Economic Outlook: Navigating Supply Shocks

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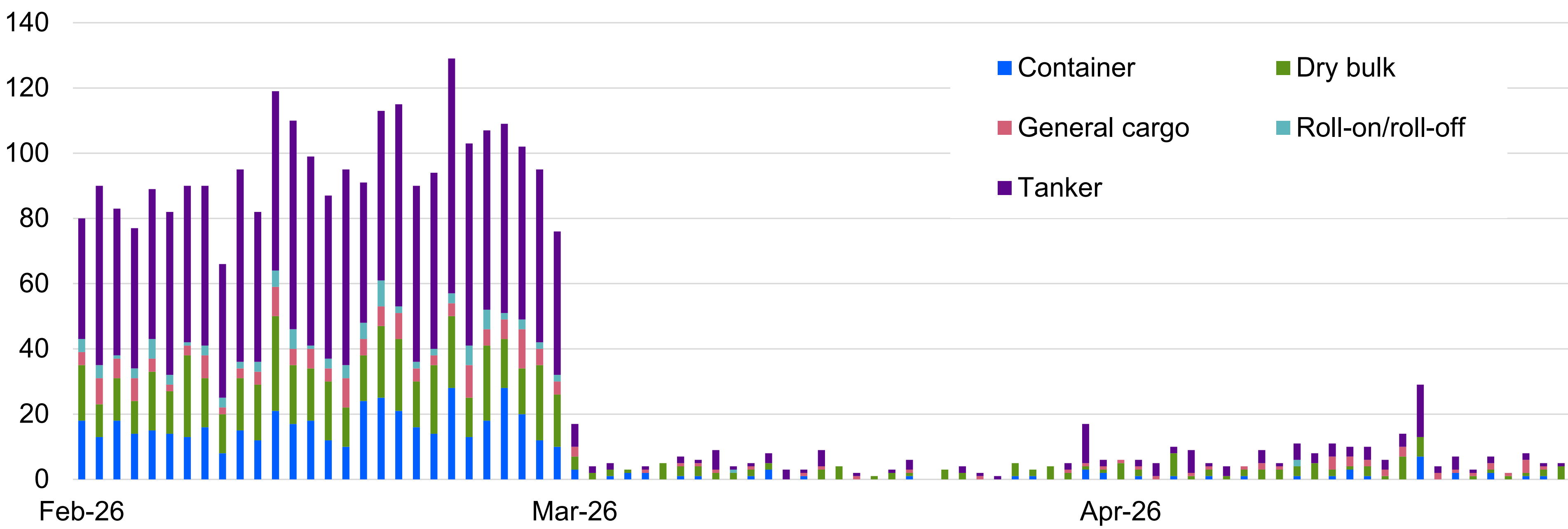
United States Outlook

Iran Oil Shock Threatens an Already-Fragile Economy

of ship arrivals at the Strait of Hormuz



Sources: EIA, IMF PortWatch, Moody’s Analytics

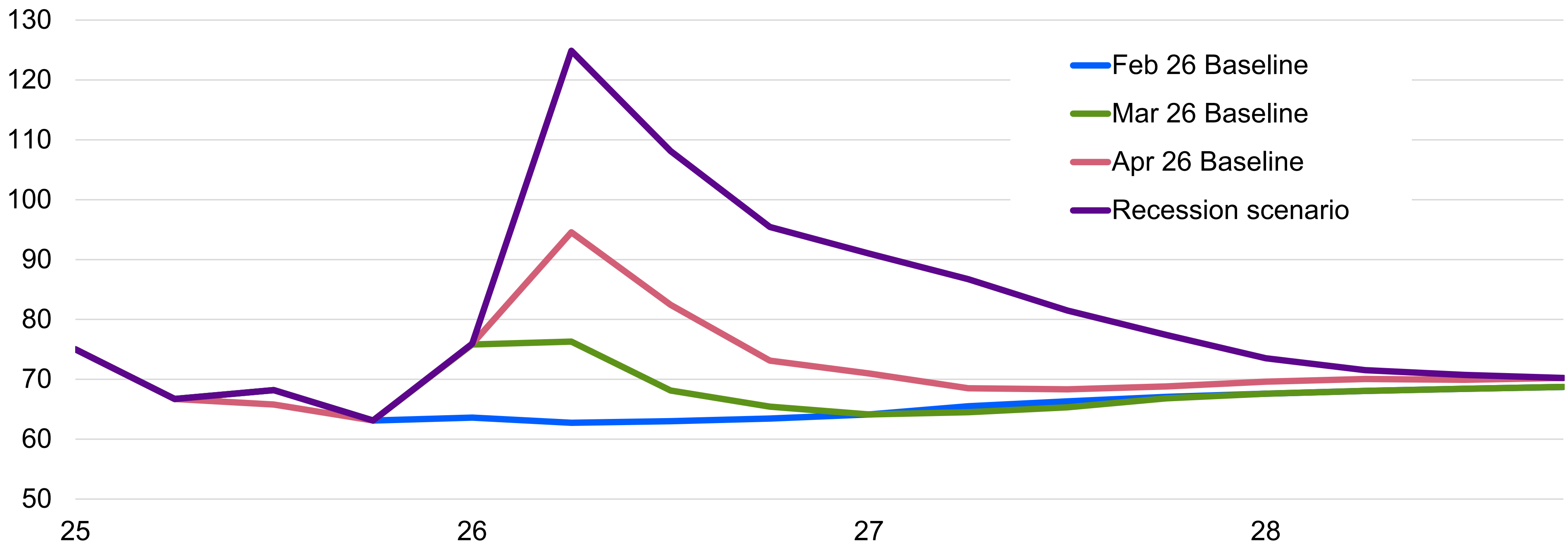
The Economic Fallout of the Iran War

	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

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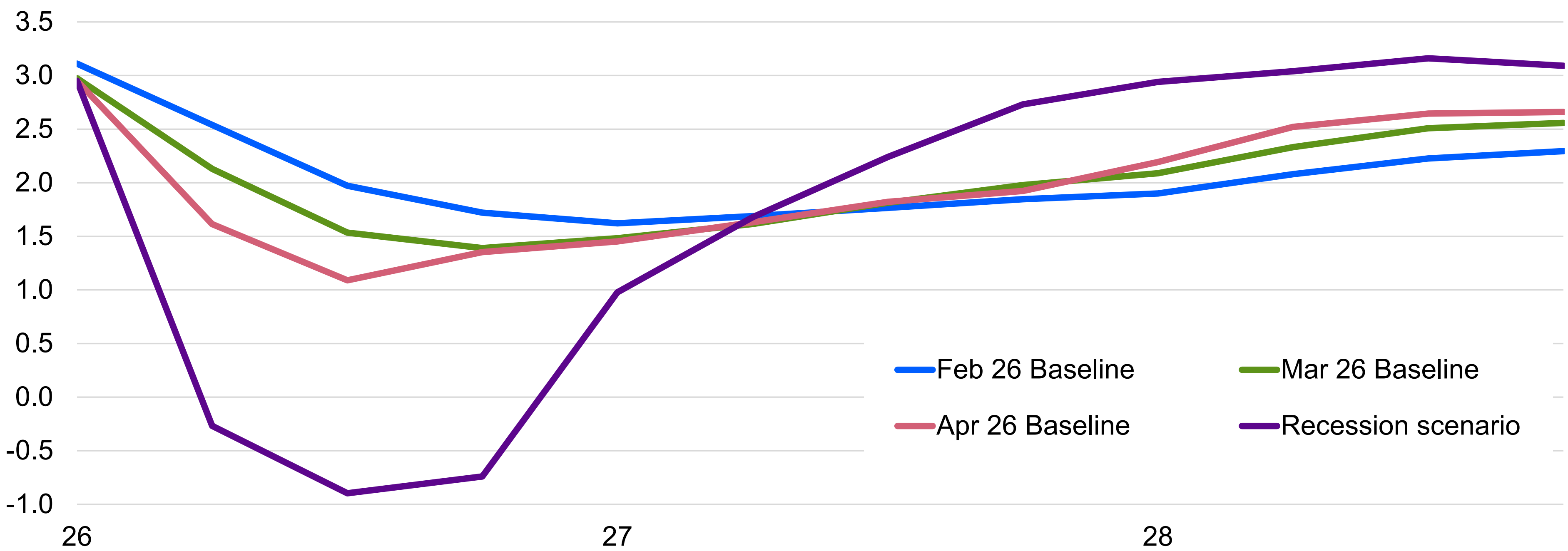
…Weighing Heavily on the Economy

U.S. real GDP growth, annualized % chg



Source: Moody's Analytics

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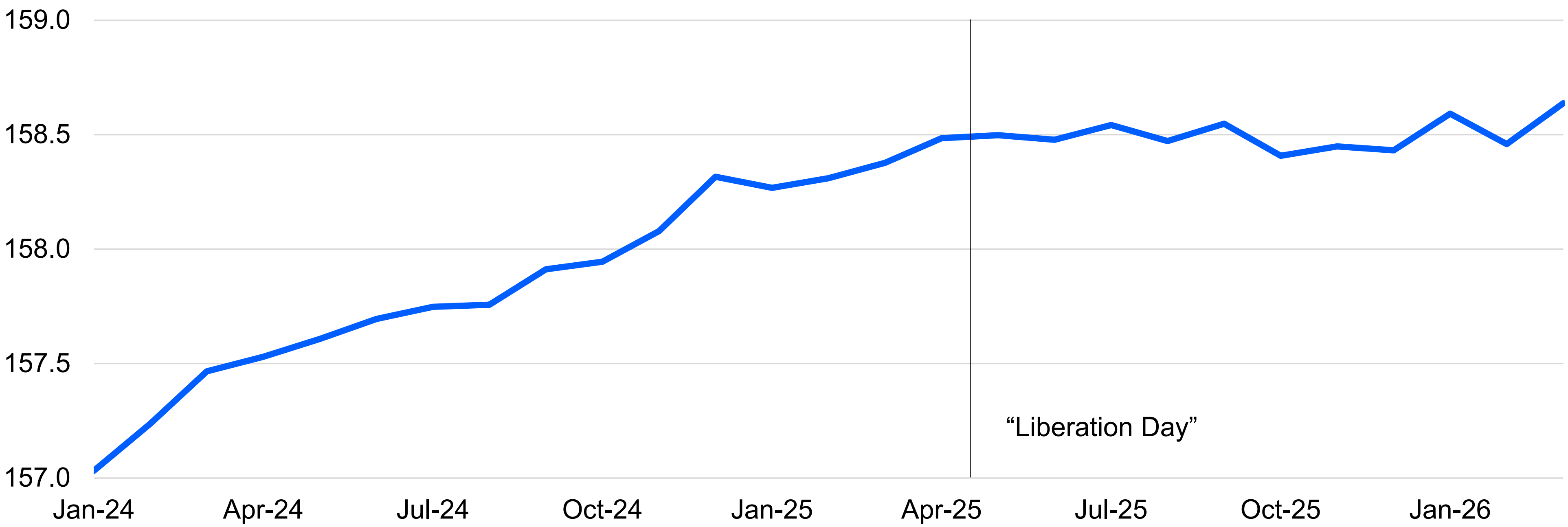
Payrolls Have Stalled Since the Trade War Ramped Up

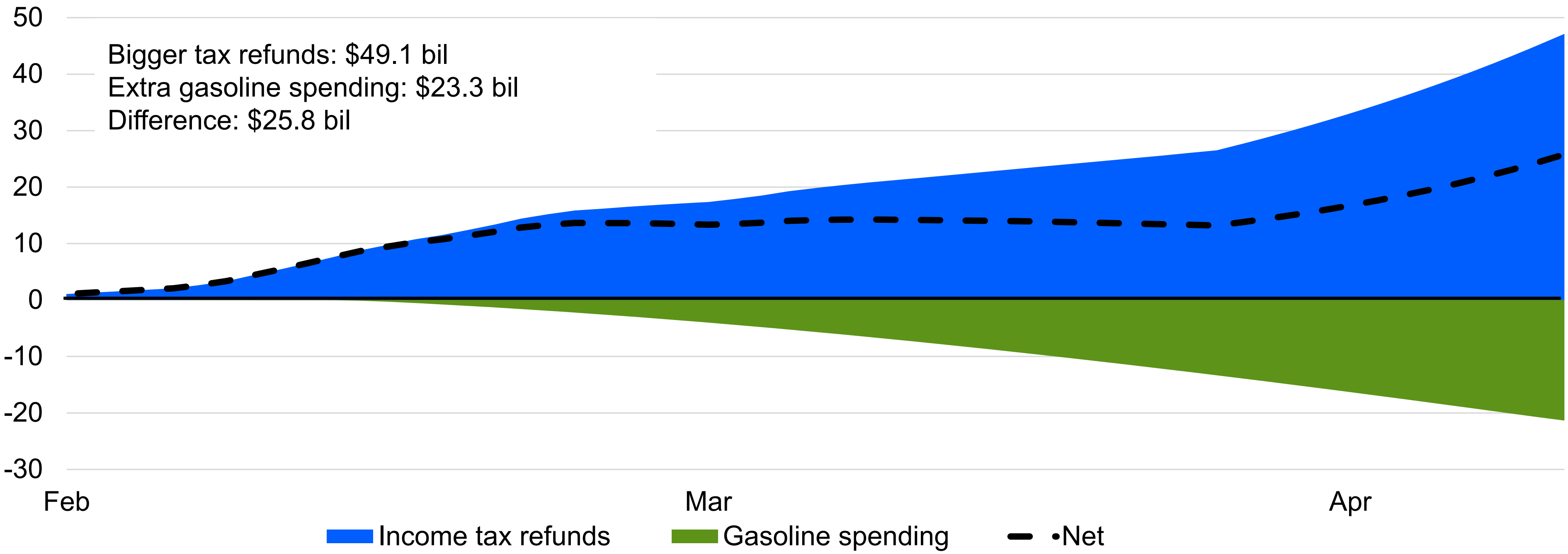
U.S. nonfarm payrolls, mil



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

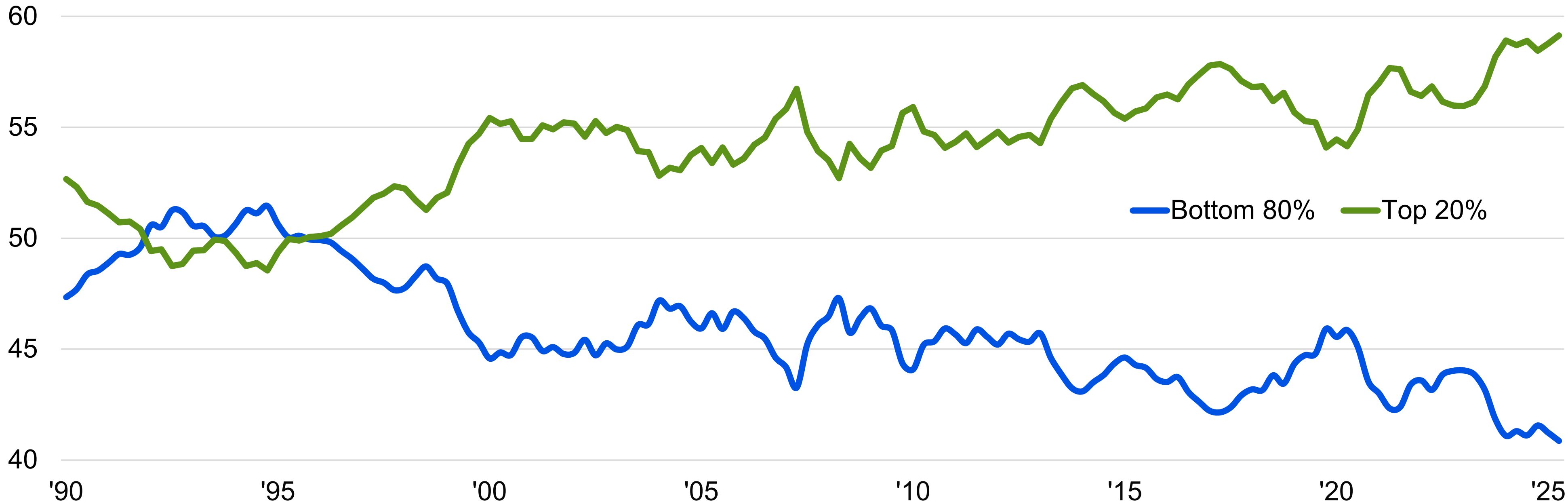
Household Wealth Has Soared…

Ratio of household net worth to disposable income

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

…Leaving the Economy Increasingly K-Shaped

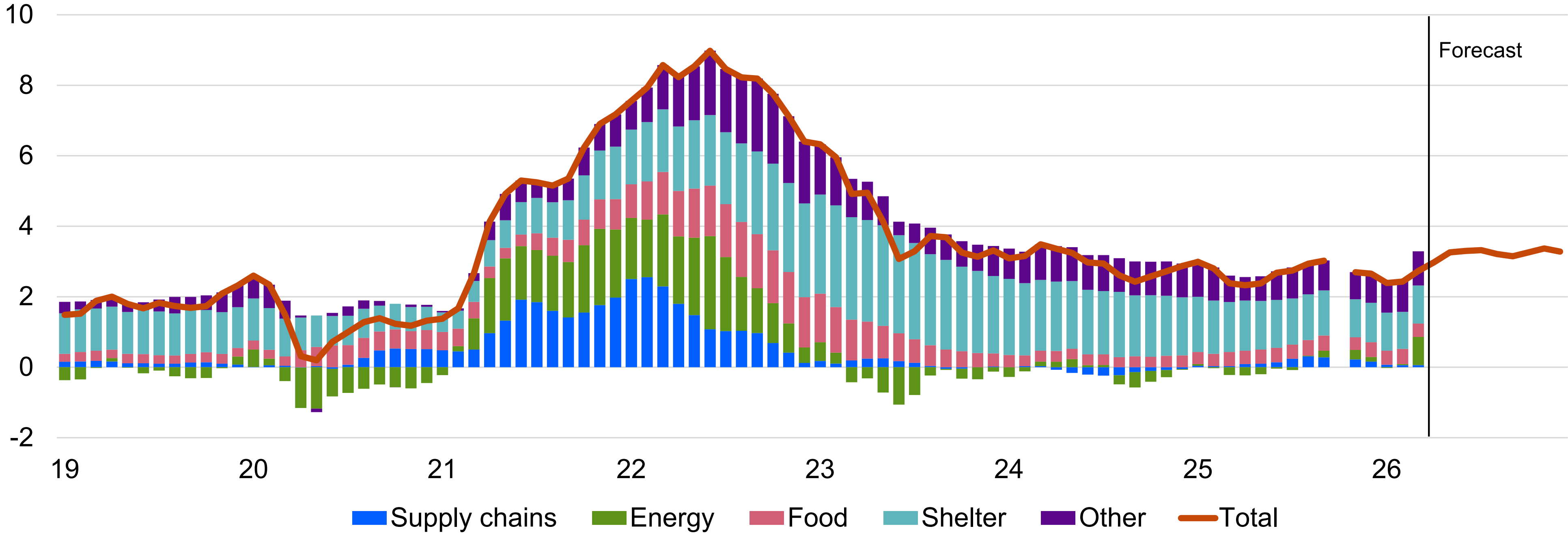
Share of personal outlays by income group, %



Sources: Federal Reserve, Moody's Analytic

Inflation is Will Accelerate on The Heels of The Iran Conflict

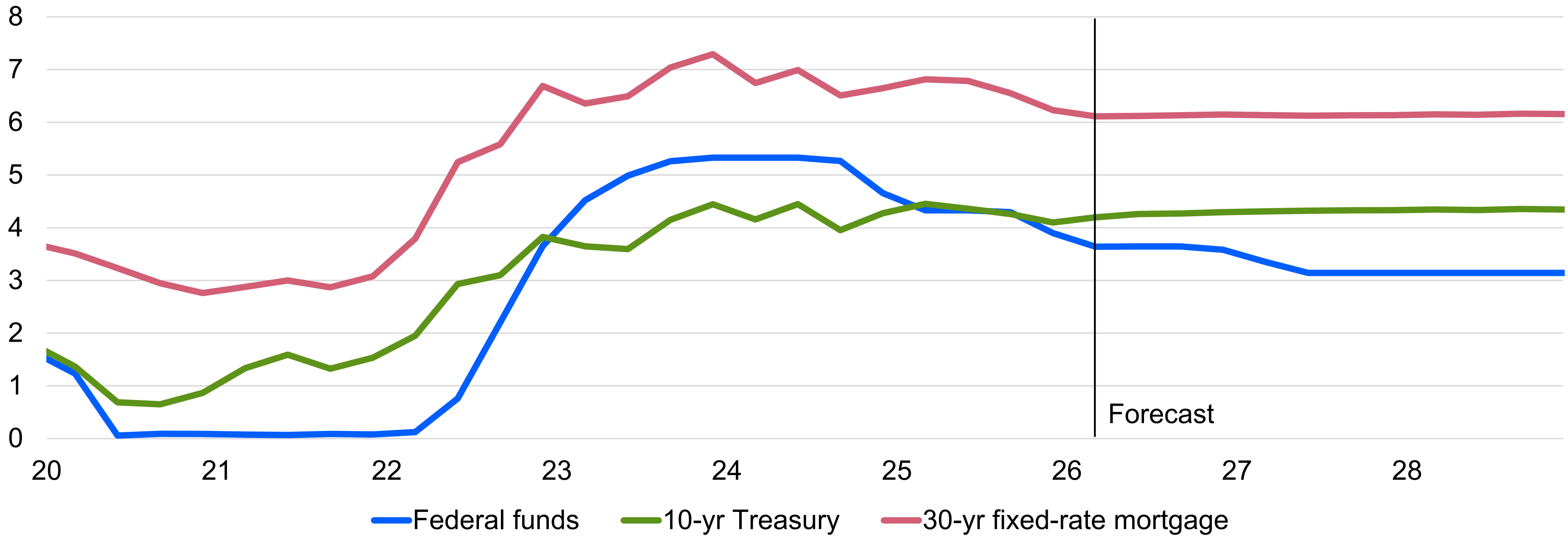
Contribution to y/y growth in consumer prices, ppts



Sources: BLS, Moody's Analytics

One Rate Cut in Late 2026

U.S. interest rates, %

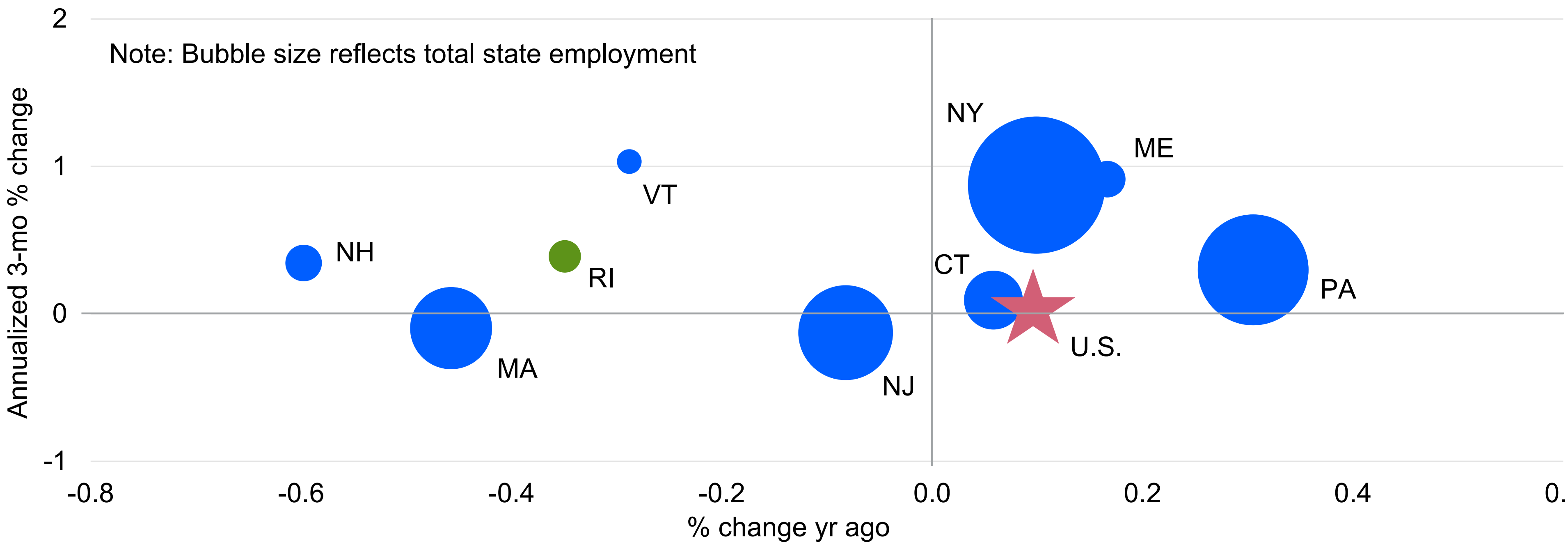


Sources: Federal Reserve, Freddie Mac, Moody's Analytics

Rhode Island Outlook

Rhode Island Not Alone As Payrolls Backtrack

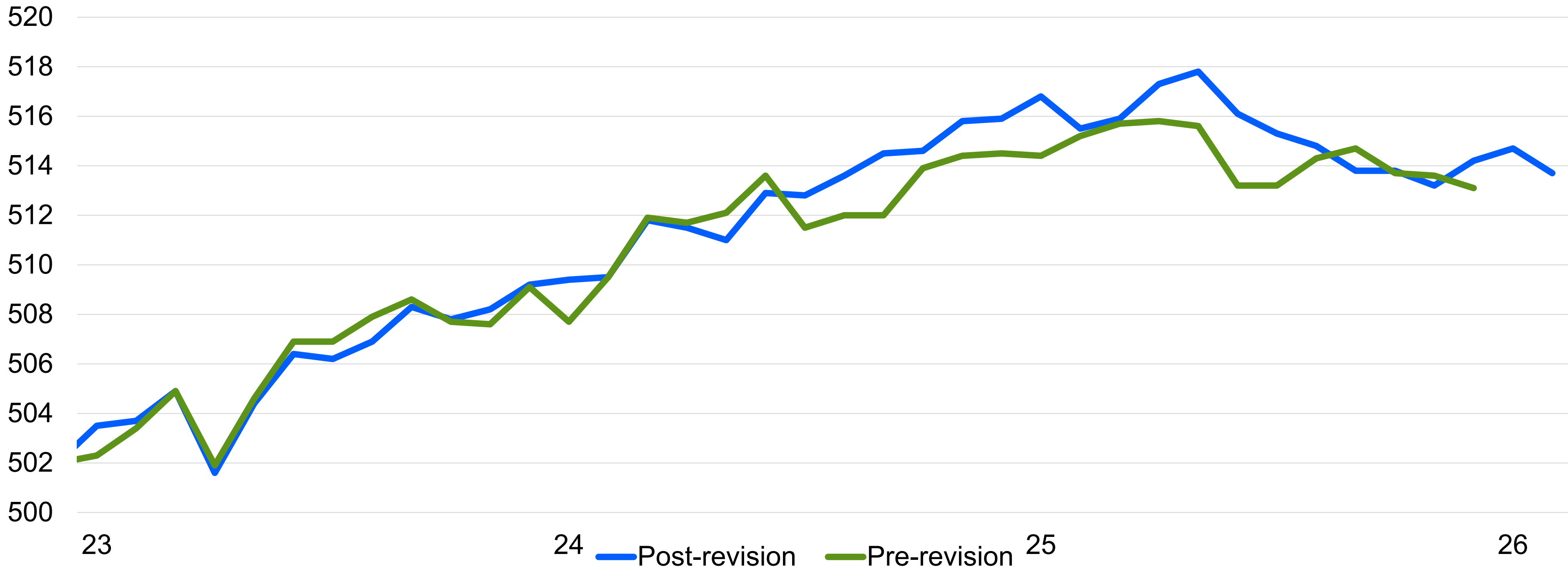
Payroll employment, 1-yr vs 3-mo performance (3-mo MA), February 2026



Sources: BLS, Moody's Analytics

Benchmark Revisions Reveal a (Slightly) Weaker Trajectory

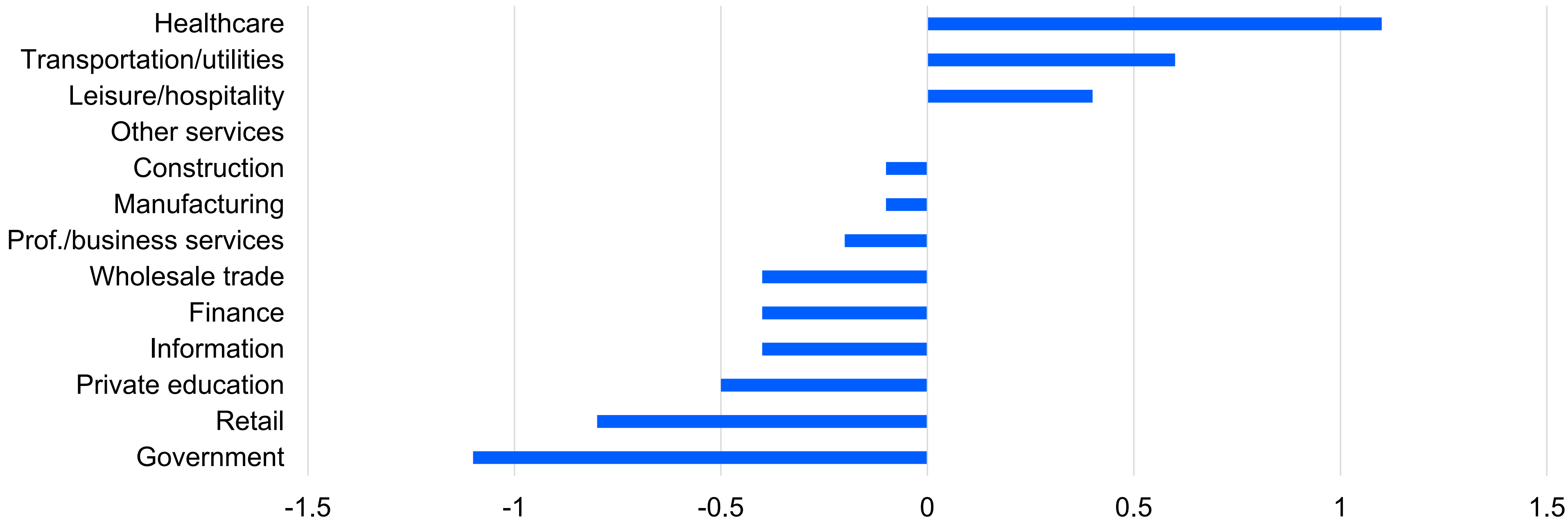
Rhode Island payroll employment, ths



Sources: BLS, Moody's Analytics

Most of the Job Market Is in Recession

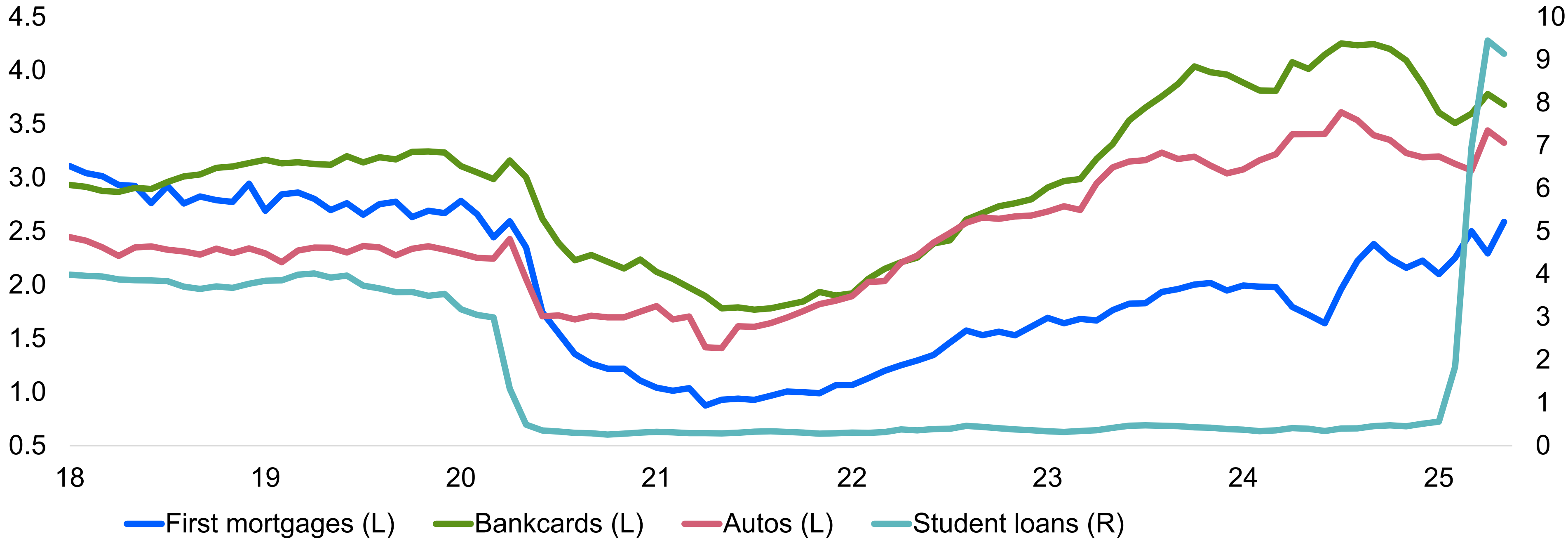
Change yr ago in employment, # ths, Feb 2026



Sources: BLS, Moody's Analytics

Households Remain Under Financial Stress

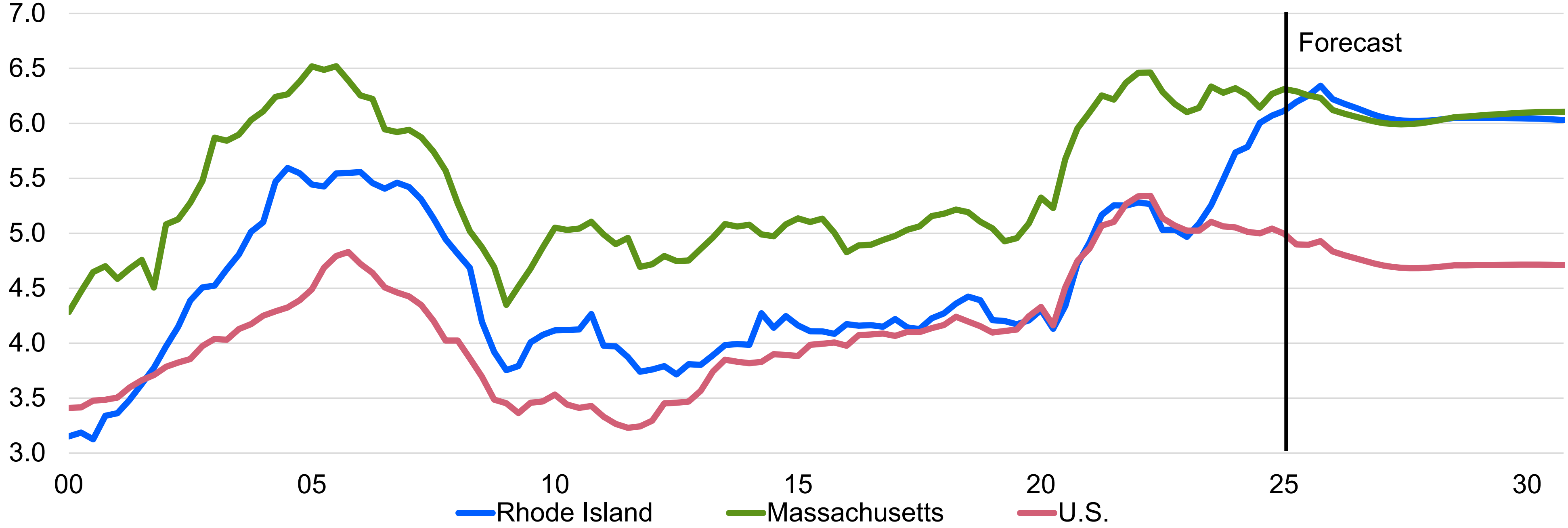
Delinquency rate, % of $ outstanding



Sources: Equifax, Moody's Analytics

Housing Affordability Has Deteriorated

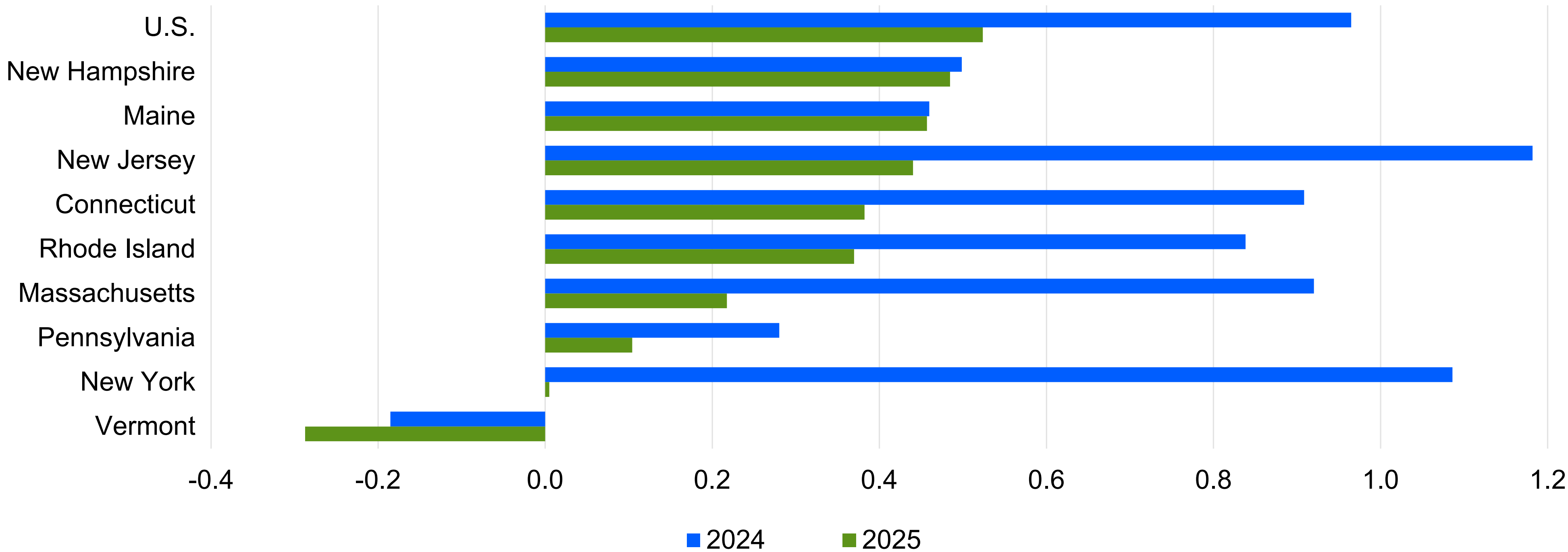
Ratio of median household income to median sales price for existing single-family homes



Sources: NAR, BEA, Moody's Analytics

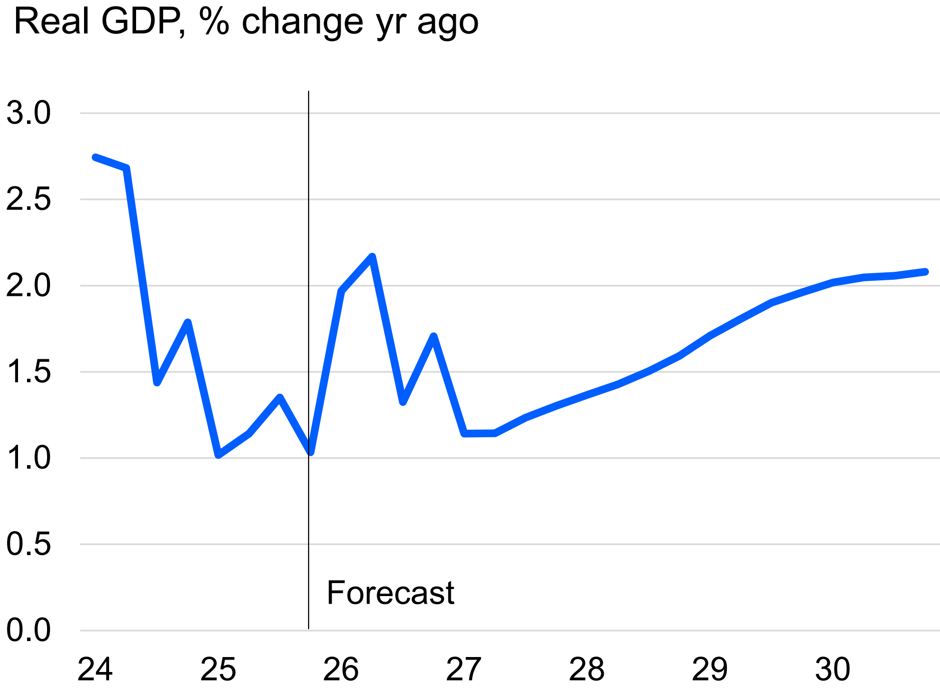
Population Growth Slowed Sharply as Immigration Declined

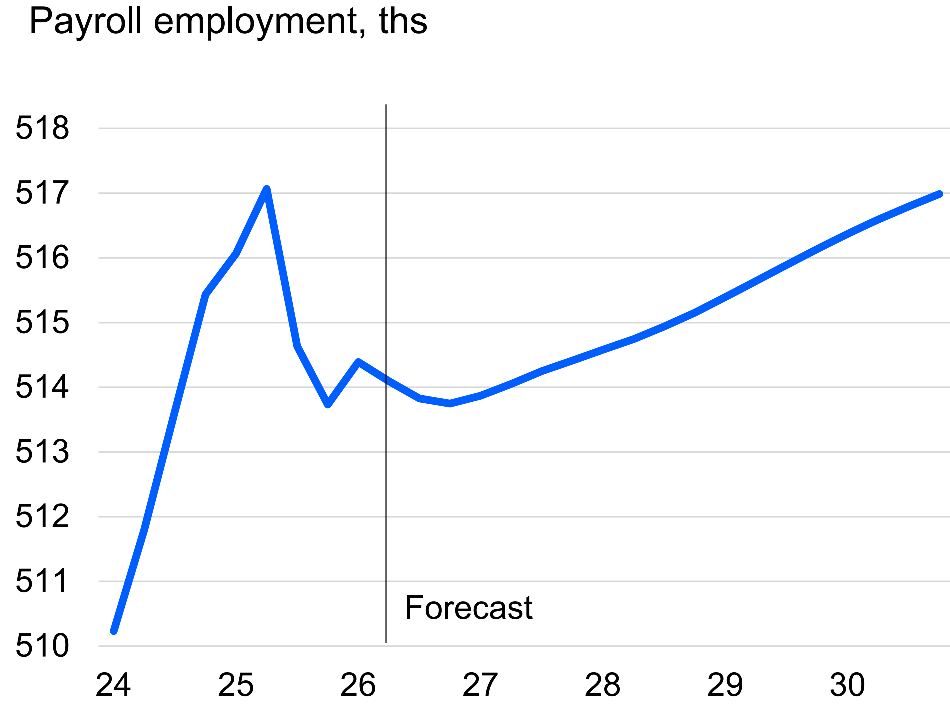
Population growth, % change



Sources: Census Bureau, Moody's Analytics

Baseline Outlook: Slow Output Growth, Minimal Job Growth





Sources: BEA, BLS, Moody's Analytics

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Thank you

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