



Goldman Sachs

IMPACT OF COVID ON INFLATION

TEAM 16: THE INFLATION HUNTERS

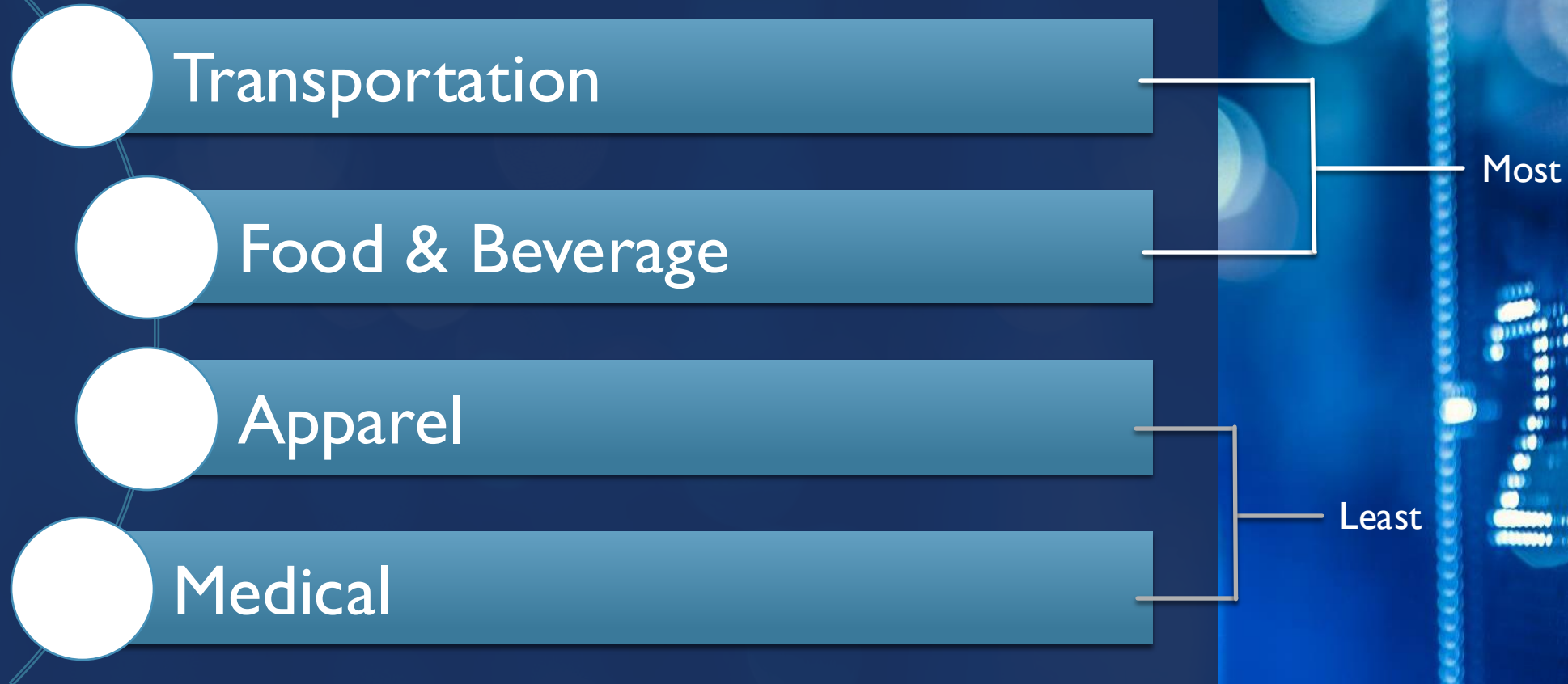
ARSHIYA, KAREN, PRANAV, SHEKHAR

PROBLEM STATEMENT

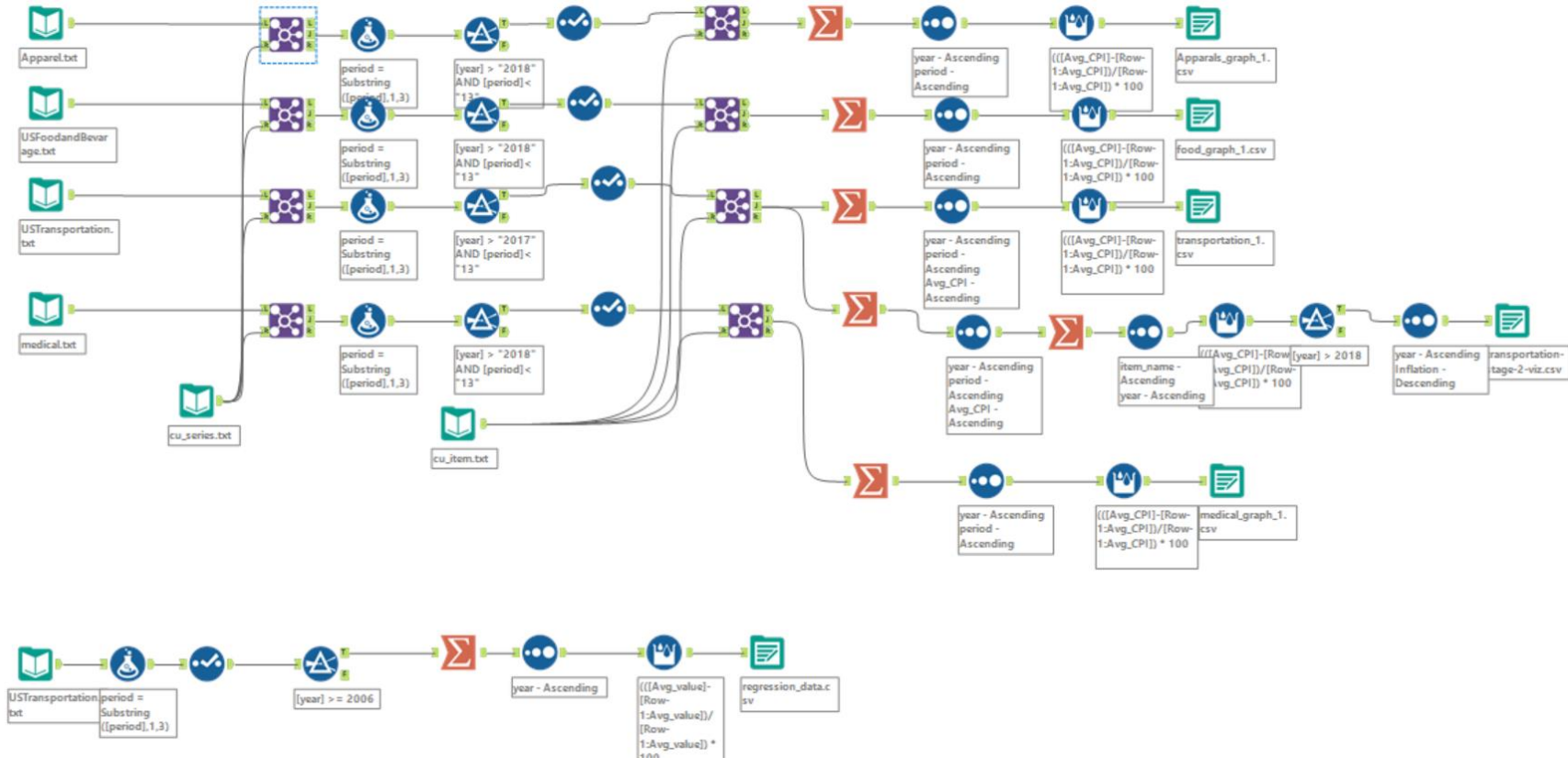
WHAT BUSINESS QUESTION WERE WE ATTEMPTING TO SOLVE?

The impact of COVID-19 on various industries has resulted in inflationary pressures, presenting a challenge for identifying investment opportunities for Goldman Sachs to drive long-term success. Our analysis aims to address this challenge by evaluating industries recovering from the pandemic and providing valuable insights and recommendations for strategic investments.

U.S. INDUSTRIES IMPACTED BY COVID 19

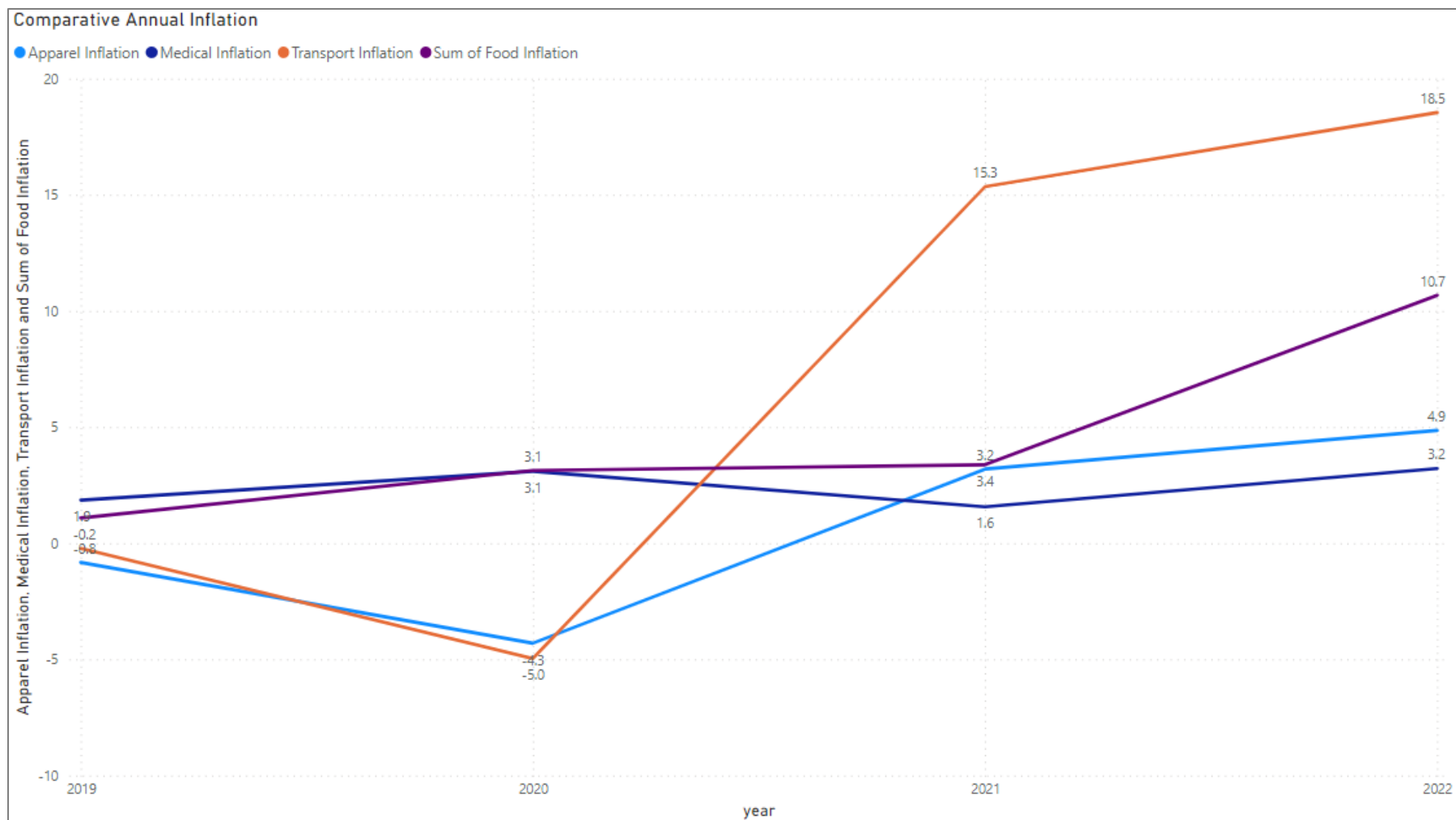


PRIMARY SOURCE: BUREAU OF LABOR STATISTICS



WHAT DATA DID WE USE?

YOY INFLATION FOR ALL INDUSTRIES



U.S. INDUSTRIES IMPACTED BY COVID 19

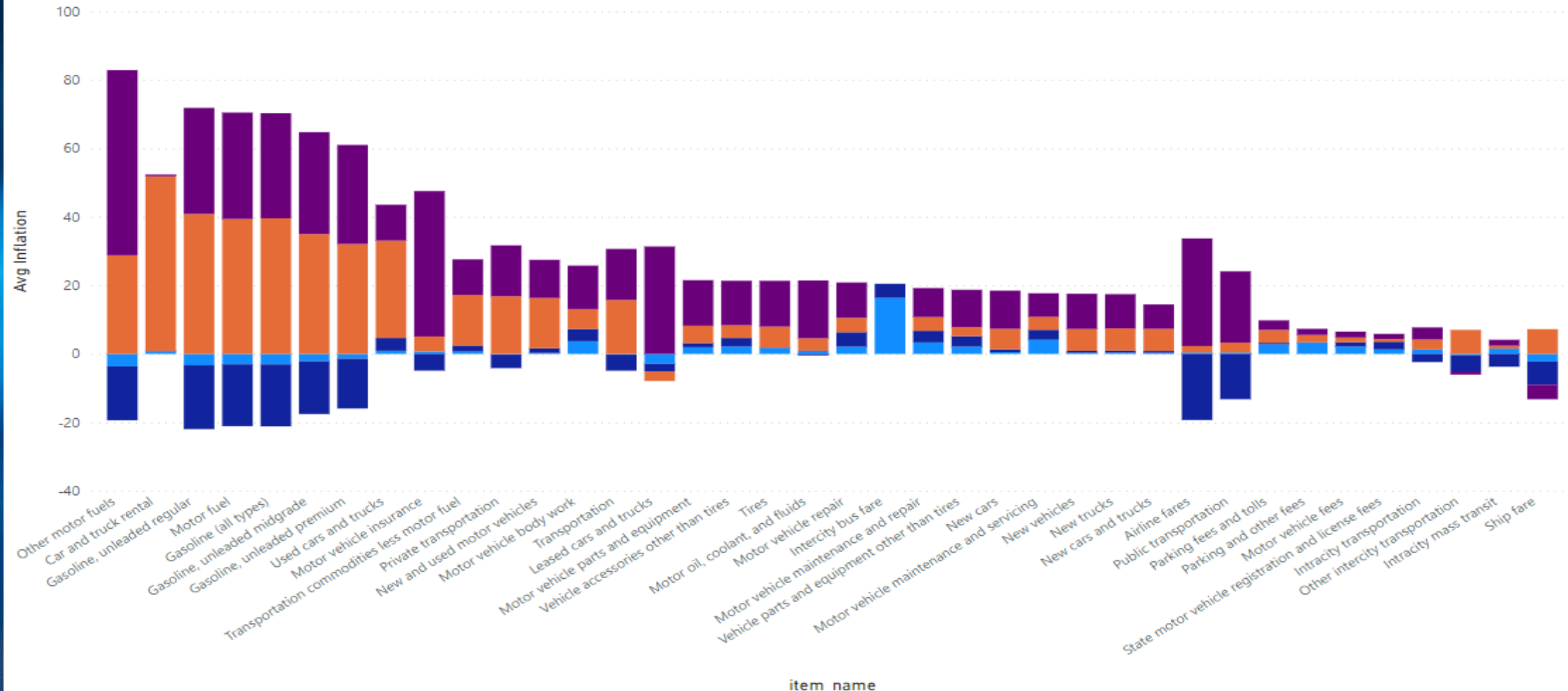
- Transportation
- Food & Beverage
- Apparel
- Medical

ITEM ANALYSIS

Transportation

Avg Inflation by item_name and year

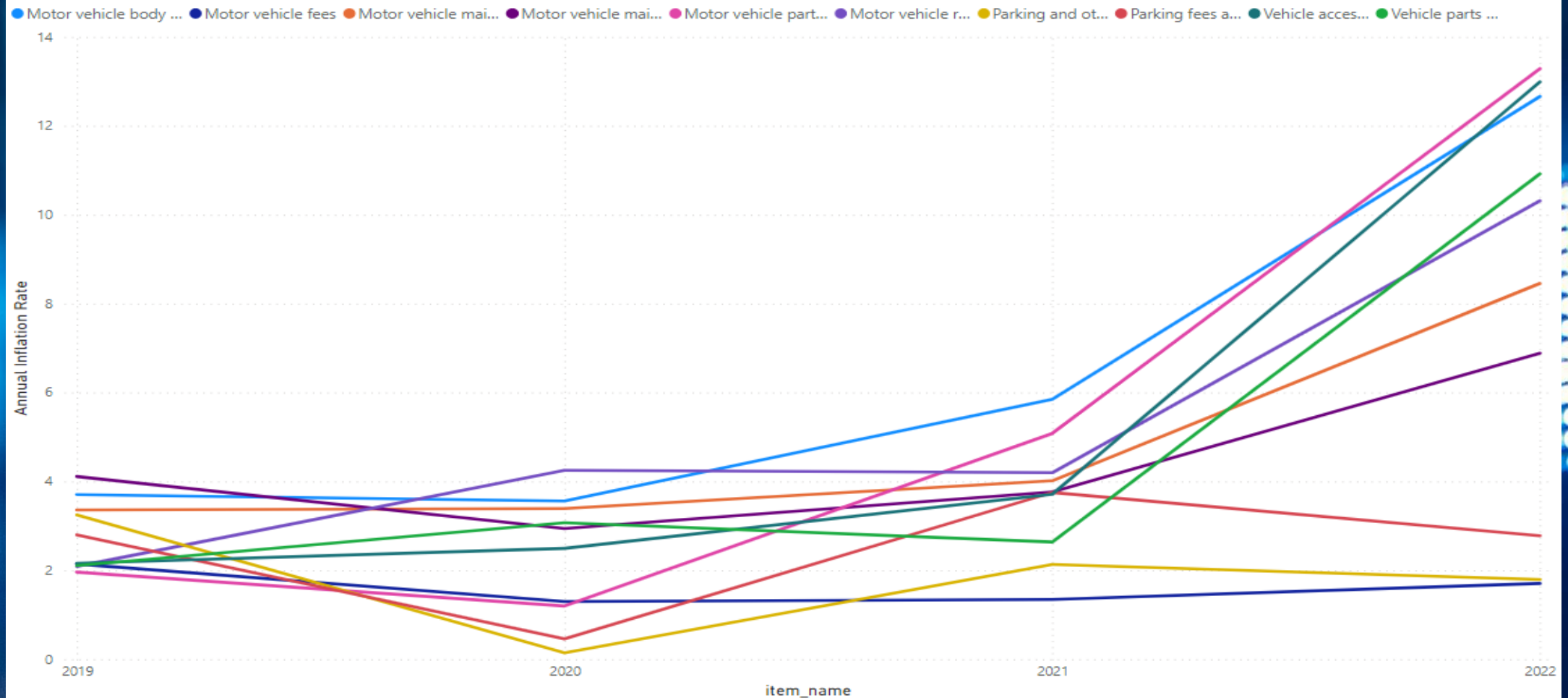
year ● 2019 ● 2020 ● 2021 ● 2022



ITEM ANALYSIS

Transportation

Inflation trends for top 10 sub categories



PREDICTED INFLATION TREND

Predicted Transportation Inflation rate by year



PREDICTED INFLATION TREND

Increased Inflation Implications

There will be increased interest rates due to high inflation in the transportation industry. Goldman Sachs may need to pass on these higher costs of borrowing to their customers in the form of higher loan rates and other borrowing costs

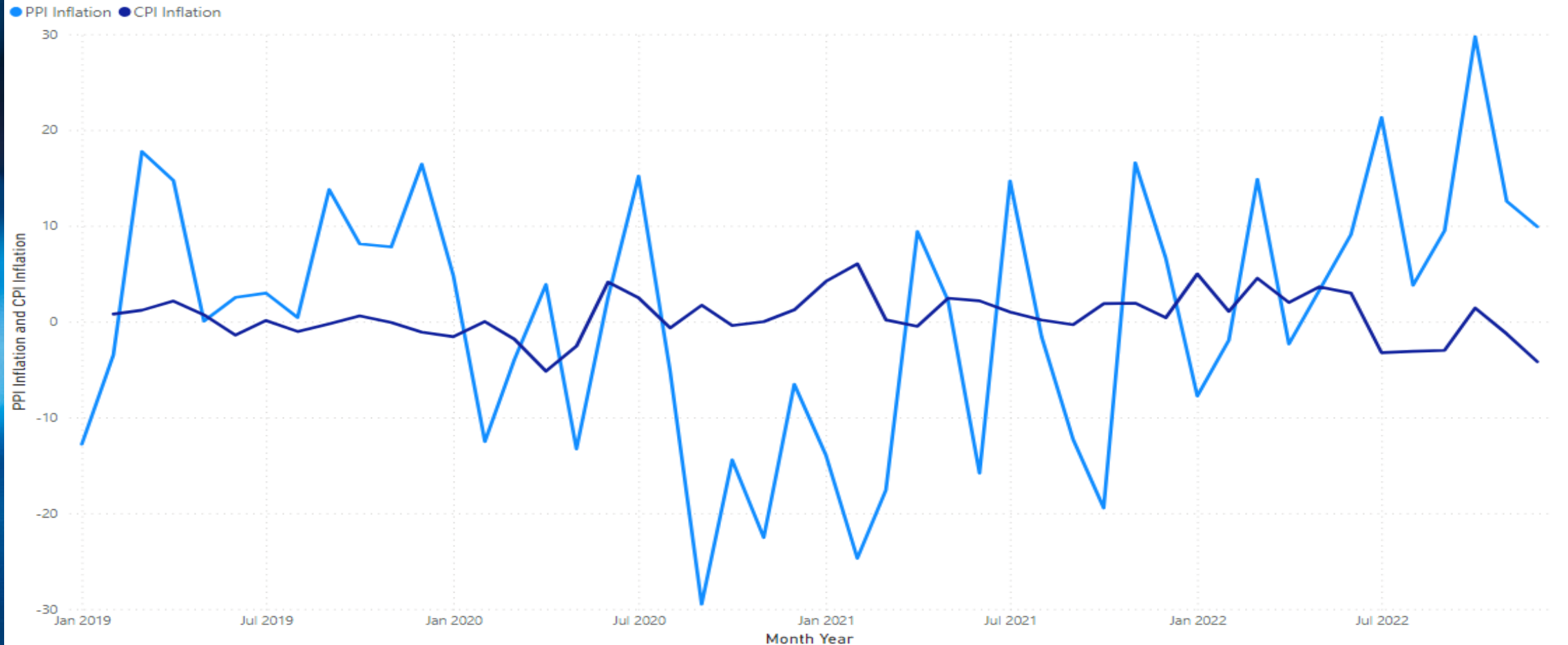
Inflation Hedged Assets Opportunity

These bonds are designed to provide investors with a return that is linked to the rate of inflation, so as inflation rises, the return on these bonds will increase. This can provide Goldman Sachs with a hedge against inflation risk and help to protect the real value of their investments.

payments
sector demand accounts global main
support mobile online available
loans chain issues banking
cards personal business major
products bancorp account
insurance investment return hainlin investments
menu credit lines
financial supply management
interest explore wealth inflation industry
market bank time content home prices services
corporate investing
solutions planning
end commercial

CPI VS PPI ANALYSIS

PPI Inflation and CPI Inflation by Month Year



CPI VS PPI ANALYSIS

Increased Loan Demand

PPI is increasing, which means costs of goods for transportation companies is increasing. If their costs are increasing, they will need to allocate more funds to cover those rising costs. They will have less funds to cover their other operations and will need to take out loans



Higher Interest



Inflation Hedged Assets



Increased Loan Demand



PRESCRIPTIVE ACTIONS FOR GOLDMAN SACHS



THANK YOU