Economics

Weekly — November 23, 2022

# Weekly Economic & Financial Commentary

United States: **Leftovers Are for Quitters**

- The closest thing to leftovers in economic data are unfilled orders, which may help sustain factory activity, but they're unlikely to be a saving grace should demand dry up more meaningfully. In addition to a jump in durable goods orders this week, new home sales shot higher in October. The number of people still on unemployment benefits rose to the highest level since March.
- Next week: Personal Income & Spending (Wednesday), ISM Manufacturing (Thursday), Employment (Friday)

International: **European Sentiment Improves, but Recessions Unavoidable**

- Eurozone and U.K. purchasing manager indices were better than expected in November, but remain in contraction territory. While the upside surprise signals the magnitude of economic contraction may not be as severe as initially expected in Q4-2022, we still believe recessions in the Eurozone and U.K. are imminent.
- Next week: China PMIs (Tuesday), Eurozone CPI (Wednesday), Brazil GDP (Thursday)

Credit Market Insights: **China Steps in to Help Struggling Property Sector**

- China's property sector has certainly faced challenges this year, as struggles to generate sufficient cash flow and liquidity issues have seen real estate projects across the country stall. Furthermore, over-leveraged developers continue to face elevated probabilities of defaulting on debt as well as an inability to deliver completed properties to homebuyers. Given these problems, the government has taken steps to help alleviate some of the stress on the industry.

Topic of the Week: **Talking Turkey on Thanksgiving**

- As millions of Americans gather this Thursday, some are noticing all of the food they have brought to the table has left their wallet a little less stuffed this season. Whether it is a meal of traditional Thanksgiving trimmings or an evening gathered around a restaurant table, prices have gone up significantly over the past year.

**Wells Fargo U.S. Economic Forecast**

| | Actual | | | Forecast | | | | | Actual | Forecast | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | | | | 2023 | | | | | | | |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 2021 | 2022 | 2023 | 2024 |
| Real Gross Domestic Product [1] | -1.6 | -0.6 | 2.6 | 1.1 | 0.7 | 0.1 | -2.5 | -3.2 | 5.9 | 1.9 | 0.1 | -0.2 |
| Personal Consumption | 1.3 | 2.0 | 1.4 | 1.5 | 1.2 | 0.5 | -1.7 | -3.0 | 8.3 | 2.7 | 0.6 | -0.5 |
| Consumer Price Index [2] | 8.0 | 8.6 | 8.3 | 7.4 | 6.0 | 4.2 | 3.4 | 3.1 | 4.7 | 8.1 | 4.1 | 2.7 |
| "Core" Consumer Price Index [2] | 6.3 | 6.0 | 6.3 | 6.1 | 5.5 | 4.7 | 3.8 | 3.3 | 3.6 | 6.2 | 4.3 | 2.9 |
| Quarter-End Interest Rates [3] | | | | | | | | | | | | |
| Federal Funds Target Rate | 0.50 | 1.75 | 3.25 | 4.50 | 5.25 | 5.25 | 5.25 | 5.25 | 0.25 | 2.50 | 5.25 | 3.25 |
| Conventional Mortgage Rate | 4.42 | 5.81 | 6.70 | 6.95 | 7.00 | 6.80 | 6.50 | 5.80 | 2.95 | 5.97 | 6.53 | 5.10 |
| 10 Year Note | 2.32 | 2.98 | 3.83 | 4.15 | 4.25 | 4.20 | 4.00 | 3.40 | 1.45 | 3.32 | 3.96 | 2.95 |

Forecast as of: November 10, 2022

[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 and our updated Pressure Gauge.

# U.S. Review

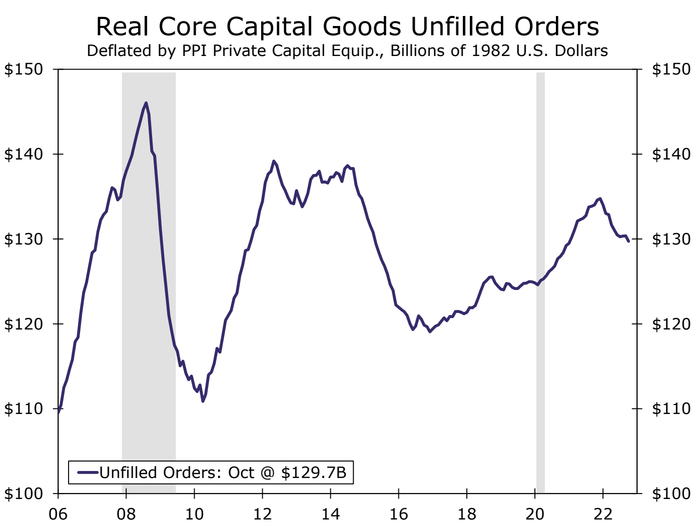
## Leftovers Are for Quitters

Thanksgiving is a time of honoring traditions, and that is true even in the world of economics where the Commerce and Labor Departments modify their publication schedules, so that the week's key economic indicators are ready to be digested before the turkey is. The latest reports for durable goods orders, jobless claims and new home sales, all of which were released this morning, reflect the crosscurrents in the economy at present.

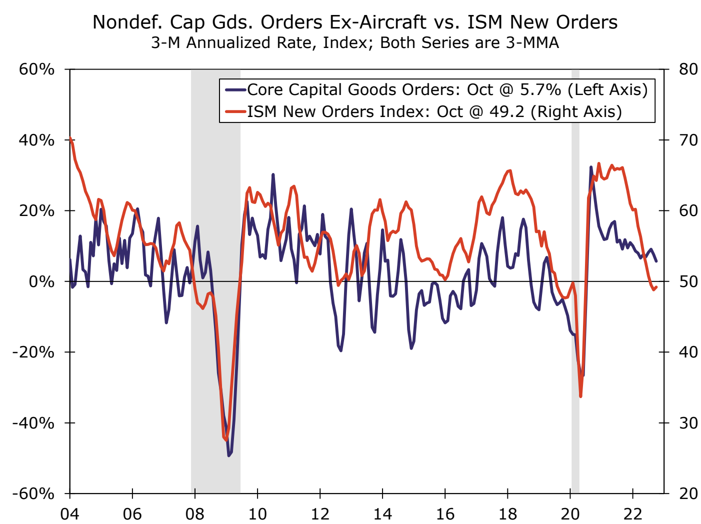
The durable goods report essentially reversed a trend in which manufacturing had been losing momentum; the latest data tell a slightly different story. Core capital goods shipments shot up 1.3% in October even as last month's 0.5% decline was revised to a much smaller dip of just 0.1%. We have been concerned about the pipeline for new business, which appeared to be drying up, and the outlook there has remained mixed in light of today's report as well. Orders tend to lead shipments, and core capital goods orders rose 0.7%, though revisions were less kind here as the initially reported decline of 0.4% last month was doubled to an 0.8% decline.

As we consider our own outlook for business spending, a key concern is the degree to which backlogs can sustain activity in the manufacturing sector. Order backlog rose again in October, but adjusting for higher prices of private capital equipment using the producer price index points to a continued rundown in backlog (chart). Unfilled orders may somewhat help sustain activity, but they're unlikely to be a saving grace to the sector as demand dries up more meaningfully.

If the pandemic era has taught us anything about the manufacturing sector, it is not to get carried away by any single good or bad month. The durables report was encouraging, but the ISM survey released earlier this month was far less sanguine. It showed new orders in contraction territory for the fourth time in five months (chart) and the first contraction in backlogged orders since the pandemic-induced slowdown in 2020.




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

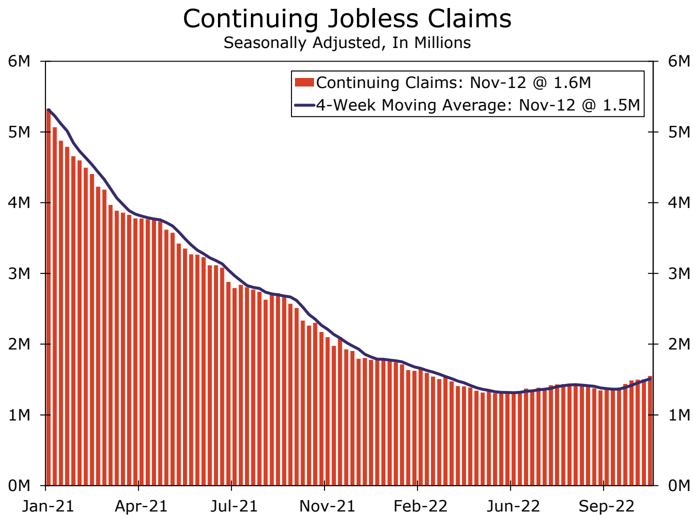



Source: U.S. Department of Commerce, Institute for Supply Management and Wells Fargo Economics

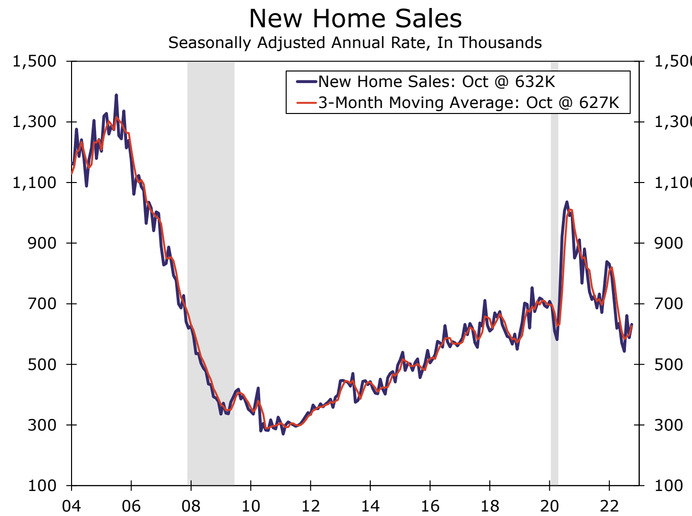
## Feast Mode: New Home Sales Jump Amid Relief in Mortgage Rates

The housing market also remains broadly under pressure, with the pace of new home sales down 14.2% on a year-to-date basis in October. That noted, the annualized rate of new home sales shot up 7.5% to a 632K pace during the month. The surprising monthly gain shows that builders are having some success with discounts, rate buy-downs and other incentives (chart). The improvement in sales also shows that there remains a fairly large pool of buyers standing at the ready for some relief in terms of affordability. A modest reprieve in mortgage rates, which slid to the lowest rate in two months last week, settling at 6.67%, looks to have brought some sidelined-buyers into the market. Purchase applications rose the past three weeks after moving sharply lower this year. While this data can be fairly volatile week-to-week, and we'll want to see it in the official sales data for November before jumping to conclusions, it suggests even a modest easing in affordability may help stabilize activity due to still-elevated demand for homes.

Initial jobless claims rose to a three-month high last week as some recent major layoff announcements made their way into the data. Recent layoffs in the technology sector are likely more of a matter of rightsizing and look to be concentrated at a few firms for now. Job openings, while lower, are still too elevated to suggest recent layoffs will yet meaningfully disrupt the labor market. Still the mood music is not quite as upbeat as it was in the summer months. Continuing claims rose for a sixth straight week to put the number of people who remain on unemployment benefits at 1.55 million, that is the highest since March (chart).



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



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

Fundamentals still remain unfavorable, and as the Fed ratchets rates higher and consumer sentiment plummets, households are increasingly viewing it as a bad time to buy a home or major consumer durable. The Fed will likely find some slight comfort in the fact that consumers' expectations for inflation over the next year pulled back a touch in November. But significant reprieve from a rates perspective still looks to be some time away with our expectation that the FOMC will continue to hike rates through the first quarter before reaching a terminal rate of 5.00%-5.25%. This will keep pressure on borrowing costs and likely curb activity beyond the housing market.

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## U.S. Outlook

**Weekly Domestic Indicator Forecasts**

| Date | Indicator | Period | Consensus | Wells Fargo | Prior |
|---|---|---|---|---|---|
| 1-Dec | Personal Income (MoM) | Oct | 0.4% | 0.4% | 0.4% |
| 1-Dec | Personal Spending (MoM) | Oct | 0.8% | 0.8% | 0.6% |
| 1-Dec | ISM Manufacturing Index | Nov | 49.9 | 49.5 | 50.2 |
| 2-Dec | Nonfarm Payrolls | Nov | 200K | 205K | 261K |
| 2-Dec | Unemployment Rate | Nov | 3.8% | 3.7% | 3.7% |
| 2-Dec | Average Hourly Earnings (MoM) | Nov | 0.3% | 0.3% | 0.4% |

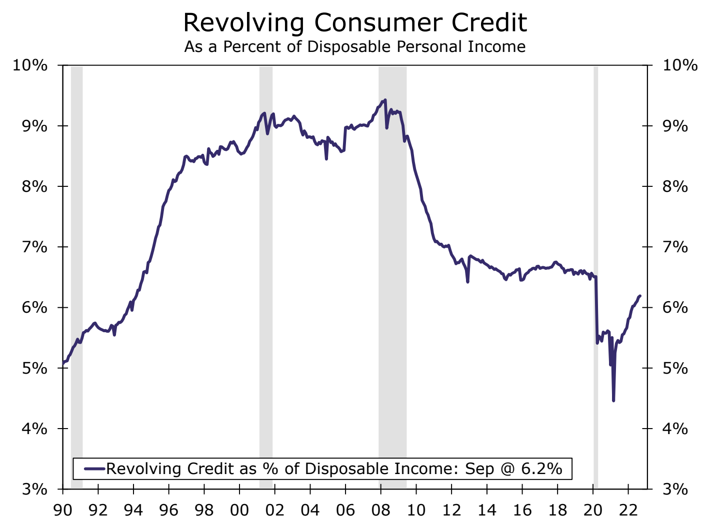
Forecast as of November 23, 2022

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

### Personal Income & Spending • Wednesday

Inflation-adjusted personal spending growth finished the third quarter on a high note, posting a second consecutive 0.3% monthly increase in September. Retail sales data, which are not as comprehensive as the total personal consumption data but are reported first, showed another solid increase in October. While still early, Q4 personal consumption appears to be heading toward a solid gain to finish the year despite numerous economic headwinds.

Consumers have been leaning on their balance sheets to sustain consumption in the face of inflation that has outpaced wage growth. This extra firepower has come from both the asset side (e.g., reducing excess cash holdings built up during the pandemic) and the liability side (e.g., increasing credit card debt). We believe that maintaining this pace of consumption will be much harder in 2023 as the labor market cools and monetary policy becomes increasingly tight.

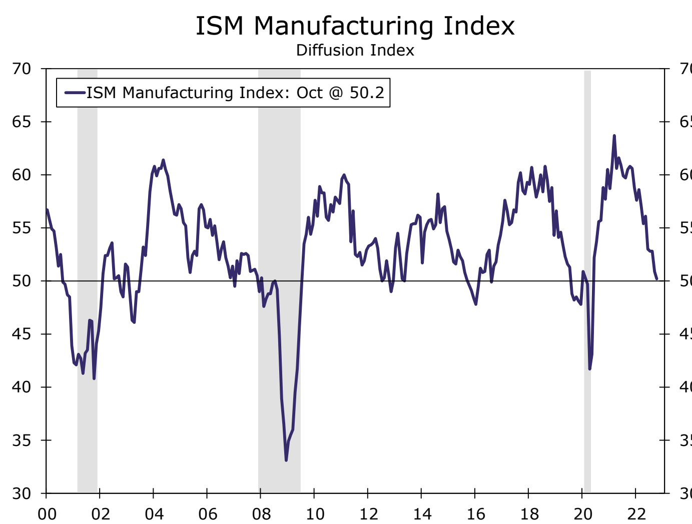



Source: Federal Reserve Board, U.S. Department of Commerce and Wells Fargo Economics

### ISM Manufacturing Index • Thursday

Through October, the U.S. manufacturing sector has continued to expand, but the pace of expansion appears to be losing steam. The ISM Manufacturing index registered 50.2 in October, the weakest reading since May 2020 and just above the key 50 level that separates expansion from contraction. Manufacturing output eked out just a 0.1% gain in October and was flattered by the continued normalization in the supply-constrained automobile sector.

The new orders and backlog of orders components in the ISM manufacturing index suggest a contraction could be in store for 2023. Further declines would provide additional evidence that the goods-producing sector is heading into a downturn as the calendar turns. Investors also will be looking for signs that inflationary pressures are continuing to ebb. At 46.6, the prices paid component of the ISM index is well below its high of 87 in March and suggests disinflationary pressures are coming through the pipeline.




Source: Institute for Supply Management and Wells Fargo Economics

## Employment Report • Friday

Nonfarm payrolls rose 261K in October, topping expectations again. Yet beneath the surface, there were some signs in the data that cracks are emerging in the labor market. Technical factors related to the birth-death model appear to be flattering the headline nonfarm payroll numbers. Employment as measured by the household survey *fell* by 328K in October, and the labor force participation rate again tumbled back to where it was when the year began.

We look for job growth to moderate further in November and the subsequent months. Layoffs, according to initial jobless claims and the JOLTS report, remain low, but discharges are only half the net hiring equation. Demand for additional workers appears to be slipping. Job openings, hiring plans, PMI employment sub-components and consumers' views of the labor market have all deteriorated since the spring. Beyond the headline, the average hourly earnings data also will be crucial for Federal Reserve policymakers. It will take more than normalizing supply chains to return inflation to 2%, and slower wage growth is another important piece of the puzzle.

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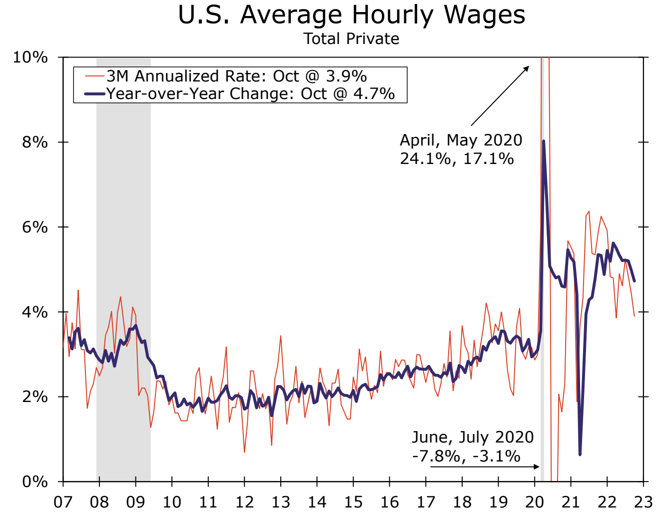


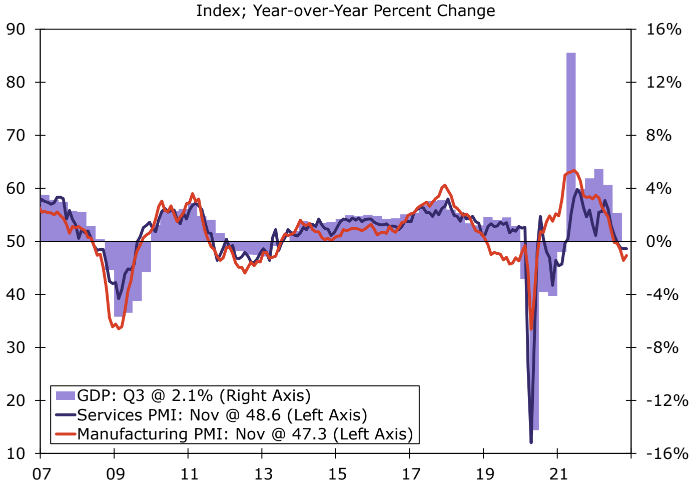

Source: U.S. Department of Labor and Wells Fargo Economics

## International Review

### European Sentiment Improves, but Recessions Unavoidable

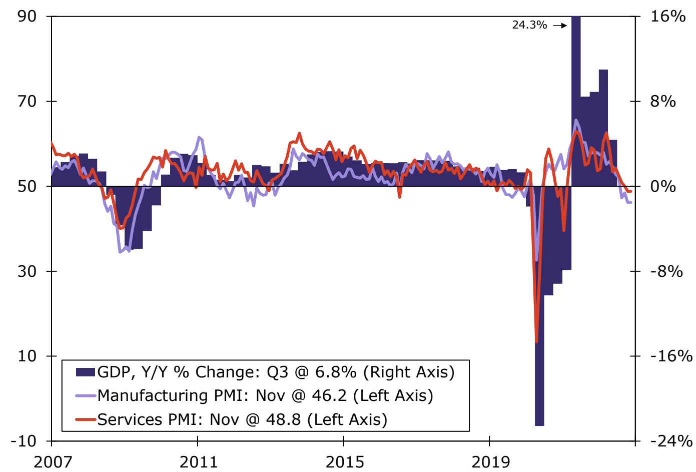
Historically, Purchasing Manager Indices (PMIs) across Europe have been reliable indicators of GDP growth. And with manufacturing and services PMIs in the Eurozone and United Kingdom in contraction territory for multiple months in a row, the outlook for growth in both economies is not especially robust. As far as Eurozone sentiment, the manufacturing PMI rose to 47.3 from 46.4 in October, and above a consensus forecast of a softening to 46. The rise in manufacturing sentiment came as a surprise, with the upside to consensus coming from improvements in the availability of supplies as well as shorter delivery times. A similar takeaway can be made for the services sector, where sentiment held steady from October, but was better than consensus expectations. The Eurozone composite PMI—a weighted average of the manufacturing and services indices—climbed modestly to 47.8 from a reading of 47.3 last month. An improvement in overall sentiment at least suggests the magnitude of the Eurozone economic decline in Q4 may be smaller than originally anticipated; however, with manufacturing and services PMIs still below the key 50 level and signaling declining activity, we still expect the Eurozone economy to slip into recession in Q4-2022. And with the European Central Bank (ECB) likely to continue its monetary tightening cycle into 2023, the outlook for growth next year is extremely subdued. To that point, we expect recessionary conditions to persist over the entirety of next year.

Eurozone PMI Indices vs. GDP Growth




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

U.K. PMIs vs. GDP Growth




Source: Datastream and Wells Fargo Economics

Takeaways from the U.K. sentiment indices are very similar. Manufacturing and services sentiment were better than expected; however, both indices are in contraction territory presently, and have been below 50 for months. Similar to the Eurozone, purchasing managers reported fewer instances of supply shortages, which helped overall production volumes during the month. Input prices also eased modestly, which supported overall sentiment across both the manufacturing and services industries. Many consecutive months of contraction territory PMIs have been a reliable indicator of a pending U.K. economic recession, and we do not think this time is any different. We believe the U.K. economy will enter recession by the end of this year, and for the downturn to persist through the end of 2024. The recession the U.K. economy is set to enter is likely to be one of the more severe downturns within the G10. Despite input prices falling, consumer price inflation (CPI) is still rising and well above the Bank of England's inflation target. With inflation still sticky, the Bank of England is likely to continue with its tightening cycle into early 2023. However, in our view, financial markets are priced for too much tightening, and the BoE tightening cycle is likely to be shallower than markets expect. Should the BoE indeed take a more gradual approach to tightening, the British pound should come under renewed pressure going forward.

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## International Outlook

| Weekly International Indicator Forecasts | | | | | |
|---|---|---|---|---|---|
| **Date** | **Indicator** | **Period** | **Consensus** | **Wells Fargo** | **Prior** |
| 29-Nov | China Manufacturing PMI | Nov | -- | -- | 49.2 |
| 29-Nov | China Non-manufacturing PMI | Nov | -- | -- | 48.7 |
| 30-Nov | Eurozone CPI (YoY) | Nov | -- | 10.2% | 10.7% |
| 1-Dec | Brazil GDP (QoQ) | Q3 | -- | 0.0% | 1.2% |

Forecast as of November 23, 2022

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

### China Official PMIs • Tuesday

We recently revised our 2022 annual GDP forecast lower as Chinese authorities have reimposed COVID restrictions nationwide. As a result of new lockdowns, we expect both the official manufacturing and non-manufacturing PMIs to tick lower in November. A further softening in the PMIs would send the official manufacturing and non-manufacturing sentiment indices further into contraction territory, and reinforce the fact that China's economy has not been able to gather sustained economic momentum for most of 2022.

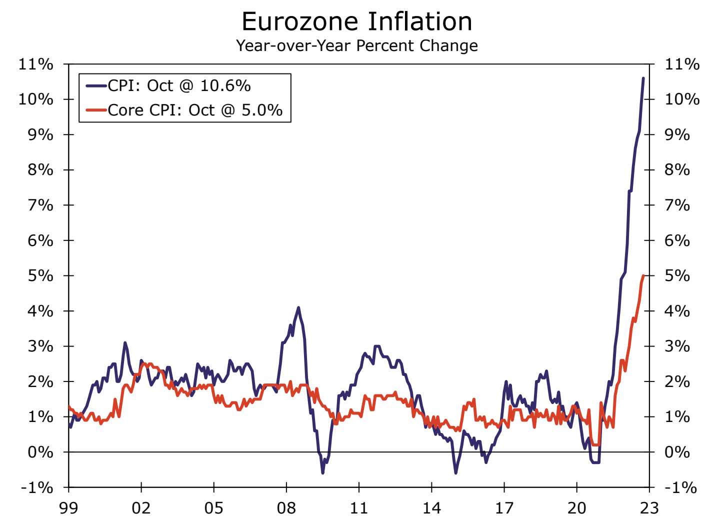
Going forward, we believe COVID restrictions and commitment to Zero-COVID will stay in place for the foreseeable future. Which means, the economic challenges that China has faced for most of this year are likely to persist into 2023. With GDP likely to grow around 3% this year, sporadic lockdowns should keep growth prospects subdued next year as well. With that said, authorities have made minor adjustments to COVID containment policies, which at least provides some optimism that virus control measures could be eased in the near future. We are hesitant to believe a full lifting of COVID measures is imminent, and until we see a more explicit turn toward lifting Zero-COVID, growth rates should remain relatively low.

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

### Eurozone CPI • Wednesday

Europe has seen persistent inflationary pressures, and next week, we expect those pressures to still be reflected in November CPI data. To that point, headline inflation is currently 10.7% year-over-year; however, we expect November data to show price growth slowed over the course of the month, but remains elevated. While energy prices have come down and supply chain disruptions have eased, natural gas supply disruptions have kept inflation well above the European Central Bank's (ECB) target range.

With inflation still uncomfortably high, we expect ECB policymakers to continue tightening monetary policy through the end of this year, despite the Eurozone economy likely already in recession. Policymakers have communicated interest rates are likely to rise in the near future, and while we believe additional tightening is likely, the ECB is unlikely to deliver the amount of tightening priced by financial markets. In that sense, we expect the euro to slip back below parity as markets adjust to a more gradual pace of tightening. Eurozone inflation is likely to remain above the ECB's target for all of 2023, only starting to head on a downward trajectory in a few months' time.



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

**Brazil GDP • Thursday**

Brazil's economy has demonstrated a fair amount of resilience this year. If there is any silver lining to the Russia-Ukraine conflict, higher commodity prices have supported Brazilian economic activity. In addition to higher commodity prices, fiscal stimulus has also supported consumer spending and, in turn, broader economic activity. These dynamics have allowed Brazil's economy to record not only positive growth, but above-consensus output. However, going forward, we expect Brazil's economy to show more robust signals of deceleration.

With Q3 GDP data set to be released next week, the signs of an economic slowdown could be imminent. The same commodities that supported activity earlier in the year have seen a decline in their respective prices, while election-related uncertainties could slow inbound investment toward Brazil. In addition, with the U.S. economy also slowing, contagion effects could appear in Brazilian data for Q3, Q4 and in 2023. In our view, Q3 GDP should be positive; however, we believe the Brazilian economy will be unable to avoid recession come 2023.

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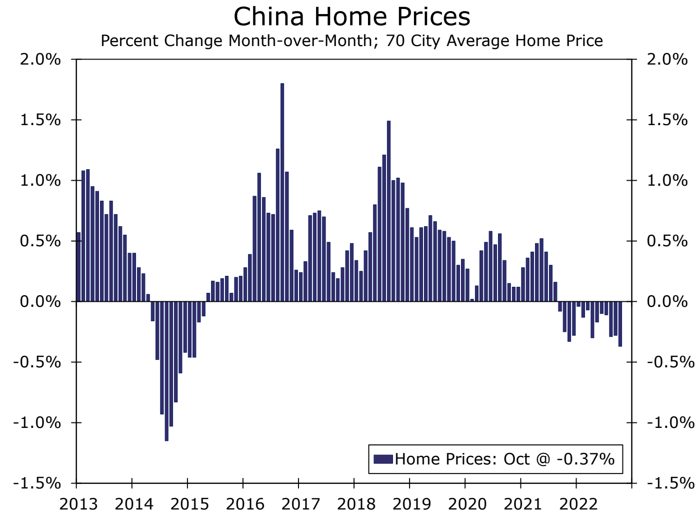
Source: Bloomberg Finance L.P. and Wells Fargo Economics

## Credit Market Insights

### China Steps in to Help Struggling Property Sector

China's property sector has certainly faced challenges this year, as struggles to generate sufficient cash flow and liquidity issues have seen real estate projects across the country stall. Furthermore, over-leveraged developers continue to face elevated probabilities of defaulting on debt as well as an inability to deliver completed properties to end-users. To add to the troubles, some homebuyers are protesting delayed property construction by stopping their mortgage payments.

In addition to issues at the firm level, many real estate-related economic indicators have been flashing warning signs. Home prices have declined for 14 months straight (chart), weighing on sentiment and household wealth. Meanwhile, China's Real Estate Climate Index has fallen to the lowest point since the data series started in 2016. All in all, the property sector has been a significant drag on overall economic growth in the past year or so.




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

People's Bank of China (PBoC) Governor Yi Gang recently acknowledged the importance of the real estate sector to China's economy, stating that it is linked to both upstream and downstream industries and requires a healthy operating cycle. Given the difficulties the property sector is facing, the government has taken steps to help alleviate some of the stress on the industry.

In terms of more accommodative policy, financial regulators have encouraged banks to stabilize lending to real estate firms, including developers and construction companies. This includes reasonable extensions of existing loans to give developers more time to pay back debt, as well as an increase in lending to support investment. In addition, an expanded financial support program would boost liquidity and allow developers to sell more bonds. The PBoC also stated it plans to provide $28 billion in interest-free loans to commercial banks through March 2023 to help stalled projects move along.

Still, developers will continue to face mounting repayment pressures in the coming quarters, with $292 billion of debt maturing through end of 2023. Despite government aid, China's property sector will likely remain under pressure for some time, and in combination with Zero-COVID activity restrictions, economic growth prospects are likely to remain sluggish for the foreseeable future. As the local economy struggles to gather momentum, we believe policies will likely turn even more accommodative. This should provide modest support to growth, but not enough to return China to the powerhouse it once was.

For further reading on China's economy, please see our November International Outlook.

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# Topic of the Week

## Talking Turkey on Thanksgiving

As millions of Americans gather this Thursday, some are noticing all of the food they have brought to the table has left their wallet a little less stuffed this season. Whether it is a meal of traditional Thanksgiving trimmings—turkey (up 16.9% year-over-year), butter (+26.7%), potatoes (+15.2%)—or an evening gathered at a restaurant (+8.6%), prices have gone up significantly over the past year.

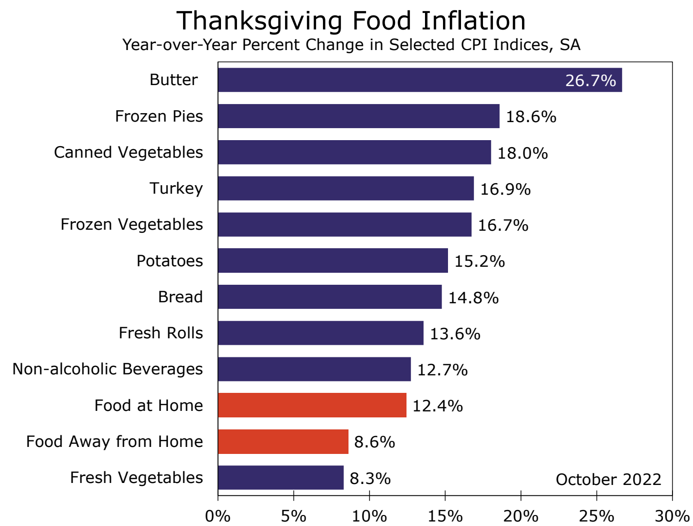
Even getting to the table comes with a higher cost this year. While oil and gasoline prices have declined materially since the first half of the year, getting over the hills and through the woods to grandma's house will still cost more this Thanksgiving. Gasoline prices, according to AAA, are up 7% compared to the same week last year. Those who are flying home will likely be shelling out significantly more than a trip last year, with the October consumer price index showing airfares up 42.9% year-over-year.

### All About That Baste

Some issues causing food inflation are clear: An outbreak of bird flu has led to the loss of over 8 million turkeys, and weather changes have challenged crop growers. Transportation costs have also jumped this year. However, the USDA stated that food producers are working to mitigate challenges and consumers should be able to get whatever they need for Thursday's dinner. But the bill may be noticeably higher than last year because of these clear supply issues.

The price of food away from home, the consumer price index's measurement of food from places such as restaurants, has risen at a slower pace than the increase in the price of groceries. The differing pace of growth reflects grocery prices being more sensitive to fluctuations in commodity prices. Our colleagues in the Food and Agribusiness Industry Advisory group of Wells Fargo have a timely "Food for Thought" article that expands on the costs and implications of rising food prices this holiday season.

Those who look forward to watching the classic NFL Thanksgiving Day games in person may also notice a price increase. While the CPI measurement of admission tickets to any sporting events has fallen nearly 18% year-over-year, Team Marketing Report's NFL Fan Cost Index reports a 4.2% increase in the cost of an average family attending an NFL game this year versus last year. Fans may feel better on the couch, as television service is up only 3% year-over-year and televisions themselves are cheaper than they were this time last year.



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

Overall, consumer prices are up 7.7% over the past year. With rising costs across the board pressing on households, consumers who are able to keep spending are thankful that the labor market remains tight, unemployment remains low and savings over the past two years remain a sizable buffer for costs across all levels of income. That said, these factors may also be contributing in part to inflation. Average hourly earnings for private sector employees is up 4.7% year-over-year, and "excess" savings are likely part of the reason why businesses are able to pass on higher input costs to consumers. We expect inflation to slow over the next two years, and we hope to be thankful for much more reasonable inflation for Thanksgiving 2023.

Regardless of how much it may have cost to put it all together, we hope you have a happy and healthy Thanksgiving!

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## Market Data • Mid-Day Wednesday

### U.S. Interest Rates

| | Wednesday 11/23/2022 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| SOFR | 3.80 | 3.80 | 0.05 |
| 3-Month LIBOR | 4.70 | 4.65 | 0.17 |
| 3-Month T-Bill | 4.31 | 4.21 | 0.04 |
| 1-Year Treasury | 4.60 | 4.42 | 0.19 |
| 2-Year Treasury | 4.48 | 4.35 | 0.61 |
| 5-Year Treasury | 3.91 | 3.85 | 1.34 |
| 10-Year Treasury | 3.72 | 3.69 | 1.67 |
| 30-Year Treasury | 3.77 | 3.84 | 2.02 |
| Bond Buyer Index | 3.75 | 4.02 | 2.13 |

### Foreign Exchange Rates

| | Wednesday 11/23/2022 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| Euro ($/€) | 1.037 | 1.040 | 1.125 |
| British Pound ($/£) | 1.206 | 1.191 | 1.338 |
| British Pound (£/€) | 0.860 | 0.872 | 0.841 |
| Japanese Yen (¥/$) | 139.650 | 139.500 | 115.140 |
| Canadian Dollar (C$/$) | 1.339 | 1.333 | 1.267 |
| Swiss Franc (CHF/$) | 0.942 | 0.945 | 0.933 |
| Australian Dollar (US$/A$) | 0.672 | 0.674 | 0.723 |
| Mexican Peso (MXN/$) | 19.372 | 19.336 | 21.223 |
| Chinese Yuan (CNY/$) | 7.161 | 7.098 | 6.392 |
| Indian Rupee (INR/$) | 81.851 | 81.308 | 74.421 |
| Brazilian Real (BRL/$) | 5.398 | 5.393 | 5.591 |
| U.S. Dollar Index | 106.352 | 106.281 | 96.491 |

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

### Foreign Interest Rates

| | Wednesday 11/23/2022 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| 3-Month Euro LIBOR | -0.58 | -0.59 | -0.57 |
| 3-Month Sterling LIBOR | 3.59 | 3.53 | 0.11 |
| 3-Month Canada Banker's Acceptance | 4.69 | 4.64 | 0.49 |
| 3-Month Yen LIBOR | -0.05 | -0.04 | -0.10 |
| 2-Year German | 2.14 | 2.10 | -0.73 |
| 2-Year U.K. | 3.13 | 2.99 | 0.60 |
| 2-Year Canadian | 3.92 | 3.85 | 1.04 |
| 2-Year Japanese | -0.02 | -0.04 | -0.13 |
| 10-Year German | 1.92 | 2.00 | -0.22 |
| 10-Year U.K. | 3.00 | 3.15 | 1.00 |
| 10-Year Canadian | 2.99 | 3.06 | 1.81 |
| 10-Year Japanese | 0.25 | 0.25 | 0.08 |

### Commodity Prices

| | Wednesday 11/23/2022 | 1 Week Ago | 1 Year Ago |
|---|---|---|---|
| WTI Crude ($/Barrel) | 77.29 | 85.59 | 78.50 |
| Brent Crude ($/Barrel) | 84.60 | 92.86 | 82.31 |
| Gold ($/Ounce) | 1743.30 | 1773.87 | 1789.16 |
| Hot-Rolled Steel ($/S.Ton) | 655.00 | 662.00 | 1805.00 |
| Copper (¢/Pound) | 361.30 | 377.35 | 442.35 |
| Soybeans ($/Bushel) | 14.27 | 14.15 | 12.72 |
| Natural Gas ($/MMBTU) | 7.41 | 6.20 | 4.97 |
| Nickel ($/Metric Ton) | 25,895 | 30,179 | 20,494 |
| CRB Spot Inds. | 563.99 | 575.55 | 649.32 |

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# Required Disclosures