WELLS FARGO

Weekly — October 22, 2021

Weekly Economic & Financial Commentary

United States: **Snarled Supply Chains Stymie Production**

- Supply chain snags continue to bedevil the factory sector. Industrial production fell 1.3% in September. Tangled value chains are worsening building material shortages and hampering new home construction. During September, housing starts and building permits declined 1.6% and 7.7%, respectively. Demand for homes remains strong, as evidenced by a 7.0% rise in existing home sales.
- Next week: Durable Goods (Wed), Q3 Real GDP (Thurs), Personal Income & Spending (Fri)

International: **Economic Disruption in China & U.K. CPI Fueling BoE Rate Hike Bets**

- Restrictions from a renewed COVID outbreak in China, regulatory changes weighing on local financial markets and a potential collapse of Evergrande have all contributed to a slowdown in Chinese economic activity. In the U.K., inflation has been on an upward trajectory over the past few months. Reopening the economy combined with plush household balances have pushed price growth well above the Bank of England's inflation target.
- Next week: Bank of Canada (Wed), European Central Bank (Thurs), Eurozone GDP (Fri)

Credit Market Insights: **Buy Now, Pay Later Plans Amplify Right Before the Holiday Season**

- "Buy Now, Pay Later" (BNPL) is an alternative to traditional credit card purchases that cater to consumers by allowing larger purchases to be split up into smaller, evenly dispersed payments. This flexibility has led to concerns over allowing consumers to purchase items that they may not be able to truly afford. Household balance sheets remain strong, but spending patterns may change as these new web-based payment methods are being picked up left and right by large retailers just in time for the holidays.

Topic of the Week: **Jingle Bell Block: Holiday Sales during a Supply Chain Crisis**

- In a year likely to be characterized by inventory shortages, with not enough salespeople in stores or delivery drivers for e-commerce purchases, our forecast says holiday sales will increase 11% this year. But make no mistake, we are not expecting this to be a happy holiday shopping season for retailers. Our call says more about how far holiday sales categories have already come this year than it does about where sales are headed in the remaining three months of the year.

Wells Fargo Securities 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	3.0	4.4	3.8	3.5	4.1	3.7	-3.4	5.6	4.0	3.2
Personal Consumption	11.4	12.0	0.7	2.4	2.1	2.9	3.6	3.5	-3.8	7.7	3.0	2.7
Consumer Price Index [2]	1.9	4.8	5.3	6.0	6.0	4.7	3.6	2.6	1.2	4.5	4.2	1.8
"Core" Consumer Price Index [2]	1.4	3.7	4.1	4.6	5.3	4.2	3.4	2.9	1.7	3.5	3.9	2.0
Quarter-End Interest Rates [3]												
Federal Funds Target Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.25	0.25	0.50
Conventional Mortgage Rate	3.08	2.98	2.87	3.20	3.40	3.55	3.65	3.70	3.12	3.03	3.58	3.78
10 Year Note	1.74	1.45	1.52	1.70	1.90	2.00	2.10	2.15	0.89	1.60	2.04	2.23

Forecast as of: October 14, 2021
[1] Compound Annual Growth Rate Quarter-over-Quarter [3] Annual Numbers Represent Average

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

Please find our full U.S. Economic Forecast here.

All estimates/forecasts are as of 10/22/2021 unless otherwise stated. 10/22/2021 12:28:58 EDT. Please see page 12 for rating definitions, important disclosures and required analyst certifications. Wells Fargo Securities, LLC does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of the report and investors should consider this report as only a single factor in making their investment decision.
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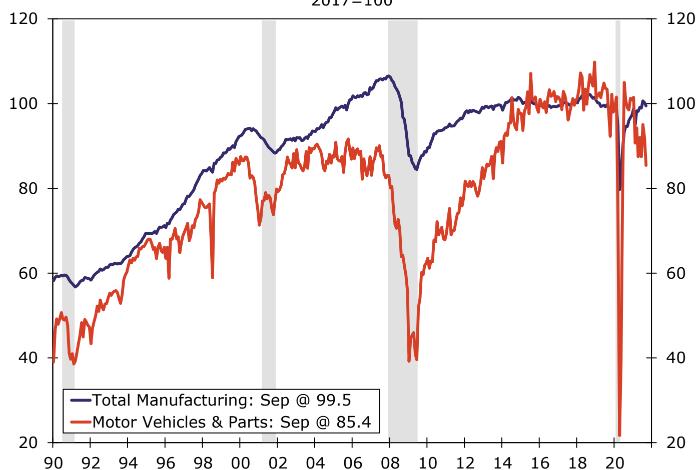
U.S. Review

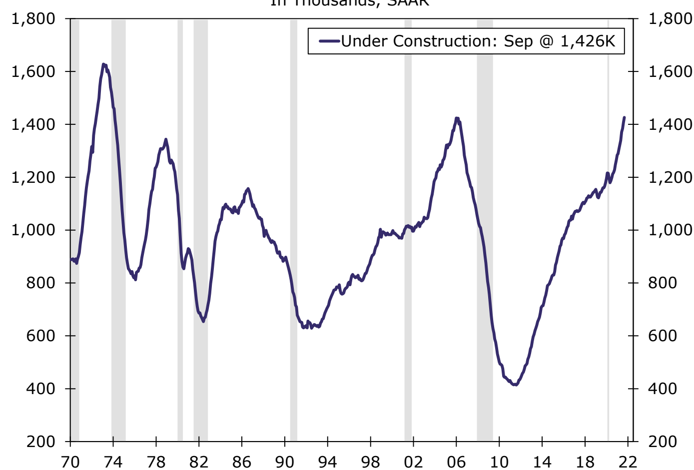
Snarled Supply Chains Stymie Production

This week, the Federal Reserve released the October update to its Beige Book. The compilation of anecdotes from businesses within the Fed's 12 districts revealed that economic conditions were still generally strong in August and September. The outlooks for improved economic activity also remained positive. Scattered throughout the report, however, were numerous mentions of the pervasive supply chain issues that are now affecting virtually every part of the economy. To put a number on it, the term "supply chain" was cited 37 times, an increase from 33 mentions in September and 28 references in August. In January 2020, before the onset of the pandemic, there were no mentions of supply chain issues. The latest statements found in the Beige Book underscore what is becoming increasingly evident in much of the hard economic data: supply chains are not functioning smoothly, the problem is getting worse, and economic growth is suffering as a result.

The latest indicator to shed light on the supply chain problem was industrial production during September, which tumbled 1.3% during the month. The index reading for August was also revised lower to show a small decline. While utilities and mining production both weakened, the most notable decline was in the heavily-weighted manufacturing production index, which fell 0.7% during the month. Manufacturing production also declined in August. Some of the drop in overall industrial production is clearly owed to the lingering impacts of Hurricane Ida, which ripped through wide tracts of the East Coast during August and September. That noted, the recent weakness in motor vehicle manufacturing, where semiconductor shortages have severely curtailed production, stands out as a prime example of how supply issues are constraining economic activity. Overall industrial production is still running close to its pre-pandemic level, which is a reminder that consumer and business demand remains solid. Without the drop in auto production, overall manufacturing output likely would have expanded during the month, as evidenced by a sturdy gain in durable goods production.



Source: Federal Reserve Board and Wells Fargo Securities



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

New home production is also being constrained by supply scarcities. During September, housing starts and building permits declined 1.6% and 7.7%, respectively. The monthly decline in overall starts was owed almost entirely to a sharp drop in the volatile multifamily category. Single-family starts were essentially unchanged, ending a two-month string of declines. New residential construction is still running at a fairly strong pace, faster than at any point over the decade preceding the pandemic. Activity has downshifted recently, however, as a growing list of key material inputs, such as copper and steel, remain in short supply. These material shortfalls are leading to project delays and preventing homes from being completed. The number of homes under construction reached a 1,426K-unit annual pace in September, the highest since 1974.

Despite these supply-side challenges, builders remain confident in their ability to sell just about anything they build. The NAHB Housing Market Index (HMI) rose to 80 during October, the highest level in three months. What's more, overall demand for single-family homes remains robust. Sales of existing homes beat consensus estimates and rebounded 7.0% to a 6.29 million-unit annual pace

in September. September's turnaround in resales highlights the notion that the recent slowdown in sales is more due to a lack of inventory rather than sluggish demand. Inventories declined slightly in September, but have been gradually rising for much of the summer and are currently higher than they were at the start of the spring selling season. To be clear, inventories are still exceptionally tight, but even the marginal improvement we saw this spring and summer was enough to foster a stronger pace of sales.The modest improvement in inventory levels has taken some of the air out of fast-rising home prices, which have eroded affordability in recent months. The median price of a single-family home was up 13.8% over the year in September, which still represents a rapid increase. However, this marks a considerable moderation compared to the 20%-plus gains seen in May and June. September's surge in existing home sales serves as another example of how even slight improvements in supply can help unleash demand.

The current supply challenges facing the U.S. economy will take some time to untangle. Once supply concerns eventually die down, economic growth should perk up. The Leading Economic Index (LEI) increased 0.2% during September. The LEI advancing during the month is a sign that the economic recovery remains on track, but the gain undershot expectations and was the smallest monthly rise since February. One notable positive contributor to the overall index recently has been jobless claims, which fell to a new pandemic low of 290,000 during the week ended October 16. Fewer individuals applying for unemployment benefits comes as welcome news. The drop also suggests businesses are thinking twice about parting with workers amid continued difficulties in attracting and retaining employees. In fact, along with "supply chains", the term "labor shortages" was frequently cited by businesses in the aforementioned Beige Book. While most businesses are dealing with labor shortages, the production side of the economy is being particularly affected, notably in the construction and manufacturing industries. Parts and labor that are increasingly hard to come by complicate the issue and only compound the supply problem. In short, this week was a reminder of how supply-side snags can trip up economic growth, even when underlying demand is strong. (Return to Summary)

U.S. Outlook

Weekly Domestic Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
26-Oct	New Home Sales (SAAR)	Sep	758K	757K	740K
27-Oct	Durable Goods Orders	Sep	-1.0%	-0.8%	1.8%
28-Oct	GDP Annualized (QoQ)	Q3 A	2.4%	3.0%	6.7%
28-Oct	Personal Consumption (QoQ)	Q3 A	1.2%	0.7%	12.0%
29-Oct	Personal Income	Sep	-0.1%	-1.0%	0.2%
29-Oct	Personal Spending	Sep	0.5%	0.3%	0.8%
29-Oct	PCE Deflator (MoM)	Sep	0.3%	0.4%	0.4%

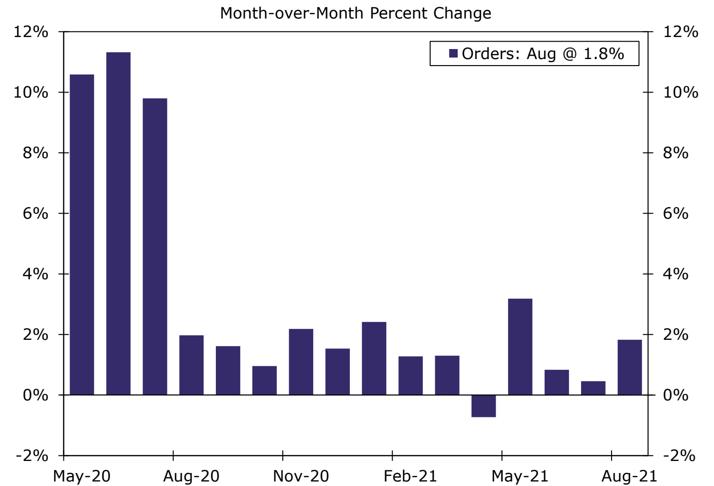
Forecast as of October 22, 2021

Source: Bloomberg LP and Wells Fargo Securities

Durable Goods • Wednesday

We forecast durable goods orders slipped 0.8% in September, due largely to the volatile transportation sector. Orders data from Boeing revealed just 27 new orders during the month, which is half of what is traditionally seen during September. Accounting for cancellations, we estimate that about 22 net new orders were made for Boeing aircraft last month, a step down from August. Motor vehicle orders may also be a source of weakness as strapped supply continues to inhibit production. Output of autos slumped by the most since April in September due to a severe shortage of semiconductors, and while output and orders do not necessarily move in tandem from month to month, persistent supply problems suggest some weakness may be in order.

Things should look better when excluding transportation, where we expect orders *advanced* 0.5%. Overall, orders have been quite resilient, despite severe supply shortages limiting production and thereby shipments. Backlogs have risen as a result, which continue to suggest manufacturers will have plenty to work through once supply chains normalize. Core capital goods shipments will provide the final read on equipment spending in Q3 before official data are released Thursday. But since durable goods data are reported in nominal dollars, once data are adjusted for the recent run-up in inflation, equipment spending should be less impressive than indicated by the nominal shipments' data.



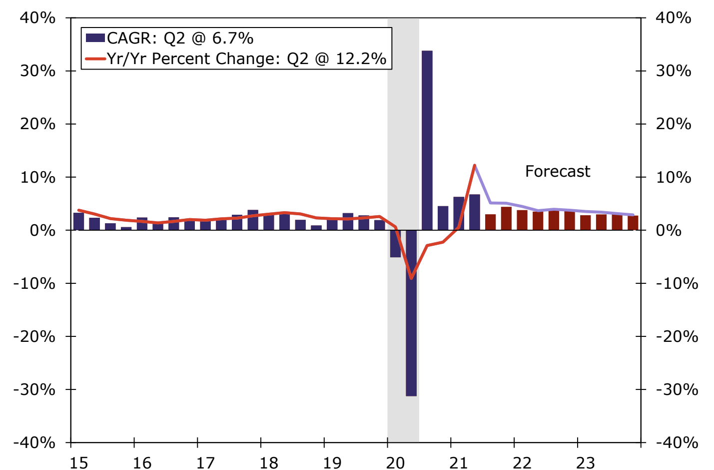
Source: U.S. Department of Commerce and Wells Fargo Securities

Q3 Real GDP • Thursday

Real GDP data for the third quarter are released on Thursday, and we forecast the U.S. economy expanded at a 3.0% annualized pace. That puts us right in line with the Bloomberg consensus estimate. Overall, the third quarter details should demonstrate an economy where growth remains constrained by severe supply constraints and elevated price pressure.

We look for personal consumption expenditures to expand at a 0.7% annualized clip in the third quarter, which is a sharp step down from double-digit annualized gains the two quarters prior. Business investment spending should advance 1.1% as sourcing problems of inputs and labor have severely limited the pace of production. A critical component of GDP growth will likely be inventories. More than half of the expected headline Q3 GDP growth rate comes from a 2.8 percentage point boost from inventories. Remarkably, this lift comes merely from a slower draw-down in stockpiles. Net exports appear set to provide a drag on growth for the fifth consecutive quarter amid a sharper rebound in the U.S. fueling import growth.

Overall, real GDP growth is moderating from its torrid pace this summer. But we expect growth to remain above trend in our forecast horizon through 2023. The bottlenecks limiting growth today should boost growth in coming quarters once supply chains eventually begin to normalize and demand is again able to be met with supply.

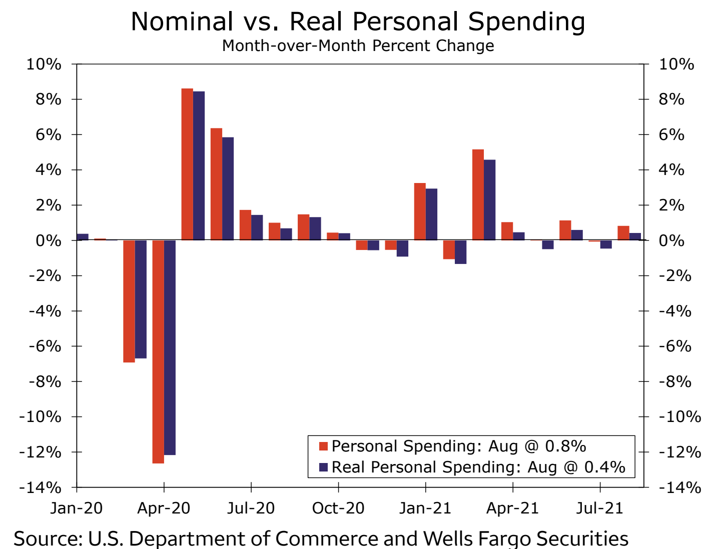


Source: U.S. Department of Commerce and Wells Fargo Securities

Personal Income & Spending • Friday

On Friday, we get the full report on personal income and spending for the month of September. We expect personal income plummeted 1.0% in September as enhanced unemployment benefits expired at the start of the month. Weakness should be tied solely to dwindling stimulus. Not only will this be evident in unemployment benefits, but as PPP funding continues to roll out of the estimates, proprietors' income is set to move lower as well. Excluding transfer payments and proprietors' income, we expect personal income actually *rose* 0.6% during the month, led higher by wages and salaries.

In terms of spending, we look for a 0.3% monthly gain in September. The retail sales data came in better than expected for the month and high-frequency measurements of services activity have improved. But these data must be taken with a grain a salt, as they don't really account for the recent jump in consumer prices. After adjusting for inflation in August, for example, the gain in real spending was cut in half. We will be paying close attention to prices in next week's release as we assess the evolution of consumers' purchasing power. Inflation has skyrocketed as businesses increasingly pass costs onto consumers. In fact, we expect higher prices were responsible for the gain in spending last month, and forecast the real PCE deflator advanced 0.4% last month, which would imply real personal spending *declined* 0.1%. (Return to Summary)



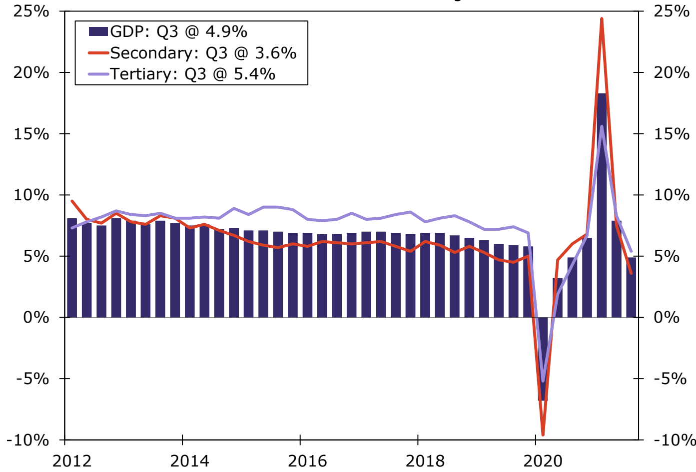
Source: U.S. Department of Commerce and Wells Fargo Securities

International Review

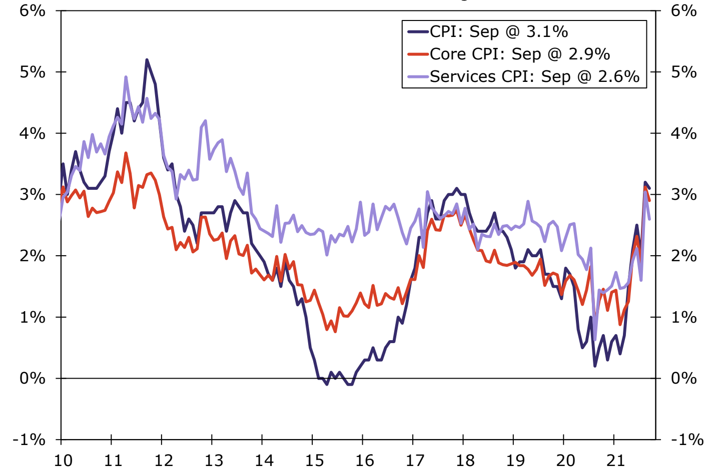
Economic Disruption in China Finally Revealed

The past few months have been difficult on the Chinese economy. A renewed COVID outbreak resulted in harsh restrictions, regulatory changes weighed on local financial markets, and a potential collapse of Evergrande have all contributed to a slowdown in Chinese economic activity. Over the weekend, the full extent of the slowdown was revealed as China's economy grew just 0.2% quarter-over-quarter in Q3. To put that growth number in perspective, the Chinese economy grew 1.2% quarter-over-quarter in Q2, and pre-COVID, it was growing around 1.5% on a sequential basis. The slowdown was also more pronounced than our forecast and also sharper than the consensus expected as well. Given a bigger deceleration than we expected, there is an elevated likelihood we revise our 2021 annual GDP forecast lower. As of now, we forecast China's economy to grow a little over 8% this year.

Higher frequency indicators were also released over the weekend, which for the most part, continue to suggest a softening in China's local economy. In particular, industrial production data missed consensus expectations by a relatively wide margin and is arguably the most concerning data point out of China. In September, industrial production softened to 3.1% year-over-year, a slowdown from 5.3% year-over-year in August. We can point to COVID-related disruptions to explain the weak manufacturing data; however, energy rationing across the country is likely the main culprit. At the moment, sources of energy are scarce and expensive. China typically relies on coal to fuel manufacturing plants; however, given a coal shortage and rising coal prices, manufacturing activity has been scaled back in an effort to maintain energy supply. This rationing of energy sources has made itself clear in manufacturing output data in the month of September.



Source: Bloomberg LP and Wells Fargo Securities



Source: Datastream and Wells Fargo Securities

U.K. CPI Fueling BoE Rate Hike Bets

Inflation in the United Kingdom has been on an upward trajectory over the past few months. The economy's reopening and plush household balances have pushed price growth well above the Bank of England's inflation target. September inflation data released this week showed prices continue to remain elevated, growing 3.1% year-over-year. In our view, inflation is likely to trend even higher over the coming months as utility prices are set to rise during October. As utility prices rise and supply chain shocks persist, we would expect CPI and inflation expectations to also rise. Financial markets have also started to recognize elevated inflation prospects as breakeven bond yields in the United Kingdom have come up at a remarkable pace over the past few weeks.

As inflation expectations rise, Bank of England (BoE) policymakers have taken a more hawkish stance on monetary policy. Just this week, Governor Bailey commented that BoE policymakers may have to take action in the near future to contain price growth. In addition, commentary suggests the upcoming November monetary policy meeting is "live" and could be when the BoE begins to raise interest rates. We interpret these comments as saying the BoE will indeed look to raise interest rates come November and have adjusted our interest rate forecast for the U.K. accordingly. We now expect a 15-bp interest rate hike next month, which is earlier than our prior forecasts. Further out the horizon, we expect the Bank of England to continue tightening monetary policy and will look for them to raise interest rates a few more times over the course of 2022. (Return to Summary)

International Outlook

Weekly International Indicator Forecasts					
Date	**Indicator**	**Period**	**Consensus**	**Wells Fargo**	**Prior**
27-Oct	Bank of Canada Rate Decision	27-Oct	0.25%	0.25%	0.25%
28-Oct	ECB Rate Decision (Deposit)	28-Oct	-0.50%	-0.50%	-0.50%
29-Oct	Eurozone GDP SA QoQ	Q3 A	2.1%	--	2.2%
29-Oct	Eurozone GDP SA YoY	Q3 A	3.5%	--	14.3%

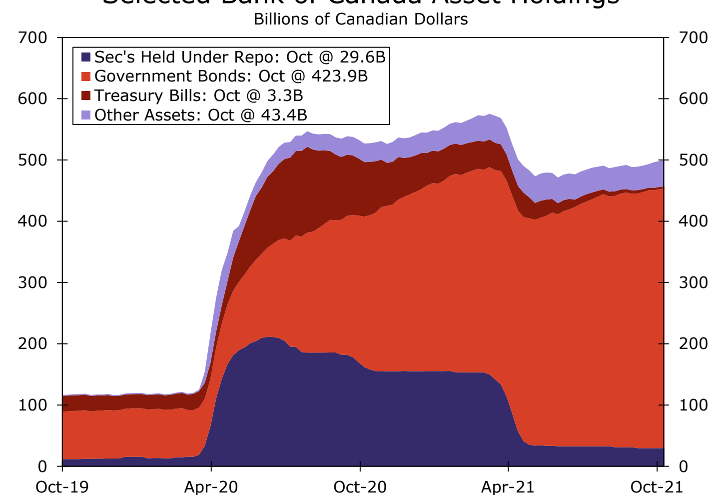
Forecast as of October 22, 2021

Source: Bloomberg LP and Wells Fargo Securities

Bank of Canada • Wednesday

Next week, the Bank of Canada will meet to assess monetary policy. We believe policymakers will opt to reduce asset purchases again. The Canadian economy has performed well over the course of the COVID crisis but has softened modestly over the past few weeks. Measures of GDP have been mixed lately as monthly GDP declined less than expected in July, while year-over-year data underperformed relative to consensus forecasts. However, we continue to believe the recovery in still intact and is strong enough to warrant a further tapering of asset purchases. In addition, recent inflation data revealed price growth is still elevated and above the Bank of Canada's target range, which in our view, should also justify further monetary tightening.

In our view, the Bank of Canada will slow the weekly pace of bond purchases to C$1 billion per week. Should this view materialize, the quantitative easing program should come to a close at the January 2022 monetary policy meeting. Also next week, policymakers will release updated economic projections, which will give additional insight into how the central bank sees the economy evolving going forward. We expect updated forecasts to show a continued recovery and still robust inflation, which should also lead to policy rate hikes in the second half of 2022.

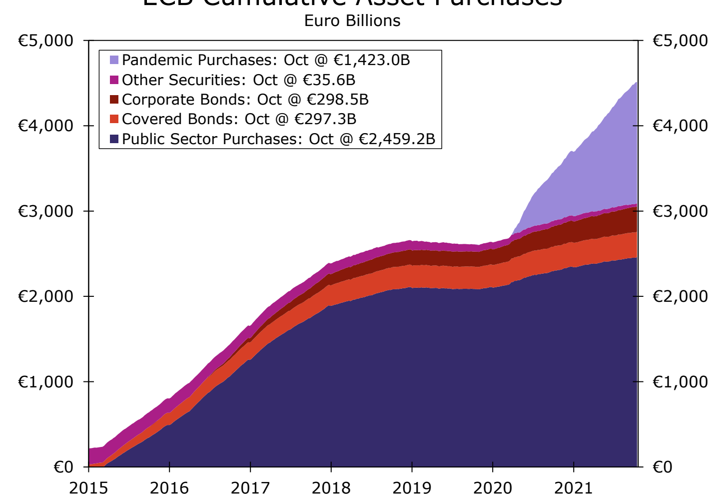


Source: Bloomberg LP and Wells Fargo Securities

European Central Bank • Thursday

At its September meeting, the European Central Bank (ECB) announced Q4 asset purchases would be conducted at a slower pace relative to purchases in Q2 and Q3. While this decision was a modest tweak in policy, we do not expect any additional policy changes to occur at the ECB's meeting next week. To that point, we expect the ECB to continue conducting asset purchases and remain committed to accommodative monetary policy as the Eurozone economy struggles to gather economic momentum and inflation remains relatively subdued.

Given we do not expect any significant adjustments to monetary policy next week, we can comment on the longer-term outlook for ECB monetary policy. In our view, the ECB's Pandemic Emergency Purchase Program (PEPP) will be completed on schedule, likely no later than Q2-2022. Once the PEPP program ends, we believe the ECB will increase the size of its regular Asset Purchase Program in order to provide further support to the Eurozone economy. Even further out the forecast horizon, only until the Eurozone economy shows more sustained progress do we expect asset purchases to be gradually tapered and accommodative monetary policy to be slowly lifted.

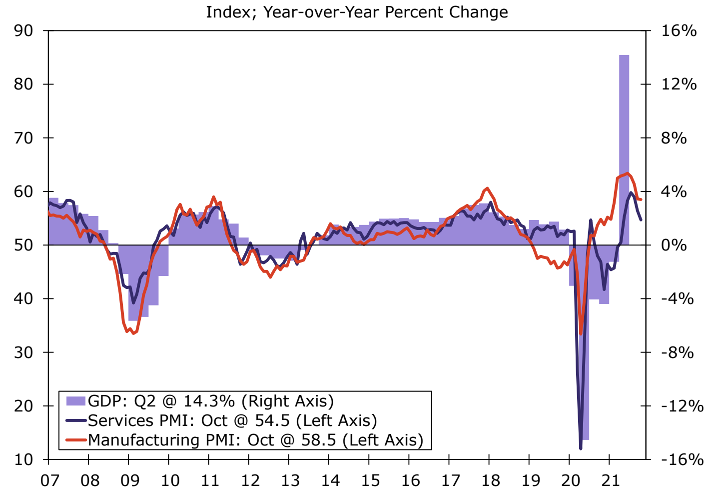


Source: Bloomberg LP and Wells Fargo Securities

Eurozone GDP • Friday

As mentioned earlier, the Eurozone economy has struggled to recover from the pandemic-induced slowdown. COVID-related issues continue to disrupt the economic recovery, while energy supply issues have also weighed on the economic prospects for the second half of this year. To that point, we recently revised our 2021 Eurozone GDP forecast lower as consumer spending has been sluggish and as energy supply issues could result in slower output.

Q3 GDP data, along with other leading economic and sentiment indicators such as PMI indices, will be released over the next week or so. The details of these data should show a sluggish economic recovery and still-persistent supply chain issues acting as a restraint on the economy. In our view, Q3 output should hold up fairly well; however, we are much more concerned regarding the growth prospects for Q4. As the Eurozone's energy crisis plays a larger role over the economy, we would expect Q4 output to slow markedly and that momentum to potentially carry over into 2022. (Return to Summary)



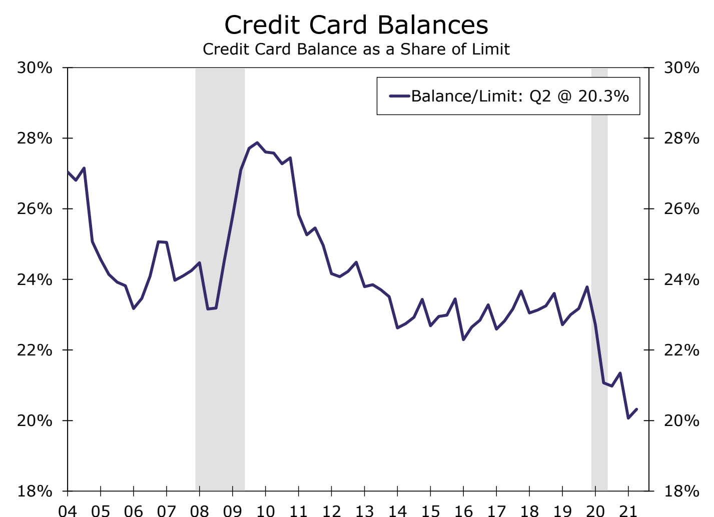
Source: Datastream, Bloomberg LP and Wells Fargo Securities

Credit Market Insights

Buy Now, Pay Later Plans Amplify Right Before the Holiday Season

"Buy Now, Pay Later" (BNPL) is an alternative to traditional credit card purchases that made waves even before the pandemic began. Instead of making purchases in one fell swoop, BNPL companies such as Klarna, Affirm, Paypal's "Pay in 4" and Afterpay, which was recently acquired by Square, cater to consumers by allowing larger purchases to be split up into smaller, evenly dispersed payments. Besides the ability to break down over time that pain that comes with forking over the full amount for purchases, for some consumers the attraction goes beyond the psychological benefit. Typical methods of payment such as credit cards tend to have more extensive credit checks than BNPL providers, meaning that BNPL programs may be able to reach a wider audience of consumers who do not have high credit scores. Another term for these transactions is "point of sale financing". However, this flexibility has also led to concerns over allowing consumers to purchase items that they may not be able to truly afford, even when they do not have to pay all at once. Some governments, like the U.K., have decided to regulate the BNPL industry to curb this risk.

The pandemic era has been defined by consumers not taking on as much credit card debt as spending options were limited by lockdowns (see chart). Stimulus and monetary support kept many households afloat and even lifted credit scores, so households remain in a very good position. Still, the growing popularity of these programs invites some credit risk, especially since they are in high demand among younger generations who tend to already struggle the most with credit card debt going into serious delinquency. Also, while some of these programs do not have interest rates, others can have larger repercussions for missed payments.



Source: New York Federal Reserve and Wells Fargo Securities

The idea of paying for an item over time instead of all at once is not necessarily revolutionary, as this works similar to '"layaway". However, the accessibility of these structured payments has flourished in the past months. In addition to the tech-savvy newer businesses that one might expect to easily adopt the BNPL system, larger, more established businesses have scrambled to partner with BNPL companies in the past few months. Announcements have come from the likes of Amazon, Walmart, Target, Bed Bath & Beyond and Macy's, among others. Importantly, these changes have come right ahead of the holiday sales season for 2021, which we expect to hit a fresh year-over-year high, by our records.

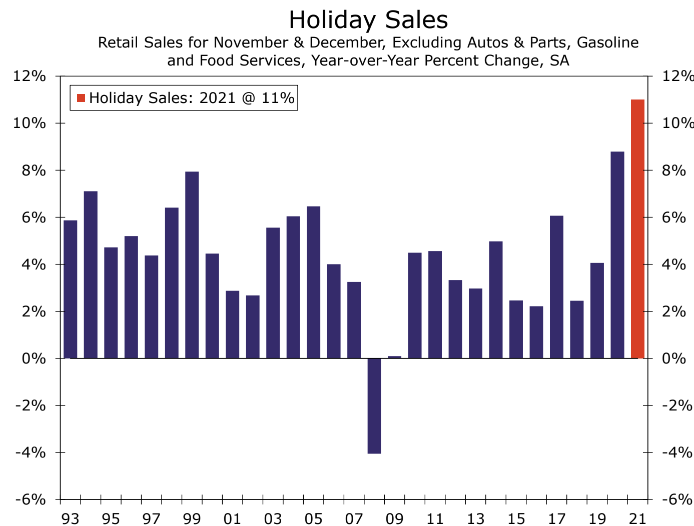
Although definitely a factor in past seasons, this will be the first holiday sales season where BNPL programs are in full force as per these recent agreements with large retailers. McKinsey estimates that Fintechs have been at the forefront, and siphoned between $8 and $10 billion in annual revenues from banks from their Consumer Lending Pools Survey. Furthermore, they believe point of sale credit will make up 13% to 15% of unsecured lending balances in 2023, up from 7% in 2019. Sixty percent of respondents declared they were likely to utilize point of sale programs in the next six months to a year. For these reasons, it is no surprise that credit card companies and some banks have created their own BNPL programs to not miss out on market share, especially among younger consumers. (Return to Summary)

Topic of the Week

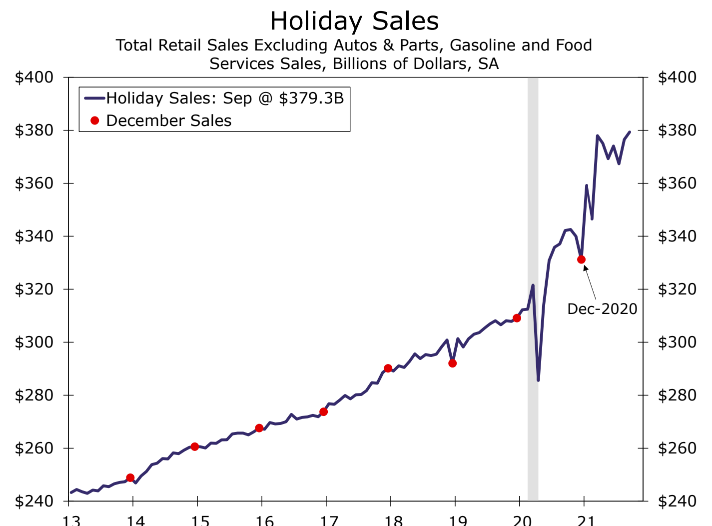
Jingle Bell Block: Holiday Sales during a Supply Chain Crisis

In a year likely to be characterized by inventory shortages, with not enough salespeople in stores or delivery drivers for e-commerce purchases, our forecast says holiday sales will increase 11% this year (see chart). Not only would that set a fresh record for the second year in a row, the actual increase could be even larger. In fact, we see most of the risk on the upside.

Should retailers repeat the solid gains they rang up in September, the actual increase could top the high end of the range of our previous estimate of between 10% and 13%. But make no mistake, we are not expecting this to be a happy holiday shopping season for retailers beset by chronic and worsening inventory shortages. Our call says more about how far holiday sales categories have already come this year than it does about where sales are headed in the remaining three months of the year.



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



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

Fueled by two rounds of fiscal stimulus in the first quarter, there have already been massive gains in consumer goods spending. This was most pronounced in January and March when the categories that comprise holiday sales shot up on a sequential basis by more than 8% and 9%, respectively. That is more than a typical year's worth of holiday spending in each of those two months. Despite some ups and downs in the intervening months, spending has remained elevated since, putting the level of sales comfortably at a record high even before the all-important holiday shopping season is underway (see chart).

If sales are flat in the final months of the year, holiday sales would rise 13% above where they were last year. So an 11% forecast implies sales finish the year lower. Given the supply chain crisis, the difficulty finding workers to staff the stores, the highest inflation in a generation and expected difficulties with last mile delivery for e-commerce, a degree of skepticism is in order.

For our full analysis, please see our 2021 holiday sales report. (Return to Summary)

Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 10/22/2021	1 Week Ago	1 Year Ago
1-Month LIBOR	0.09	0.09	0.15
3-Month LIBOR	0.13	0.12	0.22
3-Month T-Bill	0.05	0.04	0.09
1-Year Treasury	0.17	0.14	0.09
2-Year Treasury	0.47	0.39	0.15
5-Year Treasury	1.24	1.13	0.37
10-Year Treasury	1.69	1.57	0.86
30-Year Treasury	2.13	2.04	1.68
Bond Buyer Index	2.28	2.28	2.35

Foreign Exchange Rates

	Friday 10/22/2021	1 Week Ago	1 Year Ago
Euro ($/€)	1.164	1.160	1.182
British Pound ($/£)	1.378	1.375	1.308
British Pound (£/€)	0.844	0.844	0.903
Japanese Yen (¥/$)	113.860	114.220	104.860
Canadian Dollar (C$/$)	1.233	1.237	1.314
Swiss Franc (CHF/$)	0.917	0.923	0.907
Australian Dollar (US$/A$)	0.750	0.742	0.712
Mexican Peso (MXN/$)	20.236	20.327	20.981
Chinese Yuan (CNY/$)	6.392	6.436	6.685
Indian Rupee (INR/$)	74.896	75.258	73.539
Brazilian Real (BRL/$)	5.659	5.513	5.606
U.S. Dollar Index	93.630	93.937	92.951

Source: Bloomberg LP and Wells Fargo Securities

Foreign Interest Rates

	Friday 10/22/2021	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	-0.57	-0.57	-0.53
3-Month Sterling LIBOR	0.21	0.13	0.05
3-Month Canada Banker's Acceptance	0.46	0.46	0.49
3-Month Yen LIBOR	-0.08	-0.08	-0.10
2-Year German	-0.64	-0.68	-0.77
2-Year U.K.	0.69	0.58	-0.03
2-Year Canadian	0.87	0.76	0.24
2-Year Japanese	-0.10	-0.11	-0.13
10-Year German	-0.08	-0.17	-0.57
10-Year U.K.	1.19	1.11	0.28
10-Year Canadian	1.70	1.59	0.66
10-Year Japanese	0.10	0.08	0.04

Commodity Prices

	Friday 10/22/2021	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	83.21	82.28	40.64
Brent Crude ($/Barrel)	85.41	84.86	42.46
Gold ($/Ounce)	1792.79	1767.62	1904.11
Hot-Rolled Steel ($/S.Ton)	1805.00	1796.00	670.00
Copper (¢/Pound)	460.10	473.05	314.90
Soybeans ($/Bushel)	12.19	12.08	10.65
Natural Gas ($/MMBTU)	5.28	5.41	3.01
Nickel ($/Metric Ton)	20,022	19,320	15,845
CRB Spot Inds.	644.99	644.56	472.13

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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
Azhar Iqbal	Econometrician	212-214-2029	Azhar.Iqbal@wellsfargo.com
Sarah House	Senior Economist	704-410-3282	Sarah.House@wellsfargo.com
Charlie Dougherty	Economist	704-410-6542	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	704-410-1681	Shannon.Seery@wellsfargo.com
Hop Mathews	Economic Analyst	704-383-5312	Hop.Mathews@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
Coren Burton	Administrative Assistant	704-410-6010	Coren.Burton@wellsfargo.com

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