VOLUME
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MAYBERRY INVESTMENTS LIMITED

ECONOMIC SUMMARY

UNITED STATES

GROSS DOMESTIC PRODUCT

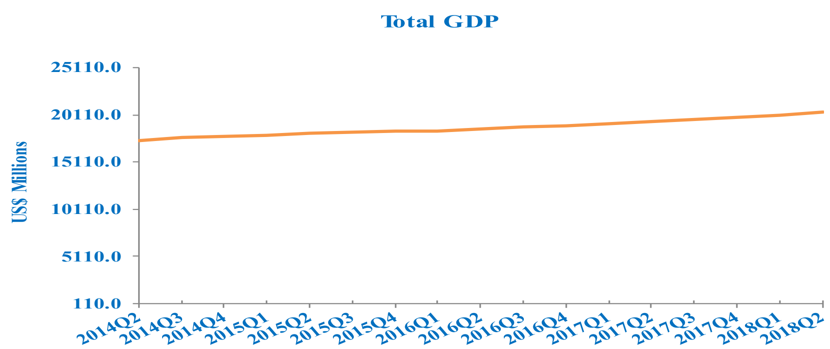
Second quarter real gross domestic product (GDP) increased at an annual rate of 4.2% following a 2.2% growth in the first quarter. This was the third estimate released by the Bureau of Economic Analysis (BEA). The second estimate increase in real GDP was also 4.2%. This revised estimate shows the general idea of economic growth remaining the same; a downward revision to private inventory investment was offset by small upward revisions to most other GDP components. In addition, imports being a subtraction in the calculation of GDP were also slightly revised down.

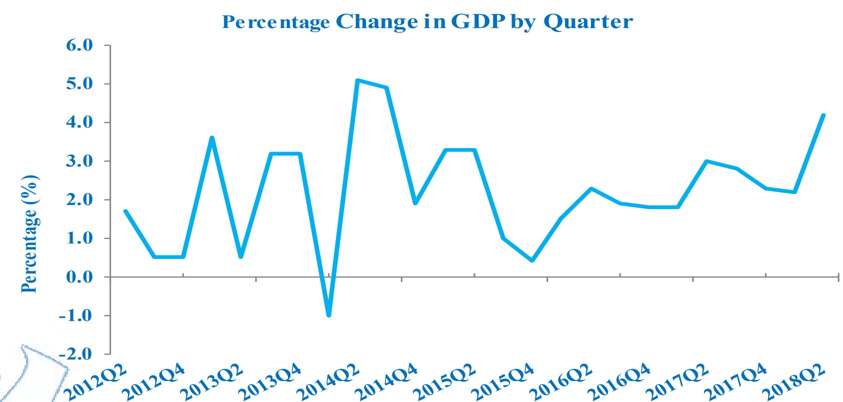
The upward movement in real GDP for the second quarter reflected positive contributions from PCE, non-residential fixed investment, exports, federal government spending, and state and local government spending which were partly offset by negative contributions from private inventory investment and residential fixed investment. Imports decreased.

Real GDP growth acceleration in the second quarter reflected accelerations in exports, PCE, federal government spending, and state and local government spending, as well as a smaller decrease in residential fixed investment. These movements were partly tempered by a downturn in private inventory investment and a deceleration in non-residential fixed investment. Imports decreased after increasing in the first quarter.

There was a 1.6% increase in real domestic income subsequent to a 3.9% advance in the first quarter. According to BEA, “The average of real GDP and real GDI, a supplemental measure of U.S. economic activity that equally weights GDP and GDI, increased 2.9% in the second quarter, compared with an increase of 3.1%in the first quarter .”

“Current dollar GDP went up 7.6% or $370.9 billion for the second quarter to $20.41 trillion whereas in the first quarter this increased 4.3%, or $209.2 billion,” as stated by the BEA.





UNEMPLOYMENT

Total nonfarm payroll employment climbed by 134,000 in September, with the rate of unemployment declining to 3.7%, as stated by the U.S. Bureau of Labor Statistics. Employment rose in the various areas of professional and business services, health care, transportation and warehousing. In September, the number of unemployed persons went down to 6.0 million. During the last twelve months, the unemployment rate fell by 0.5 percentage point and the number of unemployed by 795,000.

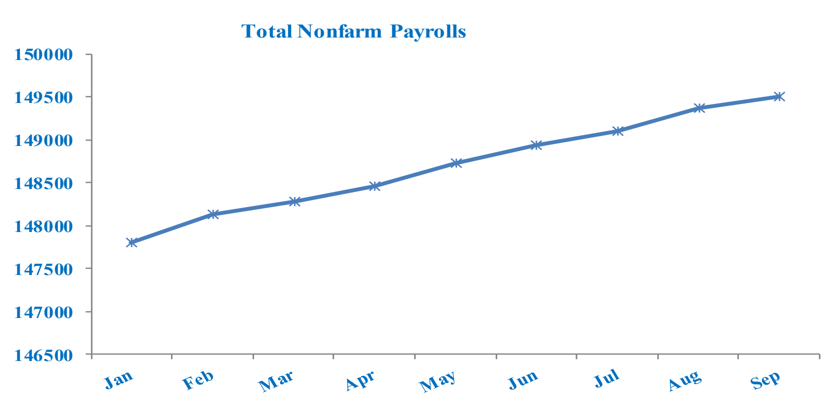
Long-term unemployed (those jobless for 27 weeks or more) had a slight change to 1.4 million in September and accounted for 22.9% of the unemployed.

Labour force participation rate was 62.7%, a marginal decline while the employment-population ratio at 60.4% for September, a 0.1% change relative to that of August.

Involuntary part-time workers or the number of persons employed part time for economic reasons experienced an increase to 4.6 million in September, an increase of 263,000. These persons who would have wanted full time employment, worked part time due to a reduction of hours or the inability to find a full-time job.

There were 1.6 million individuals marginally attached to the labour force, a small change compared to last year. These persons were not in the labour force, wanted and were available for work, and had looked for a job in the last year. They would not have been counted as unemployed because they had not searched for work in the 4 weeks before the survey was conducted.

Of the marginally attached, 383,000 persons were classified as discouraged workers in September. These persons are not currently seeking for work as they believe no jobs are available for them. There are still 1.2 million persons marginally attached to the labor force in September who had not seeked employment for reasons such as school attendance or family responsibilities.



CONSUMER PRICE INDEX

"The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.1% in September on a seasonally adjusted basis, remaining the same for August," the U.S. Bureau of Labor Statistics indicated. The all items index increased 2.3% before seasonal adjustment over the last year.

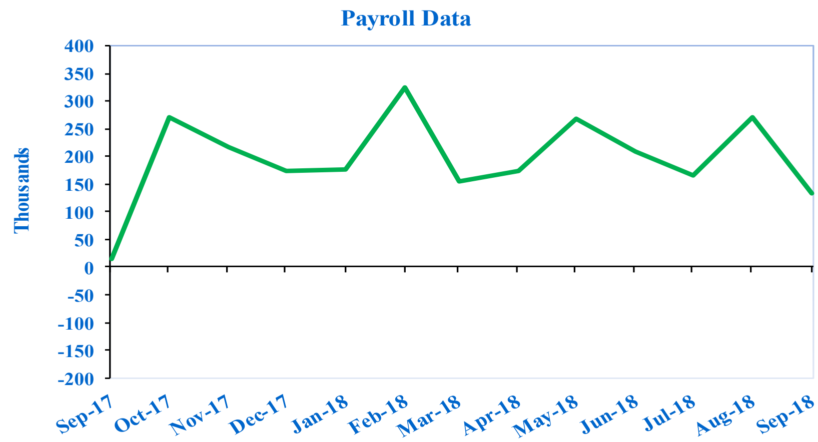
The all items less food and energy index increased 0.1% in September, the smallest advance since August. The index for shelter rose 0.2% for the month of September. In addition, the indexes for apparel, motor vehicle insurance, recreation, and airplane fares also rose. The index for medical care also went up despite a mixture of components. On the other hand, those for including used cars and trucks and new vehicles fell in September.

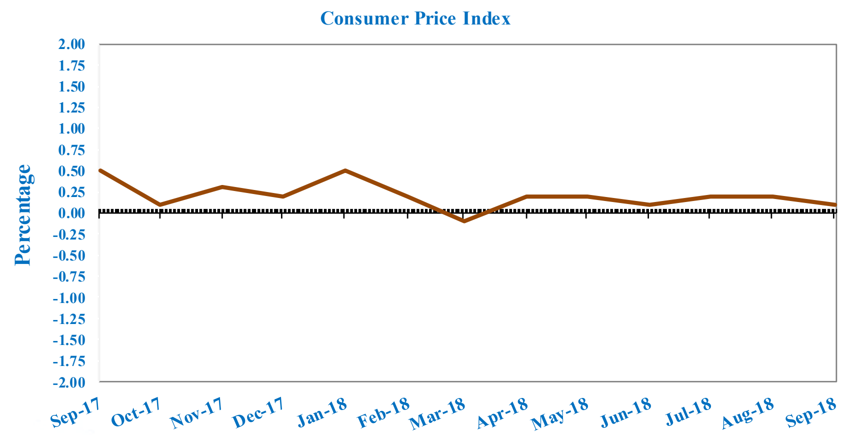
The all items index rose to 2.3% on a point to point basis, a little less than the 2.7% increase for the months ending August. The index for all items less food and energy rose 2.2% for year ending September. The energy index decreased 0.5% in September subsequent to rising 1.9% in August. and the food index advanced 1.4%, over the last year.

The gasoline index decreased 0.2% in September after decreasing 3.0% the prior month. (Before seasonal adjustment, gasoline prices increased 0.3% in August). The electricity index fell 0.5% in September, and the index for natural gas also went down 1.7%, subsequent to rising in August.

The food index did not change in September. The index for food away from home increased 0.2% in September, the same as August while the food at home index fell went down0.1% in September.

During the last year the food index went up 1.4%, the index for food away from home and food at home index both increased 2.6% and 0.4% respectively.





PRODUCER PRICE INDEX

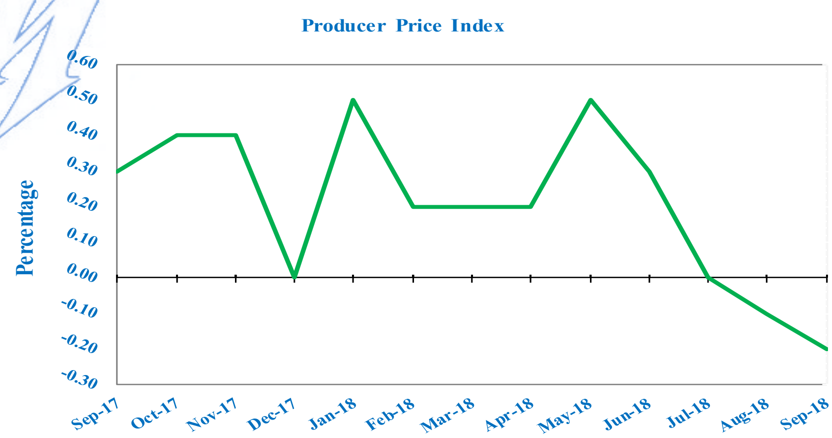
"The Producer Price Index for final demand prices went down by 0.2% in September, seasonally adjusted. Final demand prices declined in August by 0.1% and were the same in July. On an unadjusted basis, the final demand index increased 2.6% for the 12 months ended in September."

"In September, the rise in the final demand index can be traced to a 0.3% increase in prices for final demand services. In contrast, the index for final demand goods decreased 0.1%.

The index for final demand services went up 0.3% in September after two consecutive decreases of 0.1%. This was as a result of a 1.8% climb in the final demand index for transportation and warehousing services. Prices for final demand services less transportation, trade and warehousing rose 0.3%, and the index for final demand trade services slightly went up 0.1%.

"The index for final demand less foods, energy, and trade services inched up 0.4% in September, the greatest increase since that of a 0.5% rise in January. For the 12 months ended in September, index for final demand less foods, energy, and trade services increased 2.9%."

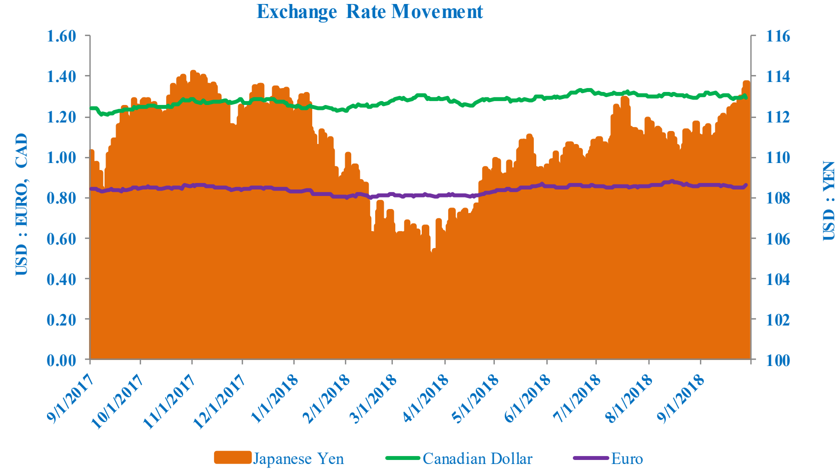
The index for final demand goods went down 0.1% in September, the first decline since May 2017's 0.5%. The index for demand goods less foods and energy inched up by 0.2%. In addition, final demand energy went down while there was a 0.6% drop in the index for demand foods.



U.S. Dollar

According to FX Empire, "The EURUSD pair ended the month in the middle of its range which reflects the uncertainty among the traders in the pair. The month of September saw the Euro trade in a strong manner for the first couple of weeks, only to weaken towards the end of the month leading to some choppy action as the oversold dollar staged a rebound towards the end of the month. This has led to an interesting month ahead, a month where we believe that there is s good chance that the tide could turn and we could see the dollar strength hold the upper hand in trading."

"The first day of the month saw the release of the NFP and that came in lower than expected and the previous month data was also revised downwards. The wages report was also weak and with these reports being 2 of the most important ones in a month, we saw the Euro shoot higher. But this was tempered by the realisation that historically, the NFP data is weak during September due to a quirk in the way that the data is calculated. This led to some decent 2 way action in the EURUSD pair with a bullish bias which continued for the first couple of weeks of the month."



FEDERAL RESERVE MINUTES

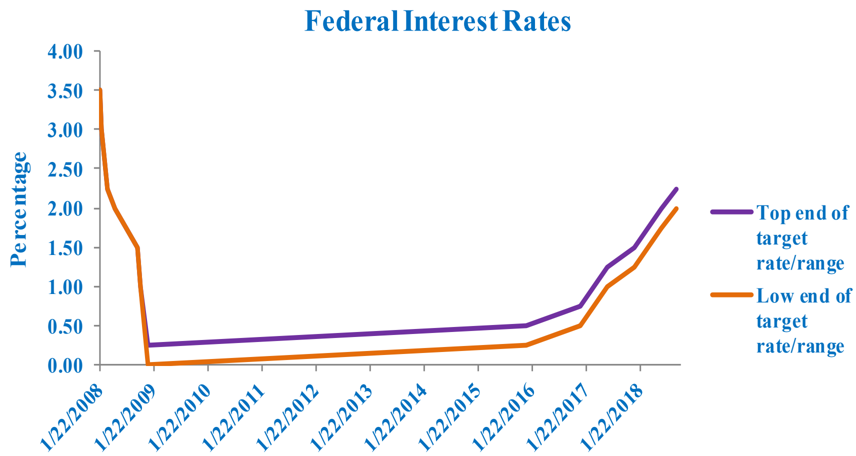
On September 26, 2018 all the members of the Board of Governors of the Federal Reserve System voted to maintain the interest rate paid on required and excess reserve balances at 2.20%, effective September 27, 2018. The FOMC voted for the Open Market Desk at the Federal Reserve Bank of New York to permit and direct unless given other instructions, to execute transactions in the System Open Market Account in accordance with the following domestic policy directive:

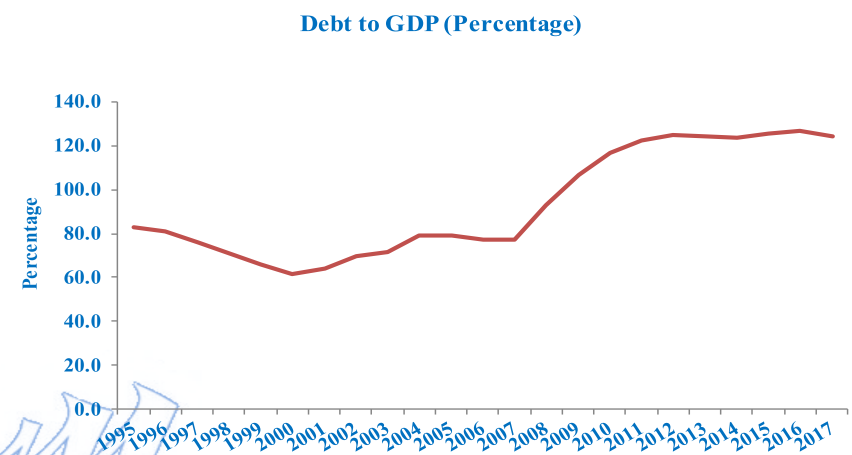
"Effective September 27, 2018, the Federal Open Market Committee directs the Desk to undertake open market operations as necessary to maintain the federal funds rate in a target range of 2 to 2-1/4%, including overnight reverse repurchase operations (and reverse repurchase operations with maturities of more than one day when necessary to accommodate weekend, holiday, or similar trading conventions) at an offering rate of 2.00%, in amounts limited only by the value of Treasury securities held outright in the System Open Market Account that are available for such operations and by a per-counterparty limit of $30 billion per day."

"The Committee directs the Desk to continue rolling over at auction the amount of principal payments from the Federal Reserve's holdings of Treasury securities maturing during each calendar month that exceeds $24 billion, and to reinvest in agency mortgage-backed securities the amount of principal payments from the Federal Reserve's holdings of agency debt and agency mortgage-backed securities received during each calendar month that exceeds $16 billion. Effective in October, the Committee directs the Desk to roll over at auction the amount of principal payments from the Federal Reserve's holdings of Treasury securities maturing during each calendar month that exceeds $30 billion, and to reinvest in agency mortgage-backed securities the amount of principal payments from the Federal Reserve's holdings of agency debt and agency mortgage-backed securities received during each calendar month that exceeds $20 billion. Small deviations from these amounts for operational reasons are acceptable."

"The Committee also directs the Desk to engage in dollar roll and coupon swap transactions as necessary to facilitate settlement of the Federal Reserve's agency mortgage-backed securities transactions."

In a similar action, the Board of Governors of the Federal Reserve System voted to approve the establishment of the primary credit rate at the existing level of 2.75%.

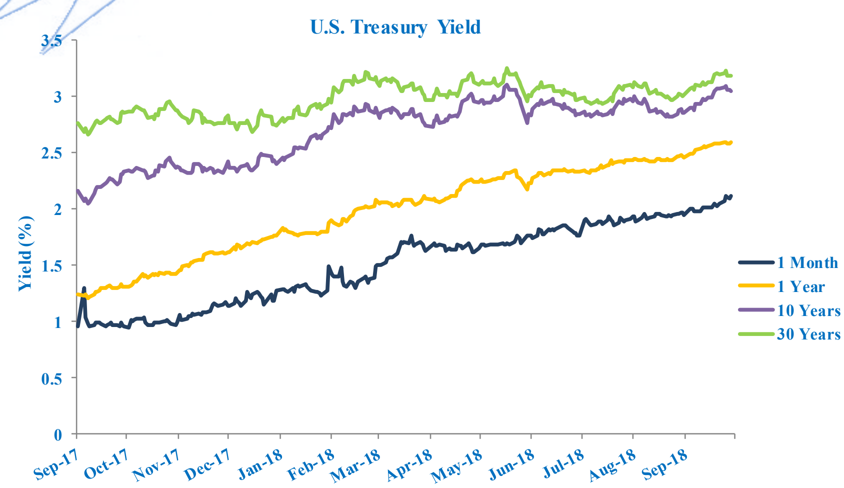




U.S. TREASURY YIELD CURVE

According to Federal Reserve Bank of Cleveland, "In September, short rates have been outpaced by longer rates which have moved up . The three-month (constant maturity) Treasury bill rate went up to 2.17% (for the week ending September 21) up 9 basis points from August's 2.08%, which was slightly above from July's 2.00%. The 10-year rate (also constant maturity) increased faster by 22 basis points to 3.02%, up from August's 2.83 but above July's 2.86%. These changes moved the slope upwards to 88 basis points, up 13 basis points from August's 75 basis points and 2 basis points above that of July (86 basis points)."

"Despite a slightly steeper yield curve, projected growth were basically the same, and maybe influenced by the strong growth depicted in GDP for the second quarter. Using past values of the spread and GDP growth suggests that real GDP will grow at approximately 1.6% rate over the upcoming year, with the estimates of July and August. The forecasts shows conservative growth despite the fact that the time horizons do not match exactly."



GOVERNMENT DEBT/ DEFICIT

According to the Congressional Budget Office (CBO), the federal budget deficit was $782 billion for the fiscal year 2018, the Congressional Budget Office estimates, $116 billion more than the shortfall recorded last year. Revenues and outlays were lesser than the CBO anticipated, but outlays were lower by a larger amount.

"The 2018 deficit equaled an estimated 3.9 percent of gross domestic product (GDP), up from 3.5 percent in 2017. (If not for the timing shifts, the 2018 deficit would have equaled 4.1 percent of GDP.) Fiscal year 2018 was the third consecutive year in which the deficit increased as a percentage of GDP," as stated by CBO.

According to CBO, "Outlays for the fiscal year 2018 were $4110 billion—up by $129 billion (or 3%) from the same period last year, CBO estimates. That increase would have been $46 billion smaller if not for the shift of certain payments from October to September both 2016 and 2017. Those shifts occurred because the regularly scheduled payment dates fell on a weekend or a holiday. The discussion below reflects adjustments to remove the effects of such timing shifts."

Budget Totals, October–September
Billions of Dollars

	Actual, FY 2017	Preliminary, FY 2018	Estimated Change
Receipts	3,315	3,328	13
Outlays	3,981	4,110	129
Deficit (-)	-666	-782	-116