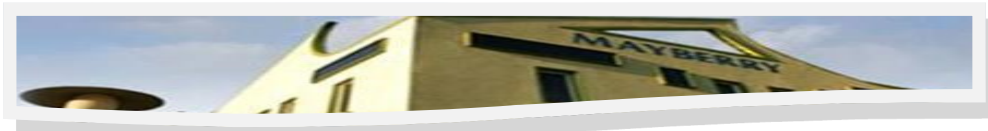


MAYBERRY INVESTMENTS LIMITED

VOLUME 10
OCTOBER 2019

ECONOMIC SUMMARY

UNITED STATES

Monthly Economic Review: US

The S&P 500 Index rose 2.04% for the month, from 2,976.74 at the end of September to 3,037.56 at the October close. The total return of the S&P 500 through the first ten months of 2019 was 23.16%. The NASDAQ Index had a substantial gain of 3.66% in October, from 7,999.34 at September's close to 8,292.36 at the end of October. For the year, the NASDAQ is up 24.9%.

U.S. retail sales rebounded in October, but consumers cut back on purchases of big-ticket household items and clothing, which could temper expectations for an active holiday shopping season. Retail sales increased 0.3% in October, lifted by motor vehicle purchases and higher gasoline prices, reversing September's 0.3% drop, which was the first decline in seven months.

Monthly Highlights

U.S. hiring was surprisingly robust last month as employers added 128,000 jobs despite a General Motors strike that held down overall payrolls and the loss of 20,000 temporary census workers. The showing highlights a healthy economy that eases recession concerns.

The U.S. central bank last month cut rates for the third time this year and signaled a pause in the easing cycle that started in July when it reduced borrowing costs for the first time since 2008. The yield on 10-year U.S. Treasuries was virtually unchanged in October, moving from 1.68% at the end of September to 1.69% at the October close.

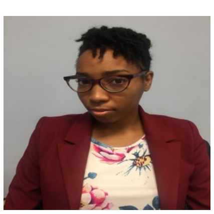
Oil prices barely moved in October, the price of a barrel of West Texas Intermediate, closed October at $54.18, just $0.07 higher than the September close of $54.07. The low prices are primarily due to a decrease in demand caused by a slowing global economy.

The annual inflation rate for the United States increased to 1.8% for the 12 months ended in October 2019, an increase of 0.1% from September.

Analyst Summary

The stock market moved up modestly in October, but Treasury yields barely budged, due in part to a rate cut of 0.25% by the Federal Reserve (Fed). The economy showed some signs of weakness, as retail sales remain flat, job growth dipped below recent averages, and gross domestic product (GDP) experienced only moderate growth, which was a lackluster 1.9%.

The sectors returned mixed results, Healthcare, which was down for most of the year reversed; other leading industries were Information Technology and Communication Services. Energy had the most significant losses, as oil prices remain stagnant. International equities had a substantial gain of 3.50% in October.



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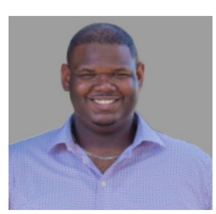

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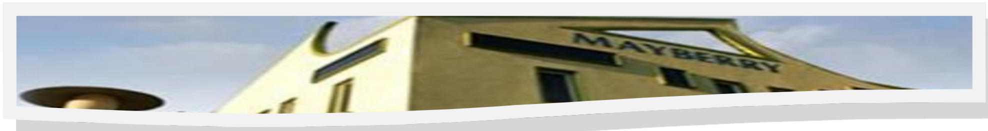


MAYBERRY INVESTMENTS LIMITED

ECONOMIC SUMMARY

UNITED STATES

GROSS DOMESTIC PRODUCT

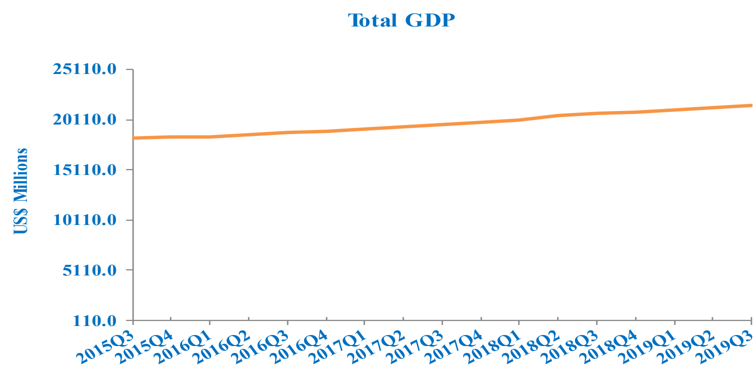
Third quarter real gross domestic product (GDP) increased at an annual rate of 1.9% for the third quarter of 2019. For the second quarter of 2019, real GDP had a 2.0% growth according to the advance estimate released by the Bureau of Economic Analysis.

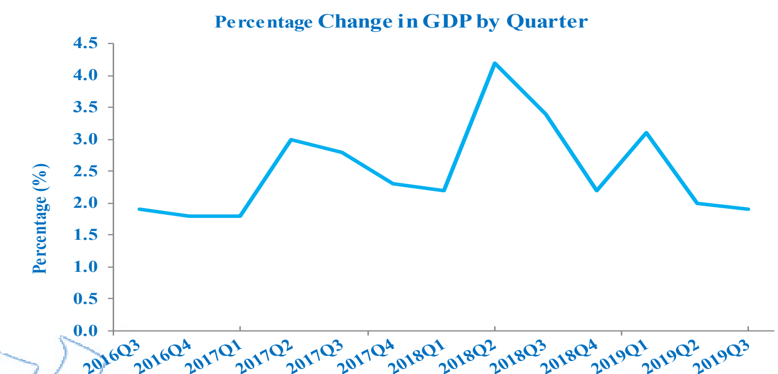
The upward movement in real GDP for the third quarter reflected positive contributions from personal consumption expenditures (PCE), federal government spending, residential fixed investment, state and local government spending, and exports. This movement was partly offset by a negative contribution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

The real GDP growth deceleration in the third quarter reflected slowdowns in PCE, federal government spending, and state and local government spending and a larger decrease in non-residential fixed investment. These movements were partly tempered by a smaller decrease in private inventory investment, and upturns in exports and in residential fixed investment.

"Current dollar GDP increased 3.5%, or $185.6 billion, in the third quarter to a level of $21.53 trillion. In the second quarter, GDP increased 4.7%, or $241.4 billion."

In the third quarter, the index for gross domestic purchases price index went up 1.4% when compared to rising 2.2% in the second quarter. In addition, the PCE price index increased 1.5% relative to an increase of 2.4%. With the exception of the food and energy prices, the PCE price index climbed 2.2% versus an increase of 1.9%.





UNEMPLOYMENT

Total nonfarm payroll employment increased by 128,000 in October, as the rate of unemployment recorded a small changed at 3.6%, as stated by the U.S. Bureau of Labour Statistics. Job gains occurred within the food services and drinking places, social assistance, and financial activities. For manufacturing, employment in motor vehicles and parts was hampered by strike activity.

Health care continued its upward trend in October (+15,000) as the segment added a total of 402,000 jobs over the past twelve months. Federal government declined by 17,000 over the month, as 20,000 temporary workers who had been preparing for the 2020 Census completed their work. Employment within the other major industries (including mining, construction, wholesale trade, retail trade, transportation and warehousing, and information) reflected little change over the month.

In October, the number of unemployed persons recorded little changed at 5.9 million, while the number of long-term unemployed (those jobless for 27 weeks or more) was unchanged at 1.3 million. Notably, the total number of persons classified as long-term unemployed, accounted for 21.5% of the unemployed.

The labour force participation rate for October was 63.3%, while the employment population ratio was held at 61%. According to the Bureau, "both measures were up by 0.4% point over the year."

Persons employed part time for economic reasons stood at 4.4 million in October. 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."

A total of 1.2 million individuals marginally attached to the labour force, a 262,000 reduction from 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.

Of the marginally attached, 341,000 persons were classified as discouraged workers in October, declining by 165,000 a year ago. These persons are not currently seeking for work as they believe no jobs are available for them. There are still 888,000 persons marginally attached to the labour force in October 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	453,338	454,726	

CONSUMER PRICE INDEX

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.4% for October after being unchanged in September, on a seasonally adjusted basis. The all items index increased 1.8% before seasonal adjustment over the last year.

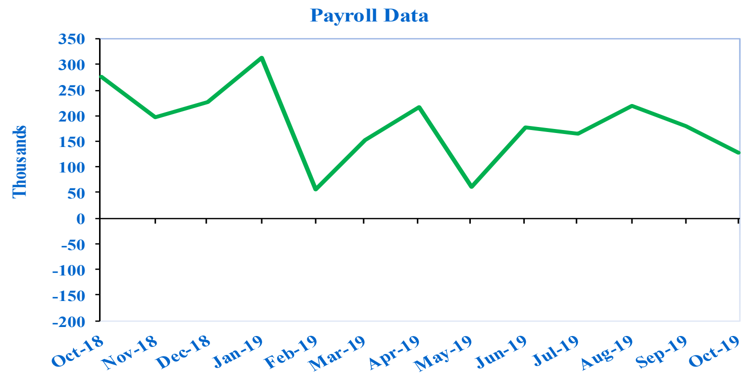
The all items less food and energy index increased 0.2% in October, after rising 0.1% in September. The indexes for medical care and for recreation, the indexes for used cars and trucks, for shelter, and for personal care all rose in October. The indexes for apparel, household furnishings and operations, for new vehicles, and for airline fares were some of the few that declined over the month.

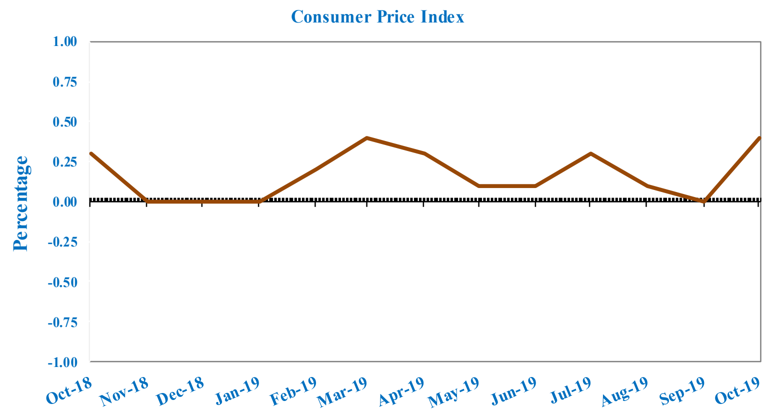
The index for food increased 0.2% in October, while the index for food at home, rose 0.3%. Fruits and vegetables climbed 0.9% following a decline in recent months. Fresh fruits index however in increased 1.6%, while meats, poultry, fish, and eggs increased 0.6% during October.

The indexes for other food at home and for dairy and related products also went up in October. However, these advances were tempered by a 0.3% decrease in the index for non-alcoholic beverages and a 0.1% fall in the index for cereals and bakery products in October.

Non-alcoholic beverages slipped 0.3% in October relative to a decline in September. According to BLS, "The index for cereals and bakery products fell 0.% in October, continuing a pattern of alternating increases and declines since March."

The index for energy climbed 2.7% in October after a declining in September and August. A 3.7% growth was recorded was recorded in the gasoline index in contrast to a 2.4% decline in September. The index for electricity index increased 1.6%. The natural gas index also increased by 2.4% in October.





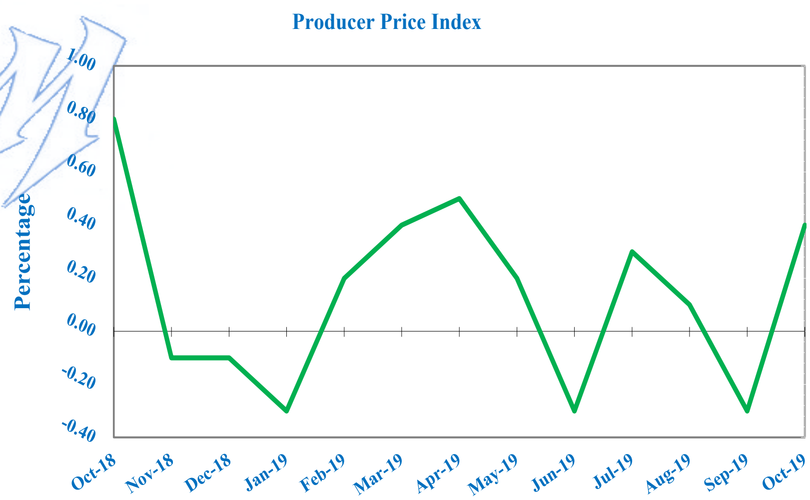
PRODUCER PRICE INDEX

Final demand for the Producer Price Index rose 0.4% in October 2019, seasonally adjusted according to U.S. Bureau of Labor Statistics. Final demand prices recorded declined 0.3% in September and rose 0.1% in August. On an unadjusted basis, the final demand index increased 1.1% for the 12 months ended in October.

The index for final demand less foods, energy, and trade services improved 0.1%. Notably, the index over the past twelve months ended October depicted an upwards trend with a 1.5% advance.

Final demand services rose 0.3% after recording a 0.2% decline in September. Approximately over 70% of the broad base increase can be linked to an 0.8% advance in margins for final demand trade services. BLS highlighted, "Prices for final demand services less trade, transportation, and warehousing edged up 0.1%, and the index for final demand transportation and warehousing services increased 0.3%."

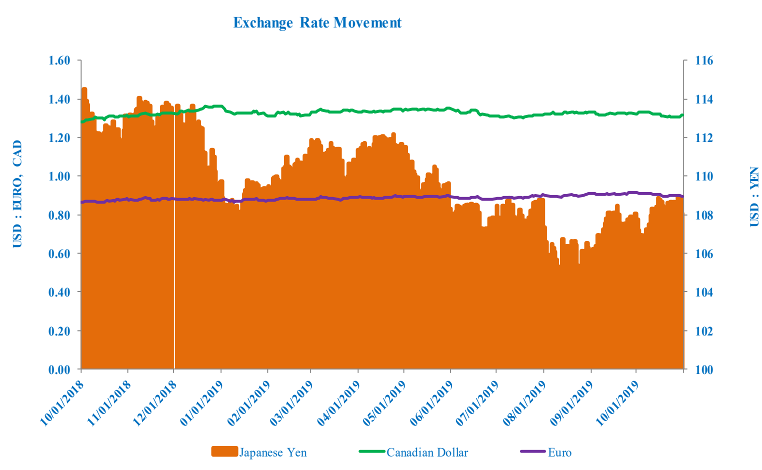
A growth of 0.7% was observed in prices for final demand goods. This performance stemmed from prices for final demand energy, which moved up 2.8%.The index for final demand foods advanced 1.3%, while prices for final demand goods less foods and energy were unchanged



U.S. Dollar

For the month of October 2019 the EUR/USD pair closed at $1.11 versus $1.09 at the start of the month a 1.83% rise. FX empire noted, "the Federal Reserve meeting on Wednesday triggered a volatile reaction in the markets with a sharp dip in EUR/USD followed by a momentum-driven rally."

Additionally, FX Empire indicated, "the Federal Reserve signalled at their last meeting that a further decline in the interest rate is likely after delivering three cuts earlier this year. The markets seem to be on the same page and have pared back expectations for further easing into early next year. The dollar and EUR/USD by correlation have seen some momentum-driven swings as of late, but a clear direction seems to be lacking."



FEDERAL RESERVE MINUTES

On October 31, 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 remained weak. 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 1.75% to 1.25%. 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. The Committee will continue to monitor the implications of incoming information for the economic outlook as it assesses the appropriate path of the target range for the federal funds rate. In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its maximum employment objective and its symmetric 2 percent inflation objective."

In addition to the policy decision, the FOMC voted to authorize and direct 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 October 31, 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 1-1/2 to 1-3/4 percent. In light of recent and expected increases in the Federal Reserve's non-reserve liabilities, the Committee directs the Desk to purchase Treasury bills at least into the second quarter of next year to maintain over time ample reserve balances at or above the level that prevailed in early September 2019. The Committee also directs the Desk to conduct term and overnight repurchase agreement operations at least through January of next year to ensure that the supply of reserves remains ample even during periods of sharp increases in non-reserve liabilities, and to mitigate the risk of money market pressures that could adversely affect policy implementation. In addition, the Committee directs the Desk to conduct 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 1.45 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 mortgage backed 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 Treasury bill rate inched down to 1.54% down from September's 1.88% as well as August's 1.99%. The -year rate registered a decrease to close October 2019 at 1.51% from 1.55% a month earlier. The 10-year rate (also constant maturity) increased to 1.69%, up from September's 1.68% and above August's 1.50%.

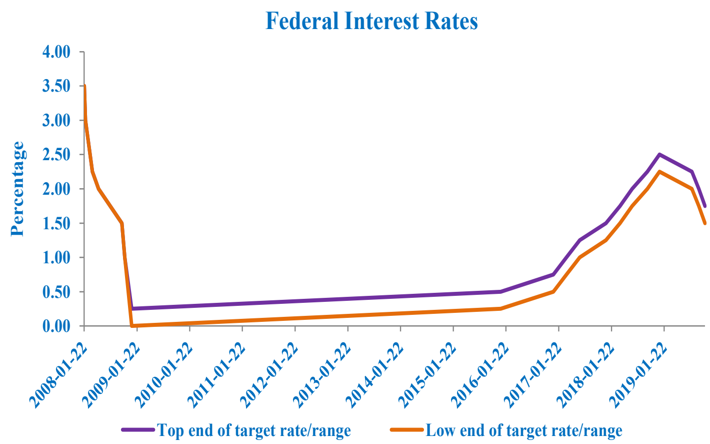
GOVERNMENT DEBT/ DEFICIT

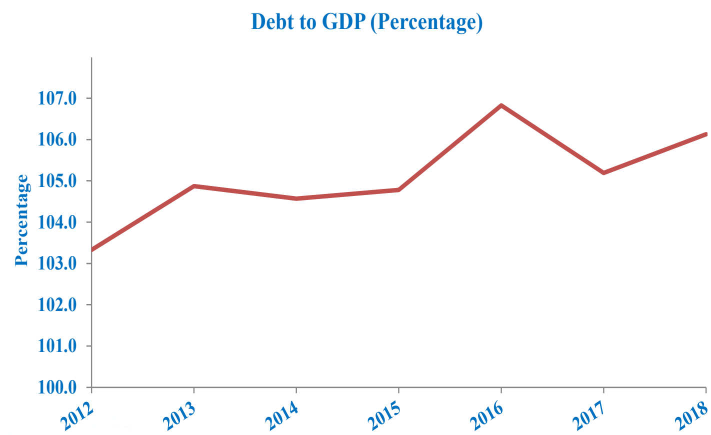
For the fiscal year 2019 ended September 30, 2019, the Congressional Budget Office (CBO) indicated that the federal budget deficit amounted to $984 billion. Notably, this was $205 billion more than the deficit recorded during the fiscal year 2018.

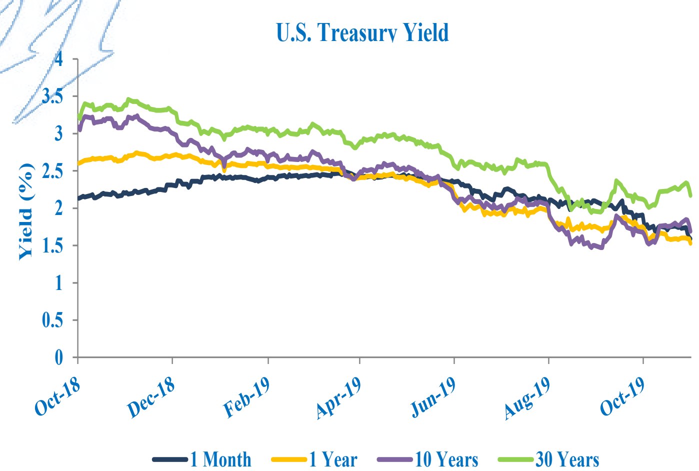
The 2019 deficit rose to 4.6% of gross domestic product (GDP), up from 3.8% in 2018 and 3.5% in 2017. Consequently, federal debt held by the public rose to 79.2% of GDP, up from 77.4% the previous year. According to Congressional Budget Office, "outlays in 2018 were reduced by a shift in the timing of certain payments; those payments were instead made in fiscal year 2017 because October 1, 2017 (the first day of fiscal year 2018), fell on a weekend. If not for that shift, the deficit in 2018 would have been $823 billion, or 4.0% of GDP."

Furthermore, for the fiscal year 2019, receipts amounted to $3,462 billion based on CBO estimates which totalled $133 billion more than in the similar period in fiscal year 2018.

Outlays for the fiscal year 2019, however, based on CBO estimates, totalled $4,447 billion which was a $339 billion increase relative to the same period last year.







Fiscal Year Totals *Billions of Dollars*						
	2014	2015	2016	2017	2018	2019
Receipts	3,021	3,250	3,268	3,316	3,329	3,329
Outlays	3,506	3,692	3,853	3,982	4,108	4,447
Deficit (-)						
Amount	-485	-442	-585	-665	-779	-984
Percentage (%) of GDP	-2.8	-2.4	-3.2	-3.5	-3.8	-4.6