Weekly — April 22, 2022

Weekly Economic & Financial Commentary

United States: **Higher Mortgage Rates Begin to Bite**

- The sharp rise in mortgage rates appears to be slowing residential activity. Existing home sales fell 2.7% during March. Housing starts inched up 0.3% during March. However, single-family starts declined 1.7% during the month and single-family permits dropped 4.8%. The NAHB index fell two points to 77 in April. The Leading Economic Index (LEI) expanded 0.3% in March, reflecting slower-but-still positive economic growth.
- Next week: Durable Goods (Tue), New Home Sales (Tue), GDP (Thu)

International: **China's Still Stumbling Economic Momentum**

- China's economy started 2022 on a reasonable note as Q1 GDP rose 1.3% quarter-over-quarter, with manufacturing activity holding up quite well and services activity somewhat softer. However, March retail sales fell particularly sharply, while the ongoing impact of COVID lockdowns suggests April activity data could be even weaker. We forecast Chinese GDP growth of 4.9% for full-year 2022, but see the risk around that outlook as tilted to the downside.
- Next week: Australia CPI (Wed), Sweden Policy Rate (Thu), Eurozone CPI (Fri)

Credit Market Insights: **Student Loan Developments Are a Boost to Young Adult Balance Sheets**

- On Tuesday, the Department of Education announced another policy designed to bring student loan borrowers closer to debt forgiveness and ease their ability to pay off debts, affecting an estimated 3.6 million borrowers.

Topic of the Week: **The Beige Book Paints a Clouded Outlook**

- The Fed's Beige Book, released eight times per year, qualitatively reports on regional economic conditions. Although activity was generally solid over the survey period, this week's report underscores a growing sense of uncertainty about the economy's path in the coming months.

Wells Fargo U.S. Economic Forecast

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

Forecast as of: April 07, 2022
[1] Compound Annual Growth Rate Quarter-over-Quarter [2] Year-over-Year Percentage Change [3] Annual Numbers Represent Average

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

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

U.S. Review

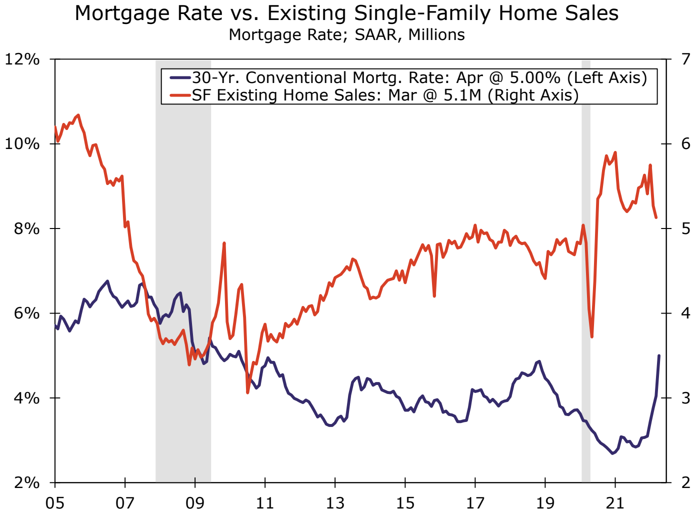
Higher Mortgage Rates Begin to Bite

Higher borrowing costs are beginning to take some of the wind out of the housing market's sails. The average 30-year fixed contract rate began to move significantly higher at the start of the year after the Fed heavily hinted that it would soon begin to lift the effective federal funds rate and eventually reduce the size of its balance sheet in order to tamp down intensifying inflation pressures. As we recently published, mortgage rates, which tend to follow the 10-year Treasury yield, have risen markedly alongside expectations for aggressive policy tightening. The Fed's purchases of mortgage-backed securities (MBS) also have a degree of influence over mortgage rates. Following the Fed's hawkish pivot, mortgage rates jumped to 3.4% in January and then rose further to 3.8% in February and 4.0% in March. So far in April, mortgage rates have only climbed higher. According to Mortgage News Daily, the 30-year fixed rate mortgage hit 5.35% on April 19, the highest since 2009.

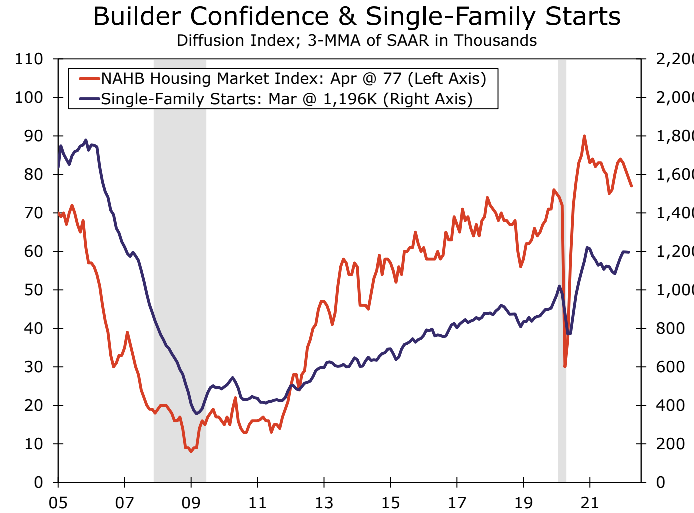
The quick step-up in rates to start the year looks to be slowing down the housing market, which is one of the most interest-rate sensitive parts of the economy. Total existing home sales fell 2.7% during March. The monthly drop follows a steep 8.6% decline in February. The upswing in mortgage rates has further eroded affordability at a time when home prices continue to rapidly ascend, pushed higher by the rise of remote work and increased household space needs. The upshift in demand has brought inventories to historically low levels. Inventories improved ever-so slightly in March, but there were still just two months of supply during the month, meaning it would take about that length of time to sell all of the market's available inventory at the current sales pace. For context, an average supply of 4-6 months usually indicates a balanced housing market.

The modest inventory improvement will come as welcome news to prospective buyers, who are increasingly becoming discouraged by the lack of homes for sale and fierce buyer competition, a combination which continues to drive up home prices.The median existing home price rose 15% on a yearly basis in March, a slight moderation compared to the 15.7% annual increase in February. Single-family home prices are rising at a fast clip everywhere, but the South stands apart, with prices up over 21% on a yearly basis in March. The South is home to several of the nation's fastest-growing metro areas, such as Charlotte, Atlanta, Nashville and Miami, to name just a few. These areas continue to experience robust population and employment growth, in part fueled by the region's supply of affordable housing. Even with the rapid appreciation, home values and apartment rents are a relative bargain compared to pricier Northeast and West Coast locations. The economic outperformance of these areas has become a beacon for single-family rental firms and institutional investors, which only adds to the competition for homes.

Home building is another area of the residential sector that appears to be losing a bit of momentum. Total housing starts inched up 0.3% to a 1.79 million-unit pace during March. However, single-family starts declined 1.7% during the month, and single-family permits dropped 4.8%. Over the past three months, single-family permitting has fallen slightly below the trend in starts. The slight down draft in permits as well as a string of declines in builder sentiment suggest builders may be tapping the breaks on new development, as rising mortgage rates stand to price out buyers and limit the extent to which builders can pass on higher input costs. The NAHB Housing Market Index fell to 77 in April, a seven-month low and the fourth consecutive decline. Notably, the prospective buyers traffic component dropped six points to 60, the lowest since August 2021. Home builders continue to contend with shortages of key building materials and labor; however, these constraints look to be easing somewhat. The backlog of single-family homes that have been authorized but have not yet been started has soared over the past year but now appears to be leveling off.



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



Source: National Association of Home Builders, U.S. Department of Commerce and Wells Fargo Economics

On the other hand, multifamily development is ramping up alongside deteriorating buying conditions, rising rents and the structural shortfall of available single-family homes. Multifamily permits surged 10% in March to a 726,000-unit pace. Permits over the past three months are running at an average pace that is almost 24% above the pace of starts. The ramp-up in permits will add to the pipeline of apartment projects currently under development. At present, there are 811,000 multifamily units under construction, which is the most since May 1974.

Despite the recent slowdown, housing activity remains relatively strong. The pace of housing starts and existing home sales as well as the level of home builder confidence are still above any point registered between 2008 and 2019. Higher mortgage rates will certainly test the housing market; however, housing demand should remain resilient in the face of rising borrowing costs, in part due to a powerful demographic tailwind that is expected to last for the next several years. Younger Millennials (ages 25-35), who now represent the largest generation, are reaching the age when household formation picks up and preferences shift toward single-family housing. While mortgage rates breaching 5% is a new phenomenon for many first-time buyers, higher incomes from rising wages, accumulated savings during the pandemic, fiscal stimulus and frozen student loan payments provide some offset to rising mortgage rates.

Still, the move-up in mortgage rates is likely to let some air out of a ballooning housing market, an outcome that the Fed is likely to view as desirable. One of the ways monetary policy affects the trajectory of the economy is through the residential sector. Whether it is to slow housing demand directly or slow consumer activity indirectly through a negative wealth effect, it is increasingly clear that the housing market is a major target for the Fed in its efforts to skim the froth out of the economy without completely knocking over the bowl. There are some early signs that it is succeeding in this endeavor. For example, the recent weakness in existing home sales appears to be partially owed to a pullback in demand for second homes. Redfin's second-home demand index dropped in both March and February, bringing the overall index back to May 2020 levels. Meanwhile, demand for primary residences has remained at roughly the same level since June 2020.

The move higher in rates and the subsequent slowdown in home sales offers a preview of what is potentially down the road for the U.S. economy. The Leading Economic Index (LEI) expanded 0.3% in March, a slightly weaker gain compared to the 0.6% increase in February. The more modest increase in the LEI is congruent with our belief that while hot inflation, ongoing supply challenges and the onset of monetary policy tightening are likely to slow down the economy, growth is still poised to remain in positive territory in the near term. (Return to Summary)

U.S. Outlook

Weekly Domestic Indicator Forecasts					
Date	**Indicator**	**Period**	**Consensus**	**Wells Fargo**	**Prior**
26-Apr	Durable Goods Orders (MoM)	Mar	1.0%	1.4%	-2.1%
26-Apr	Consumer Confidence	Apr	107.5	109.2	107.2
26-Apr	New Home Sales (SAAR)	Mar	774K	782K	772K
28-Apr	GDP Annualized (QoQ)	Q1	1.0%	0.6%	6.9%
29-Apr	Employment Cost Index (QoQ)	Q1	1.1%	1.1%	1.0%
29-Apr	Personal Income (MoM)	Mar	0.4%	0.4%	0.5%
29-Apr	Personal Spending (MoM)	Mar	0.6%	0.6%	0.2%

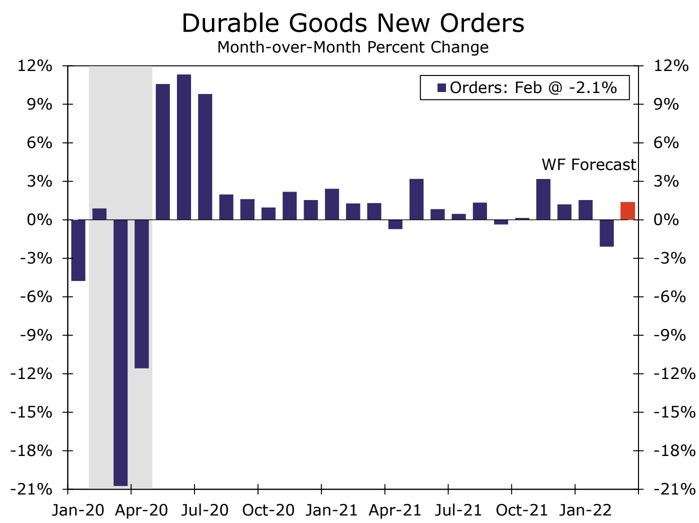
Forecast as of April 22, 2022

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

Durable Goods • Tuesday

We expect durable goods orders increased a strong 1.4% in March after declining 2.1% the prior month, mainly at the hands of a large drop in aircraft orders. However, all the blame for February's fallout could not be chalked up to aircraft, as bookings elsewhere were not something to write home about. Motor vehicle orders fell 0.4% in March, the second straight monthly decline, while machinery (-2.9%), computers & electronics (-1.1%) and primary metals (-0.9%) were also among the categories that experienced a decline in orders over the month. Granted, it was unclear how much of February's weakness was due to diminished demand opposed to further supply chain complications from Russia's invasion of Ukraine. March data should reveal more about whether the broad-based decline in orders is something to watch out for when it comes to future capital spending plans. Core capital goods orders had a softer fall in February, declining -0.2% from the prior month.

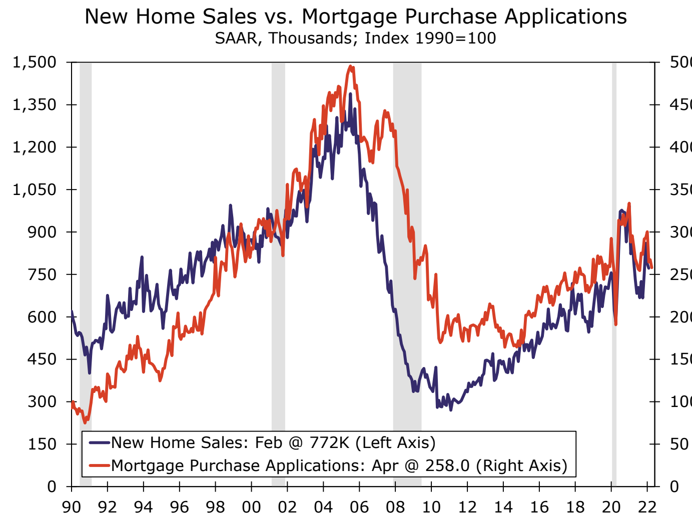
However, for Q1-2022 GDP purposes, only bookings that are shipped are counted when considering growth, and the modest 0.3% gain in core capital goods shipments after near 2% gains in the prior two months suggest Q1 equipment spending is still on track for a solid gain. Receiving the final Q1 data point for durable goods orders and shipments on Tuesday will help us to ascertain how equipment spending finished the quarter ahead of Thursday's GDP release.



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

New Home Sales • Tuesday

New home sales suffered a setback in February, slipping 2% over the month following an 8.4% decline the prior month as supply issues continued to impede builders' ability to meet demand. In March, we suspect sales regained some of their lost traction as we see sales rising 1.3% to 782,000-unit pace, but between rising mortgage rates (see Domestic Review), scarce materials and climbing input prices, much of the factors that have caused new home sales to falter so far this year remain intact. Next week's new home sales data is one of the final pieces of housing market information we receive over the month, as March data for housing starts and existing home sales were released this week. While housing starts rose to a better-than-expected 1.793 million-unit pace, existing home sales slipped 2.7% to a 5.77 million-unit pace. The mixed data show that the push and pull between strong demand and weaker supply that have affected the housing market throughout the pandemic era have continued. While there are some signs that the supply of new homes has improved, with the number of homes available for sale rising to 407K in February from 398K in January, the over 5% mortgage rates we have seen have been a tough pill for prospective homebuyers to swallow. The mortgage purchase applications index fell 10 points in April (month-to-date) and is down 8.8% from April of last year.



Source: U.S. Department of Commerce, Mortgage Bankers Association & Wells Fargo Economics

GDP • Thursday

Next week, we get our first look at Q1-2022 GDP growth and have the opportunity to assess to what extent major headwinds, such as Russia's invasion of Ukraine, sky-high inflation and stubborn supply chain issues, weighed on growth in the first quarter. Our forecast calls for real GDP to grow at a 0.6% annualized rate in Q1, which is a major downshift from the 6.9% annualized growth rate seen at the tail end of 2021. After the first quarter, we expect real GDP growth to pick up on an annualized rate basis and still expect above-trend annual growth for 2022 (+2.8%).

Over Q1, we have seen some line items, such as real personal consumption expenditures (PCE) and business fixed investment, remain resilient in the face of inflation and surprise to the upside from what was expected at the start of the year. Even with a stronger Q1, we suspect headwinds to real PCE from inflation and the cession of stimulus funds were likely solely delayed. The second quarter of this year, we expect real PCE to see very weak growth and only rise 0.1% on an annualized basis before picking up again in the second half of the year. Business fixed investment, on the other hand, we expect to see continued strength beyond the first quarter of this year as supply chains begin to normalize.

As far as areas of weakness in the first quarter's data, we expect net exports to drag down headline real GDP for the seventh consecutive month and subtract a whopping two percentage points (pp) from growth. We also project that inventories detracted from headline real GDP growth after being the primary contributor in Q4-2021, when it added a whopping 5.3pp. Without the inventory build in Q4, real GDP would have grown at a mere 1.3% annualized rate. While the effect from inventories could be anticipated, given the large boost they provided at the tail end of 2021, the drag from net exports comes from strong domestic demand and supply chain struggles creating daylight between imports and exports, which has defined the pandemic era. (Return to Summary)

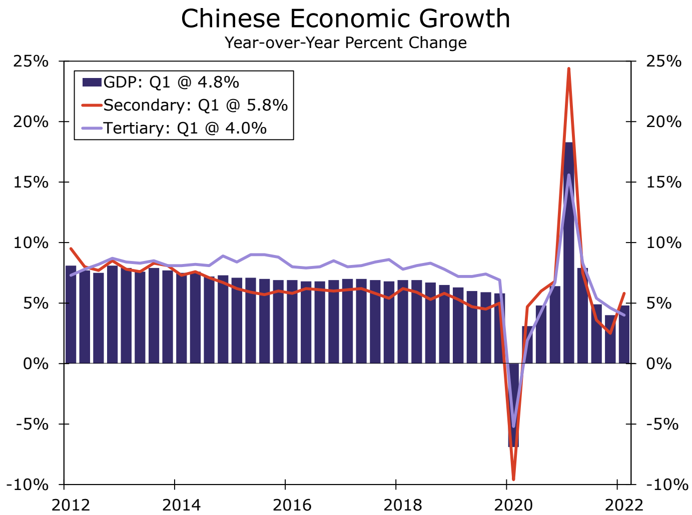
Source: U.S. Department of Commerce and Wells Fargo Economics

International Review

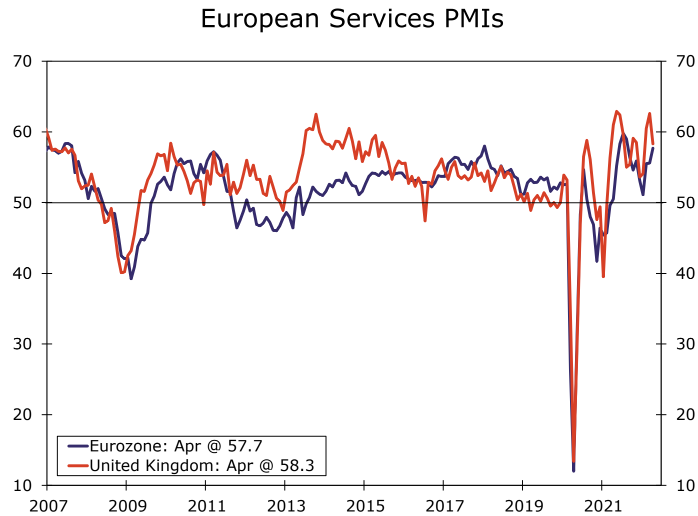
China's Still Stumbling Economic Momentum

With the Lunar New Year passed, China's activity and sentiment data are now being released on a more regular schedule. This past week showed that while China's economy started 2022 on a reasonable note, growth slowed sharply toward the end of the first quarter. Q1-2022 GDP rose 1.3% quarter-over-quarter, smaller than the gain in Q4-2021, but still better than the consensus forecast of a small 0.7% gain. Helped by favorable base effects, GDP firmed to 4.8% year-over-year in Q1-2022. Manufacturing activity appeared to hold up quite well as growth in the secondary sector firmed to 5.8%, but services activity was somewhat softer, with growth in the tertiary sector slowing to 4.0%.

Despite the reasonable outcome for the quarter overall, activity appears to have slowed sharply in March, with several regions across China in lockdown, given a renewed spike in COVID cases. In particular, March retail sales fell 3.5% year-over-year, a larger-than-expected decline, while the broader measure of service sector production also fell 0.9%. Again, manufacturing activity held up better, with a gain of 5.0%. That said, we suspect these March activity figures do not fully capture the effect of lockdowns, and that April data could be even weaker. Given these developments, we think the government's stated annual growth target of 5.5% will be exceedingly difficult to achieve. Indeed, we forecast Chinese GDP growth of just 4.9% in 2022, and see the risks around that outlook as tilted to the downside.



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



Source: Datastream and Wells Fargo Economics

International Inflation Higher, International Growth Mixed

Elsewhere around the globe, the past week has provided some new insights into growth and inflation trends. News on the price front was mixed. Canada's March CPI quickened more than expected to 6.7% year-over-year and average core CPI measures firmed to 3.8%. New Zealand's Q1 CPI also rose to 6.9% year-over-year. However, the uptick in Japanese inflation remains modest so far, as Japan's March CPI quickened only slightly to 1.2% year-over-year.

Meanwhile, signals on the international growth front were also mixed, but hinted at resilience despite the Ukraine conflict and elevated energy prices. April PMI surveys were released across many countries and, focusing on the service sector that comprises the largest part of the economy, we observe the Eurozone April services PMI rose to 57.7, with gains for both Germany and France. Australia's services PMI also rose to 56.6 and Japan's services PMI rose to 50.5. The key exception to this encouraging trend was in the United Kingdom, where the service PMI fell to 58.3 with survey respondents often citing higher prices and a rising cost of living as the principal cause of lower demand. (Return to Summary)

International Outlook

Weekly International Indicator Forecasts					
Date	**Indicator**	**Period**	**Consensus**	**Wells Fargo**	**Prior**
27-Apr	Australia CPI YoY	1Q	4.6%	--	3.5%
28-Apr	Riksbank Policy Rate	28-Apr	0.00%	0.00%	0.00%
29-Apr	Eurozone CPI YoY	Apr	7.6%	--	7.4%

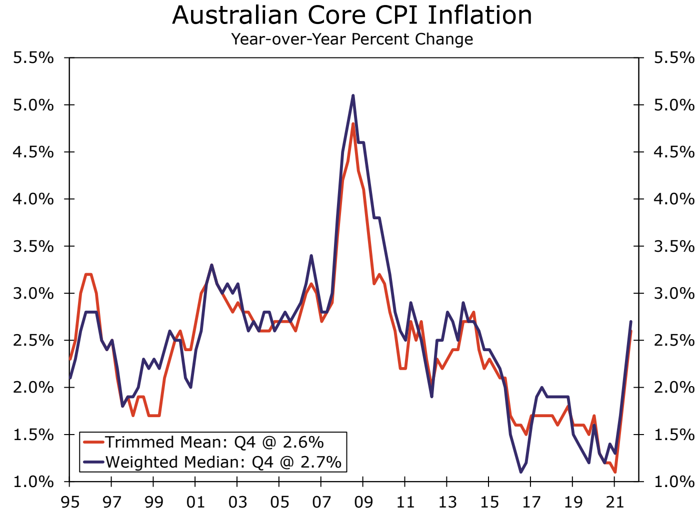
Forecast as of April 22, 2022

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

Australia CPI • Wednesday

Australia's Q1-2022 CPI figures are scheduled for release next week, data that are likely to be an important influence on the potential timing of an initial policy rate hike from the Reserve Bank of Australia (RBA). At its April announcement, the RBA dropped its pledge to remain "patient" on policy, while the minutes from that meeting indicated faster inflation and a pickup in wage growth have moved up the likely timing of an initial rate increase. The RBA said that for Q1-2022, core inflation is likely to be above the top of its 2%-3% medium-term target range.

Indeed, underlying inflation measures have already moved sharply higher in recent quarter, with the Q4-2021 trimmed mean CPI rising 2.6% year-over-year and the weighted median CPI rising 2.7%. In Q1, the consensus forecast is for the trimmed mean CPI to quicken to 3.4%, the weighted median CPI to 3.3% and the headline CPI to 4.6%. That would be supportive of the consensus economist forecast for an initial 15 bps policy rate increase in June, although Q1-2022 wage data due in mid-May will also be important in determining whether that June rate increase is actually delivered.

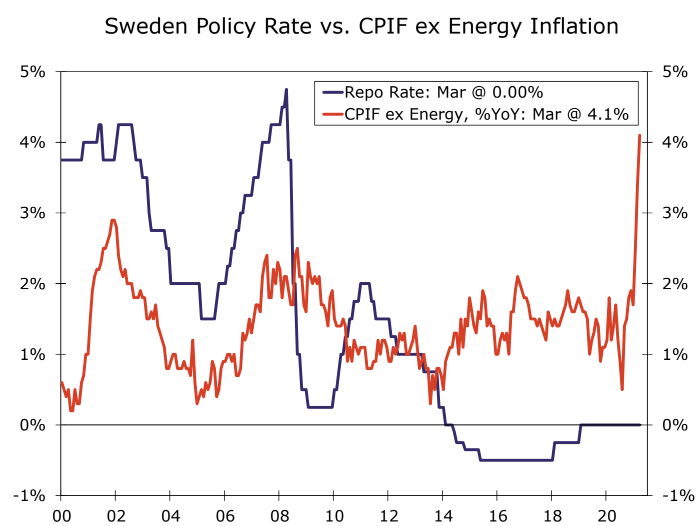


Source: Bloomberg Finance L.P. and Wells Fargo Economics

Sweden Policy Rate • Thursday

Sweden's central bank, the Riksbank, announces its monetary policy decision next week, a statement we suspect will have a distinctly more hawkish tone than the previous policy announcement in early February. At its February meeting, the Riksbank remained comfortable with its easy monetary policy stance. Its updated projection signaled the policy rate would be raised in the second half of 2024, only slightly earlier than previous indications.

Since early February, however, there have been some significant developments. Swedish activity data, while a bit mixed, remain consistent with a respectable pace of economic expansion. More important, inflation has quickened and become more broad-based, with CPIF ex-energy inflation rising 4.1% year-over-year. It is the broadening of inflation pressures that we believe will result in change in the central bank's policy outlook in its updated economic projections. While we expect the policy rate to be held at zero percent at next week's meeting, we expect the projected policy rate path to signal rate increases by H2-2022, with multiple further rate hikes also likely to be projected during 2023.

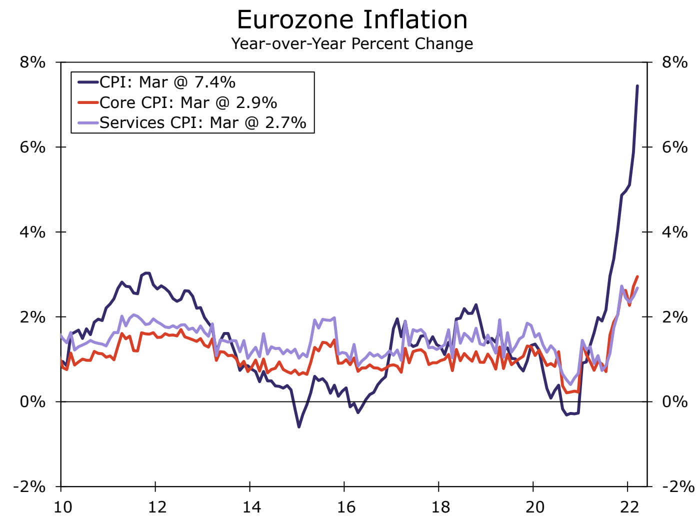


Source: Bloomberg Finance L.P. and Wells Fargo Economics

Eurozone CPI • Friday

It is a fairly busy week for economic figures from the Eurozone next week, though we suspect among those figures the April CPI data will attract the most attention from market participants. Eurozone inflation has quickened sharply in recent months and, given still elevated energy prices, inflation should remain rapid in April. The headline CPI is expected to rise 7.6% year-over-year, which would be a moderate further acceleration from March. Given unfavorable base effects the core CPI is also expected to quicken slightly further to 3.1% year-over-year.

Faster inflation will likely be the determining factor that sees the European Central Bank (ECB) deliver an initial policy rate increase by September this year. Although, if activity data and confidence surveys remain resilient that could also reinforce the prospects for timely ECB tightening. Next week will also offer insight on that growth front as well. Among the releases, Eurozone Q1-2022 GDP is expected to rise 0.3% quarter-over-quarter, which would be the same pace of growth as Q4-2021. Eurozone April economic confidence is expected to fall to 107.6, and Germany's April IFO business confidence index is expected to fall to 88.6. (Return to Summary)



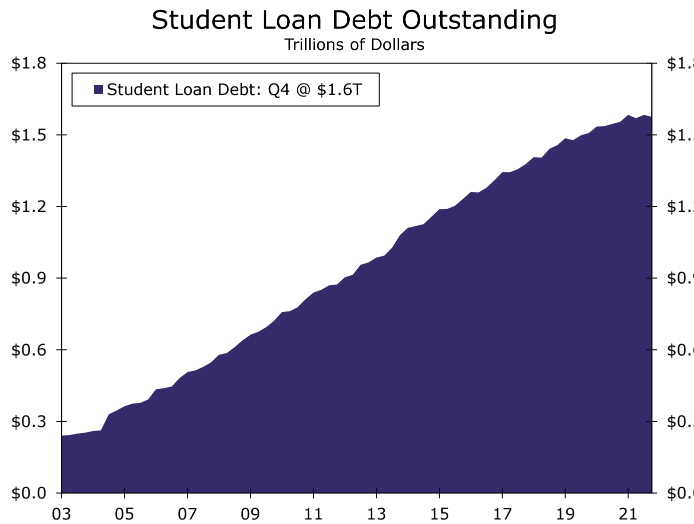
Source: Datastream and Wells Fargo Economics

Credit Market Insights

Student Loan Developments Are a Boost to Young Adult Balance Sheets

On Tuesday, the Department of Education announced another policy designed to bring student loan borrowers closer to debt forgiveness and ease their ability to pay off debts, affecting an estimated 3.6 million borrowers. At least 40,000 individuals involved in the Public Service Loan Forgiveness program (PSLF) will have their student debts immediately waived, while others will receive credit toward income-driven repayment. The Department of Education alleges that student loan servicers inappropriately placed borrowers in forbearance instead of income-driven repayment (IDR) or PSLF, even in situations where IDR or PSLF would have been potentially more beneficial to the borrower. Income-driven repayment is an option for some with Federal student loans to make payments based on their income, paid in monthly installments, instead of amounts based on total debt that may be onerous for those with low incomes. While it typically would take longer than the fixed installments of traditional plans, it is superior to forbearance in certain situations where forbearance would add years to repayment schedules. IDR options are calculated around 10%-20% of disposable income, but monthly totals are also tweaked by family circumstances, while individuals in PSLF could see part or all of their debts totally forgiven, based on their job.

Borrowers steered into long-term forbearance instead of being appropriately placed in PSLF or IDR will be given credit for the time they should have been in those programs. More than 13% of federal direct student loans between July 2009 and March 2020 have used 36 or more months of forbearance, a proportion of which will be affected by this policy. This is in addition to the more than $17 billion in debt forgiven for 725,000 borrowers through policies made for public servants, people with disabilities and those that were defrauded by their schools. This is also on top of the recent decision by President Biden to delay the start of student loan payments to September 1. These policies have positively impacted the balance sheets of the 43.3 million borrowers of federal student loans, which have seen the suspension of $1.6 trillion in debt since the start of the pandemic. The expiration of the forbearance program is currently set for September and represents the first time in two years this debt would be due. The eventual end of the forbearance program has potential negative consequences for future personal saving and consumption, as millions will reassume debt burdens that the Education Data Initiative estimates is an average of $460 a month. (Return to Summary)



Source: Federal Reserve Board and Wells Fargo Economics

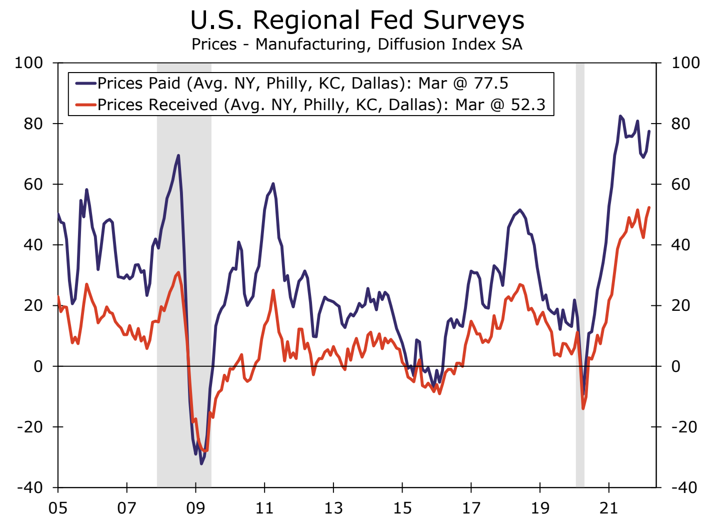
Topic of the Week

The Beige Book Paints a Clouded Outlook

The Federal Reserve's Beige Book, released eight times per year, reports on regional economic conditions. The report characterizes economic sentiment and expectations through the collection of qualitative feedback from a variety of firms, community organizations and other relevant contacts within each of the 12 Federal Reserve Districts. Although activity was generally solid over the survey period (which ranged from mid-February to April), this week's report underscores a growing sense of uncertainty about the economy's path in the coming months.

In terms of the labor market, most districts reported a moderate to strong pace of employment growth since the previous Beige Book was released in early March. Nearly all respondents cited that labor availability remains a major constraint and upward pressures on wages persist. Beyond increasing pay, the New York Fed reported some firms have grown “less picky” about required qualifications and have become more flexible with remote work arrangements to attract and retain workers. Similar sentiments were echoed by the Richmond, Atlanta and San Francisco Feds. While labor supply is generally constrained, some contacts said worker availability is starting to improve, which squares with the national labor force participation rate increasing to a fresh cycle high of 62.4% in March.

Higher wages have fed through to higher input and production costs for businesses. Manufacturing and construction firms throughout every district reported some of the most acute cost increases which extended beyond labor, as the costs of raw materials, metals, transportation and energy remain on the rise. Data from separate Fed manufacturing surveys support this notion —the average prices paid index remains near record highs (see chart). Farms are also feeling the pressure. The Atlanta, Chicago, St. Louis, Minneapolis, Kansas City and Dallas Feds each noted that farm input costs, especially for fertilizer and diesel fuel, have starkly risen amid the war in Ukraine. (Russia, Belarus and Ukraine together account for roughly 20% of world exports of fertilizer chemicals.)



Source: Federal Reserve System and Wells Fargo Economics

Businesses have mostly been able to pass on higher costs to customers by raising selling prices, but some respondents are weary that dynamic may soon deteriorate. The Boston Fed reported that one contact has held selling prices steady despite facing higher production costs, because it “feared” further price increases would drive away customers. That fear is not too far-fetched. February marked the seventh straight month that inflation outpaced income growth, and with interest rates on the rise, real consumer spending is poised to slow. Thus, profit margins are likely headed toward more challenging waters, and concerns about profitability were expressed by contacts at the Kansas City and Minneapolis Feds.

All told, the Beige Book's testimonies depict still-strong economic fundamentals at present, but there are tougher days ahead. The commentary largely aligns with our latest macroeconomic forecast, where we downwardly revised our expectations for growth this year and next. That said, economic outcomes exist across a spectrum. We see a 70% likelihood that a technical recession is avoided between now and the end of 2023, but our outlook includes growth that slips below trend and the labor market treading water. (Return to Summary)

Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 4/22/2022	1 Week Ago	1 Year Ago
SOFR	0.26	0.29	0.01
3-Month LIBOR	1.14	1.04	0.18
3-Month T-Bill	0.83	0.75	0.02
1-Year Treasury	1.76	1.58	0.02
2-Year Treasury	2.71	2.45	0.15
5-Year Treasury	2.95	2.79	0.79
10-Year Treasury	2.89	2.83	1.54
30-Year Treasury	2.91	2.91	2.22
Bond Buyer Index	3.19	2.87	2.26

Foreign Exchange Rates

	Friday 4/22/2022	1 Week Ago	1 Year Ago
Euro ($/€)	1.078	1.081	1.202
British Pound ($/£)	1.284	1.306	1.384
British Pound (£/€)	0.839	0.828	0.868
Japanese Yen (¥/$)	128.340	126.460	107.970
Canadian Dollar (C$/$)	1.271	1.261	1.251
Swiss Franc (CHF/$)	0.958	0.943	0.917
Australian Dollar (US$/A$)	0.725	0.740	0.771
Mexican Peso (MXN/$)	20.328	19.973	19.932
Chinese Yuan (CNY/$)	6.500	6.372	6.490
Indian Rupee (INR/$)	76.485	76.180	74.955
Brazilian Real (BRL/$)	4.746	4.701	5.447
U.S. Dollar Index	101.120	100.321	91.333

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

Foreign Interest Rates

	Friday 4/22/2022	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	-0.58	-0.59	-0.57
3-Month Sterling LIBOR	1.15	1.11	0.09
3-Month Canada Banker's Acceptance	1.63	1.52	0.44
3-Month Yen LIBOR	-0.02	-0.01	-0.07
2-Year German	0.25	0.05	-0.69
2-Year U.K.	1.69	1.56	0.04
2-Year Canadian	2.70	2.42	0.32
2-Year Japanese	-0.05	-0.06	-0.13
10-Year German	0.94	0.84	-0.25
10-Year U.K.	1.94	1.89	0.74
10-Year Canadian	2.87	2.76	1.52
10-Year Japanese	0.25	0.24	0.07

Commodity Prices

	Friday 4/22/2022	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	102.25	106.95	61.43
Brent Crude ($/Barrel)	106.59	111.70	65.40
Gold ($/Ounce)	1935.91	1978.24	1783.94
Hot-Rolled Steel ($/S.Ton)	1465.00	1469.00	1360.00
Copper (¢/Pound)	465.45	472.35	427.30
Soybeans ($/Bushel)	17.26	16.80	15.12
Natural Gas ($/MMBTU)	6.79	7.30	2.75
Nickel ($/Metric Ton)	33,875	32,453	16,151
CRB Spot Inds.	684.55	684.20	570.57

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Required Disclosures