2nd Quarter 2026

Data as of April 29, 2026

Nationwide Market Insights℠

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

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Nationwide Market Insights℠

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Executive Summary

Stock prices have recovered their initial losses, but interest rates and volatility remain elevated as the Iran conflict keeps investors in a guarded stance. At the same time, credit spreads remain extremely tight, demonstrating persistent investor optimism. We anticipate limited economic impacts from the conflict and likely see higher equities and a steeper Treasury curve later this year.

The economy faces various risks from the conflict as well as AI disruption and private credit concerns, but we expect economic growth will remain resilient. We assume sharply higher energy prices will weigh on GDP growth in Q2 but the odds of a deep slowdown are low with tax incentives and deregulation likely to boost hiring and activity in 2026. Unemployment is expected to remain low despite downside risks to growth.

The Federal Reserve kept the federal funds rate unchanged in March but is still leaning toward cutting rates as long as a sustained upside inflation shock does not materialize. We anticipate a further 50-basis-points of Fed rate cuts this year after a new Fed Chair takes the helm.

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Financial Markets

Highlights

Fed stays on hold

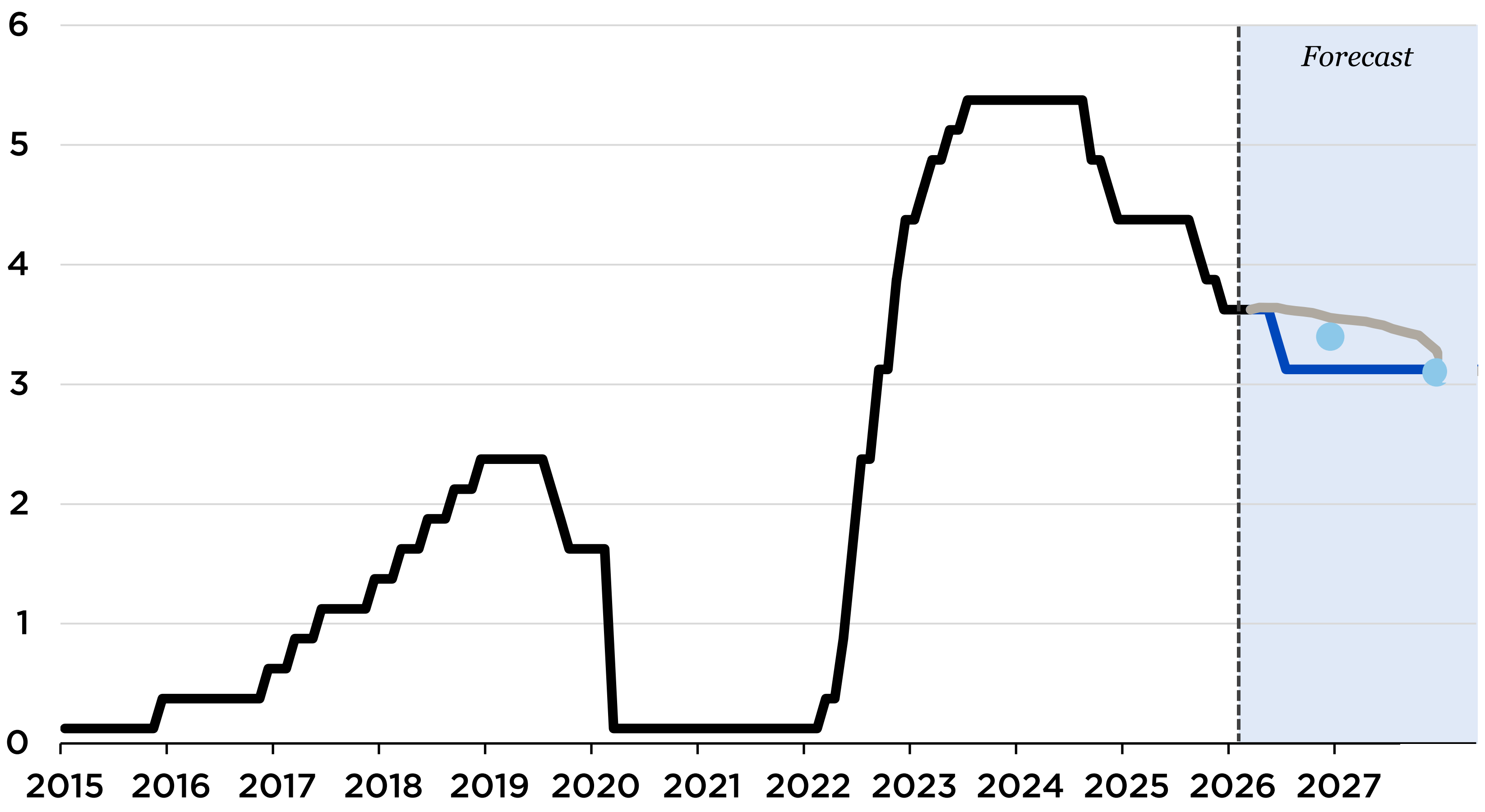
The Fed held the range for the fed funds rate steady at 3.50 to 3.75 percent in March. The vast majority of FOMC policymakers judged it was most prudent to wait amid upside inflation risks and downside growth risks stemming from the Iranian conflict.

We anticipate the Fed will pursue further easing later this year. If the war and its impacts prove temporary, inflation should ease in the second half of 2026. We expect 50 basis points of rate cuts by year end.

Nationwide Economics' forecast
Current bond market expectations
FOMC's March 2026 median forecasts

Federal funds rate

Percent



Source: Federal Reserve, Bloomberg, Nationwide Economics

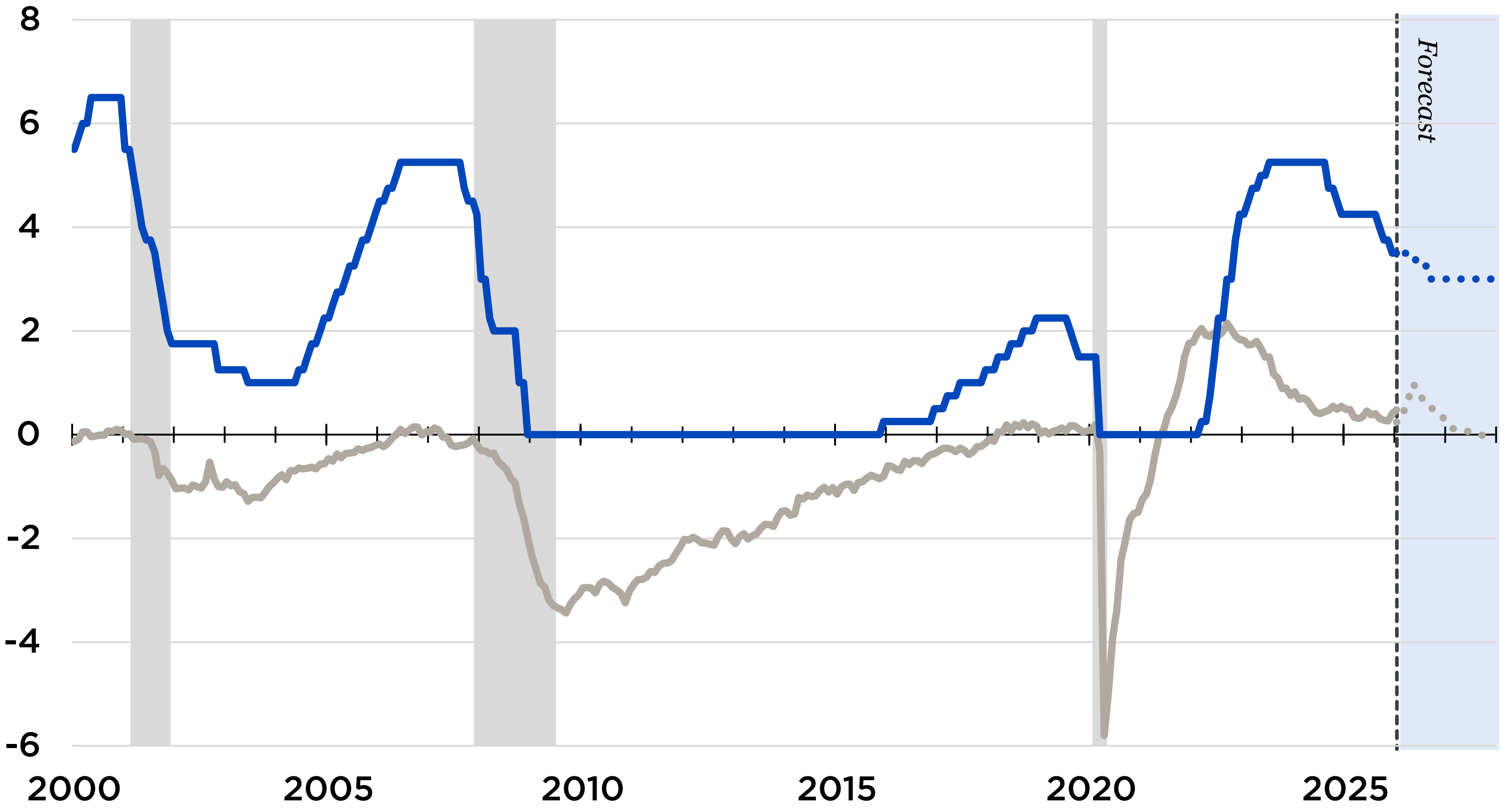
Fed easing removes excessively restrictive interest rates

This Fed cutting cycle has been unusual in that policymakers were loosening policy even as the economy continues to perform well, with unemployment low and inflation above target. Further loosening of policy should commence once upside inflation risks from the conflict diminish.

The Fed lowered the policy rate from a previously restrictive level as inflation eased and the unemployment rate moved gradually higher.

Fed funds rate and progress to dual mandate

Percent



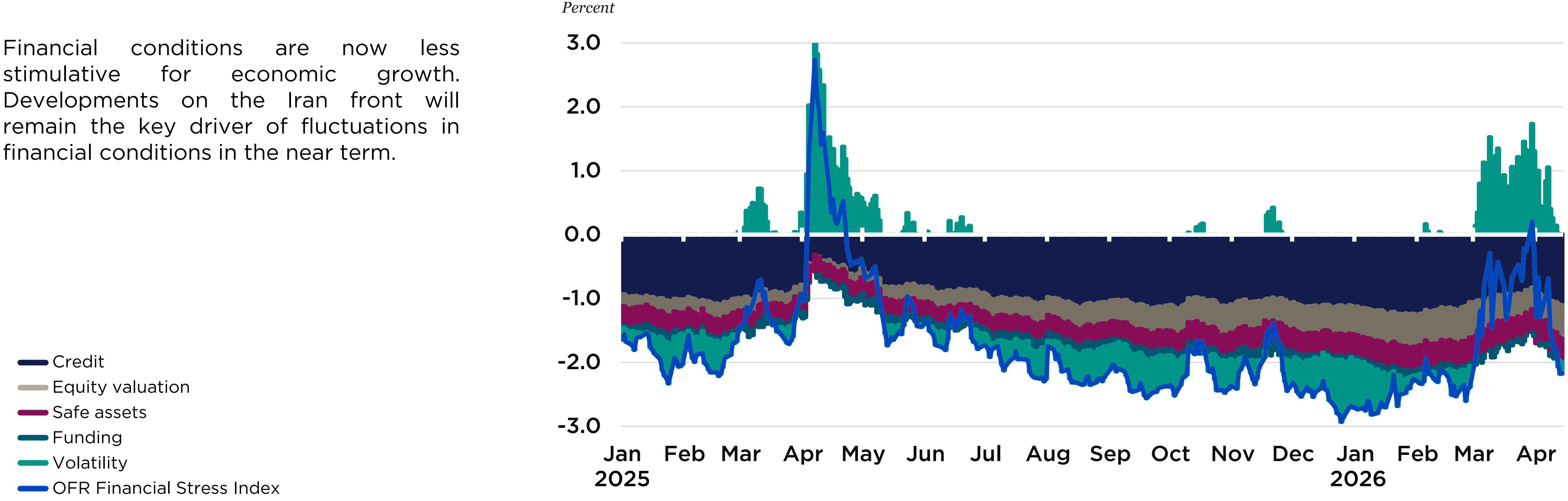
Note: Deviation from the Fed's inflation and employment mandate defined as equal-weighted percentage point average deviation from two percent PCE inflation and the Fed's long-run NAIRU estimate. Dotted lines represent forecasts using Nationwide Economics' baseline.

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

Financial conditions are less accommodative

Financial conditions are now less stimulative for economic growth. Developments on the Iran front will remain the key driver of fluctuations in financial conditions in the near term.

Financial conditions impact on growth



Note: Positive (negative) values measure headwinds (tailwinds) to GDP growth over the next year and three-years. A zero value means that the cumulative effect on growth of current and past changes in all financial variables sums up to zero, while a reading of 1 percent above (below) the zero line means that financial conditions are a notable headwind (tailwind) to economic activity that is equivalent to a 100-basis-point drag (boost) on GDP growth over the following year.

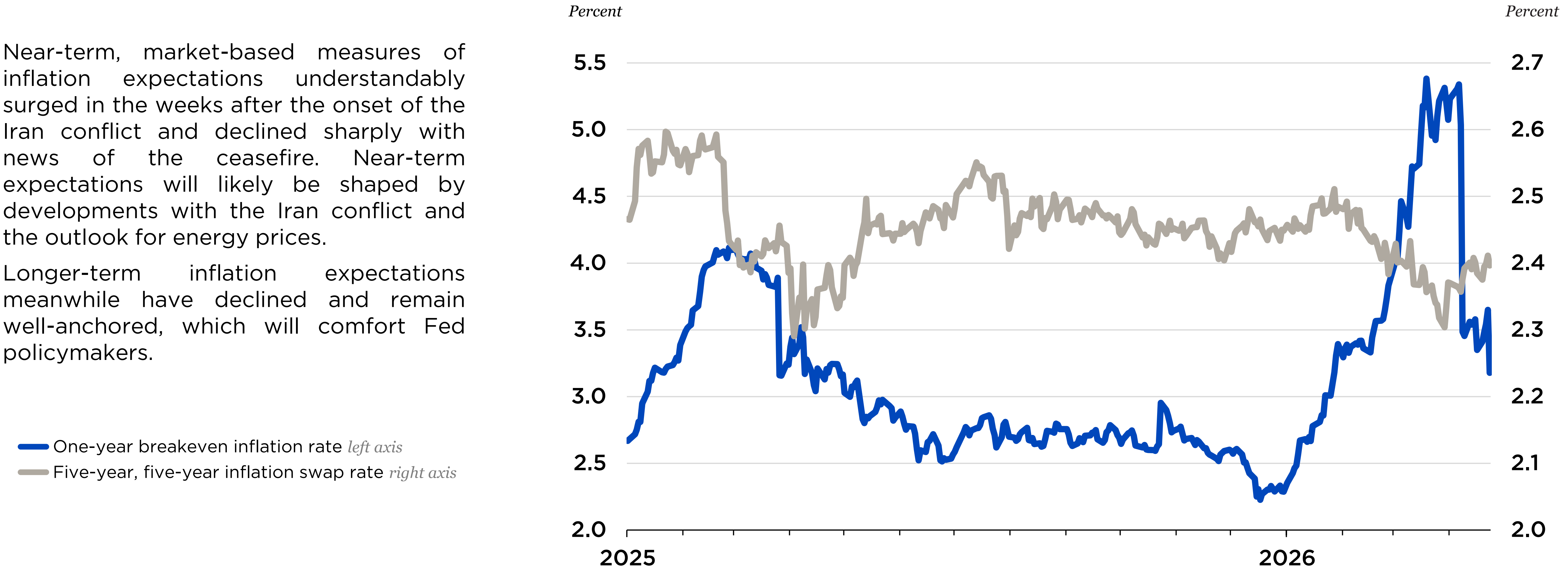
Source: Federal Reserve, Haver Analytics, Nationwide Economics

Long-term market-based inflation expectations remain anchored

Near-term, market-based measures of inflation expectations understandably surged in the weeks after the onset of the Iran conflict and declined sharply with news of the ceasefire. Near-term expectations will likely be shaped by developments with the Iran conflict and the outlook for energy prices.

Longer-term inflation expectations meanwhile have declined and remain well-anchored, which will comfort Fed policymakers.

Near- and long-term inflation expectations



Source: Bloomberg, Nationwide Economics

Which fixed income asset class has fared best in 2026?

Treasuries have delivered the highest return in fixed income markets year-to-date, matched only by municipal debt. Mortgage-backed securities have delivered the second largest returns. Overall, investors sought refuge in less risky assets amid the spike in geopolitical risks.

Yearly changes by asset class

2020	2021	2022	2023	2024	2025	2026 YTD
TIPS 11.2%	TIPS 6.1%	Agencies -7.9%	HY Corporate 13.4%	HY Corporate 8.2%	HY Corporate 8.0%	Treasuries 2.2%
Treasuries 10.6%	HY Corporate 5.3%	Municipals -8.5%	IG Corporate 8.5%	Agencies 3.2%	MBS 8.6%	Municipals 2.2%
IG Corporate 9.9%	Municipals 1.5%	MBS -11.8%	Municipals 6.4%	IG Corporate 2.1%	Treasuries 8.2%	MBS 2.1%
Bloomberg Agg 7.5%	IG Corporate -1.0%	HY Corporate -11.9%	Bloomberg Agg 5.5%	TIPS 1.8%	IG Corporate 7.8%	Agencies 1.2%
HY Corporate 7.1%	MBS -1.0%	TIPS -12.6%	Agencies 5.1%	Bloomberg Agg 1.3%	Bloomberg Agg 7.3%	Bloomberg Agg 1.7%
Agencies 5.5%	Agencies -1.3%	Bloomberg Agg -13.0%	MBS 5.0%	MBS 1.2%	TIPS 6.9%	TIPS 1.7%
Municipals 5.2%	Bloomberg Agg -1.5%	IG Corporate -15.8%	TIPS 3.8%	Municipals 1.1%	Agencies 6.1%	IG Corporate 1.5%
MBS 3.9%	Treasuries -3.6%	Treasuries -16.3%	Treasuries 3.2%	Treasuries -1.7%	Municipals 4.3%	HY Corporate 0.7%

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

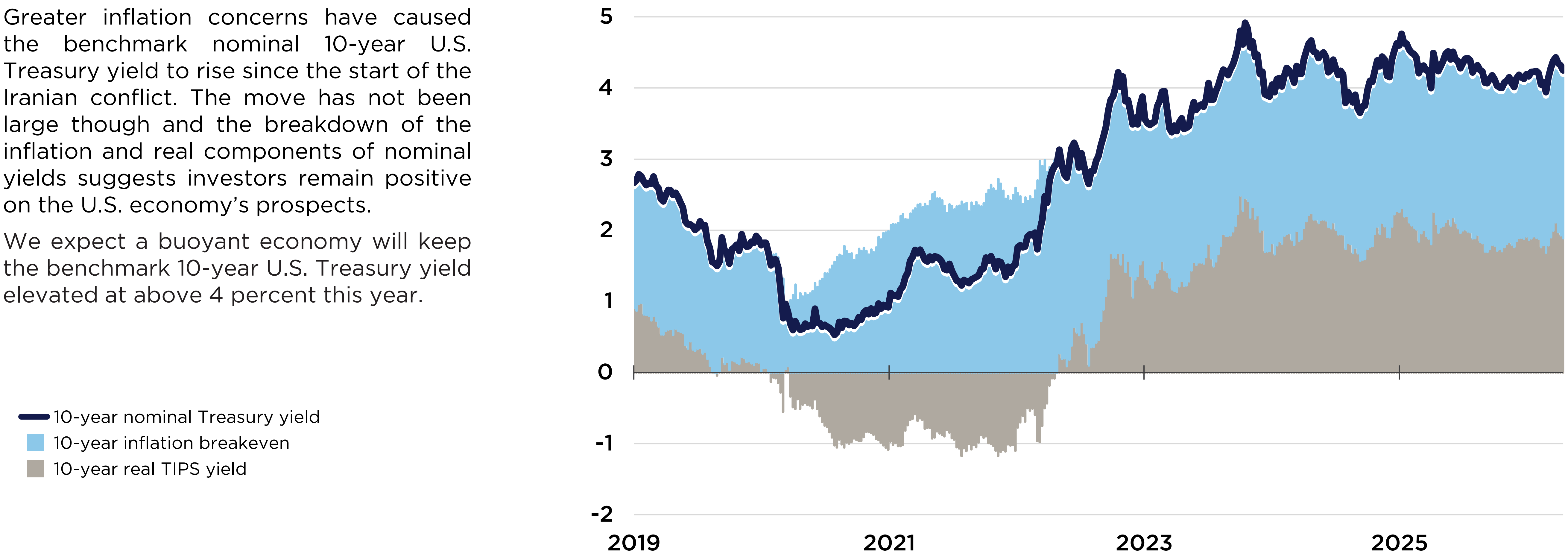
Treasury market reflects resilient economic trends

Greater inflation concerns have caused the benchmark nominal 10-year U.S. Treasury yield to rise since the start of the Iranian conflict. The move has not been large though and the breakdown of the inflation and real components of nominal yields suggests investors remain positive on the U.S. economy's prospects.

We expect a buoyant economy will keep the benchmark 10-year U.S. Treasury yield elevated at above 4 percent this year.

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

Percent



Source: Bloomberg, Nationwide Economics

Bond term premium and the yield curve normalize

The term premium on 10-year U.S. Treasuries — the extra compensation investors demand to hold long-term debt — is holding steady at multi-year highs. After years of an abnormally negative and low bond term premium, it has returned to positive territory.

This has helped the yield curve to normalize into an upwardly sloping shape following years of inversion and flatness.

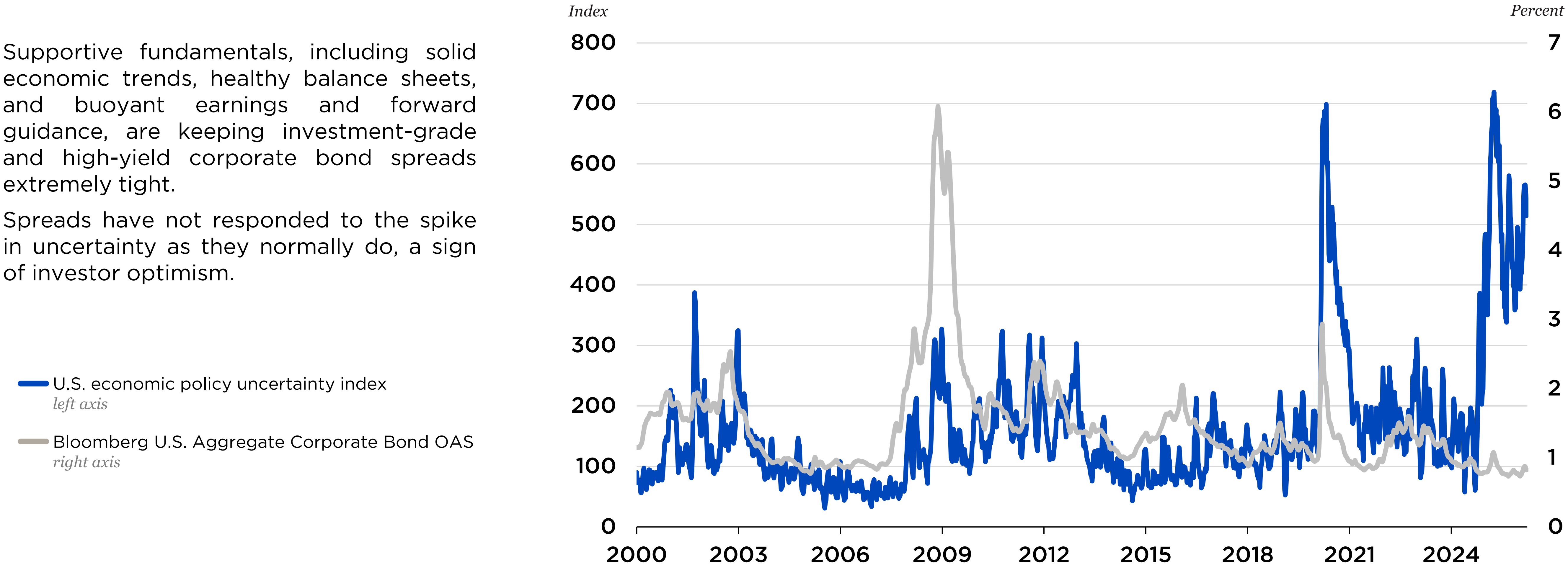
Source: FRBNY, Federal Reserve Board, Haver Analytics, Nationwide Economics

Corporate bond spreads remain extremely tight

Supportive fundamentals, including solid economic trends, healthy balance sheets, and buoyant earnings and forward guidance, are keeping investment-grade and high-yield corporate bond spreads extremely tight.

Spreads have not responded to the spike in uncertainty as they normally do, a sign of investor optimism.

Economic uncertainty and corporate bond spreads (30-day moving average)

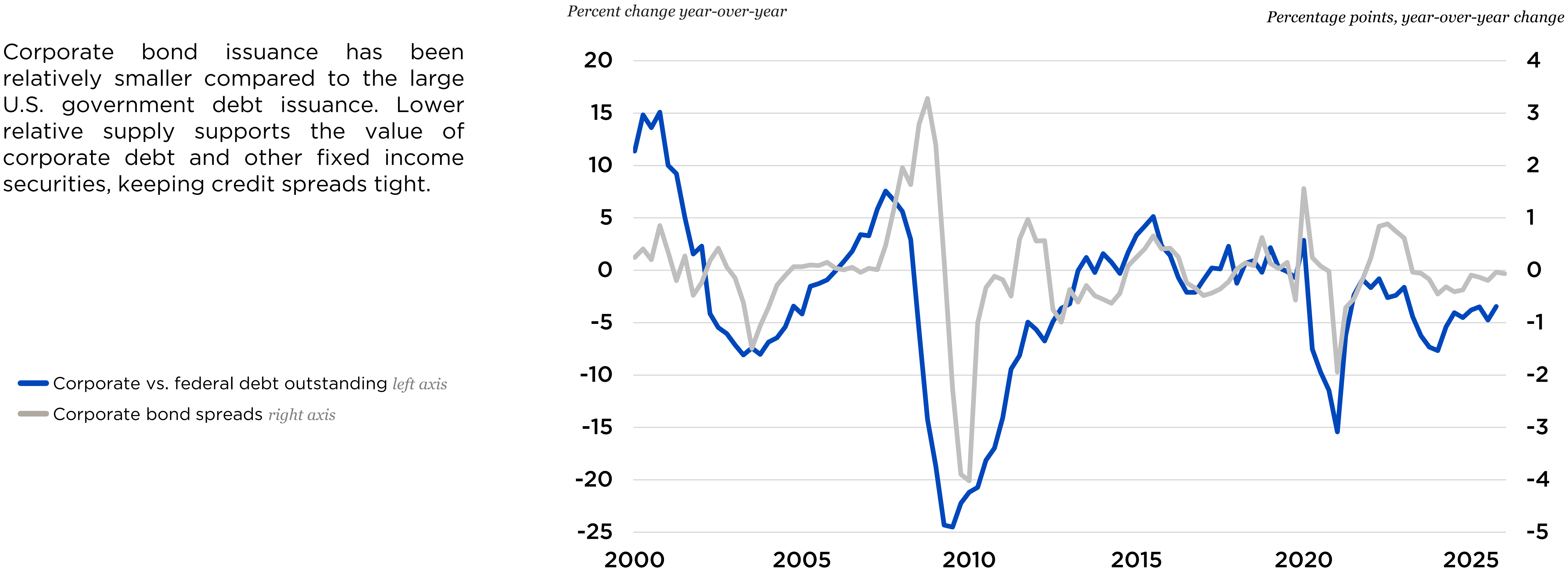


Source: Bloomberg, Nationwide Economics

Corporate bond spreads move in tandem with relative issuance

Corporate bond issuance has been relatively smaller compared to the large U.S. government debt issuance. Lower relative supply supports the value of corporate debt and other fixed income securities, keeping credit spreads tight.

Corporate and federal debt issuance relative to corporate bond spreads



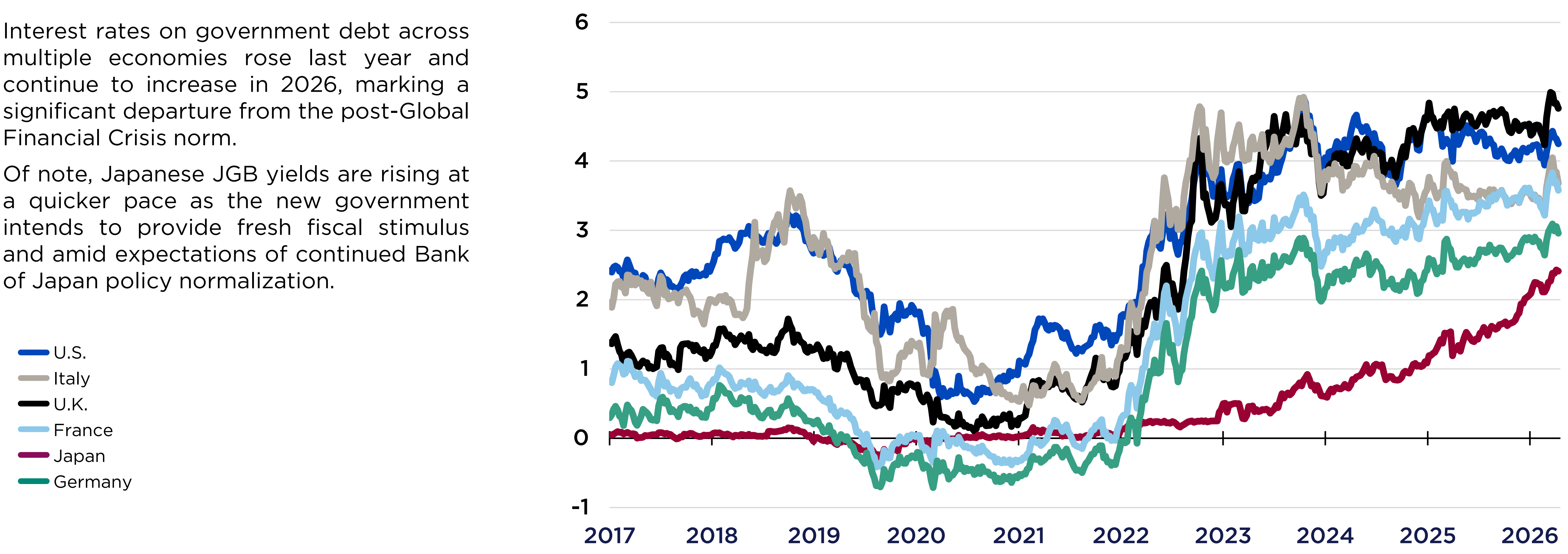
Source: Bloomberg, Nationwide Investments, Nationwide Economics

The era of ultra-low government bond yields looks to be over

Interest rates on government debt across multiple economies rose last year and continue to increase in 2026, marking a significant departure from the post-Global Financial Crisis norm.

Of note, Japanese JGB yields are rising at a quicker pace as the new government intends to provide fresh fiscal stimulus and amid expectations of continued Bank of Japan policy normalization.

10-year sovereign bond yields

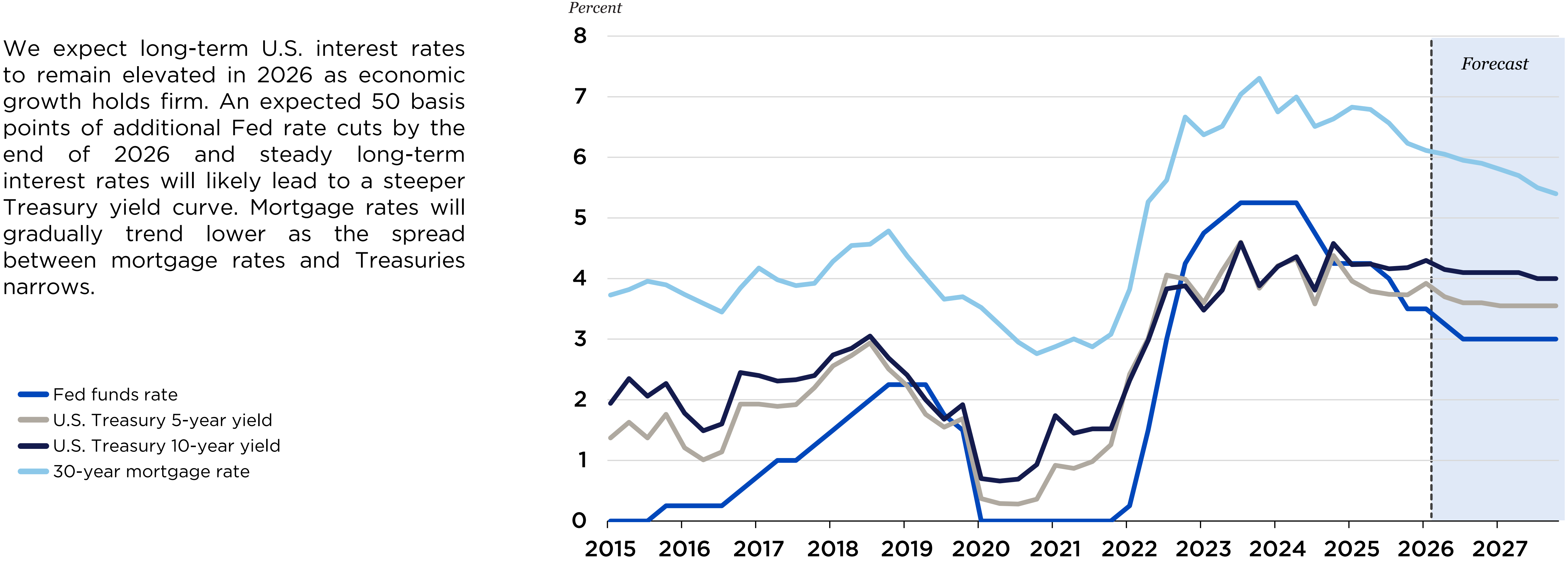


Source: Bloomberg, Nationwide Economics

Interest rates are poised to stay high

We expect long-term U.S. interest rates to remain elevated in 2026 as economic growth holds firm. An expected 50 basis points of additional Fed rate cuts by the end of 2026 and steady long-term interest rates will likely lead to a steeper Treasury yield curve. Mortgage rates will gradually trend lower as the spread between mortgage rates and Treasuries narrows.

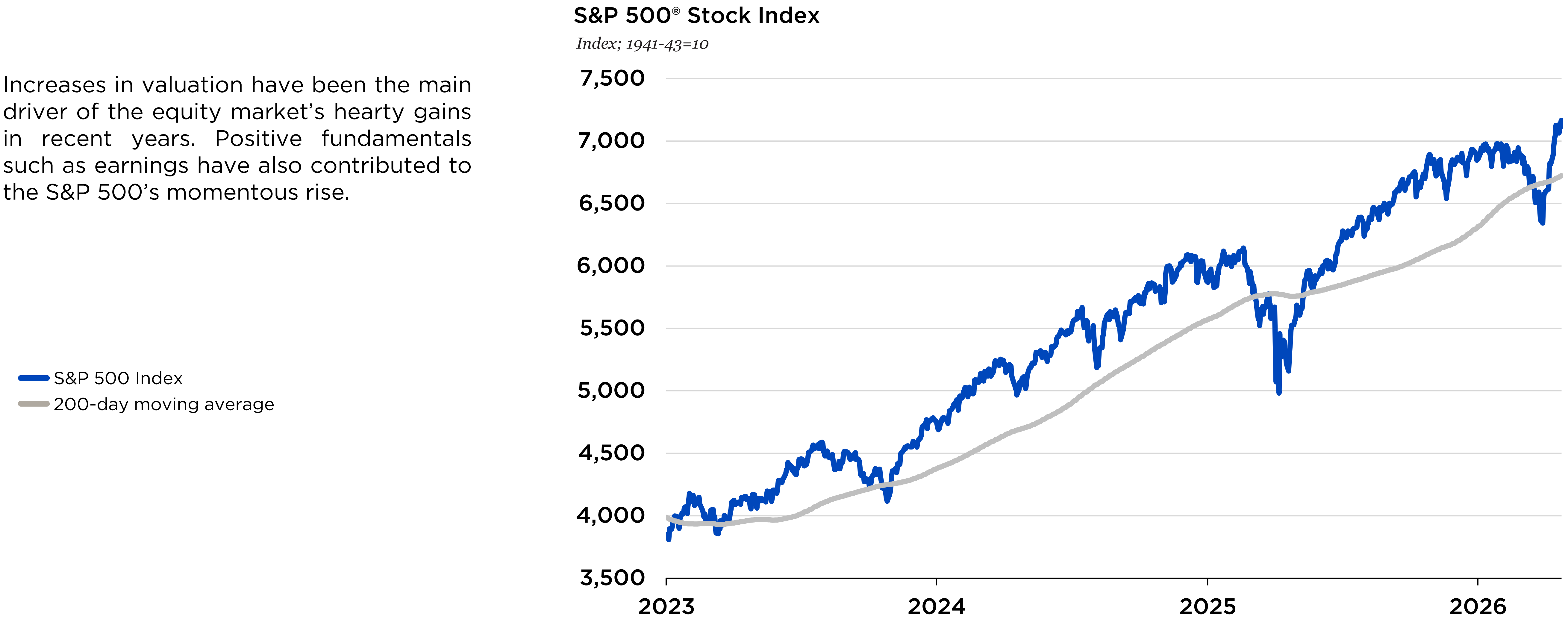
Nationwide Economics' interest rate forecasts



Note: March 2026 forecast vintage
Source: Haver Analytics, Nationwide Economics

Valuation is a key driver of the stock market's robust rise

Increases in valuation have been the main driver of the equity market's hearty gains in recent years. Positive fundamentals such as earnings have also contributed to the S&P 500's momentous rise.



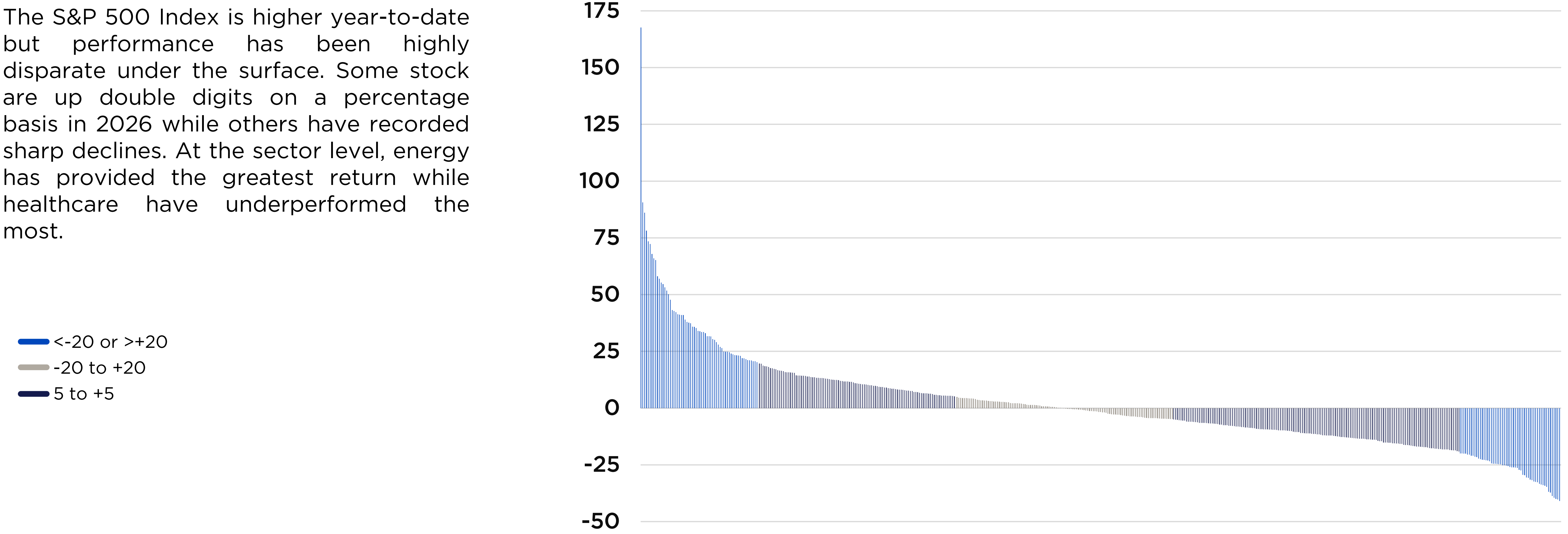
Source: S&P, Haver Analytics, Nationwide Economics

Equity market performance is unevenly distributed

The S&P 500 Index is higher year-to-date but performance has been highly disparate under the surface. Some stock are up double digits on a percentage basis in 2026 while others have recorded sharp declines. At the sector level, energy has provided the greatest return while healthcare have underperformed the most.

S&P 500® constituent performance, 2026 year-to-date

Percent change



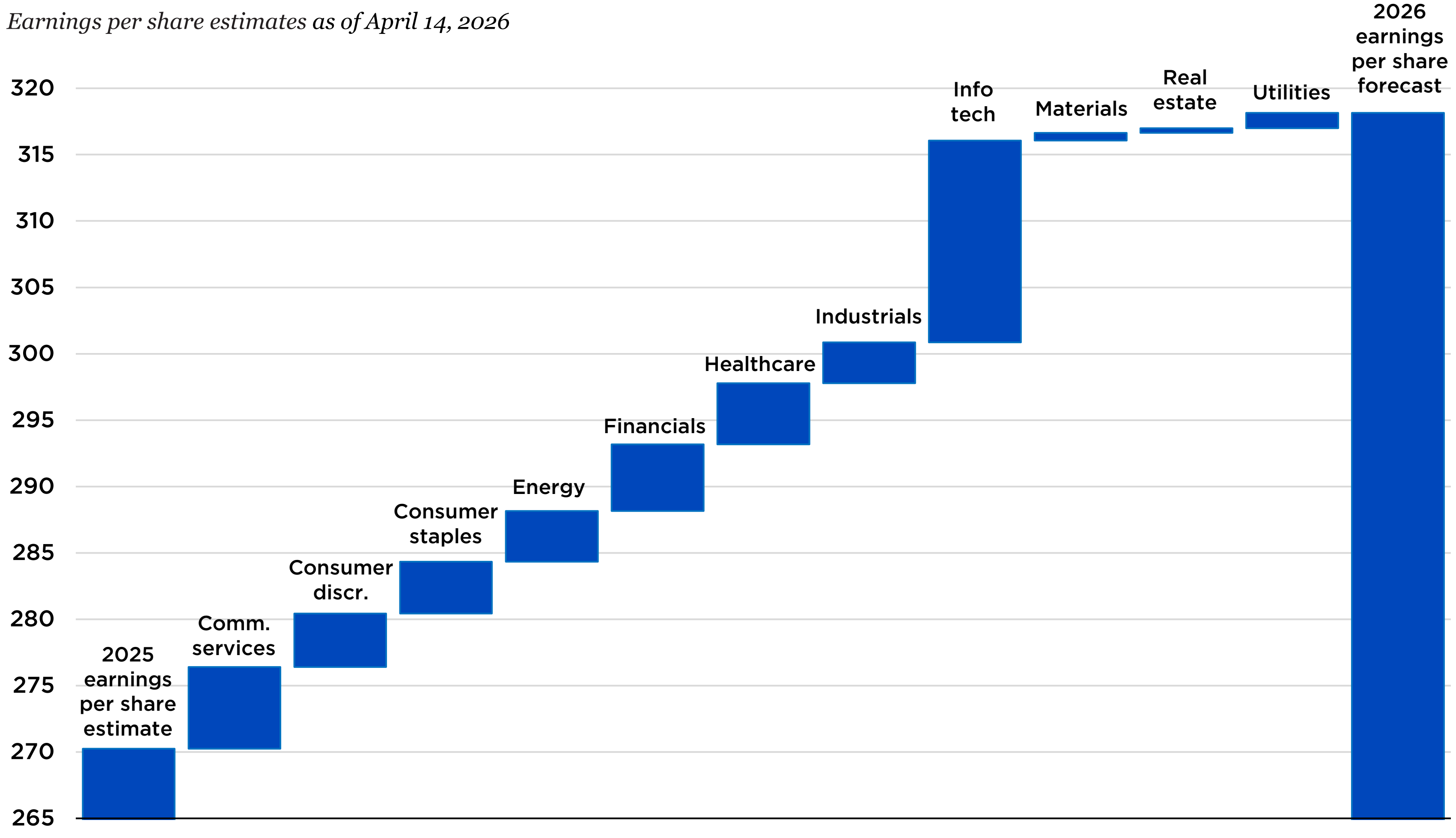
Note: Data as of April 13, 2026
Source: Bloomberg, Nationwide Investment Research

Corporations remain positive on earnings expectations

Forward earnings expectations are still constructive across sectors for 2026 despite various pervading downside risks, namely the Iran conflict, private credit, and AI-related disruption.

Earnings per share growth breakdown - calendar year 2026 forecast

Earnings per share estimates as of April 14, 2026



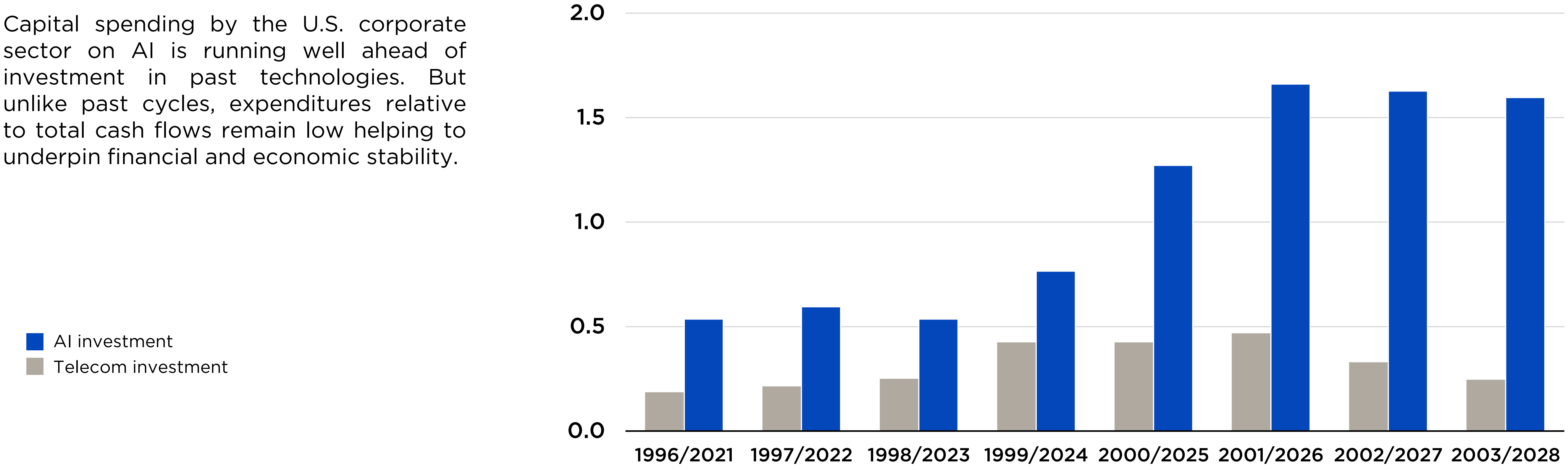
Source: FactSet, Nationwide Economics

Corporations are spending tremendously on AI

Capital spending by the U.S. corporate sector on AI is running well ahead of investment in past technologies. But unlike past cycles, expenditures relative to total cash flows remain low helping to underpin financial and economic stability.

Capital expenditures by tech buildout cycle

Percent of GDP



Note: AI investment includes actual and company guidance from Oracle, Microsoft, Meta, Amazon and Google. Telecom companies include Level 3 Communications, WorldCom, Global Crossing, Nortel Networks, Verizon, AT&T, Nokia, Cisco Systems, Williams Companies and XO Communications. Assumes Oracle will bare 1/3 of "Stargate" project. Uses a combination of Nationwide and CBO forecast for GDP beyond 2024.

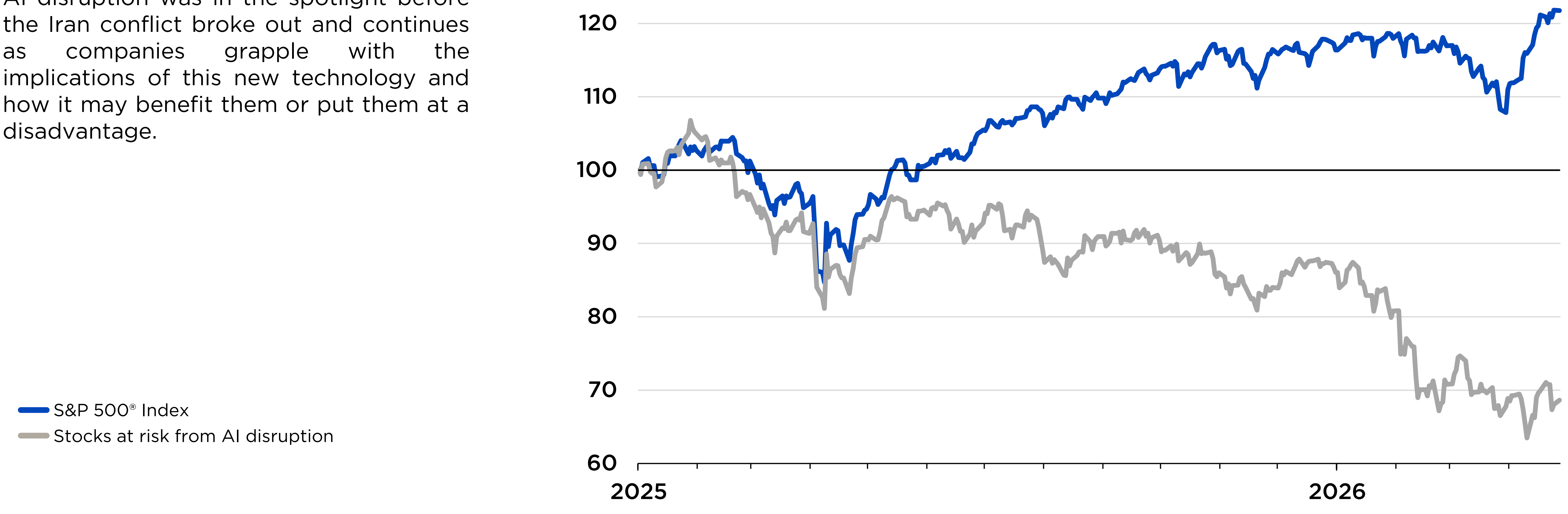
Source: Company Filings, Bureau of Economic Analysis, Bloomberg, Haver Analytics, Nationwide Economics

AI disruption a major theme in the market

AI disruption was in the spotlight before the Iran conflict broke out and continues as companies grapple with the implications of this new technology and how it may benefit them or put them at a disadvantage.

Equity performance since 2025

Index; Jan 1, 2025=100

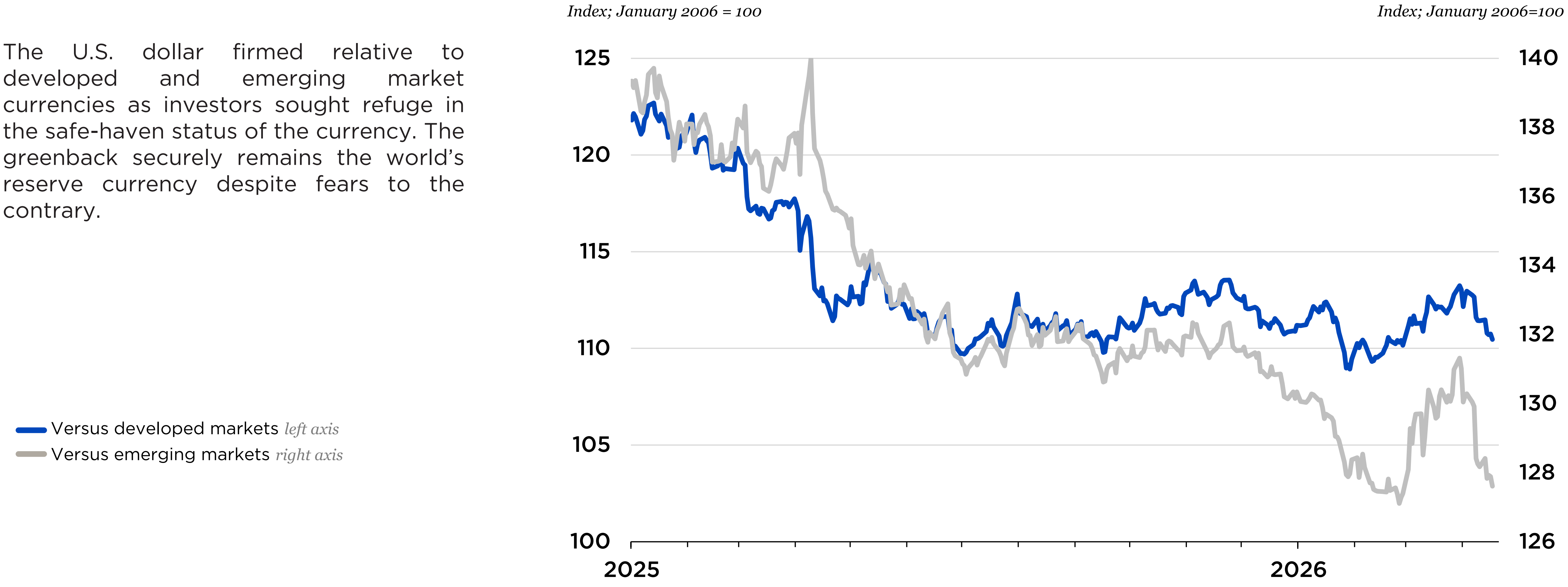


Source: Bloomberg, Goldman Sachs, Nationwide Economics

Investors seek safety in the U.S. dollar amid global turmoil

The U.S. dollar firmed relative to developed and emerging market currencies as investors sought refuge in the safe-haven status of the currency. The greenback securely remains the world's reserve currency despite fears to the contrary.

Broad nominal effective USD index



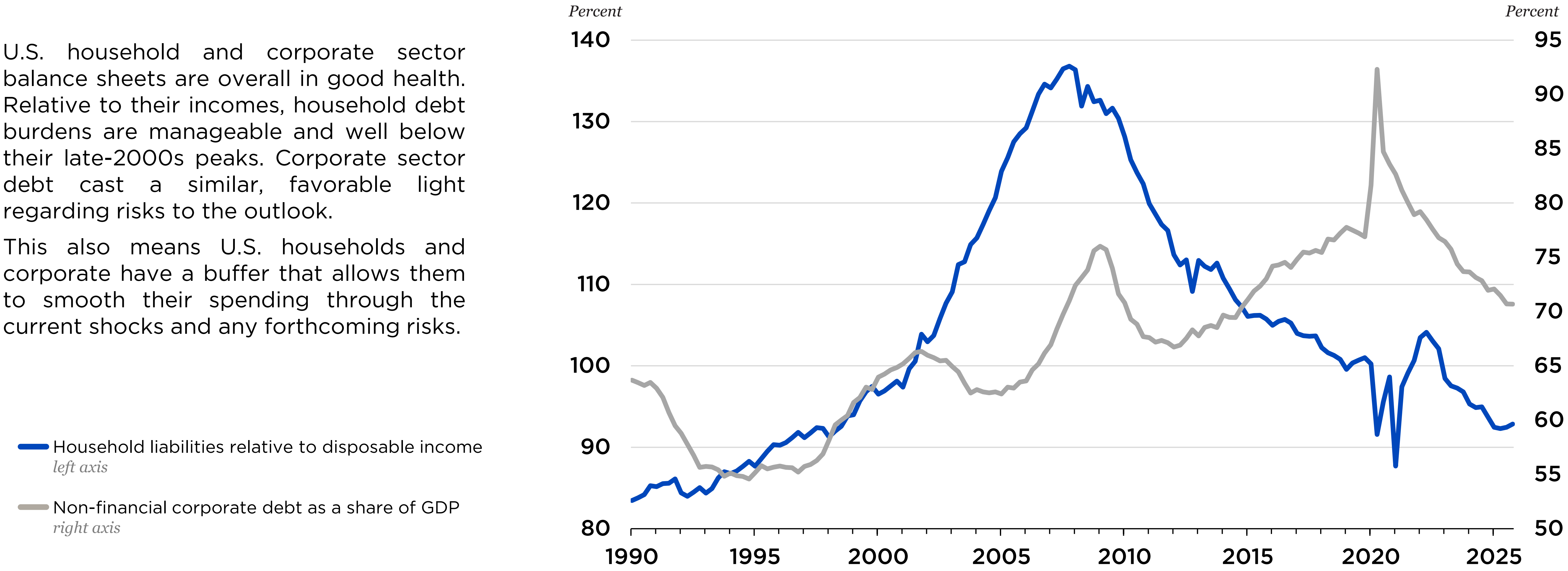
Source: FRB, Haver Analytics, Nationwide Economics

Consumer and corporate balance sheets don't flag major risks

U.S. household and corporate sector balance sheets are overall in good health. Relative to their incomes, household debt burdens are manageable and well below their late-2000s peaks. Corporate sector debt cast a similar, favorable light regarding risks to the outlook.

This also means U.S. households and corporate have a buffer that allows them to smooth their spending through the current shocks and any forthcoming risks.

Household and non-financial corporate balance sheets



Source: Federal Reserve, Haver Analytics, Nationwide Economics

U.S. & Global Economy

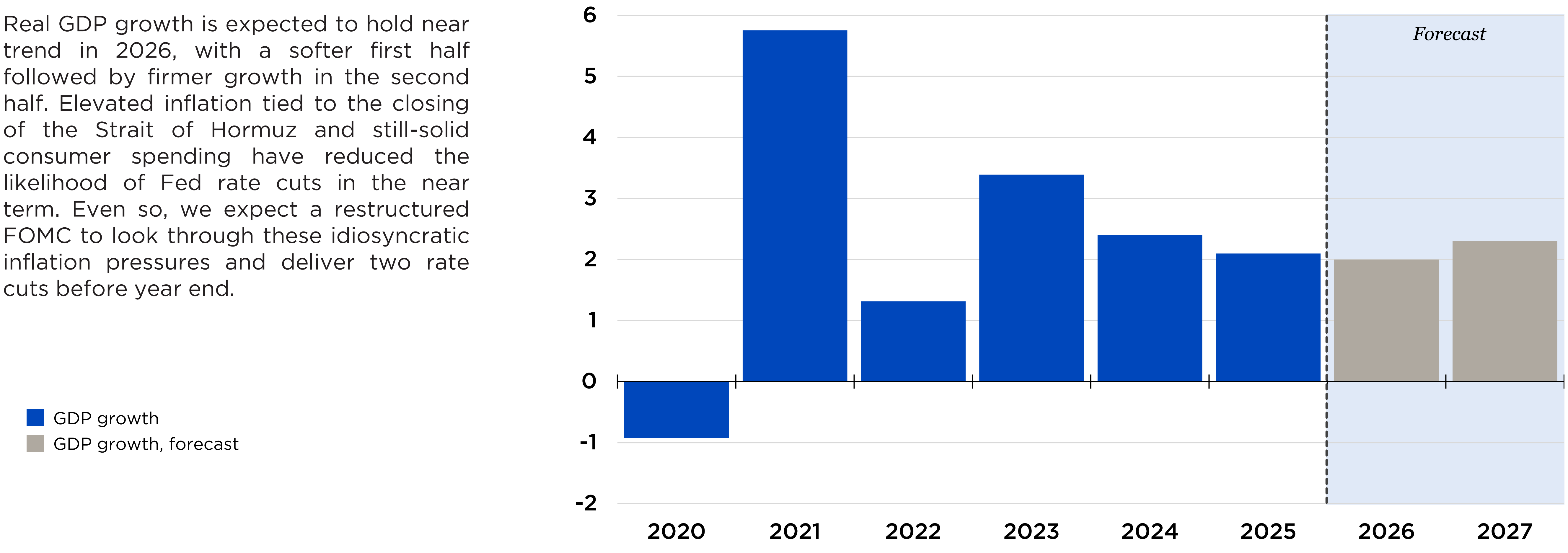
Highlights

Solid growth still expected in 2026

Real GDP growth is expected to hold near trend in 2026, with a softer first half followed by firmer growth in the second half. Elevated inflation tied to the closing of the Strait of Hormuz and still-solid consumer spending have reduced the likelihood of Fed rate cuts in the near term. Even so, we expect a restructured FOMC to look through these idiosyncratic inflation pressures and deliver two rate cuts before year end.

GDP growth – historical and forecast

Percent, Q4/Q4 change



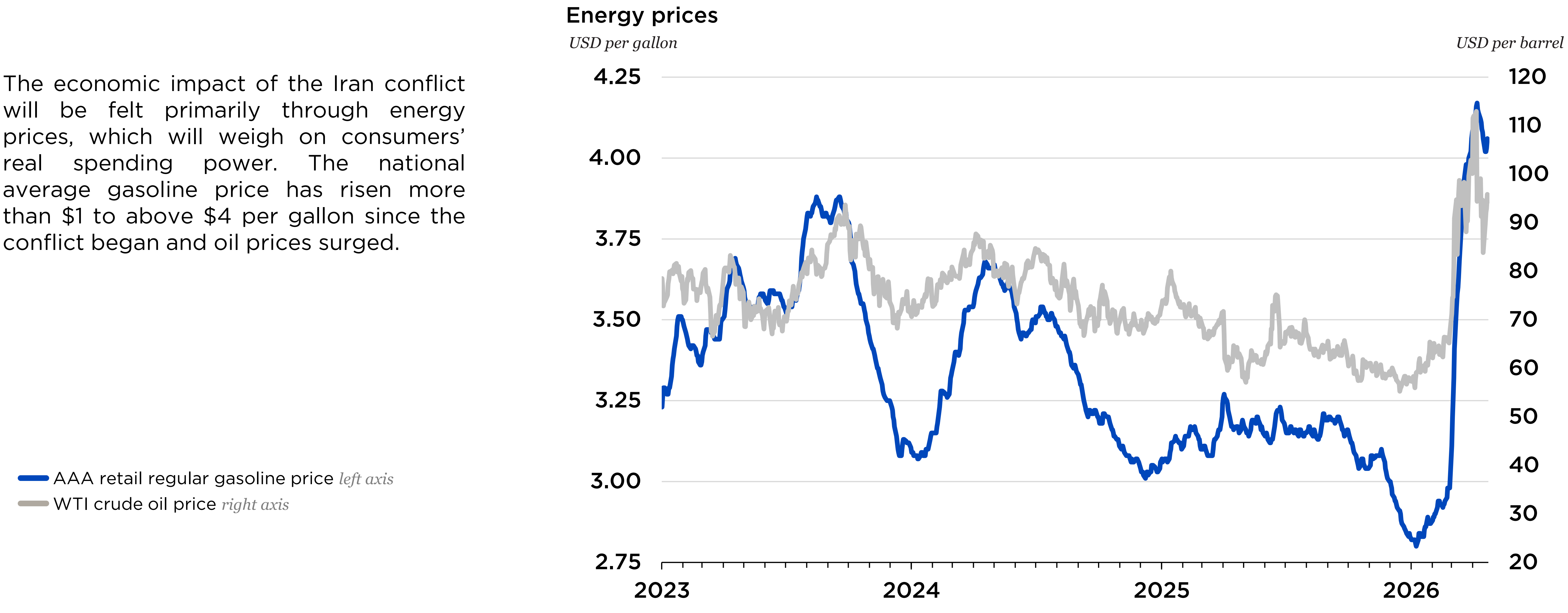
Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

Where are we in the business cycle?

The economy remains in a late-cycle phase, but no signs of a recession are on the horizon.

Economy confronts an energy price shock

The economic impact of the Iran conflict will be felt primarily through energy prices, which will weigh on consumers' real spending power. The national average gasoline price has risen more than $1 to above $4 per gallon since the conflict began and oil prices surged.

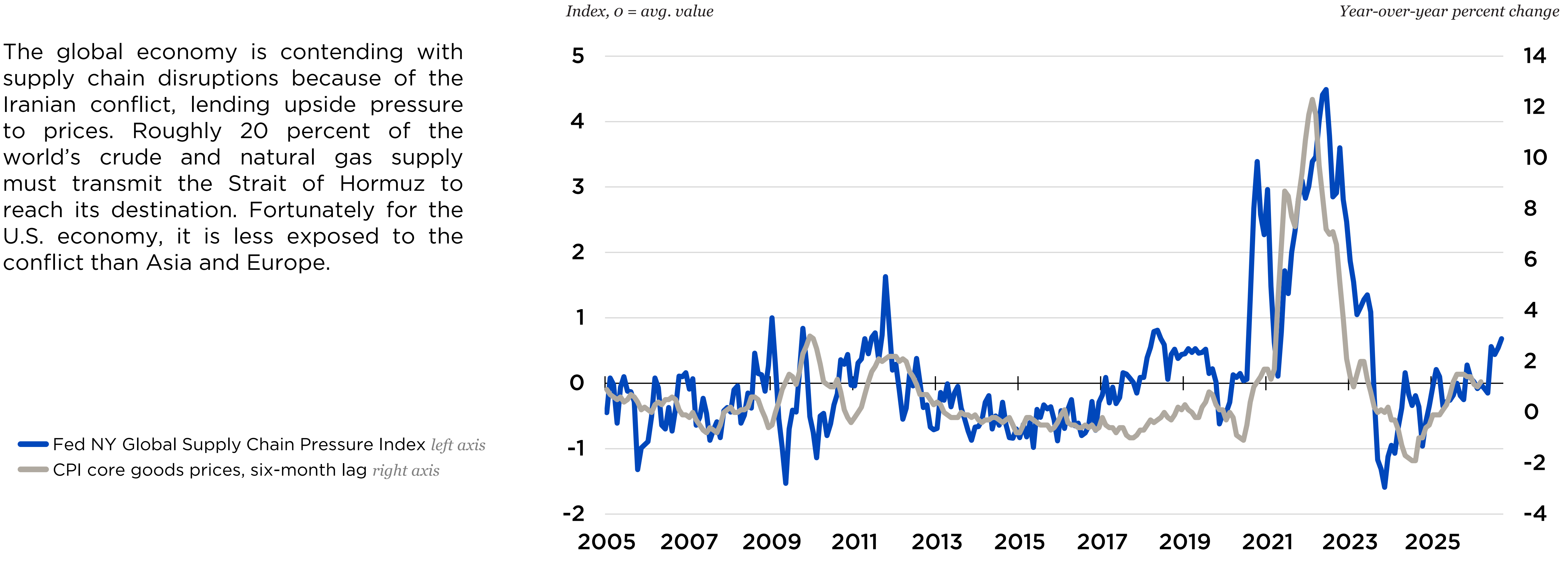


Source: Bloomberg, Nationwide Economics

Supply chains disrupted by the Iran conflict

The global economy is contending with supply chain disruptions because of the Iranian conflict, lending upside pressure to prices. Roughly 20 percent of the world's crude and natural gas supply must transmit the Strait of Hormuz to reach its destination. Fortunately for the U.S. economy, it is less exposed to the conflict than Asia and Europe.

Global supply chain pressure and CPI core goods inflation



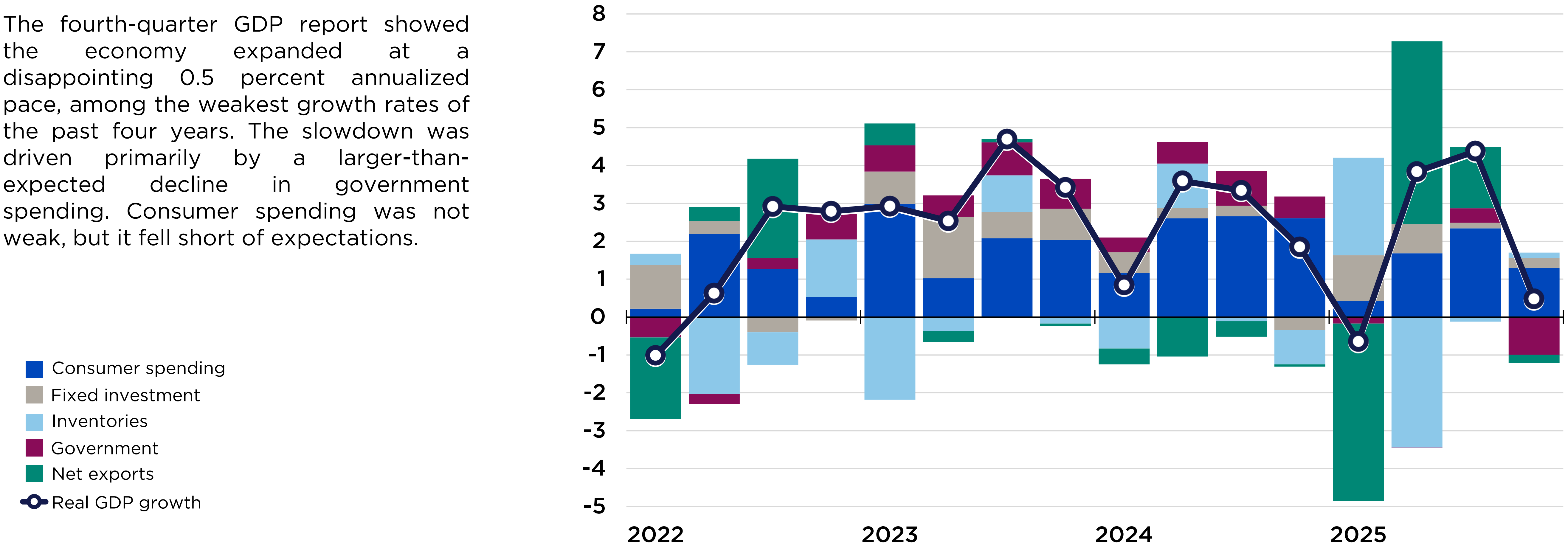
Source: NY Fed; BLS; Bloomberg; Nationwide Economics

Economy maintains buoyant momentum

The fourth-quarter GDP report showed the economy expanded at a disappointing 0.5 percent annualized pace, among the weakest growth rates of the past four years. The slowdown was driven primarily by a larger-than-expected decline in government spending. Consumer spending was not weak, but it fell short of expectations.

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

Percentage point contribution to q/q annualized growth



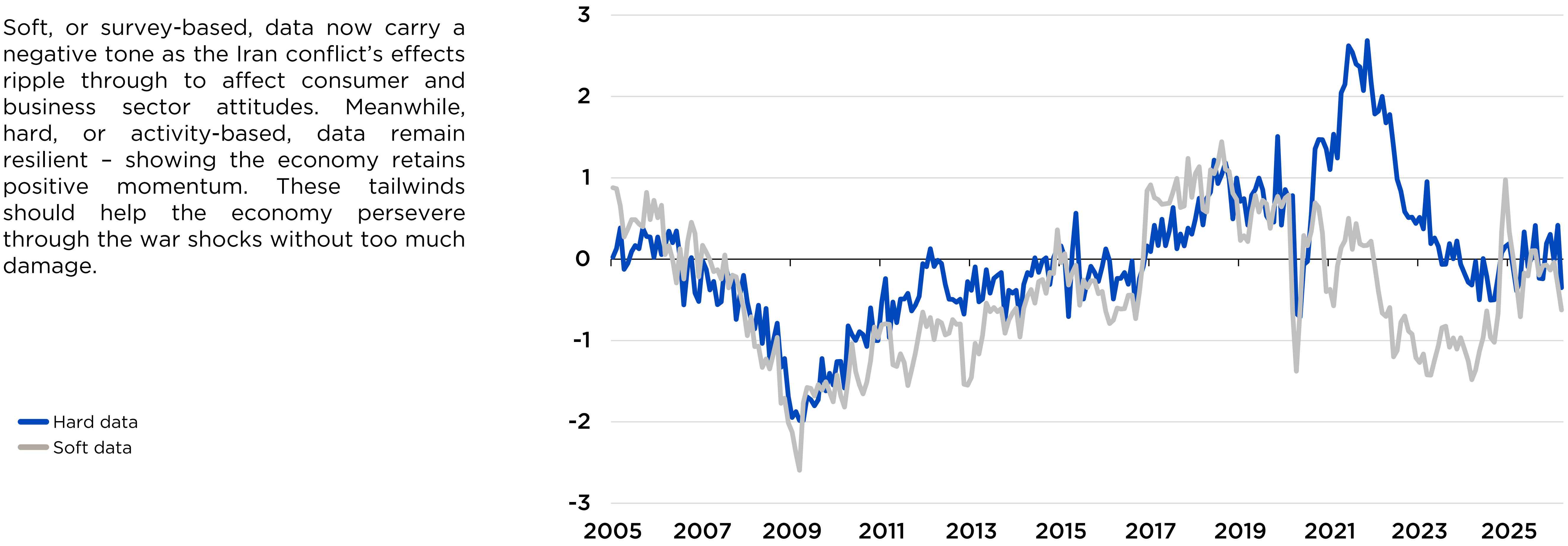
Source: BEA, Haver Analytics, Nationwide Economics

Soft and hard data tell similar stories

Soft, or survey-based, data now carry a negative tone as the Iran conflict's effects ripple through to affect consumer and business sector attitudes. Meanwhile, hard, or activity-based, data remain resilient – showing the economy retains positive momentum. These tailwinds should help the economy persevere through the war shocks without too much damage.

NFIB Small Business Optimism Index: hard vs. soft components

Average z-score



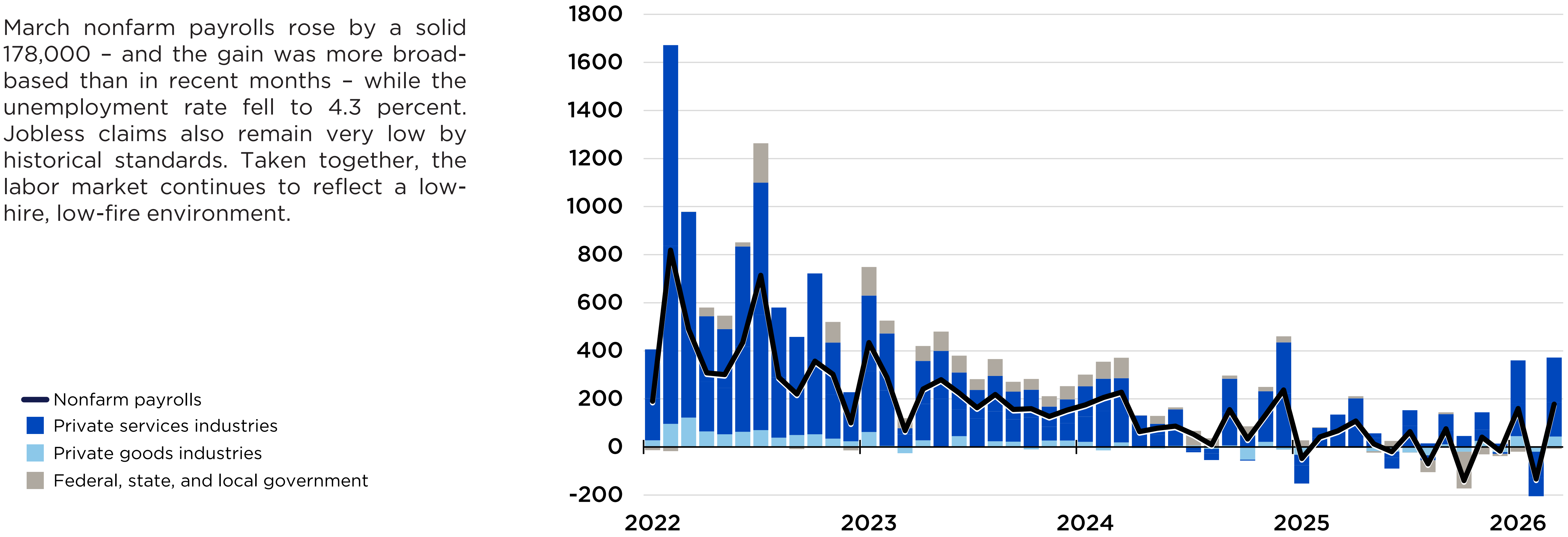
Source: NFIB, Haver Analytics, Nationwide Economics

It’s a “low hire, low fire” job market

March nonfarm payrolls rose by a solid 178,000 – and the gain was more broad-based than in recent months – while the unemployment rate fell to 4.3 percent. Jobless claims also remain very low by historical standards. Taken together, the labor market continues to reflect a low-hire, low-fire environment.

Employment growth

Monthly change; thousands



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

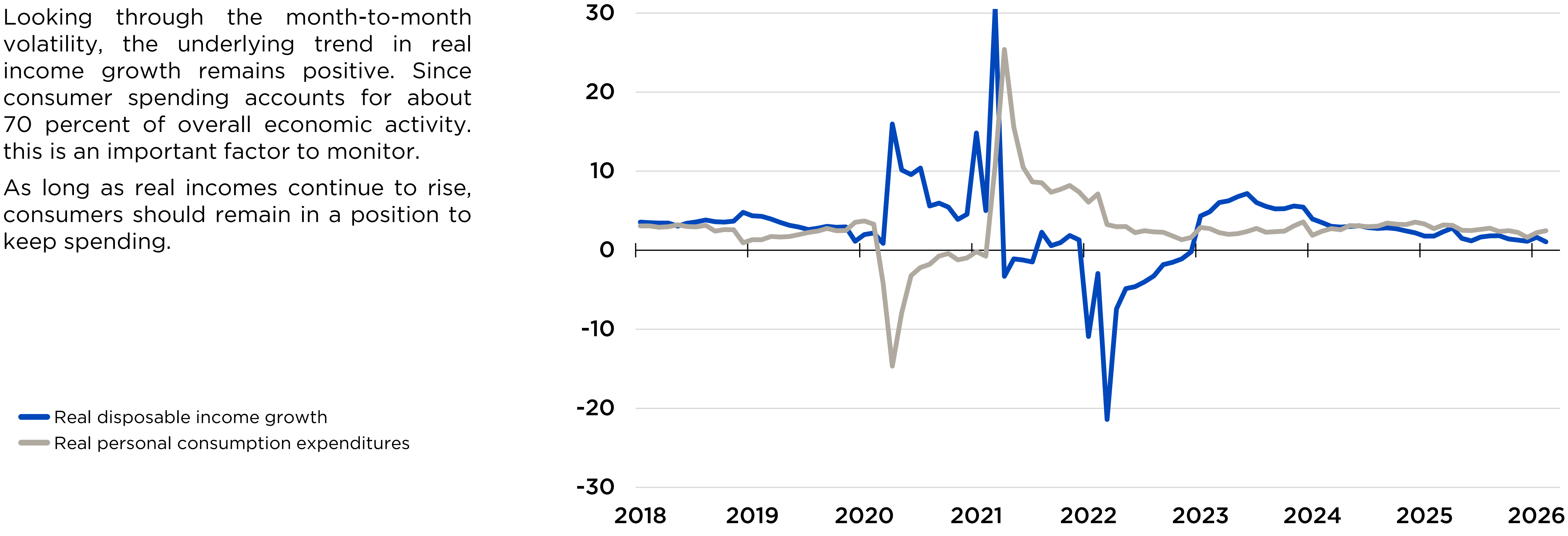
Real income growth is the key dynamic to watch

Looking through the month-to-month volatility, the underlying trend in real income growth remains positive. Since consumer spending accounts for about 70 percent of overall economic activity. this is an important factor to monitor.

As long as real incomes continue to rise, consumers should remain in a position to keep spending.

Real income and spending growth

Year-over-year percent change



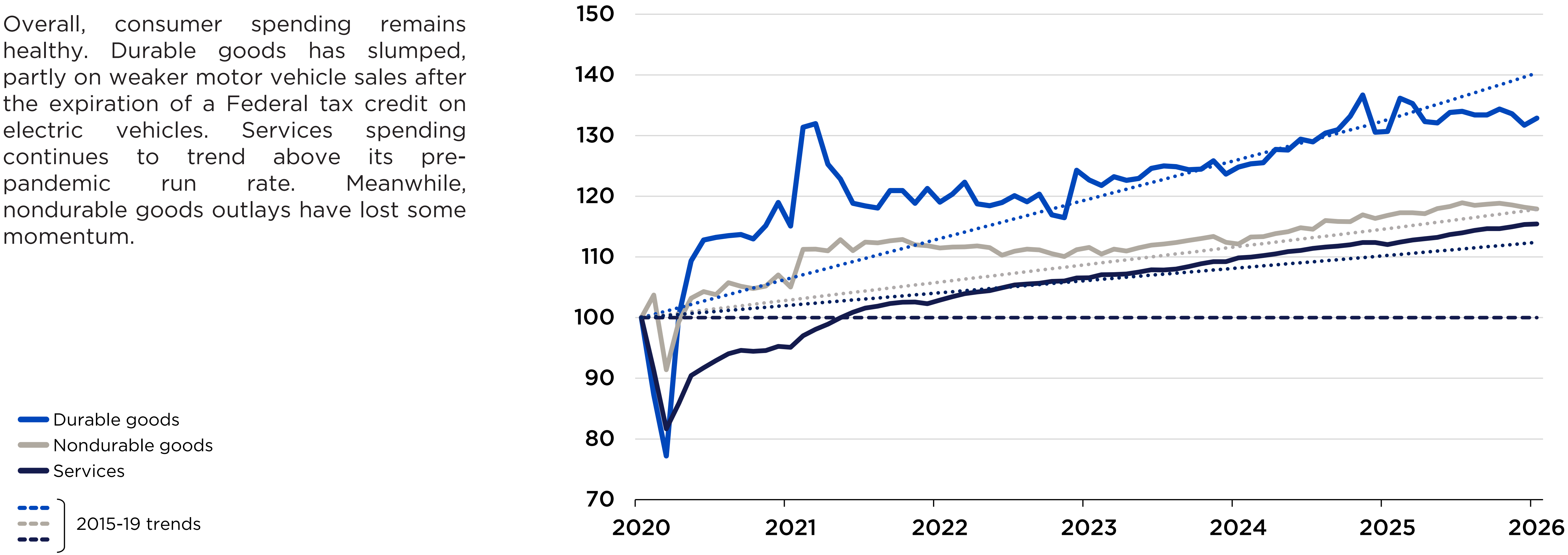
Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

Consumer spending trends remain positive

Overall, consumer spending remains healthy. Durable goods has slumped, partly on weaker motor vehicle sales after the expiration of a Federal tax credit on electric vehicles. Services spending continues to trend above its pre-pandemic run rate. Meanwhile, nondurable goods outlays have lost some momentum.

Real consumer spending

Index, Feb. 2020 = 100



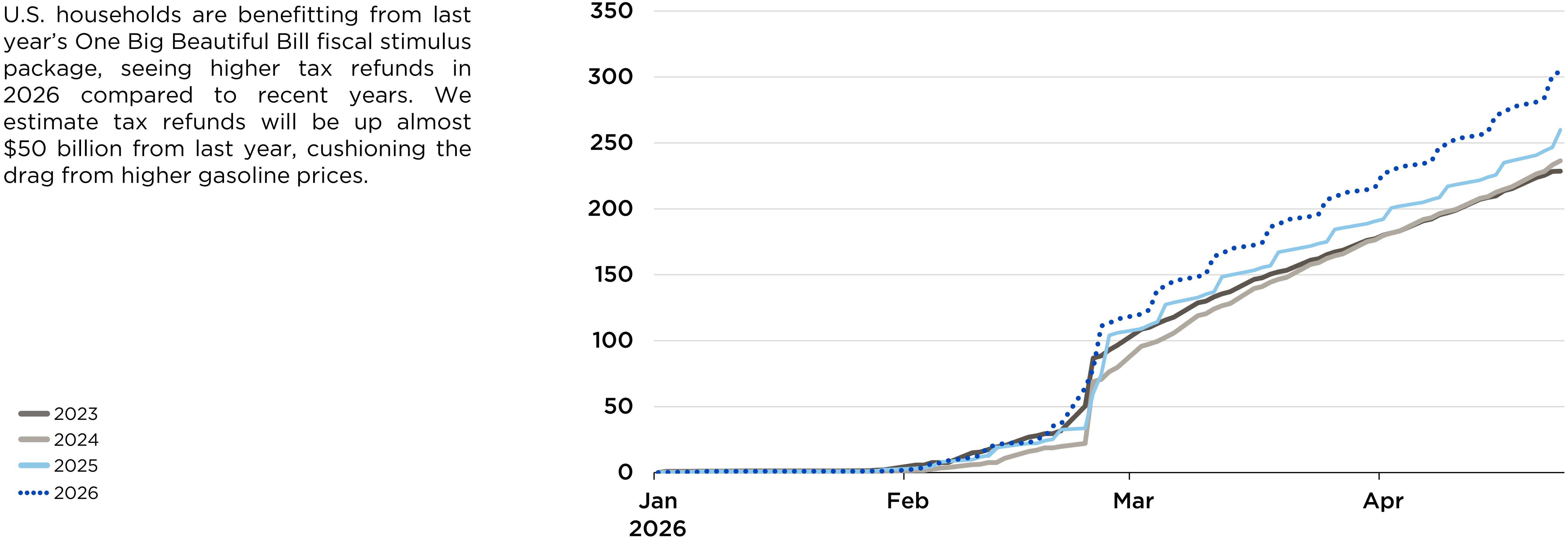
Source: Bureau of Economic Analysis, Haver Analytics, Nationwide Economics

Tax refunds likely to mitigate the drag from higher energy prices

U.S. households are benefitting from last year's One Big Beautiful Bill fiscal stimulus package, seeing higher tax refunds in 2026 compared to recent years. We estimate tax refunds will be up almost $50 billion from last year, cushioning the drag from higher gasoline prices.

Federal refunds: individual income taxes

Billions $, YTD



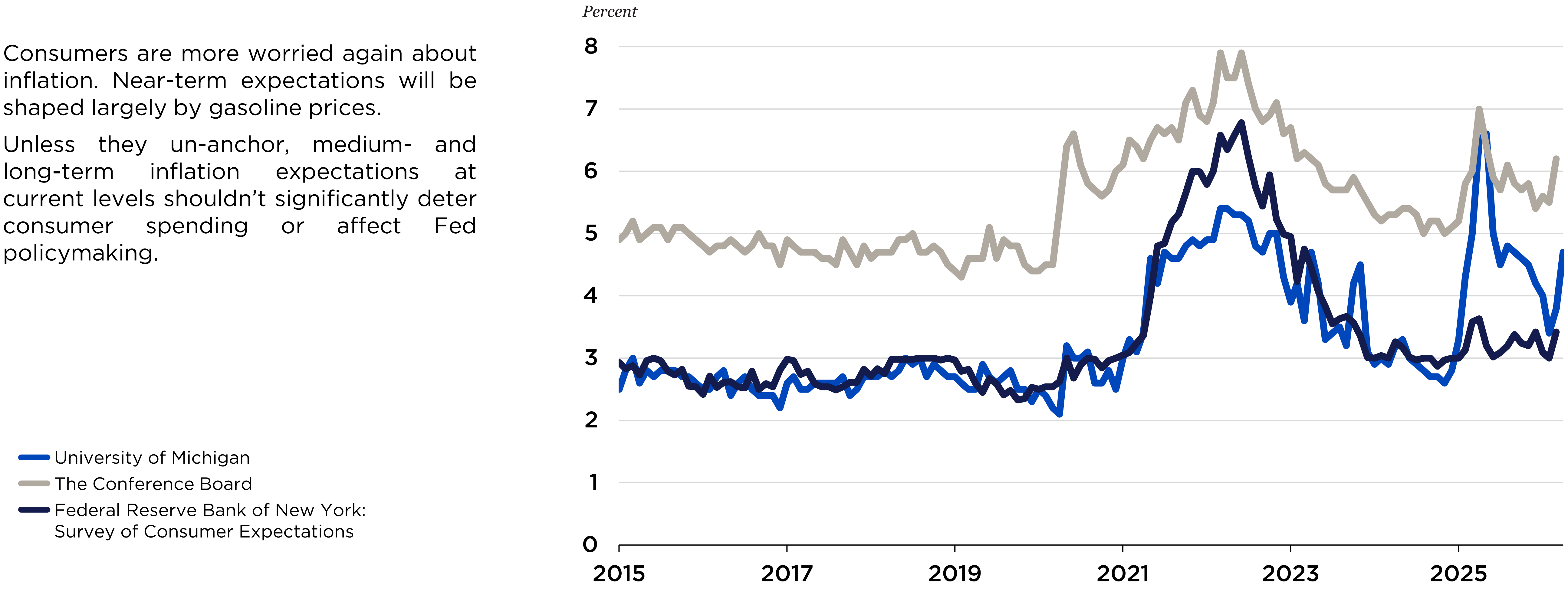
Source: U.S. Treasury, Haver Analytics, Nationwide Economics

Renewed rise in near-term consumer inflation expectations

Consumers are more worried again about inflation. Near-term expectations will be shaped largely by gasoline prices.

Unless they un-anchor, medium- and long-term inflation expectations at current levels shouldn't significantly deter consumer spending or affect Fed policymaking.

Year-ahead inflation expectations



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

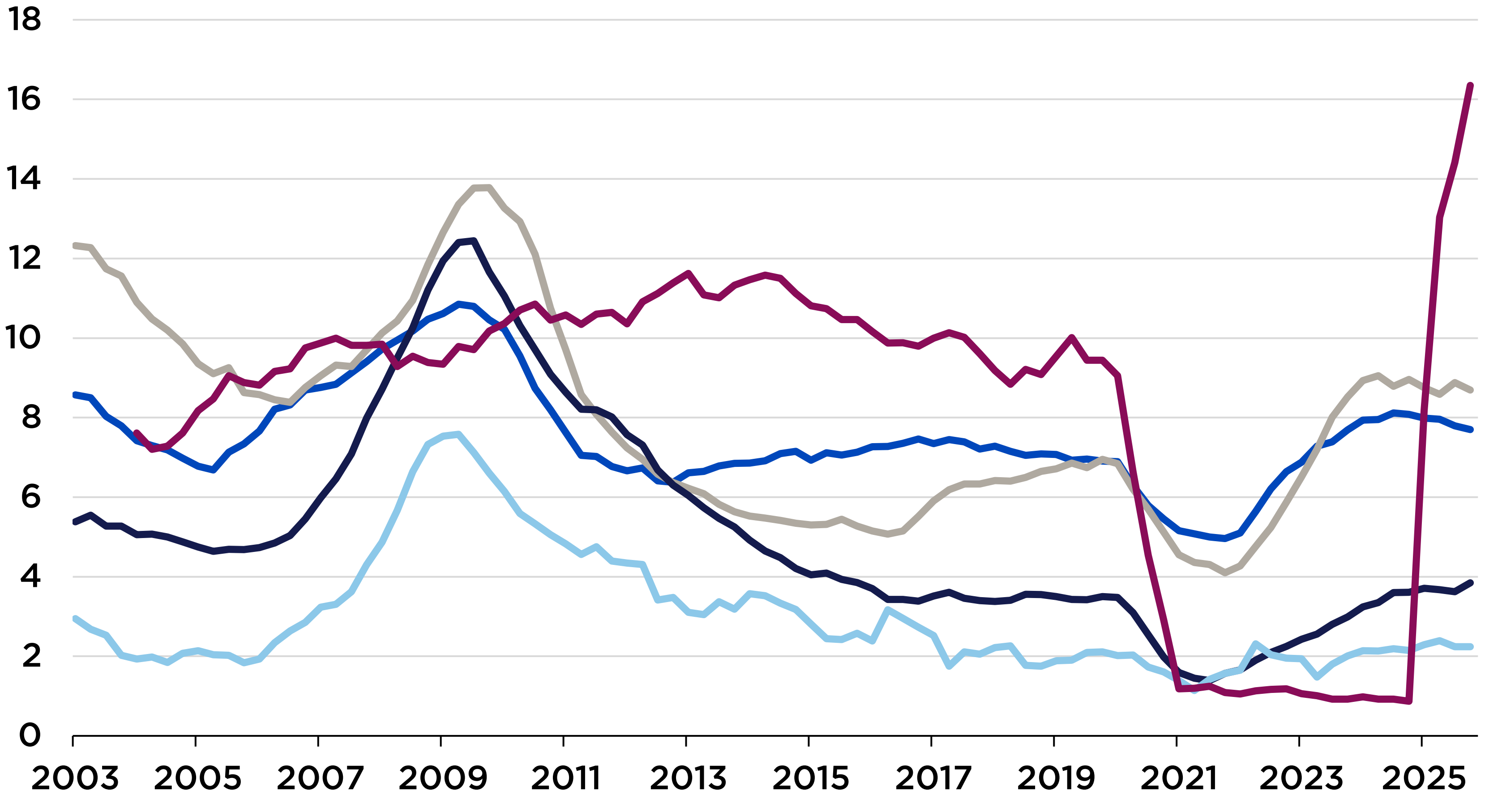
Rising delinquencies warrant selective caution

Delinquencies and charge-offs are elevated and steadily increasingly, especially among lower income households, spurred by high prices and borrowing costs and moderating earnings growth. However, risks overall appear contained in aggregate.

Reporting on student loan delinquencies restarted in 2025 after a pause that began during the pandemic.

Transition into delinquency (30+) by loan type

Percent of balance



Source: New York Fed Consumer Credit Panel/Equifax, Nationwide Economics

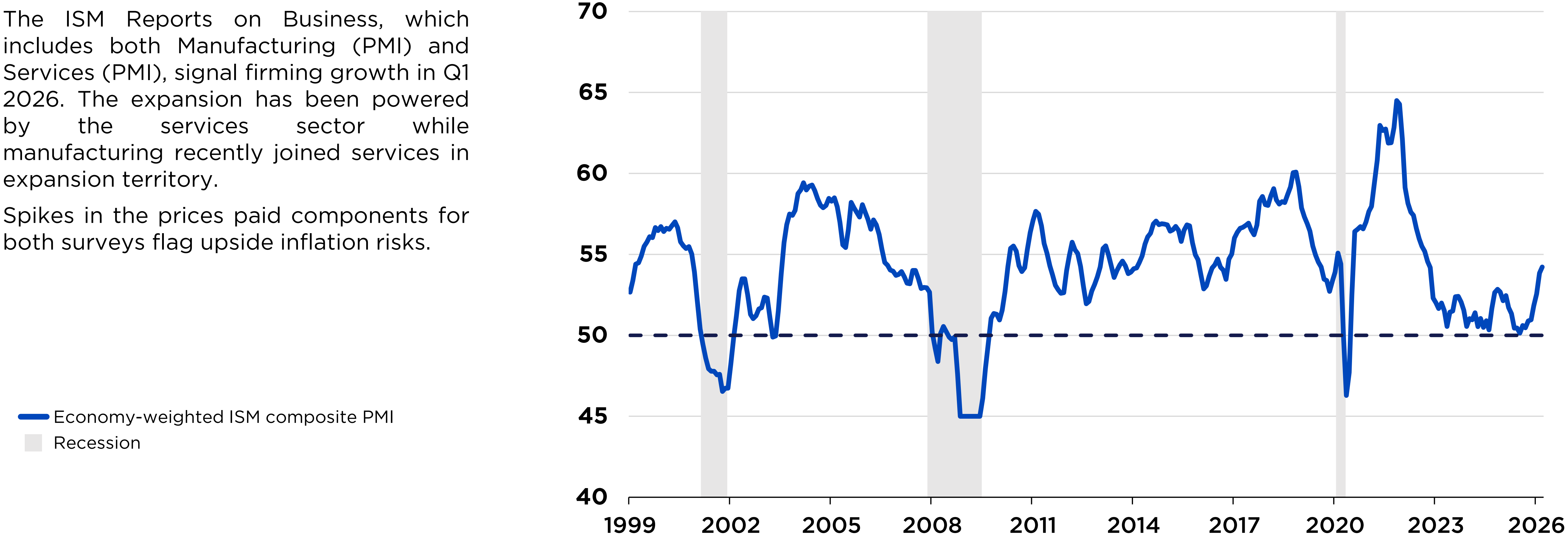
ISM readings point to a cyclical upturn

The ISM Reports on Business, which includes both Manufacturing (PMI) and Services (PMI), signal firming growth in Q1 2026. The expansion has been powered by the services sector while manufacturing recently joined services in expansion territory.

Spikes in the prices paid components for both surveys flag upside inflation risks.

Economy-weighted ISM composite PMI

Index; > 50 = expansion; three-month moving average



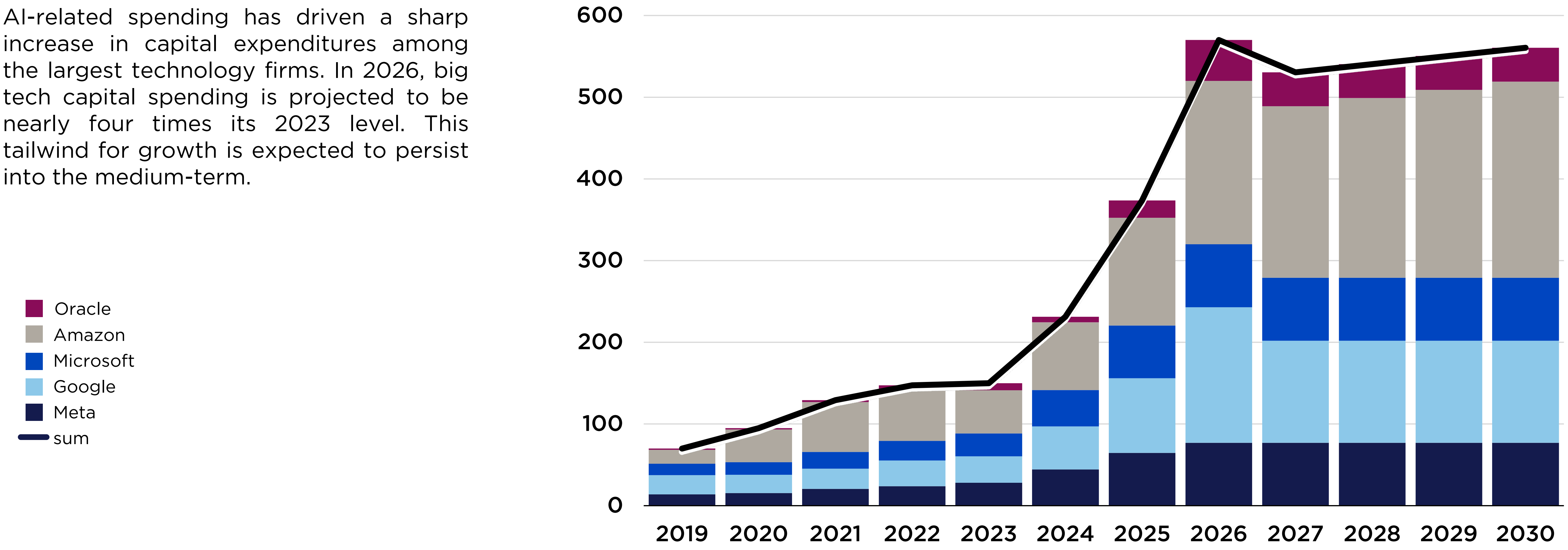
Source: Bureau of Economics Analysis, Institute for Supply Management, Haver Analytics, Nationwide Economics

AI investment's outsized boost

AI-related spending has driven a sharp increase in capital expenditures among the largest technology firms. In 2026, big tech capital spending is projected to be nearly four times its 2023 level. This tailwind for growth is expected to persist into the medium-term.

Hyperscalers' planned capital expenditures

Billions of dollars



Note: There are no known plans past 2028 for Google and Oracle; Oracle assumes cost of 1/3 of the Stargate project

Source: Company filings, Bloomberg, SoftBank, CNBC, Nationwide Economics

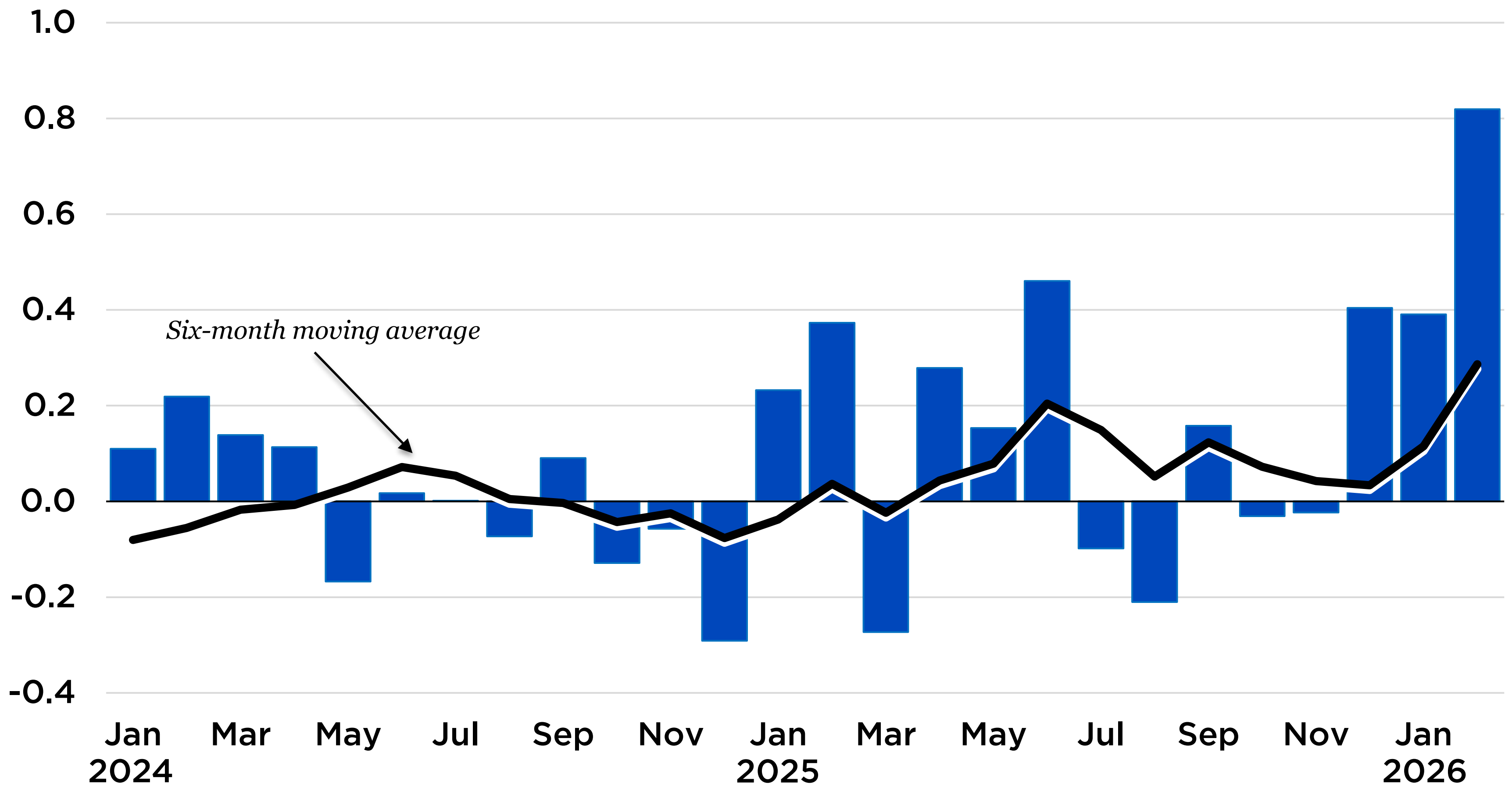
Tariff passthrough is manageable

Tariffs are exerting upward pressure on inflation. However, the impact remains smaller than expected. The burden is manageable, albeit uneven across different components of spending.

We are likely past the peak of the upward pressure tariffs will put on prices, but there remains a moderate if still fading impact. We anticipate that corporations will continue to leverage a range of strategies to mitigate the need to pass the full brunt of tariffs onto customers.

Core PCE goods prices exposed to tariffs

Month-over-month percent change



Note: Includes new motor vehicles, motor vehicle parts, furnishings and durable household goods, household supplies, personal care products, jewelry and watches, clothing, audio and video equipment, sporting goods, toys, and pharmaceutical goods.

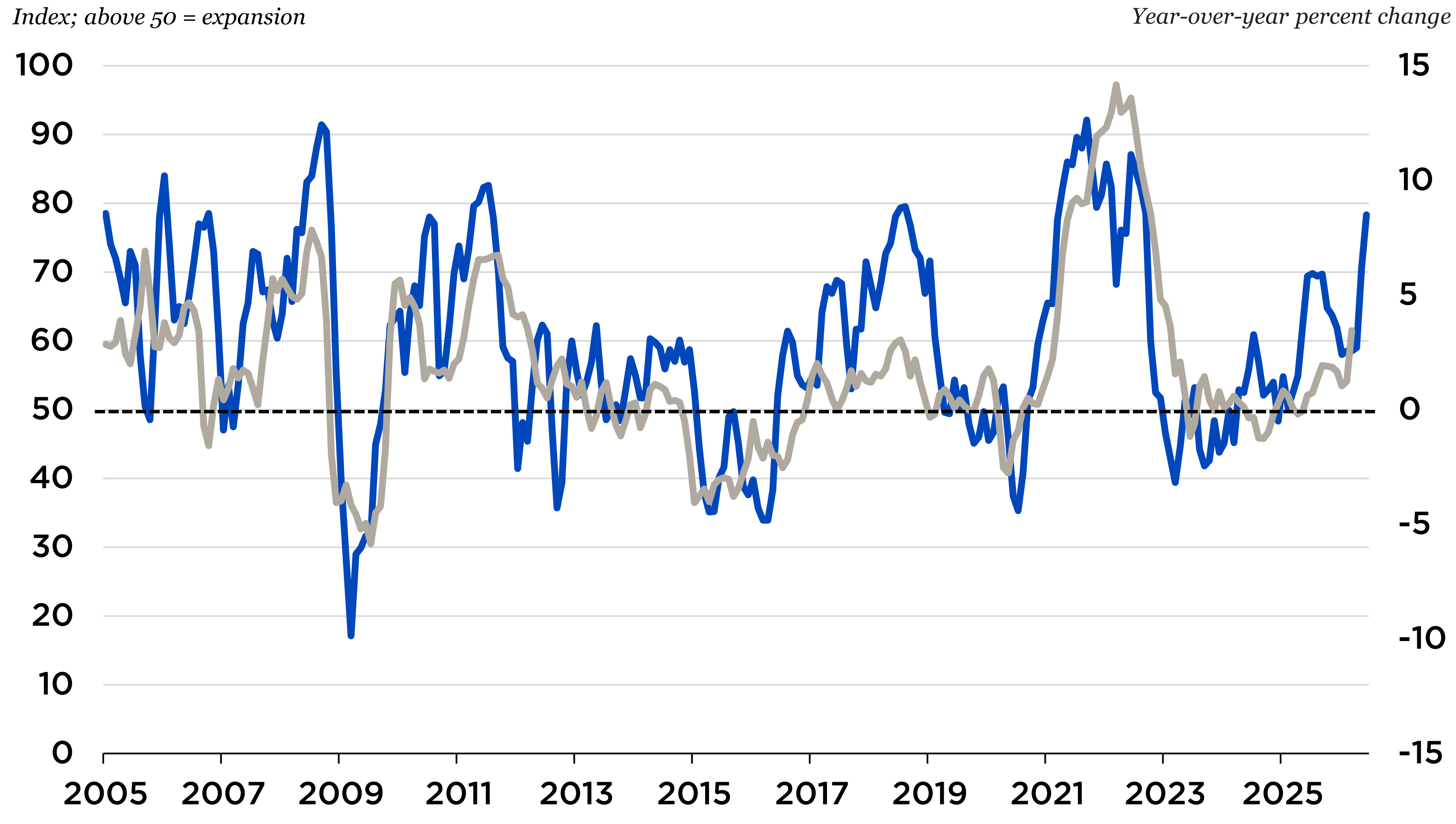
Source: BEA, Haver Analytics, Nationwide Economics

Surveys flag upside momentum for prices

The recent two-month jump in the ISM Manufacturing Prices Paid Index — the largest in a decade — reflects supply disruptions from the effective closing of the Strait of Hormuz, a key transit route for energy and manufacturing inputs.

This rapid rise in input costs increases the risk that core goods inflation could accelerate, particularly if these pressures are sustained in the coming months.

ISM Manufacturing and consumer prices



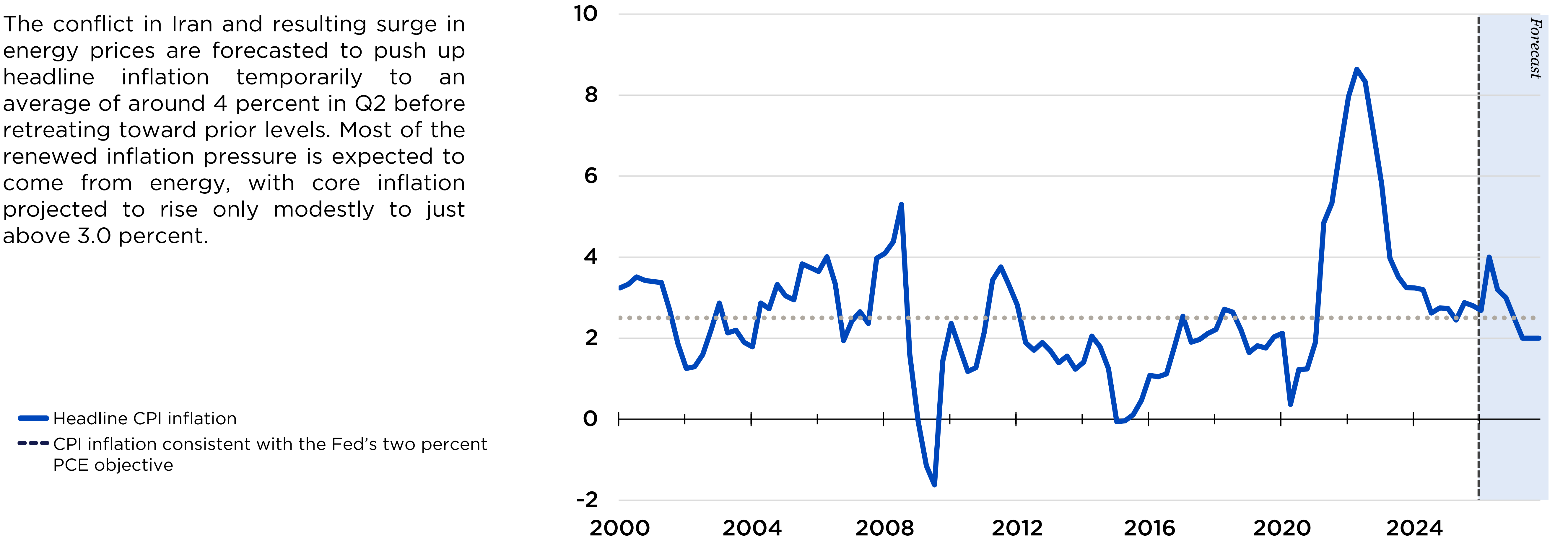
Note: October number for CPI is an average of November and September
Source: Institute for Supply Management, Haver Analytics, Nationwide Economics

Modest, short-lived inflation acceleration is expected

The conflict in Iran and resulting surge in energy prices are forecasted to push up headline inflation temporarily to an average of around 4 percent in Q2 before retreating toward prior levels. Most of the renewed inflation pressure is expected to come from energy, with core inflation projected to rise only modestly to just above 3.0 percent.

Headline CPI inflation

Year-over-year percent change



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

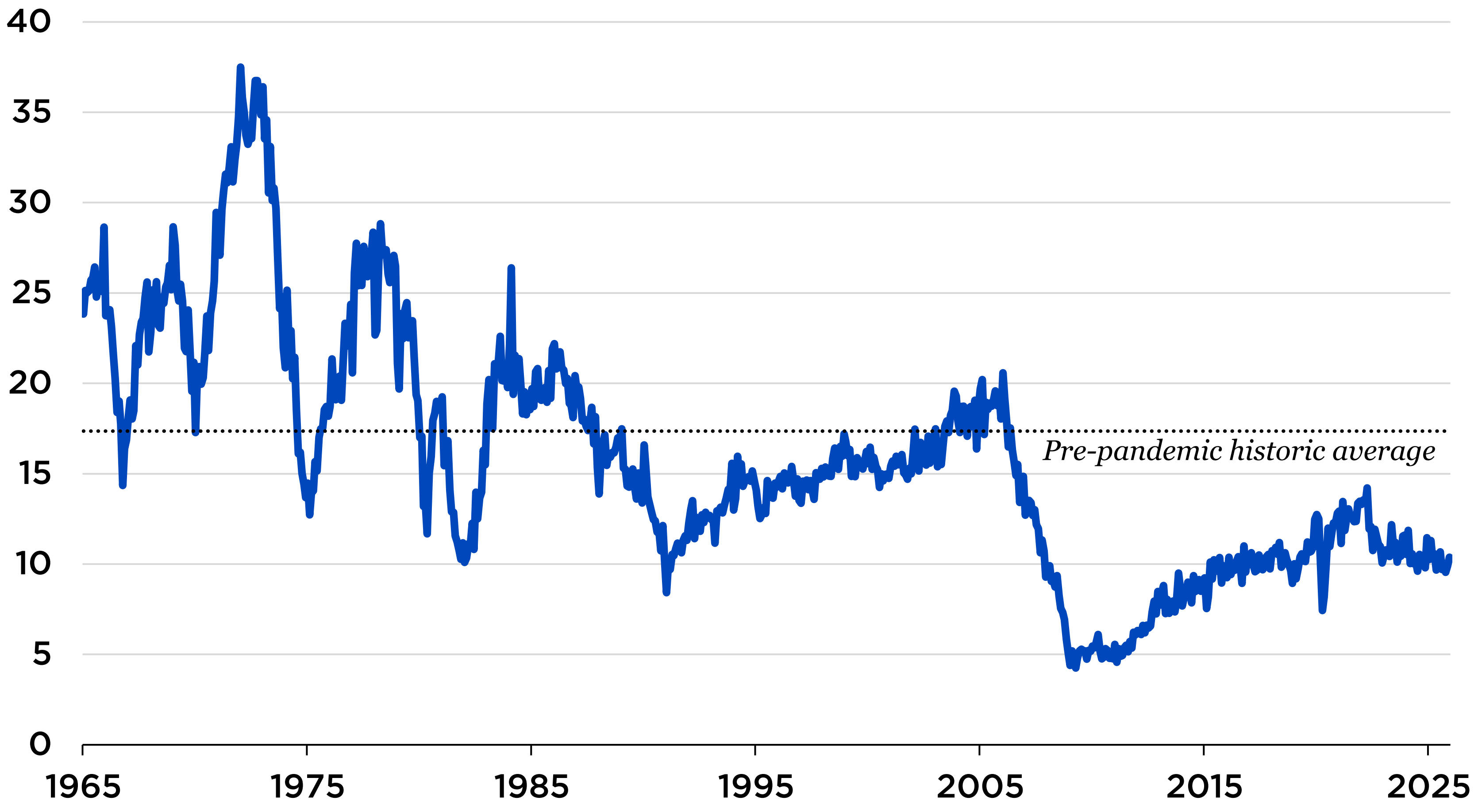
Housing construction activity remains weak

Homebuilding activity remains lackluster, with single-family construction still weak and overall starts running well below their long-term average, in line with subdued homebuilder sentiment. Multifamily construction has been comparatively solid in recent years, but not nearly strong enough to offset the prolonged shortfall in new home supply.

We do not expect housing construction to pick up meaningfully in 2026, though the 21st Century ROAD to Housing Act could provide a modest, short-term boost to activity.

Housing starts versus household growth

Housing starts per 1,000 households

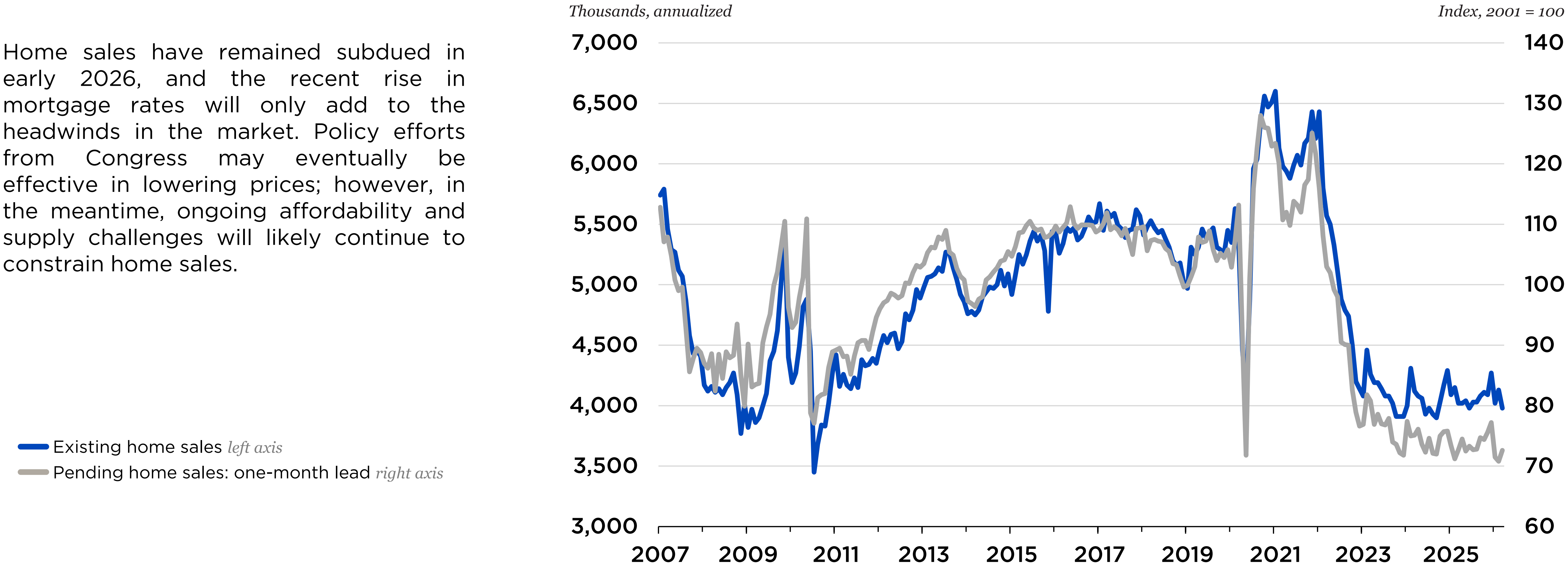


Source: Census Bureau, Nationwide Economics calculations

Home sales remain subdued amid elevated mortgage rates

Home sales have remained subdued in early 2026, and the recent rise in mortgage rates will only add to the headwinds in the market. Policy efforts from Congress may eventually be effective in lowering prices; however, in the meantime, ongoing affordability and supply challenges will likely continue to constrain home sales.

Existing and pending home sales



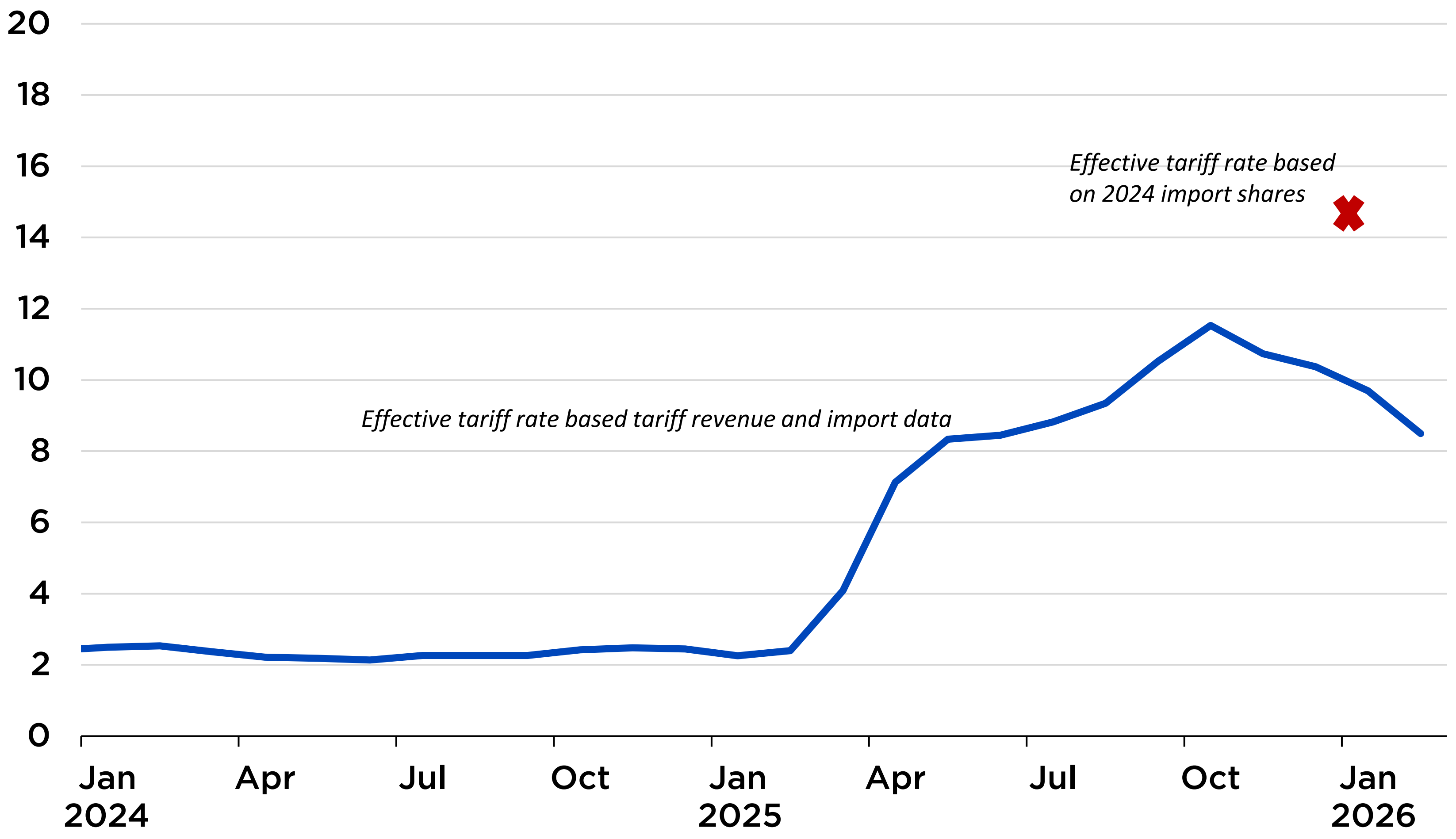
Source: NAR, Haver Analytics, Nationwide Economics

Peak tariffs looks to be behind us

Tariff revenue and import data show that the effective tariff rate has declined since peaking in October. With the IEEPA tariffs now overturned, the effective rate is unlikely to move substantially higher absent new policy changes. Even before that decision, the brunt of the tariff shock appeared to be behind us.

Effective tariff rate

Percent



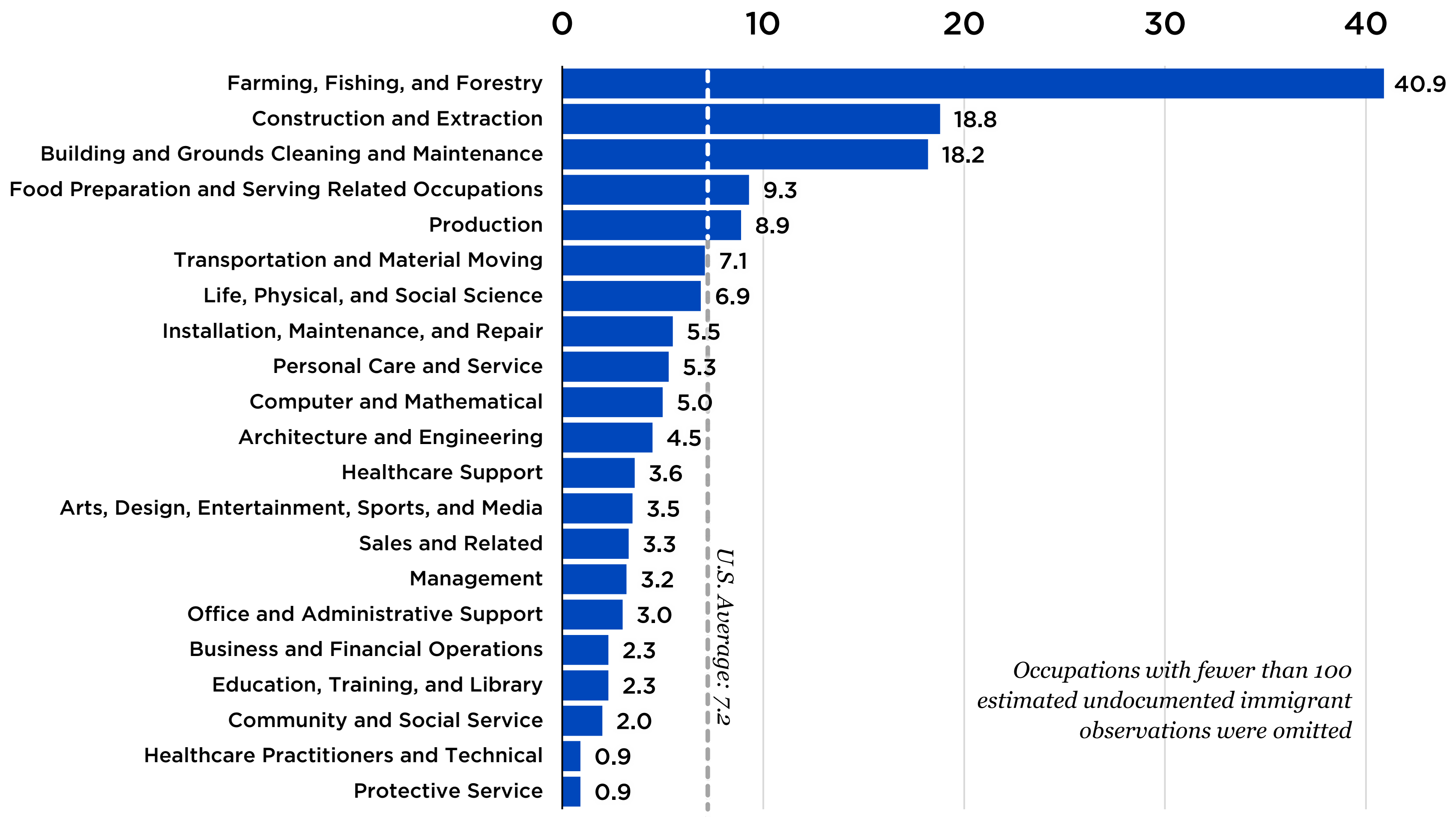
Note: Effective rate based on 2024 import shares is a static estimate that also accounts for various tariff exemptions and carveouts.
Source: Census Bureau, Haver Analytics, Nationwide Economics

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 been 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*

One Big Beautiful Bill is expected to fuel stronger investment in 2026

Provisions of last year's One Big Beautiful Bill Act (OBBBA) are anticipated to spark stronger business investment and consumer spending, mitigating lingering tariff and immigration headwinds.

Stimulus and tax incentives from OBBBA in 2026 and beyond

Consumer Stimulus

No tax on tips

$1K - $2K/yr added to take-home pay

No tax on overtime

Boosts pay for hourly workers by up to $7.2K/yr

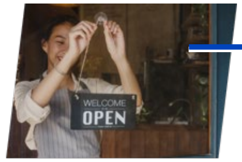
No tax on auto loan interest

Saves $500-$1,500/yr on qualifying loans

Social Security tax relief

$1K-$3K annual tax relief for low/middle-income retirees

Tax Incentives for Businesses



Permanent 199A small business deduction

Expands pass-through deduction for small business owners; $50B-$100B annual savings

Full expensing for manufacturing

Deduction for new factories, improvements, and production structures

R&D and interest expense deductions

Boosts innovation and saves tech/manufacturing firms $20B-$30B per year

Estate ("death") tax exemption increase

Raises exemption to protect family farms/businesses from inheritance tax

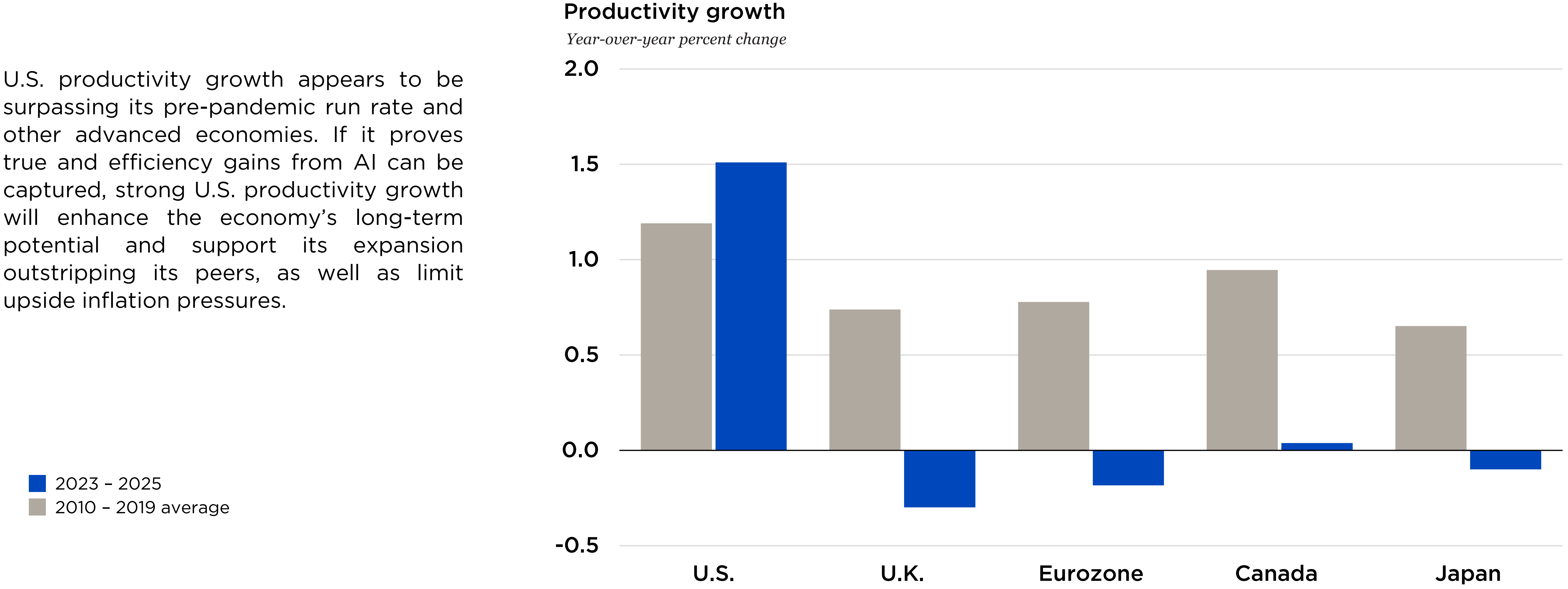
100% bonus depreciation

Allows write-offs of up to $2.5M and doubles small business expensing limits to spur hiring and expansion

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

U.S. productivity growth outshines its peers

U.S. productivity growth appears to be surpassing its pre-pandemic run rate and other advanced economies. If it proves true and efficiency gains from AI can be captured, strong U.S. productivity growth will enhance the economy's long-term potential and support its expansion outstripping its peers, as well as limit upside inflation pressures.



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

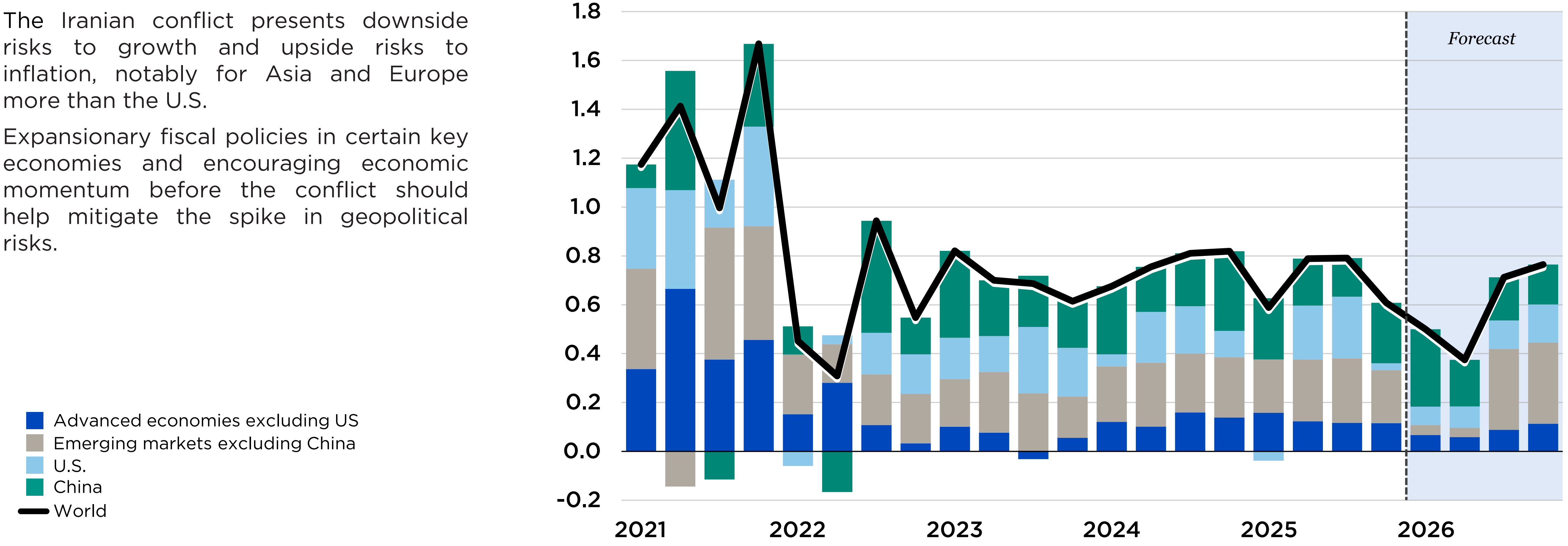
Global economy faces downside risks

The Iranian conflict presents downside risks to growth and upside risks to inflation, notably for Asia and Europe more than the U.S.

Expansionary fiscal policies in certain key economies and encouraging economic momentum before the conflict should help mitigate the spike in geopolitical risks.

Contribution to world GDP growth

Percentage point contribution to quarterly growth



Source: Oxford Economics, Haver Analytics, 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.

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.

OFR Financial Stress Index (OFR FSI): The Index is a daily market-based snapshot of stress in global financial markets. It is constructed from 33 financial market variables, such as yield spreads, valuation measures, and interest rates. The OFR FSI is positive when stress levels are above average, and negative when stress levels are below average. The OFR FSI incorporates five categories of indicators: credit, equity valuation, funding, safe assets and volatility. The FSI shows stress contributions by three regions: United States, other advanced economies, and emerging markets.

U.S. Economic Policy Uncertainty Index: The Index quantifies uncertainty about economic policy by analyzing newspaper articles for terms related to the economy, uncertainty, and policy actions such as legislation, regulation, or federal decisions. It is updated daily and monthly, with data available from 1985 to the present. The index is normalized to allow comparison over time, with a long-term average around 100.

Federal Reserve Bank of NY's Global Supply Chain Pressure Index (GSCPI): The Index is a composite metric developed to measure global supply chain conditions by integrating transportation cost data and manufacturing indicators. It acts as a comprehensive, monthly barometer of constraints, spanning back to 1997, to identify if global supply chains are under pressure or easing.

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