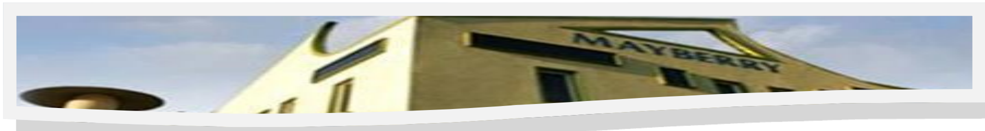


MAYBERRY INVESTMENTS LIMITED

VOLUME
AUGUST 2019

ECONOMIC SUMMARY

UNITED STATES

Monthly Economic Review: US

Escalating tariff and trade conflicts, as well as concerns over the U.S. and global economy, led to a volatile month in the markets in August.

The S&P 500 Index dropped 1.81% for the month, from 2,980.38 at the end of July to 2,926.46 at the August close. The index is still up 16.74% for all of 2019. The NASDAQ Index also dropped in August, from 8,175.42 at the July close to 7,962.88 at the end of August – a 2.60% decline.

Thanks to strong internet sales, total retail sales for July were up 0.7% from the previous month.

Monthly Highlights

US employers added 130,000 new jobs in August, falling below Wall Street estimates, July and June job figures were also; the unemployment rate remained unchanged at 3.7%. The economy has added jobs for 107 consecutive months, though showing signs of the impending recession.

The yield on 10-year U.S. Treasuries dropped significantly in August, as bond investors ramped up buying activity. Rates dropped from 2.02% at the end of July to 1.50% at the August close.

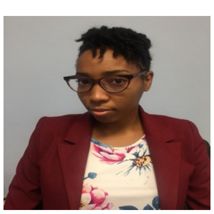
Oil prices fell moderately in August, as OPEC and Russia increased production. The price of a barrel of West Texas Intermediate, slipped 5.94% from $58.58 at the end of July to the $55.10 at the August close.

The annual inflation rate for the United States is 1.7% for the 12 months ended in August 2019, compared to 1.7% at the end of July.

Analyst Summary

For August US stocks are down both the S&P and the NASDAQ reduced month-over-month however still up year to date, Retail sales remain strong, primarily due to increasing online retail sales with back to school and work from summer breaks. Employment is starting to slow; by adding marginally fewer jobs in August.

Most sectors of the S&P 500 lost ground in August, treasury yields flat fell significantly and are reflected in bond yields. Oil prices inched higher, while international equities continued a downward trend in August, as



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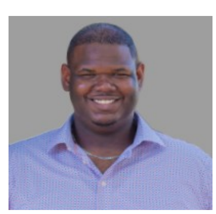

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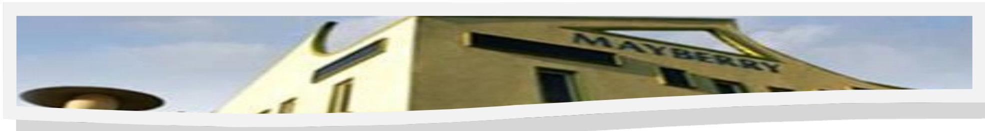

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ECONOMIC SUMMARY

UNITED STATES

GROSS DOMESTIC PRODUCT

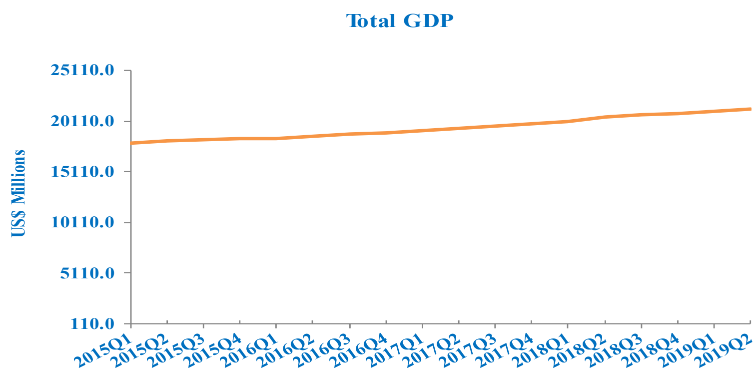
Second quarter real gross domestic product (GDP) increased at an annual rate of 2.0% in the second quarter of 2019. For the first quarter of 2019, real GDP had a 3.1% growth according to the second estimate released by the Bureau of Economic Analysis. This report is based on more complete source data.

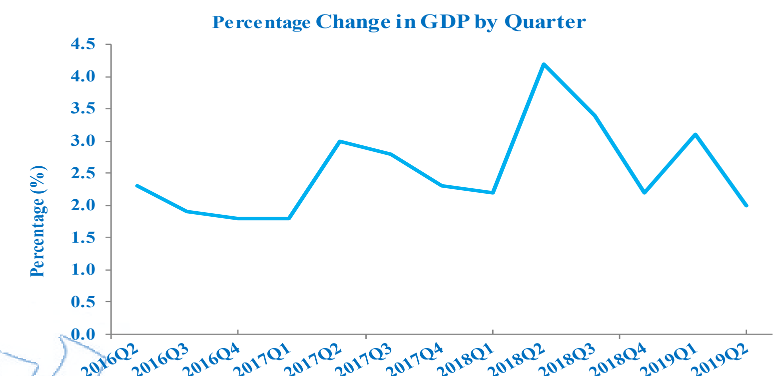
The upward movement in real GDP for the second quarter reflected positive contributions from (PCE), federal government spending, and state and local government spending. This movement was partly offset by a negative contribution from private inventory investment, exports, non-residential fixed investment and residential fixed investment.

Real GDP growth deceleration in the second quarter reflected downturns in inventory investment, exports, and non-residential fixed investment. These movements were partly tempered by an increase in PCE and federal government spending.

"Current–dollar GDP increased 4.6%, or $240.3 billion, in the second quarter to a level of $21.34 trillion. In the first quarter, current-dollar GDP increased 3.9%, or $201.0 billion."

In the second quarter, the index for gross domestic purchases price index went up 2.2% when compared to rising 0.8% in the first quarter. In addition, the PCE price index increased 2.3% relative to an increase of 0.4%. With the exception of the food and energy prices, the PCE price index climbed 1.7% versus an increase of 1.1%.





UNEMPLOYMENT

Total nonfarm payroll employment rose by 130,000 in August, with the rate of unemployment unchanged at 3.7%, as stated by the U.S. Bureau of Labor Statistics. Employment rose in federal government, health care and financial activities.

In August, the unemployment rate was unchanged at 3.7% with a little change to the number of unemployed persons at 6.0 million. According to the Bureau of Labor Statistics, "the number of long-term unemployed (those jobless for 27 weeks or more) was unchanged at 1.2 million in August and accounted for 20.6% of the unemployed."

Labour force participation rate was 63.2% for August. In addition, the employment-population ratio was at 60.9%, up over the month by 0.6% over the year.

Involuntary part-time workers or the number of persons employed part time for economic reasons increased by 397,000 in August to 4.4 million. Based on BLS assessment, "these individuals, who would have preferred full-time employment, were working part time because their hours had been reduced or they were unable to find full-time jobs."

There were 1.6 million individuals marginally attached to the labour force, slightly different 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, 467,000 persons were classified as discouraged workers in August, relatively unchanged a year ago. These persons are not currently seeking for work as they believe no jobs are available for them. There are still 1.1 million persons marginally attached to the labour force in August 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
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	450,175
2019	452,026	453,404		

CONSUMER PRICE INDEX

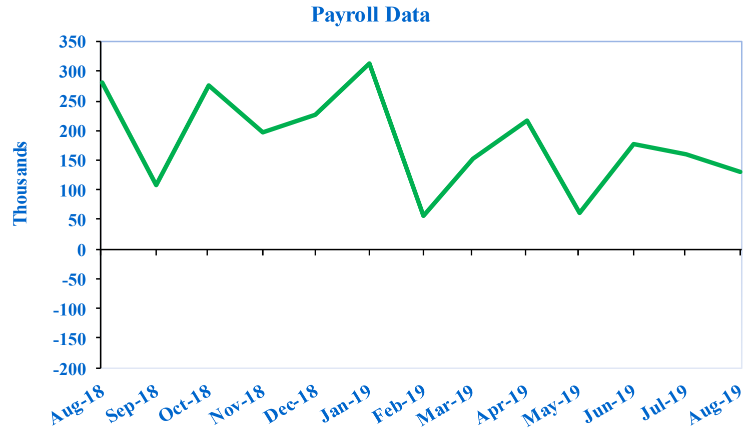
The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.1% in August, after increasing by 0.3% in July, on a seasonally adjusted basis, the U.S. Bureau of Labor Statistics indicated. The all items index increased 1.7% before seasonal adjustment over the last year.

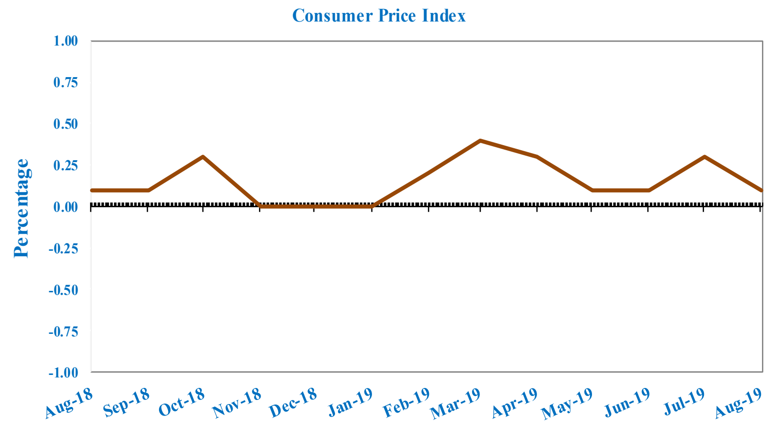
The index for all items less food and energy increased 0.3% in August, the same increase as in June and July. The indexes for medical care and shelter, the indexes for recreation, used cars and trucks, and airline fares all rose in August. The indexes for new vehicles and household furnishings and operations were some of the few that declined over the month.

The all items index rose 1.7% for the 12 months ending August. The index for all items less food and energy rose 2.4 % over the last 12 months, and the food index also rose 1.7 %. The energy index decreased 4.4 % over the past year.

The index for food was unchanged in August, while the index for food at home, fell 0.2% in August. The index for meats, poultry, fish, and eggs fell 0.7% in August while the index for eggs decreased 2.6%. The index for fruits and vegetables also decreased 0.5% in August; the index for fresh fruits declined 1.4%, but the index for fresh vegetables climbed 0.4%. Furthermore, the index for cereals and bakery products inched down 0.3% in August after 0.3% in July.

The energy index fell 1.9% in August. The gasoline index decreased 3.5% in August following a 2.5% decline in July. The index for electricity index fell 0.3% in August. The natural gas index, however, rose by 0.1% in August.





PRODUCER PRICE INDEX

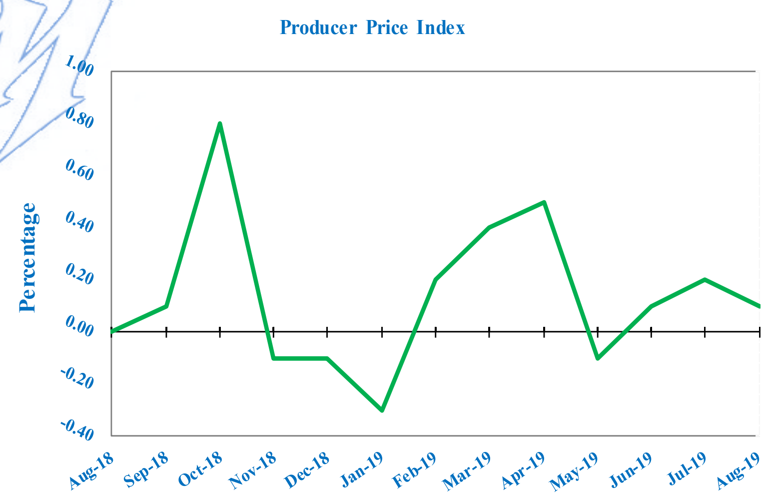
Final demand for the Producer Price Index inched up 0.1% in August 2019, seasonally adjusted. Final demand prices recorded advances 0.2% in July and 0.1% in May. On an unadjusted basis, the final demand index increased 1.8% for the 12 months ended in August.

The rise observed in August was linked to a 0.3% increase in the final demand services index. According to Bureau of Labor Statistics, "prices for final demand goods fell 0.5%."

The index for final demand less foods, energy, and trade services increased 0.4% in August. For the 12 months ended in August, prices for final demand less foods, energy and trade services rose 1.9%.

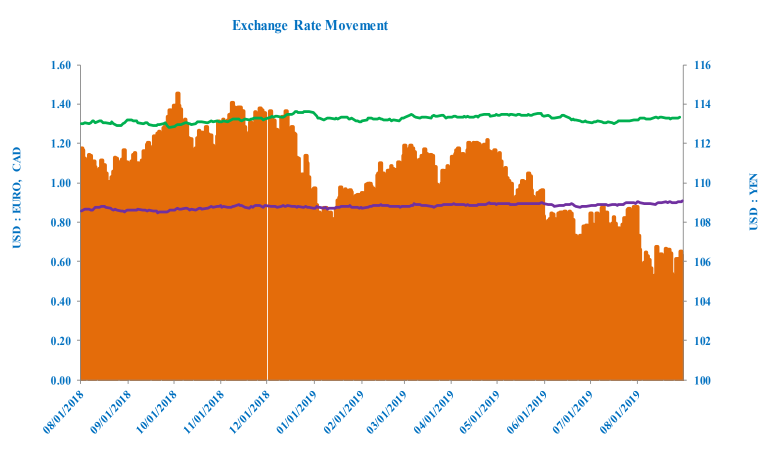
The index for final demand services rose 0.3% in August. According to BLS, the "increase can be traced to prices for final demand services less trade, transportation, and warehousing, which climbed 0.5%." In contrast, the indexes for final demand trade services increased 0.2% and for final demand transportation and warehousing services rose 0.3%."

"The index for final demand goods inched down 0.5% in August, the largest decrease since declining 0.6% in January. The August's decline is attributable to a 2.5% fall in the index for final demand energy. The index for final demand foods fell 0.6%, while prices for final demand goods less foods and energy remained stable."



U.S. Dollar

For the month of August 2019 the EURUSD pair closed at $1.0982 versus $1.1083 at the start of the month a 0.91% movement. FX empire noted, "further developments on the trade war between the worlds two largest economies will also be important for the exchange rate. Last week, a message from Trump that the two parties will continue discussions triggered a shift in the markets. This caused a tumble in EUR/USD to not only erase losses from the prior week but also for a decline to lows not seen in over two years. Friday's drop in EUR/USD was significant as it drove the exchange year to a more than two year low." FX Empire also indicated, "the threats of tariffs being imposed on Europe from the United States, fears of an upcoming recession to strike the world economy, the German economy already contracting in Q2 plus a host of other reasons there has been no motive to consider becoming a long-term purchaser of the Euro."



FEDERAL RESERVE MINUTES

On September 18, 2019, The Federal Open Market Committee indicated that the labor market remained strong as economic activity continued to rise at a moderate rate. Job gains have been solid, on average over past months while the unemployment rate has remained low.

Household spending has been increasing at a strong pace, while business fixed investment has weaken. According to the Fed, "On a 12-month basis, overall inflation and inflation for items other than food and energy are running below 2 percent. Market-based measures of inflation compensation remain low; survey-based measures of longer-term inflation expectations are little changed."

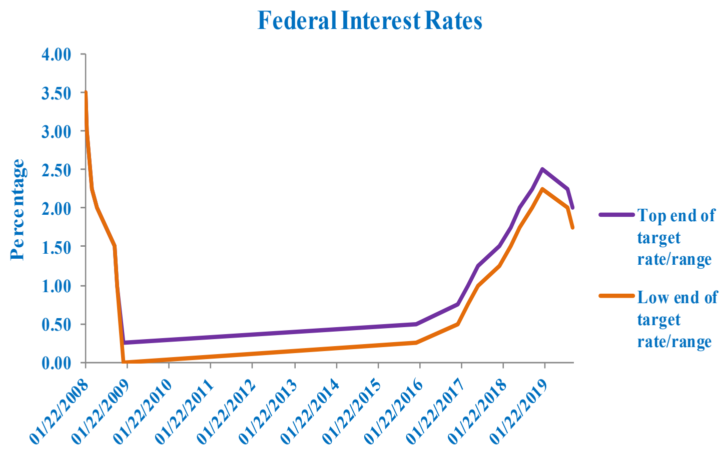
The FOMC decided to lower the target range for the federal funds rate from 2% to 1.75%. According to the FOMC, "the Committee's view that sustained expansion of economic activity, strong labor market conditions, and inflation near the Committee's symmetric 2 percent objective are the most likely outcomes, but uncertainties about this outlook remain. As the Committee contemplates the future path of the target range for the federal funds rate, it will continue to monitor the implications of incoming information for the economic outlook and will act as appropriate to sustain the expansion, with a strong labor market and inflation near its symmetric 2% objective."

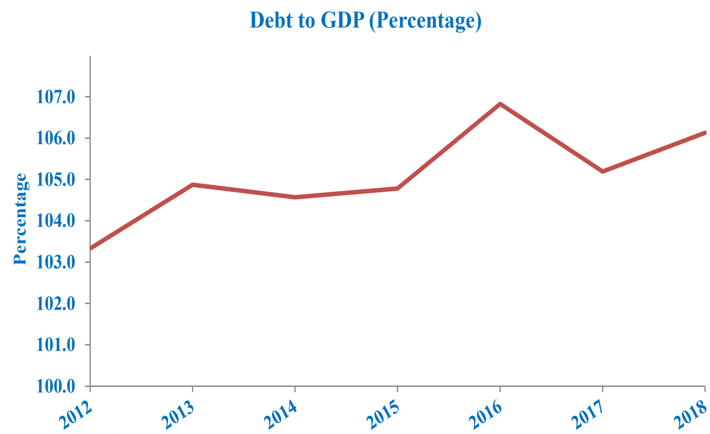
In addition to the policy decision, the FOMC voted for the Open Market Desk at the Federal Reserve Bank of New York until instructed otherwise, to execute transactions in the System Open Market Account in accordance with the following domestic policy directive:

"Effective September 19, 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 1-3/4 to 2 percent, 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 1.70 percent, 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 all principal payments from the Federal Reserve's holdings of Treasury securities and to continue reinvesting all principal payments from the Federal Reserve's holdings of agency debt and agency mortgage-backed securities received during each calendar month. Principal payments from agency debt and agency mortgagebacked securities up to $20 billion per month will continue to be reinvested in Treasury securities to roughly match the maturity composition of Treasury securities outstanding; principal payments in excess of $20 billion per month will continue to be reinvested in agency mortgage-backed securities. Small deviations from these amounts for operational reasons are acceptable. "

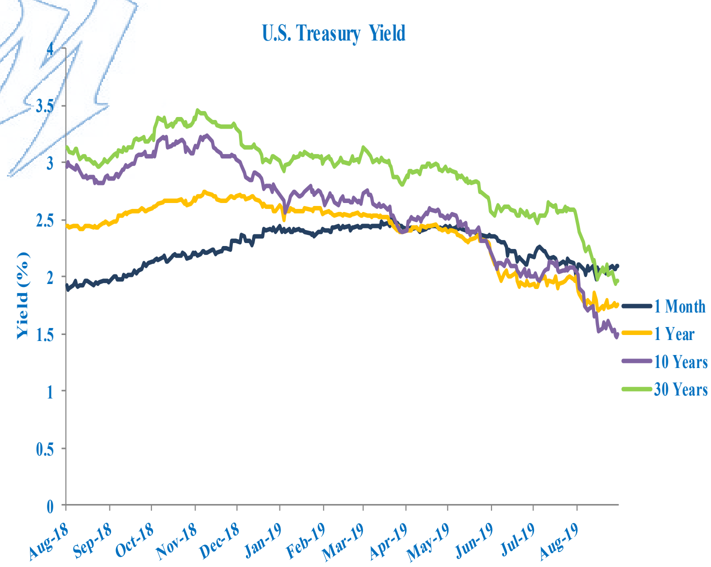
"The Committee also directs the Desk to engage in dollar roll and coupon swap transactions as necessary to facilitate settlement of the Federal Reserve's agency mortgage-backed securities transactions."





U.S. TREASURY YIELD CURVE

The 3-month (constant maturity) Treasury bill rate inched down to 1.99% down from July's 2.08% as well as June's 2.12%. The 5-year rate registered a decrease to close August at 1.39% from 1.84% a month earlier. The 10-year rate (also constant maturity) decreased to 1.50%, down from July's 2.02% and below June's 2.00%.



GOVERNMENT DEBT/ DEFICIT

For the period of October 2018 to August 2019, the Congressional Budget Office (CBO) indicated that the federal budget deficit amounted to $1,067 billion for the first eleven months of fiscal year 2019, $168 billion more than the deficit recorded during the corresponding period a year earlier, as estimated by the Congressional Budget Office. Moreover, Revenues totalled $102 billion more than in the similar period in fiscal year 2018.

Furthermore, during the first eleven months of fiscal year 2019, CBO estimated that receipts amounted to $3,087 billion.

Outlays for the first eleven months of fiscal year 2019, however, based on CBO estimates, totalled $4,154 billion which was a $271 billion increase relative to the same period last year.

Budget Totals, October 2018 – August 2019 Billions of Dollars			
	Actual, FY 2018	Preliminary, FY 2019	Estimated Change
Receipts	2,985	3,087	102
Outlays	3,883	4,154	271
Deficit (-)	-898	-1,067	-168