



THE PURSUIT OF OUTPERFORMANCE

PGIM AsiaPac Forum: Revisiting US Politics 100 Days Into the Biden Administration



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Assessing Biden's First 100 Days

Accomplishments

- Normalization of tone in Washington
- Vaccination campaign
- \$1.9 tn fiscal stimulus

Surprises

- Democrats' cohesion
- Lack of bipartisan effort
- Boldness of the agenda

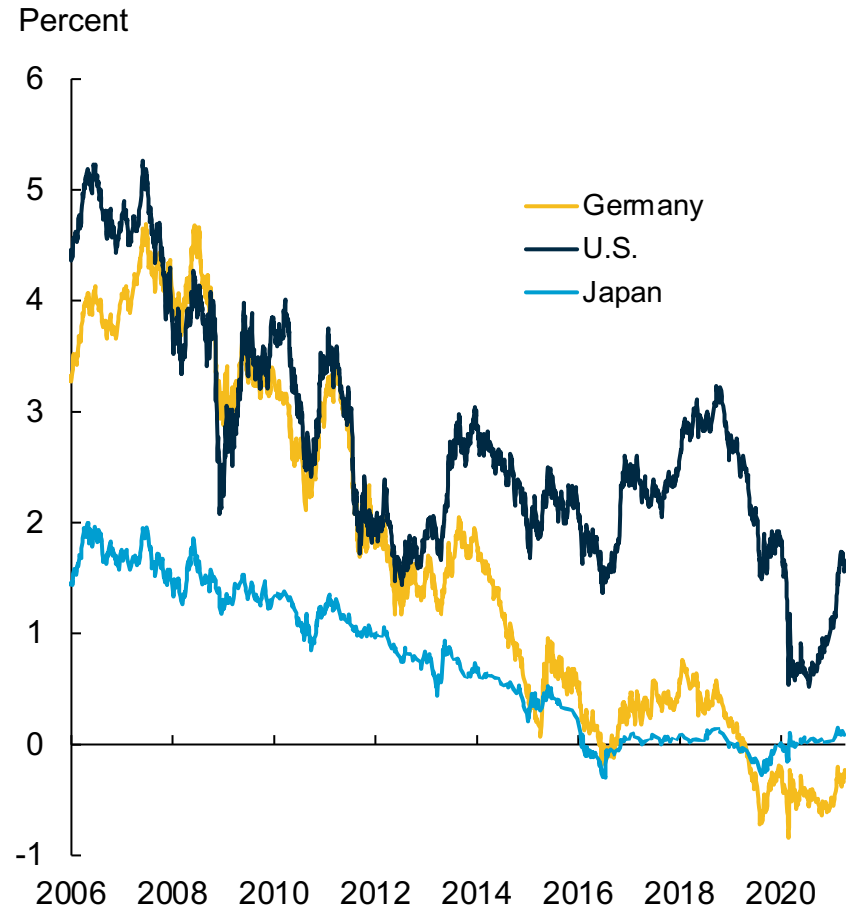
Challenges

- Tensions on the southern border
- EU reluctance on China
- Stance on foreign policy—China, Russia, Iran?
- Restoring lost jobs

Long-Term Rates: What Are the Prospects for Reflation?

Government Bond Yields (10-Year)

As of April 2021

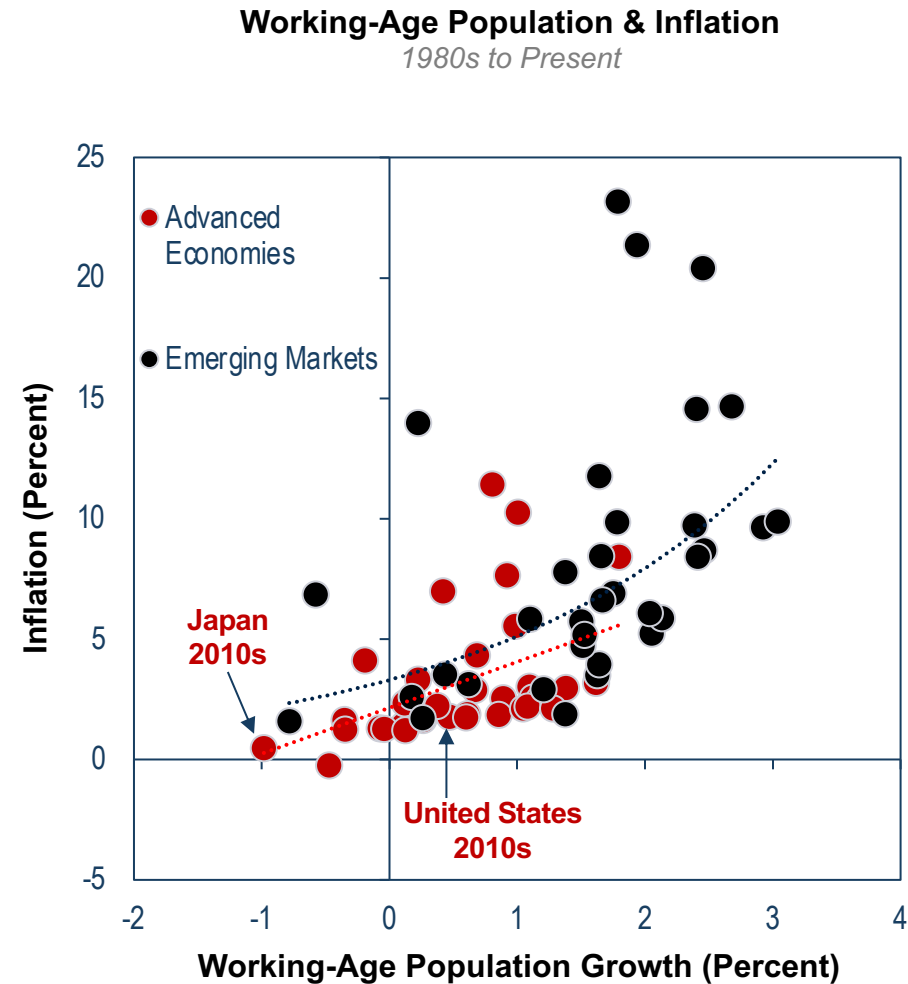
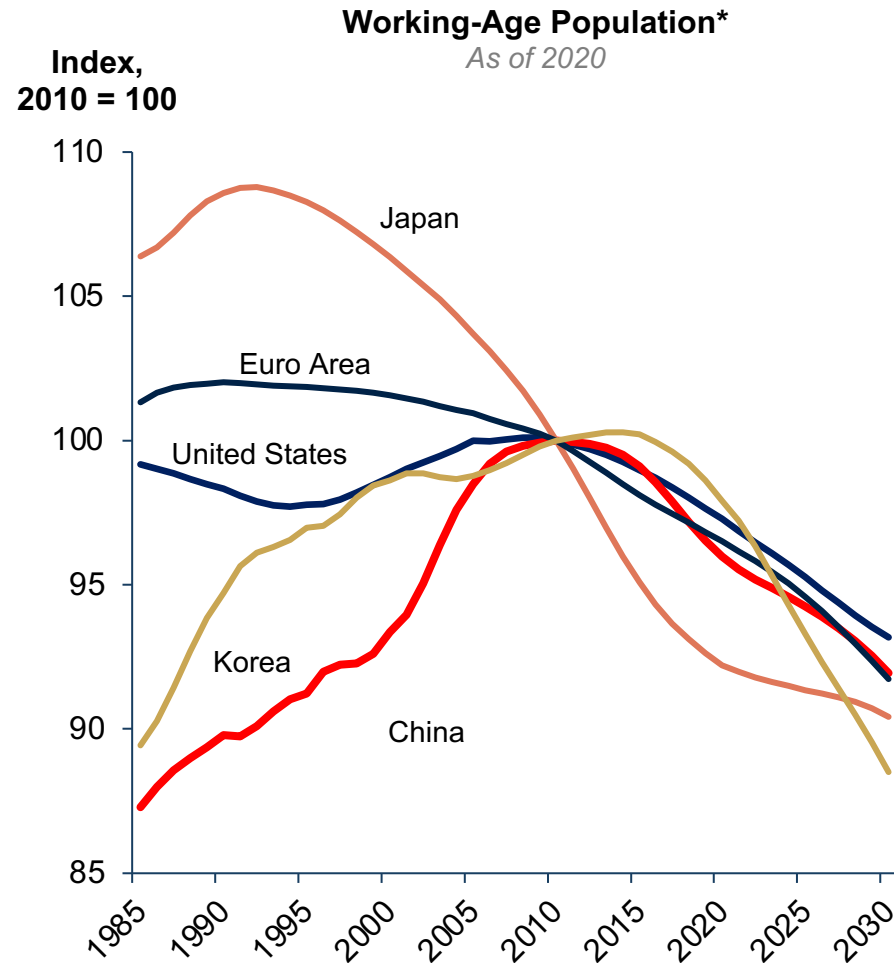


Features of the Post-Pandemic Economy

- Aging global demographics
- High debt levels—and deleveraging
- Labor-saving innovation/automation
- Low, entrenched inflation expectations

Likely to resemble pre-pandemic conditions: Subdued growth, soft inflation, & low policy rates

Demographic Trends Are Also a Headwind for Inflation





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