May 7, 2025

Economic Update

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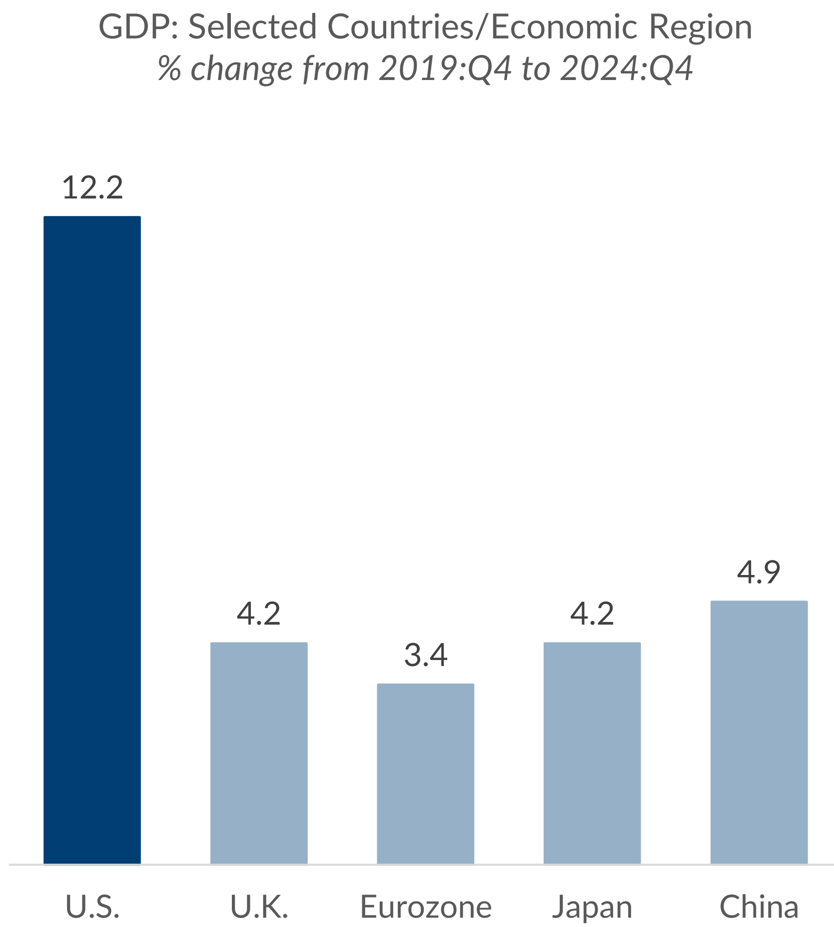
paul.single@cnr.com

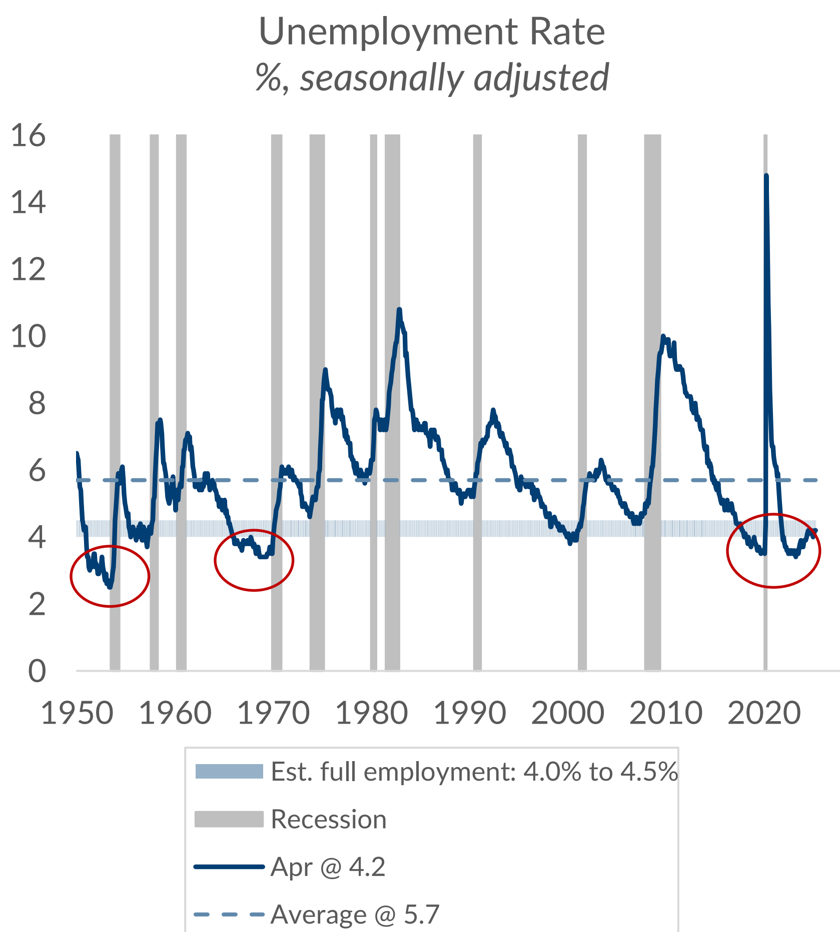
MEET THE MONEY®
National Hotel Finance & Investment Conference

GDP



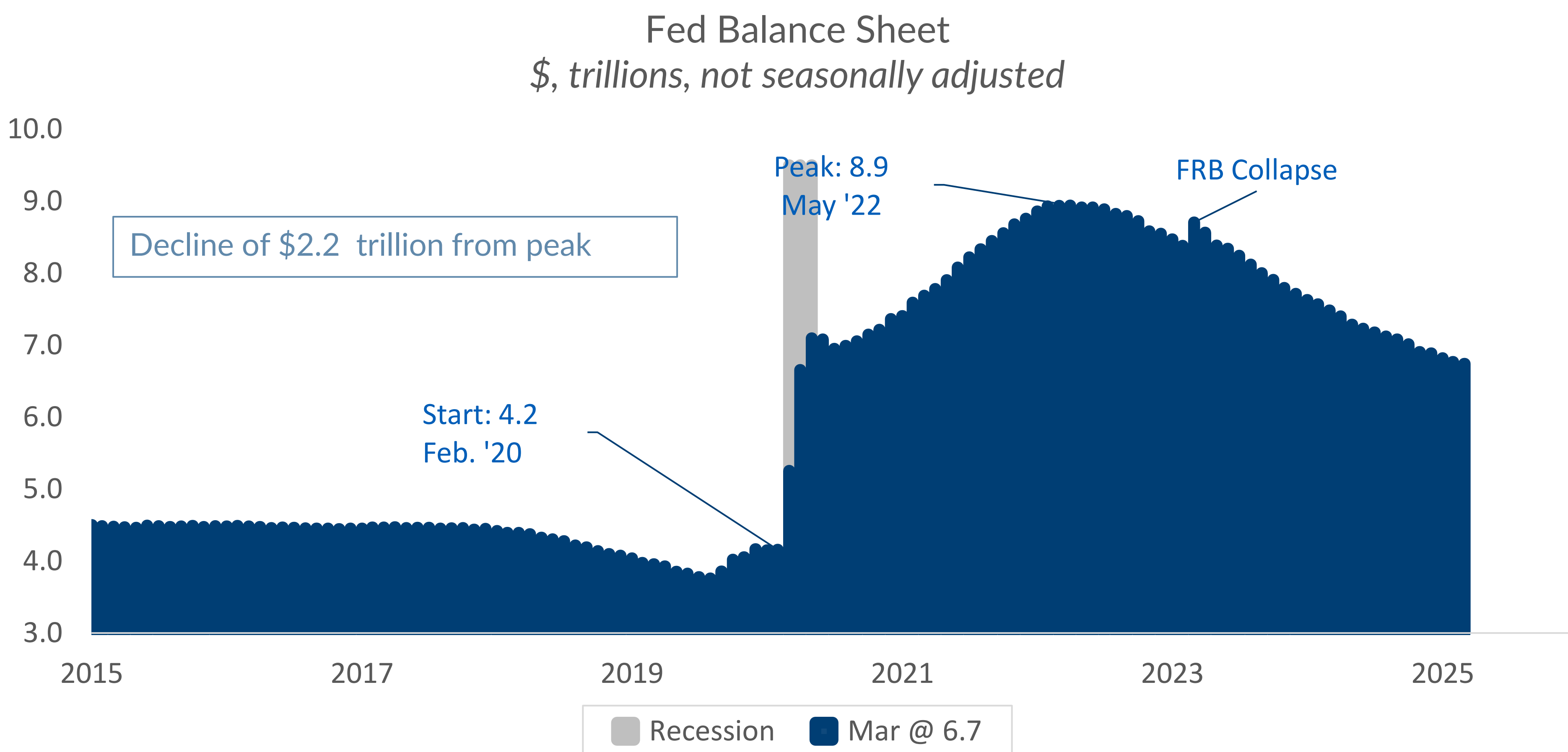
Data current as of May 1, 2025
Source: : Bureau of Economic Research, UK Office for National Statistics, Eurostat, Economic and Social Research Institute Japan, National Bureau of Statistics of China
Information is subject to change and is not a guarantee of future results.

Labor



Data current as of May 2, 2025
Source: Bureau of Labor Statistics
Information is subject to change and is not a guarantee of future results.

Monetary Policy



Data current as of April 14, 2025
Source: Federal Reserve Bank
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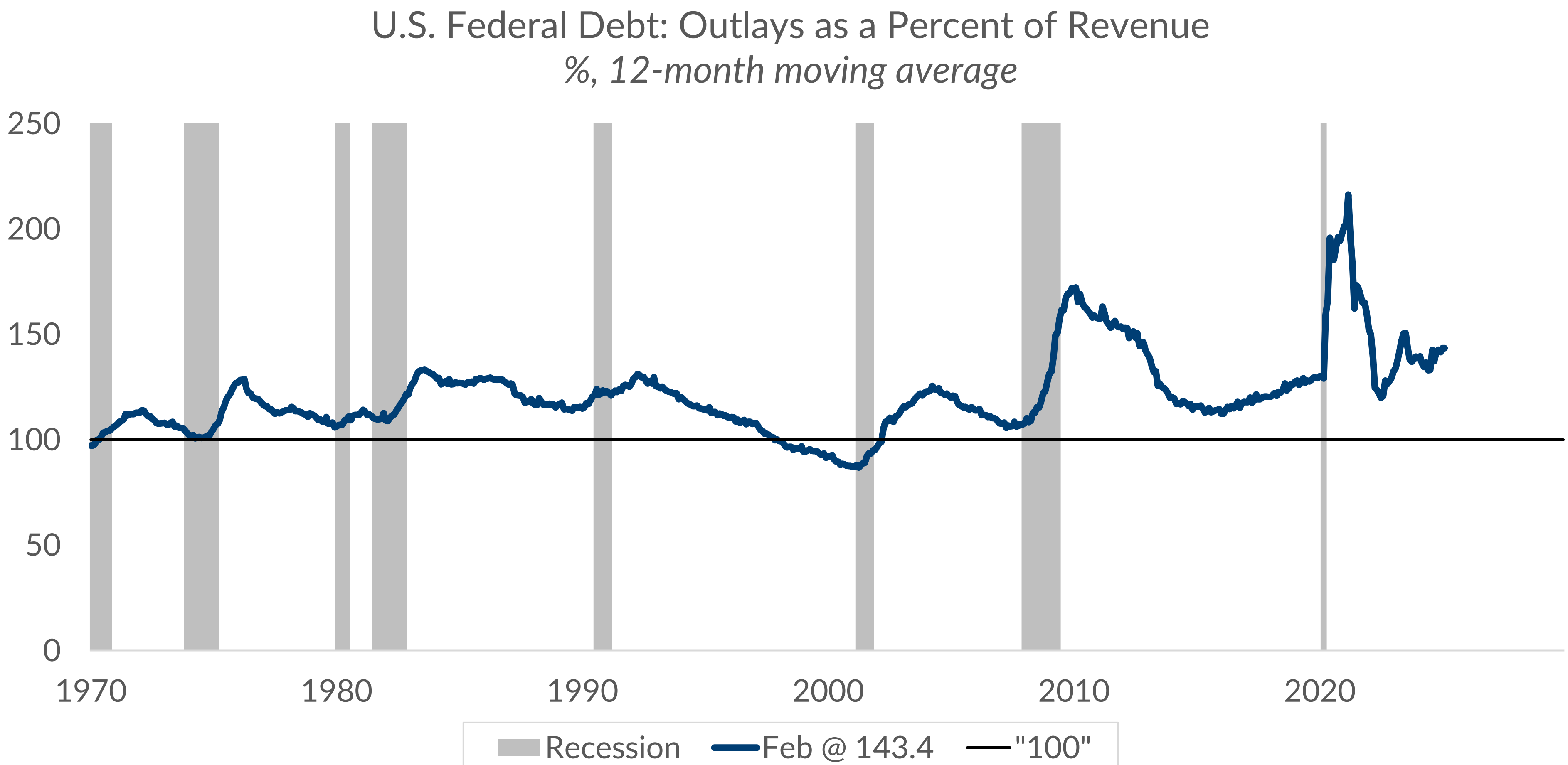
Fiscal Policy



Data current as of April 14, 2025
Source: U.S. Treasury
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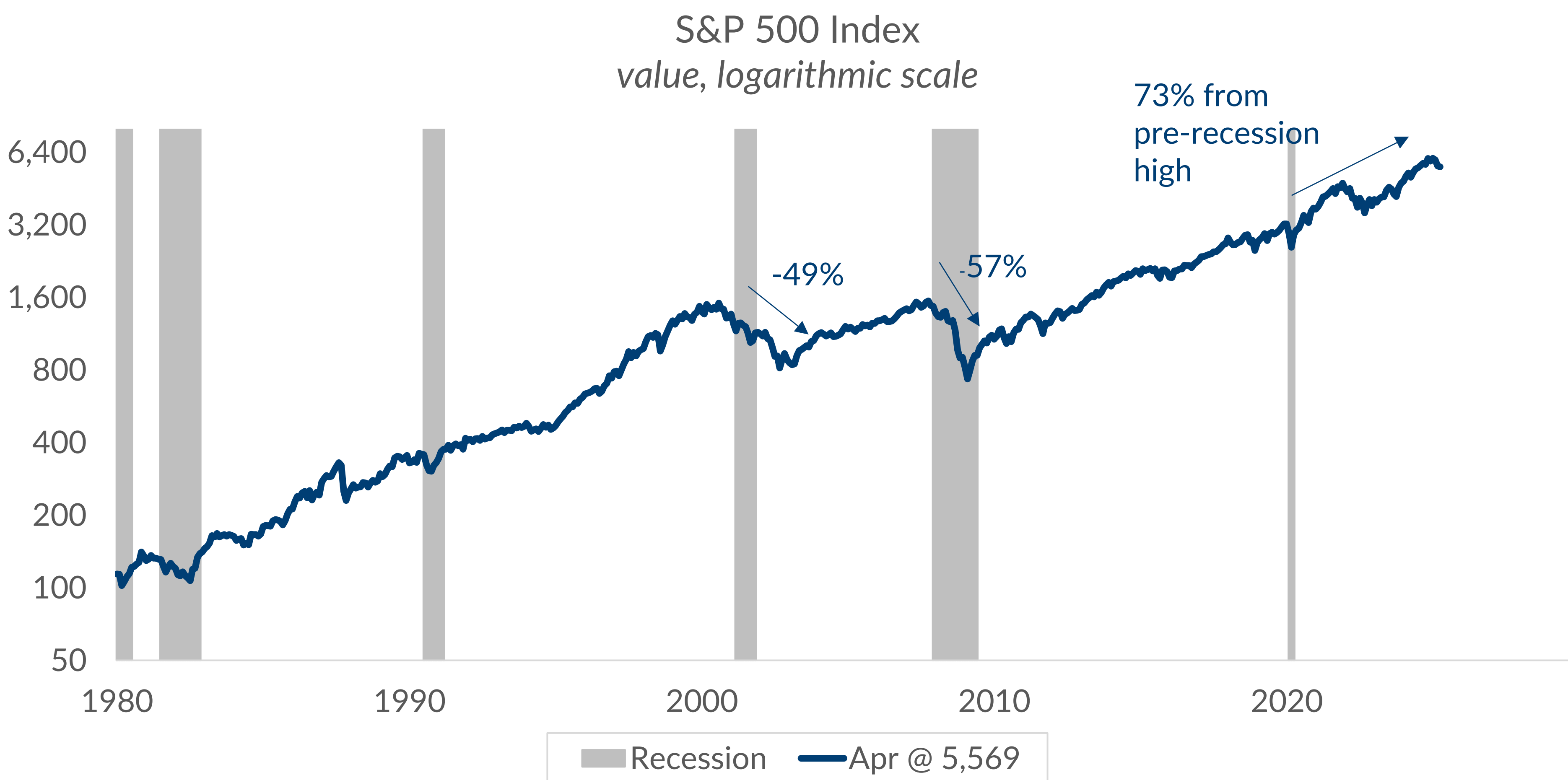
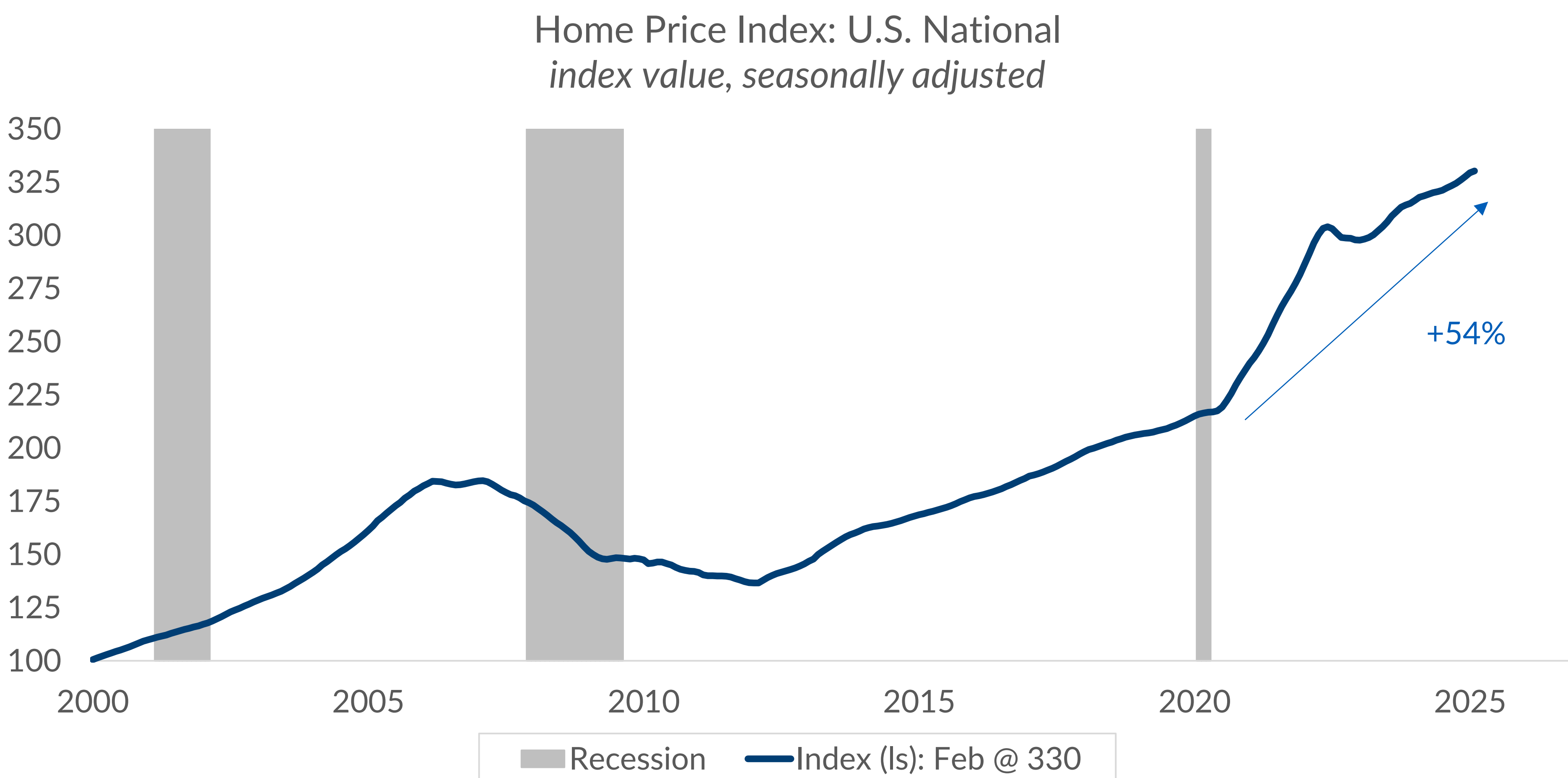
Household Wealth



Data current as of May 1, 2024
Source: S&P Dow Jones Indices
Information is subject to change and is not a guarantee of future results.

Household Wealth



Data current as of May 1, 2025
Source: S&P CoreLogic Case Shiller
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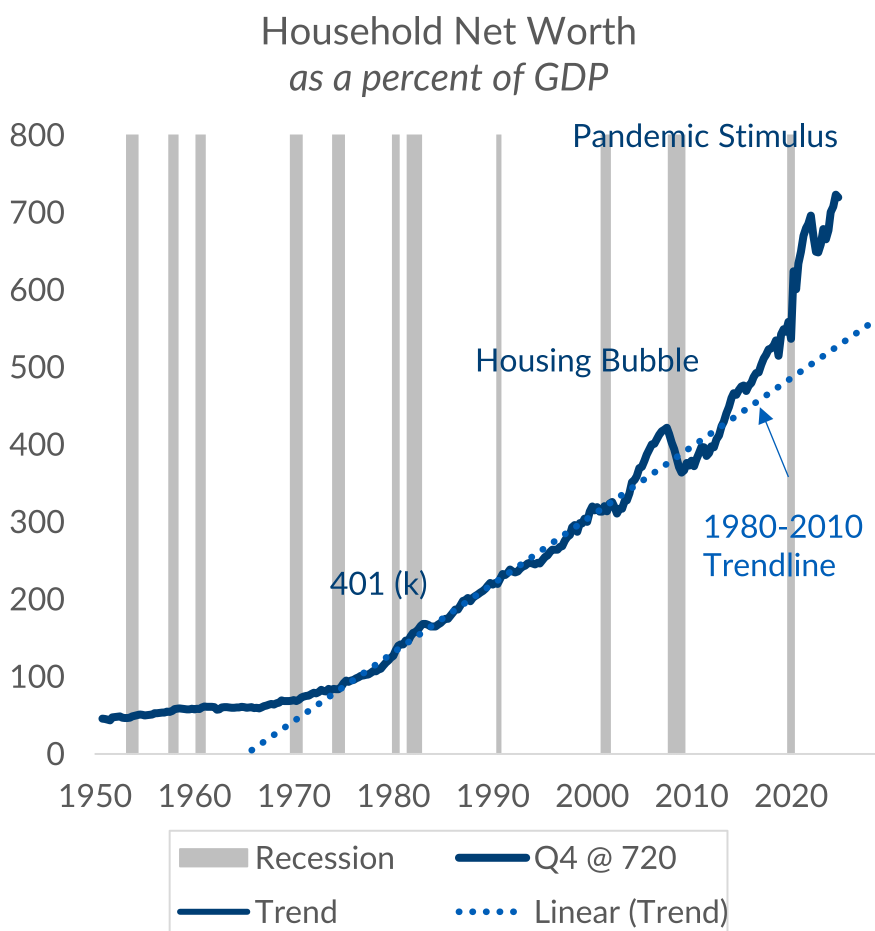
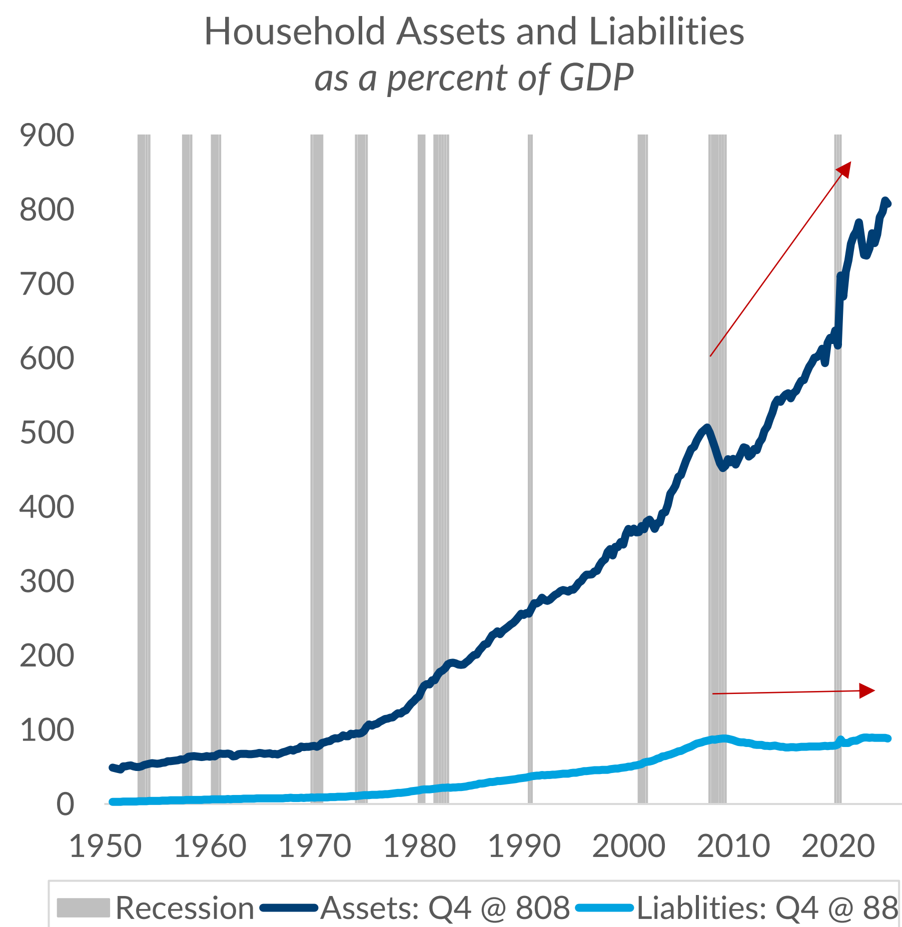
Household Wealth





Data current as of April 14, 2025
Source: Federal Reserve Bank
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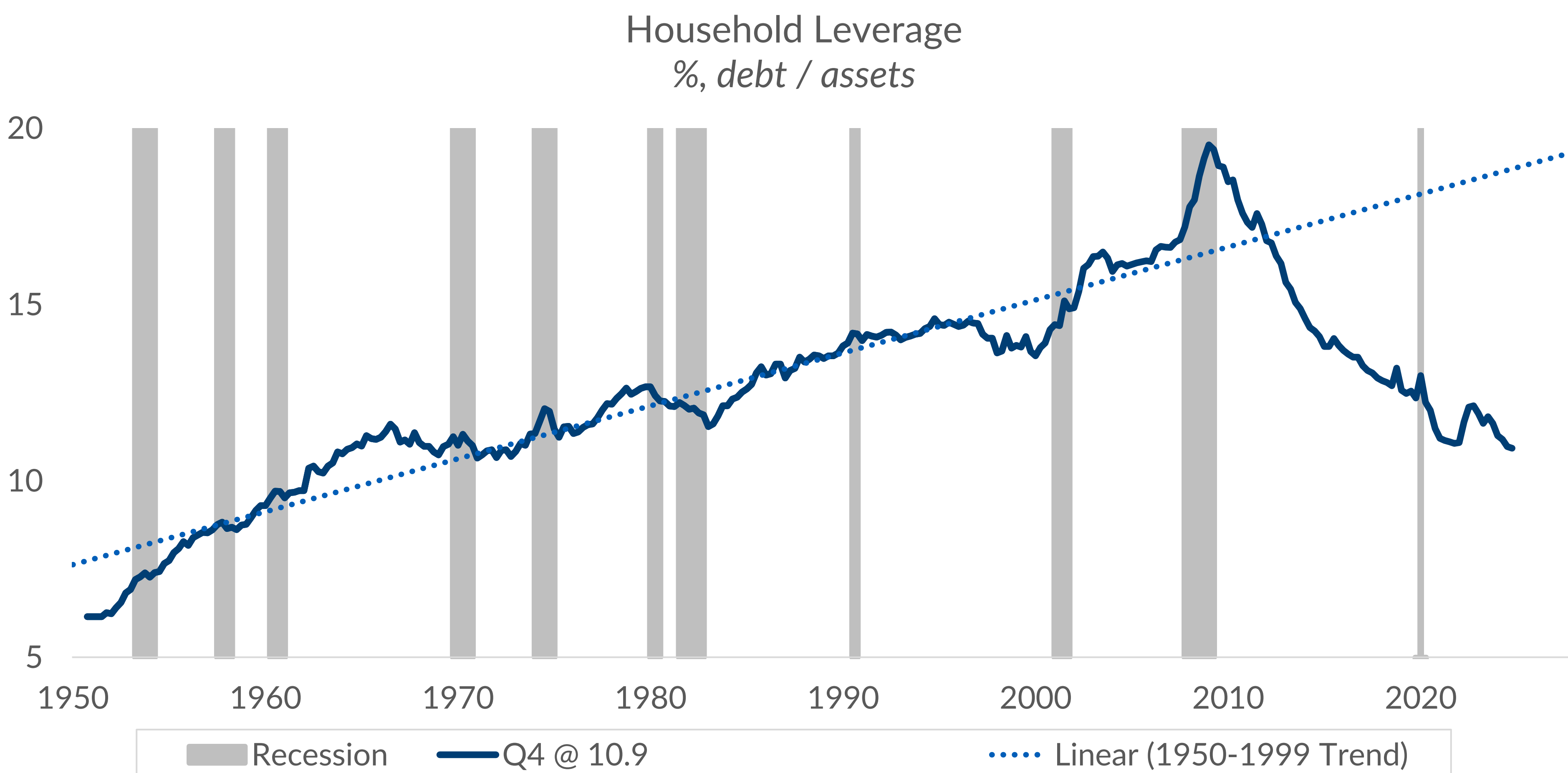
The Consumer



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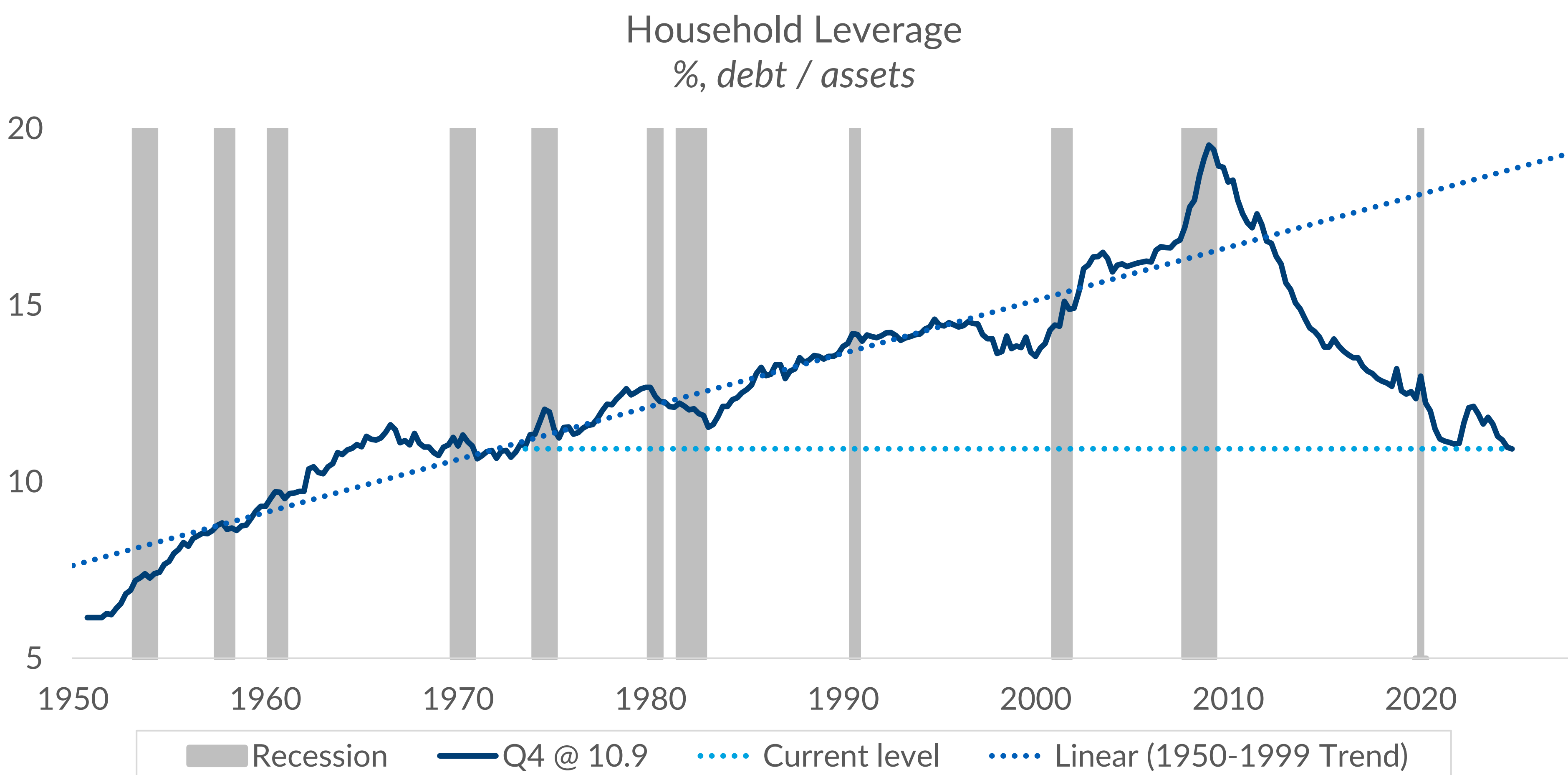
The Consumer



Data current as of April 14, 2025
Source: Federal Reserve Bank
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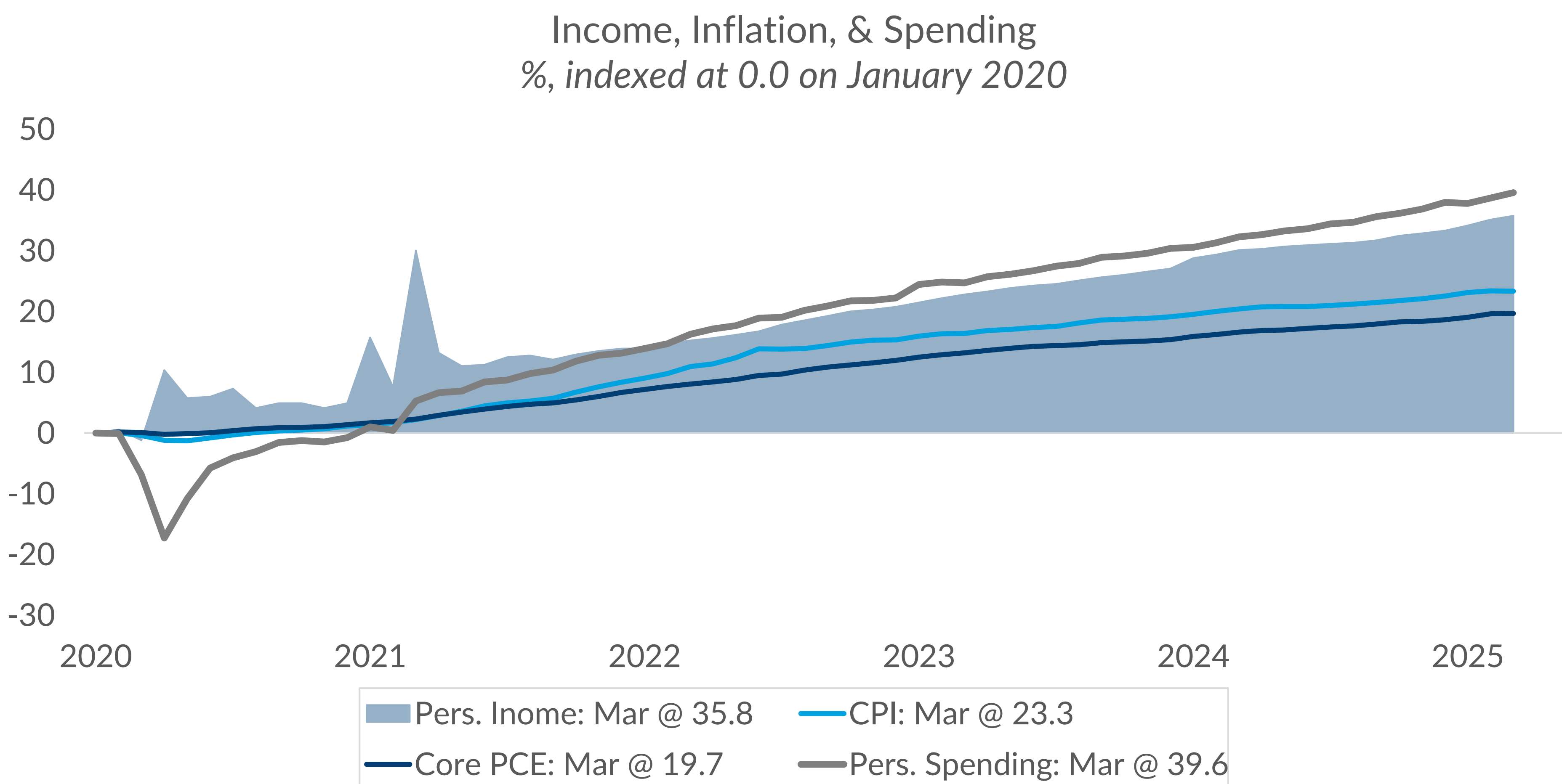
Spending



Data current as of May 1, 2025
Source: Bureau of economic analysis, Bureau of Labor Statistics
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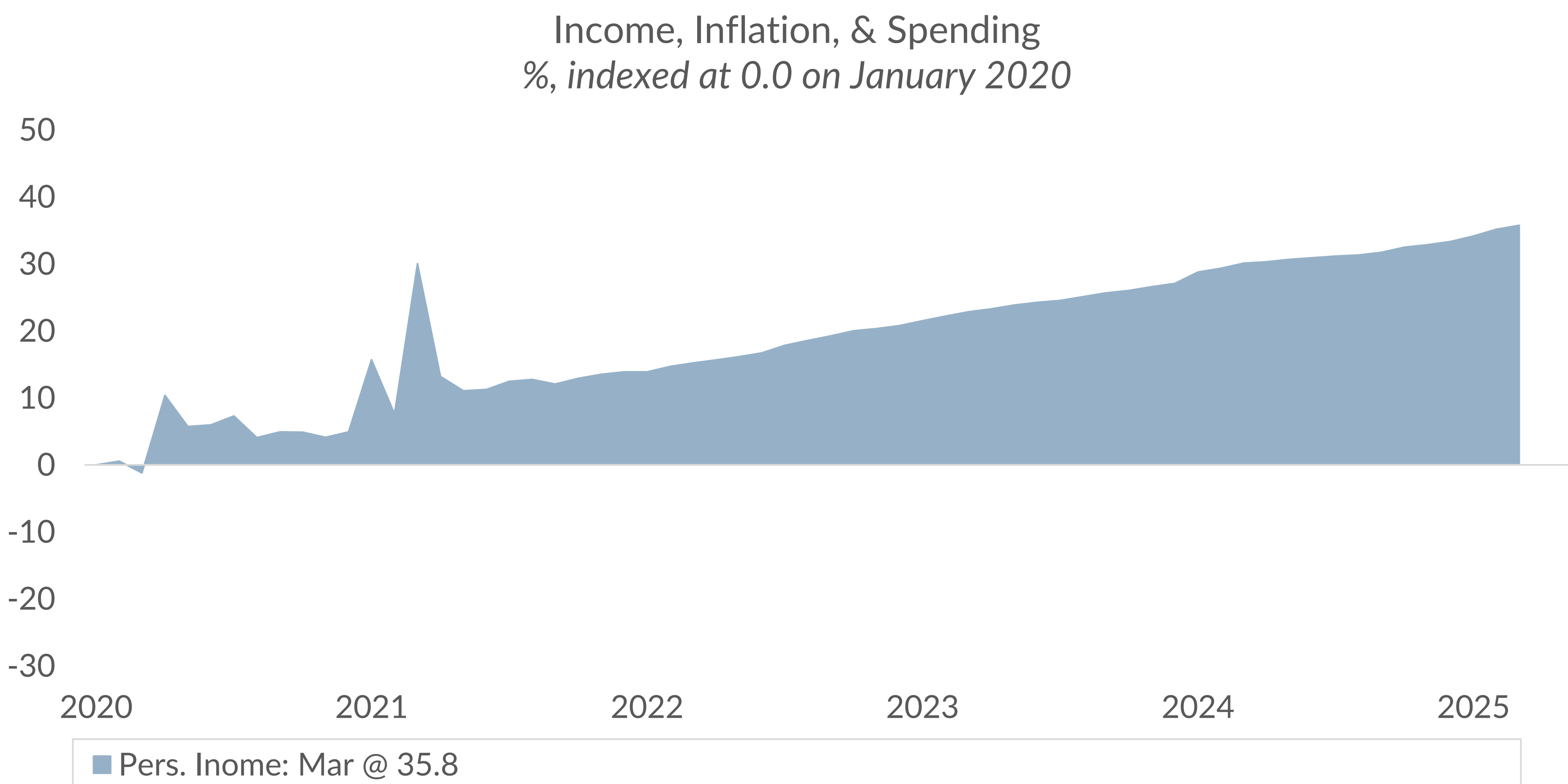
Spending



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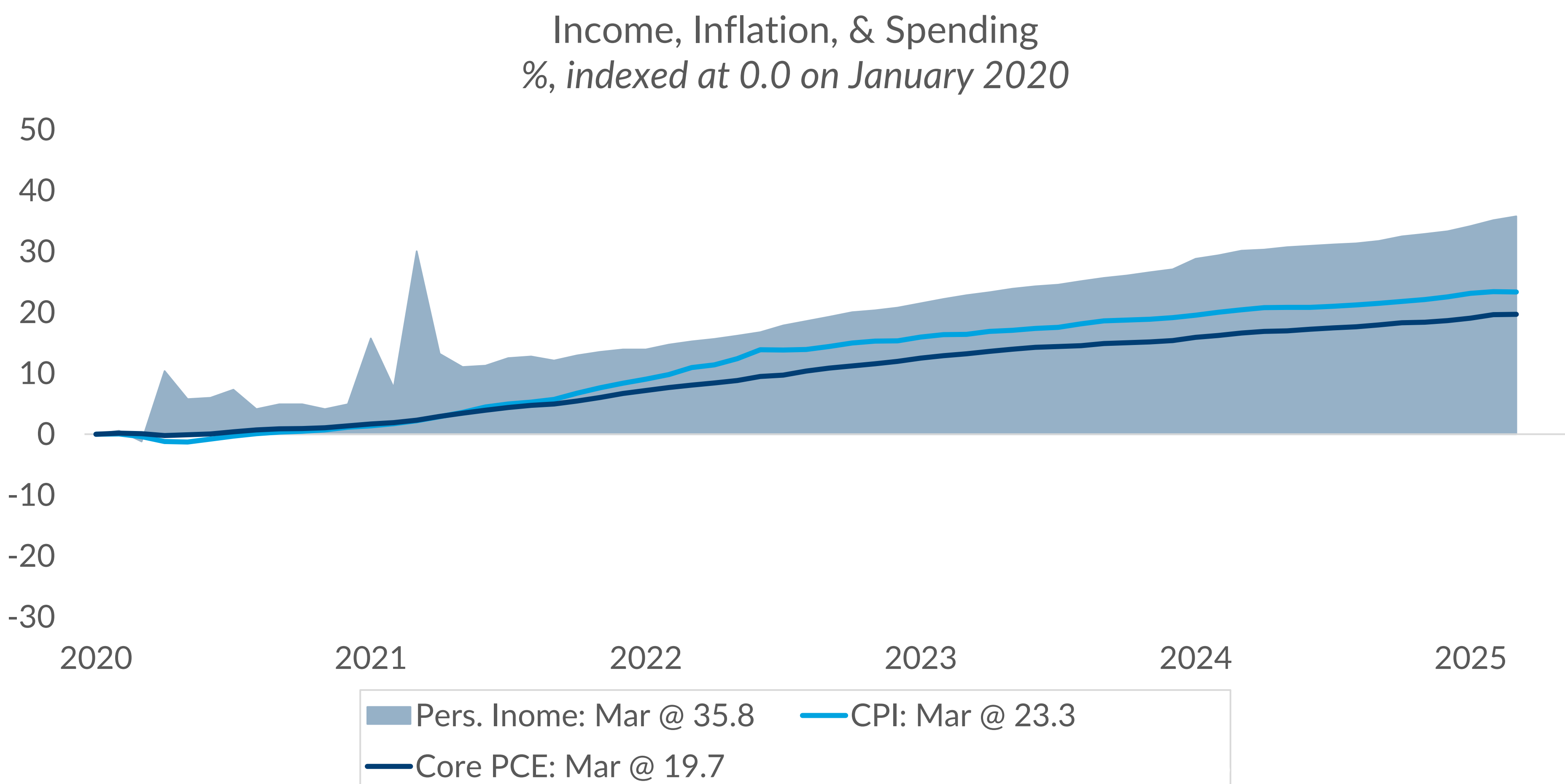
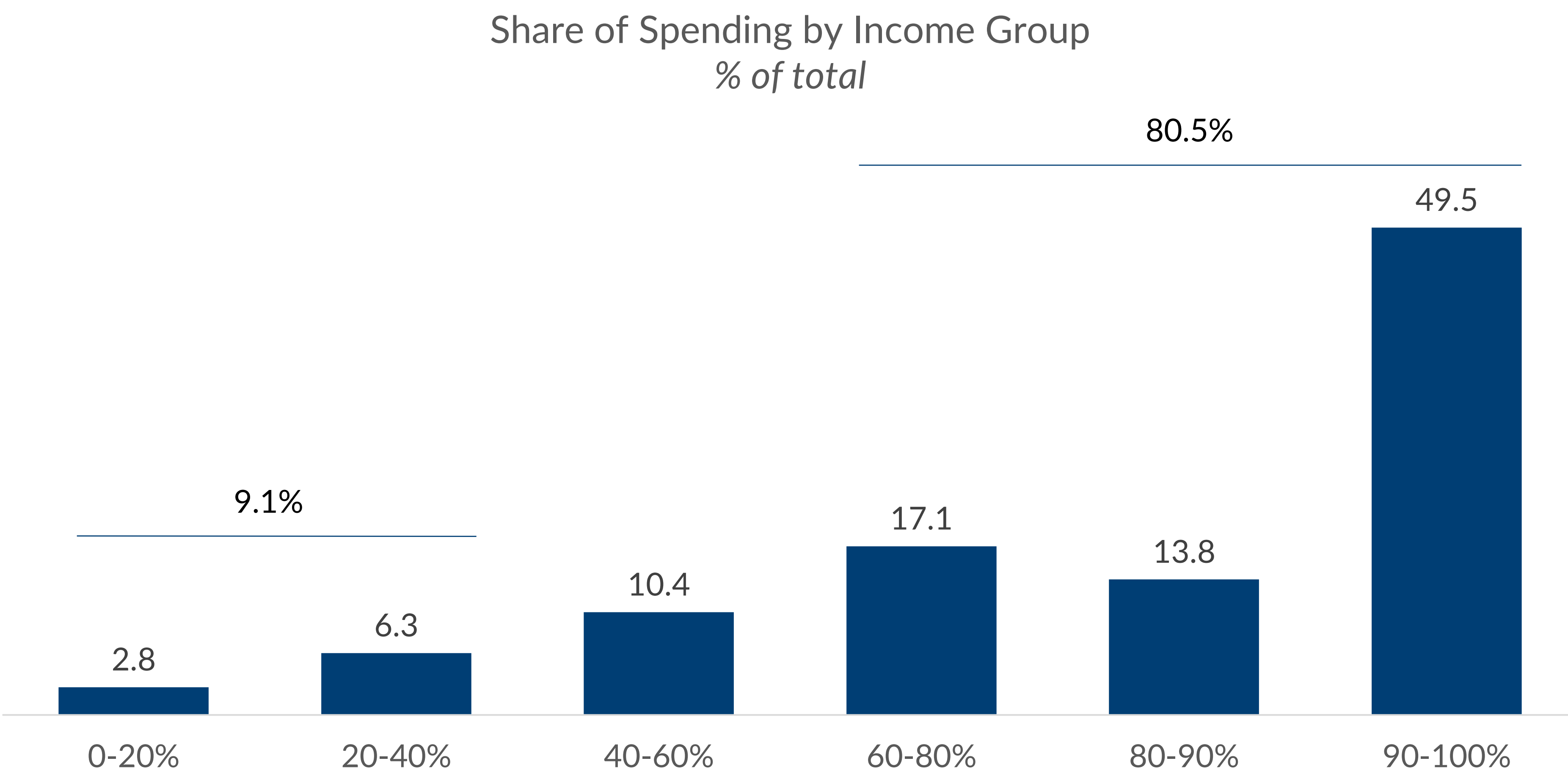
Spending



Data current as of May 1, 2025
Source: Bureau of economic analysis, Bureau of Labor Statistics
Information is subject to change and is not a guarantee of future results.

Consumption



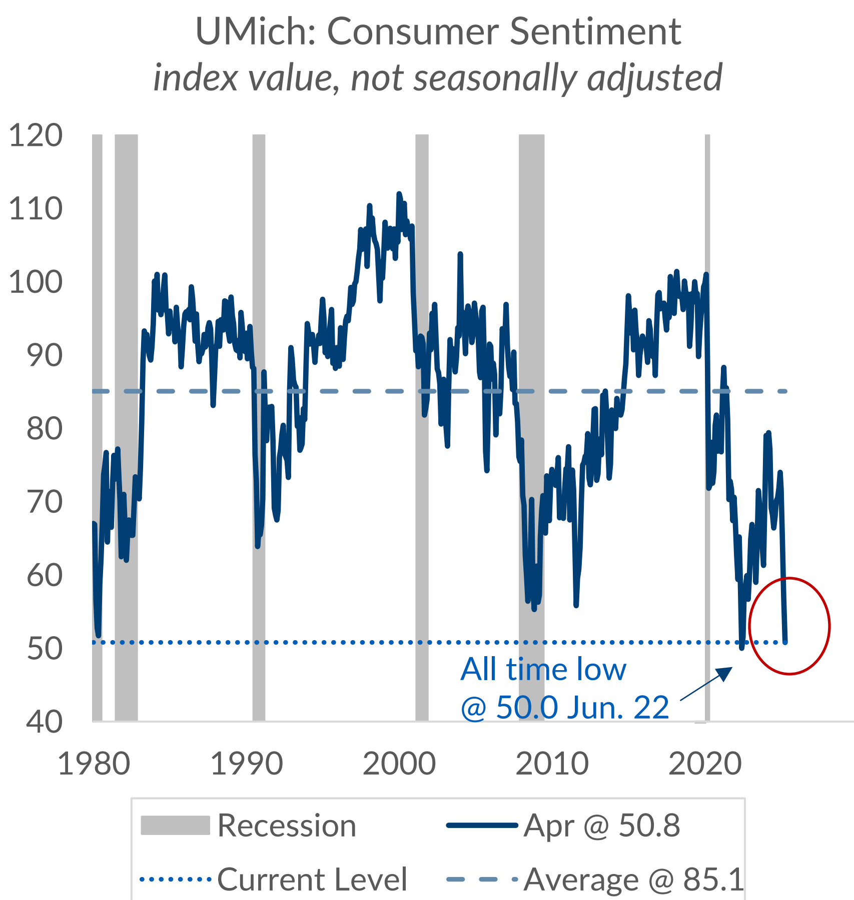
Data current as of April 1, 2025
Source: Federal Reserve Board, Bureau of Economic analysis, U.S. Census, Moody's Analytics
0-20% represents the lower-end of the spectrum, while 90-100% represents the higher end of income.
Information is subject to change and is not a guarantee of future results.

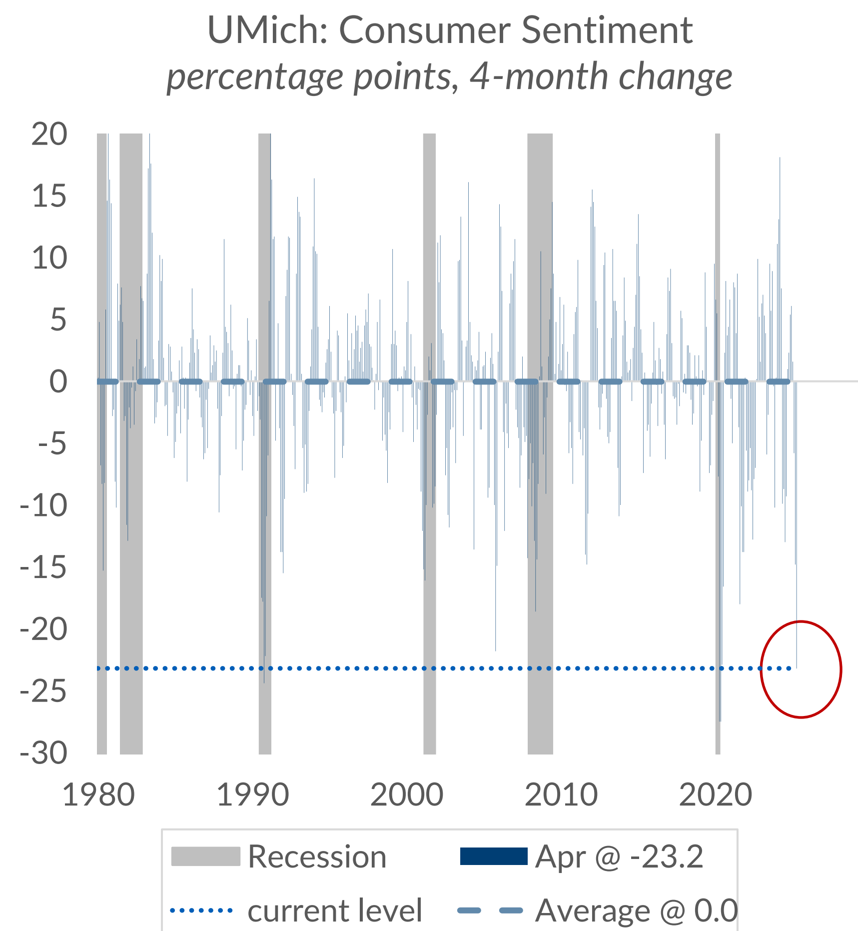
So, What is Happening Now?

"Geopolitical tensions have become the single most important risk confronting the global economy."

-Brookings
January 17, 2024

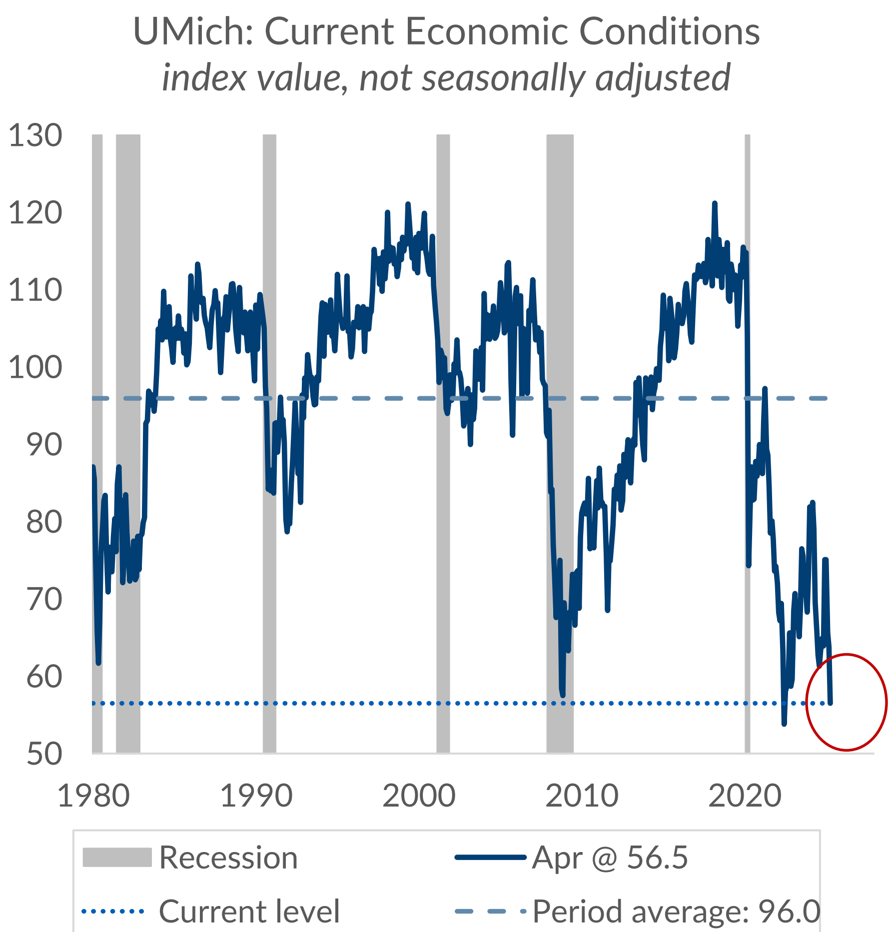
Sentiment





Data current as of April 14, 2025
Source: University of Michigan Survey of Consumers
Information is subject to change and is not a guarantee of future results.

Sentiment



Data current as of April 14, 2025
Source: University of Michigan Survey of Consumers, Chief Executive Magazine
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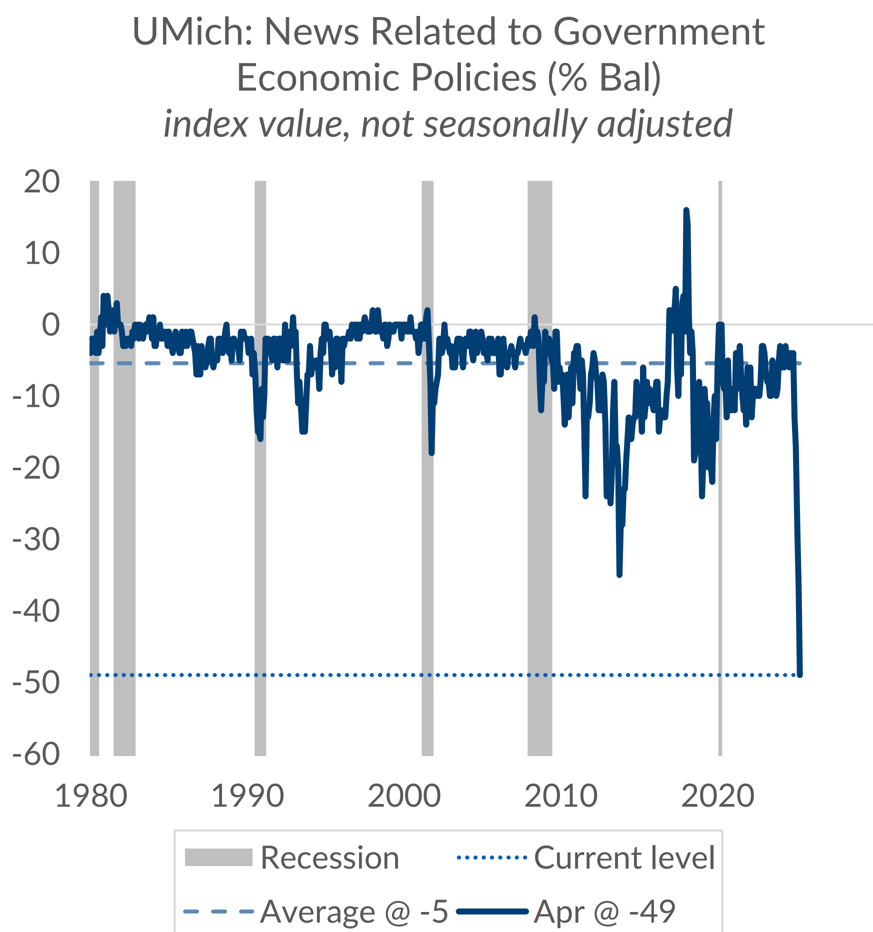
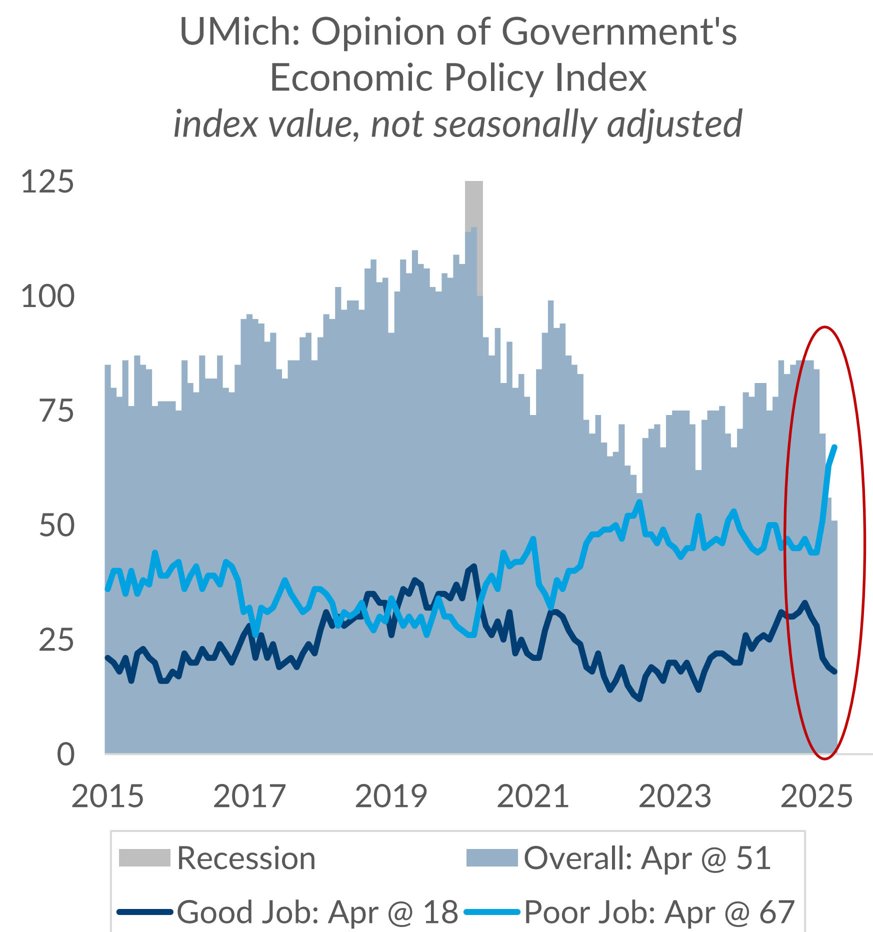
Sentiment

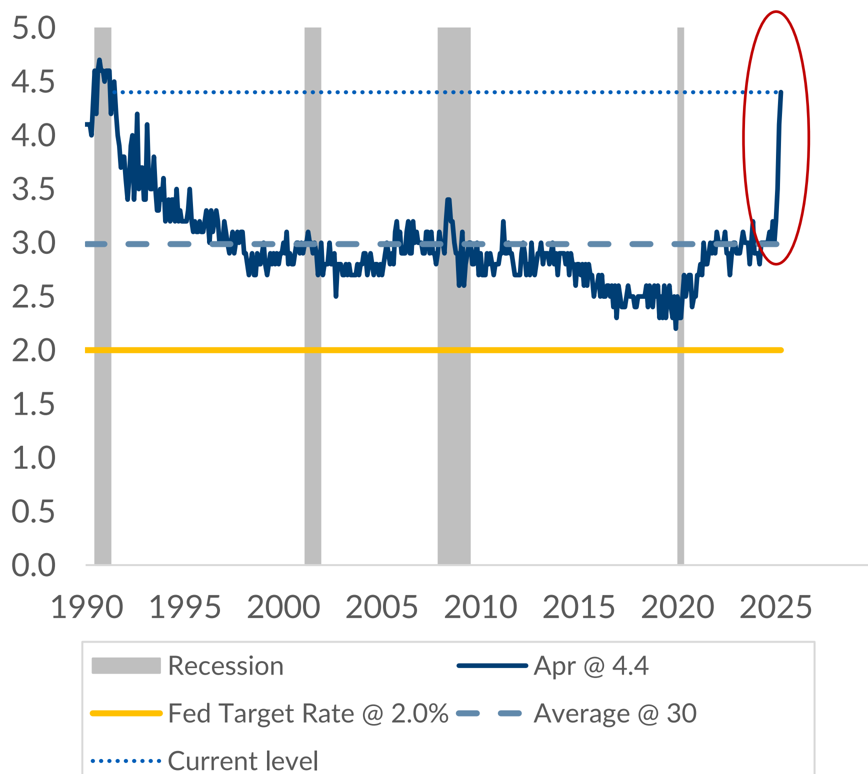




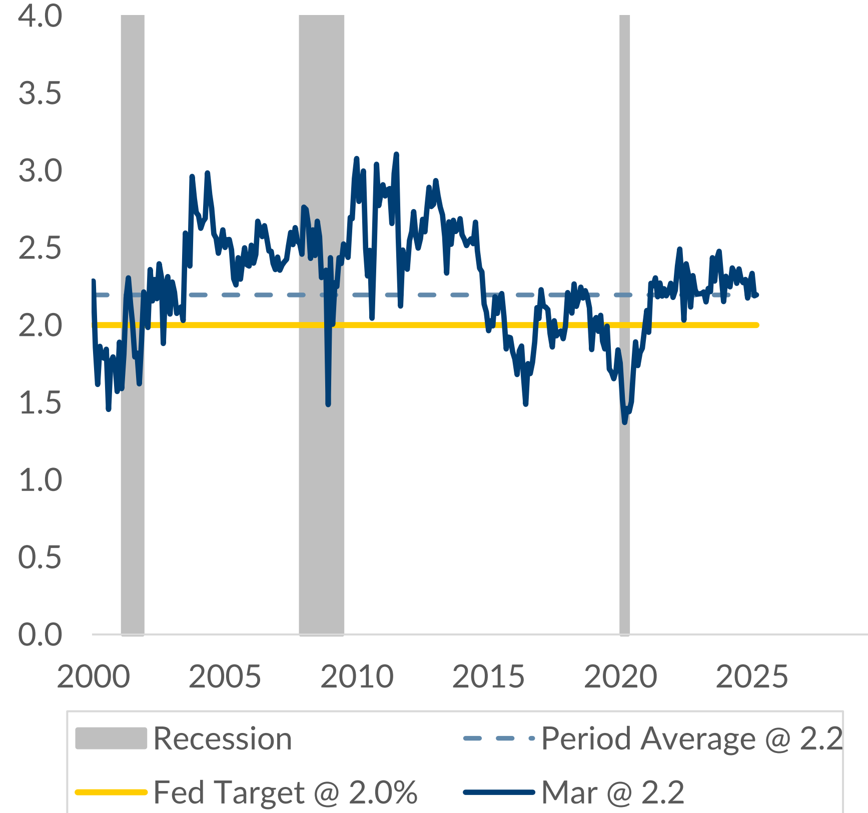
Data current as of April 14, 2025
Source: University of Michigan Surveys of Consumers
Information is subject to change and is not a guarantee of future results.

Sentiment

UMich: Expected Inflation Rate During the Next 5-10 Years
%, not seasonally adjusted

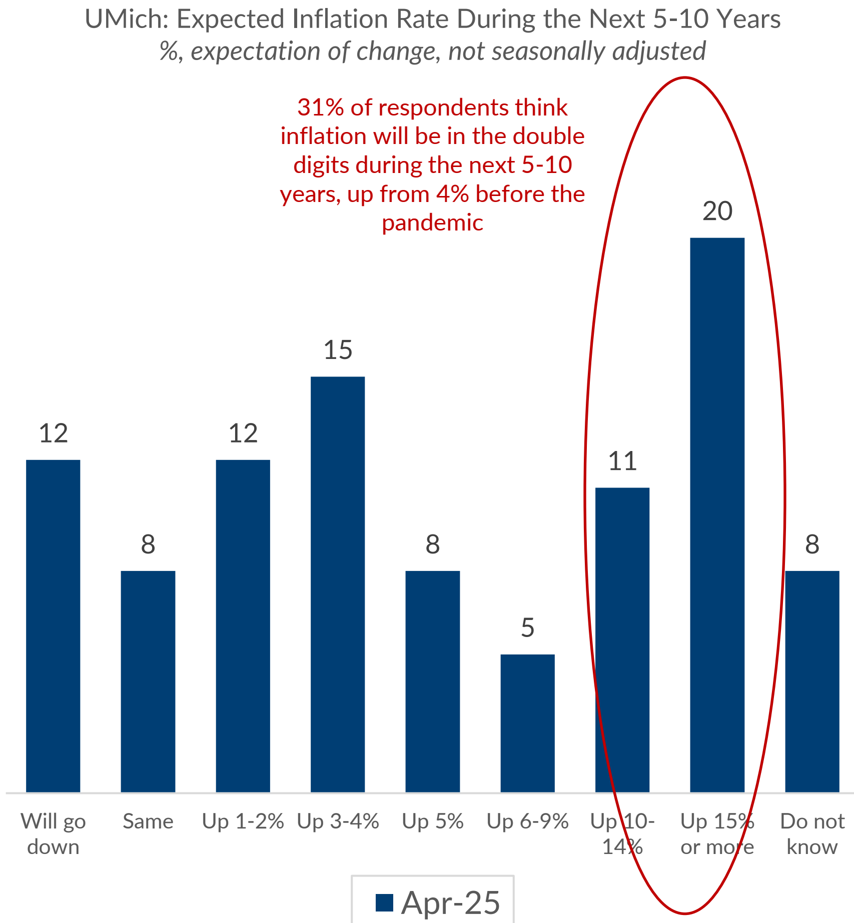


Inflation Expectations
%, 5-year/5-year forward breakeven



Data current as of April 14, 2025
Source: University of Michigan Surveys of Consumers, Bloomberg
Information is subject to change and is not a guarantee of future results.

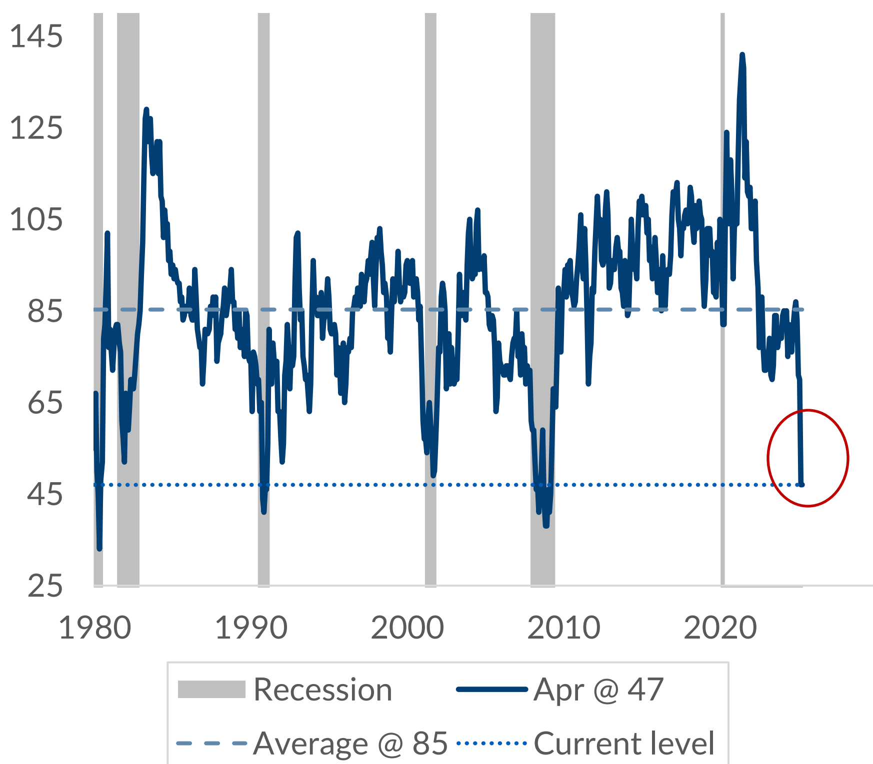
Sentiment



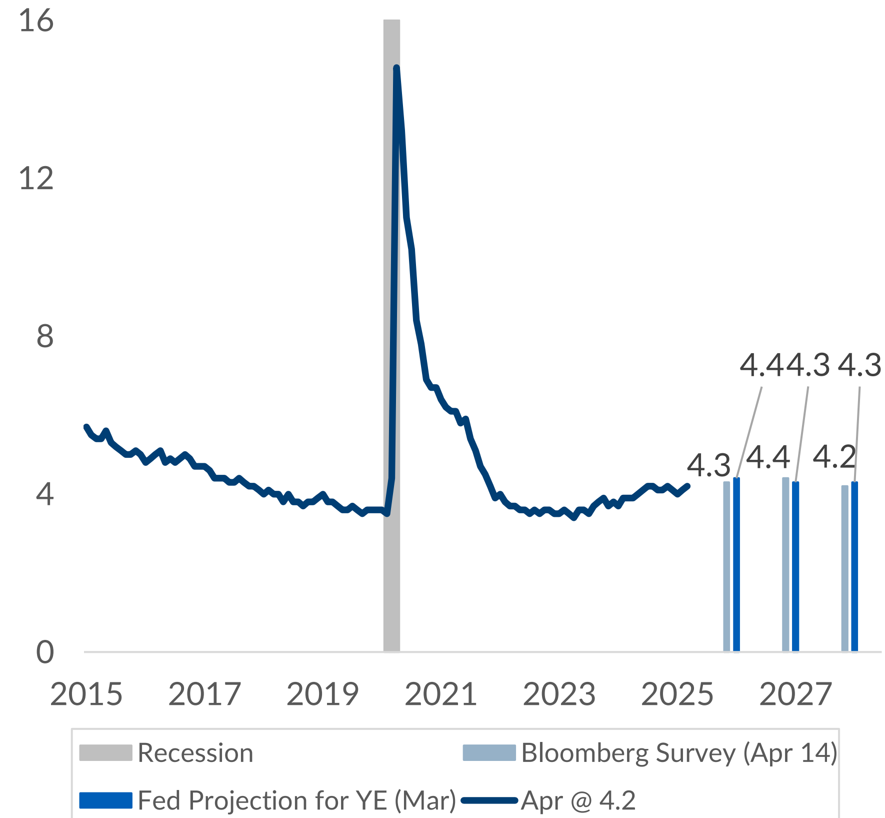
Data current as of April 14, 2025
Source: University of Michigan Surveys of Consumers
Information is subject to change and is not a guarantee of future results.

Sentiment

UMich: Expected Change in Unemployment During Next Year
index value, not seasonally adjusted



Unemployment Rate: Forecasts
%, historical data is seasonally adjusted



Data current as of April 14, 2025
Source: University of Michigan Surveys of Consumers, Federal Reserve Bank, Blomberg Survey
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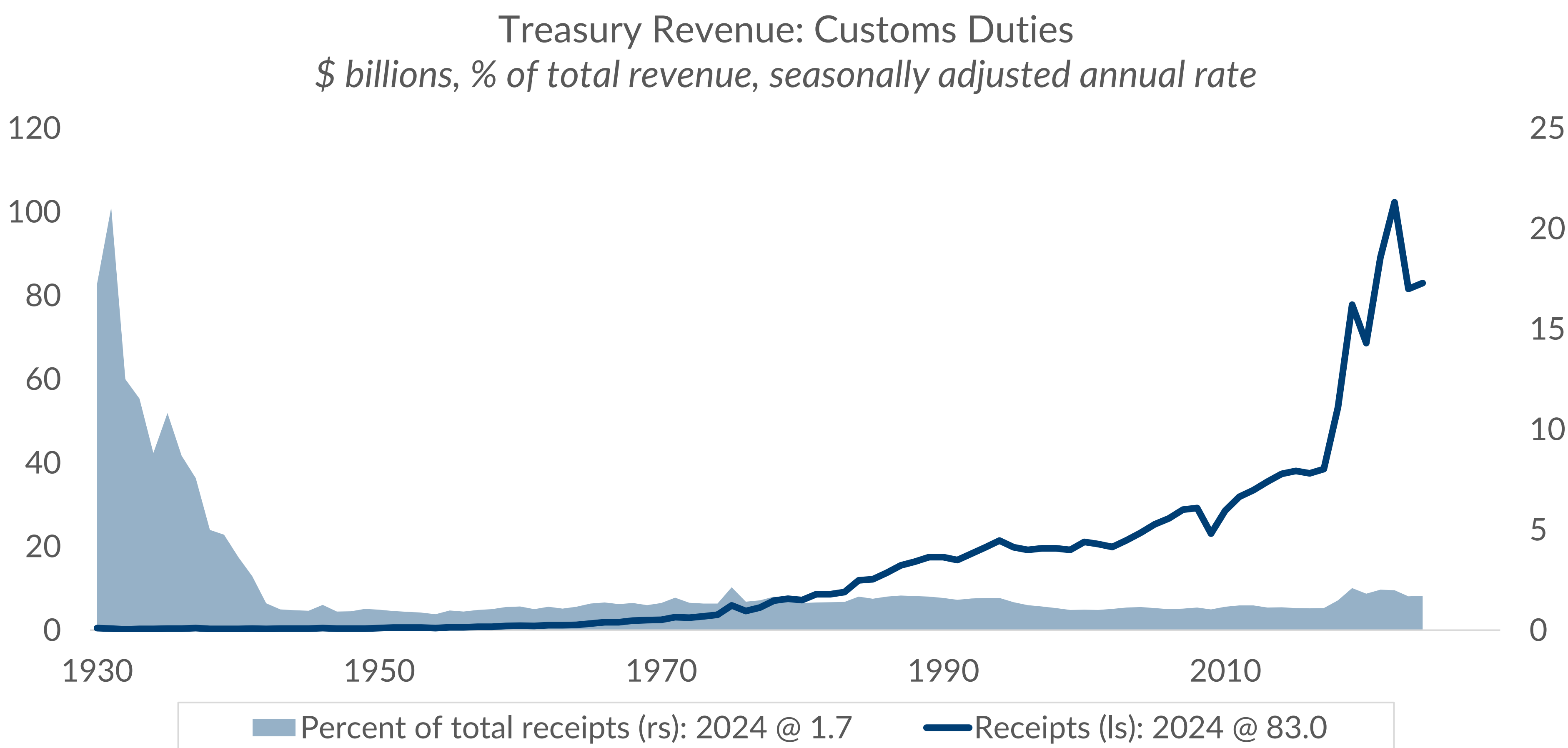
Tariffs



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Source: U.S. Treasury
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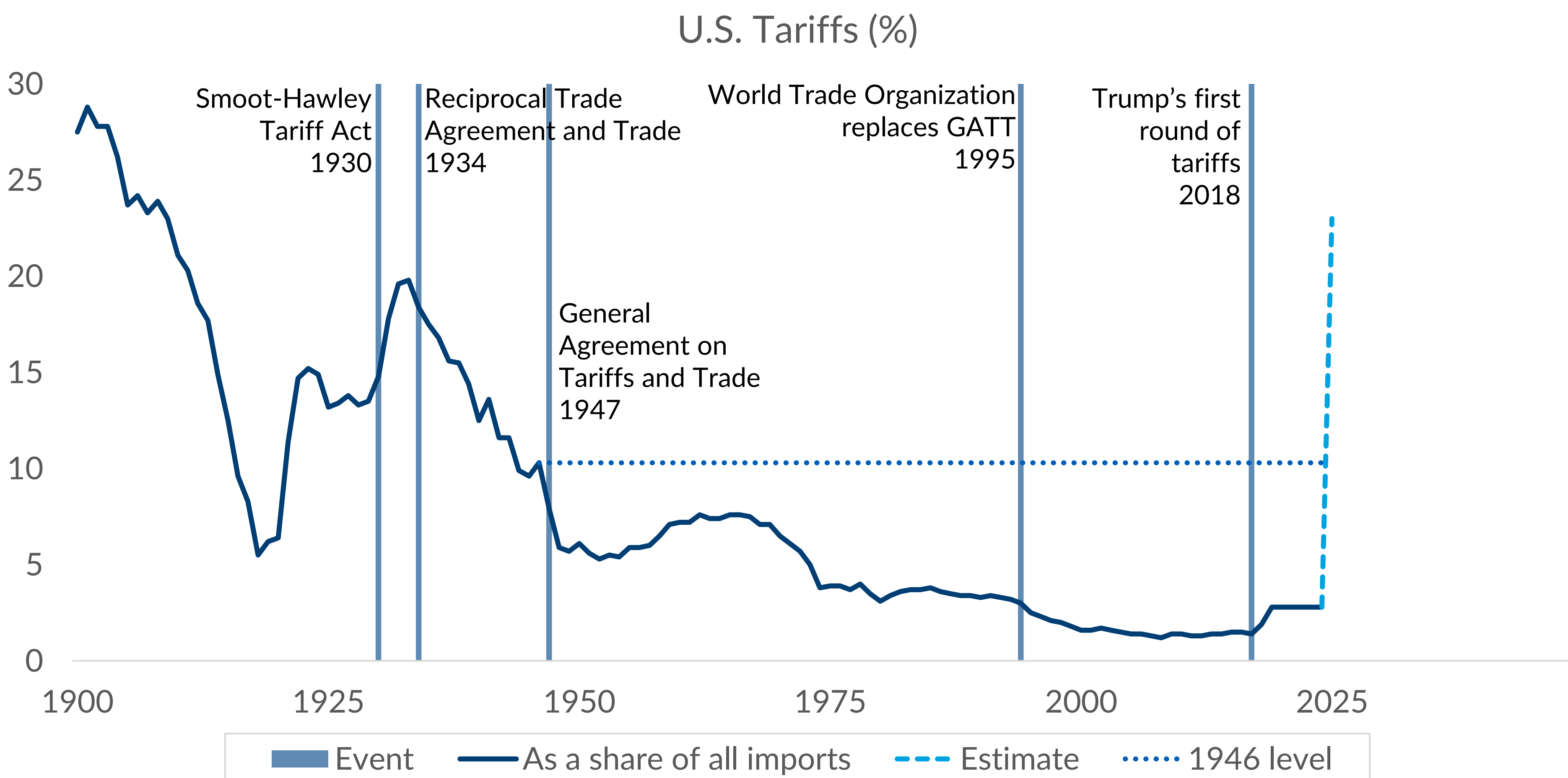
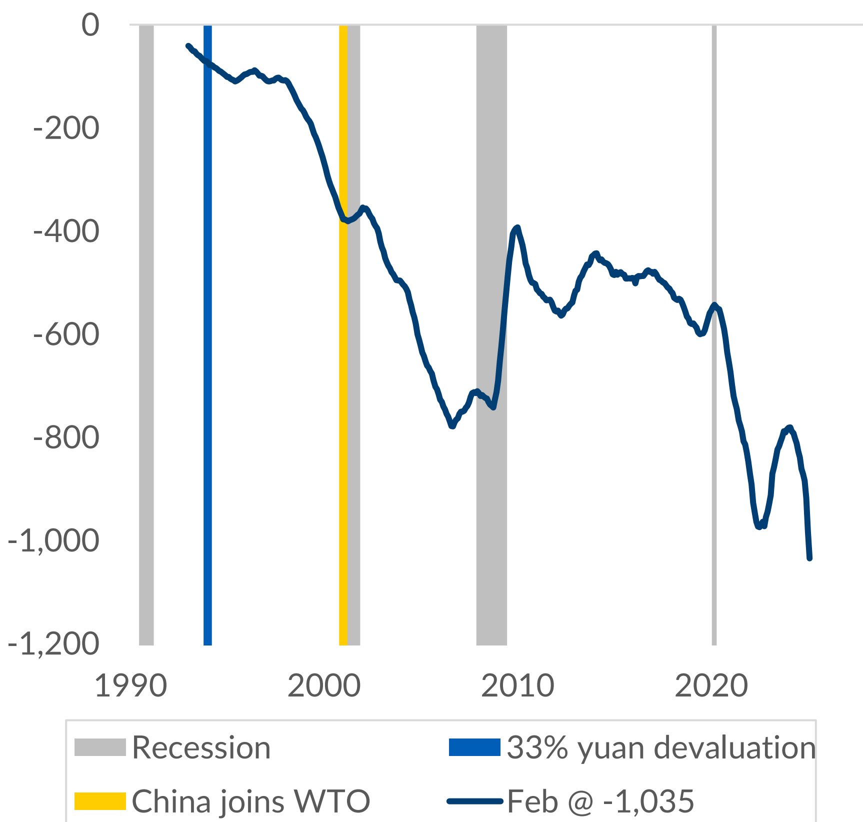
Tariffs



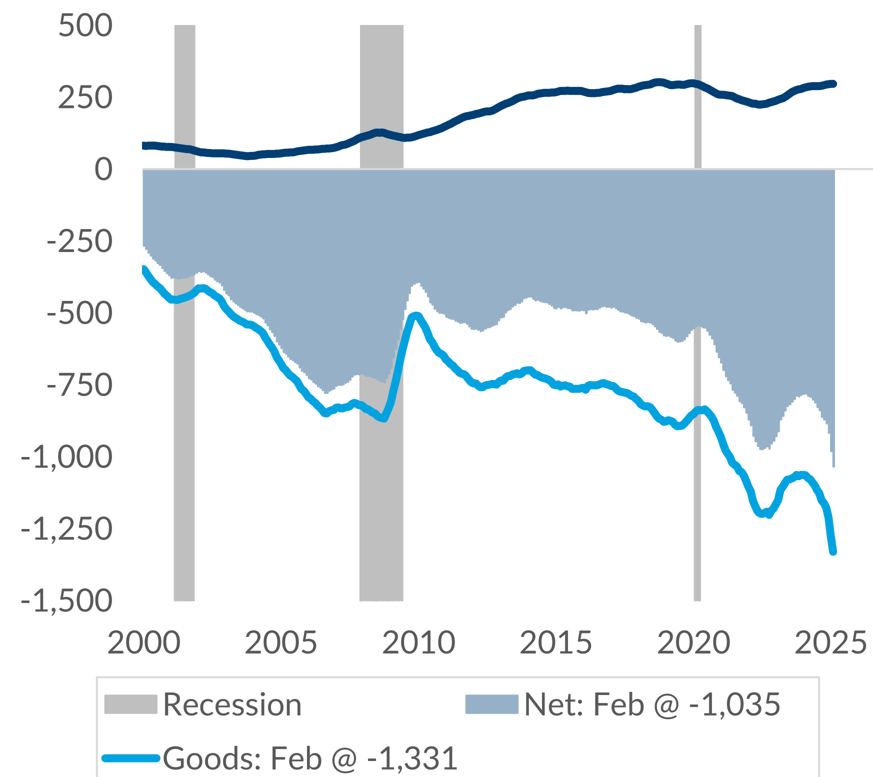
Data current as of April 14, 2025
Source: U.S. Department of Commerce, Bloomberg Survey
Information is subject to change and is not a guarantee of future results.

Trade

Trade Balance
$ billions, 12-month rolling total

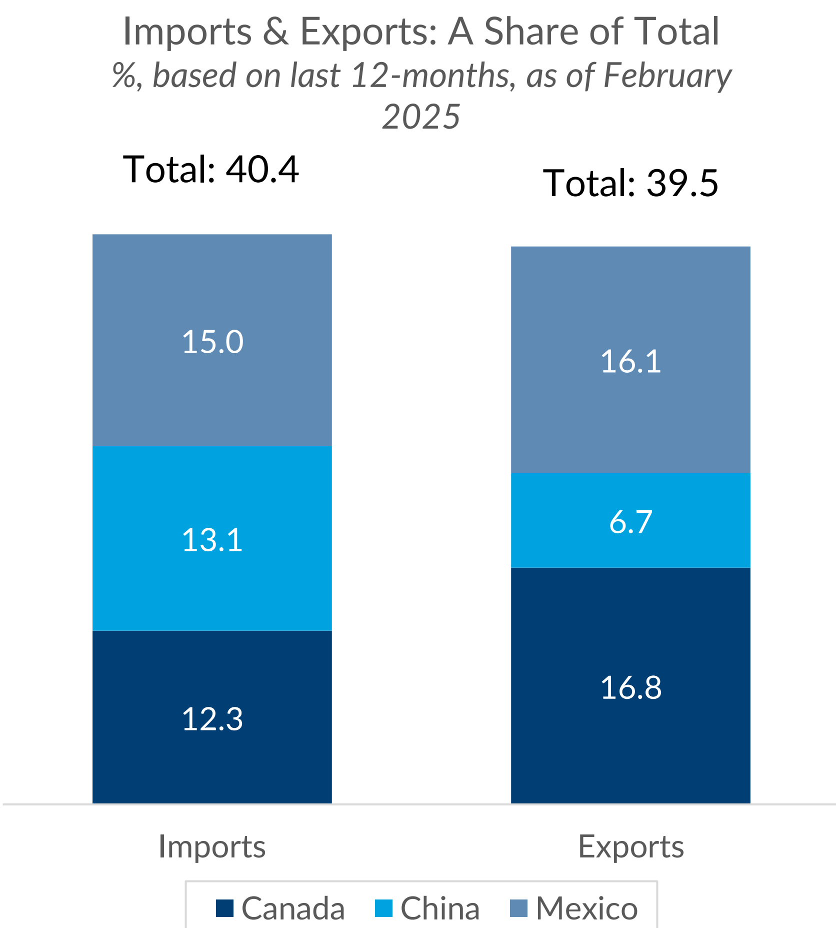


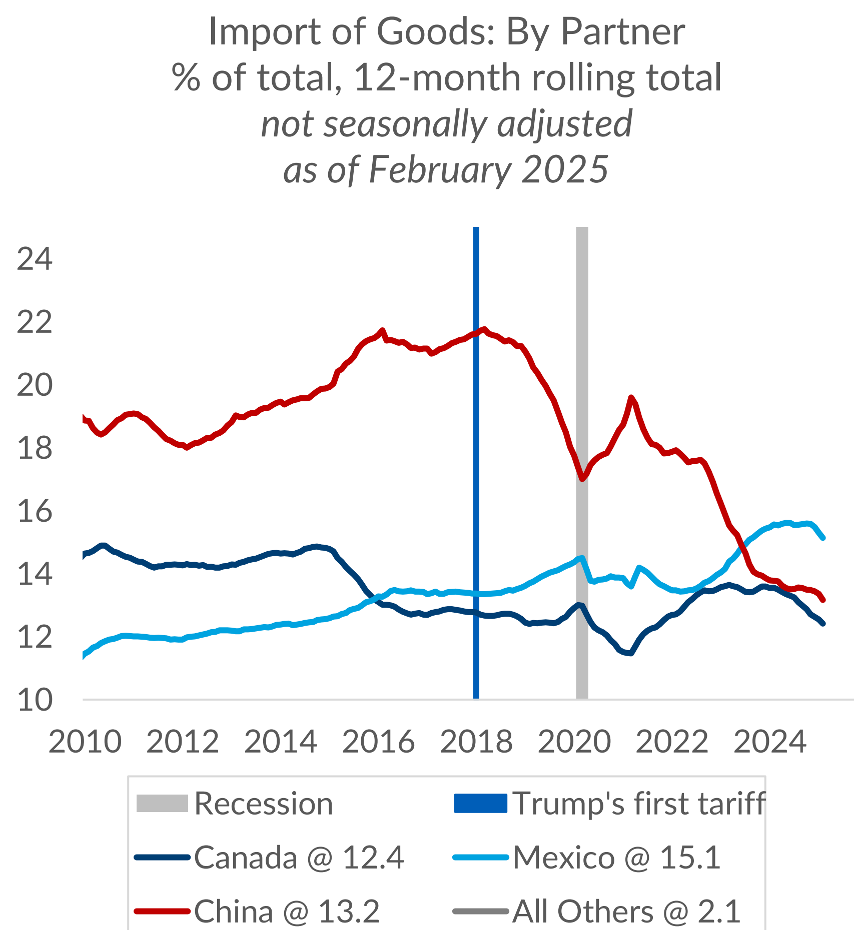
Trade Balance: Goods & Services
$, billions, 12-month moving total, imports are shown as a negative



Data current as of May 1, 2025
Source: U.S. Census Bureau
Information is subject to change and is not a guarantee of future results.

Trade





Data current as of May 1, 2025
Source: U.S. Census Bureau
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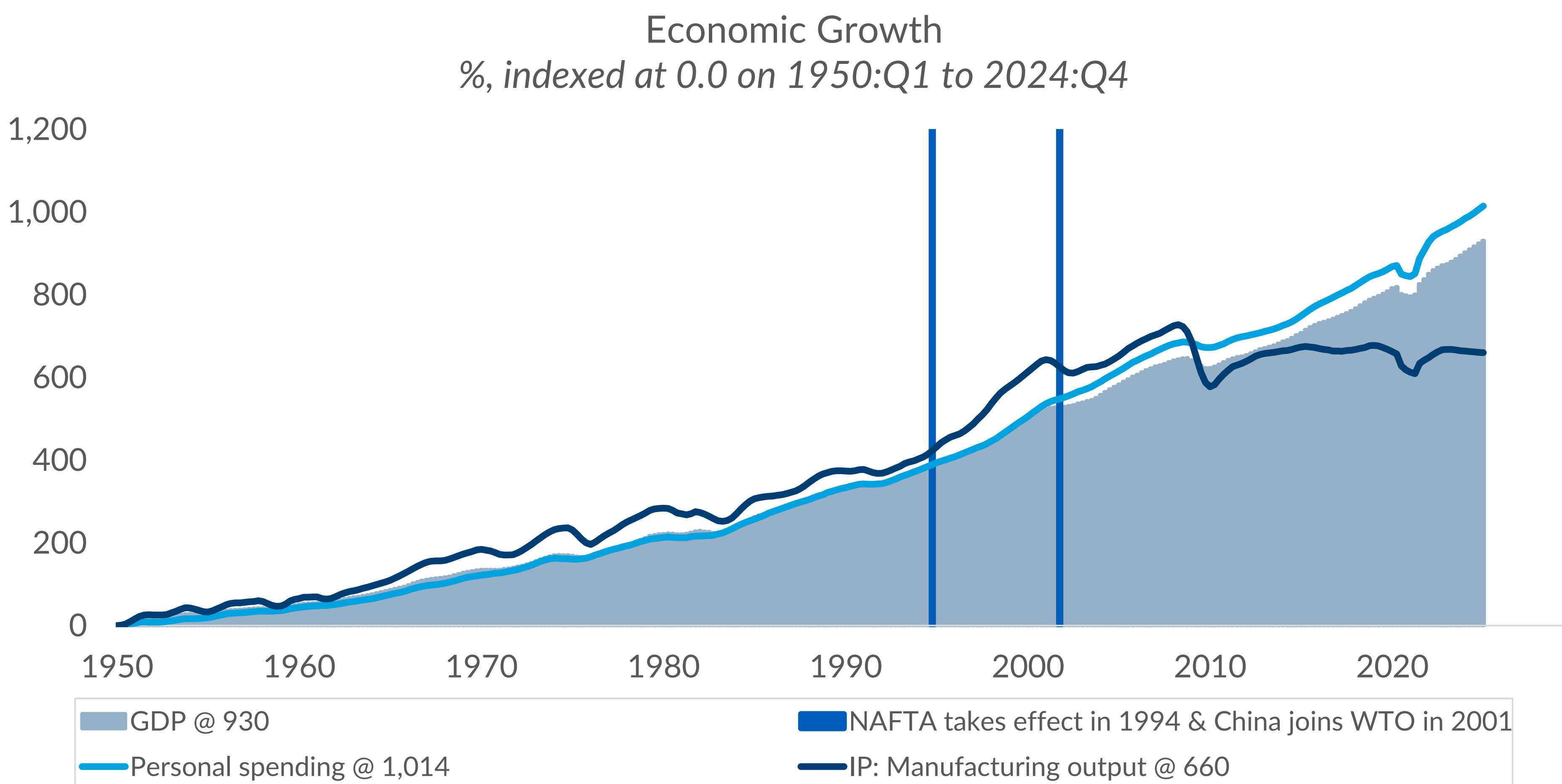
Manufacturing



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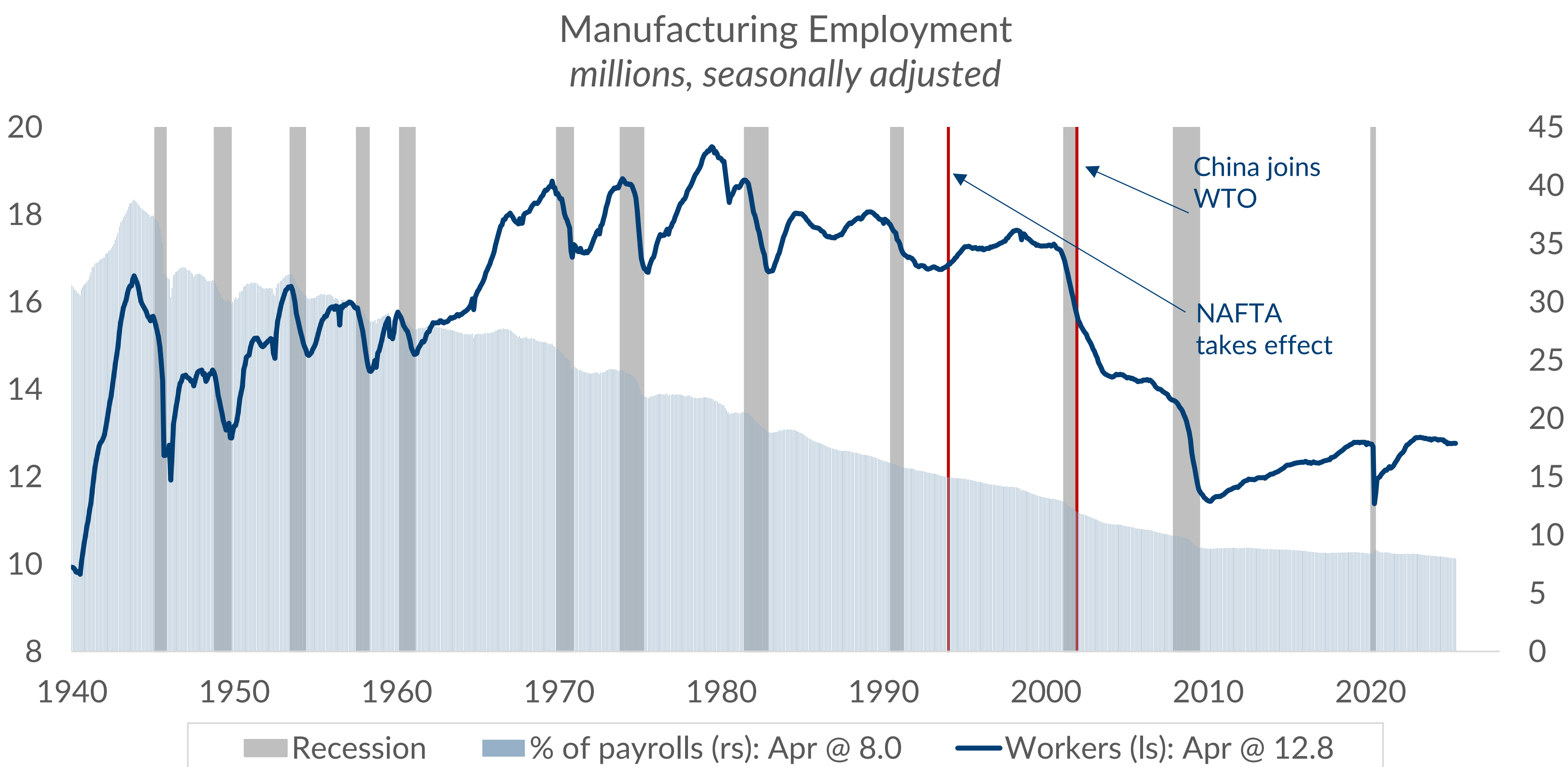
Manufacturing



Data current as of May 4, 2025
Source: Bureau of Economic Analysis, Federal Reserve Bank
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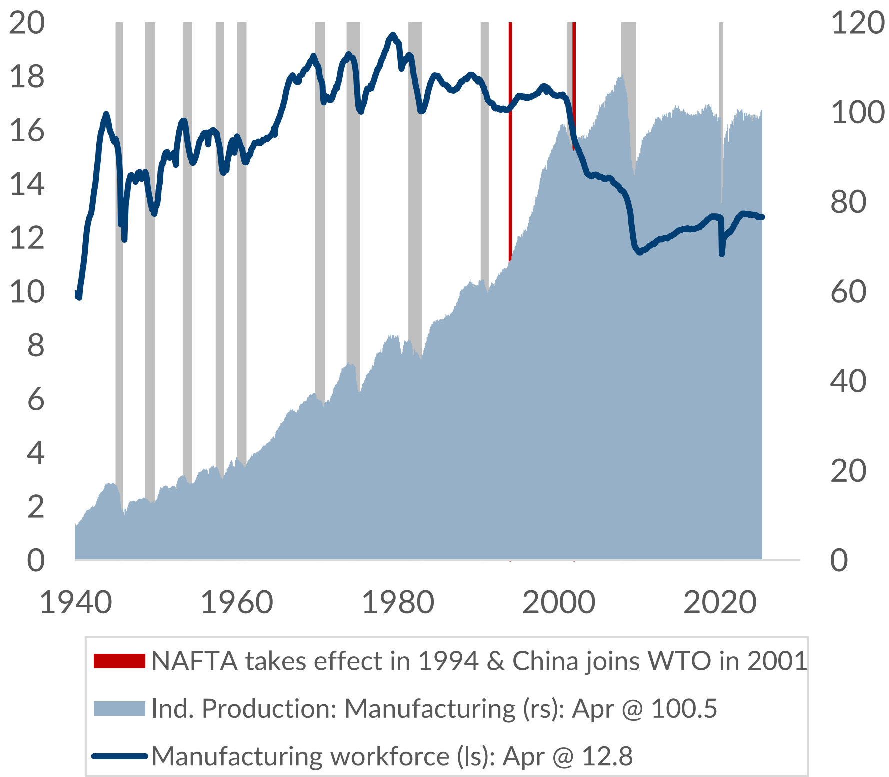
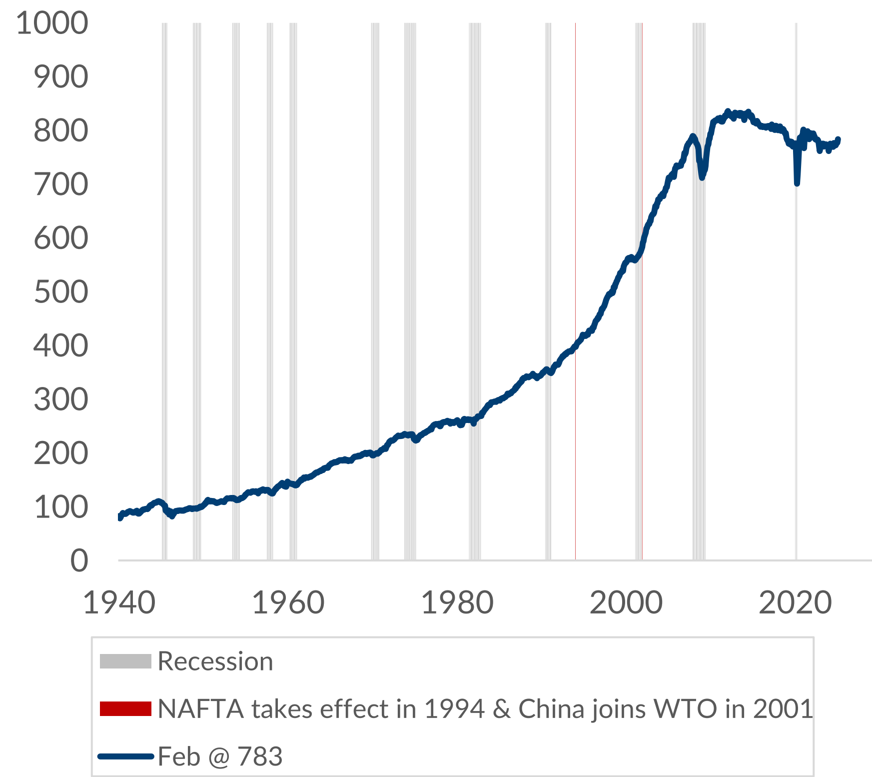
Manufacturing

Manufacturing Workers and Output
millions of workers and total manufacturing output



Manufacturing Productivity
industrial production index/millions of manufacturing workers



Data current as of May 4, 2025
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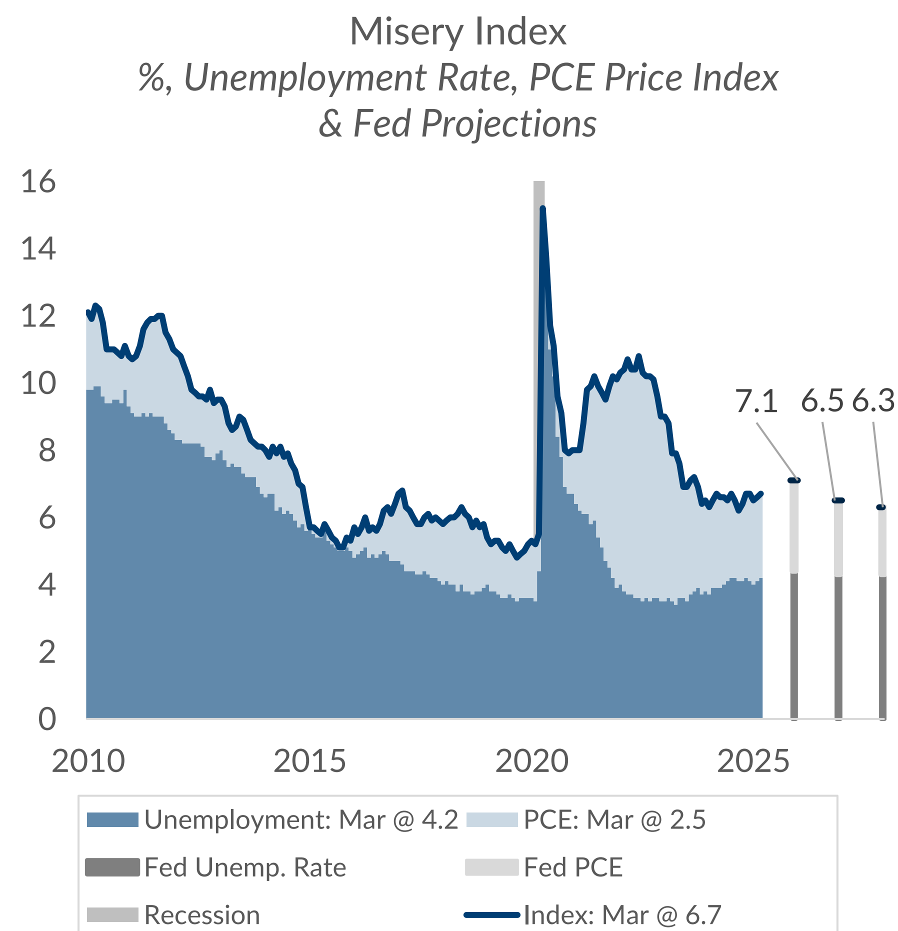
Stagflation



Data current as of May 4, 2025
Source: Bureau of Economic Analysis, Federal Reserve Bank
Information is subject to change and is not a guarantee of future results.

How Should We Define Stagflation?

- Comparisons to the 1970s should be highly scrutinized as similar conditions are not present.
- Market shocks should not be equated to tariffs, but the degree of uncertainty and its influence on expectations should not be underestimated.

Shock	1970s	Current	Condition Present
Oil Shocks	• 1973 OPEC embargo sparked quadrupling of energy costs • Second oil shock in 1979 after Iranian Revolution	• Oil price spike after Ukrainian invasion was not sustained • Administration goal to lower energy prices	NO
Loose Monetary Policy	• Deficits to finance Vietnam and Great Society programs • Loose Federal Reserve policy kept rates low	• Long-term deficits to support benefit spending. • Quantitative easing • Federal Reserve strictly enforcing independence.	Deficit spending is similar; Federal Reserve is more independent than in 1970.
Currency Devaluation	• Bretton Woods gold exchange system eliminated • Dollar depreciation	• U.S. dollar has been stable and remains heavily utilized as a reserve currency	NO
Wage-Price Spirals & Regulation	• Automatic cost-of-living wage increases • Strong labor unionization	• Potential wave of deregulation • Less labor unionization	NO
Productivity Slowdown	• Productivity growth slowed	• Productivity growth is stable • Technology advances may provide a tailwind	NO

Data current as of April 1, 2025. Source: CNR Research
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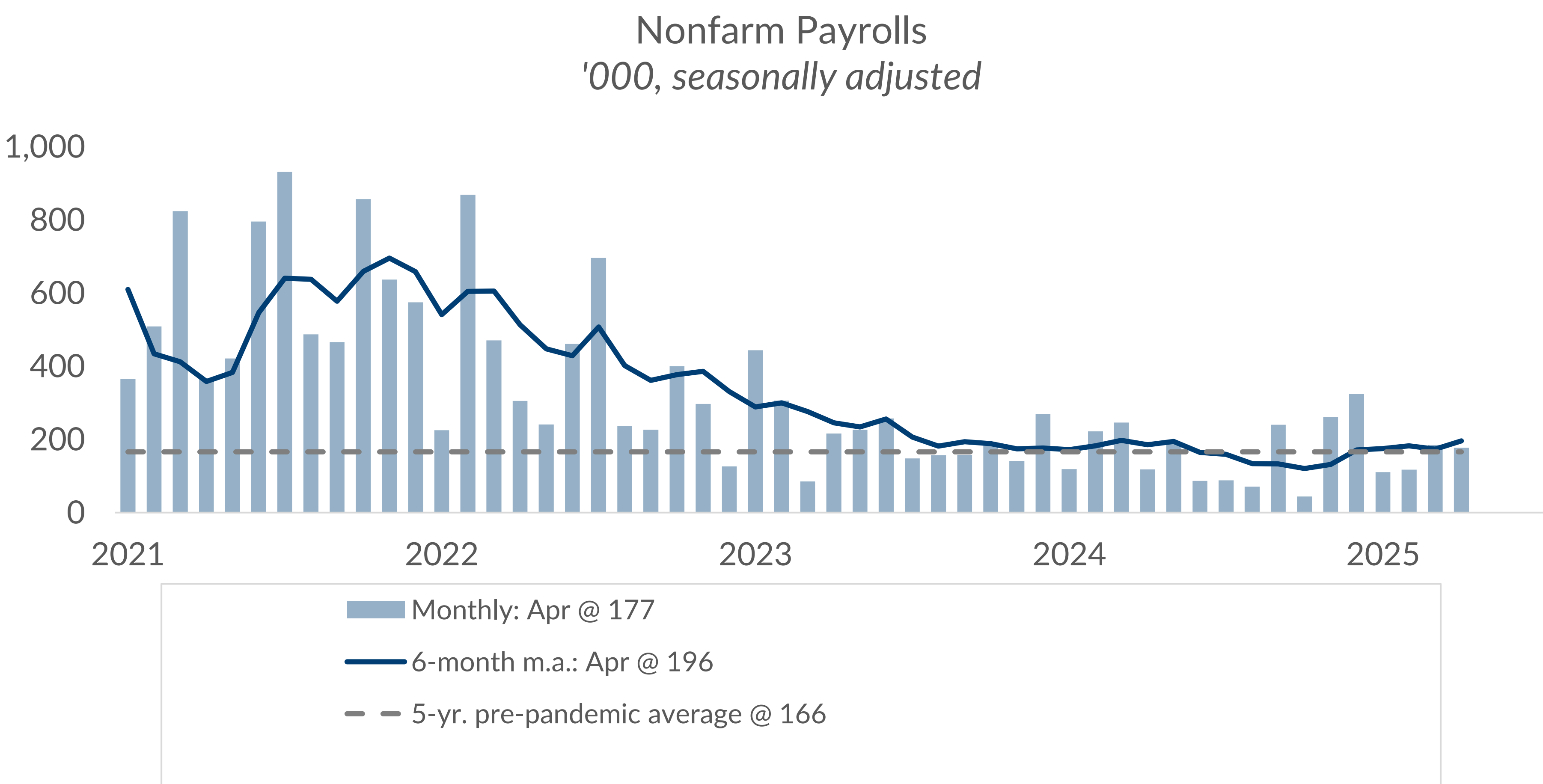
Labor



Data current as of May 4, 2025
Source: Bureau of Labor Statistics
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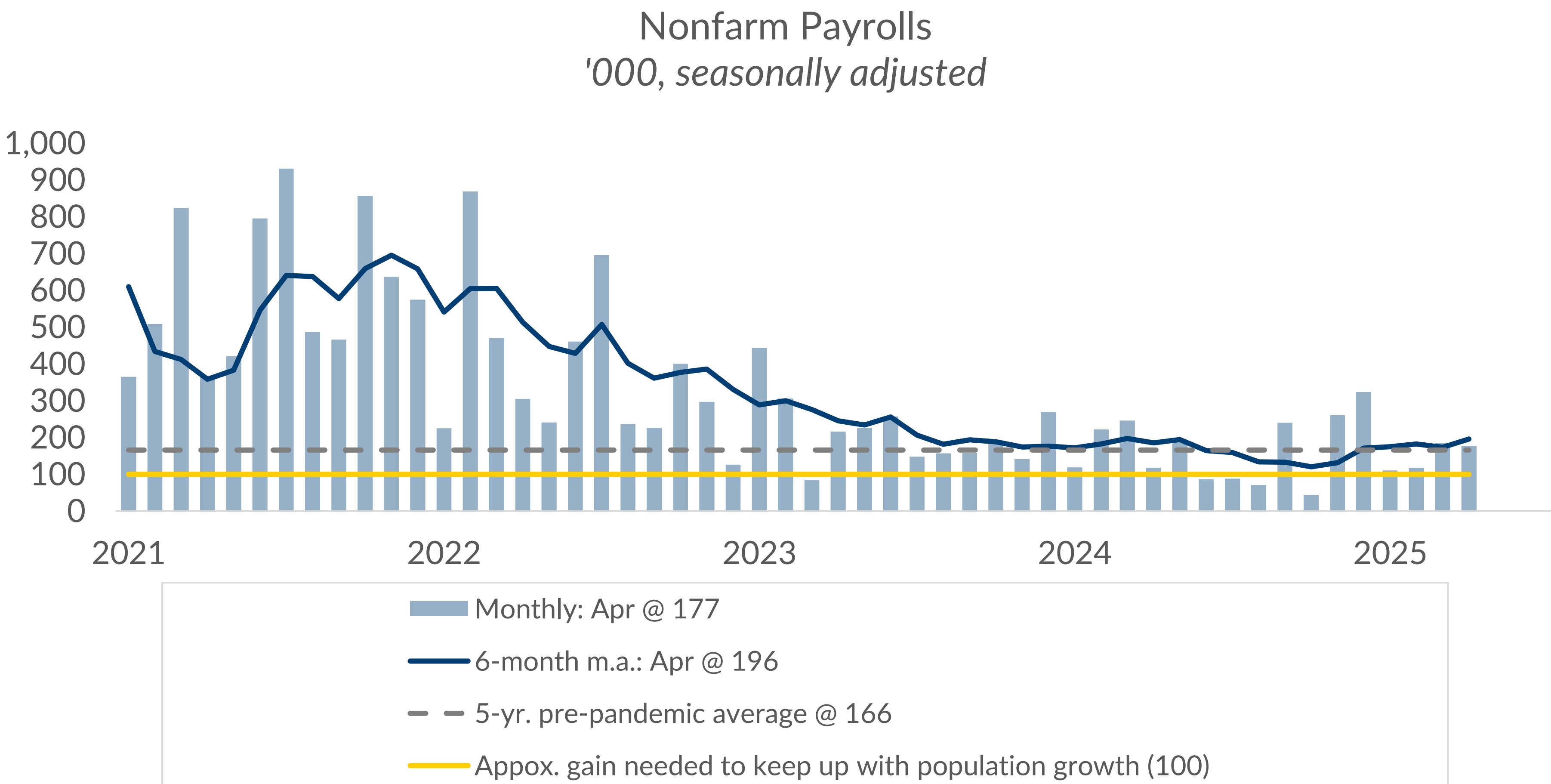
Labor



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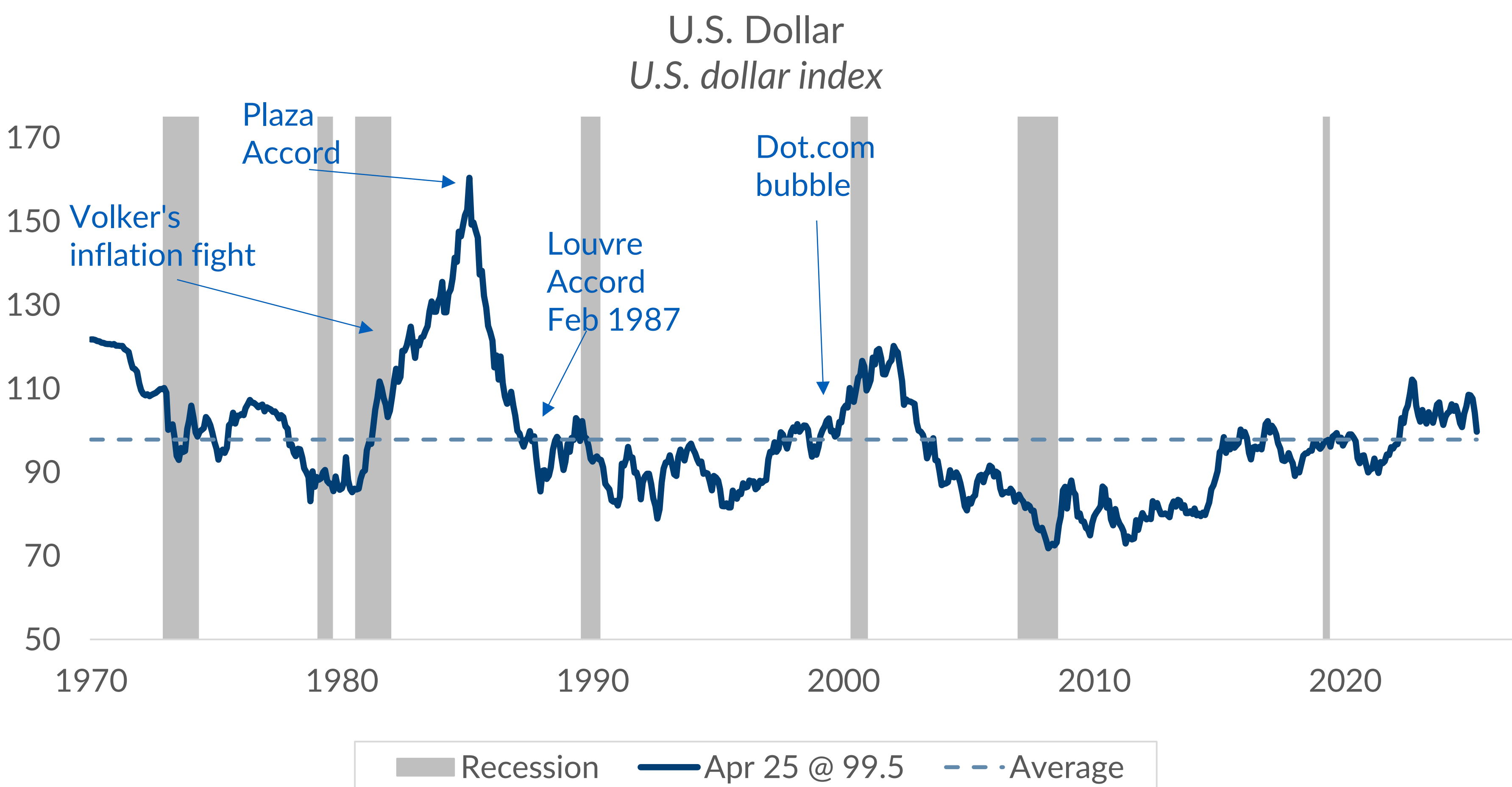
The Dollar



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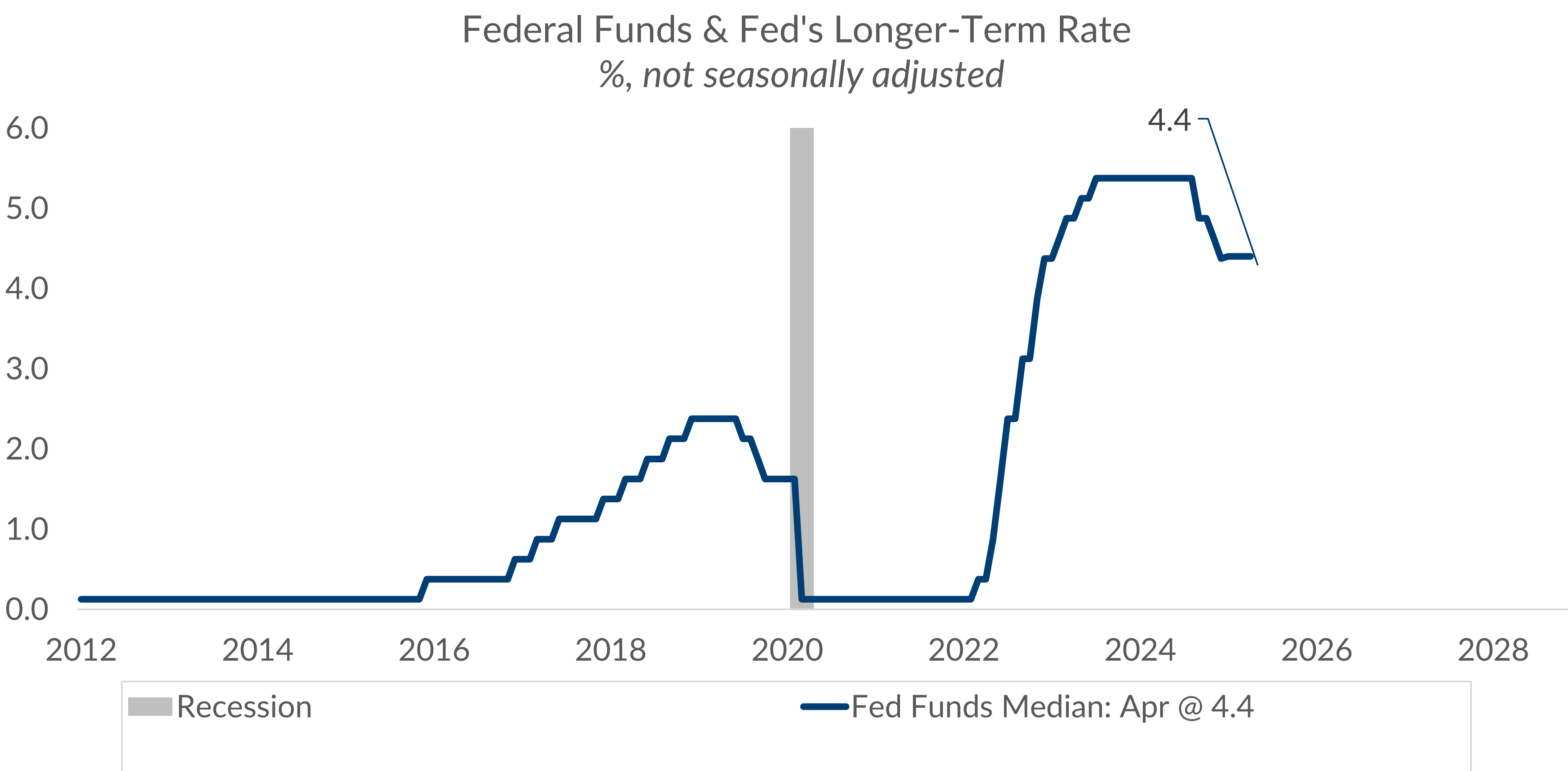
The Fed



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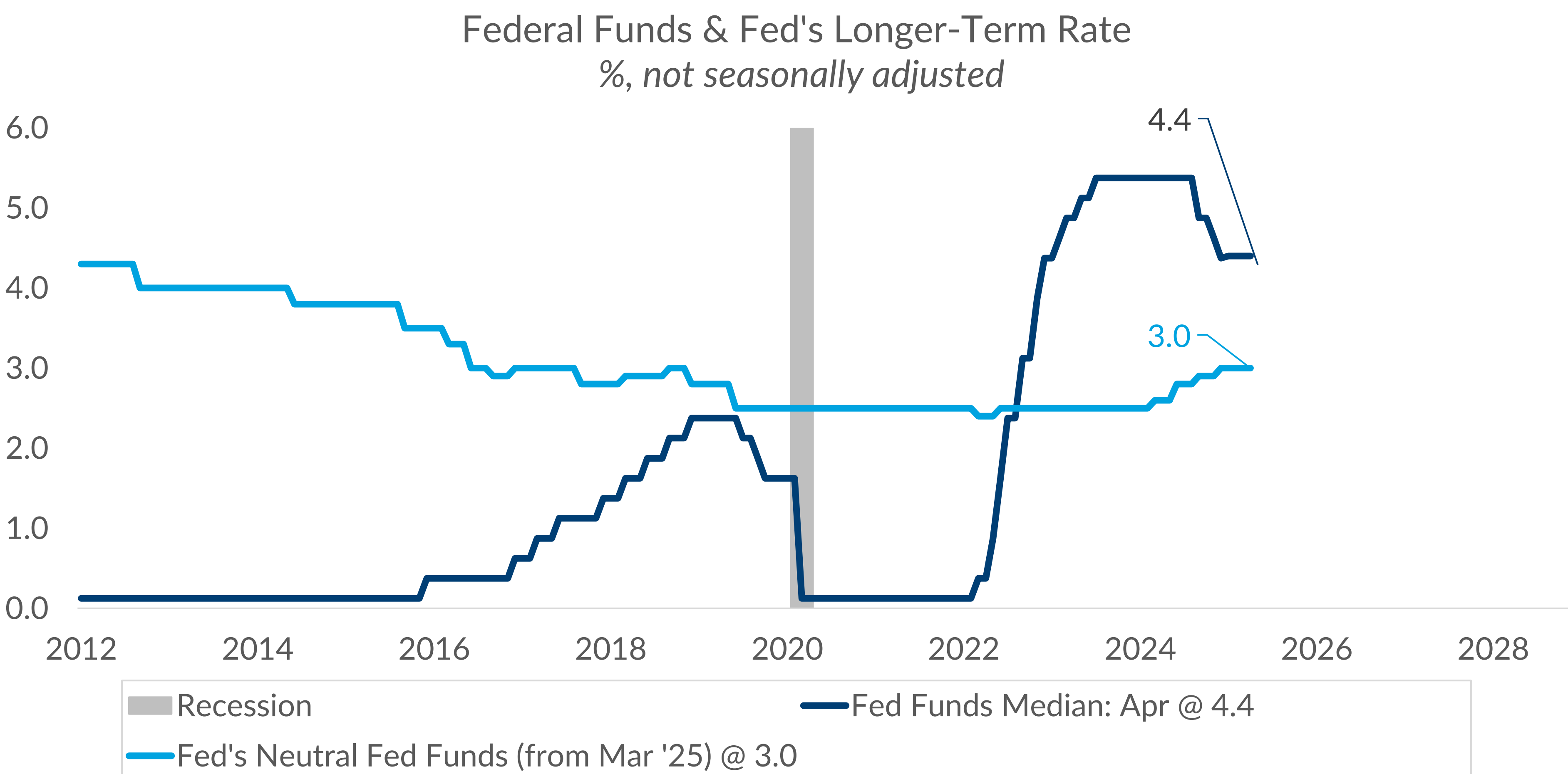

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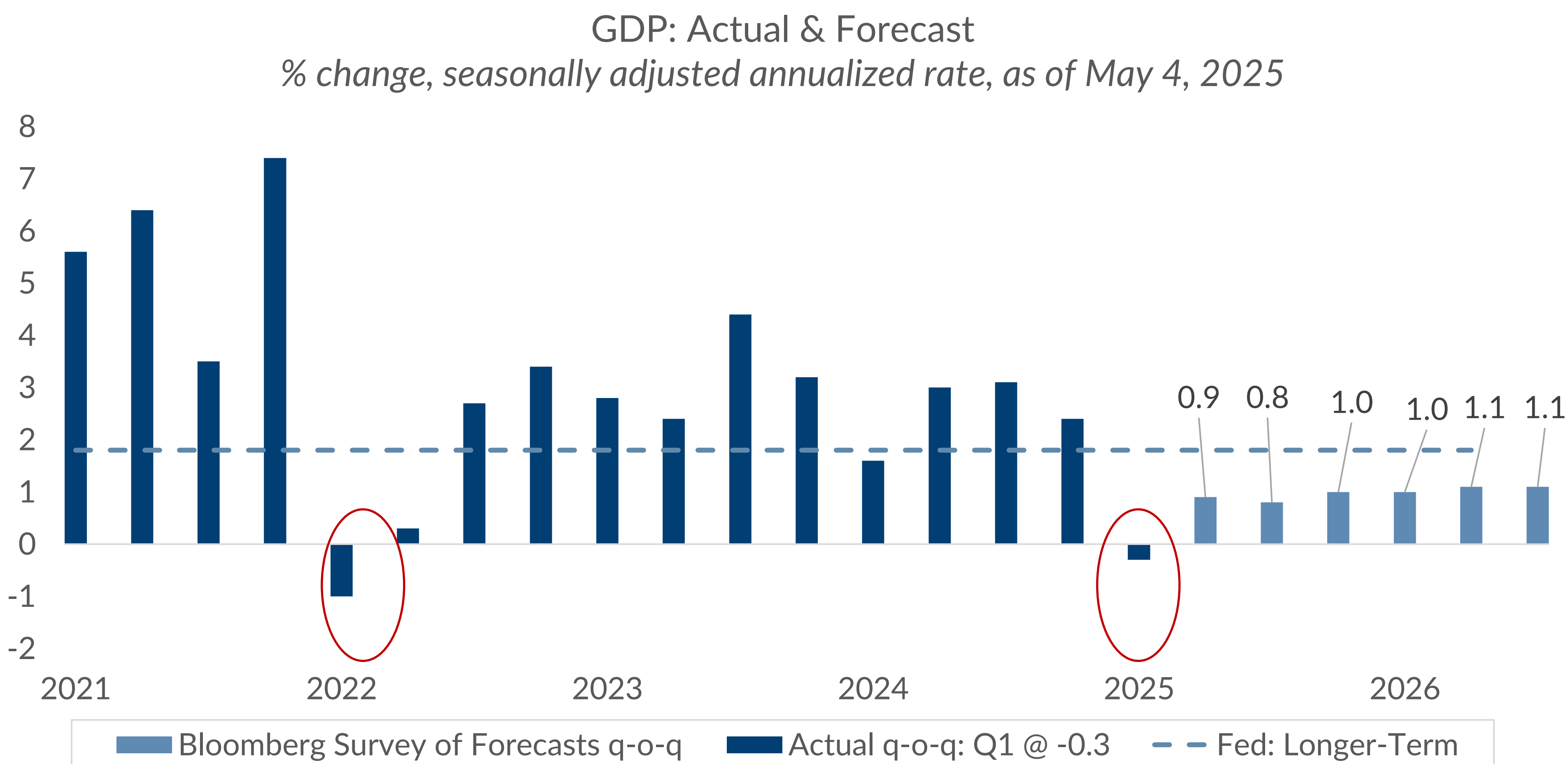
GDP



Data current as of April 14, 2025
Source: Bureau of Economic Research, Bloomberg Composite of Economic Forecasts
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Q & A

Index Definitions

Consumer Price Index (CPI). A consumer price index (CPI) measures changes in the price level of a market basket of consumer goods and services purchased by households. The CPI is a statistical estimate constructed using the prices of a sample of representative items whose prices are collected periodically.

Gross Domestic Product (GDP) measures changes in the prices of goods and services produced in the United States, including those exported to other countries.

University of Michigan Consumer Sentiment Index. A consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in the first quarter of 1966. Each month at least 500 telephone interviews are conducted of a contiguous United States sample.

The Standard and Poor's 500 (S&P 500) is a stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States.

Leading Economic Index provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term.

The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index measures the change in the value of the U.S. residential housing market by tracking the purchase prices of single-family homes.

Important Information

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Past performance or performance based upon assumptions is no guarantee of future results.
Indices are unmanaged and one cannot invest directly in an index. Index returns do not reflect a deduction for fees or expenses.

All investing is subject to risk, including the possible loss of the money you invest. As with any investment strategy, there is no guarantee that investment objectives will be met and investors may lose money. Diversification does not ensure a profit or protect against a loss in a declining market. Past performance is no guarantee of future performance.