



# Economic Update:

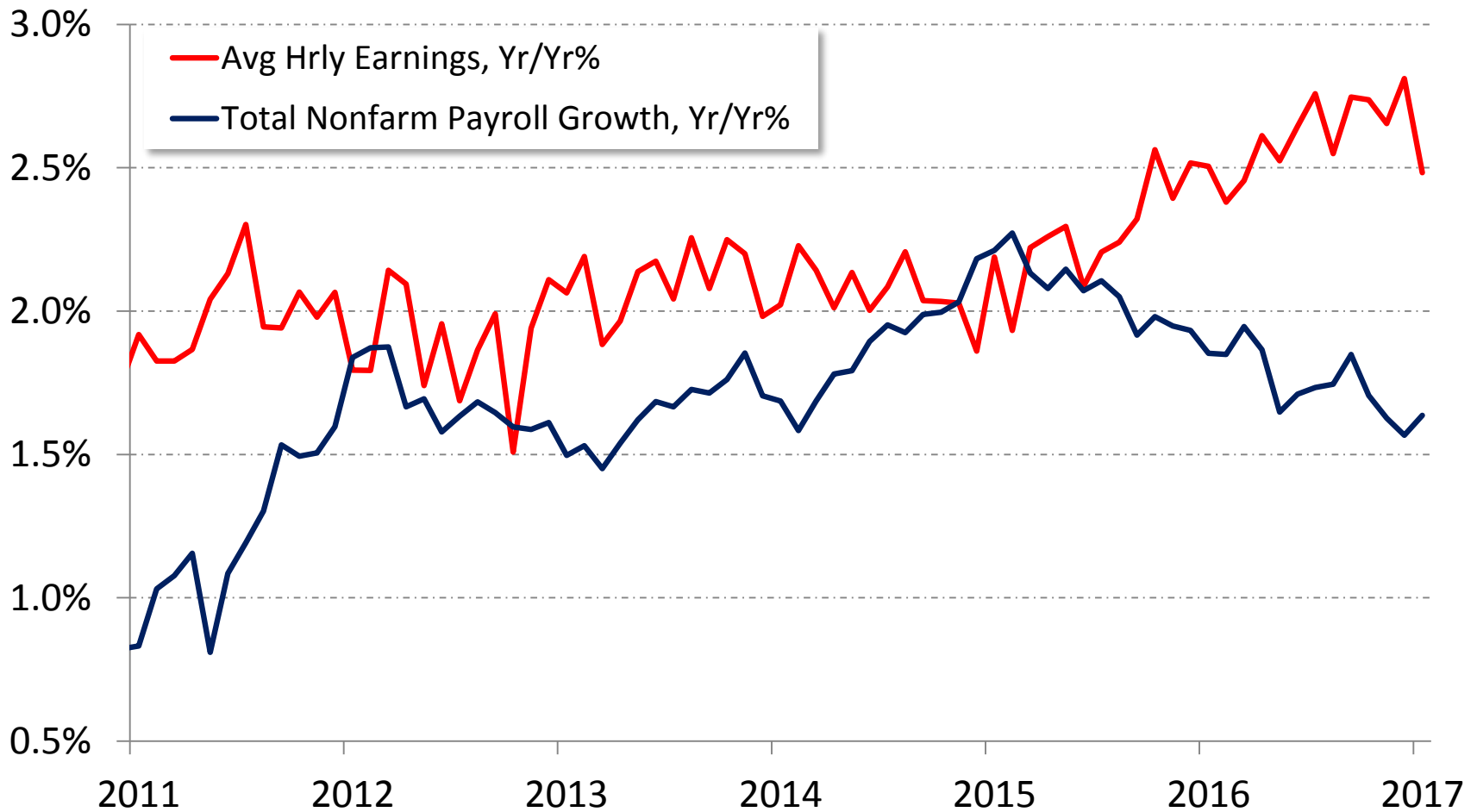
## *Trump vs Fundamentals*

February 2017

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Economist

# Wages Ticking Up

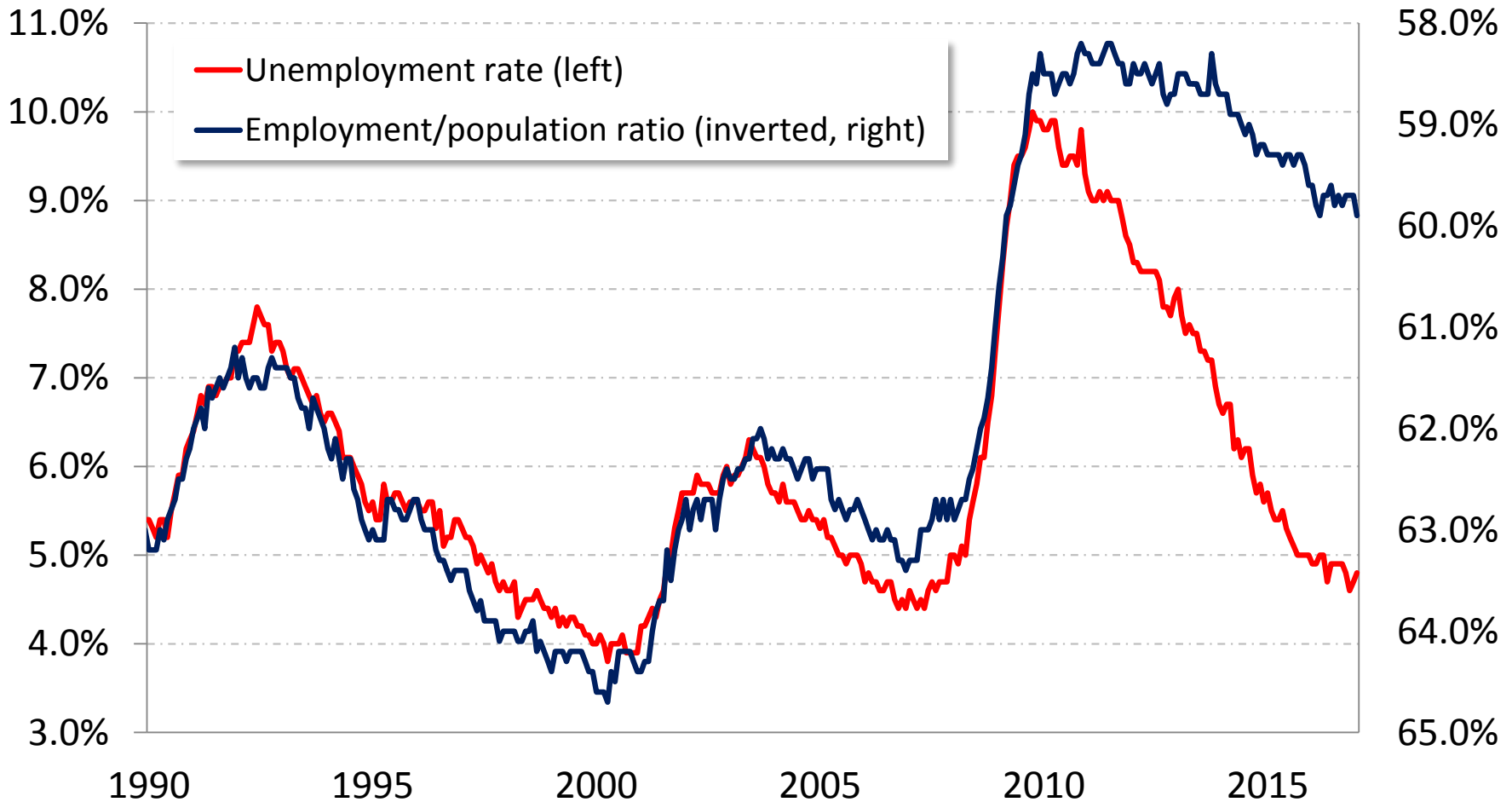
1



Source: Bureau of Labor Statistics

# Labor Market Not as Tight As Advertised

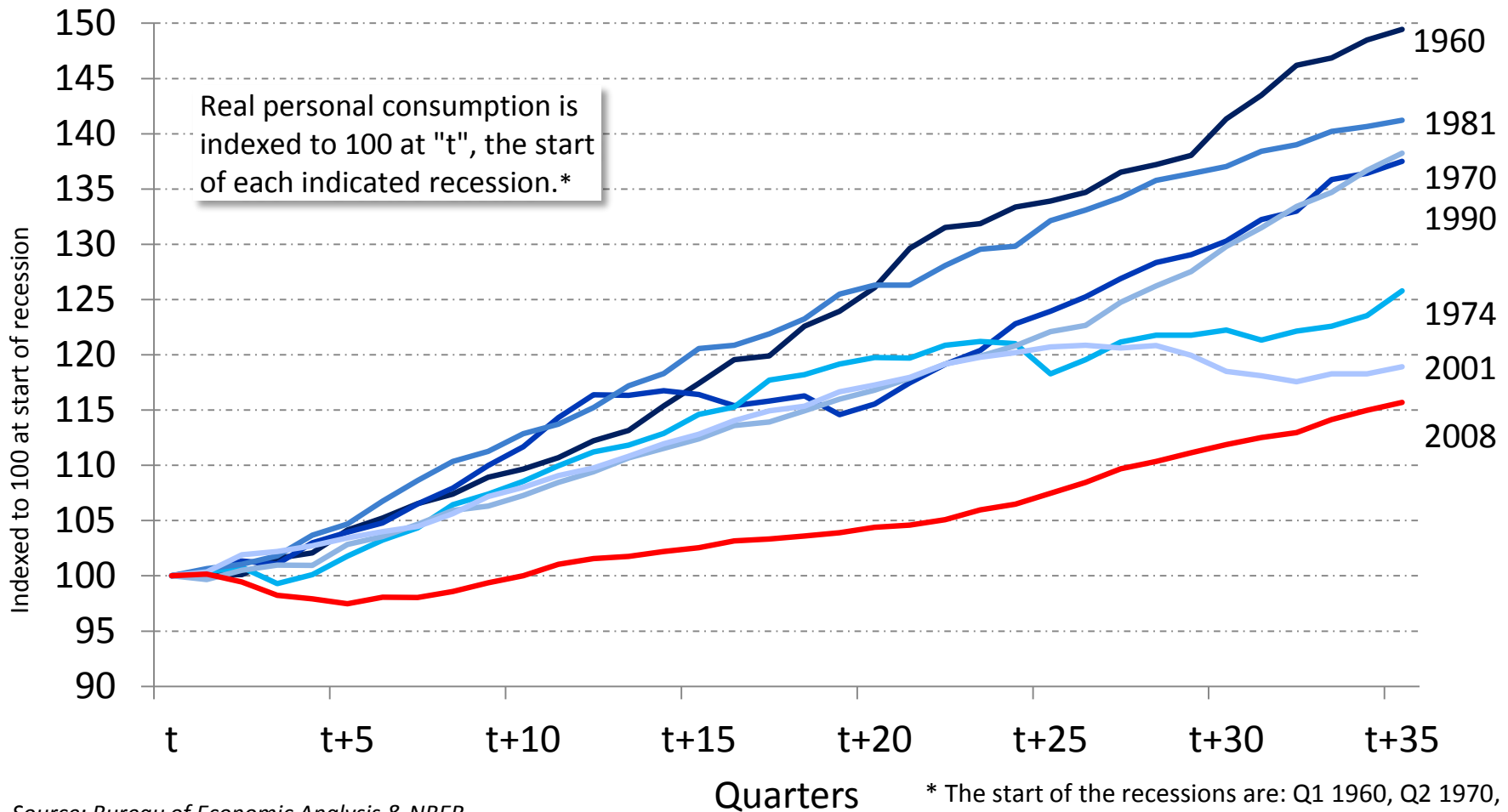
2



Source: Bureau of Labor Statistics

# This Time is Different

3



Source: Bureau of Economic Analysis & NBER

\* The start of the recessions are: Q1 1960, Q2 1970, Q1 1974, Q4 1981, Q3 1990, Q2 2001, Q1 2008.

# Trump's Platform

4

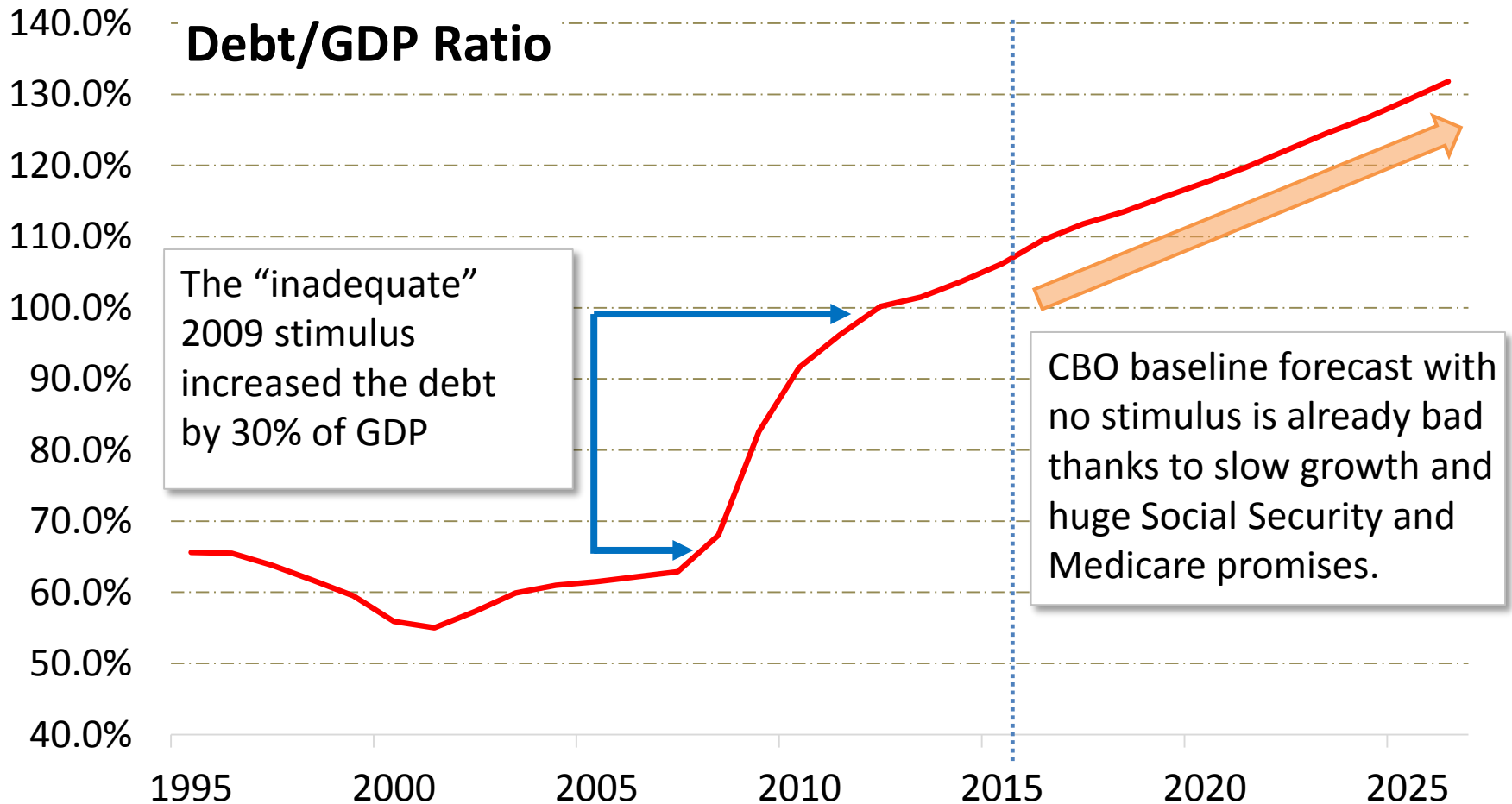
- ❑ Big themes:
  - ❑ Infrastructure spending
  - ❑ Tax reform, including lower corporate rate
  - ❑ Trade renegotiation
  - ❑ Regulatory reform
  - ❑ Obamacare fix
- ❑ Bigger challenge:



*Building a workable Congressional Coalition*

# The Trouble with Fiscal Stimulus

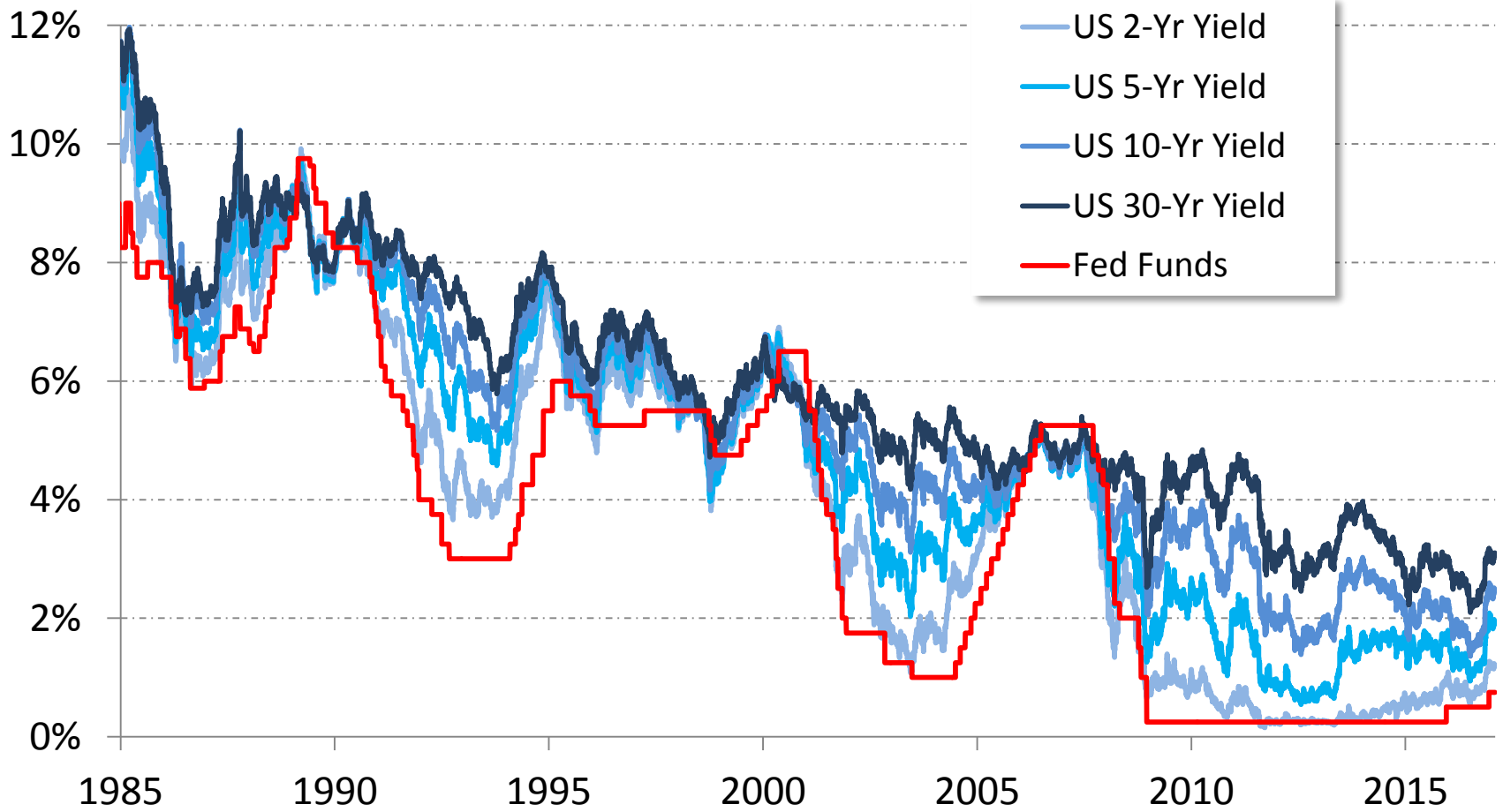
5



Source: Congressional Budget Office

# Flatter Curve on the Horizon

6



Source: Federal Reserve, US Treasury & Bloomberg

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