

# Market Chart Book WM Research



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

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*Please refer to slide 49 of this report for detailed disclosure and certification information.*



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# Major Market Equity Returns

Global rally continued in Q1

| Index                 | 1Q21  | 2020  | 2019  |
|-----------------------|-------|-------|-------|
| S&P Mid Cap 400       | 13.5% | 13.7% | 26.2% |
| Russell 2000          | 12.7% | 20.0% | 25.5% |
| DJ Industrial Average | 8.3%  | 9.7%  | 25.3% |
| S&P 500               | 6.2%  | 18.4% | 31.5% |
| MSCI EAFE (Developed) | 3.6%  | 8.3%  | 22.7% |
| MSCI Emerging Markets | 2.3%  | 18.7% | 18.9% |

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

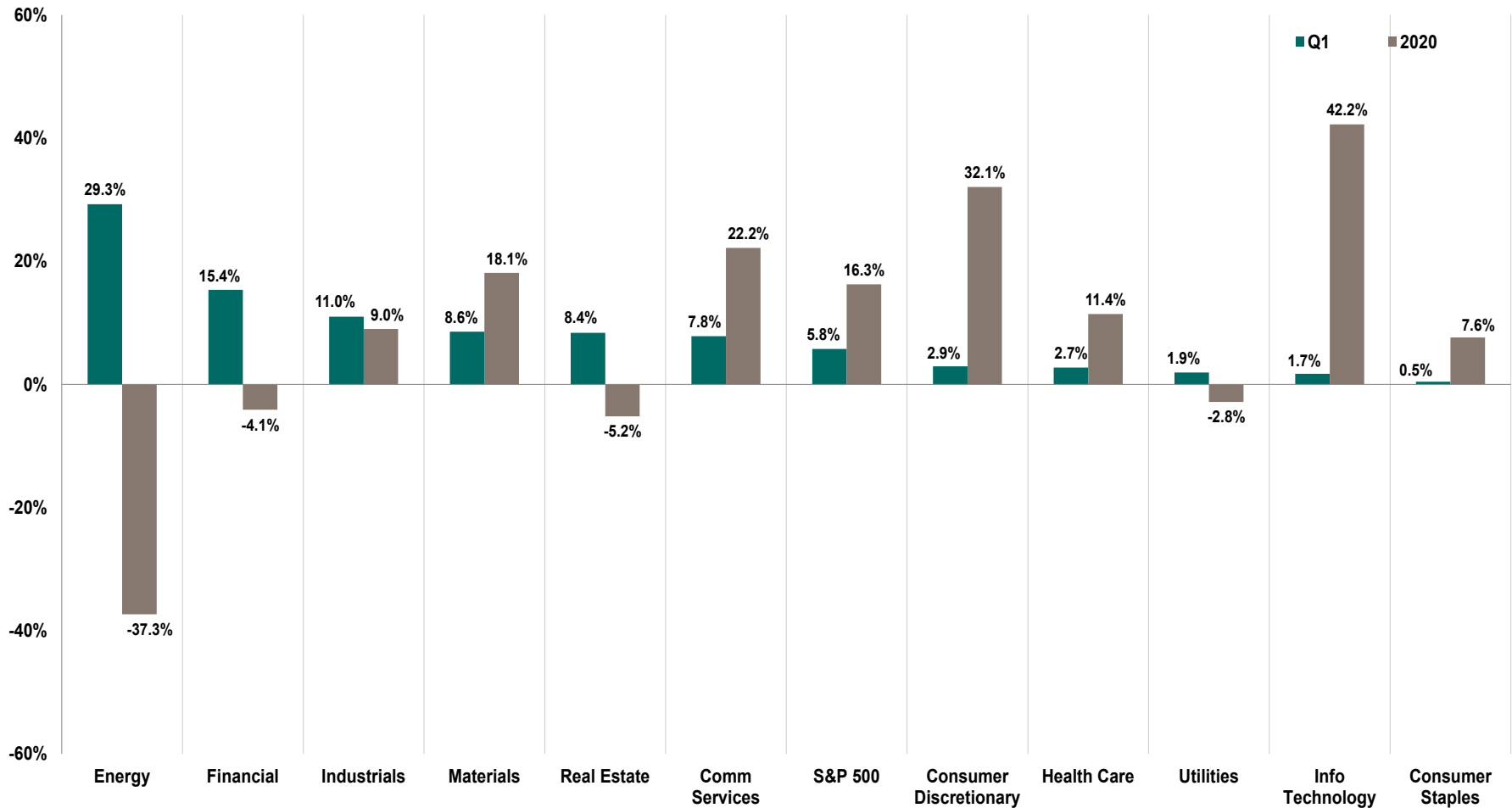
*The information on indices is presented for illustrative purposes only and is not intended to imply the potential performance of any fund or investment. Indices provide a general source of information on how various market segments and types of investments have performed in the past. You may not invest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

*Data source: FactSet; through 3/31/21 (foreign markets in U.S. dollar terms)*



# S&P 500: Sector Performance

Cyclical stocks led Q1 gains, but all sectors higher



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 3/31/21



# 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<br>32.32%            | Utilities<br>19.98%             | Financials<br>28.82%             | Consumer Discretionary<br>43.08% | Real Estate<br>30.19%            | Consumer Discretionary<br>10.11% | Energy<br>27.36%                 | Information Technology<br>38.83% | Health Care<br>6.47%               | Information Technology<br>50.29%  | Information Technology<br>43.89%  | Energy<br>30.85%                 | Information Technology<br>20.50%  |
| Consumer Discretionary<br>27.66% | Consumer Staples<br>13.99%      | Consumer Discretionary<br>23.92% | Health Care<br>41.46%            | Utilities<br>28.98%              | Health Care<br>6.89%             | Telecom Services<br>23.49%       | Materials<br>23.84%              | Utilities<br>4.11%                 | Communication Services*<br>32.69% | Consumer Discretionary<br>33.30%  | Financials<br>15.99%             | Consumer Discretionary<br>17.50%  |
| Industrials<br>26.71%            | Health Care<br>12.73%           | Real Estate<br>19.74%            | Industrials<br>40.68%            | Health Care<br>25.34%            | Consumer Staples<br>6.60%        | Financials<br>22.80%             | Consumer Discretionary<br>22.98% | Consumer Discretionary<br>0.83%    | Financials<br>32.13%              | Communication Services*<br>23.61% | Industrials<br>11.41%            | Health Care<br>15.61%             |
| Materials<br>22.20%              | Real Estate<br>11.39%           | Telecom Services<br>18.31%       | Financials<br>35.63%             | Information Technology<br>20.12% | Information Technology<br>5.92%  | Industrials<br>18.86%            | Financials<br>22.18%             | Information Technology<br>-0.29%   | Industrials<br>29.37%             | Materials<br>20.73%               | Materials<br>9.08%               | Industrials<br>12.23%             |
| Energy<br>20.46%                 | Telecom Services<br>6.27%       | Health Care<br>17.89%            | Information Technology<br>28.43% | Consumer Staples<br>15.98%       | Real Estate<br>4.68%             | Materials<br>16.69%              | Health Care<br>22.08%            | Real Estate<br>-2.22%              | Real Estate<br>29.01%             | Health Care<br>13.45%             | Real Estate<br>9.02%             | Financials<br>12.11%              |
| Telecom Services<br>18.97%       | Consumer Discretionary<br>6.13% | Industrials<br>15.35%            | Consumer Staples<br>26.14%       | Financials<br>15.20%             | Telecom Services<br>3.40%        | Utilities<br>16.29%              | Industrials<br>21.03%            | Consumer Staples<br>-8.38%         | Consumer Discretionary<br>27.94%  | Industrials<br>11.06%             | Communication Services*<br>8.08% | Consumer Staples<br>11.64%        |
| Consumer Staples<br>14.11%       | Energy<br>4.72%                 | Materials<br>14.97%              | Materials<br>25.60%              | Industrials<br>9.83%             | Financials<br>-1.53%             | Information Technology<br>13.85% | Consumer Staples<br>13.49%       | Communication Services*<br>-12.53% | Consumer Staples<br>27.61%        | Consumer Staples<br>10.75%        | Health Care<br>3.18%             | Utilities<br>11.27%               |
| Financials<br>12.13%             | Information Technology<br>2.41% | Information Technology<br>14.82% | Energy<br>25.07%                 | Consumer Discretionary<br>9.68%  | Industrials<br>-2.53%            | Consumer Discretionary<br>6.03%  | Utilities<br>12.11%              | Financials<br>-13.03%              | Utilities<br>26.35%               | Utilities<br>0.48%                | Consumer Discretionary<br>3.11%  | Communication Services*<br>10.41% |
| Information Technology<br>10.19% | Industrials<br>-0.59%           | Consumer Staples<br>10.76%       | Utilities<br>13.21%              | Materials<br>6.91%               | Utilities<br>-4.85%              | Consumer Staples<br>5.38%        | Real Estate<br>10.85%            | Industrials<br>-13.29%             | Materials<br>24.58%               | Financials<br>-1.69%              | Utilities<br>2.80%               | Real Estate<br>10.02%             |
| Utilities<br>5.46%               | Materials<br>-9.75%             | Energy<br>4.61%                  | Telecom Services<br>11.47%       | Telecom Services<br>2.99%        | Materials<br>-8.38%              | Real Estate<br>3.39%             | Energy<br>-1.01%                 | Materials<br>-14.70%               | Health Care<br>20.82%             | Real Estate<br>-2.17%             | Information Technology<br>1.97%  | Materials<br>9.46%                |
| Health Care<br>2.90%             | Financials<br>-17.06%           | Utilities<br>1.28%               | Real Estate<br>1.60%             | Energy<br>-7.78%                 | Energy<br>-21.12%                | Health Care<br>-2.69%            | Telecom Services<br>-1.25%       | Energy<br>-18.10%                  | Energy<br>11.81%                  | Energy<br>-33.68%                 | Consumer Staples<br>1.15%        | Energy<br>-1.55%                  |
|                                  | 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.

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.

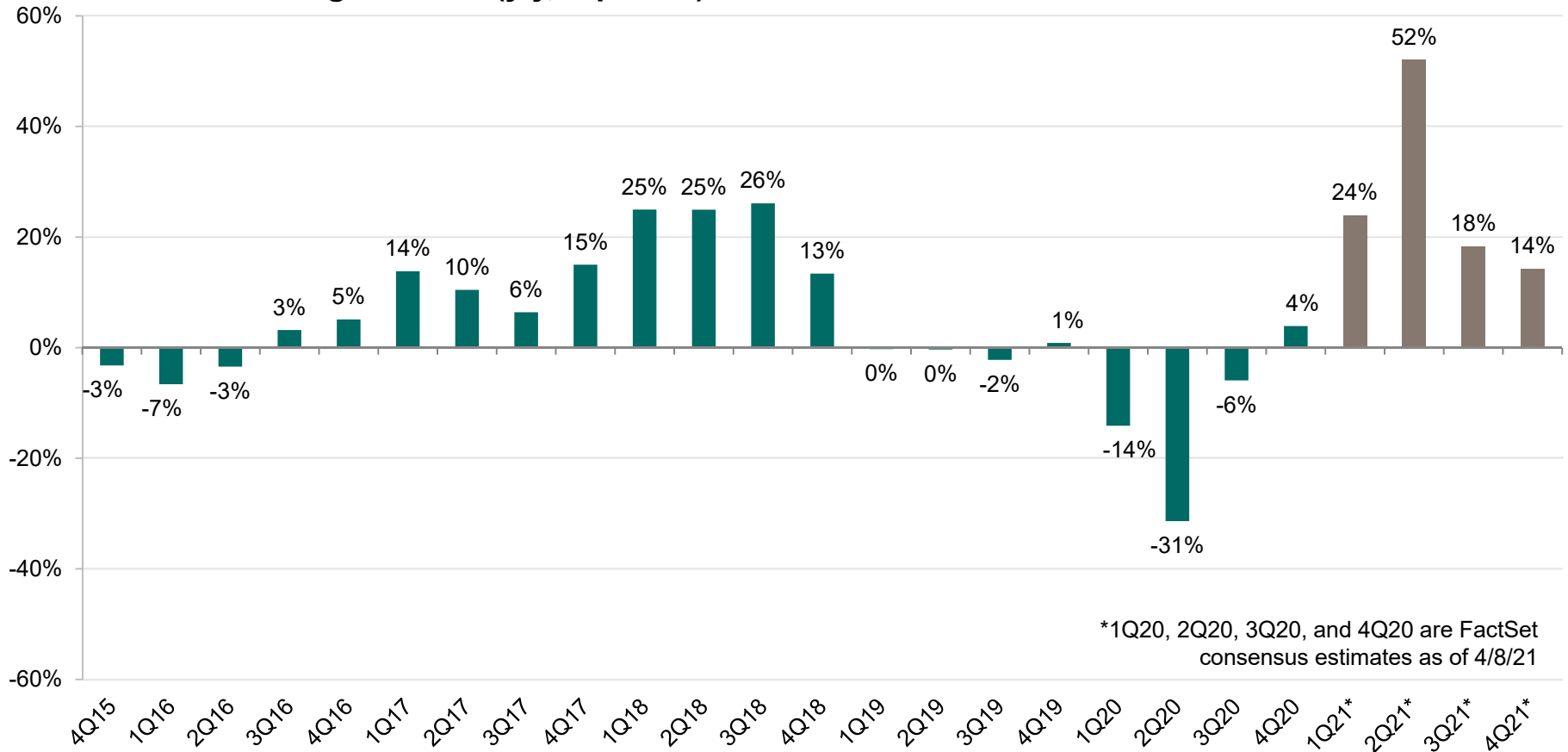
Data source: FactSet; through 3/31/21



# S&P 500: Earnings Growth

2020 earnings better than feared; 2021 growth expected

## 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.

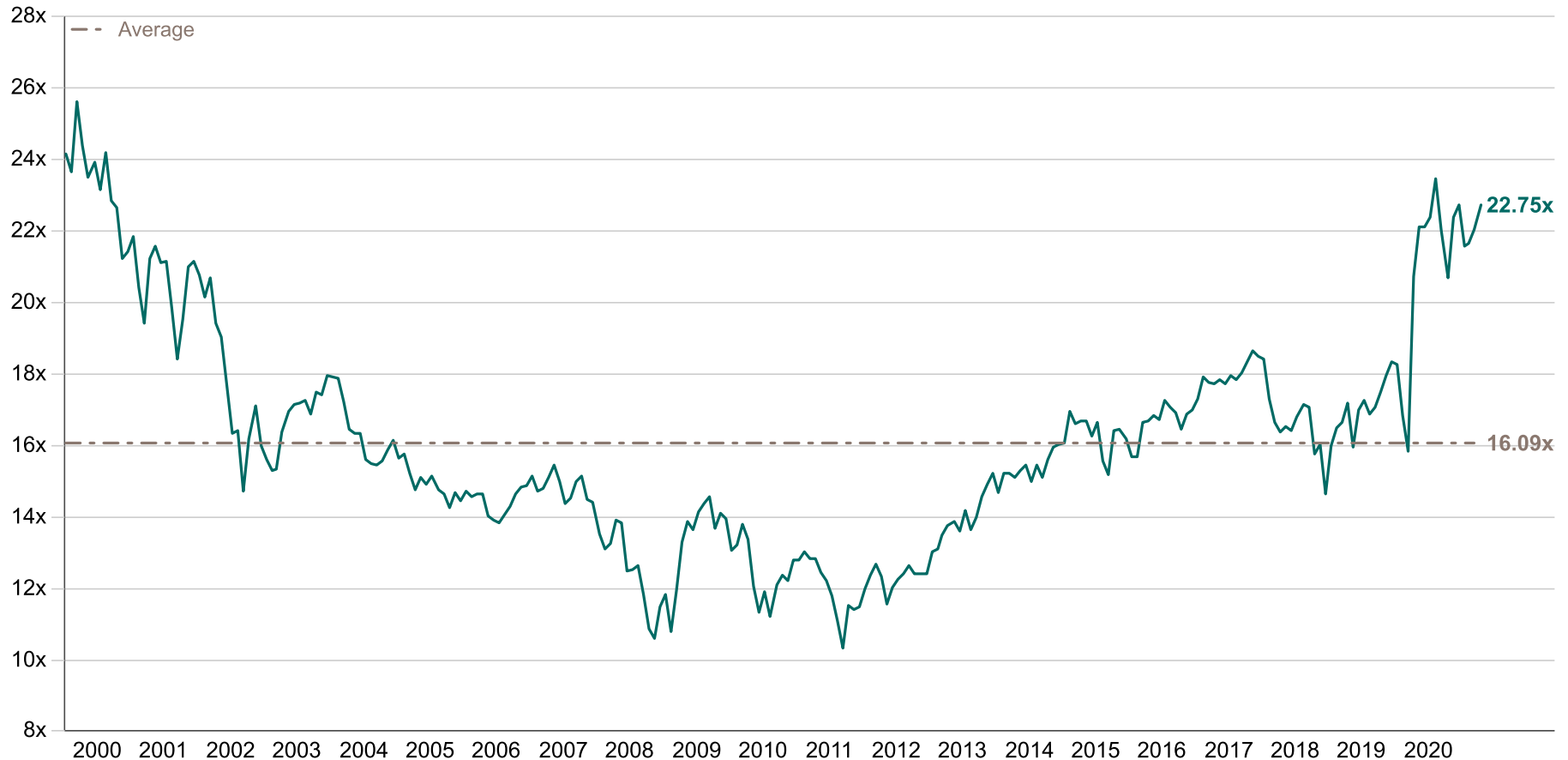
Data source: FactSet; through 4/8/21



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

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

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



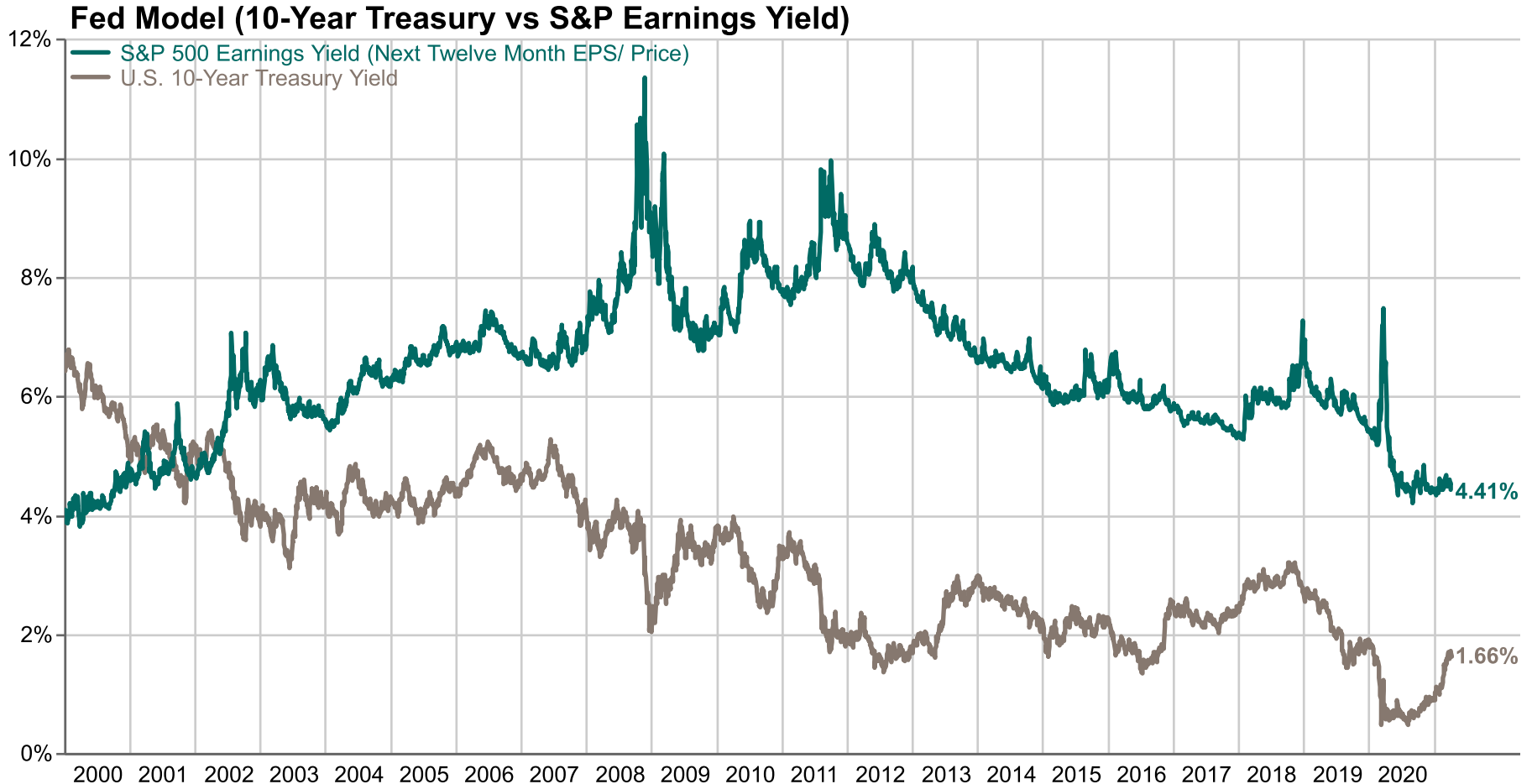
The forward S&P 500 price-to-earnings ratio (P/E) is a valuation measure, calculated by dividing the price of the S&P 500 index over the weighted average earnings per share (EPS) estimate of each company in the index. Earnings are based on "forward" consensus estimates expected over the next 12 months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

Data source: FactSet; through 4/9/21



# S&P 500: Earnings Yield

U.S. equities undervalued vs. bonds even as rates rise



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 4/9/21

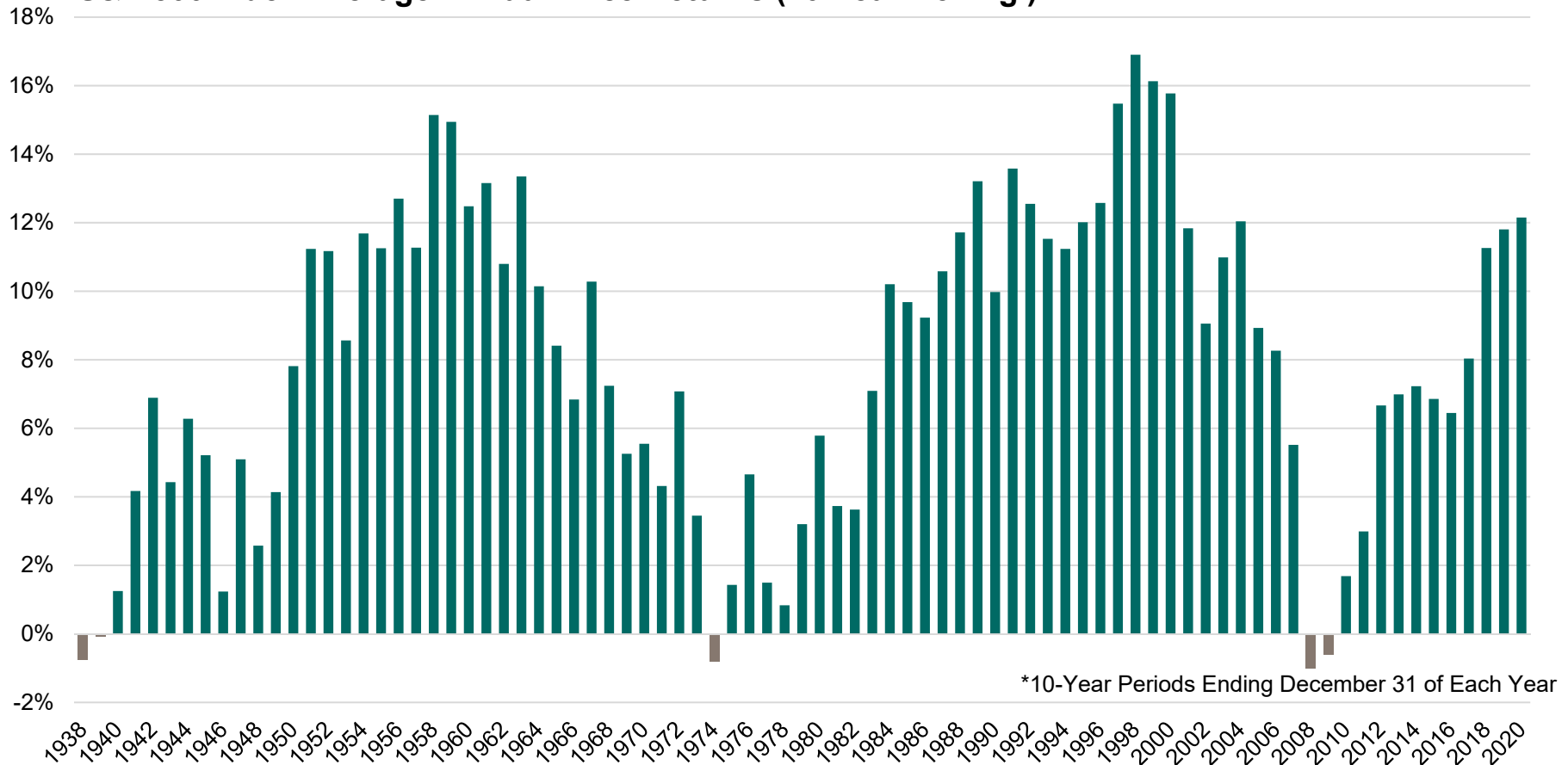




# S&P 500: Annual Total Returns

10-year returns show the benefits of equities over time

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



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.

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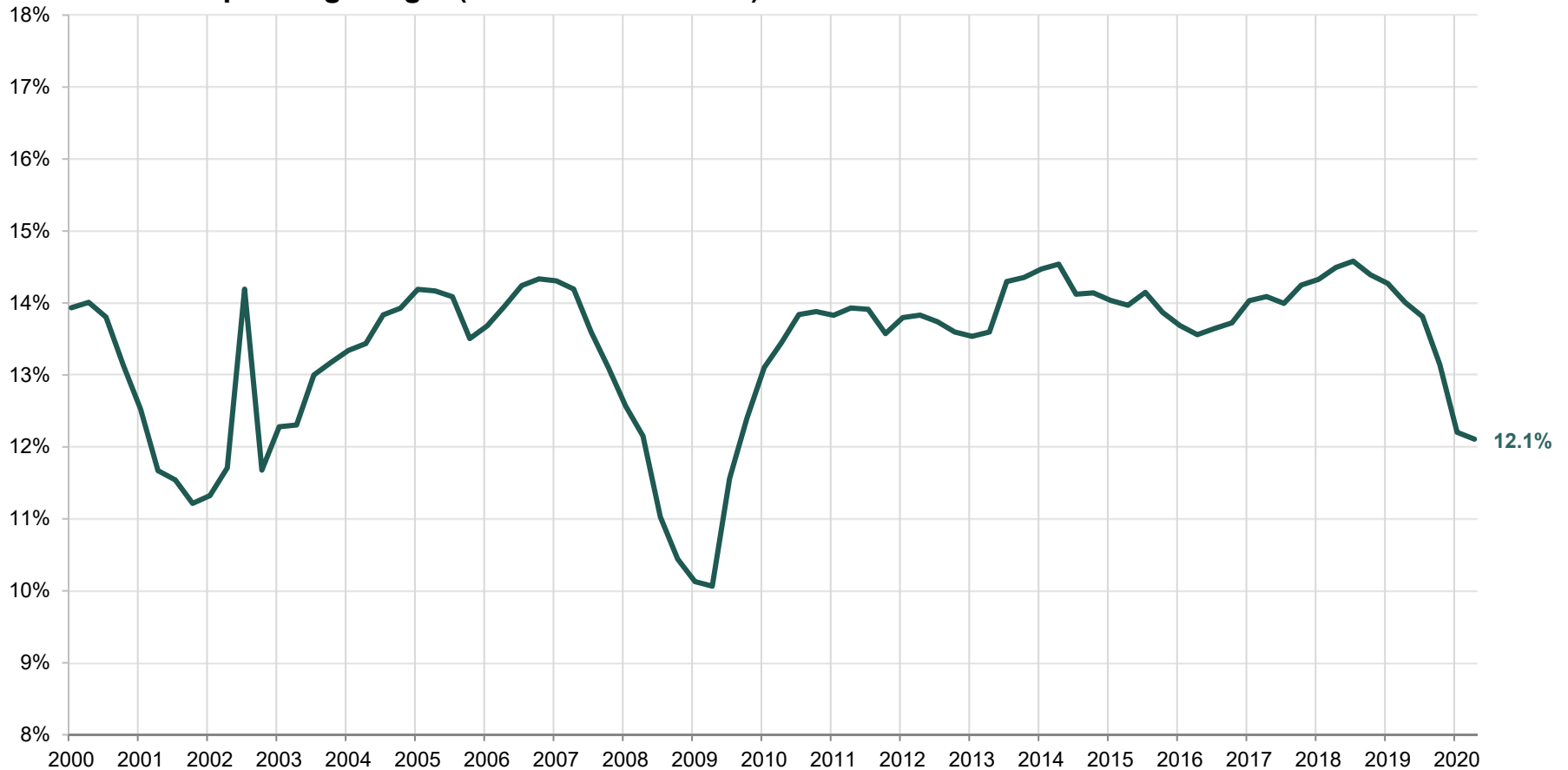
Data source: FactSet; through 12/31/20



# S&P 500: Operating Margin

Margins sharply lower in 2020, not as low as 2009

**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.

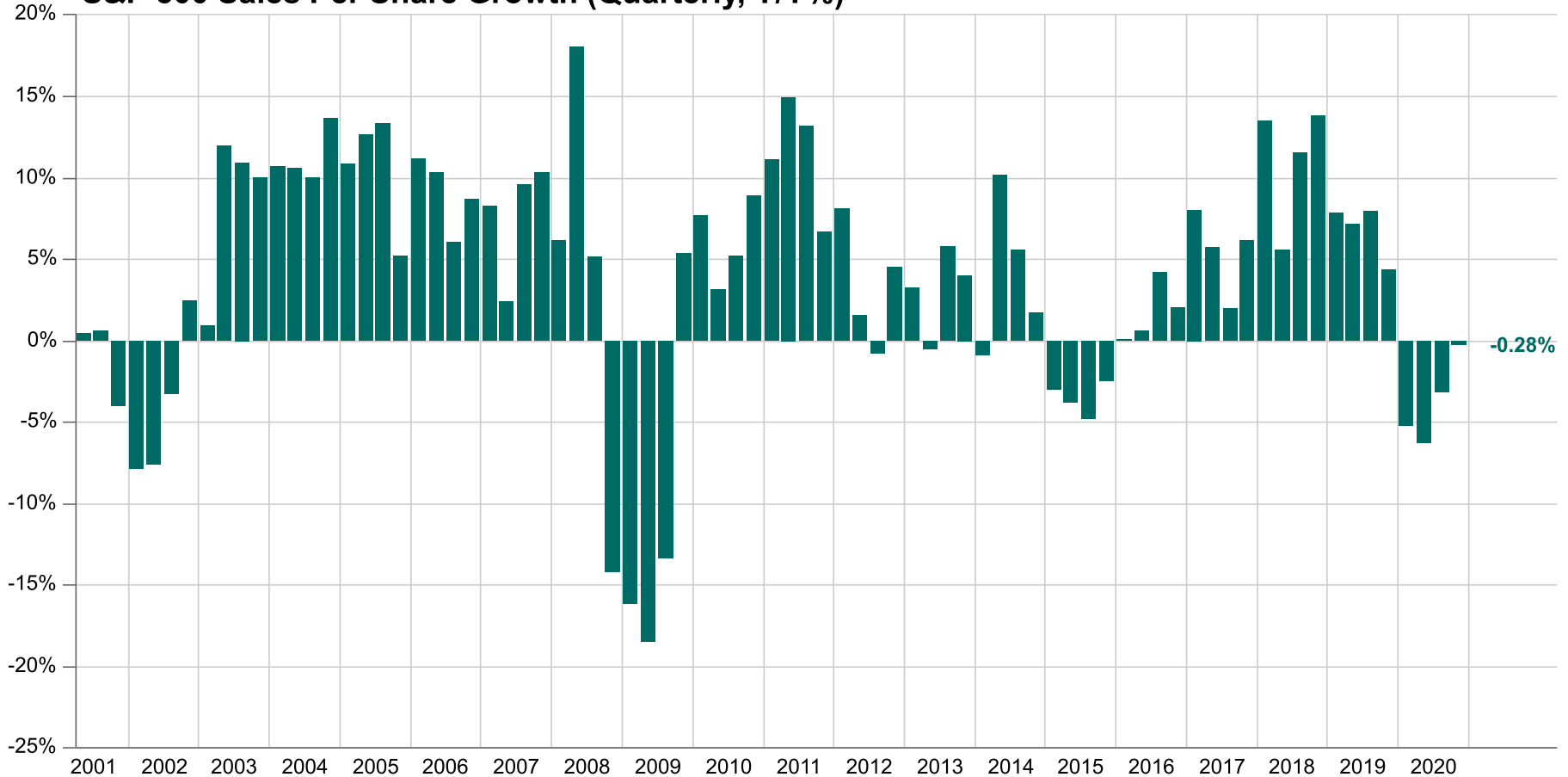
Data source: FactSet; through 12/31/20



## S&P 500: Sales Per Share Growth

COVID-19 drives 2020 revenue decrease, but reversing

## S&P 500 Sales Per Share Growth (Quarterly, Y/Y%)



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.

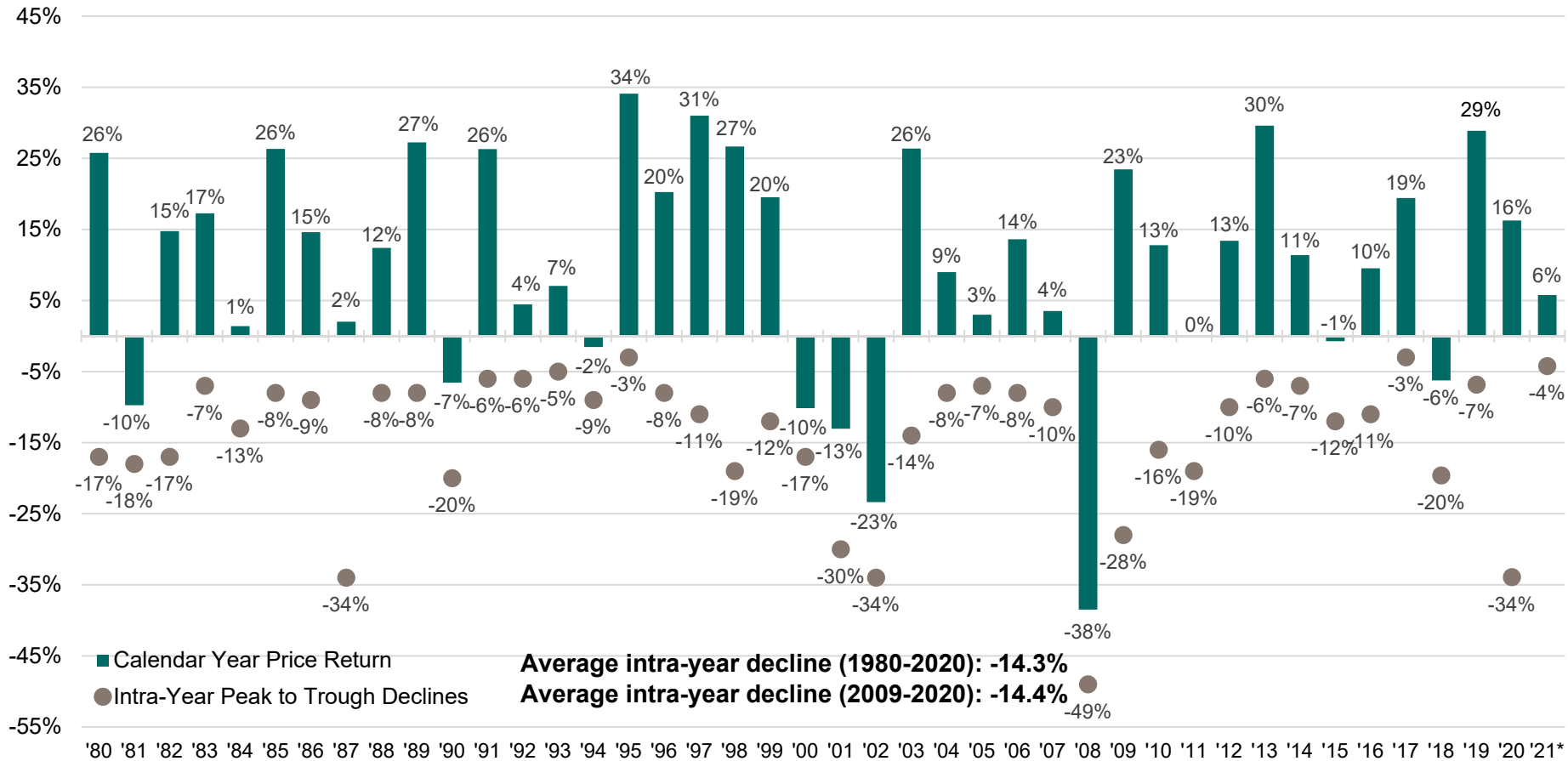
Data source: FactSet; through 12/31/20



# 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 3/31/21

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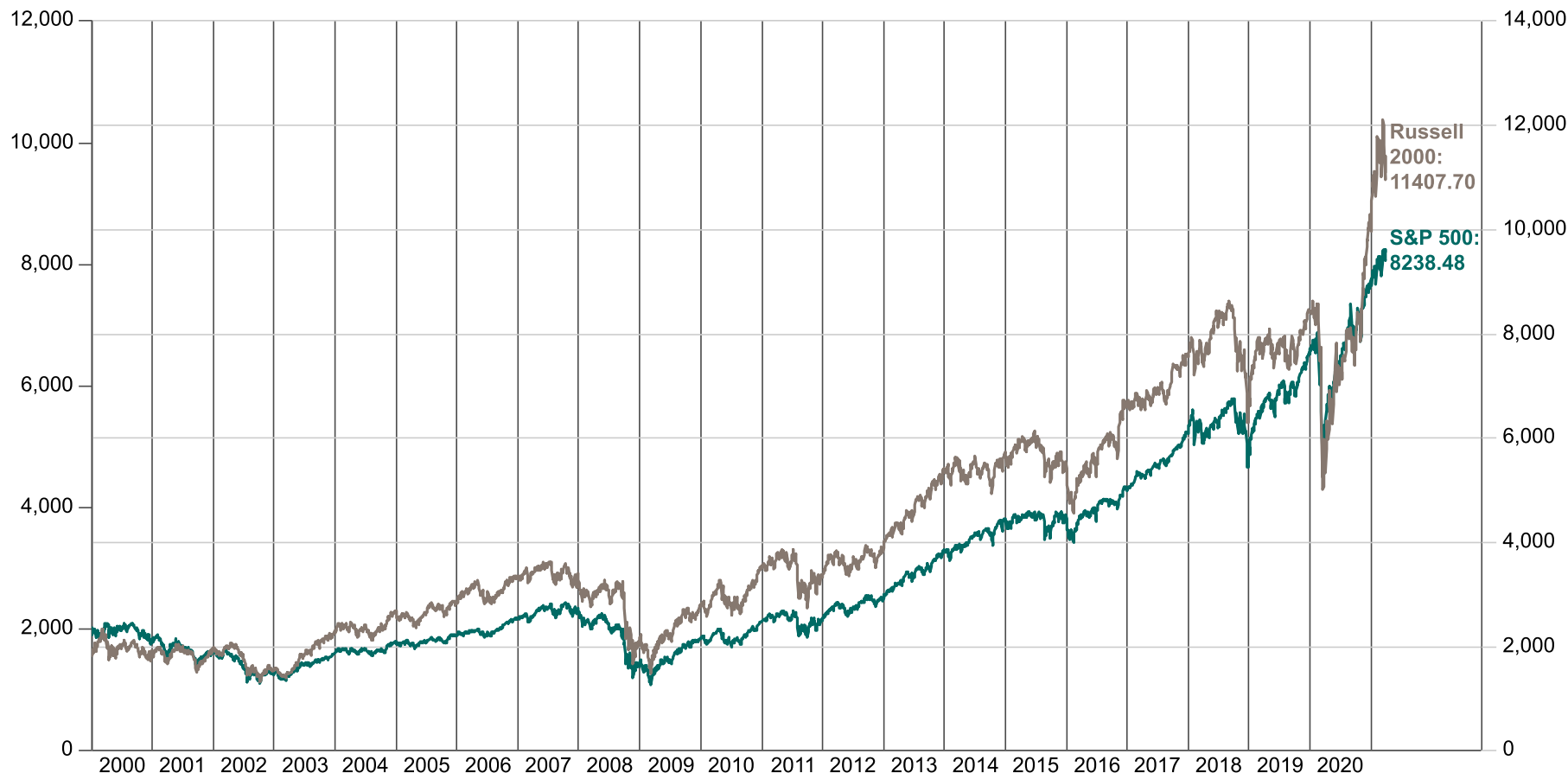
Data source: FactSet; through 3/31/21



# 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.

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. The S&P 500 is an index of about 500 leading large companies; according to S&P Global the index comprises approximately 80% of available U.S. market capitalization. The Russell 2000 index measures the performance of the small company segment of the U.S. equity universe; it is a subset of the Russell 3000 index representing approximately 10% of the total market capitalization of that index. Past performance is not an indicator of future results.

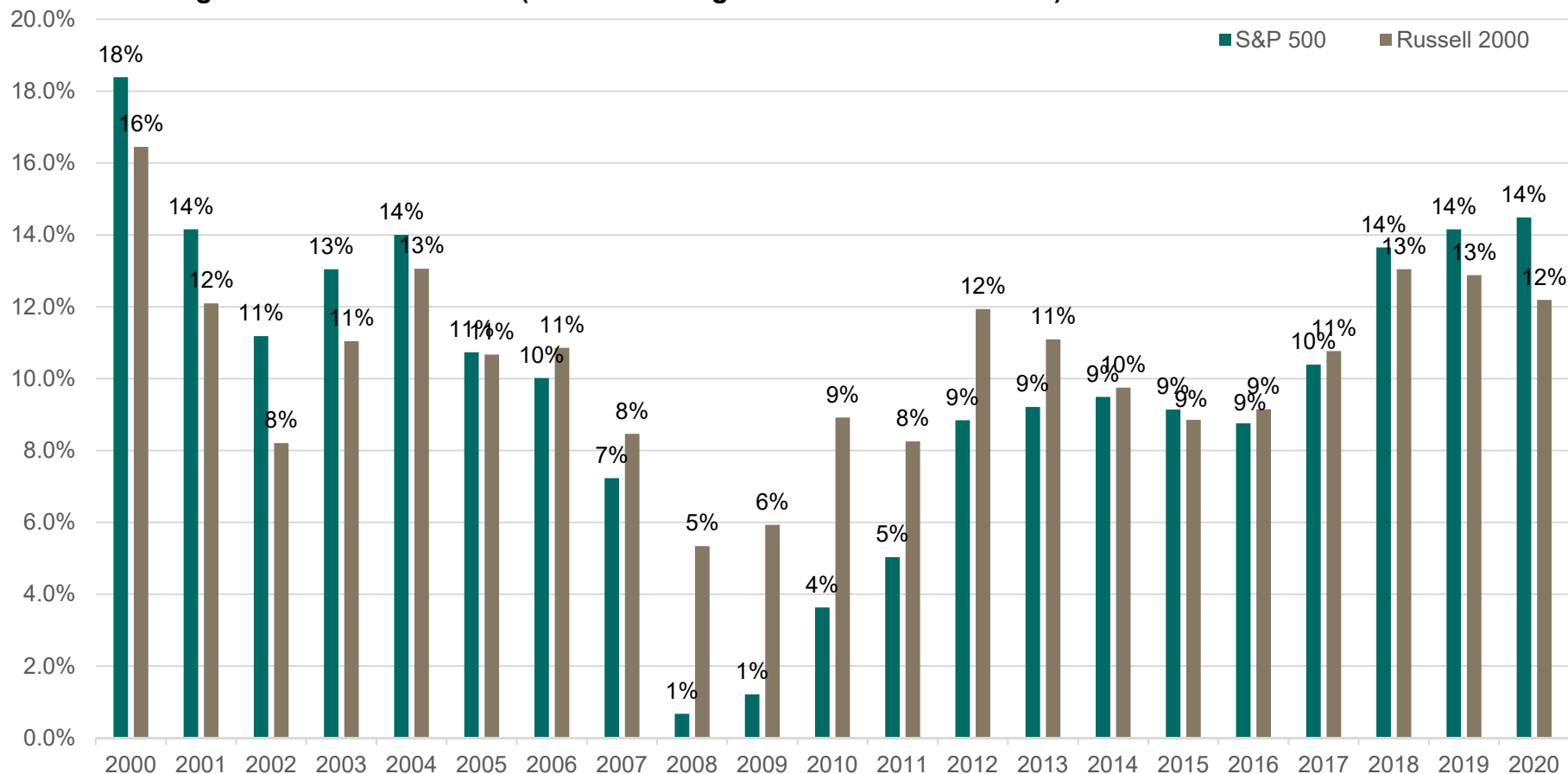
Data source: FactSet; through 3/31/21



# 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.

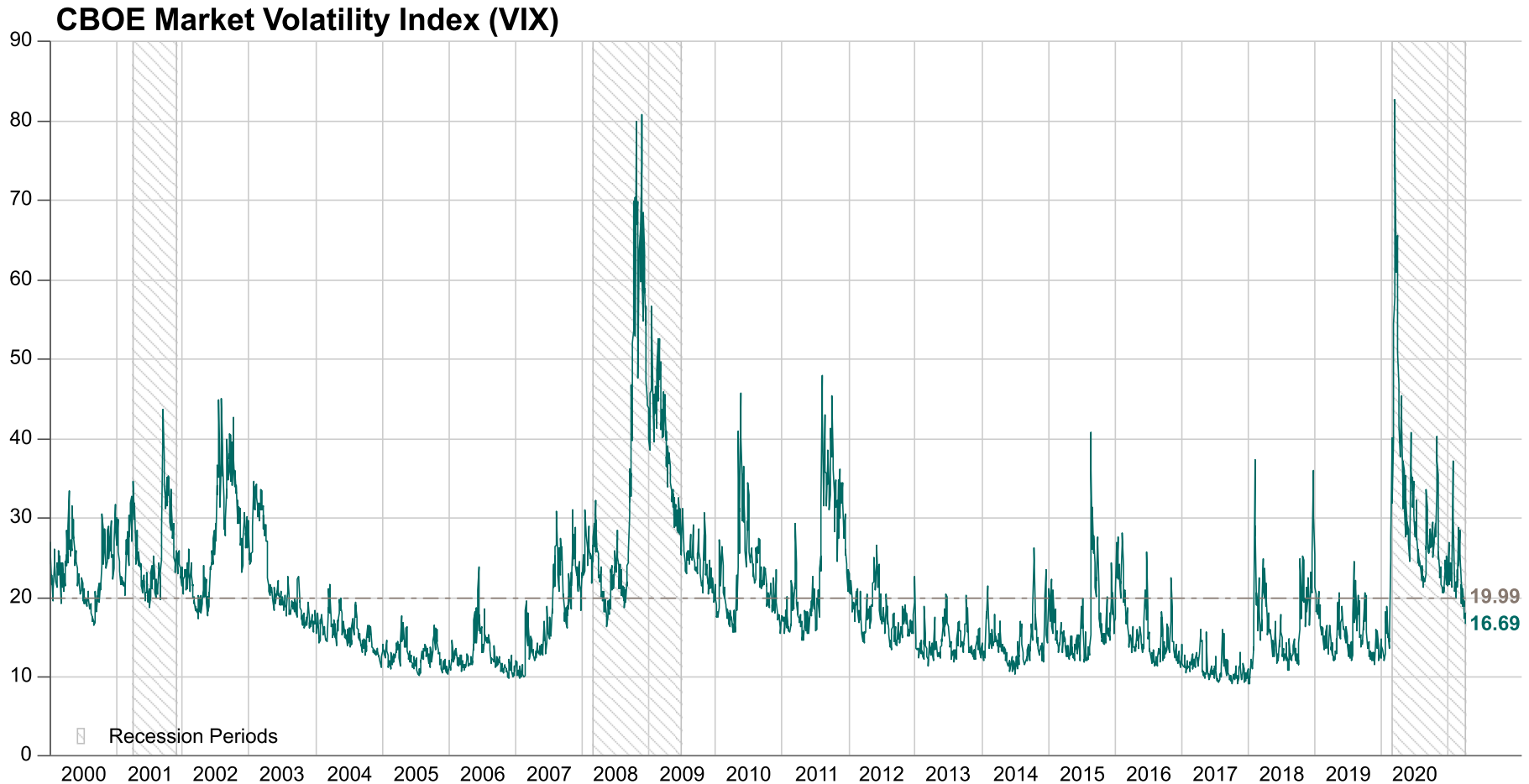
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Data source: FactSet; through 12/31/20



# CBOE Market Volatility Index

Volatility moved lower in Q1



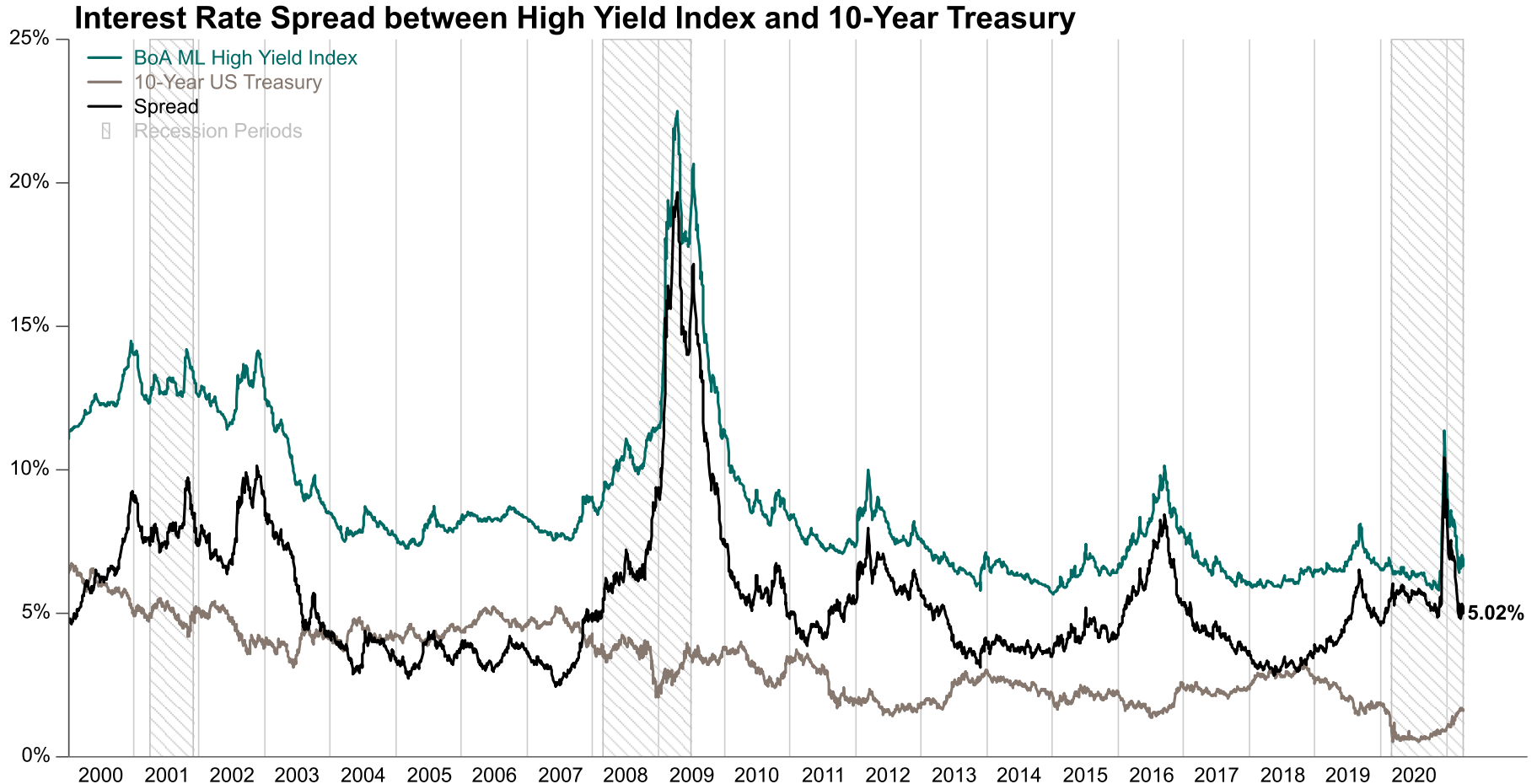
The CBOE Market Volatility Index (VIX) is a widely followed barometer of equity market volatility. The index is derived from price inputs of S&P 500 index options and is designed to reflect the market's expectation of 30-day forward-looking volatility.

Data source: FactSet; through 4/9/21



# U.S. Interest Rates: High Yield Spread

Credit spreads pulled back in Q1, remain elevated



Shown are historical yields earned on two fixed income securities. The BoA 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.

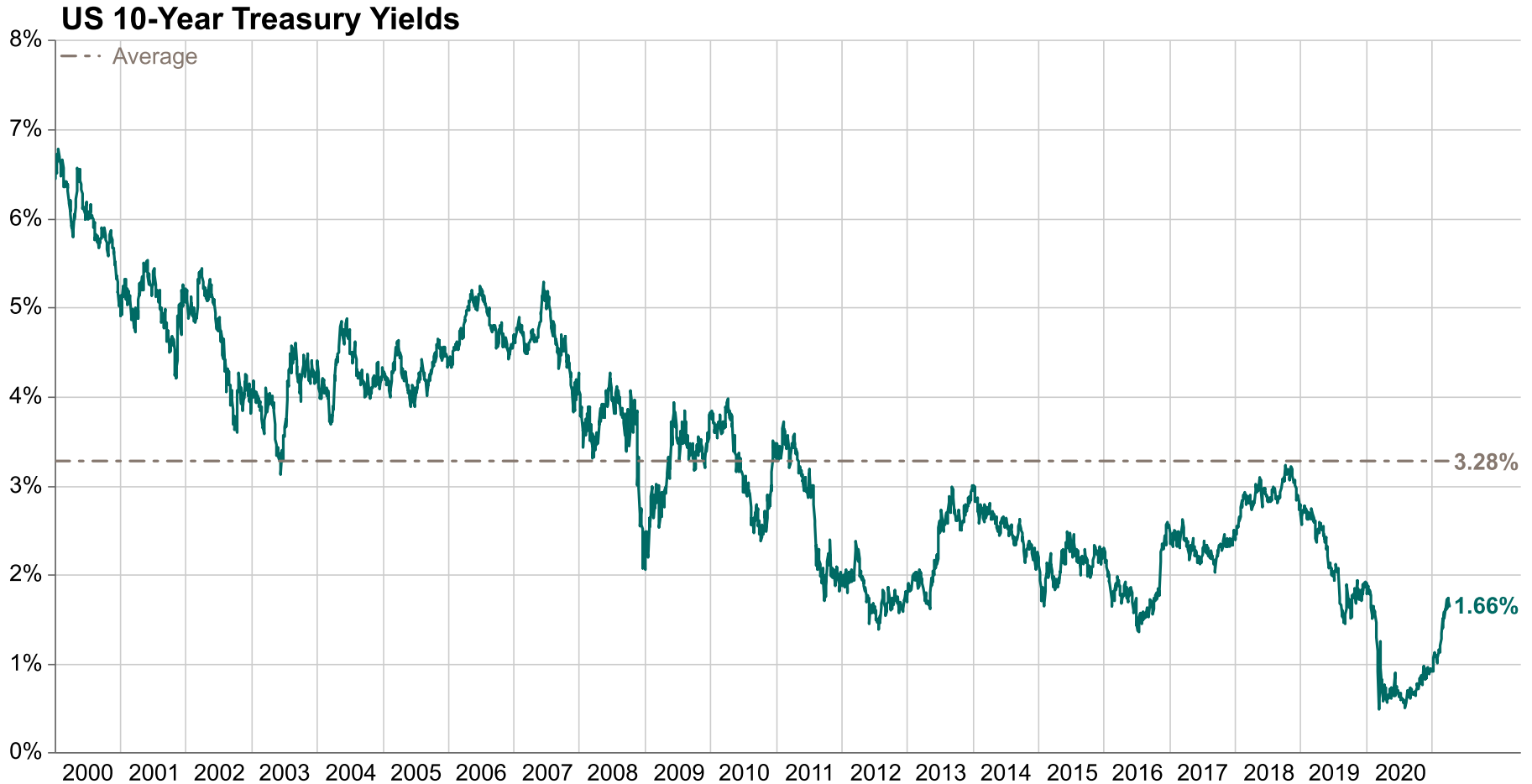
Data source: FactSet; through 4/9/21





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

Long-term yields have surged higher since November 2020



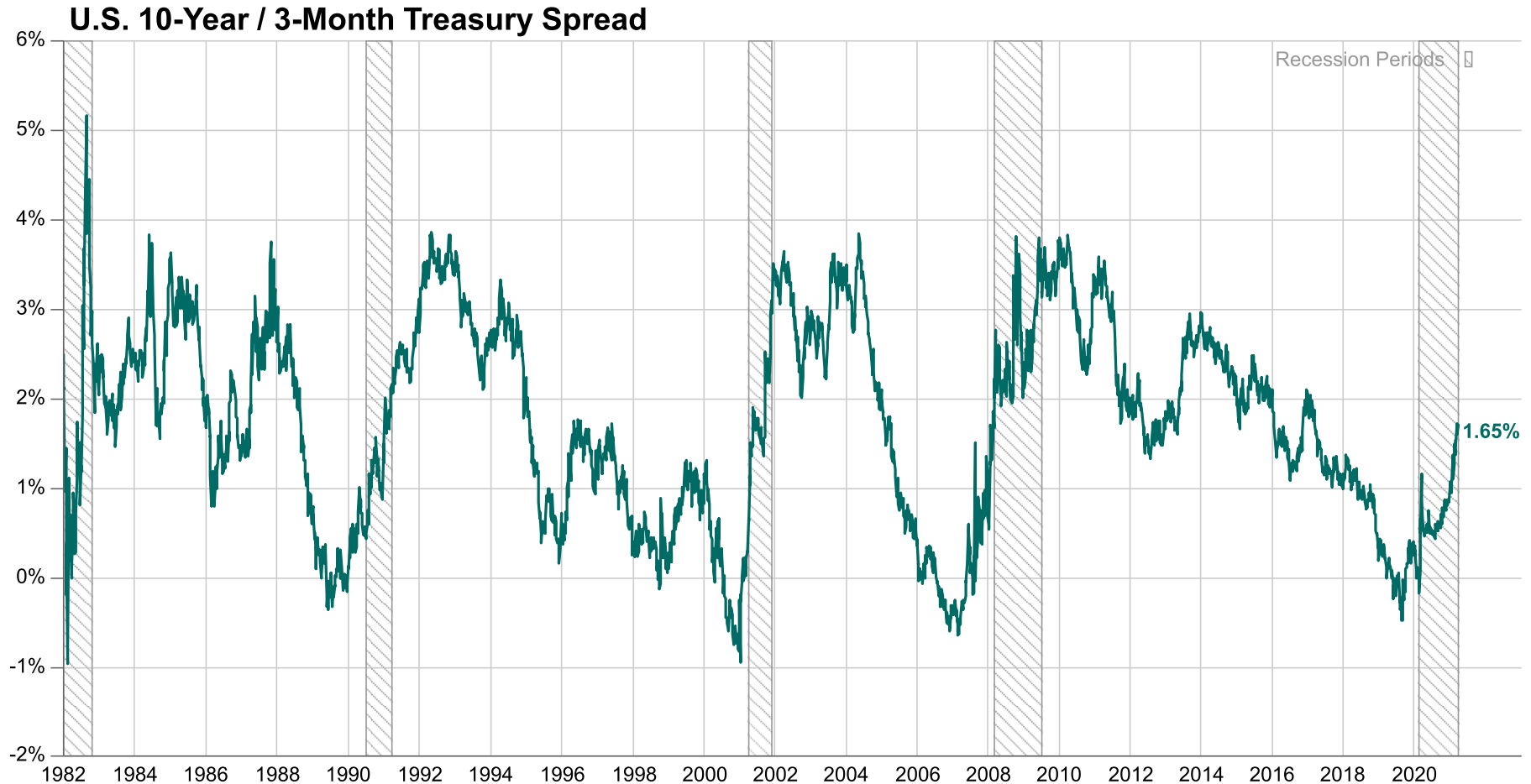
*The yield of the 10-year U.S. Treasury bond is a widely followed barometer of the current U.S. interest rate environment.*

*Data source: FactSet; through 4/9/21*



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

Spread widened as yield curve steepened



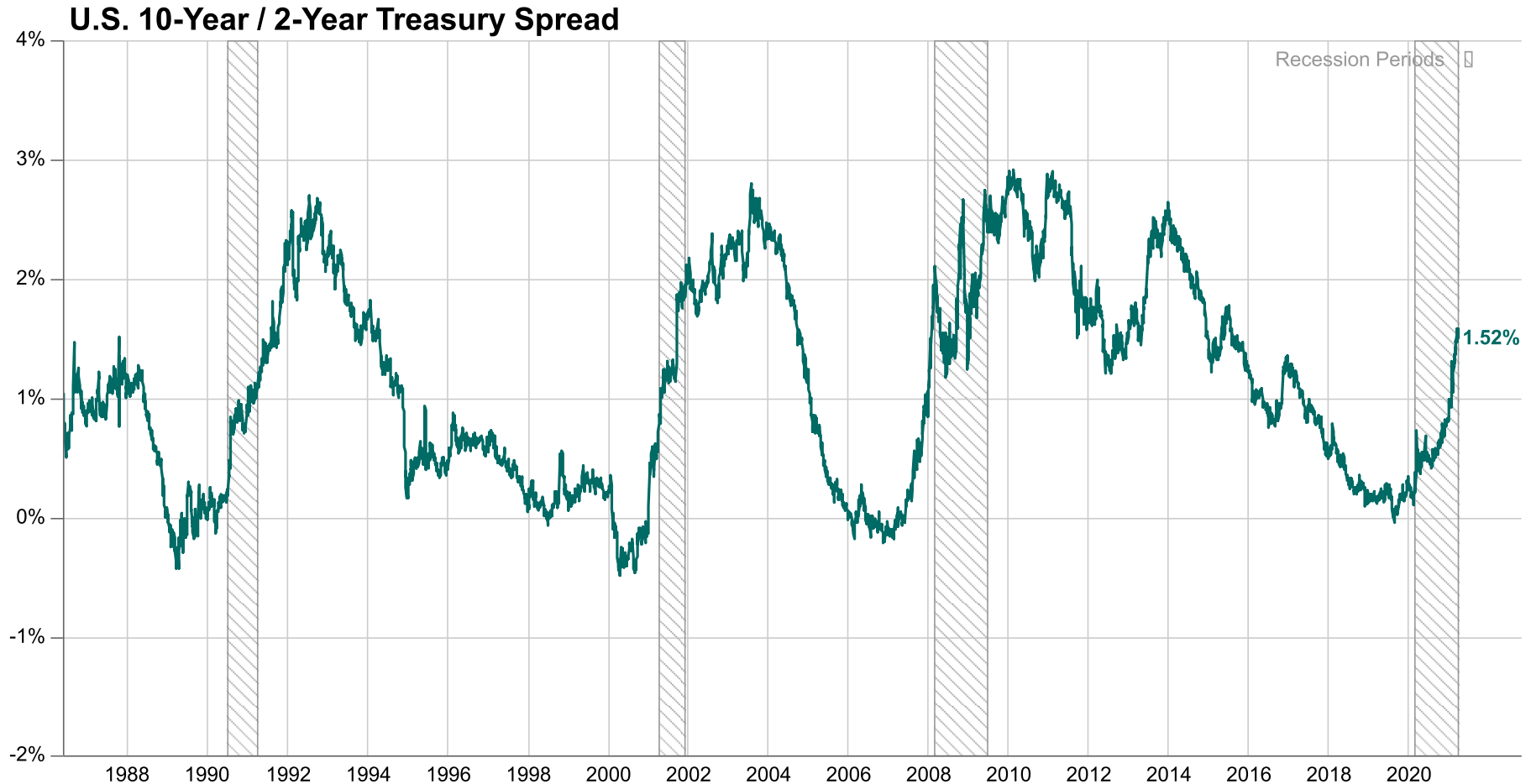
Yield of the 10-year and 3-Month U.S. Treasury bonds are widely followed barometers of the current U.S. interest rate environment. The spread is the difference in interest rates between the two securities.

Data source: FactSet; through 4/9/21 (recession periods shaded)



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

Key long-term vs. short-term yield spread at five-year high



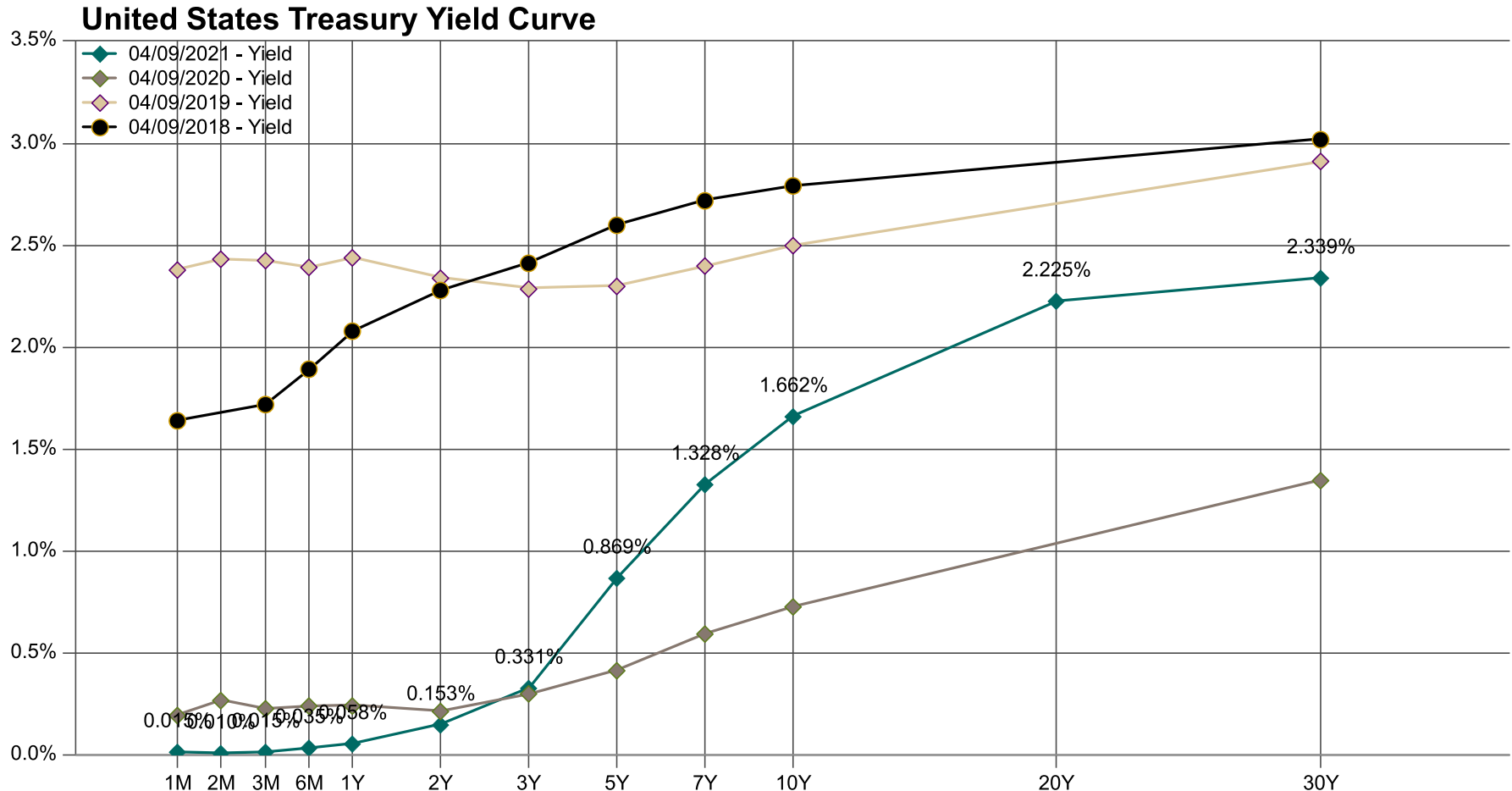
Yield of the 10-year and 2-Year U.S. Treasury bonds are widely followed barometers of the current U.S. interest rate environment. The spread is the difference in interest rates between the two securities.

Data source: FactSet; through 4/9/21 (recession periods shaded)



# U.S. Treasury Yield Curve

Steepening curve, as long-term rates rise



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.

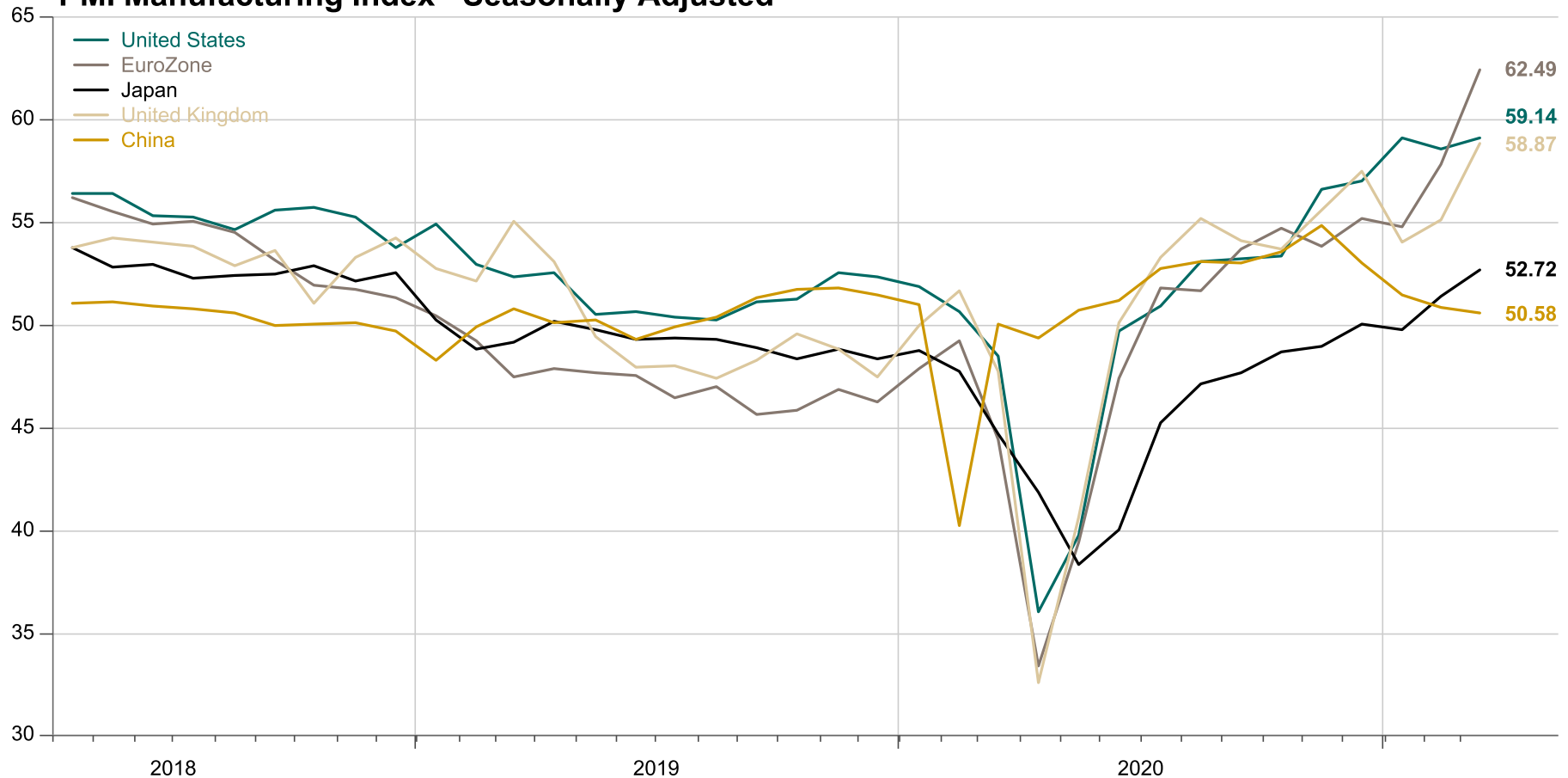
Data source: FactSet; through 4/9/21



# Global Manufacturing Surveys

## PMIs suggest global post-recession recovery

### PMI Manufacturing Index - Seasonally Adjusted



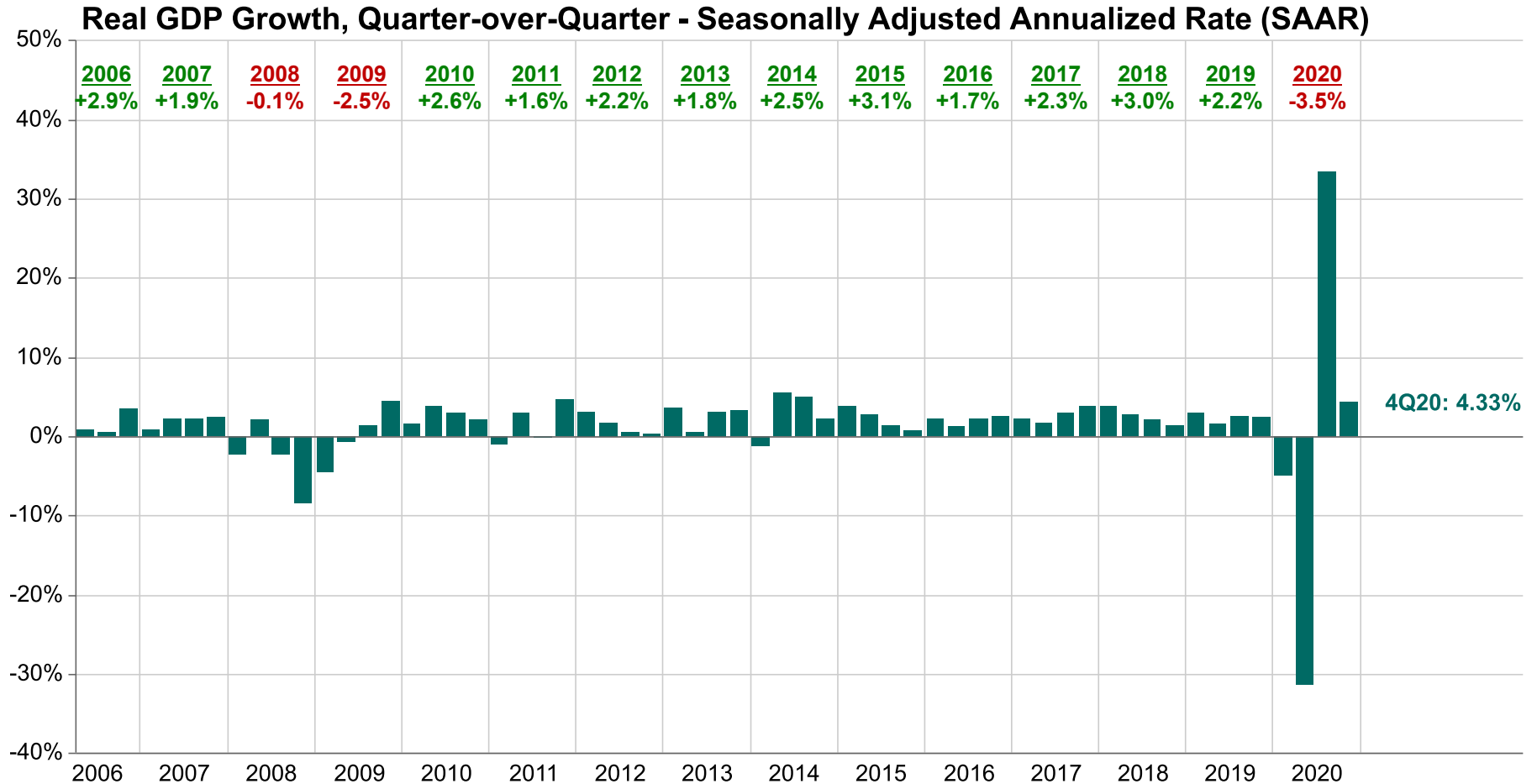
A Purchasing Managers' Index (PMI) is an indicator of the outlook for the manufacturing (PMI – Manufacturing) and services (PMI – Services) sectors of the economy. The index is based on a wide survey of company executives in these sectors. A reading above 50 indicates expectation for expansion compared 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 3/31/21



# U.S. GDP Quarterly

GDP growth rebounded after two-quarter recession



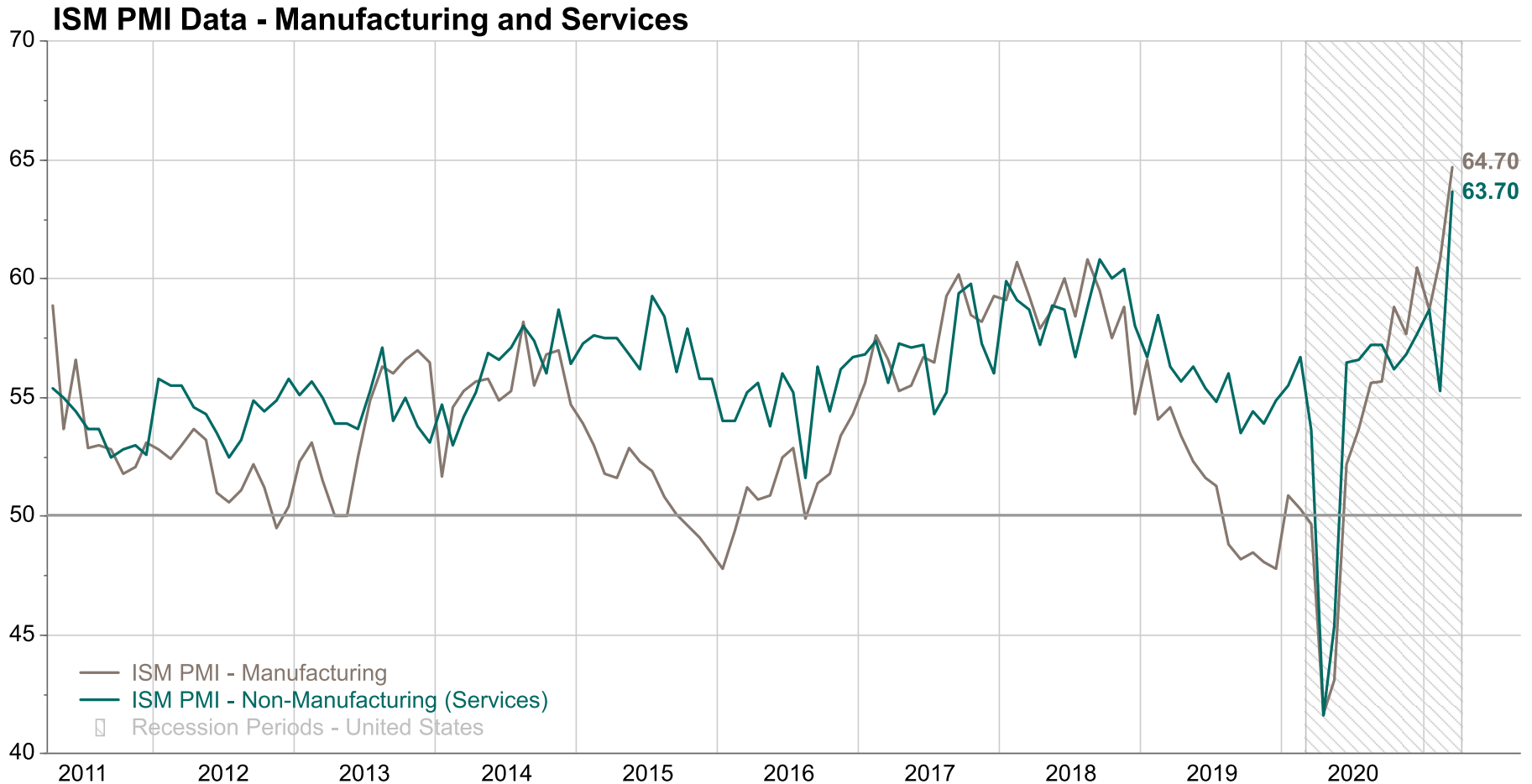
Gross Domestic Product (GDP) is one of the primary economic indicators used to gauge the overall health of the economy and measures the total dollar value of all goods and services produced over a specific time period. Seasonally adjusted annual rate (SAAR) is used to normalize data by adjusting for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

Data source: FactSet; through 12/31/21; SAAR = Seasonally Adjusted Annualized Rate



# U.S. Economic Surveys

Surveys suggest strong growth ahead



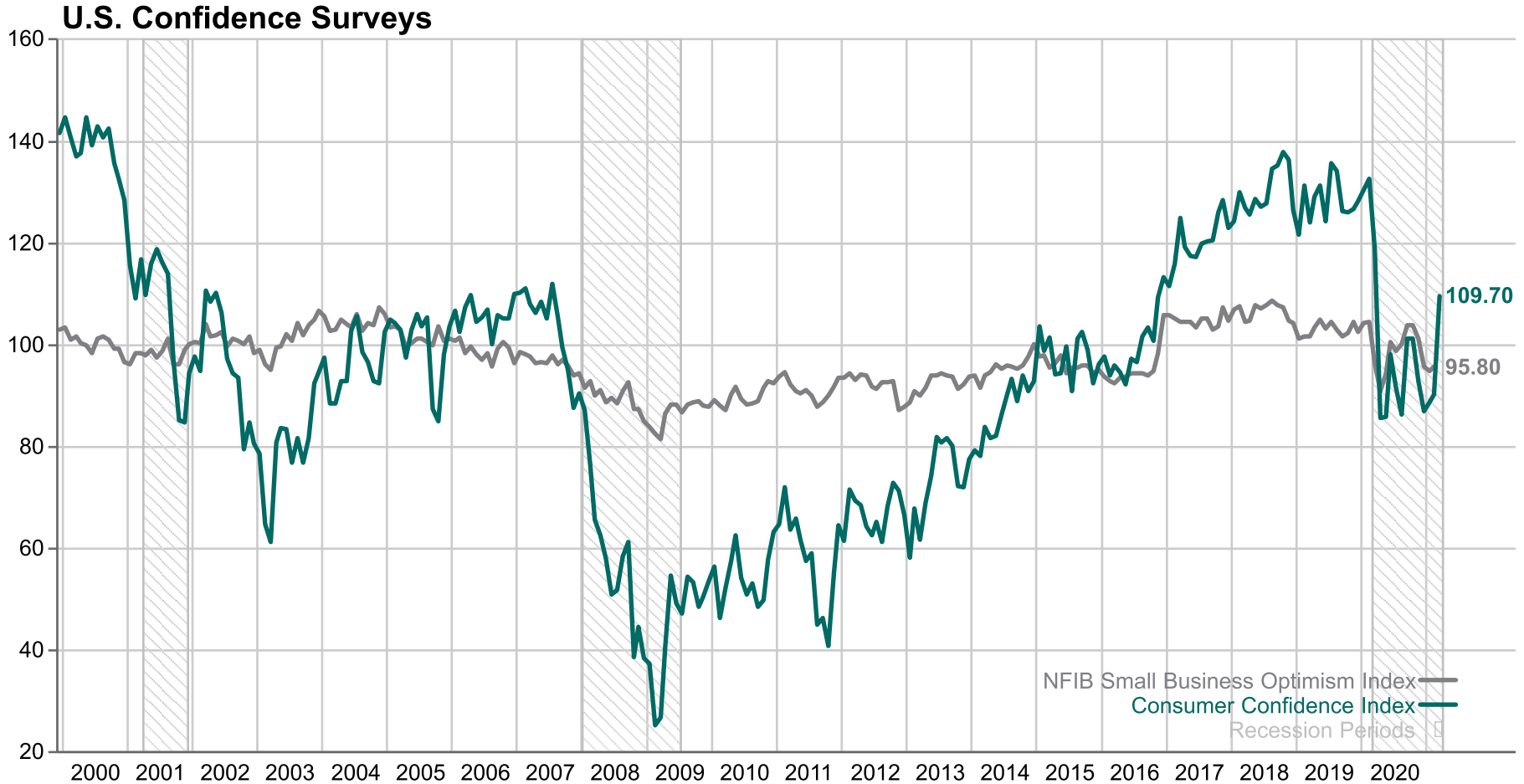
The ISM Purchasing Managers' Index (PMI) is an indicator of the outlook for the manufacturing (ISM PMI – Manufacturing) and services (ISM PMI – Services) sectors of the economy. The index is based on a wide survey of company executives in these sectors. A reading above 50 indicates expectation for expansion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

Data source: FactSet; ISM PMI – Manufacturing data through 3/31/21 ISM PMI – Non-Manufacturing data through 3/31/21



# 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.

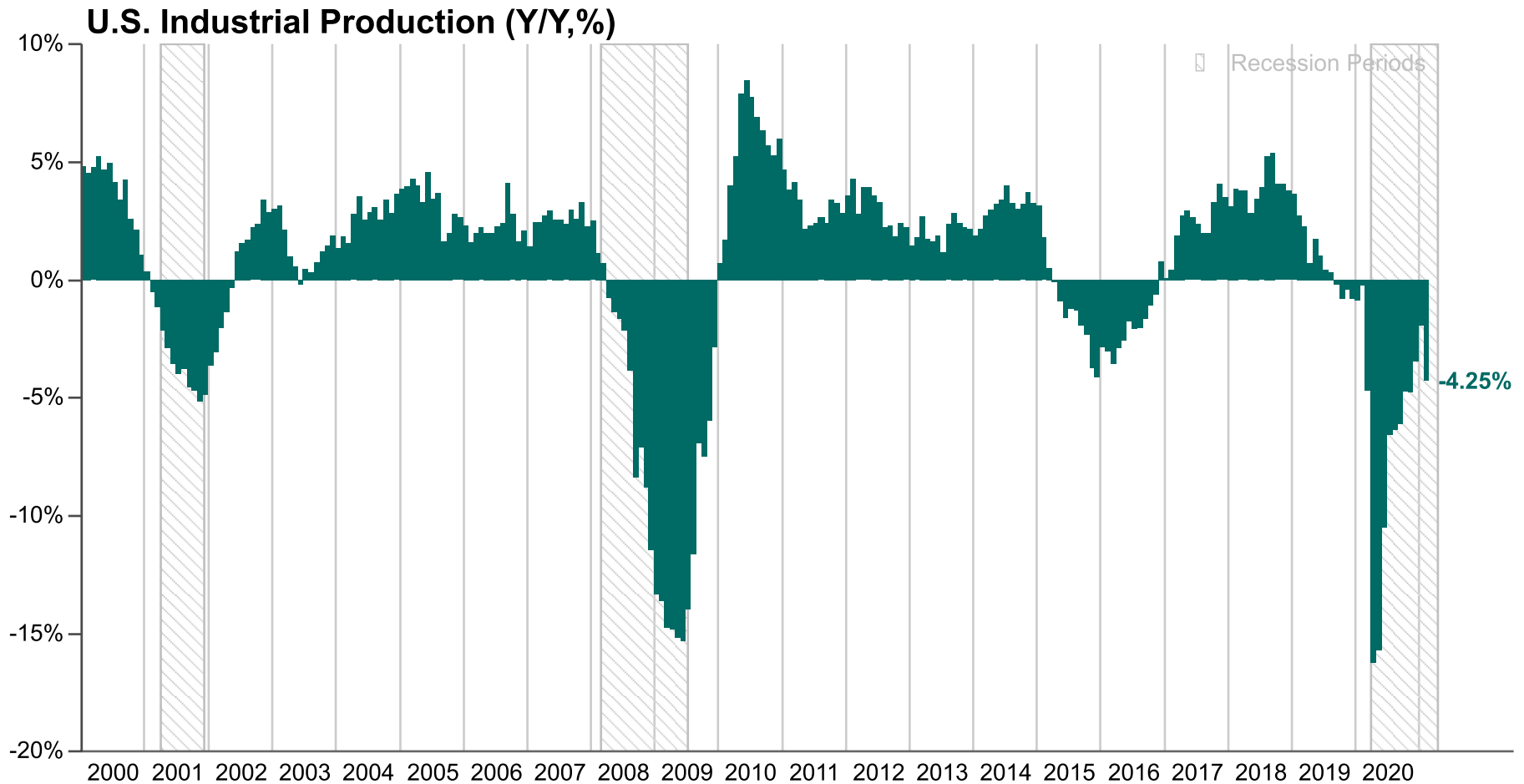
Data source: FactSet; NFIB Small Business Optimism Index data through 2/28/21; Consumer Confidence data through 3/31/21





# U.S. Industrial Production

Manufacturing recovering, but remains lower Y/Y



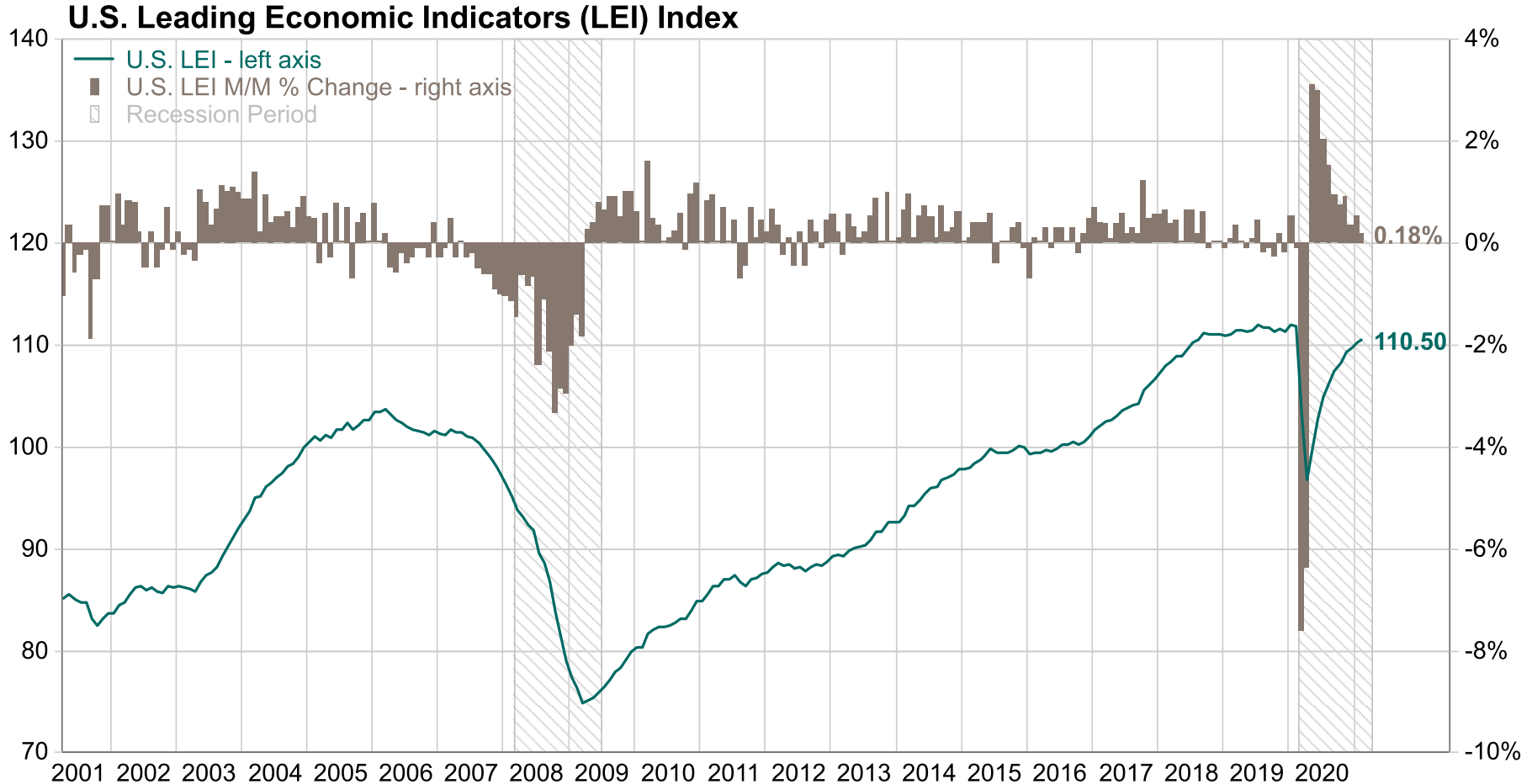
Industrial production (IP) measures the real output of the manufacturing, mining, and electric and gas utilities industries. The industrial sector, together with construction, accounts for the bulk of the variation in national output over the course of the business cycle. These data series help illuminate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

Data source: FactSet; through 2/28/21



# Conference Board Leading Index

Pace moderated at year-end, but near pre-pandemic levels



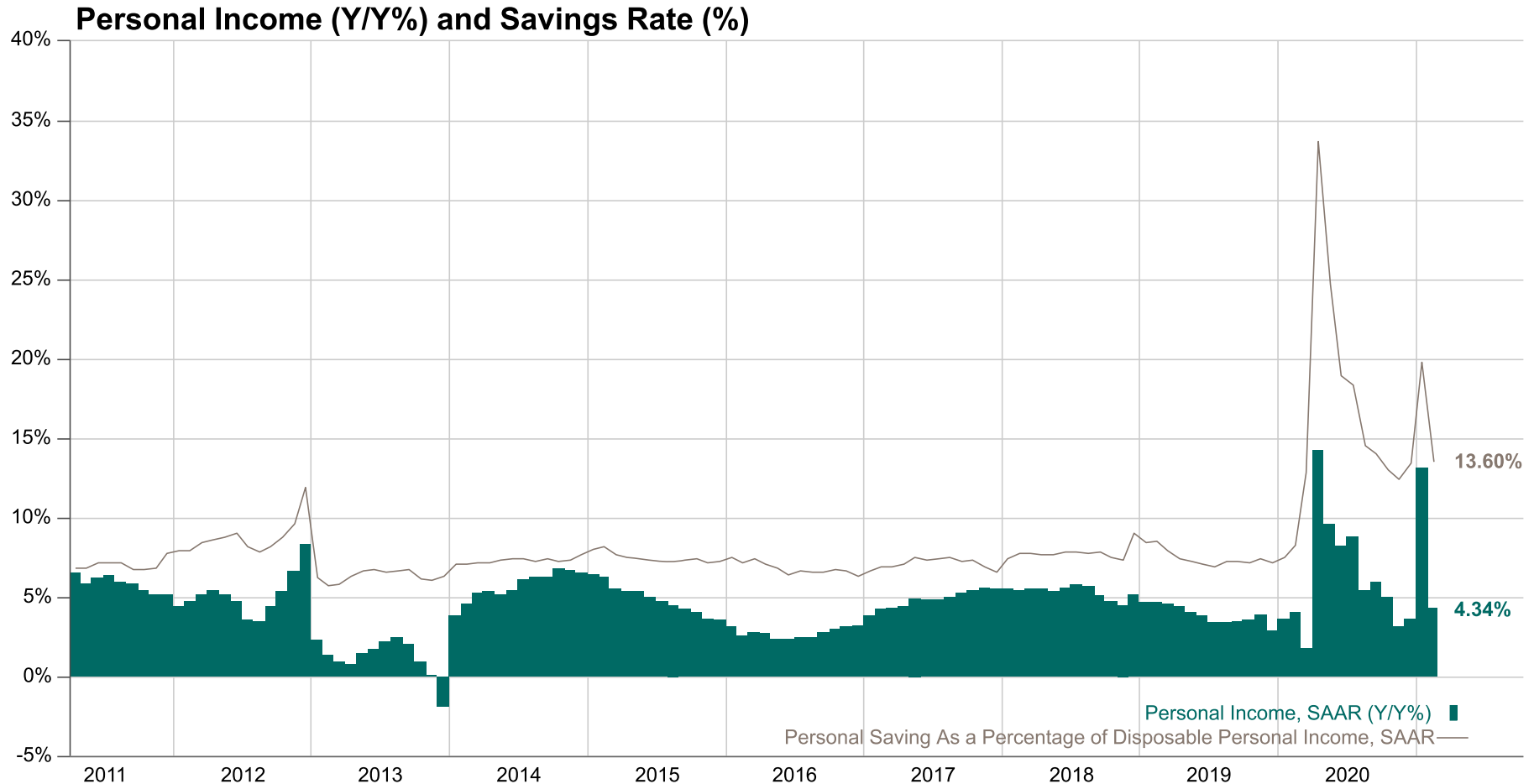
The Conference Board Leading Economic Index® is a composite average of ten widely-followed leading (forward-looking) economic indicators, and is meant to summarize and reveal common turning point patterns in the data.

Data source: FactSet; through 2/28/21



# U.S. Personal Income & Savings

## Savings aided by COVID relief; consumer in good shape



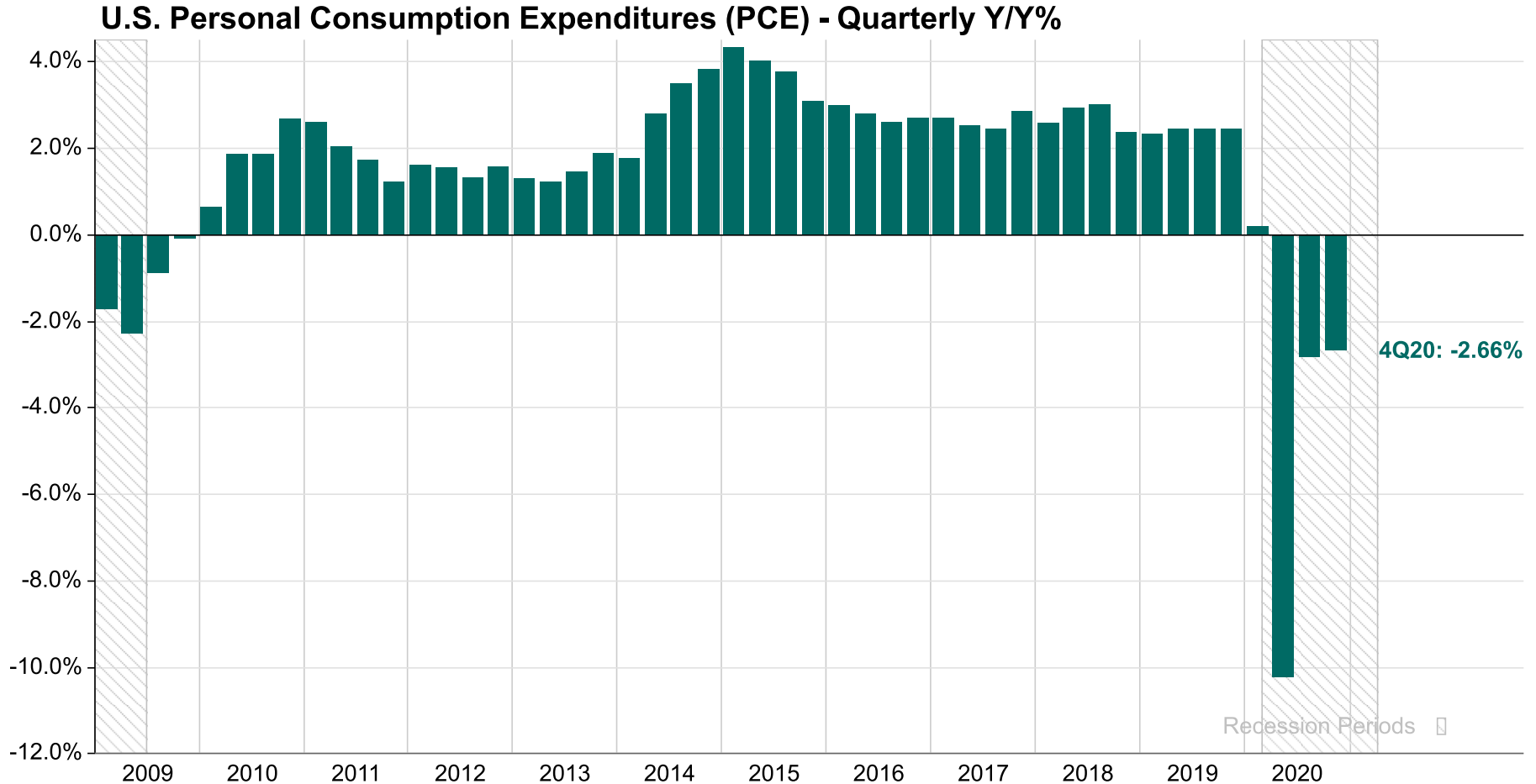
The Bureau of Labor Statistics compiles U.S. labor statistics from two monthly surveys. Personal Income measures the income people receive from wages and salaries, Social Security, and other government benefits, dividends, business ownership, and other sources. Personal Savings as a % of Disposable Personal 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 2/28/21



# U.S. Consumer Spending-Quarterly

Down Y/Y through year-end, potential pent-up demand



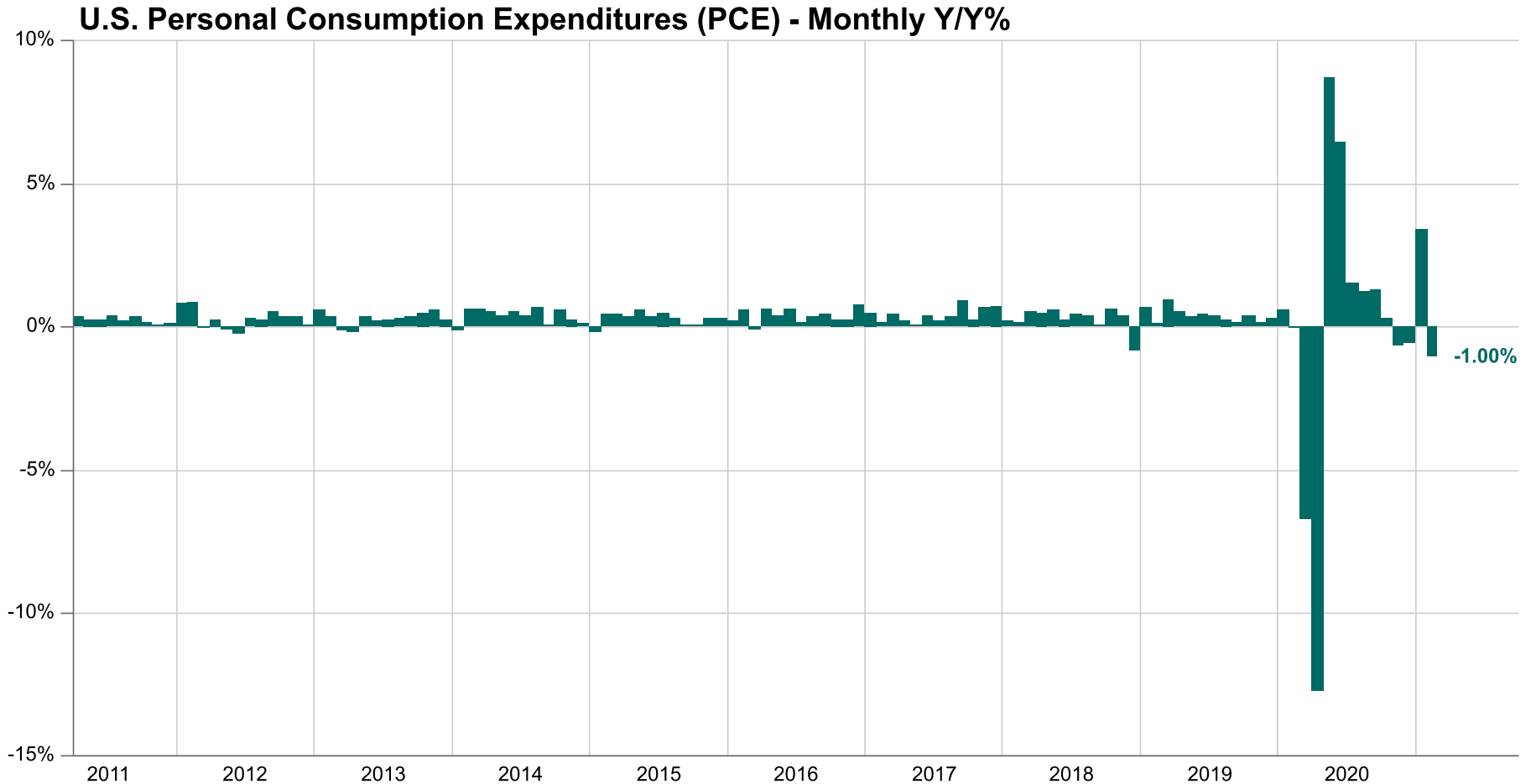
U.S. Personal Consumption Expenditures (PCE) is an indicator of the growth in consumer spending. It measures the amount of money Americans spend on goods and services.

Data source: FactSet; through 12/31/20



# U.S. Consumer Spending-Monthly

Spending skewed by stimulus checks, but rising



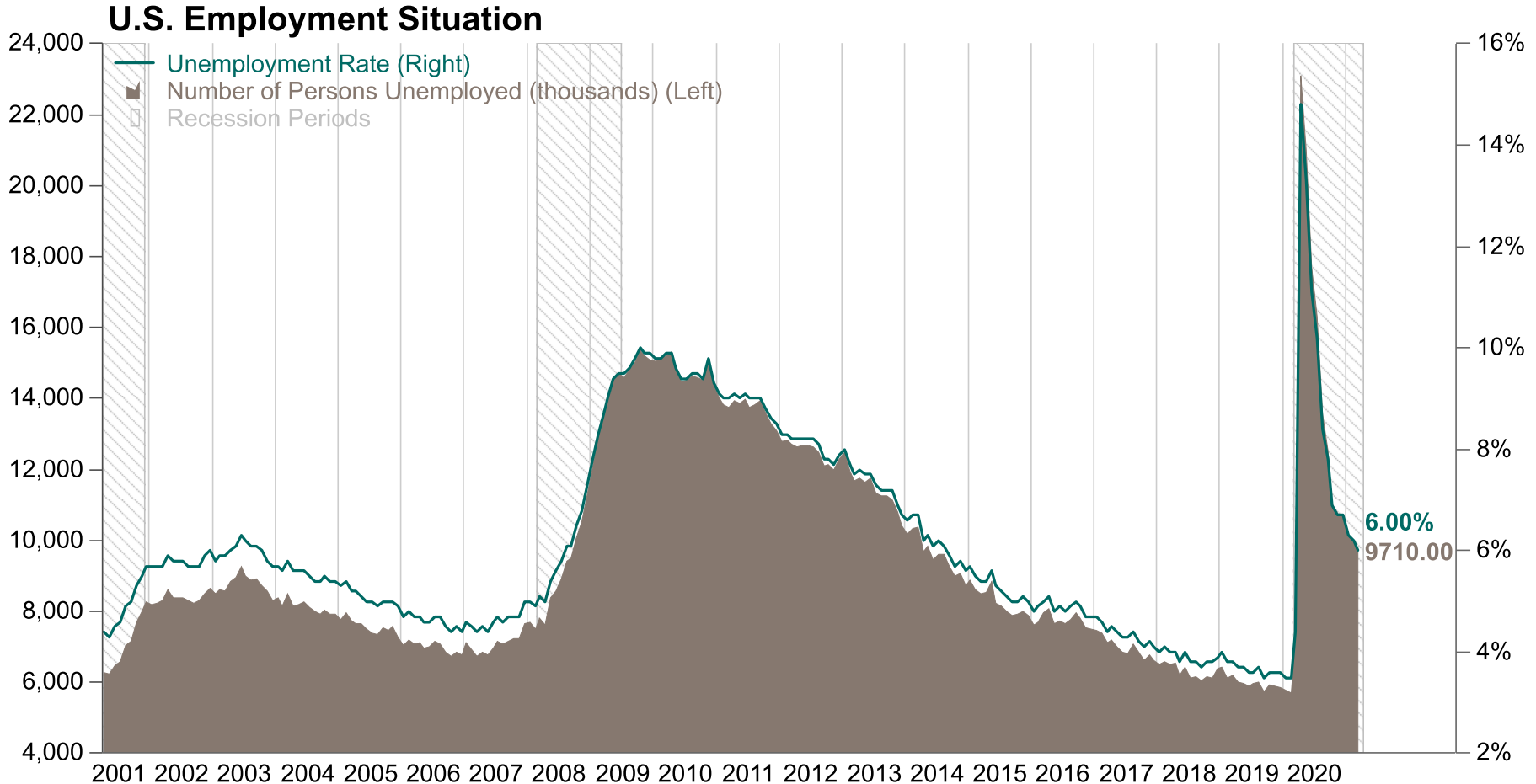
U.S. Personal Consumption Expenditures (PCE) is an indicator of the growth in consumer spending. Monthly data is reported in the Personal Income and Outlays release from the U.S. Bureau of Economic Analysis. It measures the amount of money Americans spend on goods and services.

Data source: FactSet; through 2/28/21



# U.S. Jobs & Unemployment Rate

Unemployment continues to fall, still a ways to full employment



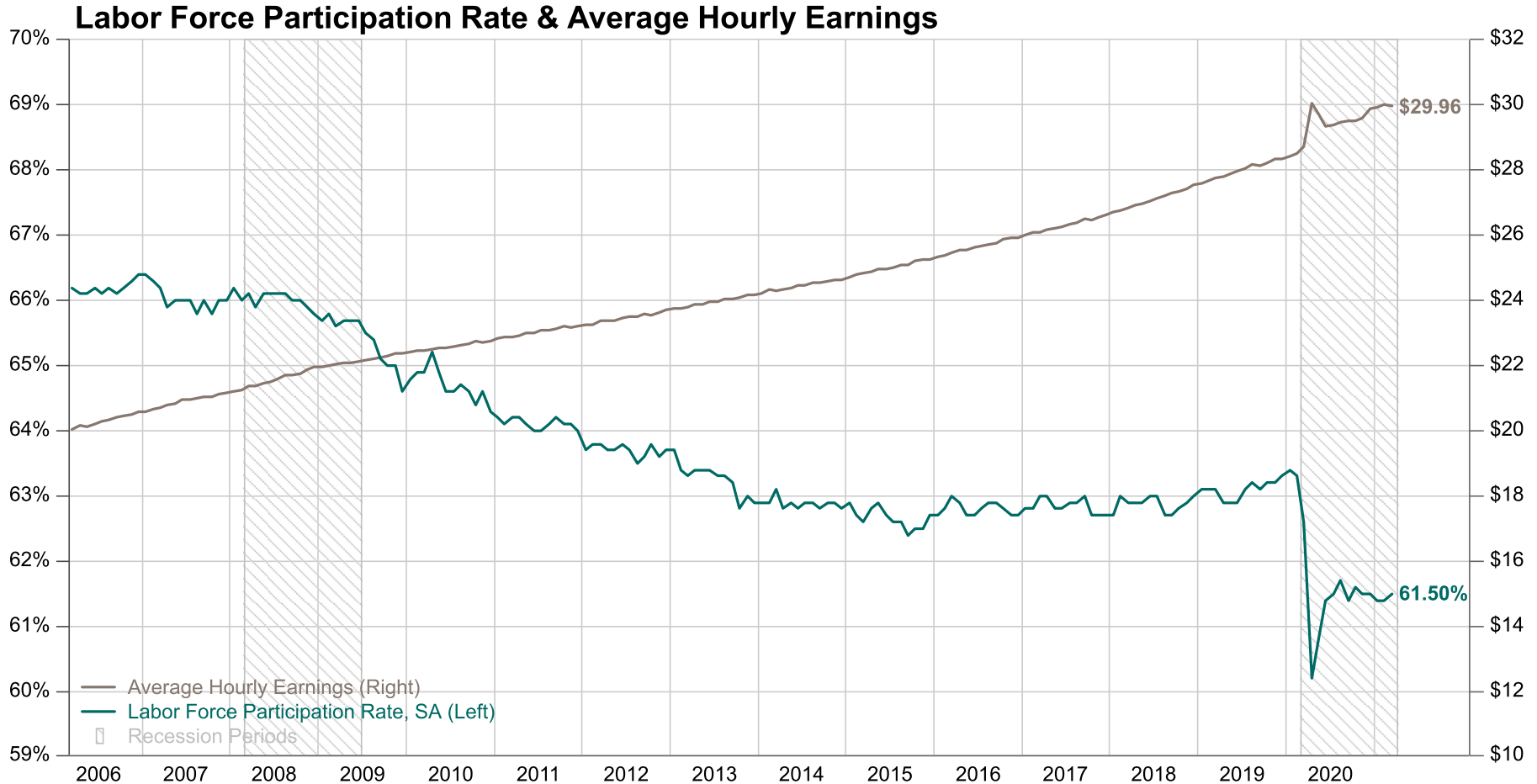
The Bureau of Labor Statistics compiles U.S. labor statistics from two monthly surveys. The household survey measures labor force status by demographics; the establishment survey measures nonfarm employment and data by industry. The nonfarm payrolls component of the establishment survey are drawn from 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 3/31/21



# U.S. Wages & Participation Rate

Wage growth back on 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.

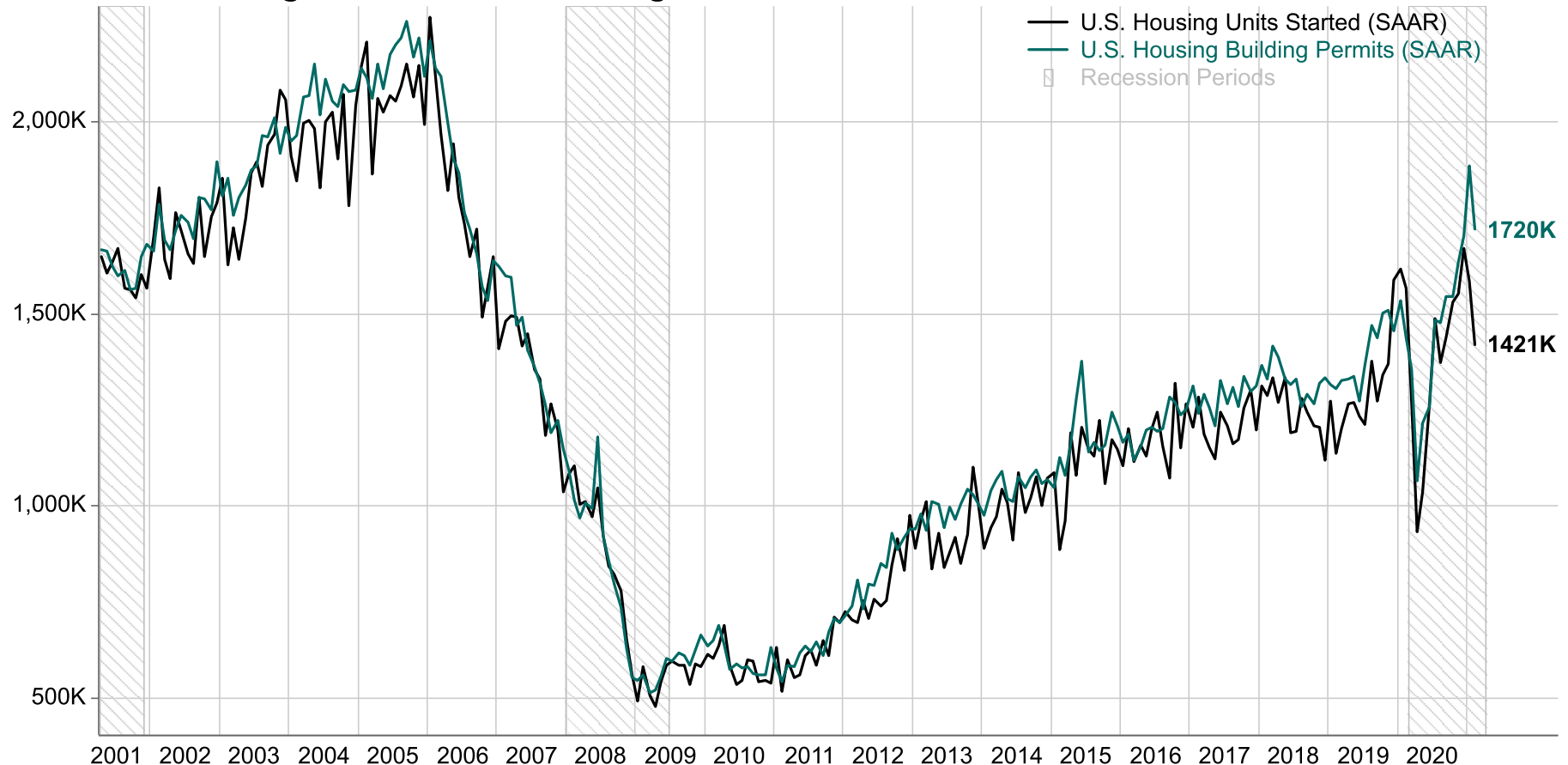
Data source: FactSet; through 3/31/21



# Housing Starts

Healthy trends, weather-related setback in Feb.

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.

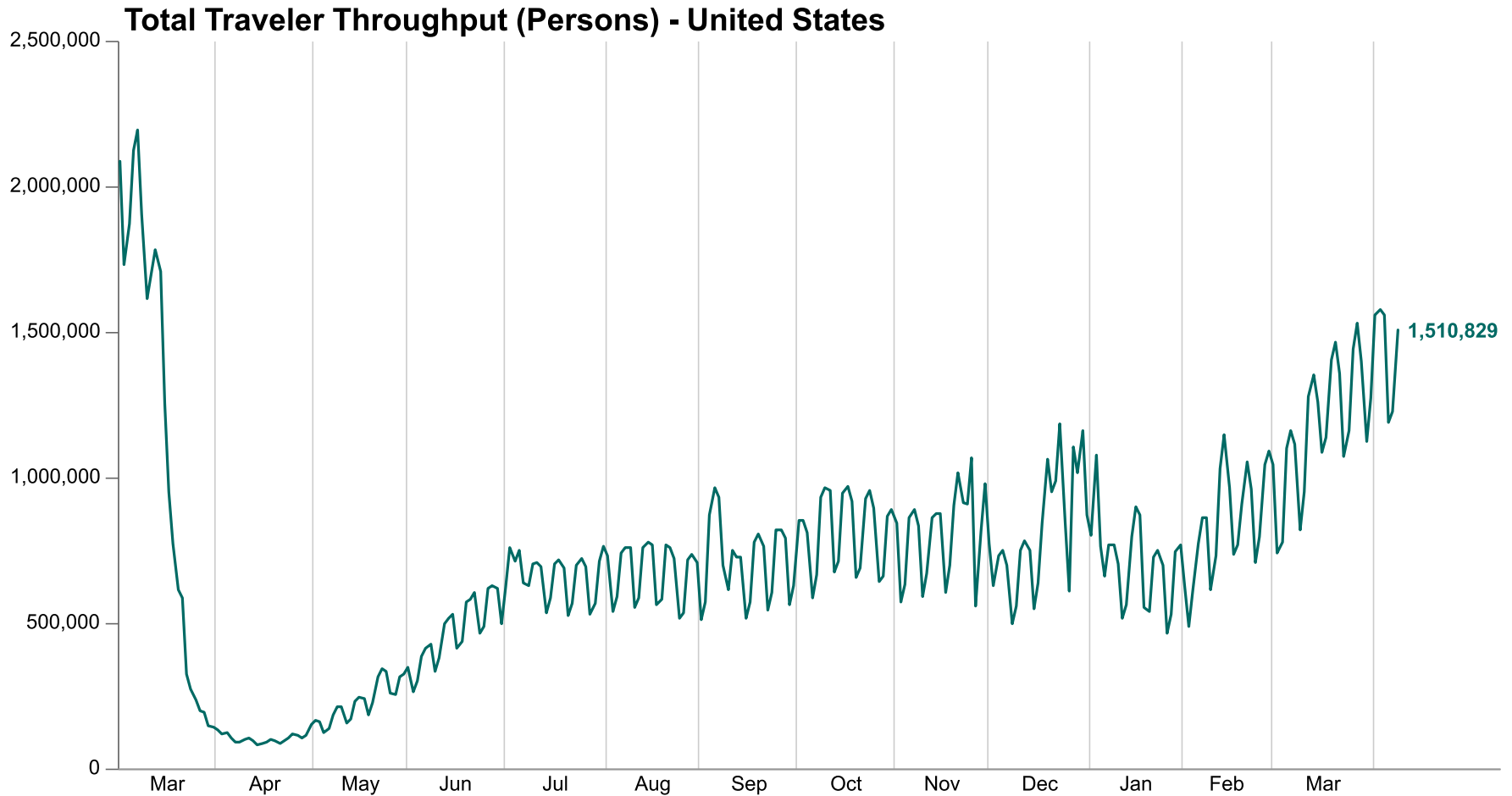
Data source: FactSet; through 2/28/21





# Daily Airline Travel

Still down, but at post-COVID high after Q1 surge



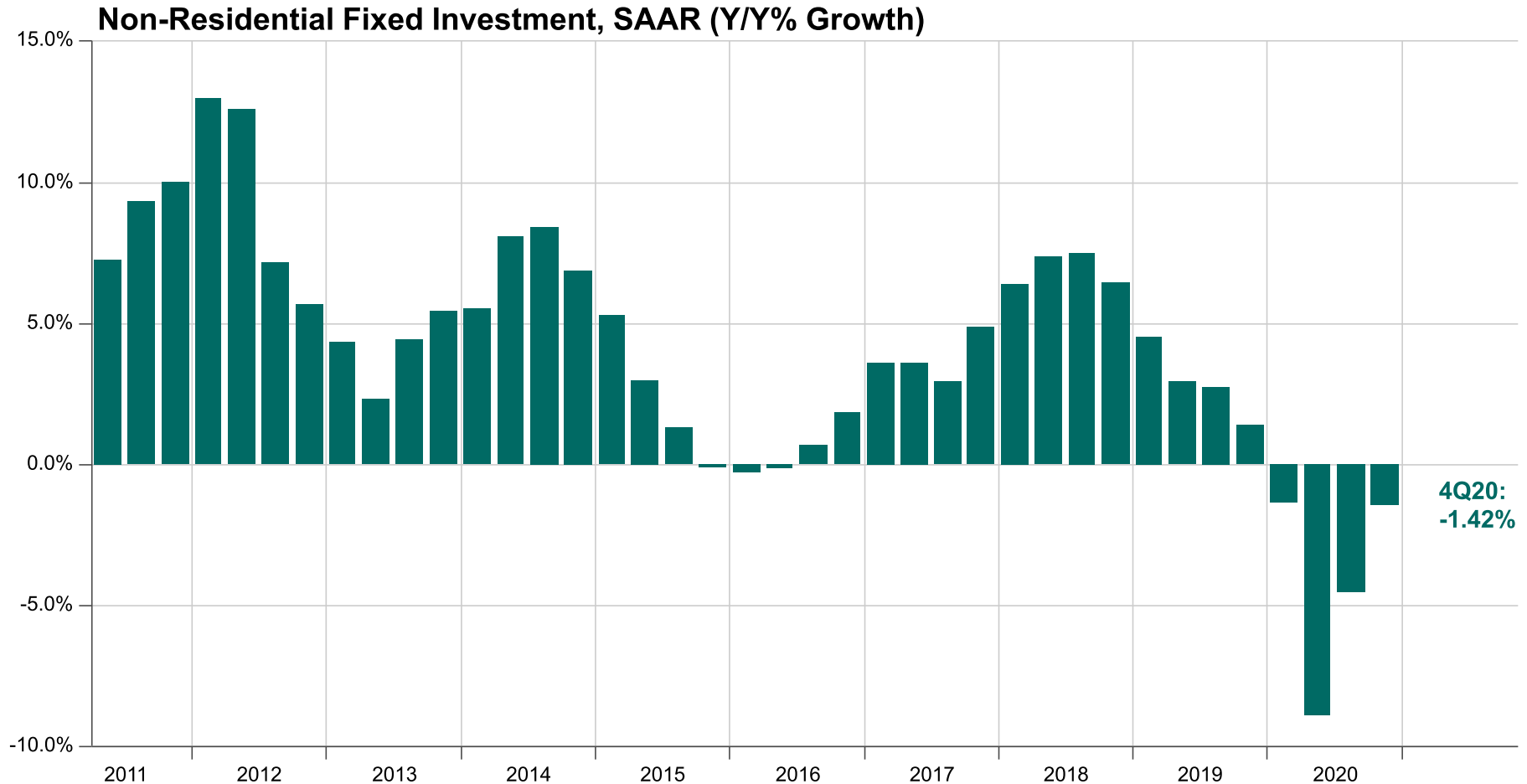
*Total Traveler Throughput is reported daily by the Transportation Security Administration (TSA) . It reflects daily passengers screened at TSA checkpoints at airports in the U.S. We believe it is an accurate measure of daily airline passengers on domestic flights.*

*Data source: Factset, U.S. Transportation Security Administration; as of 4/8/21*



# Business Fixed Investment

COVID-19 capital investment drop in 2020, but trending higher



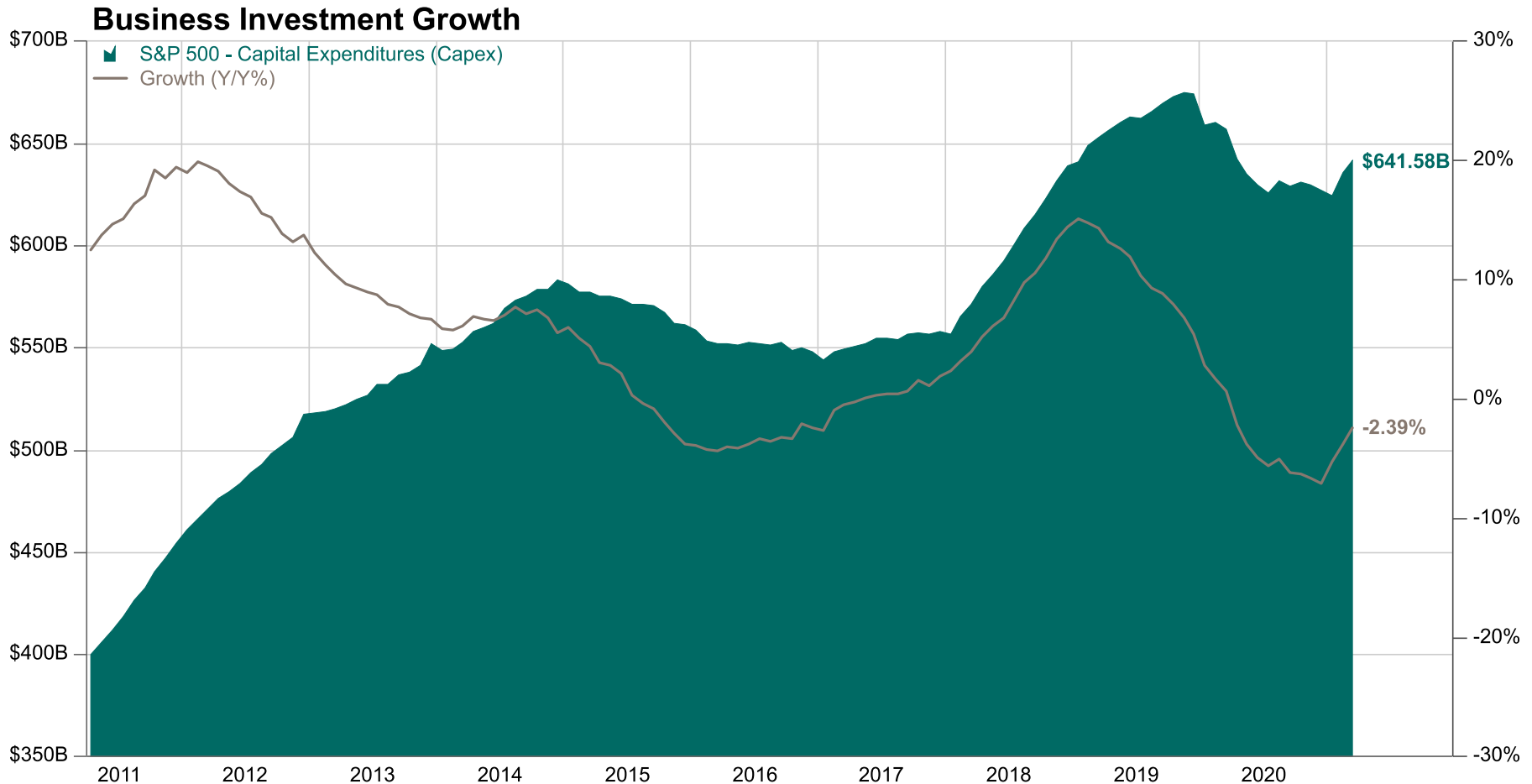
Non-residential fixed investment is an indicator U.S. corporate capital expenditures (capex), measured by the amount spent on structures, equipment, and software. Seasonally adjusted annual rate (SAAR) is used to normalize data by adjusting for seasonal changes in business and economic data for a more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

Data source: FactSet; through 12/31/20



# Business Investment Growth

Q1 data shows investment has picked up



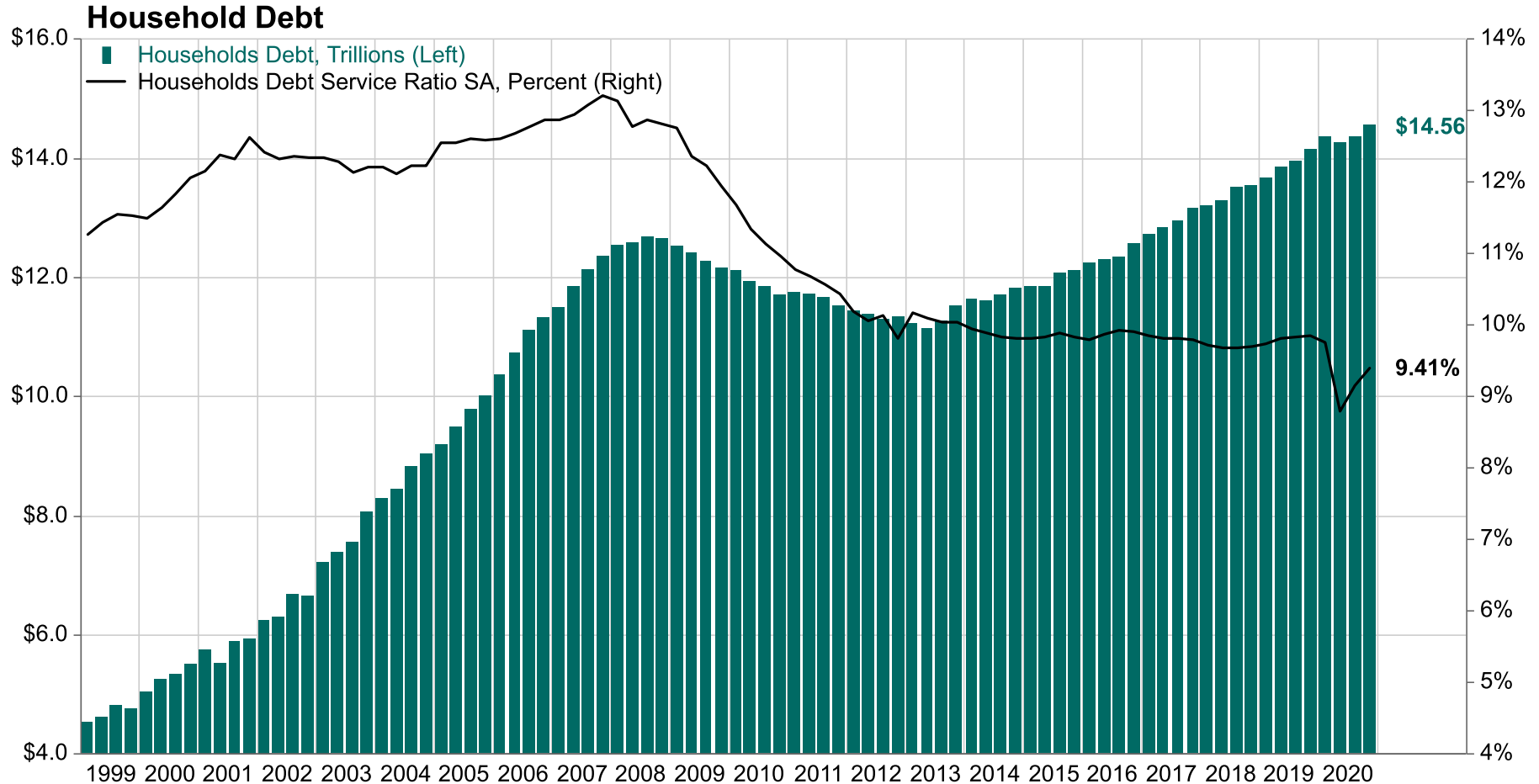
The chart shows the dollar level of capital expenditures (business investment) for all S&P 500 members over the most recent prior twelve months reported in SEC filings. The line graph growth rate compares the twelve month total ending each month to the twelve month period for the same period one year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

Data source: FactSet; through 3/31/21



# Household Debt: Service Ratio

Debt levels back on trend, debt service remains low



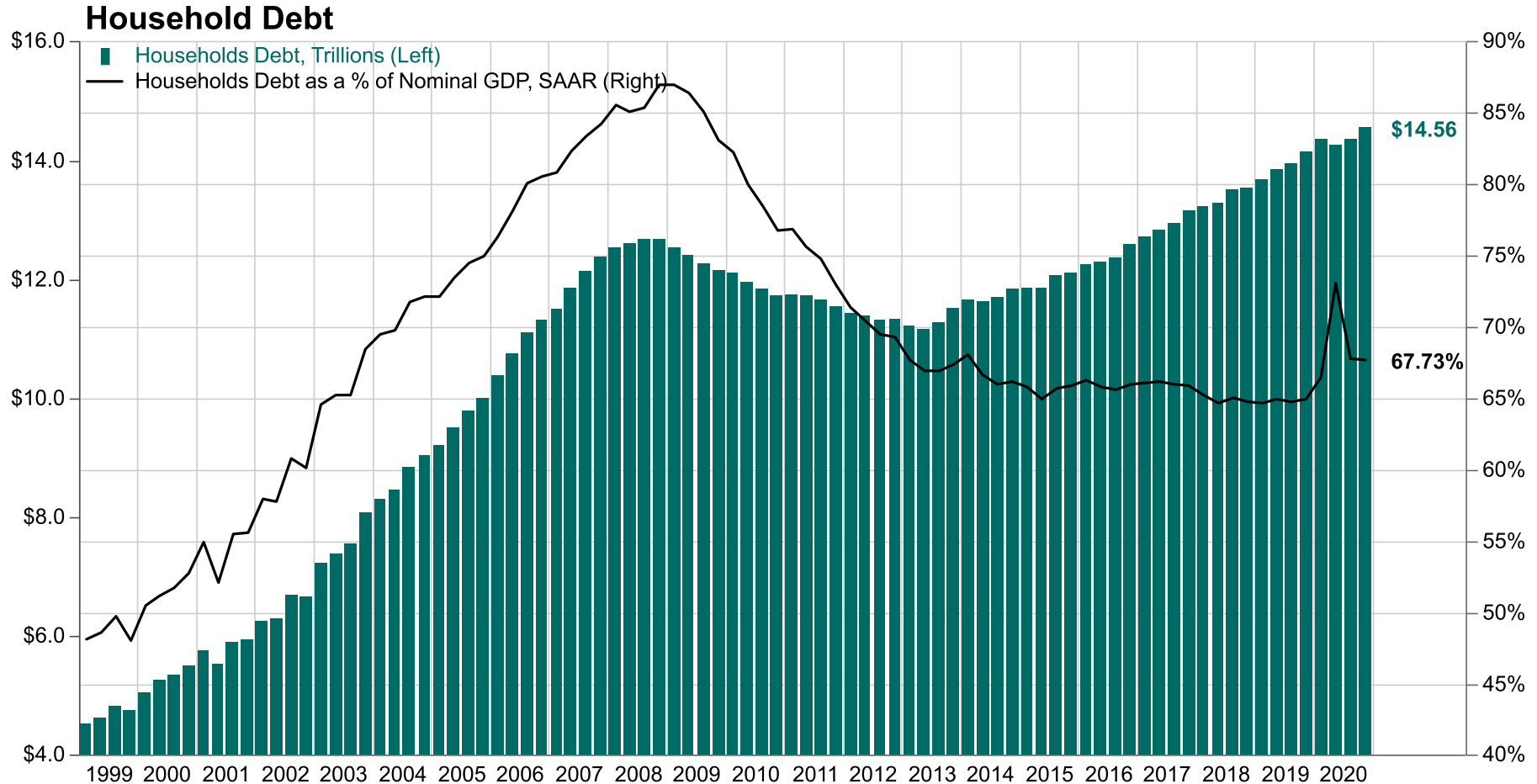
Household Debt is the combined debt of all people in a household, including consumer debt and mortgage loans. Further breakdown of the components of Household Debt can be found on Slide 35. Household Debt Service Ratio is the total required debt payment per period divided by total disposable income. 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 12/31/20, Household Debt Service Ratio through 12/31/20; Household Debt Service Ratio = total required household debt payment / total disposable personal income



# Household Debt: As % of GDP

Uptick in 2020, but far below 2008 peak



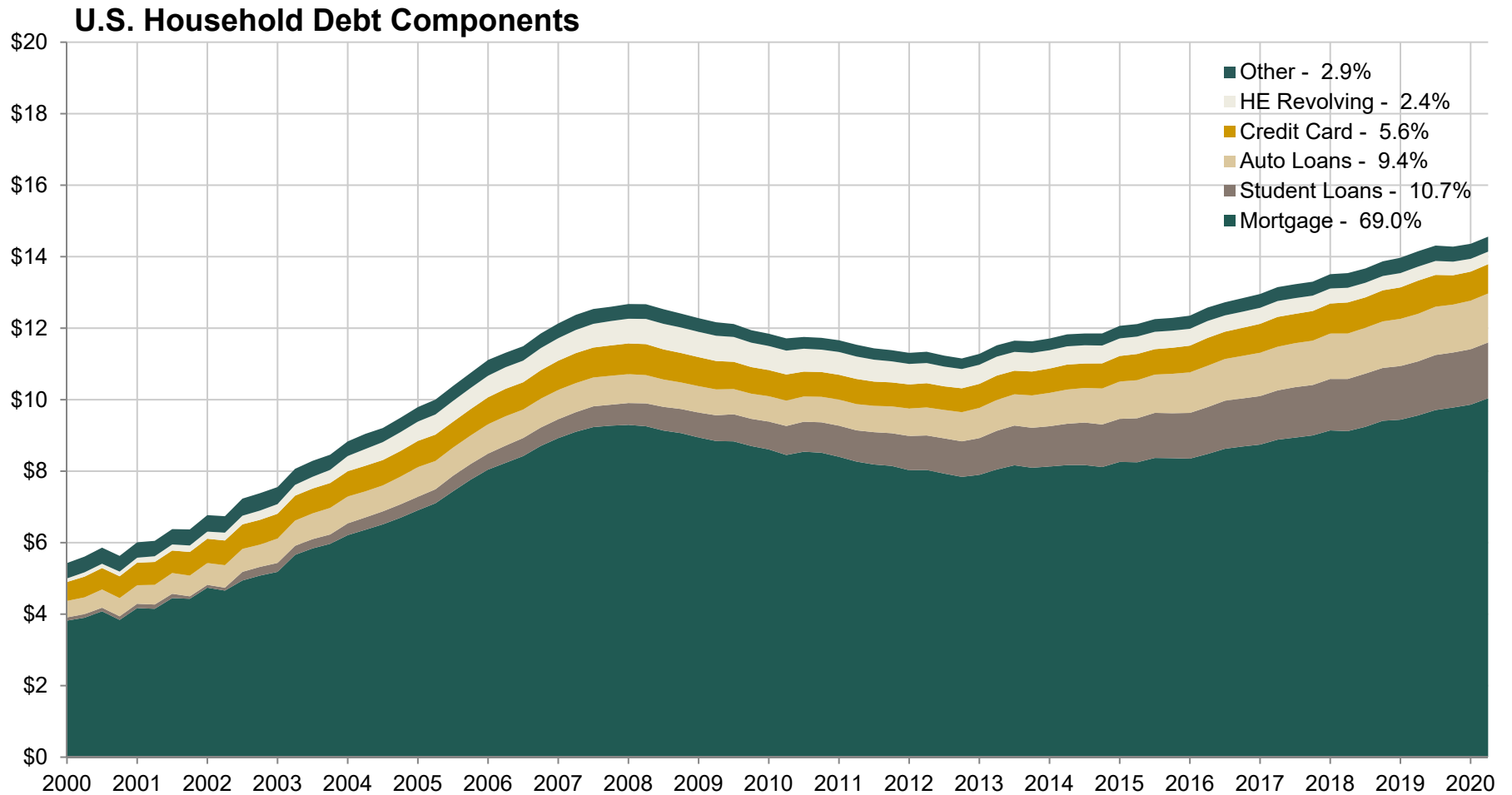
Household Debt is the combined debt of all people in a household, including consumer debt and mortgage loans. Further breakdown of the components of Household Debt can be found on Slide 35. Household Debt as a % of Nominal GDP is the percentage of total Household Debt to the total national nominal gross 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 12/31/20



# Household Debt: Major Components

Mortgages largest portion of household debt, student loans #2



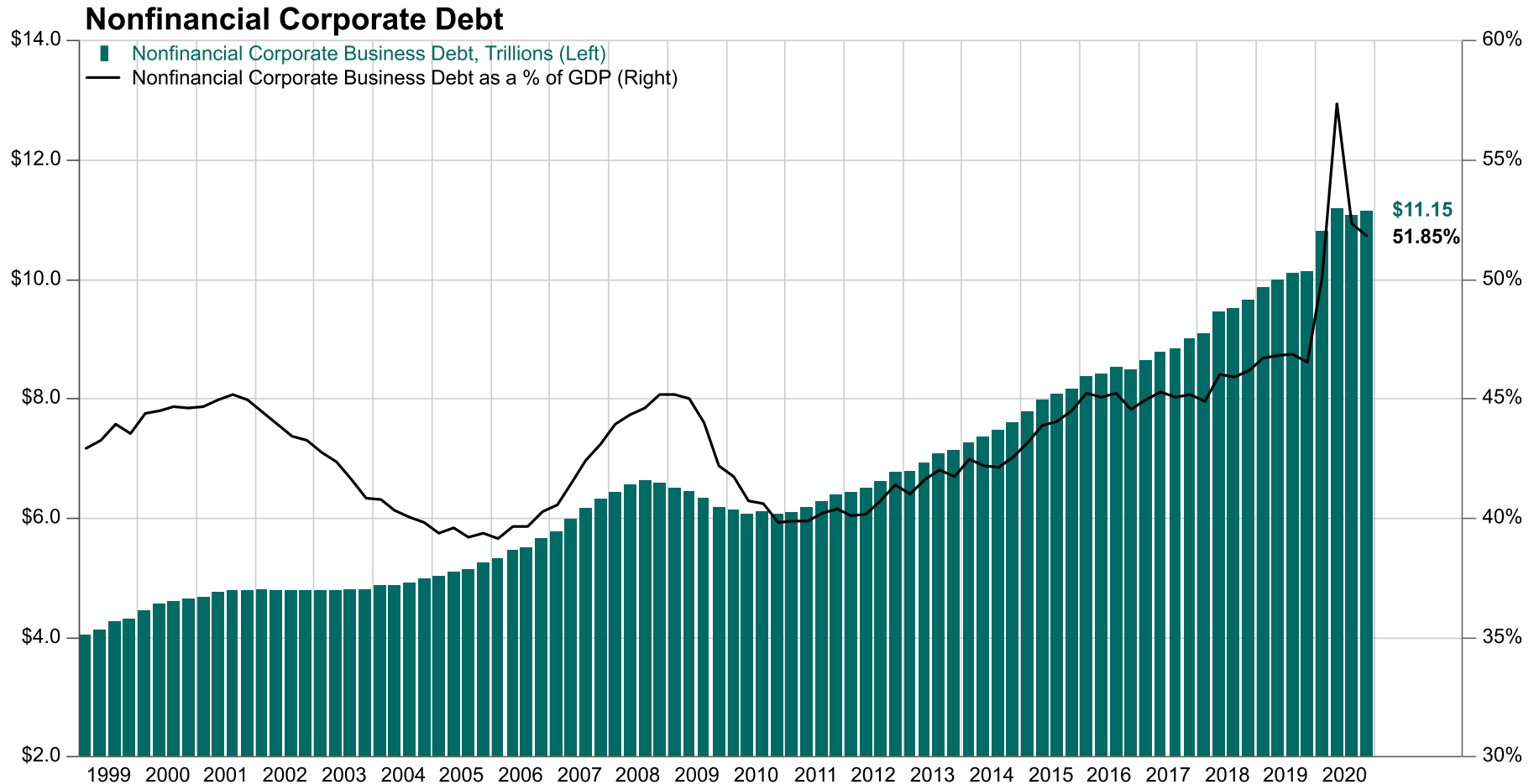
Household Debt is the combined debt of all people in a household, including consumer debt and mortgage loans. The chart above displays each component of Household Debt as a % of total Household Debt.

Data source: FactSet; through 12/31/20



# Nonfinancial Corporate Debt

Debt has levelled while GDP recovers



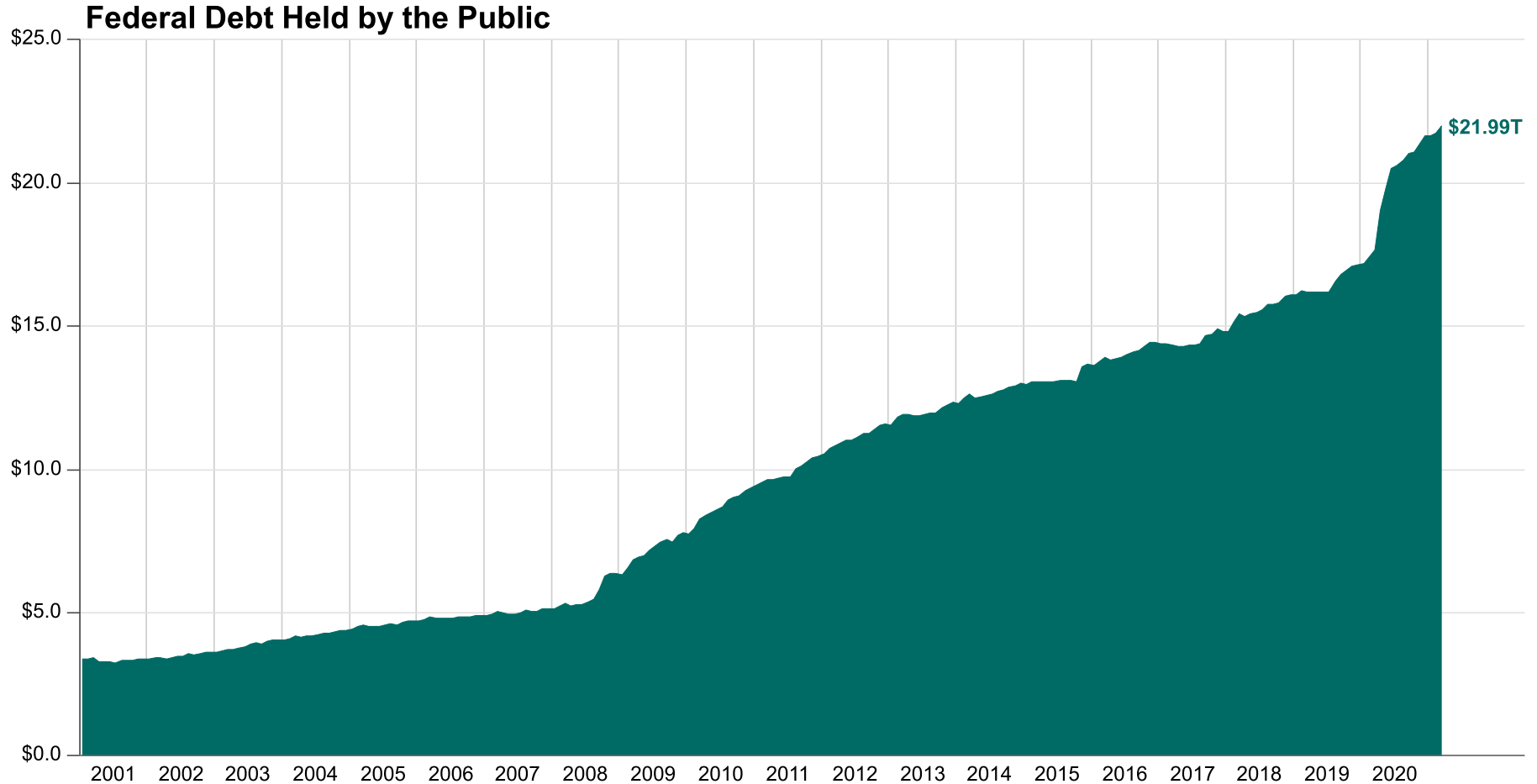
Nonfinancial Corporate Business Debt is the amount of debt held by all private and public, non-financial companies. Nonfinancial Corporate Business Debt as a % of GDP is the percentage of nonfinancial corporate debt to the total gross domestic product.

Data source: FactSet; through 12/31/20



# Federal Debt: Total Value

2020/2021 reflects debt increase due to pandemic relief



*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*

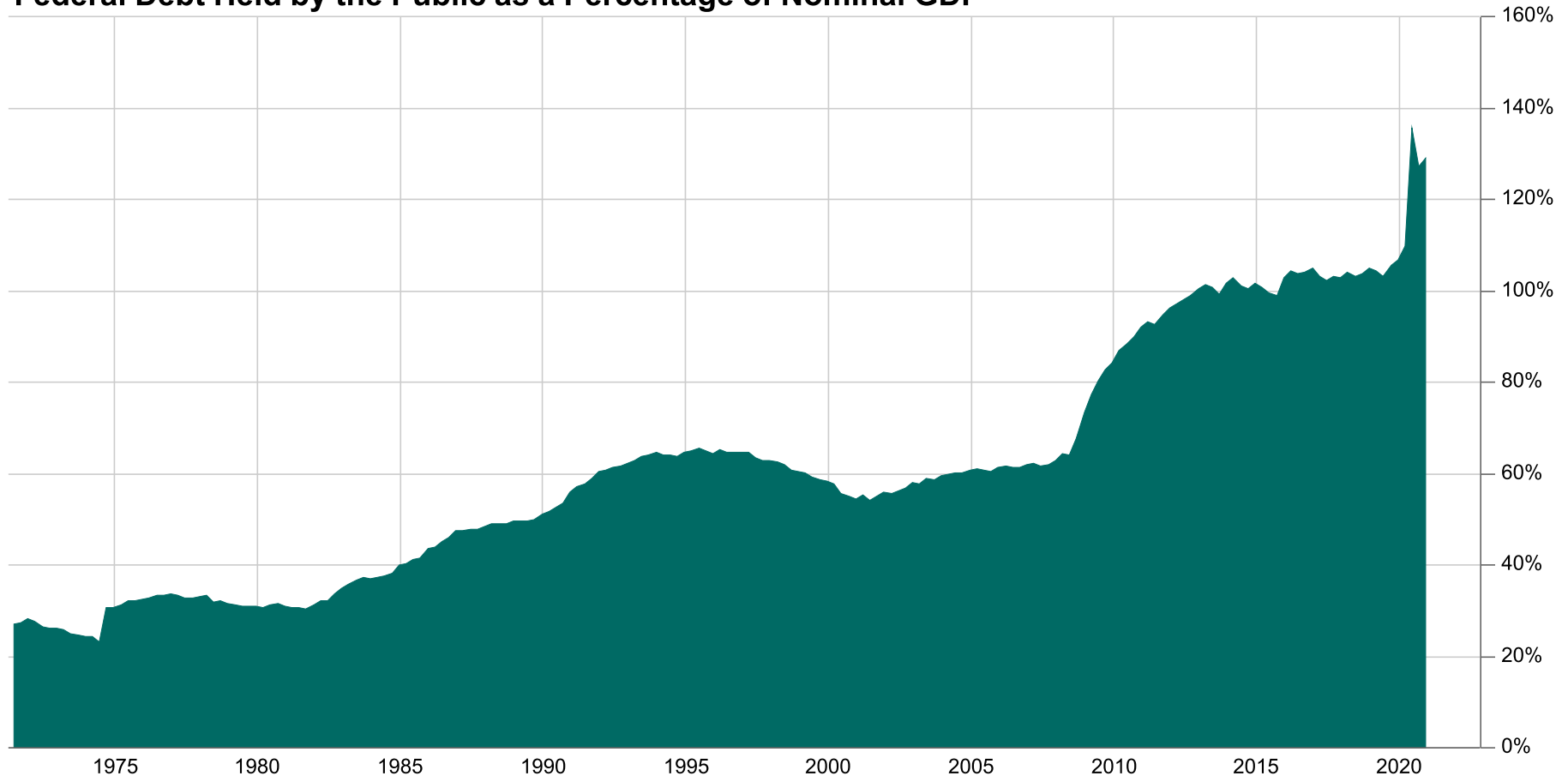




# Federal Debt: % of GDP

Multi-decade high as % of GDP, following 2020 deficit

## 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.*

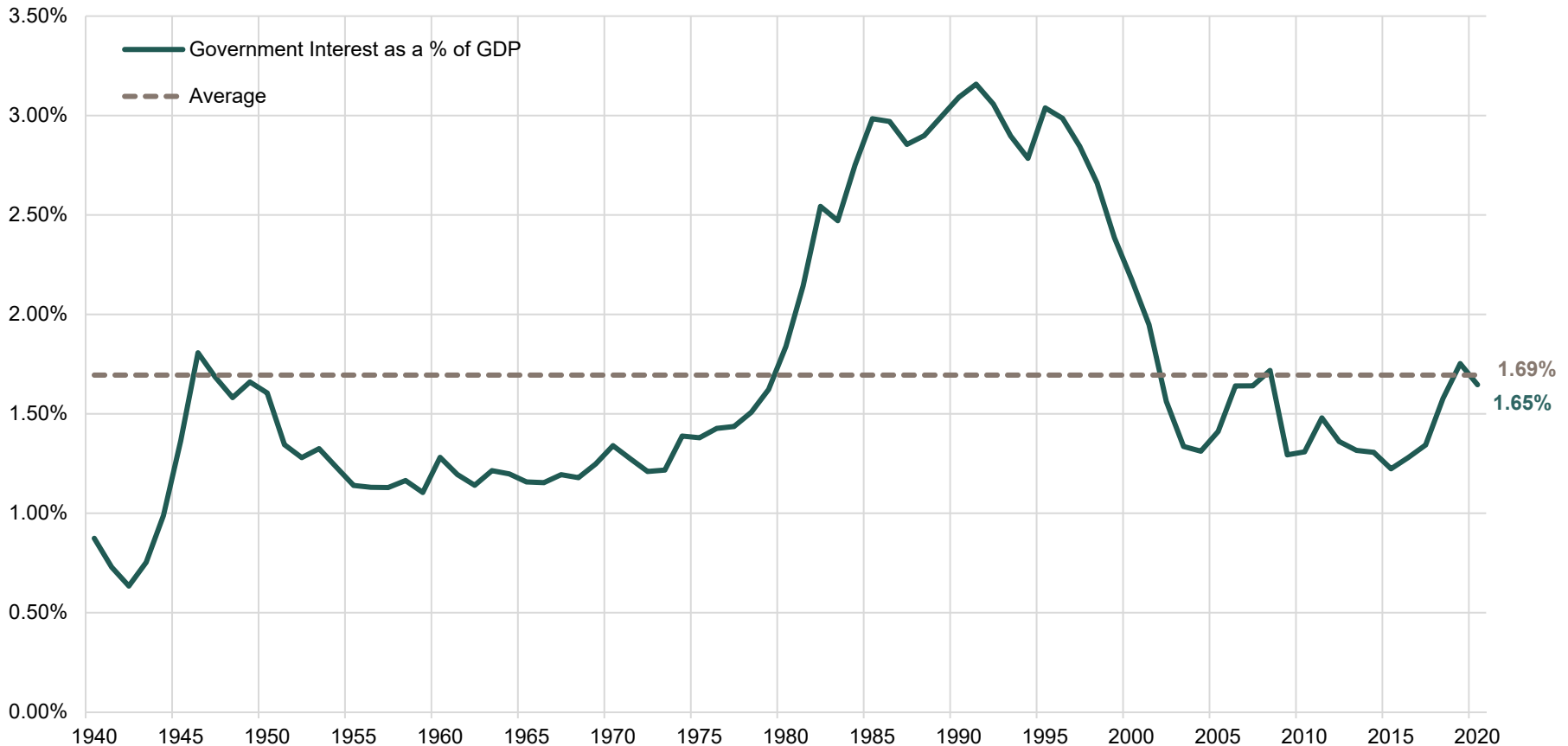
*Data source: FactSet; through 12/31/20*



# 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.

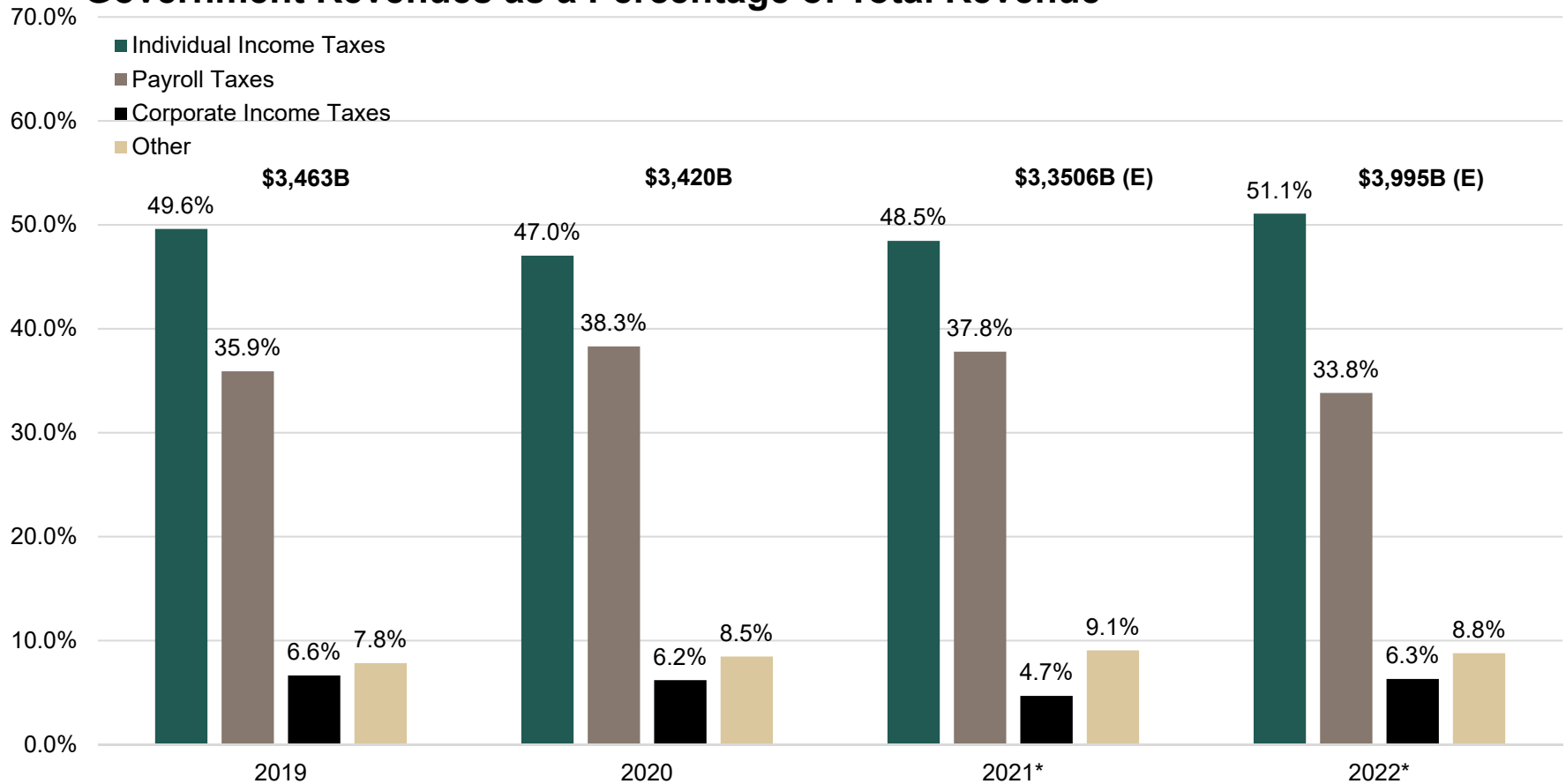
Data source: Federal Reserve Bank of St. Louis; through 12/31/20



# U.S. Federal Revenue: Sources

Individual and Payroll Taxes are 85% of revenue

## 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.

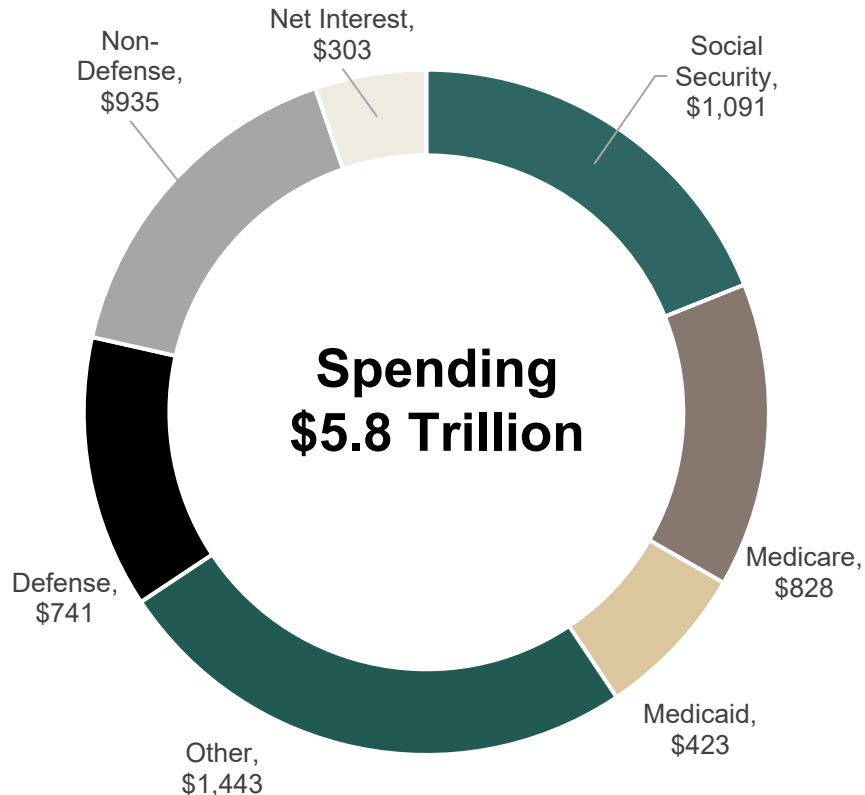
Data source: Congressional Budget Office data through 12/31/20; projections as of 2/11/21; \*2021 and 2022 are budget projections for Fiscal 2021 ending 9/30/21 and Fiscal 2022 ending 9/30/22



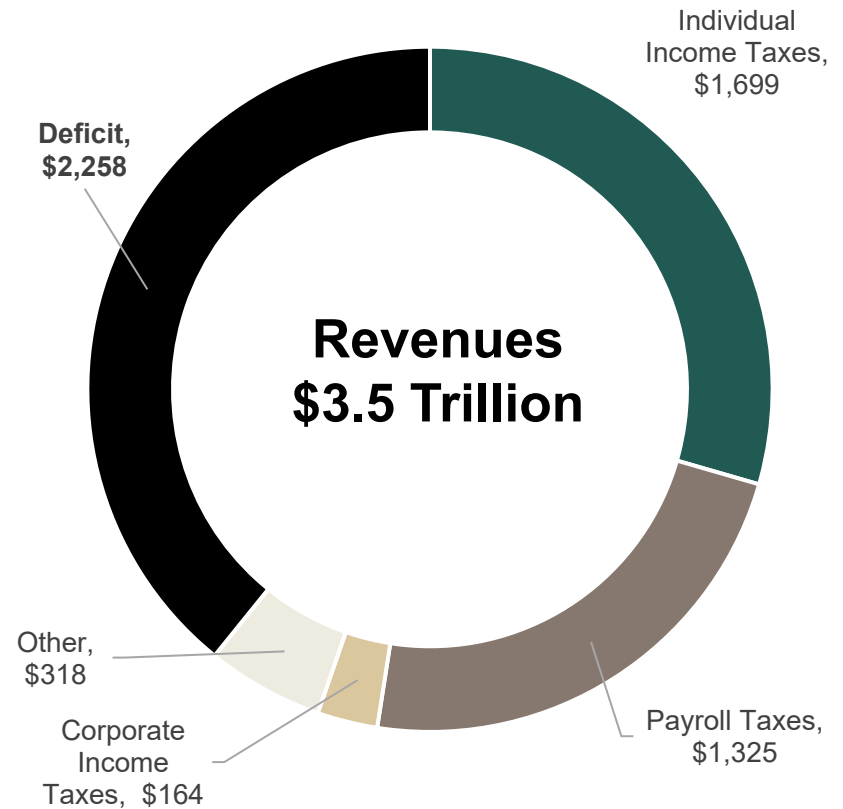
# U.S. Federal Income Statement

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.

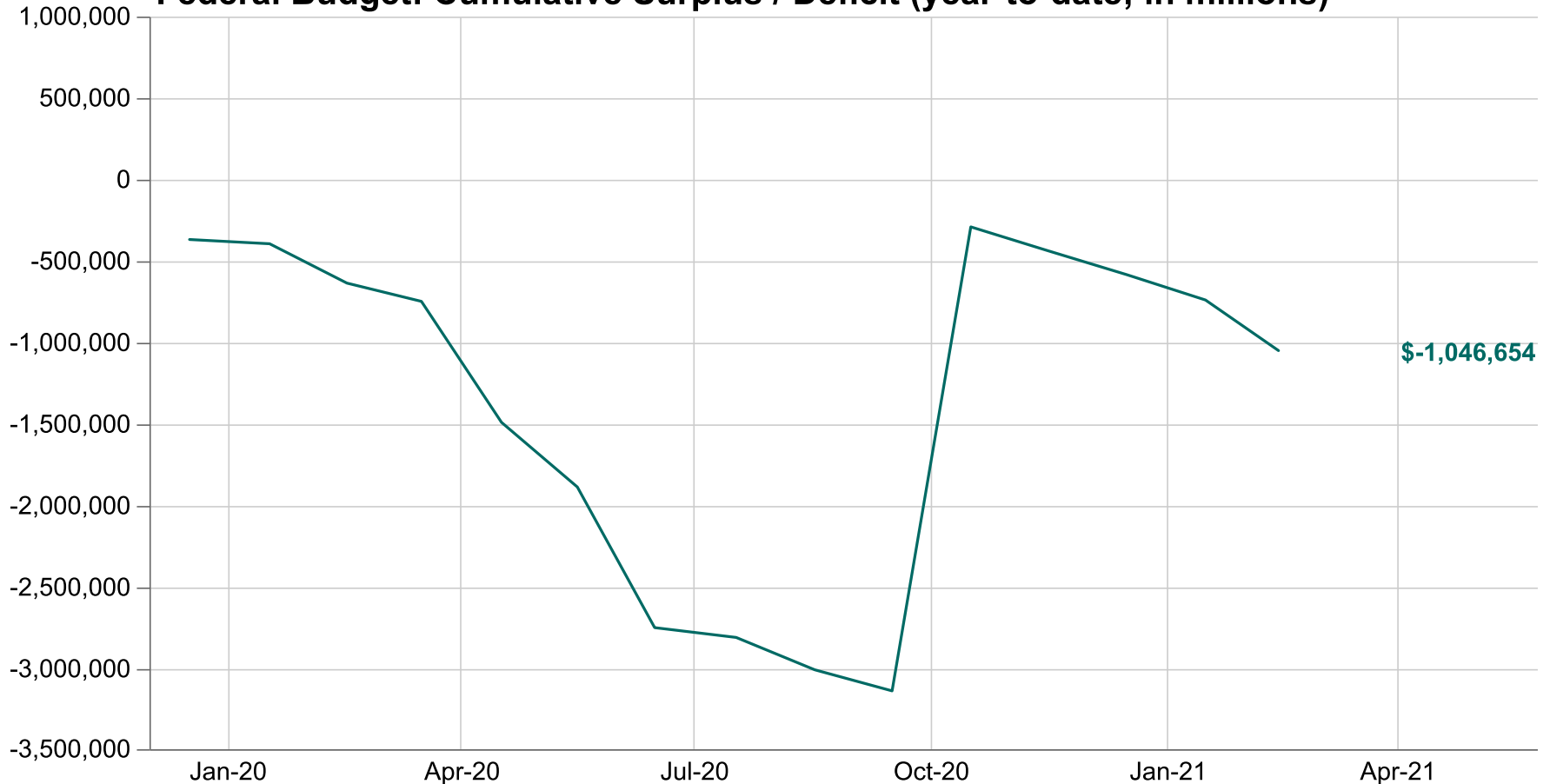
Data source: Congressional Budget Office data and projections as of 2/11/21



# Federal Surplus / Deficit

The 2020 budget deficit grew Apr to Sep, FY21 began Oct

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



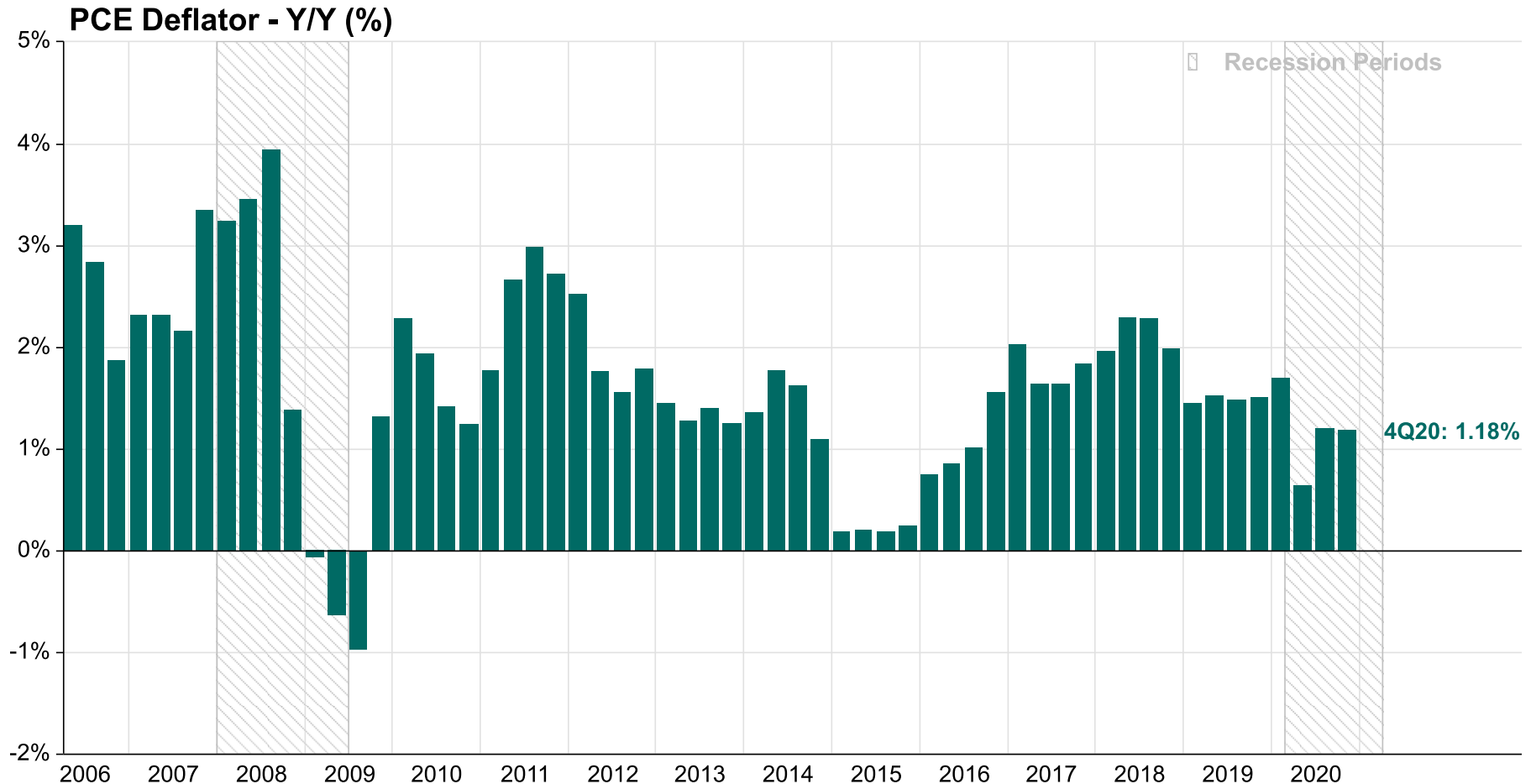
The Congressional Budget Office publishes updated budget outlooks throughout the year using data from Daily Treasury Statement from the Department of the Treasury. The government fiscal year ends in September with final budget information expected by late October. In fiscal 2020, the CBO discusses two 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. The latest update was published on 2/11/21.

Data source: FactSet; through 2/28/21



# U.S. Inflation

PCE inflation remains low, Fed will let inflation run above 2%



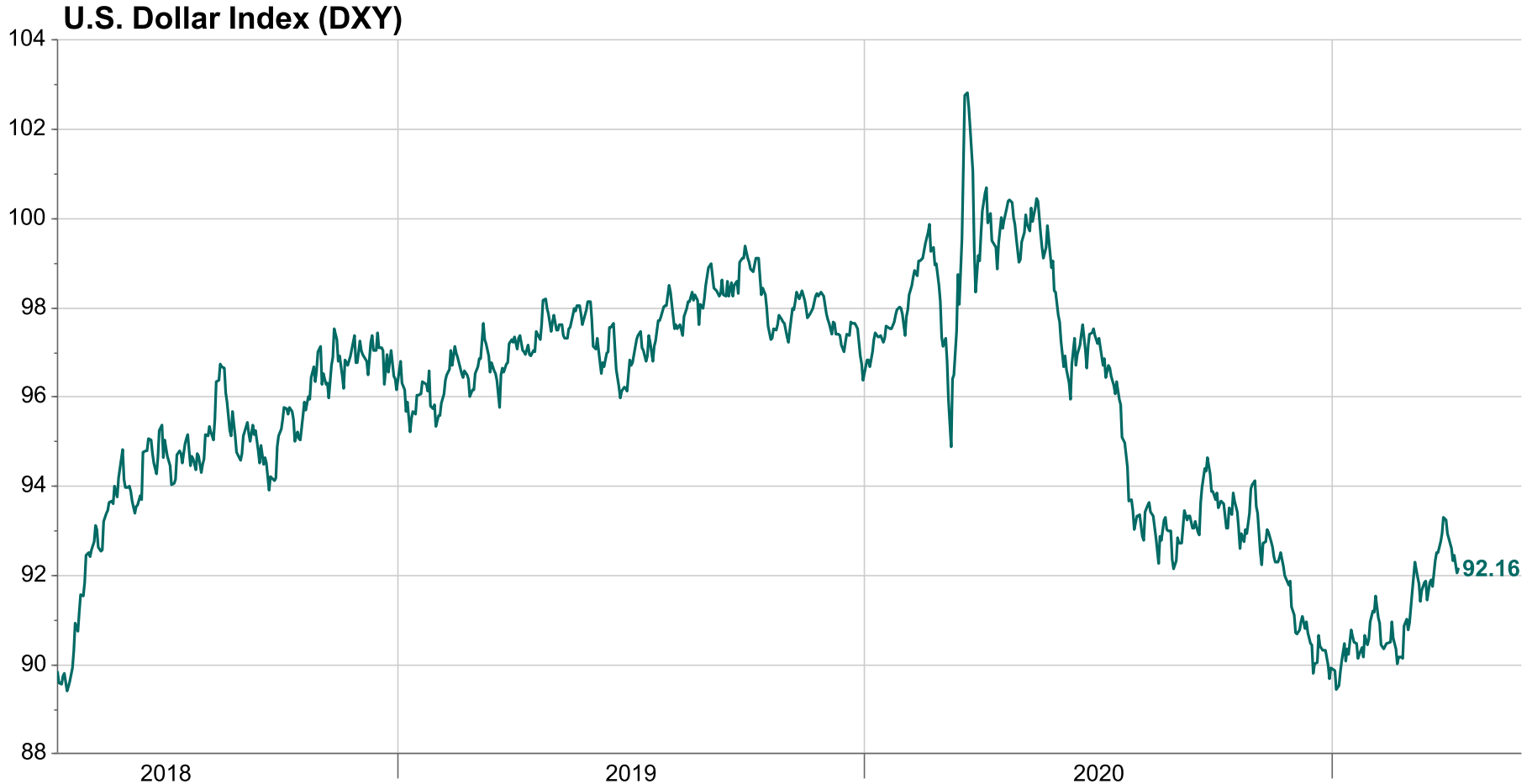
U.S. Personal Consumption Expenditures (PCE) Deflator is an index that measures the prices paid by consumers for goods and services. The chart above shows the year-over-year (Y/Y) change in the index on a quarterly basis.

Data source: FactSet; through 12/31/20



# U.S. Dollar Index

Dollar strengthened in Q1, modestly lower in April



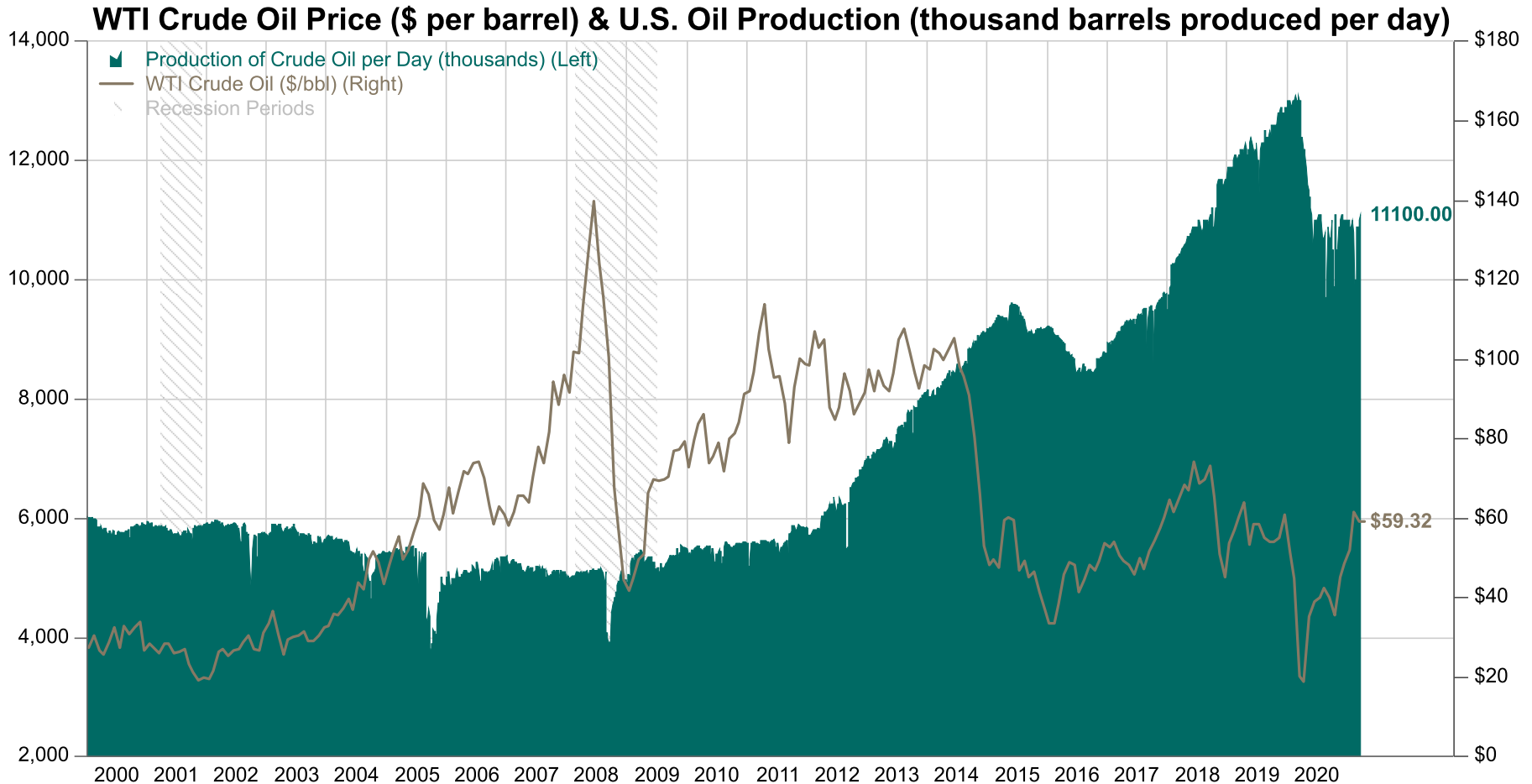
The U.S. Dollar Index (DXY) is an index that measures the value of the U.S. dollar relative to a basket of foreign currencies, primarily those of trade partners. An increase in the DXY indicates the U.S. dollar has appreciated relative to the currency of its trade partners; a decrease in the DXY indicates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

Data source: FactSet; through 4/9/21



# U.S. Oil Production & Prices

Both production and prices off bottom, but below pre-COVID



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 3/26/21, U.S. Oil Production through 4/9/21

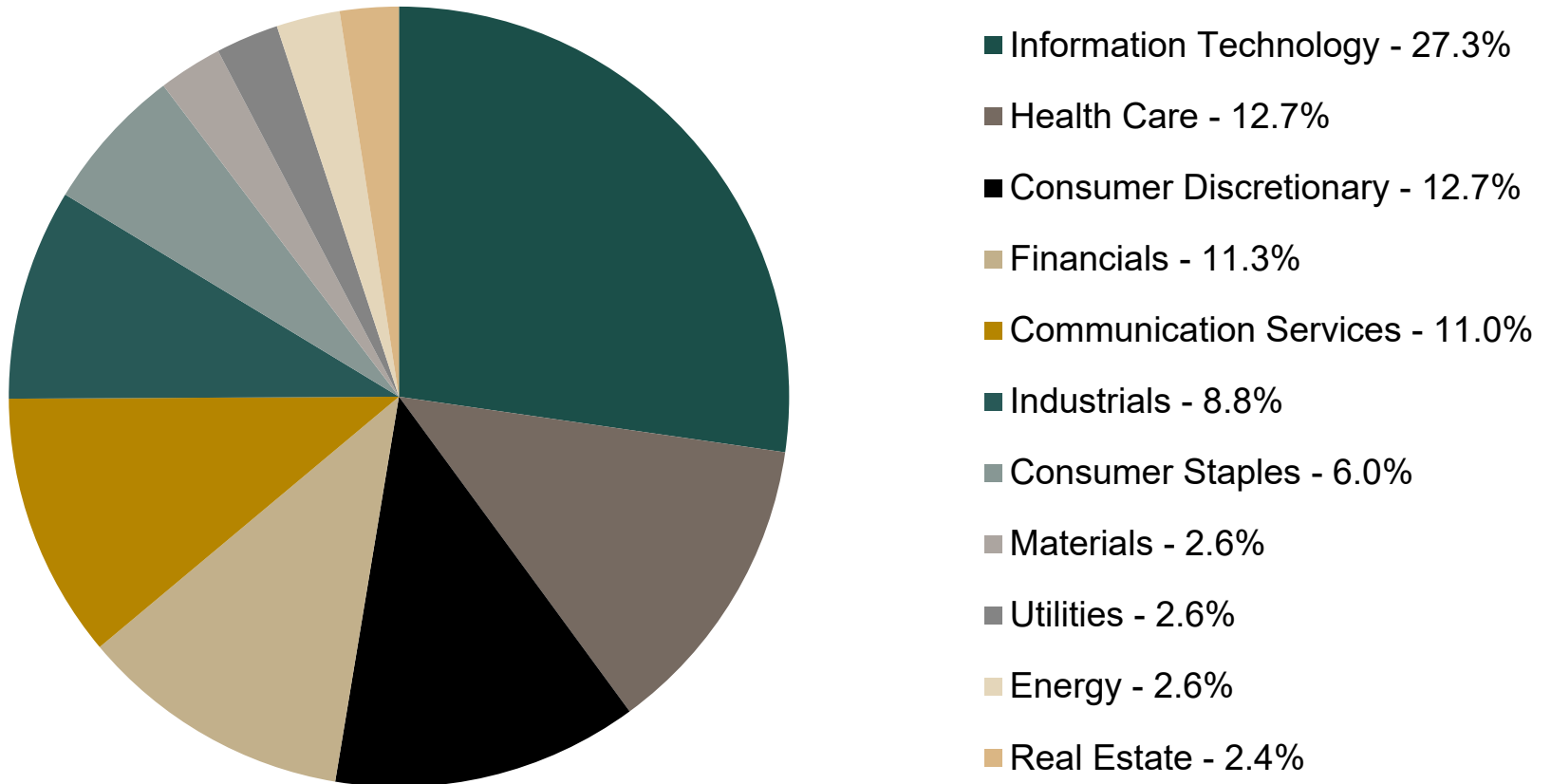




# U.S. Equity Market: Sector Weights

Largest five sectors comprise nearly 75% of the index

## S&P 500 Sector Weightings



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

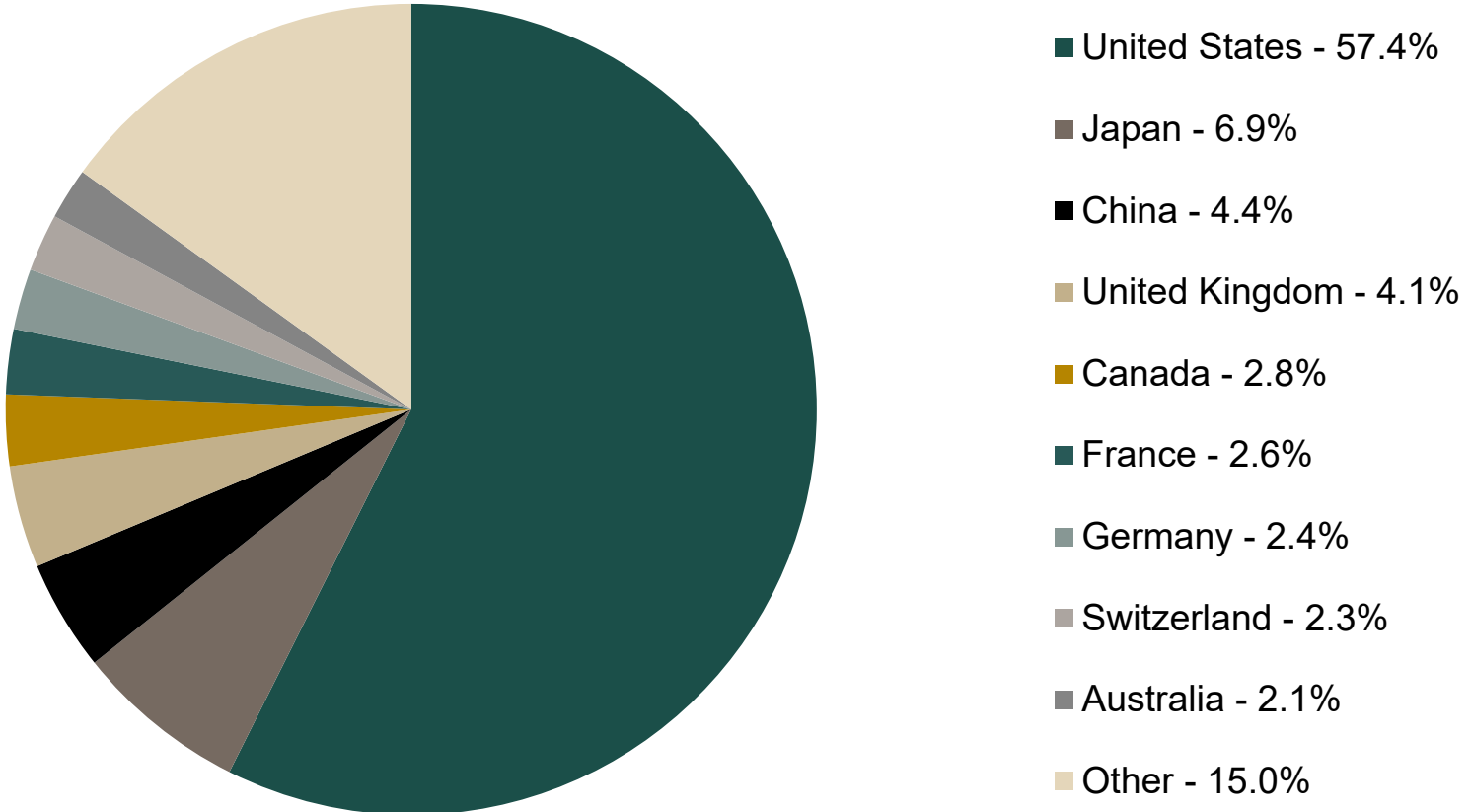
*Data source: FactSet, Standard & Poor's; as of 4/9/21*



# 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 4/9/21*

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