



OUTLOOK®
LEADERSHIP CONFERENCE

On the Economic, Business and Political Climate

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***ATA Outlook Leadership Conference
June 2, 2026
Greenville, SC***

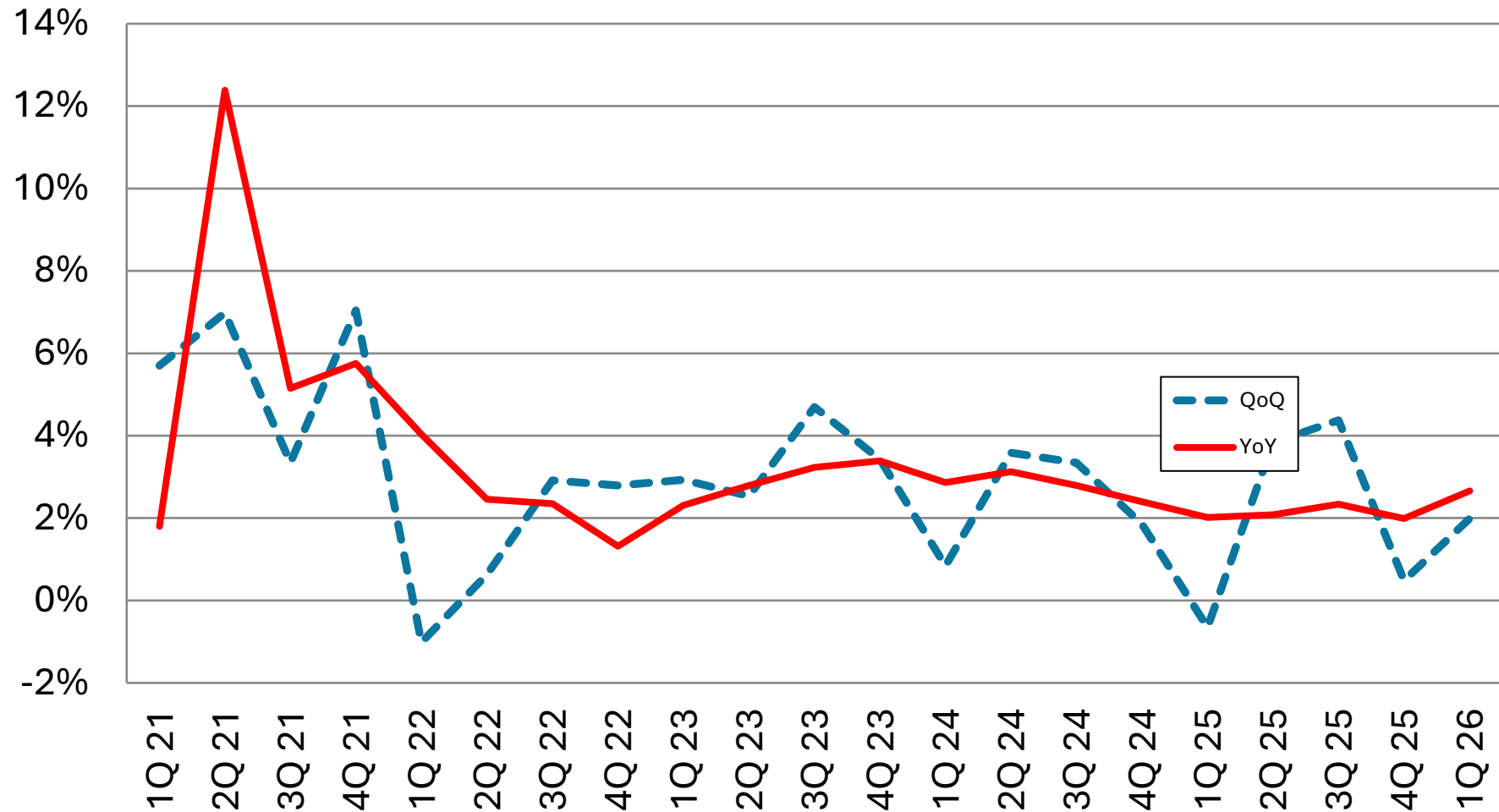
Topic #1:

Where do we stand on growth?

Or . . . is a recession hiding around the corner?

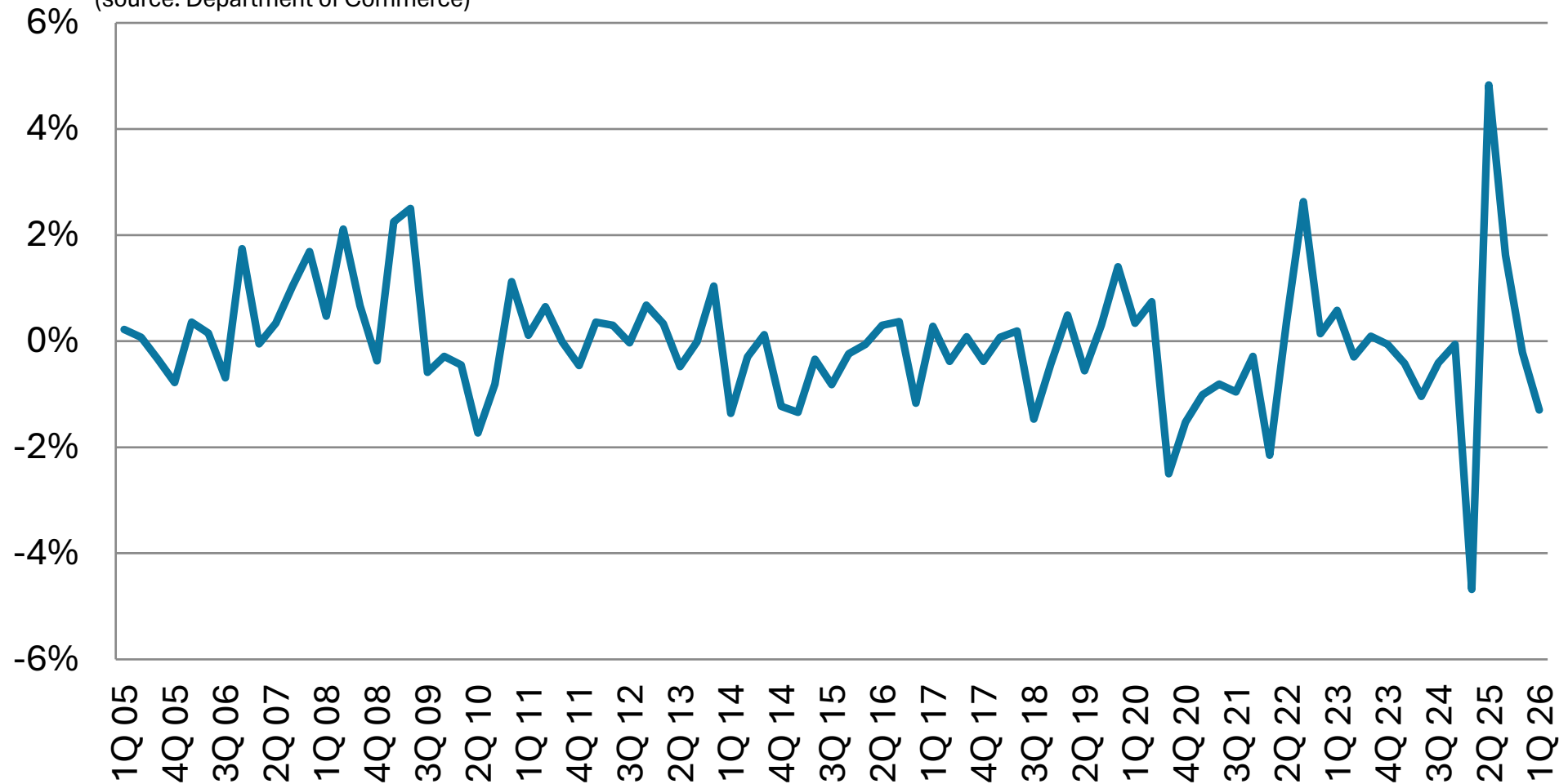
Gross Domestic Product

(source: Department of Commerce)



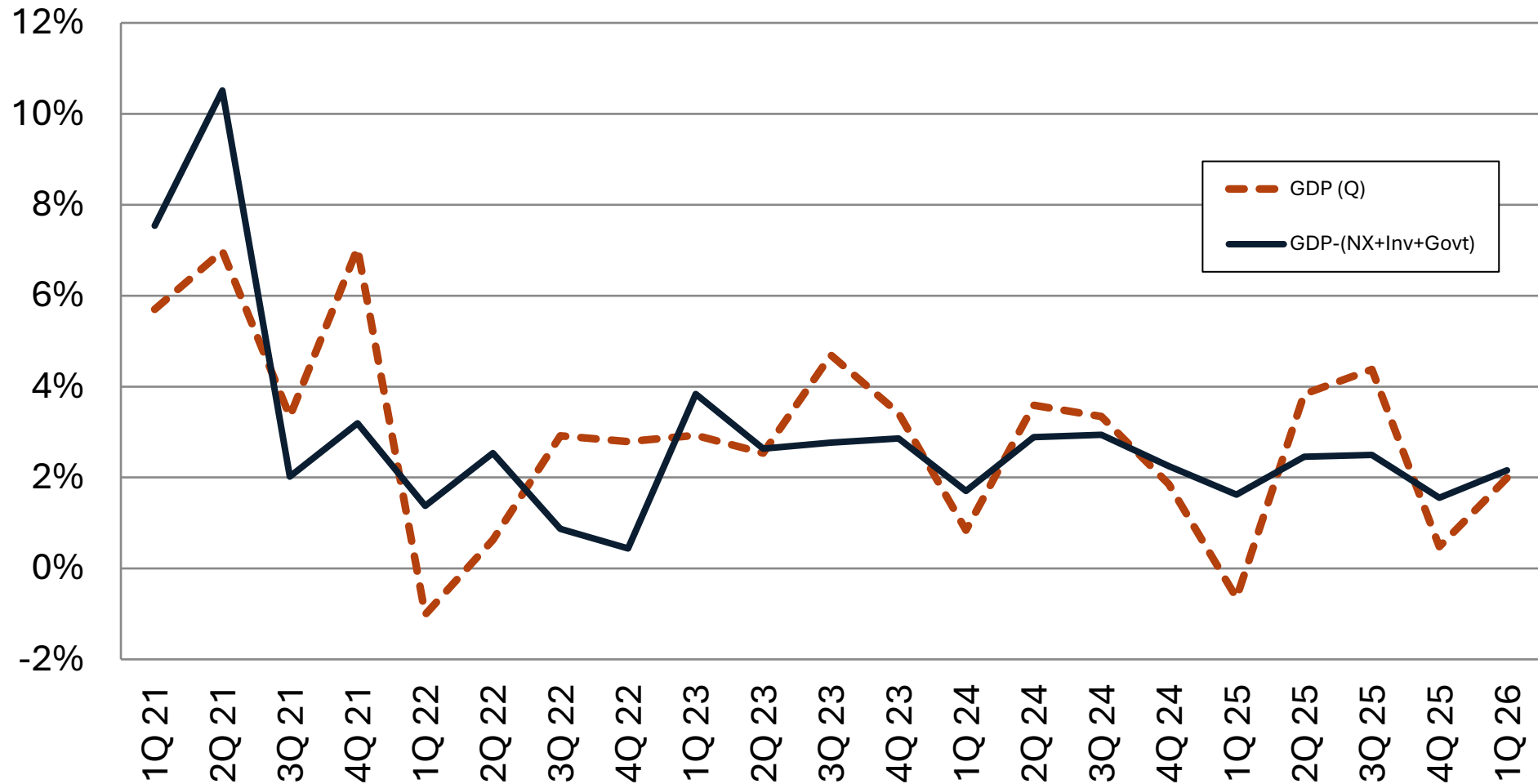
Gross Domestic Product: Contribution of Net Exports

(source: Department of Commerce)



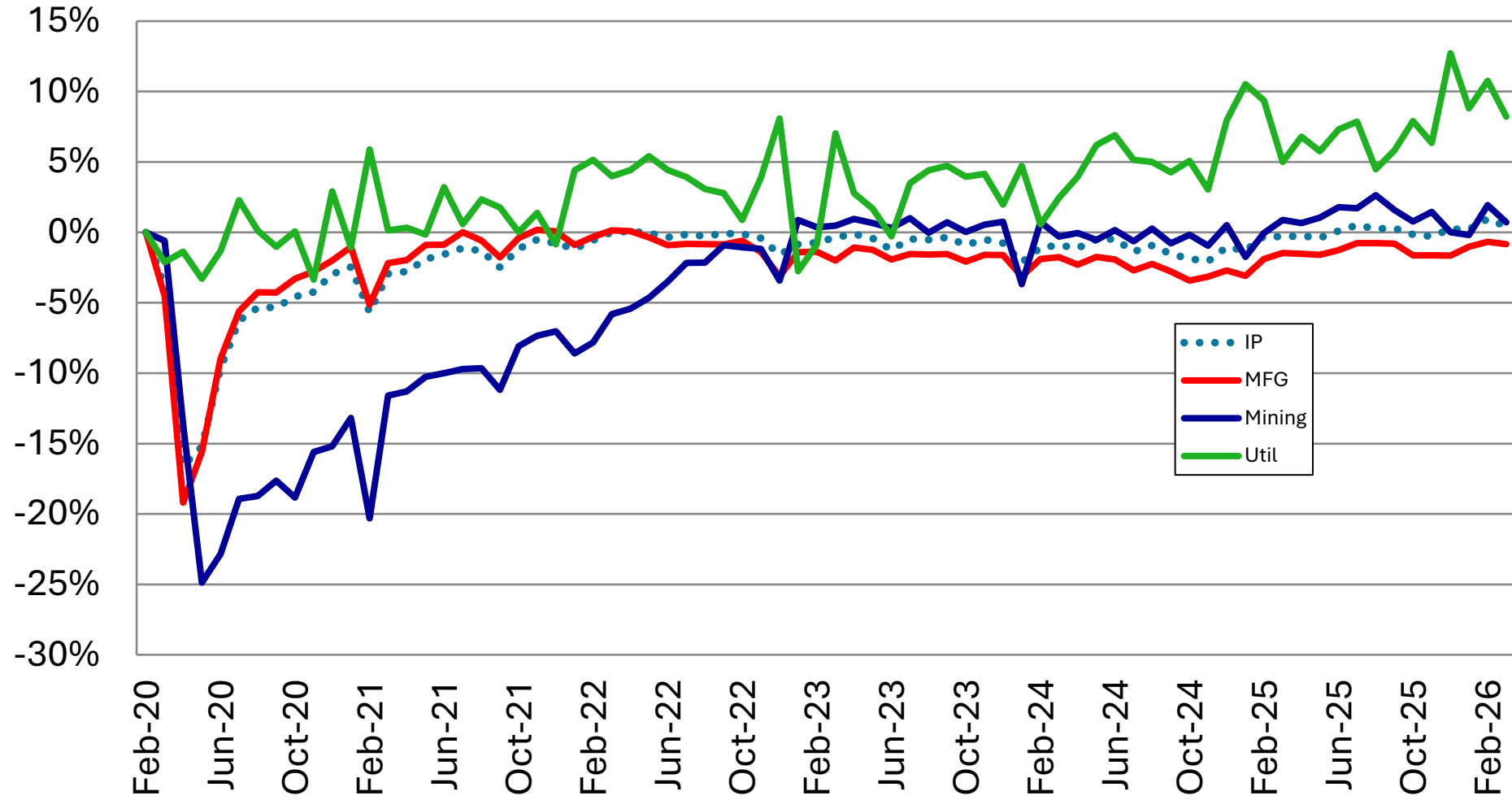
GDP less Trade, Inventory & Government

(source: Department of Commerce)



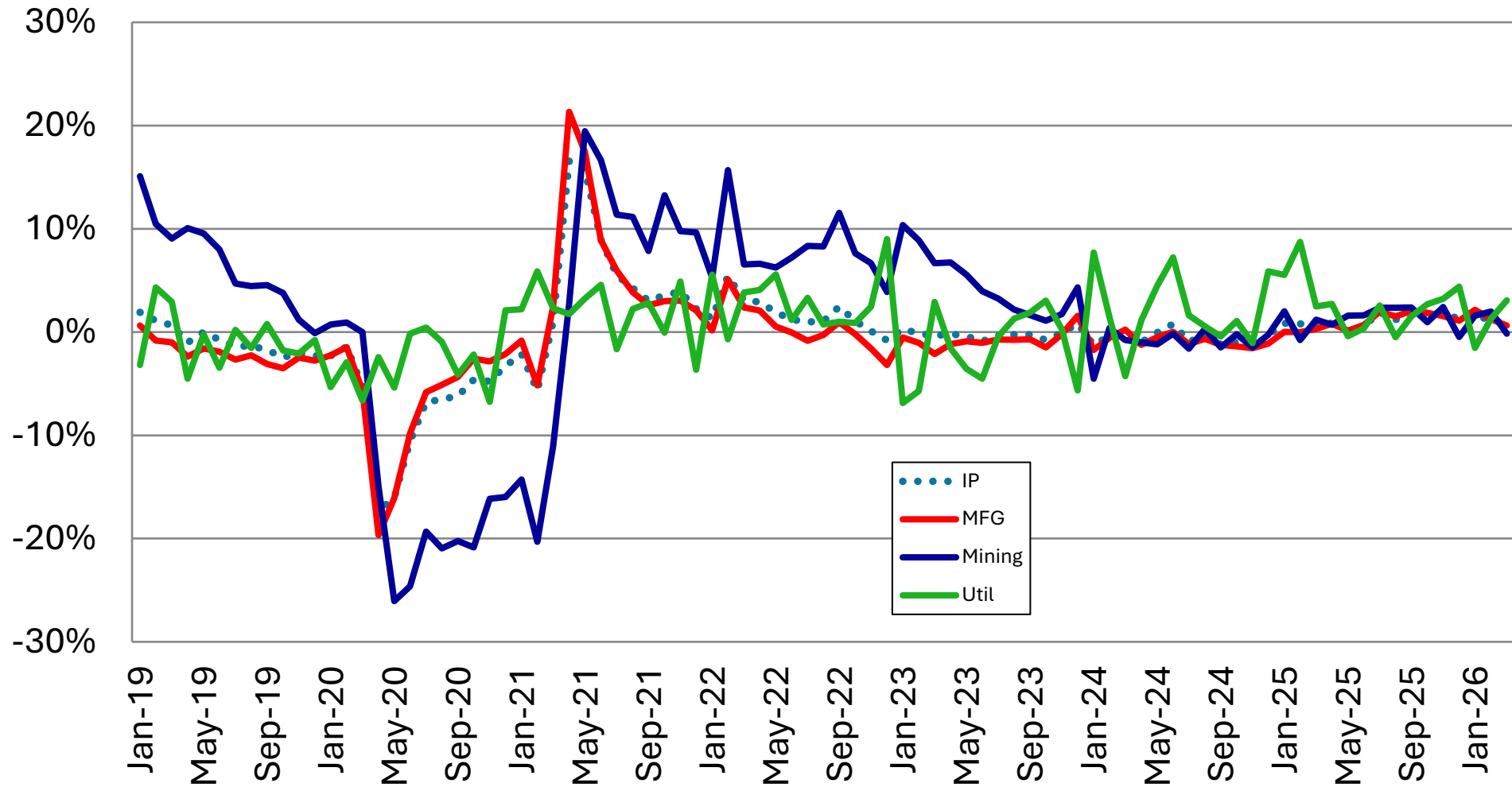
Industrial Production: From 2020 Peak

(source: Board of Governors of Federal Reserve)



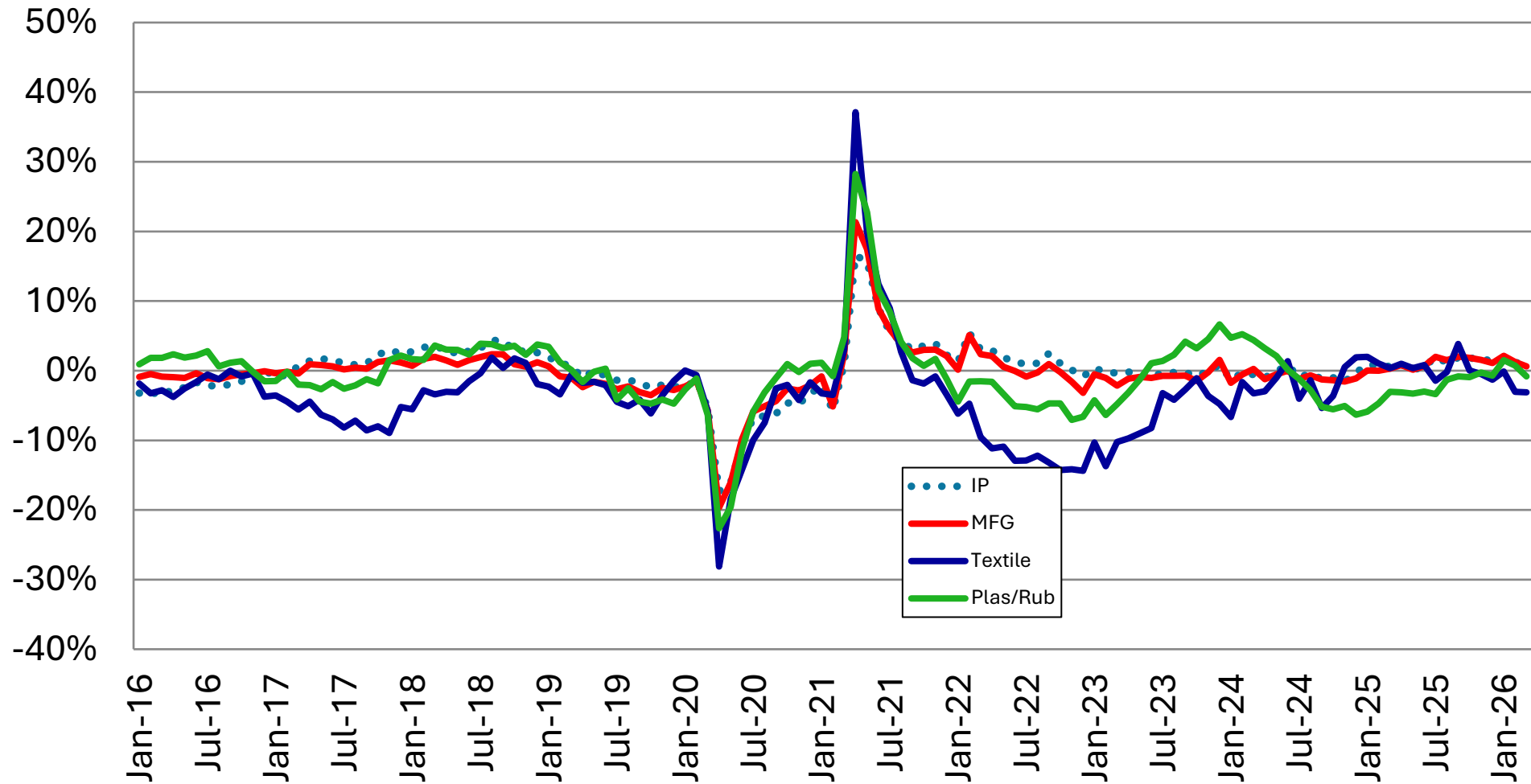
Industrial Production: Annual Growth

(source: Board of Governors of Federal Reserve)



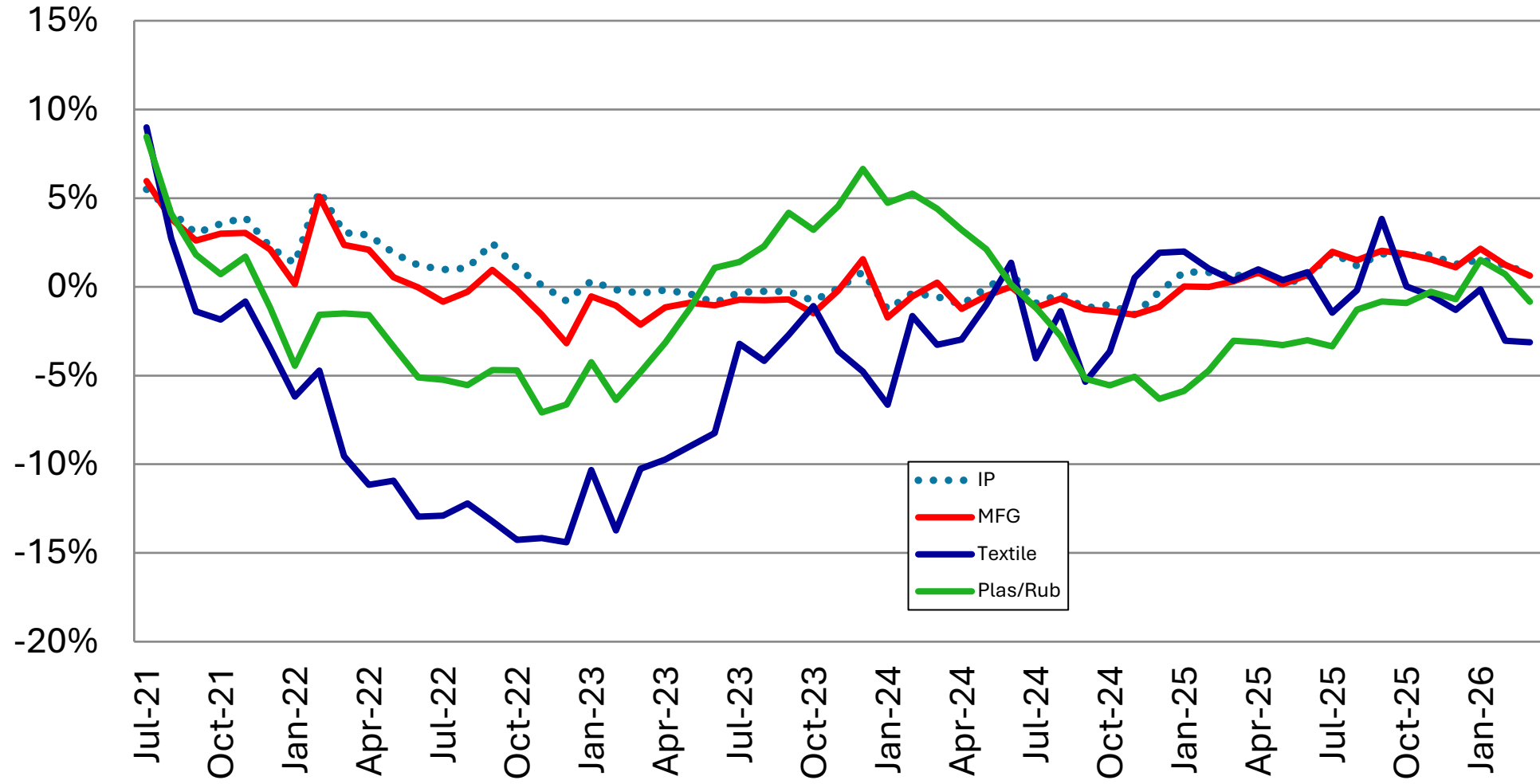
MFG & Sectors: Annual Growth

(source: Board of Governors of Federal Reserve)



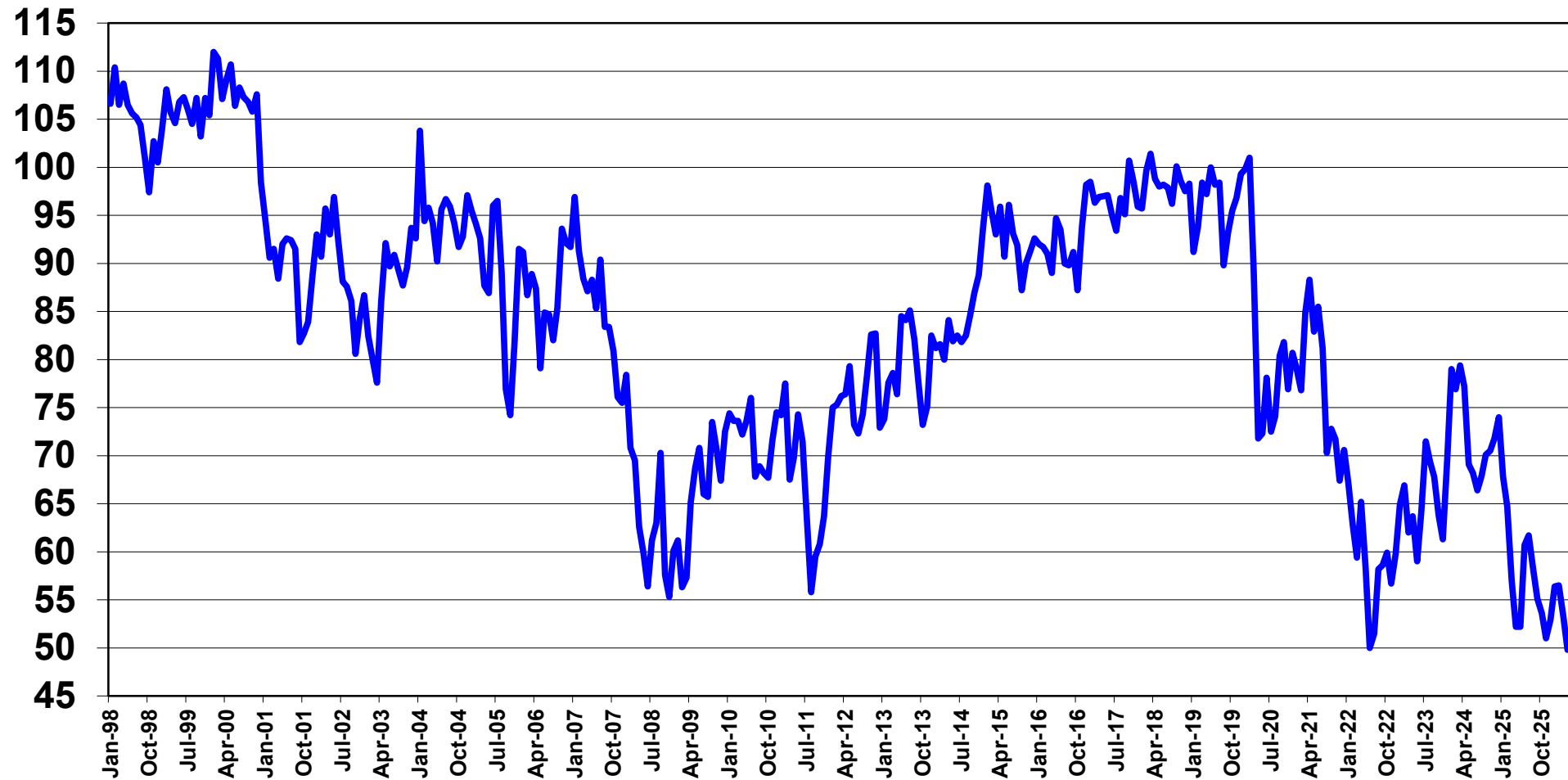
MFG & Sectors: Annual Growth

(source: Board of Governors of Federal Reserve)



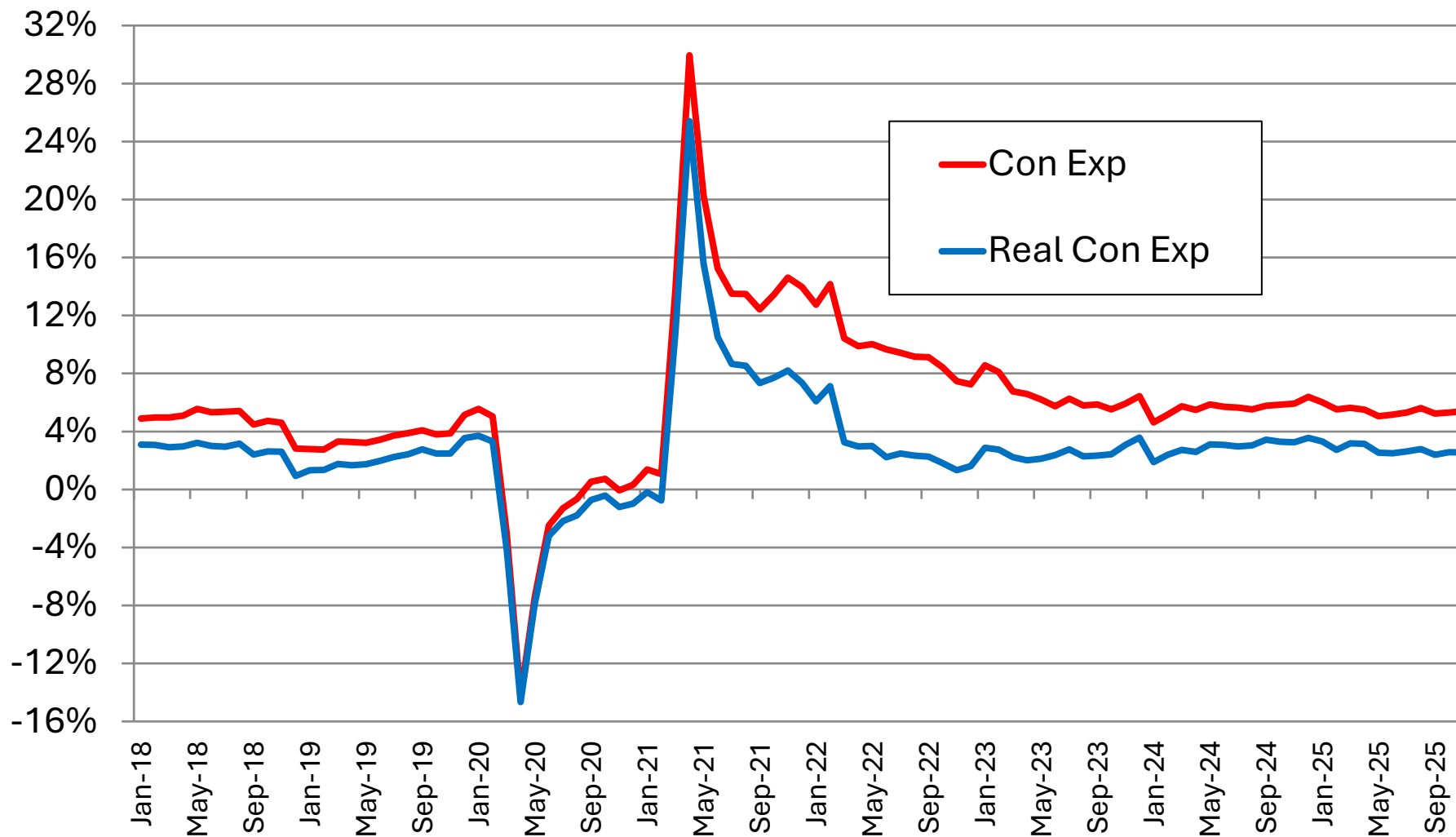
Consumer Sentiment

(source: University of Michigan, Survey Research Center)



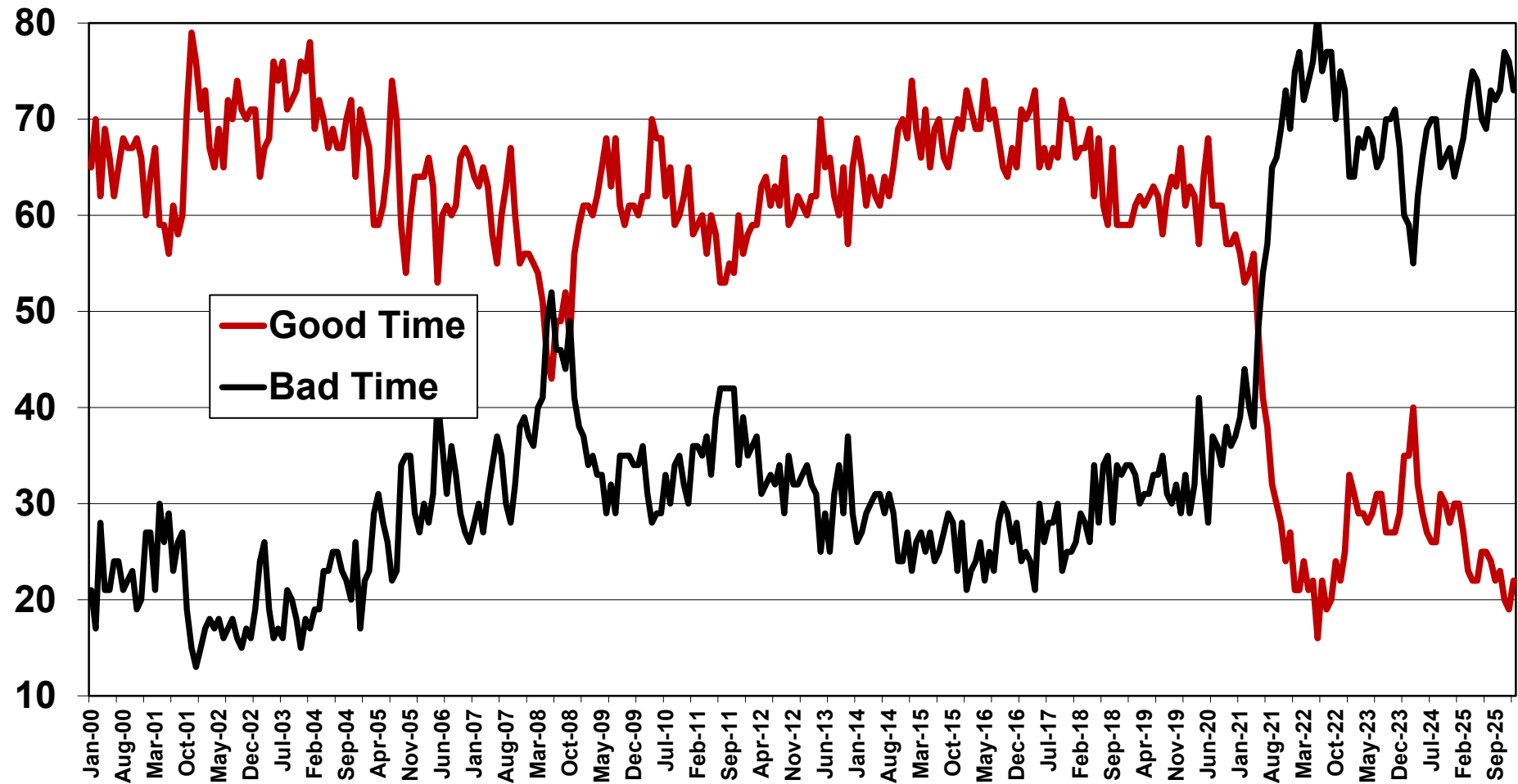
Consumer Expenditures

(source: U.S. Bureau of the Census, annual rate of growth)



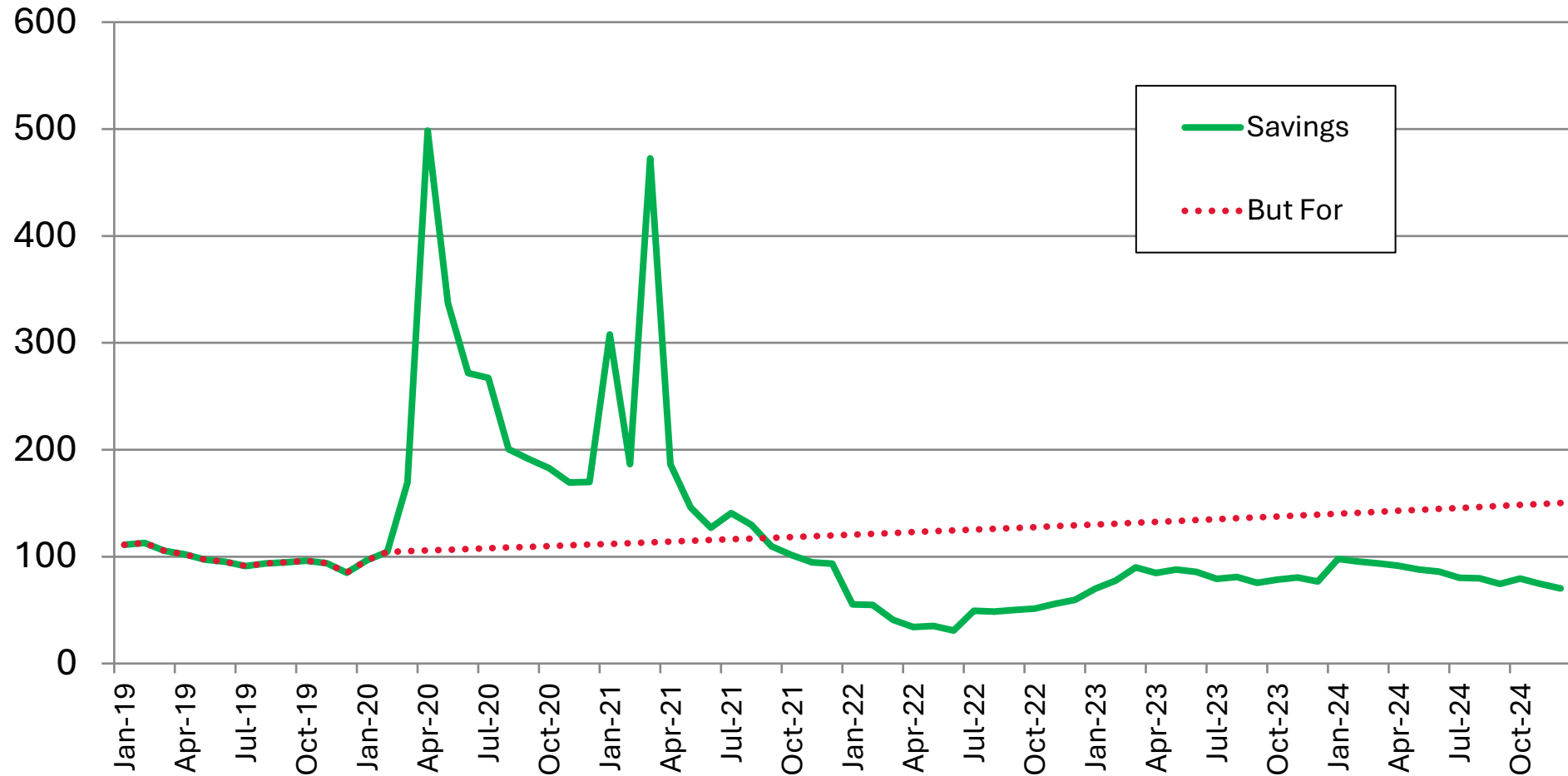
Buying Condition for Motor Vehicles

(source: University of Michigan, Survey Research Center)



Personal Savings

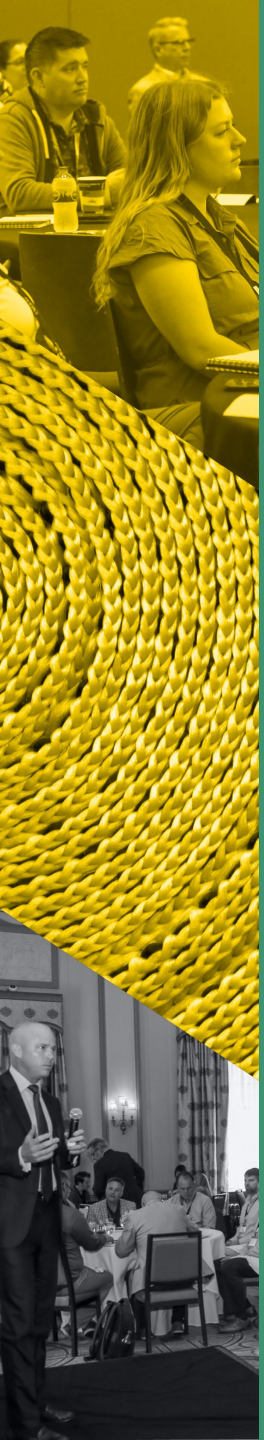
(source: U.S. Bureau of the Census)



Leading Economic Indicators

(source: The Conference Board, 6 month change)



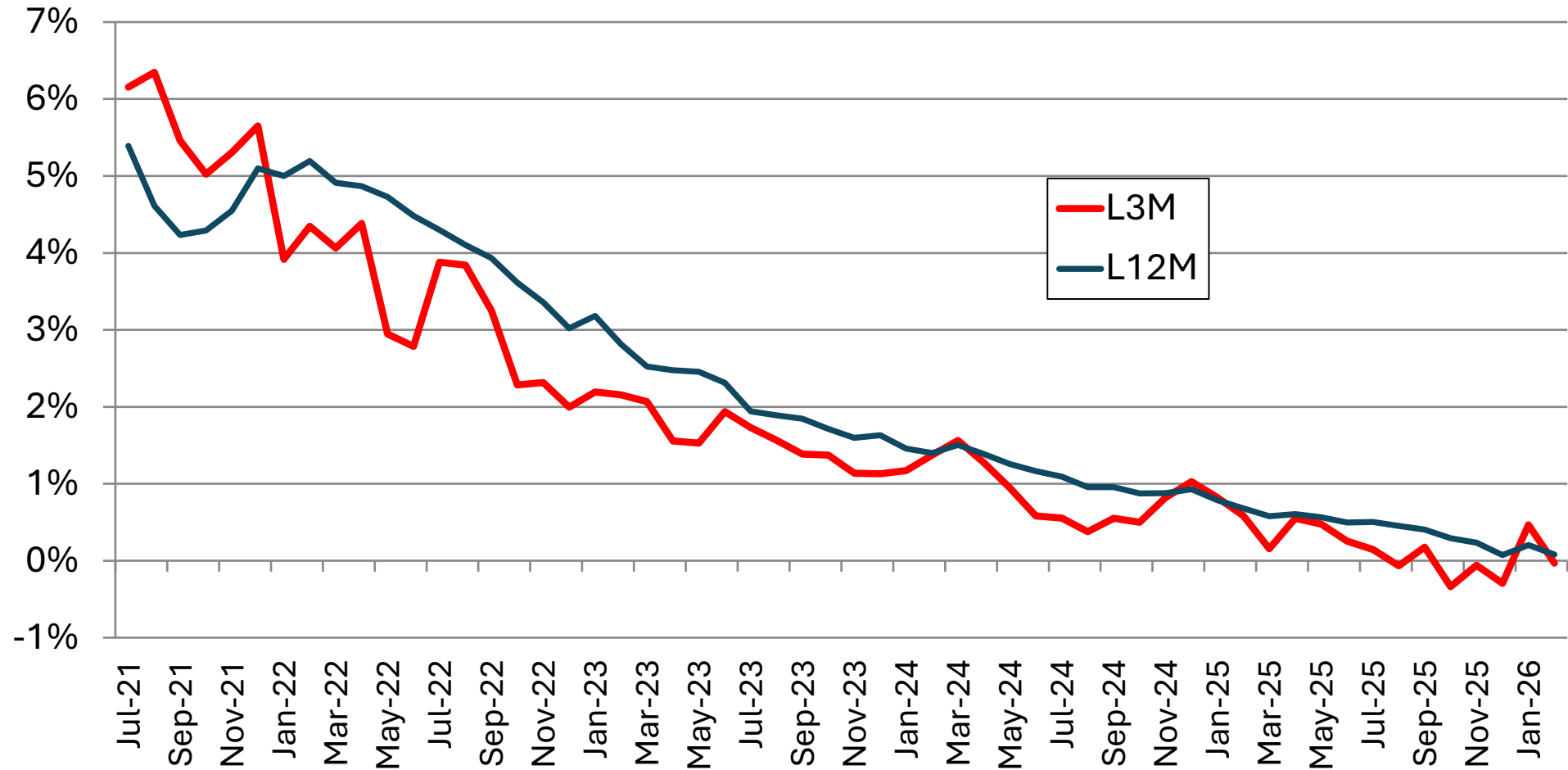


Topic #2:

After a decade of tight labor markets, are we now in balance?

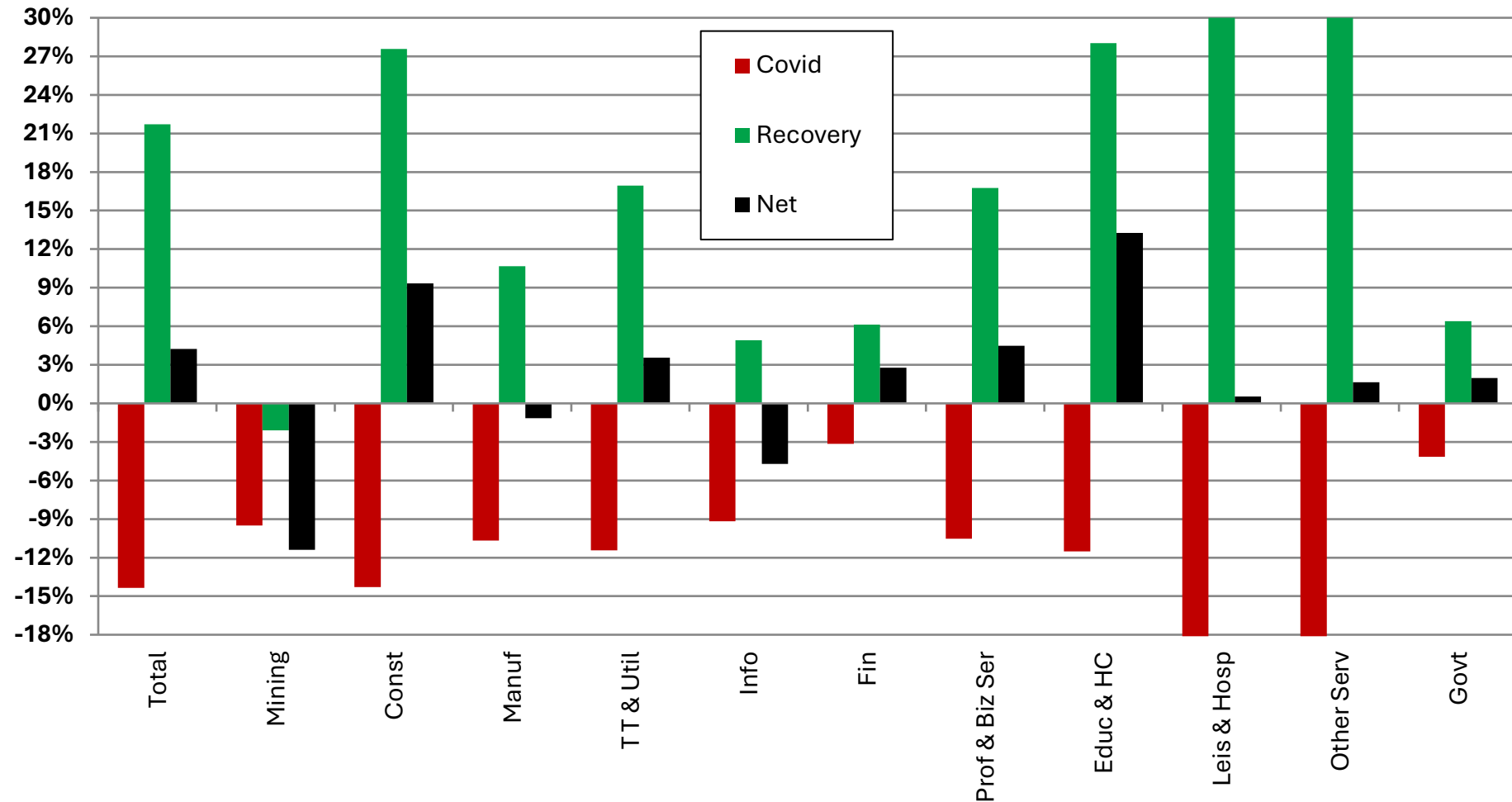
Payrolls Growth

(Source: Bureau of Labor Statistics; 3-month & 12-month growth rate)



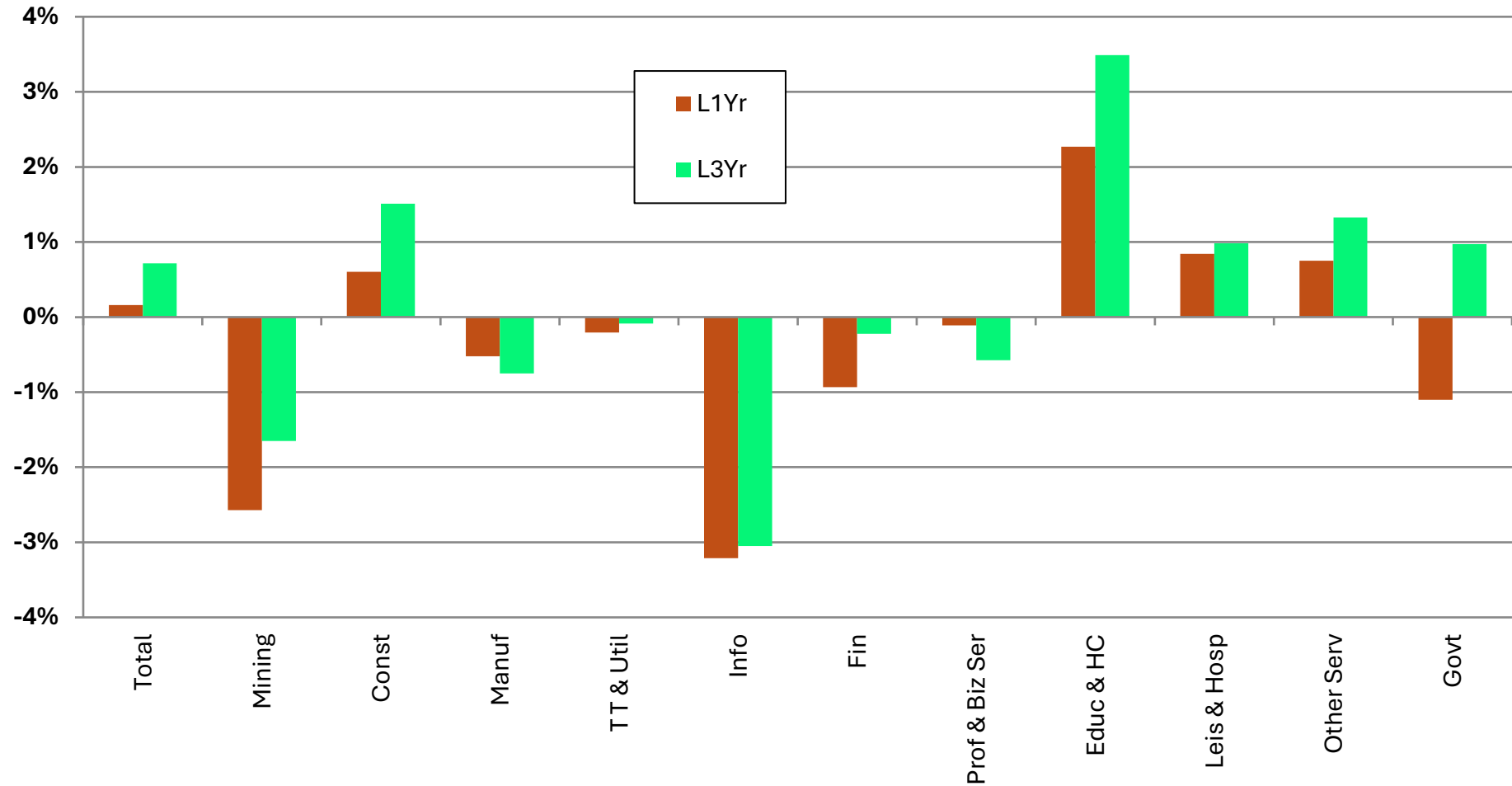
Payrolls Growth: By Sectors

(Source: Bureau of Labor Statistics; Through April 2026)



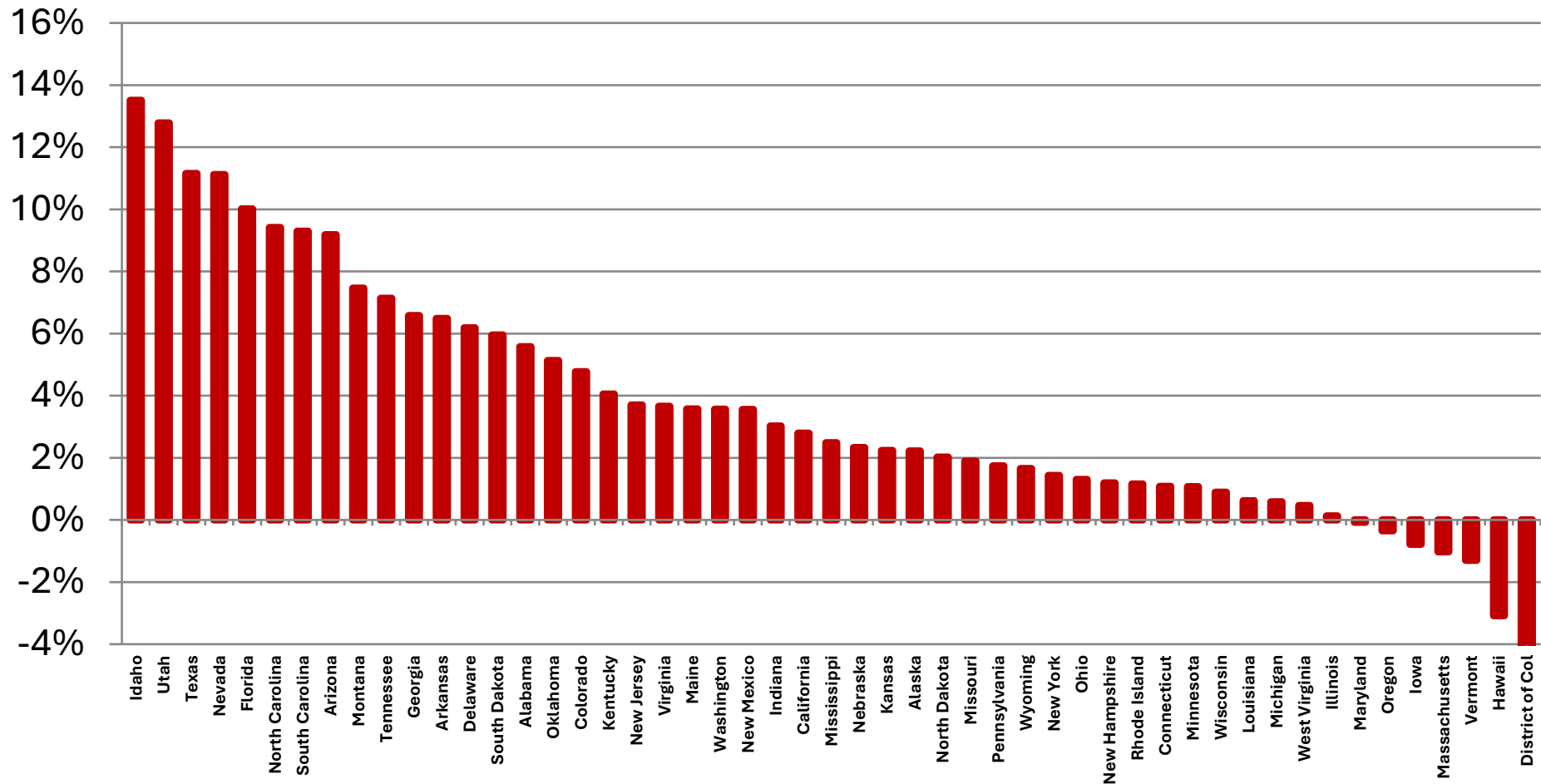
Payrolls Growth

(Source: Bureau of Labor Statistics; Through April 2026)



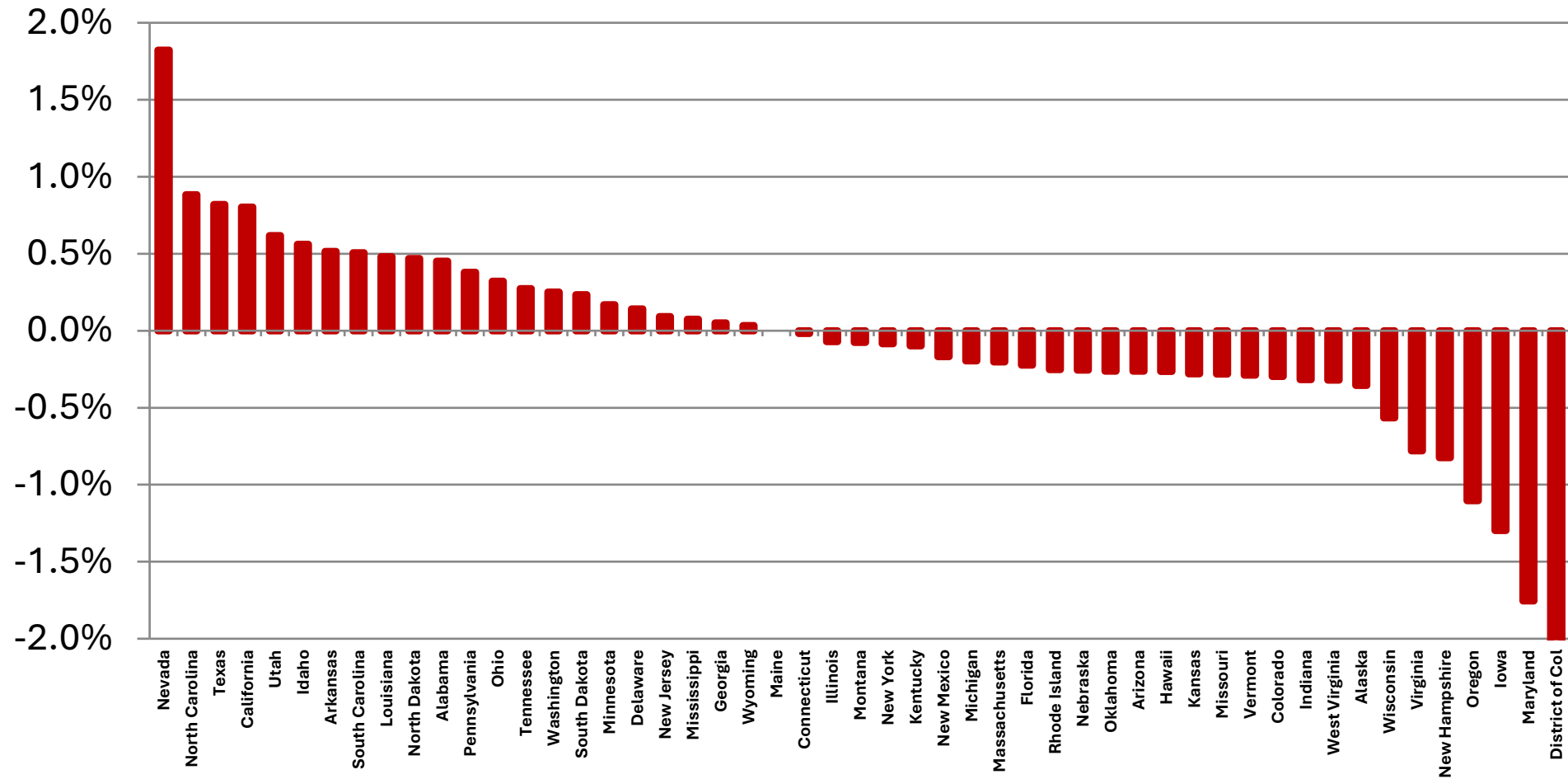
Payrolls: Recovery from Bottom

(Source: Bureau of Labor Statistics; through March 2026)



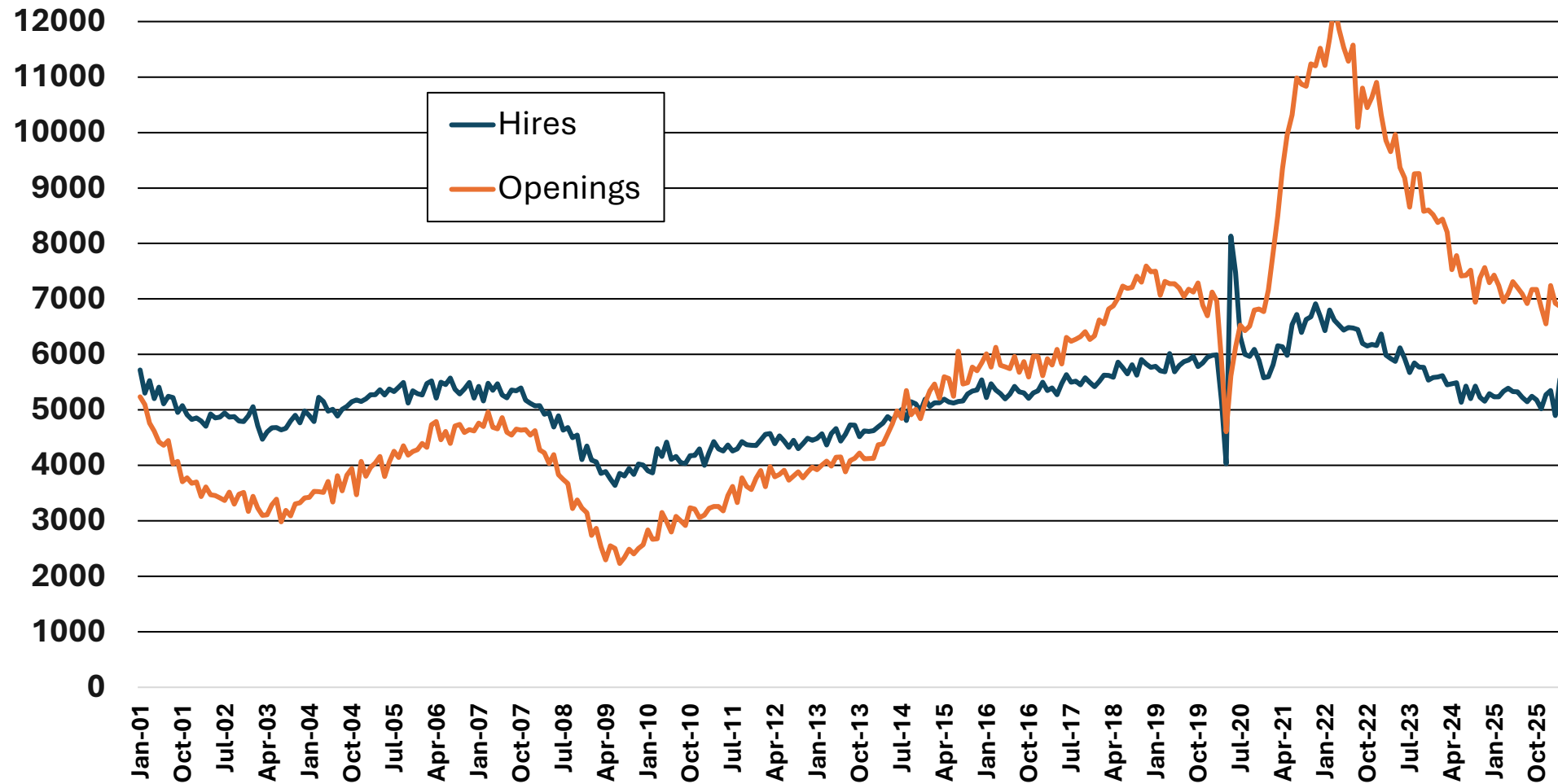
Payrolls: Year over Year Change

(Source: Bureau of Labor Statistics; through March 2026)



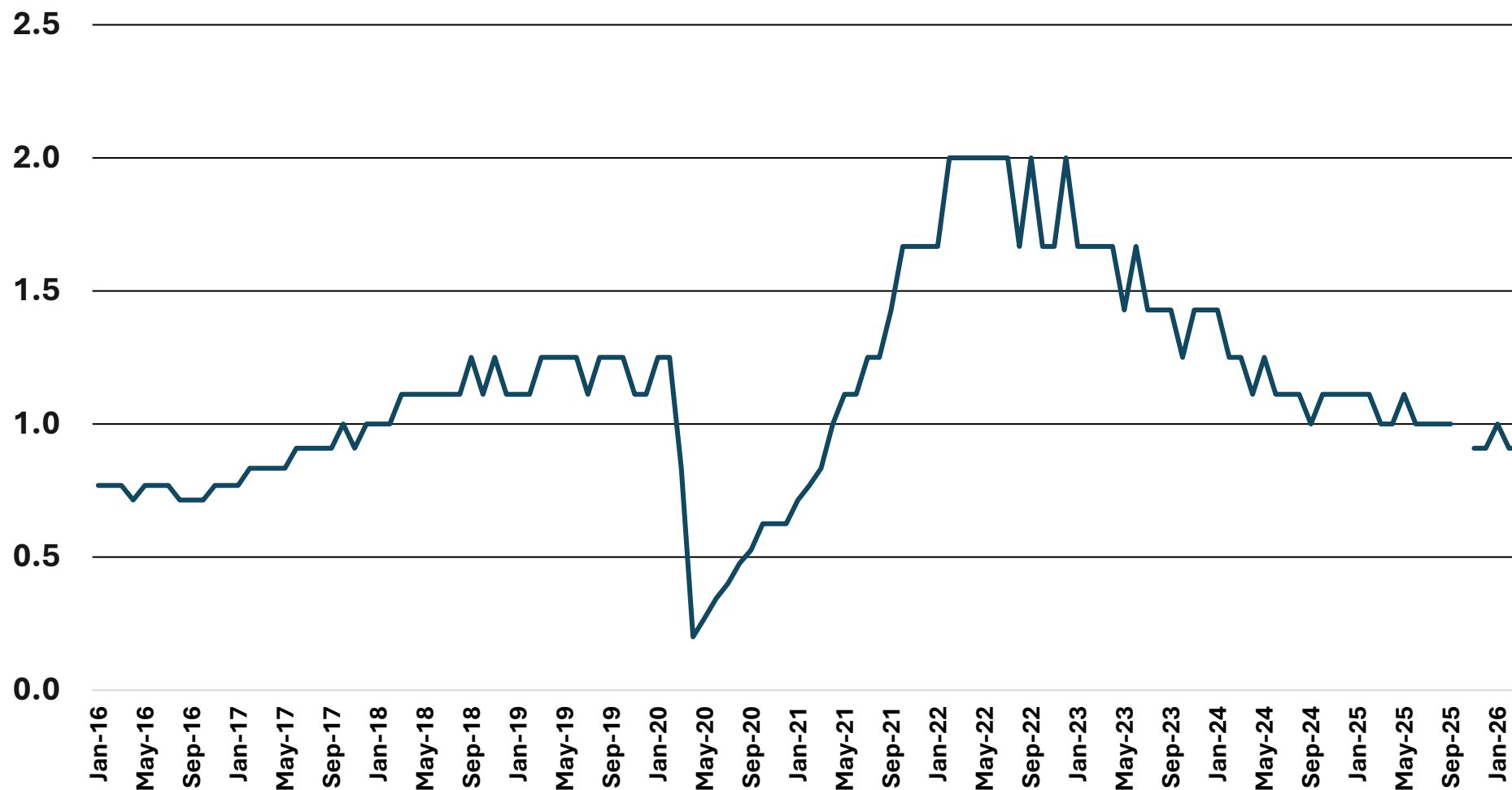
JOLTS: Openings & Hires

(Source: Bureau of Labor Statistics)



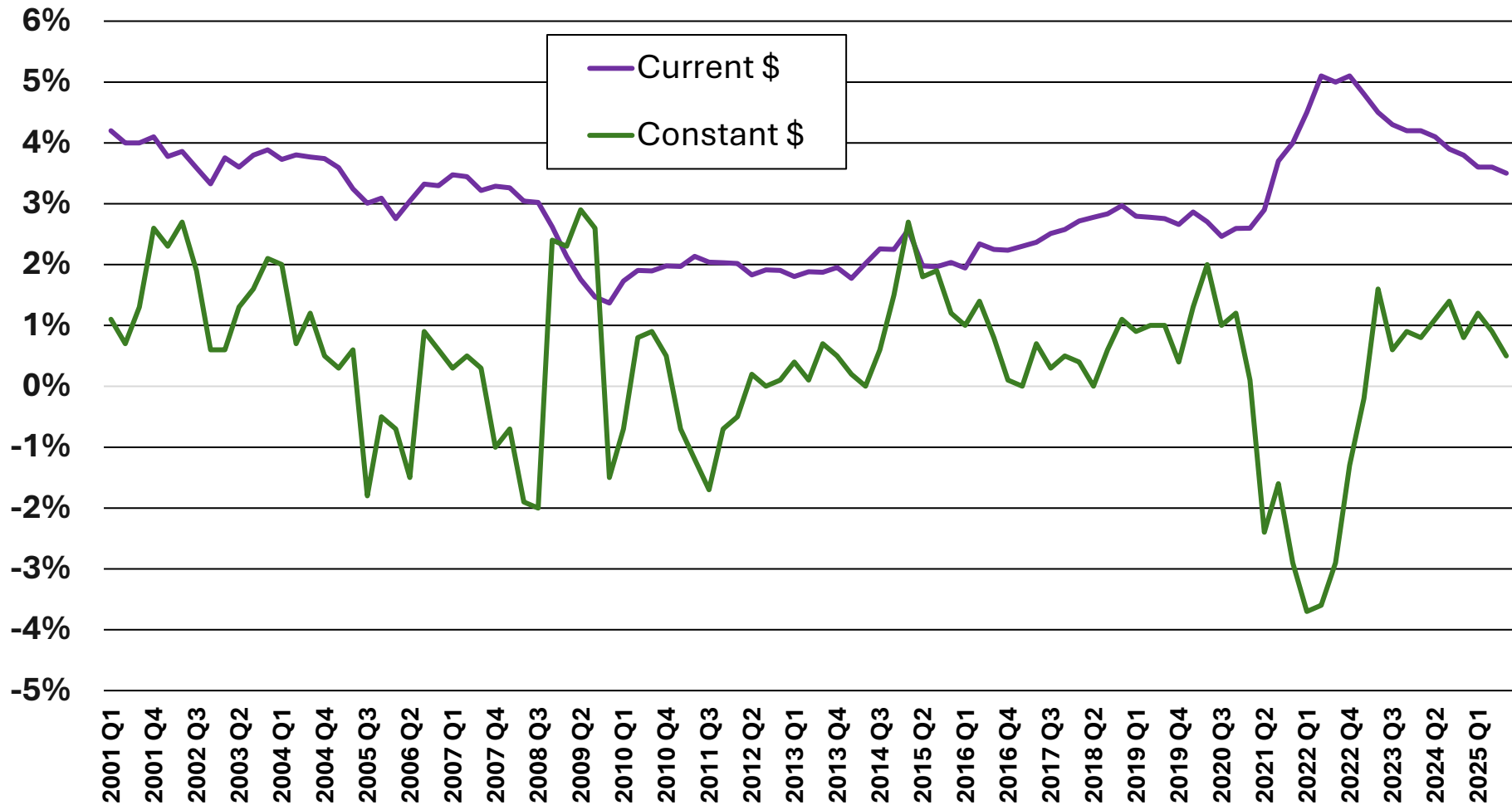
JOLTS: Openings/Unemployed

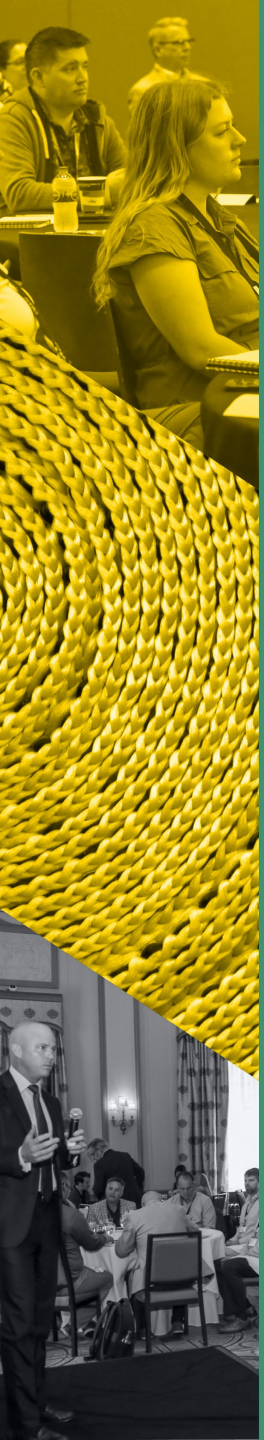
(Source: Bureau of Labor Statistics)



Employment Cost Index: Role of Inflation

(Source: Bureau of Labor Statistics)



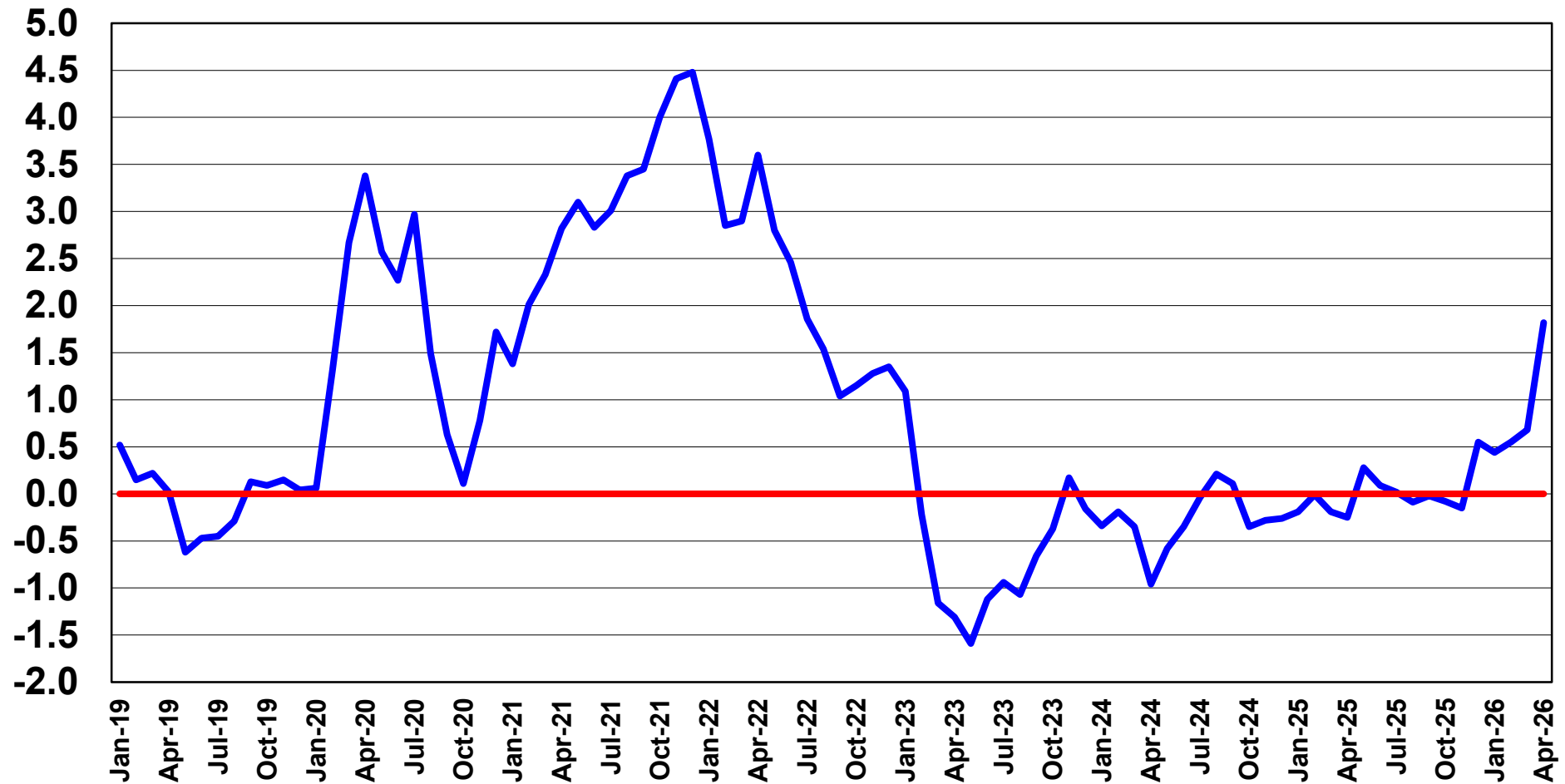


Topic #3:

Have global trade fears shifted from supply chain to currencies & tariffs?

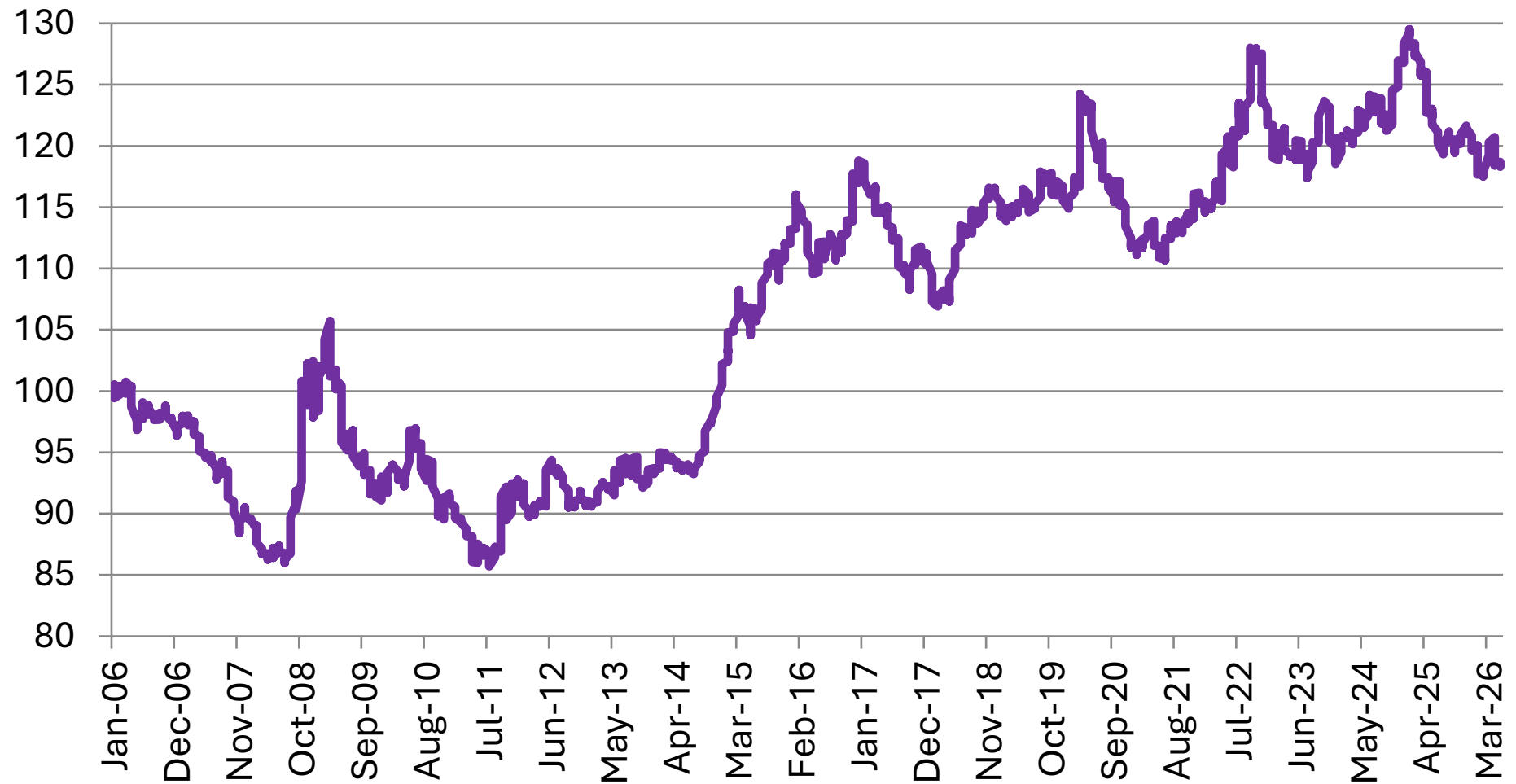
Global Supply Chain Pressure

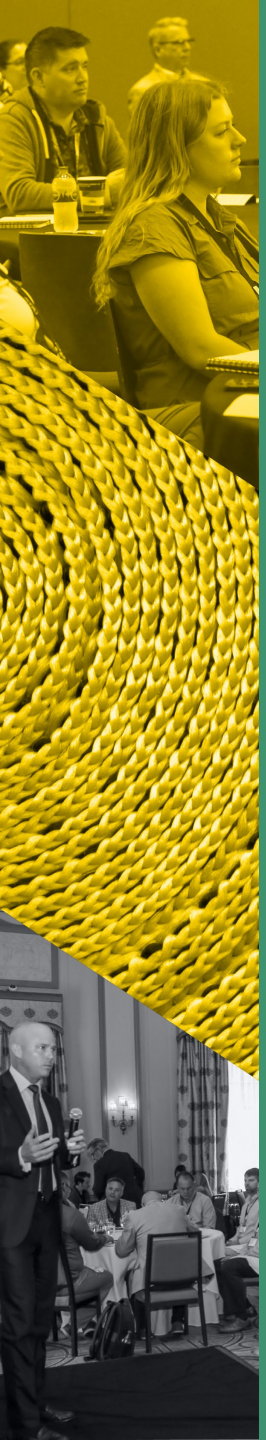
(Source: Federal Reserve Bank of New York)



Foreign Exchange: Broad Dollar

(source: Board of Governors of Federal Reserve System)





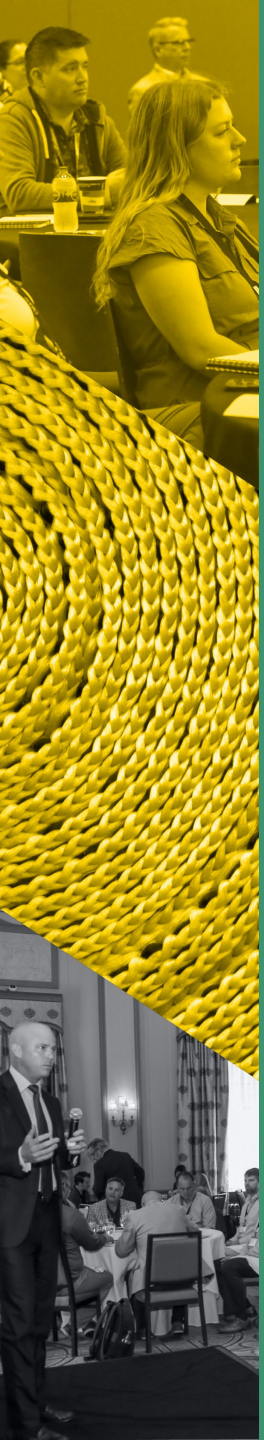
Basis of Tariffs

Congress has constitutional standing.

Section 232 (1962): certain circumstances allows the president to impose tariffs based on the recommendation from the Secretary of Commerce if "an article is being imported into the United States in such quantities or under such circumstances as to threaten or impair the national security.

Section 201 & 301 (1974): designed to eliminate unfair foreign trade practices that adversely affect U.S. trade and investment in both goods and services.

International Emergency Economic Powers Act of 1977.
Struck down by SCOTUS On February 20, 2026



Impact of Tariffs

- ISM-PMI still contracting – lowest in 9 months in December 2025.
- Large surge (52.1) in January, followed by 3 more months over 52
- Manufacturers were slowing capital expenditures as they wait for more “clarity”
- Domestic impact is product of
 - Tariff rate
 - Margin compression for producer
 - Change in FX
 - Percentage of final good subject to tariff
 - Ability of final consumer to substitute
- Level shifts versus untick in inflation.
 - Lags in system
 - Feedback on retaliatory tariffs

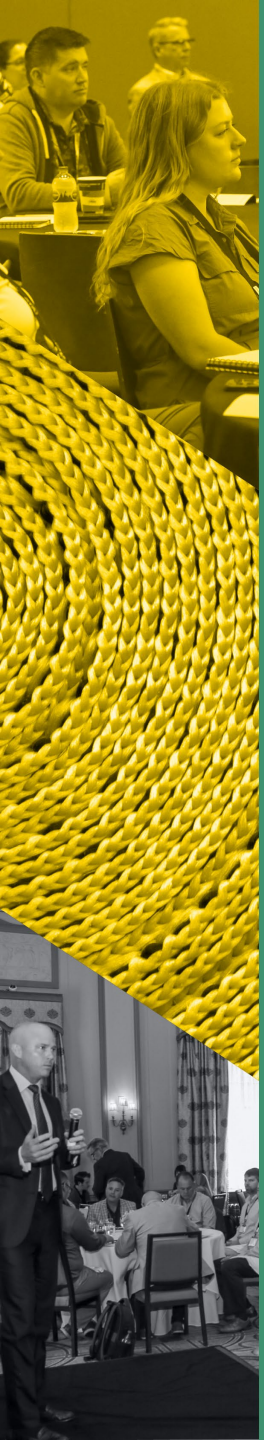
Open questions:

Will we build redundant supply chains or “reshore”

What does it mean for capital flows?

Topic #4:

Inflation returned in 2022, but is now falling toward the 2% target? Will it get there and will it stick?



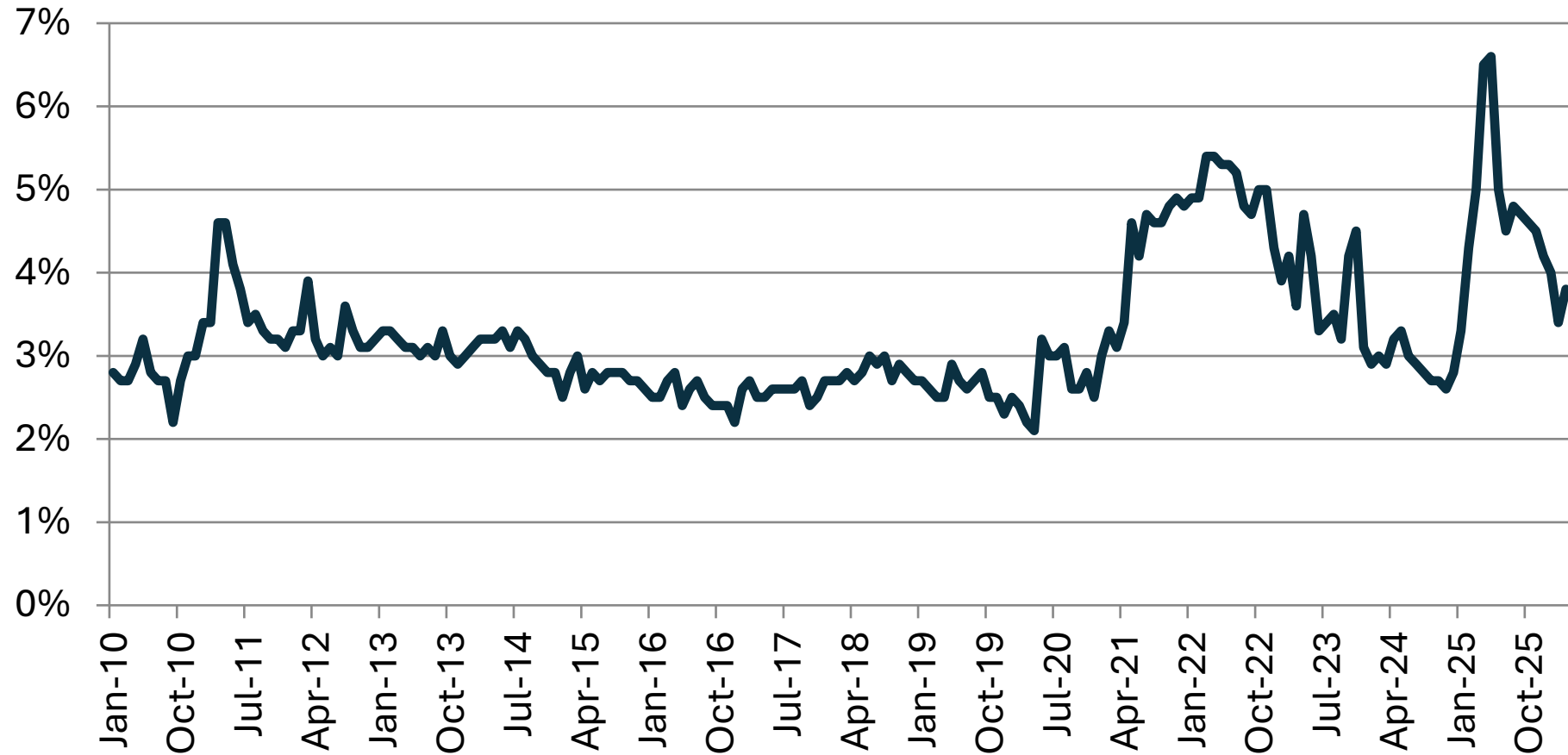
Inflation: Transitory or Persistent?

(source: Bureau of Labor Statistics)

- CPI up 0.6% in April. Overall CPI up 3.3% over last 12 months.
- Core CPI up 0.4% in April. Core up 2.8% over last year.
- Energy component was up 10.9% and 3.8% in April and March. The energy component is up 17.9% over the last 12 months.
- PCE up 3.5% for 12 months ending in March, core PCE up 3.2% over the same period.

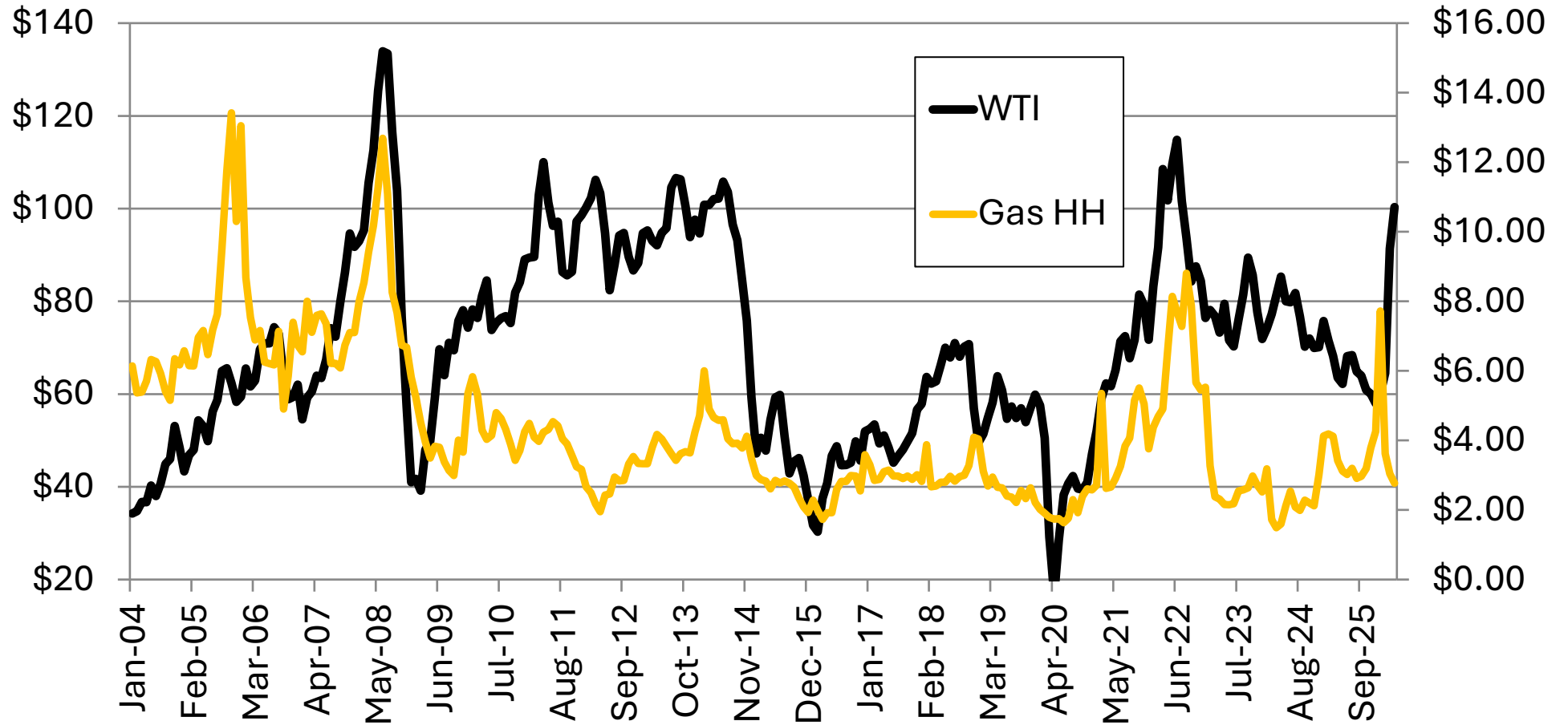
Inflation Expectations: Next 12 Months

(source: University of Michigan, Survey Research Center)



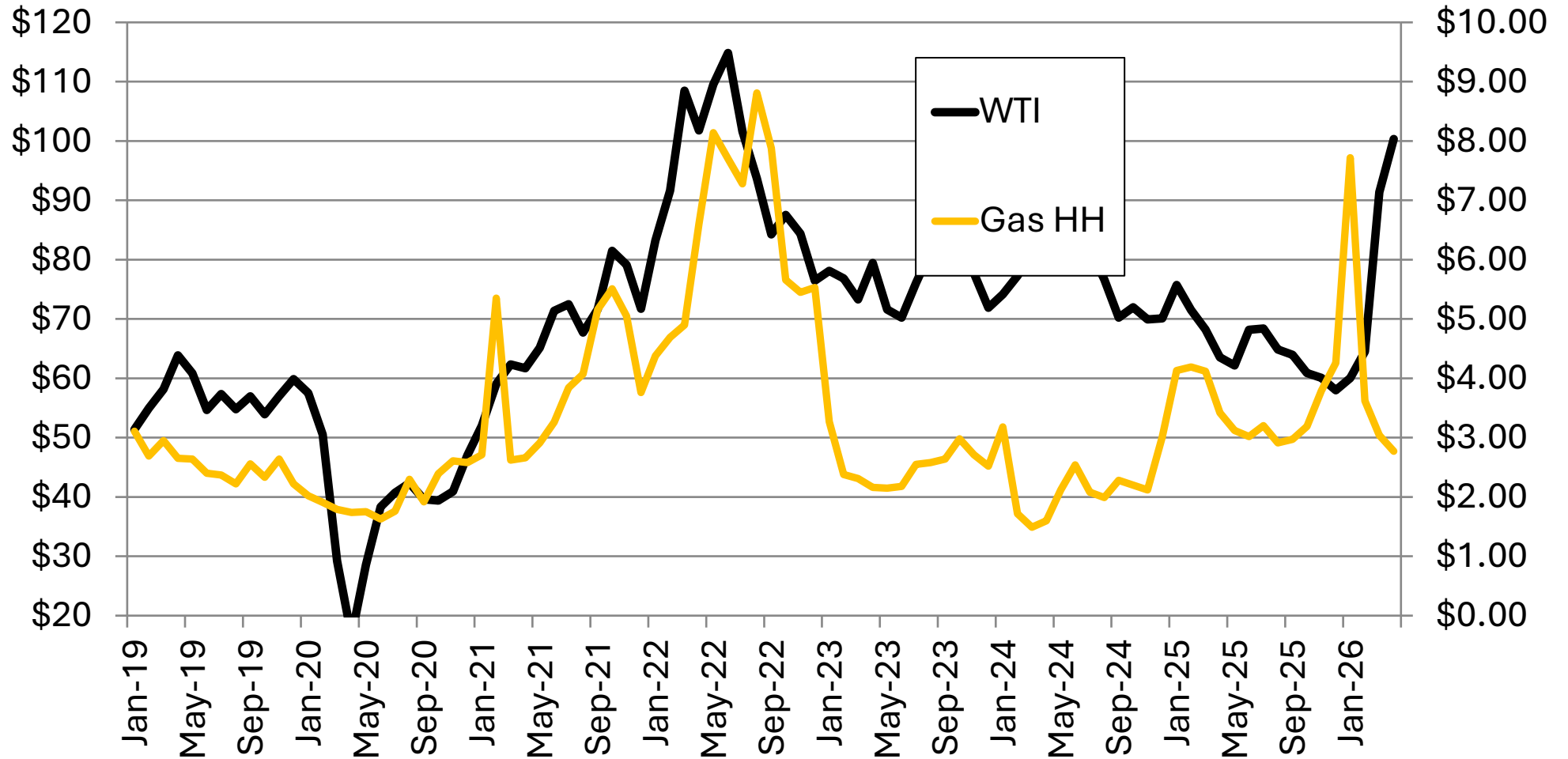
Energy Cost: Oil & Natural Gas

(source: U.S. Energy Information Administration)



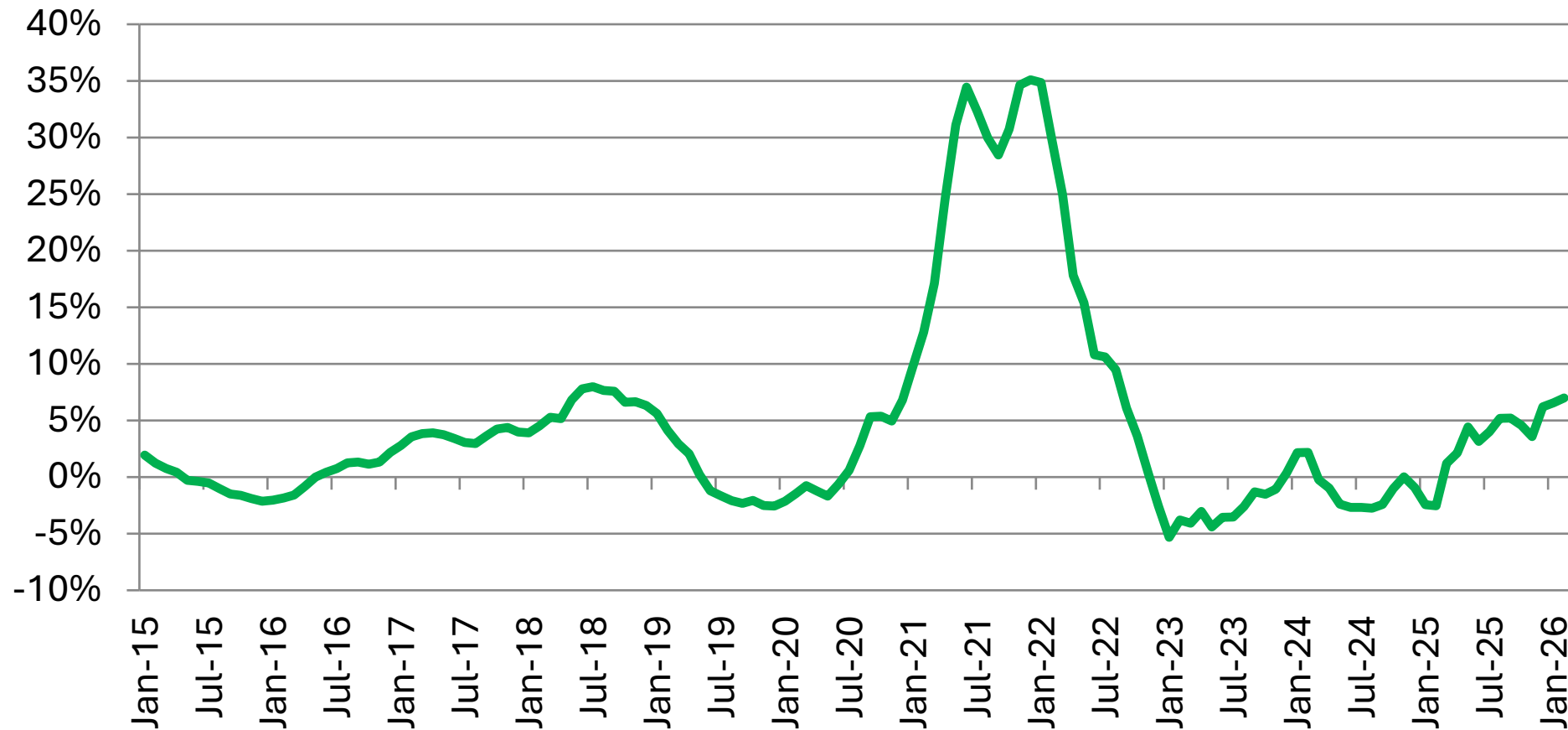
Energy Cost: Oil & Natural Gas

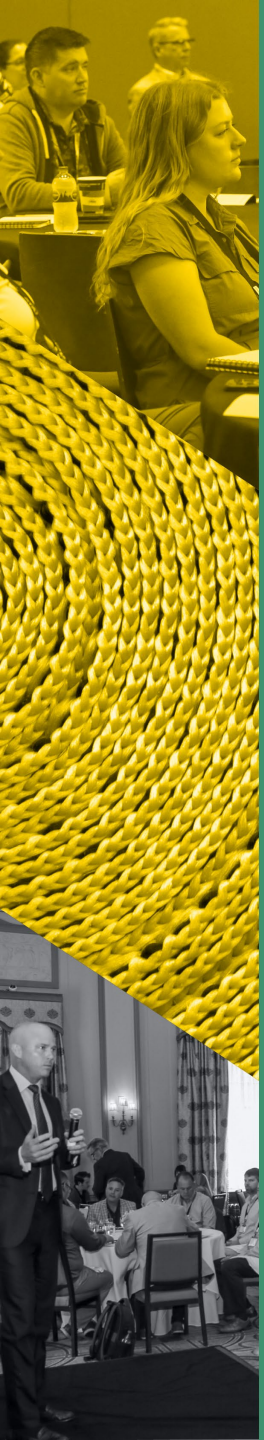
(source: U.S. Energy Information Administration)



Producer Price Index: Construction Materials

(Change L12M, source: Bureau of Labor Statistics)



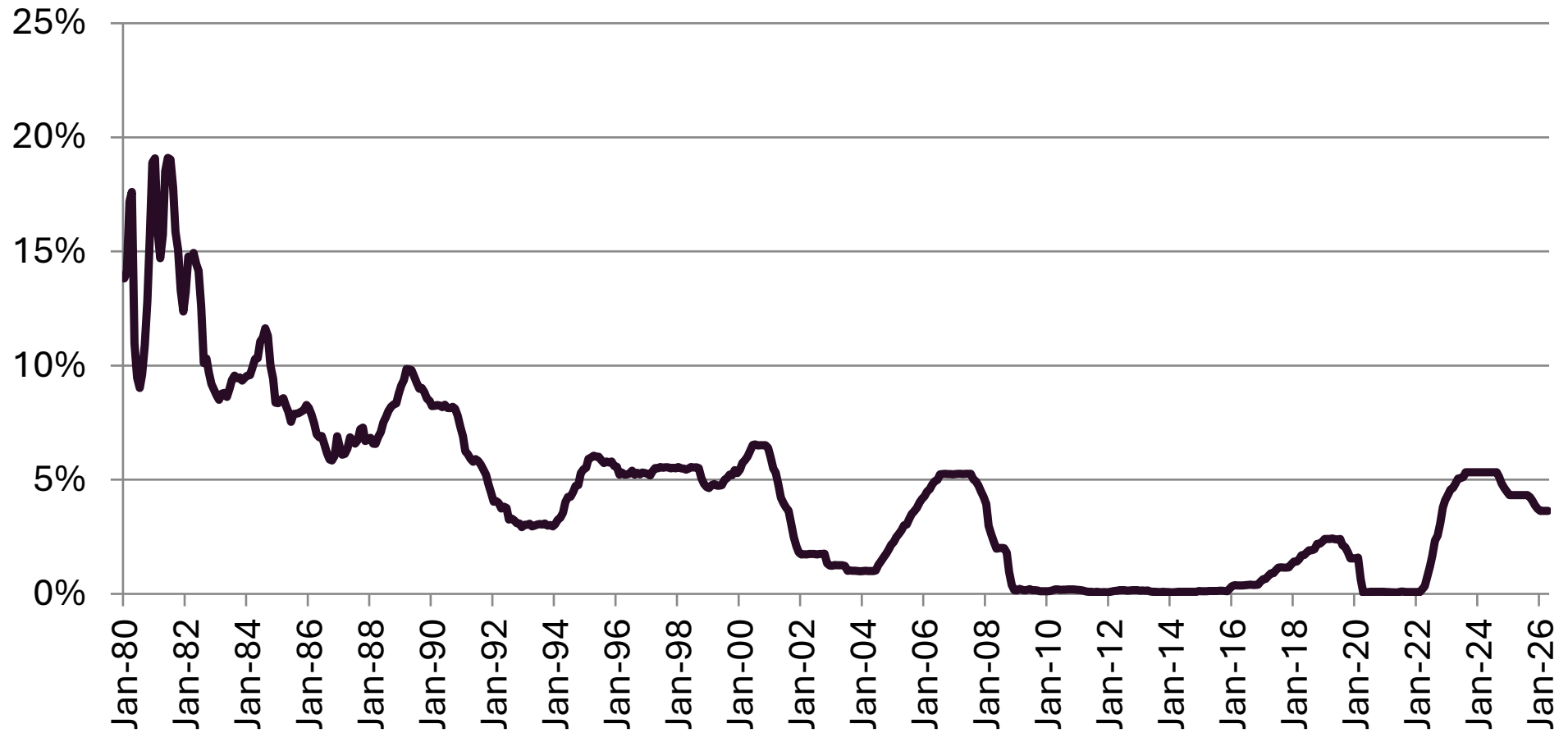


Topic #5:

Fed signaled “peak rates” in early 2024. Six rates cuts into the cycle are we done? And when to mortgage rates reach “normal?”

Federal Funds Rate

(source: Board of Governors of the Federal Reserve System)



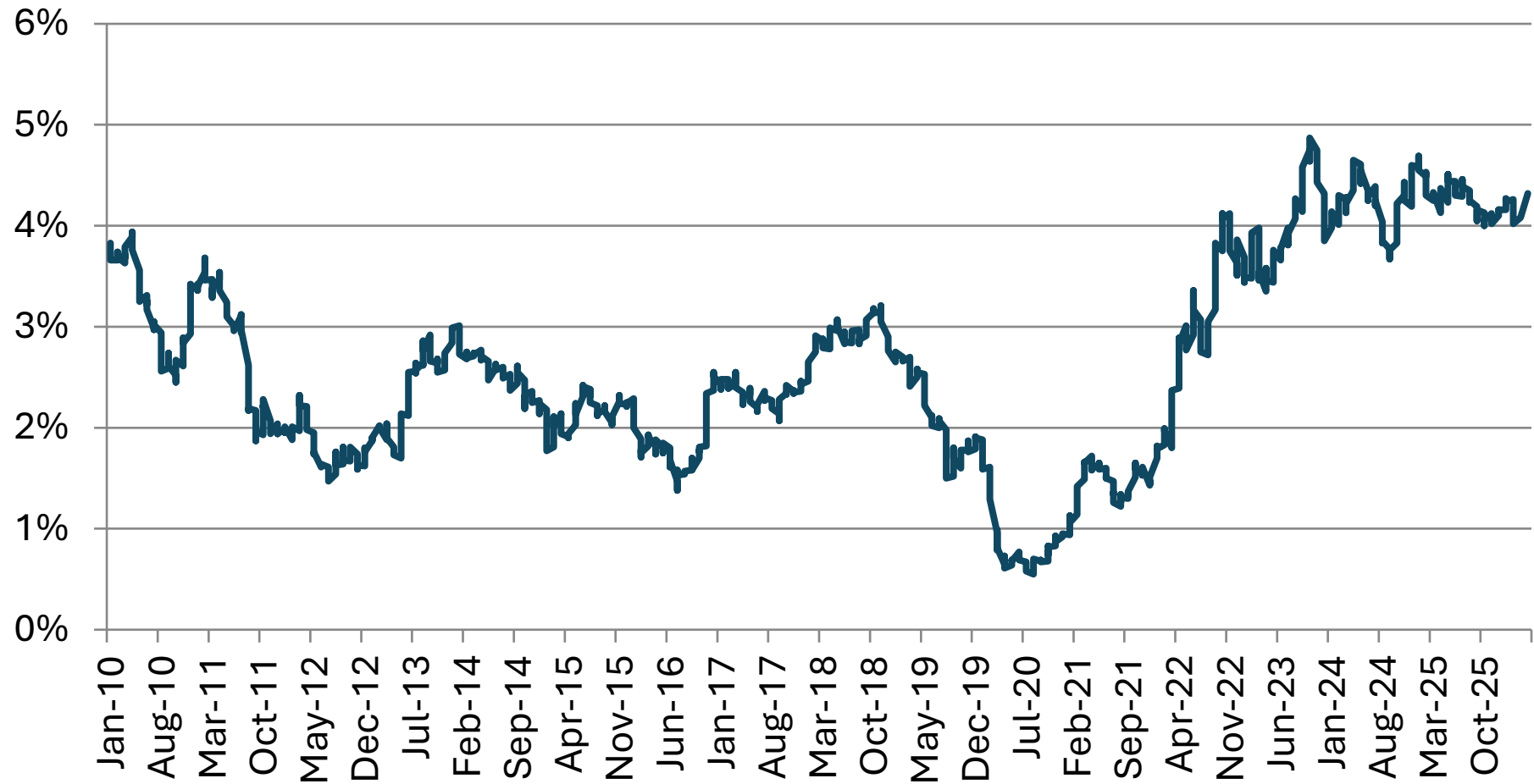
Expectation for Federal Funds Rate:

May 21, 2026 (Source: CME Group)

MEETING DATE	275-300	300-325	325-350	350-375	375-400	400-425	425-450	450-475	475-500
6/17/2026	0.0%	0.0%	1.5%	98.5%	0.0%	0.0%	0.0%	0.0%	0.0%
7/29/2026	0.0%	0.0%	1.2%	84.0%	14.7%	0.0%	0.0%	0.0%	0.0%
9/16/2026	0.0%	0.0%	1.0%	65.4%	30.3%	3.3%	0.0%	0.0%	0.0%
10/28/2026	0.0%	0.0%	0.8%	55.4%	35.8%	7.5%	0.5%	0.0%	0.0%
12/9/2026	0.0%	0.0%	0.6%	40.2%	41.2%	15.4%	2.5%	0.1%	0.0%
1/27/2027	0.0%	0.0%	0.5%	33.8%	41.1%	19.6%	4.5%	0.5%	0.0%
3/17/2027	0.0%	0.0%	0.4%	26.1%	39.4%	24.5%	8.0%	1.4%	0.1%
4/28/2027	0.0%	0.0%	0.3%	22.5%	37.5%	26.6%	10.3%	2.4%	0.3%
6/9/2027	0.0%	0.0%	0.4%	22.5%	37.5%	26.6%	10.3%	2.4%	0.3%
7/28/2027	0.0%	0.0%	0.3%	22.3%	37.4%	26.7%	10.5%	2.4%	0.3%
9/15/2027	0.0%	0.0%	2.0%	23.4%	36.6%	25.5%	9.9%	2.3%	0.3%
10/27/2027	0.0%	0.3%	4.5%	24.9%	35.3%	23.7%	9.0%	2.1%	0.3%
12/8/2027	0.2%	2.7%	16.6%	31.1%	28.4%	15.0%	4.9%	1.0%	0.1%

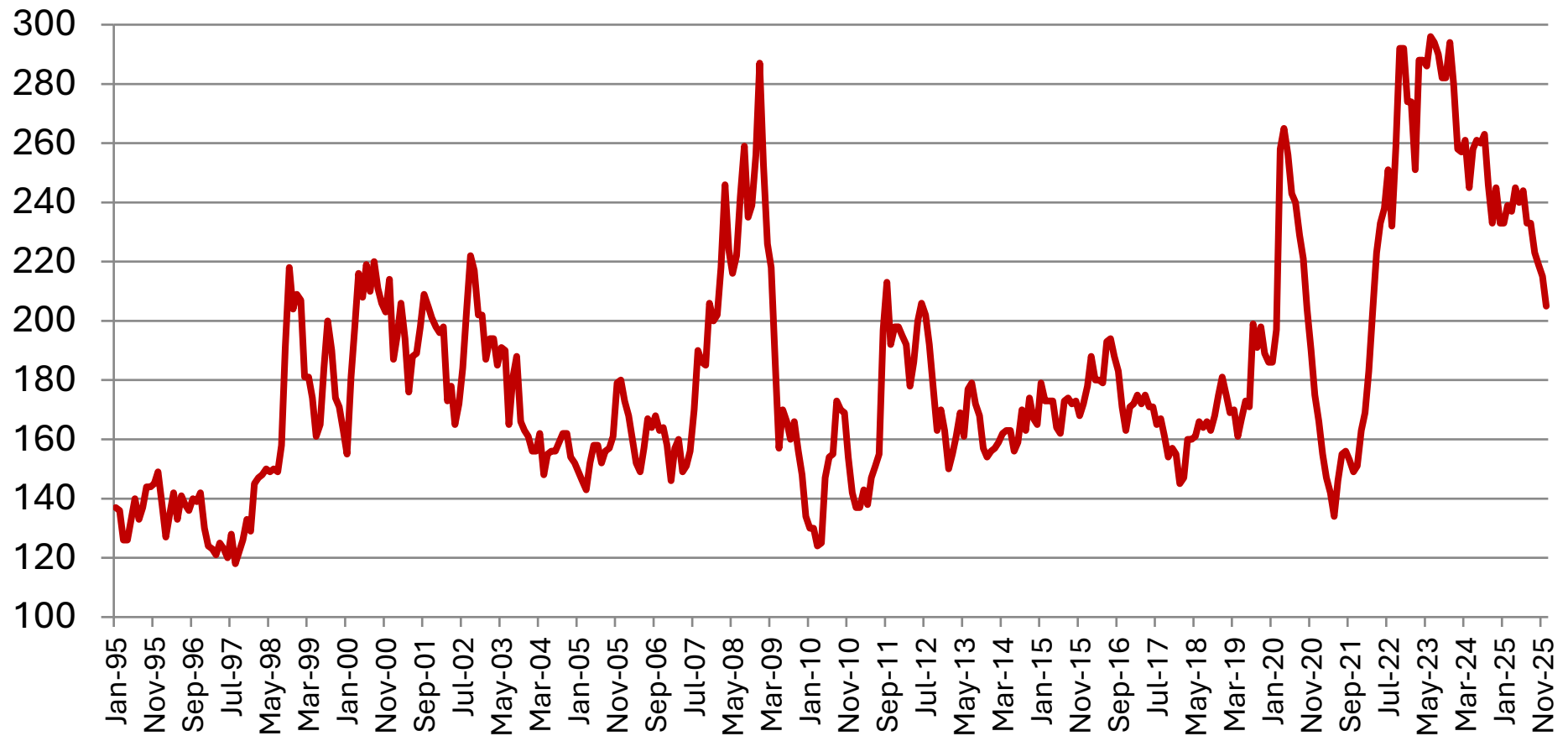
10-Year Treasury Bonds

(source: Board of Governors of Federal Reserve System)



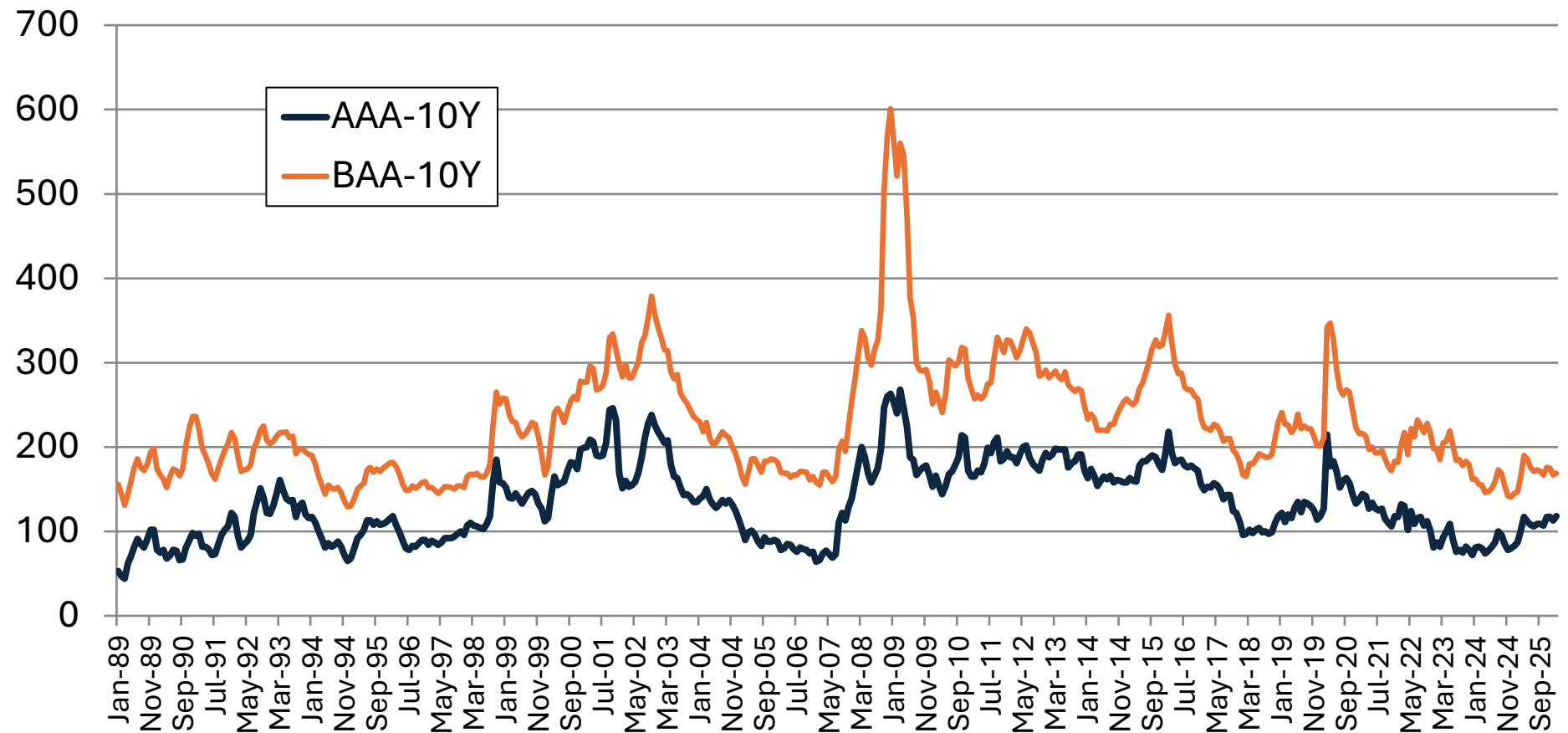
Mortgages vs 10-Year T-Bonds

(source: Board of Governors of Federal Reserve System)



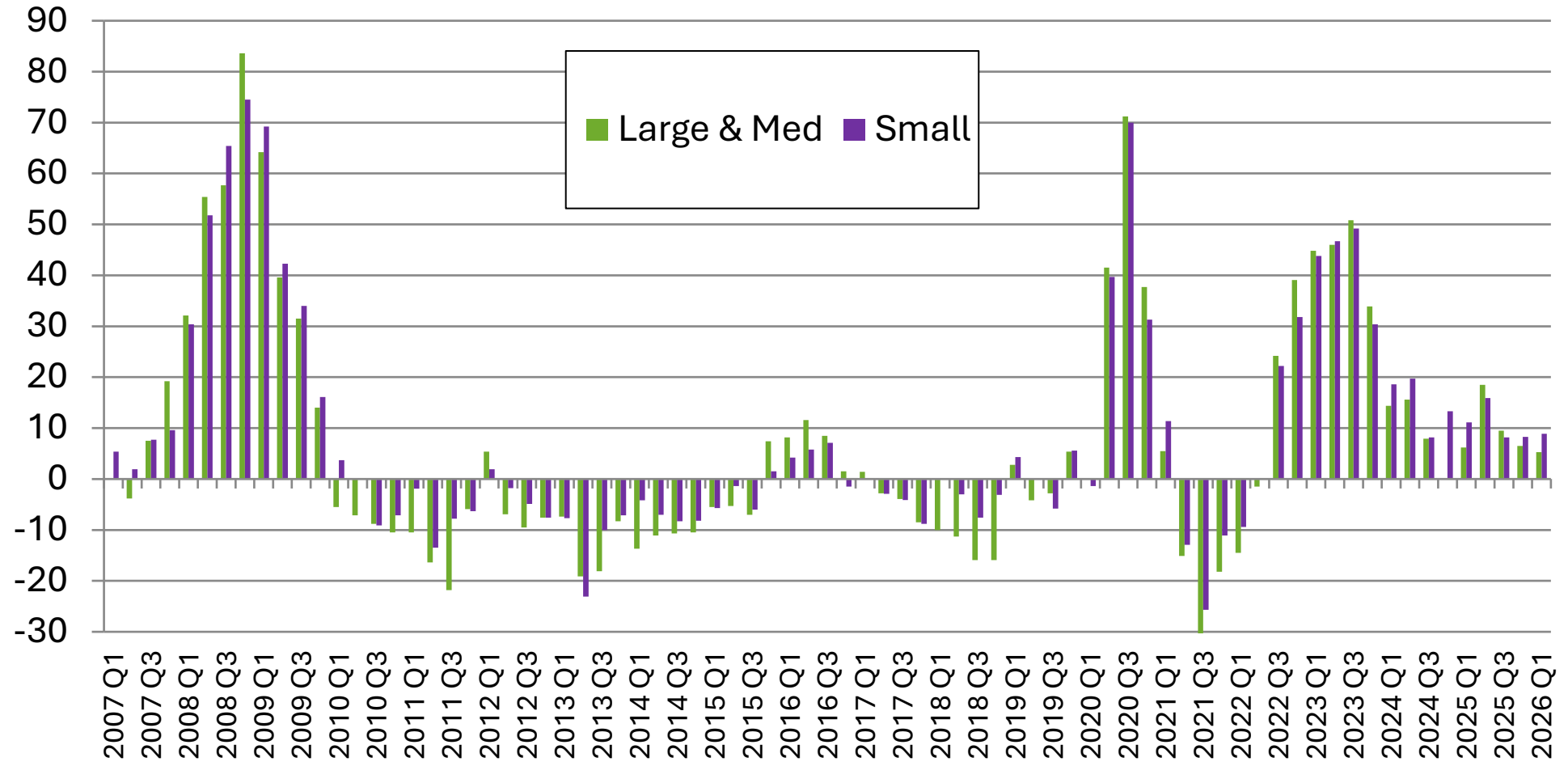
Corporate Credit Spreads

(source: Board of Governors of Federal Reserve System, Moody's)



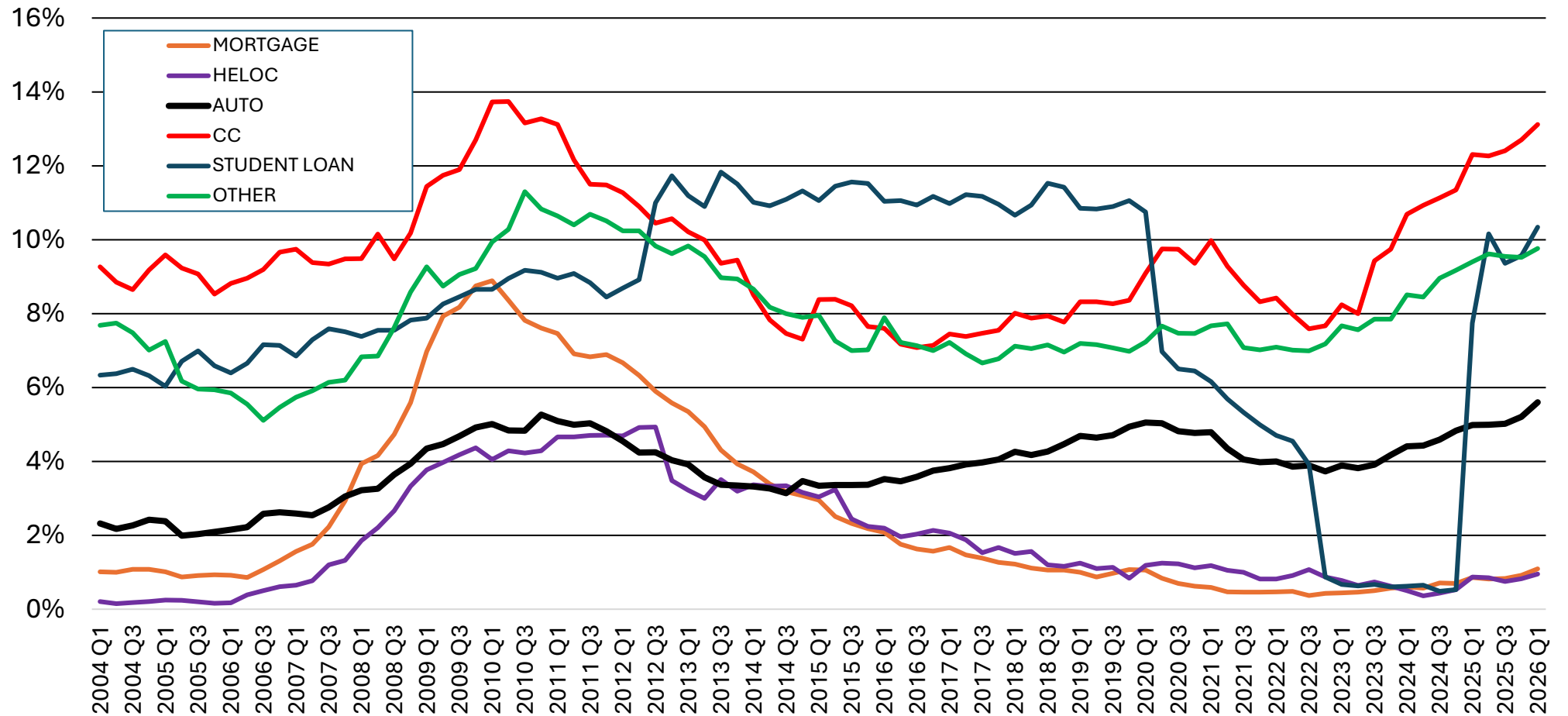
C&I Loan Standards: Net Tightening

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



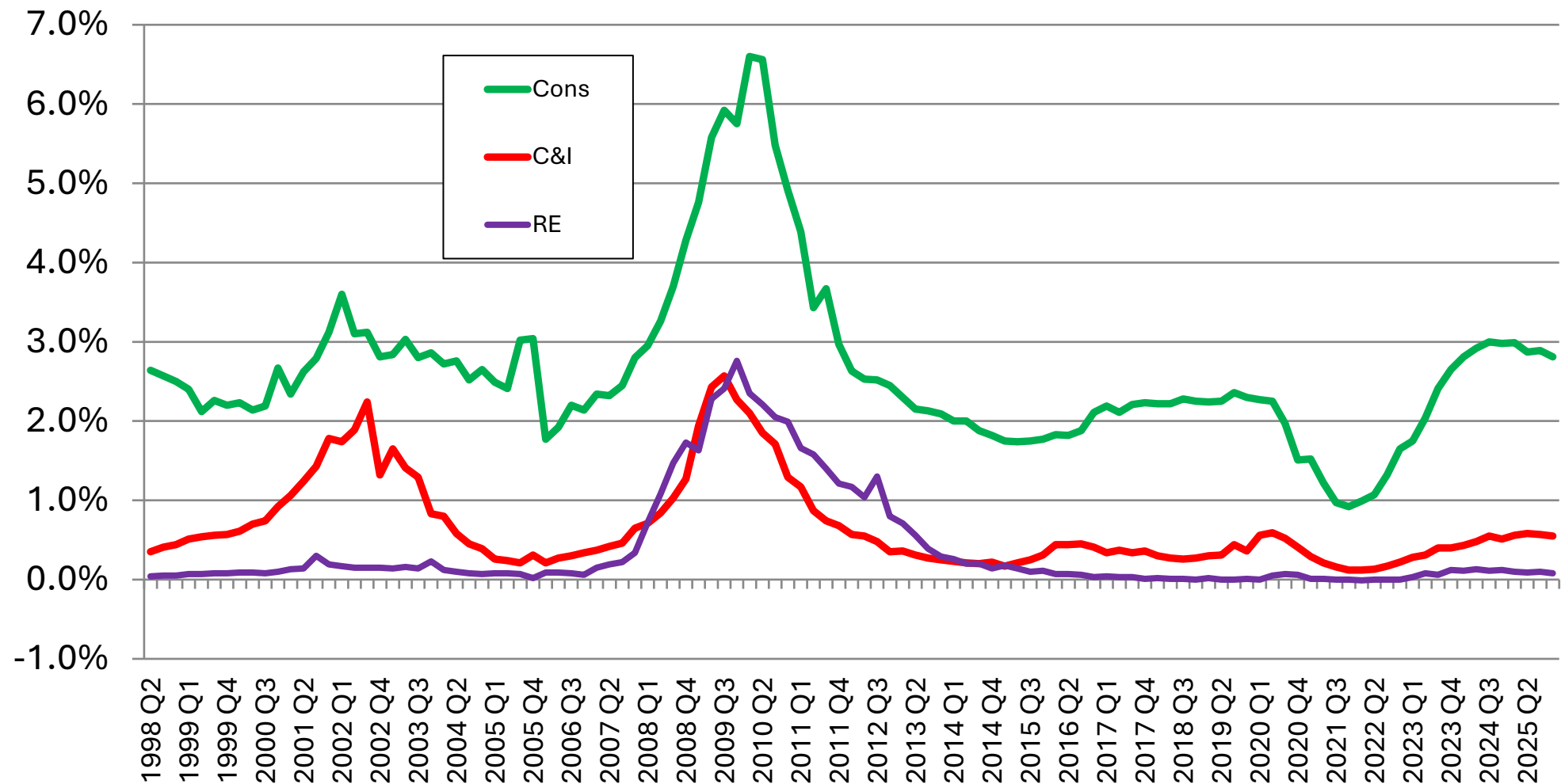
90+ Days Delinquent by Loan Type

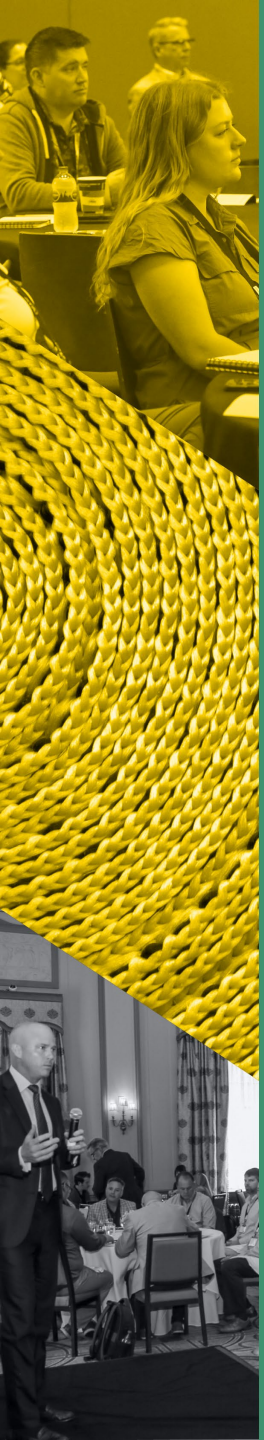
(source: Federal Reserve Bank of New York Credit Panel/Equifax)



Charge Off Rates at Banks

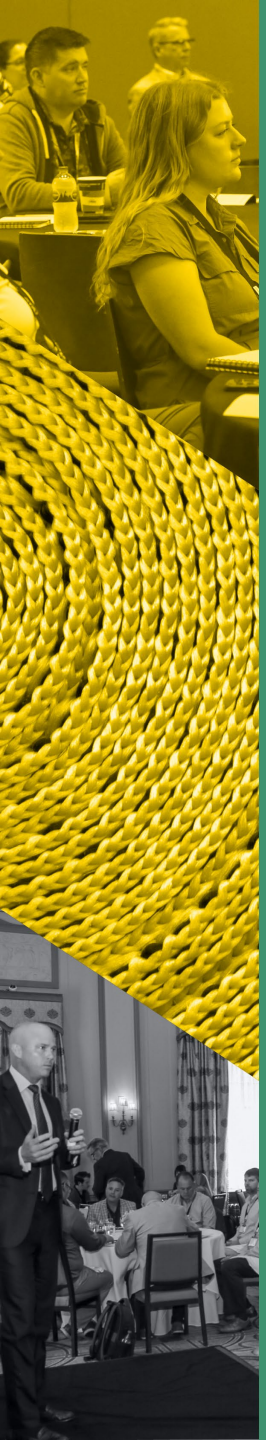
(source: Board of Governors of the Federal Reserve System)





Comments on Risk & Capital Markets

- Did we accurately assess the impact of rising rates (2022 to 2024) on credit risk?
- Will tighter underwriting restrict ability to refinance/refund debt markets? Credit tightening may be more about leverage more than rates.
- Will rise in private debt market continue?
- Is there risk in liquidation of assets that support credits?



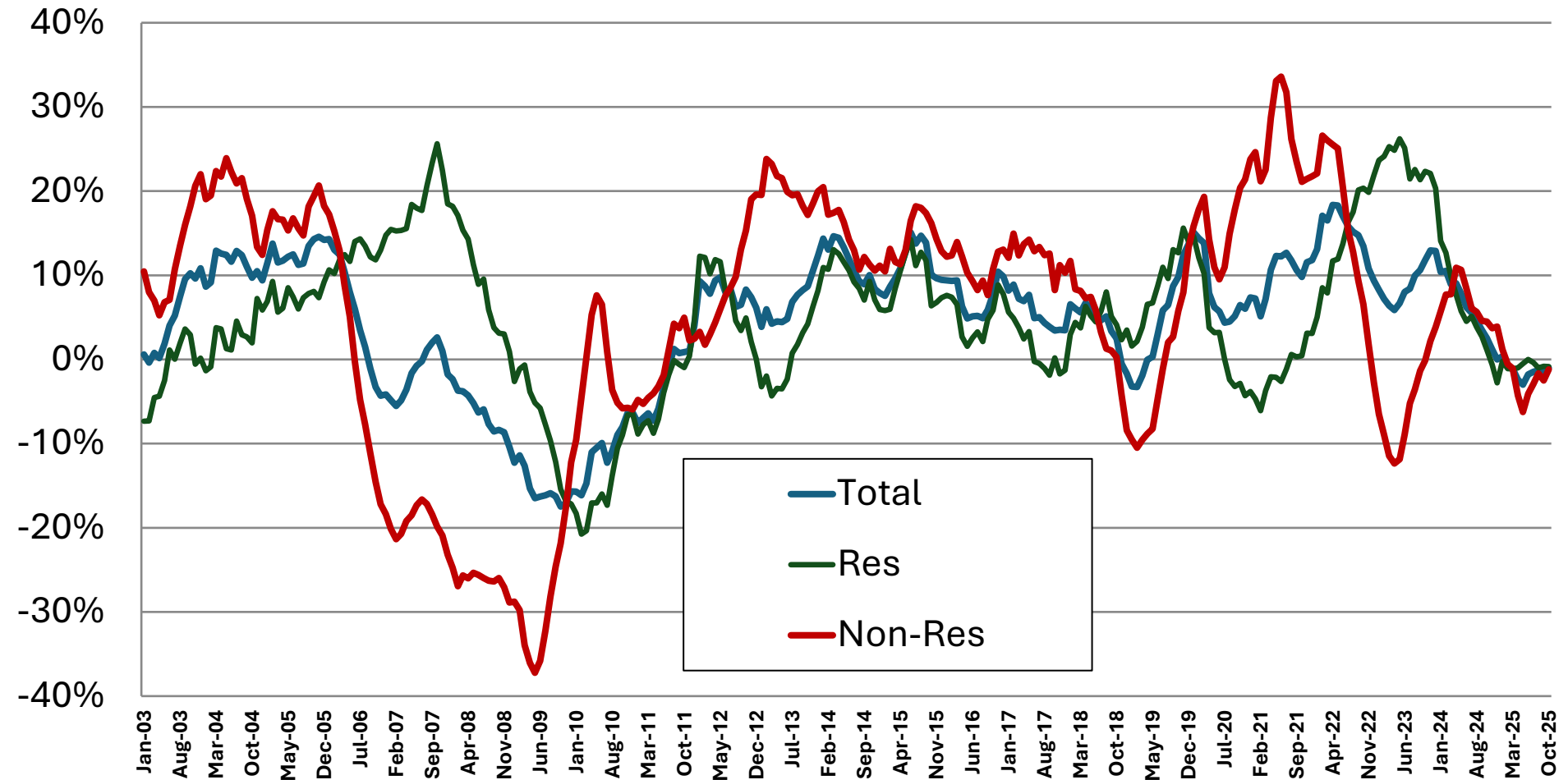
Topic #6:

Did the pandemic signal the death of “big box” and office?

And with “affordability” being the new buzz word, have housing prices peaked?

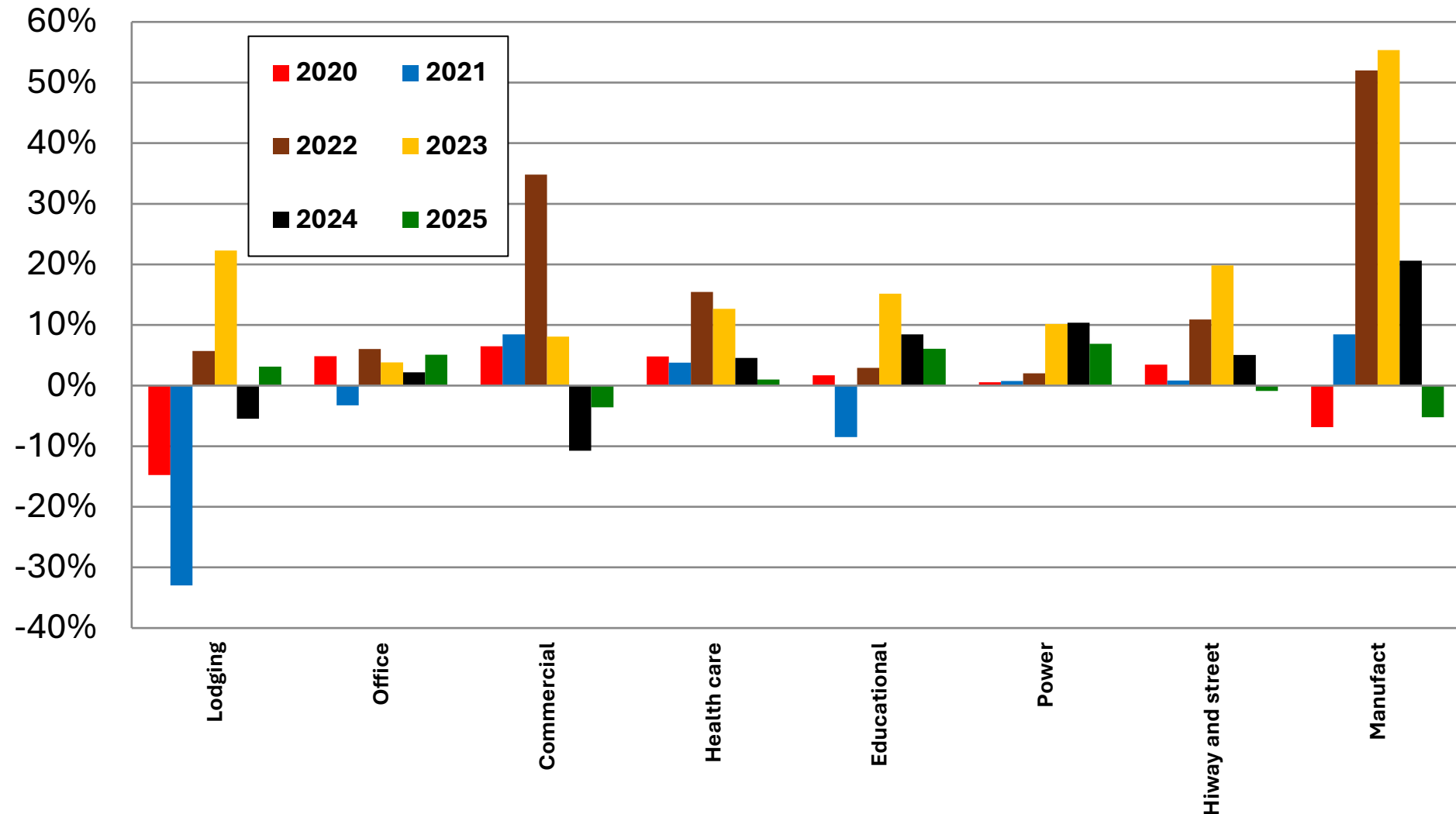
Construction Spending: Annual Change

(Source: U.S. Census Bureau)



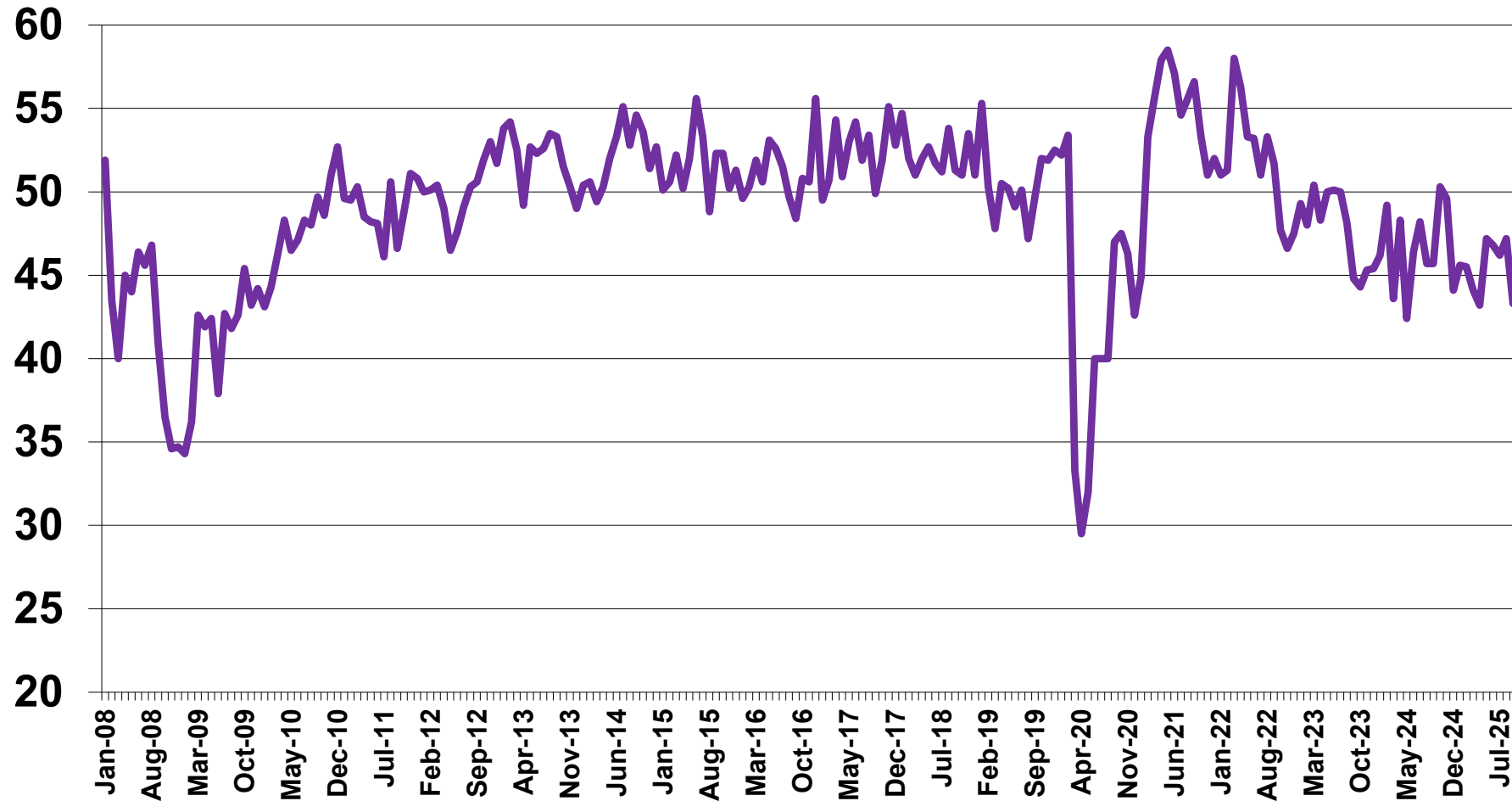
Non-Residential Construction

(Source: U.S. Census Bureau)



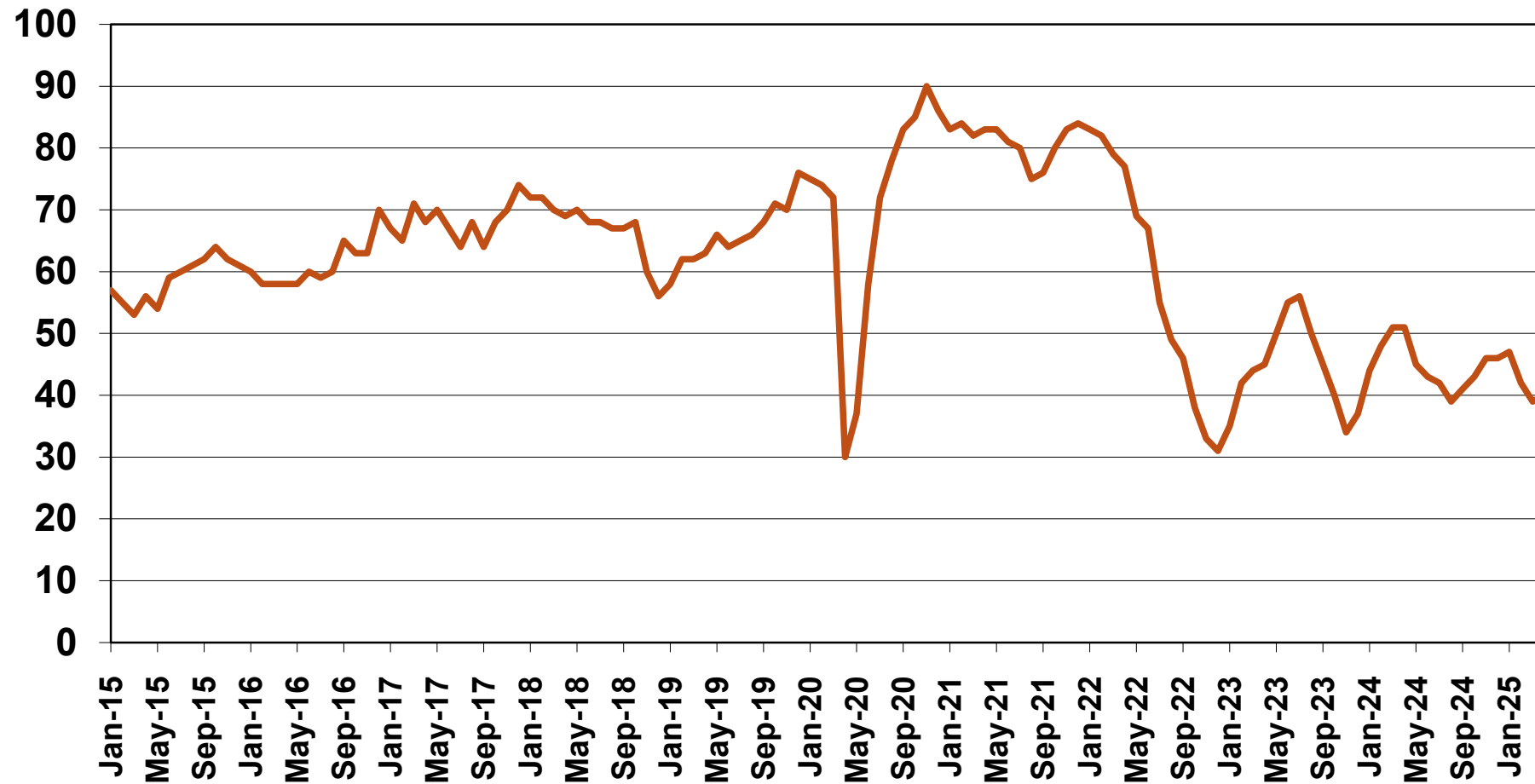
Architecture Billings Index (AIA)

(Source: American Institute of Architects)



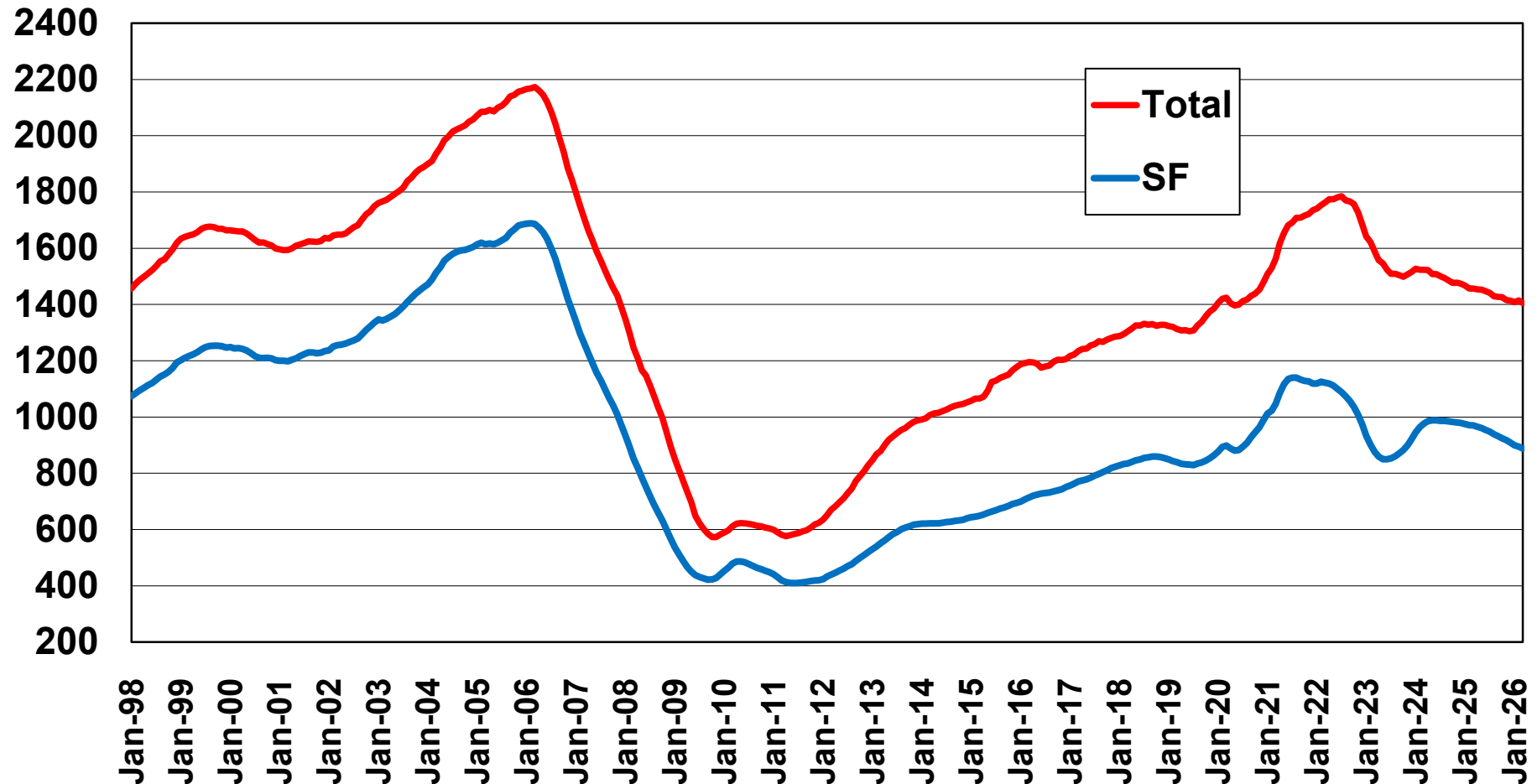
Housing Market Index

(source: NAHB/Wells Fargo)



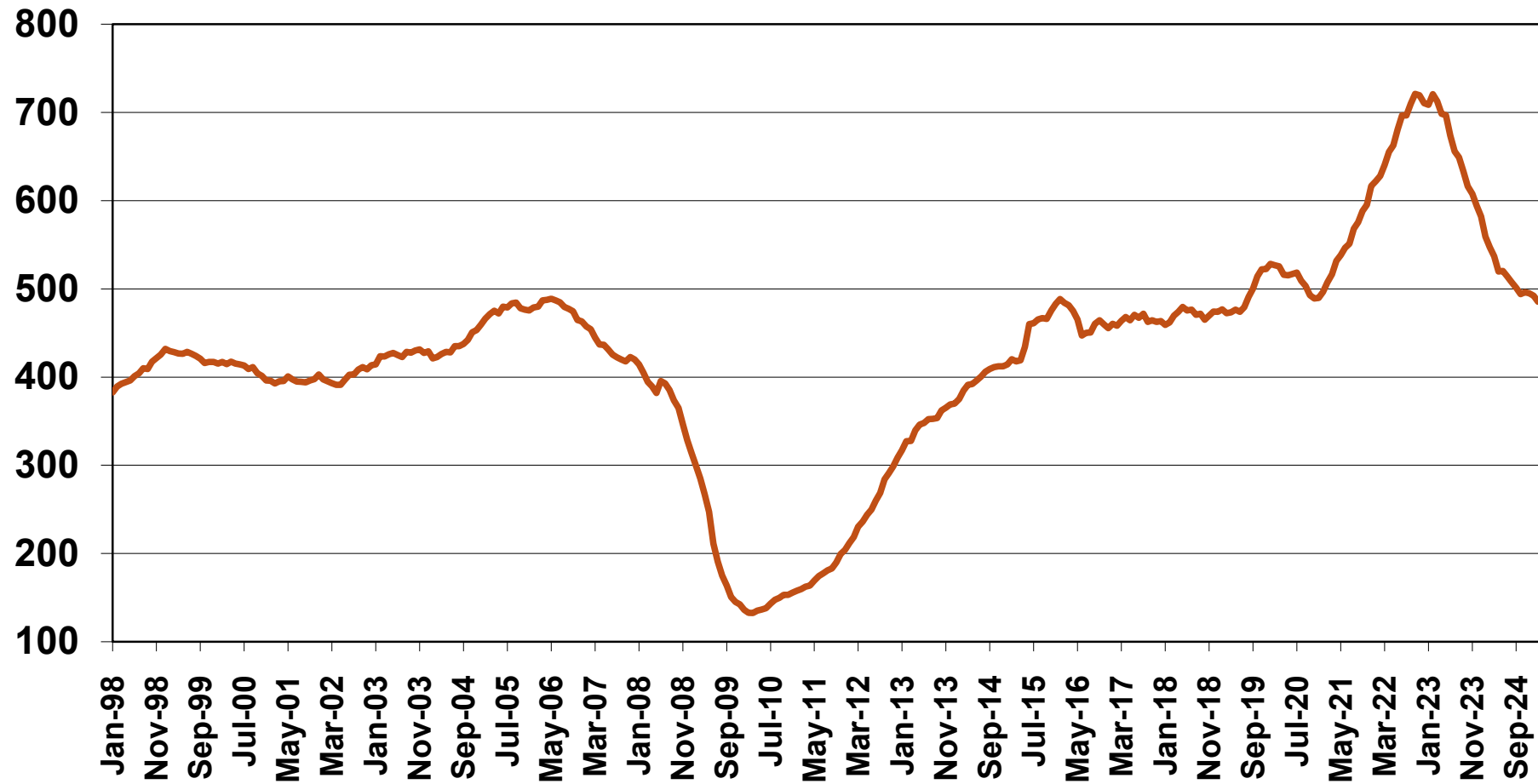
US Housing Permits: SF and Total

(source: U.S. Census Bureau)



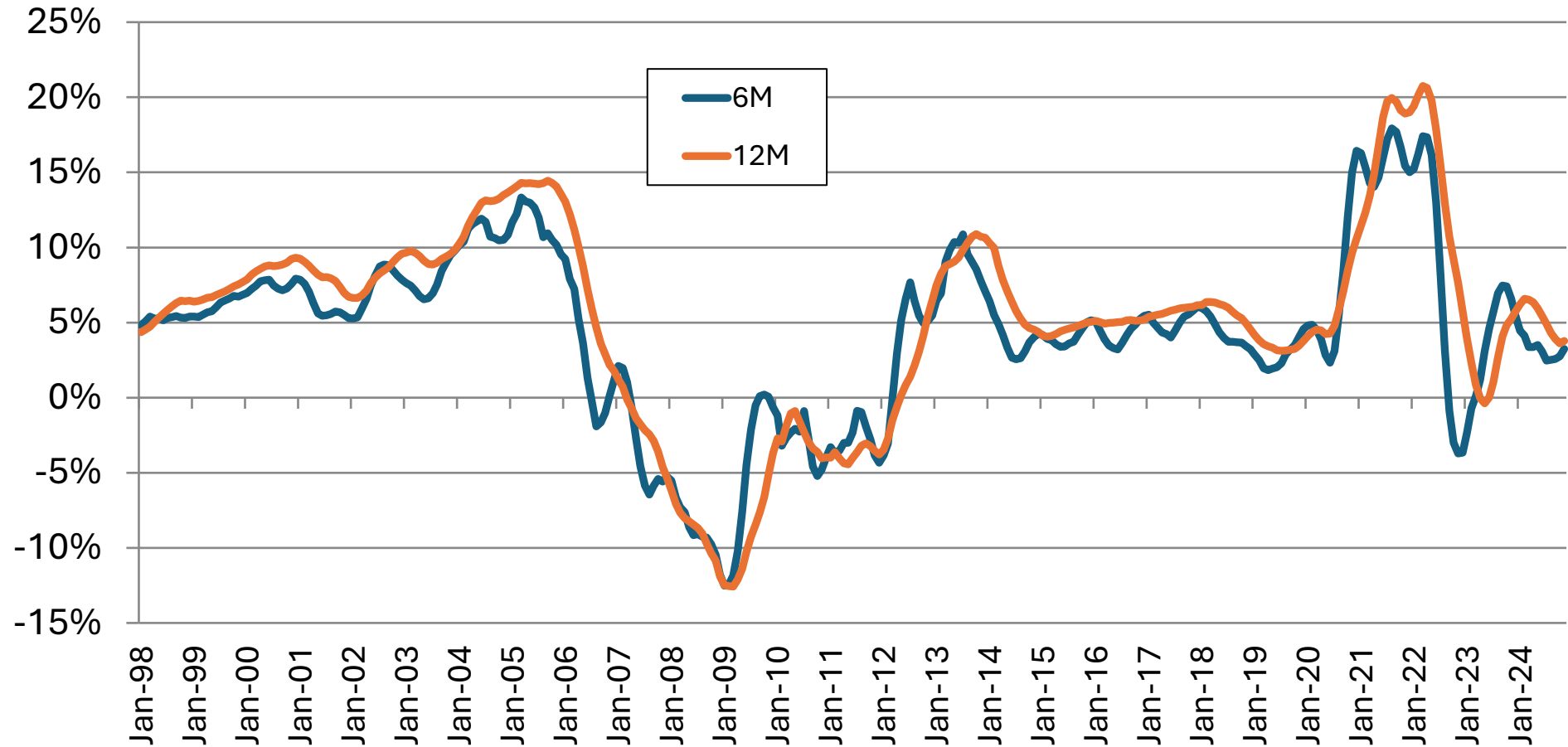
US Housing Permits: Multi-family

(source: U.S. Census Bureau)



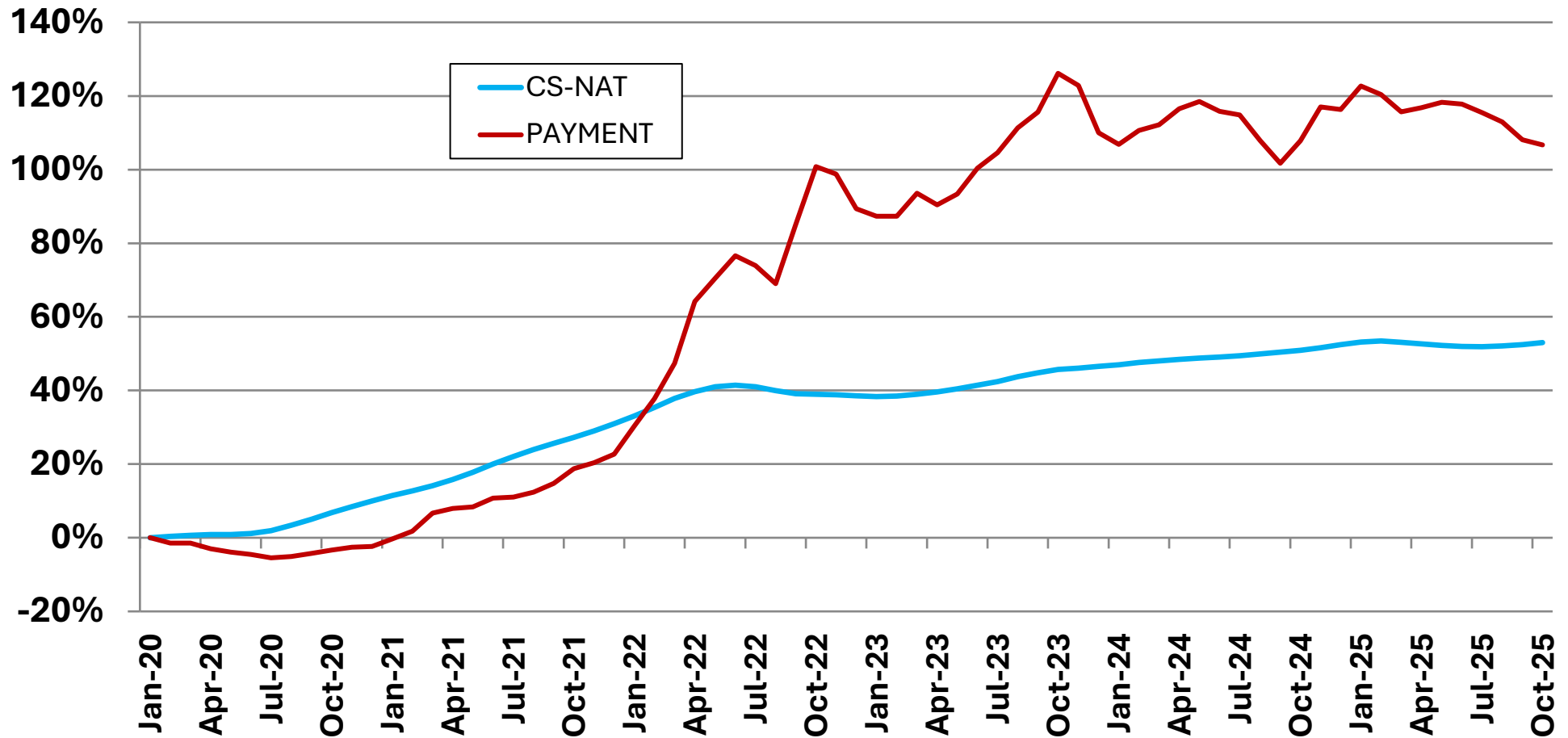
Case Shiller: National Index

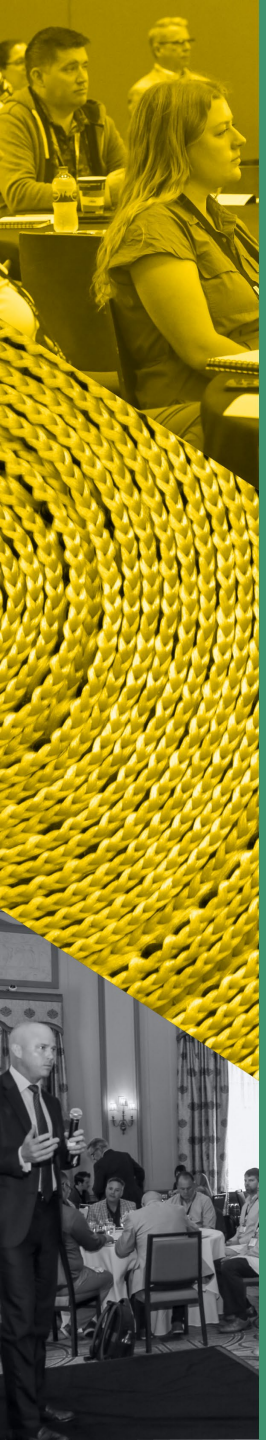
(source: Standard & Poor's Case-Shiller)



Housing Affordability: Rate Effect

(source: S&P Case-Shiller, Freddie Mac)

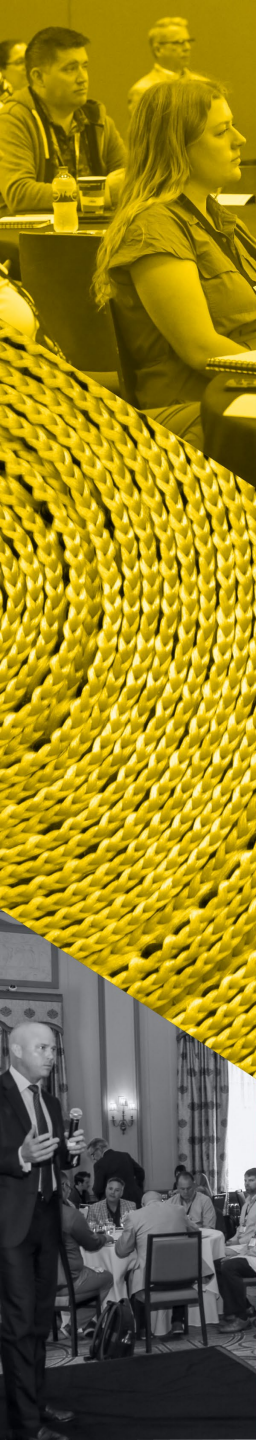




Topic #7:

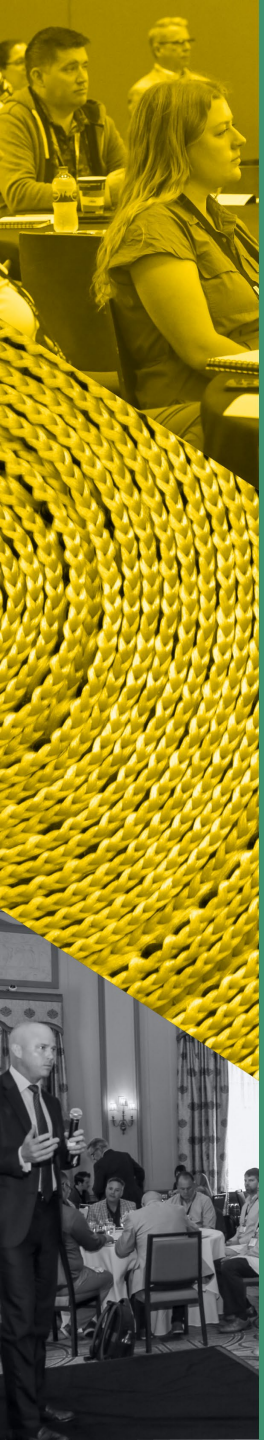
2025 reintroduced one-party rule? But, are we done with shutdowns?

And what about demographic and migration trends show?



Comments on the New Regime

- General Paradigm
 - Shift in regulation
 - M&A activity
 - Tariffs as tool
 - Digital Currencies
- Cabinet Picks
 - Treasury: Scott Bessent (Key Square)
 - Commerce: Howard Lutnick (Cantor Fitz)
 - Energy: Chris Wright (Liberty Energy)
 - Justice: ~~Pam Bondi (R-Fl.)~~
 - Labor: ~~Lori Chavez-DeRemer (R-Ore.)~~
- “A.I.”
 - FinTech, HealthTech, Credit Management, Cybersecurity
 - Politics of modernization is changing
 - Partnering AI and Advanced Robotics

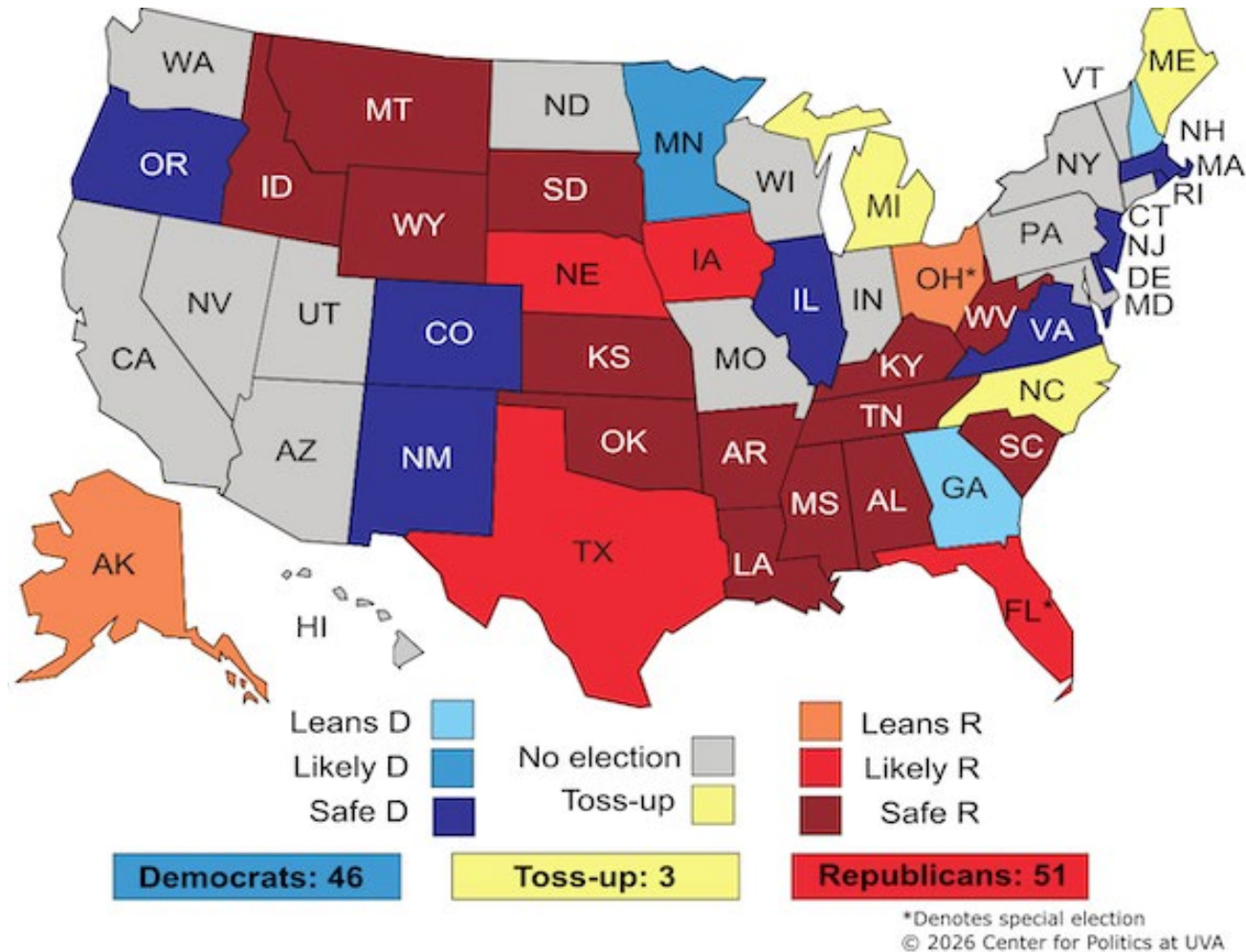


Comments on Shifting Fiscal Policy

- Extend 2017 TCJA (Tax Cuts and Jobs Act)
 - Corporate Tax Rate
 - Shifted to flat 21%; Global & Territorial Tax regimes
 - Changes in Depreciation & Net Loss Carryback
 - Individual Tax Rates (made permanent)
 - Cut in marginal tax rates
 - Treatment for Pass-Through Entities
 - Tax on tips & overtime; SSI
 - “SALT” Deduction; Estate Tax
 - 2026 Federal Refunds

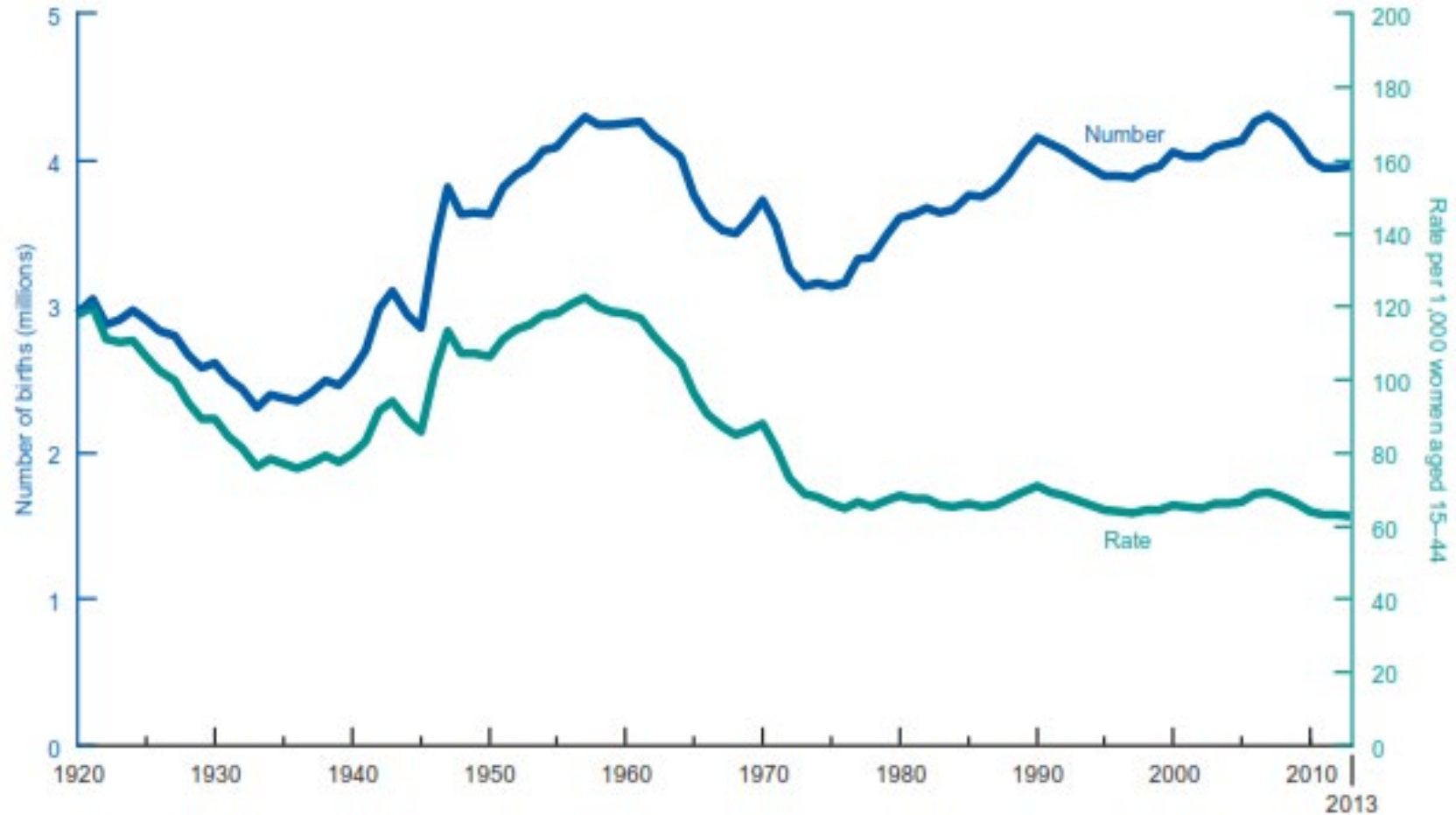
Senate Election 2026

(source: Sabato's Crystal Ball)



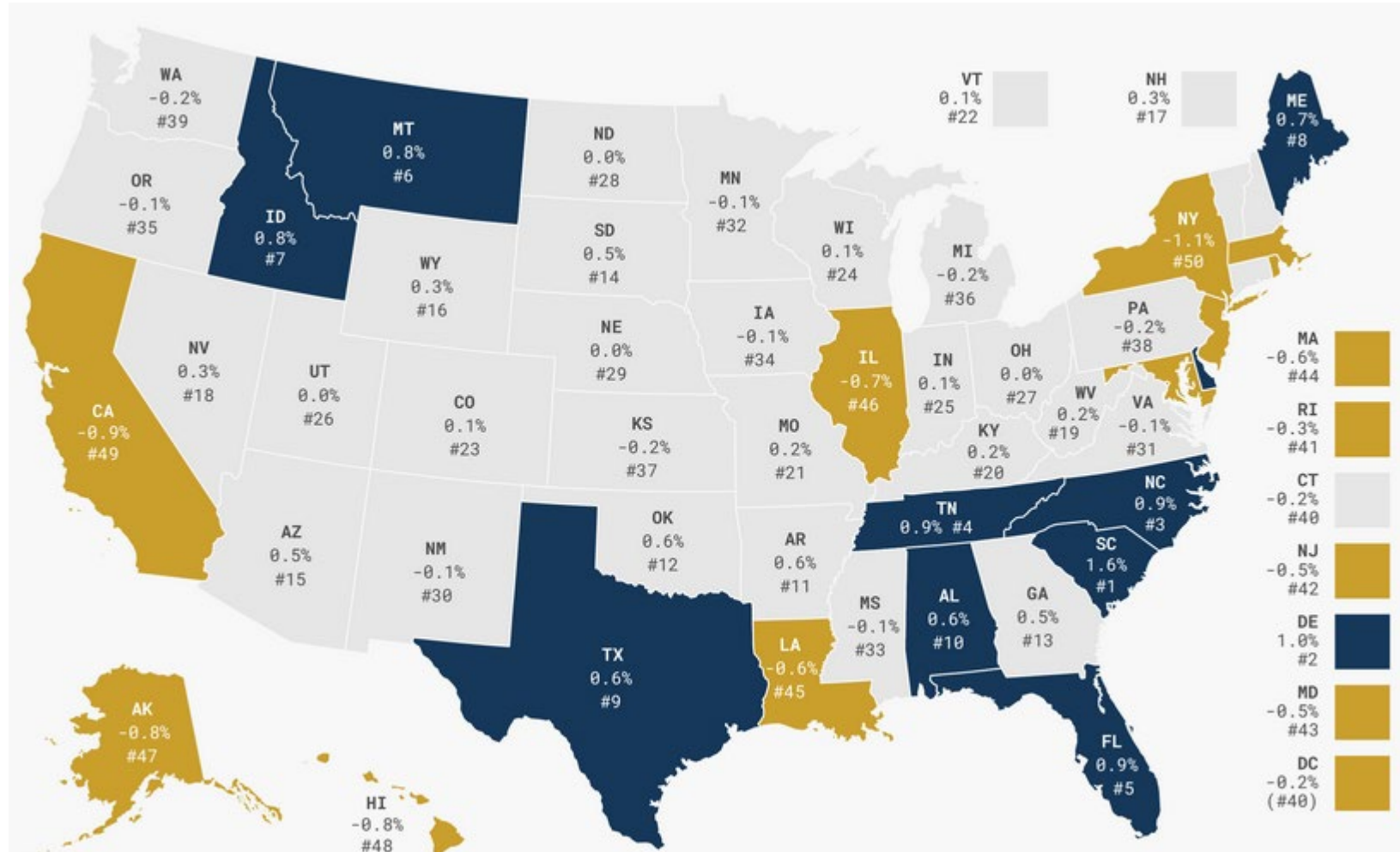
The Demographics: Boom & Bust

(source: U.S. Census Bureau)



Internal Migration

(source: Tax Foundation)





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