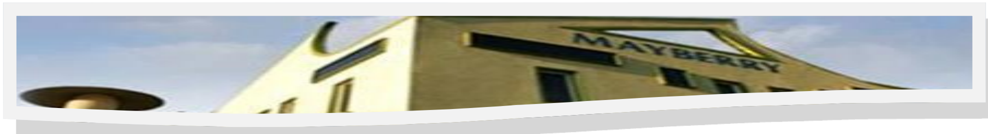


VOLUME
DECEMBER 2018

MAYBERRY INVESTMENTS LIMITED

ECONOMIC SUMMARY

UNITED STATES

GROSS DOMESTIC PRODUCT

Third quarter real gross domestic product (GDP) increased at an annual rate of 3.4% in the third quarter following a 4.2% growth in the second quarter according to the advance estimate released by the Bureau of Economic.

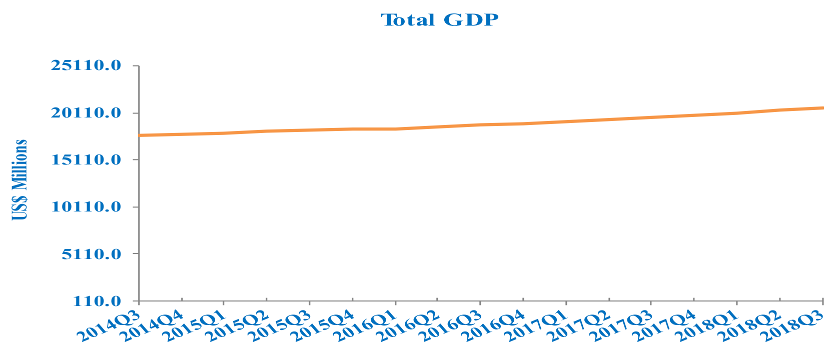
This estimate was from a more completed source data when compared to the second estimate that was done last month. Real GDP was 3.5% based on the second estimate. Based on the third estimate; exports and personal consumption expenditures (PCE) were revised down; the private inventory was revised up; ultimately resulting in stable economic growth.

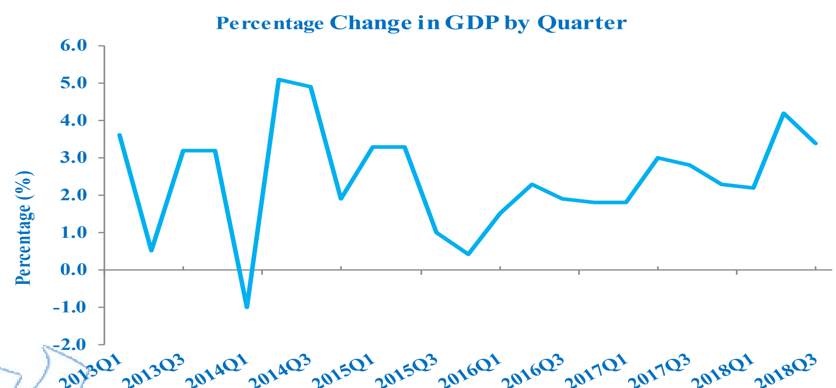
The upward movement in real GDP for the third quarter reflected positive contributions from PCE, private inventory investment, non-residential fixed investment, federal government spending, and state and local government spending, and which were partly offset by negative contributions from exports and residential fixed investment. In addition, imports increased.

Real GDP growth deceleration in the third quarter reflected a downturn in exports, and a decline in non-residential fixed investment. Imports went up in the third quarter subsequent to a decline in the second. These movements were partly tempered by an upturn in private inventory investment.

"Current dollar GDP went up 4.9% or $246.3 billion for the third quarter to $20.66 trillion relative to the second quarter which increased 7.6%, or $370.9 billion," as stated by the BEA.

In the third quarter, the gross domestic purchases price index went up 1.8% when compared to an uptick of 2.4% the previous quarter. In addition, the PCE price index rose 1.6% relative to an increase of 2.0%. With the exception of the food and energy prices, the PCE price index climbed 1.6% versus an increase of 2.1%.





UNEMPLOYMENT

Total nonfarm payroll employment climbed by 312,000 in December, with the rate of unemployment remaining at 3.9%, as stated by the U.S. Bureau of Labor Statistics. Employment rose in the various areas of health care, construction, food services and drinking places, manufacturing, and retail trade.

In December, the number of unemployed persons went up slightly to 6.3 million, by 276,000. During the last twelve months, the unemployment rate was 4.1%, and the number of unemployed persons was 6.6 million.

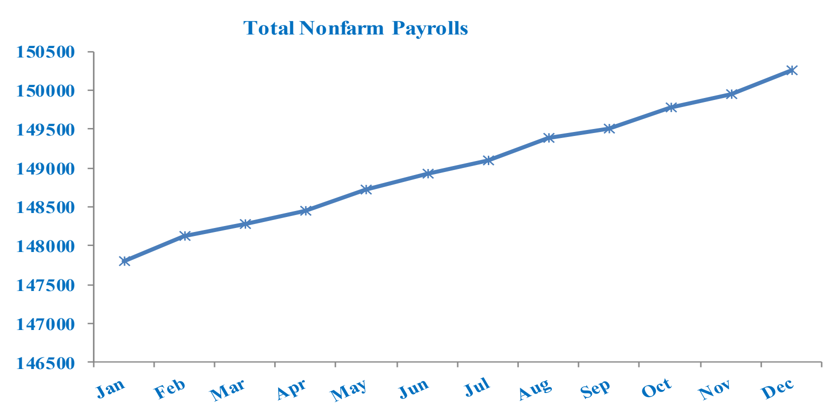
Long-term unemployed (those jobless for 27 weeks or more) remained unchanged to 1.3 million in December and accounted for 20.5% of the unemployed. Over the year, the number of long-term unemployed declined by 205,000.

Labour force participation rate was 63.1%, a marginal increase while the employment-population ratio at 60.6% for the third consecutive month.

Involuntary part-time workers or the number of persons employed part time for economic reasons experienced a slight change at 4.7 million, slightly changed in in December by 329,000. However this went down by 329,000 over the last twelve months. These persons who would have wanted full time employment, worked part time due to a reduction of hours or the inability to find a full-time job.

There were 1.6 million individuals marginally attached to the labour force, a little change relative to 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. They would not have been counted as unemployed because they had not searched for work in the 4 weeks before the survey was conducted.

Of the marginally attached, 375,000 persons were classified as discouraged workers in December, down by 99,000 a year ago. These persons are not currently seeking for work as they believe no jobs are available for them. There are still 1.2 million persons marginally attached to the labour force in December who had not sought employment for reasons such as school attendance or family responsibilities.



CONSUMER PRICE INDEX

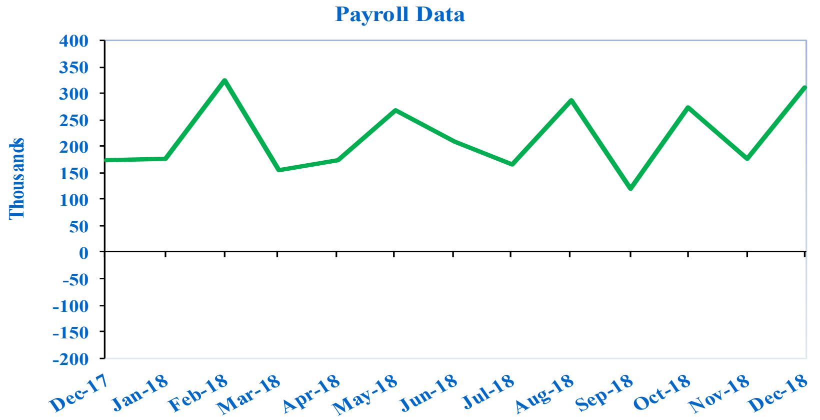
"The Consumer Price Index for All Urban Consumers (CPI-U) fell in December subsequent to being unchanged in November on a seasonally adjusted basis," the U.S. Bureau of Labor Statistics indicated. The all items index increased 1.9% before seasonal adjustment over the last year.

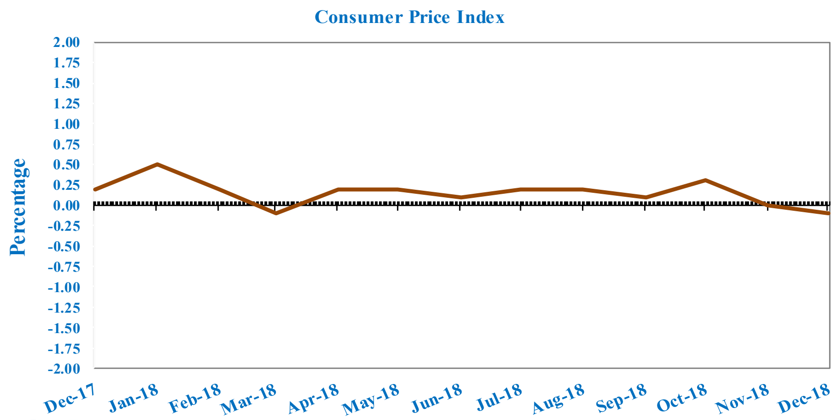
The all items less food and energy index increased 0.2% in December, unchanged when compared to the last two months. The index for shelter, recreation, medical care, and household furnishings and operations all advanced while the indexes for airline fares, used cars and trucks, and motor vehicle insurance trended down.

The all items index rose to 1.9% on a point to point basis, this has been the first time the 12-month change has fallen below 2% since August 2017. The index for all items less food and energy rose 2.2% for year ending December as is the same for November. The energy index increased 0.3% for the year ending December while the food index advanced 1.6%, over the last year.

The gasoline index fell 7.5% in December after a 4.2% drop in the previous month. The energy index also dipped 3.5% in December after a 2.2% decrease in November. Furthermore, the index for fuel fell sharply by 11.4%. The other major energy component indexes rose in December, with the natural gas and electricity indexes climbing 5.6% and 0.7% respectively.

The food (0.4%) index rose in December, the highest since May 2014. with the indexes for food at home (0.3%) and food away from home (0.4%) both went up. The index for food away from home increased a little by 0.6% while the index for food away from home rose 2.8% over the last twelve months.





PRODUCER PRICE INDEX

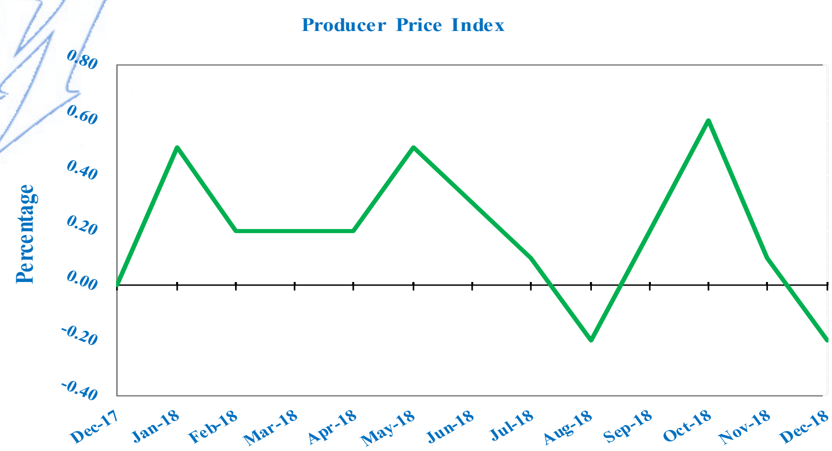
"The Producer Price Index for final demand prices went up by 0.2% in December, seasonally adjusted. Final demand prices climbed in November by 0.1% and in October by 0.6%. On an unadjusted basis, the final demand index increased 2.5% for the 12 months ended in December, the same as 2017."

"In December, 80% of the decline in the final demand index is due to a 0.4% drop in the prices of final demand goods. The final demand index inched down 0.1%."

"The index for final demand less foods, energy, and trade services remained the same in December, subsequent to 0.3% increase last month. For the 12 months ended in December, index for final demand less foods, energy, and trade services increased 2.8% versus a 2.7% in 2017."

The index for final demand services went down slightly 0.1% in December, after rising for the last three months. This decline was as a result of a 0.3% drop in the final demand index for trade services. Prices for final demand services less transportation, trade and warehousing dipped 0.2%, and the index for final demand trade transportation and warehousing services went up a bit 0.1%.

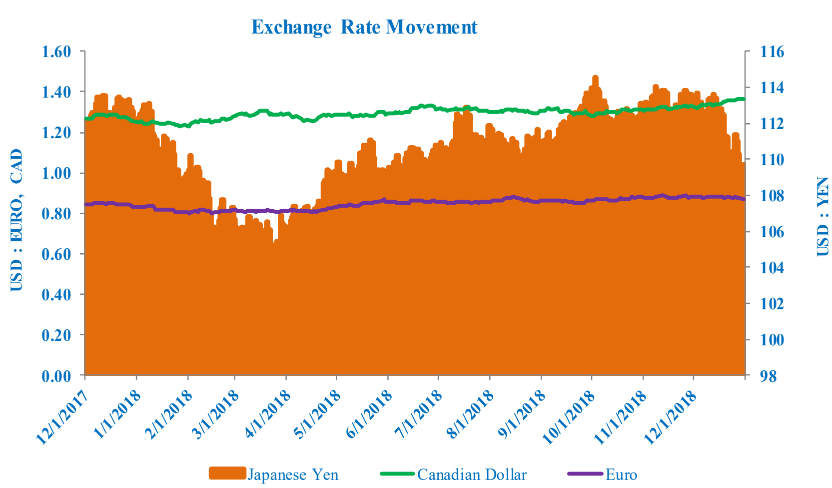
The index for final demand goods went down 0.4% in December, the same as last month. This was driven by the prices for final demand energy dipping by 5.4%. The index for demand foods climbed to 2.6% while final demand goods less foods and energy remained increased 0.1%.



U.S. Dollar

According to FX Empire, "The month of December saw European Central Bank follow through on its Quantitative Easing plan which was terminated as per prior announcement. The first week of December saw EURO bulls gain positive headwinds over news of successful G20 Leaders' Summit which saw US President Donald Trump and China's Xi Jinping agree to postpone further tariff hikes for an extra 90 days as the two sides returned to the negotiating table. Ahead of December rate hikes concerns of slowdown in US economy resulted in US T.Yeild curve inversion which also hampered progress of US Greenback against EURO and other major global currencies. News of positive proceedings in EU-Italy budget negotiations following comments from Italy's Deputy Prime Minister Luigi Di Maio also supported EURO. But upside was capped owing to increased demand for safe haven asset on renewed Sino-U.S trade tensions on arrest of top executive of Chinese telecommunications firm Huawei Technologies in Canada on request from USA. "

"The second week of December saw the pair move range bound as tensions from both side of Atlantic limited any major upside and downside move. Euro experienced bearish influence on news of Brexit fallout in UK which saw PM May pull out of parliamentary approval of EU approved deal owing to heavy opposition for deal in UK, but weak US macro data which increased concerns of slowdown in US economy cushioned Euro's downside move. News of Huawei's executive released on bail & US President Donald trump's comments stating he will intervene in issue of Huawei if solid progress can be made in Sino-U.S. negotiations inspired some level of risk appetite keeping the pair locked in range bound price action. Weak Euro area macro data and US Treasury Yields recovering from curve inversion ahead of December FOMC update helped Greenback find some demand in early half of third week despite investors exercising caution ahead of US Fed forward guidance.



FEDERAL RESERVE MINUTES

On December 19, 2018 all the members of the Board of Governors of the Federal Reserve System voted to maintain the interest rate paid on required and excess reserve balances at 2.40%, effective December 20, 2018. Setting the interest rate paid on required and excess reserve balances 10 basis points below the top of the target range for the federal funds rate is intended to foster trading in the federal funds market at rates well within the FOMC's target range.

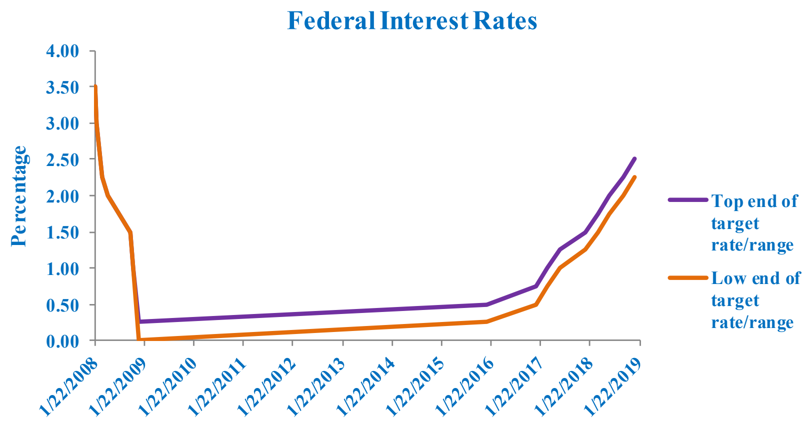
The FOMC voted for the Open Market Desk at the Federal Reserve Bank of New York to permit and direct unless given other instructions, to execute transactions in the System Open Market Account in accordance with the following domestic policy directive:

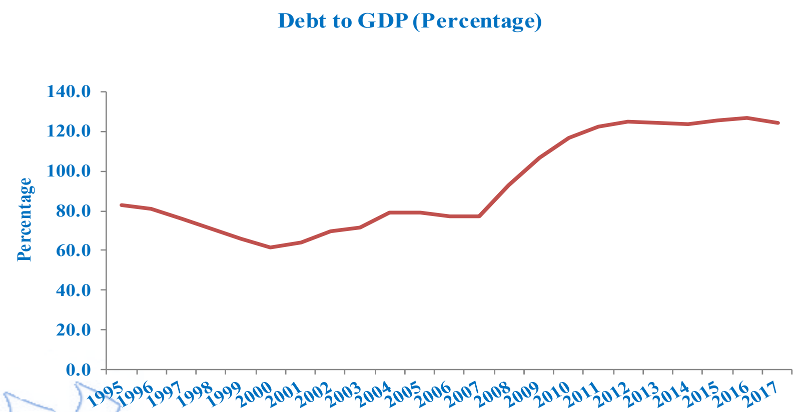
“Effective December 20, 2018, the Federal Open Market Committee directs the Desk to undertake open market operations as necessary to maintain the federal funds rate in a target range of 2-1/4 to 2-1/2%, including overnight reverse repurchase operations (and reverse repurchase operations with maturities of more than one day when necessary to accommodate weekend, holiday, or similar trading conventions) at an offering rate of 2.25%, 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 the amount of principal payments from the Federal Reserve's holdings of Treasury securities maturing during each calendar month that exceeds $30 billion, and to reinvest in agency mortgage-backed securities the amount of principal payments from the Federal Reserve's holdings of agency debt and agency mortgage-backed securities received during each calendar month that exceeds $20 billion. 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 a 1/4 percentage point increase in the primary credit rate to 3%, effective December 20, 2018.”

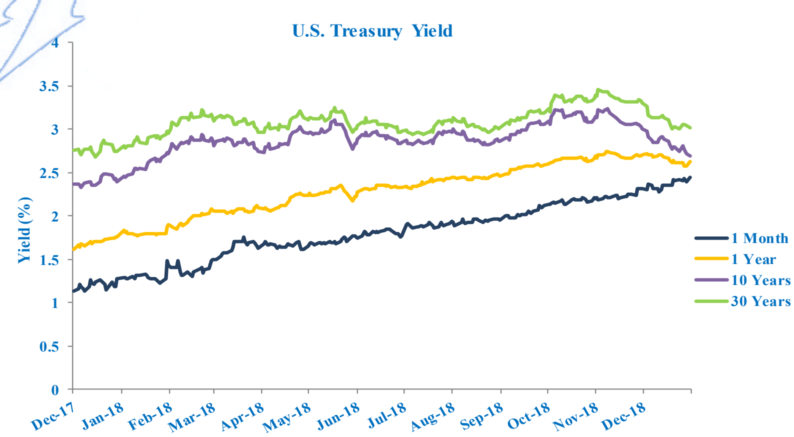




U.S. TREASURY YIELD CURVE

According to Federal Reserve Bank of Cleveland, “In December, the yield curve twisted flatter, with short rates trending up and long rates decreasing. The 3-month (constant maturity) Treasury bill rate rose to 2.42% (for the week ending December 14) up from November’s 2.40% and well above October’s 2.31%. The 10-year rate (also constant maturity) moved in the opposite direction, falling to 2.89%, down from November’s 3.06% and from October’s 3.18%. The twist brought the slope down to 47 basis points, down from November’s slope of 66 basis points and way below October’s 87 basis points.”

“Despite a flatter yield curve, expectations of growth stayed the same, as the model incorporated the string of strong GDP growth numbers in recent quarters. Using past values of the spread and GDP growth suggests that real GDP will grow at about a 2.0% rate over the next year, even with October’s and November’s estimate. Although the time horizons do not match exactly, the forecast, like other forecasts, does show moderate growth.”



GOVERNMENT DEBT/ DEFICIT

According to the Congressional Budget Office (CBO), “The federal budget deficit was $317 billion for the first quarter of the 2019 fiscal year, the congressional budget office estimates, $92 billion greater than the deficit in the same period of the previous year.”

“Outlays this year and last year were increased due to the shift of certain payments from January to December. CBO also stated, “However, last year’s outlays for the quarter were reduced, on net, because of additional payment shifts from October 2017 (fiscal year 2018) into September 2017 (fiscal year 2017). (October 1, 2017, the first day of fiscal year 2018, fell on a weekend.) If not for those timing shifts, outlays so far this year would have been $49 billion, or 5 percent, larger than those in the same period last year, and the deficit would have risen by $47 billion.”

According to CBO, “Receipts totaled $771 billion during the first quarter of fiscal year 2019, CBO estimates—$2 billion more than during the same period last year. Outlays for the first quarter of fiscal year 2019 were $1,088 billion, $93 billion higher than they were during the same period last year, CBO estimates. If not for the shift of certain payments, that year-to-year increase would be much smaller—$49 billion rather than $93 billion.”

Budget Totals, October–December
Billions of Dollars

	Actual, FY 2018	Preliminary, FY 2019	Estimated Change
Receipts	770	771	2
Outlays	994	1,088	93
Deficit (-)	-225	-317	-92