WELLS FARGO

Weekly — February 21, 2025

Weekly Economic & Financial Commentary

United States: **Housing Market Troubles to Continue**

- Residential construction and existing home sales were muted in January, illustrating continued stress on the housing market amid elevated mortgage rates. Despite the pressure on interest-rate-sensitive sectors, underlying consumer demand is robust and has helped the labor market stand on firm footing.
- Next week: New Home Sales (Wed.), Durable Goods (Thurs.), Personal Income & Spending (Fri.)

International: **G10 Central Banks Ease Monetary Policy Further**

- The Reserve Bank of Australia began its easing cycle this week with a 25 bps rate cut. However, that appeared to be a tentative first easing step, given a still-tight labor market and as the central bank raised its medium-term inflation forecast. The Reserve Bank of New Zealand cut rates 50 bps this week but should slow the pace of rate cuts going forward, while elevated core inflation from Canada now means we expect the Bank of Canada to hold rates steady in March.
- Next week: India GDP (Fri.), Canada GDP (Fri.)

Credit Market Insights: **Household Debt Balances Continue to Climb**

- Total household debt increased by $93B in Q4 of last year to a new high of $18.04T. All categories of debt rose over the quarter, with credit card balances increasing the most, rising $45B to $1.21T. Though households continue to borrow, household debt has increased at a slower rate in recent quarters, suggesting consumers may be feeling the pinch of higher rates.

Topic of the Week: **Republicans Approach a Budget Reconciliation Milestone**

- Passing a budget reconciliation bill is critical to enacting Republicans' policy objectives for taxes and spending, and the next couple of weeks will mark an important first step in Congressional Republicans' efforts on this front. In this section, we discuss how the early innings of this process are shaping up.

Wells Fargo U.S. Economic Forecast

	Actual 2024				Forecast 2025				Actual		Forecast	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2023	2024	2025	2026
Real Gross Domestic Product [1]	1.6	3.0	3.1	2.3	3.0	1.9	1.2	1.3	2.9	2.8	2.3	2.2
Personal Consumption	1.9	2.8	3.7	4.2	2.8	2.1	1.8	1.6	2.5	2.8	2.8	2.3
Consumer Price Index [2]	3.2	3.2	2.7	2.7	2.9	2.9	3.2	3.1	4.1	3.0	3.0	2.7
"Core" Consumer Price Index [2]	3.8	3.4	3.3	3.3	3.2	3.2	3.4	3.2	4.8	3.4	3.2	2.9
Quarter-End Interest Rates [3]												
Federal Funds Target Rate [4]	5.50	5.50	5.00	4.50	4.50	4.50	4.25	4.00	5.23	5.27	4.31	4.00
Conventional Mortgage Rate	6.82	6.92	6.18	6.72	7.10	6.90	6.65	6.50	6.80	6.72	6.79	6.50
10 Year Note	4.20	4.36	3.81	4.58	4.70	4.55	4.35	4.25	3.96	4.21	4.46	4.36

Forecast as of: February 13, 2025
[1] Compound Annual Growth Rate Quarter-over-Quarter
[2] Year-over-Year Percentage Change
[3] Quarterly Data - Period End; Annual Data - Annual Averages
[4] Upper Bound of the Federal Funds Target Range

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

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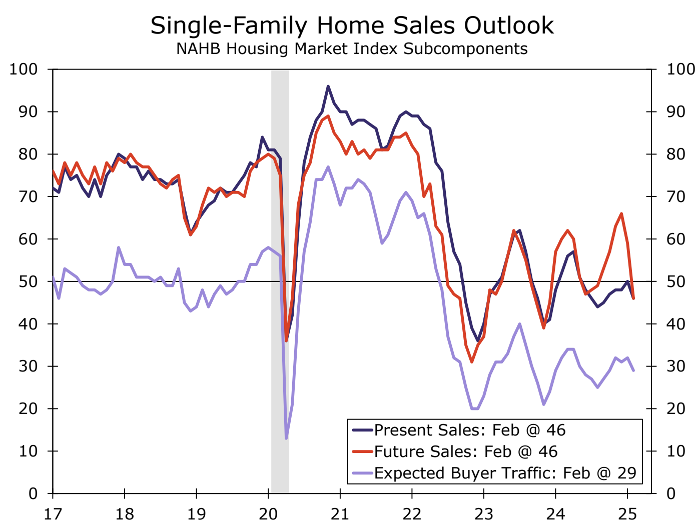
U.S. Review

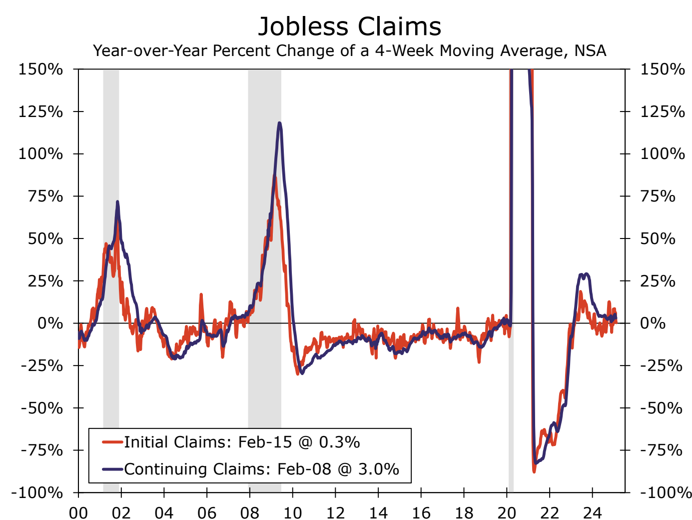
Housing Market Troubles to Continue

It was a light week on the economic data front. Residential construction and existing home sales were muted in January, illustrating continued stress on the housing market amid elevated mortgage rates. Despite the pressure on interest-rate-sensitive sectors, underlying consumer demand is robust and has helped the labor market stand on firm footing. Initial claims for unemployment insurance edged up slightly in mid-February but remain historically low. The Federal Reserve's appraisal of the labor market has improved recently, suggesting it has gained confidence in maintaining the federal funds rate at its current 4.25%-4.50% target range in the coming months.

In the minutes of the January 28-29 FOMC meeting, the Committee noted that while its monetary policy stance is not too far above its neutral level today, the borrowing environment remains restrictive. Evidence of this restraint can be found in home construction. Single-family housing starts tumbled in January, and filings for construction permits were unchanged over the month and down 3.4% over the year. While the pullback in starts may be a reflection of harsh winter weather, the softness in permits points to a slower pace of single-family home construction in 2025.



Source: NAHB and Wells Fargo Economics



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

The weakness in demand for single-family building permits has been driven by a retrenchment in builder confidence. The NAHB Housing Market Index slipped five points to 42 in February, or the lowest since September 2024. Within the index, the gauge for future sales declined notably (chart). The average 30-year fixed mortgage rate ended 2024 just a stone's throw away from where it started the year, hovering close to 7%. After sitting near 4% in the business cycle before the pandemic and below 3% in 2020-2021, home borrowing costs are prohibitive. Sales of existing homes slipped to a 4.08 million-unit annualized pace in January, which is 38% below its peak sales pace in early 2021.

Although activity in the housing market has been crimped, we suspect the FOMC will leave its target range unchanged through September. Last week's inflation data showed price pressures remain firm, and potential policy changes in trade and immigration pose upside risks to the path of price growth this year. With initial and continuing jobless claims in check (chart) and other labor market indicators stabilizing toward pre-pandemic norms, a couple members of the FOMC cited that "the risks of achieving the price stability mandate currently appear to be greater than the risks to achieving the maximum employment mandate." The focus on inflation is likely to encourage the Committee to stand pat, barring an unexpected downshift in economic growth.

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U.S. Outlook

Weekly Indicator Forecasts

Domestic

Date	Indicator	Period	Consensus	Wells Fargo	Prior
25-Feb	Consumer Confidence	Feb	103.2	102.4	104.1
26-Feb	New Home Sales (SAAR)	Jan	678K	672K	698K
27-Feb	GDP Annualized (QoQ)	Q4	2.3%	2.3%	2.3%
27-Feb	Personal Consumption (QoQ)	Q4	4.1%	4.2%	4.2%
27-Feb	Durable Goods Orders (MoM)	Jan	2.2%	1.1%	-2.2%
27-Feb	Durables Ex Transportation (MoM)	Jan	0.4%	0.2%	0.3%
28-Feb	Personal Income (MoM)	Jan	0.3%	0.6%	0.4%
28-Feb	Personal Spending (MoM)	Jan	0.2%	0.1%	0.7%
28-Feb	PCE Deflator (MoM)	Jan	0.3%	0.3%	0.3%
28-Feb	PCE Deflator (YoY)	Jan	2.5%	2.4%	2.6%
28-Feb	Core PCE Deflator (MoM)	Jan	0.3%	0.3%	0.2%
28-Feb	Core PCE Deflator (YoY)	Jan	2.6%	2.6%	2.8%

Forecast as of February 21, 2025

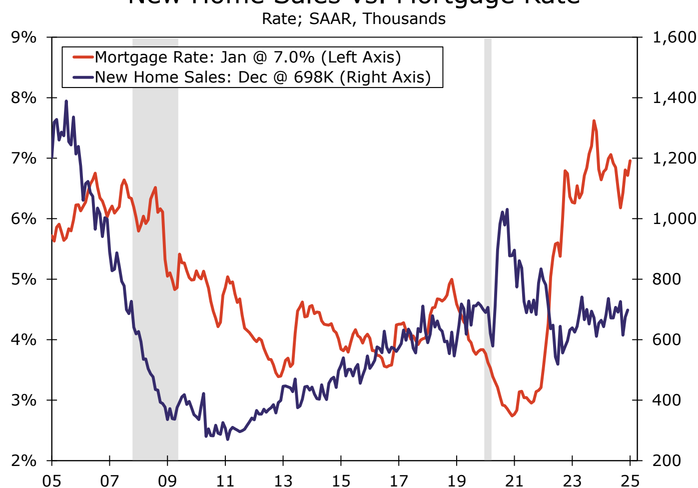
Source: Bloomberg Finance L.P. and Wells Fargo Economics

New Home Sales • Wednesday

New home sales figures will bring another piece of housing market data next week. Ultimately, the story around the housing market hasn't changed much in recent months as elevated mortgage rates continue to sap demand. We saw a pickup in new home sales at the tail end of last year partially reflecting the temporary late-summer dip in mortgage rates (chart). But those effects have likely waned at the start of the year as mortgage rates hover close to 7% again.

We expect new home sales slipped 3.7% in January to a 672K pace as this lower-rate-induced activity has subsided. A place to watch for payback in the coming months is the South, where hurricanes in the Gulf have weighed on recent sales activity.

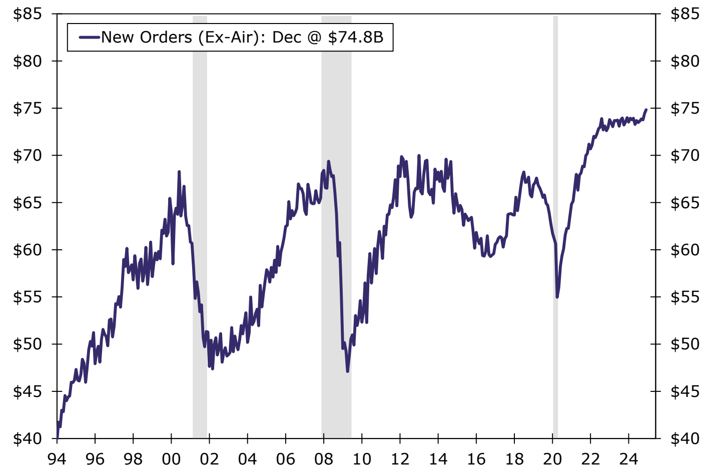
Builders' incentives have alleviated some pressure around higher financing costs, but it's not a cure-all. Builders' confidence dipped in January as affordability remains a key challenge to continued sales volume with 30% of builders reporting they lowered sale prices during the month. Elevated inventories of new homes and some modest improvement in existing home inventories are also headwinds to new construction this year. Overall, we look for a restrained recovery in sales this year.



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

Durable Goods Orders • Thursday

There's been more than the usual volatility in the durable goods data in recent months, due almost entirely to orders and shipments of aircraft. Durable goods orders slipped another 2.2% in December after a 2% decline in November, and reflects a weaker net orders trend at Boeing as strike-related challenges weigh on activity. Core cuts of the order data actually suggest a decent pickup in activity to end last year. Excluding the broader transportation sector, durable goods orders rose 0.3% in December. If we look at nondefense capital goods orders excluding aircraft specifically, orders were up 0.5%, building on a prior month increase and, as seen in the nearby chart, showing a decent pickup off of a stalled two-year trend.



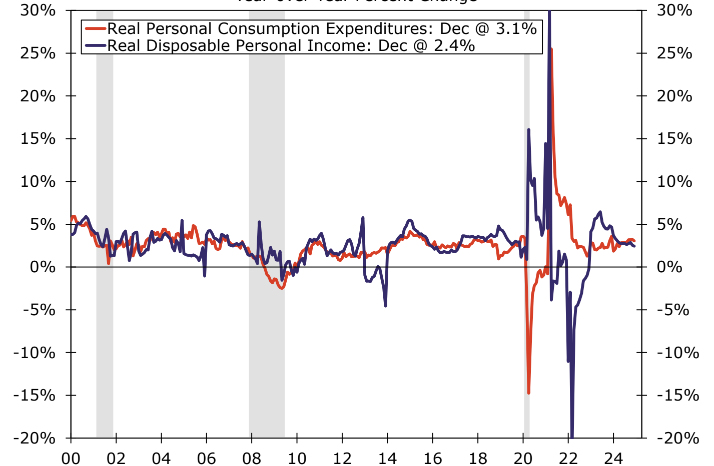
Source: U.S. Department of Commerce and Wells Fargo Economics

Part of the advance in underlying orders may reflect a pull-forward in demand ahead of potential tariff threats, as purchasing managers stockpile not just imported but domestic goods as manufacturers source a lot of their inputs from abroad. Ultimately, it's hard to see conditions overly supportive of a broad and sustained recovery in capex spending amid elevated uncertainty and still-high rates. We expect orders got a lift from aircraft in January and forecast durable orders to advance 1.1%, and while excluding transportation the gain to be more modest around 0.2%.

The durable goods shipments data will give us the early read on how equipment investment is faring for the first quarter. Real equipment investment slipped at a 7.8% annualized rate in Q4, in part due to weakness in aircraft shipments, but core capital goods shipments *including aircraft* jumped in December, suggesting we could see a rebound in the first quarter.

Personal Income & Spending • Friday

Consumer spending ended last year on a high: Real personal consumption expenditures rose at a 4.2% annualized pace in Q4, propelled by a solid pace of spending in the final two months of the year. We suspect some of this spending spree reflects a pull-forward in demand with consumers somewhat fearful of tariff-induced price hikes as spending on durable goods was particularly robust in November and December. That said, those behavioral effects may have been short-lived—spending looks off to a rockier start this year. Retail sales declined 0.9% in January, or by the most in a single month in nearly two years. We suspect this weakness will translate to the broader spending figures out next week, though sales at restaurants rose 0.9% in January, suggesting services sector spending may have remained steady and provided some offset. All told, we look for personal spending to eke out a modest 0.1% gain for the month.



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

We also don't expect slower sales growth is the start of a new trend as income growth remains supportive of consumption (chart). We look for personal income to rise 0.6% in January. Part of this gain is attributable to one-off factors, like the annual cost-of-living adjustment to social security payments factored into the January figures. But strong average hourly earnings data also suggest a decent pickup in wage growth last month.

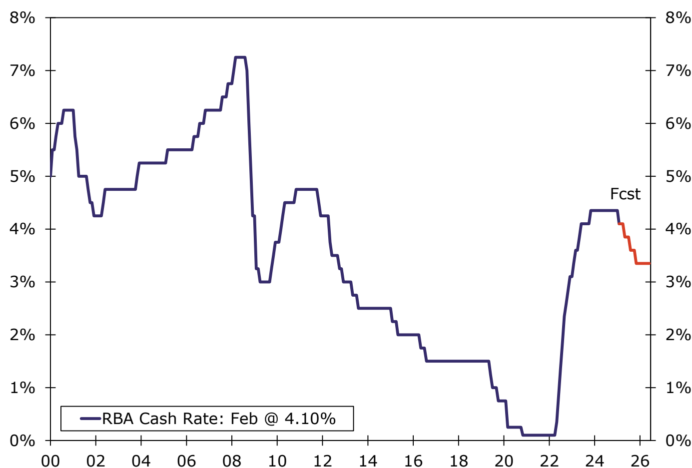
For Fed watchers, inflation continues to be the primary focus when it comes to deciphering if we'll see further easing this year. The CPI data surprised to the upside earlier this month, and we expect the PCE deflator to show a more muted uptick in inflation. Specifically, we look for both the headline and core PCE deflator to advance 0.3%, which would drive the annual rates lower by two-tenths to 2.4% and 2.6%, respectively. Inflation progress is slower going, but it hasn't necessarily gone into reverse. (Return to Summary)

International Review

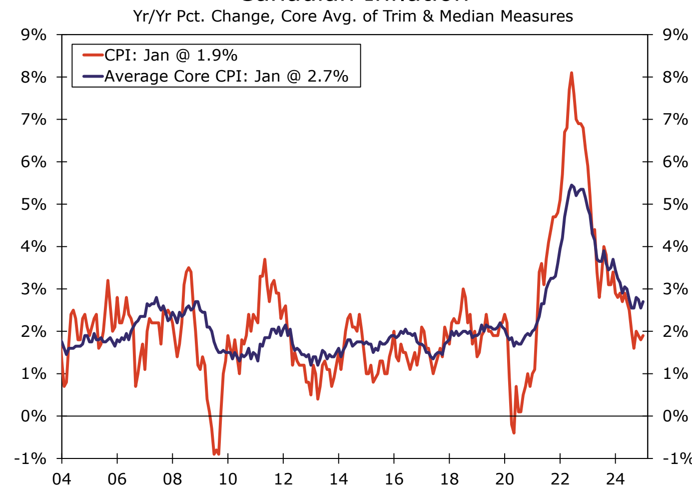
G10 Central Banks Ease Monetary Policy Further

This week saw the overall theme of G10 monetary policy easing continue, with rate cuts from central banks from down under. Of particular note, the Reserve Bank of Australia (RBA) delivered the initial rate cut of its easing cycle in a widely expected move, lowering its Cash Rate by 25 bps to 4.10%. That said, the rate cut appears to be a tentative first step, as it was accompanied by a mix of dovish and hawkish comments. The RBA said inflation pressures are easing more quickly than expected, wage pressures have eased, growth in private demand is subdued and there is uncertainty whether a rebound in household spending will persist. On the hawkish side, the RBA said the labor market has been tighter than expected and that its medium-term underlying inflation forecasts have been revised higher. In terms of guidance, the central bank indicated that if monetary policy is eased too much too soon, disinflation could stall. In removing a little of the policy restrictiveness with its decision, the RBA acknowledged that though progress has been made, it is still cautious about the outlook. We view the RBA's announcement as consistent with only a gradual 25-bps-per-quarter rate cut pace. Our base case remains for rate cuts in May, August and November, although we acknowledge the final November rate cut is perhaps most at risk. This week's data also had mixed implications regarding the prospects for RBA monetary easing. January employment was stronger than expected, rising by 44,000, driven by a gain in full-time jobs. The jobless rate ticked up to 4.1%, helped by an increase in the labor force participation rate. Meanwhile, wage data were more subdued in comparison. The Q4 Wage Price Index rose 0.7% quarter-over-quarter, a bit less than expected, and slowed to 3.2% year-over-year. The Wage Price Index for the private sector eased to 3.3% year-over-year, while it slowed more noticeably to 2.8% for the public sector.

Meanwhile, the Reserve Bank of New Zealand (RBNZ) delivered a large 50 bps rate cut for the third meeting in a row this week, reducing its Official Cash Rate by 50 bps to 3.75%. In lowering interest rates, the RBNZ said economic activity remains subdued and that, with spare productive capacity, domestic inflation pressure continues to ease. Even with some recovery expected in the New Zealand economy in the year ahead, amid an uncertain global backdrop, inflation is expected to remain in the target band over the medium term. That outlook is consistent with RBNZ easing, in our view, although Governor Orr did signal a slower pace of rate cuts ahead. We expect 25 bps rate cuts in April and May and a final 25 bps rate cut in Q3 for the policy rate to reach a low of 3.00% later this year.



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



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

Elsewhere, this week also saw the release of economic figures that we view as significant for the path of monetary policy for other major central banks. Of particular note, Canada's January headline inflation ticked higher to 1.9% year-over-year, while average core inflation surprised to the upside at 2.7%. While there were some favorable developments, including a further slowing in services inflation, average core inflation has actually firmed over the past six months, rising at a 3.1% annualized pace during that period, hinting there has been at least a pause in the disinflation process. With the labor market also sturdy in January and the threat of U.S. tariffs perhaps not quite as imminent as it

may have seemed a month ago, we now anticipate less easing from the Bank of Canada (BoC) than previously. We expect the BoC to hold rates steady in March before cutting interest rates by 25 bps in April and June for a low in the policy rate of 2.50% (compared to our previous forecast low of 2.25%). That said, the outlook for Canadian monetary policy remains fluid and uncertain. Should growth and inflation show renewed softening, and U.S. tariffs ultimately lead to more negative consequence for Canada's economy, the risks remain tilted toward more aggressive Bank of Canada easing.

In Japan, this week's solid economic data were, in our view, supportive of our outlook for further Bank of Japan monetary tightening. Japan's Q4 GDP growth was much firmer than expected, rising at a 2.8% quarter-over-quarter annualized pace, while Q3 GDP was also revised to a stronger 1.7% growth pace. There were some encouraging elements within the details, as consumer spending grew at a 0.5% annualized pace (after a large Q3 gain) and business capital spending advanced at a 1.9% pace. On the price front, January headline inflation quickened to 4.0% year-over-year, while CPI-ex fresh food inflation firmed to 3.2% and CPI-ex fresh food and energy inflation firmed modestly to 2.5%. Given solid growth and elevated inflation, we think the Bank of Japan remains on track for a 25 bps rate hike at both its April and July meetings.

In the United Kingdom, wage and price data were mixed but still consistent with lingering inflation pressures. For the three months to December, average weekly earnings quickened more than expected to 6.0% year-over-year, while average weekly earnings ex-bonuses quickened to 5.9%, in line with the consensus forecast. Private sector earnings excluding bonuses, a measure followed by Bank of England policymakers, also accelerated to 6.2%, and while less reliable, the employment details from the labor market report were also firmer than expected. For January CPI, headline inflation quickened more than expected to 3.0% year-over-year. Core inflation, at 3.7%, and services inflation, at 5.0%, were more in line with the consensus forecast but still show an acceleration from December. We believe U.K. wage and price trends remain consistent with a steady 25-bps-per-quarter rate cut pace, though perhaps with the risks tilted toward more gradual rather than more aggressive easing.

Finally, the Eurozone and U.K. PMIs for February hinted at a relatively moderate pace of growth for the respective economies during the early part of 2025. In the Eurozone, the manufacturing PMI rose to 47.3, but the services PMI unexpectedly fell to 50.7, meaning the composite (or economy-wide) PMI was steady at 50.2, just barely in growth territory. On a composite basis, new orders were in contraction territory for the ninth month in a row, while the employment component also declined. Input prices rose at their fastest pace since April 2023, while output prices also accelerated. With respect to the Eurozone region's largest economies, Germany's composite PMI rose to 51.0 in February, but France's composite PMI declined to 44.5. In the United Kingdom, the manufacturing PMI fell to 46.4, while the services PMI rose slightly to 51.1, prompting the composite or economy-wide PMI to ease slightly to 50.5. On a composite basis, the new orders component fell further into contraction territory to 47.9, while the survey also showed an increase in the input cost component as well as ongoing output price pressures.

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International Outlook

Weekly International Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
28-Feb	India GDP (YoY)	Q4	6.2%	—	5.4%
28-Feb	Canada GDP (QoQ, Annualized)	Q4	1.7%	1.7%	1.0%

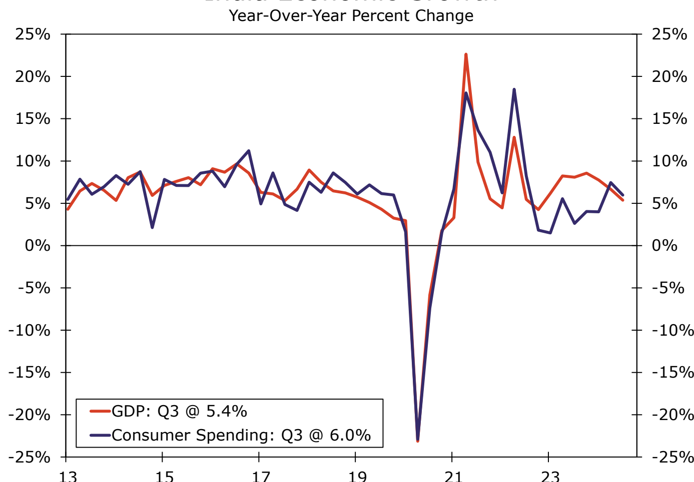
Forecast as of February 21, 2025

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

India GDP • Friday

India's Q4 GDP data are due for release late next week, figures that could have implications for the pace of Reserve Bank of India (RBI) rate cuts going forward. The RBI began its easing cycle earlier this month with a 25 bps rate cut to 6.25%, while maintaining a neutral policy stance. In lowering interest rates, the central bank said growth-inflation dynamics open up policy space for the central bank to support growth, noting that urban consumption remains subdued even as rural demand improves. Recent inflation trends have been mixed, with headline inflation slowing but core inflation moving higher.

Overall GDP growth has been on a slowing trend in recent quarters, decelerating to 5.4% year-over-year in Q3. However, the consensus forecast is for a rebound in activity in Q4, with GDP seen rising 6.2%. Within the details, we expect investment spending to strengthen and consumer spending to also show some improvement. Given that growth dynamics were at least in part a justification for the RBI's initial rate cut, an especially strong rebound in economic growth could suggest a less urgent need on the part of policymakers to cut rates further. Our base case is for 25 bps rate cuts at the next two monetary policy announcements, although perhaps with the risk tilted toward a pause at one of those meetings.

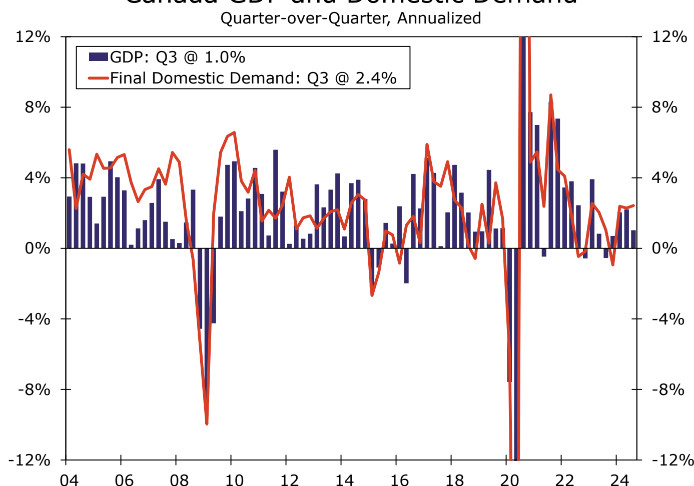


Source: Datastream and Wells Fargo Economics

Canada GDP • Friday

Canada's Q4 GDP data scheduled for release next week will likely show the economy finished last year on a reasonably firm note. Canada's GDP growth slowed to 1.0% quarter-over-quarter annualized in the third quarter, but for Q4, we (and the consensus) expect growth to pick up to a 1.7% pace. With the details, solid gains in employment and retail sales during the final months of 2024 suggest consumer spending was quite strong in Q4, helped in part by a federal sales tax holiday. An overall gain in housing starts also hints at a possible gain in residential investment. However, broader business investment could be more muted as, although business sentiment has improved in recent quarters, tariff-related uncertainties could still be crimping capital spending for the time being.

Even if fourth quarter GDP growth is relatively favorable as we expect, Canada's economy still faces a challenging year, with the threat or actual imposition of higher tariffs from the United States likely to restrain activity to some extent. Our full-year 2025 GDP growth forecast is an overall modest 1.7%, with the risks around that outlook tilted to the downside. That said, with the economy showing some resilience around the turn of this year, and recent price data suggesting the deceleration in underlying inflation pressures has slowed, we expect a more gradual pace of Bank of Canada easing than previously. (Return to Summary)



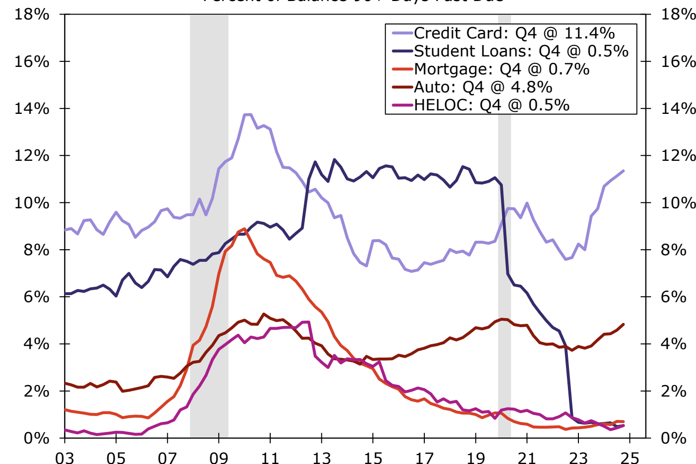
Source: Datastream and Wells Fargo Economics

Credit Market Insights

Household Debt Balances Continue to Climb

Total household debt increased by $93B in Q4 of last year, to a new high of $18.04T. All categories of debt rose over the quarter, with credit card balances increasing the most, rising $45B to $1.21T. Mortgage debt rose by $11B, followed by auto debt, home equity lines of credit (HELOCs) and student debt. Though households continue to borrow, household debt has increased at a slower rate in recent quarters, suggesting consumers may be feeling the pinch of higher rates.

Delinquency rates also rose slightly over the quarter. As of December, 3.6% of outstanding debt was in some stage of delinquency, up from 3.5% in Q3. Over half of the 3.6% of debt balances in delinquency were seriously delinquent (90+ days past due). Credit cards and auto loan balances are particularly elevated, with 11.4% of credit card balances and 4.8% of auto loan balances seriously delinquent in Q4 (chart). Both the share of credit card and auto loan balances transitioning into serious delinquency have been on the rise since Q3-2023, suggesting households are struggling to manage their debt obligations in current market conditions.



Source: Federal Reserve Board and Wells Fargo Economics

Households continued to turn to other sources of borrowing in Q4. HELOC balances—which allow consumers to borrow against the equity in their homes—rose for the 11th consecutive quarter, reaching a level of $0.4T. However, growth in HELOC balances has slowed in recent quarters, suggesting that households aren't relying on HELOCs as a current source of purchasing power to the same extent that they are with credit cards.

We currently look for the FOMC to keep its target range for the federal funds rate unchanged at its current level of 4.25%-4.50% for the next few meetings. We expect the Committee to continue its easing cycle by cutting rates by 25 bps at its meeting on September 17 and again on December 10 before keeping policy unchanged throughout 2026. That said, in Q4, the average annual interest rate on credit cards sat above 21%, mortgage rates hovered around 6.6% and auto loan rates were above 7%. Though we expect rates to inch lower this year, the high cost of servicing debt will continue to weigh heavily on households.

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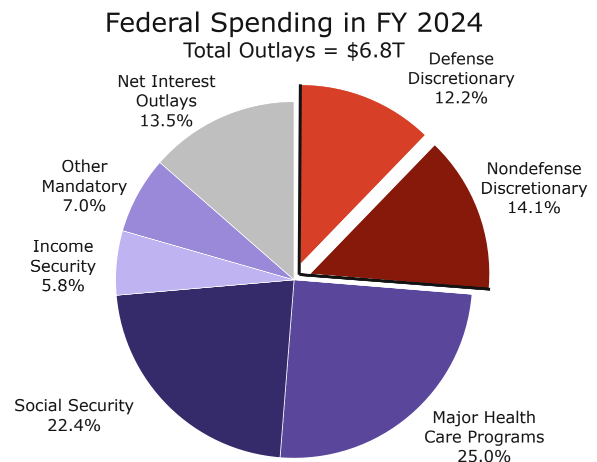
Topic of the Week

Republicans Approach a Budget Reconciliation Milestone

The next couple of weeks will mark an important first step in Congressional Republicans' efforts to pass a budget reconciliation bill. As we explored in a recent special report, a budget reconciliation bill focuses on changes in tax policy and mandatory spending. A budget reconciliation bill is not subject to the Senate filibuster, meaning that the bill does not need to clear the de facto 60-vote threshold in the upper chamber. Given this special privilege, budget reconciliation has been used to pass several major pieces of legislation along single-party lines under recent presidents, including the Affordable Care Act (Obama), the Tax Cuts and Jobs Act (Trump) and the Inflation Reduction Act (Biden).

The House Republican budget *resolution* that passed in the budget committee last week is the first step in the budget *reconciliation* process. It is at this stage that high-level directions are given to the relevant committees for crafting the reconciliation bill. The resolution, which Republicans hope to pass through the full chamber in the coming weeks, calls for $4.5 trillion of net tax cuts paired with at least $2 trillion in net spending cuts. It is important to keep in mind that these are cumulative totals over the next 10 years and are net numbers. This means the budget resolution directives could be fulfilled in a myriad of ways. To give a hypothetical example, $4.5 trillion of net new tax cuts might be derived from $6.5 trillion of gross tax cuts and $2 trillion of gross tax increases.

Extending the expiring portions of the 2017 Tax Cuts and Jobs Act will cost roughly $4 trillion over 10 years. At first blush, this would seem to suggest that Republicans would not have much space for adding in any new tax cuts, such as the ones President Trump has floated over the past year. However, Republicans have some options for flexibility. For example, repealing some of the green energy tax credits passed in the Inflation Reduction Act could free up some additional headroom. Furthermore, Republicans might not be able to make the 2017 tax cuts permanent, because the Byrd Rule prohibits a reconciliation bill from adding to the budget deficit beyond 10 years. As a result, legislators may need to schedule the tax cuts to expire inside of 10 years, similar to what they did in 2017. A five-year extension of the 2017 tax cuts would cost considerably less than $4 trillion when measured over a 10-year window, freeing up room for new tax cuts.



Source: Congressional Budget Office and Wells Fargo Economics

On the other side of the ledger, agreeing on +$2 trillion in spending cuts will not be easy. Deficit hawks in the Republican Party have demanded spending reductions as part of any tax cut deal. Some spending cuts may not be too divisive for Republicans, such as reversing some or all of President Biden's more generous student loan repayment program, but cutting on the magnitude directed by the resolution will be challenging in our view.

Social Security benefits cannot be reduced in a budget reconciliation bill, and neither can the discretionary segment of the budget that is dealt with in the annual appropriations process. President Trump seems reluctant to cut Medicare, debt service costs cannot be reduced and cutting spending on veterans does not seem politically palatable. That leaves programs like Medicaid and the Supplemental Nutrition Assistance Program (SNAP) as the biggest categories left to bear the brunt of the spending reductions. Furthermore, some Congressional Republicans have discussed *increasing* spending in certain areas, such as defense and border security, and these demands will need to be weighed as well.

As a reminder, our economic forecast assumes that the 2017 tax cuts are extended in full, and that new tax cuts for households are adopted on the order of $100 billion annually. We do not currently assume major spending cuts or increases in the years ahead, but we will be watching the budget developments closely in the coming weeks to gain a sense of what the narrow Republican majority in the House of Representatives will support.

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Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 2/21/2025	1 Week Ago	1 Year Ago
SOFR	4.33	4.33	5.30
Effective Fed Funds Rate	4.33	4.33	5.33
3-Month T-Bill	4.30	4.31	5.39
1-Year Treasury	4.25	4.28	4.87
2-Year Treasury	4.24	4.26	4.67
5-Year Treasury	4.30	4.33	4.30
10-Year Treasury	4.45	4.48	4.32
30-Year Treasury	4.69	4.70	4.48
Bond Buyer Index	4.25	4.25	3.54

Foreign Exchange Rates

	Friday 2/21/2025	1 Week Ago	1 Year Ago
Euro ($/€)	1.046	1.049	1.082
British Pound ($/£)	1.264	1.259	1.264
British Pound (£/€)	0.827	0.834	0.856
Japanese Yen (¥/$)	149.560	152.310	150.300
Canadian Dollar (C$/$)	1.421	1.418	1.351
Swiss Franc (CHF/$)	0.900	0.900	0.880
Australian Dollar (US$/A$)	0.638	0.635	0.655
Mexican Peso (MXN/$)	20.322	20.313	17.042
Chinese Yuan (CNY/$)	7.251	7.257	7.191
Indian Rupee (INR/$)	86.713	86.833	82.971
Brazilian Real (BRL/$)	5.699	5.699	4.938
U.S. Dollar Index	106.681	107.313	104.006

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

Foreign Interest Rates

	Friday 2/21/2025	1 Week Ago	1 Year Ago
3-Month German Govt Bill Yield	2.24	2.36	3.71
3-Month U.K. Govt Bill Yield	4.46	4.47	5.23
3-Month Canadian Govt Bill Yield	2.87	2.84	4.98
3-Month Japanese Govt Bill Yield	0.30	0.30	-0.12
2-Year German Note Yield	2.10	2.11	2.85
2-Year U.K. Note Yield	4.24	4.20	4.63
2-Year Canadian Note Yield	2.79	2.73	4.19
2-Year Japanese Note Yield	0.82	0.80	0.16
10-Year German Bond Yield	2.46	2.43	2.45
10-Year U.K. Bond Yield	4.58	4.50	4.10
10-Year Canadian Bond Yield	3.15	3.11	3.55
10-Year Japanese Bond Yield	1.43	1.36	0.73

Commodity Prices

	Friday 2/21/2025	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	71.01	71.29	77.91
Brent Crude ($/Barrel)	75.05	74.74	83.03
Gold ($/Ounce)	2929.64	2882.53	2025.99
Hot-Rolled Steel ($/S.Ton)	773.00	767.00	922.00
Copper (¢/Pound)	455.65	477.80	387.50
Soybeans ($/Bushel)	10.36	10.24	11.87
Natural Gas ($/MMBTU)	4.40	3.63	1.77
Nickel ($/Metric Ton)	15,453	15,163	16,113
CRB Spot Inds.	567.46	564.42	544.14

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