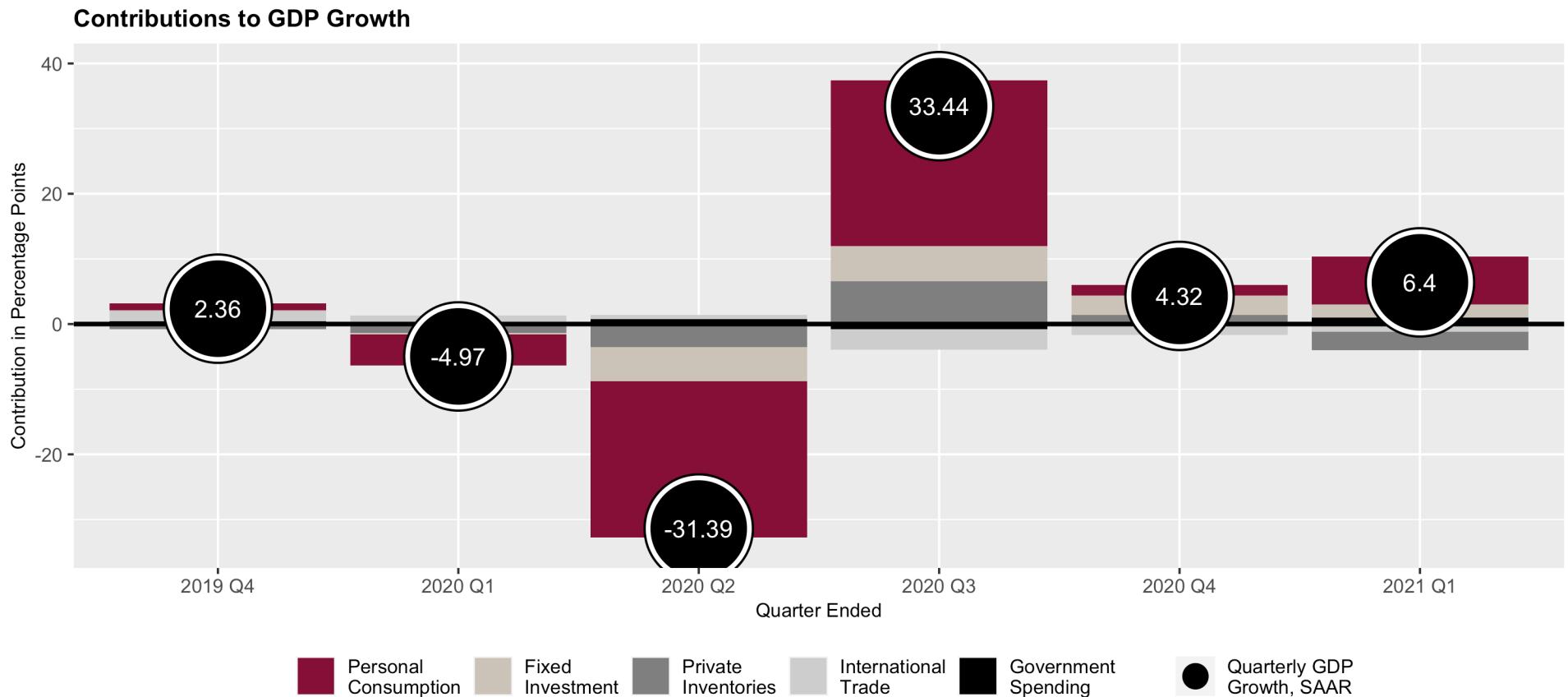


# Gross Domestic Product

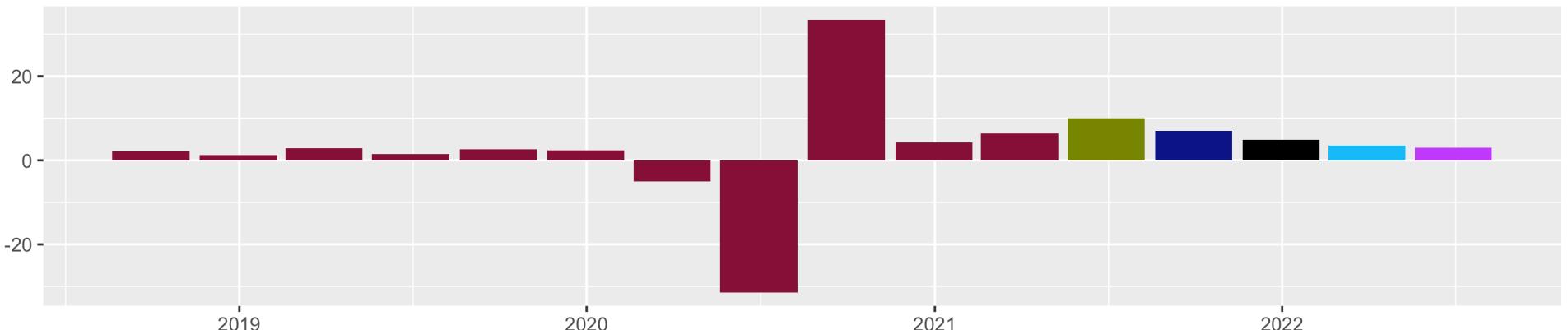
The recovery of the US economy continued into the first quarter of 2021. The economy grew an annualized 6.4 percent, following 33.4 percent and 4.3 percent growth in the third and fourth quarters of 2020. Personal consumption was supported by two rounds of direct transfers to households during the period. Overall consumption increased an annualized 11.3 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

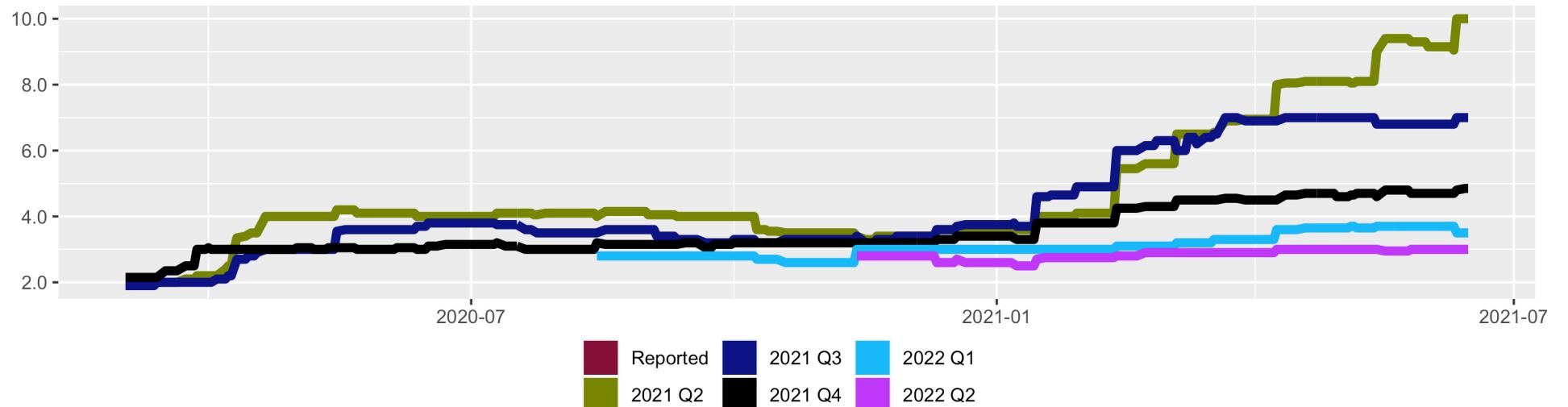
## US Gross Domestic Product

QoQ SAAR



## Consensus GDP Growth Estimates

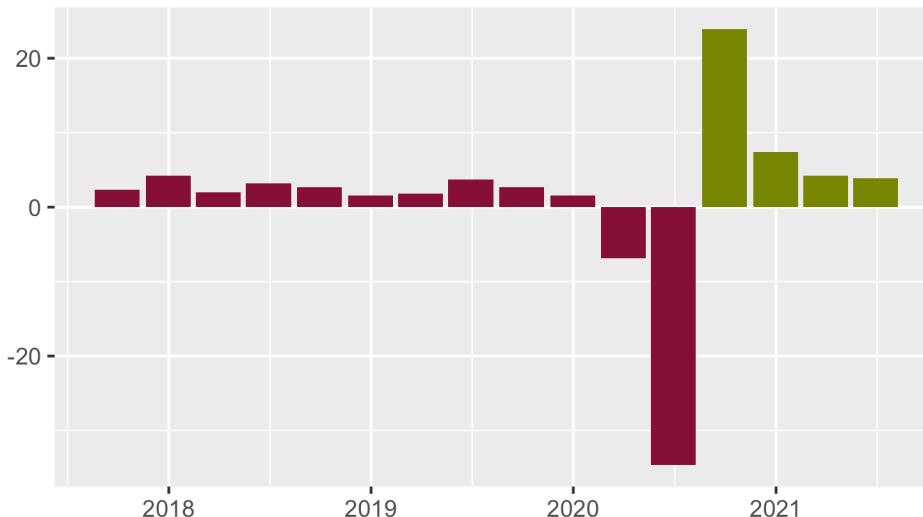
Bloomberg Survey of Economists Median



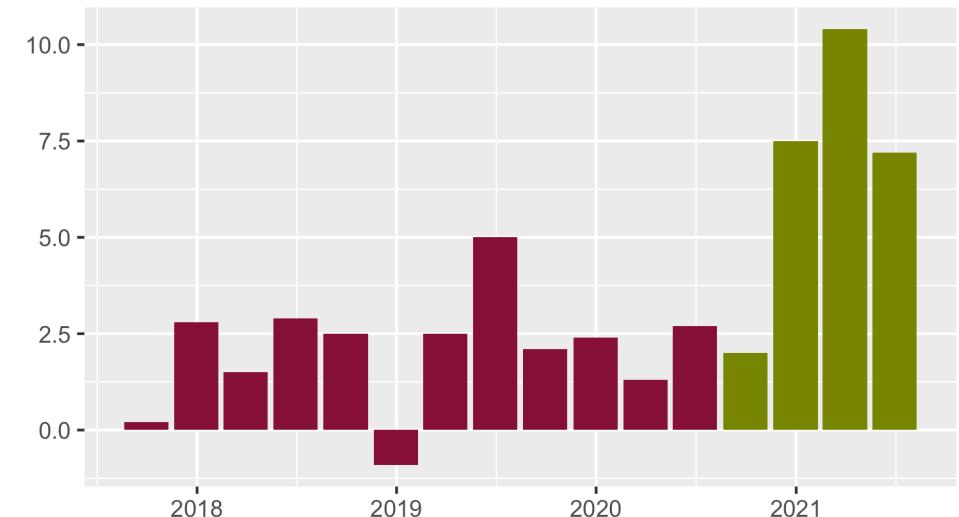
# Gross Domestic Product

**US Consumer Spending**

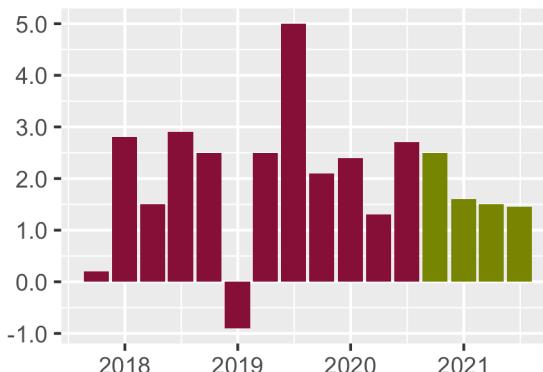
QoQ SAAR

**US Private Investment Spending**

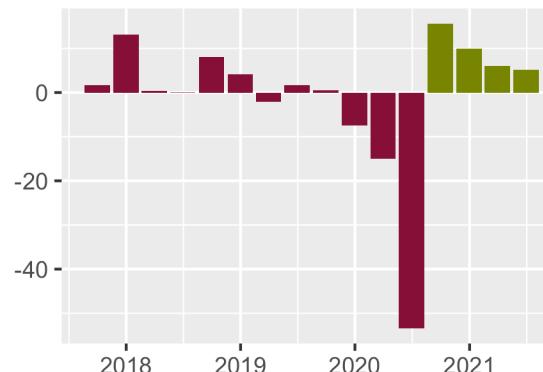
QoQ SAAR

**US Government Spending**

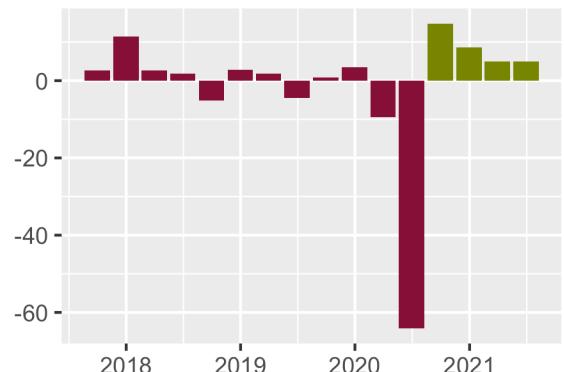
QoQ SAAR

**US Imports**

QoQ SAAR

**US Exports**

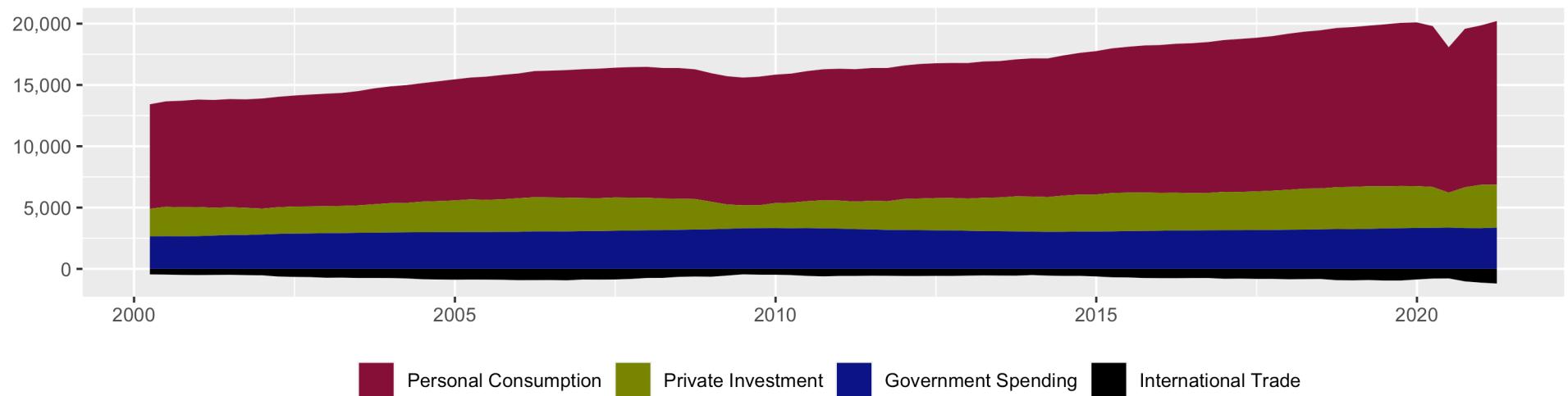
QoQ SAAR


■ Reported    ■ Estimate

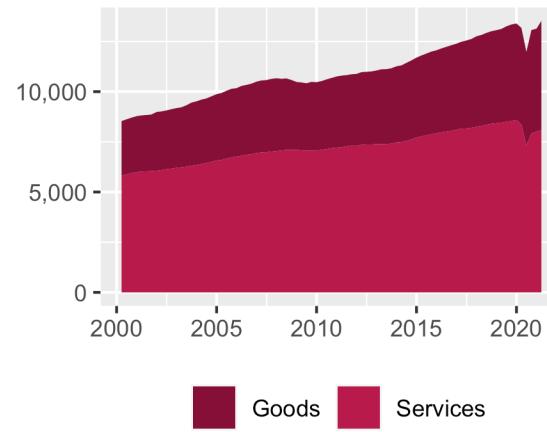
# Gross Domestic Product

## Composition of US Economy

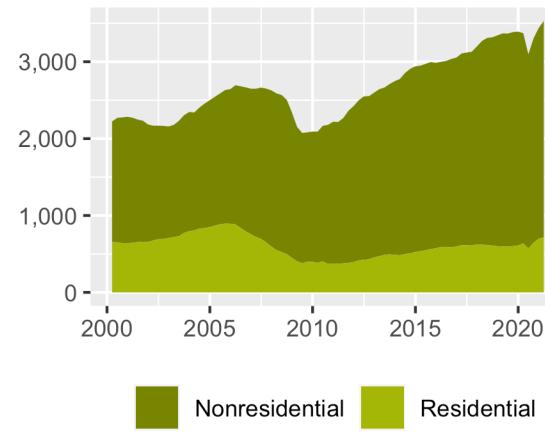
Billions of USD, Chain Linked 2012 Prices



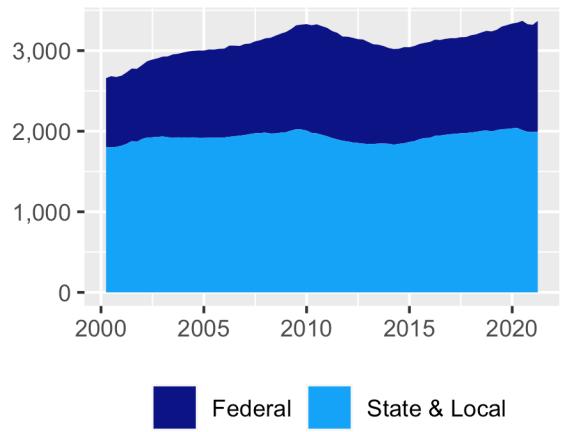
## Personal Consumption



## Fixed Investment



## Government Spending

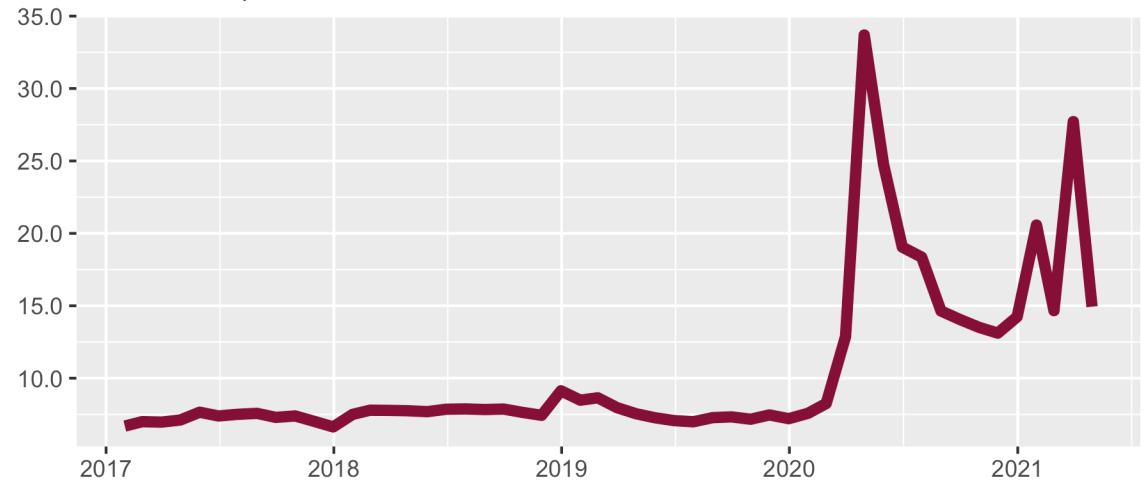


# Consumption

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 23 percent from the April low point, it is still nearly 2 percent below the pre-pandemic level. Meanwhile, goods spending has already surpassed pre-pandemic levels.

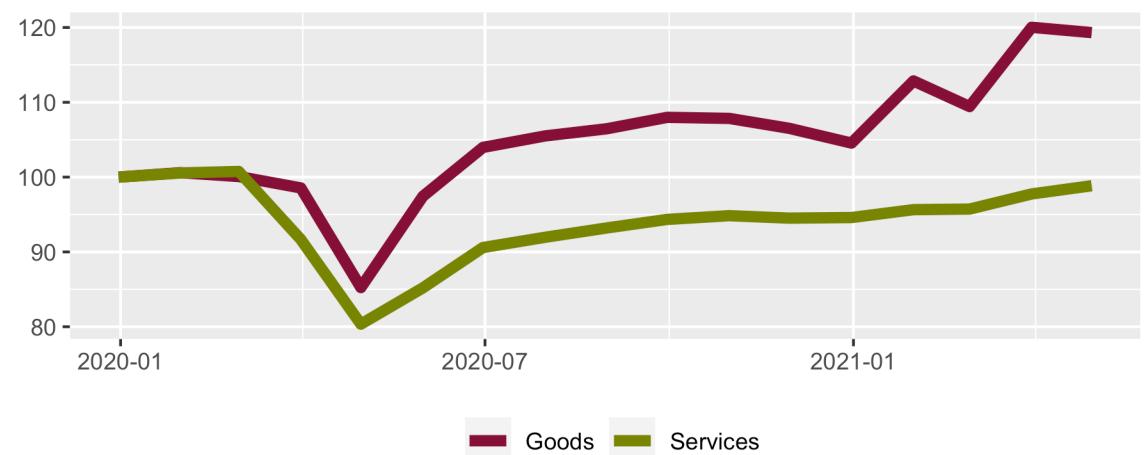
## Personal Savings Rate

Percent of Disposable Personal Income



## Personal Consumption Expenditures

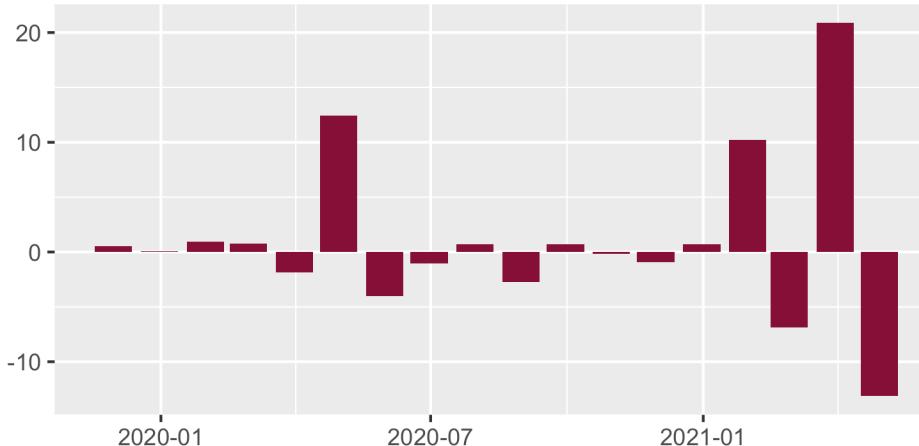
Normalized to December 2019



# Consumption

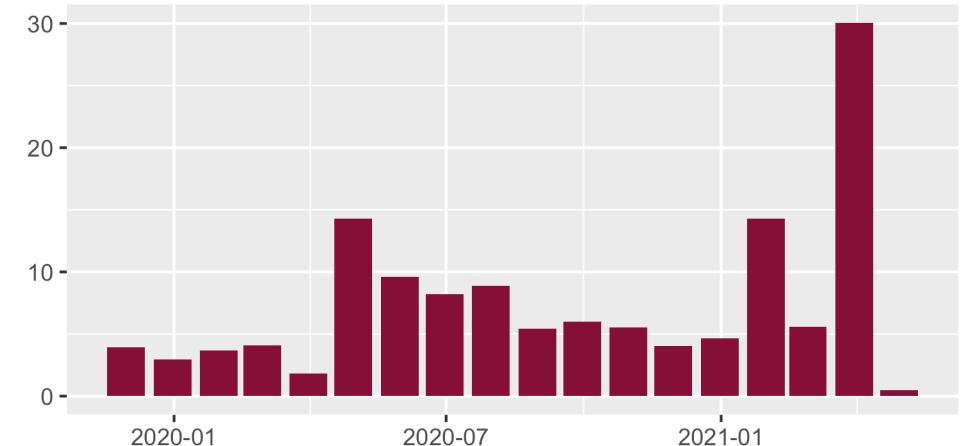
## Personal Income

Monthly Percent Change



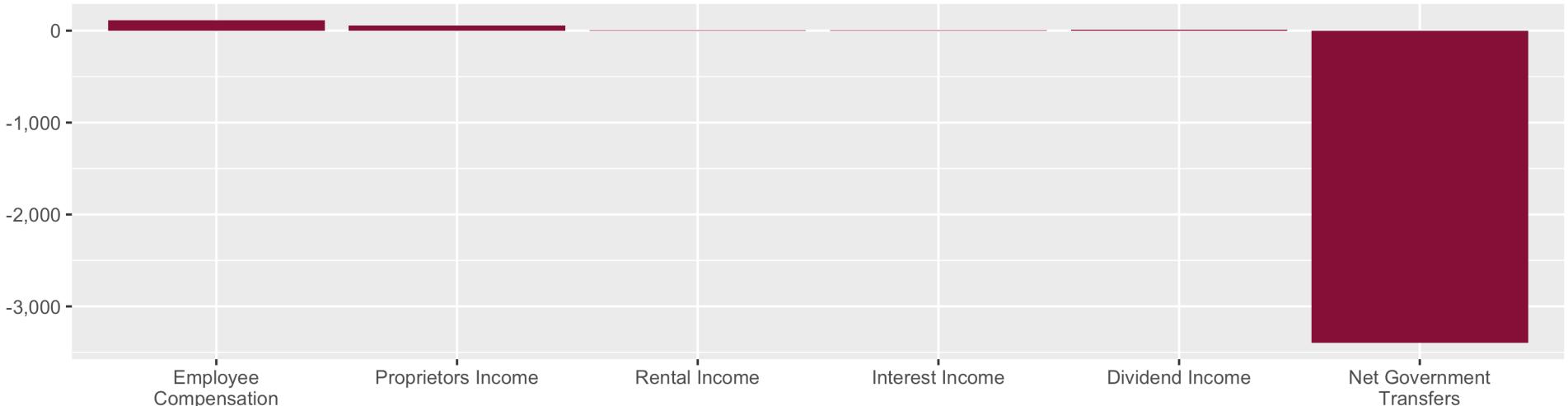
## Personal Income

Annual Percent Change

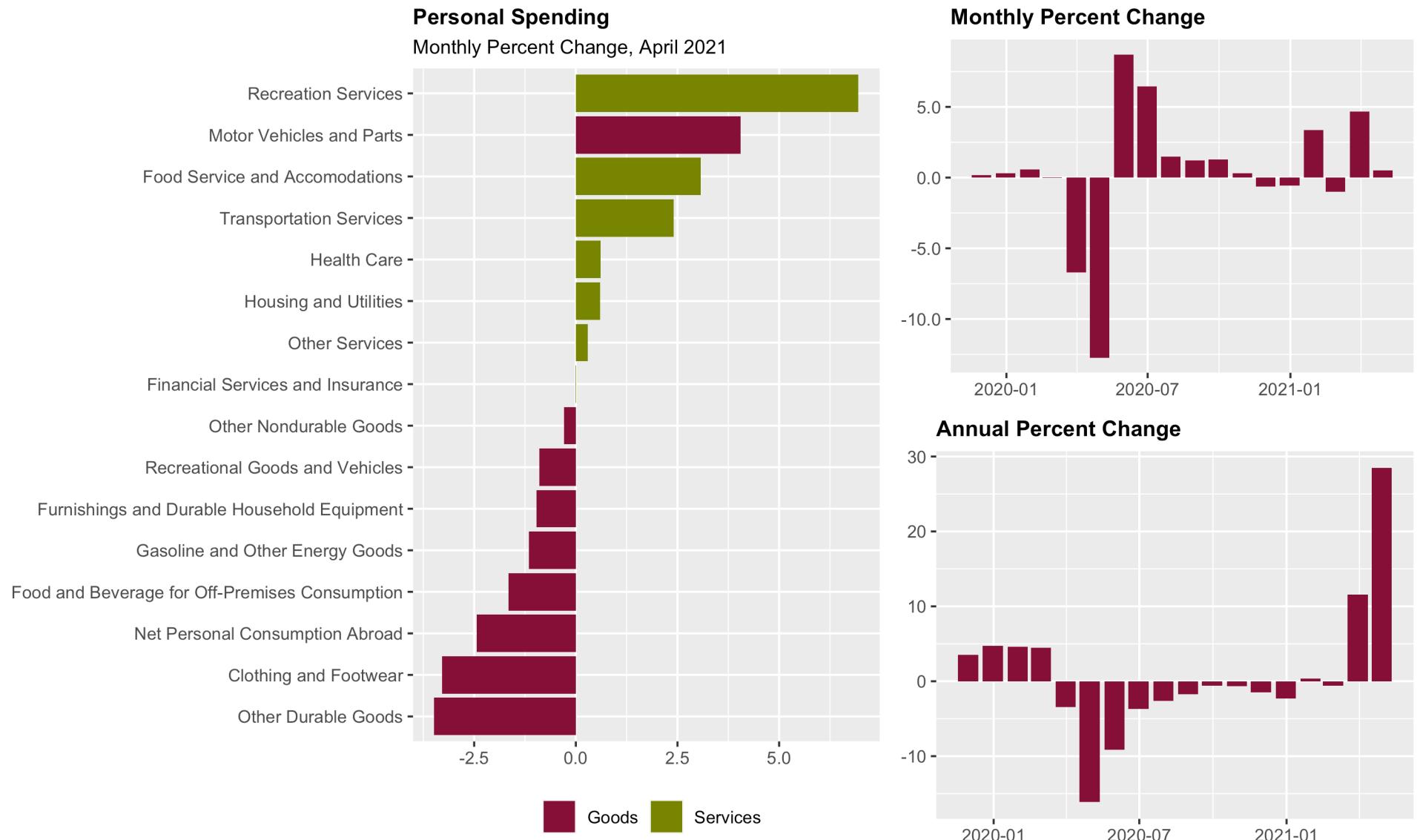


## Change in Personal Income

April 2021, Billions of USD



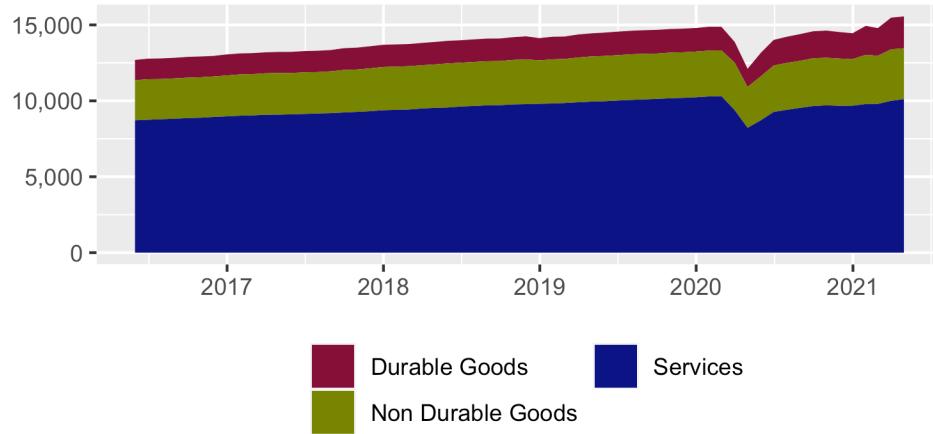
# Consumption



# Consumption

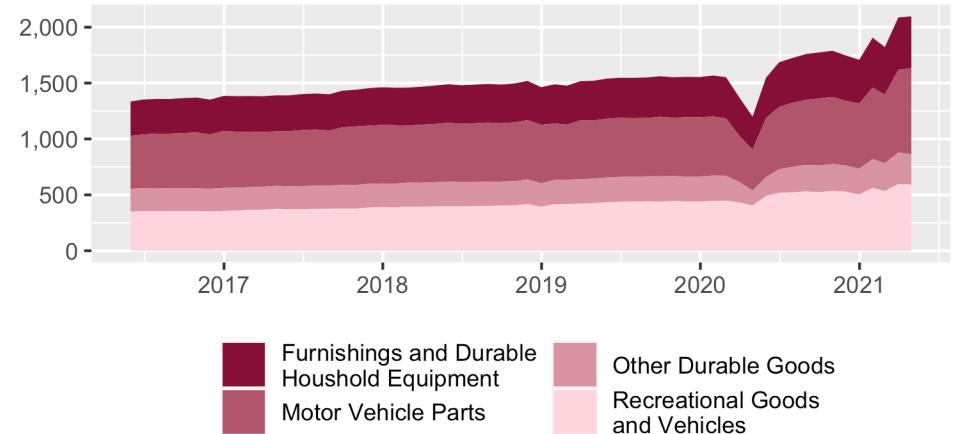
## Personal Spending Composition

SAAR, USD Billions



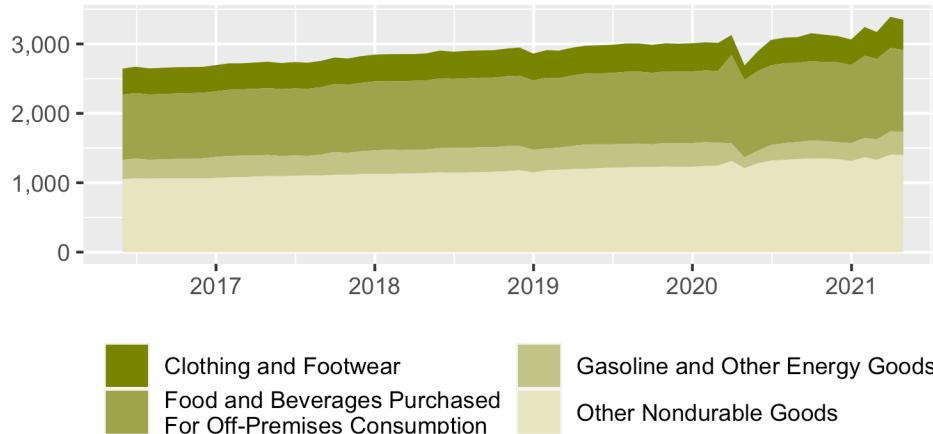
## Durable Goods Composition

SAAR, USD Billions



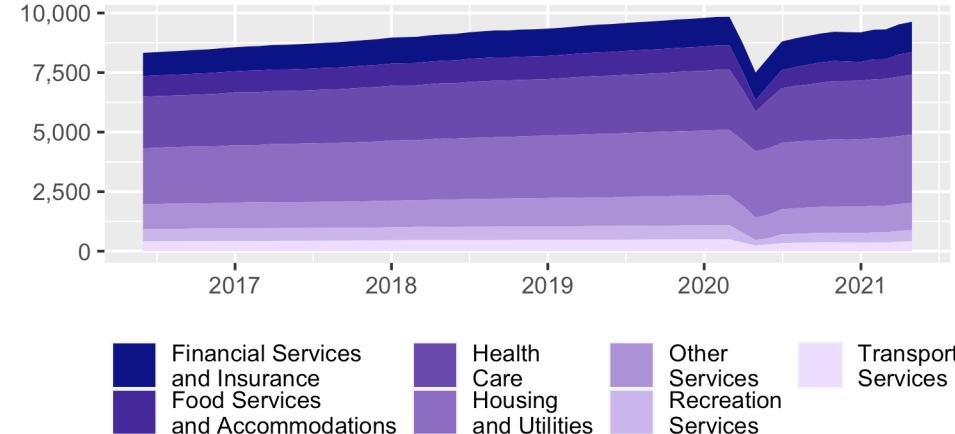
## Nondurable Goods Composition

SAAR, USD Billions



## Services Composition

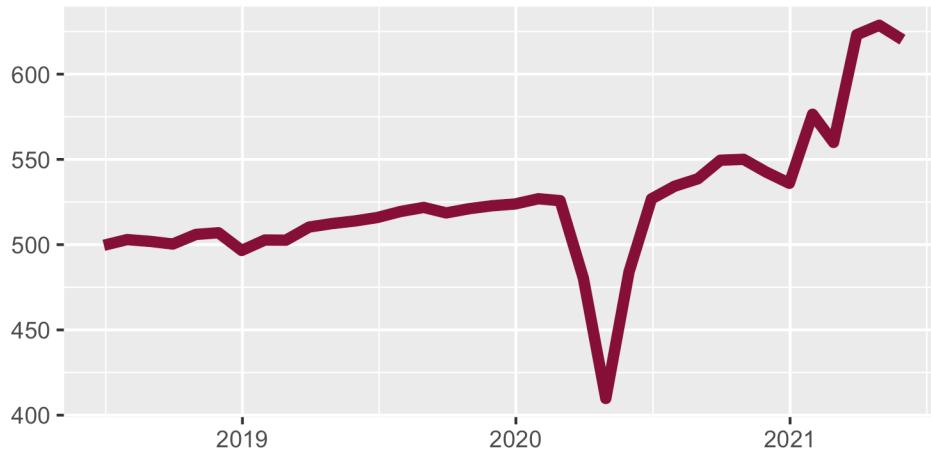
SAAR, USD Billions



# Consumption

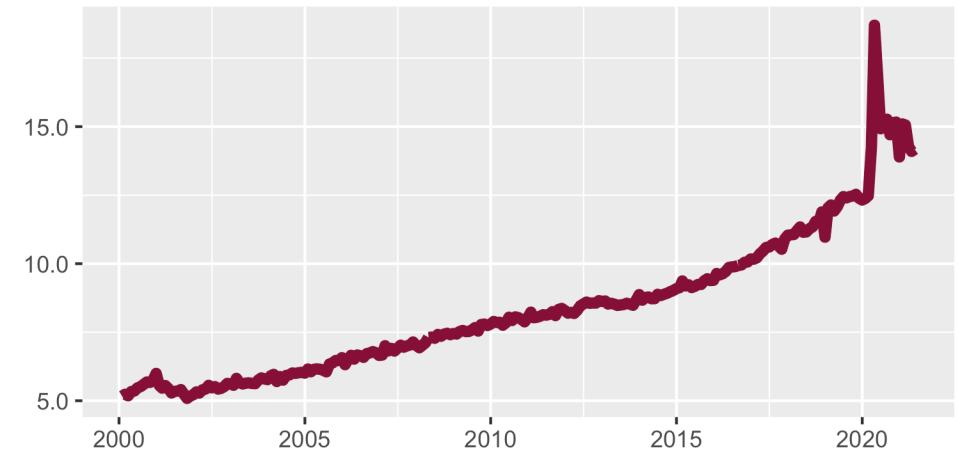
## Retail Sales

Billions of USD



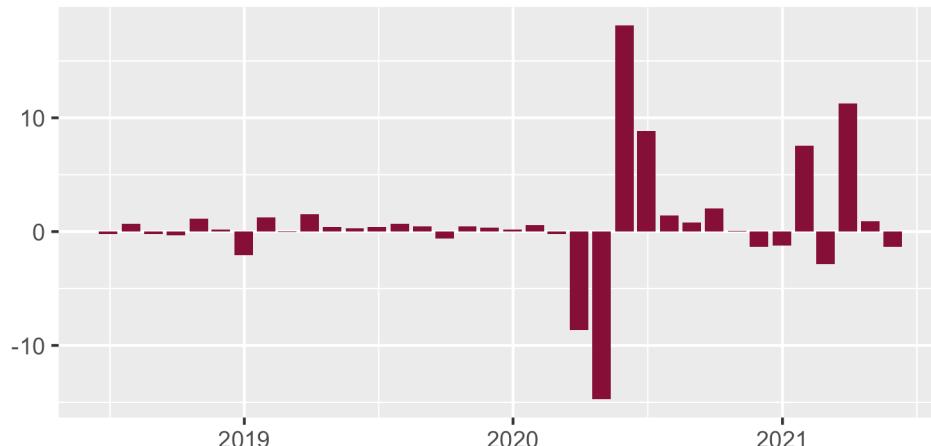
## Nonstore Retail Sales

Share of Total Retail Sales



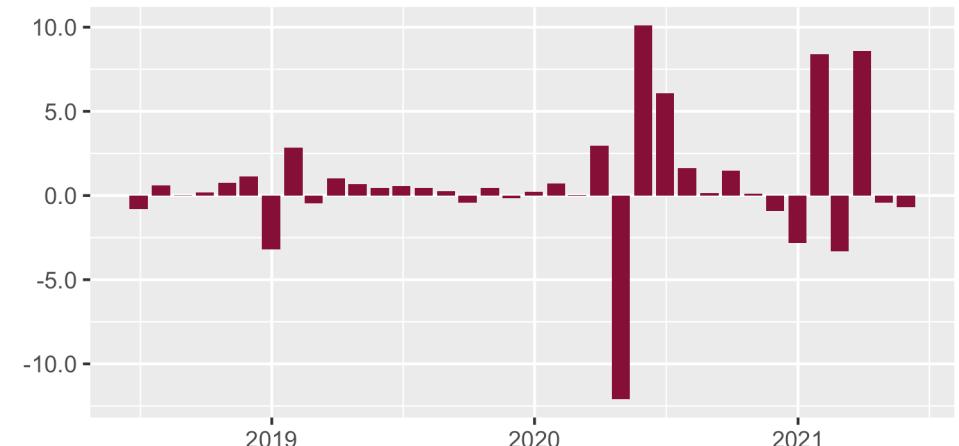
## Retail Sales

Total Retail Sales Monthly Percent Change



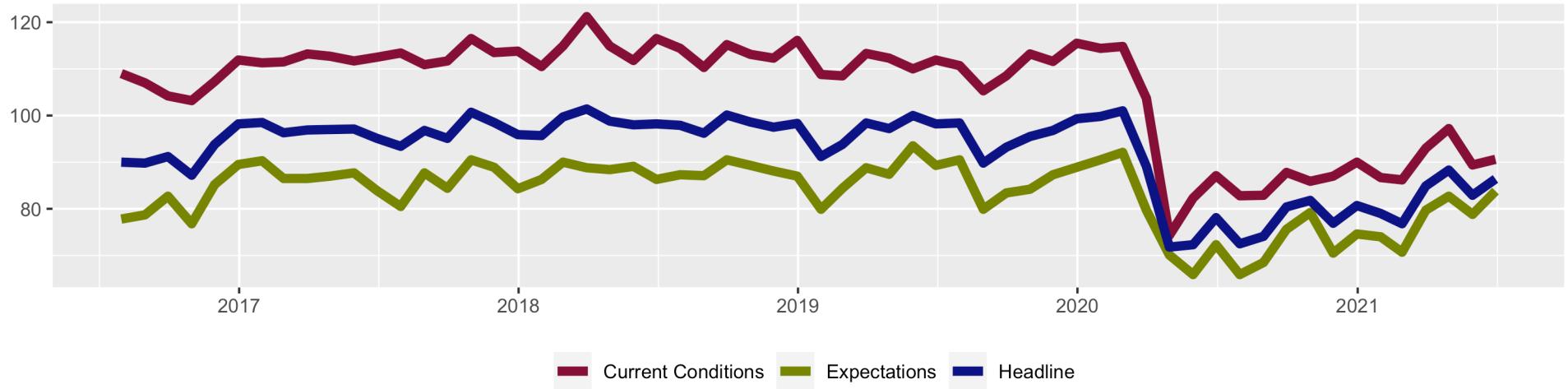
## Retail Sales

Control Group Monthly Percent Change

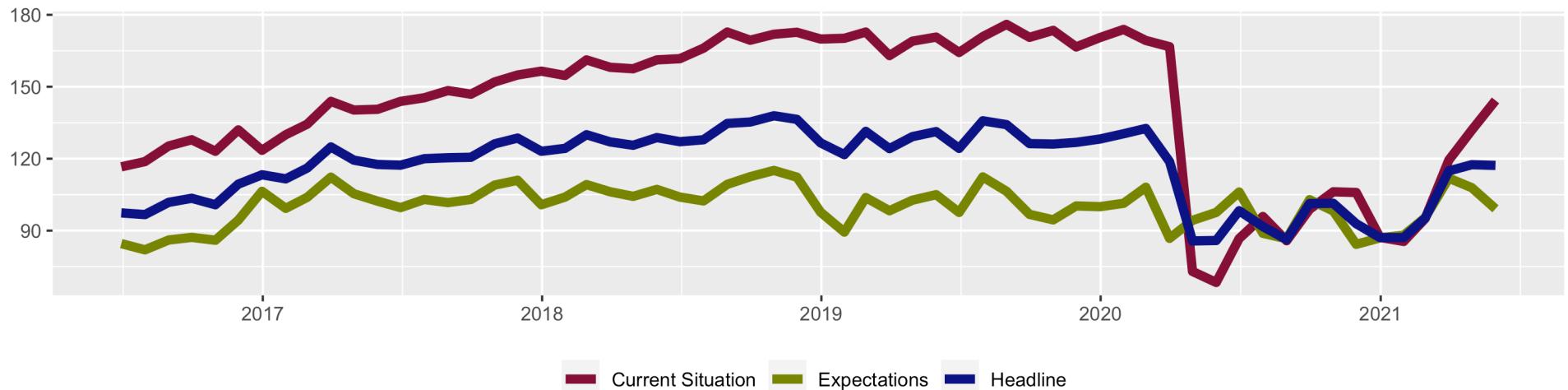


# Consumption

## Consumer Sentiment



## Consumer Confidence

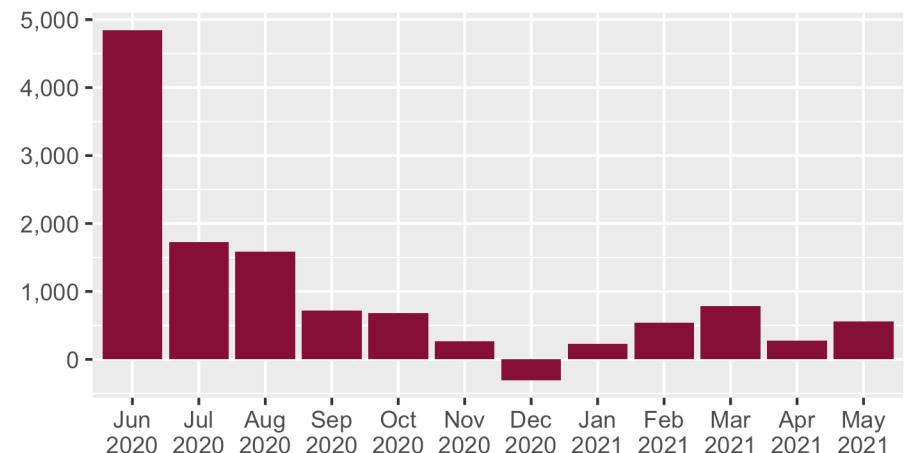


# Labor Market

The May Employment Situation showed that payrolls gains accelerated from the disappointing total in April. However, the 559,000 increase in nonfarm payrolls was still below expectations. The decline in labor force participation was also troubling given that economic and survey data point to strong labor demand from employers. If participation were held constant at the pre-pandemic level, the unemployment rate would be higher than the 5.8 percent reported. We believe that several factors are keeping people from finding employment including the availability of more generous unemployment benefits and issues with child care. If the imbalance between supply and demand persists employers will likely need to increase wages to attract more labor supply.

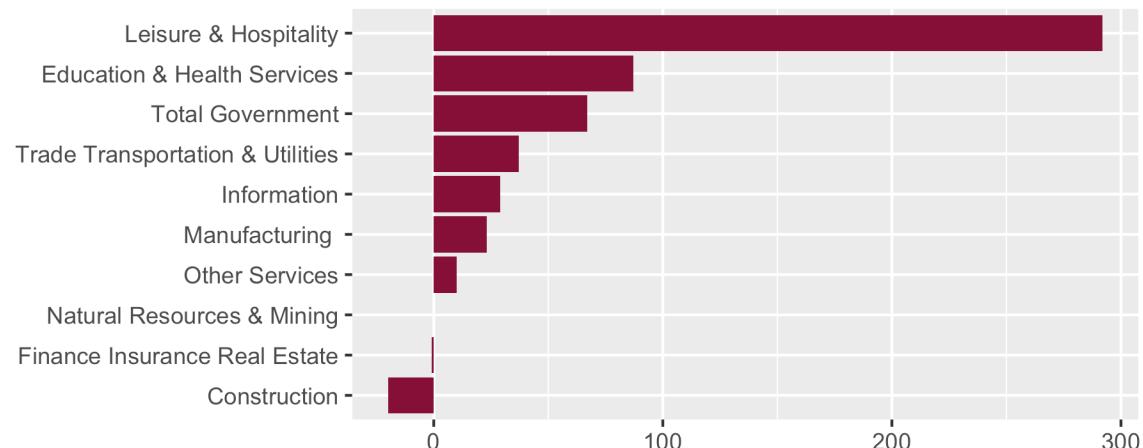
**Monthly Change in Nonfarm Payrolls**

Thousands



**Change in Nonfarm Payrolls by Industry**

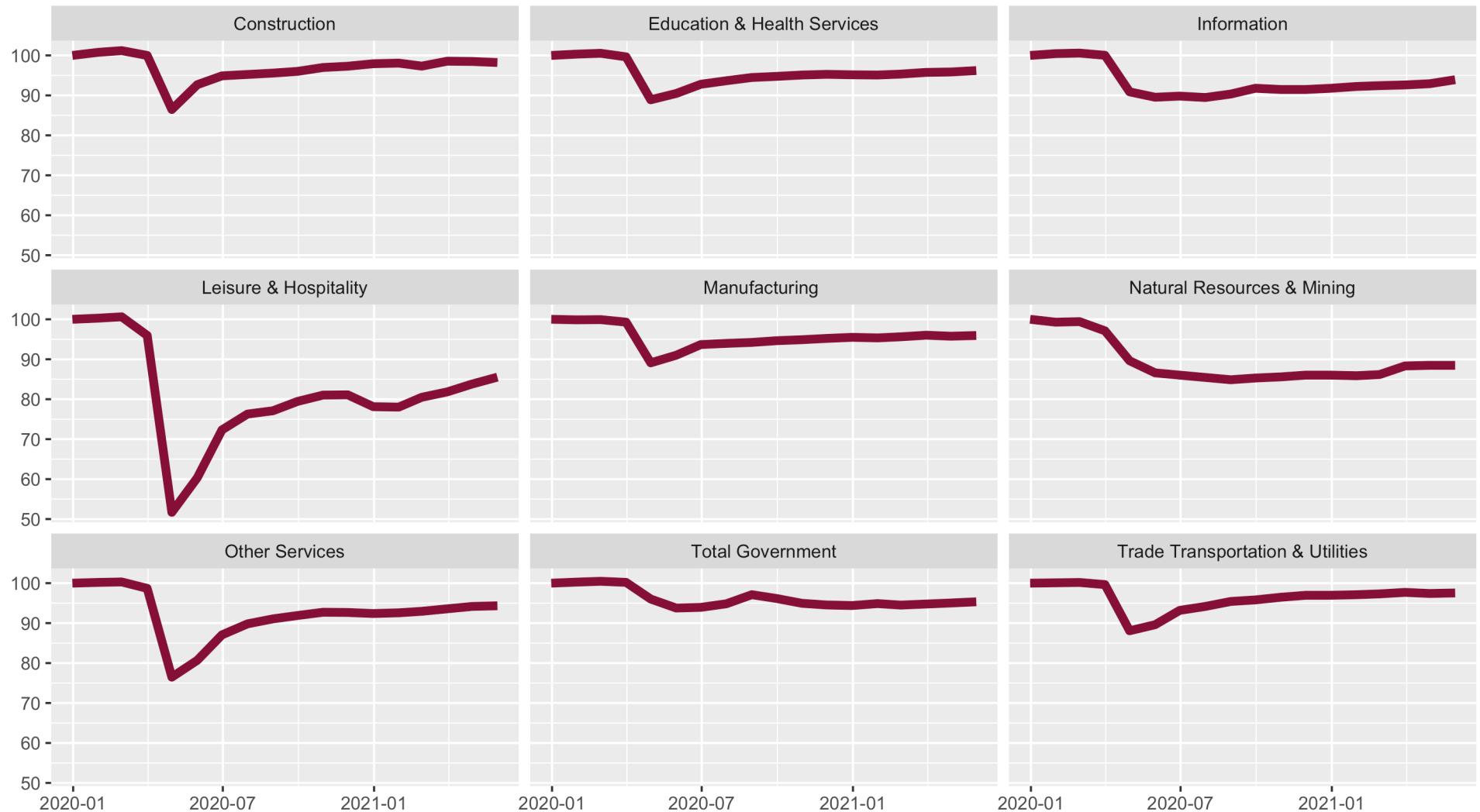
May 2021, Thousands



# Labor Market

## Employment by Occupation

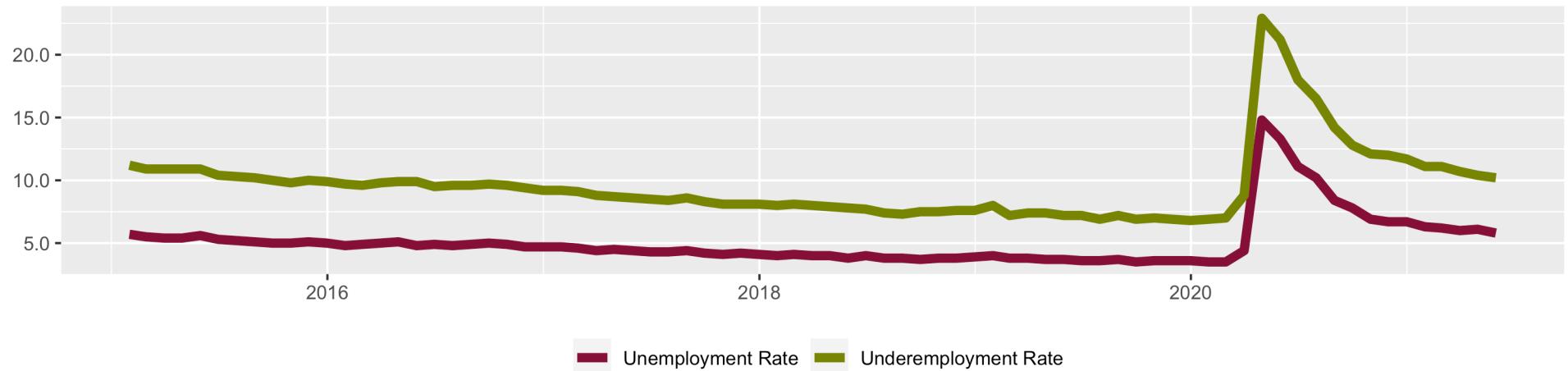
Normalized to December 2019



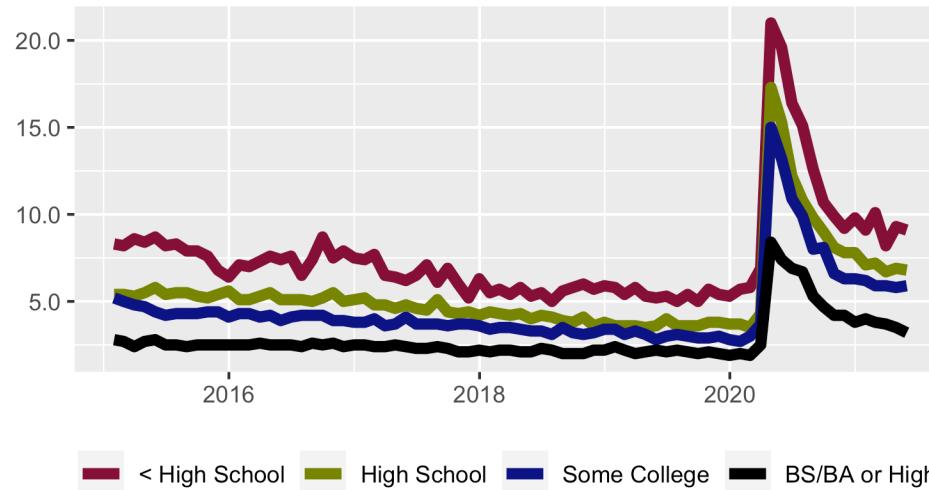
# Labor Market

## Unemployment Rate

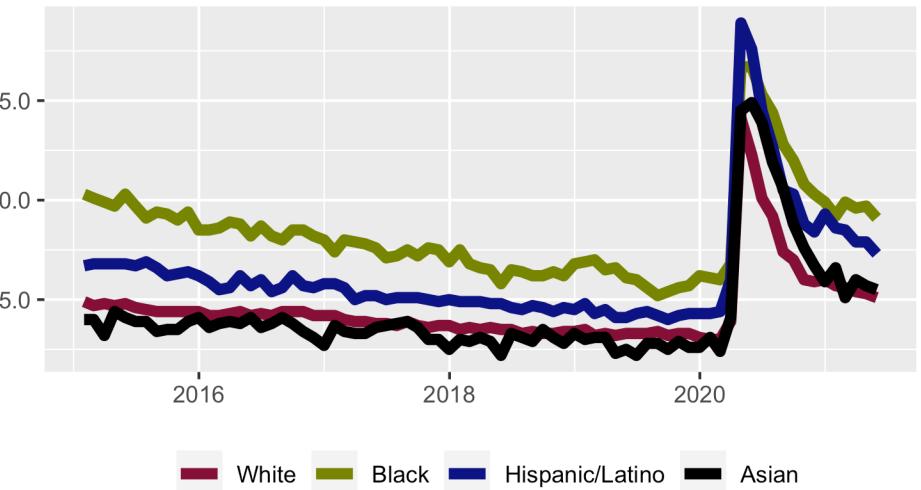
Percent of Labor Force



## Unemployment Rate by Educational Attainment



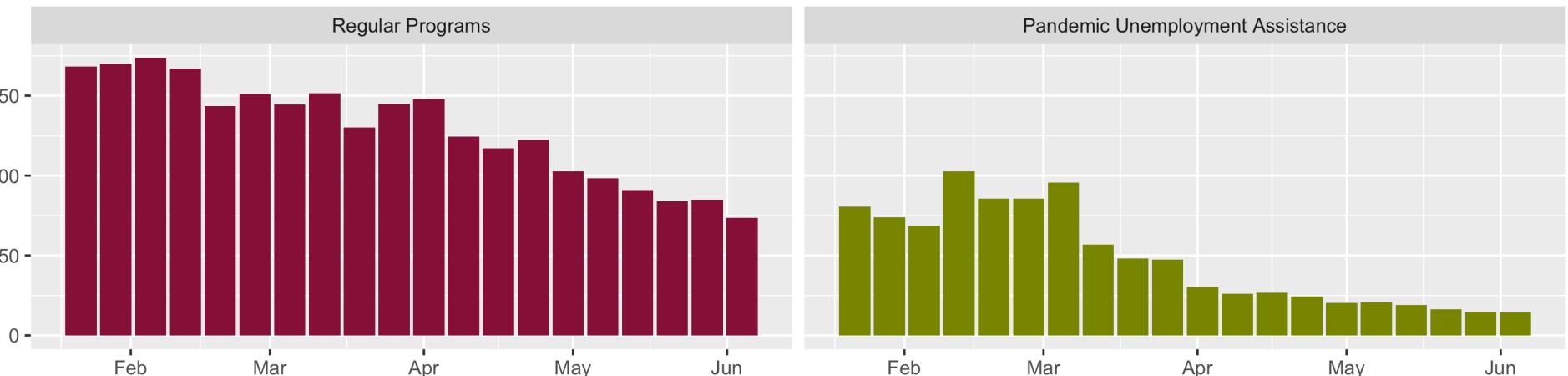
## Unemployment Rate by Race



# Labor Market

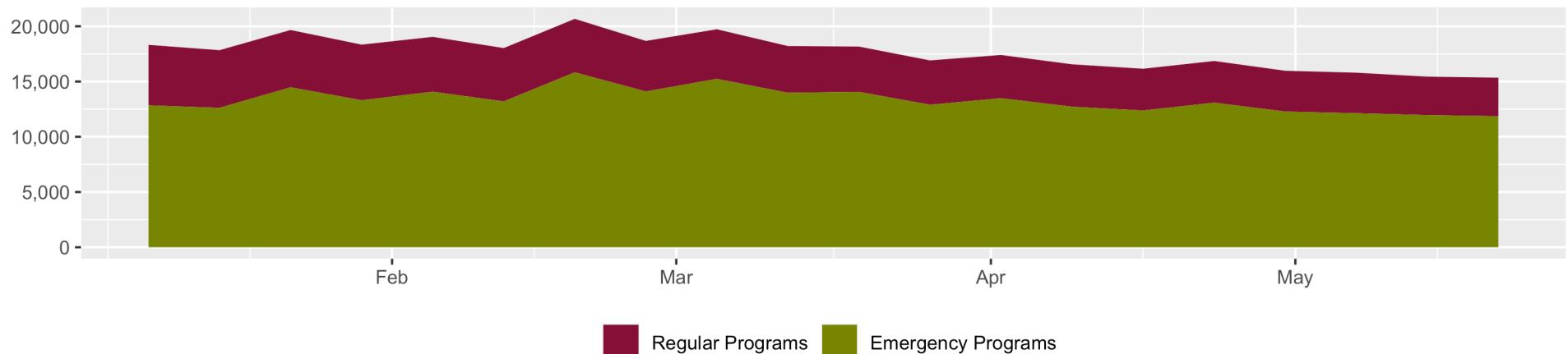
## Initial Unemployment Claims

Thousands, Unadjusted, Through Jun 04



## Continuing Unemployment Claims

Thousands, Unadjusted, Through May 21



# Business Activity

## ISM Manufacturing Indexes

Index	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021
PMI	52.2	53.7	55.6	55.7	58.8	57.7	60.5	58.7	60.8	64.7	60.7	61.2
New Orders	56.7	60.9	66.2	60.9	66.9	65.7	67.5	61.1	64.8	68.0	64.3	67.0
Production	56.0	60.6	62.4	61.7	63.1	62.2	64.7	60.7	63.2	68.1	62.5	58.5
Employment	41.1	43.6	46.3	49.3	52.1	48.3	51.7	52.6	54.4	59.6	55.1	50.9
Supplier Deliveries	57.0	55.9	58.2	59.0	60.5	61.7	67.7	68.2	72.0	76.6	75.0	78.8
Inventories	50.2	47.2	44.8	47.7	51.6	50.8	51.0	50.8	49.7	50.8	46.5	50.8
Customers' Inventories	44.6	41.6	38.1	37.9	36.7	36.3	37.9	33.1	32.5	29.9	28.4	28.0
Prices Index	51.3	53.2	59.5	62.8	65.5	65.4	77.6	82.1	86.0	85.6	89.6	88.0
Backlog of Orders	45.3	51.8	54.6	55.2	55.7	56.9	59.1	59.7	64.0	67.5	68.2	70.6
Export Orders	47.6	50.4	53.3	54.3	55.7	57.8	57.5	54.9	57.2	54.5	54.9	55.4
Imports	48.8	53.1	55.6	54.0	58.1	55.1	54.6	56.8	56.1	56.7	52.2	54.0

# Business Activity

## Durable Goods Orders

USD Millions



## Core Capital Goods Orders

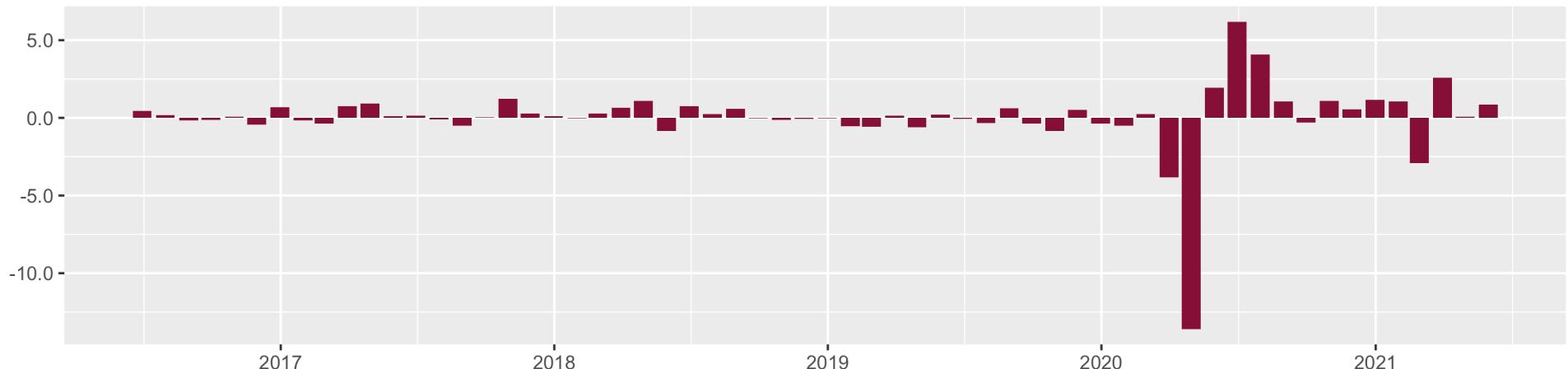
## Monthly Change in Nondefense Capital Goods Orders ex Aircraft



# Business Activity

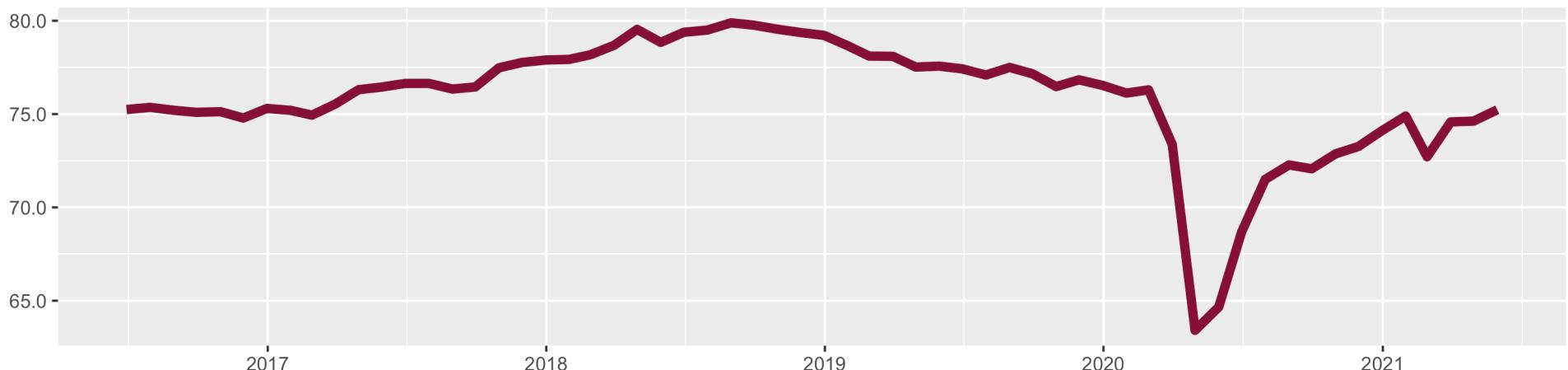
## Industrial Production

Monthly Percent Change



## Industrial Capacity Utilization

Percent



# Business Activity

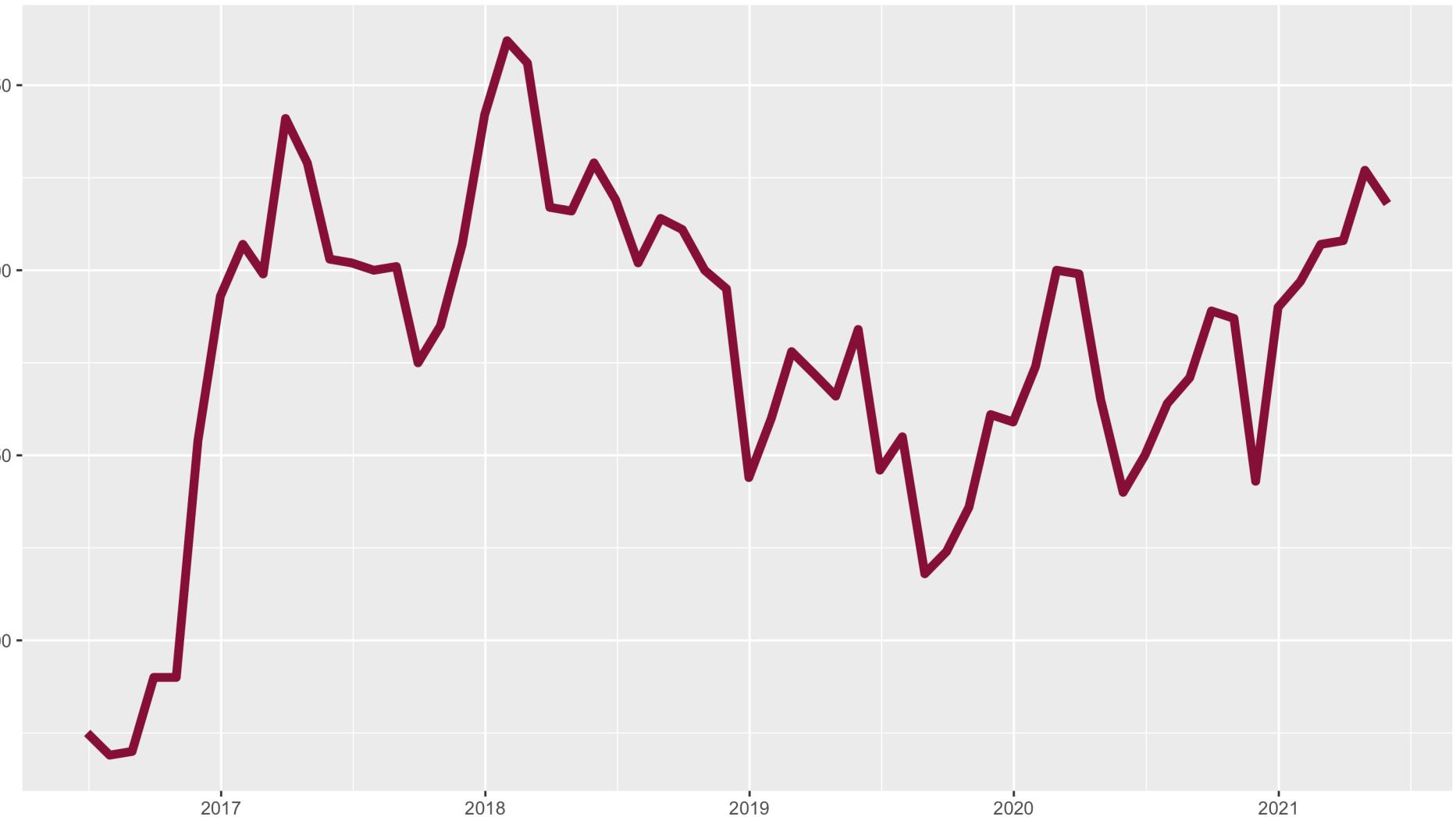
## ISM Services Indexes

Index	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021
PMI	56.5	56.6	57.2	57.2	56.2	56.8	57.7	58.7	55.3	63.7	62.7	64.0
Business Activity Index	63.9	63.8	62.6	62.8	61.1	59.6	60.5	59.9	55.5	69.4	62.7	66.2
New Orders	61.8	64.8	58.5	61.4	57.3	59.0	58.6	61.8	51.9	67.2	63.2	63.9
Employment	42.7	42.6	47.4	49.8	50.1	51.5	48.7	55.2	52.7	57.2	58.8	55.3
Supplier Deliveries	57.5	55.3	60.5	55.0	56.1	57.1	62.8	57.8	60.8	61.0	66.1	70.4
Inventories	60.7	52.0	45.8	48.8	53.1	49.3	58.2	49.2	58.9	54.0	49.1	51.5
Prices	62.1	57.6	63.4	58.0	62.7	63.9	64.4	64.2	71.8	74.0	76.8	80.6
Backlog of Orders	51.9	55.9	56.6	50.1	54.4	50.7	48.7	50.9	55.2	50.2	55.7	61.1
New Export Orders	58.9	49.3	55.8	52.6	53.7	50.4	57.3	47.0	57.6	55.5	58.6	60.0
Imports	52.9	46.3	50.8	46.6	52.5	55.0	51.8	53.5	50.5	50.7	55.7	50.4
Inventory Sentiment	55.9	50.0	52.5	55.4	51.1	49.9	47.7	49.7	54.3	52.7	46.8	40.5

# Business Activity

## CEO Confidence

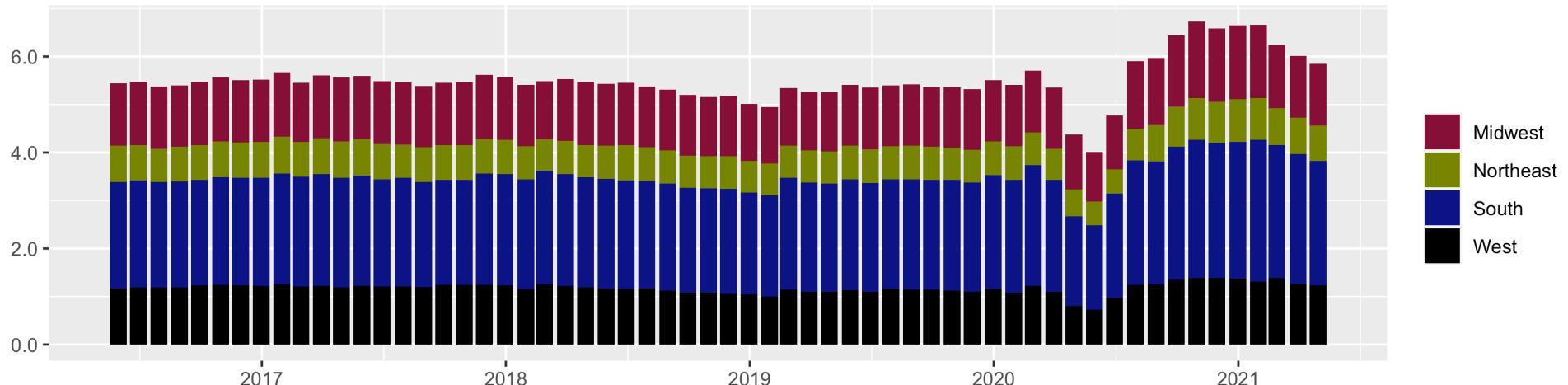
Scale from 1 to 10



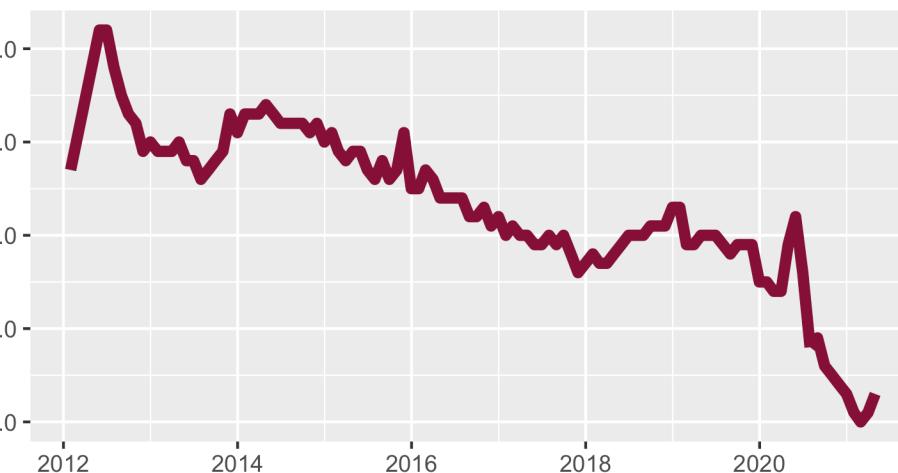
# Existing Home Sales

**US Existing Home Sales**

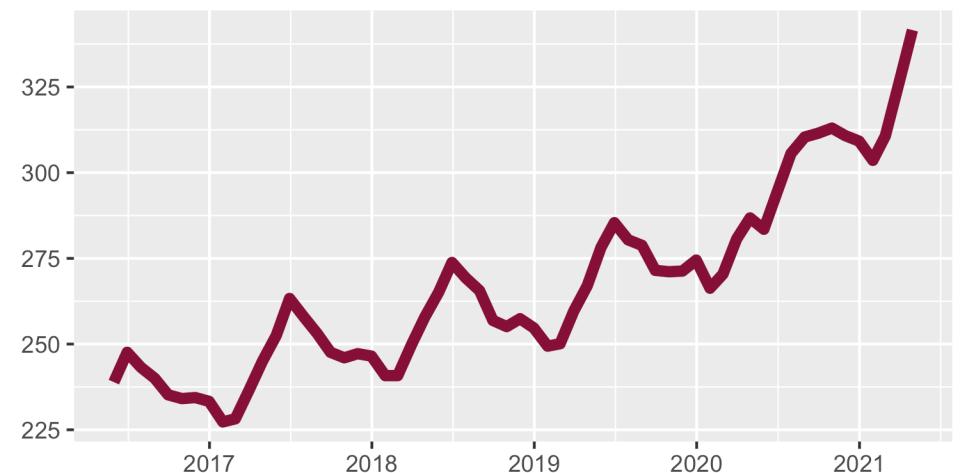
Millions, SAAR


**Existing Homes for Sale**

Months of Sales at Current Sales Pace


**Existing Home Sales**

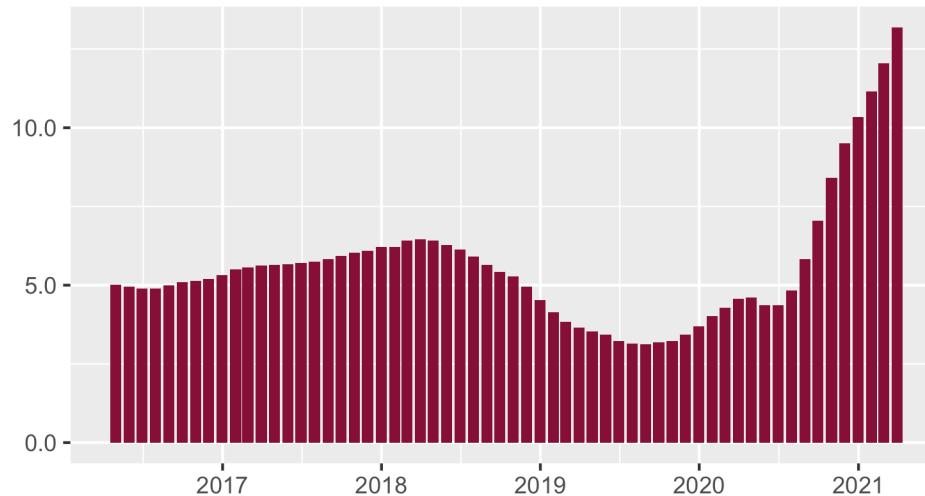
Median Home Price, USD Thousands



# Case Shiller Home Prices

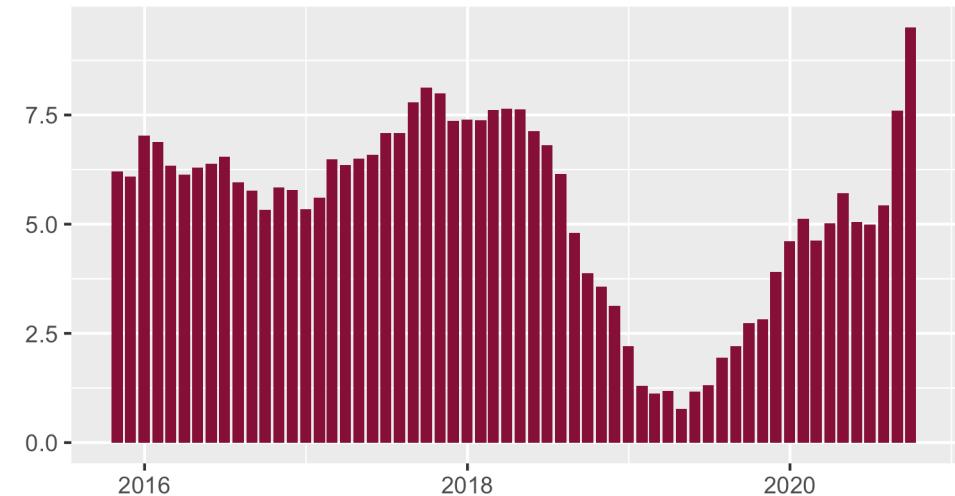
## National Index

Annual Percent Change



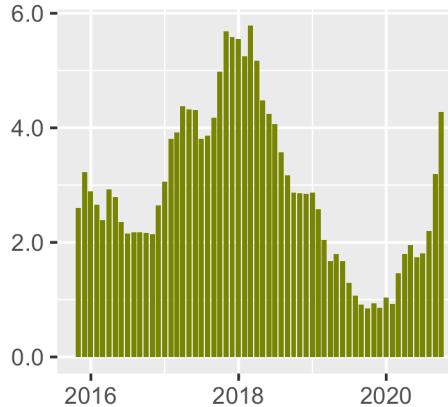
## San Diego

Annual Percent Change



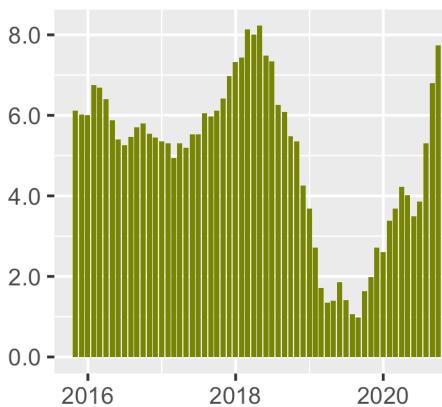
## New York

Annual Percent Change



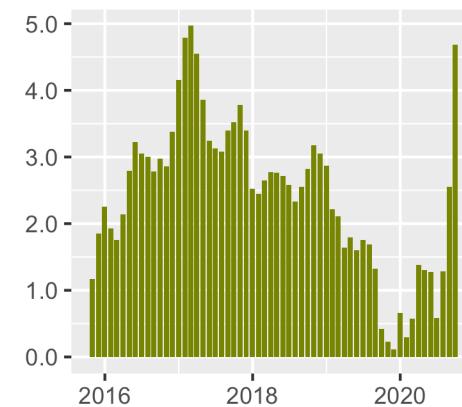
## Los Angeles

Annual Percent Change



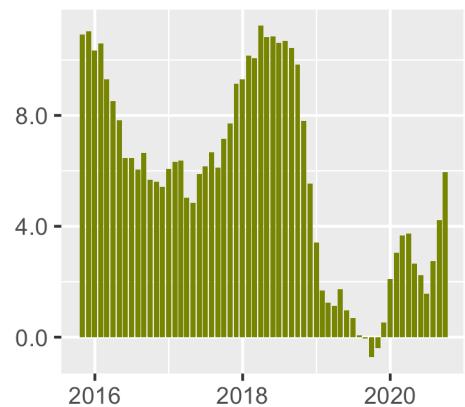
## Chicago

Annual Percent Change

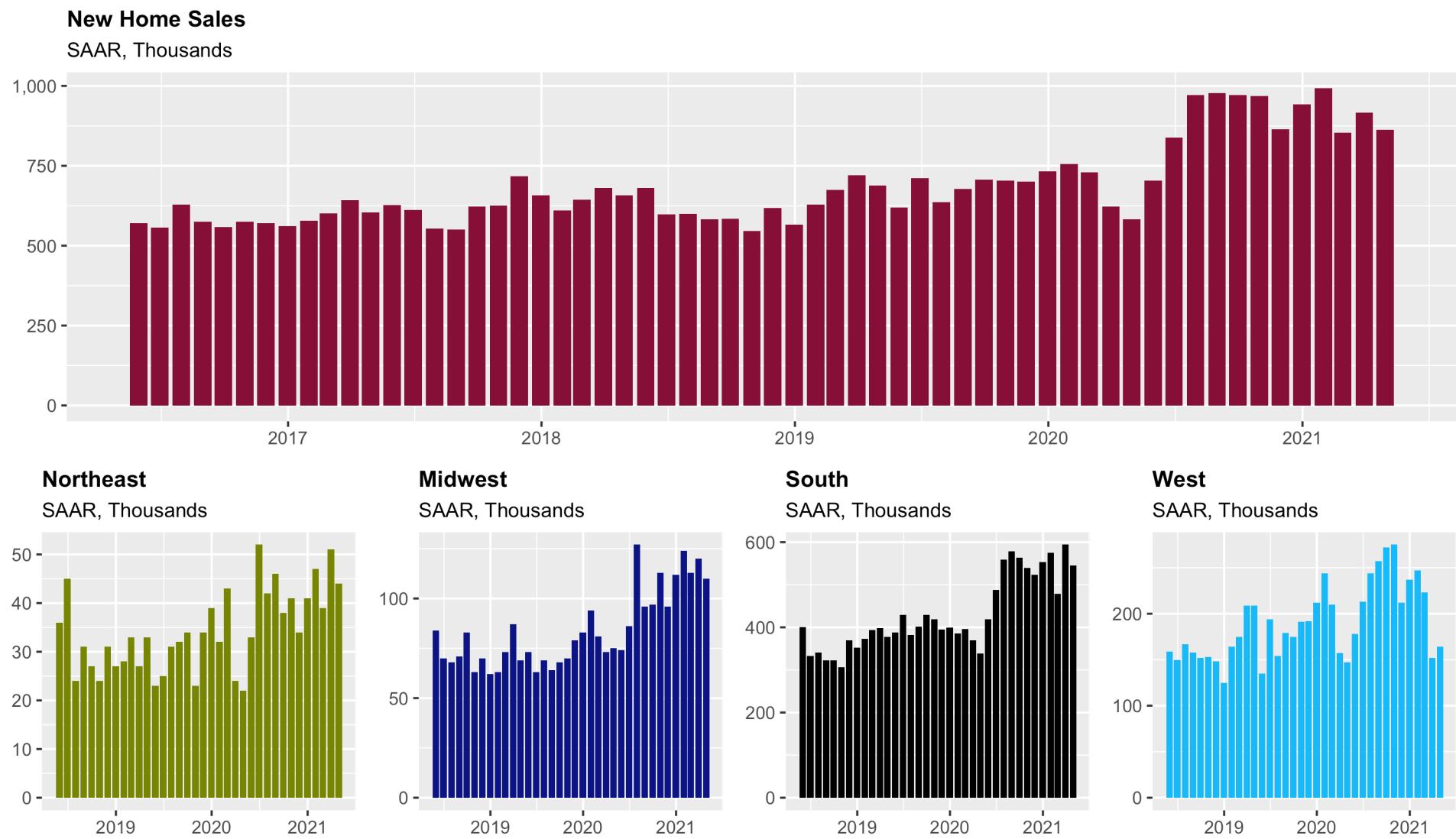


## San Francisco

Annual Percent Change



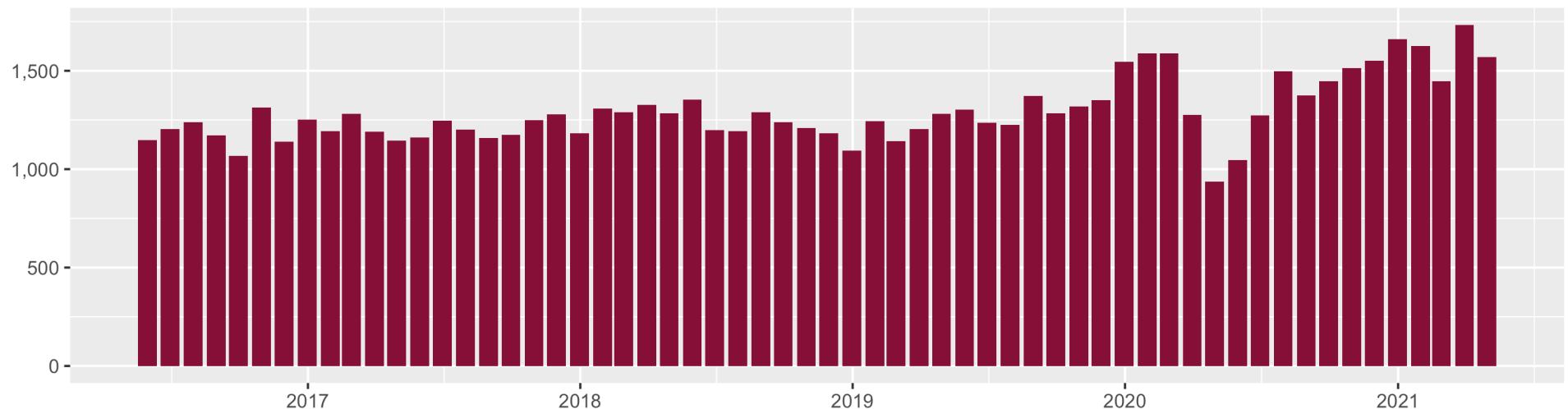
# New Home Sales



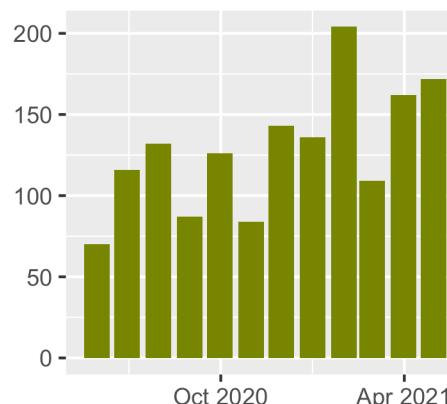
# Housing Starts

**Housings Starts**

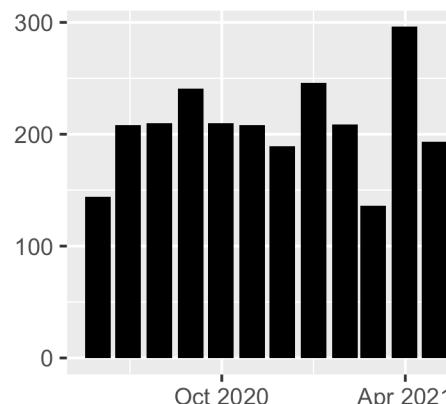
Thousands, SAAR

**Northeast**

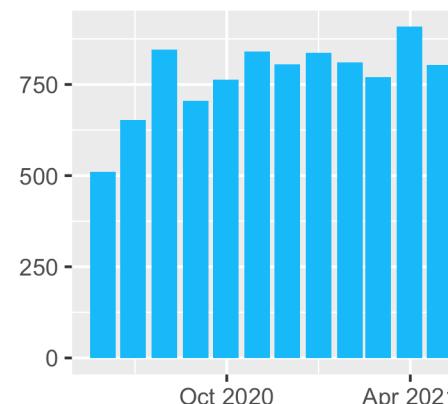
Thousands, SAAR

**Midwest**

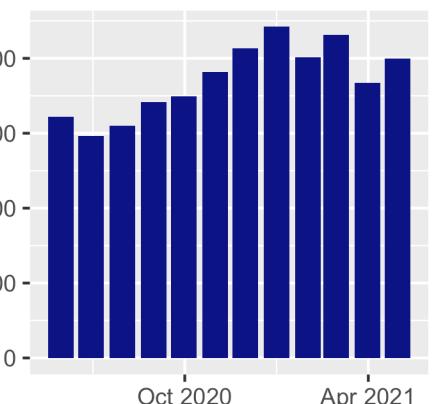
Thousands, SAAR

**South**

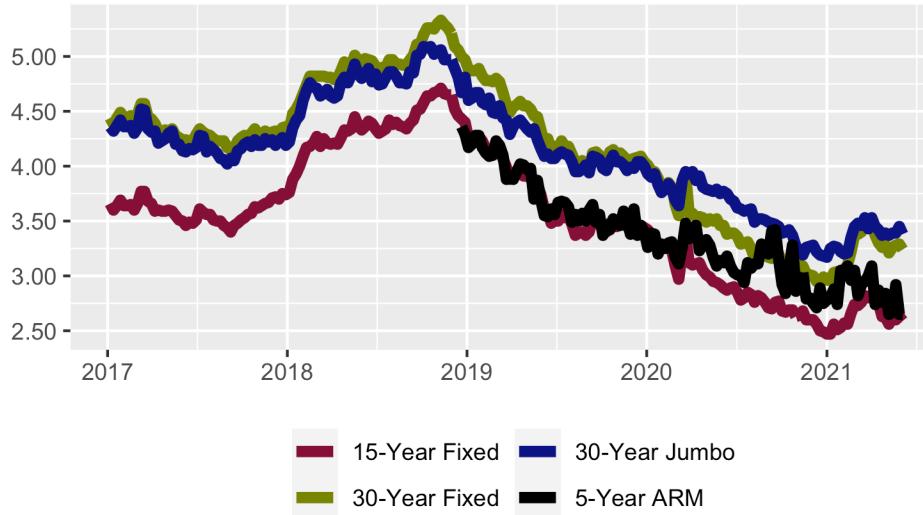
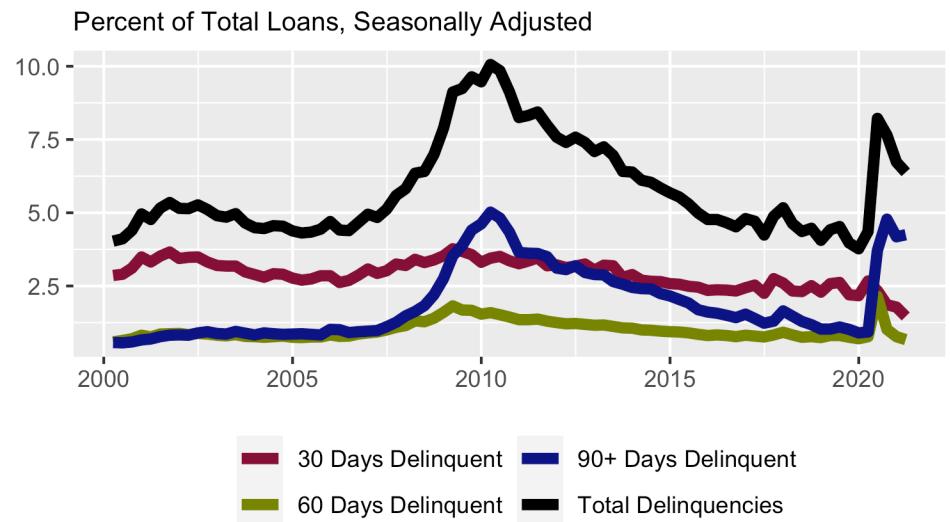
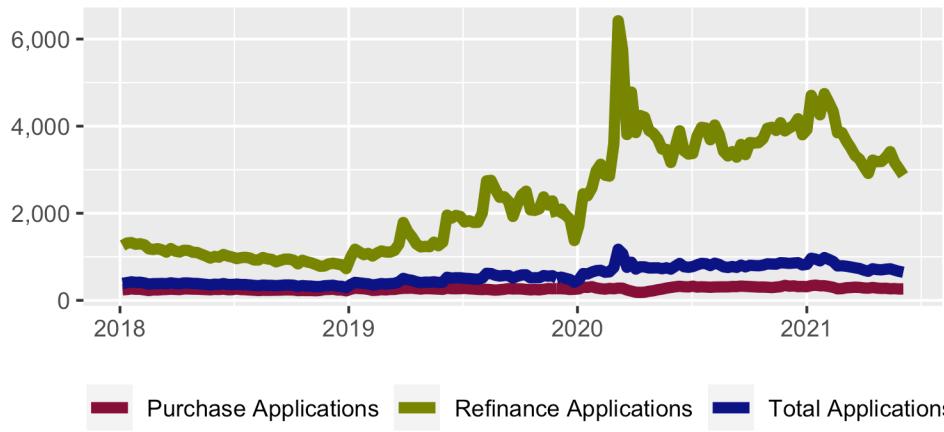
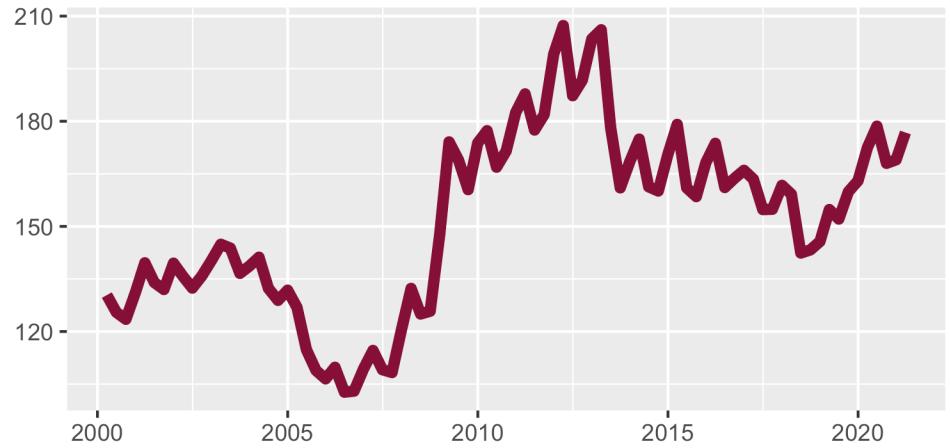
Thousands, SAAR

**West**

Thousands, SAAR



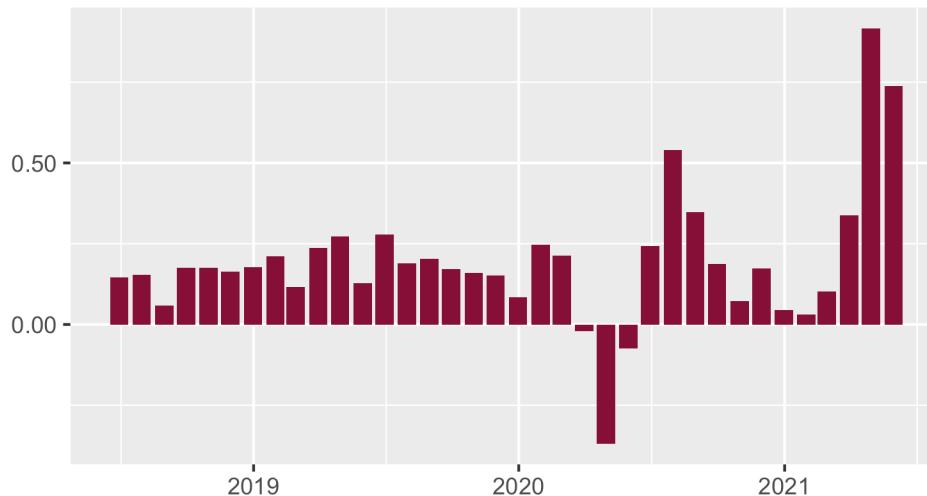
# Housing Affordability

**Effective Mortgage Interest Rates**

**Mortgage Delinquencies**

**Mortgage Applications**

**Housing Affordability Index**


# Inflation

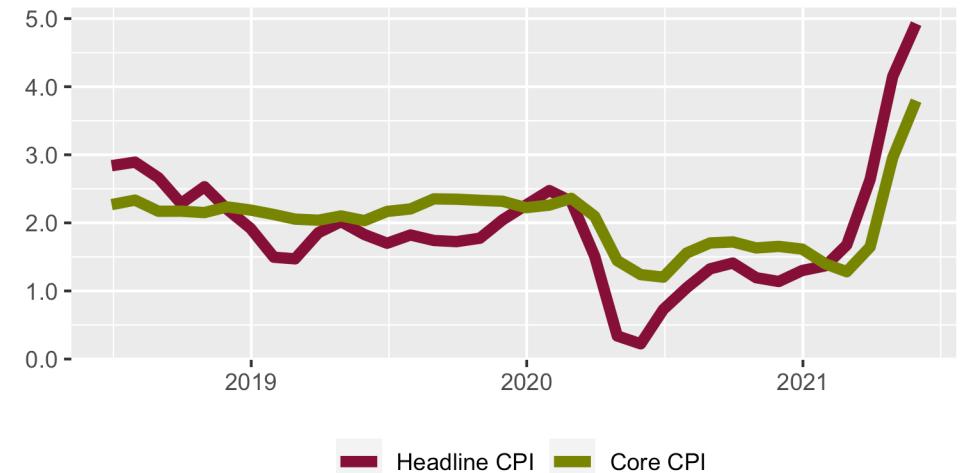
## Consumer Price Index

Monthly Change in Core CPI



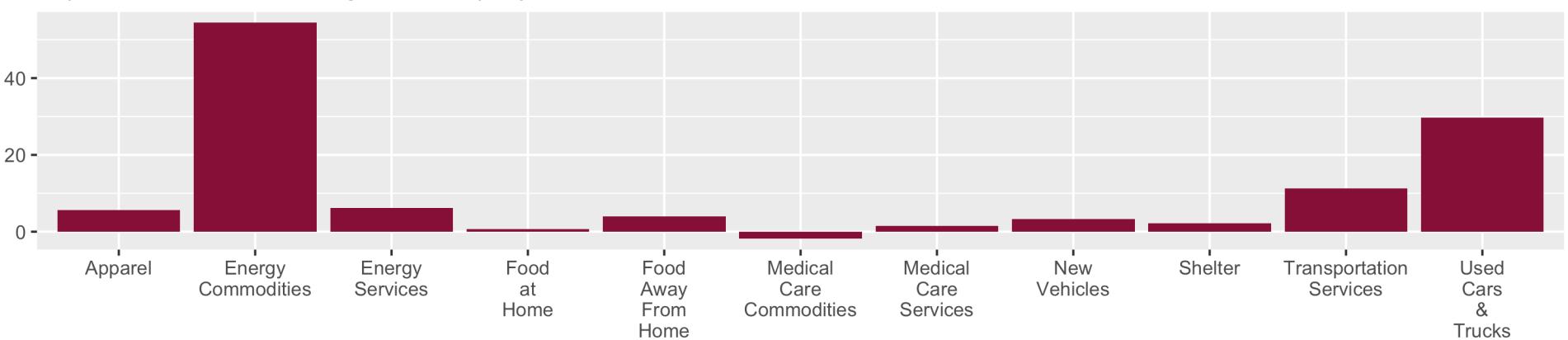
## Consumer Price Index

Annual Percent Change, Seasonally Adjusted



## Consumer Price Index

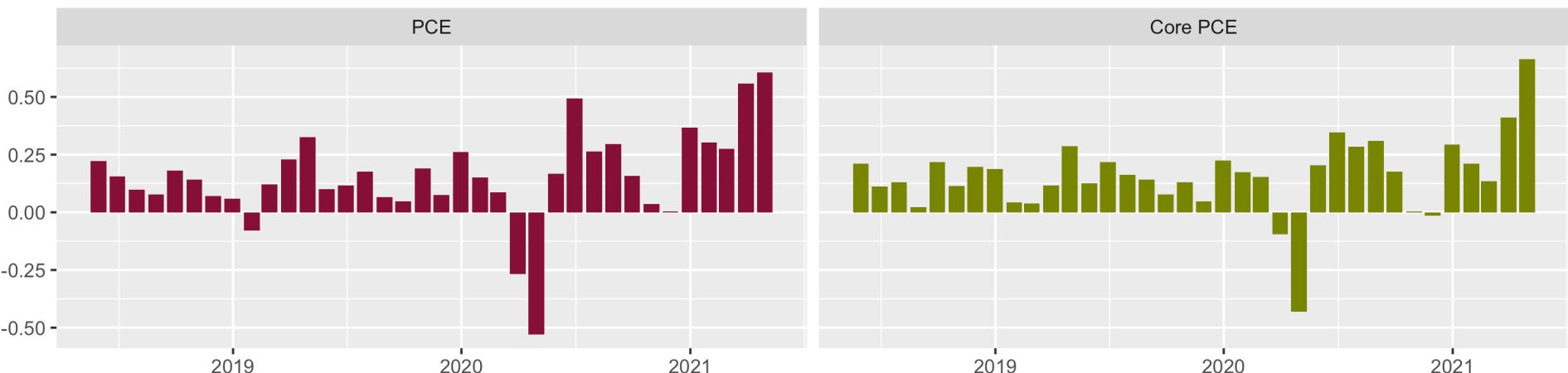
May 2021 Annual Percent Change, Seasonally Adjusted



# Inflation

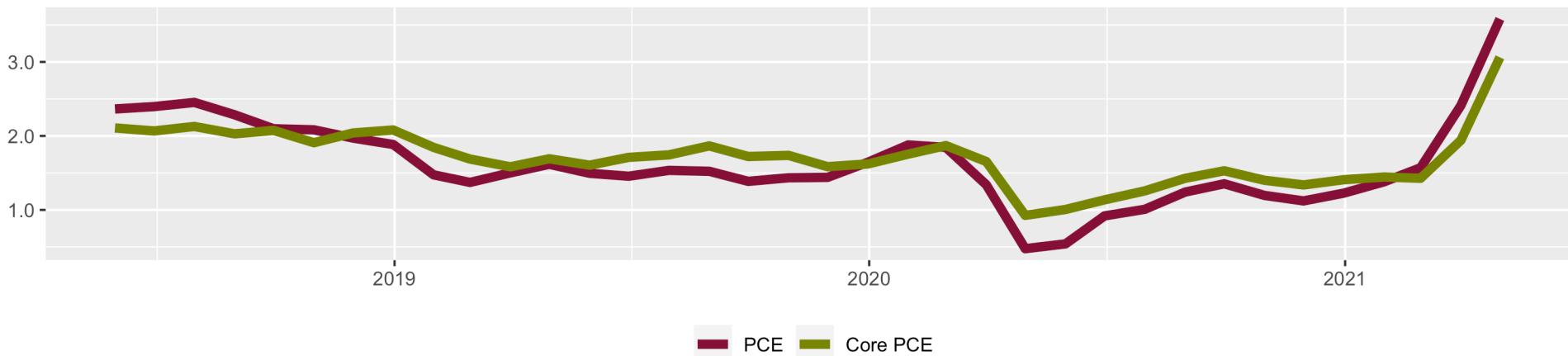
## Personal Consumption Expenditure Price Index

Monthly Change in Core CPI



## Personal Consumption Expenditure Price Index

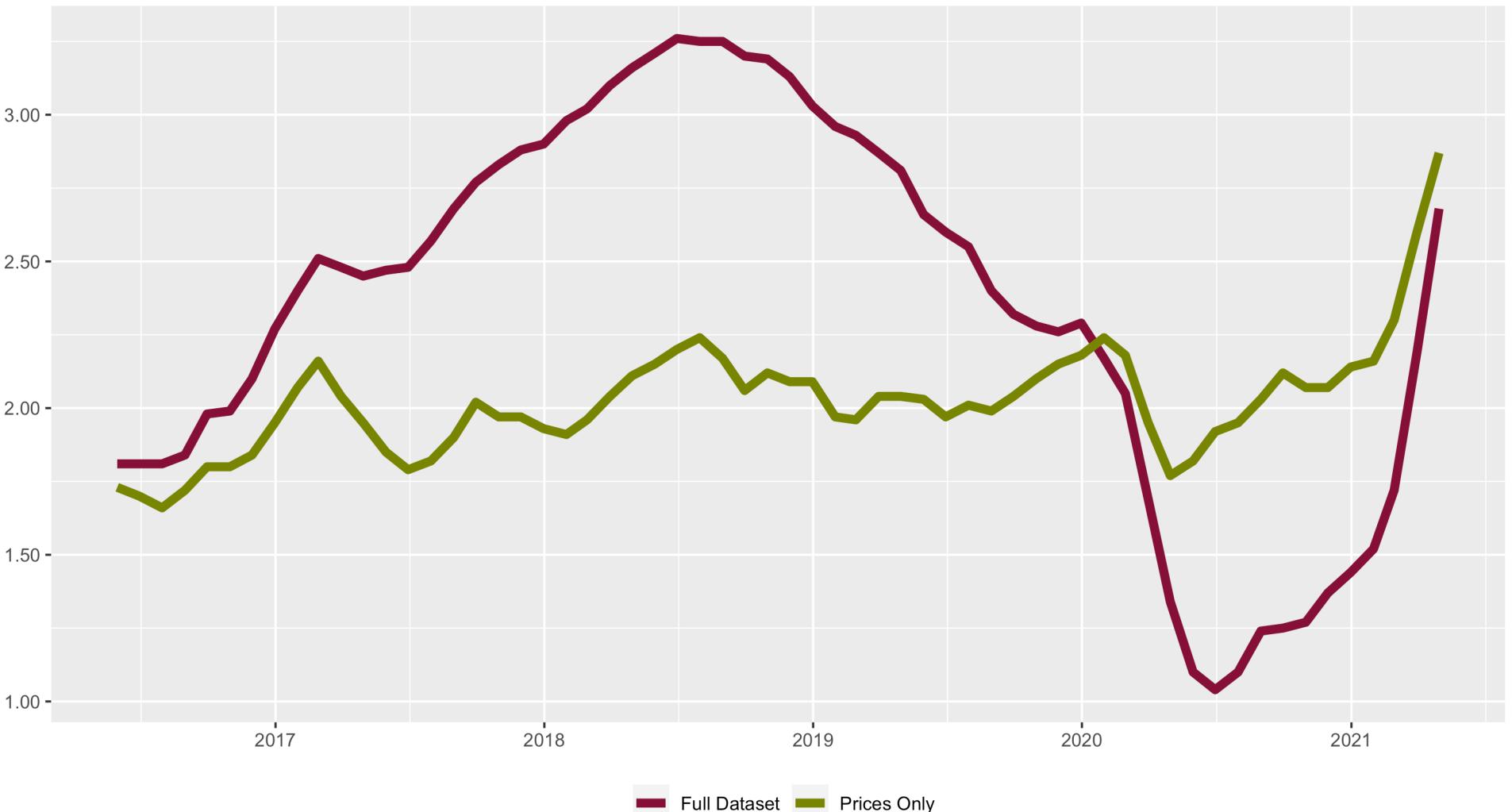
Annual Percent Change



# Inflation

**NY Fed Underlying Inflation Gauge**

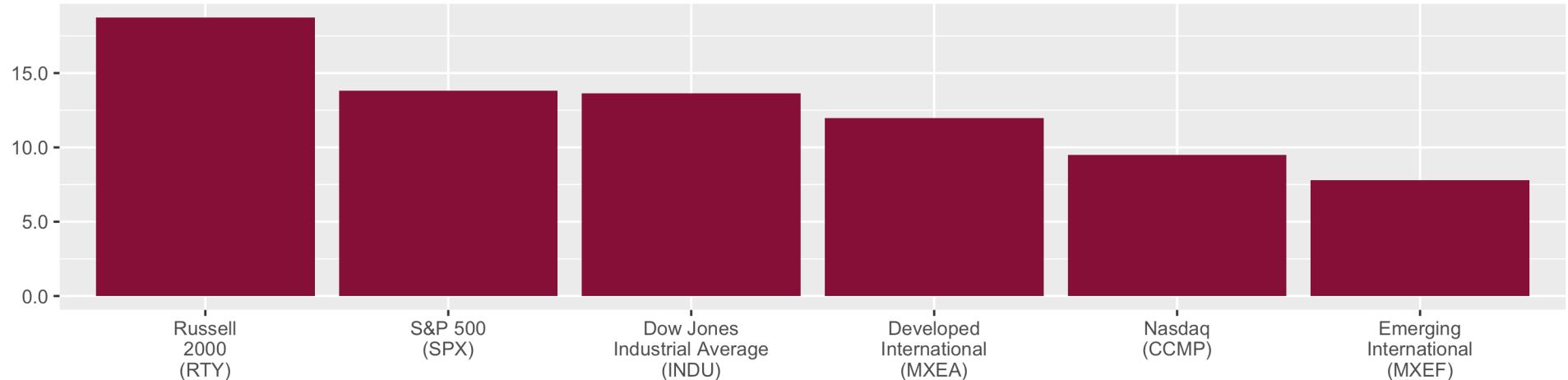
Annual Percent Change



# Equity Index Returns

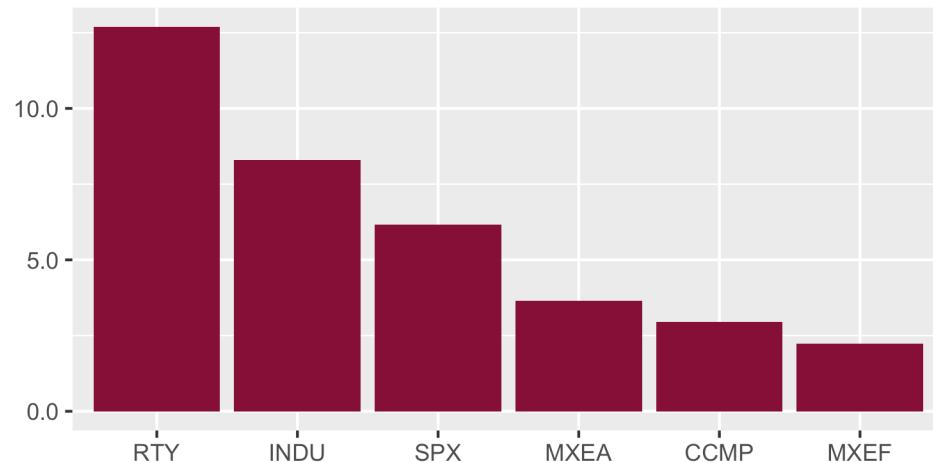
Index Total Returns

Year to Date



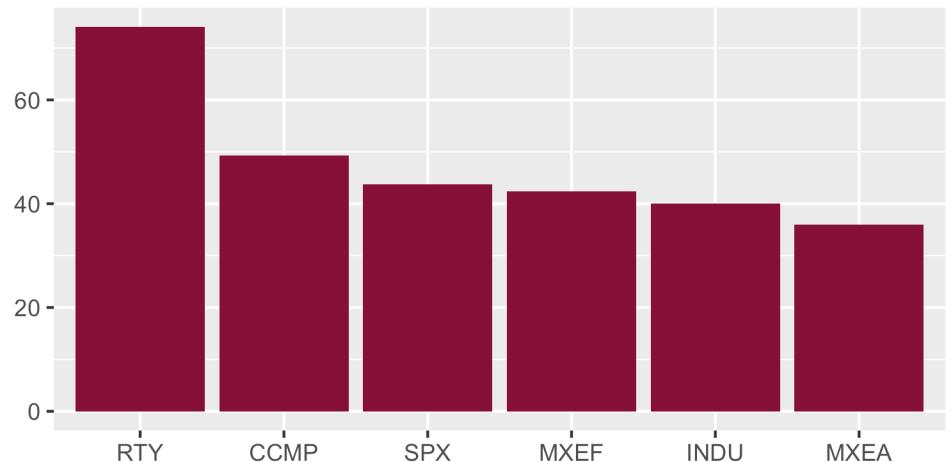
Index Total Returns

Last Quarter



Index Total Returns

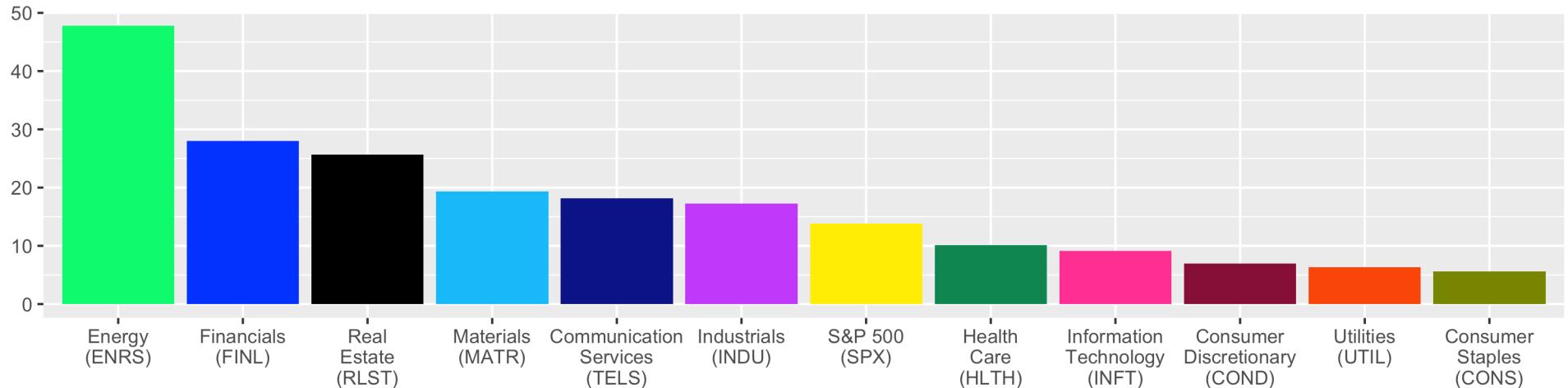
Trailing 12 Months



# S&P 500 Sector Index Returns

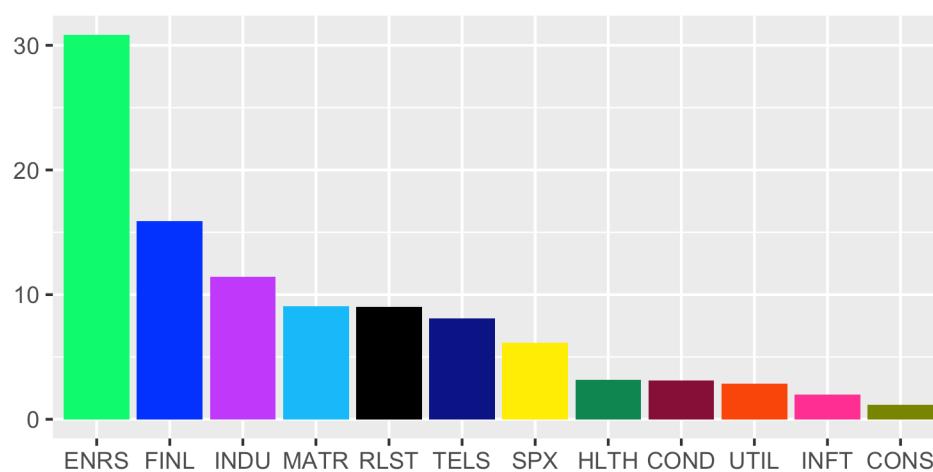
**Index Total Returns**

Year to Date



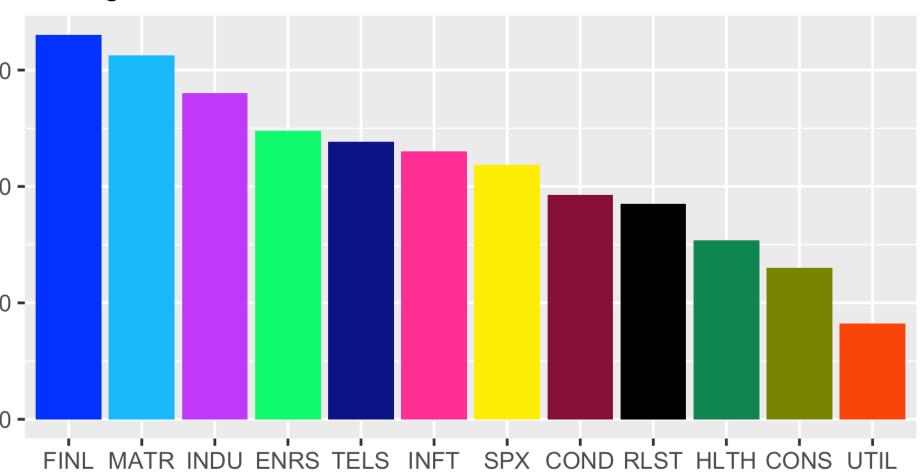
**Index Total Returns**

Last Quarter



**Index Total Returns**

Trailing 12 Months



# Equity Markets

## S&P 500 Sector Weights

