MAYBERRY
INVESTMENTS LIMITED

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ECONOMIC SUMMARY

UNITED STATES

GROSS DOMESTIC PRODUCT

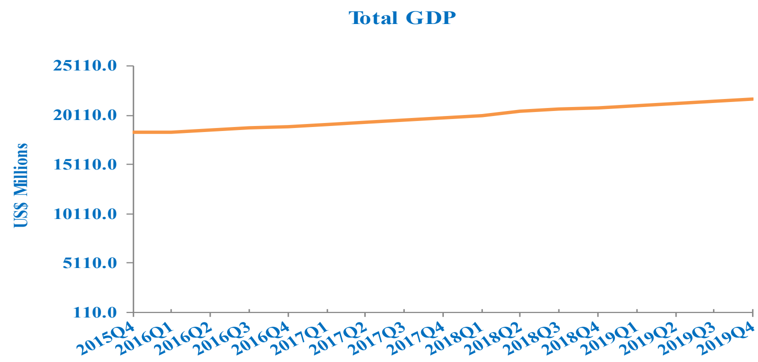
Real gross domestic product (GDP) increased at an annual rate of 2.1% for the fourth quarter of 2019 according to the second estimate released by the Bureau of Economic Analysis (BEA). Similarly, for the third quarter of 2019, real GDP had a 2.1% growth.

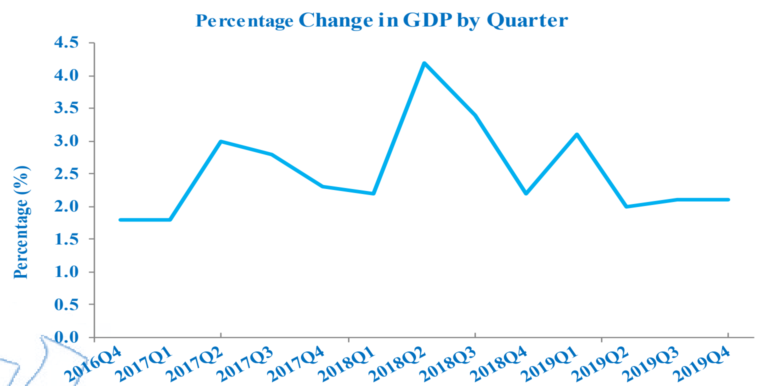
The upward movement in real GDP for the fourth quarter reflected positive contributions from personal consumption expenditures (PCE), federal government spending, residential fixed investment, state and local government spending, and exports. This movement was partly offset by a negative contribution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

The acceleration in the real GDP growth in the fourth quarter reflected a decline in imports and growth in government spending. However, this acceleration was partly tempered by a larger decrease in private inventory investment and a slowdown in PCE.

"Current dollar GDP increased 3.5%, or $184.2 billion, in the fourth quarter to a level of $21.73 trillion. In the third quarter, GDP increased 3.8%, or $202.3 billion," according to BEA.

In the fourth quarter, the index for gross domestic purchases price index went up 1.4% when compared to a similar rising by 1.4% in the third quarter. In addition, the PCE price index increased 1.3% relative to an increase of 1.5%. With the exception of the food and energy prices, the PCE price index climbed 1.2% versus an increase of 2.1%.





UNEMPLOYMENT

Total nonfarm payroll employment increased by 273,000 in February, as the rate of unemployment was little changed at 3.5%, as stated by the U.S. Bureau of Labour Statistics. Health care and social assistance, food services and drinking places, government, construction, professional and technical services, and financial activities reported job gains.

Health care and social assistance increased in February (+57,000) adding 32,000 jobs to healthcare and 25,000 jobs to social assistance. Notably, Employment in food services and drinking places rose by 53,000 jobs in February. Whereas, government employment rose by 45,000, construction added 42,000 jobs, professional and technical services increased by 32,000 while financial activities climbed 26,000 jobs in February. Moreover, employment within the other major industries including mining, manufacturing, wholesale trade, retail trade, transportation and warehousing, and information reflected little change over the month.

In February, 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) stood at 1.1 million. Notably, the total number of persons classified as long-term unemployed, accounted for 19.2% of the unemployed.

The labour force participation rate for February remained unchanged at 63.4%, while the employment population ratio was little changed at 61.1%. Persons employed part time for economic reasons stood at 4.3 million in February. 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."

In February, a total of 1.4 million individuals were slightly attached to the labour force, little changed from January. 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, 405,000 persons were classified as discouraged workers in February, little changed over the month. These persons are not currently seeking for work as they believe no jobs are available for them.

Labour Force in Thousands	Jan-Mar	Apr-Jun	Jul-Sep	Oct - Dec
Year	Q1	Q2	Q3	Q4
2015	422,317	424,418	426,408	428,508
2016	430,265	431,898	434,075	435,715
2017	437,386	438,949	440,567	442,168
2018	444,004	445,948	447,640	449,097
2019	450,551	451,828	453,481	455,365

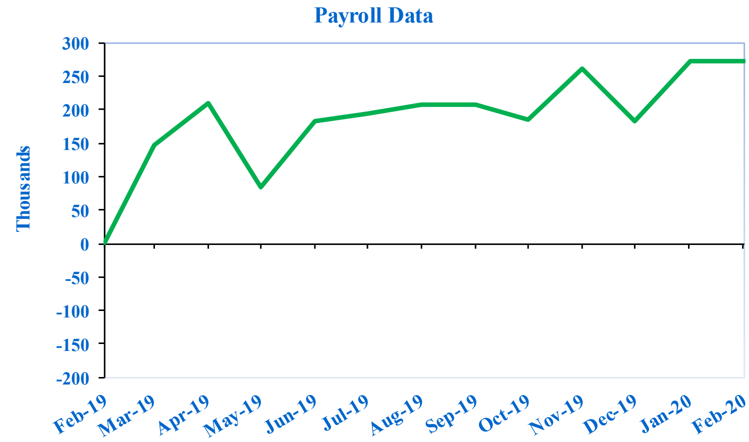
CONSUMER PRICE INDEX

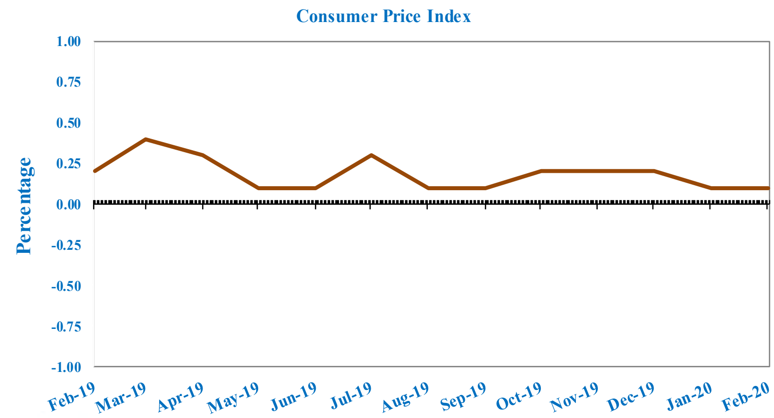
The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.1% for February after increasing 0.1% in January, on a seasonally adjusted basis according to U.S. Bureau of Labor Statistics. The all items index increased 2.3% before seasonal adjustment over the last year. BLS noted that the shelter index food index were the largest contributor to the increase in adjusted all items index more than offsetting a decline in the energy index.

The all items less food and energy index increased 0.2% in February, the same as in January. The indexes for shelter and education both increased 0.3% in February. Likewise, the index for personal care, used cars and trucks, and apparel rose each rose 0.4% in February. Moreover, the indexes for motor vehicle insurance and for medical care rose 0.5% and 0.1% respectively over the month. Whereas, the indexes for recreation and airline fares declined both 0.3%. Moreover, the index for communication remained unchanged in February.

The index for food increased 0.4% in February, while the index for food at home rose 0.5%. The dairy and related products climbed 1.1% while the index for other food at home rose 0.8%. Prices for non-alcoholic beverages and cereals and bakery both advanced 0.5% over the month. The index for meats, poultry, fish, and eggs increased 0.2% in February. However, the index for fruits and vegetables remained unchanged in February. Moreover, the food away from home increased by 0.2%.

The index for energy fell 2.0% in February. A 3.4% decline was recorded for the gasoline index in contrast to a 1.6% increase in January. In addition, the electricity index decreased 0.1% while the natural gas index fell by 0.9% in February.





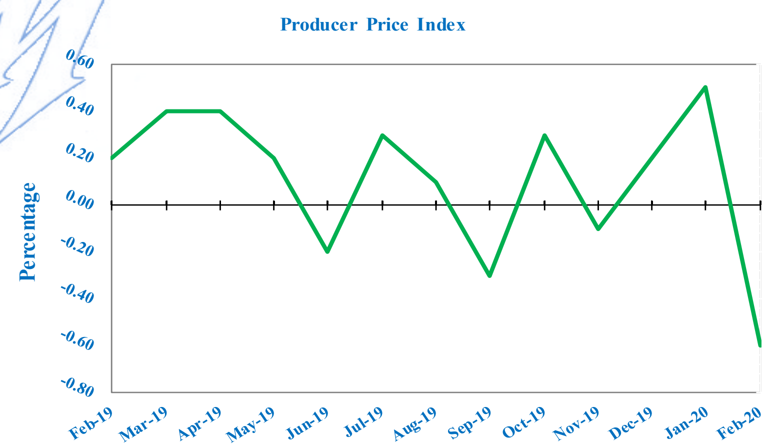
PRODUCER PRICE INDEX

Final demand for the Producer Price Index decreased 0.6% in February 2020, seasonally adjusted according to U.S. Bureau of Labor Statistics. Final demand prices rose 0.5% in January and increased 0.2% in December. On an unadjusted basis, "the final demand index increased 1.3% for the 12 months ended in February," BLS indicated.

Prices for final demand less foods, energy, and trade services fell 0.1% in the month of February. Notably, the index over the past twelve months ended February depicted an upwards trend with a 1.4% advance.

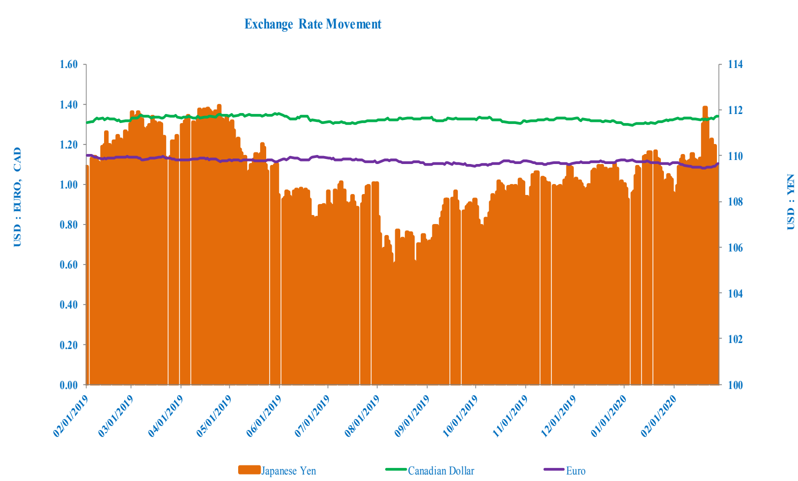
Final demand services experienced a 0.3% decline in prices in the month of February. This performance was mainly attributable to a decrease of 0.7% in prices for final demand trade services. BLS highlighted, that prices for final demand less trade, transportation, and warehousing declined by 0.1% whereas margins for final demand transportation and warehousing services rose 0.6%.

A decline of 0.9% was observed in prices for final demand goods in February. This performance stemmed from a decrease of 3.6% in prices for final demand energy. The index for final demand foods decreased 1.6%, while prices for final demand goods less food and energy fell 0.1%.



U.S. Dollar

For February 2020, the EUR/USD pair closed at $1.1026 versus $1.1060 at the start of the month, a 0.31% decrease. According to FX Empire, "investors continued to increase bets on a sooner-than-expected rate cut by the U.S. Federal Reserve," as well as, "the European Central Bank (ECB) is also expected to trim its benchmark interest rate, but it should come later in the year. The Euro is trading higher against the U.S. Dollar on Monday after the Federal Reserve made an emergency 50 basis-point rate cut late Sunday. The move weakened Treasury yields, making the U.S. Dollar a less-desirable investment."



FEDERAL RESERVE MINUTES

On March 15, 2020, the Federal Open Market Committee noted that the coronavirus outbreak has afflicted communities and disrupted economic activity over the world. Furthermore, FOMC indicated that the labour market remained strong in February, whilst economic activity has been rising at a moderate rate. Job gains have been solid and the unemployment rate has remained low. Household spending has continued to grow moderately, however, business fixed investment and exports continues to be 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%. Market-based measures of inflation compensation have declined; survey-based measures of longer-term inflation expectations are little changed."

The FOMC decided to lower the target range for the federal funds rate to 0 to 1/4% after decreasing to 1.00%-1.25% in March 03, 2020. According to the FOMC, "The Committee will continue to monitor the implications of incoming information for the economic outlook, including information related to public health, as well as global developments and muted inflation pressures, and will use its tools and act as appropriate to support the economy. In determining the timing and size of future adjustments to the stance of monetary policy, the Committee will assess realized and expected economic conditions relative to its maximum employment objective and its symmetric 2 percent inflation objective. This assessment will 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."

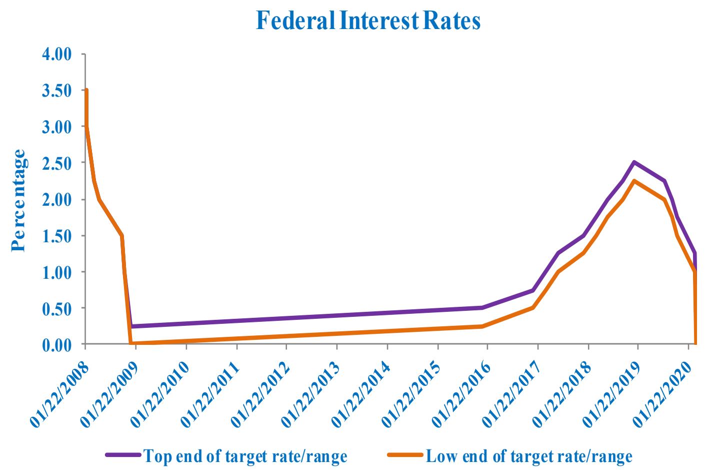
The FOMC as part of its policy decision, voted to authorize and direct the Open Market Desk at the Federal Reserve Bank of New York, until instructed otherwise, to execute transactions in the System Open Market Account in accordance with the following domestic policy directive:

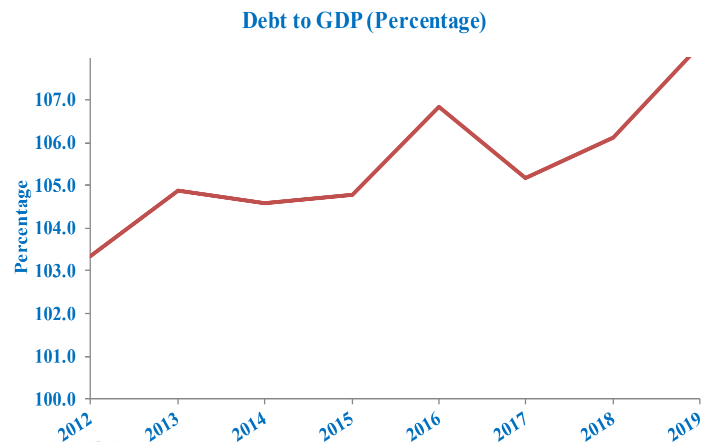
"Effective March 16, 2020, the Federal Open Market Committee directs the Desk to undertake open market operations as necessary to maintain the federal funds rate in a target range of 0 to 1/4 percent. The Committee directs the Desk to increase over coming months the System Open Market Account holdings of Treasury securities and agency mortgage-backed securities (MBS) by at least $500 billion and by at least $200 billion, respectively. The Committee instructs the Desk to conduct these purchases at a pace appropriate to support the smooth functioning of markets for Treasury securities and agency MBS.

The Committee also directs the Desk to continue conducting term and overnight repurchase agreement operations to ensure that the supply of reserves remains ample and to support the smooth functioning of short-term U.S. dollar funding markets. 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 0.00 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 percounterparty 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 reinvest all principal payments from the Federal Reserve's holdings of agency debt and agency mortgage-backed securities received during each calendar month in agency mortgage-backed securities. Small deviations from these amounts for operational reasons are acceptable.

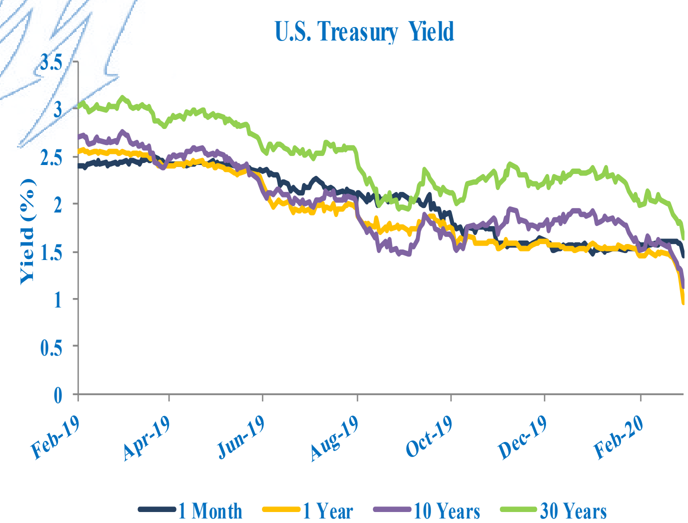
The Committee also directs the Desk to engage in dollar roll and coupon swap transactions as necessary to facilitate settlement of the Federal Reserve's agency mortgage-backed securities transactions."





U.S. TREASURY YIELD CURVE

The 3-month Treasury bill rate inched down to 1.27% from January's 1.55%. The 5-year rate registered a decrease to close the month of February at 0.89% from 1.32% a month earlier. The 10-year rate (also constant maturity) decreased to 1.13%, down from January's 1.51% and below December's 1.92%.



GOVERNMENT DEBT/ DEFICIT

For the first five months in the fiscal year 2020, the Congressional Budget Office (CBO) indicated that the federal budget deficit amounted to $625 billion. Notably, this was $80 billion more than the deficit recorded during the corresponding period last year.

Furthermore, for the first five months of the fiscal year 2020, receipts amounted to $1,366 billion based on CBO estimates which totalled $88 billion more than in the similar period last year.

Outlays for the first five months of the fiscal year 2020, based on CBO estimates, totalled $1,991 billion which was a $168 billion increase relative to the same period last year.

Budget Totals, October 2019 – February 2020

Billions of Dollars

	Actual, FY 2019	Preliminary, FY 2020	Estimated Change
Receipts	1,278	1,366	88
Outlays	1,823	1,991	168
Deficit (-)	-544	-625	-80