00;00;00;12 - 00;00;26;11
David Royal
What gives me confidence in the economy is the strong cycle of business investment that we're seeing, particularly around AI build out, which is driving strong employment. We have pretty close to full employment right now, and that's giving the consumer confidence to spend. We're seeing really solid retail sales and consumer spending. Cause for concern is the higher interest rates we're seeing, and some of that's driven by the demand for capital that we're seeing for the AI and data center build outs.

00;00;26;11 - 00;00;47;09
David Royal
But over time, those higher rates can have an impact on the economy. They could make some business projects less attractive in a higher rate environment with a higher cost of capital, and that could slow the economy. It's also having impacts on consumers. Things like mortgage rates have gone up. Consumers are starting to feel the pinch of higher inflation and higher rates, and that ultimately could be a drag on the economy.