## Economic and Market Update

### 6/30/20

<table>
<thead>
<tr>
<th>Item</th>
<th>6/30/20</th>
<th>3/31/20</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Payrolls Monthly Change</td>
<td>4,800,000</td>
<td>(1,373,000)</td>
<td>6,173,000</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>11.1%</td>
<td>4.4%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Labor Force Participation</td>
<td>61.5%</td>
<td>62.7%</td>
<td>(1.2%)</td>
</tr>
<tr>
<td>Effective Fed Funds Rate</td>
<td>0.08%</td>
<td>0.08%</td>
<td>0.00%</td>
</tr>
<tr>
<td>3 Month T-Bill</td>
<td>0.14%</td>
<td>0.09%</td>
<td>0.05%</td>
</tr>
<tr>
<td>2 Year T-Note</td>
<td>0.15%</td>
<td>0.25%</td>
<td>(0.10%)</td>
</tr>
<tr>
<td>3 Year T-Note</td>
<td>0.17%</td>
<td>0.30%</td>
<td>(0.12%)</td>
</tr>
<tr>
<td>5 Year T-Note</td>
<td>0.29%</td>
<td>0.38%</td>
<td>(0.09%)</td>
</tr>
<tr>
<td>10 Year T-Note</td>
<td>0.66%</td>
<td>0.67%</td>
<td>(0.01%)</td>
</tr>
<tr>
<td>U.S. Fed Debt Avg Yield*</td>
<td>1.80%</td>
<td>2.21%</td>
<td>(0.41%)</td>
</tr>
<tr>
<td>30 Year Mortgage Rate</td>
<td>3.27%</td>
<td>3.86%</td>
<td>(0.59%)</td>
</tr>
<tr>
<td>1-5 Yr Agency Spread</td>
<td>0.14%</td>
<td>0.26%</td>
<td>(0.12%)</td>
</tr>
<tr>
<td>1-5 Yr A-AAA Corporate Spread</td>
<td>0.55%</td>
<td>1.88%</td>
<td>(1.33%)</td>
</tr>
<tr>
<td>Dow Jones</td>
<td>25,813</td>
<td>21,917</td>
<td>17.8%</td>
</tr>
<tr>
<td>S&amp;P 500</td>
<td>3,100</td>
<td>2,585</td>
<td>20.0%</td>
</tr>
<tr>
<td>Consumer Price Index YOY*</td>
<td>0.1%</td>
<td>1.5%</td>
<td>(1.4%)</td>
</tr>
<tr>
<td>U.S. Avg Regular Unleaded</td>
<td>$2.18</td>
<td>$1.98</td>
<td>$0.20</td>
</tr>
<tr>
<td>Retail Sales YOY*</td>
<td>-6.5%</td>
<td>-5.6%</td>
<td>(0.9%)</td>
</tr>
<tr>
<td>Case-Shiller Home Prices YOY*</td>
<td>4.0%</td>
<td>3.9%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Gold (per ounce)</td>
<td>$1,780.96</td>
<td>$1,577.18</td>
<td>$203.78</td>
</tr>
<tr>
<td>Dollar Index</td>
<td>97.39</td>
<td>99.05</td>
<td>(1.66%)</td>
</tr>
<tr>
<td>Consumer Confidence</td>
<td>98.1</td>
<td>118.8</td>
<td>(20.7%)</td>
</tr>
</tbody>
</table>

*Estimates for the current quarter/month, some data are lagged

Sources: FHN Main Street and Bloomberg
**Economic and Market Update**

**6/30/20**

**U.S. GDP (Quarter over Quarter Annualized)***

*Real Rate (Inflation Adjusted)*

**Source:** Bureau of Economic Analysis

**Estimate:** Bloomberg's Survey of Economists

**As of:** 6/30/2020
Economic and Market Update
6/30/20

Percent

U.S. Annual GDP *

* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists
As of: 6/30/2020
12 Month Average Job Change: -1,079,750

Source: Bureau of Labor Statistics
Source: Bureau of Labor Statistics
Weekly Initial Jobless Claims is the actual number of people who have filed for Unemployment benefits for the first time. The following five eligibility criteria must be met in order to file for unemployment benefits: 1. Meet the requirements of time worked during a 1 year period (full time or not). 2. Become unemployed through no fault of your own (cannot be fired). 3. Must be able to work; no physical or mental holdbacks. 4. Must be available for work. 5. Must be actively seeking work.

Source: Department of Labor and Bloomberg
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U.S. Real* Retail Sales YOY % Change

*Real: Inflation Adjusted

Source: U.S. Census Bureau

U.S. Consumer Confidence

Source: Conference Board
CPI and CPIX YOY % Change

- CPI
- CPIX

CPIX: Consumer Price Index, excluding food and energy

PCE and PCEC YOY % Change

- PCE
- PCEC

PCEC: Personal Consumption Expenditure Core

Source: Bureau of Labor Statistics and Bureau of Economic Analysis
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Case-Shiller 20 City U.S. Home Price Index
YOY % Increase

Source: Case-Shiller

U.S. New and Existing Home Sales

Sources: New (U.S. Census Bureau), Existing (National Assoc. of Realtors)
Seasonally Adjusted Annual Rate
U.S. Federal Debt Outstanding

U.S. Treasury Interest Bearing Debt Avg Rate

Source: U.S. Treasury
Fed Funds Anticipated Rate from the June 10, 2020 FOMC Meeting

Source: Bloomberg
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Source: Bloomberg
Figures may not total due to rounding

### U.S. Treasury Yield Curve Change

- **6/30/20**
- **3/31/20**

### Basis Point Change

<table>
<thead>
<tr>
<th>Maturity</th>
<th>6/30/20</th>
<th>3/31/20</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>3M</td>
<td>0.14</td>
<td>0.09</td>
<td>0.05</td>
</tr>
<tr>
<td>6M</td>
<td>0.16</td>
<td>0.15</td>
<td>0.01</td>
</tr>
<tr>
<td>1Y</td>
<td>0.15</td>
<td>0.16</td>
<td>-0.01</td>
</tr>
<tr>
<td>2Y</td>
<td>0.15</td>
<td>0.25</td>
<td>-0.10</td>
</tr>
<tr>
<td>3Y</td>
<td>0.17</td>
<td>0.30</td>
<td>-0.12</td>
</tr>
<tr>
<td>5Y</td>
<td>0.29</td>
<td>0.38</td>
<td>-0.09</td>
</tr>
<tr>
<td>10Y</td>
<td>0.66</td>
<td>0.67</td>
<td>-0.01</td>
</tr>
<tr>
<td>30Y</td>
<td>1.41</td>
<td>1.32</td>
<td>0.09</td>
</tr>
</tbody>
</table>

Source: Bloomberg
Figures may not total due to rounding
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U.S. Treasury Yields: 3M and 1Y

U.S. Treasury Yields: 2Y and 5Y

Source: Bloomberg
U.S. Treasury Yields 2Yr and 5Yr - Fed Funds Target Rate

Source: Bloomberg
Global Treasury Rates

<table>
<thead>
<tr>
<th>Country</th>
<th>2 Year Yields</th>
<th>5 Year Yields</th>
<th>10 Year Yields</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>0.29%</td>
<td>0.36%</td>
<td>0.59%</td>
</tr>
<tr>
<td>Australia</td>
<td>0.25%</td>
<td>0.39%</td>
<td>0.87%</td>
</tr>
<tr>
<td>USA</td>
<td>0.15%</td>
<td>0.29%</td>
<td>0.66%</td>
</tr>
<tr>
<td>Italy</td>
<td>0.07%</td>
<td>0.09%</td>
<td>0.53%</td>
</tr>
<tr>
<td>England</td>
<td>-0.09%</td>
<td>-0.06%</td>
<td>-0.11%</td>
</tr>
<tr>
<td>Japan</td>
<td>-0.15%</td>
<td>-0.09%</td>
<td>0.46%</td>
</tr>
<tr>
<td>Spain</td>
<td>-0.42%</td>
<td>-0.14%</td>
<td>0.17%</td>
</tr>
<tr>
<td>Portugal</td>
<td>-0.48%</td>
<td>-0.52%</td>
<td>0.47%</td>
</tr>
<tr>
<td>France</td>
<td>-0.62%</td>
<td>-0.64%</td>
<td>0.53%</td>
</tr>
<tr>
<td>Germany</td>
<td>-0.70%</td>
<td>-0.72%</td>
<td>-0.11%</td>
</tr>
<tr>
<td>Switzlnd</td>
<td>-0.72%</td>
<td>-0.64%</td>
<td>-0.46%</td>
</tr>
</tbody>
</table>

Source: Bloomberg
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Spread: 1-5Yr Agency vs Treasury

Current Spread is 14

Spread: 1-5Yr A-AAA Corporate vs Treasury

Current Spread is 55

ICE BofAML Index (option adjusted spread vs. Treasury)
1-5Yr Non-Callable Agency (GVPB)

ICE BofAML Index (option adjusted spread vs. Treasury)
Corporate A-AAA Excluding Yankee (CVAC)

Source: ICE BofAML Indices
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- **ICE BofAML Index (option adjusted spread vs. Treasury)**
- **AAA Rated ABS (R0A1)**

*ICE BofAML Index (option adjusted spread vs. Treasury)
AAA Rated ABS (R0A1)

Source: ICE BofAML Indices
Selected Sector Quarterly Total Returns

-16.7  1.9  0.2  0.6  3.1  4.7  5.2  6.4  8.4  12.7  13.5  15.5  18.3  18.6  20.2  20.8  22.1  24.1  30.3  30.5

Percent

Source: Bloomberg
Selected Sector Year-Over-Year Total Returns

Source: Bloomberg
Hopes of Economy Reopening as COVID Cases Decline

New Cases of COVID Stabilize

CARES Act Allows Fed to Provide Up to $2.3T in Loans

Oil Prices Fall Below $0

Fed Fund Futures Trade With Negative Yields

U.S./China Tensions Escalate

U.S. Terminates Relationship With WHO

Florida and Texas Halt Reopening Plans as COVID Cases Jump

Positive Vaccine Data Reported

Jobs Report Much Stronger Than Expected

IMF Substantially Downgrades Global GDP Forecasts

IMF Warns of Soaring Debt Levels

FOMC Forecasts No Rate Increases Through 2022

Sources: Bloomberg, FHN Main Street
Economic and Market Update
6/30/20

Dow Jones Industrial Average

Sources: Bloomberg, FHN Financial, FHN Main Street
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