



# The First 100 Days: From polls to policy



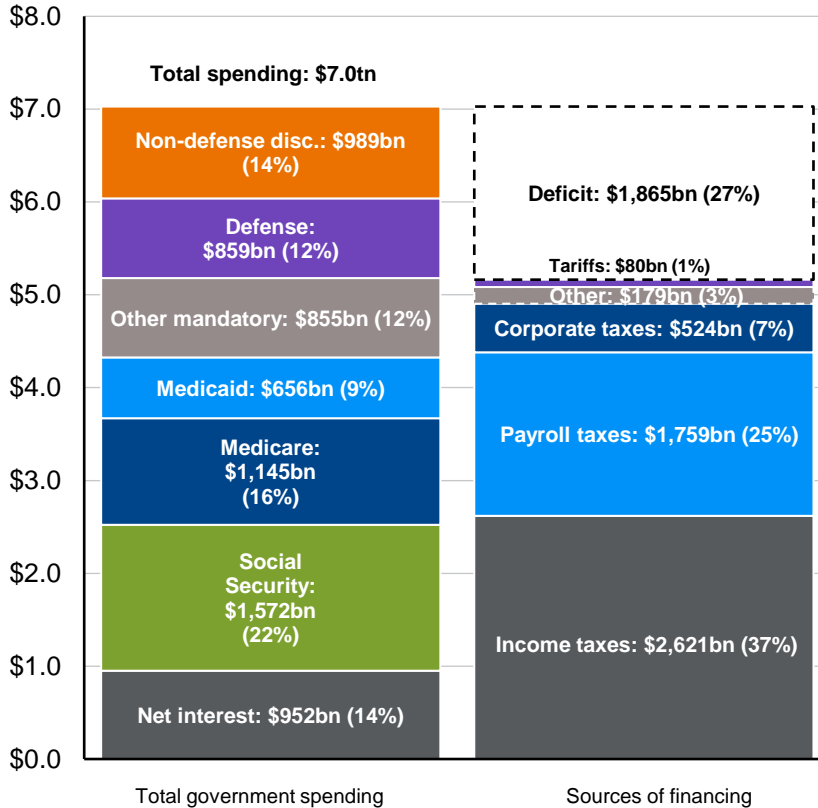


# United States: Federal finances

GTM ASIA 31

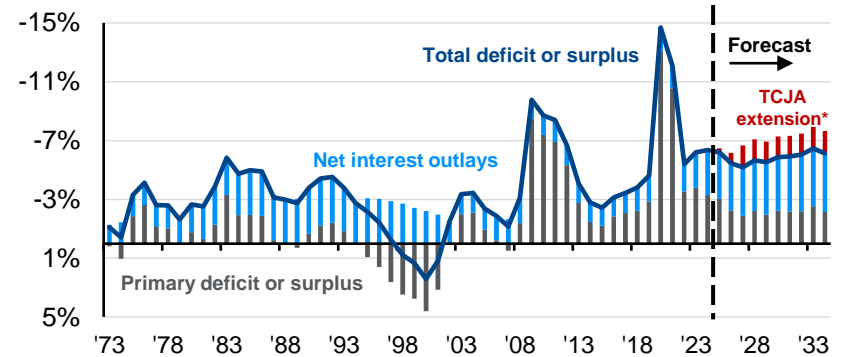
## The 2025 federal budget

USD trillions



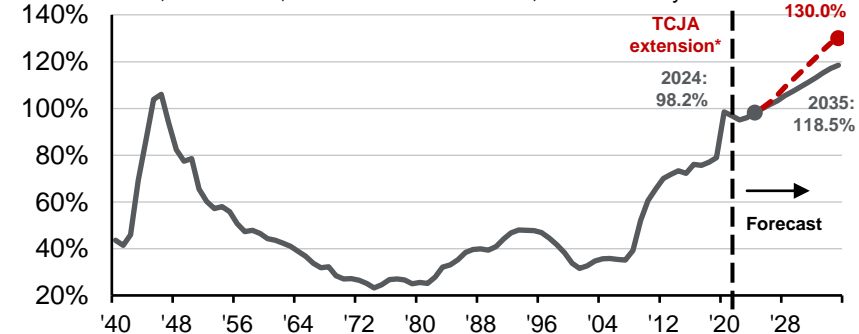
## Federal deficit and net interest outlays

Share of GDP, 1973-2035, CBO Baseline Forecast, inverted



## Federal net debt\*\* (accumulated deficits)

Share of GDP, 1940-2035, CBO Baseline Forecast, end of fiscal year



Source: CBO, J.P. Morgan Asset Management; (Left) Numbers may not sum to 100% due to rounding; (Top and bottom right) BEA, Treasury Department. Estimates are from the Congressional Budget Office (CBO) January 2025 An Update to the Budget Outlook: 2025 to 2035. "Other" spending includes, but is not limited to, health insurance subsidies, income security and federal civilian and military retirement. Years shown are fiscal years. All CBO estimates are adjusted by JPMAM to reflect GDP revisions resulting from the 2024 annual update of the National Economic Accounts. \*Adjusted by JPMAM to include estimates from the CBO May 2024 report "Budgetary Outcomes Under Alternative Assumptions About Spending and Revenues" on the extension of TCJA provisions. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated. \*\*Net debt refers to debt held by the public, which excludes intragovernmental holdings (such as securities held by government trust funds, like the Social Security Trust Fund). Gross federal debt is the sum of debt held by the public and intragovernmental debt. Guide to the Markets – Asia. Data reflect most recently available as of March 31, 2025.

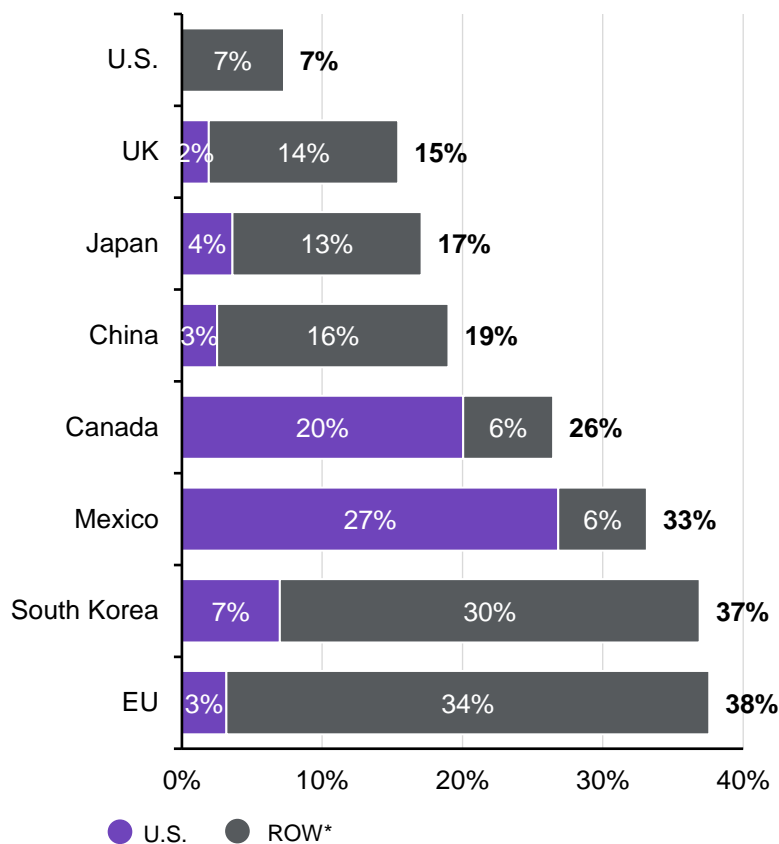


## Trade: Exposure to U.S. trade policy

GTM ASIA 23

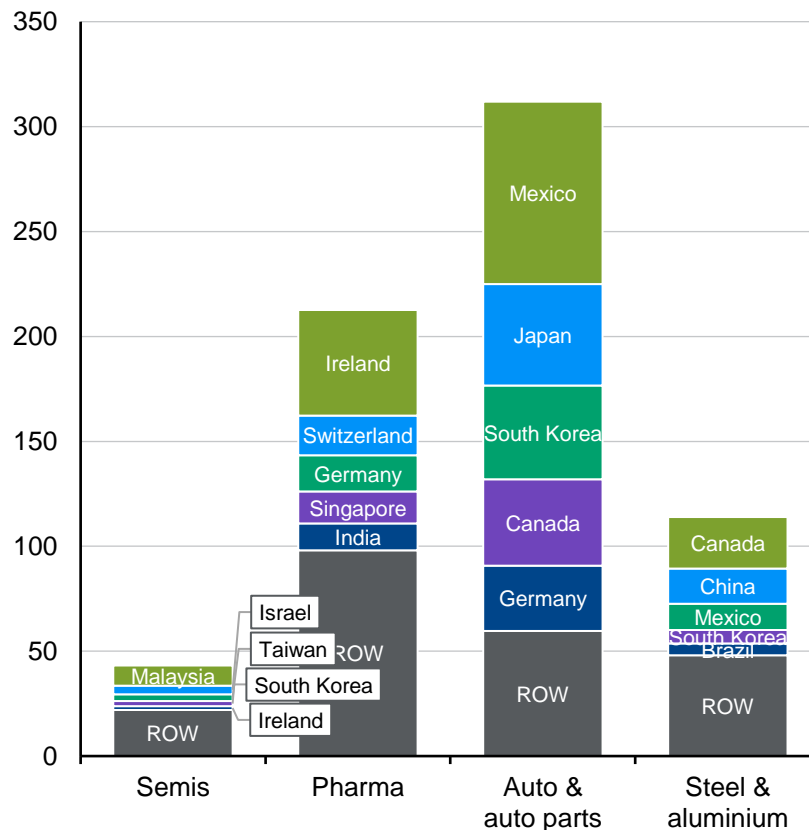
### Exports by market

% of nominal GDP, USD, goods, 2023



### U.S. imports for select categories\*\* by market

USD billion, 2024



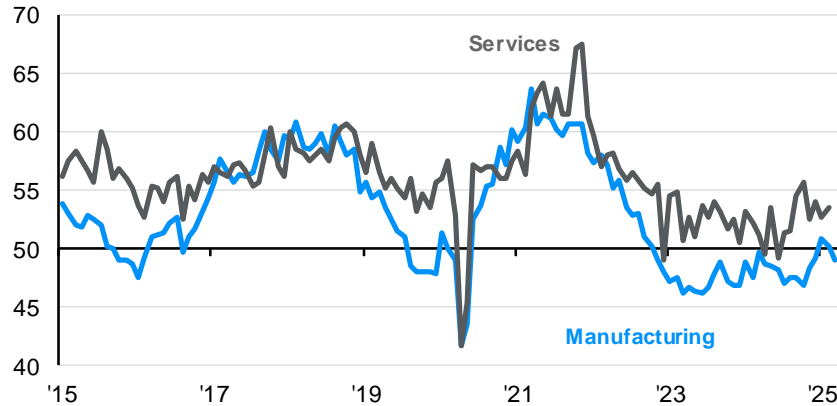
Source: UN Comtrade, J.P. Morgan Asset Management. \*ROW refers to rest of the world. \*\*Pharmaceuticals (pharma) refer to all goods in HS 30 (Pharmaceutical Products). Auto & auto parts include goods in HS 8702 (Motor Vehicles for the Transport of Ten or More Persons), HS 8703 (Motor Cars and Other Motor Vehicles), HS 8706 (Chassis Fitted with Engines, for Motor Vehicles), HS 8707 (Bodies for Motor Vehicles) and HS 8708 (Parts and Accessories for Motor Vehicles). Semiconductors (semis) include HS 854231 (Processors and Controllers), HS 854232 (Memories), HS 854233 (Amplifiers) and HS 854239 (Other Electronic Integrated Circuits). Steel and aluminium refer to all goods in HS 72 (Iron and Steel), 73 (Articles of Iron or Steel), 76 (Aluminum and Articles Thereof).  
Guide to the Markets – Asia. Data reflect most recently available as of March 31, 2025.



# Policy uncertainty has impacted business and consumer confidence.

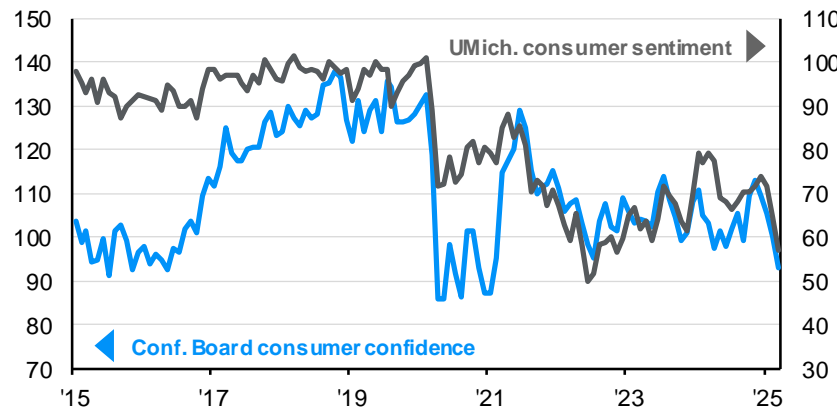
## ISM manufacturing and services PMIs

Index value, below 50 = contraction, above 50 = expansion



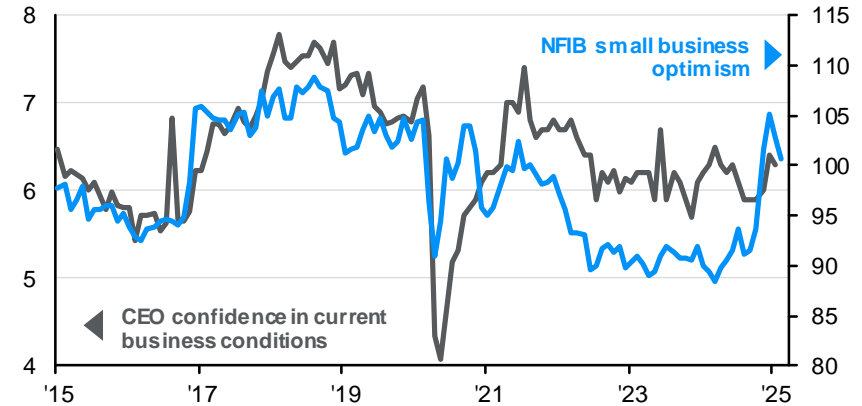
## Consumer confidence

Index value



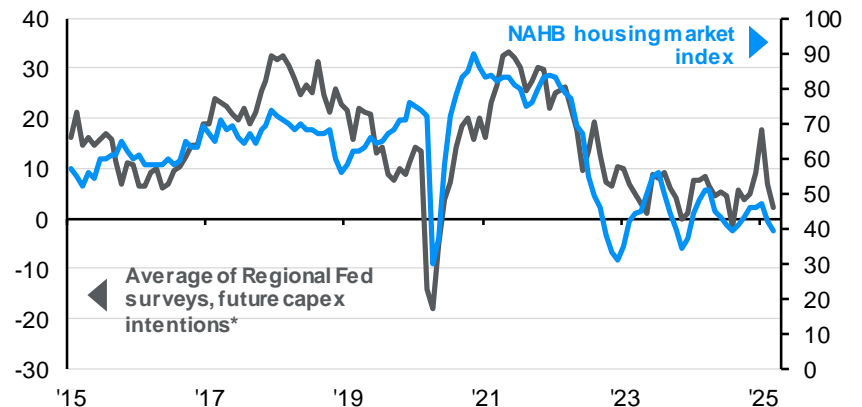
## Business confidence

Index value



## Capex intentions and homebuilder sentiment

Index value



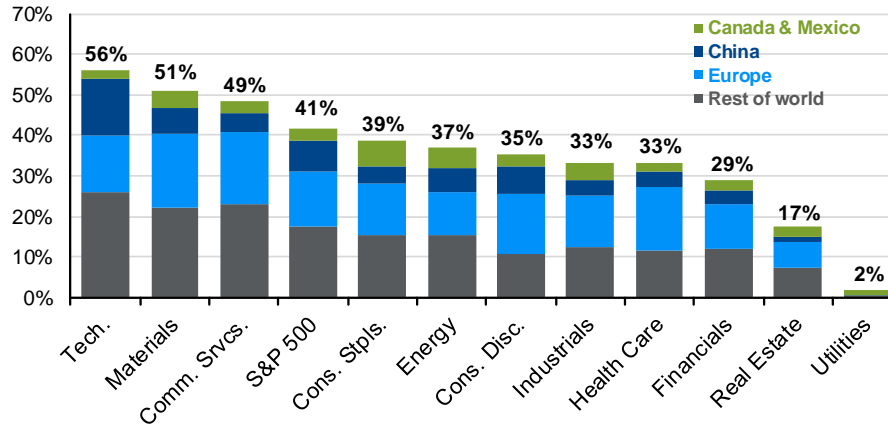
Source: BLS, Chief Executive Group, Conference Board, Federal Reserve Bank of Chicago, Federal Reserve Bank of Dallas, Federal Reserve Bank of Kansas City, Federal Reserve Bank of Philadelphia, Federal Reserve Bank of New York, Federal Reserve Bank of Richmond, ISM, National Federation of Independent Business (NFIB), University of Michigan (UMich), J.P. Morgan Asset Management. The NFIB small business optimism index measures the optimism and outlook of small business owners in the U.S. \*Average includes the Chicago Fed, Philly Fed, Richmond Fed, Dallas Fed, Kansas City Fed and NY Fed manufacturing surveys of future capital expenditures. NAHB refers to National Association of Home Builder and is a housing market index that tracks the pulse of the single-family housing market in the U.S. All surveys collect capital expenditure intentions for the next 6 months besides the Chicago Fed survey, which collects capital expenditure intentions for the next 12 months. Data are as of March 31, 2025.



## Policy impacts assessed at the sector level.

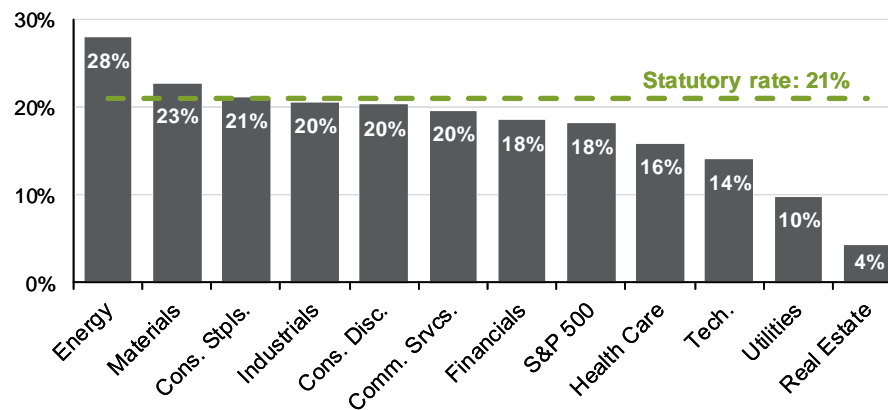
### S&P 500 sector revenue exposure

% foreign sales, 2024



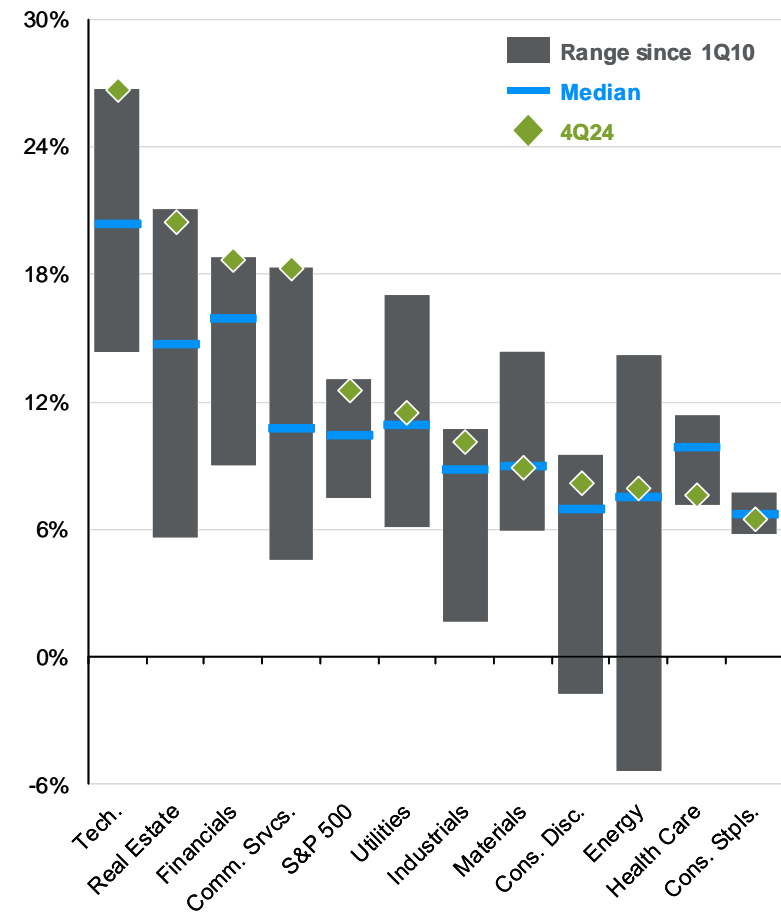
### S&P 500 sector effective tax rates

Annual tax rates, average from 2018 - 2023



### S&P 500 sector profit margins

Net profit margin, 1Q10 - 4Q24



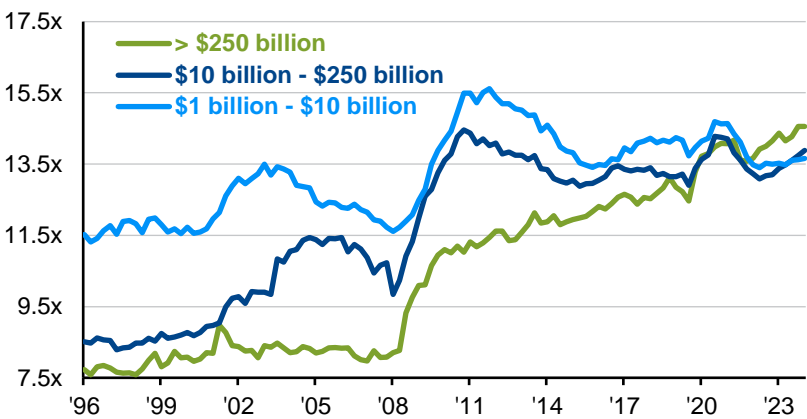
Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. (Bottom left) Tax rates are effective federal, state and local rates. Real estate effective tax rate average from 2018 to 2023 is a bottoms-up calculation due to data availability limitations. (Right) Real estate receives taxation benefits by distributing most of its profits. Data are as of March 31, 2025.



# Deregulation could support financials but may not benefit tech or energy to the same extent.

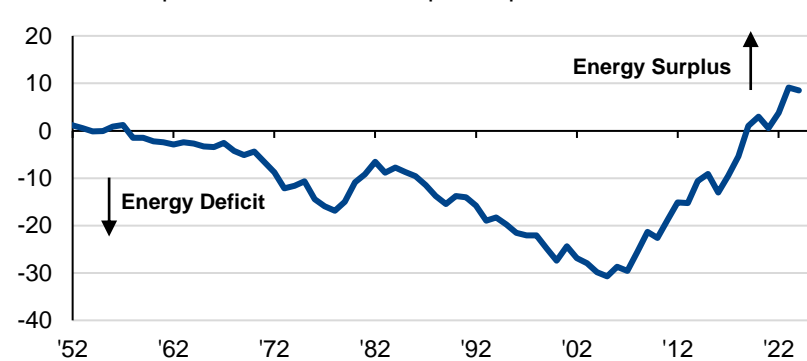
## Tier 1 risk-based capital ratios by bank asset size

Ratios, quarterly, 4Q96 – 3Q24, USD



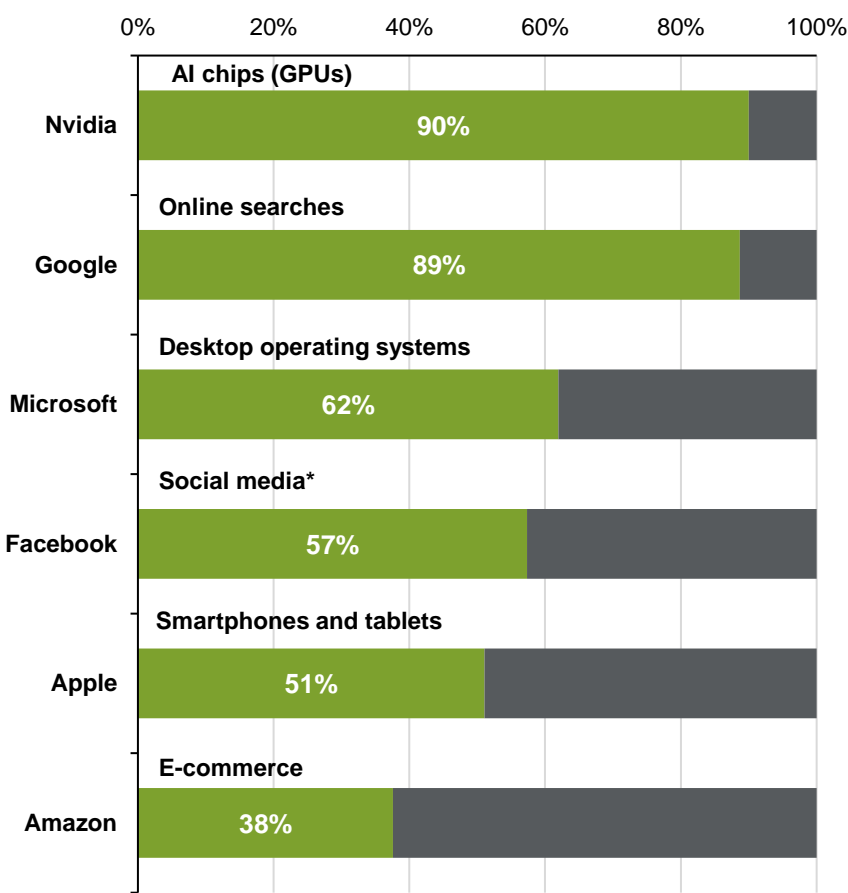
## U.S. primary energy deficit/surplus

Diff. between production vs. consumption, quadrillion BTUs



## Seven mega-caps' share of digital markets

% share of respective market

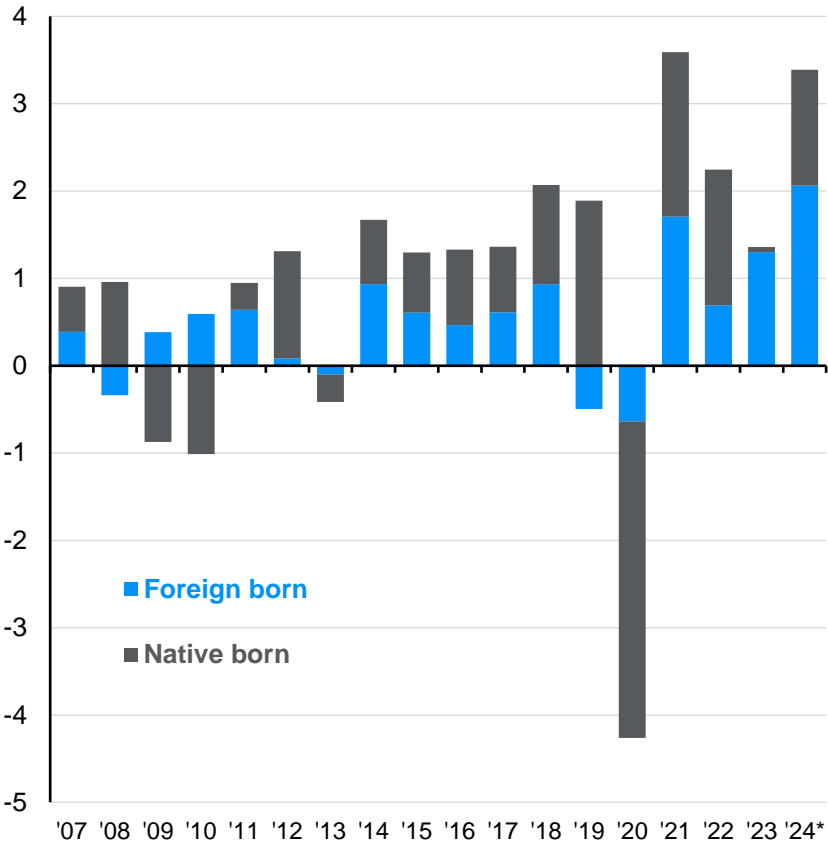


Source: EIA, FDIC, Statcounter Global Stats, Statista, J.P. Morgan Asset Management. (Bottom left) Measured in British Thermal Units, a measure of the heat content of fuels or energy sources. 2024 is a J.P. Morgan Asset Management forecast. (Right) All data is from Statcounter and is as of October 2024 except for e-commerce, which is as of 2023 from Statista. Seven mega caps commonly refers to the seven largest technology-focused companies in U.S. by market capitalization. This information is provided for illustrative purposes only to demonstrate general market trends. The companies mentioned are for illustration only and should not be seen as a recommendation to buy or sell. J.P. Morgan Asset Management may or may not hold positions on behalf of its clients in any or all of the aforementioned companies. Information shown is based upon market conditions at the time of the analysis and is subject to change. Not to be construed as Investment recommendation. Past Performance is not indicative of current or future results. Note that social media\* market share for Facebook includes Instagram. Data are based on availability as of March 31, 2025.

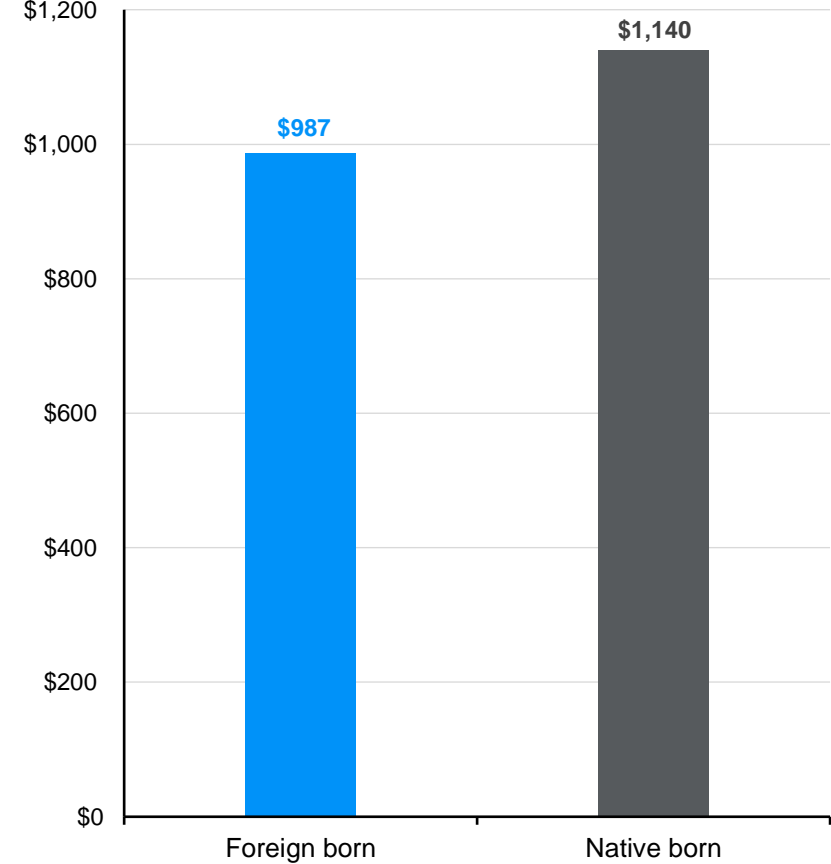


# Slower immigration could limit labor supply and push up wages.

**Labor force growth, native and immigrant contribution**  
Year-over-year change as of January, aged 16+, millions\*



**Median weekly wages**  
2023 (in U.S. dollars)



Source: BLS, FactSet, J.P. Morgan Asset Management. Labor force data are sourced from the Current Population Survey, also known as the household survey, conducted by the BLS. \*Year-over-year change in the labor force calculated from January of each year. For example, the 2024 figures are calculated by subtracting the size of the labor force as of 1/31/2024 from the size of the labor force as of 1/31/2025. Data are as of March 31, 2025.

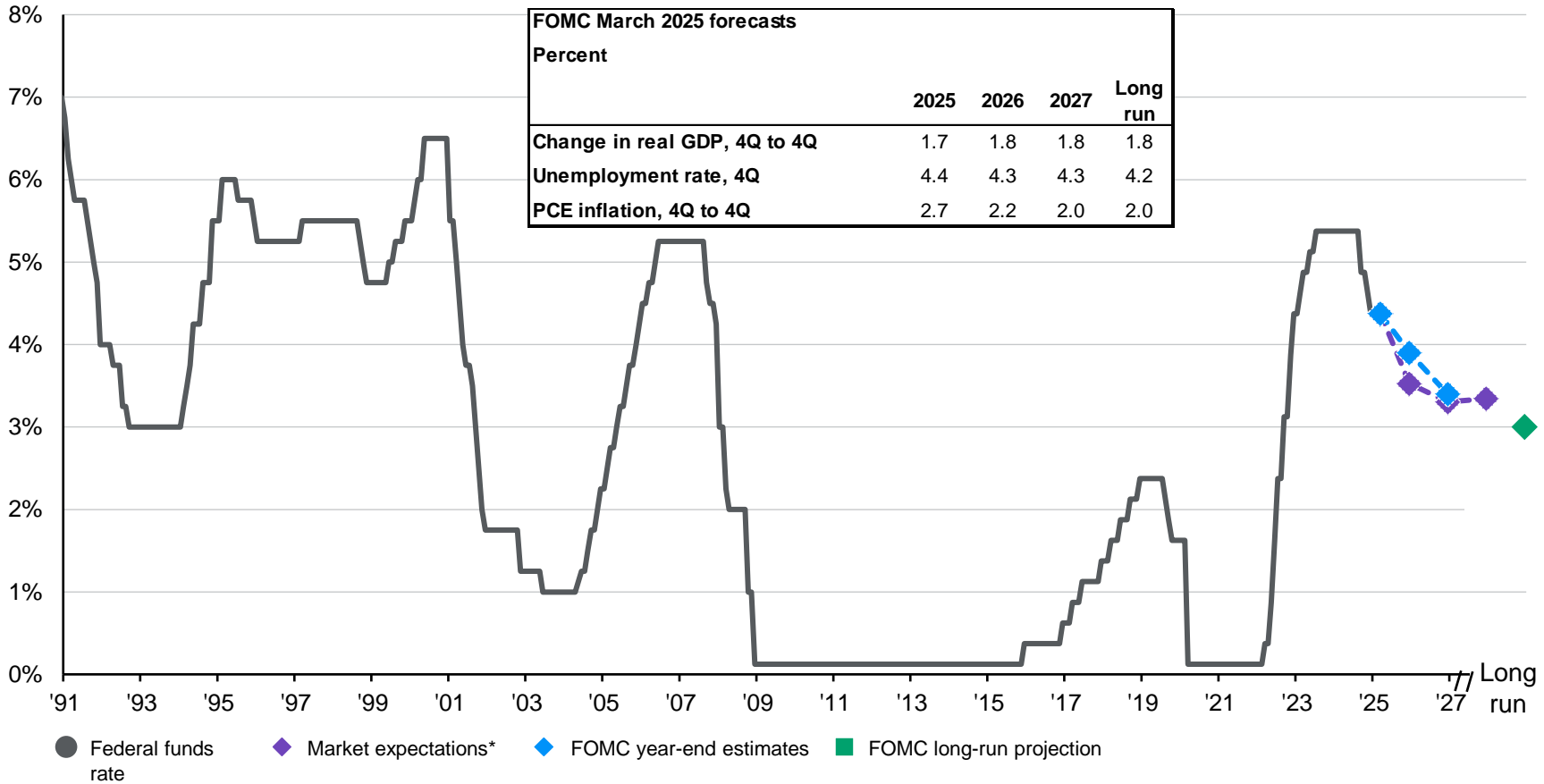


# United States: Monetary policy

GTM ASIA 30

## Federal funds rate expectations

Market expectations for the fed funds rate



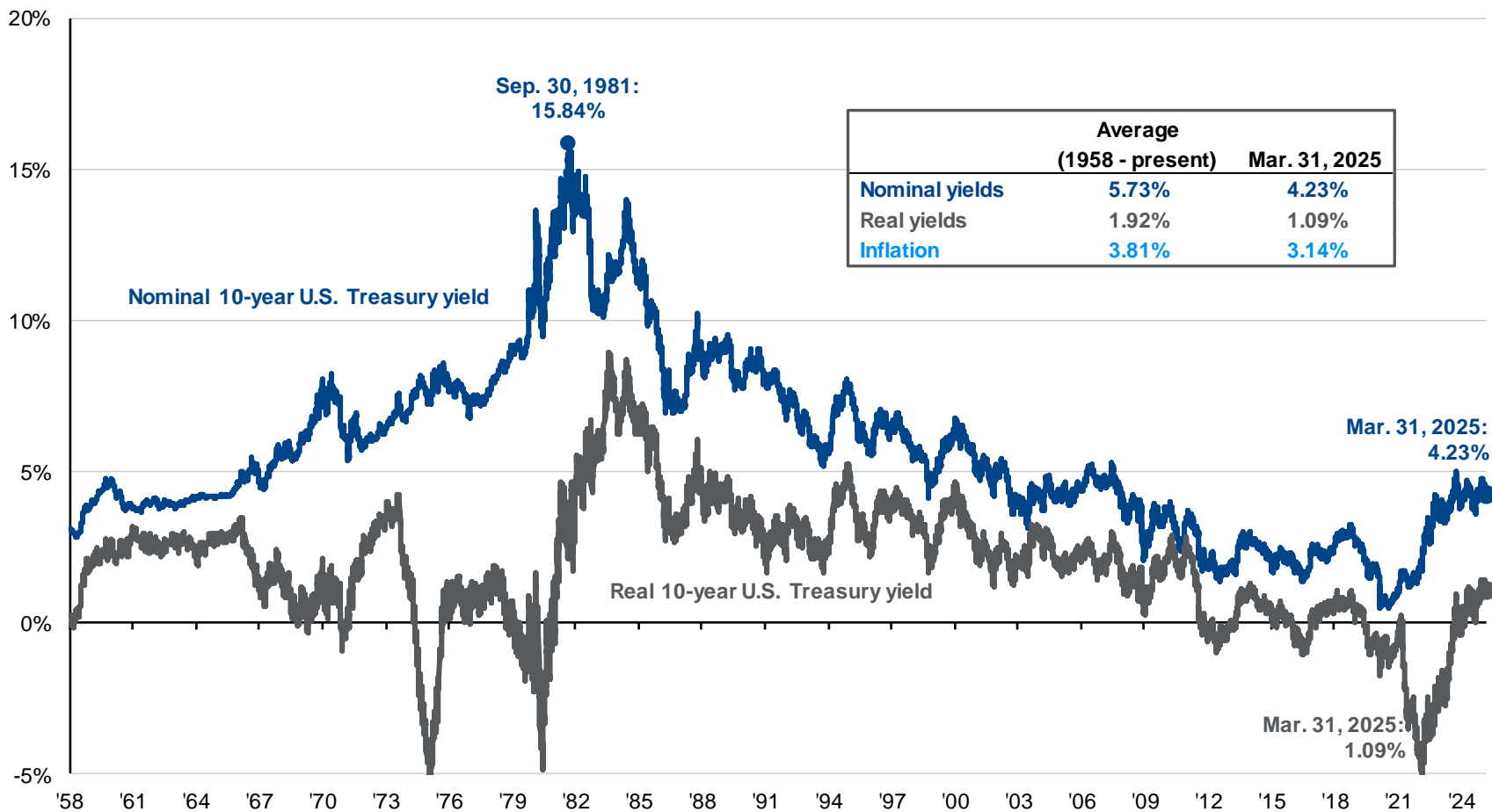
Source: Bloomberg, FactSet, U.S. Federal Reserve, J.P. Morgan Asset Management. \*Market expectations are based on overnight index swap rates. Federal Reserve projections shown are the median estimates of Federal Open Market Committee (FOMC) participants.  
Guide to the Markets – Asia. Data reflect most recently available as of March 31, 2025.





## Rate volatility may persist.

### Nominal and real U.S. 10-year Treasury yields



Source: BLS, FactSet, Federal Reserve, J.P. Morgan Asset Management.

Real 10-year Treasury yields are calculated as the daily Treasury yield less year-over-year core consumer price index (CPI) inflation for that month.

For the current month, we use the prior month's core CPI figures until the latest data are available.

Data are as of March 31, 2025.

**J.P.Morgan**  
ASSET MANAGEMENT

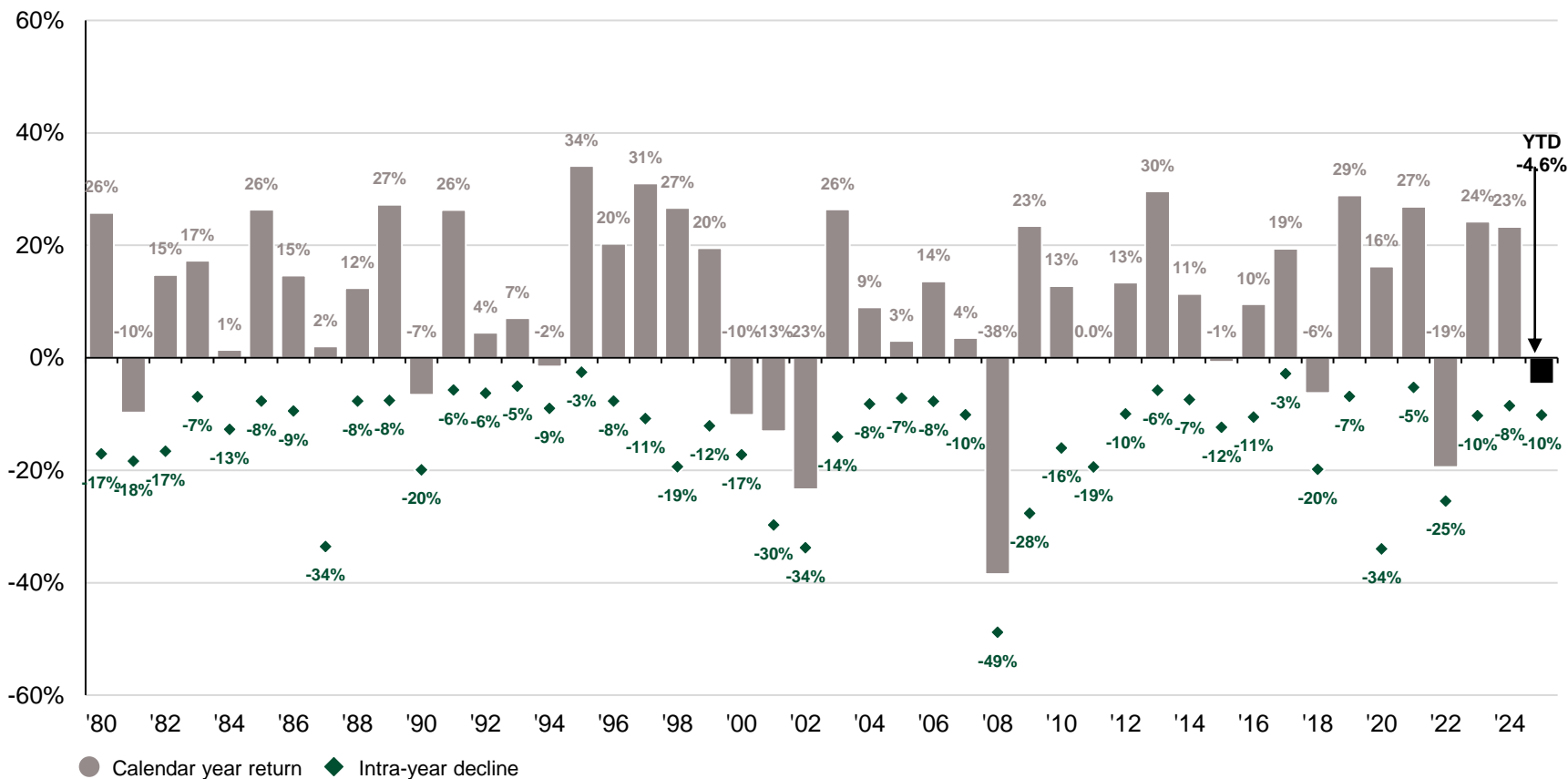


# U.S. equity annual returns and intra-year declines

GTM ASIA 78

## S&P 500 intra-year declines vs. calendar year returns

Despite average intra-year drops of -14% (median: -10%), annual returns are positive in 34 of 45 (76%) years



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. Returns are price returns based on the S&P 500 Index in U.S. dollar terms. Intra-year decline is the largest peak to trough decline during the respective year. Past performance is not a reliable indicator of current and future results. Guide to the Markets – Asia. Data reflect most recently available as of March 31, 2025.

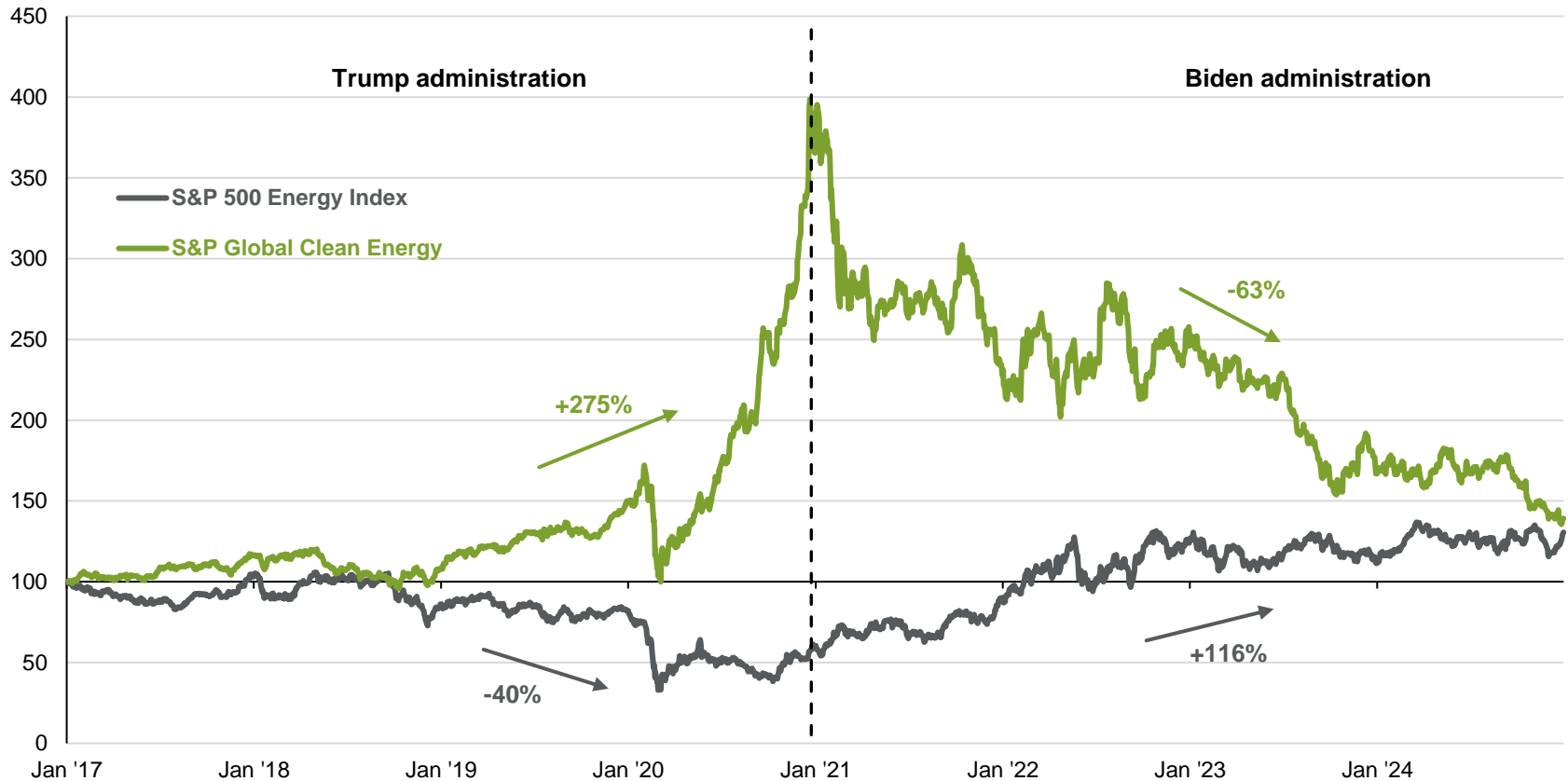
J.P.Morgan  
ASSET MANAGEMENT



## Policy prescriptions can have little bearing on sector performance.

### Traditional and renewable energy performance

Indexed to 100 on 1/20/2017

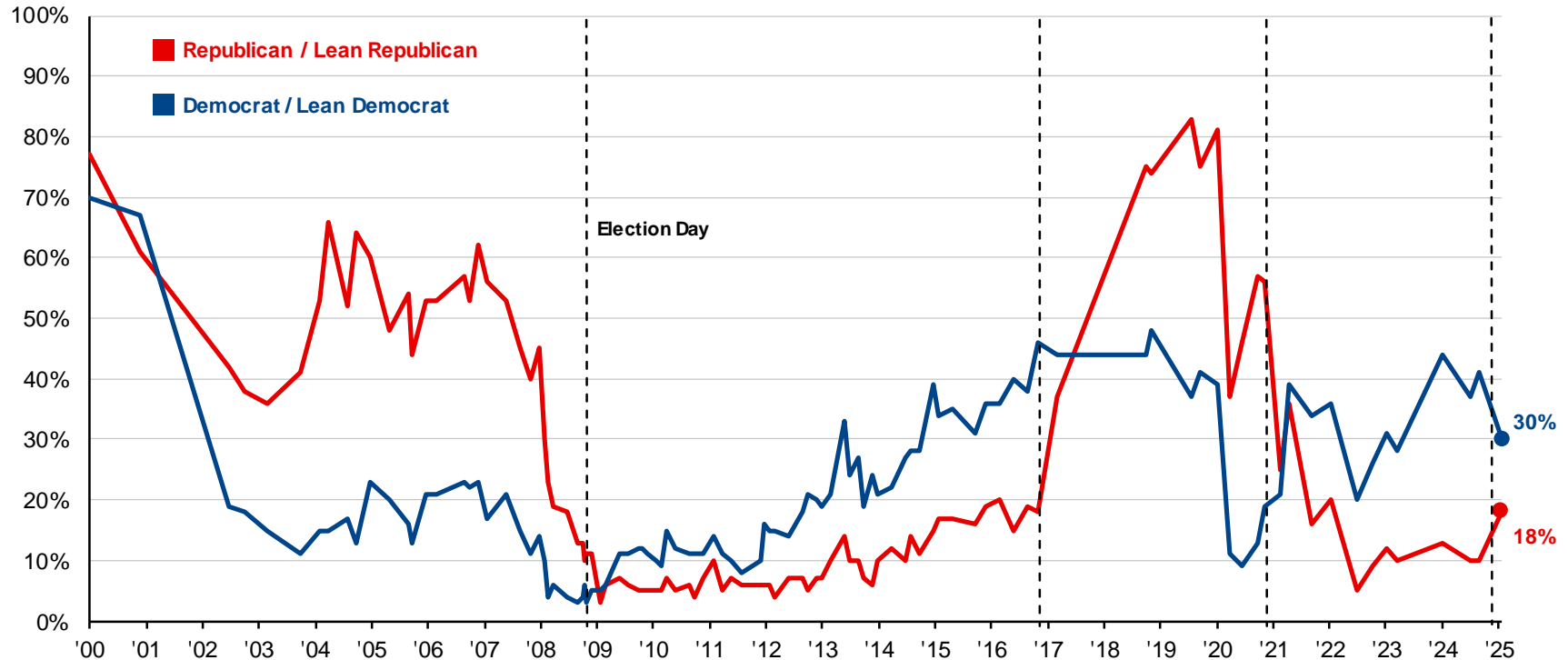


Source: FactSet, J.P. Morgan Asset Management. Past performance is not indicative of current or future results. Past data are as of March 31, 2025.



## How politics shapes economic view

Percentage of Republicans and Democrats who rate national economic conditions as excellent or good



| Administration  | Bush              | Obama             | Trump             | Biden             |
|-----------------|-------------------|-------------------|-------------------|-------------------|
| Dates in office | Jan. '01–Jan. '09 | Jan. '09–Jan. '17 | Jan. '17–Jan. '21 | Jan. '21–Jan. '25 |
| S&P 500 return  | -4.5%             | 16.3%             | 16.0%             | 13.4%             |
| Real GDP growth | 1.9%              | 2.2%              | 1.8%              | 3.0%              |

Source: Pew Research Center, J.P. Morgan Asset Management. The survey was last conducted in February 2025. Pew Research Center asks the question: "Thinking about the nation's economy, How would you rate economic conditions in this country today... as excellent, good, only fair, or poor?" S&P 500 returns are average annualized total returns between presidential inauguration dates and are updated monthly. Data are as of March 31, 2025.



# J.P. Morgan Asset Management: Risks and Disclosures

**The Market Insights program provides comprehensive data and commentary on global markets without reference to products. Designed as a tool to help clients understand the markets and support investment decision-making, the program explores the implications of current economic data and changing market conditions.**

For the purposes of MiFID II, the JPM Market Insights and Portfolio Insights programs are marketing communications and are not in scope for any MiFID II / MiFIR requirements specifically related to investment research. Furthermore, the J.P. Morgan Asset Management Market Insights and Portfolio Insights programs, as non-independent research, have not been prepared in accordance with legal requirements designed to promote the independence of investment research, nor are they subject to any prohibition on dealing ahead of the dissemination of investment research.

This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose in any jurisdiction, nor is it a commitment from J.P. Morgan Asset Management or any of its subsidiaries to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical and for illustration purposes only. This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. In addition, users should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and determine, together with their own financial professional, if any investment mentioned herein is believed to be appropriate to their personal goals. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice. All information presented herein is considered to be accurate at the time of production, but no warranty of accuracy is given and no liability in respect of any error or omission is accepted. It should be noted that investment involves risks, the value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. Both past performance and yields are not reliable indicators of current and future results.

J.P. Morgan Asset Management is the brand for the asset management business of JPMorgan Chase & Co. and its affiliates worldwide.

To the extent permitted by applicable law, we may record telephone calls and monitor electronic communications to comply with our legal and regulatory obligations and internal policies. Personal data will be collected, stored and processed by J.P. Morgan Asset Management in accordance with our privacy policies at <https://am.jpmorgan.com/global/privacy>.

This communication is issued by the following entities:

In the United States, by J.P. Morgan Investment Management Inc. or J.P. Morgan Alternative Asset Management, Inc., both regulated by the Securities and Exchange Commission; in Latin America, for intended recipients' use only, by local J.P. Morgan entities, as the case may be. In Canada, for institutional clients' use only, by JPMorgan Asset Management (Canada) Inc., which is a registered Portfolio Manager and Exempt Market Dealer in all Canadian provinces and territories except the Yukon and is also registered as an Investment Fund Manager in British Columbia, Ontario, Quebec and Newfoundland and Labrador. In the United Kingdom, by JPMorgan Asset Management (UK) Limited, which is authorized and regulated by the Financial Conduct Authority; in other European jurisdictions, by JPMorgan Asset Management (Europe) S.à r.l. In Asia Pacific ("APAC"), by the following issuing entities and in the respective jurisdictions in which they are primarily regulated: JPMorgan Asset Management (Asia Pacific) Limited, or JPMorgan Funds (Asia) Limited, or JPMorgan Asset Management Real Assets (Asia) Limited, each of which is regulated by the Securities and Futures Commission of Hong Kong; JPMorgan Asset Management (Singapore) Limited (Co. Reg. No. 197601586K), this advertisement or publication has not been reviewed by the Monetary Authority of Singapore; JPMorgan Asset Management (Taiwan) Limited; JPMorgan Asset Management (Japan) Limited, which is a member of the Investment Trusts Association, Japan, the Japan Investment Advisers Association, Type II Financial Instruments Firms Association and the Japan Securities Dealers Association and is regulated by the Financial Services Agency (registration number "Kanto Local Finance Bureau (Financial Instruments Firm) No. 330"); in Australia, to wholesale clients only as defined in section 761A and 761G of the Corporations Act 2001 (Commonwealth), by JPMorgan Asset Management (Australia) Limited (ABN 55143832080) (AFSL 376919). For all other markets in APAC, to intended recipients only.

For U.S. only: If you are a person with a disability and need additional support in viewing the material, please call us at 1-800-343-1113 for assistance.

Copyright 2025 JPMorgan Chase & Co. All rights reserved.

Unless otherwise stated, all data are as of March 31, 2025 or most recently available.

Material ID: 09kx240803054709