

Macroeconomic Impacts

as of December 12, 2020



Employment Impact

6.7%

In November, the unemployment rate declined by 0.2 percentage points to 6.7 percent, and **the number of people unemployed decreased by 0.4 million to 10.7 million.**

10.7m

For the week ending December 12, the advance figure for seasonally adjusted initial claims was 885,000, **an increase of 23,000 from the previous week's revised level.**

SOURCE: U.S. DEPARTMENT OF LABOR



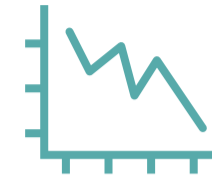
Consumer Confidence Impact



The preliminary December University of Michigan consumer sentiment reading increased 5.9 points.

-18.0%

Although confidence levels have recovered from the TTM low point reached in April 2020, **confidence remains subdued by the pandemic impact and currently is 18.0% below the sentiment level reported in the prior-year period.**



Consumer sentiment increased in early December primarily due to a more favorable long-term outlook for the economy, **while year-ahead prospects for the economy as well as personal finances remained unchanged.**

SOURCE: UNIVERSITY OF MICHIGAN



Retail Sales Impact

-1.1%

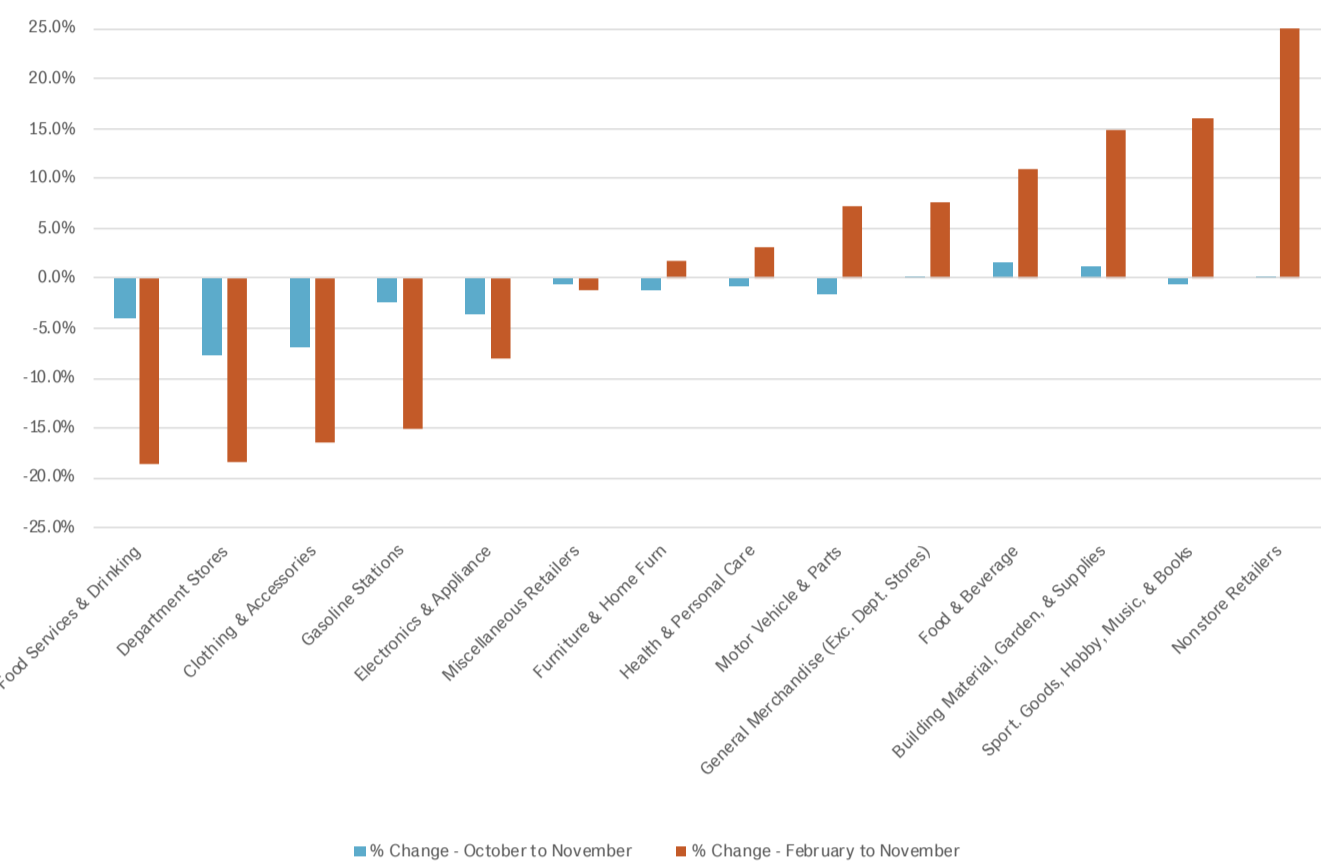
Advance estimates of U.S. retail and food services sales for November 2020, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, decreased 1.1% from October, but increased 4.1% over November 2019.



Non-store retailers were up 29.2% from November 2019, while food services and drinking establishments were down 17.2% from last year.

Advance Retail Sales Report

Seasonally Adjusted - Percent Change - October to November & February to November



SOURCE: U.S. CENSUS BUREAU



Impact on the Housing Market

+6.2%

The November residential building permit rate increased by 6.2% from October and was 14.0% above the February (pre-pandemic) rate, and 8.5% above the prior year rate.

+1.2%

Privately-owned housing starts increased 1.2% for November on a month-over-month basis but had still not reached pre-pandemic levels and remained 1.3% below the February rate.

SOURCE: U.S. CENSUS BUREAU, MARKETWATCH

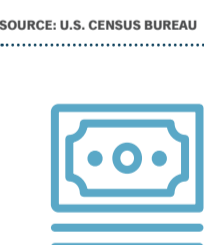
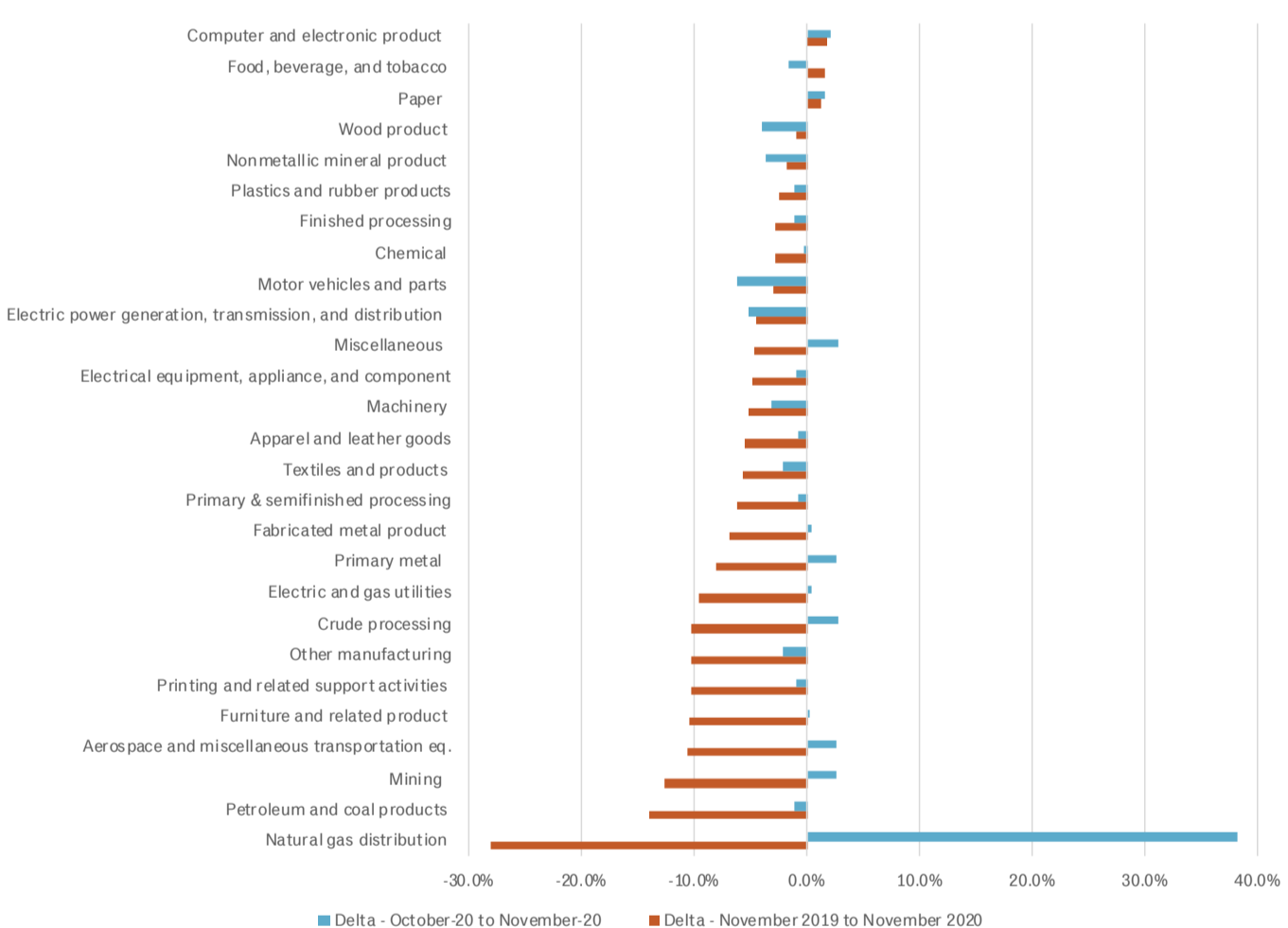


Industrial Impact

+0.4%

Total industrial production increased by 0.4% in November compared to October levels, but remained 4.9% below February and 5.5% below the prior year period.

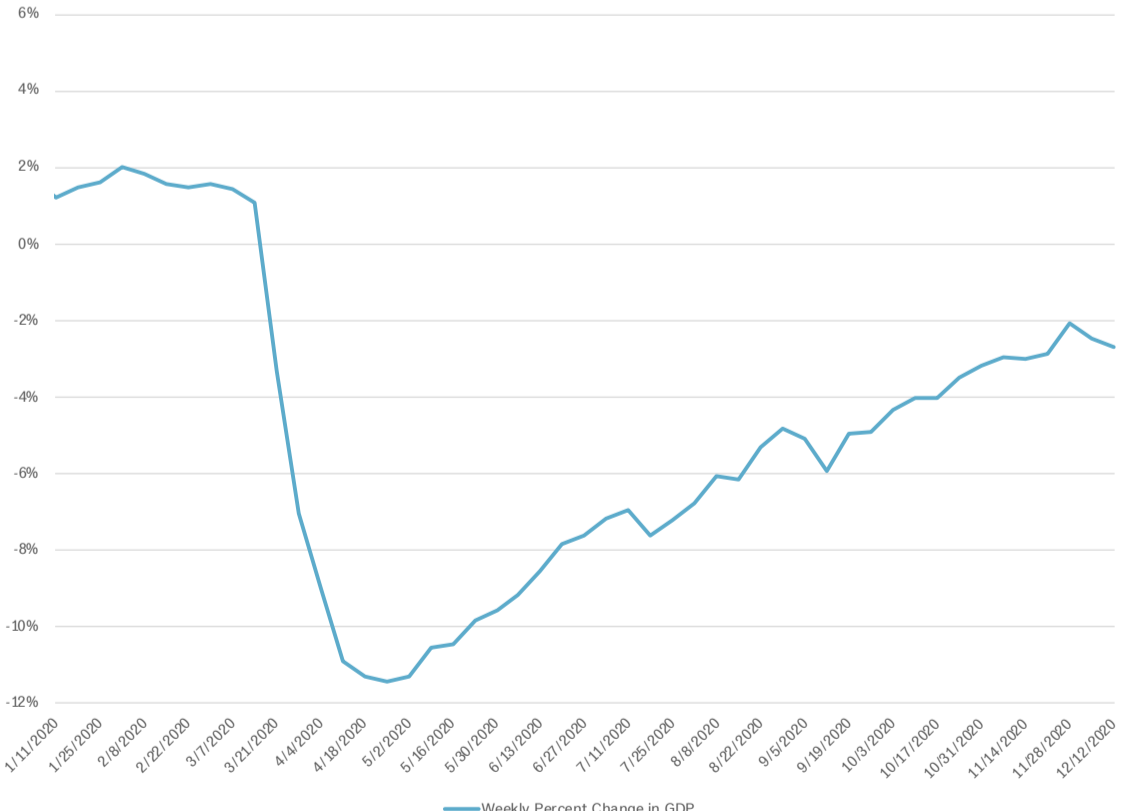
Monthly Change in Industrial Production - November-19 to November-20 and October-20 to November-20



Immediate Economic Impact

-0.2 pts

The decline in the WEI for the week of December 12 is due to an increase in initial unemployment insurance claims and decreases in electricity output and fuel sales (relative to the same time last year), which offset rises in tax withholding and rail traffic.



SOURCE: THE WEEKLY ECONOMIC INDEX; DANIEL LEWIS, NEW YORK FEDERAL RESERVE; KAREL MERTENS, DALLAS FEDERAL RESERVE; AND JAMES STOCK, HARVARD UNIVERSITY



Long-term Economic Outlook

+33.1%

Third quarter GDP increased by 33.1%. The Conference Board expects real economic growth to increase by an annualized rate of 2.8% for the fourth quarter while the U.S. economy continues to manage through the COVID-19 pandemic.

The Conference Board Economic Outlook 2019 - 2020

	2019		2020				2018	2019	2020	2021
	First Half	Second Half	QI	QII	QIII	QIV	Annual	Annual	Annual	
Real GDP	2.6	2.1	-5.0	-32.9	33.1	2.8	2.9	2.2	-3.6	3.6
Real Consumer Spending	2.8	2.5	-6.9	-34.6	40.6	2.3	3.0	2.4	-3.9	4.3
Residential Investment	-2.0	5.6	19.0	-38.7	62.3	15.0	-1.5	-1.7	4.8	9.9
Exports	-0.7	1.5	-9.5	-64.1	60.5	8.6	3.0	-0.1	-13.5	3.5

-3.6%

The Conference Board outlook as of December 9, 2020 projected a full-year decline in U.S. GDP of 3.6% based on a "U" shaped recovery.

SOURCE: THE CONFERENCE BOARD, ATLANTA FEDERAL RESERVE