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MAYBERRY INVESTMENTS LIMITED

ECONOMIC SUMMARY

UNITED STATES

GROSS DOMESTIC PRODUCT

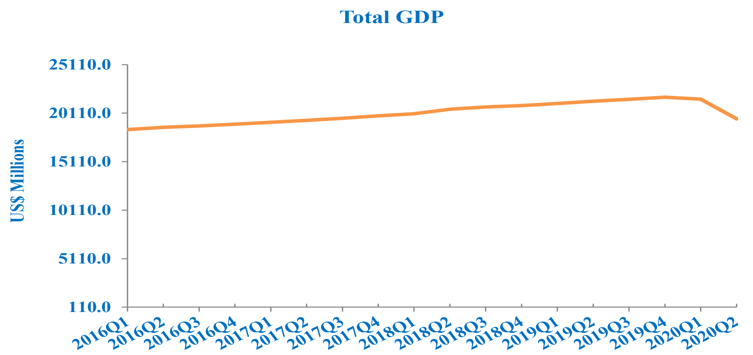
U.S. real gross domestic product (GDP) contracted at an annual rate of 31.4% for the second quarter of 2020, according to the third estimate, subsequent to a 5% decline for the first three months of 2020. According to the Bureau of Economic Analysis (BEA), GDP for the second quarter reflected the response to COVID-19 as "stay-at-home" orders issued in March and April were partially lifted in some areas of the country in May and June. During this period, government pandemic assistance payments were distributed to households and businesses. This action led to swift changes in activity, as businesses and schools continued remote work, and consumers and businesses canceled, restricted, or redirected their spending.

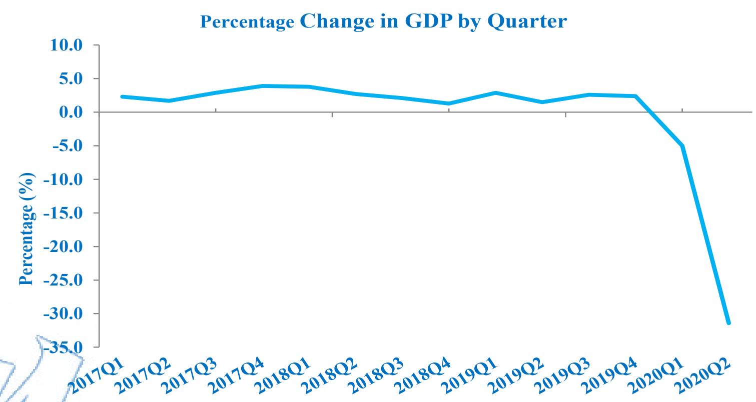
The real GDP performance for Q2 2020 was impacted by declines in personal consumption expenditures (PCE), exports, private inventory investment, non-residential fixed investment, residential fixed investment, and state and local government spending. These were partly tempered by an increase in federal government spending. Imports, however, decreased.

The decline in PCE was attributable to contractions in services led by health care and goods (led by clothing and footwear). Declines in exports echoed a decrease in goods, led by capital goods, while the decrease in non-residential fixed investment mainly reflected a decrease in equipment (led by transportation equipment). The downturn in private inventory investment primarily reflected a reduction in retail, led by motor vehicle dealers. BEA also indicated, the decline in "residential investment primarily reflected a decrease in new single-family housing."

Current-dollar GDP for the second quarter declined $2.04 trillion or 32.8% to 19.52 trillion, compared to a 3.4% or $186.3 billion fall in the first quarter.

In the second quarter of 2020, the price index for gross domestic purchases declined 1.4% when compared to a rising by 1.4% in the first quarter of 2020. In addition, the PCE price index fell 1.6% relative to an increase of 1.3%. With the exception of the food and energy prices, the PCE price index worsened by 0.8% versus an increase of 1.6%





UNEMPLOYMENT

Total nonfarm payroll employment climbed 661,000 in September, as the unemployment rate fell to 7.9%, according to a report by the U.S. Bureau of Labour Statistics (BLS). The improved performance was due to the continued resumption of economic activity that had been curtailed due to the coronavirus (COVID-19) pandemic and efforts to contain it. BLS mentioned that in September, "notable job gains occurred in leisure and hospitality, in retail trade, in health care and social assistance, and in professional and business services. Employment in government declined over the month, mainly in state and local government education."

Leisure and hospitality employment increased by 318,000 in September 2020, accounting for two-thirds of the total nonfarm employment gain. While in the retail trade, employment rose by 142,000. Employment in health care and social assistance rose by 108,000 in September. Notably, employment in professional and business services climbed by 89,000 jobs in September. Employment in transportation and warehousing rose by 74,000. Whereas, employment in manufacturing added 66,000 jobs, other services went up by 36,000 jobs, financial activities increased by 37,000 jobs, information rose by 27,000 jobs while construction employment rose by 26,000 jobs in September. Employment also increased in wholesale trade by 19,000 jobs. Employment in government and private education declined by 216,000 and 69,000 jobs, respectively. Whereas, employment in mining was little changed by an increase of 1,000 jobs.

Notably, BLS stated, "the number of persons on temporary layoff decreased by 1.5 million in September to 4.6 million." In September, the number of permanent job losers increased by 345,000 to 3.8 million. The number of unemployed job leavers climbed by 212,000 to 801,000 in September. "(Job leavers are persons who quit or voluntarily left their previous job and immediately began looking for new employment.)"

In September, the number of unemployed persons who were jobless for 5 to 14 weeks declined by 402,000 to 2.7 million. While, the number of long-term unemployed (those jobless for 27 weeks or more) rose by 781,000 to 2.4 million. Moreover, the number of unemployed persons who were jobless less than 5 weeks climbed by 271,000 in September to 2.6 million.

The labour force participation rate for September fell 0.3 percentage points to 61.4%, while the employment population ratio stood at 56.6%. Nonetheless, persons employed part-time for economic reasons decreased by 1.3 million to 6.3 million in September. Based on BLS assessment, this was reflected by "a decrease in the number of people who worked part time due to slack work or business conditions." In September, involuntary part-time workers, who would have preferred full-time employment, stood at 2.0 million, and the number of persons not in the labor force who currently want a job, stood at 7.2 million.

In September, a total of 1.9 million individuals were slightly attached to the labour force. 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, 581,000 persons were classified as discouraged workers in September, relatively unchanged over the month. These persons are not currently seeking 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
2020	455,765	401,140	422,349	

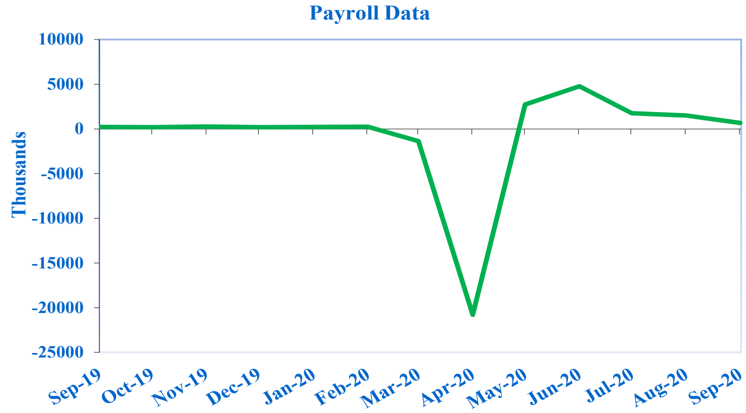
CONSUMER PRICE INDEX

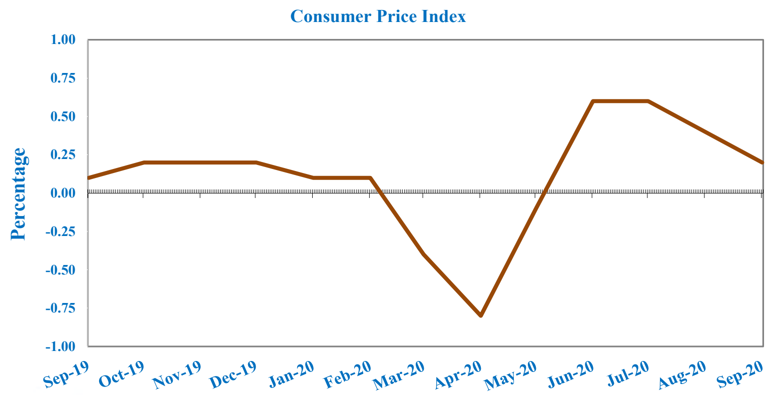
The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.2% for September, on a seasonally adjusted basis according to the U.S. Bureau of Labour Statistics. The all items index increased 1.4% before seasonal adjustment over the last year. BLS noted that the increase in the monthly seasonally adjusted all items index was mainly due to a sharp rise in the used cars and trucks index, but the indexes for natural gas also contributed.

The all items less food and energy index rose 0.2% in September. The index for used cars and trucks increased by 6.7% in September. The index for shelter increased 0.1%, new vehicles index rose 0.3% while the recreation index rose 0.2%. The medical index was relatively unchanged in September. Moreover, motor vehicle insurance index fell by 3.5%, airline fares decreased 2.0% while the index for apparel decreased 0.5%. The index for education also fell 0.3% in September while the household furnishings and operations index declined slightly by 0.1%. The indexes for communication and for alcoholic beverages also fell in September.

The index for food remained unchanged in September, while the index for food at home decreased 0.4%. The indexes for nonalcoholic beverages, other food at home and dairy and related products all fell 0.8%, 0.6% and 0.5%, respectively in September. The index for meats, poultry, fish, and eggs declined 0.4%. The index for fruits and vegetables also declined 0.4% in September while the index for cereals and bakery products was unchanged. However, the index for food away from home rose 0.6% in September.

The index for energy climbed 0.8% in September as the natural gas index rose 4.2%. Whereas, the electricity index increased 0.9% while the gasoline index rose marginally by 0.1% over the month.





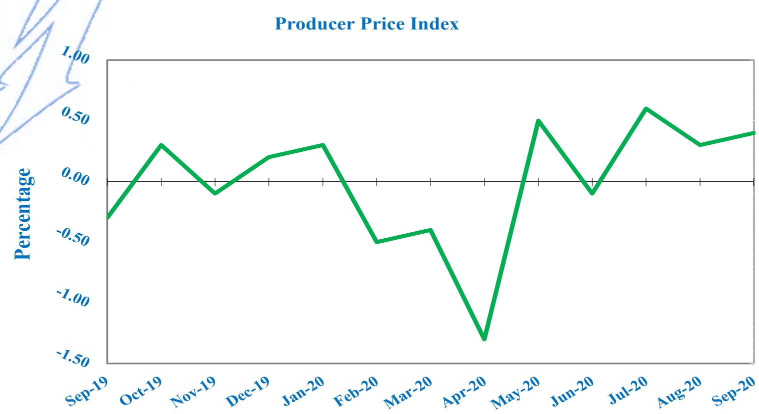
PRODUCER PRICE INDEX

The final demand for the Producer Price Index rose 0.4% in September 2020, seasonally adjusted according to the U.S. Bureau of Labour Statistics. Final demand prices increased 0.3% in August and increased 0.6% in July. On an unadjusted basis, "the final demand index increased 0.4% for the 12 months ended in September," BLS indicated.

Prices for final demand less foods, energy, and trade services climbed 0.4% in the month of September. Notably, the index over the past twelve months ended September depicted an upward movement by 0.7%.

Final demand services experienced a 0.4% increase in prices in September. This performance was mainly attributable to an increase of 0.5% in prices for final demand services less trade, transportation, and warehousing. Moreover, the index for final demand trade services rose 0.2% while the prices for final demand transportation and warehousing services increased by 0.4%.

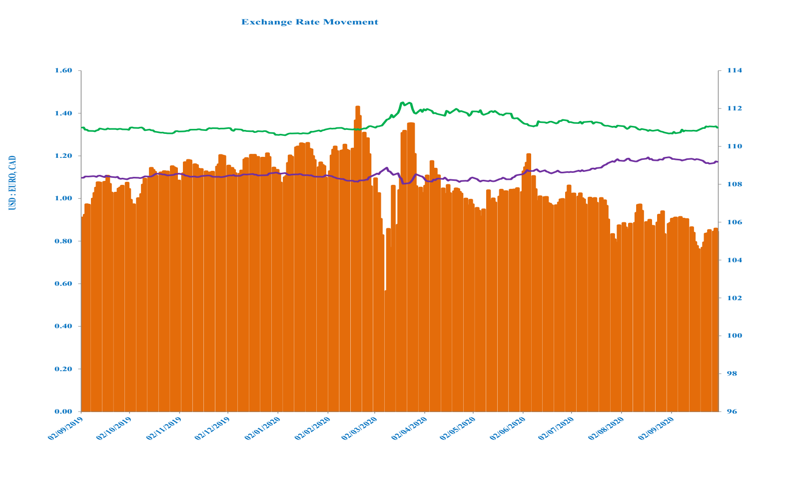
An increase of 0.4% was observed in prices for final demand goods in September. This performance stemmed from an increase of 0.4% in prices for final demand goods less foods and energy. The index for final demand foods increased 1.2%, while prices for final demand energy fell 0.3%.



U.S. Dollar

For September 2020, the EUR/USD pair closed at $1.1721 versus $1.1912 at the start of the month, a 1.60% decrease. This decrease according to FX Empire, was due to "caution and dollar safe-haven buying in reaction to U.S. presidential debate and to a policy shift by the European Central Bank (ECB)." FX Empire also mentioned that the deflation in Germany was also a contributor.

Moreover, looking ahead, FX Empire noted that, "despite the early strength, fading hopes for a U.S. coronavirus aid package and weaker demand for risky assets worldwide, rising coronavirus infections in Europe are likely to continue to limit gains in the single currency."



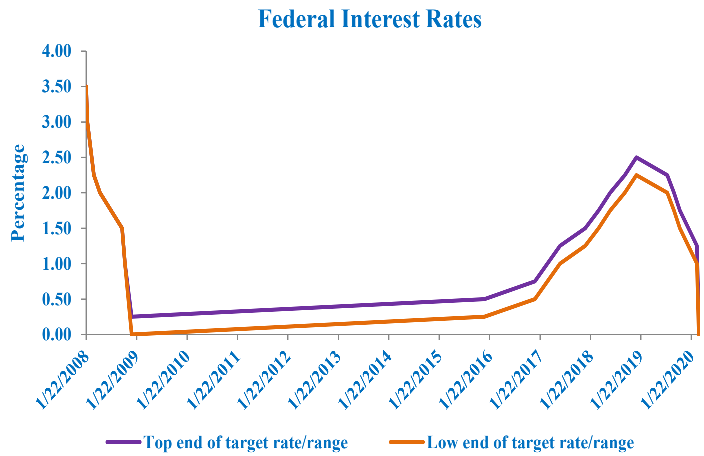
FEDERAL RESERVE MINUTES

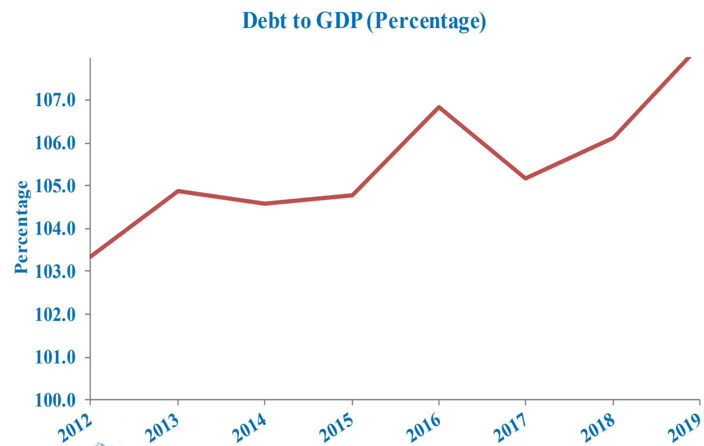
On September 16, 2020, the Federal Reserve reiterated its commitment to using its full range of tools to support the U.S. economy in this challenging time, thereby pursuing its maximum employment and price stability goals.

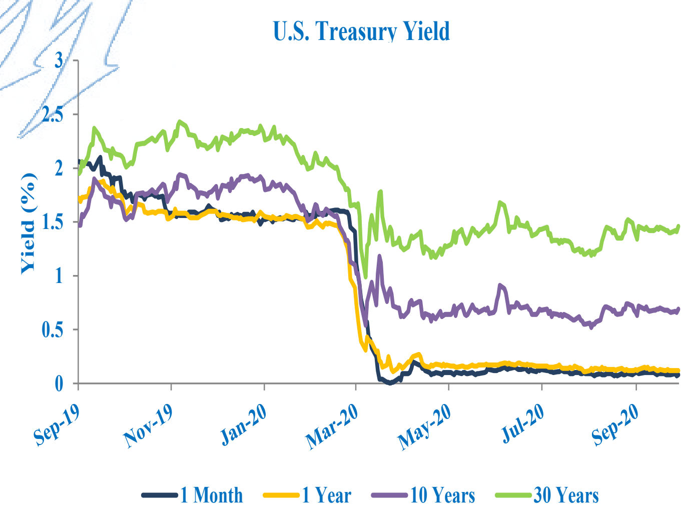
The Federal Reserve announced its decision to hold interest rates steady as economic activity and employment, although improved in recent months, remain well below their levels at the beginning of the year. Despite some uptick in recent months, the coronavirus outbreak has caused widespread human and economic hardship across the United States and around the world. The current climate has led to weaker demand and significantly lower oil prices which according to the Federal Reserve, "are holding down consumer price inflation." Besides, overall financial conditions have improved in recent months, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.

The way forward for the U.S. economy will hinge on course of COVID-19. Economic activity, employment and inflation in the near term continue to be impacted by the on-going health crisis, while posing risks to the economic outlook over the medium term. Against this background, the target for federal fund rate was maintained at 0% – 0.25%, until the labor market conditions have reached levels consistent with the Committee's assessments of maximum employment and inflation has risen to 2% and is on track to moderately exceed 2% for some time.

The Federal Reserve also intends to increase its holdings of Treasury securities and agency mortgage-backed securities at least at the current pace to sustain smooth market functioning, thereby fostering accommodative financial conditions and support the flow of credit to households and businesses. The Committee also reiterated its stance on monitoring the "implications of incoming information for the economic outlook," including information "related to public health, labor market conditions, inflation pressures and inflation expectations, and financial and international developments." Additionally, the Open Market Desk will continue to offer term and overnight repurchase agreement operations.







U.S. TREASURY YIELD CURVE

The 3-month Treasury bill rate inched down to 0.10% from August's 0.11%. The 5-year rate registered remained unchanged at 0.28% in September relative to 0.28% a month earlier. The 10-year rate (also constant maturity) decreased to 0.69%, from August's 0.72% and increased from July's 0.55%.

GOVERNMENT DEBT/ DEFICIT

The Congressional Budget Office (CBO) indicated that the federal budget deficit amounted to $3.1 trillion for the fiscal year 2020.

Furthermore, based on preliminary results for the fiscal year 2020, CBO estimates receipts to amount to $3,419 billion, $44 billion less than in the similar period in fiscal year 2019.

However, based on CBO estimates for the fiscal year 2020, outlays are estimated to total $6,550 billion, a $2,103 billion increase relative to the same period last year.

Fiscal Year Totals -Billions of Dollars			
	Actual, FY 2019	Preliminary , FY 2020	Estimated Change
Receipts	3,462	3,419	-44
Outlays	4,447	6,550	2,103
Deficit (-)	-984	-3,131	-2,147