

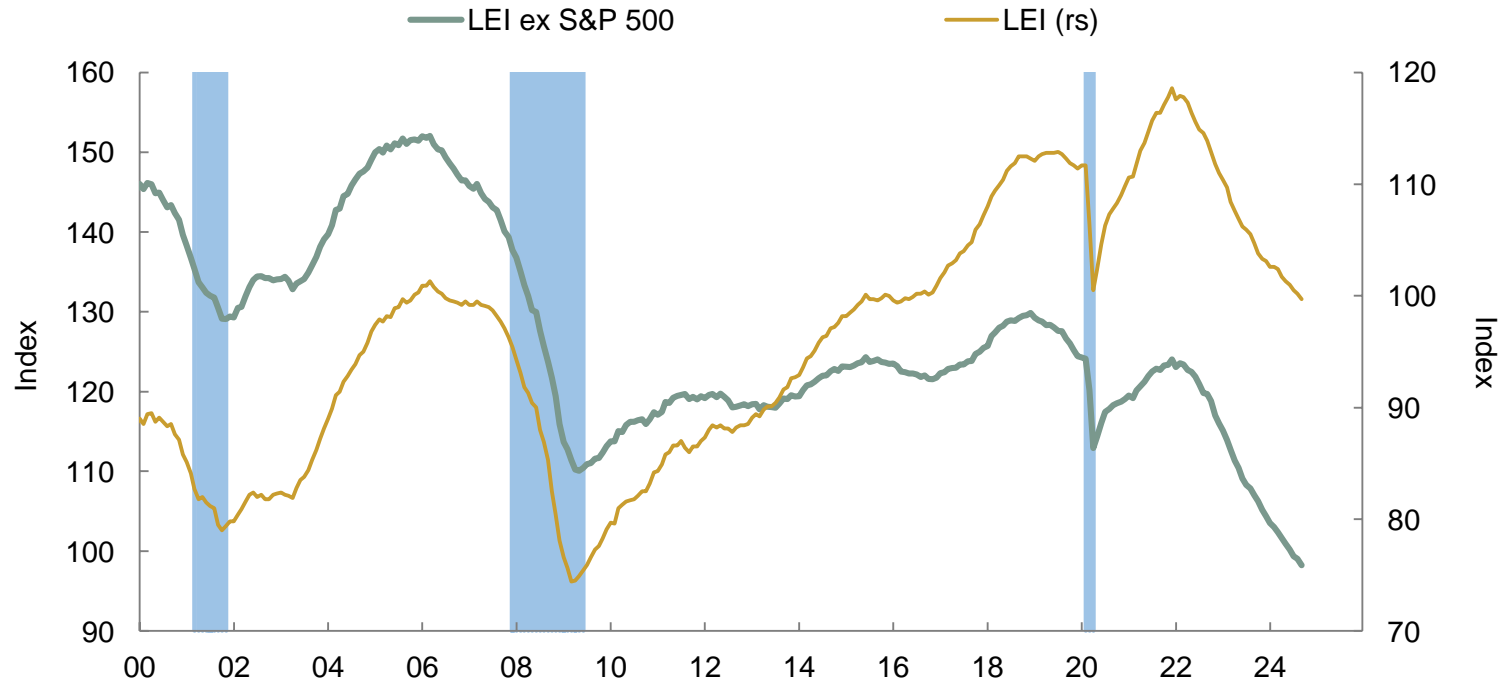
Economic Crosscurrents Amid Heightened Uncertainty

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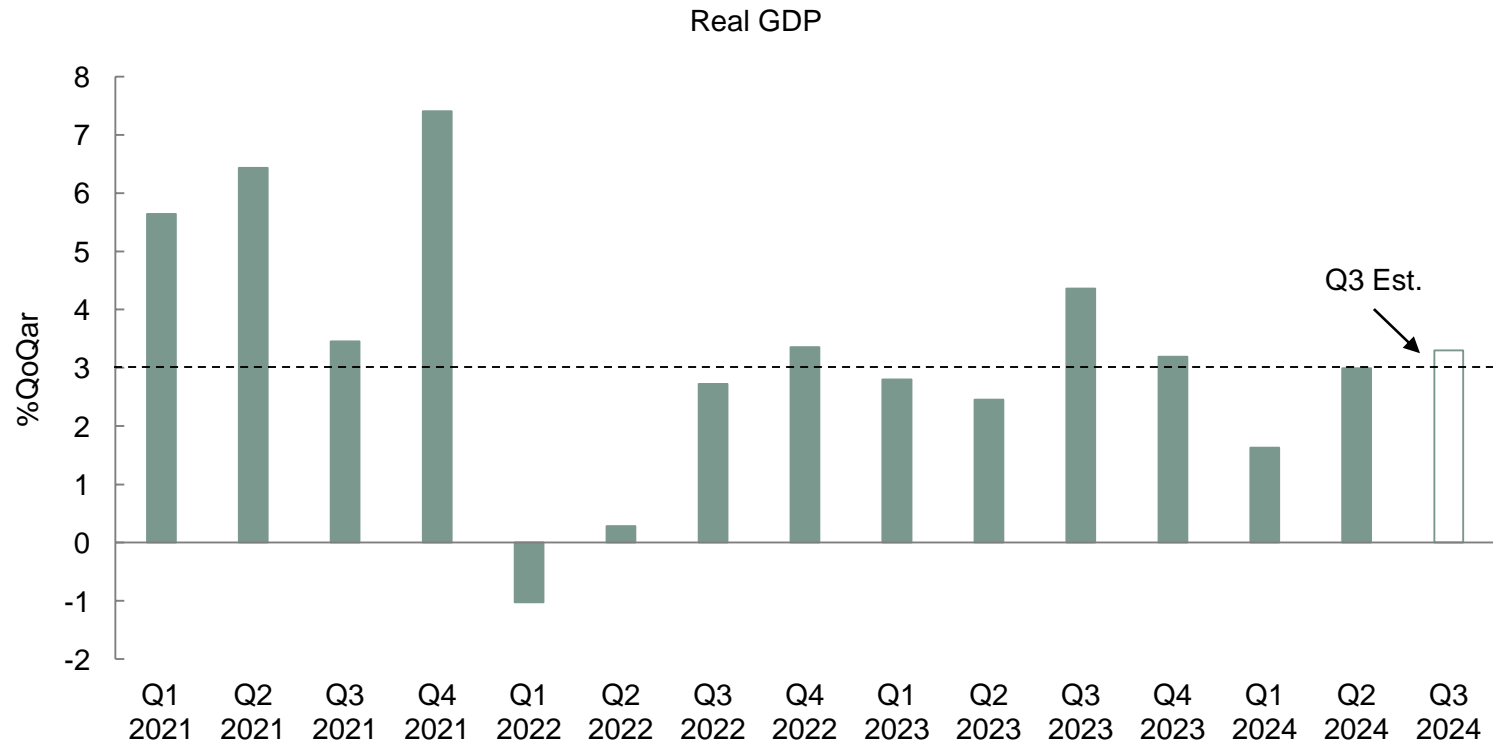
Wither Leading Indicators?

Leading economic indicators are still trending lower



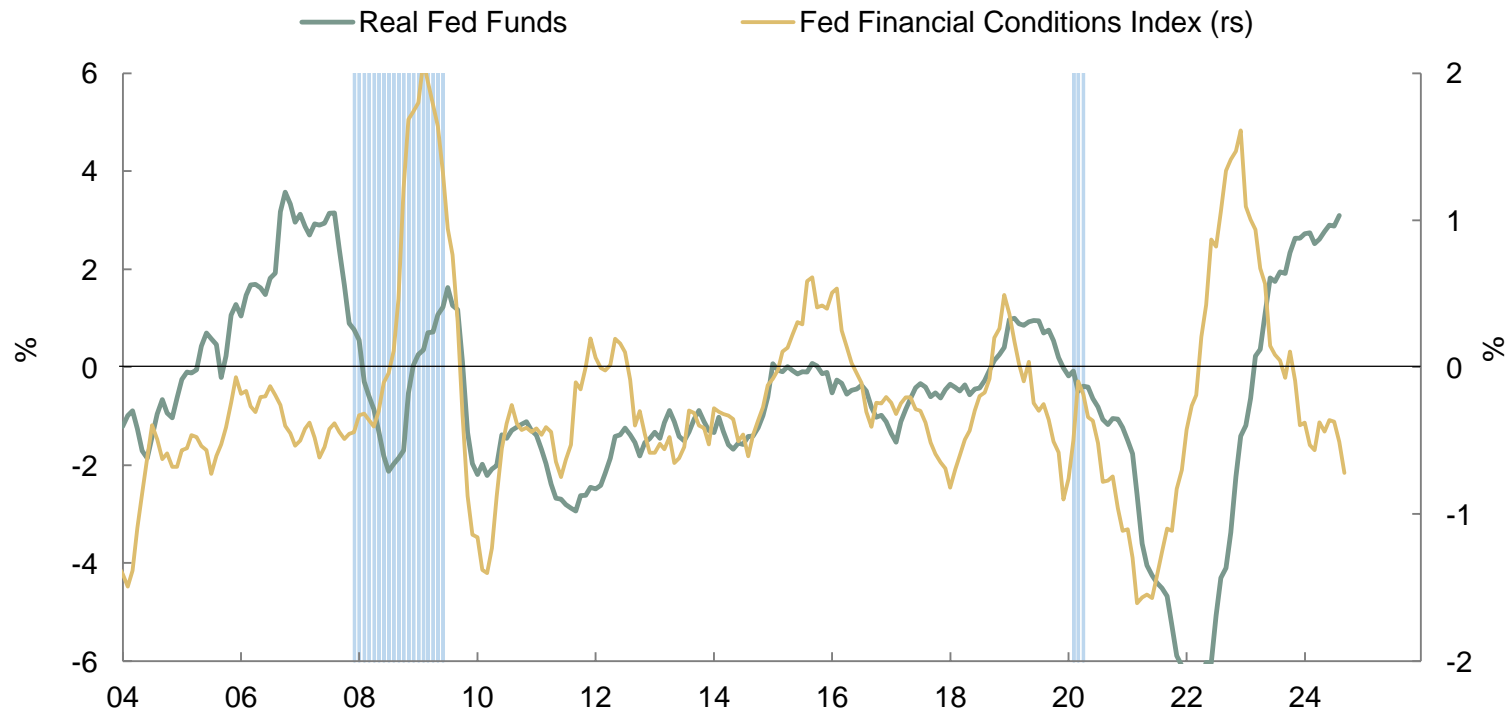
Yet Growth Remains Robust

Real GDP continues to oscillate around the hearty 3% mark



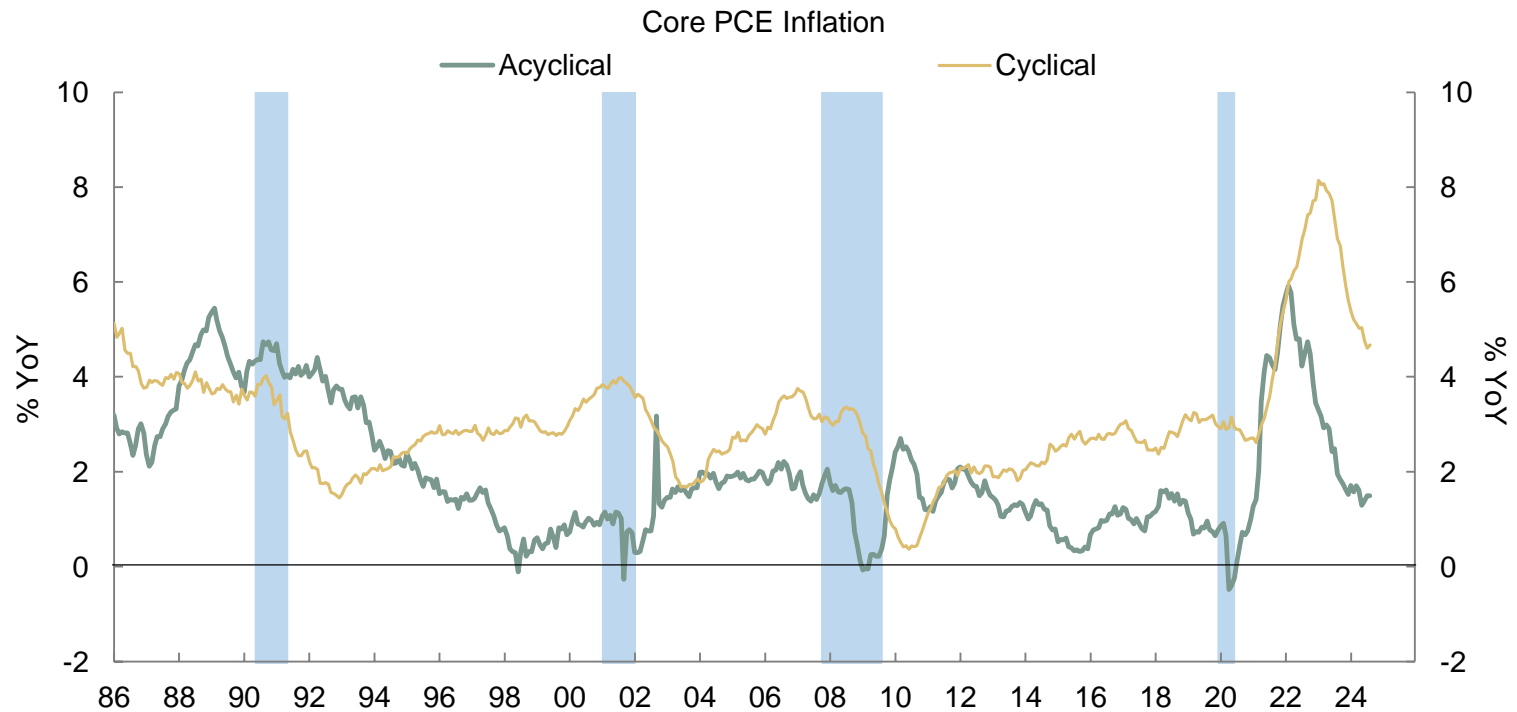
Easy Or Tight?

Real Rates are well above neutral, but the FCI remains extremely loose



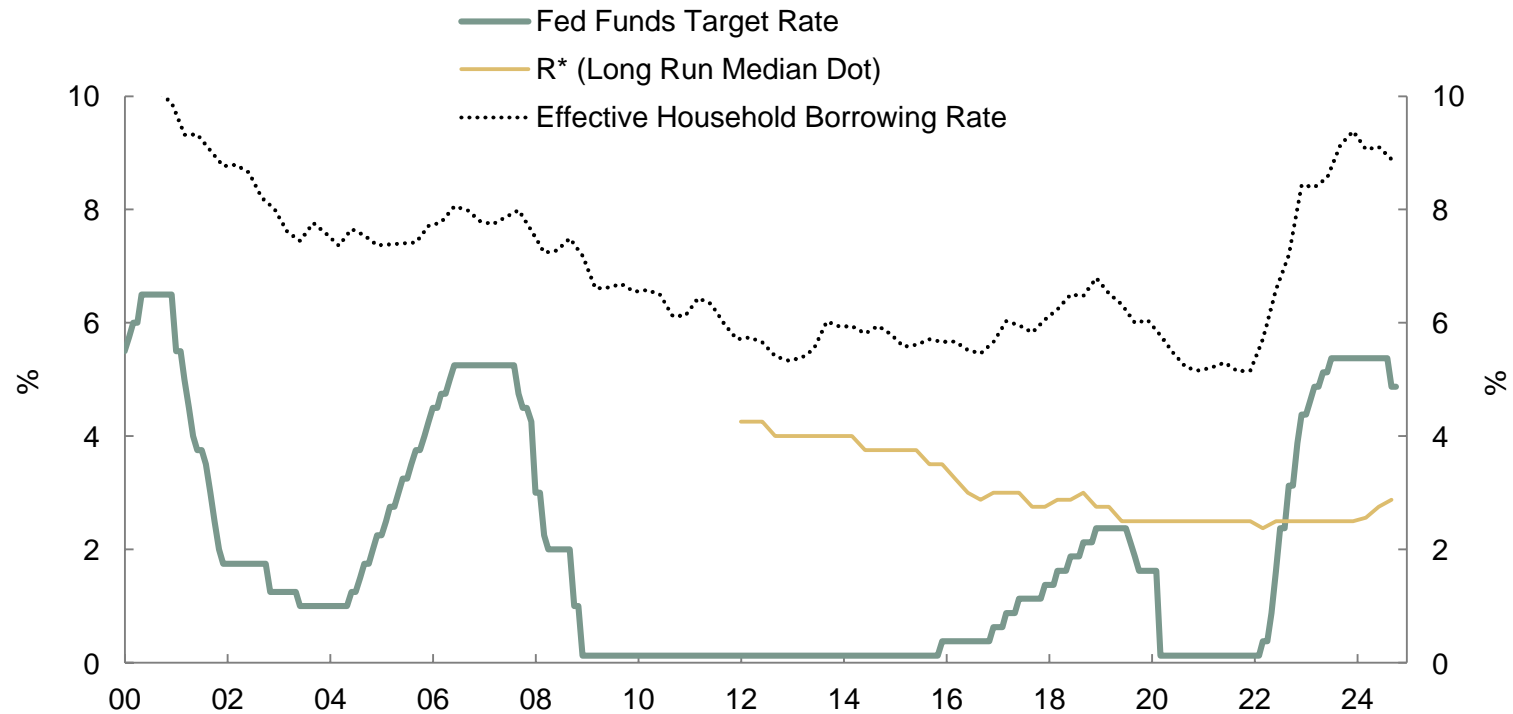
Sticky Inflation?

Growth in cyclical prices is likely to slow only if aggregate demand weakens



Far From Home

The Fed has room to lower rates significantly



Source: Federal Reserve, NY Fed, Bloomberg, Haver, SMBC Nikko

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Joseph (Joe) LaVorgna is a Managing Director and Chief Economist for SMBC Nikko Securities America, Inc. Joe joined the firm in September 2022 and is based in New York. Joe has spent more than 25 years in the financial services industry.

He was previously the Chief Economist for the Americas at Natixis. While there, Joe took a one-year leave of absence to serve at the White House, where he was Special Assistant to the President, and Chief Economist of the National Economic Council.

Prior to Natixis, Joe spent 20 years with Deutsche Bank Securities in the Global Markets Division, where he was considered one of the leading Wall Street economists. His team was perennially ranked in the prestigious *Institutional Investor* All-Star Fixed Income Survey.

Joe is also a Senior Fellow at the America First Policy Institute, a Washington, D.C.-based think tank. He holds a Bachelor of Arts degree in economics from Vassar College and did graduate work at New York University.

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