Economics

Weekly — September 18, 2026

Economics Week Ahead

Next week is light on the domestic data front, with focus on Thursday's new home sales report. We expect sales to partially recover in August, rising 2.6% to a 623K pace after a sharp decline in July. Higher mortgage rates continue to weigh on affordability and demand, though builder incentives remained in place and conditions did not worsen materially during the month.

Abroad, consensus expects Australia's August employment report to show a rebound in hiring after July's decline, which would reinforce our call for the RBA to raise the Cash Rate by 25 bps in September. In Mexico, we expect Banxico to leave the policy rate unchanged at 6.50% for a third straight meeting this year. Our focus will be on the accompanying statement and whether policymakers signal a shift in tone following the Fed's recent rate hike.

United States:

- New Home Sales (Thursday)

Advanced Economies:

- Australia Employment (Thursday)

Emerging Markets:

- Banxico Overnight Rate (Thursday)

Wells Fargo Economics Week Ahead

		Period	Consensus	Wells Fargo	Prior
United States					
Indicator Releases		Period	Consensus	Wells Fargo	Prior
24-Sep	New Home Sales (SAAR)	Aug	620K	623K	607K
25-Sep	Durable Goods (MoM)	Aug	-0.3%	-0.5%	1.1%
25-Sep	Durables Ex. Transportation (MoM)	Aug	0.5%	0.6%	0.4%
Fed Speakers *(*Designating 2026 Voting Member)*					
21-Sep	*Fed's Goolsbee Speaks About Monetary Policy (6:30a ET)*				
22-Sep	*Fed's Williams* Gives Keynote Remarks (10:05a ET)*				
22-Sep	*Fed's Jefferson* Speaks on Treasury Market Functioning (10:20a ET)*				
22-Sep	*Fed's Barkin Speaks to the CFA Society Baltimore (1:00p ET)*				
23-Sep	*Fed's Barr* Speaks on Housing (10:05a ET)*				
24-Sep	*Fed's Williams* Speaks During Moderated Discussion (4:10a ET)*				
24-Sep	*Fed's Barkin In Fireside Chat With Economic Club of Washington (8:00a ET)*				
24-Sep	*Fed's Hammack* Delivers Opening Remarks at Inflation Conference (8:50a ET)*				
24-Sep	*Fed's Paulson* Speaks At Fintech Conference (10:10a ET)*				
25-Sep	*Fed's Williams* Participates in Policy Panel (5:15a ET)*				
25-Sep	*Fed's Hammack* Participates In Policy Panel Discussion (2:00p ET)*				
International					
G10 Economies		Period	Consensus	Wells Fargo	Prior
24-Sep	Australia Employment Change	Aug	20.0K	—	-15.8K
24-Sep	Australia Unemployment Rate	Aug	4.5%	4.5%	4.5%
Emerging Markets		Period	Consensus	Wells Fargo	Prior
24-Sep	Mexico Economic Activity (YoY)	Jul	1.89%	—	2.82%
24-Sep	Mexico Economic Activity (MoM)	Jul	0.05%	—	-0.06%
24-Sep	Banxico Overnight Rate	24-Sep	6.50%	6.50%	6.50%

Forecast as of September 18, 2026

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

Economist(s)

Tom Porcelli
Chief Economist | Wells Fargo Economics
Tom.Porcelli@wellsfargo.com | 212-214-6422

Tim Quinlan
Senior Economist | Wells Fargo Economics
Tim.Quinlan@wellsfargo.com | 704-410-3283

Sarah House
Senior Economist | Wells Fargo Economics
Sarah.House@wellsfargo.com | 704-410-3282

Charlie Dougherty
Senior Economist | Wells Fargo Economics
Charles.Dougherty@wellsfargo.com | 212-214-8984

Michael Pugliese
Senior Economist | Wells Fargo Economics
Michael.D.Pugliese@wellsfargo.com | 212-214-5058

Jackie Benson
Economist | Wells Fargo Economics
Jackie.Benson@wellsfargo.com | 704-410-4468

Shannon Grein
Economist | Wells Fargo Economics
shannon.grein@wellsfargo.com | 704-410-0369

Nicole Cervi
Economist | Wells Fargo Economics
Nicole.Cervi@wellsfargo.com | 704-410-3059

Azhin Abdulkarim
Economic Analyst | Wells Fargo Economics
Azhin.Abdulkarim@wellsfargo.com | 212-214-5154

Related Information:

- U.S. Economic Forecast
- FOMC 101
- U.S. Tariff Tracker
- U.S. Tariff Policy 101
- 2026 Economic Calendar

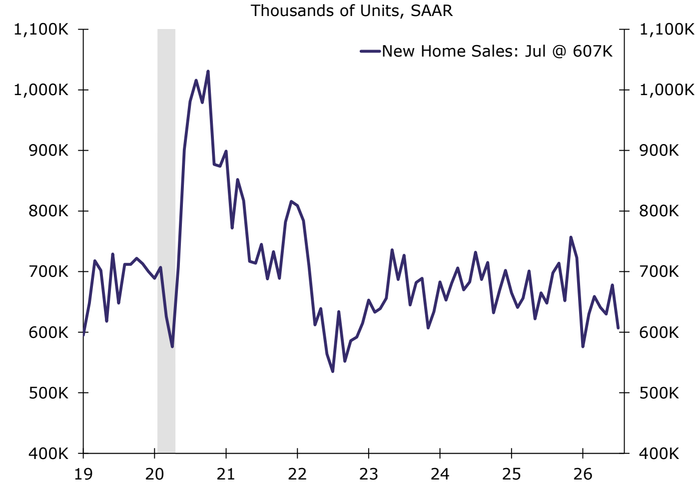
U.S. Week Ahead

New Home Sales • Thursday

New home sales have maintained a stronger trend than resales on account of builder incentives like price cuts and mortgage rate buy-downs. The outlook improved even further late last year when sales rose 6.4% year-over-year in Q4. But the backdrop was falling mortgage rates. Rates have since moved sharply higher, diminishing the effectiveness of builder incentives and weighing on buyer demand.

New home sales tumbled 10.5% in July coinciding with a 20 bps rise in mortgage rates. Although affordability conditions did not improve in August, they did not materially worsen either. The 30-year average rate leveled off at around 6.7%. According to the NAHB, buyer traffic was steady and the share of builders using incentives was unchanged at 63%. Taken together, this data points to a partial rebound in August, and we forecast a 2.6% uptick to 623K.

New Home Sales
Thousands of Units, SAAR



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

(Return)

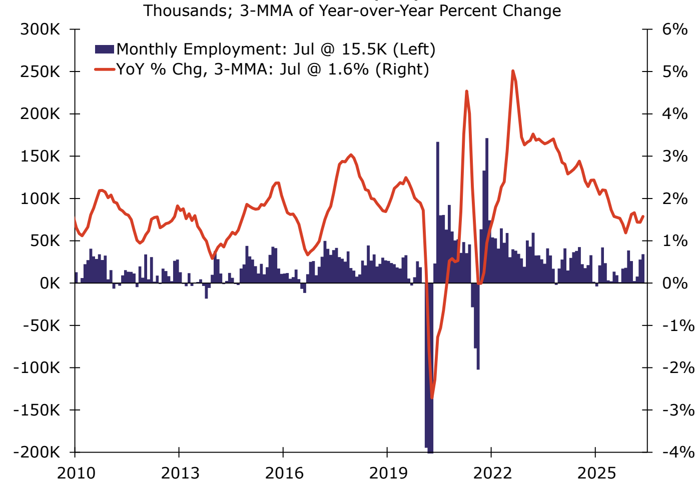
Advanced Economies Week Ahead

Australia Employment • Thursday

Australia's August labor report will be the last major data release before the RBA's September meeting. Consensus expects employment to rebound by 20K after a 15.8K decline in July, while the unemployment rate is expected to hold at 4.5%. The July decline followed solid job gains in May and June and mainly reflected a drop in part-time employment, which more than offset continued gains in full-time positions. Monthly employment data remain volatile, though August PMIs and the NAB business survey point to continued hiring.

A stronger-than-expected report would support our call for another hike, while a second weak print could keep the Reserve Bank of Australia (RBA) cautious. Overall, the labor market appears to be rebalancing rather than overheating, which supports our view that only one more hike is needed. With inflation elevated and growth steady, we expect the RBA to raise the Cash Rate by 25 bps to a terminal rate of 4.60% in September.

Australia Employment
Thousands; 3-MMA of Year-over-Year Percent Change



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

(Return)

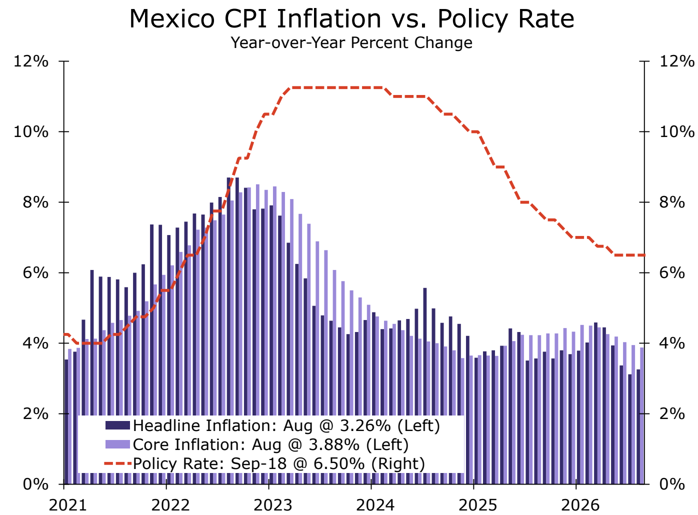
EM Week Ahead

Banxico Monetary Policy Meeting • Thursday

We expect Banxico to leave the policy rate unchanged at 6.50% next week. After unanimously holding rates steady at the previous meeting and reiterating that the current policy stance remains appropriate, policymakers are unlikely to surprise on the decision itself. Instead, the focus will be on the statement and whether officials strike a more hawkish tone following the Fed's recent rate hike.

Inflation remains consistent with a cautious stance. Headline CPI stood at 3.26% year-over-year in August, while core inflation eased to 3.88%. Still, services inflation remained elevated at 4.33%, and longer-term inflation expectations remain above target. Banxico also pushed back the expected return of headline inflation to its 3% target from Q2-2027 to Q4-2027, which reinforces the view that underlying price pressures will take longer to fully dissipate. Activity has also been somewhat more resilient. The economy rebounded strongly in Q2, while industrial production rose further in July, supported by construction and manufacturing. ANTAD same-store sales posted a second consecutive nominal increase in August, though the modest gain provides limited evidence of stronger real consumption. Overall, the recent data point to some improvement at the start of Q3, but downside risks to the growth outlook remain.

Persistent underlying inflation, somewhat more resilient activity and a narrower U.S.-Mexico interest rate differential following the Fed's latest hike should keep policymakers cautious. We remain comfortable with our call for Banxico to hold rates through 2026 and 2027, though its communication could turn somewhat more hawkish.



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

(Return)

Economics Group

Tom Porcelli	Chief Economist	212-214-6422	Tom.Porcelli@wellsfargo.com
Tim Quinlan	Senior Economist	704-410-3283	Tim.Quinlan@wellsfargo.com
Sarah House	Senior Economist	704-410-3282	Sarah.House@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
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
Azhin Abdulkarim	Economic Analyst	212-214-5154	Azhin.Abdulkarim@wellsfargo.com
Anagha Sridharan	Economic Analyst	704-410-6212	Anagha.Sridharan@wellsfargo.com
Andrew Thompson	Economic Analyst	704-410-2911	Andrew.L.Thompson@wellsfargo.com

Required Disclosures

This report is produced by the Economics Group of Wells Fargo Securities, LLC (“Wells Fargo Securities”). This report is not a product of Wells Fargo Global Research and the information contained in this report is not financial research. Wells Fargo Securities distributes this report directly and through affiliates including, but not limited to, Wells Fargo & Company, Wells Fargo Bank, N.A., Wells Fargo Clearing Services, LLC, Wells Fargo Securities International Limited, Wells Fargo Securities Europe S.A., and Wells Fargo Securities Canada, Ltd. Wells Fargo Securities, LLC is registered with the Commodity Futures Trading Commission as a futures commission merchant and is a member in good standing of the National Futures Association. WFBNA is registered with the Commodity Futures Trading Commission as a swap dealer and is a member in good standing of the National Futures Association. Wells Fargo Securities, LLC and WFBNA are generally engaged in the trading of futures and derivative products, any of which may be discussed within this report. All reports published by the Economics Group are disseminated and available to all clients simultaneously through electronic publication to our internal client website. Clients may also receive our reports via third party vendors. We are not responsible for the redistribution of our reports by third-party aggregators. Any external website links included in this report are not maintained, controlled or operated by Wells Fargo Securities. Wells Fargo Securities does not provide the products and services on these websites and the views expressed on these websites do not necessarily represent those of Wells Fargo Securities.

This publication has been prepared for informational purposes only and is not intended as a recommendation, offer or solicitation with respect to the purchase or sale of any security or other financial product, nor does it constitute professional advice. The information in this report has been obtained or derived from sources believed by Wells Fargo Securities to be reliable, but has not been independently verified by Wells Fargo Securities, may not be current, and Wells Fargo Securities has no obligation to provide any updates or changes. All price references and market forecasts are as of the date of the report or such earlier date as may be indicated for a particular price or forecast. The views and opinions expressed in this report are those of its named author(s) or, where no author is indicated, the Economics Group; such views and opinions are not necessarily those of Wells Fargo Securities and may differ from the views and opinions of other departments or divisions of Wells Fargo Securities and its affiliates. Wells Fargo Securities is not providing any financial, economic, legal, accounting, or tax advice or recommendations in this report. Neither Wells Fargo Securities nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this report, and any liability therefore (including in respect of direct, indirect or consequential loss or damage) is expressly disclaimed. Wells Fargo Securities is a separate legal entity and distinct from affiliated banks, and is a wholly-owned subsidiary of Wells Fargo & Company.

Important Information for Non-U.S. Recipients
For recipients in the United Kingdom, this report is distributed by Wells Fargo Securities International Limited ("WFSIL"). WFSIL is a U.K. incorporated investment firm authorized and regulated by the Financial Conduct Authority (“FCA”). For the purposes of Section 21 of the UK Financial Services and Markets Act 2000 (the “Act”), the content of this report has been approved by WFSIL, an authorized person under the Act. WFSIL does not deal with retail clients as defined in the Directive 2014/65/EU (“MiFID2”). The FCA rules made under the Act for the protection of retail clients will therefore not apply, nor will the Financial Services Compensation Scheme be available. For recipients in the EFTA, this report is distributed by WFSIL. For recipients in the EU, it is distributed by Wells Fargo Securities Europe S.A. (“WFSE”). WFSE is a French incorporated investment firm authorized and regulated by the Autorité de contrôle prudentiel et de résolution and the Autorité des marchés financiers. WFSE does not deal with retail clients as defined in MiFID2. This report is not intended for, and should not be relied upon by, retail clients.

SECURITIES: NOT FDIC-INSURED - MAY LOSE VALUE - NO BANK GUARANTEE