

PREVIEW 2017

the STAT PACK Live is presented by



HIGHTOWER
LAS VEGAS

 RCGeconomics

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ALL SUITED AND BOOTED



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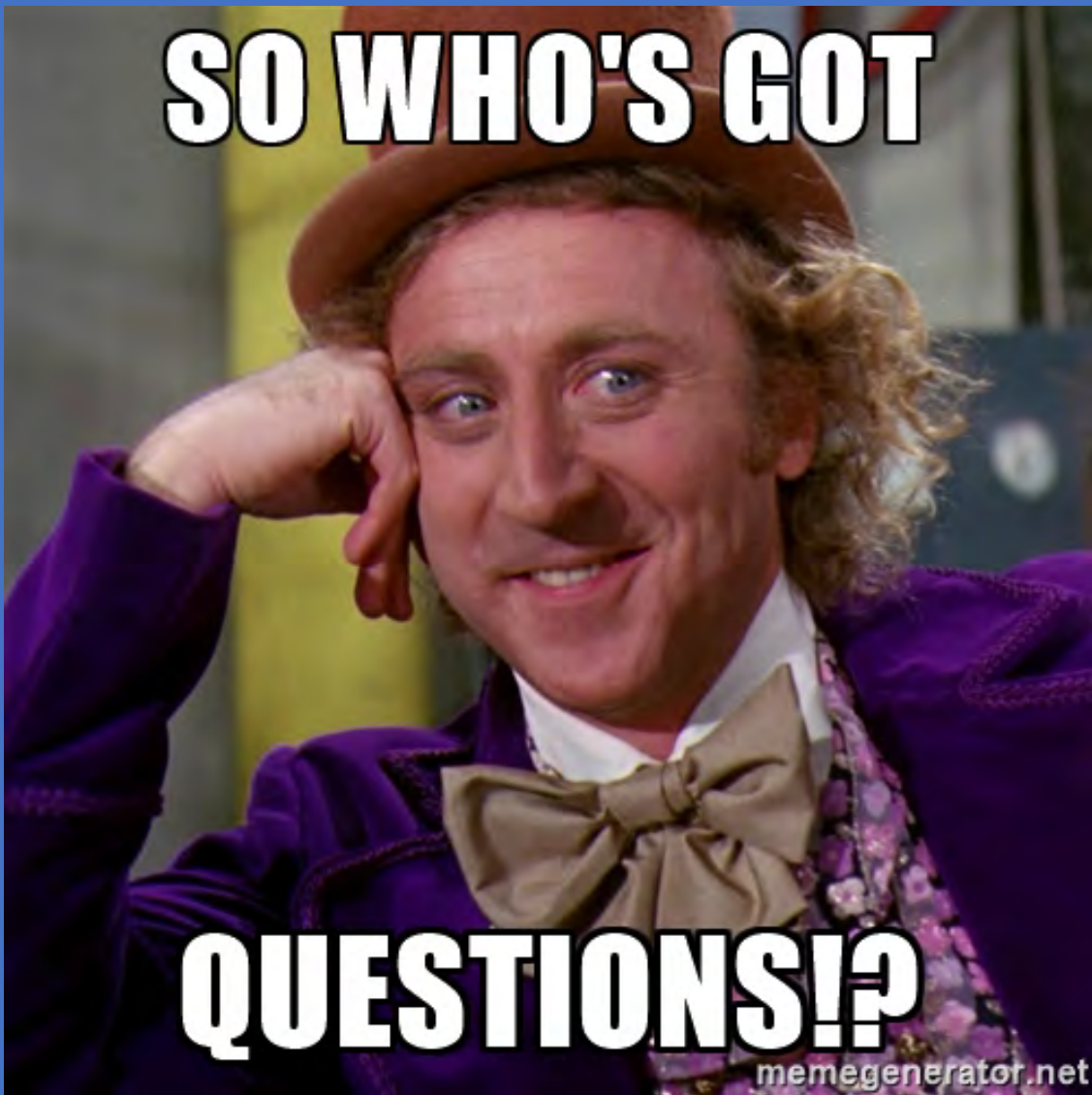


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A
Top-Down
Look
at
the
Economy



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Your Questions Answered



Source: <http://www.wordclouds.com/>

What should you be doing?



Global Drivers



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Global Drivers



Source: http://media3.s-nbcnews.com/j/newscoms/2014_32/601256/pc-140805-china-driver-7a_503320b64442de45a21ef19aabde0b69.nbcnews-fp-1200-800.jpg

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Global Drivers

Trade Tensions

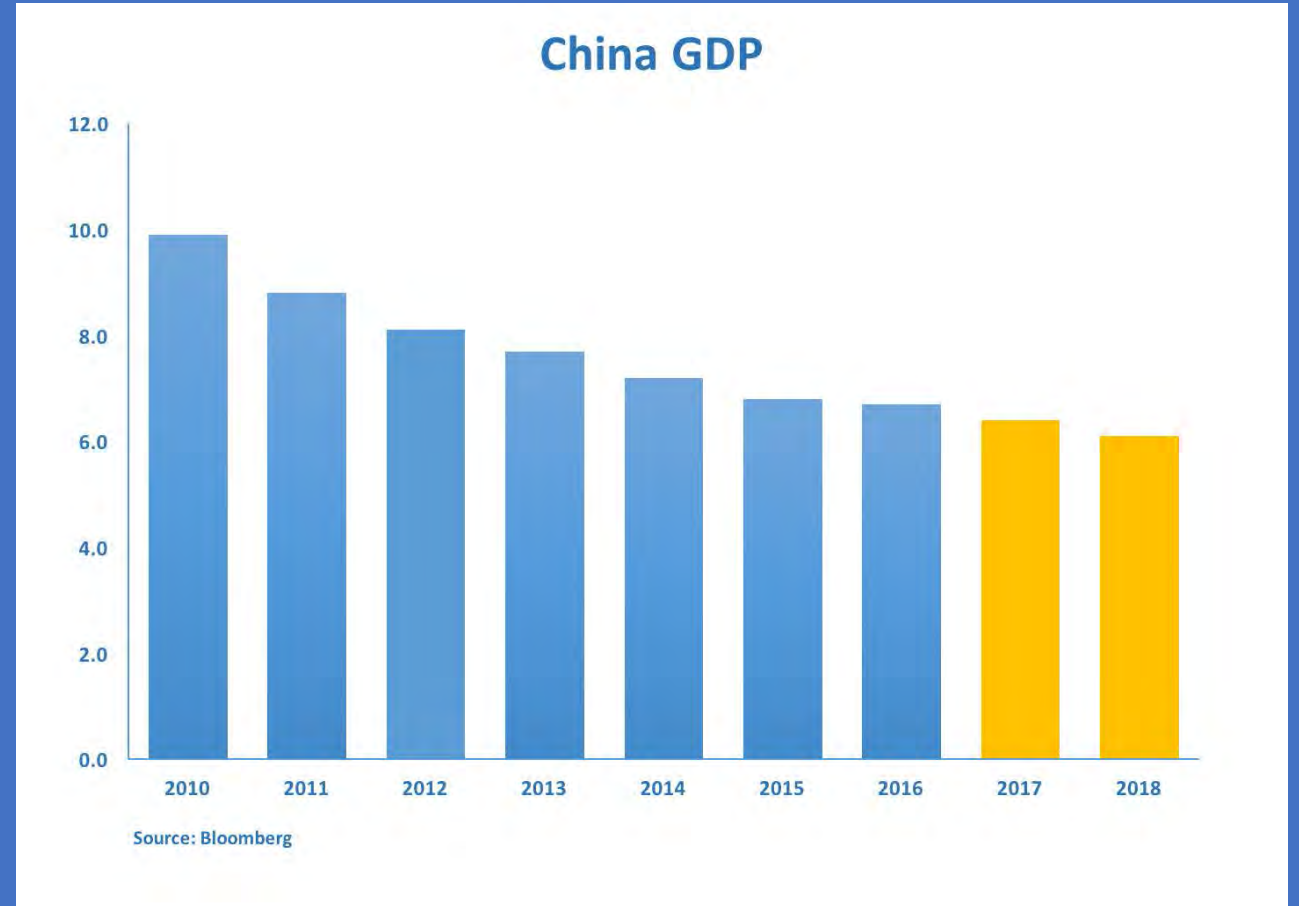


Source: thechinamoneyreport.com

Global Drivers

Trade Tensions

“China Slowing, Sad!”



Global Drivers

Trade Tensions

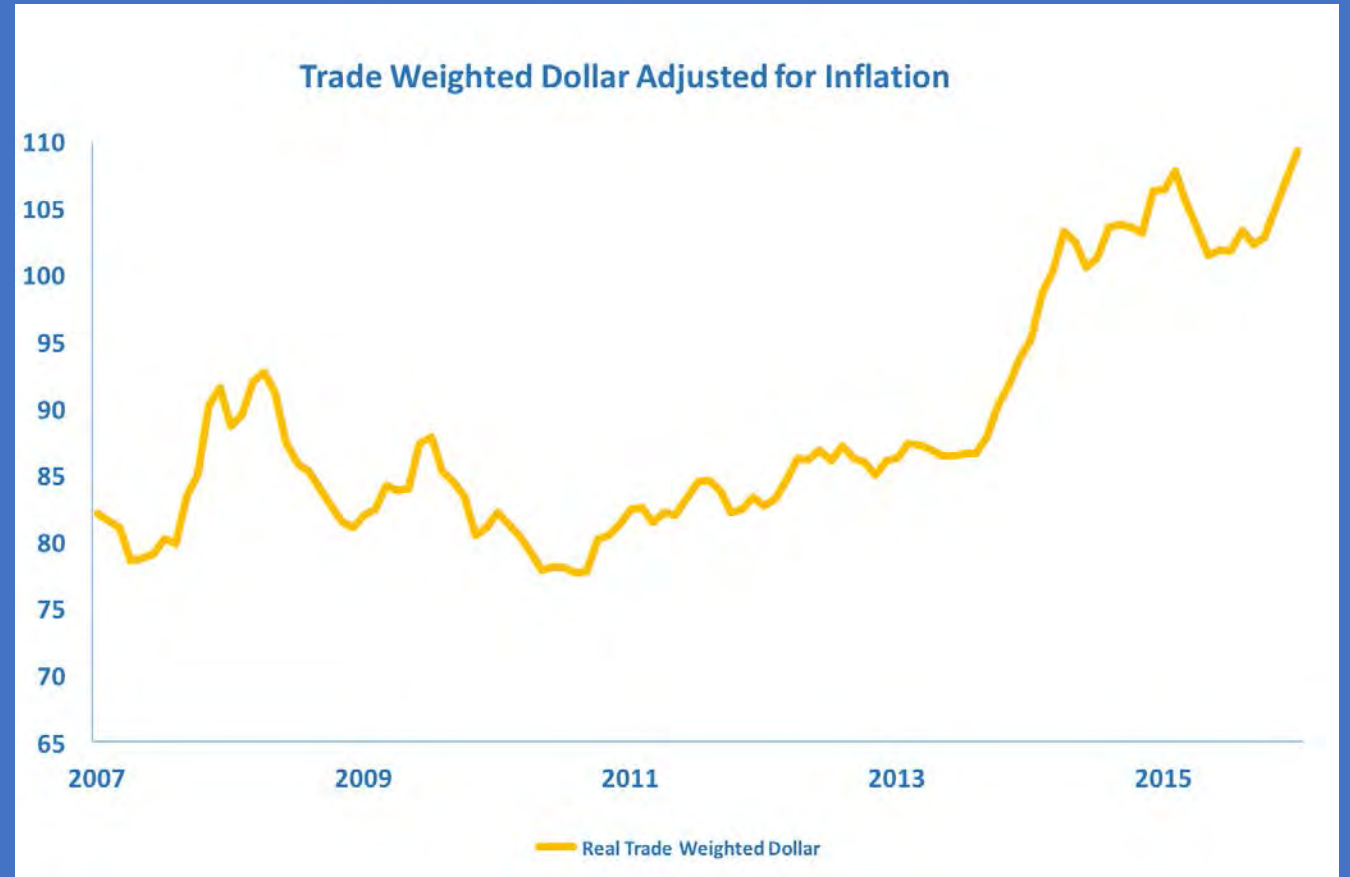
China Slowing

Eurozone Instability



Global Drivers

Trade Tensions
China Slowing
Eurozone Instability
Strong Dollar



Global Drivers

Trade Tensions

China Slowing

Eurozone Instability

Strong Dollar

2017 Global GDP +3.2%



Global Drivers

Trade Tensions
China Slowing
Eurozone Instability
Strong Dollar
2017 Global GDP +3.2%
General Uncertainty



Where is the U.S. economy headed?



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Our Aging Business Cycle



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Still Fighting!

Seventh inning

Extra innings possible



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Still Fighting!

Seventh inning

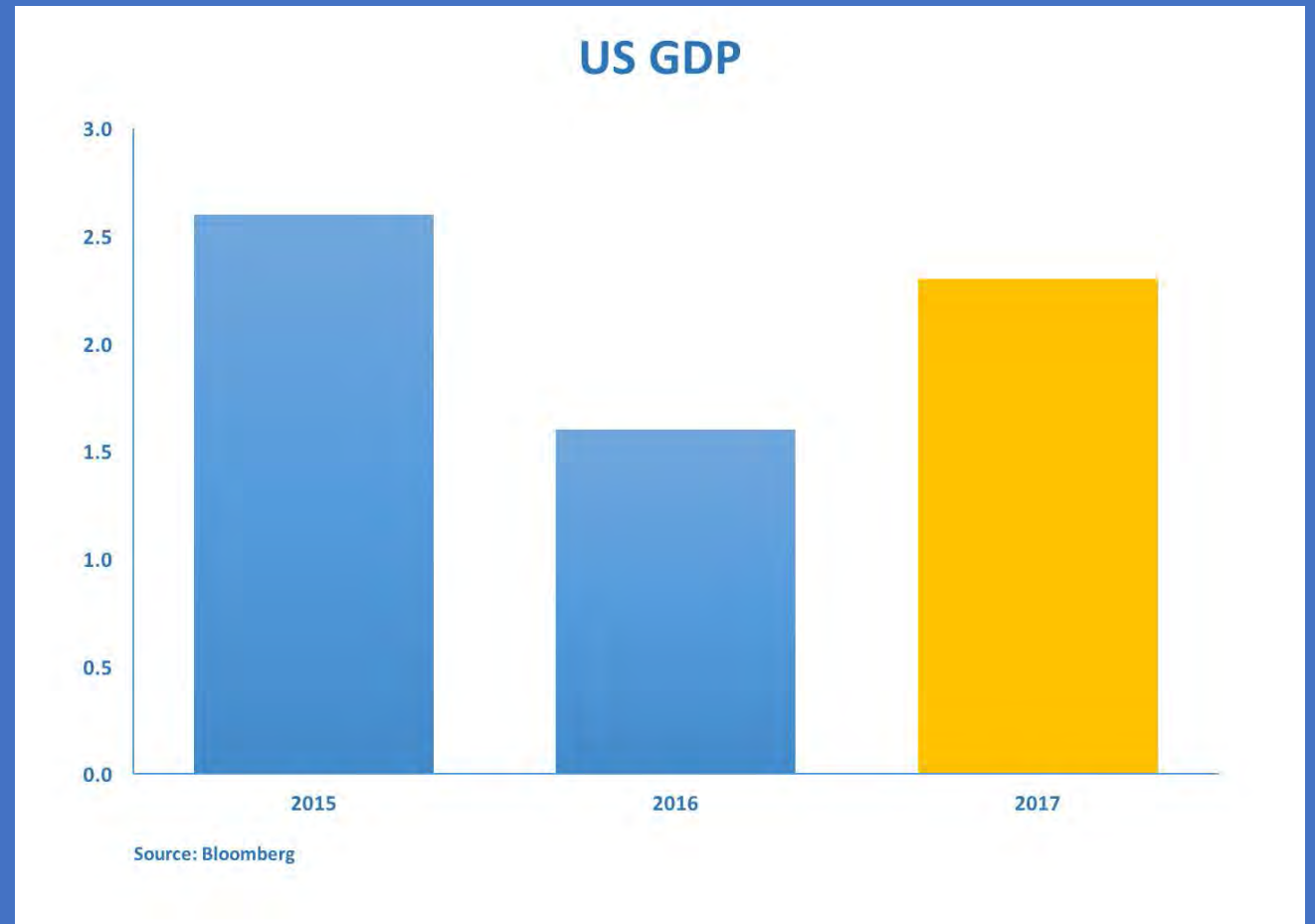
Extra innings possible



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Still Fighting!

GDP forecasts are up



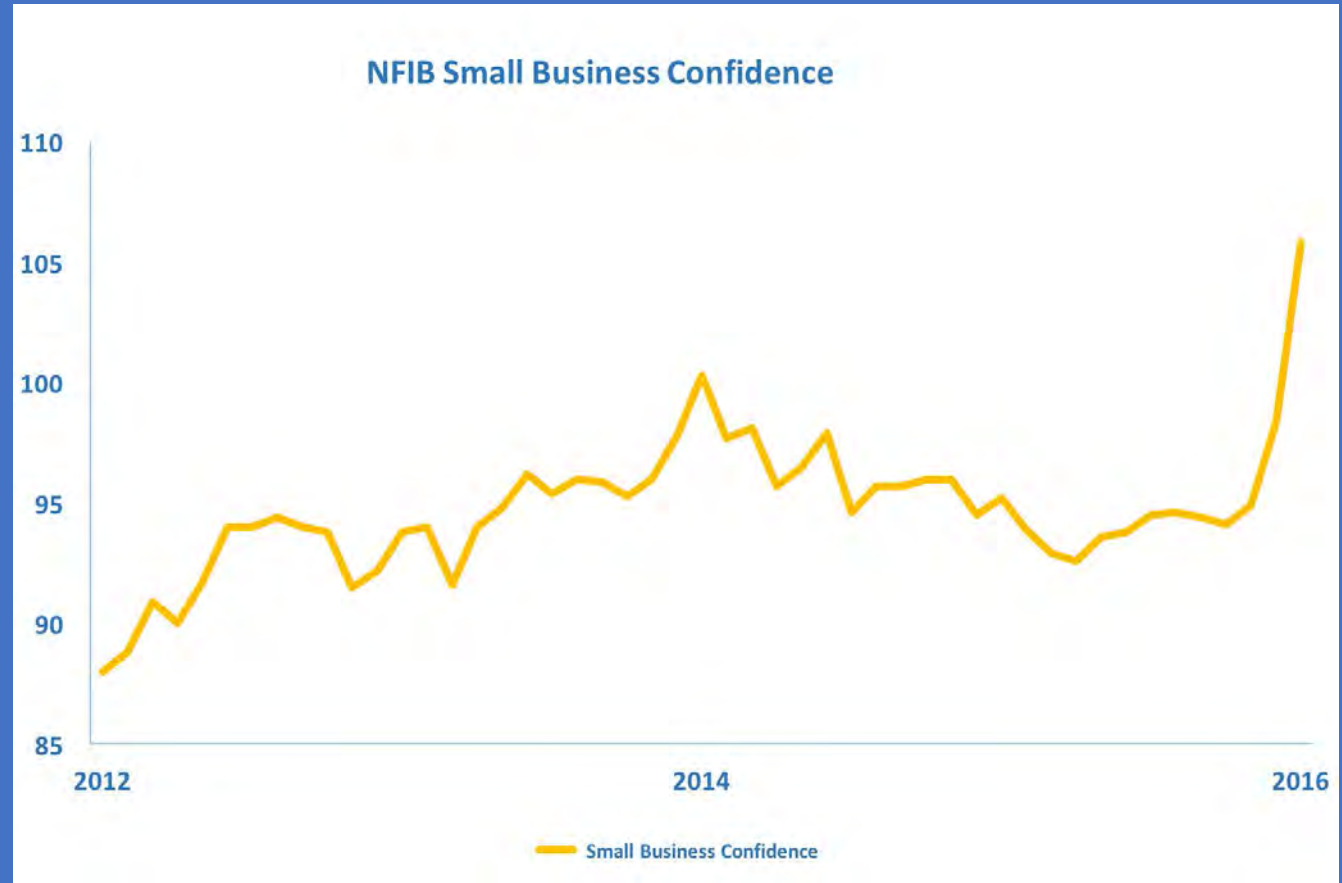
Signs of Fair Weather



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Signs of Fair Weather

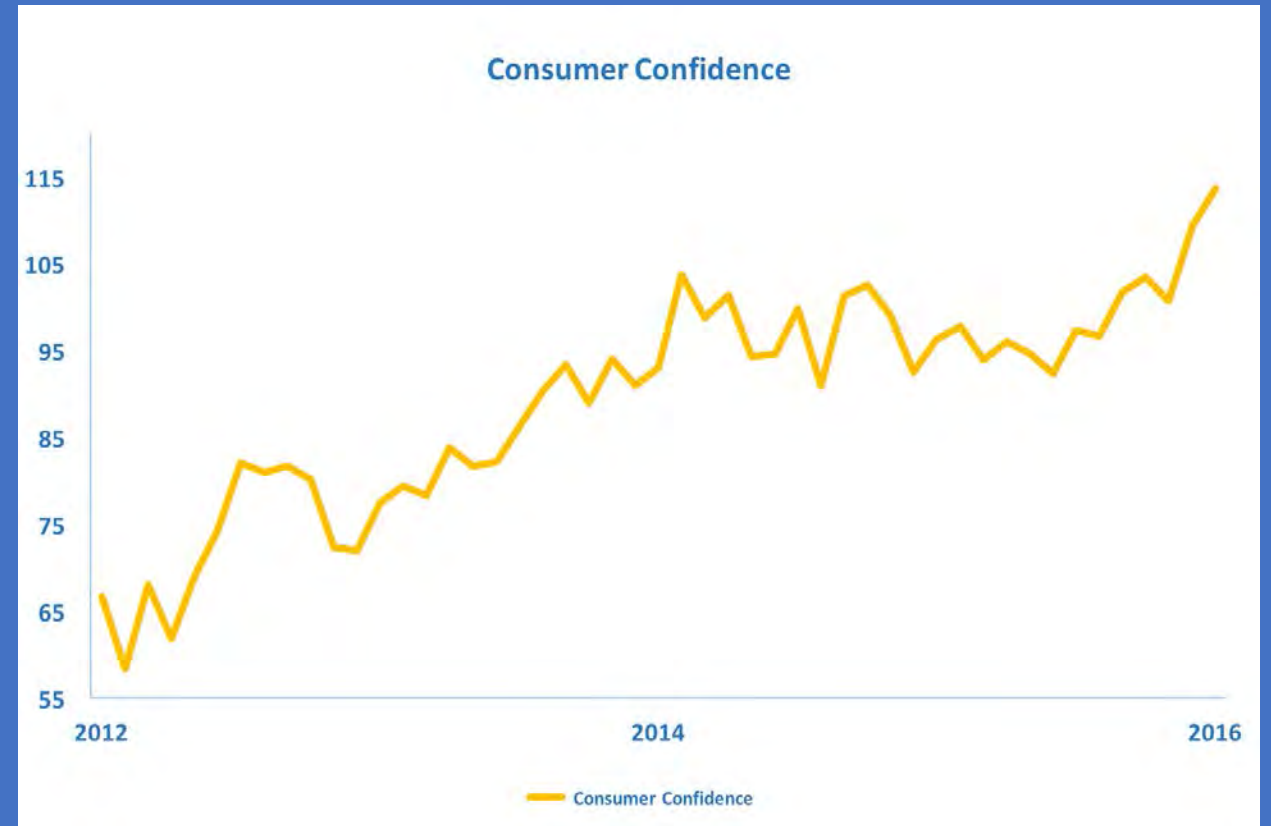
Business confidence up



Signs of Fair Weather

Business confidence up

Consumer confidence up



Signs of Fair Weather

Business confidence up

Consumer confidence up

Household formation up



Signs of Fair Weather

Business confidence rising

Consumer confidence rising

Household formation strong

Trumponomics



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Possible Headwinds



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Possible Headwinds

Rising interest rates



Source: cmsmedia.com

Possible Headwinds

Rising interest rates

Rising energy costs



Source: d4europe.com

Possible Headwinds

Rising interest rates

Rising energy costs

**Strong dollar =
weak earnings overseas**



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Possible Headwinds

Rising interest rates

Energy costs rising

Strong dollar

Uncertainty over trade policy



Possible Headwinds

Rising interest rates

Energy costs rising

Strong \$ = weak earnings overseas

Uncertainty over trade policy

Lending standards tightening



What impact will President Trump have?



Source: <http://vivavisibilityblog.com/wp-content/uploads/2012/01/show-me-the-money.jpg>

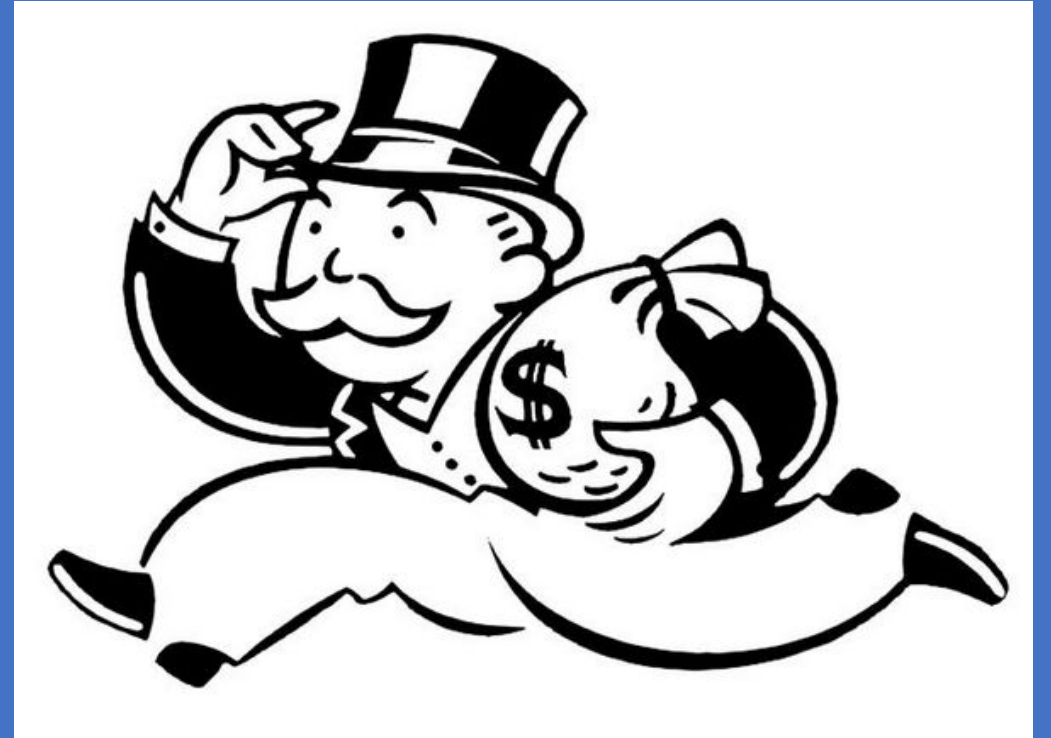
What impact will President Trump have?

Corporate Tax Reform



What impact will President Trump have?

Corporate Tax Reform
Individual Tax Reform?



Source: <http://www.saic.edu/150/sites/default/files/Monopoly.jpg>

What impact will President Trump have?

Corporate Tax Reform
Individual Tax Reform?
Obamacare Repeal



Source: <http://cdn.meme.am/instances/500x/54900549.jpg>

What impact will President Trump have?

Corporate Tax Reform
Individual Tax Reform?
Obamacare Repeal
Deregulation



Source: <http://www.sauditodayonline.com/wp-content/uploads/2013/04/red-tape.gif>

What impact will President Trump have?

Corporate Tax Reform
Individual Tax Reform?
Obamacare Repeal
Deregulation
Bringing Cash Home



What impact will President Trump have?

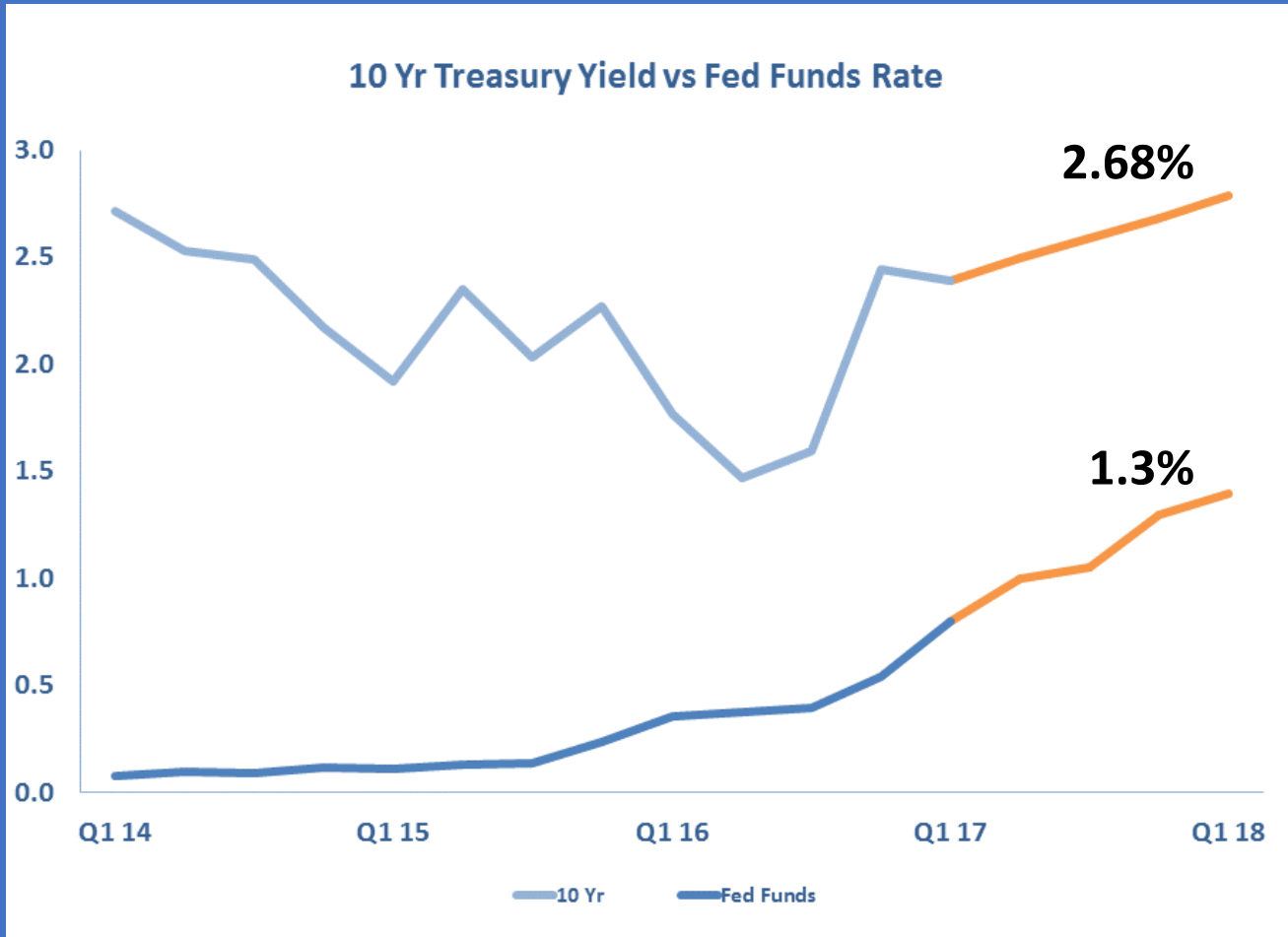
Corporate Tax Reform
Individual Tax Reform?
Obamacare Repeal
Deregulation
Bringing Cash Home
Global Trade Tensions



Interest Rates: Up or Down?



Interest Rate Projections



What sectors of the U.S. economy are growing?

Financial
Infrastructure providers
Energy



Source: Goldman Sachs

Nevada



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So what's up in 2017?

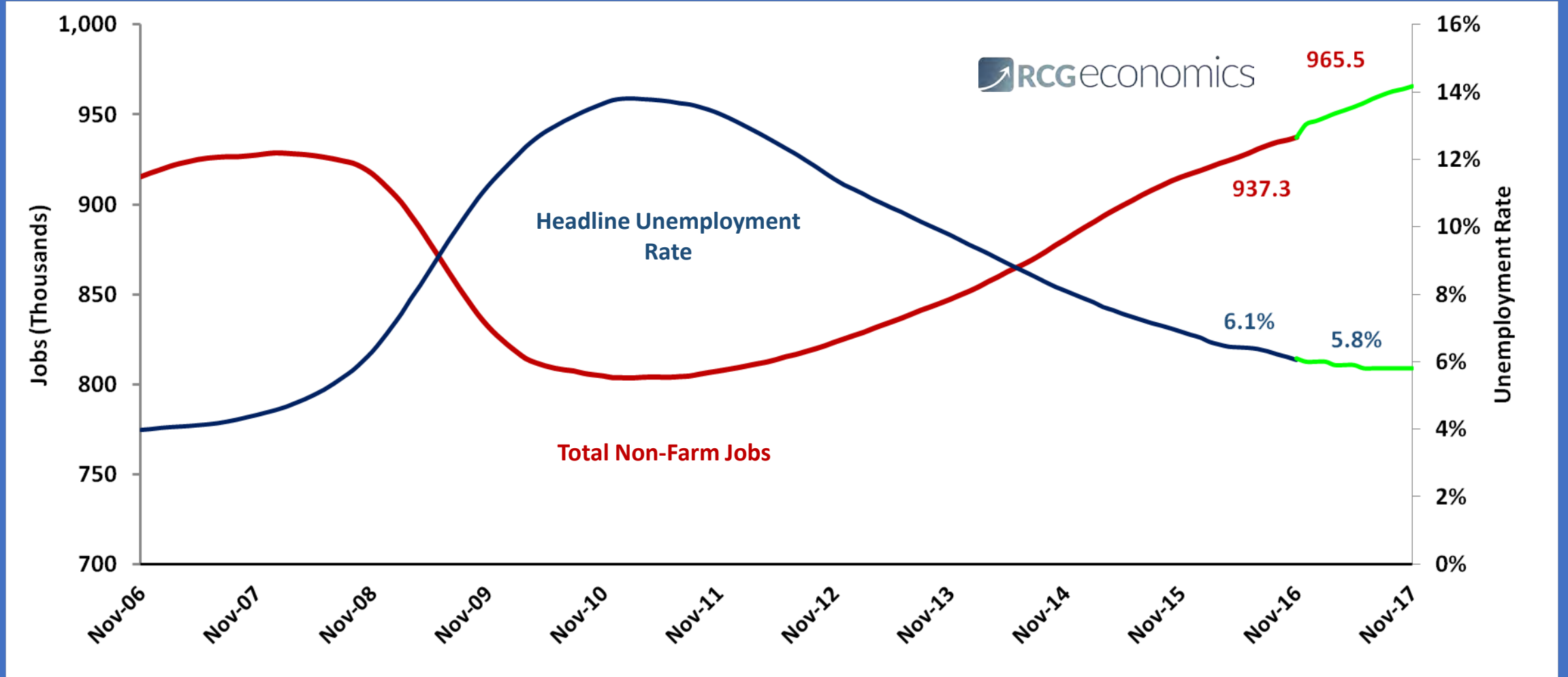


imgflip.com

Source: <https://imgflip.com/memegenerator>

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The long and winding road . . .



Source: RCG Economics

Not Your Father's Recession

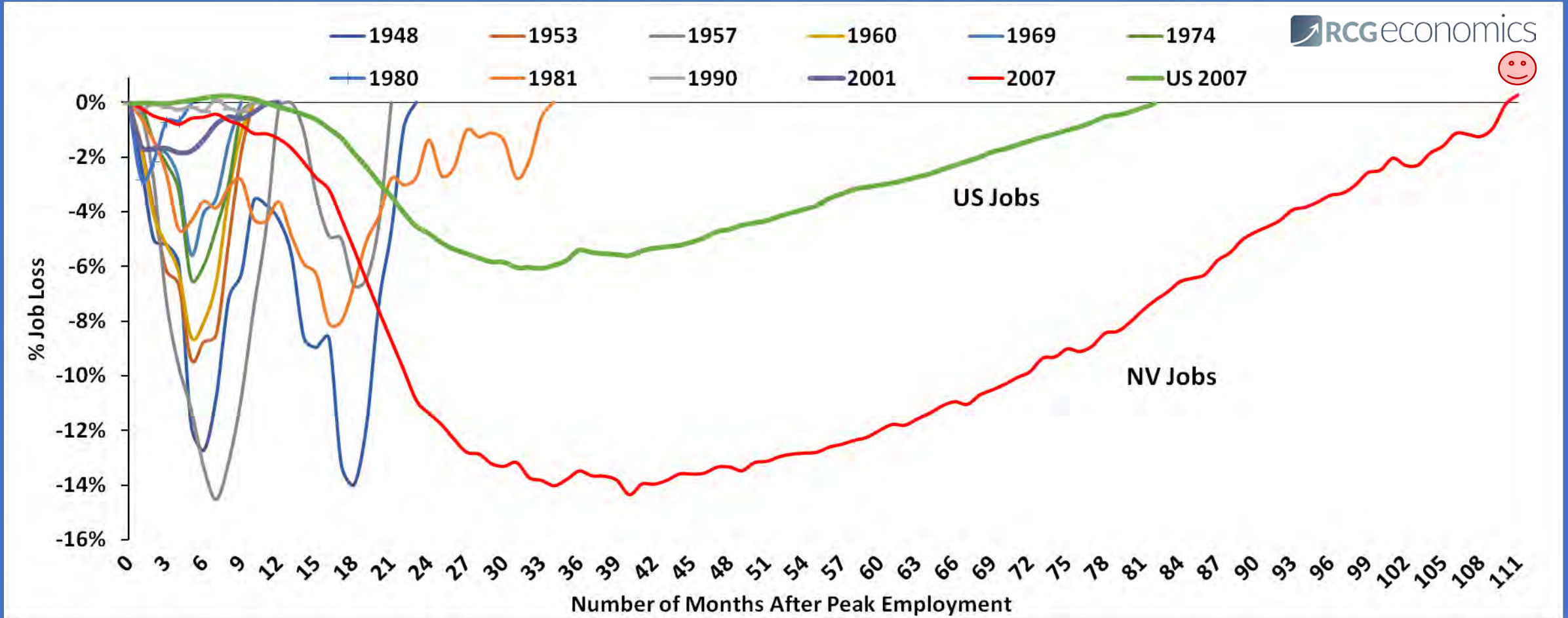


Source: <https://imgflip.com/memegenerator>

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Not Your Father's Recession

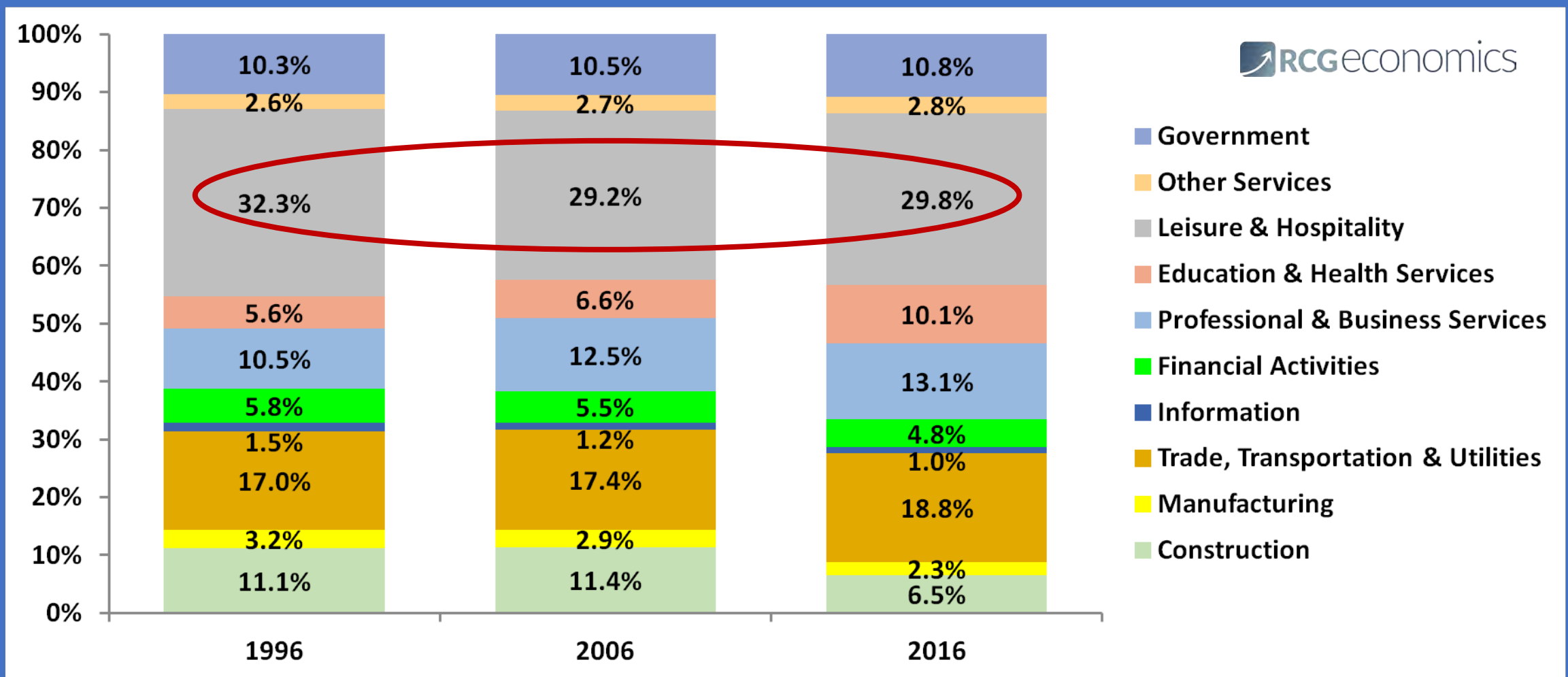
% Nevada Job Losses-Peak to Trough: **2007**



Source: RCG Economics

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How's Economic Diversification Coming Along?



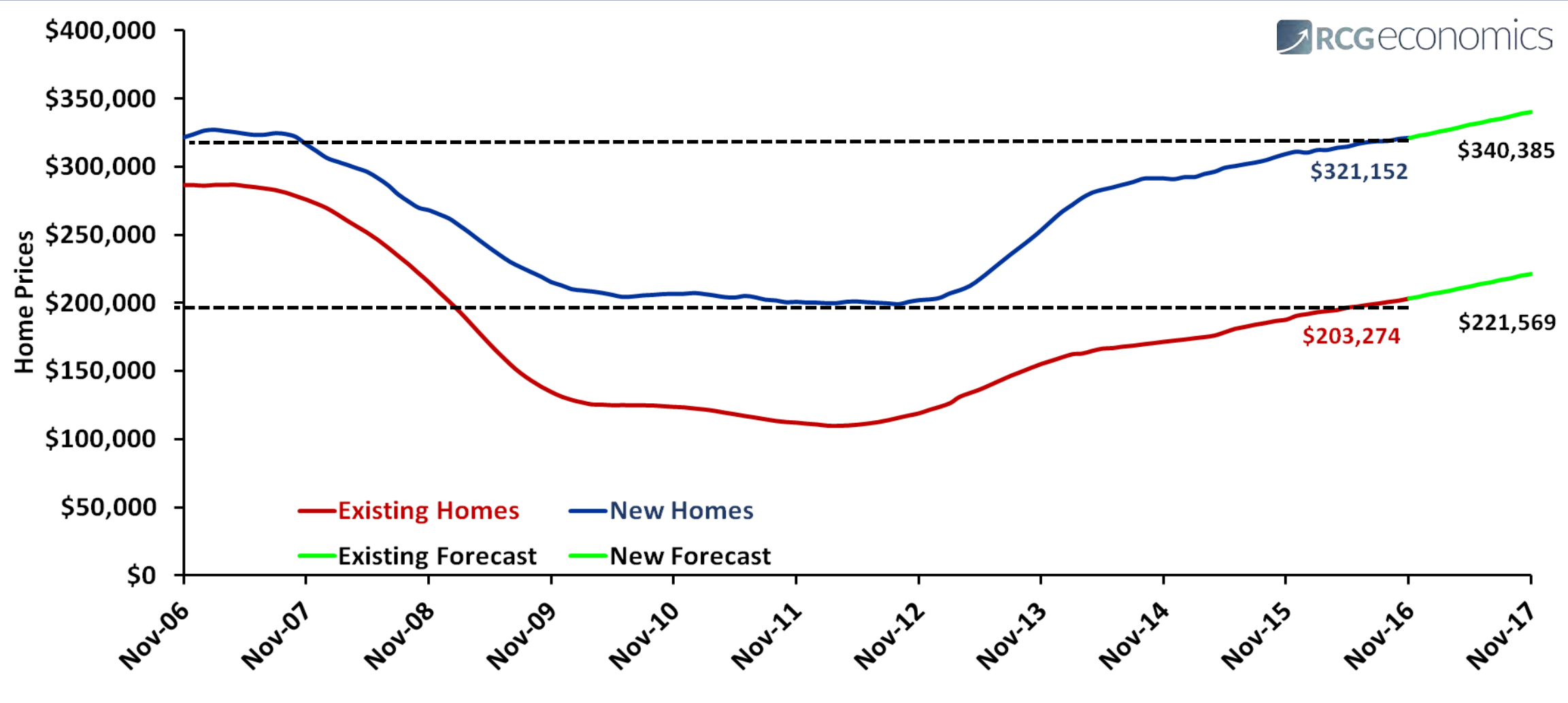
Source: RCG Economics

And the housing market?



Source: <https://imgflip.com/memegenerator>

So NV Median Prices: Existing & New Homes



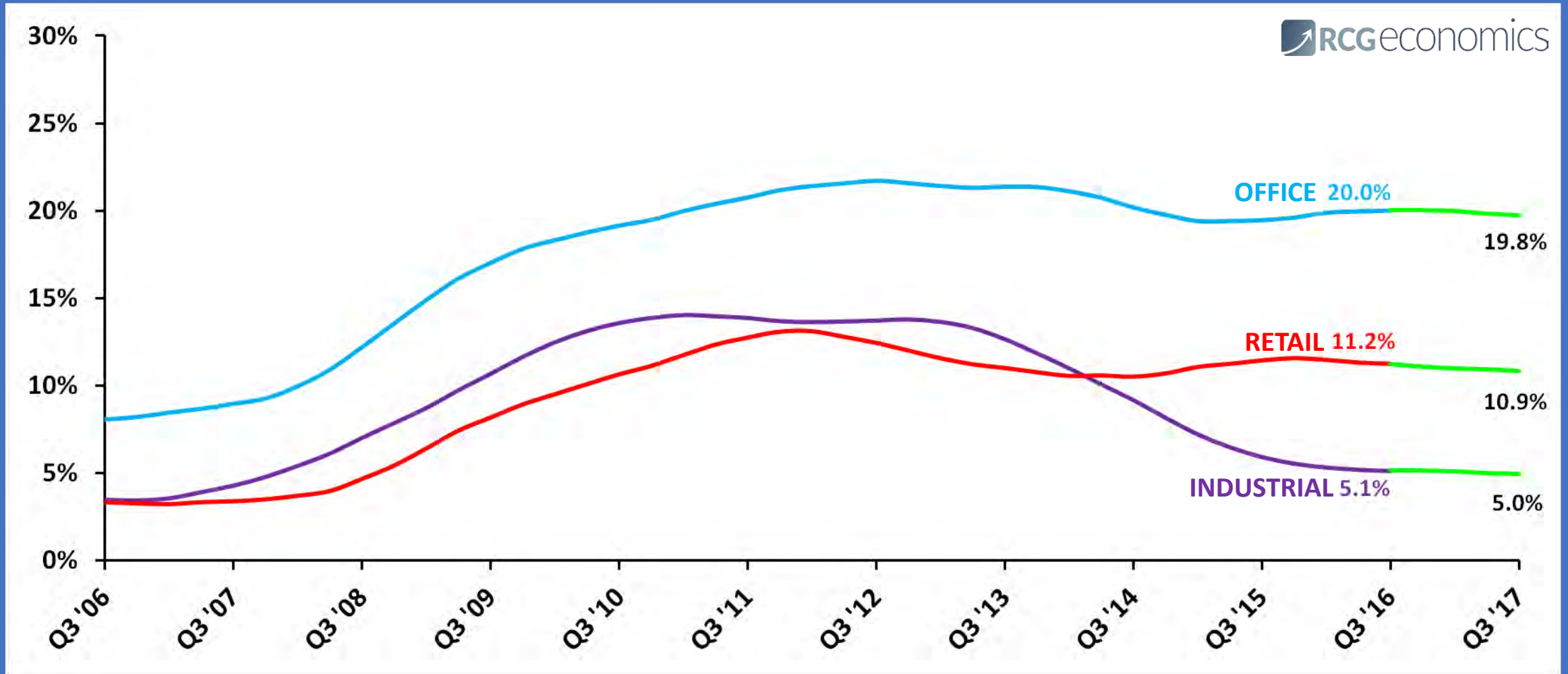
Source: RCG Economics

What about that pesky commercial real estate market?



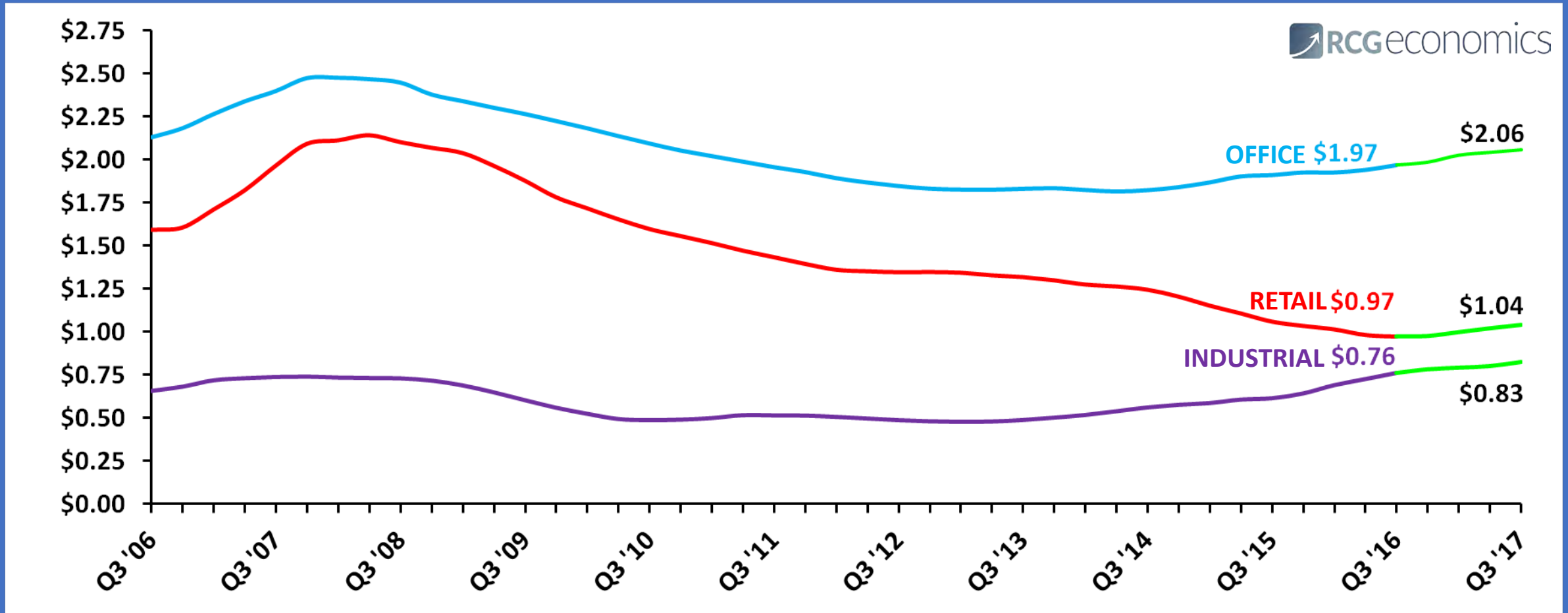
Source: <https://imgflip.com/memegenerator>

Commercial vacancies are dropping



Source: RCG Economics

And rents starting to tick up



Source: RCG Economics

What will the Nevada Legislature do?



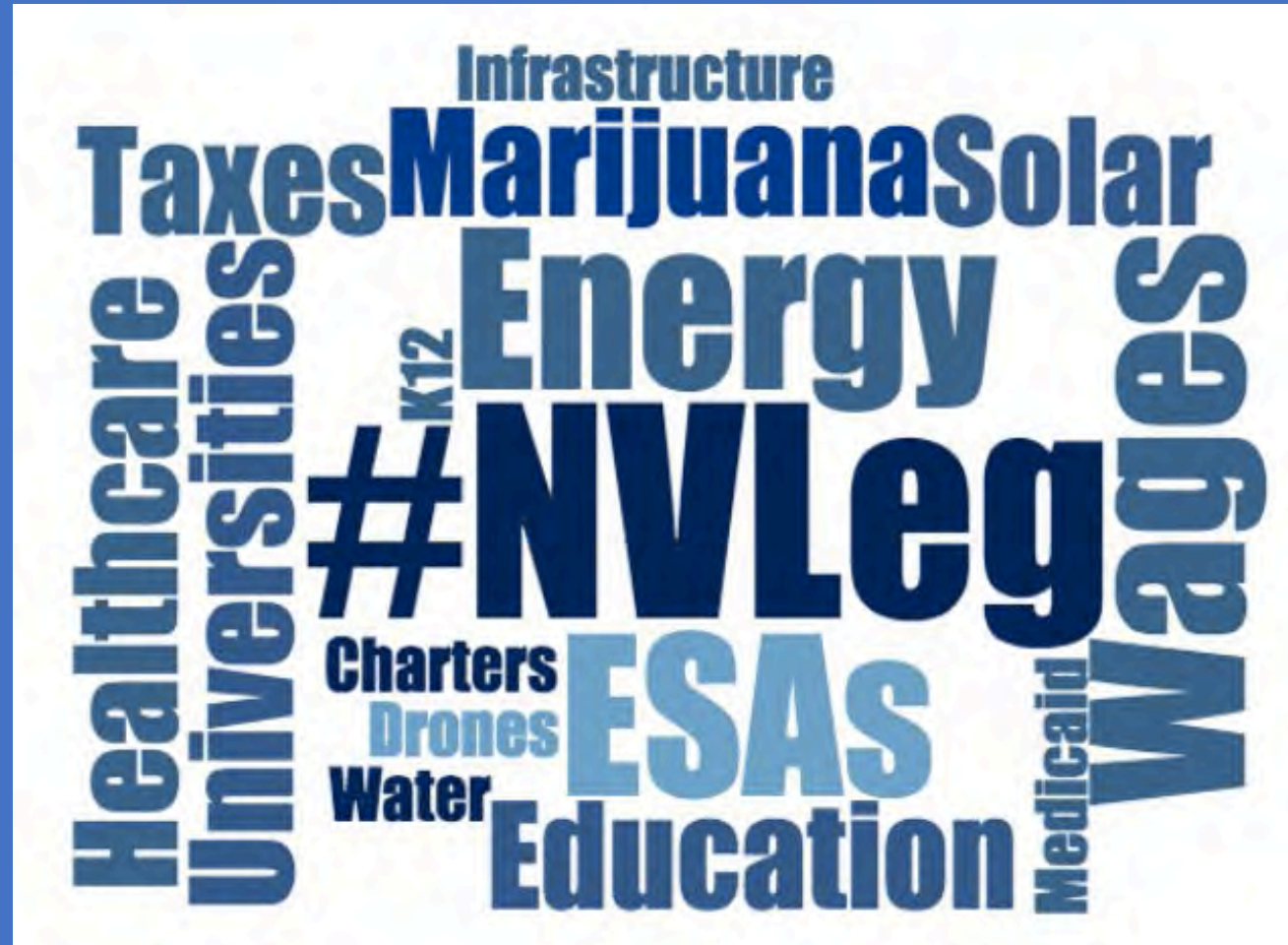
Source: <https://static01.nyt.com/images/2010/12/05/weekinreview/05pear/05pear-jumbo.jpg>



“The less men know of the making of laws and sausages, the better they sleep at night.”

Source: <https://brucelawson.github.io/talks/2015/NLHTML5/pictures/bismarck.jpg>

This Session's Sausage



Source: <http://www.wordclouds.com/>

What about legal adult use marijuana?



There's a lot of green in green (Question 2)

Nearly \$7.5 billion in economic activity (2018-2024)

More than 40,000 new jobs

\$1.7 billion in wages & income

\$464 million in new revenue through 6 different taxes & fees



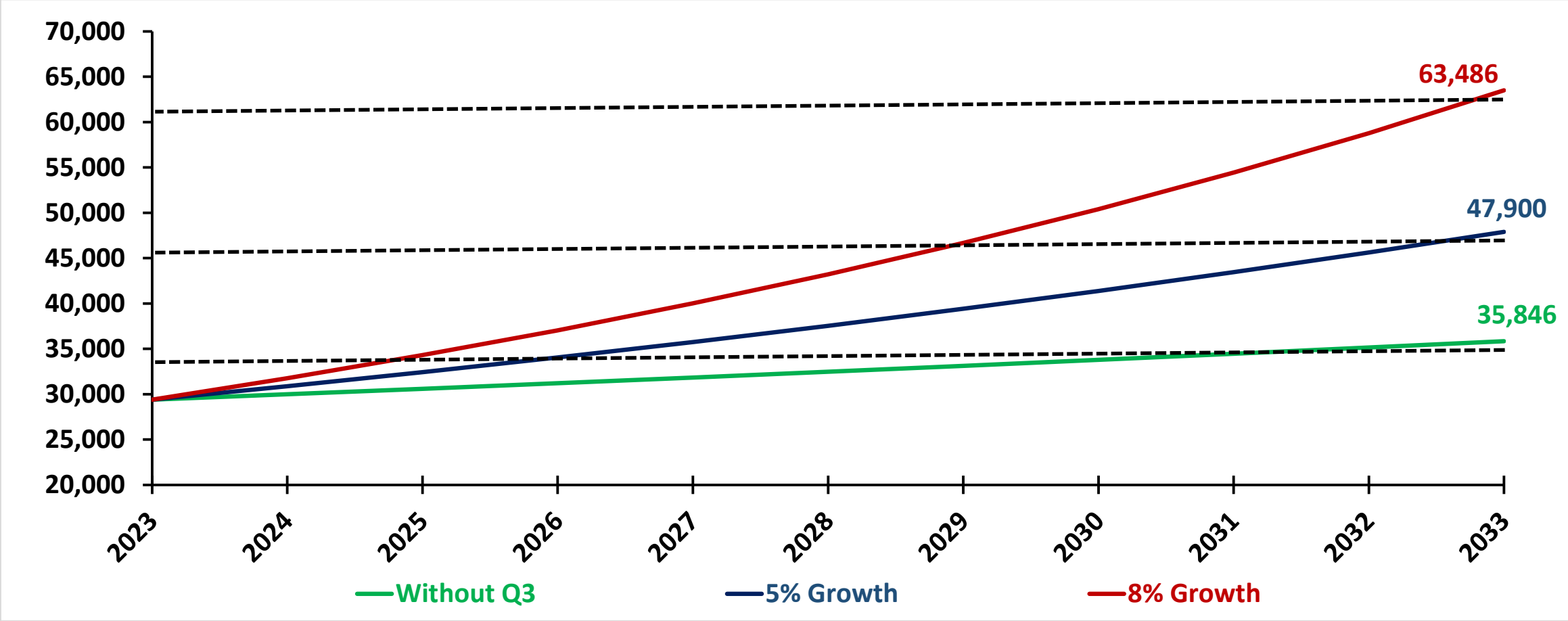
Source: <https://howtogrowweed420.com/affiliates/Images2/grow-weed-indoors-for-beginners-2.jpg>

What are the economic impacts of energy deregulation?



Sources: <https://imgflip.com/memegenerator>, <http://www.crystalinks.com/windmills.jpg>

Question 3 could be a big deal – adding up to 34,000 new energy jobs statewide...



Source: RCG Economics

But questions remain. . .

What will the 2017 Legislature do on energy?

Will Q3 pass again in 2018?

What impact could federal regs have?

How could energy rates be affected?

What about Question 5, fuel revenue indexing?



imgflip.com

Source: <https://imgflip.com/memegenerator>

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Fuel Index Foursome: State-of-the-art roads, wages, tax revenues & jobs!

**\$4.8 Billion+ in economic activity,
2017-2027**

25,000+ jobs

\$1.5 billion in wages & income

**\$143 Million in new Sales & Use
Taxes**



Source: http://www.rtcsv.com/fri/images/FTI_logo2.png

So.... What should you do?



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Preparing for the next downturn

Lock in low rates

Lock in rents

Focus on growing sectors

Have a domestic Plan B
in case of a trade war



Source: <http://cdn.inquisitr.com/wp-content/uploads/2013/05/doomsday-preppers-scoring.jpg>

The upshot? We've come a long way...



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VIVA LAS VEGAS



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