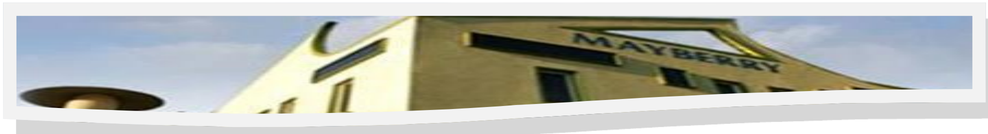
VOLUME
MARCH 2019

MAYBERRY INVESTMENTS LIMITED

ECONOMIC SUMMARY



UNITED STATES

GROSS DOMESTIC PRODUCT

Fourth quarter real gross domestic product (GDP) increased at an annual rate of 2.2% in the fourth quarter following a 3.4% growth in the third quarter according to the third estimate released by the Bureau of Economic.

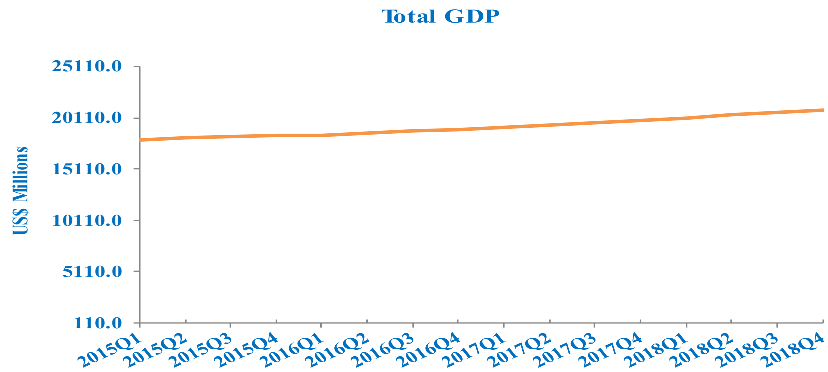
This report is based on more complete source data than was available for the last estimate (2.6%). The general picture of economic growth was essentially the same as personal consumption expenditures (PCE), state and local government spending, and non-residential fixed investment went down; imports, which are a subtraction in the calculation of GDP, which also went down.

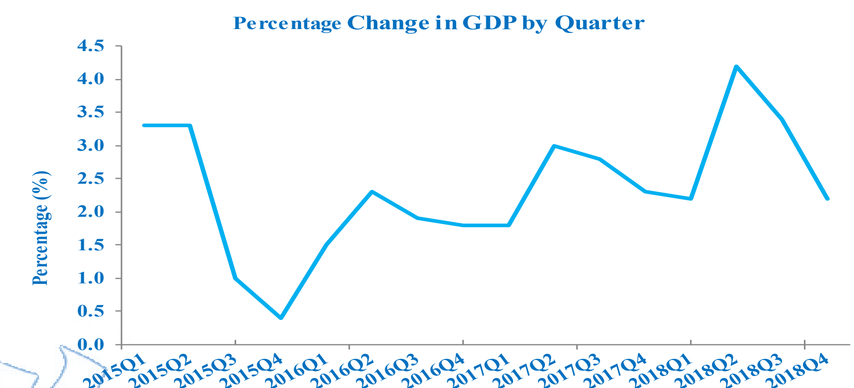
The upward movement in real GDP for the fourth quarter reflected positive contributions from PCE, private inventory investment, non-residential fixed investment, exports, federal government spending. This movement was partly offset by negative contributions from state and local government spending and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

Real GDP growth deceleration in the fourth quarter reflected a downturn in private inventory investment, PCE and federal government spending and a decline in state and local government spending. These movements were partly tempered by an increase in exports and an acceleration in non-residential fixed investment. Imports increased by less in the fourth quarter compared to third quarter.

"Current dollar GDP went up 4.1% or $206.9 billion for the fourth quarter to $20.87 trillion relative to the third quarter which increased 4.9%, or $246.3 billion," as stated by the BEA.

In the fourth quarter, the gross domestic purchases price index went up 1.7% when compared to an uptick of 1.8% the previous quarter. In addition, the PCE price index rose 1.5% relative to an increase of 1.6%. With the exception of the food and energy prices, the PCE price index climbed 1.8% versus an increase of 1.6%.





UNEMPLOYMENT

Total nonfarm payroll employment climbed by 196,000 in March, with the rate of unemployment declining at 3.8%, as stated by the U.S. Bureau of Labor Statistics. Employment rose in the various areas of health care, professional and technical services.

In March, the number of unemployed persons remained unchanged at 6.2 million.

Long-term unemployed (those jobless for 27 weeks or more) changed a little to 1.3 million in March and accounted for 21.1% of the unemployed.

Labour force participation rate was 63.0% for March and has essentially remained unchanged over the year with little improvement. In addition, the employment-population ratio at 60.6% in March and has been wither 60.6% or 60.7% since October 2018.

Involuntary part-time workers or the number of persons employed part time for economic reasons remained at 4.5 million, in March. 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 1.4 million individuals marginally attached to the labour force, slightly different 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, 412,000 persons were classified as discouraged workers in March, a slight change than a year ago. These persons are not currently seeking for work as they believe no jobs are available for them. There are still 994,000 persons marginally attached to the labour force in February 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	452,023			

CONSUMER PRICE INDEX

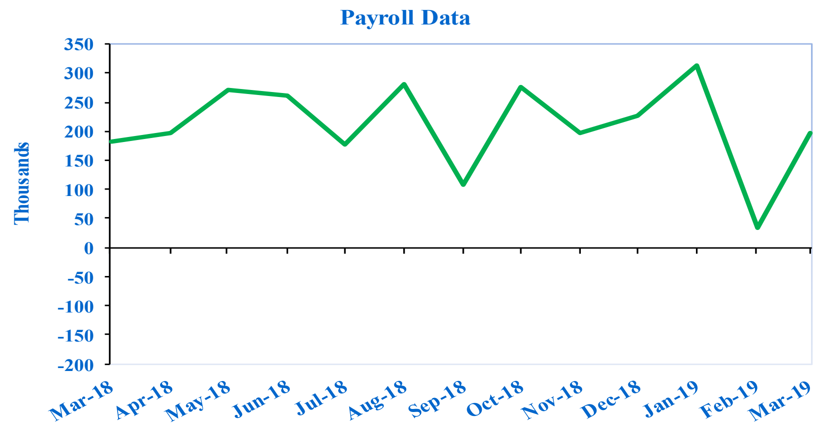
"The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.4% in March subsequent to increasing to 0.2% in February on a seasonally adjusted basis," the U.S. Bureau of Labor Statistics indicated. The all items index increased 1.9% before seasonal adjustment over the last year.

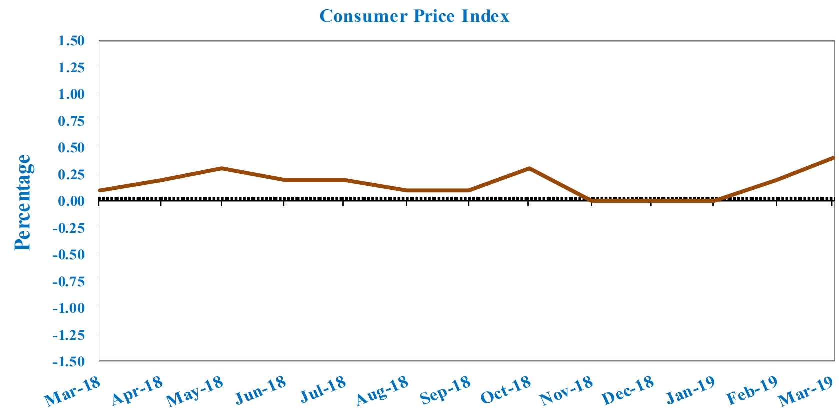
"The all items less food and energy index increased 0.1% in March, the same as in February. The index for medical care, shelter, new vehicles recreation, tobacco and education all advanced while the indexes for apparel, used cars and trucks , and airline fares trended down."

"The all items index rose to 1.9% on a point to point basis, this is the same for the year ending February. The index for all items less food and energy rose 2.0% over the last year. The energy index decreased 0.4% for the year while the food index advanced 2.1%, over the last year (largest annual increase since the period closing March 2015)."

"The gasoline index rose 6.5% in March after rising 1.5% in February (Before seasonal adjustment, gasoline prices rose 9.0 percent in March.) while the energy index went up 3.5% in March. The electricity index also went up, rising 0.4% after falling in the last two months. The natural gas index fell 0.1% in March, three months straight.

"The food (0.3%) index rose in March, after a 0.4% increase in the previous month, with the indexes for food at home and food away from home rising by 0.4% and 0.2%. Over the last twelve months the index for food away from home increased by 3.0% whereas the index for food at home rose 1.4%.





PRODUCER PRICE INDEX

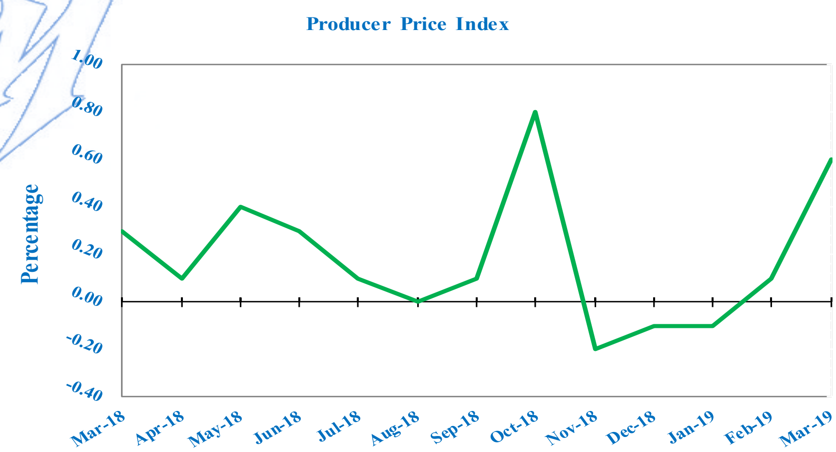
According to Bureau of Labor Statistics "The Producer Price Index for final demand prices slightly edged by 0.6% in March, seasonally adjusted. Final demand prices increased in 0.1% in February and 0.1% in January. On an unadjusted basis, the final demand index increased 2.2% for the 12 months ended in March, the largest 12-month increase since the December 2018's 2.5% increase."

"In March, more than 60% of the increase in the index for final demand was due to a 1.0% uptick in prices for final demand goods. The final demand services index went up to 0.3%," as stated by BLS.

The index for final demand less foods, energy, and trade services remained stable in March, when compared to a 0.1% jump in February. For the 12 months ended in March, index for final demand less foods, energy, and trade services increased 2.0%.

The index for final demand services changed to 0.3% in March, subsequent to no change in the prior month. This was as a result of a 1.1% increase in the index for final demand trade services. Prices for final demand services less transportation, trade and warehousing experienced a 0.8% decrease. The index for final demand trade transportation and warehousing services was unchanged. (Trade indexes measure changes in margins received by wholesalers and retailers.)

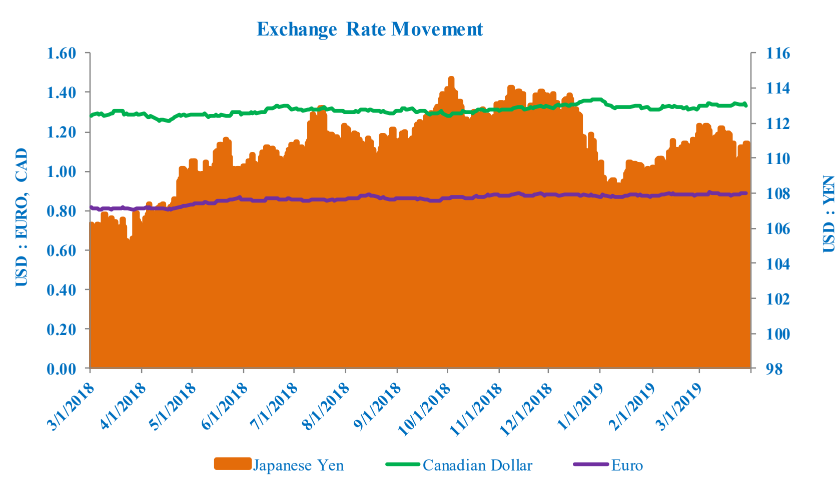
The index for final demand goods went up 1.0% in March, the largest advance since the 1% increase in May 2015. More than 80% of the increase in can be traced to prices for final demand energy, which went rose 5.6%. The index for demand foods advanced to 0.3% while final demand goods less foods and energy inched up 0.2%.



U.S. Dollar

According to FX Empire, "The EURUSD pair saw highly volatile price swings during the month of March and closed on a dovish note. The price action was dominated by headlines driven momentum rather than influence from macro data updates albeit both factors having a significant impact on price action. Proceedings of geopolitical events had a great impact on EURO similar to trend from the recent past.."

"However, rather than one-sided influence compared to early 2019, the month of March saw conflicting headlines which hampered progress for the pair in either direction. Hopes for positive progress in Brexit helped EURO climb higher in the early half of the month. The pair started on dovish note for March owing to lack of directional bias for EURO and broad-based strength of US Dollar. This caused the pair to decline below 1.12 handle but the pair rebound sharply and scaled back hold over 1.13 handle on Brexit headlines. "



FEDERAL RESERVE MINUTES

On March 20, 2019, The Federal Reserve made the decisions to implement monetary policy stance announced by the Federal Open Market Committee in its statement:

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 March 20, 2019.

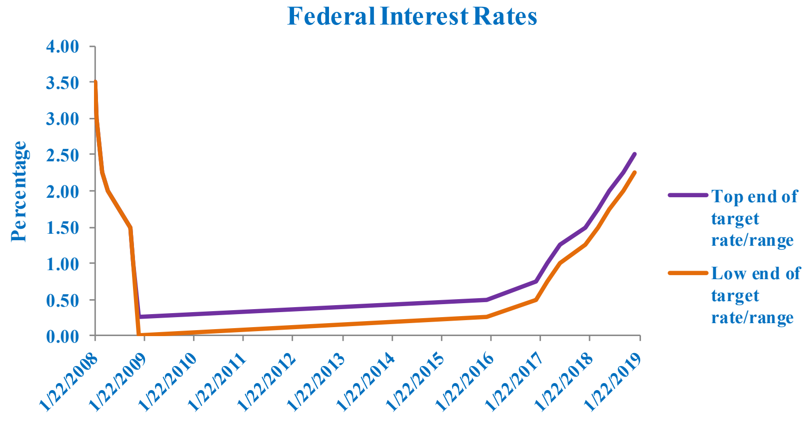
In addition to the policy decision, the FOMC voted for the Open Market Desk at the Federal Reserve Bank of New York to permit and direct unless given other instructions, to execute transactions in the System Open Market Account in accordance with the following domestic policy directive:

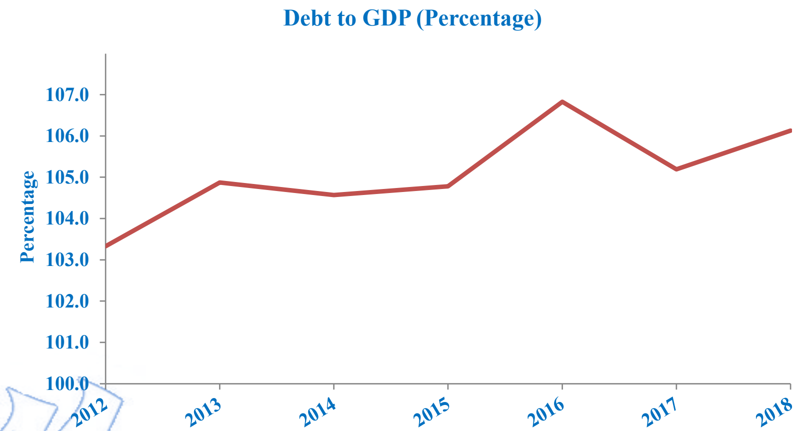
“Effective March 20, 2019, the Federal Open Market Committee directs the Desk to undertake open market operations as necessary to maintain the federal funds rate in a target range of 2-1/4 to 2-1/2%, including overnight reverse repurchase operations (and reverse repurchase operations with maturities 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 the establishment of the primary credit rate at the existing level of 3%, effective.”

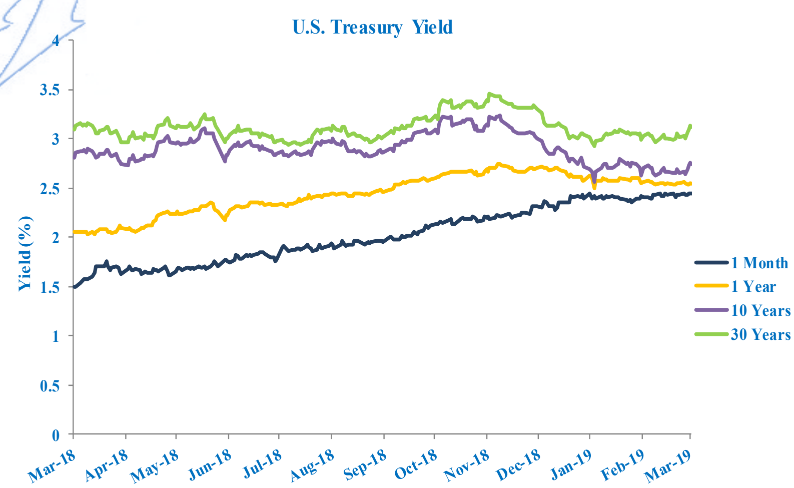




U.S. TREASURY YIELD CURVE

According to Federal Reserve Bank of Cleveland, “In March, the yield curve continued its months-long of flattening, with short rates climbing while long rates dropped. The 3-month (constant maturity) Treasury bill rate inched down to 2.47% (for the week ending March 22) up from February’s 2.45% and above January’s 2.40%. The 10-year rate (also constant maturity) moved in the opposite direction, falling to 2.55%, down from February’s 2.66% and from January's 2.75%. The twist brought the slope down to 8 basis points, down from February’s 21 basis points and well above January’s slope of 35 basis points.”

“The flatter yield curve was reflected in reduced expectations of growth. Using past values of the spread and GDP growth suggests that real GDP will grow at about a 2.1% rate over the next year, slightly below the 2.2% in February and the same (2.1%) for January. 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 $693 billion for the first six months of the 2019 fiscal year, the congressional budget office estimates revenues were $9 billion lower and outlays were $103 billion higher than during the first five months of 2018.

According to CBO, “Receipts totaled $1,506 billion during the first six months of fiscal year 2019, CBO estimates—$9 billion more than during the same period last year. That slight increase was the result of offsetting changes in receipts from Individual income and payroll (social insurance) taxes which together rose by $14 billion (or 1%).

Outlays for the said period were $2,200 billion, $103 billion higher than they were during the same period last year,” CBO estimates.

Budget Totals, October–March

Billions of Dollars

	Actual, FY 2018	Preliminary, FY 2019	Estimated Change
Receipts	1,497	1,506	9
Outlays	2,097	2,200	103
Deficit (-)	-600	-693	-94