

Chart of the Day



The Macro Backdrop for Trump 1.0 vs. 2.0

As one considers that path ahead for the so called "Trump trade", it will be important to consider the sharply higher US debt metrics and risk-asset valuations of today's market as compared to eight years ago.

	One week after 2016 election	One week after 2024 election
US GOV'T DEBT METRICS		
US gov debt / GDP	102%	119%
US Treasuries outstanding	\$14 tn	\$26 tn
US RATES		
Fed policy rate	0.50%	4.75%
2 year UST	0.99%	4.31%
10 year UST	2.22%	4.37%
USD CREDIT		
IG OAS	128 bps	74 bps
HY OAS	484 bps	256 bps

	One week after 2016 election	One week after 2024 election
US EQUITY MARKETS		
S&P 500 index	2,180	6,001
S&P 500 prior 12 month returns	+10%	+38%
S&P 500 forward P/E multiple	17.1x	22.2x
ENERGY PRICES		
Oil (WTI)	\$46	\$68
Natural Gas (Henry Hub)	\$2.71	\$2.91
CURRENCY MARKETS		
USD index	100.2	105.8
EUR / USD	1.07	1.06
USD / JPY	109.2	154.2
USD / CNY	6.86	7.23

Source: (1) Bloomberg. Data as of November 12, 2024. 2016 is November 15, 2016 and 2024 is November 12, 2024. S&P 500 is FactSet.

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"Macro stability isn't everything, but without it, you have nothing."