WELLS FARGO

Weekly — June 14, 2024

Weekly Economic & Financial Commentary

United States: Inflation Cools as Summer Begins

- A bevy of soft inflation data for May fueled optimism that the Federal Reserve will begin cutting rates at the September FOMC meeting. On Wednesday, the May CPI data showed that consumer prices were unchanged in the month, the first flat reading for the CPI since July 2022. Excluding food and energy, core CPI increased by a "low" 0.2% (0.16% before rounding), the smallest monthly increase since August 2021.
- Next week: Retail Sales (Tue.), Industrial Production (Tue.), Existing Home Sales (Fri.)

International: Bank of Japan Holds Steady, but Signals Further Normalization Ahead

- The Bank of Japan (BoJ) did not announce any new concrete policy measures at its meeting this week, but did signal the likelihood of further policy normalization ahead. The BoJ said the virtuous cycle between wages and prices is continuing to intensify, and that it would decide on a detailed plan for the reduction in the pace of its bond purchases. We also expect the BoJ to eventually hike its policy rate further, but not until the October meeting.
- Next week: China Retail Sales & Industrial Output (Mon.), Reserve Bank of Australia (Tue.), Bank of England (Thu.)

Interest Rate Watch: FOMC Maintains Its Measured Approach to Easing

- There wasn't much surprise that came out of the FOMC's June monetary policy meeting this week. The Committee left rates unchanged, and now expects higher inflation and less easing this year than previously. It remains a close call between one and two 25 bps rate cuts this year.

Topic of the Week: Idiosyncratic Risks Weigh on Latin America's Financial Markets

- This week, Latin American financial markets—particularly currency markets—came under pressure. We can point to the election surprise in Mexico as the originator of regional market volatility; however, additional policy uncertainty in countries such as Brazil and Colombia also contributed to new volatility in local markets.

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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	3.4	1.3	1.9	1.8	1.5	1.9	2.5	2.3	1.9
Personal Consumption	3.8	0.8	3.1	3.3	2.0	1.9	1.6	1.7	2.5	2.2	2.2	1.8
Consumer Price Index [2]	5.7	4.0	3.6	3.2	3.2	3.3	3.0	3.0	8.0	4.1	3.1	2.6
"Core" Consumer Price Index [2]	5.5	5.2	4.4	4.0	3.8	3.5	3.5	3.5	6.2	4.8	3.6	2.9
Quarter-End Interest Rates [3]												
Federal Funds Target Rate [4]	5.00	5.25	5.50	5.50	5.50	5.50	5.25	5.00	2.02	5.23	5.31	4.38
Conventional Mortgage Rate	6.54	6.71	7.20	6.82	6.82	7.00	6.75	6.50	5.38	6.80	6.77	6.09
10 Year Note	3.48	3.81	4.59	3.88	4.20	4.35	4.15	4.00	2.95	3.96	4.18	3.83

Forecast as of: June 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

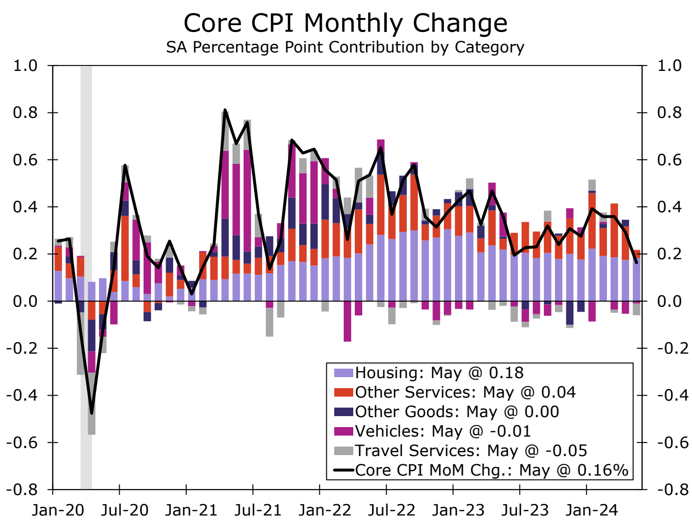
Please see our full U.S. Economic Forecast.

U.S. Review

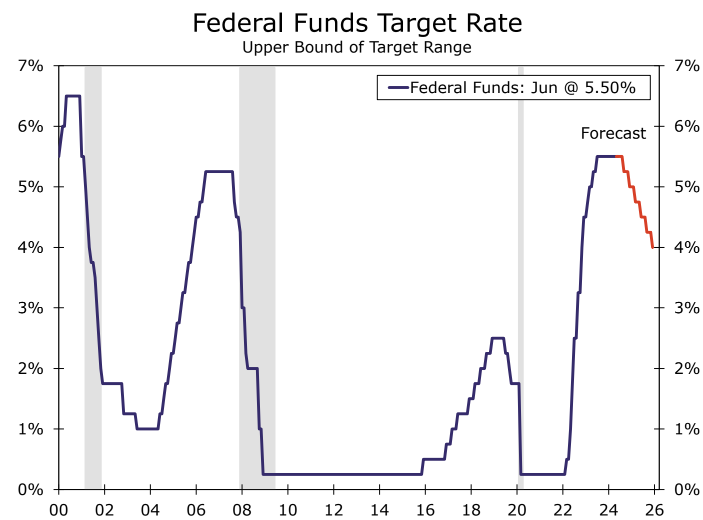
Inflation Cools as Summer Begins

A bevy of soft inflation data for May fueled optimism that the Federal Reserve will begin cutting rates at the September FOMC meeting. On Wednesday, the May CPI data showed that consumer prices were unchanged in the month, the first flat reading for the CPI since July 2022. Falling energy prices and a very modest increase in food prices helped to keep headline CPI in check. Excluding food and energy, core CPI increased by a "low" 0.2% (0.16% before rounding), the smallest monthly increase since August 2021 (chart). Sticky services inflation finally showed signs of easing, registering 0.2% amid price declines for airfares (-3.6%), motor vehicle insurance (-0.1%) and lodging away from home (-0.1%). Goods prices were flat over the month as higher prices for prescription drugs, used autos, motor vehicle parts & equipment and tobacco products offset price declines for new vehicles, apparel and communication commodities.

This week's data signal that progress continues on the inflation front, even if that progress has been frustratingly gradual and bumpy at times. Consumer prices have increased 3.3% over the past year compared to 4.0% at this time last year. Similarly, the core CPI has eased to a year-over-year pace of 3.4% versus 5.3% last May. Inflation appears to be back on a downward path after a Q1 spike, but there is still a bit more distance from its desired destination. Even with Wednesday's softer report for May inflation, the core CPI has increased at an annualized rate of 3.3% over the past three months.



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



Source: Federal Reserve Board and Wells Fargo Economics

The Producer Price Index also showed softer price pressures in May. Market participants closely watch the PPI, because some of its components are used as inputs in the PCE deflator, the latter being the Federal Reserve's preferred inflation metric. The PPI declined 0.2% in May, the biggest contraction since October 2023. Material declines in the PPI components for airfares and portfolio management as well as muted inflation in some health care sectors suggest that the May PCE deflator data also will be soft when the indicator is released on June 28. We estimate the headline PCE deflator increased a "low" 0.1% (0.06% unrounded) in May. We project the core PCE deflator increased 0.17%, which would reduce the three-month annualized rate to 3.0% and the year-over-year rate to 2.6%

We cover this week's FOMC meeting in the Interest Rate Watch section of this report. In short, we think it will be a close call between one or two 25 bps rate cuts, and the FOMC seems evenly split between the two outcomes. This week's inflation data have increased our confidence that the jump in price growth in Q1 was a flare-up and not the start of something more sinister. We expect inflation to continue to grind lower as the year progresses, with enough of a slowdown by September that the FOMC feels confident enough to begin gradually normalizing the federal funds rate. Our base case forecast since early April has looked for a 25 bps rate cut at each of the September and December FOMC meetings. For now, our forecast remains two cuts this year and another 100 bps of easing in 2025 (chart). For further reading on our economic forecast, see our latest monthly economic outlook, published today. (Return to Summary)

U.S. Outlook

Weekly Domestic Indicator Forecasts					
Date	**Indicator**	**Period**	**Consensus**	**Wells Fargo**	**Prior**
18-Jun	Retail Sales (MoM)	May	0.3%	0.2%	0.0%
18-Jun	Retail Sales Less Autos (MoM)	May	0.2%	0.2%	0.2%
18-Jun	Industrial Production (MoM)	May	0.4%	0.4%	0.0%
18-Jun	Capacity Utilization	May	78.6%	78.6%	78.4%
18-Jun	Business Inventories (MoM)	Apr	0.3%	0.3%	-0.1%
20-Jun	Housing Starts (SAAR)	May	1,375K	1,380K	1,360K
21-Jun	Leading Index (MoM)	May	-0.3%	-0.4%	-0.6%
21-Jun	Existing Home Sales (SAAR)	May	4.10M	4.08M	4.14M

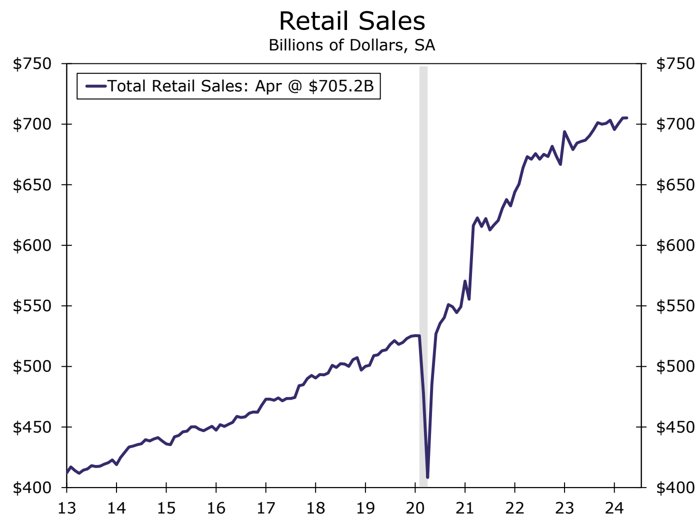
Forecast as of June 14, 2024

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

Retail Sales • Tuesday

The consumer is at last showing some signs of softness. Retail sales surprised to the downside in April, and real personal consumption of durable goods was revised sharply lower to show a near 2% contraction, on an annualized basis, over the first quarter. The pullback in household goods spending corroborates concern from retailers who cautioned investors and policymakers that customer foot traffic has fallen and shoppers have become price sensitive, causing some to trade down to cheaper items.

We suspect consumption is headed for a more modest pace of growth in the second half of the year. The personal saving rate has turned lower, consumer credit growth has slowed as delinquencies have increased, and growth in real disposable income has faded amid a moderating labor market. These mounting headwinds have weighed on discretionary spending, which will likely keep a lid on retail sales growth in the coming months. Department store sales were flat in May, while vehicle sales edged modestly higher. We look for total retail sales to increase 0.2% in May.

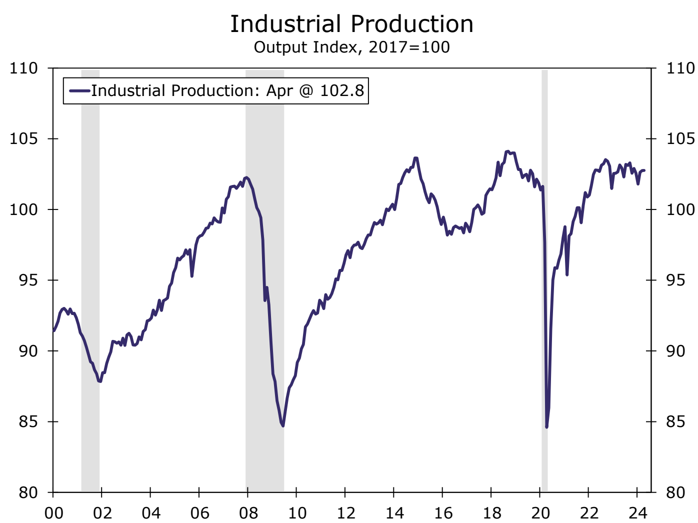


Source: U.S. Department of Commerce and Wells Fargo Economics

Industrial Production • Tuesday

Activity in the factory sector has been underwhelming throughout the current expansion, though we see scope for some pickup in May. Industrial production was flat in April, putting the level of output roughly in line with its pre-pandemic average. The stalling in production has been driven by constrained capital expenditures, especially on equipment. The weakness in capital investment has weighed on durable goods orders, and the ISM manufacturing index showed new orders slipping deeper into contraction territory in May.

Despite the softness in activity, production workers in the manufacturing sector have worked more hours in recent months. The upswing in labor utilization suggests manufacturers are gearing up. Since manufacturing output slipped 0.3% in April, we look for a modest rebound in May amid the rise in hours worked. Beyond manufacturing, temperatures have been warmer than usual across the country for the past few months, which has boosted utility demand. The active rotary rig count has fallen since March, pointing to another weak outturn for mining activity—though this sector accounts for only a small share of overall output. We suspect industrial production increased 0.4% in May.



Source: Federal Reserve Board and Wells Fargo Economics

Existing Home Sales • Friday

After inching higher in the first few months of the year, home sales have taken a step back. Sales of existing homes retreated 1.9% in April, on the heels of a sharper contraction in the prior month. The weakness in sales has stemmed from sapped housing affordability. The average 30-year fixed mortgage rate has slipped back below 7% in recent weeks, but home prices continue to rise. Construction of single-family homes has started to downshift as well, which poses a headwind to inventories that remain historically tight.

We look for resales to slide again in May to a 4.08 million-unit annual sales pace. Pending home sales, which lead existing home sales by one to two months, declined 8% in April. Mortgage purchase applications declined 2% over that same timeframe. Further out, we suspect existing home sales will remain subdued this year as affordability challenges are poised to persist.

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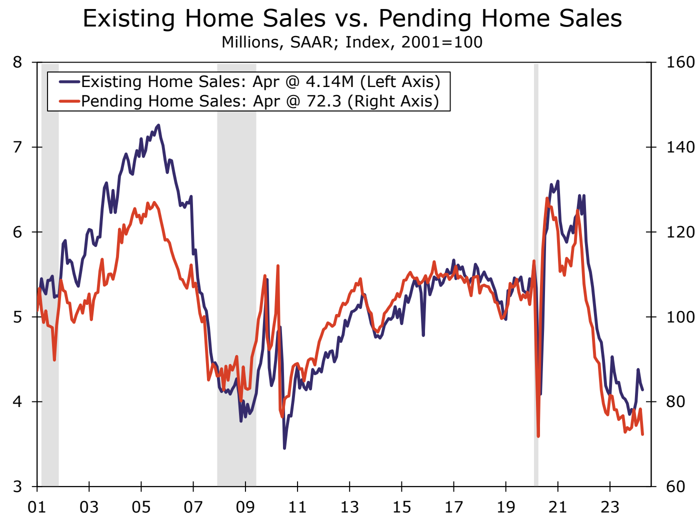


Source: National Association of Realtors and Wells Fargo Economics

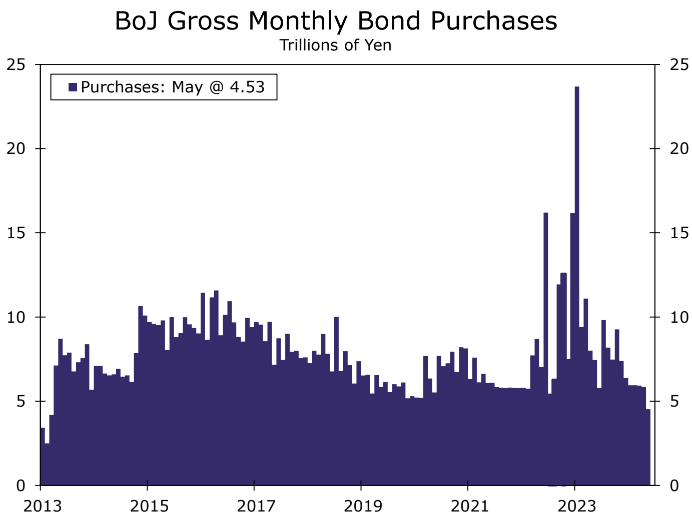
International Review

Bank of Japan Holds Steady, but Signals Further Normalization Ahead

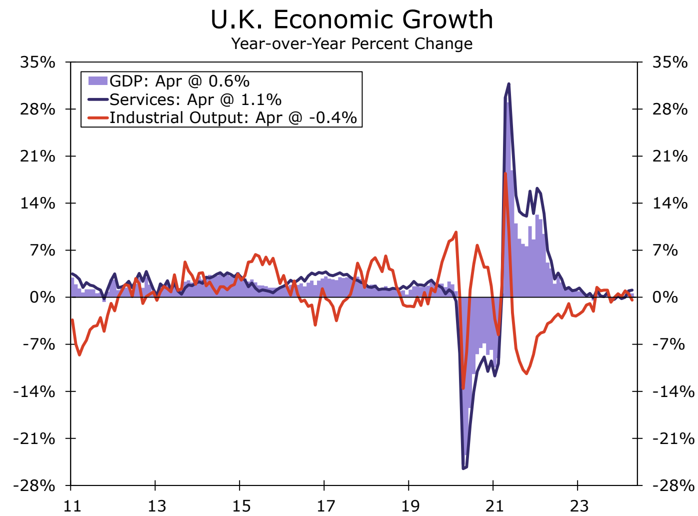
The Bank of Japan (BoJ) offered its latest monetary policy assessment this week and disappointed some market participants by not announcing any new concrete policy measures at this meeting. The BoJ said it would maintain its policy rate, the uncollateralized overnight call rate, in a range of 0.0% to 0.1%, and would conduct Japanese government bond purchases in accordance with decisions made at its March meeting.

That said, policymakers appear to be shifting toward a more encouraging view of the economy. The central bank suggested the economy has enjoyed a moderate recovery and that private consumption has been resilient, even as some recent data have been uneven. Looking ahead, the BoJ said the economy is likely to keep growing at a pace above its potential growth rate as the virtuous cycle from income to spending gradually intensifies. Similarly, the central bank said a virtuous cycle between wages and prices is continuing to intensify and that, over the second half of its forecast horizon, inflation is likely to be at a level that is generally consistent with its price stability target.

The Bank of Japan did signal that it would decide on a detailed plan for the reduction in the pace of its bond purchases at its next monetary policy meeting in July, but gave few other details. Governor Ueda said it was appropriate to make decisions on the BoJ's bond buying in a predictable manner. He said the reduction in bond buying would be substantial, but also that the central bank should proceed carefully in reducing the pace of purchases. At the July meeting, we think the BoJ will broadly confirm the slower pace of bond purchases seen since May, while also announcing further scheduled reductions over the next several quarters. Finally, Governor Ueda also said it was possible to raise interest rates (and reduce bond buying) in July, depending on the data. However, given what we expect a relatively gradual and uneven upturn in Japan's economy, we still favor the next BoJ rate hike coming at the October monetary policy meeting.



Source: Datastream and Wells Fargo Economics



Source: Datastream and Wells Fargo Economics

In the United Kingdom, GDP growth paused in April, although the economy appears to still be on a gradual overall upswing. April GDP was flat on the month, following growth of 0.4% in March. Services activity rose 0.2% in April, led by gains in information and communications services, professional and scientific services, and arts, entertainment and recreation. The gain in services activity more than offset a decline in April industrial production, which fell 0.9%. The strong increase in March GDP means the U.K. economy entered the second quarter with some momentum, meaning that even small monthly gains in GDP through April, May and June should see another solid quarter of GDP growth in Q2.

This week's other notable release from the United Kingdom was the latest labor market report. Those figures suggested some loosening in the jobs market. The unemployment rate for the three months to April rose to 4.4%, while employment for the three months to April relative to the three months to January declined by 139,000. That said, the labor activity figures might be interpreted with some caution, given a lower survey response rate than usual in recent quarters. Meanwhile, the wage details within the report were a focus for market participants. They showed average weekly earnings holding steady at 5.9% year-over-year for the three months through April, and average weekly earnings excluding bonuses holding steady at 6.0%. Another closely followed measure, private sector average weekly earnings, eased to 5.8%. The wage figures were perhaps something of a relief given an increase in the National Living Wage, which will likely also be further reflected in the May data. That said, with wage growth still elevated overall and given relative stability in economic activity, we doubt the Bank of England will lower its policy interest rate as soon as next week.

Down under, Australia reported another solid month of labor market activity for May. Australian employment rose by 39,700 in May, stronger than both the consensus forecast and also the 37,400 increase in April. Other details of the report were also constructive as the employment increase was led by a 41,700 gain in full-time jobs, as part-time employment actually fell by 2,100. The unemployment rate also ticked lower in May, to 4.0%. A still-solid labor market combined with elevated inflation means we think an initial Reserve Bank of Australia rate cut is still many months away.

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International Outlook

Weekly International Indicator Forecasts					
Date	Indicator	Period	Consensus	Wells Fargo	Prior
17-Jun	China Retail Sales (YoY)	May	3.0%	–	2.3%
17-Jun	China Industrial Production (YoY)	May	6.2%	–	6.7%
18-Jun	Reserve Bank of Australia Policy Rate	18-Jun	4.35%	4.35%	4.35%
20-Jun	Bank of England Policy Rate	20-Jun	5.25%	5.25%	5.25%

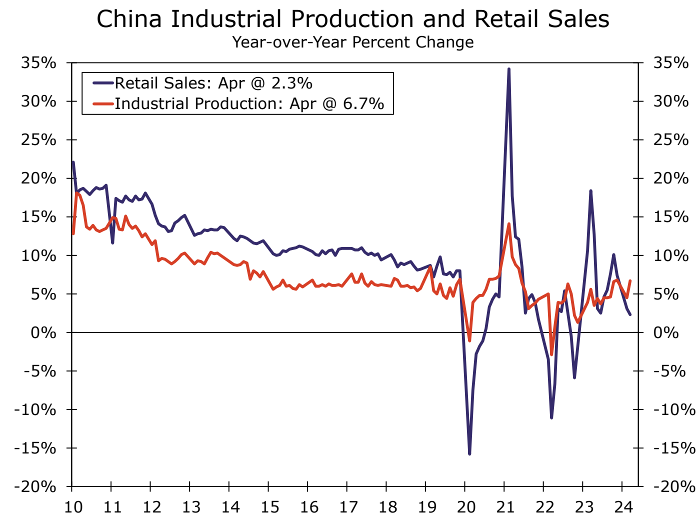
Forecast as of June 14, 2024

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

China Retail Sales & Industrial Output • Monday

Next week, China's industrial production and retail sales data for May will provide market participants further insight into how the economy has performed in the second quarter. After a reasonably solid start for China's economy in 2024, the shine has worn off in recent months as economic data have become more mixed. For example, after showing some improvement in Q1, both the official manufacturing and non-manufacturing PMIs declined for the second month in a row in May. Recent developments in retail sales and industrial production have also kept with this theme of mixed data. In April, industrial output growth blew past consensus expectations at 6.7% year-over-year, while retail sales disappointed at 2.3%. Consensus economists expect industrial production growth slowed to 6.2%, while retail sales growth picked up slightly to 3.0% in May.

Zooming out a bit, we expect any near-term strength in China's economy to gradually abate as we move through 2024 and into 2025. We believe structural challenges, especially concerning the property sector and demographic trends, will weigh on growth over time. We look for China's full-year GDP growth to ease to 5.1% in 2024 before slowing further to 4.3% in 2025.

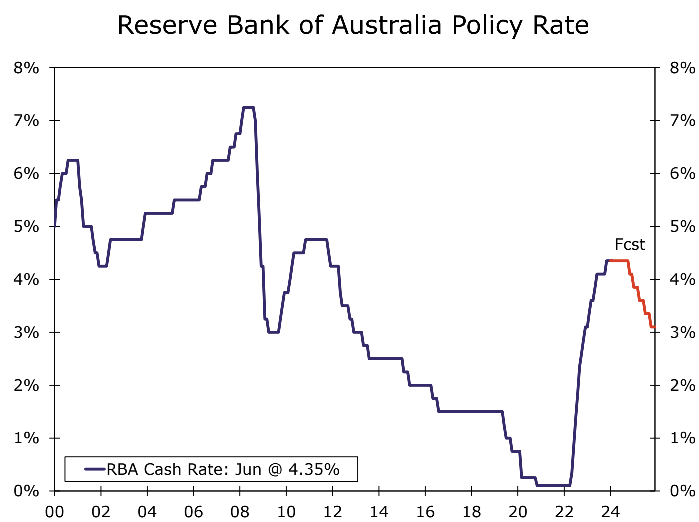


Source: Bloomberg Finance L.P. and Wells Fargo Economics

Reserve Bank of Australia • Tuesday

Next week, the Reserve Bank of Australia (RBA) will deliver its latest monetary policy announcement. Our view, as well as the consensus, is for the RBA to hold the policy rate steady at 4.35% due to continued concerns surrounding the inflation outlook.

Following the RBA's latest monetary policy decision in May, policymakers communicated a cautious stance around the prospect of eventual rate cuts, noting that inflation has remained high and fallen more slowly than expected, especially services inflation. Officials stated that they suspect it will be some time yet before inflation is sustainably in the target range and added that they remain vigilant to upside risks. We believe this caution around inflation is warranted. In April, inflation accelerated to 3.6% year-over-year, in contrast to expectations for a slowdown. This early read into Q2 price developments was probably not welcome news for the RBA after first quarter inflation also surprised to the upside. Economic growth in Australia has been somewhat subdued, but we believe recent inflation developments will prove to be the most important factor in RBA policymakers' decision-making process. In terms of our forecast, we look for the central bank to keep rates on hold until November of this year, though we acknowledge that the risks are tilted toward initial easing being pushed back into 2025.



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

Bank of England • Thursday

Also on next week's central bank schedule, the Bank of England (BoE) will deliver an update to its monetary policy stance. We, as well as consensus economists, expect the central bank to hold its policy rate steady at 5.25%. Market participants will be tuned in to any dovish-leaning guidance that could suggest a potential start to monetary easing in the coming months.

While we expect recent economic data to keep BoE policymakers on hold next week, we look for the central bank to deliver an initial 25 bps policy rate cut at its August meeting. Since the previous May BoE meeting, April inflation data showed a slower-than-expected deceleration in price pressures. Core inflation displayed a still-elevated pace at 3.9% year-over-year, while services inflation—an area of particular concern for BoE policymakers—has also been stubborn with the latest reading of 5.9% year-over-year. In addition, U.K. earnings data from this week showed sticky wage pressures, reinforcing our view that next week will be too early for the Bank of England to lower its policy rate. With that being said, we do still think that the BoE can move this summer with a 25 bps rate cut in August. While services inflation and wage growth have been elevated, headline and core price pressures are gradually easing, and there were some encouraging underlying details in the latest wage figures. The three-month moving average of regular private-sector pay growth—which we believe is closely followed by the BoE—slowed for the eighth consecutive month in April. In an environment of somewhat modest economic growth, if BoE policymakers continue to see generally favorable trends in price pressures, we believe they will feel comfortable delivering a policy rate cut come August.

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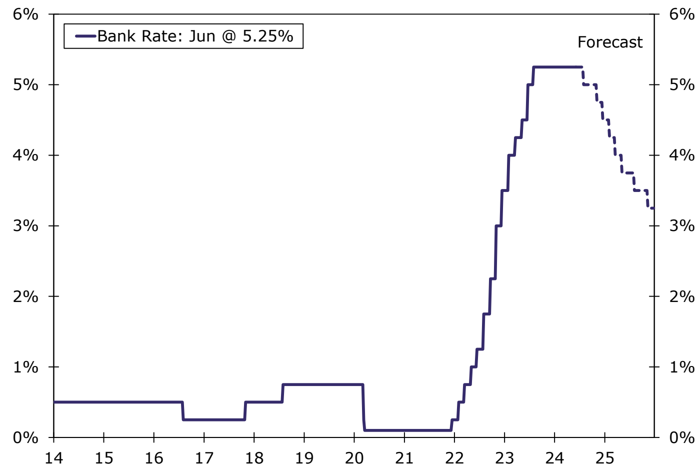
Bank of England Policy Rate



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

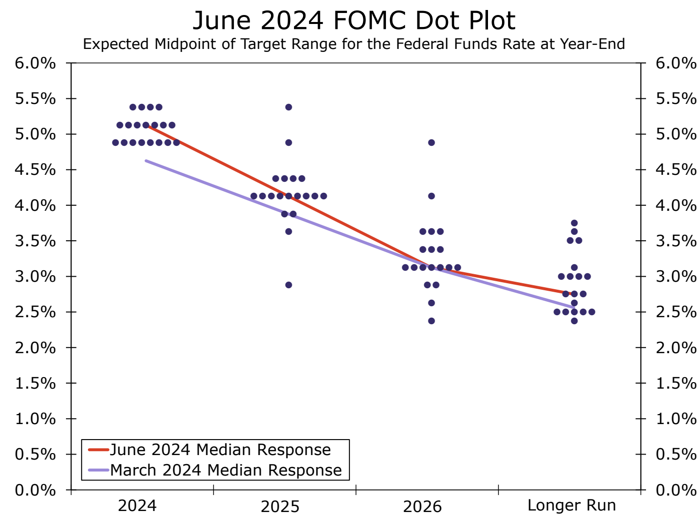
Interest Rate Watch

FOMC Maintains Its Measured Approach to Easing

There wasn't much surprise that came out of the Federal Open Market Committee's (FOMC) June monetary policy meeting. The Committee elected to keep the target range on the federal funds rate unchanged at 5.25%-5.50%, and while there were some underlying revisions to individual members' economic forecasts, the Summary of Economic Projections (SEP) still showed most participants expect at least *some* reduction in rates before the year is out.

Specifically, as seen in the nearby chart, the median projection for where members expect the federal funds rate to be at year-end is now 5.125% (indicating a target range of 5.00%-5.25%), which implies only one 25 bps rate cut before the end of the year. This is down from the 75 bps of easing the FOMC had projected in its March dot plot (indicated by the purple line in the nearby chart), but the distribution of members' projections is still skewed toward more easing—eight participants expect two cuts and only four expect rates to remain unchanged this year. The median estimate for 2025 also now projects one more rate cut for next year, and the Committee's longer-run forecast for the federal funds rate rose to 2.8%.

Revisions to the anticipated policy path also came with changes to participants' inflation expectations. The FOMC now sees the core PCE deflator at 2.8% on a year-over-year basis in Q4-2023, up from the 2.6% it had forecast in the March SEP. This is consistent with stickier inflation data at the start of the year, but in some ways reflects an inferred stalling in price growth as the year-ago rate of the core PCE deflator currently sits at 2.8% as of April. When questioned about this at the post-meeting press conference, Fed Chair Powell referred to it as a "conservative way for forecasting;" he acknowledged large uncertainty with the estimate and that it in part reflects very-low base effects achieved in the second half of last year. We agree with that assessment, as we've forecasted a similar year-end core inflation rate for some time.



Source: Federal Reserve Board and Wells Fargo Economics

The Fed made no changes to its economic forecasts for GDP growth (2.1% in 2024) and the unemployment rate, which it sees holding steady at its current rate of 4.0%. While the focus continues to be on getting inflation on a sustained trajectory toward 2%, Chair Powell stressed the totality of the data in determining when it will be appropriate to ease policy and that the committee truly remains data dependent. There is no pre-set policy path. The strong economy continues to give the Fed cover to take its time in seeing sustained inflation progress before easing policy.

We ultimately think it will be a close call between one or two 25 bps rate cuts this year, though we still lean toward two as our base case with the first in September and second in December. As we discuss in Domestic Review, this week's inflation data have increased our confidence that the jump in price growth in Q1 was a flare-up and not the start of something more sinister. But the FOMC clearly needs to see more benign prints before a consensus emerges that a reduction in the federal funds rate is warranted. We'll get three more months of inflation and employment data in hand ahead of the September meeting, and the next FOMC meeting is late July.

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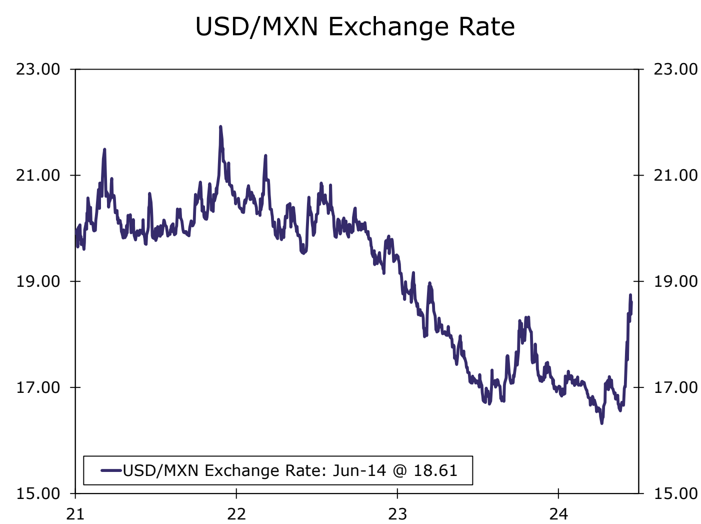
Topic of the Week

Idiosyncratic Risks Weigh on Latin America's Financial Markets

This week, Latin American financial markets, particularly currency markets, came under pressure. We can point to the election surprise in Mexico as the originator of regional market volatility; however, additional policy uncertainty in countries such as Brazil and Colombia also contributed to new volatility in local markets. As far as Mexico, the peso continues to be volatile and experience sporadic bouts of depreciation pressure. Volatility stems from the Morena party and its allies outperforming and securing an effective supermajority in both houses of Congress. A congressional supermajority introduces the possibility of constitutional amendments, and also the possibility that proposed amendments disrupt the democratic process and weaken the governance structure in Mexico. While there is no guarantee that proposed constitutional adjustments fully make their way through Congress, Sheinbaum signaled she is broadly in support of amendments such as judicial reform, while also introducing new amendments that could result in new fiscal expenditures. Mexico's fiscal position is already in precarious shape, and Mexico is a key destination for corporations looking to nearshore operations. Given that, a weaker legal system to support foreign companies combined with less fiscal responsibility have investors questioning Mexico as an investment and FDI destination. Time will tell how constitutional amendments play out, but either way, Mexican financial markets are rattled for the time being.

Fiscal policy was the catalyst for selloffs in the Brazilian real and Colombian peso this week. In Brazil, President Lula suggested no need to cut expenditures to meet fiscal targets and suggested raising taxes or finding new revenue raisers would be sufficient to ensure fiscal balance. In addition, key cabinet members suggested fiscal targets—already relaxed earlier this year—may not be achieved. Brazil's public finances have been in poor shape for some time now, and while fiscal discipline was sought early in Lula's administration, fiscally responsible policymaking may go by the wayside. Financial markets are especially sensitive to fiscal rhetoric and budget data in Brazil, and further indications that public finances are being eroded pushed the USD/BRL exchange rate from ~BRL5.00 up to ~BRL5.40 rather quickly. With the currency under pressure, local inflation could begin to reverse course and trend higher in the short term. Brazilian Central Bank policymakers are likely done easing, but now the question is: Do they start hiking again to defend the value of the currency?



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

Similar to Brazil, President Petro in Colombia has looked to loosen fiscal policy in an effort to support economic activity. Also like Brazil, Colombia's fiscal deficit and public debt burden are not in the best shape. This week, concerns about fiscal discipline rose as headlines suggesting fiscal targets may be missed contributed to a sharp peso selloff. On Thursday, the peso sold off 3%, pushing Colombia's currency down ~7.5% year-to-date against the dollar. A wider fiscal deficit risks Colombia losing its final investment grade credit rating. Moody's, the last agency to rate Colombia investment grade, also commented that the fiscal deficit is likely to deepen more than originally anticipated, raising risks of an imminent rating downgrade. In our view, Colombia will ultimately lose its final IG rating, which can also contribute to financial stability risks and further depreciation pressure on the peso.

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Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 6/14/2024	1 Week Ago	1 Year Ago
SOFR	5.31	5.33	5.05
Effective Fed Funds Rate	5.33	5.33	5.08
3-Month T-Bill	5.38	5.39	5.22
1-Year Treasury	4.98	5.00	4.99
2-Year Treasury	4.69	4.89	4.69
5-Year Treasury	4.23	4.46	3.99
10-Year Treasury	4.22	4.43	3.79
30-Year Treasury	4.36	4.55	3.88
Bond Buyer Index	3.94	3.97	3.67

Foreign Exchange Rates

	Friday 6/14/2024	1 Week Ago	1 Year Ago
Euro ($/€)	1.070	1.080	1.083
British Pound ($/£)	1.268	1.272	1.266
British Pound (£/€)	0.844	0.849	0.855
Japanese Yen (¥/$)	157.330	156.750	140.090
Canadian Dollar (C$/$)	1.374	1.376	1.332
Swiss Franc (CHF/$)	0.891	0.897	0.901
Australian Dollar (US$/A$)	0.662	0.658	0.680
Mexican Peso (MXN/$)	18.467	18.396	17.109
Chinese Yuan (CNY/$)	7.256	7.248	7.162
Indian Rupee (INR/$)	83.561	83.380	82.106
Brazilian Real (BRL/$)	5.358	5.345	4.811
U.S. Dollar Index	105.580	104.885	102.948

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

Foreign Interest Rates

	Friday 6/14/2024	1 Week Ago	1 Year Ago
3-Month German Govt Bill Yield	3.52	3.53	3.20
3-Month U.K. Govt Bill Yield	5.24	5.24	3.89
3-Month Canadian Govt Bill Yield	4.66	4.64	4.85
3-Month Japanese Govt Bill Yield	0.02	0.05	-0.16
2-Year German Note Yield	2.76	3.08	3.02
2-Year U.K. Note Yield	4.17	4.40	4.82
2-Year Canadian Note Yield	3.84	3.99	4.55
2-Year Japanese Note Yield	0.31	0.35	-0.06
10-Year German Bond Yield	2.36	2.62	2.45
10-Year U.K. Bond Yield	4.06	4.26	4.39
10-Year Canadian Bond Yield	3.28	3.47	3.41
10-Year Japanese Bond Yield	0.94	0.98	0.43

Commodity Prices

	Friday 6/14/2024	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	78.59	75.53	68.27
Brent Crude ($/Barrel)	82.77	79.62	73.20
Gold ($/Ounce)	2331.00	2293.78	1942.52
Hot-Rolled Steel ($/S.Ton)	735.00	728.00	923.00
Copper (¢/Pound)	449.45	448.35	387.00
Soybeans ($/Bushel)	11.97	11.87	14.17
Natural Gas ($/MMBTU)	2.90	2.92	2.34
Nickel ($/Metric Ton)	17,396	18,302	21,880
CRB Spot Inds.	552.45	554.77	547.34

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Economics Group

Jay H. Bryson, Ph.D.	Chief Economist	704-410-3274	Jay.Bryson@wellsfargo.com
Sam Bullard	Senior Economist	704-410-3280	Sam.Bullard@wellsfargo.com
Nick Bennenbroek	International Economist	212-214-5636	Nicholas.Bennenbroek@wellsfargo.com
Tim Quinlan	Senior Economist	704-410-3283	Tim.Quinlan@wellsfargo.com
Sarah House	Senior Economist	704-410-3282	Sarah.House@wellsfargo.com
Azhar Iqbal	Econometrician	212-214-2029	Azhar.Iqbal@wellsfargo.com
Charlie Dougherty	Senior Economist	212-214-8984	Charles.Dougherty@wellsfargo.com
Michael Pugliese	Senior Economist	212-214-5058	Michael.D.Pugliese@wellsfargo.com
Brendan McKenna	International Economist	212-214-5637	Brendan.Mckenna@wellsfargo.com
Jackie Benson	Economist	704-410-4468	Jackie.Benson@wellsfargo.com
Shannon Grein	Economist	704-410-0369	Shannon.Grein@wellsfargo.com
Nicole Cervi	Economist	704-410-3059	Nicole.Cervi@wellsfargo.com
Patrick Barley	Economic Analyst	704-410-1232	Patrick.Barley@wellsfargo.com
Jeremiah Kohl	Economic Analyst	212-214-1164	Jeremiah.J.Kohl@wellsfargo.com
Aubrey George	Economic Analyst	704-410-2911	Aubrey.B.George@wellsfargo.com
Delaney Conner	Economic Analyst	704-374-2150	Delaney.Conner@wellsfargo.com
Anna Stein	Economic Analyst	212-214-1063	Anna.H.Stein@wellsfargo.com
Coren Burton	Administrative Assistant	704-410-6010	Coren.Burton@wellsfargo.com

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