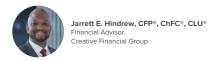


Senior Trust Portfolio Manager Synovus Trust Company, N.A.



Chris Brown, CIMA®, CRPC Synovus Securities, Inc.





Read our complete articles online. Click the link at the end of each section.

Maybe Rate Hikes Are Helping the Economy?

Investors and retirees who hold deposits and bonds are keeping demand strong.

David Grimaldi, Foreign Exchange Sales Consultant

For most economists is it blasphemy to say that raising interest rates could be beneficial for an economy. The yield curve has been inverted now for almost a year, which has been a steady indicator of a future recession. But where is this recession we have been waiting for and why is the economy still showing signs of strength? In Federal Reserve Chairman Jerome Powell's own words, rate hikes are intended to "break stuff" and create unemployment. We saw some indications of stuff breaking last March in the regional bank sector, but that has proven to be limited. There could be additional failures in 2024 as New York Community Bank rating was cut to junk. Despite this, the talk among Fed presidents is minimal to no hikes this year, with inflation and growth trending back up.

	Start of Hikes	Latest
*GDP	2.5%	4.2%
Unemployment	3.8%	3.8%
Corporate profits	\$3.0 trillion	\$3.4 trillion
S&P 500	4,358	5,062

Source: Bloomberg

Macro Vibes — Short-Term Pain for Long-Term Gain

Christopher Brown, Vice President — Investments, Synovus Securities, Inc.

As we enter earnings season for Q1 2024, we have seen our first signs of market turbulence since the Q3 2023 lows. During this time the S&P 500 corrected nearly 10% from August to the end of October 2023. There are a few near-term indicators that have shown some of the causation of the recent volatility. One is the rapidly rising 10-year and 30-year treasury rates, and the second is the rise of the U.S. dollar. Since the end of Q1 2024, the 30-year Treasury yield has moved up from 4.35% to 4.78%; the 10-year Treasury yield has increased from 4.20% to 4.65%; and the U.S. Dollar index (DXY — Dollar vs. Yen index) has moved from 104.4 to 105.7. You may notice in the chart below that when these three indices moved upward the S&P 500, Dow Jones Industrial Average and NASDAQ started correcting. This is what is called inverse correlation.



Source: StockCharts

★ Read the full article.

★ Read the full article.

Mega-Tech's First Quarter Reporting Season Takeaways

Daniel Morgan, Senior Trust Portfolio Manager, Synovus Trust Company, N.A.

The top-tech players (Amazon, Google, Microsoft and Meta) are projected to spend collectively up to \$180 billion in artificial intelligence (AI) CAPEX in 2025. Most will fail, but a few will also succeed. As we enter into this upcoming 1Q24 reporting season, investors will be able to peep through the window for a brief moment to ascertain how the top technology stocks are progressing with their Gen-AI efforts. Away from these big expectations surrounding the impact of AI, most of the large megatech stocks have, or are, expected to report strong growth in their core businesses.

Netflix

Netflix (NFLX) kicked off the season with a blowout 1Q24 print. NFLX reported 1Q24 revenue and an earnings per share (EPS) of \$9.37 billion, \$5.28 vs. consensus of \$9.27 billion, \$4.52, with EPS upside driven by better-than-expected margins. Total revenue grew 15% Year over Year (YoY) versus 14% estimates and compared to 13% growth last quarter, and 8% a year ago. Total memberships grew to 269.6 million versus 264.2 million expected. New subscribers (9.3 million) in the first quarter was a 16% increase YoY, and represented a huge beat with consensus calling for 4.84 million, driven by increasing penetration of paid account sharing across regions.

Minimize Taxes on the Sale of a Business

Jarrett E. Hindrew, CFP®, ChFC®, CLU® Financial Advisor, Creative Financial Group

Reducing the tax impact on the sale of your business requires careful planning and consideration of various strategies to maximize tax efficiency. Here are some key approaches to consider when selling your business:

Structuring the Sale:

- Asset Sale vs. Stock Sale Depending on your business structure, consider whether an asset sale or stock sale would be more tax-efficient. Generally, a stock sale is better for the seller and an asset sale is better for the buyer. In a stock sale, the seller can realize the gain on their business at preferred capital gains tax rates. In an asset sale, any gains are exposed to the seller's ordinary income tax rate on certain assets.
- Installment Sales Structuring the sale as an installment sale can spread the gain over multiple years, potentially lowering the overall tax impact.

★ Read the full article.

★ Read the full article.

We're here if you have questions.

If you have questions or want to talk with a Synovus financial advisor to learn more, go to **Synovus.com or call us at 888-SYNOVUS** (888-796-6887).

*Past Economic Insights newsletters are available at: https://www.synovus.com/personal/plan-and-invest/economic-insights/

The service marks and trademarks used herein belong to their respective owners. There can be no assurance that any of the beliefs and views expressed herein will prove to be accurate, and actual outcomes or events may vary significantly from those presented. The authors' views are subject to change and do not reflect the views, opinions or positions of Synovus Financial Corp, who makes no representations as to accuracy, completeness, timeliness, suitability or validity of information presented and will not be liable for any errors, omissions, or delays in this information or any losses, injuries or damages arising from its display or use. The information provided in this material is intended to highlight present economic and market conditions in general. It does not constitute any recommendation, and is not meant for use as personalized or individual investment advice. We encourage you to speak with your financial professional concerning your specific investment goals and risk tolerance before making investment decisions.

Investment products and services provided by Synovus are offered through Synovus Securities, Inc. ("SSI"), Synovus Trust Company, N.A. ("STC"), and Creative Financial Group, a division of SSI. Trust services are provided by Synovus Trust Company, N.A. The registered broker-dealer offering brokerage products for Synovus Securities, Inc, member FINRA/SIPC and an SEC Registered Investment Advisor. SSI is a subsidiary of Synovus Financial Corp. and an affiliate of Synovus Bank and STC, and STC is a subsidiary of Synovus Bank.

Investment products and services are not FDIC insured, are not deposits of or other obligations of Synovus Bank, are not guaranteed by Synovus Bank and involve investment risk, including possible loss of principal amount invested. © 2024

