



State of the Economy

April 15, 2026

Revised: April 13, 2026



Disclosure

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TODAY'S AGENDA

THE IMPACT OF GEOPOLITICAL RISK AND RISING UNCERTAINTY

- The underlying pillars of economic growth remain solid, but the conflict in Iran is raising uncertainty. Higher energy prices are offsetting some of the positive impacts from the One Big Beautiful Bill Act (OBBBA).
- Inflation expectations and interest rates are moving higher, which could negatively impact current consumer spending .
- The market no longer expects the Federal Reserve to lower interest rates.

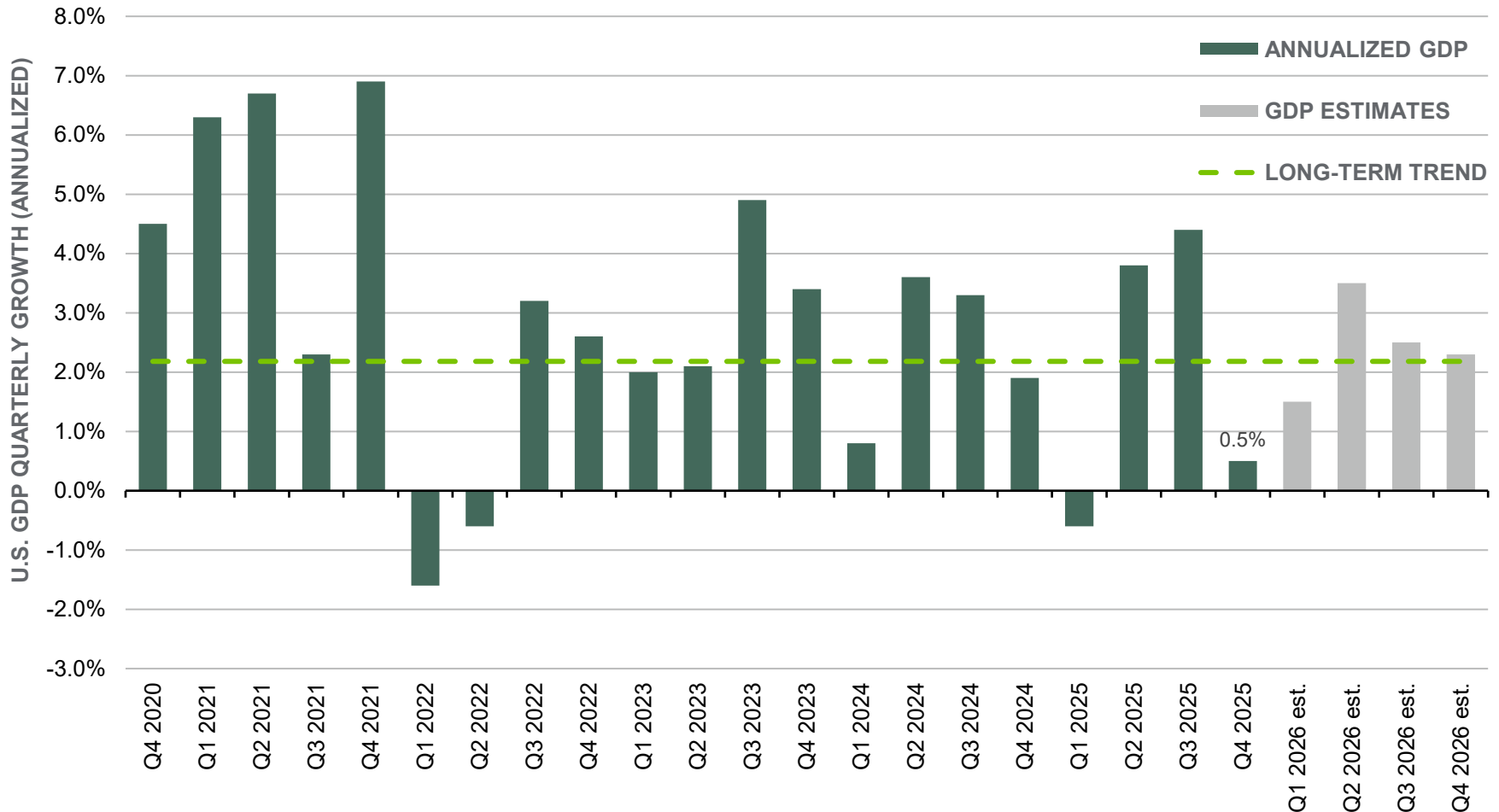
INFLATION WILL BE HIGHER OVER THE NEAR-TERM, THEN MODERATE LATER IN THE YEAR.

- Elevated energy prices are impacting inflation, but the extent of the impact will depend on how long prices stay high.
- Inflation is expected to moderate in the 2nd half of the year, as we lap tariff changes, and shelter costs continue to fall.

VOLATILITY IS EXPECTED TO REMAIN HIGH AT LEAST THROUGH THE MID-TERM ELECTION.

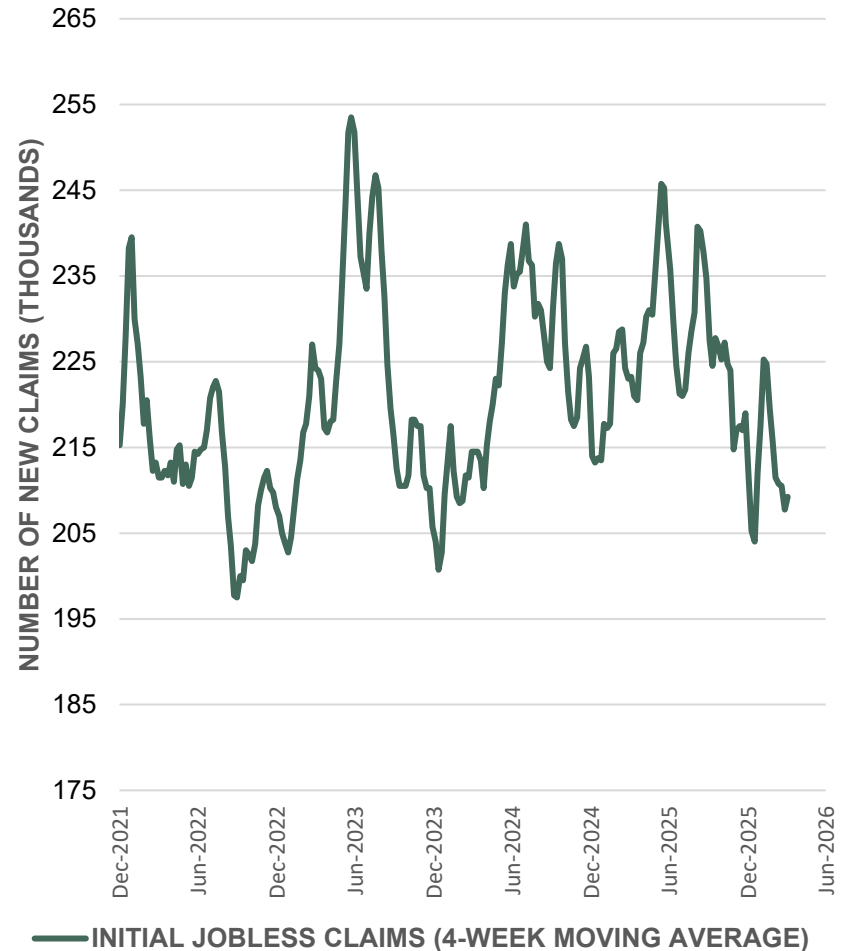
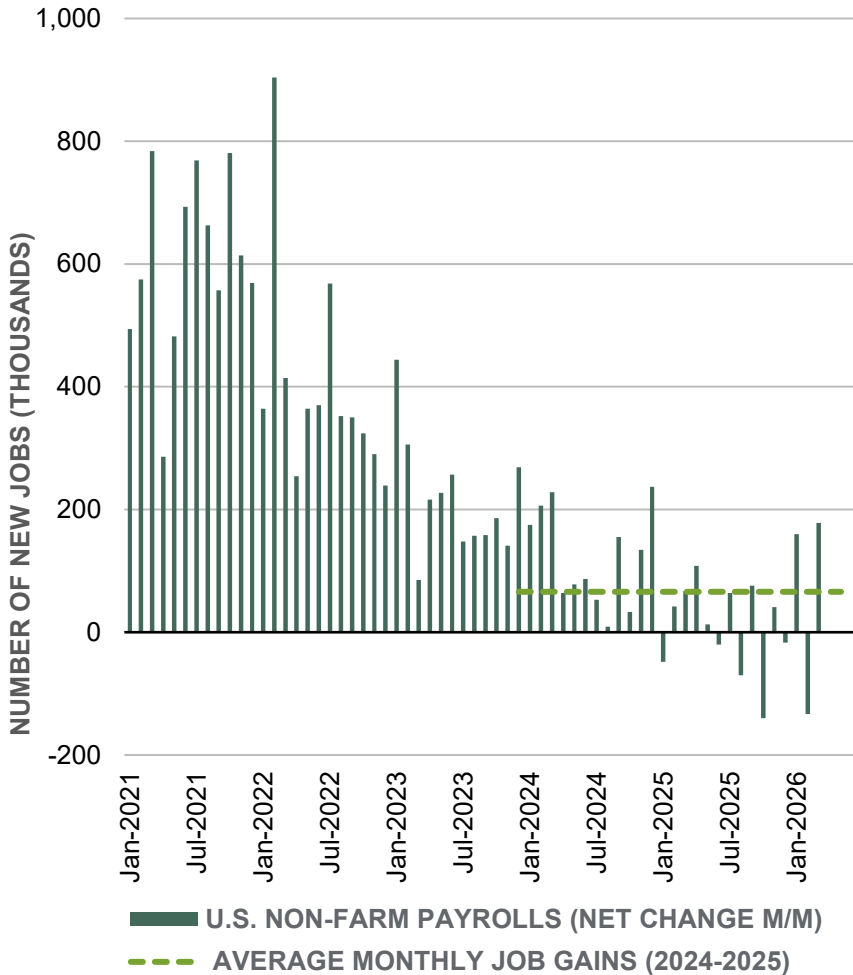
- Market returns have continued to be more broad-based.
- Despite the uncertainty, the outlook for corporate profits remains positive.

ECONOMIC GROWTH MAY BE WEAKER IN THE SHORT RUN



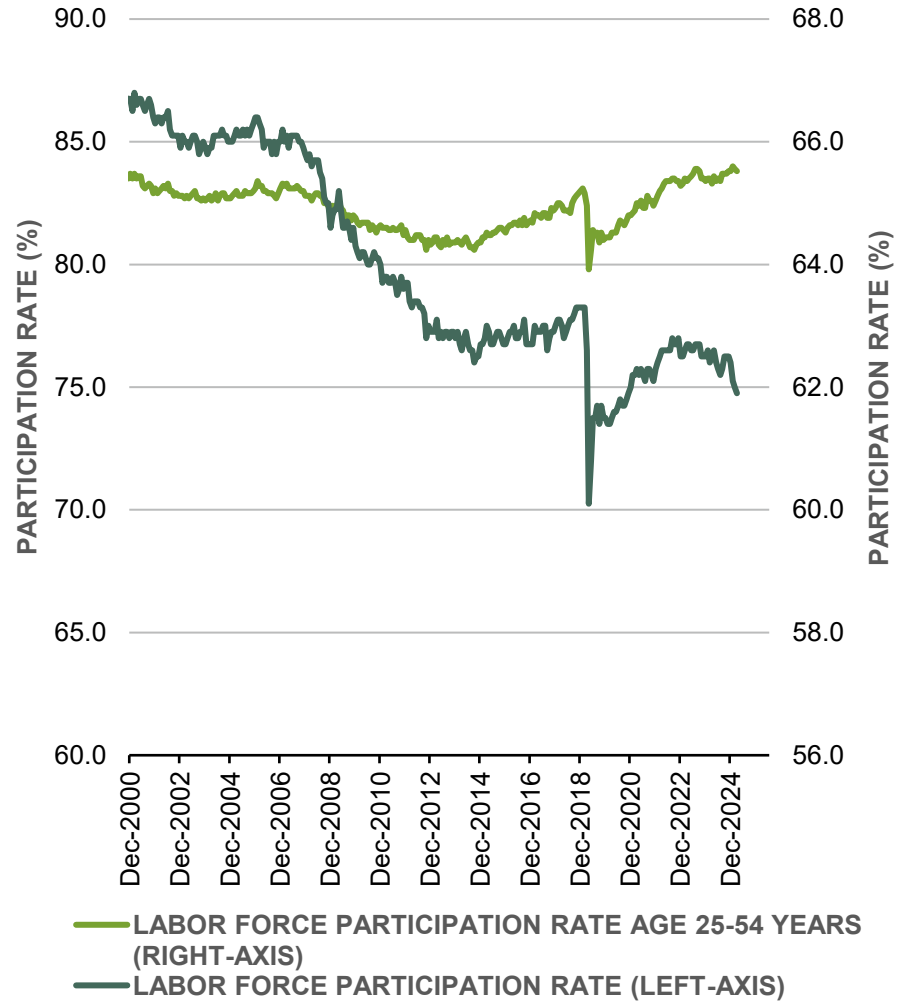
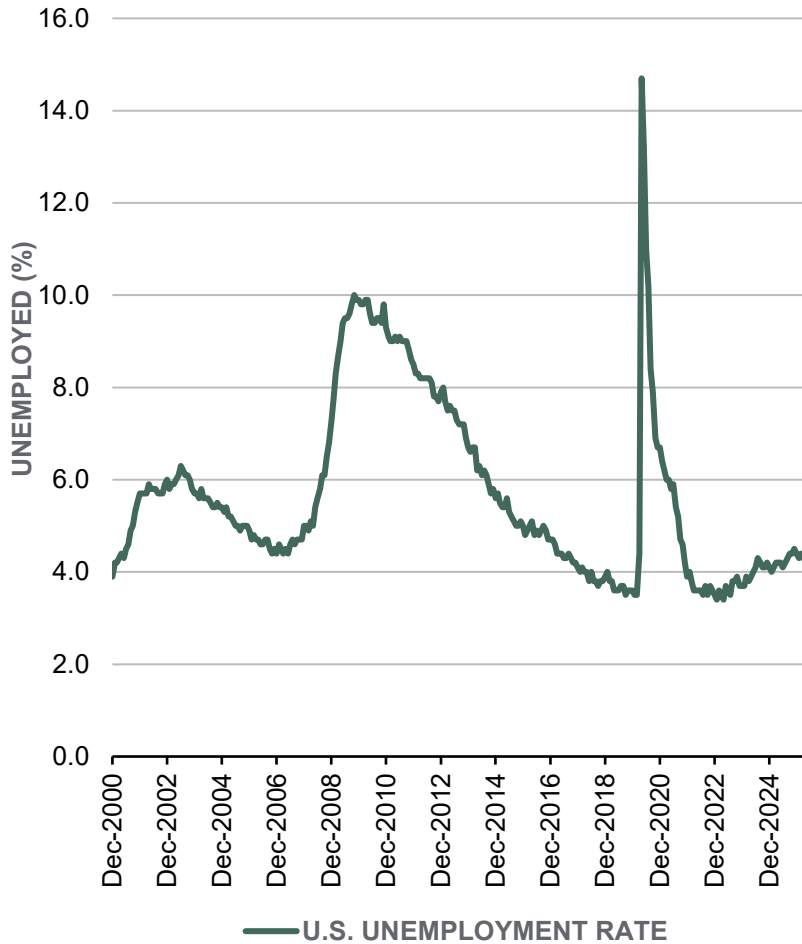
Source: Godsey & Gibb Research, Bloomberg, Strategas

THE LABOR MARKET REMAINS STEADY



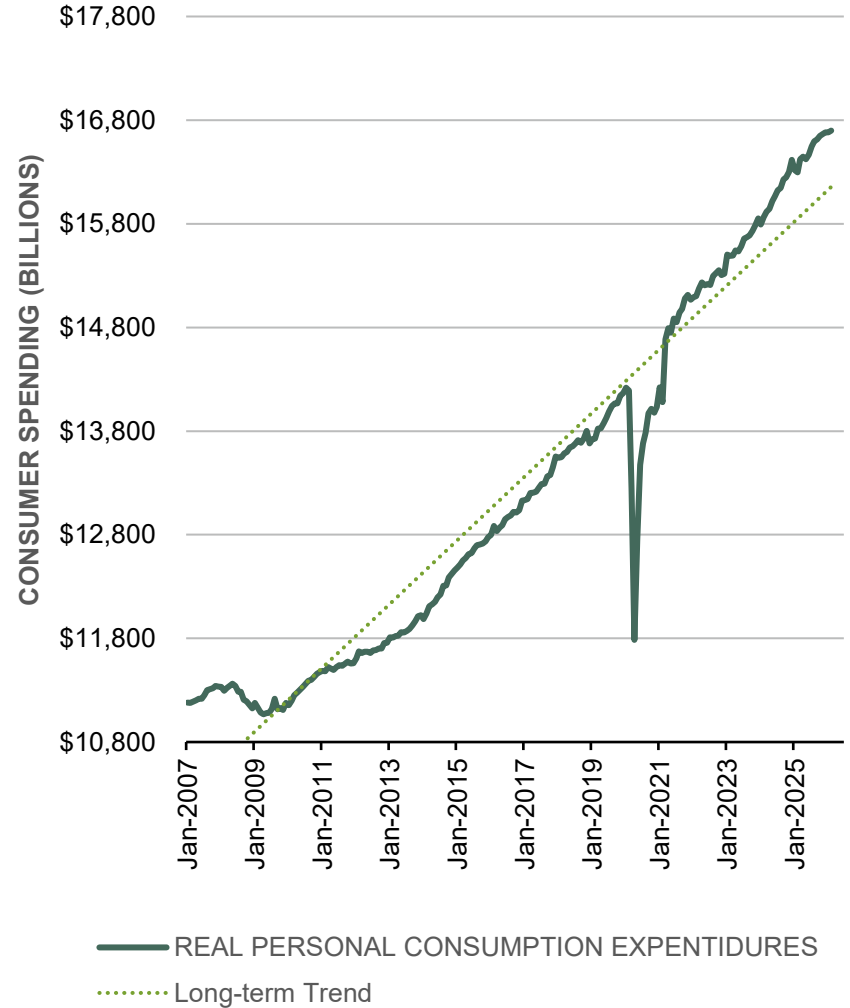
Source: Godsey & Gibb Research, Bloomberg

A HEALTHY LABOR MARKET IS CRITICAL TO CONSUMER ACTIVITY

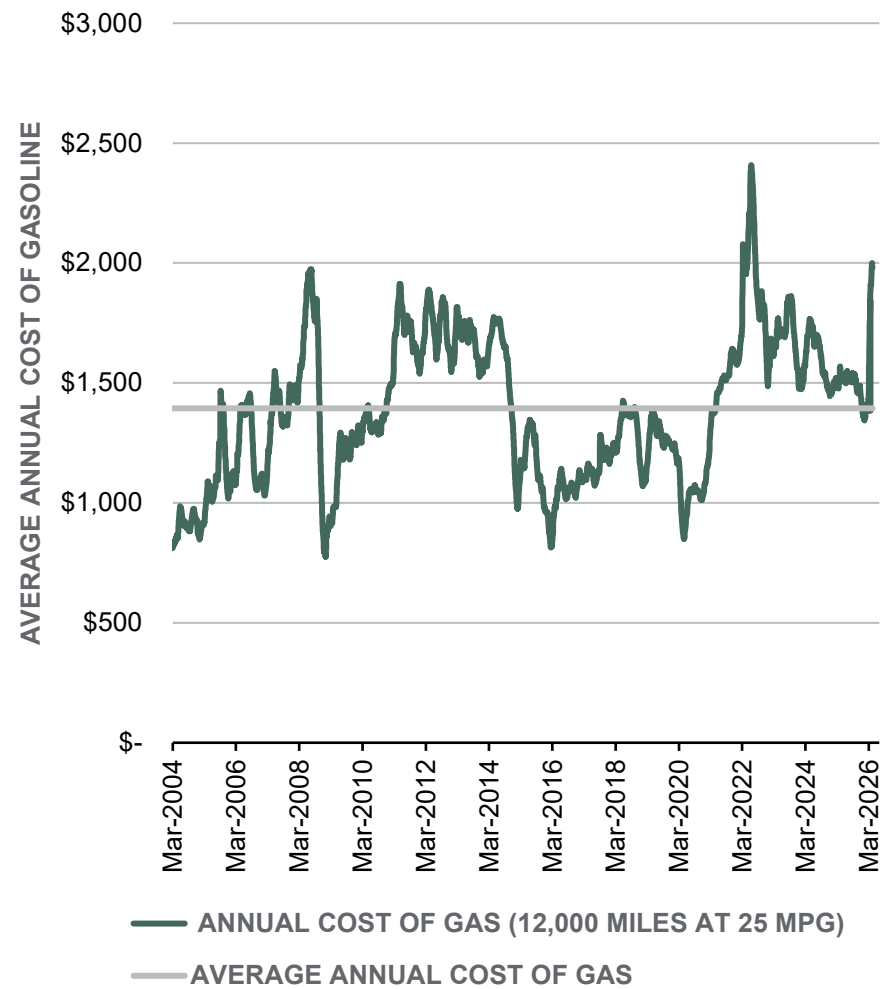


Source: Godsey & Gibb Research, Bloomberg, Atlanta Federal Reserve Bank

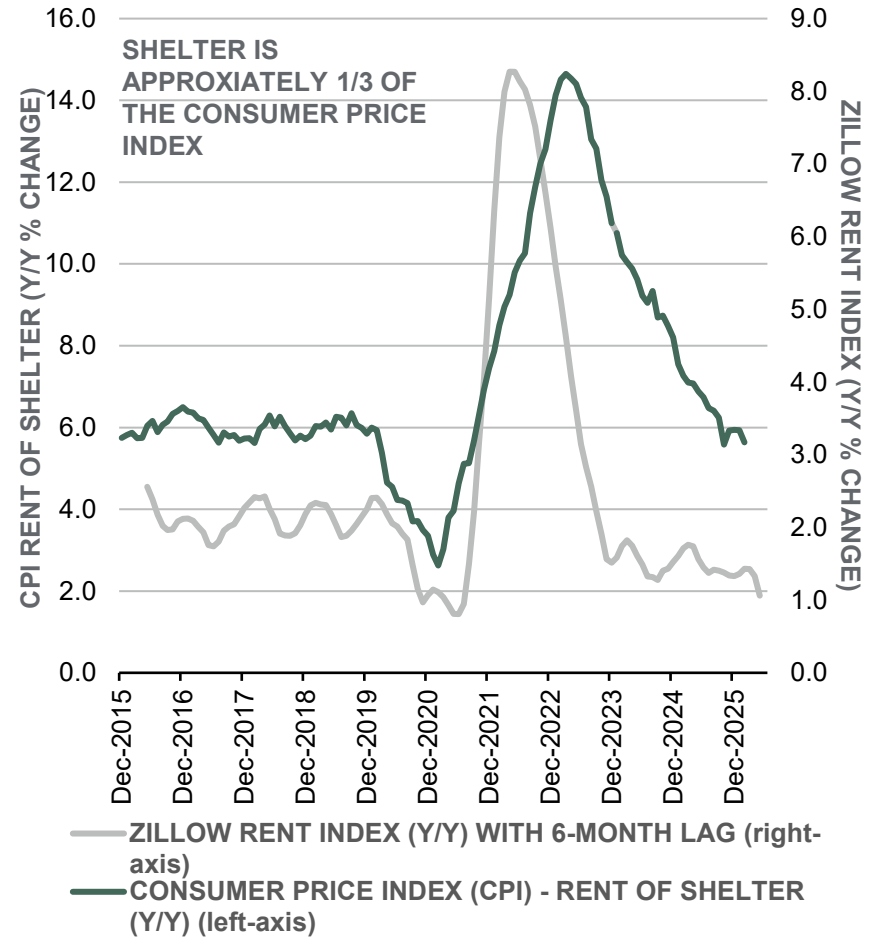
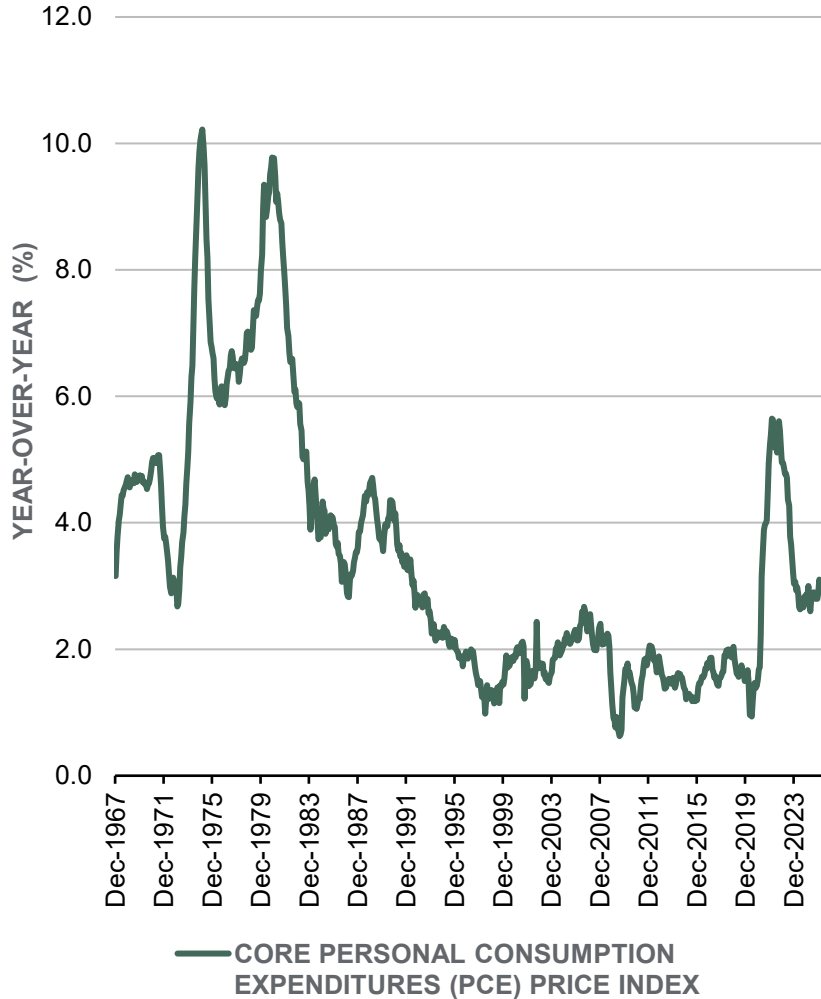
CONSUMERS CONFIDENCE IS CHALLENGED BUT SPENDING IS SOLID



HIGH ENERGY PRICES MAY IMPACT GROWTH AND INFLATION NEAR TERM

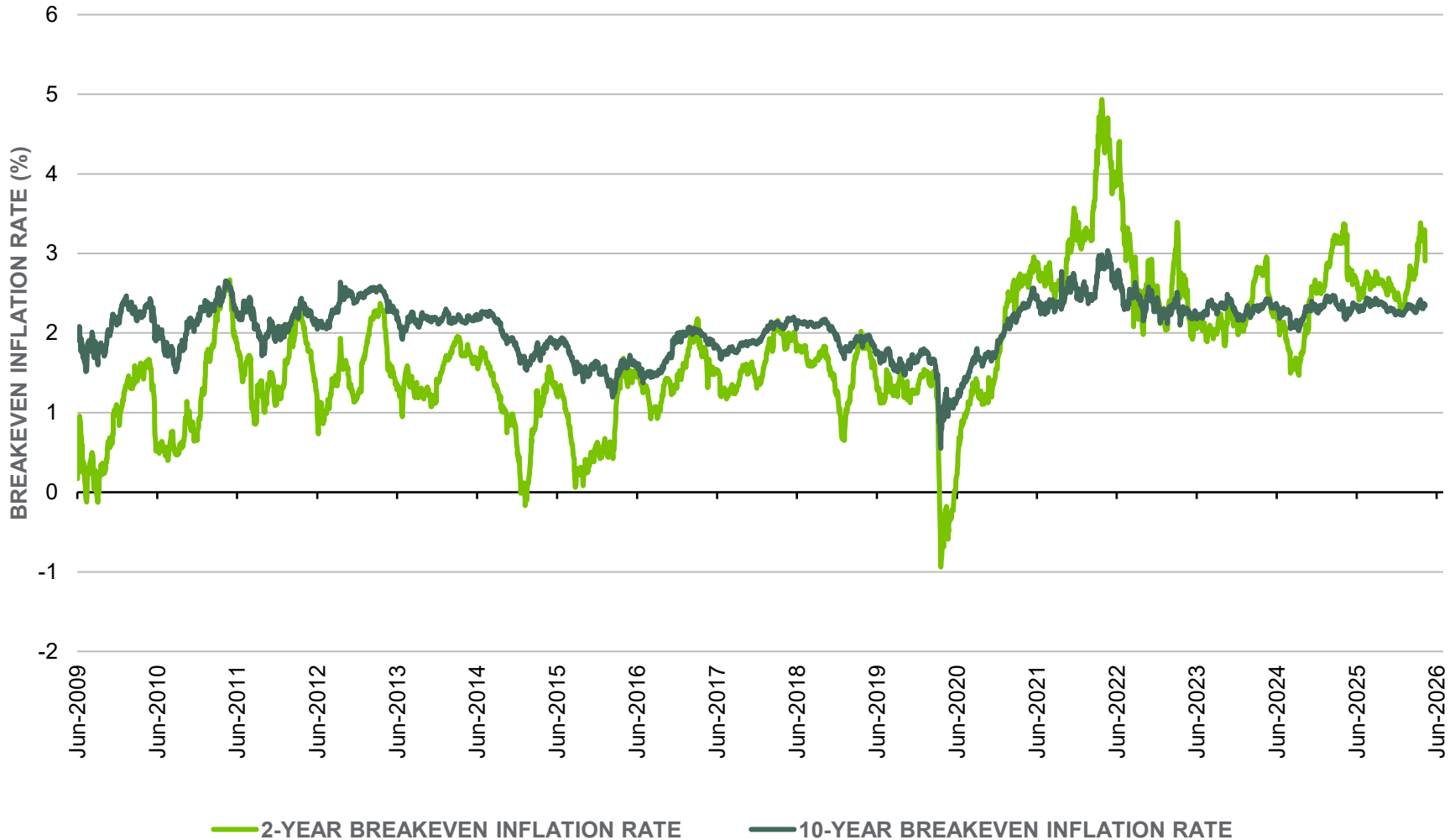


LONGER-TERM INFLATION MAY RESUME THE TREND LOWER

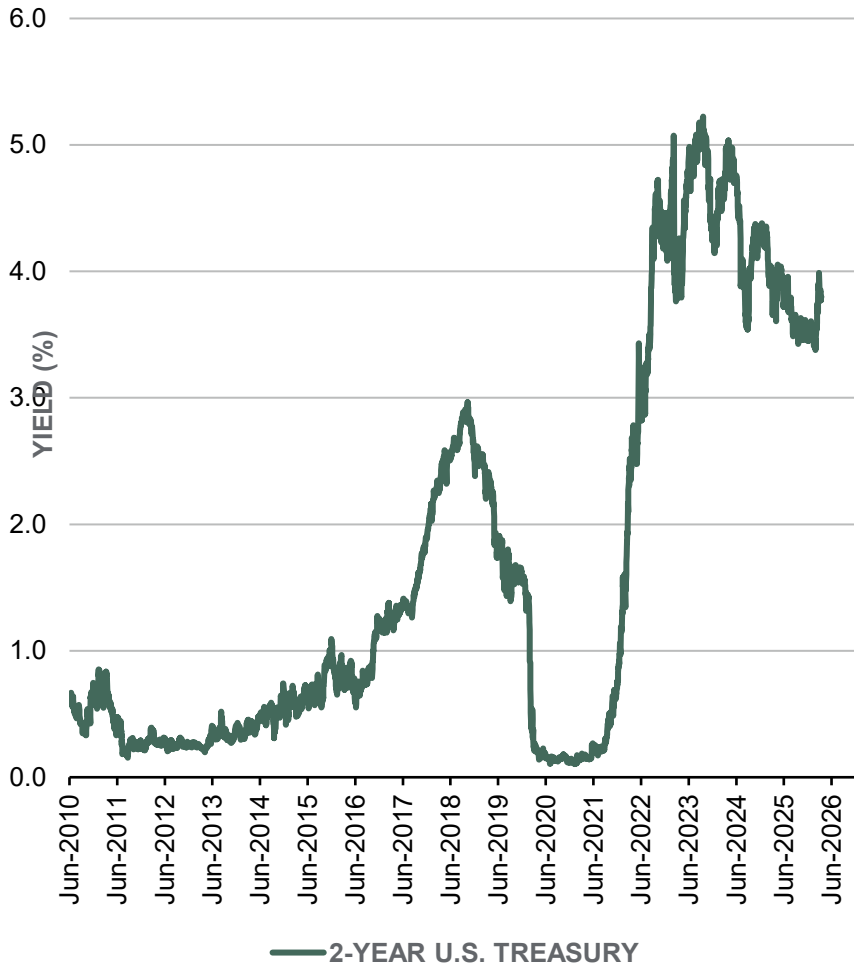


Source: Strategas Research Partners, Bloomberg, Zillow

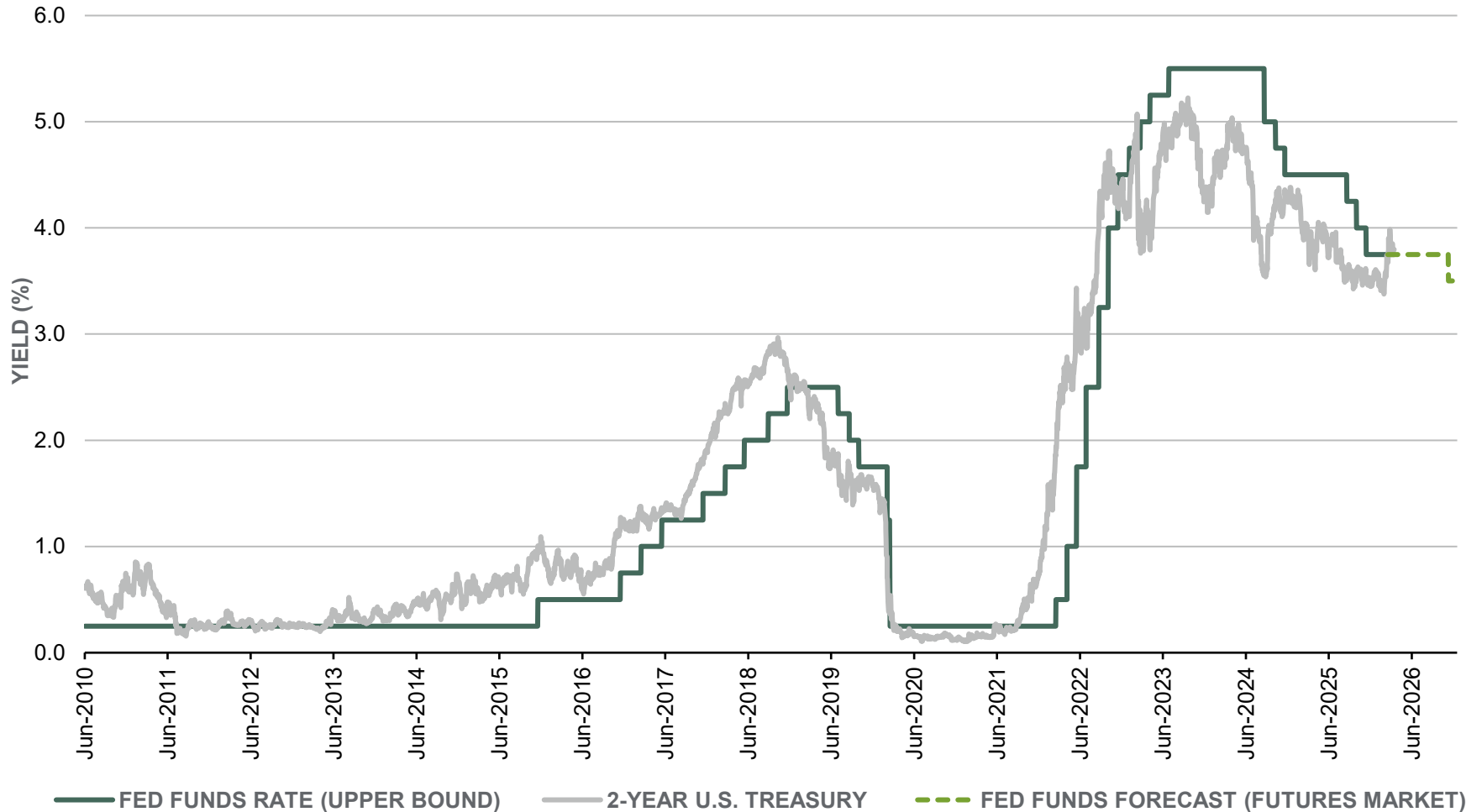
DESPITE THE INFLATION CONCERNS LONG-TERM EXPECTATIONS ARE ANCHORED



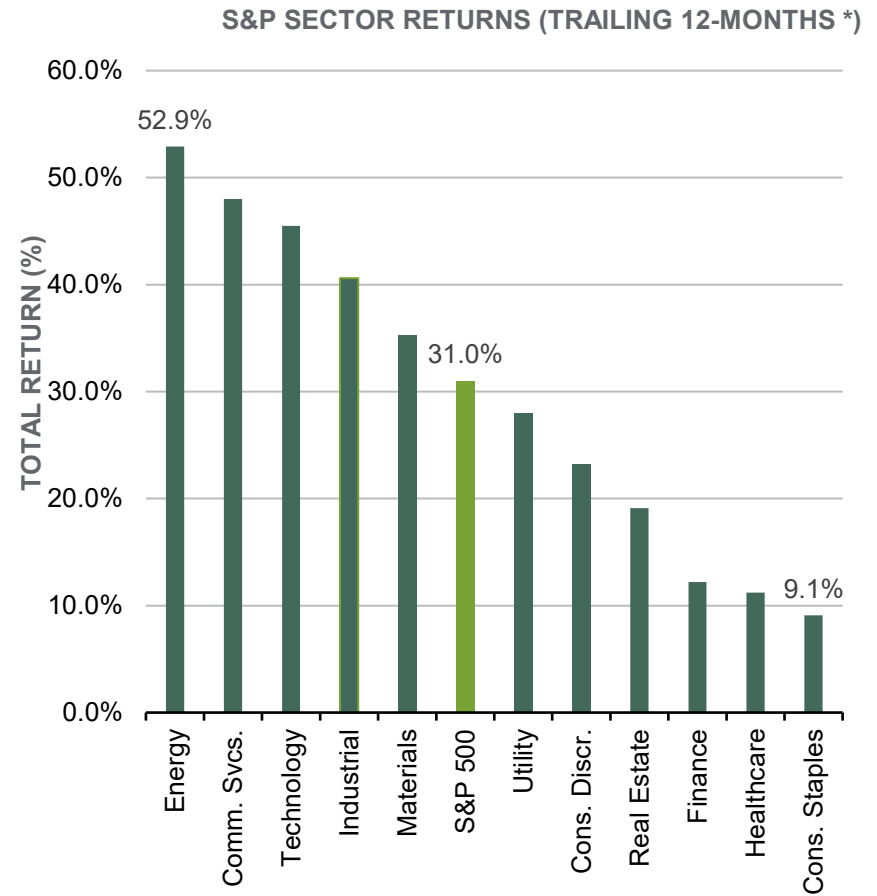
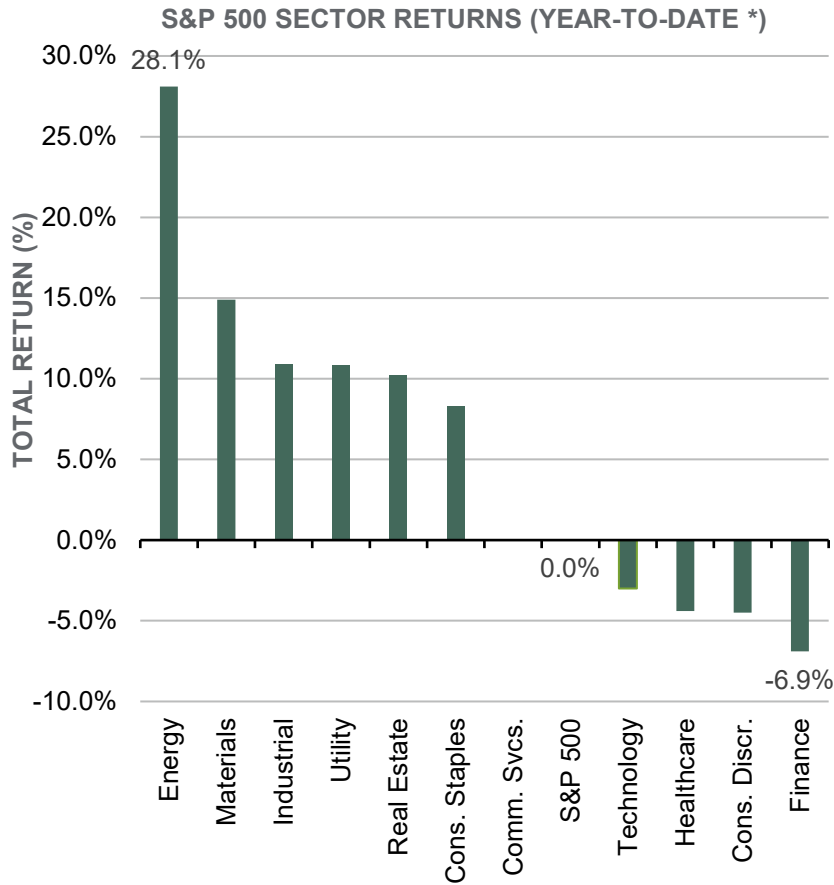
INTEREST RATES HAVE BEEN MOVING HIGHER



THE FED'S DUAL MANDATE SHOULD KEEP THEM ON HOLD

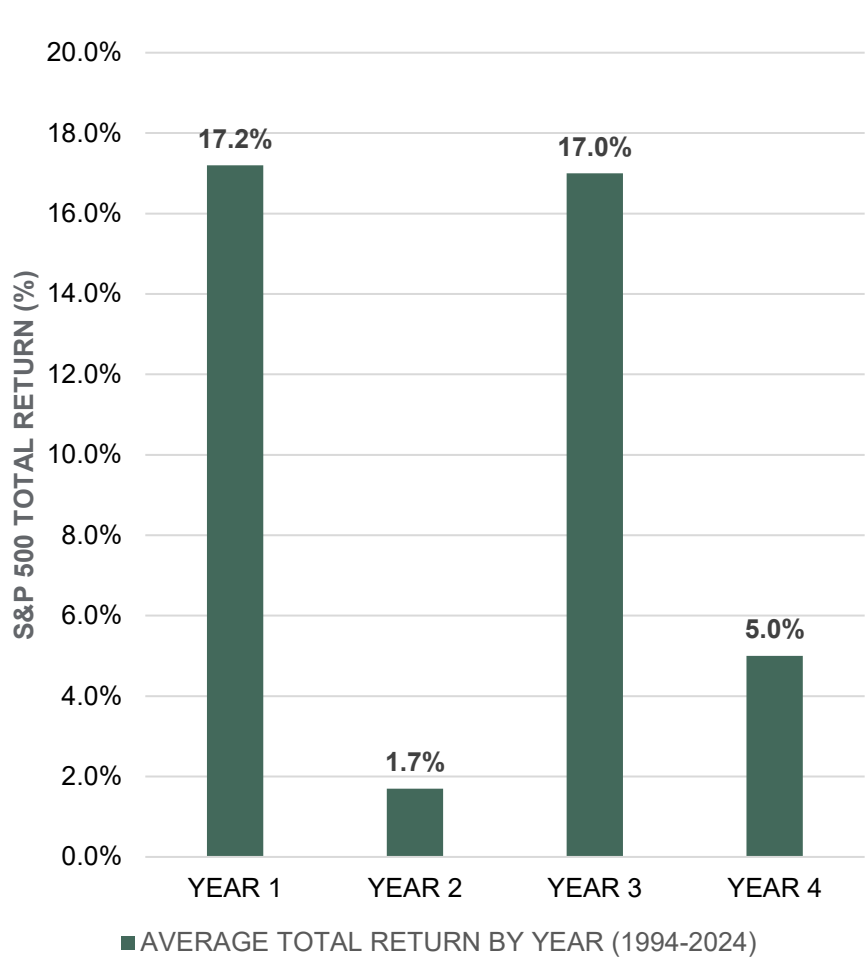


SECTOR RETURNS ARE MORE BROAD-BASED

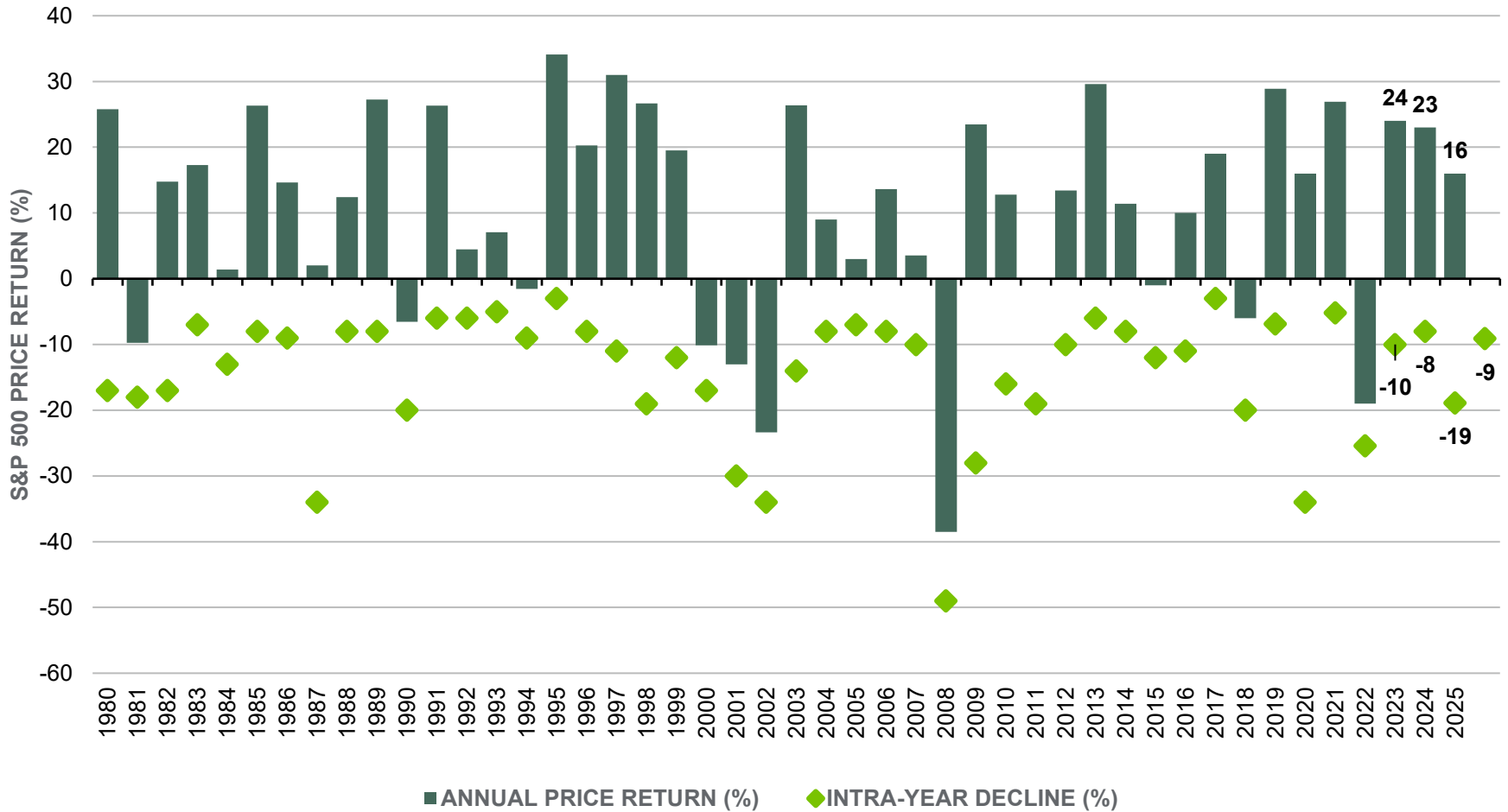


*Returns as of : April 10, 2026

MARKET VOLATILITY AND RETURNS ARE IMPACTED THE ELECTION CYCLE



HIGHER MARKET VOLATILITY DOES NOT MEAN NEGATIVE RETURNS



THE DEATH OF THE DOLLAR IS OVERSTATED





Questions

Please reach out to your advisor if you have any questions or would like additional information.