Economics

Weekly — March 31, 2023

Weekly Economic & Financial Commentary

United States: **The Calm Before the Storm**

- This week brought glimpses of market stabilization after weeks of turmoil. Although consumers seem unfazed by the uproar, tighter credit conditions coming down the pipeline will likely weigh on growth. Meanwhile, inflation continues to advance at a stubbornly high pace, adding to the case for a 25 bps hike in May.
- Next week: ISM PMIs (Mon & Wed), Trade Balance (Wed), Nonfarm Payrolls (Fri)

International: **Sticky Eurozone Core Inflation**

- The Eurozone is a perfect example of how inflation can be "sticky" coming down. While headline CPI inflation has receded from its peak, core inflation, which strips out volatile components like food and energy, has continued to push higher and remains stubbornly elevated.
- Next week: Japan Tankan Survey (Mon), RBA Rate Decision (Tue), RBNZ Rate Decision (Wed)

Credit Market Insights: **Survey Says... Declining Demand for Consumer Credit**

- Recently released data from the New York Fed's credit access survey support the premise that consumers are finding it increasingly difficult to draw on credit. Consumer demand for credit declined 4.8% between October 2022 and February 2023, the third-largest decline reported in the tri-annual survey data going back to 2013.

Topic of the Week: **Pandemic Population Shifts Slowed Down in 2022**

- One significant change brought on by the pandemic was a rapid decline in net domestic migration for many large counties in the United States. According to new data published this week by the Census Bureau, outmigration from those counties slowed down in 2022. A sharp rebound in international migration was another noteworthy change.

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	0.7	1.2	-0.9	-2.6	5.9	2.1	1.0	0.3
Personal Consumption	1.3	2.0	2.3	1.0	2.8	0.8	-0.2	-3.2	8.3	2.8	1.3	-0.1
Consumer Price Index [2]	8.0	8.6	8.3	7.1	5.8	4.1	3.3	2.8	4.7	8.0	4.0	2.5
"Core" Consumer Price Index [2]	6.3	6.0	6.3	6.0	5.6	5.2	4.5	3.9	3.6	6.1	4.8	2.9
Quarter-End Interest Rates [3]												
Federal Funds Target Rate	0.50	1.75	3.25	4.50	5.00	5.25	5.25	4.75	0.25	2.02	5.06	2.88
Conventional Mortgage Rate	4.27	5.58	6.01	6.36	6.40	6.20	5.75	5.40	3.03	5.38	5.94	5.03
10 Year Note	2.32	2.98	3.83	3.88	3.60	3.50	3.15	2.90	1.45	2.95	3.29	2.83

Forecast as of: March 17, 2023
[1] Compound Annual Growth Rate Quarter-over-Quarter [2] Year-over-Year Percentage Change [3] Annual Numbers Represent Average

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

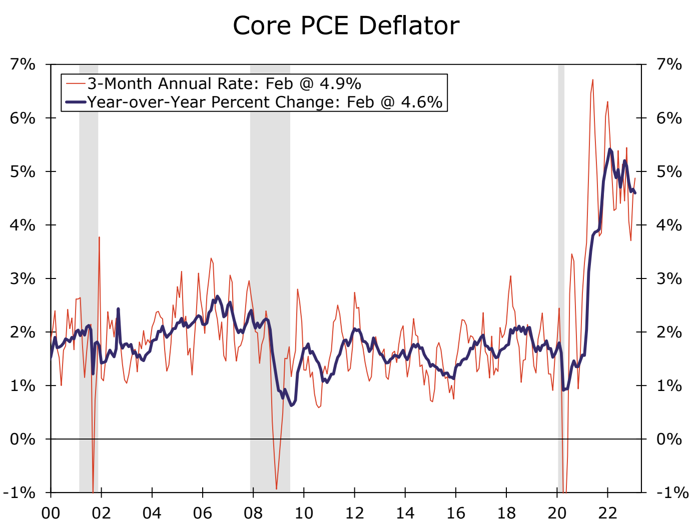
The Calm Before the Storm

This week brought glimpses of market stabilization after weeks of turmoil from the fallout from several regional bank failures. The Fed's swift response and active communication certainly played a role. In a pair of congressional hearings on Tuesday and Wednesday, Fed Vice Chair for Supervision Michael Barr reiterated Chair Powell's prior sentiment that the banking system remains broadly stable. When speaking on contagion risks, Barr emphasized the Federal Reserve's commitment to continued financial stability, stating "we will continue to closely monitor conditions in the banking system and are prepared to use all of our tools for any size institution, as needed, to keep the system safe and sound." These comments reinforce our view that the broader banking system remains in solid financial health, and the events of the past month are unlikely to trigger a repeat of the global financial crisis.

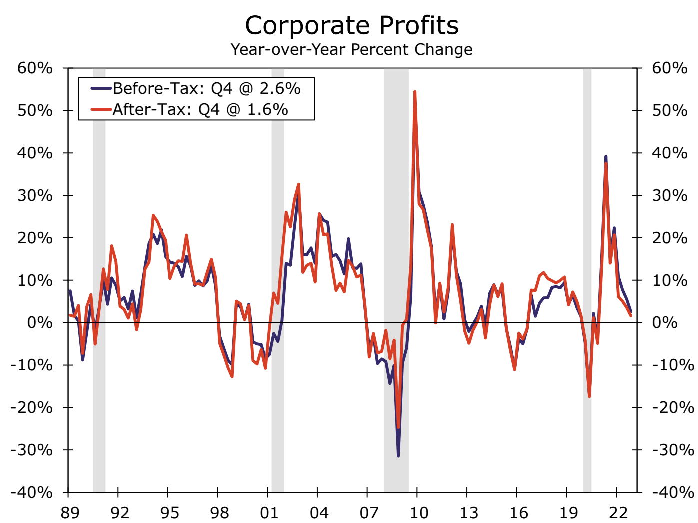
Although banking flare-ups have so far been contained, tighter credit conditions are likely to persist for some time. Credit spreads have narrowed over the past two weeks, but remain wider today than before the banking system first showed signs of instability in early March. Firms looking to grow and invest will also likely face stricter lending standards in the months ahead. These developments put downward pressure on economic growth, underpinning our expectations for a recession later this year.

So far, there is little indication that banking sector uproar has rocked consumers. The Consumer Confidence index *rose* from 103.4 in February to 104.2 in March, a survey period that encompassed the recent bank failures. Instead, favorable labor market conditions continued to flatter consumer perceptions. Despite its slip over the month, March's labor differential, defined as the percentage of consumers viewing jobs as plentiful minus the percentage viewing jobs as hard to get, posted its second-highest reading since June 2022. That said, consumers are still wary about the near-term outlook. The expectations index improved to 73.0 in March but has read below 80—the level that historically signifies a high likelihood of recession within one year—for 12 of the past 13 months.

In the same vein, consumers' appetite to spend at the start of the year proved to be even stronger than originally thought. The 1.1% real spending increase in January was revised higher to a 1.5% jump in today's personal income and spending report, providing an even stronger tailwind for Q1 GDP growth. As expected, January's surge led to some giveback in February. Stacked up against persistent inflation, this deceleration amounted to a 0.1% decline in real spending—the third real decline in the past four months. Yet tight labor markets continue to support income growth, providing consumers with a more sustainable source of spending power as their excess savings dwindle. Real disposable personal income rose for the eighth straight month, advancing 0.2% in February.



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



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

Meanwhile, data from S&P Global confirmed that home prices continued to slide in January. The seasonally adjusted S&P CoreLogic Case-Shiller National Home Price Index registered its seventh consecutive monthly drop, amounting to a peak-to-trough decline of 3.0%. Previously reported data from the National Association of Realtors suggest that the median home price bounced back in February, reflecting renewed buyer interest brought on by lower mortgage rates in December and January. Although mortgage rates have since resumed their climb, some of that momentum seems to have carried forward to February, evidenced by the upside surprise in pending home sales (+0.8%).

This week, we also received the final estimate of GDP growth and the first estimate of corporate profits for Q4-2022. The 2.6% annualized pace of GDP growth was little changed from the prior estimate (2.7%); however, consumer spending was revised down to half of its original strength (1.0% versus 2.1% first reported). Consistent with weak consumer spending and elevated labor costs at the end of the year, economy-wide profits fell by $60.5 billion in the fourth quarter. On top of tighter credit conditions and stricter lending standards coming down the pipeline, we expect declining profits to lead to a pullback in capital expenditures.

Looking to next week, all eyes will be on nonfarm payrolls. The Fed will only get one more look at employment and inflation before the next FOMC meeting in May, each of which will reflect conditions in March. February's core PCE deflator was a step in the right direction, coming in below expectations at 0.3% with January's increase also revised lower. However, the 4.9% three-month annualized rate is still uncomfortably high for the Fed. Economic momentum in Q1 makes it unlikely that March's readings will give the Fed enough room to justify a pause. As such, we continue to expect a 25 bps hike at the next meeting. By mid-June, however, we expect to see more material deceleration in inflation and signs of slowing activity that prompt the Fed to end its tightening cycle.

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U.S. Outlook

Weekly Domestic Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
3-Apr	ISM Manufacturing Index	Mar	47.5	47.3	47.7
5-Apr	Trade Balance	Feb	-$68.5B	-$70.5B	-$68.3B
5-Apr	ISM Services Index	Mar	54.5	54.5	55.1
7-Apr	Nonfarm Payrolls	Mar	240K	240K	311K
7-Apr	Unemployment Rate	Mar	3.6%	3.5%	3.6%
7-Apr	Average Hourly Earnings (MoM)	Mar	0.3%	0.3%	0.2%

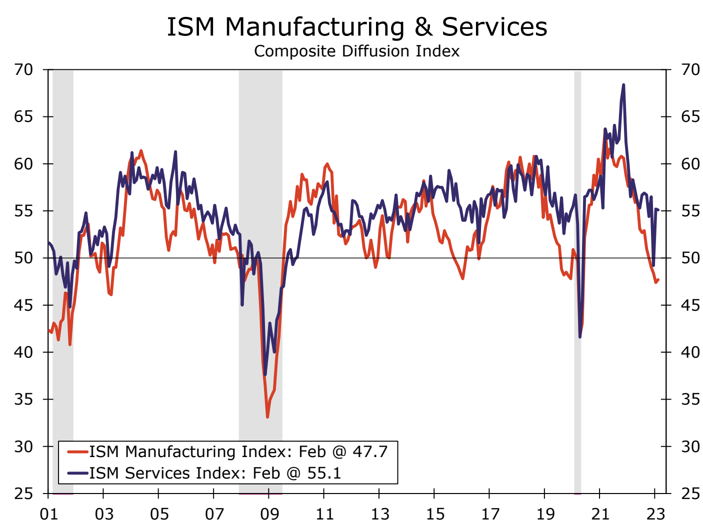
Forecast as of March 31, 2023

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

ISM Manufacturing & Services • Monday & Wednesday

We will get the first look at how nationwide business sentiment is holding up with the release of the ISM purchasing manager surveys. The survey indices may not have been late enough in the month to pick up financial uncertainty and credit conditions tightening in the middle of the month. In February, the ISM manufacturing index came in flashing contraction for a fourth straight month. We expect to see that extend into a fifth month, with our forecast of 47.3.

The service sector has fared better with February's ISM services index in expansion for a second month after briefly dipping below 50 in December. February saw the strongest read on hiring in the service sector since 2021, as the employment index rose four points to 54.0. Still, paying up for workers adds to price pressures, which have weighed on profits. We expect the ISM services index to stay in expansionary territory. Our forecast is 54.5.



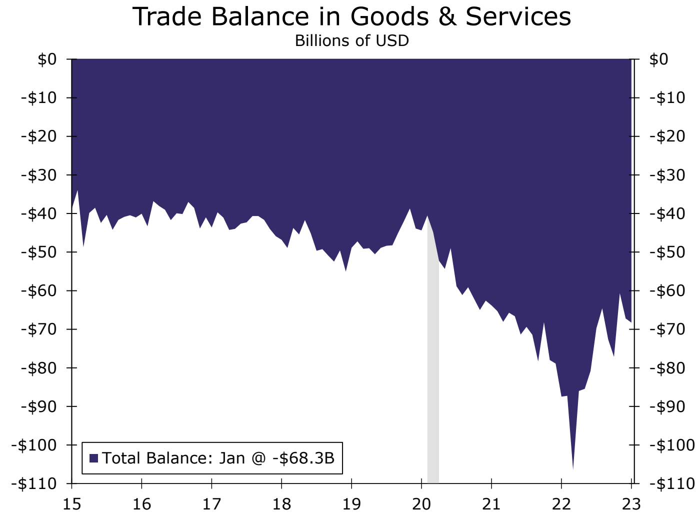
Source: Institute for Supply Management and Wells Fargo Economics

Trade Balance • Wednesday

The trade balance widened for the first time in five months at the start of the year, as growth in imports outpaced exports. We expect to see a further widening in February and look for a trade deficit of -$70.5B, down from -$68.3B previously.

The advance international trade data on goods, showed a smaller slowdown in imports than exports, leading to a $0.5B widening in the advance goods deficit to $91.6B. There was a decrease in trade values across all but one category: other goods exports. The automotive industry remains an area of volatility, as imports of vehicles fell 7.1% and exports of vehicles fell 11.9%.

Services exports fell in January, which in some part could be attributed to less foreign travel to the U.S. due to a warm winter in Europe. Some reversal in this category and broad strength in the service sector could lead to the services side of trade dampening the impact of the goods trade deficit, as we expect the services surplus to slightly rise. Ultimately, trade is tracking to be a slight drag on Q1 GDP, though a combination of stronger global growth and a slowing American economy should support a narrower trade deficit in the near future.

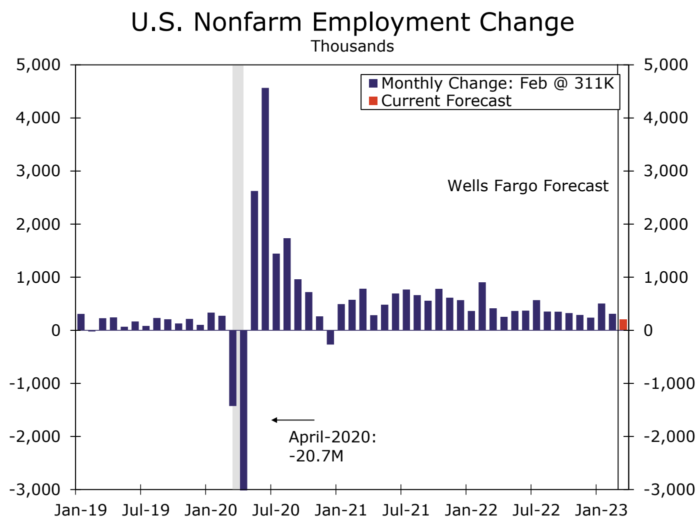


Source: U.S. Department of Commerce and Wells Fargo Economics

Nonfarm Payrolls • Friday

Hiring has remained surprisingly resilient in recent months, with the 311K new jobs added in February continuing the 11-month stretch of upside surprises to nonfarm payrolls when compared to the Bloomberg consensus forecast. While the unemployment rate ticked up to 3.6% last month, the increase came amid the third straight 400K+ rise in the labor force, a positive sign that labor supply is responding to still-elevated demand and constraints on workers continue to ease. The total labor force participation rate now sits at a fresh cycle high, while the prime-age labor force participation rate matches its prior-cycle peak.

The March employment report comes too soon to reflect the recent stress in the banking system. However, job growth already looked poised for a slowdown this spring after unusually warm weather in January and February and, more generally, as the effects of tighter policy continue to filter through the economy. Job openings, postings and hiring plans have been trending lower for a year now, while layoff announcements have shot up in recent months. We look for job growth to slow to 240K in March. The still-tight state of the labor market is likely to be reflected by the unemployment rate ticking back down to 3.5% and March's rise in average hourly earnings edging up to 0.3%.



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

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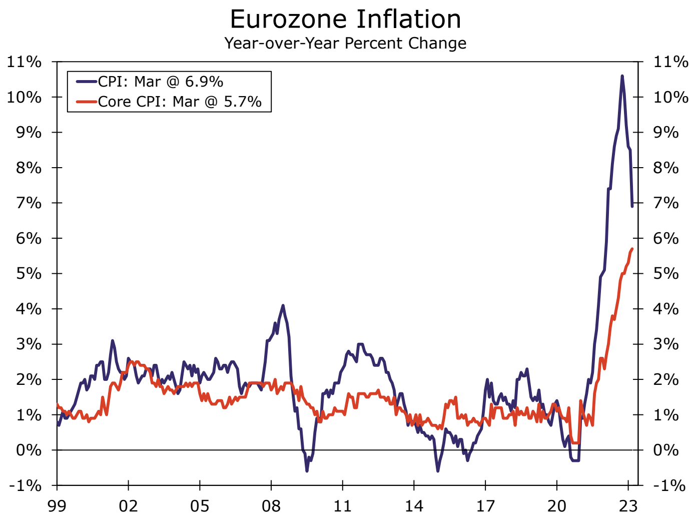
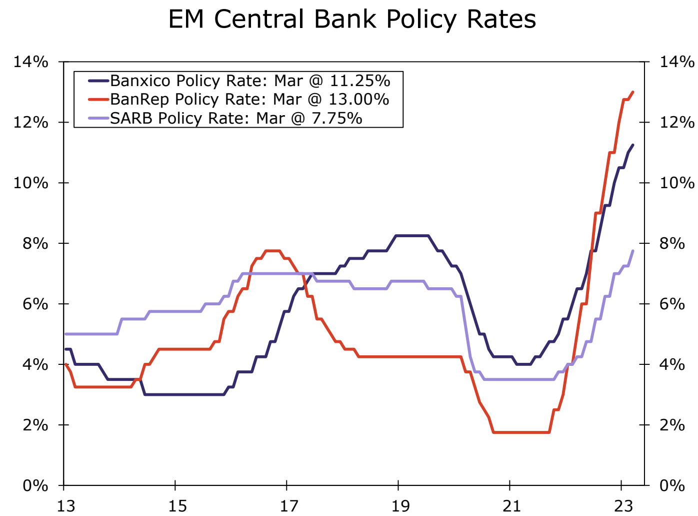
International Review

Sticky Eurozone Core Inflation

The Eurozone is a perfect example of how inflation can be "sticky" coming down. While headline CPI inflation has receded from its peak, core inflation, which strips out volatile components like food and energy, has continued to push higher and remains stubbornly elevated. As the spike in energy prices related to the Russia-Ukraine war recedes, market participants and the European Central Bank (ECB) are focused on this core measure of inflation. Looking at the March data, headline CPI slowed sharply to 6.9% year-over-year from 8.5% in February, but the underlying core rate quickened to 5.7%. Similarly, services price inflation accelerated to 5.0%. In our view, persistently high core inflation should keep ECB policymakers in tightening mode, though the end of the tightening cycle is likely near. At the ECB's March meeting, even amid uncertainties in the financial sector, the central bank delivered a 50 bps rate hike to 3.00%, saying that inflation is projected to remain too high for too long. While policymakers did not provide any specific forward guidance about future policy changes, we believe the current inflation dynamics will give the ECB reason to deliver two final 25 bps rate hikes in May and June to a terminal rate of 3.50%.



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



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

Emerging Market Central Banks Active

In the emerging markets, central banks in Mexico, South Africa and Colombia met to review monetary policy. Starting with Mexico, Banxico policymakers raised their policy rate by 25 bps to 11.25%. The increase was in line with expectations as well as the central bank's previous forward guidance. Within the details of the announcement, the central bank acknowledged that local inflation has declined more than expected and, for its upcoming May decision, will take into account this inflation outlook considering the monetary policy stance already attained. Banxico has hiked rates by 725 bps thus far, and headline inflation fell to a 13-month low of 7.12% in March. Core inflation has been slower to recede but is still at a six-month low. With inflation trends looking promising, we believe Banxico will deliver one last 25 bps rate hike in May to a peak policy rate of 11.50%.

Elsewhere, the South African Reserve Bank (SARB) delivered an above-consensus 50 bps rate hike, bringing the policy rate to 7.75%. The vote within the MPC was split, with three members voting for a 50 bps hike and the other two preferring 25 bps. Notably, this means one voter switched their vote to favor a larger rate hike compared to January. Policymakers' forward guidance indicated that future monetary policy decisions would be data dependent, but gave no hints to when the end of the tightening cycle would be. For context, in the local South African economy, state-owned power companies have struggled to meet demand recently, placing upward pressure on inflation. Against this backdrop, SARB raised its inflation forecast to 6% this year from 5.4% previously. With the risks tilted toward higher inflation for longer, we expect the central bank to continue hiking rates in May. In our view, 25 bps and 50 bps are both possible, but given the hawkish nature of the SARB March meeting, we lean toward 50 bps as the more likely scenario.

Last, in a unanimous decision, Colombia's central bank BanRep delivered a 25 bps rate hike to 13.00%. The local economy has decelerated the past couple of months, but with inflation still elevated in double-digit territory and the currency struggling to gather momentum, we too expected a 25 bps hike at the March meeting. However, we believe this March hike will be the last of this cycle, and now expect BanRep to be on pause for its next meeting in May. Comments from central bank policymakers indicated that inflation is approaching its ceiling, from where it would start its expected descend for 2023.

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International Outlook

Weekly International Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
2-Apr	Tankan Large Mfg Index	Q1	3	--	7
2-Apr	Tankan Large Non-Mfg Index	Q1	20	--	19
4-Apr	Reserve Bank of Australia Decision	4-Apr	3.60%	3.60%	3.60%
4-Apr	Reserve Bank of New Zealand Decision	4-Apr	5.00%	5.00%	4.75%

Forecast as of March 31, 2023

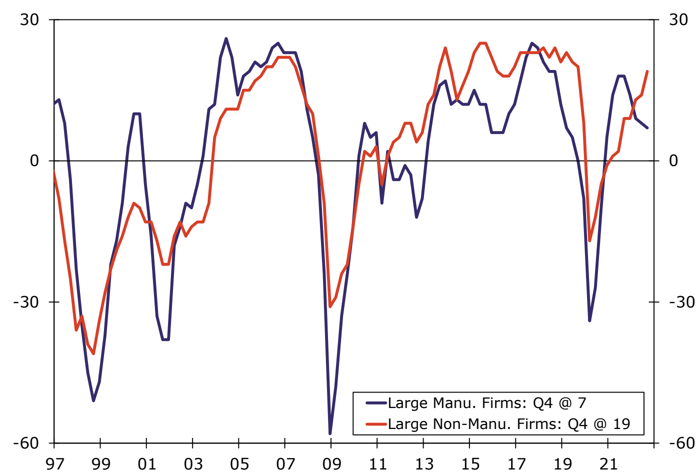
Source: Bloomberg Finance L.P. and Wells Fargo Economics

Japan Tankan Survey • Monday

Next week's Bank of Japan (BoJ) Tankan survey will provide early insight into how Japan's economy fared during the first quarter of this year. Growth in Japan was rather subdued to end last year, and we suspect that overall growth trends will remain constrained this year. While key measures from the Q1 Tankan survey should show some resilience in sentiment with regard to the services sector, the manufacturing sector is likely to exhibit more weakness. The consensus forecast is for the large manufacturers' diffusion index to fall four points to +3, while the large non-manufacturers' diffusion index is expected to edge up one point to +20.

Against a backdrop of subdued growth, the Bank of Japan still appears comfortable with its easy monetary policy stance. At Governor Kuroda's final monetary policy meeting in March, the BoJ did not deliver or signal any policy changes, and instead Kuroda reiterated that the monetary easing thus far has been appropriate. Especially given the stark drop in 10-year JGB yields due to lower global yields amid uncertainties in the financial sector, even with Governor Ueda taking the helm of the BoJ on April 9, our base case scenario is for no policy change at the April meeting.

Tankan Survey: Headline Diffusion Indices



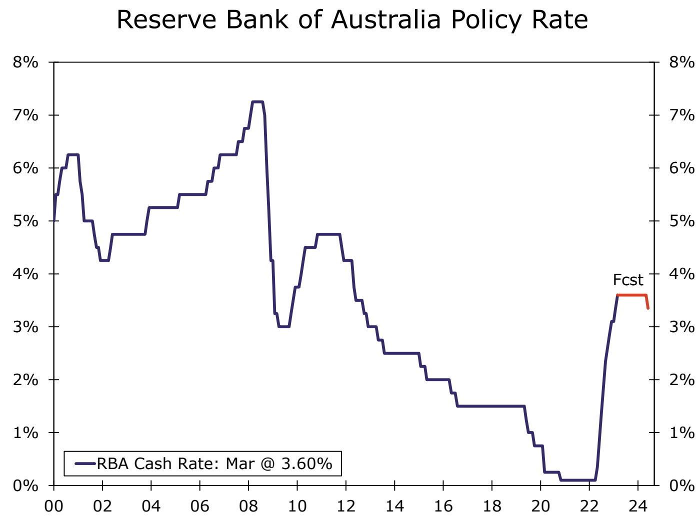
Source: Datastream and Wells Fargo Economics

RBA Policy Rate Decision • Tuesday

This week, monthly CPI data out of Australia revealed that CPI inflation receded further to 6.8% in February, another sign that inflation peaked in Q4 of last year and should continue to trend lower in the coming quarters.

Next week, market participants will be watching the Reserve Bank of Australia (RBA) as it holds its April monetary policy meeting. In recent weeks, RBA Governor Philip Lowe has said he has an open mind regarding a potential pause in rate hikes, saying that incoming data is key to the RBA's decision. More specifically, RBA policymakers agreed that upcoming data on employment, inflation, retail trade and business surveys, in addition to any global developments that occur, would provide relevant information needed to reconsider the case for a pause in rate hikes. They acknowledged that a pause would allow for additional time to reassess the outlook for the economy.

Recent data has been mixed; while February employment was stronger than expected, March PMI surveys showed worsening sentiment and February retail sales registered only a small gain. But most importantly in our view, given the recent decline in inflation as well as previous dovish RBA comments, we expect a pause at the RBA's meeting next week.



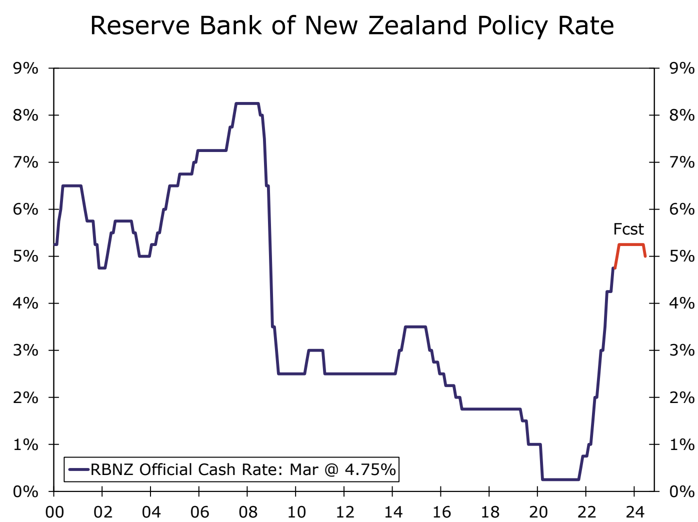
Source: Bloomberg Finance L.P. and Wells Fargo Economics

RBNZ Policy Rate Decision • Wednesday

The Reserve Bank of New Zealand (RBNZ) also holds its monetary policy meeting next week, and we expect the central bank to continue tightening monetary policy. The RBNZ has been fairly aggressive in hiking rates the past two years and so far has delivered 450 bps of tightening during this cycle.

As a result, there may be some signs that the economy is slowing against a backdrop of tighter monetary policy. RBNZ Chief Economist Paul Conway has said that the policy rate is now comfortably above neutral and having the desired contractionary effect, consistent with signs demand is slowing. Indeed, GDP fell 0.6% quarter-over-quarter in the final quarter of last year. In addition, consumer confidence, credit card spending and house sales have all softened recently. However, at the same time, inflation has remained stubbornly high, only ticking down to 7.2% in Q4-2022 compared to its recent high of 7.3% two quarters earlier.

With inflation still elevated, we expect the RBNZ to deliver a 25 bps rate hike at its April meeting to 5.00%, and then deliver one last 25 bps hike in May to a peak of 5.25%.



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

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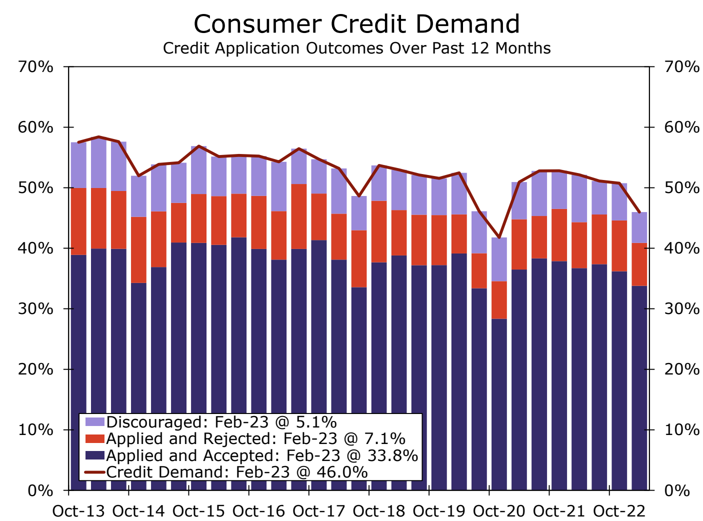
Credit Market Insights

Survey Says... Declining Demand for Consumer Credit

In a special report earlier this week, we made the case that consumer credit is becoming more expensive and harder to access in the wake of the banking sector turmoil. Consumer spending is typically propped up by real income growth, but excess savings and credit go a long way in explaining strength in consumption today, making this cycle much different. Not only have consumers reduced their total amount of excess savings from the pandemic to below $800 billion today, down from a peak of over $2 trillion in August 2021, but they have notched the six largest monthly increases of revolving consumer credit (mostly credit card debt) of the last 20 years within the past 12 months. The cost of accessing this credit has risen remarkably, as data from the Federal Reserve shows the average annual percentage rate (APR) on credit cards has reached the highest rate (~19%) since the data was first collected in the 1990s. To complicate matters for the consumer, credit conditions have tightened significantly, with a net -12.5% of banks reporting an increased willingness to lend to consumers in the fourth quarter. Due to a decreased ability to draw on savings and credit, the consumer spending outlook will depend more heavily on growth in real income.

Recently released data from the New York Fed's credit access survey support the premise that consumers are finding it increasingly difficult to draw on credit. Consumer demand for credit, or the number of consumers in the past 12 months who report they applied for credit or wanted to but were discouraged, declined 4.8% between October 2022 and February 2023. This is the third-largest decline in consumer demand for credit reported in the tri-annual survey going back to 2013. The decline in credit demand was broad-based; those reporting they applied and were accepted fell 2.4%, those reporting they applied and were rejected fell 1.3%, and those interested but discouraged from applying fell 1.1%. The decline in demand for credit was apparent across all age groups and credit score ranges. As such, the decline in demand for credit is not a phenomenon that can be attributed to a single subgroup of consumers, but rather is being driven by all consumers. Application rates for credit fell or was flat for auto loans, credit cards, mortgages and mortgage refinancing between October 2022 and February 2023. Interestingly, the only credit application rate that experienced an increase was credit card limit increases, indicating consumers may still have a need for extra spending capacity even with the broad decline in demand for new loans. This increase was primarily driven by consumers in the 681-759 credit score range, with this group experiencing an increase of 6.6% in credit limit applications.



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

The proportion of subprime borrowers (those with a credit score of 680 or lower) applying for a credit limit increase actually *fell* three percentage points. Furthermore, the percentage of respondents who reported they were likely to apply for one or more types of credit over the next 12 months declined 1.9% across all consumers. All told, the increased cost of credit may be crimping households' desire to borrow. The broad-based decline in demand for credit bolsters our case that the outlook for consumer spending will be increasingly driven by personal income growth over the course of 2023.

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Topic of the Week

Pandemic Population Shifts Slowed Down in 2022

Population migration patterns appear to be returning to pre-pandemic norms. The onset of COVID spurred a profound impact on population growth in the United States. One significant change brought on by the pandemic was a rapid decline in net domestic migration for many large urban counties, as these areas experienced fewer new people moving in as well as an outflow of residents.

According to new data published this week by the Census Bureau, outmigration slowed down in 2022 for many of the nation's largest counties. For example, Los Angeles County, which is the most populous county in the United States, lost roughly 143,000 residents in terms of domestic outmigration in 2022, more than any other county. That said, the drop was not as drastic as 2021's almost 195,000 decline. Cook County, Illinois also posted a more moderate loss as well, although the total net decline was still elevated. Furthermore, population outflows look to have eased in Seattle and San Francisco, with King County, Washington and San Francisco County, California both registering significantly smaller net losses in 2022.

New York County, New York, posted a net gain of approximately 2,900 new or returning Manhattanites, a reversal of the 98,500 net loss realized the year prior. Large counties in the Sunbelt continued to see fairly strong in-migration. The top two counties in terms of net domestic migration were Maricopa County, Arizona (part of the Phoenix metro area), and Collin County, Texas (part of Dallas-Fort Worth). Counties in Florida rounded out the top five, with Polk County, Lee County and Pasco County seeing a notable increase in net domestic migration last year.

A sharp reversal in international migration was another noteworthy change during 2022. Pandemic border restrictions resulted in a considerable slowdown in international migration throughout much of the public health crisis. After totaling just over 372,000 in 2021, the count of net new residents from abroad jumped to just over one million in 2022.

The rebound was also evident at the county level. Net international migration more than doubled in Miami-Dade County, Florida, rising to just over 39,000 from roughly 15,000 the year prior. The absolute gain placed Miami-Dade County as the top county for net international migration in 2022. Harris County, Texas, ranked second in terms of international net migration in 2022. The third most populous county in the United States, which is included in the Houston metro area, added a net new 37,300 residents from abroad in 2022, well above the almost 14,000 gain posted in 2021. Net international immigration added to the populations of Los Angeles County, King County and Cook County, helping to offset declines from net domestic migration.

Meanwhile, population growth in the vast majority of counties continued to be weighed down by a natural decrease. In 2022, 2,336 counties registered more deaths than births, which is more or less on par with 2021's historically elevated outcome. By contrast, only 791 counties registered a natural increase in 2022.

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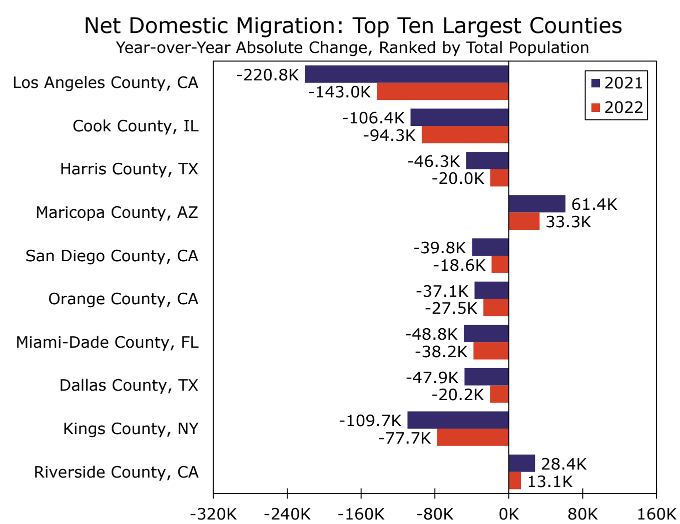

Source: U.S. Census Bureau and Wells Fargo Economics

Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 3/31/2023	1 Week Ago	1 Year Ago
SOFR	4.82	4.80	0.27
3-Month LIBOR	5.18	5.13	0.97
3-Month T-Bill	4.73	4.61	0.48
1-Year Treasury	4.35	4.17	1.53
2-Year Treasury	4.12	3.77	2.33
5-Year Treasury	3.66	3.41	2.46
10-Year Treasury	3.52	3.38	2.34
30-Year Treasury	3.70	3.64	2.45
Bond Buyer Index	3.50	3.57	2.73

Foreign Exchange Rates

	Friday 3/31/2023	1 Week Ago	1 Year Ago
Euro ($/€)	1.086	1.076	1.107
British Pound ($/£)	1.237	1.223	1.314
British Pound (£/€)	0.878	0.880	0.842
Japanese Yen (¥/$)	133.010	130.730	121.700
Canadian Dollar (C$/$)	1.354	1.374	1.251
Swiss Franc (CHF/$)	0.913	0.920	0.923
Australian Dollar (US$/A$)	0.670	0.665	0.748
Mexican Peso (MXN/$)	18.049	18.445	19.870
Chinese Yuan (CNY/$)	6.870	6.867	6.340
Indian Rupee (INR/$)	82.183	82.481	75.786
Brazilian Real (BRL/$)	5.068	5.247	4.742
U.S. Dollar Index	102.443	103.116	98.312

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

Foreign Interest Rates

	Friday 3/31/2023	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	-0.58	-0.59	-0.57
3-Month Sterling LIBOR	4.41	4.37	1.03
3-Month Canada Banker's Acceptance	5.03	5.03	1.23
3-Month Yen LIBOR	-0.03	-0.03	-0.08
2-Year German	2.71	2.39	-0.07
2-Year U.K.	3.47	3.21	1.35
2-Year Canadian	3.77	3.42	2.29
2-Year Japanese	-0.06	-0.06	-0.03
10-Year German	2.31	2.13	0.55
10-Year U.K.	3.51	3.28	1.61
10-Year Canadian	2.91	2.75	2.41
10-Year Japanese	0.35	0.32	0.22

Commodity Prices

	Friday 3/31/2023	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	74.70	69.26	100.28
Brent Crude ($/Barrel)	79.48	74.99	107.91
Gold ($/Ounce)	1976.18	1978.21	1937.44
Hot-Rolled Steel ($/S.Ton)	1163.00	1057.00	1541.00
Copper (¢/Pound)	408.80	410.15	475.10
Soybeans ($/Bushel)	14.82	14.32	16.62
Natural Gas ($/MMBTU)	2.19	2.22	5.64
Nickel ($/Metric Ton)	23,007	22,267	32,932
CRB Spot Inds.	563.51	559.07	683.98

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