

# Market Chart Book WM Research



D|A|DAVIDSON

The Strength of Advice®

A look at Equity Markets, Economic Data, and Interest Rates

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*Please refer to slide 52 of this report for detailed disclosure and certification information.*



# Table of Contents

1. Major Market Equity Returns
2. S&P 500: Sector Performance
3. S&P 500: Sector Performance Quilt
4. S&P 500: Earnings Growth
5. S&P 500: Valuation P/E Estimated
6. S&P 500: Earnings Yield
7. S&P 500: Annual Total Returns
8. S&P 500: Operating Margin
9. S&P 500: Sales Per Share Growth
10. Volatility: Staying the Course
11. S&P 500 vs. Russell 2000: Total Return
12. S&P 500 vs. Russell 2000: 10-Year Average
13. CBOE Market Volatility Index
14. U.S. Interest Rates: High Yield Spread
15. U.S. Interest Rates: 10-Year Treasury
16. U.S. Interest Rates: 10-Year / 3-Months
17. U.S. Interest Rates: 10-Year / 2-Year
18. U.S. Treasury Yield Curve – Past Four Years
19. Global Manufacturing Surveys
20. U.S. GDP Quarterly
21. U.S. Economic Surveys
22. U.S. Confidence Surveys
23. U.S. Industrial Production
24. Conference Board Leading Index
25. U.S. Personal Income & Savings
26. U.S. Consumer Spending – Quarterly
27. U.S. Consumer Spending – Monthly
28. U.S. Jobs & Unemployment Rate
29. U.S. Wages & Participation Rate
30. Housing Starts
31. Daily Airline Travel
32. Business Fixed Investment
33. Business Investment Growth
34. Household Debt: Service Ratio
35. Household Debt: As Percentage of GDP
36. Household Debt: Major Components
37. Nonfinancial Corporate Debt
38. Federal Debt: Total Value
39. Federal Debt: % of GDP
40. Federal Debt: Government Interest
41. U.S. Federal Revenue: Sources
42. U.S. Federal Income Statement
43. Federal Surplus / Deficit
44. U.S. Inflation: PCE
45. U.S. Inflation: CPI
46. U.S. Dollar Index
47. U.S. Oil Production & Prices
48. U.S. Equity Market: Sector Weights
49. Global Equities: Country Weights
50. Disclosures



# Major Market Equity Returns

Global equity gains in Q1 and Q2

Index	2Q21	1Q21	YTD 2021
S&P Mid Cap 400	3.6%	13.5%	17.6%
Russell 2000	4.3%	12.7%	17.5%
DJ Industrial Average	5.1%	8.3%	13.8%
S&P 500	8.5%	6.2%	15.3%
MSCI EAFE (Developed)	5.4%	3.6%	9.2%
MSCI Emerging Markets	5.1%	2.3%	7.6%

*Total returns reflect market appreciation or depreciation and the reinvestment of capital gains, dividends, interest and other income.*

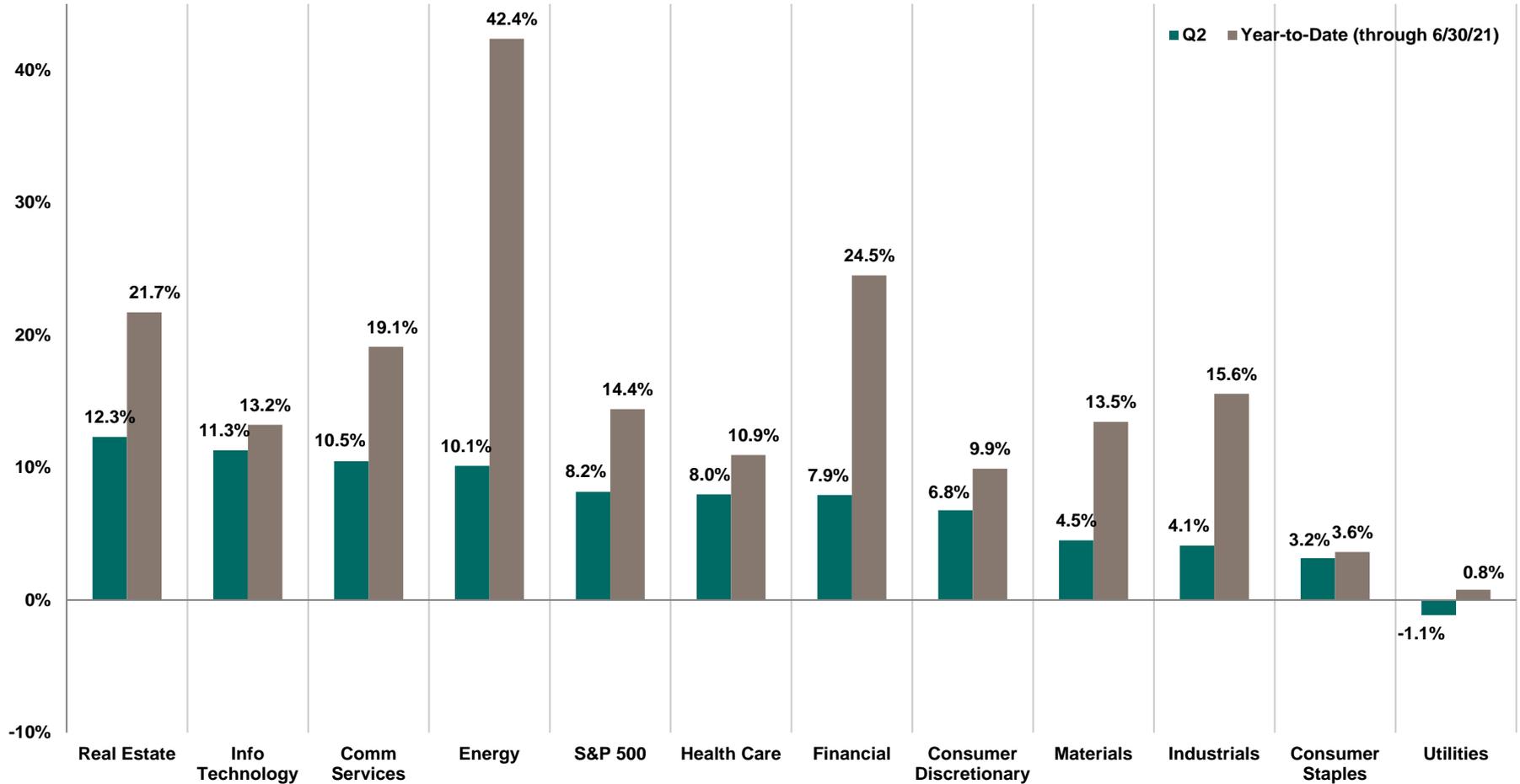
*The information on indices is presented for illustrative purposes only and is not intended to imply the potential performance of any fund or investment. Indices provide a general source of information on how various market segments and types of investments have performed in the past. You may not invest directly in an index. Past performance is not an indicator of future results.*

*Data source: FactSet; through 6/30/21 (foreign markets in U.S. dollar terms)*



# S&P 500: Sector Performance

Broad based 2021 sector gains, Q2 (in green) more level



Price returns reflect market appreciation or depreciation excluding the reinvestment of capital gains, dividends, interest and other income.

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Data source: FactSet; through 6/30/21



# S&P 500: Sector Performance Quilt

## Sector leadership rotates; supports diversification

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD '21	10-YEAR ANNUALIZED RETURN
Real Estate 32.32%	Utilities 19.98%	Financials 28.82%	Consumer Discretionary 43.08%	Real Estate 30.19%	Consumer Discretionary 10.11%	Energy 27.36%	Information Technology 38.83%	Health Care 6.47%	Information Technology 50.29%	Information Technology 43.89%	Energy 45.64%	Information Technology 21.99%
Consumer Discretionary 27.66%	Consumer Staples 13.99%	Consumer Discretionary 23.92%	Health Care 41.46%	Utilities 28.98%	Health Care 6.89%	Telecom Services 23.49%	Materials 23.84%	Utilities 4.11%	Communication Services* 32.69%	Consumer Discretionary 33.30%	Financials 25.69%	Consumer Discretionary 17.89%
Industrials 26.71%	Health Care 12.73%	Real Estate 19.74%	Industrials 40.68%	Health Care 25.34%	Consumer Staples 6.60%	Financials 22.80%	Consumer Discretionary 22.98%	Consumer Discretionary 0.83%	Financials 32.13%	Communication Services* 23.61%	Real Estate 23.30%	Health Care 15.67%
Materials 22.20%	Real Estate 11.39%	Telecom Services 18.31%	Financials 35.63%	Information Technology 20.12%	Information Technology 5.92%	Industrials 18.86%	Financials 22.18%	Information Technology -0.29%	Industrials 29.37%	Materials 20.73%	Communication Services* 19.67%	Financials 13.71%
Energy 20.46%	Telecom Services 6.27%	Health Care 17.89%	Information Technology 28.43%	Consumer Staples 15.98%	Real Estate 4.68%	Materials 16.69%	Health Care 22.08%	Real Estate -2.22%	Real Estate 29.01%	Health Care 13.45%	Industrials 16.40%	Industrials 12.80%
Telecom Services 18.97%	Consumer Discretionary 6.13%	Industrials 15.35%	Consumer Staples 26.14%	Financials 15.20%	Telecom Services 3.40%	Utilities 16.29%	Industrials 21.03%	Consumer Staples -8.38%	Consumer Discretionary 27.94%	Industrials 11.06%	Materials 14.50%	Consumer Staples 11.49%
Consumer Staples 14.11%	Energy 4.72%	Materials 14.97%	Materials 25.60%	Industrials 9.83%	Financials -1.53%	Information Technology 13.85%	Consumer Staples 13.49%	Communication Services* -12.53%	Consumer Staples 27.61%	Consumer Staples 10.75%	Information Technology 13.76%	Communication Services* 11.30%
Financials 12.13%	Information Technology 2.41%	Information Technology 14.82%	Energy 25.07%	Consumer Discretionary 9.68%	Industrials -2.53%	Consumer Discretionary 6.03%	Utilities 12.11%	Financials -13.03%	Utilities 26.35%	Utilities 0.48%	Health Care 11.85%	Real Estate 11.06%
Information Technology 10.19%	Industrials -0.59%	Consumer Staples 10.76%	Utilities 13.21%	Materials 6.91%	Utilities -4.85%	Consumer Staples 5.38%	Real Estate 10.85%	Industrials -13.29%	Materials 24.58%	Financials -1.69%	Consumer Discretionary 10.27%	Utilities 10.56%
Utilities 5.46%	Materials -9.75%	Energy 4.61%	Telecom Services 11.47%	Telecom Services 2.99%	Materials -8.38%	Real Estate 3.39%	Energy -1.01%	Materials -14.70%	Health Care 20.82%	Real Estate -2.17%	Consumer Staples 5.02%	Materials 10.09%
Health Care 2.90%	Financials -17.06%	Utilities 1.28%	Real Estate 1.60%	Energy -7.78%	Energy -21.12%	Health Care -2.69%	Telecom Services -1.25%	Energy -18.10%	Energy 11.81%	Energy -33.68%	Utilities 2.38%	Energy -0.02%
	Energy		Materials		Industrials		Consumer Discretionary		Consumer Staples		Health Care	
	Financials		Information Technology		Real Estate		Communication Services		Utilities			

The chart above shows the total returns for the 11 GICS sectors represented in the S&P 500. Total returns reflect market appreciation or depreciation and the reinvestment of capital gains, dividends, interest and other income.

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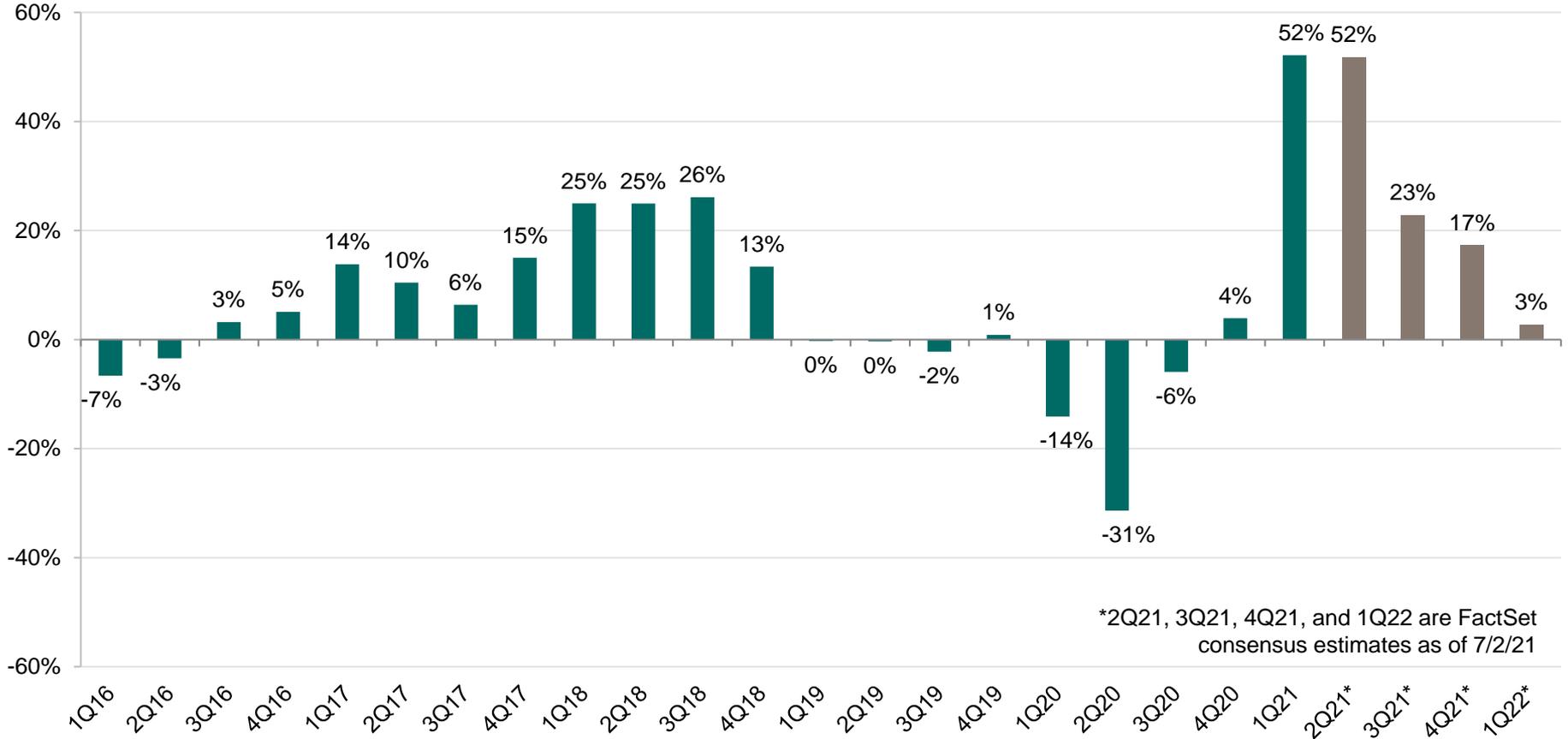
Data source: FactSet; through 6/30/21



# S&P 500: Earnings Growth

Strong post-recession growth, but growth will slow

## S&P 500 Earnings Growth (y/y, reported)



The chart above displays reported quarterly operating earnings per share (EPS) growth for the S&P 500 index in green. Estimated quarterly growth figures for the next four quarters are displayed in grey and use consensus EPS estimates, which are the combined estimates of analysts covering each company included in the index.

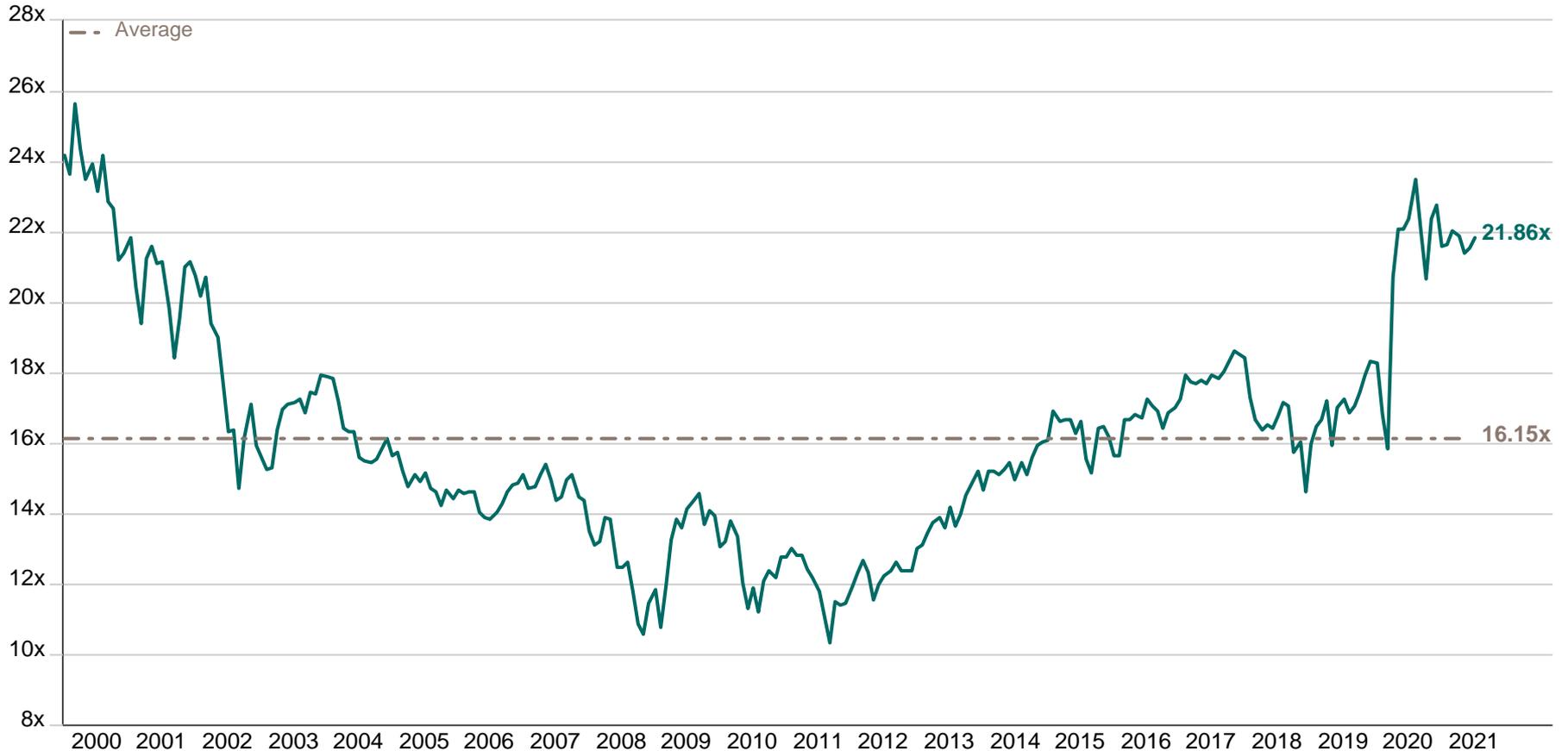
Data source: FactSet; through 7/15/21



# S&P 500: Valuation P/E - estimated

P/E still elevated, but stable as earnings growth rises

## S&P 500 Next Twelve Months P/E



The forward S&P 500 price-to-earnings ratio (P/E) is a valuation measure, calculated by dividing the price of the S&P 500 index over the weighted average earnings per share (EPS) estimate of each company in the index. Earnings are based on "forward" consensus estimates expected over the next 12 months (NTM).

Data source: FactSet; through 7/15/21



# S&P 500: Earnings Yield

U.S. equities undervalued vs. bonds even as equities rally

## Fed Model (10-Year Treasury vs S&P Earnings Yield)



The S&P 500 earnings yield is a valuation measure calculated by dividing the weighted average earnings per share (EPS) estimate of each company in the S&P 500 index over the price of the index. Earnings are based on "forward" consensus estimates expected over the next 12 months.

The yield of the 10-year U.S. Treasury bond is a widely followed barometer of the current U.S. interest rate environment.

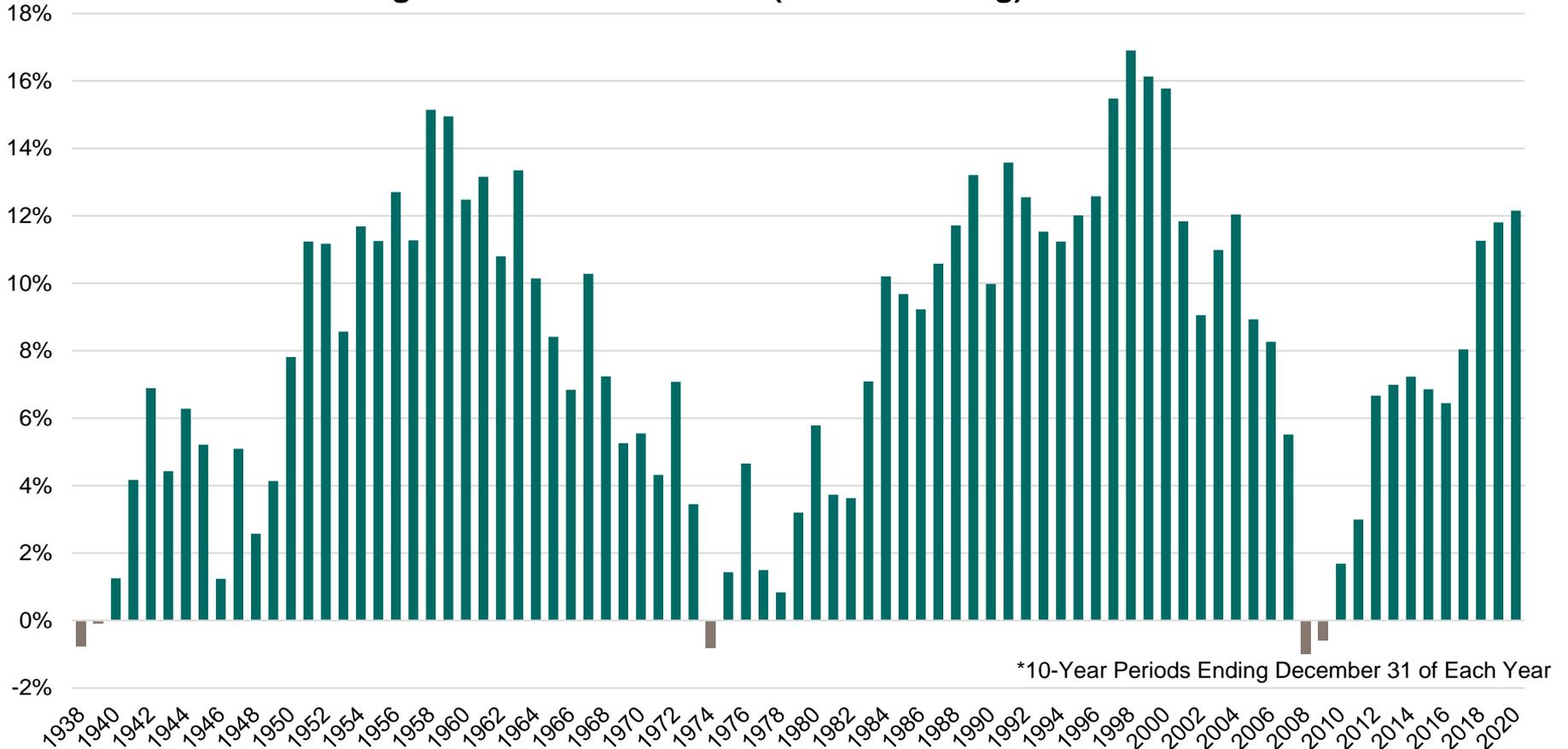
Data source: FactSet; through 7/15/21



# S&P 500: Annual Total Returns

10-year returns show the benefits of equities over time

**S&P 500 Index Average Annual Price Returns (10-Year Rolling)**



\*10-Year Periods Ending December 31 of Each Year

This chart suggests that it is rare for long-term investors in equity markets to experience a negative total return if they buy and hold for at least 10 years. Within these 10-year periods, however, markets are volatile and in the interim investors can experience significant drawdowns.

Price returns reflect market appreciation or depreciation excluding the reinvestment of capital gains, dividends, interest and other income.

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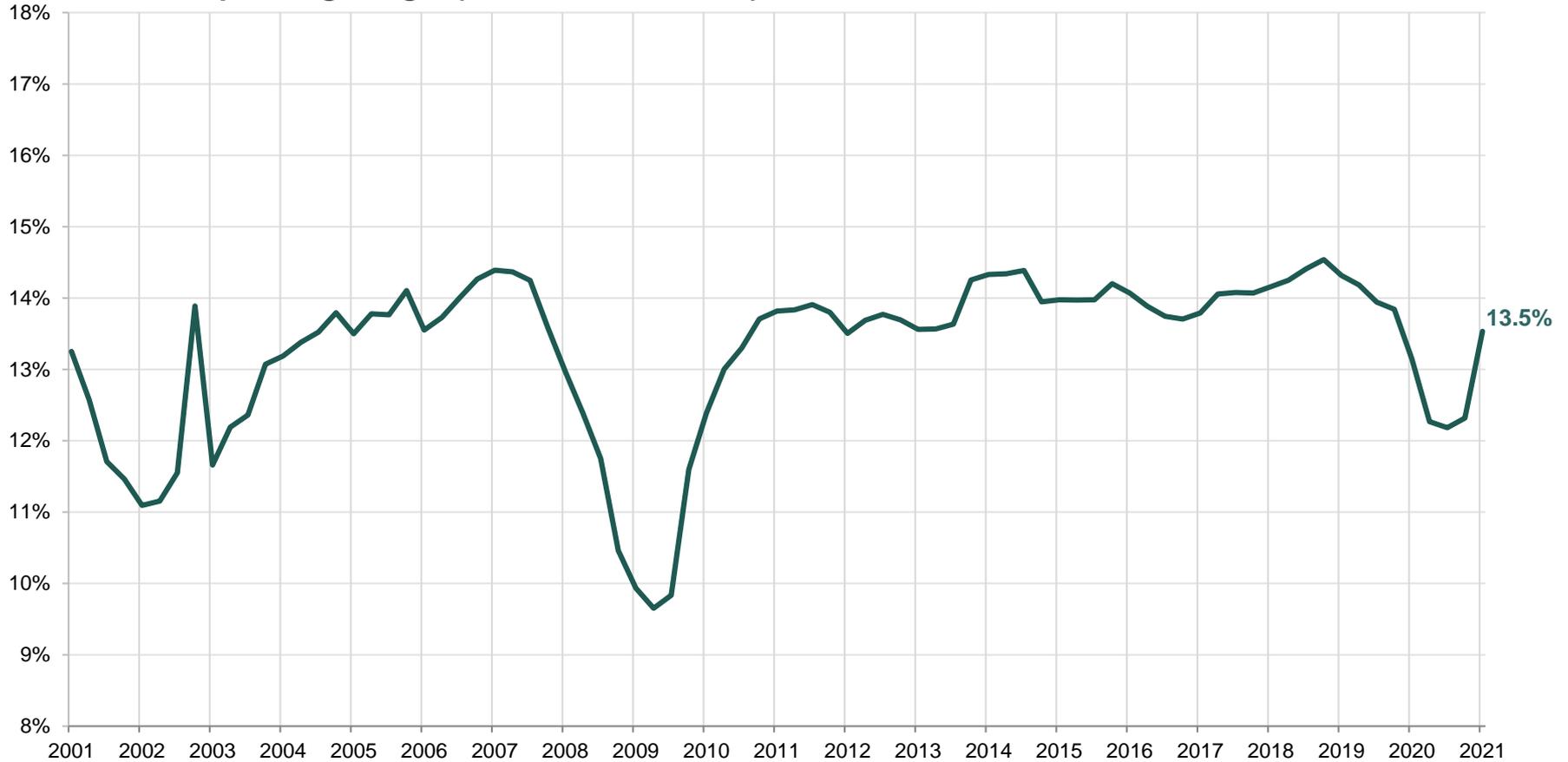
Data source: FactSet; through 12/31/20



# S&P 500: Operating Margin

Margins recovery underway, driving earnings upside

**S&P 500 Operating Margin (Last Twelve Months)**



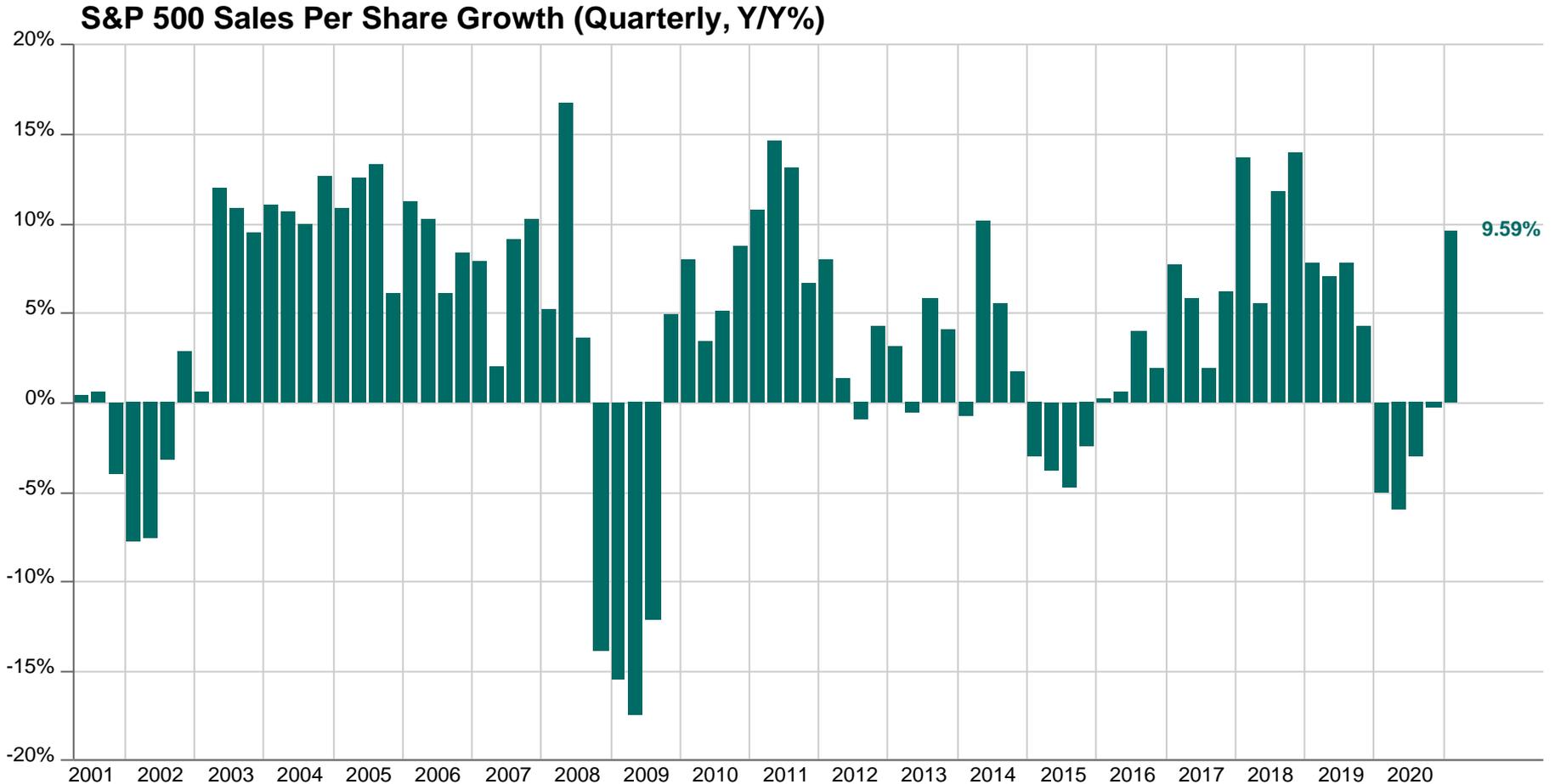
S&P 500 Operating Margin is a measure of operating income for S&P 500 companies as a percentage of revenue. The chart above shows the weighted average S&P 500 EBIT margin for companies within the index on a last twelve months basis.

Data source: FactSet; through 6/30/21



# S&P 500: Sales Per Share Growth

Revenues rebounding as economy reopens



S&P 500 Sales Per Share is a measure of sales divided by outstanding shares reported by S&P 500 companies. The chart above shows the year-over-year growth rate for sales per share for the index on a quarterly basis.

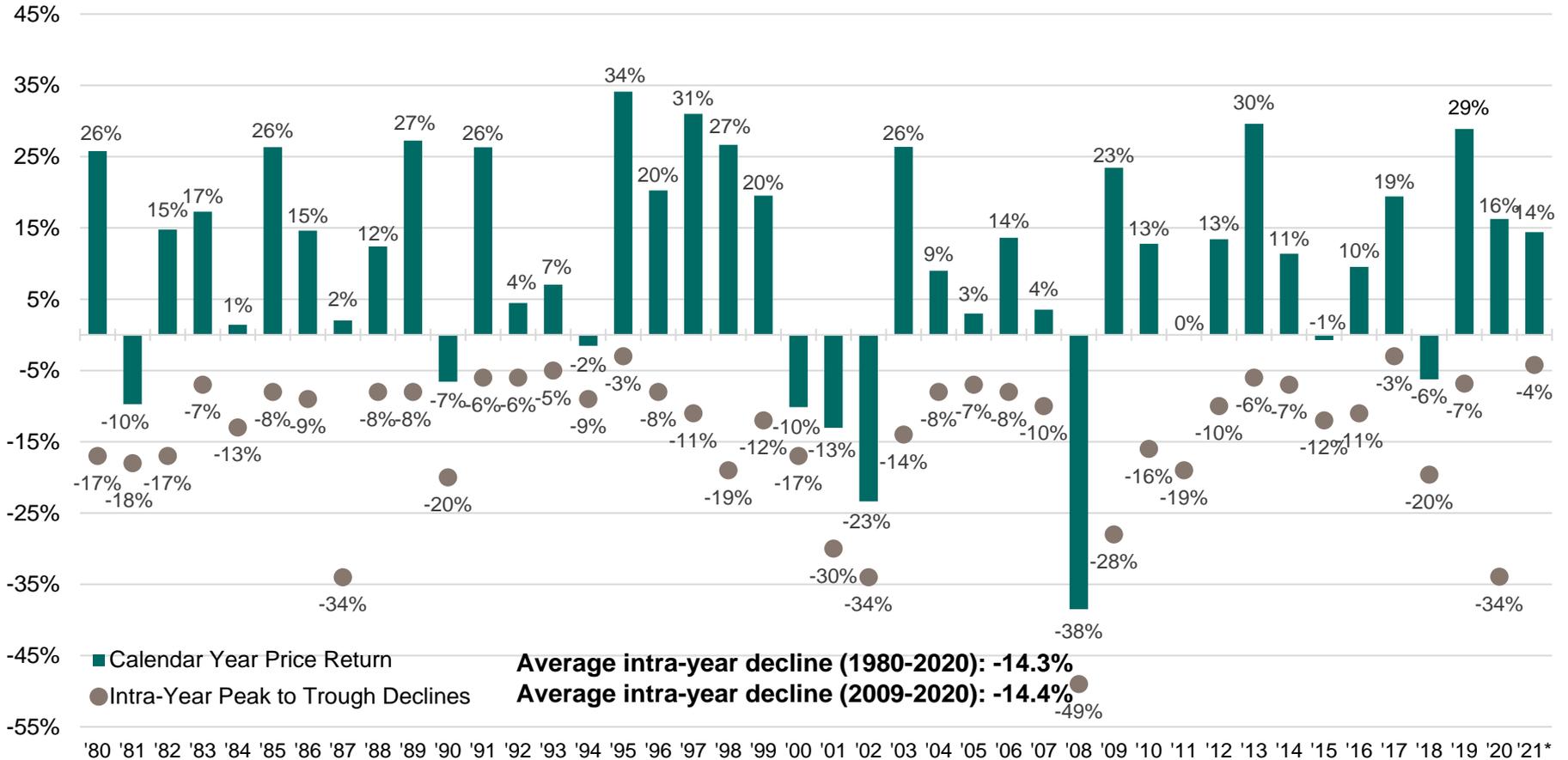
Data source: FactSet; through 6/30/21



# Volatility: Staying the Course

Intra-Year corrections are common even in bull markets

## S&P 500 Annual Returns and Intra-Year Declines



\*2021 data is year-to-date through 6/30/21

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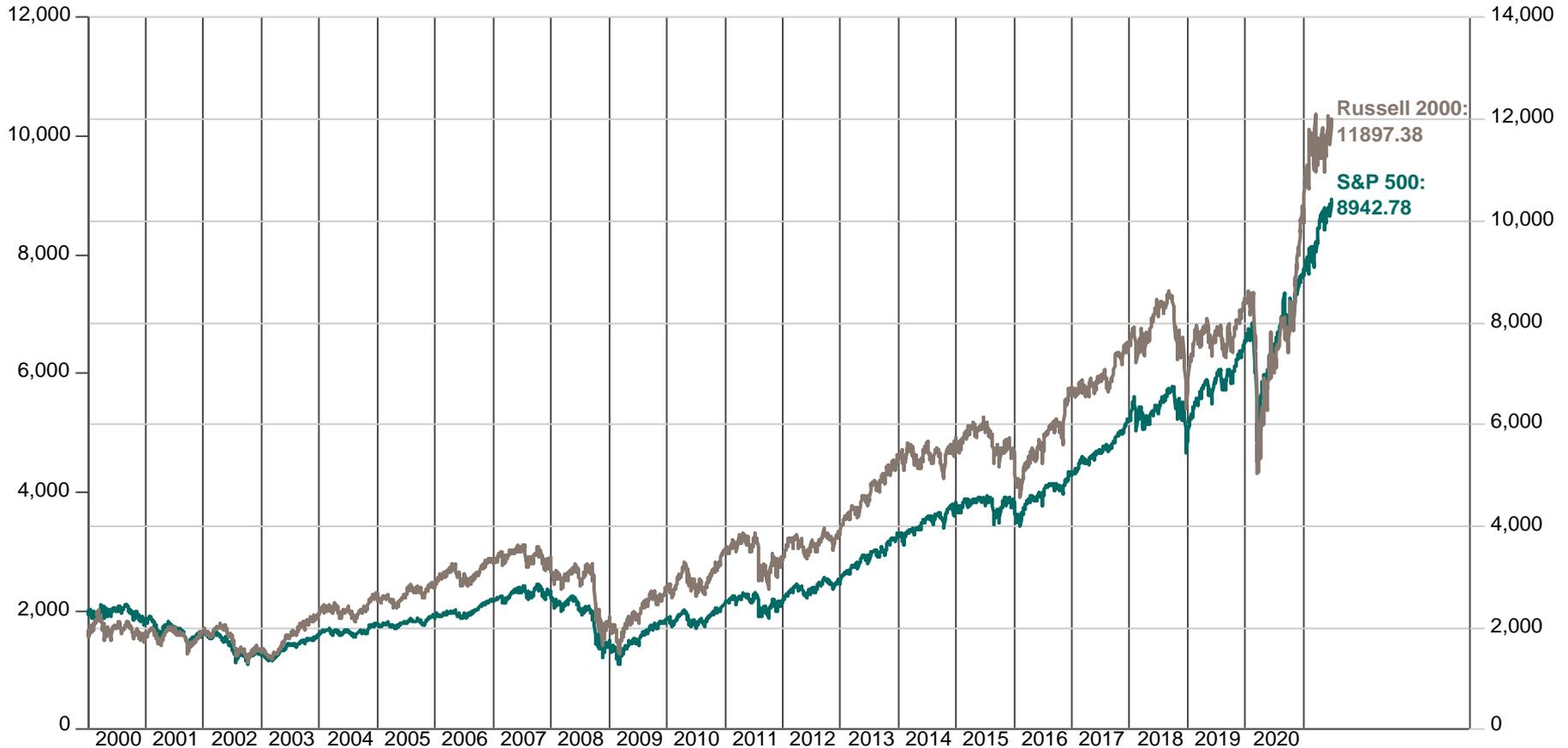
Data source: FactSet; through 6/30/21



# S&P 500 vs. Russell 2000

Since 2000 large cap stocks have lagged small caps

## S&P 500 vs. Russell 2000 Total Return Level



Total returns reflect market appreciation or depreciation and the reinvestment of capital gains, dividends, interest and other income.

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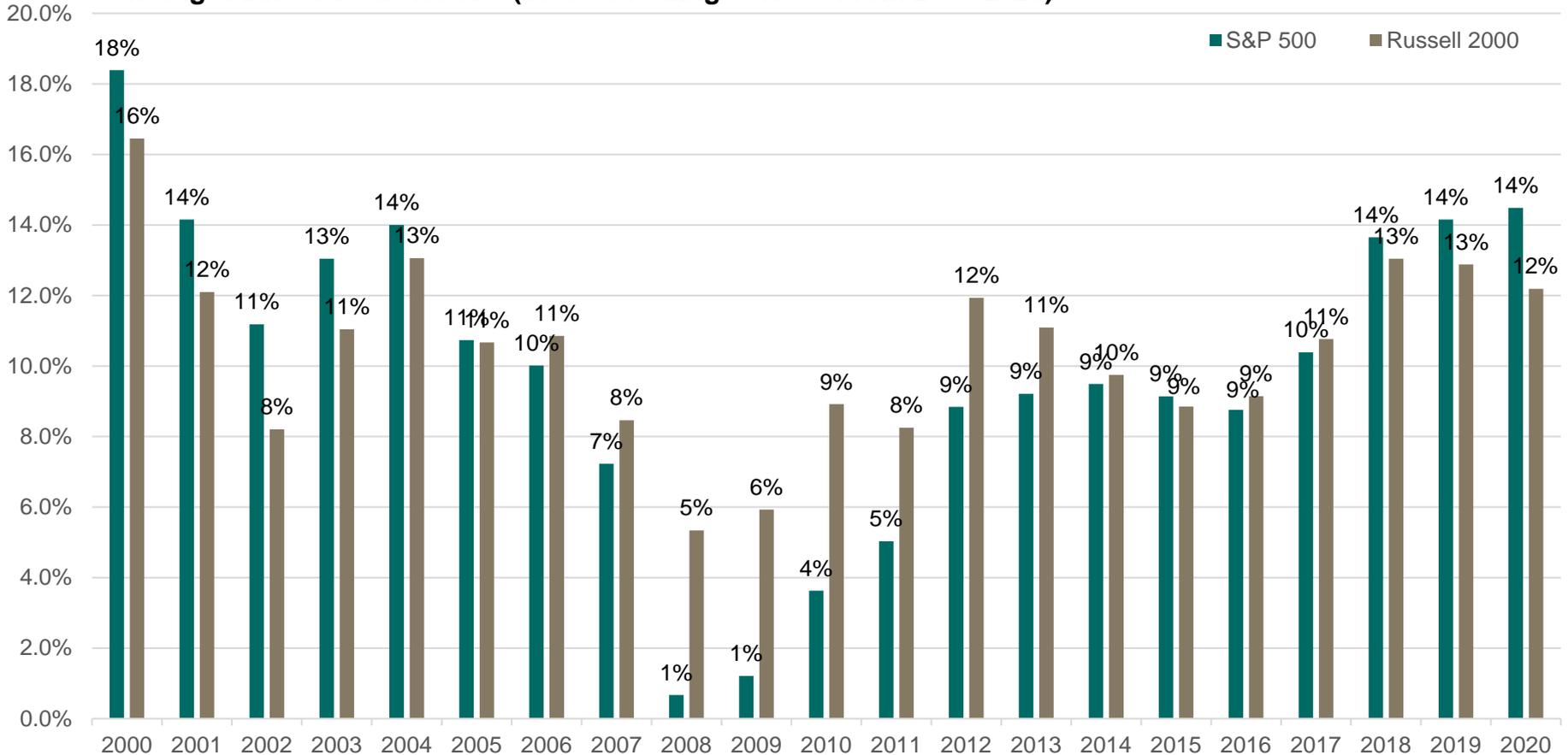
Data source: FactSet; through 6/30/21



# S&P 500 vs. Russell 2000

Large caps stocks have led gains over 10 years

**Average Annual Total Returns (10-Year Rolling Periods From 2000-2020)**



Total returns reflect market appreciation or depreciation and the reinvestment of capital gains, dividends, interest and other income.

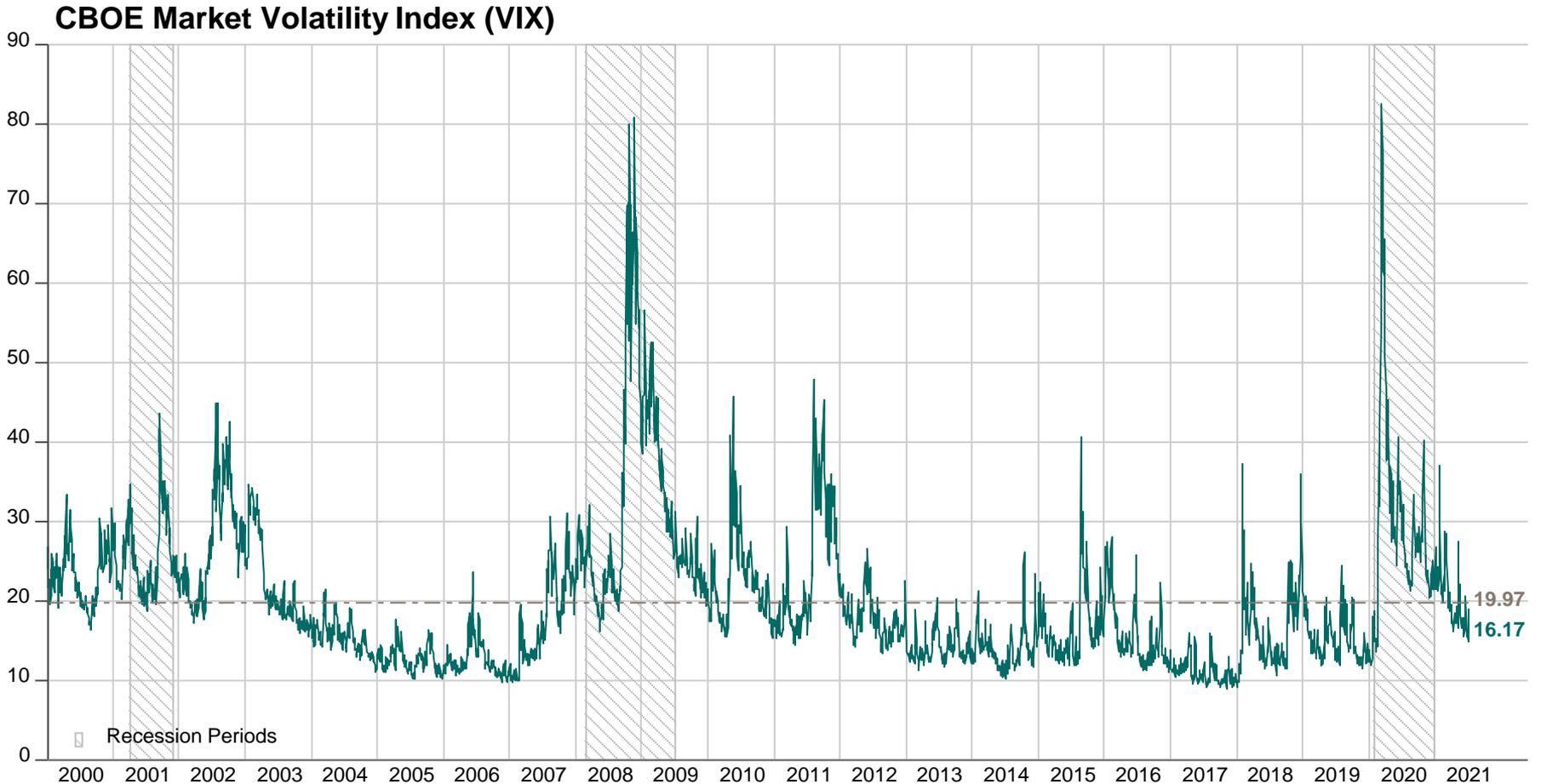
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Data source: FactSet; through 12/31/20



# CBOE Market Volatility Index

Volatility ends Q2 at a pandemic low



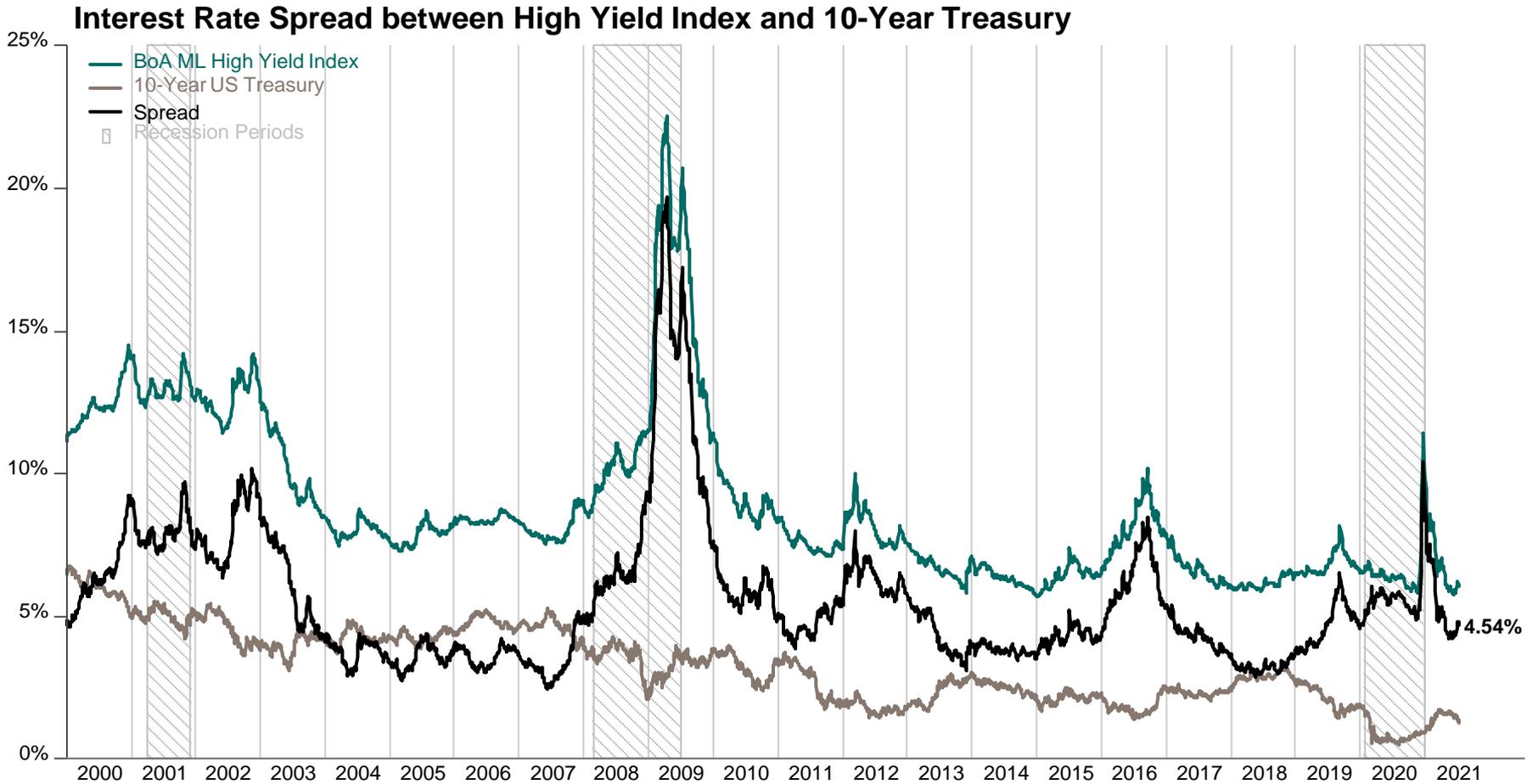
The CBOE Market Volatility Index (VIX) is a widely followed barometer of equity market volatility. The index is derived from price inputs of S&P 500 index options and is designed to reflect the market's expectation of 30-day forward-looking volatility.

Data source: FactSet; through 7/15/21



# U.S. Interest Rates: High Yield Spread

Credit spreads moving higher but below panemic levels



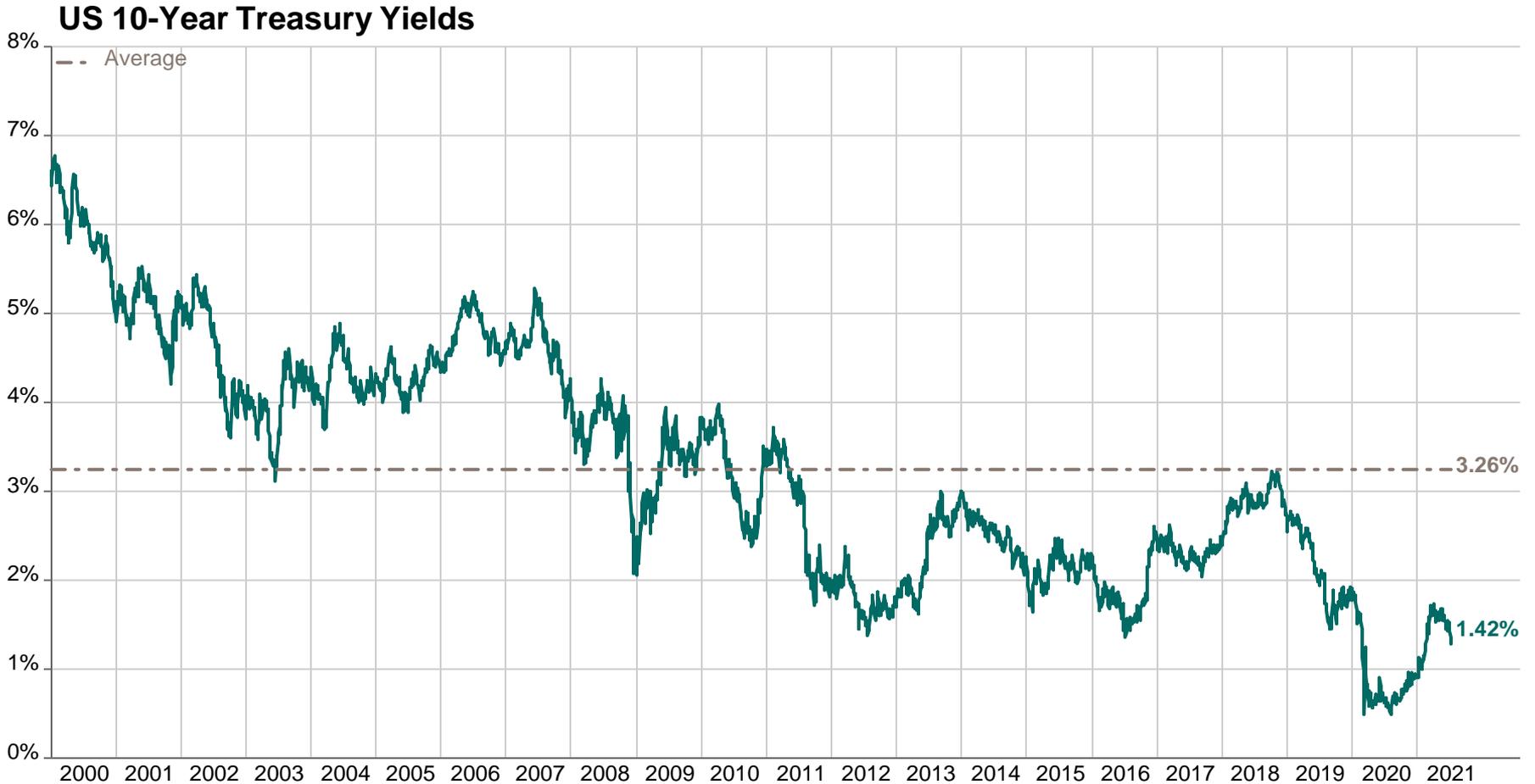
Shown are historical yields earned on two fixed income securities. The BofA ML High Yield Index is shown to display the yield on a basket of various higher-yielding fixed income securities. Yield of the 10-year U.S. Treasury bond is a widely followed barometer of the current U.S. interest rate environment. The spread is the difference in yield between the two securities, which can be used to interpret the premium investors require to take on the difference in risk between the two.

Data source: FactSet; through 7/15/21



# U.S. Interest Rates: 10-Year Treasury

Yields have pulled back after 6-month rise, still higher in 2021



The yield of the 10-year U.S. Treasury bond is a widely followed barometer of the current U.S. interest rate environment.

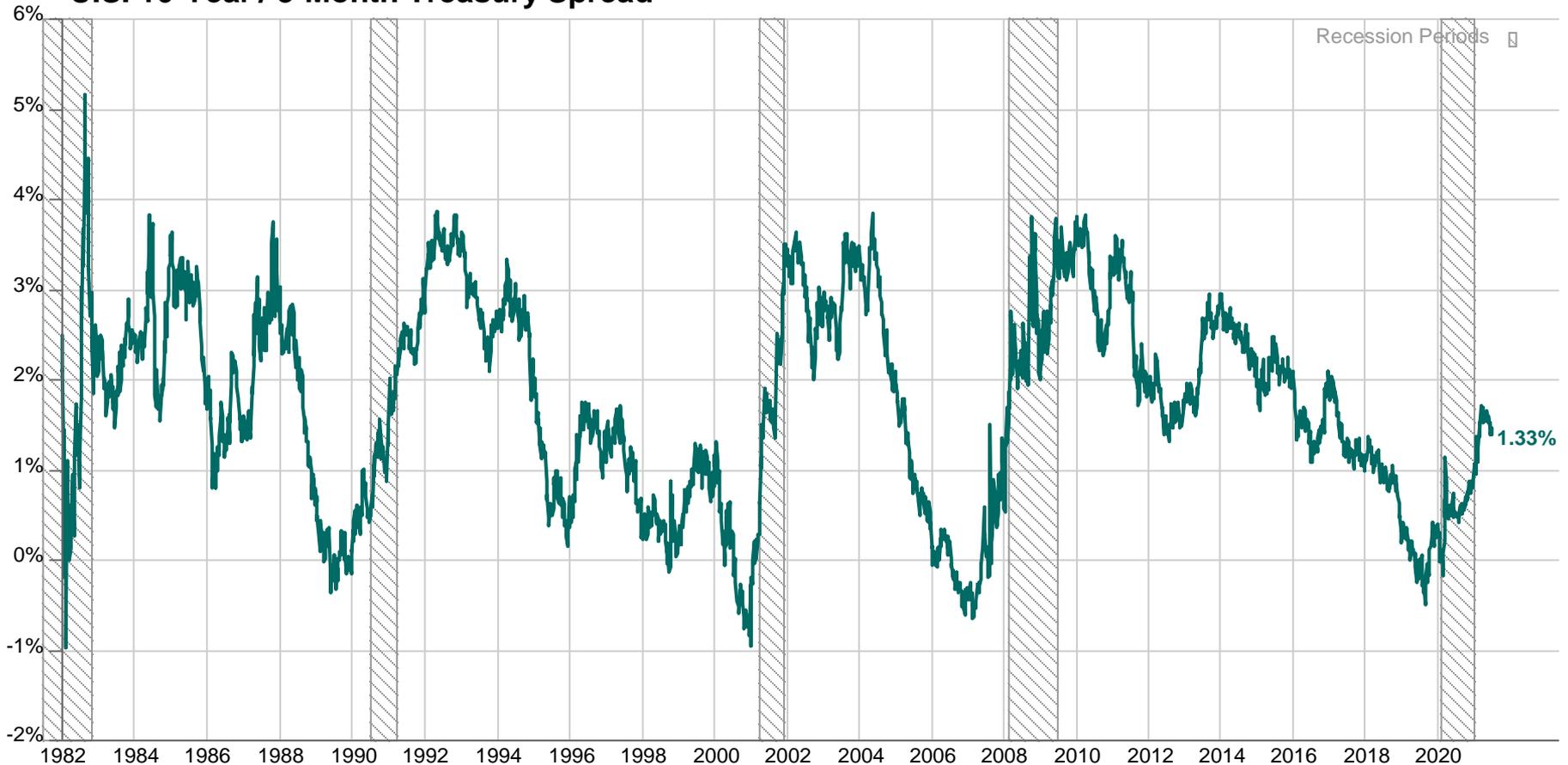
Data source: FactSet; through 7/15/21



# U.S. Interest Rates: 10-Yr / 3-Mos

Steeper yield curve has stalled, not uncommon post-recessions

## U.S. 10-Year / 3-Month Treasury Spread



Yield of the 10-year and 3-Month U.S. Treasury bonds are widely followed barometers of the current U.S. interest rate environment. The spread is the difference in interest rates between the two securities.

Data source: FactSet; through 6/30/21 (recession periods shaded)



# U.S. Interest Rates: 10-Yr / 2-Yr

Key long-term vs. short-term yield spread narrowed since March

## U.S. 10-Year / 2-Year Treasury Spread



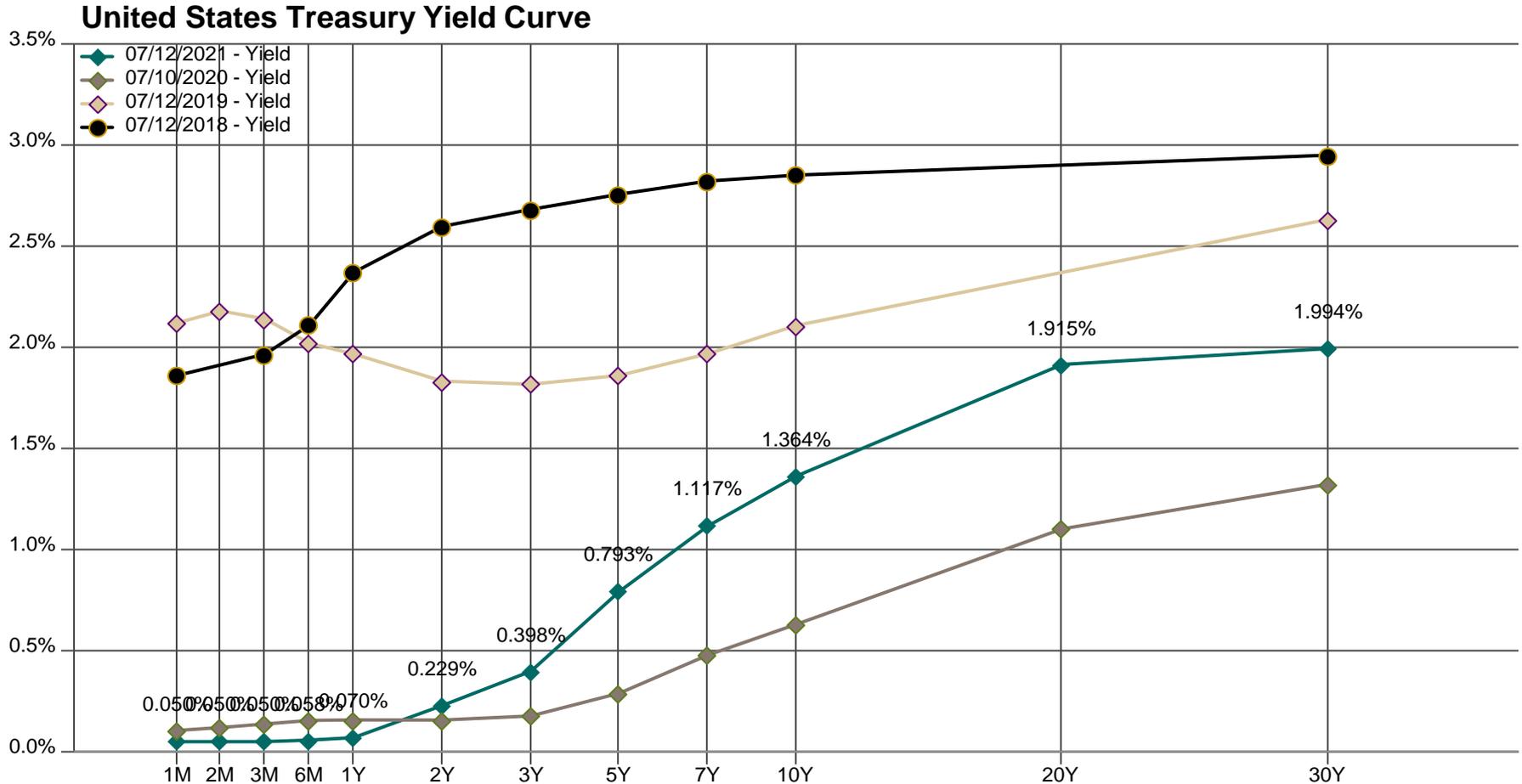
Yield of the 10-year and 2-Year U.S. Treasury bonds are widely followed barometers of the current U.S. interest rate environment. The spread is the difference in interest rates between the two securities.

Data source: FactSet; through 7/15/21 (recession periods shaded)



# U.S. Treasury Yield Curve

Despite lower long-term yields since March, trend is steeper



The chart above shows the yield curve of U.S. Treasury bonds on various dates. Yield curve displays the market interest rate across different contract lengths for U.S. Treasury bonds, indicating the relationship between the interest rate and the time ("term") to maturity. Yield curve "inversion" occurs when a shorter-term bond has a higher yield than a longer-term bond, and is seen as a historically reliable predictor of a future recession.

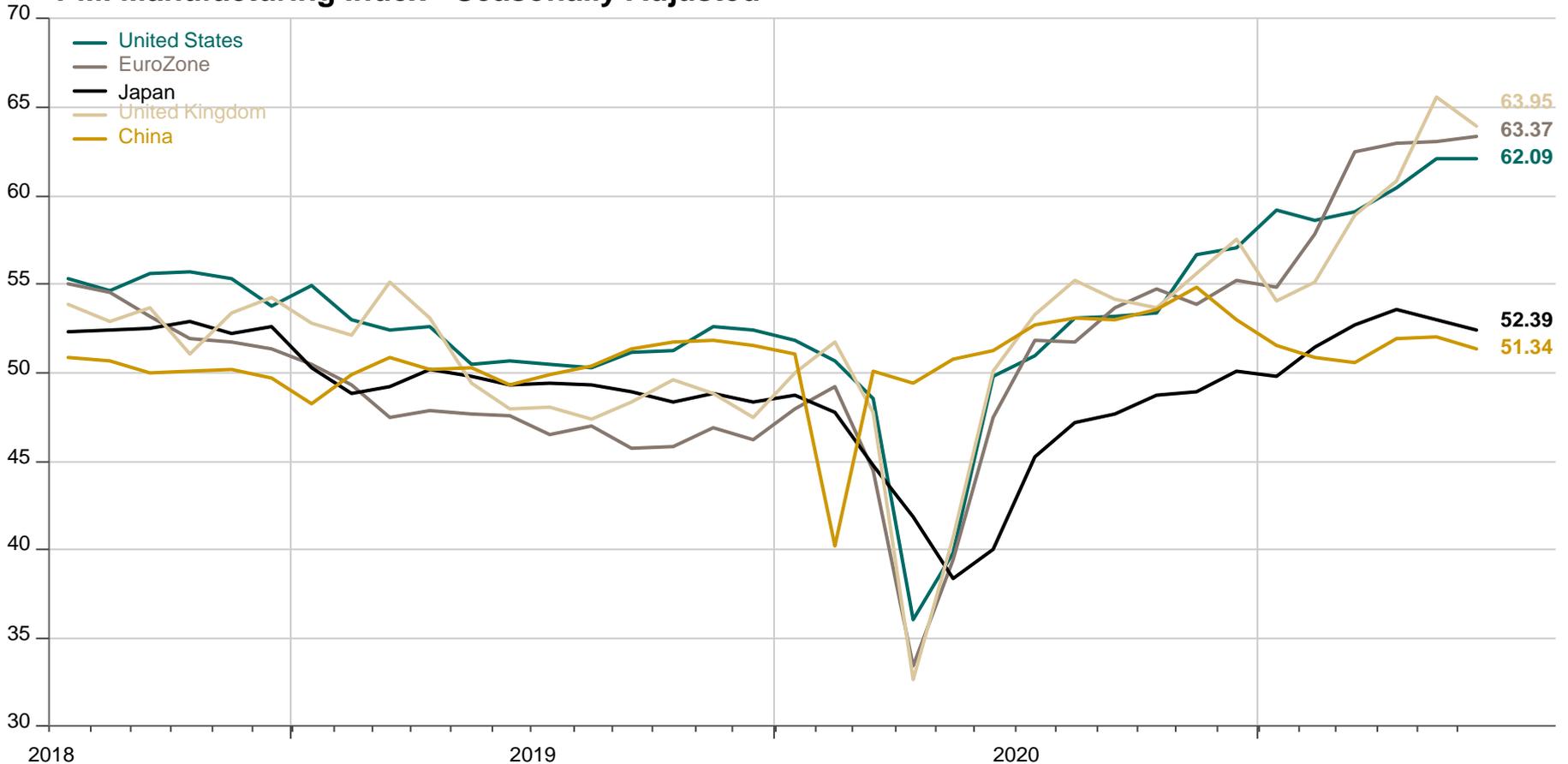
Data source: FactSet; through 7/15/21



# Global Manufacturing Surveys

## PMIs suggest global growth at hand, but not accelerating

### PMI Manufacturing Index - Seasonally Adjusted



A Purchasing Managers' Index (PMI) is an indicator of the outlook for the manufacturing (PMI – Manufacturing) and services (PMI – Services) sectors of the economy. The index is based on a wide survey of company executives in these sectors. A reading above 50 indicates expectation for expansion compared to the previous month; a reading below 50 suggests contraction. Seasonally adjusted (SA) is used to normalize data by adjusting for seasonal changes in business and economic data for a more accurate comparison between different time periods. United States and Euro Zone data is provided by IHS Markit, Japan data is provided by Nikkei, United Kingdom data is provided by the Chartered Institute of Procurement & Supply, and China data is provided by Caixin.

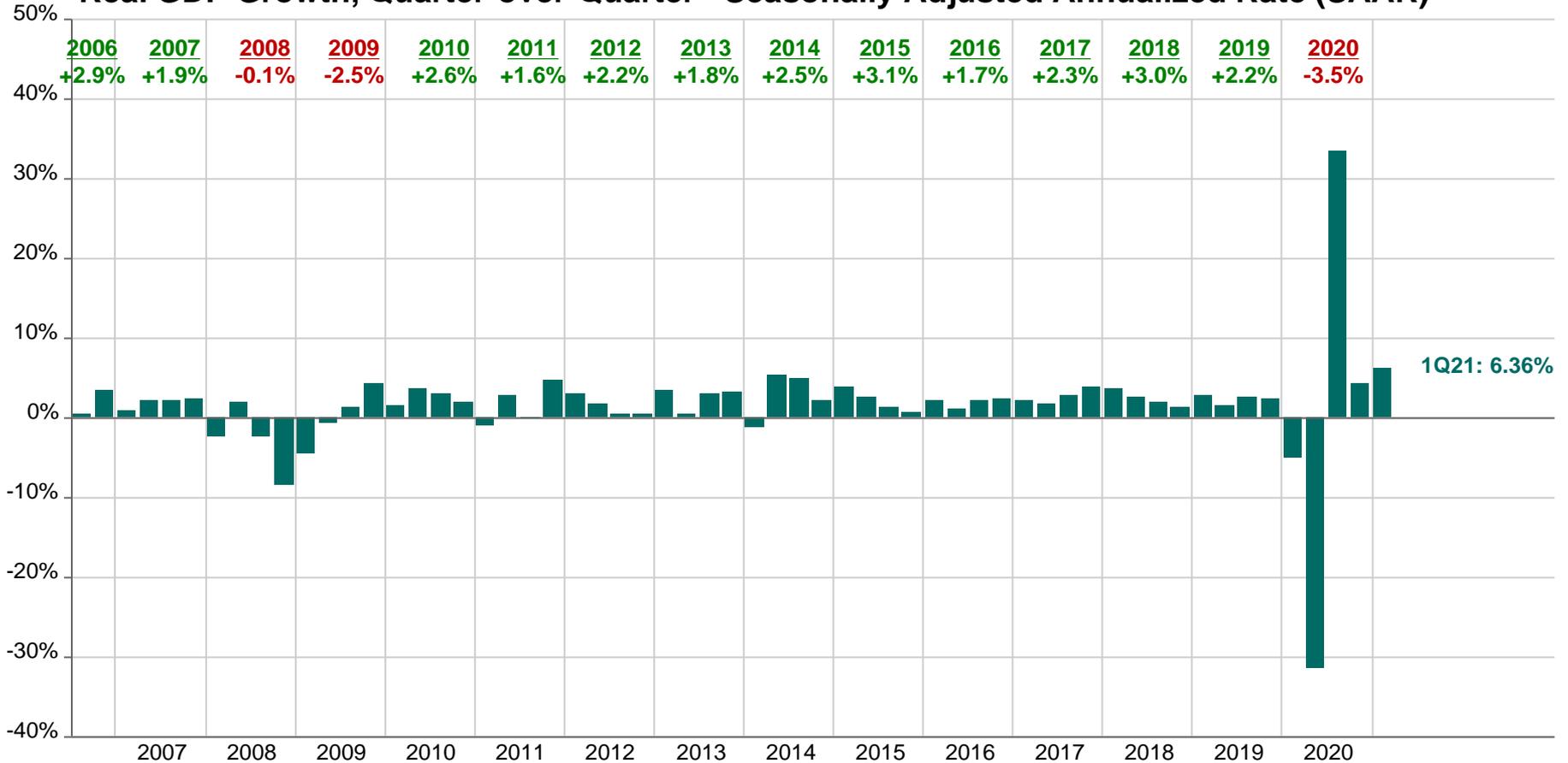
Data source: FactSet; through 6/30/21



# U.S. GDP Quarterly

GDP growth rebounded after two-quarter recession

## Real GDP Growth, Quarter-over-Quarter - Seasonally Adjusted Annualized Rate (SAAR)



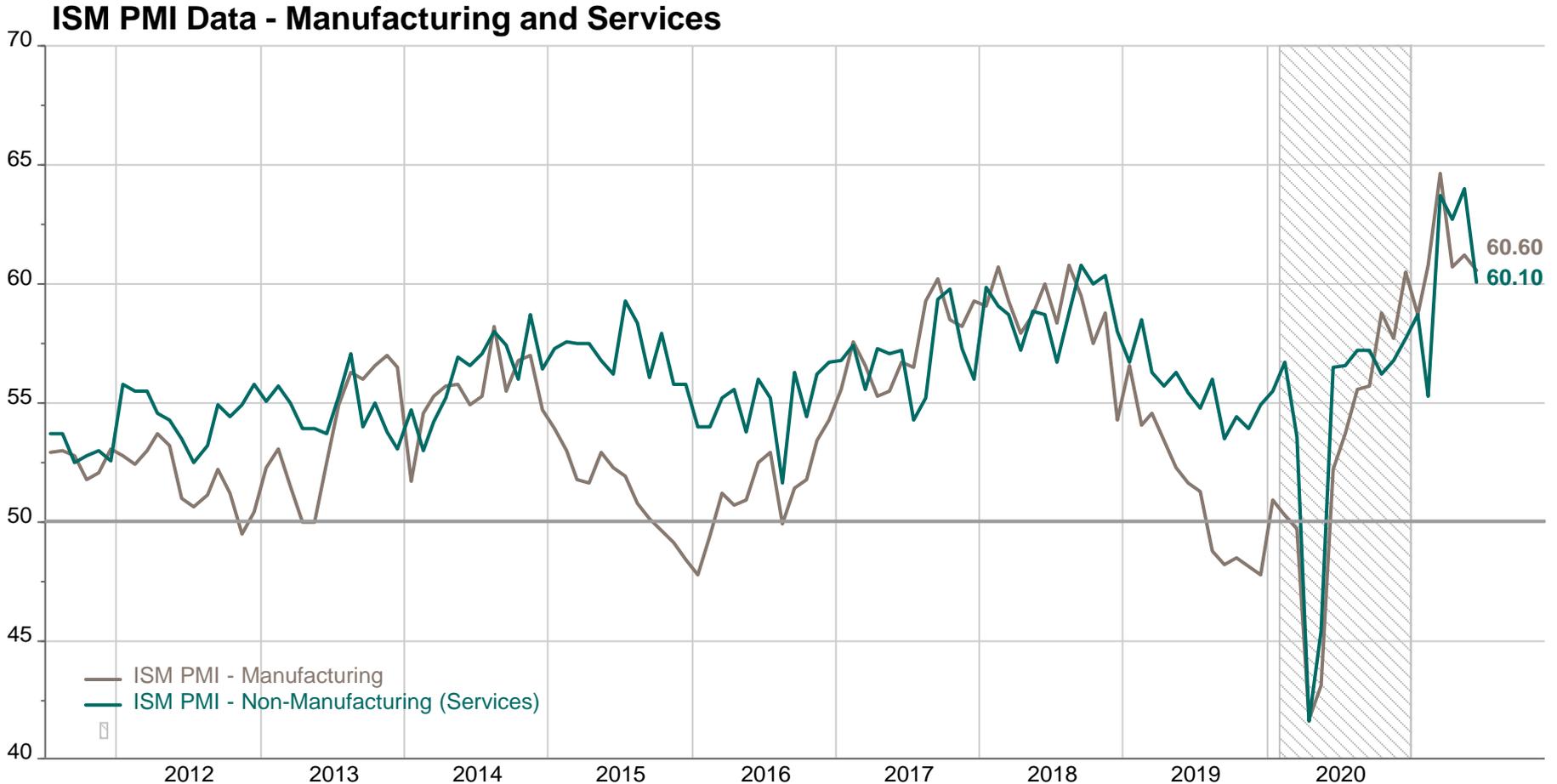
Gross Domestic Product (GDP) is one of the primary economic indicators used to gauge the overall health of the economy and measures the total dollar value of all goods and services produced over a specific time period. Seasonally adjusted annual rate (SAAR) is used to normalize data by adjusting for seasonal changes in business and economic data for a more accurate comparison between different time periods.

Data source: FactSet; through 6/30/21; SAAR = Seasonally Adjusted Annualized Rate



# U.S. Economic Surveys

U.S. PMIs above pre-pandemic levels, but off highs



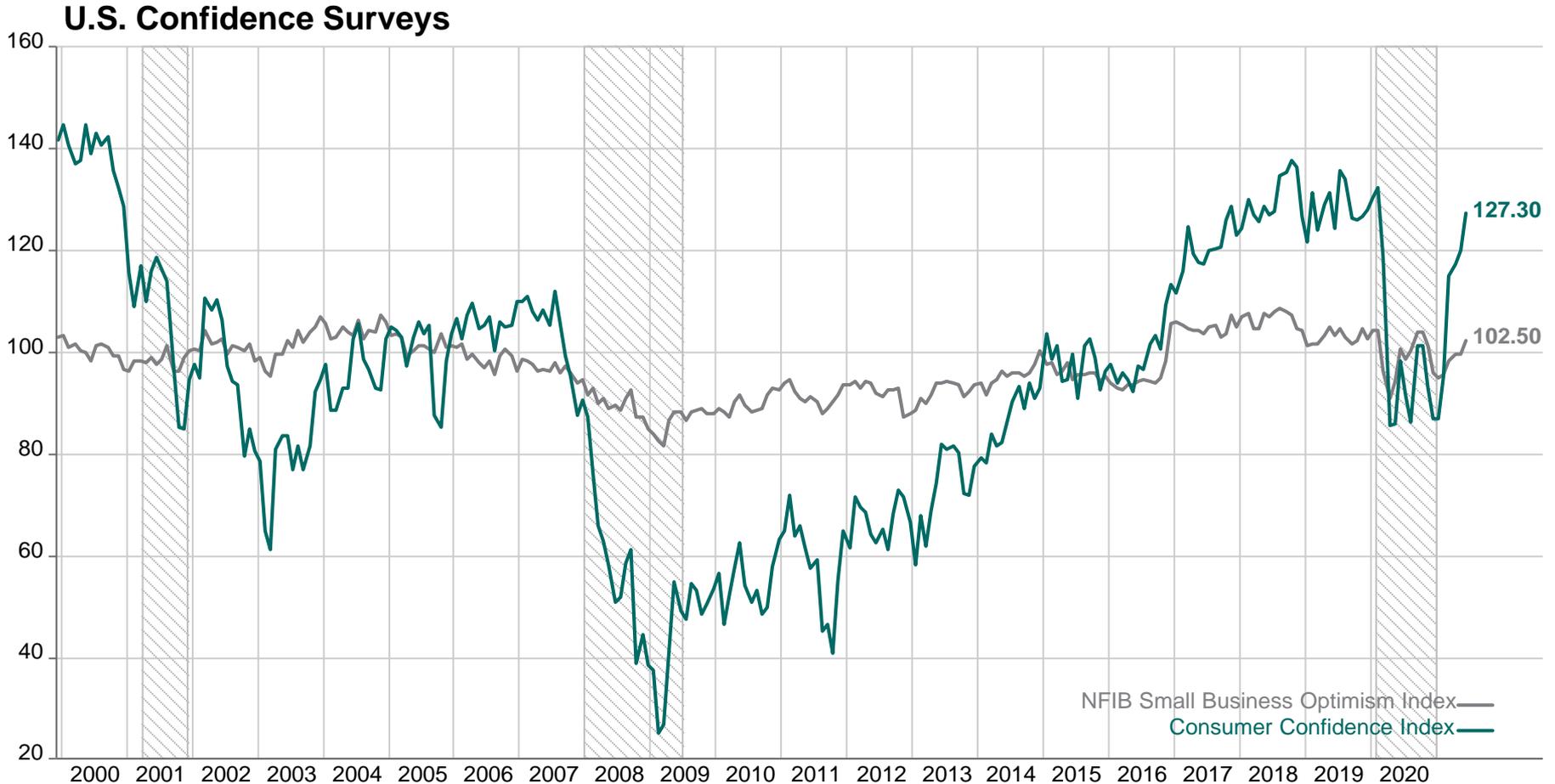
The ISM Purchasing Managers' Index (PMI) is an indicator of the outlook for the manufacturing (ISM PMI – Manufacturing) and services (ISM PMI – Services) sectors of the economy. The index is based on a wide survey of company executives in these sectors. A reading above 50 indicates expectation for expansion compared to the previous month; a reading below 50 suggests contraction

Data source: FactSet; ISM PMI – Manufacturing data through 6/30/21 ISM PMI – Non-Manufacturing data through 6/30/21



# U.S. Confidence Surveys

Consumer response rebounding ahead of business optimism



NFIB Index is based on 10 survey indicators. The NFIB Research Foundation has collected Small Business Economic Trends data from a sample of members from the National Federation of Independent Business (NFIB). Source: National Federation of Independent Business (NFIB)

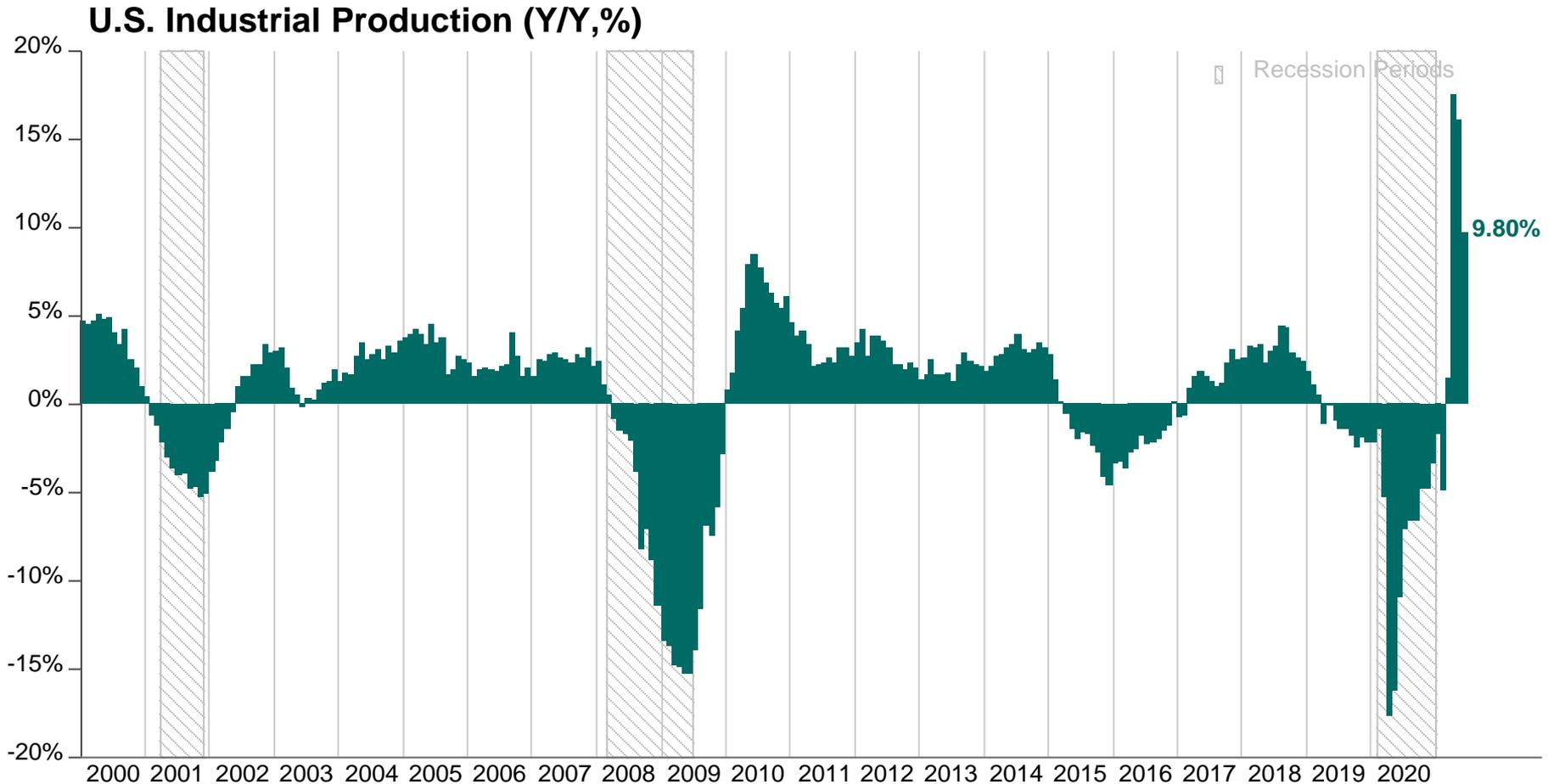
The Consumer Confidence Survey® reflects prevailing business conditions and likely developments for the months ahead. The Conference Board's Consumer Confidence Survey is a monthly measure of the public's confidence in the health of the U.S. economy.

Data source: FactSet; NFIB Small Business Optimism Index data through 6/30/21; Consumer Confidence data through 6/30/21



# U.S. Industrial Production

Strong manufacturing increase Y/Y, expect growth to moderate



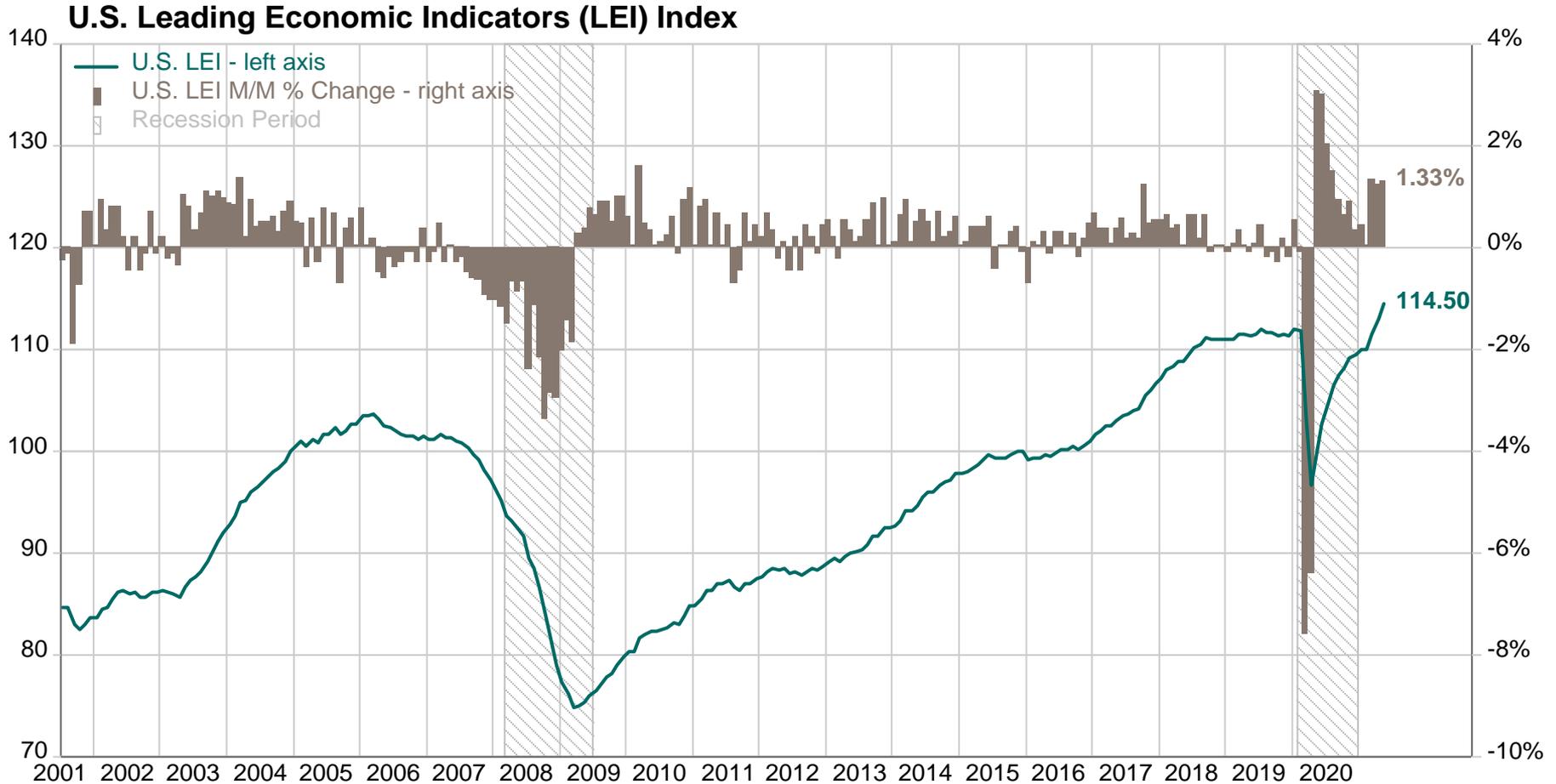
Industrial production (IP) measures the real output of the manufacturing, mining, and electric and gas utilities industries. The industrial sector, together with construction, accounts for the bulk of the variation in national output over the course of the business cycle. These data series help illuminate structural developments in the economy. Data is seasonally adjusted. Y/Y is year-over-year.

Data source: FactSet; through 6/30/21



# Conference Board Leading Index

Renewed strength timed with positive vaccine data in late 2020



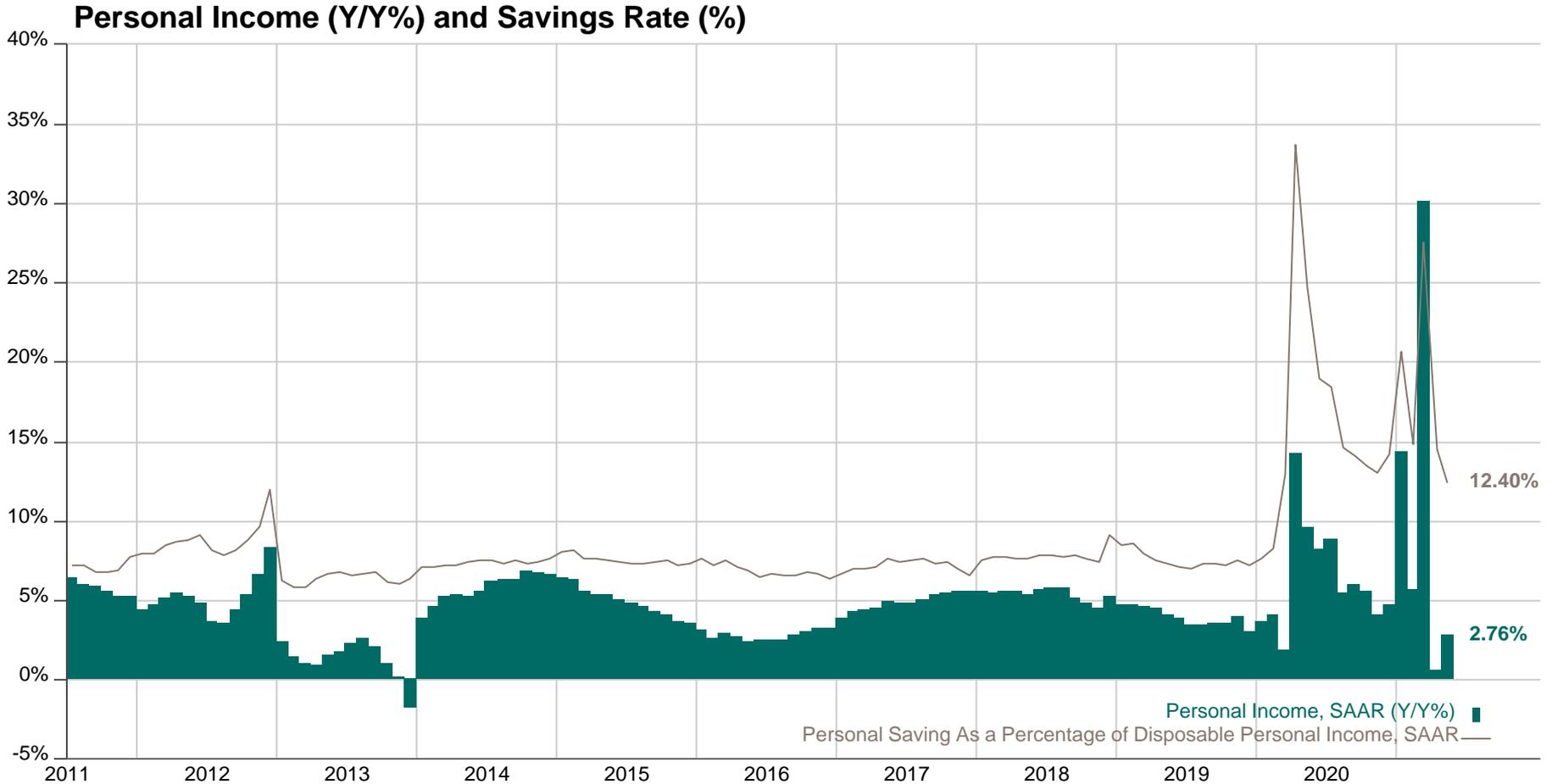
The Conference Board Leading Economic Index® is a composite average of ten widely-followed leading (forward-looking) economic indicators, and is meant to summarize and reveal common turning point patterns in the data.

Data source: FactSet; through 5/28/21



# U.S. Personal Income & Savings

Uneven, but positive income gains; savings rate strong



The Bureau of Labor Statistics compiles U.S. labor statistics from two monthly surveys. Personal Income measures the income people receive from wages and salaries, Social Security, and other government benefits, dividends, business ownership, and other sources. Personal Savings as a % of Disposable Personal Income is the percentage of disposable personal income minus consumer outlays times the saving rate to disposable income after the payment of taxes. Seasonally adjusted annual rate (SAAR) is used to normalize data by adjusting for seasonal changes in business and economic data for a more accurate comparison between different time periods.

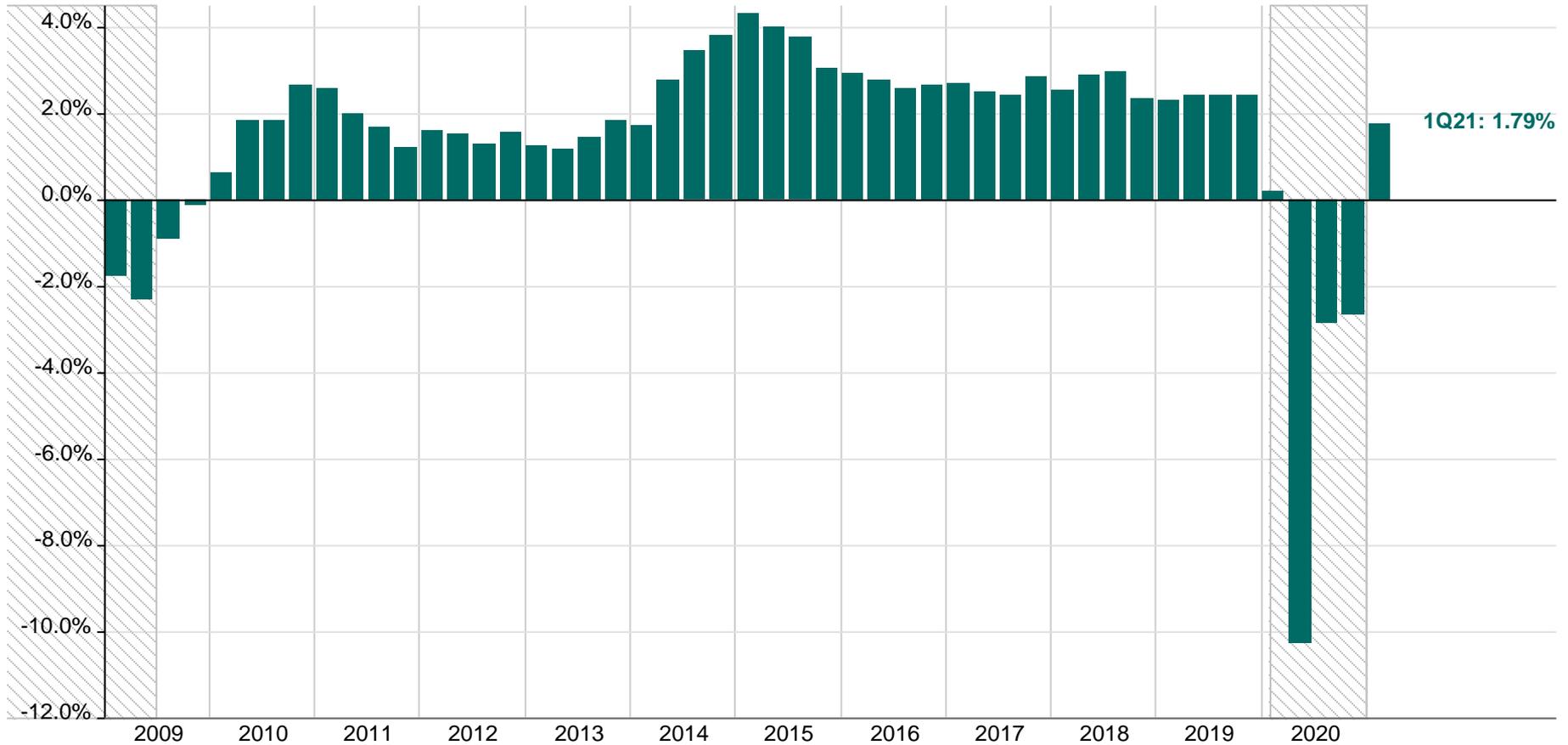
Data source: FactSet; through 5/28/21



# U.S. Consumer Spending-Quarterly

Rebound in 1Q21 as economy reopened

## U.S. Personal Consumption Expenditures (PCE) - Quarterly Y/Y%



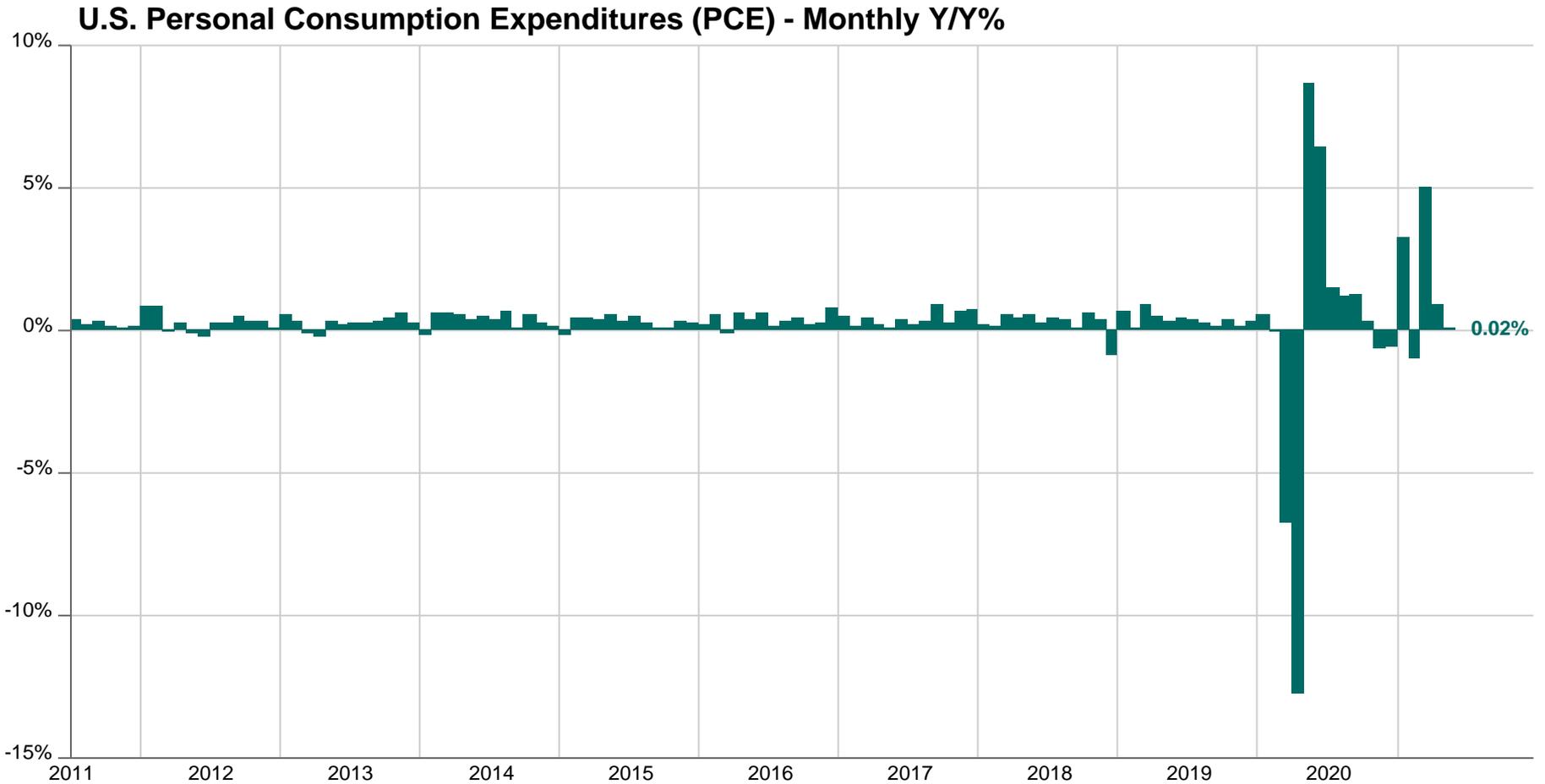
U.S. Personal Consumption Expenditures (PCE) is an indicator of the growth in consumer spending. It measures the amount of money Americans spend on goods and services.

Data source: FactSet; through 3/31/21



# U.S. Consumer Spending-Monthly

Spending skewed by stimulus checks, but rising



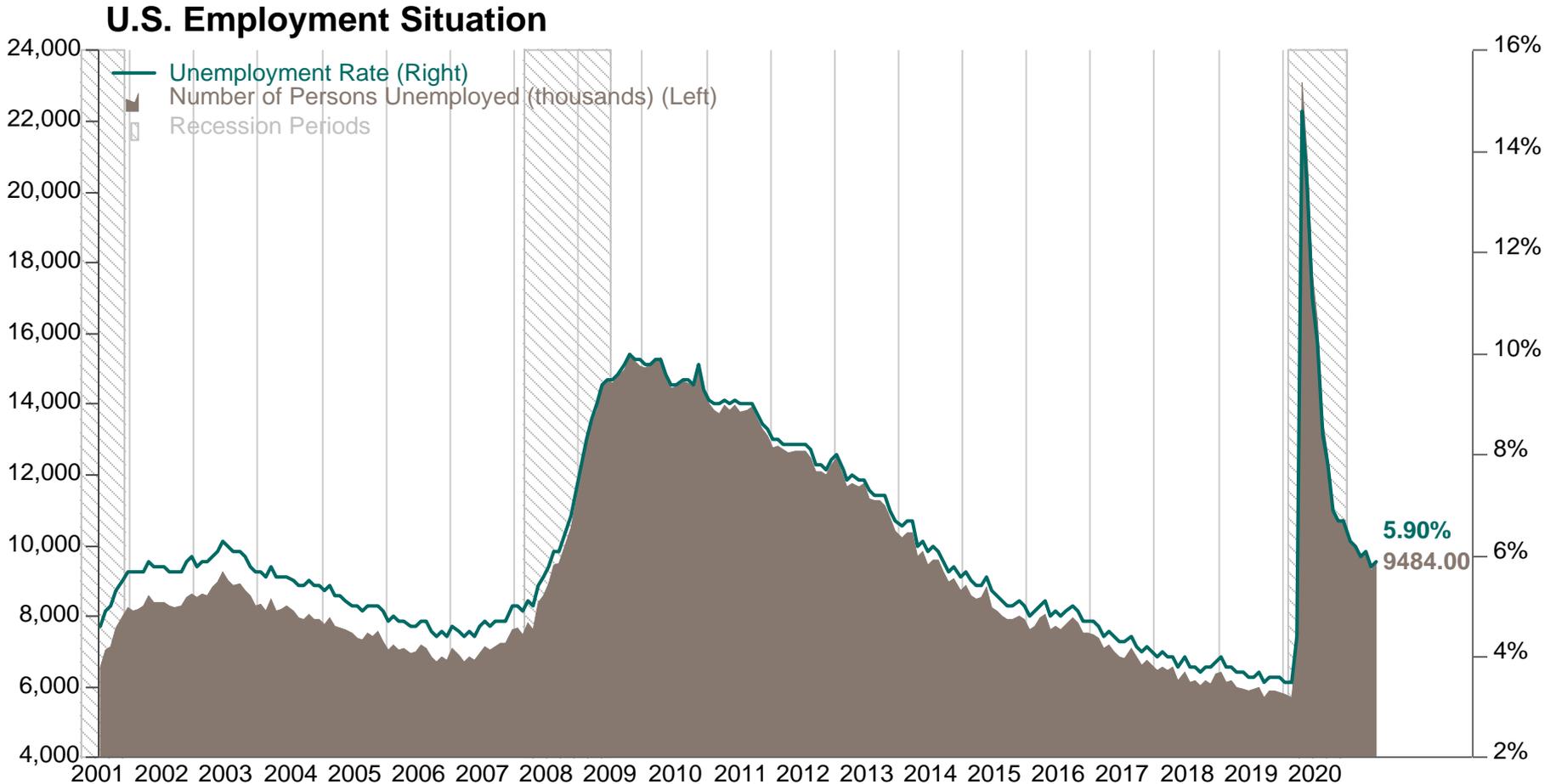
U.S. Personal Consumption Expenditures (PCE) is an indicator of the growth in consumer spending. Monthly data is reported in the Personal Income and Outlays release from the U.S. Bureau of Economic Analysis. It measures the amount of money Americans spend on goods and services.

Data source: FactSet; through 5/28/21



# U.S. Jobs & Unemployment Rate

Unemployment continues to fall, still a ways to full employment



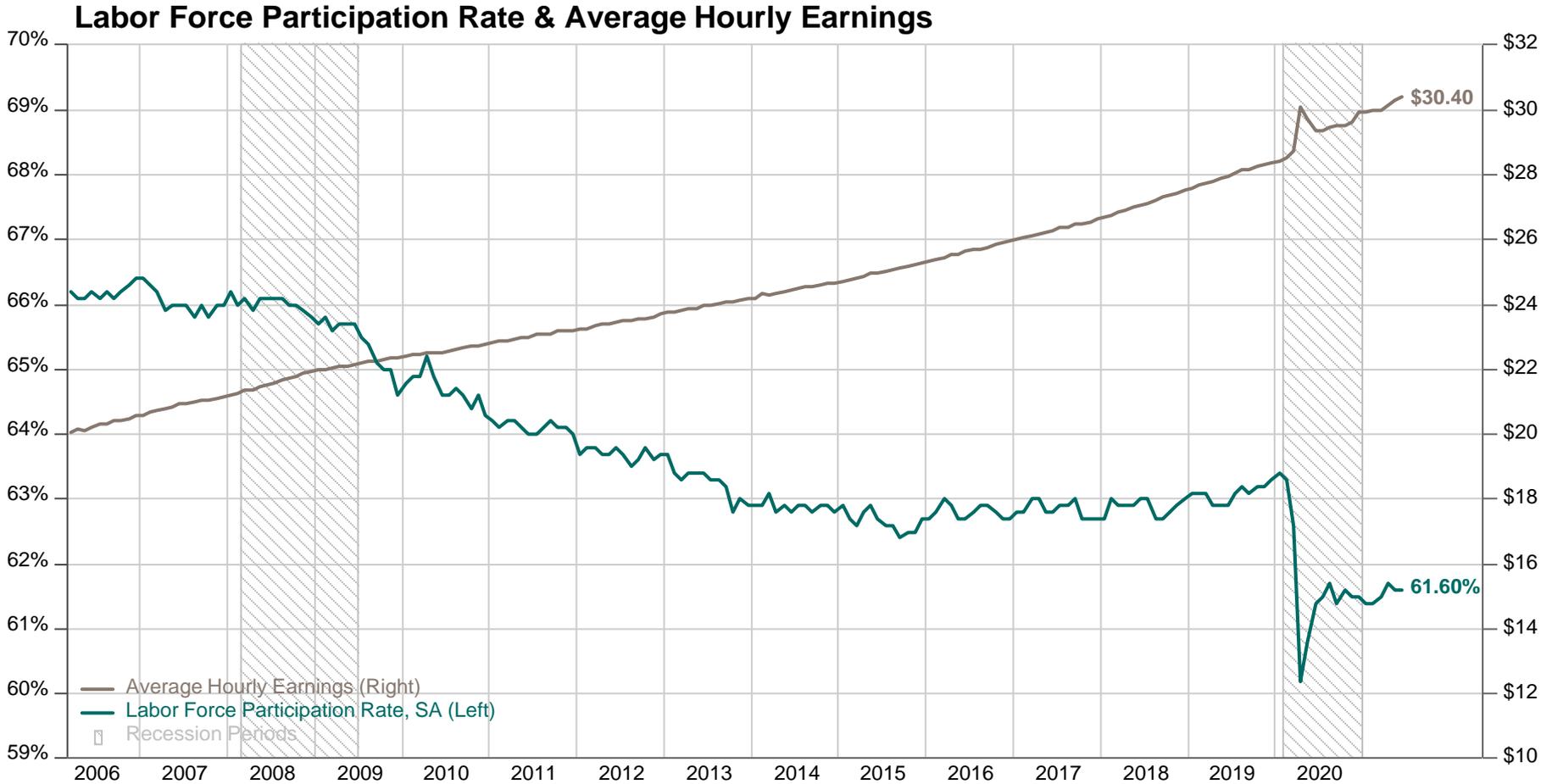
The Bureau of Labor Statistics compiles U.S. labor statistics from two monthly surveys. The household survey measures labor force status by demographics; the establishment survey measures nonfarm employment and data by industry. The nonfarm payrolls component of the establishment survey are drawn from private businesses and government entities. The nonfarm payrolls number is among the most widely used data points to assess U.S. employment trends. The unemployment rate is the percentage of the labor force that is jobless and actively willing and available to work.

Data source: FactSet; through 6/30/21



# U.S. Wages & Participation Rate

Wage growth now above trend, participation has stalled



The Labor Force Participation Rate measures the percentage of total people who are either employed or actively looking for work in relation to the total working age population. Average Hourly Earnings is the average amount employees make per hour in a given month.

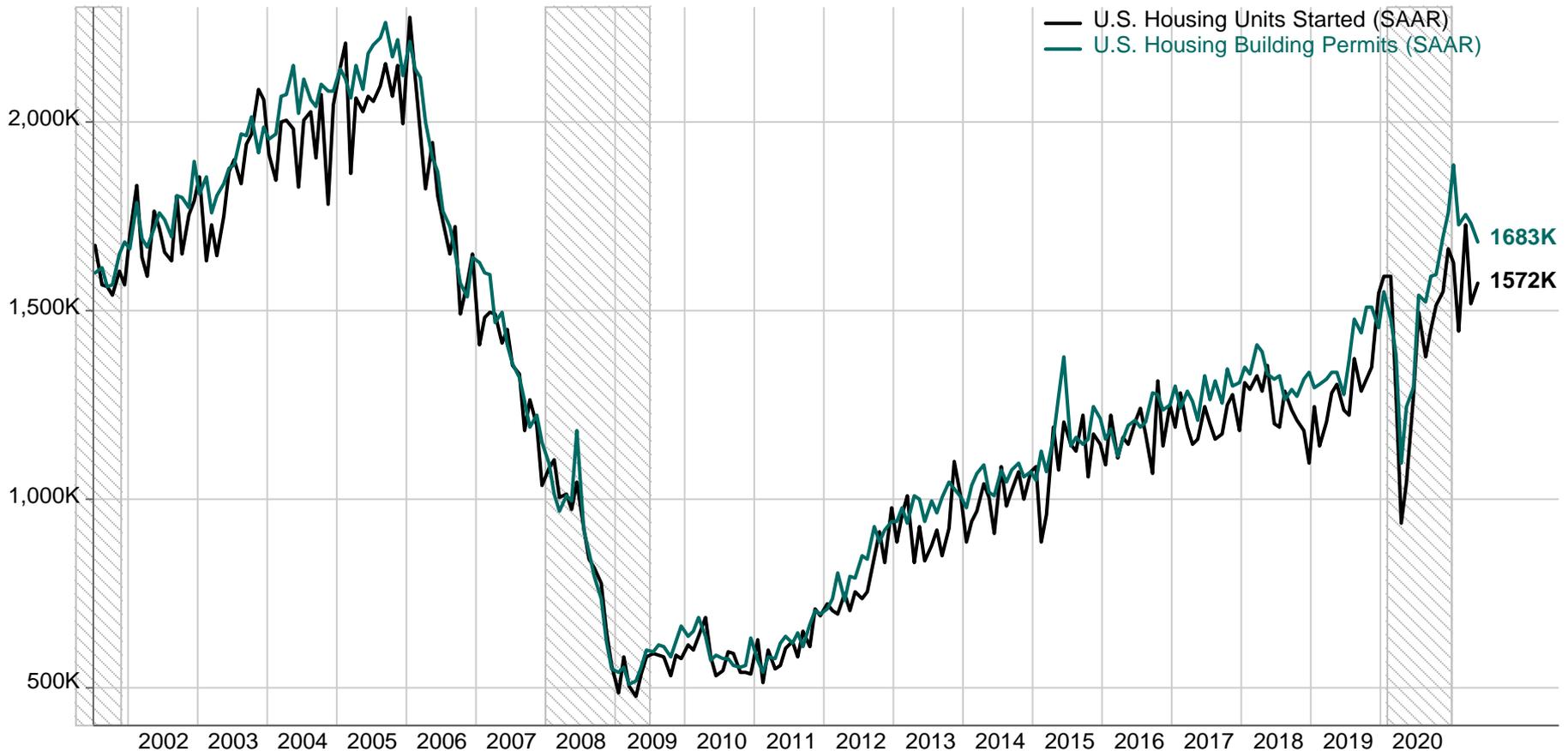
Data source: FactSet; through 6/30/21



# Housing Starts

Healthy trends, but with monthly volatility

## U.S. Housing Starts and U.S. Building Permits - Thousands



The U.S. Census Bureau compiles data related to housing starts, permits, and completions to present a comprehensive picture of housing in the United States. Housing Starts are the number of privately-owned new houses on which construction has been started in a given period; Housing Building Permits are the number of new housing units authorized by building permits within the period; and, Housing Units Completed are the number of private-owned new houses on which construction has been completed in the period. Seasonally adjusted annual rate (SAAR) is used to normalize data by adjusting for seasonal changes in business and economic data for a more accurate comparison between different time periods.

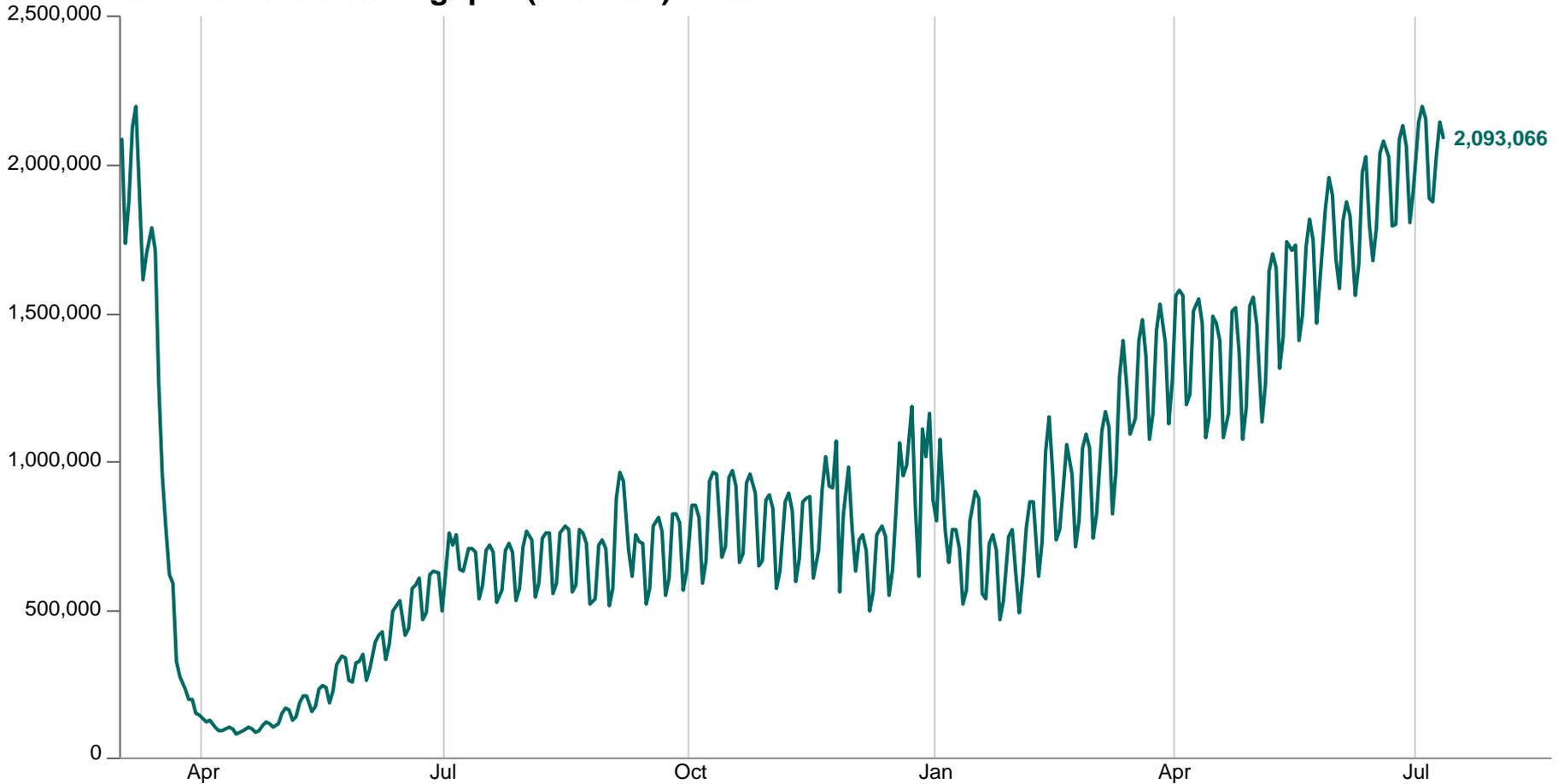
Data source: FactSet; through 5/31/21



# Daily Airline Travel

Travel numbers continue to push higher

## Total Traveler Throughput (Persons) - United States



Total Traveler Throughput is reported daily by the Transportation Security Administration (TSA) . It reflects daily passengers screened at TSA checkpoints at airports in the U.S. We believe it is an accurate measure of daily airline passengers on domestic flights.

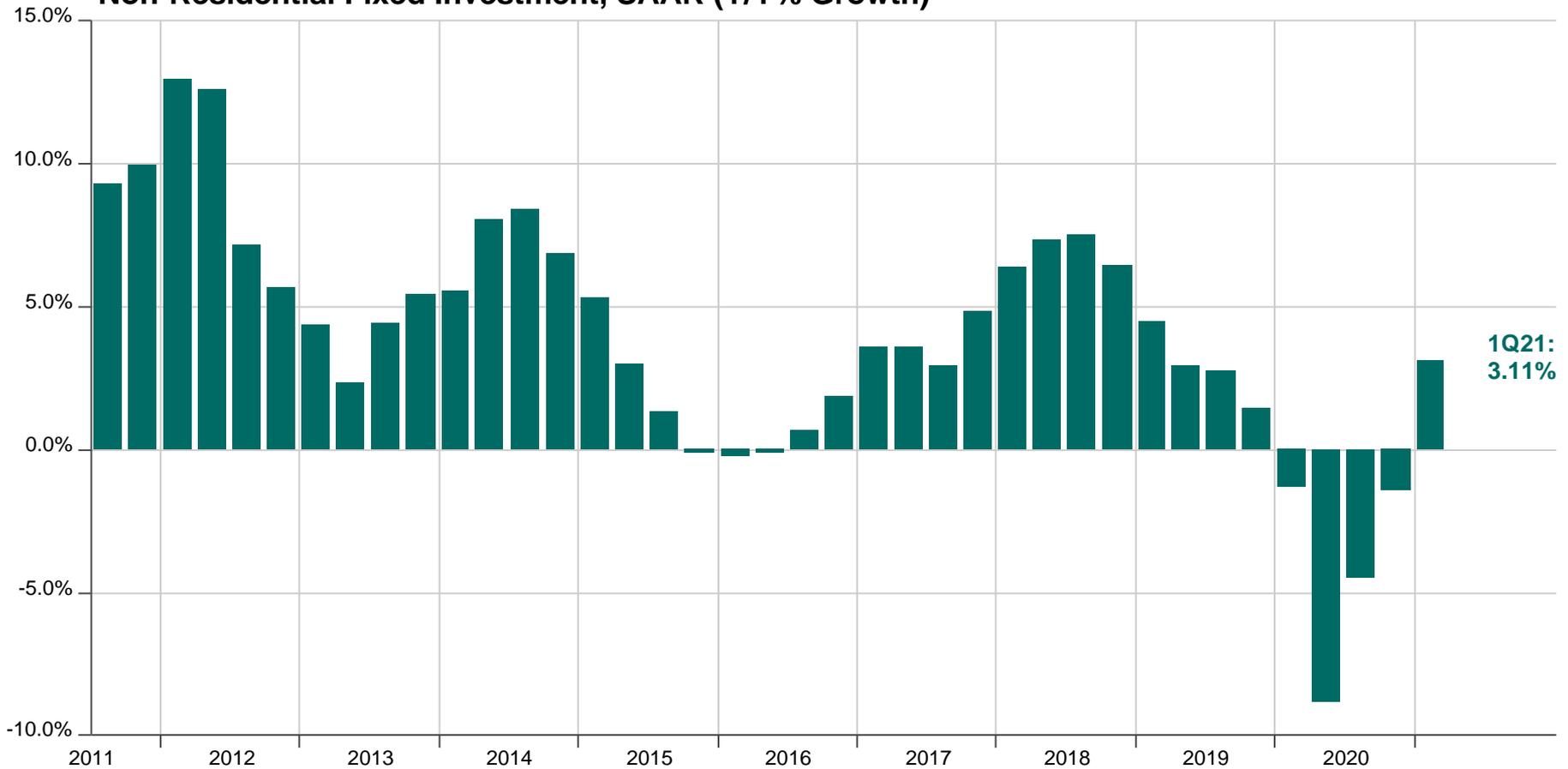
Data source: Factset, U.S. Transportation Security Administration; as of 7/15/21



# Business Fixed Investment

Capital investment turned positive, after four down quarters

## Non-Residential Fixed Investment, SAAR (Y/Y% Growth)



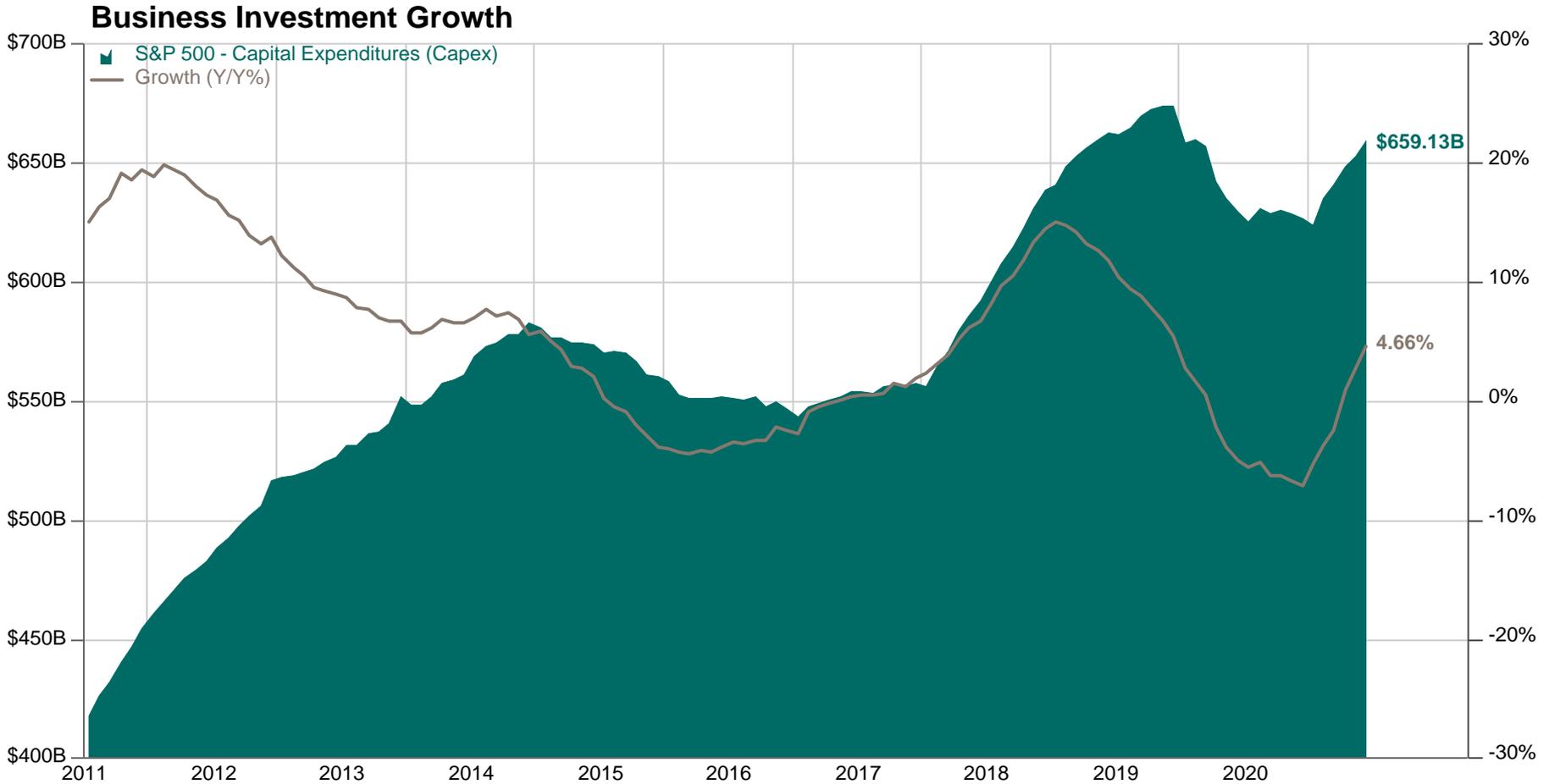
Non-residential fixed investment is an indicator U.S. corporate capital expenditures (capex), measured by the amount spent on structures, equipment, and software. Seasonally adjusted annual rate (SAAR) is used to normalize data by adjusting for seasonal changes in business and economic data for a more accurate comparison between different time periods. Y/Y is year-over-year.

Data source: FactSet; through 3/31/21



# Business Investment Growth

Near pre-pandemic levels, but below 2019 highs



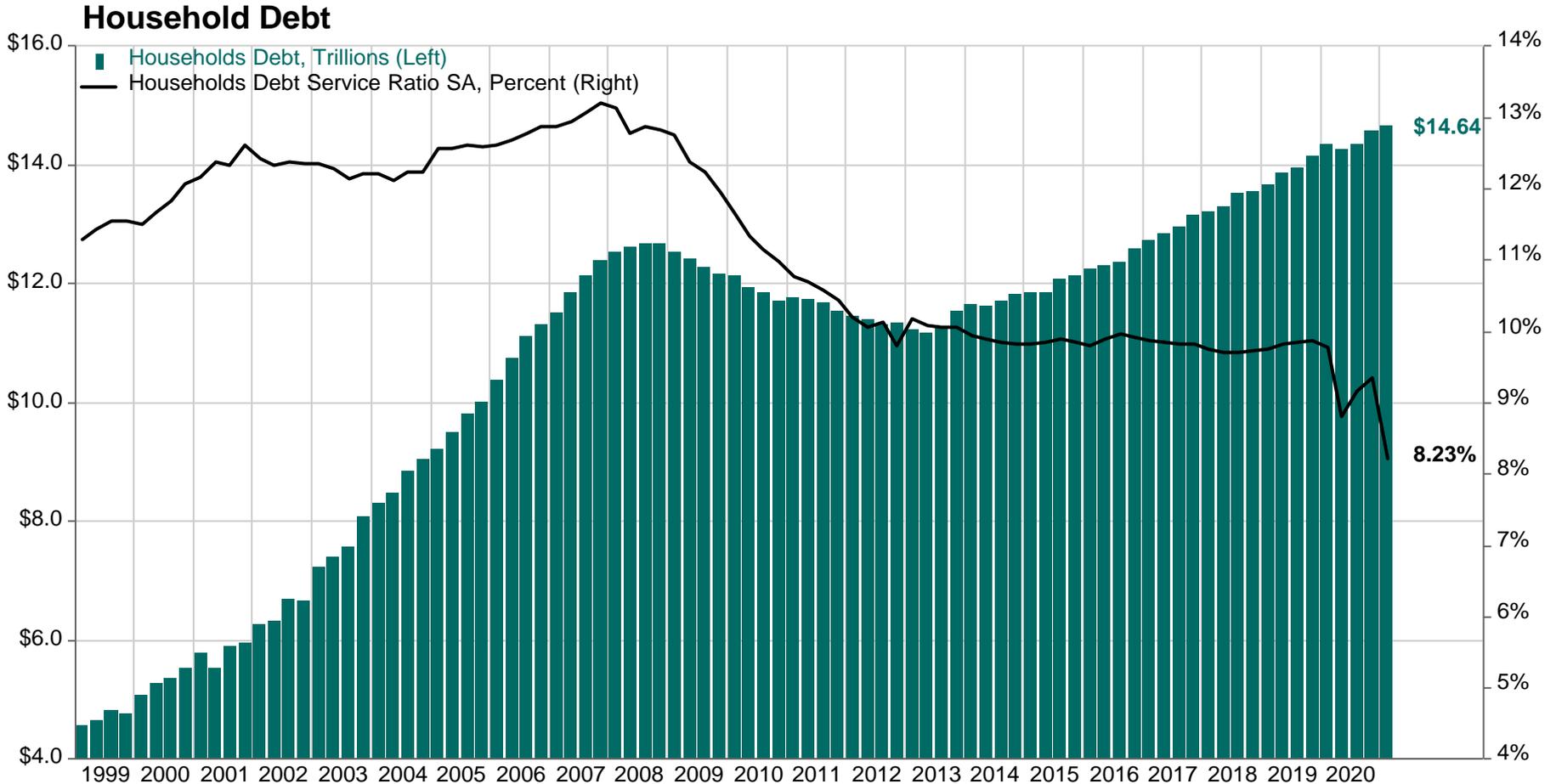
The chart shows the dollar level of capital expenditures (business investment) for all S&P 500 members over the most recent prior twelve months reported in SEC filings. The line graph growth rate compares the twelve month total ending each month to the twelve month period for the same period one year ago. Capital expenditure growth is one sign that companies have a positive outlook for their businesses.

Data source: FactSet; through 6/30/21



# Household Debt: Service Ratio

Debt levels higher, but debt service burden lower



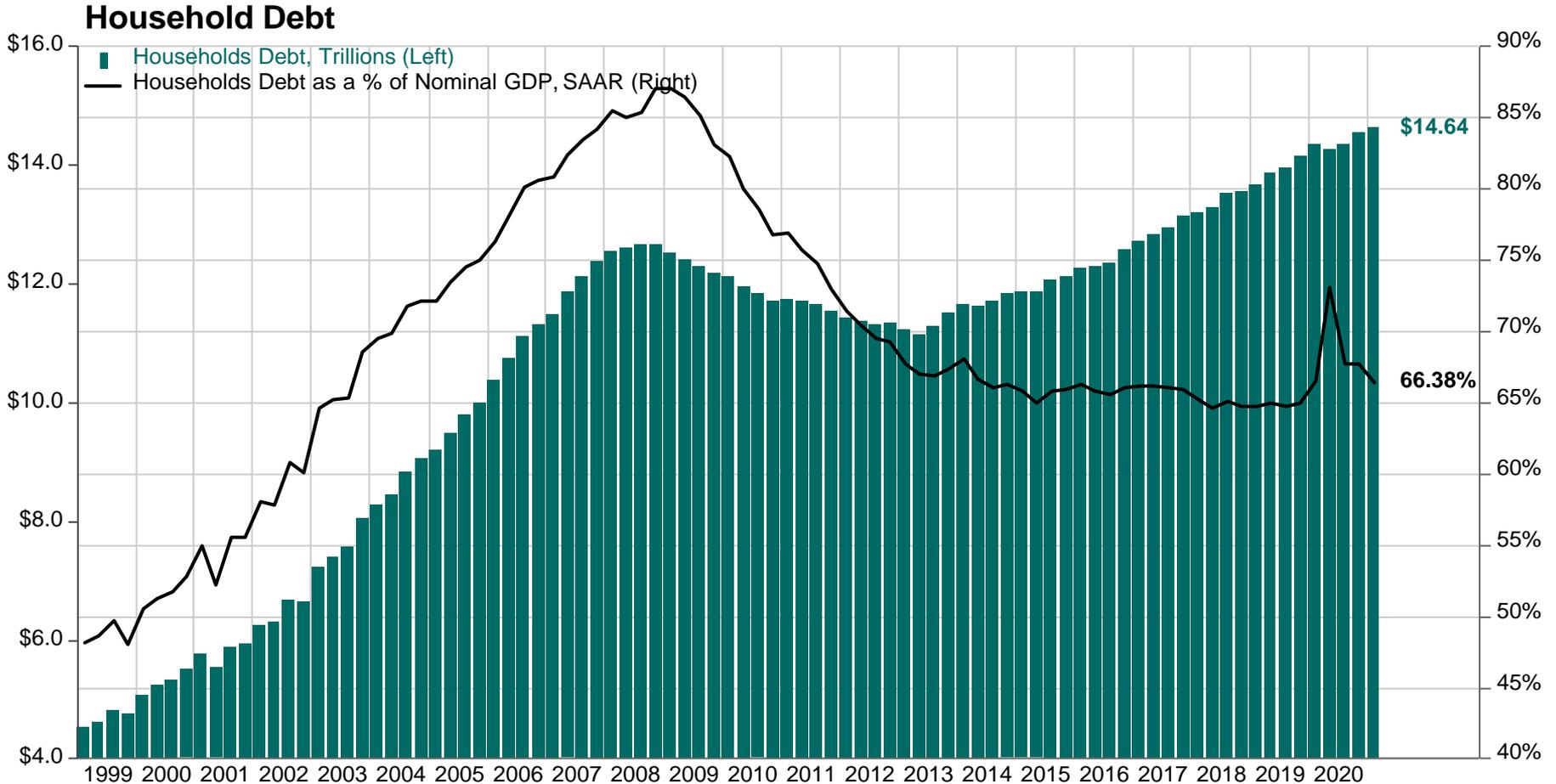
Household Debt is the combined debt of all people in a household, including consumer debt and mortgage loans. Further breakdown of the components of Household Debt can be found on Slide 35. Household Debt Service Ratio is the total required debt payment per period divided by total disposable income. Seasonally adjusted (SA) is used to normalize data by adjusting for seasonal changes in business and economic data for a more accurate comparison between different time periods.

Data source: FactSet; Household Debt through 3/31/21, Household Debt Service Ratio through 3/31/21; Household Debt Service Ratio = total required household debt payment / total disposable personal income



# Household Debt: As % of GDP

GDP and debt growing, but far below 2008 peak



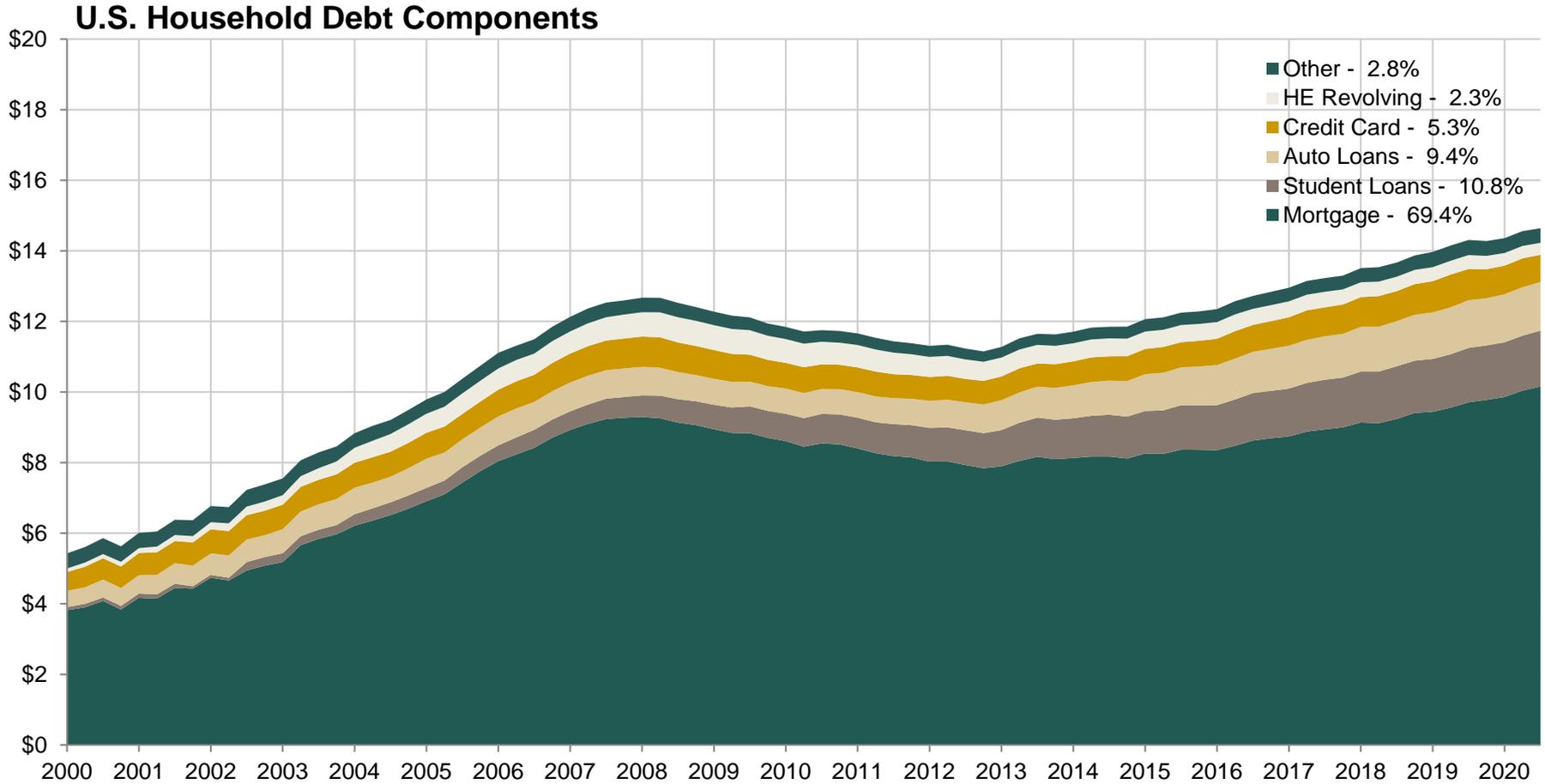
Household Debt is the combined debt of all people in a household, including consumer debt and mortgage loans. Further breakdown of the components of Household Debt can be found on Slide 35. Household Debt as a % of Nominal GDP is the percentage of total Household Debt to the total national nominal gross domestic output. Seasonally adjusted annual rate (SAAR) is used to normalize data by adjusting for seasonal changes in business and economic data for a more accurate comparison between different time periods.

Data source: FactSet; through 3/31/21



# Household Debt: Major Components

Mortgages largest portion of household debt, student loans #2



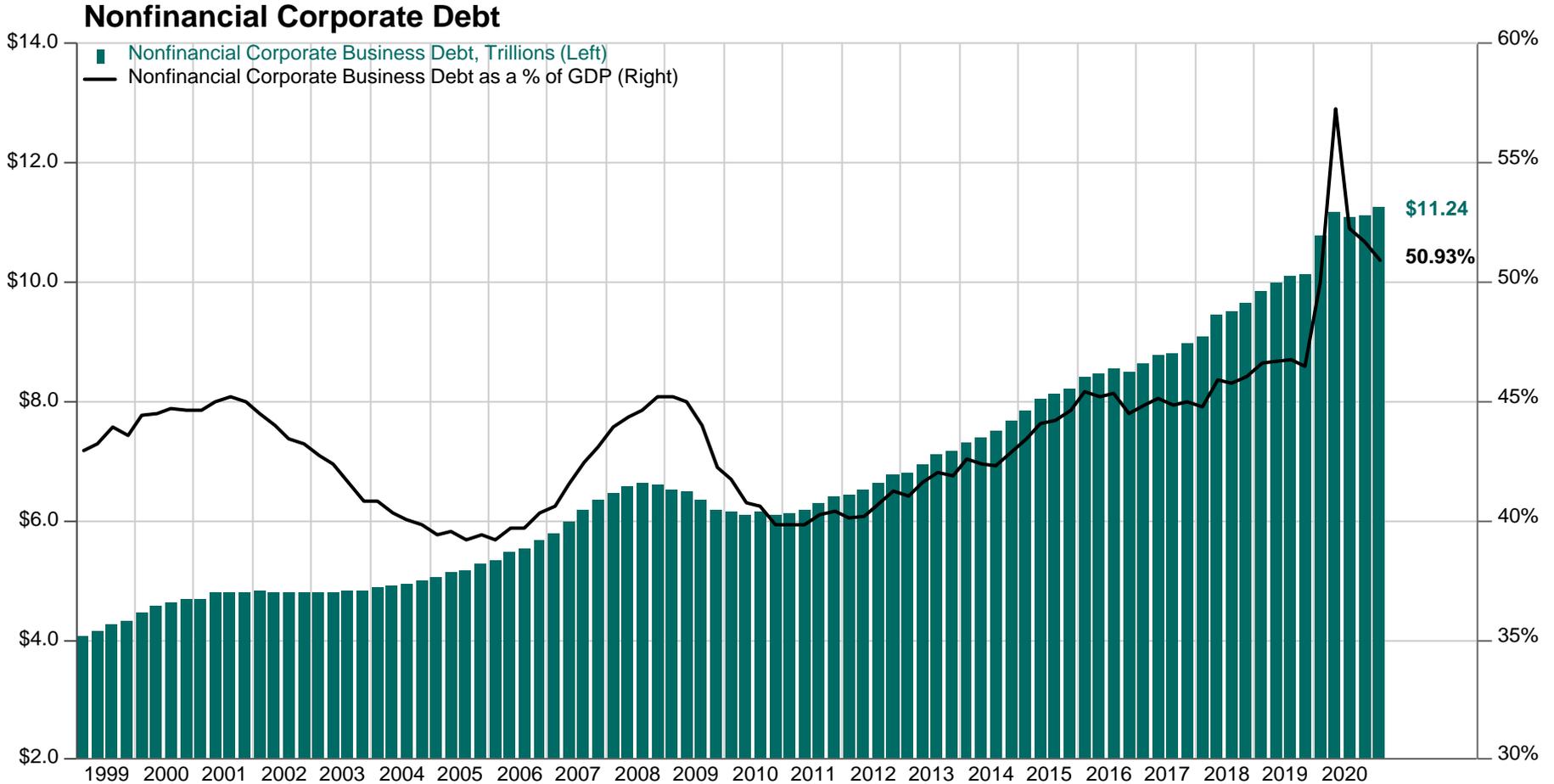
Household Debt is the combined debt of all people in a household, including consumer debt and mortgage loans. The chart above displays each component of Household Debt as a % of total Household Debt.

Data source: FactSet; through 3/31/20



# Nonfinancial Corporate Debt

Modest Q1 uptick, but lower as % of GDP



Nonfinancial Corporate Business Debt is the amount of debt held by all private and public, non-financial companies. Nonfinancial Corporate Business Debt as a % of GDP is the percentage of nonfinancial corporate debt to the total gross domestic product.

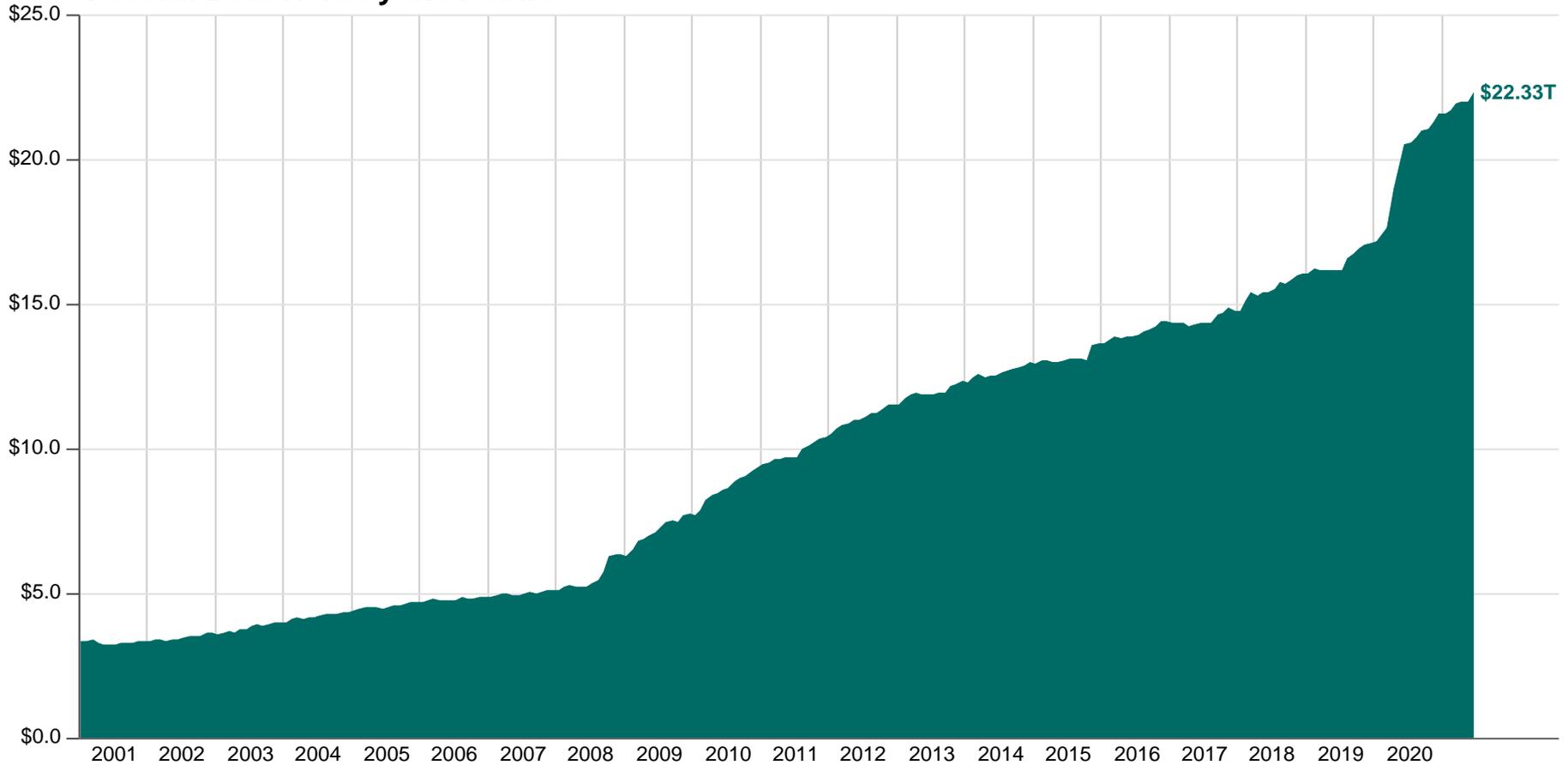
Data source: FactSet; through 3/31/21



# Federal Debt: Total Value

2020/2021 reflects debt increase due to pandemic relief

## Federal Debt Held by the Public



*Federal Debt Held by the Public is the debt owed by the U.S. government held by individuals, corporations, state or local governments, Federal Reserve Banks, foreign governments, and other entities outside the U.S. government.*

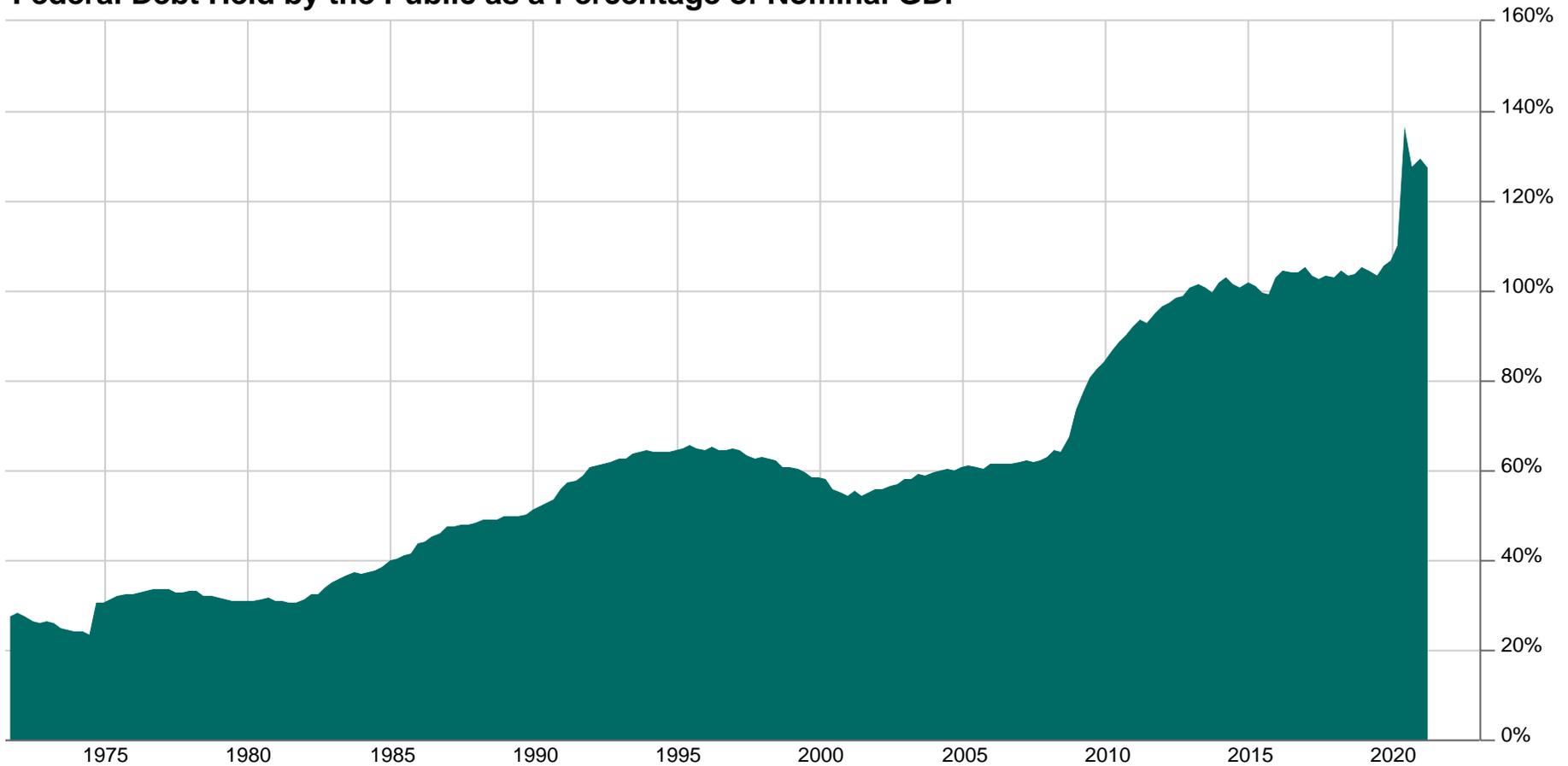
*Data source: FactSet; through 6/30/21*



# Federal Debt: % of GDP

GDP growth back on track, but debt to remain high

## Federal Debt Held by the Public as a Percentage of Nominal GDP



*Federal Debt Held by the Public is the debt owed by the U.S. government held by individuals, corporations, state or local governments, Federal Reserve Banks, foreign governments, and other entities outside the U.S. government.*

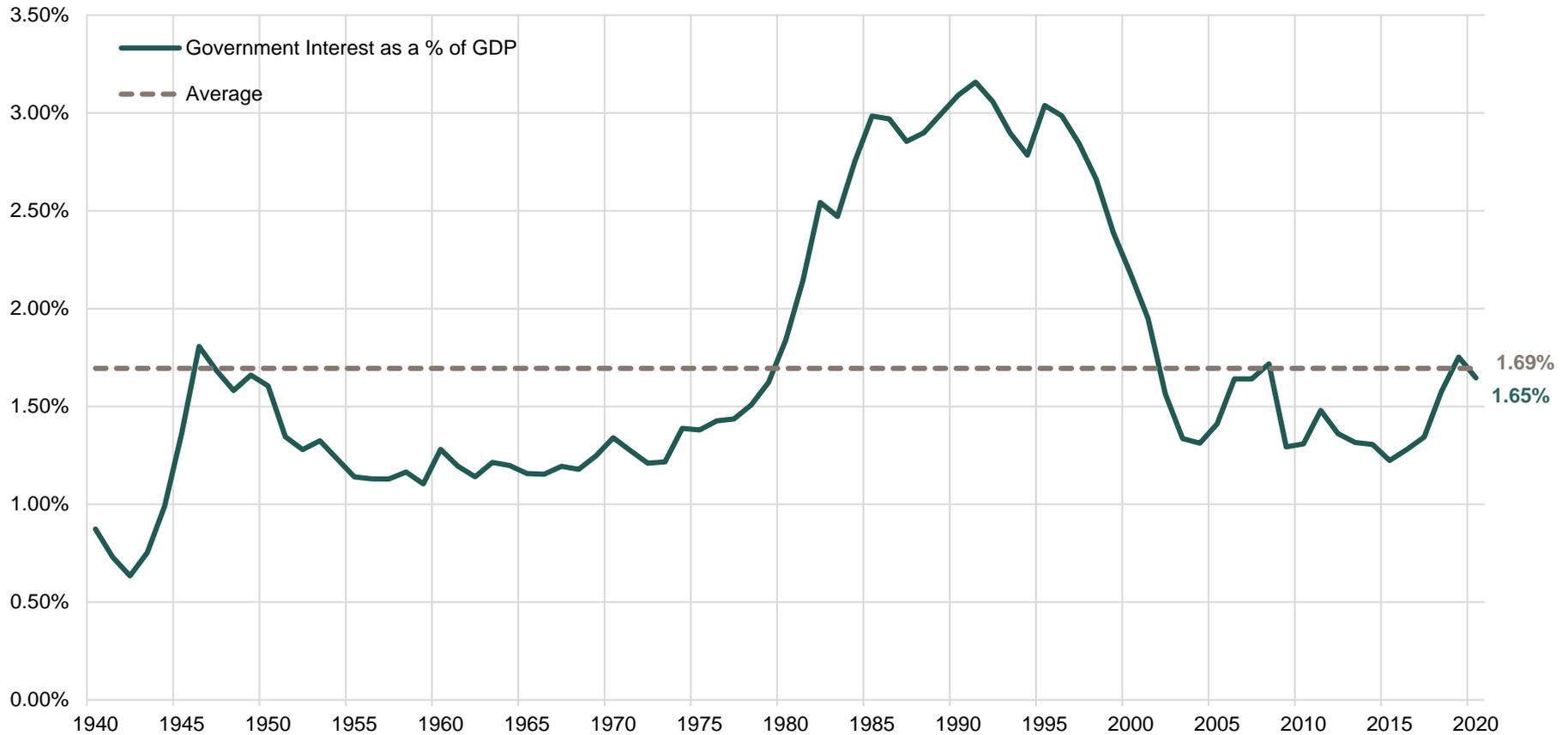
*Data source: FactSet; through 3/31/21*



# Federal Debt: Government Interest

Low rates keep interest burden low, but debt rising

## Government Interest as a % of GDP



Government Interest as a % of GDP is the total amount of interest paid by the U.S. government on outstanding debt as a percentage of gross domestic product.

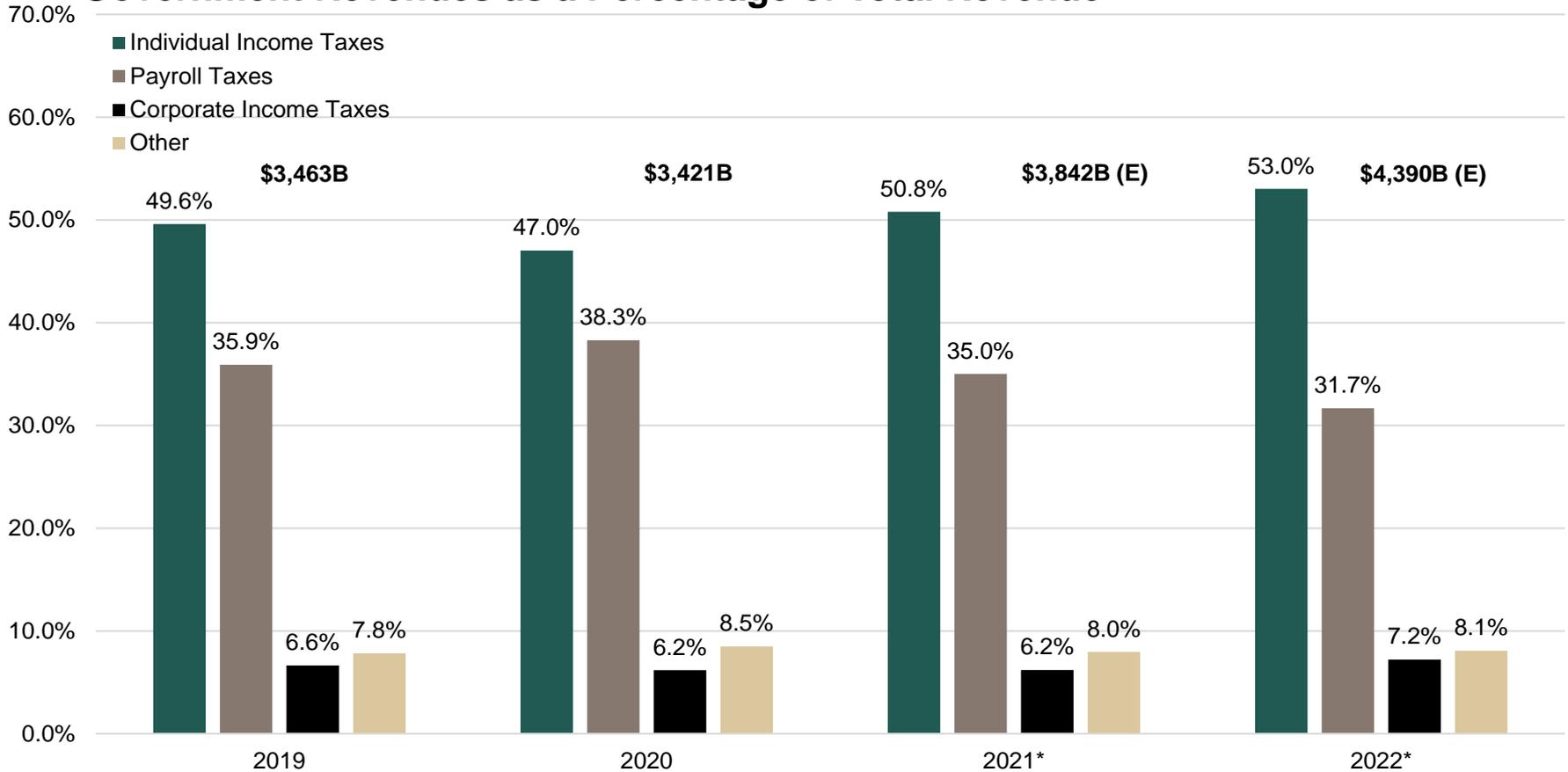
Data source: Federal Reserve Bank of St. Louis; through 12/31/20



# U.S. Federal Revenue: Sources

Expected Tax revenue revised higher for 2021 and 2022

## Government Revenues as a Percentage of Total Revenue



The above chart shows the percentage of total government revenues attributable to each source of government income.

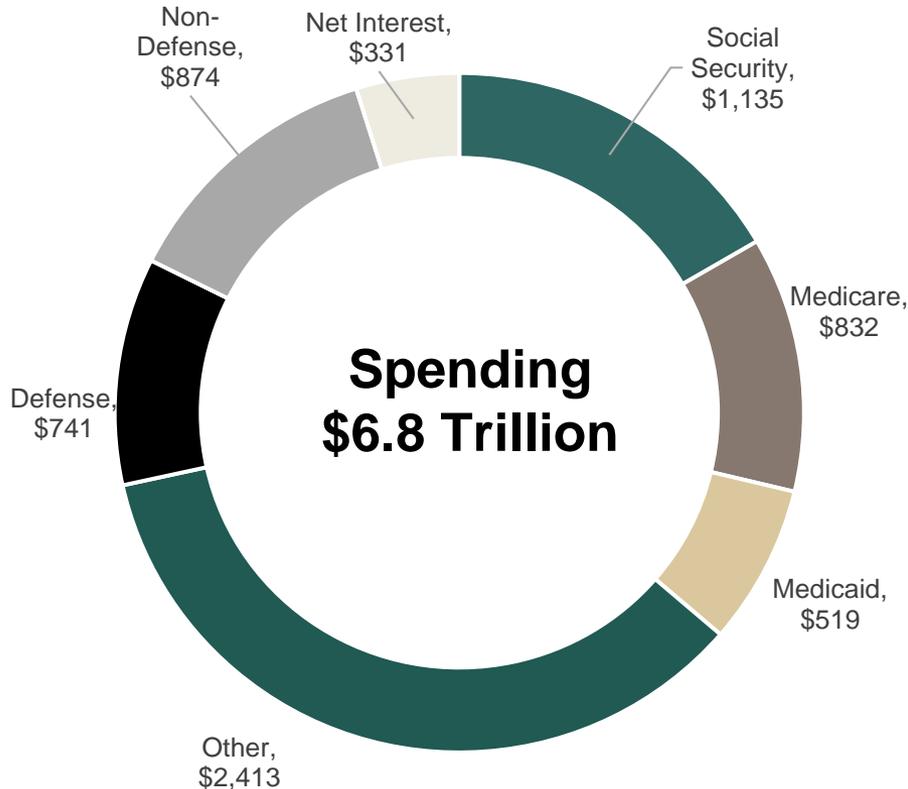
Data source: Congressional Budget Office data through 6/30/20; projections as of 7/15/21; \*2021 and 2022 are budget projections for Fiscal 2021 ending 9/30/21 and Fiscal 2022 ending 9/30/22



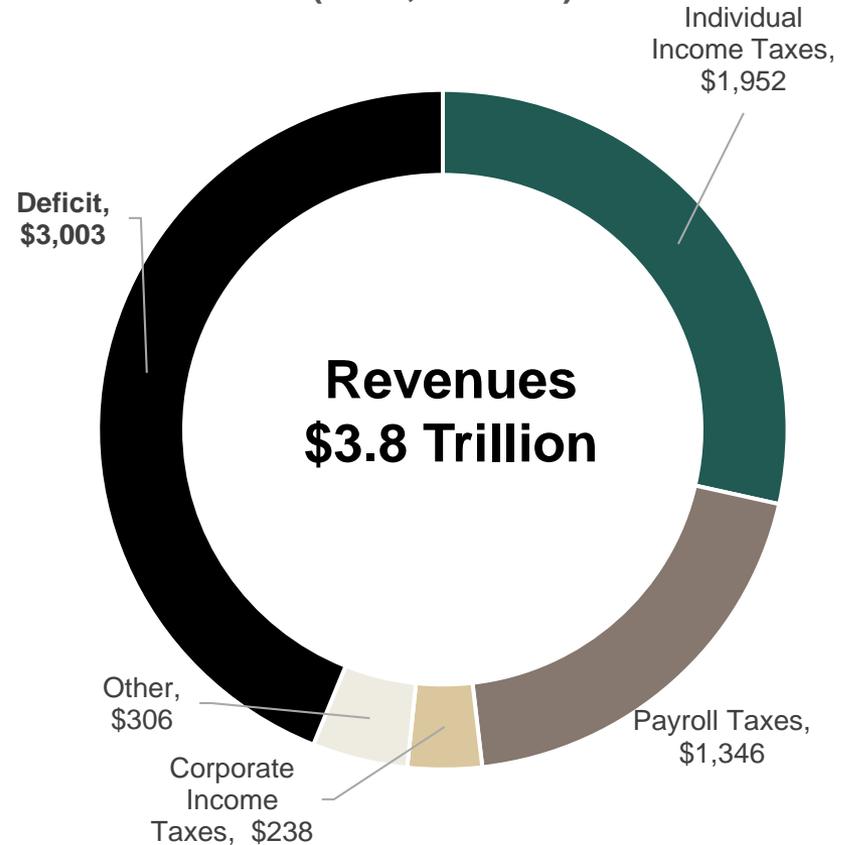
# U.S. Federal Income Statement

Budget deficit at record due to recession and COVID-19 relief

### CBO Baseline Projection of Outlays (2021, Billions)



### CBO Baseline Projection of Revenue (2021, Billions)



The above chart shows the Congressional Budget Office's (CBO) projection of U.S. government outlays and sources of revenue. The deficit shown in the chart on the right is the difference between government spending and revenue. Data is adjusted by the CBO to account for offsetting receipts and timing shifts.

Data source: Congressional Budget Office data and projections as of 7/1/21



# Federal Surplus / Deficit

2020 budget deficit grew Apr to Sep, FY21 trend also negative

**Federal Budget: Cumulative Surplus / Deficit (year-to-date; in millions)**



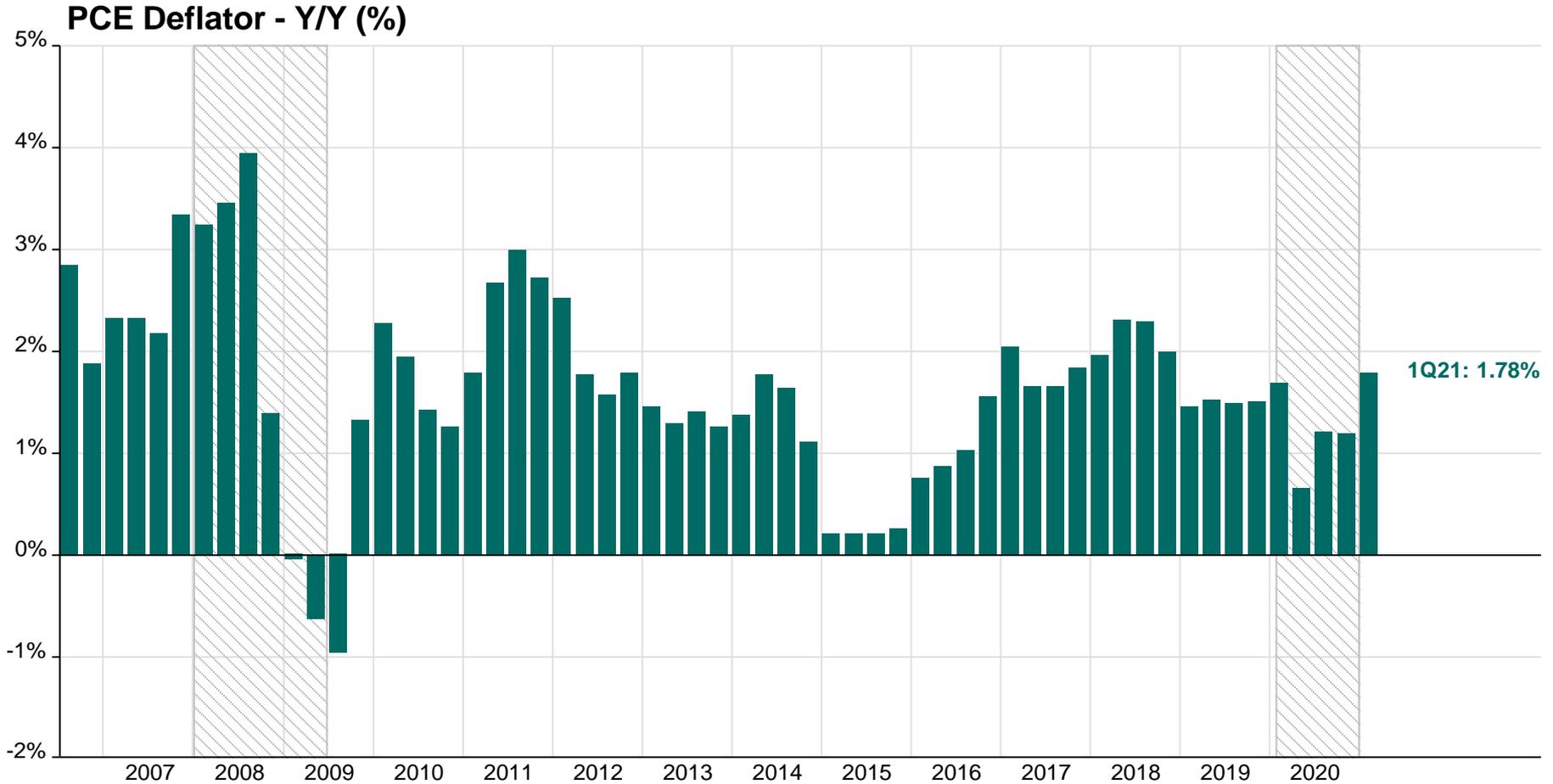
The Congressional Budget Office publishes updated budget outlooks throughout the year using data from Daily Treasury Statement from the Department of the Treasury. The government fiscal year ends in September with final budget information expected by late October. In fiscal 2020, the CBO discusses two distinct periods; over the first six months of the fiscal year, the deficit was 8% higher than the previous year six months; over the second six months the CBO estimates that due to COVID-19 relief and recession the deficit was 8x higher year-over-year..

Data source: FactSet; Federal Budget Monthly Treasury Statement as of 6/30/21



# U.S. Inflation

PCE inflation is rising, not fully reflected in Q1



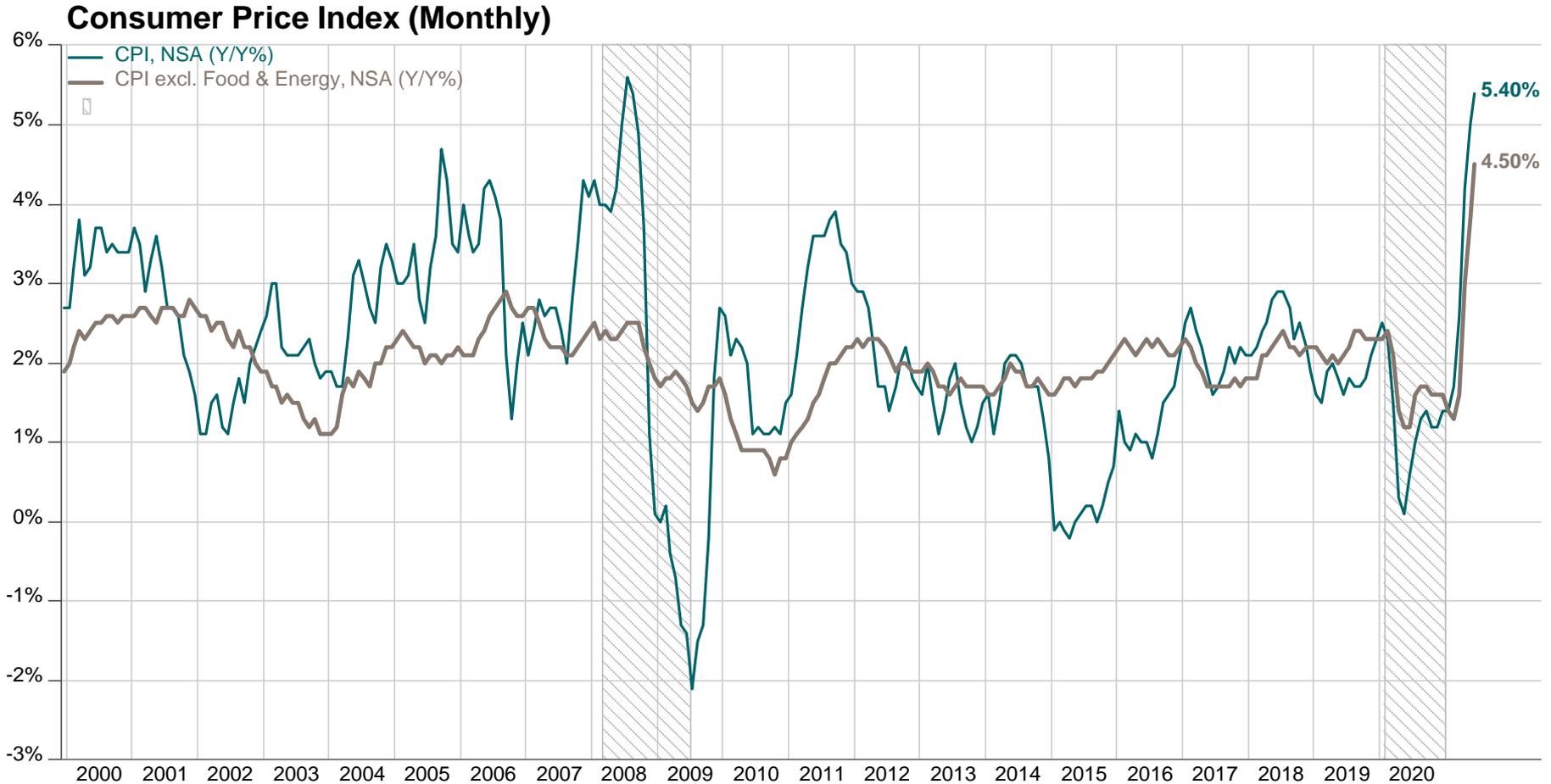
U.S. Personal Consumption Expenditures (PCE) Deflator is an index that measures the prices paid by consumers for goods and services. The chart above shows the year-over-year (Y/Y) change in the index on a quarterly basis.

Data source: FactSet; through 3/31/21



# U.S. Inflation

CPI surging for 3 months, “core-CPI” at multi-decade high



The consumer price index (CPI) is a measure of average change over time in the prices paid by urban consumers for a market basket of goods and services. It is reported monthly by the U.S. Bureau of Labor Statistics. “Core-CPI” is CPI less food & energy, and is often used to monitor trends over time. As it tends to be less volatile from month to month.

Data source: FactSet; through 6/30/21



# U.S. Dollar Index

Dollar weaker in April & May, but now higher since June



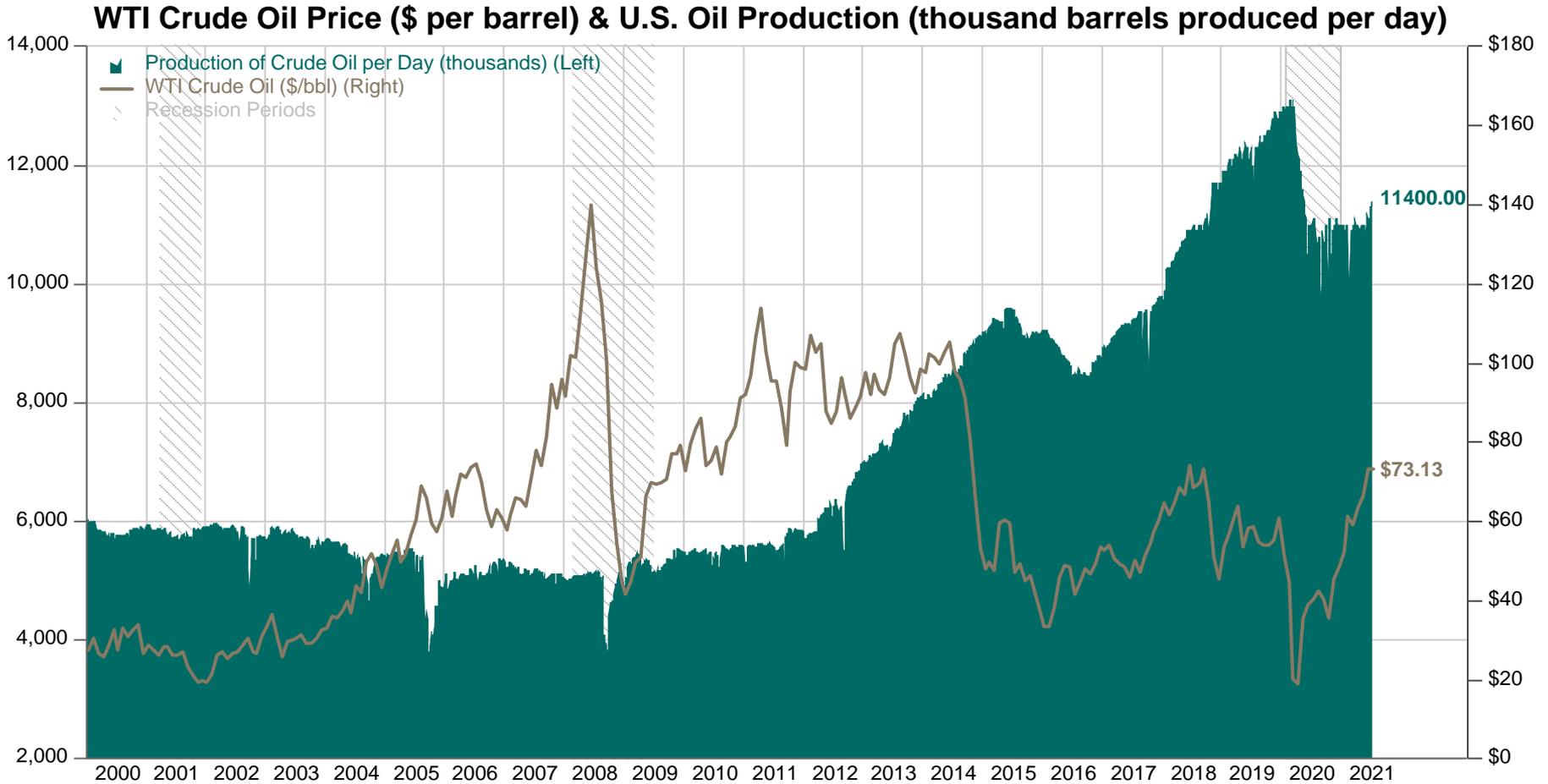
The U.S. Dollar Index (DXY) is an index that measures the value of the U.S. dollar relative to a basket of foreign currencies, primarily those of trade partners. An increase in the DXY indicates the U.S. dollar has appreciated relative to the currency of its trade partners; a decrease in the DXY indicates the U.S. dollar has depreciated relative to the currency of its trade partners.

Data source: FactSet; through 7/15/21



# U.S. Oil Production & Prices

Production has remained low despite surging oil price



The price per barrel of Western Texas Intermediate (WTI) Crude Oil is the most commonly followed price of oil sold from the United States. West Texas intermediate is the name associated with the grade of the oil and is the underlying commodity of New York Mercantile Exchange's oil futures contracts. U.S. Oil Production is the amount of barrels of oil produced per day within the United States (in thousands) as reported by the U.S. Energy Information Administration (EIA).

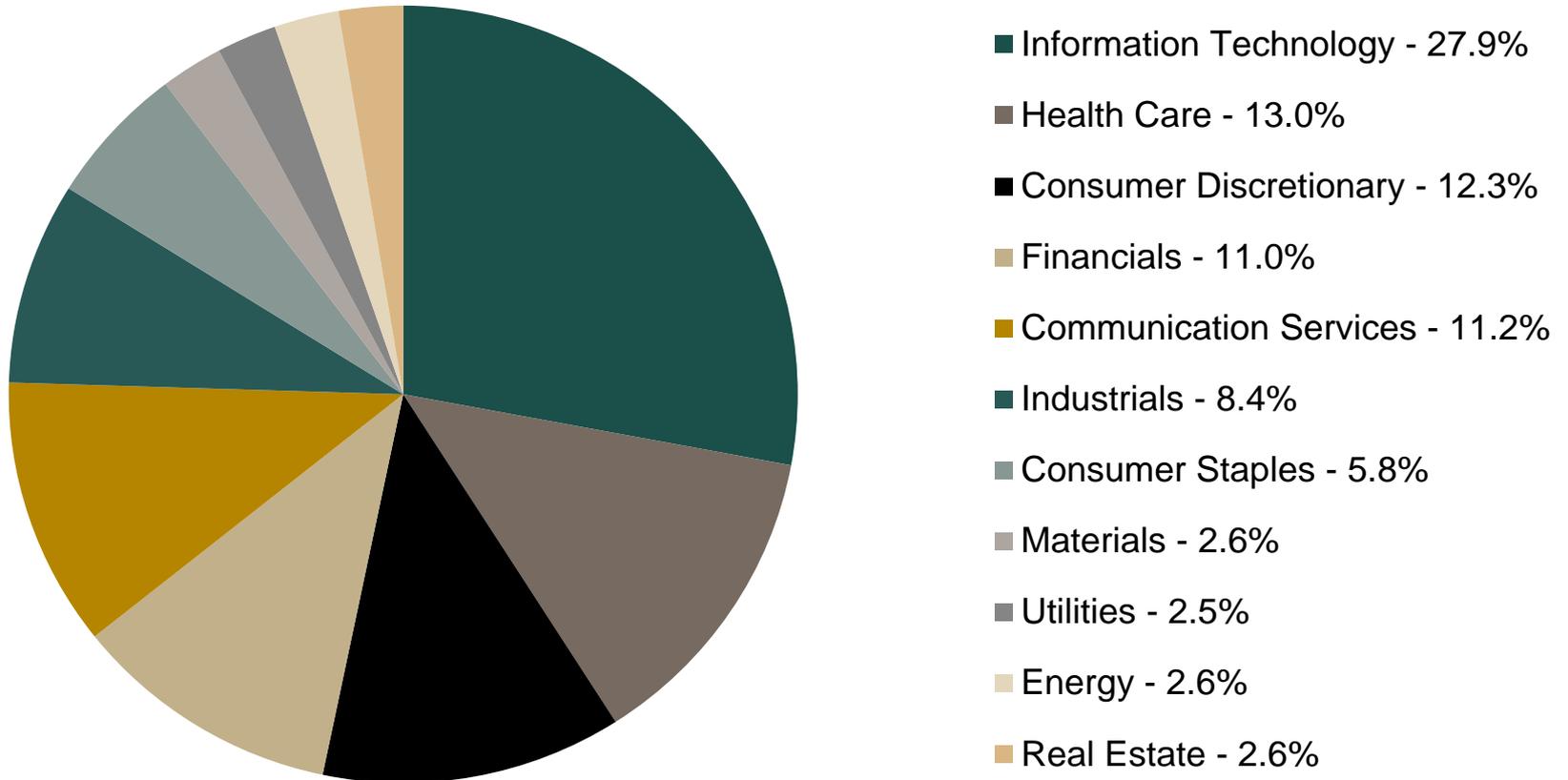
Data source: FactSet; WTI Crude Oil Price through 7/15/21, U.S. Oil Production through 6/30/21



# U.S. Equity Market: Sector Weights

Largest five sectors comprise over 75% of the index

## S&P 500 Sector Weightings



*The chart above represents the sector allocation of the S&P 500 index.*

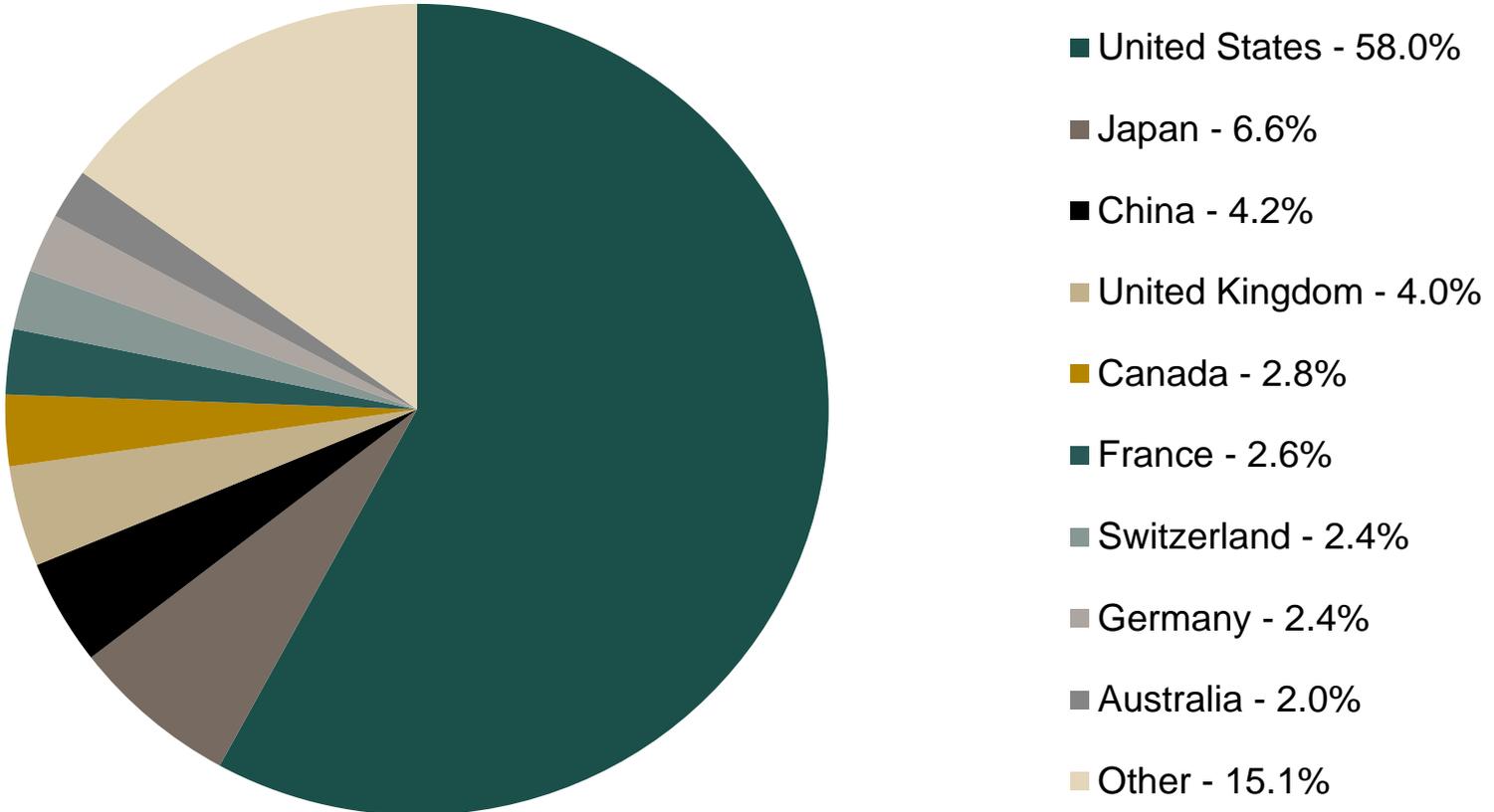
*Data source: FactSet, Standard & Poor's; as of 7/15/21*



# Global Equities: Country Weights

Current geographic weightings

## Weights in FTSE Global All Cap Index



The FTSE Global All Cap Index is an equity index meant to replicate the geographic allocation of global equities based on market value.

Data source: Factset, FTSE Russell, FTSE Global All Cap Index; as of 7/15/21

# Required Disclosures

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The National Bureau of Economic Research (NBER) has not yet called an official end date to the 2020 recession. Charts included with recession periods shaded display a preliminary end date of 12/31/2020, which may be subject to change.