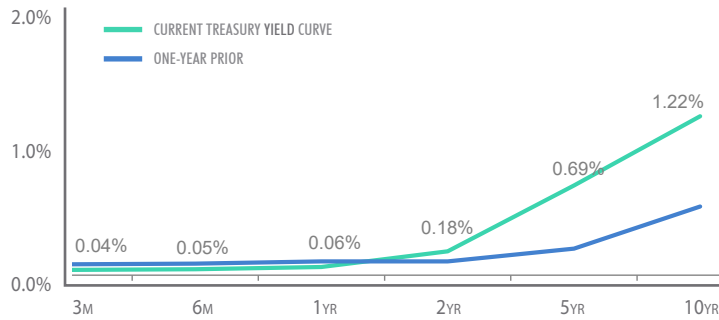
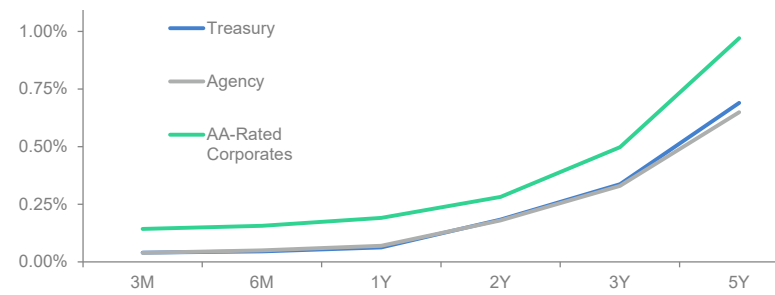


Historical Treasury Yield Curve



Source: Bloomberg Finance L.P. 7/31/21

Market Yields



Source: Bloomberg Finance L.P. 7/31/21

FEATURED MARKET DATA

Stimulus Spurs Economic Growth

The US economy grew at an annualized real rate of 6.5% in the second quarter. While strong, results were below expectations of 8.4%. Personal consumption of 11.8% led GDP growth despite a decline in direct economic impact payments to households. Other programs including loans and grants to businesses increased in the second quarter. The increase in personal consumption reflected increases in services and a smaller increase in goods. Food services and accommodations led services growth. Business investment slowed, but remained positive in the second quarter while detractors to GDP growth included inventory, residential fixed investment and federal government spending. Net exports also detracted from growth.

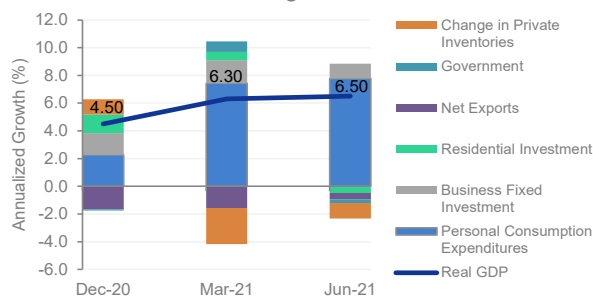
Sources: www.bea.gov, Wall Street Journal

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
CPI (YoY)	07/13/21	JUN	4.9%	5.4%	5.0%
Core CPI (YoY)	07/13/21	JUN	4.0%	4.5%	3.8%
Retail Sales Ex. Auto (MoM)	07/16/21	JUN	0.4%	1.3%	-0.9% (R)
Durables Ex. Transportation	07/27/21	JUN	0.8%	0.3%	0.5% (R)
Consumer Confidence	07/27/21	JUL	123.9	129.1	128.9 (R)
Core PCE (YoY)	07/30/21	JUN	0.6%	0.4%	0.5%
ISM Manufacturing	08/02/21	JUL	61.0	59.5	60.6
Change in Nonfarm Payrolls	08/06/21	JUL	875K	-	850K (R)
Unemployment Rate	08/06/21	JUL	5.7%	-	5.9%

Source: Bloomberg Finance L.P. 8/2/21. Glossary terms on following page.

Contributions to % Change in Real GDP



Source: Bloomberg

RECENT NEWS

Volatility, Stocks and Bonds Higher

The S&P 500 closed July with gains despite increased focus on risks including the spread of Covid-19 variants and concerns about high valuations for growth stocks. Markets also contended with higher than expected inflation readings and weakness in some manufacturing gauges for the month. Growth stocks outperformed value and helped boost the S&P 500 index 2.27% for the month. The market is also struggling to price in expectations for when the Federal Reserve will dial back monetary policy support. Volatility was higher in stock and bond markets in July as Treasury yields rallied 25 basis points to 1.22%.

Source: Bloomberg, Wall Street Journal

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Glossary of Terms

Term	What is it:
Building Permits	Records the number of permits for future housing construction.
Capacity Utilization	Tracks the extent to which capacity is being used in the production of goods and services.
Change in Nonfarm Payrolls	This indicator measures the change in the number of employees on business and government payrolls.
Chicago Fed National Activity Index	A nationwide measure of economic activity and inflation pressures. An index value of zero indicates that the national economy is expanding at its historical trend rate of growth.
Consumer Confidence	Index examines how consumers feel about jobs, the economy and spending.
Consumer Price Index (CPI)	Measures the average change in retail prices over time for a basket consisting of more than 200 categories of assorted goods and services paid directly by consumers.
Core Consumer Price Index (Core CPI)	This measure of CPI excludes food and energy costs.
Durable Goods Orders	A measure of new orders placed with domestic manufacturers for durable goods, which are items that last three years or more.
Existing Home Sales	Measures monthly sales of previously owned single-family homes.
GDP Annualized QoQ	Measures the annualized quarterly growth of the final market value of all goods and services produced within a country. GDP is the foremost report on how fast or slow the economy is growing.
Housing Starts	Records the number of new housing units started during a period.
Index of Leading Economic Indicators (LEI)	An index designed to predict the direction of the economy.
Initial Jobless Claims	Tracks new filings for unemployment insurance benefits.
ISM Manufacturing	Measures manufacturing activity based on a monthly survey of purchasing managers.
MBA Mortgage Applications	The Mortgage Bankers Association's weekly mortgage application survey includes home loan application activity for conventional and government loans for home purchases and refinances.
Mortgage Delinquencies	A measure of the percent of total conventional and government loans which are at least one payment past due, but not in the process of foreclosure.
Personal Consumption Expenditure (PCE)	The Federal Reserve's preferred measure of inflation tracks overall price changes for goods and services. Core PCE excludes food and energy.
Personal Income and Spending	Index records the income Americans receive, how much they spend, and what they save.
Retail Sales	Tracks the sale of new and used goods for personal or household consumption.
Retail Sales Ex. Auto	Retail sales excluding motor vehicles and parts.
S&P Case-Shiller Home Price Index	Tracks the value of single-family housing within the U.S. There are multiple indexes including the 20-City Composite.
Unemployment Rate	The U-3 unemployment rates tracks the percentage of the civilian workforce that is unemployed.

Source: Bloomberg, The Secrets of Economic Indicators by Bernard Baumohl; PMA Asset Management, LLC

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