3rd Quarter 2025

Data as of July 10, 2025

Nationwide Market Insights℠

Our perspective on the market and economic forces influencing investment planning and retirement

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Nationwide Market Insights℠

One of the challenges of planning for a more secure financial future comes in understanding the market and economic forces that affect investment performance and influence investment decisions. With *Nationwide Market Insights*, we present insights and informative commentary about the economy and the financial markets from Nationwide's staff of economists. You can share *Nationwide Market Insights* with clients to help answer questions about investment performance and inspire greater confidence in the guidance you provide.

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Plus, you can count on consultative support from the Nationwide Team of Specialists for assistance with the retirement planning challenges you and your clients face. Contact your wholesaler to learn more about *Nationwide Market Insights* and other resources available from Nationwide Economics or the many solutions Nationwide offers.

Executive Summary

Risk assets have rebounded sharply on improving sentiment around tariffs. However, tariffs have only started passing into producer and consumer prices, so we anticipate greater impacts on economic activity and corporate earnings in the second half of 2025. Meanwhile, investors are expressing concerns about the federal government's fiscal trajectory as the "One Big Beautiful Bill" was signed into law.

Looking beyond tariffs, we continue to see the negative growth effects of the administration's fiscal and immigration policies depressing activity in the second half of 2025. It's not until next year when the potential pro-growth impacts from deregulation, tax cuts, and a more efficient government sector likely boost economic activity.

We forecast that economic growth stalls in the remaining part of this year due to rising costs for consumers and slower hiring by businesses. The Federal Reserve remains in a wait-and-see mode as it continues to evaluate the effects of tariff, immigration, and fiscal policy changes. We expect rate cuts before year's end as evidence of a weaker labor market emerges.

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Financial Markets

Highlights

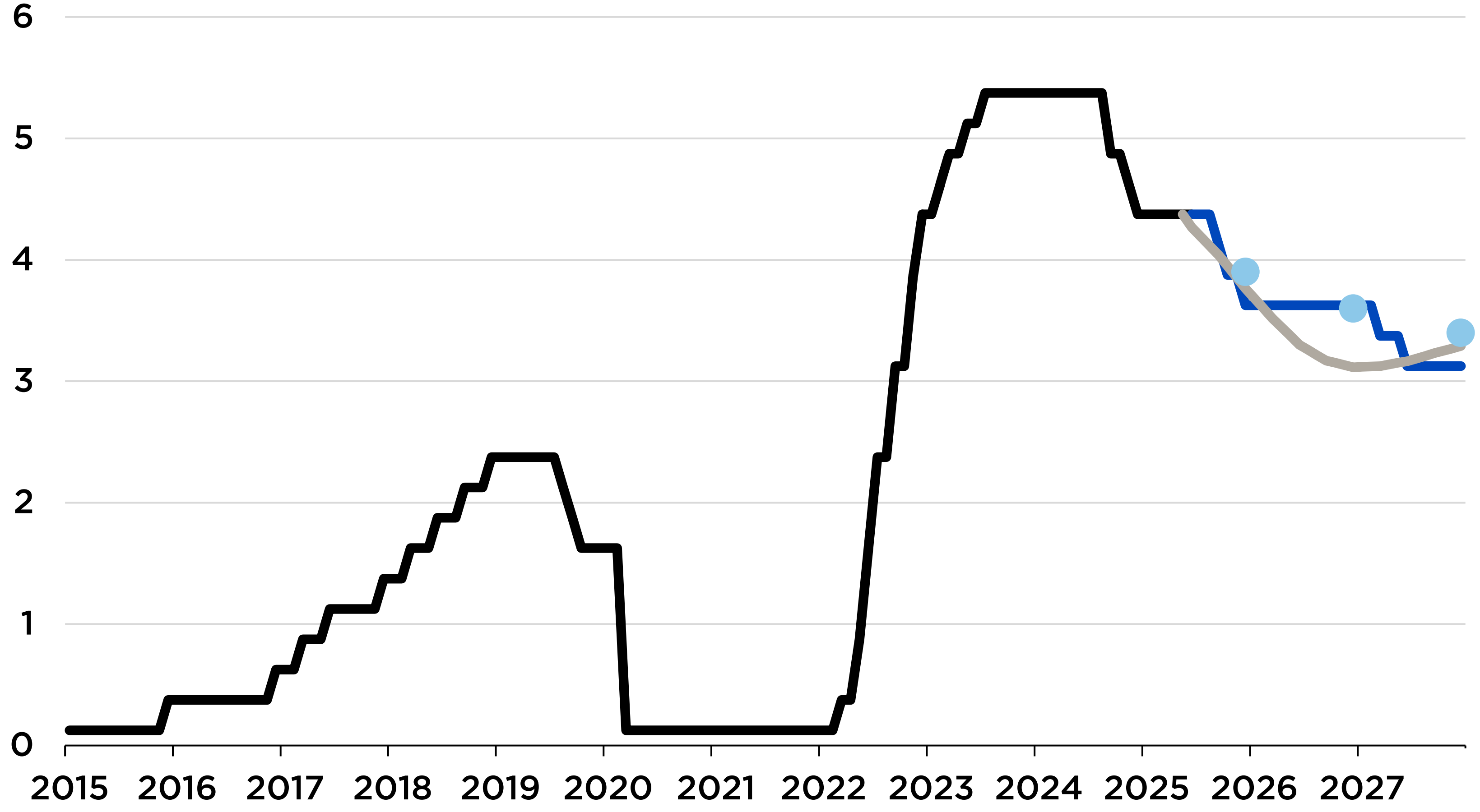
Fed remains in wait-and-see mode

The Federal Open Market Committee kept the federal funds rate unchanged again in June. Some policymakers are calling for rate cuts in July, but most of them, including Chair Powell, want to maintain a "wait-and-see" approach.

We expect the Fed to stay on hold over the summer as it seeks clarity on inflation and the economy's trajectory. We see 75 basis points of rate cuts by year end 2025 after evidence of a weaker labor market becomes visible.

Federal funds rate

Percent



Nationwide Economics' forecast
Current bond market expectations
FOMC's June 2025 median forecasts

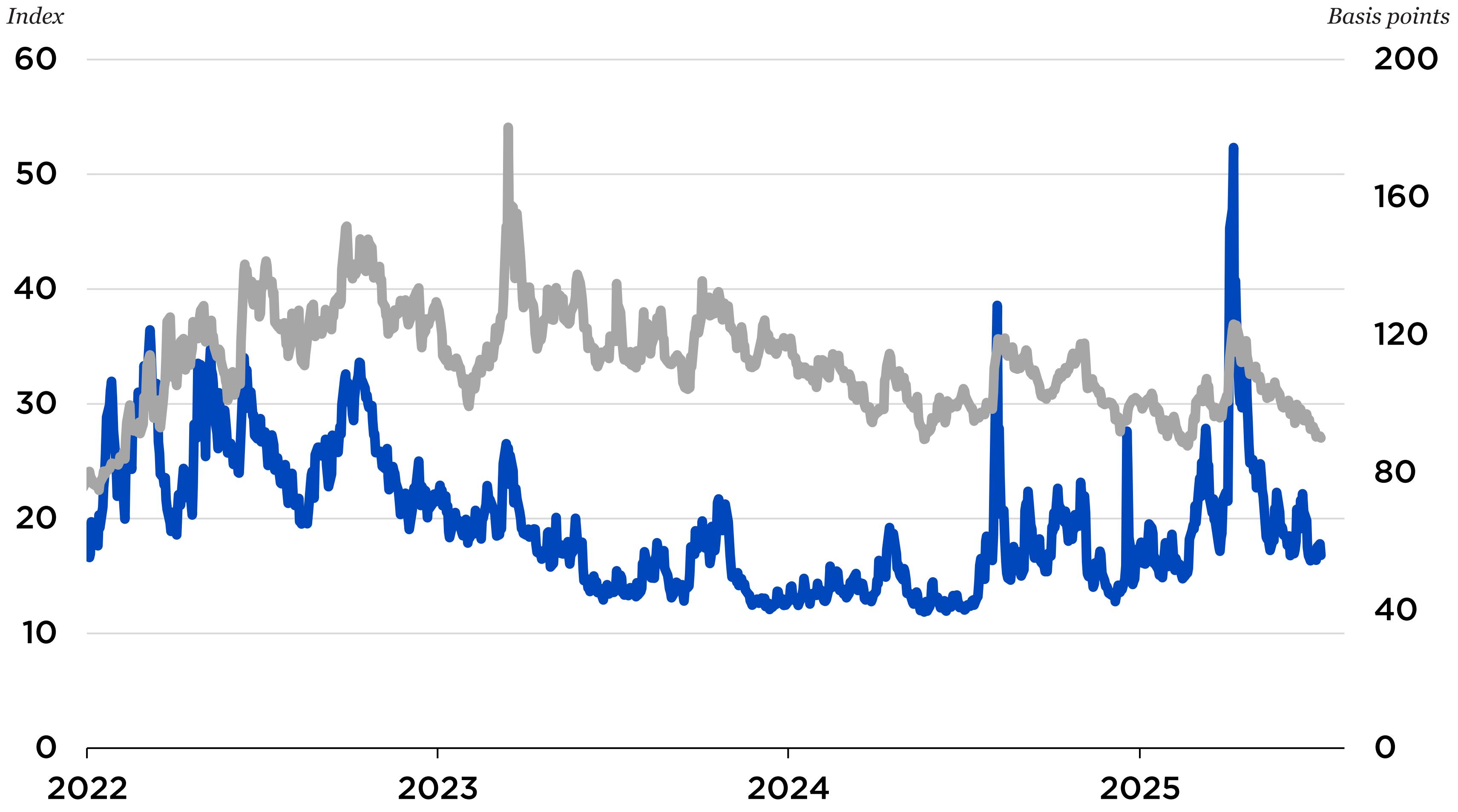
Source: Federal Reserve, Bloomberg, CME, SOFR Futures Data, Nationwide Economics

Financial market volatility settles down

The April 2nd tariff announcement sparked a surge in equity and bond market volatility. However, volatility settled down after the administration showed a willingness to negotiate new trade deals and announced a 90-day pause on the reciprocal and China tariffs.

Volatility could return since it is unclear what the final import tariff rate will be, how long the levies will be in place, what sectors they will apply to, and whether trading partners will retaliate.

Volatility measures



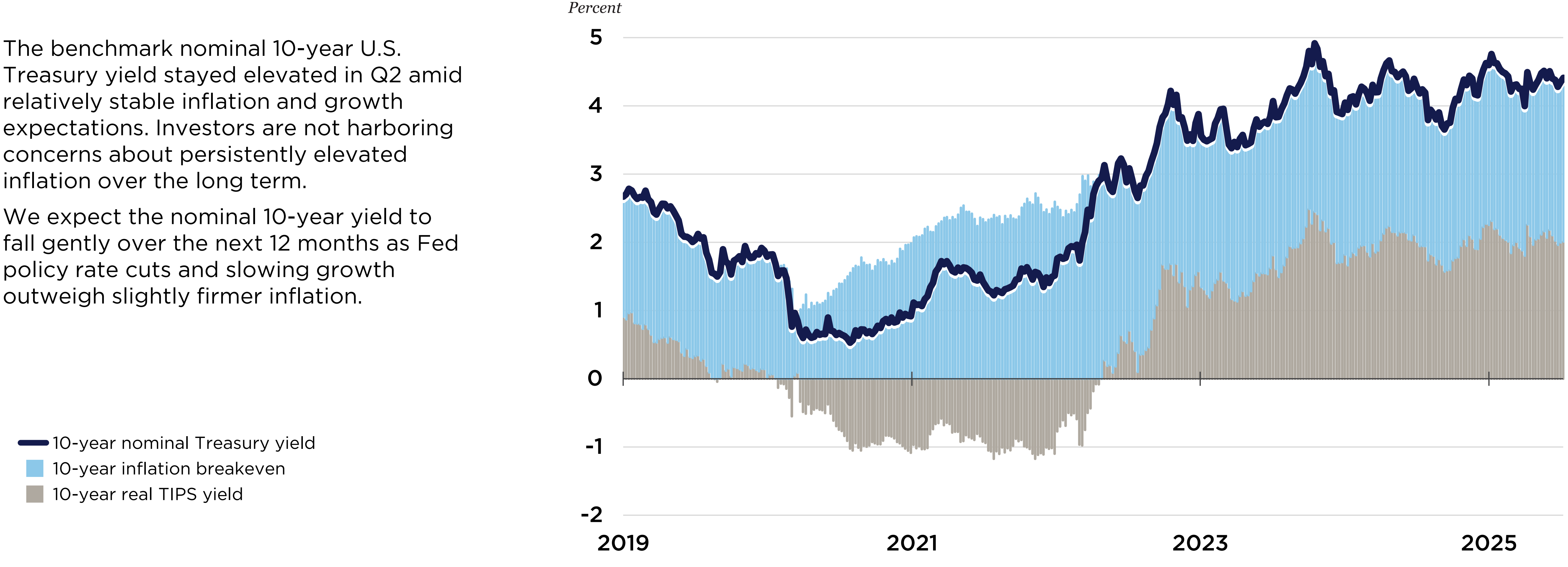
Source: Bloomberg, Nationwide Economics

Treasury market is not flagging long-term inflation worries

The benchmark nominal 10-year U.S. Treasury yield stayed elevated in Q2 amid relatively stable inflation and growth expectations. Investors are not harboring concerns about persistently elevated inflation over the long term.

We expect the nominal 10-year yield to fall gently over the next 12 months as Fed policy rate cuts and slowing growth outweigh slightly firmer inflation.

Breakdown of the 10-year U.S. Treasury yield

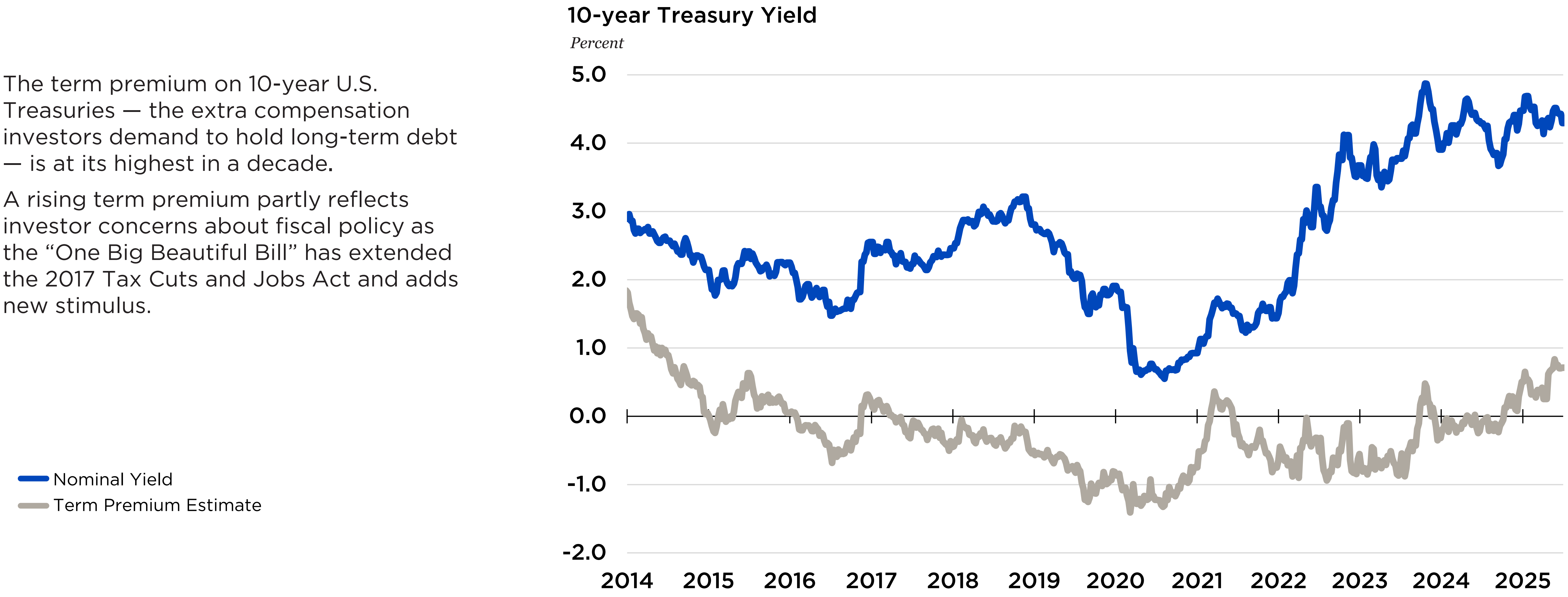


Source: Bloomberg, Nationwide Economics

Bond investors are worried about fiscal policy

The term premium on 10-year U.S. Treasuries — the extra compensation investors demand to hold long-term debt — is at its highest in a decade.

A rising term premium partly reflects investor concerns about fiscal policy as the “One Big Beautiful Bill” has extended the 2017 Tax Cuts and Jobs Act and adds new stimulus.

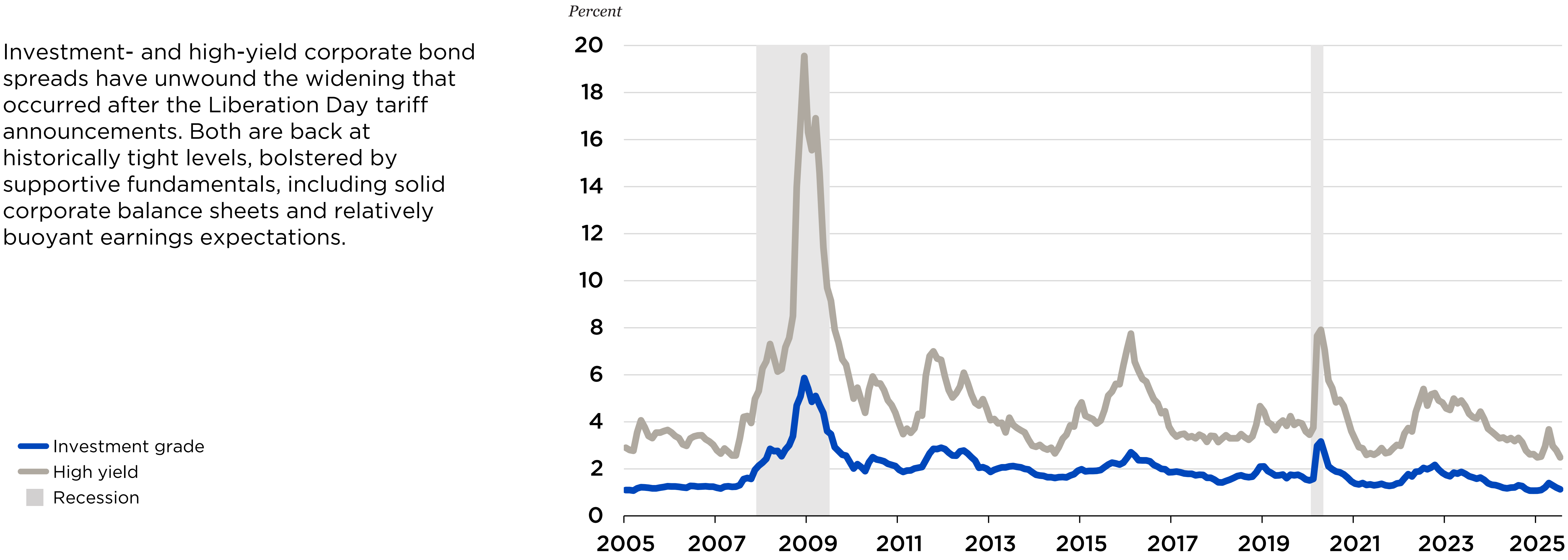


Source: FRBNY, Federal Reserve Board, Haver Analytics, Nationwide Economics

Corporate bond spreads re-tighten

Investment- and high-yield corporate bond spreads have unwound the widening that occurred after the Liberation Day tariff announcements. Both are back at historically tight levels, bolstered by supportive fundamentals, including solid corporate balance sheets and relatively buoyant earnings expectations.

Investment-grade and high-yield option adjusted spreads



Source: Federal Reserve Board, ICE/Bank of America Merrill Lynch, Haver Analytics, Nationwide Economics

Which fixed-income asset classes have fared best in 2025?

High yield corporates and TIPS have have delivered the greatest year-to-date returns. Treasuries have also provided solid returns due to cautious investor sentiment, relatively high yields, and concerns about the economy's trajectory.

Yearly changes by asset class

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 YTD
HY Corporate 17.1%	HY Corporate 7.5%	Agencies 1.3%	IG Corporate 14.5%	TIPS 11.2%	TIPS 6.1%	Agencies -7.9%	HY Corporate 13.4%	HY Corporate 8.2%	HY Corporate 4.7%
IG Corporate 6.1%	IG Corporate 6.4%	Municipals 1.3%	HY Corporate 14.3%	Treasuries 10.6%	HY Corporate 5.3%	Municipals -8.5%	IG Corporate 8.5%	Agencies 3.2%	TIPS 4.3%
TIPS 4.8%	Municipals 5.4%	MBS 1.0%	Treasuries 8.9%	IG Corporate 9.9%	Municipals 1.5%	MBS -11.8%	Municipals 6.4%	IG Corporate 2.1%	Treasuries 4.2%
Bloomberg Agg 2.6%	Bloomberg Agg 3.5%	Bloomberg Agg 0.0%	TIPS 8.8%	Bloomberg Agg 7.5%	IG Corporate -1.0%	HY Corporate -11.9%	Bloomberg Agg 5.5%	TIPS 1.8%	IG Corporate 3.9%
MBS 1.7%	TIPS 3.3%	Treasuries 0.0%	Bloomberg Agg 8.7%	HY Corporate 7.1%	MBS -1.0%	TIPS -12.6%	Agencies 5.1%	Bloomberg Agg 1.3%	MBS 3.8%
Agencies 1.4%	MBS 2.5%	TIPS -1.5%	Municipals 7.5%	Agencies 5.5%	Agencies -1.3%	Bloomberg Agg -13.0%	MBS 5.0%	MBS 1.2%	Bloomberg Agg 3.6%
Municipals 0.2%	Treasuries 2.1%	HY Corporate -2.1%	MBS 6.4%	Municipals 5.2%	Bloomberg Agg -1.5%	IG Corporate -15.8%	TIPS 3.8%	Municipals 1.1%	Agencies 3.1%
Treasuries -0.2%	Agencies 2.1%	IG Corporate -2.5%	Agencies 5.9%	MBS 3.9%	Treasuries -3.6%	Treasuries -16.3%	Treasuries 3.2%	Treasuries -1.7%	Municipals -0.3%

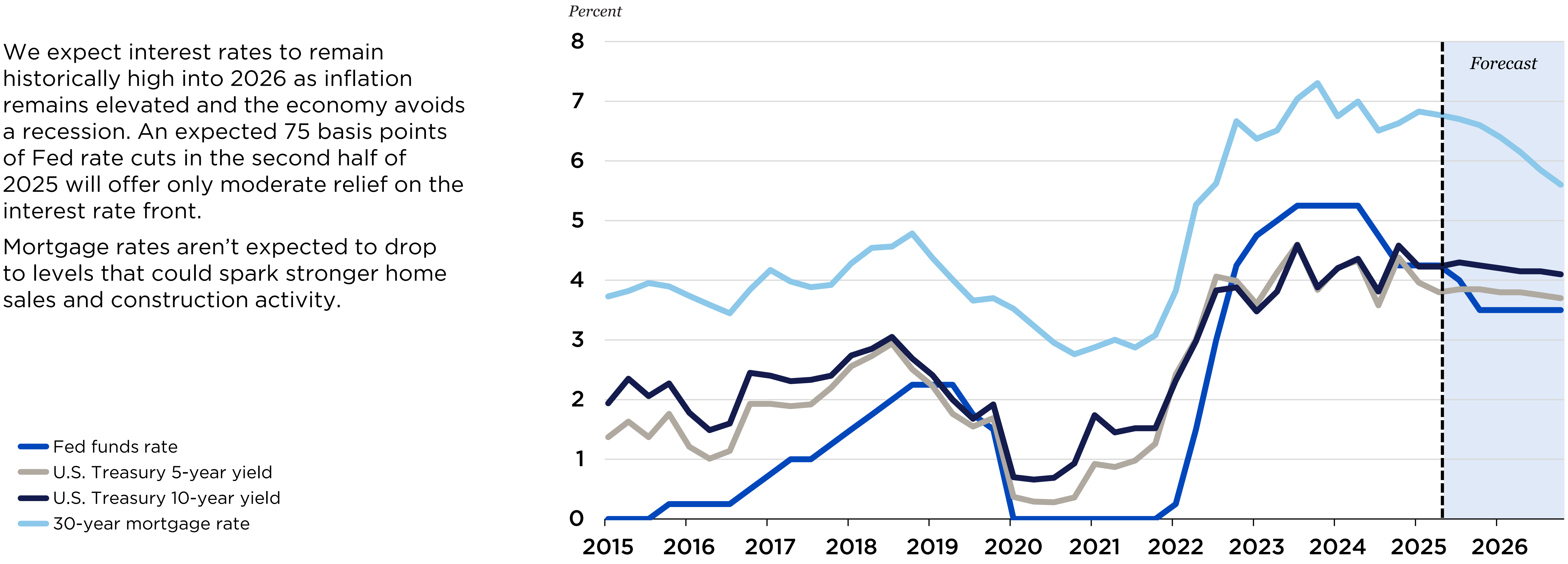
Note: IG corporate represents investment grade corporate debt; HY corporate represents high yield corporate debt
Source: Bloomberg, Nationwide Economics

Interest rates are expected to stay high

We expect interest rates to remain historically high into 2026 as inflation remains elevated and the economy avoids a recession. An expected 75 basis points of Fed rate cuts in the second half of 2025 will offer only moderate relief on the interest rate front.

Mortgage rates aren't expected to drop to levels that could spark stronger home sales and construction activity.

Nationwide Economics' interest rate forecasts



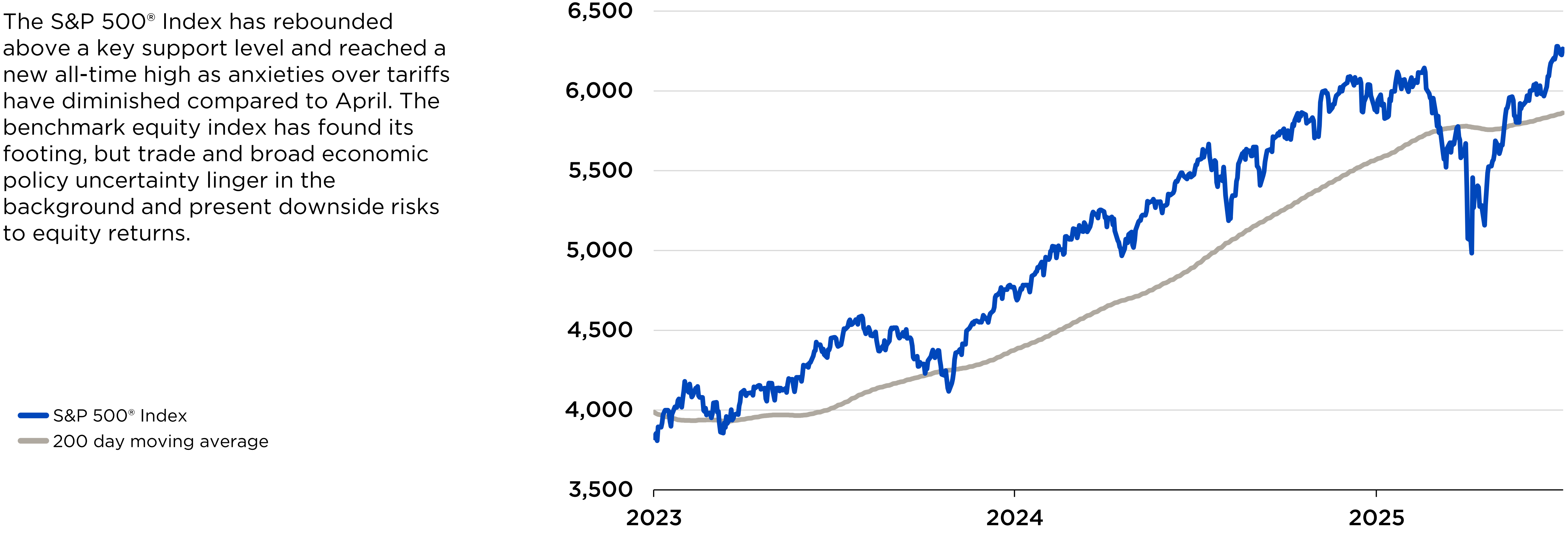
Note: July 2025 forecast vintage
Source: Haver Analytics, Nationwide Economics

Investor attitudes have improved markedly

The S&P 500® Index has rebounded above a key support level and reached a new all-time high as anxieties over tariffs have diminished compared to April. The benchmark equity index has found its footing, but trade and broad economic policy uncertainty linger in the background and present downside risks to equity returns.

S&P 500® Index: 200 day moving average

Index, 1941-43 = 10

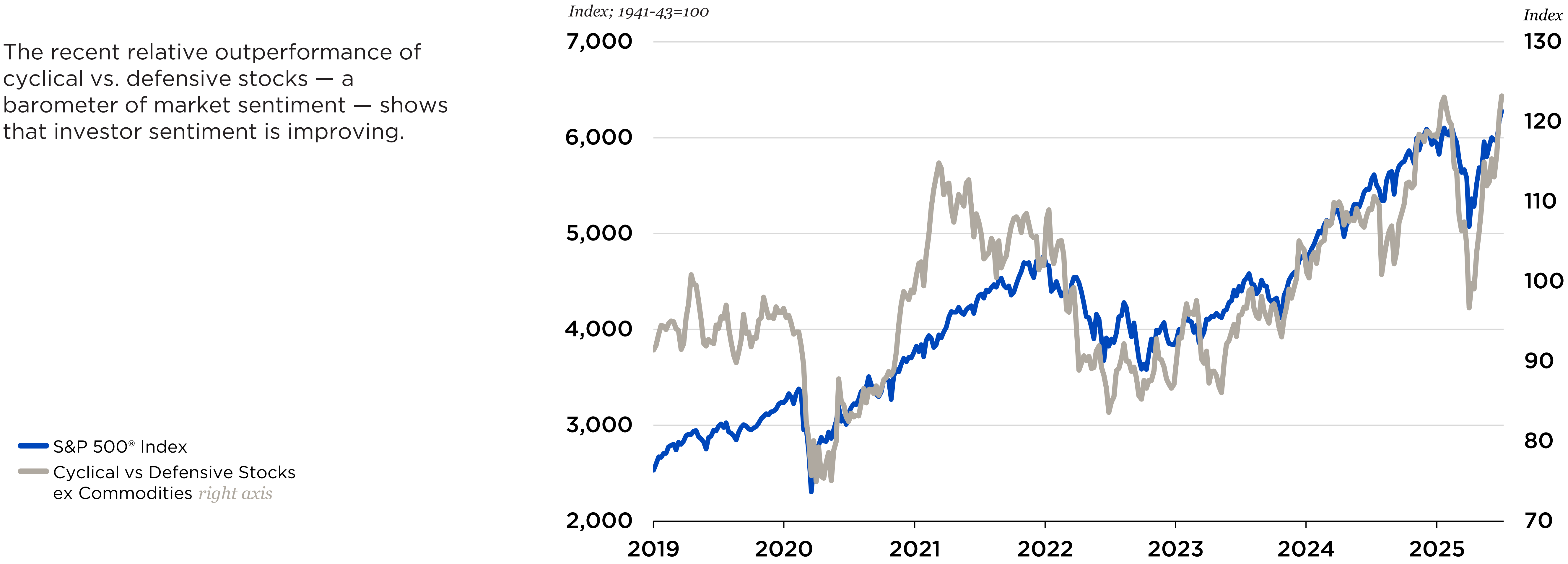


Note: The results shown represent past performance; past performance does not guarantee future results
Source: Bloomberg, Nationwide Economics

Equity market regains its enthusiasm

The recent relative outperformance of cyclical vs. defensive stocks — a barometer of market sentiment — shows that investor sentiment is improving.

Equity Market Sentiment



Source: Bloomberg, Goldman Sachs, Nationwide Economics

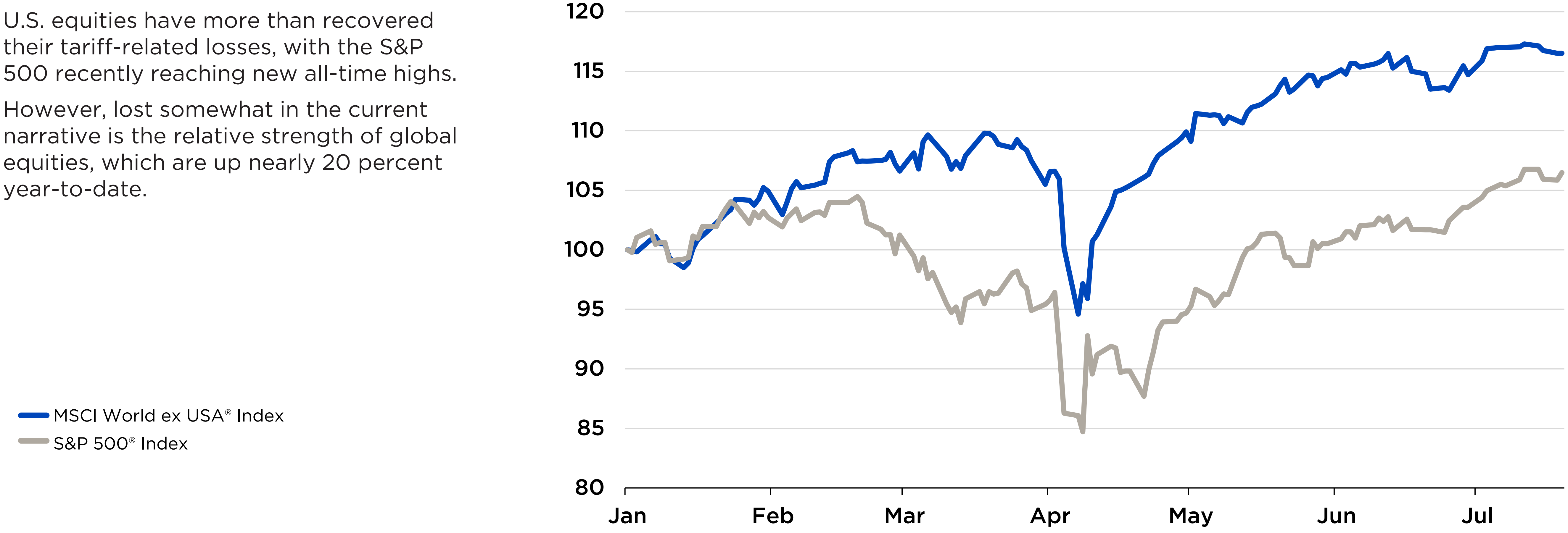
Global equities have outperformed U.S. stocks in 2025

U.S. equities have more than recovered their tariff-related losses, with the S&P 500 recently reaching new all-time highs.

However, lost somewhat in the current narrative is the relative strength of global equities, which are up nearly 20 percent year-to-date.

Equity market performance: U.S. versus the rest of the world – 2025 year-to-date

Index; Jan. 1, 2025 = 100



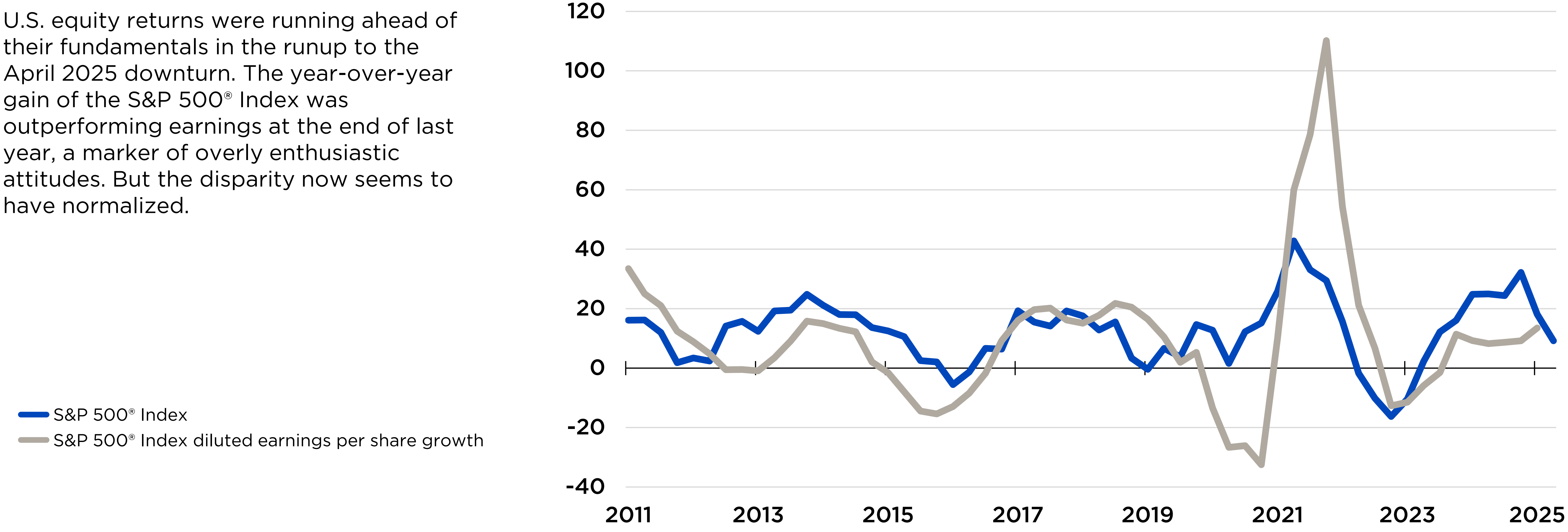
Source: Morgan Stanley Capital International, Standard & Poor's, Bloomberg, Nationwide Economics

Growth in equity returns now better aligned with fundamentals

U.S. equity returns were running ahead of their fundamentals in the runup to the April 2025 downturn. The year-over-year gain of the S&P 500® Index was outperforming earnings at the end of last year, a marker of overly enthusiastic attitudes. But the disparity now seems to have normalized.

Stock market performance versus earnings growth

Year-over-year percent



Note: The results shown represent past performance; past performance does not guarantee future results
Source: Standard & Poor's, Haver Analytics, Nationwide Economics

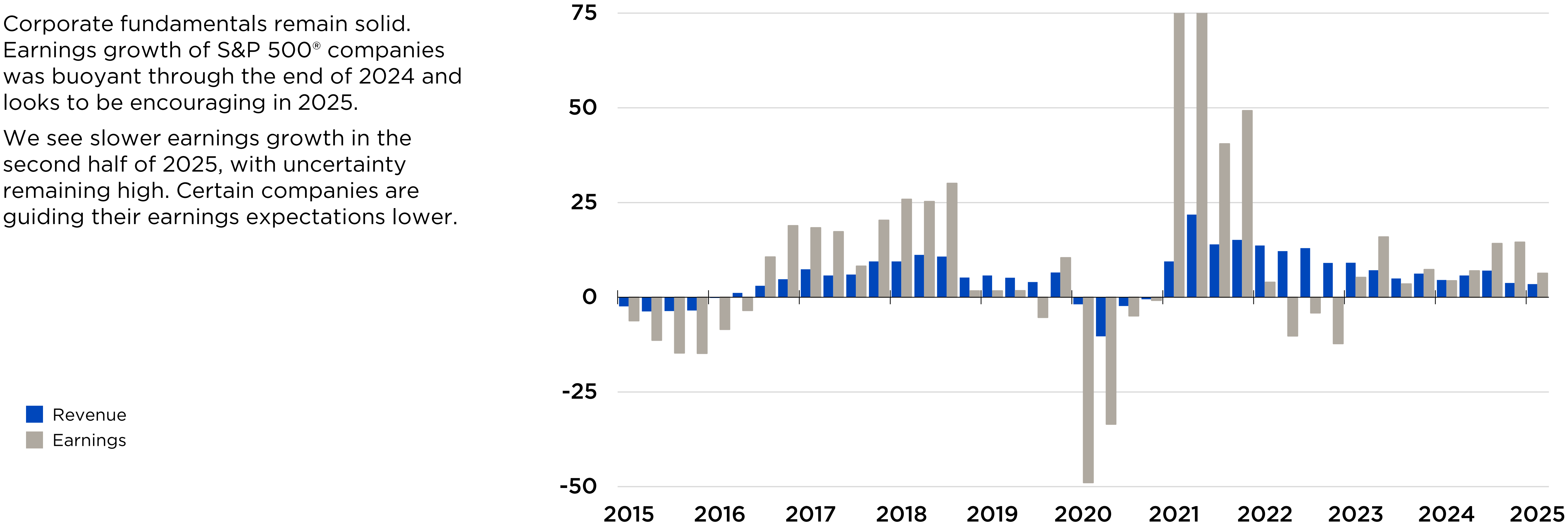
Positive revenue and earnings trends

Corporate fundamentals remain solid. Earnings growth of S&P 500® companies was buoyant through the end of 2024 and looks to be encouraging in 2025.

We see slower earnings growth in the second half of 2025, with uncertainty remaining high. Certain companies are guiding their earnings expectations lower.

S&P 500® Index: Revenue and earnings growth

Year-over-year percent change



Note: The results shown represent past performance; past performance does not guarantee future results
Source: Standard & Poor's, Nationwide Economics

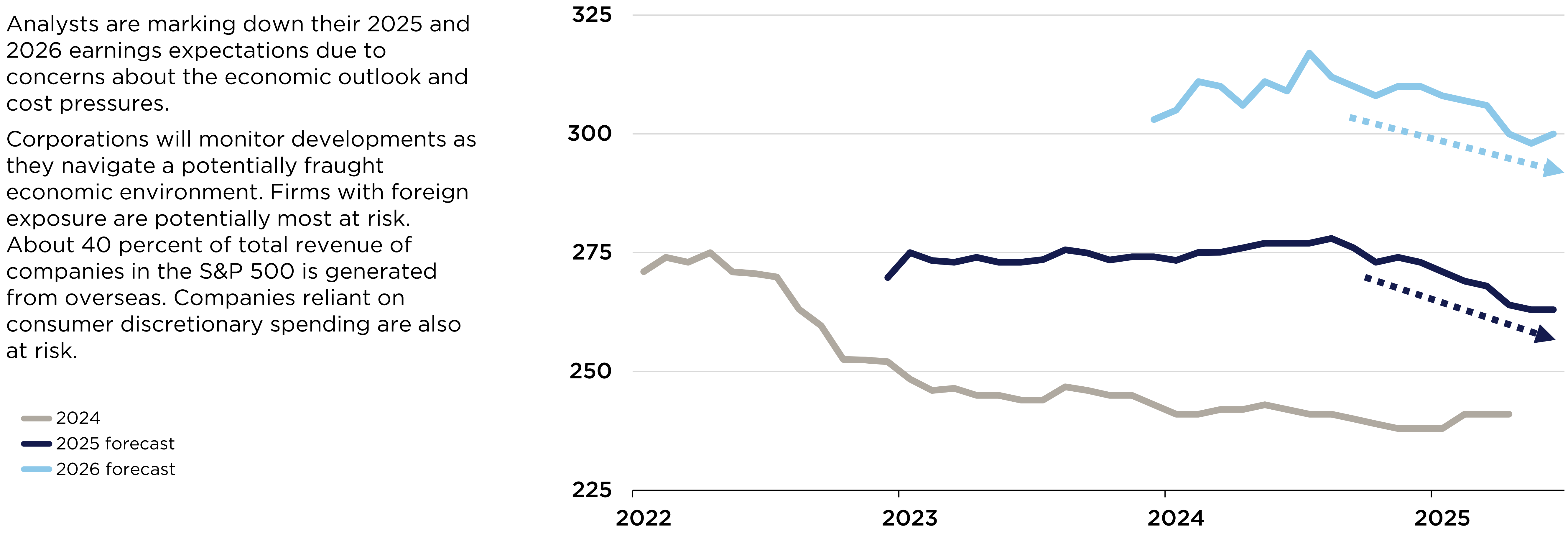
Analysts are downgrading their earnings expectations

Analysts are marking down their 2025 and 2026 earnings expectations due to concerns about the economic outlook and cost pressures.

Corporations will monitor developments as they navigate a potentially fraught economic environment. Firms with foreign exposure are potentially most at risk. About 40 percent of total revenue of companies in the S&P 500 is generated from overseas. Companies reliant on consumer discretionary spending are also at risk.

S&P 500® Index earnings expectations

Dollar earnings per share



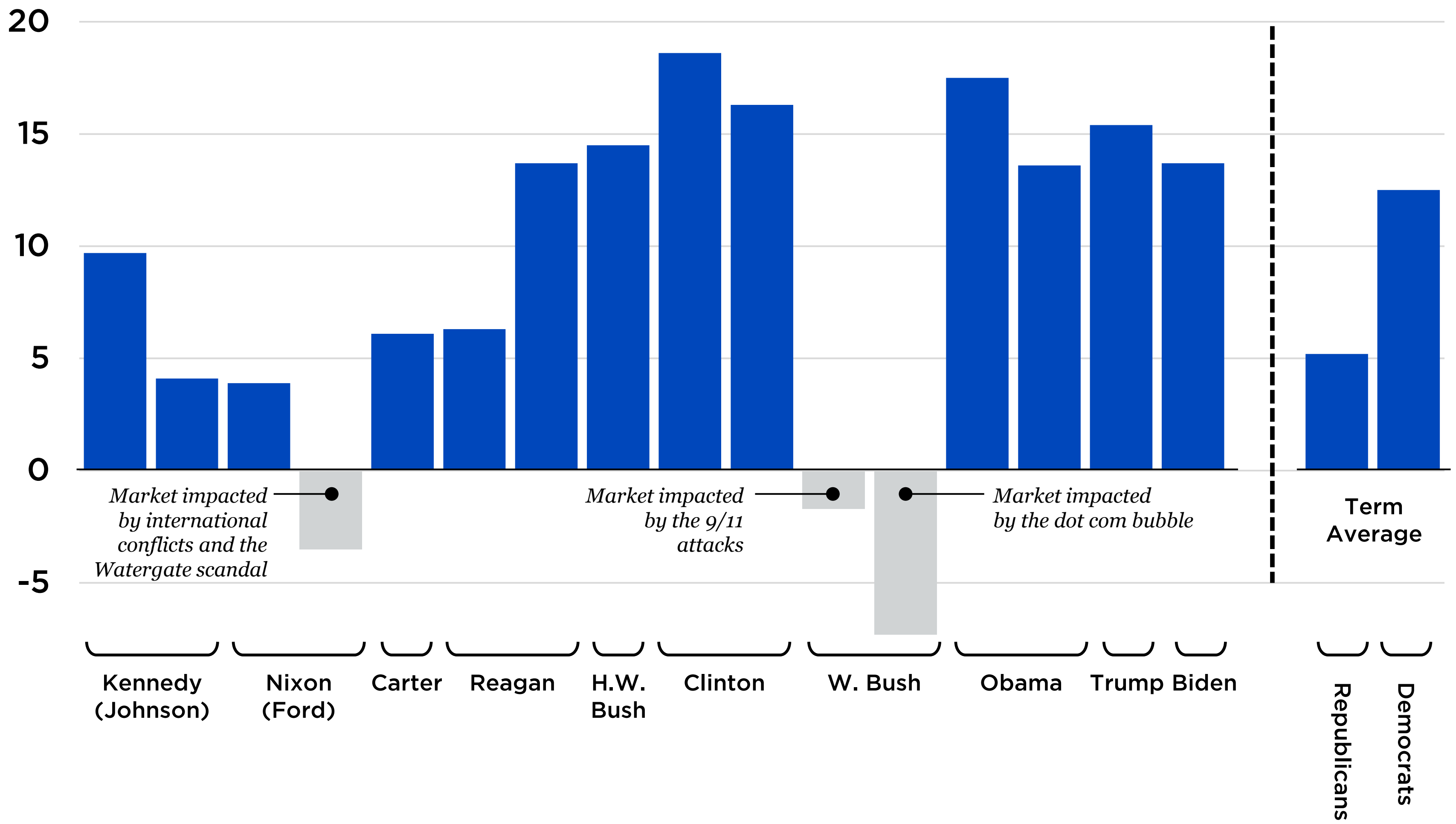
Source: FactSet, Nationwide Economics

Equities historically have rise no matter which party is in the White House

History has shown equities tend to increase regardless of whether a Democrat or Republican is president. On average, the S&P 500 Index posts a five percent annualized gain when a Republican sits in the Oval Office.

S&P 500® Index return by presidential term

Four-year annualized total return, 1960 to July 2024



Source: Bloomberg, Plancorp, Nationwide Retirement Institute, Nationwide Economics

The U.S. dollar has depreciated this year

The U.S. dollar has lost more than 10 percent of its value since the start of 2025 — its worst start to a year since 1973. However, on a historic basis it remains at a firm level, falling back to just early 2022 values.

The decline in the dollar reflects several factors, including foreign investors increasing their currency hedges given uncertainties on U.S. economic policies. However, the U.S. dollar securely remains the world's reserve currency despite fears to the contrary.

Sell-off U.S. assets

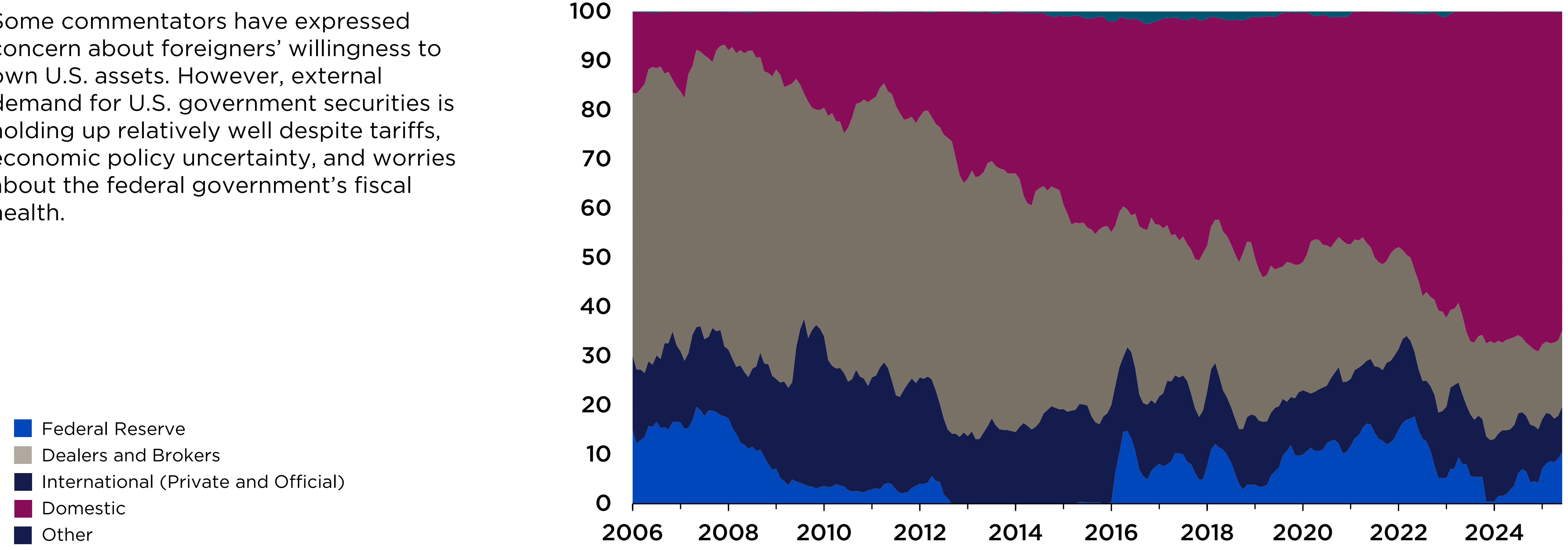
Source: Wall Street Journal, Federal Reserve Board, Haver Analytics, Nationwide Economics

Foreigners still want to purchase U.S. debt

Some commentators have expressed concern about foreigners' willingness to own U.S. assets. However, external demand for U.S. government securities is holding up relatively well despite tariffs, economic policy uncertainty, and worries about the federal government's fiscal health.

Auction allotments of long-term U.S. securities: Treasury Notes, Bonds, TIPS and FRNs

Percent; three-month moving average



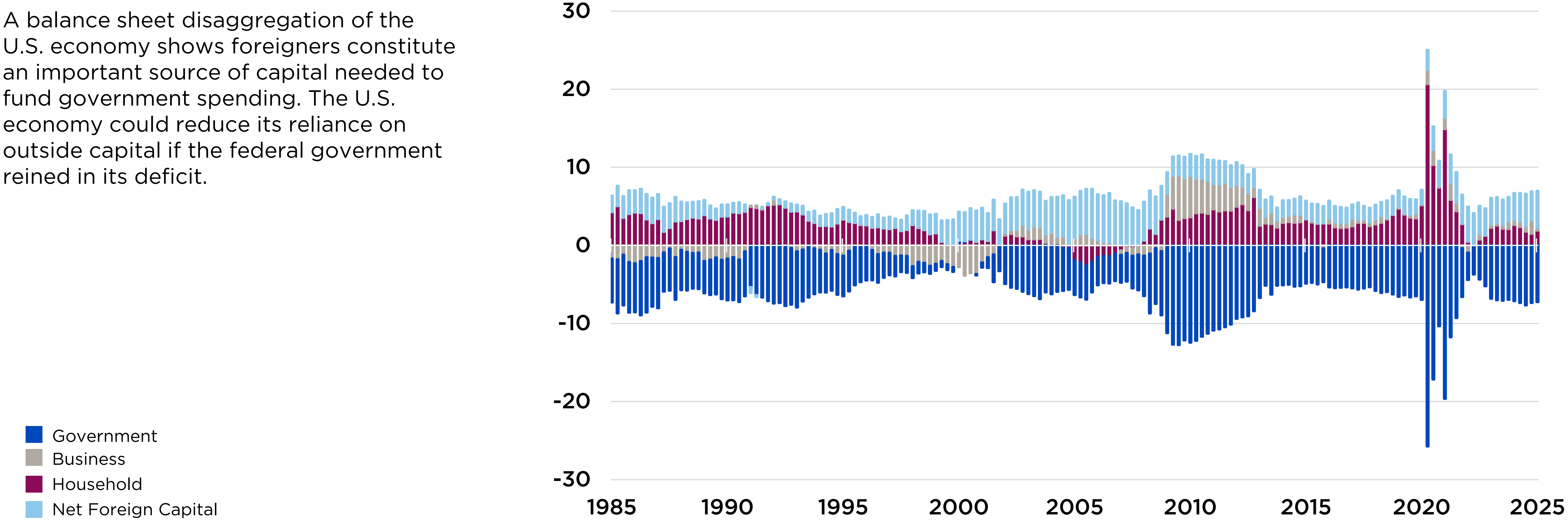
Source: Office of Debt Management, Haver Analytics, Nationwide Economics

Foreigners are an important source of capital

A balance sheet disaggregation of the U.S. economy shows foreigners constitute an important source of capital needed to fund government spending. The U.S. economy could reduce its reliance on outside capital if the federal government reined in its deficit.

Sectoral savings and investment in the U.S. economy

Percent of GDP



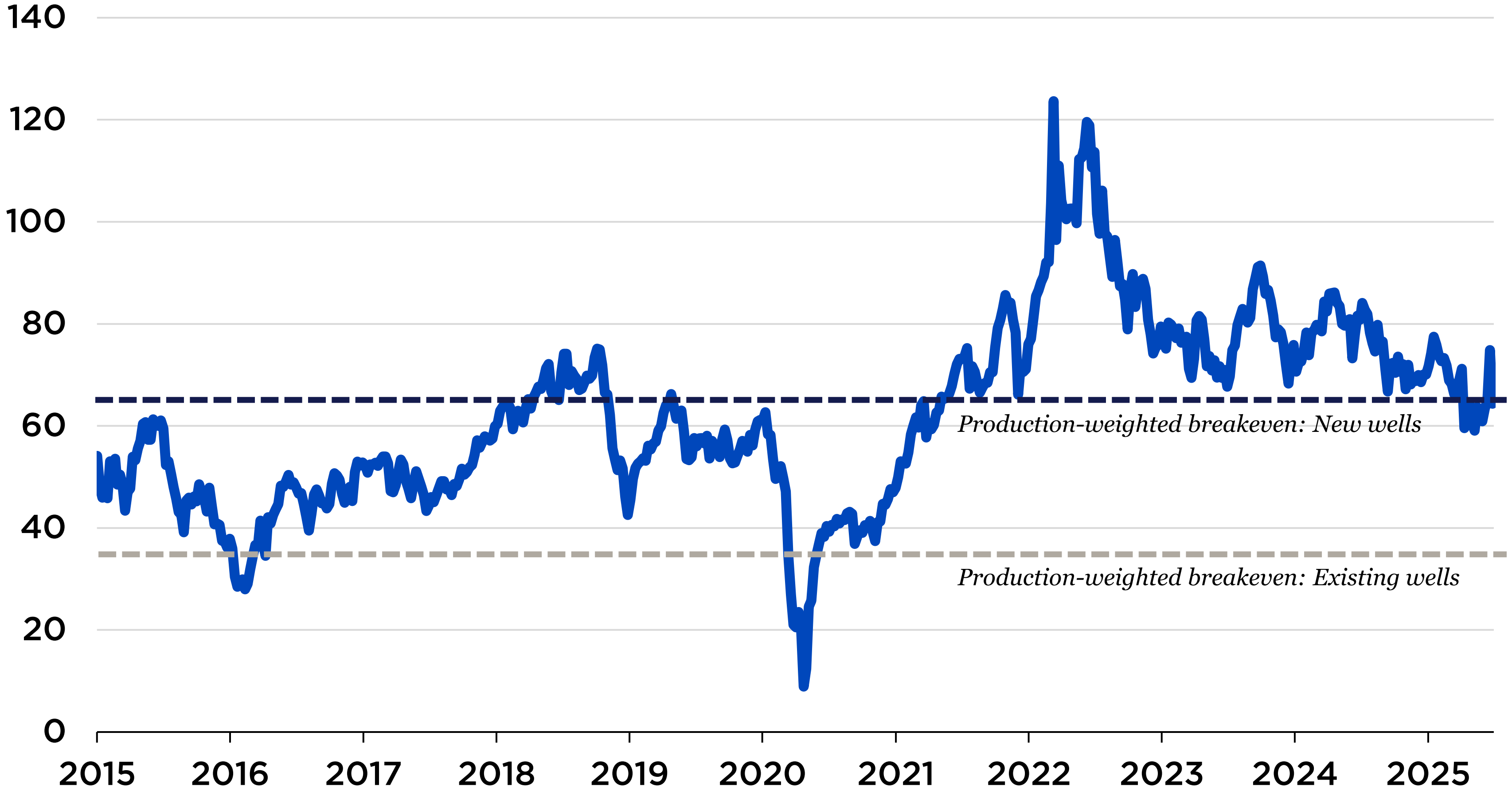
Source: Federal Reserve Bank of St. Louis, Nationwide Economics

Oil prices won't spark "Drill, baby drill"

One of the tenets of Treasury Secretary Bessent's 3-3-3 plan to stabilize the national debt is increasing U.S. domestic oil production by three million barrels per day. However, it will be hard to incentivize domestic producers to ramp up output unless crude oil prices trade persistently above $65 per barrel.

West Texas Intermediate Spot Price

Dollars per barrel



Source: Energy Information Administration, Dallas Fed, Nationwide Economics

Gold prices are at all-time highs

Gold prices have jumped to nearly $3,500/ounce as investors seek safety from economic and geopolitical uncertainties. As long as uncertainty remains high, the precious metal will likely continue to attract a safe haven bid.

LBMA Gold Price

EOP, U.S. dollar per Troy ounce

Source: Wall Street Journal, Haver Analytics, Nationwide Economics

U.S. & Global Economy

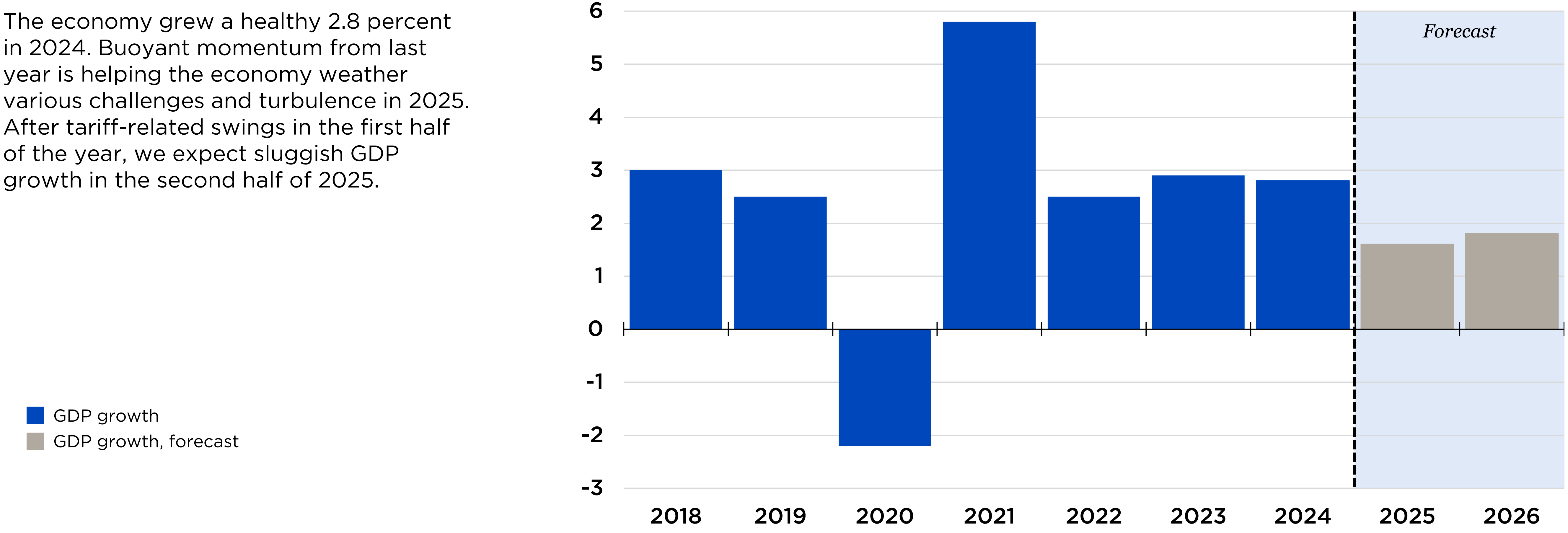
Highlights

Sluggish economic growth this year and next

The economy grew a healthy 2.8 percent in 2024. Buoyant momentum from last year is helping the economy weather various challenges and turbulence in 2025. After tariff-related swings in the first half of the year, we expect sluggish GDP growth in the second half of 2025.

GDP growth – historical and forecast

Percent, annual average



Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

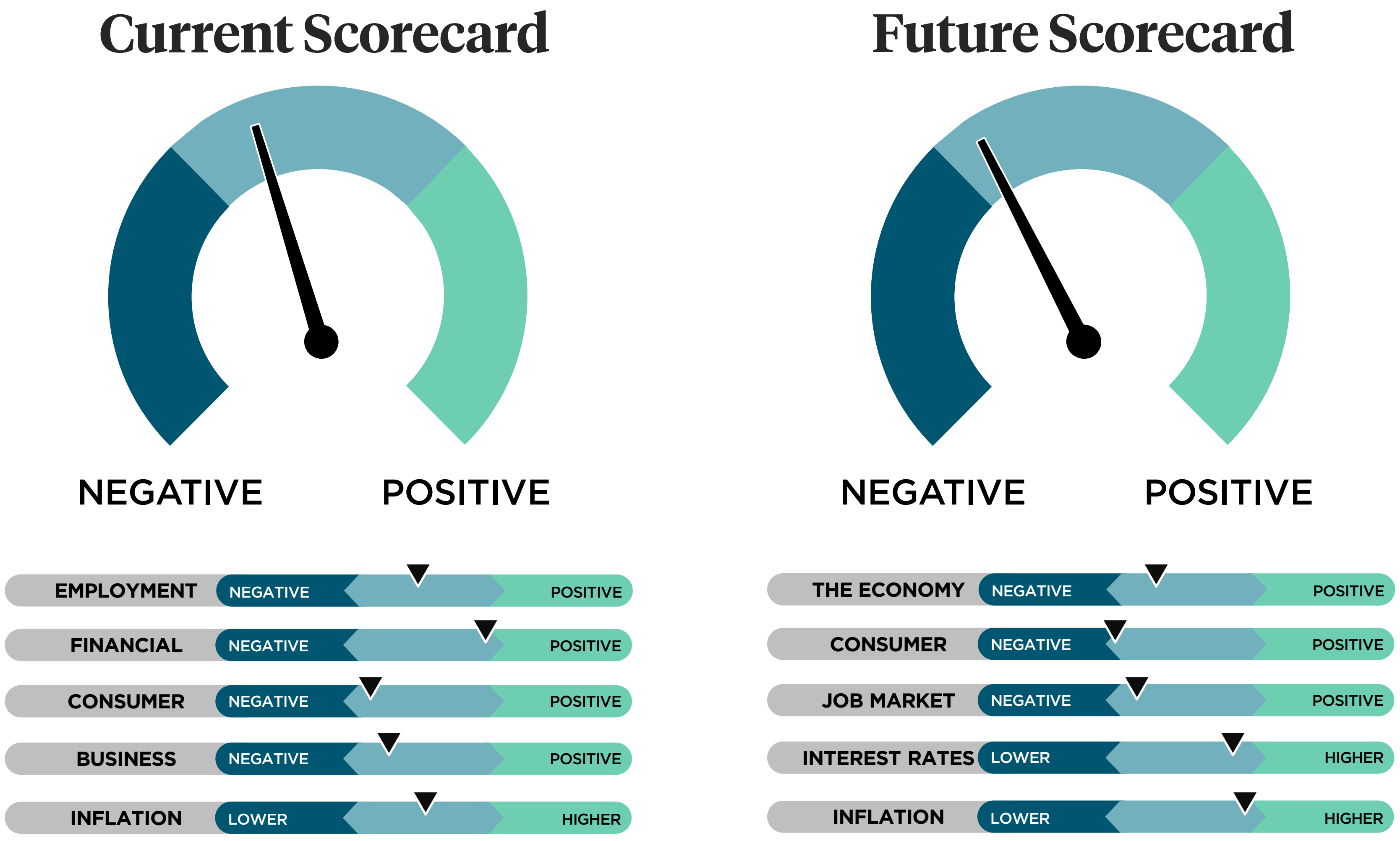
Where are we in the business cycle?

The economy remains in a late-cycle phase.

Slower growth expected

The net effect of the recent policy changes remains to be seen. However, the economy appears to be on a relatively stable footing, even if growth is moderating.

We expect soft GDP growth over the next six months as consumers and businesses rein in spending because of tariffs, policy uncertainty, high interest rates, and persistent underlying inflation.



Source: Nationwide Economics

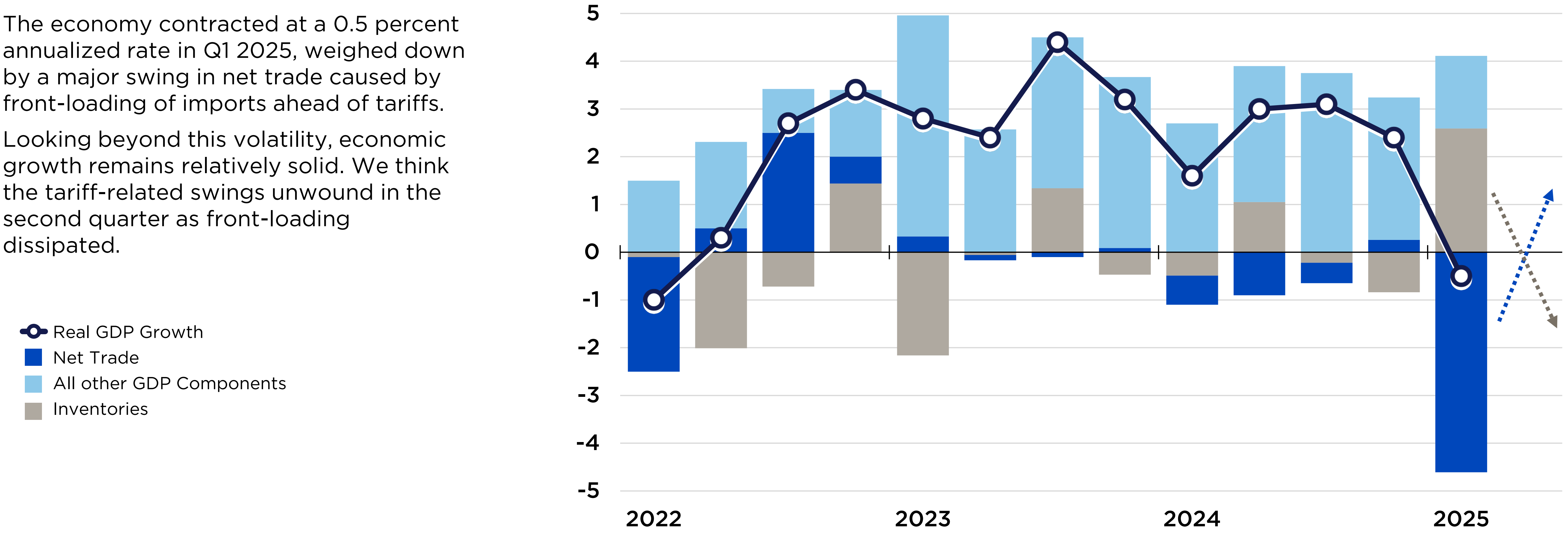
Net trade and inventories have an outsized impact

The economy contracted at a 0.5 percent annualized rate in Q1 2025, weighed down by a major swing in net trade caused by front-loading of imports ahead of tariffs.

Looking beyond this volatility, economic growth remains relatively solid. We think the tariff-related swings unwound in the second quarter as front-loading dissipated.

Contribution to GDP growth: inventories and trade versus less volatile factors

Percentage point contribution to q/q annualized growth



Source: Haver Analytics, Nationwide Economics

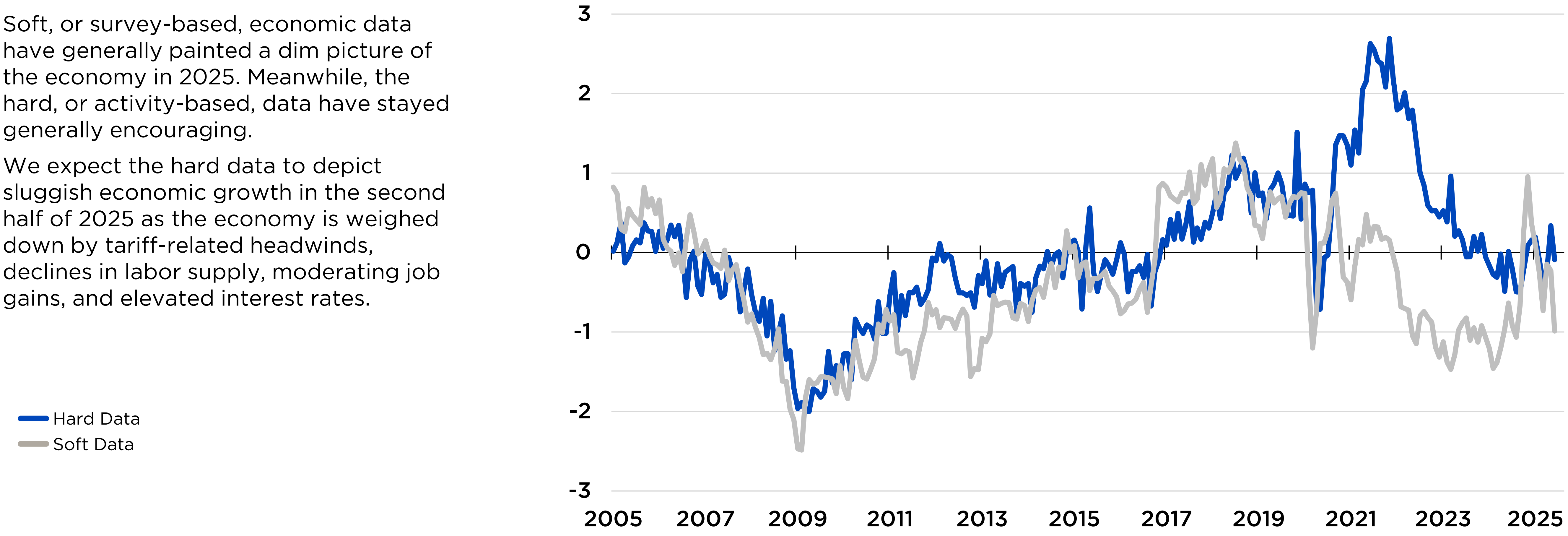
Soft and hard data tell two different stories

Soft, or survey-based, economic data have generally painted a dim picture of the economy in 2025. Meanwhile, the hard, or activity-based, data have stayed generally encouraging.

We expect the hard data to depict sluggish economic growth in the second half of 2025 as the economy is weighed down by tariff-related headwinds, declines in labor supply, moderating job gains, and elevated interest rates.

NFIB Small Business Optimism: Hard vs. Soft Components

Average z-score



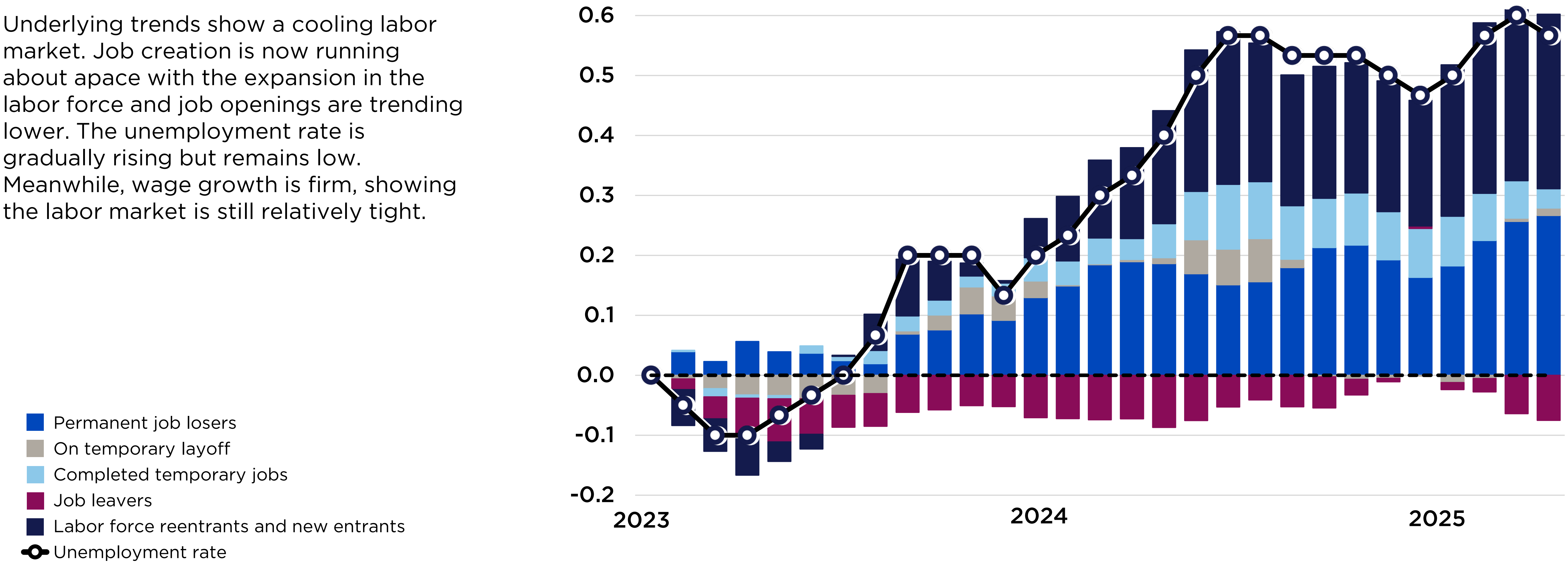
Source: NFIB, Haver Analytics, Nationwide Economics

A downshifting jobs machine

Underlying trends show a cooling labor market. Job creation is now running about apace with the expansion in the labor force and job openings are trending lower. The unemployment rate is gradually rising but remains low. Meanwhile, wage growth is firm, showing the labor market is still relatively tight.

Unemployment Rate Decomposition

Percentage point contribution



Source: Bureau of Labor Statistics, Haver Analytics, Nationwide Economics

DOGE efforts could pose a meaningful drag on employment

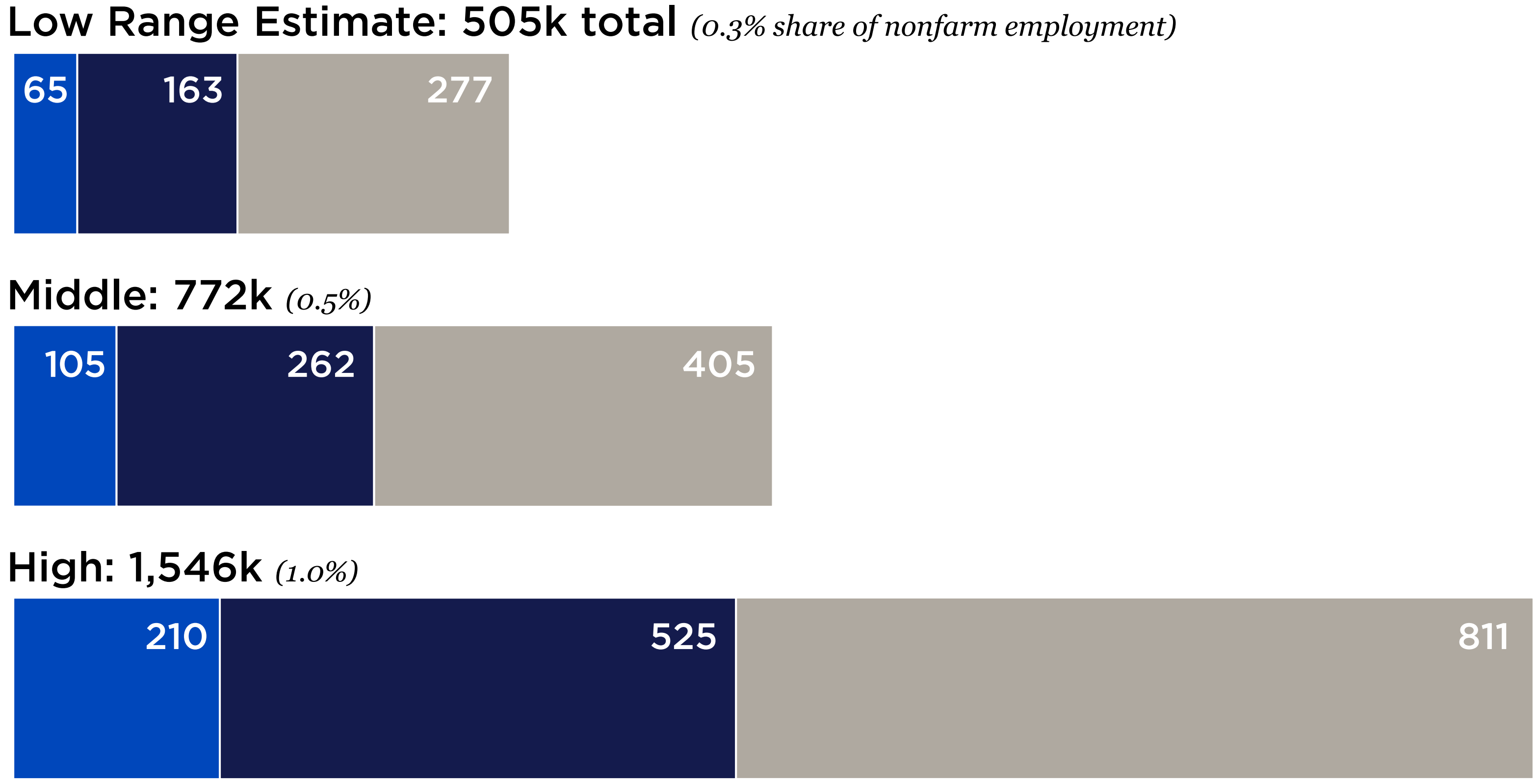
The employment data aren't showing a significant drag on federal employment from the Department of Government Efficiency's (DOGE) expense cutting and streamlining efforts. This is mainly due to workers receiving severance that for now keeps them counted on the payrolls.

Given the uncertainties of DOGE's actual net impact on federal employment, we constructed scenarios to gauge the potential job losses. At its worst, DOGE-related culls threaten to cut a total 1.5 million jobs from the economy via direct and indirect effects.

- Federal Workers
- Contractors
- Private Sector (healthcare, social services, higher ed)

DOGE direct and indirect job losses

Thousands



Source: U.S. Treasury, Bureau of Labor Statistics, Brookings, Nationwide Economics

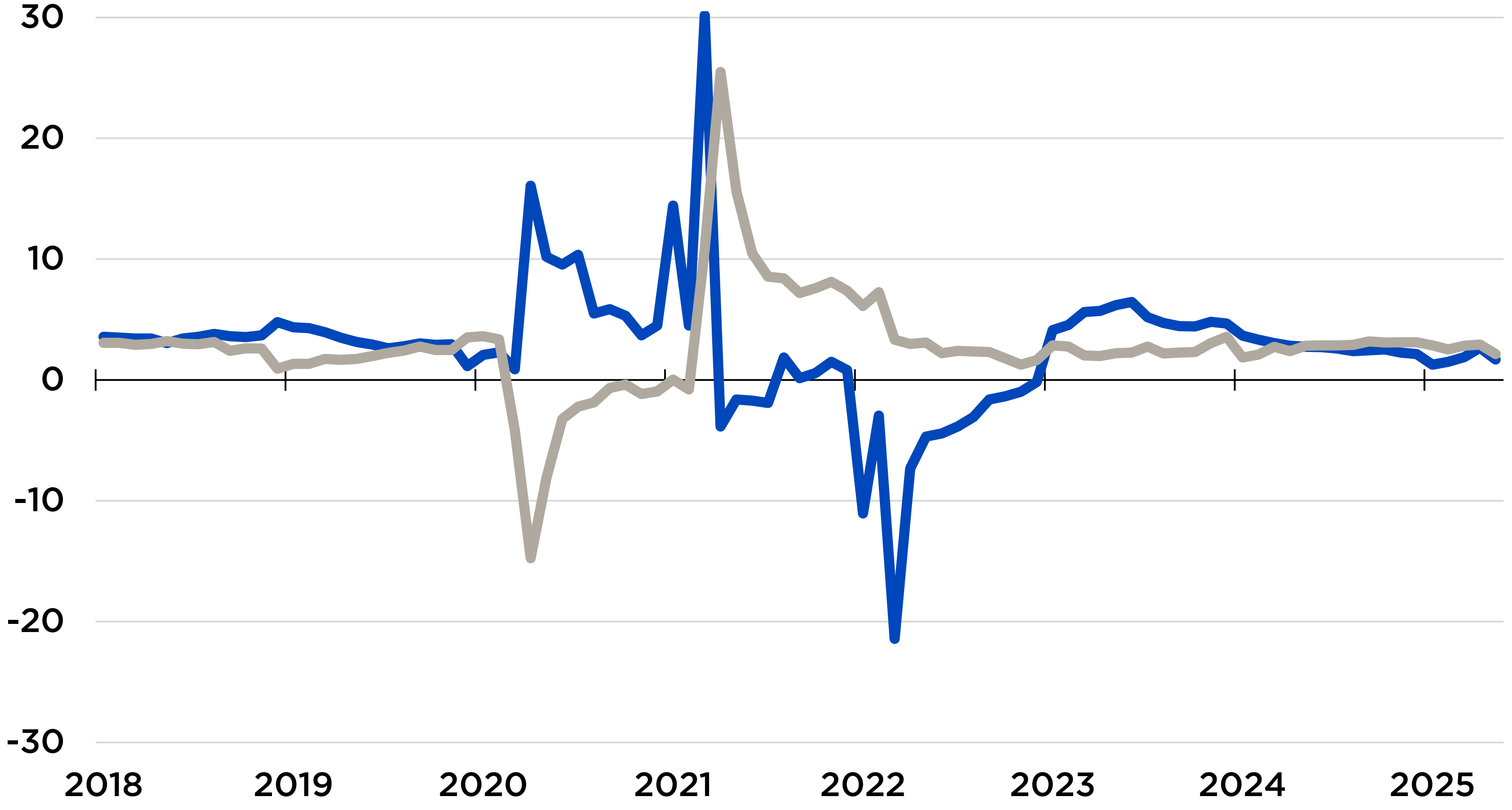
Real income growth is supporting consumer outlays

Real incomes continue to grow, albeit at a slower trend pace. This is among the most important dynamics to watch since consumer outlays drive about 70 percent of total economic activity. We should expect consumers to keep spending so long as real incomes grow.

Real disposable income growth
Real personal consumption expenditures

Real income and spending growth

Year-over-year percent change



Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

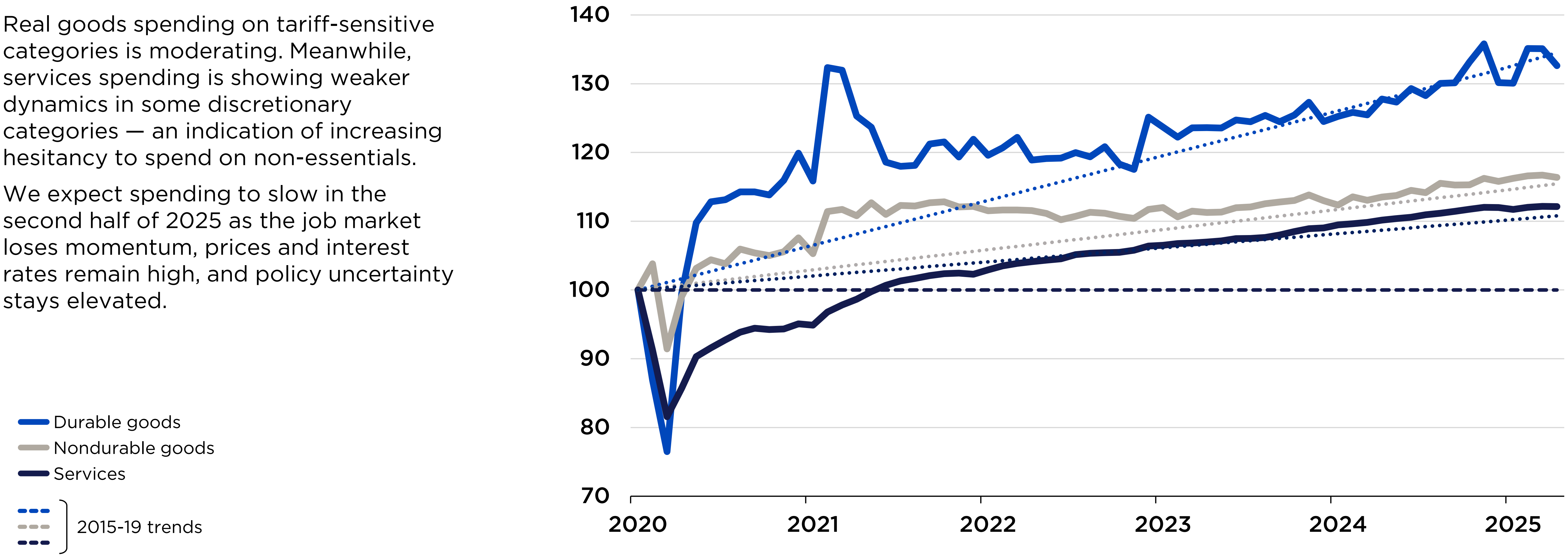
Consumers are gradually restraining their spending

Real goods spending on tariff-sensitive categories is moderating. Meanwhile, services spending is showing weaker dynamics in some discretionary categories — an indication of increasing hesitancy to spend on non-essentials.

We expect spending to slow in the second half of 2025 as the job market loses momentum, prices and interest rates remain high, and policy uncertainty stays elevated.

Real consumer spending

Index, Feb. 2020 = 100

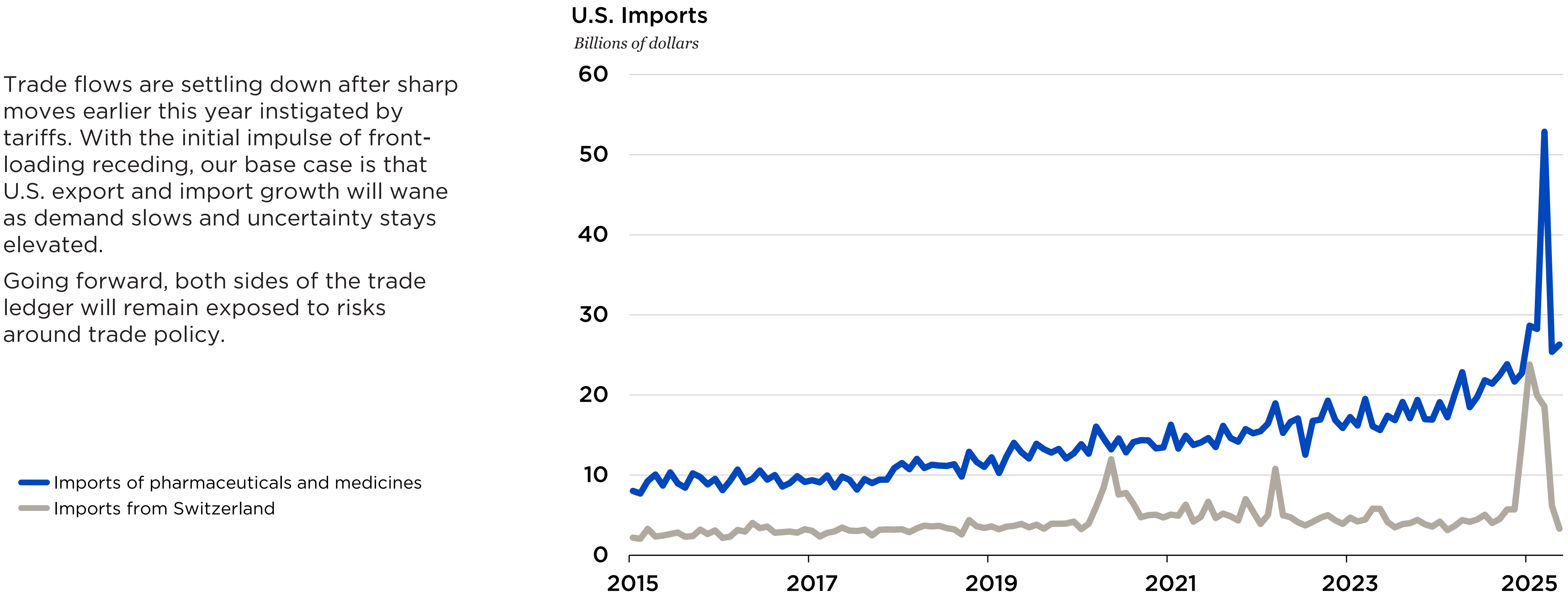


Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

Initial phase of front-loading is behind us

Trade flows are settling down after sharp moves earlier this year instigated by tariffs. With the initial impulse of front-loading receding, our base case is that U.S. export and import growth will wane as demand slows and uncertainty stays elevated.

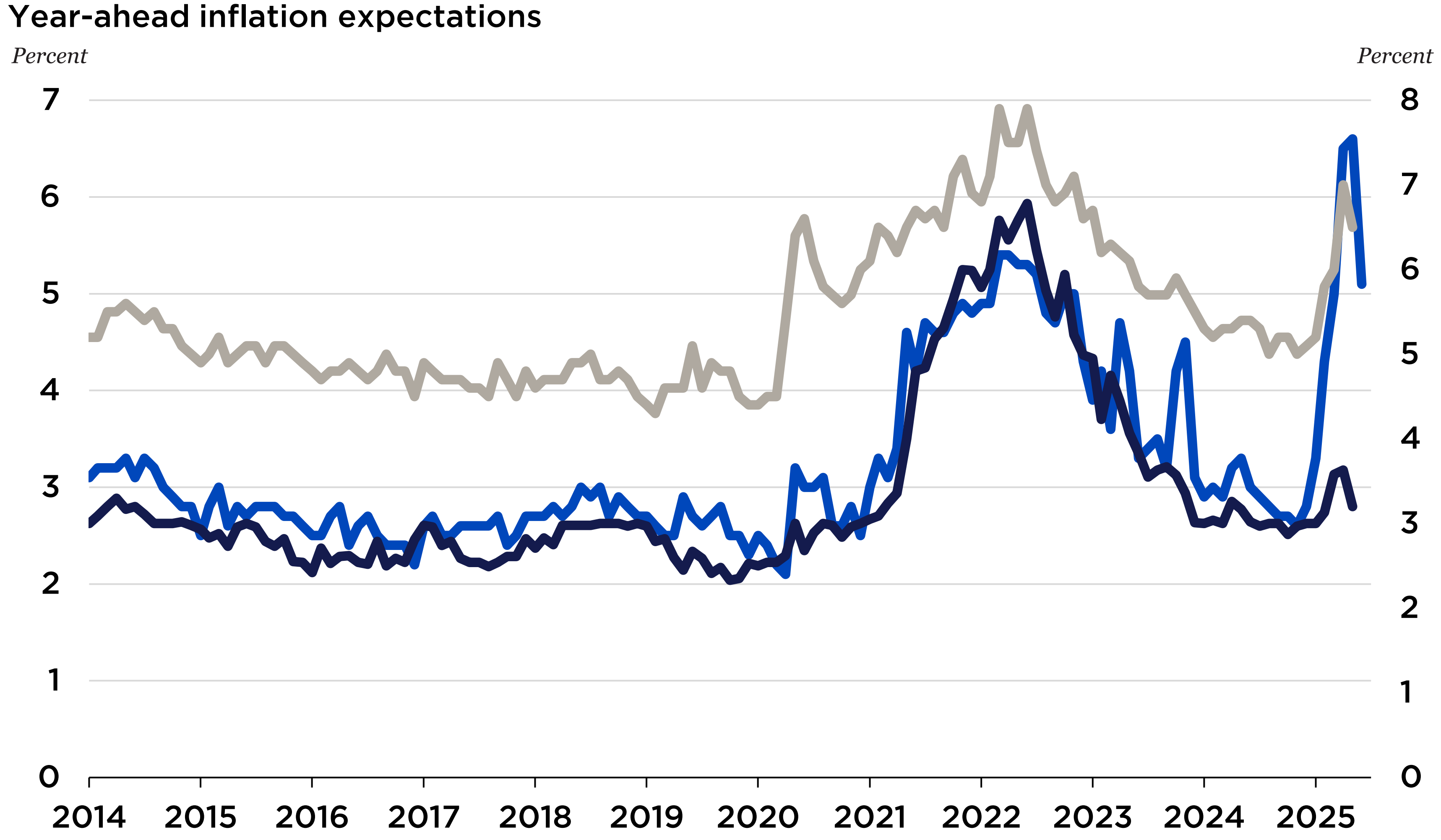
Going forward, both sides of the trade ledger will remain exposed to risks around trade policy.



Source: Census Bureau, Haver Analytics, Nationwide Economics

Consumer Inflation expectations are easing, but still elevated

Inflation expectations are easing but remain high and vulnerable to swings in economic policy developments. That expectations remain historically elevated indicates that consumers are worried about prices.



Source: University of Michigan, The Conference Board, Federal Reserve Bank of New York, Haver Analytics, Nationwide Economics

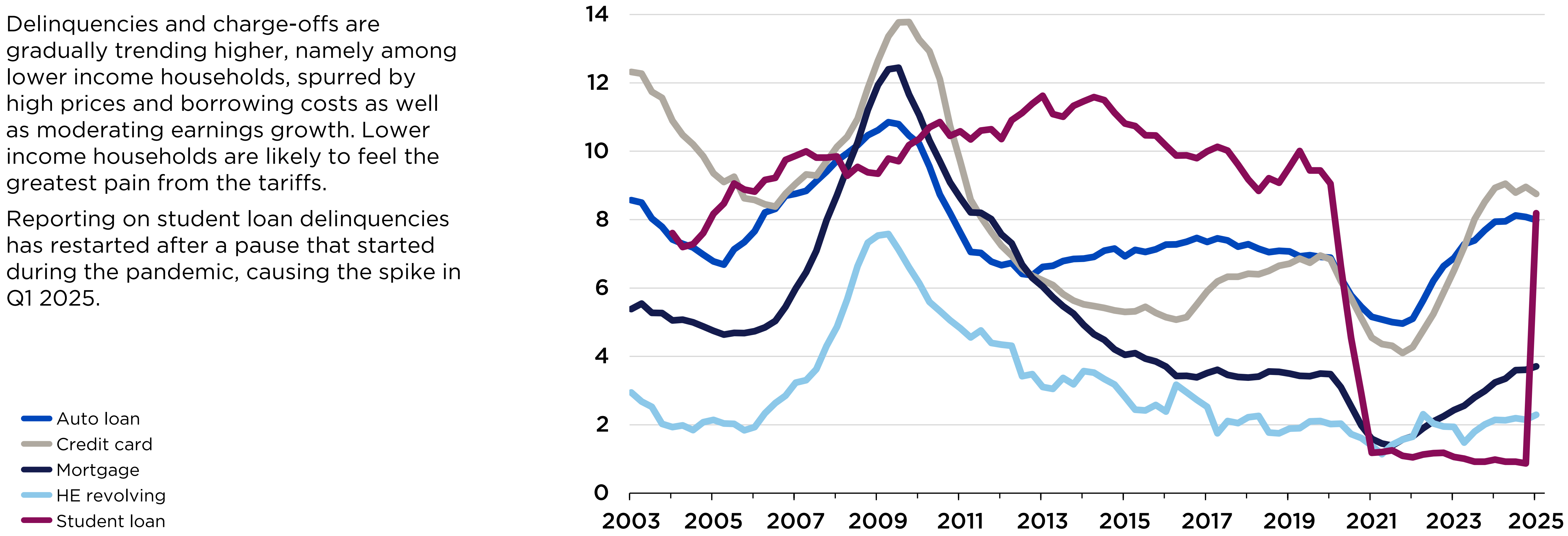
Rising delinquencies warrant caution

Delinquencies and charge-offs are gradually trending higher, namely among lower income households, spurred by high prices and borrowing costs as well as moderating earnings growth. Lower income households are likely to feel the greatest pain from the tariffs.

Reporting on student loan delinquencies has restarted after a pause that started during the pandemic, causing the spike in Q1 2025.

Transition into delinquency (30+) by loan type

Percent of balance

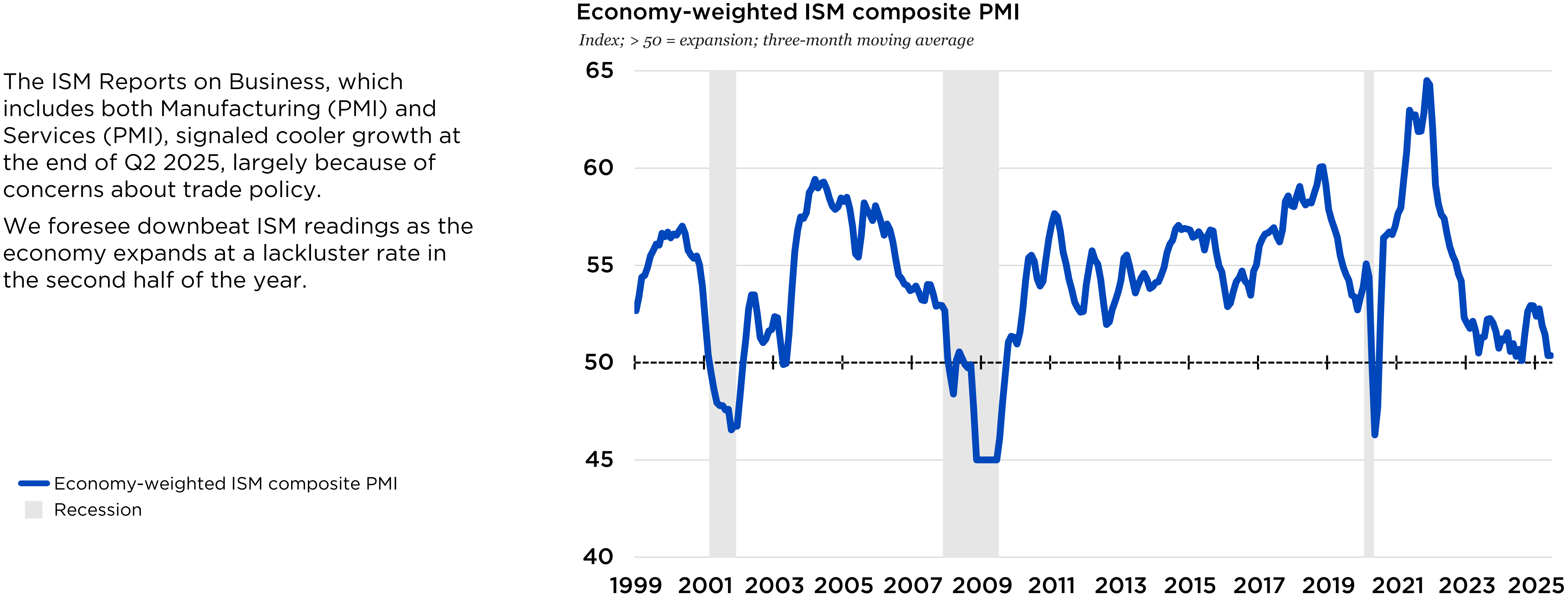


Source: New York Fed Consumer Credit Panel/Equifax

ISM survey readings have lost momentum

The ISM Reports on Business, which includes both Manufacturing (PMI) and Services (PMI), signaled cooler growth at the end of Q2 2025, largely because of concerns about trade policy.

We foresee downbeat ISM readings as the economy expands at a lackluster rate in the second half of the year.



Source: Bureau of Economics Analysis, Institute for Supply Management, Haver Analytics, Nationwide Economics

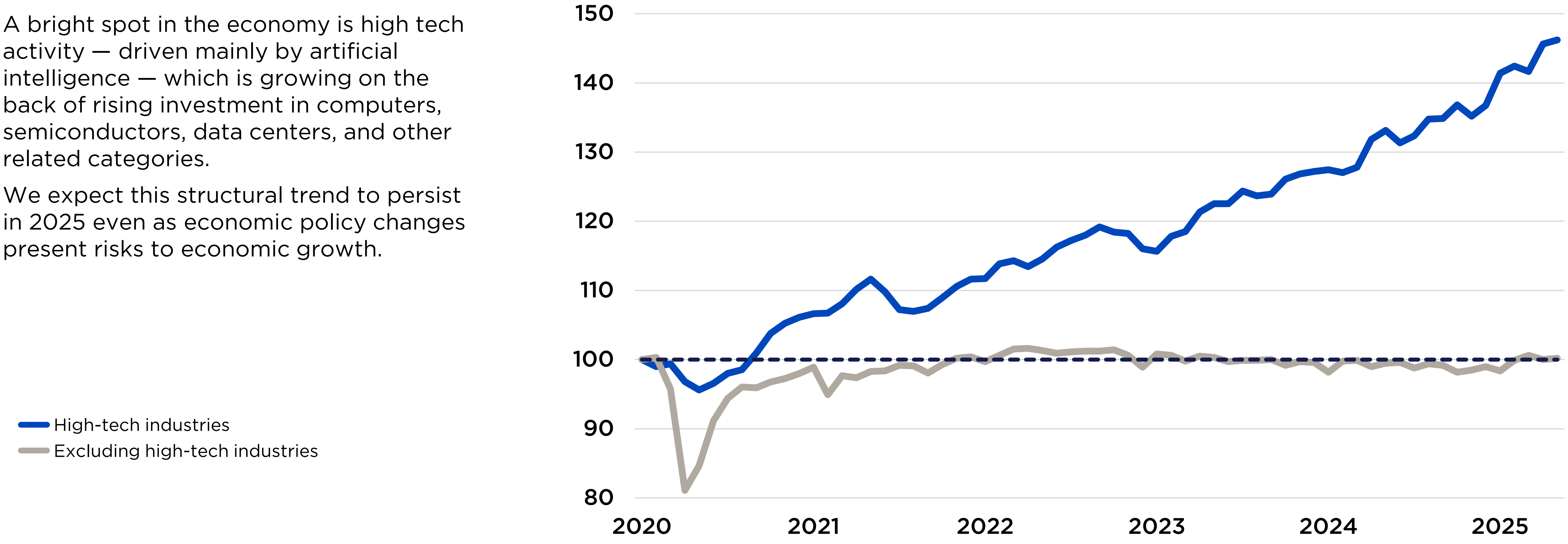
High tech investment is a long-term driver of business investment

A bright spot in the economy is high tech activity — driven mainly by artificial intelligence — which is growing on the back of rising investment in computers, semiconductors, data centers, and other related categories.

We expect this structural trend to persist in 2025 even as economic policy changes present risks to economic growth.

Industrial production

Index; Jan. 2020 = 100

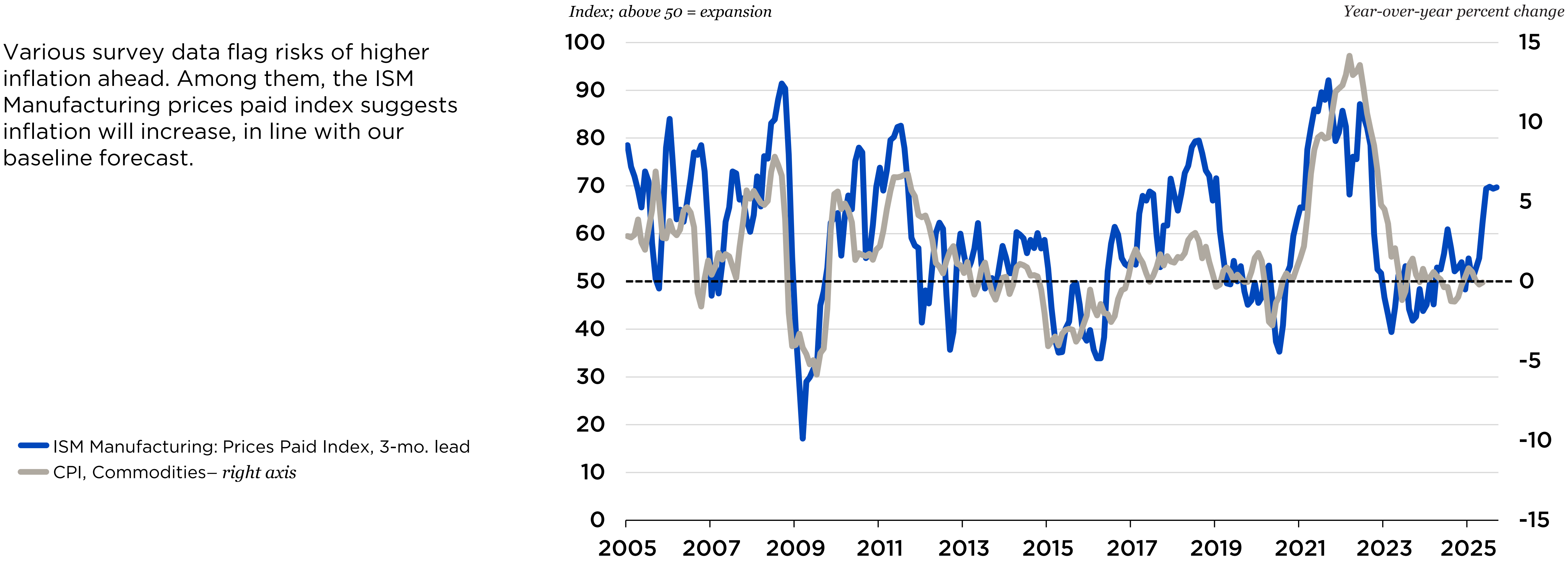


Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

Surveys flag higher prices

Various survey data flag risks of higher inflation ahead. Among them, the ISM Manufacturing prices paid index suggests inflation will increase, in line with our baseline forecast.

ISM Manufacturing and Consumer Prices



Source: Institute for Supply Management, Haver Analytics, Nationwide Economics

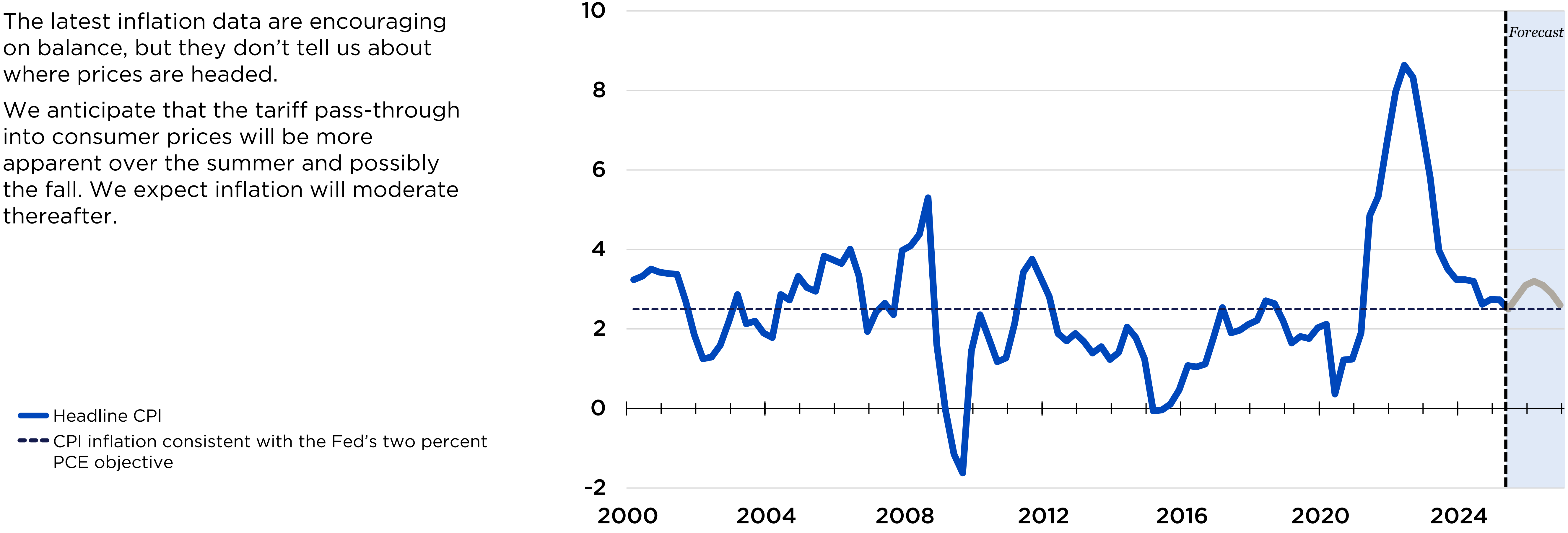
Tariffs will likely spark a short-lived inflation acceleration

The latest inflation data are encouraging on balance, but they don't tell us about where prices are headed.

We anticipate that the tariff pass-through into consumer prices will be more apparent over the summer and possibly the fall. We expect inflation will moderate thereafter.

Headline CPI inflation

Year-over-year percent change



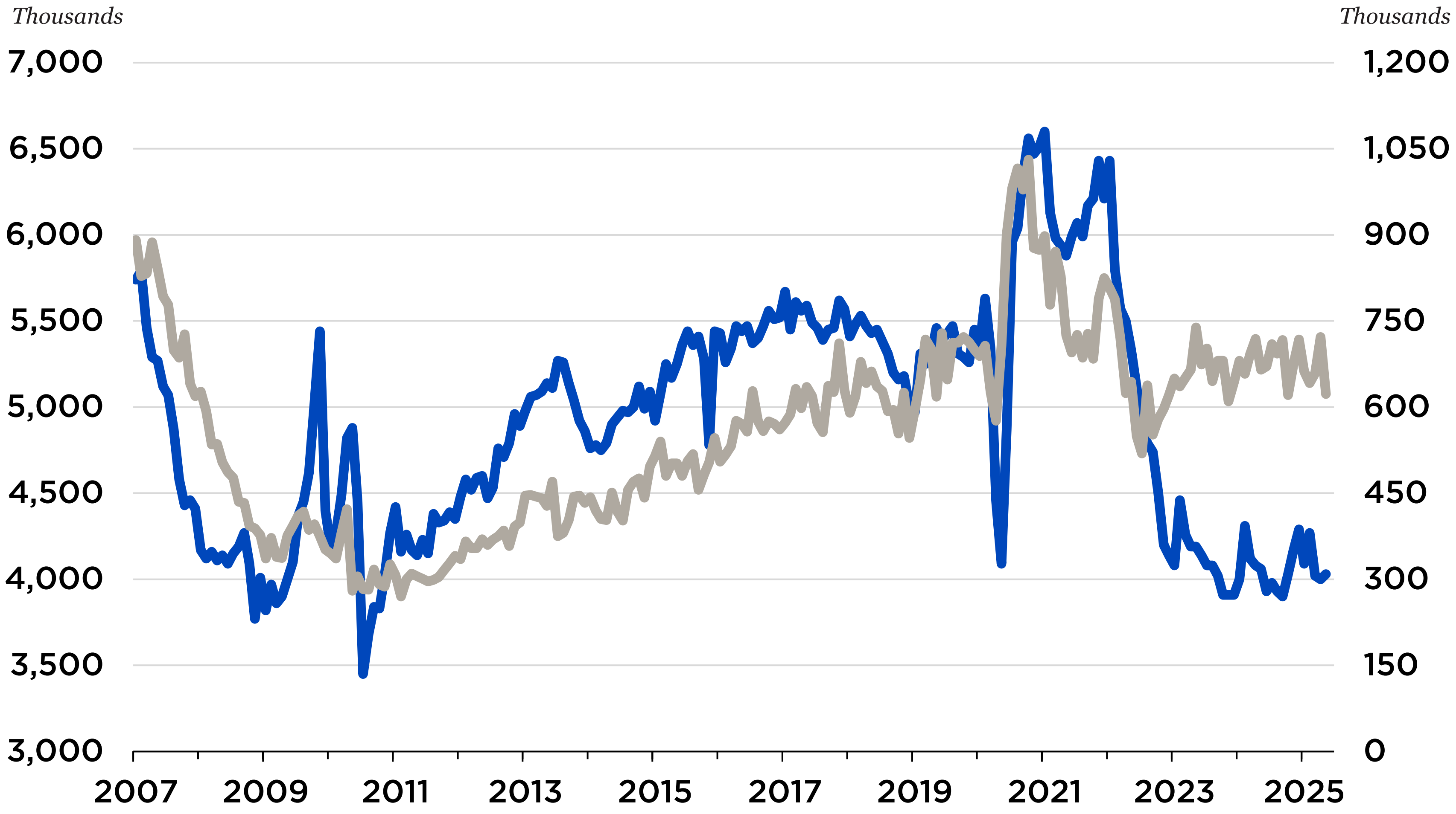
Source: Bureau of Labor Statistics, Haver Analytics, Nationwide Economics

Housing sector is stuck in a low gear

High mortgage rates are posing strong headwinds on existing home sales. New home sales are a relative bright spot because of lingering pent-up demand, lower price points, and financial incentives offered to buyers by sellers. Meanwhile, residential construction activity seems to have bottomed but remains lackluster.

Changes to immigration and trade policy threaten to weaken homebuilding activity and housing demand.

Housing activity



Source: National Association of Realtors, Haver Analytics, Nationwide Economics

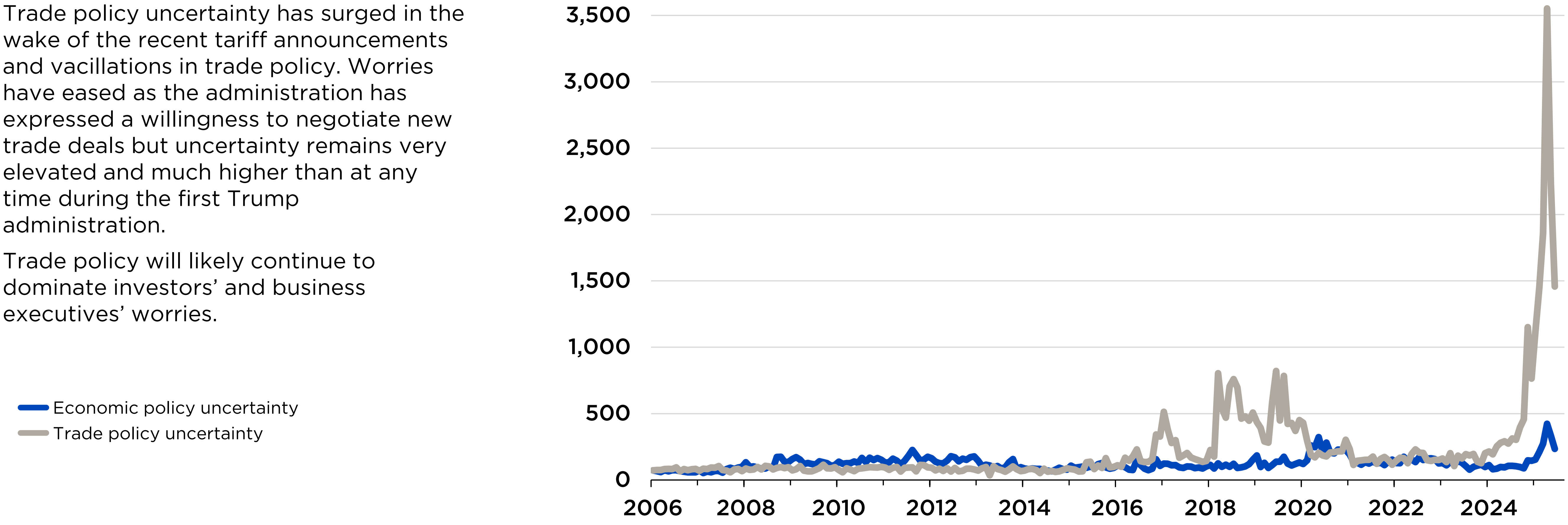
Trade policy uncertainty remains extremely high

Trade policy uncertainty has surged in the wake of the recent tariff announcements and vacillations in trade policy. Worries have eased as the administration has expressed a willingness to negotiate new trade deals but uncertainty remains very elevated and much higher than at any time during the first Trump administration.

Trade policy will likely continue to dominate investors' and business executives' worries.

Trade policy uncertainty

Index; 2015 = 100



Source: PolicyUncertainty.com, Matteo Iacoviello, Haver Analytics, Nationwide Economics

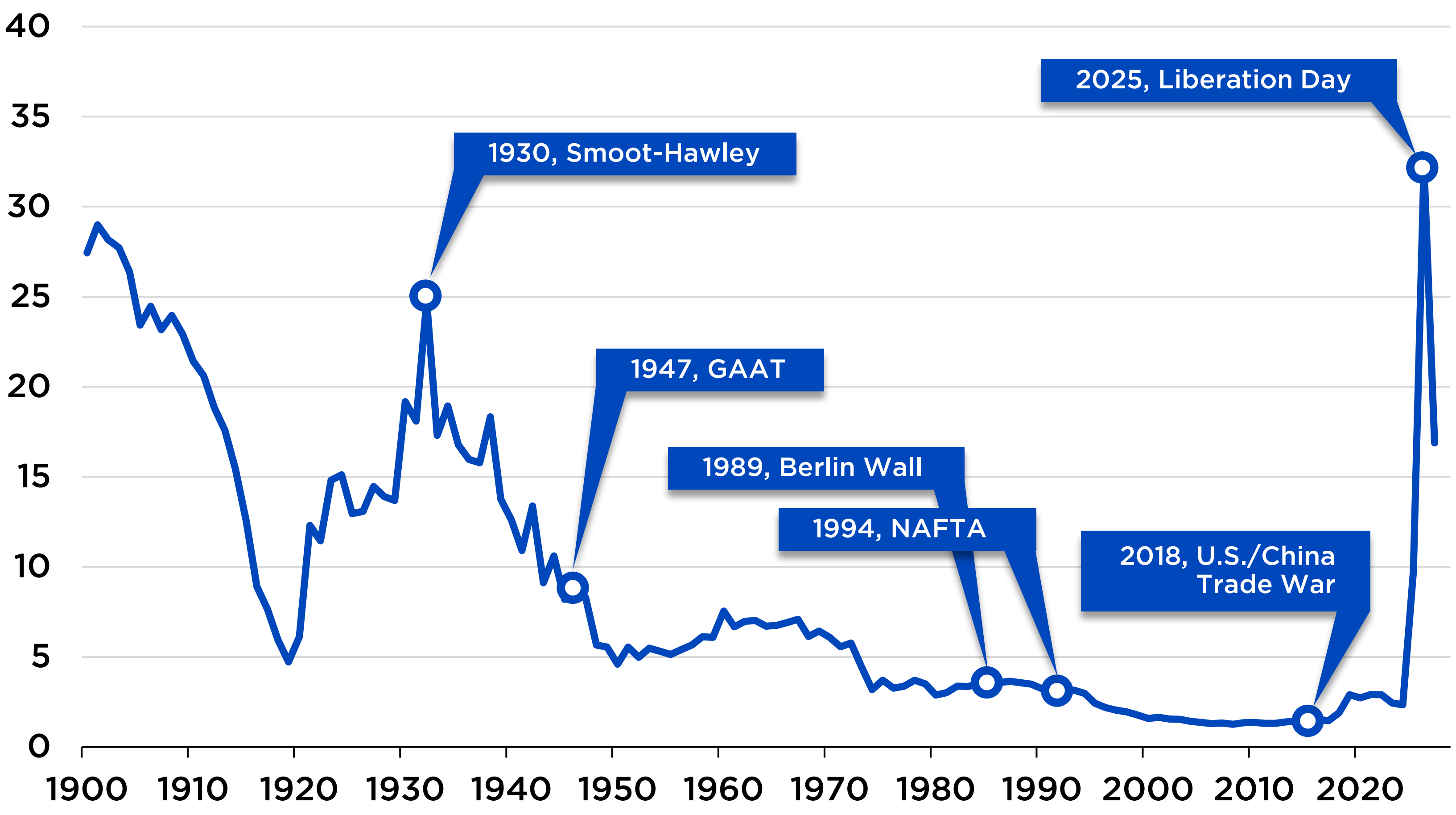
The effective tariff rate remains very high

Tariff rates are now well below their Liberation Day highs, but the effective tariff rate remains at its highest level in decades.

Peak uncertainty regarding tariffs is likely behind us, but businesses and consumers will maintain a cautious approach as they deal with ongoing uncertainty, higher costs, and the prospect of weaker demand.

Effective tariff rate

Percent



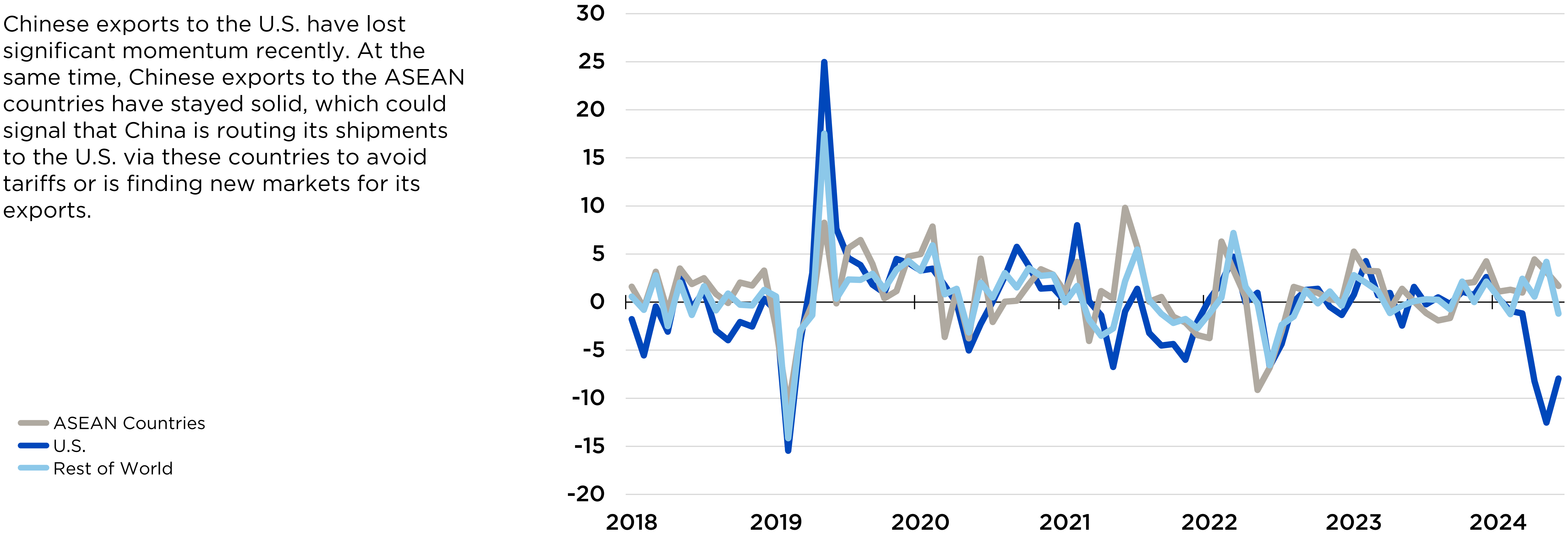
Note: 2025 effective rate is a static estimate that also accounts for various exemptions and carveouts.
Source: Nationwide Economics, Haver Analytics, Census Bureau, Congressional Research Service

Global trade flows are adjusting to the new tariff reality

Chinese exports to the U.S. have lost significant momentum recently. At the same time, Chinese exports to the ASEAN countries have stayed solid, which could signal that China is routing its shipments to the U.S. via these countries to avoid tariffs or is finding new markets for its exports.

China export momentum

Percent, three-month/three-month annualized growth



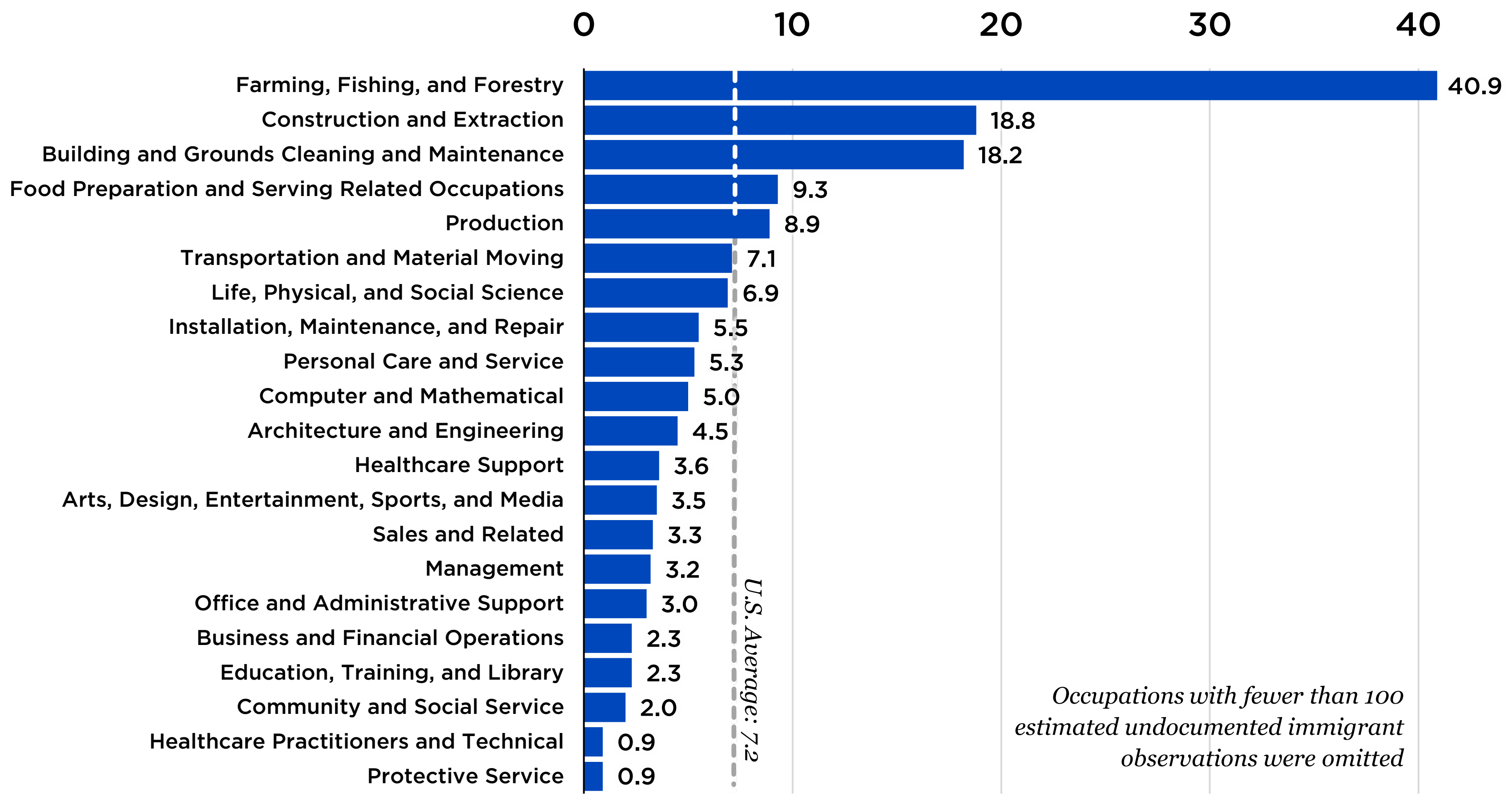
Note: growth rates calculated using USD denominated data
Source: China General Administration of Customs, Haver Analytics, Nationwide Economics

Immigration clampdown reduces labor supply

The influx of migrants in the post-pandemic era loosened labor supply constraints, filled needed low-skilled jobs, and helped cool wage inflation. The Trump administration has begun enacting its desired immigration agenda, which reduces the pool of available labor, most notably in the agriculture and construction sectors.

Estimated undocumented immigrant employment share by occupation

Percent



Source: *The Burning Glass Institute; authors' calculations using CBO, 'The Demographic Outlook: 2024 to 2054'; Baker, B. and Warren, R., April 2024, U.S. Department of Homeland Security: Office of Homeland Security Statistics, 'Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2018 - January 2022'; American Community Survey, U.S. Consensus Bureau, 2023 1-year estimates*

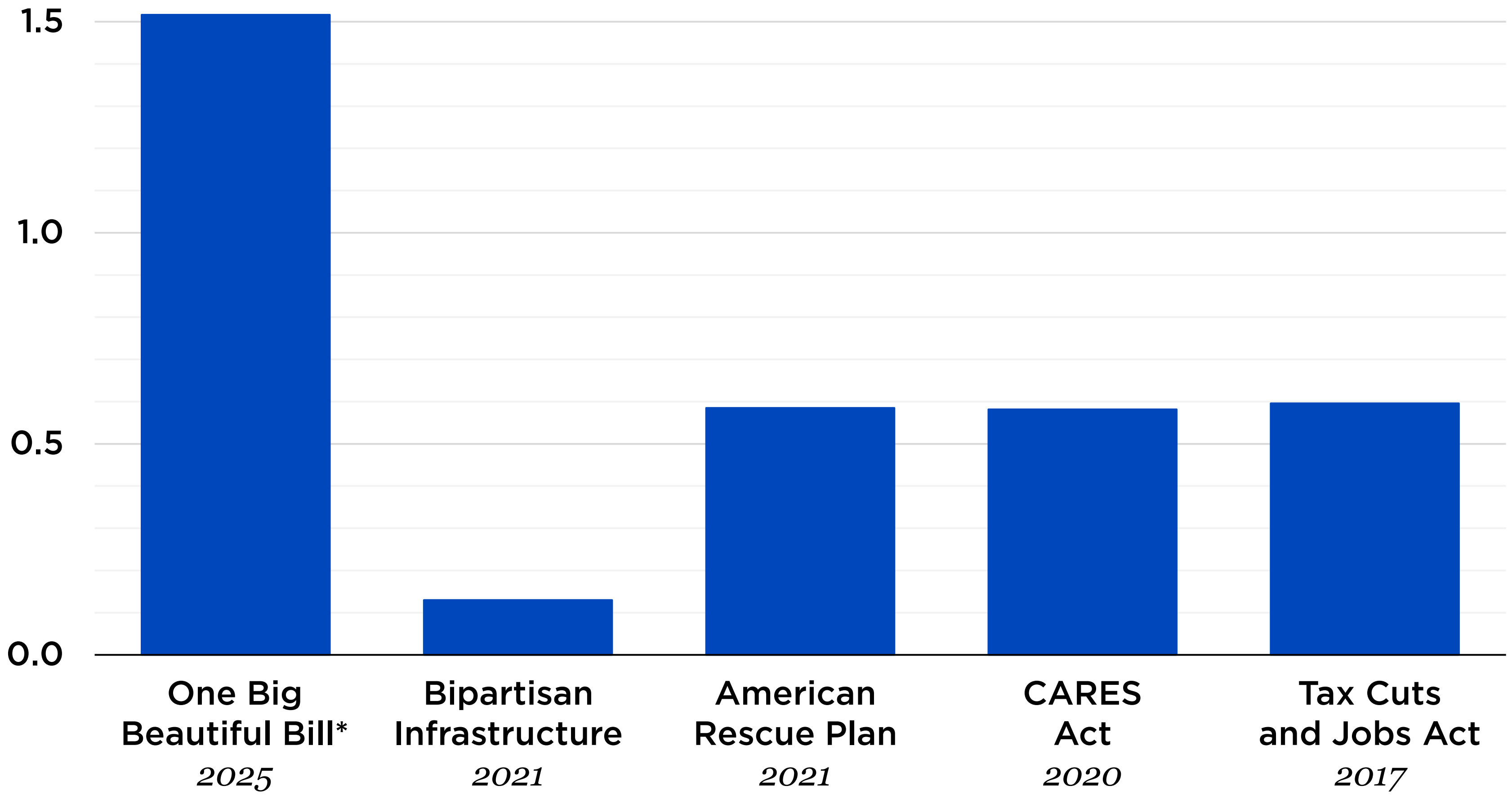
No belt tightening in Washington

Lawmakers appear unlikely to take decisive action to put the federal government on a more sustainable fiscal path. Aside from extending the 2017 Tax Cuts and Jobs Act, the "One Big Beautiful Bill" includes a host of new expansionary fiscal policies.

While the package will stimulate near-term economic growth, the resultant Treasury debt issuance risks "crowding out" investment over time and raising interest rates.

Estimated deficit impact of recent fiscal packages

Percent of GDP



** Note: Data show the average deficit impact over a ten-year horizon, including interest expense. One Big Beautiful Bill estimate assumes temporary provisions are made permanent; estimated impact does not account for the dynamic effects of the legislation.*

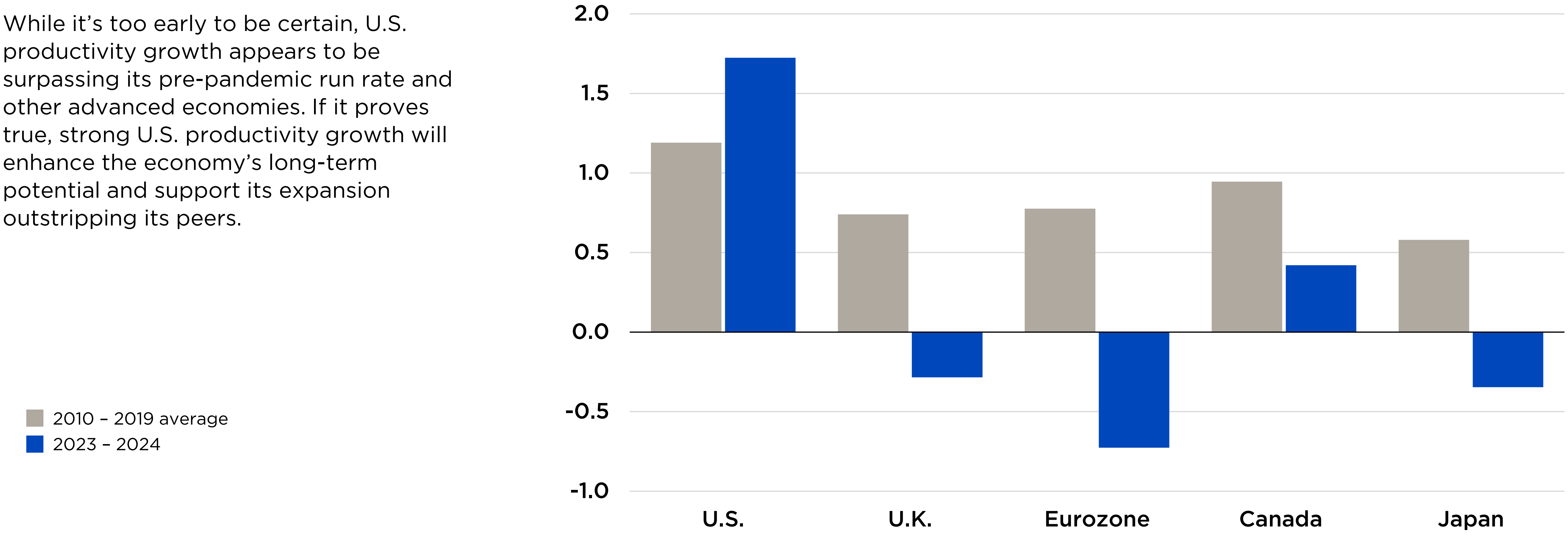
Source: Congressional Budget Office, Committee for a Responsible Federal Budget, Nationwide Economics

U.S. productivity growth outshines its peers

While it's too early to be certain, U.S. productivity growth appears to be surpassing its pre-pandemic run rate and other advanced economies. If it proves true, strong U.S. productivity growth will enhance the economy's long-term potential and support its expansion outstripping its peers.

Productivity growth

Year-over-year percent change



Note: Output per person

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Office for National Statistics, Statistics Canada, Cabinet Office/Ministry of Health, Labour & Welfare, European Central Bank, Haver Analytics, Nationwide Economics

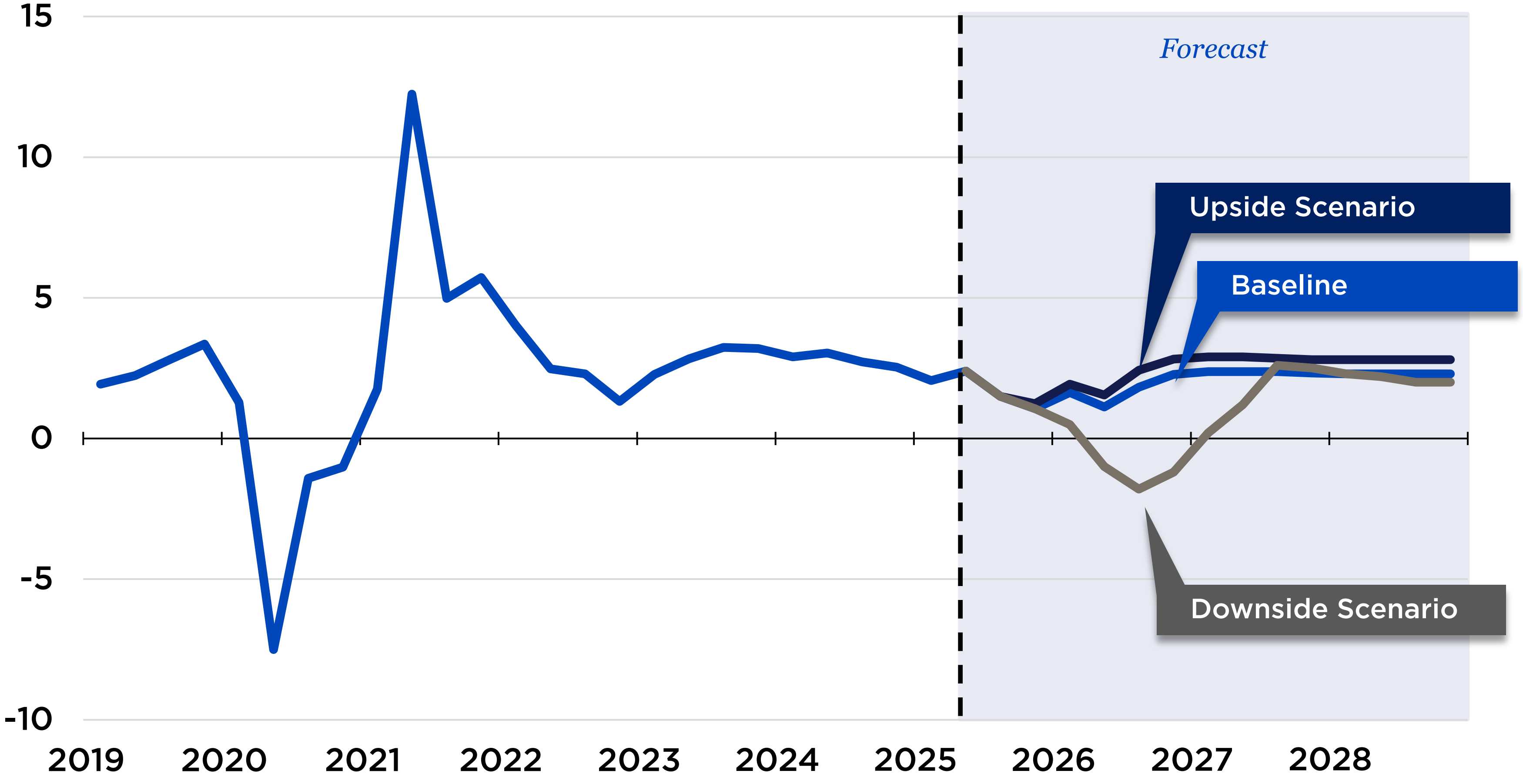
Upside and downside GDP growth scenarios

We constructed upside and downside scenarios to assess the potential implications of the Trump administration's policy agenda. On the upside, aggressive deregulation, lower tariff and non-tariff barriers, fresh net new tax cuts, and an AI-led productivity boom could unleash faster growth.

On the downside, a global trade war, reductions in federal spending and employment, and significantly slower immigration could push the U.S. economy into a recession.

Real GDP growth

Year-over-year percent change



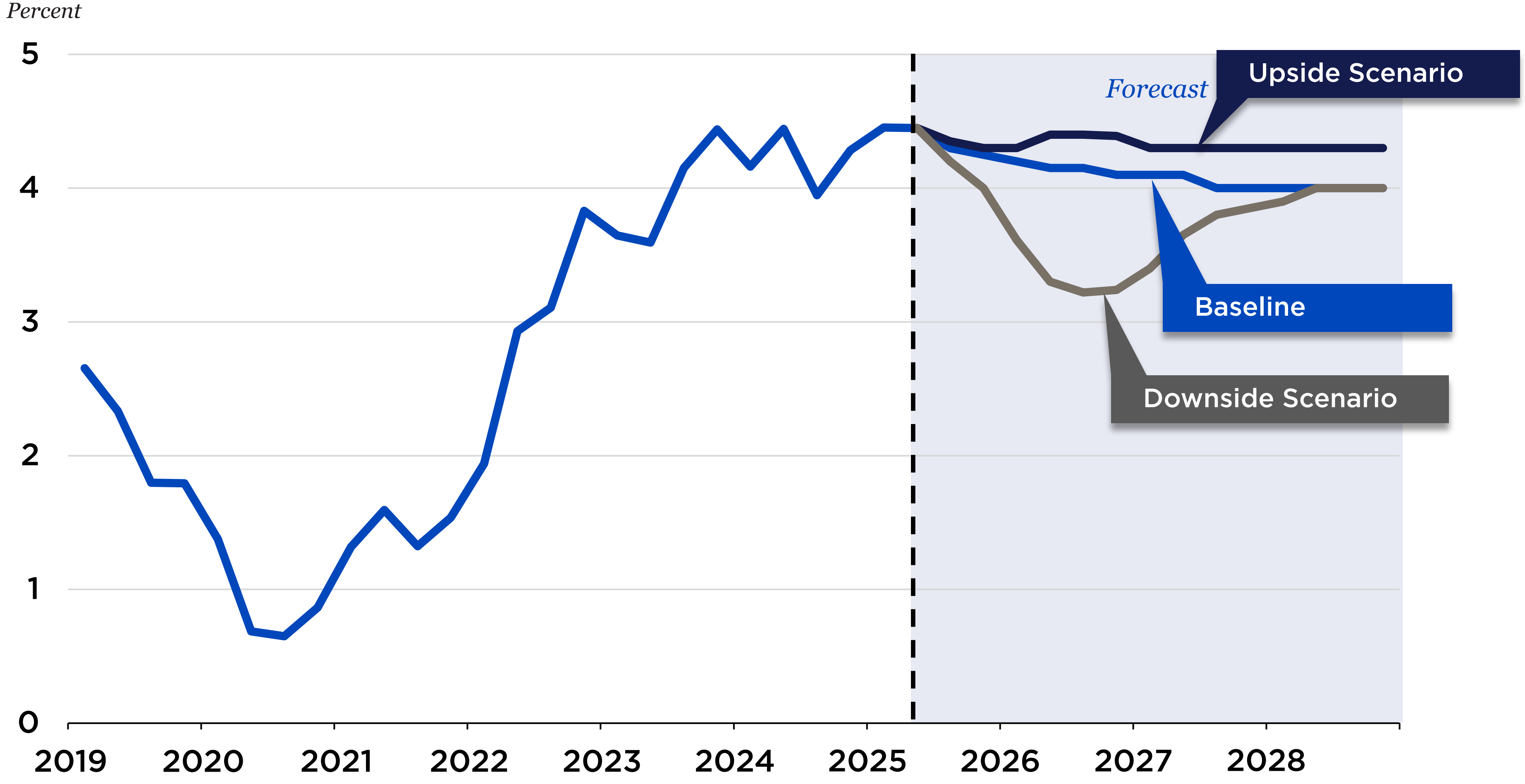
Source: Oxford Economics, Nationwide Economics

Upside and downside 10-year yield scenarios

On the upside, the benchmark 10-year yield inches up next year and stays elevated thereafter as the impact of accelerating GDP growth is offset by an AI-led productivity boost capping inflation.

On the downside, yields move lower through year-end 2026 as a trade war, very restrictive immigration, and subsequent recession lead investors to seek safety in U.S. government debt.

U.S. Treasury 10-year Yield



Source: Oxford Economics, Nationwide Economics

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NFIB Small Business Optimism Index: A monthly indicator of the state and outlook of the small business sector in the U.S.. It is based on a survey of about 620 members of the National Federation of Independent Business (NFIB). The index is a composite of ten seasonally adjusted components that measure the expectations and outlook of small business owners regarding the economy, sales, employment, and other business-related factors.

ISM Manufacturing Purchasing Managers' Index (PMI) is a monthly economic indicator that measures the level of business activity in the U.S. manufacturing sector and is calculated from five major components: new orders, production, employment, supplier deliveries, and inventories.

CBOE Volatility Index (VIX): A real-time market index representing the market's expectations for volatility over the coming 30 days.

Consumer Price Index (CPI): The CPI measures the average change in price over time of a market basket of consumer goods and services. The market basket includes everything from food items to automobiles to rent.

ISM Report on Business: Includes both Manufacturing (PMI) and Services (PMI), which are composite indexes that measure economic activity in the manufacturing and non-manufacturing sectors, respectively, based on surveys of purchasing managers.

Merrill Lynch Option Volatility Estimate Index (MOVE Index): A crucial gauge of interest rate volatility in the U.S. Treasury market. It is calculated from options prices, which reflect the collective expectations of market participants about future volatility.

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