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Economic Outlook: Navigating Supply Shocks

Emily Mandel, Senior Economist, Moody's Analytics

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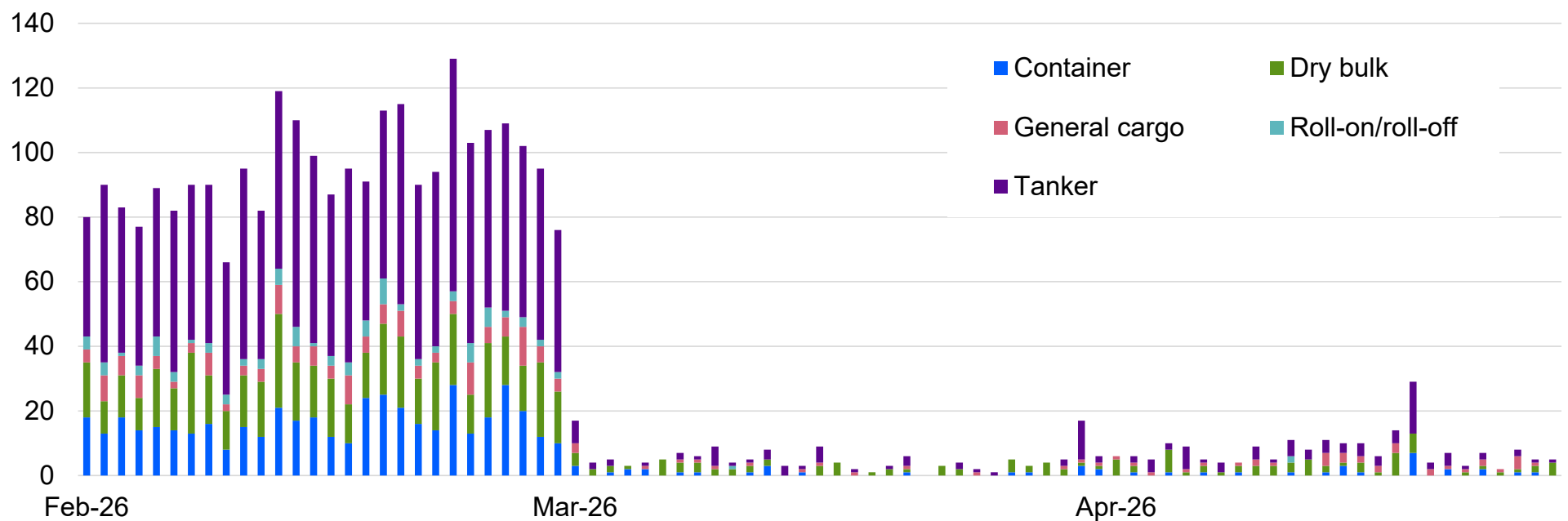
April 29, 2026

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United States Outlook

Iran Oil Shock Threatens an Already-Fragile Economy

of ship arrivals at the Strait of Hormuz



Sources: EIA, IMF PortWatch, Moody's Analytics

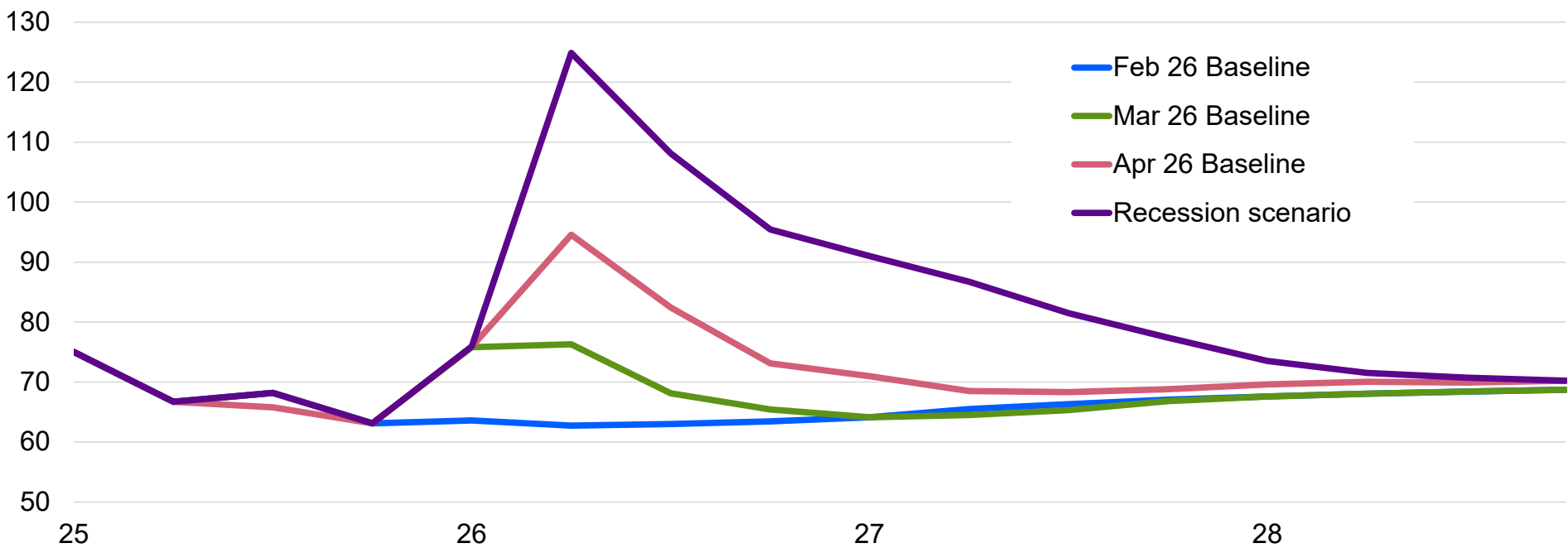
The Economic Fallout of the Iran War

	Prewar	Peak impact	Latest
Brent oil, \$/bbl	\$67.42	\$118.35	\$106.66
Gasoline, \$/gal	\$2.94	\$4.22	\$4.09
Diesel, \$/gal	\$3.81	\$5.64	\$5.40
S&P 500, index	6878	6343	7165
10-yr Treasury yield, %	3.97	4.44	4.31
30-yr mortgage rate, %	5.98	6.46	6.32
High-yield bond spread, bps	2.98	3.46	2.86
Gold, \$/oz	\$5,222	\$4,413	\$4,719
Copper, \$/lb	\$6.00	\$5.37	\$6.04
Trade-weighted \$	\$117.80	\$121.30	\$118.08

Sources: AAA, Bloomberg, Freddie Mac, Yahoo Finance, Federal Reserve, Moody's Analytics

Energy Prices Will Remain Elevated...

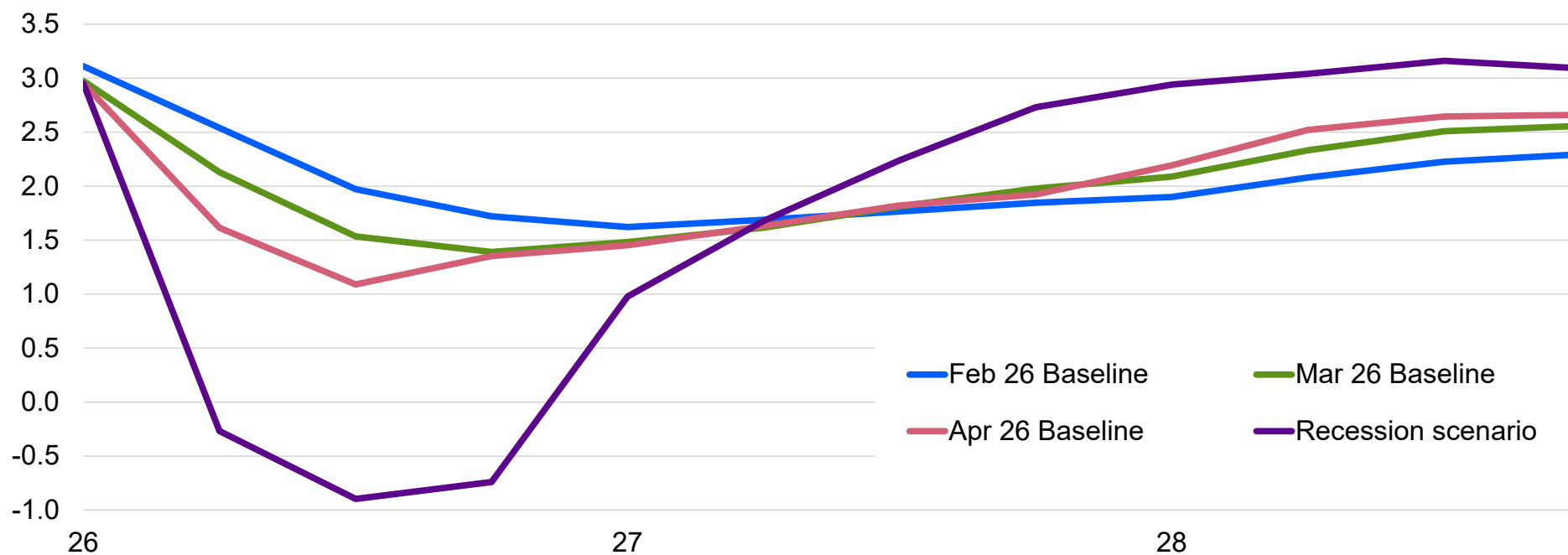
Brent crude, \$/bbl



Source: Moody's Analytics

...Weighing Heavily on the Economy

U.S. real GDP growth, annualized % chg

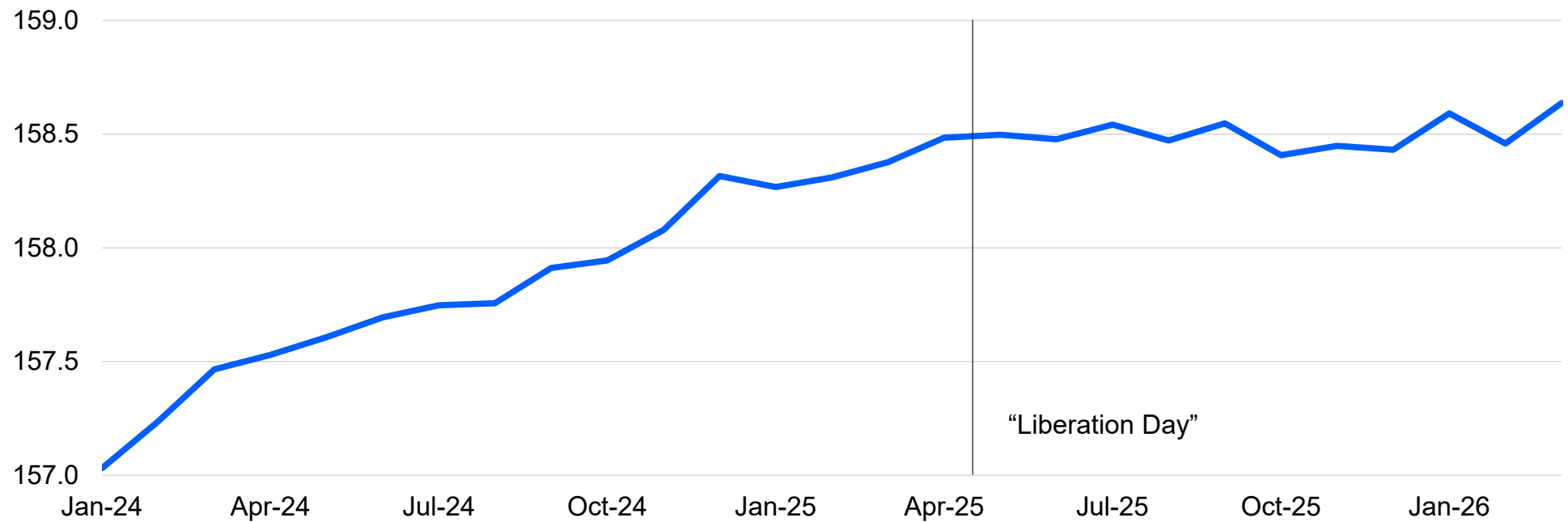


Source: Moody's Analytics

Moody's Analytics

Payrolls Have Stalled Since the Trade War Ramped Up

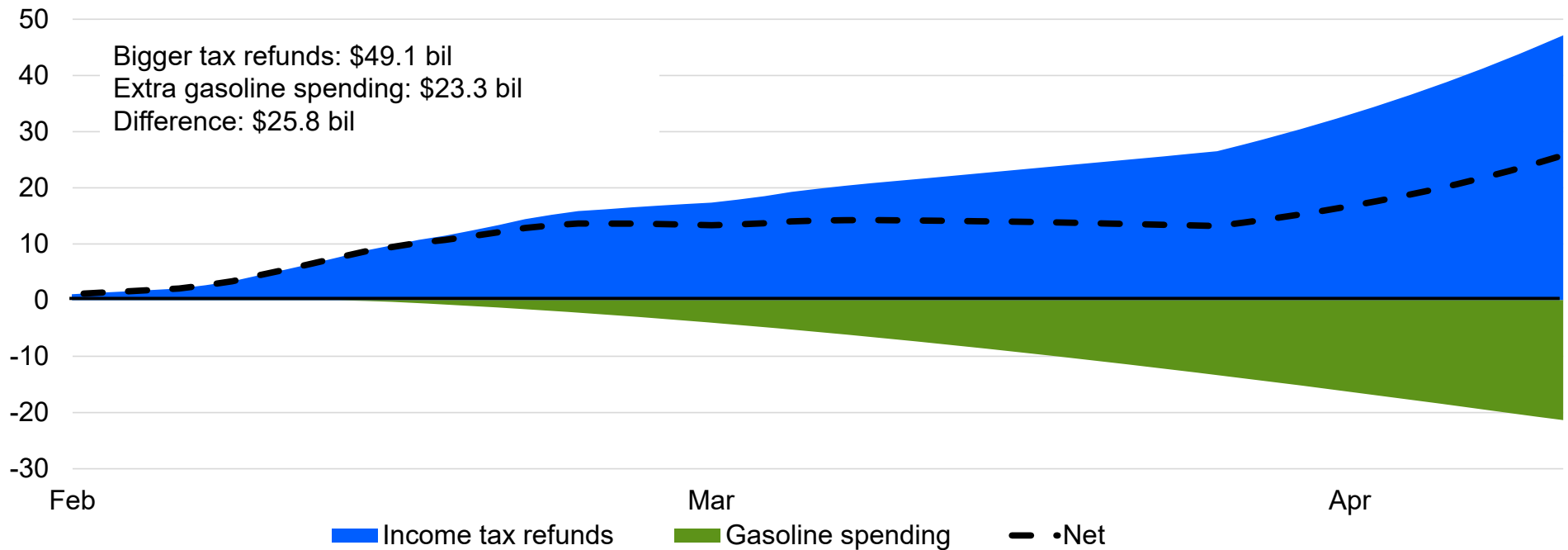
U.S. nonfarm payrolls, mil



Sources: BLS, Moody's Analytics

Gas Costs More, but Refund Checks Cushion the Blow (for Now)

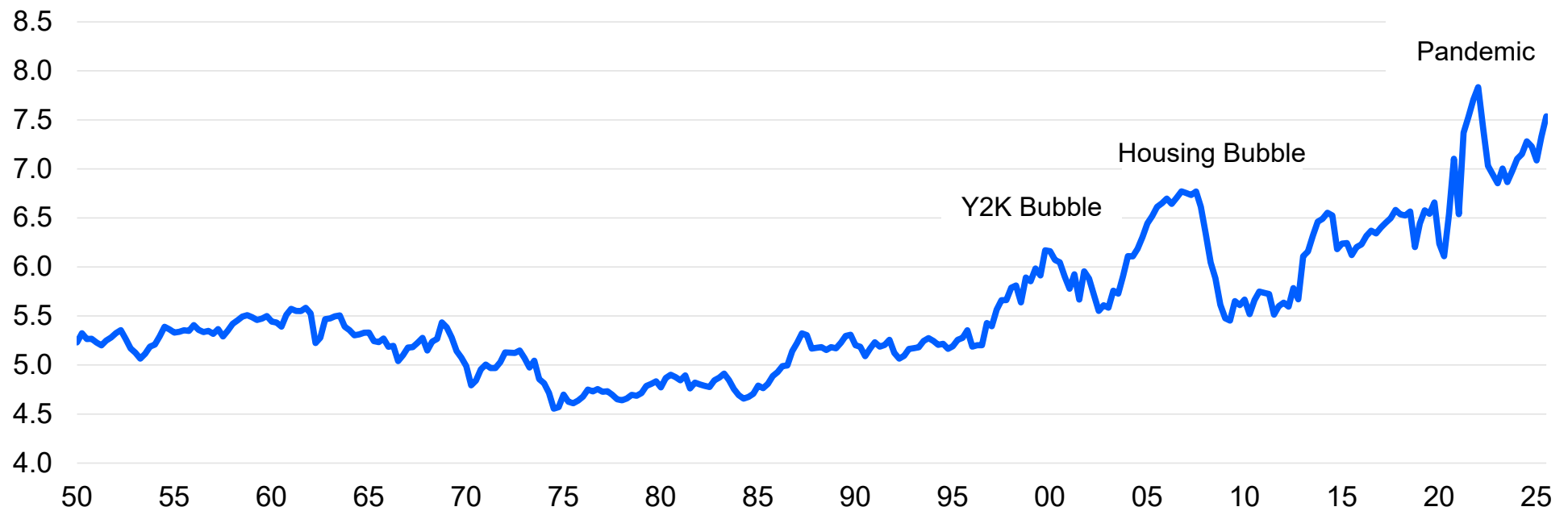
Cumulative increase through Apr 23 in tax refunds (2025 to 2026) vs. extra gasoline spending during Iran war, \$ bil



Sources: U.S. Treasury, AAA, EIA, Moody's Analytics

Household Wealth Has Soared...

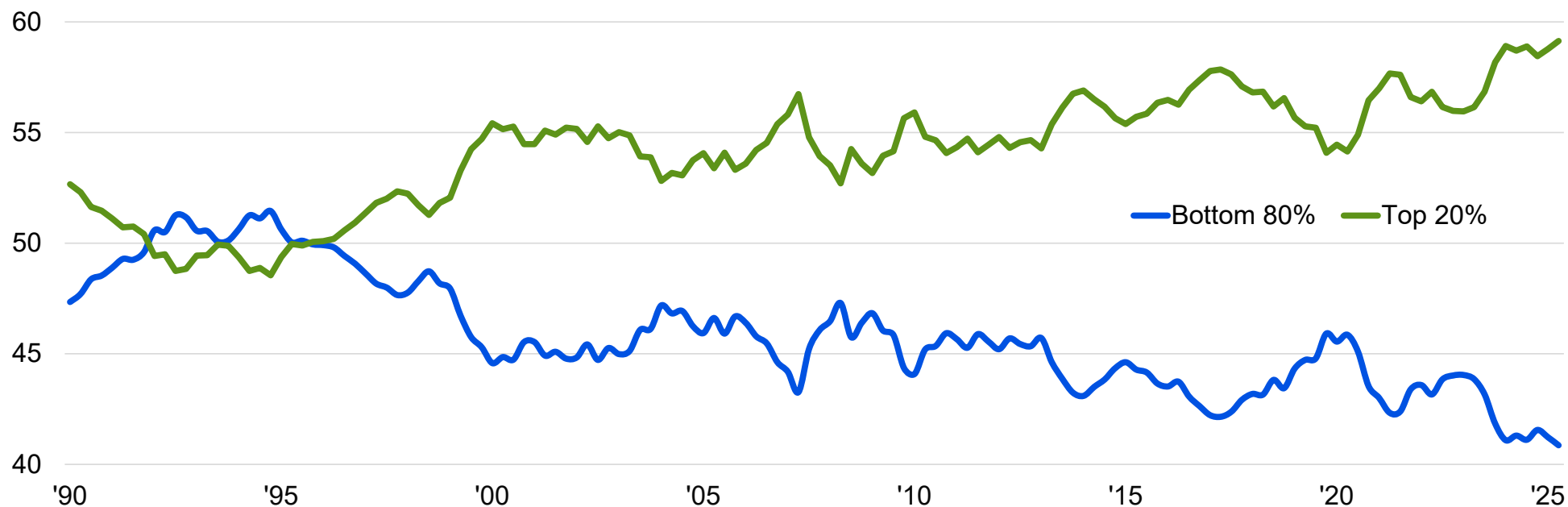
Ratio of household net worth to disposable income



Sources: Federal Reserve, BEA, Census, Moody's Analytics

...Leaving the Economy Increasingly K-Shaped

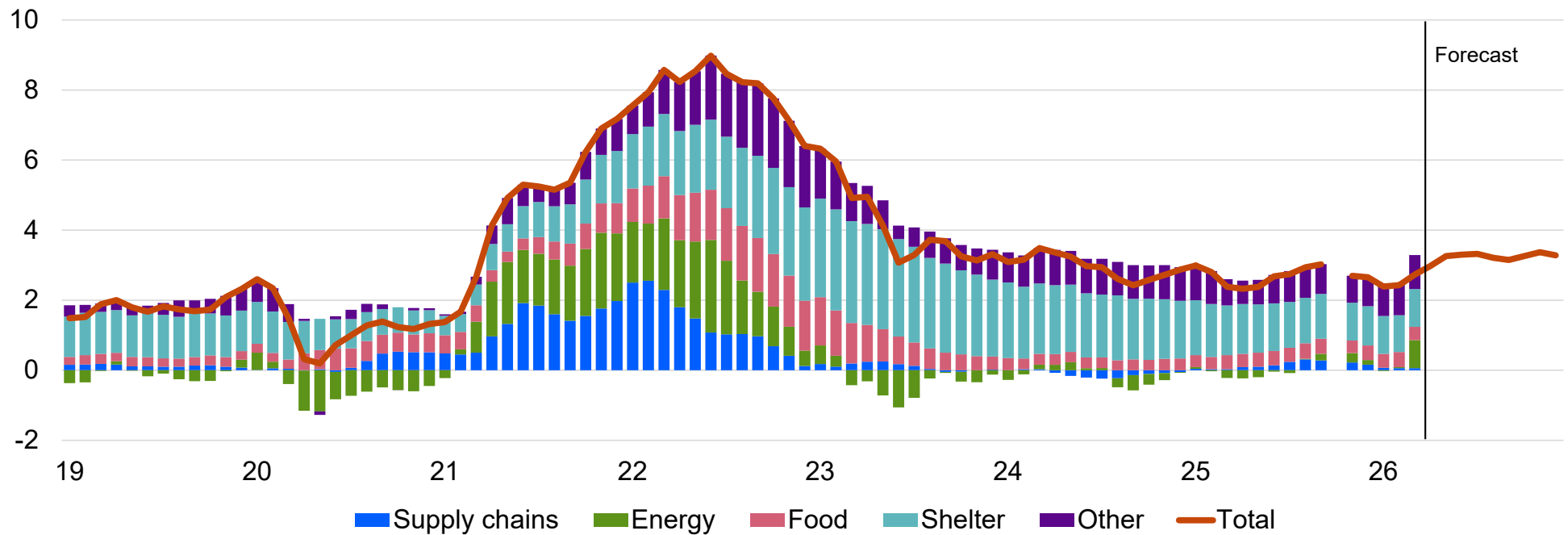
Share of personal outlays by income group, %



Sources: Federal Reserve, Moody's Analytics

Inflation is Will Accelerate on The Heels of The Iran Conflict

Contribution to y/y growth in consumer prices, ppts

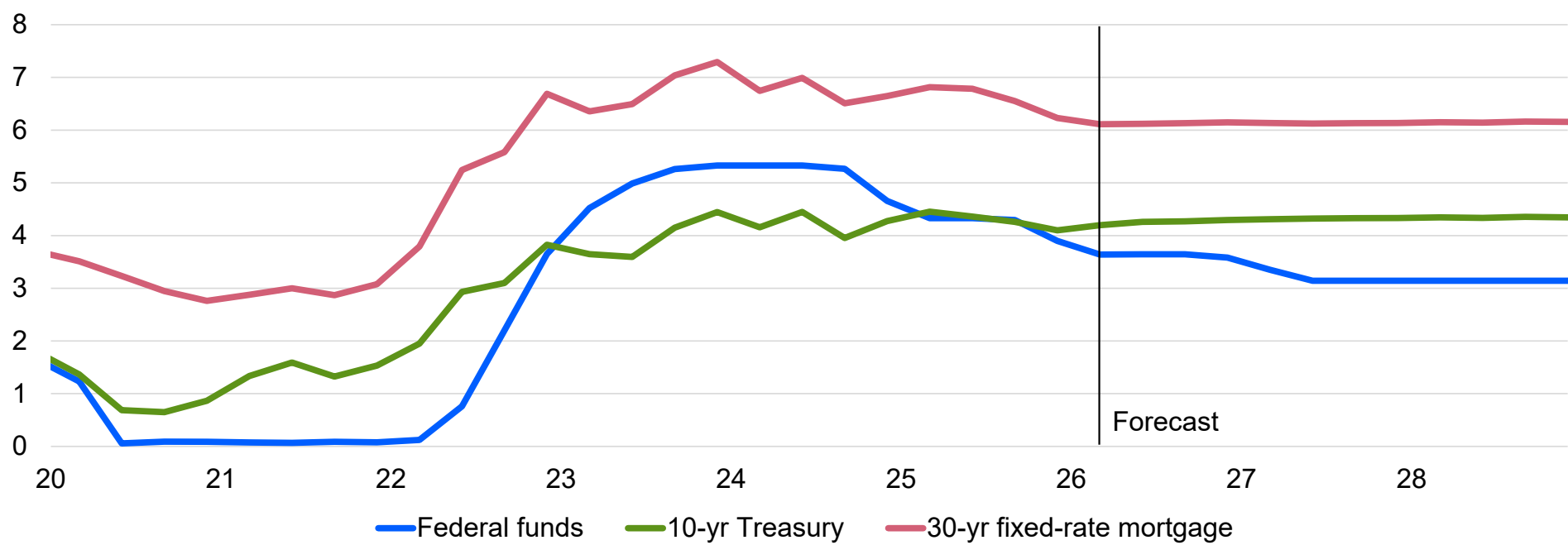


Sources: BLS, Moody's Analytics

Moody's Analytics

One Rate Cut in Late 2026

U.S. interest rates, %



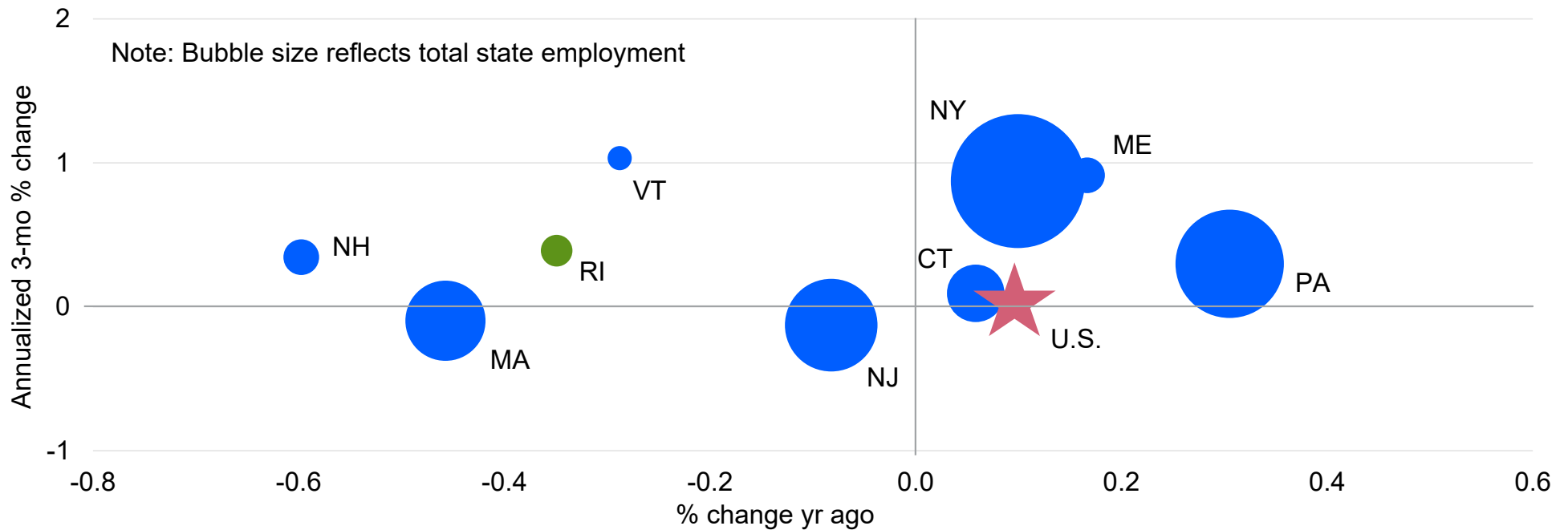
Sources: Federal Reserve, Freddie Mac, Moody's Analytics

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Rhode Island Outlook

Rhode Island Not Alone As Payrolls Backtrack

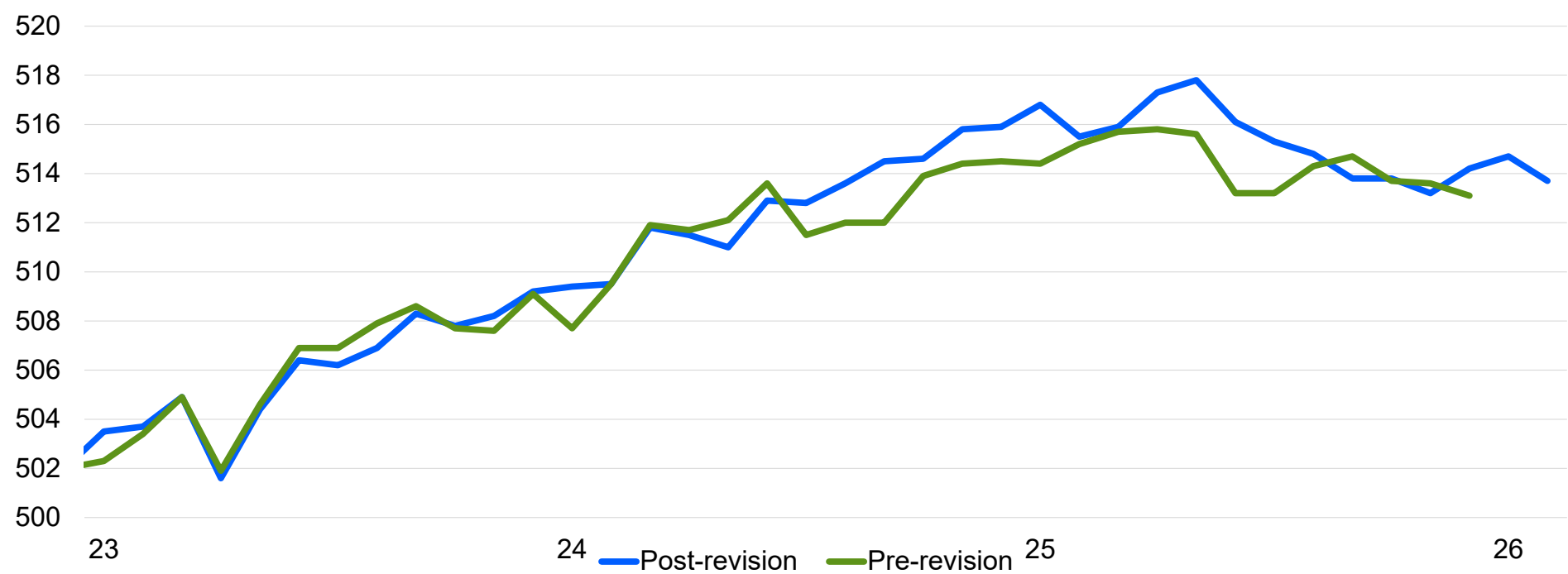
Payroll employment, 1-yr vs 3-mo performance (3-mo MA), February 2026



Sources: BLS, Moody's Analytics

Benchmark Revisions Reveal a (Slightly) Weaker Trajectory

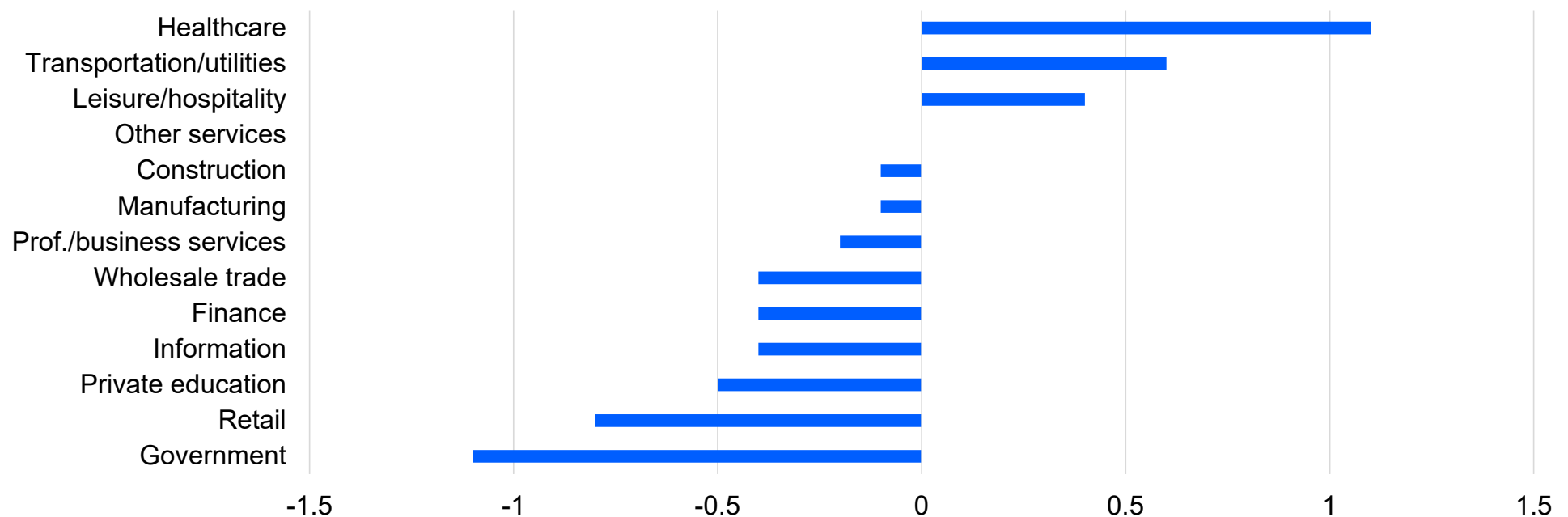
Rhode Island payroll employment, ths



Sources: BLS, Moody's Analytics

Most of the Job Market Is in Recession

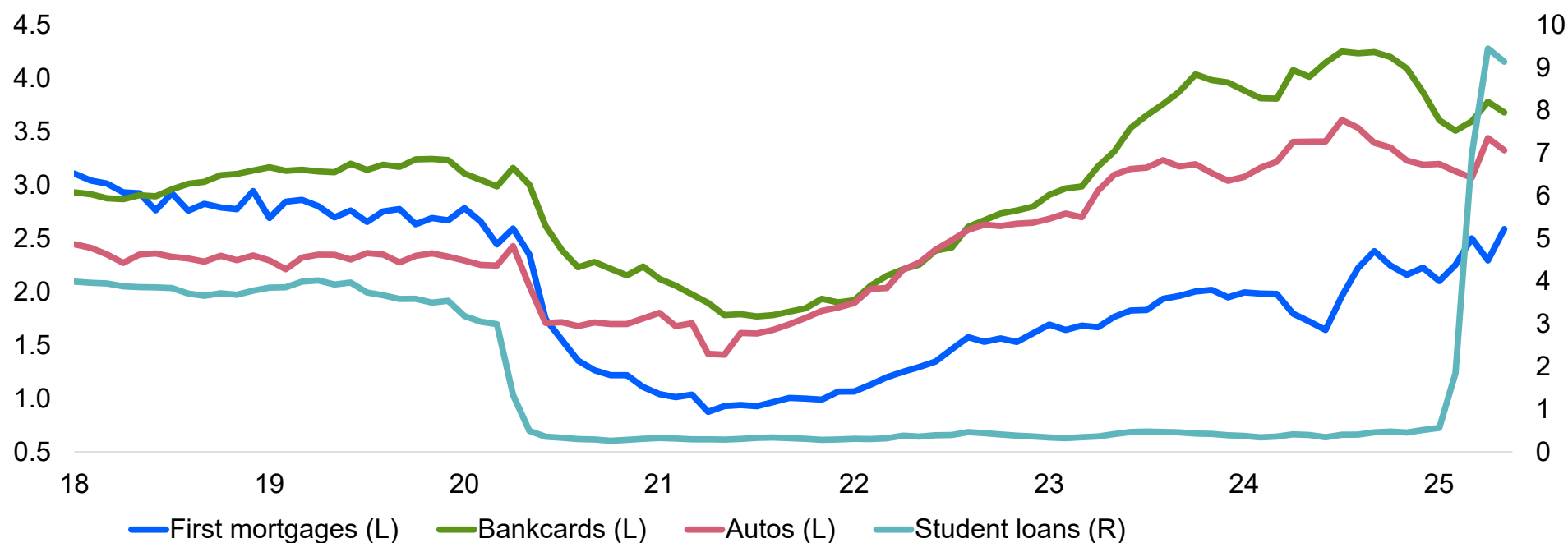
Change yr ago in employment, # ths, Feb 2026



Sources: BLS, Moody's Analytics

Households Remain Under Financial Stress

Delinquency rate, % of \$ outstanding

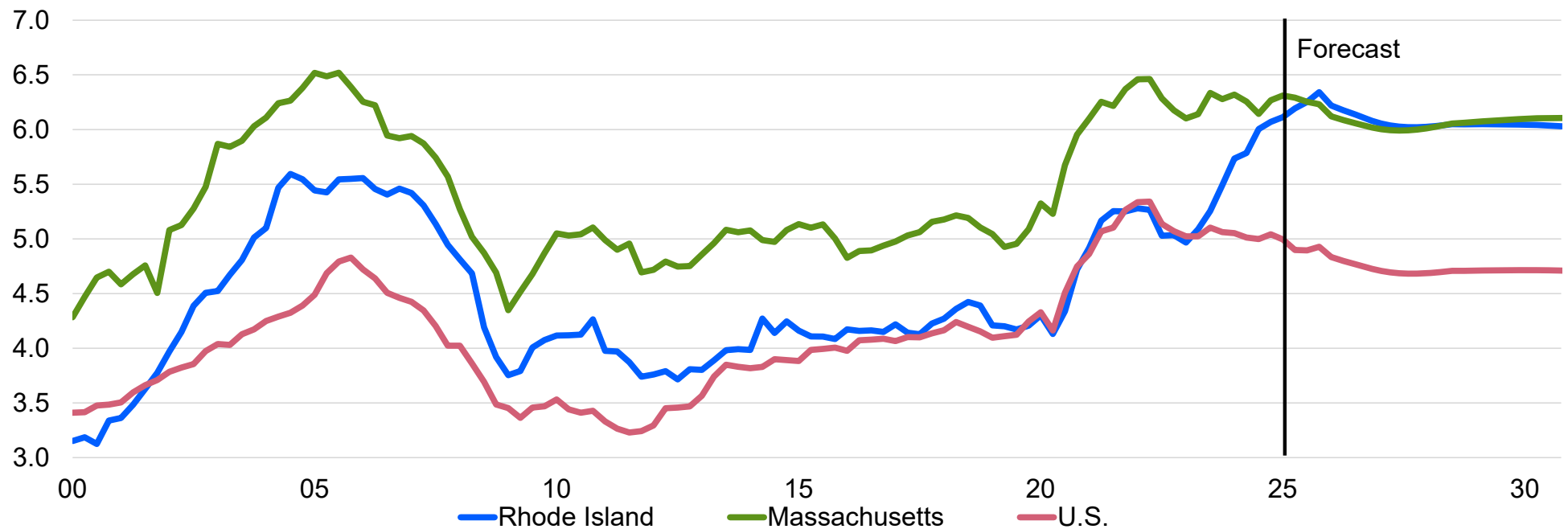


Sources: Equifax, Moody's Analytics

Moody's Analytics

Housing Affordability Has Deteriorated

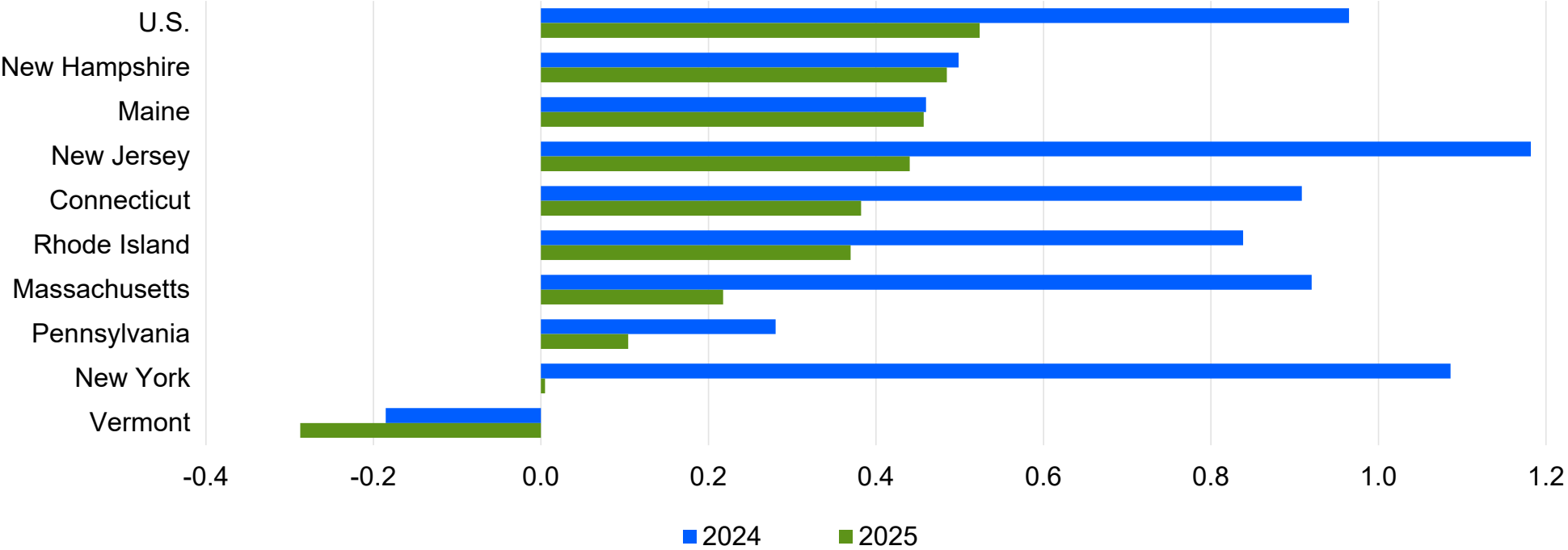
Ratio of median household income to median sales price for existing single-family homes



Sources: NAR, BEA, Moody's Analytics

Population Growth Slowed Sharply as Immigration Declined

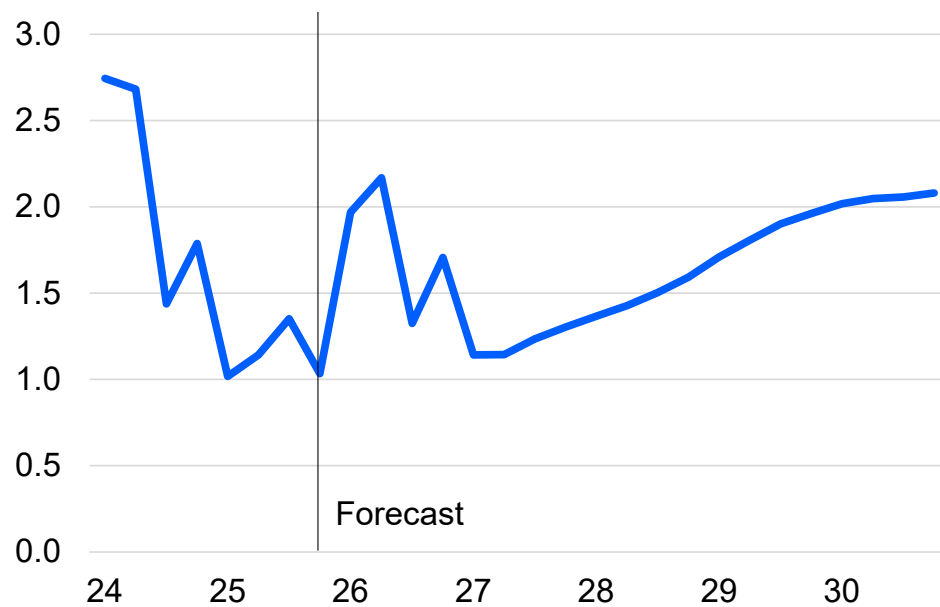
Population growth, % change



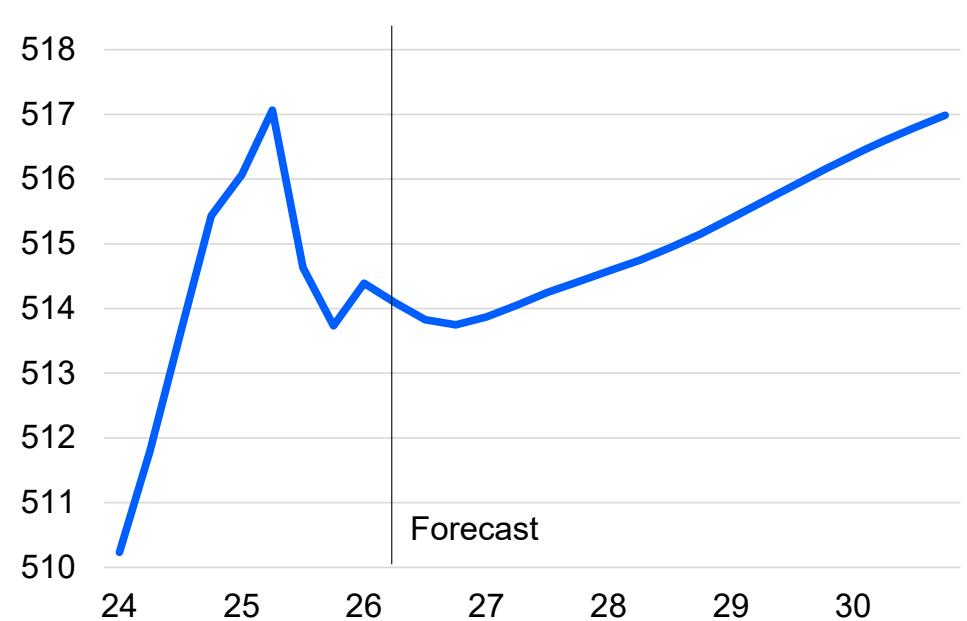
Sources: Census Bureau, Moody's Analytics

Baseline Outlook: Slow Output Growth, Minimal Job Growth

Real GDP, % change yr ago



Payroll employment, ths



Sources: BEA, BLS, Moody's Analytics

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