

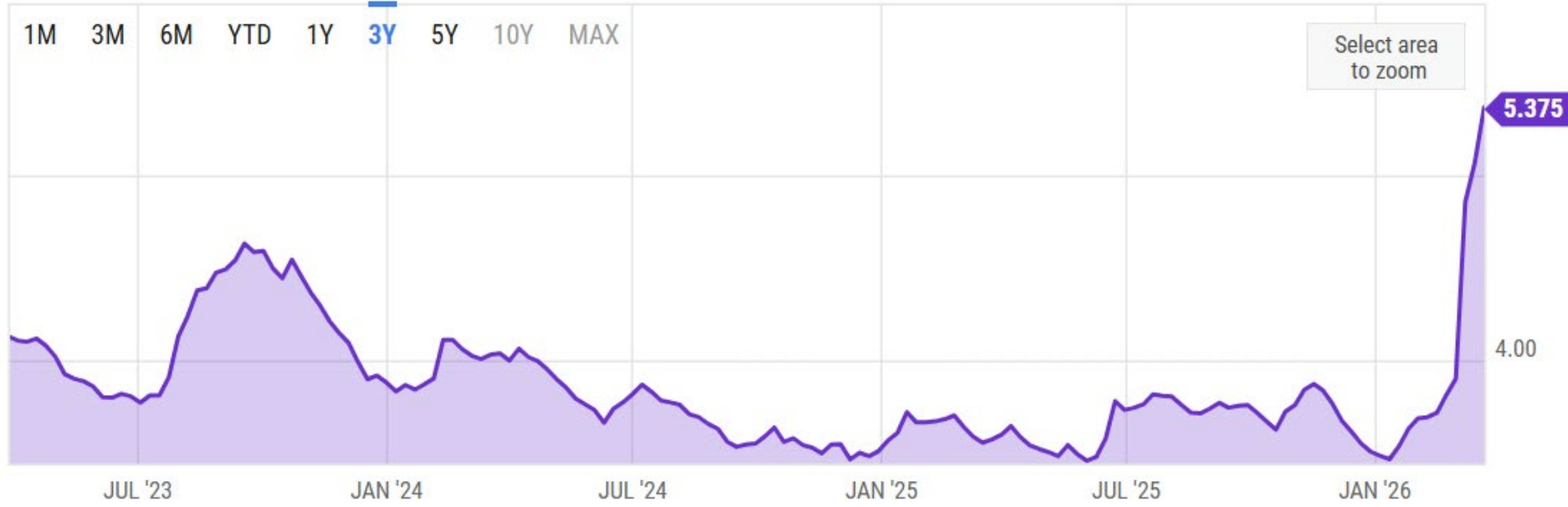
Oxford Bank Economic Update

March 31, 2026

Things to discuss:

- Iran & Strait of Hormuz
 - Oil, Gas & Diesel
 - Helium & Fertilizer
- Inflation
- Consumers
- US Auto Production
- Housing
- Interest rates

● US RETAIL DIESEL PRICE (I:USRDP)



● US RETAIL GAS PRICE (I:USRGP)



Diesel:

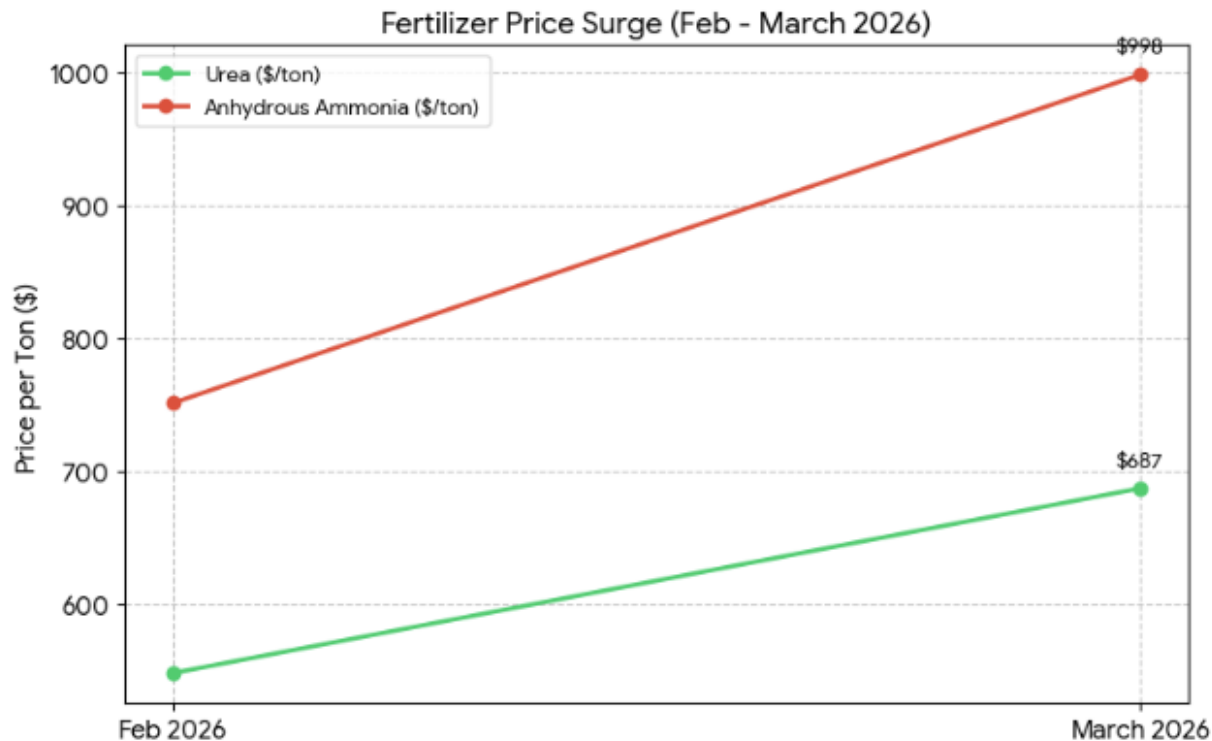
- Middle Eastern crude is “distillate-rich”, meaning it is good for diesel and jet fuel.
- Europe has lost 3-4 million barrels of diesel per day
- High military demand
- 24.3 cents per gallon federal tax – 6 cents higher than gas

State of MI Tax:

- State tax per gallon for gas and diesel = 52.4 cents per gallon
- Significantly higher than the average state tax of 34 cents.
- MI gas has 70.7 cents tax
- MI diesel has 76.7 cents tax
(SOM & Fed Tax)

Nitrogen based Fertilizer:

- Urea & Anhydrous
- Natural gas needed
- 33% of global supply must pass through the Straits of Hormuz



Helium:



- MRI cooling
- Hard drives
- Chip production
- 33% of global supply must pass through the Straits of Hormuz
- One plant in Qatar – the Ras Laffan Industrial City. Iran hit it with missiles

United States of America:

Oil:

We are a net exporter

Helium:

USA	44%
Qatar	34%
Russia	10%

Fertilizer

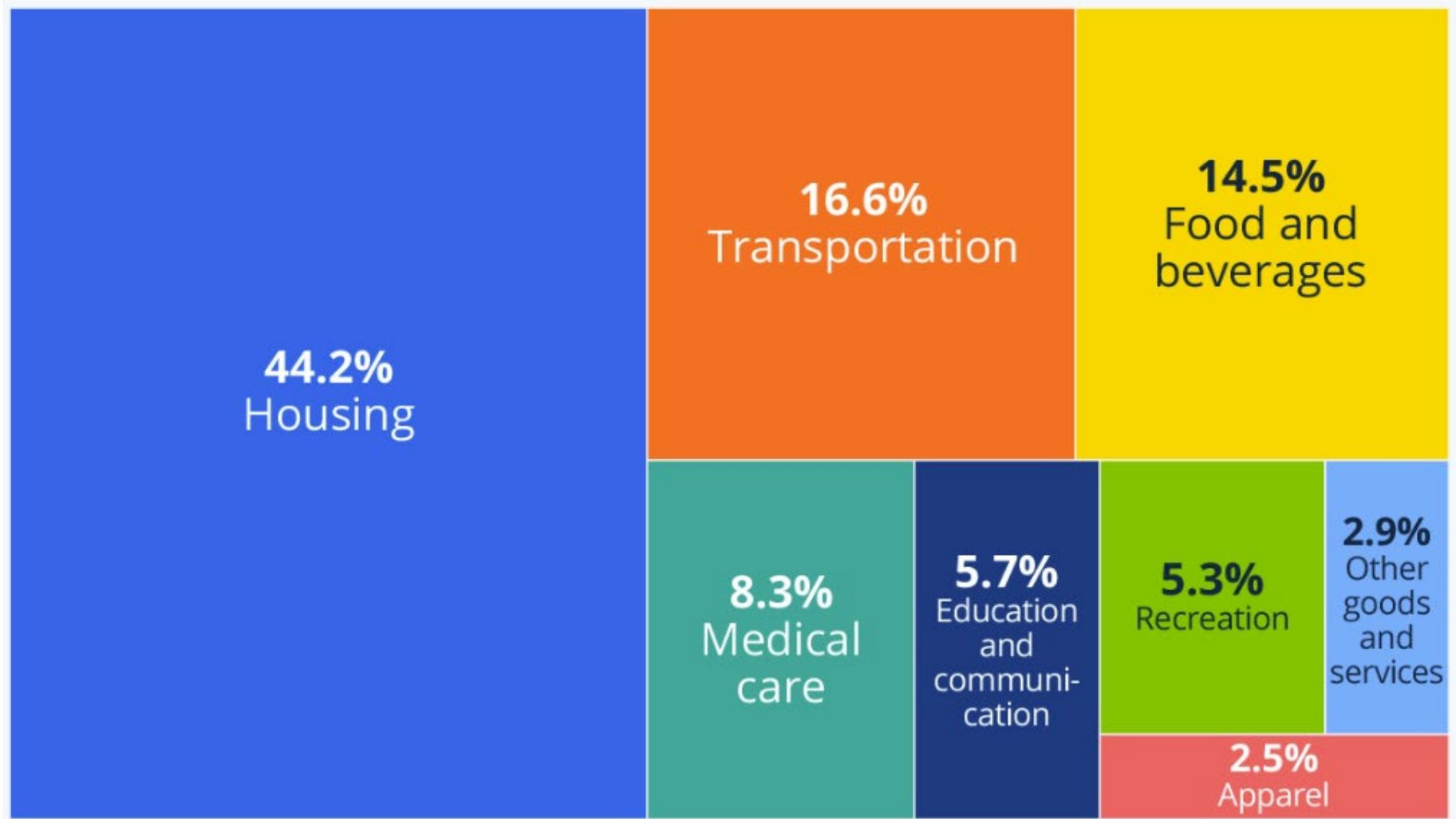
USA	10%
Mdl E.	15%
Russia	10%
China	30%
India	12%
Canada	3%

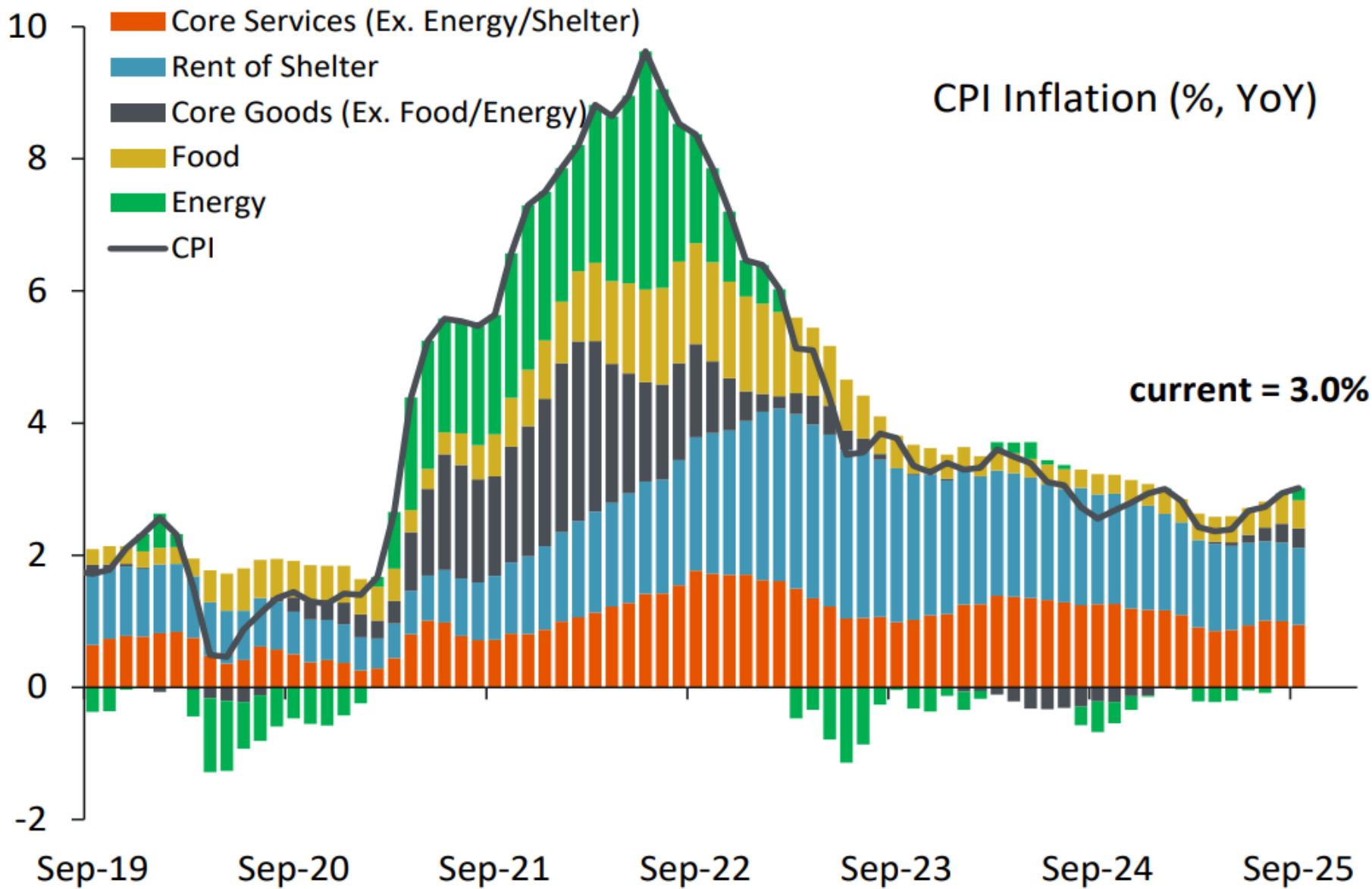
Who wants to make a deal?:

- China – 90% imported
- Pakistan – 80% imported

- USA?

Consumer Price Index:





Inflation:

Increasing:

- Energy – gas, nat. gas and diesel
- Transportation

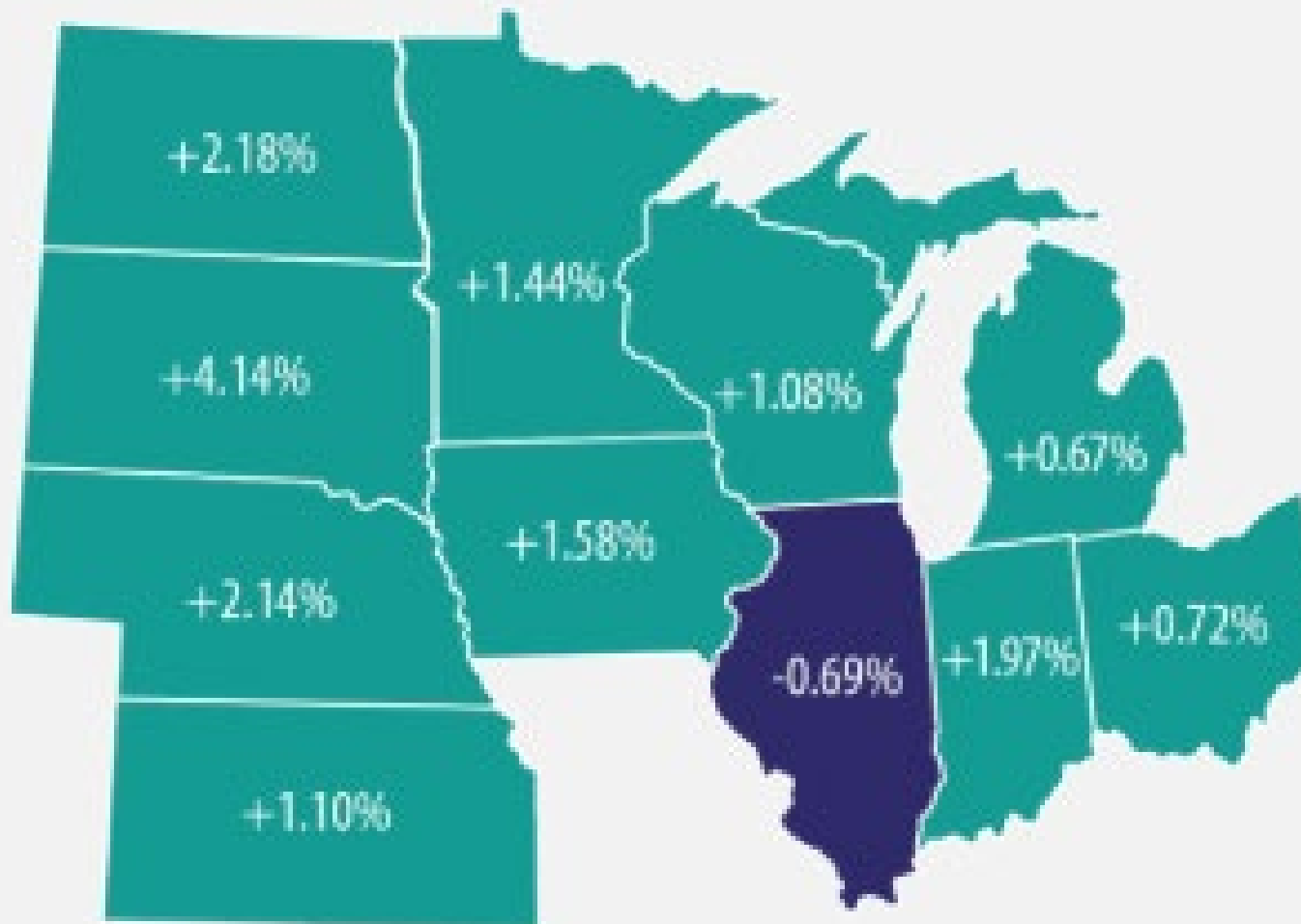
Decreasing:

- Rent prices

Mix:

- Housing

% CHANGE IN POPULATION: 2020 TO 2024

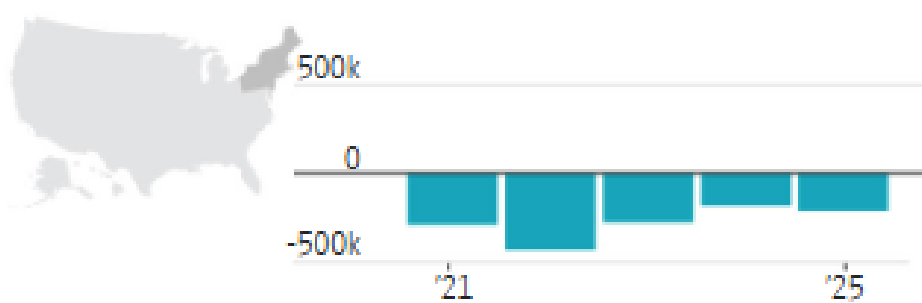


Source: U.S. Census Bureau

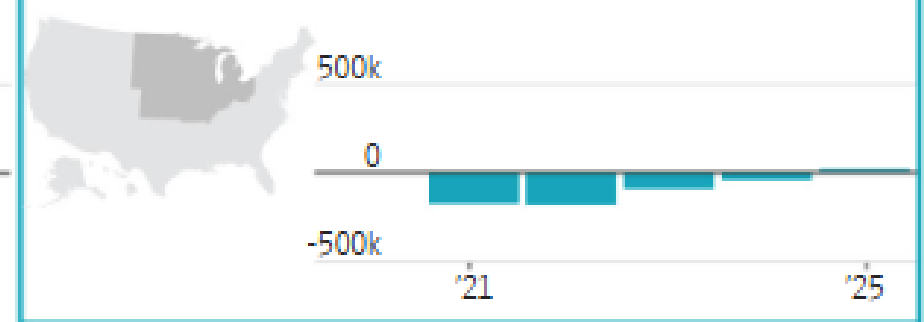
Population

Domestic net migration for U.S. regions, 2021-25

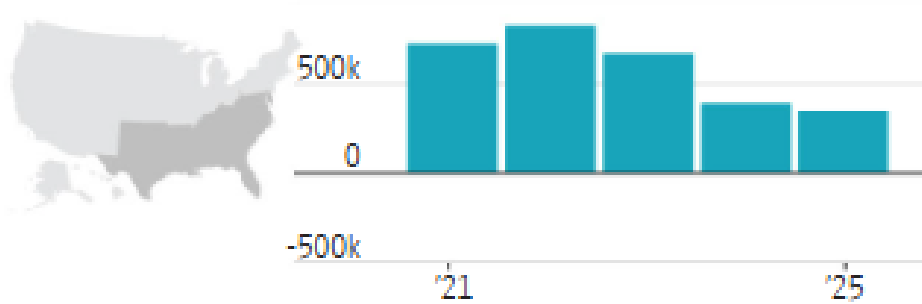
NORTHEAST



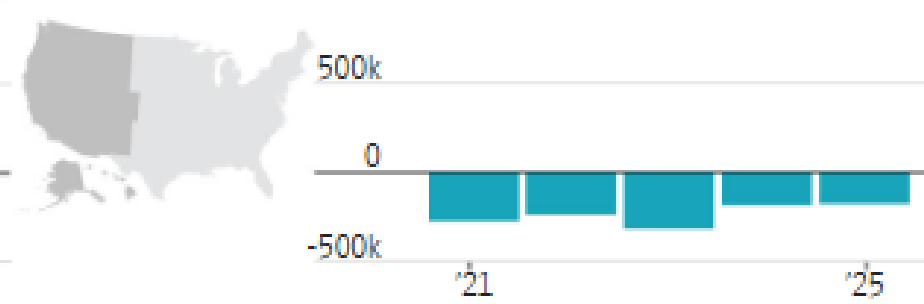
MIDWEST



SOUTH



WEST



Population

2015

More Deaths than Births

USA = 43.4% of all counties

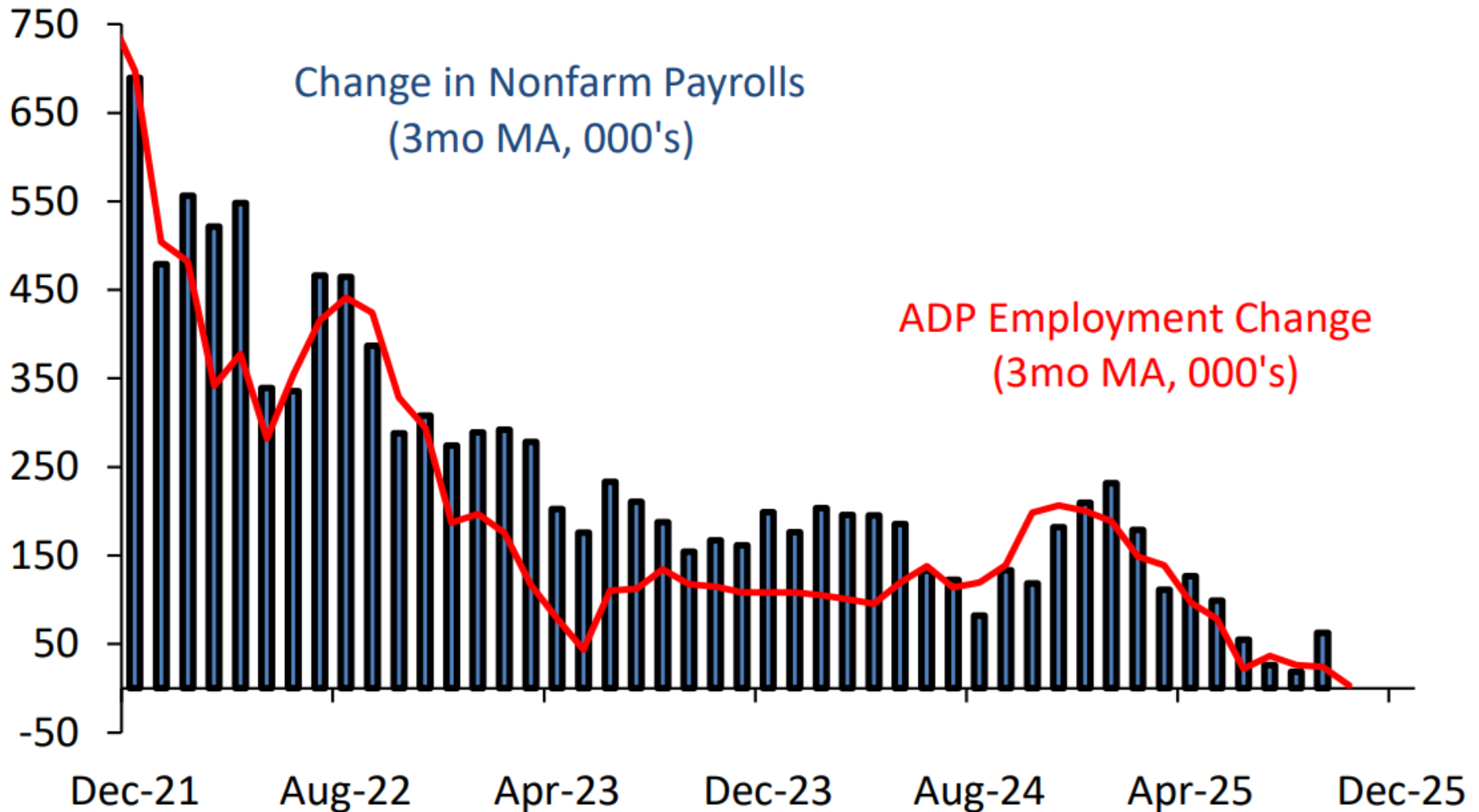
2025

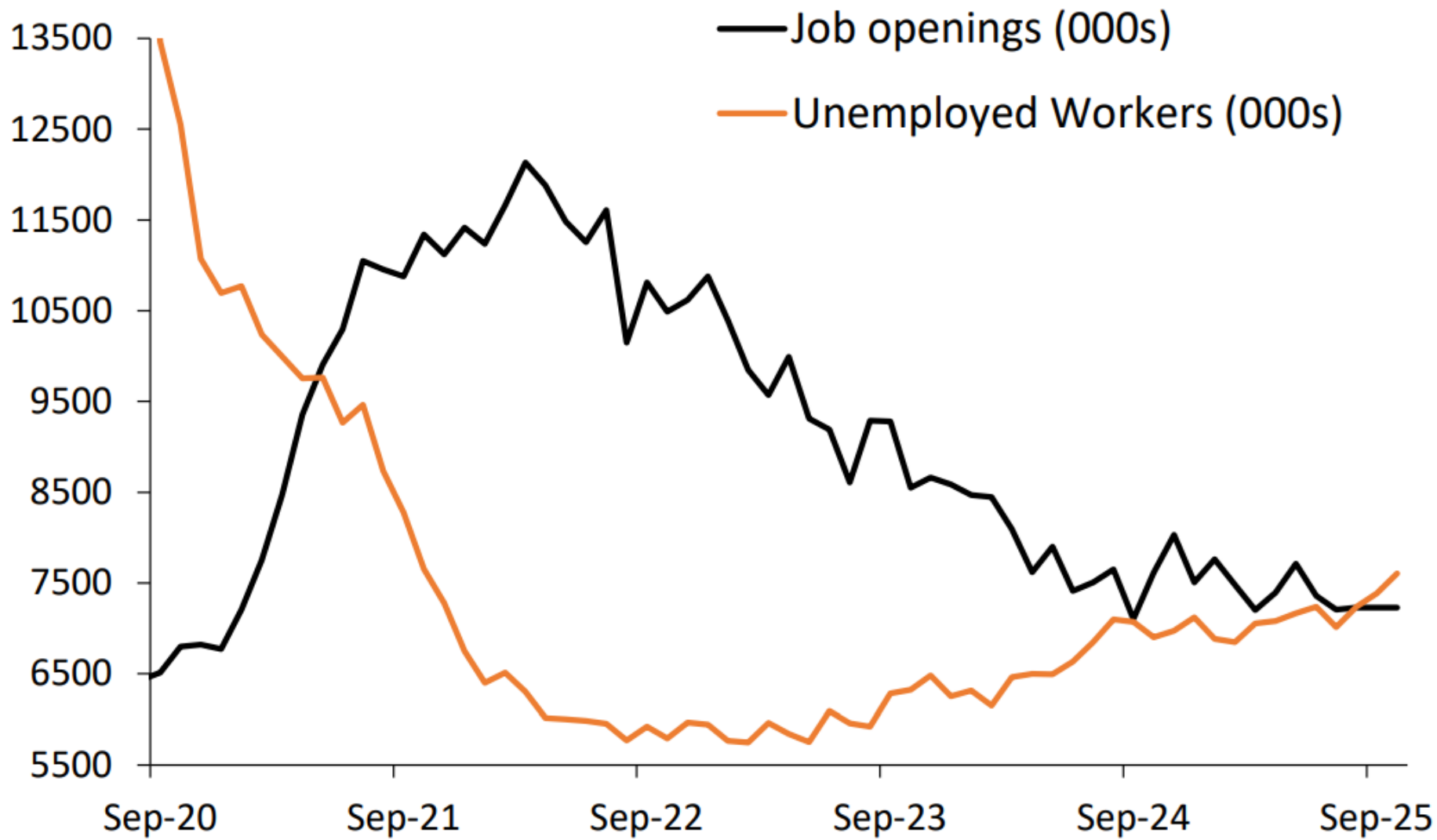
More Deaths than Births

USA = 65.1% of all counties

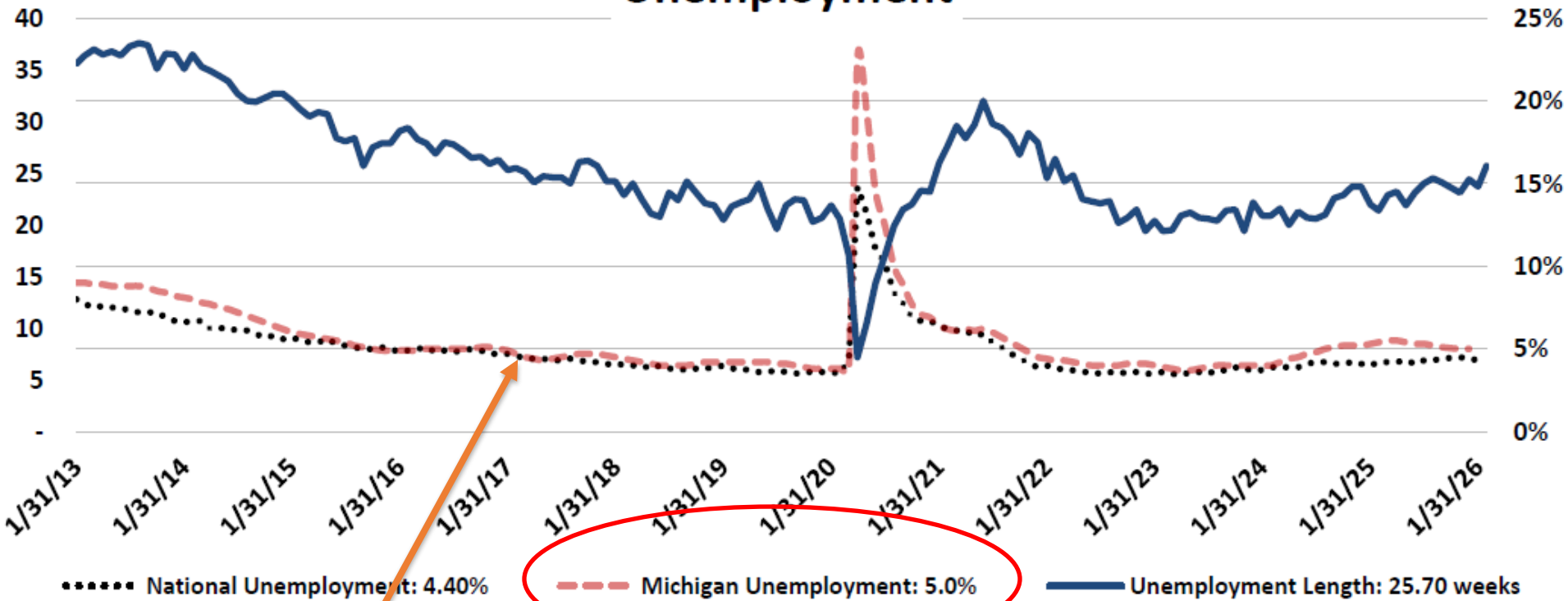


Employment





Unemployment



Last time over 5%

Artificial Intelligence (AI):

- Generative AI
 - Ask a question, get a reply
- Agentic AI
 - Agents
 - Do something for me
- Multi-Agent Orchestration

Artificial Intelligence (AI):

What should AI get me?

- 0% to 25% cost savings
- Revenue growth without people growth

Does it always work?

- 50% + of implementations fail

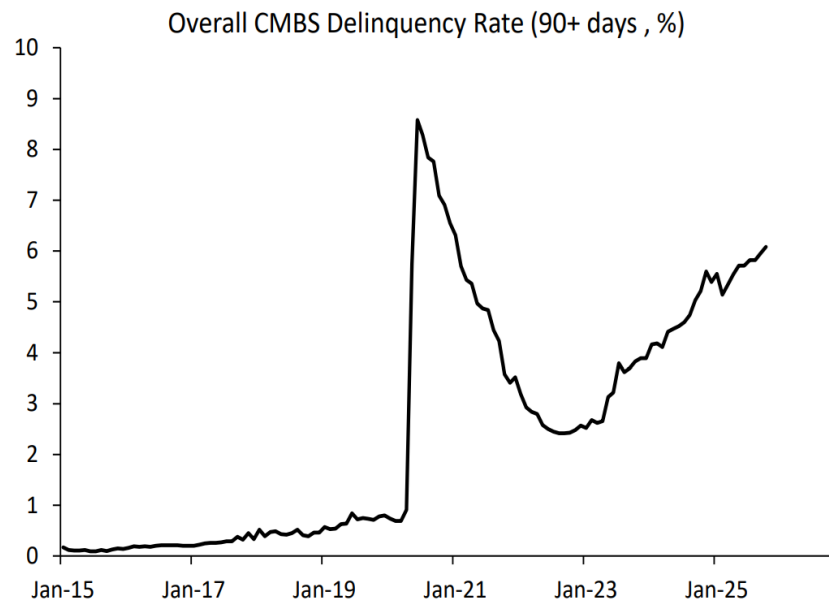
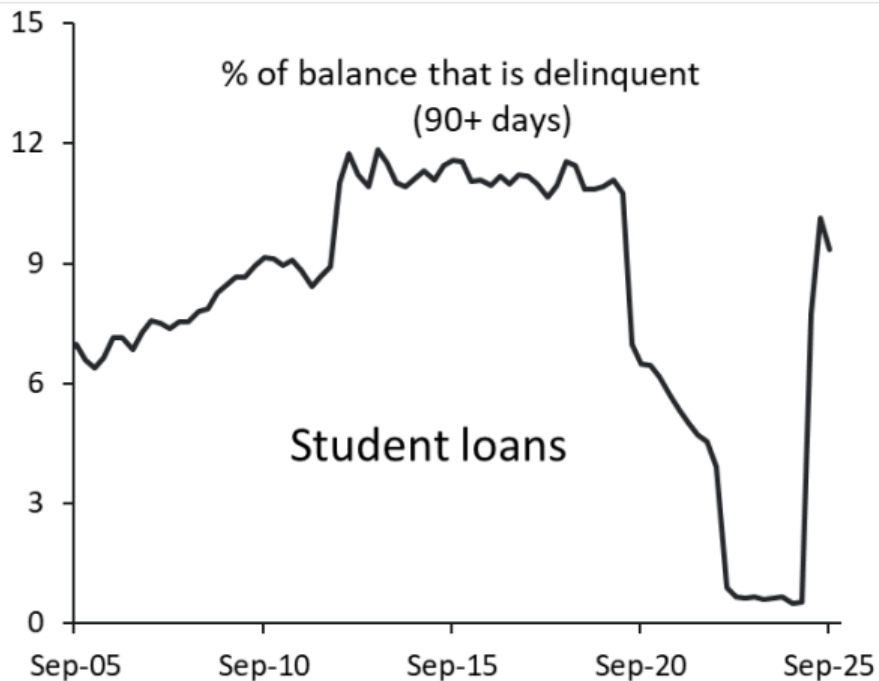
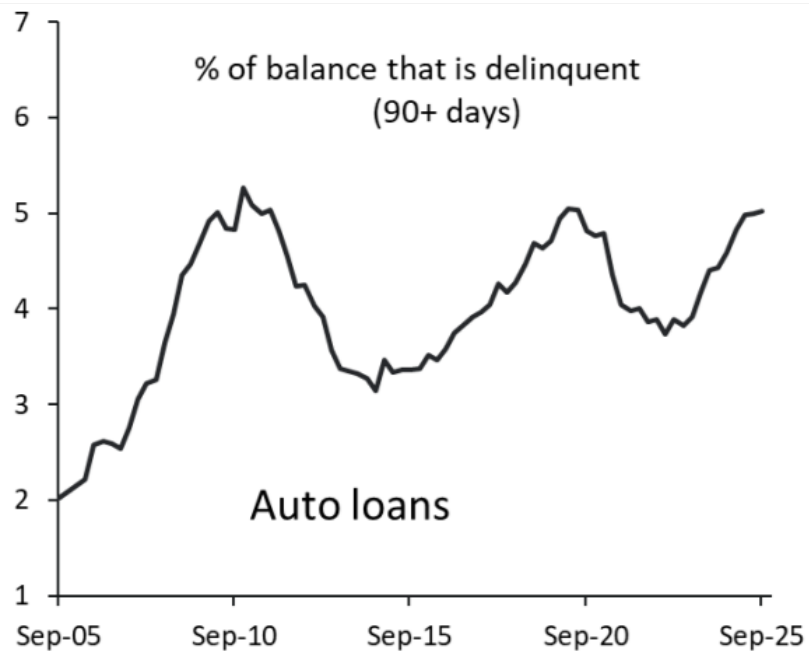
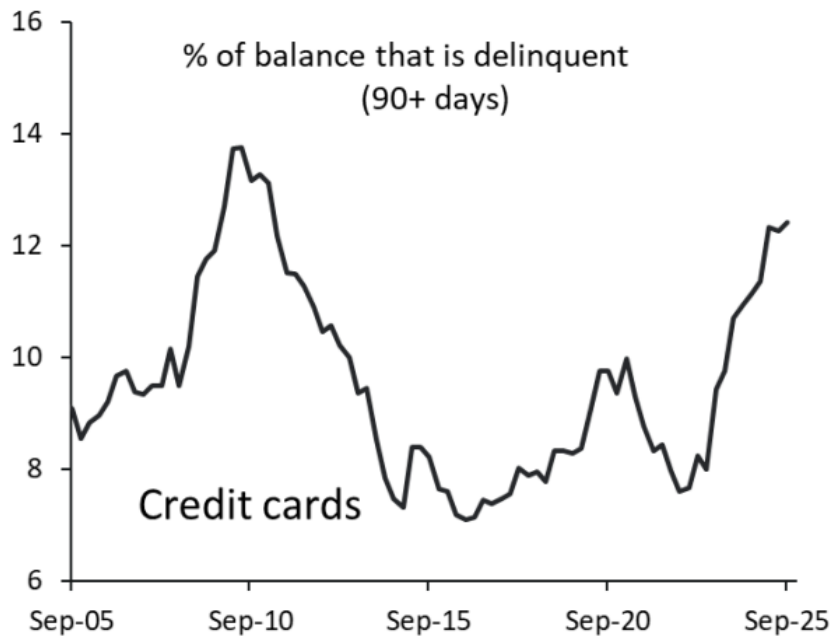
The K Shaped Economy ***- Growing***

Top 20% - \$\$

K

**Economic
reality**

The other 80% - Low \$



Buy Now Pay Later (BNPL)

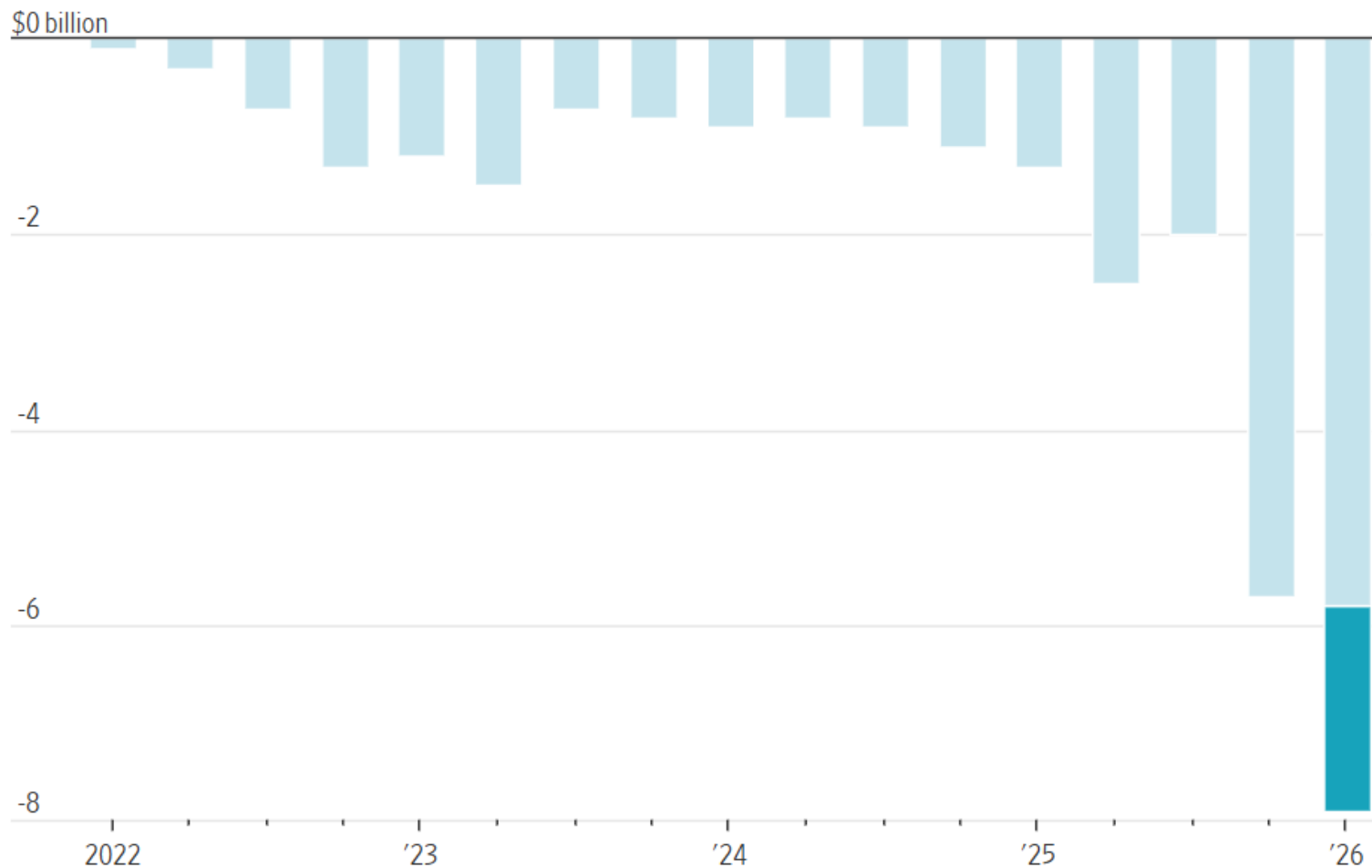
Shift from a "high-growth" to a standardized payment method.

- **Total Volume: \$127.94 billion - 2026**
19.1% increase year-over-year
- **User Adoption: 96.3 million Americans – 2026**
- **Shifting Categories: "Pay-in-4" for everyday essentials - 25% use BNPL for groceries**
- **Demographic Leads: Gen Z (51%), Millennials (54%) prefer BNPL over credit cards.**

Private Credit Issues:

Total business-development-company redemptions, quarterly

Met Unmet

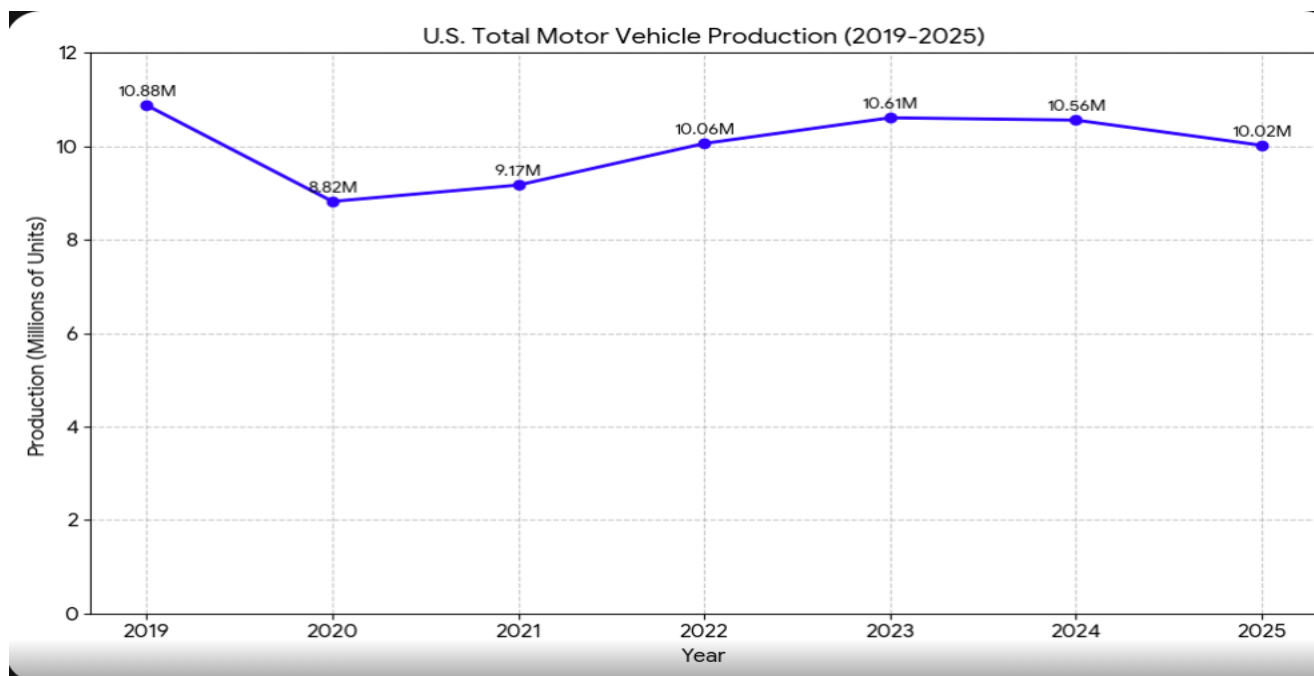


Private Credit Issues:

- Massive growth over the last 5 years
- Ability to do PIK versus \$\$
- Valuations by fund managers
- Gated exit
- Did anyone who bought it do DD?

US Automotive:

- Total Output: North American est 1.38 MM
- Regional Rebalancing: Domestic assembly now 55.6%, a 4.5% increase YOY
- Capacity Challenges: Ford & GM have underutilized factory space



Housing:

States Where Home Values Are Dropping

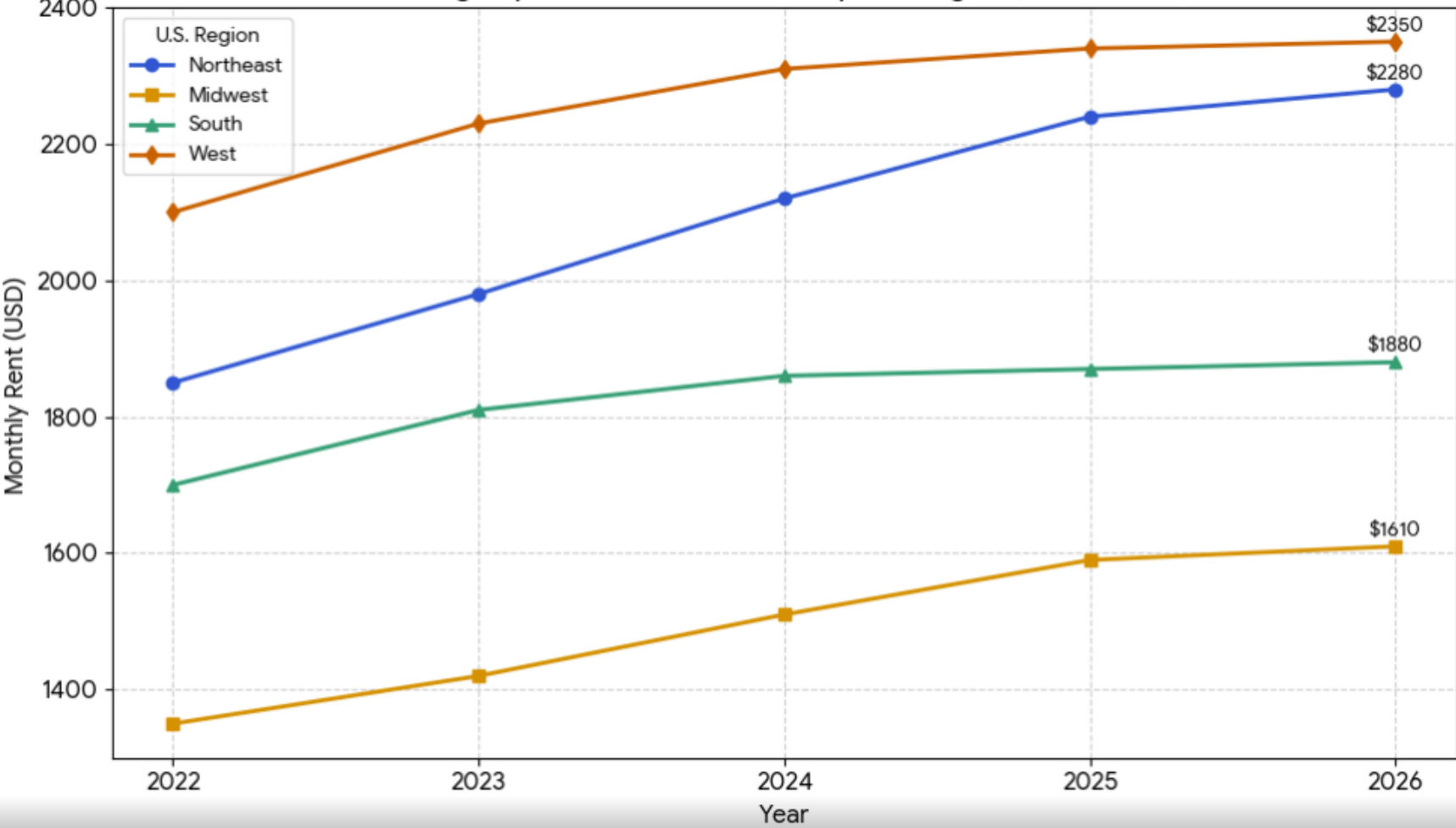


Housing:

- Locked in at 3.00%
- Lack of sellers
- Too expensive to buy
- Too expensive to build
- Property taxes
- Income tax flight

Apartment Cost:

Average Apartment Rental Costs by U.S. Region (2022 - 2026)



In Southeast Michigan, we are seeing a "normalization" rather than a crash. While you won't see the massive 10–20% price slashes happening in Florida or Texas, sellers here are definitely losing their "untouchable" status.

As of early 2026, the market in Metro Detroit and surrounding counties is shifting toward a "**Great Reset.**" Here is the breakdown of what is happening in your backyard:

1. Are sellers lowering prices?

Yes, but specifically on "dated" or "overpriced" homes.

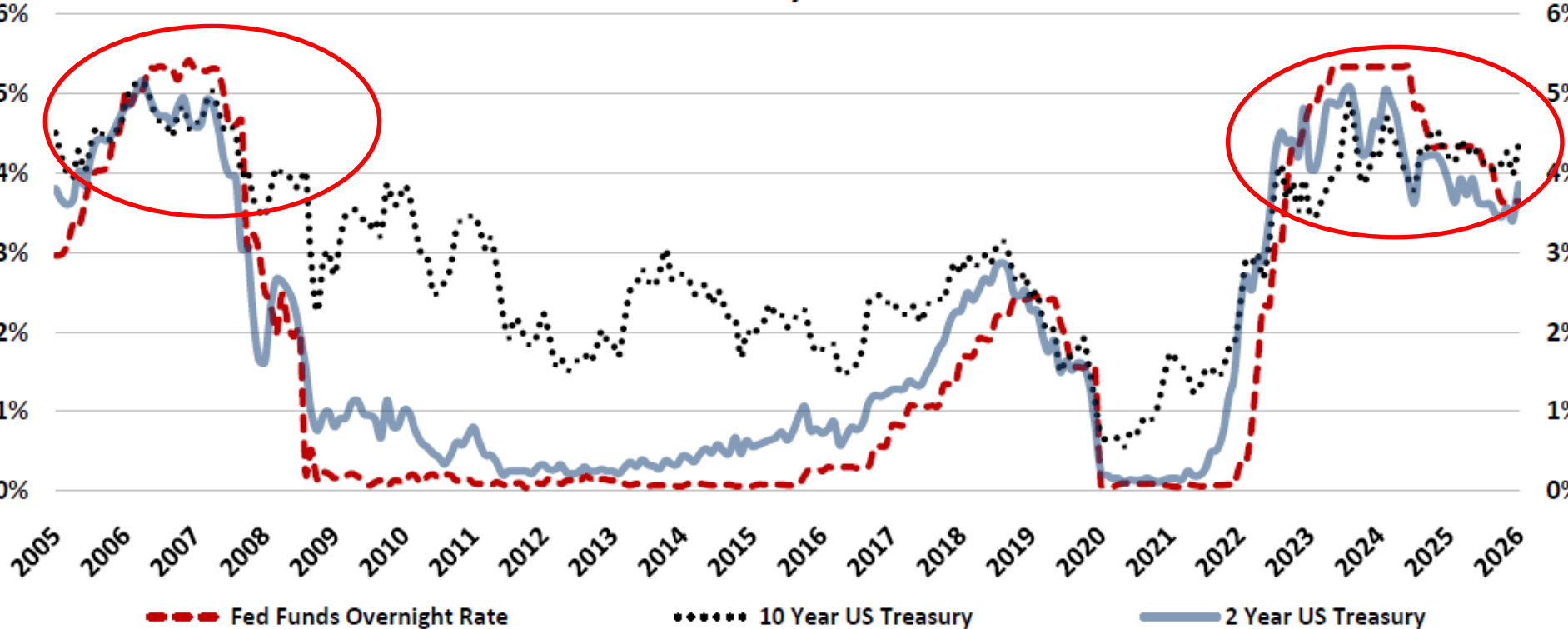
Unlike 2022, when you could list a house in any condition and get multiple offers, 2026 buyers are much more selective.

- **The "Wait and See" Effect:** Homes that aren't move-in ready or are priced at 2021 peak levels are sitting on the market longer (averaging **40–50 days** in some areas).
- **Negotiation Power:** For the first time in years, about **44–58% of homes** in Southeast Michigan are selling **below list price**. Sellers are increasingly open to inspections and "seller concessions" (paying for your closing costs or buying down your interest rate).

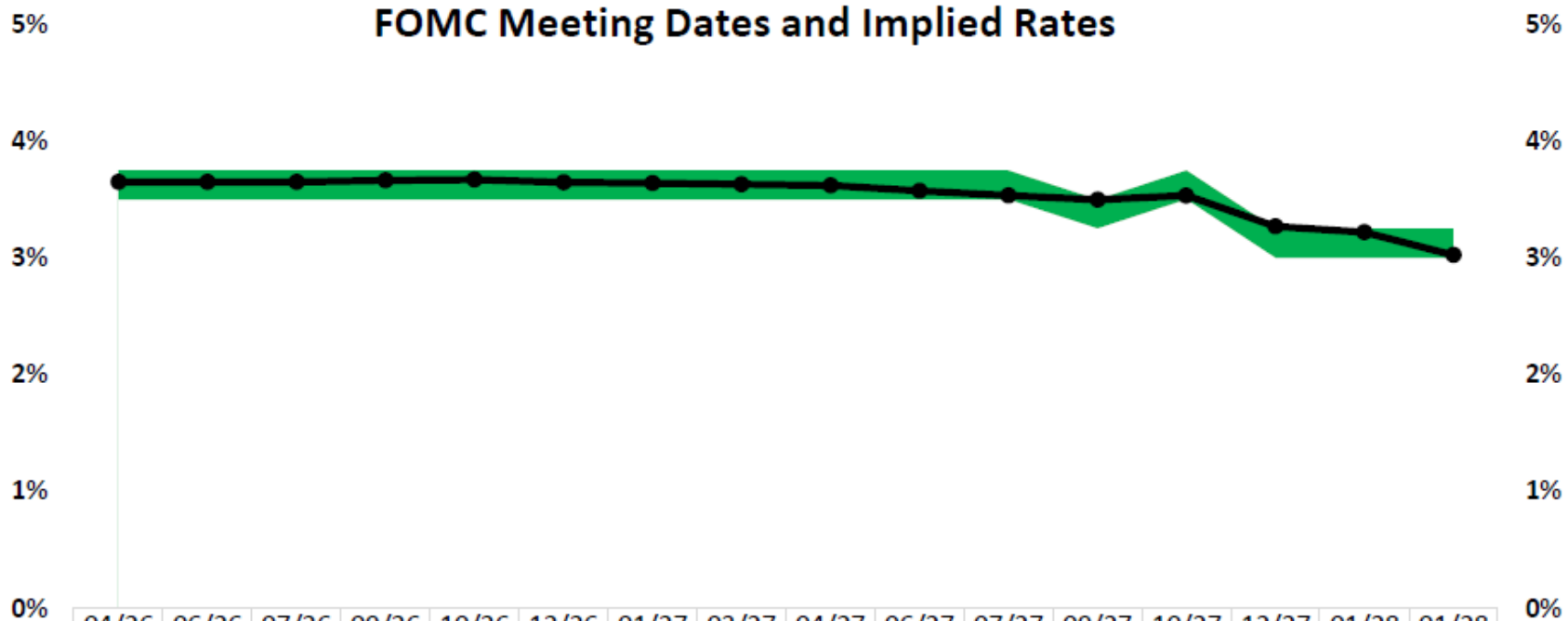
Area	Trend for 2026	Market Condition
Ann Arbor / Washtenaw	Slight Price Dips / Flat	The most expensive market. Prices are "sticky" but some areas are seeing 1–3% drops as buyers hit their affordability ceiling.
Wayne County (Detroit Suburbs)	Moderate Growth (2-4%)	Areas like Redford, Harper Woods, and Oak Park are still seeing price growth because they are the last "affordable" pockets for first-time buyers.
Oakland County (North of M-59)	Balanced	Inventory is hitting 5-year highs. Sellers in Clarkston or Lake Orion are having to be much more realistic with pricing than they were two years ago.
Livingston / Monroe	Buyer Opportunity	Inventory has recovered more quickly here, giving buyers more leverage to negotiate \$5k–\$15k off the asking price.

Yield Curve

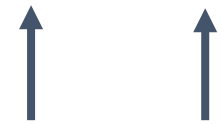
Historical US Treasury & Fed Funds Rates



Federal Funds Rate

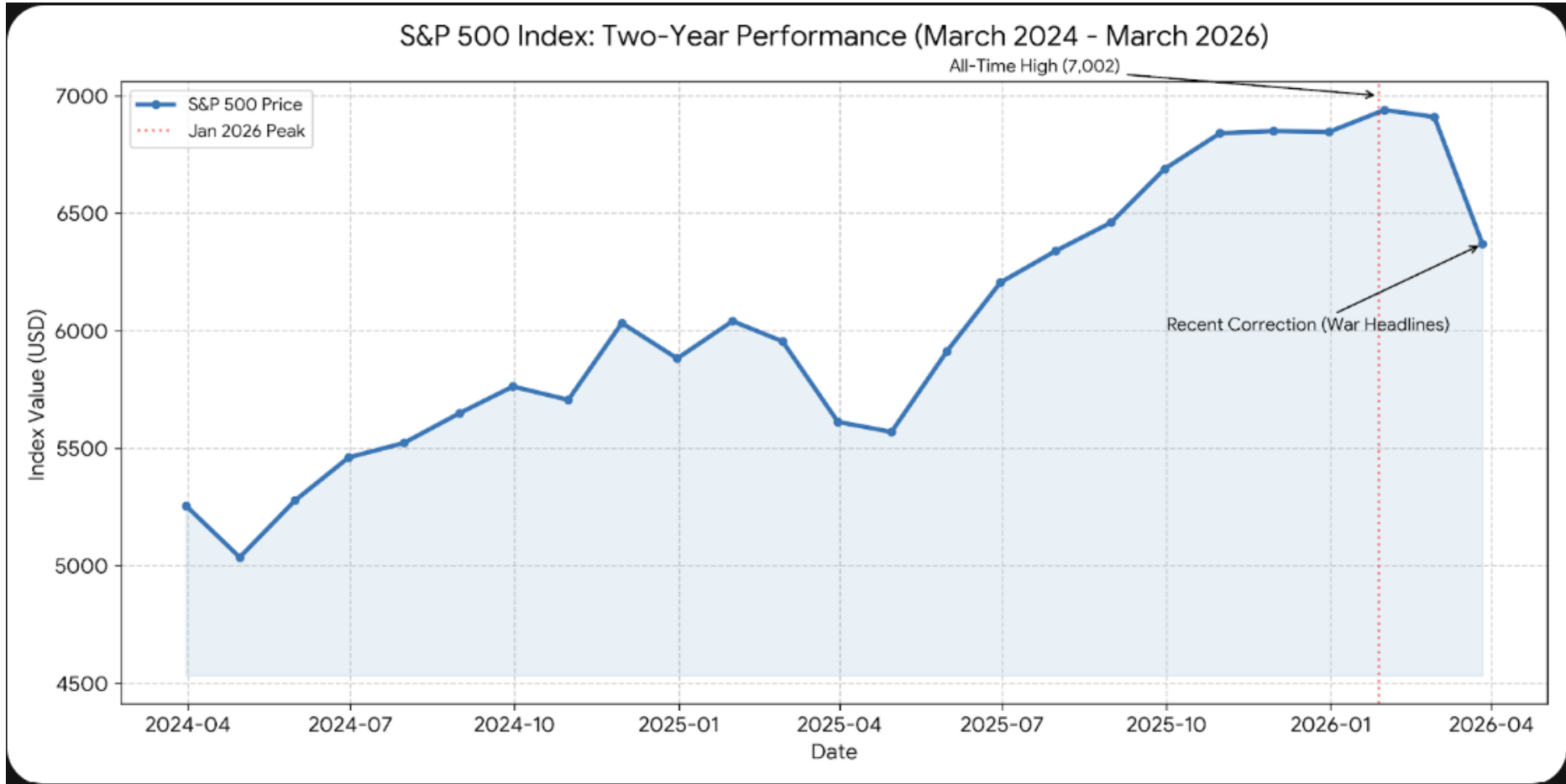


	04/26	06/26	07/26	09/26	10/26	12/26	01/27	03/27	04/27	06/27	07/27	09/27	10/27	12/27	01/28	01/28
Upper Bound	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.50%	3.75%	3.25%	3.25%	3.25%
Lower Bound	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.25%	3.50%	3.00%	3.00%	3.00%
Implied Rate	3.65%	3.65%	3.65%	3.67%	3.67%	3.65%	3.64%	3.63%	3.62%	3.58%	3.54%	3.50%	3.54%	3.27%	3.22%	3.03%



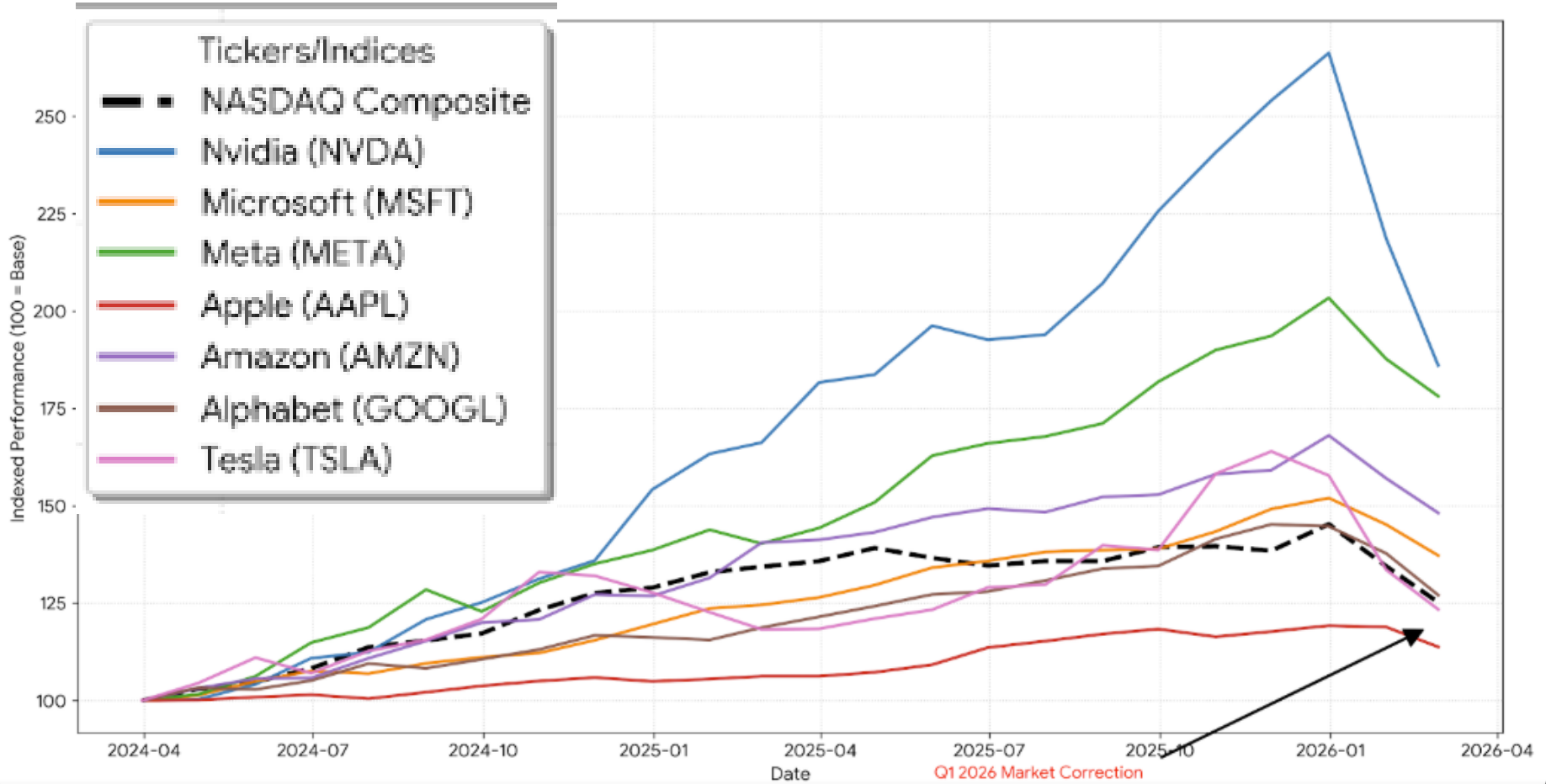
Source: MFA Economic Update

S&P 500:



NASDAQ & MAG 7:

Normalized Performance: NASDAQ vs. "Magnificent 7" (March 2024 - March 2026)
Initial Value = 100 on March 1, 2024



Forecast for 2026:

- Volatility
- S&P & NASDAQ (now – 10%) to possibly -20% and then back
- Interest rates:
 - Flat for most of 2026
 - Trending lower late 2026 on

Forecast for 2026:

- Gas prices are a tax
- Food prices up
- Economy slowing, not dead

Forecast for 2026:

- Housing:
 - Nothing like 2008
 - Prices flat to up with inflation
 - Regional supply & demand
 - Cost to build is high
 - We need interest rates lower
- Trump has a way of making it work

THANK YOU & QUESTIONS

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The entire MFA team is here to help!