WELLS FARGO

Weekly — October 8, 2021

Weekly Economic & Financial Commentary

United States: Another Disappointing Employment Report

- September's disappointing employment report, which showed employers adding just 194,000 jobs, once again highlights the supply-side challenges facing the United States, as labor is in short supply and there are widespread shortages of finished products and inputs. The extension of the debt ceiling to early December removes the most ominous storm cloud hanging over the economy, and may set the table for stronger gains in coming months.
- Next week: Consumer Price Index (Wednesday), Retail Sales (Friday)

International: Reserve Bank of New Zealand Raises Interest Rates & Canada on Recovery Path

- The Reserve Bank of New Zealand became the second developed economy central bank to raise interest rates during the current cycle, while its closest neighbor, the Reserve Bank of Australia, maintained its accommodative monetary policy stance at its October meeting. In Canada, the ongoing steady improvement in the labor market should prompt the central bank to further slow the pace of its government bond purchases at its monetary policy announcement later this month.
- Next week: U.K. GDP (Wednesday), Australian Employment (Thursday), Brazil Economic Activity (Friday)

Credit Market Insights: Pace of Consumer Credit Wanes after a Record Summer

- Consumer credit increased $14.4B in August, its weakest monthly increase since February. The lower-than-expected number points to another sign that August differed from July due to the Delta variant. A telltale mark of the public health deterioration was the weaker $3.0B increase in revolving debt, which reflects consumers' credit card purchases.

Topic of the Week: Debt Ceiling: See You in December?

- The U.S. Senate moved on Wednesday and Thursday to enact a law that would temporarily increase the nation's debt ceiling for a few months. Last week, Congress passed a stopgap funding bill that averted a federal government shutdown by re-authorizing current spending levels through December 3. This week's debt limit bill grants the federal government an additional $480 billion of borrowing capacity.

Wells Fargo Securities U.S. Economic Forecast

	Actual		Forecast						Actual	Forecast		
	2021				2022				2020	2021	2022	2023
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Real Gross Domestic Product [1]	6.3	6.7	4.6	5.7	4.2	4.1	3.4	2.8	-3.4	5.9	4.5	3.0
Personal Consumption	11.4	12.0	0.9	2.7	3.4	4.0	3.2	2.3	-3.8	7.7	3.5	2.6
Consumer Price Index [2]	1.9	4.8	5.3	5.4	5.1	3.5	2.5	2.3	1.2	4.3	3.3	2.3
"Core" Consumer Price Index [2]	1.4	3.7	4.2	4.4	4.6	3.2	2.3	2.3	1.7	3.4	3.1	2.5
Quarter-End Interest Rates [3]												
Federal Funds Target Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.25	0.25	0.50
Conventional Mortgage Rate	3.08	2.98	2.90	3.20	3.45	3.60	3.70	3.75	3.12	3.04	3.63	3.83
10 Year Note	1.74	1.45	1.45	1.70	1.90	2.00	2.10	2.15	0.89	1.59	2.04	2.23

Forecast as of: September 09, 2021
[1] Compound Annual Growth Rate Quarter-over-Quarter
[3] Annual Numbers Represent Average

Source: U.S. Dept. of Commerce, U.S. Dept. of Labor, Federal Reserve Board and Wells Fargo Securities

Please find our full U.S. Economic Forecast here.

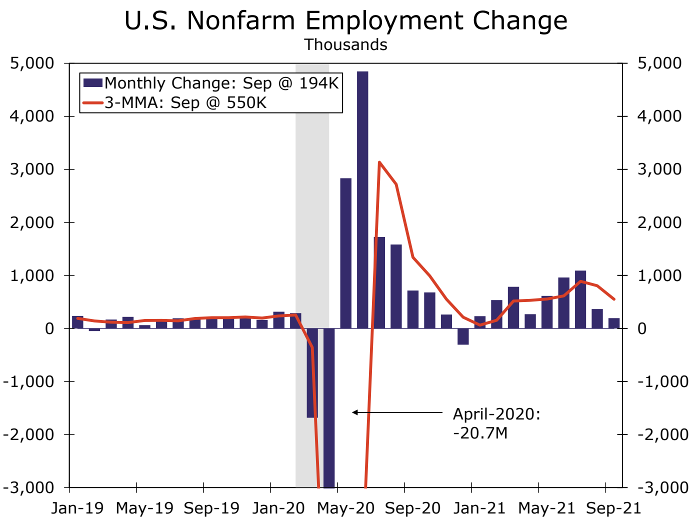
U.S. Review

Another Disappointing Employment Report

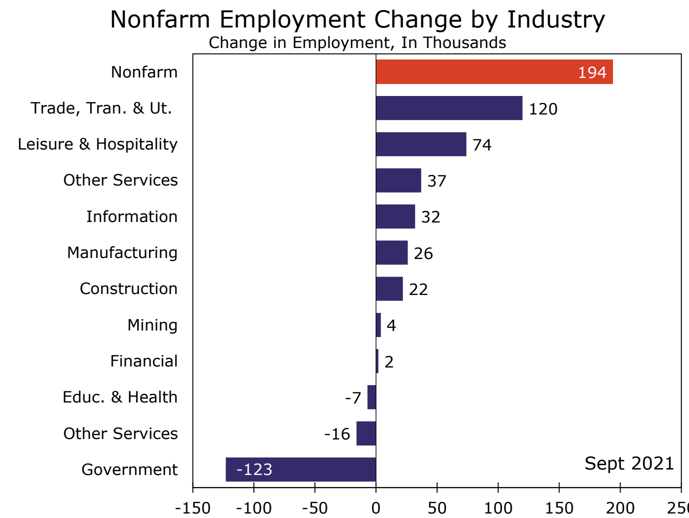
September's disappointing employment report clearly takes center stage over this week's other economic reports. Nonfarm employment rose by just 194,000 jobs, as employers continue to have trouble finding the workers they need. While the equity markets sold off and bonds initially rallied on the news, the report was not quite as weak as it first appeared. Data for the prior two months were revised higher by a combined 169,000 jobs. The revision was evenly split between the prior two months. August now shows that employers added 366,000 jobs, up from an initially reported gain of 235,000 jobs. Moreover, most of the weakness in September came from a 123,000-job loss in government payrolls, all of which were in state and local education, which lost 161,000 jobs. Private payrolls added 317,000 jobs in September, following a 332,000-job gain the prior month. Moreover, private education payrolls declined by 19,000 jobs in September, as many schools have not fully reopened and have rehired fewer administrative and support staff.

The household employment data do not show anywhere near the deceleration that the establishment survey does. The household survey showed civilian employment rising by 526,000 in September, following a 509,000 increase the prior month. The stronger household employment gain is one reason why the unemployment rate plummeted to 4.8% in September. Labor force growth also remains underwhelming. The establishment data is widely believed to be more reliable over time. The establishment data often misses jobs created at new businesses, however, particularly during the early part of the business cycle. As a result, employment growth for the first two years of a business cycle is often revised higher.

Even if the payroll survey is missing some newly created jobs, there is no getting around the fact that employers are dealing with widespread labor shortages. We suspect the problem worsened somewhat in August and September. College students were largely home for much of the prior year and likely worked in greater proportion than in prior years, as they were going to class virtually this past year. Employment in leisure and hospitality typically declines in August and September, but fell more than usual this past year because so many students went back to school. Many businesses, particularly in the leisure and hospitality sector, note that their staffing challenges intensified considerably once students returned to college in August and September. College enrollments have also surged this year, with many large schools in the South seeing record high enrollments.



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



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

Leisure & hospitality employment rose on a seasonally-adjusted basis, with arts, entertainment & recreation adding 43,000 jobs during the month. More than half that gain came from the performing arts and spectator sports, the latter of which has returned with vigor. Hiring in accommodations & food services added 31,100 jobs in September, with food services & drinking places accounting for most of the increase.

Employment in other parts of the economy that require a high degree of personal contact were a notable soft spot in September. Employment in other services declined by 16,000 jobs, with dry cleaning and laundry mats losing 9,000 jobs. Another area of weakness is employment at nursing homes and residential care facilities, which lost 37,600 jobs in September. Child care centers did note an uptick in hiring, however, adding 17,800 jobs in September.

The impact of supply shortages is evident. Manufacturers added 26,000 jobs in September, and would have added more if automotive manufacturers were not idle plants due to semiconductor shortages. Motor vehicle manufacturers cut 6,100 jobs during the month. Demand is clearly not the problem.

Supply-chain challenges are bolstering employment in the transportation sector. Transportation and warehousing added 47,300 jobs in September, with warehousing & storage and couriers & messengers leading the way. Retailers also posted solid job growth, adding 56,100 jobs during the month, while wholesalers added 16,900 jobs.

Construction activity also appears to be getting back on track. The industry added 22,000 jobs in September, with more than half the gain coming from specialty trade contractors. Nonresidential construction posted a larger gain than residential did in September, possibly reflecting intensified preparations for the return to office.

In addition, energy exploration is now back in positive territory. Oil and gas extraction businesses added 1,100 jobs in September, while support activities for mining added 3,700 jobs. Job openings have surged in both sectors and employers are scrambling to find the workers they need.

We've Got a Supply Problem

Earlier in the week, the ISM Services index rose to 61.9 in September, modestly up from 61.7 the month prior. While the reading is below the highs of this summer, the rise suggests that activity has not meaningfully weakened amid the surge in COVID cases tied to the Delta variant. Although high-frequency indicators of mobility have moderated in recent months, large crowds at in-person events, such as football games and music festivals, suggest that consumers are not pulling back. Indeed, the ISM survey respondents noted that demand is still exceptionally strong and supply remains a challenge. As in the manufacturing industry, supply chain constraints appear to be the biggest constraint on growth in the service sector today.

Logistic constraints were also evident in the August trade report. Tangled supply chains and severe transportation bottlenecks continued to pressure the U.S. trade deficit, which widened to $73.3 billion in August. COVID outbreaks across the globe have led to temporary port closures, while capacity limitations at domestic ports also added to delays. The severe lack of labor in key logistic industries in the United States is delaying the smooth delivery of product to and from ports. Despite these headwinds, both exports and imports rose during the month, although imports saw a larger gain amid still-strong domestic demand. All told, the better-than-expected outturn for imports suggests that net exports will be less of a boost to growth than the half-a-percentage point we currently have forecasted for the third quarter. (Return to Summary)

U.S. Outlook

Weekly Domestic Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
13-Oct	CPI (MoM)	Sep	0.3%	0.4%	0.3%
13-Oct	Core CPI (MoM)	Sep	0.2%	0.3%	0.1%
14-Oct	PPI Final Demand (MoM)	Sep	0.6%	0.6%	0.7%
15-Oct	Retail Sales	Sep	-0.3%	-0.3%	0.7%
15-Oct	Import Price Index (MoM)	Sep	0.6%	0.7%	-0.3%
15-Oct	Business Inventories	Aug	0.7%	0.7%	0.5%

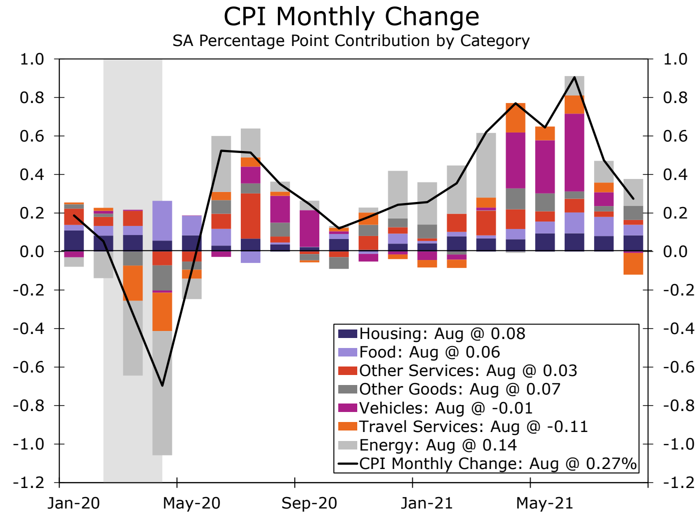
Forecast as of October 08, 2021

Source: Bloomberg LP and Wells Fargo Securities

Consumer Price Index • Wednesday

In August, the pace of consumer price inflation continued to cool from its summer highs. While prices for used vehicles and travel services saw outright declines in August, prices for other items, namely food, energy, housing and other goods picked up the slack, suggesting that inflation may be coming off the boil, but is still quite hot. Similar dynamics are likely at play in September. We are forecasting a 0.4% month-over-month increase in the headline consumer price index (CPI) and a 0.3% increase in core CPI, which would bring the year-over-year rates to 5.3% and 4.0%, respectively.

For the headline measure, food and energy costs likely picked up again in September, as bad weather and labor shortages have made it difficult for suppliers to restore depleted stockpiles. Within the core measure, travel and other services appear unlikely to add meaningfully to price pressures in September. Demand for in-person services cooled in the wake of the Delta wave, which should make it easier for short-staffed businesses to keep up. Cooling sales have also taken some pressure off of vehicle prices, though the Manheim Used Vehicle Value Index picked back up in September. While this is unlikely to filter into consumer prices for the month, it represents the potential for continued supply-chain dislocations to keep a solid floor on the pace of inflation. The auto sector has been the poster-child for supply logjams, but it is far from alone. Core goods excluding used autos were up 0.7% in August, and we may continue to see pressure on core goods inflation until value-chain pressures ease. Housing is another area in which existing inventories have been insufficient to satiate the onslaught of demand. Home price increases have shown some tentative signs of moderation, but the rise in shelter costs over the past year has yet to be fully realized in the CPI. Housing is likely to continue to boost inflation as the index picks up recent home price gains, and as rents continue to pick up as people move back to urban centers hit hard by COVID.

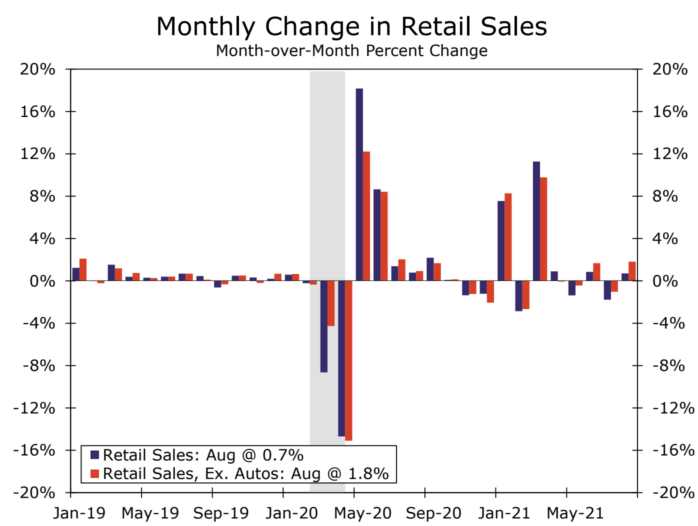


Source: U.S. Department of Labor and Wells Fargo Securities

Retail Sales • Friday

We expect retail sales slipped 0.3% in September, largely due to softer auto sales. Sales at motor vehicle & parts dealers have fallen for four months straight. With production problems limiting selection and pushing up prices, consumers may be holding off until buying conditions improve. That said, the recent decline also likely reflects some normalization in the level of sales after vehicle spending surged this spring.

Excluding autos, we forecast retail sales increased 0.4% in September. While visits to restaurants and retail locations have yet to break out of their late summer plateau, high-frequency card transaction data suggests spending remains solid. Consumer sentiment measures are still uninspiring, but last month's report —retail sales increased 0.7% in August despite expectations for a decline of the same magnitude—illustrated that hard spending data does not always follow soft survey data, particularly when household balance sheets and labor demand are as healthy as they are today. That said, we are not discounting souring sentiment entirely. In our September monthly forecast, we downgraded Q3 real consumer spending to just 0.9%, but this primarily reflects a Delta-induced slowdown in services spending and inflation outpacing real sales growth, both of which are not as represented in the goods-focused, nominal retail sales report. (Return to Summary)



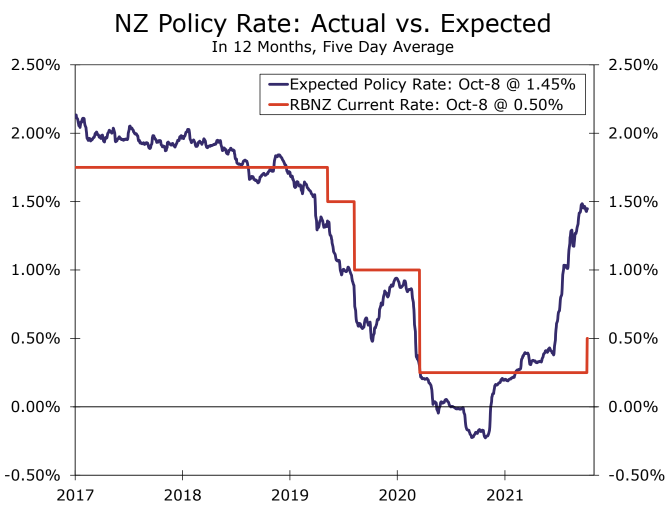
Source: U.S. Department of Commerce and Wells Fargo Securities

International Review

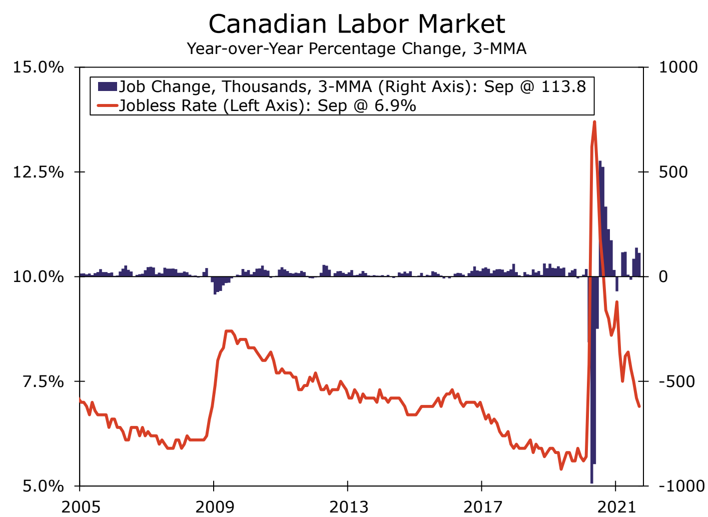
Reserve Bank of New Zealand Raises Interest Rates

This week, the Reserve Bank of New Zealand (RBNZ) became the second developed economy central bank to hike interest rates during the current cycle, raising its policy rate by 25 bps to 0.50%. The RBNZ said that COVID-19-related restrictions have not materially changed the medium-term inflation and employment outlook, and that capacity pressures remain evident in the economy. In addition, while the economy contracted sharply during the nationwide lockdown, the central bank said it expected activity to recover quickly as restrictions ease, and that recent economic indictors supported this picture. The RBNZ was somewhat balanced regarding the pace of future tightening, saying that "further removal of monetary policy stimulus is expected over time, with future moves contingent on the medium-term outlook for inflation and employment." That said, the central bank's assessment of the economic outlook was relatively constructive overall and, as a result, we expect another 25 bp rate increase at the November monetary policy announcement.

Meanwhile, in Australia, the central bank held monetary policy steady at its meeting this week. The Reserve Bank of Australia (RBA) kept its policy rate at 0.10% and maintained the pace of its bond purchases at A$4 billion per week until at least February 2022. The central bank noted that COVID vaccination rates are increasing, many businesses are planning to ease restrictions, and that confidence has held up reasonably well. Still, the RBA repeated that there is "uncertainty about the timing and pace of the bounce back, and it is likely to be slower than that earlier in the year." For now, the central bank said wage and price pressures remain subdued and repeated that in its central scenario, it does not expect to raise interest rates until 2024.



Source: Bloomberg LP and Wells Fargo Securities



Source: Datastream and Wells Fargo Securities

Canada Remains on a Recovery Path

After a challenging period for Canada earlier this year as the increase of COVID cases and associated restrictions crimped activity, the September labor market report offered encouragement that the economy has returned to a steadier recovery path. September employment surged by 157,100, on top of the 90,200 gain seen in August. Full-time employment spiked by 193,600, while part-time employment fell by 36,500. With the September gain, Canada's economy has now fully recovered all the jobs lost during the pandemic. The unemployment rate also declined to 6.9%. The employment data was not the only good news from Canada this week, as the September manufacturing PMI also rose to 70.4, near the highs seen earlier this year. Given the encouraging economic news, and with oil prices and CPI inflation both elevated, we expect another move by the Bank of Canada towards less accommodative monetary policy at its late October announcement. We expect the Bank of Canada to reduce the weekly pace of government bond purchases by C$1 billion to just C$1 billion purchases per week, and expect the central bank to end its quantitative easing program by early 2022.

To the south, Mexico's September CPI highlighted still-elevated inflation and indeed some further quickening in the latest month. The headline CPI firmed to 6.0% year-over-year, from 5.6% in August. Core inflation also quickened slightly as the September core CPI rose 4.9% year-over-year, after a 4.8%

increase in August. Both headline and core inflation are running well above the upper end of the Bank of Mexico 2% to 4% inflation target range. The central bank increased its overnight rate by 25 bps in both August and September to currently stand at 4.75%. Given persistent inflation pressures, we expect another 25 bps rate hike by the end of this year, and a cumulative 125 bps of tightening within the next 12 months. (Return to Summary)

International Outlook

Weekly International Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
13-Oct	U.K. Monthly GDP (MoM)	Aug	0.5%	-	0.1%
14-Oct	Australia Employment	Sep	-135.0K	-	-146.3K
14-Oct	Australia Unemployment Rate	Sep	4.8%	-	4.5%
15-Oct	Brazil Economic Activity (MoM)	Aug	0.1%	-	0.6%

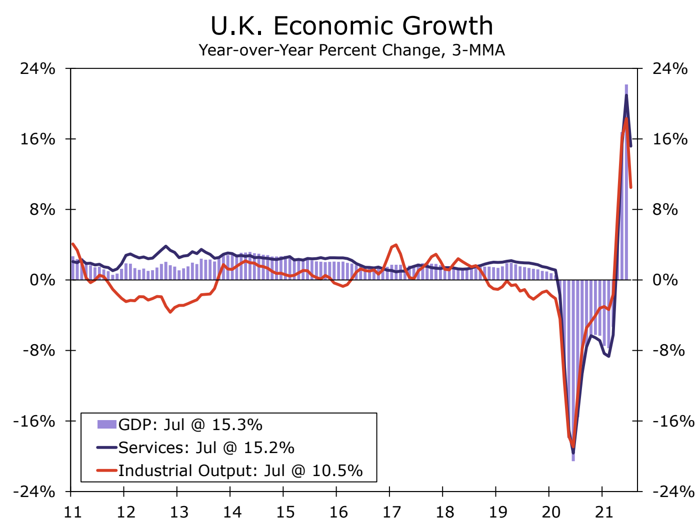
Forecast as of October 08, 2021

Source: Bloomberg LP and Wells Fargo Securities

U.K. Monthly GDP • Wednesday

It has been something of a bumpy road for the U.K. economy this summer, even as restrictions were lifted. That theme may well continue with the release of the August GDP report next week. The consensus forecast is for GDP to rise a moderate 0.5% month-over-month, after barely edging up 0.1% in July.

The service sector in particular may be a source of economic restraint, as retail sales have dropped for the past four months in a row through August, even if some other measures of household spending have held up a bit better. For August, services activity should rise 0.5% month-over-month, after a flat reading in July. August industrial output could rise by an even smaller 0.2% month-over-month. After strong GDP increases through the spring, the moderate gain in the consensus August GDP forecast would still see the level of economic output for the July-August period around 1% above the average level for the April-June period. However, that would still point to a sharp slowdown from the supercharged increase in GDP seen in Q2, of 5.5% quarter-over-quarter.

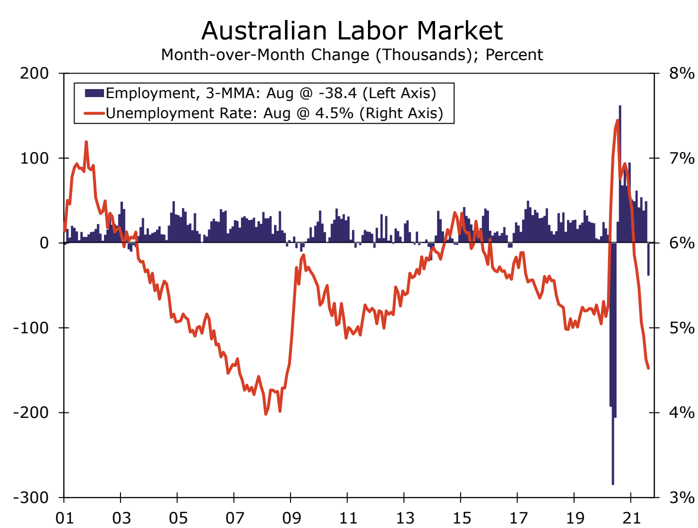


Source: Datastream and Wells Fargo Securities

Australian Employment • Thursday

Australia's employment report for September is likely to show another challenging month for the labor market. In recent months, Australia's two largest states, New South Wales and Victoria, have been hit particularly hard by a renewed wave of COVID cases. Many restrictions are still in place, although increasing vaccination rates mean it is possible the economy and employment could return to a growth path before the end of this year.

However, while there may be some light at the end of the tunnel, we expect September will be too early for it to show through in the jobs report. Indeed, after employment fell by 146,300 in August, the consensus forecast is for a further fall of 135,000 in September, with large declines anticipated in both full-time and part-time jobs. The unemployment rate is also expected to increase to 4.8%. Finally, although rising vaccination rates will allow for a rebound in activity over time, there remains uncertainty as to how soon and how strong that rebound will be. Against this backdrop, the Reserve Bank of Australia maintained its accommodative monetary policy stance this week, and repeated that interest rates will remain steady for an extended period.

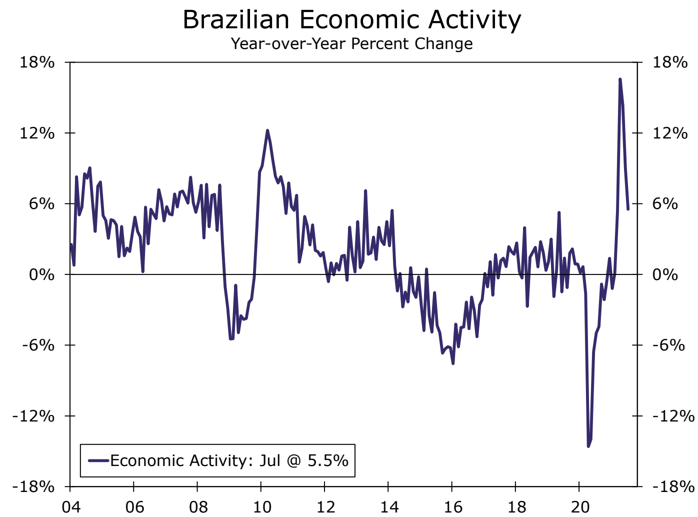


Source: Datastream and Wells Fargo Securities

Brazil Economic Activity • Friday

Brazil's economy came to a standstill during the second quarter, and indications are that there has been only a moderate pickup in growth during the third quarter. Next week's release of the economic activity index for August should offer some additional insight. The August data on sectoral activity so far suggests a soft reading, as retail sales fell unexpectedly and sharply by 3.1% month-over-month, and industrial output fell 0.7%. With respect to overall economic activity for August, the consensus forecast is for a mere 0.1% month-over-month increase, an outcome that would leave activity for the July-August period a moderate 1.1% above its Q2 average.

Even with the moderate trend in economic growth, inflation has accelerated sharply in recent months, with the September CPI showing a 10.25% year-over-year increase. The central bank has already signaled it will likely raise its Selic rate a further 100 basis points to 7.25% at its monetary policy meeting later this month. Following that meeting however we expect the central bank to pause to assess the impact of previous tightening on economic activity and the inflation outlook, before it contemplates further rate increases. (Return to Summary)



Source: Bloomberg LP and Wells Fargo Securities

Credit Market Insights

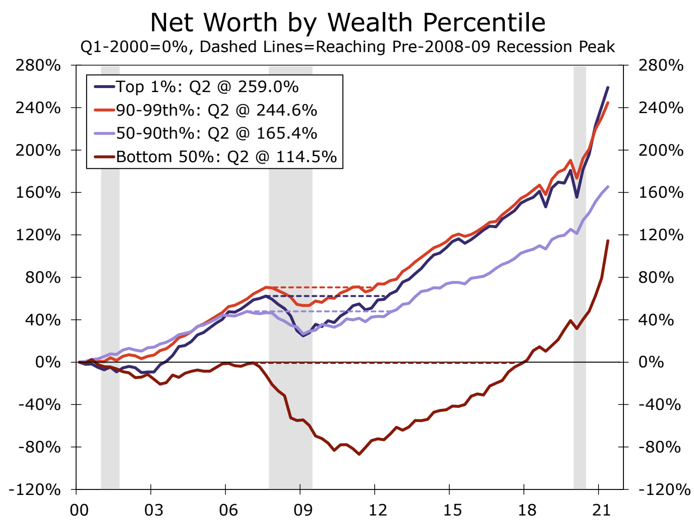
A Hard Act to Follow: The Pace of Consumer Credit Wanes after a Record Summer

Consumer credit increased $14.4B in August according to the Federal Reserve, its weakest monthly increase since February. Consensus estimates called for a $17.5B jump, which is more in line with its July print that was revised slightly higher to a monthly increase of $17.3B. The lower-than-expected number points to just another sign that August differed from July due to the Delta variant. A telltale mark of the influence of the deterioration in the public health scene was the weaker $3.0B increase in revolving debt, which reflects credit card purchases. Over the past three months, the monthly increase in revolving debt had averaged $11B and was carried by an $18.2B surge in June as consumers had finally been able to get out and spend.

However, even though the pace of consumer credit has fallen, we must keep in mind that the monthly increases we saw this summer were record-breaking, so there was bound to be some cooling. May and June of this year saw the only over-$30B monthly increases in the series going back to the early 1940s, coming in at $35.4B and $38.2B, respectfully. While August's rise of $14.4B may look weak compared to those numbers, historically it is a rather typical print. Last cycle (2010-2019), the average monthly change in consumer credit was $13.8B.

Although the Delta variant may be discouraging some consumers from continuing on their summer services spending spree, other data released by the Fed this week reaffirms the strong household fundamentals we have often pointed to as a bright spot in all of this uncertainty. The distribution of household wealth report for Q2 showed an improvement in wealth for all income cohorts, but the extremes saw particularly strong growth. In terms of overall level change, the top two income cohorts' net worth rose the most, the bottom 50% saw net worth rise by half a trillion dollars to $3.0T in Q2 from $2.5T in Q1—a 20% increase (see chart).

The story has been similar for most of the pandemic-era, as excess savings, record stock market gains, and a red-hot housing market have left consumers of all income levels in a better place financially. However, the disproportionate effect of the pandemic on lower-income jobs left those cohorts benefiting on a smaller scale. The significant increase in net worth in Q2 is a sign that the high wage pressures in lower-income industries amid the reopening of the services sector this summer may have helped lower-income households' growth in net worth catch up to the progress seen in other income cohorts. (Return to Summary)



Source: Federal Reserve Board and Wells Fargo Securities

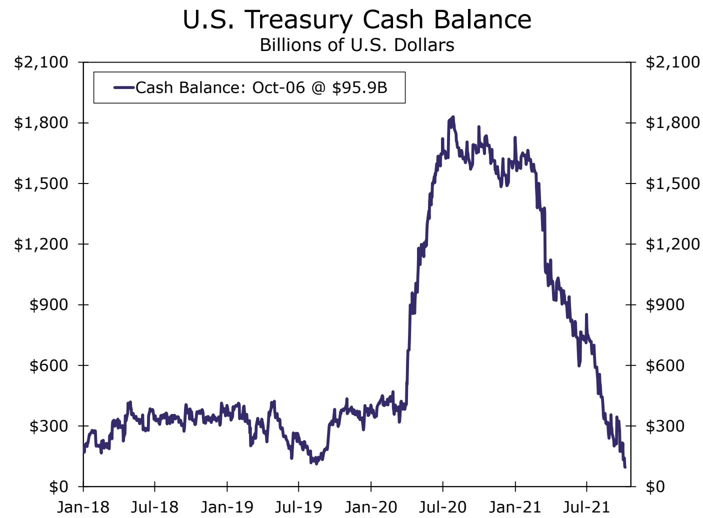
Topic of the Week

Debt Ceiling: See You in December?

The U.S. Senate moved on Wednesday and Thursday to enact a law that would temporarily increase the nation's debt ceiling for a few months. Last week, Congress passed a stopgap funding bill that averted a federal government shutdown by re-authorizing current spending levels through December 3. This week's debt limit bill grants the federal government an additional $480 billion of borrowing capacity. Next week, the House of Representatives will take up this bill and, assuming it passes as expected, President Biden has signaled he intends to sign it into law.

This $480 billion in additional borrowing capacity was more than the $200-$300 billion we thought Treasury would need to get to December 3. As a result, Treasury should have enough funding to last at least that long, and the new "X date" could be as late as the first half of February 2022. As always, there is uncertainty around when exactly the Treasury will run out of funding, as projections are based on uncertain inflows and outflows between now and then. However, we expect the federal government to run a small budget surplus from mid-December through the end of January, so if Treasury can get to the middle of December, the "X date" could be pushed out another 6-8 weeks. We think there is a very real possibility this will occur, and we will be monitoring the inflow and outflow data closely in the coming weeks for confirmation. Regardless, however, another debt ceiling vote will be needed sometime this winter.

Financial markets reacted positively to the news of at least a temporary respite from debt ceiling gridlock. U.S. equities rallied on the news, and yields on Treasury bills maturing in late October plummeted from recent highs. As we had written previously, a government shutdown/and or a market-moving debt ceiling dispute could delay the Fed's tapering announcement until December 15. With the risks from a government shutdown and the debt ceiling alleviated for the time being, the FOMC's decision to taper asset purchases became dependent on today's employment report, which saw nonfarm payrolls increase by 194K. Based on the current employment situation, a tapering announcement made at the November 3rd meeting is still possible, but the disappointing report does not fully lock in a taper decision.



Source: U.S. Department of Treasury and Wells Fargo Securities

The Biden administration and Democrats in Congress will likely spend the next two months resuming negotiations over the bipartisan infrastructure bill and their proposed budget reconciliation bill. For further reading on infrastructure and the budget reconciliation process, see our budget reconciliation roadmap report. For further reading on this week's debt ceiling legislation, see our special report "Debt Ceiling Update: See You in December?" (Return to Summary)

Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 10/8/2021	1 Week Ago	1 Year Ago
1-Month LIBOR	0.09	0.08	0.14
3-Month LIBOR	0.12	0.13	0.23
3-Month T-Bill	0.04	0.03	0.09
1-Year Treasury	0.09	0.07	0.09
2-Year Treasury	0.32	0.26	0.15
5-Year Treasury	1.04	0.93	0.34
10-Year Treasury	1.58	1.46	0.79
30-Year Treasury	2.14	2.03	1.59
Bond Buyer Index	2.27	2.26	2.25

Foreign Exchange Rates

	Friday 10/8/2021	1 Week Ago	1 Year Ago
Euro ($/€)	1.156	1.160	1.176
British Pound ($/£)	1.363	1.355	1.294
British Pound (£/€)	0.848	0.856	0.909
Japanese Yen (¥/$)	111.780	111.050	106.030
Canadian Dollar (C$/$)	1.254	1.265	1.320
Swiss Franc (CHF/$)	0.929	0.931	0.917
Australian Dollar (US$/A$)	0.730	0.726	0.717
Mexican Peso (MXN/$)	20.617	20.449	21.398
Chinese Yuan (CNY/$)	6.448	6.445	6.791
Indian Rupee (INR/$)	74.994	74.125	73.244
Brazilian Real (BRL/$)	5.519	5.443	5.612
U.S. Dollar Index	94.168	94.035	93.605

Foreign Interest Rates

	Friday 10/8/2021	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	-0.57	-0.56	-0.53
3-Month Sterling LIBOR	0.10	0.08	0.05
3-Month Canada Banker's Acceptance	0.45	0.45	0.50
3-Month Yen LIBOR	-0.08	-0.08	-0.10
2-Year German	-0.69	-0.70	-0.71
2-Year U.K.	0.52	0.40	-0.02
2-Year Canadian	0.65	0.51	0.24
2-Year Japanese	-0.10	-0.11	-0.11
10-Year German	-0.16	-0.22	-0.52
10-Year U.K.	1.12	1.00	0.29
10-Year Canadian	1.59	1.47	0.62
10-Year Japanese	0.09	0.06	0.04

Commodity Prices

	Friday 10/8/2021	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	78.85	75.88	41.19
Brent Crude ($/Barrel)	82.47	79.28	43.34
Gold ($/Ounce)	1761.89	1760.98	1893.82
Hot-Rolled Steel ($/S.Ton)	1750.00	1900.00	630.00
Copper (¢/Pound)	423.00	418.95	303.90
Soybeans ($/Bushel)	12.30	12.29	8.97
Natural Gas ($/MMBTU)	5.64	5.62	2.63
Nickel ($/Metric Ton)	18,264	17,947	14,561
CRB Spot Inds.	630.52	619.63	474.96

Source: Bloomberg LP and Wells Fargo Securities

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Economics Group

Jay H. Bryson, Ph.D.	Chief Economist	704-410-3274	Jay.Bryson@wellsfargo.com
Mark Vitner	Senior Economist	704-410-3277	Mark.Vitner@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
Azhar Iqbal	Econometrician	212-214-2029	Azhar.Iqbal@wellsfargo.com
Sarah House	Senior Economist	704-410-3282	Sarah.House@wellsfargo.com
Charlie Dougherty	Economist	704-410-6542	Charles.Dougherty@wellsfargo.com
Michael Pugliese	Economist	212-214-5058	Michael.D.Pugliese@wellsfargo.com
Brendan McKenna	International Economist	212-214-5637	Brendan.Mckenna@wellsfargo.com
Shannon Seery	Economist	704-410-1681	Shannon.Seery@wellsfargo.com
Hop Mathews	Economic Analyst	704-383-5312	Hop.Mathews@wellsfargo.com
Nicole Cervi	Economic Analyst	704-410-3059	Nicole.Cervi@wellsfargo.com
Sara Cotsakis	Economic Analyst	704-410-1437	Sara.Cotsakis@wellsfargo.com
Jessica Guo	Economic Analyst	704-410-4405	Jessica.Guo@wellsfargo.com
Karl Vesely	Economic Analyst	704-410-2911	Karl.Vesely@wellsfargo.com
Coren Burton	Administrative Assistant	704-410-6010	Coren.Burton@wellsfargo.com

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