

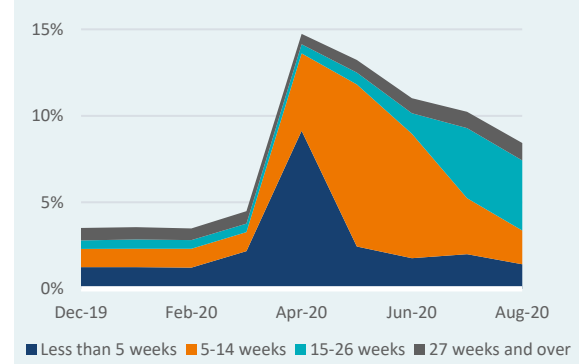
Capital Markets Snapshot

August 24th to September 4th, 2020

U.S. Economy

- Eyes remained trained on Washington as talks regarding the size and scope of a potential next fiscal support package resumed following the conclusion of Congress' August recess.
- American Airlines announced it would be cutting 19,000 jobs following the expiration of federal payroll aid on October 1st, which would mark a 30% reduction in headcount since March.
- The U-3 unemployment rate declined from 10.2% to 8.4% in August, though the percentage of unemployed people that have been unemployed for between 15-26 weeks increased from around 40% to around 50%.

U-3 UNEMPLOYMENT RATE DECOMPOSITION

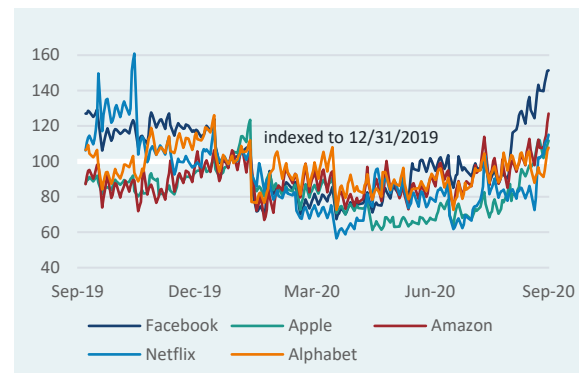


Source: Bureau of Labor Statistics, as of 8/31/20

U.S. Markets

- Volatility reemerged in the U.S. equity market, and stocks sold off the last couple of days in the period, negating much of the progress made previously. The S&P 500 still gained 1.0%, while the tech-heavy NASDAQ Composite held steady (+0.0%).
- Since bottoming in March, the NASDAQ Composite has rallied well over 60%. Some analysts have attributed the price action to bullish speculation on big tech, which has risen as of late.
- Fed Chairman Powell announced that moving forward, the Fed will adopt an "average inflation targeting" approach, allowing inflation to run above the 2% target for some time before hiking rates.

"FAANG" CALL OPTION OPEN INTEREST

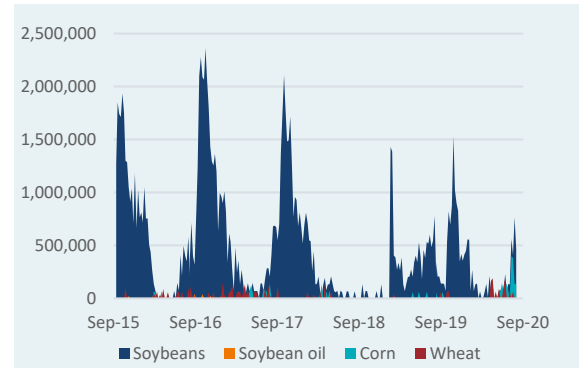


Source: Bloomberg, as of 9/4/20

International Economy

- COVID-19 case growth in Europe began increasing again toward the end of August and early September. The most recent wave has been attributed to the reopening of intra-European travel, though appetite for reimplementing of distancing controls appears light.
- Chinese purchases of U.S. farm goods over the first seven months of the year are just 27% of the target value implied by the accord, per Bloomberg's calculations using Chinese customs data. Talks remain conciliatory, and purchases are expected to increase soon.
- Canadian GDP declined at an annualized quarterly pace of -38.7% in Q2 (-7.8% YoY), its fastest quarterly decline on record.

WEEKLY U.S. AG EXPORTS TO CHINA (TONS)



Source: U.S. Department of Agriculture, Bloomberg, as of 8/27/20

International Markets

- U.K. equities lagged broader Europe, as uncertainty picked up surrounding the Brexit agreement and a potential European trade deal. The FTSE 100 Index fell -3.3% in local terms, but pound strength reduced losses to -2.2% for unhedged U.S. investors.
- Emerging market equities (MSCI EM +0.8%) mostly kept pace with U.S. equities (S&P 500 +1.0%), due in large part to strength in Latin American currencies relative to the dollar. The Brazilian real and Chilean peso appreciated 6.0% and 2.6% respectively.
- Grains (+5.2%), most notably soybeans (+7.5%) and corn (+5.1%), continued to rally on Chinese demand and U.S. supply concerns.

GBP/USD SPOT RATE



Source: Bloomberg, as of 9/4/20



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Capital Markets Snapshot

MARKET PERFORMANCE

Equities

	Last Two Weeks 8/24/2020 - 9/4/2020		August		QTD		YTD	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
S&P 500 TR USD	0.95	22.74	7.19	8.10	10.89	14.26	7.48	39.99
Russell 2000 TR USD	-1.06	20.20	5.63	14.04	6.73	19.56	-7.13	48.98
MSCI ACWI NR USD	0.43	17.64	6.12	7.73	9.50	11.94	2.66	32.12
MSCI EAFE NR USD	-0.42	13.23	5.14	12.65	5.40	14.00	-6.56	27.35
MSCI EM NR USD	0.75	17.10	2.21	14.43	11.16	18.05	0.28	27.65

Fixed Income

Barclays US Treasury US TIPS TR USD	0.13	5.33	1.09	4.15	2.61	3.40	8.77	8.62
Barclays US Treasury TR USD	-0.53	5.08	-1.10	3.52	-0.14	3.47	8.57	7.11
Barclays Long Term US Treasury TR USD	-2.05	18.02	-4.31	12.45	-0.61	12.27	20.47	22.92
Barclays US Agg Bond TR USD	-0.35	4.19	-0.81	2.68	0.59	2.71	6.76	5.44
Barclays US Credit TR USD	-0.50	6.71	-1.27	4.04	1.74	4.26	6.64	9.13
Barclays High Yield Corporate TR USD	0.71	2.42	0.95	2.16	5.58	3.16	1.57	12.48
JPM EMBI Global Diversified TR USD	0.73	5.85	0.51	3.41	5.29	4.31	2.38	14.26

Other

Bloomberg Commodity TR USD	1.31	8.42	6.76	12.89	11.44	11.16	-10.18	18.54
Wilshire US REIT TR USD	1.56	17.61	0.39	17.63	5.15	18.99	-13.54	49.53
MSCI Currency Factor Mix ER USD	-0.37	2.49	-0.68	2.46	-0.62	1.91	-1.15	3.42

Source: Morningstar, Data as of last available market close, Top/bottom two highlighted.

ECONOMIC DATA - RELEASED

Date	Country	Event	Freq	Period	Surv(M)	Actual	Surprise
08/25/20	GE	IFO Business Climate	M	Aug	92.1	92.6	0.5
08/25/20	US	Conf. Board Consumer Confidence	M	Aug	93.0	84.8	-4.5
08/25/20	US	New Home Sales MoM	M	Jul	1.8%	13.9%	4.0
08/26/20	US	Durable Goods Orders	M	Jul P	4.8%	11.2%	3.2
08/28/20	EC	Economic Confidence	M	Aug	85.0	87.7	1.4
08/28/20	CA	Quarterly GDP Annualized	Q	2Q	-39.6%	-38.7%	0.5
08/28/20	US	Personal Income	M	Jul	-0.2%	0.4%	0.7
08/28/20	US	Personal Spending	M	Jul	1.6%	1.9%	0.4
08/28/20	US	PCE Deflator YoY	M	Jul	1.0%	1.0%	0.0
09/01/20	US	ISM Manufacturing	M	Aug	54.8	56.0	1.7
09/01/20	GE	Retail Sales MoM	M	Jul	0.5%	-0.9%	-0.9
09/03/20	US	ISM Services Index	M	Aug	57.0	56.9	-0.1
09/04/20	US	Change in Nonfarm Payrolls	M	Aug	1350k	1371k	0.1
09/04/20	US	Unemployment Rate	M	Aug	9.8%	8.4%	-5.5
09/04/20	US	Labor Force Participation Rate	M	Aug	61.8%	61.7%	-0.9

ECONOMIC DATA - NEXT TWO WEEKS

Date	Country	Event	Freq	Period	Prior	Surv(M)	Std Dev
09/07/20	JN	Household Spending YoY	M	Jul	-1.2%	-3.7%	1.5
09/07/20	JN	Eco Watchers Survey Outlook SA	M	Aug	36.0	39.1	2.6
09/08/20	IT	Retail Sales YoY	M	Jul	-2.2%	-1.9%	1.9
09/08/20	EC	Household Cons QoQ	Q	2Q	-4.7%	-12.2%	0.9
09/08/20	US	NFIB Small Business Optimism	M	Aug	98.8	99.0	1.0
09/09/20	CA	Bank of Canada Rate Decision	D	9-Sep	0.25%	0.25%	0.0
09/10/20	IT	Industrial Production WDA YoY	M	Jul	-13.7%	-9.8%	1.3
09/10/20	EC	ECB Deposit Facility Rate	D	10-Sep	-0.50%	-0.50%	0.0
09/10/20	US	PPI Ex Food and Energy YoY	M	Aug	0.3%	0.3%	0.1
09/10/20	US	Continuing Claims	W	29-Aug	13254k	12904k	151.9
09/10/20	UK	Monthly GDP (3M/3M)	M	Jul	-19.1%	-7.5%	1.1
09/11/20	US	CPI Ex Food and Energy YoY	M	Aug	1.6%	1.6%	0.0
09/15/20	US	Empire Manufacturing	M	Sep	3.7	6.0	3.6
09/16/20	US	Retail Sales Advance MoM	M	Aug	1.2%	1.0%	1.2
09/16/20	US	FOMC Rate Decision (Lower Bound)	D	16-Sep	0.00%	0.00%	0.0

Source: Bloomberg



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