WELLS FARGO

Weekly — March 15, 2024

# Weekly Economic & Financial Commentary

United States: **The Equinox and the Struggle to Find Balance**

- Spring is a time for new beginnings, and we see fresh possibility in some of this week's less-than-stellar data. It may eventually help bring the needed balance into place to get inflation closer to the FOMC's target.
- Next week: Housing Starts (Tue.), Existing Home Sales (Thu.)

International: **Latin America Disinflation Is Stalling**

- While nations across Latin America have made impressive progress in their battles against inflation, regional disinflation hit a few speed bumps this week that could disrupt rate cut cycles.
- Next week: Bank of Japan (Tue.), Bank of England (Thu.), Central Bank of Mexico (Thu.)

Interest Rate Watch: **FOMC Likely on Hold Until Summer**

- Very few observers, ourselves included, look for a policy change at next week's FOMC meeting. Indeed, recent data have reduced the odds that the Committee will cut rates at its next meeting on May 1. Accordingly, we have pushed out our expectation of the commencement of the easing cycle to June 12.

Topic of the Week: **Consumer Expectations Deteriorate for Lower Income Cohorts**

- Earlier this week, the New York Fed released the February update to its Survey of Consumer Expectations (SCE). The recent update depicts lower income consumers as increasingly uncertain amid broader signs of the labor market softening.

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**Wells Fargo U.S. Economic Forecast**

| | Actual 2023 | | | | Forecast 2024 | | | | Actual | | Forecast | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 2022 | 2023 | 2024 | 2025 |
| Real Gross Domestic Product [1] | 2.2 | 2.1 | 4.9 | 3.2 | 2.4 | 1.3 | 1.3 | 1.4 | 1.9 | 2.5 | 2.4 | 1.8 |
| Personal Consumption | 3.8 | 0.8 | 3.1 | 3.0 | 2.4 | 1.5 | 1.1 | 1.4 | 2.5 | 2.2 | 2.1 | 1.7 |
| Consumer Price Index [2] | 5.7 | 4.0 | 3.6 | 3.2 | 3.2 | 3.2 | 3.0 | 2.9 | 8.0 | 4.1 | 3.1 | 2.4 |
| "Core" Consumer Price Index [2] | 5.5 | 5.2 | 4.4 | 4.0 | 3.8 | 3.5 | 3.5 | 3.3 | 6.2 | 4.8 | 3.5 | 2.7 |
| Quarter-End Interest Rates [3] | | | | | | | | | | | | |
| Federal Funds Target Rate[4] | 5.00 | 5.25 | 5.50 | 5.50 | 5.50 | 5.25 | 4.75 | 4.50 | 2.02 | 5.23 | 5.00 | 3.88 |
| Conventional Mortgage Rate | 6.54 | 6.71 | 7.20 | 6.82 | 6.85 | 6.65 | 6.45 | 6.15 | 5.38 | 6.80 | 6.53 | 5.85 |
| 10 Year Note | 3.48 | 3.81 | 4.59 | 3.88 | 4.05 | 3.90 | 3.80 | 3.70 | 2.95 | 3.96 | 3.86 | 3.61 |

Forecast as of: March 14, 2024 [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

Please see our full U.S. Economic Forecast.

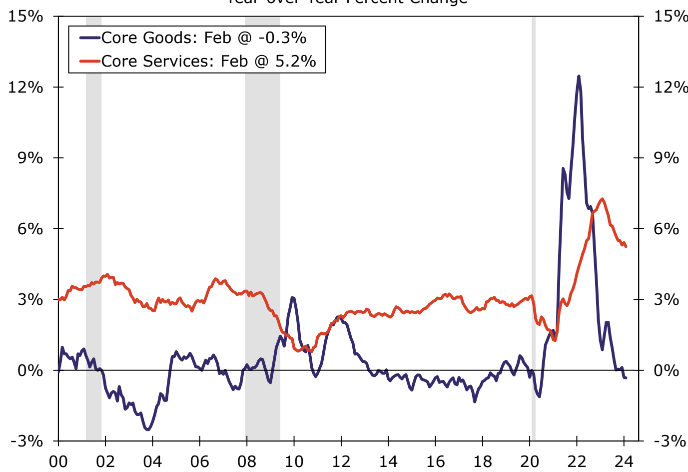
## U.S. Review

### What's Tougher? Balancing Eggs or the Economy?

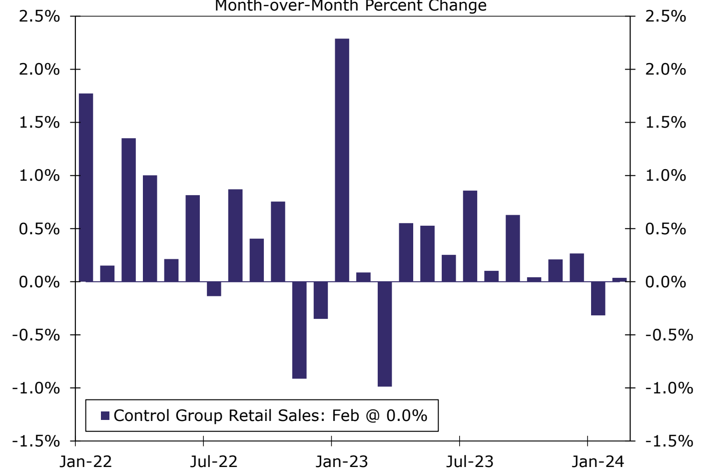
A 1945 feature in *LIFE* magazine described "an egg-balancing craze" among the population of the interim Chinese capital of Chongqing that entailed people there to turn their "fascinated attention to the proposition that eggs will stand on end" on *Lichun*, or the first day of spring. Albert Einstein was an early skeptic of the notion, and despite efforts by subsequent generations of physicists to disabuse people of the idea that the tilt of the planet conveys any particular advantage, the practice of balancing eggs on the vernal equinox continues today.

This year, the first day of spring in the Northern Hemisphere will occur this Tuesday, coincidentally the first day of the FOMC meeting. Policymakers no doubt can identify with the difficulty of finding balance. In fact, during his semiannual policy report to Congress last week, Fed Chair Powell spoke specifically to that point saying: "As labor market tightness has eased and progress on inflation has continued, the risks to achieving our employment and inflation goals have been moving into better balance."

This trend toward lower inflation remains intact, but the past two CPI reports indicate the slope of that trend has flattened a bit. The February CPI report released earlier this week showed core price growth was boosted by increases in volatile components such as used autos and airfares. Housing inflation cooled as owners' equivalent rent increased 0.4%, a step down from the eye-catching 0.6% jump in January. The fact that services inflation is taking longer to come down than goods inflation remains a concern for the FOMC.




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




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

Part of the difficulty in bringing inflation down is the imbalance in the consumer sector where demand remains strong. When the demand is for goods items, that is not terribly impactful on prices now that global supply chains have largely healed and inventories have been rebuilt. But to the extent that the demand is for services, limited labor supply issues help explain why services prices have taken longer to come down. Retail sales figures for February were released on Thursday of this week, and services spending is not widely captured in that report. We do, however, get an indication of services demand from sales at bars and restaurants, the third-largest store-type included in retail sales. These establishments posted growth of 0.4% in receipts during the month. The rest of the report was not terribly encouraging. After a soft patch in January, we had hoped for a more vigorous rebound in February, but the "control group" measure of sales was flat in February. That was also weaker than we forecast, though it did come with a slight upward revision to January. The result is somewhat of a wash, and, if anything, suggests some modest downside risk to Q1 consumer spending, given this tally of retail is factored into estimates of broader personal spending. Cutting through some monthly volatility, control group sales have been flat on average over the past three months. Growth in consumer spending is moderating, a theme that was also evident in this week's consumer survey, which showed a preliminary read on sentiment edged slightly lower to 76.5 in March from 76.9 in February.

Manufacturers have been managing to restrain production to match a more-reserved order book over the past year or so. The latest industrial production report revealed a 0.8% jump in factory output in February, but it came on the heels of a downward revision to January that puts the decline in output that month at 1.1%. That means the latest monthly increase only partially retraces the January decline. Winter storms were to blame for the revision.

Spring is a time for new beginnings, and we see fresh possibility in some of this week's less-than-stellar data. It may eventually help bring the needed balance to get inflation down closer to the Fed's 2.0% target. The equinox will bring perfect balance between day and night during the Fed's meeting next week, but it may take a bit longer to achieve that sort of balance in the economy. During recent public comments, Atlanta Fed President Bostic described exactly what policymakers were after: "We seek a delicate balance: keep the economy thriving without allowing high inflation to persist." This week was a step in the right direction...now if only we could get the price of eggs down we could afford to try balancing one next week.

(Return to Summary)

## U.S. Outlook

**Weekly Domestic Indicator Forecasts**

| Date | Indicator | Period | Consensus | Wells Fargo | Prior |
|---|---|---|---|---|---|
| 19-Mar | Housing Starts (SAAR) | Feb | 1,430K | 1,425K | 1,331K |
| 20-Mar | FOMC Rate Decision (Upper Bound) | 20-Mar | 5.50% | 5.50% | 5.50% |
| 21-Mar | Leading Index (MoM) | Feb | -0.2% | -0.1% | -0.4% |
| 21-Mar | Existing Home Sales (SAAR) | Feb | 3.92M | 3.92M | 4.00M |

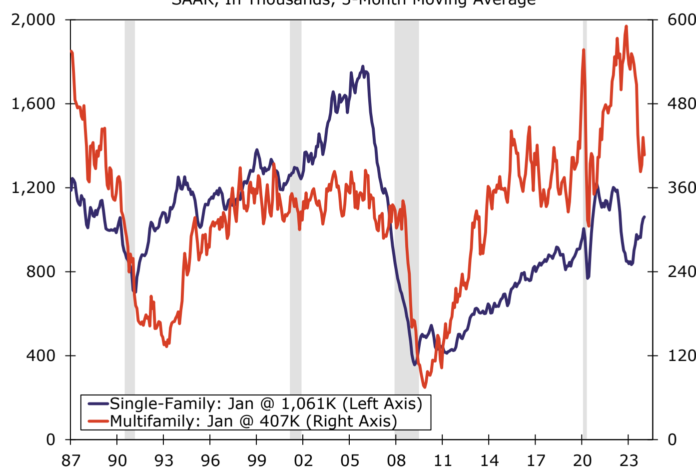
Forecast as of March 15, 2024

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

### Housing Starts • Tuesday

Total housing starts fell nearly 15% in January as wide swaths of the nation experienced adverse weather conditions that hindered residential construction activity. Weakness was seen in both single and multifamily. Single-family permits were up 1.6% in January and are now nearly 36% higher than the January 2023 trough. The improvement reflects home builders becoming more confident in future sales due to their ability to boost demand through price discounts, mortgage rate buy-downs and other sales incentives. The multifamily pipeline remains robust, supported by projects started in 2022 before the Fed's rate hike campaign began to take full effect. More recently, however, multifamily construction has pulled back in response to the elevated rate environment and rising apartment vacancy rates. The pullback is evident by the downdraft in multifamily starts and permits over the course of 2023, heralding a moderation in incoming supply down the road.

For February, we look for a partial rebound in activity with total starts increasing 7.1% to a 1,425K-annualized unit pace. The NAHB Housing Market Index rose for the third straight month in February as builders have become relatively more confident about sales and continue to see increased buyer traffic.

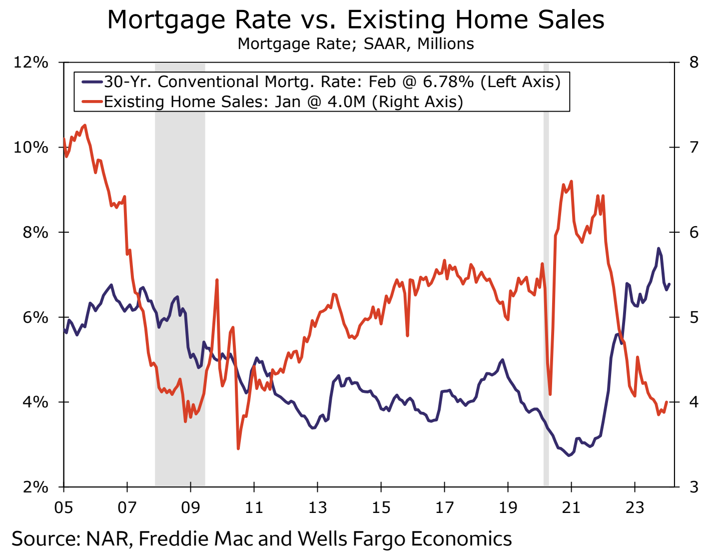


Source: U.S. Department of Commerce and Wells Fargo Economics

## Existing Home Sales • Thursday

Existing home sales started 2024 on a positive note and improved 3.1% to a 4.0 million-unit annualized pace in January, a moderate rebound from December's cycle low and the fastest pace since last August. Unlike new home sales, which are measured at the time of the contract signing, existing home sales are measured at the time of the closing and thus may not reflect the current mortgage rate environment. We have seen substantial improvement in mortgage rates over the past few months with the average 30-year fixed mortgage rate standing at 6.7% as of this week, down from nearly 7.8% last October. That said, the forward-looking pending home sales index unexpectedly fell 4.9% in January and points to modestly lower existing home sales activity in February. We look for existing home sales to decline 2.0% last month to a 3.92 million-unit annualized pace. Although lower financing costs, rising supply and brightening economic growth prospects may help home sales turn around from the sharp contraction experienced over the past two years, the recovery will likely be limited by adverse affordability conditions stemming from home price appreciation far outpacing income growth over the past several years. For additional insight, take a look at our 2024 housing market outlook report.

(Return to Summary)

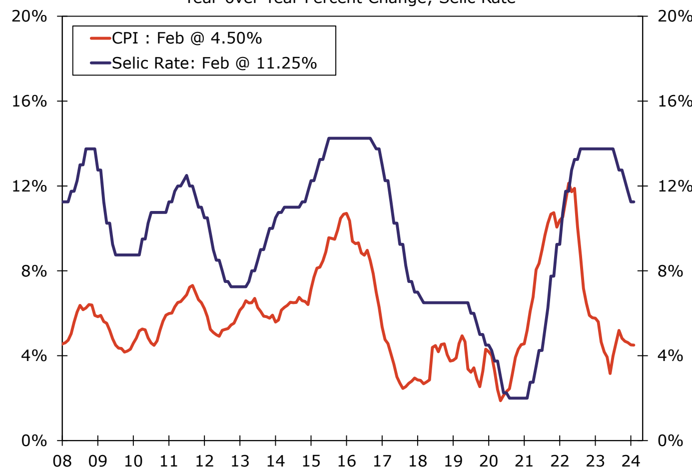


Source: NAR, Freddie Mac and Wells Fargo Economics

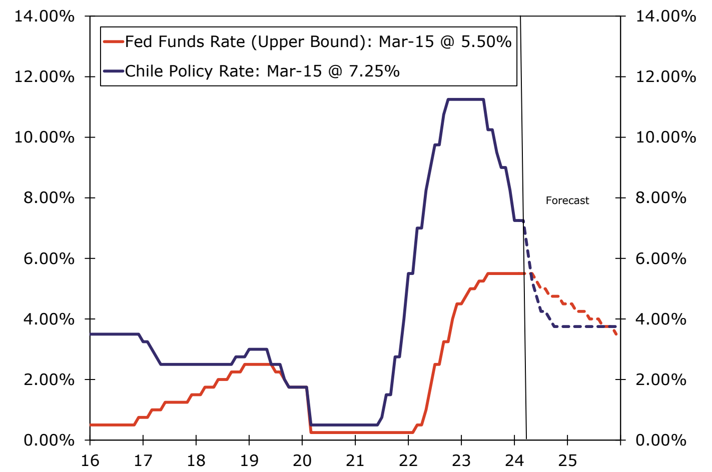
# International Review

## Latin America Disinflation Is Stalling

Nations across Latin America have made impressive progress in their battles against inflation. Most countries have seen inflation come down from double-digit levels and hover close to, or in some cases within, central bank target ranges. While central banks in the region are easing monetary policy as inflation recedes, regional disinflation hit a few speed bumps this week that could disrupt rate cut cycles. In Brazil, while the Brazilian Central Bank (BCB) has made arguably the most progress bringing inflation back to target, February CPI came in slightly above consensus estimates. Services inflation is the culprit and is proving tough to break, and with policy rates coming down for some time already, broader inflation may have already hit a low. CPI inflation is still within the BCB's target band, albeit hovering around the upper bound, but we are starting to believe policymakers may be uncomfortable guiding the Selic rate lower in 50 bps clips through the end of this year. The BCB March meeting is approaching, and while a 50 bps cut is sealed at this point, we will be keeping an eye out for any shift in forward guidance in the official statement that could suggest a more gradual pace of easing in the second half of this year. While we are not ready to officially change our Selic rate forecasts at this time, upside risks to our Brazil policy rate outlook are starting to crystallize. In Chile, recent inflation and economic activity data have been stronger than expected, introducing the idea that Chilean policymakers may need to slow the pace of easing going forward. On the activity side, January retail sales beat consensus expectations by a wide margin, and the broader January economic activity index also beat economist forecasts. As far as inflation, January CPI missed estimates to the upside, while February inflation rose more than expected with services-related prices contributing the most to the rise. One silver lining, at least for February data, is a new methodology for calculating inflation. The jump in the February CPI could be seen as a one-off surprise due to calculation changes. But with Chilean peso depreciation gathering momentum in 2024, combined with stronger activity and inflation, that is a dynamic that would certainly suggest policymakers may need to consider a slower pace of rate cuts. For now, we do not believe the Chilean Central Bank will slow easing, and we look for another 100 bps rate cut in April, but if data continue to surprise to the upside in the coming weeks, Chile's central bank may need to reconsider large rate cuts.




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




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

## Headlines Suggest BoJ Fireworks in March

Among economists and forecasters, the consensus view has become that the Bank of Japan (BoJ) will exit negative interest rates in the near future. The timing of “near future” is up for debate, but the days of negative interest rate policy and yield curve control seem to be numbered. Our view has long been that BoJ policymakers will end unconventional monetary policy settings in April, a view that we maintain. However, we do acknowledge that a BoJ rate hike could come sooner, possibly next week. That acknowledgement has grown a bit this week as wage negotiations suggest large pay raises are on the horizon, which could fuel inflation pressures. BoJ policymakers have also hinted that March is a live meeting, while local news outlets have also referred to March as the meeting for when the BoJ finally lifts interest rates out of negative territory. Wages have been a key focal point for the BoJ, as policymakers have consistently suggested that without higher wages, the current stream of inflation is likely not sustainable. Now that wages appear set to rise, particularly for union members, inflation could be on a more sustainable trajectory and inch closer to meeting the BoJ's 2% target.

Regardless of when the BoJ lifts rates, we are optimistic on the outlook for the Japanese yen. In fact, the yen is one of the currencies we are most optimistic on in 2024. With the Bank of Japan set to tighten monetary policy at a time when the Fed is on track to lower interest rates, rate differentials may finally swing in favor of the Japanese currency. In recent weeks, the yen has reversed course and strengthened against the dollar, a trend we expect to continue over the long term. As of now, the USD/JPY exchange rate is hovering around JPY148.50. Diverging paths for BoJ-Fed monetary policy could see the yen, in our view, reach JPY144 by the end of this year.

(Return to Summary)

# International Outlook

**Weekly International Indicator Forecasts**

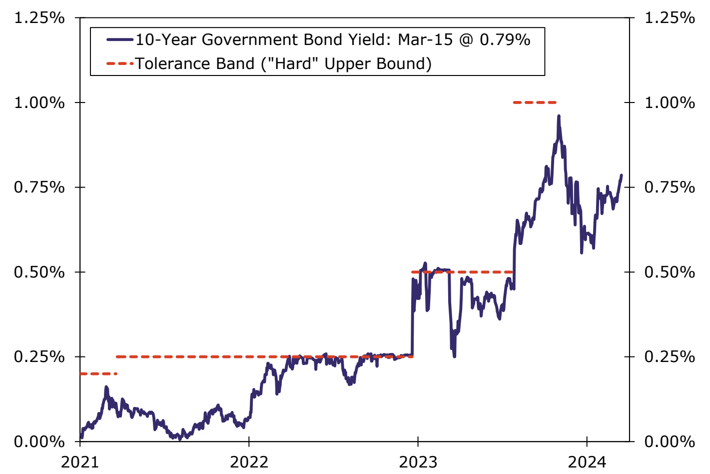
| Date | Indicator | Period | Consensus | Wells Fargo | Prior |
|---|---|---|---|---|---|
| 19-Mar | Bank of Japan Policy Rate | 19-Mar | -0.10% | -0.10% | 0.10% |
| 21-Mar | Bank of England Policy Rate | 21-Mar | 5.25% | 5.25% | 5.25% |
| 21-Mar | Central Bank of Mexico Policy Rate | 21-Mar | 11.00% | 11.00% | 11.25% |

Forecast as of March 15, 2024

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

## Bank of Japan • Tuesday

As mentioned in the "review" section, the Bank of Japan has been front and center of financial headlines recently. Next week, the BoJ could potentially exit unconventional monetary policy settings, which would be a big deal for Japan's economy. Since 2016, the BoJ has maintained a negative policy rate in an effort to stimulate economic activity and inflation. The negative policy rate experiment has had mixed results, and today, the BoJ is the only major institution to maintain a negative policy rate. But with wages set to rise at a quicker pace relative to recent history, the recent rise in inflation may become more permanent and prompt a tightening of BoJ monetary policy.

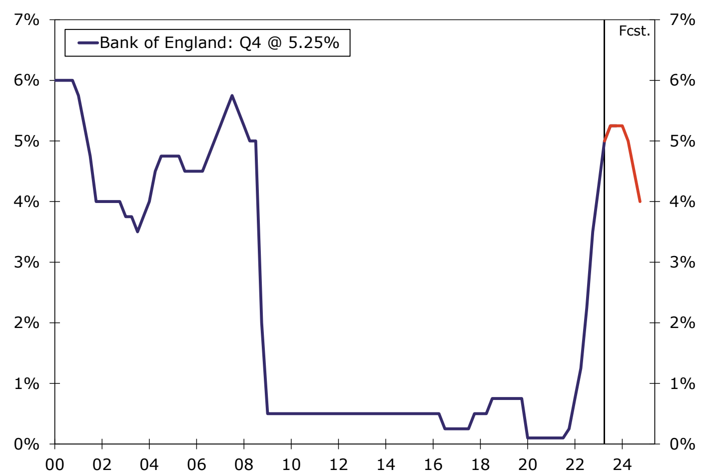


Source: Bloomberg Finance L.P. and Wells Fargo Economics

While we believe the BoJ will exit negative interest rates and measures designed to keep bond yields capped in April, next week's meeting seems to be live. The decision on policy rates and yield curve control will be closely watched; however, forward guidance may be just as important. In the event of a rate hike next week, or in April, we will be watching for if BoJ policymakers indicate whether future tightening will also be delivered. In our view, the BoJ is likely "one and done," meaning one rate hike to get the main policy rate to 0.00%, exit yield curve control, and leave policy settings there for an extended period of time. Those decisions alone should result in JPY outperformance, but an indication of future tightening could result in a sharper yen rally than we expect.

## Bank of England • Thursday

The U.K. economy is currently in technical recession as Q4 GDP fell 0.3% quarter-over-quarter. That decline in output was the second straight quarterly decline in U.K. GDP, thus meeting the definition of technical recession. Details of the U.K. GDP report were also underwhelming; however, bright spots do exist as business investment partially rebound and sentiment surveys have firmed recently. Still, given the lack of momentum around the turn of the year, we have shaded our 2024 U.K. GDP growth forecast lower to 0.3% from 0.5% a month ago.



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

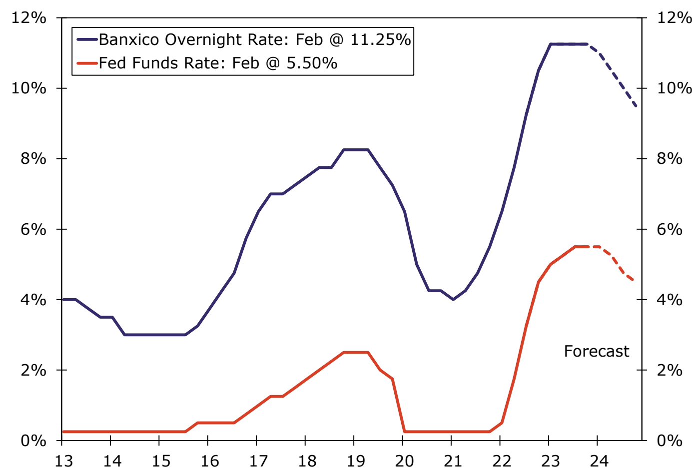
Technical recession and progress on inflation likely means Bank of England (BoE) policymakers are considering rate cuts in the coming months, although we expect the BoE to remain on hold next week. U.K. disinflation has been gradual, which in our view, likely means the Bank of England delivers rate cuts in Q2. As of now, we believe the BoE will deliver its first cut at the June meeting. We would note, however, that progress on disinflation and subdued activity at least raises the possibility that BoE easing could be delivered earlier than we expect. Not as early as March, but the March meeting could give an indication as to when policymakers are thinking about the timing of a pivot to easing monetary policy.

## Central Bank of Mexico • Thursday

One of the last Latin American central banks to not initiate an easing cycle, Banxico, has left policy rates on hold for an extended period of time. However, with inflation receding rather quickly and activity showing tentative signs of slowing, we believe Mexico's central bank will start cutting interest rates next week. We do, however, expect Banxico to be cautious and deliver a “hawkish cut” in an attempt to prevent renewed inflation pressures. In that sense, we believe the official statement will refer to inflation risks still being tilted to the upside and caution being needed going forward.

In our view, Banxico acting cautiously likely means it delivers 25 bps of rate cuts at every meeting through the end of this year and a relatively hawkish message accompanying each cut. In a recent report, we also highlighted the possibility that Banxico takes an every-other-meeting approach to monetary easing. Meaning, every other meeting policymakers decide to cut rates 25 bps and take extra time to assess incoming data. For now, 25 bps reductions are the most likely path and hawkish rate cuts should prevent the Mexican peso from experiencing any outsized depreciation pressures. The peso remains one of the best performing currencies in the world, and in our view, hawkish rate cuts should not disrupt that trend.

(Return to Summary)



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

## Interest Rate Watch

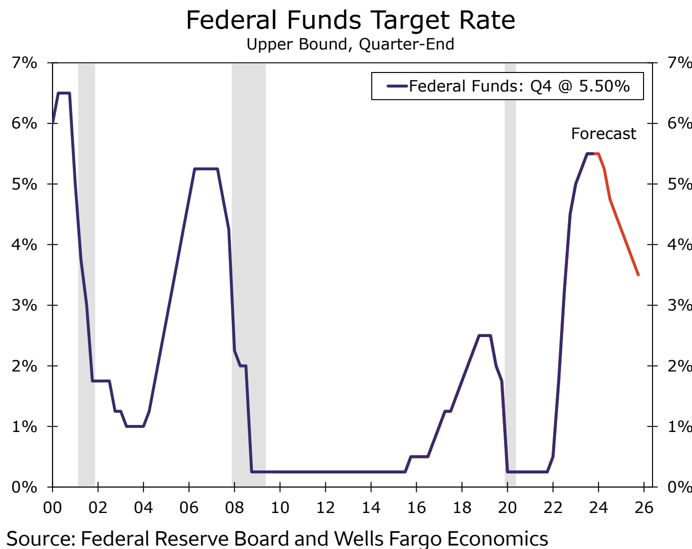
### FOMC Likely on Hold Until Summer

The Federal Open Market Committee (FOMC) will hold its next regularly scheduled policy meeting on March 19-20. As we discussed in a report we published earlier this week, we do not expect any policy changes at this meeting, an expectation that is held by most market participants. Recent data, including the 275K jobs that were added to payrolls in February and the 0.4% increase in the Consumer Price Index (CPI) in February relative to January, give the Committee little incentive to ease policy at this time. In that regard, we revised our outlook for Fed policy in the U.S. Economic Outlook that we published this week. Previously, we had looked for the first rate cut at the May 1 FOMC meeting, but it appears that Fed policymakers need greater confidence that inflation is indeed receding to 2% on a sustained basis before they sanction an easing of the policy stance. We now believe the Committee will wait until its June 12 meeting before reducing its target range for the federal funds rate by 25 bps. We then look for the FOMC to cut rates by 25 bps at each of its meetings in July, September and December (chart).

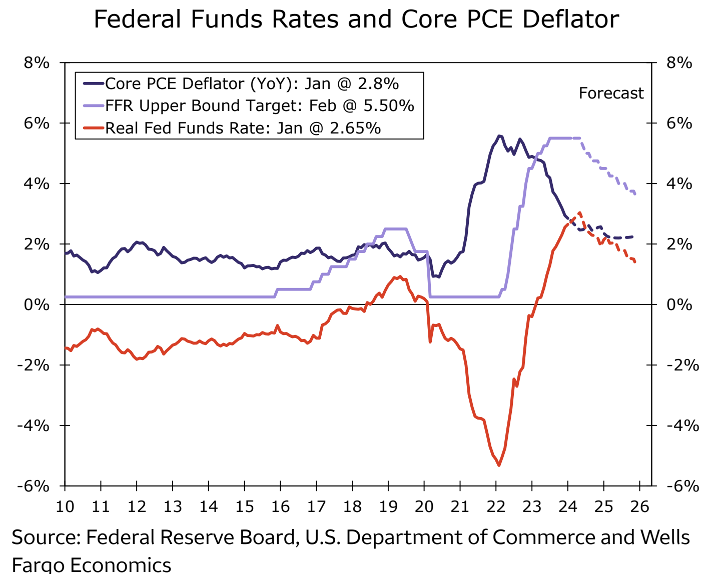
That said, we readily acknowledge that the risks to our federal funds forecast are skewed to later rather than sooner. That is, we believe the probability that the FOMC waits until its meeting on July 31 to commence its easing cycle is higher than the probability that it cuts rates at its May 1 meeting. If the Committee waits until its July 31 meeting to begin cutting rates, then it likely will not deliver the 100 bps of total easing that we anticipate this year.

Could the FOMC refrain from cutting rates at all this year? Perhaps, but we do not think the probability of that scenario is very high. The real fed funds rate is 2-$^{1}/_{2}$% at present. (We measure the real rate as the nominal rate, which is essentially 5-$^{1}/_{4}$% at present, less the rate of core PCE inflation, which is currently 2-$^{3}/_{4}$%). The current level of the real fed funds rate is significantly higher than it was at any point during the economic expansion of 2010-2019 (chart). This restrictive stance of monetary policy should continue to exert headwinds on the economy in coming months. In that regard, we forecast that the year-over-year rate of real GDP growth will downshift from roughly 3% at present to 1.6% in Q4-2024. But that forecast is conditional on our expectation that the nominal fed funds rate will be 100 bps lower by the end of the year than it is now. In our view, Fed policymakers would be unwittingly flirting with recession if they refrain from easing policy this year.

(Return to Summary)



Source: Federal Reserve Board and Wells Fargo Economics



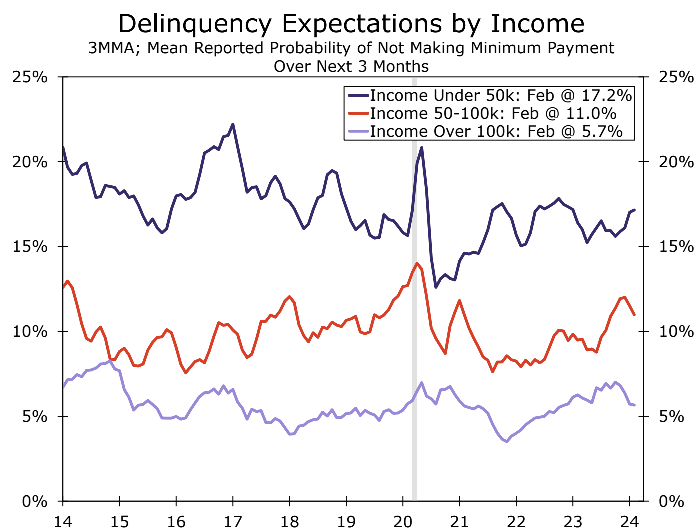
Source: Federal Reserve Board, U.S. Department of Commerce and Wells Fargo Economics

## Topic of the Week

### Consumer Expectations Deteriorate for Lower Income Cohorts

Earlier this week, the New York Fed released the February update to its Survey of Consumer Expectations (SCE). The survey reads the pulse of consumers across the economy, and it notably differs from other confidence and sentiment indicators by including data that is stratified across a variety of demographics. A worrying trend has emerged in the survey in recent months, as respondents from the lowest income category (reporting incomes of less than $50K) have indicated rising expectations for delinquencies, rapidly-rising job separation expectations, declining job finding expectations and a new high for earnings growth uncertainty. Admittedly, the survey has only been conducted since 2014, yet it still points to elevated concern about the paycheck for these lower-income consumers. Altogether, the most recent SCE depicts lower-income consumers as increasingly uncertain amid broader signs of the labor market softening.

The labor market is strongly tied to consumer spending, as income is the most sustainable fuel for personal consumption expenditures (PCE), as opposed to relying on credit or drawing down savings. Lower-income jobs experienced strong wage and employment gains in the years after the pandemic, and this helped shore up the household balance sheets for lower income cohorts. Strong wage gains coupled with pandemic-era fiscal support positioned these households to spend at a strong clip but also to pay down debts from auto loans to credit cards, and aggregate delinquencies declined in tow. Indeed, the average reported probability of missing a minimum debt payment in the next three months declined the most for the lowest income group measured in the SCE.



Source: Federal Reserve Bank of New York and Wells Fargo Economics

At the outset of the pandemic, low-income households worried about how they would stay current on their debts, but just a few months later, those worries had melted away. Between May 2020 and August 2020, the probability of not being able to make a minimum debt payment declined 8.2 percentage points, from 20.8% to 12.6%, on a three-month-moving-average basis for those making less than $50K, while it only declined 4.1% for those making between $50K–$100K and 1.3% for those making over $100K.

While these low-income households reported the largest decrease in the probability of delinquencies during a period of remarkable wage and employment gains, they are often the most sensitive to economic volatility. A concern that has been rising recently is that these households may have trouble continuing to service their debts and may transition into delinquency as the outlook for the labor market and wage growth softens. Earnings growth uncertainty has risen rapidly for those making less than $50K, to its highest rate (4.9%) in February since the SCE's inception in 2014. Earnings uncertainty for other income groups is largely consistent with their ranges over the past two years. At the same time, expectations for the probability of not being able to make a minimum debt payment have been rising on trend for the lower-income group since September 2023, even as they have moved lower for income groups that earn more. If our outlook for a softening in the labor market and lower economic growth materializes, we would continue to expect sensitivities around servicing debt to rise in the coming months.

(Return to Summary)

## Market Data • Mid-Day Friday

### U.S. Interest Rates

| | Friday 3/15/2024 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| SOFR | 5.31 | 5.31 | 4.55 |
| Effective Fed Funds Rate | 5.33 | 5.33 | 4.58 |
| 3-Month T-Bill | 5.39 | 5.38 | 4.61 |
| 1-Year Treasury | 5.09 | 4.93 | 4.42 |
| 2-Year Treasury | 4.72 | 4.47 | 3.89 |
| 5-Year Treasury | 4.32 | 4.05 | 3.55 |
| 10-Year Treasury | 4.30 | 4.07 | 3.45 |
| 30-Year Treasury | 4.43 | 4.25 | 3.64 |
| Bond Buyer Index | 3.52 | 3.52 | 3.57 |

### Foreign Exchange Rates

| | Friday 3/15/2024 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| Euro ($/€) | 1.089 | 1.094 | 1.058 |
| British Pound ($/£) | 1.273 | 1.286 | 1.206 |
| British Pound (£/€) | 0.855 | 0.851 | 0.877 |
| Japanese Yen (¥/$) | 149.110 | 147.060 | 133.420 |
| Canadian Dollar (C$/$) | 1.353 | 1.348 | 1.377 |
| Swiss Franc (CHF/$) | 0.884 | 0.877 | 0.933 |
| Australian Dollar (US$/A$) | 0.657 | 0.662 | 0.662 |
| Mexican Peso (MXN/$) | 16.685 | 16.813 | 18.976 |
| Chinese Yuan (CNY/$) | 7.196 | 7.187 | 6.906 |
| Indian Rupee (INR/$) | 82.890 | 82.785 | 82.603 |
| Brazilian Real (BRL/$) | 4.995 | 4.983 | 5.289 |
| U.S. Dollar Index | 103.449 | 102.712 | 104.646 |

### Foreign Interest Rates

| | Friday 3/15/2024 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| 3-Month German Govt Bill Yield | 3.71 | 3.74 | 2.42 |
| 3-Month U.K. Govt Bill Yield | 5.25 | 5.25 | 3.89 |
| 3-Month Canadian Govt Bill Yield | 4.94 | 4.92 | 4.39 |
| 3-Month Japanese Govt Bill Yield | -0.02 | -0.09 | -0.23 |
| 2-Year German Note Yield | 2.95 | 2.76 | 2.41 |
| 2-Year U.K. Note Yield | 4.33 | 4.25 | 3.29 |
| 2-Year Canadian Note Yield | 4.26 | 4.04 | 3.52 |
| 2-Year Japanese Note Yield | 0.19 | 0.20 | -0.03 |
| 10-Year German Bond Yield | 2.44 | 2.27 | 2.13 |
| 10-Year U.K. Bond Yield | 4.10 | 3.98 | 3.32 |
| 10-Year Canadian Bond Yield | 3.56 | 3.33 | 2.79 |
| 10-Year Japanese Bond Yield | 0.79 | 0.74 | 0.33 |

### Commodity Prices

| | Friday 3/15/2024 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| WTI Crude ($/Barrel) | 81.02 | 78.01 | 67.61 |
| Brent Crude ($/Barrel) | 85.22 | 82.08 | 73.69 |
| Gold ($/Ounce) | 2161.33 | 2178.95 | 1918.58 |
| Hot-Rolled Steel ($/S.Ton) | 792.00 | 814.00 | 1062.00 |
| Copper (¢/Pound) | 411.35 | 388.50 | 385.65 |
| Soybeans ($/Bushel) | 11.95 | 11.84 | 15.06 |
| Natural Gas ($/MMBTU) | 1.71 | 1.81 | 2.44 |
| Nickel ($/Metric Ton) | 17,866 | 17,768 | 22,831 |
| CRB Spot Inds. | 548.64 | 548.39 | 560.59 |

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

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