Economics

WELLS FARGO

Weekly — May 31, 2024

Weekly Economic & Financial Commentary

United States: **May-laise**

- Markets digested a light lineup of economic data on the holiday-shortened week. The second look at first quarter GDP revealed an economy increasingly pressured by high interest rates as headline growth was revised lower. To that end, the April Personal Income and Spending report suggested consumers may be taking their foot off the gas as they round into Q2. The latest read on inflation did not show the "meaningful progress" on inflation the Fed is looking for, but it is at least consistent with cooling price growth and leaves the door open for cuts later this year.
- Next week: ISM Manufacturing Index (Mon.), JOLTS (Tue.), Employment (Fri.)

International: **South Africa Heading for Coalition Government; China's Economy Remains Under Pressure**

- South Africa's incumbent political party is set to lose its legislative majority in National Assembly elections and, in turn, relinquish a piece of policymaking power. But the composition of the legislative coalition will determine the direction of policy as well as the direction of local financial markets. Also, May sentiment data in China were underwhelming, suggesting China's economy is still under pressure.
- Next week: Mexico Presidential Election (Sun.), Bank of Canada (Wed.), European Central Bank (Thu.)

Interest Rate Watch: **Amid Higher Yields, Market Inflation Expectations Remain Stable**

- Since the start of the year, expectations for a later start to Fed easing in the wake of stubbornly-high inflation have pushed up benchmark Treasury yields. Notable in the advance of nominal yields has been relatively stable inflation expectations among market participants. Fairly steady breakeven rates suggest markets still view the Fed's commitment to 2% inflation as credible.

Topic of the Week: **"I Am Not Paying $20 for a Hamburger"**

- The latest Beige Book unveiled a growing sense of weariness among business owners amid a pullback in discretionary spending. Outlooks grew "somewhat more pessimistic amid reports of rising uncertainty and greater downside risks."

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Wells Fargo U.S. Economic Forecast

	Actual 2023				Forecast 2024				Actual		Forecast	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2022	2023	2024	2025
Real Gross Domestic Product [1]	2.2	2.1	4.9	3.4	1.3	2.7	1.9	1.5	1.9	2.5	2.6	2.0
Personal Consumption	3.8	0.8	3.1	3.3	2.0	3.0	1.6	1.7	2.5	2.2	2.6	1.9
Consumer Price Index [2]	5.7	4.0	3.6	3.2	3.2	3.5	3.3	3.2	8.0	4.1	3.3	2.5
"Core" Consumer Price Index [2]	5.5	5.2	4.4	4.0	3.8	3.6	3.6	3.5	6.2	4.8	3.6	2.9
Quarter-End Interest Rates [3]												
Federal Funds Target Rate[4]	5.00	5.25	5.50	5.50	5.50	5.50	5.25	5.00	2.02	5.23	5.31	4.38
Conventional Mortgage Rate	6.54	6.71	7.20	6.82	6.82	7.05	6.80	6.50	5.38	6.80	6.79	6.09
10 Year Note	3.48	3.81	4.59	3.88	4.20	4.40	4.20	4.00	2.95	3.96	4.20	3.83

Forecast as of: May 08, 2024 [1] Compound Annual Growth Rate Quarter-over-Quarter [2] Year-over-Year Percentage Change
[3] Quarterly Data - Period End; Annual Data - Annual Averages [4] Upper Bound of the Federal Funds Target Range

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

Please see our full U.S. Economic Forecast.

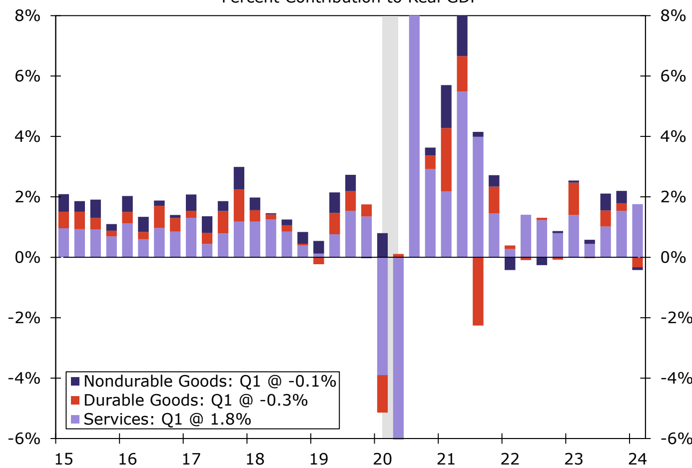
U.S. Review

May-laise

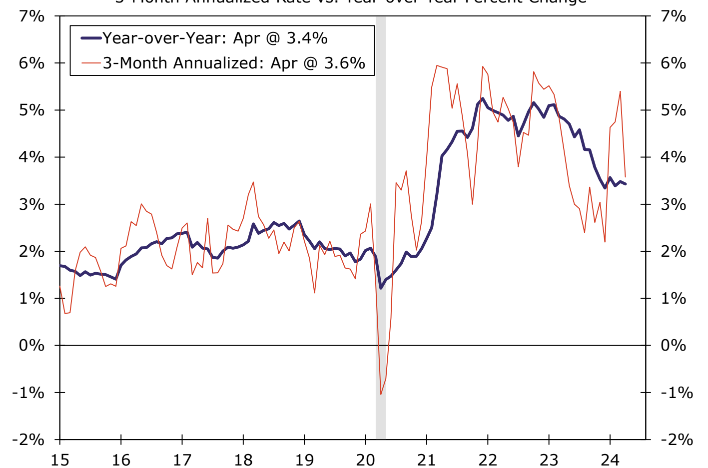
Markets digested a light lineup of economic data on the holiday-shortened week. Our second look at first quarter GDP revealed an economy increasingly pressured by high interest rates as headline growth was revised down to 1.3% from 1.6% previously. Peeking under the hood, it was a further pullback in consumer goods spending that was ultimately responsible for the weaker showing. Durable goods spending contracted at a 4.1% annualized rate compared to 1.2% in the first estimate. The larger services spending category held firm, rising at a 3.9% annualized rate, indicating consumer spending is not in a complete retreat. Alongside the GDP revisions, corporate profit data showed profitability softened in Q1 but remains strong on-balance. The profit outturn was not entirely unexpected as comments accompanying Q1 earnings releases of Fortune 500 companies warned of consumer momentum abating.

To that end, the April Personal Income and Spending report suggested consumers may be taking their foot off the gas as they round into Q2. Headline income growth was relatively muted, rising 0.3% in April, and once adjusting for inflation, real disposable income dipped 0.1% over the month. Inflation-adjusted spending declined 0.1% over the month, led lower by declines in real goods spending. More specifically, spending on gasoline and recreational goods pulled back, hinting that consumers are spending less time traveling and going out. Services spending eked out a 0.1% gain, but this was owed to increases in non-discretionary spending categories such as housing and healthcare. Discretionary services spending moved lower as consumer spending habits seem to be turning more selective, sentiments that are echoed in the Fed's recent Beige Book which we cover in Topic of the Week.

Markets got another read of inflation data as the both the year-over-year PCE and core PCE deflators were unchanged at 2.7% and 2.8%, respectively. At first take, the data do not show the "meaningful progress" on inflation the Fed is looking for, but it is at least consistent with cooling price growth, particularly for services. "Super-core" inflation, which strips out housing from core services, rose at a 3.6% three-month annualized rate, down from 5.4% in March. If sustained, the slowing in discretionary services spending should help rein in services inflation. Continued softening in price pressures leaves the door open for the Fed to cut rates later this year, but further progress is needed.



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



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

Last week's existing and new home sales data underscored how deteriorating affordability conditions are suppressing demand in the housing sector. This week's batch of housing market data served to reinforce this trend. Despite some increases in inventory heading into the spring selling season, home price growth has yet to cool. Nationally, home prices advanced 6.5% over the year in March per the latest data from S&P CoreLogic. Ongoing price appreciation has pushed home prices 2.7% above their previous June 2022 peak. What's more, price appreciation seems to be accelerating even in the face of lagging sales and growing inventory. Seasonally adjusted home prices grew at a three-month annualized rate of 4.9% in March, up from a 3.5% run rate in January. Rising prices combined with

mortgage rates averaging north of 7% for the past two months have resulted in a broad retreat in homebuying.

Leading indicators for the housing market signal that the route is likely just beginning. The NAR's Pending Home Sales Index, which leads existing home sales by one to two months, slid 7.7% over the month, the largest decline in over three years. Furthermore, mortgage applications for purchase fell to a three-month low in May. Homes sales are still running above recent lows, but until affordability conditions improve—whether through increasing inventory and/or accommodative monetary policy—the housing market will likely remain in stall speed.

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U.S. Outlook

Weekly Domestic Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
3-Jun	ISM Manufacturing Index	May	49.7	49.6	49.2
3-Jun	Construction Spending (MoM)	Apr	0.2%	0.2%	-0.2%
3-Jun	Total Vehicle Sales (SAAR)	May	15.80m	15.80m	15.74m
4-Jun	Factory Orders (MoM)	Apr	0.6%	0.5%	0.8%
5-Jun	ISM Services Index	May	51.0	50.7	49.4
6-Jun	Nonfarm Productivity (QoQ, SAAR)	Q1	0.3%	0.2%	0.3%
6-Jun	Unit Labor Costs (QoQ, SAAR)	Q1	4.8%	4.7%	4.7%
6-Jun	Trade Balance	Apr	-$75.1B	-$76.5B	-$69.4B
7-Jun	Nonfarm Payrolls	May	180K	195K	175K
7-Jun	Unemployment Rate	May	3.9%	3.9%	3.9%
7-Jun	Average Hourly Earnings (MoM)	May	0.3%	0.3%	0.3%

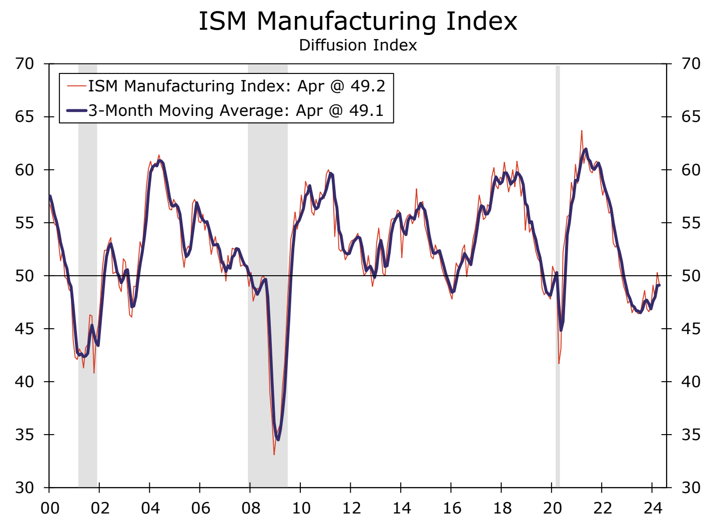
Forecast as of May 31, 2024

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

ISM Manufacturing Index • Monday

The ISM manufacturing index has been creeping higher this year, and in March it inched back above the key 50 threshold that separates expansion from contraction. However, the index dipped back below 50 in April and remains weak for an economy that is expanding at a solid rate.

The headwinds weighing on the manufacturing sector have not materially changed, with high interest rates, a strong dollar and tepid global growth still keeping factory output growth in check. As a result, we expect the ISM manufacturing index to remain on the cusp of contraction and expansion in May. We will be keeping a close eye on the prices paid subcomponent of the index. The prices paid subcomponent has been climbing this year, and in April it hit its highest reading since the summer of 2022. We suspect the recent uptick is tied to a rise in commodity prices over the past few months, and a leveling off in commodity prices in May should bode well for some payback in the prices paid component in the month.



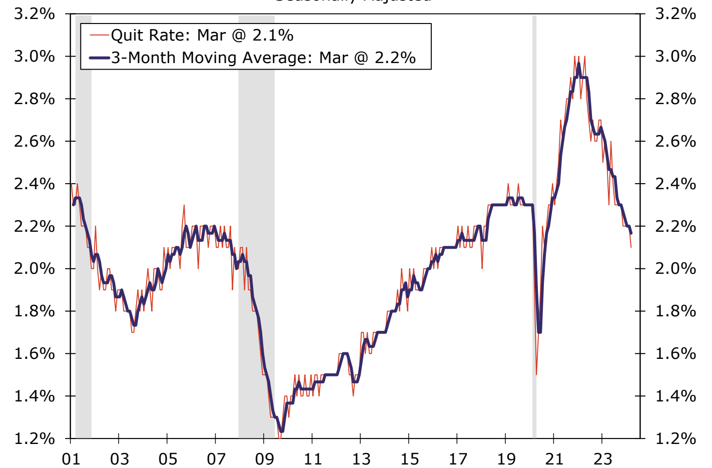
Source: Institute for Supply Management and Wells Fargo Economics

JOLTS • Tuesday

Data from the Job Openings and Labor Turnover Survey (JOLTS) continue to signal that the U.S. labor market is gradually cooling despite strong growth in nonfarm payrolls. Job openings at the end of March fell to 8.49 million, leaving them down 12% over the past year and 30% below their peak in March 2022. At 5.1%, the opening rate has fallen to more than a three-year low.

The cooling in the JOLTS data extends beyond just the total number of job openings. The quit rate is something we will be watching closely in next week's release. The share of workers quitting their jobs tends to be highly pro-cyclical. When the labor market is tight, workers quit their jobs at higher rates amid robust prospects for finding a better or higher-paying job. When the labor market is weak, workers often do not have as much confidence that they can quit their jobs and successfully find greener pastures elsewhere.

More recently, the quit rate has plummeted from its post-pandemic high, and over the past few months it has fallen below its 2019 level. This is a sign that labor demand is softening and suggests that wages will continue to decelerate as the year progresses.

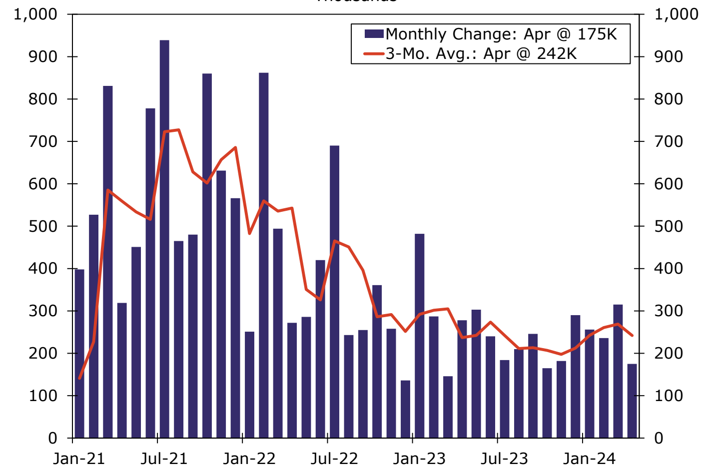


Source: U.S. Department of Labor and Wells Fargo Economics

Employment • Friday

Nonfarm payrolls accelerated in Q1, rising at an average monthly pace of 269K compared to average monthly growth of 213K in the second half of 2023. Strong job growth and upside surprises in the inflation data led the FOMC to put its plans for rate cuts on hold until at least the second half of the year.

Job growth came back down to Earth to start Q2, with employment rising by 175K in April. We think the pace of job growth over the next few months will look more like the April pace, and we forecast a 195K increase in nonfarm payrolls in May. April saw steep slowdowns in leisure & hospitality and government hiring relative to each sector's recent trends. Leisure & hospitality employment expanded by 5K in April compared to a 25K average monthly pace in Q1, while government hiring rose by 8K compared to the Q1 average of 62K. We expect a partial bounceback in these sectors will help boost hiring in May relative to April, but ebbing labor demand should still keep employment growth below the robust pace registered in Q1. We look for the unemployment rate to hold steady at 3.9% in May.



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

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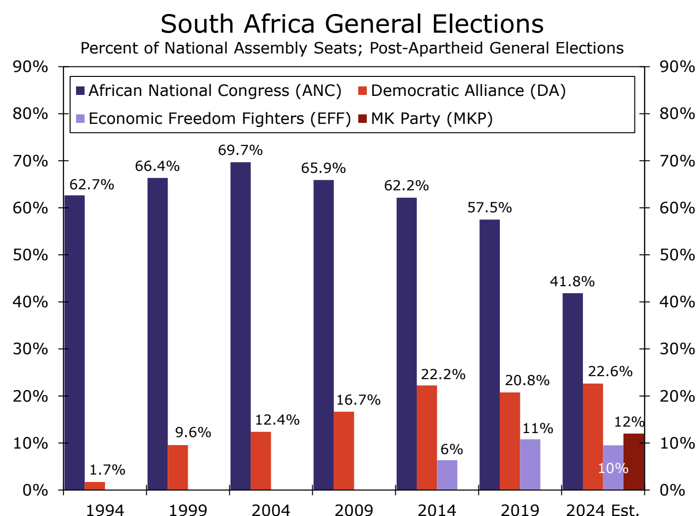
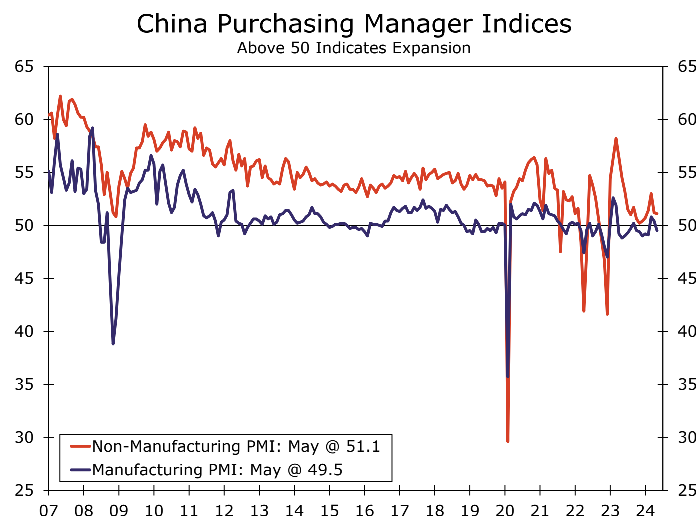
International Review

South Africa's Election Takes Center Stage

Voters in Africa's most industrialized nation went to the polls May 29 amid a backdrop of local economic stagnation and a potential desire for policy change. South Africa's economy has been plagued by persistent power shortages, elevated levels of crime and government corruption, high unemployment and precarious public finances. Amid this economic landscape, support for the incumbent African National Congress (ANC) has eroded, possibly to the point where the ANC could lose its National Assembly legislative majority. For the past 30 years, ANC policymakers have governed without any political alliances. Should the ANC lose its majority, a coalition government could inject new uncertainty into South Africa's policy platform and economy. In the scenario analysis that we laid out prior to the vote, we believed the ANC would indeed lose its legislative majority and the party would need to form a coalition with opposition parties in order to govern. Fast-forward to this week's vote, and the ANC is seemingly likely to lose its majority with South Africa's predictive model indicating the ANC will win ~42% of the vote. The outstanding—and most important—question lingering is which opposition party, or parties, the ANC will pursue to form the governing coalition. Populist and more radical policymaking platforms, such as the Economic Freedom Fighters (EFF) and ex-President Jacob Zuma's MK Party (MKP), are options. Also, the more pragmatic and business-friendly Democratic Alliance (DA) is a potential coalition partner. Trade-offs exist with each option. The ANC would retain most policymaking power should it align with either the EFF or MKP, but local markets would likely sell off significantly. On the other hand, the ANC would lose a large amount of legislative control in a DA coalition, although South African asset prices would likely rally. In our view, the ANC will choose the DA in an effort to appease financial markets and not inject/legitimize populist political views into South Africa's legislative agenda. As of now, South Africa's rand is under pressure amid political uncertainty, although a relief rally could materialize if an ANC-DA coalition forms over the next few weeks.



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



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

China's Sentiment Indicators Underwhelm

This week, manufacturing and non-manufacturing PMIs for China were released. At a high level, sentiment data for May were very underwhelming. Consensus economists expected the manufacturing PMI to improve and rise further into expansion territory; however, manufacturing sentiment dipped sharply and the May PMI is now showing the manufacturing sector is back in contraction. The non-manufacturing PMI was also expected to rise in May, but slipped modestly, remaining in expansion territory, but still an underwhelming data print. China's economy held up in the early months of 2024, but that momentum has seemingly dwindled. China's economy is facing multiple challenges, from being removed from the global supply chain, broader geopolitical tensions, aging demographics and a structural slowdown in the local property sector. As far as policy support, Chinese authorities have little fiscal room to deploy stimulus. Stimulus that has been deployed has been very targeted to the property sector, and widespread fiscal efforts that touch multiple corners

of China's economy have not materialized. Minimal fiscal space leaves the burden of policy support on the People's Bank of China (PBoC), and while PBoC policymakers have eased monetary policy, they have done so with a degree of caution in an effort not to place depreciation pressure on the renminbi. While we expect more PBoC easing going forward, we continue to believe authorities will lower bank Reserve Requirement Ratios and other lending rates prudently so as not to spark capital outflows. We also believe the Chinese renminbi will depreciate gradually through the end of this year, although the possibility of more significant depreciation looms large, especially with U.S. elections approaching in November.

For now, we forecast China's economy to grow a little over 5% this year, which is well below China's historical growth rates. Next year, we believe the challenges for China's economy will have a larger impact on economic trends and the economy can grow at a slower pace, closer to 4.5%. Similar to our view on China's currency, we note that risks surrounding China growth are to the downside (slower growth). We cannot dismiss a full-blown financial crisis in China as the property sector worsens, and geopolitics can continue to upend China's export-driven economic model. Shifting to a consumption-based economy has proven difficult as China is experiencing low inflation/at times deflation, and local households have a preference to save rather than spend as local equity markets and home prices continue to leg lower.

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International Outlook

Weekly International Indicator Forecasts

Date	Indicator	Period	Consensus	Wells Fargo	Prior
5-Jun	Bank of Canada Policy Rate	5-Jun	4.75%	4.75%	5.00%
6-Jun	European Central Bank Deposit Rate	6-Jun	3.75%	3.75%	4.00%

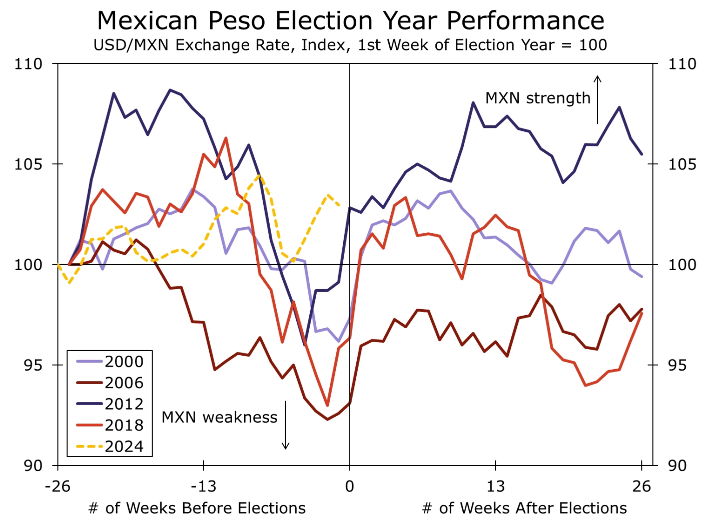
Forecast as of May 31, 2024

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

Mexico Presidential Election • Sunday

This weekend, Mexico will head to the polls to elect new leadership. Historically, election cycles in Mexico have generated local financial market volatility; however, this year volatility has been rather contained. We can attribute the lack of volatility in Mexico's financial markets to a well-telegraphed election outcome. When we say well-telegraphed, opinion polls have suggested the incumbent Morena party is set to win another term in office. This year, Morena is running Claudia Sheinbaum, the handpicked successor to current President AMLO and the candidate that broadly represents policy continuity in Mexico.

Opinion polls not only suggest Sheinbaum will win the election, but take office relatively easily. According to the latest polls, Sheinbaum has around a 20-percentage-point lead over the main opposite candidate, and we have long assumed Sheinbaum would win the presidency in Mexico. That view has not changed. As far as the policy platform, we view Sheinbaum as a more pragmatic version of AMLO, and while AMLO-era policies are likely to remain intact, we expect Sheinbaum to be slightly more fiscally conservative, more accepting of foreign investment, and more likely to divert resources toward green energy capabilities rather than Pemex. We will be paying attention to the composition of Mexico's congress, and whether Sheinbaum will operate with a majority or supermajority. Either way, we expect local political risk to be rather contained post-election.

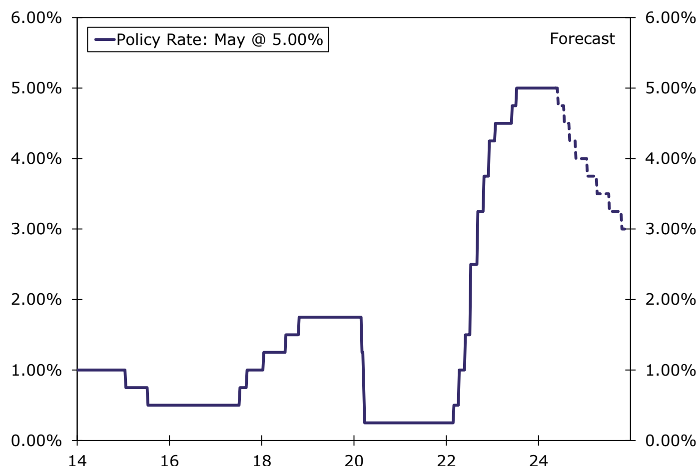


Source: Bloomberg Finance L.P. and Wells Fargo Economics

Bank of Canada • Wednesday

With inflation on a downward trajectory and economic growth softening, the Bank of Canada, in our view, is set to initiate an easing cycle next week. Financial markets are also leaning toward BoC policymakers delivering their first rate cut in early June. Ultimately, we believe inflation has softened enough and growth has slowed enough to the point policymakers have justification to begin shifting back toward more accommodative monetary policy.

If BoC policymakers do begin easing next week, we expect communications to lean somewhat hawkish. With the Fed on hold for the time being, the U.S. dollar resilient against the Canadian dollar, and local inflation not completely back to target, we believe BoC policymakers will want to demonstrate a degree of caution toward any potential future easing and signal that policymakers will act cautiously when considering additional rate cuts. A 25 bps rate cut could place depreciation pressure on the Canadian dollar, at least in the short term. Hawkish language could offer some protection for the currency, but widening interest rate differentials between the BoC and the Fed should weigh on the Canadian currency for the time being.

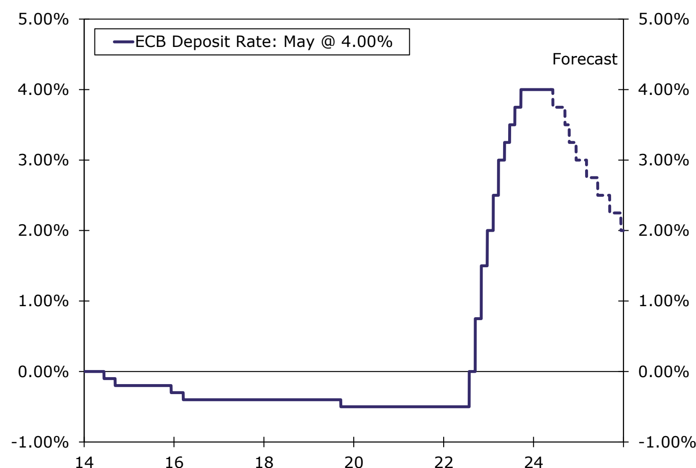


Source: Bloomberg Finance L.P. and Wells Fargo Economics

European Central Bank • Thursday

We believe the European Central Bank (ECB) will lower policy rates at its June meeting as inflation trends lower and growth prospects remain subdued. In our view, an ECB rate cut in June has been well-telegraphed by policymakers, and we believe the ECB will in fact deliver a 25 bps cut. At the same time, we believe policymakers will try to express a degree of hawkishness and caution when providing forward guidance on the possibility of additional future rate cuts. With the ECB lowering policy rates ahead of the Fed, the possibility of currency depreciation could contribute to renewed inflation pressures, a dynamic we believe policymakers will want to avoid. Expressing caution and data dependency can be used as a tool to prevent outsized euro depreciation from the ECB cutting ahead of the Fed.

May CPI data should also reinforce the ECB's need for caution. May inflation data came in above expectations, especially core underlying inflation. While the Eurozone has made more progress on bringing inflation toward target levels than the U.S., May data still suggest the job is not finished. While we believe inflation can continue to trend lower over time in the Eurozone, the process may be bumpy.



Source: Datastream and Wells Fargo Economics

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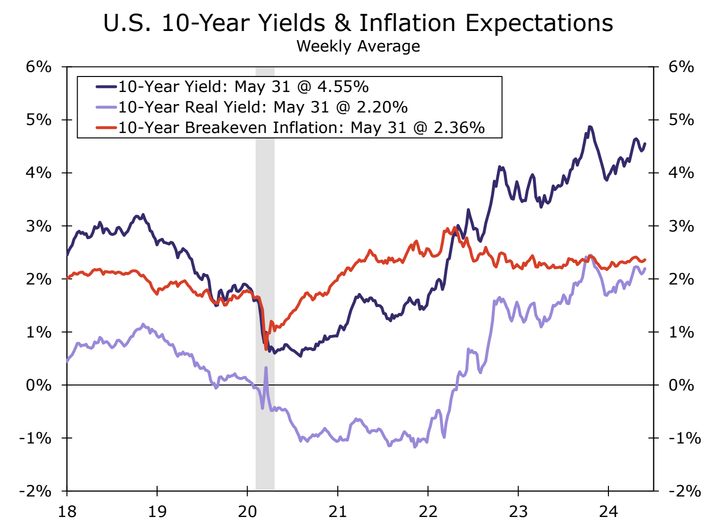
Interest Rate Watch

Amid Higher Yields, Market Inflation Expectations Remain Stable

Stubbornly high inflation since the start of the year alongside sturdy growth has pushed out expectations for the FOMC to begin cutting the fed funds rate this year. At the beginning of the year, markets were fully priced for a 25 bps cut as soon as the FOMC's May 1 meeting, but as of this week do not expect a cut until the committee's final meeting of the year on Dec. 18. Benchmark Treasury yields have risen as a result, with the yield on the two-year climbing from an average of 4.32% in January to over 4.90% this week and the yield on the 10-year climbing from 4.03% to over 4.50%.

Notable in the advance of nominal yields has been relatively stable inflation expectations among market participants over the same period. Market expectations for inflation can be derived from the difference between the yields of nominal and inflation-linked Treasury securities of the same tenor, often referred to as the "breakeven" rate of inflation. As shown in the nearby chart, the 10-year breakeven rate of inflation has drifted up slightly since the start of the year but, at about 2.35%, remains consistent with the Fed's 2% longer-run inflation objective, assuming the historic gap between CPI and PCE inflation of 0.3 points reasserts itself (Treasury Inflation-Protected Securities use the CPI to adjust principal returns for inflation). The relatively steady breakeven rate implies markets are still finding the Fed's commitment to its 2% inflation target as credible, even if it takes a longer period and higher nominal rates to reach it.



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

The muted increase in market expectations for inflation amid rising nominal yields has driven real yields higher. At 2.20%, the 10-year real yield remains well above its 0.40% average of the 2010s. The rise in both real and nominal yields in recent weeks is helping to limit a further easing in financial conditions, with the Bloomberg Financial Conditions Index having largely moved sideways since February. The lack of additional easing in financial conditions and higher real rates should weigh on activity in the months ahead, helping inflation subside further and keeping market expectations for inflation anchored to the Fed's target.

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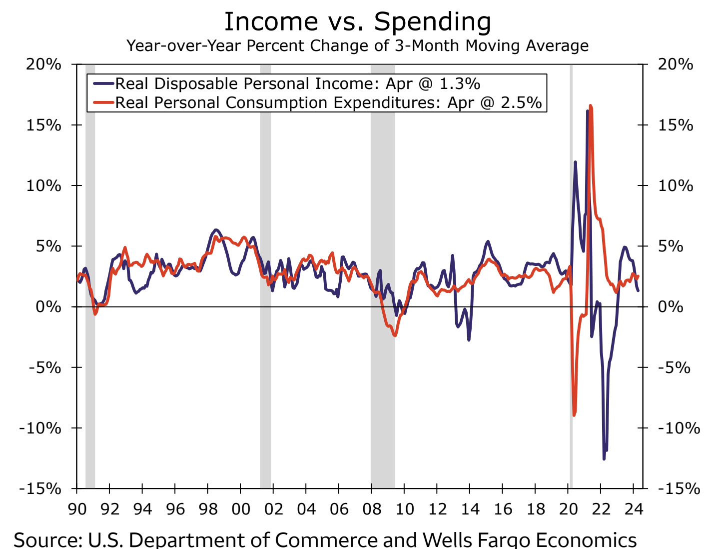
Topic of the Week

"I Am Not Paying $20 for a Hamburger"

The latest Beige Book unveiled a growing sense of weariness. Comments in the report—which summarizes anecdotal information on economic conditions collected from business and not-for-profit contacts of the 12 regional Federal Reserve Banks—covered early April through mid-May. Over the month of April, national retail sales and industrial production were flat, nonfarm payrolls posted its smallest gain since October 2023, and expectations for fed funds rate easing this year pared back. Still-elevated borrowing costs combined with a modest pace of activity growth underpinned outlooks that grew "somewhat more pessimistic amid reports of rising uncertainty and greater downside risks."

Despite the pullback in sentiment, employment edged higher. Many contacts expressed that labor demand and supply are continuing to come back into better balance, but shortfalls remain. The New York Fed reported that labor shortages were "particularly acute in the service sector." This was echoed by the Kansas City Fed, and it reported that "consumer-oriented businesses express[ed] greater wage pressures" relative to manufacturers in its region. While certain industries continue to see strong wage pressures, overall wage growth is normalizing to pre-pandemic averages amid a softer pace of hiring and lower employee churn. Indeed, the Boston Fed reported that "employers enjoyed increased bargaining power relative to a year ago."



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

More moderate wage growth has translated to a subdued pace of income growth. As discussed in more detail in U.S. Review, we learned Friday that real disposable personal income was up 1% year-over-year in April, which is the smallest annual gain since December 2022. Fading income momentum has started to weigh on consumer spending. The Cleveland Fed commented that "multiple retailers indicated that customer foot traffic was lower," while the Richmond Fed said that "low-to-moderate income consumers were reportedly pulling back on spending or trading down in the goods they purchased." The Atlanta Fed summarized that "shoppers were price sensitive and continued to be cautious with discretionary spending."

The retreat from non-essential purchases poses a challenge to profit margins, as input costs continue to steadily rise. The Minneapolis Fed shared that a restaurant and hotel owner in Montana mentioned it "was trying to avoid passing further cost increases to customers" because "at some point, they will say, 'I am not paying $20 for a hamburger.'" The Richmond Fed reiterated, "some retailers reported tighter profit margins due to rising input costs and an inability to pass along all of these costs to customers."

Declining pricing power, while challenging for businesses, could offer a helping hand to inflation. After coming in strong during the first three months of the year, the headline PCE deflator rose at the softest pace (0.25% month-over-month) in four months in April. The reprieve is a step in the right direction for monetary policymakers at the Federal Reserve, but the year-over-year rate still sits at 2.7%—above the Fed's 2% inflation target. Should consumer spending continue to ease though, businesses will likely be less inclined to hike their selling prices. Indeed, the Philadelphia Fed reported "the increases that firms anticipate in the prices for their own goods [in the year ahead] fell further."

In sum, the tune of May's Beige Book is one of modest growth. The words "moderate" and "modest" were used 163 times, while "strong" and "robust" were used only 48 times. Looking ahead, contacts expressed mounting pessimism about the path of economic activity this year and pointed to uncertain monetary policy and election outcomes as primary culprits. The St. Louis Fed concluded, "multiple contacts cited a worsening outlook due to some combination of higher interest rates, inflation, and political uncertainty."

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Market Data • Mid-Day Friday

U.S. Interest Rates

	Friday 5/31/2024	1 Week Ago	1 Year Ago
SOFR	5.33	5.31	5.06
Effective Fed Funds Rate	5.33	5.33	5.08
3-Month T-Bill	5.40	5.40	5.39
1-Year Treasury	5.09	5.10	4.96
2-Year Treasury	4.88	4.95	4.40
5-Year Treasury	4.51	4.53	3.75
10-Year Treasury	4.50	4.47	3.64
30-Year Treasury	4.64	4.57	3.86
Bond Buyer Index	4.13	4.00	3.67

Foreign Exchange Rates

	Friday 5/31/2024	1 Week Ago	1 Year Ago
Euro ($/€)	1.085	1.085	1.069
British Pound ($/£)	1.273	1.274	1.244
British Pound (£/€)	0.853	0.852	0.859
Japanese Yen (¥/$)	157.190	156.990	139.340
Canadian Dollar (C$/$)	1.364	1.367	1.357
Swiss Franc (CHF/$)	0.904	0.915	0.911
Australian Dollar (US$/A$)	0.664	0.663	0.650
Mexican Peso (MXN/$)	17.049	16.695	17.687
Chinese Yuan (CNY/$)	7.242	7.244	7.109
Indian Rupee (INR/$)	83.465	83.096	82.728
Brazilian Real (BRL/$)	5.248	5.168	5.056
U.S. Dollar Index	104.566	105.108	104.326

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

Foreign Interest Rates

	Friday 5/31/2024	1 Week Ago	1 Year Ago
3-Month German Govt Bill Yield	3.54	3.57	2.89
3-Month U.K. Govt Bill Yield	5.26	5.24	3.89
3-Month Canadian Govt Bill Yield	4.79	4.83	4.64
3-Month Japanese Govt Bill Yield	0.08	0.09	-0.18
2-Year German Note Yield	3.09	3.09	2.72
2-Year U.K. Note Yield	4.41	4.50	4.34
2-Year Canadian Note Yield	4.17	4.23	4.22
2-Year Japanese Note Yield	0.41	0.34	-0.05
10-Year German Bond Yield	2.65	2.58	2.28
10-Year U.K. Bond Yield	4.31	4.26	4.18
10-Year Canadian Bond Yield	3.62	3.60	3.19
10-Year Japanese Bond Yield	1.07	1.01	0.44

Commodity Prices

	Friday 5/31/2024	1 Week Ago	1 Year Ago
WTI Crude ($/Barrel)	77.27	76.87	68.09
Brent Crude ($/Barrel)	81.62	82.12	72.66
Gold ($/Ounce)	2333.41	2229.87	1962.73
Hot-Rolled Steel ($/S.Ton)	772.00	789.00	1099.00
Copper (¢/Pound)	460.50	481.65	363.70
Soybeans ($/Bushel)	12.12	12.51	13.19
Natural Gas ($/MMBTU)	2.57	2.66	2.27
Nickel ($/Metric Ton)	19,808	20,101	20,866
CRB Spot Inds.	559.22	562.81	549.61

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