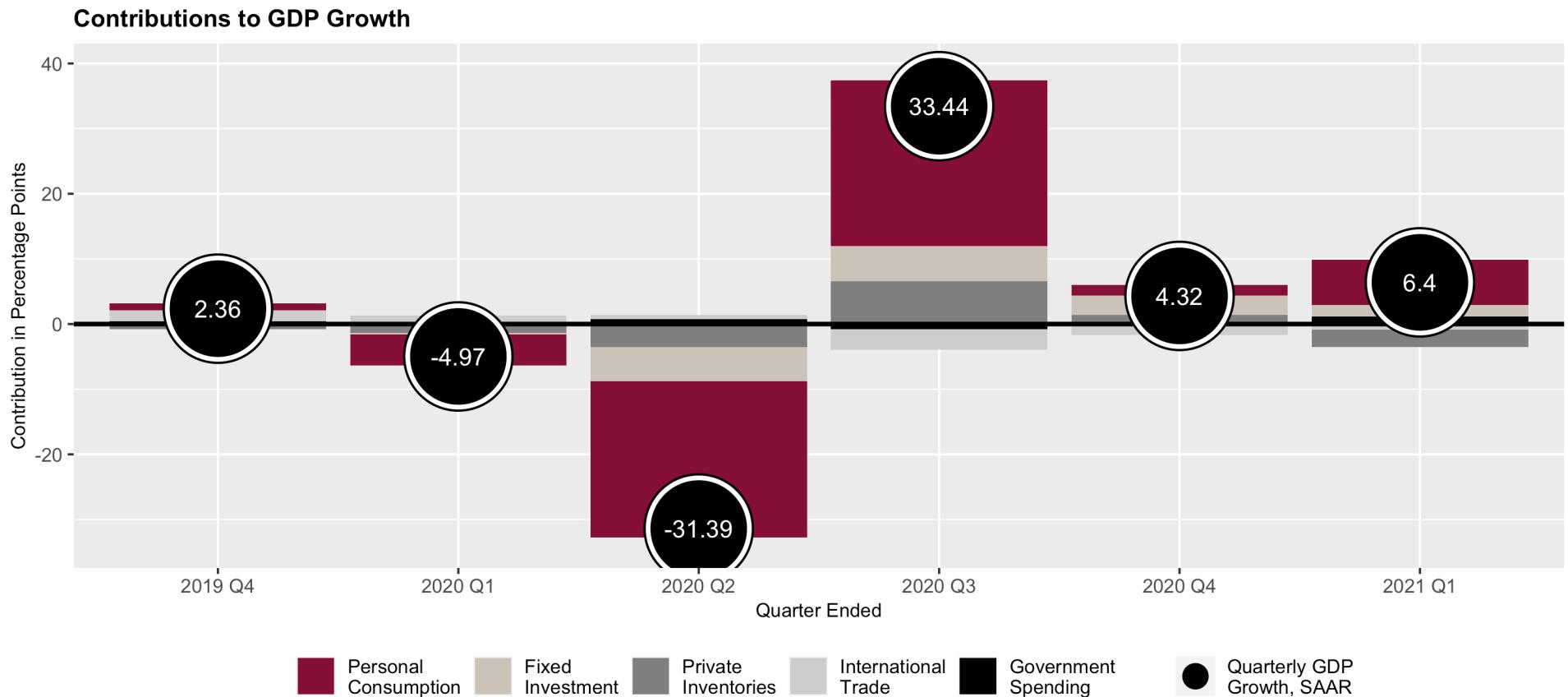


Gross Domestic Product

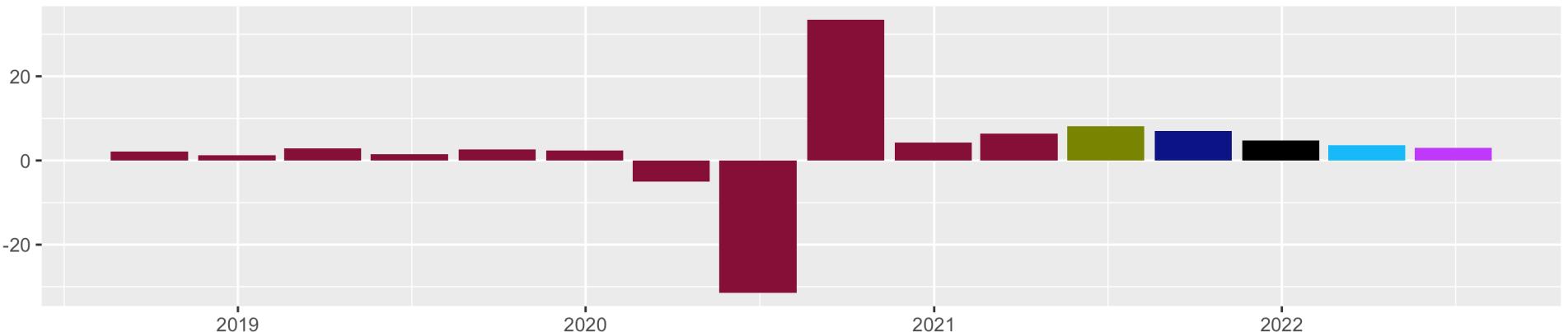
The recovery of the US economy continued into the first quarter of 2021. The economy grew an annualized 6.4 percent, following 33.4 percent and 4.3 percent growth in the third and fourth quarters of 2020. Personal consumption was supported by two rounds of direct transfers to households during the period. Overall consumption increased an annualized 10.7 percent from the prior quarter and is now just shy of the pre-pandemic level. Growth should continue to accelerate as higher immunization levels allow social distancing restrictions to be relaxed and households spend down their significant accumulation of excess savings.



Gross Domestic Product

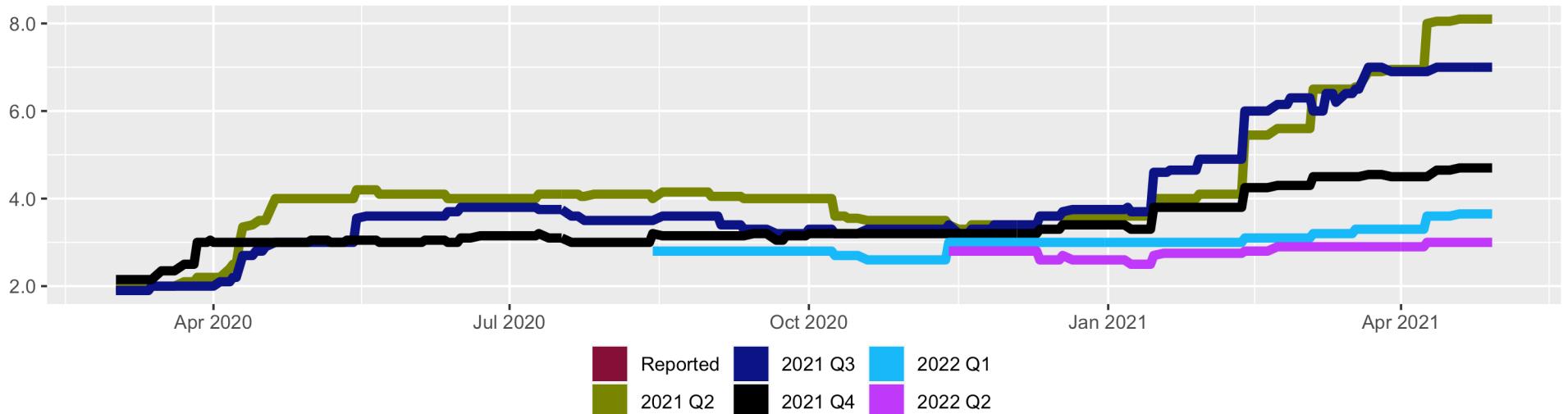
US Gross Domestic Product

QoQ SAAR



Consensus GDP Growth Estimates

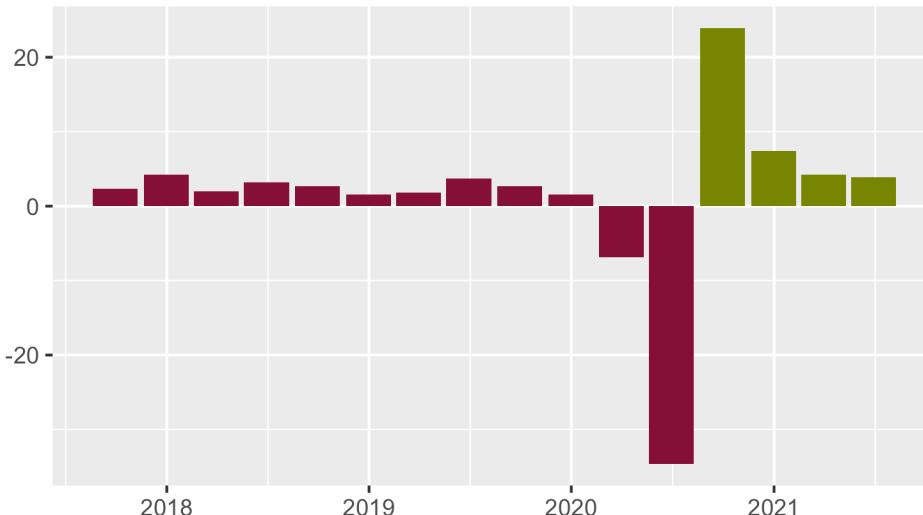
Bloomberg Survey of Economists Median



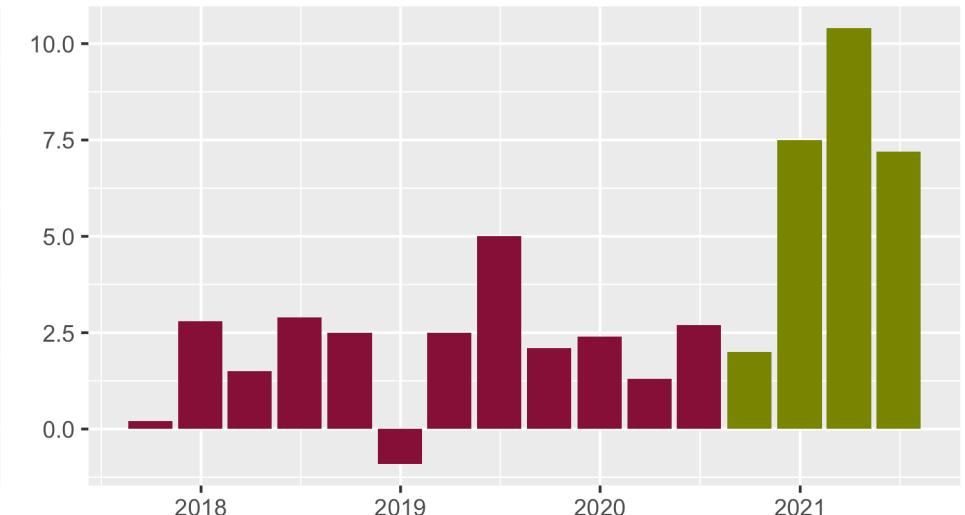
Gross Domestic Product

US Consumer Spending

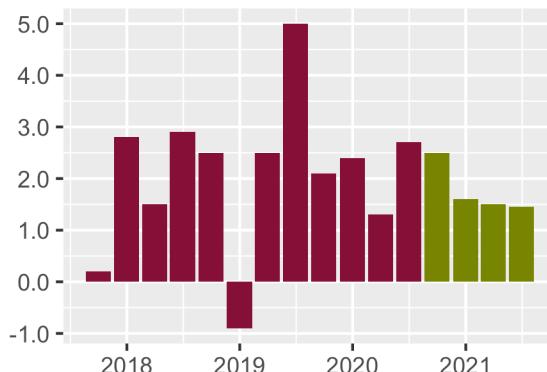
QoQ SAAR

**US Private Investment Spending**

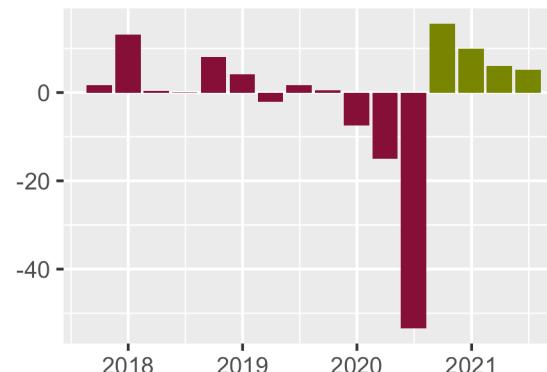
QoQ SAAR

**US Government Spending**

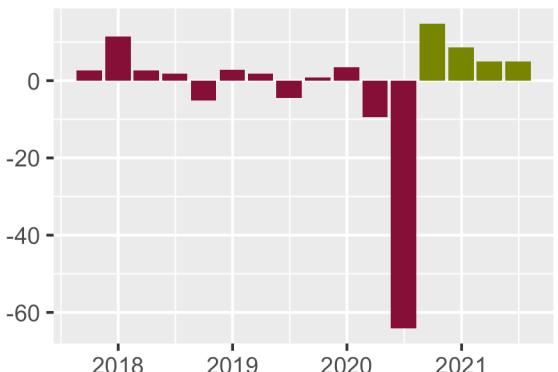
QoQ SAAR

**US Imports**

QoQ SAAR

**US Exports**

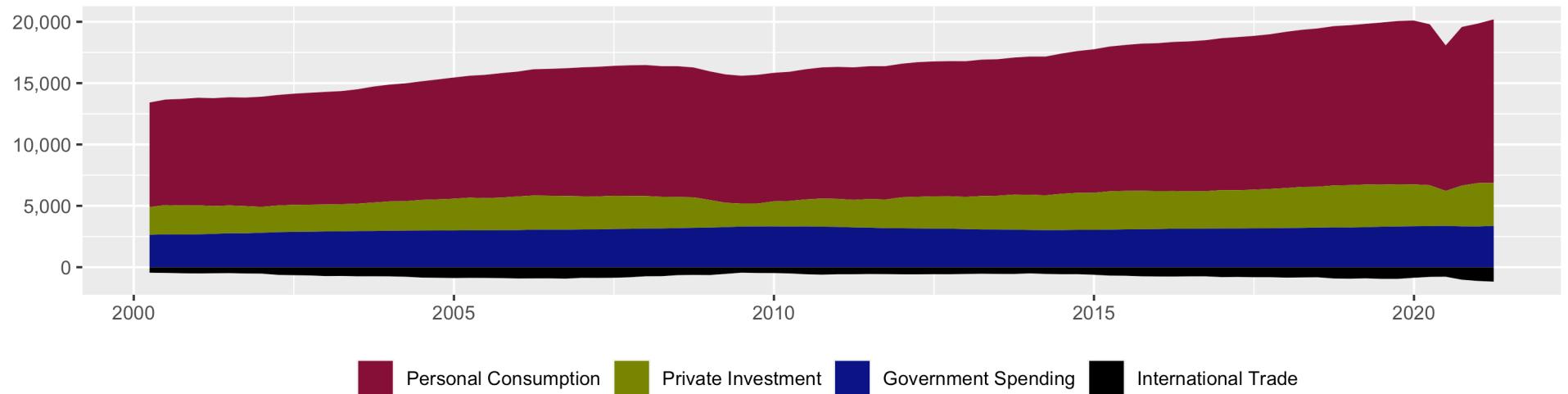
QoQ SAAR


■ Reported ■ Estimate

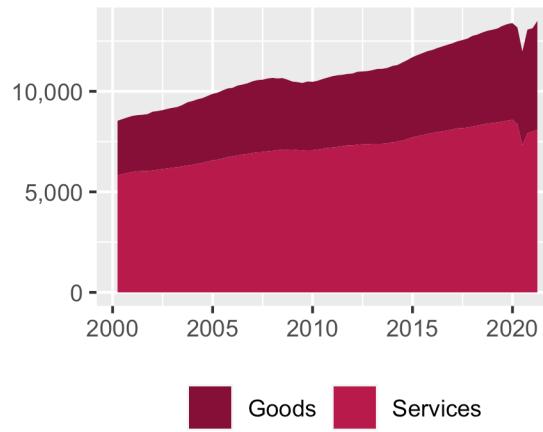
Gross Domestic Product

Composition of US Economy

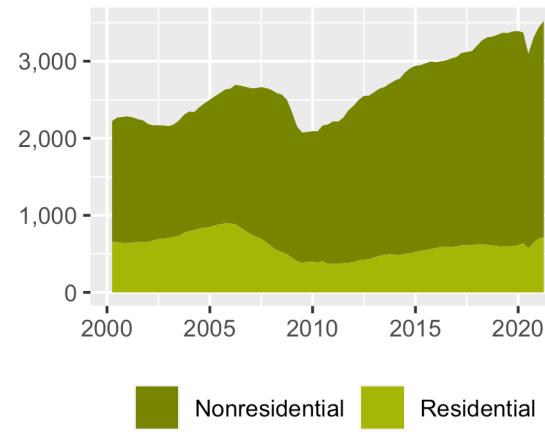
Billions of USD, Chain Linked 2012 Prices



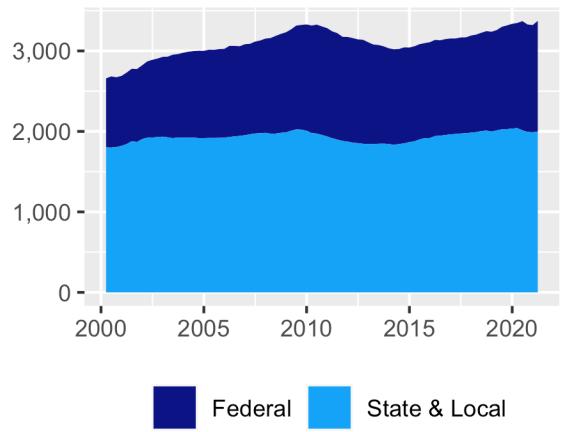
Personal Consumption



Fixed Investment



Government Spending

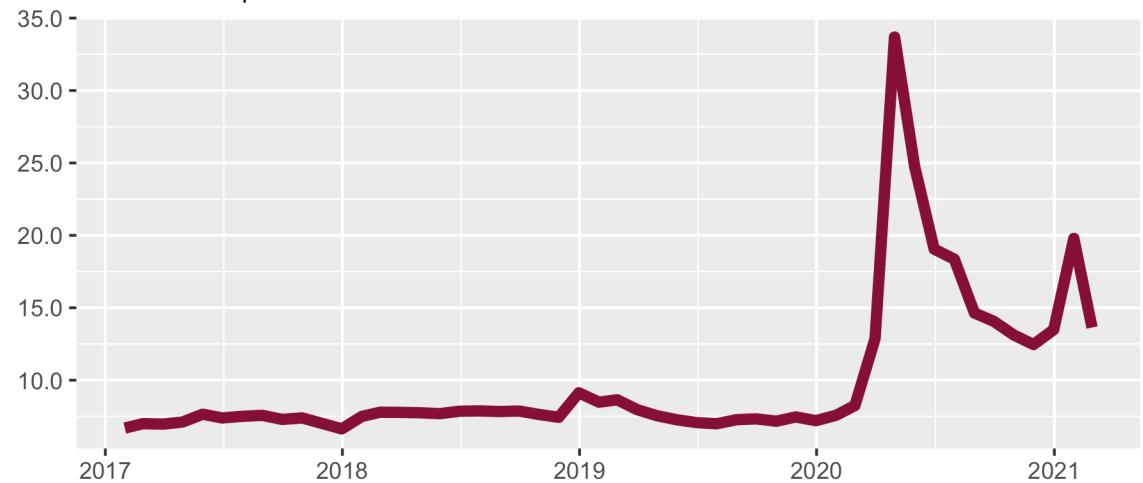


Consumption

As COVID-19 vaccines are widely administered and immunization levels increase, we expect to see a sharp acceleration in personal consumption led by service categories. These categories of consumption, such as spending at restaurants and hotels, were the hardest hit by the pandemic and have had the most difficulty accommodating social distancing requirements. Even though services spending has increased 16 percent from the April low point, it is still nearly 7 percent below the pre-pandemic level. Meanwhile, goods spending has already surpassed pre-pandemic levels.

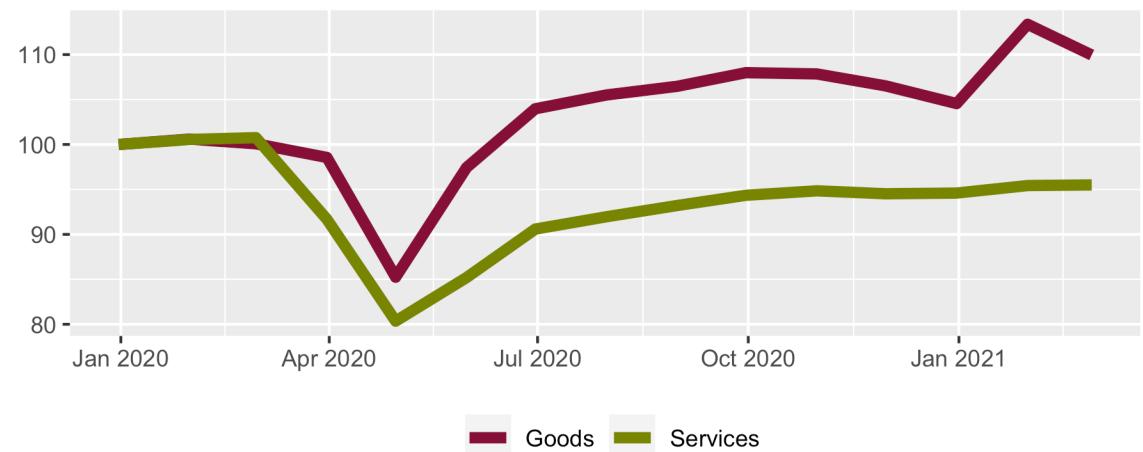
Personal Savings Rate

Percent of Disposable Personal Income



Personal Consumption Expenditures

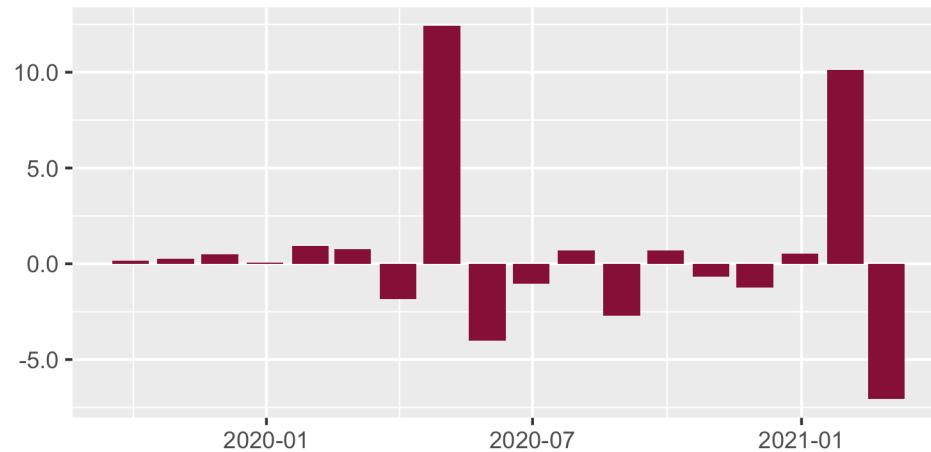
Normalized to December 2019



Consumption

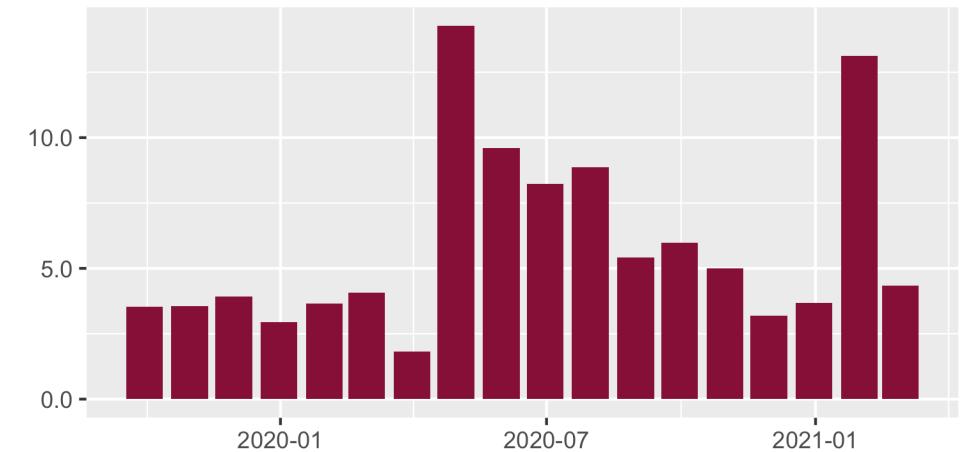
Personal Income

Monthly Percent Change



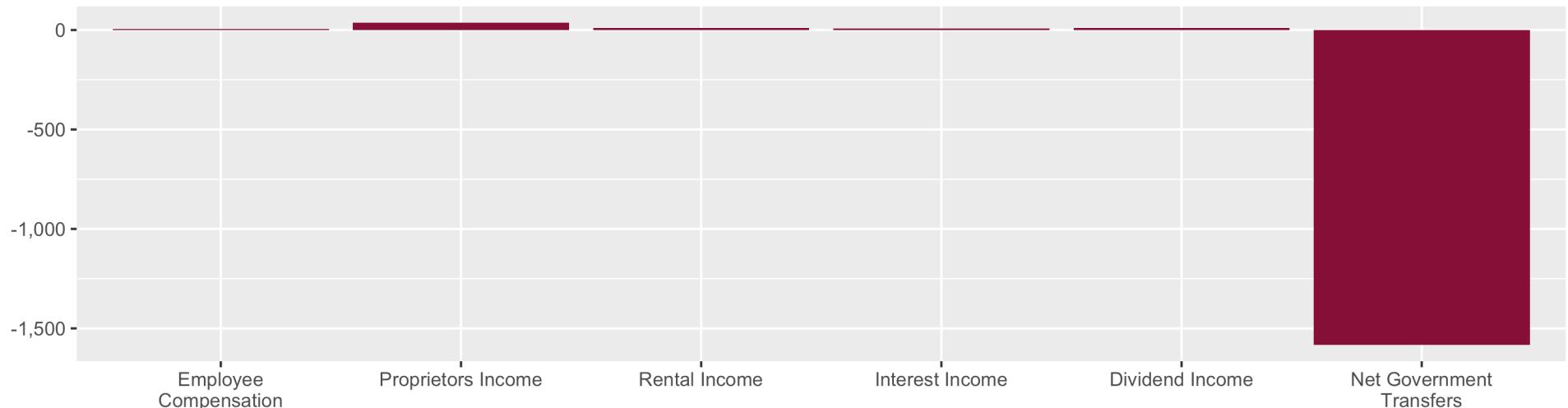
Personal Income

Annual Percent Change

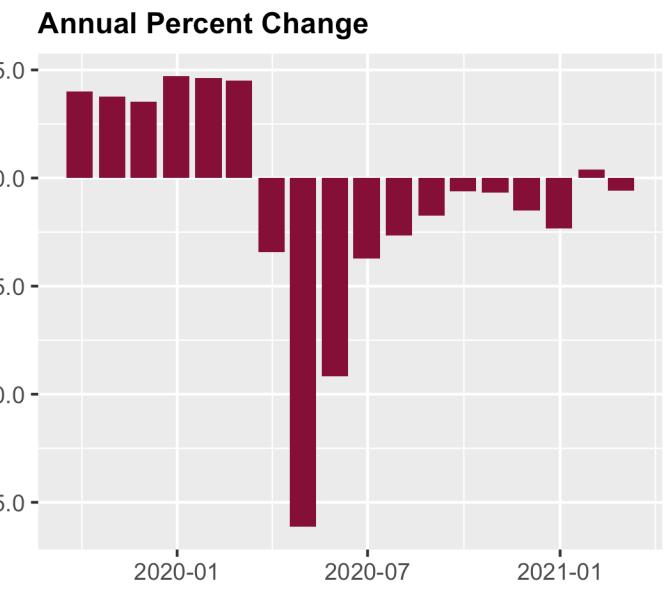
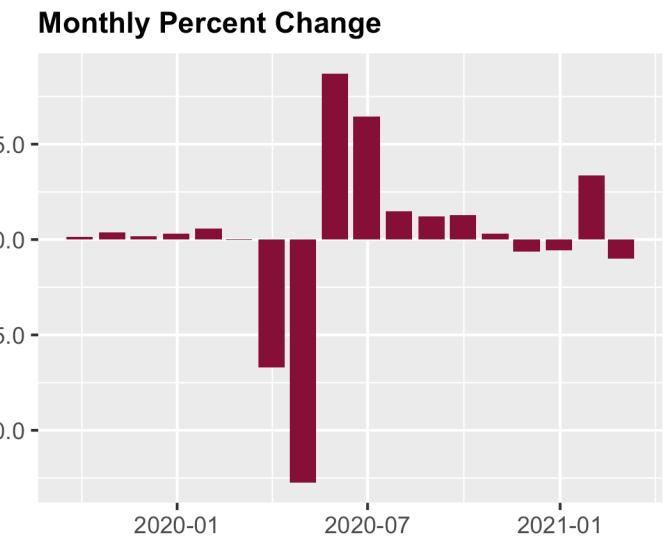
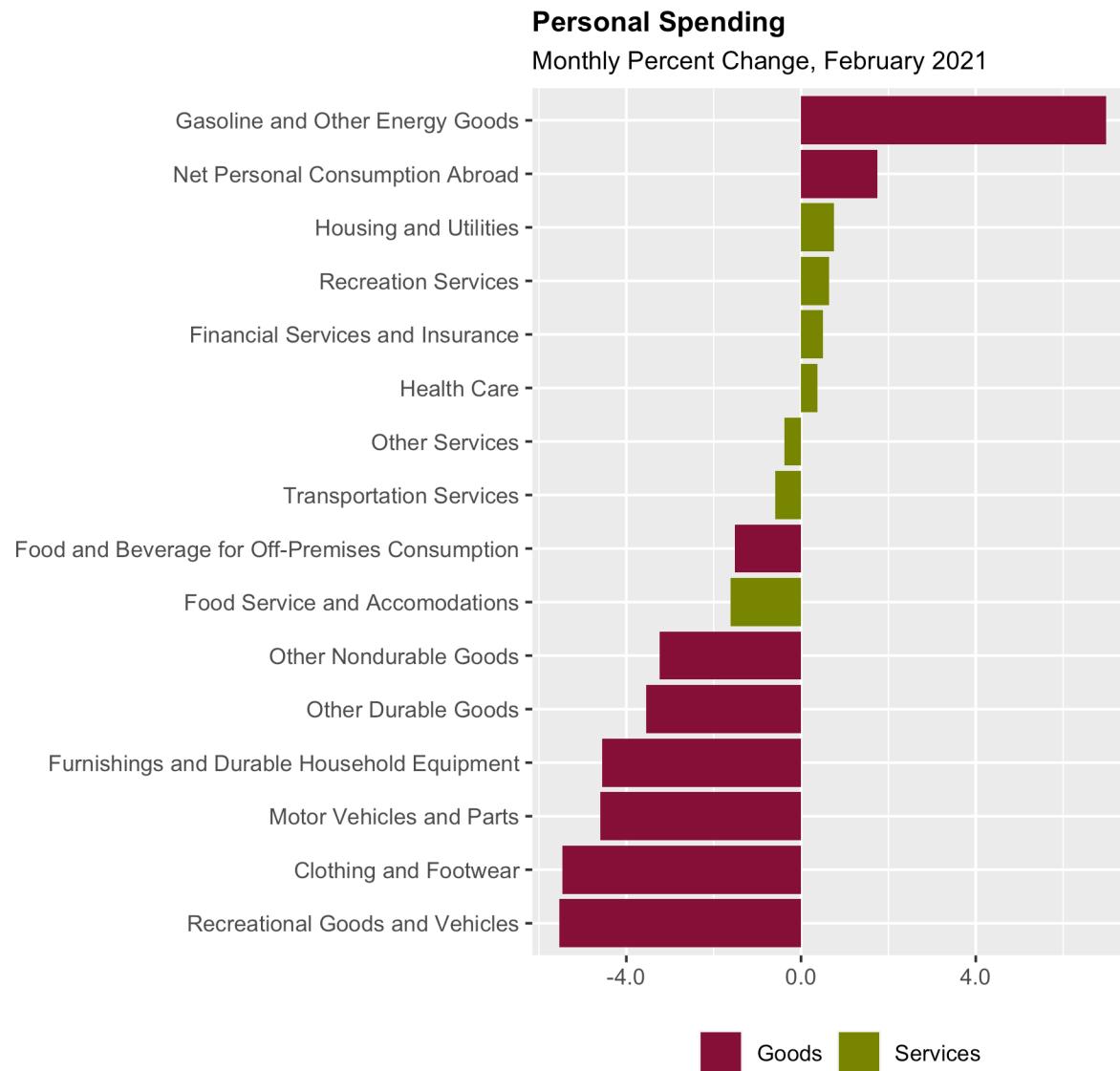


Change in Personal Income

February 2021, Billions of USD



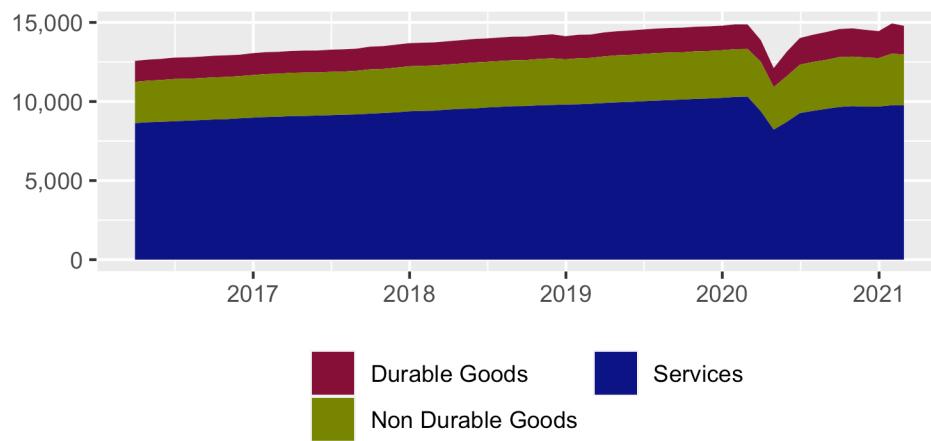
Consumption



Consumption

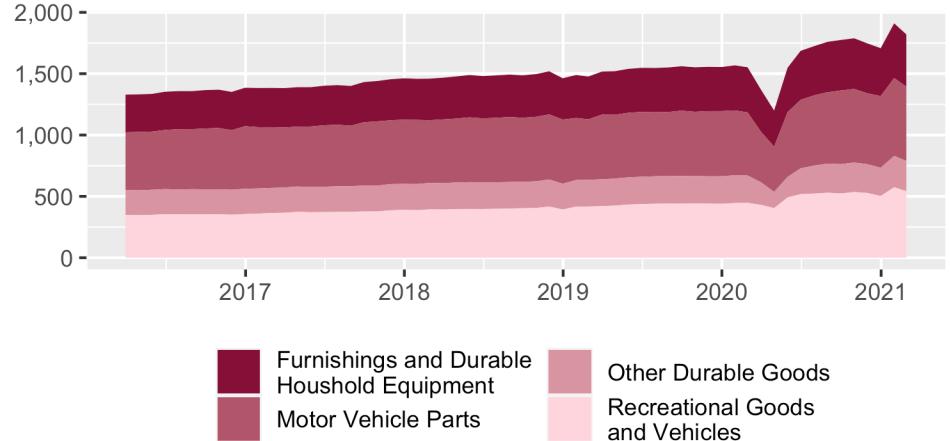
Personal Spending Composition

SAAR, USD Billions



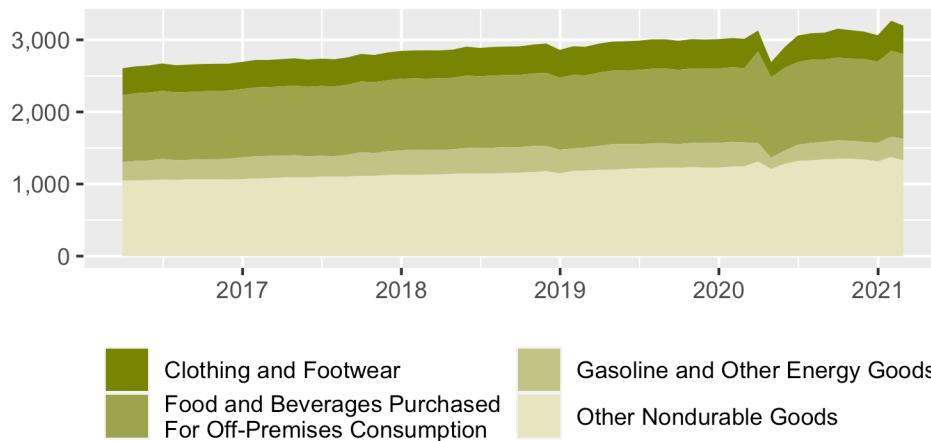
Durable Goods Composition

SAAR, USD Billions



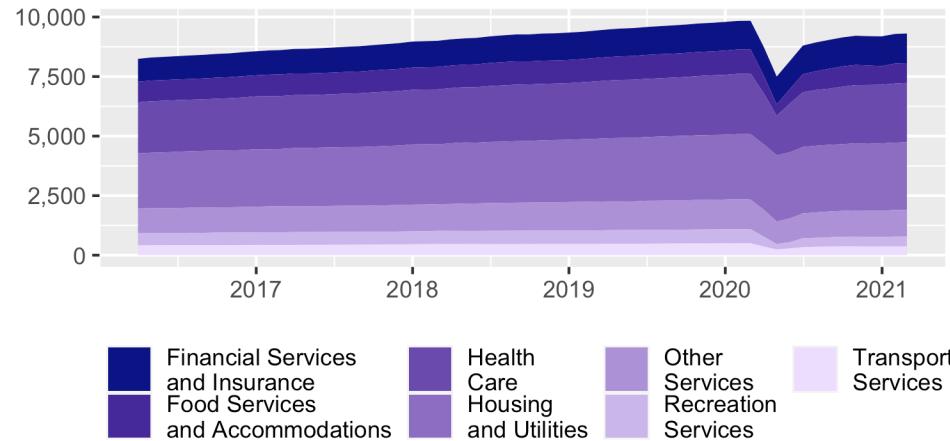
Nondurable Goods Composition

SAAR, USD Billions



Services Composition

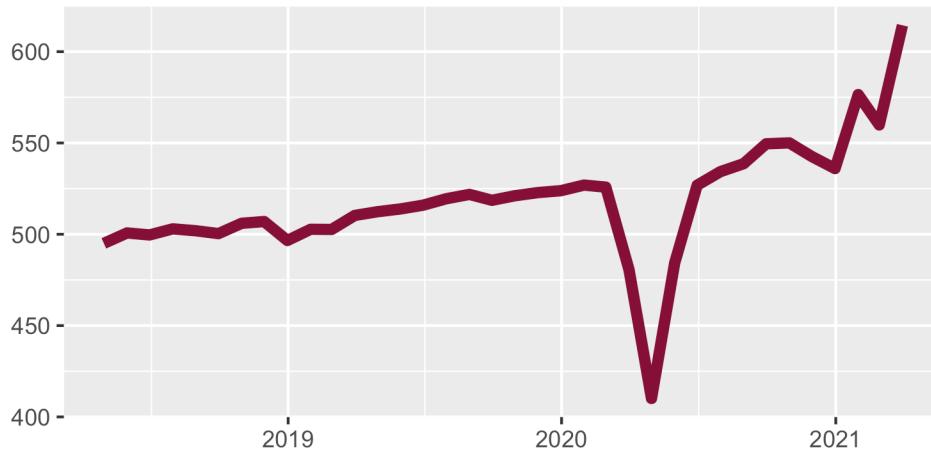
SAAR, USD Billions



Consumption

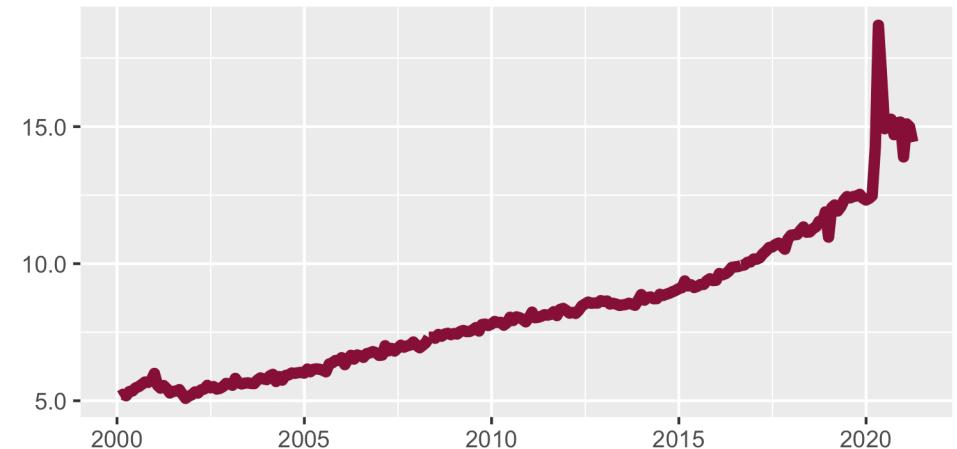
Retail Sales

Billions of USD



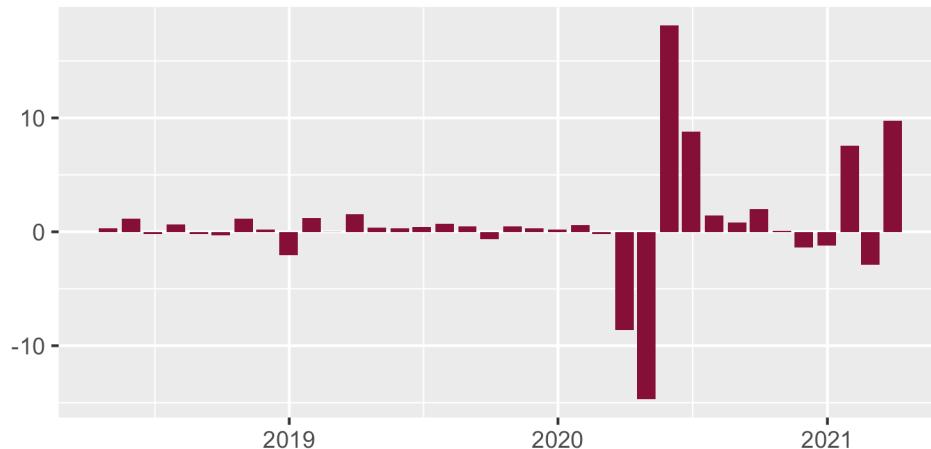
Nonstore Retail Sales

Share of Total Retail Sales



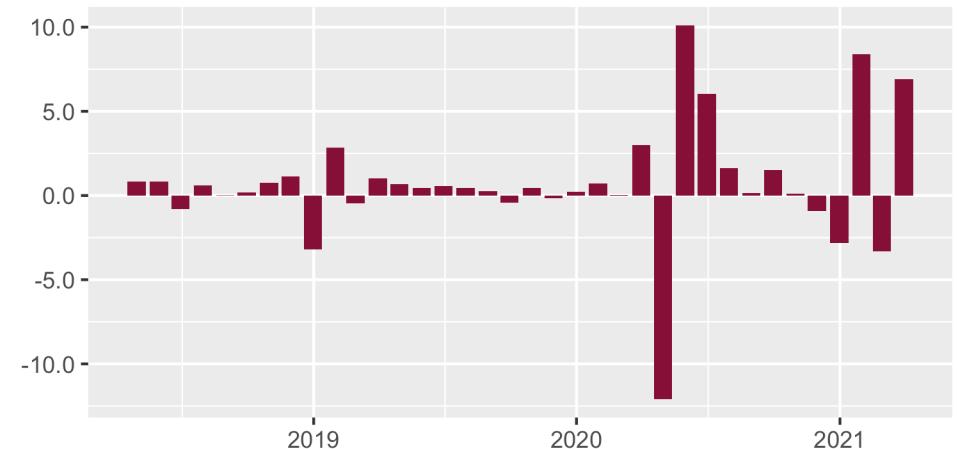
Retail Sales

Total Retail Sales Monthly Percent Change



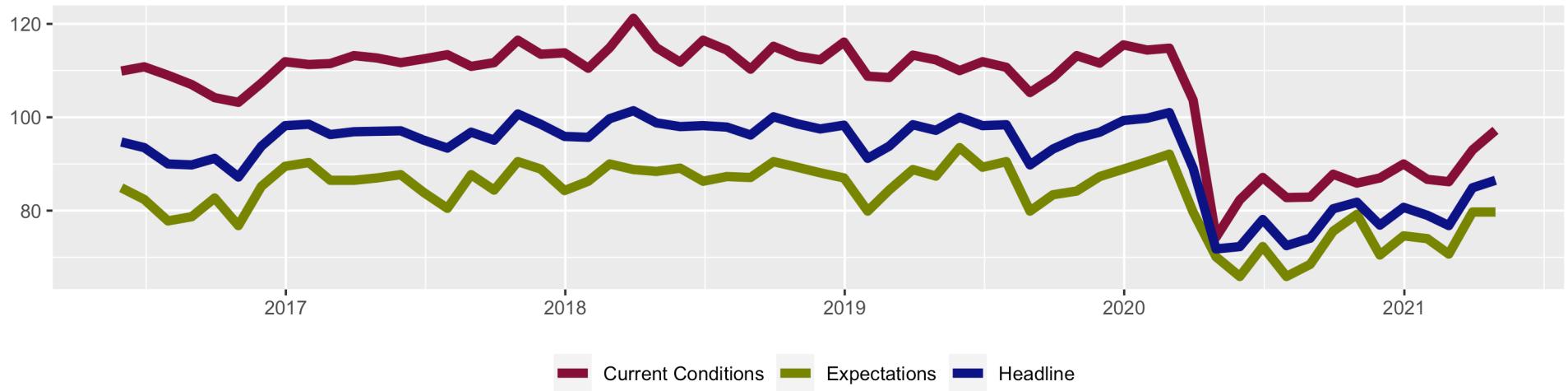
Retail Sales

Control Group Monthly Percent Change

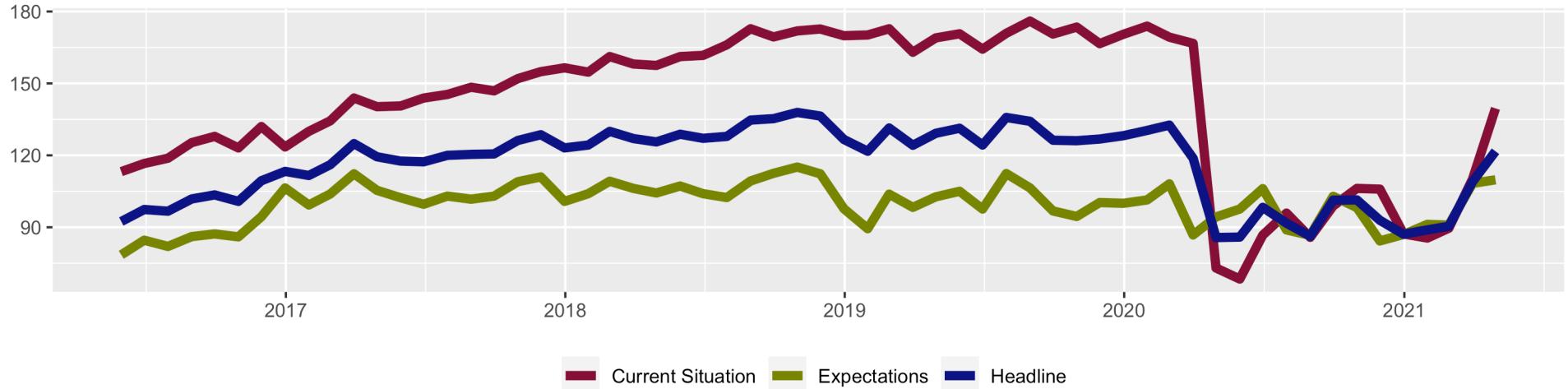


Consumption

Consumer Sentiment



Consumer Confidence

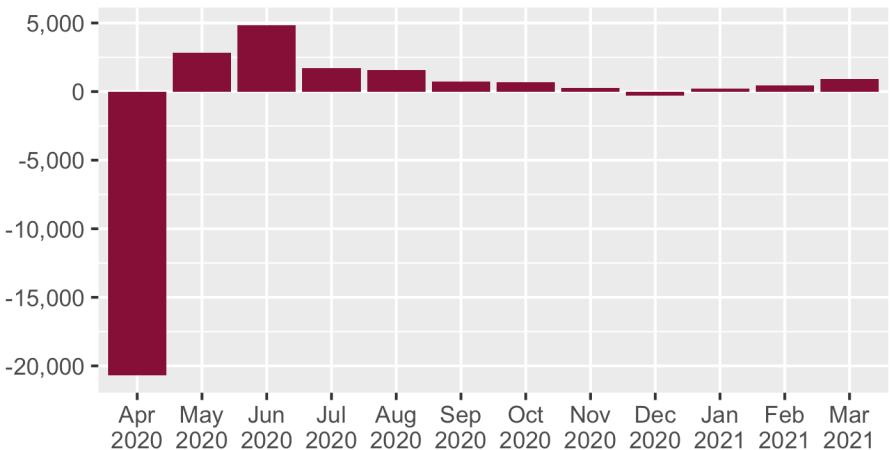


Labor Market

Job gains have accelerated as public health conditions have improved. In March the labor market added 916 thousand jobs, including more than 280 thousand jobs in the hard-hit Leisure & Hospitality industries. We expect strong monthly job growth as the labor market closes the 8.4 million remaining deficit to the pre-pandemic level of payrolls. These gains will push the unemployment rate lower. However, the unemployment rate does not reflect the declines in labor force participation rates we seen during the pandemic. Though overall participation and prime-age participation have risen from their pandemic lows, they still remain below pre-pandemic levels. For this reason, we believe the broader underemployment rate will better reflect the amount of remaining slack in the labor market for the foreseeable future.

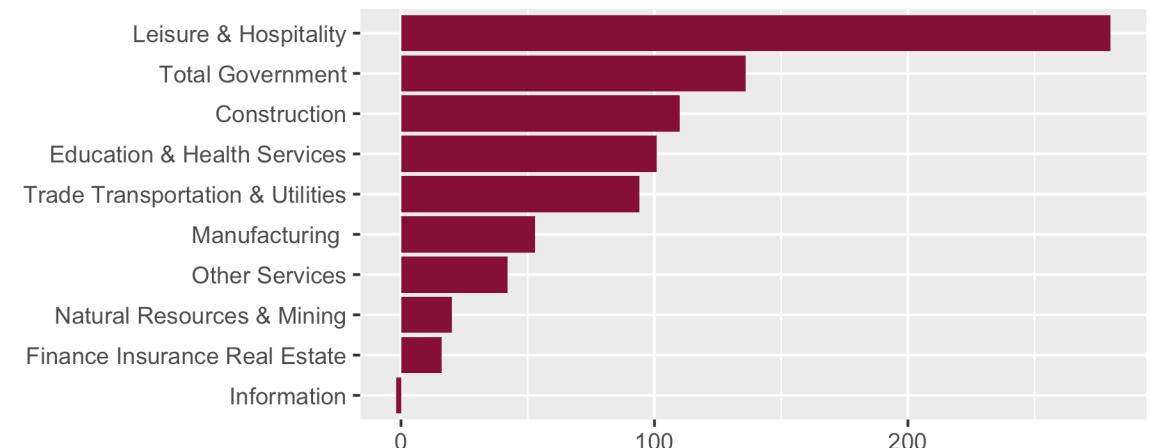
Monthly Change in Nonfarm Payrolls

Thousands



Change in Nonfarm Payrolls by Industry

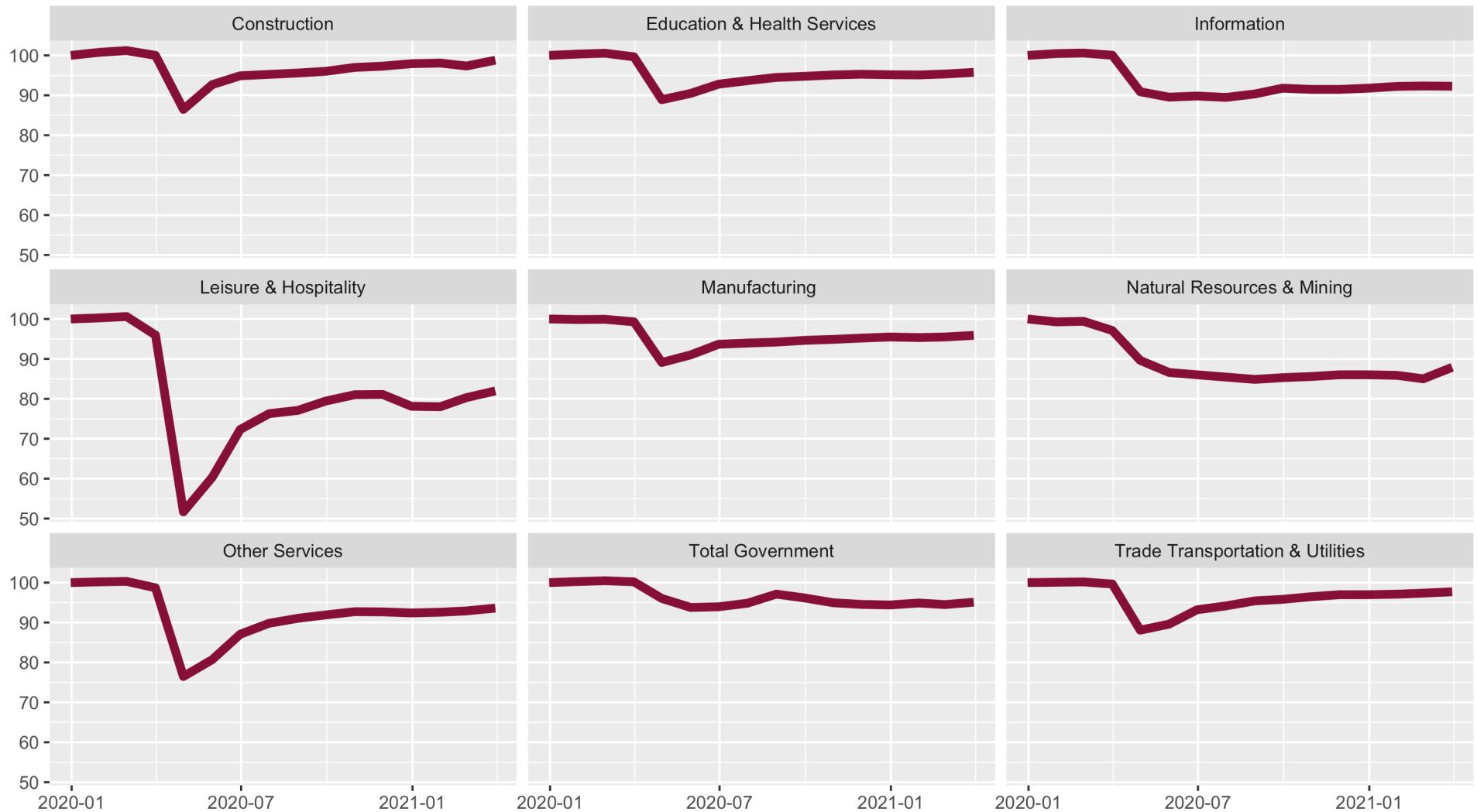
March 2021, Thousands



Labor Market

Employment by Occupation

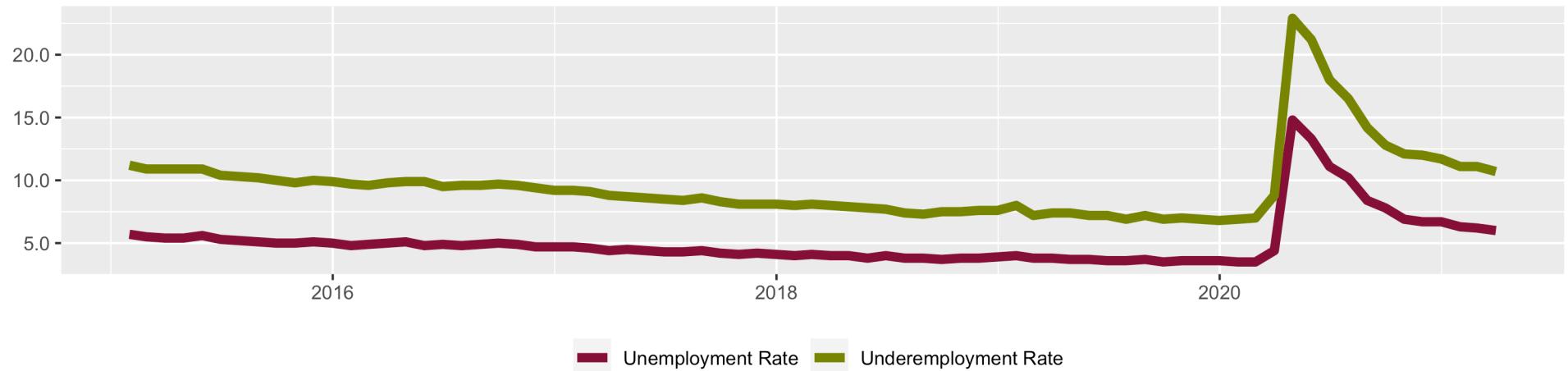
Normalized to December 2019



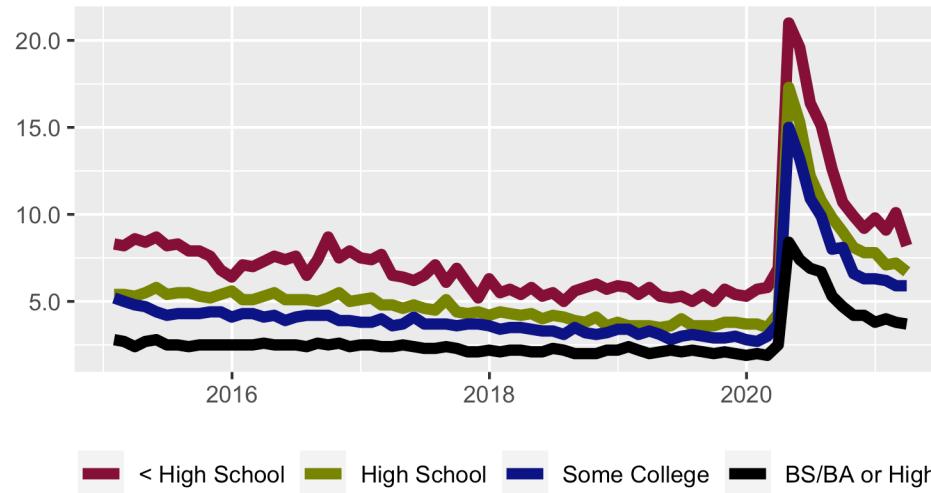
Labor Market

Unemployment Rate

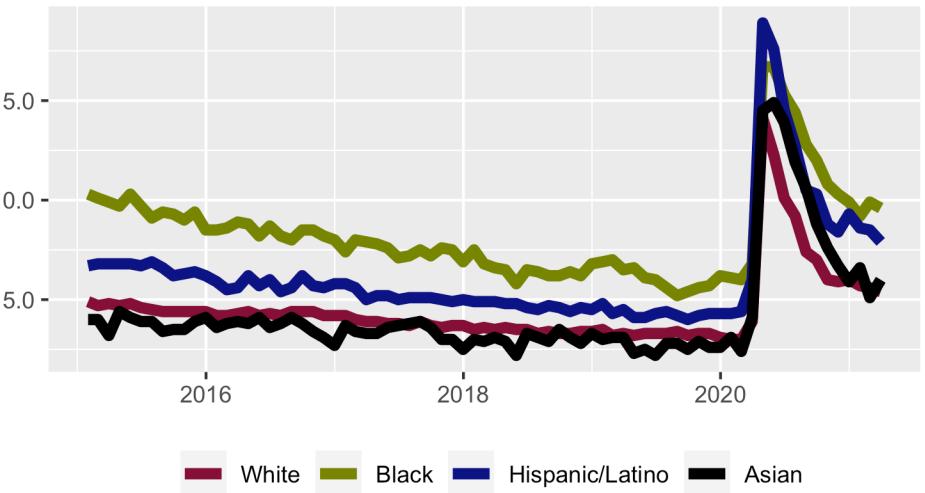
Percent of Labor Force



Unemployment Rate by Educational Attainment



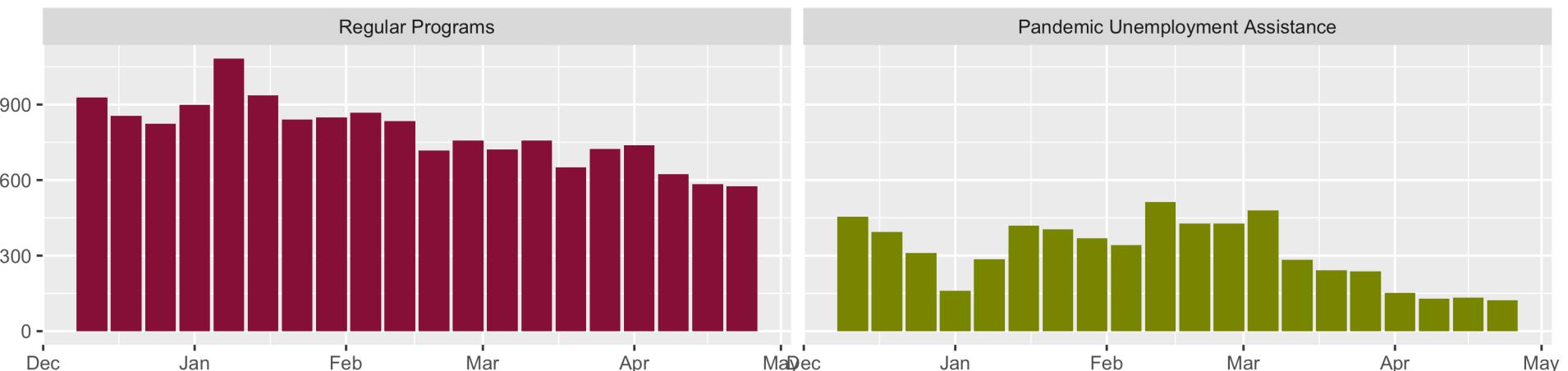
Unemployment Rate by Race



Labor Market

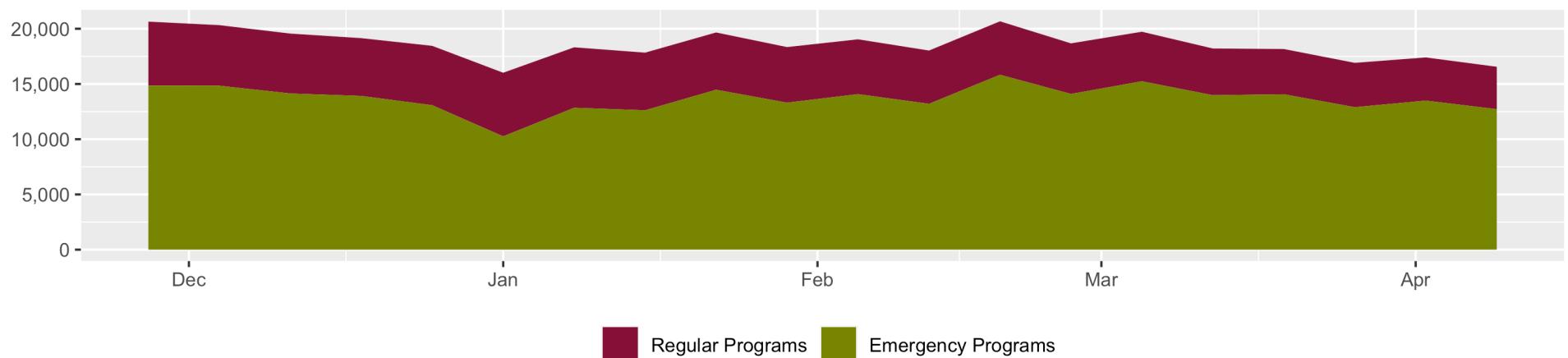
Initial Unemployment Claims

Thousands, Unadjusted, Through Apr 23



Continuing Unemployment Claims

Thousands, Unadjusted, Through Apr 09



Business Activity

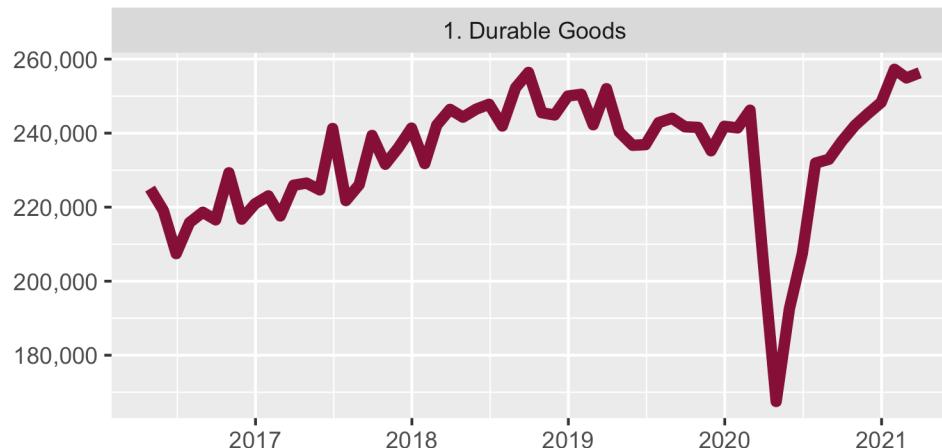
ISM Manufacturing Indexes

| Index | Apr 2020 | May 2020 | Jun 2020 | Jul 2020 | Aug 2020 | Sep 2020 | Oct 2020 | Nov 2020 | Dec 2020 | Jan 2021 | Feb 2021 | Mar 2021 |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| PMI | 41.7 | 43.1 | 52.2 | 53.7 | 55.6 | 55.7 | 58.8 | 57.7 | 60.5 | 58.7 | 60.8 | 64.7 |
| New Orders | 27.3 | 31.9 | 56.7 | 60.9 | 66.2 | 60.9 | 66.9 | 65.7 | 67.5 | 61.1 | 64.8 | 68.0 |
| Production | 27.6 | 32.8 | 56.0 | 60.6 | 62.4 | 61.7 | 63.1 | 62.2 | 64.7 | 60.7 | 63.2 | 68.1 |
| Employment | 28.2 | 32.8 | 41.1 | 43.6 | 46.3 | 49.3 | 52.1 | 48.3 | 51.7 | 52.6 | 54.4 | 59.6 |
| Supplier Deliveries | 76.0 | 68.1 | 57.0 | 55.9 | 58.2 | 59.0 | 60.5 | 61.7 | 67.7 | 68.2 | 72.0 | 76.6 |
| Inventories | 49.5 | 50.1 | 50.2 | 47.2 | 44.8 | 47.7 | 51.6 | 50.8 | 51.0 | 50.8 | 49.7 | 50.8 |
| Customers' Inventories | 48.8 | 46.2 | 44.6 | 41.6 | 38.1 | 37.9 | 36.7 | 36.3 | 37.9 | 33.1 | 32.5 | 29.9 |
| Prices Index | 35.3 | 40.8 | 51.3 | 53.2 | 59.5 | 62.8 | 65.5 | 65.4 | 77.6 | 82.1 | 86.0 | 85.6 |
| Backlog of Orders | 37.8 | 38.2 | 45.3 | 51.8 | 54.6 | 55.2 | 55.7 | 56.9 | 59.1 | 59.7 | 64.0 | 67.5 |
| Export Orders | 35.3 | 39.5 | 47.6 | 50.4 | 53.3 | 54.3 | 55.7 | 57.8 | 57.5 | 54.9 | 57.2 | 54.5 |
| Imports | 42.7 | 41.3 | 48.8 | 53.1 | 55.6 | 54.0 | 58.1 | 55.1 | 54.6 | 56.8 | 56.1 | 56.7 |

Business Activity

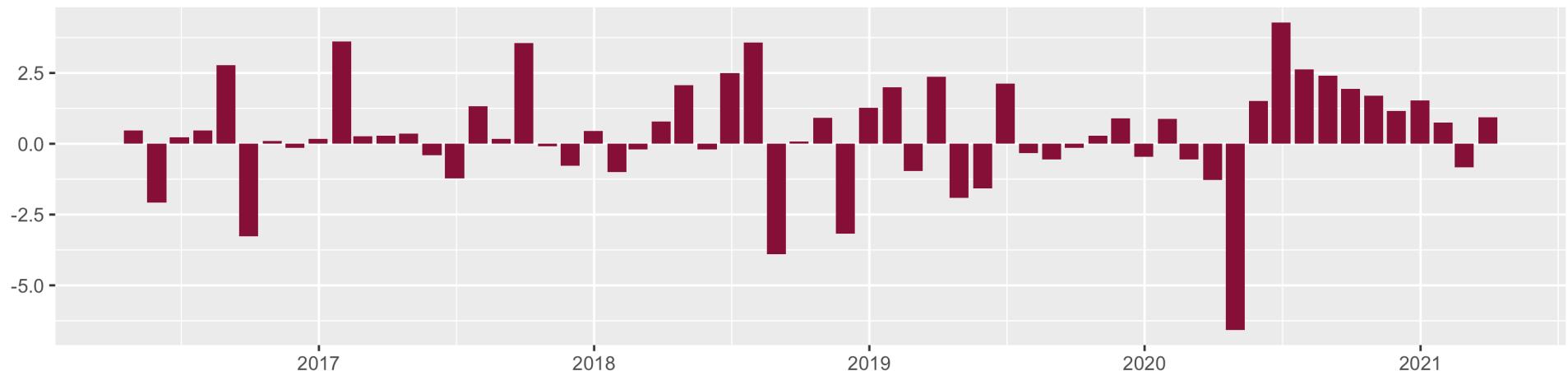
Durable Goods Orders

USD Millions



Core Capital Goods Orders

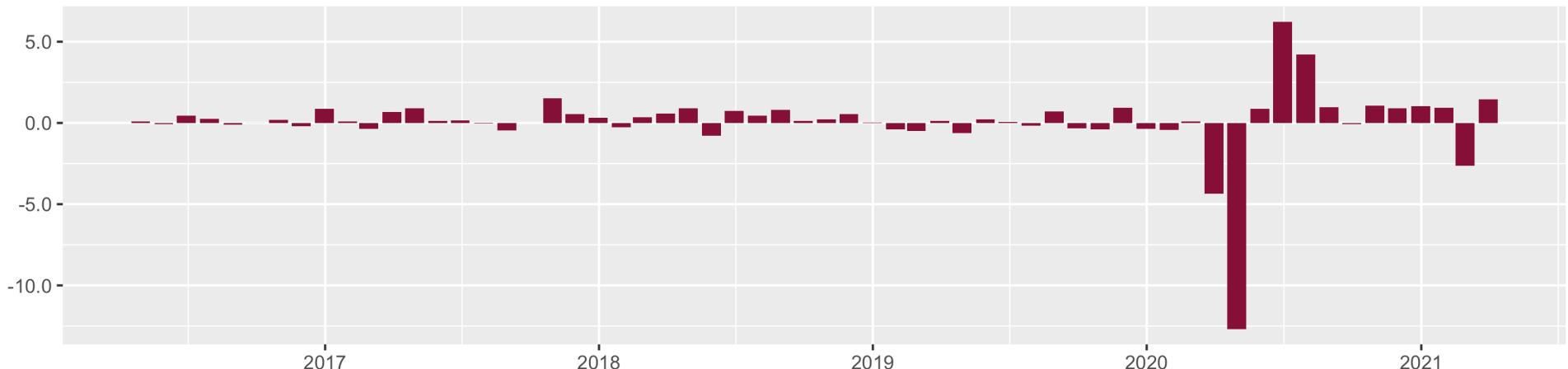
Monthly Change in Nondefense Capital Goods Orders ex Aircraft



Business Activity

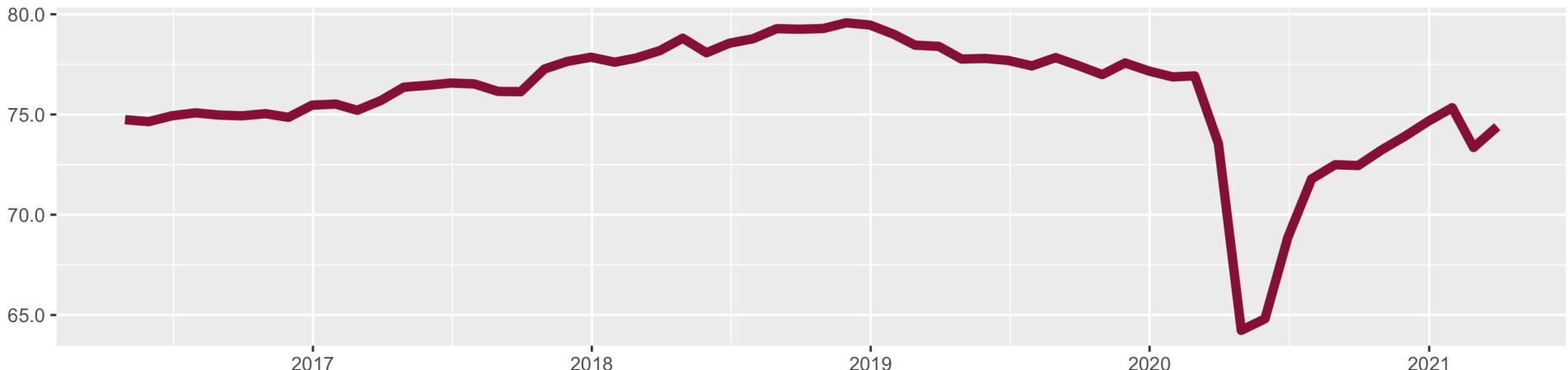
Industrial Production

Monthly Percent Change



Industrial Capacity Utilization

Percent



Business Activity

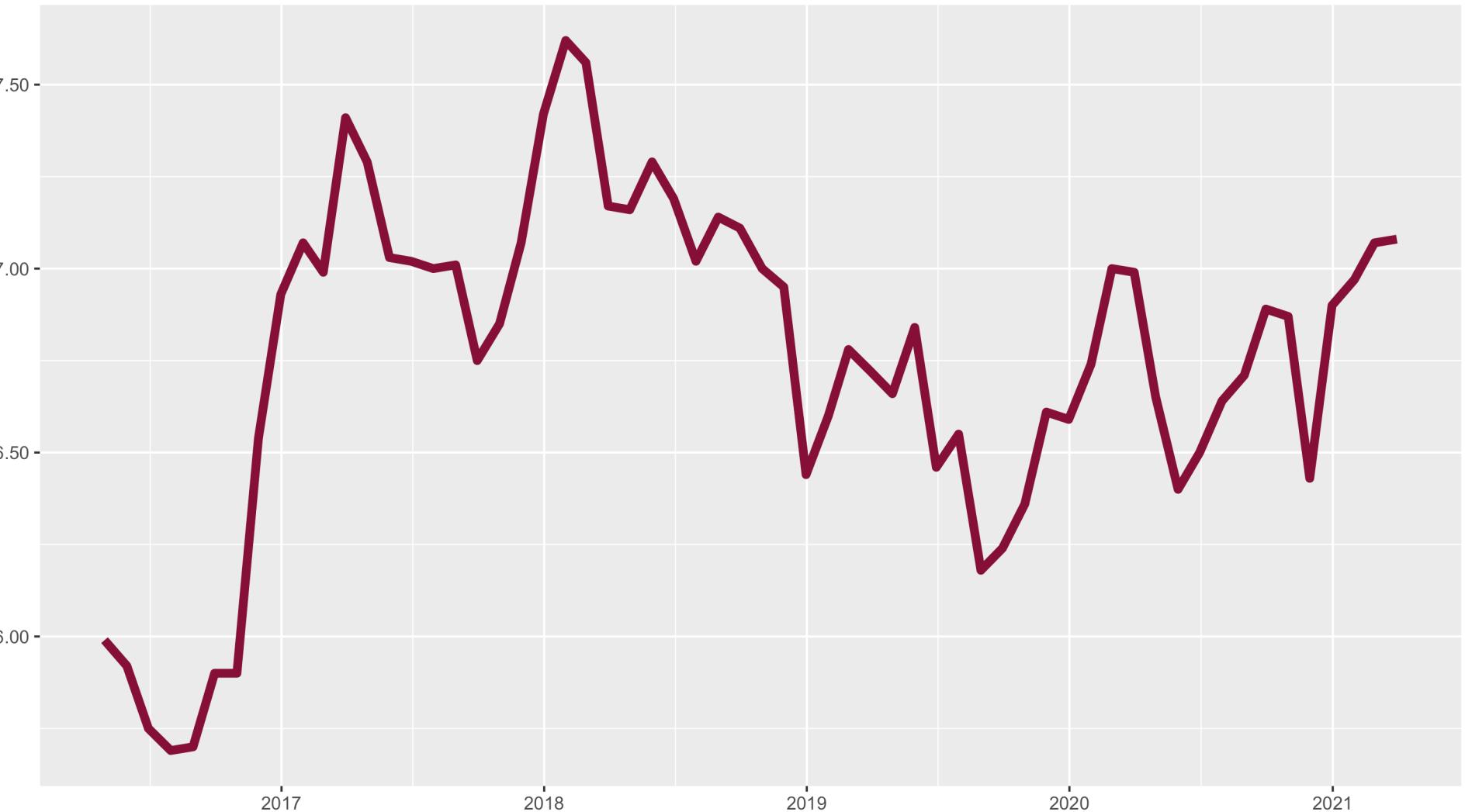
ISM Services Indexes

| Index | Apr 2020 | May 2020 | Jun 2020 | Jul 2020 | Aug 2020 | Sep 2020 | Oct 2020 | Nov 2020 | Dec 2020 | Jan 2021 | Feb 2021 | Mar 2021 |
|-------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| PMI | 41.6 | 45.4 | 56.5 | 56.6 | 57.2 | 57.2 | 56.2 | 56.8 | 57.7 | 58.7 | 55.3 | 63.7 |
| Business Activity Index | 25.9 | 41.2 | 63.9 | 63.8 | 62.6 | 62.8 | 61.1 | 59.6 | 60.5 | 59.9 | 55.5 | 69.4 |
| New Orders | 32.5 | 41.3 | 61.8 | 64.8 | 58.5 | 61.4 | 57.3 | 59.0 | 58.6 | 61.8 | 51.9 | 67.2 |
| Employment | 29.7 | 32.2 | 42.7 | 42.6 | 47.4 | 49.8 | 50.1 | 51.5 | 48.7 | 55.2 | 52.7 | 57.2 |
| Supplier Deliveries | 78.3 | 67.0 | 57.5 | 55.3 | 60.5 | 55.0 | 56.1 | 57.1 | 62.8 | 57.8 | 60.8 | 61.0 |
| Inventories | 46.9 | 48.0 | 60.7 | 52.0 | 45.8 | 48.8 | 53.1 | 49.3 | 58.2 | 49.2 | 58.9 | 54.0 |
| Prices | 56.1 | 56.4 | 62.1 | 57.6 | 63.4 | 58.0 | 62.7 | 63.9 | 64.4 | 64.2 | 71.8 | 74.0 |
| Backlog of Orders | 47.7 | 46.4 | 51.9 | 55.9 | 56.6 | 50.1 | 54.4 | 50.7 | 48.7 | 50.9 | 55.2 | 50.2 |
| New Export Orders | 36.3 | 41.5 | 58.9 | 49.3 | 55.8 | 52.6 | 53.7 | 50.4 | 57.3 | 47.0 | 57.6 | 55.5 |
| Imports | 49.3 | 43.7 | 52.9 | 46.3 | 50.8 | 46.6 | 52.5 | 55.0 | 51.8 | 53.5 | 50.5 | 50.7 |
| Inventory Sentiment | 62.6 | 55.1 | 55.9 | 50.0 | 52.5 | 55.4 | 51.1 | 49.9 | 47.7 | 49.7 | 54.3 | 52.7 |

Business Activity

CEO Confidence

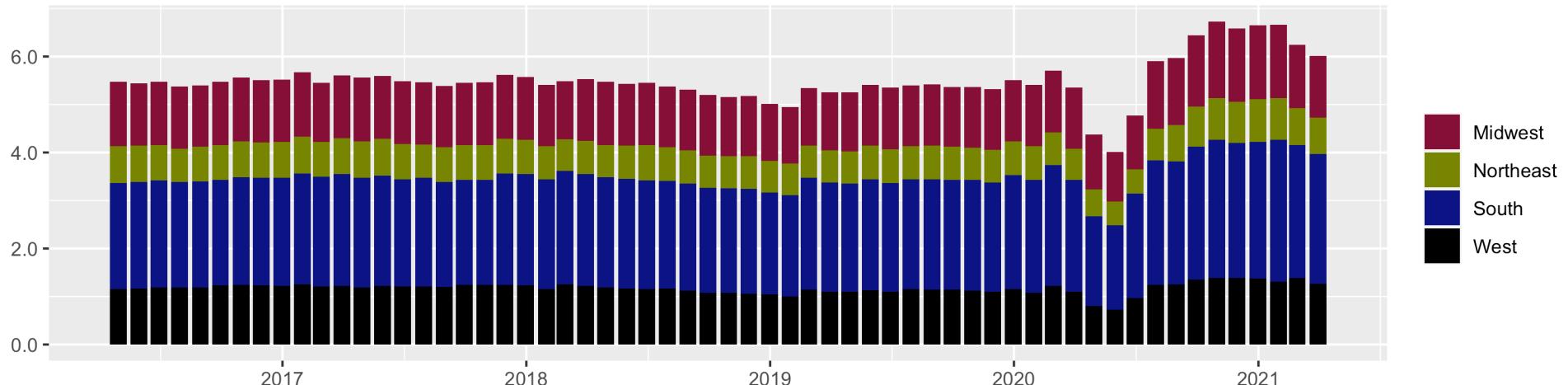
Scale from 1 to 10



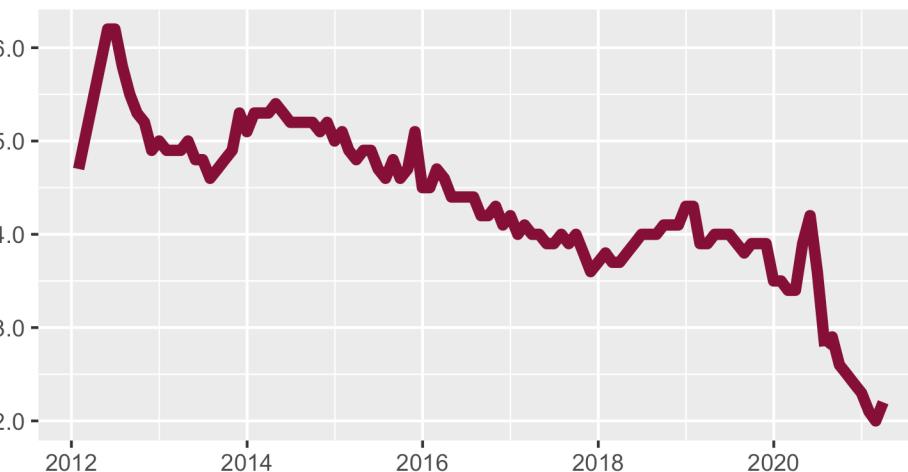
Existing Home Sales

US Existing Home Sales

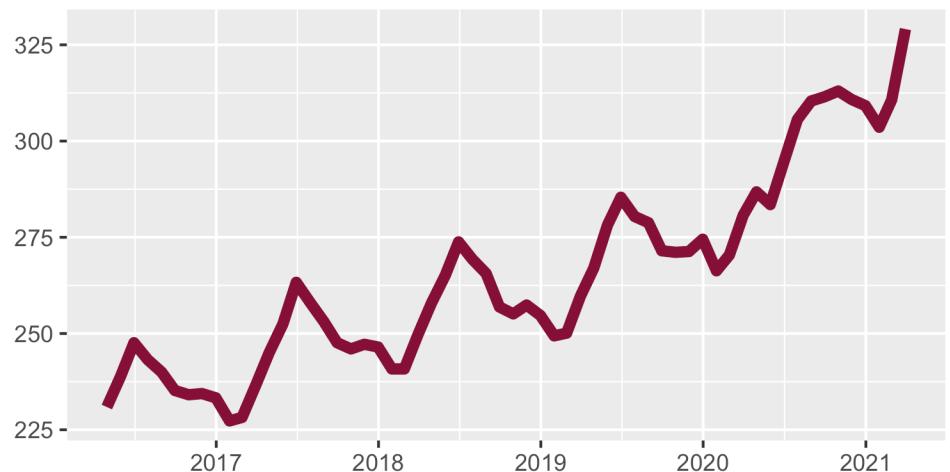
Millions, SAAR


Existing Homes for Sale

Months of Sales at Current Sales Pace


Existing Home Sales

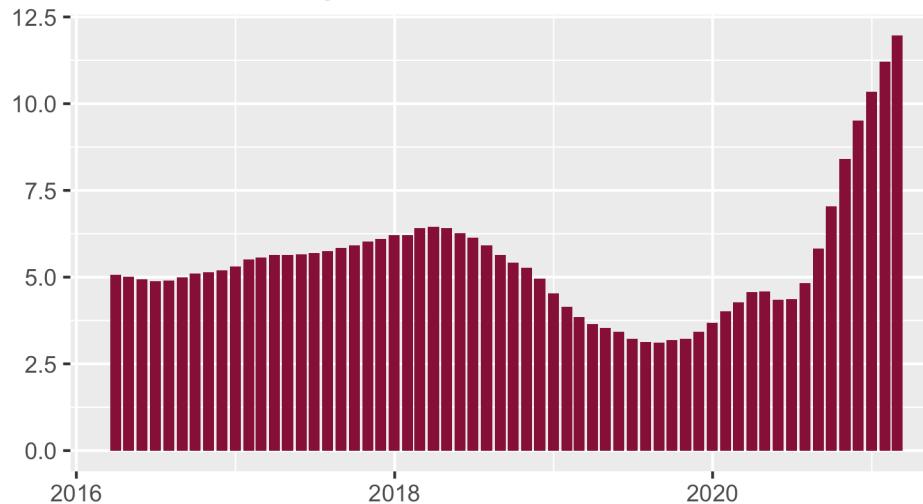
Median Home Price, USD Thousands



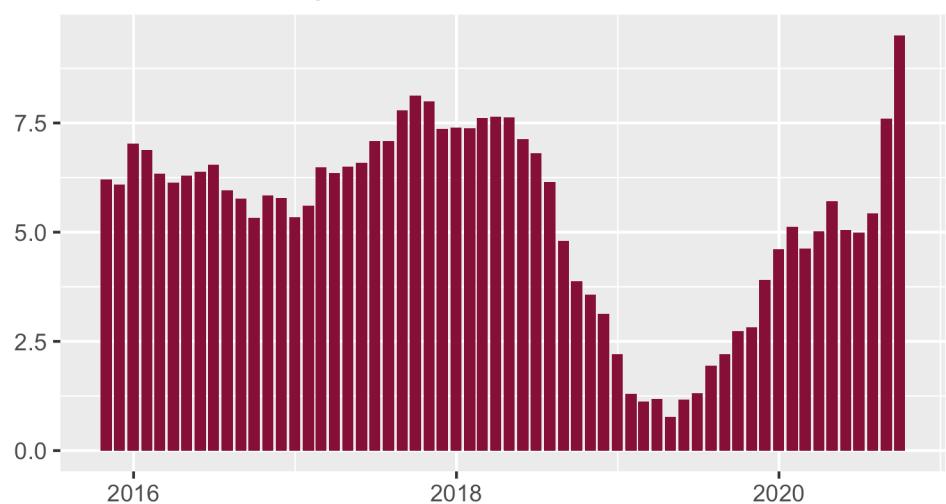
Case Shiller Home Prices

National Index

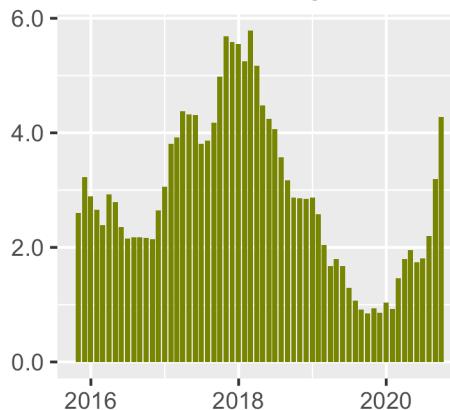
Annual Percent Change


San Diego

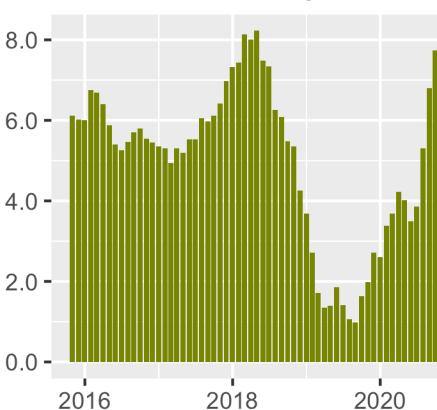
Annual Percent Change


New York

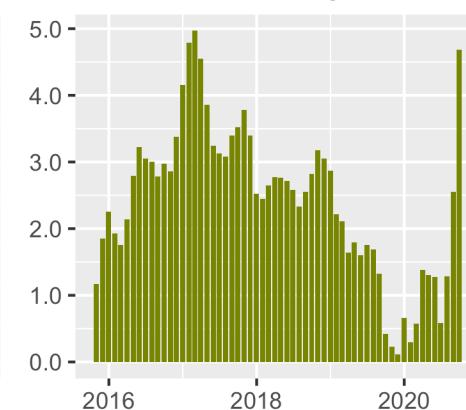
Annual Percent Change


Los Angeles

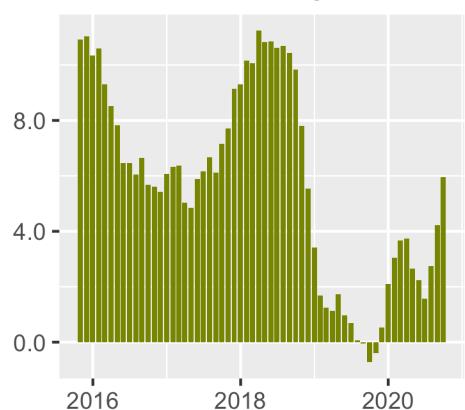
Annual Percent Change


Chicago

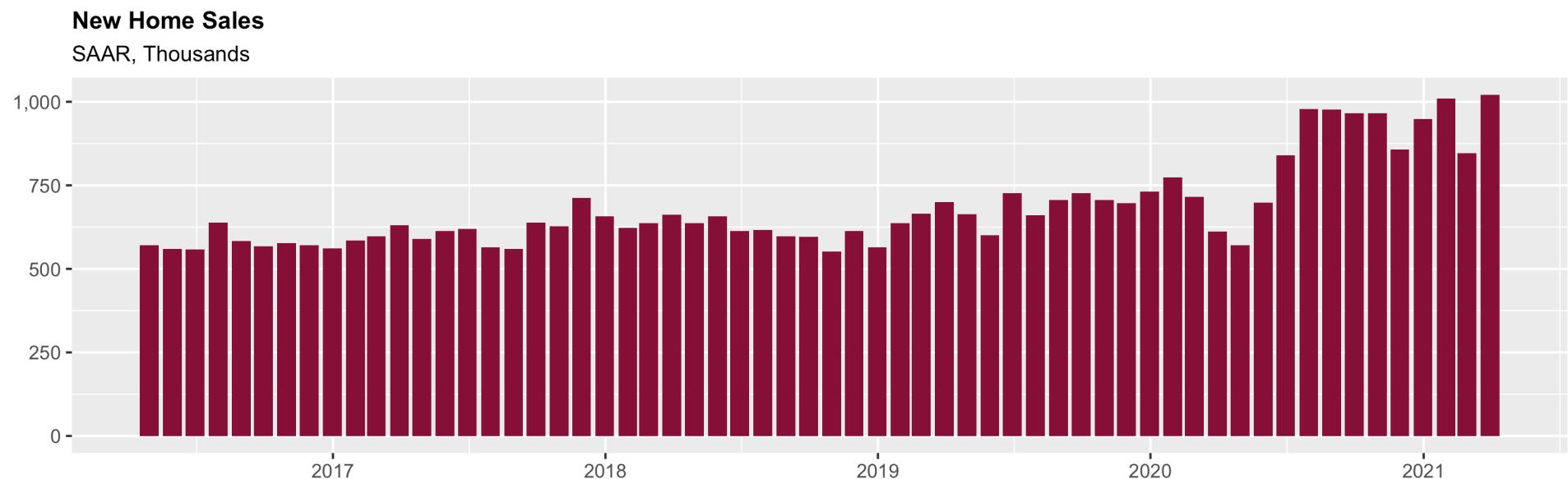
Annual Percent Change


San Francisco

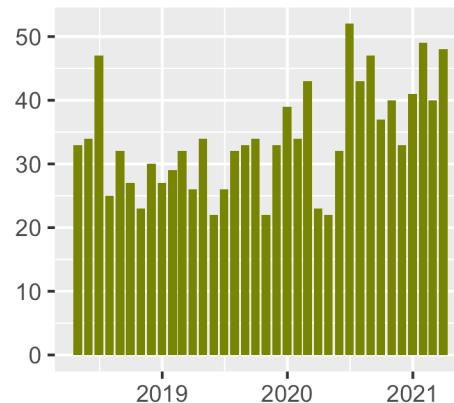
Annual Percent Change



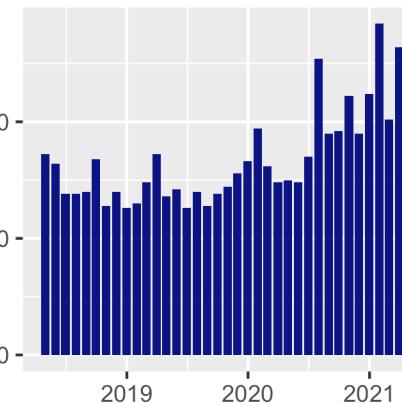
New Home Sales



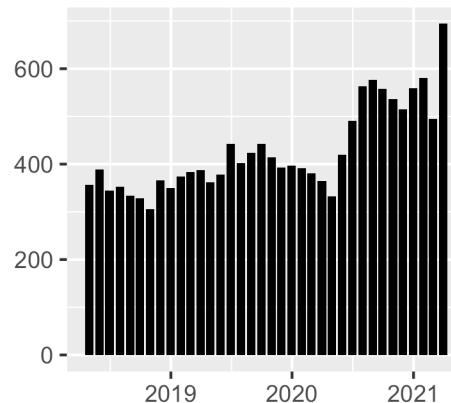
Northeast
SAAR, Thousands



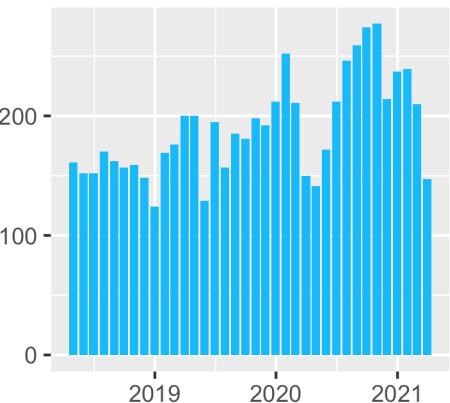
Midwest
SAAR, Thousands



South
SAAR, Thousands



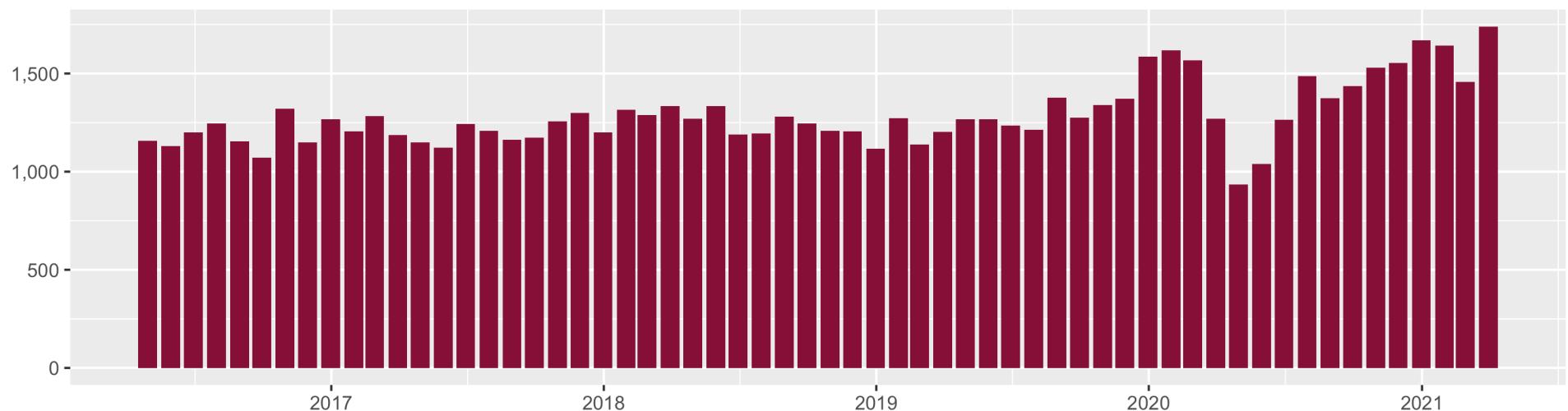
West
SAAR, Thousands



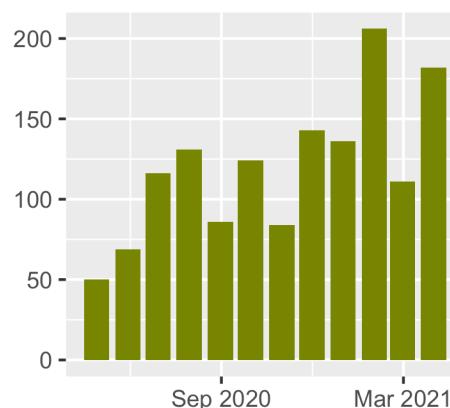
Housing Starts

Housings Starts

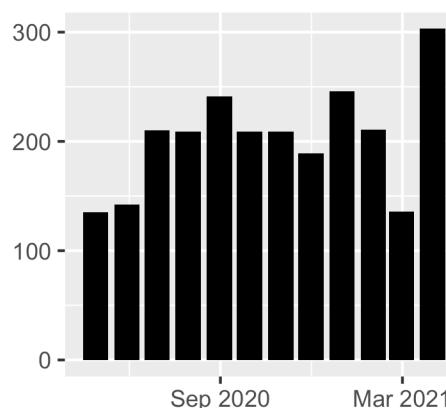
Thousands, SAAR

**Northeast**

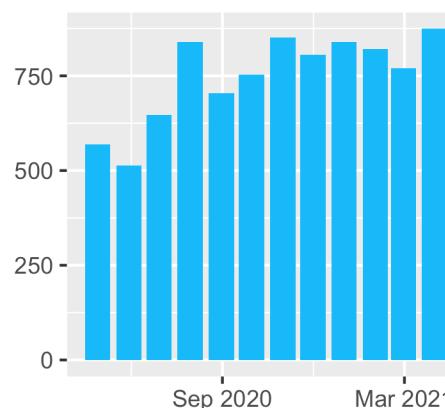
Thousands, SAAR

**Midwest**

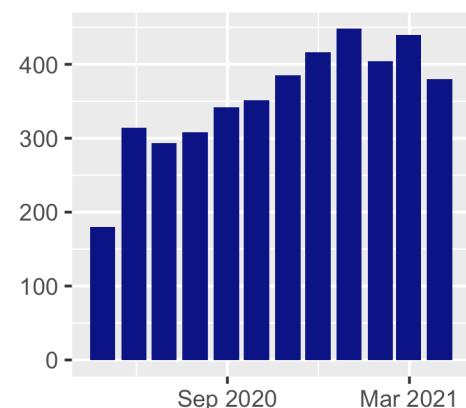
Thousands, SAAR

**South**

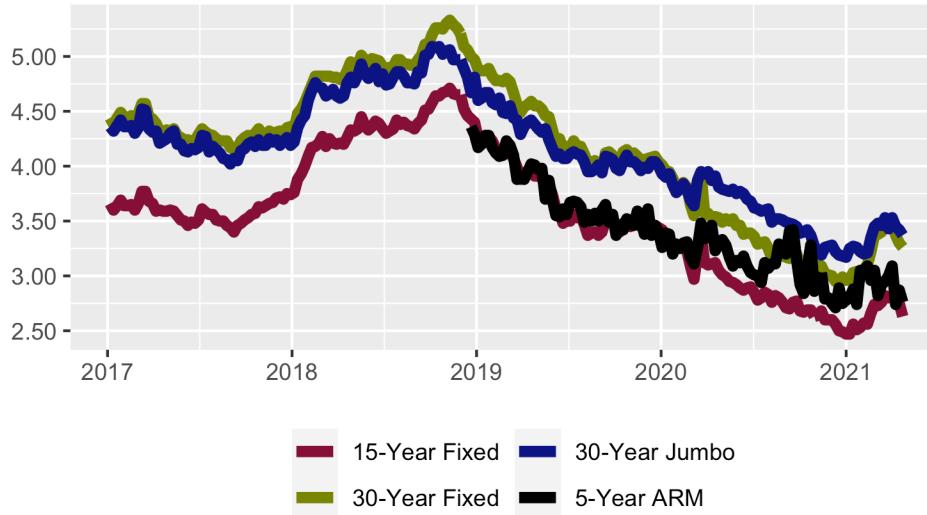
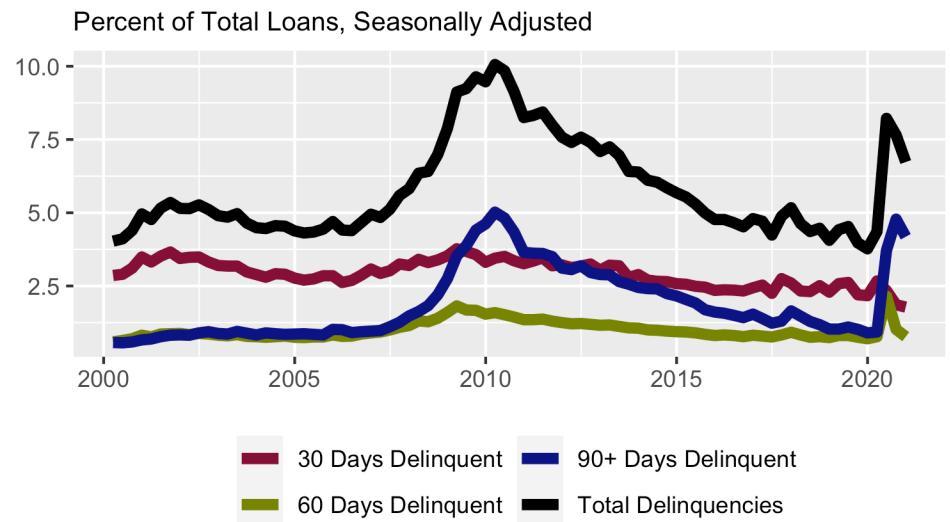
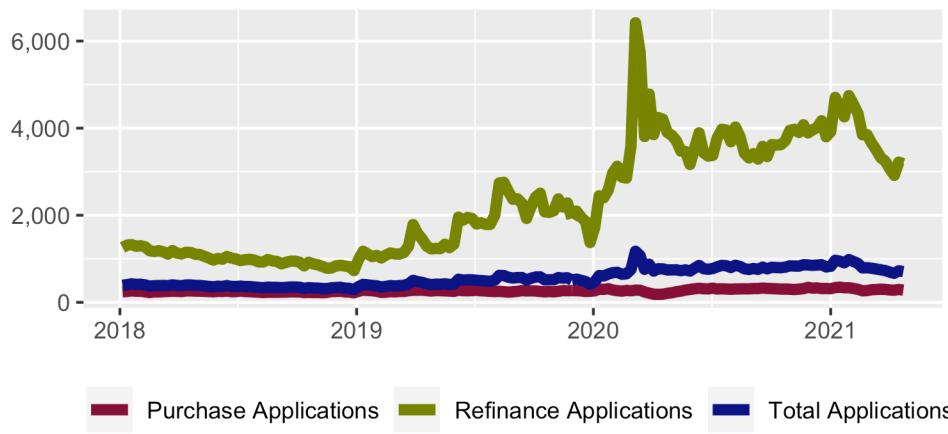
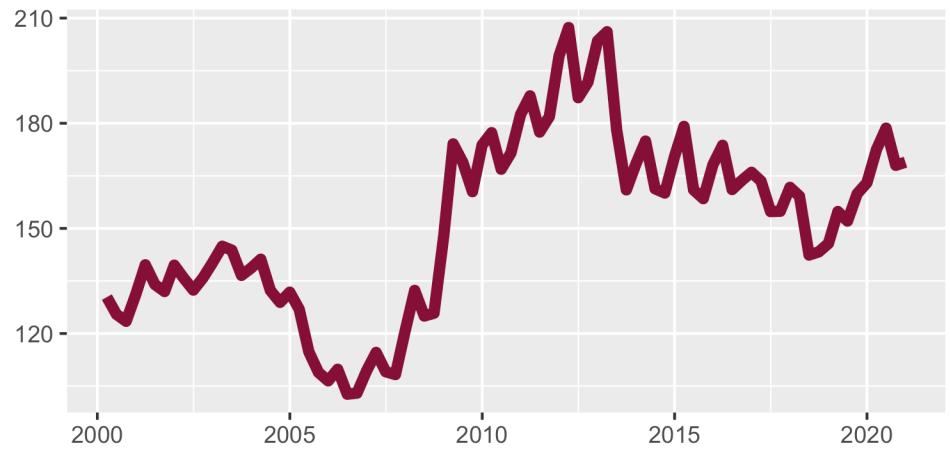
Thousands, SAAR

**West**

Thousands, SAAR



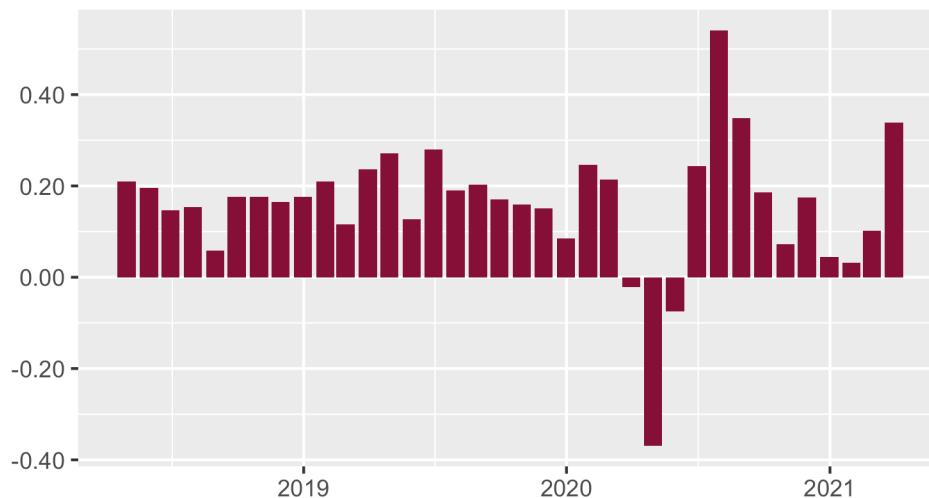
Housing Affordability

Effective Mortgage Interest Rates

Mortgage Delinquencies

Mortgage Applications

Housing Affordability Index


Inflation

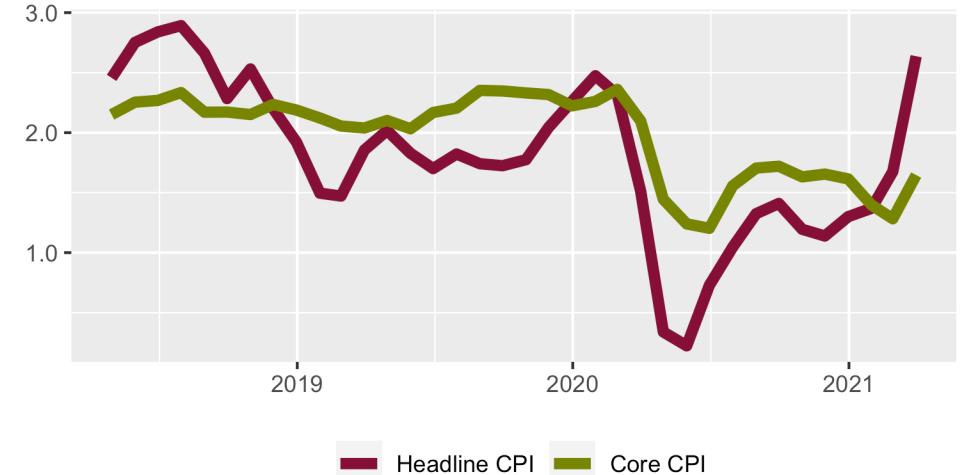
Consumer Price Index

Monthly Change in Core CPI



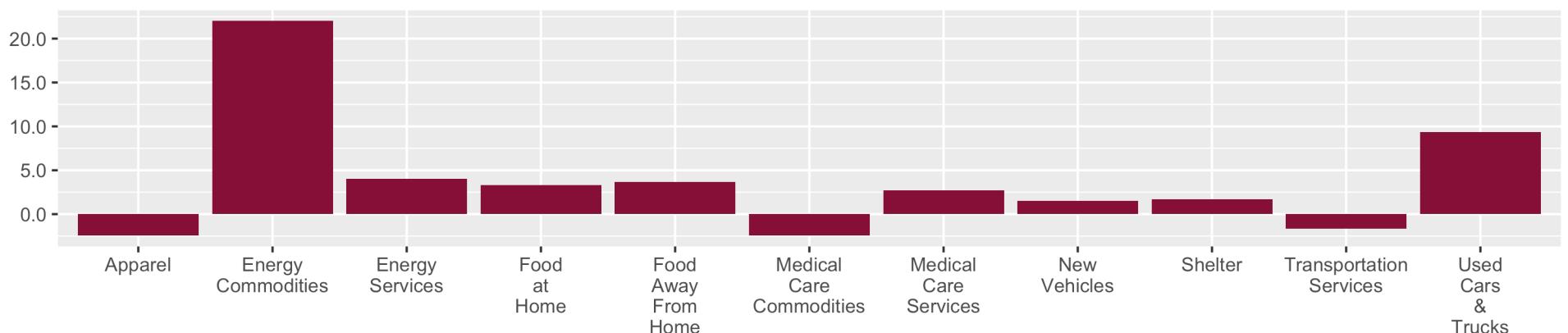
Consumer Price Index

Annual Percent Change, Seasonally Adjusted



Consumer Price Index

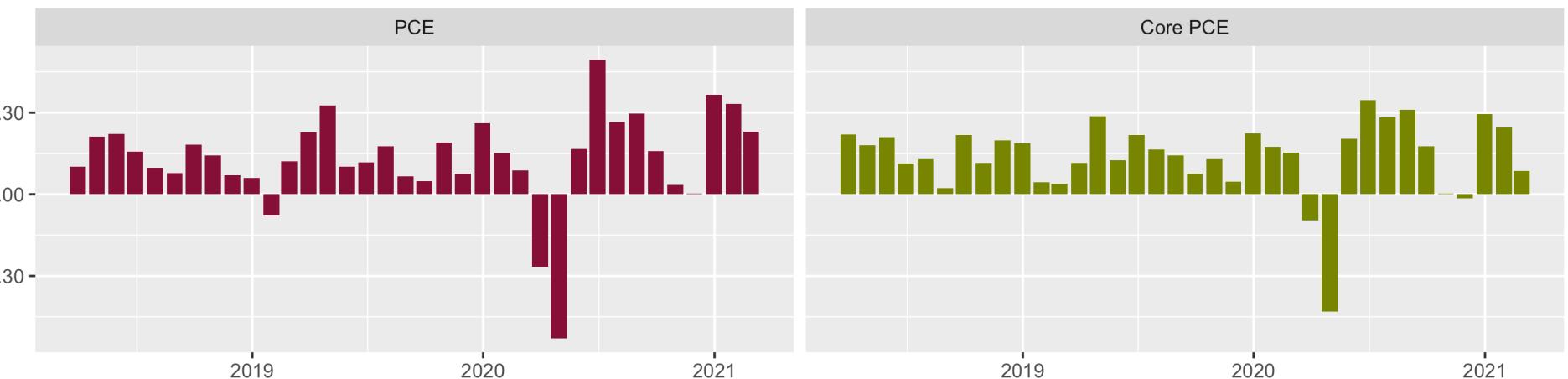
March 2021 Annual Percent Change, Seasonally Adjusted



Inflation

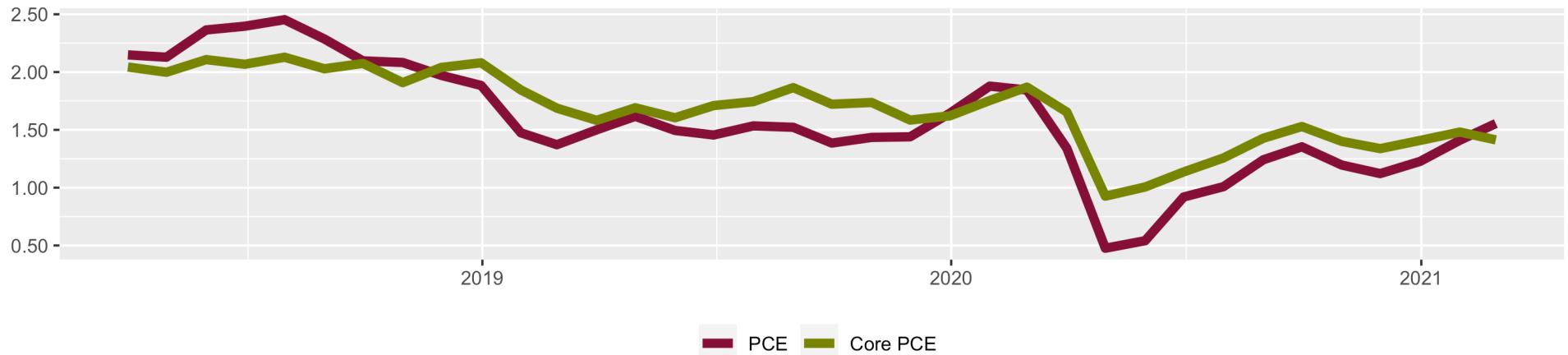
Personal Consumption Expenditure Price Index

Monthly Change in Core CPI



Personal Consumption Expenditure Price Index

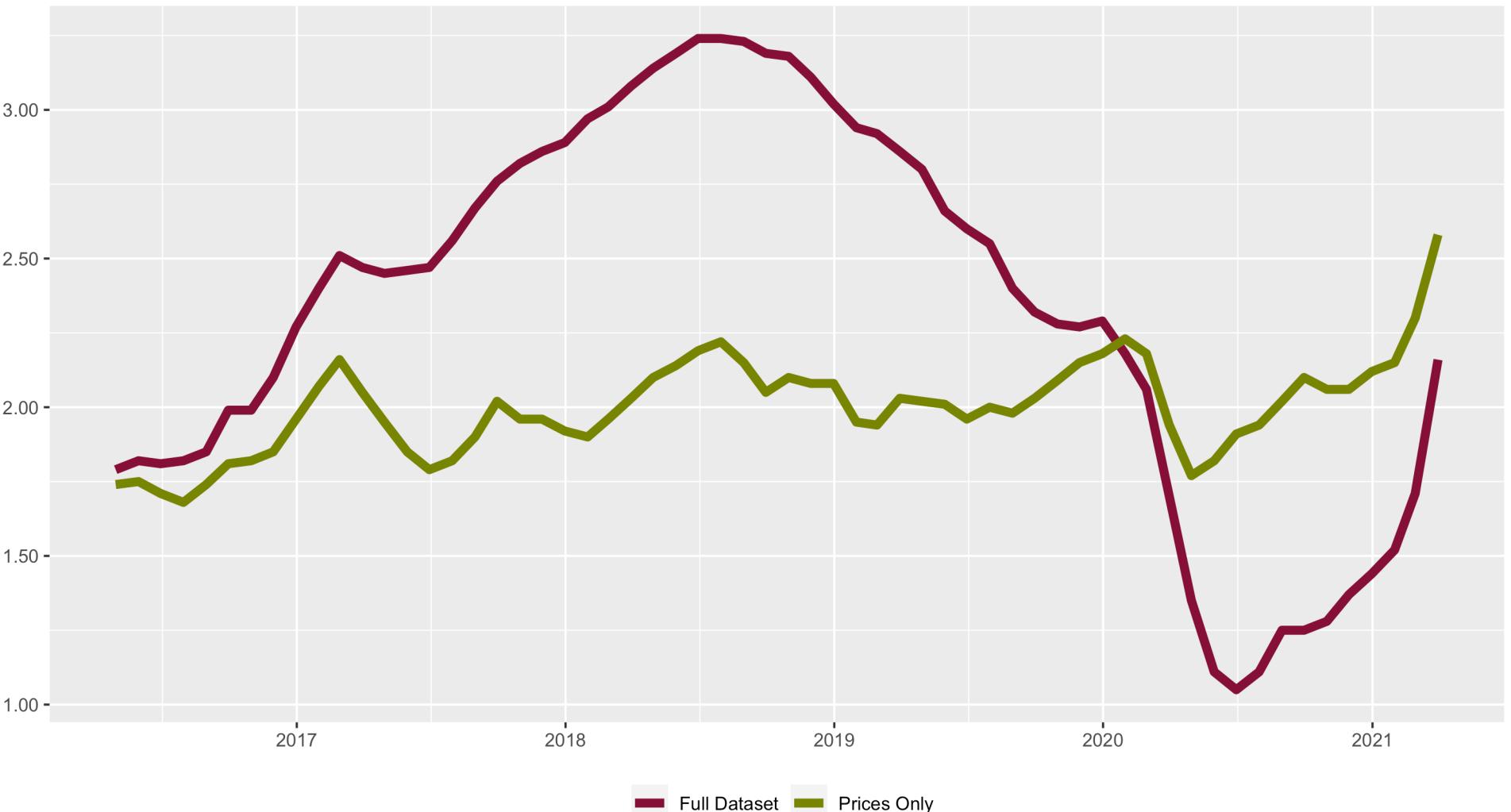
Annual Percent Change



Inflation

NY Fed Underlying Inflation Gauge

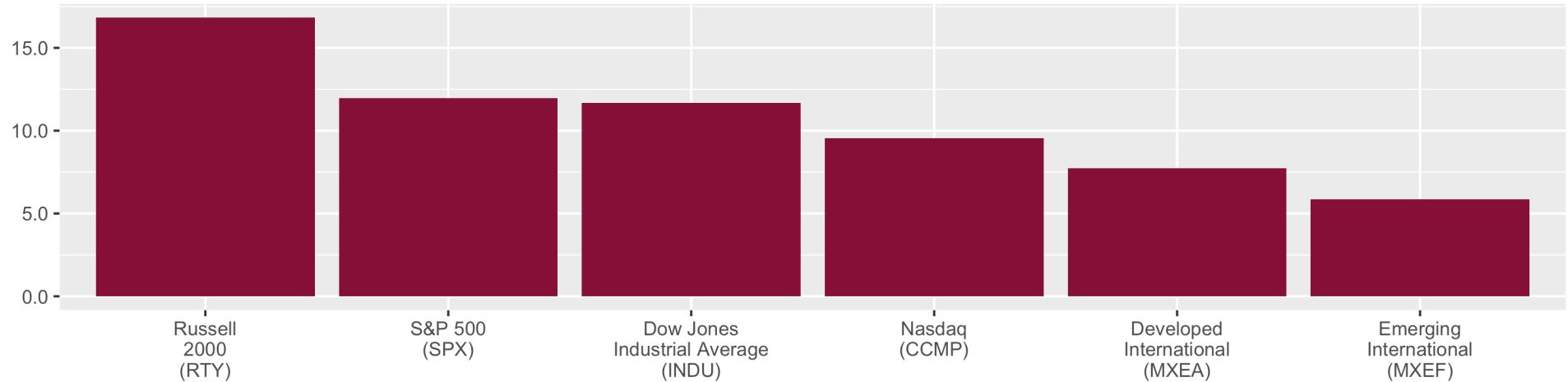
Annual Percent Change



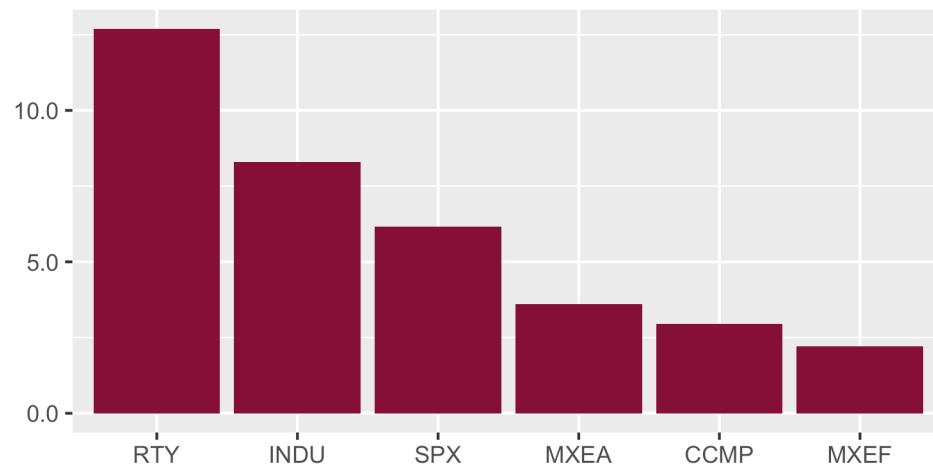
Equity Index Returns

Index Total Returns

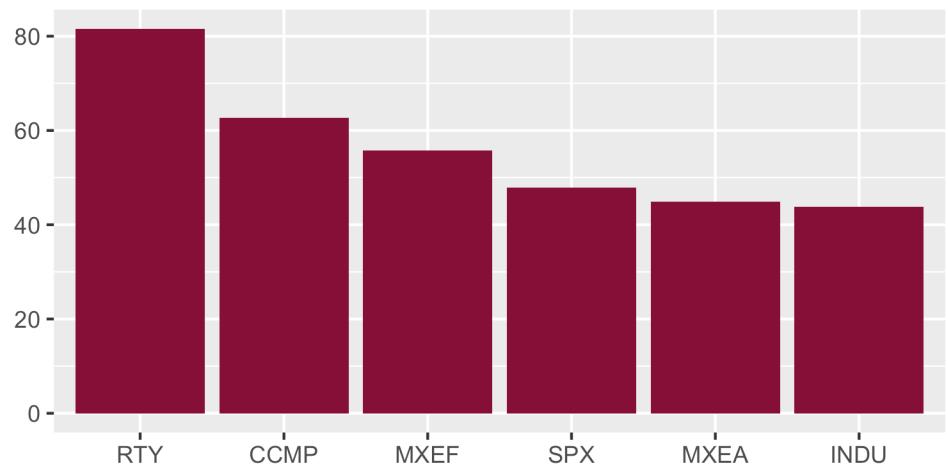
Year to Date


Index Total Returns

Last Quarter


Index Total Returns

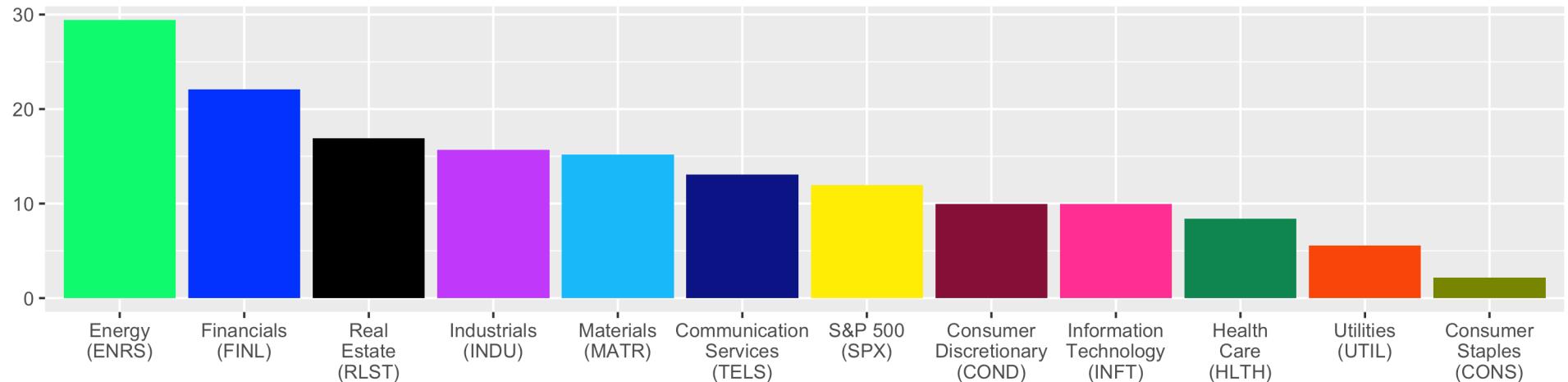
Trailing 12 Months



S&P 500 Sector Index Returns

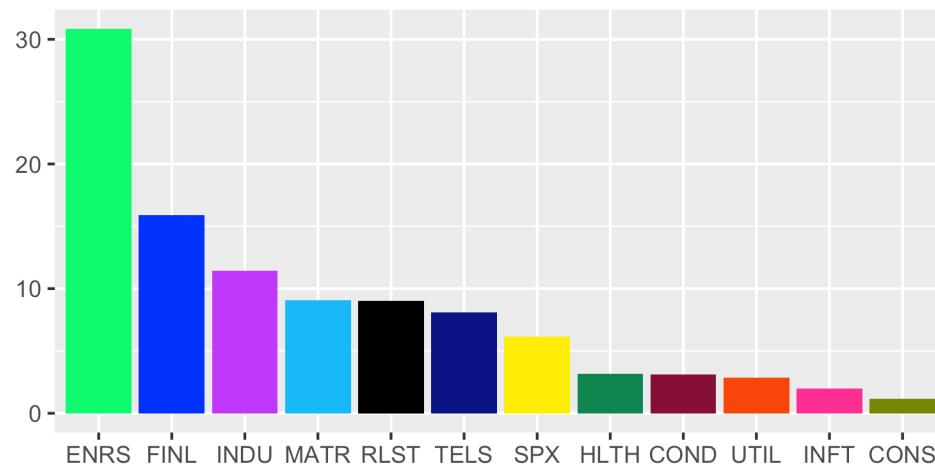
Index Total Returns

Year to Date



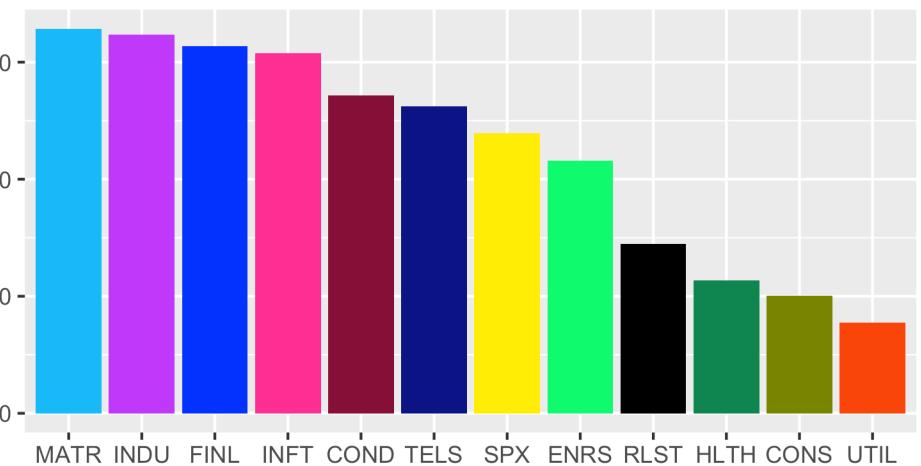
Index Total Returns

Last Quarter



Index Total Returns

Trailing 12 Months



Equity Markets

S&P 500 Sector Weights

