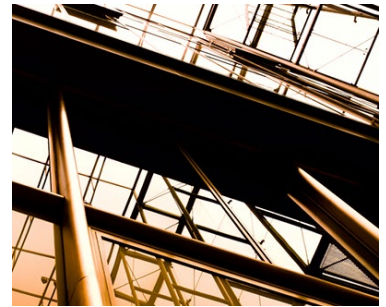


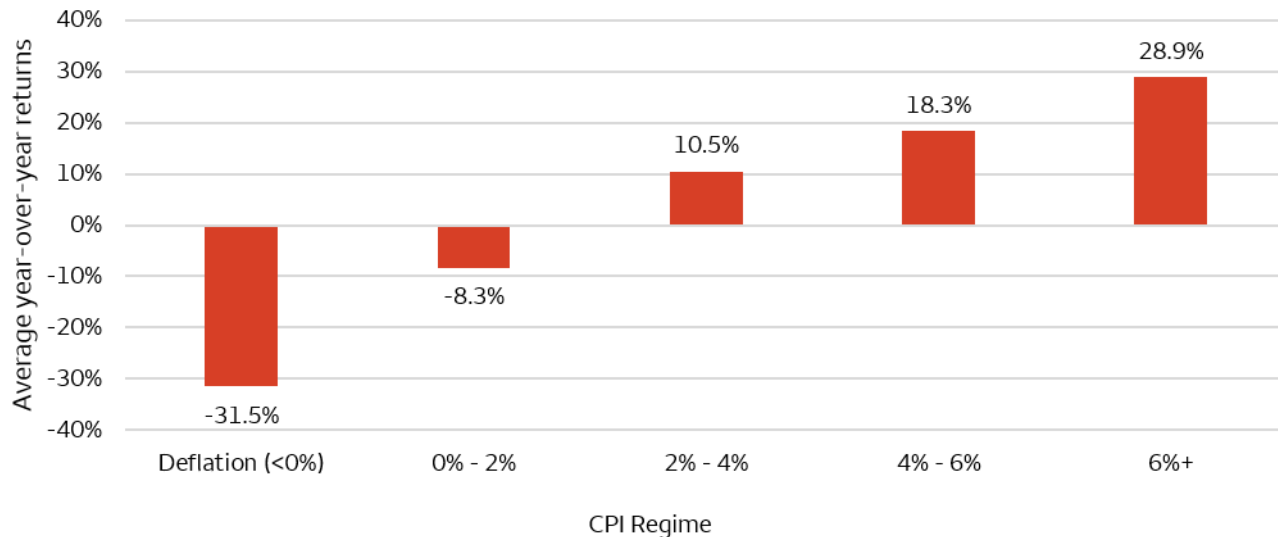
Chart of the Week



Weekly analysis of key themes in markets

September 29, 2026

Oil is making headlines, but diesel is the real story



Sources: Bloomberg and Wells Fargo Investment Institute. Monthly data is from January 1970 – August 2026. The Bloomberg Commodity Total Return Index was used to measure commodity performance. Inflation is measured by the year-over-year change in the Consumer Price Index (CPI). Deflationary periods are marked when the CPI turns negative. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.**

Record-high diesel prices renew pressure across supply chains

Escalations in the Middle East conflict have fueled sharp swings in energy prices, with West Texas Intermediate (WTI) crude futures jumping above \$100 per barrel on September 10 for the first time since May of this year, before pulling back. Yet the bigger story may be diesel, which has surged to record highs and is putting upward pressure on everything from transportation costs to food prices.

Refined products are used across crucial areas of the economy, including transportation, agriculture, construction, and manufacturing. As prices for fuels rise, costs can increase across supply chains and contribute to higher inflation. Since 1971, the Bloomberg Commodity Total Return Index has performed best during periods of elevated inflation. The chart shows that the index generated average year-over-year returns of 10.5% when inflation ranged between 2% and 4%, with even stronger returns when inflation exceeded 4%.

What it may mean for investors

We remain favorable on Commodities and believe they may offer a potential hedge against renewed inflation risks as constrained energy supply and refining bottlenecks continue to pressure prices higher.

Mason Mendez, Global Real Assets Analyst

Excerpted from Investment Strategy report (September 21)

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Risk Considerations

Each asset class has its own risk and return characteristics. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Stock markets**, especially foreign markets, are volatile. Stock values may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors.

Investing in commodities is not appropriate for all investors. Exposure to the commodities markets may subject an investment to greater share price volatility than an investment in traditional equity or debt securities. The prices of various commodities may fluctuate based on numerous factors including changes in supply and demand relationships, weather and acts of nature, agricultural conditions, international trade conditions, fiscal monetary and exchange control programs, domestic and foreign political and economic events and policies, and changes in interest rates or sectors affecting a particular industry or commodity. Products that invest in commodities may employ more complex strategies which may expose investors to additional risks, including futures roll yield risk.

Definitions

Bloomberg Commodity Total Return Index reflects the returns that are potentially available through an unleveraged investment in the futures contracts on 19 physical commodities comprising the Index plus the rate of interest that could be earned on cash collateral invested in specified Treasury Bills. The Index is a rolling index rebalancing annually.

Consumer Price Index (CPI) produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

An index is unmanaged and not available for direct investment.

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