WELLS FARGO

Weekly — October 16, 2026

Economics Week Ahead

Next week is quiet on the domestic data front, with Tuesday's housing starts the main report. Starts likely declined further under pressure from elevated mortgage rates. Abroad, Canada CPI likely picked up on energy costs, though steady core inflation still argues for policy patience. U.K. and Japan inflation should also accelerate, reinforcing our calls for November and December rate hikes, respectively. China's Q3 GDP growth likely edged higher as exports and policy support offset domestic weakness.

United States:

- Housing Starts (Tuesday)

Advanced Economies:

- Canada CPI (Monday), U.K. CPI (Wednesday), Japan CPI (Friday)

Emerging Markets:

- China GDP (Monday)

Wells Fargo Economics Week Ahead

United States					
Indicator Releases		Period	Consensus	Wells Fargo	Prior
20-Oct	Housing Starts (SAAR)	Sep	1305K	1250K	1275K
Fed Speakers *(*Designating 2026 Voting Member)*					
	Fed's External Communications Blackout, 17-Oct through 29-Oct				
International					
Advanced Economies		Period	Consensus	Wells Fargo	Prior
19-Oct	Canada CPI (YoY)	Sep	3.2%	3.2%	3.0%
19-Oct	Canada Core Trim (YoY)	Sep	1.9%	—	1.9%
19-Oct	Canada Core Median (YoY)	Sep	2.0%	—	2.0%
21-Oct	U.K. CPI (MoM)	Sep	0.3%	0.4%	0.5%
21-Oct	U.K. CPI (YoY)	Sep	3.4%	3.5%	3.1%
21-Oct	U.K. Core CPI (YoY)	Sep	2.8%	2.8%	2.6%
23-Oct	Japan CPI (YoY)	Sep	2.1%	2.3%	1.9%
23-Oct	Japan 'Core Core' CPI - Ex Fresh Food & Energy (YoY)	Sep	2.3%	2.8%	1.9%
Emerging Markets		Period	Consensus	Wells Fargo	Prior
19-Oct	China GDP (YoY)	Q3	4.4%	4.4%	4.3%

Forecast as of October 16, 2026

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

Economist(s)

Tom Porcelli
Chief Economist | Wells Fargo Economics
Tom.Porcelli@wellsfargo.com | 212-214-6422

Tim Quinlan
Senior Economist | Wells Fargo Economics
Tim.Quinlan@wellsfargo.com | 704-410-3283

Sarah House
Senior Economist | Wells Fargo Economics
Sarah.House@wellsfargo.com | 704-410-3282

Charlie Dougherty
Senior Economist | Wells Fargo Economics
Charles.Dougherty@wellsfargo.com | 212-214-8984

Michael Pugliese
Senior Economist | Wells Fargo Economics
Michael.D.Pugliese@wellsfargo.com | 212-214-5058

Jackie Benson
Economist | Wells Fargo Economics
Jackie.Benson@wellsfargo.com | 704-410-4468

Shannon Grein
Economist | Wells Fargo Economics
shannon.grein@wellsfargo.com | 704-410-0369

Nicole Cervi
Economist | Wells Fargo Economics
Nicole.Cervi@wellsfargo.com | 704-410-3059

Azhin Abdulkarim
Economic Analyst | Wells Fargo Economics
Azhin.Abdulkarim@wellsfargo.com | 212-214-5154

Related Information:

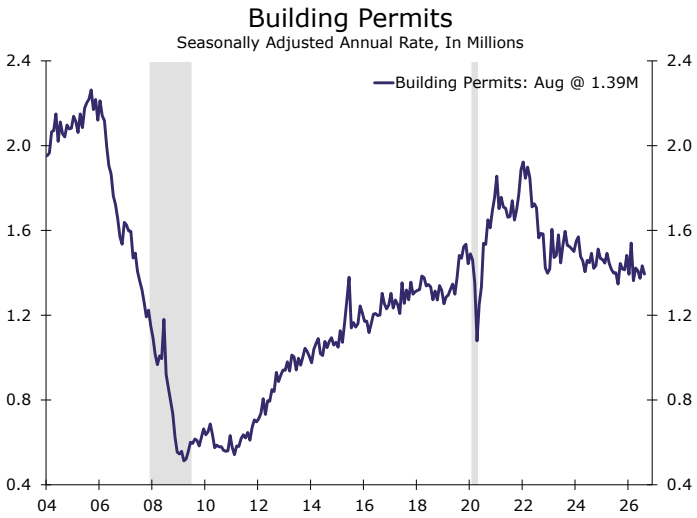
- U.S. Economic Forecast
- FOMC 101
- U.S. Tariff Tracker
- U.S. Tariff Policy 101
- 2026 Economic Calendar

U.S. Week Ahead

Housing Starts • Tuesday

Residential construction faces intensifying pressure. Housing starts have declined in four of the past five months alongside a steady rise in mortgage rates. Mortgage rates specifically surpassed 7.0% by the end of September, setting a fresh affordability challenge for prospective buyers. As a result, the NAHB home builder survey showed a sharp deterioration in builders' sales expectations and corresponding increase in price cuts. Multifamily construction is simultaneously soft amid rising financing costs and modest rent growth. Looking to September, a pullback in permits signals another drop in starts. We forecast housing starts fell 2.0% to 1,250K.

(Return)



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

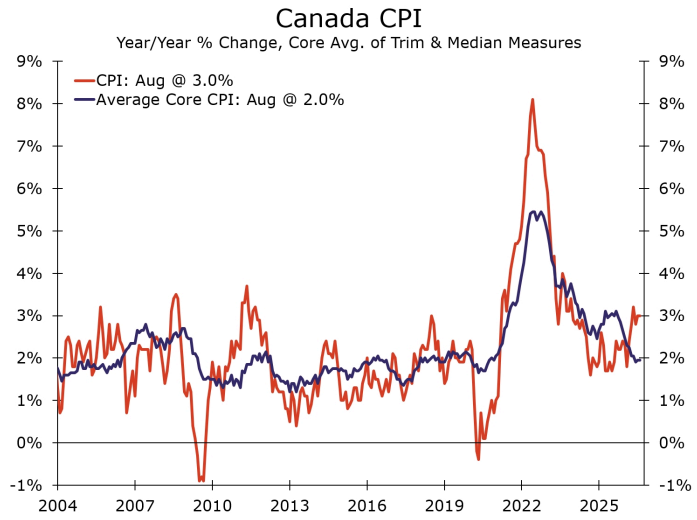
Advanced Economies Week Ahead

Canada CPI • Monday

The Canadian CPI report takes on added importance next week ahead of the Bank of Canada's (BoC) upcoming policy decision on October 28. The BoC has been increasingly focused on inflation and whether persistent-oil driven price pressures could warrant tighter monetary policy. We continue to believe recent economic developments, including some softening in hiring and heightened uncertainty around the growth outlook, argue for patience. Still, another firm inflation print next week could raise the odds of a rate hike as soon as the December meeting.

Concerns around inflation are not unwarranted. Headline inflation has moved higher in recent months amid the pickup in oil prices, but underlying price pressures remain relatively contained, with little evidence that the increase is broadening beyond energy-related categories. Importantly, core inflation measures continue to run near 2%. We expect headline CPI to pick back up to 3.2% in September on higher oil prices during the month, while core measures remain broadly steady near 2%.

(Return)



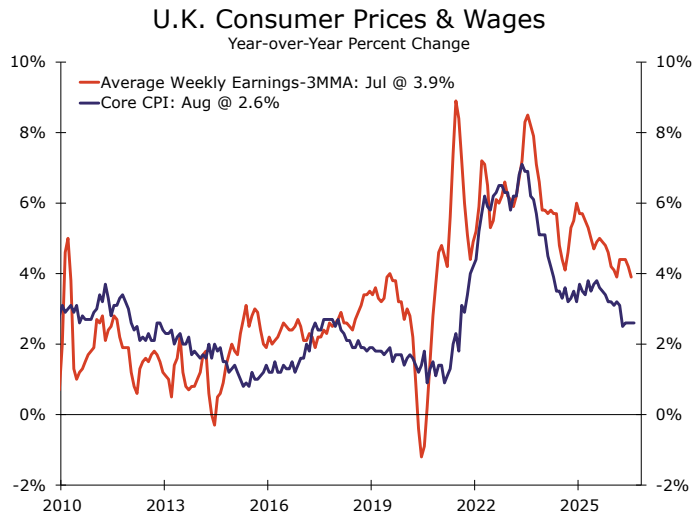
Source: Bloomberg Finance L.P. and Wells Fargo Economics

U.K. CPI • Wednesday

Energy prices will push UK inflation higher in September, though the composition of the increase will matter more for the Bank of England (BoE). We expect headline CPI inflation to rise from 3.1% to 3.5% year-over-year, with prices up 0.4% month-over-month. Core inflation should increase from 2.6% to 2.8% year-over-year and 0.2% month-over-month. The key question is whether the pickup in core inflation points to emerging second-round effects. The BoE has seen little evidence of material spillovers into prices and wages so far, though it views the risk as greater the longer higher energy prices persist

The labor market release will also be important, with consensus expectations for a further rise in unemployment. Still, activity has proved slightly stronger than expected and underlying wage growth remains somewhat above the pace consistent with the inflation target. Even with some further labor market weakness, a rise in core inflation would reinforce our expectation for a 25 bps hike in November, which would take the Bank Rate to 4.00%.

(Return)



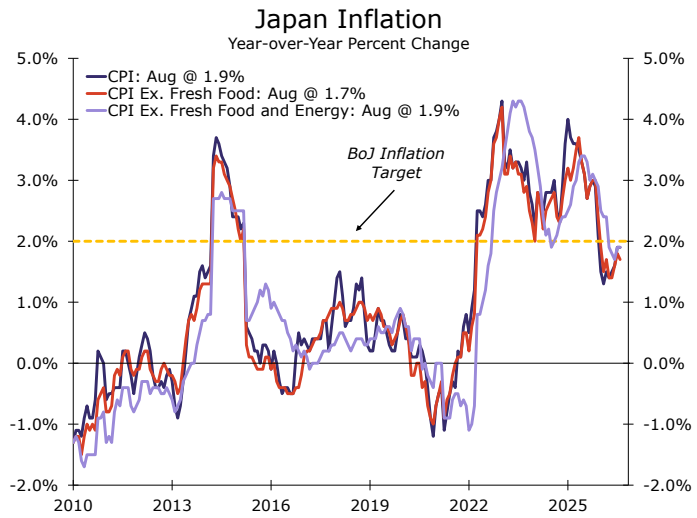
Source: Bloomberg Finance L.P. and Wells Fargo Economics

Japan CPI • Friday

Japan's September inflation print should provide further evidence that price pressures are reaccelerating. We expect headline inflation to rise to 2.3% year-over-year and 'core-core' inflation to increase to 2.8%. Tokyo inflation provides a strong signal ahead of the national release, with headline and core inflation rising to 2.7% in September and core-core inflation jumping from 2.0% to 3.0%. Higher energy costs should account for part of the increase, while the earlier depreciation of the yen and strong AI-related demand have added pressure to durable goods prices.

A firm national CPI print would reinforce the case for further Bank of Japan (BoJ) policy normalization, especially if underlying inflation shows a similar pickup to Tokyo. The BoJ raised its policy rate to 1.25% in September and continues to view financial conditions as accommodative. We expect another 25 bps hike in December, which would bring the policy rate to 1.50%, followed by further tightening in 2027.

(Return)



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

EM Week Ahead

China GDP • Monday

China's economy likely regained some momentum in Q3, though the recovery remains heavily dependent on external demand and policy support. We expect GDP growth to edge up from 4.3% to 4.4% year-over-year, as stronger exports and fiscal support partly offset weak consumption, softer investment and continued property-sector strains.

Net exports should remain the main driver, supported by strong external demand for semiconductors and other high-tech goods. September's manufacturing PMIs also point to firm industrial activity after production rose 5.2% year-over-year in August. Retail sales likely improved from August's weak 0.4% increase, though subdued consumer confidence should limit the recovery.

Overall, a more targeted approach to easing should cushion domestic headwinds without generating a significant acceleration in growth. We expect policy support and strong exports to keep the economy broadly stable through year-end.



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

(Return)

Economics Group

Tom Porcelli	Chief Economist	212-214-6422	Tom.Porcelli@wellsfargo.com
Tim Quinlan	Senior Economist	704-410-3283	Tim.Quinlan@wellsfargo.com
Sarah House	Senior Economist	704-410-3282	Sarah.House@wellsfargo.com
Charlie Dougherty	Senior Economist	212-214-8984	Charles.Dougherty@wellsfargo.com
Michael Pugliese	Senior Economist	212-214-5058	Michael.D.Pugliese@wellsfargo.com
Jackie Benson	Economist	704-410-4468	Jackie.Benson@wellsfargo.com
Shannon Grein	Economist	704-410-0369	Shannon.Grein@wellsfargo.com
Nicole Cervi	Economist	704-410-3059	Nicole.Cervi@wellsfargo.com
Azhin Abdulkarim	Economic Analyst	212-214-5154	Azhin.Abdulkarim@wellsfargo.com
Anagha Sridharan	Economic Analyst	704-410-6212	Anagha.Sridharan@wellsfargo.com
Andrew Thompson	Economic Analyst	704-410-2911	Andrew.L.Thompson@wellsfargo.com

Required Disclosures

This report is produced by the Economics Group of Wells Fargo Securities, LLC ("Wells Fargo Securities"). This report is not a product of Wells Fargo Global Research and the information contained in this report is not financial research. Wells Fargo Securities distributes this report directly and through affiliates including, but not limited to, Wells Fargo & Company, Wells Fargo Bank, N.A., Wells Fargo Clearing Services, LLC, Wells Fargo Securities International Limited, Wells Fargo Securities Europe S.A., and Wells Fargo Securities Canada, Ltd. Wells Fargo Securities, LLC is registered with the Commodity Futures Trading Commission as a futures commission merchant and is a member in good standing of the National Futures Association. WFBNA is registered with the Commodity Futures Trading Commission as a swap dealer and is a member in good standing of the National Futures Association. Wells Fargo Securities, LLC and WFBNA are generally engaged in the trading of futures and derivative products, any of which may be discussed within this report. All reports published by the Economics Group are disseminated and available to all clients simultaneously through electronic publication to our internal client website. Clients may also receive our reports via third party vendors. We are not responsible for the redistribution of our reports by third-party aggregators. Any external website links included in this report are not maintained, controlled or operated by Wells Fargo Securities. Wells Fargo Securities does not provide the products and services on these websites and the views expressed on these websites do not necessarily represent those of Wells Fargo Securities.

This publication has been prepared for informational purposes only and is not intended as a recommendation, offer or solicitation with respect to the purchase or sale of any security or other financial product, nor does it constitute professional advice. The information in this report has been obtained or derived from sources believed by Wells Fargo Securities to be reliable, but has not been independently verified by Wells Fargo Securities, may not be current, and Wells Fargo Securities has no obligation to provide any updates or changes. All price references and market forecasts are as of the date of the report or such earlier date as may be indicated for a particular price or forecast. The views and opinions expressed in this report are those of its named author(s) or, where no author is indicated, the Economics Group; such views and opinions are not necessarily those of Wells Fargo Securities and may differ from the views and opinions of other departments or divisions of Wells Fargo Securities and its affiliates. Wells Fargo Securities is not providing any financial, economic, legal, accounting, or tax advice or recommendations in this report. Neither Wells Fargo Securities nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this report, and any liability therefore (including in respect of direct, indirect or consequential loss or damage) is expressly disclaimed. Wells Fargo Securities is a separate legal entity and distinct from affiliated banks, and is a wholly-owned subsidiary of Wells Fargo & Company.

You are permitted to store, display, analyze, modify, reformat, copy, duplicate and reproduce this report and the information contained within it for your own use and for no other purpose. Without the prior written consent of Wells Fargo Securities, no part of this report may be copied, duplicated or reproduced in any form by any other means. In addition, this report and its contents may not be redistributed or transmitted to any other party in whole or in part, directly or indirectly, including by means of any AI Technologies (defined below) through which this report or any portion thereof may be accessible by any third-party. "AI Technologies" means any deep learning, machine learning, and other artificial intelligence technologies, including without limitation any and all (a) proprietary algorithms, software, or systems that make use of or employ neural networks, statistical learning algorithms (such as linear and logistic regression, support vector machines, random forests or k-means clustering) or reinforcement learning, or curated data sets accessible by any of the foregoing or (b) proprietary embodied artificial intelligence and related hardware or equipment. In addition, certain text, images, graphics, screenshots and audio or video clips included in this report are protected by copyright law and owned by Wells Fargo Securities, its affiliates or one or more third parties (collectively, "Protected Content"). Protected Content is made available to clients by Wells Fargo under license or otherwise in accordance with applicable law. Any use or publication of Protected Content included in this report for purposes other than fair use requires permission from Wells Fargo Securities or, in the case of content attributed to any third party, the third-party copyright owner. You may not alter, obscure, or remove any copyright, trademark or any other notices attached to or contained within this report. All rights not expressly granted herein are reserved by Wells Fargo Securities or the third-party providers from whom Wells Fargo Securities has obtained the applicable information. © 2026 Wells Fargo Securities, LLC

Important Information for Non-U.S. Recipients
For recipients in the United Kingdom, this report is distributed by Wells Fargo Securities International Limited ("WFSIL"). WFSIL is a U.K. incorporated investment firm authorized and regulated by the Financial Conduct Authority ("FCA"). For the purposes of Section 21 of the UK Financial Services and Markets Act 2000 (the "Act"), the content of this report has been approved by WFSIL, an authorized person under the Act. WFSIL does not deal with retail clients as defined in the Directive 2014/65/EU ("MiFID2"). The FCA rules made under the Act for the protection of retail clients will therefore not apply, nor will the Financial Services Compensation Scheme be available. For recipients in the EFTA, this report is distributed by WFSIL. For recipients in the EU, it is distributed by Wells Fargo Securities Europe S.A. ("WFSE"). WFSE is a French incorporated investment firm authorized and regulated by the Autorité de contrôle prudentiel et de résolution and the Autorité des marchés financiers. WFSE does not deal with retail clients as defined in MiFID2. This report is not intended for, and should not be relied upon by, retail clients.

SECURITIES: NOT FDIC-INSURED - MAY LOSE VALUE - NO BANK GUARANTEE