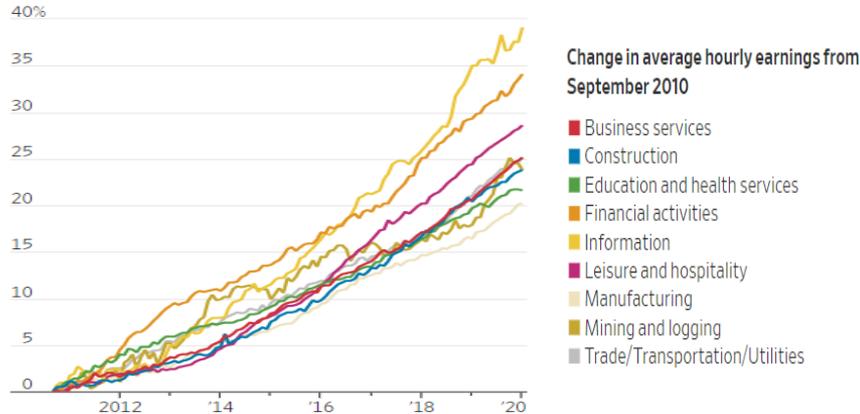


February 10th, 2020

U.S. Economy Adds Jobs For 112th Straight Month

- The American economy added roughly 225,000 jobs in January, fueled by strong labor market and consistent wage growth
- In January, Americans aged 24-54 working or looking for work ticked up to 83.1%, reaching its highest point since 2008



Note: Seasonally adjusted. Figures are preliminary for the two most recent months of data.
Source: Labor Department

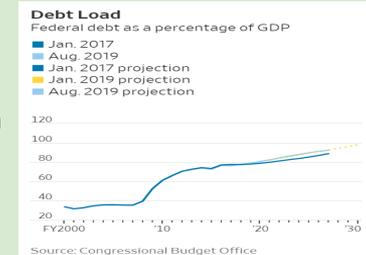
China To Cut Tariffs On \$75 Billion U.S. Imports

- China announces it will be cutting tariffs on U.S. imports in half
- This comes as a response to the recently signed trade agreement between the U.S. and China
- The U.S. will also be cutting tariffs on Chinese imports in February



White House To Propose A \$4.8 Trillion Budget

- Budget will include cuts to Medicare and Medicaid, with increases to military and veteran funding
- Proposal aims to reduce the federal deficit by \$4.6 Trillion over the next decade



Source: Congressional Budget Office

U.S. Economy Adds Jobs For 112th Straight Month

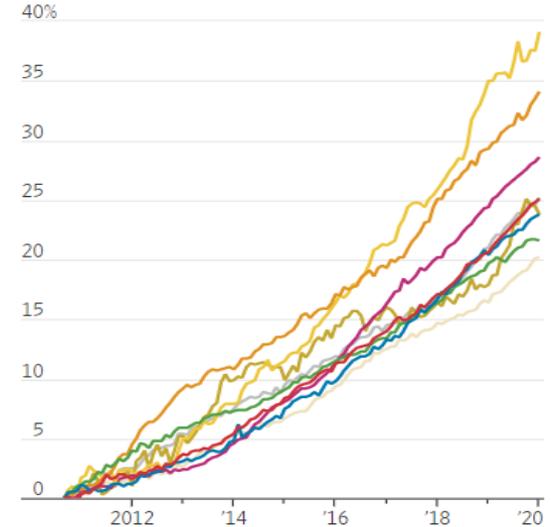
- Employers in the U.S. added 225,000 jobs to the economy, with the unemployment rate remaining steady at 3.6%
- Wage growth slightly grew year over year, posting a 3.1% increase in 2019 after 3% in 2018
- Even with recent risk such as the coronavirus outbreak, strong labor market should broaden growth of overall economy, prompting newly employed Americans to spend their earnings
- Companies have been drawing from larger pools of workers to fill open positions
- Nearly 3 out of 4 Americans who have found a job in recent months came from outside the labor force, meaning they were not actively looking for a job

Sources:

<https://www.wsj.com/articles/january-jobs-report-11581076802>

https://www.wsj.com/articles/americans-joining-workforce-at-record-rate-11581106199?tesla=y&mod=article_inline&mod=article_inline

Change in average hourly earnings from September 2010



Note: Seasonally adjusted. Figures are preliminary for the two most recent months of data.

Source: Labor Department



China To Cut Tariffs On \$75 Billion U.S. Imports

- Chinese government announces it will cut tariffs currently in place on U.S. imports. Some goods set at a 10% rate will be cut to 5% and the goods currently taxed at 5% will be cut to 2.5%
- The United States will cut tariffs on \$120 Billion Chinese imports in February, lower its current rates current at 15% on electronics and apparel to 7.5%
- China has also promised to increase purchasing of American goods by about \$200 Billion dollars over the next two years, a number some experts believe is unreachable

Sources:

https://www.wsj.com/articles/china-to-cut-tariffs-on-75-billion-of-u-s-goods-11580967540?mod=hp_lead_pos2



White House To Propose A \$4.8 Trillion Budget

- President Trump to release his budget 2/10/2020, with proposed cuts in excess of \$4.4 trillion over the next decade
- Budget cuts are mostly to social safety-net programs, such as Medicare and Medicaid
- The administration is looking to cut non-defense spending by 5%, a number above what was previously discussed by the President and Congress
- The plan also includes a proposed \$2 billion to be allocated to the construction of a border wall between the U.S. and Mexico
- The plan assumes the 2017 tax cuts, which will expire in 2025, will be extended

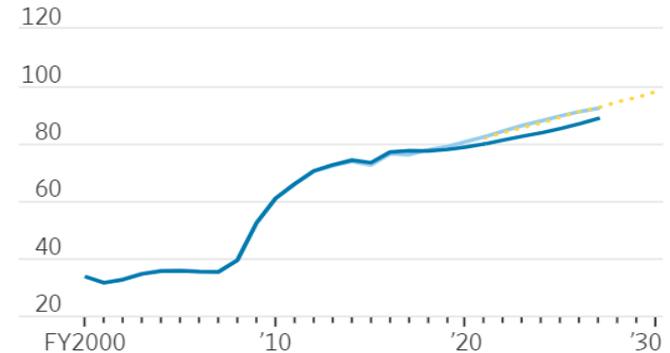
Sources:

https://www.wsj.com/articles/trump-to-propose-4-8-trillion-budget-with-big-safety-net-cuts-11581274525?mod=hp_lead_pos1

Debt Load

Federal debt as a percentage of GDP

- Jan. 2017
- Aug. 2019
- Jan. 2017 projection
- Jan. 2019 projection
- Aug. 2019 projection



Source: Congressional Budget Office

