

# Economics Group

## Weekly Economic & Financial Commentary

### U.S. Review

#### More Evidence of a Tightening Labor Market

- While small business confidence dipped in June, the index remains above the range where it appeared to be stuck between 2011 and 2013.
- Firms are still looking to hire, with the NFIB hiring plans index climbing 2 points and the JOLTS report showing job openings in May reaching the highest level since mid-2007.
- Minutes from the June FOMC meeting showed a split among members over inflation, with some still worried about it running too low and others seeing upside risks. The FOMC also discussed the potential steps for policy normalization and preferred tools for eventually raising rates.

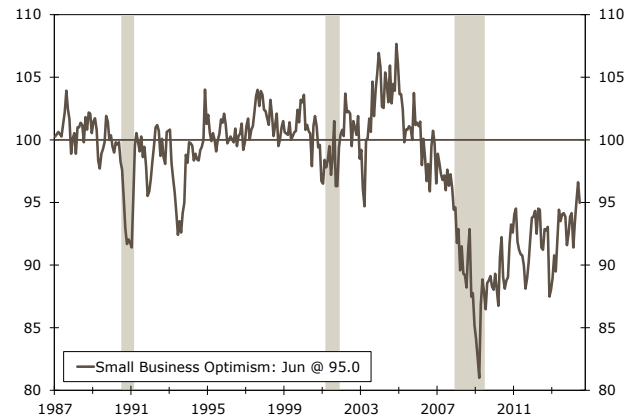
### Global Review

#### The Global Economy Is Not Out of the Woods Yet

- Weak economic numbers across the global economy continue to dampen the prospects for economic growth across the world. Although the U.S. economy is going to show a relatively strong recovery from its dismal performance during the first quarter of the 2014, the rest of the world does not seem to be taking notice of that improvement.
- The United Kingdom joined Germany in reporting dismal industrial production numbers in May, underscoring the delicate state of growth in Europe at a time when geopolitical risks continue to threaten economic performance across the world.

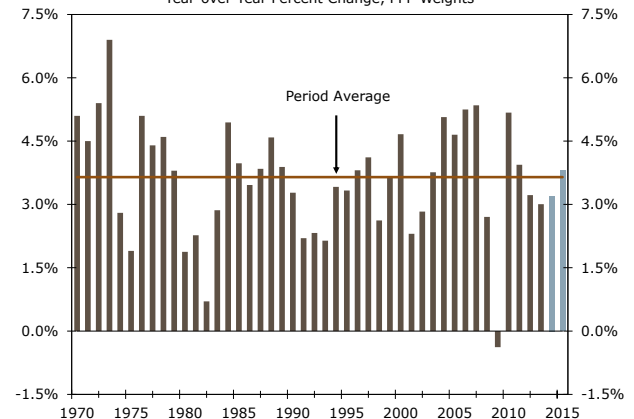
NFIB Small Business Optimism

Overall Index 1986 = 100



Real Global GDP Growth

Year-over-Year Percent Change, PPP Weights



Wells Fargo U.S. Economic Forecast

	Actual				Forecast				Actual			Forecast	
	2013				2014				2011	2012	2013	2014	2015
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Real Gross Domestic Product <sup>1</sup>	1.1	2.5	4.1	2.6	-2.9	2.7	2.9	2.9	1.8	2.8	1.9	1.4	2.9
Personal Consumption	2.3	1.8	2.0	3.3	1.0	2.2	2.4	2.5	2.5	2.2	2.0	2.1	2.5
Inflation Indicators <sup>2</sup>													
PCE Deflator	1.4	1.1	1.1	1.0	1.1	1.6	1.7	1.9	2.4	1.8	1.1	1.6	2.0
Consumer Price Index	1.7	1.4	1.5	1.2	1.4	2.0	2.1	2.4	3.1	2.1	1.5	2.0	2.3
Industrial Production <sup>1</sup>	4.2	1.9	2.5	4.9	4.5	4.8	4.4	4.3	3.3	3.8	2.9	4.2	4.8
Corporate Profits Before Taxes <sup>2</sup>	2.1	4.5	5.7	6.2	-2.2	3.6	3.8	4.0	7.9	7.0	4.6	2.4	4.3
Trade Weighted Dollar Index <sup>3</sup>	76.2	77.5	75.2	76.4	76.9	75.9	76.5	76.8	70.9	73.5	75.9	76.5	78.2
Unemployment Rate	7.7	7.5	7.2	7.0	6.7	6.2	6.0	5.9	8.9	8.1	7.4	6.2	5.7
Housing Starts <sup>4</sup>	0.95	0.86	0.88	1.03	0.93	1.04	1.05	1.07	0.61	0.78	0.92	1.03	1.19
Quarter-End Interest Rates <sup>5</sup>													
Federal Funds Target Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.63
Conventional Mortgage Rate	3.57	4.07	4.49	4.46	4.34	4.16	4.35	4.34	4.46	3.66	3.98	4.30	4.46
10 Year Note	1.87	2.52	2.64	3.04	2.73	2.53	2.75	2.80	2.78	1.80	2.35	2.70	3.00

Forecast as of: July 9, 2014

<sup>1</sup> Compound Annual Growth Rate Quarter-over-Quarter

<sup>2</sup> Year-over-Year Percentage Change

<sup>3</sup> Federal Reserve Major Currency Index, 1973=100 - Quarter End

<sup>4</sup> Millions of Units

<sup>5</sup> Annual Numbers Represent Averages

Source: U.S. Department of Commerce, U.S. Department of Labor, NFIB, Federal Reserve Board, IHS Global Insight, International Monetary Fund and Wells Fargo Securities, LLC

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Together we'll go far



## U.S. Review

### More Evidence of a Tightening Labor Market

Small business confidence dipped in June, with the NFIB optimism index more than reversing last month's gain. The downward reversion to first quarter GDP, which showed the economy contracting sharply, looks to have shaken small businesses as the net share of firms expecting conditions to improve over the next six months tumbled 10 points.

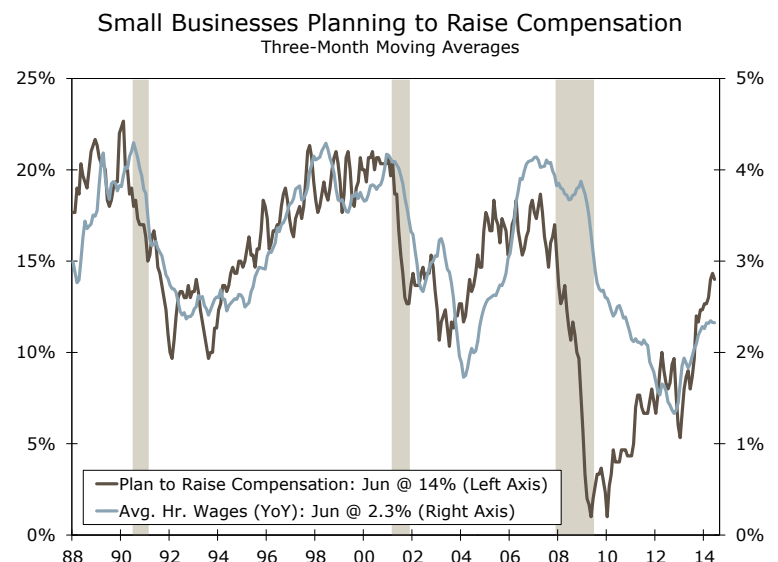
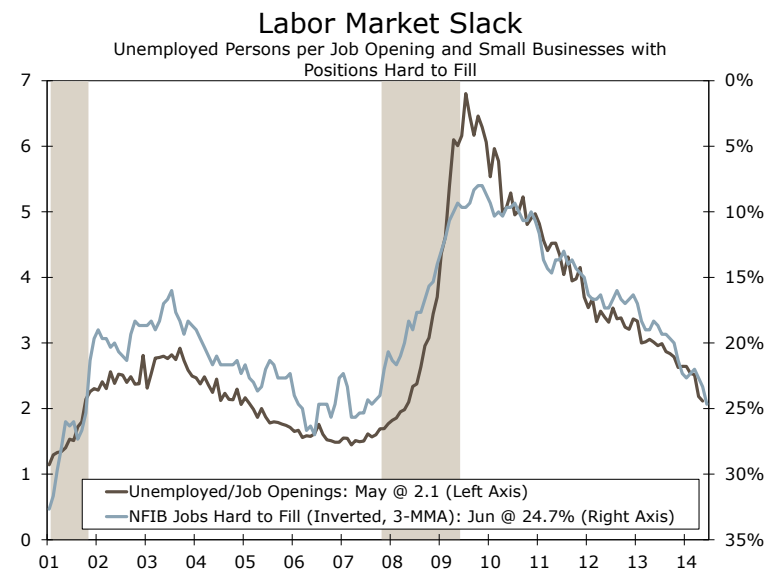
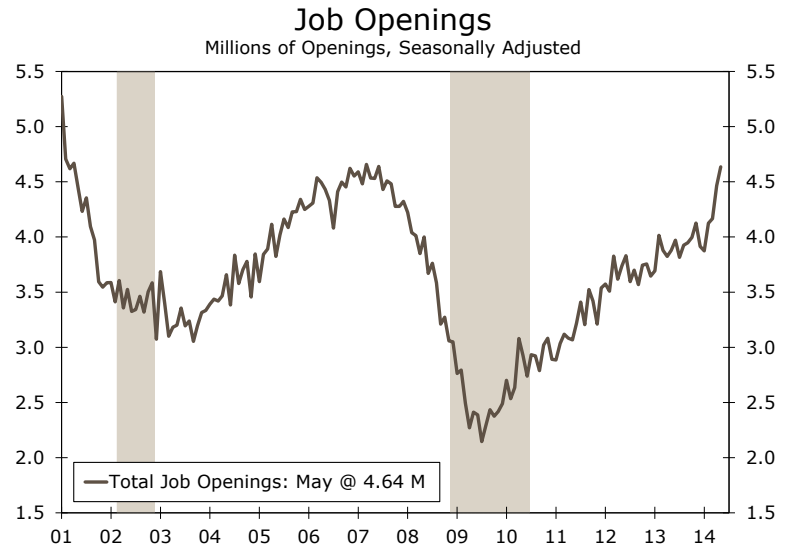
While optimism over the near-term path of the economy wavered in May, employers are not easing up on hiring. Plans for hiring among small businesses ticked up in June, matching the series post-recession high. Moreover, data from the JOLTS report show that job openings jumped in May and are now nearly on par with the highs reached over the past expansion. The number of workers quitting their jobs each month also continued to rise, indicating growing confidence in the labor market.

The FOMC's June meeting minutes showed committee members noting further improvement in the labor market in recent months. However, the FOMC continues to underestimate how quickly the labor market is tightening. The number of unemployed persons per available job opening fell to 2.1 in May from 2.5 as recently as March. In addition, the share of small businesses reporting at least one hard to fill position rose to a seven-year high of 26 percent in June.

The strengthening of the labor market over the past few months suggests wage pressures should be intensifying. The share of small firms raising or planning to raise compensation continues to trend higher. However, many FOMC members continue to see slack in the labor market as elevated. Chair Yellen appears to be a part of this group, which is likely why she was rather dismissive of the recent pickup in inflation during her June press conference. The minutes, however, showed that members were split on the inflation outlook, with some participants still worried over persistently low inflation and others noting upside risk.

### Heading for the Exits

Although concerns are growing that the Fed may be behind the curve on an eventual tightening in policy, the FOMC is at least beginning to discuss the order in which it will take steps to normalize policy. In contrast to the exit strategy laid out in June 2011, the Fed looks unlikely to end its practice of reinvesting maturing securities before it begins to raise rates. The hold-off likely stems from fear of inciting another move in the financial markets, similar to the taper tantrum last spring by appearing to tighten policy earlier than currently anticipated. Members were in agreement about the likelihood of completing QE by the end of this year, i.e., announcing to end tapering at the October meeting. The minutes also shed light on what may be the Fed's preferred tools when eventually raising the target rate. Interest paid on excess reserves will play a primary role in pushing the Fed's key rate higher. In order to keep a floor under the effective rate in the market, overnight reverse repurchase agreements, which are already being tested, will play a "supporting" role in the Fed's impending quest to raise the fed funds effective rate.



Source: U.S. Department of Labor, National Federation of Independent Businesses and Wells Fargo Securities, LLC

## Retail Sales • Tuesday

In May, retail sales grew 0.3 percent, its fourth consecutive monthly gain. Autos were a major contributor to the headline number, with motor vehicles and parts rising 1.4 percent in the month. Building materials also posted a sizable 1.1 percent monthly gain, which bodes well for the still-struggling construction industry. Unfortunately, the control group, which is used to calculate the personal consumption category of GDP, was flat in the month.

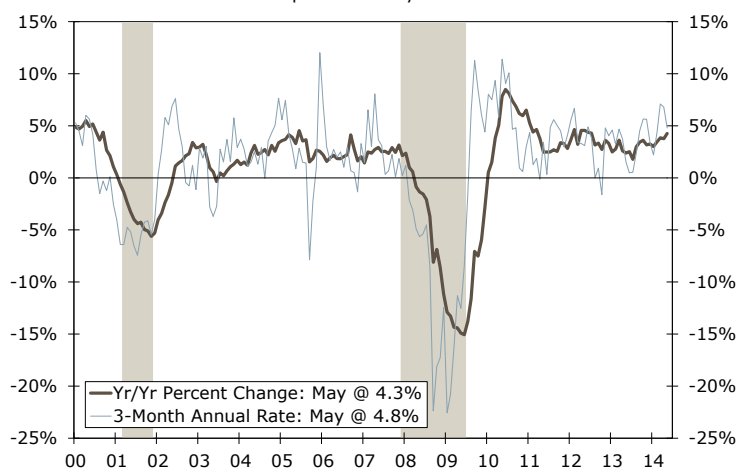
Retail sales likely accelerated in June, however. Vehicle sales continued to strengthen in the month, which should apply upward pressure to retail sales. Gains are likely to be broad-based as well. Chain store sales posted a relatively large gain in June, and consumer confidence has reached its highest level in more than six years. Consumer prices also made solid gains in the month, which should push the headline number higher.

**Previous: 0.3%**

**Wells Fargo: 0.6%**

**Consensus: 0.6% (Month-over-Month)**

**Total Industrial Production Growth**  
Output Growth by Volume



## Housing Starts • Thursday

Residential construction has rebounded some since the depths of the winter months. April housing starts jumped to a 1.1 million-unit pace and then eased to a 1.0 million-unit pace. Despite the decline in May, the pace of homebuilding is still up 9.4 percent from a year ago, thanks largely to continued strength in the multifamily market. We expect housing starts eased slightly to a 989,000 unit pace in June despite an uptick in residential construction employment. Growth will continue at a relatively modest pace, at least in the near term. Housing permits, a leading indicator of residential construction, also fell in May and are down on a year-ago basis. Housing demand has faced a number of headwinds recently, which is likely affecting decisions to build more homes. Fewer consumers are reporting that they expect to purchase a home in the next six months, while elevated prices and stiffer mortgage rules are inhibiting some potential buyers.

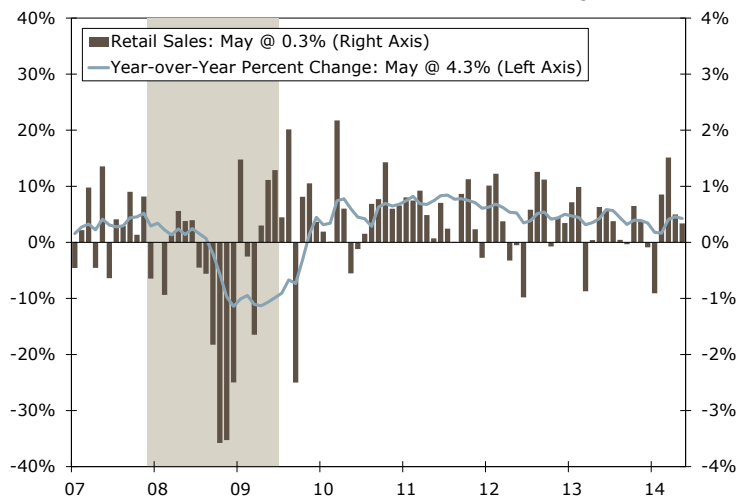
**Previous: 1,001,000**

**Wells Fargo: 989,000**

**Consensus: 1,020,000**

## U.S. Retail Sales

Month-over-Month and Year-over-Year Percent Change



## Industrial Production • Wednesday

Industrial production grew 0.6 percent in May, thanks to growth in the manufacturing and mining sectors. Motor vehicle and parts posted a sizable gain in the month but production was strong even outside of the auto sector. Machinery and computer and electronics also made large contributions to the headline number. In terms of final products, energy, construction supplies and business equipment posted some of the strongest growth. Capacity utilization has been slowly but steadily rising and is approaching prerecession levels. The solid growth in May was unlikely to hold into June, when we expect industrial production grew at a more moderate 0.3 percent rate. The production component of the ISM manufacturing index declined slightly in June, although it remains firmly in positive territory. Meanwhile, auto sales continue to rise, indicating the auto production should remain a positive contributor to the headline number.

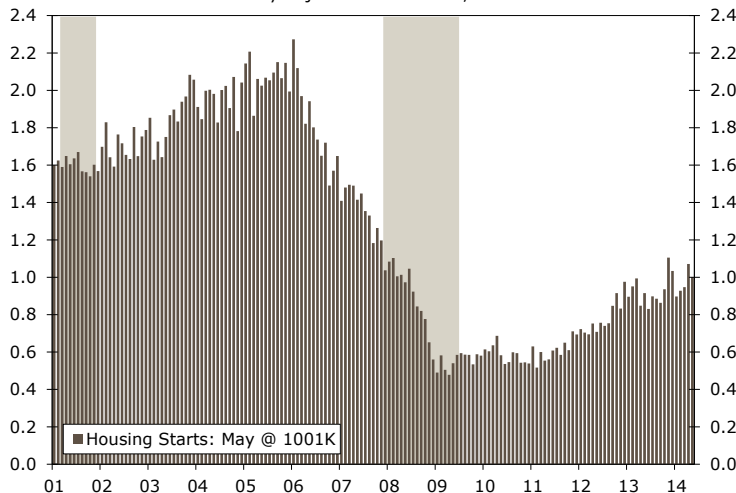
**Previous: 0.6%**

**Wells Fargo: 0.3%**

**Consensus: 0.3% (Month-over-Month)**

## Housing Starts

Seasonally Adjusted Annual Rate, In Thousands



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

## Global Review

### The Global Economy Is Not out of the Woods Yet

Weak economic numbers across the global economy continue to dampen the prospects for economic growth across the world. Although the U.S. economy is going to show a relatively strong recovery from the dismal performance during the first quarter of the year, the rest of the world does not seem to be taking notice of that improvement. Even the United Kingdom, which has continued to surprise on the upside during this period of overall weak economic performance, surprised on the weak side this time around, posting a 0.7 percent drop in industrial production for May when markets were expecting a 0.3 percent improvement. This result was mostly the consequence of a large drop in manufacturing production, which tumbled 1.3 percent on a month-over-month basis while slowing down to 3.7 percent on a year-earlier basis compared to a downwardly revised 4.3 percent for the twelve months ending in April.

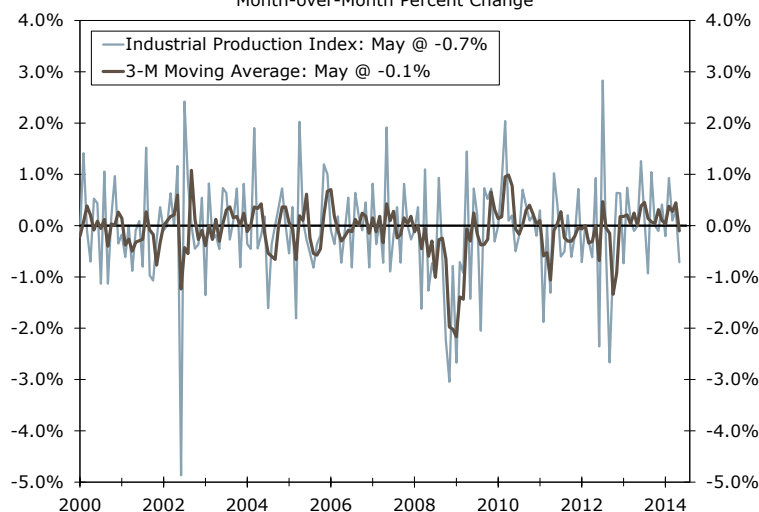
In Germany, the news was not much better than in the United Kingdom, with industrial production plunging 1.8 percent on a month-over-month basis in May after a downwardly revised print of -0.3 percent (from an originally reported number of 0.2 percent), which makes the 1.8 percent May drop much more concerning, especially because the German economy tends to drive the Eurozone's economic growth. On a year-over-year basis, the index dropped to 1.2 percent in May from 1.4 percent in April. Thus, if the German economy is having problems then it means that the Eurozone's economy is also going to underperform.

In Japan, the June preliminary machine tool order number was very strong, 34.2 percent, on a year-earlier basis, versus a 24.1 percent increase in May. However, May's machine orders number was very weak, dropping 19.5 percent on a month-over-month basis after decreasing 9.1 percent during the previous month. On a year-over-year basis, machine orders were down 14.3 percent after being up 17.6 percent for the year end in April. Machine orders tend to be very volatile; however, the two very large consecutive monthly drops in this measure should raise some eyebrows regarding the strength of this sector. The last time we experienced this scenario was in August and September of 2012. Furthermore, this was the first year-over-year decline in machine orders since April of 2013.

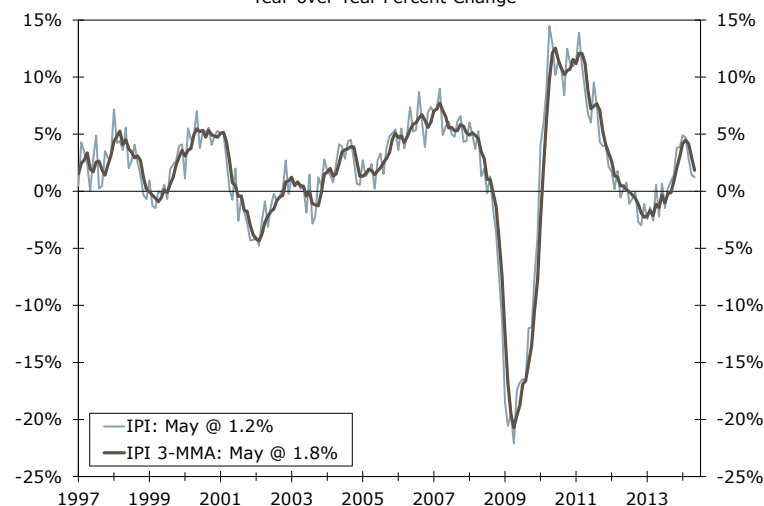
In Mexico, industrial production increased only 0.1 percent in May, after a downwardly revised 0.5 percent increase in April. On a year-over-year basis, industrial production inched up by only 1.6 percent after dropping a downwardly revised 0.8 percent in April. Manufacturing production saved the day for Mexican industrial production, as it grew a strong 3.6 percent on a year-earlier basis and by 0.4 percent compared to the previous month. All the other industrial sectors were weaker in May than in April, which points to the still difficult conditions of Mexican domestic demand versus the manufacturing sector, which continues to be driven by strong auto demand from the United States.

Stronger U.S. economic growth should benefit the world economy going forward but so far that growth has barely made a dent on global economic conditions.

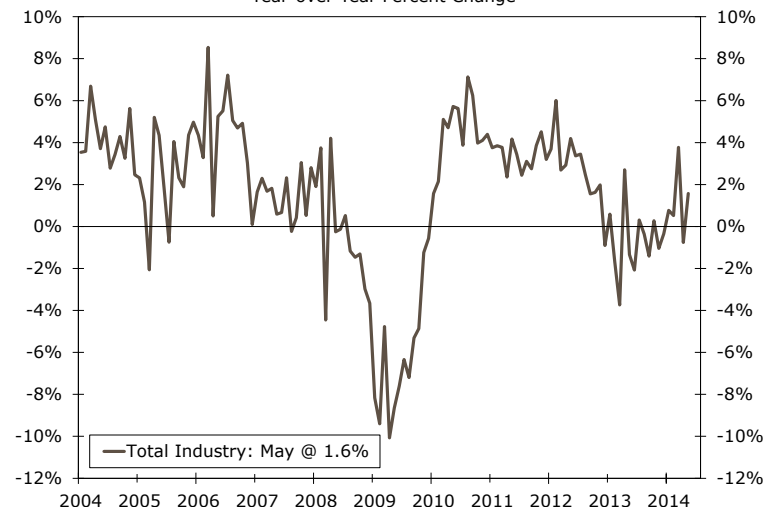
U.K. Industrial Production Index  
Month-over-Month Percent Change



German Industrial Production Index  
Year-over-Year Percent Change



Mexican Industrial Production Index  
Year-over-Year Percent Change



Source: IHS Global Insight and Wells Fargo Securities, LLP

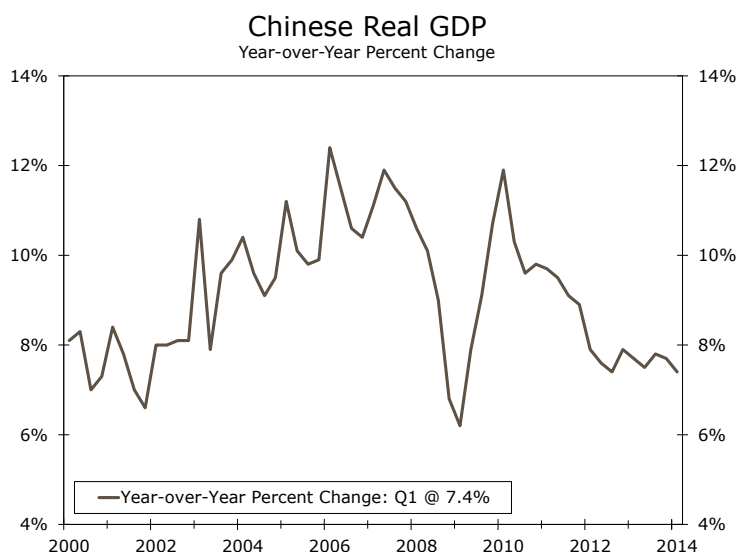
## U.K. CPI Inflation • Tuesday

Since 1997 the British government has tasked the Bank of England with a 2 percent CPI inflation target (plus or minus 1 percentage point). Although inflation was consistently above target from 2010 through most of 2013, it has recently slipped below the mid-point of the target range. We share the consensus view that the year-over-year rate of CPI inflation edged up to 1.7 percent in June from 1.5 percent in May. Looking ahead, we forecast that CPI inflation will remain below 2 percent through year-end before climbing higher next year as spare capacity in the economy is worked off.

The labor market report for May, which is on the docket for Wednesday, should show that employment growth has remained solid in recent months. If, as we project, the labor market remains firm in the coming months, the Bank of England should commence a tightening cycle in the first half of next year.

**Previous: 1.5% (year-over-year)      Wells Fargo: 1.7%**

**Consensus: 1.6%**



## Bank of Canada Policy Rate • Wednesday

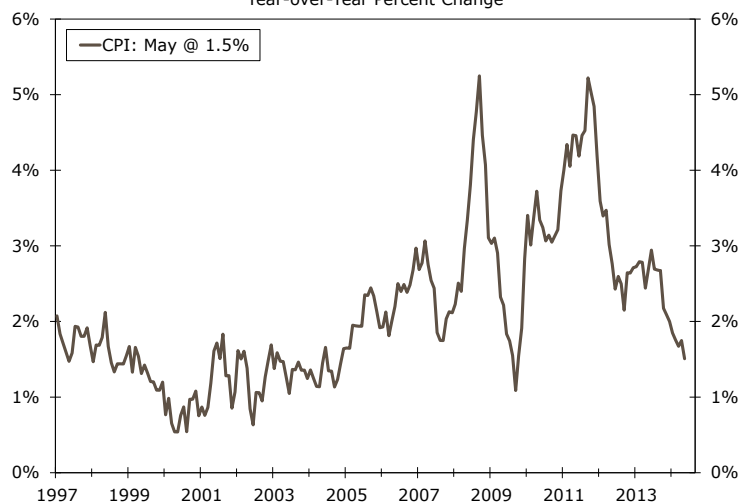
The Bank of Canada has maintained its main policy rate at 1.00 percent since September 2010, and it seems highly likely that the bank will remain on hold at its policy meeting next week. Although the rate of economic growth is generally lackluster at present—real GDP growth is up about 2 percent on a year-ago basis—inflation dynamics appear to be shifting at the margin. The overall rate of CPI inflation is now above the midpoint of the Bank's 1.00 percent to 3.00 percent target, and the core rate of inflation has edged up as well in recent months. (CPI data for June are on the docket on Friday.) With the risk of mild deflation in Canada diminishing quickly, policymakers at the bank probably feel little need to ease policy further. On the other hand, real GDP growth is not strong enough yet to warrant a rate hike in the near future, much less at next week's policy meeting.

**Previous: 1.00%**

**Wells Fargo: 1.00%**

**Consensus: 1.00%**

**U.K. Consumer Price Index**  
Year-over-Year Percent Change



## Chinese GDP • Wednesday

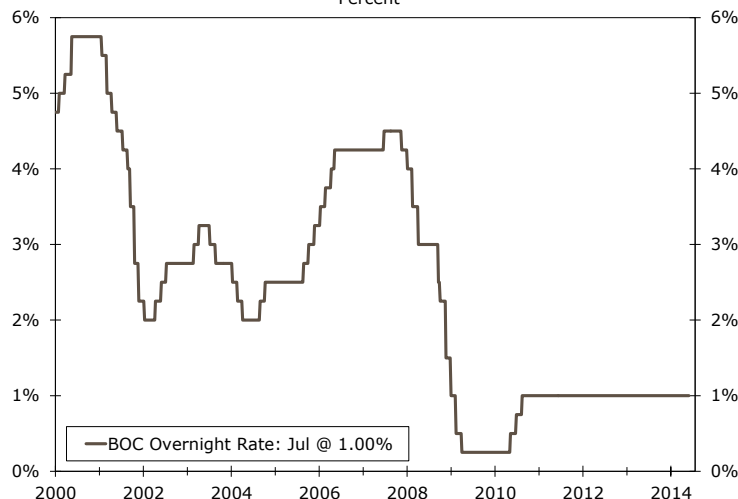
A number of indicators scheduled for release on Wednesday should show that the rate of economic growth in China has stabilized, at least for now, at around 7-1/2 percent. The year-over-year growth rate in retail spending in June will likely remain more or less unchanged relative to the 12.5 percent rate that was registered in May, and growth in industrial production (IP) may edge up in June relative to the previous month. Indeed, purchasing managers' indices suggest that growth indeed strengthened somewhat in June.

The retail sales and IP data, also slated for the release on Wednesday, should play second fiddle to the GDP data for the second quarter. We are above consensus in looking for GDP growth to edge up to 7.6 percent in Q2 from the 7.4 percent rate that was registered in Q1. That said, we forecast growth to trend gradually lower in the coming quarters as the rebalancing of the economy continues.

**Previous: 7.4% (year-over-year)      Wells Fargo: 7.6%**

**Consensus: 7.4%**

**Bank of Canada Overnight Lending Rate**  
Percent



Source: Bloomberg LP, IHS Global Insight and Wells Fargo Securities, LLC



## Interest Rate Watch

### Looking Past Tapering

The June FOMC meeting minutes provided some additional insight into how the Fed is likely to wind down its securities purchases and what additional steps will be taken on the way to normalizing short-term interest rates. The Fed is now expected to complete its tapering with a final \$15 billion reduction in securities purchases announced at the October FOMC meeting.

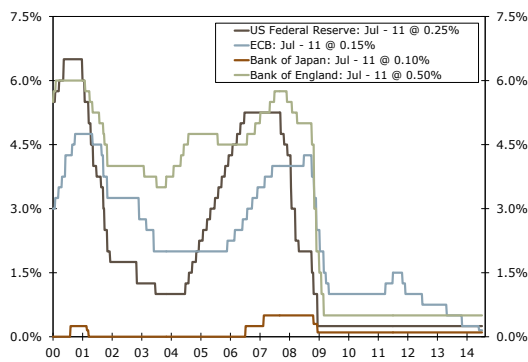
The Fed also provided some additional insight into its reinvestment policy. Some Federal Reserve Bank presidents, most notably Bill Dudley from the Federal Reserve Bank of New York, have stated that it would likely prove beneficial to continue reinvestment for some time after the Fed completes outright securities purchases, particularly for mortgage-backed securities. While no consensus has been reached this year, it appears that a majority of Federal Reserve Board governors and Reserve Bank presidents currently favor ending reinvestment either at the same time the Fed begins to raise short-term interest rates or at some time afterward.

The slight change to the Fed's stance on its massive securities portfolio is part of an ongoing evolution in the Fed's thinking about what a normalization of monetary policy would look like. We believe this would mean that the Fed will continue to move guardedly on all fronts, taking slightly longer to end reinvestment and rollovers of maturing securities and, when it does get around to raising interest rates, will raise them at a slower and more deliberate pace than in the past.

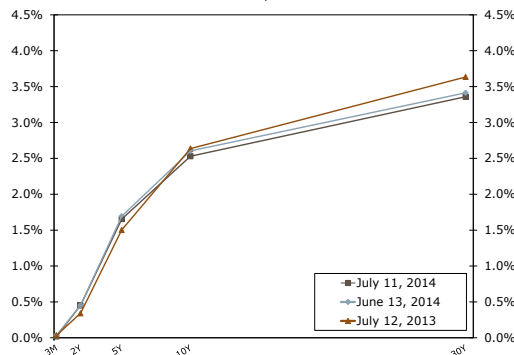
The additional guidance on the Fed's exit strategy should also be supportive of the fixed income market and should help moderate the rise in yields ahead of the Fed's first rate hike.

We currently expect the Fed's first rate hike to be at next year's June 15-16 FOMC meeting. We expect the Fed to raise the federal funds rate by a quarter percentage point at the FOMC meetings that have currently scheduled press conferences, which means the federal funds rate should end 2015 at 1.00 percent.

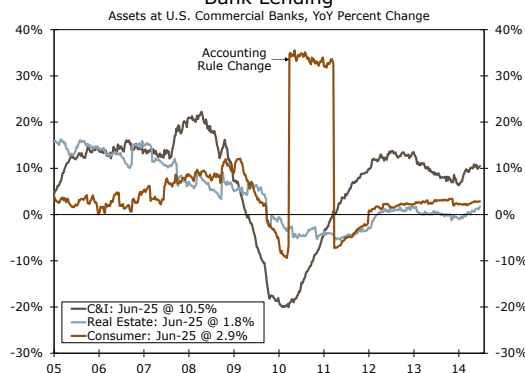
Central Bank Policy Rates



Yield Curve  
U.S. Treasuries, Active Issues



Bank Lending



Source: IHS Global Insight, Bloomberg LP and Wells Fargo Securities, LLC

## Credit Market Insights

### Revolving Credit Picking Up

The Federal Reserve released the consumer credit report for May earlier this week, showing that credit expanded \$19.6 billion. Credit growth has been focused mostly in the nonrevolving sector throughout this expansion, showing strong gains in student and auto loans. This should continue to be the case as the Fed insists it is in no hurry to hike rates, which has kept the rate for a 48-month new car loan suppressed, as it stands at 4.5 percent currently. However, we have started to see signs of a pickup in the revolving sector, while growth has been dismal since the Great Recession. Revolving credit grew 2.2 percent on a year-over-year basis in May, excluding last month's 2.4 percent gain, this is the strongest gain since 2008. While still historically very low, the gains over the past two months are encouraging as they suggest that consumers are beginning to feel more comfortable using credit cards once again after such an extensive period of deleveraging. While revolving credit is beginning to show meaningful gains, we have yet to see a corresponding rise in charge-off rates. The charge-off rates for credit cards is now just above 3 percent, compared to hitting double digits in the wake of the recession, representing that consumers' balance sheets are continuing to improve as well as the overall financial health of the consumer. Continued strong gains in overall consumer credit also supports the notion that the unexpectedly large decline in GDP in the first quarter is a one-off event and the consumer should support economic growth for the rest of the year.

### Credit Market Data

#### Mortgage Rates

	Current	Week Ago	4 Weeks Ago	Year Ago
30-Yr Fixed	4.15%	4.12%	4.17%	4.51%
15-Yr Fixed	3.24%	3.22%	3.30%	3.53%
5/1 ARM	2.99%	2.98%	3.00%	3.26%
1-Yr ARM	2.40%	2.38%	2.41%	2.66%

#### Bank Lending

	Current Assets (Billions)	1-Week Change (SAAR)	4-Week Change (SAAR)	Year-Ago Change
Commercial & Industrial	\$1,714.3	41.63%	14.12%	10.49%
Revolving Home Equity	\$464.6	-5.13%	-2.11%	-5.22%
Residential Mortgages	\$1,587.8	9.38%	10.46%	-0.81%
Commercial Real Estate	\$1,549.1	8.47%	10.05%	7.03%
Consumer	\$1,171.1	10.07%	7.63%	2.86%

Source: Freddie Mac, Federal Reserve Board and Wells Fargo Securities, LLC

## Topic of the Week

### Reaching the Fiscal Policy Tipping Point

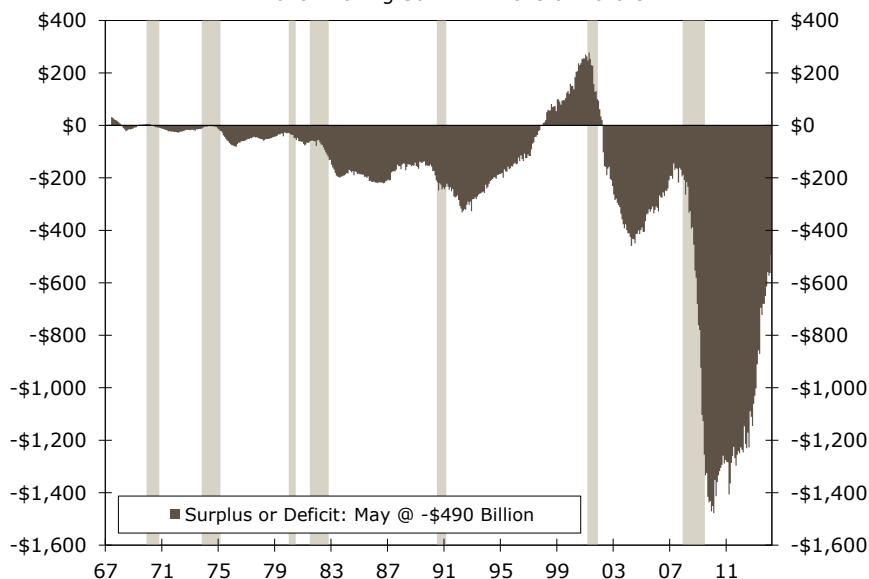
Much has been written about the current state of federal fiscal policy and the issues facing policymakers in the short run. Yet, beyond the hand-wringing, little comment has been provided from an economic perspective on the challenging trade-off between deficit reduction and economic growth over the long run.

A basic tenant of the economics of public policy is what economists refer to as the intertemporal government budget constraint, which states that the total debt outstanding has to be balanced by the present value of future government surpluses. In other words, if the government runs deficits today and accumulates debt, down the road this implies that budget surpluses have to occur leading to debt reduction. In the short run, economic growth is primarily determined by demand factors, in particular: consumer demand, business demand, foreign trade and government demand for goods and services. Thus, in determining the effects of fiscal policy changes on aggregate GDP growth, the primary cost to economic activity in the short run comes from the fact that a reduction in government (discretionary) spending, has the effect of reducing G in the GDP equation and the result is a slower pace of GDP growth. While there are certainly costs in the short run to deficit reduction, the primary reason for policymakers to engage in such deficit reduction is to ensure long-run fiscal policy stability and to support future economic growth. When it comes to the appropriate timing and pace of fiscal tightening to reduce the deficit, there is not a purely optimal economic solution. There are however, some key fiscal and economic variables that policymakers can focus on to determine the appropriate pace and timing of deficit reduction; the economic growth environment, the monetary policy environment and fiscal policy deadlines.

For further reading, see our special report entitled *Reaching the Tipping Point: Tough Fiscal Policy Choices Ahead*, available on our website.

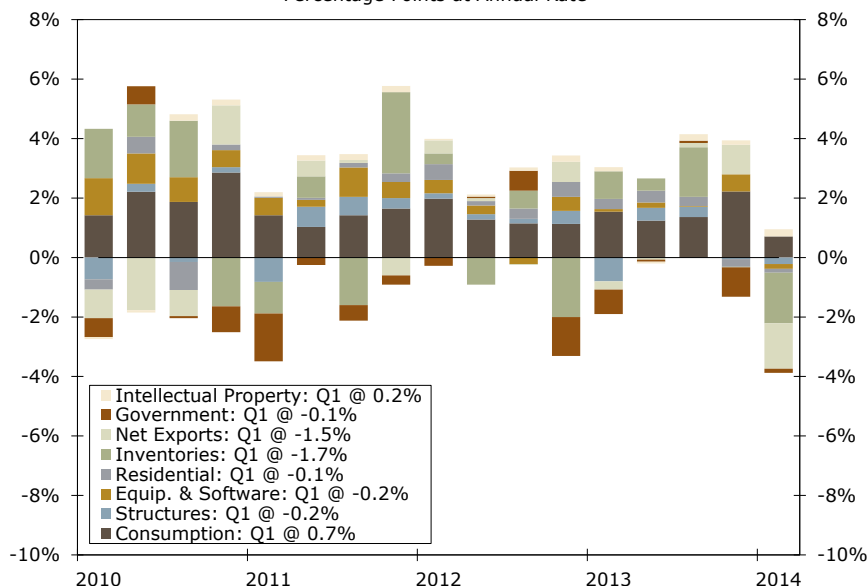
### Federal Budget Surplus or Deficit

12-Month Moving Sum in Billions of Dollars



### Contributions to U.S. Real GDP

Percentage Points at Annual Rate



Source: U.S. Department of the Treasury, U.S. Department of Commerce and Wells Fargo Securities, LLC

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## Market Data ♦ Mid-Day Friday

## U.S. Interest Rates

	Friday 7/11/2014	1 Week Ago	1 Year Ago
3-Month T-Bill	0.02	0.01	0.03
3-Month LIBOR	0.23	0.23	0.27
1-Year Treasury	0.17	0.16	0.13
2-Year Treasury	0.45	0.51	0.33
5-Year Treasury	1.65	1.74	1.39
10-Year Treasury	2.53	2.64	2.57
30-Year Treasury	3.36	3.47	3.63
Bond Buyer Index	4.38	4.31	4.55

## Foreign Exchange Rates

	Friday 7/11/2014	1 Week Ago	1 Year Ago
Euro (\$/€)	1.361	1.360	1.310
British Pound (\$/£)	1.713	1.716	1.518
British Pound (£/€)	0.794	0.792	0.863
Japanese Yen (¥/\$)	101.320	102.060	98.960
Canadian Dollar (C\$/ \$)	1.064	1.065	1.037
Swiss Franc (CHF/\$)	0.893	0.894	0.947
Australian Dollar (US\$/A\$)	0.940	0.937	0.919
Mexican Peso (MXN/\$)	12.996	12.974	12.806
Chinese Yuan (CNY/\$)	6.204	6.205	6.132
Indian Rupee (INR/\$)	59.938	59.735	59.681
Brazilian Real (BRL/\$)	2.221	2.211	2.265
U.S. Dollar Index	80.111	80.269	82.746

Source: Bloomberg LP and Wells Fargo Securities, LLC

## Foreign Interest Rates

	Friday 7/11/2014	1 Week Ago	1 Year Ago
3-Month Euro LIBOR	0.17	0.17	0.14
3-Month Sterling LIBOR	0.55	0.56	0.51
3-Month Canada Banker's Acceptance	1.27	1.27	1.28
3-Month Yen LIBOR	0.13	0.13	0.16
2-Year German	0.02	0.02	0.12
2-Year U.K.	0.85	0.90	0.37
2-Year Canadian	1.12	1.14	1.13
2-Year Japanese	0.07	0.07	0.13
10-Year German	1.21	1.27	1.62
10-Year U.K.	2.62	2.76	2.38
10-Year Canadian	2.23	2.33	2.45
10-Year Japanese	0.54	0.57	0.83

## Commodity Prices

	Friday 7/11/2014	1 Week Ago	1 Year Ago
WTI Crude (\$/Barrel)	102.48	104.06	104.91
Gold (\$/Ounce)	1337.37	1320.55	1286.20
Hot-Rolled Steel (\$/S.Ton)	670.00	662.00	635.00
Copper (¢/Pound)	324.40	326.50	318.35
Soybeans (\$/Bushel)	12.55	13.66	15.87
Natural Gas (\$/MMBTU)	4.15	4.41	3.61
Nickel (\$/Metric Ton)	19,182	19,800	13,577
CRB Spot Inds.	532.08	533.14	521.08

## Next Week's Economic Calendar

	Monday 14	Tuesday 15	Wednesday 16	Thursday 17	Friday 18
U.S. Data		<b>Retail Sales</b> May 0.3% June 0.6% (W)	<b>PPI Final Demand</b> May -0.2% June 0.3% (W)	<b>Housing Starts</b> May 1001K June 989K (W)	<b>Leading Index</b> May 0.5% June 0.5% (W)
			<b>Industrial Production</b> May 0.6% June 0.3% (W)		
		<b>United Kingdom</b> <b>CPI (YoY)</b> Previous (May) 1.5%	<b>China</b> <b>GDP (YoY)</b> Previous (Q1) 7.4%	<b>Russia</b> <b>Unemployment Rate</b> Previous (May) 4.9%	
		<b>Germany</b> <b>ZEW Survey Expectations</b> Previous (June) 29.8	<b>Canada</b> <b>Bank of Canada Policy Rate</b> Previous (Jun 4) 1.00%	<b>Ukraine</b> <b>Industrial Productions (YoY)</b> Previous (May) -2.1%	

Note: (W) = Wells Fargo Estimate (C) = Consensus Estimate

Source: Bloomberg LP and Wells Fargo Securities, LLC



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