

# US Economic Outlook

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April 2026

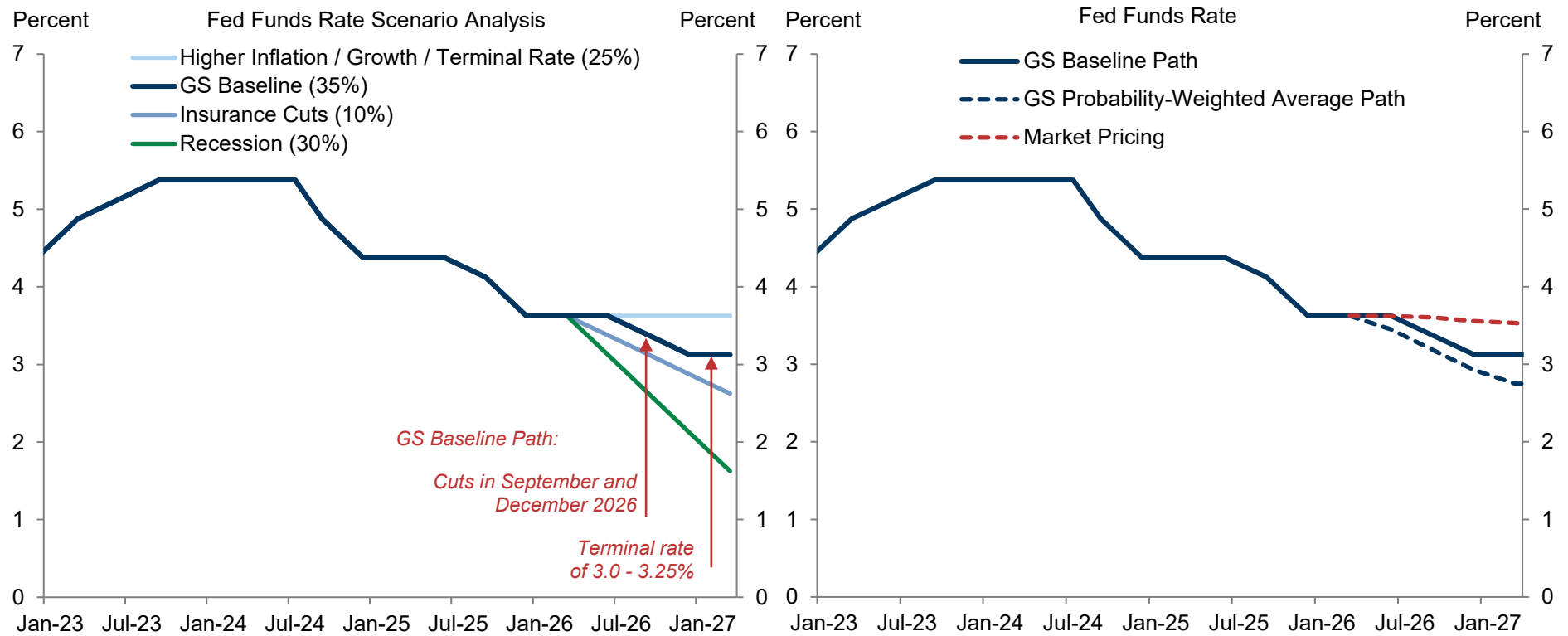
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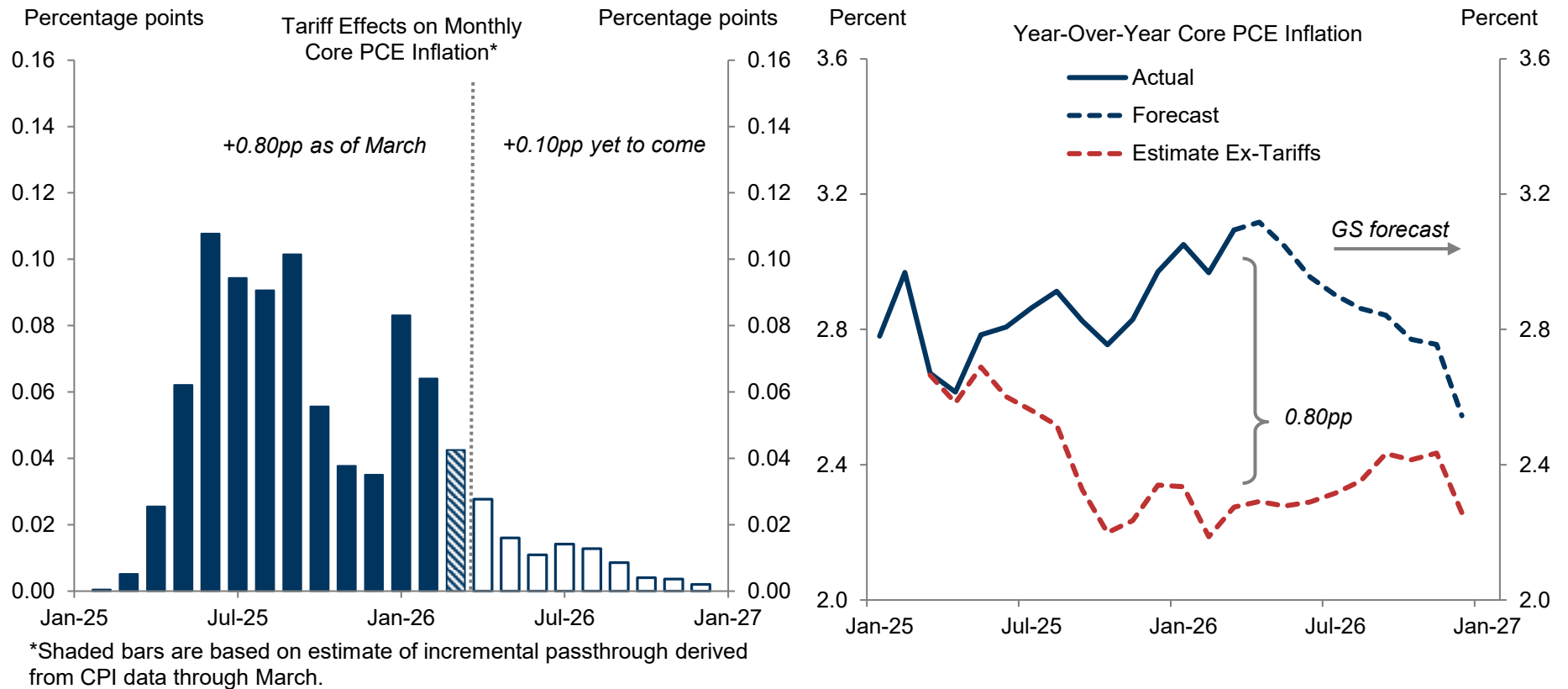
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# We Expect Two 25bp Cuts in 2026 to a Terminal Rate of 3.0-3.25%, Though Higher Inflation Makes a Longer Pause a Plausible Alternative



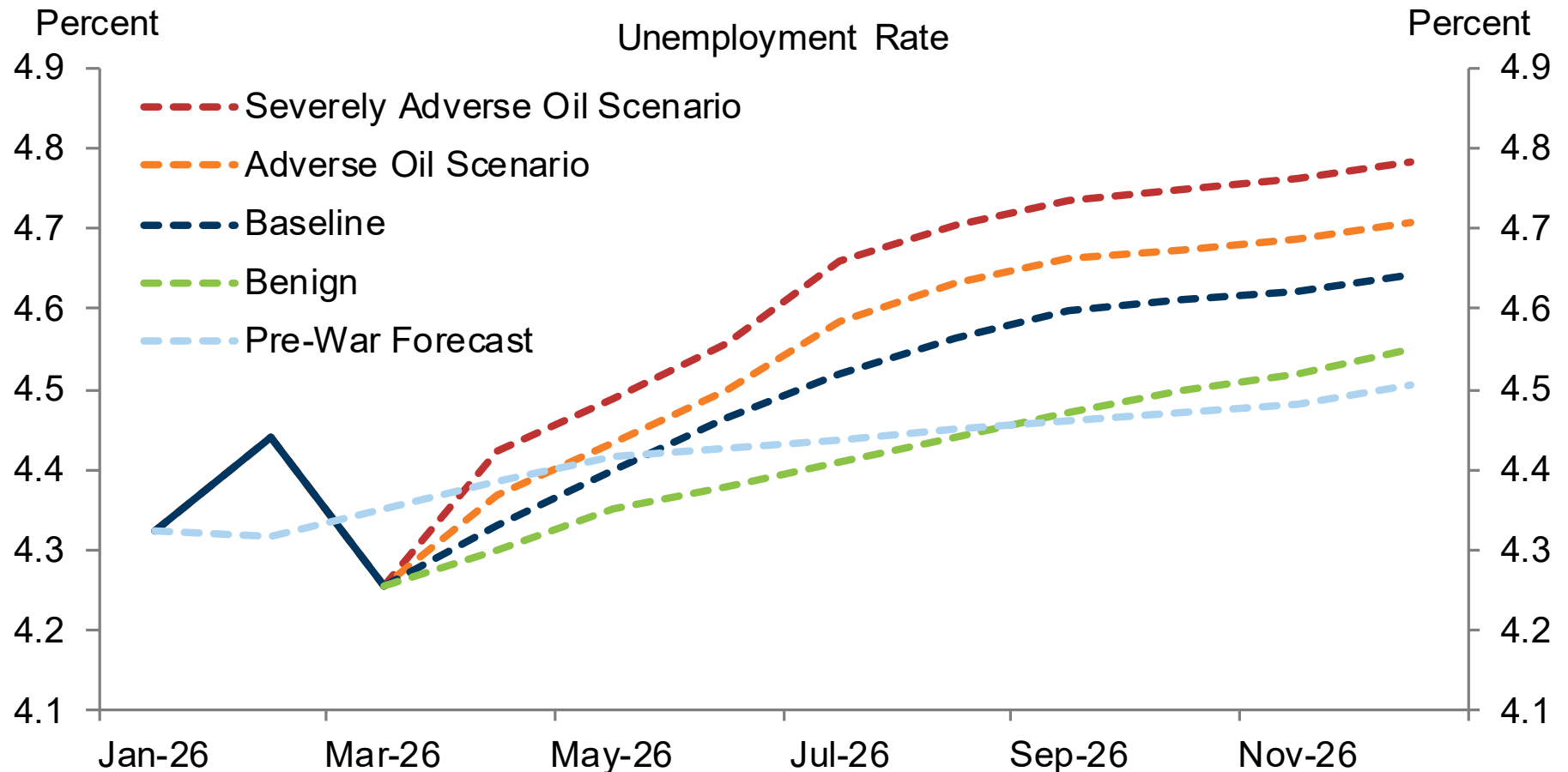
Source: Goldman Sachs Global Investment Research.

# Aside from the Oil Price Spike, Inflation Pressures Still Look Benign: Most of the One-Time Price Level Effect of Tariffs Is Likely Behind Us



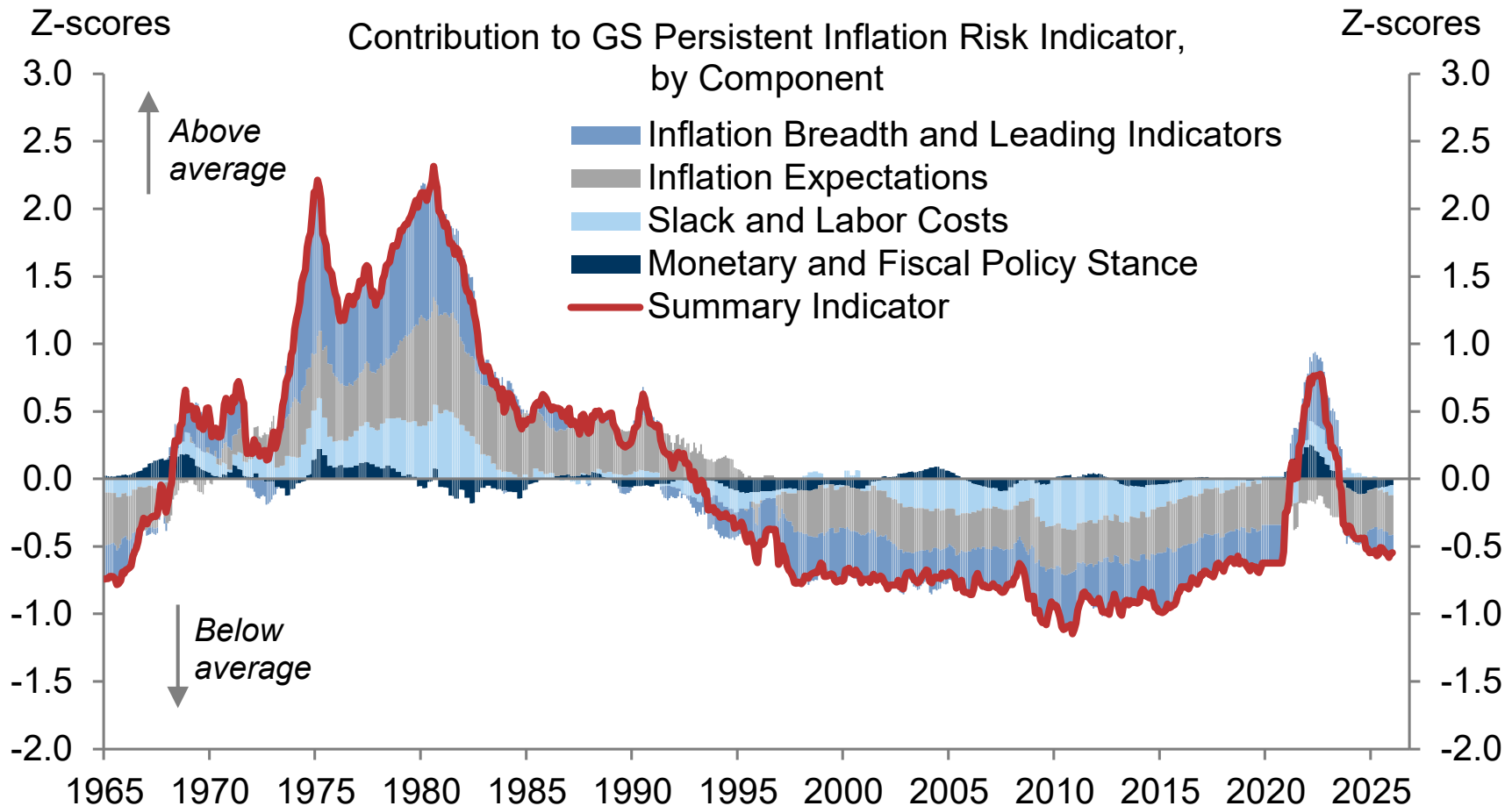
Source: Goldman Sachs Global Investment Research.

# Below-Trend Growth Is Likely to Push the Unemployment Rate Up—Modestly in Our Baseline But More Significantly in the Adverse Scenarios



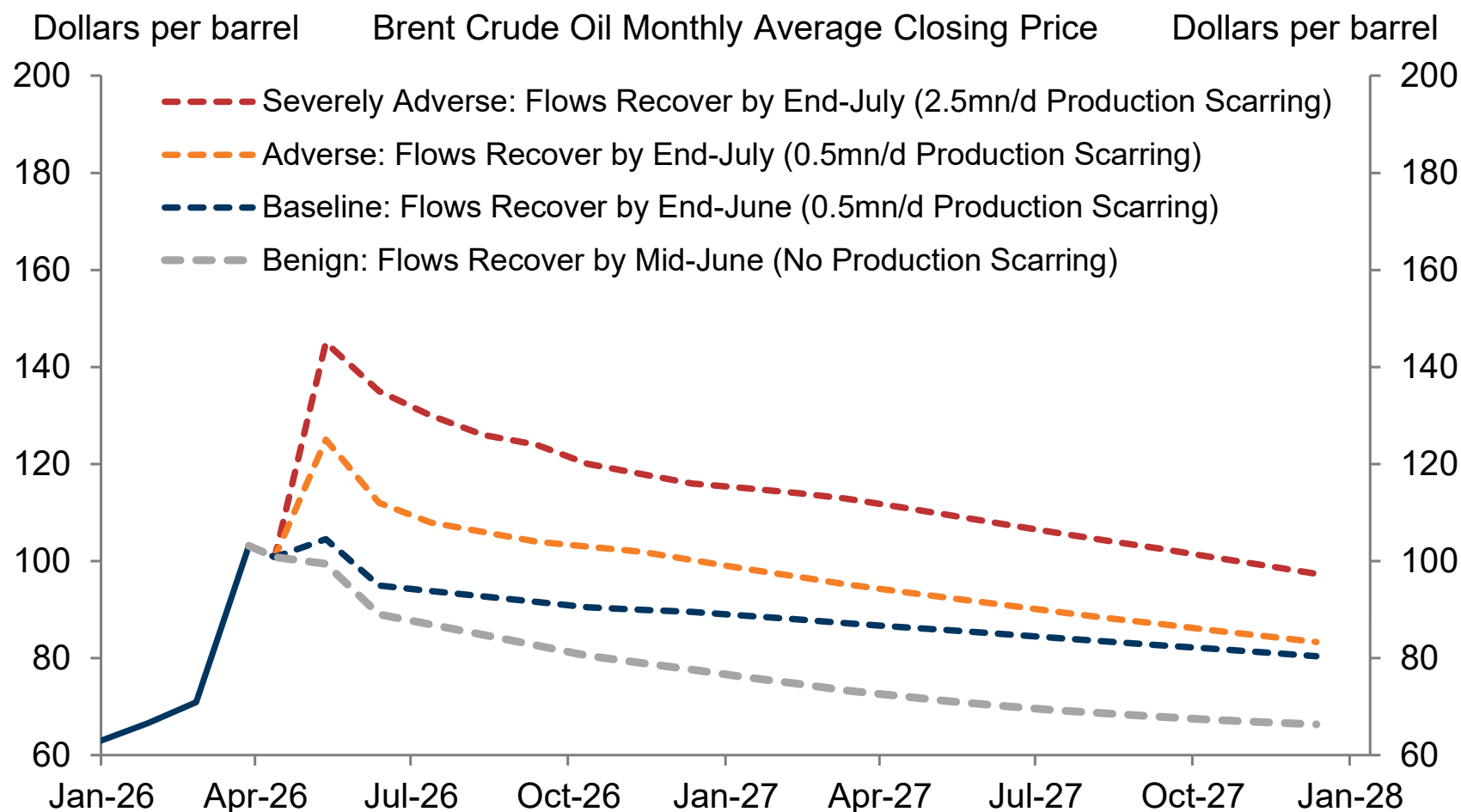
Source: Goldman Sachs Global Investment Research.

# We Would Worry More About the War Sparking Persistent Inflation and Possible Rate Hikes If Wage Growth Accelerated, Inflation Breadth Increased, and Inflation Expectations Beyond This Year Rose



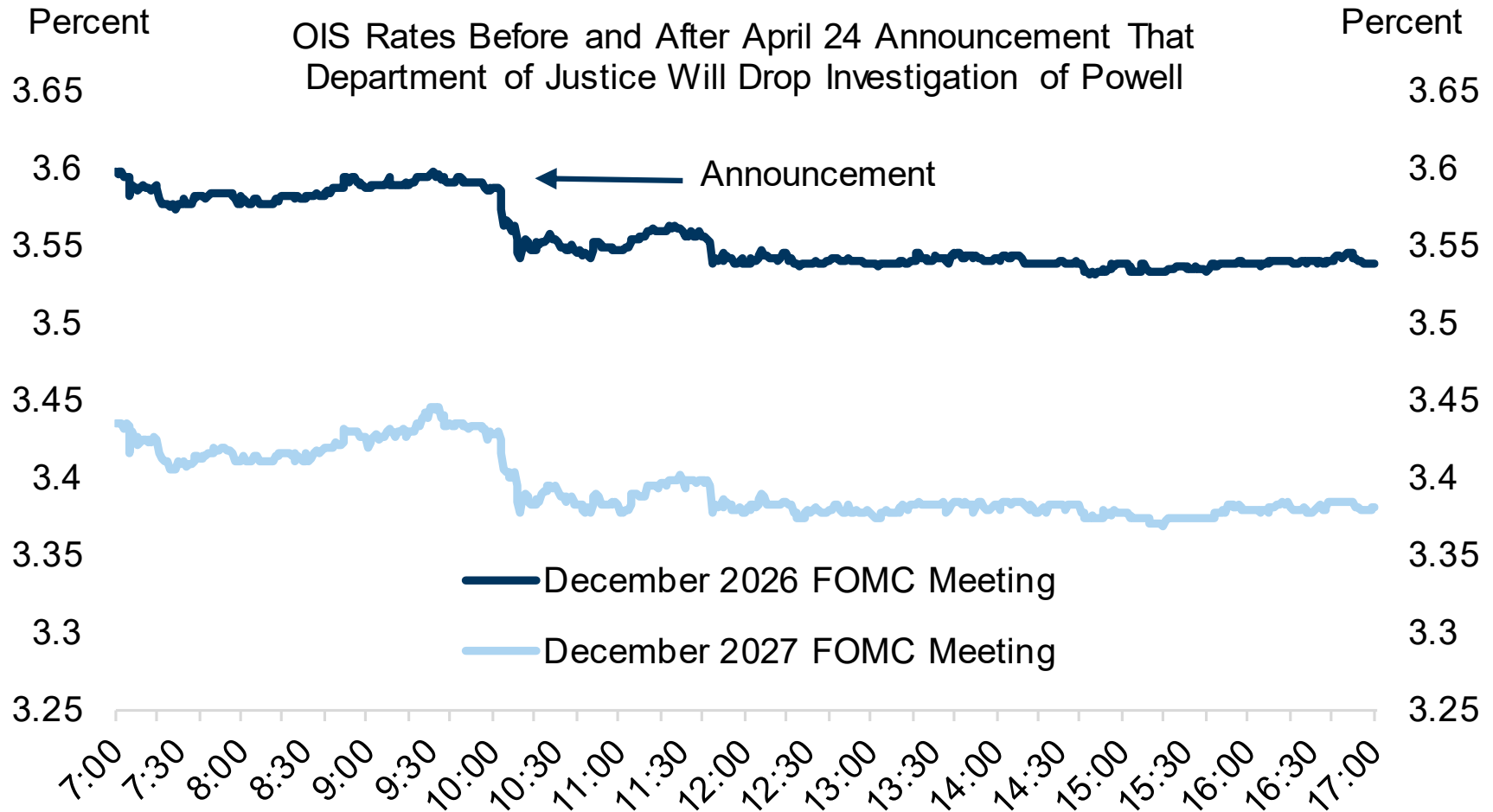
Source: Goldman Sachs Global Investment Research.

# Our Economic Forecasts Assume Our Baseline Oil Price Forecast, in Which Brent Falls to \$90 by Q4, but We See the Risks as Tilted to Higher Prices



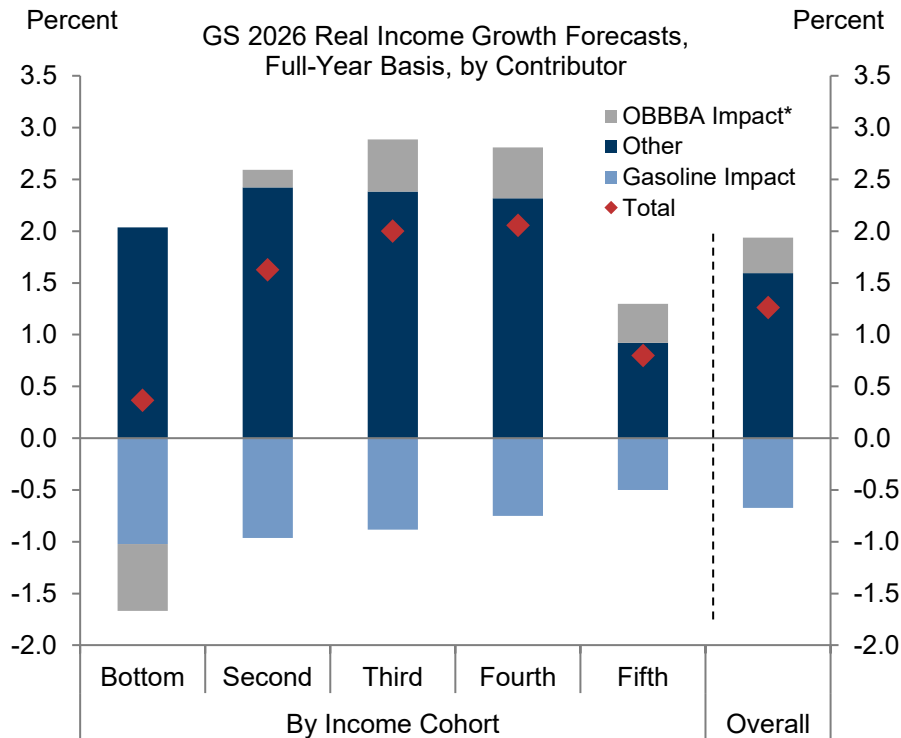
Source: Goldman Sachs Global Investment Research.

# The Bond Market Appears to See the Switch from Powell to Warsh as Dovish, But That Is Less Clear to Us

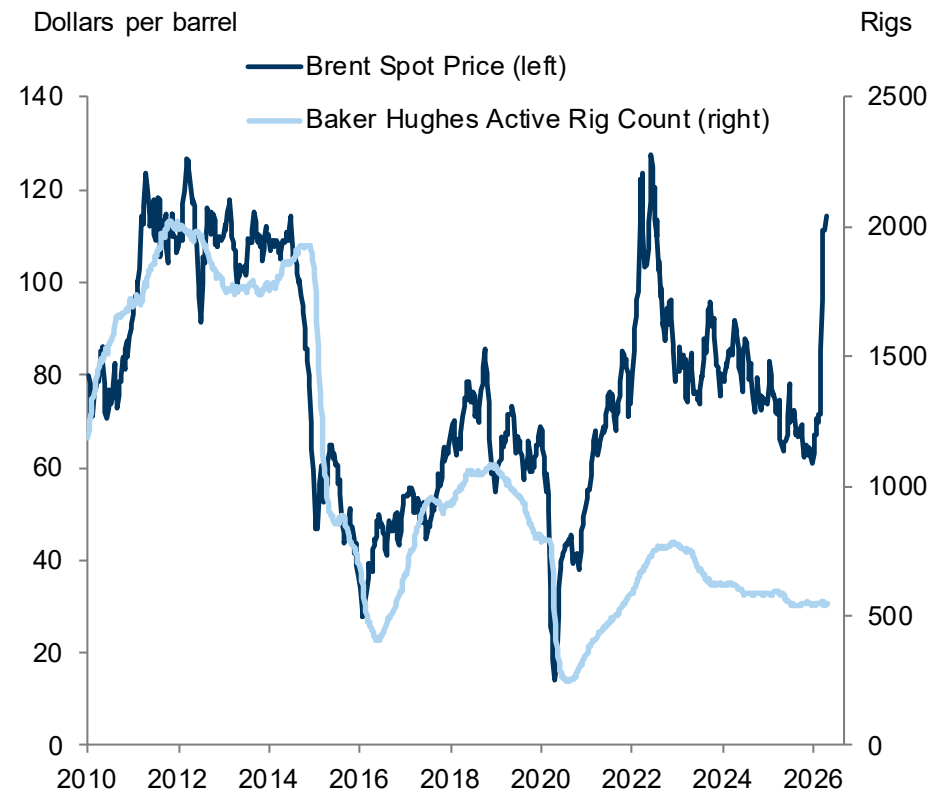


Source: Bloomberg.

# Higher Oil Prices Weigh on Real Income and Consumer Spending, with Little Offset This Time from an Increase in Domestic Energy Investment

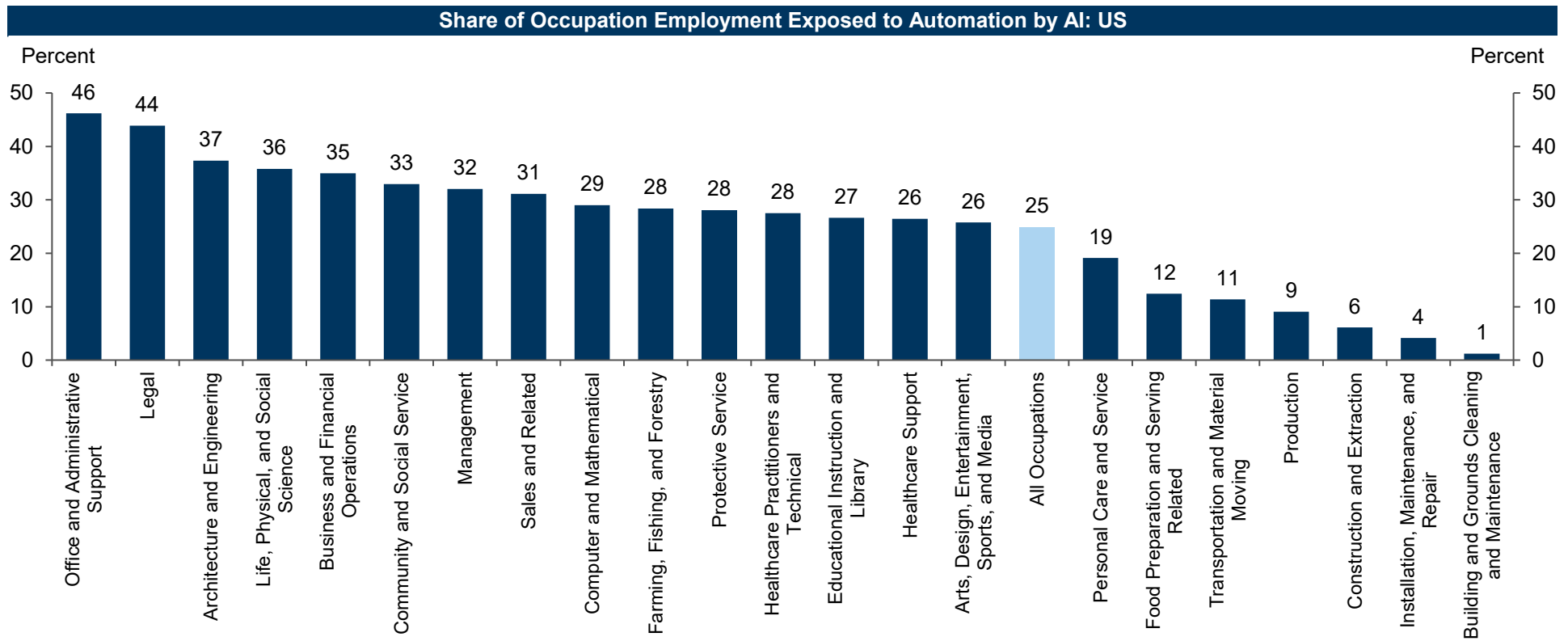


\*Includes impact of provisions beyond refunds (e.g. cuts to government benefits).



Source: Goldman Sachs Global Investment Research.

# AI Could Replace 25% of Current Work Tasks and Eliminate 6-7% of Current Jobs



Source: Goldman Sachs Global Investment Research.