Weekly — May 13, 2022

Weekly Economic & Financial Commentary

United States: **Don't Look Down Yet**

- Consumer price inflation may have peaked, but the climb down from here will not be free of obstacles. The CPI and PPI rose 0.3% and 0.5%, respectively, in April. Small business optimism stalled during the month, as owners are concerned about their ability to continue to pass on higher costs to consumers.
- Next week: Retail Sales (Tues), Industrial Production (Tues), Housing Starts (Wed)

International: **Inflation Plague Continues in Emerging Markets**

- Price growth is a global problem; however, inflation seems to be more of a problem across the emerging markets. With commodity prices still high and weak local currencies, most emerging market countries are experiencing above-target inflation.
- Next week: UK CPI (Wed), Japan CPI (Thurs), South Africa Reserve Bank (Fri)

Interest Rate Watch: **Will Tighter Financial Conditions Lead to a More Dovish Fed?**

- In the post-FOMC meeting press conference last week, Chair Powell indicated that financial conditions would need to tighten to help the Fed restore price stability. The Bloomberg Financial Conditions Index began to tighten early this year when FOMC members signaled that the committee would become more aggressive in battling inflation. This week, conditions tightened further to the least-supportive posture in two years.

Credit Market Insights: **Consumer Credit Overdelivers for a Second Month**

- Consumer credit grew by a record $52.4B in March as it more than doubled consensus estimates for the second month running. The surge was relatively well-balanced, with revolving credit—mostly linked to credit card spending—rising $31.4B, while nonrevolving credit climbed a slightly lower $21.4B.

Topic of the Week: **Fertilizer Crunch Threatens to Drive Food Prices Higher**

- Rising food prices continued to sting consumers in April as grocery prices and prices for food away from home rose 1.0% and 0.6%, respectively. A global supply shortage of chemical fertilizers may put further pressure on already strained food commodity markets.

Wells Fargo U.S. Economic Forecast

	Actual				Forecast				Actual		Forecast	
	2021				2022				2020	2021	2022	2023
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Real Gross Domestic Product [1]	6.3	6.7	2.3	6.9	-1.4	2.3	2.0	2.1	-3.4	5.7	2.4	2.0
Personal Consumption	11.4	12.0	2.0	2.5	2.7	1.5	1.6	1.8	-3.8	7.9	2.7	1.7
Consumer Price Index [2]	1.9	4.8	5.3	6.7	8.0	8.1	7.8	6.8	1.2	4.7	7.6	2.9
"Core" Consumer Price Index [2]	1.4	3.7	4.1	5.0	6.3	5.8	5.9	5.4	1.7	3.6	5.8	3.3
Quarter-End Interest Rates [3]												
Federal Funds Target Rate	0.25	0.25	0.25	0.25	0.50	1.50	2.50	3.00	0.50	0.25	1.88	3.63
Conventional Mortgage Rate	3.17	3.02	2.88	3.11	4.42	5.40	5.50	5.50	3.12	2.95	5.21	5.18
10 Year Note	1.74	1.45	1.52	1.52	2.32	3.20	3.30	3.35	0.89	1.45	3.04	3.15

Forecast as of: May 12, 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.

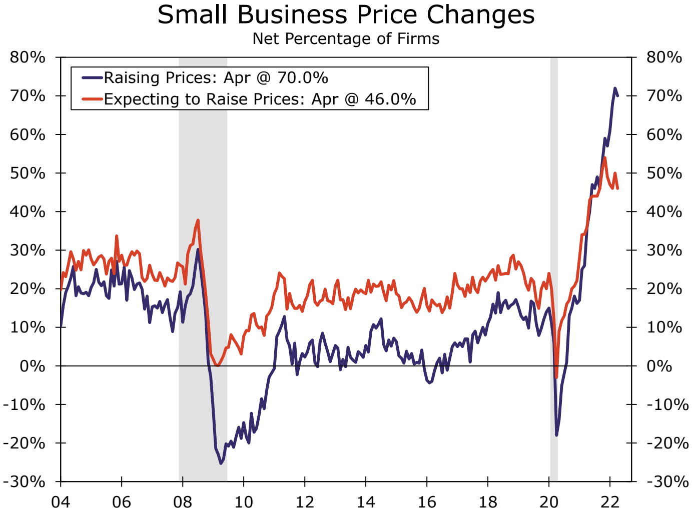
U.S. Review

Don't Look Down Yet

Consumer price inflation may have peaked, but the climb down from here will not be free of obstacles. In our recently published U.S. Economic Outlook, we outlined our expectations for positive economic growth over the next two years. Underlying demand is intact, and households and businesses are in generally solid financial shape. That said, inflation is set to remain elevated, which paves the way for an aggressive pace of monetary policy tightening from the Fed. Lofty prices combined with higher borrowing costs are poised to curb activity, leading to a significant moderation in economic growth.

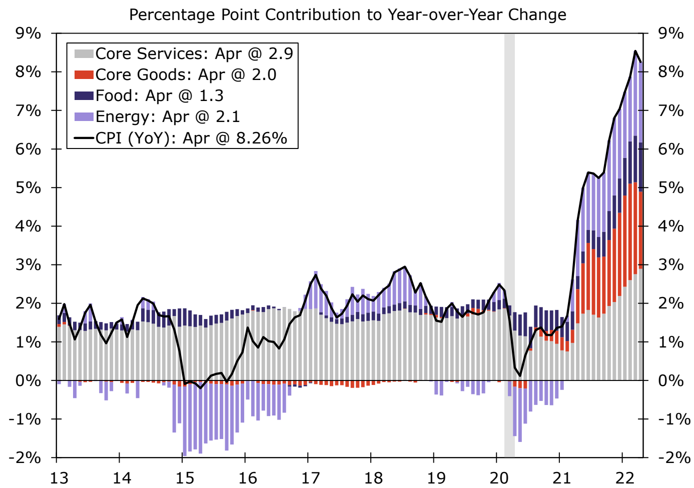
Small businesses were among the first to ring the alarm that inflation would become a problem for the broader economy. Optimism has trended down since the beginning of 2022, stalling at 93.2 in April, as businesses continue to contend with limited supply and higher costs. Factory-gate prices showed little signs of softening in April. The Producer Price Index (PPI) rose 0.5% over the month, pulling the annual rate to 11.0%. Increases in the prices paid components of the ISM manufacturing and services surveys also point to persistent cost pressures. Businesses have responded by raising selling prices, but owners are extraordinarily concerned about their ability to continue to do so. The share of small businesses that rose average selling prices was a near-record 70% in April, while the share expecting to raise future prices ticked down four percentage points to 46%.

Small Business Price Changes



Source: NFIB and Wells Fargo Economics

Consumer Price Index



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

The Consumer Price Index (CPI) rose 0.3% in April, bringing the year-over-year rate of inflation down for the first time since August 2021. While the directional improvement is welcome, prices are still up 8.3% over the year and inflationary pressures are broad-based. Easing gasoline prices pulled down April's headline gain, but reprieve on the energy front may be short-lived. The war in Ukraine does not have a foreseeable resolution and U.S. oil producers are hesitant to ramp up production in a major way. Food prices continued to climb higher as well, increasing 0.9% over the month (see Topic of the Week).

Beyond energy and food, resilient goods prices amid strengthening services inflation indicate consumer prices still have momentum. The core CPI rose a stronger-than-expected 0.6% in April. Core goods prices advanced 0.2%, bolstered by a jump in new vehicle prices. Outside vehicles, goods prices have slowed, but a sustainable cooldown may be further down the road due to COVID lockdowns in China. Meanwhile, services inflation is picking up steam. Core services prices rose 0.7% in April, with notable increases in airfare (18.6%), lodging away from home (1.7%) and owners' equivalent rent (0.5%).

Consumers are feeling the squeeze from higher prices. Sentiment tumbled six points to 59.1 in May, the lowest since 2011. The share of consumers who feel their household finances have gotten worse relative to a year ago increased nearly 10 percentage points to 47%. A confluence of factors beyond higher prices, such as rising interest rates and the stock market selloff, likely drove some pessimism.

While households have scope to dip further into savings to support spending, the slip in sentiment underpins our expectation for consumption to pull back in the coming months. (Return to Summary)

U.S. Outlook

Weekly Domestic Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
17-May	Retail Sales (MoM)	Apr	1.0%	0.6%	0.7%
17-May	Industrial Production (MoM)	Apr	0.4%	0.5%	0.9%
18-May	Housing Starts (SAAR)	Apr	1,770K	1,789K	1,793K
18-May	Existing Home Sales (SAAR)	Apr	5.66M	5.61M	5.77M
19-May	Leading Index (MoM)	Apr	0.0%	0.2%	0.3%

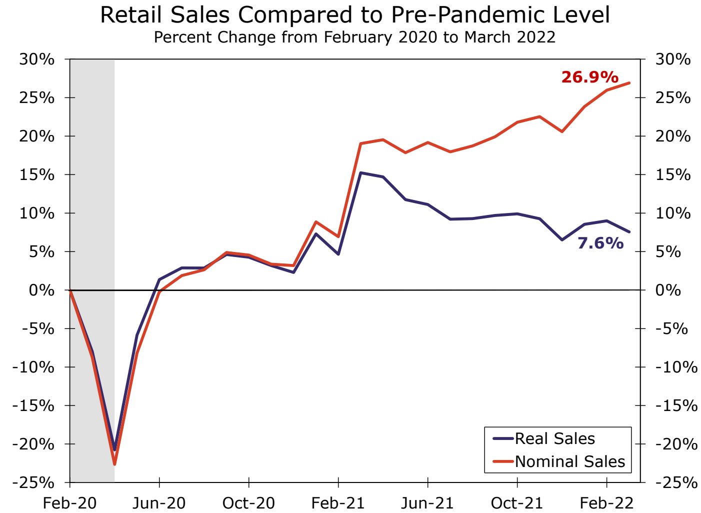
Forecast as of May 13, 2022

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

Retail Sales • Tuesday

Persistent price pressures are raising concerns about if strength in consumer spending can be sustained. The retail sales report next week will give us a first look at how spending fared in April, and contrary to previous months, the spending estimates will actually likely be *held back* by inflation. While overall inflation has remained hot, goods prices have started to cool. The overall consumer price index rose more than expected, up 0.3%, in April, but goods prices *declined* 0.3%, the first decline in a year and a half. Since retail sales are reported in nominal dollars, the decline in prices during the month will weigh on the overall gain in sales. We expect retail sales rose 0.6% in April, but when adjusted for inflation, we estimate real retail sales expanded 0.9%.

High-frequency data suggest consumer spending remains strong. Visits to retail locations ticked up during the month as did many service-related mobility measures. Solid household financials suggest consumers can weather the inflation storm in the near term, but that only gets more challenging as price pressures persist and borrowing costs rise. We continue to expect consumers to transition more and more wallet share to services spending this year at the expense of goods spending, which will make the retail sales report, which mostly covers goods consumption, a less reliable gauge of overall spending.

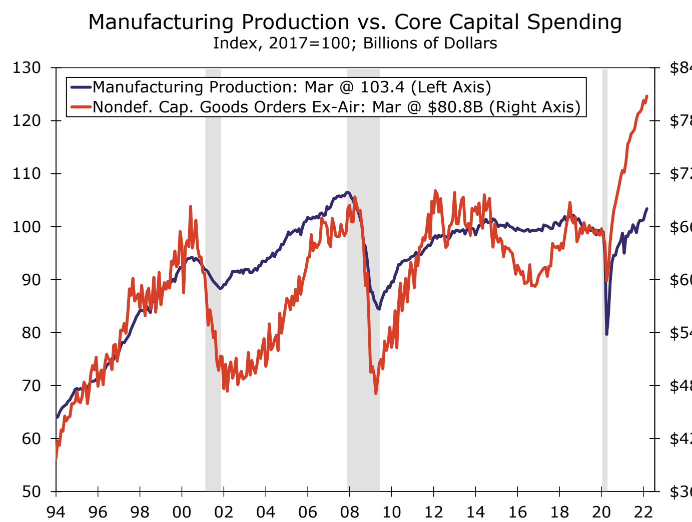


Source: U.S. Department of Commerce, U.S. Department of Labor and Wells Fargo Economics

Industrial Production • Tuesday

Despite pain across the supply chain for over two years, the industrial sector has remained quite resilient. Industrial production rose 0.9% in March, despite facing new supply disruptions with factory closures in China and the continued war in Ukraine. For April, we expect activity continued at a decent clip of 0.5%, but manufacturers still faced challenges.

Our *Pressure Gauge* shows that while there has been some improvement (pick up in inventories, decline in prices) delivery times lengthened in April and levels across supply measures still remain far above pre-pandemic norms. With growing concern over the slowing of the broader economy amid a tighter policy environment, an overlooked positive for economic growth in our view is that capital spending remains intact. Demand has not yet showed many signs of slowing as businesses still need to replenish depleted inventory levels and sky-high labor costs may motivate businesses to seek labor-saving technologies. Overall manufacturing continues to significantly lag growth in orders and backlogs have surged higher as a result. The need to meet order backlog will keep production solid even if new demand falters.

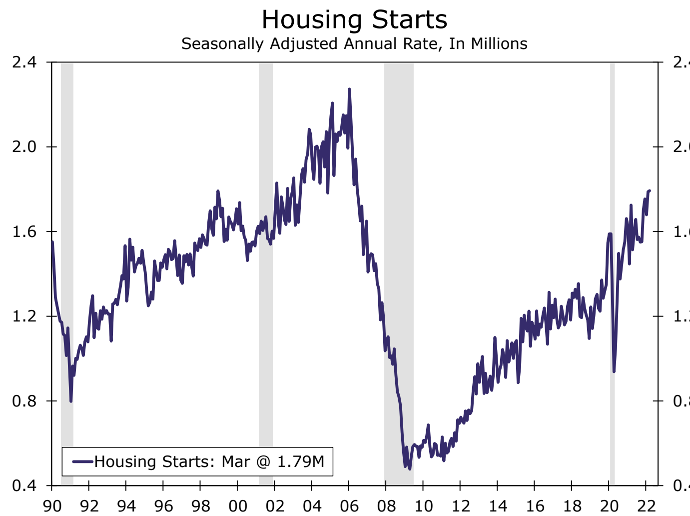


Source: Federal Reserve Board, U.S. Department of Commerce and Wells Fargo Economics

Housing Starts • Wednesday

Demand for housing has ripped higher throughout the pandemic amid a change in preferences and an acceleration in already-favorable demographic tailwinds. But rapid demand has been met with an inadequate supply of homes available for sale, which has given way to a rapid rise in home building. Housing starts were 16% above the prior cycle peak through March. Affordability is a growing concern with home prices up nearly 20% on a year-ago basis and mortgage rates at a 13-year-high. We thus expect momentum in home building began to top out in April and look for housing starts to decline slightly to an 1.789-million-unit pace.

The National Association of Home Builders/Wells Fargo Housing Market Index has been trending lower, falling two points in April to 77. While home builder confidence remains historically high, the index has fallen two points in each of the past three months, with buyer traffic and expectations for future sales leading the index lower. Furthermore, the backlog of single-family homes that have been authorized but have not yet been started appears to be leveling off—a precursor to a modest pullback in single-family starts over the course of the year. (Return to Summary)



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

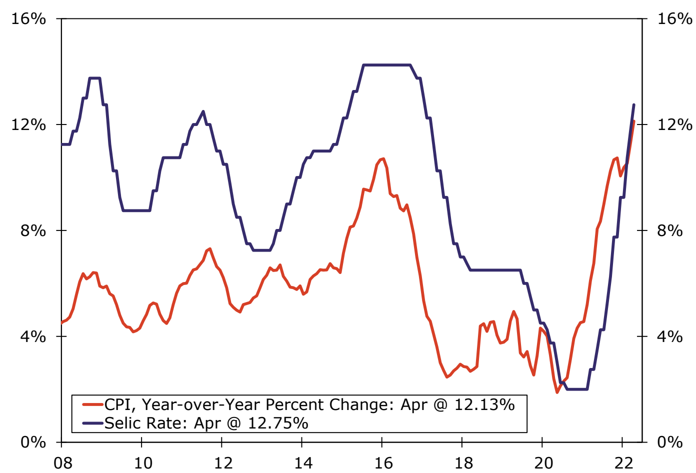
International Review

Inflation Plague Continues in Emerging Markets

Price growth is a global problem; however, inflation seems to be more of a problem across the emerging markets. With still-high commodity prices and weak local currencies, most emerging market countries are experiencing above-target inflation. This week, data across the developing world indicate inflation has yet to peak in the emerging markets and is likely to climb further before trending lower in the second half of this year. In the Czech Republic, April CPI inflation jumped over 14% year-over-year from closer to 12.5% a month earlier. A similar rise in inflation was seen in Brazil, where the key IPCA inflation indicator climbed above 12% year-over-year. Elsewhere in Latin America, Mexico's April inflation rose 7.7% year-over-year despite persistent rate hikes. And in India, elevated energy and food prices contributed to an above-consensus inflation spike in April. Central banks in these countries have responded with tighter monetary policy and have signaled and/or delivered further rate hikes this week. To that point, Brazilian Central Bank (BCB) May meeting minutes released this week suggested rate hikes are likely to continue in June, and possibly be extended into August. Reserve Bank of India (RBI) policymakers also acknowledged that inflation is a pressing issue and more aggressive action will need to be taken.

As far as actions taken, the Central Bank of Mexico opted to raise its Overnight Rate another 50 bps to 7.00% this week. As mentioned, inflationary pressures in Mexico have been building and are unlikely to dissipate in the very near future. Banxico board members certainly acknowledge the way inflation is trending and, in our view, turned more hawkish in their official monetary policy statement. The decision to raise interest rates 50 bps was a split decision, with one member voting for a 75 bps hike, the first vote for 75 bps during this tightening cycle. We interpret a vote for 75 bps as relatively hawkish, and the statement also included language signaling policymakers are ready to act more forcefully to bring inflation back to the central bank's target range. To be more precise, the last line of the statement states: “Given the growing complexity in the environment for inflation and its expectations, taking more forceful measures to attain the inflation target may be considered." In our view, Banxico board members are leaving the door open for a more aggressive pace of tightening, possibly looking to raise interest rates in 75 bps clips going forward. For now, we believe Mexico's Overnight Rate will reach 8.50% by the end of this year, but certainly view the May statement as containing upside risks to that forecast. (Return to Summary)

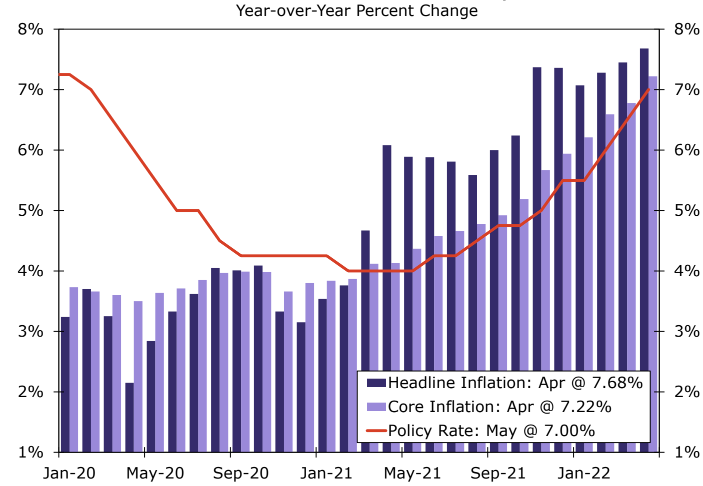
Brazil IPCA Inflation and Interest Rates



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

Mexico CPI Inflation vs. Policy Rate

Year-over-Year Percent Change



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

International Outlook

Weekly International Indicator Forecasts					
Date	**Indicator**	**Period**	**Consensus**	**Wells Fargo**	**Prior**
18-May	UK CPI (MoM)	Apr	2.6%	2.7%	1.1%
18-May	UK CPI (YoY)	Apr	9.0%	9.2%	7.0%
19-May	Japan National CPI (YoY)	Apr	2.5%	2.6%	1.2%
19-May	SARB Policy Rate Decision	19-May	4.75%	4.75%	4.25%

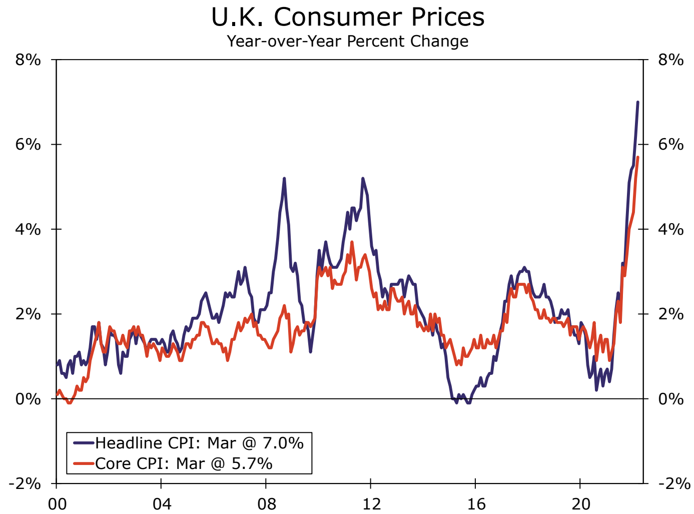
Forecast as of May 13, 2022

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

U.K. CPI • Wednesday

The U.K. has not been exempt from the global inflation shock; in fact, one could argue the U.K. has experienced some of the most rampant inflation of the major developed economies. In March, U.K. inflation reached 7% year-over-year, one of the quickest paces of price growth on record. According to consensus forecasts, inflationary prices are yet to subside. In April, consensus economists expect inflation to spike above 9% year-over-year as energy and food prices remain elevated amid the ongoing conflict in Ukraine.

In our view, 2022 U.K. inflation is on track to be 6.9% on an annual average basis. While the Bank of England has started tightening policy and recently turned more aggressive, we expect BoE policymakers to continue lifting interest rates. However, BoE policymakers are in a difficult position. Growth prospects are dim and economic activity is slowing quickly, so much so that policymakers are warning of a potential recession in the near future. But, in the battle between supporting the economy and containing inflation, we ultimately believe elevated inflation will matter more and BoE rate hikes are likely to continue.

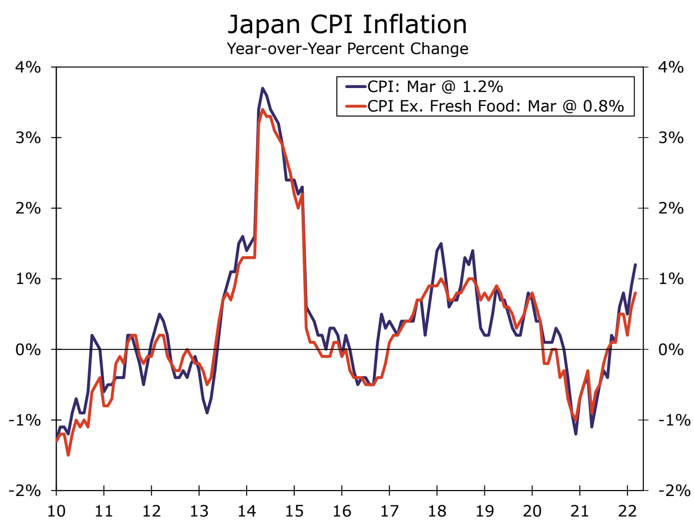


Source: Bloomberg Finance L.P. and Wells Fargo Economics

Japan CPI • Thursday

Japan's economy is struggling to gather any kind of momentum. In fairness, this has been the case in Japan for close to a decade at this point. Growth and inflation dynamics are relatively uninspiring and, in our view, unlikely to improve any time soon. Next week, inflation data are released for April and consensus forecasts expect headline CPI to reach 2.5% year-over-year. While 2.5% inflation is above the Bank of Japan's target for inflation and would appear to be a strong print, the majority of April price growth will be a result of base effects. After April, we would expect year-over-year inflation to fall well below the BoJ's target.

Inflation data may not be a particular focus for markets next week; however, the Japanese yen is likely to remain volatile for the time being. Bank of Japan policymakers have pushed back on tightening monetary policy, in fact opting for a commitment to easier policy. With the Fed raising interest rates quickly, diverging paths for monetary have weighed on the yen. Despite next week's inflation data, we believe the Bank of Japan is not in a position to tighten monetary policy anytime soon. In that context, the yen is likely to continue weakening going forward.

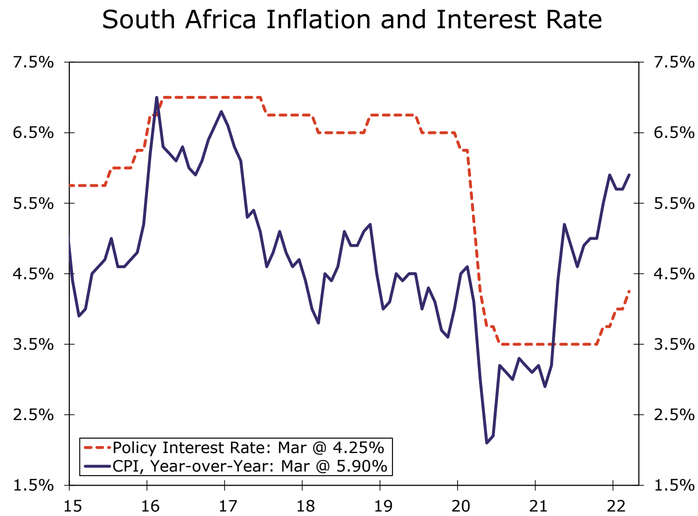


Source: Bloomberg Finance L.P. and Wells Fargo Economics

South African Reserve Bank • Friday

Tighter monetary policy continues to be the trend in the emerging markets and is likely to continue next week when the South African Reserve Bank (SARB) meets. SARB has been one of the central banks that has taken a more measured approached to monetary policy. Relative to peer regional central banks, SARB policymakers are on the less hawkish end of the spectrum. Next week, we expect the gradual rate hikes to continue and look for a 50 bps rate hike. Local inflation has not spiked significantly, which we can chalk up to sluggish activity amid persistent COVID outbreaks.

A less hawkish central bank and sluggish economy, along with external forces, have placed renewed pressure on the South African rand. A more hawkish Fed that has not necessarily been matched by the SARB has led to currency depreciation, while a risk-off tone across equity markets has also contributed to downward pressure on the currency. We expect rand depreciation to continue, although a persistent current account surplus should provide a modest buffer to support the currency slightly more than peer high beta currencies. (Return to Summary)



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

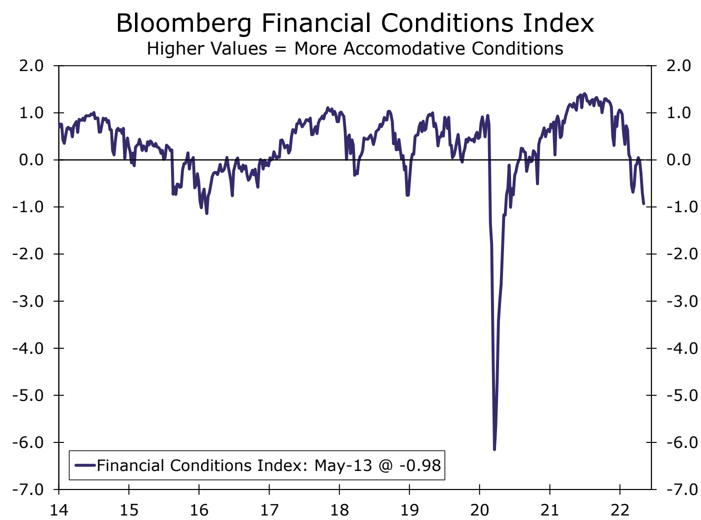
Interest Rate Watch

Will Tighter Financial Conditions Lead to a More Dovish Fed?

In the post-FOMC meeting press conference last week, Chair Powell indicated that financial conditions would need to tighten to help the Fed restore price stability. As Powell put it, broader financial conditions are the channel through which monetary policy affects the real economy. The Bloomberg Financial Conditions Index began to tighten early this year when FOMC members signaled that the committee would become more aggressive in battling inflation. This week, conditions tightened further to the least-supportive posture in two years. While Treasury yields declined across most of the curve, credit spreads widened out and equity markets continued to slide.

With the pullback this week, financial conditions rival the levels seen in the growth scares of early 2016 and early 2019. Following those periods, the FOMC pressed paused on its fledgling tightening cycle for a full year, or called it quits altogether (the final hike of the past cycle proved to be in December 2018). The more dovish path in each instance was an about-face from preceding guidance. For example, at the December 2018 meeting, the median projection of the feds fund rate pointed to 50 bps more tightening in 2019. Instead, the Fed ended up cutting rates by July.

While the Fed has backed off its tightening plans in similar periods of rapidly tightening financial conditions, inflation today offers no such luxury. The pickup in the monthly rate of core inflation in this week's April CPI report underscored that reining in inflation will not be quick or easy. Moreover, with the Fed having been slow to recognize the severity and persistence of the current bout of inflation, we suspect it will take more than just tighter financial conditions to scare them off the hawkish path for policy laid out over at least the next few months. Instead, the Fed will likely want to see inflation begin to ease in a definitive matter, which we do not expect to see until at least the fourth quarter. As discussed in our May Monthly Economic Outlook, we therefore look for the FOMC to raise the fed funds rate by 50 bps in each of its next three meetings, with further 25 bps hikes to follow. (Return to Summary)



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

Credit Market Insights

Consumer Credit Overdelivers for a Second Month

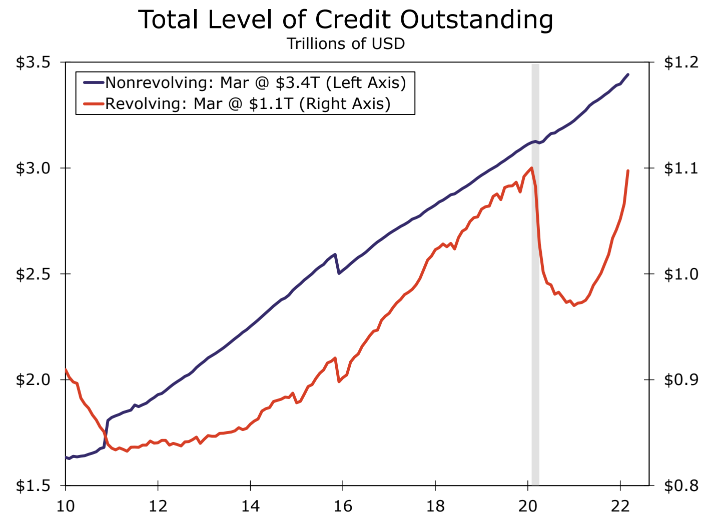
Consumer credit grew by a record $52.4B in March as it more than doubled consensus estimates for the second month running. The surge was relatively well-balanced, with revolving credit—mostly linked to credit card spending—rising $31.4B, while nonrevolving credit climbed a slightly lower $21.4B. The uptick in revolving credit marked a more than 50-year high and essentially puts the total level of revolving consumer credit on par with where it stood pre-pandemic (chart).

The road to recovery for revolving credit has been a long one compared to nonrevolving credit, which was back above its February 2020 levels by May 2020 and has been growing ever since. Nonrevolving credit includes less variable payments such as student, auto and home mortgage payments that have blossomed due to the high demand for personal autos and homes during the pandemic-era. But with resilient consumer spending leading revolving credit to grow at a 21.4% annual rate in Q1, even a step back from that pace would still be impressive.

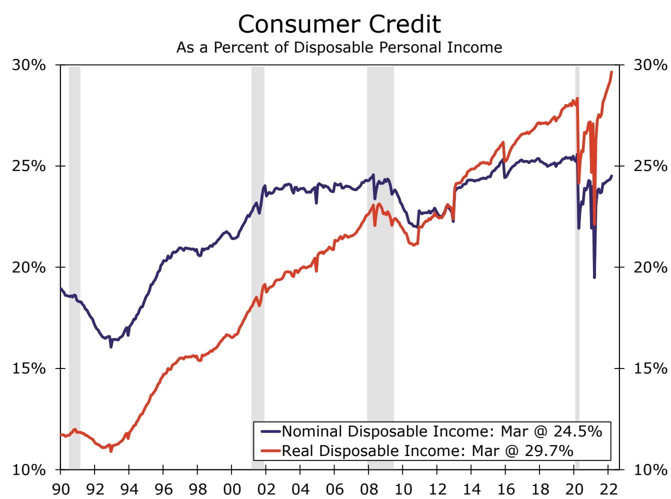
Consumers' unwavering spending and recent credit uptake has had some whipping out their magnifying glasses to look for cracks in the foundation of household finances. After all, with real disposable income taking a hit from soaring inflation, the simple question is: Why aren't people spending less? When consumer credit is taken as a share of nominal disposable income, there appears to be little reason to worry, as levels remain well below where they stood before entering the pandemic. But like most economic indicators today, we must account for the run-up in inflation. In real terms, consumer credit as a share of real disposable income has already surpassed where it was before COVID (chart).

That said, having a higher share is not inherently a bad thing. What matters is whether consumers can come up with the finances to make sure credit extended does not turn into debt, and particularly delinquent debt. And according to other data out from the New York Federal Reserve this week, they have been able to make payments on time up to this point. The quarterly Household Debt & Credit report said, "Aggregate delinquency rates were unchanged in the first quarter of 2022 and remain very low," while noting that 2.7% of outstanding debt was in some stage of delinquency in March, almost two percentage points lower than Q4-2019. Healthy overall balance sheets of households and bolstered rainy day funds may be supporting finances.

With interest rates set to rise meaningfully in the months ahead, the consequences of going off budget will increase as well. Up to this point, consumers' rise in credit has not appeared to have resulted in a subsequent rise in delinquencies, calming concerns over the rise in the sheer level of borrowing. But should that relationship change, some concerns may be validated. High inflation and the dwindling away of excess savings may weigh on and deteriorate some households' balance sheets in the near term despite beginning the year in a solid financial position. (Return to Summary)



Source: Federal Reserve Board and Wells Fargo Economics



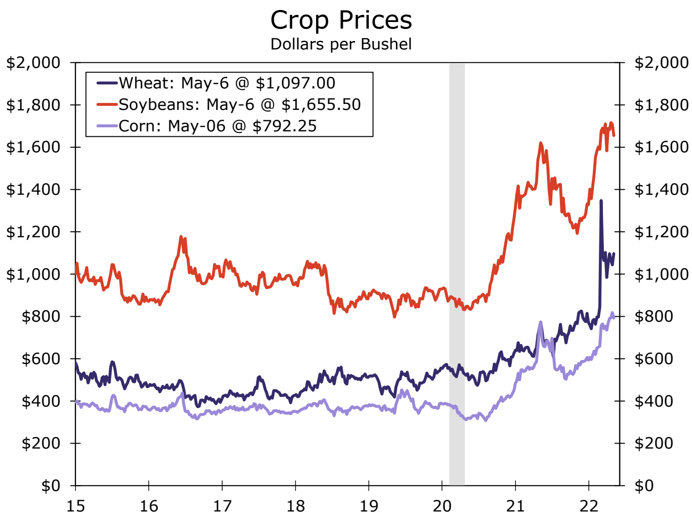
Source: Federal Reserve Board, U.S. Department of Commerce and Wells Fargo Economics

Topic of the Week

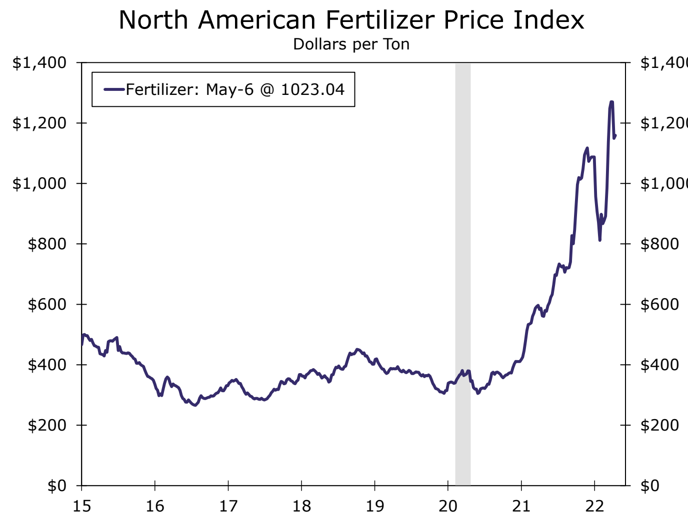
Fertilizer Crunch Threatens to Drive Food Prices Higher

Rising food prices continued to sting consumers in April as grocery prices and prices for food away from home rose 1.0% and 0.6%, respectively. Firms are also struggling with rising costs as food costs jumped 1.5%, the fourth-straight month of increases. Global commodity markets have been shaken by the ongoing war in Ukraine. As we detailed in a March report, markets for wheat, corn and chemical fertilizers have especially high exposure to the conflict as Russia, Ukraine and Belarus make up a significant share of global exports.

Although we forecast year-over-year food price growth to peak next month at 9.6%, as weather issues in key growing regions are set to sustain inflation down the road, and we expect inflation to remain elevated into next year. Weather has not been kind to global wheat markets as major exporters have grappled with drought, floods and heatwaves. On Thursday, the U.S. Department of Agriculture (USDA) forecast 2022 global wheat output will fall for the first time since the 2018-19 growing season and reach a six-year low. Even with severe droughts scorching western states in particular, the USDA still forecasts wheat outputs to rise 5% in the U.S., a key global exporter. Overall, the USDA sees food prices growing at least a further 5%-6% in 2022.



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



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

A global supply shortage of chemical fertilizers may put further pressure on already-strained food commodity markets. Since the start of the pandemic, prices of synthetic fertilizers have nearly tripled as suppliers have struggled to maintain supply chains. Rising prices for natural gas, a key input in nitrogen-based fertilizers, has been a primary driver of inflation over the past two years. The loss of exports from Russia and Belarus, two countries which together make up 40% of the world's potash exports, has worsened these conditions. The tightening of global supply has caused China, the world's largest phosphate producer, to restrict its own exports in order to maintain its own domestic stockpile.

The halting of exports from major fertilizer suppliers has the potential to disrupt harvests as producers will be forced to use less fertilizer. Output, particularly in countries that must import fertilizer, may suffer as farmers are forced to limit their fertilizer usage. In Brazil, the world's largest soybean producer, a 20% drop in fertilizer usage would result in a 14% drop in yields, according to Brazilian industry consultancy MB Agro. Yield outlooks, particularly for staple crops, are pessimistic on a global scale with the International Rice Research Institute calling for a 10% drop in rice yields over the next year. Losses of this magnitude threaten to exacerbate shortages in food insecure regions as well as drive further price growth in global markets.

Farmers are turning to alternative means to combat the shortage. Those who do have access to fertilizer are being more strategic and precise in their usage as well as pivoting away from "high-fertilizer" crops, including corn, toward less demanding crops such as beans. Animal manures have made a comeback as farmers seek to fill out the shortfalls in fertilizer supply. As of this writing, manure is about 25% cheaper than chemical fertilizers, causing demand for organic waste to skyrocket in major agricultural states. Such a shift is not without precedent as farmers have pivoted toward livestock waste to grow their crops as recently as 2008 and 2012 when high fossil fuel costs drove up fertilizer prices. As fertilizer prices continue to climb, farmers will need to act nimbly in order to preserve as much of next year's yield as possible. (Return to Summary)

Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 5/13/2022	1 Week Ago	1 Year Ago
SOFR	0.79	0.79	0.01
3-Month LIBOR	1.41	1.37	0.15
3-Month T-Bill	0.96	0.81	0.01
1-Year Treasury	1.92	2.03	0.01
2-Year Treasury	2.58	2.73	0.15
5-Year Treasury	2.86	3.08	0.83
10-Year Treasury	2.89	3.13	1.66
30-Year Treasury	3.05	3.23	2.40
Bond Buyer Index	3.37	3.27	2.28

Foreign Exchange Rates

	Friday 5/13/2022	1 Week Ago	1 Year Ago
Euro ($/€)	1.041	1.055	1.208
British Pound ($/£)	1.223	1.235	1.405
British Pound (£/€)	0.851	0.855	0.860
Japanese Yen (¥/$)	129.240	130.560	109.470
Canadian Dollar (C$/$)	1.294	1.288	1.216
Swiss Franc (CHF/$)	1.001	0.989	0.906
Australian Dollar (US$/A$)	0.691	0.708	0.773
Mexican Peso (MXN/$)	20.143	20.127	19.937
Chinese Yuan (CNY/$)	6.789	6.667	6.452
Indian Rupee (INR/$)	77.445	76.930	73.426
Brazilian Real (BRL/$)	5.086	5.079	5.310
U.S. Dollar Index	104.473	103.660	90.752

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

Foreign Interest Rates

	Friday 5/13/2022	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	-0.58	-0.59	-0.57
3-Month Sterling LIBOR	1.24	1.26	0.08
3-Month Canada Banker's Acceptance	1.95	1.88	0.43
3-Month Yen LIBOR	-0.02	-0.02	-0.09
2-Year German	0.10	0.32	-0.66
2-Year U.K.	1.24	1.51	0.10
2-Year Canadian	2.65	2.72	0.33
2-Year Japanese	-0.05	-0.04	-0.12
10-Year German	0.94	1.13	-0.12
10-Year U.K.	1.73	2.00	0.90
10-Year Canadian	2.93	3.13	1.57
10-Year Japanese	0.25	0.24	0.09

Commodity Prices

	Friday 5/13/2022	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	110.01	109.77	63.82
Brent Crude ($/Barrel)	111.00	112.39	67.05
Gold ($/Ounce)	1810.03	1883.81	1826.72
Hot-Rolled Steel ($/S.Ton)	1195.00	1240.00	1580.00
Copper (¢/Pound)	412.40	426.40	469.70
Soybeans ($/Bushel)	16.44	16.40	16.80
Natural Gas ($/MMBTU)	7.55	8.04	2.97
Nickel ($/Metric Ton)	27,725	30,014	17,765
CRB Spot Inds.	652.61	679.06	588.20

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Economics Group

Jay H. Bryson, Ph.D.	Chief Economist	704-410-3274	Jay.Bryson@wellsfargo.com
Mark Vitner	Senior Economist	704-410-3277	Mark.Vitner@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	Economist	212-214-8984	Charles.Dougherty@wellsfargo.com
Michael Pugliese	Economist	212-214-5058	Michael.D.Pugliese@wellsfargo.com
Brendan McKenna	International Economist	212-214-5637	Brendan.Mckenna@wellsfargo.com
Shannon Seery	Economist	332-204-0693	Shannon.Seery@wellsfargo.com
Nicole Cervi	Economic Analyst	704-410-3059	Nicole.Cervi@wellsfargo.com
Sara Cotsakis	Economic Analyst	704-410-1437	Sara.Cotsakis@wellsfargo.com
Jessica Guo	Economic Analyst	704-410-4405	Jessica.Guo@wellsfargo.com
Karl Vesely	Economic Analyst	704-410-2911	Karl.Vesely@wellsfargo.com
Patrick Barley	Economic Analyst	704-410-1232	Patrick.Barley@wellsfargo.com
Coren Burton	Administrative Assistant	704-410-6010	Coren.Burton@wellsfargo.com

Required Disclosures