



**Weekly Landscape Report**  
**April 28, 2023**

**This week in the economy:**

The Fed announced this morning that their preferred measure of inflation, the personal consumption expenditures (PCE) price index excluding food and energy, [came in](#) 0.3% higher in March than the prior month and 4.6% year-over-year, both basically unchanged from February. The Fed will likely decide that persistent high inflation even in the face of lowering costs of food and energy will require an additional interest rate increase next week.

Additionally, the Labor Department reported an increase of [1.2% in employment costs](#) in the first quarter over the previous period, and [workers wages and salaries increased 5% in March over the past year](#), up from 4.7% this time last year. Though indicative of a tight labor market and underlying consumer costs, they also reflect sustained consumption and job growth.

These further point toward a likely quarter percentage point increase in interest rates to just above 5% at the May 3rd meeting.

The Fed will also consider the stability of the banking system when making their decision next week, as the [First Republic bank has continued to struggle](#). Earlier today, its regulatory chief Michael Barr released a [report on the Silicon Valley Bank's \(SVB\) failure](#). In it, the Fed [acknowledged](#) its own overly cautious supervisory approach while also condemning mismanagement by the bank's leadership, as well as the negative effects that the 2018 bank deregulation law and previous Fed officials may have had on the agency's oversight efforts.

**This week in Washington:**

This week, the House of Representatives voted on a resolution of disapproval to undo the temporary suspension of tariffs on imports of solar cells and modules from four Southeast Asian countries. Prior to the vote, trade unions such as the Laborers' International Union of North America, the International Union of Operating Engineers, and United Brotherhood of Carpenters and Joiners of America came out in [opposition to the resolution](#), and President Biden and the solar industry announced that while the two year suspension was crucial, it would not need to be extended beyond its expiration in 2024. The [final vote was 221-202](#), with twelve Democrats joining Republicans to vote in favor, while eight Republicans voted against the resolution. The bill is expected to be voted on by the Senate as soon as next week, also with bipartisan support. As we've mentioned before, this is a messy issue pitting anti-China politics against the need to install renewable energy to fight climate change, creating some unusual alliances. Earlier this week, the White House released a [Statement of Administration Policy](#), emphasizing that the President would veto the resolution if Congress passed it, and since the House vote did not gain enough support for a veto proof majority, we'd expect that veto to stick.

On Wednesday, the House of Representatives voted on Speaker Kevin McCarthy's debt limit bill, [Limit, Save, Grow Act](#) and [passed 217-215](#). Four Republicans joined every Democrat in opposition to the bill. Democrats renamed the bill "Default on American Act", or DOA, which also stands for "dead on arrival," fitting given its [future](#) in the Senate. The legislation would lift the federal borrowing limit by \$1.5 trillion or through March 31 (whichever comes first), as well as cut discretionary programs by \$3.6 trillion over the next decade. Notably, the bill repeals a host of clean energy tax credits established in the Inflation Reduction Act, while keeping intact IRA incentives for carbon dioxide sequestration, biodiesel, renewable diesel and second generation biofuels. While the Senate won't pass the bill, the [Senate Committee on the Budget](#) will hold a hearing titled "The Default on America Act: Blackmail, Brinkmanship, and Billionaire Backroom Deals" next week to investigate the consequences of McCarthy's bill, a vetting it didn't get in the House, which held no hearings or markups on the legislation before going to the Rules Committee.

We will be tracking the situation closely, as Treasury Secretary Janey Yellen is [expected](#) to update her guidance in early May on the "X date" of default, which is currently projected for June at the earliest.

ICYMI, President Biden [officially commenced](#) his 2024 presidential re-election campaign this week in an appeal to "finish the job" with a message of unity and optimism.

#### **DOE funding opportunity announcements (FOAs):**

This week, the Department of Energy (DOE) [announced its intent](#) to issue \$30 million in funding to accelerate the domestic manufacturing of critical clean energy technologies. The Manufacture of Advanced Key Energy Infrastructure Technologies (MAKE IT) Prize (expected this summer) will support manufacturing through two tracks, with the [Facilities Track](#) funding clean hydrogen, electric grid updates and long duration energy storage, and carbon capture and storage projects up to \$5 million.

Last week, DOE [issued](#) a \$30 million FOA for projects addressing emerging challenges and opportunities for grid planning and operations. For more information about this funding opportunity or others announced by the Department, please see this [memo](#).

#### **Market and job trends from the past week (at Thursday close):**

- Dow Jones Industrial Average: 33,826.16, +32.56, (+0.10%)
- NASDAQ: 12,142.24, +96.21, (+0.80%)
- S&P 500: 4,135.35, +3.21, (+0.08%)
- Weekly initial jobless claims: 230,000 vs. 248,000 expected
- 10-Year Treasury Note yield: 3.528%

#### **Next week: Economic indicators**

- [Job Openings and Labor Turnover \(JOLTS\)](#) (May 2)
- [Initial Claims](#) (May 4)
- [Productivity and Costs \(Preliminary\)](#) (May 4)
- [Global Supply Chain Pressure Index \(GSCPI\)](#) (May 4)
- [Weekly Economic Index \(WEI\)](#) (May 4)
- [Employment Situation](#) (May 5)

### **Next week: Hearings to watch**

#### **Senate Agriculture, Nutrition, and Forestry Subcommittee on Commodities, Risk Management, and Trade**

Hearings to examine commodity programs, credit, and crop insurance, focusing on producer perspectives on the farm safety net.

05/02/23 (9:00 AM EDT), watch [here](#).

#### **Senate Energy and Natural Resources**

Hearings to examine the President's proposed budget request for fiscal year 2024 for the Department of the Interior.

05/02/2023 (9:30 AM EDT), watch [here](#).

#### **Senate Appropriations Subcommittee on Energy and Water Development**

Hearings to examine proposed budget estimates and justification for fiscal year 2024 for the Department of Energy, including the National Nuclear Security Administration.

05/03/2023 (10:00 AM EDT), watch [here](#).

#### **Senate Budget**

Hearings to examine the real cost of fossil fuels.

05/03/2023 (10:00 AM EDT), watch [here](#).

#### **Senate Judiciary Subcommittee on Competition Policy, Antitrust, and Consumer Rights**

Hearings to examine competition in the digital advertising ecosystem.

05/03/2023 (2:30 PM EDT), watch [here](#).

#### **Senate Agriculture, Nutrition, and Forestry Subcommittee on Commodities, Risk Management, and Trade**

Hearings to examine commodity programs, credit, and crop insurance, focusing on industry perspectives on risk management and access to credit.

05/04/2023 (10:00 AM EDT), watch [here](#).

#### **Senate Energy and Natural Resources**

An oversight hearing to examine the Federal Energy Regulatory Commission.

05/04/2023 (10:00 AM EDT), watch [here](#).

### **Pioneer hosts new Women in Climate Investing & Finance D.C. chapter**

On Tuesday, Pioneer hosted [Women in Climate Investing & Finance](#)'s new D.C. chapter kickoff event at our new offices at 700 Penn in Eastern Market. About 75 women joined the event, which included a fireside chat with Arpita Bhattacharyya (Chief Climate Officer, DOE Loan Programs Office) and an incredible view as we watched the sunset from the rooftop terrace. Thanks also to Forbright Bank and NextEra Energy for sponsoring! If you're interested in joining the next Women in Climate Investing & Finance event in D.C. on June 28, contact our Climate Finance Director Cassie Rowlands ([cassie@pioneerpublicaffairs.com](mailto:cassie@pioneerpublicaffairs.com)), who is chairing the new D.C. chapter.