



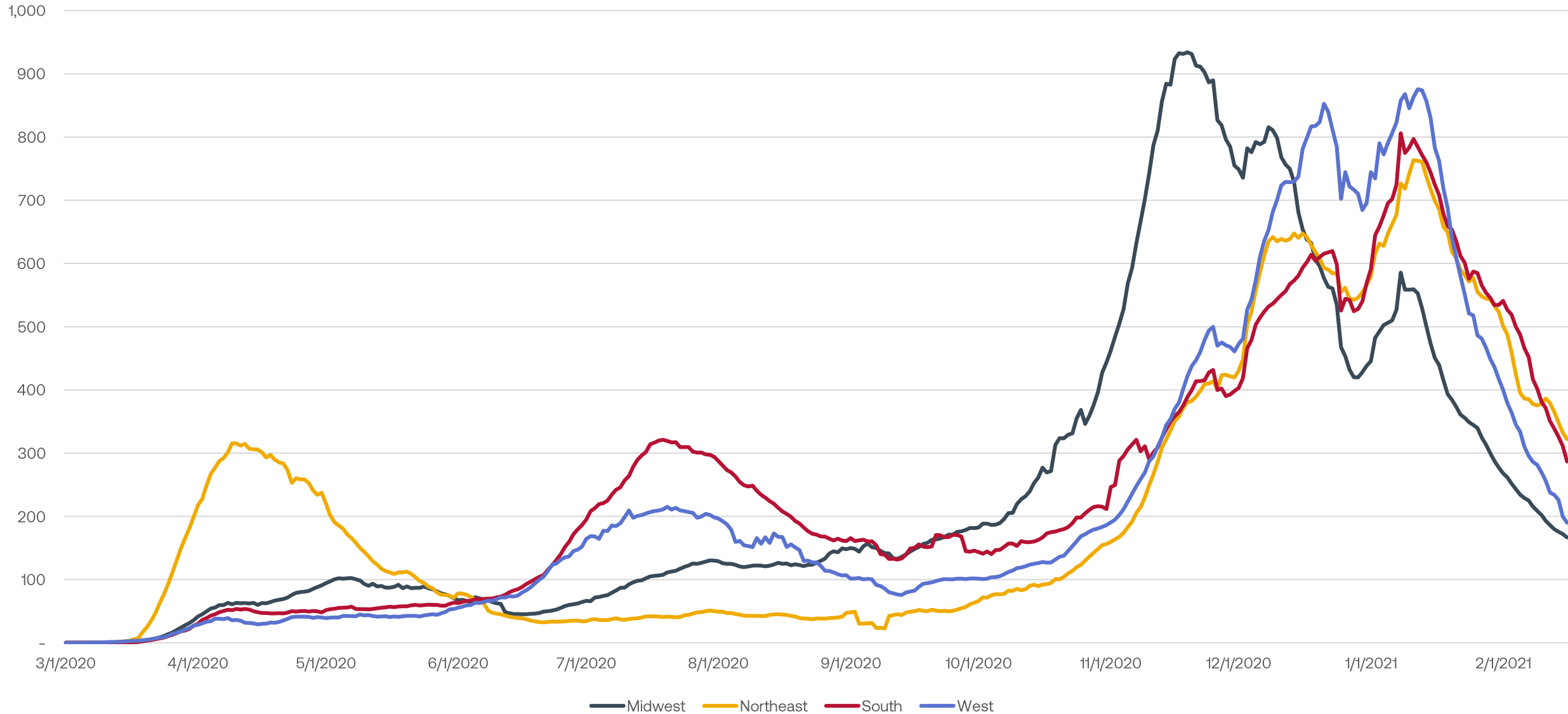
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The Economic Outlook in a World Disrupted

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COVID-19 Cases Falling (Finally)



COVID Cases Appear to be Falling in Mexico as Well



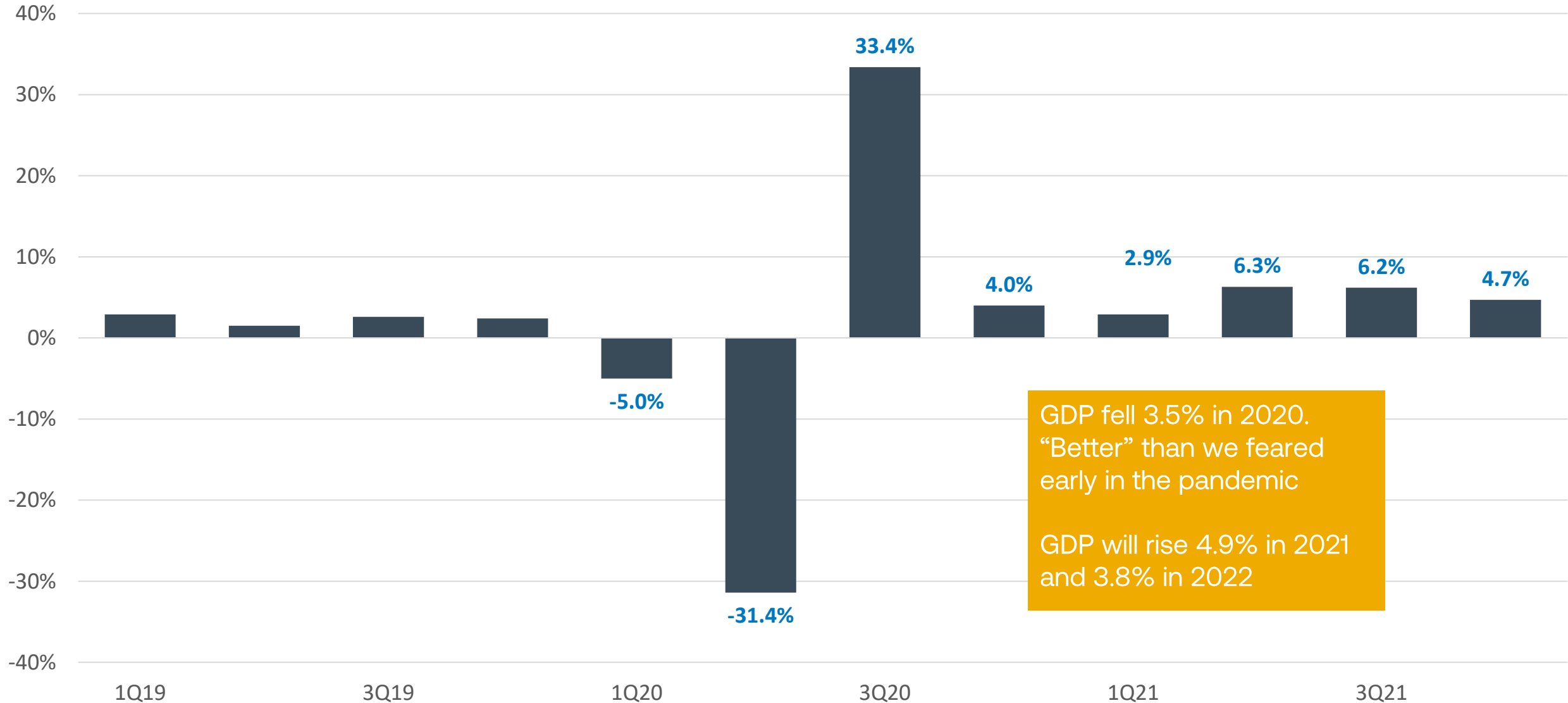
Vaccinations Rates:
Mexico: 0.72 doses per 100
US: 16.82 doses per 100
Israel: 74.66 doses per 100



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Economic Outlook

Weak Growth to Start 2021, Followed by Stimulus and Revenge Spending

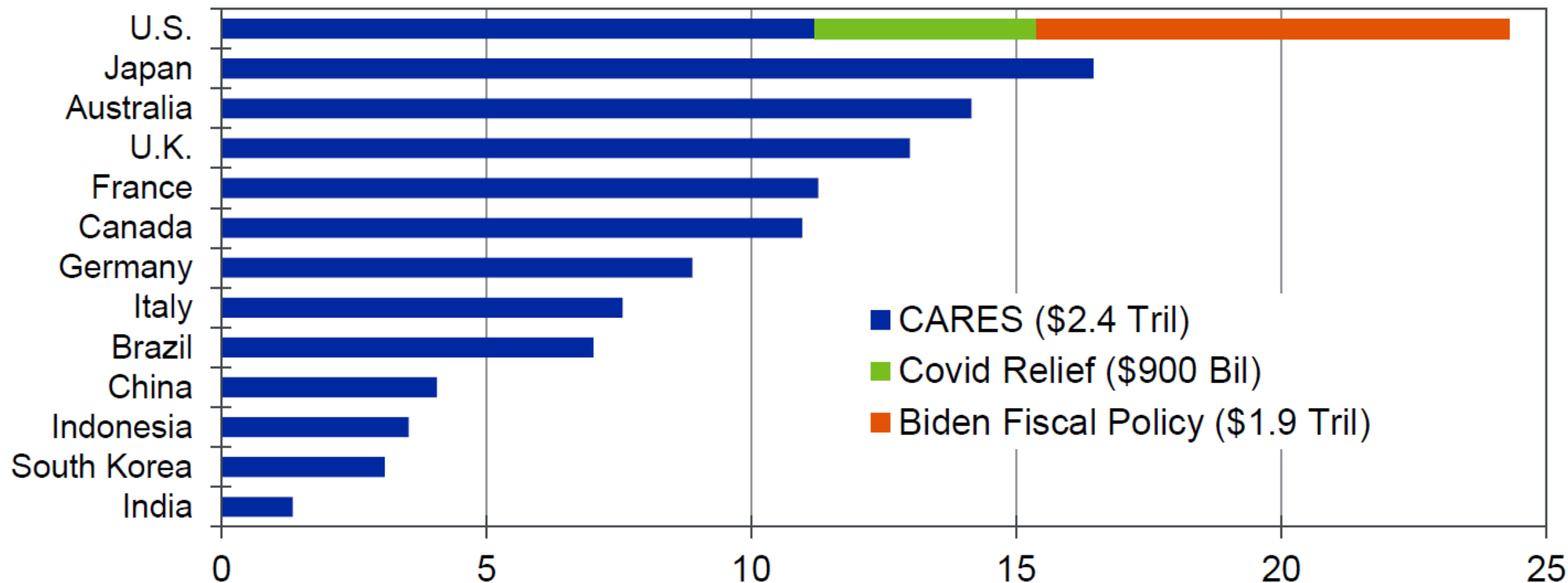


GDP fell 3.5% in 2020. "Better" than we feared early in the pandemic

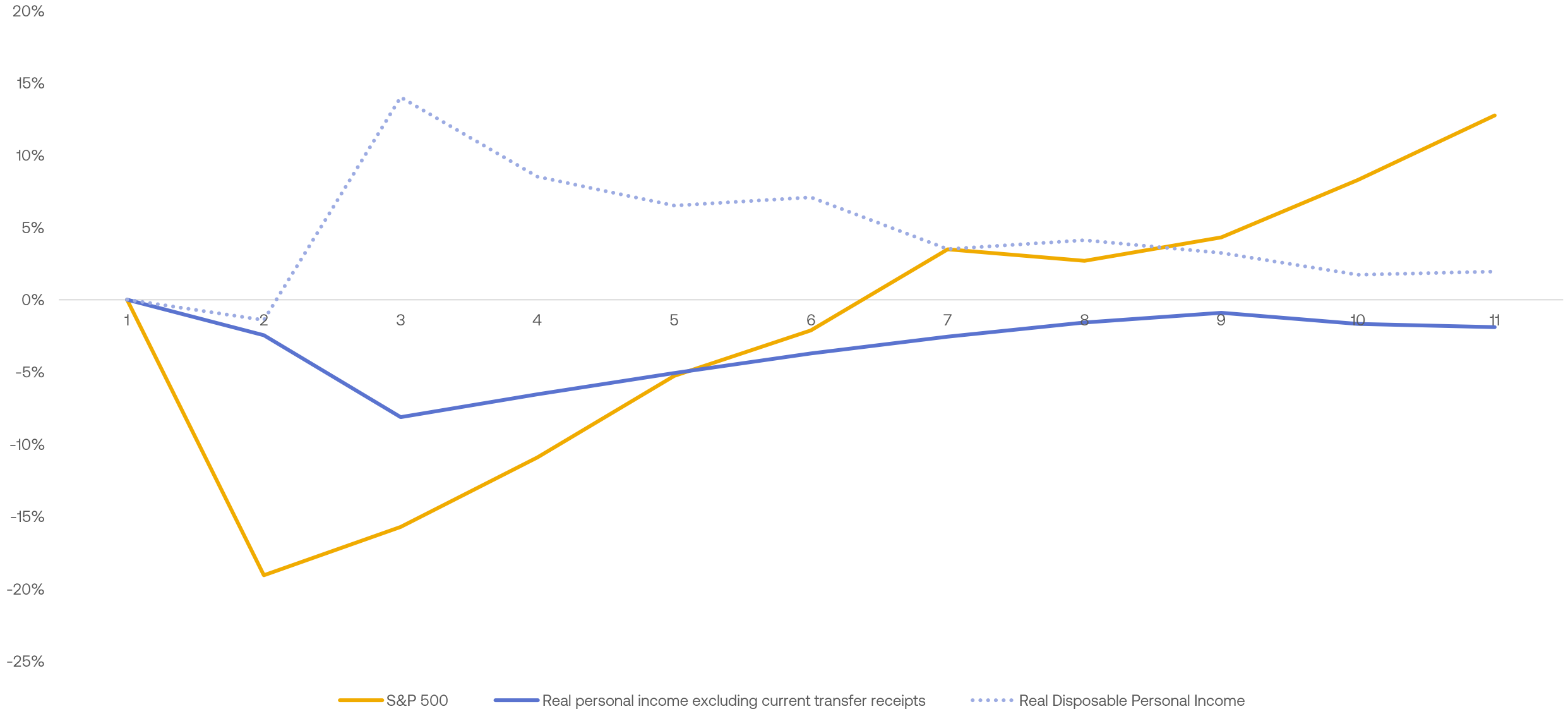
GDP will rise 4.9% in 2021 and 3.8% in 2022

US Leads in Stimulus

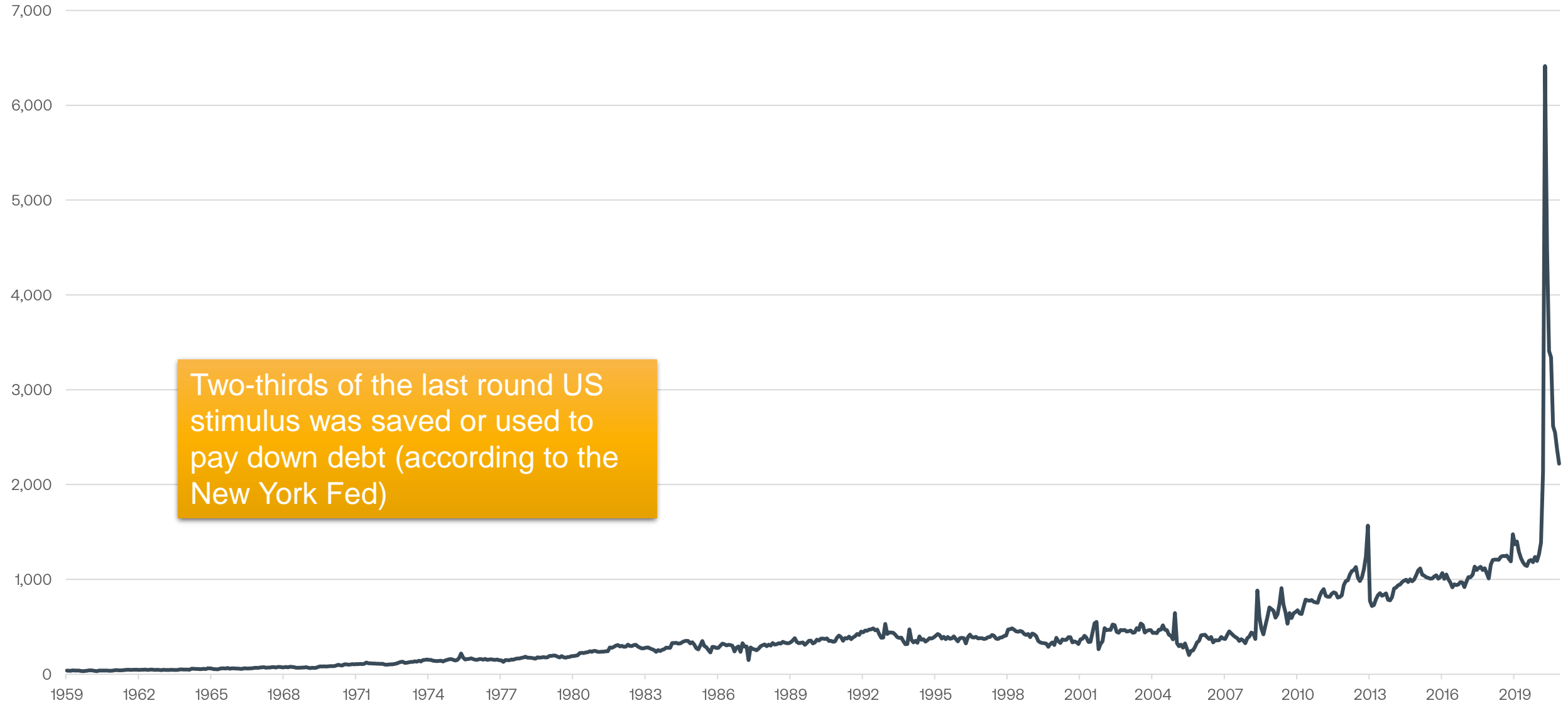
Fiscal support, % of 2019 GDP



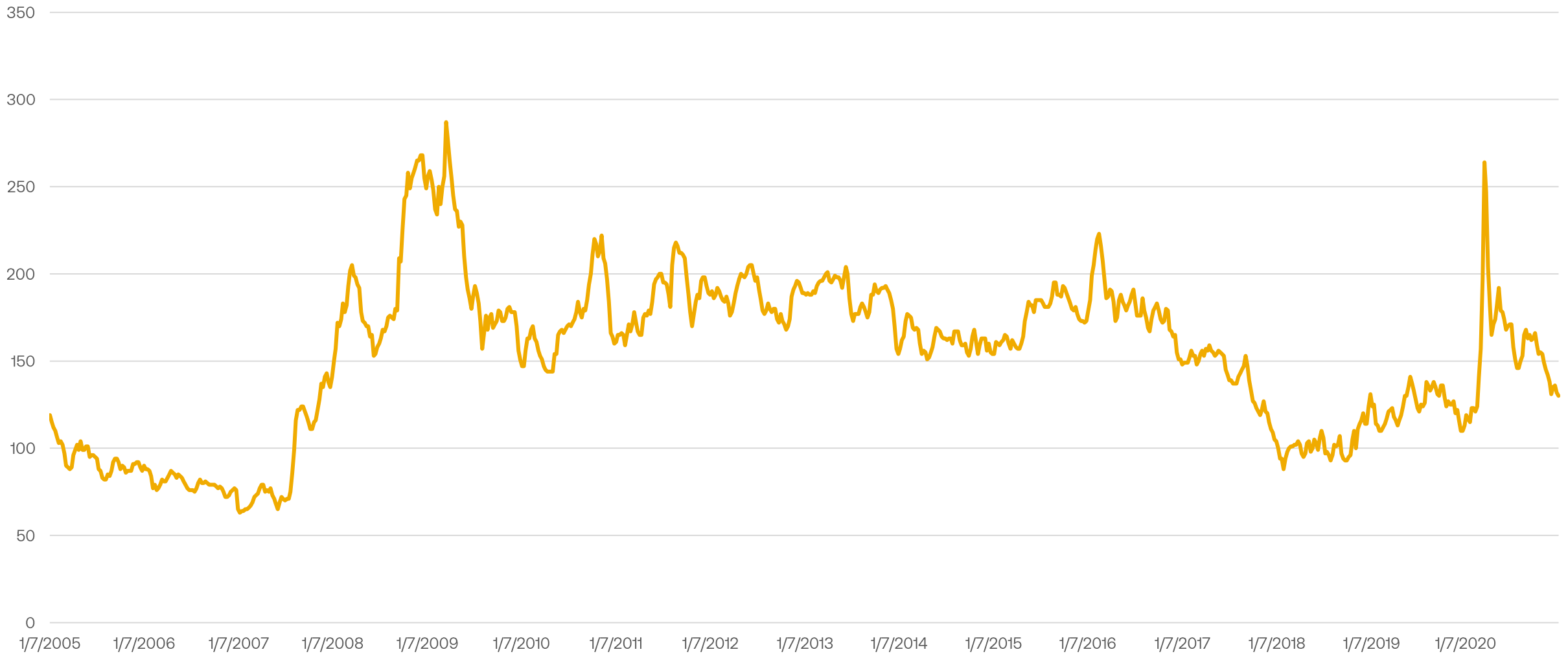
CARES ACT Boosted Income



...And Savings

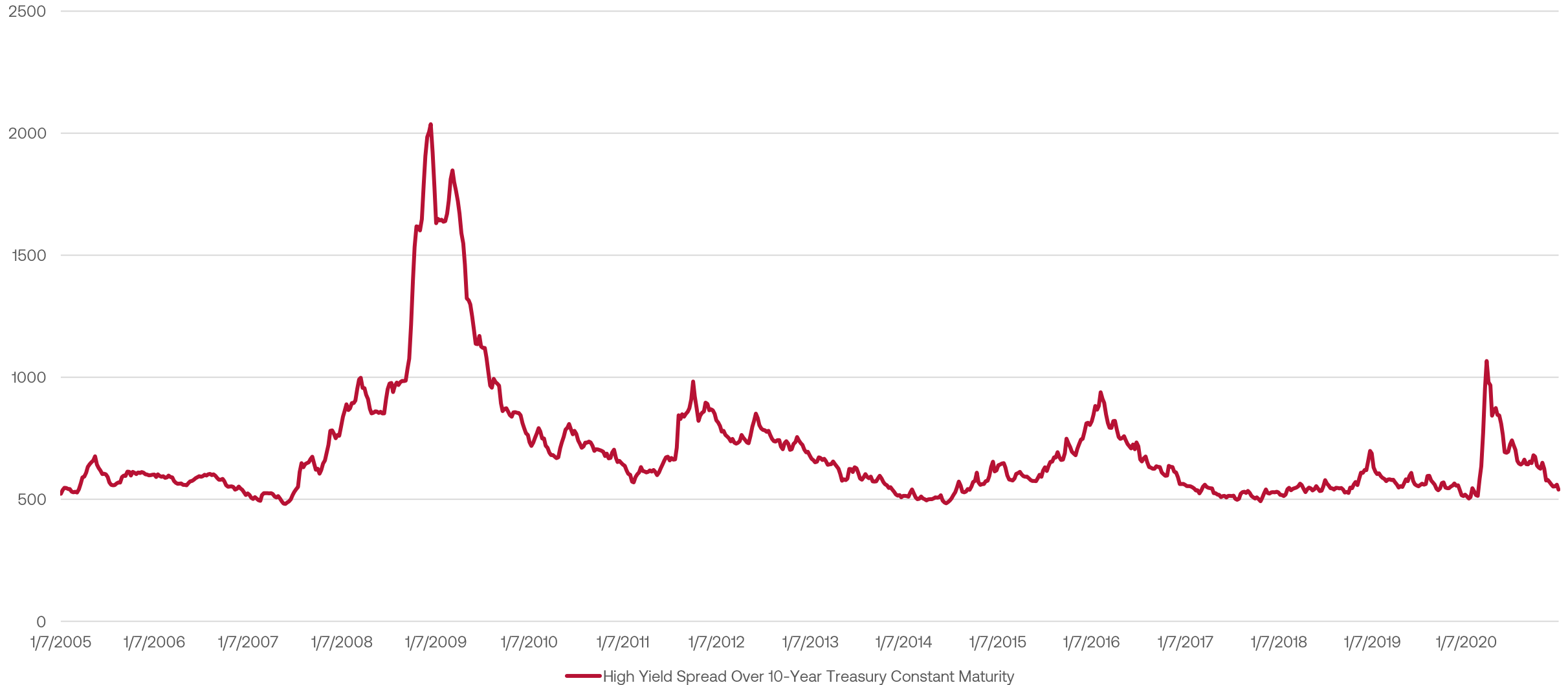


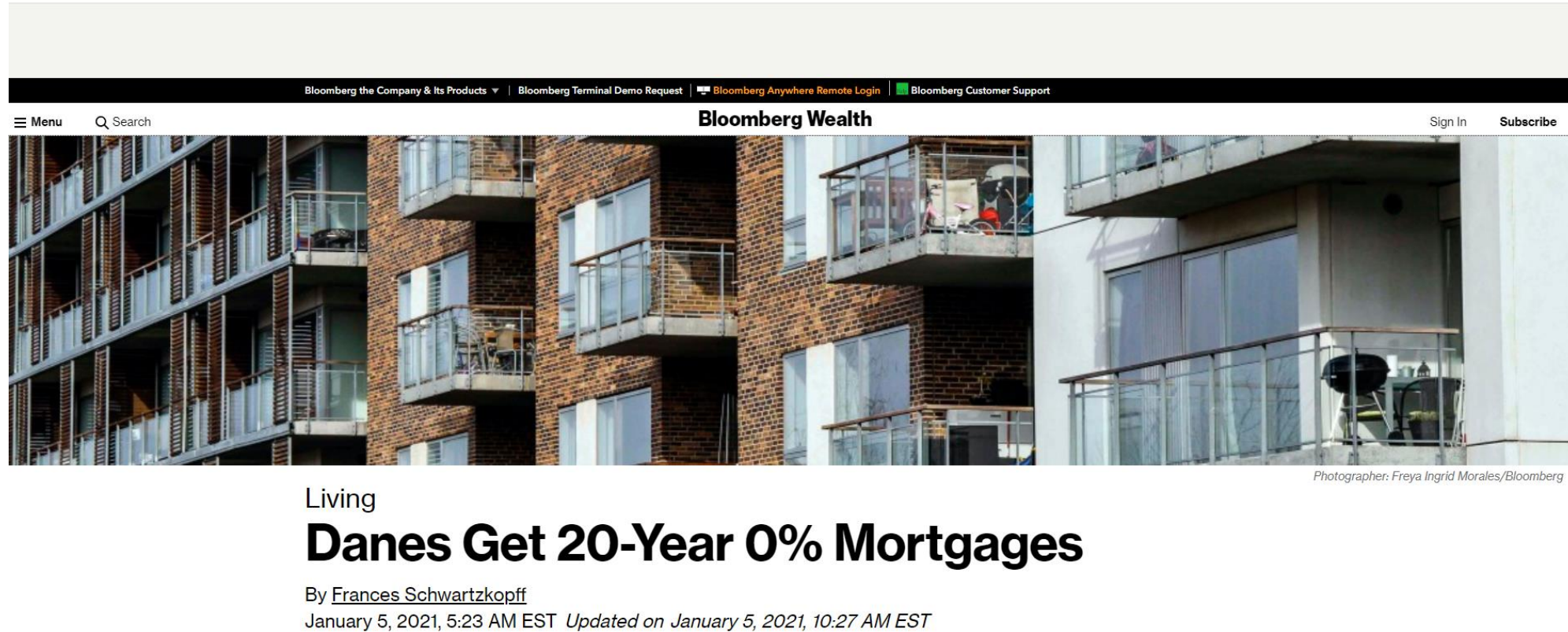
Federal Reserve action reduced cost of capital for large firms



Moody's Seasoned Aaa Corporate Bond Yield Relative to Yield on 10-Year Treasury Constant Maturity

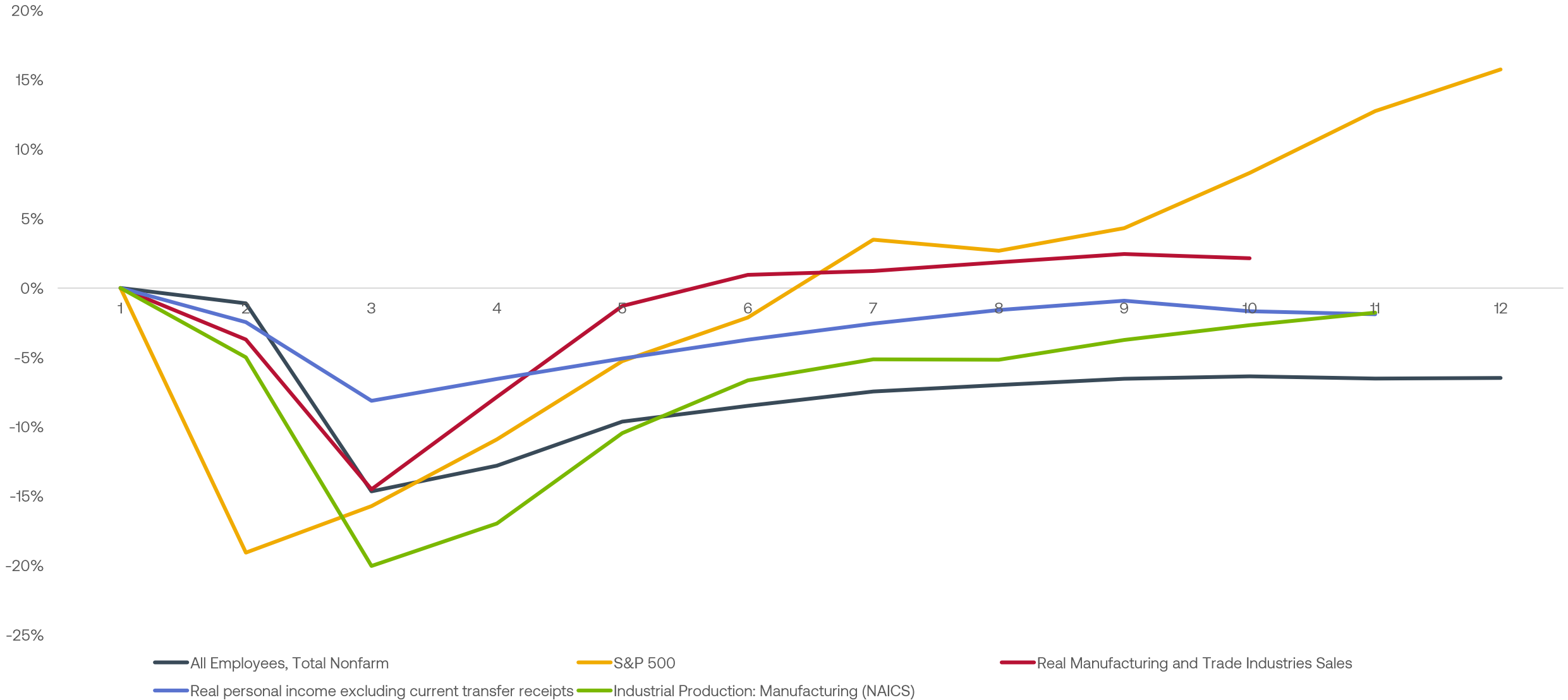
...and even those a little more risky



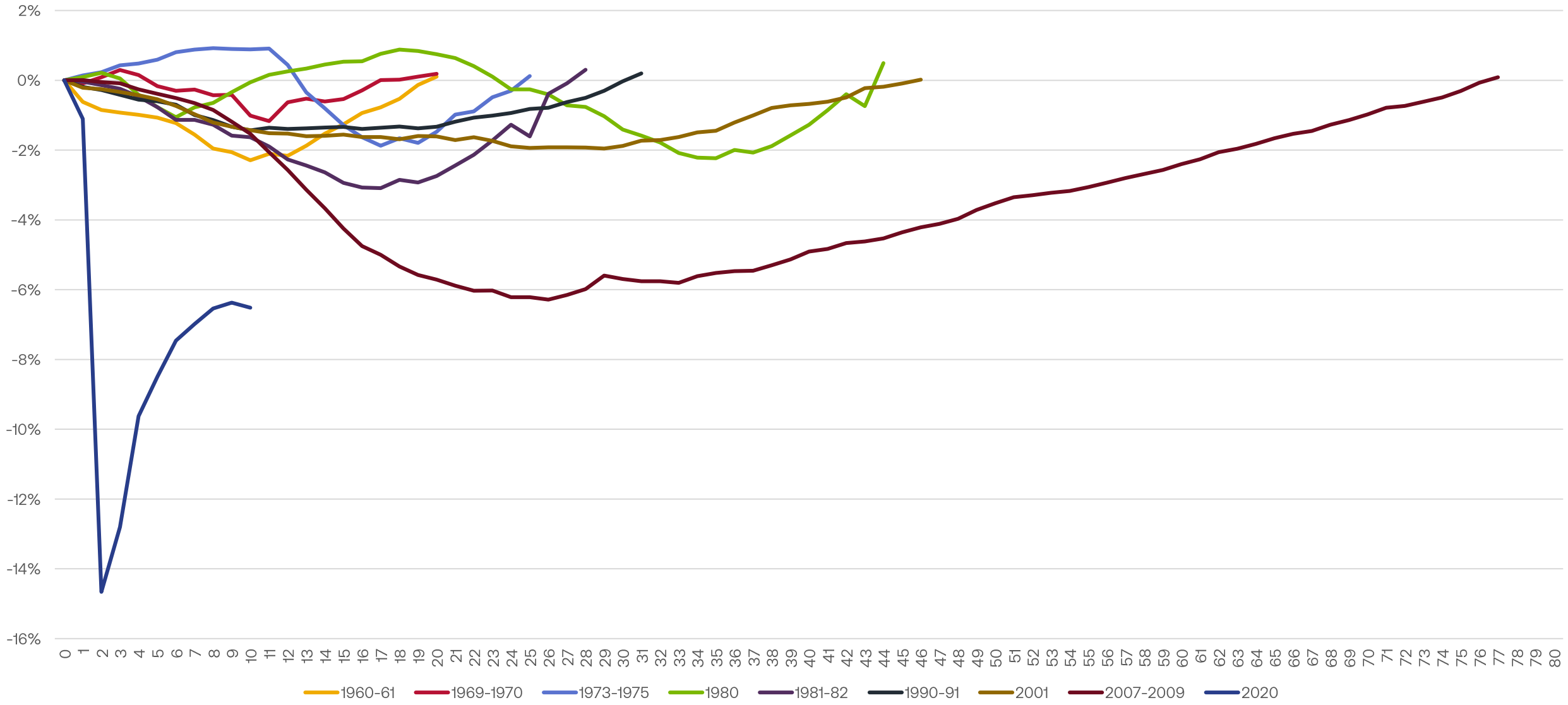


The screenshot shows a Bloomberg Wealth article. At the top, there is a navigation bar with links for 'Bloomberg the Company & Its Products', 'Bloomberg Terminal Demo Request', 'Bloomberg Anywhere Remote Login', and 'Bloomberg Customer Support'. Below this is a search bar and the 'Bloomberg Wealth' logo. The main image is a photograph of a modern brick apartment building with balconies. The article title is 'Living Danes Get 20-Year 0% Mortgages' by Frances Schwartzkopf, dated January 5, 2021. A small credit line at the bottom right of the image reads 'Photographer: Freya Ingrid Morales/Bloomberg'.

Employment Lagging Recovery



A Long Path to Full Recovery: Peak-to-Trough Employment



Global Forecast Outlook



	2020 Economic Growth	2021 Economic Growth	2022 Economic Growth	2020 Exchange Rate	2021 Exchange Rate	2022 Exchange Rate
	(GDP % Change)	(GDP % Change)	(GDP % Change)	(vs. USD)	(vs. USD)	(vs. USD)

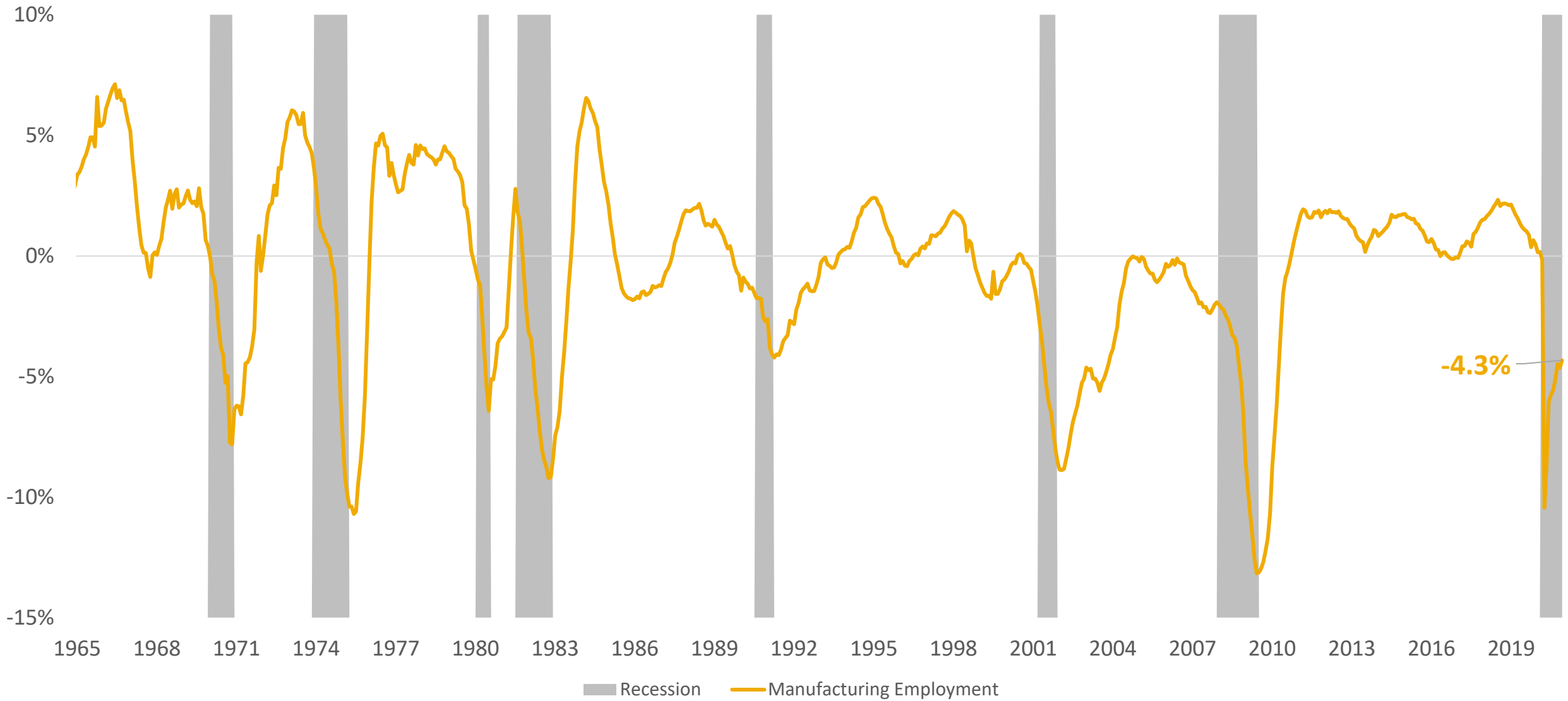
United States	-4.3%	4.2%	3.4%	N/A	N/A	N/A
Canada	-7.1%	4.5%	3.5%	1.27	1.28	1.26
Mexico	-8.9%	3.8%	3.1%	19.89	20.33	19.84
Euro Area	-6.8%	4.7%	3.8%	1.22	1.23	1.26
China	2.3%	8.2%	5.4%	6.52	6.46	6.50



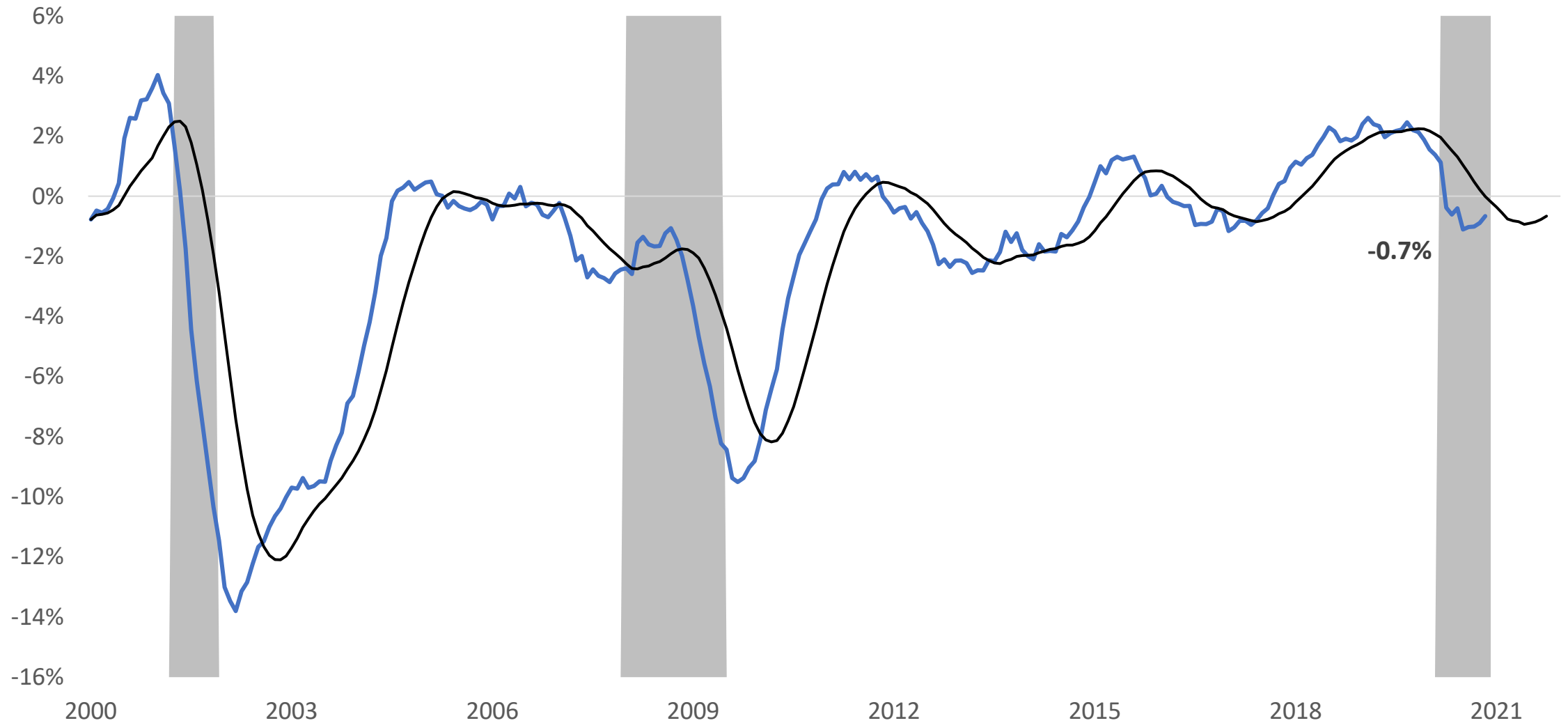
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Industry Outlook

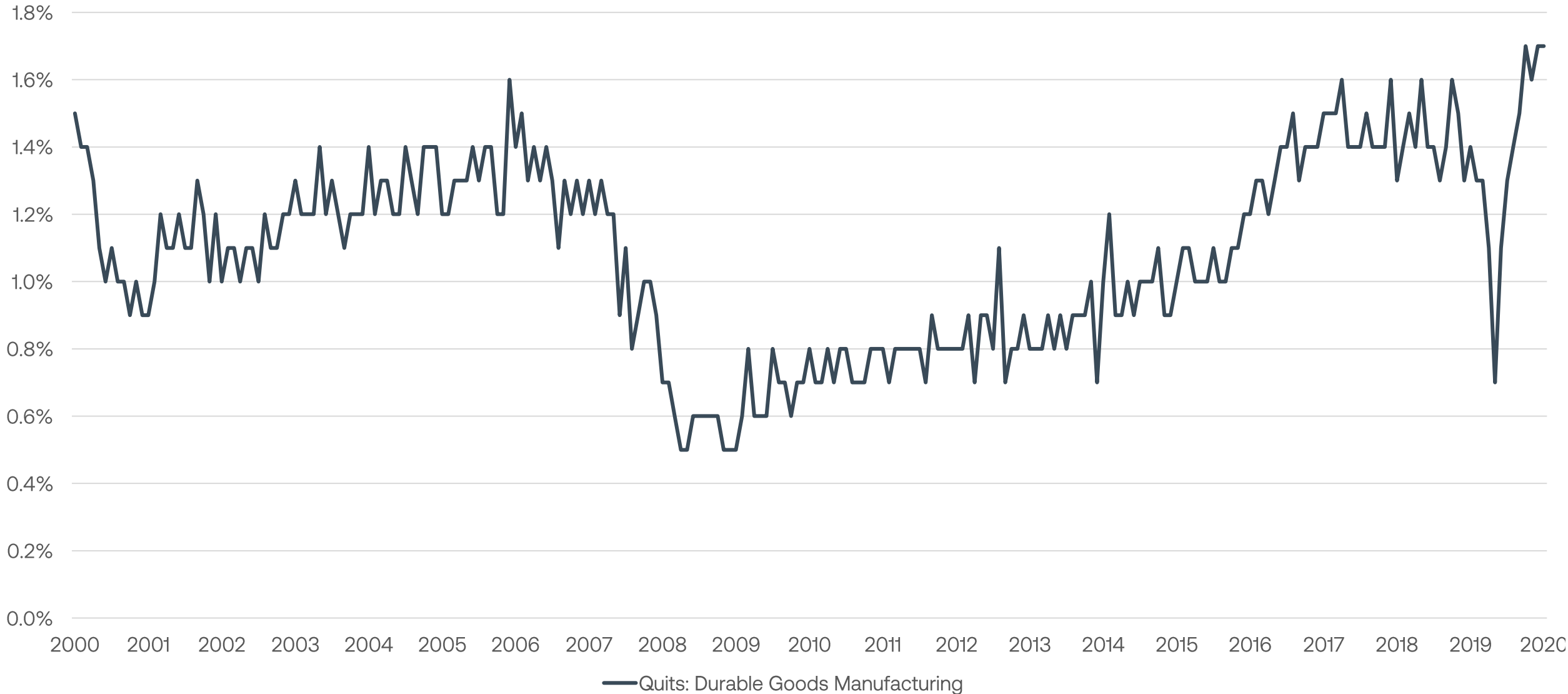
Manufacturing Enjoying Abnormal Employment Recovery



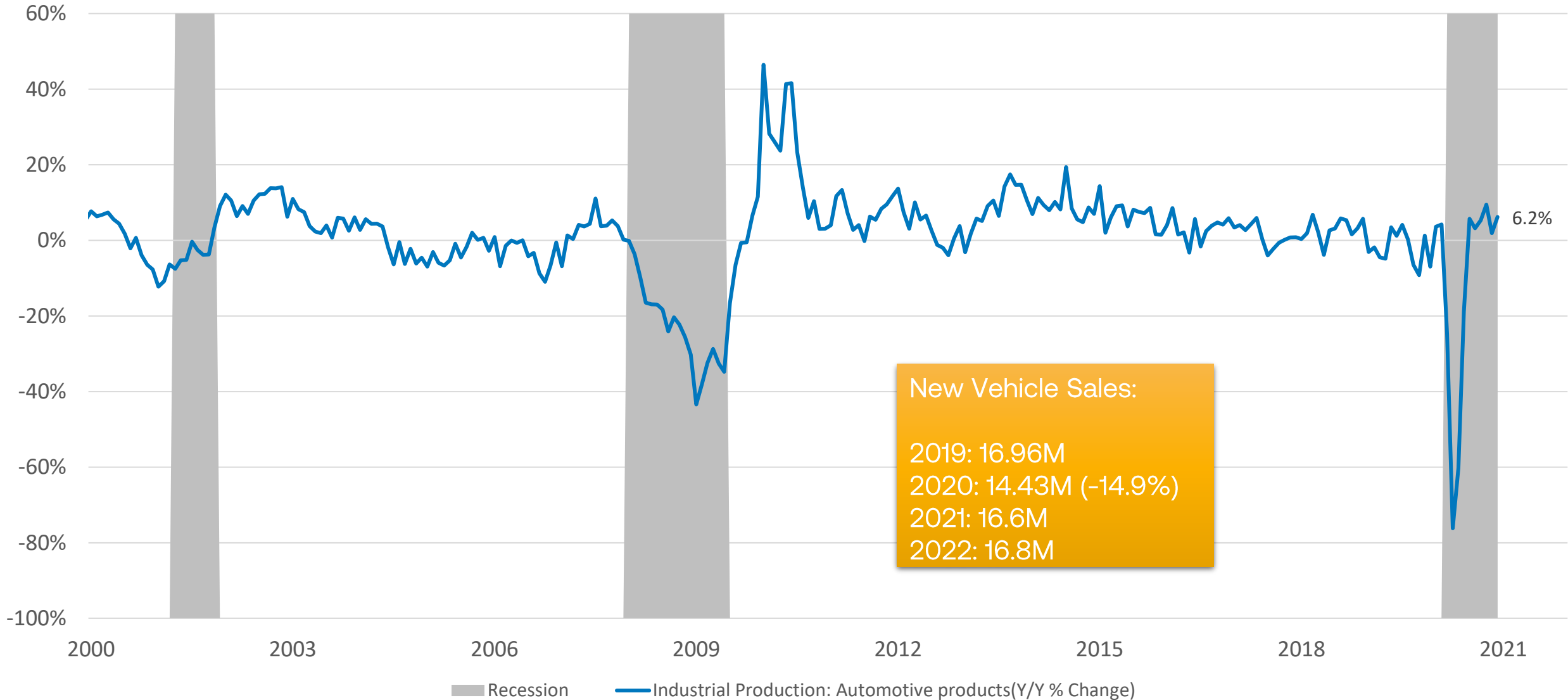
U.S. Electronics Industry Employment Close to Flat



Quit Rate has Never Been Higher for Durable Manufacturing



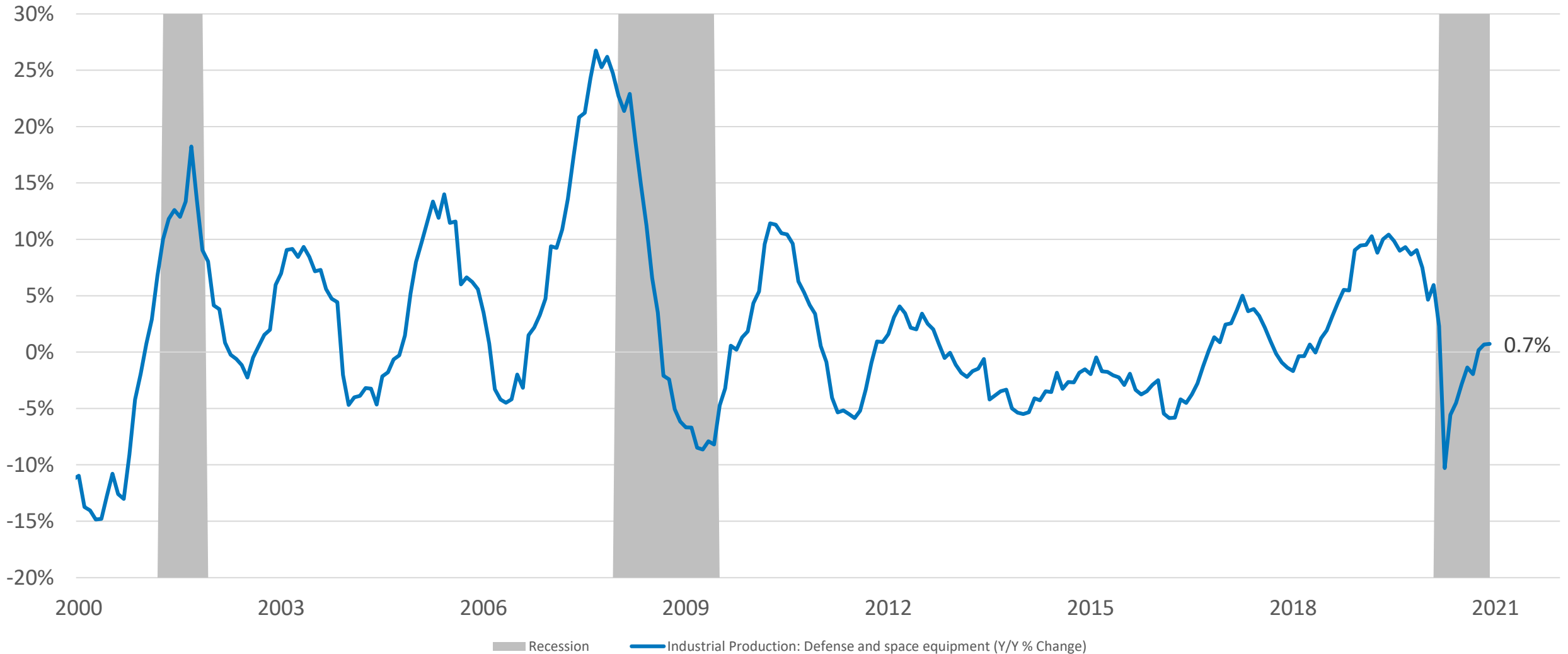
Auto's V-Shape Recovery



Defense and Space Equipment



Chart Title

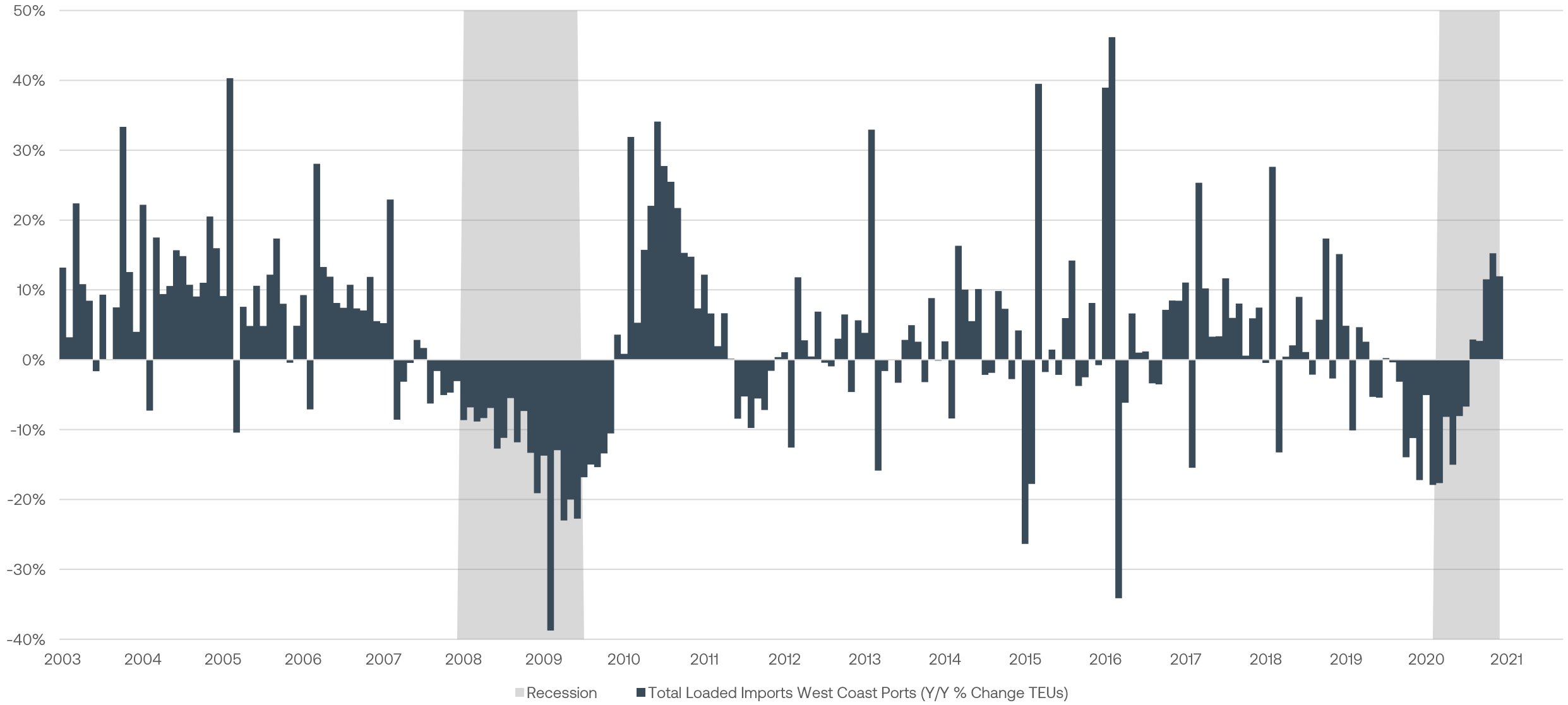




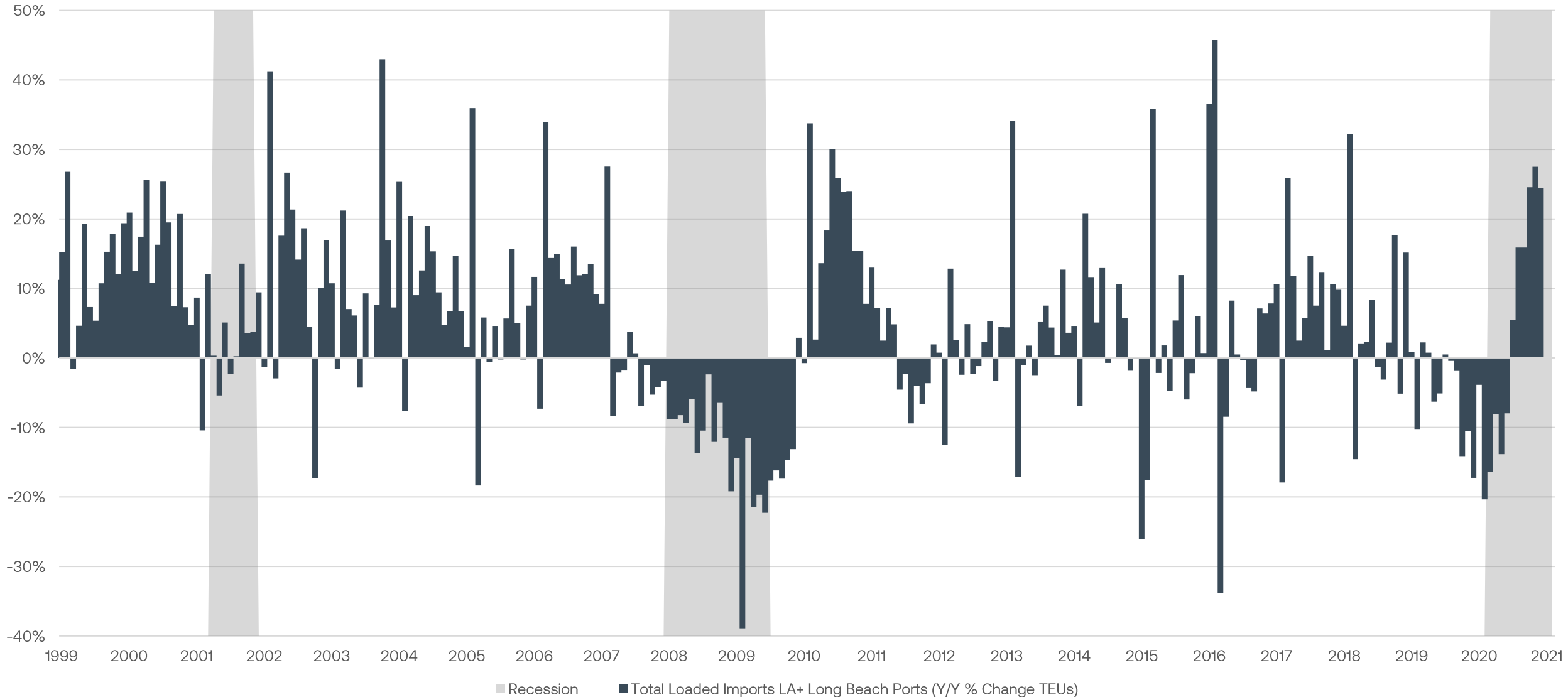
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Prices Pressures Remain High

Imports Accelerated in the Aftermath of the Pandemic

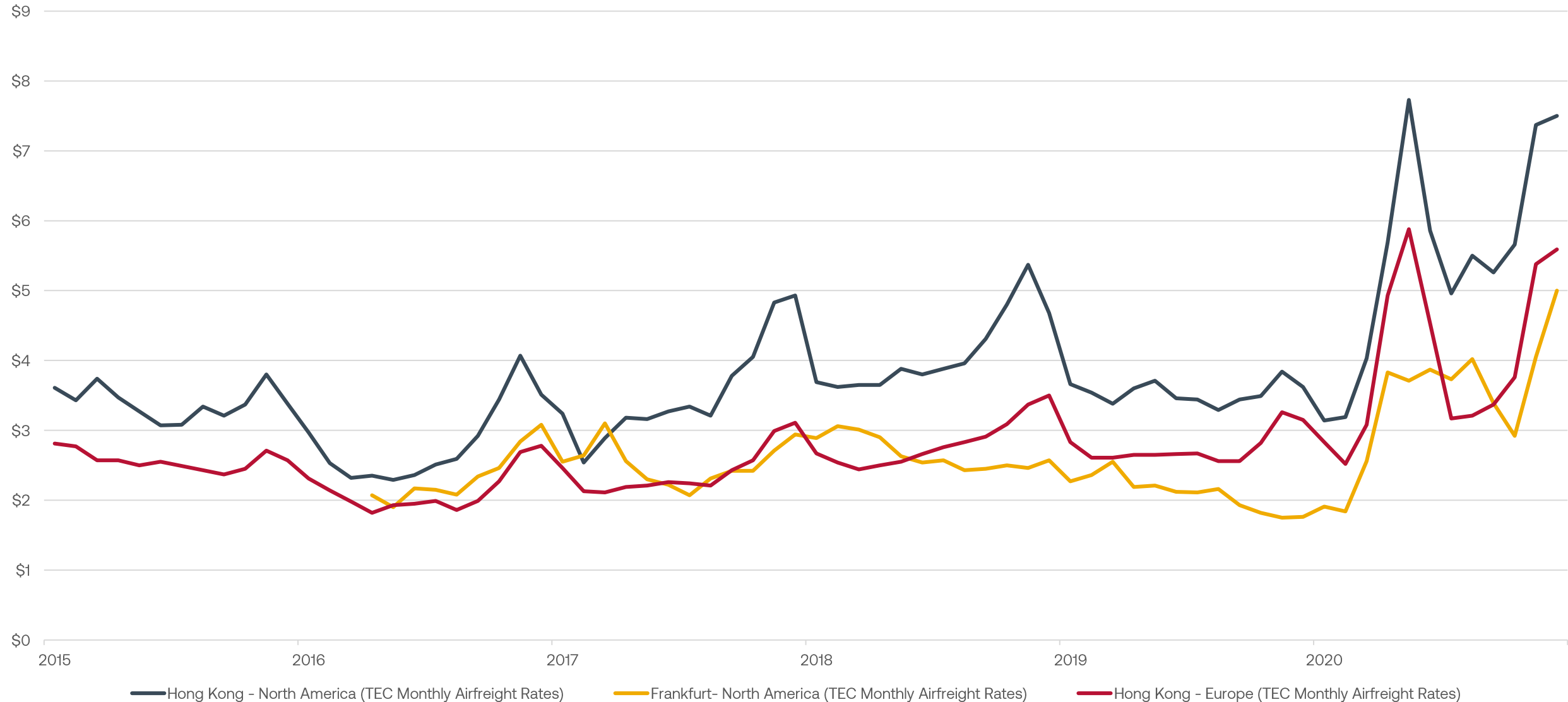


Port Activity at LA + Long Beach Exploded

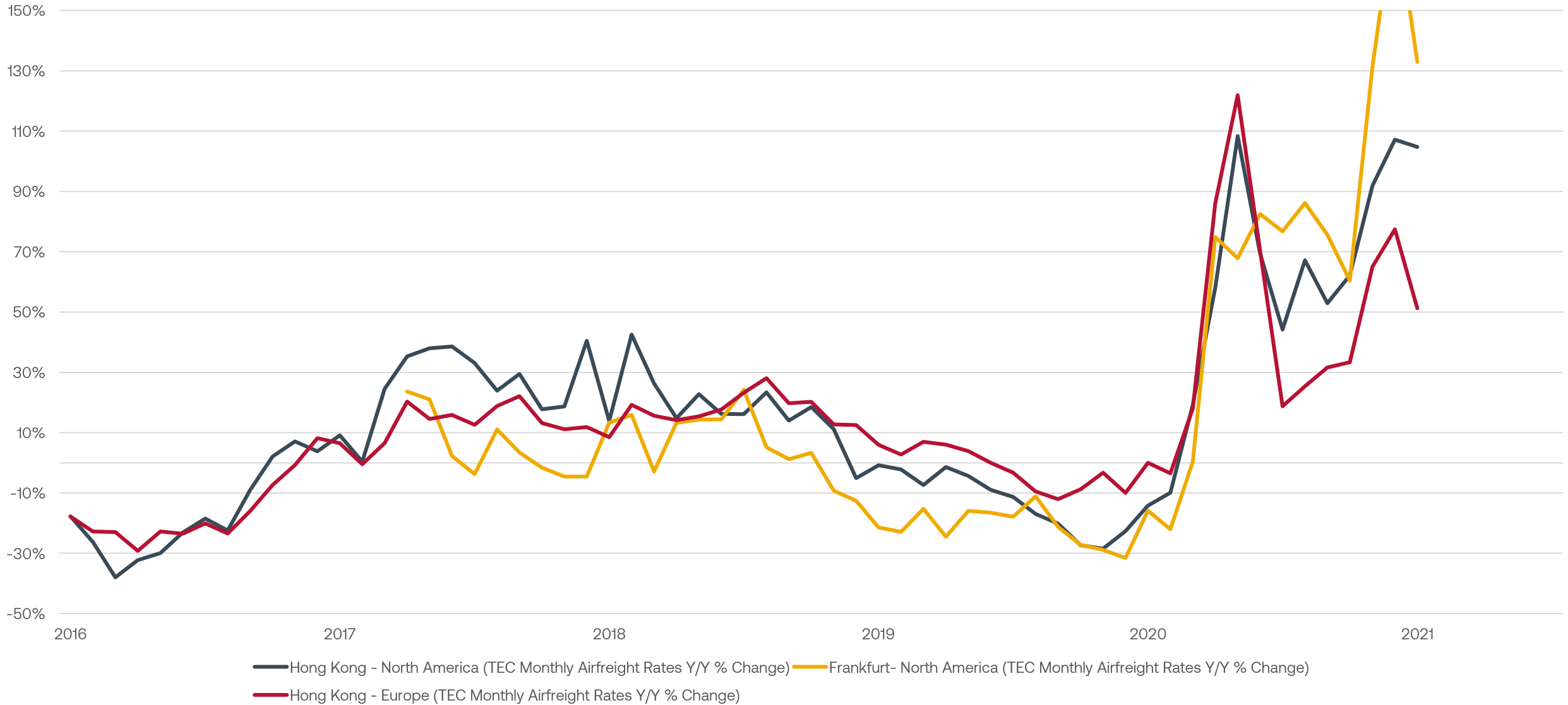




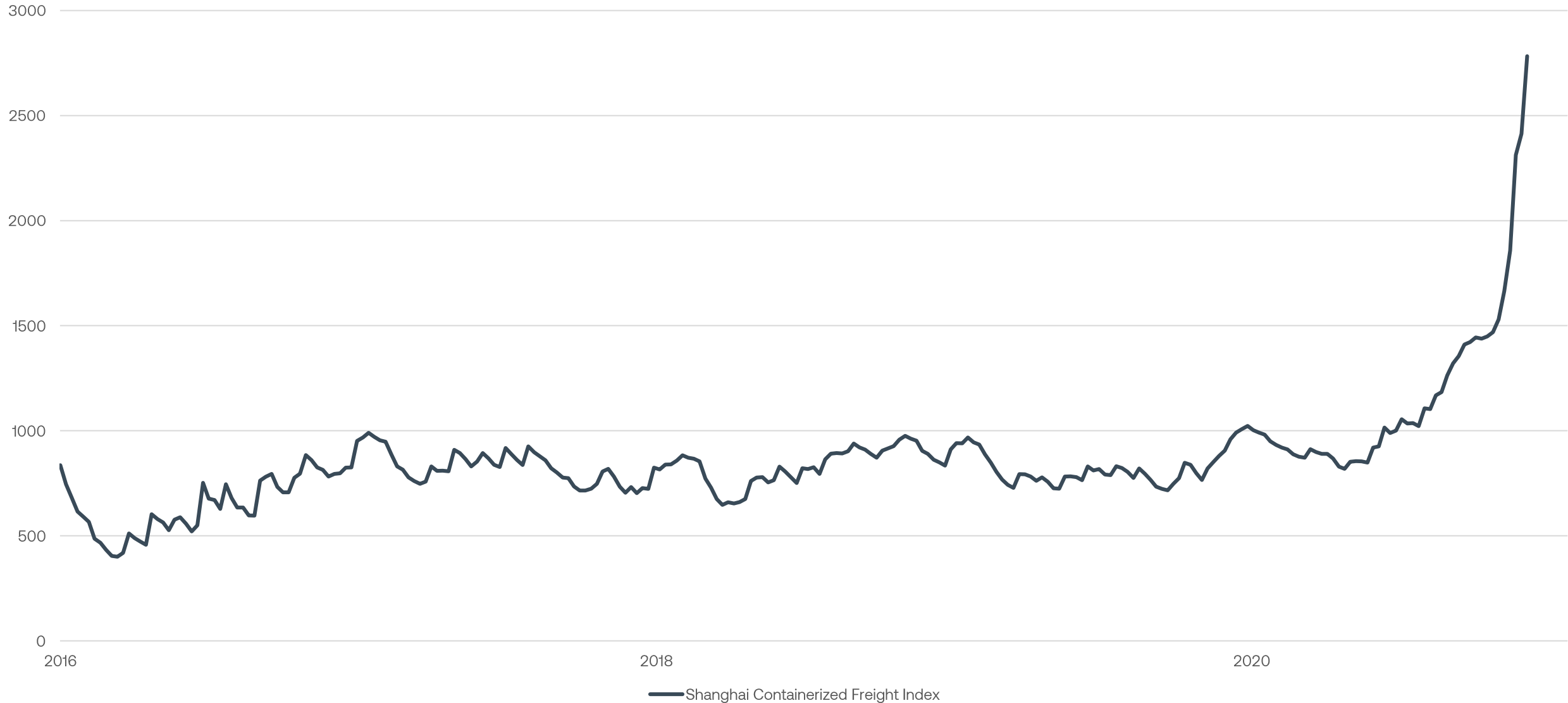
Airfreight Rates Remain Extremely Elevated



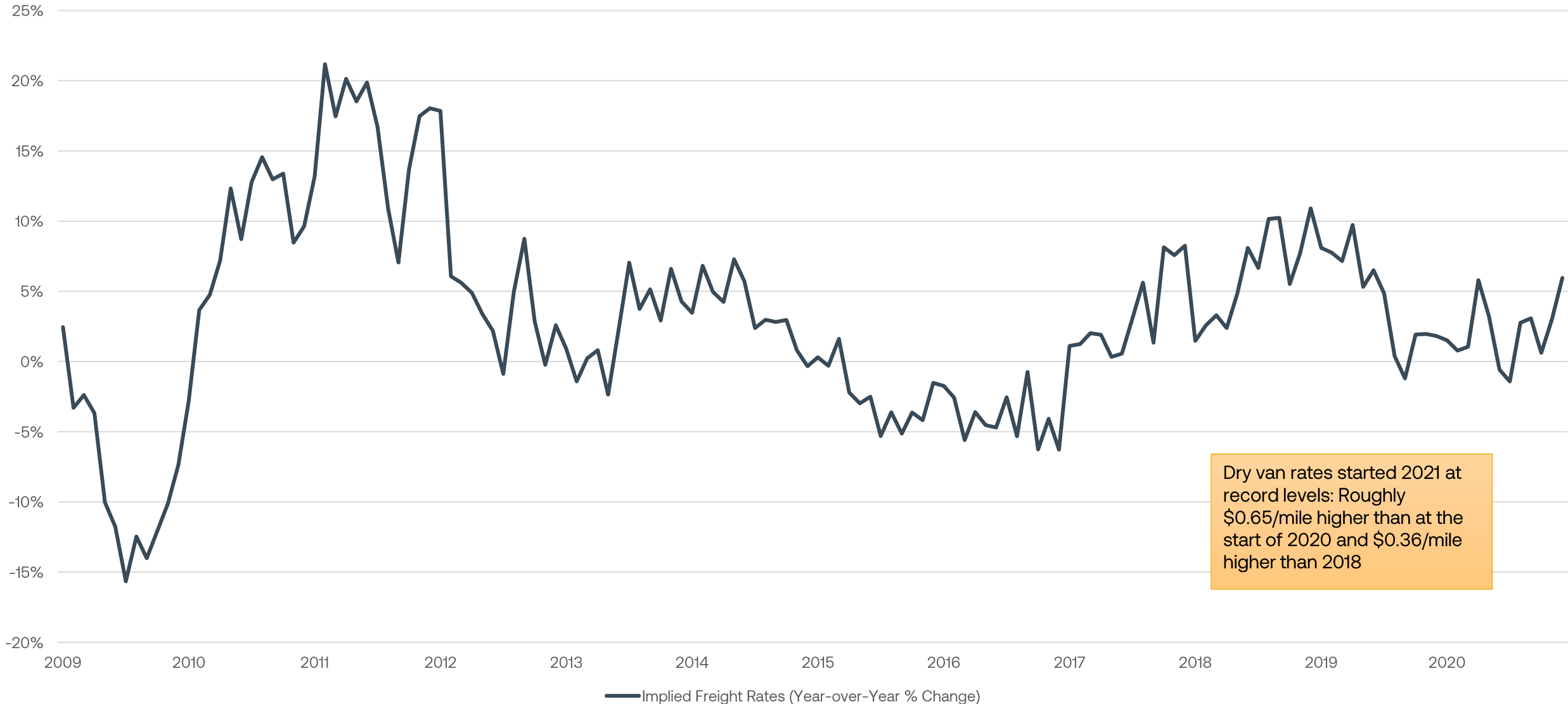
Airfreight Rates Remain Extremely Elevated



Freight Rates from China are High

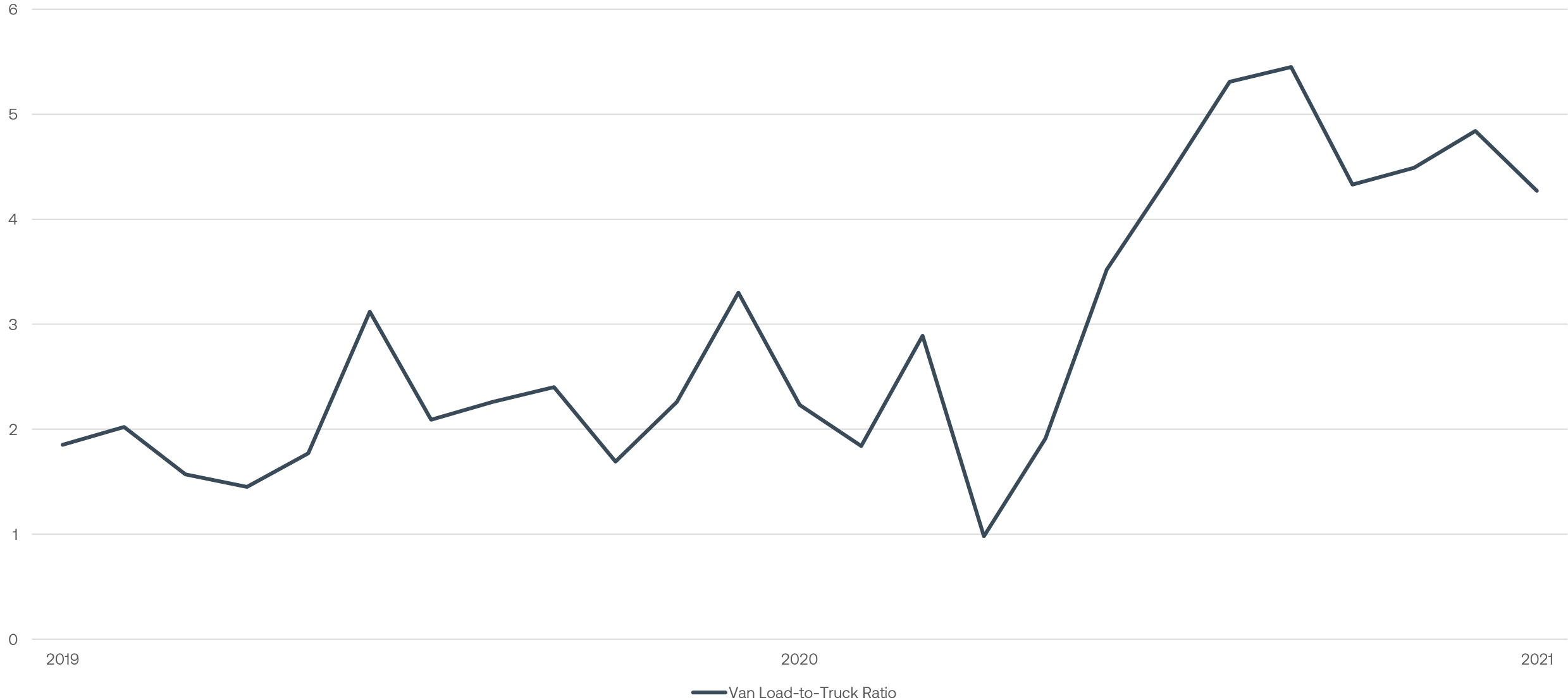


Overall Freight Rates in the US are also Up



Dry van rates started 2021 at record levels: Roughly \$0.65/mile higher than at the start of 2020 and \$0.36/mile higher than 2018

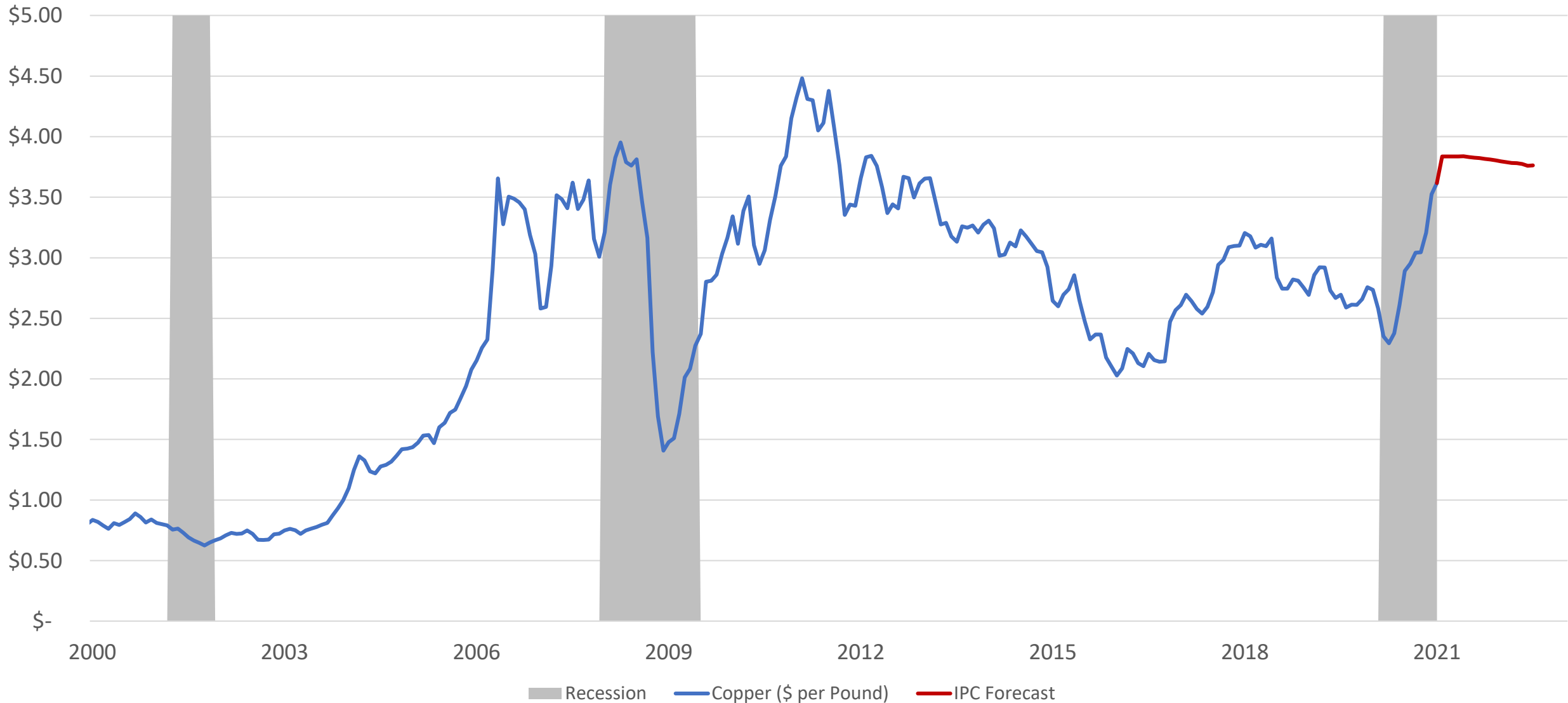
Capacity Constraints Remain High



Copper Prices Rising Quickly



Copper Prices Expected to Remain Elevated



- > Economic recovery will largely follow COVID trajectory. We believe we are through the worst of the COVID pandemic, though some risks remain
- > The economy performed better than expected in 2020, in large part to heavy monetary and fiscal stimulus. Growth slowed in the later part of 2020, as stimulus waned, but we avoided a “double dip”
- > The economy likely reaches pre-pandemic levels in 2021. The labor market will likely take much longer to recover. We don’t expect the labor market to recover to pre-pandemic levels until 2024.
- > COVID-related lockdown measures curtailed spending on services, and pushed spending on goods up strongly
- > Certain sectors (autos, defense) are already at pre-pandemic levels. Other sectors will take a longer to recover.
- > As we emerge from the shadow of COVID, consumer spending on services will return (Revenge Spending). Spending on goods could see headwinds in the second half of 2021.
- > Costs are up everywhere. Expect price pressures to remain through the year

Questions:

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