Economic Outlook:
Aggressive Fiscal Policy Agenda Likely to Result in Slower Near-Term Growth and Persistently Elevated Inflation

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STIFEL

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The Drivers of the 2025 Outlook

- Consumer
- Inflation
- Policy Decisions

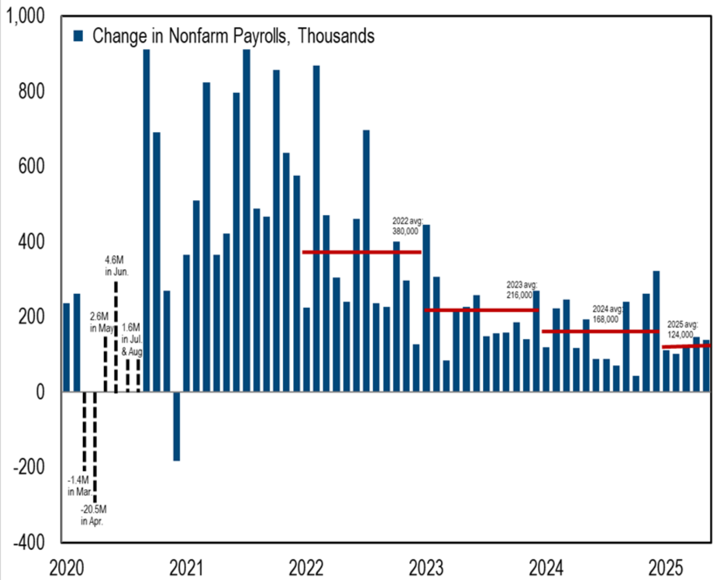
Labor Market Conditions Cooling but Still Solid

The U.S. economy remains on relatively solid footing as the consumer is still proving relatively resilient thanks to decent gains in the labor market

Nonfarm payrolls rose by **139k** in May, more than expected albeit a two-month low; the three-month average remains solid at **135k**

Job creation averaged **168k** in 2024, down from 216k in 2023

For the full year of 2024, U.S. employers added **2M** jobs, a solid level of job creation, albeit down from the **2.6M** jobs added in 2023, the **4.6M** jobs added in 2022 and the **7.2M** jobs added in 2021 following the pandemic plunge of 9.2M in 2020, the largest decline on record, and more than the combined decline in 2008 and 2009



Source: Bureau of Labor Statistics/Haver Analytics

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4.2% U.S., 1.8% South Dakota Unemployment Rate, Below Full-Employment Range

The unemployment rate has risen from earlier lows, although **labor demand continues to outpace labor supply**

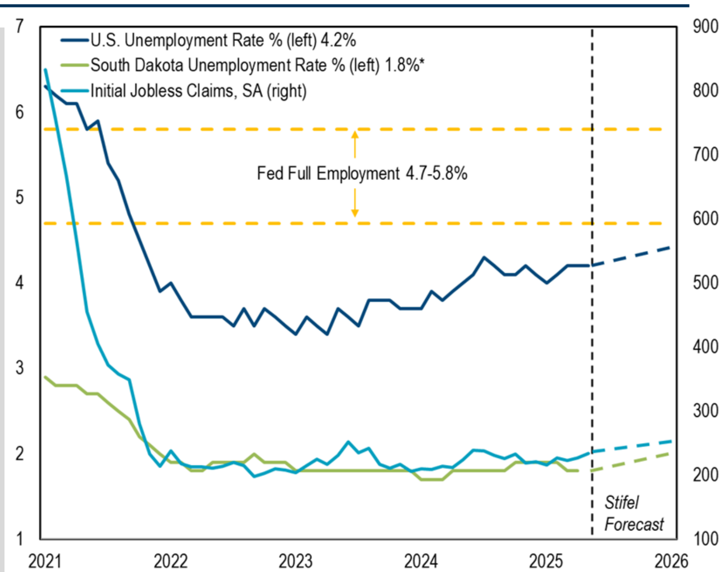
The unemployment rate rose one tenth of a percentage point to **4.2%** in May for a third consecutive month, still well below the Fed's full employment range

The unemployment rate in South Dakota remained steady at **1.8%** in April for the second consecutive month

The unemployment rate is likely to rise to 4.5% by year-end reflecting reduced activity and immigration and an increased reliance on AI

In August, the 57bp increase in the three-month average of the unemployment rate from the cycle low triggered the Sahm Rule**; yet, we are no longer in the trigger range and this rule has never been tested with 7.4M job vacancies

Claims rose to 249k (Jul. 27) before falling to 205k (Jan 3) and then rising to 247k (May 31), still within the 187k to 261k range established since the start of 2022



Source: Bureau of Labor Statistics/Department of Labor *South Dakota Data as of April 2025

**The Sahm Rule is a recession indicator that uses unemployment data to signal the start of a recession. The rule is triggered when the three-month moving average of the unemployment rate increases by 0.5 percentage points or more.

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Average Hourly Earnings Still Positive

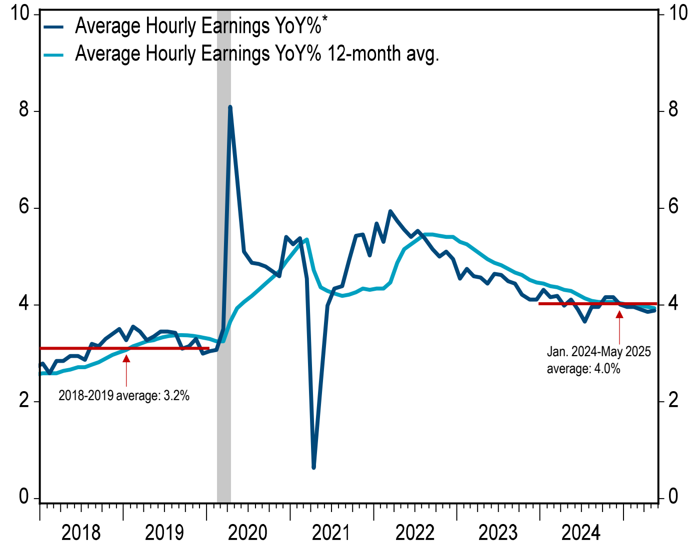
Somewhat of an ongoing disconnect between labor demand and labor supply, continuing to put upward pressure on wages

Although the trend appears to be moderating as businesses struggle to absorb costs

Average hourly earnings rose **0.4%** in May, double the gain in April

Year-over-year, wages rose **3.9%** in May, as they have since the start of the year

Wages tend to remain sticky for some time



Source: Bureau of Labor Statistics/Haver Analytics

*Does not include government assistance

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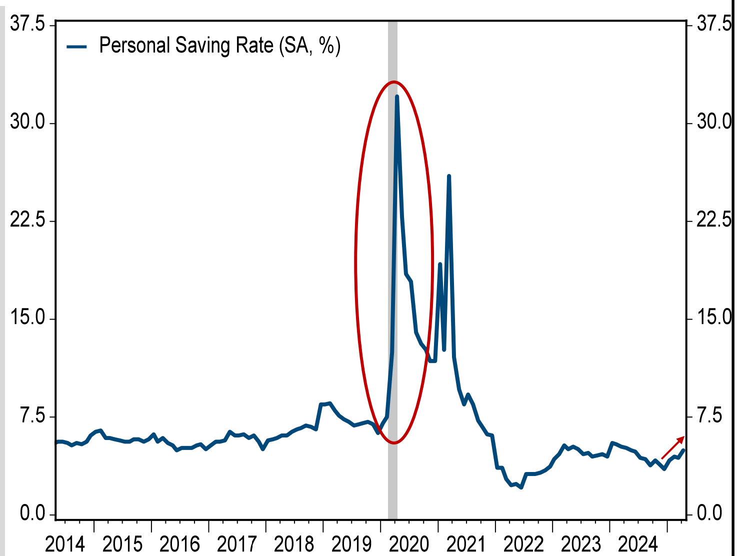
Trillions in Accumulated Savings Depleted

Expansionary fiscal policy led to a massive accumulation of wealth with the savings rate hitting a high of **32%** in 2020

The savings rate is still below the pre-pandemic average, but is starting to tick up, rising to **4.9% ($1.1T), a one-year high,** as consumers are boosting savings amid mounting economic uncertainty

Savings won't support consumers indefinitely



Source: Bureau of Economic Analysis/Haver Analytics

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$1.2 Trillion in Credit Card Debt

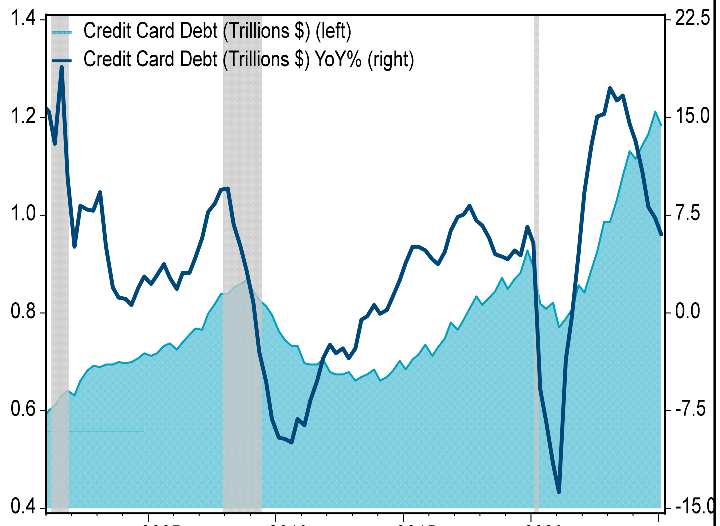
Aside from income and savings, consumers are turning to alternatives: *"buy now pay later"* loans, household wealth transfers, 401ks, and of course credit cards

According to the New York Fed's Quarterly Report on Household Debt and Credit, credit card debt remains elevated at **$1.2T** in Q1, up **6.0%** from this time last year

Relying on credit cards is not sustainable with the average annual percentage rate now over **21%**, still near the highest on record

According to a Lending Tree Survey, **25%** of BNPL users are funding grocery purchases with the loans

4.8% of 401(k) account holders took early withdrawals in 2024 due to financial emergencies, a record high and up from the pre-pandemic average of about 2%

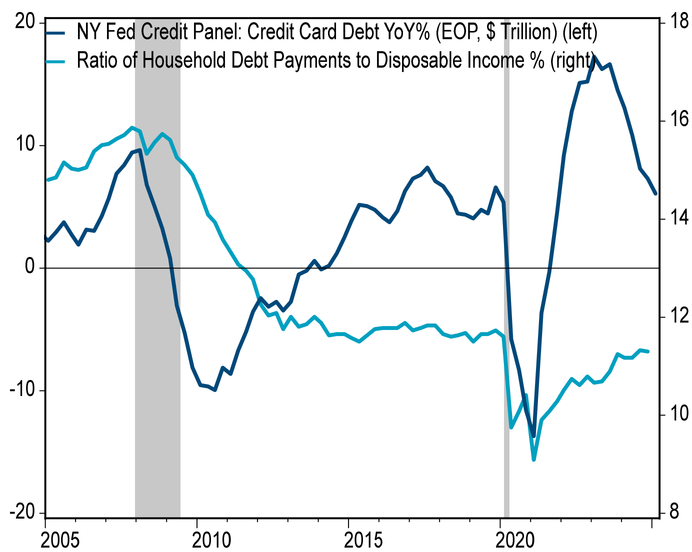


Source: FRBNY Consumer Credit Panel/Equifax/Haver Analytics

Debt as a Percent of Income Still Near Record Low

Most households are better positioned to take on at least some additional debt burden

Debt as a percent of disposable income remained at **11.3%** in Q4, near the lowest on record



Sources: FRBNY/Haver Analytics

Retail Sales Volatile With Broader Momentum Modest but Positive

Amid rising delinquency rates, higher nominal debt, along with elevated inflation and rates, consumers are cutting back as the balance sheet is becoming increasingly fragile

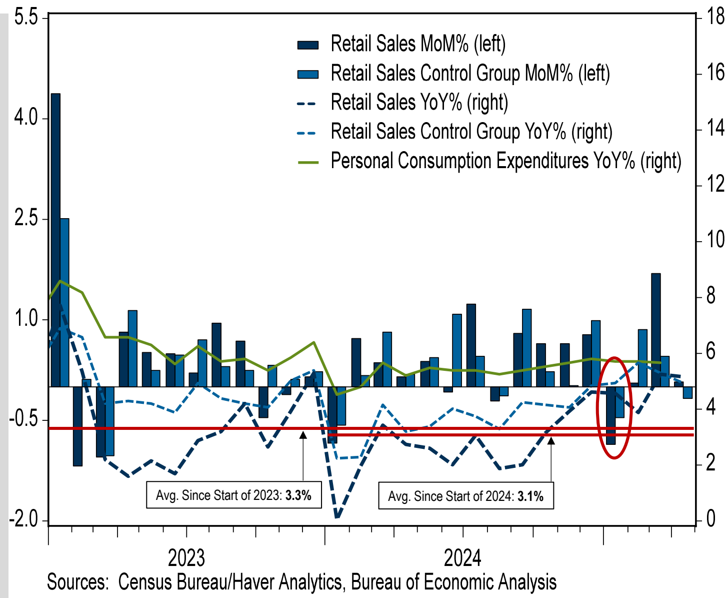
Change in spending patterns, change in preferences, and binge spending

Sales rose **0.1%** in April, marking a slowdown from an upwardly revised 1.7% jump in March

Year-over-year, retail sales rose **5.2%** in April, a two-month low

Control group sales unexpectedly fell 0.2% in April and increased **4.9%** year-over-year, the smallest annual increase in three months

Personal consumption expenditures rose **0.2%** in April and rose **5.4%** year-over-year, a two-month low



Sources: Census Bureau/Haver Analytics, Bureau of Economic Analysis

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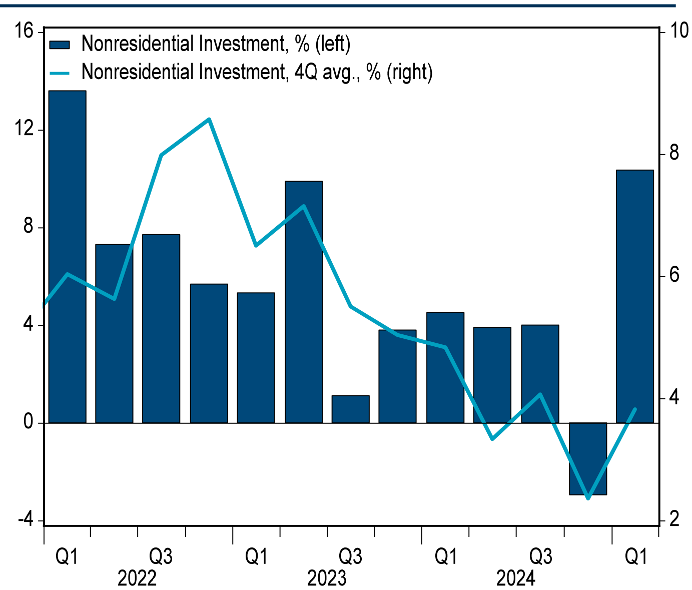
Waning Business Investment

Businesses will continue to struggle under the weight of higher prices, elevated costs of parts, materials, rents, and labor, along with a limited ability to pass on rising costs without the risk of losing market share

Nonresidential investment jumped **10.3%** in Q1, the largest gain since Q2 2023, due to a 24.8% rise in equipment investment as businesses purchased aircrafts and computers ahead of planned levies

The rise in Q1 follows a **3.0%** drop in Q4, the first quarterly decline since Q3 **2021**

Downard trend likely to continue as reduced profit expectations lead to *some* credit quality problems



Source: Bureau of Economic Analysis/Haver Analytics

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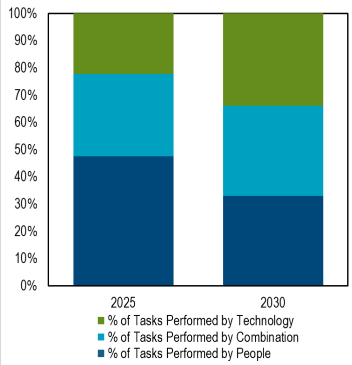
Impact of Artificial Intelligence (AI) on Labor Market

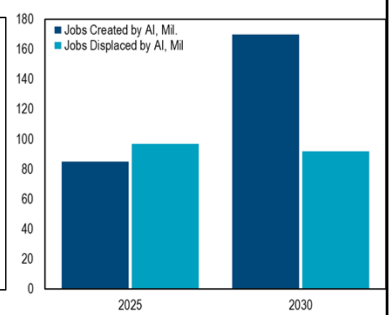
Some corporations have already announced hiring freezes, cut down on investment or turned to AI for cost reductions

50% of businesses in the U.S. say they have already adjusted their staff based on the adoption of AI with **80%** reporting plans to over the coming 12-18 months

AI could also result in ample job destruction and/or displacements, potentially resulting in a net loss of **12M** jobs this year alone with potentially **34%** of the current tasks in the labor market becoming automated by 2030



Source: World Economic Forum



Source: World Economic Forum

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Housing Affordability Remains Low as Mortgage Rates Remain Elevated

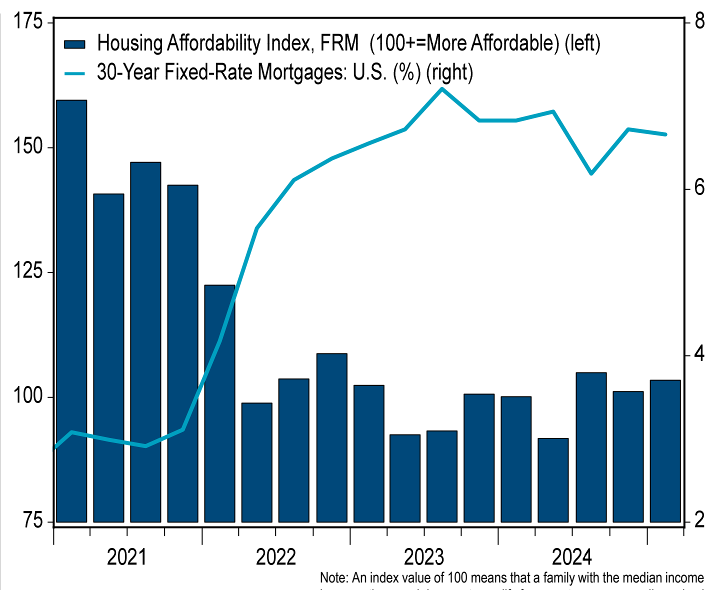
Higher interest rates have also wreaked havoc on the housing market

According to RedFin, more than 86% of homeowners have a mortgage rate below 6%, while 76% of homeowners have a rate below 5% and 57% have rate below 4%, resulting in a lock-in-effect

Housing affordability rose to 103.2 in Q1, averaging 98.8 in 2024 following a 97.6 average in 2023, the lowest since the mid-80s

The 30-year mortgage rate rose from **4.50%** to a high of **7.90%** as the Fed initiated rate ***hikes***

Amid the first-round ***cut***, the 30-year mortgage rate fell to **6.13%** in the week ending September 20, down 177bps from the earlier peak, but have since moved higher to **6.92%**



Sources: NAR, FHLMC/Haver

Note: An index value of 100 means that a family with the median income has exactly enough income to qualify for a mortgage on a median-priced home. The calculation assumes a 20% down payment.

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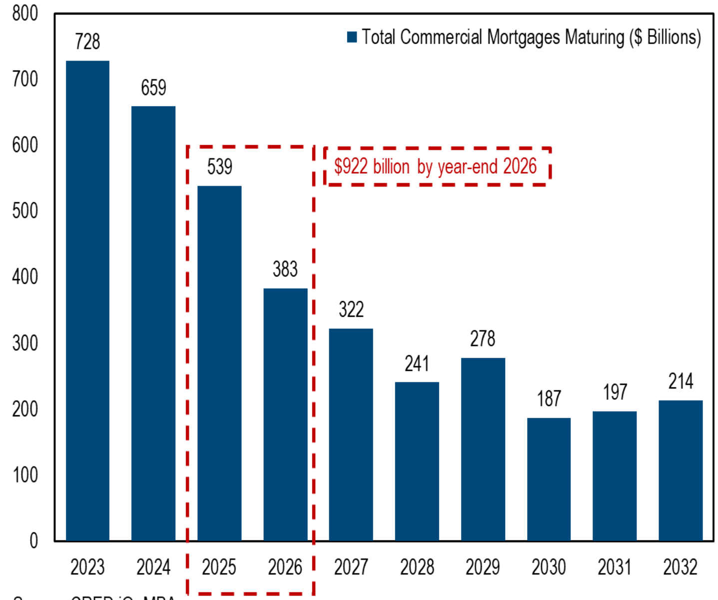
Trillions in Commercial Loans Set to Reset at Higher LTVs

Even with little reprieve in home prices with rates higher for longer, the biggest risk to the outlook stems from the commercial market, as elevated costs undermine affordability and valuations for investors

The risk failed to materialize in 2024, but remains for 2025

By the end of 2026, nearly **$1T** in commercial loans are slated to mature and will need to be reset at higher rates



Source: CRED iQ, MBA

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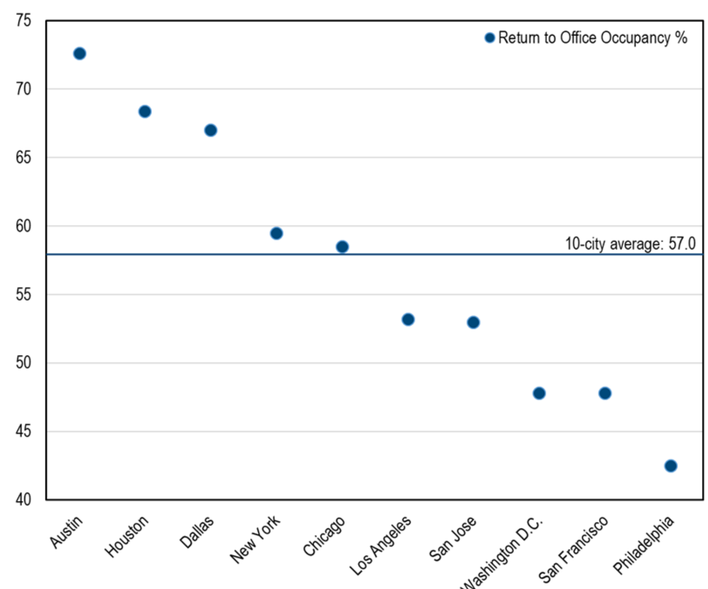
Return to Office Rates Complicate Commercial Real Estate Market Outlook

For the commercial market, as the work-from-anywhere environment has been wholly adopted, a change in structural preferences has resulted in a significant relocation of populations

For the downtown urban centers still experiencing anywhere from a **40-70%** return to office rate, the population support will be more difficult to recapture

According to real estate data firm Trepp, the U.S. office delinquency rate increased to **11.01%**, the highest since tracking began in 2000

Other areas, however, experiencing population booms will need further investment in commercial space to support the emerging growth and demand in everything from shopping centers to office spaces or alternative spaces for work, grocery stores and everything in between



Source: Kastle

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Higher Rates Likely to Weigh on Nominal Growth (While Avoiding Recession?)

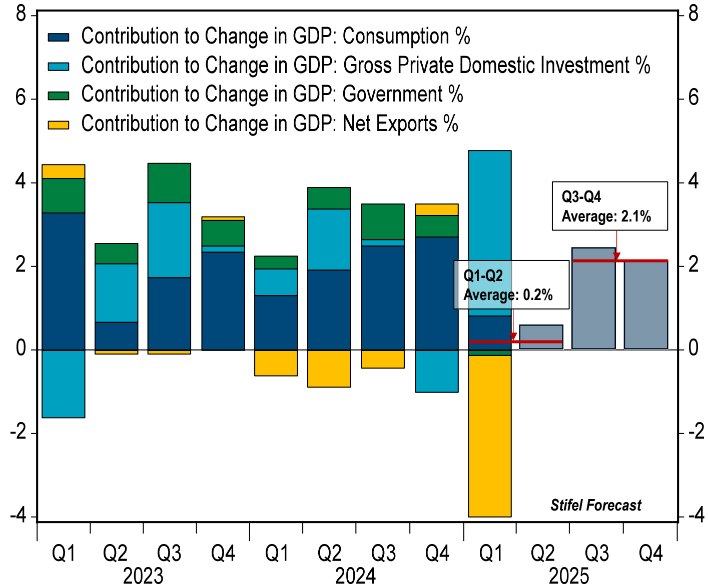
Given the challenges, growth is likely to growth slow in the first half of the year

GDP contracted for the first time in three years, falling **0.2%** in Q1

Excluding trade and inventories, final sales to domestic purchasers rose **2.0%**

The Fed revised its GDP forecast down from 2.1% to **1.7%** in 2025 with growth expected to rise **1.8%** in 2026 (revised down from 2.0%) and **1.8%** (revised down from 1.9%) in 2027

The risk of recession still real for 2025



Source: Bureau of Economic Analysis/Haver Analytics

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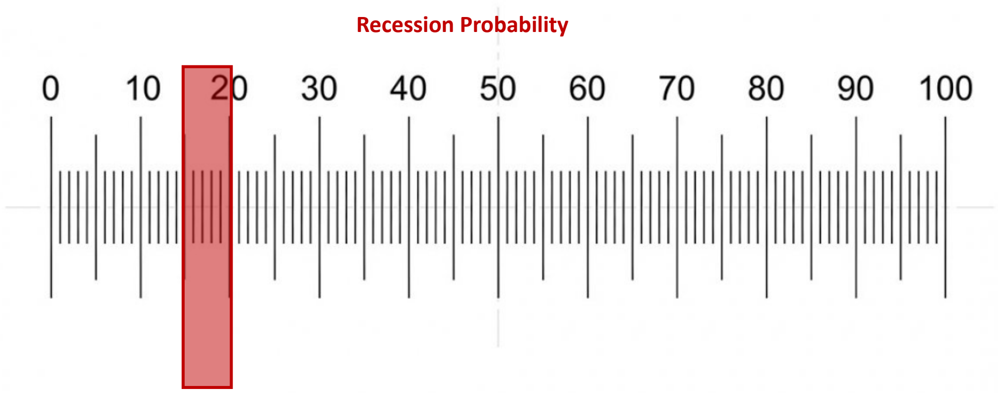
Recession Risk Remains Real but Fed Remains Focused on Soft-Landing



Soft Landing Only Achieved by the Fed Once in Last 60 Years

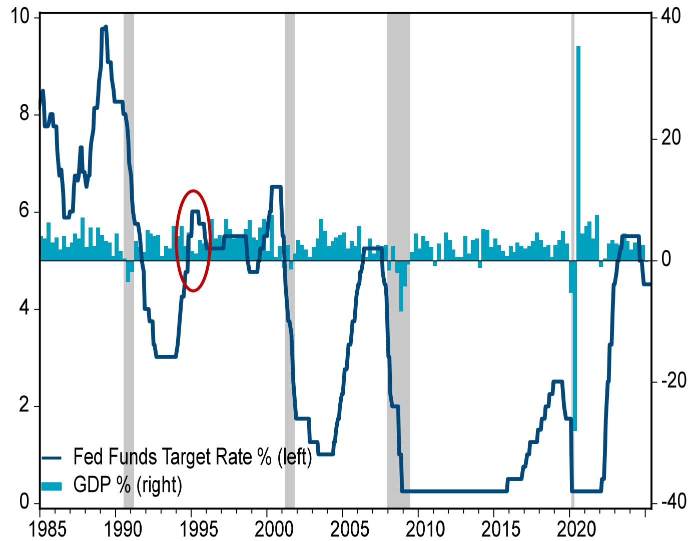
The Fed remains focused on achieving the utopic soft-landing scenario

Over the last 60 years, the Fed has managed to achieve a soft landing only once in 1994-1995 under Fed Chairman Alan Greenspan

The bigger concern and likelihood is not an outright downturn or outright recession, but a period of stagflation as the economy slows to virtually a non-accelerating pace on average

	1995 Soft Landing	Current Cycle
Peak Unemployment Rate	7.8% (Jun '92)	14.8% (Apr '20)
Peak Core PCE YoY	4.4% (Sep '90)	5.6% (Sep '22)
Money Supply Growth	$3.2T to 3.6T*	$15.2T to $21.8T**
Money Supply Growth, %	12.5%*	43.4%**

Source: Bloomberg *1990-1995 **2020-Current Date



Sources: FRB, BEA/Haver

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U.S. Debt Continues to Increase, Risking Pressure on Inflation, Longer-Term Rates

U.S. debt has now topped **$36T** as of late

According to CBO, debt is expected to reach over **$56T** by the end of the next decade

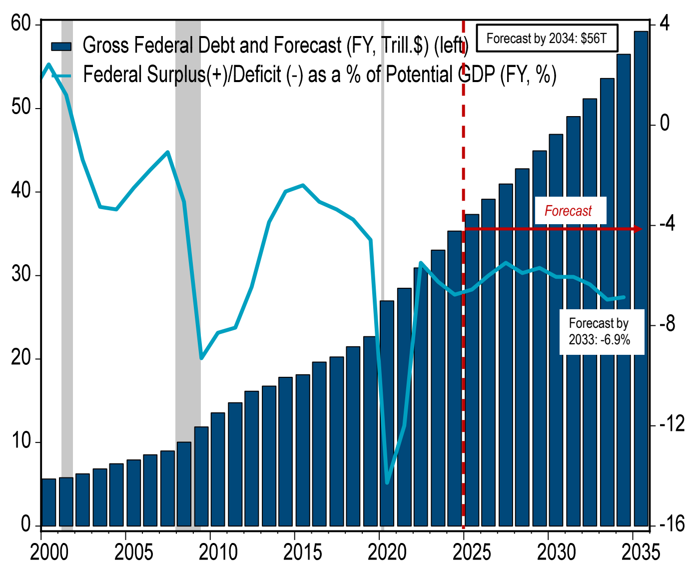
The U.S. Treasury is expected to significantly increase issuance

Deficits matter and will continue to reshape expectations for higher longer-term rates, complicate the Fed's pathway, and risk inflation

In FY 2024, the federal deficit was **$1.8T**, or 6.4% of GDP

The deficit is expected to remain elevated at 6.9% of GDP, **more than two times the historical norm**

On March 14, Congress passed a bill to keep the government funded through September 30, 2025



Source: Congressional Budget Office/Haver Analytics

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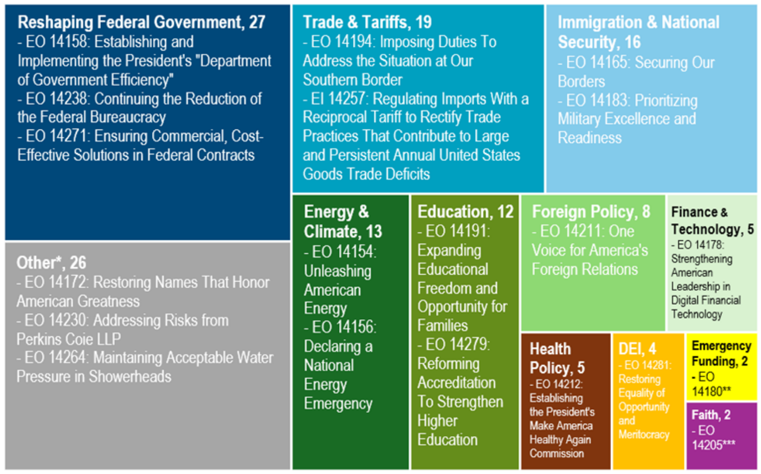
First 100 Days Executive Orders (139)

First 100 Days: Executive Orders



Source: Federal Register
*Other includes executive orders like renaming parks/monuments or reviewing law firms
**EO 14180: Council to Assess the Federal Emergency Management Agency
***EO 14205: Establishment of the White House Faith Office

Trade and Tariffs: The (Inflationary) Impact on the Economy Will Depend

President Trump implemented a 10% universal tariff on all imports, a 25% tariff on goods from Mexico and Canada (USMCA good exempted), a 50% tariff on all steel and aluminum imports, as well as a 25% tariff on foreign autos

Additionally, a 90-day pause on reciprocal tariffs of 10-50% announced in April, while the tariff rate on Chinese goods has been dialed back from to 145% to 30%

From an inflation standpoint, a onetime price increase lacks the *"inflationary"* implications some fear in terms of perpetual upward momentum in costs

However, escalating trade disputes resulting in a perpetual *"tit for tat"* response do risk sustained price pressures

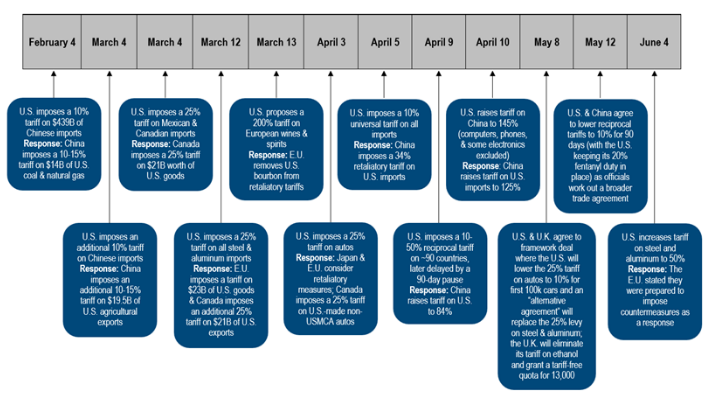
CPI Category Increase Since 2020


Groceries: **+27.9%**


Housing: **+27.9%**


Transportation: **+27.0%**


Medical Care: **+12.7%**



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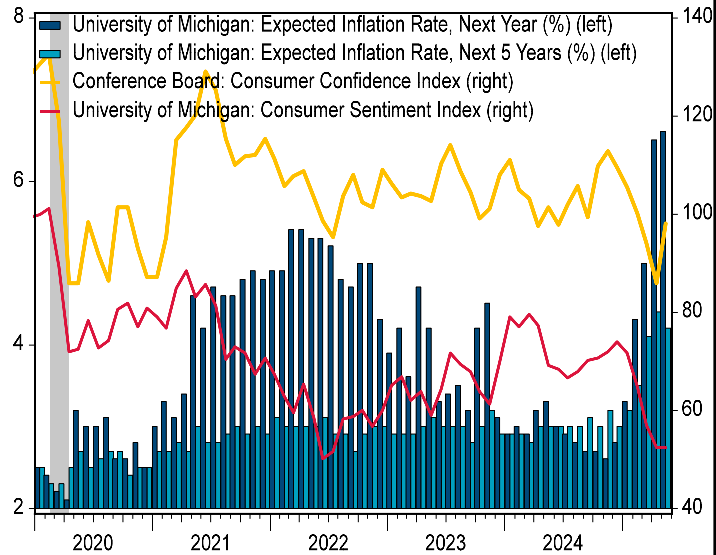
Impact on Consumers: Rise in Inflation Expectations, Decline in Confidence

A measure of short-term inflation expectations rose 10bps in the latest May report, from 6.5% to **6.6%, the highest since 1981**, while longer-term inflation expectations fell 20bps to **4.2%, a two-month low**

The University of Michigan Consumer Sentiment Index remained at **52.2** in May, **matching the lowest reading in three years**, while the Conference Board's Consumer Confidence Index rebounded 12 points from 85.7 (a five-year low) to **98.0** in May, **a three-month high**



Sources: University of Michigan, The Conference Board/Haver Analytics

Impact on Businesses: Ramp Up in Inventories and Increased Uncertainty Ahead of Tariffs

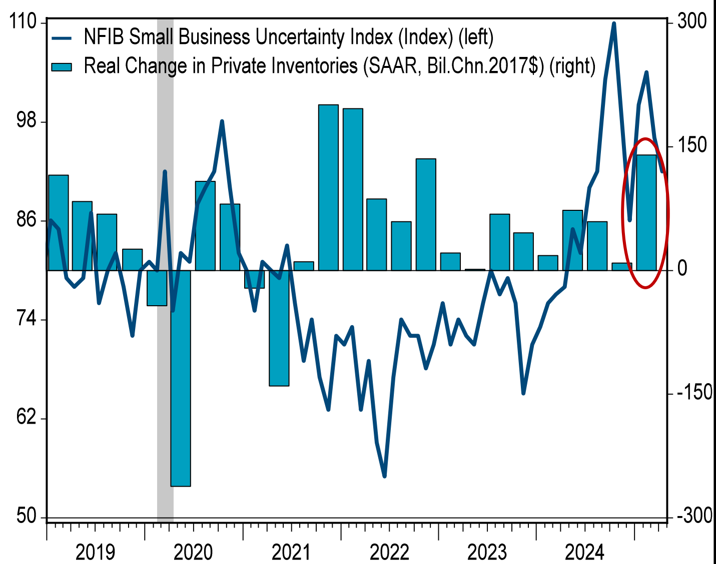
Ahead of the newly implemented tariffs, businesses increased stockpiles with inventories rising by **$140B** in Q1 2025 and jumping to a reading of **53.4** in March, the highest reading since October 2022

In April, inventories fell to **50.8**, a two-month low

New orders rose 2.0 points to **47.2** in April, a two-month high, but are down 3.1% year-over-year

The NFIB Uncertainty Index, meanwhile, fell four points to a reading of **94** in April, after reaching the **second highest reading on record in February**

87% of firms report no plans to hire within the next three months, and **91%** reported that now is not a good time to expand their business



Sources: NFIB, BEA/Haver

Tariffs Summary: Opponents vs. Supporters

Opponents

Opponents argue increase in tariffs will:

- Slow growth
- Lead to higher prices

Stifel Forecast:

- **Less than 1% growth in first half**
- **Inflation elevated near 3% through year-end**

Supporters

Supporters argue increase in tariffs will:

- Potential remedy of unfair trade practices
- Revitalization of American industries
- Raise revenue for federal budget; help pay for extension of Tax Cuts and Jobs Act

Tax Bill Blueprint

Tax-cut fueled spending could prove inflationary and impact government revenues by $2-4T over the next ten years

The Committee for a Responsible Federal Budget (CRFB) projects extending the tax cuts for 10 years would take the cumulative increase in the deficit to $5.2T through 2034

However, factoring in spending cuts in Medicaid and other items, the CRFB estimated the deficit increase at $3.3T through 2034

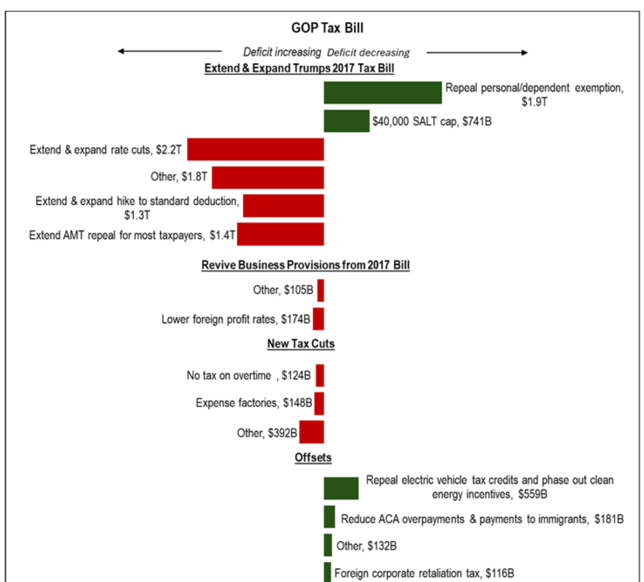
CBO estimates the bill will add $2.4T to the deficit

If TCJA is not extended, the rates and brackets will resemble their 2017 structure.

Income brackets before and after the Tax Cuts and Jobs Act (TCJA)

Prior law (2017)		2024	
Not over $19,050	10%	Not over $23,200	10%
$19,051-$77,400	15%	$23,200-$94,300	12%
$77,401-$156,150	25%	$94,301-$201,050	22%
$156,151-$237,950	28%	$201,051-$383,900	24%
$237,951-$424,950	33%	$383,901-$487,450	32%
$424,951-$480,050	35%	$487,450-$731,200	35%
Over $480,050	39.6%	Over $731,200	37%

Source: IRS



Source: Bloomberg

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Loss of Government Revenue from Tax Cuts Could be Offset by Potential Cuts

However, a reduction in waste could potentially offset a loss of revenues and add to longer-run growth over the same period

About 61% of the federal budget is mandatory spending (Social Security, Medicare, and Medicaid) 26% is discretionary spending (government employee salaries and grants to state and local governments), and the rest is interest payments on debt

Department	Amount Cut (Mil.$)	Reported Firings	Total Department Size
USAID	$29,892.6	2,000	10,000
Department of Health and Human Services	$19,477.7	12,900	80,199
Department of Defense	$10,463.6	--	104,231
Department of the Interior	$6,251.6	2,300	71,510
Department of Energy	$5,809.2	700	16,453
Department of Agriculture	$4,354.3	--	96,340
Department of Treasury	$3,682.3	--	109,145
Department of State	$2,883.8	--	11,622
Department of Education	$2,628.4	6,500	4,273
Environmental Protection Agency	$2,553.9	380	18,448
Department of Homeland Security	$2,302.1	400	186,136
Department of Veterans Affairs	$2,035.2	2,400	300,002
Housing and Urban Development	$1,668.6	4,000	9,685
National Science Foundation	$1,358.5	85	1,504
Department of Commerce	$1,260.1	--	50,846
Office of Personnel Management	$814.5	--	5,907
Department of Justice	$776.4	75	113,694
General Services Administration	$764.3	600	12,682
Department of Labor	$618.8	--	16,246
US Agency for Global Media	$419.7	1,300	3,500
Securities and Exchange Commission	$261.1	--	3,750
Department of Transportation	$220.4	400	57,816
National Endowment for the Humanities	$163.0	117	180
Government Accountability Office	$162.1	--	2,877
Institute of Museum and Library Services	$157.2	--	70
National Aeronautics and Space Administration	$140.8	23	18,000
Small Business Administration	$99.8	45	3,877
Consumer Financial Protection Bureau	$92.0	--	1,700
Social Security Administration	$79.1	--	67,486
Internal Revenue Service National Office	$47.9	7,315	93,654
International Assistance Programs	$47.1	--	--
National Park Service	$46.1	--	20,000
Geological Survey	$38.0	200	7,900
Office of the Secretary	$35.8	--	--
United States Fish and Wildlife Service	$33.3	--	8,000
Other***	$77,958.6	18,060	1,455,267
Total Cuts	**$180,000***	**59,800****	2,963,000

Source: Department of Government Efficiency (as of 6/3)/Office of Personnel Management
*$180B in cuts is equivalent to 2.7% of total federal budget
**59,800 in reported firings is equivelant to 2.0% of total federal employees
***Other is a grouping of 133 federal agencies and departments

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Immigration Reform

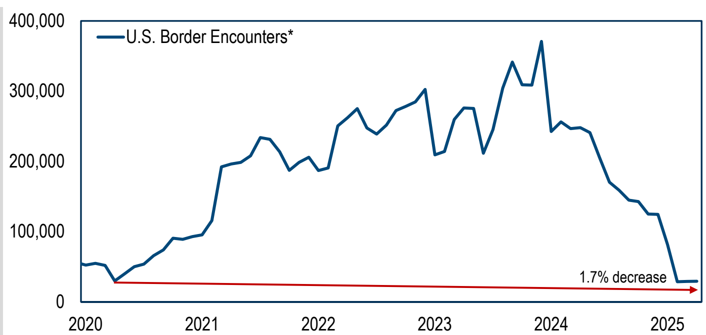
Additional immigration restrictions could exacerbate the already existing labor supply shortage, and result in higher production costs and wage pressures

At the same time, more stringent restrictions could reduce drains on certain government programs and alleviate pressure on certain state budgets

Deportations totaled nearly 38k in the first month of office with the administration indicating a target of potentially 1M a year

*Source: Center for Immigration Studies/U.S. Customs and Border Patrol

Encounter: any interaction between a U.S. Customs and Border Protection officer and a noncitizen who is attempting to enter the United States without authorization



State	Cost of Illegal Immigrants* (Bil.$)
California	30.9
Texas	13.4
New York	9.9
Florida	8.0
New Jersey	3.9
Illinois	3.9
Arizona	3.2
North Carolina	3.1
Georgia	3.0
Virginia	2.8

Source: Federation for American Immigration Reform
*Spending data from 2023

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Far from Ideal Market Conditions with the Fed's Price Stability Mission Not Yet Complete

- Bloated and growing government balance sheet
- An uncertain but still "*spendy*" consumer
- International and geopolitics risks
- An aggressive fiscal policy agenda under new leadership in Washington

Inflation to Remain Uneven, Uncertain, Elevated....But Improving?

Disinflationary improvement has been bumpy and uneven at best

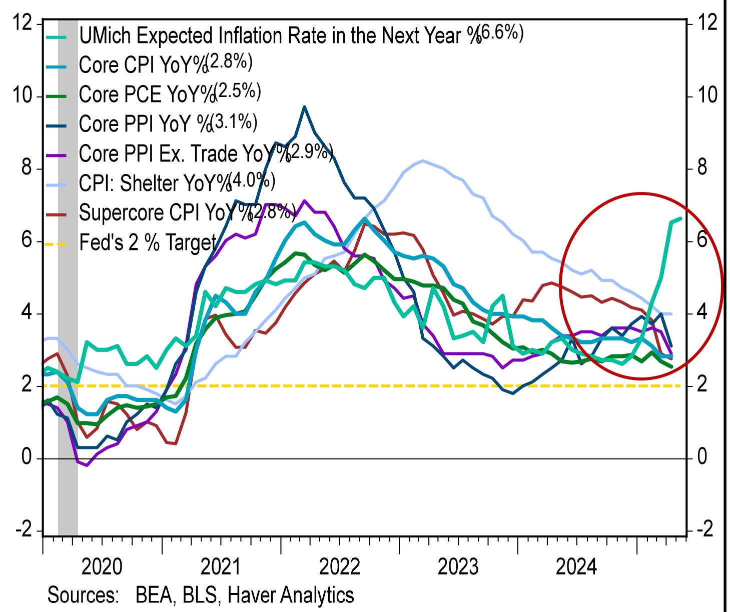
The CPI rose 0.2% in April and increased **2.3%** YoY, the third month of cooling after four months of acceleration

The PPI dropped 0.5% in April but rose **2.4%** YoY, a seven-month low

The PCE rose 0.1% in April and rose **2.1%** YoY, a seven-month low

The core PCE rose 0.1% in April and gained **2.5%** YoY, the smallest increase in more than four year, with the supercore PCE flat in April and rising **3.0%** YoY, also the smallest annual rise in more than four years

Recent cooling in inflation is a double-edged sword, reflecting a loss of momentum from Q4 as well as a material decline in activity as businesses and consumers pull back, and does little to instill confidence of an ongoing trend



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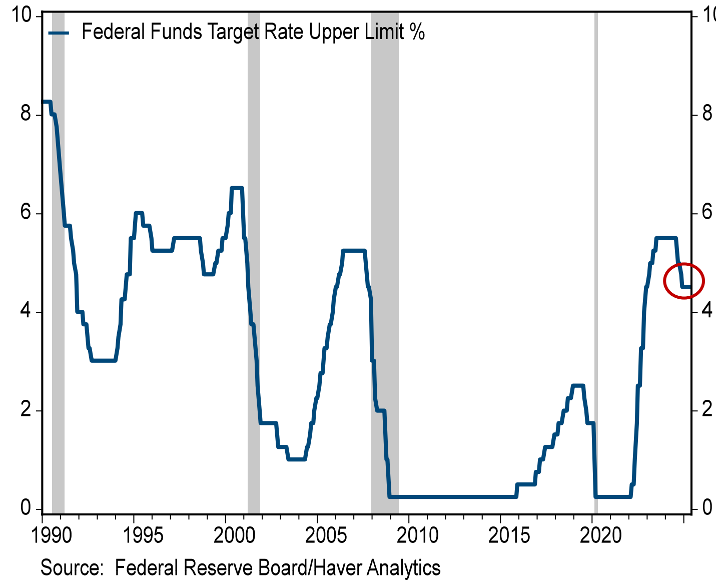
Fed Holds Rates Steady in May, as Expected

As expected, for the third consecutive meeting, the Fed opted to keep rates steady in a range of **4.25-4.50%** in May after lowering rates 100bps in 2024



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May FOMC Statement: *Increased Uncertainty and Rising Risk on Both Sides of the Mandate*

*"Although swings in net exports have affected the data, **recent indicators suggest** that **economic activity** has continued to expand at a **solid pace**."*

*"The **unemployment rate** has **stabilized at a low level** in recent months, and labor market conditions remain solid."*

*"**Inflation** remains **somewhat elevated**."*

*"**Uncertainty** about the **economic outlook** has **increased further.**"*

*"The Committee is attentive to the risks to both sides of its dual mandate and judges that the **risks of higher unemployment and higher inflation have risen**."*

- May 7 FOMC Statement

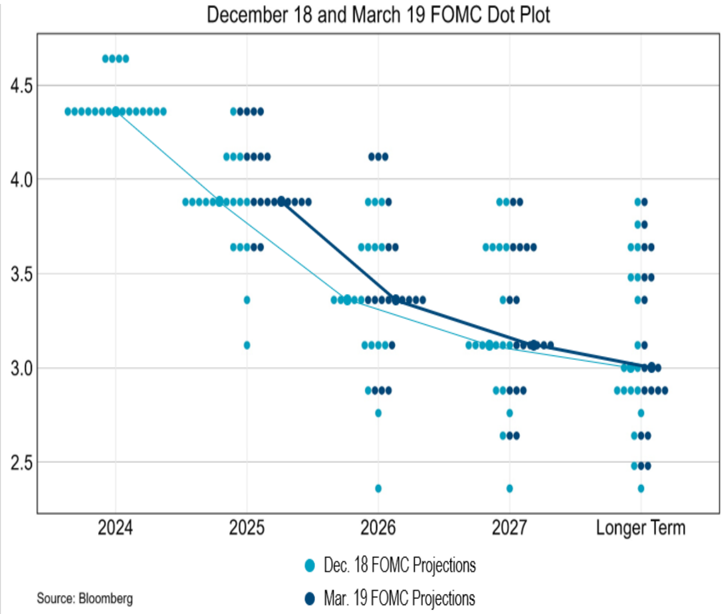
No Update to Rate Cut Projections

Despite the lack of inflationary improvement, the Fed opted to move forward with a third-round rate cut in December but materially reduced its outlook for near-term rate cuts from **100bps** to **50bps** in 2025

A more "*cautious*" tone materialized into a January, February, and March pause

In March, the Committee continued to acknowledge the upside risks to inflation, and downside risks to both employment and broader activity, leaving the median forecast unchanged at **50bps** of cuts by year-end, **50bps** in 2026 and **25bps** in 2027, reaching **3.00%** longer term,

With opposing forces on either side, the Committee's forecasts were compressed towards the more Hawkish end of the spectrum. In December, **five** officials anticipated more than **50bps** of cuts vs. **two** in March; **one** anticipated no further cuts in 2025 vs. **four** as of March



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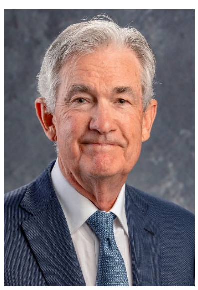
Powell Notes Fed is Not in a *"Hurry"* to Cut Rates Further

May pause widely anticipated and fully priced into the market

The *upwards* assessment of the labor market and *downwards* assessment of inflation improvement in the statement suggests the Fed is increasingly willing to take a position on the sideline until the uncertainty is resolved

The Fed is in no rush to lower rates



*"**Don't** think we **need** to be in a **hurry** to adjust rates."*

*"Given the scope and scale of the tariffs, is that we will see the – certainly **the risk to higher inflation, higher unemployment have increased**."*

*"**Uncertainty** about the path of economy is extremely **elevated**."*

*"The right thing to do is **await further clarity**."*

*"In the meantime, the **economy is doing fine**."*

*"Our **policy** is in a **good place**."*

*"There are **cases in which it would be appropriate for us to cut rates** this year. There are **cases in which it wouldn't**, and we just don't know."*

Federal Reserve Chairman Jerome Powell Speaking at the FOMC Press Conference

May 7, 2025

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Fed Likely to Move at a Controlled, Tempered Pace; Delay in Additional Rate Cuts

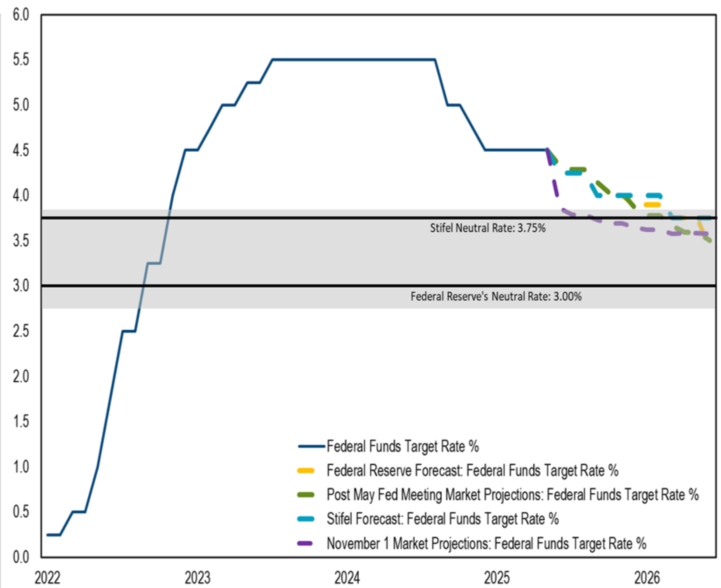
Changing conditions do warrant a further adjustment in policy in a tempered and controlled manner

Prior to the September employment report, investors anticipated **110bps** in cuts in 2025; following the May FOMC meeting, investors anticipate **46bps** of cuts by year-end

Important to keep inflation expectations in check

Rate cuts likely to be delayed until the 2H, likely resulting in a higher level of real-rates, a more normal shaped curve and a structurally higher r*

The risk to a 50bp cut in September and 25bp cut in November & December sent a signal of the Fed's intentions to rush back to an accommodative stance as opposed to unwinding policy firming toward neutral



Source: Bureau of Economic Analysis/Federal Reserve/Stifel

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Key Takeaways on Rates

Higher for longer position on rates

A more normal, **positively sloped yield curve**

Potentially **higher neutral** level of policy

Thank you

Economic Forecast Grid

Publish Date: April 2025

Annual Rate 2022-2026

	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026	2022	2023	2024	2025	2026
Growth indicators															
GDP, QoQ %	*3.1%*	*2.4%*	*-0.2%*	0.6%	1.8%	2.4%	2.1%	1.8%	2.2%	2.4%	*2.5%*	*2.9%*	*2.8%*	1.4%	2.0%
Consumer Spending, %	*3.7%*	*4.0%*	*1.2%*	1.1%	1.5%	1.8%	2.1%	2.0%	1.8%	2.1%	*3.0%*	*2.5%*	*2.8%*	2.3%	1.9%
Fixed Investment, %	*2.1%*	*-1.1%*	*7.8%*	2.1%	3.6%	4.5%	5.0%	4.5%	4.8%	5.2%	*2.7%*	*2.4%*	*3.7%*	3.2%	4.5%
Housing Starts, k, end of quarter, yr end	*1,355*	*1,526*	*1,324*	1,510	1,520	1,530	1,550	1,600	1,610	1,620	*1,340*	*1,568*	*1,526*	1,530	1,620
Unemployment Rate, %, qtr avg, yr end	*4.2%*	*4.2%*	*4.1%*	4.5%	4.4%	4.4%	4.3%	4.3%	4.2%	4.1%	*3.6%*	*3.8%*	*4.2%*	4.4%	4.1%
Nonfarm Payrolls, k, qtr avg, ann avg	*240*	*323*	*228*	120	110	120	160	175	180	180	*326*	*192*	*224*	145	174
Inflation indicators, YoY%, yr end															
PCE	*2.1%*	*2.6%*	*2.3%*	3.1%	3.5%	3.6%	3.2%	3.2%	2.8%	2.5%	*5.3%*	*2.6%*	*2.6%*	3.6%	2.5%
Core PCE	*2.7%*	*2.9%*	*2.6%*	3.2%	3.3%	3.5%	3.0%	3.1%	2.5%	2.4%	*4.6%*	*2.9%*	*2.9%*	3.5%	2.4%
PPI	*2.1%*	*3.4%*	*2.7%*	3.0%	3.5%	3.7%	3.5%	3.1%	2.9%	2.6%	*6.4%*	*1.1%*	*3.4%*	3.7%	2.6%
Interest rate, %, end of quarter, yr end															
FF	***5.00***	***4.50***	***4.50***	**4.25**	**4.00**	**4.00**	**3.75**	**3.75**	**3.75**	**3.75**	***4.50***	***5.50***	***4.50***	**4.00**	**3.75**
3month UST bills	*4.63*	*4.31*	*4.30*	4.20	3.90	3.95	3.70	3.75	3.75	3.78	*4.37*	*5.34*	*4.31*	3.95	3.78
2yr UST notes	*3.64*	*4.24*	*3.89*	3.95	4.00	4.05	3.90	3.95	4.00	4.05	*4.43*	*4.25*	*4.24*	4.05	4.05
5yr UST notes	*3.56*	*4.38*	*3.95*	4.10	4.15	4.20	4.18	4.15	4.20	4.25	*4.01*	*3.85*	*4.38*	4.20	4.25
10yr UST notes	***3.78***	***4.57***	***4.21***	**4.40**	**4.55**	**4.60**	**4.65**	**4.75**	**4.80**	**4.75**	***3.88***	***3.88***	***4.57***	**4.60**	**4.75**
30yr UST bonds	*4.12*	*4.78*	*4.57*	4.70	4.75	4.80	4.85	4.90	4.95	4.95	*3.97*	*4.03*	*4.78*	4.80	4.95
3mon to 2s spread bps	*-99*	*-7*	*-41*	-25	10	10	20	20	25	27	*6*	*-109*	*-7*	10	27
3mon to 10s spread bps	*-85*	*26*	*-9*	20	65	65	95	100	105	97	*-50*	*-146*	*26*	65	97
2s to 10s spread bps	*14*	*33*	*32*	45	55	55	75	80	80	70	*-55*	*-37*	*33*	55	70

Actual data in red (Source: Bloomberg) | GDP figures shown as annual change

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