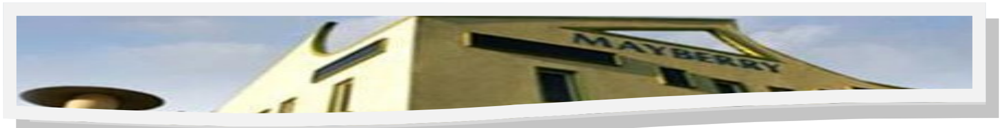


MAYBERRY
INVESTMENTS LIMITED

VOLUME
FEBRUARY 2019

ECONOMIC SUMMARY

UNITED STATES

GROSS DOMESTIC PRODUCT

Fourth quarter real gross domestic product (GDP) increased at an annual rate of 2.6% in the fourth quarter following a 3.4% growth in the third quarter according to the initial estimate released by the Bureau of Economic.

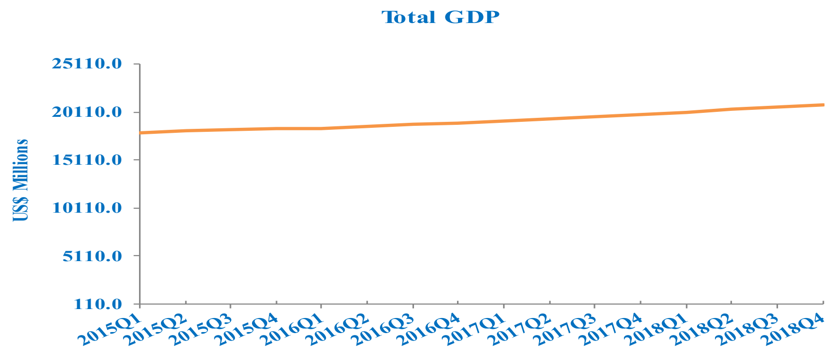
This initial report for the last quarter and annual GDP for 2018 will be used instead of the "advance" estimate originally scheduled for January 30th and the "second" estimate originally scheduled for February 28th. The release is based on source data that are incomplete or liable to further revised by the source agency.

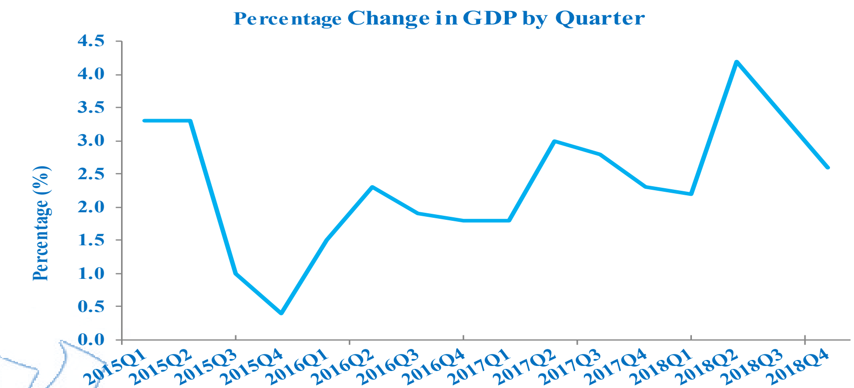
The upward movement in real GDP for the fourth quarter reflected positive contributions from PCE, private inventory investment, non-residential fixed investment, exports, federal government spending, federal government spending. This movement was partly offset by negative contributions from state and local government spending and residential fixed investment. In addition, imports increased.

Real GDP growth deceleration in the fourth quarter reflected a downturn in private inventory investment, PCE and federal government spending and a decline in state and local government spending. These movements were partly tempered by an increase in exports and an acceleration in non-residential fixed investment. Imports increased by less in the fourth quarter compared to third quarter.

“Current dollar GDP went up 4.6% or $233.2 billion for the fourth quarter to $20.89 trillion relative to the third quarter which increased 4.9%, or $246.3 billion,” as stated by the BEA.

In the third quarter, the gross domestic purchases price index went up 1.6% when compared to an uptick of 1.8% the previous quarter. In addition, the PCE price index rose 1.5% relative to an increase of 1.6%. With the exception of the food and energy prices, the PCE price index climbed 1.7% versus an increase of 1.6%.





UNEMPLOYMENT

Total nonfarm payroll employment climbed by 20,000 in February, with the rate of unemployment declining at 3.8%, as stated by the U.S. Bureau of Labor Statistics. Employment rose in the various areas of health care, professional and business services and hospitality whereas construction declined.

In February, the number of unemployed persons went down slightly to 6.2 million, by 300,000. Among the unemployed, the persons who lost jobs and who were engaged in temporary jobs (including persons on temporary layoff) fell by 225,000. This decrease partly reflects the return of government workers who were unpaid in January to the partial shutdown.

Long-term unemployed (those jobless for 27 weeks or more) changed a little to 1.3 million in February and accounted for 20.4% of the unemployed.

Labour force participation rate was 63.2% for February and has essentially remained unchanged over the year. In addition, the employment-population ratio at 60.7%, no changeover month change; however, these measures went up by 0.3 percentage point over the year.

Involuntary part-time workers or the number of persons employed part time for economic reasons experienced a decrease of 837,000 to 4.3 million, in February. This may be as a result of the impact of the government shutdown that took place. 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 1.4 million individuals marginally attached to the labour force, a decrease of 178,000 relative 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, 428,000 persons were classified as discouraged workers in February, a slight change than a year ago. These persons are not currently seeking for work as they believe no jobs are available for them. There are still 1.0 million persons marginally attached to the labour force in February who had not sought employment for reasons such as school attendance or family responsibilities.

Labour Force in Thousands	Jan-Mar	Apr-Jun	Jul-Sep	Oct - Dec
Year	Q1	Q2	Q3	Q4
2014	413,287	415,702	417,939	420,364
2015	422,400	424,510	426,425	428,580
2016	430,343	431,988	434,115	435,729
2017	437,494	439,013	440,603	442,220
2018	444,143	446,227	448,227	450,170

CONSUMER PRICE INDEX

“The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2% in February subsequent to remaining the same in January on a seasonally adjusted basis,” the U.S. Bureau of Labor Statistics indicated. The all items index increased 1.5% before seasonal adjustment over the last year.

“The all items less food and energy index increased 0.1% in February, after rising in January. The index for apparel, shelter, personal care and education all advanced while the indexes for recreation, medical care, used cars and trucks and new vehicles trended down.”

“The all items index rose to 1.5% on a point to point basis, this is a smaller rise than the 1.6% increase for the year ending January. The index for all items less food and energy rose 2.1% for year ending February a smaller figure than the 2.2% increase ending in January. The energy index decreased 5.0% for the year while the food index advanced 2.0%, over the last year (largest annual increase since the period closing April 2015).”

“The gasoline index rose 1.5% in February after three straight monthly declines. The energy index went up 0.4% in February despite drops in electricity and natural gas indexes. Furthermore other major energy component indexes also went down in February more with the natural gas and electricity indexes falling 2.6% and while the electricity remained unchanged.”

“The food (0.4%) index rose in February, after a 0.2% increase in the previous year, with the indexes for food at home and food away from home rising by 0.4% and 0.3%. Over the last twelve months the index for food away from home increased by 2.9% ; the highest 12-month increase since the period ending October 2015. The index for food at home rose 1.2% and was also the largest 12-month since the period ending April 2015.”

PRODUCER PRICE INDEX

According to Bureau of Labor Statistics "The Producer Price Index for final demand prices slightly edged by 0.1% in February, seasonally adjusted. Final demand prices also declined in both January and December. On an unadjusted basis, the final demand index increased 1.9% for the 12 months ended in February.”

“In February, the increase in the final demand index is due to a 0.4% rise in the prices of final demand goods. The final demand services index was unchanged,” as stated by BLS.

The index for final demand less foods, energy, and trade services climbed 0.1% in February, when compared to a 0.2% jump in January. For the 12 months ended in February, index for final demand less foods, energy, and trade services increased 2.3%.

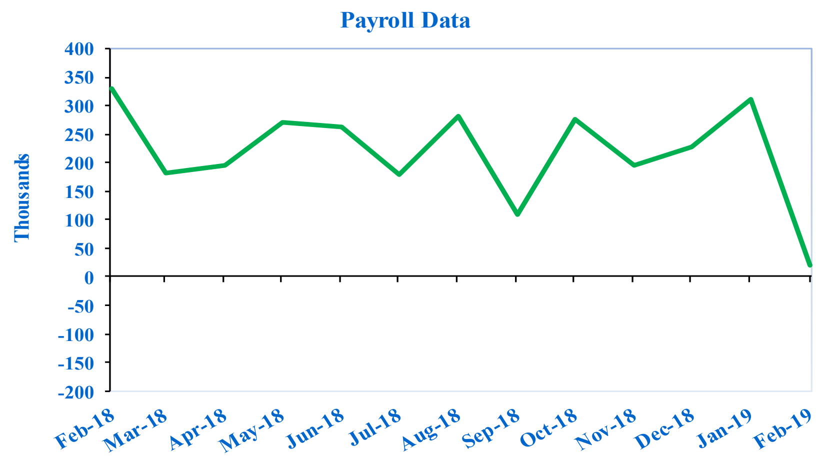
The index for final demand services did not change in February, subsequent to a 0.3% rise in the prior month. Prices for final demand services less transportation, trade and warehousing experienced a 0.3% increase which offset a decline of 0.4% in margins for final demand trade services. The index for final demand trade transportation and warehousing services went up 1.3%. (Trade indexes measure changes in margins received by wholesalers and retailers.)

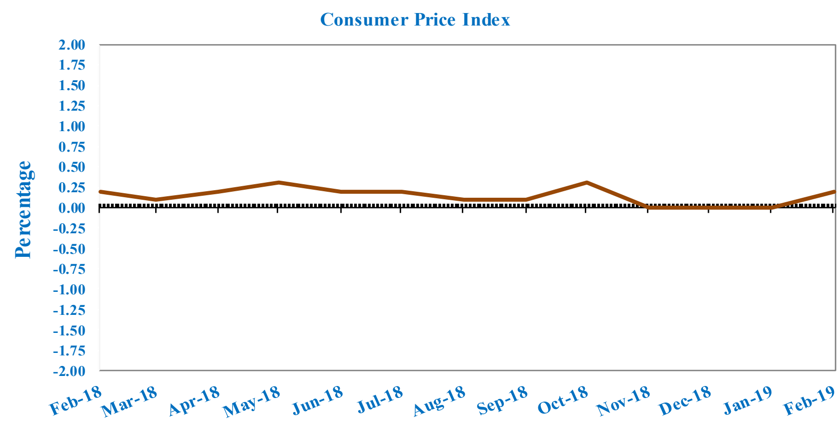
The index for final demand goods went down 0.4% in February, subsequent to three declines. More than 80% of the increase in can be traced to prices for final demand energy, which went rose 1.8%. The index for demand foods fell to 0.3% while final demand goods less foods and energy inched up 0.1%.

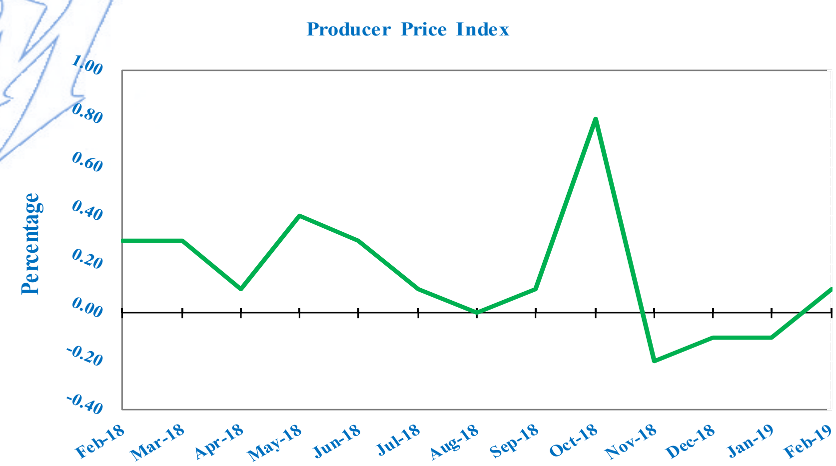
U.S. Dollar

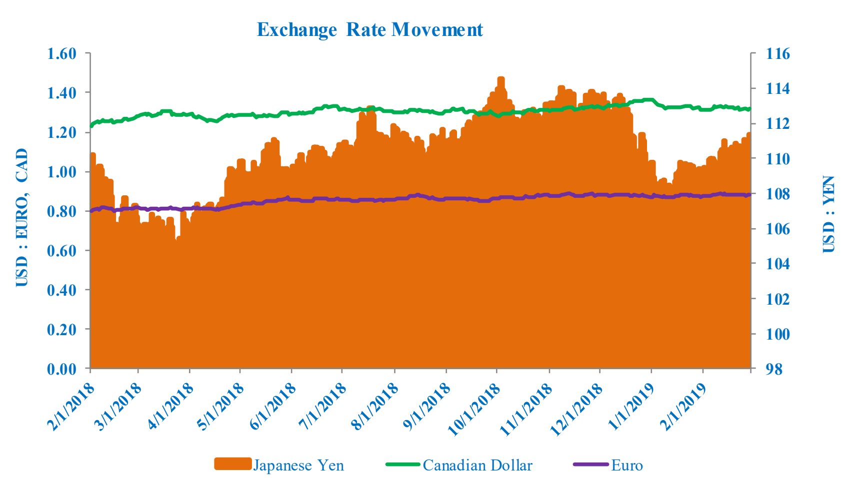
According to FX Empire, “The price for EURUSD pair for the month of February was dovish as predicted in my previous monthly forecast. While the pair closed on a dovish note, the decline wasn’t as steep as expected owing to conflicting headlines that hit the market across the month. However, as expected the price action in the global forex market was highly dominated by the proceedings of geopolitical events. Sino-U.S. trade talks and Brexit proceedings had greater say in the overall price action despite there being other significant factors that helped set directional bias. Meanwhile, a look at the weekly chart shows that price action still remains trapped in wider range-bound price limits.”

In addition, FX Empire stated that, “The pair has over the course of the last five months been trapped in the price range of 1.12125 to 1.15679 within which the pair has been trading in a zig-zag pattern with multiple dead cat bounce scenarios which could have become a breakout had the attempt to breach been successful. The pair is seeing strong support and resistance around 1.12339 to the downside and 1.15140 to the upside within the wider price band mentioned earlier hindering a clear breakout in price action. As geopolitical events dictate the price momentum, a true breakout is likely to be achieved only when one of the two major events dominating the global market comes to end be it positive or negative.”









FEDERAL RESERVE MINUTES

On March 20, 2019, The Federal Reserve made the decisions to implement monetary policy stance announced by the Federal Open Market Committee in its statement:

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 2.40%, effective March 20, 2019.

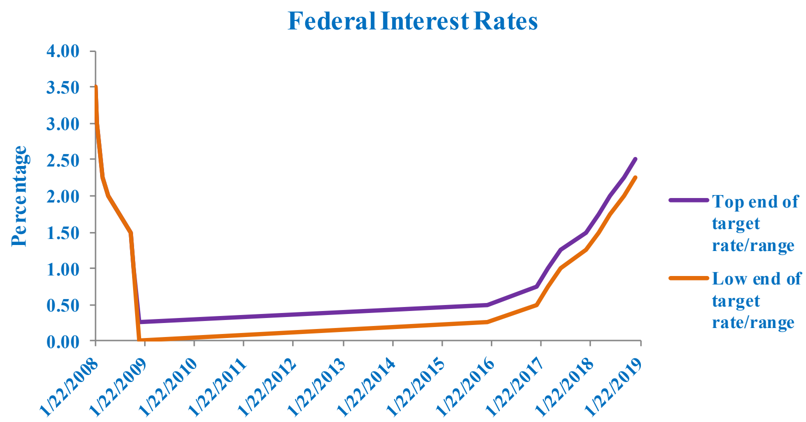
In addition to the policy decision, the FOMC voted for the Open Market Desk at the Federal Reserve Bank of New York to permit and direct unless given other instructions, to execute transactions in the System Open Market Account in accordance with the following domestic policy directive:

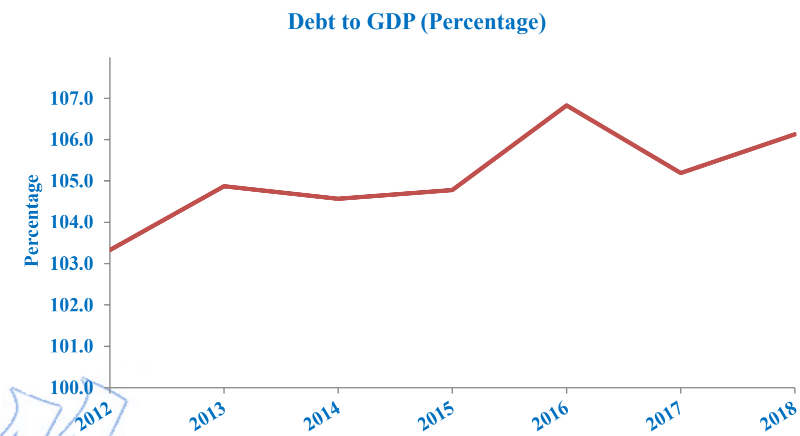
"Effective March 20, 2019, the Federal Open Market Committee directs the Desk to undertake open market operations as necessary to maintain the federal funds rate in a target range of 2-1/4 to 2-1/2%, including overnight reverse repurchase operations (and reverse repurchase operations with maturities of more than one day when necessary to accommodate weekend, holiday, or similar trading conventions) at an offering rate of 2.25%, 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 $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 related action, the Board of Governors of the Federal Reserve System voted unanimously to approve the establishment of the primary credit rate at the existing level of 3%, effective."



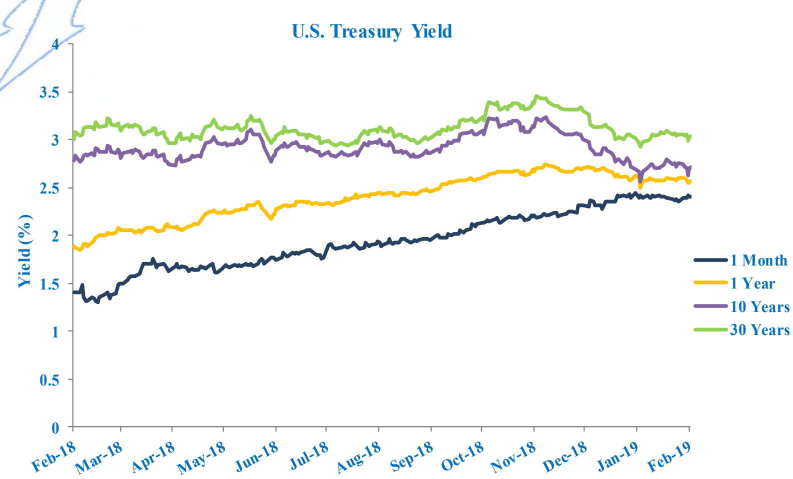


U.S. TREASURY YIELD CURVE

According to Federal Reserve Bank of Cleveland, "In February, the yield curve moved flatter, with short rates climbing while long rates dropped. The 3-month (constant maturity) Treasury bill rate inched down to 2.45% (for the week ending February 22) up from January's 2.40% and above December's 2.42%. The 10-year rate (also constant maturity) moved in the opposite direction, falling to 2.66%, down from January's 2.75% and from December's 2.89%. The twist brought the slope down to 21 basis points, below January's 35 basis points and well above December's slope of 47 basis points."

"With the shutdown of the federal government resolved and the release of the first estimate of real GDP for the fourth quarter of 2018 (albeit delayed), we can return to our usual methods of determining expectations of growth from the yield curve.

"Notwithstanding a flatter graph, our calculations for expectations of growth ticked up minimally despite the flatter yield curve, as the model incorporated the string of strong GDP growth numbers in recent quarters. Using past values of the spread and GDP growth suggests that real GDP will grow at about a 2.0% rate over the next year, even with October's and November's estimate. Although the time horizons do not match exactly, the forecast, like other forecasts, does show moderate growth."



GOVERNMENT DEBT/ DEFICIT

According to the Congressional Budget Office (CBO), "The federal budget deficit was $537 billion for the first five months of the 2019 fiscal year, the congressional budget office estimates revenues were $4 billion lower and outlays were $142 billion higher than during the first five months of 2018.

"Outlays in the first five months were decreased due to the shift of certain payments from October 2017 (fiscal year 2018) into September 2017 (fiscal year 2017). October 1, 2017, the first day of fiscal year 2018, fell on a weekend.) If not for those timing shifts, deficits for the said period this year would have been $44 billion larger and the deficit thus far would have been $102 billion rather than $146 billion."

According to CBO, "Receipts totaled $1,282 billion during the first five months of fiscal year 2019, CBO estimates—$4 billion less than during the same period last year. Outlays for the first five months of fiscal year 2019 were $1,819 billion, $142 billion higher than they were during the same period last year, CBO estimates. If not for the shift of certain payments, that year-to-year increase would be much smaller—$99 billion ."

Budget Totals, October–February

Billions of Dollars

	Actual, FY 2018	Preliminary, FY 2019	Estimated Change
Receipts	1,286	1,282	-4
Outlays	1,677	1,819	142
Deficit (-)	-391	-537	-146