

Chart of the Day

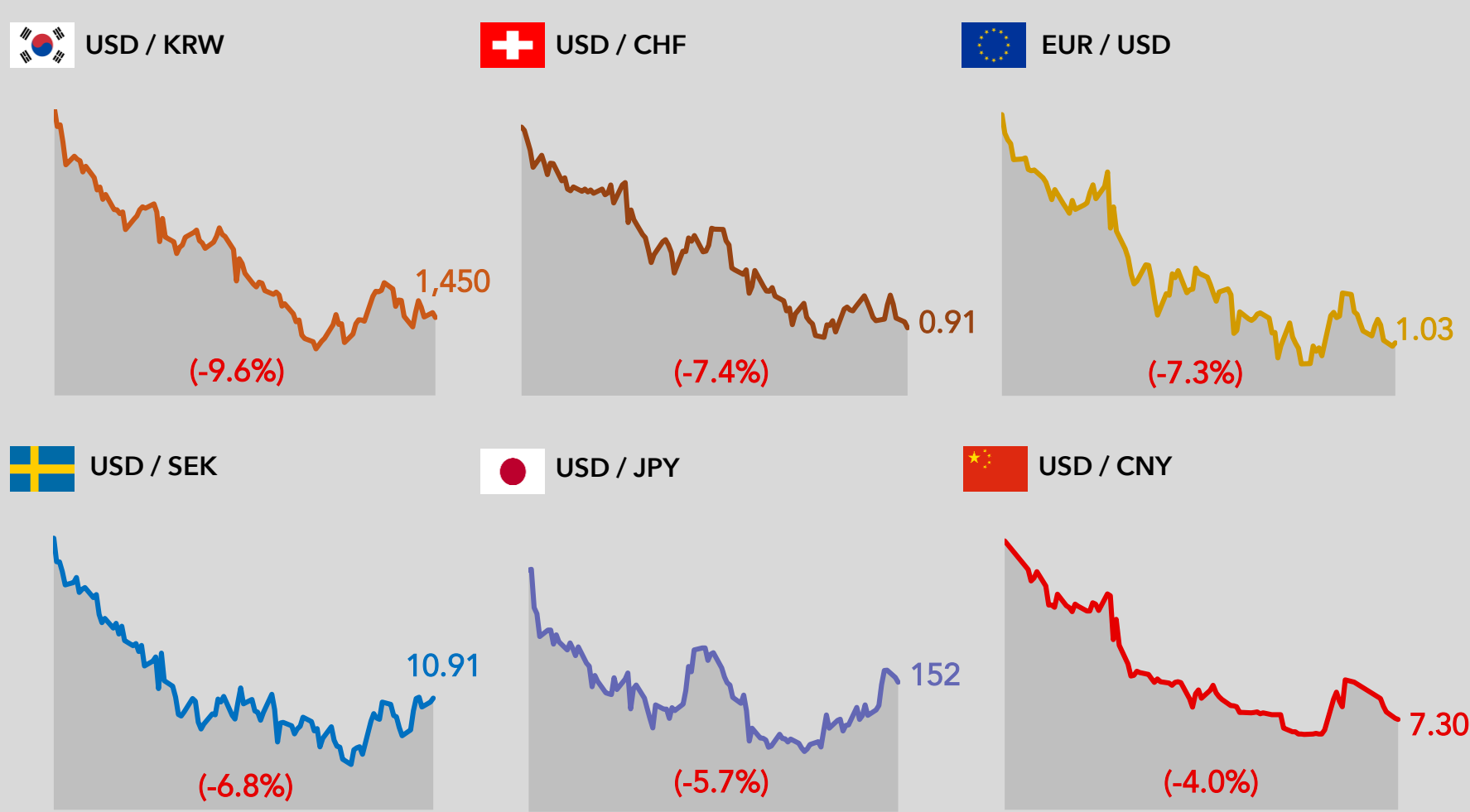
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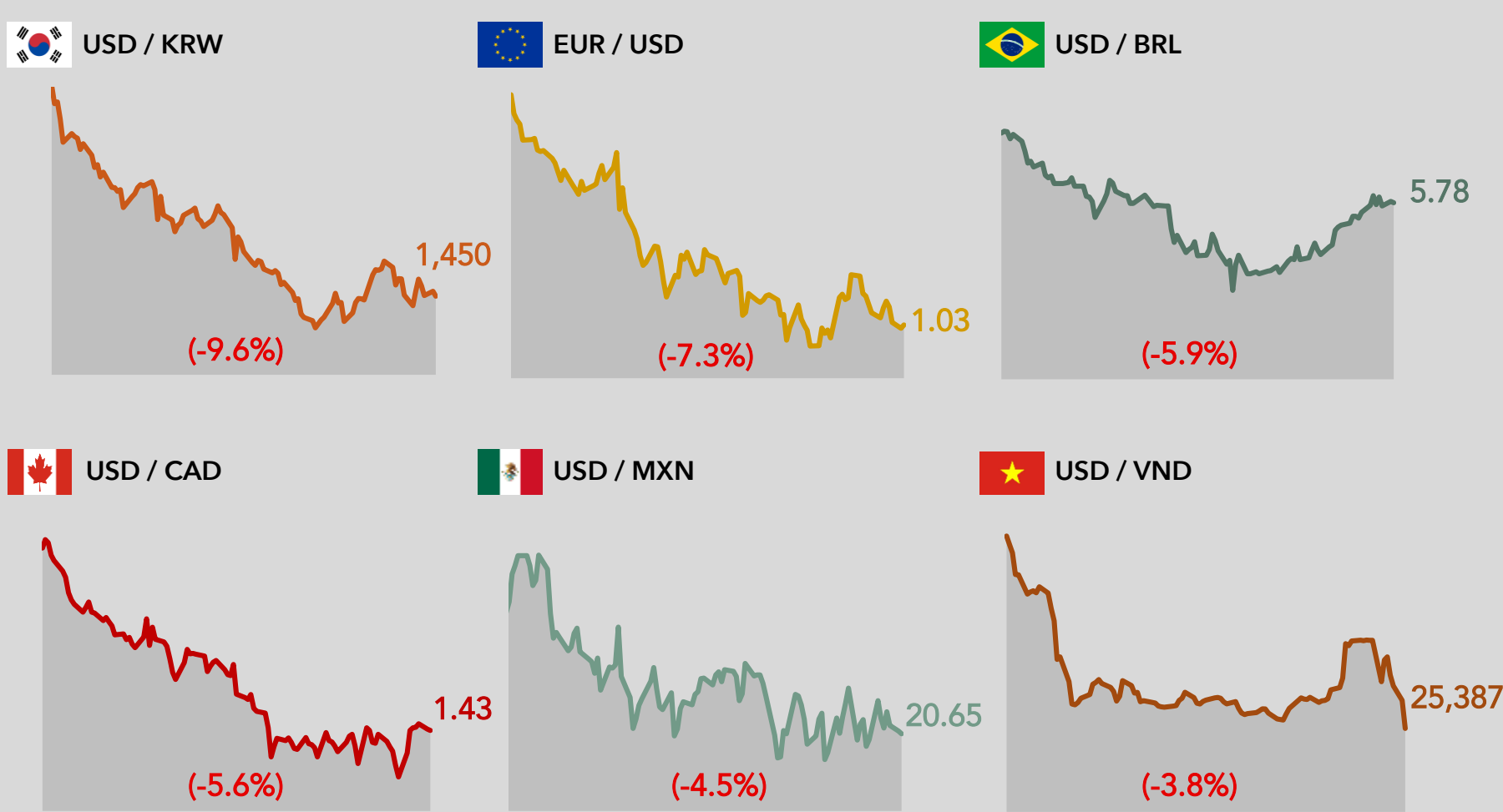
The core pillars of President Trump's policy toolkit - **pro growth deregulation, significant fiscal expansion, tighter immigration policy and tariff-based trade escalation** - are directionally inflationary and dollar strengthening. Since markets began pricing-in the higher probability of a Trump election victory in early Q4, an already strong US Dollar has risen considerably. In recent weeks, however, it has become less clear if the waves of tariff escalation will cause US inflation to rise or US growth to falter. While Treasury Secretary Scott Bessent has communicated support for a strong dollar, excessive USD strength does create **headwinds for emerging market economies, commodity prices and US multi-national corporate (MNC) earnings**.

Currency performance vs. US Dollar Since Oct 1, 2024

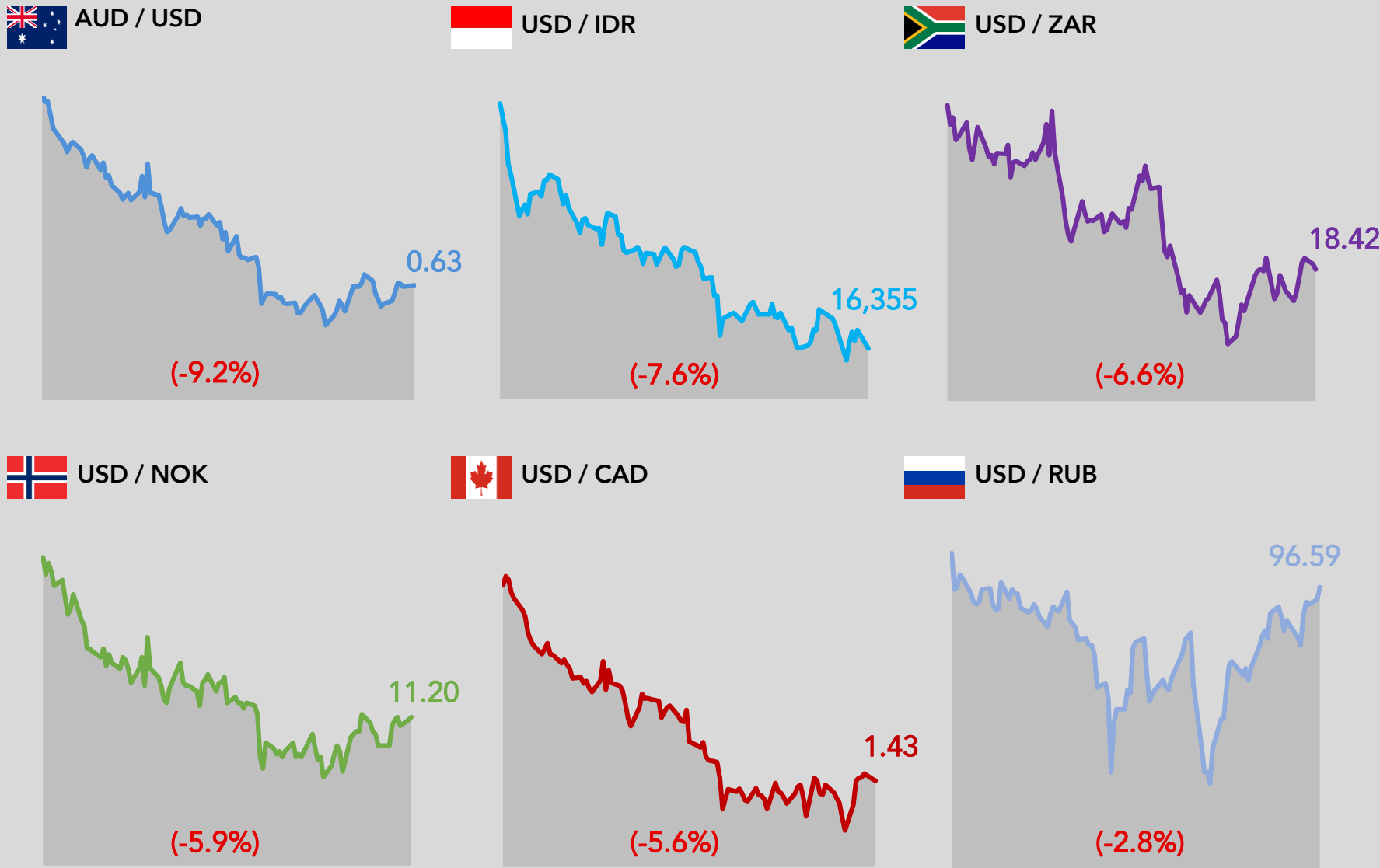
Large Trade-Based Economies



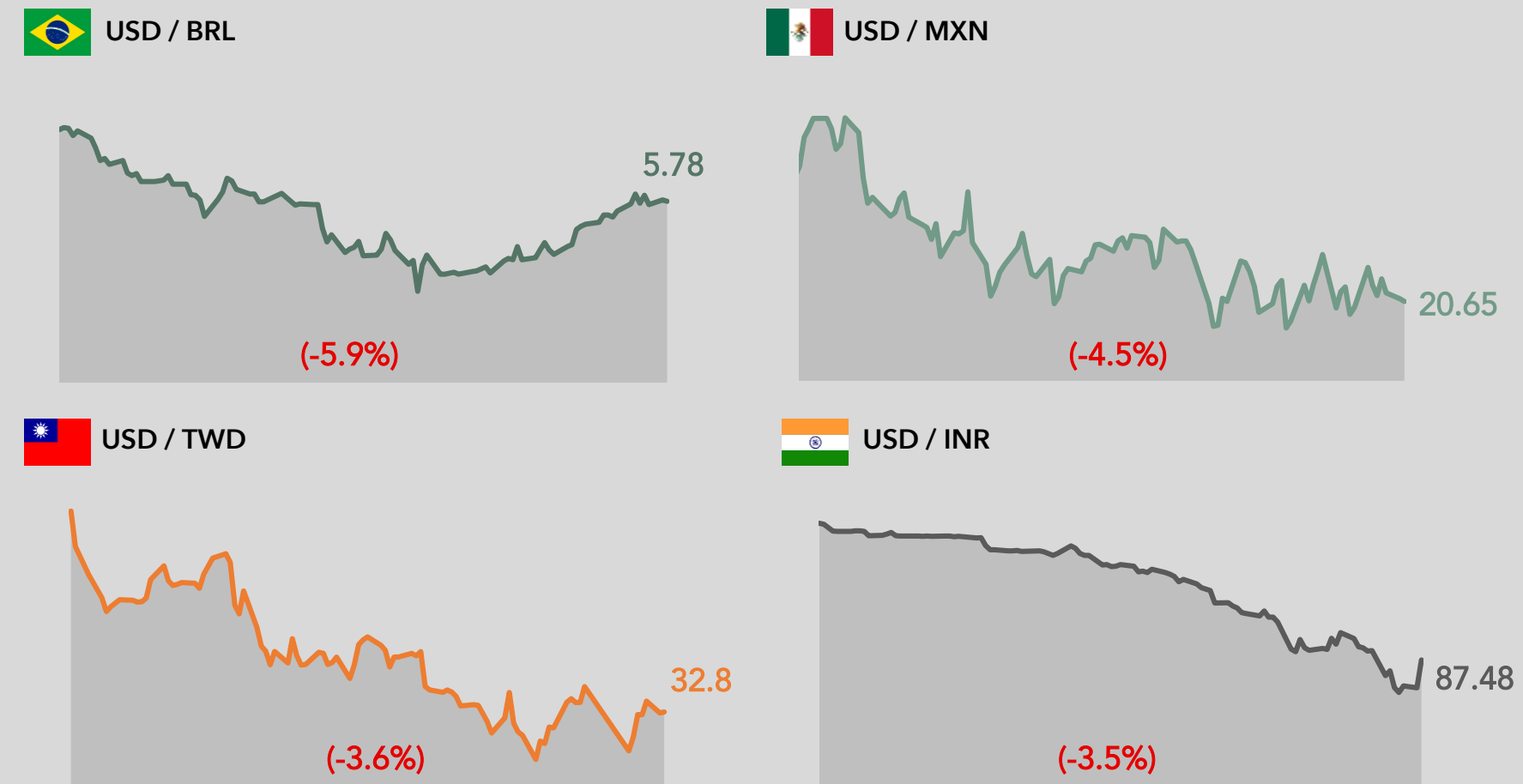
Large Exporters of Steel & Aluminum to the US



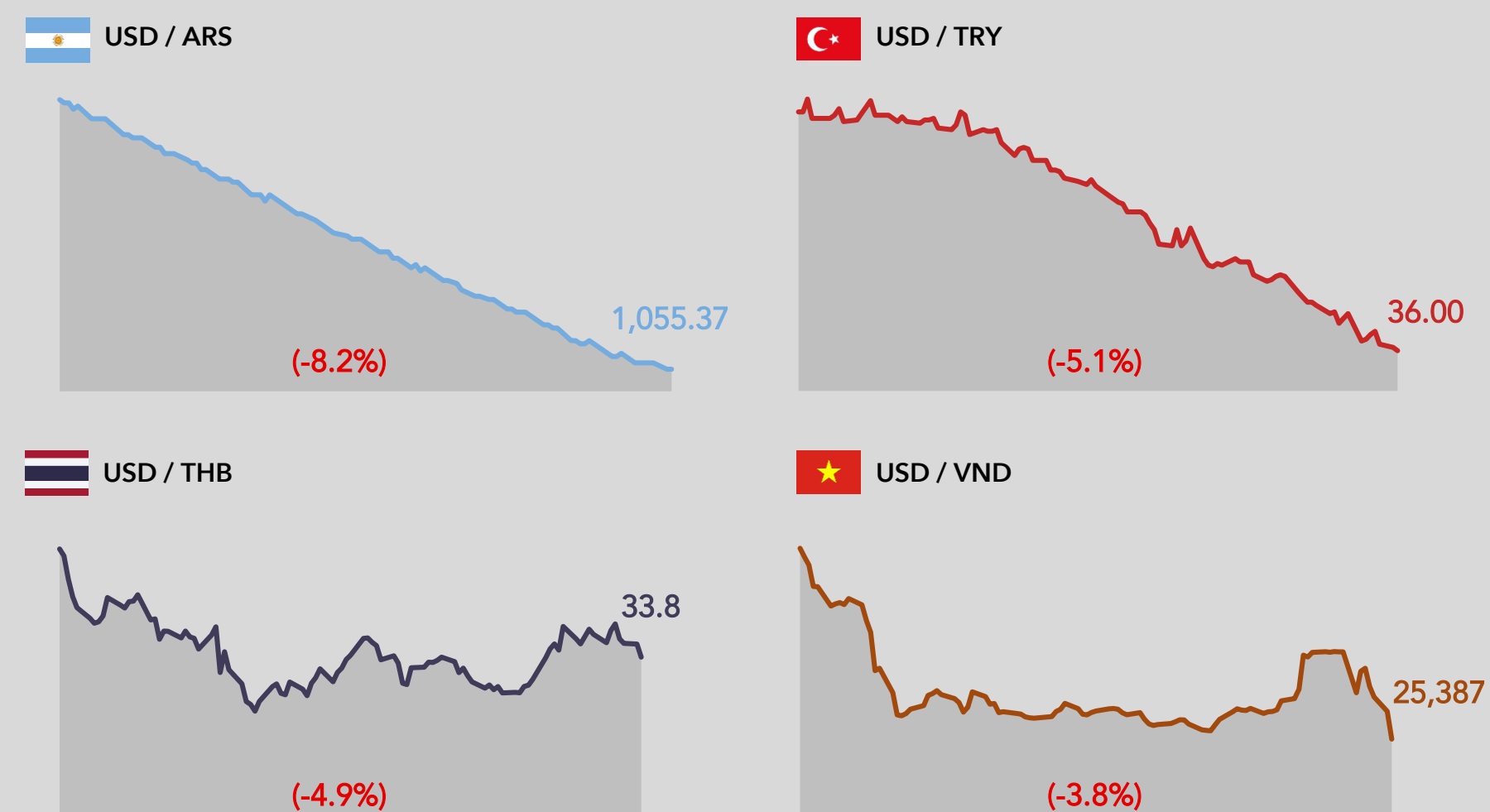
Major Commodity-Linked Currencies



Large EM Economies



Smaller EM Economies



Source: (1-26) Bloomberg. Data as of February 11, 2025. All currencies graphed vs. USD to show depreciation.

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