



BUNDY GROUP

Mergers & Acquisitions | Capital Raises

From Analysis to Action: Driving Business Value Through Insights into Today's Economy

April 2025

Presented by
Alex Chausovsky

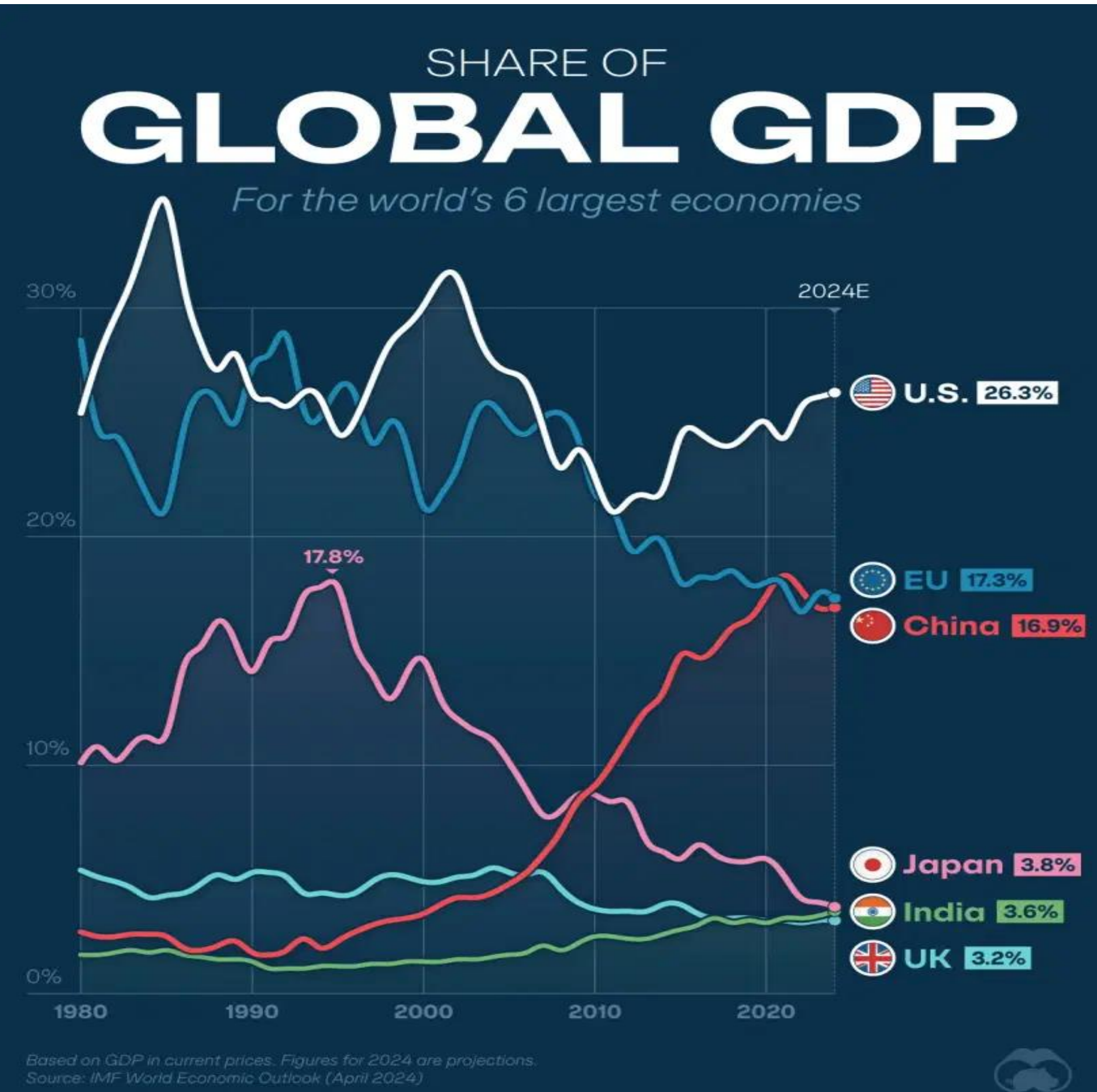
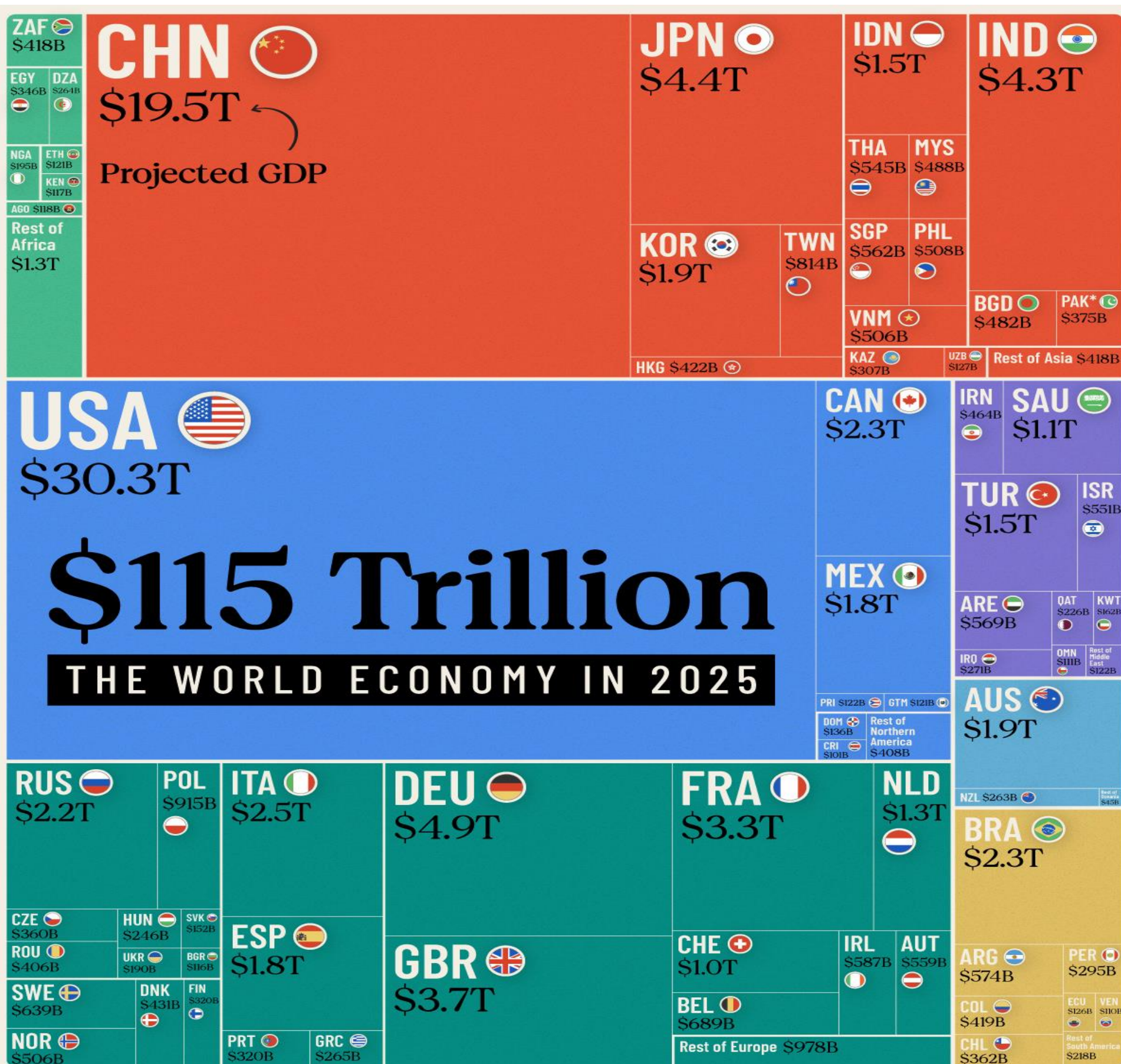


Topics We'll Cover

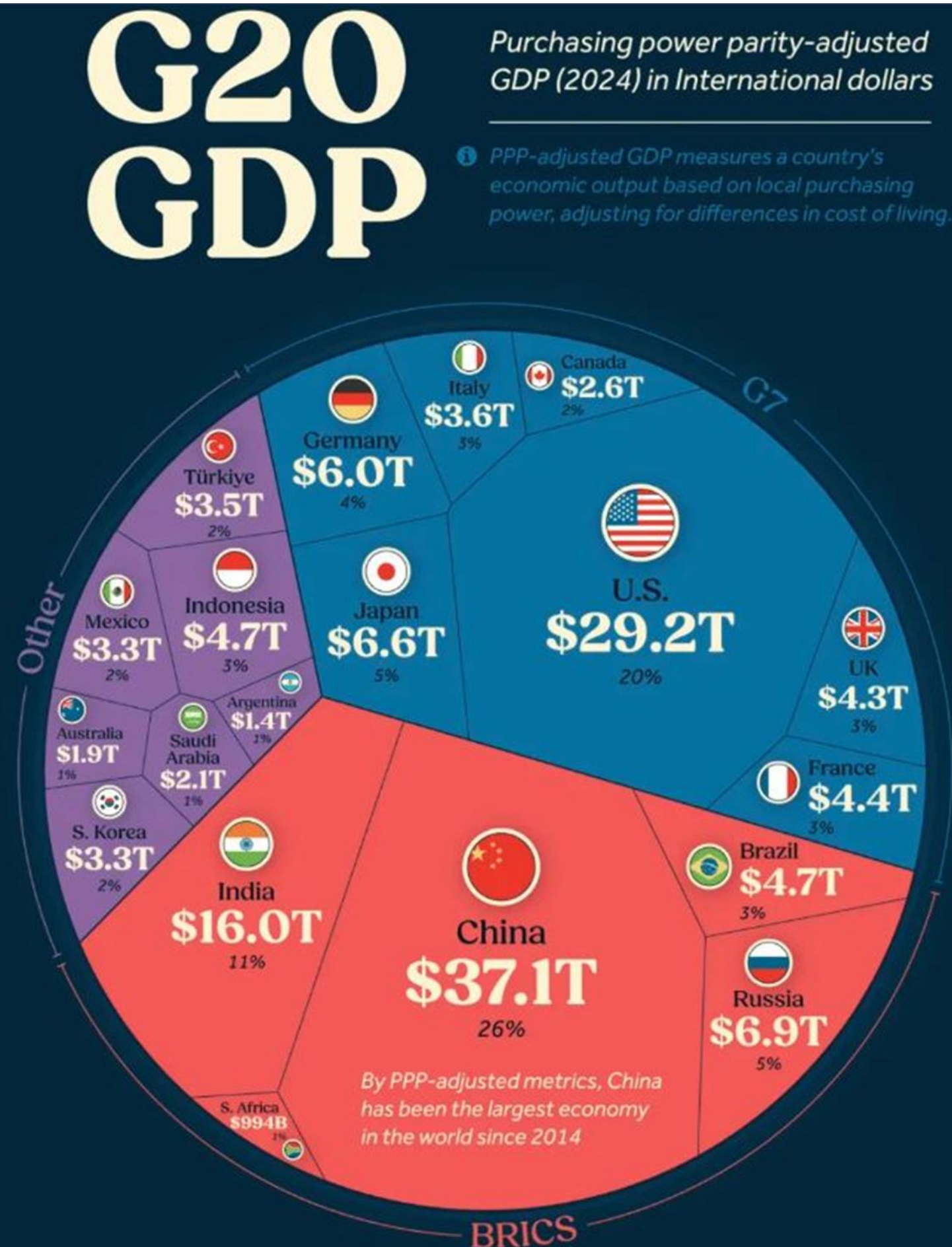
Today's Agenda

- Macroeconomic Update
- Policy Impact
- Labor Market Data
- Actionable Takeaways

The Global and US Economies



The Global and US Economies

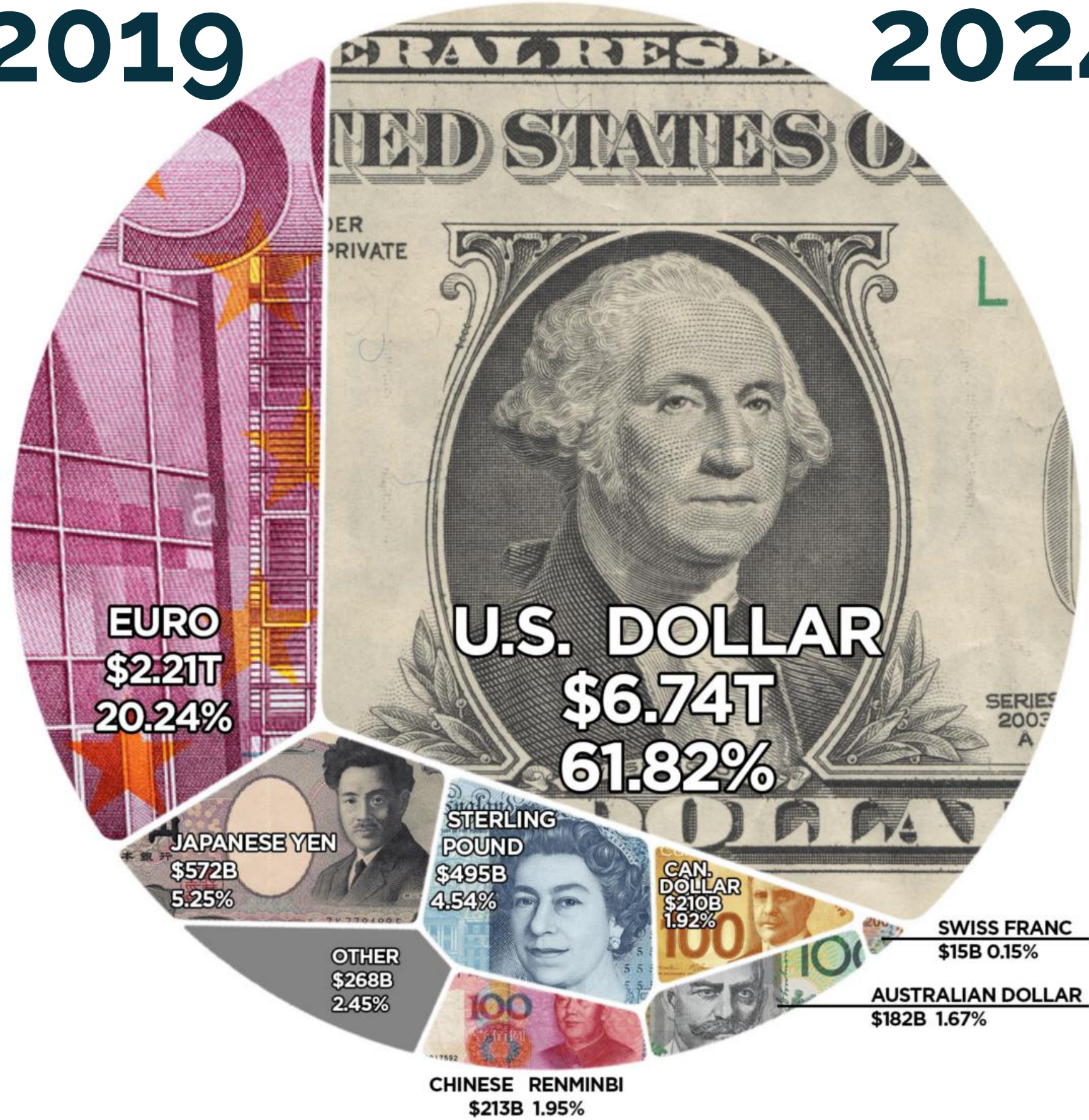


US Dollar as Global Reserve Currency

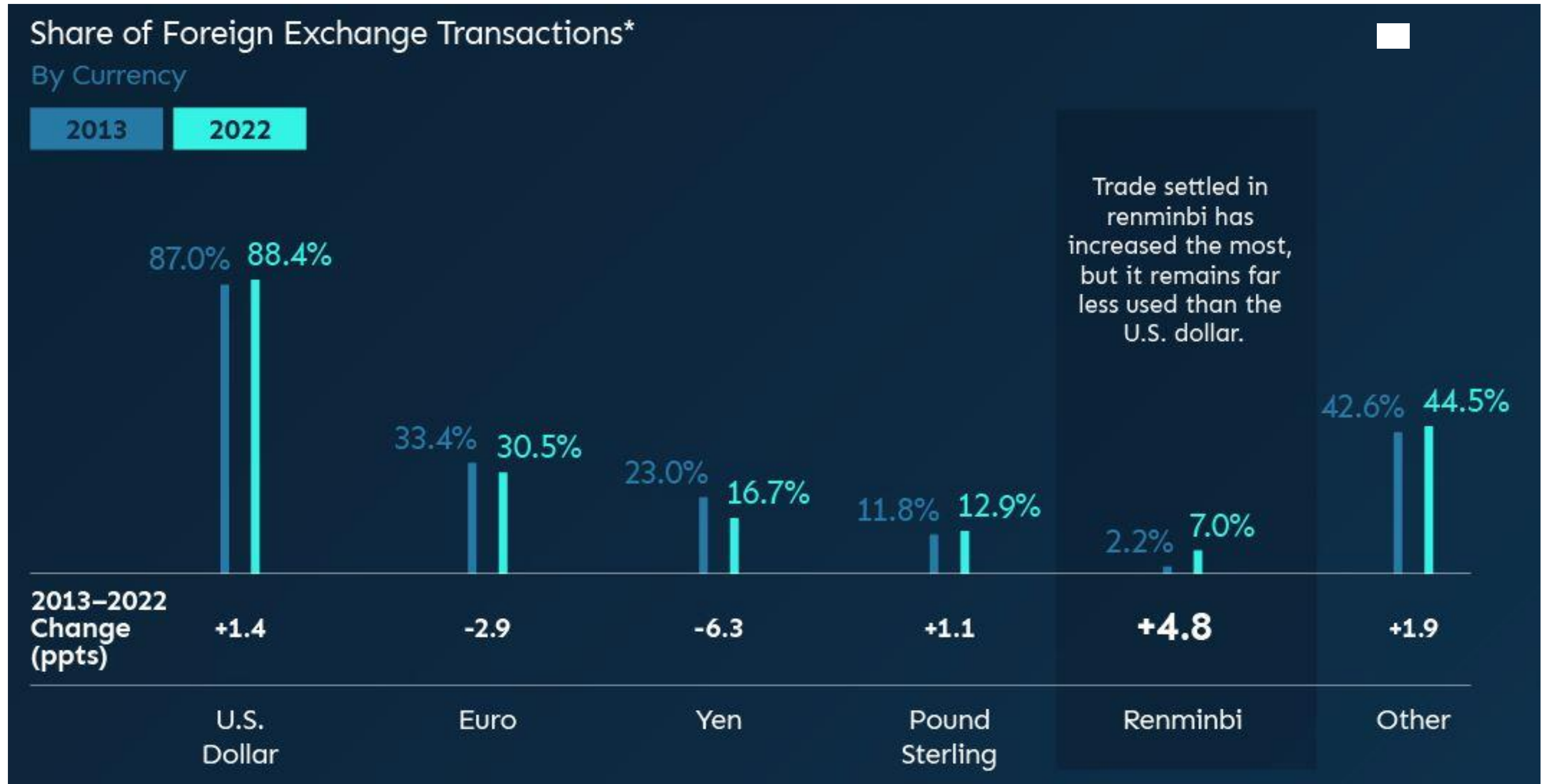
Total Allocated Exchange Reserves by Currency (in \$)

2019

2024



US Dollar as Global Payments Currency



US Dollar as Global Payments Currency

Share of

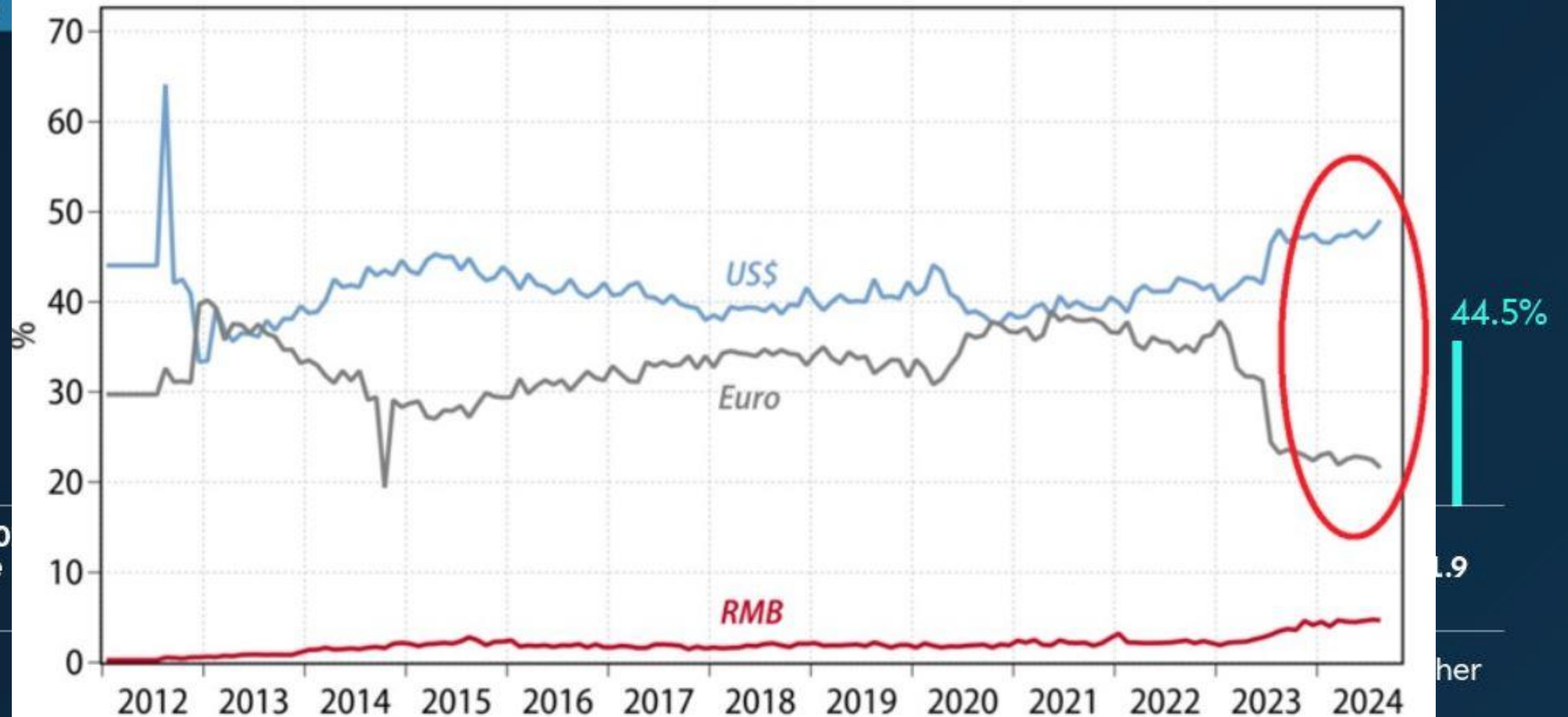
By Curre

2013

2013–20
Change
(ppts)

Data from SWIFT suggests deeuroization is the dominant effect

Share of global payments





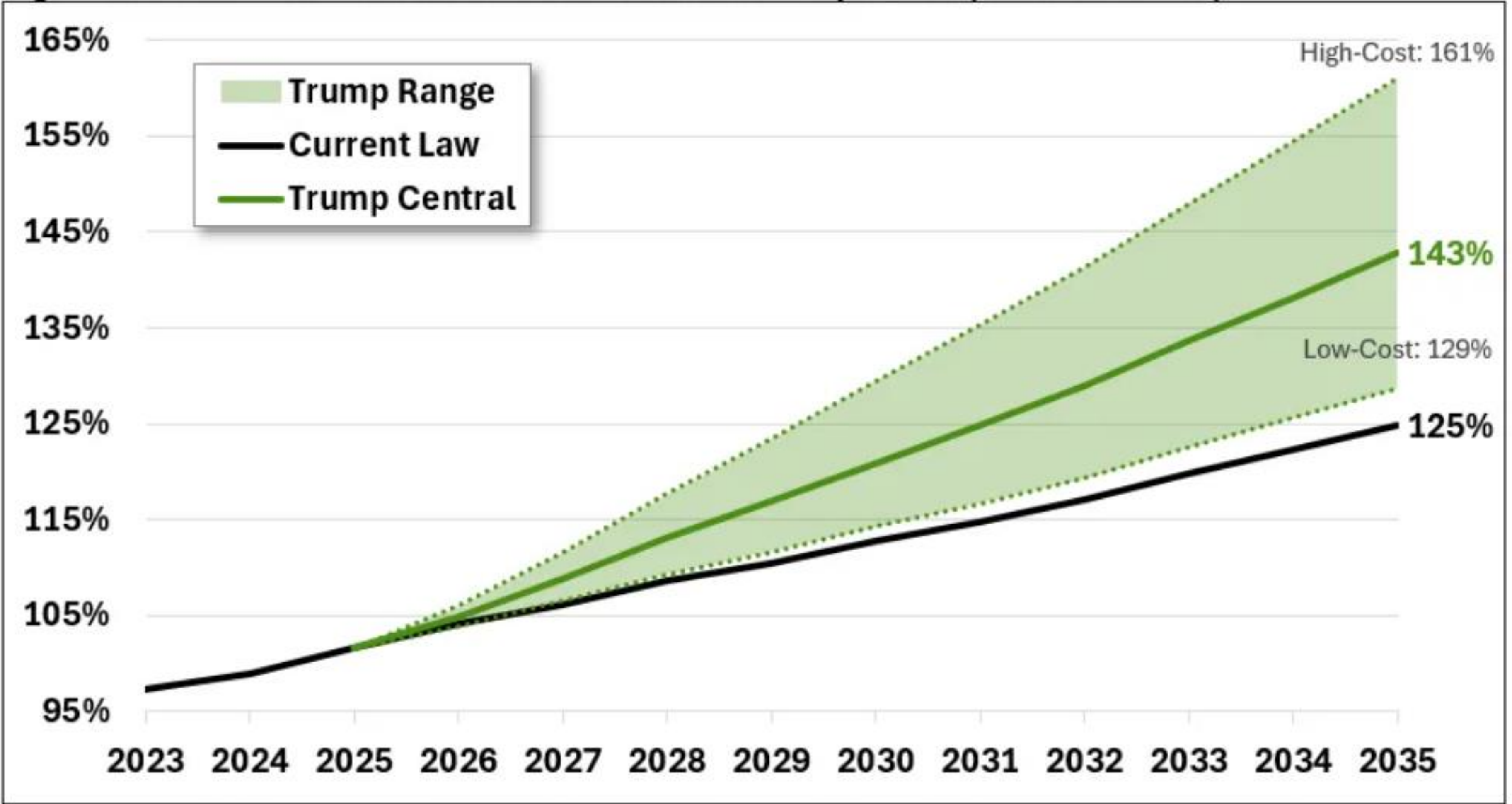
GOP Trifecta Ushers in New Era of Geopolitics

The Trump Plan

(billions, 2026-2035)

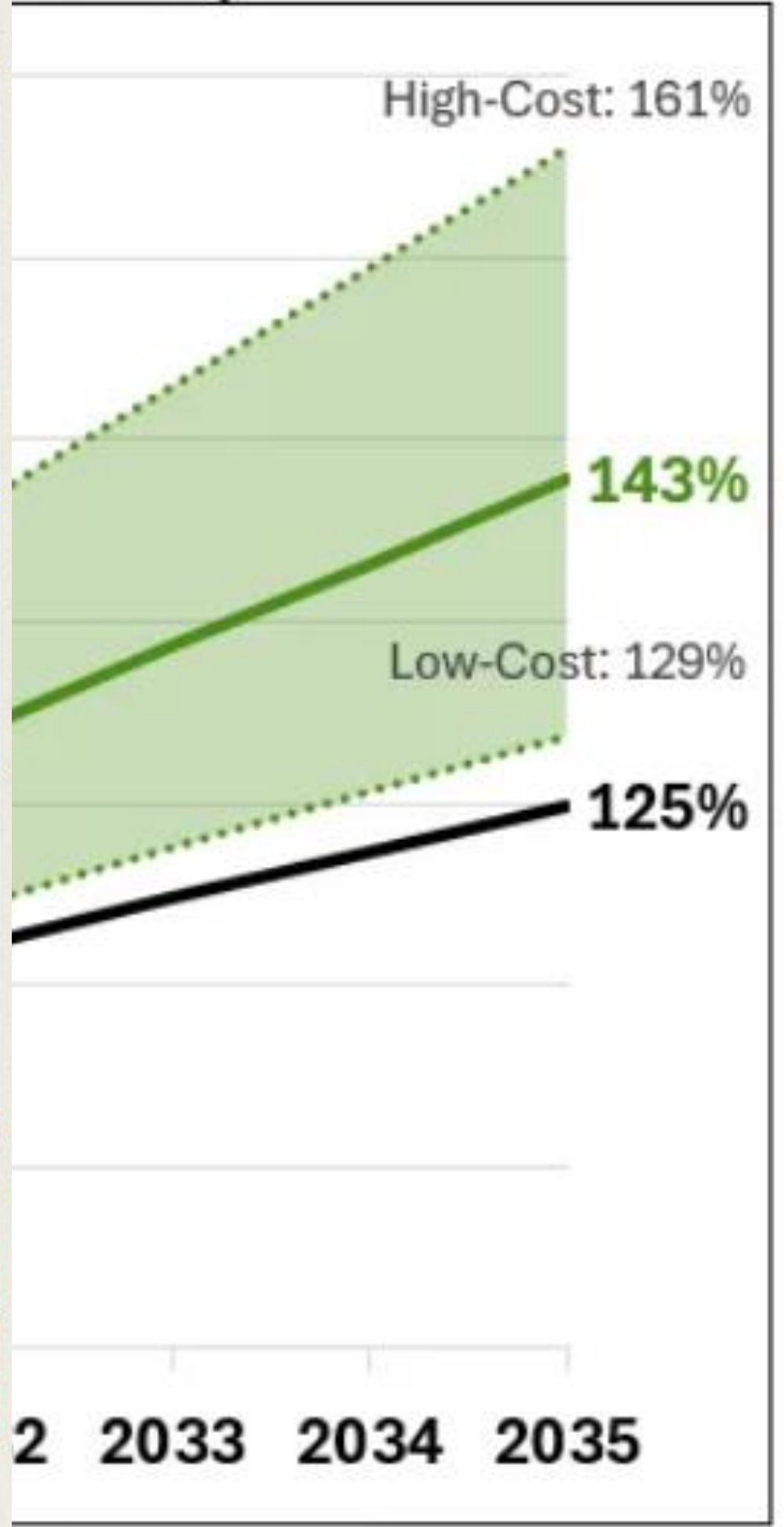
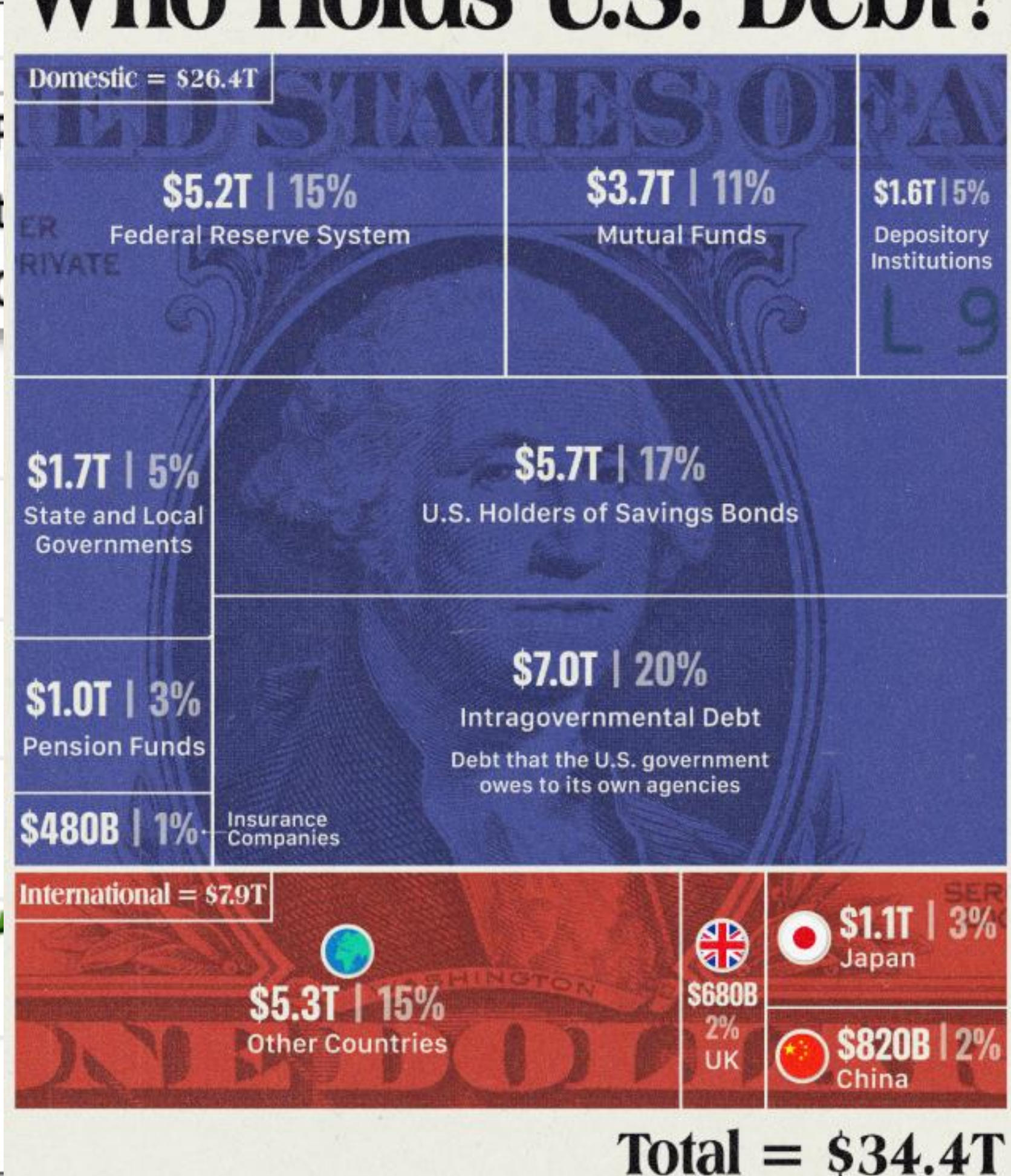
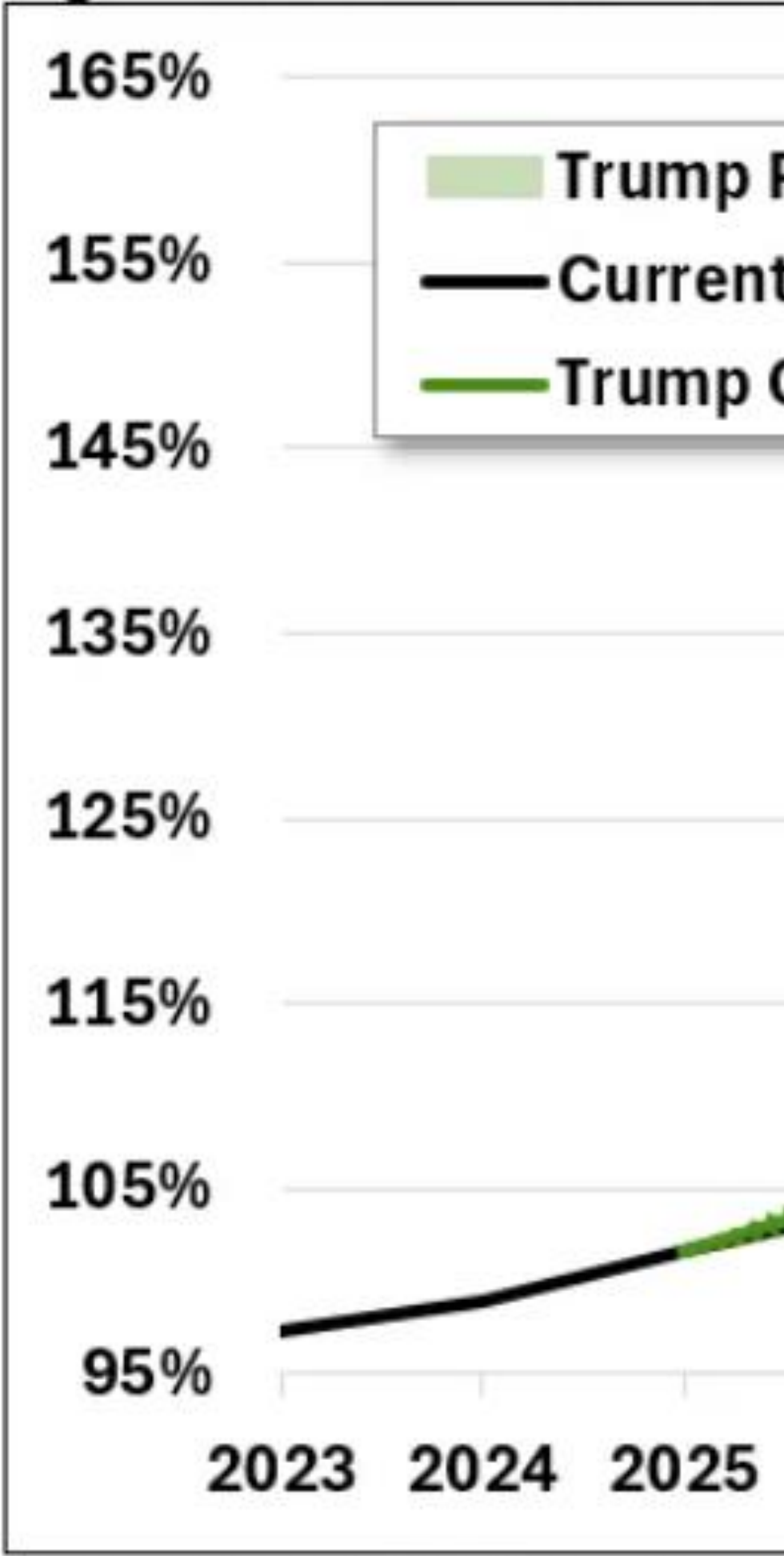
Policy Proposals	Low	Central	High
Extend and Modify the Tax Cuts & Jobs Act (TCJA)	-\$4,600	-\$5,350	-\$5,950
Exempt Overtime Income from Taxes	-\$500	-\$2,000	-\$3,000
End Taxation of Social Security Benefits	-\$1,200	-\$1,300	-\$1,450
Exempt Tip Income from Taxes	-\$100	-\$300	-\$550
Lower Corporate Tax Rate to 15% for Domestic Manufacturers	-\$150	-\$200	-\$600
Enact or Expand Other Individual and Small Business Tax Breaks	-\$150	-\$200	-\$350
Strengthen and Modernize the Military	-\$100	-\$400	-\$2,450
Secure the Border and Deport Unauthorized Immigrants	\$0	-\$350	-\$1,000
Enact Housing Reforms, Including Credits for First-Time Homebuyers	-\$100	-\$150	-\$350
Boost Support for Health Care, Long-Term Care, and Caregiving	-\$50	-\$150	-\$300
Subtotal, Tax Cuts and Spending Increases	-\$6,950	-\$10,400	-\$16,000
Establish a Universal Baseline Tariff and Additional Tariffs	\$4,300	\$2,700	\$2,000
Reverse Current Energy/Environment Policies and Expand Production	\$750	\$700	\$550
Reduce Waste, Fraud, and Abuse	\$250	\$100	\$0
End the Department of Education and Support School Choice	\$200	\$200	\$0
Subtotal, Revenue Increases and Spending Reductions	\$5,500	\$3,700	\$2,550
Net Interest	-\$200	-\$1,050	-\$2,100
Total, Net Deficit Impact	-\$1,650	-\$7,750	-\$15,550

Fig. 8: Debt as a Percent of GDP Under President Trump's Plan (Percent of GDP)



Source: Committee for a Responsible Federal Budget based on Congressional Budget Office baseline.

Fig. 8: Debt as a Percent of GDP) **Who Holds U.S. Debt?**



Source: Committee for a Respo

Office baseline.

Tariffs Use for Geopolitical Negotiation



How

**Executive Order
Budget Negotiations**

**Executive Order
Budget Negotiations
USMCA Renegotiation (2026)**

**Executive Order
Budget Negotiations**

Negotiating Points

**Trade Deficit
National Security**

**Trade Deficit
Immigration Cooperation
Drug Trade Cooperation**

**Trade Deficit
NATO Defense Spending**

X-Factors

**Raw Materials
USD and CNY strength
Taiwan
Influence on Russia
Influence on Iran
Influence on N. Korea**

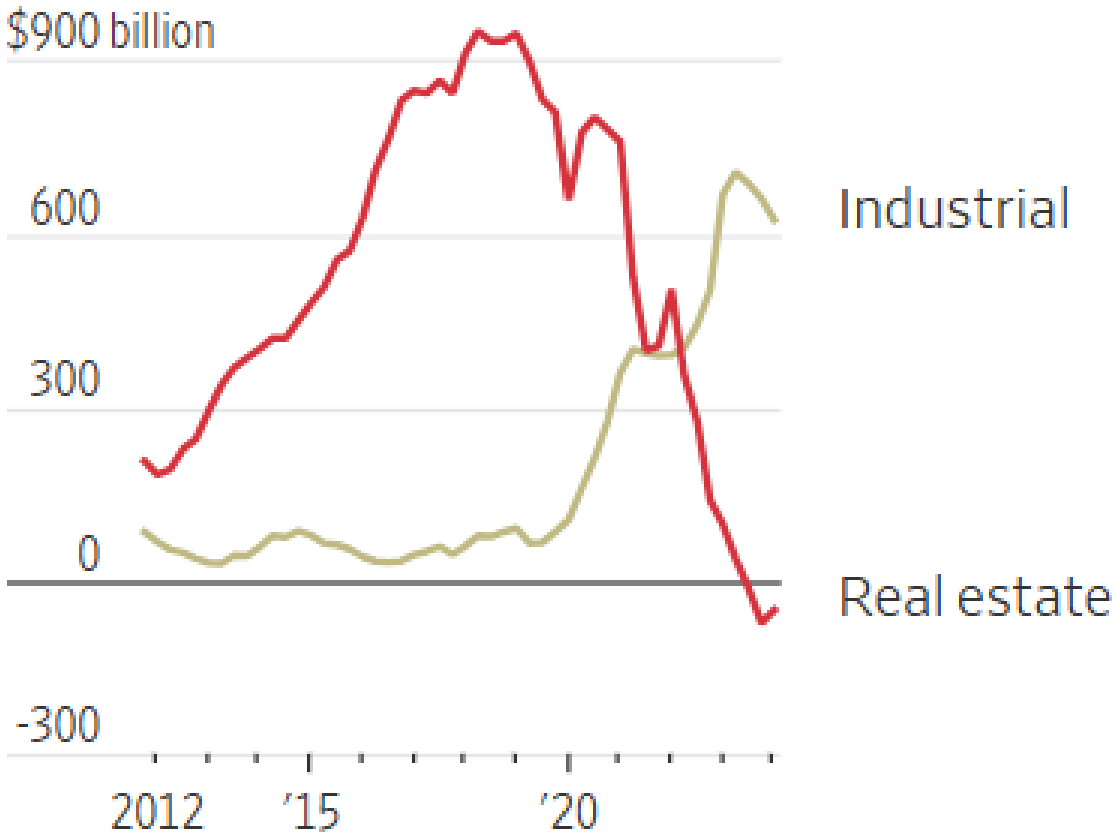
**USMCA Trading Partners are
newly elected**

**New Right Wing
European Parliament**

Reasons for a New Trade War with China

1

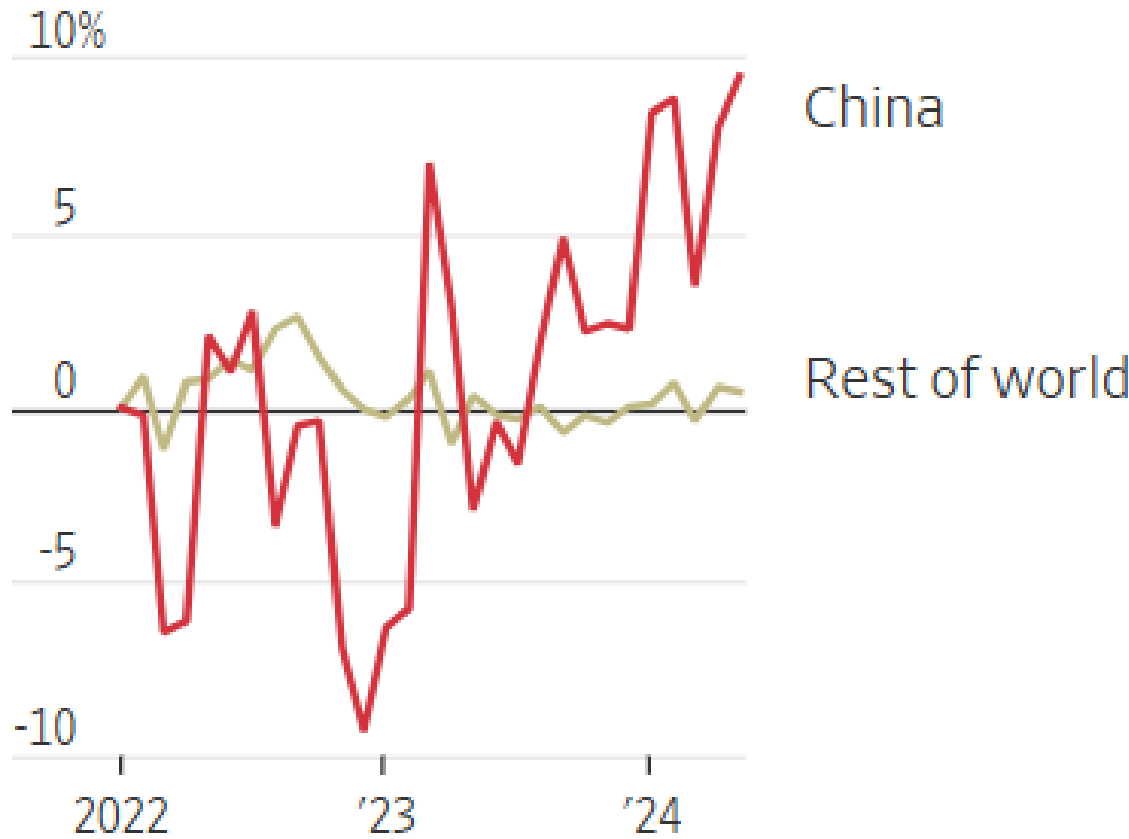
Loans by sector, change from a year earlier



Source: The People's Bank of China via CEIC

2

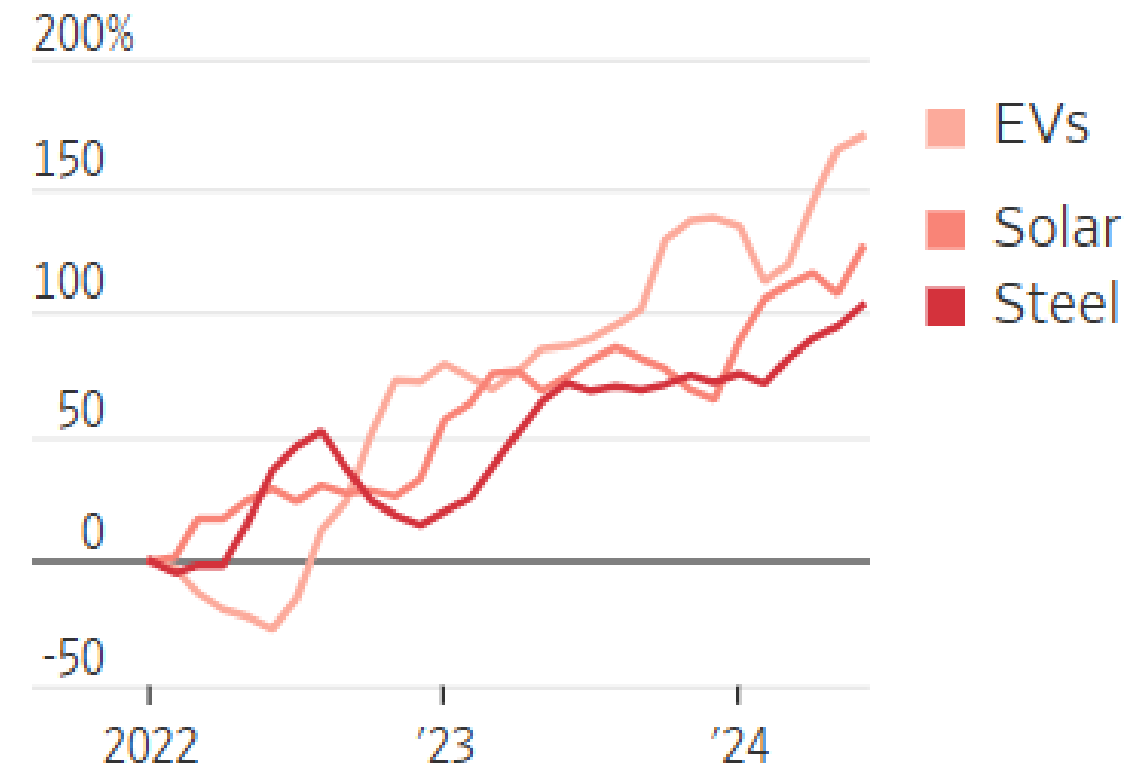
Export volumes, change since January 2022



Source: CPB Netherlands Bureau for Economic Policy Analysis

3

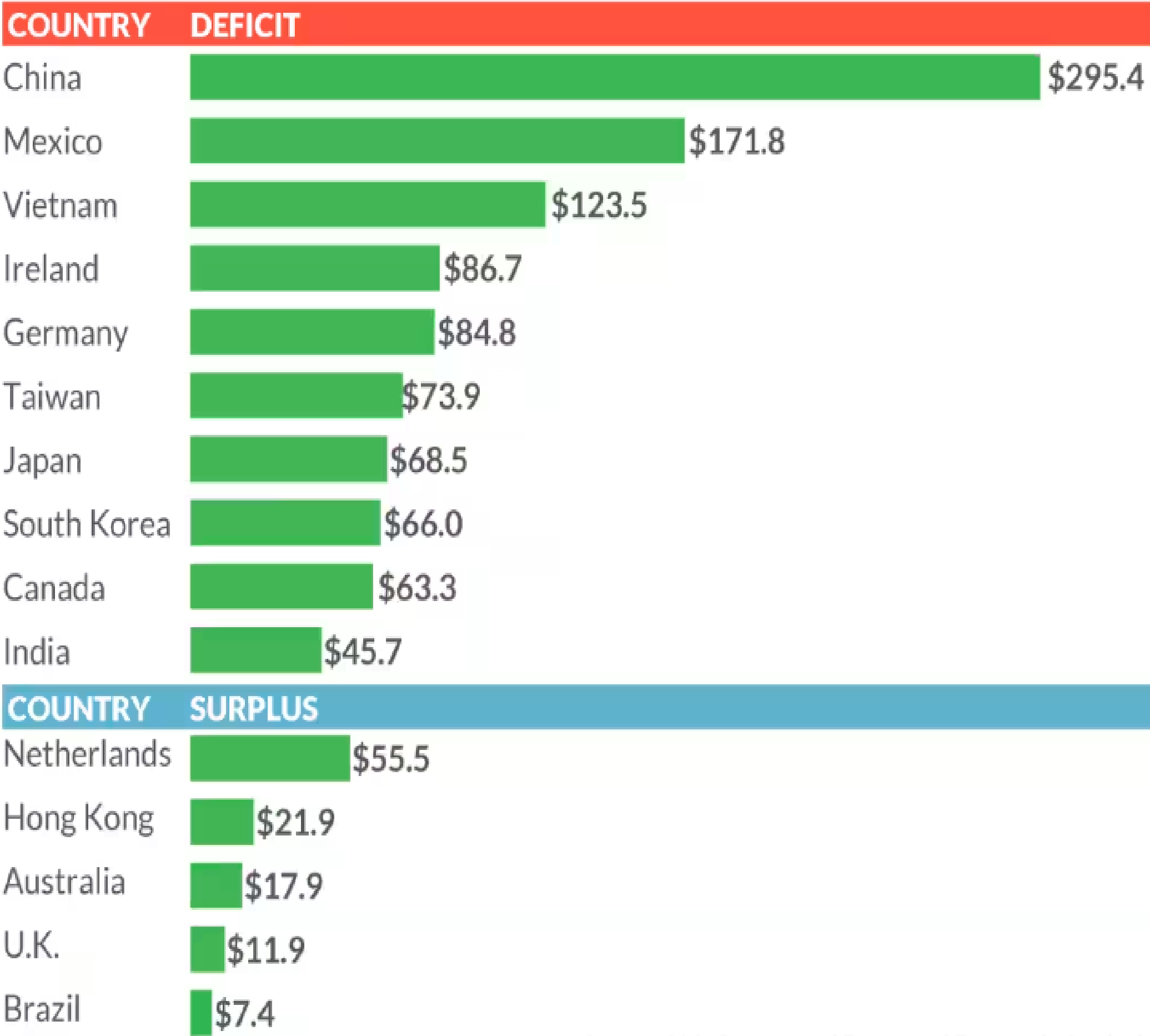
Chinese exports by product, change since January 2022



Source: China's General Administration of Customs via CEIC

U.S. runs trade deficits with most countries






















2024, in billions



Source: U.S. Census and Bureau of Economic Analysis

WHO TARIFFS... AND WHO DOESN'T

The average tariff rate applied to all products in 2022 among prominent economies.

	COUNTRY	TARIFF
	KENYA	15.83%
	INDIA	14.26%
	ARGENTINA	14.11%
	BRAZIL	12.38%
	SOUTH KOREA	11.06%
	SOUTH AFRICA	7.32%
	CHINA	6.54%
	MEXICO	6.02%
	INDONESIA	5.82%
	VIETNAM	3.71%
	UNITED KINGDOM	3.52%
	ISRAEL	3.25%
	UNITED STATES	2.72%
	AUSTRALIA	2.01%
	JAPAN	1.99%
	GERMANY	1.95%
	FRANCE	1.95%
	ITALY	1.95%
	CANADA	1.83%
	SINGAPORE	0.22%
	HONG KONG (CHINA)	0%

SOURCE: WORLD BANK VIA THE CATO INSTITUTE

Companies implementing
**strategic
tariff
mitigation**
strategies average
**savings of
59% on
tariffs** into the U.S.



Tariff Mitigation Strategies:

- Strategic sourcing
- Product exclusion requests
- Country of origin adjustments
- First sale rule
- Bonded warehouses
- Temporary import bonds
- Special Harmonized Trade Schedule (HTS) provisions
- Duty drawbacks

Bonded warehouses

- Bonded warehouses allow you to store goods without paying duties until they're used or sold, deferring duty payments and providing significant cash flow benefits.

How bonded warehouses work



Scan

Identify & dynamically monitor geopolitical risks for opportunities and challenges:

- Political – Internal
- Political – External
- Military
- Hybrid
- Societal

Focus

Assess the impact of geopolitical risks on company functions and global footprint:

- Revenue
- Growth and investment
- Operations
- Supply chain
- Human capital
- Reputation/Compliance

Act

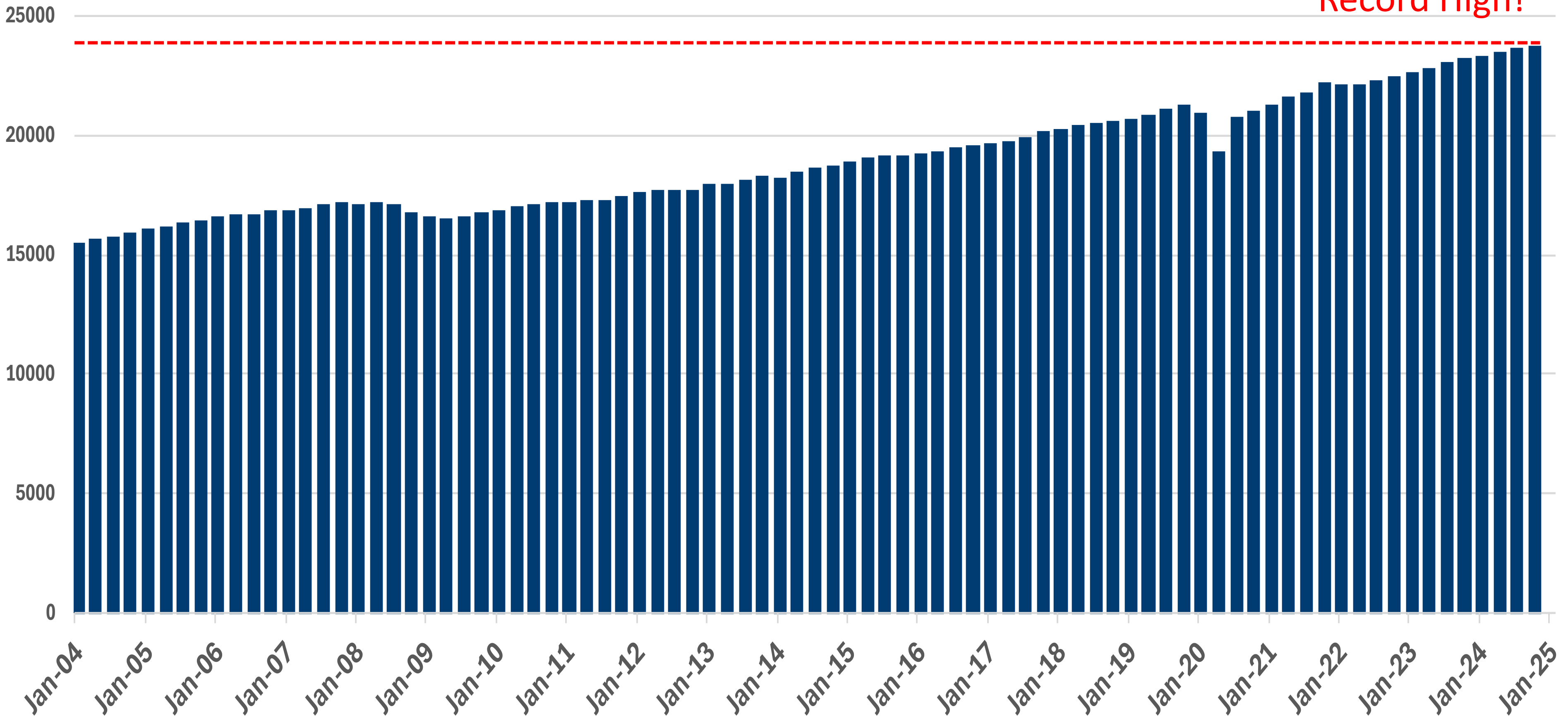
Manage geopolitical risk at both the operational and strategic levels:

- Risk management
- Governance
- Strategy

US Real (Inflation Adjusted) GDP

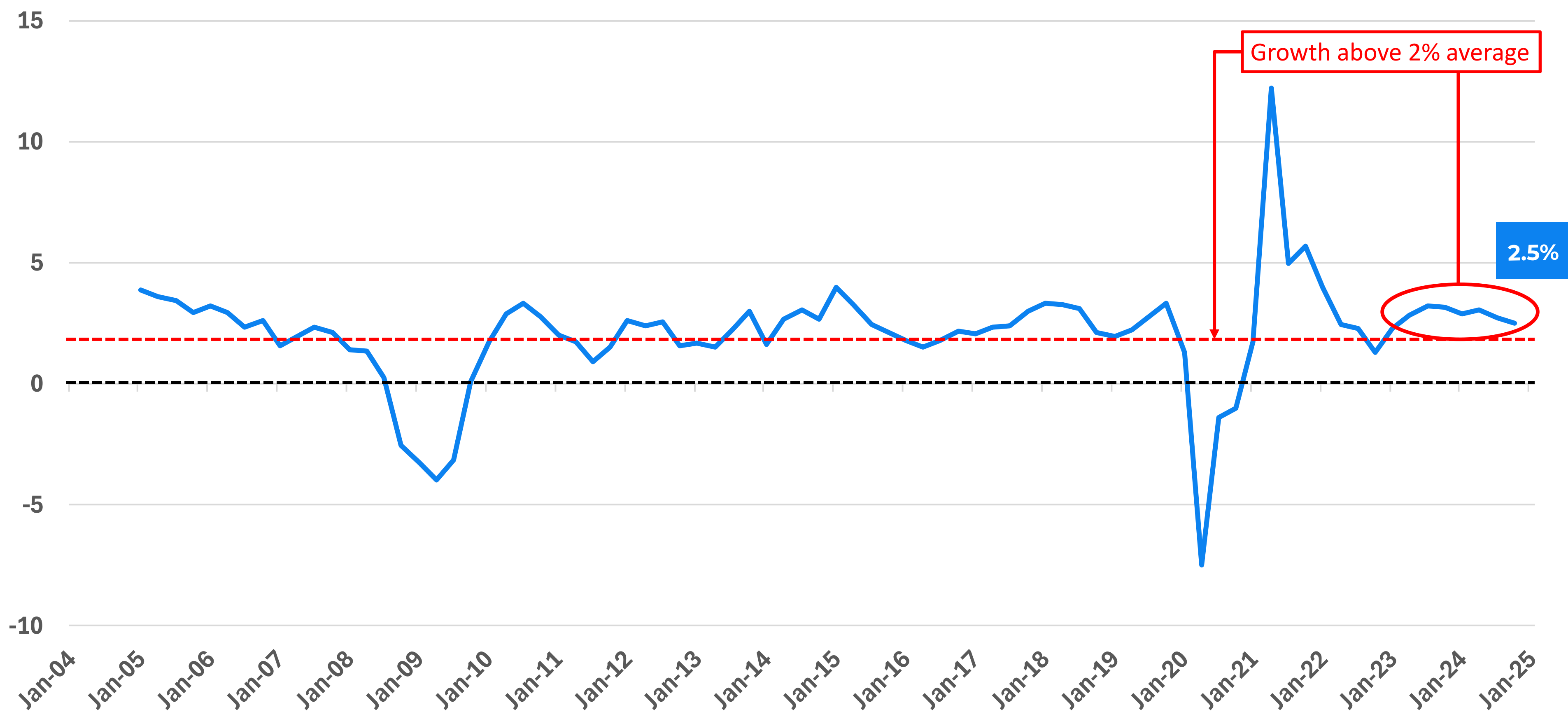
Billions of Chained 2017 Dollars

Record High!



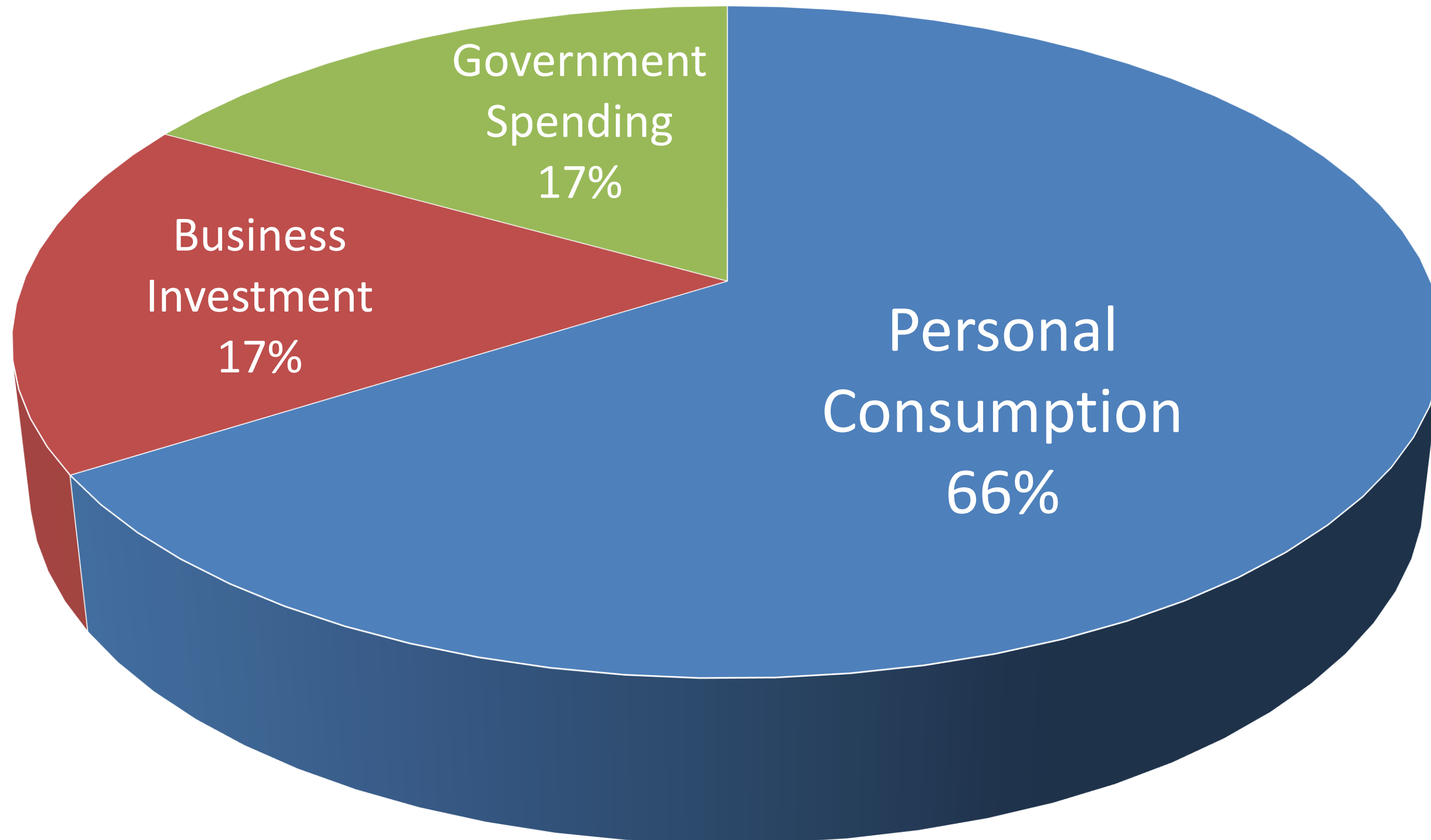
Real (Inflation Adjusted) GDP

Quarter-over-Quarter Growth Rate (%)



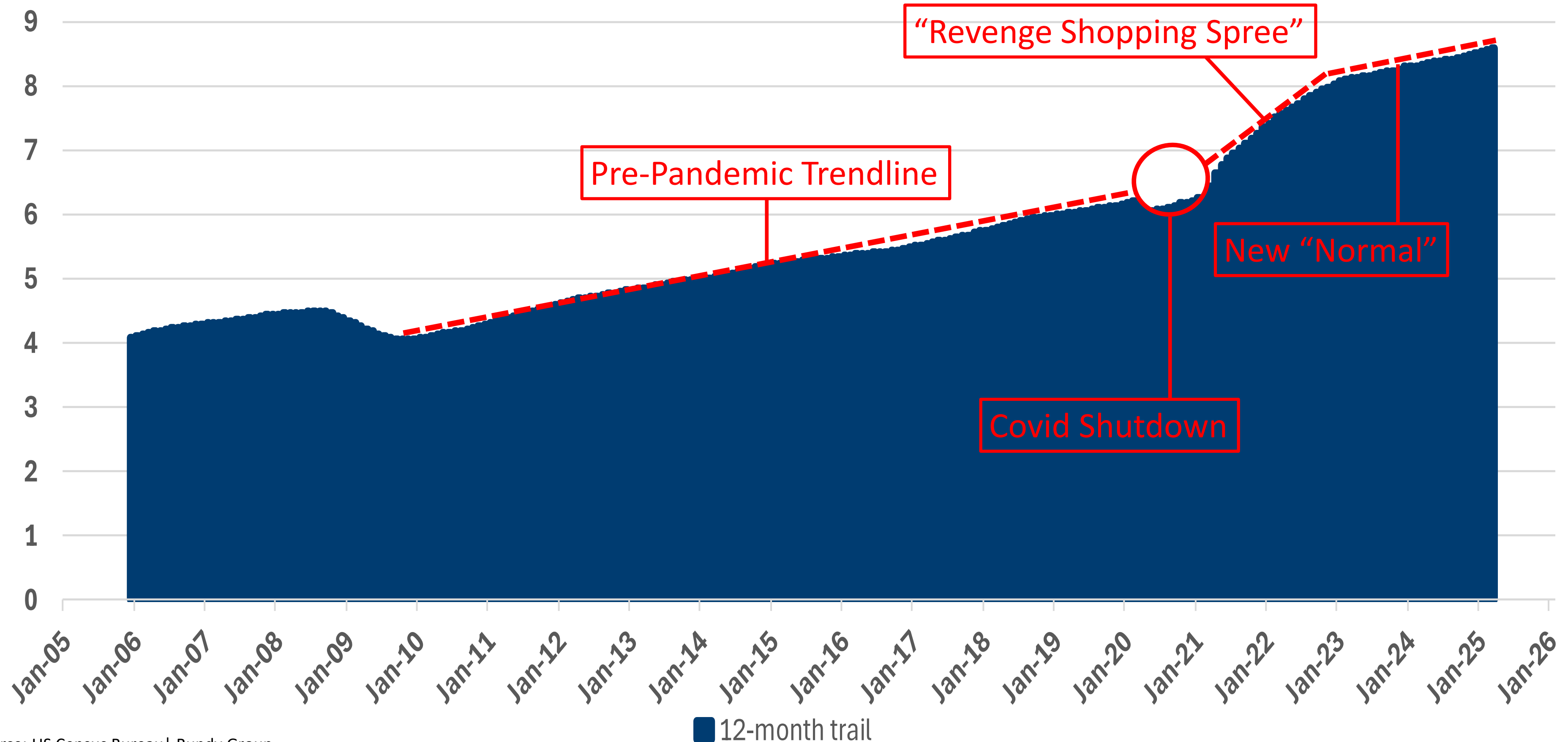
Breaking Down the US Economy

GDP Components



Retail Trade and Food Services

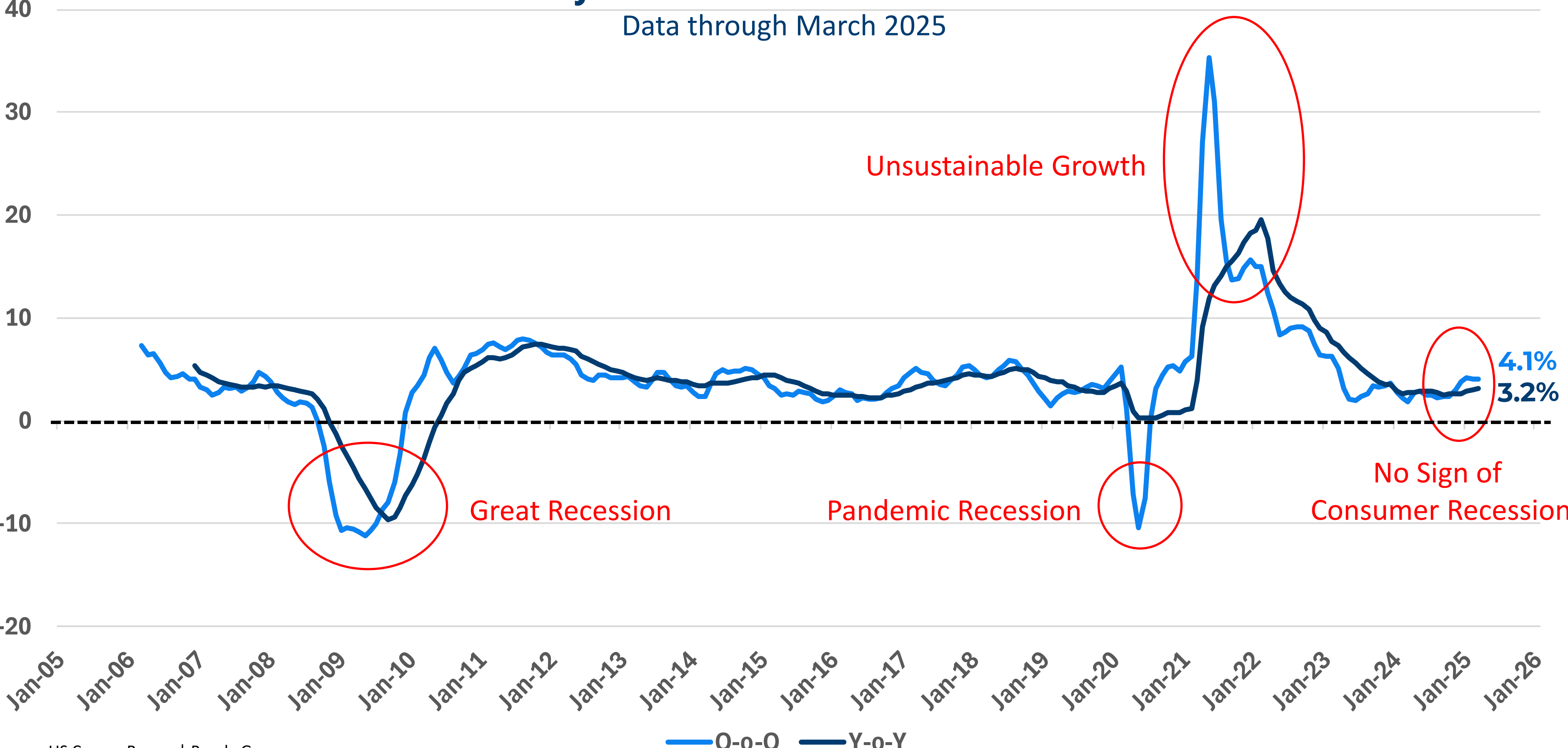
U.S. Total (Trillions of Dollars)



Retail Activity Trend Remains Positive

Quarterly and Annual Growth Rates (%)

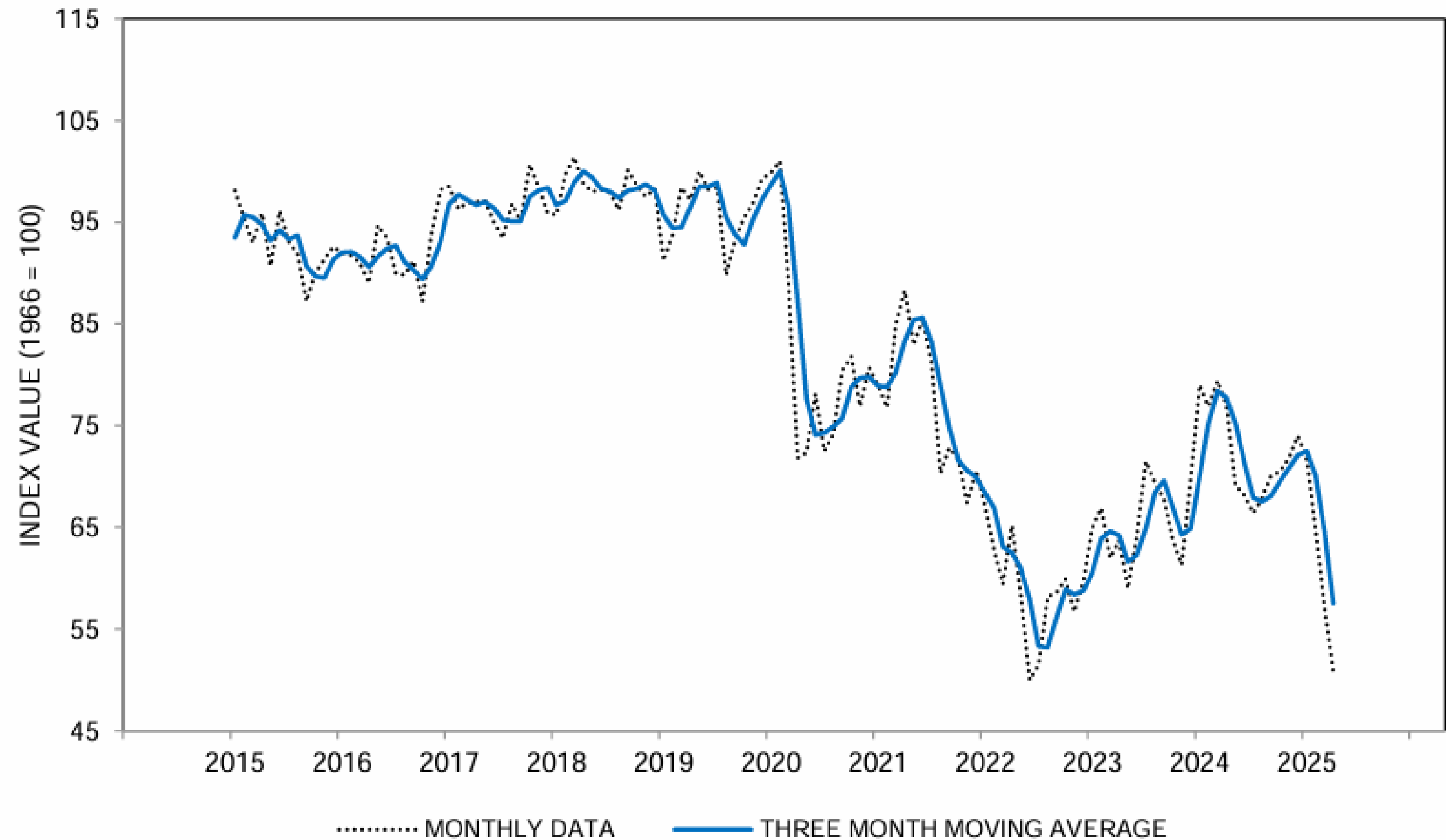
Data through March 2025



Source: US Census Bureau | Bundy Group

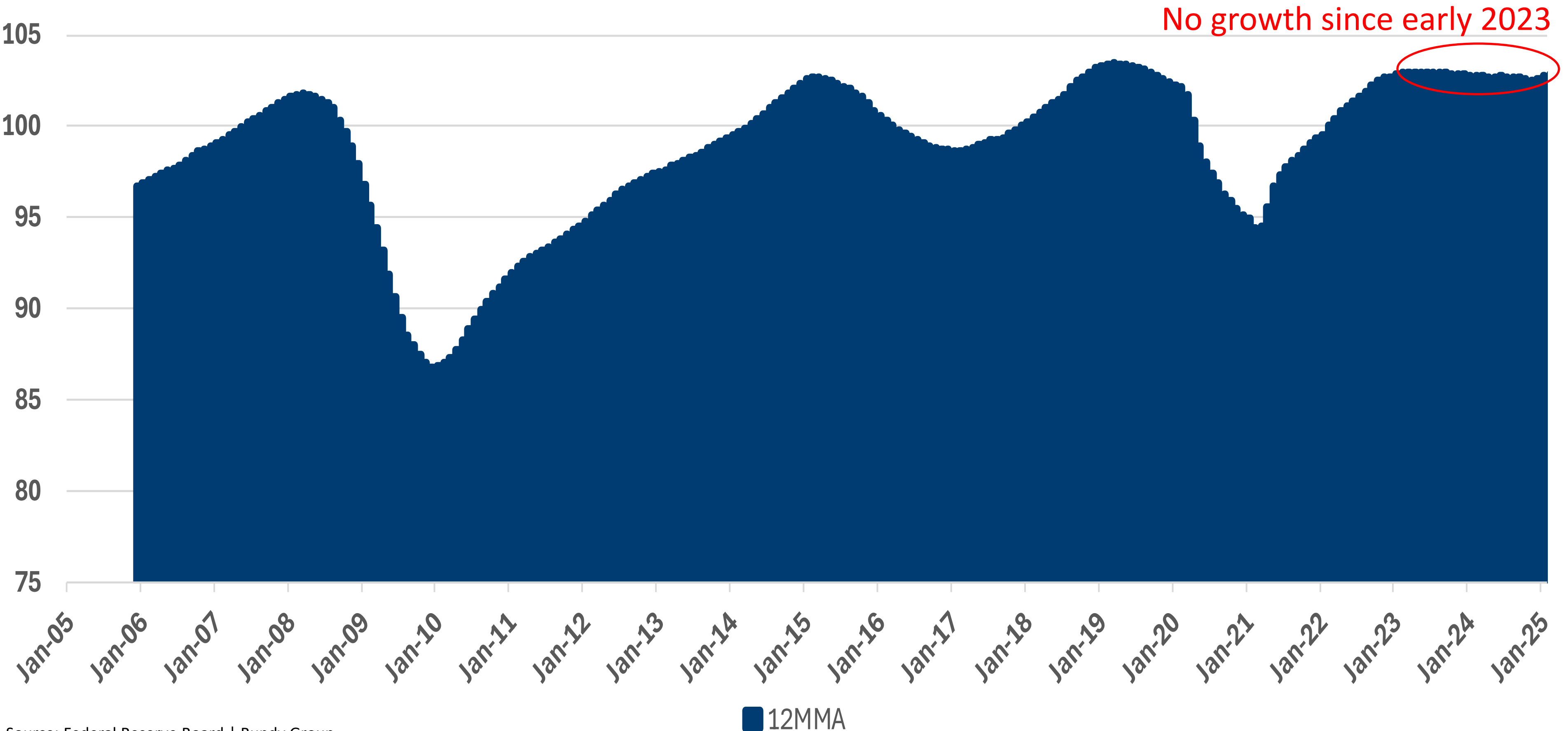
Consumer Sentiment is in Steep Decline

THE INDEX OF CONSUMER SENTIMENT



US Industrial Production (B2B Economy)

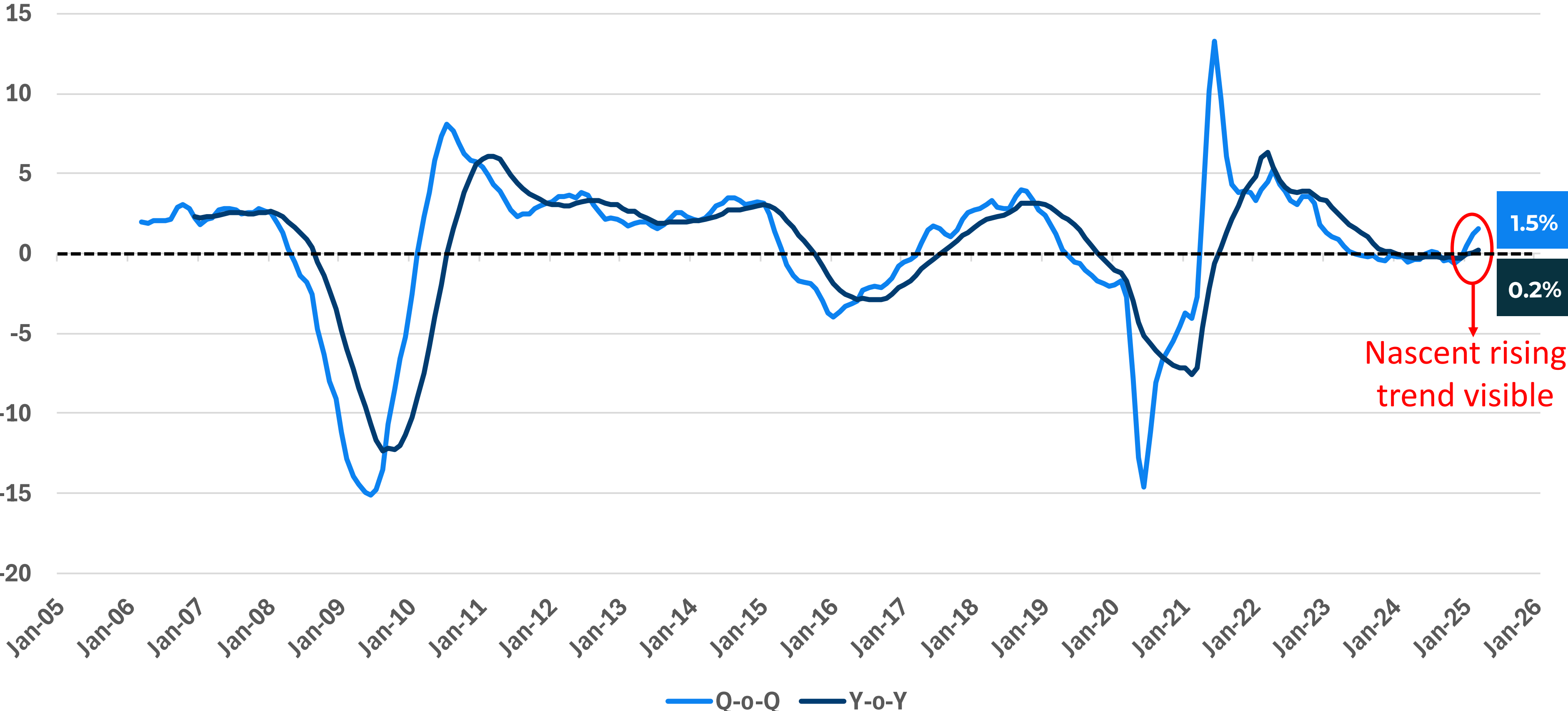
Index



Pre-tariff Momentum in B2B Economy

US Industrial Production Quarterly and Annual Growth Rates (%)

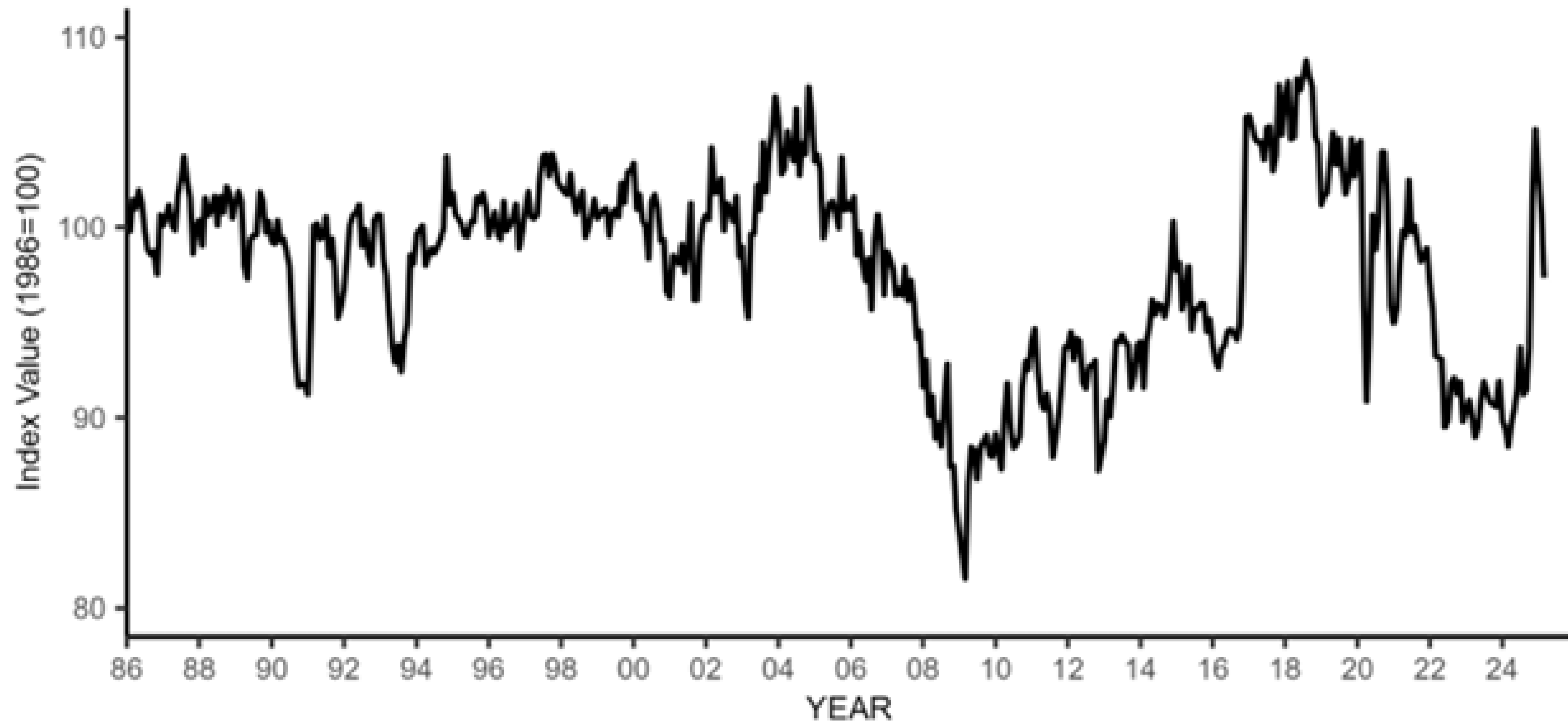
Data through March 2025



Small Business Optimism in Retreat

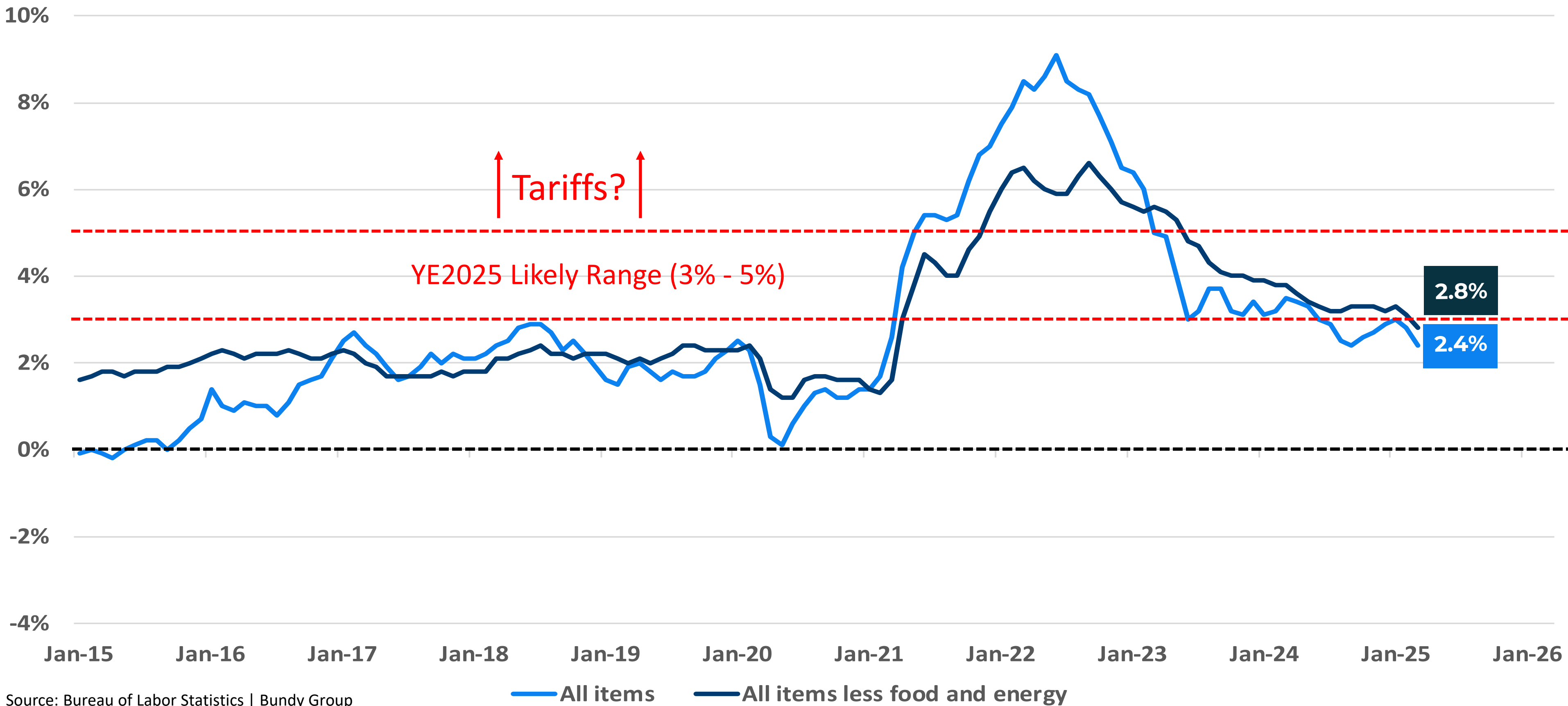
OPTIMISM INDEX

Based on Ten Survey Indicators¹
(Seasonally Adjusted 1986=100)



Consumer Prices – New (Higher) Normal

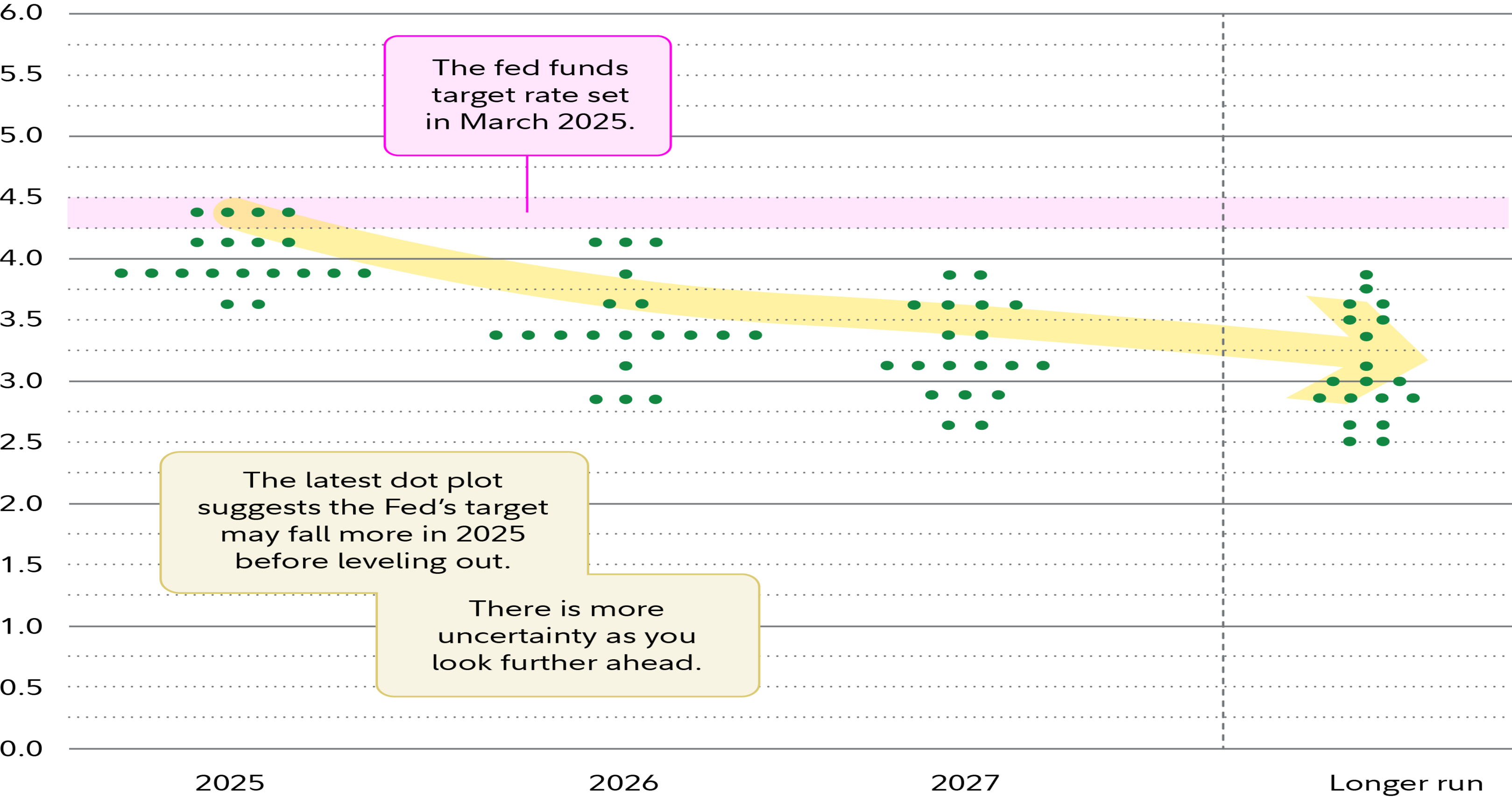
Consumer Price Index - Year-over-Year % Change



FED's Interest Rate Policy Implications

March 2025 dot plot (current until March 7, 2025)

Percent



National Labor Market Performance

» March 2025



JOB GAIN

228K



UNEMPLOYMENT RATE

4.2%



AVG HOURLY EARNINGS

3.8%

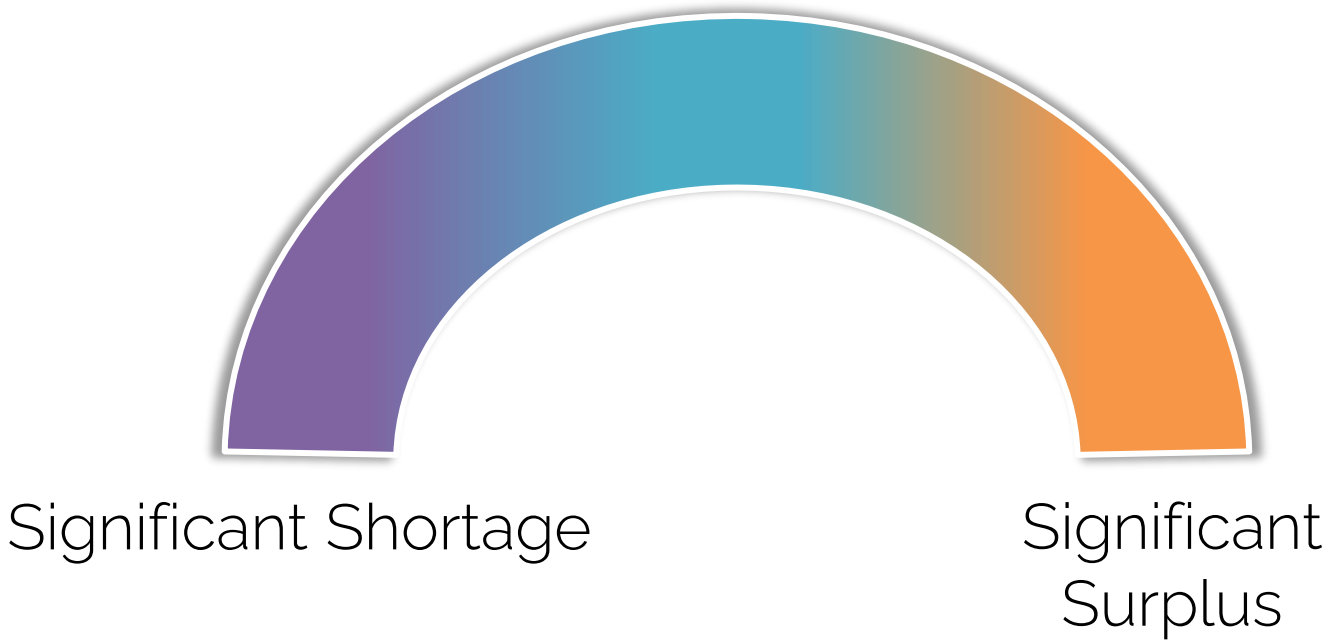
Past 12 Months

Talent Availability - Details Matter

4.2%

National Unemployment Rate
March 2025

Market Supply



Legal

1.3%



Healthcare
Practitioners

1.6%



Management

2.2%



Architecture
& Engineering

1.5%



Financial
Operations

2.3%



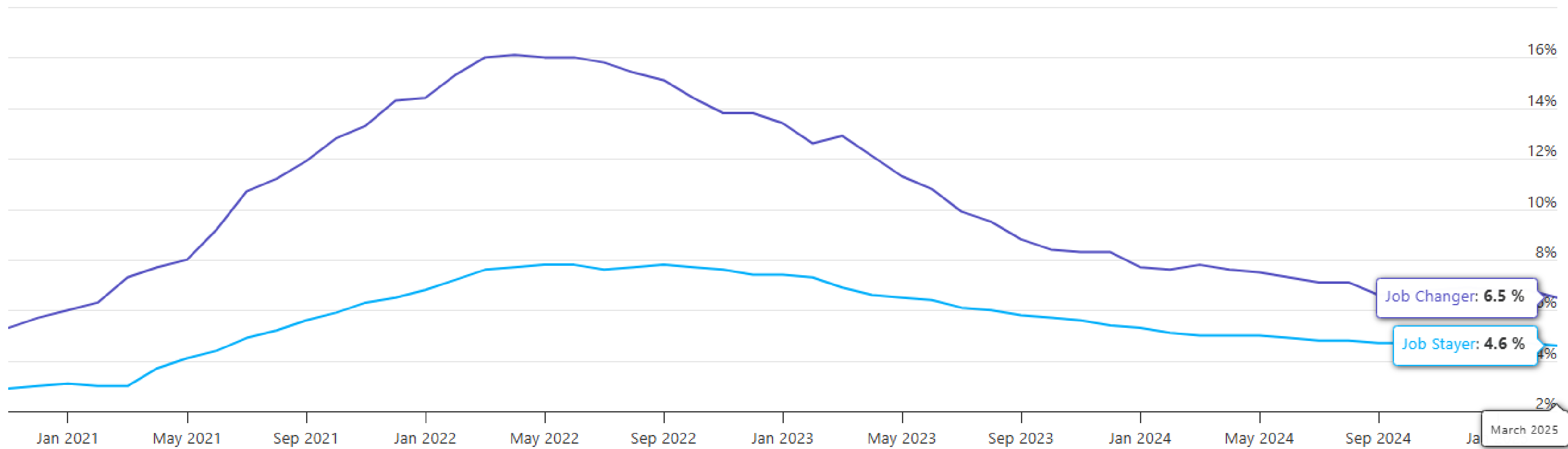
Sales

4.4%

New Hire Wage Premium Still Exists

Median Year-Over-Year Change in Annual Pay
by Worker Mobility

Job Stayer Job Changer



Strategic Considerations

- Consider impact of trade policy changes on your business
- Evaluate immigration's influence on workforce (short/long term)
- **Prepare action plans for a variety of scenarios**

Actions to Implement

- Identify and remove unnecessary steps to increase efficiency
- Protect margins
 - Consider cost-cutting initiatives
 - Renegotiate supplier contracts
- Invest for employee retention

**Navigating
the Current
Macro
Landscape**



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www.bundygroup.com



alex@bundygroup.com



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