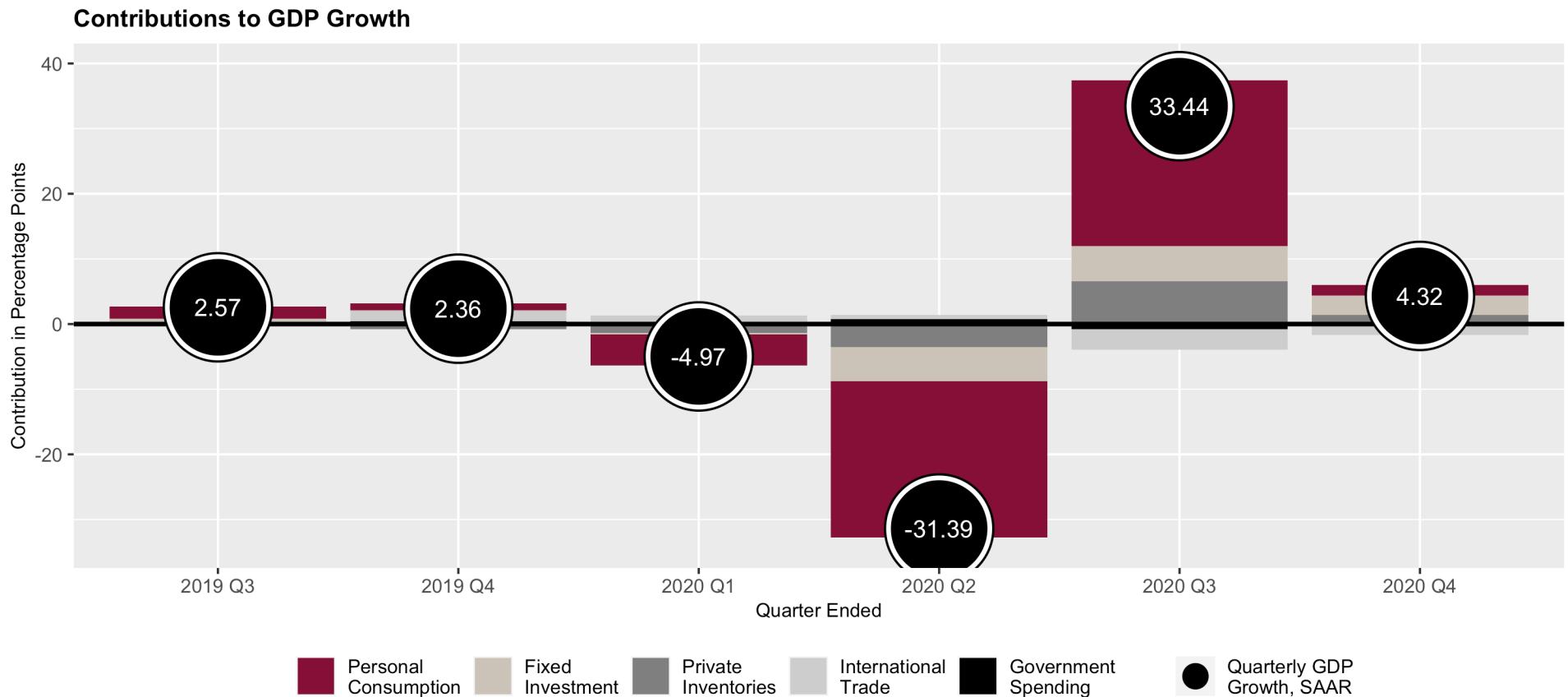


# Gross Domestic Product

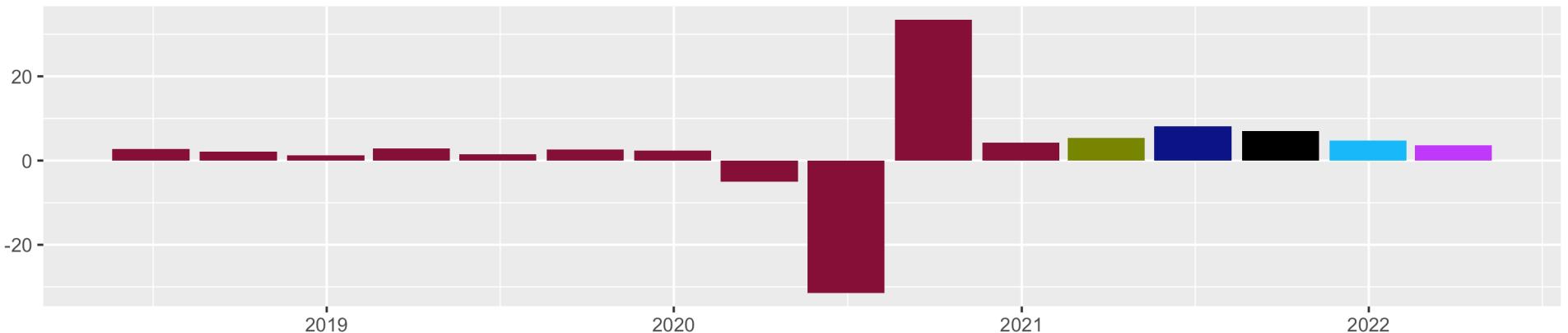
The full weight of the coronavirus weighed on US economic output during the second quarter. The economy contracted an annualized 31.4 percent from the first quarter. The 33.4 percent rebound in the third quarter was as dramatic. Personal consumption grew at a 41.0 percent annualized pace and accounted for about three-quarters of the total growth in the economy. Fixed investment and inventory replenishment both made positive contributions, while international trade subtracted roughly 3 percentage points from overall growth. Total economic output remains 2.4 percent below the pre-pandemic level.



# Gross Domestic Product

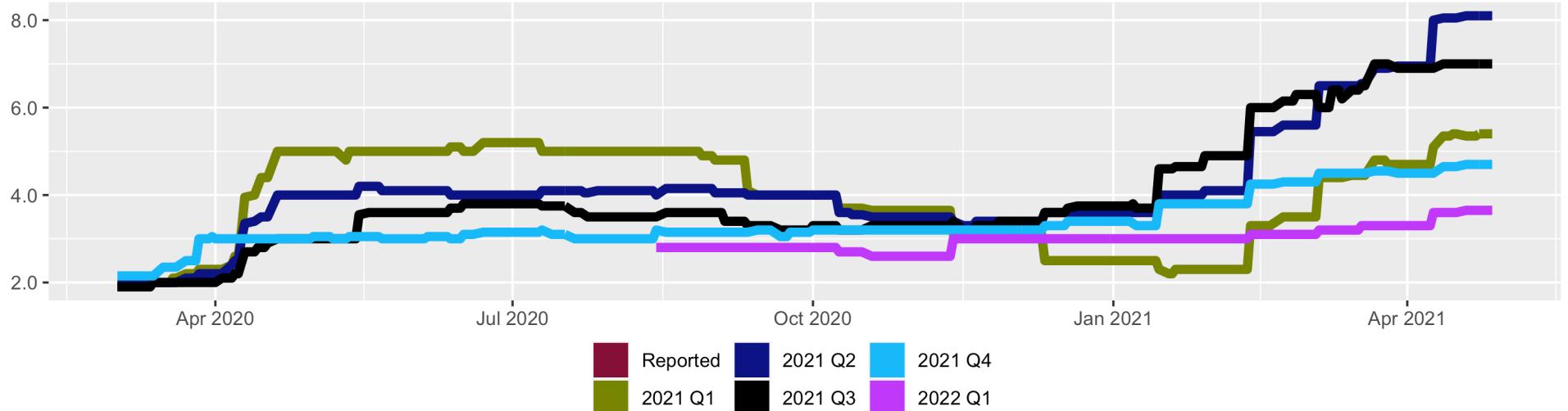
## US Gross Domestic Product

QoQ SAAR



## Consensus GDP Growth Estimates

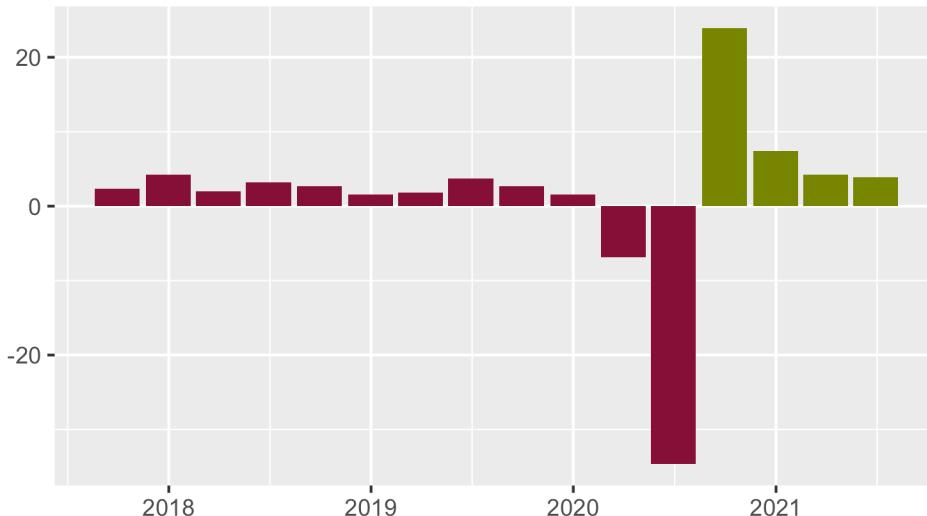
Bloomberg Survey of Economists Median



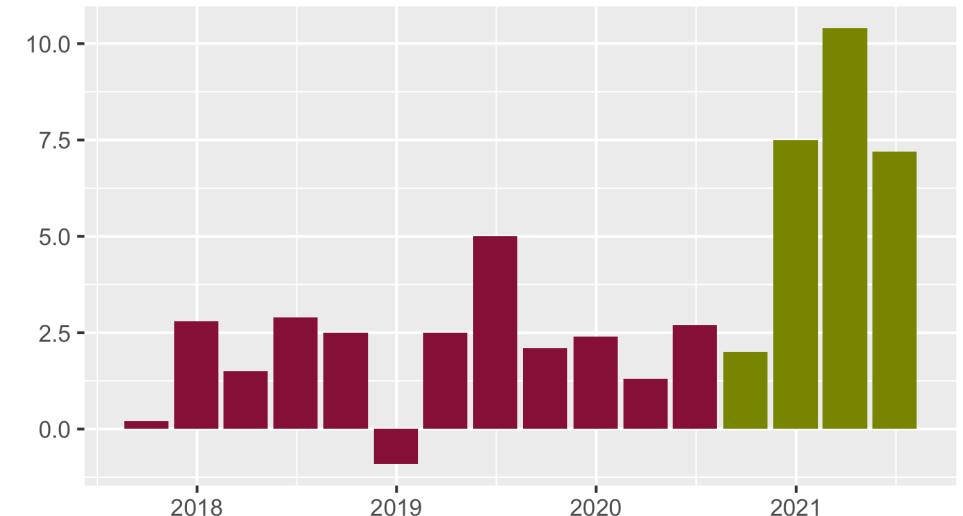
# Gross Domestic Product

**US Consumer Spending**

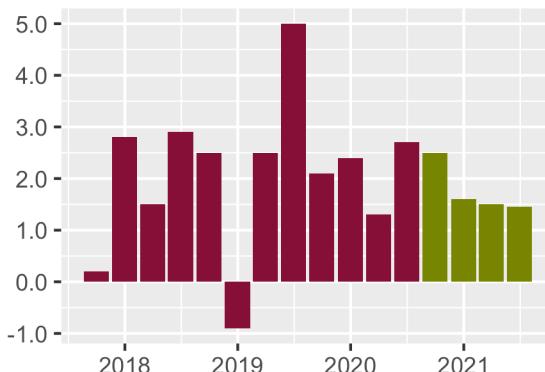
QoQ SAAR


**US Private Investment Spending**

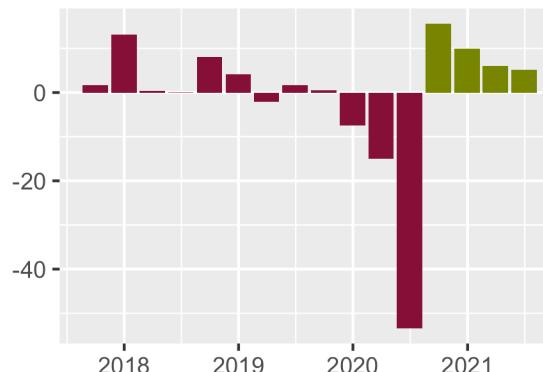
QoQ SAAR


**US Government Spending**

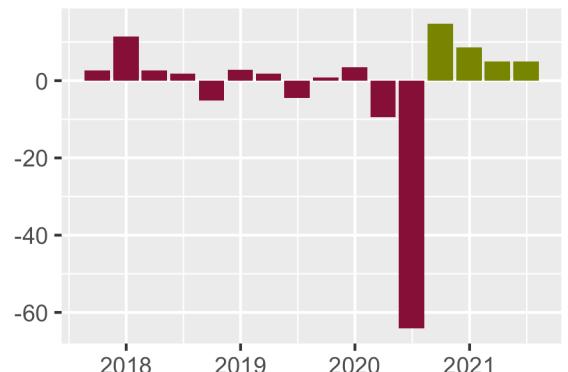
QoQ SAAR


**US Imports**

QoQ SAAR


**US Exports**

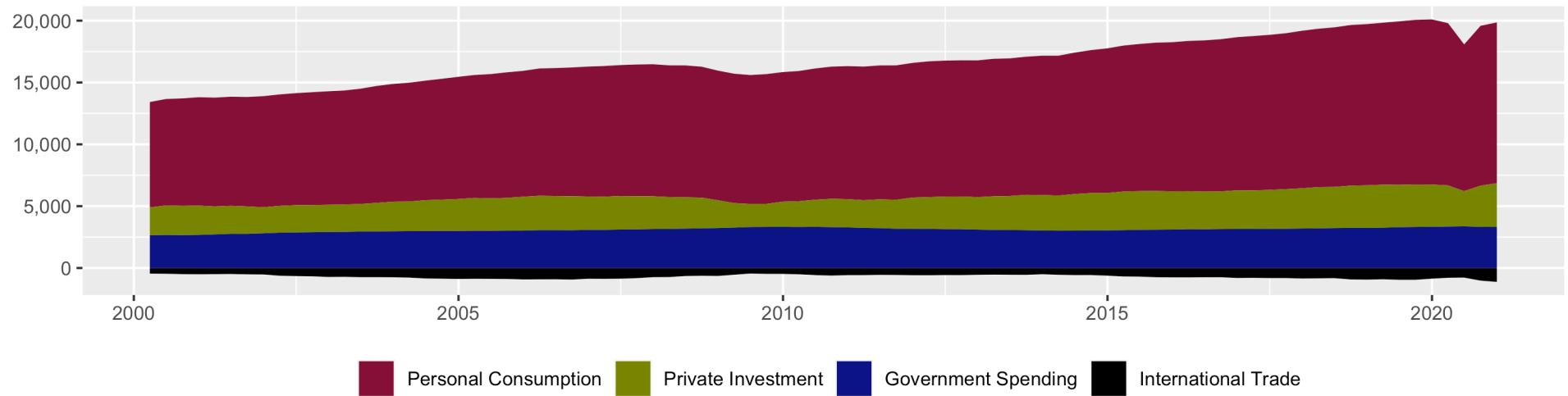
QoQ SAAR


■ Reported   ■ Estimate

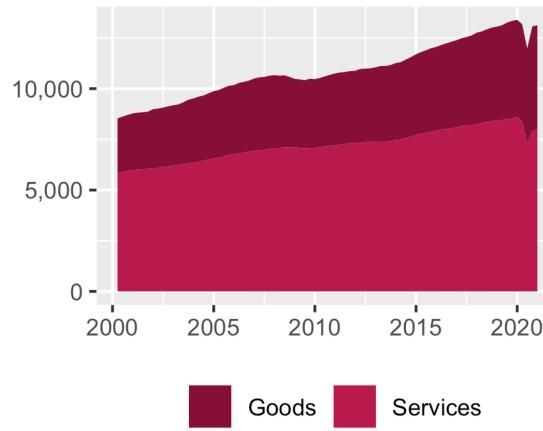
# Gross Domestic Product

## Composition of US Economy

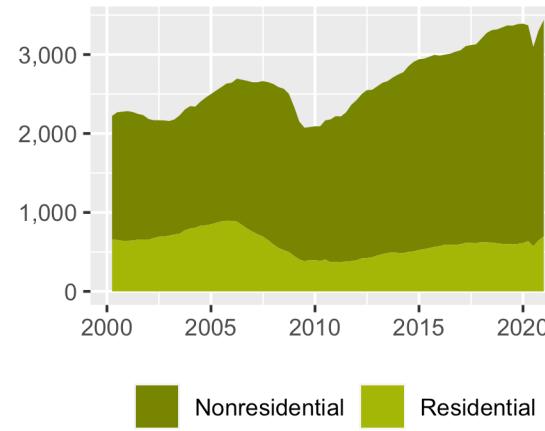
Billions of USD, Chain Linked 2012 Prices



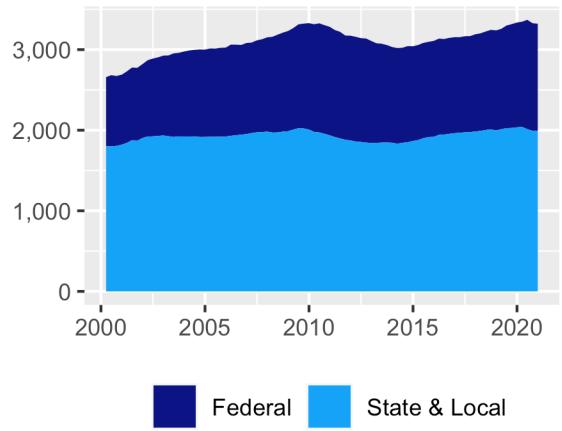
## Personal Consumption



## Fixed Investment



## Government Spending

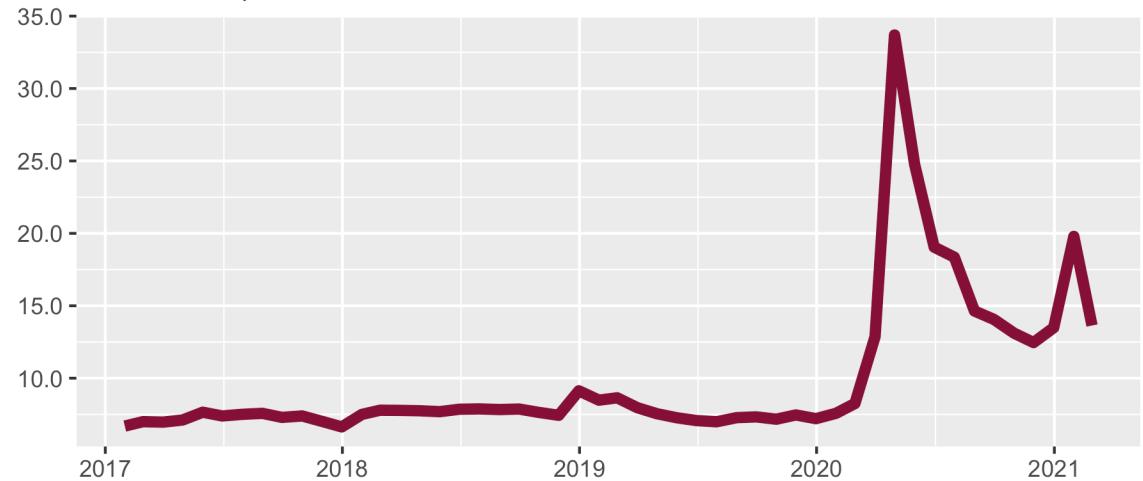


# Consumption

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.

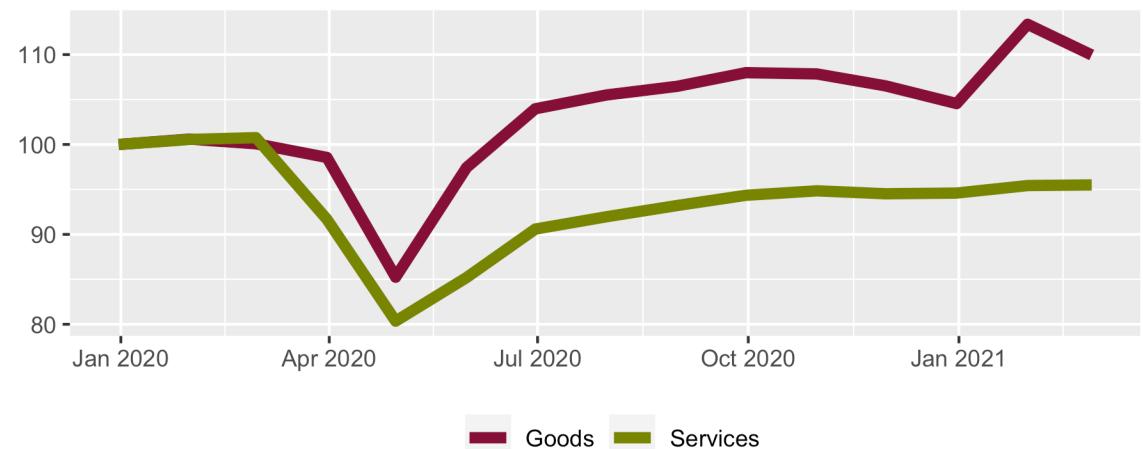
## Personal Savings Rate

Percent of Disposable Personal Income



## Personal Consumption Expenditures

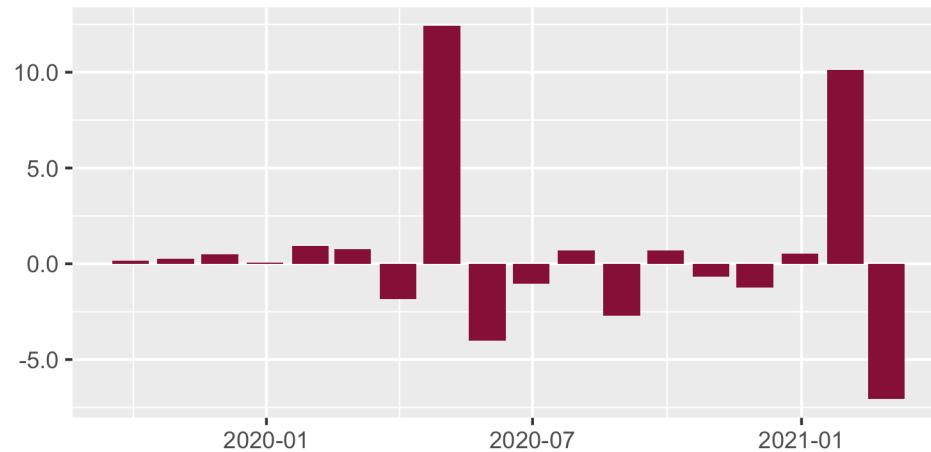
Normalized to December 2019



# Consumption

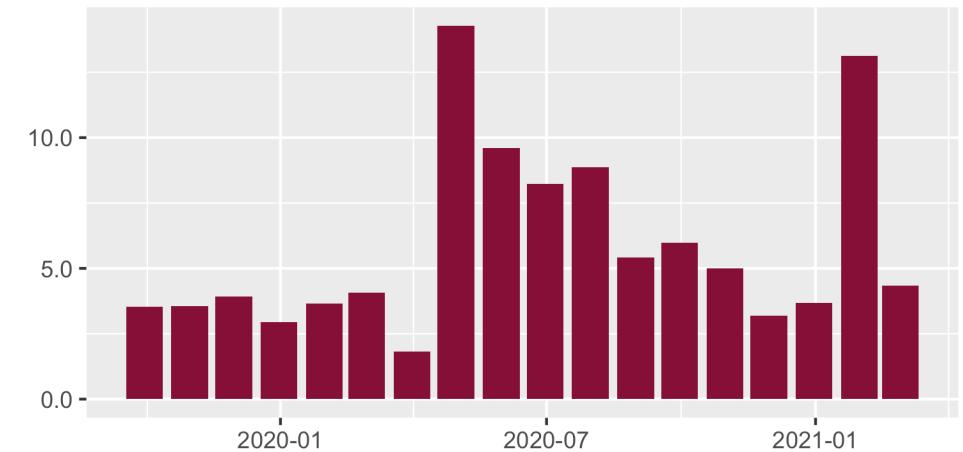
## Personal Income

Monthly Percent Change



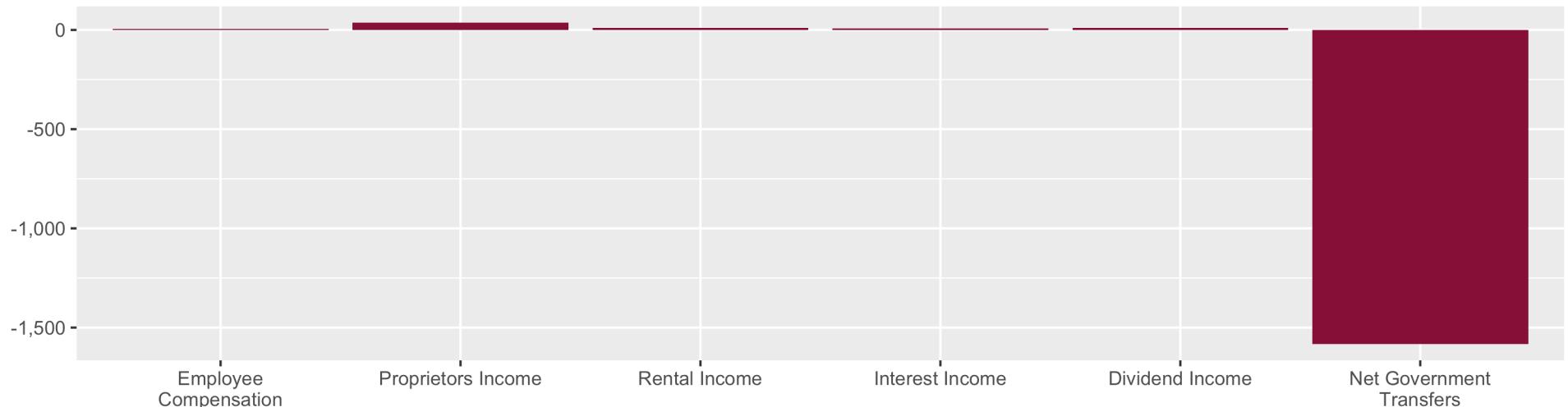
## Personal Income

Annual Percent Change

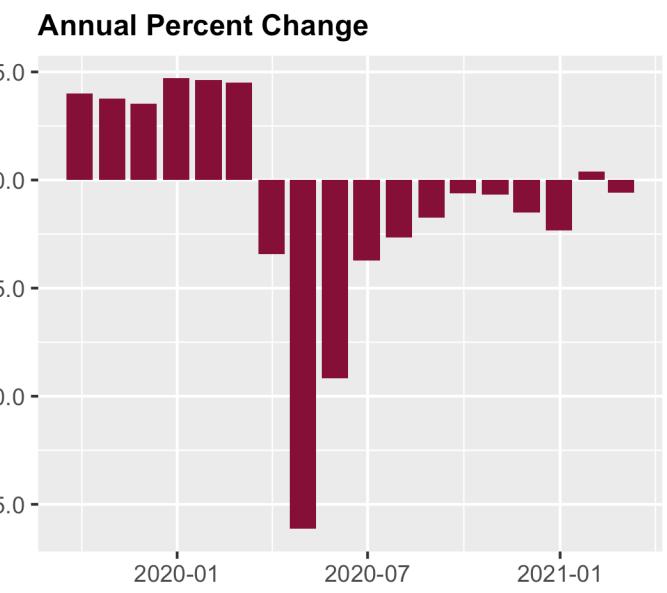
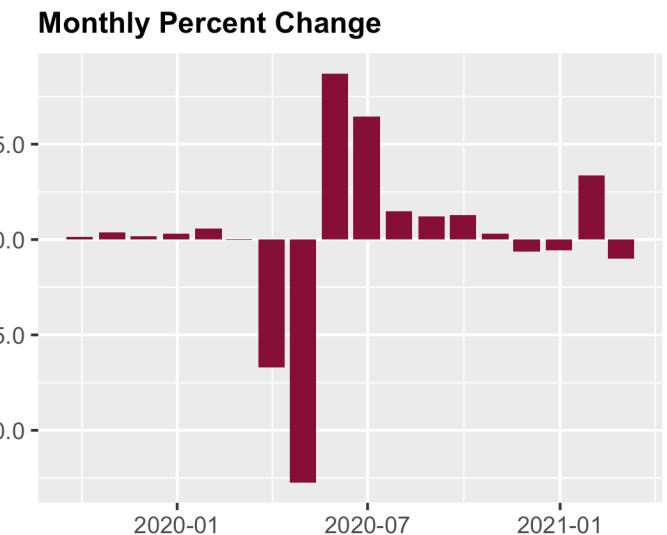
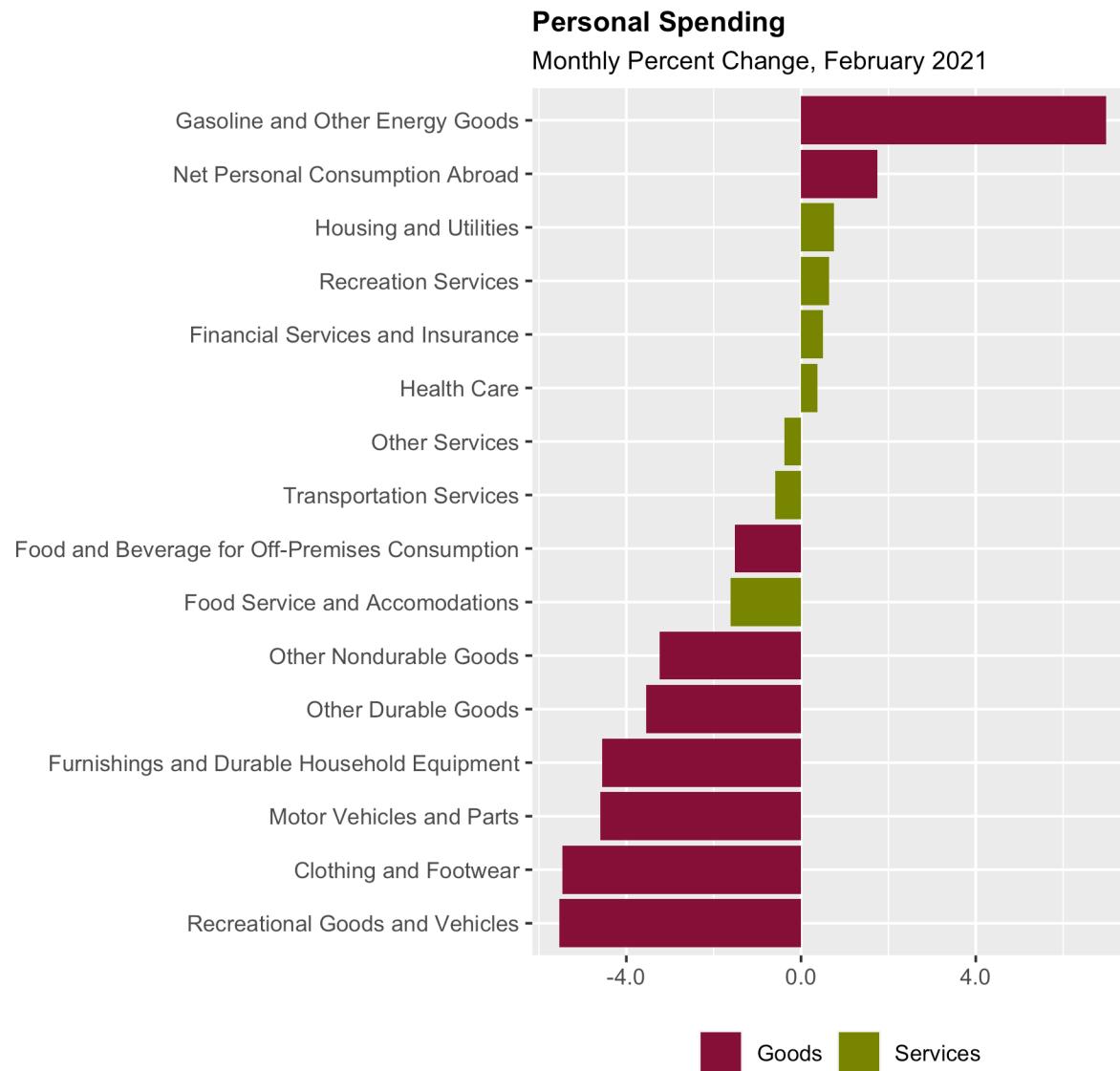


## Change in Personal Income

February 2021, Billions of USD



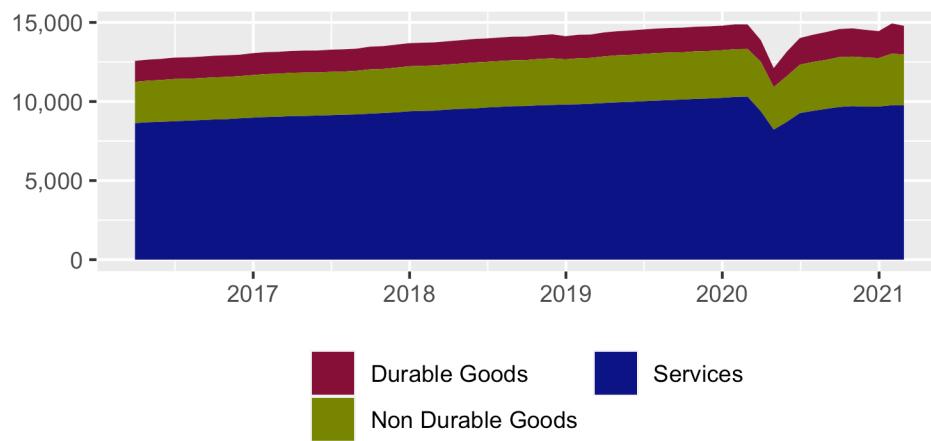
# Consumption



# Consumption

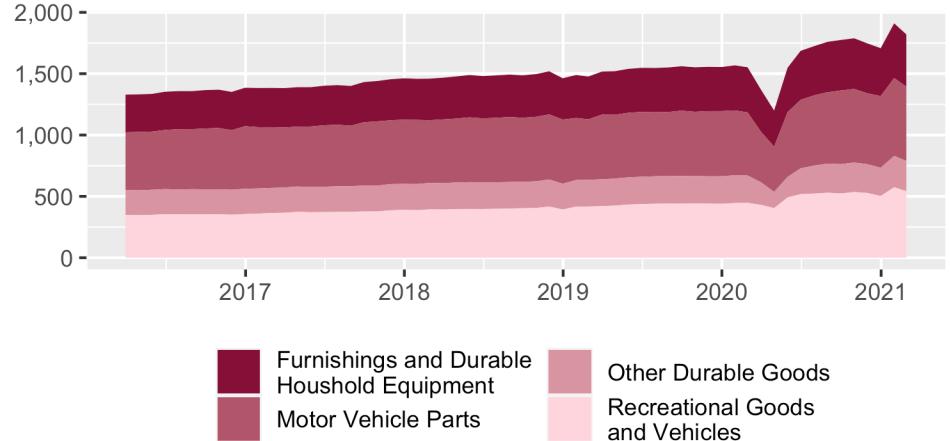
## Personal Spending Composition

SAAR, USD Billions



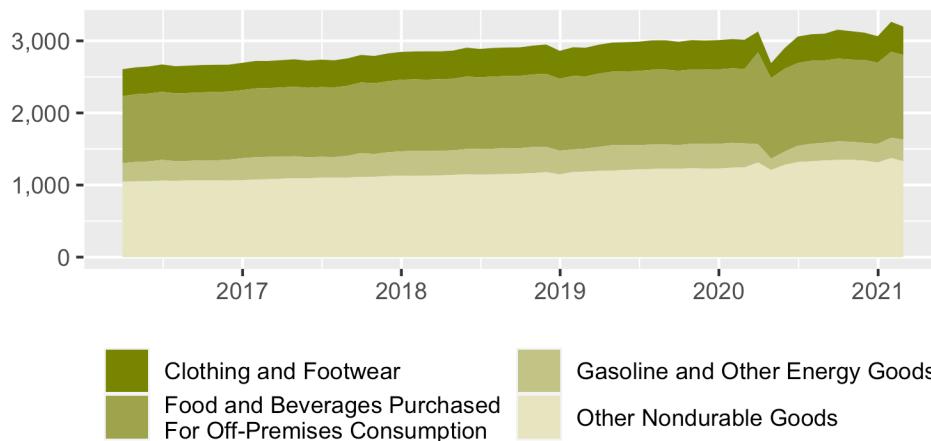
## Durable Goods Composition

SAAR, USD Billions



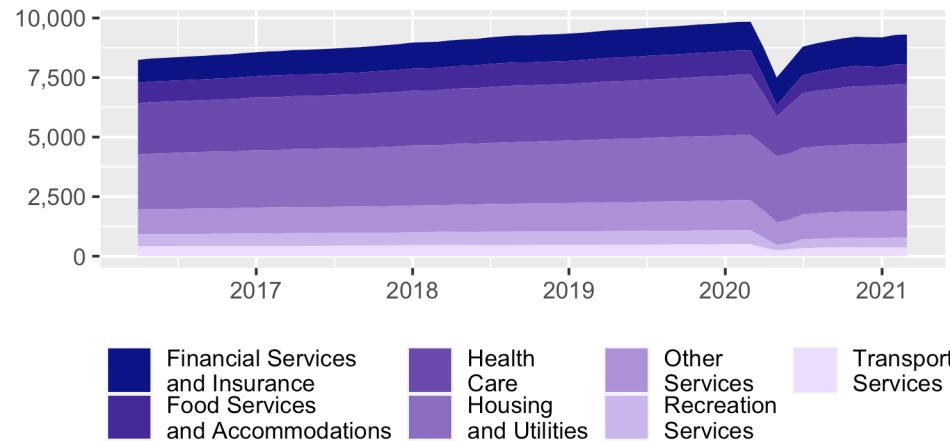
## Nondurable Goods Composition

SAAR, USD Billions



## Services Composition

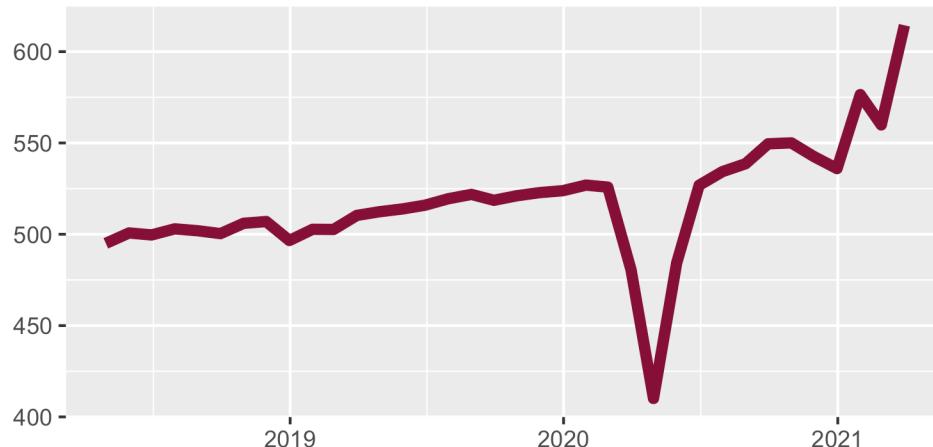
SAAR, USD Billions



# Consumption

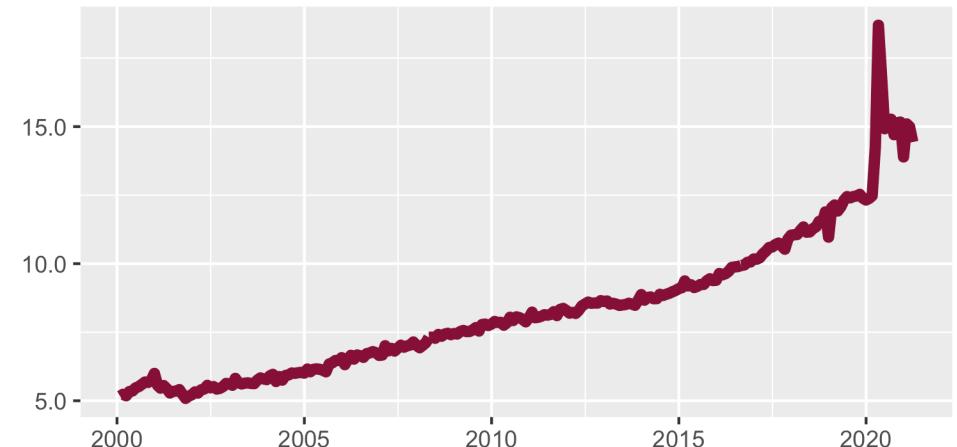
## Retail Sales

Billions of USD



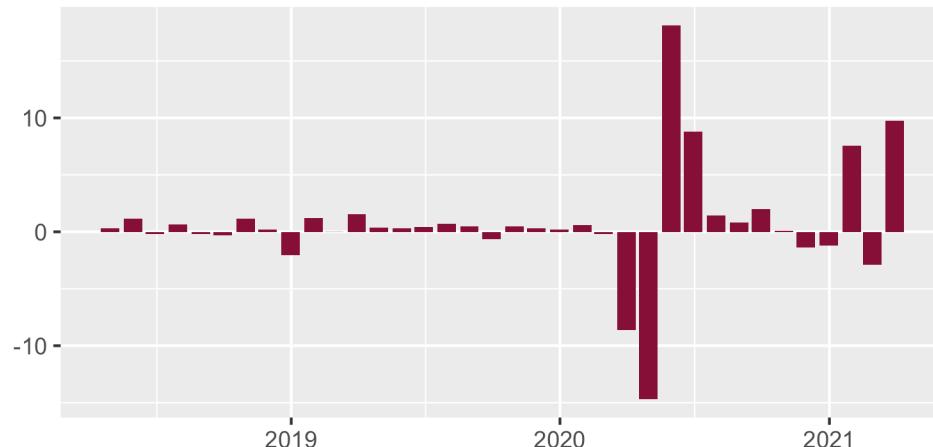
## Nonstore Retail Sales

Share of Total Retail Sales



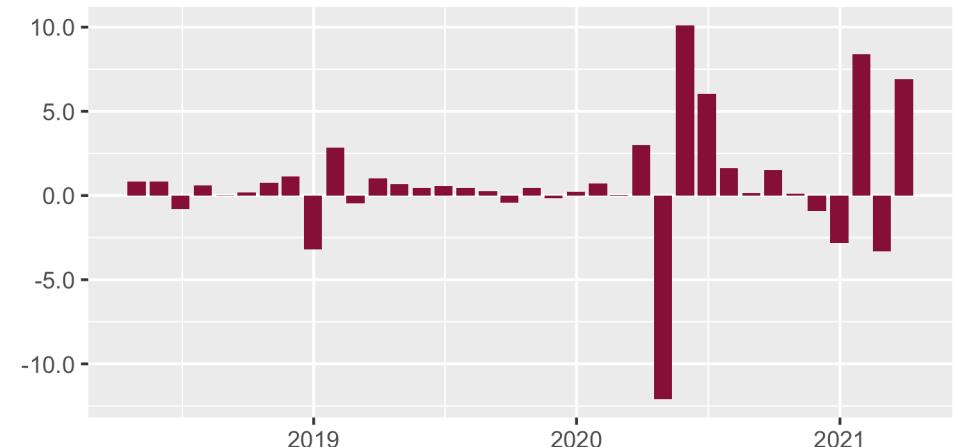
## Retail Sales

Total Retail Sales Monthly Percent Change



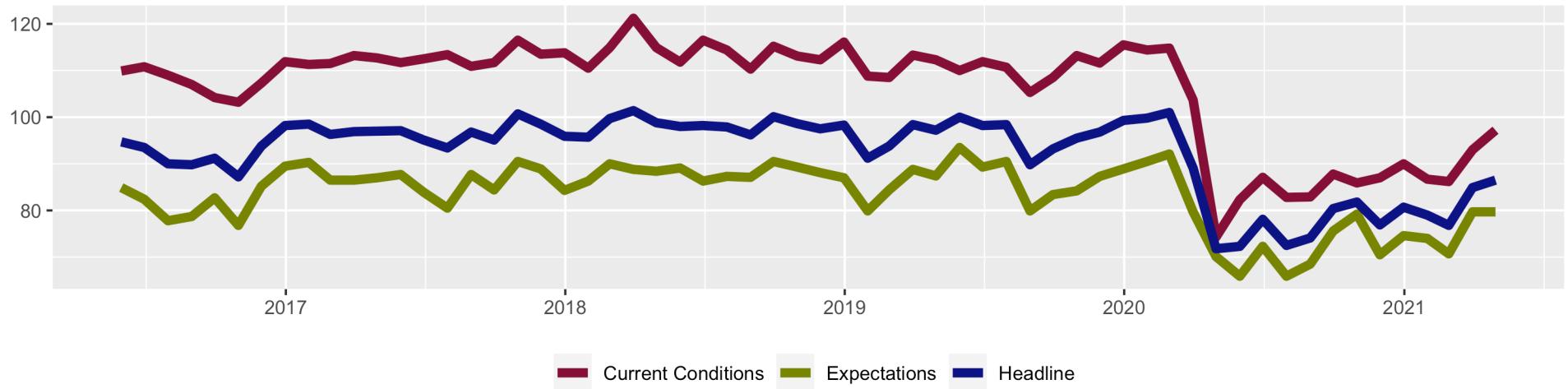
## Retail Sales

Control Group Monthly Percent Change

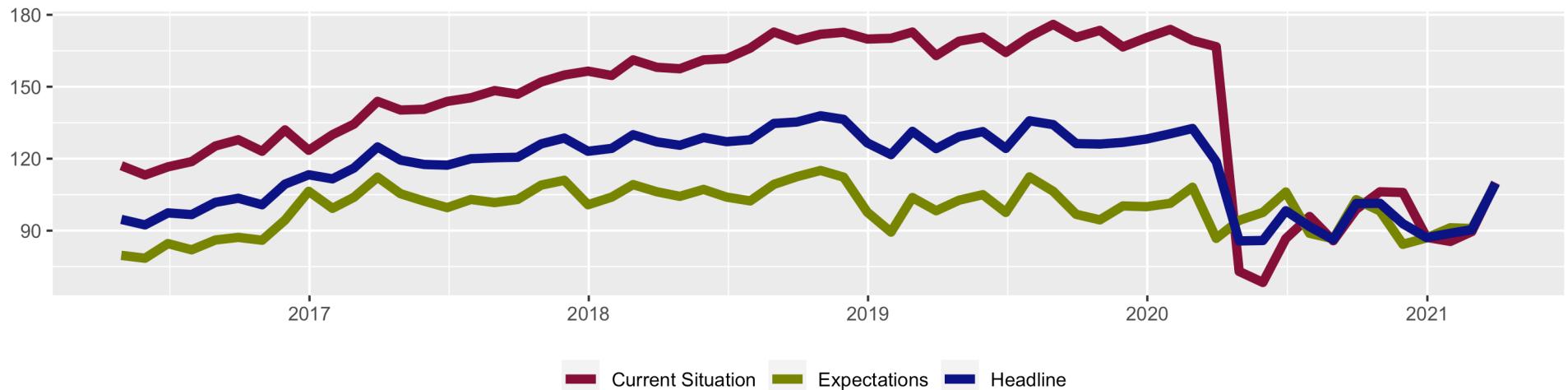


# Consumption

## Consumer Sentiment



## Consumer Confidence

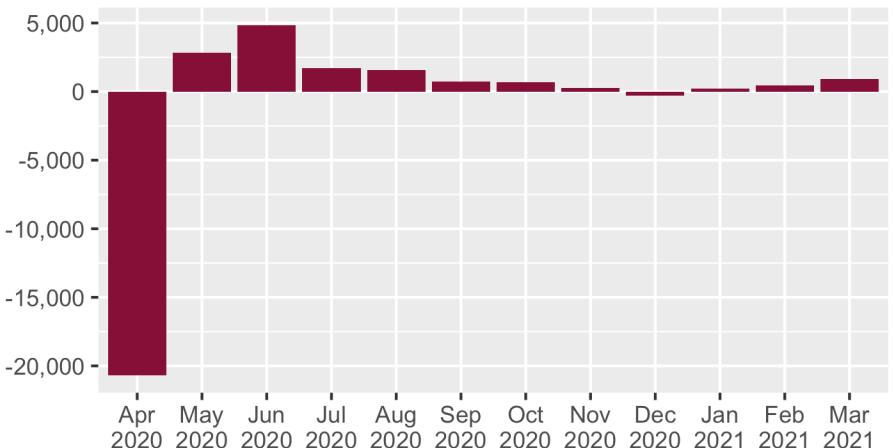


# Labor Market

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.

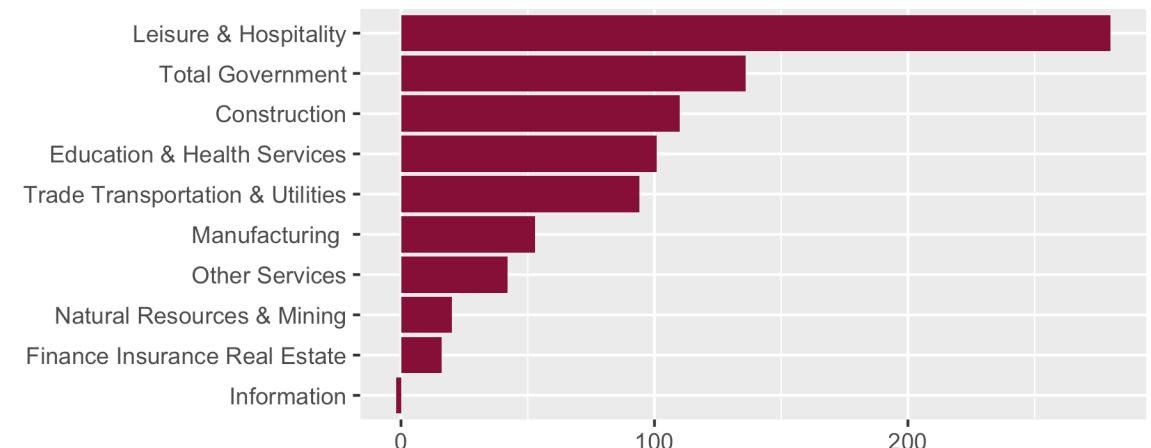
**Monthly Change in Nonfarm Payrolls**

Thousands



**Change in Nonfarm Payrolls by Industry**

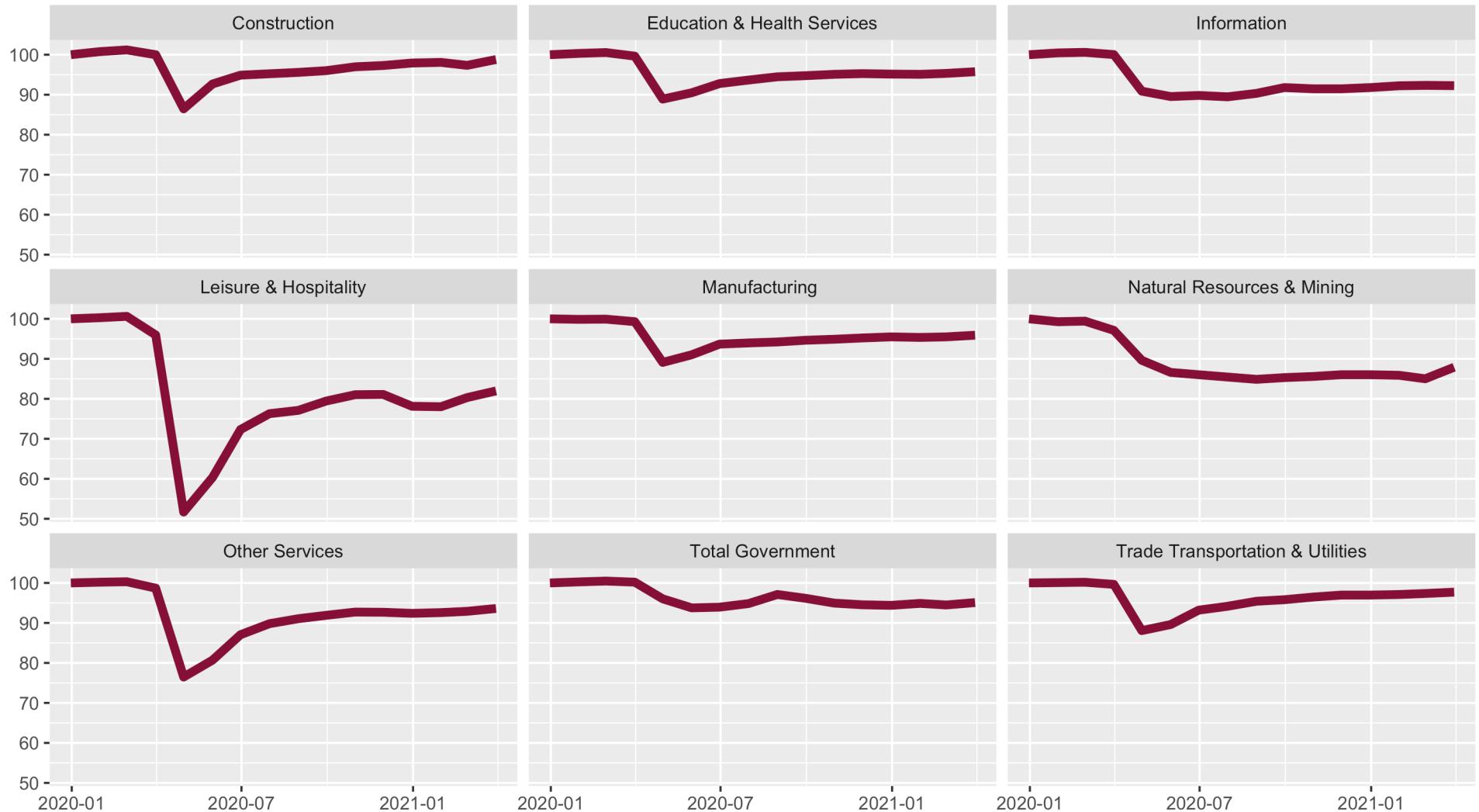
March 2021, Thousands



# Labor Market

## Employment by Occupation

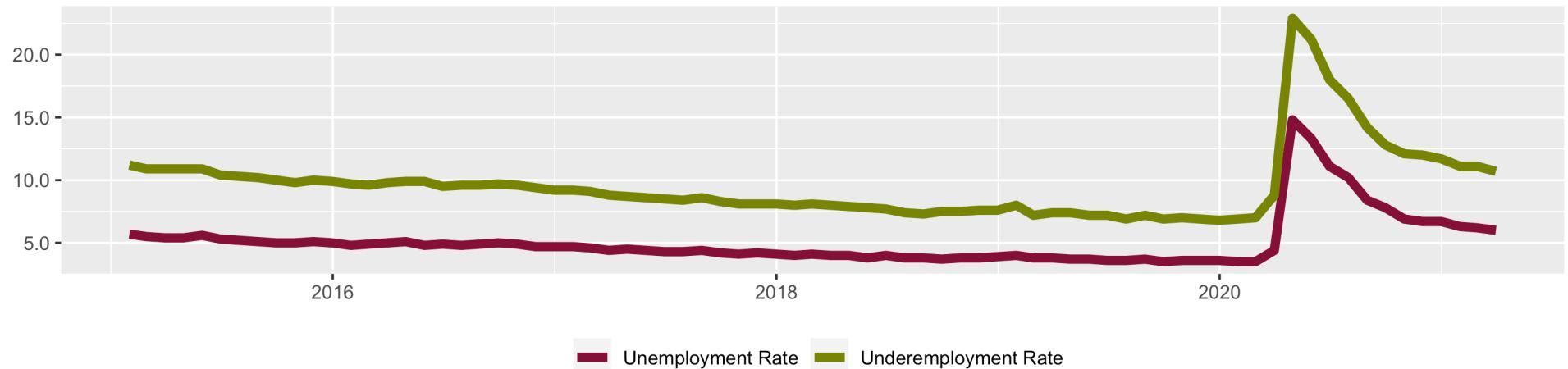
Normalized to December 2019



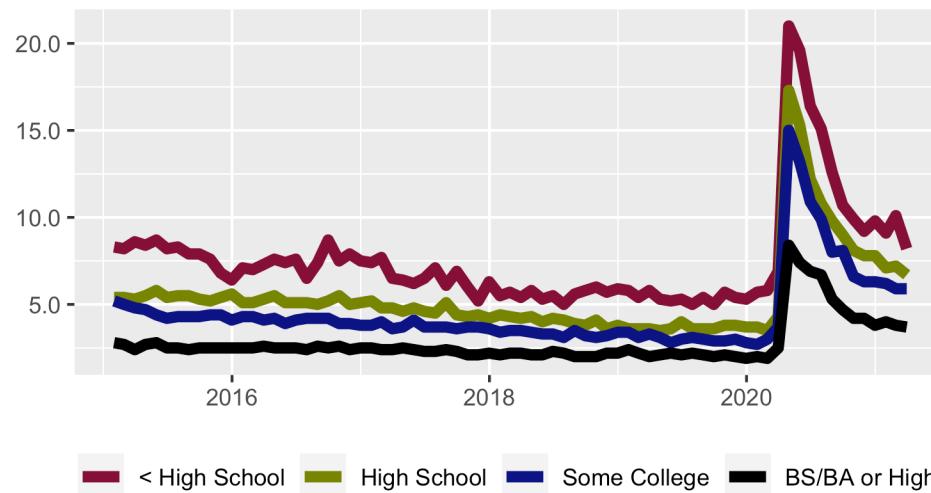
# Labor Market

## Unemployment Rate

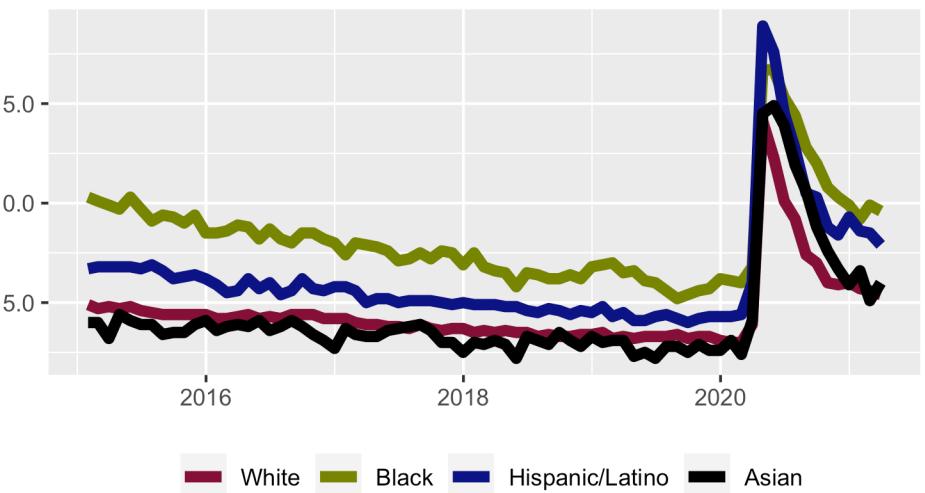
Percent of Labor Force



## Unemployment Rate by Educational Attainment



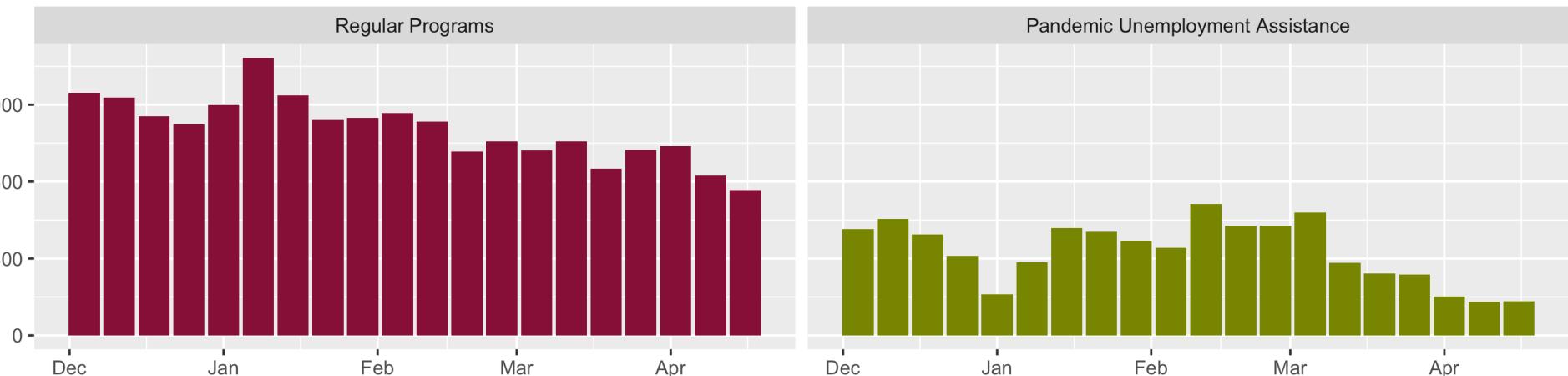
## Unemployment Rate by Race



# Labor Market

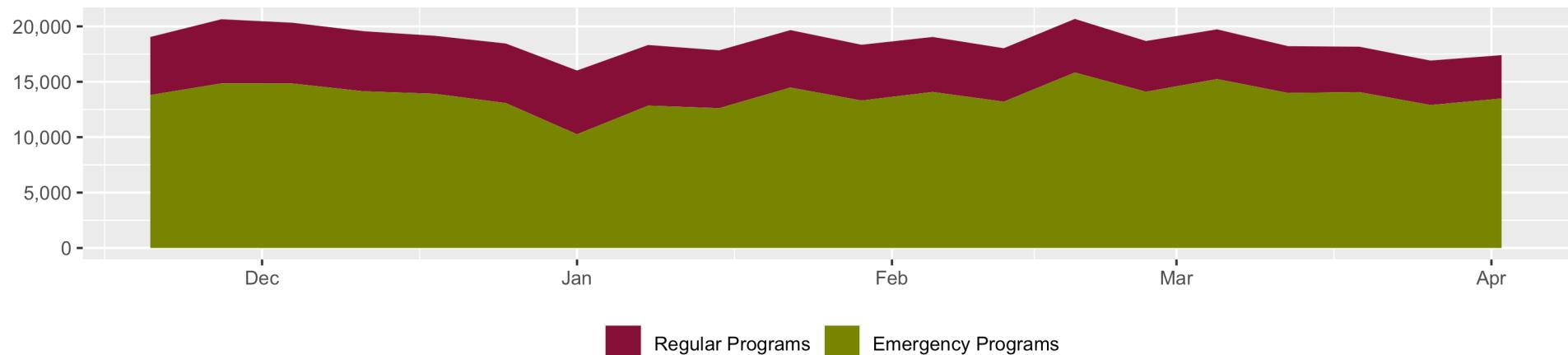
## Initial Unemployment Claims

Thousands, Unadjusted, Though Apr 16



## Continuing Unemployment Claims

Thousands, Unadjusted, Through Apr 02



# Business Activity

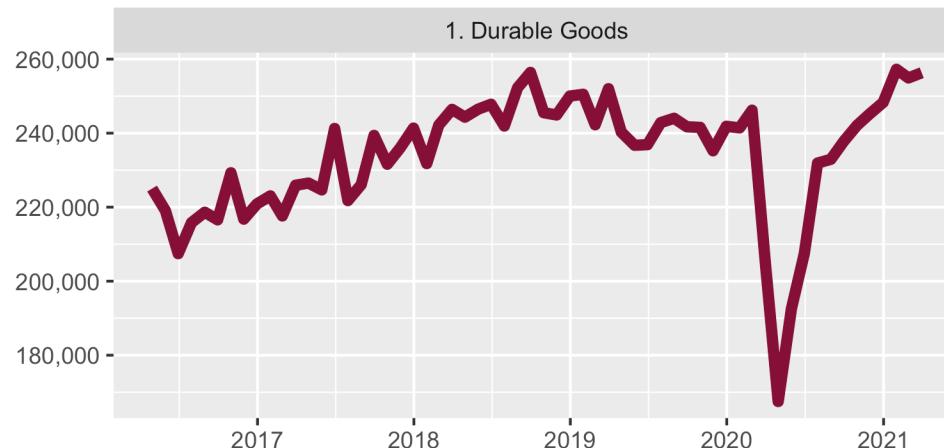
## ISM Manufacturing Indexes

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

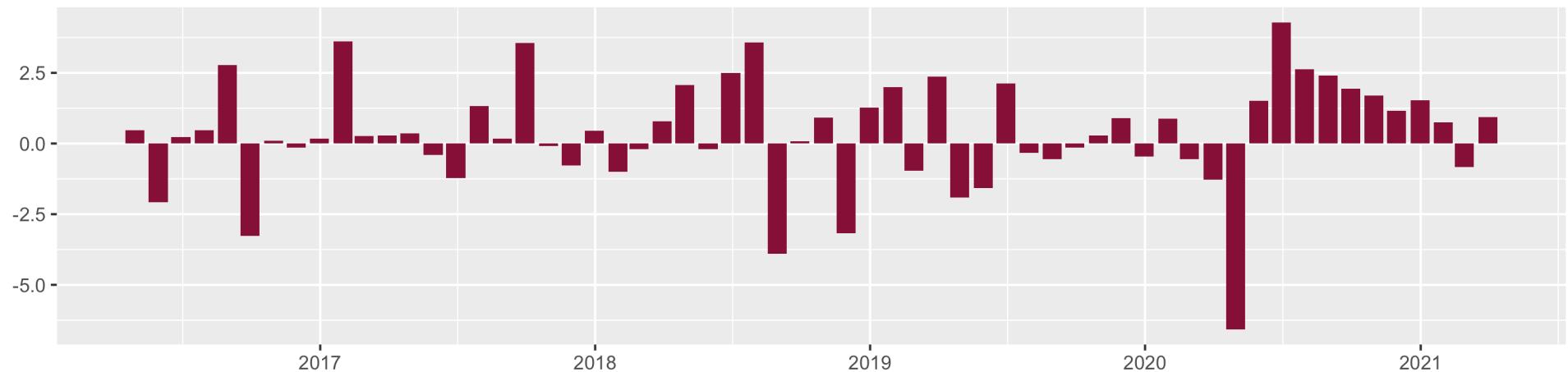
## Durable Goods Orders

USD Millions



## Core Capital Goods Orders

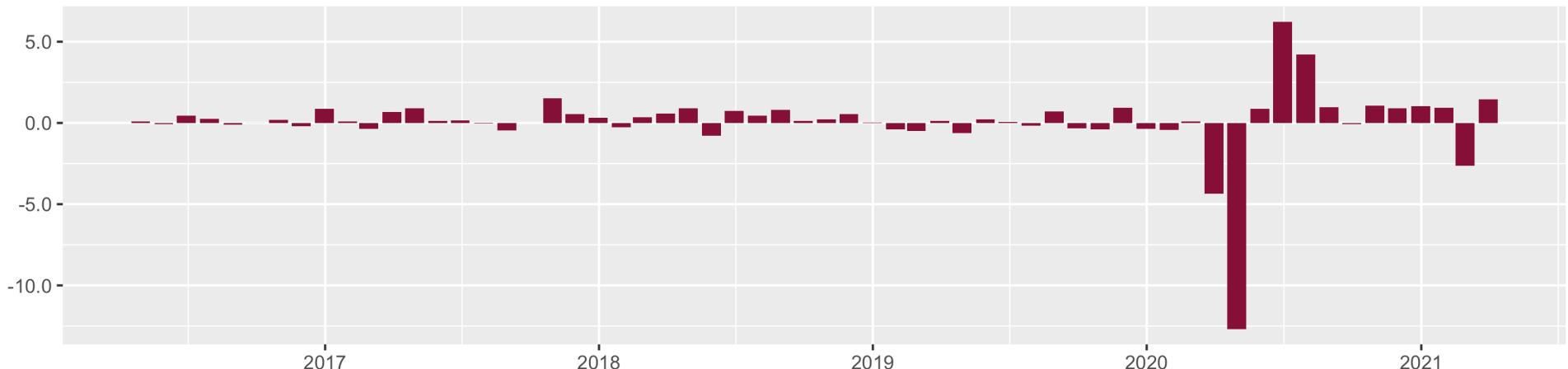
Monthly Change in Nondefense Capital Goods Orders ex Aircraft



# Business Activity

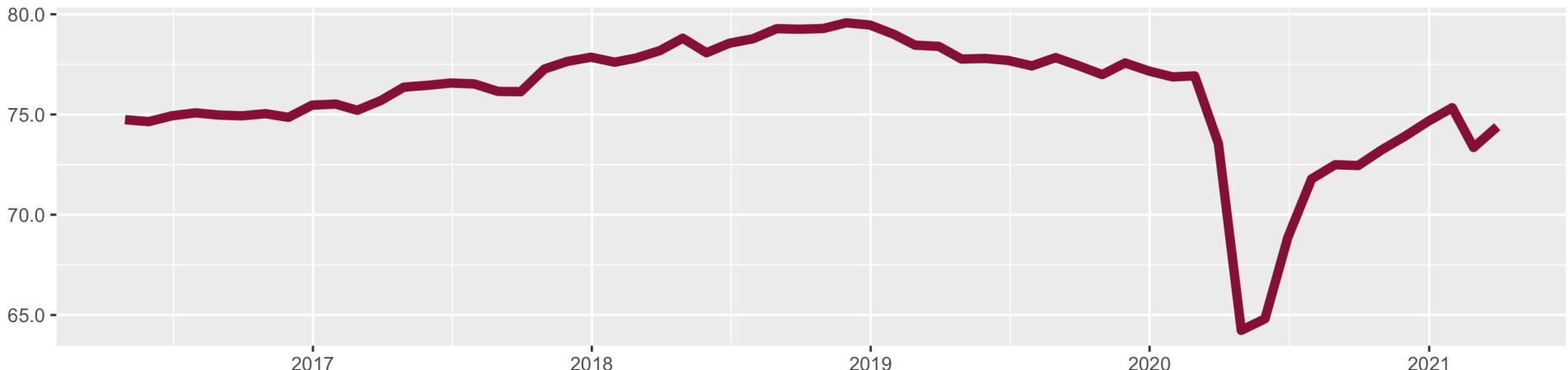
## Industrial Production

Monthly Percent Change



## Industrial Capacity Utilization

Percent



# Business Activity

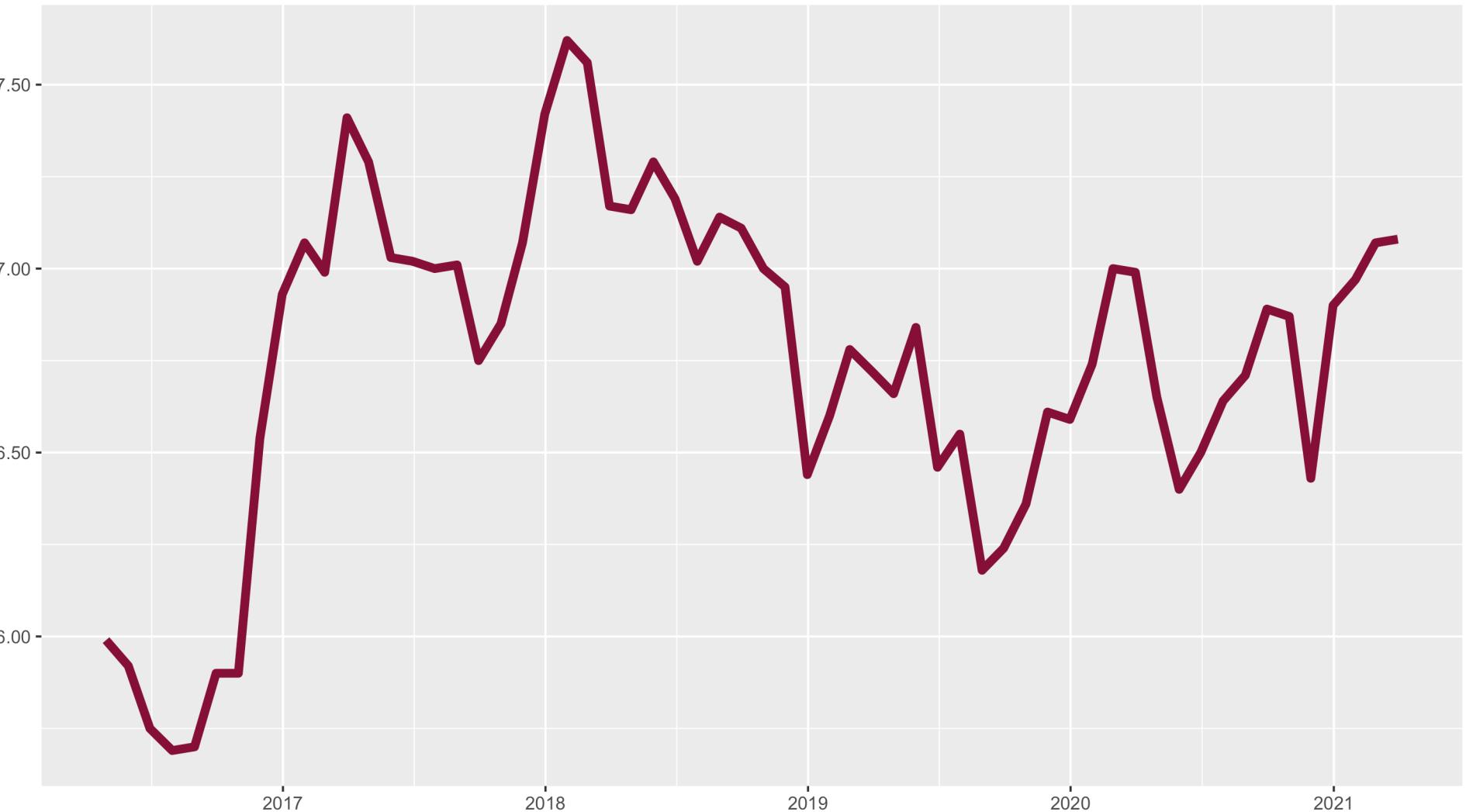
## ISM Services Indexes

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

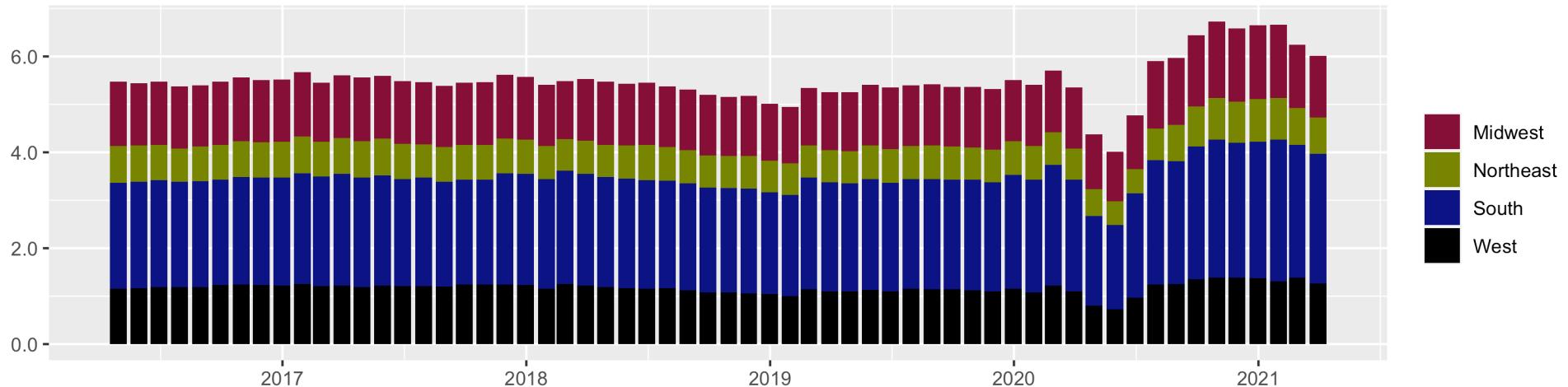
Scale from 1 to 10



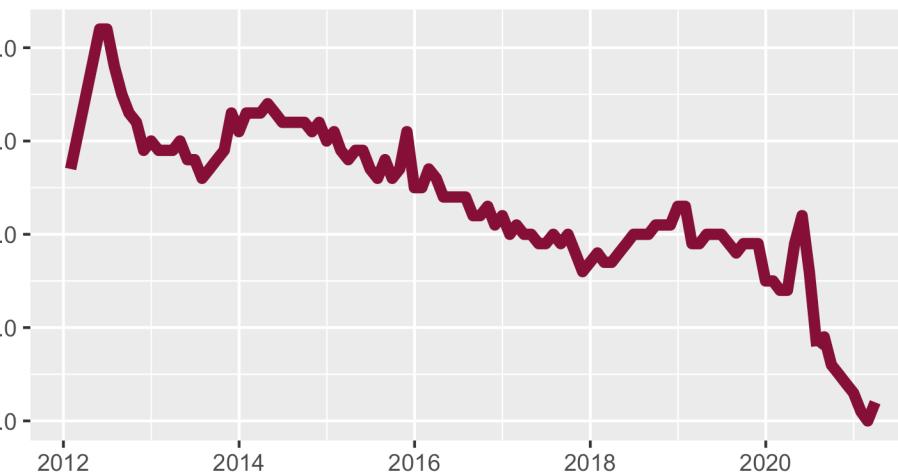
# Existing Home Sales

**US Existing Home Sales**

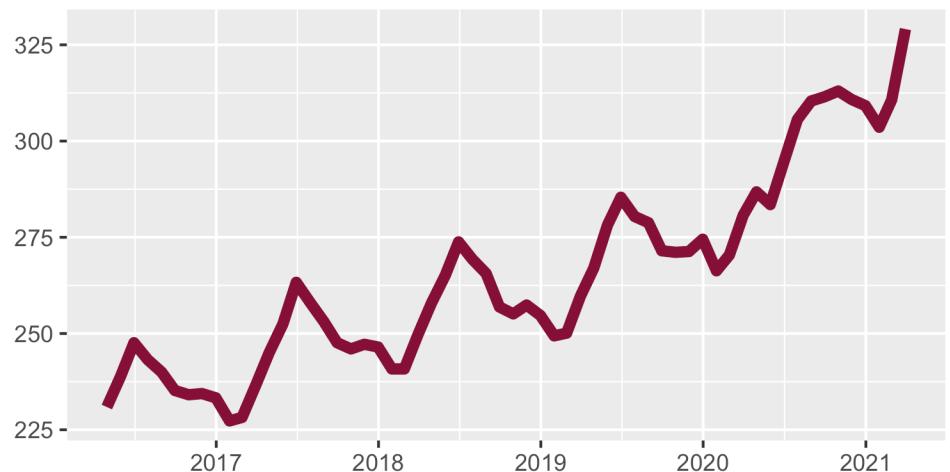
Millions, SAAR


**Existing Homes for Sale**

Months of Sales at Current Sales Pace


**Existing Home Sales**

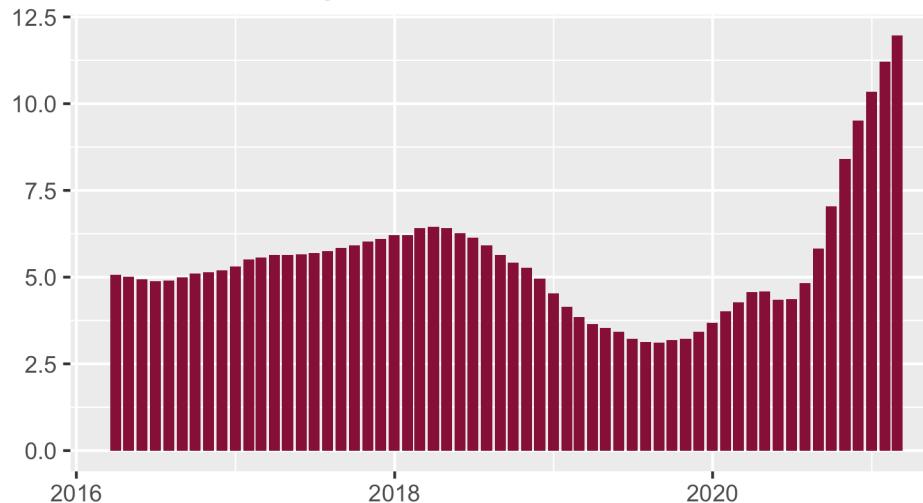
Median Home Price, USD Thousands



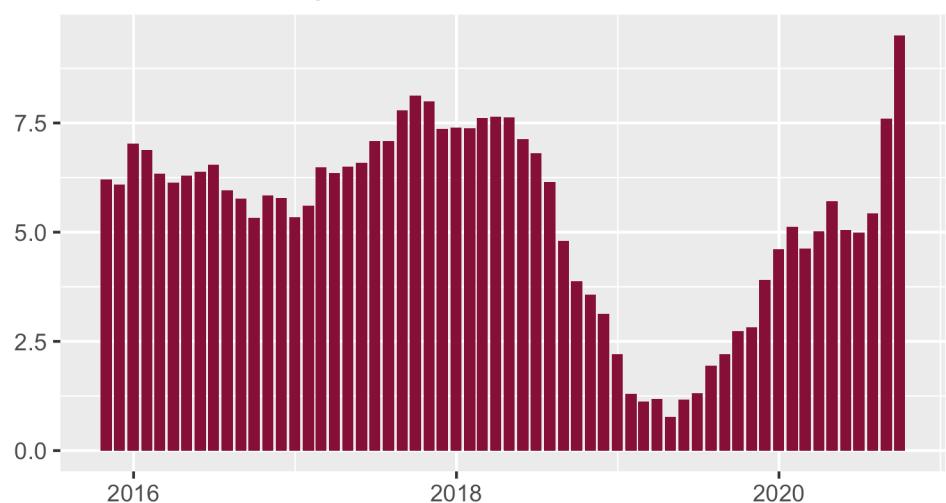
# Case Shiller Home Prices

**National Index**

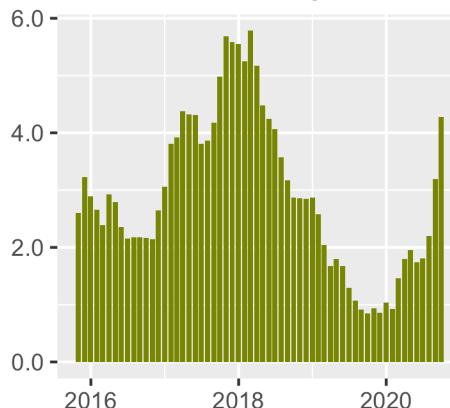
Annual Percent Change


**San Diego**

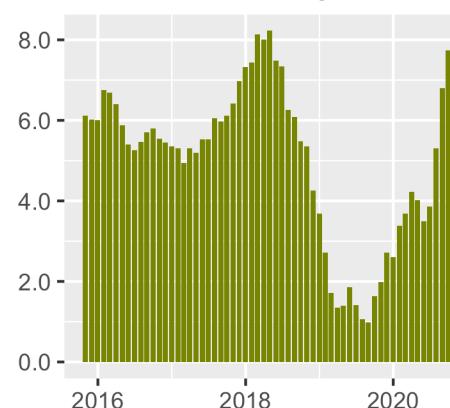
Annual Percent Change


**New York**

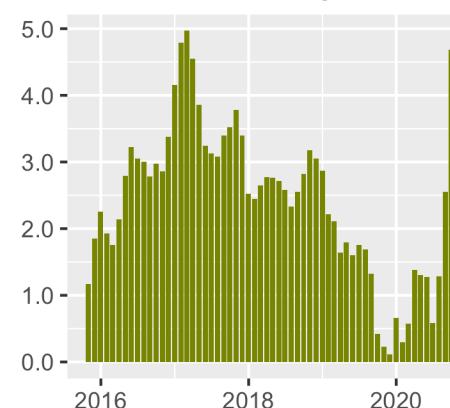
Annual Percent Change


**Los Angeles**

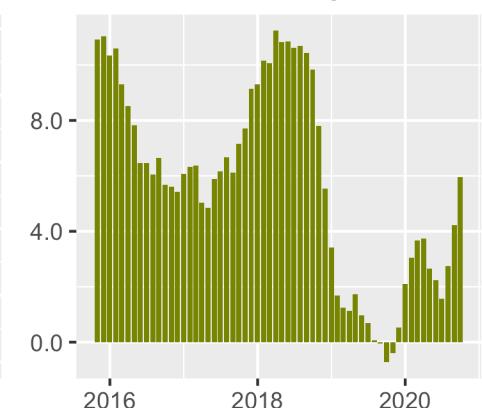
Annual Percent Change


**Chicago**

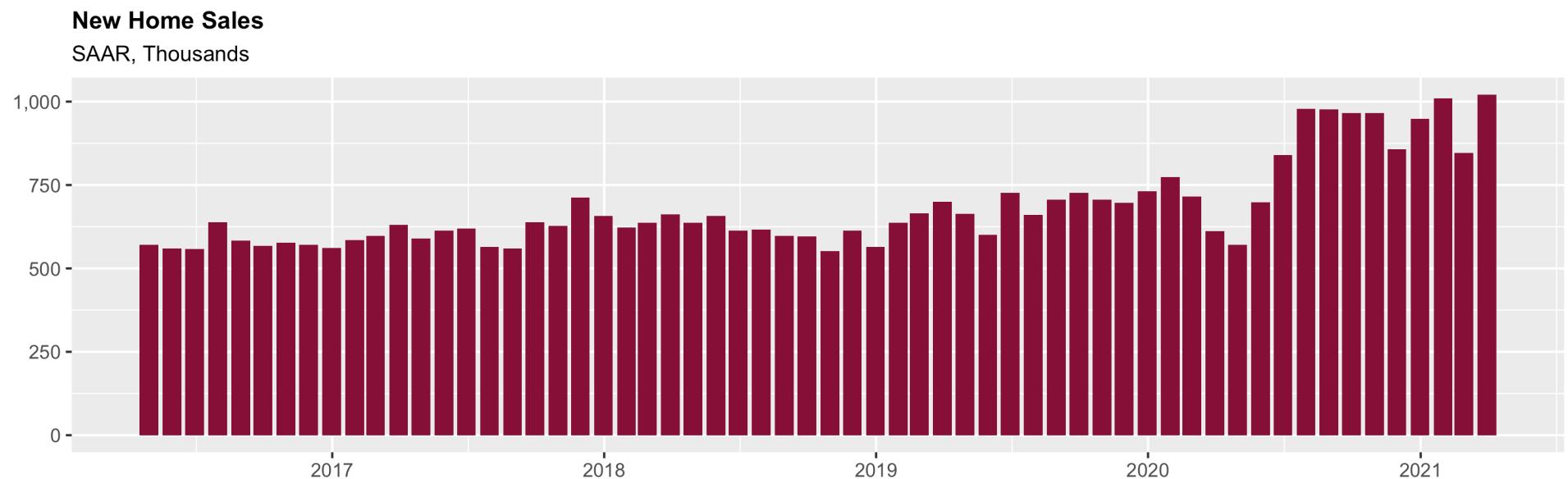
Annual Percent Change


**San Francisco**

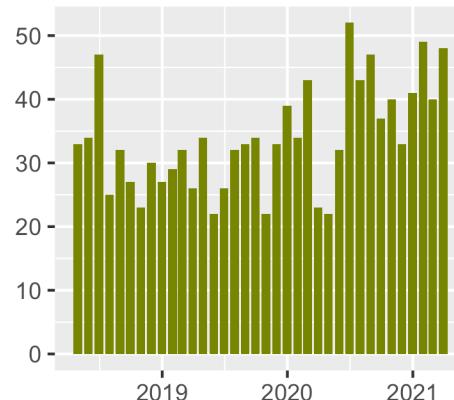
Annual Percent Change



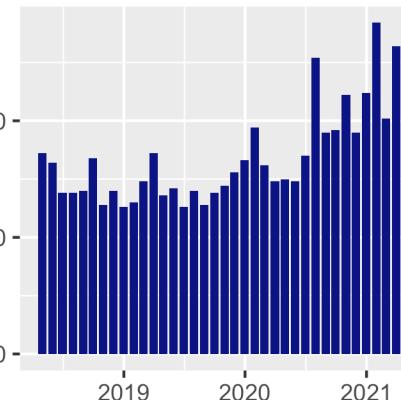
# New Home Sales



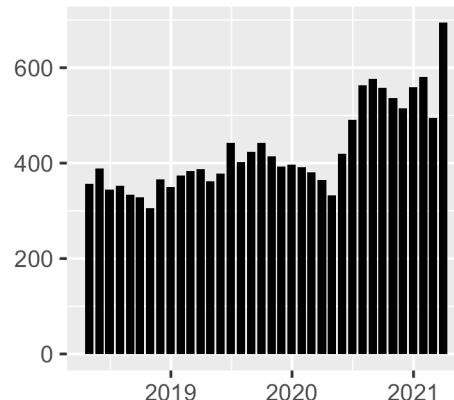
**Northeast**  
SAAR, Thousands



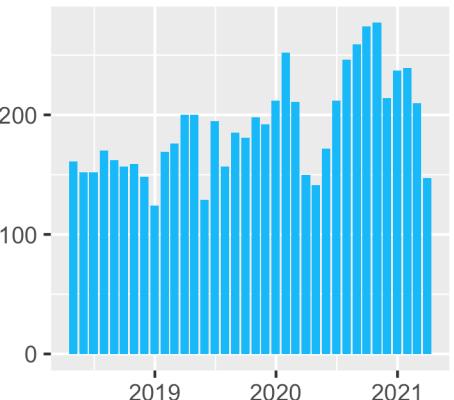
**Midwest**  
SAAR, Thousands



**South**  
SAAR, Thousands



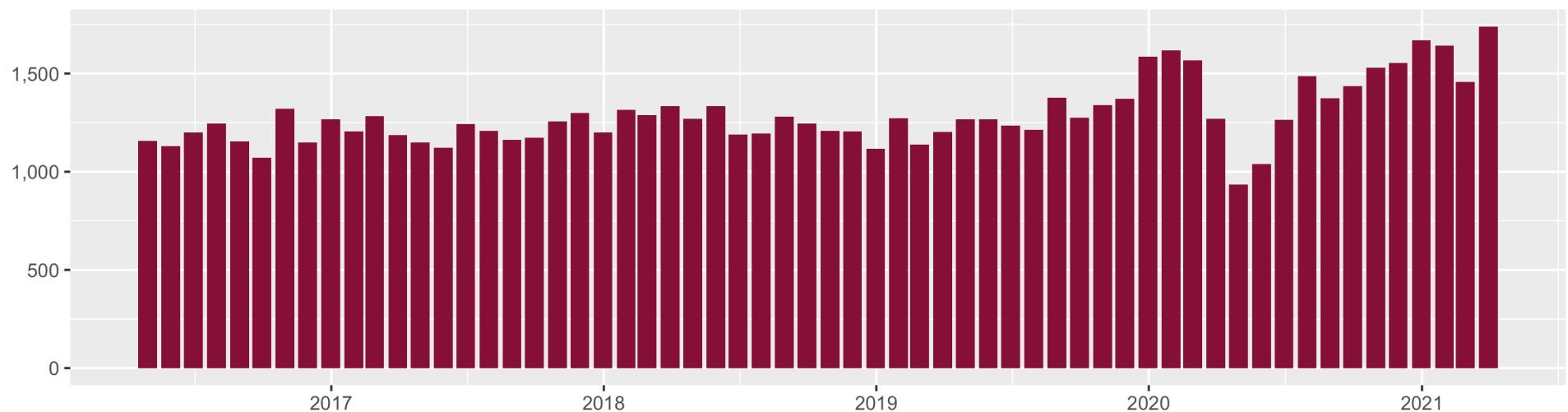
**West**  
SAAR, Thousands



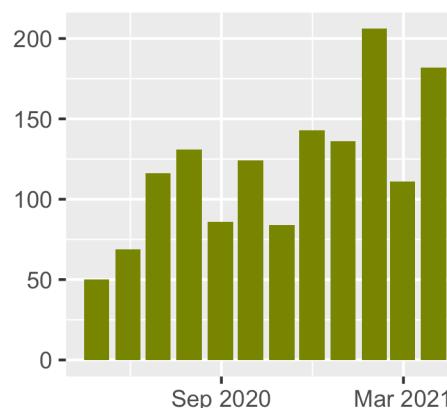
# Housing Starts

**Housings Starts**

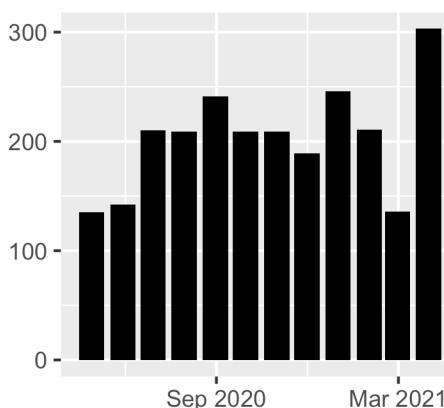
Thousands, SAAR

**Northeast**

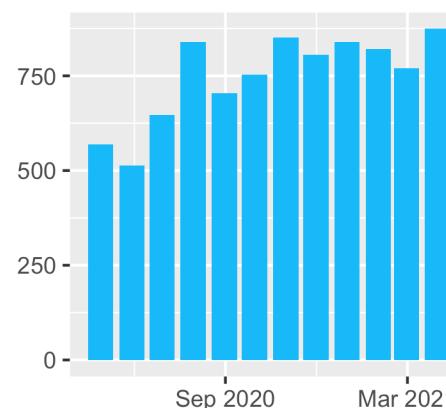
Thousands, SAAR

**Midwest**

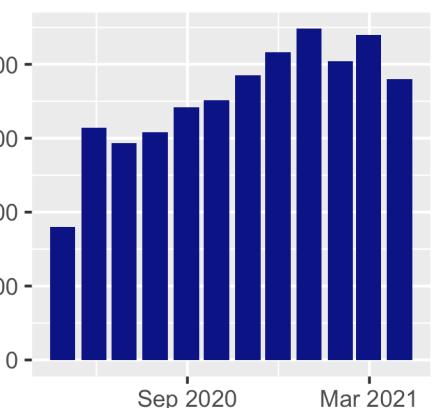
Thousands, SAAR

**South**

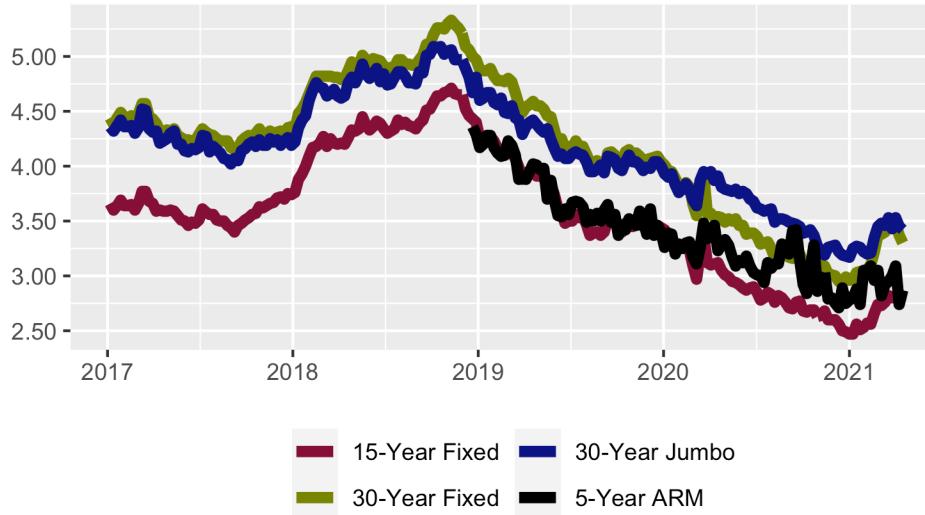
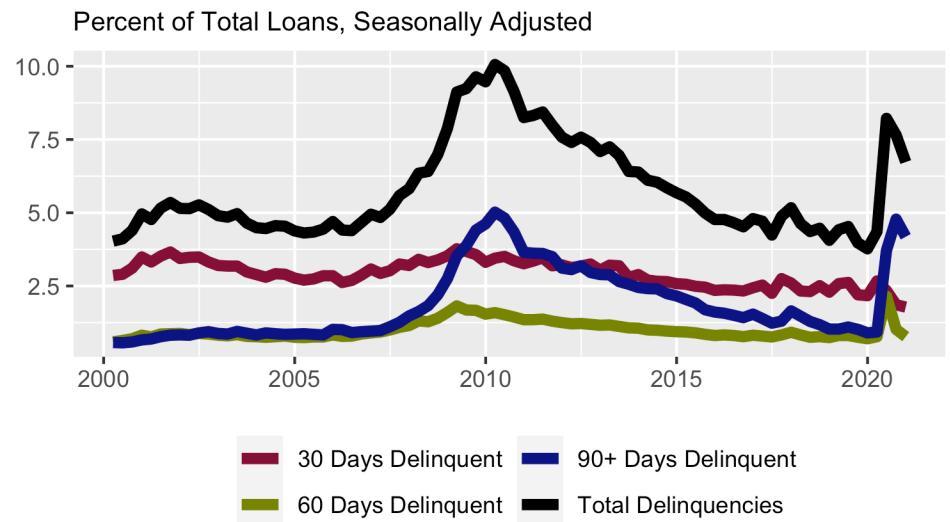
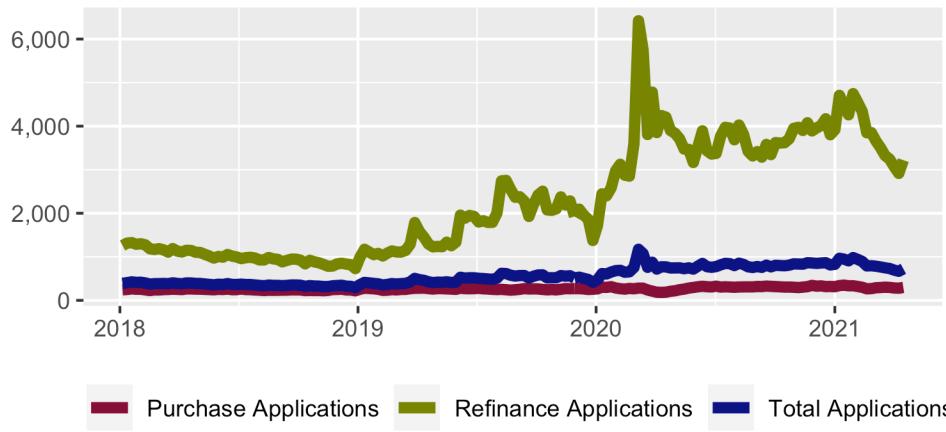
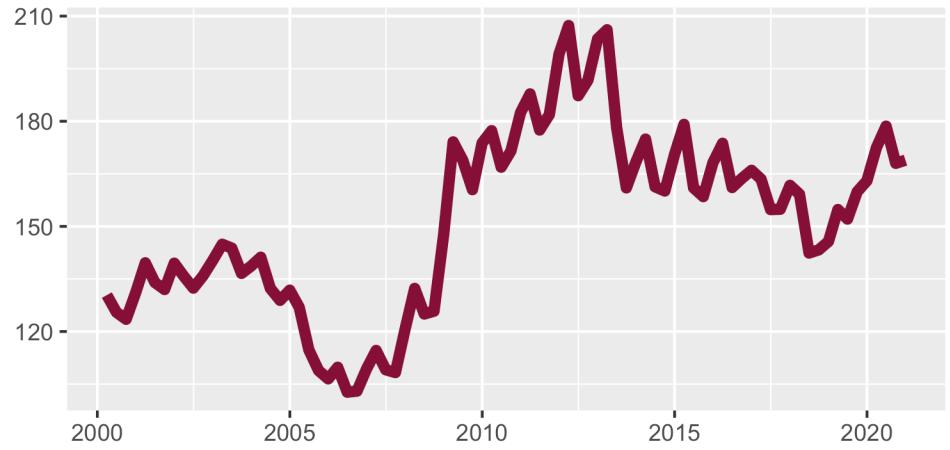
Thousands, SAAR

**West**

Thousands, SAAR



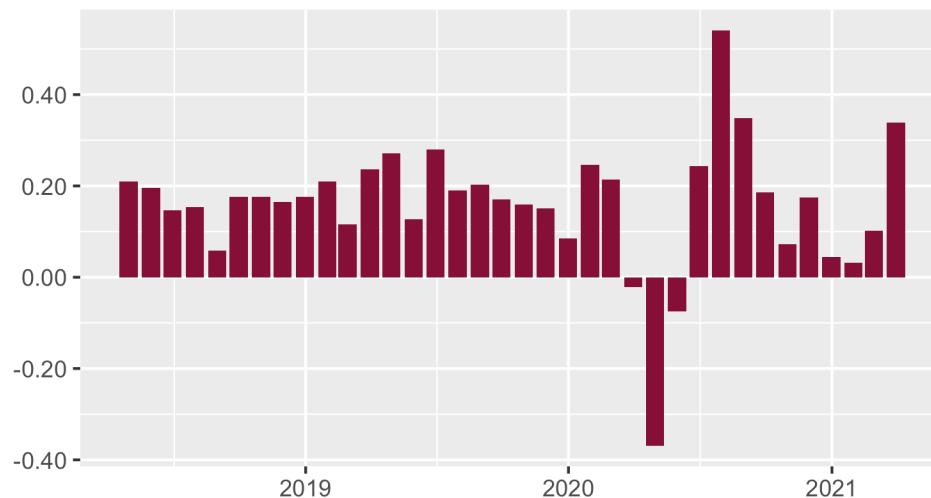
# Housing Affordability

**Effective Mortgage Interest Rates**

**Mortgage Delinquencies**

**Mortgage Applications**

**Housing Affordability Index**


# Inflation

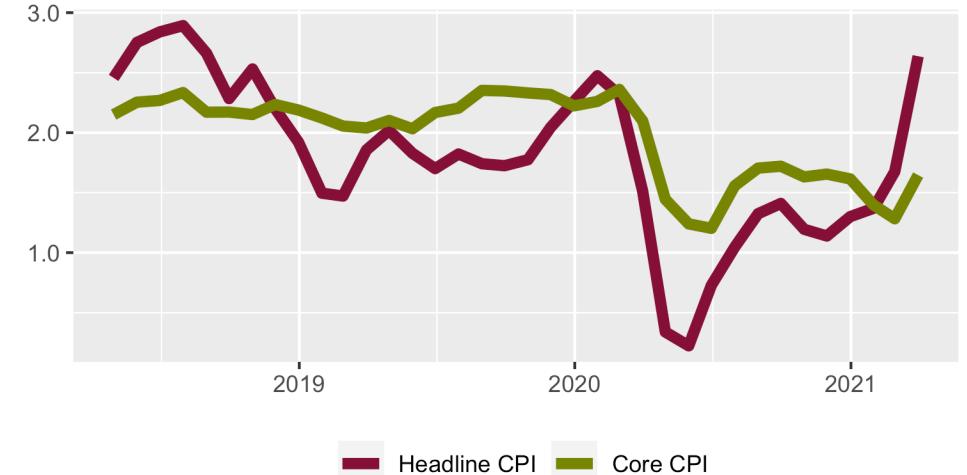
## Consumer Price Index

Monthly Change in Core CPI



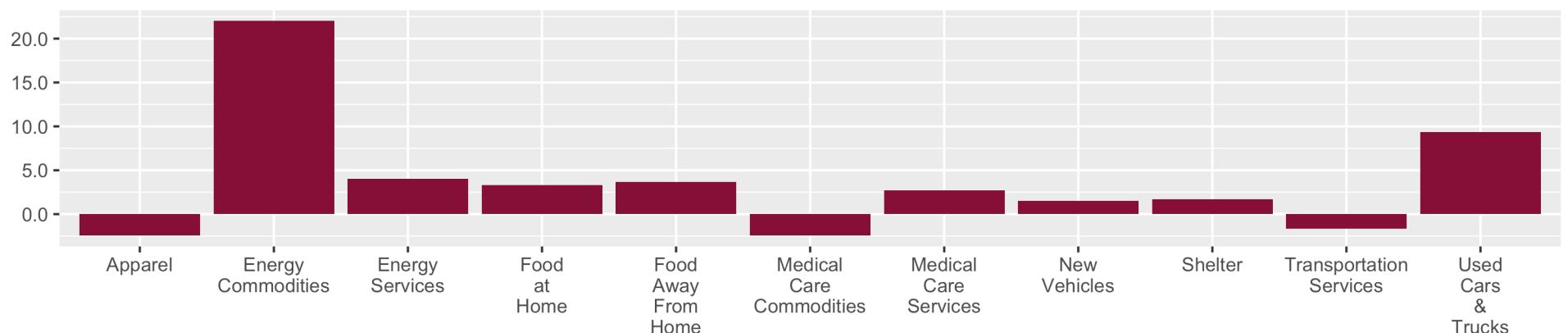
## Consumer Price Index

Annual Percent Change, Seasonally Adjusted



## Consumer Price Index

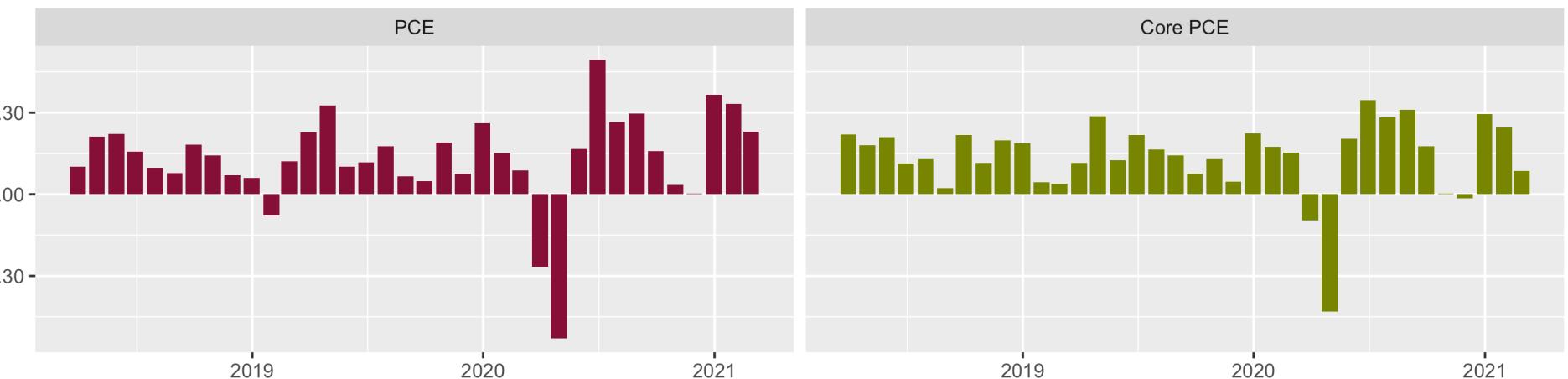
March 2021 Annual Percent Change, Seasonally Adjusted



# Inflation

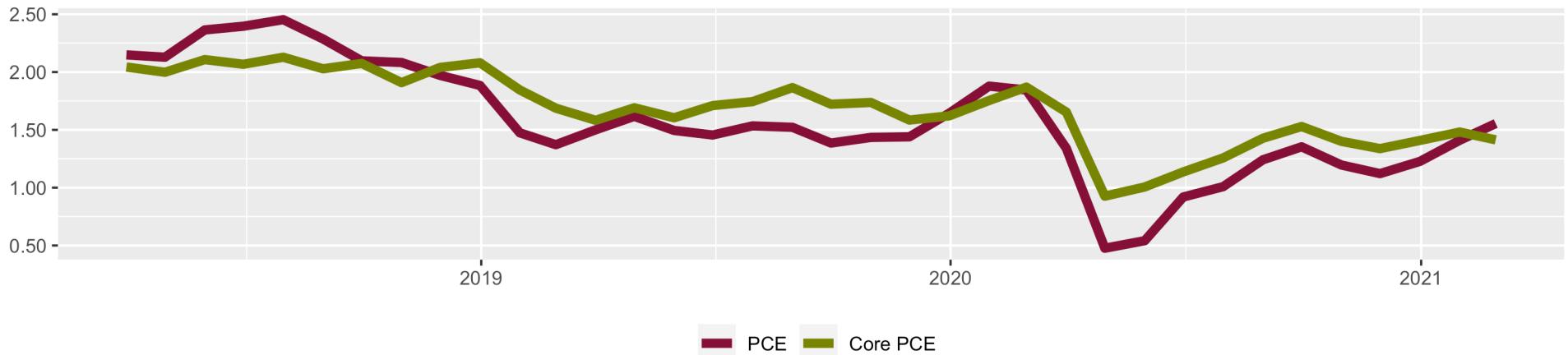
## Personal Consumption Expenditure Price Index

Monthly Change in Core CPI



## Personal Consumption Expenditure Price Index

Annual Percent Change



# Inflation

**NY Fed Underlying Inflation Gauge**

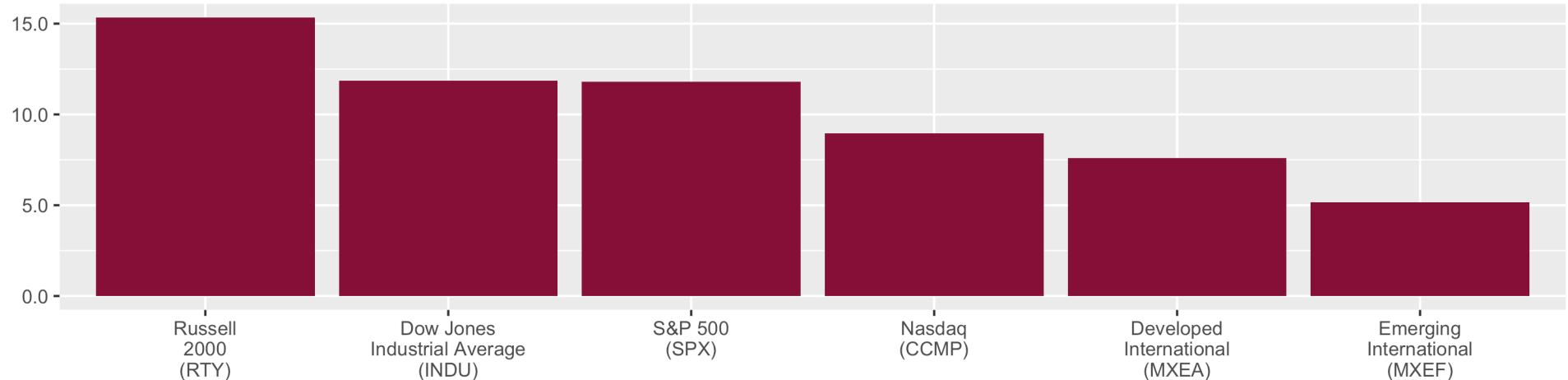
Annual Percent Change



# Equity Index Returns

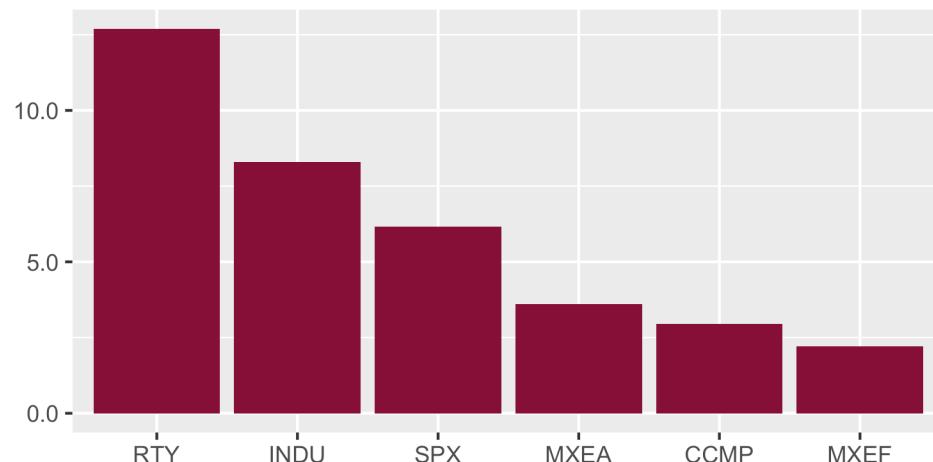
**Index Total Returns**

Year to Date



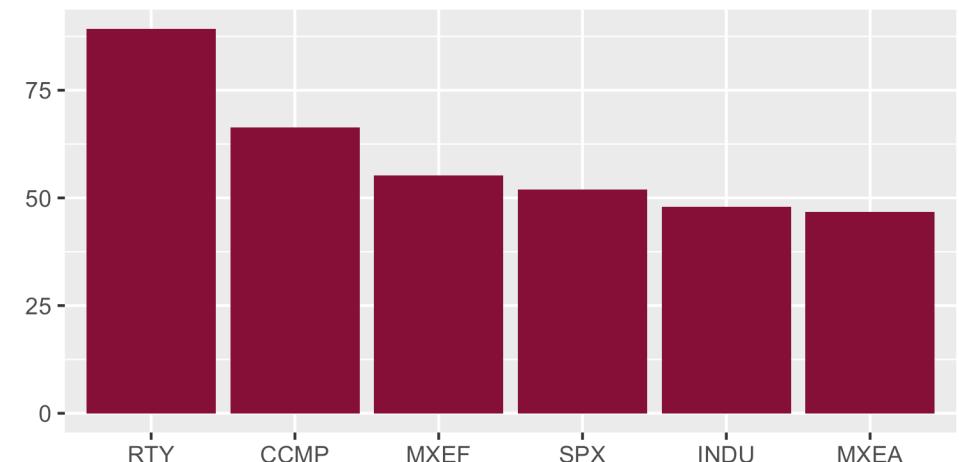
**Index Total Returns**

Last Quarter



**Index Total Returns**

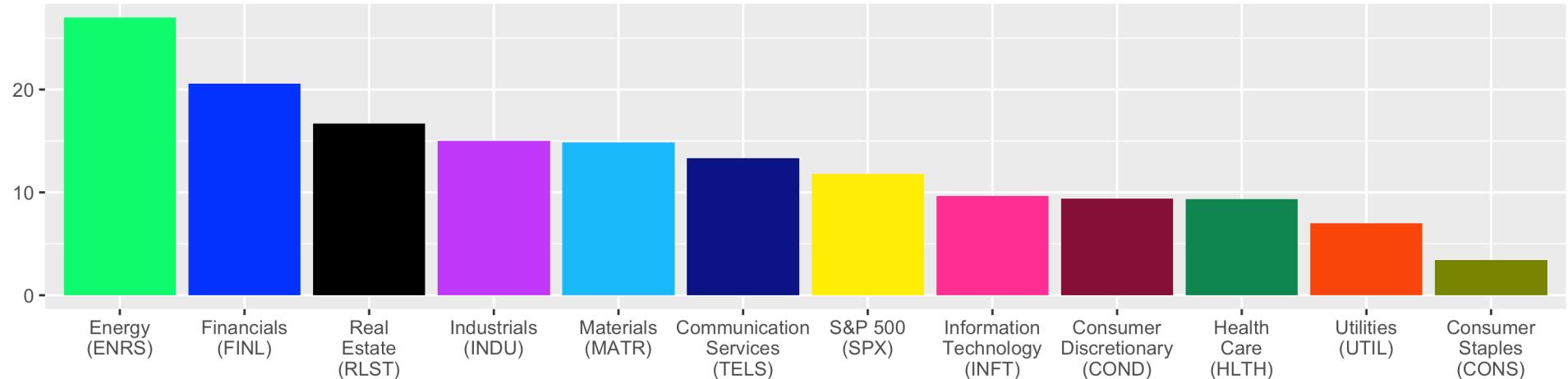
Trailing 12 Months



# S&P 500 Sector Index Returns

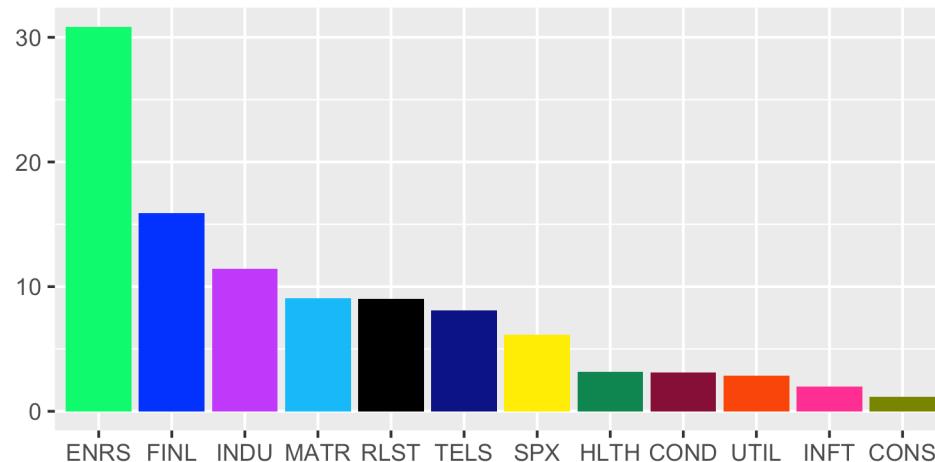
Index Total Returns

Year to Date



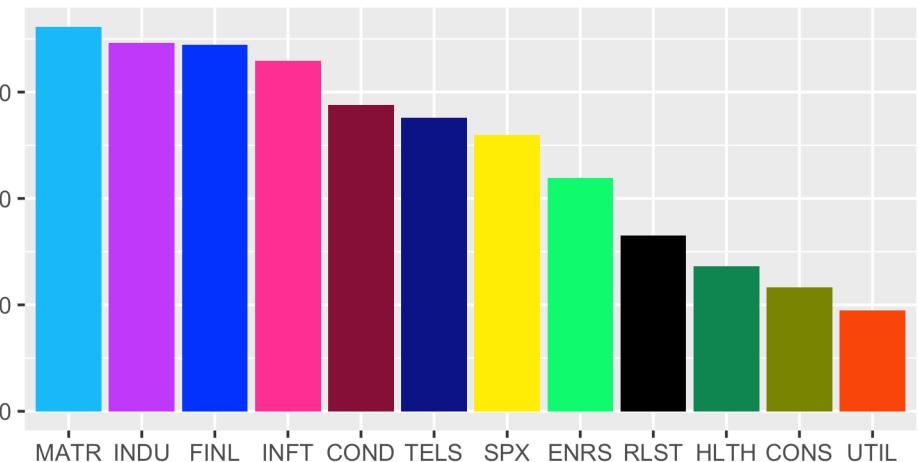
Index Total Returns

Last Quarter



Index Total Returns

Trailing 12 Months



# Equity Markets

## S&P 500 Sector Weights

