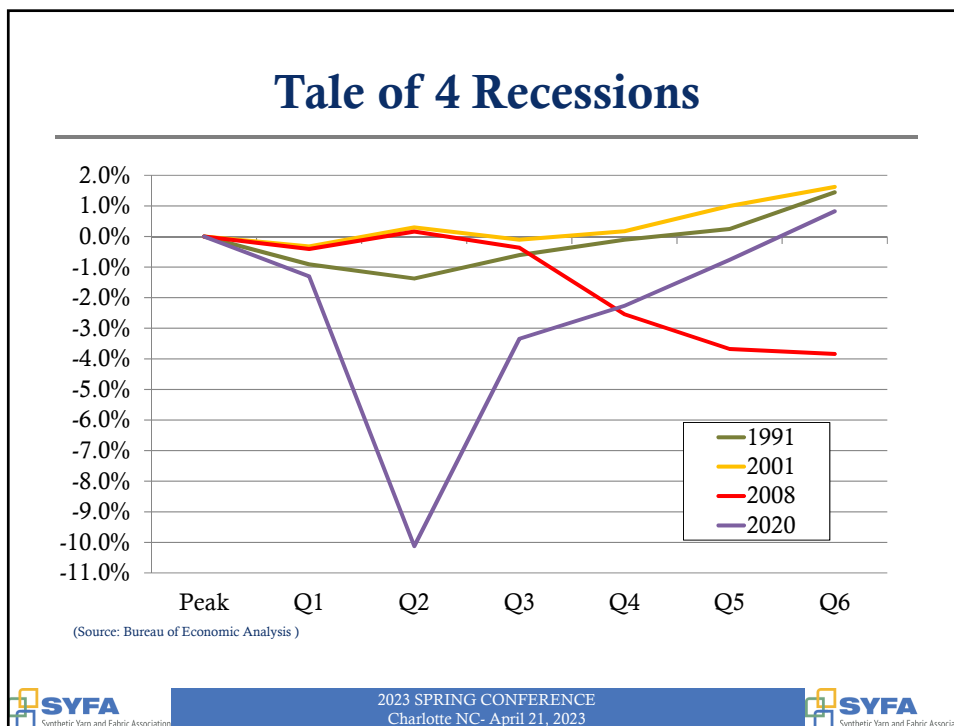


On the Economic, Business & Political Climate

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***Synthetic Yarn and Fiber Association
2023 Spring Conference
April 21, 2023***



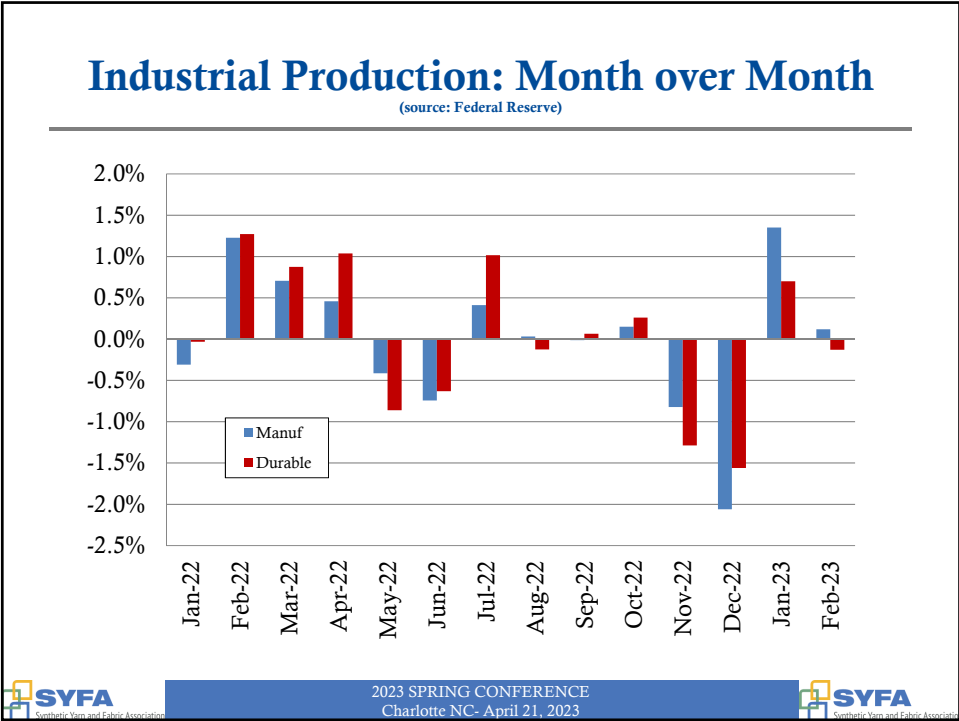
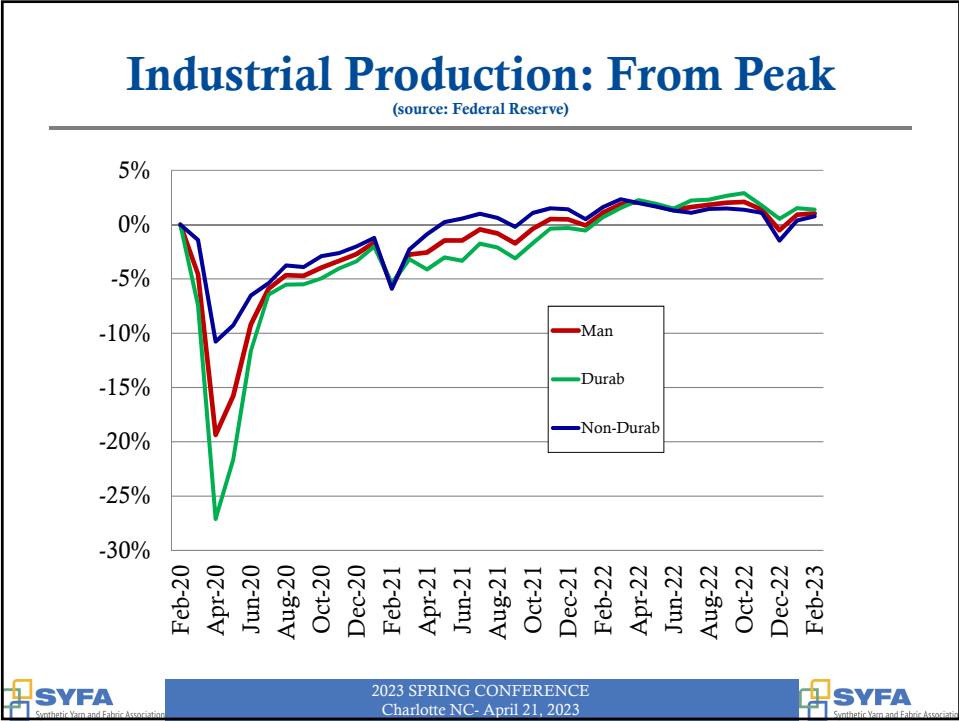
Contributions to GDP Growth

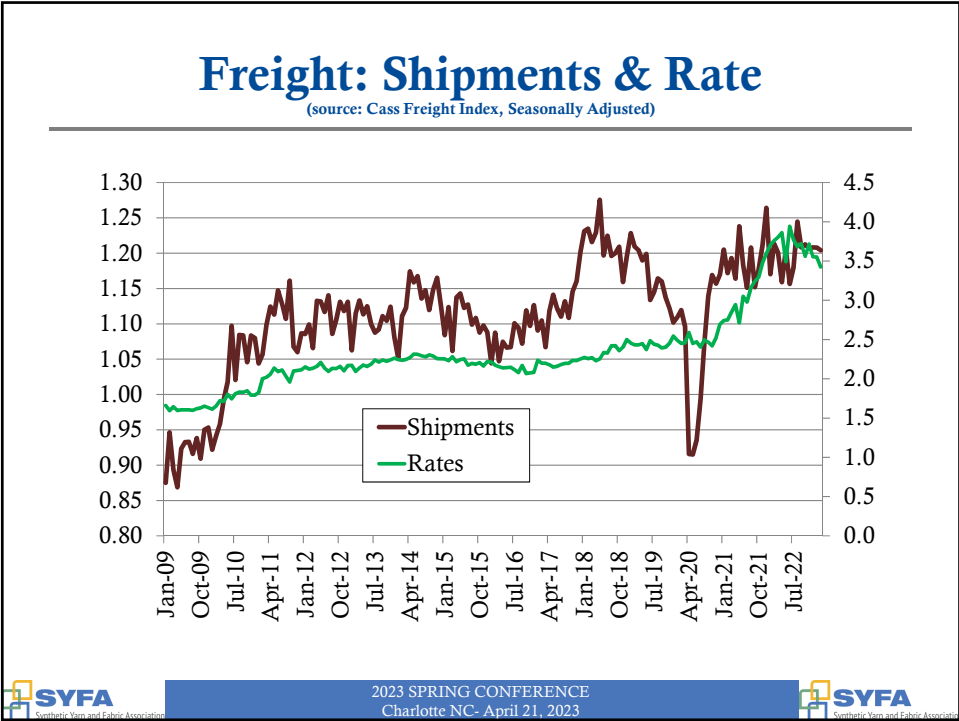
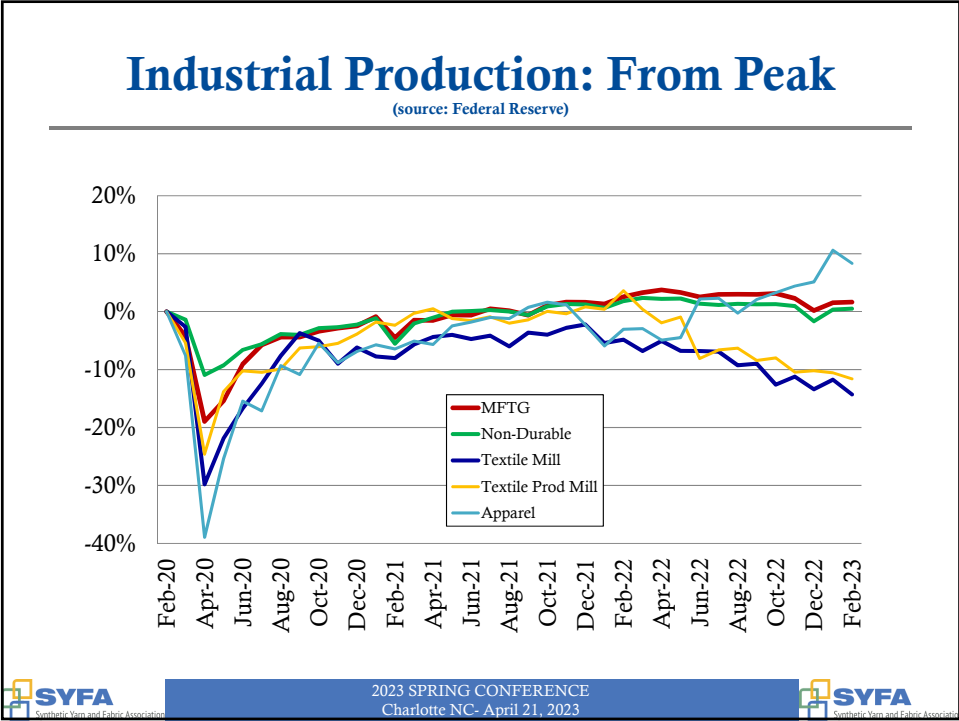
(source: Bureau of Economic Analysis)

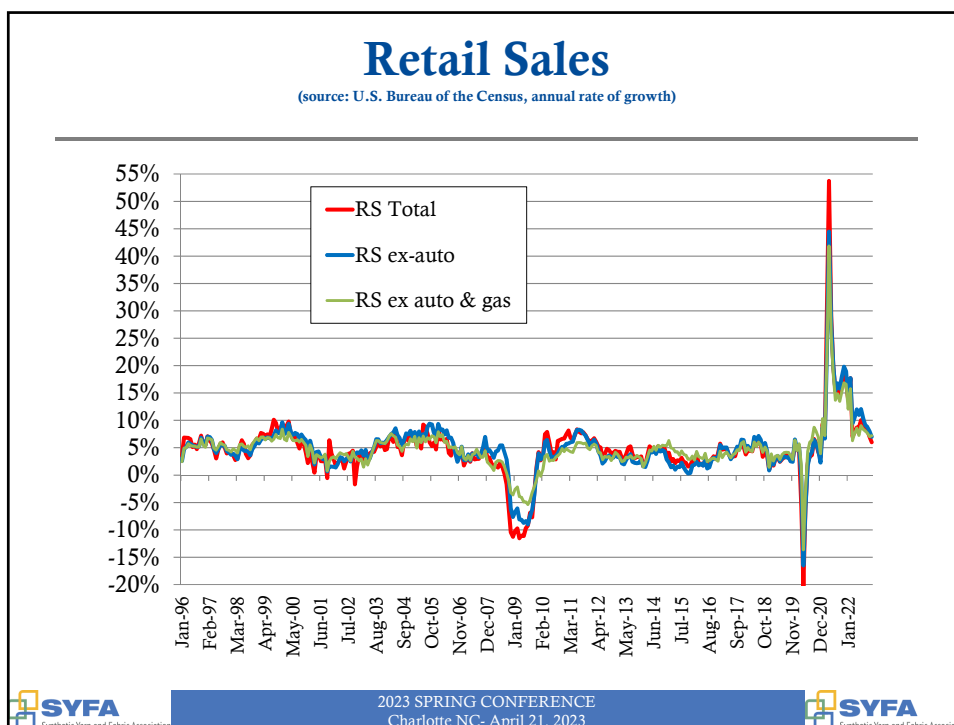
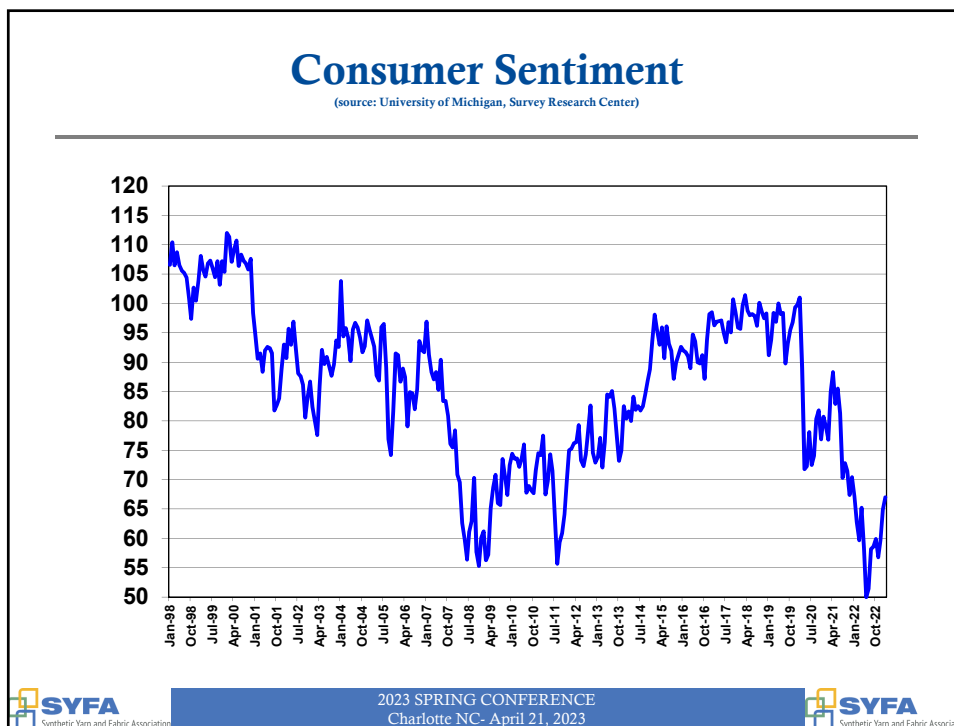
	GDP =	Consumption	Gross Investment	Net Exports	Government
2020: Q3	35.30%	26.34%	12.69%	-2.74%	-0.97%
2020: Q4	3.90%	2.53%	3.07%	-1.68%	-0.01%
2021: Q1	6.30%	6.98%	-0.82%	-1.02%	1.18%
2021: Q2	7.00%	7.84%	0.30%	-0.60%	-0.54%
2021: Q3	2.70%	1.98%	1.78%	-1.08%	-0.02%
2021: Q4	7.00%	2.14%	5.14%	-0.16%	-0.16%
2022: Q1	-1.60%	0.91%	0.98%	-3.13%	-0.40%
2022: Q2	-0.60%	1.38%	-2.83%	1.16%	-0.29%
2022: Q3	3.20%	1.54%	-1.80%	2.86%	0.65%
2022: Q4	2.60%	0.70%	0.79%	0.42%	0.85%

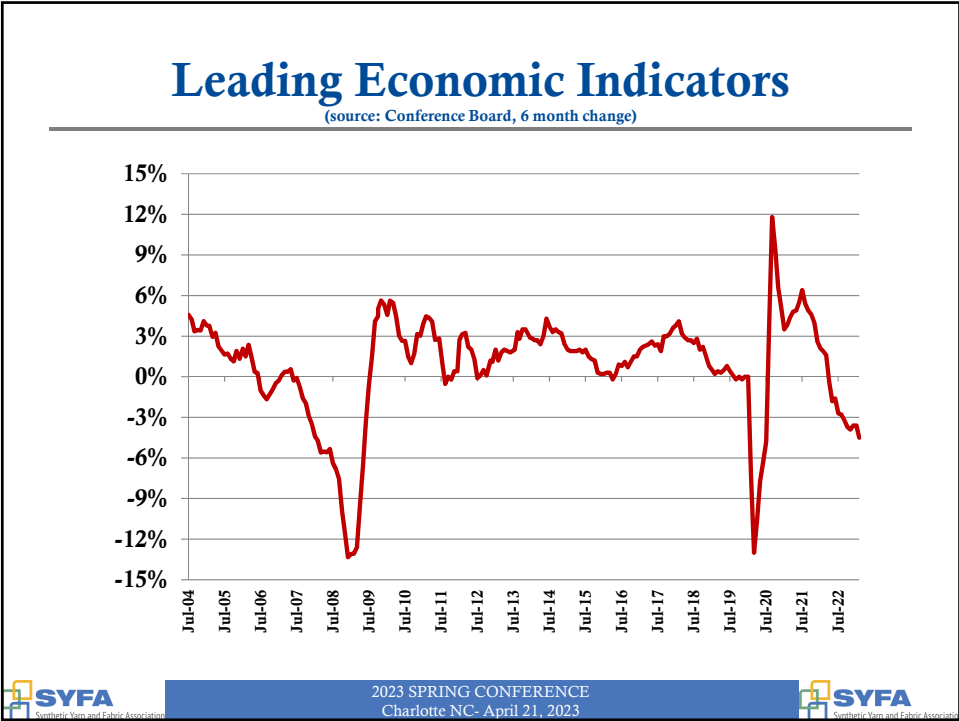
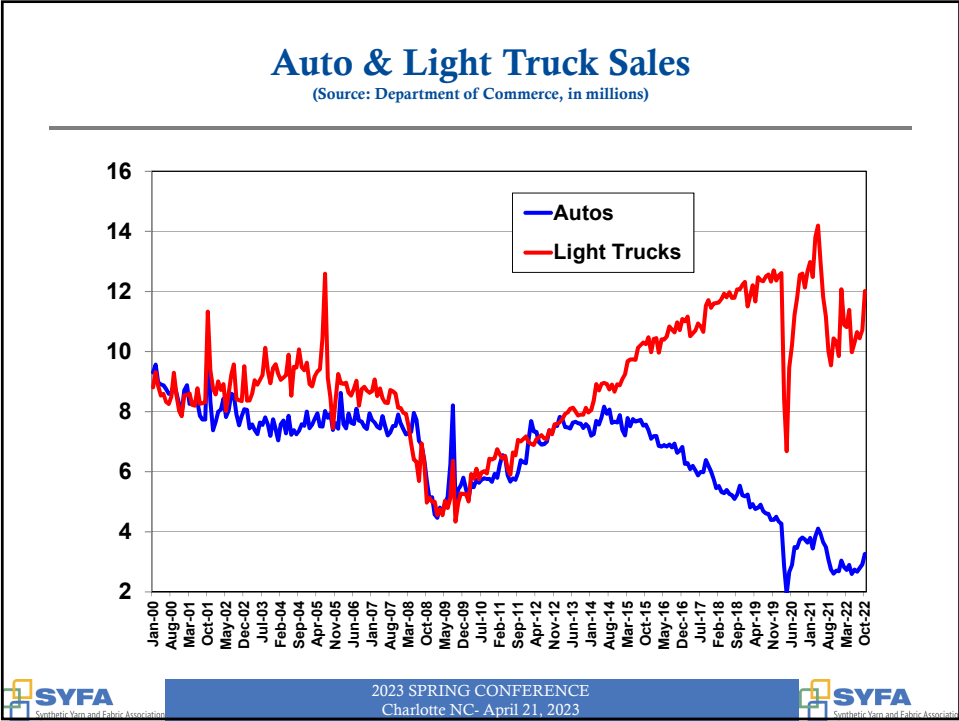
	Gross Investment	Nonresidential	Residential	Inventory
2021: Q1	-0.82%	1.18%	0.52%	-2.52%
2021: Q2	0.3%	1.29%	-0.24%	-0.75%
2021: Q3	1.78%	0.10%	-0.29%	1.96%
2021: Q4	5.14%	0.17%	-0.05%	5.01%
2022: Q1	0.98%	0.98%	-0.15%	0.15%
2022: Q2	-2.83%	0.01%	-0.93%	-1.91%
2022: Q3	-1.80%	0.80%	-1.42%	-1.19%
2022: Q4	0.79%	0.52%	-1.20%	1.47%

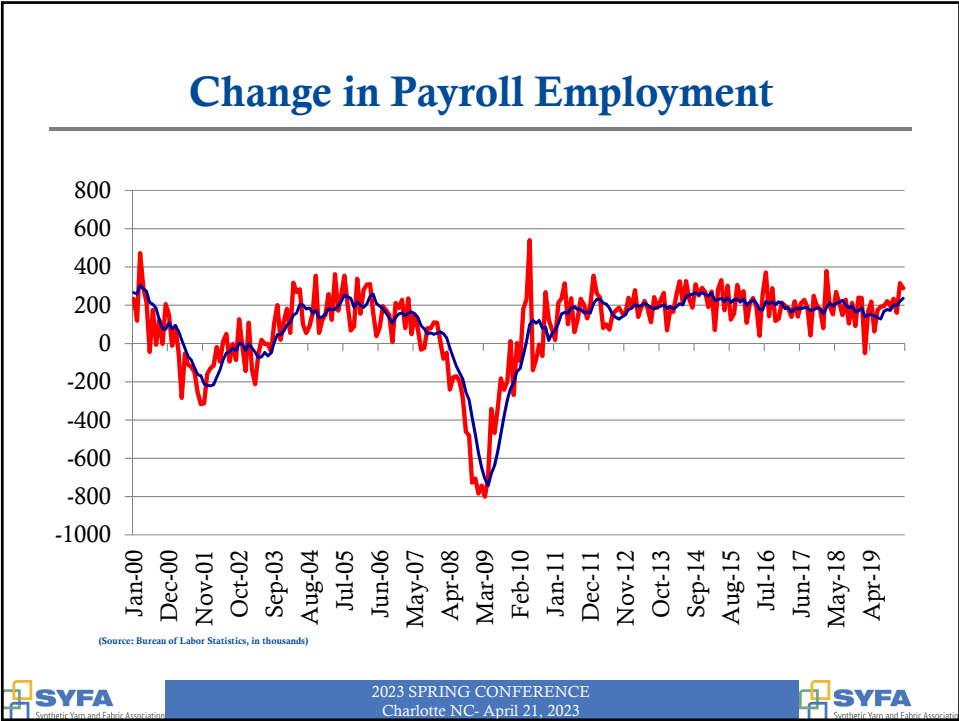
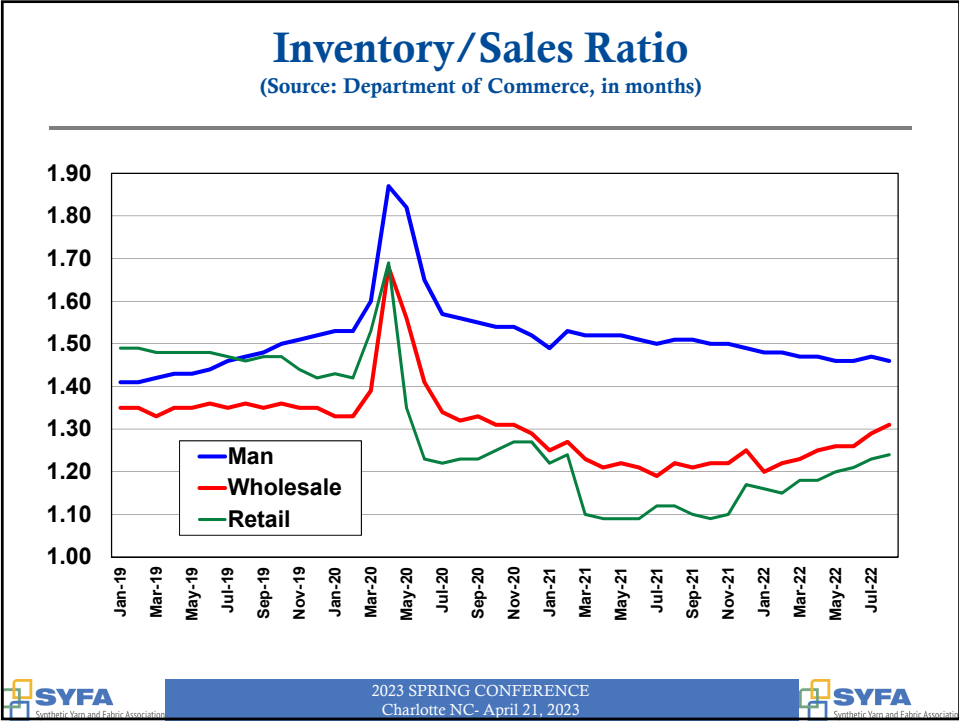
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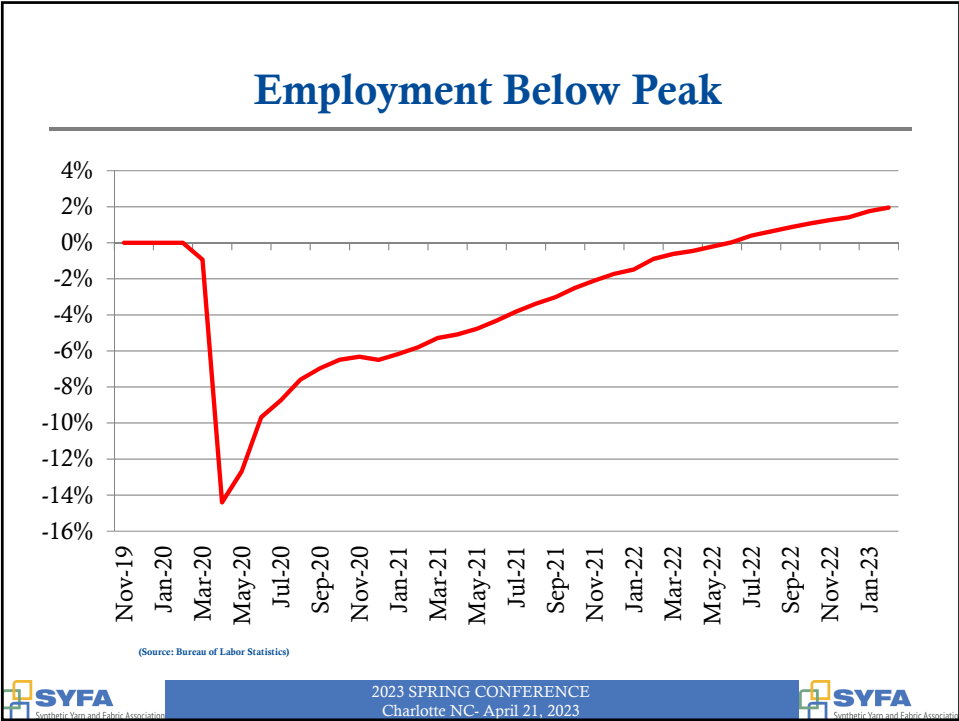
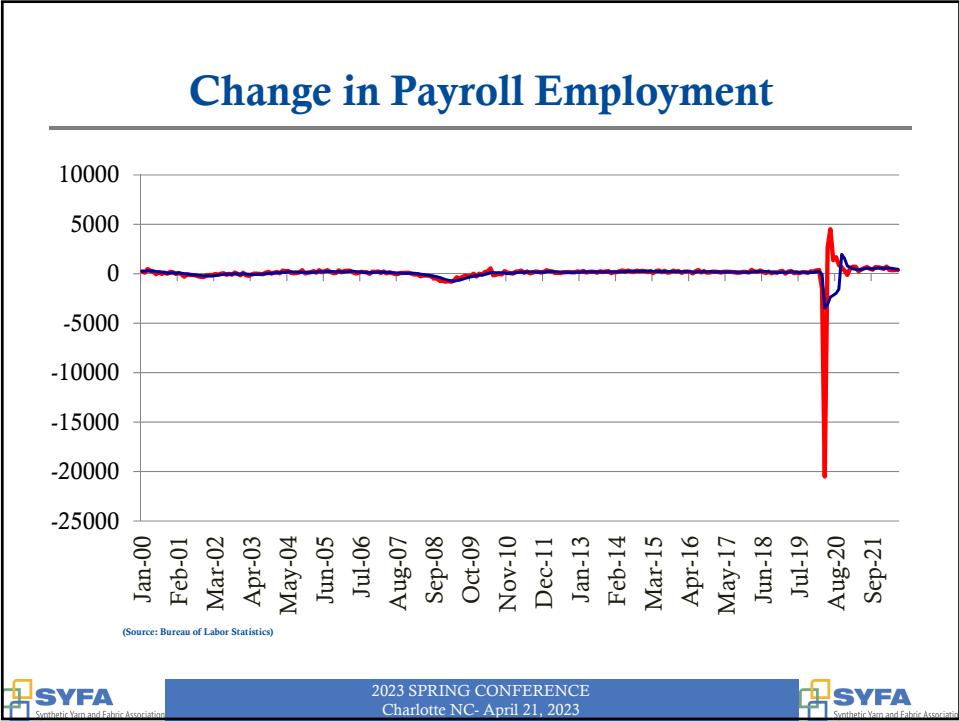


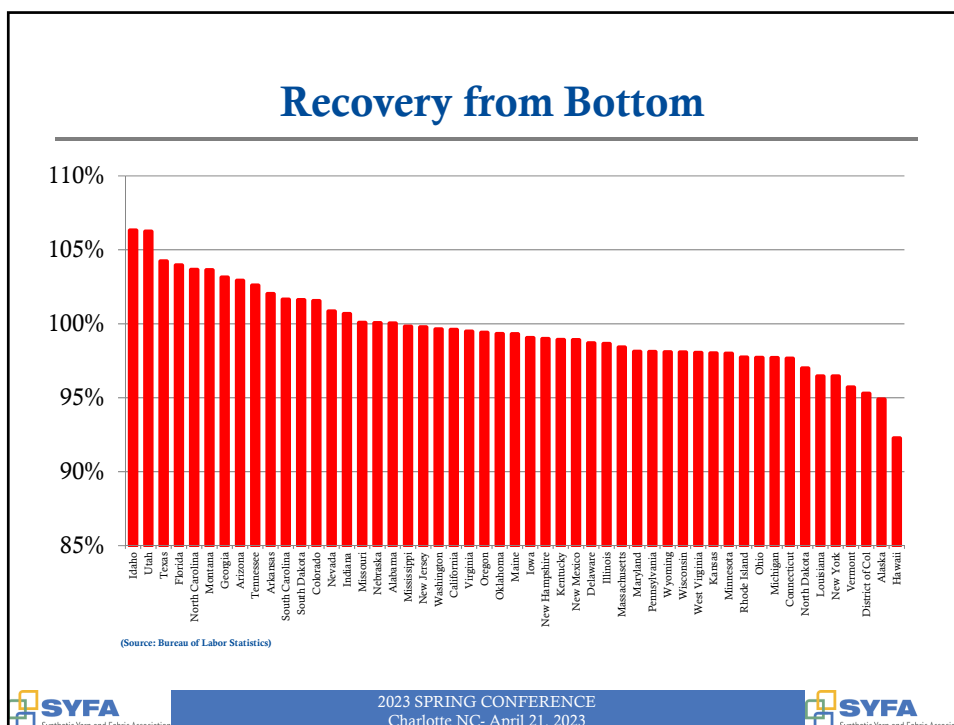
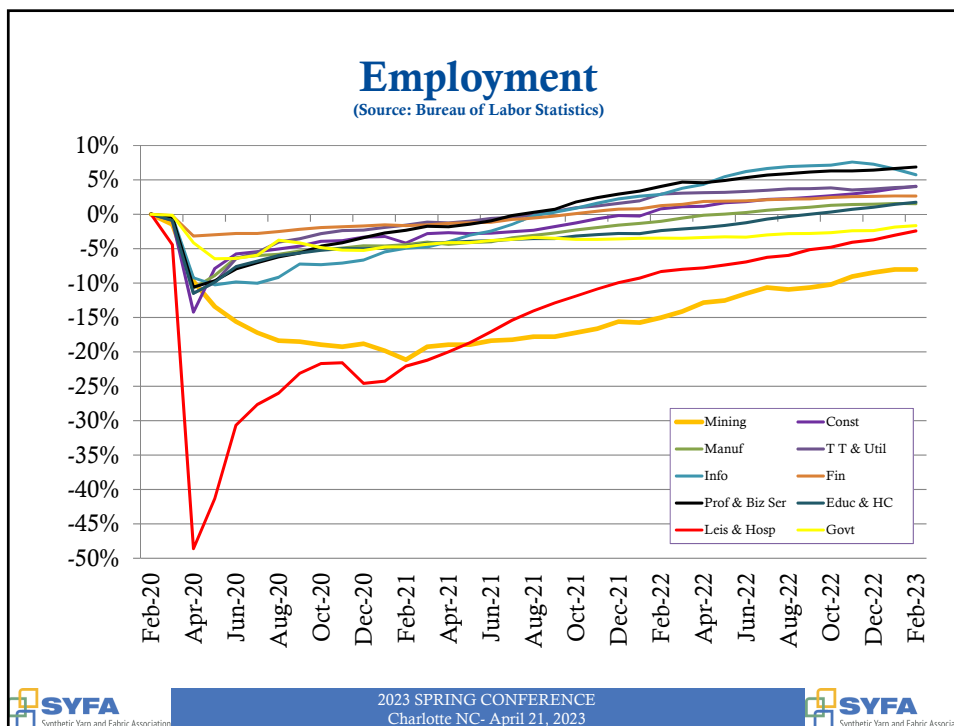


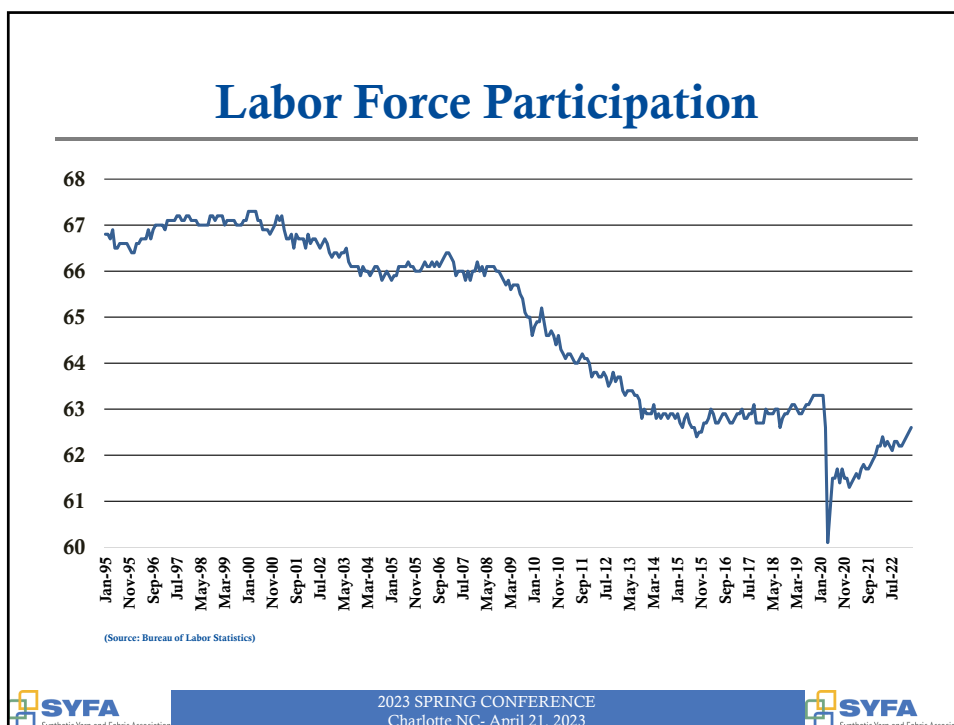
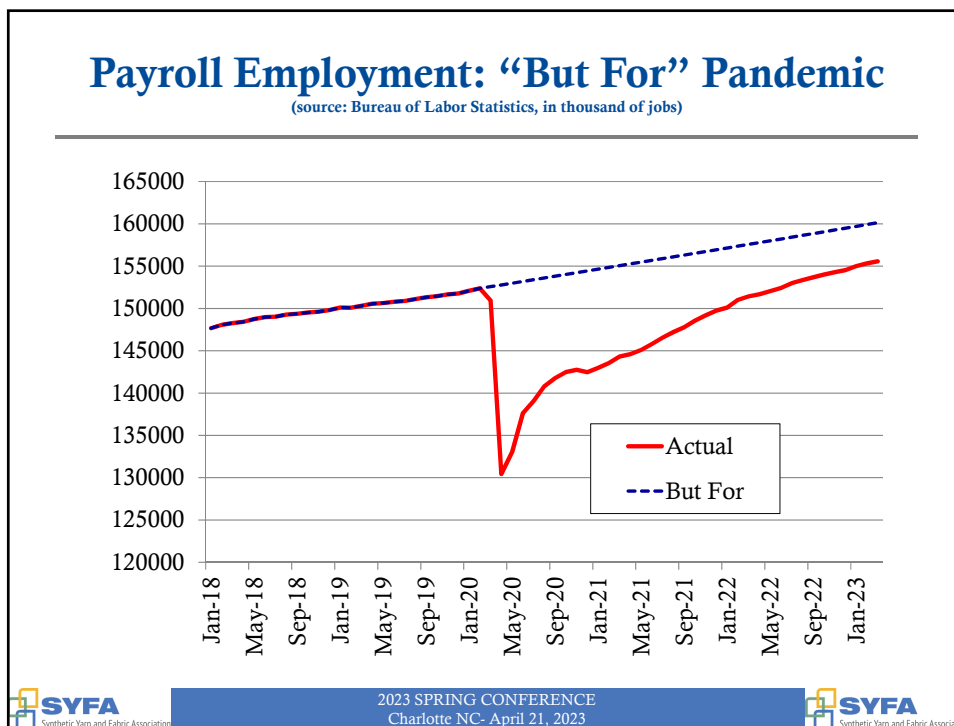












Inflation: Transitory or Persistent?

(source: Bureau of Labor Statistics)

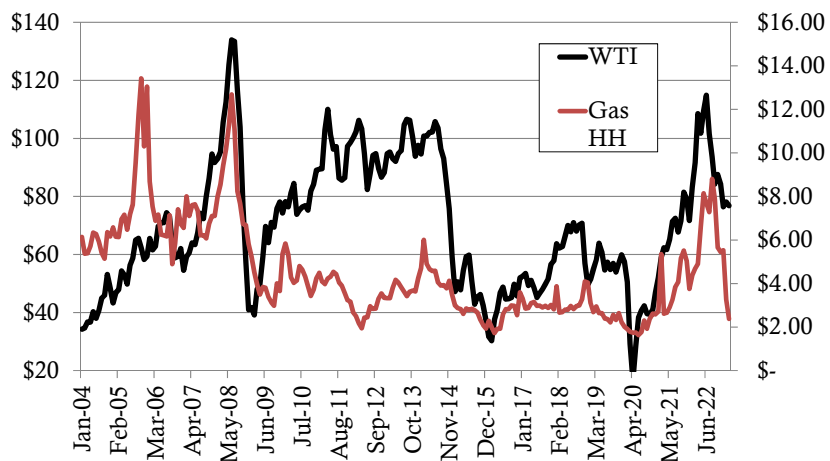
- CPI rose by 0.1% in March – after being up 0.4% and 0.5% in February and January. Overall CPI up 5.0% over last 12 months.
- Core CPI up 0.4% in March – after being up by 0.5% and 0.4% in February and January. Core up 5.6% over same period.
- Energy component fell by 3.5% in February and dropping for 4 of 6 previous months. The energy component is down 6.4% over the last 12 months.
- PCE up 5.0%, core PCE up 4.6% over last 12 months thru December.



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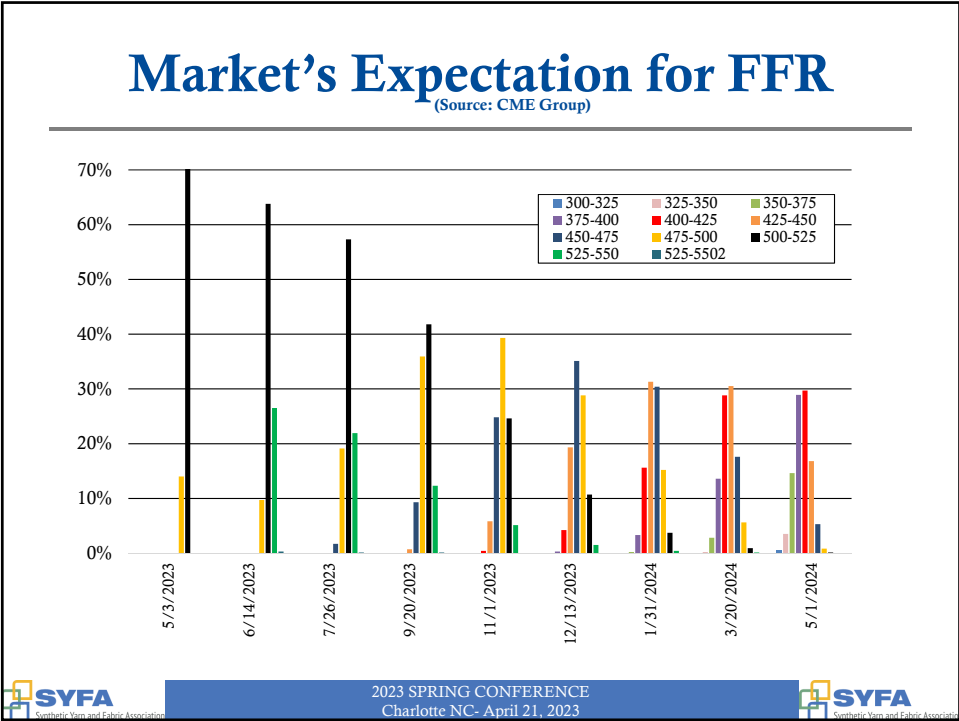
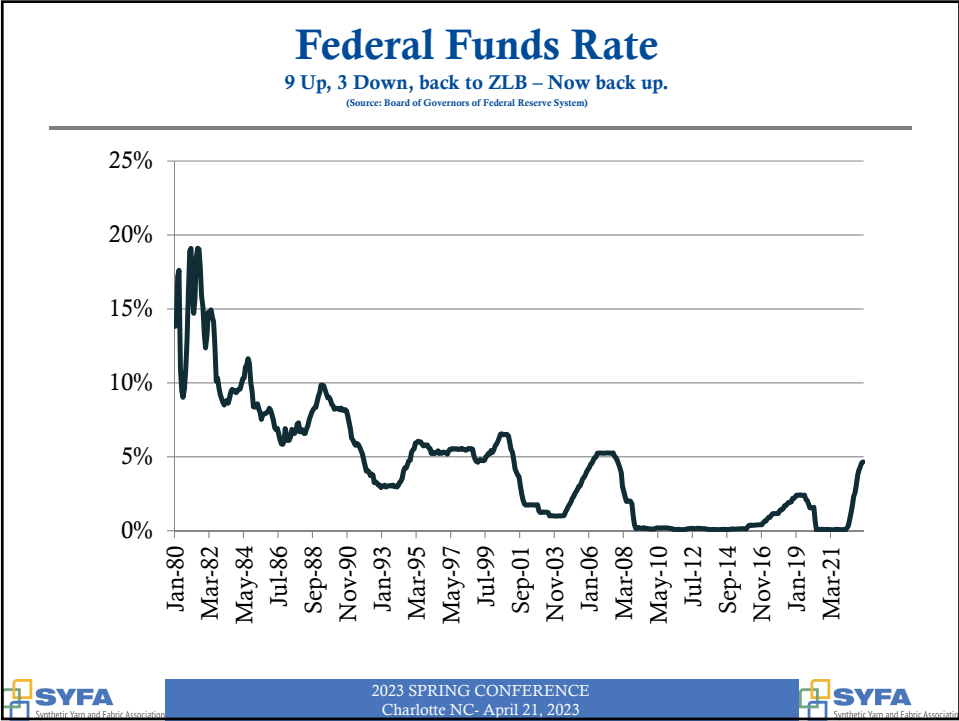


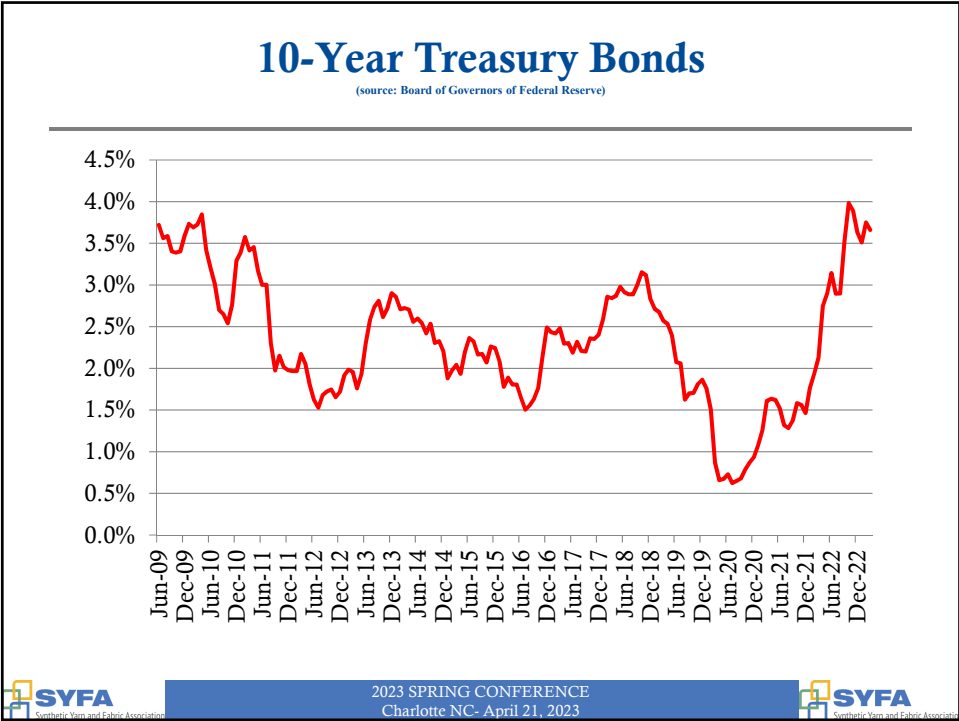
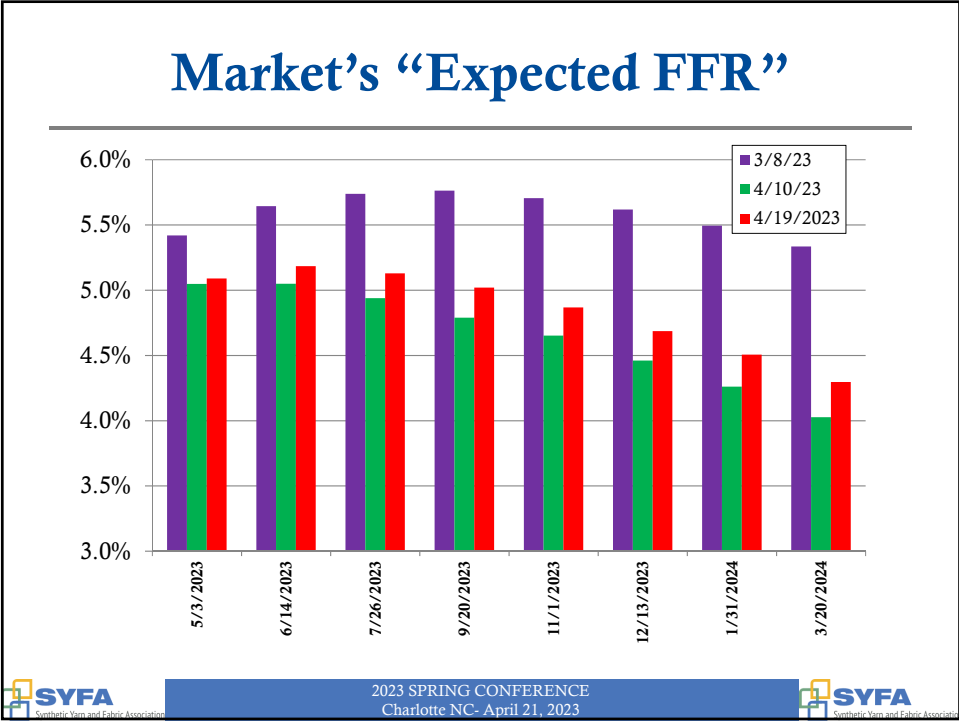
Energy Cost: Oil & Natural Gas

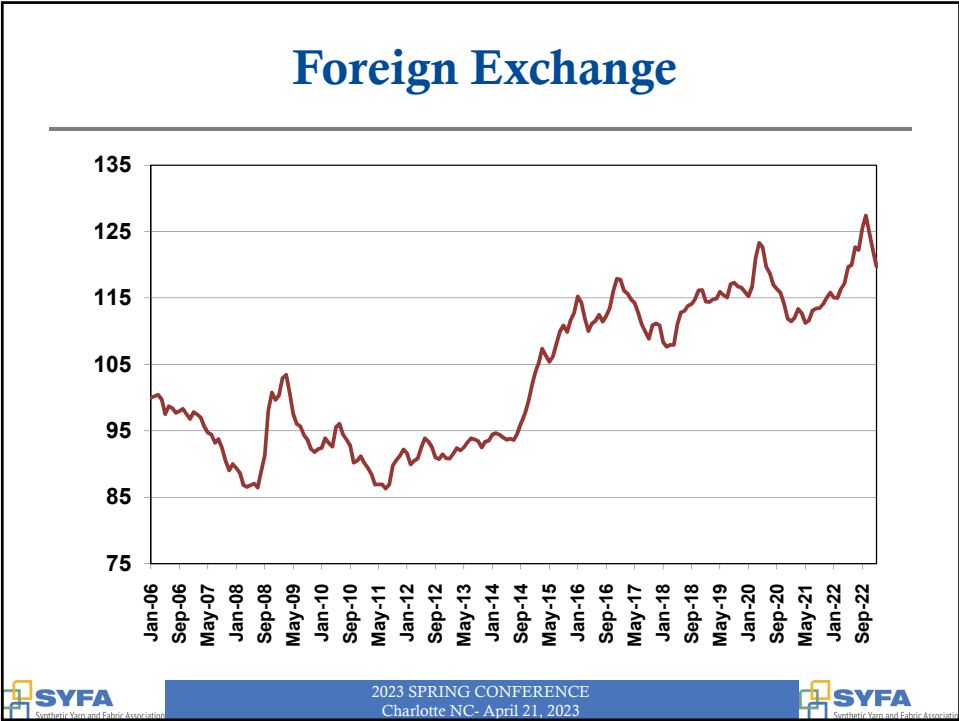
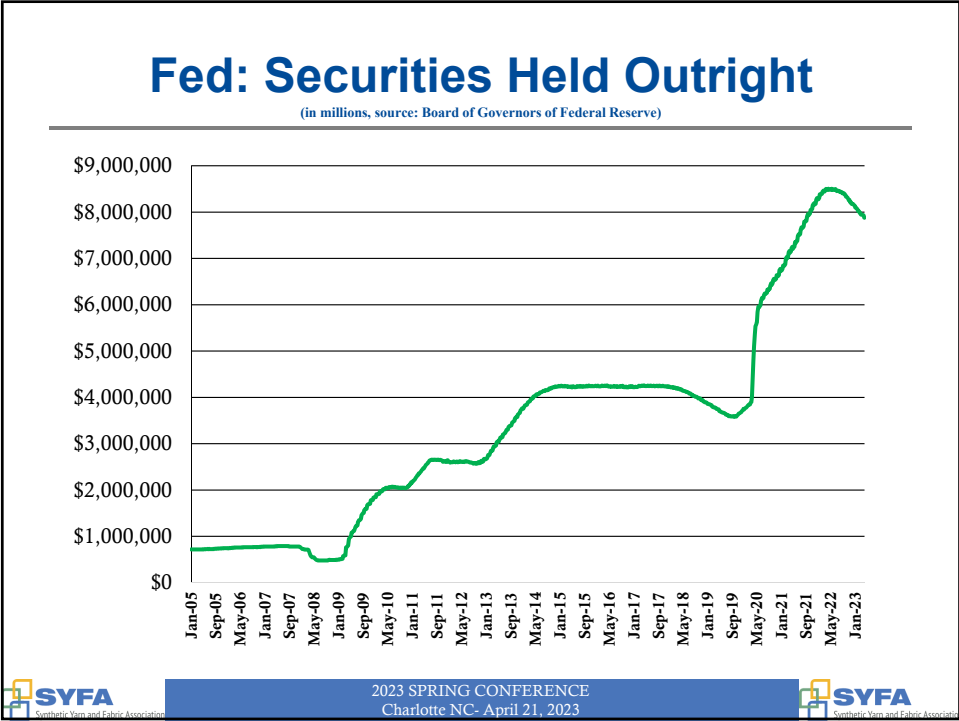


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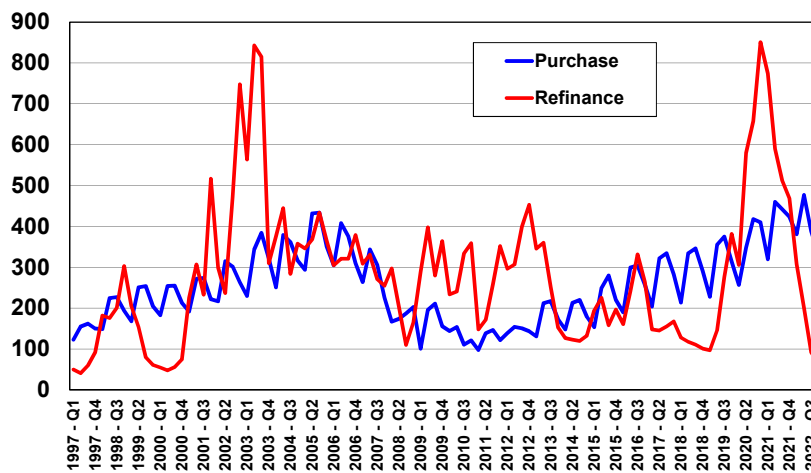






Mortgage Activity: Purchase & Refinance

(Source: Mortgage Bankers Association)

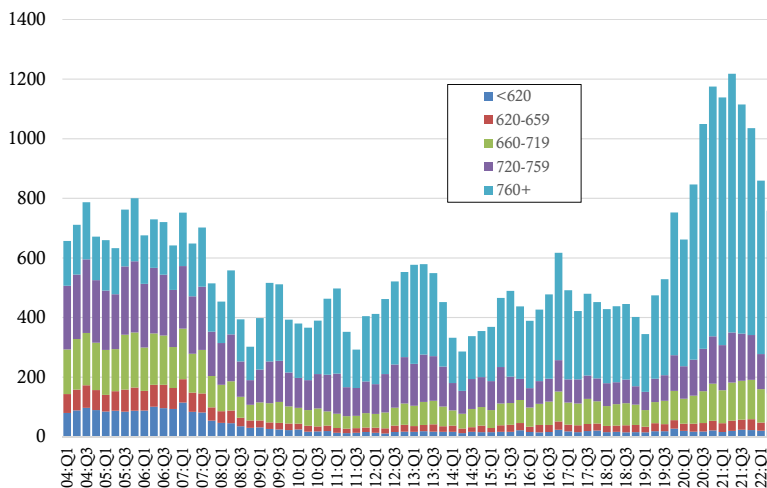


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Mortgage Origination by Credit Score

(source: NY Fed & Equifax)

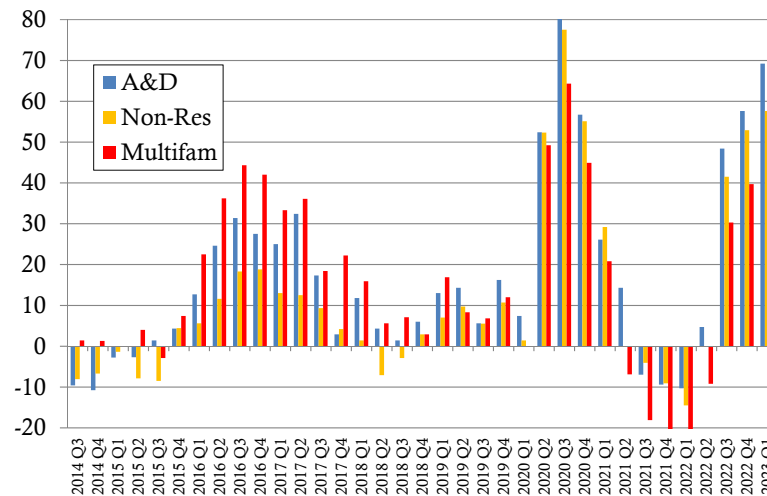


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CRE Loan Standards: Net Tightening

(Source: Federal Reserve System, Senior Officers Lending Survey)



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Some Comments on Banks

- 2008 was about credit risk, 2023 is about interest rate risk. But, what if they intersect?
- Assets & Liabilities mismatched – was SVB that unique?
- Fed, FDIC & US Treasury response.
- Are the other risk to banks?



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