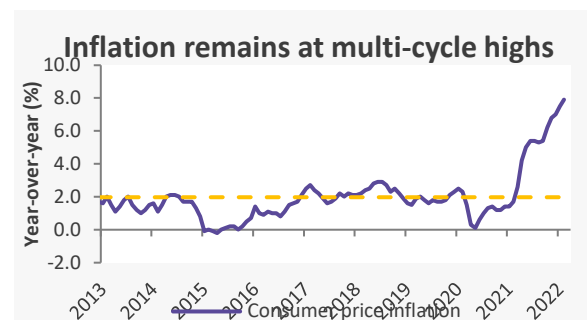
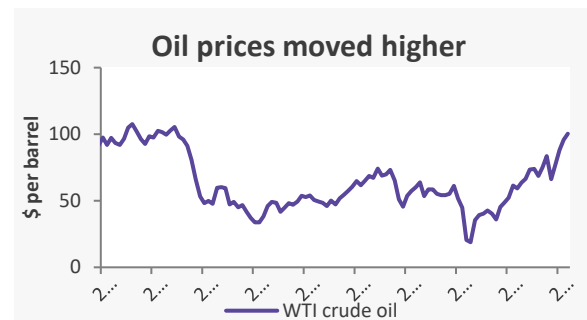
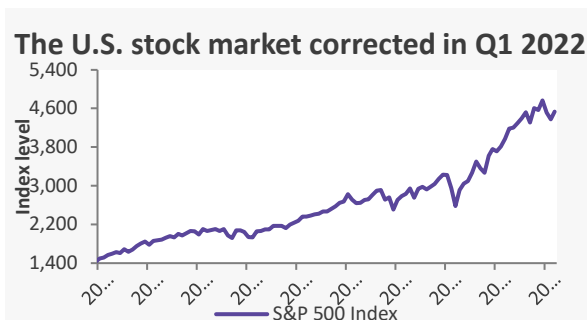


Where are we today?



Sources: Bloomberg and Wells Fargo Investment Institute. Monthly data from January 1, 2013 to March 31, 2022. Consumer price inflation (CPI): monthly data from January 1, 2013 to February 28, 2022. The **S&P 500 Index** is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the U.S. stock market. The Consumer Price Index measures the average price of a basket of goods and services. West Texas Intermediate (WTI) is a grade of crude oil used as a benchmark in oil pricing. U.S. Dollar Index (USDIX) measures the value of the U.S. dollar relative to the majority of its most significant trading partners. This index is similar to other trade-weighted indexes, which also use the exchange rates from the same major currencies. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Stocks may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors.

- The rally in U.S. equities has been brought to a halt by worries over inflation, the interest rate outlook, and, most recently, fallout from the war in Ukraine. We are still hopeful that the economy's ability to avoid a recession will support earnings growth sufficient to rekindle a recovery in stocks later this year.
- Soaring commodity prices normally supporting Emerging Market Equities are being countered by dollar strength and by a turn toward higher interest rates at home and abroad.

Key takeaways