International Commentary — January 14, 2026

International Economic Outlook: January 2026

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Summary

Forecast Changes

- We now estimate the global economy grew 3.1% in 2025 and revised our 2026 global GDP forecast higher to 3.0% from 2.8% previously. Our outlook for the global economy is still defined as resilient, given the numerous risks percolating across the global economy. Upward revisions to the outlook for the U.S. economy, China and India are the driving forces of our more constructive outlook on the global economy and global growth prospects.
- Our outlook for monetary policy has not changed materially since our 2026 annual economic outlook. We continue to believe that monetary policy space for rate cuts across G10 economies is limited, and we expect only the Fed, Bank of England and Norges Bank to ease monetary policy this year. We see greater scope for easing in the emerging markets, and after a large minimum wage hike, we believe Colombia's central bank can begin a tightening cycle at the upcoming January BanRep meeting.
- The U.S. dollar has been mixed to start 2026; however, our views on currency markets and the U.S. dollar have not changed much. We continue to hold a bifurcated outlook on the dollar, and believe the greenback can experience more downside in early 2026 before experiencing a broad recovery starting in H2-2026. Amid an environment of broad dollar strength, we expect emerging market currencies to come under the most pressure and underperform.

Key Themes

- Global economic conditions were resilient in 2025, and we expect that resilience to carry over into 2026. Reduced uncertainty on trade and tariff policy should be supportive of activity, while a broad shift to accommodative fiscal and monetary policy should put a floor underneath global GDP growth. China's economy is also demonstrating tentative signs of stabilizing; however, we expect China to be the primary contributor to softer global GDP growth in 2026 relative to last year.
- In the G10, central bank policy space for rate cuts remains limited, and in addition to the Fed, we expect only the Bank of England and Norges Bank to lower interest rates in 2026. Room for rate cuts is more present in the emerging markets, and we expect rates to be lowered across Asia and EMEA regions. On the other hand, clear divergences in the path for monetary policy and interest rates is apparent in Latin America as central banks respond to domestic economic and markets conditions as opposed to global trends.
- Dollar depreciation has been a theme for the past 12 months, and in our view, a Fed still in easing mode and softening U.S. economic trends can contribute additional downside to the greenback. We do, however, believe the dollar can rebound starting in the second half of this year as the Fed's easing cycle ends, and when the dollar recovers, emerging market currencies may be at risk as EM FX may be at levels disconnected from underlying fundamentals.

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We have received an extraordinary amount of inquiries into our views on the U.S. deposition of Nicolás Maduro in Venezuela and what these events mean for financial markets and the global economy. In short, we have not made any markets nor economic forecast adjustments as a result of U.S. operations in Venezuela. We outlined our reasoning in a publication (Implications of U.S. Intervention in Venezuela: 1/5/2026), and in the same note, we touched on why the geopolitics and the impact on regional Latin America political risk may be the most interesting and consequential aspects of U.S. intervention in Venezuela. Should we feel an oil price shock, in either direction, is materializing or events are evolving in a way that is likely to materially disrupt investor sentiment, we may adjust select forecasts. But at the current juncture, we view developments tied to Venezuela as tail-risks and far from being incorporated into our base case outlook for the global economy and global financial markets.

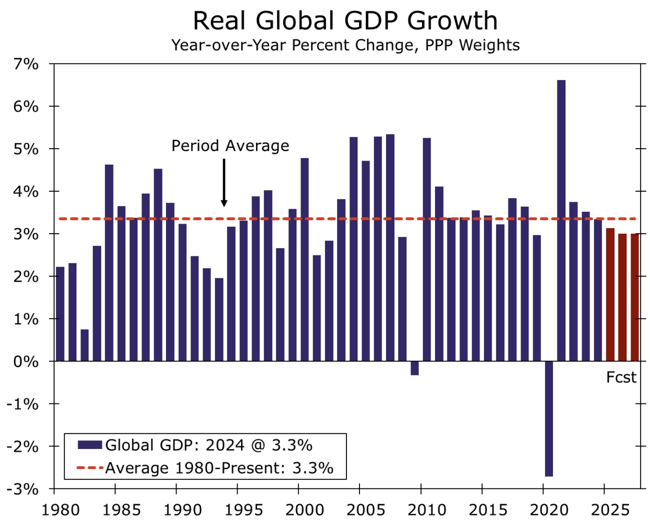
Resilient Resilience: Prospects for Global Growth Improve Again

For those familiar with our forecast update publications, a common theme over the past 12 months has been that of resilient economic activity. Resilience at a global, regional and, in most cases, individual country level. Resilience was the theme for 2025, and in our Annual 2026 Economic Outlook, we flagged how we expect the global economy to exhibit a strong degree of resilience again this year. Before offering an updated view on the global economic outlook for 2026, we rewind to 2025 quickly. Since our previous update, we have received evidence that global activity strengthened in the final months of 2025. Indicators of economic health in China stabilized, while activity in the U.S. and India picked up pace more than we expected, which all taken together, allowed for an upward revision to our estimate of global GDP growth in 2025. Rather than our prior view for global growth of 3%, we now believe the global economy expanded 3.1% last year, only modestly softer relative to the year before when tariffs, trade protectionism and broader uncertainty were not major concerns.

Fast-forward into 2026, and as we outlined in our year-ahead publication, global economic trends are still on a relatively sound foundation. We continue to believe 2026 is unlikely to be defined by tariff and trade escalations similar to what was experienced in 2025, partially due to the fact a number of trade deals have been secured, but more so due to the U.S. administration's renewed focus on affordability and lowering living costs. In addition, the U.S.-China relationship, while fragile, has settled. Time—and perhaps the evolution of external events—will tell how long a stable U.S.-China relationship will last, but for the time being, U.S.-China tensions are unlikely to be a source of similar 2025-style uncertainty or act as a significant restraint on global economic growth. We also take comfort in the fact that policy has turned more accommodative in most of the major economic contributors to global growth. As far as monetary policy, Federal Reserve interest rates have come down as have rates across the rest of the advanced economies, ex-Japan. The same can be said for monetary policy in the emerging markets as, thematically, interest rates have come down across Latin America, Asia and EMEA. On the fiscal side, the U.S. is just set to receive the benefits of the Big Beautiful Bill, while fiscal support has also been deployed in the Eurozone, Canada, Japan and Sweden.

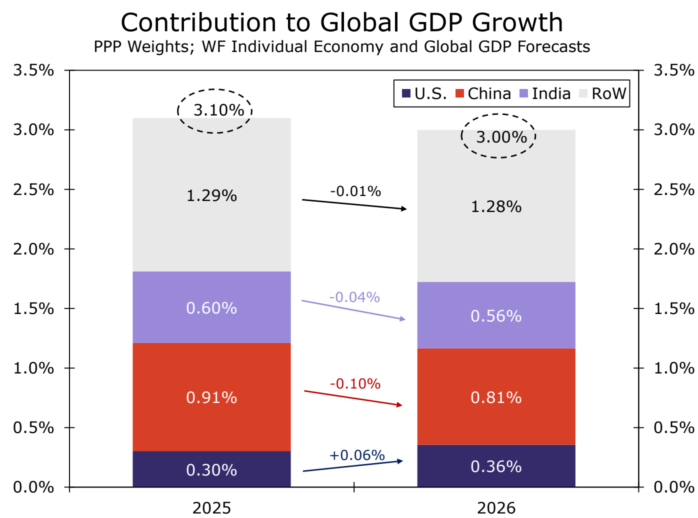
The shift to accommodative policy mixes in many countries, combined with less tariff and trade-related uncertainty, should place a solid floor underneath global growth. To that point, we forecast the global economy to grow 3.0% in 2026, a more robust outlook relative to our global growth forecast from a month or so ago (Figure 1). The driving force of the improved outlook for global growth is twofold: a more optimistic view of the U.S. economy as well as more constructive leading indicators out of China. As far as the U.S., our U.S. economist colleagues now believe America's economy can expand 2.7% this year. Their more optimistic outlook stems from stronger activity toward the end of last year, and for that momentum to be sustained over the next 12 months as stimulus kicks in. For China, we revised our 2026 GDP forecast marginally higher and now expect the Chinese economy to grow 4.5% this year. The upward revision comes after what appears to be a tentative stabilization in key leading indicators, such as the manufacturing and services PMIs, and an export sector that continues to be relatively unaffected by U.S. tariffs and trade tensions. While we have turned slightly more constructive on China's 2026 growth prospects, we hold onto our view that China's economy is riddled with structural imbalances that will place downward pressure on longer-term growth rates, and possibly induce a crisis at some point. The upward revision to near-term growth prospects is not a reflection of any changes in our longer-term view on China's economy.

Figure 1



Source: IMF and Wells Fargo Economics

Figure 2



Source: IMF and Wells Fargo Economics

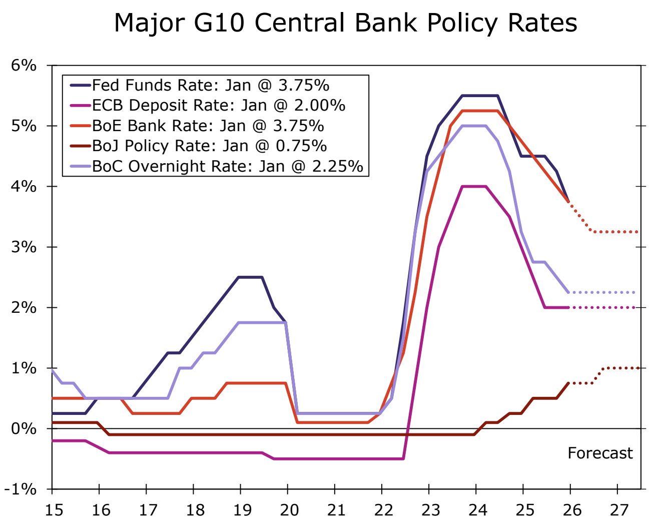
Beneath the surface of our global growth forecast are a few interesting trends. The first trend is that the U.S. economy is expected to grow at a quicker pace relative to last year. A pickup in U.S. economic growth highlights how reduced uncertainty and accommodative policy can have a particularly positive impact on the United States. In fact, the second notable trend is that the U.S. is the only economy among the major contributors to global growth to more positively contribute to the global economy's expansion relative to 2025. That includes the Eurozone, Japan, United Kingdom, India and China. For China, and also a third interesting dynamic, is that despite the recently revised outlook for the near-term growth outlook, the Chinese economy is set to decelerate and be the primary contributor to slower global GDP this year (Figure 2). Not only is China leading the global economic slowdown in 2026, but U.S.-China growth prospects are set to diverge this year. The divergence in U.S.-China near-term growth is likely a product of policy divergence, meaning accommodation in the U.S. but an unwillingness by Chinese authorities to materially deploy fiscal stimulus or lower interest rates all that materially. Going forward, we continue to believe Chinese authorities will demonstrate a reluctance to adjust policy in a significantly more stimulative direction. So while modest fiscal support may be offered and local bank Reserve Requirement Ratios may come down this year, we assume policy will not be adjusted in a way where China's economy can match the growth experienced in 2025, let alone grow at a more rapid pace.

Diverging Monetary Policy Paths Across G10 and EM

A more constructive outlook on the global economy is also consistent with our view that central banks, G10 central banks in particular, are running out of monetary policy space for further rate cuts. In fact, as far as additional rate reductions from advanced economy central banks, we expect only the Federal Reserve, Bank of England (BoE) and Norges Bank to deliver additional easing in 2026. With that said, we expect these institutions to operate at a measured and cautious pace when considering further easing as inflation pressures remain present and activity in each economy continues to demonstrate resilience. In the case of the Fed, we believe the FOMC will still opt to lower rates in 2026, but will move at a more gradual cadence going forward. To that point, we believe the Fed will cut rates at the March and June meetings for a cumulative 50 bps of rate reductions in 2026. It's worth noting that, while uncertainty exists around whom the next Fed chair will be and the independence of the institution, we continue to believe the Fed will make monetary policy decisions based on economic fundamentals and not political pressure nor political preference. So while the Federal Reserve has recently been subpoenaed by the U.S. Department of Justice and legal proceedings seem motivated for the Fed to cut rates quicker, we do not believe the FOMC will respond with faster or more aggressive easing. For the BoE, we believe that policymakers will also cut rates at an every other meeting cadence. Meaning, following policymakers' decision to lower rates in December 2025, we believe the next cut will be delivered in March and then the final cut of the cycle will come in June for a terminal BoE policy rate of 3.25%.

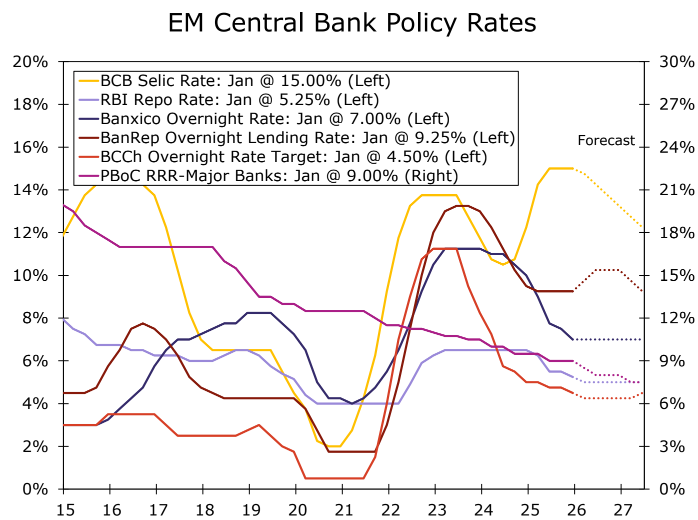
For the remainder of the G10 central banks (ex-Bank of Japan), we expect policy rates to be left on hold through the end of 2026 and into early 2027 (Figure 3). This is true in the Eurozone where inflation is in line with the European Central Bank's (ECB) target and as local activity is showing early signs of recovery amid supportive fiscal policy and the lagged effect of prior ECB easing. We also believe the Bank of Canada (BoC) will keep rates unchanged despite CPI lingering above target and the domestic labor market demonstrating a tentative recovery. For Canada, financial markets are at least partially pricing BoC policymakers to pursue rate hikes in the coming months/quarters. But in our view, weak consumer trends and uncertainty around the USMCA renegotiation should prevent policymakers from pursuing tighter monetary policy at any point this year. The balance of risk is likely tilted toward rate hikes as opposed to restarting rate cuts, but we continue to believe BoC monetary tightening is a 2027 development rather than something that can materialize this year. We also believe steady growth and firm inflation should keep the Reserve Bank of New Zealand (RBNZ) on hold going forward, while we also adjusted our Reserve Bank of Australia (RBA) forecast in a more hawkish direction to reflect our revised view that the RBA easing cycle has likely concluded. And finally, in Japan, the Bank of Japan (BoJ) delivered a 25 bps hike in December and communicated that additional rate hikes would be likely, assuming the economic outlook evolved in a way consistent with the central bank's forecasts. For now, we forecast one more 25 bps BoJ rate hike to be delivered in Q3-2026, which has become the consensus view, and we believe the balance of risk is tilted toward another 25 bps rate hike to close out the year.

Figure 3



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

Figure 4

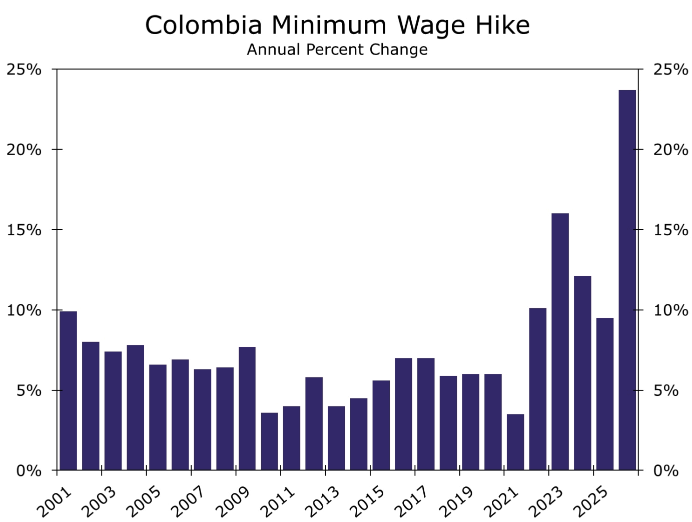


Source: Bloomberg Finance L.P. and Wells Fargo Economics

As we noted in our 2026 outlook, and still believe to be true, emerging market central banks, thematically, have more room to cut interest rates. We believe most central banks in Asia and EMEA will lower respective policy rates, lending rates and bank reserve requirement ratios in the coming quarters—specifically the Reserve Bank of India and People's Bank of China as well as the South African Reserve Bank, Bank of Israel and Middle East central banks associated with pegged exchange rates. Select Asia and EMEA central banks may opt to keep rates on hold as idiosyncratic issues are present, and while rate cuts may still be gradual in nature, we expect easier monetary policy, as a theme, across EM Asia and EMEA. However, more prominent central bank divergence should be on display in Latin America (Figure 4). Inflation and activity trends have diverged recently, which, in our view, should prompt more divergence on how policymakers are thinking about respective paths for interest rates. For example, we continue to believe the Brazilian Central Bank (BCB) will be the most dovish institution in the region as real rates are especially elevated and inflation is back within target range. While the timing on when rate cuts start may be pushed back, we forecast the BCB to cut its Selic Rate by 150 bps this year. In Chile, we expect only 25 bps of additional rate cuts from BCCh policymakers as the easing cycle is mature but easing nonetheless, and while we expect Banxico policymakers are on hold going forward, the balance of risk remains tilted toward more rate reductions in Mexico.

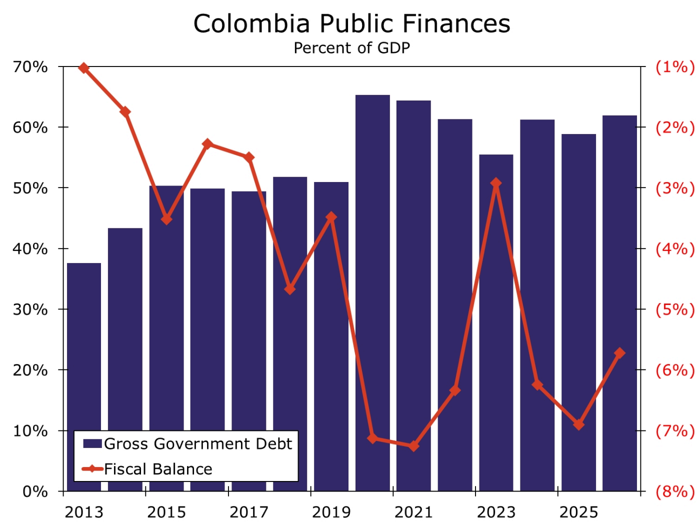
One of the more notable divergences, and a recent forecast adjustment, is now likely to come from the Colombian Central Bank (BanRep). Colombia's economy has been on our radar for a few months as an economy on the brink of overheating. Domestic demand has been particularly strong as fiscal stimulus has been deployed more acutely during the past 12 months, on top of already loose fiscal policy for the entirety of the Petro administration. Overheating concerns have recently intensified as the Petro administration decreed to raise the minimum wage by 23% this year. For context, historical minimum wage hikes in Colombia have come in under 10% outside economic crisis (Figure 5), so multiples higher should provide new stimulus for Colombian consumers and in turn the economy (not to mention have a worsening effect on government finances Figure 6). As a result of the aggressive minimum wage hike, we now believe BanRep policymakers will raise policy rates starting at the January meeting. Uncertainty exists around the pace of rate hikes, especially as wide disparities on the broad direction of rates exists among policymakers, but for now, we believe BanRep will raise policy rates by 25 bps at each of the next four meetings. 100 bps of cumulative BanRep rate hikes will take the main policy rate to 10.25% by the middle of next year, and add a layer of complexity to the already noticeable monetary policy divergence theme across Latin America. Of note, financial markets are priced for BanRep's policy rate to climb to over 11.50%, so while directionally we are aligned with market pricing on BanRep rates, we hold a less hawkish outlook on Colombian monetary policy.

Figure 5



Source: Salario Minimo Colombia and Wells Fargo Economics

Figure 6



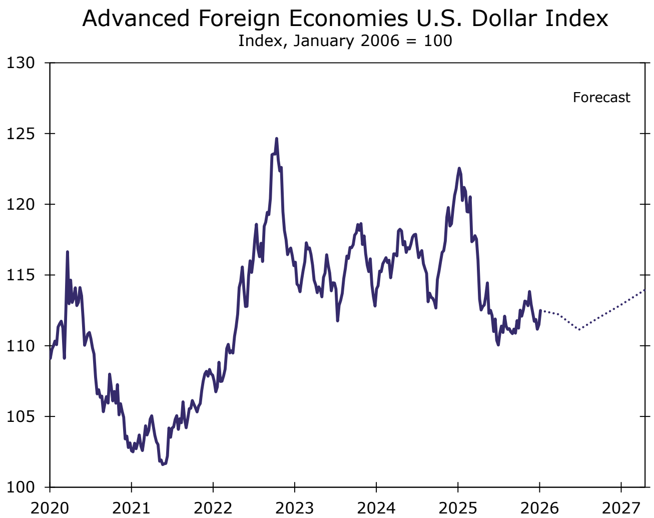
Source: IMF and Wells Fargo Economics

A Bifurcated Outlook for the U.S. Dollar

At a high level, we have not made significant adjustments to our views on currency markets and the U.S. dollar this month. We maintain our bifurcated view, and bifurcated in the sense that the U.S. dollar can continue its weakening trend over the first half of this year before recovering over the final two quarters of the year and extending its rebound into 2027 (Figure 7). As far as our rationale for continued dollar weakness, the broad divergence in Federal Reserve monetary policy versus most other major central banks in the G10 should continue to place downward pressure on the greenback. In addition, and something we did not mention earlier, is that the Federal Reserve has resumed expanding its balance sheet. While bond purchases are designed to rebuild bank reserves and ensure limited disruptions to the functioning of financial markets, not the pursuit of quantitative easing, bond buying may still keep U.S. yields restrained. Against a broader backdrop where most G10 central banks are keeping rates steady, the U.S. dollar may face depreciation pressure though the yield differential channel. In addition, and while we are steadfast in our view that the Federal Reserve is and will remain an independent institution, broader financial market concerns around the credibility of the U.S. central bank may also add to a weaker dollar over the coming months. In the near term, dollar depreciation should be broad-based, and experienced against G10 and emerging markets currencies, with only limited exceptions.

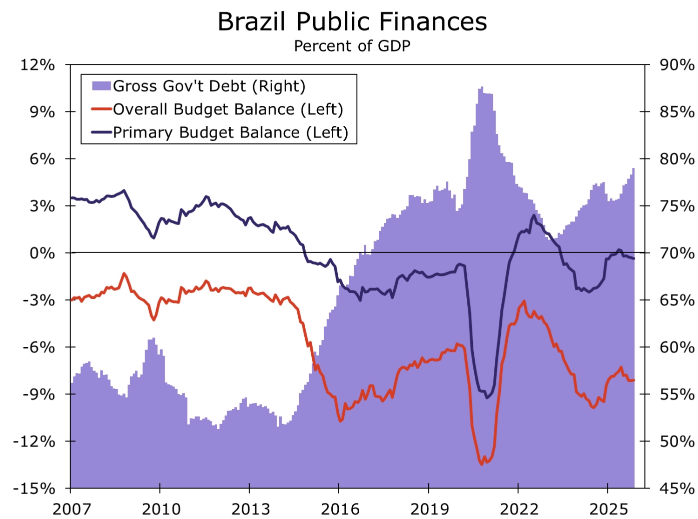
Longer term, we believe the dollar rebound can be a product of the Fed ending its rate cutting cycle. In our view, once the Fed ends its easing cycle at the June meeting, capital flows will flow back to the U.S. dollar as nominal yields are set to be among some of the highest in the G10. With yields relatively high in the U.S., especially in a lower rate kind of global backdrop, we believe the U.S. dollar will perform well against G10 and emerging market currencies, recapturing a chunk of the dollar's losses. We would also note that under our baseline assumption of the Fed's independence to be intact going forward, over time, we expect Fed credibility concerns to dissipate. As the Fed's independence is reinforced over time, capital flows back to the U.S. and the dollar can resume and also be a source of dollar strength starting in H2-2026. In an environment of dollar strength, similar to the one that we believe will unfold in H2-2026, we believe emerging market currencies are most vulnerable and can be notable underperformers. Over the past 12 months of dollar depreciation, we believe emerging market currencies have strengthened in a way that is disconnected from underlying economic and political fundamentals. For most countries, debt levels have continued to rise, fiscal balances have worsened, trade dynamics have become more complicated and real rates have compressed. In our view, these external and domestic developments should not be supportive of EM currencies. In some ways, EM currencies may have gotten a bit lucky in 2025 and early 2026 as confidence in the dollar has been questioned. But once the Fed ends the easing cycle, we believe that confidence will return and emerging market currencies can sell off quite rapidly.

Figure 7



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

Figure 8



Source: IMF and Wells Fargo Economics

Of emerging market currencies, those associated with rising economic and/or political risk are the currencies that can underperform most acutely. In that sense, and more in the context of concerning political developments, we believe the Brazilian real and Colombian peso can be notable underperformers over the course of this year. In the case of Brazil, we are very much focused on the intersection of local politics and fiscal policy ahead of general elections later this year. Our base case scenario is that President Lula will expand fiscal policy settings and skirt around fiscal rules in an effort to support his re-election campaign. Brazil does not have space to deliver fiscal stimulus (Figure 8), and should our theory materialize, the Brazilian real could weaken sharply. At the same time, as mentioned, we believe the BCB will be cutting interest rates quickly during the course of this year. As BCB policy rates get lowered, the carry appeal of the real may weaken and add another layer of pressure on the currency just as the U.S. dollar is broadly rebounding. The BRL selloff during the middle quarters of this year could take the currency as high as BRL5.75, with risks tilted toward greater depreciation. We would note, however, that we expect Lula's spending campaign to not be a game changer and for Lula to be voted out of office. In that scenario, BRL should experience a relief rally as a fiscally responsible administration comes into office and exercises more long-term spending discipline. For the Colombian peso, a very similar story. Fiscal slippage and rising political risk should weigh on the peso ahead of the election in combination with a central bank that falls short of market pricing on rate hikes. We hold a similar political assumption as Brazil, and expect a fiscally responsible and technocratic policy platform to be elected later this year. COP can rally post-election, but once the election relief wears off, the peso can weaken in line with a stronger dollar.

Wells Fargo International Economic Forecast

	GDP				CPI			
	2024	2025	2026	2027	2024	2025	2026	2027
Global (PPP Weights)	3.3%	3.1%	3.0%	3.0%	5.8%	3.7%	3.8%	3.7%
Advanced Economies[1]	1.8%	2.0%	2.1%	2.1%	2.6%	2.7%	2.3%	2.3%
United States	2.8%	2.2%	2.7%	2.3%	3.0%	2.7%	2.6%	2.3%
Eurozone	0.9%	1.4%	1.3%	1.7%	2.4%	2.1%	1.8%	2.2%
United Kingdom	1.1%	1.4%	1.2%	1.6%	2.5%	3.4%	2.2%	2.0%
Japan	0.1%	1.2%	0.7%	0.8%	2.7%	3.2%	1.9%	1.9%
Canada	1.6%	1.7%	1.5%	2.0%	2.4%	2.1%	2.0%	2.0%
Switzerland	1.4%	1.3%	1.3%	1.6%	1.1%	0.2%	0.4%	0.8%
Australia	1.0%	1.9%	2.2%	2.4%	3.2%	3.0%	3.1%	2.6%
New Zealand	-0.6%	0.4%	2.4%	2.6%	2.9%	2.6%	2.1%	2.1%
Sweden	0.8%	1.8%	2.4%	2.2%	2.0%	2.6%	1.1%	1.7%
Norway	0.6%	1.6%	1.4%	1.7%	3.1%	3.0%	2.3%	2.5%
Developing Economies[1]	4.3%	3.9%	3.5%	3.5%	7.9%	4.3%	4.7%	4.6%
China	5.0%	4.9%	4.5%	4.3%	0.2%	0.1%	0.8%	1.0%
India	6.7%	7.5%	7.0%	6.8%	4.6%	2.2%	4.0%	3.7%
Mexico	1.4%	0.4%	1.2%	2.0%	4.7%	3.8%	3.5%	3.9%
Brazil	3.4%	2.6%	1.6%	2.2%	4.4%	5.1%	4.2%	4.0%
Russia	4.3%	0.8%	1.0%	1.4%	8.4%	9.0%	6.0%	4.5%

Forecast as of: January 14, 2026

[1]Aggregated Using PPP Weights

Source: International Monetary Fund and Wells Fargo Economics

Wells Fargo International Interest Rate Forecast

(End of Quarter Rates)

	Central Bank Key Policy Rate						
		2026				2027	
	Current	Q1	Q2	Q3	Q4	Q1	Q2
United States	3.75%	3.50%	3.25%	3.25%	3.25%	3.25%	3.25%
Eurozone[1]	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
United Kingdom	3.75%	3.50%	3.25%	3.25%	3.25%	3.25%	3.25%
Japan	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%
Canada	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Switzerland	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Australia	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%	3.60%
New Zealand	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.50%
Sweden	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Norway	4.00%	4.00%	4.00%	3.75%	3.75%	3.75%	3.50%
China[3]	9.00%	8.50%	8.50%	8.00%	8.00%	7.50%	7.50%
India	5.25%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Mexico	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Brazil	15.00%	14.75%	14.25%	13.75%	13.25%	12.75%	12.25%
Chile	4.50%	4.25%	4.25%	4.25%	4.25%	4.25%	4.50%
Colombia	9.25%	9.75%	10.25%	10.25%	10.25%	9.75%	9.25%
	2-Year Note						
		2026				2027	
	Current	Q1	Q2	Q3	Q4	Q1	Q2
United States	3.53%	3.45%	3.40%	3.40%	3.40%	3.40%	3.45%
Eurozone[2]	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.15%
United Kingdom	3.66%	3.50%	3.30%	3.30%	3.30%	3.30%	3.30%
Japan	1.17%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
Canada	2.57%	2.55%	2.55%	2.55%	2.55%	2.60%	2.65%
	10-Year Note						
		2026				2027	
	Current	Q1	Q2	Q3	Q4	Q1	Q2
United States	4.17%	4.10%	4.15%	4.20%	4.25%	4.25%	4.30%
Eurozone[2]	2.85%	2.85%	2.90%	2.95%	3.00%	3.05%	3.10%
United Kingdom	4.39%	4.30%	4.25%	4.25%	4.25%	4.25%	4.25%
Japan	2.17%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Canada	3.42%	3.40%	3.40%	3.45%	3.50%	3.55%	3.60%

Forecast as of: January 14, 2026

[1] ECB Deposit Rate [2] German Government Bond Yield [3] Reserve Requirement Ratio Major Banks

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

Wells Fargo International FX Forecast

Currency Pair*	Current Rate	Q1-2026	Q2-2026	Q3-2026	Q4-2026	Q1-2027	Q2-2027
G10							
EUR/USD	1.1662	1.1700	1.1900	1.1800	1.1700	1.1600	1.1500
USD/JPY	158.93	160.00	160.00	161.00	162.00	163.00	164.00
GBP/USD	1.3459	1.3500	1.3550	1.3450	1.3400	1.3300	1.3200
USD/CHF	0.7990	0.7950	0.7860	0.7970	0.8060	0.8150	0.8240
USD/CAD	1.3879	1.3800	1.3700	1.3800	1.3900	1.4000	1.4100
AUD/USD	0.6703	0.6700	0.6700	0.6650	0.6600	0.6550	0.6500
NZD/USD	0.5763	0.5800	0.5850	0.5800	0.5750	0.5700	0.5650
USD/NOK	10.0661	10.0430	9.8740	9.9150	9.9570	10.0000	10.0435
USD/SEK	9.1858	9.1880	8.9920	9.0250	9.0600	9.0950	9.1740
Asia							
USD/CNY	6.9747	6.9500	6.9300	6.9300	6.9500	7.0000	7.0500
USD/CNH	6.9679	6.9500	6.9300	6.9300	6.9500	7.0000	7.0500
USD/IDR	16865	16900	16900	17100	17300	17500	17700
USD/INR	90.19	90.75	91.25	91.75	92.25	92.75	93.25
USD/KRW	1474.60	1470.00	1470.00	1480.00	1490.00	1500.00	1510.00
USD/PHP	59.35	59.25	59.25	59.50	59.75	60.00	60.25
USD/SGD	1.2870	1.2800	1.2700	1.2800	1.2900	1.3000	1.3100
USD/TWD	31.65	31.50	31.50	31.75	32.00	32.25	32.50
USD/THB	31.47	31.50	31.50	32.00	32.50	33.00	33.50
Latin America							
USD/BRL	5.3717	5.3000	5.5000	5.7500	5.6000	5.6500	5.7000
USD/CLP	881.75	880.00	875.00	890.00	910.00	930.00	950.00
USD/MXN	17.8560	17.7500	17.7500	18.0000	18.2500	18.5000	18.7500
USD/COP	3657	3850	3750	3800	3850	3900	3950
USD/ARS	1468	1500	1525	1550	1575	1600	1625
USD/PEN	3.3573	3.3500	3.3000	3.3500	3.4000	3.4500	3.5000
Eastern Europe/Middle East/Africa							
USD/CZK	20.76	20.50	20.00	20.30	20.70	21.10	21.50
USD/HUF	330.97	329.10	327.70	334.75	341.90	349.10	356.50
USD/PLN	3.6080	3.5900	3.5710	3.6440	3.7180	3.7930	3.8700
USD/RUB	78.88	80.00	82.00	84.00	86.00	88.00	90.00
USD/ILS	3.1474	3.1000	3.2000	3.2500	3.3000	3.3500	3.4000
USD/ZAR	16.3899	16.2500	16.0000	16.5000	17.0000	17.5000	18.0000
USD/TRY	43.1584	45.5000	47.5000	49.5000	51.5000	53.5000	55.5000
Euro Crosses							
EUR/JPY	185.39	187.20	190.40	190.00	189.50	189.10	188.60
EUR/GBP	0.8661	0.8670	0.8780	0.8770	0.8730	0.8720	0.8710
EUR/CHF	0.9316	0.9300	0.9350	0.9400	0.9425	0.9450	0.9475
EUR/NOK	11.7537	11.7500	11.7500	11.7000	11.6500	11.6000	11.5500
EUR/SEK	10.7149	10.7500	10.7000	10.6500	10.6000	10.5500	10.5500
EUR/CZK	24.22	24.00	23.75	24.00	24.25	24.50	24.75
EUR/HUF	386.17	385.00	390.00	395.00	400.00	405.00	410.00
EUR/PLN	4.2097	4.2000	4.2500	4.3000	4.3500	4.4000	4.4500

Forecast as of: January 14, 2026

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

Currency	Forecasted % Change to Q4-26*	
Norweigian Krone (NOK)	1.4%	most bullish
Swedish Krona (SEK)	1.1%	
Japanese Yen (JPY)	0.4%	
Euro (EUR)	0.3%	
Czech Koruna (CZK)	0.3%	
Taiwan Dollar (TWD)	0.3%	
Israeli Shekel (ILS)	0.3%	
Swiss Franc (CHF)	-0.2%	
Singapore Dollar (SGD)	-0.2%	
Chinese Renminbi (CNH)	-0.2%	
Chinese Renminbi (CNY)	-0.4%	
Trade Weighted Dollar (USD)	-0.7%	
Australian Dollar (AUD)	-0.9%	
South African Rand (ZAR)	-1.0%	
Mexican Peso (MXN)	-1.1%	
Indonesian Rupiah (IDR)	-1.3%	
South Korean Won (KRW)	-1.5%	
Philippine Peso (PHP)	-1.9%	
British Pound (GBP)	-2.2%	
New Zealand Dollar (NZD)	-2.2%	
Polish Zloty (PLN)	-2.5%	
Indian Rupee (INR)	-3.0%	
Thai Baht (THB)	-3.1%	
Canadian Dollar (CAD)	-3.2%	
Colombian Peso (COP)	-3.2%	
Peruvian Sol (PEN)	-3.6%	
Chilean Peso (CLP)	-4.1%	
Hungarian Forint (HUF)	-4.6%	
Brazilian Real (BRL)	-5.0%	
Russian Ruble (RUB)	-6.8%	
Argentine Peso (ARS)	-8.3%	
Turkish Lira (TRY)	-16.2%	most bearish

Forecast as of: January 14, 2026
*Percentage Change Against USD, Q4-26 Vs. Current Spot Rate

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

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