

US Weekly Kickstart

Looking at equity performance ahead of elections: The 2024 Presidential election is only 12 months away!

The US presidential primary season officially begins on January 15th with the Iowa Republican caucuses. By March 12th about half the Democratic and Republican delegates will have been selected. Equity returns tend to be weaker than average in presidential election years. Since 1932, the S&P 500 index has returned an average of 7% during the 12 months preceding the election vs. 9% outside of election years. However, election year returns have averaged only 4% since 1984. Profit growth is typically strong in election years while valuations move sideways. Info Tech has usually been the worst performing sector in the year ahead of the election. Defensive sectors tend to perform best, led by Utilities and Consumer Staples.

Performance

The S&P 500 was up 4.4% this week. Consumer Discretionary was the best-performing sector (+7.7%) while Energy was the worst-performing sector (+1.0%). We expect the S&P 500 will end 2023 at 4500 (+4.2%).

S&P 500 earnings and valuation

	Goldman Sachs Portfolio Strategy		Consensus Bottom-Up	
	2023E	2024E	2023E	2024E
EPS	\$224	\$237	\$221	\$246
Growth	1 %	5 %	(0)%	11 %
P/E	NTM	2023E	NTM	2023E
	18.4x	19.2x	18.1x	19.5x

Source: I/B/E/S, FirstCall, Goldman Sachs Investment Research

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Conversations we are having with clients: Equity markets one year from the Presidential election

In 368 days, Americans will head to the polls to elect a President for the 60th time since 1788. The election process starts in earnest on January 15th when the Iowa Republican caucuses kick off primary season. Although the Presidential election will garner the most attention, all 435 seats in the House of Representatives and 33 of the 100 Senate seats will also be decided in November 2024. Democrats arguably have more at risk in the 2024 election given they currently hold both the presidency and 23 of the 33 Senate seats up for re-election. However, Republicans' slim four seat House of Representatives majority will also be tested.

Prediction markets are signaling that a Biden-Trump rematch is the most likely general election contest. Prediction markets assign a 72% probability that President Joe Biden will carry the Democratic nomination and a 70% chance of former President Donald Trump winning the Republican nomination (Exhibit 1).

Right on schedule, clients have begun to ask about what the election means for the 2024 equity outlook. Every election year brings with it a host of unique political and macroeconomic dynamics. Below we outline some patterns of equity market performance that have occurred ahead of previous presidential elections.

Equity returns tend to be weaker than average in election years. Since 1932, the S&P 500 has averaged a 7% return in the 12 months preceding the election compared with a 9% average return outside of election years. Pre-election returns have been even weaker in recent history, with the S&P 500 posting an average return of just 4% in the 12 months ahead of the 10 presidential elections since 1984.

However, the sample of recent elections is skewed by the onset of recessions that occurred around the 2000, 2008 and 2020 elections. Excluding these recessionary election years, the S&P 500 has posted an average 9% return in the years before presidential elections since 1984 vs. 11% in non-election years. GS Economics assigns just a 15% likelihood that a recession begins during the next 12 months, well below the 55% level for the median forecaster according to Bloomberg.

Election year equity returns are typically driven entirely by profit growth. Real GDP growth has grown at a median 3.5% in the calendar year of presidential elections since 1984 compared with 2.7% growth in non-election years. Corporate profits have typically grown at a fast clip alongside this robust GDP growth: S&P 500 EPS has typically grown 9.0% in election years vs. 7.5% in non-election years.

While earnings usually grow during election years, equity valuations typically move sideways. In the median experience since 1984, the S&P 500 forward P/E has declined by 2% in the 12 months preceding Election Day (see Exhibit 2). During the same 12-month windows, 10-year Treasury yields have declined by a median of 39 bp, meaning the equity risk premium has typically climbed ahead of elections. The gap between the S&P 500 earnings yield and the nominal 10-year Treasury yield has risen by 42 bp in the median election year since 1984. The yield gap stands at 93 bp today, putting equity valuations relative to bonds in the 75th percentile since 1984.

Mirroring the rise in equity risk premium, equity markets are typically more volatile than average in the lead-up to elections. Since 1984, realized volatility has been 18% in the average year preceding presidential elections compared with 16% in non-election years.

Likewise, the Economic Policy Uncertainty Index typically rises ahead of elections (Exhibit 3). The [Economic Policy Uncertainty Index](#) estimates the degree of policy uncertainty at a given time by aggregating news article mentions of terms related to policy uncertainty, the dispersion of policy-related economic forecasts, as well as other inputs. In the ten election years since 1984, the index has typically started rising in late summer before eventually peaking on Election Day. This dynamic has been especially pronounced in the six elections since 2000.

The options market tends to price a similar rise in uncertainty in the weeks leading up to Election Day. The premium of the October VIX Future, which reflects expected volatility around Election Day, relative to the September and November contracts typically rises throughout election years. Like policy uncertainty, this premium tends to rise most quickly starting in late summer as investor focus shifts more squarely to the election.

Election uncertainty is further reflected in the sharp momentum reversals that are also common in the weeks around Election Day. Since 1984, our long/short 12-month momentum factor has declined by an average of 2% during the four weeks leading into Election Day. The factor declined ahead of 8 of the last 10 elections, including the six elections since 2000. Most recently, it declined 6% in the four weeks ahead of Election Day 2020.

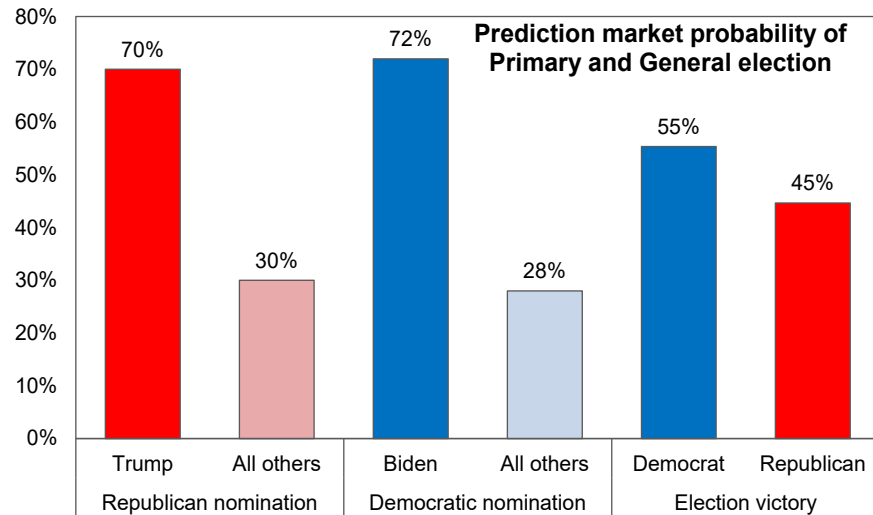
Equities typically generate strong returns in the weeks following presidential elections as uncertainty dissipates. The Policy Uncertainty index typically declines in the weeks following the election as investors gain clarity on the potential policy impact of the election result. In the median election year since 1984, the S&P 500 returned 5.0% in the eight weeks from Election Day through year-end, compared with a 2.6% return during the comparable period at the end of non-election years. Post-election returns have typically been stronger when the election resulted in a divided government than a unified government, especially in the case of a wave election. See [US Weekly Kickstart: Strategies for "Wave elections"](#) (October 2016) and [2020 US Equity Outlook: United we fall, divided we rise](#) (November 2019).

Information Technology has typically been the worst performing sector in the year heading into Election Day (Exhibit 4). Since 1984, Info Tech has underperformed the S&P 500 by a median of 5 pp in the 12 months preceding Election Day. Within the sector, Tech Hardware (-5% vs. S&P 500) and Semiconductors (-3%) typically perform worst. Defensive sectors have performed best, perhaps reflecting the elevated uncertainty that typically characterizes the run-up to presidential elections. Utilities (+5 pp) and Consumer Staples (+4 pp) have posted the strongest median returns ahead of presidential elections in the last 40 years.

Charts we are watching: One year away from the 2024 general election

Exhibit 1: Prediction markets expect a Biden-Trump rematch in 2024

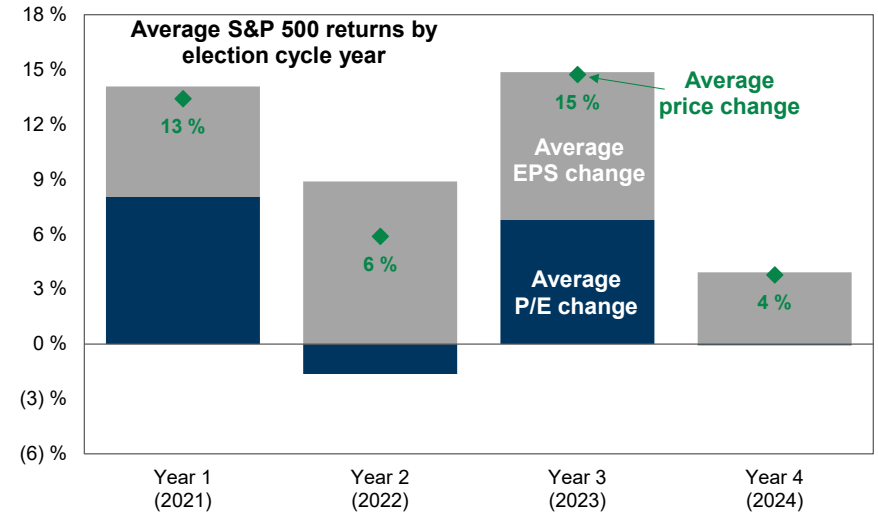
as of November 2, 2023



Source: PredictIt, Goldman Sachs Global Investment Research

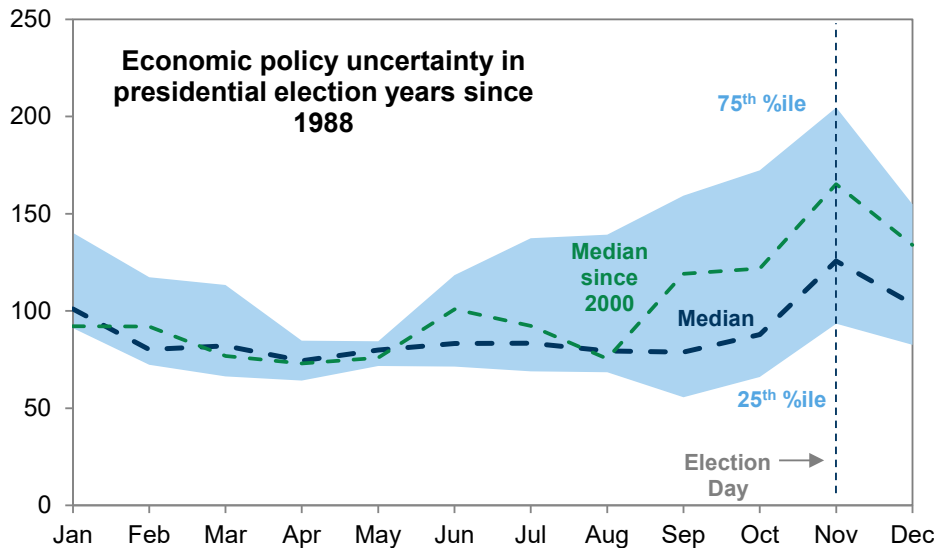
Exhibit 2: Election year returns are usually driven by earnings, not multiples

1984-2023; returns in 12 months ended the start of November



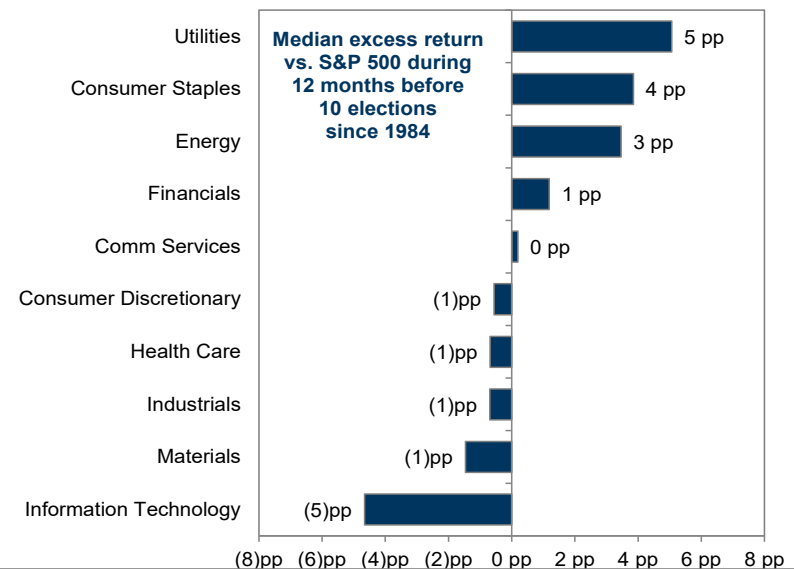
Source: Goldman Sachs Global Investment Research

Exhibit 3: Economic policy uncertainty starts rising in late summer



Source: PolicyUncertainty.com, Goldman Sachs Global Investment Research

Exhibit 4: Median sector returns in the year before Election Day



Source: Goldman Sachs Global Investment Research

US 2024 Presidential Election Calendar

Exhibit 5: 2024 Election Calendar

as of November 2, 2023; Election dates, delegate counts and percentage of delegates are subject to change. Some delegate counts are unofficial or estimated by underlying sources.

Primary Election Calendar								
Date	Democratic	Pledged delegates	Cumulative delegates		Republican	Pledged delegates	Cumulative delegate	
			Count	% of total			Count	% of total
January 15, 2024				0 %	Iowa	40	40	2 %
January 23, 2024	New Hampshire (tentative)	23	23	1 %	New Hampshire (tentative)	22	62	3 %
February 3, 2024	South Carolina	55	78	2 %				
February 6, 2024	Nevada	36	114	3 %				
February 8, 2024					Nevada, Virgin Islands	32	94	4 %
February 24, 2024					South Carolina	50	144	6 %
February 27, 2024	Michigan	117	231	5 %	Michigan	55	199	8 %
March 2, 2024					Idaho, Missouri	86	285	12 %
March 3, 2024					District of Columbia	19	304	12 %
March 4, 2024					North Dakota	0	304	12 %
March 5, 2024	Alabama, American Samoa, Arkansas, California, Colorado, Iowa, Maine, Massachusetts, Minnesota, North Carolina, Oklahoma, Tennessee, Texas, Utah, Vermont, Virginia	1,420	1,651	36 %	Alabama, Alaska, Arkansas, California, Colorado, Maine, Massachusetts, Minnesota, North Carolina, Oklahoma, Tennessee, Texas, Utah, Vermont, Virginia	867	1,171	47 %
March 12, 2024	Democrats Abroad, Georgia, Mississippi, Northern Mariana, Washington	254	1,905	42 %	Georgia, Hawaii, Mississippi, Washington	160	1,331	54 %
March 19, 2024	Arizona, Florida, Illinois, Kansas, Ohio	603	2,508	55 %	Arizona, Florida, Illinois, Kansas, Ohio	350	1,681	68 %
March 23, 2024	Louisiana, Missouri	112	2,620	58 %	Louisiana	46	1,727	70 %
April 2, 2024	Connecticut, Delaware, New York, Rhode Island, Wisconsin	400	3,020	67 %	Connecticut, Delaware, New York, Rhode Island, Wisconsin	195	1,922	78 %
April 6, 2024	Alaska, Hawaii, North Dakota	49	3,069	68 %				
April 13, 2024	Wyoming	12	3,081	68 %				
April 23, 2024	Pennsylvania	146	3,227	71 %	Pennsylvania	16	1,938	78 %
April 28, 2024	Puerto Rico	51	3,278	72 %				
May 7, 2024	Indiana	67	3,345	74 %	Indiana	58	1,996	81 %
May 14, 2024	Maryland, Nebraska, West Virginia	130	3,475	77 %	Maryland, Nebraska, West Virginia	104	2,100	85 %
May 21, 2024	Kentucky, Oregon	101	3,576	79 %	Kentucky, Oregon	77	2,177	88 %
May 25, 2024	Idaho	20	3,596	79 %				
June 4, 2024	District of Columbia, Montana, New Jersey, New Mexico, South Dakota	187	3,783	83 %	Montana, New Jersey, New Mexico, South Dakota	131	2,308	93 %
June 8, 2024	Guam, Virgin Islands	12	3,795	84 %				
Tentative					American Samoa, Guam, Northern Mariana, Puerto Rico, Wyoming	58	2,366	96 %
Unpledged delegates		745	4,540	100 %		104	2,470	100 %
Total			4,540	100 %			2,470	100 %

Party Conventions	
July 15-18, 2024	Republican Convention (Milwaukee)
August 19-22, 2024	Democratic Convention (Chicago)

General Election	
November 5, 2024	General Election
December 17, 2024	Electors cast votes

Source: The Green Papers, Ballotpedia.org, 270toWin.com, National Conference of State Legislatures, Goldman Sachs Global Investment Research.

S&P 500 earnings results

Exhibit 6: S&P 500 3Q 2023 earnings results

as of November 3, 2023

S&P 500 EQUAL-WEIGHTED												
	Number of Companies			EARNINGS						REVENUE		
				Std Dev Surprises			Absolute Surprises		Avg 3Q Surprise	Std Dev Surprises		Avg 3Q Surprise
	Reported	Total	% of Co's	Positive	Negative	In-Line	Positive	Negative		Positive	Negative	
Information Technology	46	64	72%	78 %	2 %	17 %	89 %	9 %	9 %	46 %	22 %	(0)%
Consumer Staples	27	38	71	67	4	26	81	7	8	22	19	0
Industrials	68	77	88	66	0	32	82	15	8	35	16	1
Health Care	46	64	72	63	9	28	78	17	(5)	46	20	1
Financials	67	72	93	58	12	28	75	21	9	33	18	(1)
Consumer Discretionary	39	53	74	54	5	41	79	15	13	36	15	(0)
Communication Services	15	19	79	53	7	40	93	7	20	40	7	1
Materials	23	29	79	48	9	43	83	17	2	22	35	(2)
Utilities	25	30	83	44	12	44	56	36	(0)	8	36	(6)
Real Estate	29	31	94	41	24	34	55	34	4	34	10	1
Energy	19	23	83	37	11	53	68	32	5	26	11	(0)
S&P 500	404	500	81%	59 %	8 %	33 %	77 %	18 %	7 %	34 %	19 %	(0)%

Comparative Data (full earnings season)

2Q 2023	57 %	8 %	35 %	76 %	20 %	7 %	42 %	20 %	1 %
1Q 2023	56	10	34	75	22	8	51	10	3
4Q 2022	49	16	35	66	30	4	39	13	3
3Q 2022	46	16	38	66	30	5	41	15	2

S&P 500 CAP-WEIGHTED												
	Weight of Companies			EARNINGS						REVENUE		
				Std Dev Surprises			Absolute Surprises		Avg 3Q Surprise	Std Dev Surprises		Avg 3Q Surprise
	Reported	Total	% of Co's	Positive	Negative	In-Line	Positive	Negative		Positive	Negative	
Information Technology	21	28	75%	93 %	0 %	6 %	99 %	1 %	10 %	47 %	3 %	2 %
Communication Services	8	9	93	91	0	9	100	0	11	32	0	1
Financials	11	13	85	73	6	21	85	13	9	33	12	(0)
Consumer Staples	5	7	82	72	1	25	91	5	5	21	9	1
Health Care	11	13	87	71	1	28	90	7	(3)	58	5	2
Consumer Discretionary	9	11	81	70	1	29	77	22	28	56	3	(0)
Materials	2	2	83	67	5	28	91	9	4	28	44	(2)
Industrials	7	8	89	66	0	34	79	20	7	26	14	1
Real Estate	2	2	93	61	19	20	68	25	10	41	8	1
Utilities	2	3	88	36	10	54	58	35	2	6	35	(4)
Energy	4	5	93	20	19	61	44	56	1	12	5	2
S&P 500	83	100	83%	74 %	3 %	22 %	87 %	12 %	9 %	39 %	7 %	1 %
S&P 500 ex. Energy	79	95	83%	77 %	2 %	20 %	89 %	9 %	9 %	41 %	8 %	1 %

(a) Result for each company relative to the standard deviation of consensus estimates two weeks prior to reporting date.

(b) Result for each company relative to the average consensus estimates two weeks prior to reporting date.

Source: FactSet, Goldman Sachs Global Investment Research.

3Q earnings calendar (week of November 6th)

Exhibit 7: Expected report dates for S&P 500 stocks reporting, week of November 6th

as of November 3, 2023

Sector	Company name	Ticker	YTD Return	Mkt Cap (\$ bil)	Consensus 3Q 2023				P/E (NTM)
					EPS	Std. Dev.	3 Mo Revision	Yr/Yr Growth	
Monday, November 6, 2023									
Energy	Coterra Energy Inc.	CTRA	19 %	\$ 21	\$ 0.44	\$ 0.05	(4)%	(69)%	10.2 x
	Diamondback Energy	FANG	23	29	5.01	0.27	16	(23)	7.9
Health Care	Vertex Pharmaceuticals	VRTX	30	97	3.96	0.26	(0)	(1)	23.9
Information Technology	NXP Semiconductors	NXPI	14	46	3.59	0.10	(0)	(6)	12.1
Materials	Celanese Corp.	CE	16	13	2.23	0.14	(27)	(43)	9.8
	International Flav/Frag	IFF	(32)	18	0.75	0.07	(45)	(45)	16.8
Real Estate	Realty Income Corp.	O	(18)	35	0.32	0.03	(5)	(13)	37.2
Utilities	Constellation Energy	CEG	37	38	1.42	0.40	(0)	NM	19.3
Tuesday, November 7, 2023									
Consumer Discretionary	D.R. Horton Inc.	DHI	29 %	\$ 39	\$ 3.93	\$ 0.12	1 %	(16)%	8.3 x
	eBay Inc.	EBAY	(4)	21	1.00	0.02	0	(0)	8.8
Energy	Devon Energy Corp.	DVN	(20)	30	1.57	0.06	17	(28)	7.2
	Occidental Petroleum	OXY	1	56	0.84	0.19	(8)	(65)	12.7
Financials	Fidelity National Info Svc.	FIS	(22)	30	1.58	0.04	2	(9)	8.0
	Jack Henry & Associates	JKHY	(18)	10	1.31	0.08	(14)	(10)	27.4
Health Care	DaVita Inc.	DVA	4	7	2.02	0.18	6	78	9.8
	Gilead Sciences	GILD	(3)	101	1.91	0.08	2	1	11.3
	STERIS plc	STE	16	21	2.00	0.07	(1)	1	23.0
	Viatis Inc.	VTRS	(17)	11	0.74	0.04	(1)	(15)	3.1
	Waters Corp.	WAT	(28)	15	2.55	0.03	(6)	(3)	19.2
	Zimmer Biomet Holdings	ZBH	(13)	23	1.60	0.02	(1)	1	13.9
Industrials	Axon Enterprise	AXON	27	16	0.76	0.07	1	26	55.2
	Emerson Electric	EMR	(3)	52	1.31	0.03	4	(14)	18.3
	Expeditors Intl	EXPD	9	17	1.28	0.07	(7)	(49)	22.2
Information Technology	Akamai Technologies	AKAM	25	16	1.50	0.01	6	19	16.6
	Gen Digital Inc.	GEN	(18)	11	0.47	0.00	(1)	5	7.9
Materials	Air Products & Chemicals	APD	(4)	64	3.12	0.03	(0)	8	22.3
	Mosaic Co.	MOS	(22)	11	0.75	0.16	(16)	(77)	9.5
Real Estate	Extra Space Storage	EXR	(26)	22	0.97	0.85	(31)	(41)	20.9
Utilities	Eversource Inc.	ESV	(16)	12	1.84	0.04	(4)	(8)	13.4

Source: FactSet, Goldman Sachs Global Investment Research.

3Q earnings calendar (week of November 6th continued)

Exhibit 7 (continued): Expected report dates for S&P 500 stocks reporting, week of November 6th

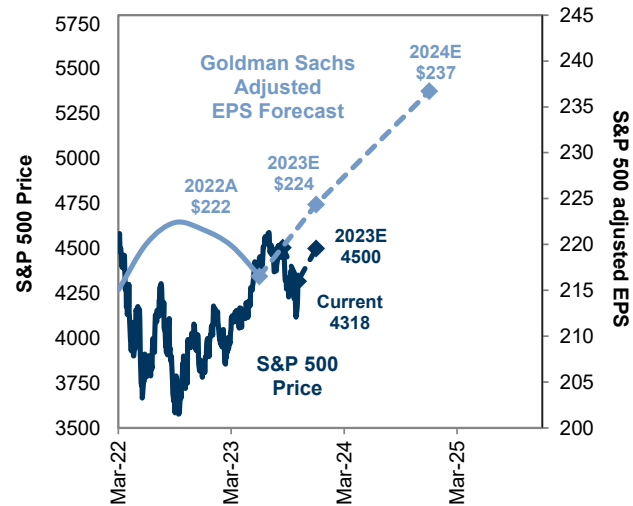
as of November 3, 2023

Sector	Company name	Ticker	YTD Return	Mkt Cap (\$ bil)	Consensus 3Q 2023				P/E (NTM)
					EPS	Std. Dev.	3 Mo Revision	Yr/Yr Growth	
Wednesday, November 8, 2023									
Communication Services	Take-Two Interactive Software	TTWO	32 %	\$ 23	\$ 1.03	\$ 0.05	(17)%	(21)%	23.5 x
	Walt Disney	DIS	(4)	152	0.70	0.06	(10)	134	17.4
	Warner Bros. Discovery	WBD	17	27	(0.06)	0.12	(214)	93	NM
Consumer Discretionary	MGM Resorts Intl	MGM	8	13	0.49	0.15	(23)	NM	13.6
	Ralph Lauren Corp.	RL	9	5	1.93	0.05	(17)	(13)	11.2
Consumer Staples	Kellanova	K	(20)	18	0.84	0.09	(15)	(17)	13.7
Financials	FLEETCOR Technologies	FLT	29	18	4.50	0.04	(2)	6	12.5
Health Care	Biogen Inc.	BIIB	(13)	35	3.99	0.28	0	(16)	14.8
	Charles River Laboratories Intl	CRL	(20)	9	2.37	0.04	0	(10)	15.6
Information Technology	Fair Isaac Corp.	FICO	50	22	5.21	0.13	(2)	18	37.3
Materials	Corteva Inc.	CTVA	(15)	35	(0.23)	0.03	(132)	(95)	15.9
Utilities	Ameren Corp.	AEE	(10)	21	1.82	0.03	(3)	5	16.9
	Atmos Energy Corp.	ATO	1	17	0.72	0.02	6	41	17.1
Thursday, November 9, 2023									
Communication Services	News Corp.	NWSA	18 %	\$ 11	\$ 0.10	\$ 0.02	(41)%	(20)%	28.3 x
Consumer Discretionary	Tapestry Inc.	TPR	(26)	6	0.90	0.01	(0)	14	6.4
	Wynn Resorts, Limited	WYNN	9	10	0.75	0.26	37	NM	20.1
Health Care	Becton, Dickinson	BDX	2	74	3.43	0.05	(1)	25	18.8
	Hologic Inc.	HOLX	(11)	16	0.84	0.02	(1)	2	16.8
	Illumina Inc.	ILMN	(44)	18	0.12	0.05	(74)	(65)	57.1
	Mettler-Toledo Intl	MTD	(31)	22	9.74	0.14	(0)	(4)	23.3
Industrials	TransDigm Group	TDG	38	48	7.52	0.29	5	37	27.4
Materials	WestRock Co.	WRK	8	9	0.74	0.05	40	(49)	14.4

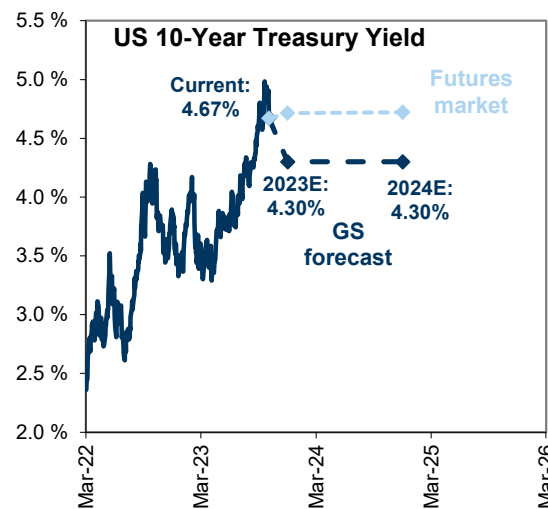
Source: FactSet, Goldman Sachs Global Investment Research.

Markets and Money Flow

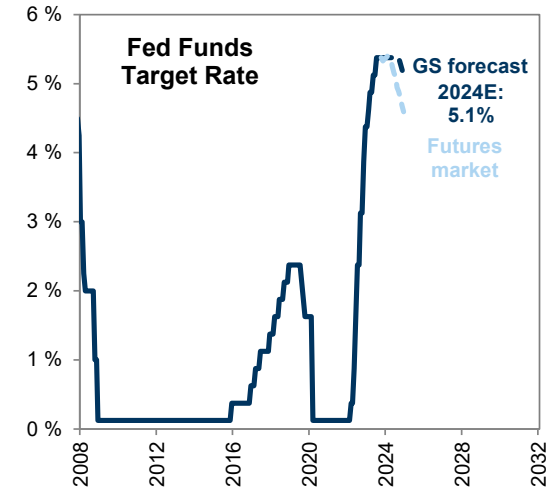
S&P 500 level and EPS



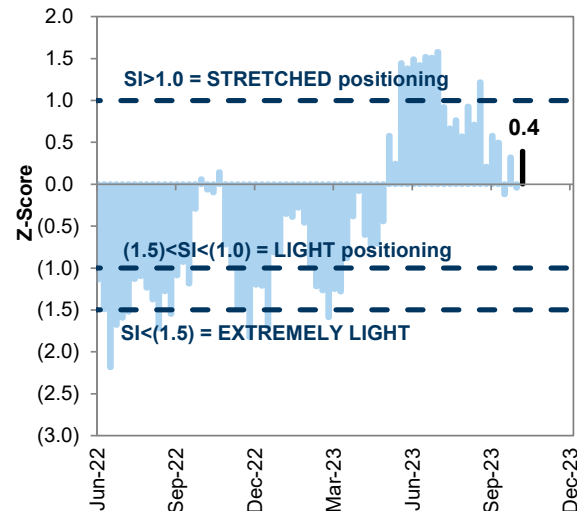
10-yr. Treasury Yields



Fed Funds Target Rate



Sentiment Indicator

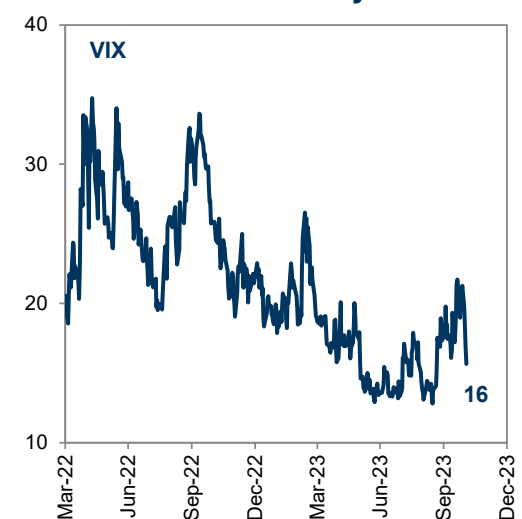


Note: Sentiment Indicator measures stock positioning across retail, institutional, and foreign investors versus the past 12 months. Readings below -1.0 or above +1.0 indicate extreme positions that are significant in predicting future returns.

10-yr Real Treasury Yields

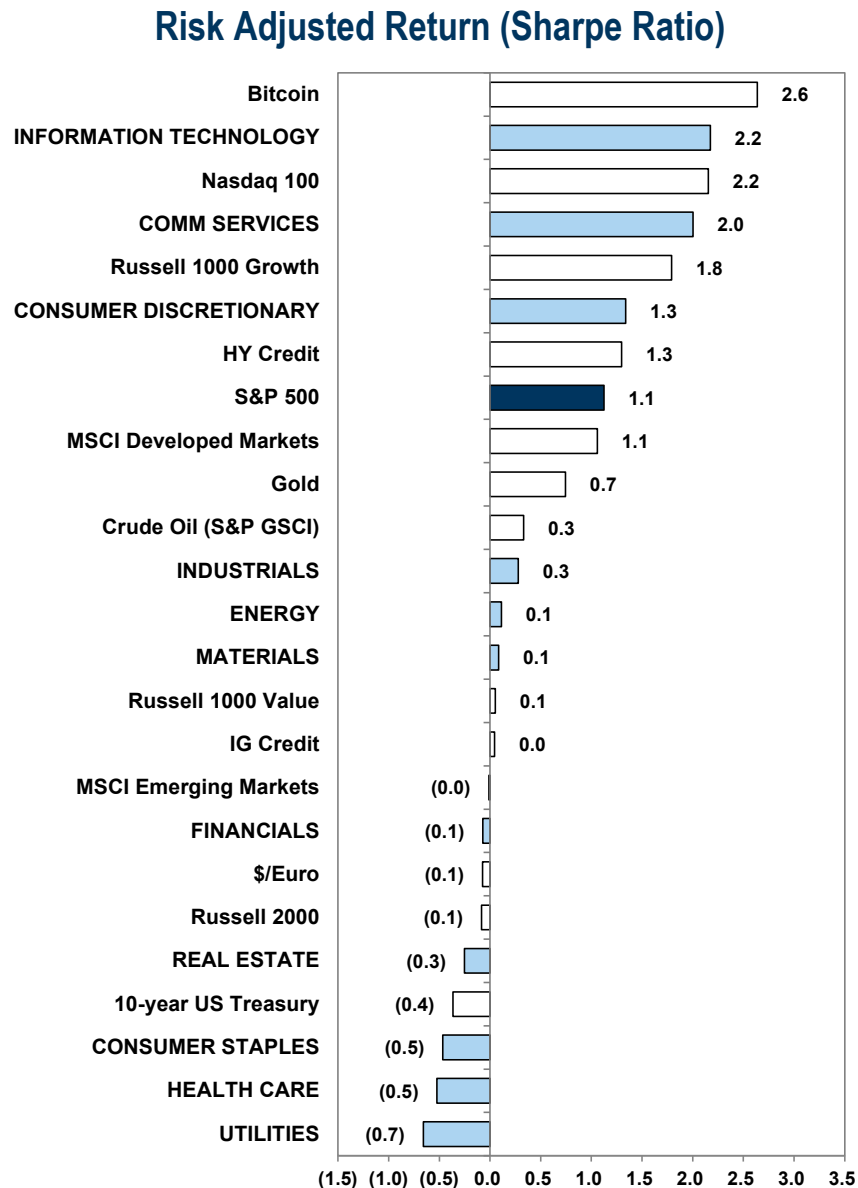
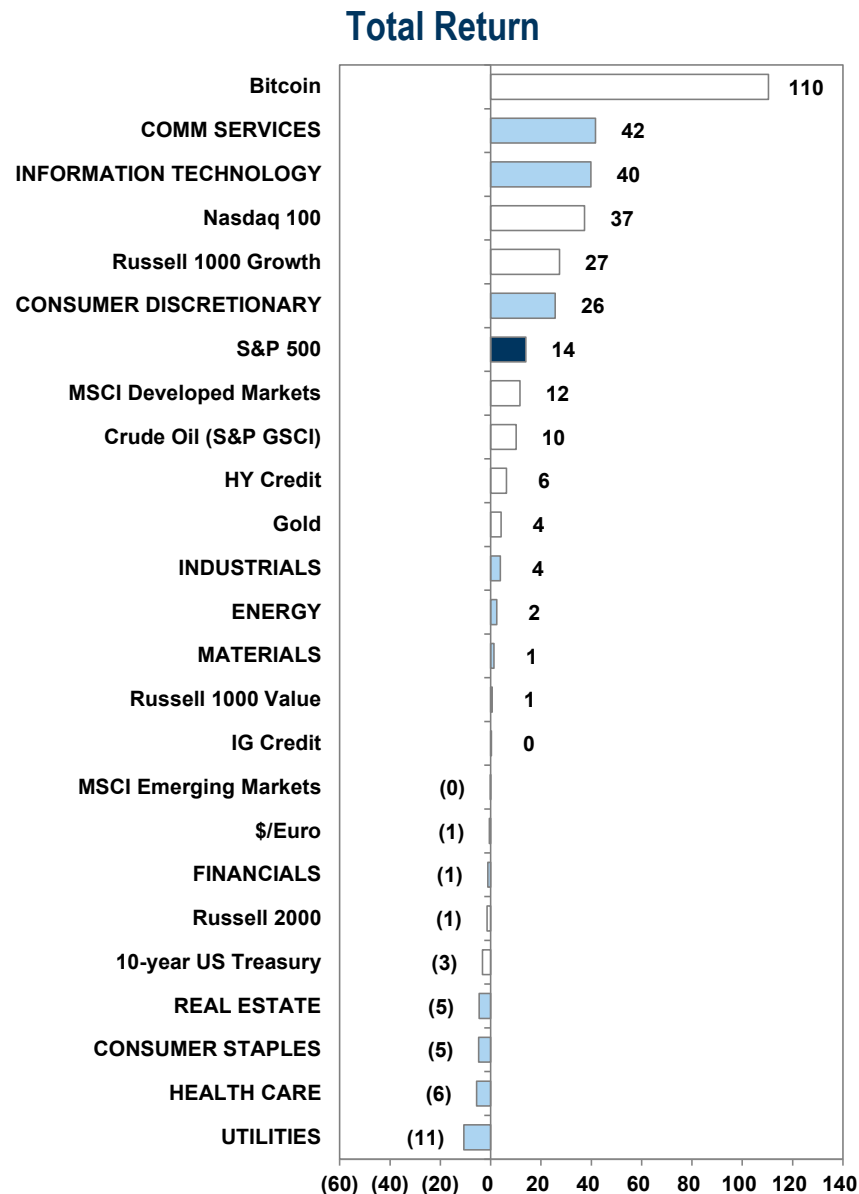


Volatility



Source: Haver, EPFR, FactSet, CFTC, and Goldman Sachs Global Investment Research.

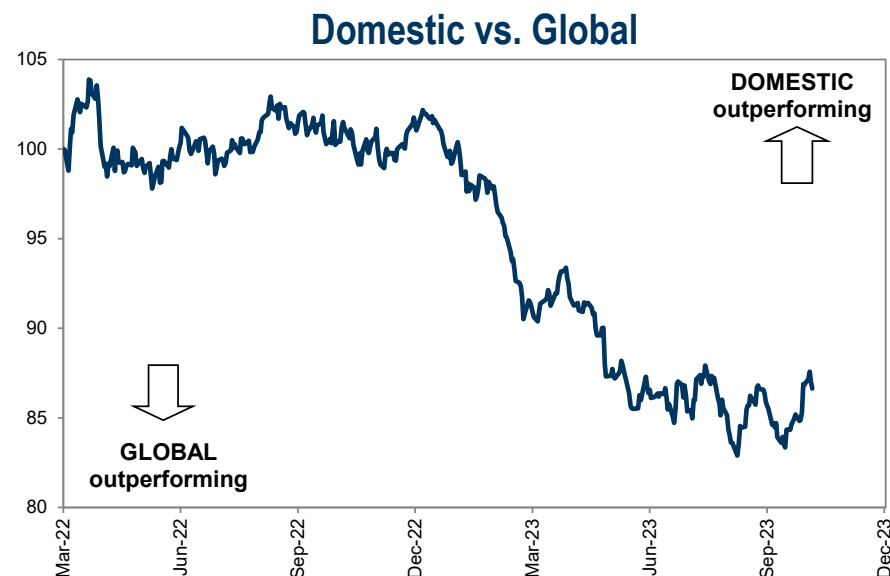
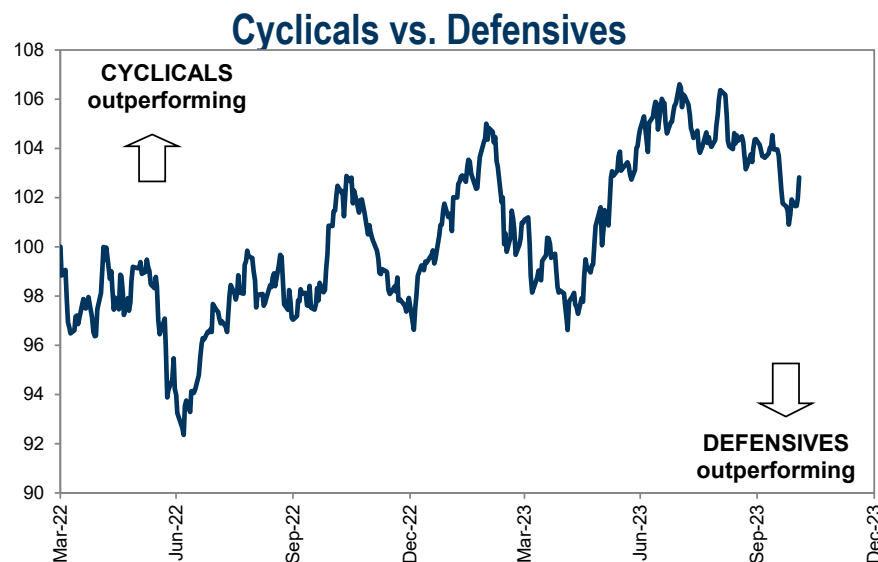
Market Performance: YTD absolute and risk-adjusted returns



Note: Crude Oil (S&P GSCI) return represents S&P GSCI Crude Oil Index total return. Spot change equals 1% YTD.

Source: Haver, FactSet, and Goldman Sachs Global Investment Research.

Sector Baskets Performance

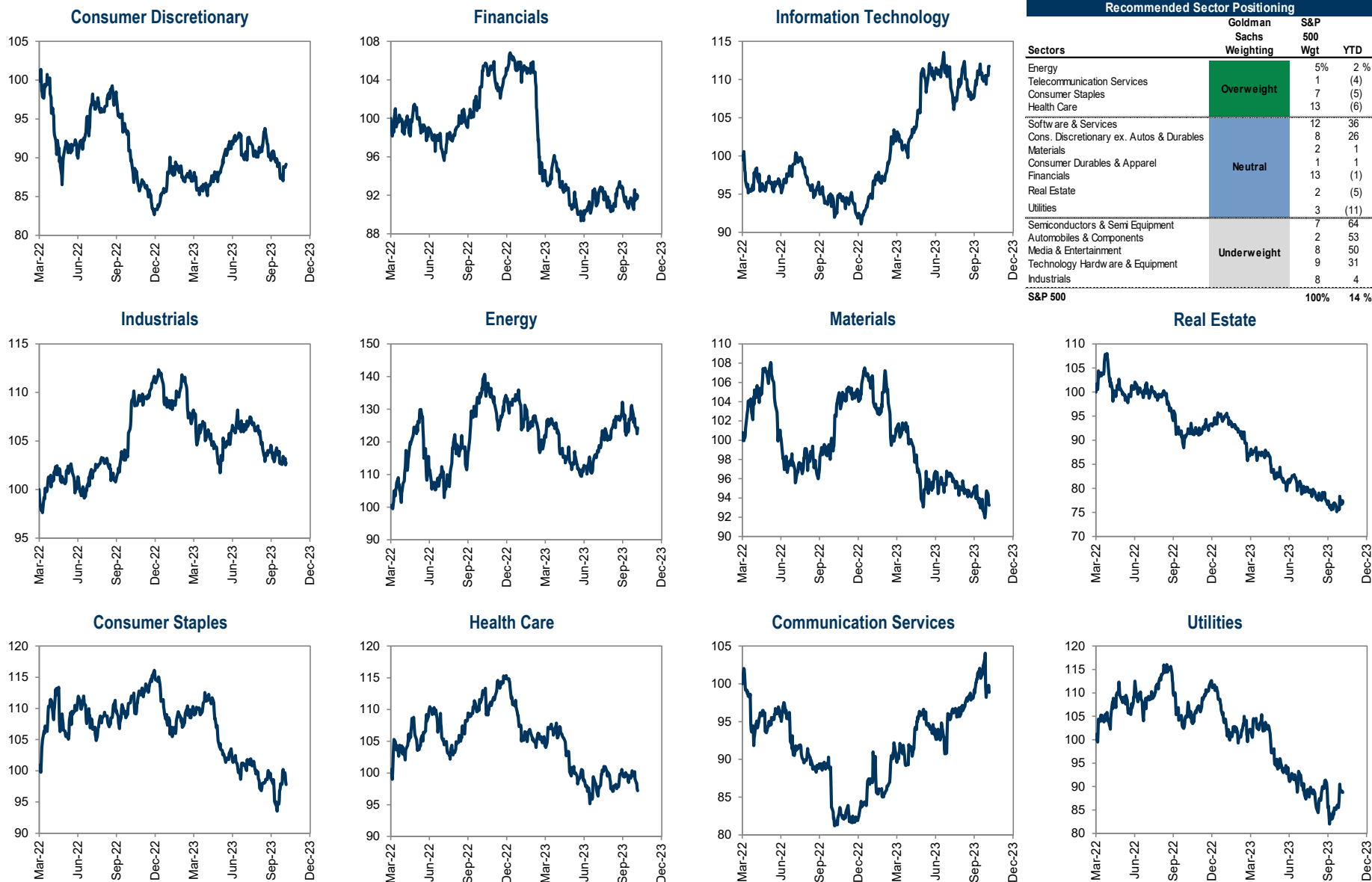


Performance and fundamentals of our sector baskets

Basket	Bloomberg Ticker <GSSBXXXX>	# of Stocks	% of S&P 500 Cap	Beta	Non-US Sales	Earnings Growth		Sales Growth		NTM P/E	LTM P/B	Div Yield	Total Return				
						2023E	2024E	2023E	2024E				1 Wk	1 Mo	3 Mo	LTM	YTD
Cyclicals	CYCL	294	55 %	1.1	35%	2 %	10 %	(2)%	5 %	17.3x	3.8x	1.5 %	5.1 %	0 %	(5)%	17 %	17 %
Defensives	DEFS	206	45	0.9	23	(1)	13	4	5	19.2	4.6	1.7	3.5	2	(3)	16	11
Global	GLBL	273	66 %	1.1	45%	(4)%	14 %	(1)%	5 %	19.3x	5.6x	1.4 %	4.3 %	0 %	(4)%	23 %	20 %
Domestic	DOMS	227	34	0.9	15	9	8	5	5	16.2	2.7	2.0	4.7	3	(4)	5	3
Global Cyclicals	GCYC	175	34 %	1.2	45%	(6)%	12 %	(3)%	5 %	18.4x	5.3x	1.5 %	4.8 %	(1)%	(6)%	21 %	23 %
Global Defensives	GDEF	98	32	1.0	45	(2)	16	2	6	20.2	6.0	1.4	3.8	1	(2)	24	17
Domestic Cyclicals	DCYC	119	21	1.0	21	14	8	3	6	15.7	2.7	1.7	6.0	2	(4)	10	7
Domestic Defensives	DDEF	108	13	0.8	10	1	7	6	5	17.2	2.9	2.6	2.9	3	(4)	1	(0)
Services-providing	SERV	286	56 %	1.1	20%	14 %	10 %	6 %	6 %	18.0x	3.6x	1.5 %	5.0 %	3 %	(2)%	19 %	16 %
Goods-producing	GOOD	214	44	1.0	42	(14)	14	(4)	4	18.2	5.1	1.7	3.7	(1)	(6)	14	12
S&P 500		500	100 %	1.0	29%	(0)%	11 %	3 %	5 %	18.1x	4.1x	1.6 %	4.4 %	1 %	(4)%	17 %	14 %

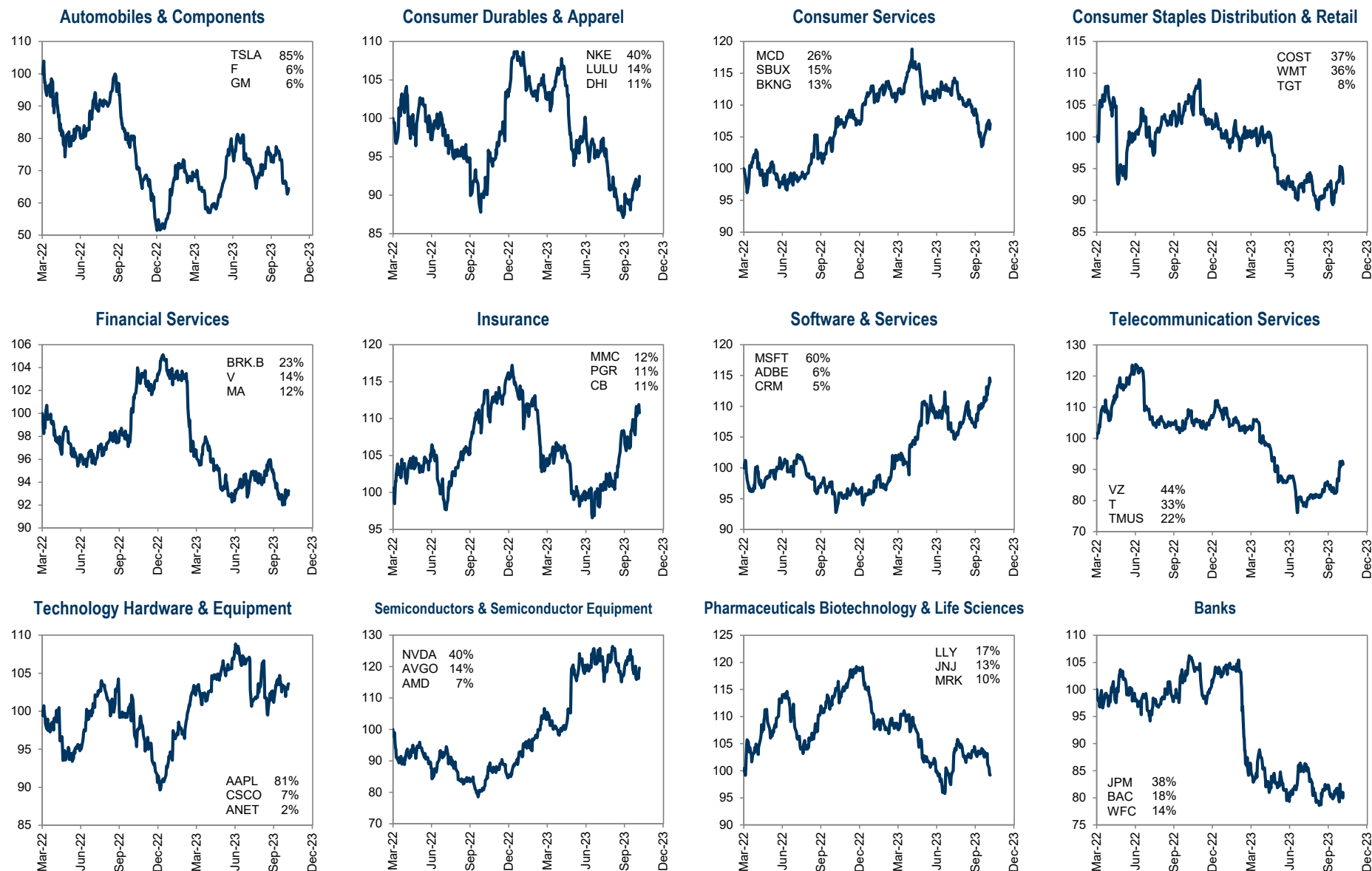
Source: FactSet and Goldman Sachs Global Investment Research.

Sectors – Relative Performance vs. S&P 500



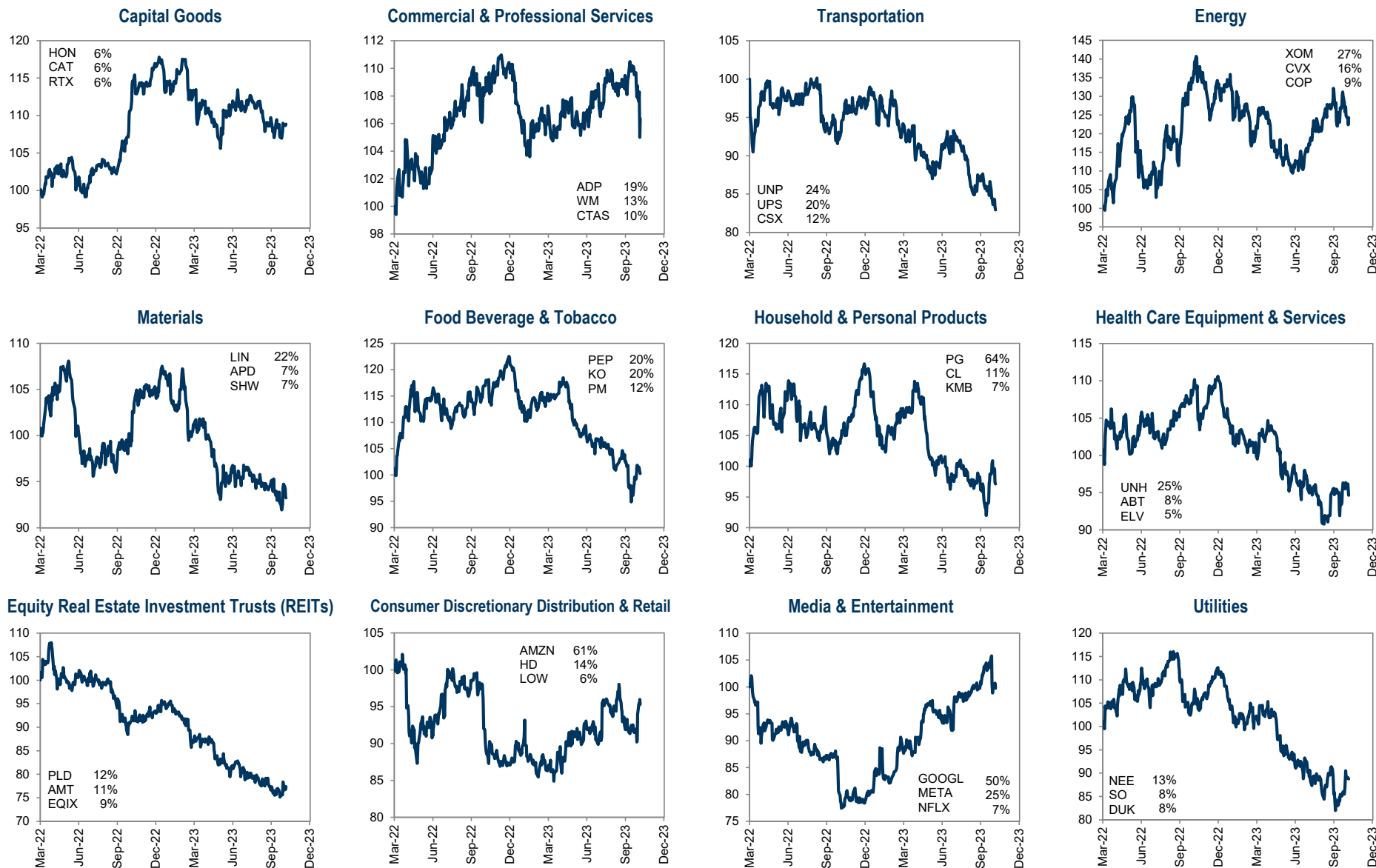
Source: FactSet and Goldman Sachs Global Investment Research.

Industry Groups – Relative Performance vs. S&P 500 and 3 largest stocks



Source: FactSet, compiled by Goldman Sachs Global Investment Research.

Industry Groups – Relative Performance vs. S&P 500 and 3 largest stocks (continued)



Source: FactSet, compiled by Goldman Sachs Global Investment Research.

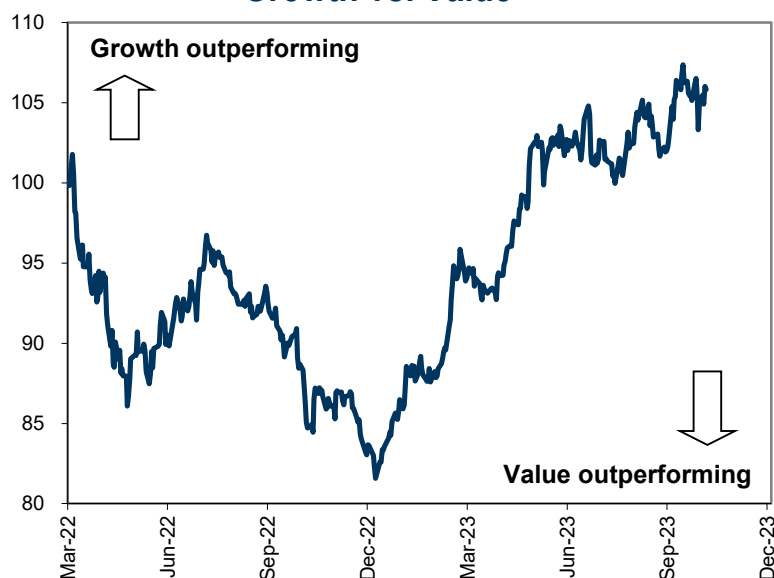
S&P 500 Sector and Industry Group Performance

		Weight	1 Week	1 Month	3 Months	Last 12 Months	YTD		
S&P 500		100 %	4.4 %	0.8 %	(4)%	17 %	14 %		
S E C T O R	Consumer Discretionary	11 %	7.7 %	(1.1)%	(5)%	19 %	26 %	Top quartile	
	Information Technology	28	6.3	2.4	(2)	42	40	Bottom quartile	
	Communication Services	9	5.2	(0.6)	(0)	47	42		
	Real Estate	2	4.3	2.8	(9)	(0)	(5)		
	Financials	13	4.1	1.4	(4)	1	(1)		
	Industrials	8	3.5	0.3	(8)	11	4		
	Materials	2	3.4	0.1	(7)	10	1		
	Utilities	3	2.8	9.5	(6)	(4)	(11)		
	Consumer Staples	7	1.8	0.7	(8)	0	(5)		
	Health Care	13	1.2	(1.4)	(5)	(1)	(6)		
	Energy	5	1.0	(1.5)	3	2	2		
								Region	Cycle
I N D U S T R Y G R O U P	Consumer Discretionary Distribution & Retail	6 %	10.8 %	3.1 %	1 %	27 %	28 %	Domestic	Cyclicals
	Semiconductors & Semiconductor Equipment	7	7.1	(1.4)	(5)	79	64	Global	Cyclicals
	Technology Hardware & Equipment	9	6.0	1.5	(7)	21	31	Global	Cyclicals
	Consumer Durables & Apparel	1	6.0	4.8	(8)	22	1	Global	Cyclicals
	Software & Services	12	6.0	5.7	4	43	36	Global	Defensives
	Media & Entertainment	8	5.4	(1.8)	(2)	57	50	Global	Defensives
	Financial Services	8	4.6	0.1	(5)	7	2	Domestic	Cyclicals
	Consumer Services	2	4.4	(0.5)	(8)	17	13	Global	Cyclicals
	Equity Real Estate Investment Trusts (REITs)	2	4.3	2.8	(9)	(0)	(5)	Domestic	Defensives
	Capital Goods	6	3.9	1.7	(6)	12	4	Global	Cyclicals
	Automobiles & Components	2	3.9	(13.6)	(16)	(2)	53	Global	Cyclicals
	Transportation	1	3.9	(3.7)	(14)	5	(1)	Domestic	Cyclicals
	Telecommunication Services	1	3.7	11.0	10	(4)	(4)	Domestic	Defensives
	Materials	2	3.4	0.1	(7)	10	1	Global	Cyclicals
	Banks	3	3.4	1.5	(9)	(11)	(10)	Domestic	Cyclicals
	Insurance	2	3.1	5.7	6	11	7	Domestic	Cyclicals
	Utilities	3	2.8	9.5	(6)	(4)	(11)	Domestic	Defensives
	Health Care Equipment & Services	6	2.7	0.3	(5)	(1)	(4)	Domestic	Defensives
	Food Beverage & Tobacco	3	2.6	(0.5)	(10)	(3)	(8)	Global	Defensives
	Commercial & Professional Services	1	1.7	(0.9)	(5)	13	9	Domestic	Cyclicals
	Consumer Staples Distribution & Retail	2	1.6	1.4	(4)	1	4	Domestic	Defensives
	Energy	5	1.0	(1.5)	3	2	2	Global	Cyclicals
	Household & Personal Products	2	0.4	2.2	(7)	8	(6)	Global	Defensives
	Pharmaceuticals Biotechnology & Life Sciences	7	0.1	(2.7)	(4)	(1)	(7)	Global	Defensives

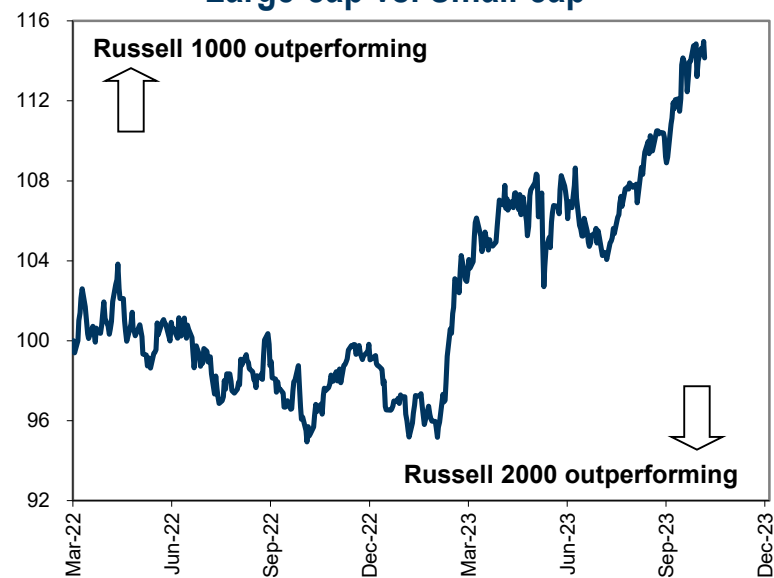
Source: FactSet and Goldman Sachs Global Investment Research.

Style and Size

Growth vs. Value



Large-cap vs. Small-cap



Sectors: Russell 1000 Growth vs. Value

Russell Sector	1-Week (% Return)			YTD (% Return)		
	Growth	Value	Δ (bps)	Growth	Value	Δ (bps)
Cons Discretionary	8	3	503	32	1	3,030
Materials	6	3	268	11	0	1,011
Technology	6	5	108	48	40	822
Health Care	2	1	88	4	(12)	1,599
Consumer Staples	2	2	15	(5)	(7)	258
Utilities	3	3	2	5	(10)	1,495
Financials	4	4	(3)	12	(1)	1,256
Industrials	4	4	(39)	6	4	161
Energy	0	1	(108)	(9)	3	(1,151)
Index	5	3	250	27	1	2,669

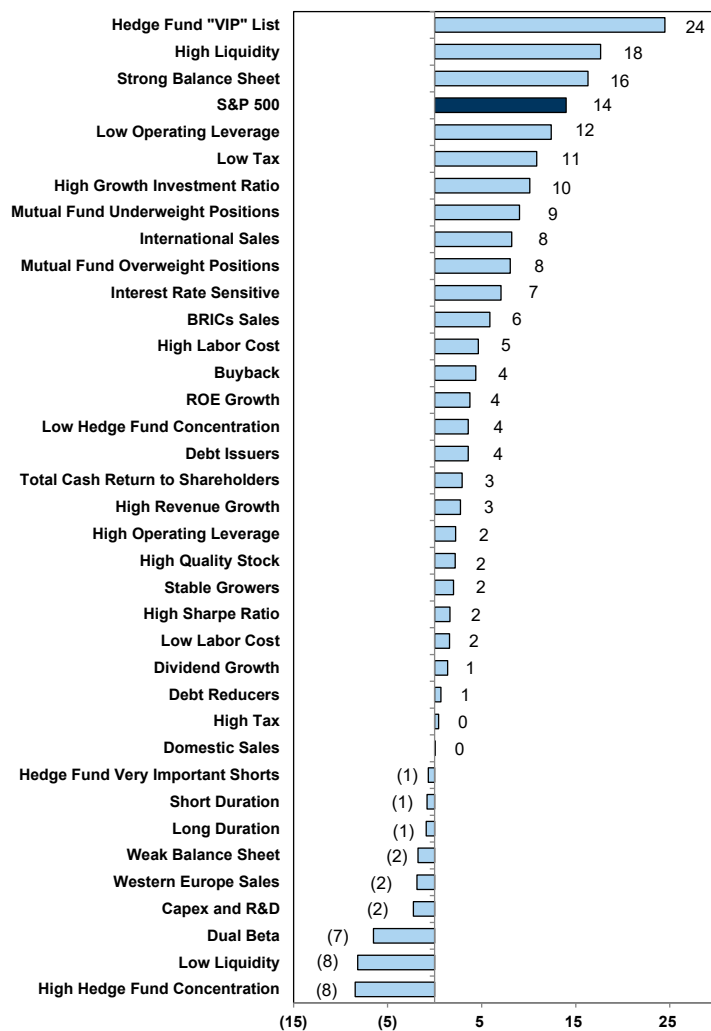
Sectors: Russell 1000 vs. Russell 2000

Russell Sector	1-Week (% Return)			YTD (% Return)		
	R1000	R2000	Δ (bps)	R1000	R2000	Δ (bps)
Cons Discretionary	7	3	307	20	4	1,628
Technology	6	3	307	47	5	4,265
Consumer Staples	2	1	102	(6)	0	(626)
Industrials	4	3	86	5	10	(487)
Materials	4	3	29	2	(3)	578
Utilities	3	4	(97)	(9)	(14)	461
Energy	1	2	(118)	1	10	(872)
Financials	4	5	(185)	1	(8)	876
Health Care	1	3	(228)	(6)	(15)	919
Index	4	3	85	14	(1)	1,498

Source: FactSet and Goldman Sachs Global Investment Research.

US Portfolio Strategy Baskets are available on GS [Marquee](#) platform

YTD Performance



			Total Return			P/E	EV/Sales	'23 EPS
			1 wk	1 mo	YTD	NTM	NTM	growth
Macroeconomic	Dual Beta	GSTHBETA	2.0 %	(7)%	(7)%	14x	2.6x	(23.3)%
	Interest Rate Sensitive	GSTHUSTY	4.3	(2)	7	12	1.6	2.3
	High Tax	GSTHHTAX	3.3	(1)	0	15	1.9	3.0
	Low Tax	GSTHLTAX	2.6	(2)	11	14	3.6	4.0
	High Labor Cost	GSTHHLAB	3.1	(0)	5	17	2.8	3.4
	Low Labor Cost	GSTHLLAB	2.2	(2)	2	14	2.2	(1.9)
Geographic Sales	Domestic Sales	GSTHAINT	4.0 %	2 %	0 %	15x	2.0x	(2.4)%
	International Sales	GSTHINTL	2.1	(3)	8	18	3.6	(2.2)
	BRICs Sales	GSTHBRIC	2.2	(4)	6	14	3.6	(4.5)
	Western Europe Sales	GSTHWEUR	2.9	(3)	(2)	15	2.8	(1.9)
Fundamental	High Revenue Growth	GSTHREVG	3.4 %	(2)%	3 %	18x	3.4x	18.5 %
	High Operating Leverage	GSTHOPHI	4.2	(1)	2	15	1.8	9.1
	Low Operating Leverage	GSTHOPLO	4.1	(0)	12	19	4.5	0.9
	Stable Growers	GSTHSTGR	2.8	0	2	20	3.6	9.4
	ROE Growth	GSTHGROE	3.4	(2)	4	16	2.4	0.8
	High Quality Stock	GSTHQUAL	2.8	(1)	2	20	4.1	5.8
	Long Duration	GSTHLDUR	1.7	(6)	(1)	29	4.4	17.4
	Short Duration	GSTHSDUR	4.7	(2)	(1)	9	1.4	(21.3)
	Strong Balance Sheet	GSTHSBAL	5.3	(1)	16	27	5.0	5.0
Weak Balance Sheet	GSTHWBAL	2.7	(4)	(2)	12	2.1	3.7	
Uses of Cash	Capex and R&D	GSTHCAPX	1.9 %	(4)%	(2)%	12x	2.4x	(4.6)%
	Total Cash Return to Shareholders	GSTHCASH	2.8	0	3	12	2.0	0.3
	Buyback	GSTHREPO	3.3	0	4	13	2.5	3.6
	Dividend Growth	GSTHDIVG	2.7	(1)	1	11	2.3	(1.6)
	High Growth Investment Ratio	GSTHHGIR	2.5	(3)	10	17	3.8	1.9
	Debt Issuers	GSTHDISS	1.2	(4)	4	14	2.9	(3.9)
	Debt Reducers	GSTHDRED	2.3	(3)	1	14	2.8	(0.2)
Risk & Liquidity	High Sharpe Ratio	GSTHSHRP	1.3 %	(4)%	2 %	13x	2.1x	(0.1)%
	High Liquidity	GSTHHLIQ	4.5	1	18	19	3.6	8.0
	Low Liquidity	GSTHLLIQ	3.1	(5)	(8)	16	2.9	(0.6)
Hedge Funds & Mutual Funds	Hedge Fund "VIP" List	GSTHHVIP	4.8 %	1 %	24 %	19x	4.2x	11.9 %
	Hedge Fund Very Important Shorts	GSTHVISP	3.5	(2)	(1)	17	3.1	(1.4)
	High Hedge Fund Concentration	GSTHHFHI	2.1	(3)	(8)	10	2.2	(9.8)
	Low Hedge Fund Concentration	GSTHHFSL	4.2	1	4	22	4.7	3.5
	Mutual Fund Overweight Positions	GSTHMFOW	3.5	1	8	15	3.4	8.0
	Mutual Fund Underweight Positions	GSTHMFUW	3.4	(0)	9	20	4.3	4.9
S&P 500 Median						17	2.8	3.4

For details and constituents of our baskets see [Anatomy of our US Portfolio Strategy Thematic and Sector Baskets](#), March 8, 2023

Source: FactSet and Goldman Sachs Global Investment Research.

US Portfolio Strategy Baskets – Relative performance vs. S&P 500

Macroeconomics

Dual Beta



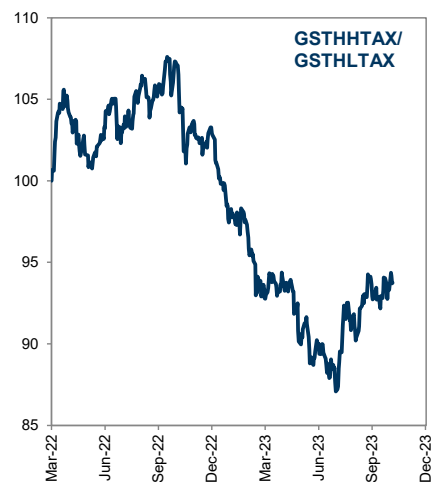
Interest Rate Sensitive



Low vs. High Labor Cost



High vs. Low Tax Rate



Geographic Sales

US Sales



International Sales



BRICs Sales



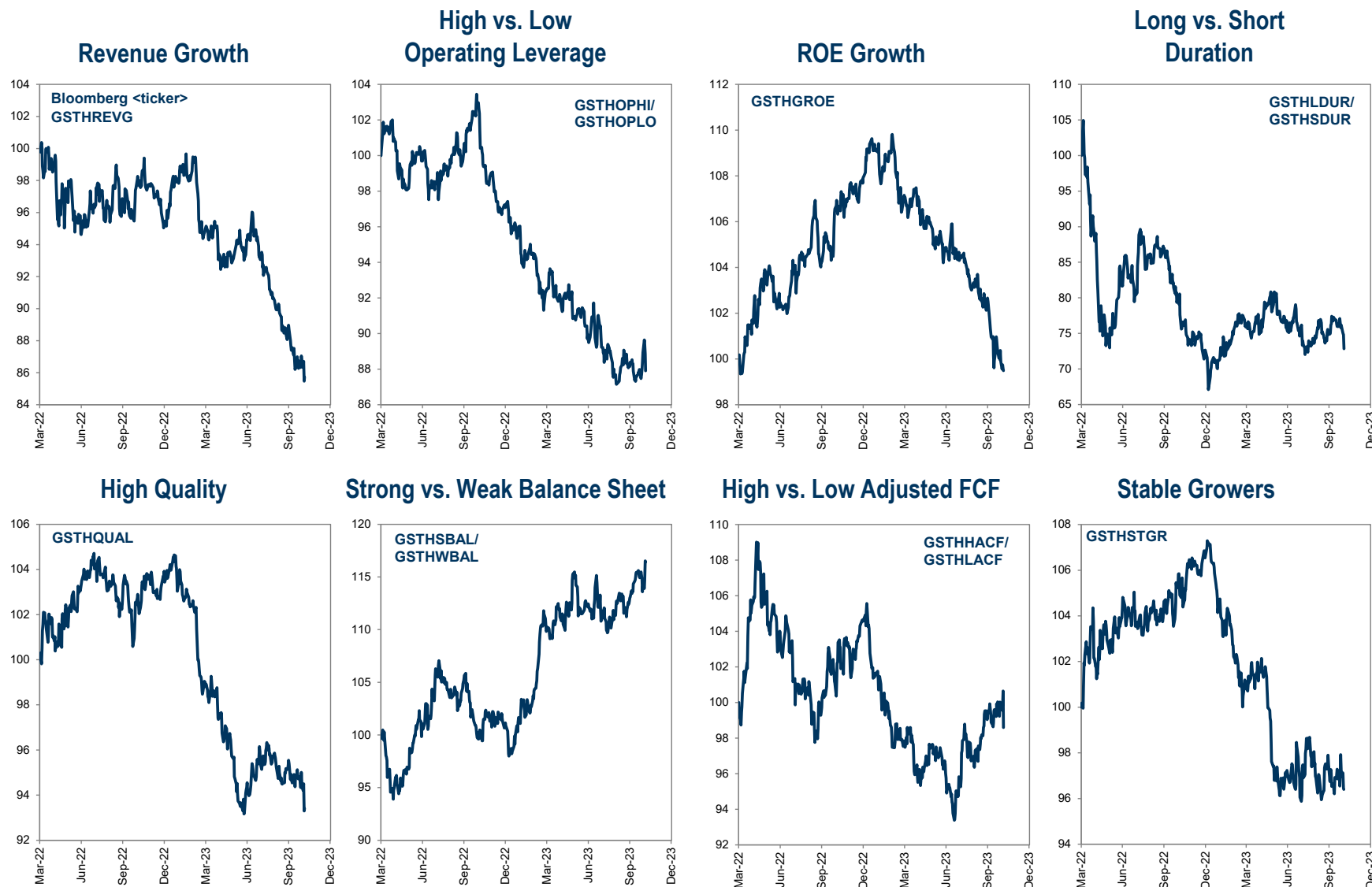
Western Europe Sales



Source: FactSet and Goldman Sachs Global Investment Research.

US Portfolio Strategy Baskets – Relative performance vs. S&P 500 (continued)

Fundamentals



Source: FactSet and Goldman Sachs Global Investment Research.

US Portfolio Strategy Baskets – Relative performance vs. S&P 500 (continued)

Uses of Cash

Capex and R&D



High Growth Investment Ratio



Debt Reducers vs. Issuers



Risk & Liquidity

High Sharpe Ratio



Total Cash Return



Buybacks



Dividend Growth



Low vs. High Liquidity



Source: FactSet and Goldman Sachs Global Investment Research.

US Portfolio Strategy Baskets – Relative performance vs. S&P 500 (continued)

Hedge Fund Ownership

Hedge Fund VIP



Short Positions



High Concentration



Low Concentration



Mutual Fund Ownership

Overweight Positions



Underweight Positions



Source: FactSet and Goldman Sachs Global Investment Research.

S&P 500 Earnings, Sales and Revisions

GS Top-Down EPS & Consensus Bottom-Up EPS

	2022A	Adjusted EPS				Adjusted EPS			
		GS Top-Down		Consensus Bottom-Up		GS Top-Down		Consensus Bottom-Up	
		Contribution	EPS growth	Contribution	EPS growth	Contribution	EPS growth	Contribution	EPS growth
		2023E	2024E	2023E	2024E	2023E	2024E	2023E	2024E
Information Technology	\$42	\$44	\$48	4 %	10 %	\$44	\$50	5 %	14 %
Financials	37	39	40	6	3	40	42	10	5
Health Care	37	32	34	(13)	5	29	34	(20)	17
Communication Services	18	21	23	15	8	21	24	14	15
Industrials	17	19	19	10	3	19	21	9	12
Consumer Discretionary	14	18	19	25	8	18	21	30	14
Consumer Staples	13	15	15	8	5	14	15	7	8
Utilities	6	7	7	11	1	6	7	9	8
Materials	7	6	6	(16)	(1)	6	6	(20)	4
Real Estate	6	6	6	1	0	6	7	3	5
S&P 500 ex-Energy	198	205	217	4	5	204	228	3	12
Energy	24	19	20	(21)	6	17	18	(29)	4
S&P 500 EPS	\$222	\$224	\$237	1 %	5 %	\$221	\$246	(0)%	11 %

Earnings & Sales Revisions (Consensus)

	EPS REVISIONS				SALES REVISIONS			
	1 month		3 month		1 month		3 month	
	23E	24E	23E	24E	23E	24E	23E	24E
Financials	2.0 %	(0.2)%	2.5 %	(0.6)%	NM	NM	NM	NM
Consumer Discretionary	1.9	(0.3)	6.9	3.0	(0.7)	(0.9)	(0.3)	(0.4)
Information Technology	1.6	(0.5)	3.6	1.9	0.2	(0.0)	0.7	0.7
Communication Services	1.3	0.7	1.4	0.7	0.1	0.1	0.0	0.1
Energy	0.4	1.6	4.6	6.8	0.4	0.3	0.7	2.1
Real Estate	0.0	(3.3)	1.6	(4.5)	NM	NM	NM	NM
S&P 500	(0.1)	(0.6)	0.9	0.2	(0.1)	(0.3)	(0.0)	(0.0)
S&P 500 ex. Energy	(0.1)	(0.7)	0.6	(0.3)	(0.2)	(0.4)	(0.1)	(0.2)
Consumer Staples	(0.5)	(0.9)	(1.1)	(2.1)	(0.5)	(0.9)	(0.6)	(1.2)
Industrials	(0.6)	(1.9)	(2.1)	(2.9)	0.1	0.0	(0.1)	0.1
Materials	(1.5)	(3.4)	(2.8)	(4.6)	(0.5)	(1.2)	(2.0)	(2.6)
Utilities	(1.5)	(0.9)	(2.1)	(1.0)	NM	NM	NM	NM
Health Care	(6.0)	(1.4)	(6.5)	(1.8)	0.0	(0.1)	0.1	(0.0)

Earnings Growth (consensus bottom-up)

	2023 Earnings Per Share Growth				Annual	
	1QA	2QA	3QE	4QE	2023E	2024E
Consumer Discretionary	23 %	32 %	38 %	22 %	30 %	14 %
Communication Services	(16)	5	40	38	14	15
Financials	4	7	20	8	10	5
Industrials	20	12	7	0	9	12
Utilities	(20)	6	13	52	9	8
Consumer Staples	2	10	8	6	7	8
Information Technology	(10)	4	11	15	5	14
S&P 500 ex. Energy	(5)	1	10	8	3	12
Real Estate	7	3	(0)	1	3	5
S&P 500	(3)	(6)	4	5	(0)	11
Health Care	(16)	(27)	(21)	(16)	(20)	17
Materials	(21)	(25)	(16)	(17)	(20)	4
Energy	17	(51)	(37)	(23)	(29)	4

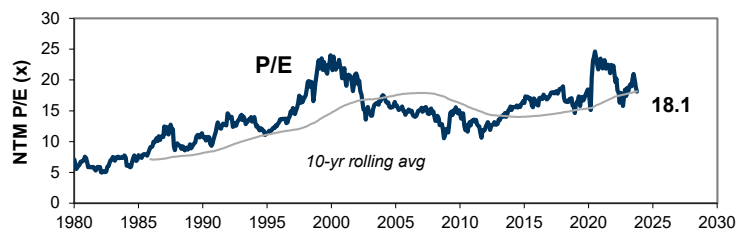
Sales Growth (consensus bottom-up)

	2023E Sales Per Share Growth				Annual	
	1QA	2QA	3QE	4QE	2023E	2024E
Consumer Staples	11 %	8 %	9 %	8 %	9 %	3 %
Consumer Discretionary	9	10	7	3	7	7
Health Care	6	7	8	5	6	4
S&P 500 ex. Energy	5	5	5	4	5	5
Industrials	8	4	2	2	4	5
S&P 500	4	1	2	3	3	5
Information Technology	(2)	(1)	2	6	1	8
Communication Services	(1)	2	2	2	1	6
Materials	(3)	(8)	(6)	(5)	(5)	(4)
Energy	(3)	(28)	(15)	(6)	(14)	2

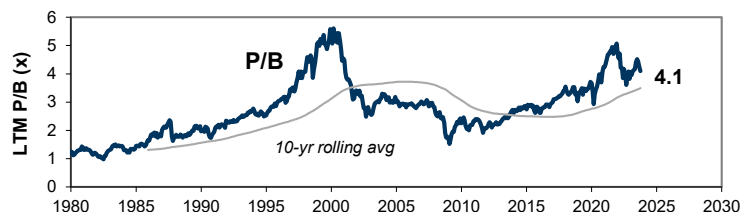
Source: FirstCall, I/B/E/S, FactSet, and Goldman Sachs Global Investment Research.

Valuation: Absolute and Relative

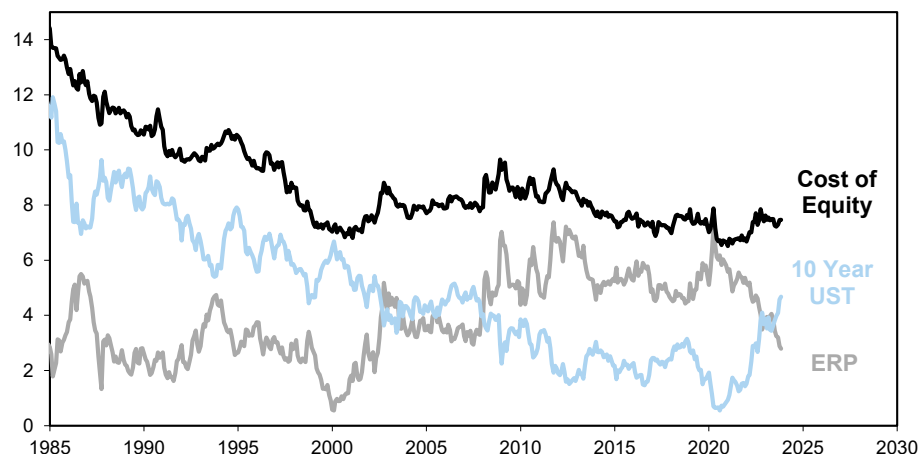
S&P 500 NTM P/E



S&P 500 LTM P/B



S&P 500 Cost of Equity = ERP + 10-yr UST



We estimate the equity risk premium (ERP) using our DDM framework to model expected future cash flows.

We solve for the cost of equity that implies the market is at 'fair value' and then deduct the 10-year US treasury.

Current aggregate valuation metrics - absolute

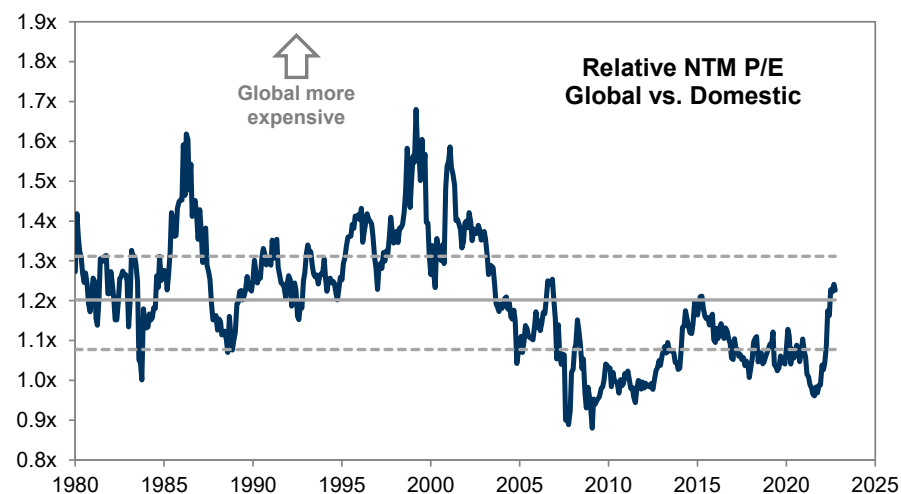
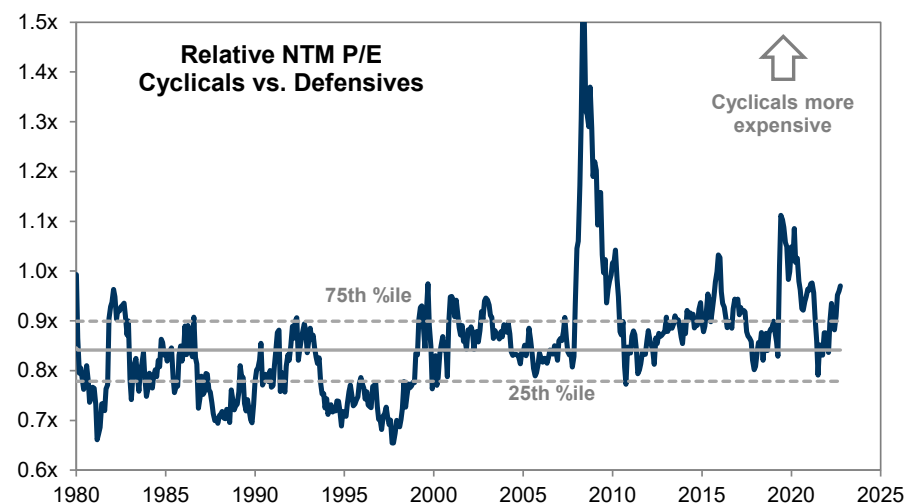
	EV/ Sales	EV/ EBITDA	Price/ Book	FCF Yield	PEG Ratio	NTM P/E
S&P 500	2.6x	13.2x	4.1x	4.0 %	1.3x	18.1x
Energy	1.4	5.8	2.3	8.8	2.3	11.0
Financials	NM	NM	1.8	NM	1.0	13.1
Real Estate	NM	NM	2.7	NM	2.7	15.1
Utilities	NM	11.5	1.9	(6.1)	2.3	15.6
Comm Services	3.4	9.5	3.4	5.9	0.7	16.0
Health Care	1.8	13.4	4.5	5.4	2.1	16.6
Materials	2.2	10.1	2.7	4.3	2.2	17.1
Industrials	2.3	12.4	5.1	4.3	1.5	17.3
Cons Staples	1.5	13.2	5.6	4.3	2.5	18.4
Cons Discr	2.4	15.0	8.8	3.2	2.5	23.0
Info Tech	7.1	21.8	10.4	3.0	1.3	24.8

Current relative valuation vs. historical average (Z-score)

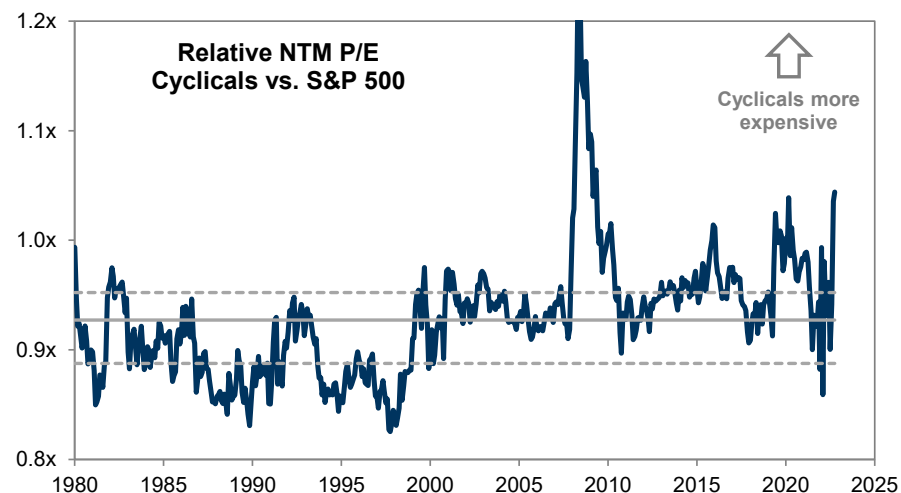
	10-year						30-year	
	EV/ Sales	EV/ EBITDA	Price/ Book	FCF Yield	PEG Ratio	P/E	Median Z-Score	Median Z-Score
S&P 500	0.7	0.1	1.0	0.6	(0.3)	(0.0)	0.4	0.7
Real Estate	NM	NM	(2.4)	NM	(0.0)	(2.1)	(2.1)	(0.8)
Comm Services	(1.8)	(2.4)	(1.3)	(3.2)	(2.1)	(2.1)	(2.1)	(1.7)
Financials	NM	NM	(1.1)	NM	(0.8)	(2.0)	(1.1)	(1.0)
Industrials	(1.5)	(0.7)	(1.4)	(0.9)	(0.2)	(0.4)	(0.8)	0.2
Energy	(0.8)	(1.0)	0.1	(1.3)	0.3	(0.8)	(0.8)	(1.1)
Materials	(1.4)	(1.1)	(1.1)	(0.4)	1.8	(0.1)	(0.7)	(0.5)
Cons Staples	(1.2)	(0.6)	(1.3)	0.1	0.0	(0.8)	(0.7)	(0.9)
Utilities	NM	(0.6)	(2.0)	2.6	(0.8)	0.3	(0.6)	(0.0)
Cons Discr	(0.5)	(0.5)	0.0	(0.5)	4.3	(0.3)	(0.4)	0.7
Health Care	(1.5)	(0.1)	(1.7)	(0.7)	1.6	(0.0)	(0.4)	(0.8)
Info Tech	2.4	2.8	1.2	1.7	(0.2)	2.2	2.0	1.4

Source: FactSet, I/B/E/S, FirstCall, and Goldman Sachs Global Investment Research.

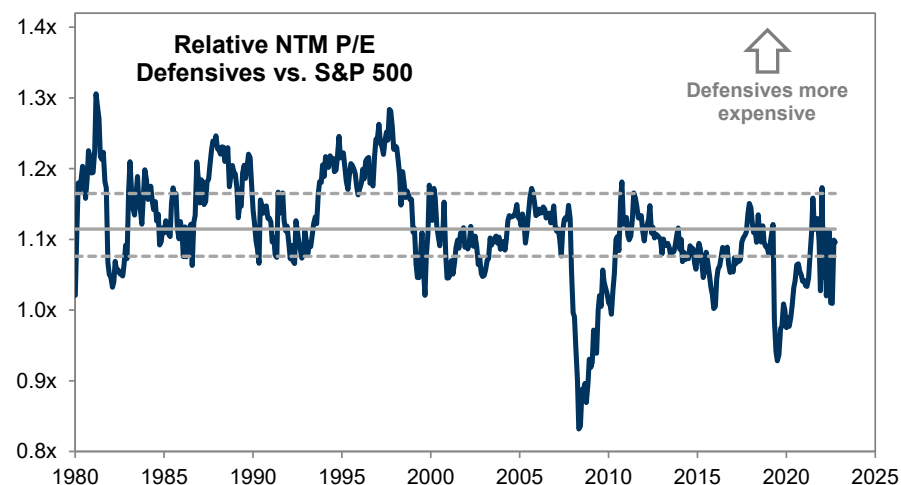
Valuation: Sector baskets



Cyclicals vs. S&P 500

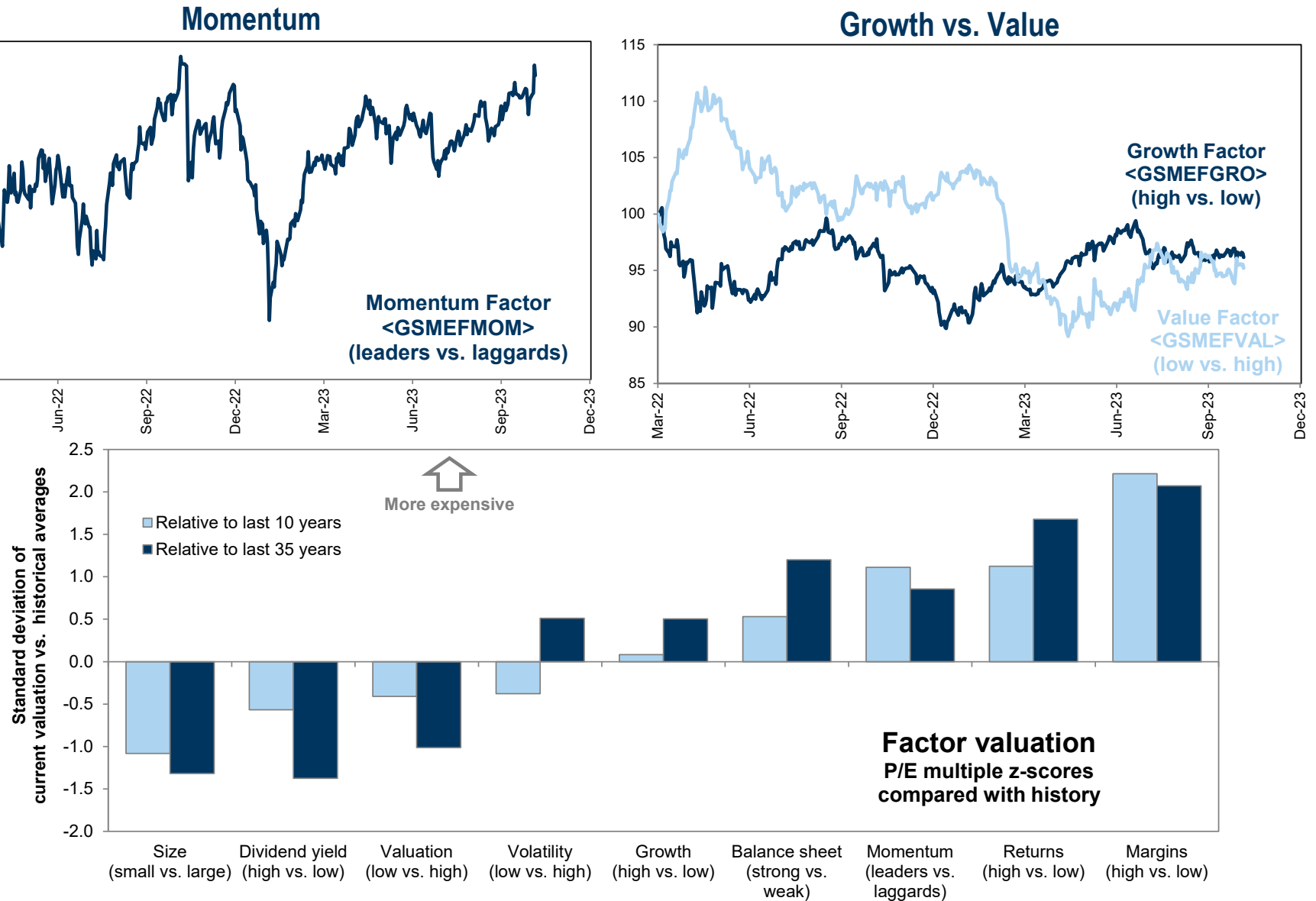


Defensives vs. S&P 500



Source: Compustat, FactSet, I/B/E/S, and Goldman Sachs Global Investment Research.

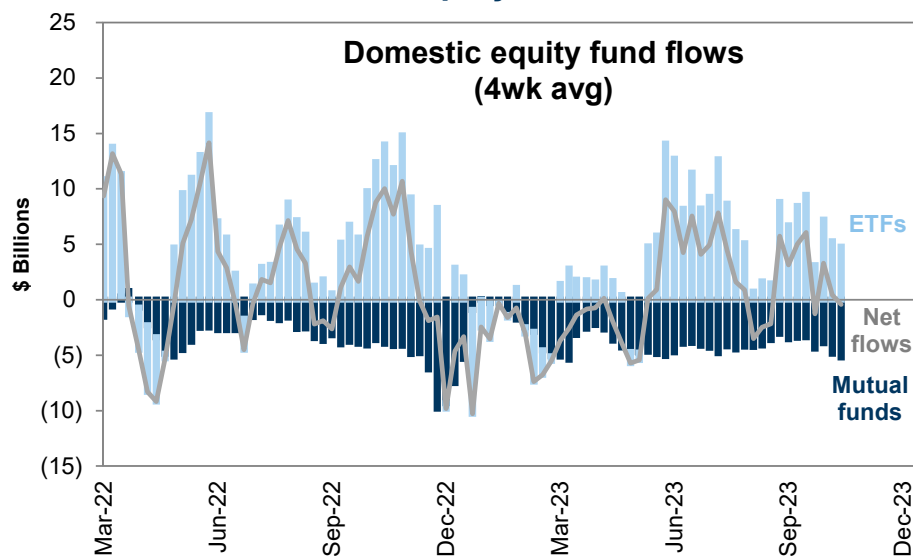
Factors: Performance and Valuation



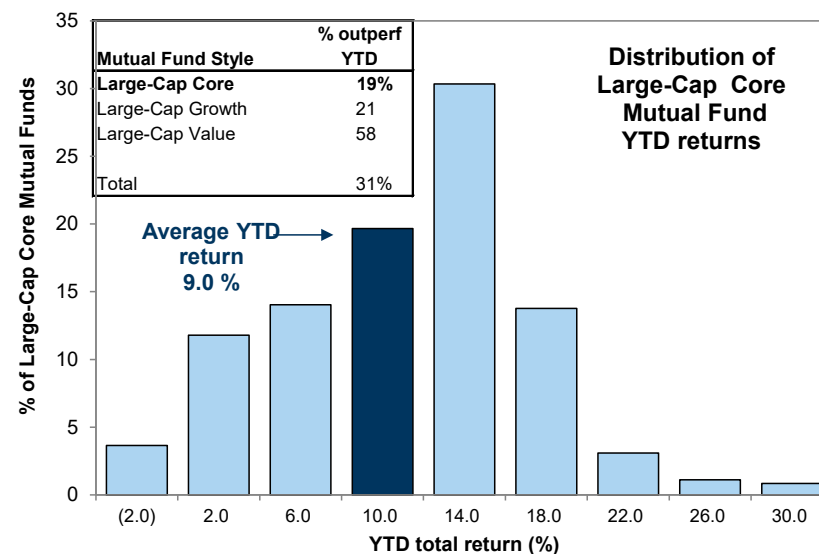
Source: Compustat, FactSet, I/B/E/S, and Goldman Sachs Global Investment Research.

Fund Flows, Fund Performance, and Short Interest

Domestic equity fund flows



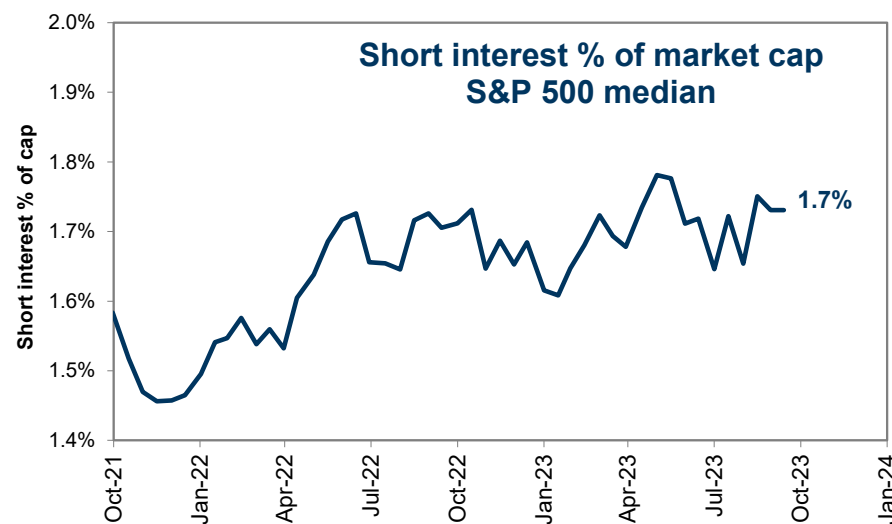
Mutual Fund Performance



Weekly fund flows

(\$ billions)	EPFR Mutual Fund Flows			EPFR ETF Fund Flows		
	Total Assets	4-Wk Avg Flows	Total Flows YTD	Total Assets	4-Wk Avg Flows	Total Flows YTD
All Equity	8,192	(11.3)	(281.4)	7,628	6.6	375.6
U.S. Equity	3,513	(5.2)	(163.2)	4,816	4.8	169.2
Equity Income	620	(1.0)	(24.3)	478	0.5	24.2
Int'l Equity	4,126	(5.8)	(108.8)	2,178	1.7	163.9
Global	554	(0.3)	(9.4)	634	0.1	42.6
ESG/SRI	1,022	(1.5)	(8.5)	348	0.6	24.0
All Bonds	4,642	(4.5)	(4.0)	1,924	7.6	253.7
All Taxable Bond	3,896	(4.0)	(15.7)	1,256	0.4	83.0
Gov't Treasury	393	0.5	25.0	557	6.6	161.3
Municipal Bond	353	(1.1)	(13.2)	111	0.7	9.5
ESG/SRI	446	(0.2)	10.0	89	0.1	14.2
Money Market	8,000	(0.4)	1,071.7	78	0.8	12.3

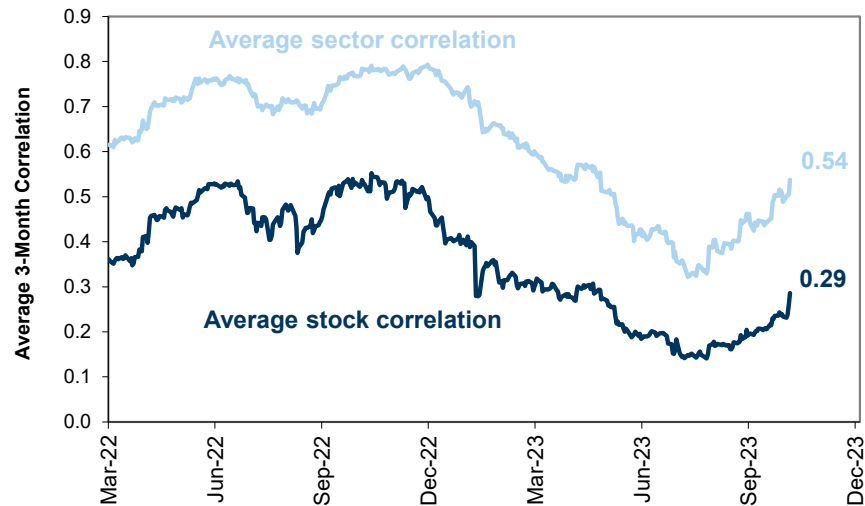
Short Interest



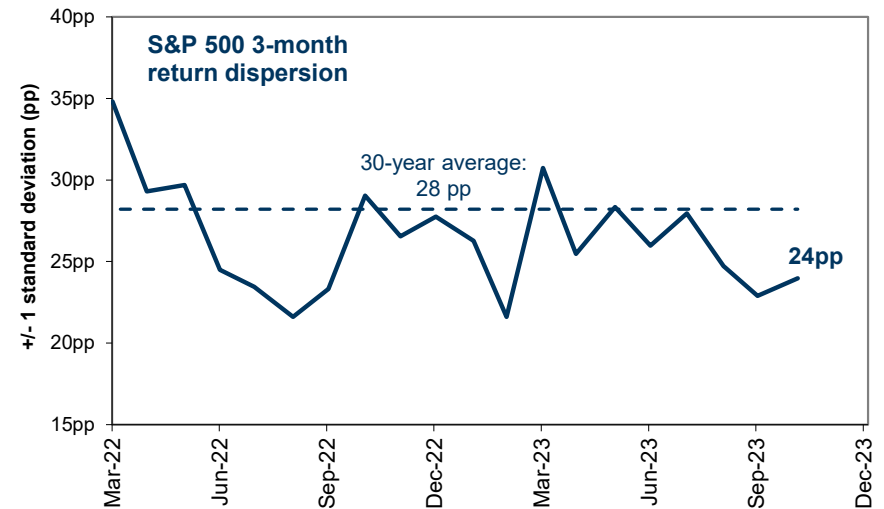
Source: FactSet, EPFR, and Goldman Sachs Global Investment Research.

Correlation, Breadth and Dispersion

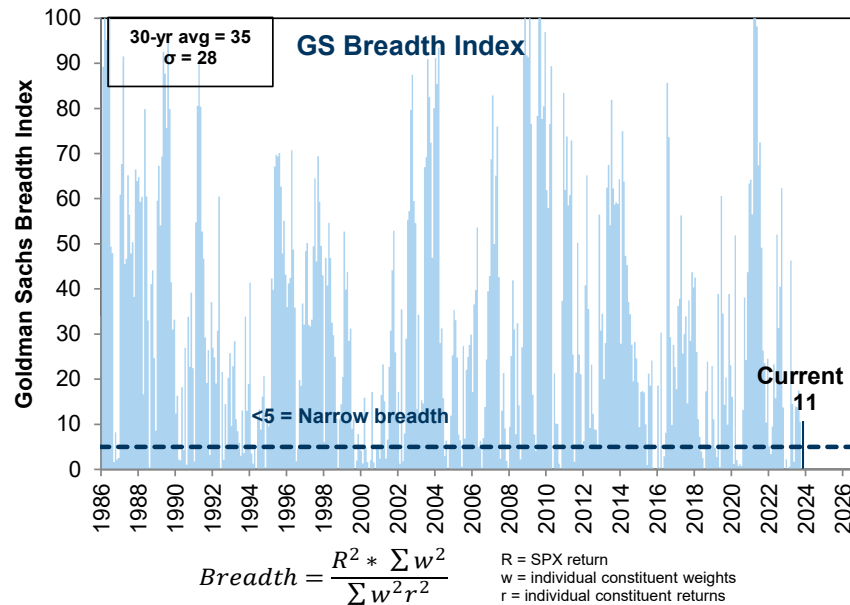
Sector and Stock Correlation



S&P 500 3-month Return Dispersion



Goldman Sachs Breadth Index (GSBI)

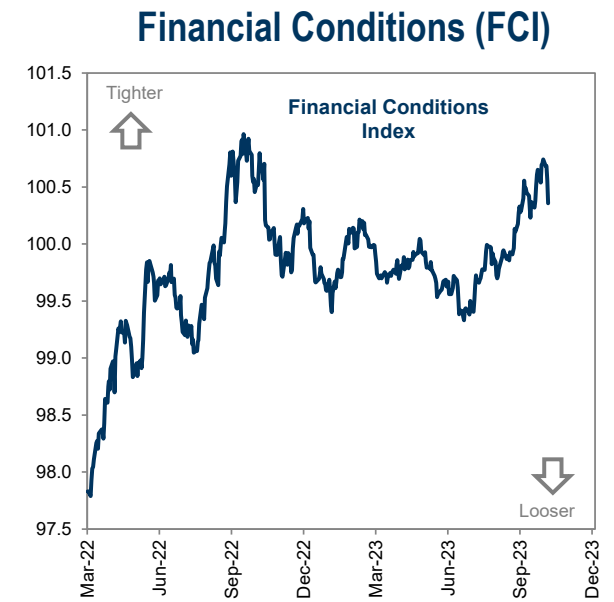
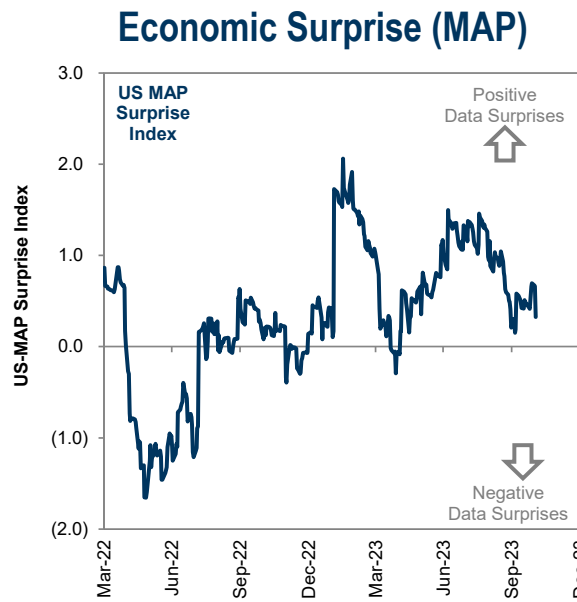
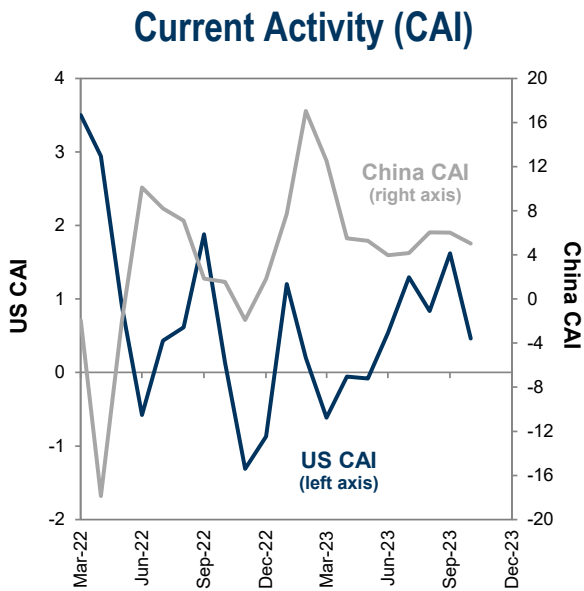
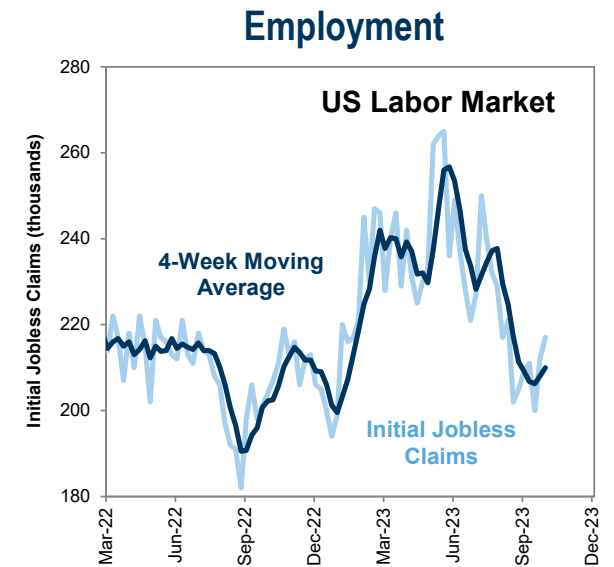
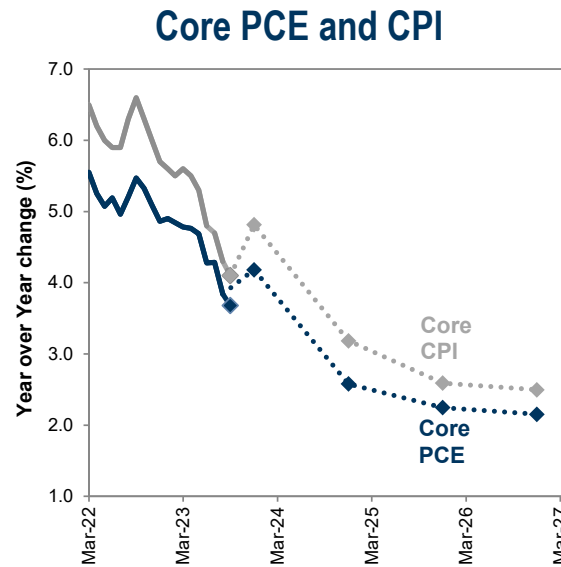
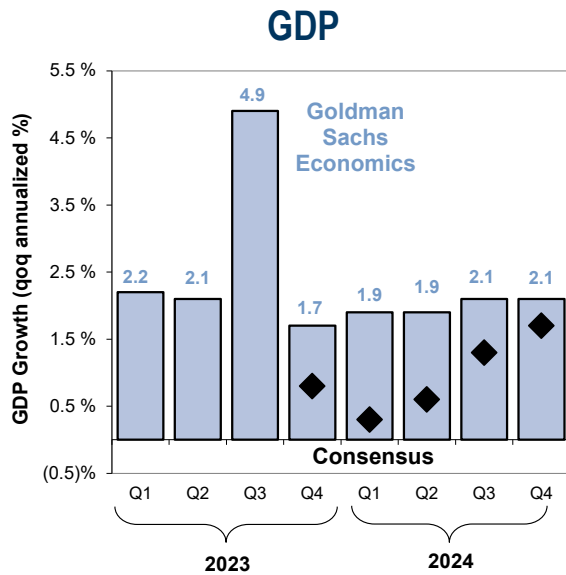


Return Dispersion

	+/- 1 Standard Deviation					
	1-Month Returns			3-Month Returns		
	Current Nov 2	30-Year Average	Historical %ile	Current Nov 2	30-Year Average	Historical %ile
S&P 500	17 pp	16 pp	70 %	24 pp	28 pp	39 %
Health Care	20 pp	15 pp	87 %	30 pp	26 pp	78 %
Utilities	10	10	66	20	17	74
Financials	11	13	54	21	22	64
Industrials	17	13	81	22	23	56
Materials	13	14	47	23	25	53
Real Estate	13	9	87	14	15	52
Communication Services	17	16	69	23	27	44
Information Technology	19	19	62	27	34	36
Consumer Staples	12	13	60	17	22	22
Consumer Discretionary	18	17	74	23	29	21
Energy	12	14	39	11	25	1

Source: FactSet and Goldman Sachs Global Investment Research.

Economics



Our Current Activity Indicator (CAI) measures the growth signal in major high-frequency activity indicators for the US economy, expressed in GDP-equivalent units.

Source: FactSet and Goldman Sachs Global Investment Research.

Goldman Sachs Global Macro Forecasts

Goldman Sachs Global Macro Forecasts

	units	Current	3m	6m	12m	Change to Target
Equities						
MXAPJ	level	480	505	530	555	16 %
TOPIX	level	2322	2500	2500	2650	14
S&P 500	level	4318	4500	4600	4700	9
STOXX Europe 600	level	443	465	470	480	8
Ten Year Rates						
Japan	%	0.9	0.8	0.9	0.9	(2)bp
US	%	4.7	4.3	4.6	4.5	(17)
Euro Area (Germany)	%	2.7	2.8	2.6	2.3	(46)
Corporate Bonds						
Investment grade	bp	125	118	NA	NA	(7)bp
High yield	bp	406	355	NA	NA	(51)
Currencies						
Euro / US Dollar	EUR/\$	1.06	1.07	1.10	1.12	5 %
Sterling / US Dollar	£/\$	1.22	1.18	1.20	1.25	3
US Dollar / Yen	\$/¥	150	150	155	150	(0)
Commodities						
LME Copper	\$/mt	8066	8500	9250	10000	24 %
WTI Crude Oil	\$/bbl	82	88	90	95	15
Brent Crude Oil	\$/bbl	87	93	96	100	15
ICE TTF Nat. Gas	\$/mmBtu	15	14	14	17	10
NYMEX Nat. Gas	\$/mmBtu	3	3	3	4	8
COMEX Gold	\$/troy oz	1994	2050	2050	2050	3

	EPS Forecast			EPS Growth		NTM P/E		Div Yield
	2022	2023	2024	2023	2024	Current	YE 2023	
MXAPJ	\$ 36	\$ 37	\$ 40	(2)%	16 %	12.3 x	14.1 x	3.1 %
TOPIX	¥ 144	¥ 161	¥ 174	12	8	13.5	15.2	2.4
S&P 500	\$ 222	\$ 224	\$ 237	1	5	18.4	19.0	1.7
STOXX Europe 600	€ 35	€ 36	€ 39	3	7	11.5	12.3	3.8

Source: FactSet and Goldman Sachs Global Investment Research.

Goldman Sachs US Economics Forecasts

	Share of GDP	% Annual Change			
		2022	2023E	2024E	2025E
OUTPUT AND SPENDING					
Real GDP	100%	1.9%	2.4%	2.3%	2.0%
Consumer Spending	69	2.5	2.2	2.1	1.9
Total Fixed Investment	18	1.3	0.2	2.2	3.5
Business Fixed Investment	15	5.2	4.2	3.3	3.7
Structures	3	(2.1)	11.4	3.0	2.8
Equipment	6	5.2	0.1	3.5	3.4
IP Products	6	9.1	4.5	3.4	4.5
Residential Investment	3	(9.0)	(11.5)	(1.5)	2.6
Federal Government Spending	7	(2.8)	4.1	1.3	
State and Local Government	10	0.2	3.6	1.3	0.9
Net Exports (Bil.)	(4)	(1,051)	(931)	(898)	(894)
HOUSING MARKET					
Housing Starts (000s)		1,551	1,388	1,335	1,430
New Home Sales (000s)		637	680	723	771
Existing Home Sales (000s)		5,081	4,093	3,838	4,244
Case-Shiller Home Prices (%)		7.5	3.5	0.6	3.8
INFLATION					
Core CPI		5.7	4.0	2.7	2.5
Core PCE		4.9	3.3	2.4	2.2
LABOR MARKET					
Unemployment Rate		3.6	3.7	3.6	3.6
U6 Underemployment Rate		7.3	6.5	6.7	6.6
Payrolls (000s)		479	276	124	96
GOVERNMENT FINANCE					
Federal Budget (FY, Bil.)		(1375)	(1700)	(1700)	(1900)
Federal debt-to-GDP ratio (FY, %)		96	96	98	100
FINANCIAL INDICATORS					
Fed Funds Rate		4.4	5.4	5.1	4.1
10-year Treasury Rate		3.9	4.3	4.3	4.3

Real GDP

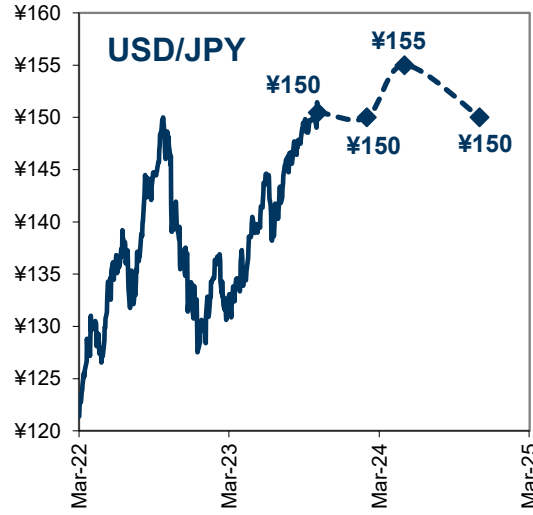
	2022A	2023A	2024E	2025E
China	3.0 %	5.6 %	4.5 %	4.0 %
World	3.0	2.7	2.6	2.7
USA	1.9	2.4	2.3	2.0
Australia	3.7	2.0	1.8	2.4
Spain	5.8	2.4	1.6	2.0
Russia	(1.4)	2.0	1.5	1.2
Brazil	3.0	3.0	1.4	2.4
Japan	1.0	2.0	1.4	1.4
France	2.5	0.9	1.1	1.3
Euro Area	3.4	0.5	1.0	1.6
Germany	1.9	(0.1)	1.0	1.5
Italy	3.9	0.7	0.8	1.4
UK	4.3	0.5	0.6	1.2

Goldman Sachs Global Macro Forecasts

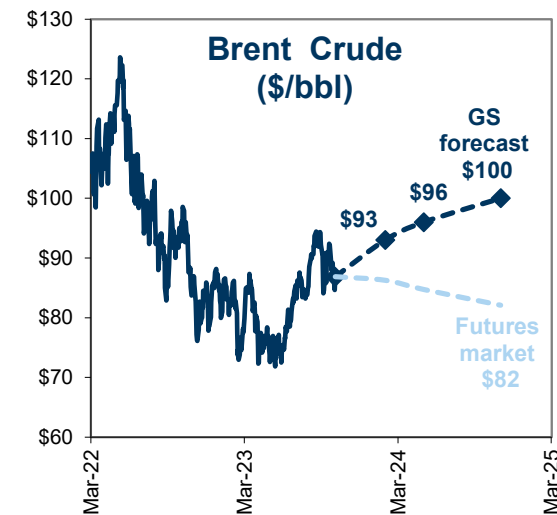
EURO



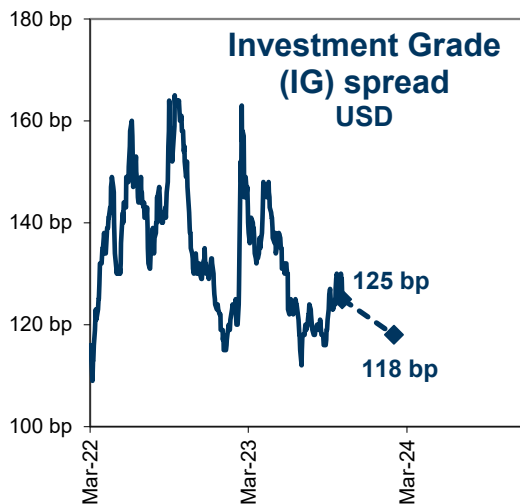
YEN



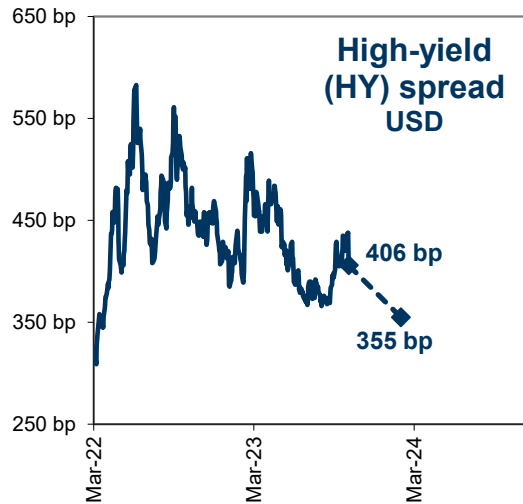
OIL



Investment Grade (IG) spread



High-Yield (HY) spread



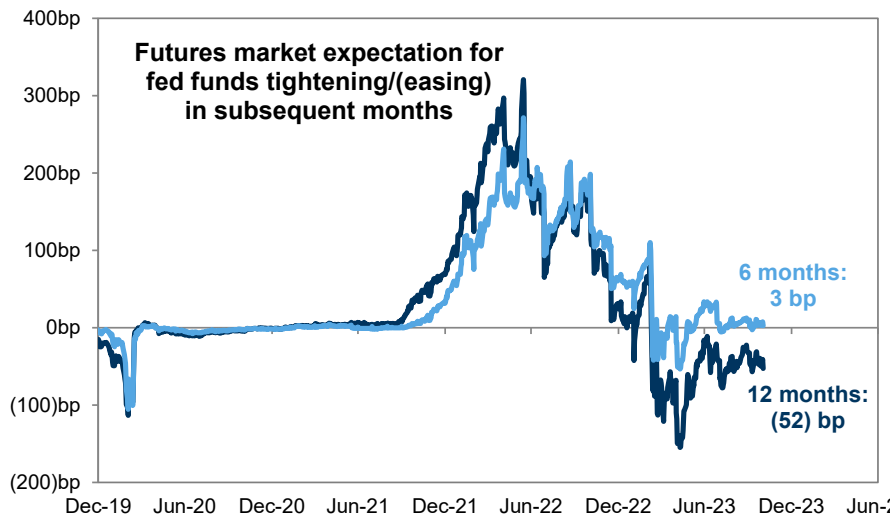
Global Equity Market performance

Market	Price Return (%) US Dollar				Local Currency
	1-Wk	1-Mo	3-Mo	YTD	
U.S. (S&P 500)	4 %	1 %	(4)%	12 %	12 %
France (CAC 40)	3	1	(6)	9	9
Germany (Dax)	4	0	(8)	8	9
Japan (TOPIX)	4	(0)	(4)	8	23
India (MSCI India)	2	(3)	(1)	4	5
Europe (DJ Stoxx 600)	3	1	(6)	4	4
UK (FTSE 100)	2	(0)	(6)	1	(0)
Canada (MSCI Canada)	4	1	(6)	0	2
Korea (KOSPI)	3	(4)	(13)	(1)	5
MSCI EM	2	(2)	(9)	(3)	(1)
Australia (ASX 200)	3	(1)	(8)	(7)	(2)
China (MSCI China)	1	(4)	(13)	(13)	(13)
Average	3 %	(1)%	(7)%	2 %	4 %

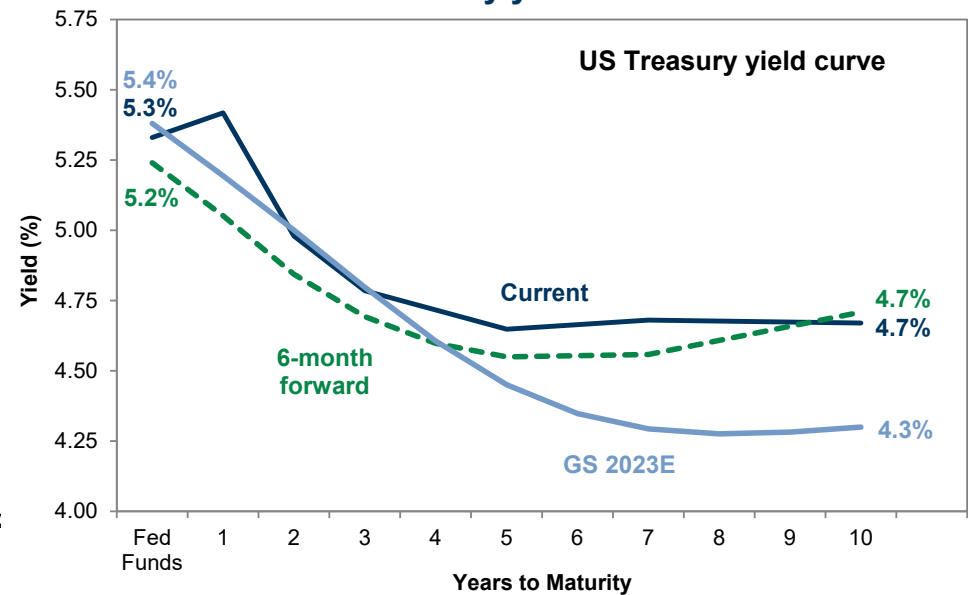
Source: FactSet and Goldman Sachs Global Investment Research.

Politics and policies

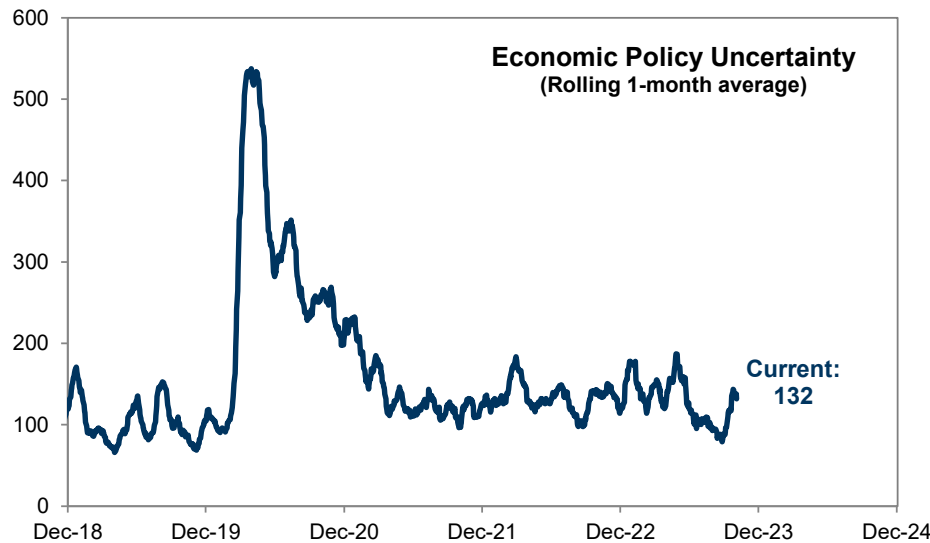
Market-implied change in fed funds rate



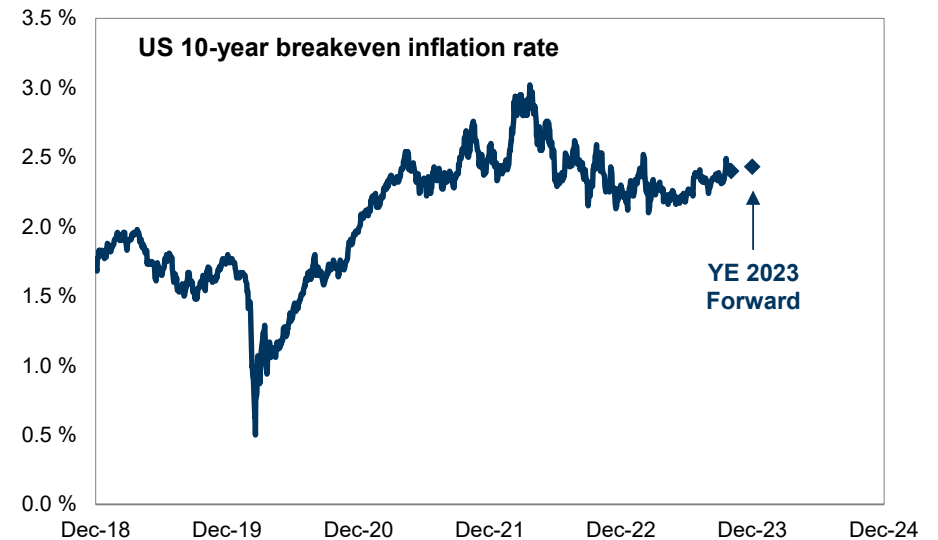
US Treasury yield curve



Economic Policy Uncertainty



Breakeven inflation



Source: FactSet, PolicyUncertainty.com, Federal Reserve Bank, Haver Analytics, and Goldman Sachs Global Investment Research.

Disclosure Appendix

Reg AC

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