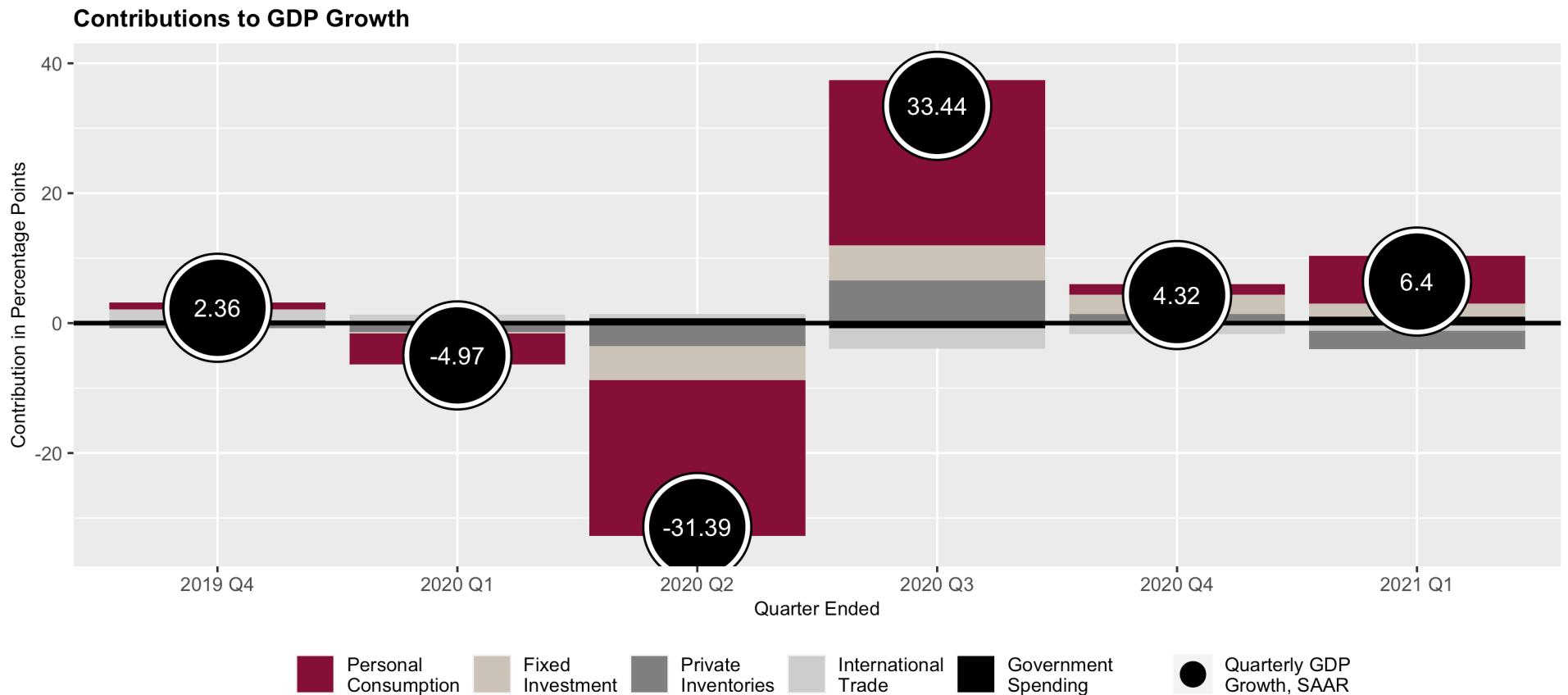


Gross Domestic Product

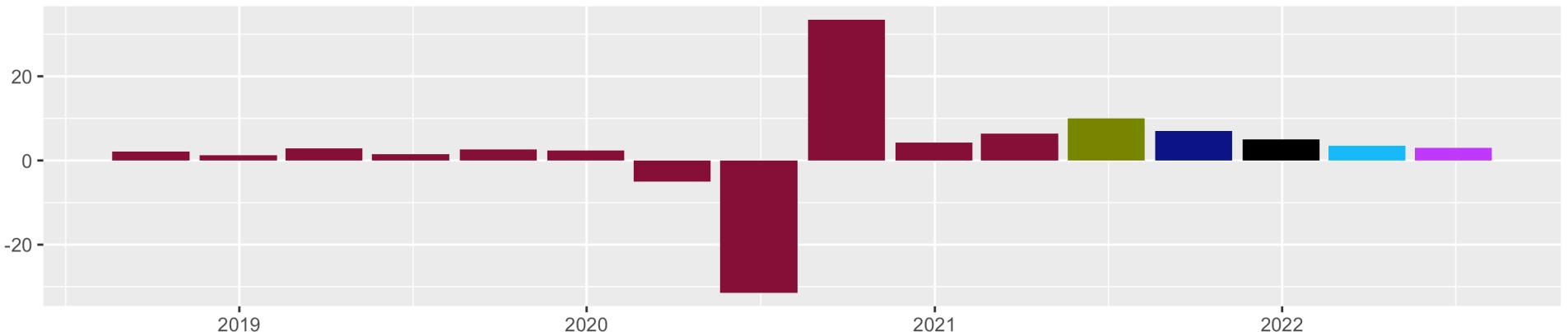
The recovery of the US economy continued into the first quarter of 2021. The economy grew an annualized 6.4 percent, following 33.4 percent and 4.3 percent growth in the third and fourth quarters of 2020. Personal consumption was supported by two rounds of direct transfers to households during the period.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



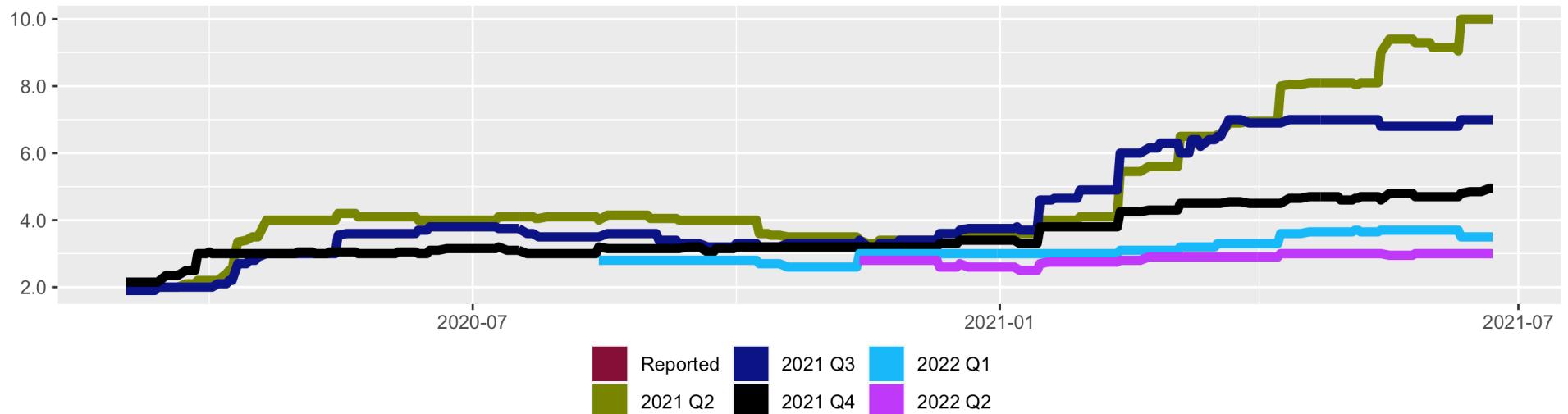
Gross Domestic Product

US Gross Domestic Product

QoQ SAAR


Consensus GDP Growth Estimates

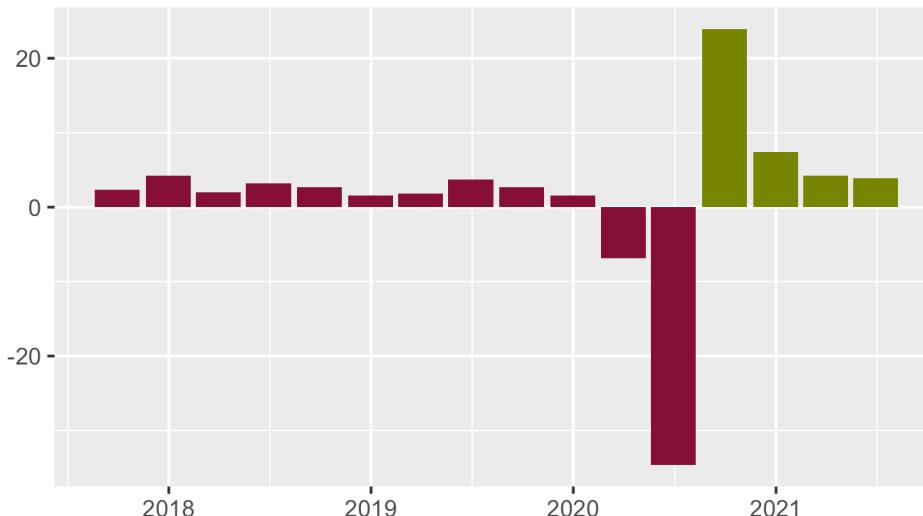
Bloomberg Survey of Economists Median



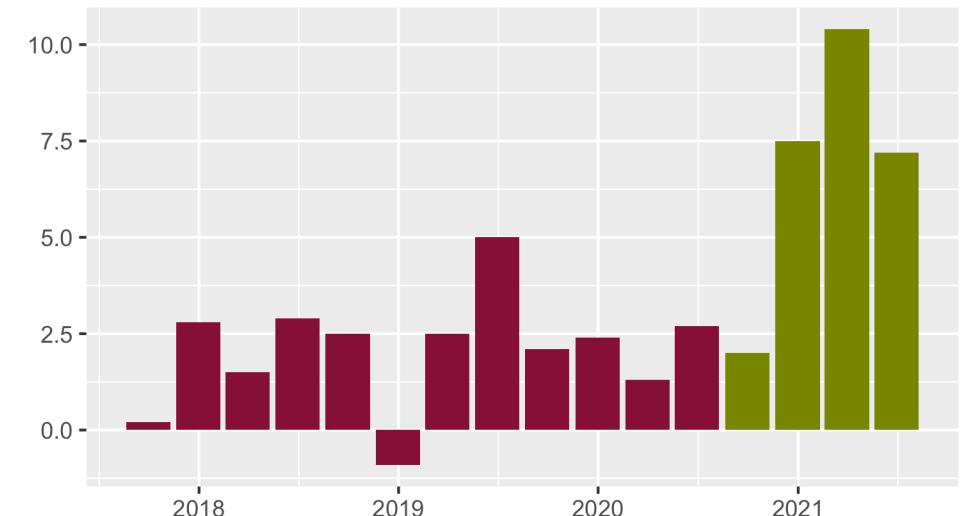
Gross Domestic Product

US Consumer Spending

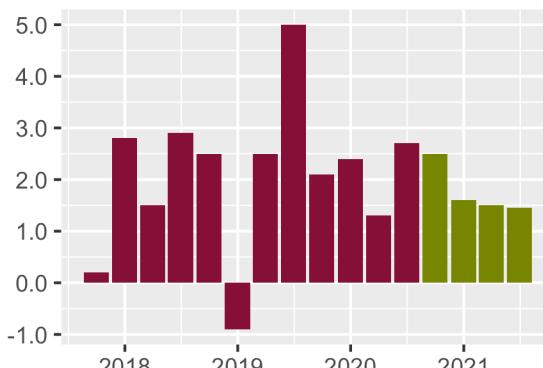
QoQ SAAR

**US Private Investment Spending**

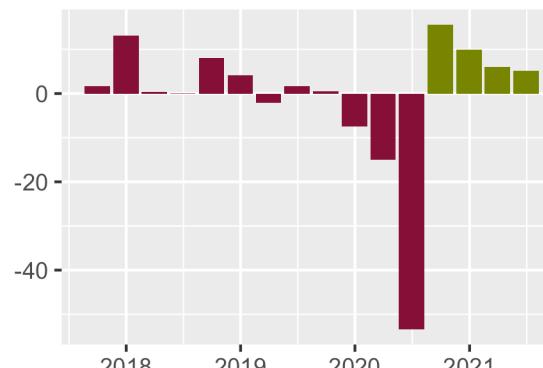
QoQ SAAR

**US Government Spending**

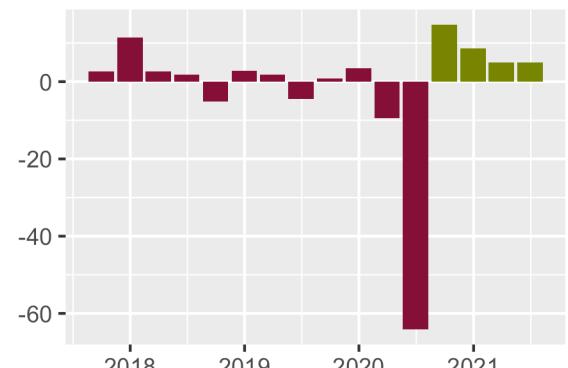
QoQ SAAR

**US Imports**

QoQ SAAR

**US Exports**

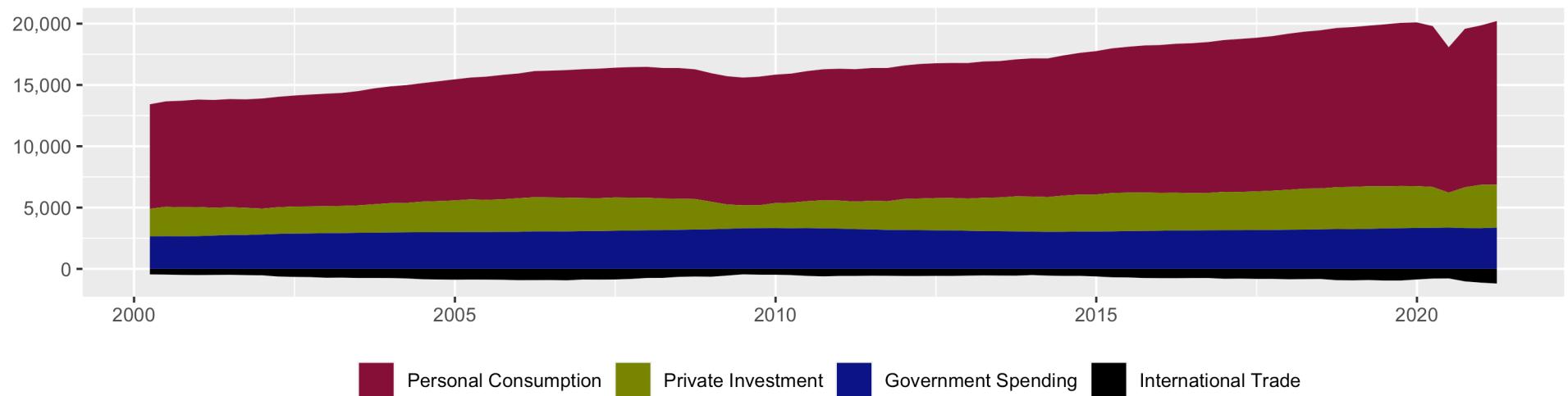
QoQ SAAR


■ Reported ■ Estimate

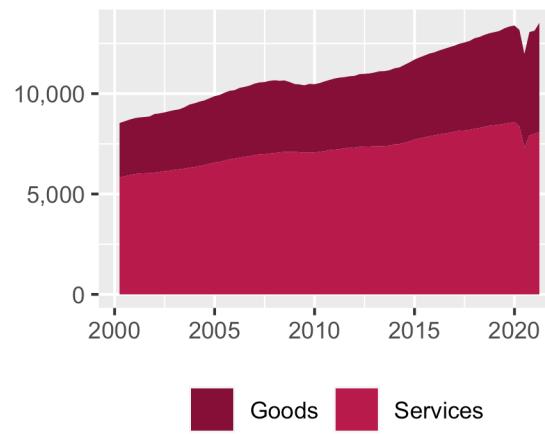
Gross Domestic Product

Composition of US Economy

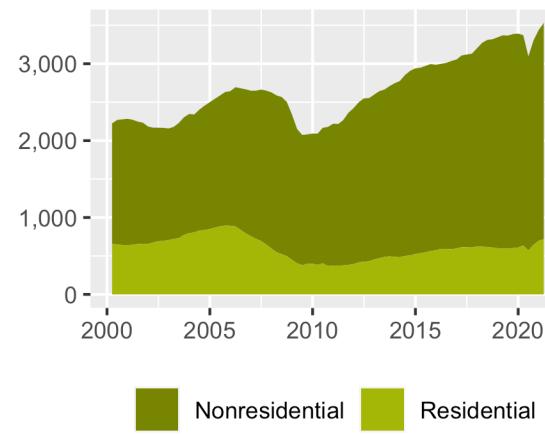
Billions of USD, Chain Linked 2012 Prices



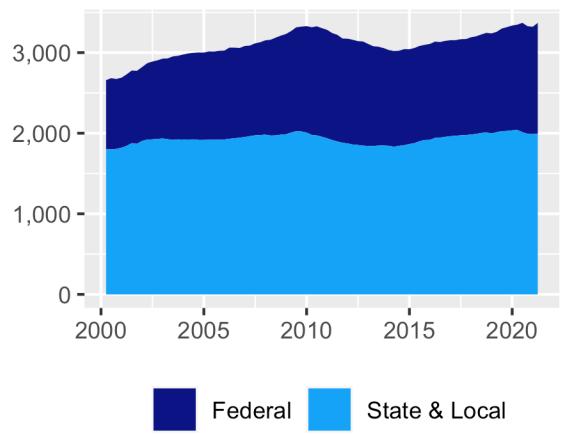
Personal Consumption



Fixed Investment



Government Spending

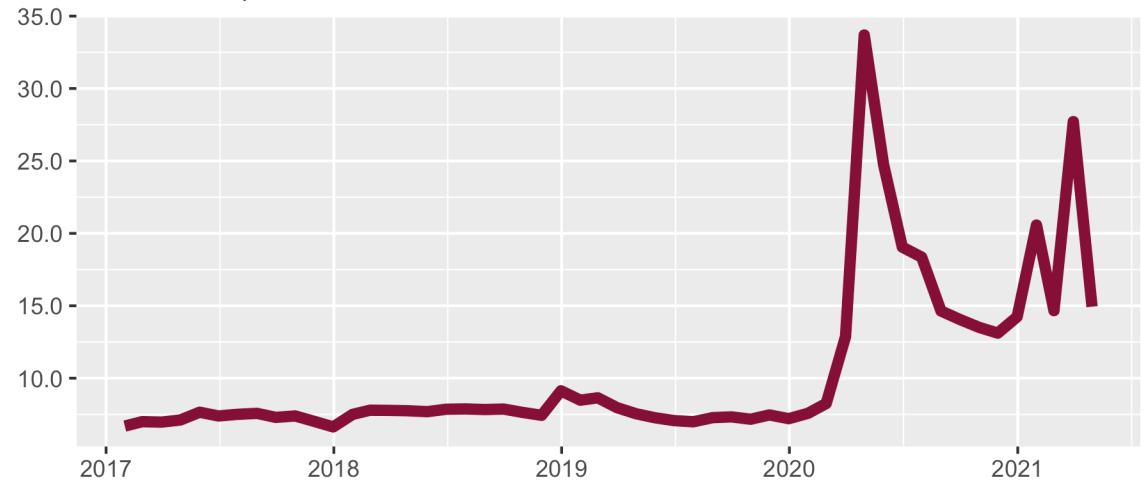


Consumption

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.

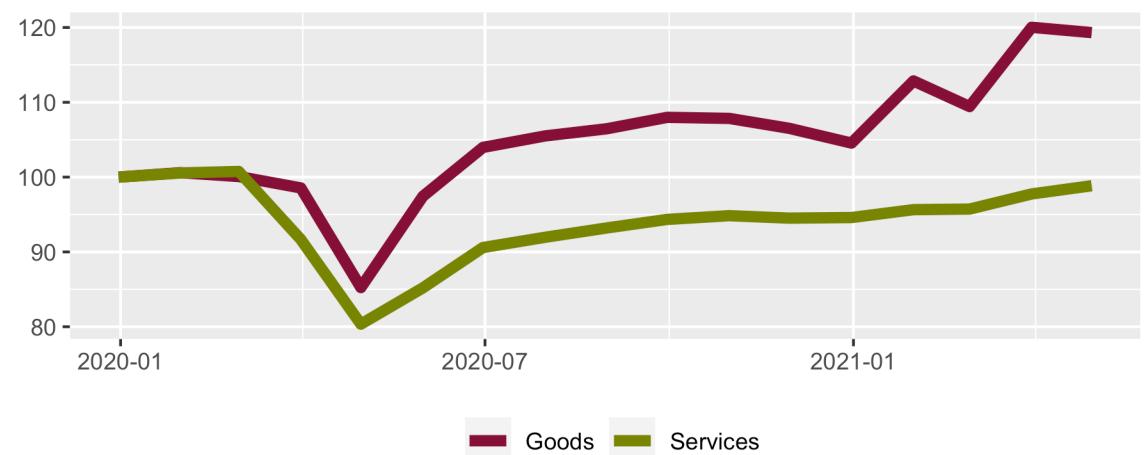
Personal Savings Rate

Percent of Disposable Personal Income



Personal Consumption Expenditures

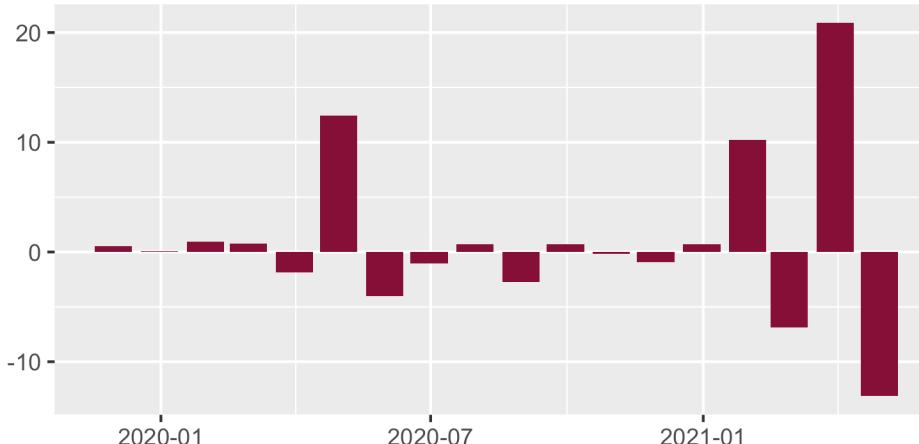
Normalized to December 2019



Consumption

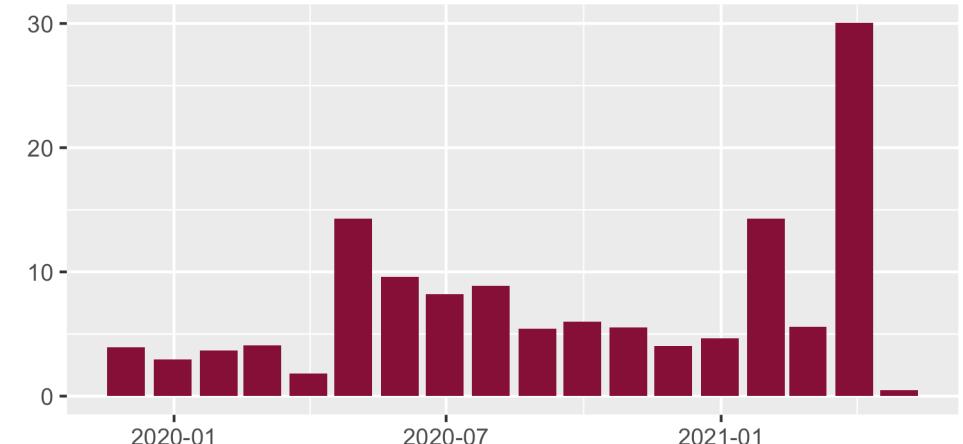
Personal Income

Monthly Percent Change



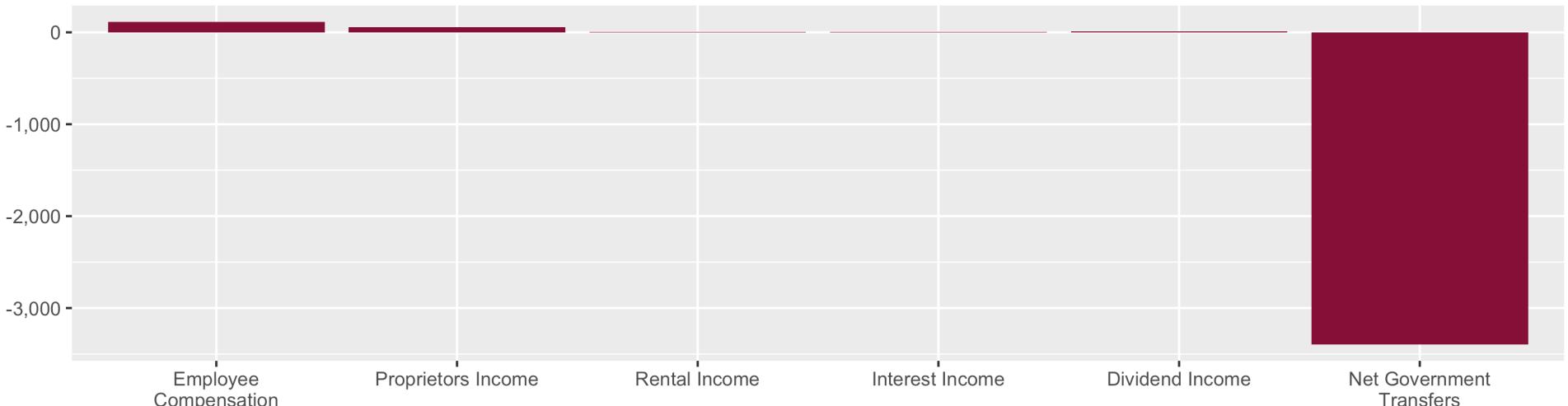
Personal Income

Annual Percent Change

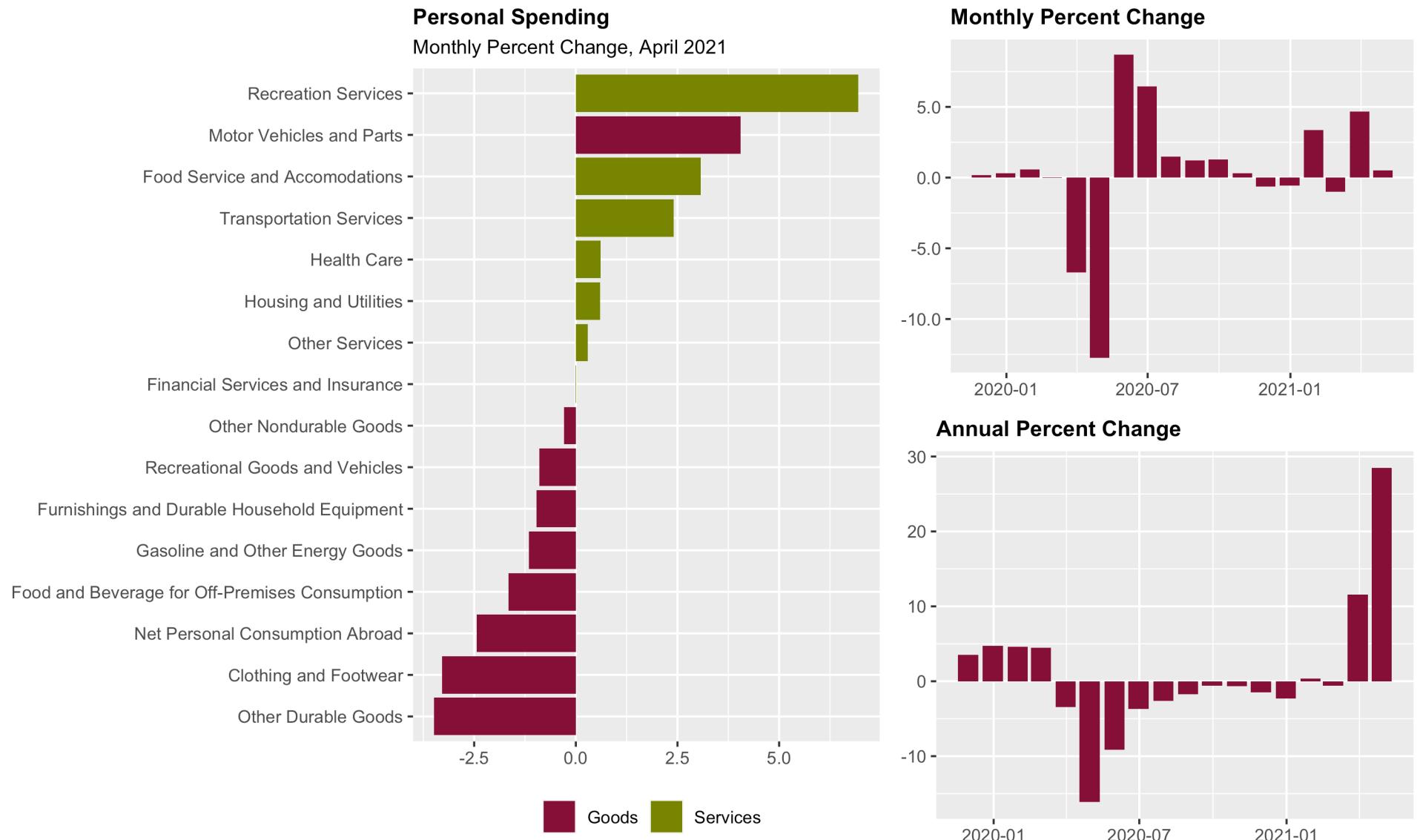


Change in Personal Income

April 2021, Billions of USD



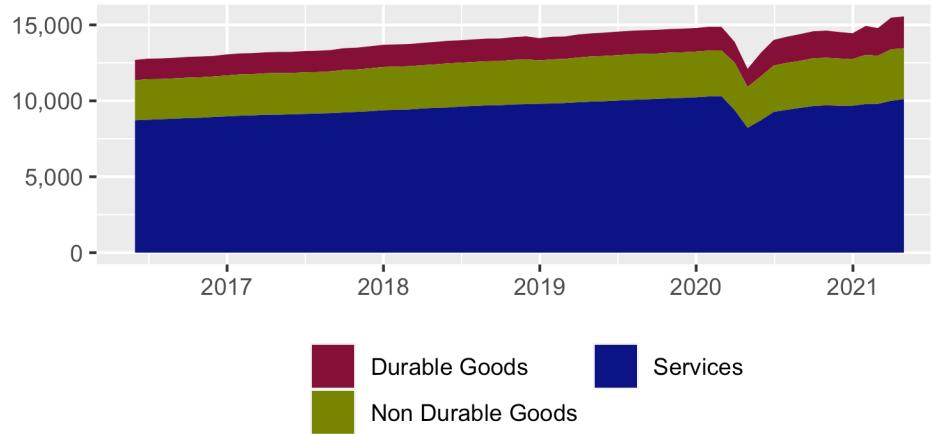
Consumption



Consumption

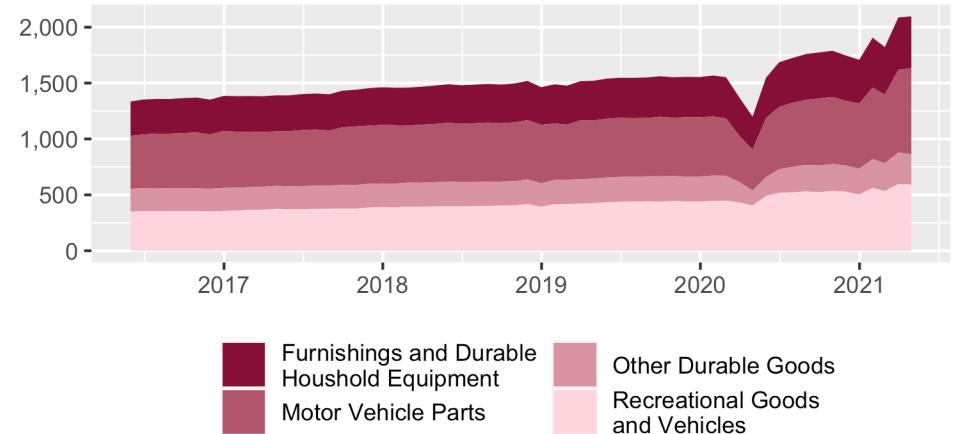
Personal Spending Composition

SAAR, USD Billions



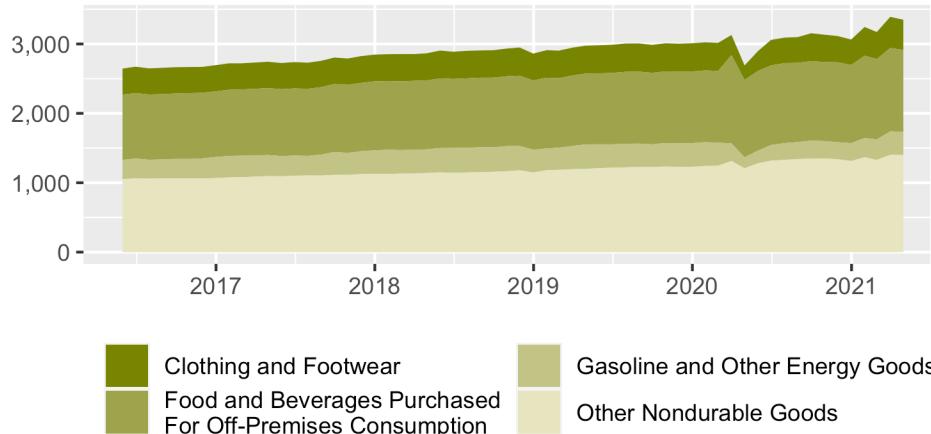
Durable Goods Composition

SAAR, USD Billions



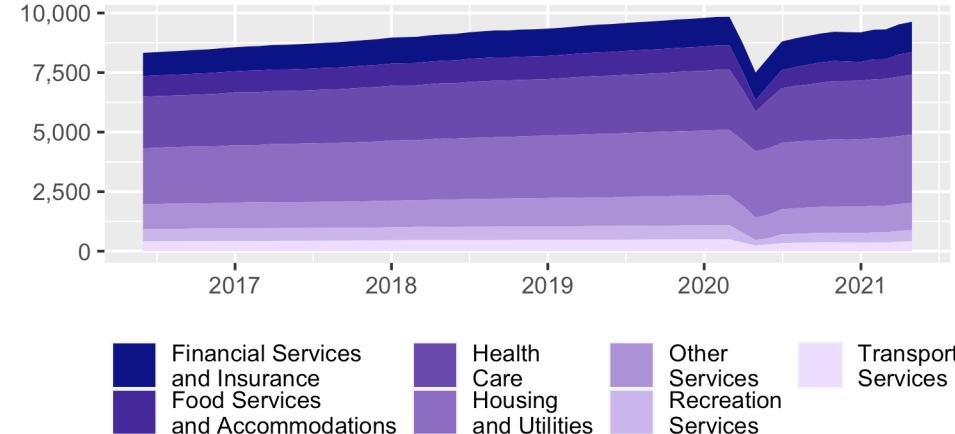
Nondurable Goods Composition

SAAR, USD Billions



Services Composition

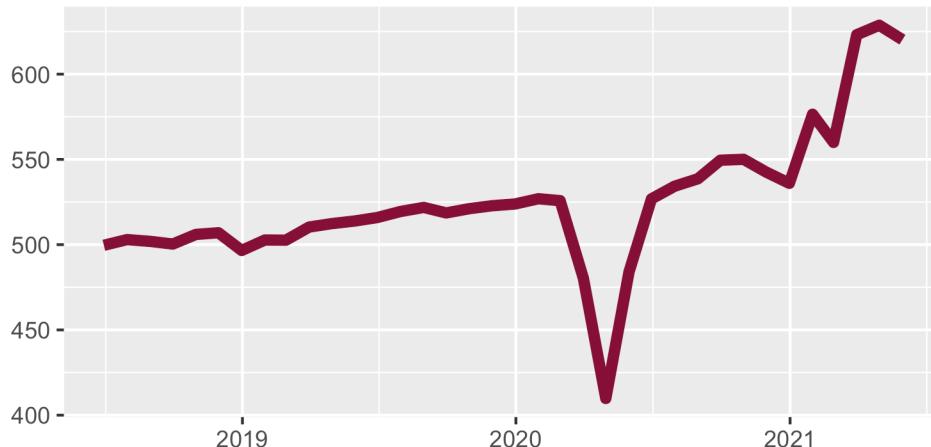
SAAR, USD Billions



Consumption

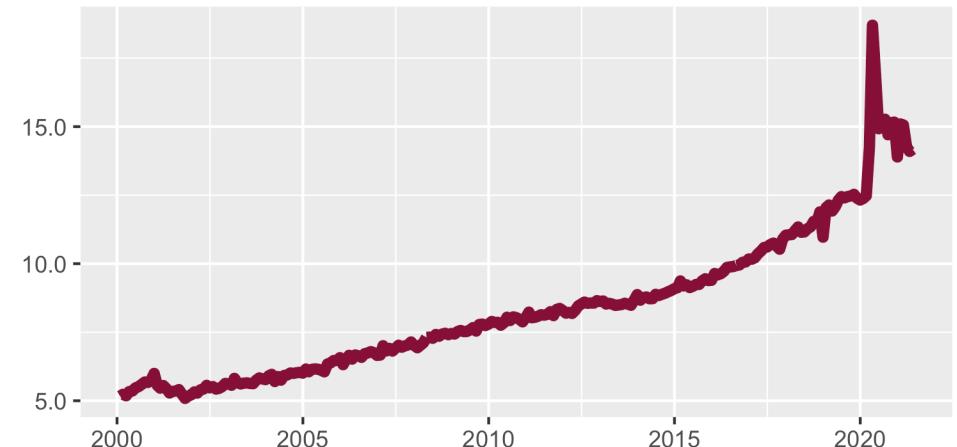
Retail Sales

Billions of USD



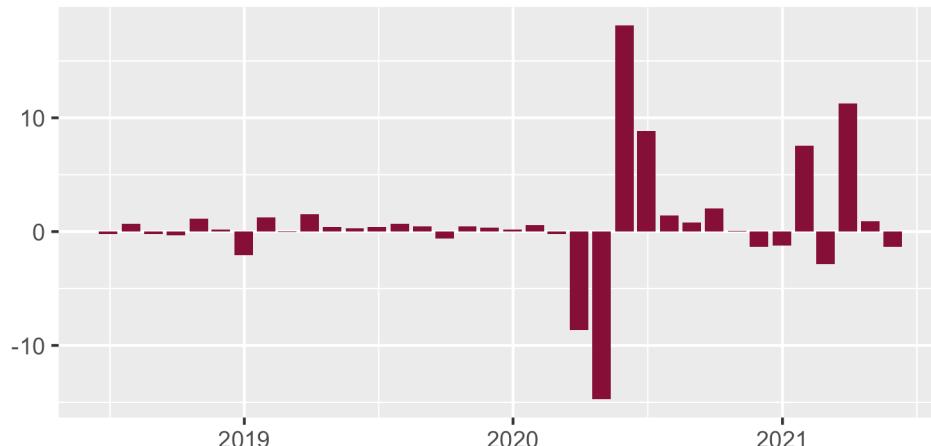
Nonstore Retail Sales

Share of Total Retail Sales



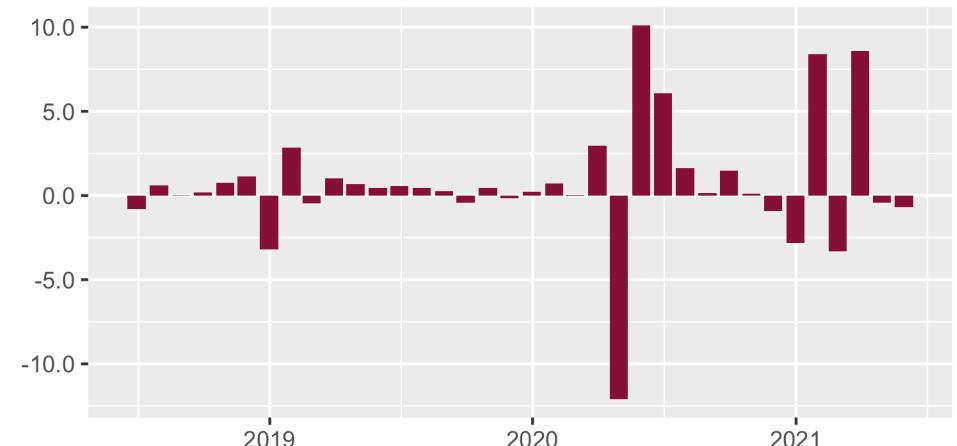
Retail Sales

Total Retail Sales Monthly Percent Change



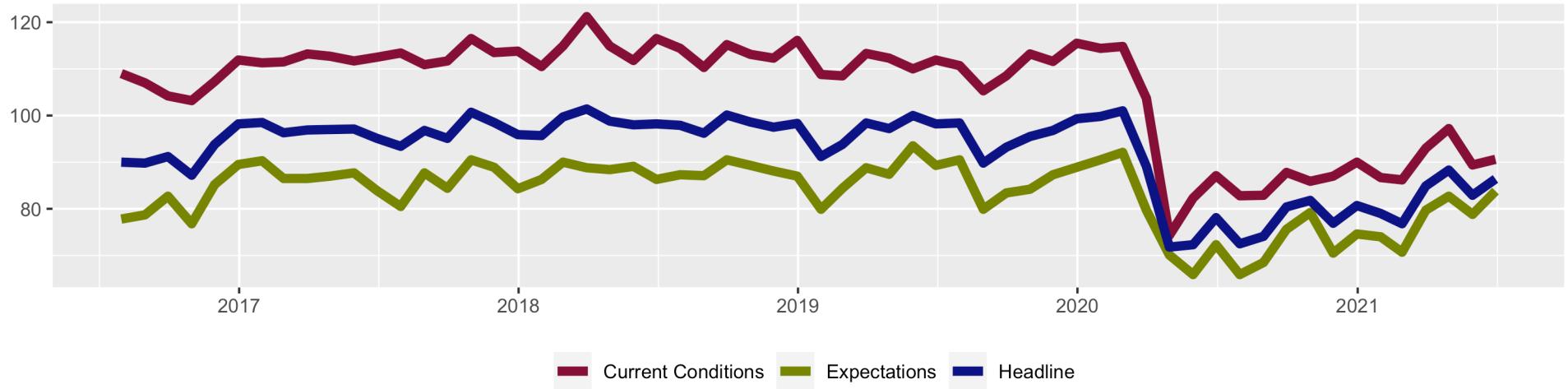
Retail Sales

Control Group Monthly Percent Change

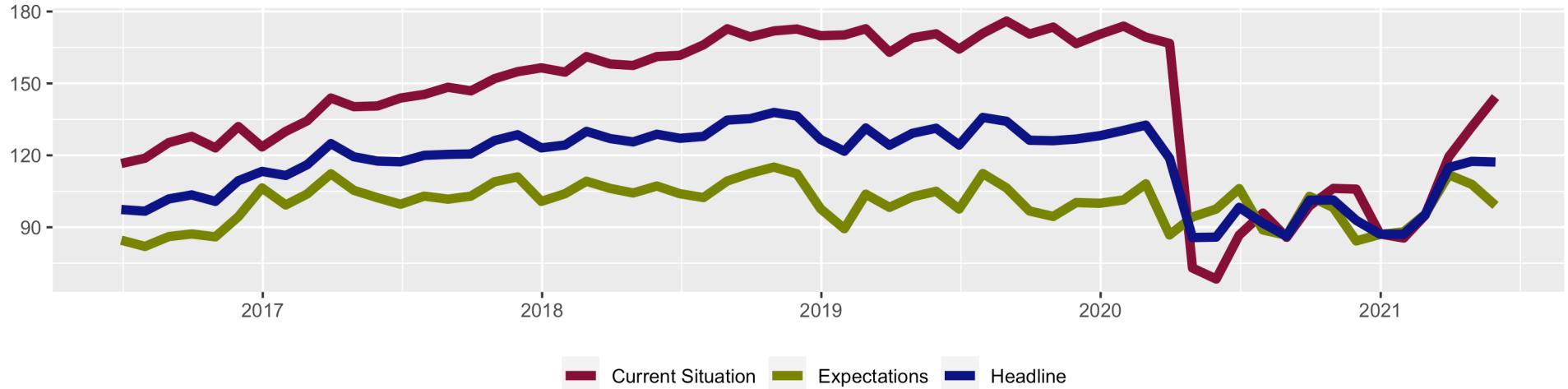


Consumption

Consumer Sentiment



Consumer Confidence

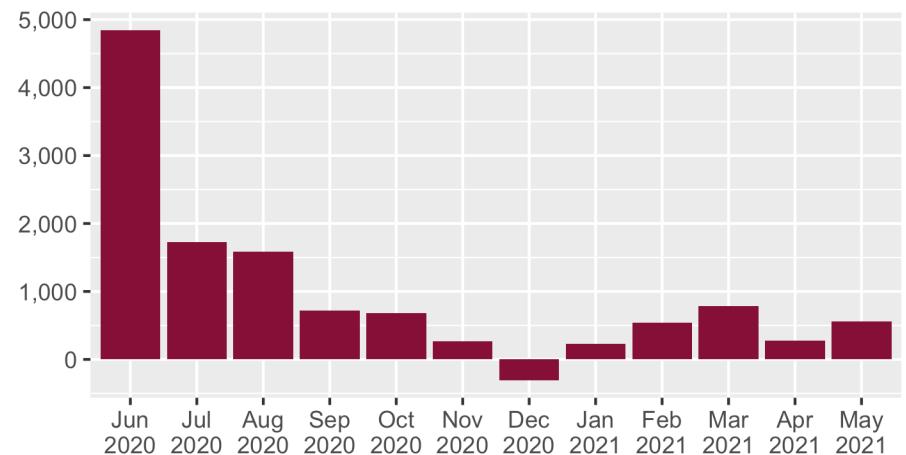


Labor Market

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.

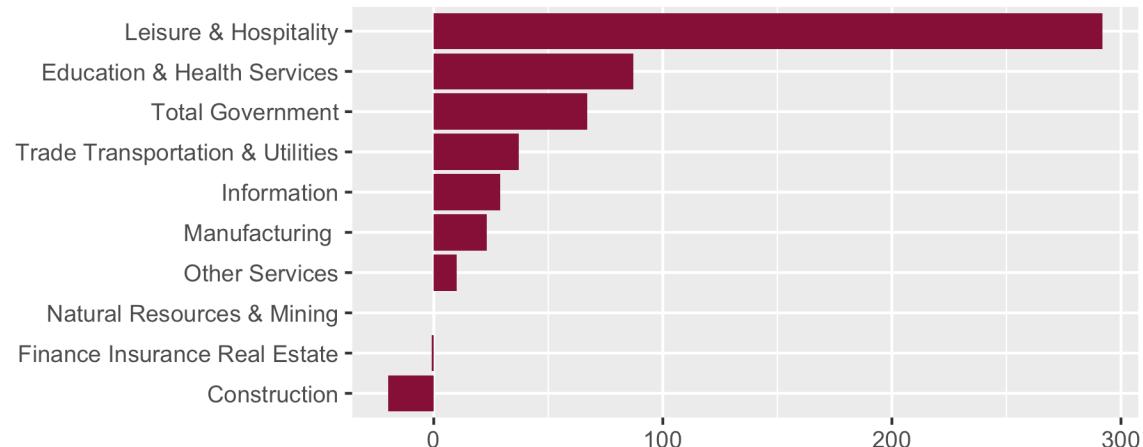
Monthly Change in Nonfarm Payrolls

Thousands



Change in Nonfarm Payrolls by Industry

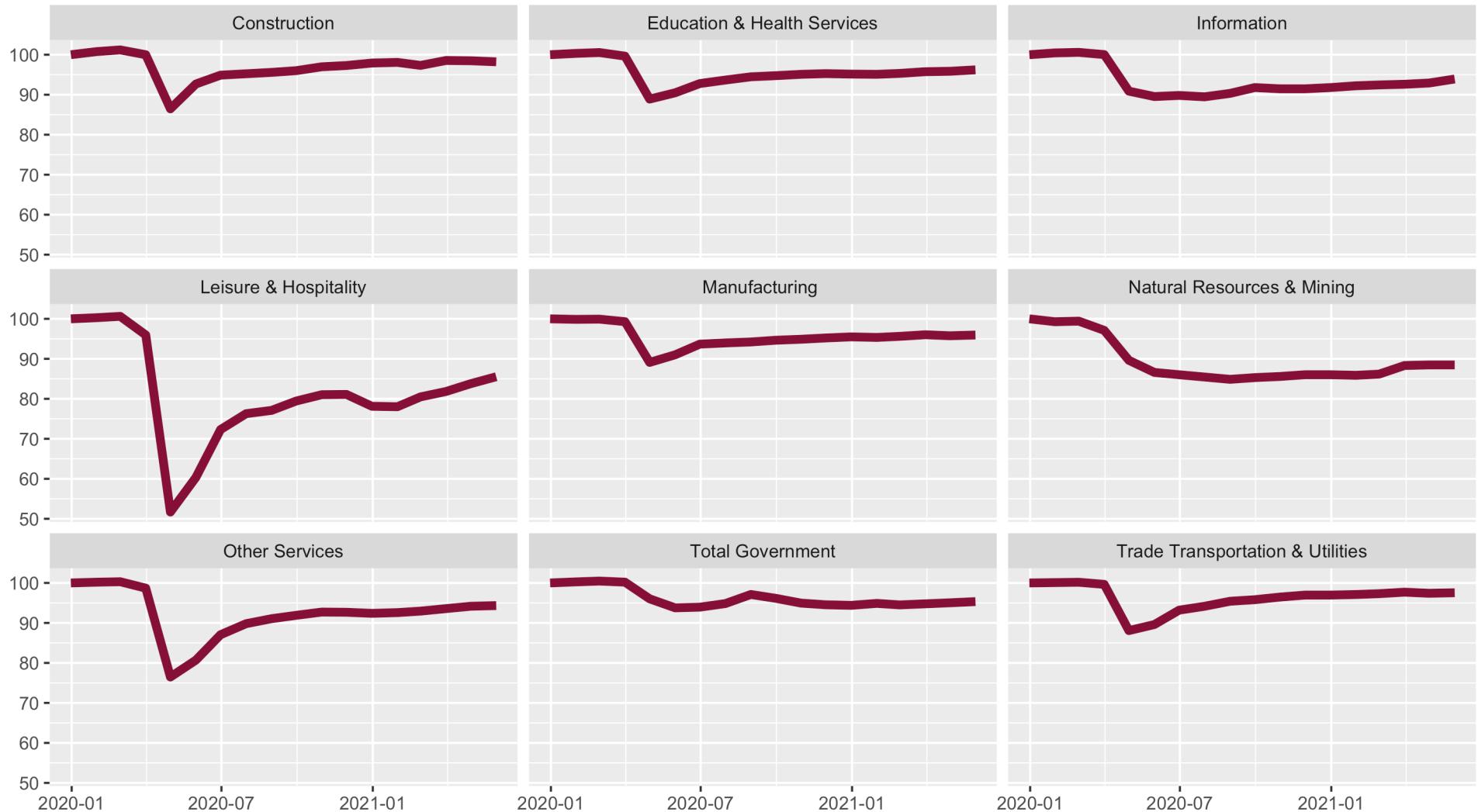
May 2021, Thousands



Labor Market

Employment by Occupation

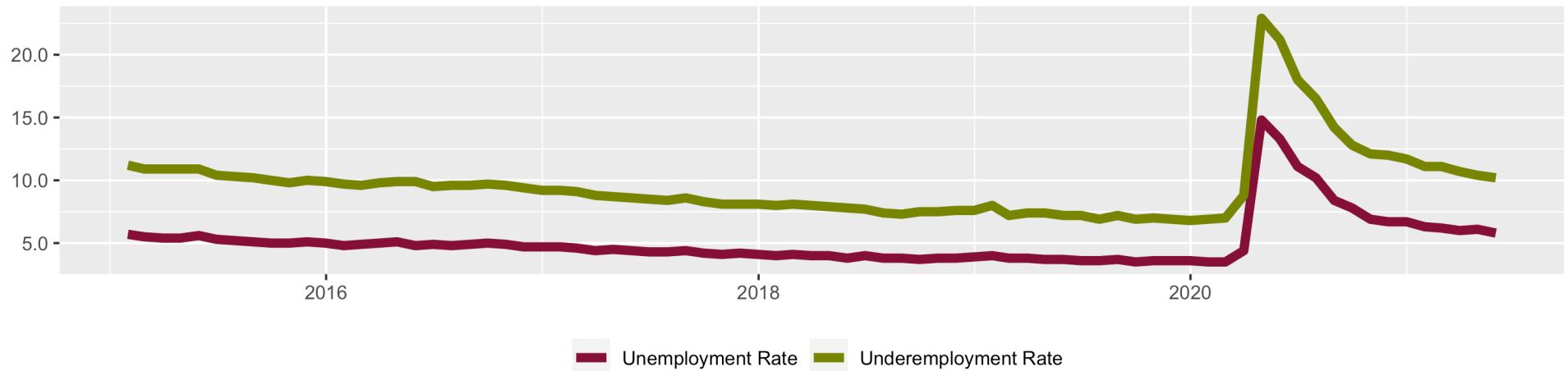
Normalized to December 2019



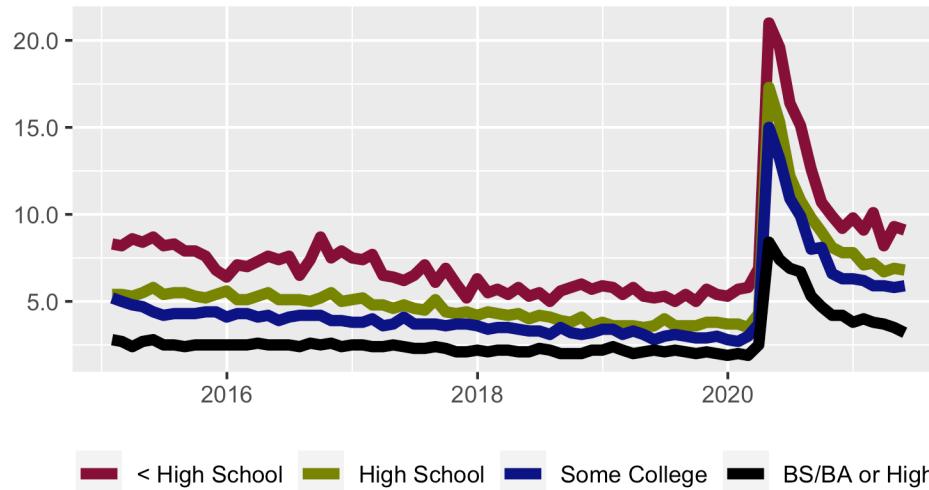
Labor Market

Unemployment Rate

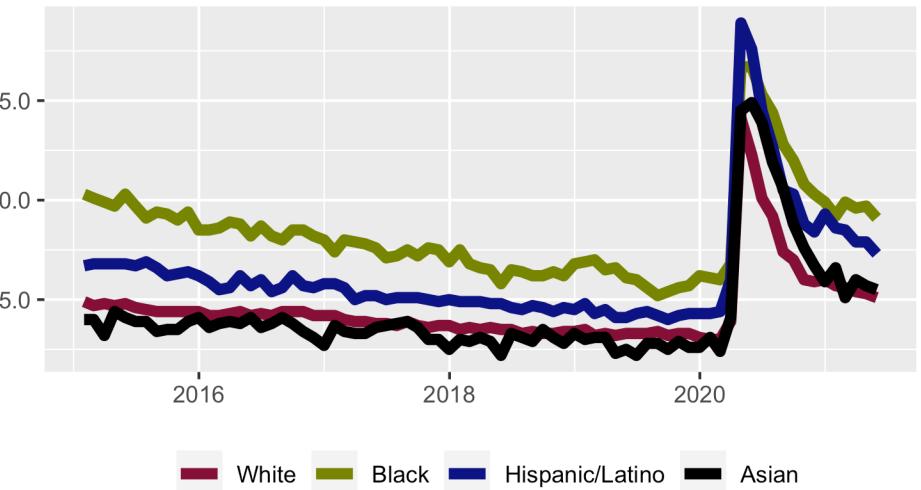
Percent of Labor Force



Unemployment Rate by Educational Attainment



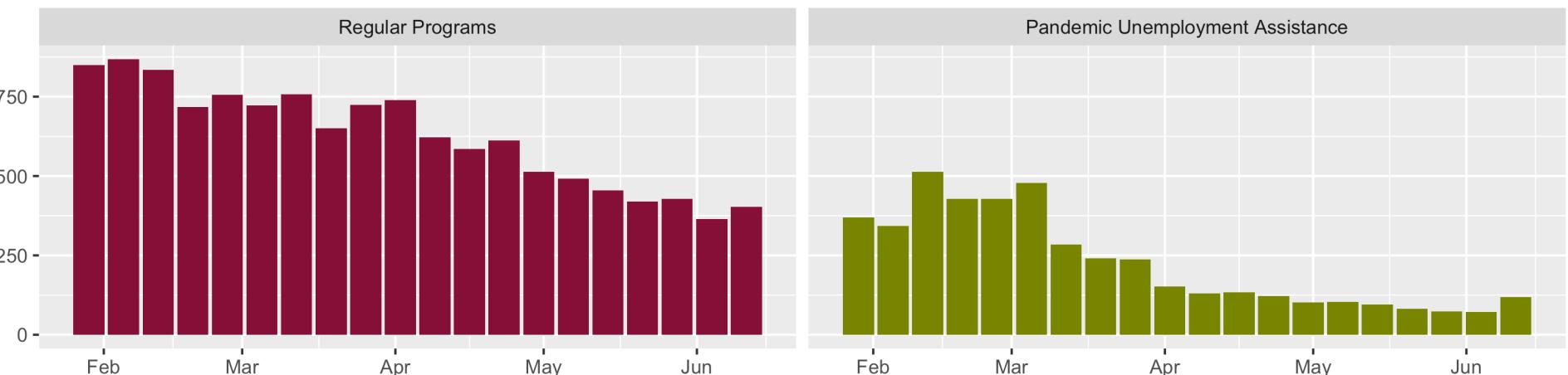
Unemployment Rate by Race



Labor Market

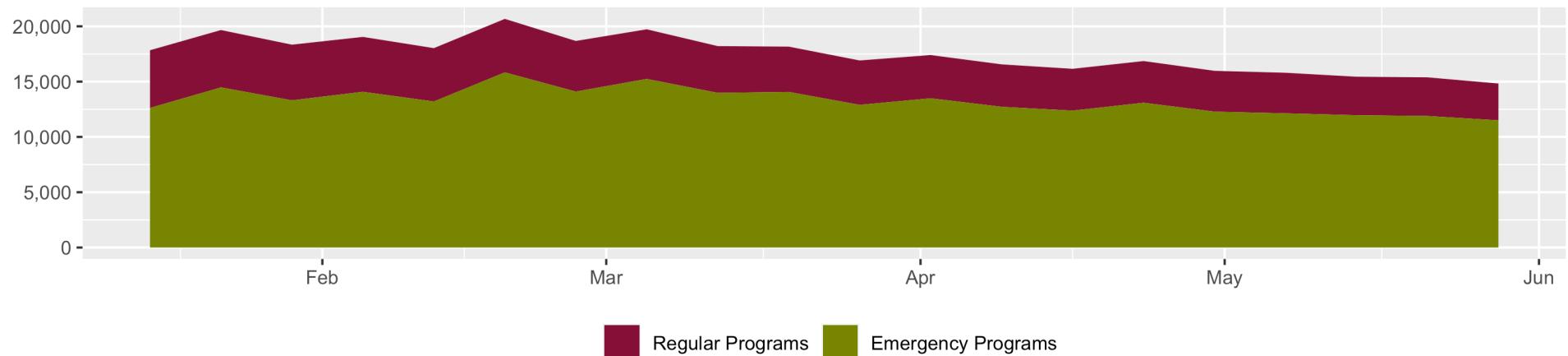
Initial Unemployment Claims

Thousands, Unadjusted, Through Jun 11



Continuing Unemployment Claims

Thousands, Unadjusted, Through May 28



Business Activity

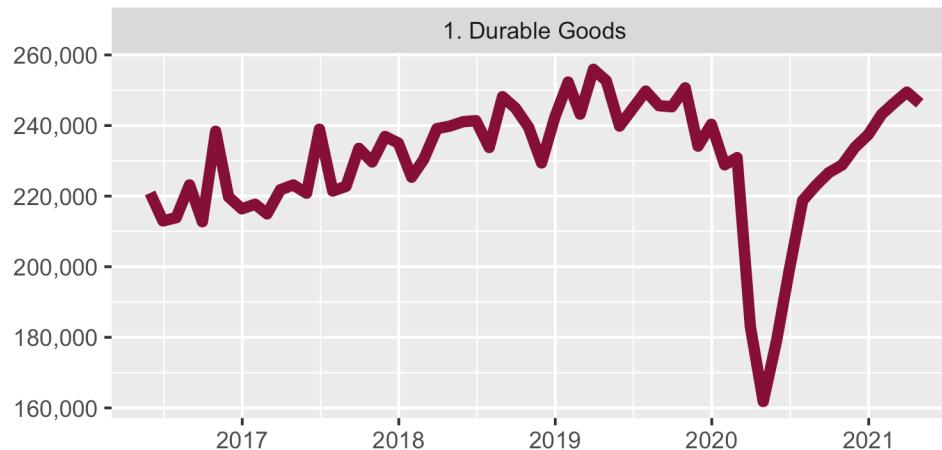
ISM Manufacturing Indexes

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

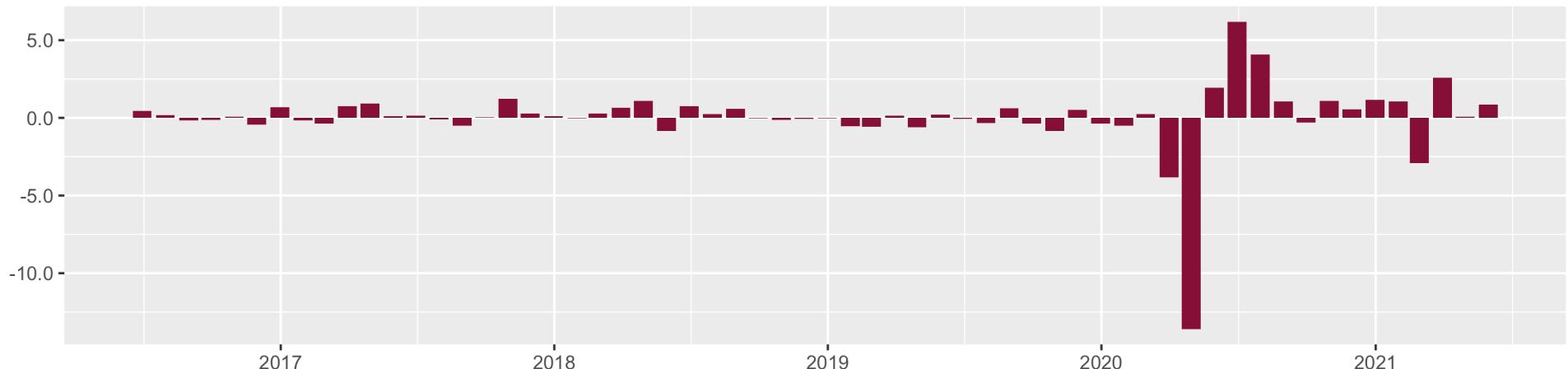
Monthly Change in Nondefense Capital Goods Orders ex Aircraft



Business Activity

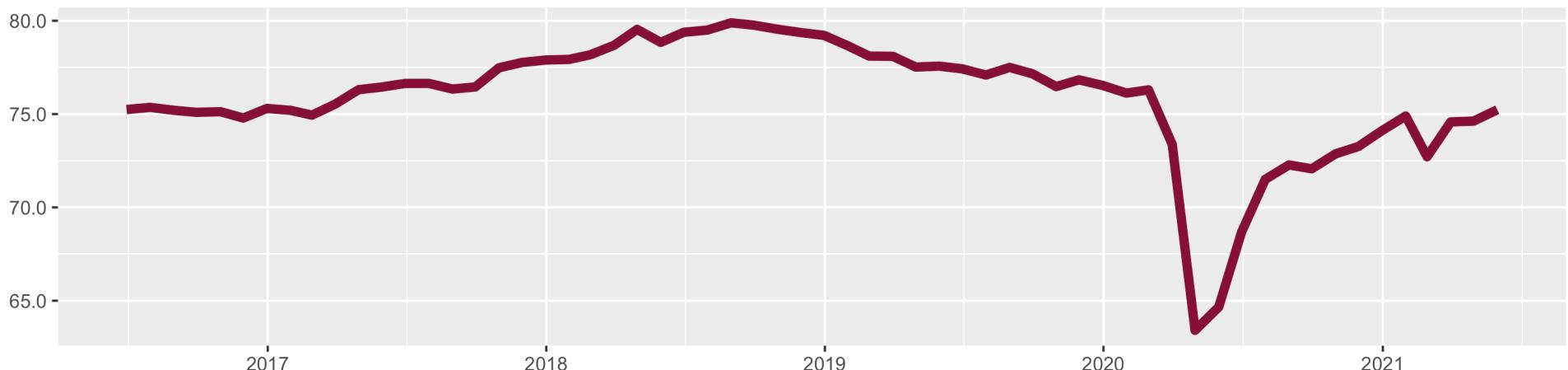
Industrial Production

Monthly Percent Change



Industrial Capacity Utilization

Percent



Business Activity

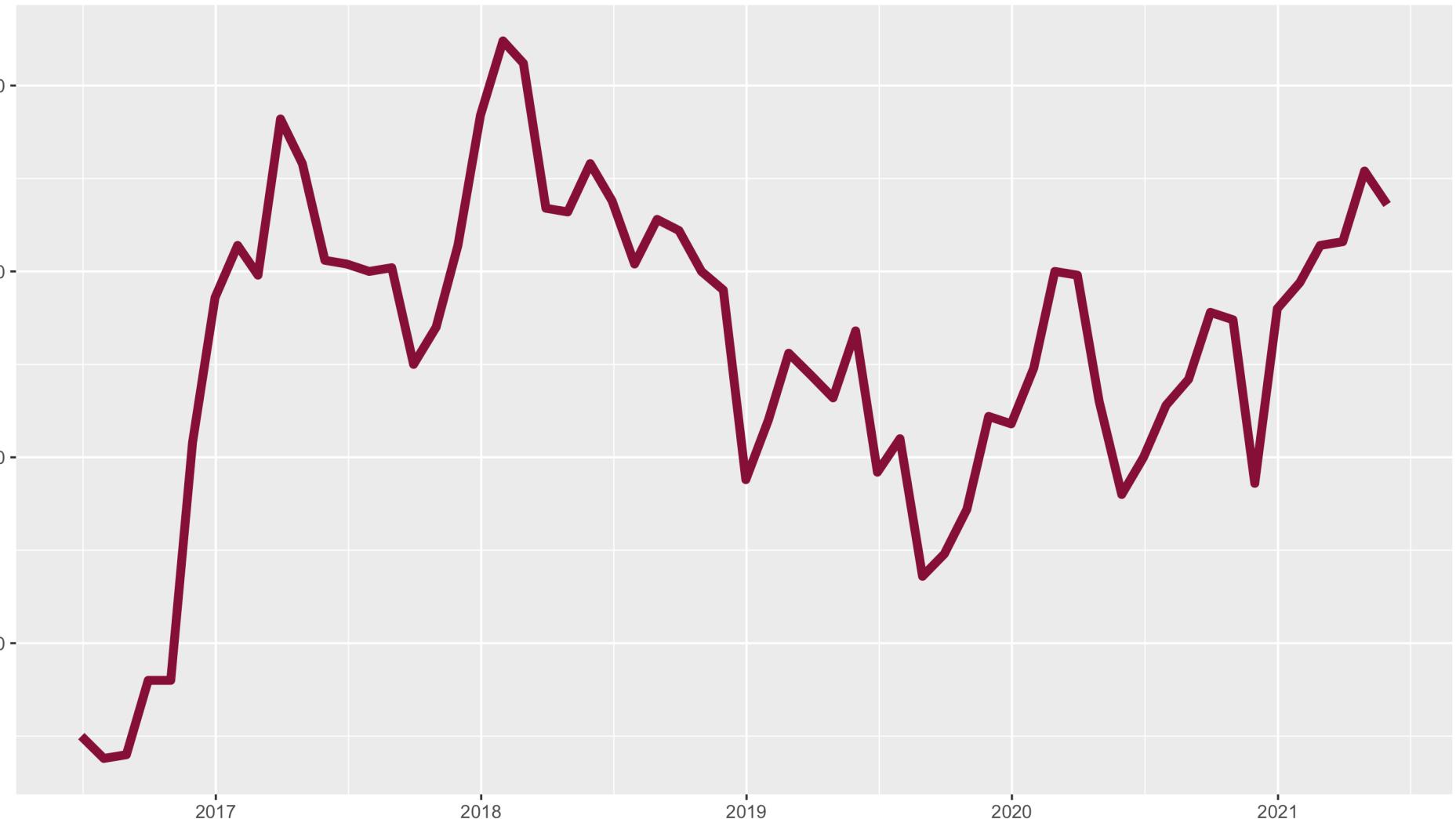
ISM Services Indexes

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

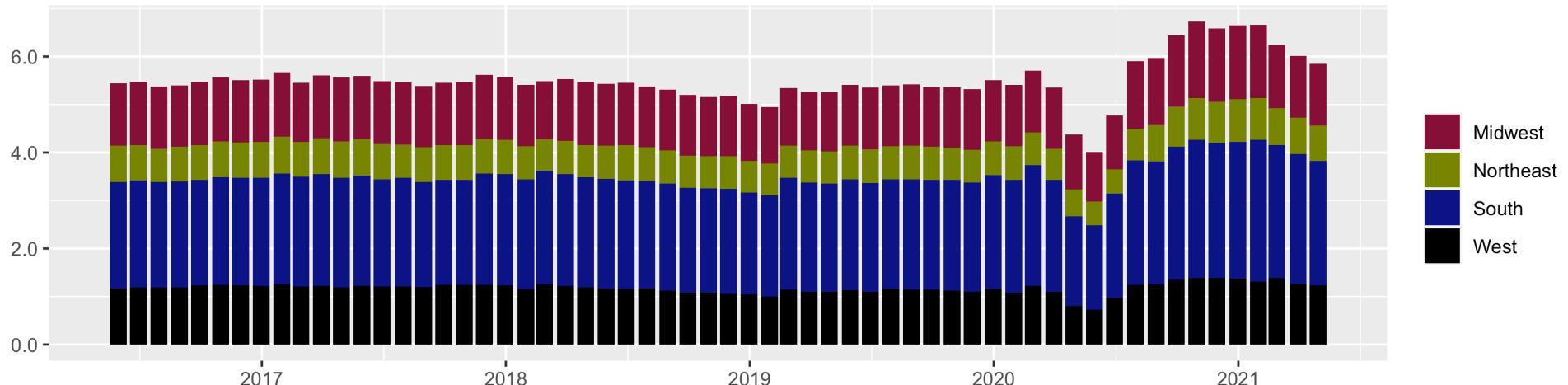
Scale from 1 to 10



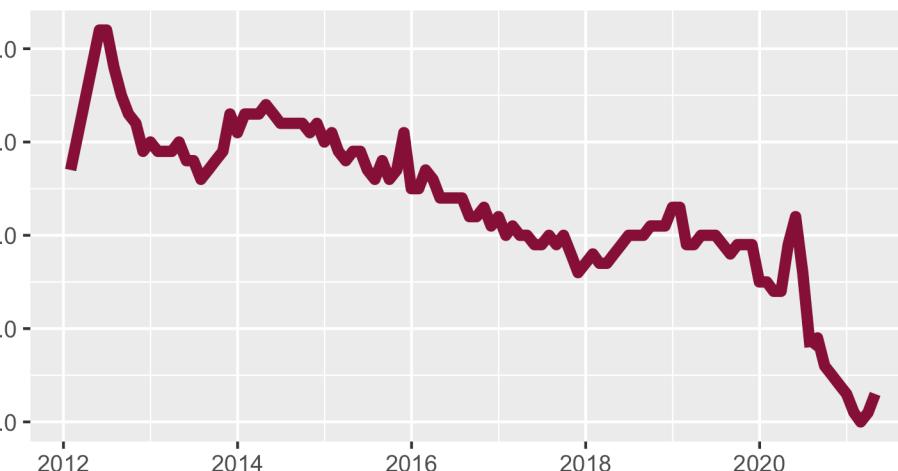
Existing Home Sales

US Existing Home Sales

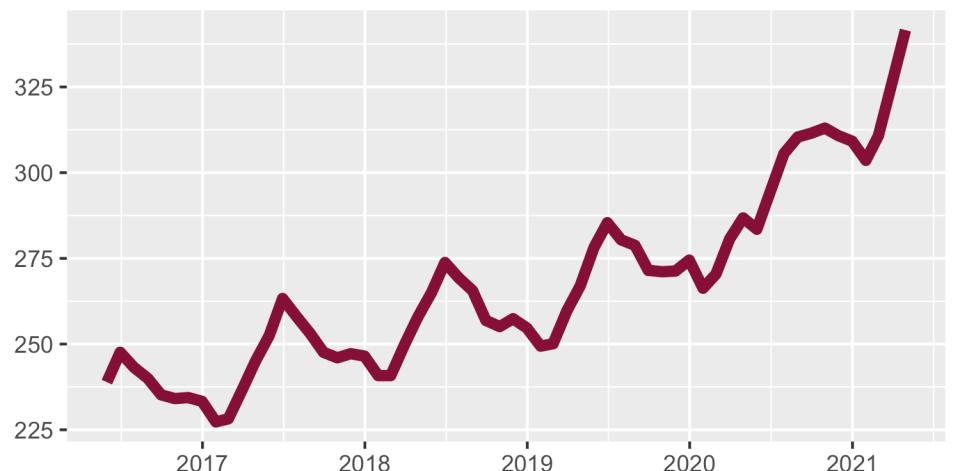
Millions, SAAR


Existing Homes for Sale

Months of Sales at Current Sales Pace


Existing Home Sales

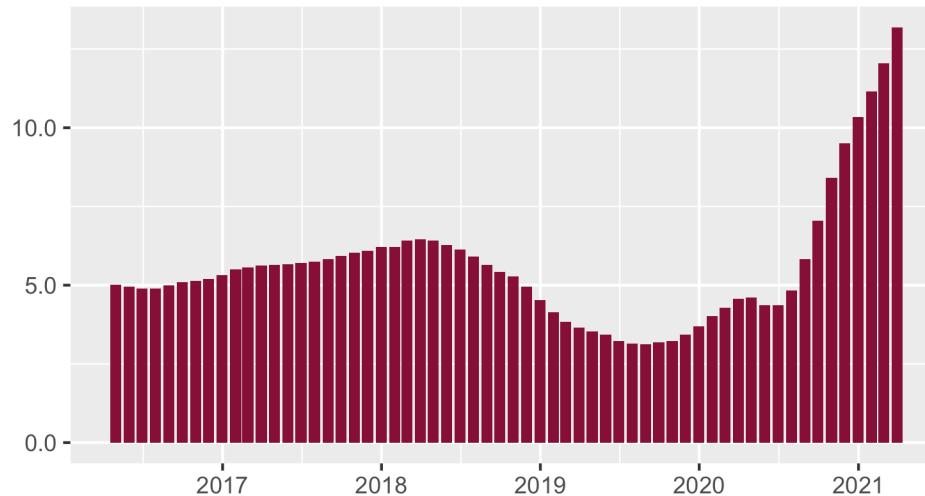
Median Home Price, USD Thousands



Case Shiller Home Prices

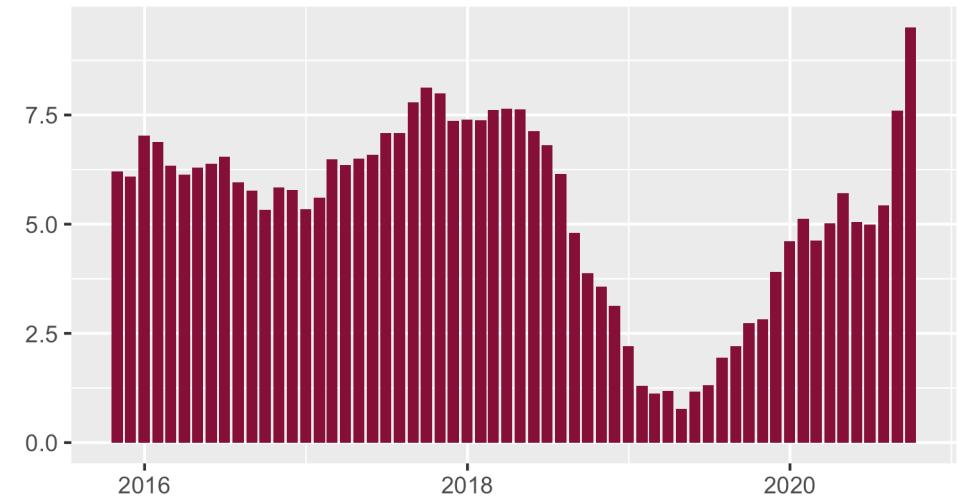
National Index

Annual Percent Change



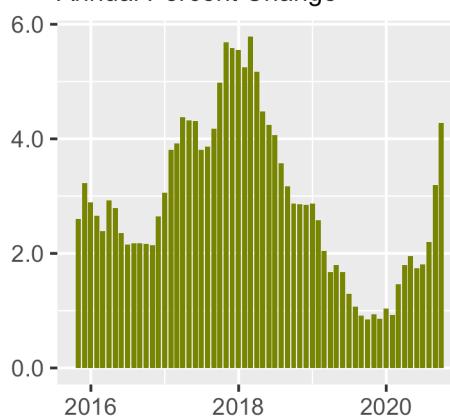
San Diego

Annual Percent Change



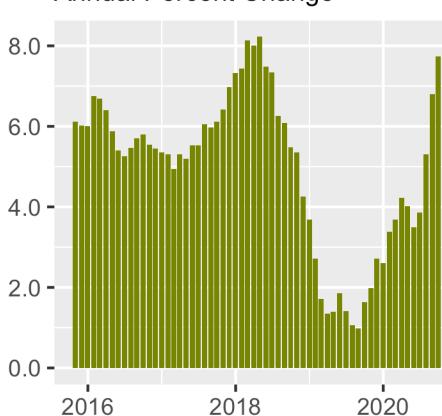
New York

Annual Percent Change



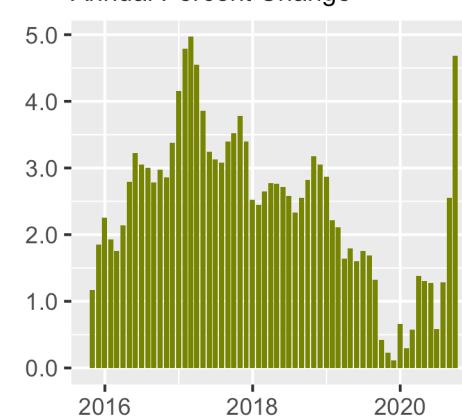
Los Angeles

Annual Percent Change



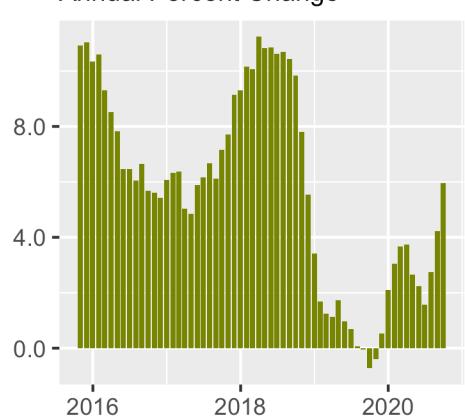
Chicago

Annual Percent Change

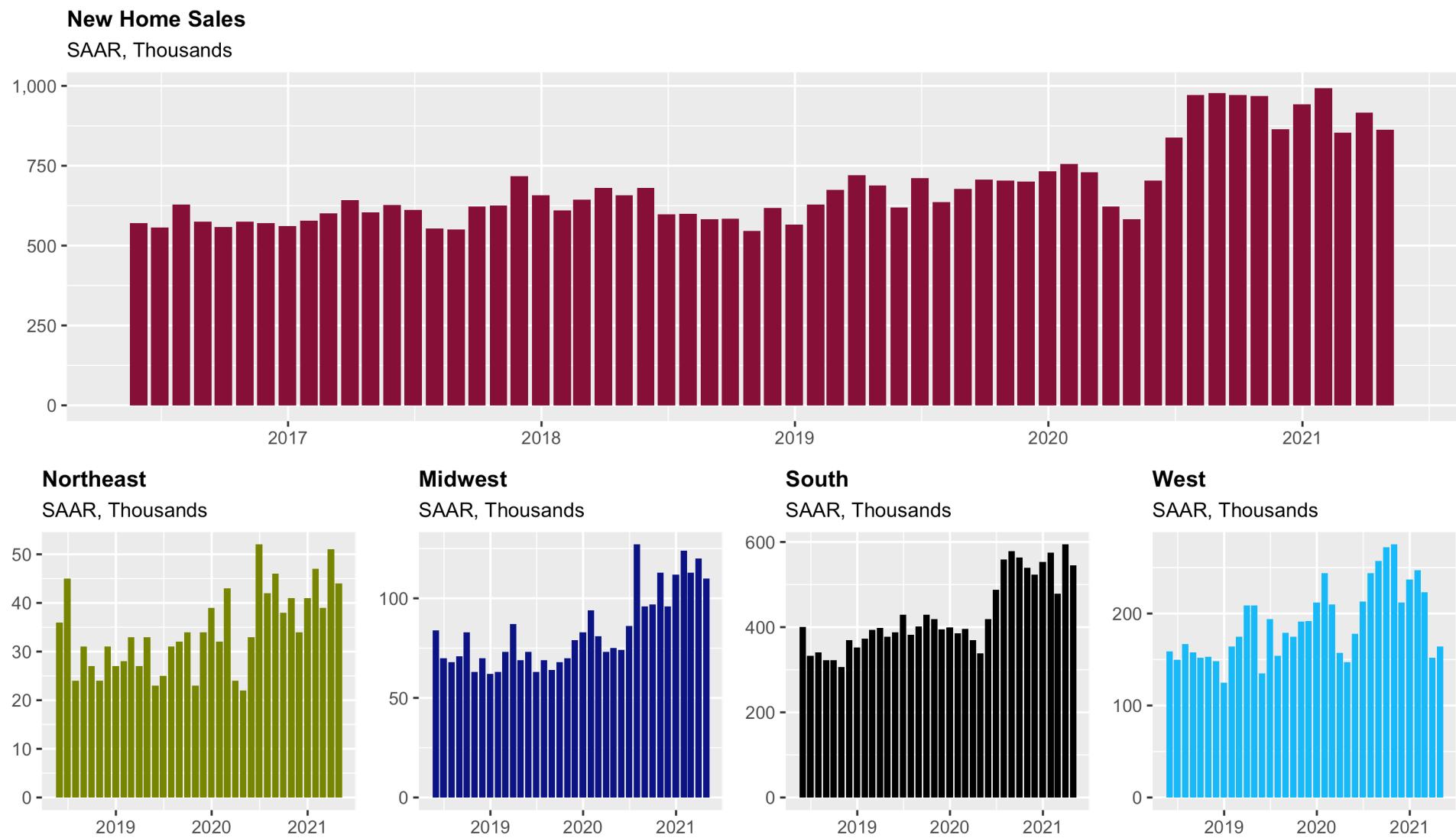


San Francisco

Annual Percent Change



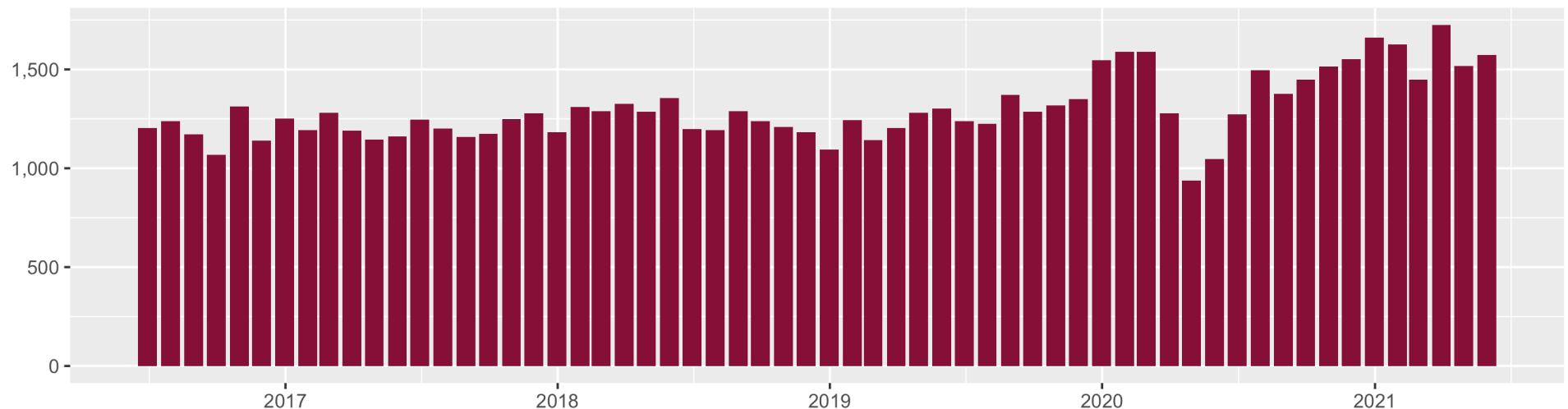
New Home Sales



Housing Starts

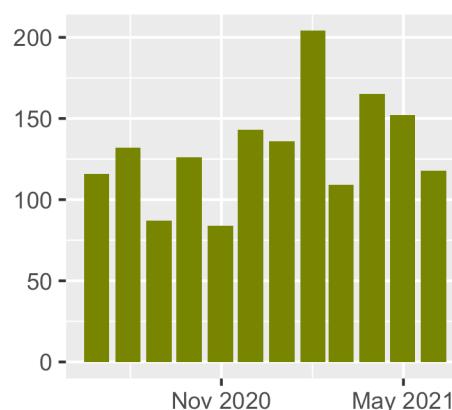
Housing Starts

Thousands, SAAR



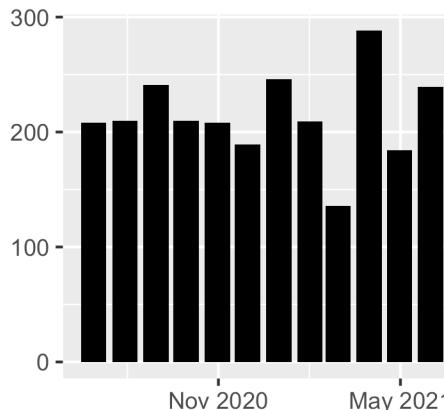
Northeast

Thousands, SAAR



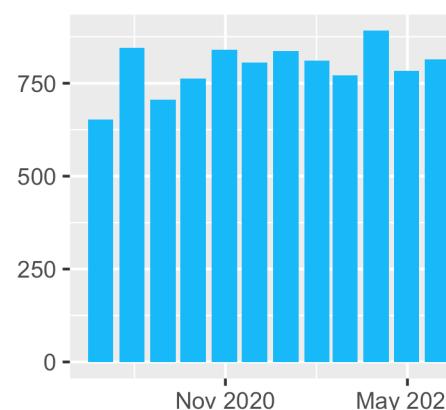
Midwest

Thousands, SAAR



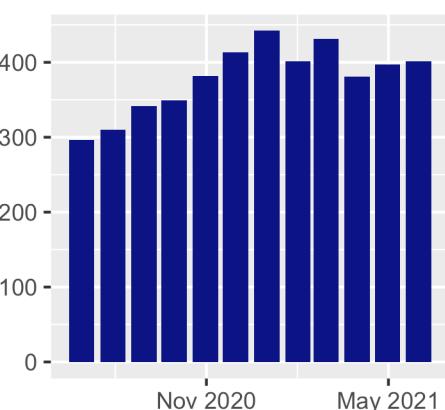
South

Thousands, SAAR

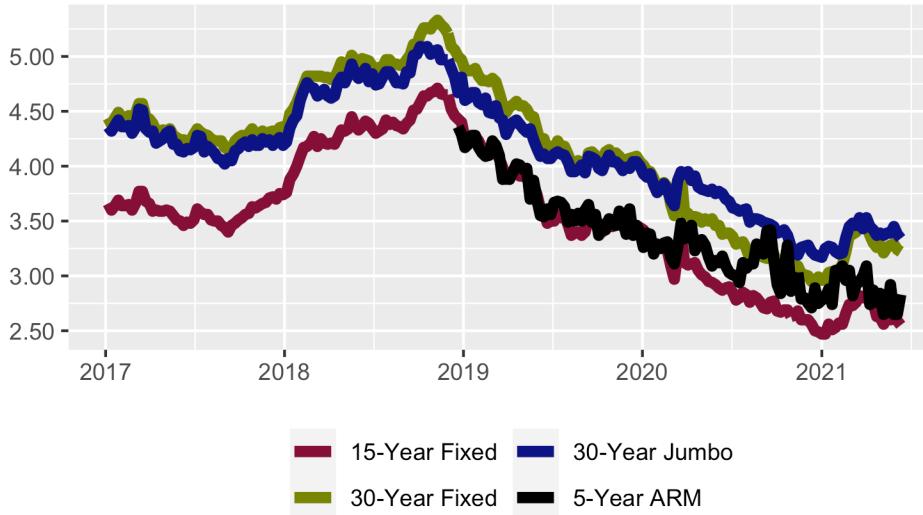
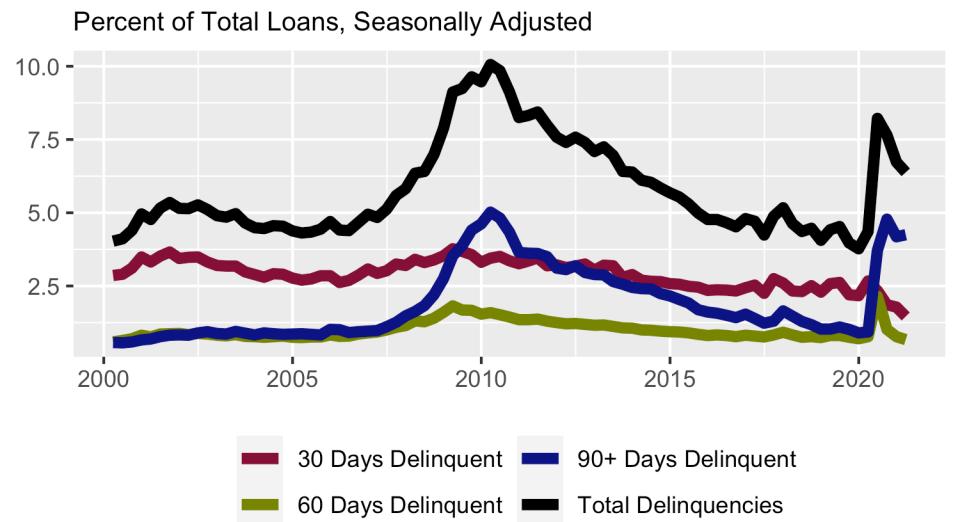
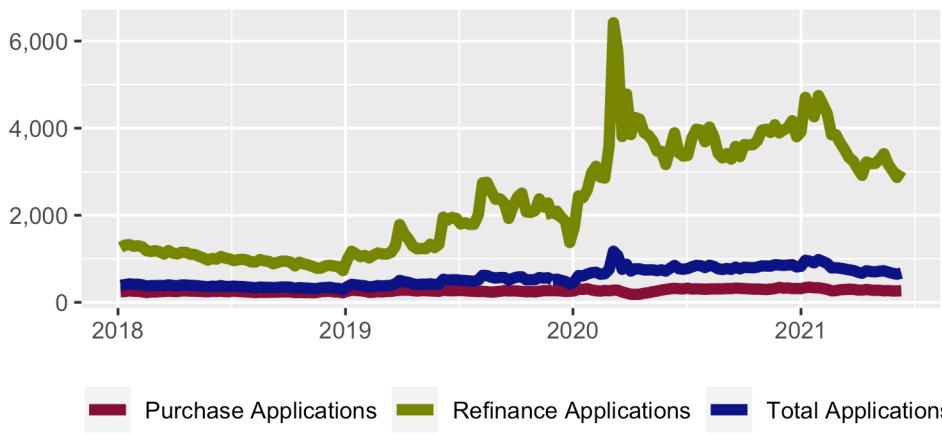
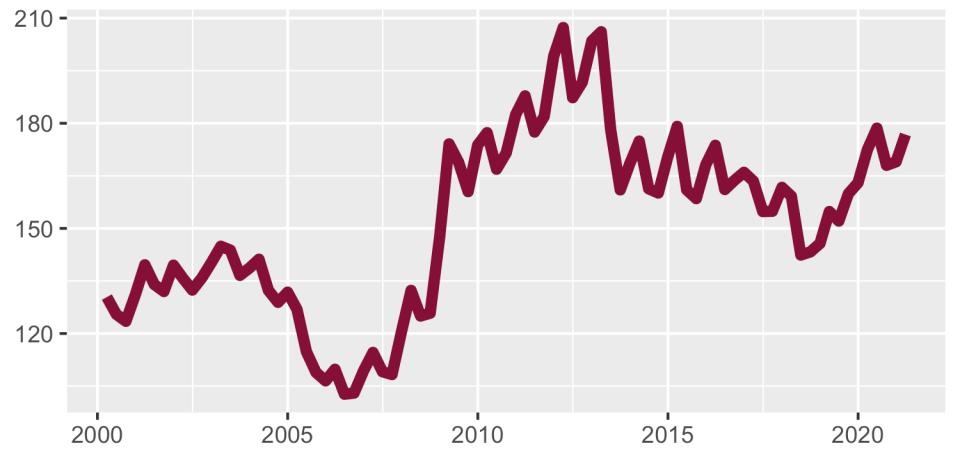


West

Thousands, SAAR



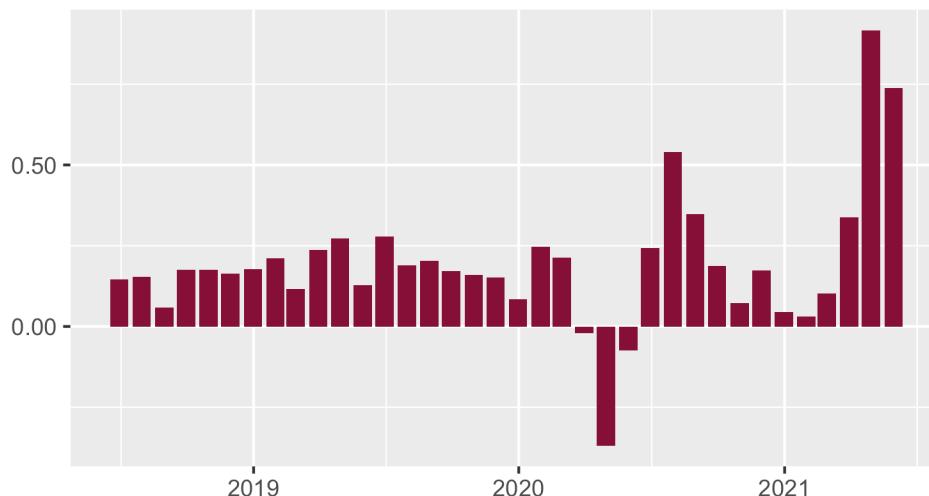
Housing Affordability

Effective Mortgage Interest Rates

Mortgage Delinquencies

Mortgage Applications

Housing Affordability Index


Inflation

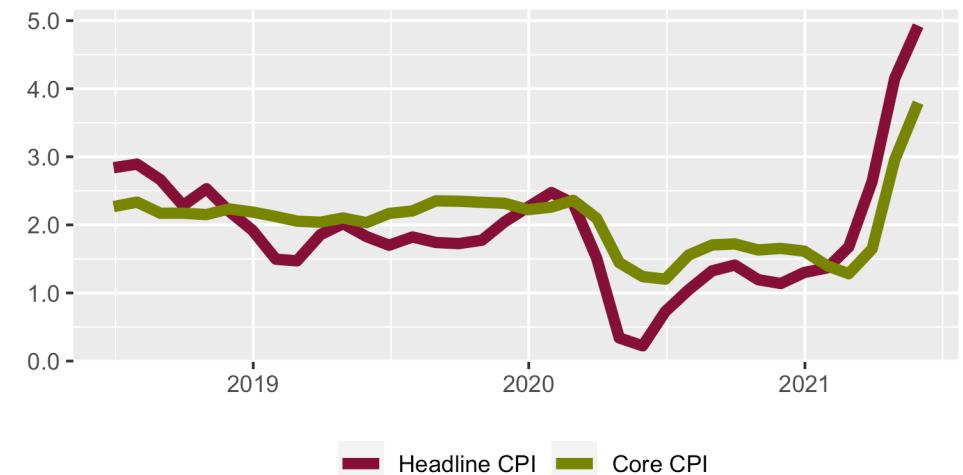
Consumer Price Index

Monthly Change in Core CPI



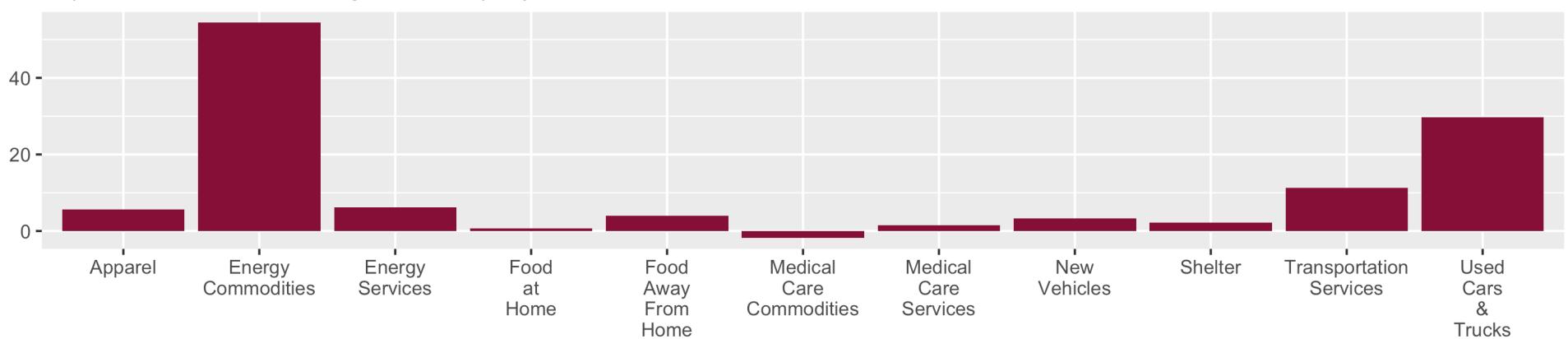
Consumer Price Index

Annual Percent Change, Seasonally Adjusted



Consumer Price Index

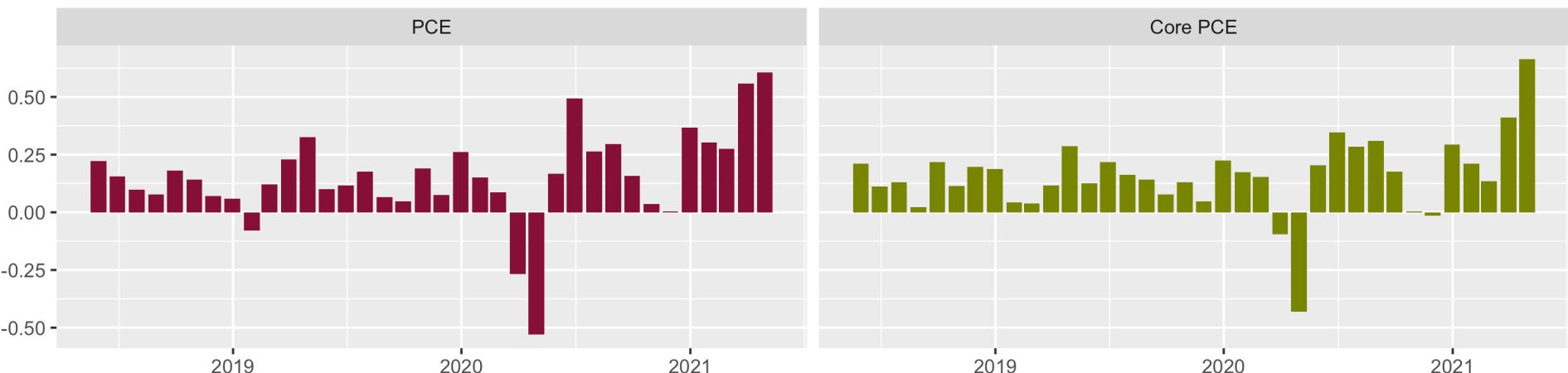
May 2021 Annual Percent Change, Seasonally Adjusted



Inflation

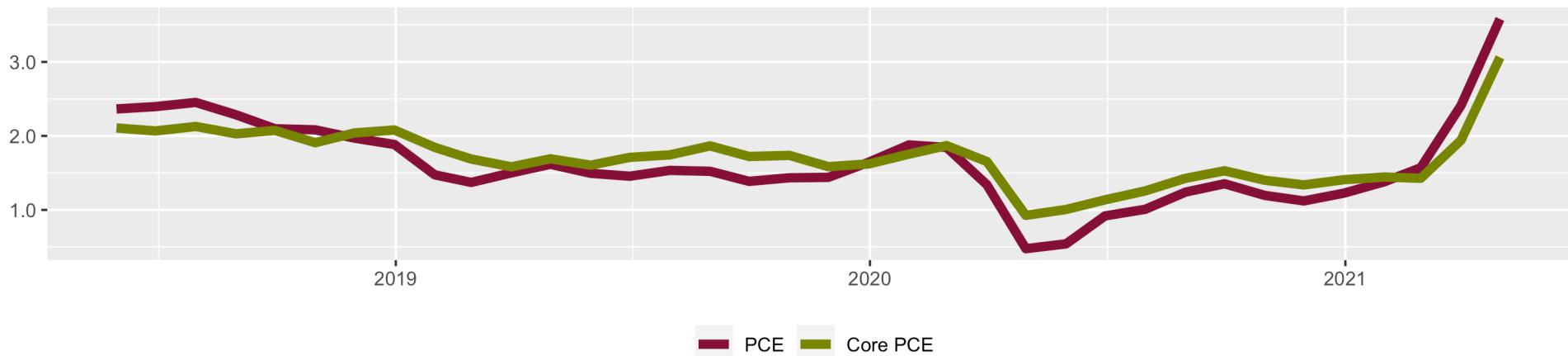
Personal Consumption Expenditure Price Index

Monthly Change in Core CPI



Personal Consumption Expenditure Price Index

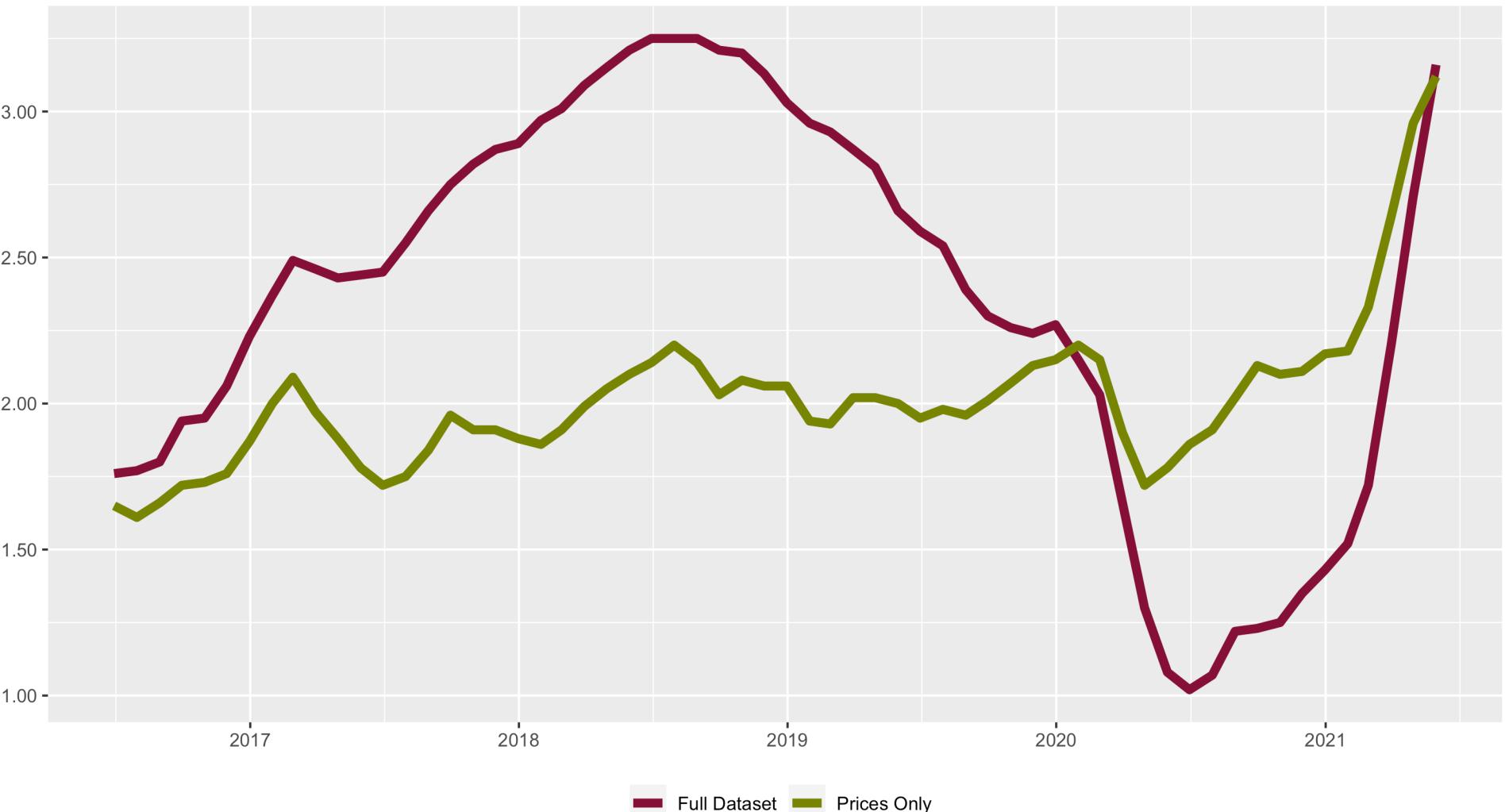
Annual Percent Change



Inflation

NY Fed Underlying Inflation Gauge

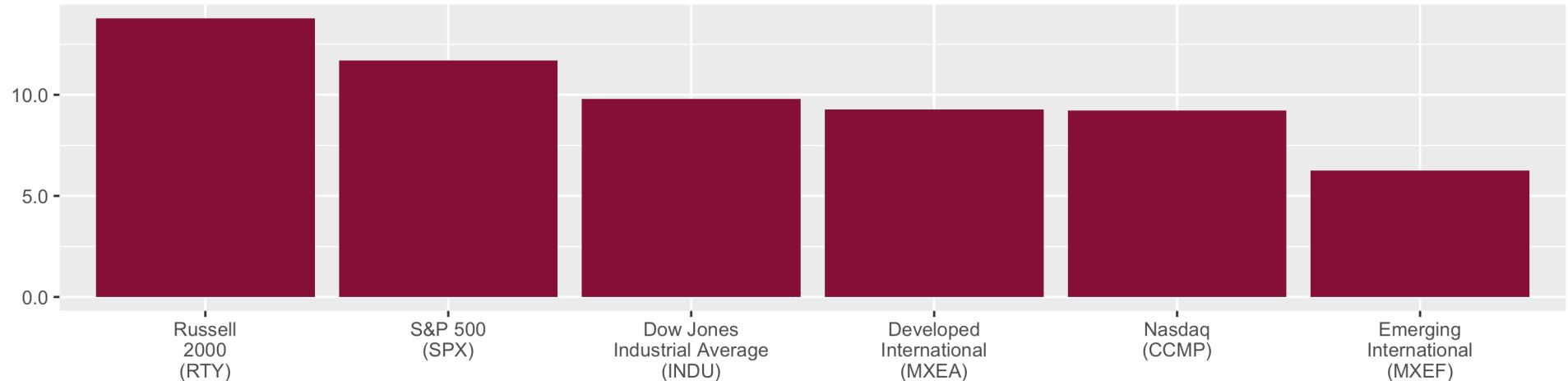
Annual Percent Change



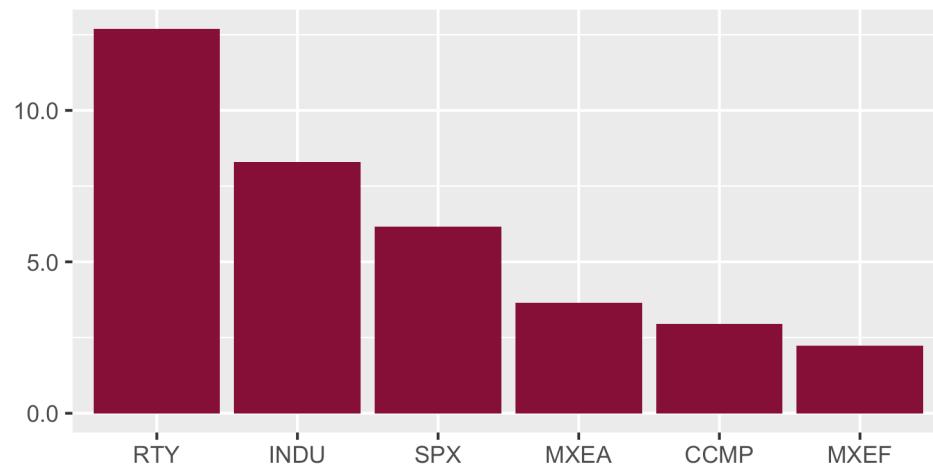
Equity Index Returns

Index Total Returns

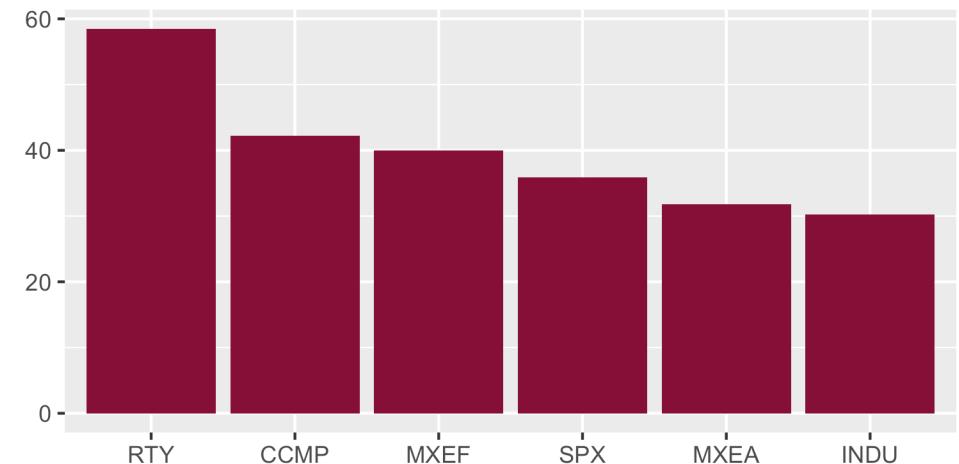
Year to Date


Index Total Returns

Last Quarter


Index Total Returns

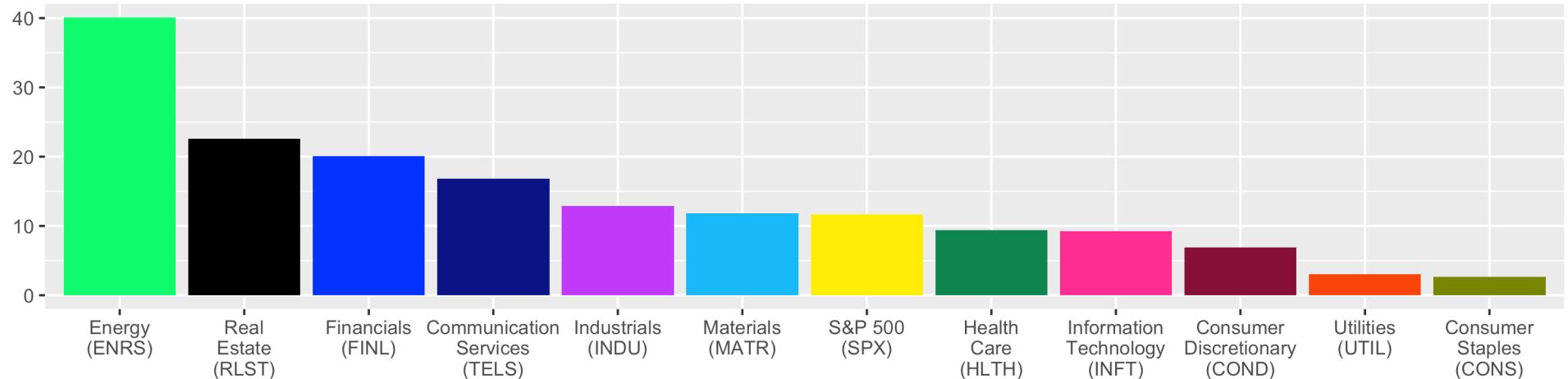
Trailing 12 Months



S&P 500 Sector Index Returns

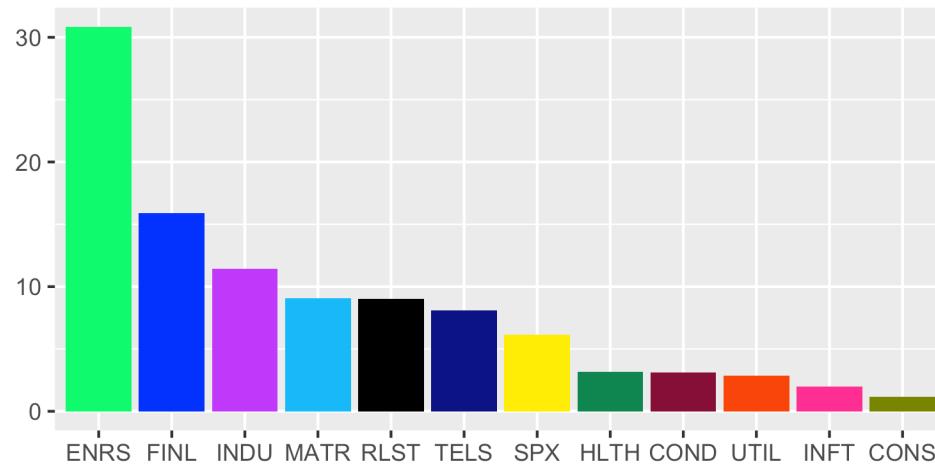
Index Total Returns

Year to Date



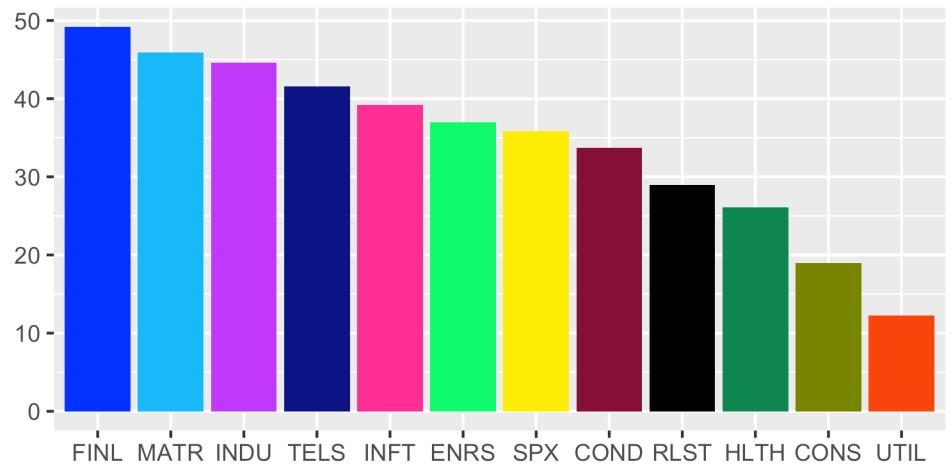
Index Total Returns

Last Quarter



Index Total Returns

Trailing 12 Months



Equity Markets

S&P 500 Sector Weights

