Economics

WELLS FARGO

Weekly — March 17, 2023

Weekly Economic & Financial Commentary

United States: **Top O' the Cycle?**

- In February, the headline and core CPI rose 0.4% and 0.5%, respectively. The headline PPI fell 0.1%. Retail sales declined 0.4% during February, while industrial production was flat (0.0%). Housing starts and permits jumped 9.8% and 13.8%, respectively. The Leading Economic Index dipped 0.3%. The preliminary University of Michigan Sentiment Index fell to 63.4 in March.
- Next week: Existing Home Sales (Tue), New Home Sales (Thu), Durable Goods (Fri)

International: **European Central Bank Delivers Large Hike, but Refrains from Future Guidance**

- In a widely anticipated monetary policy announcement, the European Central Bank (ECB) raised its Deposit Rate 50 bps to 3.00%, saying that inflation is projected to remain far too high. However, in a nod to recent financial market strains, the ECB highlighted elevated uncertainty, emphasized a data-dependent approach to policy rate decisions and refrained from signaling any future rate moves. That said, with inflation elevated we still expect further tightening and forecast a peak policy rate of 3.50% by June this year.
- Next week: Swiss National Bank (Thu), Bank of England (Thu), Eurozone PMIs (Fri)

Interest Rate Watch: **FOMC: To Hike or Not to Hike on March 22?**

- It's a close call, but we expect the recent banking crisis to lead the FOMC to temporarily pause its tightening cycle at its policy meeting on March 22. Assuming the current crisis remains contained, we look for the FOMC to hike rates again starting on May 3.

Topic of the Week: **The State of the U.S. Banking Sector**

- Recent tightening of financial conditions triggered by the collapse of a few U.S. regional banks has led to fears that other institutions may be in a similar position of not being able to meet obligations to depositors due to losses on securities holdings. We believe that authorities will take the necessary steps to prevent another global financial crisis, but there will likely be lasting consequences in the form of tighter financial conditions.

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	2.7	0.7	1.2	-0.9	-2.6	5.9	2.1	1.0	0.3
Personal Consumption	1.3	2.0	2.3	1.4	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	4.75	5.25	5.25	4.75	0.25	2.02	5.00	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

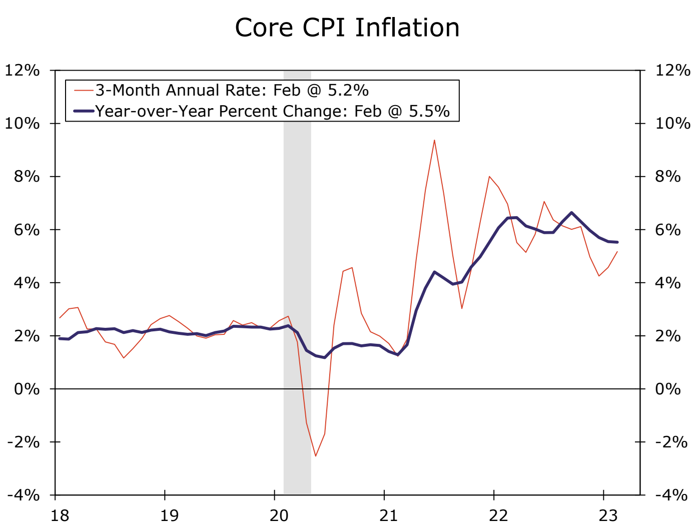
Top O' the Cycle?

Financial system instability overshadowed a week replete with economic data. U.S. policymakers' swift reaction to the collapse of several regional banks initially calmed concerns of rising stress in the banking sector. However, a plunge in share prices of a global systemically important bank toward the end of the week shows that contagion fears remain highly elevated. For more insight on the state of the banking sector, please see the Topic of the Week. Recent events have led us to make a few adjustments to our monthly U.S. Economic Outlook, which we published on March 17.

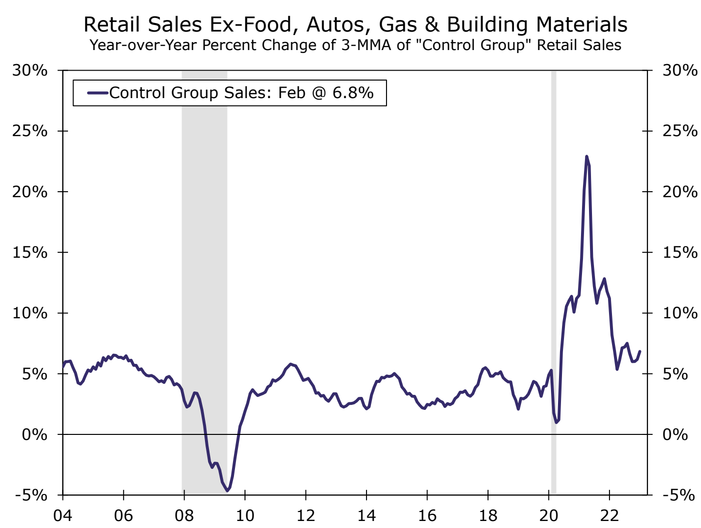
Financial system strain presents the latest challenge for the Federal Reserve, which is still in the trenches in the battle against inflation. The Consumer Price Index (CPI) has been moderating on trend over the past several months. Additional signs of meaningful cooling were absent in February's CPI print, however. The headline CPI rose 0.4% during the month, just slightly slower than the 0.5% monthly rate registered in January. The increase in the headline index was in line with market expectations, but the monthly change in the core index, which excludes more volatile food and energy prices, was a bit hotter than anticipated. The core CPI increased 0.5% during the month and is now running at a 5.2% three-month annualized rate, well above the FOMC's 2% inflation target.

On the other hand, producer prices declined during the same period, with an unexpected 0.1% fall in the Producer Price Index (PPI) during February. On a year-over-year basis, the headline final demand PPI moderated to 4.6%, down from 5.7% the month prior. Overall, the easing in the PPI is an encouraging sign that underlying inflation pressures are not intensifying. That noted, the stickiness in consumer price inflation indicates that the path back to the Fed's target is likely to be long and winding.

On balance, the rest of the economic data released this week demonstrated that the U.S. economy remains on a positive trajectory. Retail sales pulled back 0.4% in February. The drop was not a surprise, however. Sales rose a robust 3.2% in January and some payback was expected in February. Furthermore, control group retail sales rose 0.5% during the month. Control group sales are an input to personal consumption expenditures, a major subcomponent of GDP. All told, the solid gain in control group sales, as well as upward revisions to prior months' sales, paints a positive picture for real GDP growth in the first quarter of 2023.



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



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

An uptick in manufacturing production is another sign that economic growth is still holding its head above water. Total industrial production was essentially unchanged in February. Similar to retail sales, however, estimates for production during January were revised higher. Digging deeper, February's flat reading occurred as mining production fell 0.6%, utilities production rose 0.5% and manufacturing production edged up 0.1%. All that being said, February's report shows that, while still expanding, factory output is moderating alongside rising interest rates and slowing demand for goods.

Housing production is another area that has been hit hard by higher interest rates. Total housing starts jumped 9.8% to a 1.450 million-unit annual pace in February. The monthly gain in total starts was mainly owed to a surge in multifamily construction, however. Single-family starts inched up during the month but are still running almost 32% below the prior year's pace. Still, single-family permits rose for the first time in 12 months during February. The gain follows a recent improvement in the NAHB Housing Market Index, which increased for the third straight month during March. In addition to finding success with incentive programs, builder optimism has been boosted by sidelined buyers starting to return. Through March 10, mortgage applications for purchase have risen for two consecutive weeks, ending the declines seen throughout February. The turnaround in mortgage applications and jump in housing construction adds to the evidence that residential activity is starting to stabilize as buyers become more accustomed to a higher rate environment.

One economic indicator that has not improved this year is the Leading Economic Index (LEI). The LEI fell 0.3% during February, the 11th-straight drop. As we have often noted, the trend decline in the LEI is a clear warning sign that the economy is nearing an inflection point. One of the subcomponents of the LEI that has been a recent drag on the top-line index is consumer expectations, which appear to be dimming. The preliminary reading for consumer sentiment, as measured by the University of Michigan, fell to 63.4 in March from 67 the month prior. While both short- and long-term inflation expectations eased in the survey, sentiment surrounding current and future conditions declined. Overall, the economic data published this week show that the economy remains on a positive path, for now. Unfortunately, the current banking crisis will likely lead to even tighter credit conditions which lends credence to our view that the U.S. economy is headed for a recession in the second half of 2023.

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U.S. Outlook

Weekly Domestic Indicator Forecasts					
Date	**Indicator**	**Period**	**Consensus**	**Wells Fargo**	**Prior**
21-Mar	Existing Home Sales (SAAR)	Feb	4.16M	4.20M	4.00M
22-Mar	FOMC Rate Decision (Upper Bound)	45007	5.00%	4.75%	4.75%
23-Mar	New Home Sales (SAAR)	Feb	650K	646K	670K
24-Mar	Durable Goods Orders (MoM)	Feb	1.7%	1.3%	-4.5%
24-Mar	Durables Ex Transportation (MoM)	Feb	0.3%	0.2%	0.8%

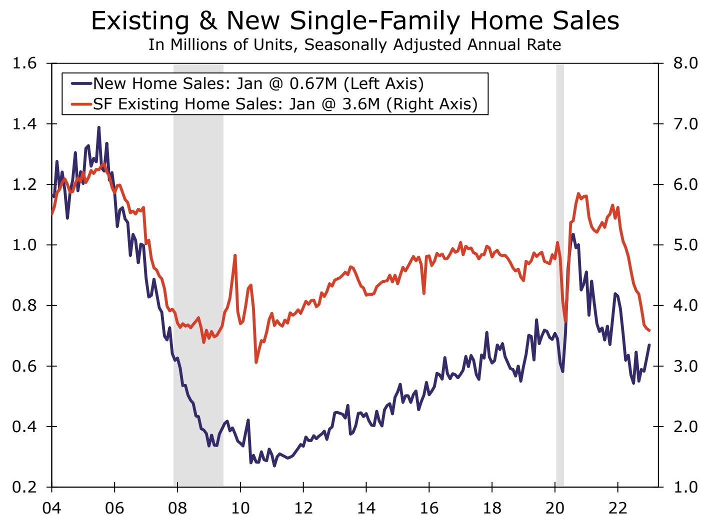
Forecast as of March 17, 2023

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

Existing/New Home Sales • Tuesday/Thursday

January marked 12 consecutive months of waning existing home sales, a consequence of the Fed's year-long bout of monetary tightening. The housing market began to stabilize at the beginning of the year as lower mortgage rates brought buyers back from the sidelines. January's 0.7% dip in existing home sales was less than half of the prior month's decline (-2.2%) and the mildest drop recorded in 12 months. Housing market stabilization was also evidenced by two consecutive monthly increases in pending home sales alongside a 10.6% bump in mortgage applications for purchase across December and January. Because pending home sales lead existing sales by a month or two, we expect the strength in December and January carried over to February's print. We estimate existing home sales rose 4.0% over the month to a 4.16 million-unit pace.

In contrast to the prolonged weakness in existing home sales, builders have been successful at using price cuts and other incentives to sell new homes. New home sales leaped 7.2% in January alongside sliding mortgage rates. But mortgage rates resumed their climb in February, reversing the downward trend observed over the prior two months. According to Freddie Mac, the average 30-year fixed mortgage rose from 6.09% in the first week of February to 6.50% in the last week. The monthly average of mortgage purchase applications slid nearly 14% in response. We expect that new home sales fell 3.6% to 646K in February.

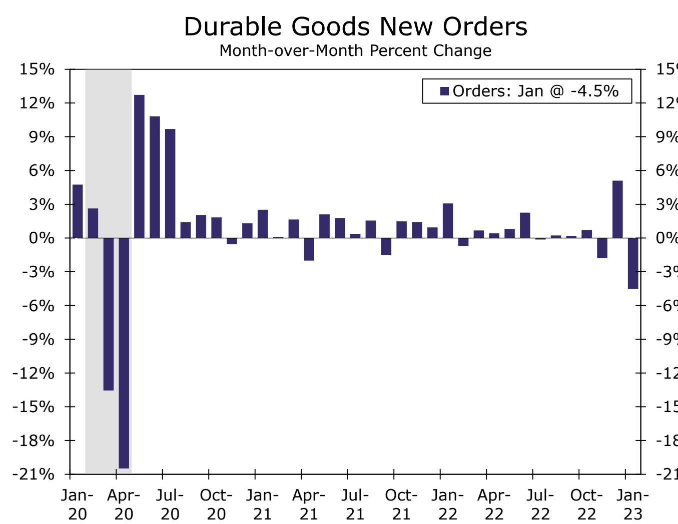


Source: Source: National Association of Realtors and Wells Fargo Economics

Durable Goods Orders • Friday

Durable goods orders declined 4.5% in January, which was largely anticipated payback from December's 5.1% jump. This volatility was entirely driven by aircraft orders, which slid 55% in January after surging 106% the month prior. Cutting through the noise reveals resillience in capital expenditures in January that was largely consistent with the positive consumer and labor market data observed at the start of the year. Core capital goods orders ticked up 0.8% in January, the largest bump since August 2022.

Separately reported data from the Institute of Supply Management (ISM) suggests that durable goods orders remain somewhat under pressure. Although it remained in contraction, the new orders component of the ISM Manufacturing Index registered its largest over-the-month jump in 28 months. As such, we suspect that durable goods orders rose 1.7% in February. Excluding transportation, we estimate a 0.2% monthly uptick. Looking forward, we expect weakening manufacturing conditions toward the end of last year to rematerialize, especially if financial conditions tighten to the extent that we anticipate.



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

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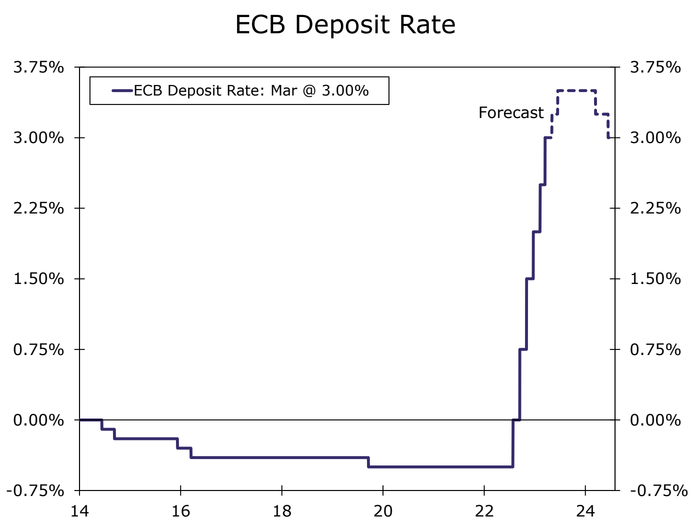
International Review

European Central Bank Delivers Large Hike, but Refrains from Future Guidance

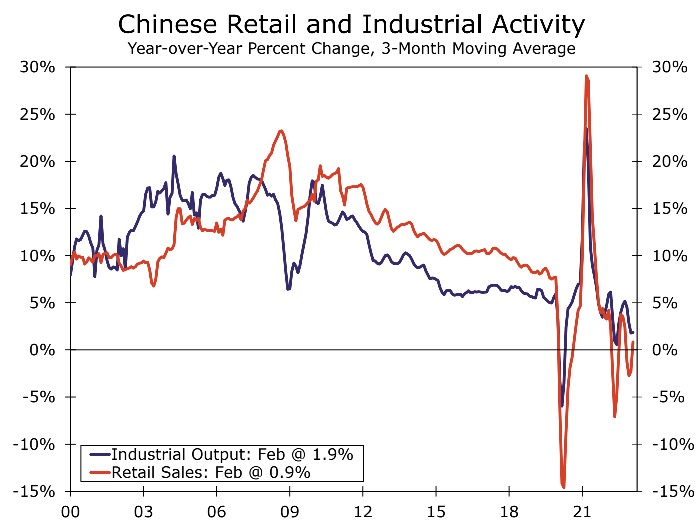
In a widely anticipated monetary policy announcement, coming amid financial market strains seen in recent days, the European Central Bank held true to its pledge and delivered another large policy rate hike at this week's meeting. The ECB raised its Deposit Rate 50 bps to 3.00%, following through on the strong signal it had sent at its early February meeting. In raising interest rates, the ECB said "inflation is projected to remain too high for too long." In fact, updated projections show inflation is forecast to remain above the ECB's inflation target essentially through its entire forecast horizon. Headline CPI inflation is seen at 5.3% in 2023, 2.9% in 2024 and 2.1% in 2025. Excluding food and energy, inflation is projected at 4.6% in 2023, 2.5% in 2024 and 2.2% in 2025.

ECB policymakers did acknowledge recent market developments, saying it "is monitoring current market tensions closely and stands ready to respond as necessary to preserve price stability and financial stability in the euro area." However, the ECB added the Eurozone "banking sector is resilient, with strong capital and liquidity positions." In any case, the ECB's policy toolkit is fully equipped to provide liquidity support to the euro area financial system if needed and to preserve the smooth transmission of monetary policy.

One important takeaway from this week's announcement, in the context of current elevated level of uncertainty, was the ECB's "data dependent" approach to policy rate decisions. In that sense, and unlike its announcement in February, the ECB refrained from signaling any future rate moves in its statement this month. Still, despite the lack of guidance, the ECB's above target inflation forecast provides some insight into potential future moves. Should market strains ease and volatility recede in the weeks and months ahead, persistent inflation should, in our view, be enough to elicit further European Central Bank tightening. Accordingly, after this week's decision, our near-term outlook for ECB monetary policy remains unchanged. We expect a further 25 bps rate hike in May followed by a final 25 bps rate hike in June, which would see the ECB's Deposit Rate for the current cycle peak at 3.50%.



Source: Datastream and Wells Fargo Economics



Source: Datastream and Wells Fargo Economics

In what has generally been a challenging week for global markets, China offered some good news with signs of stronger growth in early 2023 as the economy re-opens. For the January-February period, China's retail sales rose 3.5% year-over-year, matching the consensus forecast and better than the 1.8% decline registered in December. For January-February industrial output also rose 2.4%, a moderate improvement from the 1.3% gain in December. Finally, the broader measure of service sector production also firmed during January-February, to be 5.5% higher than the same period in 2022.

An improving Chinese economy may also be benefiting Australia's economy. Australia's February employment jumped 64,600, more than the consensus forecast and more than recovering the declines seen during the past two months. The details were also solid, as full-time employment rose 74,900 and was only partly offset by a 10,300 decline in part-time employment. The unemployment rate also fell to 3.5%. In contrast, New Zealand's Q4 GDP report was soft in tone. Q4 GDP fell 0.6% quarter-over-quarter, much more than the 0.2% decline forecast by the consensus. In terms of the details, consumer spending was flat, while fixed investment spending fell 1.9%, government spending fell 2.4% and exports fell 2.2%.

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International Outlook

Weekly International Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
23-Mar	Swiss National Bank Policy Rate	23-Mar	1.50%	1.50%	1.00%
23-Mar	Bank of England Policy Rate	23-Mar	4.25%	4.25%	4.00%
24-Mar	Eurozone Manufacturing PMI	Mar	48.9	--	48.5
24-Mar	Eurozone Services PMI	Mar	52.5	--	52.7

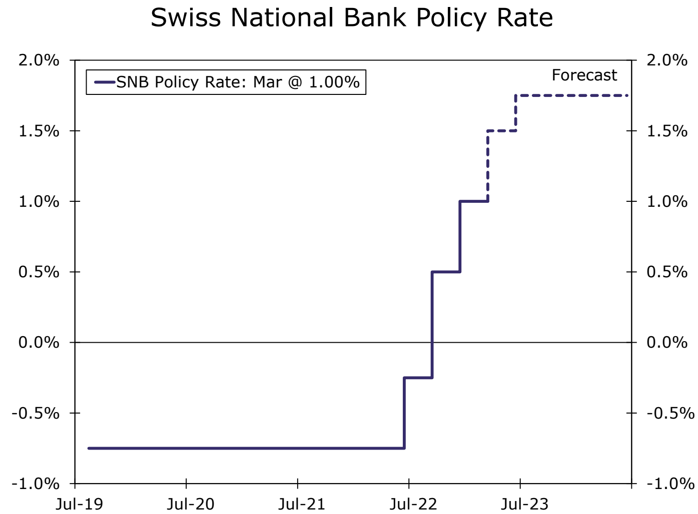
Forecast as of March 17, 2023

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

Swiss National Bank Policy Rate • Thursday

The Swiss National Bank (SNB) announces its monetary policy decision next week, an announcement at which we expect a further tightening of monetary policy. After the economy slowed through most of 2022 (GDP was flat in Q4 on a sequential basis), there have been some signs of improving activity in early 2023. The closely followed KOF leading indicator rose to 100.0 in February, while consumer confidence also improved. In addition, and more importantly, there has also been a renewed uptick in inflation early this year. The February CPI rose 3.4% year-over-year, while core inflation measures have also moved higher.

Against this backdrop, SNB President Jordan recently said "monetary policy is still too loose to return inflation back to price stability in the medium term" and that the central bank “cannot exclude that we have to tighten further.” Even allowing for recent financial market strains, we believe the SNB's policy guidance, higher Swiss inflation and the rate hike delivered by the European Central Bank this week point to a 50 bps rate hike in the SNB's policy rate, to 1.50%, at its announcement next week.

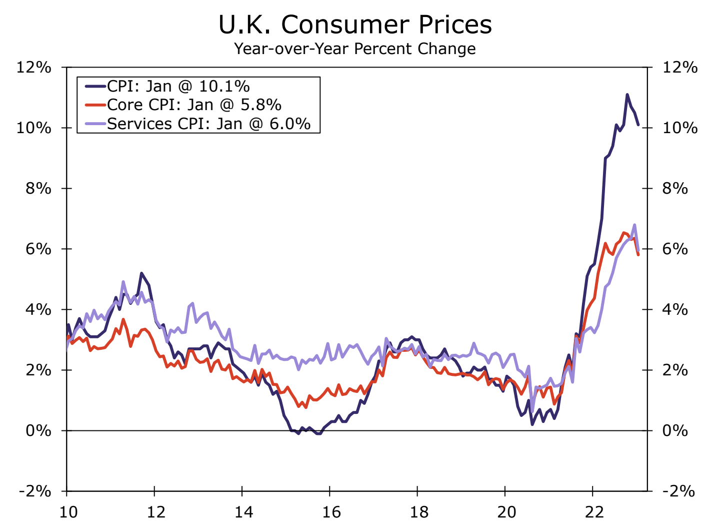


Source: Bloomberg Finance L.P. and Wells Fargo Economics

Bank of England Policy Rate • Thursday

The Bank of England's (BoE) latest policy meeting is scheduled for Thursday next week, at which we expect the U.K. central bank to deliver further tightening in monetary policy. The BoE faces mixed trends heading into this meeting. Economic growth is subdued but improving, with January GDP rising a larger-than-forecast 0.3% month-over-month, and U.K. PMI surveys improving in February. Meanwhile, inflation is elevated but beginning to decelerate, with the January CPI slowing to 10.1% year-over-year and the core CPI slowing to 5.8%.

The Bank of England's latest forecast sees inflation slowing to, and below, the 2% inflation target over the longer term. With growth expected to remain relatively subdued, we expect this slowing inflation trend could be the most consequential for BoE policy. For next week's meeting, we expect the BoE to hike rates 25 bps to 4.25%, smaller than the 50 bps hike delivered in January. With inflation also now more clearly on a slowing trend, we believe that next week could also prove to be the final rate hike of the current cycle. Next week's U.K. events also include the February CPI. The consensus forecast is for a further slowing of inflation to 9.8%, but



Source: Datastream and Wells Fargo Economics a downside surprise could strengthen the case that Bank of England tightening is near—or at—an end.

Eurozone PMIs • Friday

While the Eurozone economy has slowed over the past year it has so far avoided a contraction, proving quite resilient in the face of the Ukraine conflict, energy supply disruptions and energy price spikes. Moreover, as oil and natural gas prices have receded, the squeeze on households' purchasing power has started to lessen, improving the outlook for the consumer sector and the broader Eurozone economy.

Eurozone activity data for January showed modest improvement as retail sales rose 0.3% month-over-month and industrial output rose 0.7%. However, improving economic prospects are most apparent in the more timely Eurozone PMI surveys, which have climbed from the lows seen in Q4. In particular the services PMI has risen back to expansion territory, reaching 52.7 in February. The consensus forecast is for the services PMI to ease slightly in March to 52.5. The improvement in the manufacturing PMI has been less marked and, at 48.5 in February, the manufacturing index is still in contraction territory. That is expected to remain the case for March, with the consensus forecast for a moderate rise in the manufacturing PMI to 48.9. With the composite, or economy-wide, PMI also likely to remain above the breakeven 50 level in March, it is possible the Eurozone economy once again avoided contraction during the first quarter of this year.

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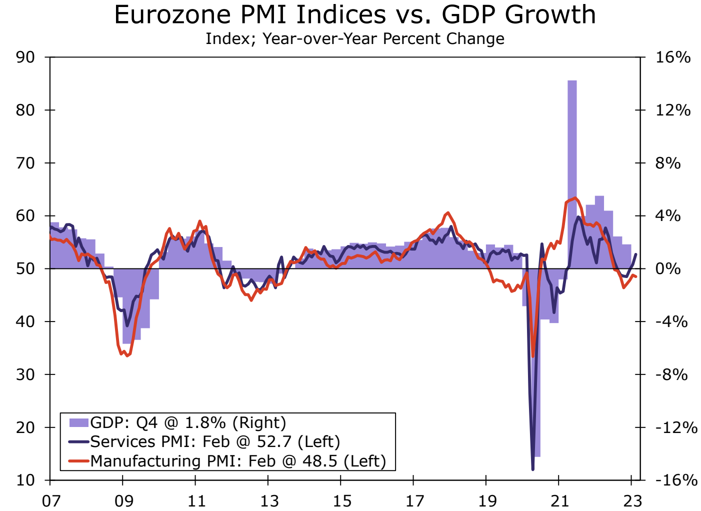

Source: Datastream, Bloomberg Finance L.P. and Wells Fargo Economics

Interest Rate Watch

FOMC: To Hike or Not to Hike on March 22?

The most recent FOMC inter-meeting period has been quite the roller coaster ride. Since the FOMC concluded its past meeting on February 1, data have suggested that the economy has significantly more positive momentum than previously believed. Viewed in isolation, these data would lead an observer to conclude the FOMC would tighten policy further on March 22. However, the recent banking crisis has imparted significant volatility into financial markets, which has clouded the economic outlook. Although it is a close call, we expect the FOMC will decide to pause it tightening cycle on March 22 to allow the dust to settle. See our recently published report, which outlines our expectation for the upcoming FOMC meeting in more detail.

As we wrote in our most recent monthly U.S. Economic Outlook, we explicitly assume that authorities will take the necessary steps in coming weeks and months to stave off another global financial crisis à la 2008. After all, authorities, especially the Federal Reserve, proved to be remarkably adept in 2008 and 2020 in shoring up the financial system. If our assumption is valid, then financial market turmoil will eventually subside and the FOMC can get back to focusing largely on incoming economic data. If the labor market remains generally tight in the near term and inflation remains well above the Fed's target of 2%, then we would envision the FOMC resuming its tightening cycle by raising rates by 25 bps at its meeting on May 3 and by another 25 bps on June 14. In short, we forecast that the FOMC will raise its target range for the federal funds rate to 5.00%-5.25% by June from its current setting of 4.50%-4.75% (see chart at right). But as the pace of economic contraction that we forecast gathers pace in the fourth quarter of this year and as inflation recedes, then we look for the FOMC to begin an easing cycle that lasts until the third quarter of next year.

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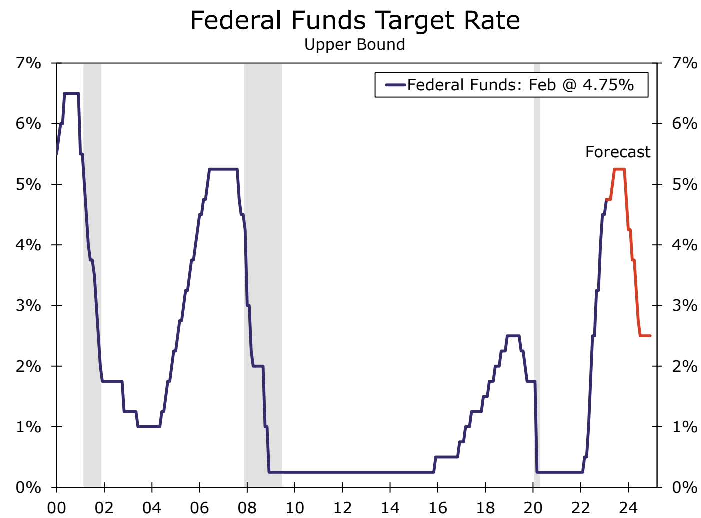


Source: Federal Reserve Board and Wells Fargo Economics

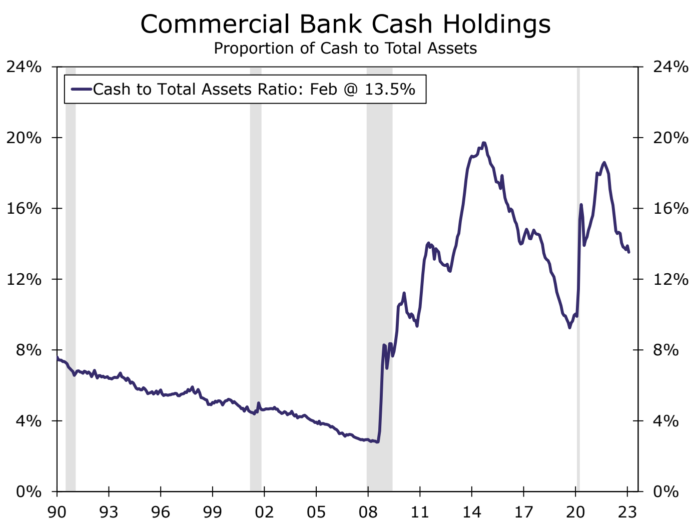
Topic of the Week

The State of the U.S. Banking Sector

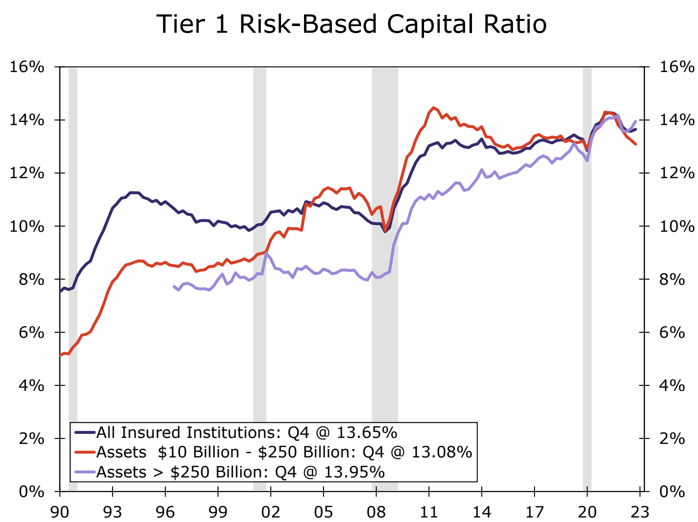
Recent tightening of financial conditions triggered by the collapse of a few U.S. regional banks has led to fears that other institutions may be in a similar position of not being able to meet obligations to depositors due to losses on securities holdings. As of this writing, the KBW Bank Index, a capitalization-weighted index of 24 money center and regional banks, has plunged nearly 25% since March 8.

We expect that policymakers will take the necessary steps to prevent a global financial crisis. The U.S. Department of the Treasury, Federal Reserve and FDIC have already stepped in, announcing that all depositors of Silicon Valley Bank and Signature Bank would be made whole, including uninsured deposits above the $250,000 threshold. Second, the Federal Reserve announced a new lending program to help assure banks can meet depositor needs. The Bank Term Funding Program (BTFP) is a $25 billion backstop that will offer loans of up to one year to eligible depository institutions. Financial institutions can pledge U.S. Treasury securities, agency debt and mortgage-backed securities (MBS) as collateral. Notably, collateral will be valued at par rather than at market value, even though many fixed income securities are currently trading at sizable discounts with interest rates up substantially over the past year. These policy announcements are intended to reassure depositors and ensure that financial institutions are able to raise liquidity without resorting to a fire sale of their securities portfolios. That said, shareholders and certain unsecured debtholders will not be protected under the current regime.

But that leads to the question: Are there any systemic issues in the banking sector that point to financial instability? According to the FDIC, the deposits of the commercial banking system in the United States are currently equivalent to more than 80% of its assets, the highest ratio in more than 30 years. However, the percentage of deposits that are insured has fallen to only about 50% of assets. It is easy to see why policymakers would be concerned about other banks experiencing significant deposit outflows or bank runs. Fortunately, however, the commercial banking system is also rather liquid with cash, predominantly in the form of deposits at the Federal Reserve, which account for 14% of the system's assets at present (chart). These bank reserves are likely more concentrated at some of the nation's largest banks, but the BTFP should serve as an additional source of relief, as banks have the option of borrowing from the facility to raise cash instead of outright selling their Treasury securities and MBS. Encouragingly, the overall banking system is well-capitalized as well. The Tier 1 Risk-Based Capital Ratio of the system is nearly 14% at present (chart), which is about 4 percentage points higher than it was on the advent of the global financial crisis. The Tier 1 capital ratio among banks with assets between $10 billion to $250 billion, which includes many of the nation's mid-size regional banks, is a bit below the ratio for the largest banks, but is still markedly higher than it was heading into the global financial crisis.



Source: Fedearl Reserve Board and Wells Fargo Economics



Source: Federal Deposit Insurance Corporation and Wells Fargo Economics

All in all, even with our assumption that authorities will prevent another global financial crisis, there will likely be lasting consequences in the form of tighter financial conditions. With this in mind, we have downshifted our growth outlook for the United States. We expect increased uncertainty will keep credit spreads wider in the coming weeks and months. Banks will likely tighten lending standards as well, at least in the near term. In our view, slower credit growth in the non-financial sector will act as a headwind to U.S. GDP growth this year, while lower fixed investment spending and slower hiring from businesses will also be a drag on growth. Overall, we look for a peak-to-trough decline of 1.2% from the end of this year to early next year. With regard to the Federal Reserve, as we mentioned in Interest Rate Watch above, we believe recent volatility in financial markets will lead the FOMC to pause its tightening cycle at its March 22 meeting. However, under the assumption that some stabilization occurs in the coming weeks, we look for two more 25 bps rate hikes at the Fed's May and June meetings to a peak of 5.25%. We then expect the FOMC to begin easing monetary policy in Q4 of this year as the recession deepens and inflation comes down.

For further reading, please see our latest monthly U.S. Economic Outlook.

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Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 3/17/2023	1 Week Ago	1 Year Ago
SOFR	4.57	4.55	0.05
3-Month LIBOR	4.91	5.12	0.92
3-Month T-Bill	4.45	4.87	0.38
1-Year Treasury	4.33	5.12	1.39
2-Year Treasury	3.91	4.59	1.91
5-Year Treasury	3.48	3.96	2.14
10-Year Treasury	3.38	3.70	2.17
30-Year Treasury	3.58	3.71	2.47
Bond Buyer Index	3.57	3.73	2.53

Foreign Exchange Rates

	Friday 3/17/2023	1 Week Ago	1 Year Ago
Euro ($/€)	1.064	1.064	1.109
British Pound ($/£)	1.215	1.203	1.315
British Pound (£/€)	0.876	0.884	0.844
Japanese Yen (¥/$)	132.060	135.030	118.600
Canadian Dollar (C$/$)	1.376	1.383	1.263
Swiss Franc (CHF/$)	0.928	0.921	0.937
Australian Dollar (US$/A$)	0.668	0.658	0.738
Mexican Peso (MXN/$)	18.958	18.505	20.524
Chinese Yuan (CNY/$)	6.889	6.917	6.347
Indian Rupee (INR/$)	82.545	82.051	75.805
Brazilian Real (BRL/$)	5.278	5.215	5.039
U.S. Dollar Index	104.117	104.576	97.974

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

Foreign Interest Rates

	Friday 3/17/2023	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	-0.58	-0.59	-0.57
3-Month Sterling LIBOR	4.24	4.36	1.04
3-Month Canada Banker's Acceptance	5.03	5.03	1.08
3-Month Yen LIBOR	-0.03	-0.03	-0.08
2-Year German	2.40	3.10	-0.34
2-Year U.K.	3.18	3.64	1.30
2-Year Canadian	3.58	3.96	1.89
2-Year Japanese	-0.08	-0.02	-0.02
10-Year German	2.07	2.51	0.39
10-Year U.K.	3.22	3.64	1.57
10-Year Canadian	2.75	2.99	2.18
10-Year Japanese	0.29	0.41	0.21

Commodity Prices

	Friday 3/17/2023	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	65.96	76.68	102.98
Brent Crude ($/Barrel)	72.13	82.78	106.64
Gold ($/Ounce)	1962.32	1868.26	1942.89
Hot-Rolled Steel ($/S.Ton)	1243.00	1271.00	1450.00
Copper (¢/Pound)	387.95	403.50	469.35
Soybeans ($/Bushel)	15.04	15.20	16.66
Natural Gas ($/MMBTU)	2.36	2.43	4.99
Nickel ($/Metric Ton)	23,018	23,056	45,795
CRB Spot Inds.	553.36	562.10	668.14

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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 Seery	Economist	332-204-0693	Shannon.Seery@wellsfargo.com
Nicole Cervi	Economic Analyst	704-410-3059	Nicole.Cervi@wellsfargo.com
Jessica Guo	Economic Analyst	212-214-1063	Jessica.Guo@wellsfargo.com
Karl Vesely	Economic Analyst	704-410-2911	Karl.Vesely@wellsfargo.com
Patrick Barley	Economic Analyst	704-410-1232	Patrick.Barley@wellsfargo.com
Jeremiah Kohl	Economic Analyst	704-410-1437	Jeremiah.J.Kohl@wellsfargo.com
Coren Burton	Administrative Assistant	704-410-6010	Coren.Burton@wellsfargo.com

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