QUARTERLY MARKET OUTLOOK

CETERA® INVESTMENT MANAGEMENT

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SECOND QUARTER OUTLOOK

Bear Market Returns After a Decade of Hibernation

At-A-Glance

Many world economies were in slow growth mode before COVID-19. Slow growth is close to no growth, and the virus will likely push some economies into recession.

Stock valuations started the year at elevated levels and upward momentum carried stocks even higher as earnings were relatively muted. From high valuations, equities had more room to fall as investors try to understand the impact COVID-19 will have on earnings.

Bond yields were low at the start of the year, but fears of economic slowdown drove yields down even further to record lows.

Investors are still digesting news around the virus and oil price war. Volatility will remain elevated as uncertainty remains. We will be watching the Chinese recovery closely and assessing the possible duration of the virus in the rest of the world.

Risks have increased in both bond and equity markets. Diversification is more important than ever. Markets can rebound as quickly as they drop. Focusing on long-term investment objectives is imperative.

As the new decade got underway, economic indicators were turning mostly positive. While surveys of business leaders in the service sector and especially the manufacturing sector were weaker, there were enough signals to push our Recession Riskometer to "low recession risk."

The housing sector, which had been muted during most of this economic expansion, was finally turning around. Building permits were on the rise and unemployment remained extremely low, which helped to push consumer sentiment to high levels. While economic data was heating up, from a historical perspective, equity valuations were high and bond yields were low. In other words, the good economic news appeared to be priced into stock markets, yet bond investors were cautious. So, the year started with stocks, bonds, and even gold rallying at the same time. Momentum was strong and nothing could seem to stop it, not even the reports out of China about a new coronavirus, later named COVID-19.

Investors largely brushed off early reports of the virus, as China undertook drastic measures to control the spread of it. Investors worried about supply chain disruptions as factories could no longer produce the parts and goods needed for production. But as the virus eventually spread around the world, investor concerns spread beyond supply chain disruptions and Chinese economic growth. Investors had to price in the potential impact of the virus to all businesses around the globe—a daunting task with low certainties.

As if the economic picture for 2020 wasn't muddy enough, Saudi Arabia and Russia then began an oil price war by ramping up production of oil, sending crude prices, bond yields, and stocks plummeting. The day after this news, stock markets registered their worst single day since the 2008 financial crisis and bond yields hit all-time lows. A few days later, the S&P 500 had its worst decline since 1987 as economic uncertainty because of COVID-19 began to reach panic levels.

We're paying very close attention to the Chinese recovery and measures being taken in western societies to shorten the duration of the COVID-19 outbreak. If the outbreak can be contained relatively quickly, we feel that equity markets will also rebound quickly. Equity markets are already pricing in a recession, so any good news could become a positive catalyst for equities. It's quite possible to see equity markets rally while we're technically in a recession. We also feel that the oil price war could be short-lived, as both Saudi Arabia and Russia can't afford these low oil prices and they may also soon be struggling with COVID-19 in their countries.

While no one has a crystal ball to tell the future, having a financial strategy in place can help give you confidence as we expect volatility to remain elevated. Focusing on what you can control and understanding your own goals and objectives become even more important now. Your financial professional can help keep you on track and keep your sights on your long-term plans.

Global Economy

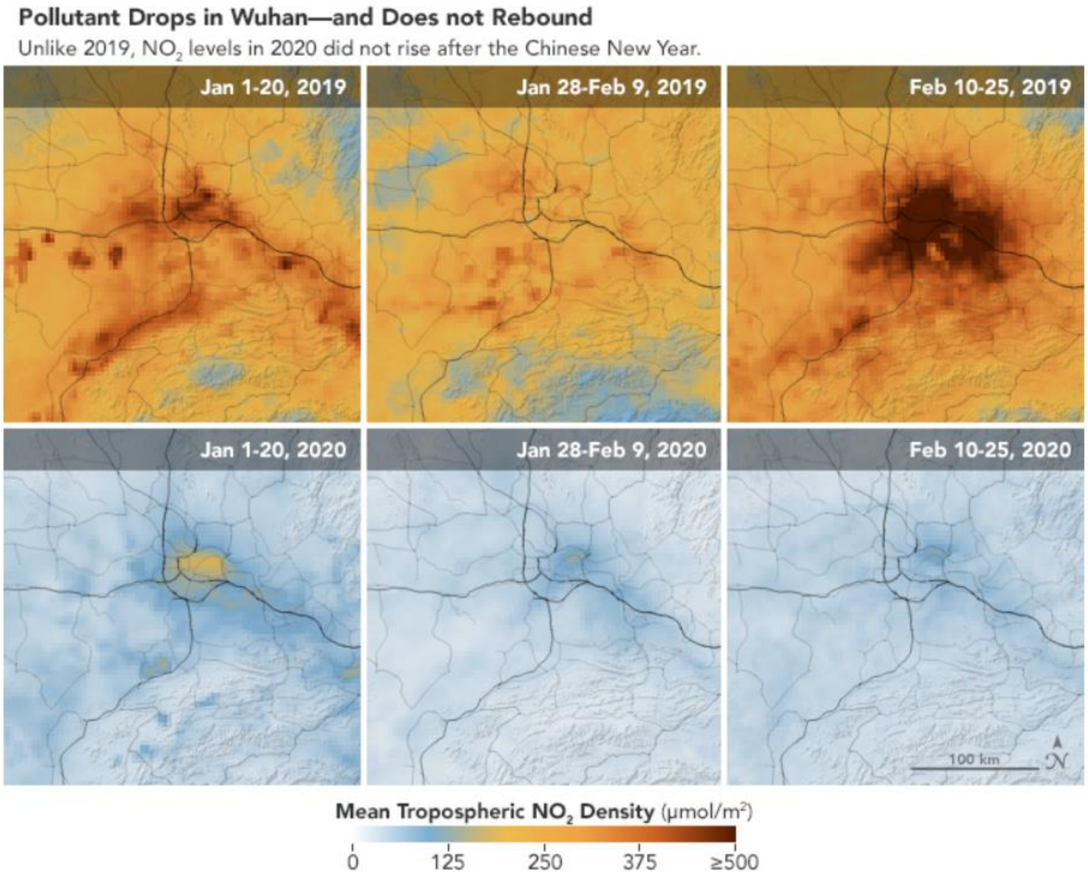
Trying to gauge the economy is even tougher than usual this quarter. Uncertainty is very high as economists and investors assess the impact COVID-19 and low oil prices will have on the global economy. Before the Federal Reserve's March meeting, the Atlanta Fed's real gross domestic product (GDP) estimate for the first quarter was a whopping 3.1%, well above the consensus economists' estimates of under 1.5%. The economic impact of the virus will be felt more in the coming quarters. While the number of cases currently are relatively few compared to the population, precautions being taken, as well as fear of the virus, have already cast a shadow on global economic growth. While low oil prices benefit consumers, it comes at a cost for large industries in the United States. We'll highlight the two shocks causing a lot of uncertainty before we discuss the economic fundamentals. We'll then look at the possible remedies from central banks and governments.

COVID-19

Let's start with the immediate ramifications. China's measures to control the virus caused supply chain disruptions and hampered consumer spending in the country. To be clear, our first concern is always for human life and we aren't questioning the measures China and/or the rest of the world are taking to curtail the virus; we're merely focusing on the economic impact.

The Chinese economy will likely contract in the first quarter and growth will likely be cut in half in 2020. Many economists have different ways of looking at the Chinese economy because they don't trust their government data. China uses a lot of copper in production, so we like to look at copper demand as one way to estimate the Chinese economy's growth prospects. As one would expect, copper prices fell over 10% after news grew of the virus in China and has yet to rebound. Another, perhaps even more creative, way to look at production declines in China is looking from space at nitrogen dioxide (NO_2) values in China's atmosphere **[Figure 1]**. NO_2 is a pollutant released in the atmosphere from vehicles and power plants as they emit gas, oil, and coal. While the Lunar New Year and weather conditions cause variations in NO_2 values, NASA researchers compared NO_2 values detected by NASA's Aura satellite in 2020 with the average amounts detected at this time of year from 2005 to 2019. In 2020, NO_2 values in eastern and central China were significantly lower (from 10-30% lower) than what's normally observed for this period. While the Chinese are getting back to work, they don't seem to be at full capacity.

Figure 1: Chinese Production



Source: NASA https://earthobservatory.nasa.gov/images/146362/airborne-nitrogen-dioxide-plummets-over-china

The Chinese impact on U.S. and European companies will be mostly limited to supply disruptions. U.S. and European manufacturers rely on many Chinese factories for goods and parts. If these companies don't get those supplies, they can't manufacture new products and generate revenue or profits. The province in China where the outbreak began, Wuhan, is known for its production of semiconductors, although many manufacturers in this industry reportedly didn't cease production through the Chinese New Year holiday.

Looking to demand, Asia accounts for roughly 10% of S&P 500 companies' revenues and China accounts for around 4% of overall revenues. European revenue from China is slightly higher at around 7%. While many foreign companies operating in China shut down for a period, they are open for business again. Most of the demand side disruptions will come from the rest of the world, including the United States.

While the virus is not yet widespread in the U.S. and the rest of the world, precautions and fear are already having an impact. The numbers might be low in aggregate, but there are now more than 100 countries that have confirmed cases. Corporations and individuals are limiting travel, which means less money for hotels, cruise lines, and airlines. Local economies are impacted by cancelations of conferences and concerts. These economies are also hurt when sporting events like the NCAA basketball tournament, BNP Paribas

Open (tennis), Italian soccer matches, as well as MLB and NBA games are canceled. When people stay home, it will impact restaurants, movie theaters, and malls to name a few examples. All this results in lower consumer spending, which makes up the majority of GDP in western economies.

Low Oil Prices

The second external shock to global economies was an oil price war between Saudi Arabia and Russia that erupted after failed talks between the large oil exporters in early March. The price of oil was already suffering from less demand caused by the largest oil importer in the world, China. When China shut down and curtailed manufacturing, they required less oil, sending crude oil prices lower.

Now Saudi Arabia and Russia are playing a dangerous game of chicken, more eloquently known as the "prisoner's dilemma" in the study of game theory. Both countries could benefit from collaboration and setting production levels, but both are acting out of self-interest and waiting for the other country to cut production to increase prices. Neither country can afford to operate at near-$25/barrel oil prices. They both depend on oil revenues to finance their budgets. At these low prices, they are running fiscal deficits and spending more money than they receive from tax and oil revenues. Russia recently shored up its budgets, so while it's running a deficit, it's running less of a deficit than Saudi Arabia.

This price war also impacts U.S. shale producers, who also can't afford to operate on near-$25/barrel oil prices. The U.S. oil and gas industry supports 10.3 million jobs and nearly 8% of U.S. GDP. If this price war is prolonged, the fear is that companies will be forced to reduce expenses and lay off workers, which will reduce consumer spending. In addition, a prolonged period of low oil prices could lead to defaults and bankruptcies in this industry.

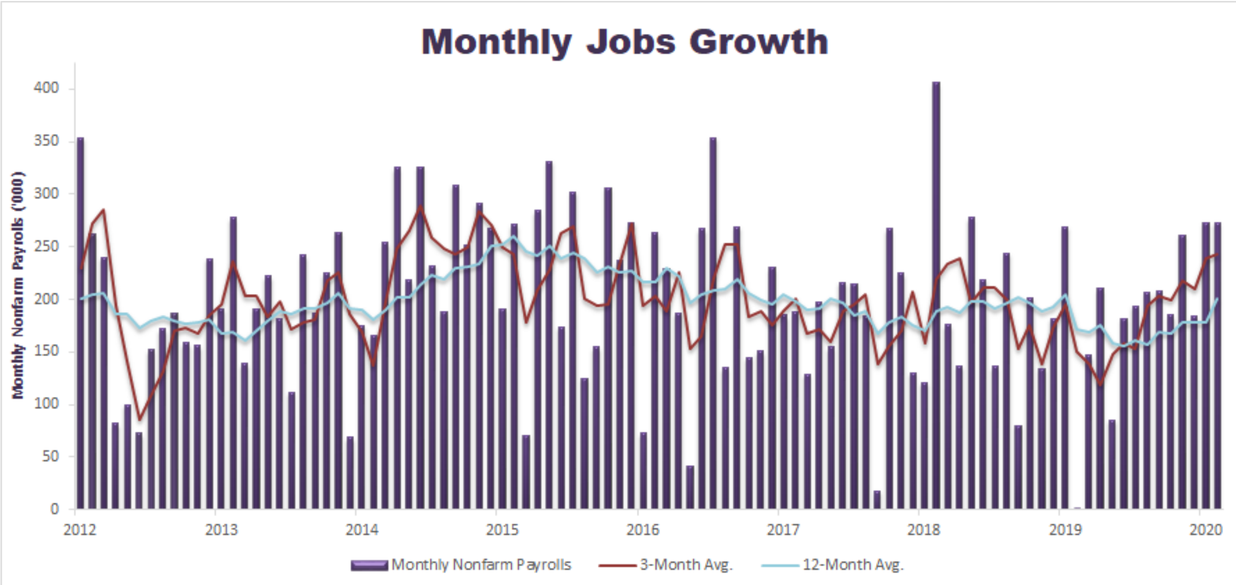
Fundamentals

While these external shocks are troublesome, the good news is that prior to these shocks, economic fundamentals were promising and there was a low risk of recession. Had these shocks occurred at a different time, they could have been worse. As mentioned earlier, the Atlanta Fed was anticipating first quarter economic growth to be 3.1%, well above the 2.3% average during this 11-year economic expansion.

We won't focus too much on the fundamentals in this outlook, because they are already old news. The shocks we discussed will change these metrics substantially over the coming months, and the historical values are therefore less informative. It's important, however, to discuss where we were before the shocks occurred. There was some good news: 273,000 new jobs were added in February, beating expectations and driving the unemployment rate down to a very low 3.5% **[Figure 2]**. The labor market looked strong.

Looking at the servicing and manufacturing sectors, business leaders were fairly confident. Manufacturing surveys, such as the ISM's Purchasing Manager Index, were weakening but still in expansionary territory. The non-manufacturing sector or servicing sector actually accelerated to a 12-month high. Building permits also reached near a 13-year high as housing was finally showing signs of getting back to Pre-Great Recession levels. Not to paint an entirely rosy picture, there were potential cracks: job openings took a dip and fell to two-year lows, although the number of job openings still exceeded the number of people looking for work.

Figure 2: Labor Market Before External Shocks



Source: Cetera Investment Management, Federal Reserve Bank of St. Louis, and U.S. Bureau of Labor Statistics. Data as of 2/29/2020.

We'd be remiss not to at least mention politics in 2020. While politics is currently not driving the headlines as much as would have been expected at the start of the year, it still has the potential to impact markets later in the year. With Joe Biden surging on the Democratic side, many investors are breathing a sigh of relief as the uncertainty on who will be the party's frontrunner decreases. Additionally, the U.K. officially left the European Union with little market impact. As the two parties negotiate the exit, there's potential for some volatility but this is something we'll be watching across the pond.

Positives

There are some potential positives to help the economy though. The Federal Reserve stepped in with emergency measures and lowered interest rates to essentially zero and all the investors selling stocks and buying bonds drove down long-term bond yields, causing mortgage rates to hit all-time lows. This will add stimulus to the economy as homeowners refinance and get more money to spend on a monthly basis. In addition, this could push people to take the leap and buy homes. It will also help businesses who need loans to get through the external shocks. The Federal Reserve is also adding liquidity to the broader markets, which may offer a measure of stability in an uncertain environment.

We do anticipate some sort of bipartisan fiscal stimulus as well. While the two political parties seem far apart on almost every issue, public health may be the one issue to unify them on a spending bill. The Treasury delayed the April tax payment deadline (everyone must still file or ask for extension) for some and there may be a proposed payroll tax relief package.

There's also a benefit to cheaper oil. Consumers will spend less money on gasoline, which means another source of savings for them. This can act like a tax cut to commuters around the world. Large oil importers like China and the European Union also stand to benefit from low oil prices. This all may be a moot point though, as people working from home don't drive.

Economic Outlook

Global economies seemed to be improving before the COVID-19 outbreak and the oil price war. However, they were still growing at a slow pace and slow is not that far away from negative. These two catalysts will likely drive many world economies into recessions in the coming quarters. Governments and central banks will enact measures to soften the blow but ultimately, we think a global recession may be inevitable. The United States was in a better position than many European counties but it too may experience negative growth in the second and third quarters of the year. Depending on the duration of the measures to curtail the virus and the oil price war and the size of stimulus offered by governments and central banks, economies may come out of the recessions quickly. At this point, this is our base case scenario as China is already getting back to work, although not at full production. We also think that the oil price war will not be prolonged because neither country can afford these low prices of oil.

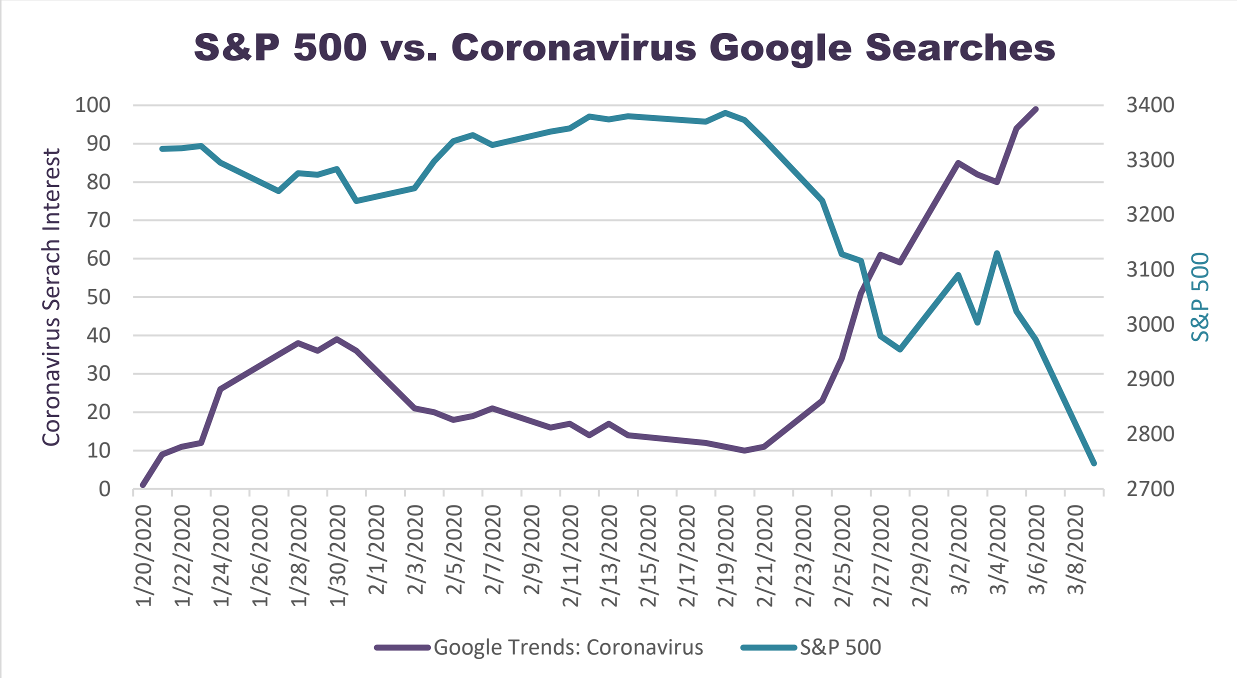
Equity Markets

Stock markets are leading indicators and as such, are already pricing in the probability of a recession, which is a sharp contraction of economic activity or two negative quarters of GDP. We have been noting for some time that equity valuations were high from a historical perspective. The S&P 500 was up over 30% last year and yet earnings growth was muted. Equity prices were rising while corporate earnings didn't move much higher, so price-to-earnings ratios were climbing to near 15-year highs in many asset classes, like large cap growth in particular. While we didn't predict a pandemic caused by a viral outbreak, we were expecting volatility related to these elevated valuations. Forward-looking price-to-earnings ratios on the S&P 500 at the end of 2019 were 21.29 and now they've come down to under 15 for 2020 year-end estimated earnings.

The news of the virus came at a time with already heightened valuations, causing more room for equity values to move lower. 2020 started with stocks, bonds, and even gold rallying at the same time. Momentum was so strong that nothing could seem to stop it, not even reports out of China about the emergence of COVID-19.

Investors largely brushed off early reports of the virus, as China went to unprecedented measures to control the spread of it. China quarantined millions of people and shut down businesses and factories for an extended period after the Chinese New Year holiday. Investors worried about supply chain disruptions as factories could no longer produce parts and goods needed for production. But as the virus eventually spread around the world, investors' concerns spread beyond supply chain disruptions and Chinese economic growth. Investors had to price in the potential impact of the virus to all businesses around the globe—a daunting task with low certainties. We charted Google keyword searches against the S&P 500 index **[Figure 3]** to show how investors brushed off early reports of the virus until after the virus started spreading outside of China. The Dow Jones Industrial Average and S&P 500 would soon enter into a bear market, defined by losing over 20% from their record-highs.

Figure 3: The New Coronavirus (COVID-19)



Source: Cetera Investment Management, Yahoo Finance, and Google. The level of coronavirus searches is represented by Google Trends, which shows how a keyword trends over time based on Google searches over a specified time frame in a geographic region. In this case, "coronavirus" was used as the keyword, and the timeframe was 1/20/2020 to 3/9/2020.

As mentioned previously, equity investors were later blindsided with news of an oil price war. Investors became even more cautious and sent equity markets tumbling when markets opened the next morning, triggering circuit breakers on the New York Stock Exchange, which halted trading for 15 minutes to prevent more selling. The circuit breakers were triggered once again later in the week as people assessed a new travel ban with Europe.

One of our focuses is on how long economic activity will cease and people will stay home and avoid human contact. If contained relatively early, we believe that the economy will recover quickly. Both local and federal governments are taking very aggressive steps—along with organizations, universities, corporations, and individuals—to contain the virus. While the unprecedented actions being taken are frightening, they limit the loss of life as well as the duration of the virus. We're watching this situation closely and paying attention to China's recovery, giving credence to the actions that they took.

Central banks are also a wild card as they respond to economic weakness. Every bull and bear market is different, but we do note in [**Figure 4]** that the previous five bear markets ended abruptly. As mentioned earlier, equity markets are leading indicators, so they are pricing in poor economic data already. If data comes in better than anticipated, markets will likely rally. Markets can make large moves in both directions, so it's important to focus on long-term risk and return objectives and not try to time the market. Being diversified in equity is important as different companies and industries will perform differently as their impact from low oil prices and the virus are unique to each company. We think volatility will continue as new information comes out. Selling out of equities and going to bonds may not be the best course of action as equities can rebound quickly and bonds have their own set of risks right now. While all recoveries are different, stocks had a strong rebound coming out of the last five bear markets.

Figure 4: Quick Rebounds

Bull Market Start Date	S&P 500 Bull Market Rebound 3 Mo. Return (%)	1 Yr. Return (%)
Aug-1982	26.6	59.3
Dec-1987	17.2	22.5
Oct-1990	7.7	33.6
Oct-2002	20.0	36.1
Mar-2009	38.8	70.6
Average	*22.1*	*44.4*

Source: Cetera Investment Management, Morningstar, Standard & Poor's. Returns shown are S&P 500 total returns, which includes dividends.

Fixed Income

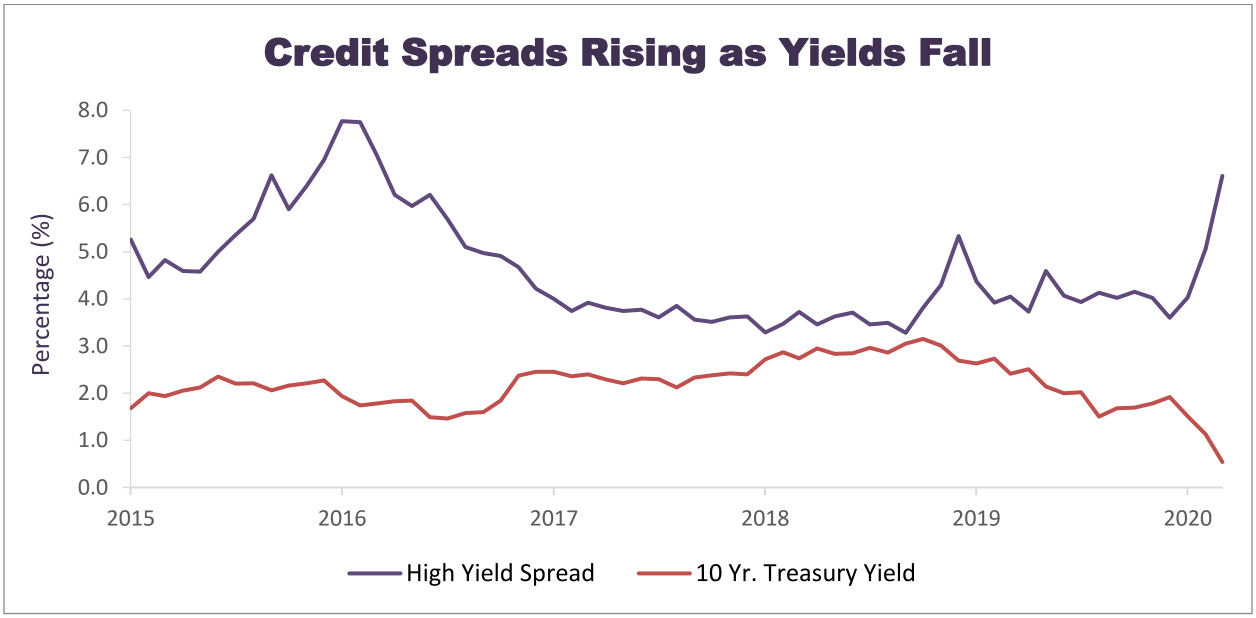
Even before COVID-19 fears began to unnerve equity markets, bond yields had been inching lower and bond pricing was inching higher. After the virus spread to America, bond yields hit all-time lows with the 10-year Treasury actually dipping under 0.50%. There are inherent risks with bond yields being this low. For instance, if the 10-year Treasury yield went back up another percentage point, simple bond math would imply that the price of this bond would fall a little under 9%. When you think about this risk and return profile, it's not good. The compensation, or yield, you get for holding this bond is currently around 1%. We also don't want to scare investors away from bonds entirely because they are one of the best hedges against equity volatility. The point here is that there are risks imbedded in both bonds and stocks.

Treasury bonds also have a high credit quality as they are backed by the U.S. government. Bonds issued by corporations have more sensitivity to equity markets with higher-quality bonds having less sensitivity than lower-grade bonds. Credit bonds sold off with equities in this downturn as credit spreads widened.

High-yield bond spreads, in particular, widened a lot on the news of an oil price war. The oil and gas sector makes up over 10% of many high-yield indices and if the oil price war continues, this sector will likely see defaults. The good news is that high-yield dividends are rising as investors are compensated more for the risk. Common high-yield indexes have an average yield to maturity of close to 7% now. In [**Figure 5]**, we chart the 10-Year Treasury Yield and high-yield credit spreads. Recently high-yield bond spreads spiked as investors sought safer assets like Treasuries.

Because of the low return prospects and interest rate risk embedded in high-grade bonds, we recommend being underweight duration but still owning them for an equity hedge. We are still cautious about high-yield bonds due to the embedded equity volatility and increased exposure to the oil and gas industry, which could see some defaults if oil prices remain low. Just like equity though, being diversified in fixed income is also extremely important.

Figure 5: Bond Yields and Credit Spreads



Source: Cetera Investment Management, Federal Reserve Bank of St. Louis, Board of Governors of the Federal Reserve System, BofAML. Data as of 3/11/2020.

Summary and Risks to Our Outlook

Prior to the COVID-19 outbreak and oil price war, economic growth was improving but still at low levels. These two catalysts will likely drive world economies into a recession in the coming quarters. World governments and central banks will do their best to soften the blow, but both of these parties have a limited set of tools. World governments are operating at already large deficits and gridlock and dysfunction aren't unique to America. Monetary policy from central banks doesn't seem like they have the right tool kit either and interest rates are already at extremely low levels.

How fast the virus can be contained will determine how fast everyone can get back to work and spend money. The Chinese recovery may give us clues to these questions, so we will be watching China closely. If good news comes quicker than expected, we could see stock markets rebound quickly as we have seen in previous bear markets. Investors are already pricing in a recession. Low oil prices will continue to drag on the U.S. economy. The oil price war and slower economic growth caused by COVID-19 both pressure oil prices lower. We hope that the oil price war part of the equation will be short-lived as neither country involved in this can afford it.

This epidemic is unprecedented and no one can tell for certain what will happen next. Having a financial strategy in place, however, can help give you confidence as we expect volatility to remain. Focusing on what you can control and understanding your own goals and objectives become even more important now. There are risks in both bond and equity markets and we recommend diversification in both asset classes. Your financial professional can help keep you on track and keep your sights on your long-term plans.

This report is created by Cetera Investment Management LLC

Appendix – U.S. Economic Overview

Employment	As of	Latest	Previous	1 Yr. Ago	3 Mo. Avg.	12 Mo. Avg.	1 Mo. Diff.	1 Yr. Diff.	Percentile (10 Yrs.)
US Nonfarm Monthly Payrolls ('000)	Feb-20	273	273	1	243	201	0	272	86%
US Total Nonfarm Payrolls - YoY Change	Feb-20	1.6%	1.4%	1.4%	1.5%	1.4%	0.2%	0.2%	49%
U3 Unemployment Rate	Feb-20	3.5%	3.6%	3.8%	3.5%	3.6%	-0.1%	-0.3%	100%
U6 Unemployment Rate	Feb-20	7.0%	6.9%	7.2%	6.9%	7.0%	0.1%	-0.2%	95%
Quit Rate	Jan-20	2.3%	2.3%	2.4%	2.3%	2.3%	0.0%	-0.1%	82%
Job Openings: Total Nonfarm ('000)	Jan-20	6,963	6,552	7,520	6,769	7,104	411	-557	84%
Initial Jobless Claims ('000) 4 Wk. MA - Month End	Feb-20	213	215	225	220	217	-2	-12	97%
KC Fed LMCI Momentum Indicator	Jan-20	0.8	0.6	0.7	0.7	0.7	0.3	0.1	47%
Labor Force Participation Rate	Feb-20	63.4%	63.4%	63.1%	63.3%	63.1%	0.0%	0.3%	66%
Employment to Population Ratio	Feb-20	61.1	61.2	60.7	61.1	60.9	-0.1	0.4	99%

Consumer	As of	Latest	Previous	1 Yr. Ago	3 Mo. Avg.	12 Mo. Avg.	1 Mo. Diff.	1 Yr. Diff.	Percentile (10 Yrs.)
Retail Sales - YoY Change	Feb-20	4.3%	5.0%	2.2%	4.9%	3.9%	-0.6%	2.1%	55%
Vehicle Sales (Mil. Units, annualized)	Feb-20	16.8	16.9	16.5	16.8	16.9	-0.1	0.3	56%
Personal Savings Rate	Jan-20	7.9%	7.5%	8.3%	7.7%	7.9%	0.4%	-0.4%	83%

Production	As of	Latest	Previous	1 Yr. Ago	3 Mo. Avg.	12 Mo. Avg.	1 Mo. Diff.	1 Yr. Diff.	Percentile (10 Yrs.)
Industrial Production - YoY Change	Feb-20	0.0%	-1.0%	2.7%	-0.6%	0.3%	1.1%	-2.7%	21%
Capacity Utilization	Feb-20	77.0%	76.6%	78.5%	76.9%	77.5%	0.3%	-1.5%	50%
Core Capital Goods Orders - YoY Change	Jan-20	0.7%	1.0%	4.1%	0.6%	0.7%	-0.4%	-3.4%	36%

Housing & Construction	As of	Latest	Previous	1 Yr. Ago	3 Mo. Avg.	12 Mo. Avg.	1 Mo. Diff.	1 Yr. Diff.	Percentile (10 Yrs.)
Building Permits ('000)	Feb-20	1,464	1,550	1,287	1,478	1,384	-86	177	98%
Housing Starts ('000)	Feb-20	1,599	1,624	1,149	1,608	1,363	-25	450	98%
New Home Sales ('000)	Jan-20	764	708	644	721	692	56	120	100%
S&P/Case-Shiller Home Price Index (20 city) - YoY Change	Dec-19	2.8%	2.5%	4.0%	2.5%	2.4%	0.3%	-1.2%	32%
Total Construction Spending - YoY Change	Jan-20	6.8%	6.4%	-1.2%	6.2%	0.7%	0.4%	7.9%	61%

Survey Data	As of	Latest	Previous	1 Yr. Ago	3 Mo. Avg.	12 Mo. Avg.	1 Mo. Diff.	1 Yr. Diff.	Percentile (10 Yrs.)
ISM Manufacturing PMI Composite	Feb-20	50.1	50.9	54.1	49.6	50.5	-0.8	-4.0	11%
ISM Manufacturing PMI New Orders	Feb-20	49.8	52.0	55.5	49.8	50.2	-2.2	-5.7	9%
ISM Non-Manufacturing PMI Composite	Feb-20	57.3	55.5	58.5	55.9	55.3	1.8	-1.2	79%
ISM Non-Manufacturing PMI New Orders	Feb-20	63.1	56.2	65.2	58.2	57.2	6.9	-2.1	95%
U. of Michigan Consumer Sentiment	Feb-20	101.0	99.8	93.8	100.0	97.3	1.2	7.2	99%

Inflation	As of	Latest	Previous	1 Yr. Ago	3 Mo. Avg.	12 Mo. Avg.	1 Mo. Diff.	1 Yr. Diff.	Percentile (10 Yrs.)
Consumer Price Index (CPI) - YoY Change	Feb-20	2.3%	2.5%	1.5%	2.4%	2.0%	-0.2%	0.8%	80%
Personal Consumption Expenditure (PCE) - YoY Change	Jan-20	1.7%	1.5%	1.4%	1.5%	1.4%	0.2%	0.3%	63%
Producer Price Index (PPI) - YoY Change	Feb-20	1.3%	2.1%	1.8%	1.5%	1.6%	-0.8%	-0.5%	N/A
Average Hourly Earnings - YoY Change	Feb-20	3.0%	3.1%	3.5%	3.0%	3.3%	-0.1%	-0.5%	85%

GDP	As of	Latest	Previous	1 Yr. Ago	2 Qtr. Avg.	4 Qtr. Avg.	1 Qtr. Diff.	1 Yr. Diff.	Percentile (10 Yrs.)
Real GDP - QoQ (SAAR)	Q4-19	2.1%	2.1%	1.1%	2.1%	2.3%	0.0%	1.0%	41%
Real GDP - YoY Change	Q4-19	2.3%	2.1%	2.5%	2.2%	2.3%	0.3%	-0.2%	49%

Other	As of	Latest	Previous	1 Yr. Ago	3 Mo. Avg.	12 Mo. Avg.	1 Mo. Diff.	1 Yr. Diff.	Percentile (10 Yrs.)
Treasury Yield Curve (10 Yr. Minus 2 Yr.) - Month End	Feb-20	0.27%	0.18%	0.21%	0.26%	0.18%	0.09%	0.06%	13%
Philly Fed Leading U.S. Index	Dec-19	1.45	1.33	1.12	1.37	1.32	0.12	0.33	34%

Economic Indicator	Source
US Nonfarm Monthly Payrolls ('000)	U.S. Bureau of Labor Statistics
US Total Nonfarm Payrolls - YoY Change	U.S. Bureau of Labor Statistics
U3 Unemployment Rate	U.S. Bureau of Labor Statistics
U6 Unemployment Rate	U.S. Bureau of Labor Statistics
Quit Rate	U.S. Bureau of Labor Statistics
Initial Jobless Claims ('000) 4 Wk. MA - Month End	U.S. Employment and Training Administration
KC Fed LMCI Momentum Indicator	Federal Reserve Bank of Kansas City
Employment to Population Ratio	U.S. Bureau of Labor Statistics
US Retail Sales - YoY Change	U.S. Bureau of the Census
Vehicle Sales (Mil. Units, annualized)	U.S. Bureau of Economic Analysis
Personal Savings Rate	U.S. Bureau of Economic Analysis
Industrial Production - YoY Change	Board of Governors of the Federal Reserve System (US)
Capacity Utilization	Board of Governors of the Federal Reserve System (US)
Core Capital Goods Orders - YoY Change	U.S. Bureau of the Census
Building Permits ('000)	U.S. Bureau of the Census
Housing Starts ('000)	U.S. Bureau of the Census
New Home Sales	U.S. Bureau of the Census
S&P/Case-Shiller Home Price Index (20 city) - YoY Change	S&P Dow Jones Indices LLC
Total Construction Spending - YoY Change	U.S. Bureau of the Census
ISM Manufacturing Composite	Institute for Supply Management
ISM Manufacturing New Orders	Institute for Supply Management
ISM Non-Manufacturing Composite	Institute for Supply Management
ISM Non-Manufacturing New Orders	Institute for Supply Management
U. of Michigan Consumer Sentiment	University of Michigan
Consumer Price Index (CPI) - YoY Change	U.S. Bureau of Labor Statistics
Personal Consumption Expenditure (PCE) - YoY Change	U.S. Bureau of Economic Analysis
Producer Price Index (PPI) - YoY Change	U.S. Bureau of Labor Statistics
Average Hourly Earnings - YoY Change	U.S. Bureau of Labor Statistics
Real GDP - QoQ (SAAR)	U.S. Bureau of Economic Analysis
Real GDP - YoY Change	U.S. Bureau of Economic Analysis
Yield Curve - Month End	Federal Reserve Bank of St. Louis
Leading Index for the United States	Federal Reserve Bank of Philadelphia

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Glossary

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