



CARSON

# Charts of the Week

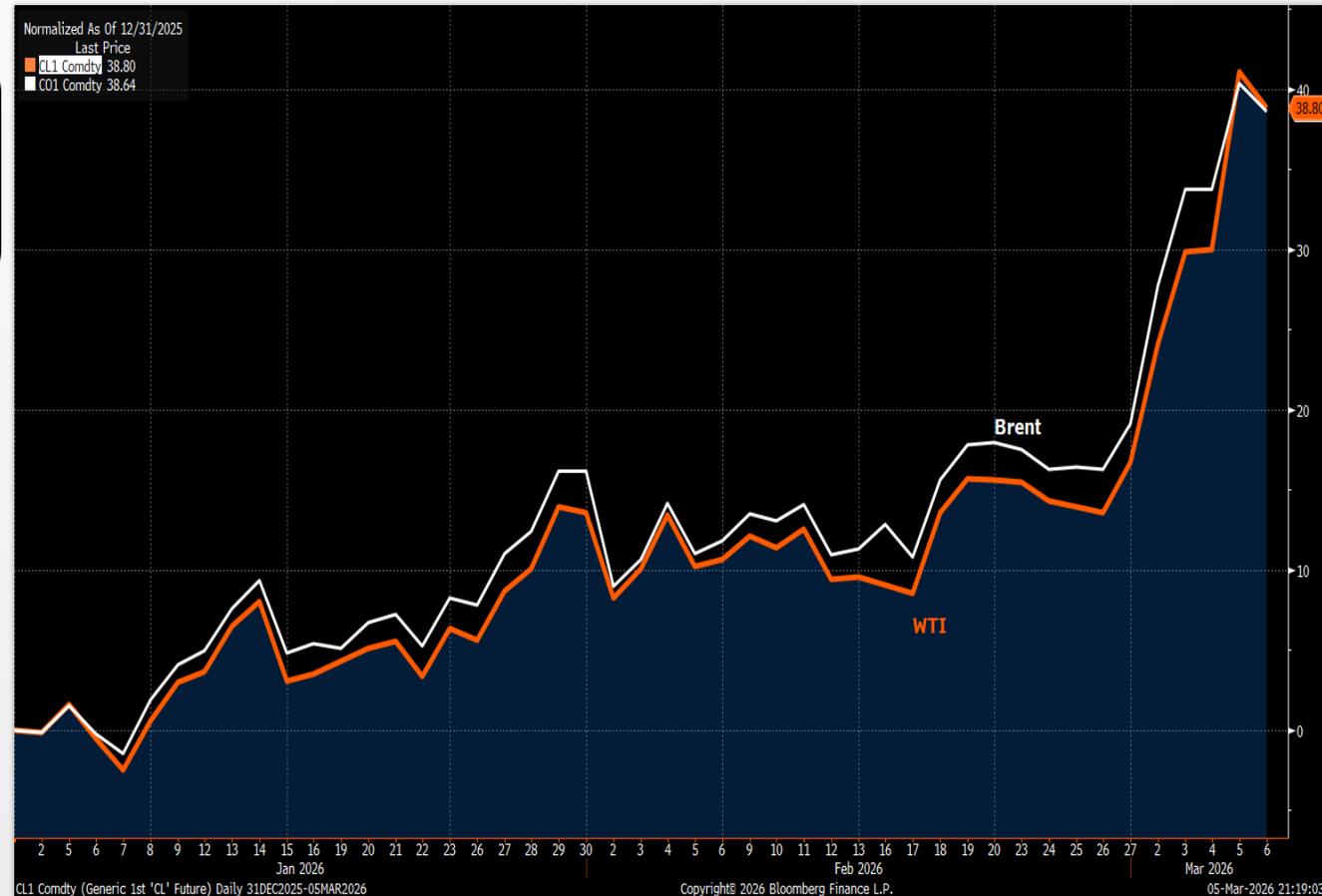
Carson Investment Research

March 2 - 6, 2025

# Chart of the Week

## Oil May Have Just Became a Big Inflation Problem

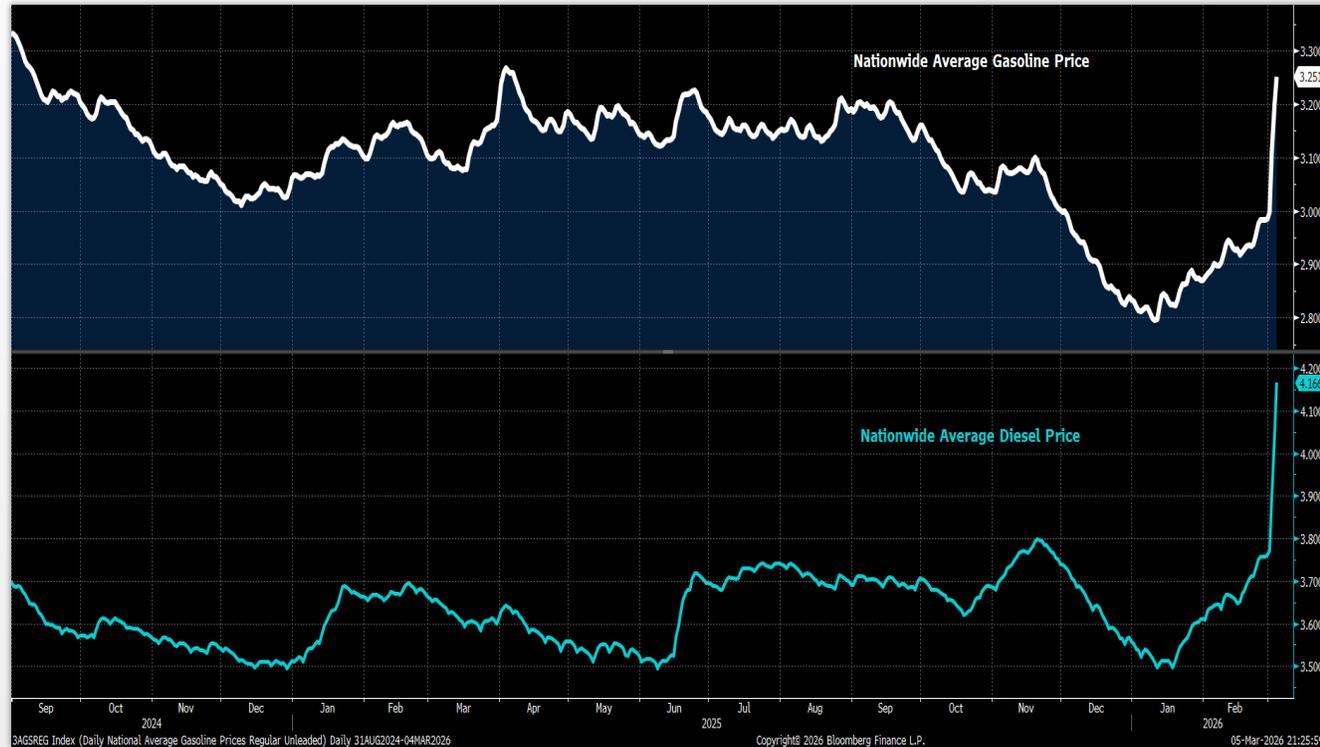
- Oil is no longer just reacting to headlines. It is pricing a real supply shock, with the market now treating disrupted barrels as lost barrels.
- The extreme backwardation matters: buyers are paying a huge premium for oil now, which is what you see when near-term supply is genuinely tight.
- This is the kind of move that can hit inflation, consumer sentiment, and Fed policy all at once.



# Macro

## The Consumer Is Starting to Feel the Oil Shock

- Gasoline is rising, but diesel is the bigger problem because it flows through freight, shipping, and eventually a lot of everyday prices.
- These moves happened even before the latest jump in crude, which suggests the inflation pass-through is already underway.
- If energy stays elevated, this potentially becomes a broader cost-of-living story.



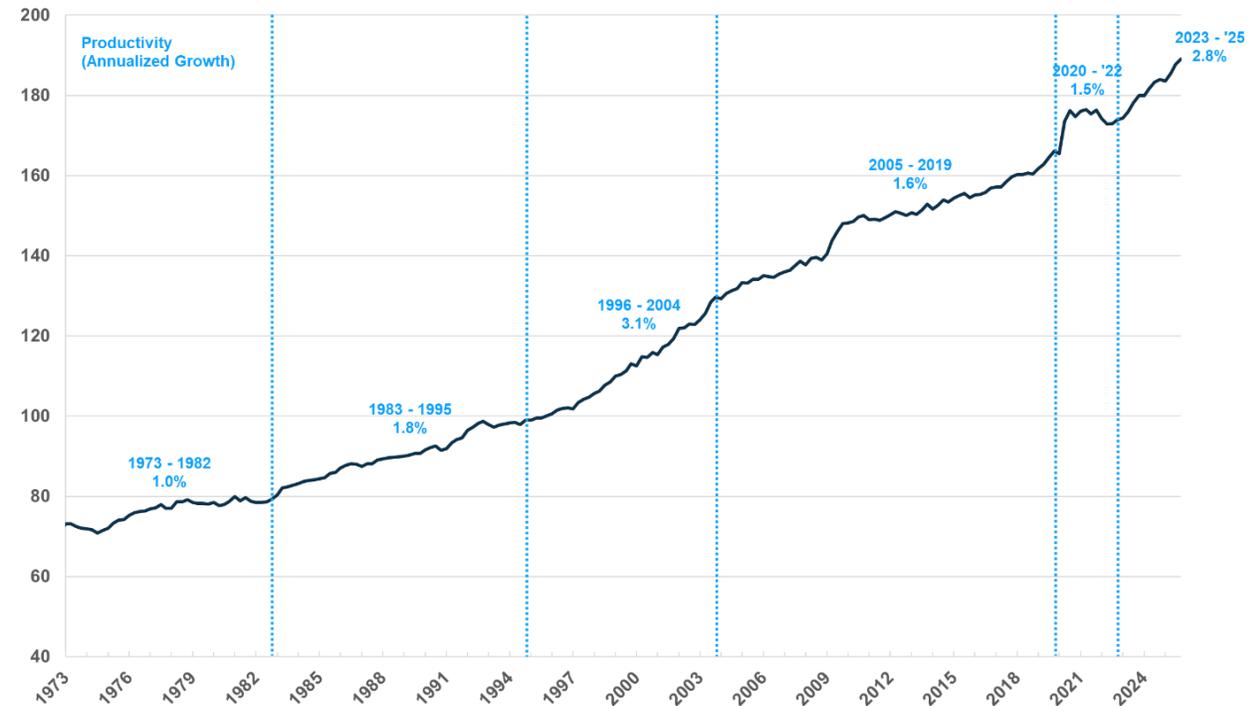
# Macro

## Productivity Still Looks Better Than Pre-Pandemic Trend

- The big takeaway is simple: productivity has stepped up over the last few years versus the sluggish 2005–2019 pace.
- That helps explain how the economy has held up better than the weak hiring data alone would suggest.

### A potential regime shift for productivity growth

Nonfarm Business: Labor Productivity (Index, Q4 1995 = 100)



Data source: Carson Investment Research, FRED 03/05/2026

@sonusvarghese



# Macro

## Productivity Gains Aren't Full Reaching Workers

- This table shows why 2025 feels uneven: productivity stayed strong, but real wage growth slowed.
- In other words, workers got some benefit, but a bigger share of the gains appears to have gone to margins.
- That can support profits for a while, but it is less healthy than a setup where productivity and real wages rise together.

Period	Nominal Wage Growth	=	Productivity Growth	+	Inflation	+	Change in Labor Share	Real Wage Growth
1973 - 1982	8.9%	=	1.0%	+	8.2%	+	-0.4%	0.6%
1983 - 1995	4.0%	=	1.8%	+	3.2%	+	-1.1%	0.8%
1996 - 2004	4.5%	=	3.1%	+	2.4%	+	-1.1%	2.1%
2005 - 2019	2.7%	=	1.6%	+	2.0%	+	-0.9%	0.7%
2020 - 2022	5.5%	=	1.5%	+	5.0%	+	-1.2%	0.4%
2023 - 2024	5.1%	=	2.8%	+	3.0%	+	-0.8%	2.1%
2025	4.1%	=	2.8%	+	2.8%	+	-1.5%	1.3%

Data source: Carson Investment Research, FRED 03/05/2026

All data in the table are annualized

@sonusvarghese



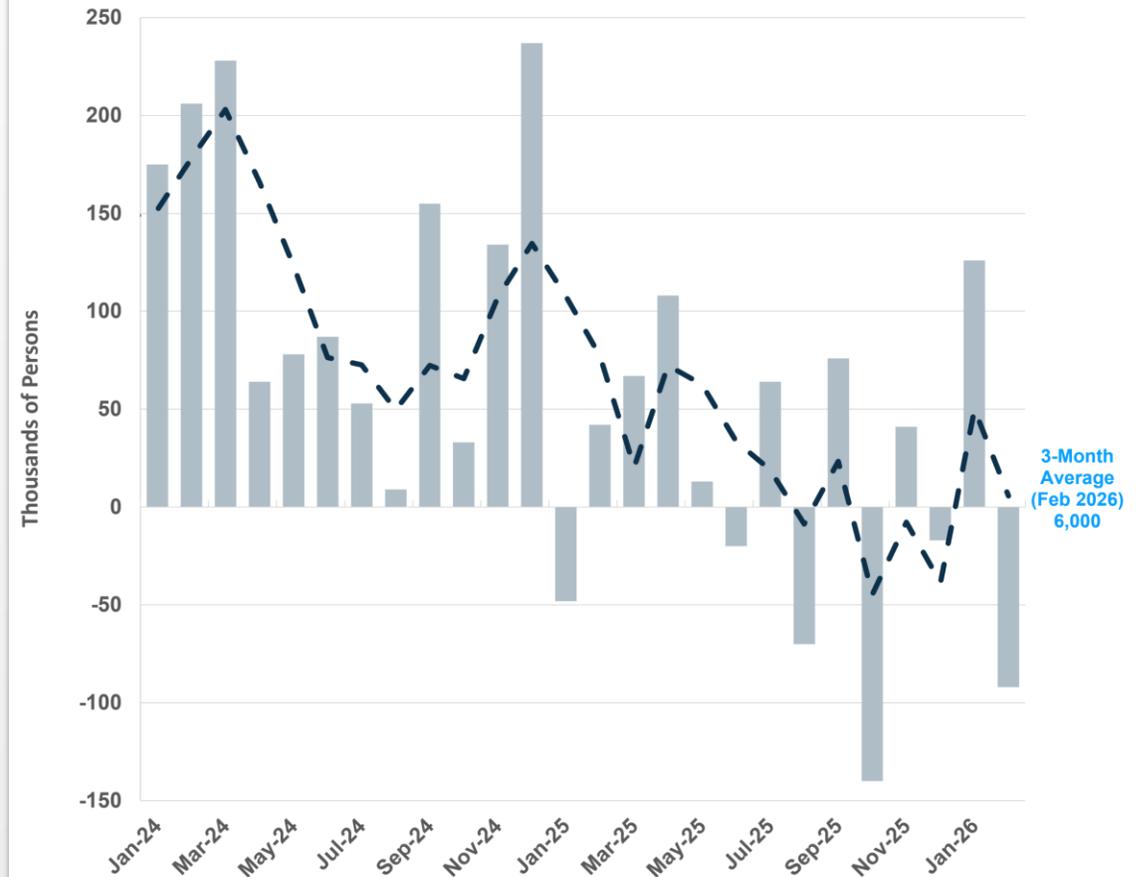
# Macro

## Hiring Is Still Weak...

- Payroll growth has become a messy up-and-down series, but the bigger message is that hiring has slowed to a crawl.
- A 3-month average around 6,000 is not enough to call this a healthy labor market.
- The good news is this still looks more like hesitation from employers than broad-based labor market stress.

### Labor market is not out of the woods yet. Hiring remains weak

#### Monthly Nonfarm Payroll Gains



Data source: Carson Investment Research, FRED 03/06/2026  
Dashed line shows 3-month moving average

@sonusvarghese



The information included herein is for informational purposes and is intended for use by advisors only, and should not be copied, reproduced, or redistributed without consent of CWM, LLC. Carson Partners offers investment advisory services through CWM, LLC, an SEC Registered Investment Advisor. Carson Coaching and CWM, LLC are separate but affiliated companies and wholly-owned subsidiaries of Carson Group Holdings, LLC. Carson Coaching does not provide advisory services. 14600 Branch St. Omaha, NE 68154 (888) 321-0808



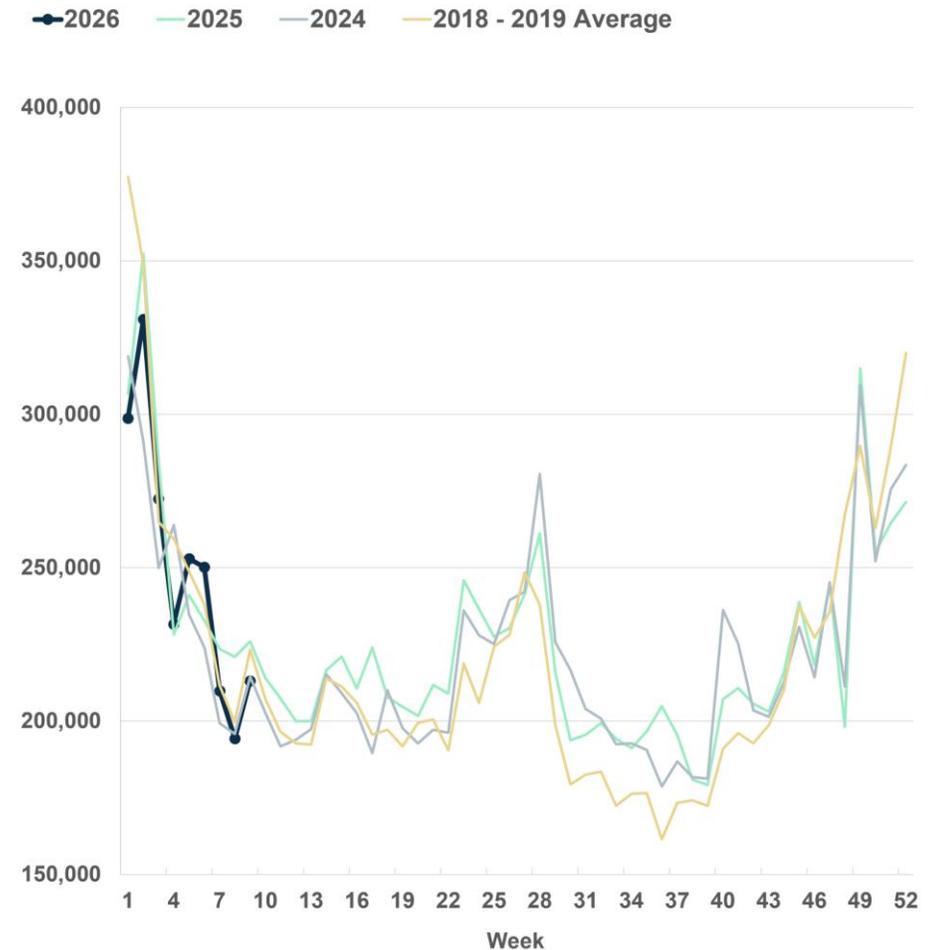
# Macro

## Although Hiring Is Weak, Layoffs Remain Low

- Initial claims are still running low, which says companies are not cutting workers aggressively.
- That fits the broader picture: weak hiring, yes, but not the kind of firing cycle you usually see before recession.
- As long as layoffs stay contained, the labor market can stay soft without turning into something much worse.

### Initial claims still running really low, pointing to low layoffs

Initial Claims for Unemployment Benefits (Weekly, NSA)



Data source: Carson Investment Research, FRED 03/06/2026

@sonusvarghese

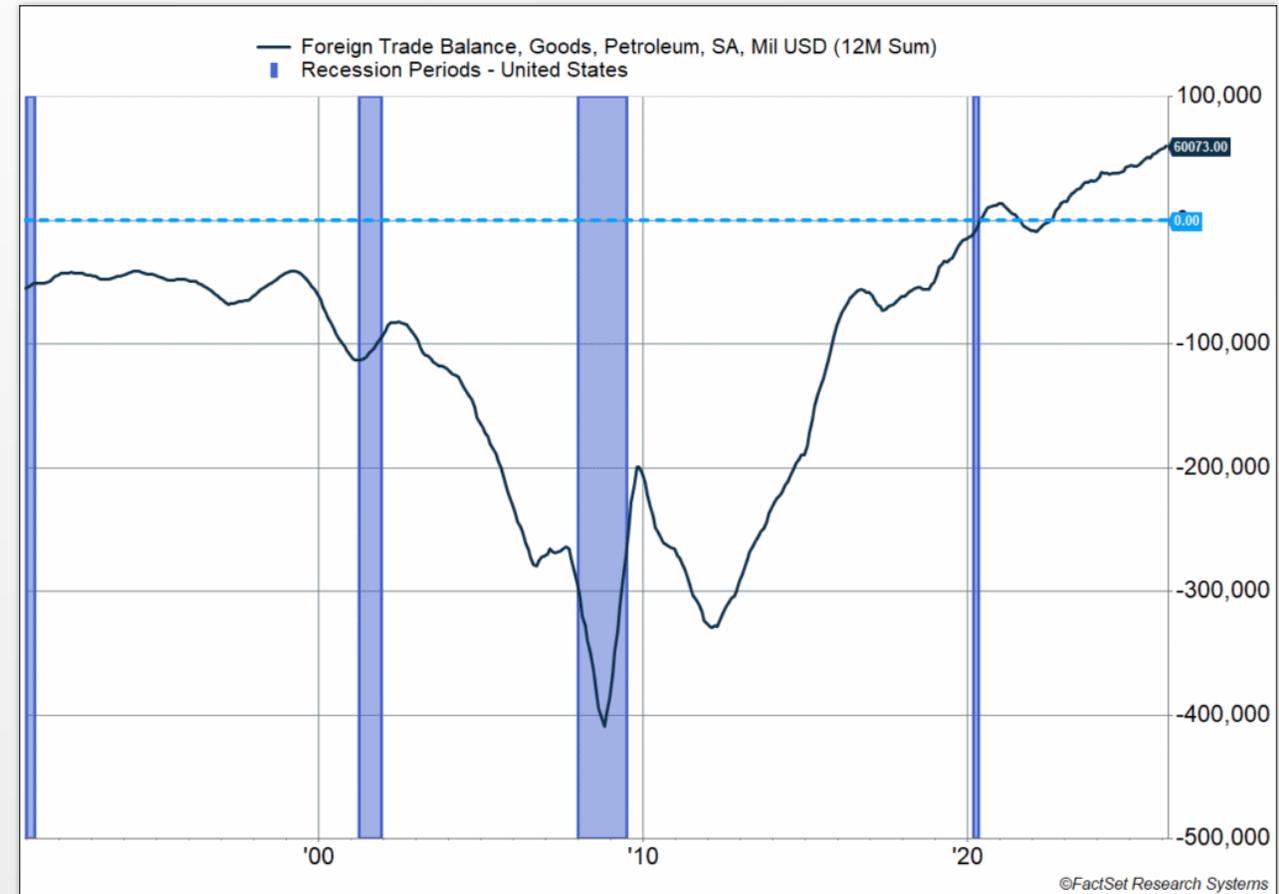
Shaded area indicates U.S. recession



# Macro

## America's Petroleum Trade Balance Has Quietly Flipped

- This chart is a reminder of how different the U.S. energy backdrop is today versus prior oil shocks.
- The U.S. is far less exposed than it used to be because petroleum trade has moved from a deep deficit to a surplus.
- That does not make consumers immune to higher prices, but it does make the macro hit less one-sided than in past decades.



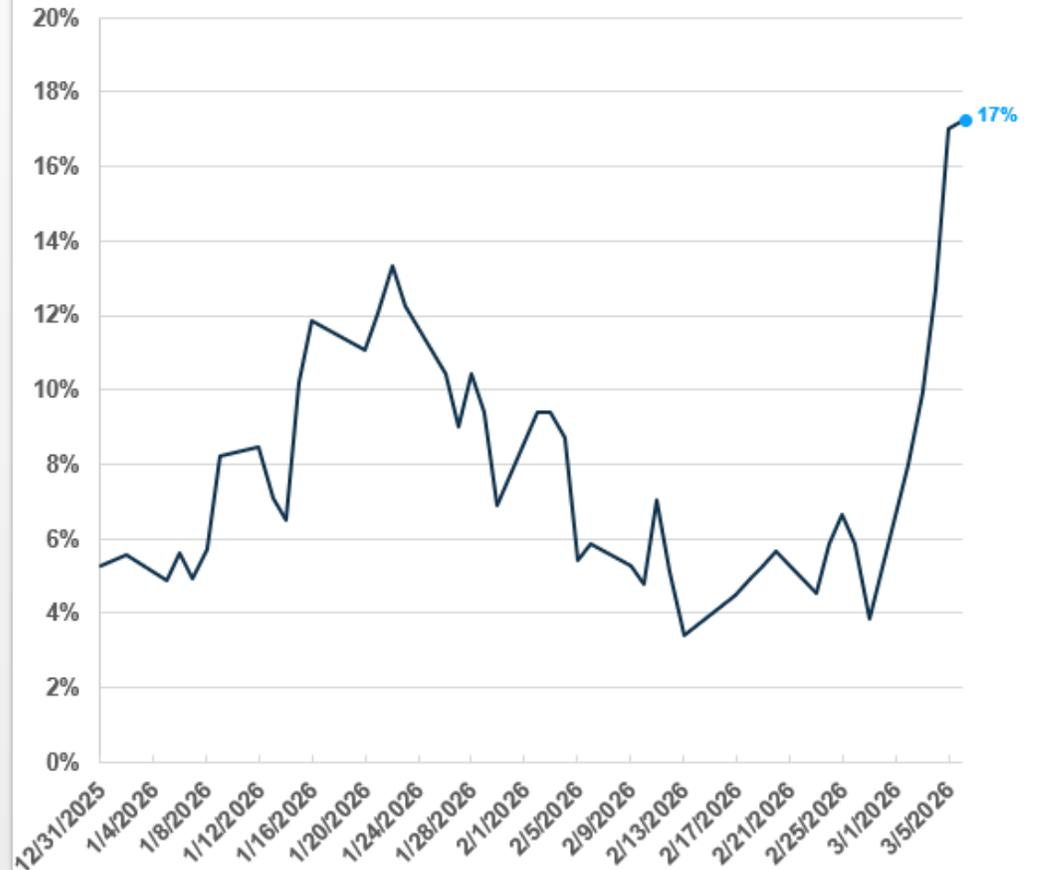
# Fed

## The Fed's "No More Cuts" Risk Is Rising Fast

- The market is quickly backing away from the idea that more rate cuts are a given this year.
- That makes sense: a softer labor market usually argues for cuts, but an energy shock and sticky inflation argue the other way.
- This is the bind. Growth may be weakening, but inflation risk is making it harder for the Fed to respond.

The odds of no more interest rate cuts in 2026 are rising, but perhaps it should be even higher 🤖

Probability of Zero Cuts in 2026



Data source: Carson Investment Research, CME Group 03/06/2026

@sonusvarghese



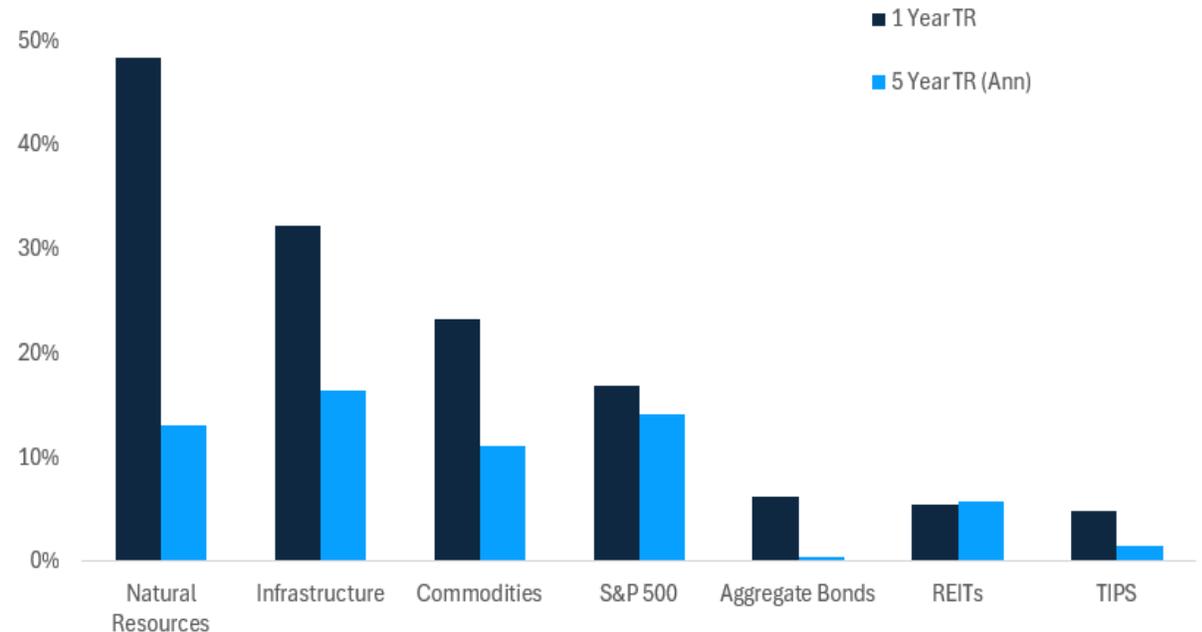
# Real Assets

## Real Assets Are Doing What They're Supposed To Do

- Natural resources, infrastructure, and commodities have been the best performers here for a reason: they tend to benefit when inflation pressure rises.
- The diversification point matters too — these are different return drivers than traditional stocks and bonds.
- After years of investors ignoring them, real assets are starting to look useful again rather than optional.

### Real Asset Performance

1 and 5-years versus major asset classes



Sources: Carson Investment Research, Morningstar 2/28/2025



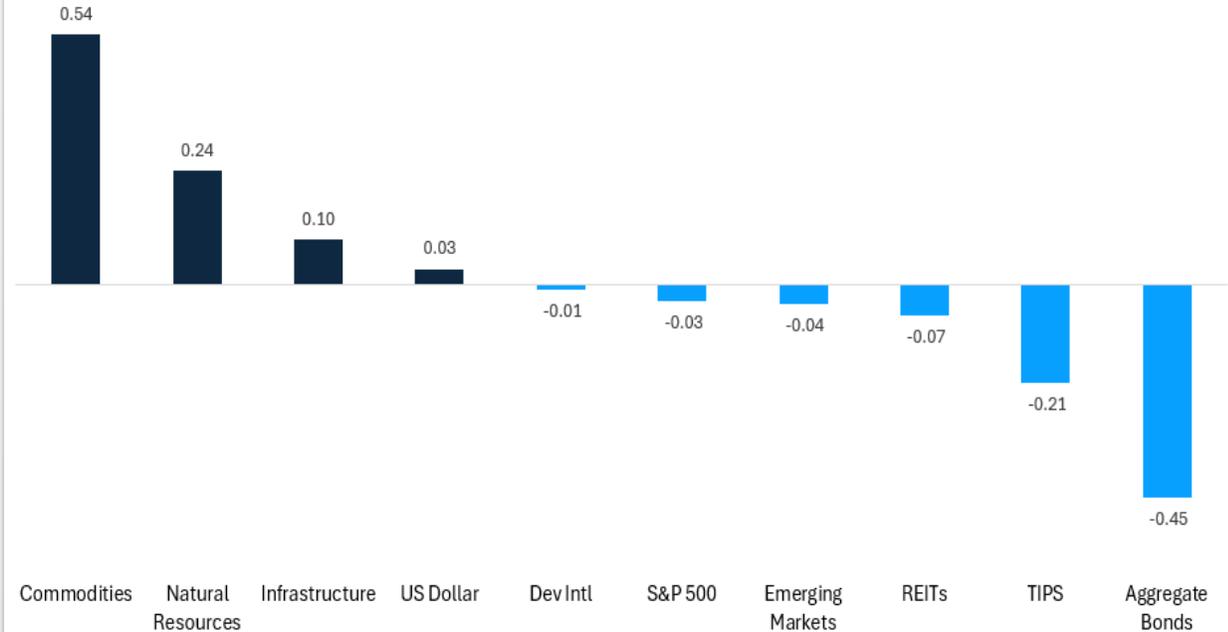
# Inflation

## Inflation Protection Looks Hard to Find in Traditional Assets

- Commodities and natural resources have had the strongest positive link to inflation, which is exactly what investors would expect in a real inflation hedge.
- Traditional bonds remain the clear loser in this setup, with the most negative relationship to inflation of the group.
- The broader point is that portfolios built only around stocks and bonds can struggle when inflation is the problem.

### Correlation to Inflation

Quarterly, Past decade through 12/31/2025



Sources: Carson Investment Research, Morningstar 12/31/2025. Correlation measured quarterly to US CPI All Urban SA



8812206.1. – 9MAR26A

The information included herein is for informational purposes and is intended for use by advisors only, and should not be copied, reproduced, or redistributed without consent of CWM, LLC. Carson Partners offers investment advisory services through CWM, LLC, an SEC Registered Investment Advisor. Carson Coaching and CWM, LLC are separate but affiliated companies and wholly-owned subsidiaries of Carson Group Holdings, LLC. Carson Coaching does not provide advisory services. 14600 Branch St. Omaha, NE 68154 (888) 321-0808

