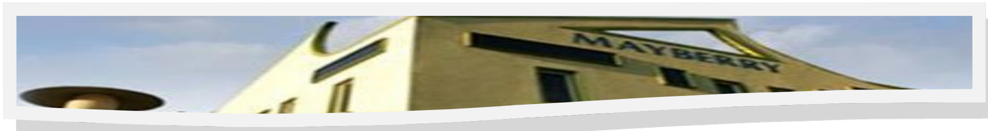


MAYBERRY INVESTMENTS LIMITED

VOLUME 4
DECEMBER 2019

ECONOMIC SUMMARY

UNITED STATES

GROSS DOMESTIC PRODUCT

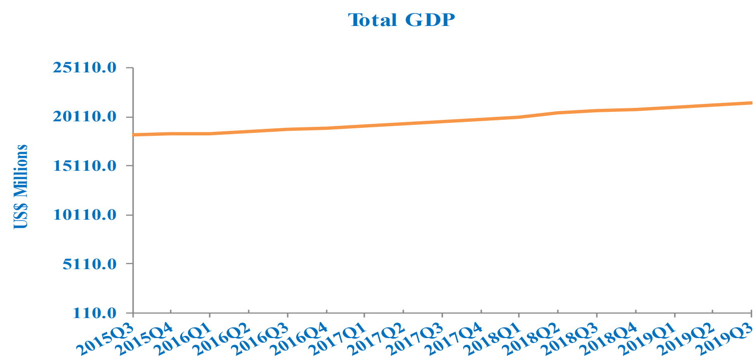
Third quarter real gross domestic product (GDP) increased at an annual rate of 2.1% for the third quarter of 2019. For the second quarter of 2019, real GDP had a 2.0% growth according to the third estimate released by the Bureau of Economic Analysis (BEA).

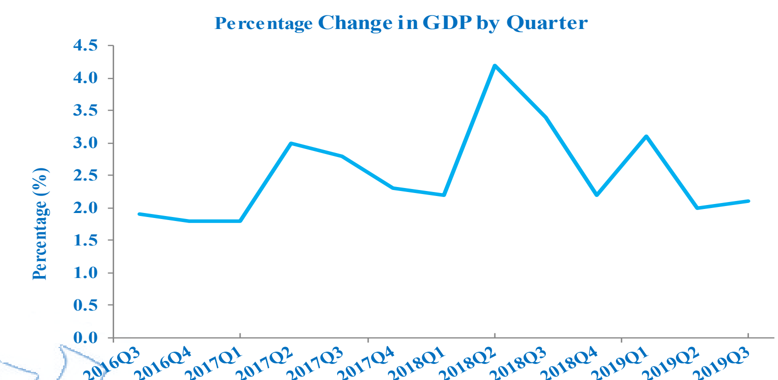
The upward movement in real GDP for the third quarter reflected positive contributions from personal consumption expenditures (PCE), federal government spending, residential fixed investment, state and local government spending, and exports. This movement was partly offset by a negative contribution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

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

"Current dollar GDP increased 3.8%, or $202.3 billion, in the third quarter to a level of $21.54 trillion. In the second quarter, GDP increased 4.7%, or $241.4 billion," according to BEA.

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 2.1% versus an increase of 1.9%.





UNEMPLOYMENT

Total nonfarm payroll employment increased by 145,000 in December, as the rate of unemployment stood constant at 3.5%, as stated by the U.S. Bureau of Labour Statistics. Retail trade and health care reported job gains while mining lost jobs.

Retail trade increased in December (+41,000) as the segment added a total of 9,000 jobs in 2019 versus 14,000 in 2018 while healthcare continued its upward trend adding 28,000 jobs in December and 399,000 jobs in 2019 compared to 350,000 in 2018. Employment in leisure and hospitality rose by 40,000 over the month and 388,000 jobs in 2019 (2018: 359,000 jobs). Mining, however, employment decreased by 8,000 in December. BLS stated, "In 2019, employment in mining declined by 24,000, after rising by 63,000 in 2018." Moreover, employment within the other major industries (including wholesale trade, information, financial activities, and government) reflected little change over the month.

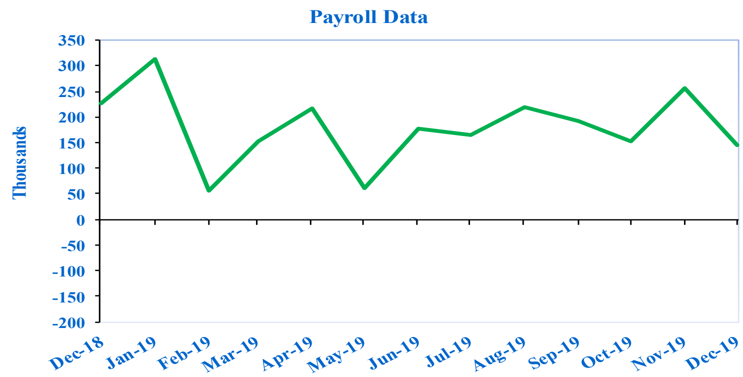
In December, the number of unemployed persons was little changed at 5.8 million, while the number of long-term unemployed (those jobless for 27 weeks or more) was little changed at 1.2 million. Notably, the total number of persons classified as long-term unemployed, accounted for 20.5% of the unemployed.
The labour force participation rate for December remained unchanged at 63.2%, while the employment population ratio was held at 61% for the fourth consecutive month.

Persons employed part time for economic reasons stood at 4.1 million in December. 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 were slightly attached to the labour force, a 310,000 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, 277,000 persons were classified as discouraged workers in December, declining by 98,000 a year ago. These persons are not currently seeking for work as they believe no jobs are available for them. There are still 969,000 persons marginally attached to the labour force in December who had not sought employment for reasons such as school attendance or family responsibilities.

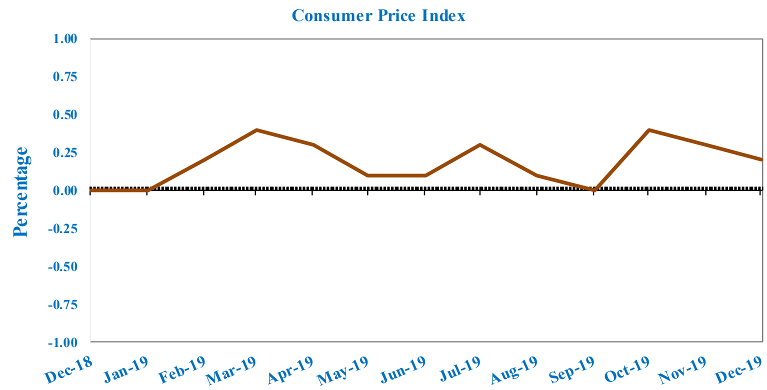
Labour Force in Thousands	Jan-Mar	Apr-Jun	Jul-Sep	Oct - Dec
Year	Q1	Q2	Q3	Q4
2015	422,400	424,510	426,425	428,580
2016	430,343	431,988	434,115	435,729
2017	437,494	439,013	440,603	442,220
2018	444,143	446,227	448,227	450,175
2019	452,026	453,338	454,885	456,603

CONSUMER PRICE INDEX



The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2% for December after increasing 0.3% in November, on a seasonally adjusted basis according to U.S. Bureau of Labor Statistics. The all items index increased 2.3% before seasonal adjustment over the last year. BLS noted that increases in the gasoline, shelter, and medical care indexes were major factors in the seasonally adjusted monthly increase of the all items index.

The all items less food and energy index increased 0.1% in December, after rising 0.2% in November. The indexes for shelter and medical care rose 0.2% and 0.6% respectively in December. Likewise, the index for apparel, motor vehicle insurance, and new vehicles rose 0.4%, 0.2%, and 0.1% respectively in December. Moreover, the indexes for recreation and for education both rose 0.1% over the month. Whereas, the indexes for used cars and trucks, household furnishings and operations, and airline fares declined 0.8%, 0.4% and 1.6% respectively while prices for personal care fell 0.2% over the month of December.

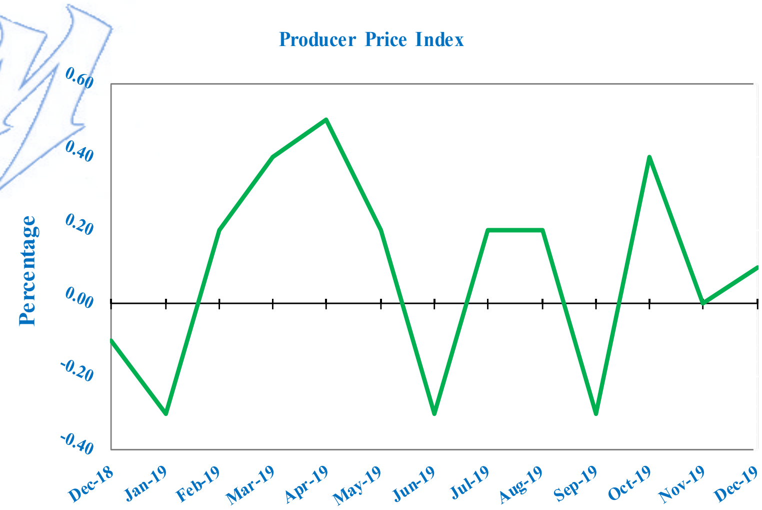


The index for food increased 0.2% in December, while the index for food at home rose 0.1%. The index for meats, poultry, fish, and eggs went up 1.3% in December. However, the indexes for cereals and bakery products and non-alcoholic beverages both fell 0.4%, while, fruits and vegetables and other food at home both declined 0.3%, in December. Notably, the dairy and related products index remained unchanged in the month of December.

The index for energy climbed 1.4% in December. A 2.8% growth was recorded for the gasoline index in contrast to a 1.1% increase in November. In addition, the electricity index decreased 0.5% while the natural gas index rose by 0.3% in December.

PRODUCER PRICE INDEX

Final demand for the Producer Price Index rose 0.1% in December 2019, seasonally adjusted according to U.S. Bureau of Labor Statistics. "Final demand prices were unchanged in November and increased 0.4% in October. On an unadjusted basis, the final demand index increased 1.3% for the 12 months ended in December 2019 compared to a 2.6% increase in 2018," BLS indicated.

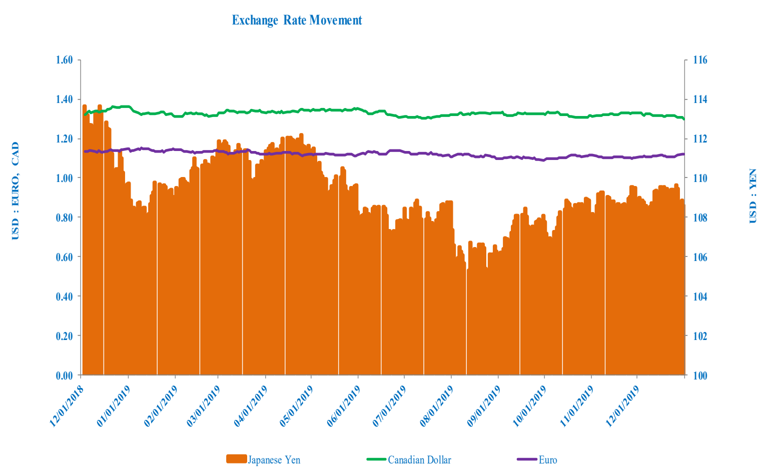


Prices for final demand less foods, energy, and trade services rose 0.1% in the month of December following no change in November. Notably, the index over the past twelve months ended December depicted an upwards trend with a 1.5% advance relative to a 2.8% increase in 2018.

Final demand services experienced no change in prices in the month of December in contrast to a 0.3% decrease in November. BLS highlighted, that an increase of 2.7% in prices for final demand trade, transportation, and warehousing services were tempered by a decrease of 0.3% margins for final demand trade services and a 0.1% decline in the index for final demand services less trade, transportation, and warehousing.

A growth of 0.3% was observed in prices for final demand goods. This performance stemmed from an increase of 1.5% in prices for final demand energy. The index for final demand goods less foods and energy advanced 0.1%, while prices for final demand foods fell 0.2%.

U.S. Dollar



For the month of December 2019 the EUR/USD pair closed at $1.12 versus $1.11 at the start of the month a 1.21% increase. FX empire noted, that this movement was likely fuelled by, "traders who continue to react positively to Phase One of the U.S.-China trade deal, announced on December 13."

Additionally, FX Empire indicated, "The main reasons for the sluggish volatility in 2019 were economic and monetary policy convergence. The US-China trade war is dying down. That means economies should recover, but at different paces. Inflation seems to have bottomed. As it accelerates, countries are less likely to cut rates (which tends towards convergence, as rates can only be cut just so far) and maybe, possibly, conceivably some countries could start thinking about hiking rates, which would encourage monetary policy divergence."

FEDERAL RESERVE MINUTES

On December 11, 2019, the Federal Open Market Committee indicated that the labour market remained strong, whilst economic activity has been rising at a solid rate. Job gains job gains have been strong and the unemployment rate has remained low. Household spending has continued to grow strongly, however business fixed investment and exports has moderated from its rapid pace earlier in the year. According to the Fed, "On a 12-month basis, overall inflation and inflation for items other than food and energy were running below 2 percent. Market-based measures of inflation compensation remained low, indicators of longer-term inflation expectations have little changed."

The FOMC decided to maintain the target range for the federal funds rate at 1.50% - 1.75% considering the realized and expected labour market conditions and inflation. According to the FOMC, "in determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee would assess realized and expected economic conditions relative to its maximum employment objective and its symmetric 2 percent inflation objective. And they concurred that this assessment would take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments."

"As part of its policy decision, the Federal Open Market Committee 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 December 12, 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 continue purchasing Treasury bills at least into the second quarter of 2020 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 continue conducting term and overnight repurchase agreement operations at least through January 2020 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."

"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 2.25%."

The next FOMC meeting is scheduled for January 28-29 2020.

U.S. TREASURY YIELD CURVE

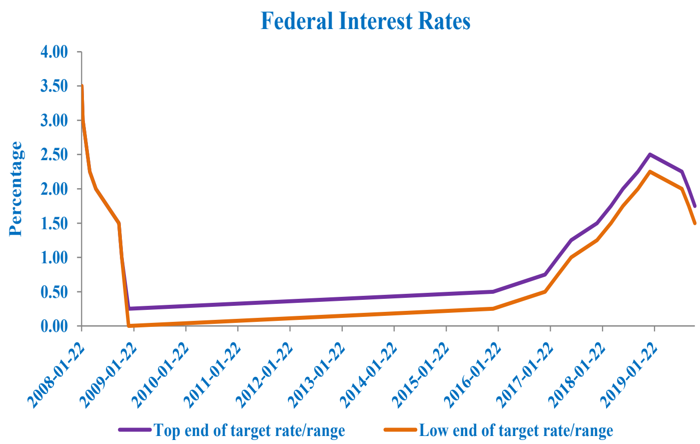
The 3-month Treasury bill rate inched down to 1.55% from November's 1.59%. The 5-year rate registered an increase to close December 2019 at 1.69% from 1.62% a month earlier. The 10-year rate (also constant maturity) increased to 1.92%, up from November's 1.78% and above October's 1.69%.

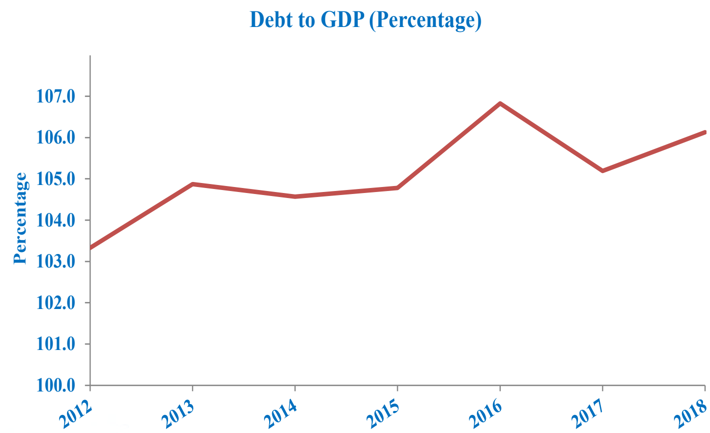
GOVERNMENT DEBT/ DEFICIT

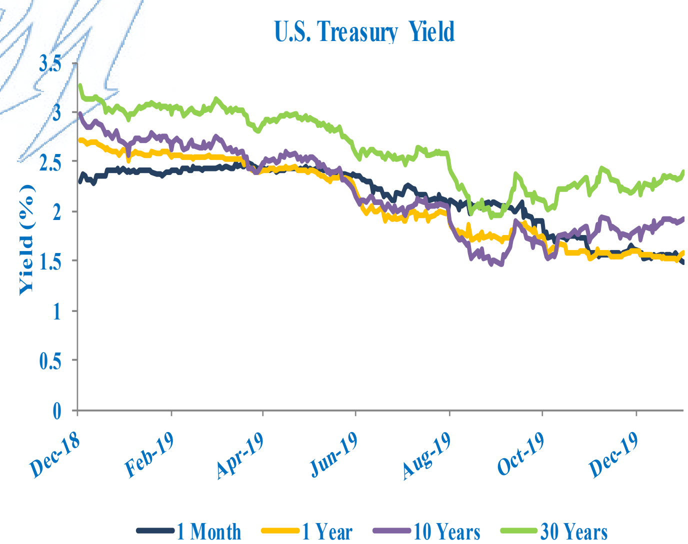
For the first three months in the fiscal year 2020, the Congressional Budget Office (CBO) indicated that the federal budget deficit amounted to $358 billion. Notably, this was $39 billion more than the deficit recorded during the corresponding period last year.

Furthermore, for the first quarter of the fiscal year 2020, receipts amounted to $806 billion based on CBO estimates which totalled $35 billion more than in the similar period in 2018.

Outlays for the first three months of the fiscal year 2020, however, based on CBO estimates, totalled $1,164 billion which was a $74 billion increase relative to the same period last year.







Budget Totals, October 2019 – December 2019 Billions of Dollars			
	Actual, FY 2019	Preliminary, FY 2020	Estimated Change
Receipts	771	806	35
Outlays	1,090	1,164	74
Deficit (-)	-319	-358	-39