



Outlook 2025

Exploring the Economics, Geo-Politics & Commodities

presented by:

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Market Vision, Inc.

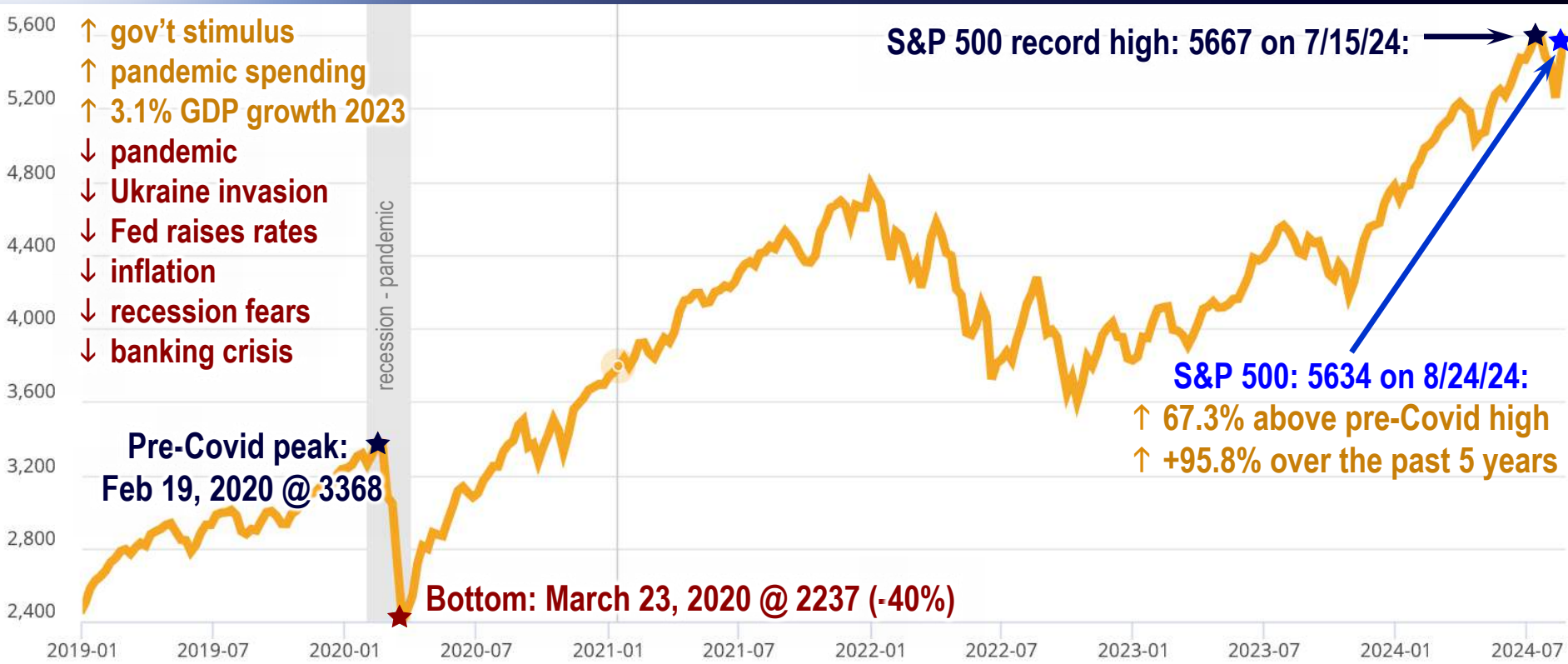


◆ Ritz Carlton, Amelia Island ◆ Aug 27, 2024

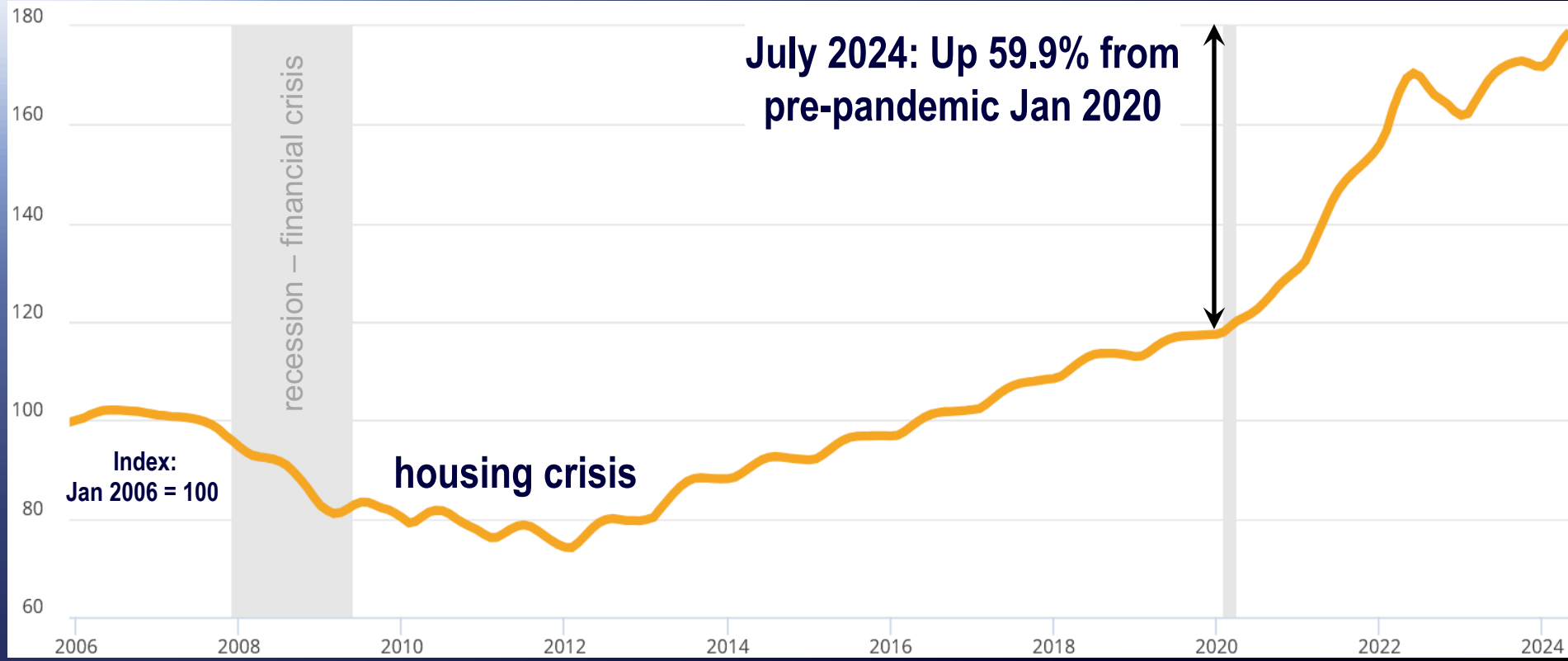
and the beat goes on

- ⚡ **the recession that wasn't (so far)**
- ⚡ **inflation is still the biggest threat**
- ⚡ **can consumer spending hold up?**
- ⚡ **what commodity trends will help or hurt us?**
- ⚡ **politics, geopolitics & elections are disruptors**

S&P 500 stock index



S&P/Case-Shiller home price index



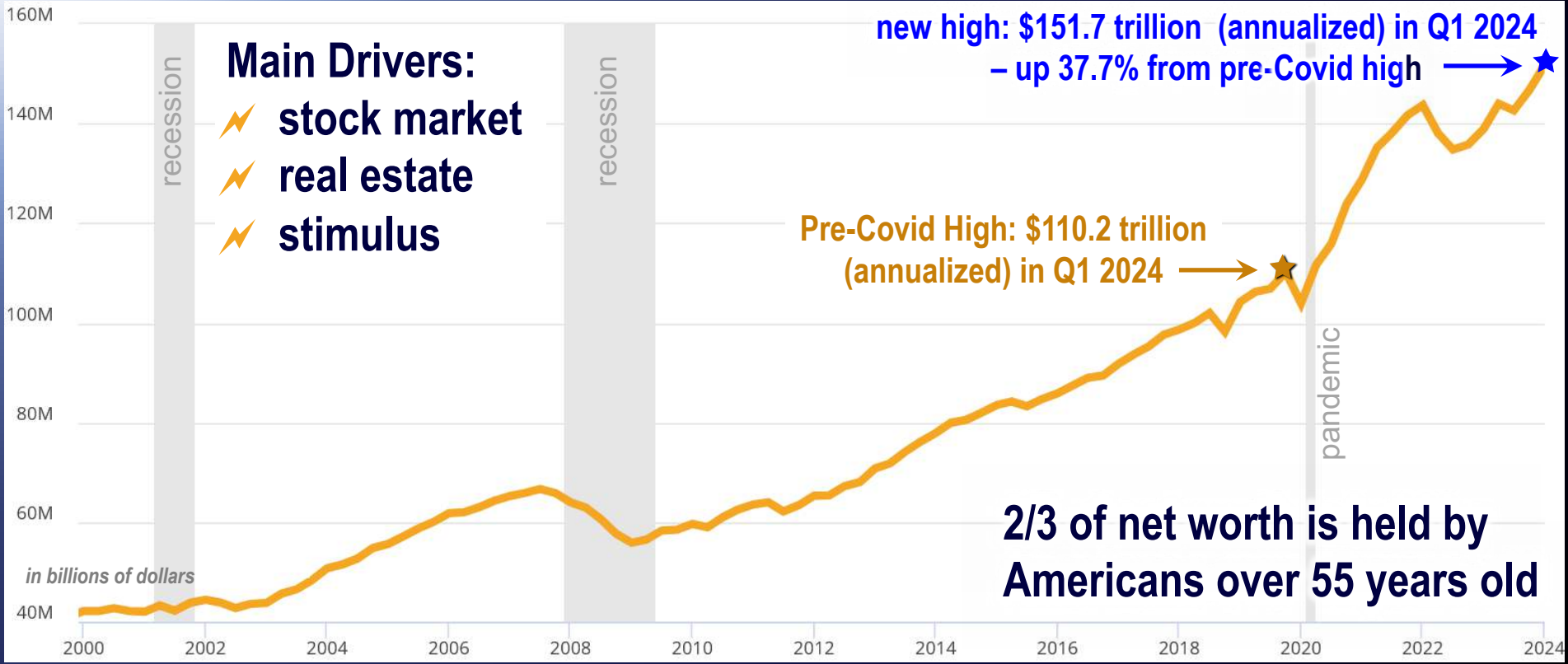
household net worth record high

- Main Drivers:**
- ⚡ stock market
 - ⚡ real estate
 - ⚡ stimulus

new high: \$151.7 trillion (annualized) in Q1 2024
 – up 37.7% from pre-Covid high →

Pre-Covid High: \$110.2 trillion (annualized) in Q1 2024 →

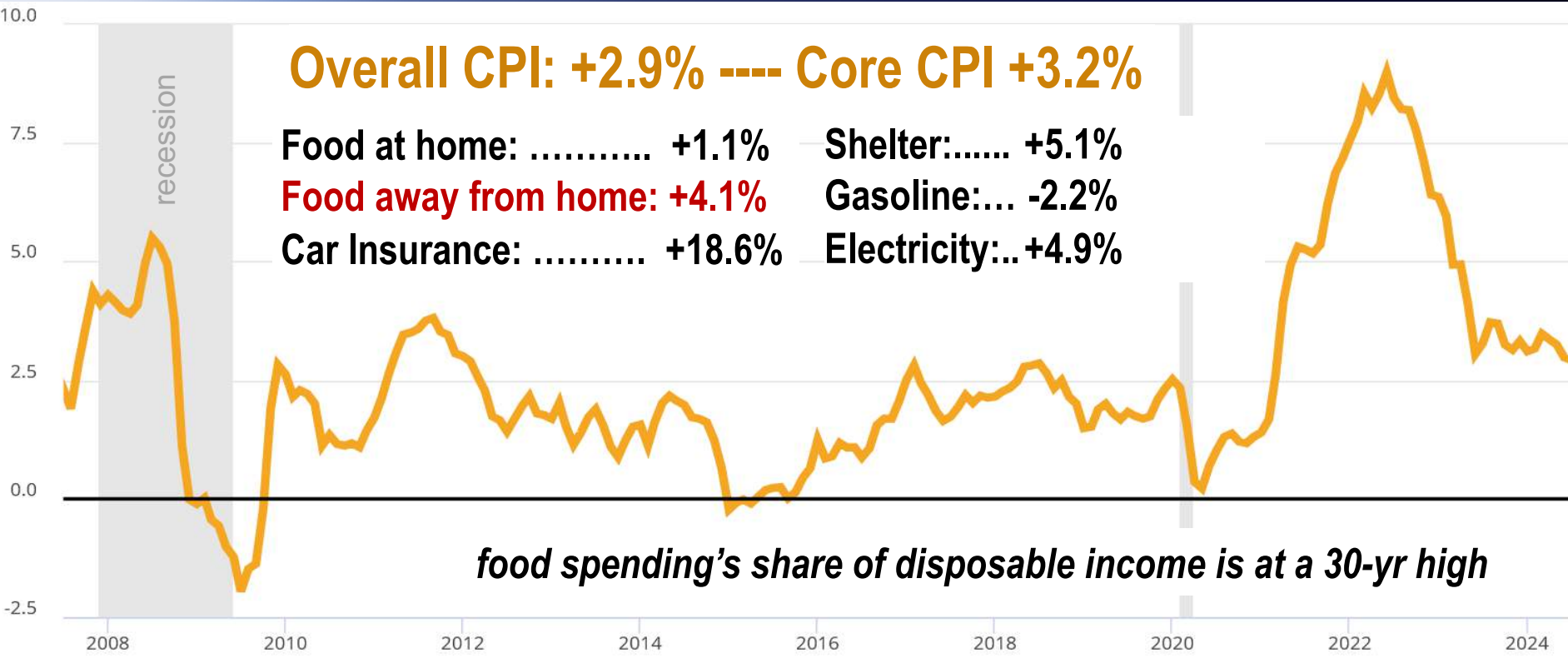
2/3 of net worth is held by Americans over 55 years old



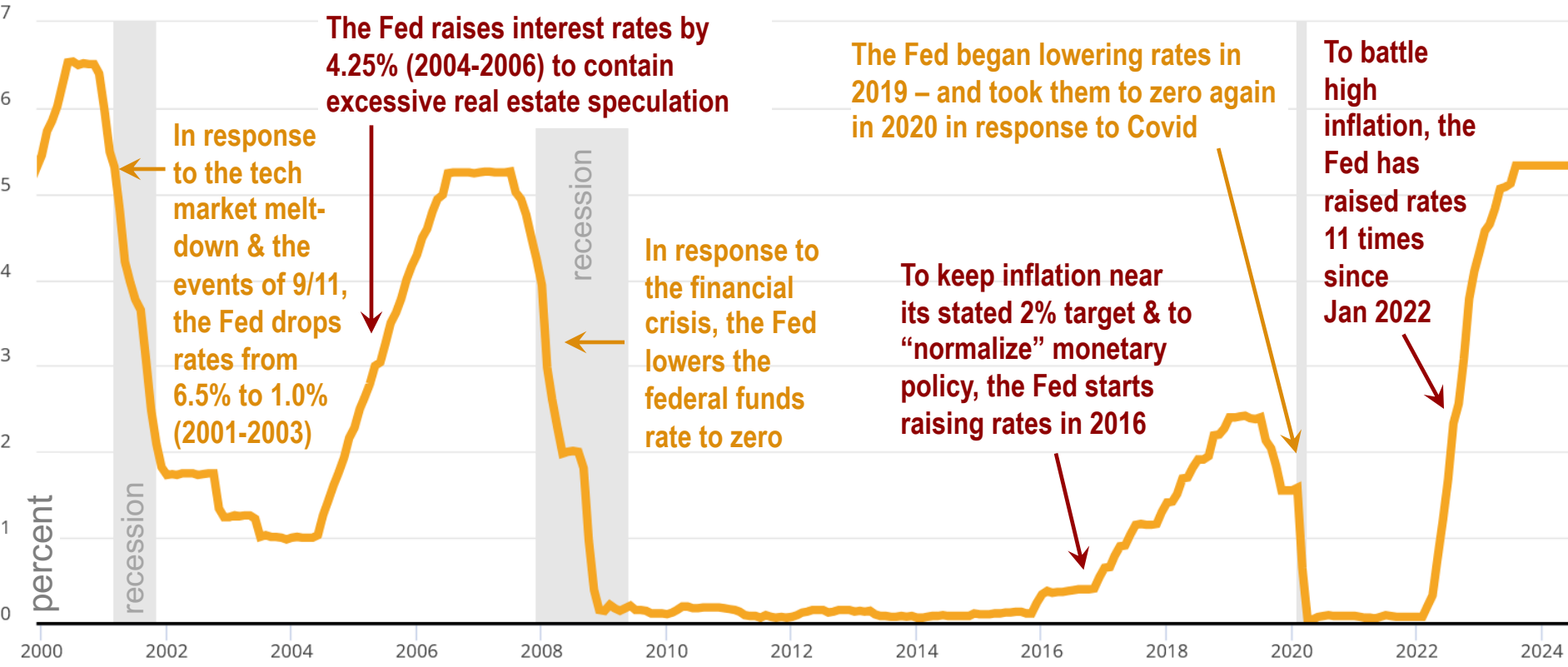
obstacles to growth

- ⚡ **inflation is squeezing consumer budgets**
- ⚡ **interest rates, mortgage rates remain high**
- ⚡ **pandemic savings is gone**
- ⚡ **Americans struggling with debt**
- ⚡ **politics, geopolitics, weather, demographics**

July Consumer Price Index



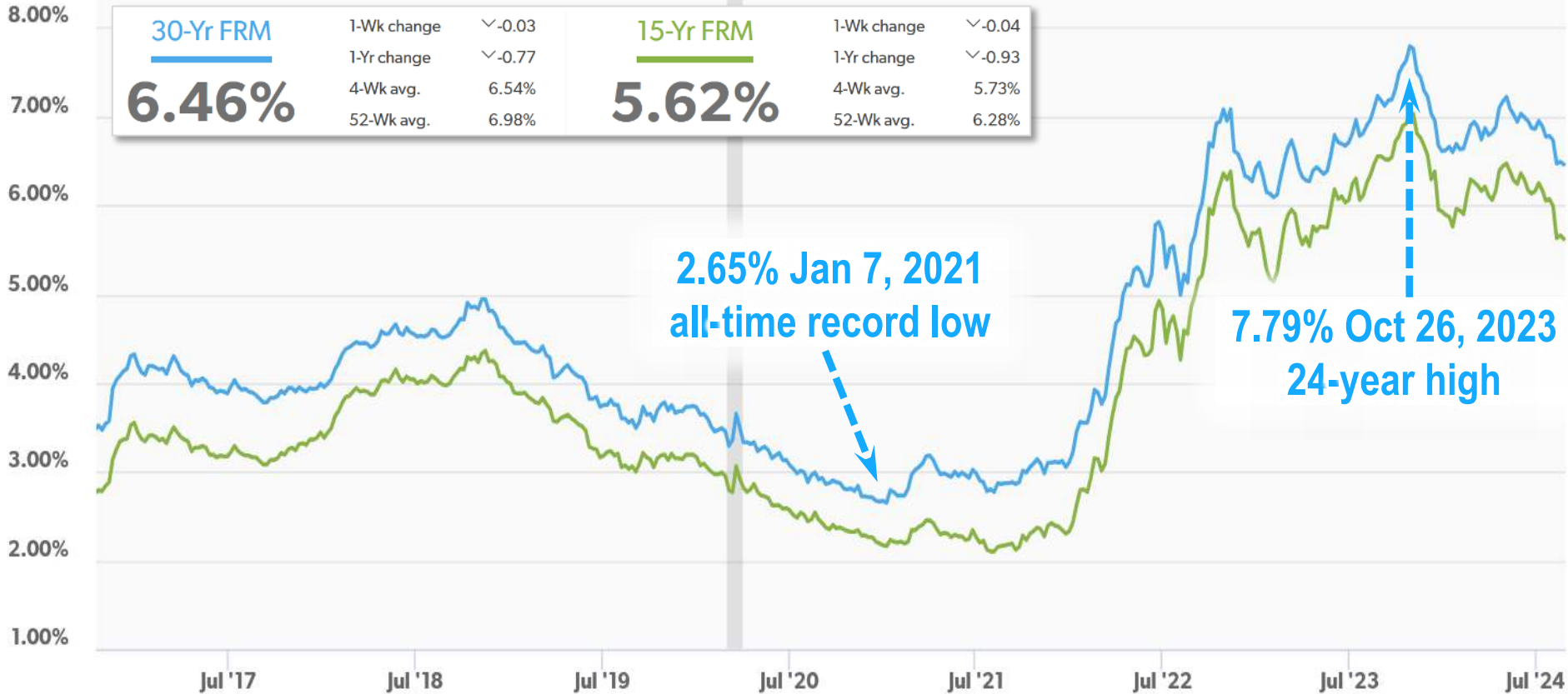
Fed will begin lowering rates in Sept



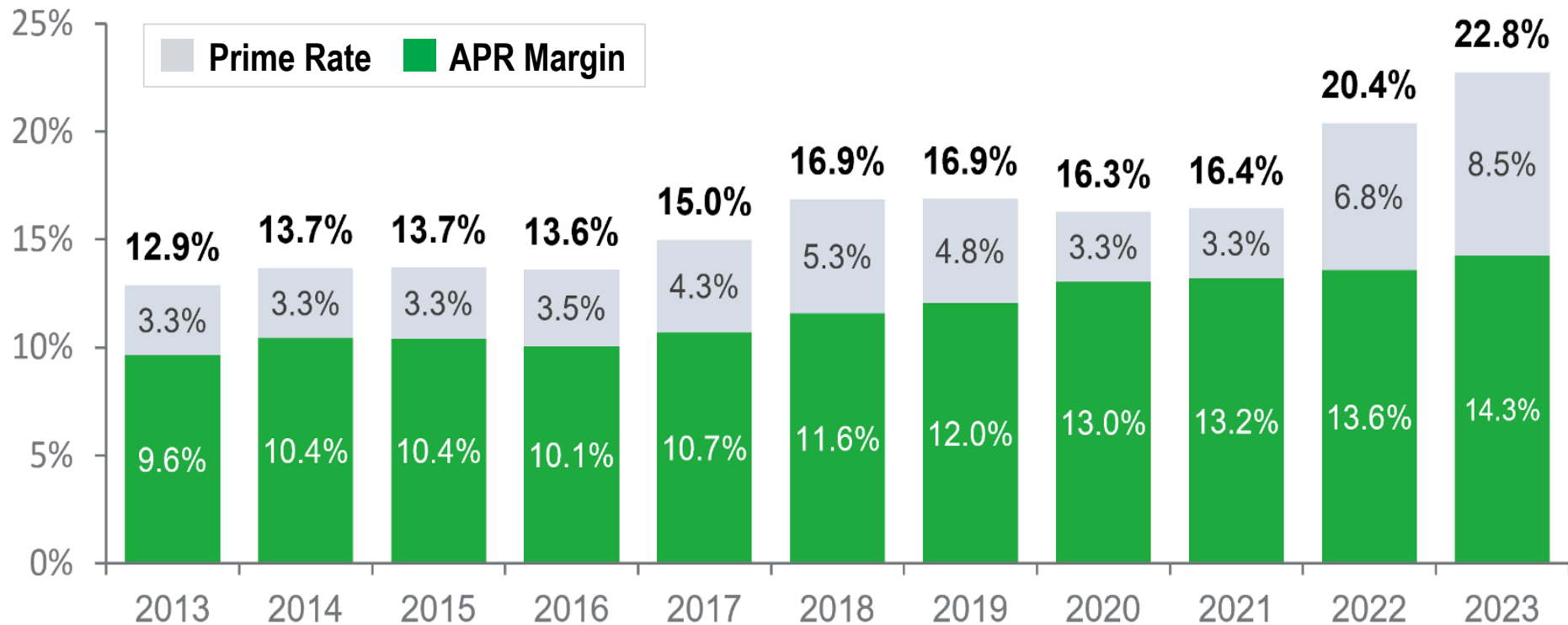


Primary Mortgage Market Survey[®]

U.S. weekly averages as of 08/22/2024



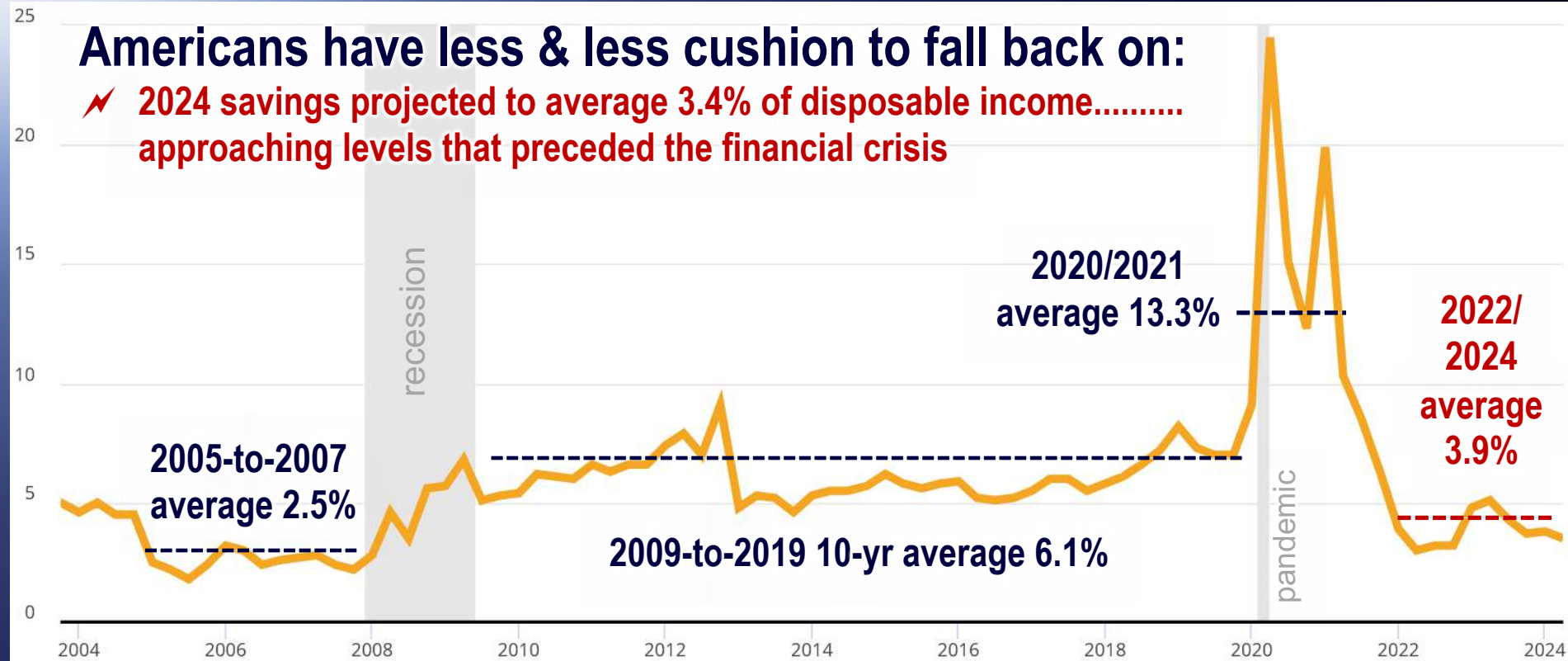
credit card interest rates



savings as a % of disposable income

Americans have less & less cushion to fall back on:

⚡ **2024 savings projected to average 3.4% of disposable income.....
approaching levels that preceded the financial crisis**



commodity highlights

- ⚡ **fuel prices steady to lower**
- ⚡ **cheap natural gas is the bridge to renewables**
- ⚡ **cattle / beef – no relief until at least 2027**
- ⚡ **other proteins & grains are in better shape**
- ⚡ **avian flu still an issue for turkey, eggs, dairy**

fuel prices on a downhill trend

EIA Forecast:

Gasoline:

2022: \$3.97

2023: \$3.50

2024: \$3.40*

2025: \$3.30*

Diesel:

2022: \$5.02

2023: \$4.22

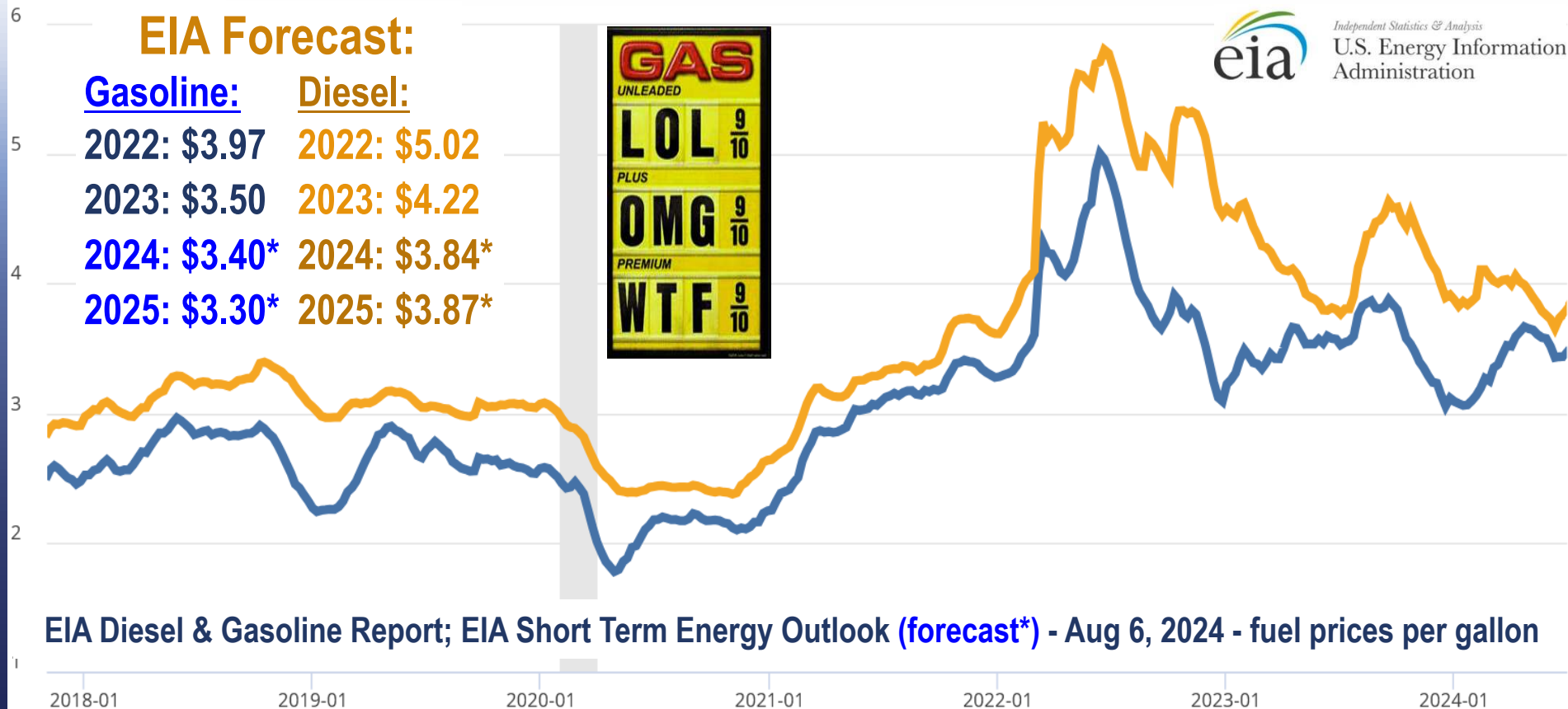
2024: \$3.84*

2025: \$3.87*



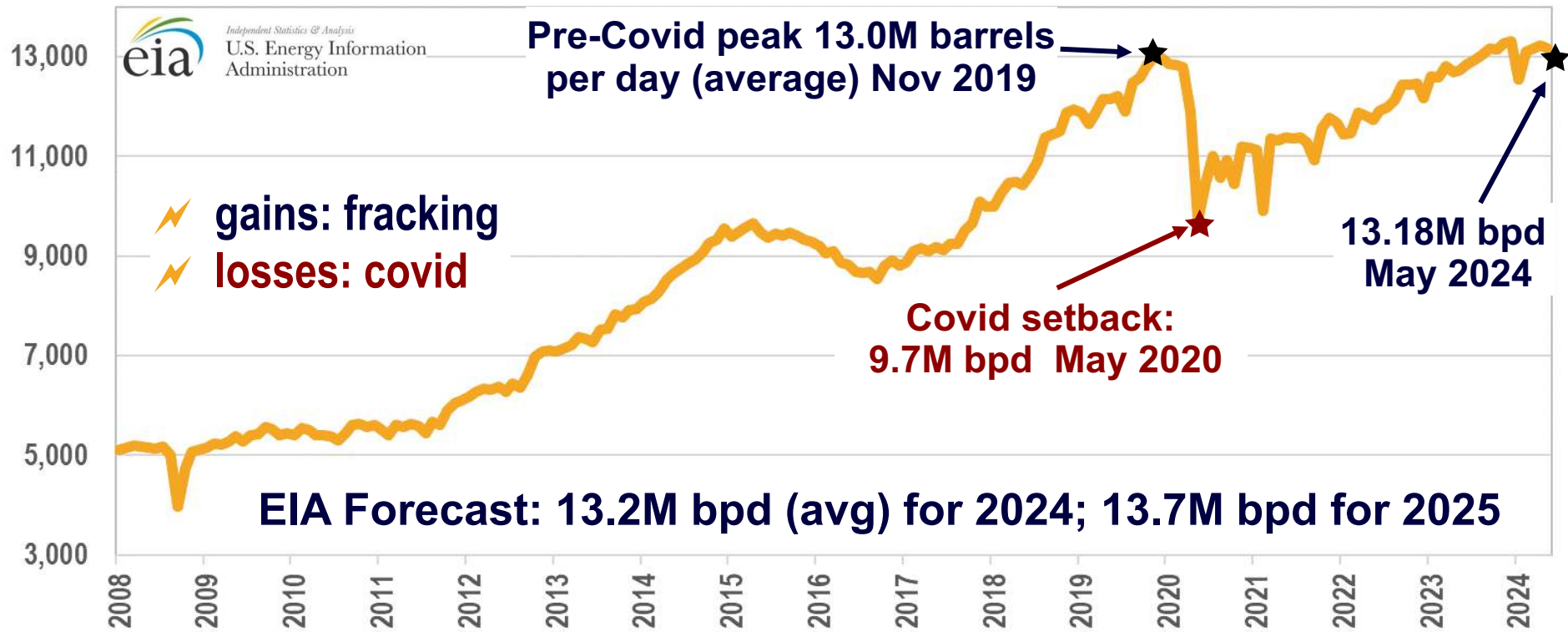
Independent Statistics & Analysis

U.S. Energy Information
Administration

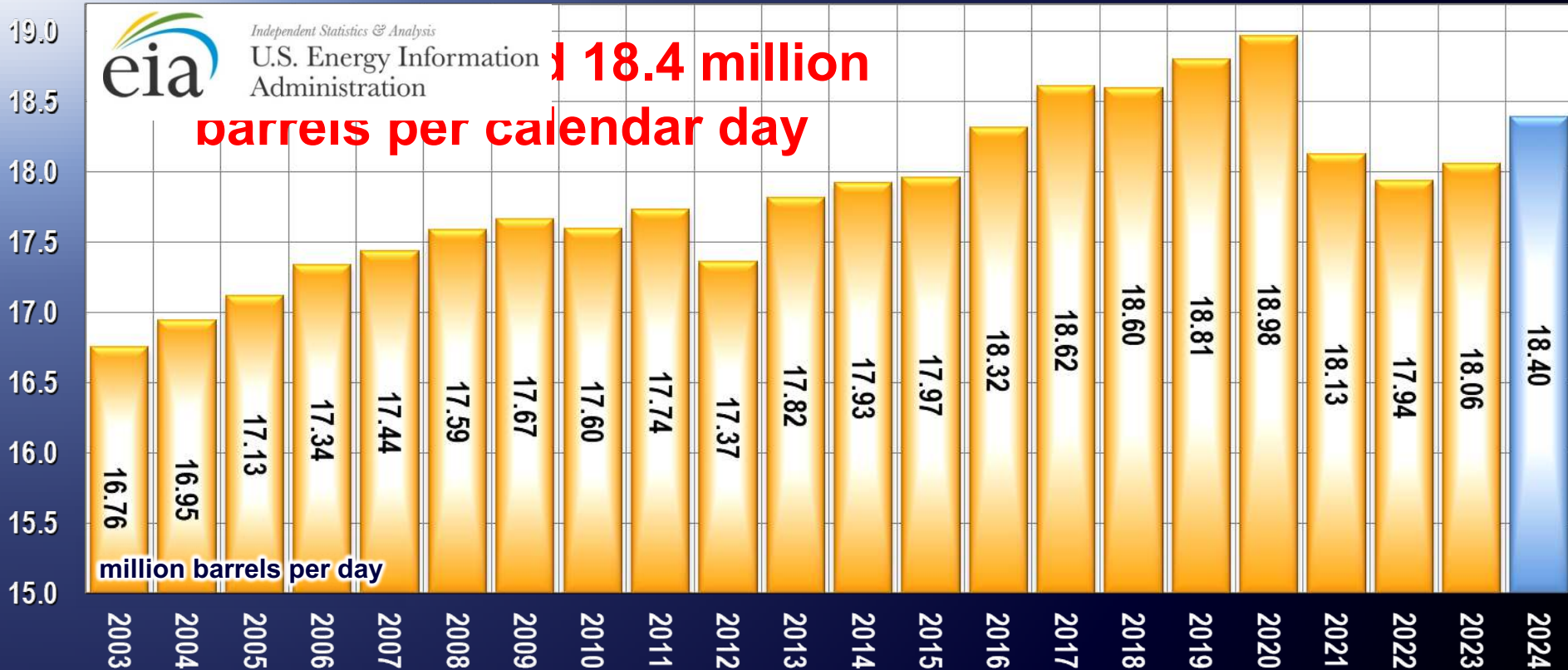


EIA Diesel & Gasoline Report; EIA Short Term Energy Outlook (forecast*) - Aug 6, 2024 - fuel prices per gallon

U.S. crude oil production



U.S. refinery capacity



Independent Statistics & Analysis
U.S. Energy Information Administration

natural gas futures

EIA Forecast:

2022: \$6.40

2023: \$2.50

2024: \$2.30*

2025: \$3.30*



Independent Statistics & Analysis

U.S. Energy Information Administration

pandemic

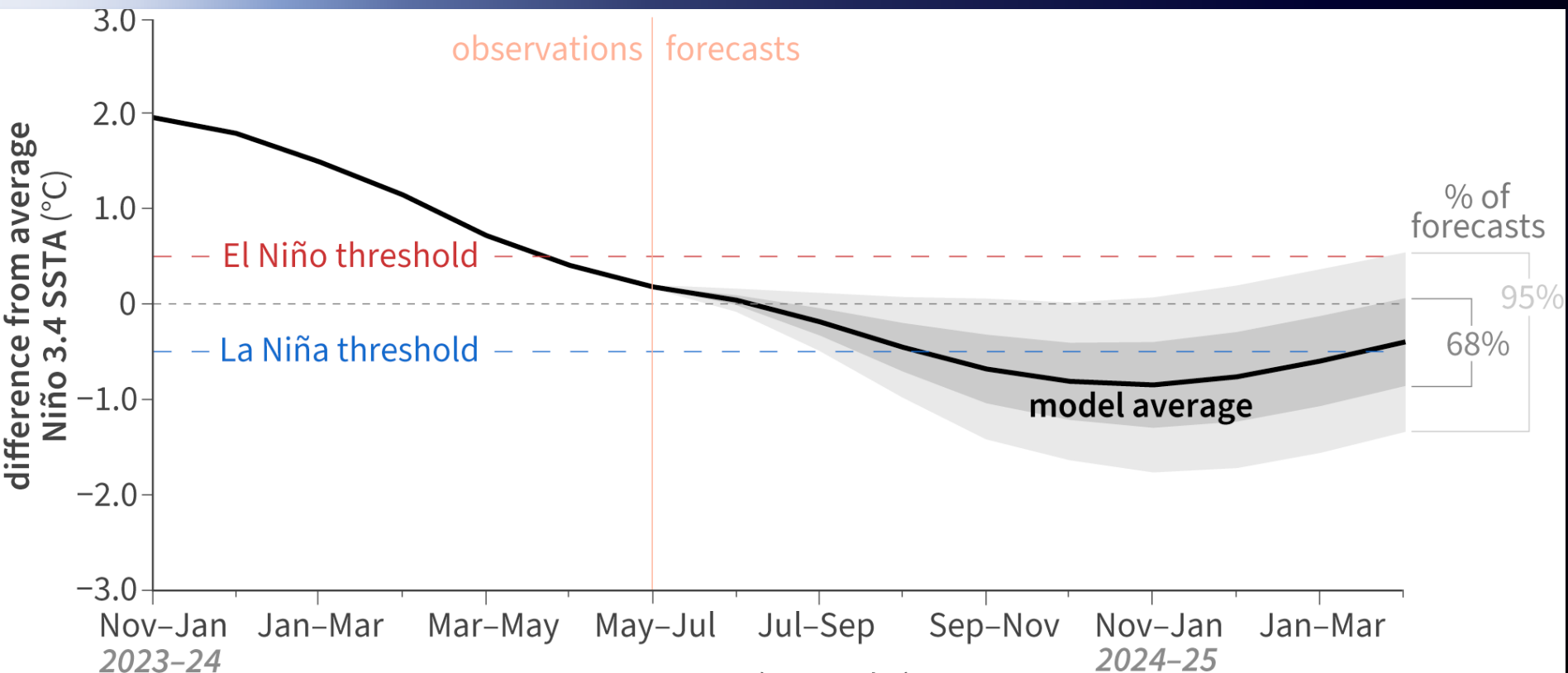
Russia cuts off natural gas exports to EU

Fracking for oil releases excess of natural gas as a by-product

Natural gas is mostly cost effective for electric generation at \$4.00 per million BTU's or lower

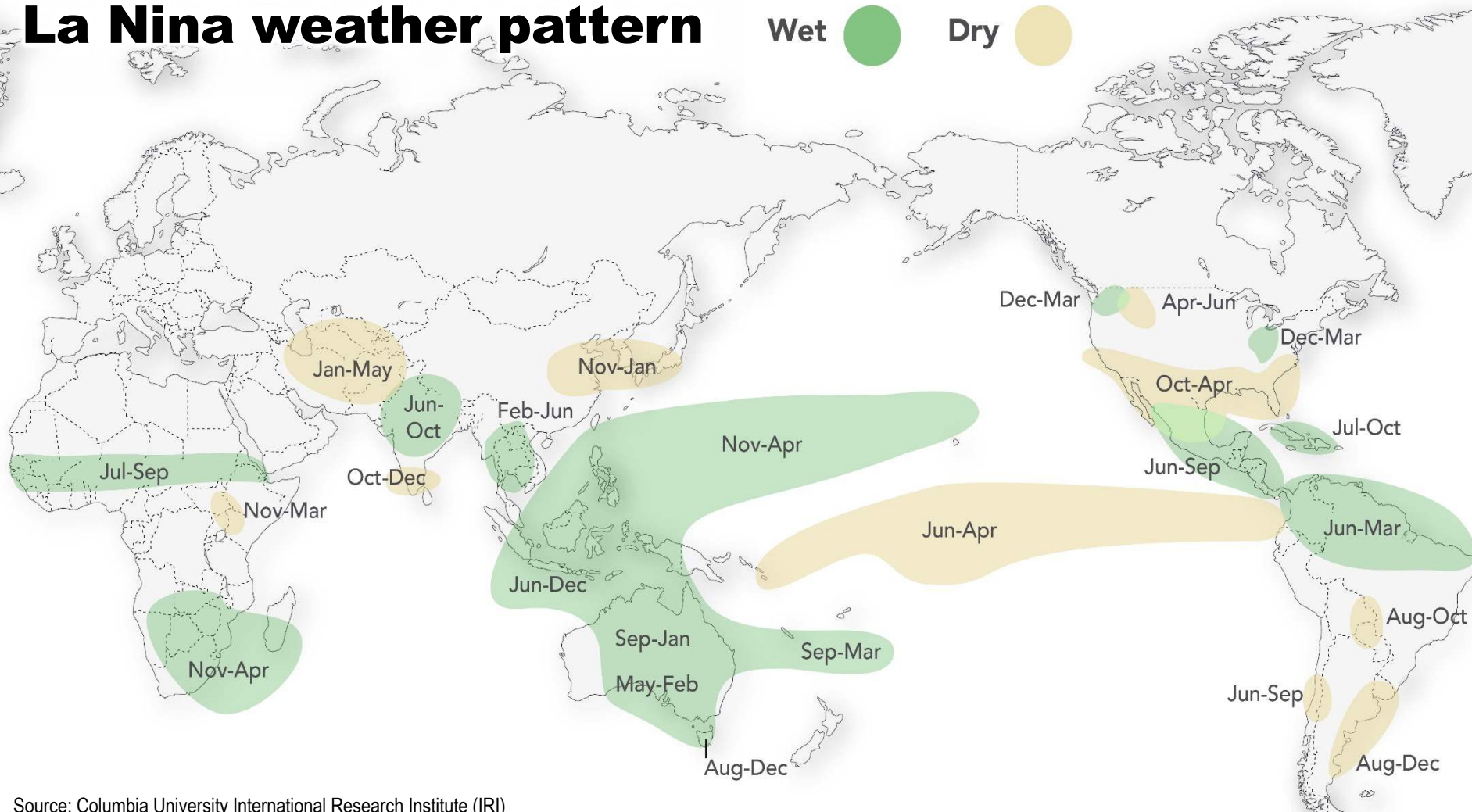
\$8.91 \$4.16 \$4.38 \$4.03 \$2.82 \$3.73 \$4.26 \$2.63 \$2.55 \$3.02 \$3.07 \$2.53 \$2.13 \$3.72 \$6.54 \$2.66 \$2.20

shifting from “neutral” to La Nina



La Nina weather pattern

Wet ● Dry ●



Source: Columbia University International Research Institute (IRI)

USDA grain forecasts

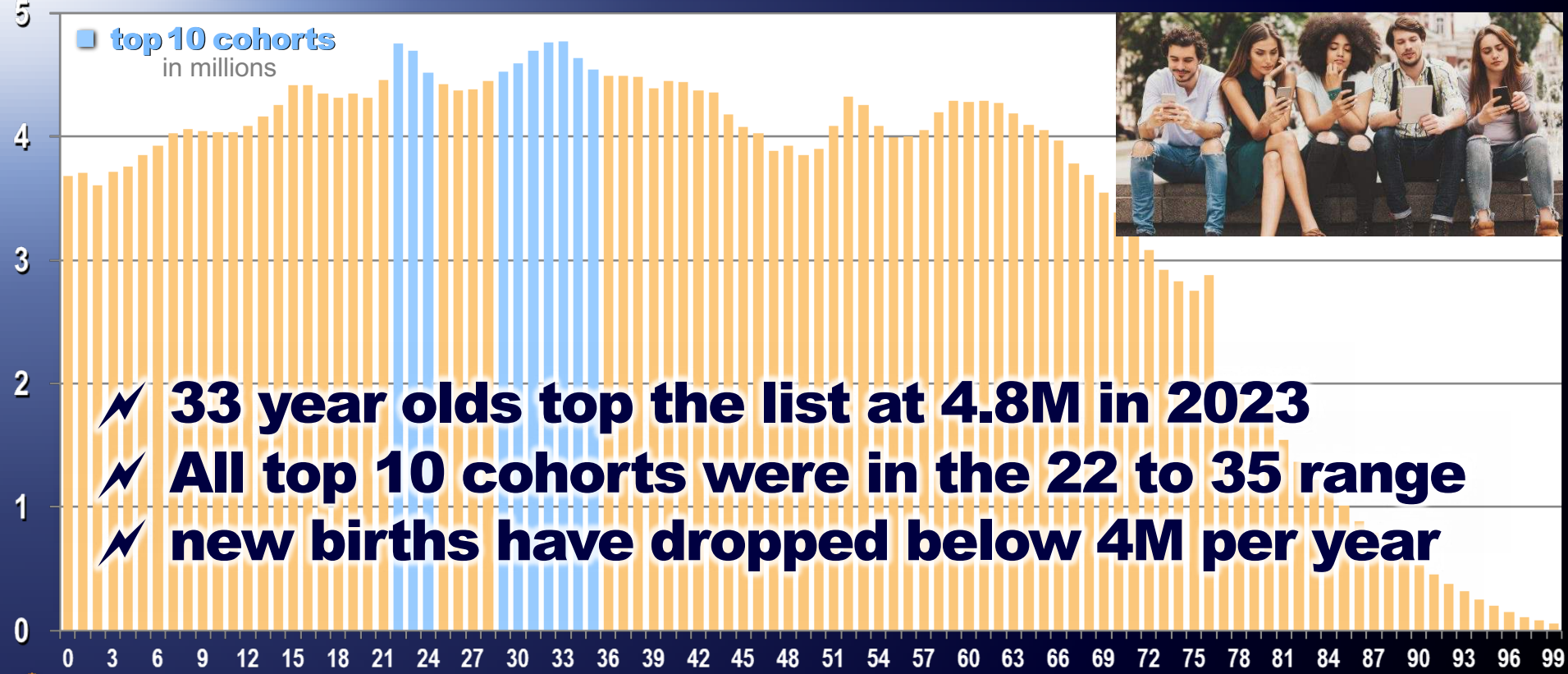
	2020'21	2021'22	2022'23	p2023'24	p2024'25
Wheat, \$/bushel	\$5.05	\$7.63	\$8.83	\$6.96	\$5.70
vs. year-ago	10.26%	51.09%	15.73%	-21.18%	-18.10%
Corn, \$/bushel	\$4.53	\$6.00	\$6.54	\$4.65	\$4.20
vs. year-ago	27.25%	32.45%	9.00%	-28.90%	-9.68%
Soy Meal, \$/short ton	\$392.31	\$439.81	\$451.91	\$390.00	\$320.00
vs. year-ago	30.99%	12.11%	2.75%	-13.70%	-17.95%
Soybean Oil, cents/lb	56.87	72.98	65.26	48.00	42.00
vs. year-ago	91.80%	28.33%	-10.58%	-26.45%	-12.50%

heat map: year-over-year % increases: +10-to-20%; +20-to-50%; +50%; 10% or greater decreases in green

beef 90% lean trimmings



the top ten age cohorts 2023

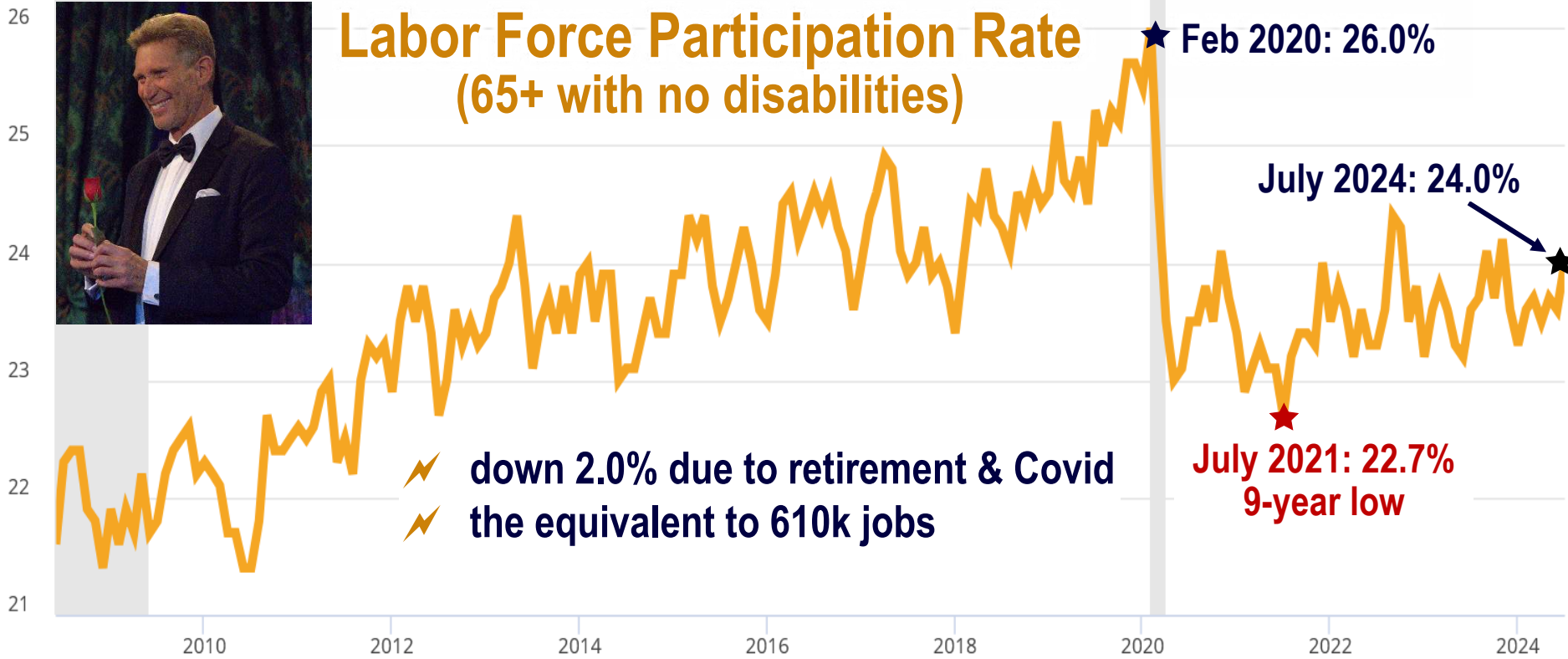


- ⚡ **33 year olds top the list at 4.8M in 2023**
- ⚡ **All top 10 cohorts were in the 22 to 35 range**
- ⚡ **new births have dropped below 4M per year**

bye-bye boomers

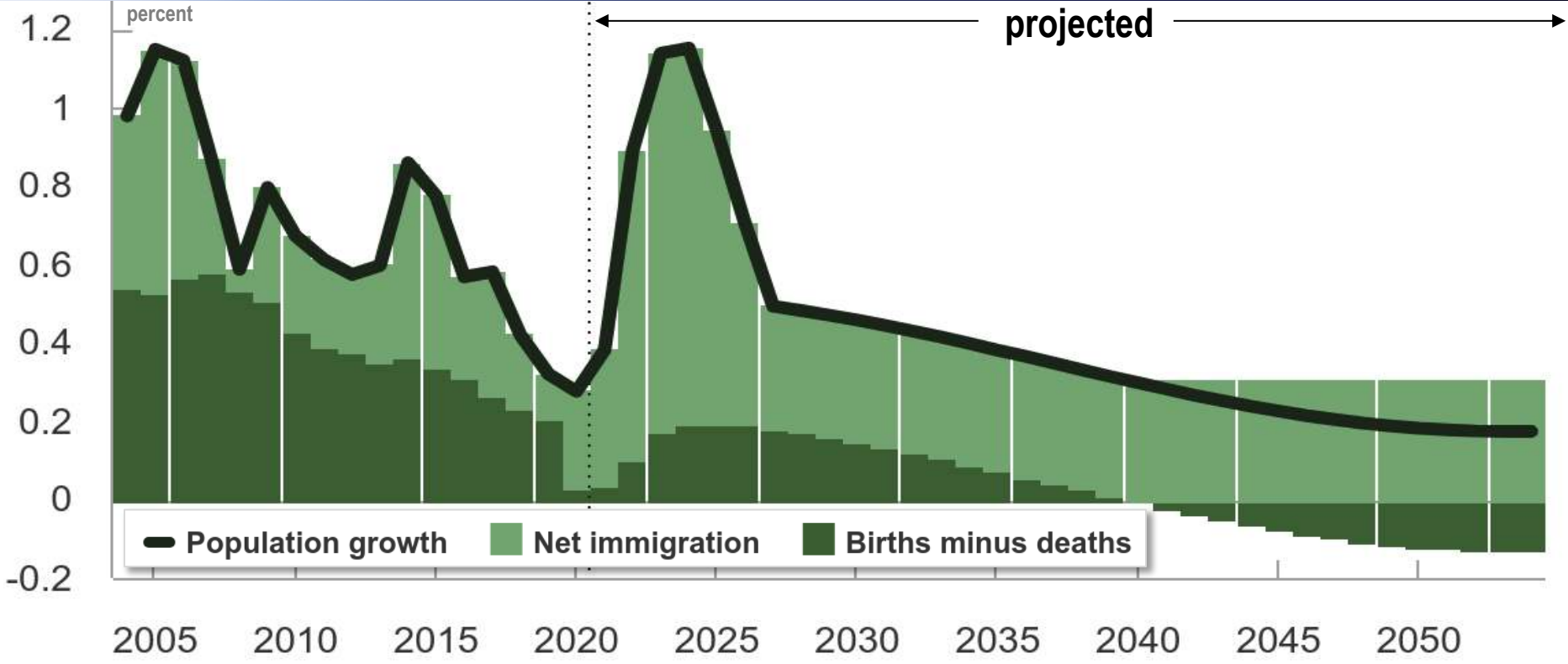


Labor Force Participation Rate (65+ with no disabilities)

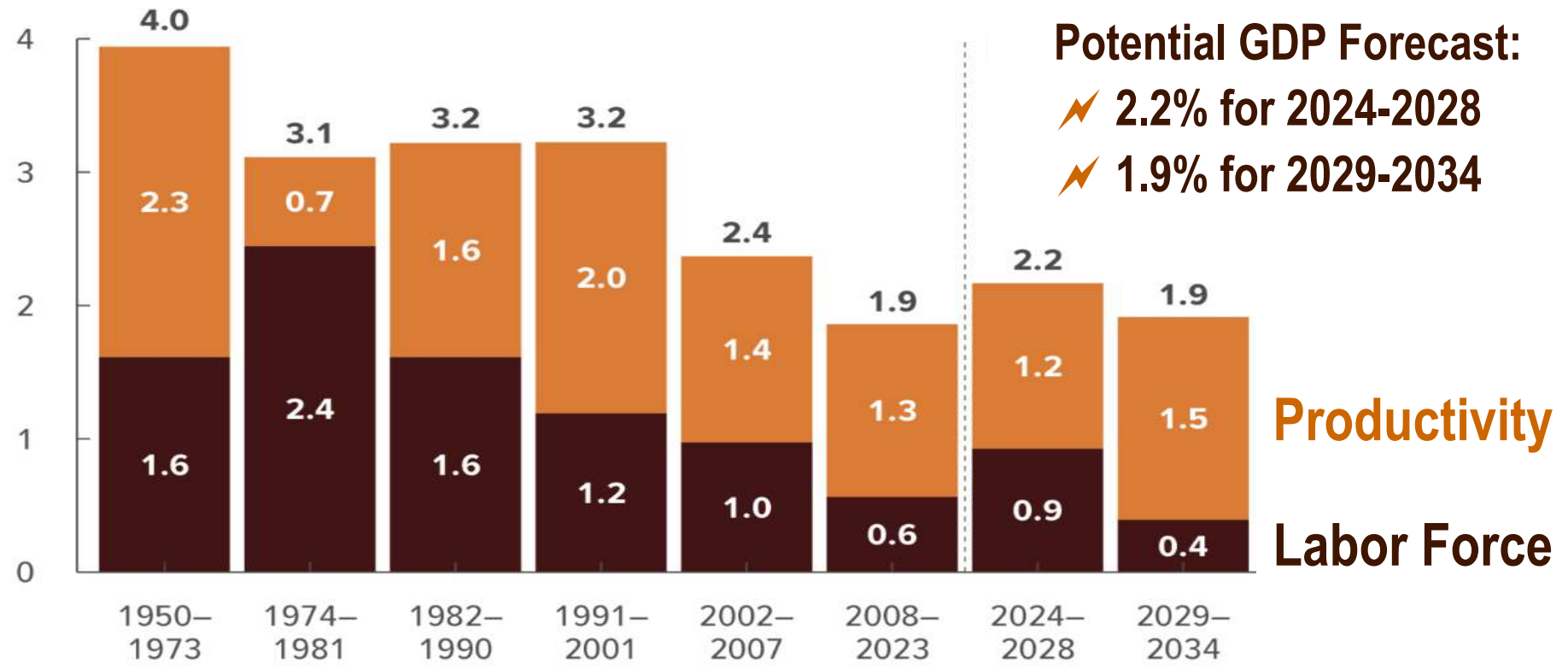


Source: Bureau of Labor Statistics, Market Vision, Inc. – Note: Americans 65+ accounted for roughly 850k Covid deaths (76%)

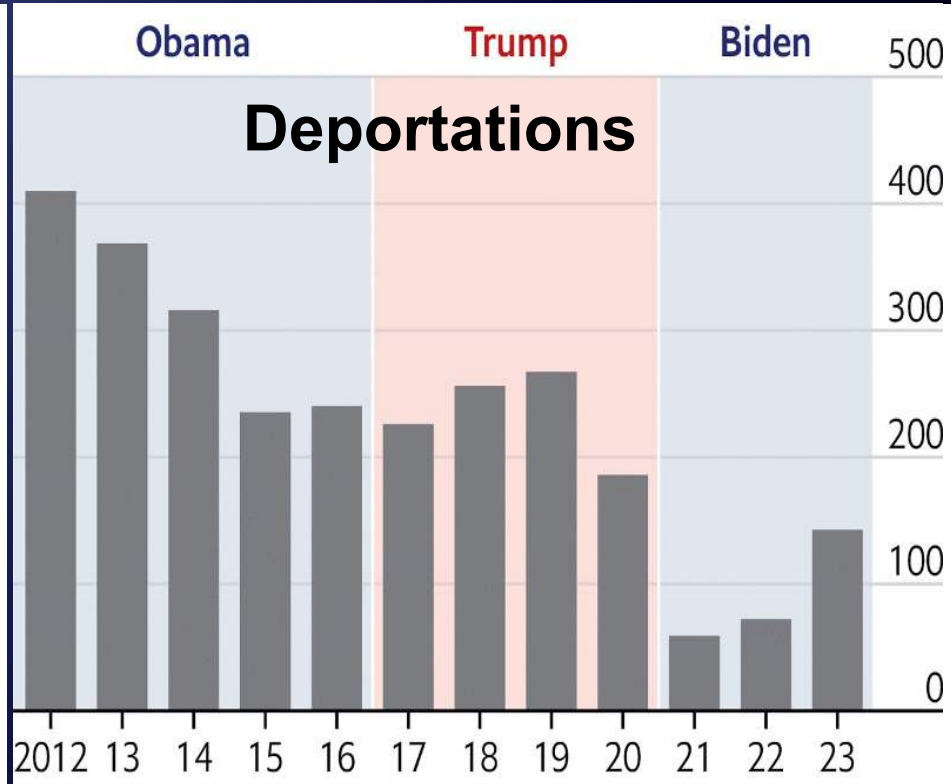
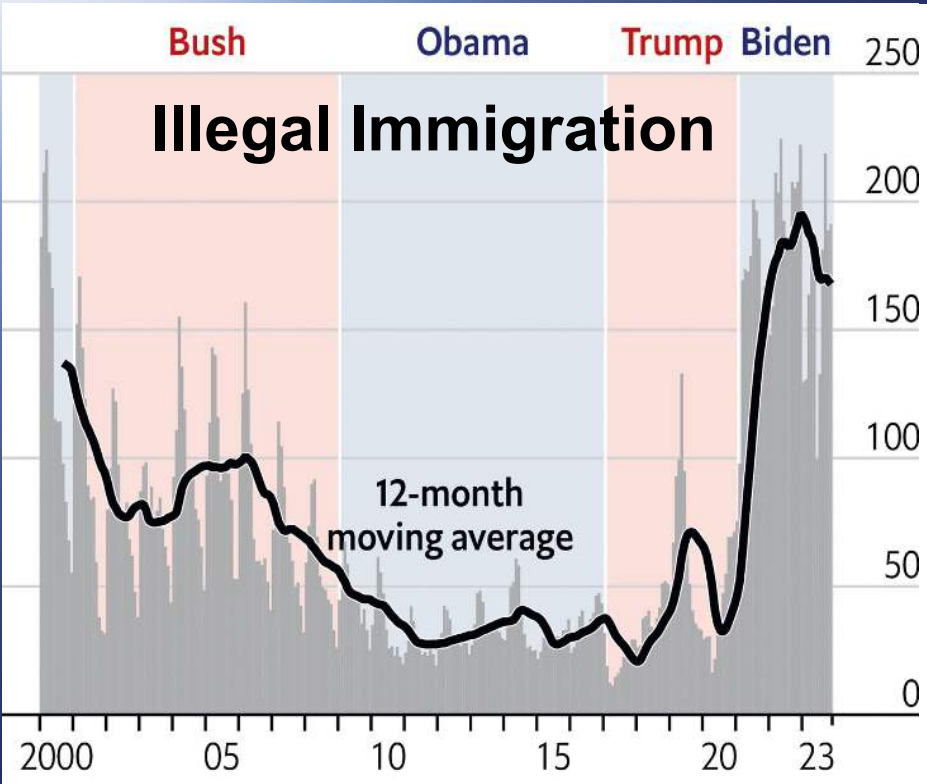
demographics & population growth



labor force limiting GDP growth



immigration & border issues



Source: The Economist, Immigration & Customs Enforcement (ICE), in thousands

Russian territory – 1989 vs 2024

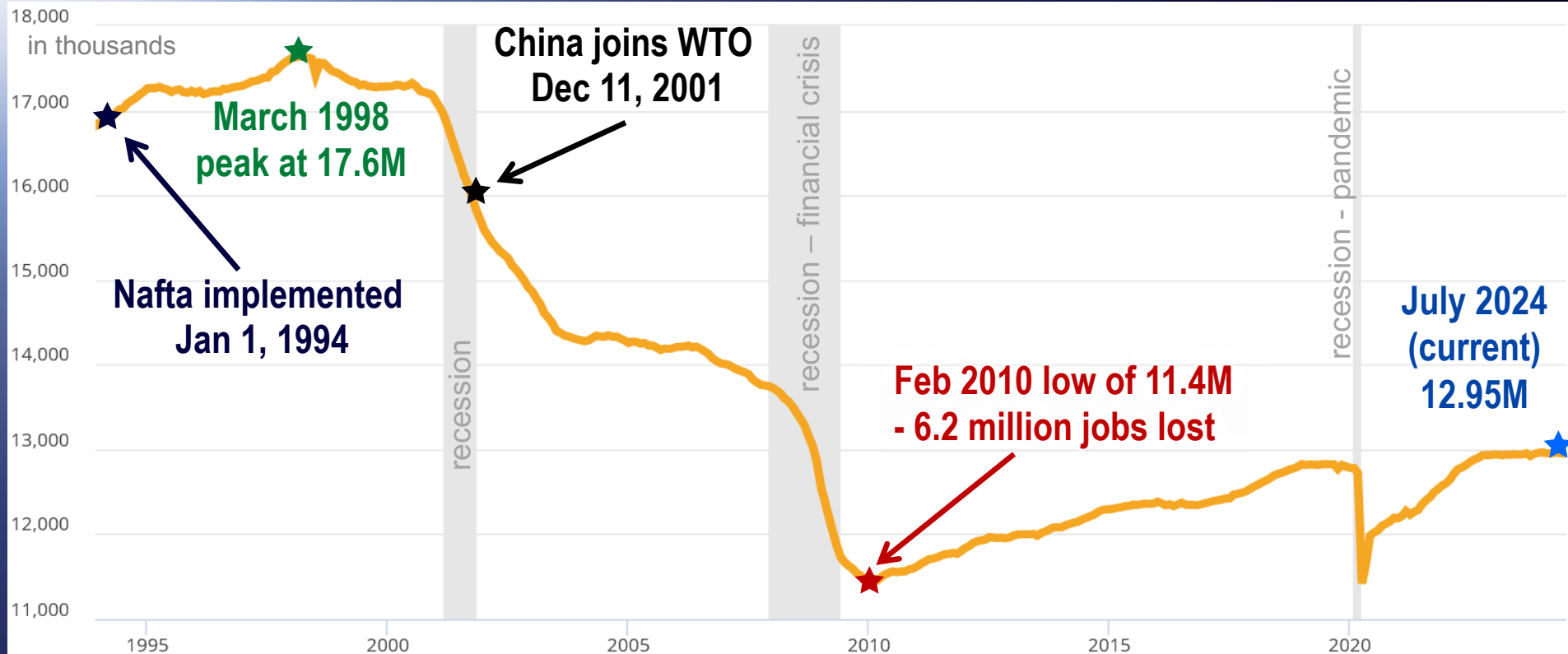


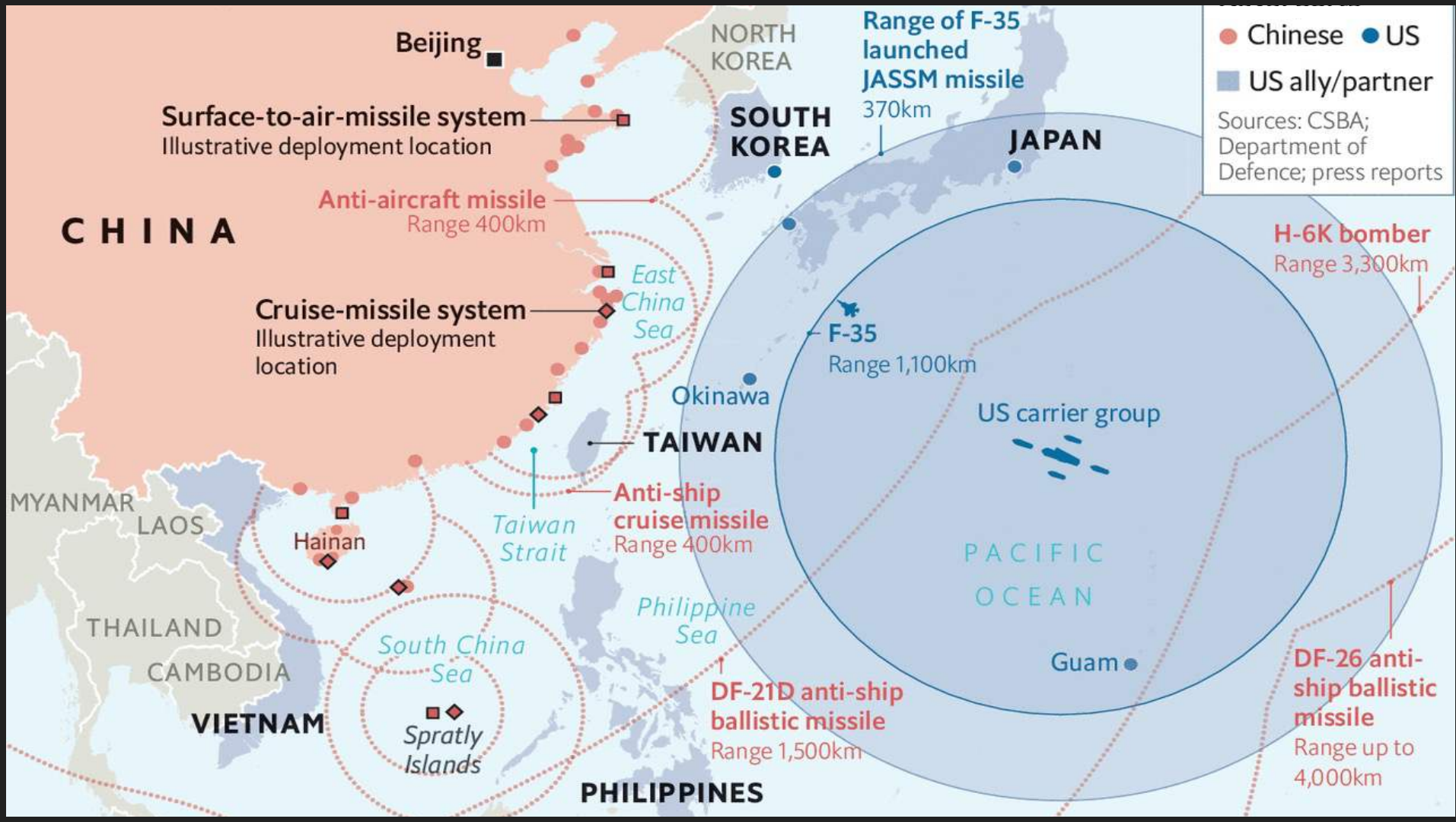
NATO Enlargement

- 1949** Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, Norway, Portugal, U.K., U.S.
- 1952** Greece and Turkey
- 1955** West Germany
(East and West Germany were unified in 1990)
- 1982** Spain
- 1999** Czech Republic, Hungary, and Poland
- 2004** Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia
- 2009** Albania and Croatia
- 2017** Montenegro
- 2020** North Macedonia
- 2023** Finland
- 2024** Sweden



manufacturing employment



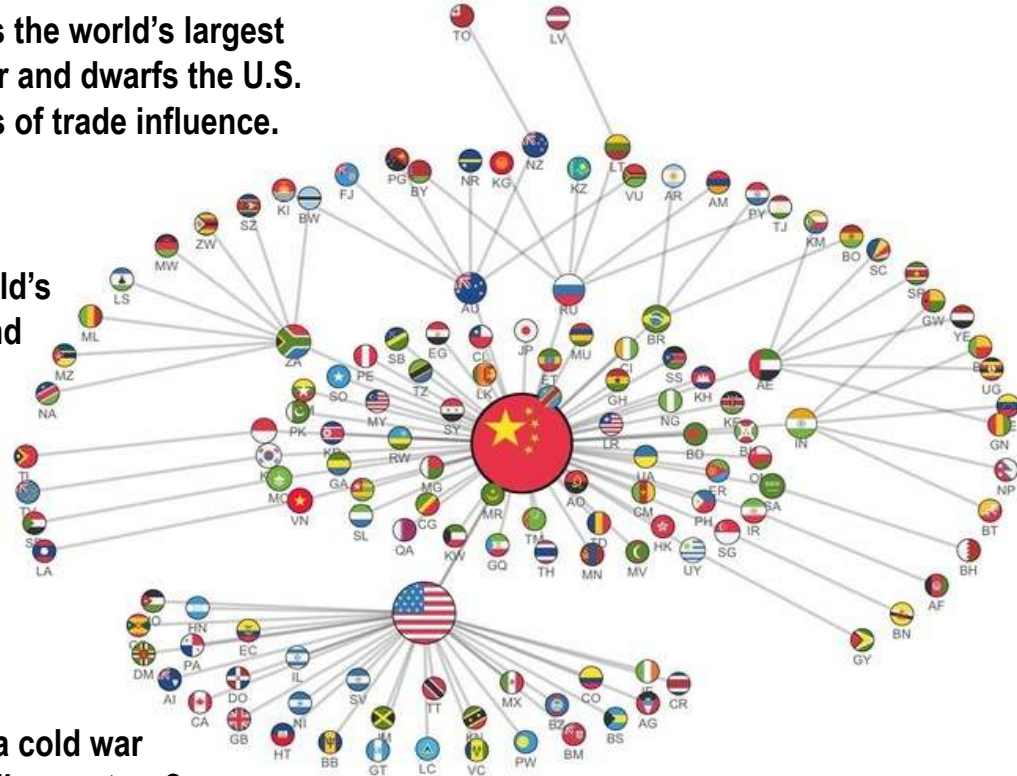


largest trading partners 2023

China is the world's largest exporter and dwarfs the U.S. in terms of trade influence.

The U.S. is the world's largest importer and China's biggest customer. That's attribute to our affluence but does leave our supply chains vulnerable.

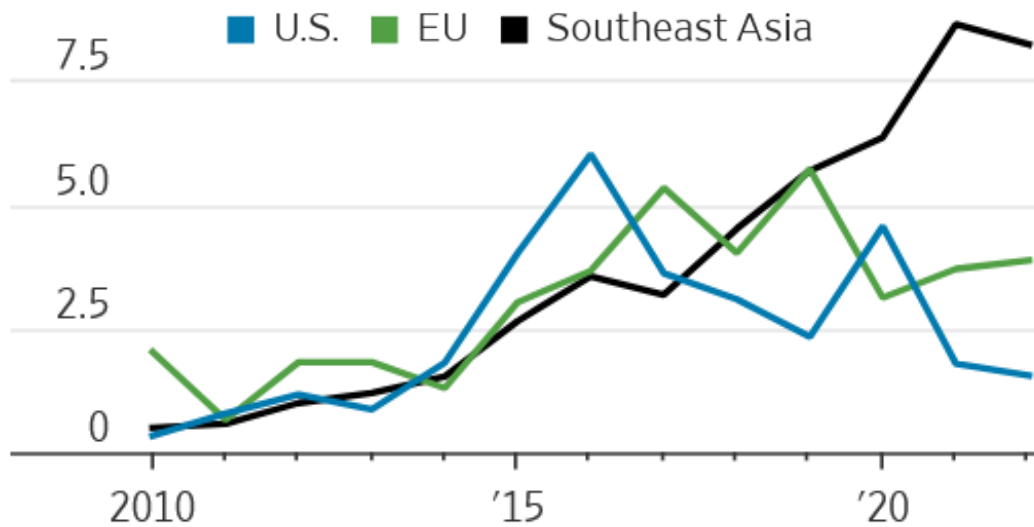
How do we survive a cold war with our largest trading partner?



nowhere to hide from China

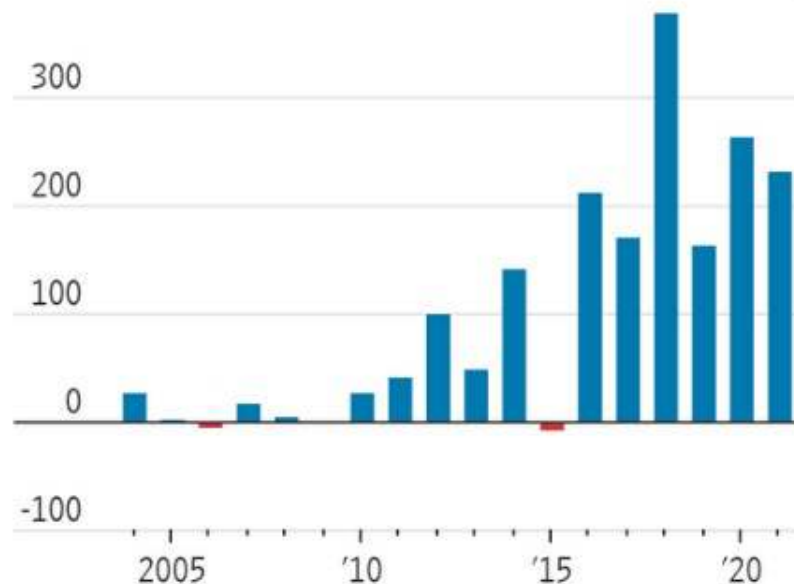
China's investment in foreign manufacturing

\$10.0 billion



China's investment in Mexico

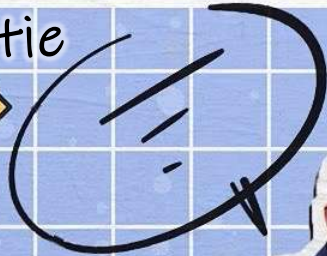
\$400 million





BYD: the “Tesla Killer”

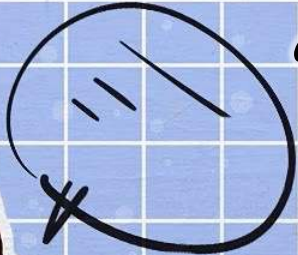
statistical tie



toss up

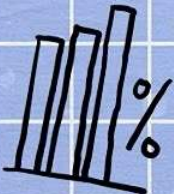


dead heat

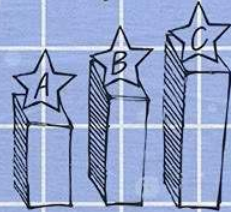


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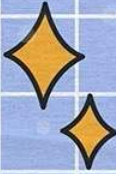
within the margin of



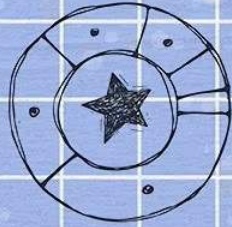
error



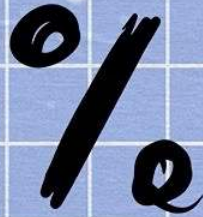
too close to call



going down to the wire



neck & neck



deadlocked



where Americans get their news

2020 to 2023

LinkedIn

15% → 17%

TikTok

22% → 43%

Instagram

28% → 34%

Facebook

43% ← 52%

X (twitter)

53% ← 59%

20%

30%

40%

50%

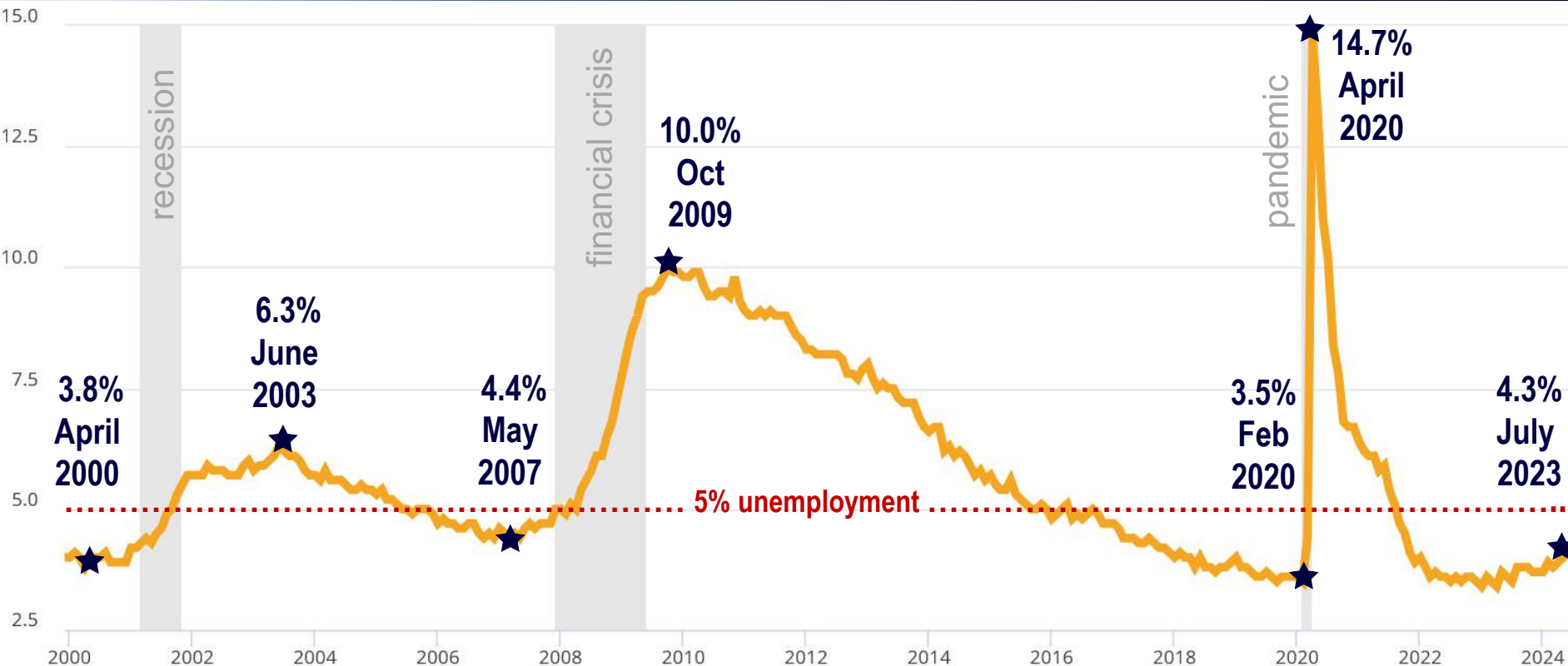
60%

U.S. dollar - the world's currency

Why does the dollar remain strong compared to foreign currencies?



U.S. unemployment rate



reasons for optimism

- ⚡ we survived Covid, Ukraine war, rate increases
- ⚡ the job market looks to remain relatively strong
- ⚡ prices are high but the inflationary threat is over
- ⚡ millennials are entering their prime spending years
- ⚡ tech innovation should boast productivity
- ⚡ the Musk factor – for better & worse
- ⚡ a final note on the election



thank you!



John's Halloween costume

John Barone

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