



1250 REVOLUTION MILL DRIVE
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OLD NORTH STATE TRUST

THE ECONOMY AT A GLANCE

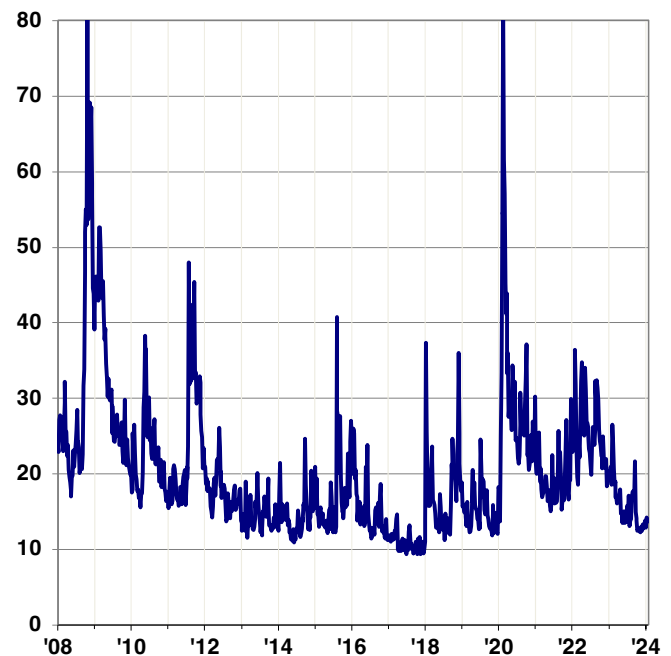
ECONOMIC HIGHLIGHTS

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FEAR INDEX CALMS

After a stressful fall -- when the VIX Volatility Index climbed to 22 in October -- the important “fear index” has calmed and the S&P 500 has pushed higher. Is the coast clear? Well, on the positive side, we anticipate that the U.S. economy will avoid a recession into 2025, the Federal Reserve will start to lower interest rates later this year, and earnings growth is poised to accelerate over the next few quarters. There are fundamental risks to be sure, such as geopolitical developments (Russia, Mideast, China), high interest rates (the Fed hasn’t cut yet), the chance of recession (the yield curve is still inverted), and the upcoming 2024 U.S. presidential election. All that said, the current VIX index reading is around 15, which is below the 15-year average of 20.5 and signals that investors aren’t overly worried about the outlook. These readings compare to the average VIX of 24 during the most-recent bear market and 35 during the financial crisis of 2008-2009. During the long bull market in the 2010s, the VIX averaged 18 and even touched lows below 10 in 2017. We think that the S&P 500 is in the early stages of a new bull market that dates back to October 2022, but that the path for equities won’t be straight up.

VOLATILITY INDEX (WEEKLY CLOSE)

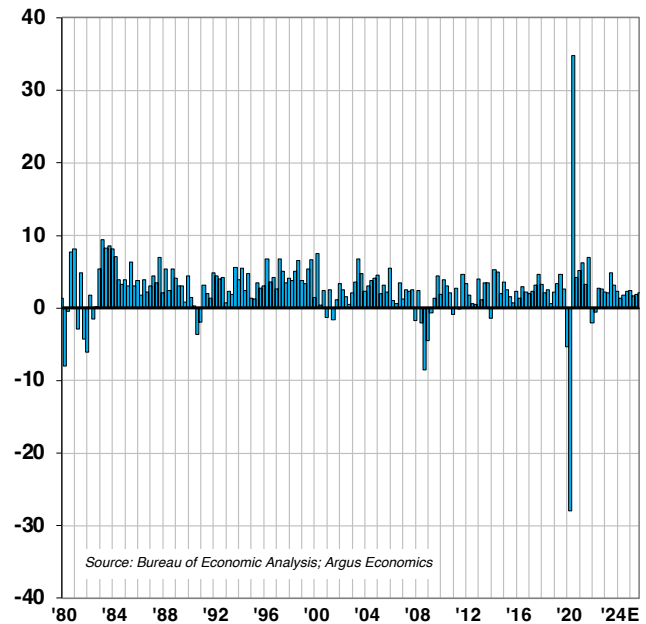


ECONOMIC HIGHLIGHTS (CONTINUED)

FORECASTING 2% GDP GROWTH IN 2024

Our analysis of recent data leads us to conclude that the U.S. economy is healthy and consumers are still leading the way. Based on the second update to 4Q GDP from the Bureau of Economic Analysis, personal consumption expenditures (PCE) contributed 2.0 points of the 3.2% increase in GDP, which was revised down from 3.3% in the first estimate. Our 2024 GDP forecast is for 2.0% growth. We expect 1Q to be up 2.3%. We expect 2Q to be the weakest of 2024, with 1.3% growth ramping to 1.8% in 3Q and 2.3% in 4Q. In February, economists in the Federal Reserve Bank of Philadelphia's Survey of Professional Forecasters expected GDP to rise 2.4% in 2024, with 1Q up 2.1%, 2Q and 3Q each up 1.5%, and 4Q up 1.7%. On March 1, the Atlanta Fed's GDPNow model estimated 1Q24 growth of 2.1%. Our 2024 forecast assumes inflation continues to fall and the Fed has completed its rate-hike campaign, with monetary easing likely to begin in the middle of the year. While economic growth may be uneven in 2024 and into 2025, we believe the Fed has the ability to bolster growth if it falters badly. Our early forecast is for GDP to grow 2.0% in 2025. We expect the Fed will be close to meeting its dual mandate, with inflation near 2% and unemployment at approximately 4.1%.

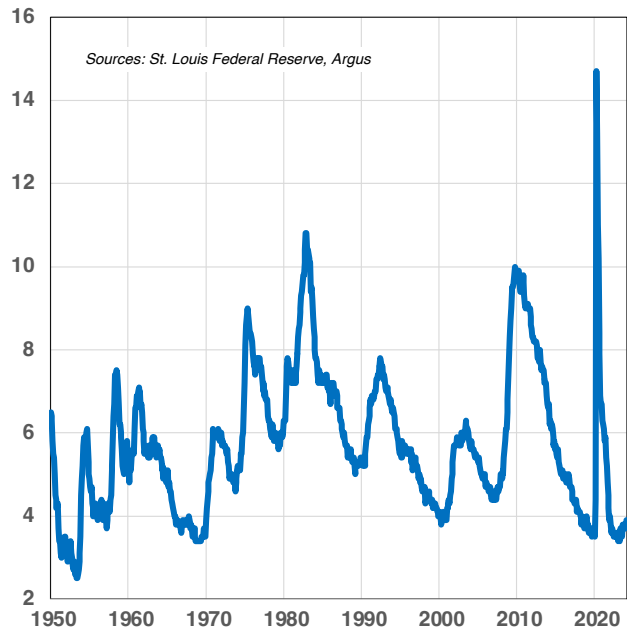
GDP TRENDS & OUTLOOK (% CHANGE)



UNEMPLOYMENT TICKS UP TO 3.9%

The Bureau of Labor Statistics (BLS) reported that the U.S. economy generated 275,000 new jobs in February, well above the consensus of 200,000. Job gains in January and December combined were revised lower by 167,000. February's increase in payrolls and the revisions to January and December took the three-month average to 265,000, which is still above the 12-month average of 230,000 and signals robust hiring. The unemployment rate rose to 3.9% from 3.7%. Average hourly earnings increased five cents month-to-month and are now 4.3% higher year-over-year (compared to 4.4% in January). The average workweek rose to 34.3 hours in February from 34.2 hours in January. Job gains occurred in healthcare, government, food services and drinking places, social assistance, and transportation and warehousing. Employment showed little change over the month in mining, quarrying, and oil and gas extraction; manufacturing; wholesale trade; information; financial activities; professional and business services; and other services.

U.S. UNEMPLOYMENT RATE (%)

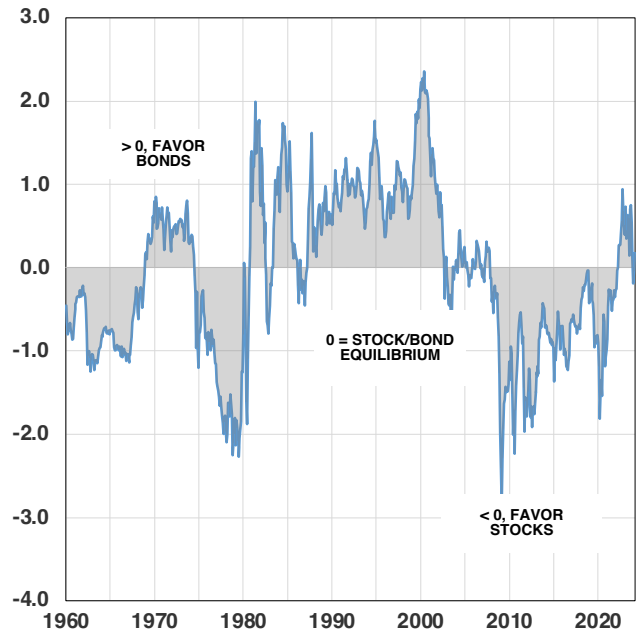


FINANCIAL MARKET HIGHLIGHTS

STOCK, BOND MODEL NEAR EQUILIBRIUM

Our stock/bond asset-allocation model is indicating that bonds are the asset class offering the most value at the current market juncture. But not by much. Our model takes into account current levels and forecasts of short-term and long-term government and corporate fixed-income yields, inflation, stock prices, GDP, and corporate earnings, among other factors. The model output is expressed in terms of standard deviations to the mean, or sigma. The mean reading from the model, going back to 1960, is a modest premium for stocks, of 0.16 sigma, with a standard deviation of 0.98. The current valuation level is a 0.18 sigma premium for stocks, which is down sharply from a 0.85 sigma premium at the end of 3Q23. Other valuation measures also show reasonable multiples for stocks. Looking ahead, we expect the results from our valuation model to favor stocks, as interest rates head lower in 2024 and EPS growth picks up. Based in part on the output from our model, our current recommended asset-allocation model for moderate accounts is 73% growth assets and 27% fixed income.

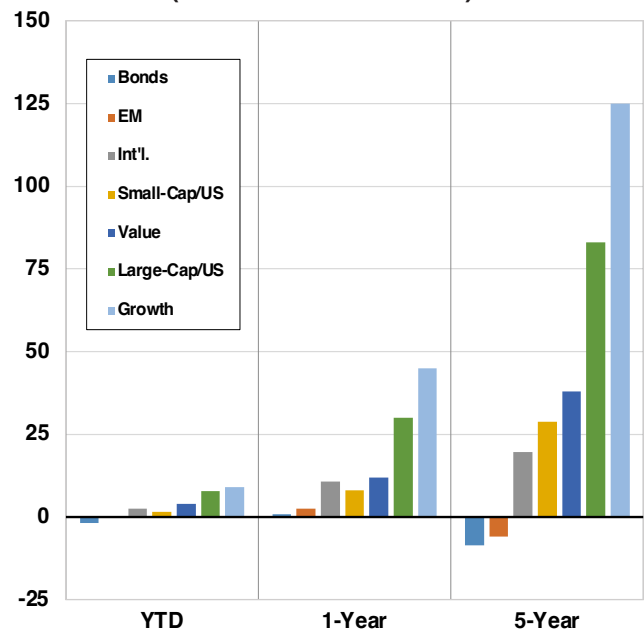
**STOCK BOND BAROMETER
(STANDARD DEVIATIONS)**



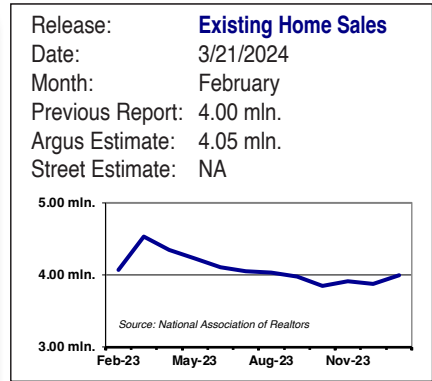
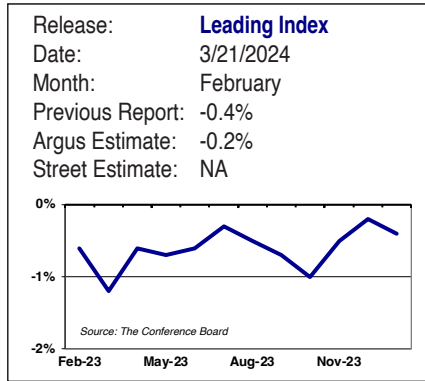
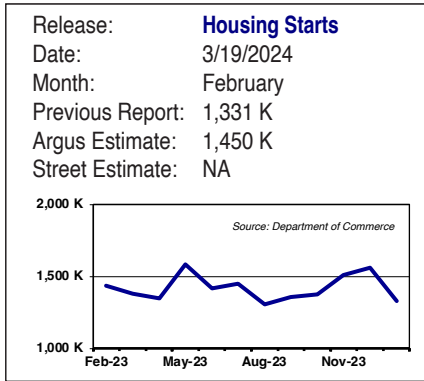
ARGUS' FAVORED ASSET CLASSES & SECTORS

We have three strategic asset-allocation models, based on risk-tolerance: Conservative, Moderate, and Aggressive. We make tactical adjustments to the models based on our outlooks for the capital markets. Drilling down into stocks, we are over-weight on large-caps. We favor large-caps for growth exposure and financial strength, while small-caps are selling at historical discounts relative to large-caps and offer value. Internationally, U.S. stocks have outperformed global stocks over the trailing one- and five-year periods. We expect this to continue, given the U.S. market's embrace of the innovative Tech sector. In terms of growth versus value, we anticipate that (over the long term) growth, led by the Tech, Consumer, and Healthcare sectors, will top returns from value, led by Energy, Real Estate, and Materials, due to secular and demographic trends. As for the fixed-income segment of a portfolio, we break bonds into four areas: Core, such as the industry benchmark ETF AGG or Treasuries; Inflation-Indexed; Opportunistic, such as securitized debt, corporate debt, high-yield or floating bonds; and Cash. We are focused on Core and Opportunistic. On duration, we recommend a shorter term. Given the early stage of the current bull market, we think alternatives are less desirable in the growth portion of our models.

**MARKET SEGMENT RETURNS
(% THROUGH 2/29/2024)**



ECONOMIC TRADING CHARTS & CALENDAR



Previous Week's Releases and Next Week's Releases on next page.

ECONOMIC TRADING CHARTS & CALENDAR (CONTINUED)

Previous Week's Releases

Date	Release	Month	Previous Report	Argus Estimate	Street Estimate	Actual
12-Mar	Consumer Price Index	February	3.1%	3.1%	NA	NA
	CPI ex-Food & Energy	February	3.9%	3.7%	NA	NA
14-Mar	PPI Final Demand	February	0.9%	1.0%	NA	NA
	PPI ex-Food & Energy	February	2.0%	1.8%	NA	NA
	Retail Sales	February	0.6%	0.9%	NA	NA
	Retail Sales ex-autos	February	1.2%	1.8%	NA	NA
	Business Inventories	January	0.4%	0.6%	NA	NA
15-Mar	Industrial Production	February	0.0%	-0.3%	NA	NA
	Capacity Utilization	February	78.5%	78.4%	78.4%	NA
	Import Price Index	February	-1.3%	0.6%	NA	NA
	U. of Michigan Sentiment	March	76.9	76.5	NA	NA

Next Week's Releases

Date	Release	Month	Previous Report	Argus Estimate	Street Estimate	Actual
25-Mar	New Home Sales	February	661 K	NA	NA	NA
26-Mar	Consumer Confidence	March	106.7	NA	NA	NA
28-Mar	GDP Annualized QoQ	4Q Final	3.2%	NA	NA	NA
	GDP Price Index	4Q Final	1.7%	NA	NA	NA
29-Mar	PCE Deflator	March	2.4%	NA	NA	NA
	PCE Core Deflator	March	2.8%	NA	NA	NA
	Personal Income	March	4.8%	NA	NA	NA
	Personal Spending	March	4.5%	NA	NA	NA

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