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
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%
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

Source: Bloomberg & BEA
Economic Activity

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 (1Q 2024)
- 2.5% (as of 4/5)

New York Fed Nowcast (1Q 2024)
- 2.25% (as of 4/5)

Blue Chip Consensus Forecast (1Q 2024)
- 2.0% (end of March)
<table>
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<tr>
<th>Economic Policies</th>
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<tr>
<td>Tax Cuts &amp; Job Cuts</td>
<td>American Rescue Plan Act (2021)</td>
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<td>Agriculture Improvement Act (2018)</td>
<td>The Inflation Reduction Act (2023)</td>
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<td>Covid Relief Programs – Care Acts (2020)</td>
<td>Student Loan Relief Programs (2023)</td>
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<td>NAFTA replaced by USMCA (2020)</td>
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## Policy Comparison Table

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<th>President Trump 2016-2020</th>
<th>President Biden 2020-2024</th>
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<td><strong>Foreign Policy</strong></td>
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<td>Immigration Reform &amp; Travel Bans (2017)</td>
<td>Continued Trump Era Tariffs on China (2021-2024)</td>
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<td>Withdrawal of Iran Nuclear Deal (2018)</td>
<td>China Bilateral Diplomacy Summit (2023)</td>
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Disclaimers

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Past performance is not a guarantee of future results.

Robert W. Baird & Co., Inc. Member SIPC
## Sources

- Bloomberg
- Bloomberg Barclays Indices
- Bureau of Economic Analysis
- Bureau of Labor Statistics
- Business Insider
- U.S. Census Bureau
- CreditSights
- Department of Labor
- Federal Reserve Bank
- KBRA
- S&P
- SIFMA
- Strategas