WELLS FARGO

Weekly — May 26, 2023

Weekly Economic & Financial Commentary

United States: **Long Holiday Weekend Clouded by Debt Ceiling**

- With a deal on the debt ceiling hanging in the balance, the near-term economic outlook remains uncertain. Data released this week suggest the real economy is showing resilience, as new home sales and durable goods orders stabilized, while real personal spending surprised to the upside.
- Next week: Consumer Confidence (Tue), ISM Manufacturing (Wed), Nonfarm Payrolls (Fri)

International: **Inflation to Force the Bank of England's Hand**

- The U.K. April consumer price index was an unpleasant surprise for Bank of England policymakers. Headline inflation slowed and energy prices receded, albeit by much less than expected. As a result, we now expect the Bank of England to raise its policy rate at both its June 22 and August 3 announcements. We have adjusted up our global growth outlook slightly on the back of improving economic activity, which continues to flow in; however, growth prospects for the global economy this year may be starting to plateau.
- Next week: China PMIs (Tuesday), India GDP (Wednesday), Brazil GDP (Thursday)

Interest Rate Watch: **Star Gazing Once Again**

- As the FOMC tries to determine what level of interest rates will be sufficient to tame inflation, oneguidepost is the natural rate of interest, or r-star. Estimations resumed this month after being temporarily halted due to the volatility surrounding the pandemic, and suggest the era of a low natural rate of interest remains intact.

Topic of the Week: **Is Demography Still Destiny?**

- The 2020 Census Demographic and Housing Characteristics (DHC) data were published this week and The population of the United States is not getting any younger. The median age in most states rose between 2010 and 2020 as falling birth rates and domestic migration drove demographic shifts.

We have started a new podcast, "Ask Our Economists", where our economists answer questions that readers send in. If you would like to submit a question, please email us at askoureconomists@wellsfargo.com.

Wells Fargo U.S. Economic Forecast

	Actual 2022				Forecast 2023				Actual		Forecast	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2021	2022	2023	2024
Real Gross Domestic Product [1]	-1.6	-0.6	3.2	2.6	1.3	1.9	-0.2	-2.8	5.9	2.1	1.3	0.3
Personal Consumption	1.3	2.0	2.3	1.0	3.8	1.0	-0.2	-1.5	8.3	2.7	1.6	0.5
Consumer Price Index [2]	8.0	8.6	8.3	7.1	5.8	4.0	3.2	2.7	4.7	8.0	3.9	2.5
"Core" Consumer Price Index [2]	6.3	6.0	6.3	6.0	5.6	5.2	4.6	4.2	3.6	6.1	4.9	3.1
Quarter-End Interest Rates [3]												
Federal Funds Target Rate[4]	0.50	1.75	3.25	4.50	5.00	5.25	5.25	5.25	0.25	2.02	5.19	3.25
Conventional Mortgage Rate	4.27	5.58	6.01	6.36	6.54	6.30	5.90	5.55	3.03	5.38	6.07	5.15
10 Year Note	2.32	2.98	3.83	3.88	3.48	3.50	3.25	3.00	1.45	2.95	3.31	2.90

Forecast as of: May 11, 2023 [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 Rate

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.

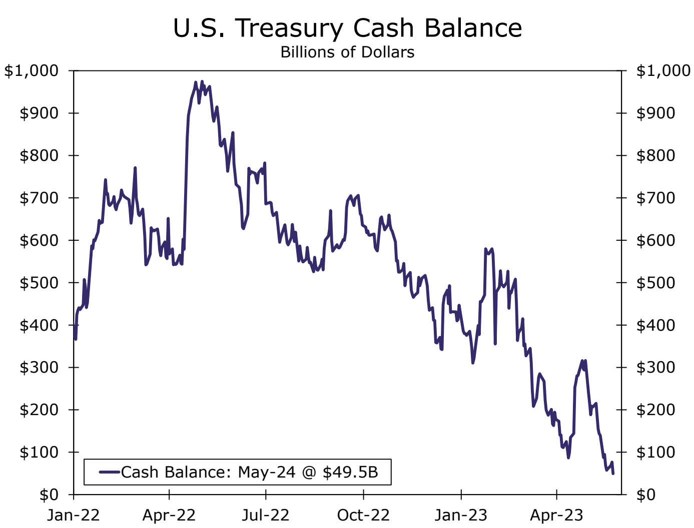
U.S. Review

Long Holiday Weekend Clouded by Debt Ceiling

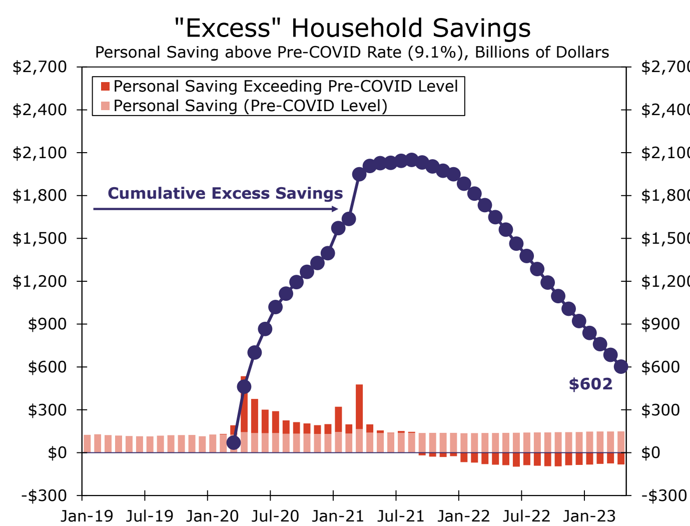
The debt ceiling took center stage this week. As we outlined in our latest report, the U.S. Treasury's remaining borrowing capacity has nearly run dry. The Treasury General Account is down to just $49.5 billion (chart), and the Treasury is rapidly exhausting its available extraordinary measures. If the Treasury is able to stretch its funds to June 15, we suspect an infusion of corporate tax revenue and unlocking of a new extraordinary measure on June 30 will keep the U.S. government afloat until early August.

Getting to June 15 is highly uncertain, however, and we think there is a 50-50 chance of an early June default in the absence of a debt ceiling increase. As of this writing, lawmakers have not yet reached a deal. A short-term debt ceiling increase that gives negotiators more time to reach an agreement strikes us as the most likely outcome, but the situation remains precarious. Rising yields across the U.S. Treasury curve signal investors are pricing in the risk of default.

The increase in Treasury yields has pushed mortgage rates higher. Per Freddie Mac, the average 30-year fixed mortgage rate rose to 6.57% in the week ending May 25, up from 6.39% the prior week. Elevated mortgage rates have crimped home affordability for much of the past year or so, but buying activity appears to be stabilizing. New home sales increased 4.1% in April to a 683,000 annual rate, the second consecutive monthly increase. Low inventory in the existing home market has boosted demand for newly constructed homes, and builders have capitalized on the trend by offering incentives and price cuts to attract buyers.



Source: U.S. Department of the Treasury and Wells Fargo Economics



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

Demand in the manufacturing sector is also showing signs of stabilizing. Durable goods orders surprised to the upside in April, increasing 1.1% over the month. While defense orders drove much of the headline increase, nondefense capital goods orders excluding aircraft—a leading indicator for business investment spending—were solid, rising 1.4%. Nondefense capital goods shipments, which are used to calculate business spending in the GDP accounts, slipped 1.8% in April. The weak outturn puts equipment investment on shaky footing at the start of the second quarter.

Real personal spending rose a stronger-than-expected 0.5% in April. The feat was impressive against a 0.4% increase in consumer prices that same month, as tracked by the PCE deflator. On the flip side, real disposable income growth was flat in April, suggesting that income is losing some momentum. Consumers continued to tap excess savings built up during the pandemic, but the stockpile has dwindled (chart). Looking ahead, we suspect consumer spending will reach an inflection point later this year as tighter borrowing conditions, scant savings and loosening labor demand meaningfully weaken purchasing power. For details, see our most recent U.S. Economic Outlook.

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U.S. Outlook

Weekly Domestic Indicator Forecasts					
Date	**Indicator**	**Period**	**Consensus**	**Wells Fargo**	**Prior**
30-May	Consumer Confidence	May	99.5	98.5	101.3
1-Jun	ISM Manufacturing Index	May	47.1	46.8	47.1
1-Jun	Construction Spending (MoM)	Apr	0.2%	0.2%	0.3%
2-Jun	Nonfarm Payrolls	May	188K	200K	253K
2-Jun	Unemployment Rate	May	3.5%	3.5%	3.4%
2-Jun	Average Hourly Earnings (MoM)	May	0.3%	0.3%	0.5%

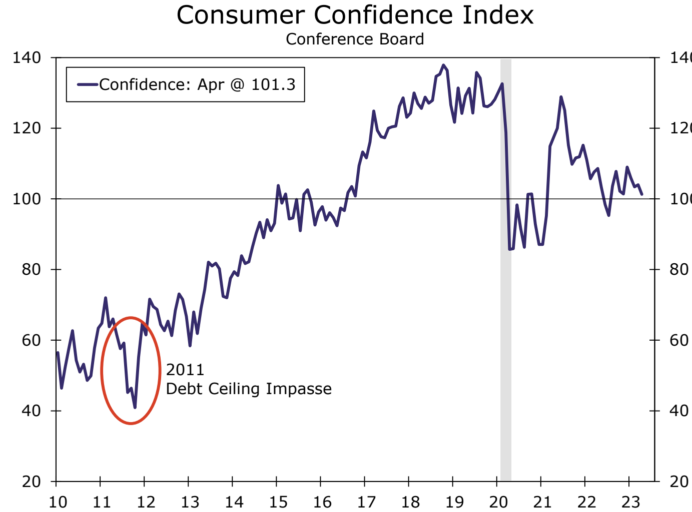
Forecast as of May 26, 2023

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

Consumer Confidence • Tuesday

Consumer confidence was down in the dumps in April, hitting a six-month low. Consumers continued to be more worried about the future than the present. The future expectations index dropped to its lowest level since last July, while the present situation index increased and is near the highs of the past year. Consumers' plans to make a major purchase within the next six months declined across almost every surveyed category. Plans to buy a major appliance fell to 41.0%, the lowest since 2011. Interestingly, this pessimism has not been fully reflected in the hard data. In contrast, auto sales have been fairly strong so far in 2023.

It remains to be seen whether consumers' pessimism about the future will eventually be realized in the present. It will also be interesting to see whether the ongoing debt ceiling impasse will have an impact on the consumer confidence reading for May. During the contentious 2011 debt ceiling episode, consumer confidence nosedived and took several months to recover. We doubt the dip in confidence will be as big this time around, but if the debt ceiling dispute stretches into June, confidence could be in for a bigger decline next month.

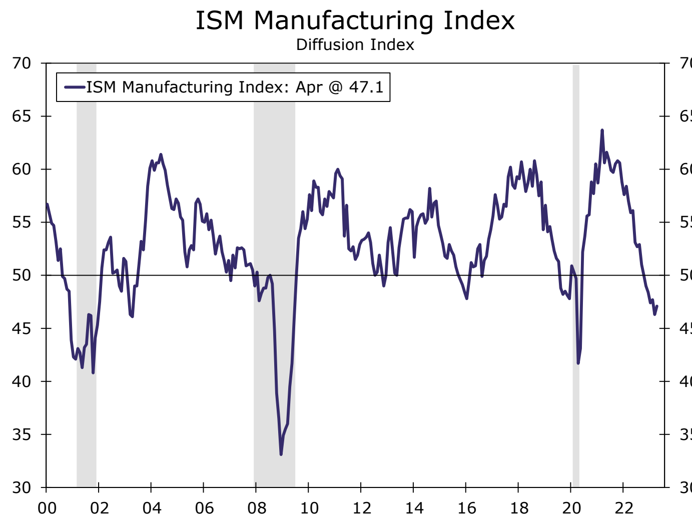


Source: The Conference Board and Wells Fargo Economics

ISM Manufacturing Index • Wednesday

April marked the sixth consecutive month that the ISM manufacturing index has been in contractionary territory (a reading below 50). The new orders subcomponent ticked higher but remained weak at 45.7, and the current production subcomponent was only a bit better at 48.9. The softness in the ISM manufacturing index has been matched at least partially in the hard data: Manufacturing output is down 0.9% over the past year. That said, the index has treaded water in recent months. April's reading of 47.1 was only slightly below the six-month average of 47.7. The employment subcomponent also remained a relative bright spot, just inching into expansionary territory at 50.2 in April.

The ISM manufacturing index is one of the first indicators reported each month, and as a result, markets can move materially based off its reading. A big upside surprise could increase market pricing for a 25 bps rate hike at the June FOMC meeting. As we go to print, markets are priced for roughly a 50-50 chance of a hike in June. We expect the ISM manufacturing index to tick down slightly in May to 46.8.

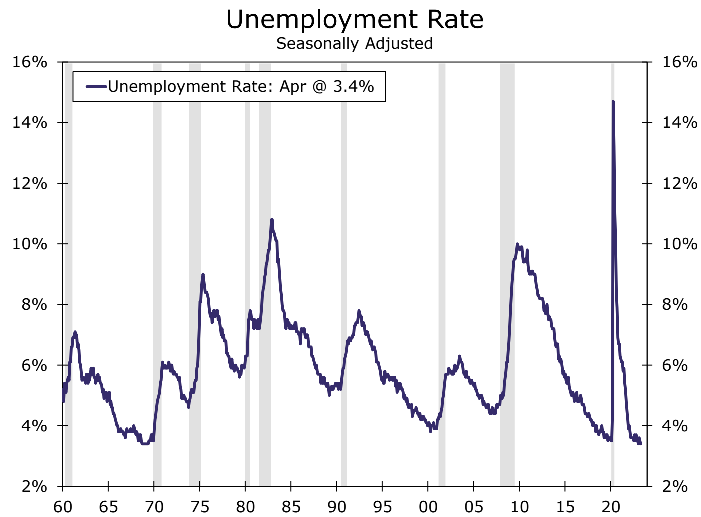


Source: Institute for Supply Management and Wells Fargo Economics

Nonfarm Payrolls • Friday

Nonfarm payrolls rose by 253K in April, 68K above the Bloomberg consensus forecast for a 185K gain. Downward revisions to the prior two months took some shine off of the reading as job growth over February and March was revised lower by a combined 149K jobs. In addition to the strong gain in jobs, the unemployment rate ticked down to 3.4% again, matching the lowest rate in 53 years.

Over the past month, initial and continuing jobless claims have mostly moved sideways, suggesting that job losses were not accelerating over the course of May. The JOLTS data to be released next Wednesday will offer another piece of evidence on the trend in labor demand. Although labor demand has shown some clear signs of easing, it has remained strong enough to support solid job growth. Our expectation is that nonfarm payrolls increased by 200K in May. We believe it is important to keep a close eye on wage growth and the labor force participation numbers. The labor force has grown at a healthy pace over the past year, and a further deceleration in wages alongside expanding supply would be an encouraging sign in the Federal Reserve's fight to get inflation back to 2%.



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

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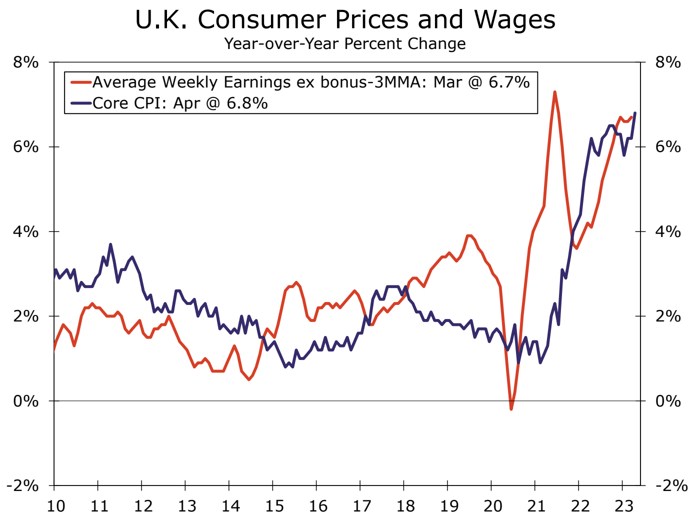
International Review

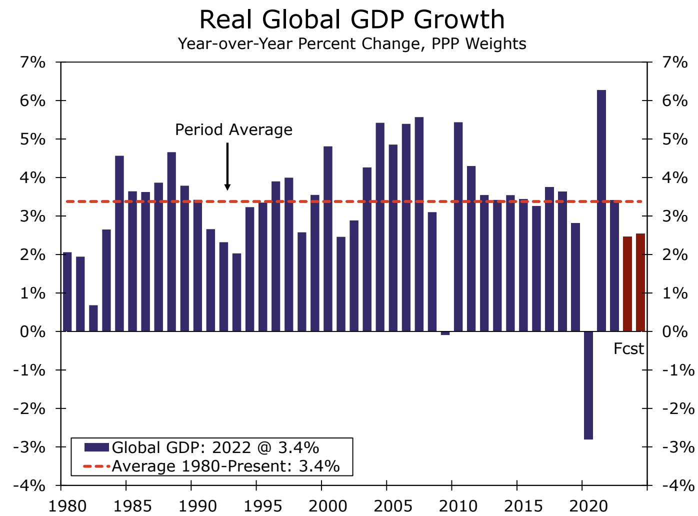
Inflation to Force the Bank of England's Hand

The U.K. April consumer price index was an unpleasant surprise for Bank of England policymakers. Headline inflation slowed and energy prices receded, albeit by much less than expected. The headline CPI slowed from 10.1% year-over-year in March to 8.7% in April, but April data were still well above the 8.2% consensus forecast. Perhaps even more problematic were continued, and indeed intensifying, signs of underlying price pressures. The core CPI quickened sharply and unexpectedly to 6.8%, while services inflation also firmed to 6.9%. This week's inflation print is not the only wage or price release that has offered reason for concern in recent months. The U.K. labor market has remained quite resilient, meaning that wage inflation remains elevated and has shown little slowing to date. Employment for the January-March period was 182,000 higher than employment during October-December, while the unemployment rate for the first quarter was 3.9%, rising only gradually from the low point of 3.5% seen in mid-2022. Against this backdrop, wage growth remains elevated. For the January-March period, average weekly earnings excluding bonuses rose 6.7% year-over-year, a pace of wage inflation that could see underlying inflation pressures persist for the time being.

Recent wage and price data, and to a lesser extent resilient activity data, point to evidence of more persistent price pressures. As a result, we now expect the Bank of England to raise its policy rate at both its June 22 and August 3 announcements. Tightening in June and August would see the policy rate peak at 5.00% for the current cycle. We suspect it will not be until after the August announcement that either U.K. interest rates are high enough or that central bank policymakers are sufficiently convinced that inflation is heading sustainably back toward its 2% target. We also suspect that ongoing price pressures will discourage the Bank of England from easing monetary policy prematurely. We also now forecast the Bank of England will begin lowering interest rates in Q2-2024, one quarter later than our previous forecast.



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



Source: International Monetary Fund and Wells Fargo Economics

Global Growth Outlook Steadies, Global Inflation Still Elevated

A consistent theme so far in 2023 has been an improving outlook for global GDP growth. Our May International Economic Outlook, published this week, does not deviate from this theme, although the firming in growth prospects is marginal this month. Our forecast for 2023 global GDP growth of 2.5% is up only modestly from our forecast of 2.4% from a month ago. While the good news in terms of improving economic activity continues to flow in, growth prospects for the global economy this year may be starting to plateau. With global growth forecasts nearing a high point (one that is admittedly not that high), the focus before long might shift to a potential deceleration in growth, a further slowing of inflation, and an eventual shift to policy interest rate cuts. This month, we boosted our growth forecast for the United States, the U.K. and Mexico, which the combination of these revisions resulted in a more robust global growth forecast. However, with China's economy losing momentum possibly a little quicker than we expected, the outlook for the Chinese economy may be tilted to the downside, which has the potential to complicate global growth prospects later this year.

While the improving trend on the growth front is perhaps nearing an end, global inflation trends remain elevated and the slowing of inflation remains frustratingly slow. In recent weeks, several major economies have seen upside CPI surprises, either in the headline or core reading. In the Eurozone, the April CPI ticked up to 7.0% year-over-year and services inflation firmed slightly, even as core inflation eased just a touch. Canada's April headline CPI ticked up to 4.4%, and although core inflation measures slowed on a year-over-year basis, they have shown a reasonable degree of momentum over the past three months. In the U.K., both core inflation and services inflation rose to new highs in April. In Norway, the headline and underlying CPI both surprised to the upside in April, Japan's headline and core CPI both quickened in April, and Australia's Q1 CPI inflation slowed less than forecast to 7.0% year-over-year as domestically oriented non-tradables inflation firmed. It is not just underling inflation pressures that have remained persistent, but in many instances, wage inflation also remains elevated as labor markets continue to show only limited slack. Among the more notable data points, the U.S. Q1 employment cost index firmed to 1.2% quarter-over-quarter and eased only slightly to 4.8% year-over-year, while for the Eurozone, compensation for employees quickened to 5.0% year-over-year. In terms of timely data for other economies, in Canada the hourly wage rate for permanent workers held steady at 5.2% year-over-year in April, while in the U.K. average weekly earnings excluding bonuses actually ticked higher to 6.7% year-over-over for Q1. Overall, there is only limited evidence of a slowing in wage growth so far, which could potentially translate into a continued gradual deceleration of service sector and core inflation across the global economy. Indeed, taking a broader perspective and looking at the OECD countries as a whole, headline CPI inflation had slowed noticeably to 7.7% year-over-year by March, but the slowing in core inflation had been much more modest, to 7.2%.

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International Outlook

Weekly International Indicator Forecasts					
Date	**Indicator**	**Period**	**Consensus**	**Wells Fargo**	**Prior**
31-May	Canada Quarterly GDP Annualized	Q1	2.5%	2.4%	0.0%

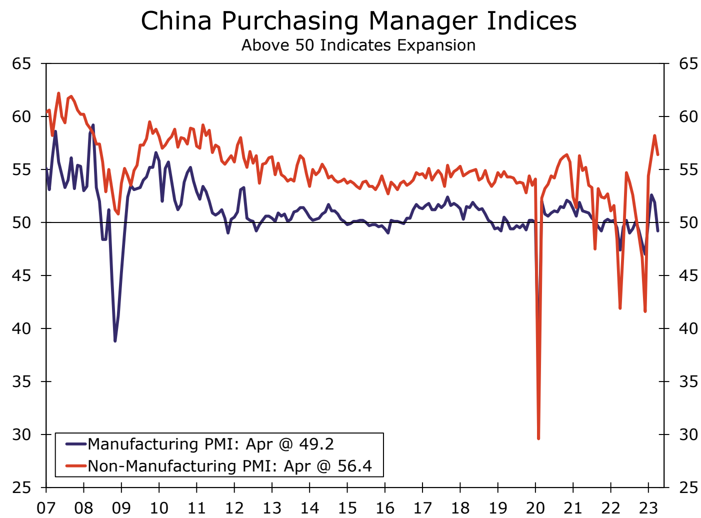
Forecast as of May 26, 2023

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

China PMIs • Tuesday

China's economic recovery from zero-COVID protocol is starting to show signs of fully maturing. Recently, retail sales, industrial production and other activity data were underwhelming relative to expectations, and the post-pandemic euphoria around China is dwindling. Next week, May PMI data are set to be released and will likely show the economic rebound is tailing off even further. In April, both the manufacturing and non-manufacturing PMIs rolled over, with the manufacturing index slipping into contraction territory again. In May, we would expect the manufacturing PMI to move deeper into contraction territory and for the services PMI to soften further.

As of now, we believe China's economy can grow 6% this year. However, with economic momentum leveling off, clear downside risks to our growth forecast are starting to form. Should PMIs reveal the slowdown is more pronounced than expected, we could look to revise our growth forecast lower. Fiscal authorities have been hesitant to deploy large-scale stimulus, although the People's Bank of China may look to adjust policy settings to support economic activity. In that sense, we recently adjusted our forecast for banks' Reserve Requirement Ratios and believe another reduction will come in Q3-2023.

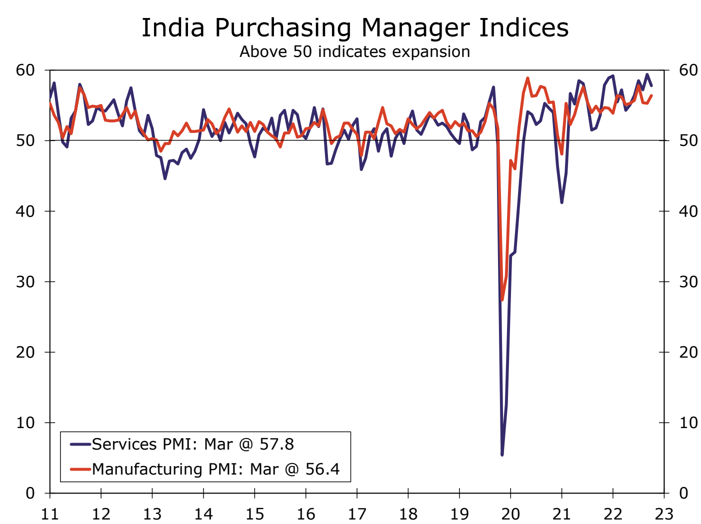


Source: Bloomberg Finance L.P. and Wells Fargo Economics

India GDP • Wednesday

After being disrupted by multiple shocks over the past few years, India's economy is operating normally. COVID variants have not presented themselves again, the impact of the Russia-Ukraine conflict has generally subsided, energy and agriculture prices are trending lower, and India's banking sector, while fragile, has been stable for the time being. With these shocks likely in the past, we believe India's economy can grow around5.5% this year. We will get Q1-2023 GDP data next week for our first read as to India's progress toward our growth target.

To date, activity and sentiment have been generally strong across the economy. PMI indices, which track growth rather closely, are well into expansion territory and have not showed any meaningful signs of softening in recent months. The services PMI is near all-time highs, while the manufacturing PMI has held steady in expansion territory. Together with China, the two Asian nations should contribute around 55% of overall global GDP growth this year. Longer term, India's growth prospects remain bright as demographic trends suggest a young and growing labor force, which can keep potential GDP growth elevated for an extended period of time.



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

Brazil GDP • Thursday

Q1-2023 GDP data are to be released in Brazil late next week, and while growth is still somewhat subdued, the economy has demonstrated a fair amount of resilience to date. Brazilian Central Bank monetary policy settings are especially restrictive at the moment, while high interest rates and corporate sector challenges have disrupted the flow of credit across the economy. Offsetting these challenges has been enhanced fiscal support from the Lula administration and lower inflation, which has helped household consumption nationwide.

Next week, data are likely to show Brazil's economy grew around 1% on a quarter-over-quarter basis. While Brazil's economy may get off to a solid start, we think the impact of restrictive monetary policy and less credit impulse will eventually weigh on the economy and tilt Brazil into a mild recession later this year. In the near future, Brazilian Central Bank policymakers may look to offset this slowdown with interest rate cuts. At the same time, monetary easing is likely to be gradual, so the immediate impact may not be enough to help Brazil avoid recession in the coming quarters.

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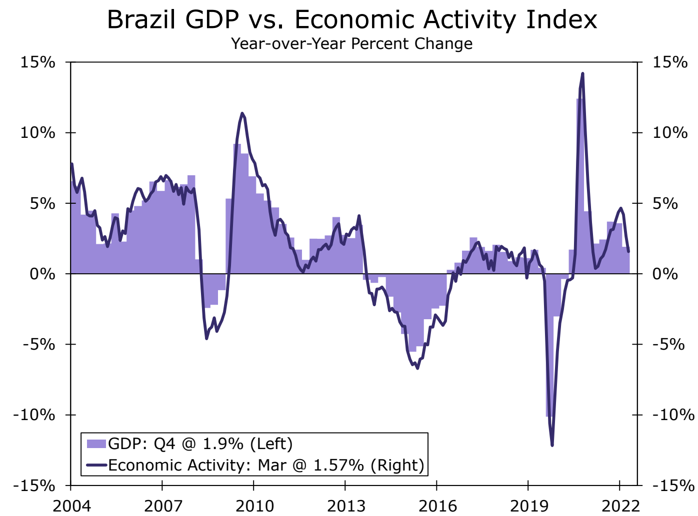

Source: Bloomberg Finance L.P. and Wells Fargo Economics

Interest Rate Watch

Star Gazing Once Again

In the FOMC's efforts to bring down inflation, the Committee has not been shy about the need for policy to turn restrictive. Determining the level of interest rates which adequately weighs on activity and thereby inflation without causing untoward damage to the economy is by no means easy, but is important when the effects of policy changes are not immediately felt across the economy.

One guidepost policymakers use in this endeavor is the natural rate of interest, or r-star. R-star can be thought of as the real short-term interest rate that prevails when the economy is expanding at its potential rate and inflation is stable. In cannot be directly measured, but is rather inferred from how other parts of the economy act in relation to each other. As relationships between real GDP, inflation and the federal funds rate change, so do estimates of r-star. For example, after vacillating from about 2.5%-4.0% from the mid-1980s to early 2000s, the estimated natural rate of interest fell to less than 1% following the 2008 financial crisis (chart).

The extreme volatility in data following the economy's abrupt shutdowns in 2020 and subsequent reopening made it particularly difficult to extract r-star. The most widely-followed estimates, published by the New York Fed, were temporarily halted while researchers made adjustments to the models after such extraordinary shocks but have resumed this month.

Since the COVID-19 pandemic, r-star seems to have been little changed. Over the past four quarters, the Holston-Laubach-Williams model estimated the U.S. natural rate of interest averaged 0.76%, nearly spot on the pre-pandemic five-year average of 0.77%. In other words, it appears that through all the tumult of the past few years, the era of a low natural rate of interest is ongoing. That may seem surprising given the recent degree of inflation, but comes as potential output is estimated to have been reduced by a whopping 4% relative to its pre-pandemic projection.

The prevailing low rate of r-star suggests that the FOMC does not have to raise the nominal fed funds rate as far above inflation to rein in price growth as in prior cycles when the natural rate of interest was higher. However, even when accounting for the current environment's low rate of r-star, policy still has yet to clearly become restrictive, given the underlying strength of inflation (chart). That does not necessarily entail that the FOMC hikes further from here, but it does suggest that if Fed officials do indeed believe policy needs to be restrictive for a time, inflation needs to ease very soon.

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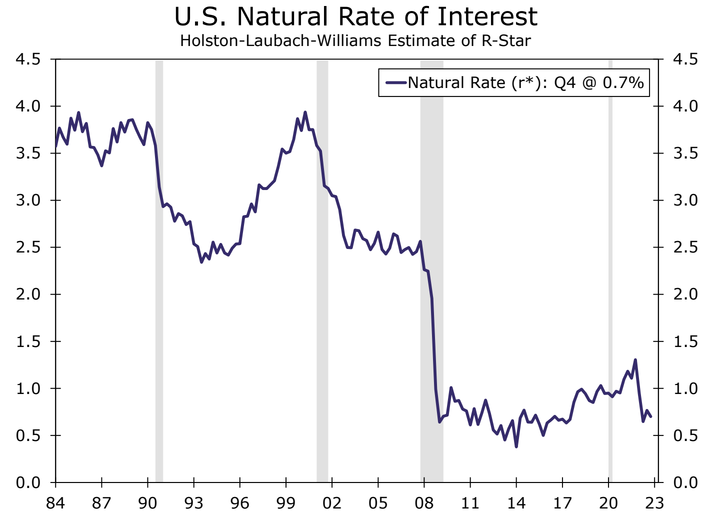
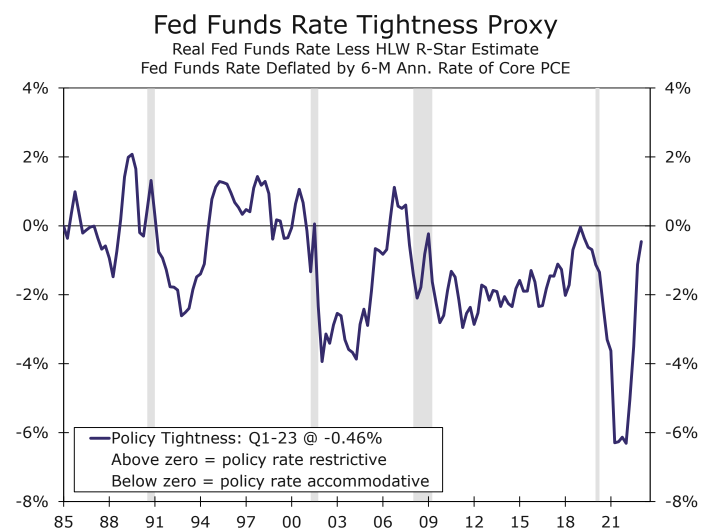


Source: Federal Reserve Bank of New York and Wells Fargo Economics



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

Topic of the Week

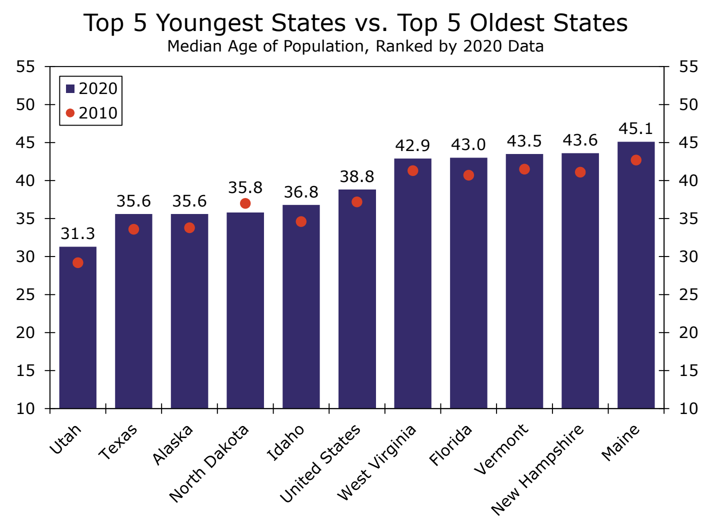
Is Demography Still Destiny?

The population of the United States is not getting any younger. The 2020 Census Demographic and Housing Characteristics (DHC) data were published this week. The DHC is the next set of data from the 2020 Census and provides more granular details on population counts and sex by age statistics for approximately 370 detailed racial and ethnic groups. The data confirm that the U.S. population was older in 2020 compared to the past two census years in 2010 and 2000. The aging of the population is not exactly a surprise. The Census Bureau administers the American Community Survey (ACS) every year to a sample of households to provide population estimates between each Decennial Census, which provides the official population count every decade. With the help of the ACS and other population measures, both the baby boomer generation and children of the baby boomers (the millennials) have been studied extensively since they are the two largest age cohorts.

What is less understood, however, is how the children of the millennial generation (the alpha generation) are shaping up in terms of size and scope. To that end, the Census revealed that smaller cohorts of children were born from 2010 to 2020, with the population having fewer children under the age of five in 2020 than in each of the prior two census years. The Census reports that this is an effect of a recent decrease in the number of births in the United States.

The United States' population as a whole is getting older. The median age of U.S. residents was 38.8 years in 2020, up from 37.2 in 2010. While nearly every state experienced a similar increase, some states have a lower median age than the national average. In 2020, Utah was the nation's youngest state. The Beehive State registered a median age of 31.3 years in 2020, 4.3 years younger than the next youngest state. Utah's relatively youthful population appears owed to higher birth rates. Approximately 29% of the state's population was under age 18, which is the highest percentage in the United States.

Alaska and Texas were tied for the second-lowest median age. Texas' relatively young population appears owed to the state's large Hispanic population, which comprises roughly 40% of the state's total population. As we noted in a 2021 report (The Budding Potential of Hispanic Americans), Hispanic Americans are significantly younger than the broader population. The median age of Hispanics is about 30 years old, a full 11 years younger than the non-Hispanic population, and the birth rate among Hispanic women exceeds the national birth rate.



Source: U.S. Census Bureau and Wells Fargo Economics

Some states appear to have gotten younger thanks to an influx of younger workers from other states. The median age in North Dakota fell to 35.8 years in 2020 from 37 in 2010. The decrease appears owed to the boom in oil production in the Bakken region between 2008 and 2012. The surge in production attracted droves of oil workers to the state. Not only did the population of Williams County, which is located in the heart of the Bakken oil fields, increase by nearly 83% between 2010 and 2020, the county's median age decreased from 39.0 years to 31.6 years.

On the other hand, an influx of retirees looks to have boosted the median age in several states. For example, Florida's median age increased to 42.9 years in 2020 from 40.7 in 2010. Florida is now the fourth oldest state by this measure. The Census noted that The Villages metro area in Florida, which is home to one of the largest active-adult communities in the United States, was the fastest-growing metro area between 2010 and 2020. The Villages population grew by nearly 39% in this period and registered a median age of 68.5 years, the oldest of any metro area in the nation.

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Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 5/26/2023	1 Week Ago	1 Year Ago
SOFR	5.06	5.05	0.78
3-Month LIBOR	5.46	5.38	1.55
3-Month T-Bill	5.27	5.22	1.03
1-Year Treasury	4.95	4.72	1.83
2-Year Treasury	4.61	4.27	2.48
5-Year Treasury	3.96	3.73	2.71
10-Year Treasury	3.84	3.67	2.75
30-Year Treasury	3.98	3.93	2.98
Bond Buyer Index	3.74	3.59	3.16

Foreign Exchange Rates

	Friday 5/26/2023	1 Week Ago	1 Year Ago
Euro ($/€)	1.072	1.081	1.073
British Pound ($/£)	1.234	1.245	1.260
British Pound (£/€)	0.868	0.868	0.851
Japanese Yen (¥/$)	140.590	137.980	127.120
Canadian Dollar (C$/$)	1.363	1.351	1.277
Swiss Franc (CHF/$)	0.906	0.900	0.960
Australian Dollar (US$/A$)	0.651	0.665	0.710
Mexican Peso (MXN/$)	17.672	17.786	19.766
Chinese Yuan (CNY/$)	7.065	7.012	6.739
Indian Rupee (INR/$)	82.571	82.665	77.578
Brazilian Real (BRL/$)	5.006	4.998	4.769
U.S. Dollar Index	104.334	103.198	101.829

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

Foreign Interest Rates

	Friday 5/26/2023	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	-0.58	-0.59	-0.57
3-Month Sterling LIBOR	4.87	4.71	1.35
3-Month Canada Banker's Acceptance	5.05	5.04	2.08
3-Month Yen LIBOR	-0.03	-0.03	-0.08
2-Year German	2.94	2.76	0.36
2-Year U.K.	4.49	3.96	1.45
2-Year Canadian	4.31	4.00	2.55
2-Year Japanese	-0.06	-0.06	-0.06
10-Year German	2.54	2.43	1.00
10-Year U.K.	4.33	4.00	1.97
10-Year Canadian	3.36	3.13	2.80
10-Year Japanese	0.42	0.40	0.24

Commodity Prices

	Friday 5/26/2023	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	72.51	71.55	114.09
Brent Crude ($/Barrel)	76.77	75.58	117.40
Gold ($/Ounce)	1943.13	1977.81	1850.63
Hot-Rolled Steel ($/S.Ton)	1099.00	1096.00	1200.00
Copper (¢/Pound)	365.15	372.25	425.50
Soybeans ($/Bushel)	13.47	13.30	17.19
Natural Gas ($/MMBTU)	2.21	2.59	8.91
Nickel ($/Metric Ton)	21,054	20,812	26,731
CRB Spot Inds.	542.82	551.94	659.29

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