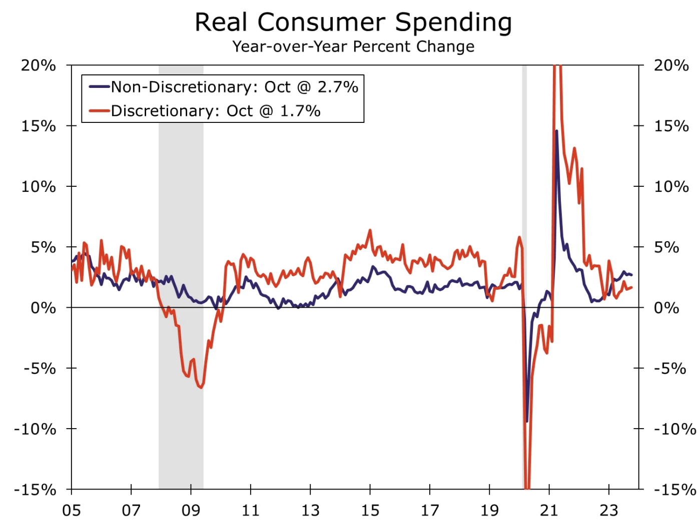
(Return to Summary)

Topic of the Week

Something in the Beige Tells Me We're Almost Done

The blistering pace of growth in the third quarter is on track to cool in the final months of the year. That is the takeaway from contacts across the 12 Federal Reserve Districts who noted slowing economic activity since early October in the final Beige Book of this year. The downgrade is a noticeable shift from the previous Beige Book, released in mid-October, that reported "little to no change" in economic activity.

Cooling consumption is driving the moderation. Several districts reported softening or flat consumer spending since early October, and a broad consensus is emerging that households are pulling back on discretionary items in particular, such as furniture and appliances. This sentiment squares with our own estimates showing inflation-adjusted 'non-discretionary' spending growth starting to outpace 'discretionary' consumption in recent months (chart). Contacts of the Kansas City, Atlanta and Philadelphia Feds suggested that the turn to a more budget-conscious mindset has stemmed primarily from low to middle income families who have likely run down their excess liquidity.



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

The Minneapolis Fed also reported that consumers are becoming more price sensitive for everyday goods. At the same time, contacts of the Ninth District stressed that purchases of big-ticket items remained strong, and that was reinforced by robust demand for luxury goods in the Atlanta Fed's district and solid auto sales in the New York Fed's district. A banker from Wisconsin described the bifurcated picture well: "People are mad about eggs costing more, but they'll still buy a car." In short, consumers who are able to spend have continued to do so on expensive durable goods despite elevated prices and borrowing costs. We expect total consumer spending to continue to grow to the extent that aggregate income growth holds up.

Income growth has held up a bit better than expected despite incremental signs of labor market weakening. Most districts characterized wage growth as modest to moderate, while several industry contacts reported lowering their starting wages. Improved labor supply and loosened labor demand have paved the way to softer wage offerings. The Boston Fed summarized: "Clients were 'rightsizing' their businesses through occasional layoffs and reduced hiring plans. Starting wages actually declined for some positions because of an increased candidate pool, and signing and retention bonuses became less common." Yet, wage pressures remain elevated among high-skilled positions, such as engineers and lawyers, as evidenced by comments from the San Francisco, St. Louis, Chicago and Cleveland Feds signaling that skills mismatches have kept upward pressure on wages.

On balance, the moderation in wage growth and cooling in consumer spending have helped to quell price increases. The Atlanta Fed stated: "Pricing power diminished amid pushback from customers." Contacts of the St. Louis Fed who chose to hold their selling prices steady or only slightly increase them cited "increased consumer sensitivity" and that "previous price increases were enough to cover more recent cost increases." Looking ahead, most districts expect price increases to continue to moderate in the coming year. The Philadelphia Fed reported: "The increases that firms anticipated in the prices for their own goods [one year ahead] fell significantly. The trimmed mean for all firms fell to 2.7% in Q4-2023, from 3.7% in the third quarter."

Consumers are no longer the price-takers they were earlier in this cycle, and that is weighing on businesses' ability to raise prices further. The reprieve in price increases is another step toward the Federal Reserve's 2% inflation goal. The Beige Book's themes of moderating consumer spending, subsiding labor demand and easing price pressures all reinforce our long-held view that the last rate hike is in for this cycle.

(Return to Summary)

Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 12/1/2023	1 Week Ago	1 Year Ago
SOFR	5.33	5.31	3.82
Effective Fed Funds Rate	5.33	5.33	3.83
3-Month T-Bill	5.39	5.39	4.27
1-Year Treasury	4.86	5.01	4.57
2-Year Treasury	4.60	4.95	4.23
5-Year Treasury	4.20	4.49	3.66
10-Year Treasury	4.27	4.47	3.50
30-Year Treasury	4.46	4.60	3.60
Bond Buyer Index	3.49	3.74	3.65

Foreign Exchange Rates

	Friday 12/1/2023	1 Week Ago	1 Year Ago
Euro ($/€)	1.086	1.094	1.052
British Pound ($/£)	1.266	1.260	1.225
British Pound (£/€)	0.858	0.868	0.859
Japanese Yen (¥/$)	147.320	149.440	135.330
Canadian Dollar (C$/$)	1.351	1.364	1.343
Swiss Franc (CHF/$)	0.871	0.883	0.937
Australian Dollar (US$/A$)	0.666	0.659	0.681
Mexican Peso (MXN/$)	17.195	17.114	19.151
Chinese Yuan (CNY/$)	7.140	7.149	7.053
Indian Rupee (INR/$)	83.295	83.378	81.221
Brazilian Real (BRL/$)	4.880	4.902	5.192
U.S. Dollar Index	103.652	103.403	104.728

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

Foreign Interest Rates

	Friday 12/1/2023	1 Week Ago	1 Year Ago
3-Month German Govt Bill Yield	3.64	3.63	1.19
3-Month U.K. Govt Bill Yield	5.27	5.27	2.97
3-Month Canadian Govt Bill Yield	5.02	5.03	3.99
3-Month Japanese Govt Bill Yield	-0.14	-0.24	-0.18
2-Year German Note Yield	2.67	3.07	2.03
2-Year U.K. Note Yield	4.55	4.71	3.28
2-Year Canadian Note Yield	4.13	4.45	3.79
2-Year Japanese Note Yield	0.05	0.06	-0.03
10-Year German Bond Yield	2.37	2.64	1.81
10-Year U.K. Bond Yield	4.15	4.28	3.10
10-Year Canadian Bond Yield	3.51	3.72	2.84
10-Year Japanese Bond Yield	0.70	0.78	0.25

Commodity Prices

	Friday 12/1/2023	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	75.93	75.54	81.22
Brent Crude ($/Barrel)	80.79	80.58	86.88
Gold ($/Ounce)	2056.73	2000.82	1803.10
Hot-Rolled Steel ($/S.Ton)	1044.00	898.00	655.00
Copper (¢/Pound)	387.75	378.90	381.40
Soybeans ($/Bushel)	13.33	13.23	14.67
Natural Gas ($/MMBTU)	2.83	2.86	6.74
Nickel ($/Metric Ton)	16,438	16,382	26,892
CRB Spot Inds.	538.19	540.77	568.50

Subscription Information

To subscribe please visit: www.wellsfargo.com/economicsemail

Via The Bloomberg Professional Services at WFRE

Economics Group

Jay H. Bryson, Ph.D.	Chief Economist	704-410-3274	Jay.Bryson@wellsfargo.com
Sam Bullard	Senior Economist	704-410-3280	Sam.Bullard@wellsfargo.com
Nick Bennenbroek	International Economist	212-214-5636	Nicholas.Bennenbroek@wellsfargo.com
Tim Quinlan	Senior Economist	704-410-3283	Tim.Quinlan@wellsfargo.com
Sarah House	Senior Economist	704-410-3282	Sarah.House@wellsfargo.com
Azhar Iqbal	Econometrician	212-214-2029	Azhar.Iqbal@wellsfargo.com
Charlie Dougherty	Senior Economist	212-214-8984	Charles.Dougherty@wellsfargo.com
Michael Pugliese	Senior Economist	212-214-5058	Michael.D.Pugliese@wellsfargo.com
Brendan McKenna	International Economist	212-214-5637	Brendan.Mckenna@wellsfargo.com
Jackie Benson	Economist	704-410-4468	Jackie.Benson@wellsfargo.com
Shannon Grein	Economist	704-410-0369	Shannon.Grein@wellsfargo.com
Nicole Cervi	Economist	704-410-3059	Nicole.Cervi@wellsfargo.com
Patrick Barley	Economic Analyst	704-410-1232	Patrick.Barley@wellsfargo.com
Jeremiah Kohl	Economic Analyst	704-410-1437	Jeremiah.J.Kohl@wellsfargo.com
Aubrey George	Economic Analyst	704-410-2911	Aubrey.B.George@wellsfargo.com
Delaney Conner	Economic Analyst	704-374-2150	Delaney.Conner@wellsfargo.com
Anna Stein	Economic Analyst	212-214-1063	Anna.H.Stein@wellsfargo.com
Coren Burton	Administrative Assistant	704-410-6010	Coren.Burton@wellsfargo.com

Required Disclosures