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ICCCFO Spring Conference

Navigating Turbulent Markets in an Election Year

The Election Nobody Wants

Two Men Seeking a Second Term

No Ground Swell of Support for Either Candidate

- Could End in a 269-269 tie?
- Results will Possibly be Disputed

Candidates' Ages are a Factor

- Are there no 70 yr.-old whippersnappers available to run?

Control of Congress is Up-for-Grabs

- Not a Two-Party but a Four-Party System

Markets Currently

As of April 15, 2024

Dow – 37,735.11

S&P 500 – 5,061.82

NASDAQ – 15,885.02

3-month SOFR – 5.31%

Fed Funds Rate – 5.25% LB –
5.50% UB

2-year Treasury Note yield –
4.93%

10-year Treasury Note yield –
4.63%

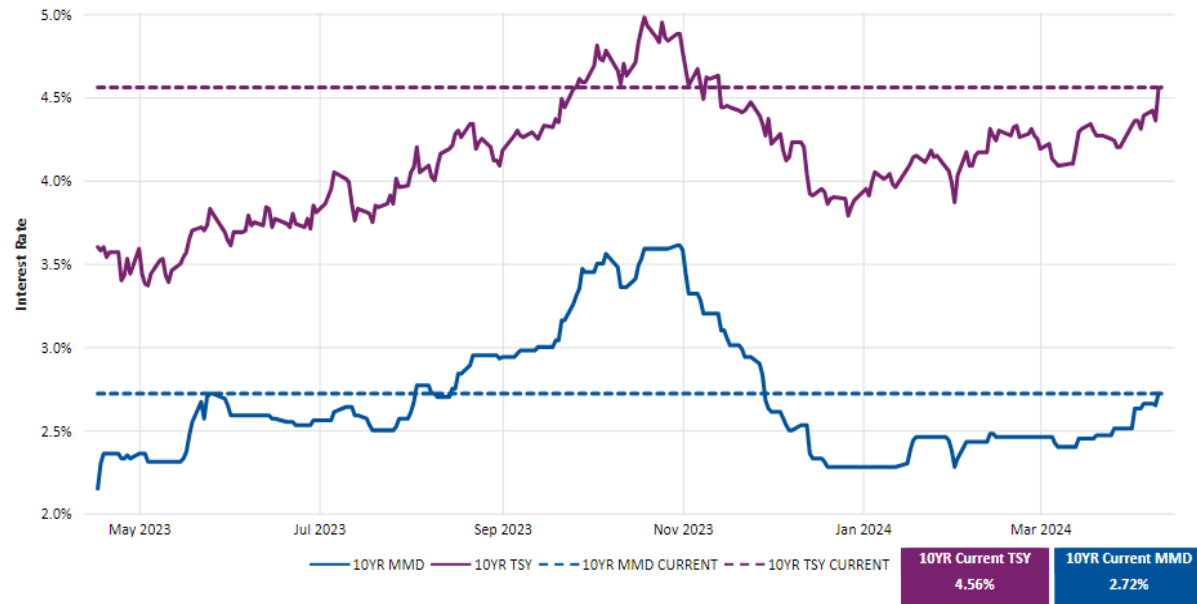
•2s/10s (yield curve slope): -30 bps
(normal +100 bps)

30-year Treasury bond 4.74%

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Tax-Exempt vs. U.S. Treasury Interest Rates

YEAR	MMD							TSY						
	Current Rate	Weekly Chg	Monthly Chg	Annual Chg	1-Year Low	1-Year Avg	1-Year High	Current Rate	Weekly Chg	Monthly Chg	Annual Chg	1-Year Low	1-Year Avg	1-Year High
2	3.15%	0.04%	0.44%	0.92%	2.18%	2.96%	3.70%	4.93%	0.28%	0.42%	0.90%	3.75%	4.64%	5.19%
5	2.75%	0.07%	0.35%	0.69%	2.03%	2.68%	3.51%	4.61%	0.31%	0.53%	1.07%	3.29%	4.17%	4.95%
10	2.72%	0.09%	0.32%	0.62%	2.08%	2.68%	3.61%	4.56%	0.25%	0.46%	1.13%	3.37%	4.12%	4.98%
20	3.54%	0.08%	0.29%	0.58%	2.94%	3.46%	4.33%	4.77%	0.20%	0.41%	1.02%	3.75%	4.42%	5.30%
30	3.86%	0.08%	0.29%	0.68%	3.16%	3.72%	4.57%	4.65%	0.18%	0.39%	1.03%	3.64%	4.27%	5.11%



Source: Refinitiv & US Department of the Treasury Website as of April 11, 2024

Inflation

Fed's
Preferred
Inflation
Measure

Personal Consumption
Core Deflator YoY

- Not the CPI

Fed's
Target
Is 2.0%

Past three years

- 3.6% in 2021
- 5.2% in 2022
- 4.1% in 2023

Forecasts:

- 2.5% in 2024
- 2.2% in 2025
- 2.1% in 2026

Economic Activity

GDP

Fed's Preferred Target Range is 2.5%-to-3.5%

- 1.9% in 2022
- 2.5% in 2023
- 2.2% in 2024
 - Q1-3.0% / Q2-2.8% / Q3-1.9% / Q4-1.4%
- 1.7% in 2025 / 2.0% in 2026

Atlanta Fed GDP Now (1 Q 2024)

- 2.5% (as of 4/5)

New York Fed Nowcast (1 Q 2024)

- 2.25% (as of 4/5)

Blue Chip Consensus Forecast (1 Q 2024)

- 2.0% (end of March)

Policy Comparison Table

President Trump 2016-2020	President Biden 2020-2024
Economic Policies	
Tax Cuts & Job Cuts	American Rescue Plan Act (2021)
Trade Executive Actions (China Trade War) – (2017-2020)	Infrastructure Investment & Jobs Acts (2021)
Economic Growth, Regulatory Relief, and Consumer Protection Act (2018)	CHIPS & Science Act (2022)
Agriculture Improvement Act (2018)	The Inflation Reduction Act (2023)
Covid Relief Programs – Care Acts (2020)	Student Loan Relief Programs (2023)
NAFTA replaced by USMCA (2020)	

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Foreign Policy	
US-Mexico Border Wall Construction (2017-2020)	Rejoined the Paris Climate Agreement (2021)
Withdrawal from Paris Climate Agreement (2017)	Withdrawal of Afghanistan (2021)
Immigration Reform & Travel Bans (2017)	Continued Trump Era Tariffs on China (2021-2024)
North Korea Summit (2018)	Russia-Ukraine War Response (2021-2024)
Withdrawal of Iran Nuclear Deal (2018)	China Bilateral Diplomacy Summit (2023)
China Trade War (2017-2019)	Israel-Hamas War Response (2023-2024)

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Sources

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