Monthly — April 7, 2021

U.S. Economic Outlook: April 2021

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The Boom Is Upon Us

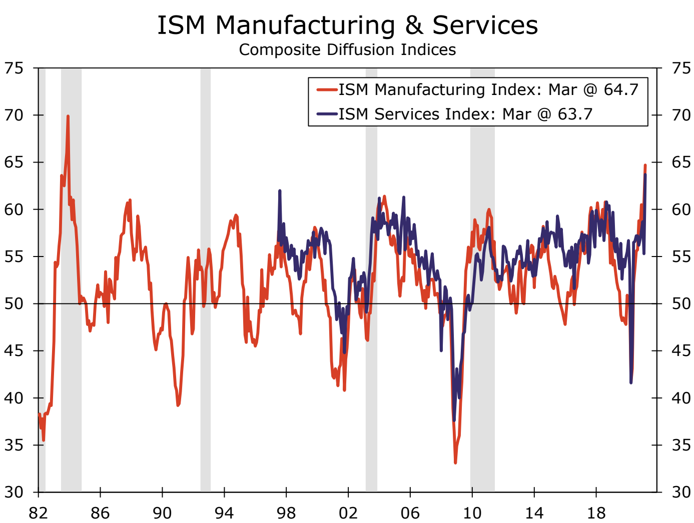
- We have made only modest changes to our U.S. forecast since last month and continue to look for real GDP to grow at an above-consensus rate of 6.4% this year.
- Notably, expectations for a significant upturn in U.S. growth this spring have started to turn into a reality. Fueled by an improving health picture, better weather and another round of significant fiscal support, recent employment and survey data show activity shifting into a higher gear.
- The near-term growth outlook could be even stronger were it not for worsening supply constraints holding back production and sales. Slightly stronger growth in Q1 consumer spending since our March forecast is expected to be offset, at least partially, by a slower restocking of business inventories.
- We have also pared down our expectations for residential investment, as housing activity is constrained by low inventory and building material shortages.
- Our inflation forecasts have been nudged up in response to intensifying pressures across supply chains and a further rise in inflation expectations. Core PCE inflation is now expected to increase 2.3% year-over-year by the end of this year and through the first half of 2022.
- Despite evidence of a sharp rise in economic activity and stronger prospects for inflation, the FOMC remains in wait-and-see mode. As a result, we continue to expect the Fed to hold off on tapering asset purchases until next year and the fed funds rate to remain on hold at least through 2022.

The Boom Is Upon Us

Expectations for a significant upturn in U.S. growth this spring have started to turn into a reality. The confluence of an improved public health picture, warmer weather and more fiscal support are generating a burst of activity not seen in decades. Our latest outlook for the U.S. economy is little changed since March, and we continue to look for real GDP growth of 6.4% this year, which, it is worth repeating, would be the strongest pace in more than a generation. We have made some modest adjustments across sectors this month, including slightly stronger consumer spending but larger drags from trade and inventories. However, those dynamics underscore that this cycle continues to move quickly and that the long-awaited full-re-opening boom is upon us.

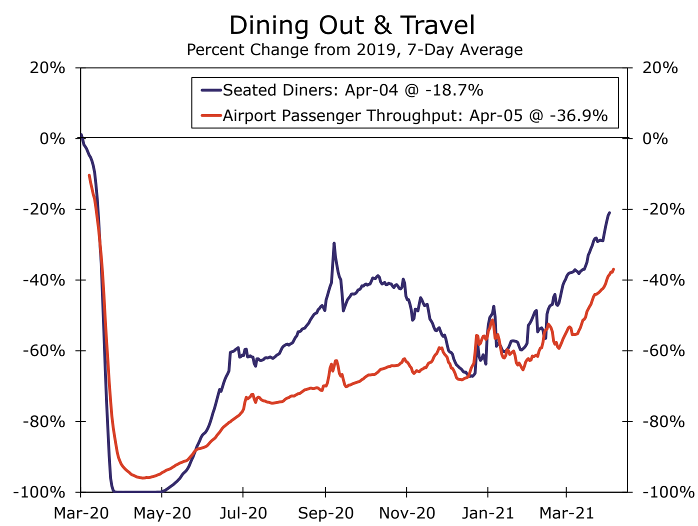
The sharp acceleration in economic activity is perhaps most evident in the latest ISM surveys. The manufacturing index hit a 37-year high in March, with the more encompassing services survey reaching its highest mark since records began in the late 1990s (Figure 1). But high-frequency data, particularly for the hard-hit travel and hospitality sectors, also indicate the pace of recovery has quickened over the past month (Figure 2).

Figure 1



Source: Institute for Supply Management and Wells Fargo Securities

Figure 2



Source: TSA, OpenTable and Wells Fargo Securities

The jobs recovery has also shifted into a higher gear with employers adding 916K new jobs in March, nearly twice the pace of February. That figure is remarkable in that the survey week preceded any direct effect of Washington's latest fiscal efforts (the $1.9 trillion American Rescue Plan, or ARP), and it speaks to the growing optimism among businesses. Spending is on track to follow. Nearly 80% of the direct checks to households in the ARP, worth an estimated total of about $280 billion, reached bank accounts by the end of the March. Auto sales soared to a three-and-a-half year high last month, pointing to another surge in retail spending.

We have slightly upgraded our expectations for Q1 household spending and look for real outlays to advance at a 7.2% annualized clip in Q1. We continue to look for spending to strengthen to a double-digit pace over the second and third quarters, driven not only by the latest round of fiscal support, but savings built up over the course of the pandemic. By our estimates, households would still have a little over $2 trillion in “excess savings” by the fourth quarter, representing not only an upside risk to our near-term forecast, but also a reason for growth in consumer spending to remain well-above trend beyond this summer.

To some extent, the near-term growth outlook could be even stronger. While services spending is expected to be the main driver of overall GDP growth in the coming months, goods spending by consumers and businesses remains solid. Yet businesses are having trouble meeting demand. For months, producers have struggled to get their hands on materials and find workers. While there are some signs of labor constraints easing as the health situation improves, such as the six-month high in factory hiring in March, bottlenecks across supply chains have intensified. The six-day blockage of the Suez Canal was just the latest event with which logistics managers have had to contend.

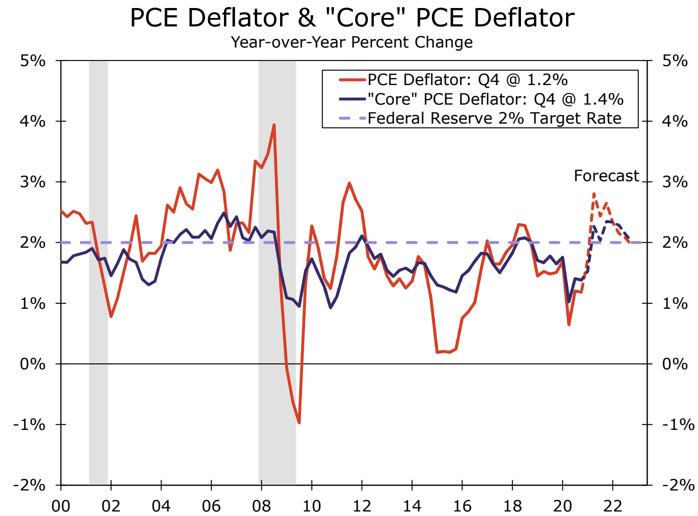
Semiconductor shortages, congested ports and facilities still offline from February's harsh weather have lengthened supplier delivery times in the manufacturing sector at the fastest pace since 1974.

Ongoing strains in supply chains have capped the ability for businesses to restock depleted inventories, which have collapsed compared to sales (Figure 3). Our latest forecast expects a slower rebuilding of inventories over the first half of the year, including an outright drag on GDP growth in the first quarter. Net exports are also expected to take a bigger bite out of GDP growth, as super-charged U.S. spending is set against a slower global recovery. However, these dynamics should ease in the second half of 2021, with the manufacturing and transportation industries benefiting from restocking efforts even as goods spending takes a back seat to services.

Figure 3

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

Figure 4



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

It also is not just manufacturing activity being held back and unable to fully meet current demand. We have pared back our expectations for residential investment as a lack of inventory inhibits sales and rising material costs weigh on new construction. That said, we still expect housing activity to remain solid. Borrowing conditions have been easing even if mortgage rates have started to drift higher, while the strengthening jobs market and favorable demographics remain supportive of demand.

For now, we have left the profile of government spending largely unchanged. As we discussed in a recent report, an infrastructure plan along the lines of the Biden administration's American Jobs Plan can probably become law by this fall, yet the timing, size and composition remains sufficiently up in the air to the point that we have not incorporated it into our forecast. However, it is worth noting that the ultimate impact on growth is unlikely to be as immediately apparent as the three major COVID relief bills, given the longer time horizon over which outlays would occur, as well as the likelihood of some new taxes to at least partially offset the cost.

The slower rate of outlays in an infrastructure package is unlikely to stoke inflation fears the way the American Rescue Plan or December's Consolidated Appropriations Act did. But that might be cold comfort for markets, businesses and households continuing to fret over higher inflation later this year. Actual consumer price inflation remains modest, with the core PCE deflator, the Fed's preferred inflation benchmark, up just 0.1% last month and 1.5% year-over-year. However, we have nudged up our inflation forecast this month to reflect intensifying price pressures across supply chains and rising inflation expectations. While the year-over-year rate of inflation is expected to peak this year, consistent with the Fed's view of a "temporary" burst of inflation, core PCE inflation is expected to remain 2.0% or higher through our forecast horizon of 2022 (Figure 4).

For now, the Federal Reserve remains in wait-and-see mode. As Chair Powell and his colleagues have made clear since the March FOMC meeting, it will not be enough merely to expect higher inflation, but the committee will need to see inflation actually rise above 2% and feel confident inflation will stay there for some time. And while the labor market's recovery has stepped up a notch, it remains far from the Fed's broad-based and inclusive goal of maximum employment. As a result, we continue to expect the Fed to hold off on tapering asset purchases until next year and the fed funds rate to remain on hold at least through 2022. Yet, while FOMC members may favor being more patient and less proactive this cycle, markets are already pricing in the reality of a surging economy and stronger inflation. With this outlook turning into reality, we look for rates to continue to climb, with the 10-year Treasury yield surpassing 2% by year-end.

U.S. Forecast Table

Wells Fargo Securities U.S. Economic Forecast

	Actual								Forecast								Actual		Forecast	
	2019				2020				2021				2022				2019	2020	2021	2022
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Real Gross Domestic Product (a)	2.9	1.5	2.6	2.4	-5.0	-31.4	33.4	4.3	4.8	8.5	9.2	7.2	5.5	3.5	2.9	2.6	2.2	-3.5	6.4	5.5
Personal Consumption	1.8	3.7	2.7	1.6	-6.9	-33.2	41.0	2.3	7.2	11.7	10.4	7.6	5.2	2.8	2.5	2.3	2.4	-3.9	8.0	5.7
Business Fixed Investment	4.2	0.0	1.9	-0.3	-6.7	-27.2	22.9	13.1	12.5	7.1	6.9	6.6	6.1	5.4	5.2	4.9	2.9	-4.0	8.7	6.0
Equipment	2.0	-3.8	-1.7	-1.7	-15.2	-35.9	68.2	25.4	12.6	8.9	7.8	8.0	7.3	6.1	5.8	5.2	2.1	-5.0	14.8	7.0
Intellectual Property Products	4.5	4.1	5.3	4.6	2.4	-11.4	8.4	10.5	8.0	6.4	7.2	6.6	6.1	5.6	5.1	4.9	6.4	1.7	6.7	6.0
Structures	8.2	1.6	3.6	-5.3	-3.7	-33.6	-17.4	-6.2	4.5	3.1	3.3	2.8	2.5	2.8	3.5	3.7	-0.6	-11.0	-4.0	2.9
Residential Investment	-1.7	-2.1	4.6	5.8	19.0	-35.5	63.0	36.6	12.0	9.5	9.0	8.5	8.0	7.0	6.5	6.5	-1.7	6.1	16.3	7.8
Government Purchases	2.5	5.0	2.1	2.4	1.3	2.5	-4.8	-0.8	4.7	0.3	3.0	2.2	2.2	1.8	1.4	1.1	2.3	1.1	1.1	1.9
Net Exports	-907.4	-951.4	-950.2	-861.5	-788.0	-775.1	-1019.0	-1122.0	-1165.4	-1234.0	-1249.4	-1263.6	-1252.4	-1244.6	-1247.7	-1250.7	-917.6	-926.0	-1228.1	-1248.9
Pct. Point Contribution to GDP	0.6	-0.8	0.0	1.5	1.1	0.6	-3.2	-1.5	-0.9	-1.4	-0.3	-0.3	0.2	0.2	-0.1	-0.1	-0.2	0.0	-1.6	-0.1
Inventory Change	101.7	49.4	44.0	-1.1	-80.9	-287.0	-3.7	62.1	25.0	48.0	65.0	85.0	85.0	85.0	83.0	80.0	48.5	-77.4	55.8	83.3
Pct. Point Contribution to GDP	0.2	-1.0	-0.1	-0.8	-1.3	-3.5	6.6	1.4	-0.8	0.5	0.4	0.4	0.0	0.0	0.0	-0.1	0.0	-0.7	0.7	0.1
Nominal GDP (a)	4.0	4.1	4.0	3.9	-3.4	-32.8	38.3	6.3	8.5	11.4	11.6	9.6	7.8	5.5	4.8	4.5	4.0	-2.3	9.1	7.8
Real Final Sales	2.7	2.5	2.7	3.2	-3.6	-28.1	25.9	2.9	6.0	8.0	8.9	6.8	5.5	3.5	2.9	2.7	2.2	-2.9	5.9	5.4
Retail Sales (b)	2.7	3.4	3.9	4.1	1.2	-7.7	4.1	3.8	11.9	23.9	9.4	10.7	6.0	3.7	3.8	3.0	3.5	0.4	13.7	4.1
Inflation Indicators (b)																				
PCE Deflator	1.4	1.5	1.5	1.5	1.7	0.6	1.2	1.2	1.7	2.8	2.4	2.7	2.3	2.2	2.1	2.0	1.5	1.2	2.4	2.1
"Core" PCE Deflator	1.7	1.7	1.8	1.6	1.8	1.0	1.4	1.4	1.5	2.3	2.0	2.3	2.3	2.3	2.1	2.0	1.7	1.4	2.0	2.2
Consumer Price Index	1.6	1.8	1.8	2.0	2.1	0.4	1.3	1.2	1.8	3.5	3.0	3.0	2.8	2.4	2.4	2.3	1.8	1.2	2.8	2.5
"Core" Consumer Price Index	2.1	2.1	2.3	2.3	2.2	1.3	1.7	1.6	1.4	2.3	2.1	2.3	2.7	2.7	2.5	2.4	2.2	1.7	2.0	2.6
Producer Price Index (Final Demand)	1.9	2.0	1.7	1.1	1.1	-1.0	0.0	0.7	2.8	4.8	4.3	4.0	2.5	2.3	2.3	2.2	1.7	0.2	4.0	2.3
Employment Cost Index	2.8	2.7	2.8	2.7	2.8	2.7	2.4	2.5	2.2	2.1	2.1	2.0	2.1	2.2	2.3	2.4	2.7	2.6	2.1	2.3
Real Disposable Income (b)	3.2	2.1	1.8	1.6	1.4	12.2	6.4	3.1	13.3	-3.9	-0.6	1.1	-7.6	-0.6	0.6	2.3	2.2	5.8	2.3	-1.4
Nominal Personal Income (b)	4.7	4.1	3.5	3.5	3.2	10.7	6.8	4.0	14.1	-0.4	1.8	3.2	-5.4	1.6	2.7	4.3	3.9	6.1	4.5	0.7
Industrial Production (a)	-1.9	-2.3	1.1	0.4	-6.8	-42.6	43.3	9.2	5.9	10.1	6.2	5.0	4.1	3.8	3.1	2.5	0.9	-6.7	7.1	4.6
Capacity Utilization	78.6	77.8	77.6	77.2	75.8	66.0	72.2	73.9	74.9	76.7	77.8	78.8	79.5	80.3	80.9	81.4	77.8	72.0	77.1	80.5
Corporate Profits Before Taxes (b)	-1.1	1.7	-0.5	1.3	-6.7	-19.3	3.5	-0.7	16.0	34.0	6.0	8.0	8.0	4.0	4.0	4.0	0.3	-5.8	15.0	5.0
Corporate Profits After Taxes	-3.3	0.5	-0.3	1.3	-5.7	-18.8	2.8	-2.4	14.5	32.5	4.8	9.3	7.6	3.9	4.2	3.9	-0.4	-6.0	14.3	4.9
Federal Budget Balance (c)	-372.2	-55.9	-237.3	-356.6	-386.9	-2000.9	-387.6	-572.9	-1273.1	-1010.6	-643.4	-386.4	-517.0	-94.2	-302.4	-316.5	-984.4	-3131.9	-3500.0	-1300.0
Trade Weighted Dollar Index (d)	109.9	109.8	111.2	110.0	112.8	110.4	106.6	103.3	104.2	105.8	106.0	106.0	105.0	104.5	104.0	103.5	110.2	109.1	105.5	104.3
Nonfarm Payroll Change (e)	118.3	152.3	203.0	196.7	-359.7	-4333.3	1341.7	212.7	539.0	933.3	600.0	416.7	291.7	268.3	256.7	243.3	167.6	-784.7	622.3	265.0
Unemployment Rate	3.9	3.7	3.6	3.6	3.8	13.1	8.8	6.8	6.2	5.6	5.0	4.6	4.4	4.3	4.2	4.1	3.7	8.1	5.4	4.3
Housing Starts (f)	1.2	1.3	1.3	1.4	1.5	1.1	1.4	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.3	1.4	1.5	1.5
Light Vehicle Sales (g)	16.9	17.0	17.0	16.9	15.0	11.3	15.3	16.1	16.7	15.9	15.7	16.1	16.1	16.9	17.1	17.2	17.0	14.4	16.1	16.8
Crude Oil - Brent - Front Contract (h)	63.8	67.6	61.5	61.7	51.0	34.7	43.8	45.5	60.9	63.0	61.0	60.0	56.5	56.5	56.5	55.5	63.6	43.7	61.2	56.3
Quarter-End Interest Rates (i)																				
Federal Funds Target Rate	2.50	2.50	2.00	1.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	2.25	0.50	0.25	0.25
Secured Overnight Financing Rate (h)	2.43	2.43	2.28	1.67	1.23	0.05	0.09	0.09	0.04	0.05	0.05	0.05	0.10	0.10	0.10	0.10	2.20	0.36	0.05	0.10
3 Month LIBOR	2.60	2.32	2.09	1.91	1.45	0.30	0.23	0.24	0.19	0.20	0.20	0.20	0.25	0.25	0.25	0.25	2.33	0.65	0.20	0.25
Prime Rate	5.50	5.50	5.00	4.75	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	5.25	3.50	3.25	3.25
Conventional Mortgage Rate	4.28	3.80	3.61	3.72	3.45	3.16	2.89	2.69	3.08	3.55	3.65	3.75	3.85	3.90	3.95	4.00	3.94	3.12	3.51	3.93
3 Month Bill	2.40	2.12	1.88	1.55	0.11	0.16	0.10	0.09	0.03	0.05	0.05	0.05	0.10	0.10	0.10	0.10	2.11	0.36	0.05	0.10
6 Month Bill	2.44	2.09	1.83	1.60	0.15	0.18	0.11	0.09	0.05	0.05	0.05	0.10	0.10	0.10	0.10	0.10	2.11	0.37	0.06	0.10
1 Year Bill	2.40	1.92	1.75	1.59	0.17	0.16	0.12	0.10	0.07	0.10	0.10	0.10	0.15	0.15	0.20	0.25	2.05	0.37	0.09	0.19
2 Year Note	2.27	1.75	1.63	1.58	0.23	0.16	0.13	0.13	0.16	0.15	0.20	0.25	0.30	0.40	0.50	0.65	1.97	0.39	0.19	0.46
5 Year Note	2.23	1.76	1.55	1.69	0.37	0.29	0.28	0.36	0.92	1.00	1.10	1.25	1.40	1.50	1.60	1.70	1.95	0.53	1.07	1.55
10 Year Note	2.41	2.00	1.68	1.92	0.70	0.66	0.69	0.93	1.74	1.85	1.95	2.05	2.15	2.20	2.25	2.30	2.14	0.89	1.90	2.23
30 Year Bond	2.81	2.52	2.12	2.39	1.35	1.41	1.46	1.65	2.41	2.50	2.65	2.70	2.75	2.80	2.85	2.85	2.58	1.56	2.57	2.81

Forecast as of: April 07, 2021

Notes: (a) Compound Annual Growth Rate Quarter-over-Quarter
(b) Year-over-Year Percentage Change
(c) Quarterly Sum - Billions USD; Annual Data Represents Fiscal Yr.
(d) Federal Reserve Advanced Foreign Economies Index, 2006=100 - Quarter End
(e) Average Monthly Change
(f) Millions of Units - Annual Data - Not Seasonally Adjusted
(g) Quarterly Data - Average Monthly SAAR; Annual Data - Actual Total Vehicles Sold
(h) Quarterly Average of Daily Close
(i) Annual Numbers Represent Averages

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

Forecast Delta Table

Changes to the Wells Fargo Securities U.S. Economic Forecast

	Actual								Forecast								Actual		Forecast	
	2019				2020				2021				2022				2019	2020	2021	2022
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Real Gross Domestic Product (a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.23	0.44	-0.47	0.00	-0.62	0.05	0.01	0.04	0.02	0.00	0.01	0.03	-0.12
Personal Consumption	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.04	2.00	-0.05	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.49	0.00
Business Fixed Investment	0.00	0.00	0.00	0.00	0.00	0.00	0.01	-0.93	-0.10	1.57	0.70	0.17	0.04	0.05	0.08	0.07	0.00	-0.05	0.22	0.25
Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.25	-0.79	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	-0.04	0.06
Intellectual Property Products	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.11	0.17	0.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.61	0.06
Structures	0.00	0.00	0.00	-0.03	0.02	0.01	0.01	-7.33	0.00	4.35	4.10	1.05	0.25	0.30	0.50	0.45	0.00	-0.39	-0.05	1.20
Residential Investment	0.00	0.00	0.00	-0.01	0.00	0.02	-0.01	0.84	-2.50	-2.00	-3.00	-3.50	-1.00	0.00	0.00	0.00	0.00	0.05	-1.56	-1.37
Government Purchases	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	0.29	0.47	1.02	-0.59	-0.59	0.00	-0.30	-0.30	-0.30	0.00	0.02	0.25	-0.23
Net Exports	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	1.0	-2.5	-56.8	-65.2	-90.5	-82.8	-75.9	-72.4	-68.8	0.0	0.2	-53.8	-74.9
Pct. Point Contribution to GDP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	-0.07	-1.13	-0.17	-0.51	0.15	0.14	0.07	0.07	0.00	0.00	-0.29	-0.11
Inventory Change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.1	-25.0	-7.0	5.0	10.0	5.0	0.0	0.0	-1.0	0.0	3.5	-4.3	1.0
Pct. Point Contribution to GDP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.26	-0.83	0.38	0.25	0.10	-0.10	-0.10	0.00	-0.02	0.00	0.02	-0.04	0.03
Nominal GDP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.12	-0.38	0.36	-0.32	0.18	0.05	-0.14	-0.18	0.00	0.01	0.01	-0.02
Real Final Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.04	1.27	-0.89	-0.27	-0.72	0.15	0.11	0.04	0.04	0.00	0.00	0.07	-0.15
Retail Sales (b)	0.00	0.00	0.00	0.00	0.08	0.00	0.00	-0.08	1.97	4.35	0.18	-0.64	-2.73	-4.51	-0.98	-0.19	0.00	0.00	1.36	-2.05
Inflation Indicators (b)																				
PCE Deflator	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.03	-0.11	-0.09	0.00	0.10	0.21	0.19	0.07	-0.05	0.00	-0.01	-0.02	0.10
"Core" PCE Deflator	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.03	-0.10	-0.07	0.03	0.14	0.22	0.18	0.08	0.00	0.00	-0.01	0.00	0.12
Consumer Price Index	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.11	0.22	0.24	0.26	0.14	0.02	-0.07	0.00	0.00	0.14	0.09
"Core" Consumer Price Index	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.05	0.00	0.09	0.11	0.14	0.09	-0.01	-0.06	0.00	0.00	0.04	0.04
Producer Price Index (Final Demand)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.25	0.81	0.84	0.81	0.41	-0.23	-0.32	-0.38	0.00	0.01	0.68	-0.13
Employment Cost Index	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Real Disposable Income (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.02	-1.07	0.00	0.22	-0.25	0.60	-0.30	-0.49	0.05	0.00	-0.01	-0.26	-0.01
Nominal Personal Income (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	-1.03	-0.09	0.22	-0.19	0.66	-0.12	-0.43	0.00	0.00	0.00	-0.26	0.06
Industrial Production (a)	0.00	0.00	0.00	0.00	0.00	0.00	0.05	-0.79	-2.14	3.12	-0.49	-0.48	-1.03	-0.82	-1.30	-1.65	0.00	-0.04	-0.19	-0.65
Capacity Utilization	0.00	0.00	0.00	0.00	0.00	0.00	0.01	-0.13	-0.53	-0.01	-0.10	-0.19	-0.38	-0.54	-0.80	-1.12	0.00	-0.03	-0.21	-0.71
Corporate Profits Before Taxes (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-3.23	0.40	1.00	-0.50	2.00	0.00	-2.00	1.00	1.00	0.00	-0.83	0.79	0.02
Corporate Profits After Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5.58	-0.51	-0.40	-1.97	3.40	-0.42	-2.17	1.25	0.89	0.00	-1.43	0.28	-0.09
Federal Budget Balance (c)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.98	14.51	-85.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trade Weighted Dollar Index (d)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.02	1.25	2.25	2.75	2.50	2.75	2.75	2.50	0.00	0.00	1.56	2.63
Nonfarm Payroll Change (e)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	224.00	216.67	-150.00	-66.67	-41.67	-25.00	0.00	0.00	0.00	0.00	56.00	-16.67
Unemployment Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.07	-0.23	-0.03	-0.10	-0.10	-0.07	-0.03	-0.07	0.00	0.00	-0.11	-0.07
Housing Starts (f)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.03	0.01	0.05	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Light Vehicle Sales (g)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.78	0.17	0.00	0.00	0.00	0.10	0.37	0.10	0.00	0.00	0.24	0.14
Crude Oil - Brent - Front Contract (h)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00
Quarter-End Interest Rates (i)																				
Federal Funds Target Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Secured Overnight Financing Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 Month LIBOR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prime Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Conventional Mortgage Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.17	0.15	0.10	0.10	0.10	0.05	0.05	0.05	0.00	0.00	0.05	0.06
3 Month Bill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.01	0.00
2 Year Note	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.05	0.05	0.05	0.00	0.00	0.00	0.04
5 Year Note	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.00	0.00	0.11	0.10
10 Year Note	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.15	0.10	0.10	0.10	0.05	0.05	0.05	0.00	0.00	0.14	0.06
30 Year Bond	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.05	0.10	0.10	0.10	0.10	0.10	0.05	0.00	0.00	0.10	0.09

Forecast as of: April 07, 2021

Notes: (a) Compound Annual Growth Rate Quarter-over-Quarter
(b) Year-over-Year Percentage Change
(c) Quarterly Sum - Billions USD; Annual Data Represents Fiscal Yr.
(d) Federal Reserve Advanced Foreign Economies Index, 2006=100 - Quarter End
(e) Average Monthly Change
(f) Millions of Units - Annual Data - Not Seasonally Adjusted
(g) Quarterly Data - Average Monthly SAAR; Annual Data - Actual Total Vehicles Sold
(h) Quarterly Average of Daily Close
(i) Annual Numbers Represent Averages

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

Personal Consumption Expenditures (PCE)

- We have upwardly revised our Q1-2021 PCE forecast to an annualized pace of 7.2%, reflecting increased expectations for March personal spending. We now forecast PCE to rise 8.0% for 2021 as a whole, up from 7.5% in our previous update.

Through the end of March, nearly 80% of the latest round of economic impact payments (direct checks) designated under the American Rescue Plan have been sent to households. The latest injection of cash is reaching bank accounts as the public health situation is rapidly improving. Low new daily case counts and increased vaccinations have led to an improvement in the high-frequency mobility data and proxies for recreational services during March. “Hard” data on auto sales also suggest that consumer spending on goods remained strong. These developments have left us more optimistic for March consumer spending and led us to upwardly revise our Q1 PCE growth estimate.

Further out, our expectations remains more-or-less intact. We continue to look for spending to strengthen to a double-digit pace over the second and third quarters, led by a pickup in services consumption (Figure 5). Spending will be driven not only by the latest round of fiscal support, but by savings built up over the course of the pandemic. Our April update has the level of real PCE at the end of this year6.3% higherthan its previous peak in Q4-2019 and nearly 10% above by the end of 2022.

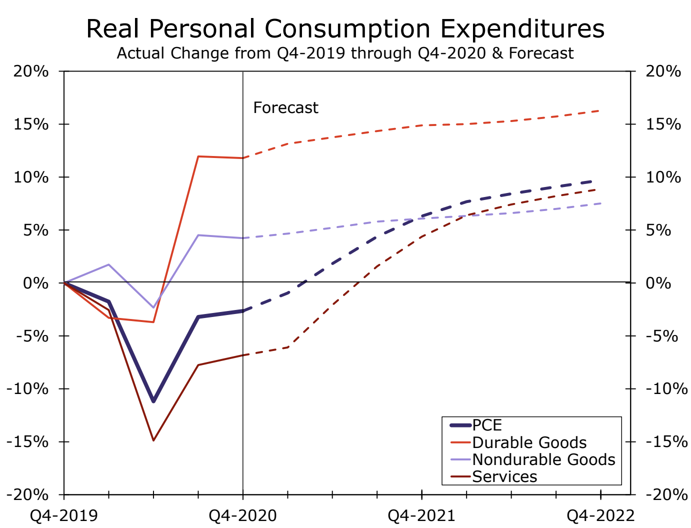
Investment: Equipment, Intellectual Property Products and Inventories

- Equipment and intellectual property spending forecast essentially unchanged despite ugly February data.
- Inventories go from a neutral factor to a modest drag on first quarter GDP growth.

Equipment spending is in solid shape. Core capital goods spending has risen further above its pre-recession peak in the first 10 months of this cycle than it did in the 10+ years of the prior expansion. But as the global battle against COVID turns and the world re-opens, already-stretched supply chains are being strained even more. A run of disappointing data on goods spending in February does not materially change our Q1 equipment forecast. February's arctic chill deserves some blame, but the other headwind is that businesses are struggling to source the materials they need, and that is not going away. The fact that ISM manufacturing index jumped to a 37-year high in March suggests scope for continued strength in capital spending.

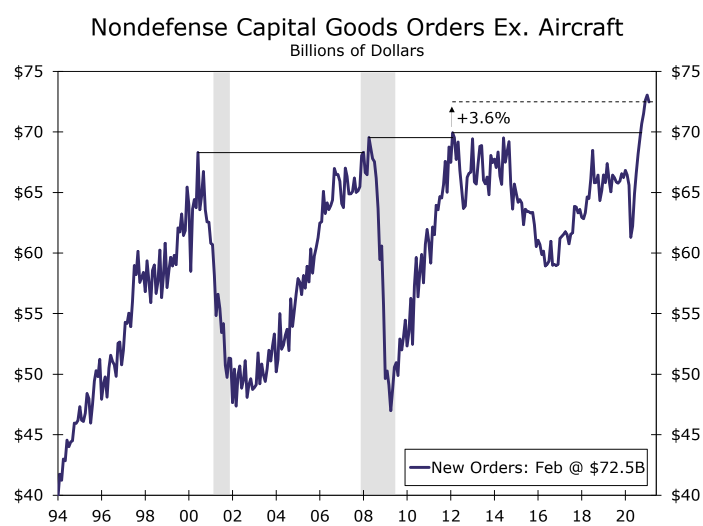
Inventories are now expected to be a drag on first quarter growth. That is partly a function of an upward revision to fourth quarter inventory figures from the Bureau of Economic Analysis. However, we have also taken down our estimate for first quarter inventory growth as businesses across the supply chain are struggling to keep up with sales.

Figure 5



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

Figure 6



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

Investment: Residential

- We slightly dialed-back our forecast for 2021 and 2022, reflecting building material shortages, which are leading to soaring costs and project delays. Inventories of homes for sale remain incredibly low headed into the spring selling season, which will likely slow down home sales a touch.

Supply constraints appear to be taking some air out of the incredibly strong pace of residential activity seen over the past few months. As the spring selling season approaches, there has yet to be any clear indication that record-low inventory levels will rise to meet insatiable buyer demand generated by low mortgage rates and increased household space needs. Scarce supply has also created intense competition among prospective buyers, and many are now retreating to the sidelines until the frenzy subsides. Higher mortgage rates should also dampen home sales somewhat. That said, we now expect even faster improvement in job growth this year, which should help offset the drag of higher mortgage rates. New construction has its own set of supply-related challenges. Disrupted supply chains have made materials increasingly difficult to procure. Shortages have led to delays and are putting enormous pressure on project costs. Prices for key inputs such as lumber, diesel fuel, copper and steel have all risen sharply over the past several months.

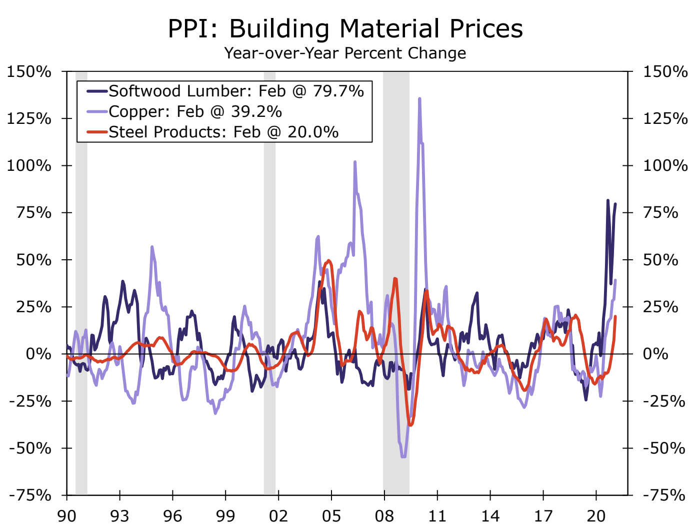
Investment: Nonresidential Structures

- Revised 2021 and 2022 forecast higher alongside improved prospects for both nonresidential building construction and oil & gas drilling activity.

Nonresidential construction continues to feel the adverse impacts of the pandemic; however, several signs point to activity picking up this spring and summer. The March jobs report showed a substantial increase in nonresidential specialty contractors, fabricated metal manufacturing and support activities for mining jobs, which points to a strong rebound in commercial construction in March and April. Furthermore, the forward-looking Architecture Billings Index jumped into expansion territory (53.3) in February, suggesting stronger nonresidential spending in 2022.

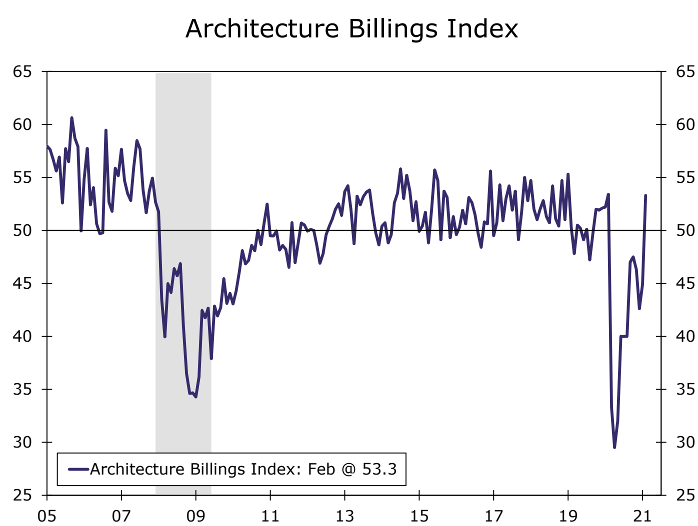
Construction activity in the office, education, hotel and retail sectors remains sluggish. Similar to the residential sector, higher material costs, especially for steel, will likely be a headwind for developers. That said, the improved public health environment appears to be rekindling interest in some projects, especially in the South and Mountain West where population and employment growth are poised for a rapid recovery. Warehouse construction remains a bright spot as a wide variety of companies continue to invest heavily in their logistics and industrial networks. Construction of manufacturing facilities could be another source of strength this year as more production is re-shored due to ongoing supply chain constraints. The total rig count ended March (417) up 3.7% from February, indicating continued improvement in oil & gas spending alongside higher oil prices.

Figure 7



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

Figure 8



Source: American Institute of Architects and Wells Fargo Securities

Labor Market

- March's better-than-expected jobs report puts the labor market's recovery a little further along and follows a host of other data pointing to momentum in the jobs market picking up.
- We have bumped up our expectations for 2021 payroll growth, but expect to see a more notable slowdown in 2022 as the hiring spree associated with the economy's full re-opening fades. Our forecast for the unemployment rate at the end of 2022 is down slightly to 4.1%.

The March jobs report showed the labor market recovery picking up speed, and, along with revisions, put the jobs recovery further along than anticipated. The report added to other data showing the labor market improving rapidly over the past month, such as the downward trend in initial jobless claims, a jump in hiring plans and job openings as well as consumers' more favorable view of job availability.

We have pulled forward our expectations for a full recovery in employment as a result of recent momentum. We now expect job growth to average 622K per month this year, although hiring in 2022 will likely be a bit slower. Still, payrolls should be 0.4% above their pre-COVID peak by the end of next year, which will help drive down the unemployment rate to nearly 4.0% by Q4-2022.

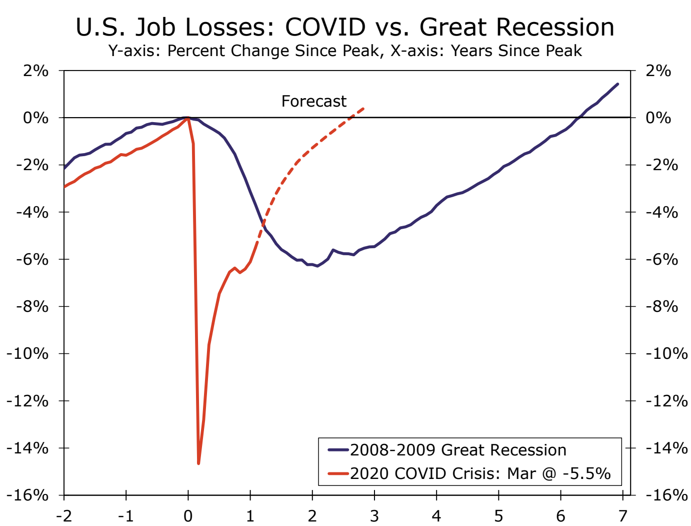
Inflation

- We have upwardly revised both headline and core inflation measures, and we continue to expect core PCE inflation to remain 2.0% or higher through our forecast horizon.
- Intensifying price pressures across supply chains and rising inflation expectations are behind the upward revisions. Tentative signs of housing inflation turning around should also support inflation remaining firm through our forecast horizon.

We upwardly revised our inflation forecast this month to reflect intensifying price pressures across supply chains and rising inflation expectations. Input costs according to the ISM manufacturing and services surveys are rising around the fastest pace since 2008, and businesses planning to raise prices have also risen to levels last seen in 2008. While we continue to expect the year-over-year rate of inflation to peak in the second quarter, consistent with the Fed's view of a "temporary" burst of inflation this year, core PCE inflation is expected to remain 2.0% or higher through our forecast horizon.

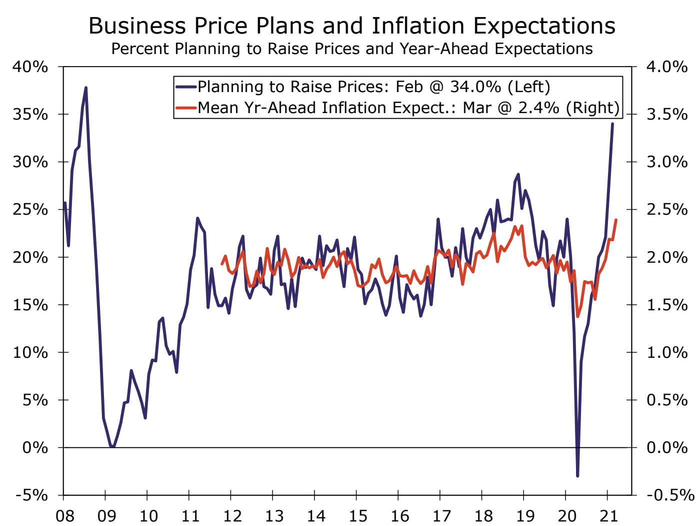
Even after the recent price pressure from supply chain bottlenecks abate, housing, or "shelter" costs is one area that we expect to lift core inflation. In the latest CPI report for February, there were tentative signs of shelter inflation turning around. While inflation for owner-occupied housing substantially lags home prices, the pickup in shelter costs suggests the solid price gains in the home purchase market over the past year could be starting to feed into the Consumer Price Index.

Figure 9



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

Figure 10



Source: Atlanta Federal Reserve, NFIB and Wells Fargo Securities

Fiscal Policy

- We have made some minor tweaks to the profile of our forecast for government output, but on balance, our forecast remains largely unchanged.
- Our forecasts for the federal budget deficit remain more or less unchanged at $3.5 trillion in FY 2021 and $1.3 trillion in FY 2022.
- We have not formally incorporated any new federal infrastructure spending or tax increases into our economic forecast, but we are watching these areas closely for potential future economic implications.

Federal government output will be artificially high in Q1-2021 as a result of the way GDP calculations account for the fees paid to banks for originating Paycheck Protection Program loans. This one-off surge in federal government output will largely be reversed in Q2. For now, we have not incorporated any of the $2.25 trillion American Jobs Plan into our economic forecast, but this could change in the coming months if political developments warrant it. For further reading on the American Jobs Plan and infrastructure spending more broadly, see our two recent special reports here and here.

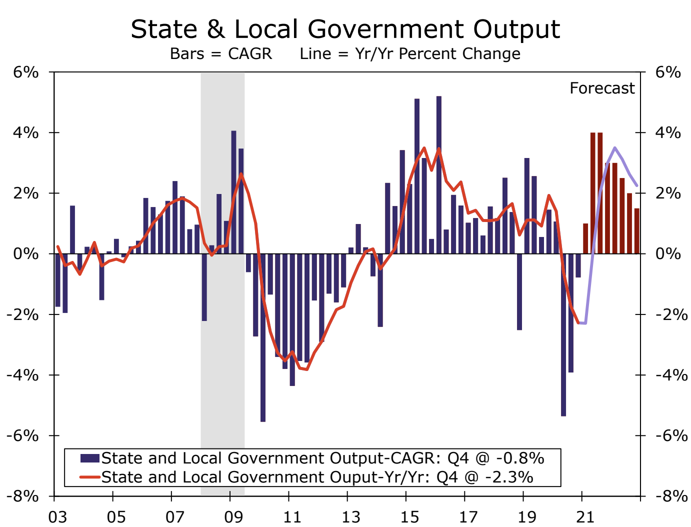
On the state and local side, output has begun to accelerate as evidenced by the 129,000 net new jobs added in the sector in March. Incredibly, state and local tax collections grew 1.8% in 2020, down only modestly from +3.7% tax revenue growth in 2019. When paired with hundreds of billions of dollars of state and local aid, we expect state and local government output to increase materially over the next few quarters and return to its pre-pandemic level in Q4-2021 (Figure 11).

Monetary Policy & Interest Rates

- No major changes to our monetary policy outlook.
- We have modestly increased our forecasts for Treasury yields for securities five years and longer. Our 2021 year-end target for the 10-year yield is 2.05%.

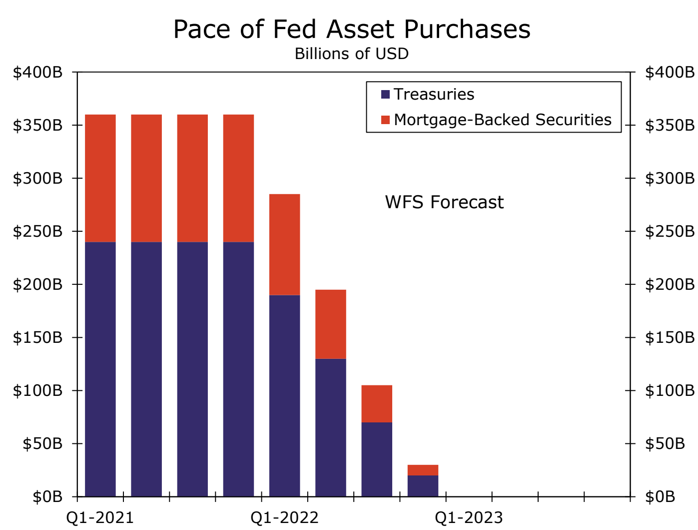
We remain of the view that the Fed will not hike the fed funds rate through at least the end of 2022. It is our expectation that the Fed will continue purchasing Treasury securities and mortgage-backed securities (MBS) at the current $80B/$40B pace through the end of this year. By the start of 2022, we expect a gradual tapering of purchases to begin. More specifically, we look for the Fed to cut its $80B in Treasury/$40B in MBS purchases by $10B and $5B, respectively, at each FOMC meeting such that purchases are completed by November 2022 (Figure 12). In the previous expansion, roughly a year elapsed between when the Fed stopped purchasing assets and when the first-rate hike occurred. This timeline could be shorter given the much faster economic recovery we expect in this cycle compared to the 2010s, but the Fed's average inflation targeting regime sets a higher bar for rate hikes.

Figure 11



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

Figure 12



Source: Wells Fargo Securities

Net Exports

- We continue to look for growth in imports to outpace export growth in the first half of the year, but to an even greater extent than in our March update. As such, we now forecast net exports to subtract 0.9 percentage points from headline growth in Q1-2021 (0.8pp previously) and look for a more sizable drag in the second quarter as well.
- Our latest forecast has net exports subtracting 1.6 percentage points from 2021 GDP growth, which is 0.3 percentage points more than our previous forecast.
- Risks to the net exports forecast: slight upside if exports rebound faster than we presently expect, or imports are constrained by supply and/or port congestion.

We have downwardly revised our 2021 growth expectations for both exports and imports since our previous update. We now look for real exports to rise at an average annual rate of 10% in 2021 (down from 14.6% previously) and real imports to rise at a rate of nearly 17% (18.2% previously). The larger downward revision to export growth results in a more sizable drag from net exports this year.

The vaccine rollout is taking longer to materialize globally than it is in the United States, which is weighing on the timing of economic recovery in some of America's key trading partners (see International section below). Weaker near-term activity will continue to hamstring U.S. exports and is largely behind our downward revision to export growth this year. We continue to expect exports to pick up more meaningfully in the back half of the year and into next year as global growth gains momentum. In regard to imports, we continue to expect exceptionally-lean retail and business inventories in the United States to keep imports flowing in even after the near-term boost from strong consumer and business demand subsides. Supply chain constraints and congestion at U.S. ports present key downside risks to the near-term trajectory of imports that we are monitoring.

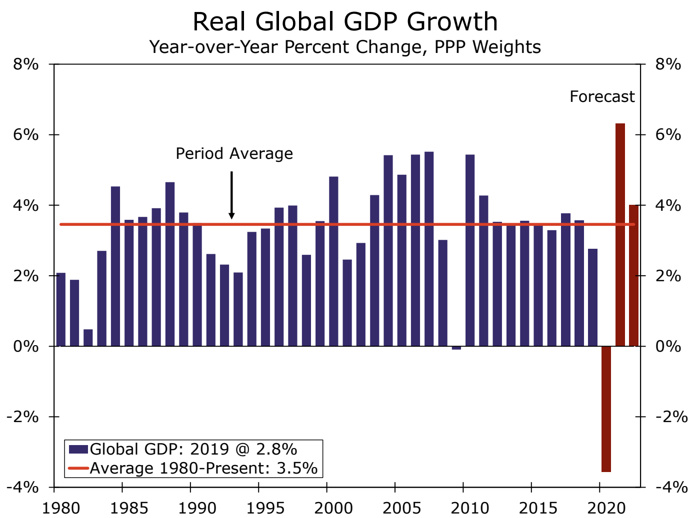
International Developments & The U.S. Dollar

- Notable changes since last month: We revised our 2021 global GDP forecast modestly lower and now expect the global economy to expand 6.3% in 2021. The outlook for the Eurozone economy has deteriorated amid another wave of COVID infections leading to new lockdown restrictions across major European countries. In addition, we made a slight downward revision to our growth forecast in China, although our 2021 GDP forecast remains above consensus. On the other hand, we made upward revisions to our growth forecast for the Canadian economy to reflect economic resilience and higher commodity prices.
- Risks to our forecast for the trade-weighted U.S. dollar: skewed to the upside amid higher inflation expectations and rising U.S. Treasury yields.
- Risks to our forecast for global GDP growth: balanced.
- For further reading on the global economy, please see our most recent International Economic Outlook.

This month, we made a slight downward revision to our forecast for global GDP growth, and we now forecast the global economy to expand 6.3% this year, down 0.1 percentage point from last month (Figure 13). While the change in our global GDP forecast is relatively minor, we did make more substantial changes to individual country forecasts. In that context, we revised our growth forecast for the Eurozone lower again. COVID case growth has accelerated across major Eurozone countries, resulting in new restrictions being imposed in Germany, France, Italy and Spain. These restrictions should weigh on economic activity in the short term and complicate the outlook for the Eurozone economy going forward. In addition, vaccine distribution in the Eurozone has been challenging, which could also delay the re-opening process and create headwinds to near-term economic growth. The growth outlook is much brighter in Canada, where vaccine distribution has been relatively smooth and current COVID-related restrictions have not had a significant impact on economic activity. This economic resilience, combined with higher oil prices, has helped data beat expectations, and as a result, we upgraded our 2021 GDP forecast to 6.0% from 4.3% last month. Within the emerging markets, a new wave of COVID cases in China weighed on economic activity earlier this year. While we still expect China to be a key contributor to global growth this year, we revised our 2021 GDP forecast modestly lower to reflect somewhat suppressed economic activity in January and February. We now expect the Chinese economy to expand 9.1% this year, which, despite the downward revision, remains above consensus.

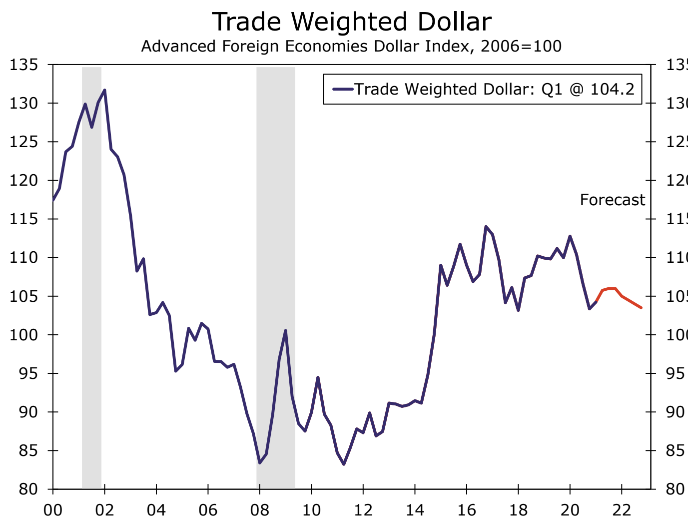
The outlook for the U.S. dollar is little changed as we continue to believe higher inflation expectations and elevated U.S. Treasury yields will support the greenback over the next few months. Rising yields have already resulted in renewed strength for the dollar, and we expect this trend to persist in the near term (Figure 14). However, an uninterrupted global economic recovery should keep financial market sentiment supported and should weigh on the greenback over time. In that sense, we expect the trade-weighted Dollar Index to gradually move lower in the second half of this year as well as into 2022. As long as the global economy remains supported and sentiment remains positive, we expect emerging market and commodity price-sensitive curriencies to outperform.

Figure 13



Source: International Monetary Fund and Wells Fargo Securities

Figure 14



Source: Federal Reserve Board and Wells Fargo Securities

Wells Fargo International Economic Forecast

(Year-over-Year Percent Change)

	GDP				CPI			
	2019	2020	2021	2022	2019	2020	2021	2022
Global (PPP Weights)	2.8%	-3.6%	6.3%	4.0%	3.5%	3.1%	3.3%	3.4%
Advanced Economies[1]	1.6%	-5.0%	5.2%	4.5%	1.4%	0.8%	2.0%	1.9%
United States	2.2%	-3.4%	6.4%	5.5%	1.8%	1.2%	2.8%	2.5%
Eurozone	1.3%	-7.2%	3.4%	3.4%	1.2%	0.3%	1.4%	1.2%
United Kingdom	1.4%	-10.0%	5.9%	5.3%	1.8%	0.9%	1.5%	2.0%
Japan	0.3%	-5.1%	3.2%	2.3%	0.5%	0.0%	0.1%	0.5%
Canada	1.9%	-5.5%	6.0%	3.5%	1.9%	0.7%	2.1%	2.1%
Switzerland	1.2%	-5.3%	3.3%	2.8%	0.4%	-0.7%	0.2%	0.3%
Australia	1.9%	-2.9%	4.4%	3.5%	1.6%	0.7%	1.8%	1.7%
New Zealand	2.2%	-3.0%	4.3%	3.4%	1.6%	1.5%	1.6%	1.4%
Sweden	1.3%	-4.7%	3.3%	2.8%	1.6%	0.6%	1.2%	1.4%
Norway	1.2%	-2.8%	3.8%	3.3%	2.2%	1.4%	2.6%	2.0%
Developing Economies[1]	3.6%	-2.4%	7.2%	3.6%	5.1%	5.0%	4.3%	4.6%
China	6.0%	2.3%	9.1%	5.6%	2.9%	2.5%	1.7%	2.3%
India	4.2%	-8.0%	11.7%	4.4%	4.8%	6.6%	4.4%	4.5%
Mexico	-0.1%	-8.5%	5.1%	2.7%	3.6%	3.4%	3.8%	3.6%
Brazil	1.4%	-4.5%	4.0%	2.4%	3.7%	2.6%	3.6%	3.5%

Forecast as of: April 7, 2021

[1]Aggregated Using PPP Weights

Source: International Monetary Fund and Wells Fargo Securities

Wells Fargo International Interest Rate Forecast

(End of Quarter Rates)

	Central Bank Key Policy Rate					
	2021			2022		
	Q2	Q3	Q4	Q1	Q2	Q3
United States	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Eurozone[1]	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%
United Kingdom	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Japan	-0.10%	-0.10%	-0.10%	-0.10%	-0.10%	-0.10%
Canada	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%
	2-Year Note					
	2021			2022		
	Q2	Q3	Q4	Q1	Q2	Q3
United States	0.15%	0.20%	0.25%	0.30%	0.40%	0.50%
Eurozone[2]	-0.70%	-0.65%	-0.65%	-0.60%	-0.60%	-0.55%
United Kingdom	0.05%	0.10%	0.10%	0.15%	0.15%	0.20%
Japan	-0.10%	-0.10%	-0.05%	-0.05%	-0.05%	-0.05%
Canada	0.30%	0.35%	0.45%	0.55%	0.70%	0.85%
	10-Year Note					
	2021			2022		
	Q2	Q3	Q4	Q1	Q2	Q3
United States	1.85%	1.95%	2.05%	2.15%	2.20%	2.25%
Eurozone[2]	-0.20%	-0.15%	-0.10%	-0.05%	0.05%	0.15%
United Kingdom	1.00%	1.05%	1.15%	1.20%	1.30%	1.40%
Japan	0.10%	0.10%	0.15%	0.15%	0.15%	0.20%
Canada	1.65%	1.80%	1.95%	2.10%	2.20%	2.30%

Forecast as of: April 7, 2021

[1] ECB Deposit Rate [2] German Government Bond Yield

Source: Bloomberg LP and Wells Fargo Securities

This Month's Economic Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
5	**6**	**7**	**8**	**9**
ISM Services Index March 63.7	**JOLTS Job Openings** February 7,367K **Barkin* (Richmond Fed)** Takes Part in Virtual Discussion **Reserve Bank of Australia Rate Decision** Previous 0.10% (Cash Rate)	**Trade Balance** January -$68.2B; February -$70.5B (W) **Evans* (Chicago Fed)** Discusses the Economic Outlook **Daly* (San Fransisco Fed)** Discusses U.S. Economic Outlook **FOMC Meeting Minutes**	**China CPI (YoY)** February -0.2% **Powell* (Fed Chair)** Takes Part in IMF Panel on Global Economy **Bullard (St. Louis Fed)** Discusses Monetary Policy & the Economy	**PPI Final Demand (MoM)** February 0.5%; March 0.5% (W) **Kaplan (Dallas Fed)** Takes Part in Moderated Q&A
12	**13**	**14**	**15**	**16**
	Consumer Price Index (MoM) February 0.4% **Daly* (San Fransisco Fed)** Part of Fed Event on Racism & the Economy **Harker (Philadelphia Fed)** Discusses the Economic Outlook	**Import Price Index (MoM)** February 1.3% **Powell* (Fed Chair)** Speaks with Economic Club of Washington **Clarida* (Fed Vice Chair)** Discusses Policy Framework **U.S. Federal Reserve Beige Book Released**	**Retail Sales (MoM); Indust. Prod. (MoM)** February -3.0%; February -2.2% **China GDP (YoY)** Q4 6.5% **Bostic* (Atlanta Fed)** Discusses Economic Inequality	**Housing Starts (SAAR)** February 1,421K
19	**20**	**21**	**22**	**23**
FOMC Blackout Period Begins		**United Kingdom CPI (YoY)** February 0.4% **Canada CPI (YoY)** February 1.1% **Bank of Canada Rate Decision** Previous 0.25% (Overnight Rate)	**European Central Bank Rate Decision** Previous -0.50% (Deposit Rate) **Japan Natl CPI (YoY)** February -0.4% **Existing Home Sales (SAAR)** February 6.22M	**New Home Sales (SAAR)** February 775K
26	**27**	**28**	**29**	**30**
Durable Goods Orders (MoM) February -1.2% **Bank of Japan Rate Decision** Previous -0.10% (Policy Balance Rate)	**Consumer Confidence** March 109.7	**FOMC Rate Decision (Upper Bound)** Previous 0.25% **Powell* (Fed Chair)** Holds Press Conference After FOMC Meeting	**GDP (SA, Annualized, QoQ)** Q4 4.3%	**Personal Income & Spending (MoM)** February -7.1%; -1.0% (Income; Spending) **Eurozone GDP (SA, QoQ)** Q4 -0.7% **Eurozone CPI (YoY)** March 1.3%
3	**4**	**5**	**6**	**7**
ISM Manufacturing Index March 64.7 **U.S. Treasury Refunding Announcement**	**Trade Balance** January -$68.2B **Reserve Bank of Australia Rate Decision** Previous 0.10% (Cash Rate)	**ISM Services Index** March 63.7 **Brazil Central Bank Rate Decision** Previous 2.75% (Selic Rate)	**Bank of England Rate Decision** Previous 0.10% (Bank Rate)	**Nonfarm Payrolls** March 916K

Note: (W) = Wells Fargo Estimate, (C) = Consensus Estimate, * = voting FOMC member in 2021, Purple = Market Moving Releases

Source: Bloomberg LP, Federal Reserve System, U.S. Department of Labor, U.S. Department of Commerce, Institute for Supply Management, Conference Board and Wells Fargo Securities

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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
Coren Burton	Administrative Assistant	(704) 410-6010	coren.burton@wellsfargo.com

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