Economics

Weekly — November 8, 2024

Weekly Economic & Financial Commentary

United States: **Election Results Don't Clarify the Outlook**

- Even as the 2024 presidential election has come and gone, there is still a tremendous amount of uncertainty regarding the trajectory of the economy and Fed policy. Tariffs and a tax policy look to be on the docket in the next administration, which could come with higher inflation and thereby higher rates.
- Next week: NFIB Small Business Optimism Index (Tue.), CPI (Wed.), Retail Sales (Fri.)

International: **Global and Thematic Implications of the U.S. Election**

- In our view, Trump winning the White House and having a largely unilateral ability to implement tariffs and shift U.S. trade policy in a more protectionist direction is yet another deglobalization force. New trade barriers would have the potential to weigh on the interconnectedness of the global economy, which could have longer-term negative implications for global economic growth. We also view the election results as supportive of further U.S. dollar strength in the medium term.
- Next week: India CPI (Tue.), Central Bank of Mexico (Thu.), China Retail Sales & Industrial Production (Fri.)

Interest Rate Watch: **Higher Rates Likely Under Trump Administration**

- President-elect Trump's victory sparked upward movements in equities and bond yields across the curve. This week's Fed meeting was less eventful. As was widely expected, the FOMC reduced the federal funds target range by 25 bps to 4.50%-4.75%. Although Chair Powell declined to comment on the election, our expectation for the path of Fed easing has evolved. As we see it today, the potential for higher inflation next year raises the likelihood that the federal funds rate bottoms out closer to 4% than 3%.

Topic of the Week: **The 2024 U.S. Elections: Economic Implications**

- Election Day has come and gone. Donald Trump was elected the 47th president of the United States, becoming the second person to serve two non-consecutive terms as president. We walk through our preliminary thoughts on the recent election results and their implications for the U.S. economy.

Wells Fargo U.S. Economic Forecast

	Actual				Forecast				Actual	Forecast		
	2024				2025				2023	2024	2025	2026
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Real Gross Domestic Product [1]	1.6	3.0	2.8	2.0	1.5	2.2	2.5	2.4	2.9	2.7	2.2	2.5
Personal Consumption	1.9	2.8	3.7	2.0	2.0	2.3	2.3	1.9	2.5	2.6	2.3	2.2
Consumer Price Index [2]	3.2	3.2	2.6	2.6	2.4	2.3	2.6	2.6	4.1	2.9	2.5	2.4
"Core" Consumer Price Index [2]	3.8	3.4	3.2	3.2	2.8	2.6	2.7	2.6	4.8	3.4	2.7	2.5
Quarter-End Interest Rates [3]												
Federal Funds Target Rate[4]	5.50	5.50	5.00	4.50	4.00	3.75	3.50	3.25	5.23	5.13	3.63	3.25
Conventional Mortgage Rate	6.82	6.92	6.18	6.30	6.05	5.90	5.80	5.70	6.80	6.55	5.86	5.65
10 Year Note	4.20	4.36	3.81	3.80	3.65	3.60	3.55	3.50	3.96	4.04	3.58	3.54

Forecast as of: October 11, 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

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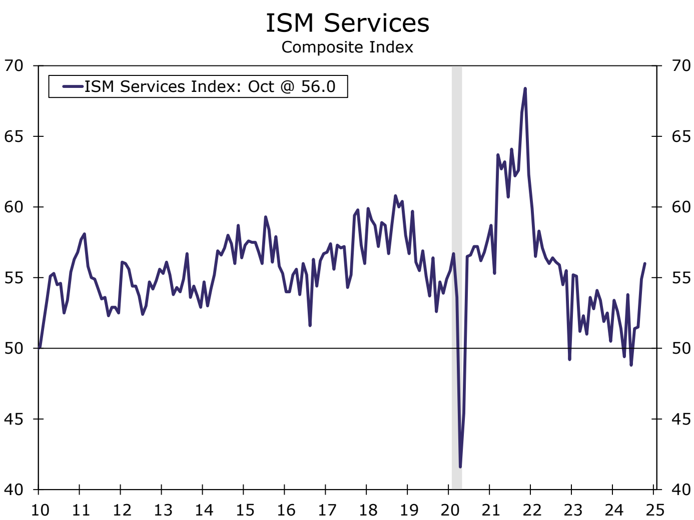
U.S. Review

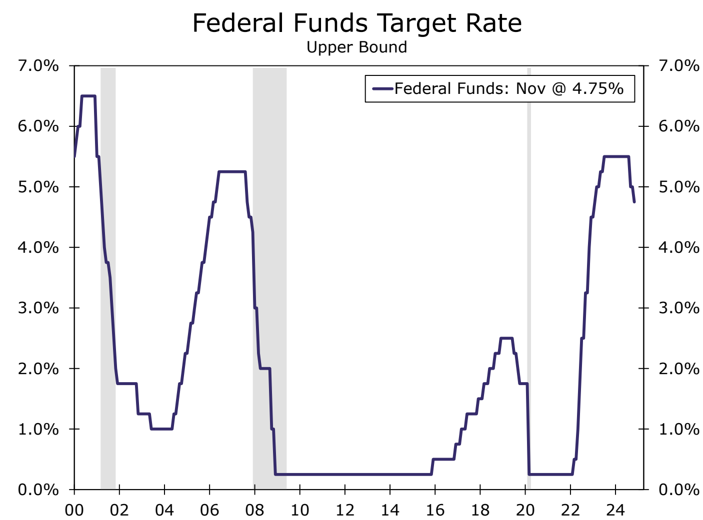
Election Results Don't Clarify the Outlook

The United States has elected Donald Trump to become the 47th president, making him just the second person to serve two non-consecutive terms. While the outcome of every race is still not yet determined, when Trump takes office, Republicans will have control of the Senate, and they are on track to hold the House as well.

There is still a great deal of uncertainty around what policy proposals from the campaign trail will be prioritized and if/when they are ultimately implemented. At this point, we expect an extension of the 2017 Tax Cuts & Jobs Act (TCJA), which includes many clauses set to sunset at the end of 2025, and this is already baked into our current economic forecast. But it is also possible that we see a potential *expansion* of tax cuts, and a levying of new tariffs. The size and scope of these policy initiatives remain uncertain and up for debate, though Trump has proposed a 10% across-the-board tariff on *all* imports and a 60% tariff on Chinese imports specifically. We detail our preliminary thoughts on the economic implications of the election in Topic of the Week, but in short, new tax cuts would lead to stronger GDP growth and somewhat-higher inflation, while tariffs of the magnitude proposed would impart a modest stagflationary shock to the U.S. economy, thus offsetting some of the boost from tax cuts. We remind readers to join us on Nov. 21 for our Annual Economic Outlook where we will discuss the post-election forecast in more detail.



Source: Institute for Supply Management and Wells Fargo Economics



Source: Federal Reserve Board and Wells Fargo Economics

The limited amount of economic data we got this week continued to demonstrate that one thing is clear; President-elect Trump is inheriting a strong economy. The ISM services index showed that even through the major hurricanes—which led to longer lead times and boosted the headline measure last month—service-sector activity continues to expand at a steady clip. Despite concern of a deteriorating labor market, some service providers continue to report trouble finding workers, and separately released data this week showed the number of people filing an initial claim for unemployment insurance remained in check through early November.

The Federal Open Market Committee met on Thursday and unanimously elected to lower the target range for the federal funds rate by 25 bps to 4.50%-4.75%. Even as the economy remains resilient, the restrictive stance of monetary policy combined with easing inflation and a moderating jobs market has motivated the Committee to remove some restriction. We still expect the FOMC to reduce rates another 25 bps at its final 2024 meeting in mid-December, but the outlook for 2025 has become unsettled—see Interest Rate Watch for more detail. Our current forecast, which we compiled before the election, calls for a gradual drawdown of the federal funds rate to a target range of 3.00%-3.25% by the end of 2025. But to the extent that the incoming Trump administration's tariff and income tax policies elicit inflation, it could cause a slower reduction in interest rates, potentially closer to bottoming around only 4% next year. That said, the FOMC will wait until policies are more fully formed and their effects better understood before acting. (Return to Summary)

U.S. Outlook

Weekly Indicator Forecasts					
Domestic					
Date	Indicator	Period	Consensus	Wells Fargo	Prior
13-Nov	CPI (MoM)	Oct	0.2%	0.2%	0.2%
13-Nov	CPI (YoY)	Oct	2.6%	2.5%	2.4%
13-Nov	Core CPI (MoM)	Oct	0.3%	0.3%	0.3%
13-Nov	Core CPI (YoY)	Oct	3.3%	3.3%	3.3%
14-Nov	CPI Index NSA	Oct	315.533	315.486	315.301
14-Nov	PPI Final Demand (MoM)	Oct	0.2%	0.2%	0.0%
14-Nov	PPI Final Demand (YoY)	Oct	2.3%	2.3%	1.8%
14-Nov	Core PPI (MoM)	Oct	0.3%	0.3%	0.2%
14-Nov	Core PPI (YoY)	Oct	3.0%	3.0%	2.8%
15-Nov	Retail Sales (MoM)	Oct	0.3%	0.3%	0.4%
15-Nov	Retail Sales Ex Auto (MoM)	Oct	0.3%	0.3%	0.5%
15-Nov	Import Price Index (MoM)	Oct	-0.1%	-0.2%	-0.4%
15-Nov	Import Price Index (YoY)	Oct	—	0.3%	-0.1%
15-Nov	Industrial Production (MoM)	Oct	-0.2%	-0.3%	-0.3%
15-Nov	Capacity Utilization	Oct	77.2%	77.3%	77.5%
15-Nov	Business Inventories (MoM)	Sep	0.2%	0.2%	0.3%

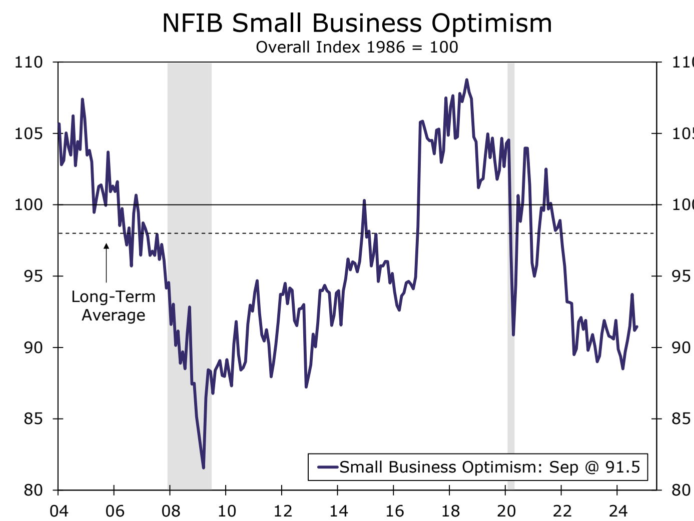
Forecast as of November 08, 2024

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

NFIB Index • Tuesday

Part of the challenge in running a business these days is the lack of concrete answers to some fairly consequential questions. The list of unknown factors includes: the future cost of capital, how long consumer resilience will hold up and perhaps the biggest...the election outcome. The NFIB's Uncertainty Index rose 11 points in September to 103, the highest measure since records began in 1986.

At least one of those answers came into focus with this week's election, but that will not yet be captured in next week's reading of small business optimism for October, the last look prior to the election. Reasonable people can disagree about the impact of presidential elections on economic gauges, but the last time Trump won an election, small business owners were cheered. Between October and December 2016, confidence shot up 10.9 points, the biggest two-month jump since Ronald Reagan's election year of 1980. At last check, NFIB Small Business Optimism came in at 91.5. That is 3.4 points lower than where it was in October 2016. There may not be a big move in next week's reading for October, but don't be surprised to see confidence jump once November's numbers are available.



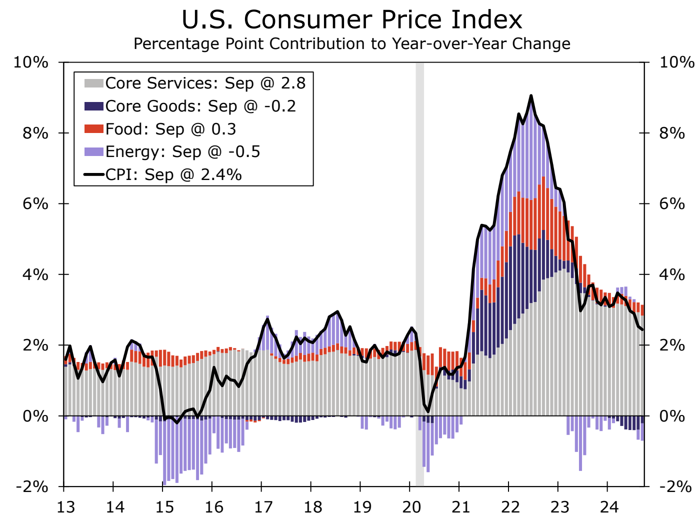
Source: NFIB and Wells Fargo Economics

CPI • Wednesday

The October CPI report will likely support the notion that the last mile of inflation's journey back to target will be the hardest. We look for the Consumer Price Index to have advanced 0.2% in October, causing the year-over-year rate to edge back up to 2.5% from 2.4% last month. Excluding food and energy, a third consecutive 0.3% monthly increase is expected to keep the core index up 3.3% year-over-year—still about one percentage point higher than its pre-pandemic pace.

A number of upside risks remain in the near to medium term, however, including a pullback in labor supply, deglobalization's impact on import prices, the potential for worsening conflict in the Middle East and still-strong demand. Many of the policies proposed by President-elect Donald Trump on the campaign trail are likely to contribute to these pressures and extend the journey back to the Fed's target, if not lead to a re-acceleration in price growth over the next year or so, in our view.

See our October CPI Preview report for more detail.



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

Retail Sales • Friday

Friday of next week brings the October retail sales report, the last measure of retail activity before the official tally of holiday sales begins in November. In the first nine months of the year, retail activity has been not quite as robust as prior years. That said, worries about the financial health of the consumer appear to have been overblown as retailers had a solid month in September with 10 of 13 store types ringing up more sales. The control group category rose more than twice the expected amount, pointing to stronger Q3 consumer spending.

We expect retail sales to increase 0.3% in October. After that, we forecast holiday sales will increase, but for the third year in a row, that increase will be smaller than the year before. The 3.3% growth of November and December sales compared to the same period last year is below the long-run average of a 4.3% annual increase.

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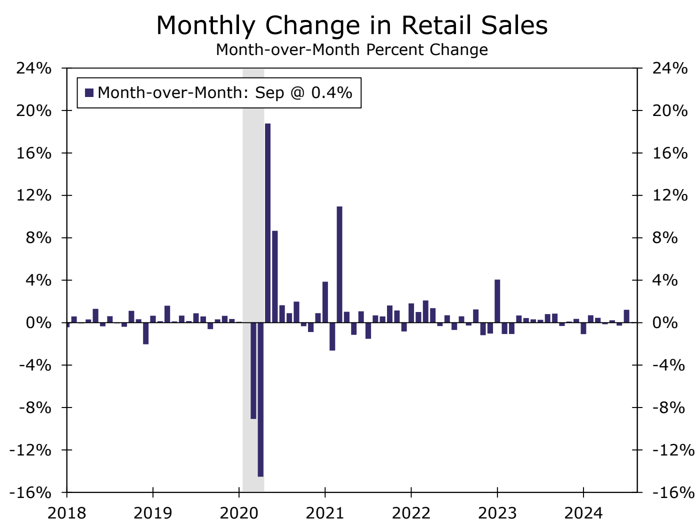


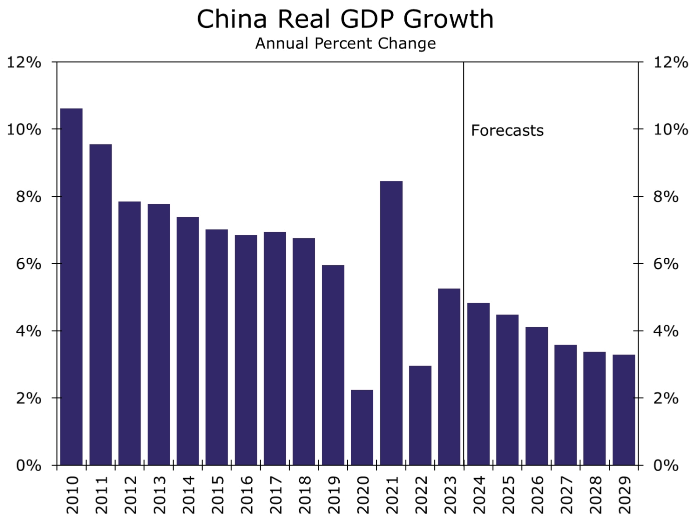
Source: U.S. Department of Commerce and Wells Fargo Economics

International Review

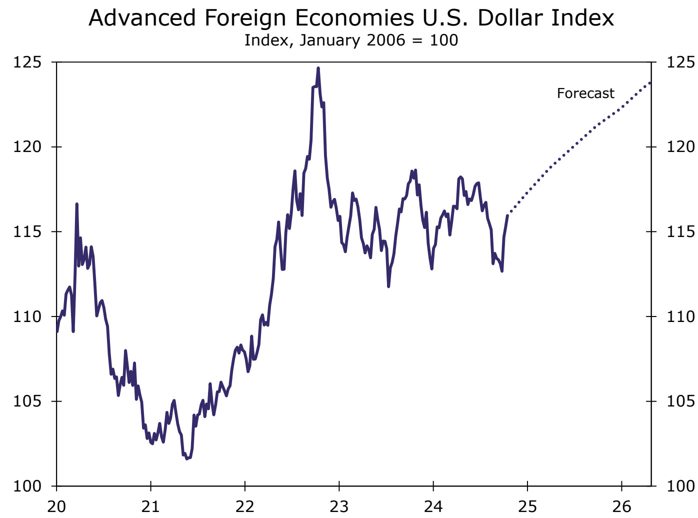
Global and Thematic Implications of the U.S. Election

In our view, Trump winning the White House and having a largely unilateral ability to implement tariffs and shift U.S. trade policy in a more protectionist direction is yet another deglobalization force. During his first administration and over the course of his latest campaign, Trump has been unwavering in his commitment to tariffs. Time will tell how tariff policy ultimately evolves, but as our U.S. economists note in a post-election report, Trump's tariff threats should be taken seriously. Global trade cohesion has suffered since the Global Financial Crisis and deteriorated further as a result of COVID. Erecting new barriers to trade will place additional pressure on the interconnectedness of the global economy, which could have longer-term negative implications for global economic growth, especially if retaliatory tariffs are imposed on the United States. Fragmentation (i.e., countries choosing to strategically align with either the U.S. or China) is a product of deglobalization, and as U.S. trade and broader economic policy becomes more uncertain, strategic alignments could shift back toward China. We observed a noticeable shift in alignment patterns toward China during Trump's first term, driven by countries opting for stronger trade relations with China, participating in China's foreign investment programs and voting in unison with China on geopolitical issues at the United Nations General Assembly. With U.S. trade policy likely to turn more contentious and inward-looking, countries around the world could look to strengthen economic and geopolitical ties with China.

As far as China, China's National People's Congress Standing Committee met this week, which was of interest pre-election, and became more meaningful post-election. Authorities announced fiscal stimulus in September and October, and while details are still scarce, authorities at the standing committee communicated that local banks will get the majority of support. However, the old playbook of directing support toward local banks, the real estate sector and manufacturing capabilities may no longer be viable under a new tariff regime. With Trump set to significantly raise new tariffs on China, authorities may take the stance that directing stimulus toward manufacturing could be counterproductive. Trump's proposed global tariff would also diminish China's ability to circumvent U.S. tariffs through proxy nations such as Mexico. Meaning China's export sector—which has been the primary bright spot of China's economy this year—could face heightened vulnerability under the next Trump administration. Ultimately, the U.S. election could become the tipping point for when authorities direct fiscal stimulus toward supporting domestic demand and having household consumption play a larger role in the economy. Authorities have warned against China moving toward "welfarism" and not wanting to offer "Western-style" fiscal stimulus, especially when the public sector balance sheet is already overleveraged. While we continue to believe Chinese authorities will not deliver fiscal stimulus to spark domestic consumption in the immediate term, authorities could look at the U.S. election as the catalyst for adjusting how China approaches stimulus efforts over the longer term. Without a shift in stimulus thinking—away from real estate and manufacturing—China's economy could slow more rapidly than we currently expect, placing risks to global and developing economy growth squarely to the downside. For now, we forecast China's economy to grow between 4%-4.5% over the next two years, and slow more rapidly longer term.



Source: IMF and Wells Fargo Economics



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

And finally, in our October International Economic Outlook, we noted how a Trump White House would lead us to become more positive on the U.S. dollar. Now that Trump has indeed won the election, we reinforce our view for a strong dollar over the course of 2025 and into 2026, and will become more positive on the dollar outlook in our next forecast update. As far as the dynamics surrounding a more constructive dollar view, in their post-election report, our U.S. economics colleagues noted the extension and possible expansion of the expiring provisions of the Tax Cuts and Jobs Act (TCJA) in addition to the likelihood of higher tariffs. Over the next few years, tariffs and looser fiscal policy could lead to higher U.S. inflation, and through reduced purchasing power of U.S. consumers and businesses, could also contribute to slower U.S. growth. With the Federal Reserve potentially cautious about the overall inflationary implications of the new administration's policies, the U.S. central bank may lower interest rates more gradually than we currently expect. While there may also be some influence on foreign central bank monetary policy, we think the impact would be far more limited. Slower U.S. growth and tariffs would likely spill over to foreign economies, placing both growth and interest rate differentials in favor of the U.S. dollar over the longer term. Sporadic bouts of market volatility could also provide the dollar with safe-haven tailwinds over the next 18 months. Also, despite any rhetoric aimed at weakening the dollar, Trump will be unable to influence the long-term direction of the dollar. In our view, Trump's preference for a weaker dollar would have to be accommodated by and in coordination with the Federal Reserve, which we view as unlikely. We view the Fed as a monetary authority that is unlikely to pursue a weaker dollar at the direction of the president nor have its independence questioned by global financial markets.

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International Outlook

Weekly International Indicator Forecasts					
Date	**Indicator**	**Period**	**Consensus**	**Wells Fargo**	**Prior**
12-Nov	India CPI (YoY)	Oct	5.90%	–	5.49%
14-Nov	Central Bank of Mexico Policy Rate	14-Nov	10.25%	10.25%	10.50%
15-Nov	China Industrial Production (YoY)	Oct	5.5%	–	5.4%
15-Nov	China Retail Sales (YoY)	Oct	3.8%	–	3.2%

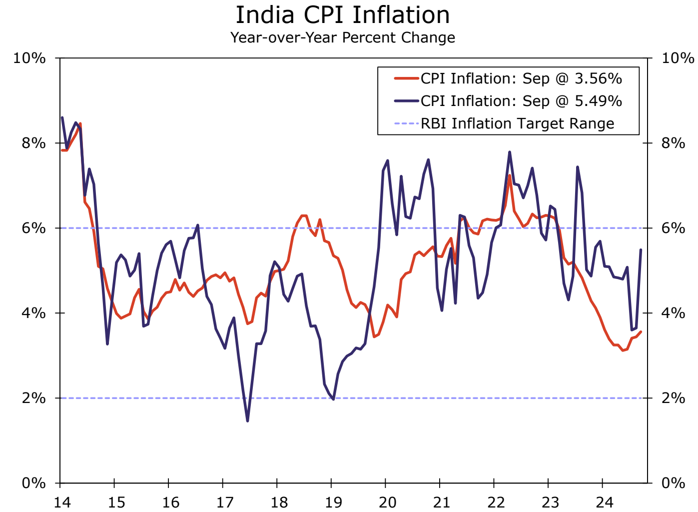
Forecast as of November 08, 2024

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

India CPI • Tuesday

Price growth in India has been volatile, floating in and out of the Reserve Bank of India's (RBI) CPI target range. Last month, inflation spiked higher as food and energy prices rose, leaving the RBI in a difficult position. Policymakers are inching closer to easing monetary policy, but upside risks surrounding inflation have prevented them from lowering interest rates. Next week, October CPI data will be released, and another pop higher in price growth is expected, leaving inflation close to the upper bound of the central bank's target range.

To that point, inflation is expected to rise to 5.90% year-over-year. Another rise in inflation will complicate the RBI's decision-making process even further. Recently, RBI policymakers shifted to a “neutral” stance on monetary policy and away from “removing accommodation,” a signal that India's central bank is approaching a pivot toward easier monetary policy settings. Should inflation firm in October, we would expect the RBI to again delay the timing of interest rate cuts. As of now, we believe RBI policymakers will initiate an easing cycle in Q1-2025, with risks firmly tilted toward a later start.

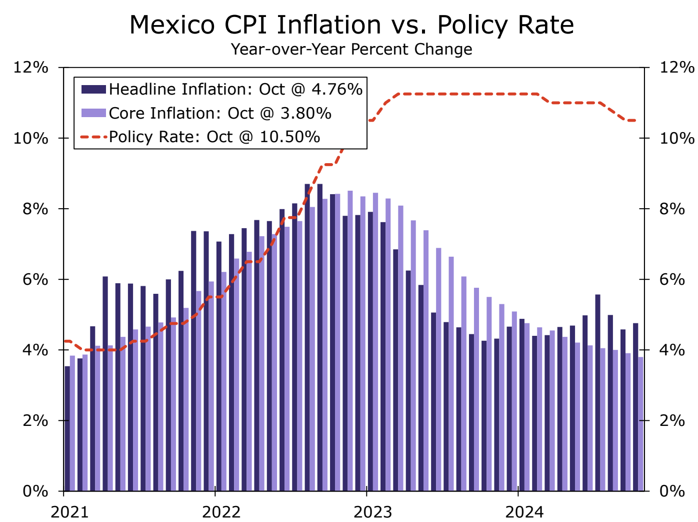


Source: Bloomberg Finance L.P. and Wells Fargo Economics

Central Bank of Mexico • Thursday

In our view, Banxico policymakers are still on track to deliver additional easing next week. Core inflation continues to trend lower and economic activity continues to soften, a combination that should justify another 25 bps rate cut at the November meeting. At the same time, headline inflation is more elevated and the peso remains under pressure as a result of domestic political developments and external events. Elevated headline inflation and currency volatility should prevent Banxico from easing at a more rapid pace.

U.S. elections and President Trump returning to the White House could have spillover effects on Mexican monetary policy. As mentioned above, risks are now tilted toward the Fed not cutting rates as aggressively due to the potential inflationary impact of Trump's proposed trade and fiscal policies. A higher Fed terminal rate could also mean Banxico policymakers take a more gradual approach to easing to prevent further peso weakness and imported inflation. We will be curious to see if policymakers mention U.S. elections and the impact of any tariffs on Mexico's economy, but also the breakdown of Banxico's decision to cut rates. Unanimous 25 bps cut? Split with dissenters favoring a hold? Spillovers from U.S. elections should start rather quickly in Mexico, starting with next week's Banxico decision.



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

China Retail Sales & Industrial Production • Friday

We have not been shy about our stance on the health of China's economy as well as recent stimulus announcements. For those not familiar, we are pessimistic on China's growth outlook and believe recent policy support announcements will not have a positive effect on the Chinese economy. Next week will offer insight into how the economy is responding to those policy announcements with retail sales and industrial production data set to be released. In our view, even if activity surprises to the upside next week, we still expect China's economy to miss the 5% government growth target.

Longer term, Trump's tariffs can contribute to additional pressure on China's economy. Trump has proposed a 60% tariff on all exports to the United States, and given China's dependency on exports for economic growth, the economy has become more sensitive to tariffs. For now, we forecast China's economy to grow ~4.5% this year and closer to 4% next year. Risks are now clearly tilted to the downside on tariff risks, and while the nature of policy stimulus could become more aggressive and impactful, we have our doubts Chinese authorities are willing to deploy large scale stimulus against a backdrop over an overleveraged public sector balance sheet.

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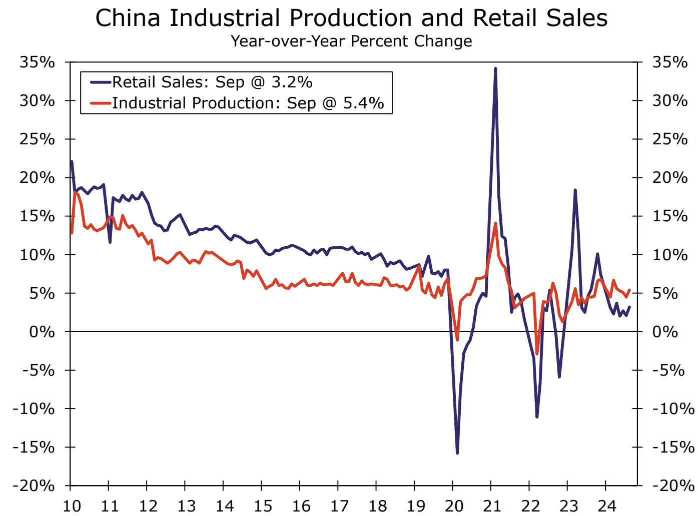


Source: Bloomberg Finance L.P. and Wells Fargo Economics

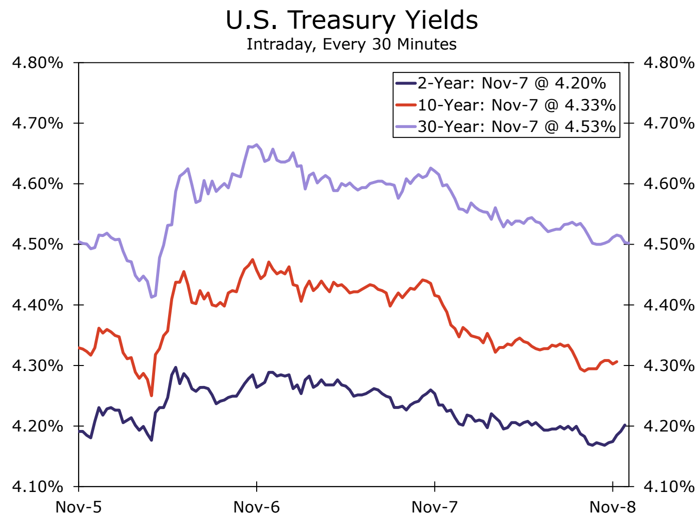
Interest Rate Watch

Higher Rates Likely Under Trump Administration

Markets have been quite active following President-elect Trump's victory on Tuesday. The S&P 500 spiked 2% on Wednesday's open and has continued to climb since, likely bolstered by the prospect of lower taxes and less regulatory scrutiny over technology and energy firms. Bond yields also rose across the curve, suggesting that market participants priced in added inflationary risk from President-elect Trump's policy agenda. Not every campaign promise will necessarily become law, especially considering that the fate of the House of Representatives is yet to be determined. However, unified Republican control seems reasonably likely, increasing the chances of a functional government capable enough to enact policy change.

As we explore further in Topic of the Week, the president-elect's policy agenda would likely slow the pace of disinflation and may spark some reacceleration. His two chief policy proposals—tax cuts and tariffs—are each inflationary in their own respects. Tax cuts would put upward pressure on prices by boosting domestic demand, while tariffs would do the same via a negative supply shock. A slower pace of disinflation likely means higher interest rates, all else equal.

The market is already digesting this possibility. The day after the election, the benchmark 10-year yield rose around 20 bps over Tuesday's close to hit a peak of 4.47%. Longer-term yields rose even more, with the 30-year posting a 23 bps rise to 4.67%. Shorter-duration yields also perked up, but to a lesser extent. At its Wednesday peak, the 2-year was up 13 bps to 4.30%. Yields have come down since, with the 2-year and 10-year snapping back to pre-election levels; however, longer-term yields remain higher than at Tuesday's close. The dollar followed a similar pattern, rising 2% against other major currencies on Wednesday amid expectations for higher U.S. rates. As of this morning, the value of the dollar remains roughly 1% higher than other major currencies.



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

This week's FOMC meeting was somewhat less eventful. The Fed reduced the federal funds target range by 25 bps to 4.50%-4.75% as was expected by more than 99% of market participants. In the post-meeting press conference, Chair Powell reiterated that inflation is moving sustainably down toward 2% and conditions are solid in the labor market, giving the committee runway to reduce the degree of policy restraint. Chair Powell declined to comment on the economic implications of a Trump presidency or whether his expectations for rate cuts have shifted following the election. However, he did emphasize that the path of monetary policy is not set in stone. As he has communicated for quite some time, the committee will continue to make decisions meeting by meeting based on the incoming data.

Fed futures now imply a bit more uncertainty about rate cuts over the next few meetings. As we wrote in a recent report, chances are now higher, in our view, that the Fed pursues a more gradual pace of easing next year. Our current forecast was compiled before the election, at which time we expected the Committee to reach a "neutral" policy rate of around 3%-3.25% by the end of next year. As we see it today, the potential for higher inflation raises the likelihood that the federal funds rate bottoms out closer to 4% than 3%.

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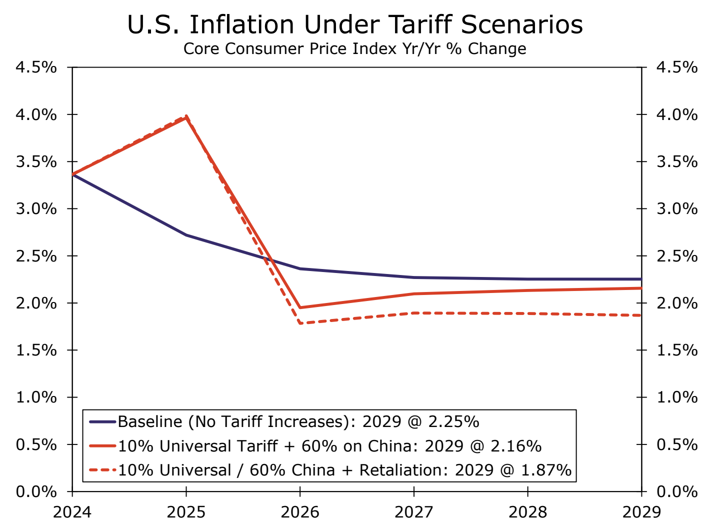
Topic of the Week

The 2024 U.S. Elections: Economic Implications

Election Day has come and gone. Donald Trump was elected the 47th president of the United States, becoming the second person to serve two non-consecutive terms as president. In the Senate, Republicans picked up seats in West Virginia, Ohio, Montana and Pennsylvania to win at least a 53-seat majority as of this writing, according to Associated Press. Control of the House of Representatives has yet to be decided, with 27 races still ongoing. That said, the Republicans currently have won 211 seats to Democrats' 199, and it appears more likely than not that they will hold onto their majority in the lower chamber of Congress. If realized, this would result in Republican control of both chambers of Congress and the White House for the first time since 2017-2018. Because the dust has not settled on final results, we will update our post-election forecast for the U.S. economy with the publication of our 2025 Annual Economic Outlook on Nov. 21. For now, we will walk through our preliminary thoughts on the recent election results and their implications for the U.S. economy. For the full report, please see *The 2024 U.S. Elections: Economic Implications.*

As a candidate, Donald Trump expressed support for a variety of new policies covering taxes & spending, trade, the Federal Reserve and immigration. While a candidate's campaign proposals do not always become law, there are some policy areas that we feel more confident about than others. For example, we feel reasonably confident Republicans will extend most or all of the 2017 Tax Cuts and Jobs Act (TCJA). An extension is already incorporated into our economic forecast, so it would not have an impact on our forecasts for economic growth, inflation, the federal budget deficit, etc. We are more uncertain about the outlook for tax policy beyond TCJA extension. Some additional tax cuts seem probable in our view, although how large they are and what specific taxes are cut is difficult to say. New tax cuts of a similar size to the original TCJA would lead us to upwardly revise our forecasts for real GDP growth and inflation by a couple of tenths of a percentage point in 2026 and 2027, all else equal.



Source: Oxford Economics and Wells Fargo Economics

A large part of president-elect Trump's campaign proposals included the implementation of tariffs, mainly a 10% across-the-board tariff on America's trading partners with a 60% tariff levied on China. These tariffs would likely impose a modest stagflationary shock to the U.S. economy if implemented shortly after Inauguration Day.

Of course, President-elect Trump may decide not to impose tariffs so quickly upon taking office. He may consider using the threat of tariffs as a negotiating tactic with foreign governments, exempting certain products and/or countries or even reconsidering levies altogether. That said, Trump has frequently mentioned tariffs during his campaign and utilized them in his first term in 2018-2019. Given the president can act almost unilaterally in regard to trade policy, we advise readers to take threats of tariffs seriously, if not literally. We are inclined to push up our core CPI inflation forecast for 2025, currently 2.7%, given the balance of risks (chart).

President-elect Trump's campaign proposals present upside risks to our feds funds rate forecast. Our current forecast looks for the Federal Open Market Committee (FOMC) to cut its target range for the federal funds rate to 3.00%-3.25% by the end of next year. However, the FOMC may opt for less easing if new tax cuts and tariffs cause inflation to shoot higher over the next couple of years.

The return of Republican control of Congress and the White House for the first time since 2017–2018 opens the door to potential policy changes that will impact our economic outlook. It goes without saying that there is tremendous uncertainty about what will be enacted over the course of the next two years under President-elect Trump and this Congress. We will publish our 2025 Annual Economic Outlook (AEO) in about two weeks (Nov. 21), which will contain an in-depth discussion of our post-election forecast for the U.S. economy. Until then, please see our full report for further details on potential economic implications.

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Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 11/8/2024	1 Week Ago	1 Year Ago
SOFR	4.82	4.90	5.32
Effective Fed Funds Rate	4.83	4.83	5.33
3-Month T-Bill	4.53	4.50	5.42
1-Year Treasury	4.36	4.34	5.08
2-Year Treasury	4.22	4.21	4.93
5-Year Treasury	4.16	4.22	4.50
10-Year Treasury	4.29	4.38	4.49
30-Year Treasury	4.48	4.58	4.61
Bond Buyer Index	4.16	4.18	4.17

Foreign Exchange Rates

	Friday 11/8/2024	1 Week Ago	1 Year Ago
Euro ($/€)	1.074	1.083	1.071
British Pound ($/£)	1.293	1.292	1.229
British Pound (£/€)	0.830	0.839	0.872
Japanese Yen (¥/$)	152.540	153.010	150.980
Canadian Dollar (C$/$)	1.390	1.395	1.379
Swiss Franc (CHF/$)	0.874	0.870	0.899
Australian Dollar (US$/A$)	0.659	0.656	0.640
Mexican Peso (MXN/$)	20.121	20.284	17.537
Chinese Yuan (CNY/$)	7.183	7.129	7.276
Indian Rupee (INR/$)	84.375	84.084	83.278
Brazilian Real (BRL/$)	5.781	5.870	4.910
U.S. Dollar Index	104.715	104.282	105.593

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

Foreign Interest Rates

	Friday 11/8/2024	1 Week Ago	1 Year Ago
3-Month German Govt Bill Yield	2.82	2.77	3.78
3-Month U.K. Govt Bill Yield	4.71	4.77	5.25
3-Month Canadian Govt Bill Yield	3.49	3.54	5.03
3-Month Japanese Govt Bill Yield	0.04	0.03	-0.17
2-Year German Note Yield	2.18	2.25	3.02
2-Year U.K. Note Yield	4.42	4.43	4.62
2-Year Canadian Note Yield	3.08	3.11	4.47
2-Year Japanese Note Yield	0.51	0.47	0.12
10-Year German Bond Yield	2.36	2.41	2.62
10-Year U.K. Bond Yield	4.43	4.45	4.24
10-Year Canadian Bond Yield	3.18	3.29	3.70
10-Year Japanese Bond Yield	1.01	0.95	0.86

Commodity Prices

	Friday 11/8/2024	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	70.26	69.49	75.33
Brent Crude ($/Barrel)	73.70	73.10	79.54
Gold ($/Ounce)	2685.85	2736.53	1950.20
Hot-Rolled Steel ($/S.Ton)	706.00	714.00	892.00
Copper (¢/Pound)	432.25	437.15	363.80
Soybeans ($/Bushel)	10.29	9.80	13.43
Natural Gas ($/MMBTU)	2.72	2.66	3.11
Nickel ($/Metric Ton)	16,344	15,453	17,666
CRB Spot Inds.	551.91	550.17	539.99

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