

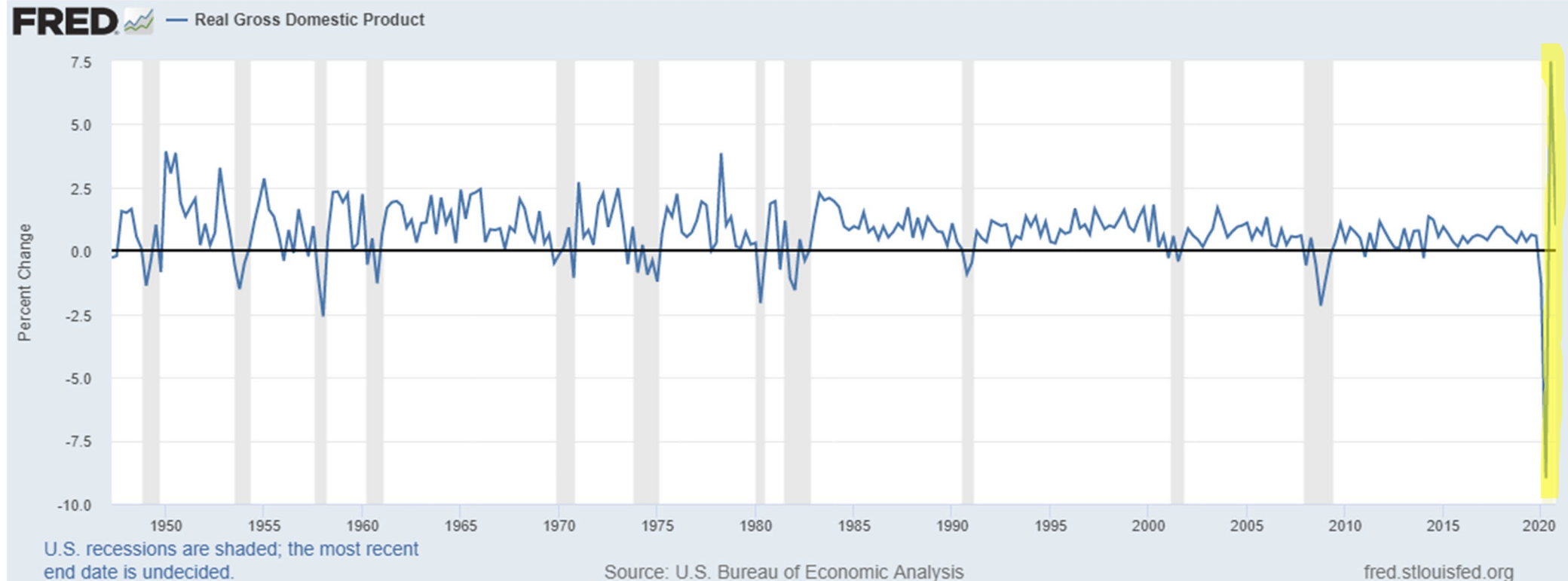
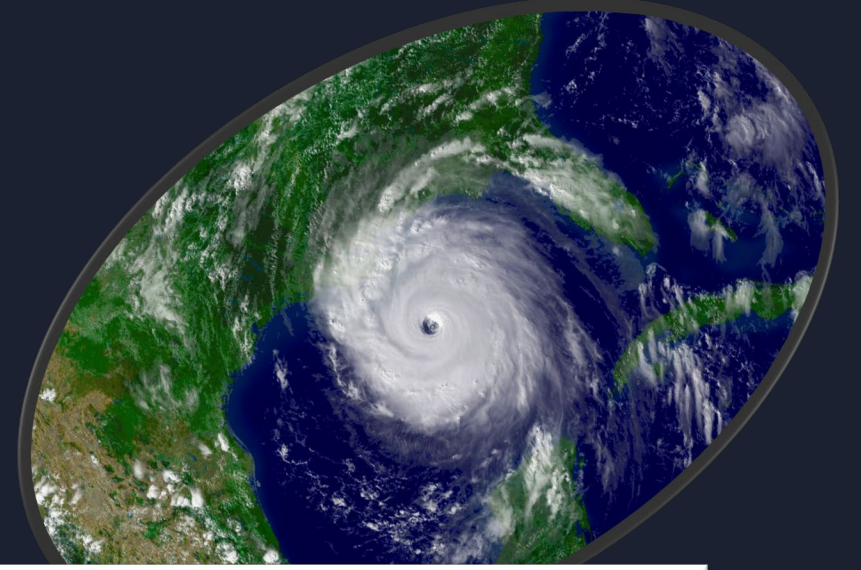


US Economy Recovers

Dr. Sherry Cooper

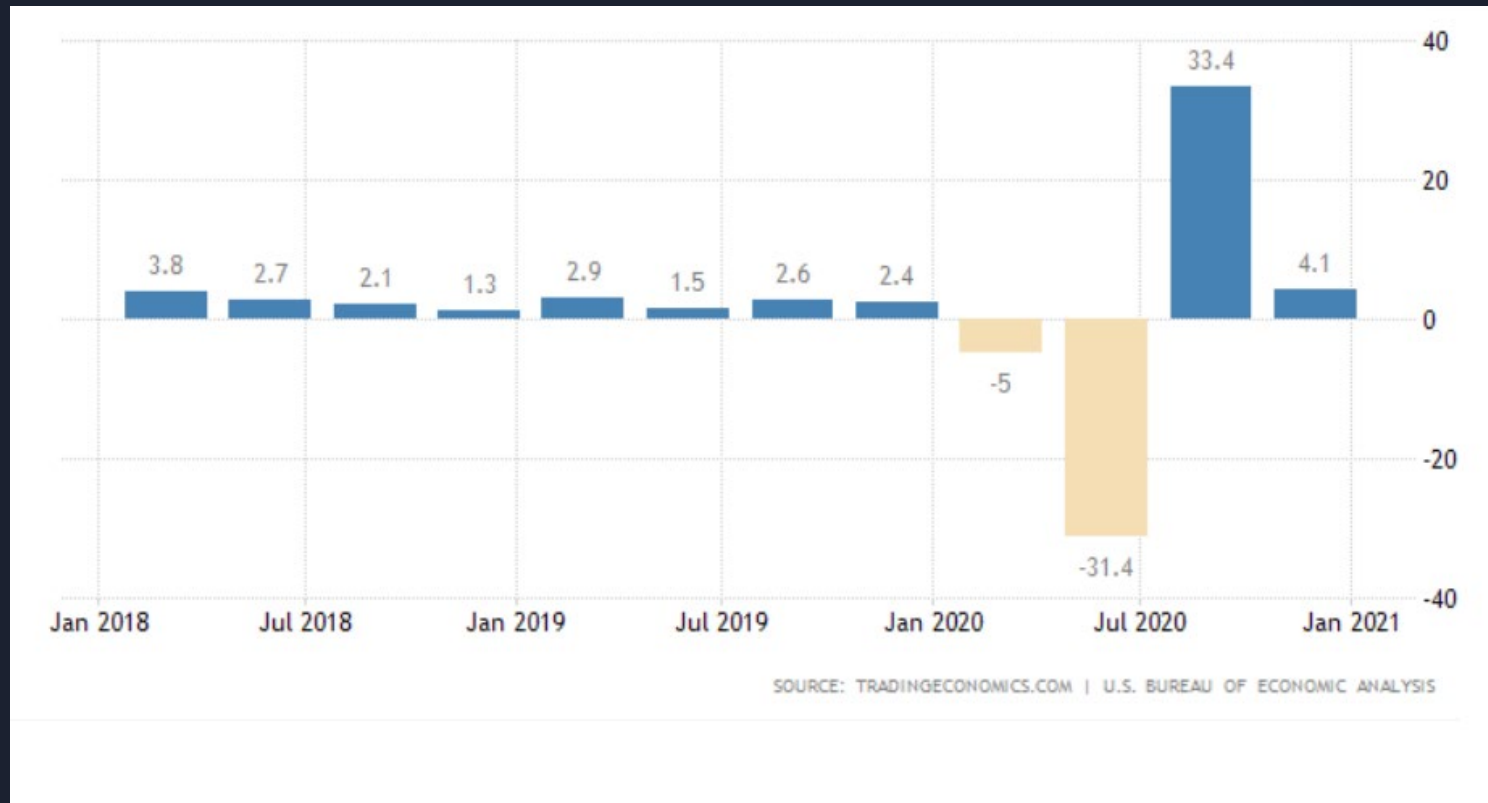
March 19, 2021

A Natural Disaster—Not A Typical Recession

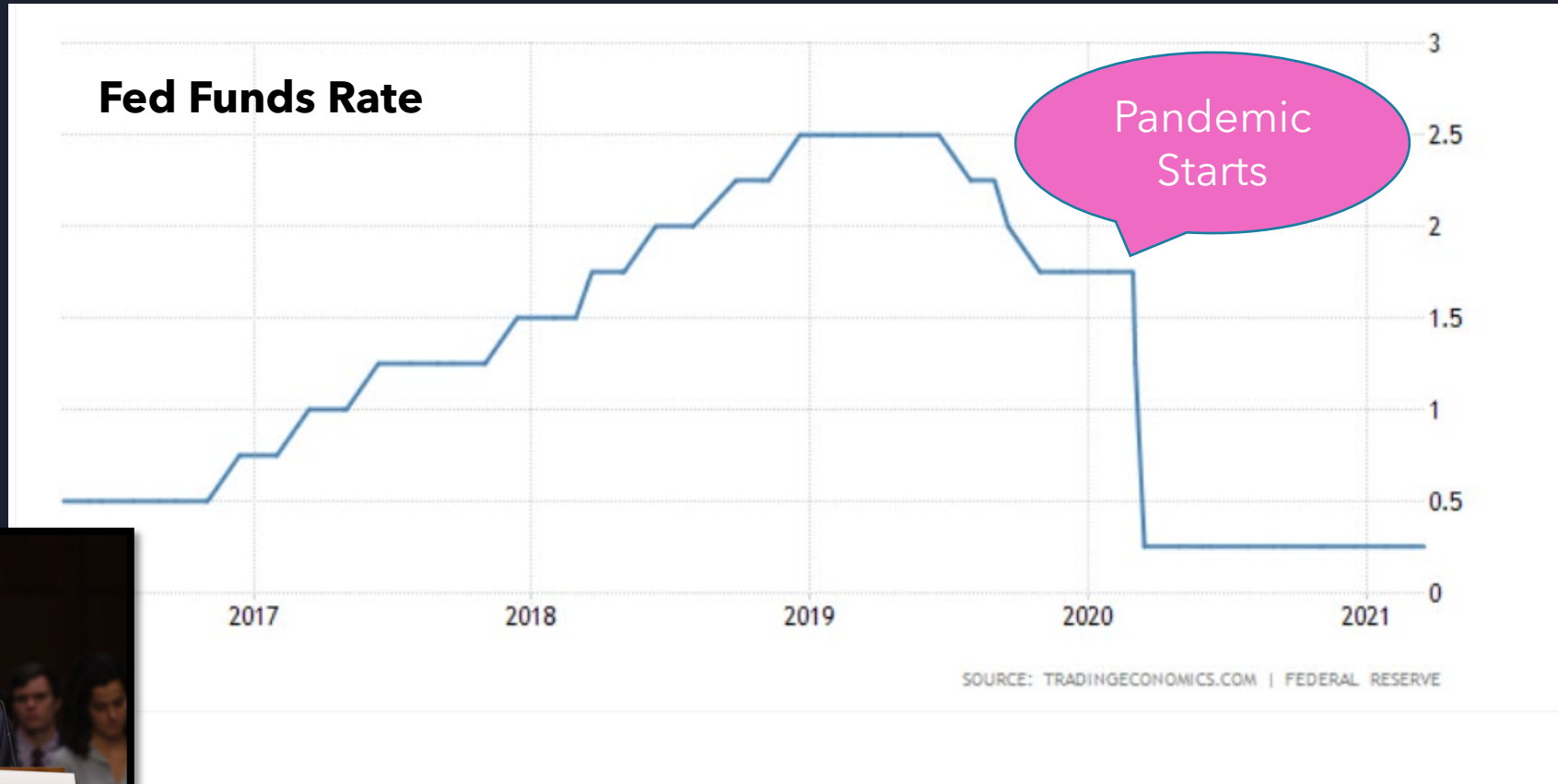


COVID-19

Economy Is In a Medically Induced Coma



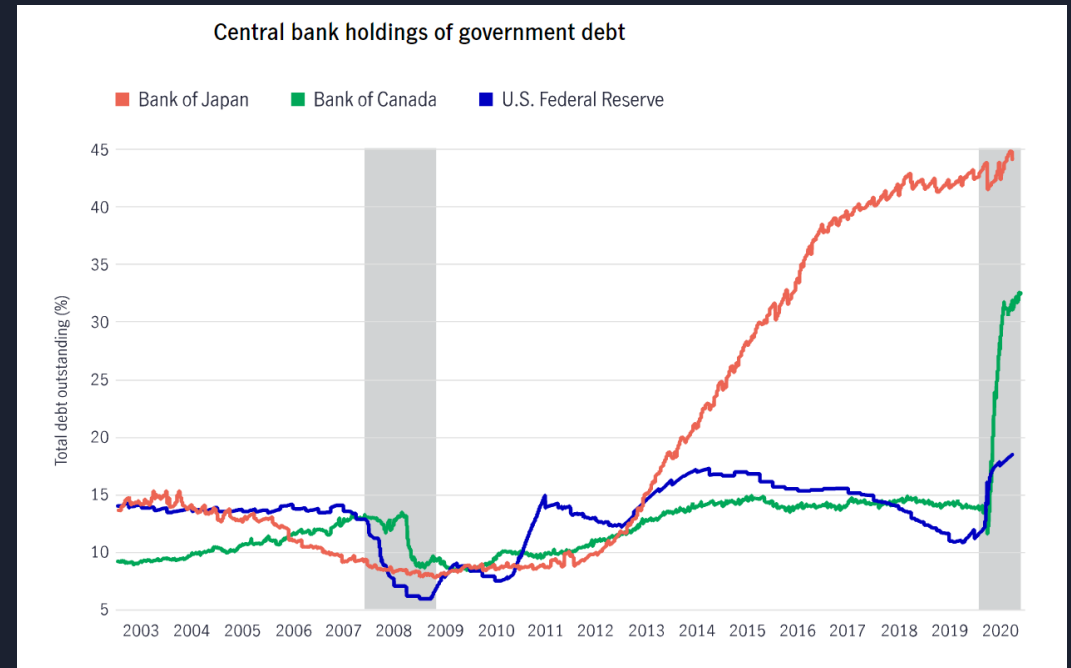
Fed To The Rescue—Cut Overnight Interest Rate to Record Low



Fed Bond-Buying Stimulus



- Fed is buying \$80b in Treasuries and \$40b in Agency Mortgage-Backed Securities per month across the yield curve

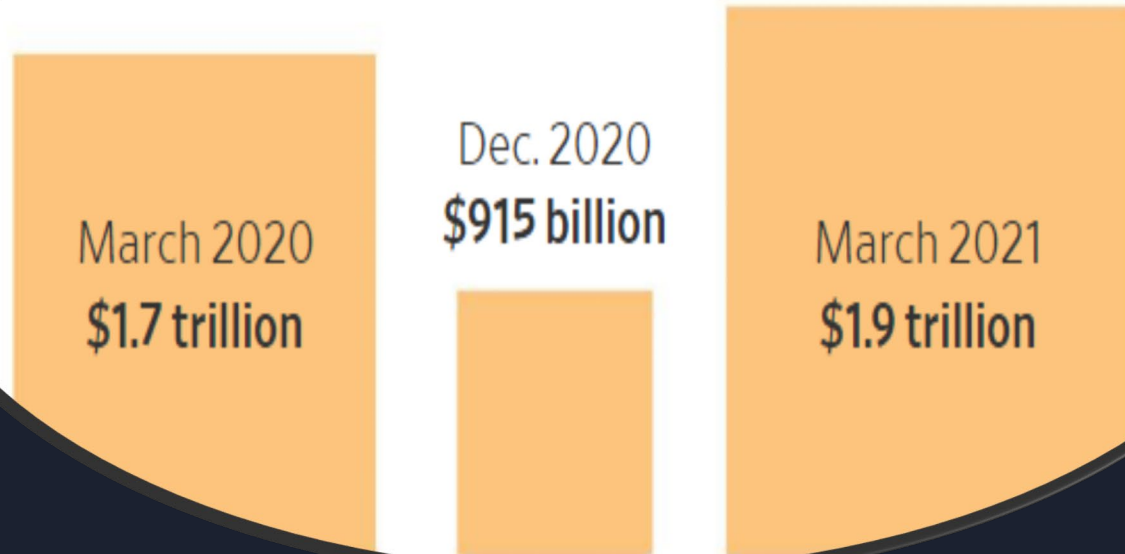


Quantitative Easing

Fiscal Stimulus In Three Shots



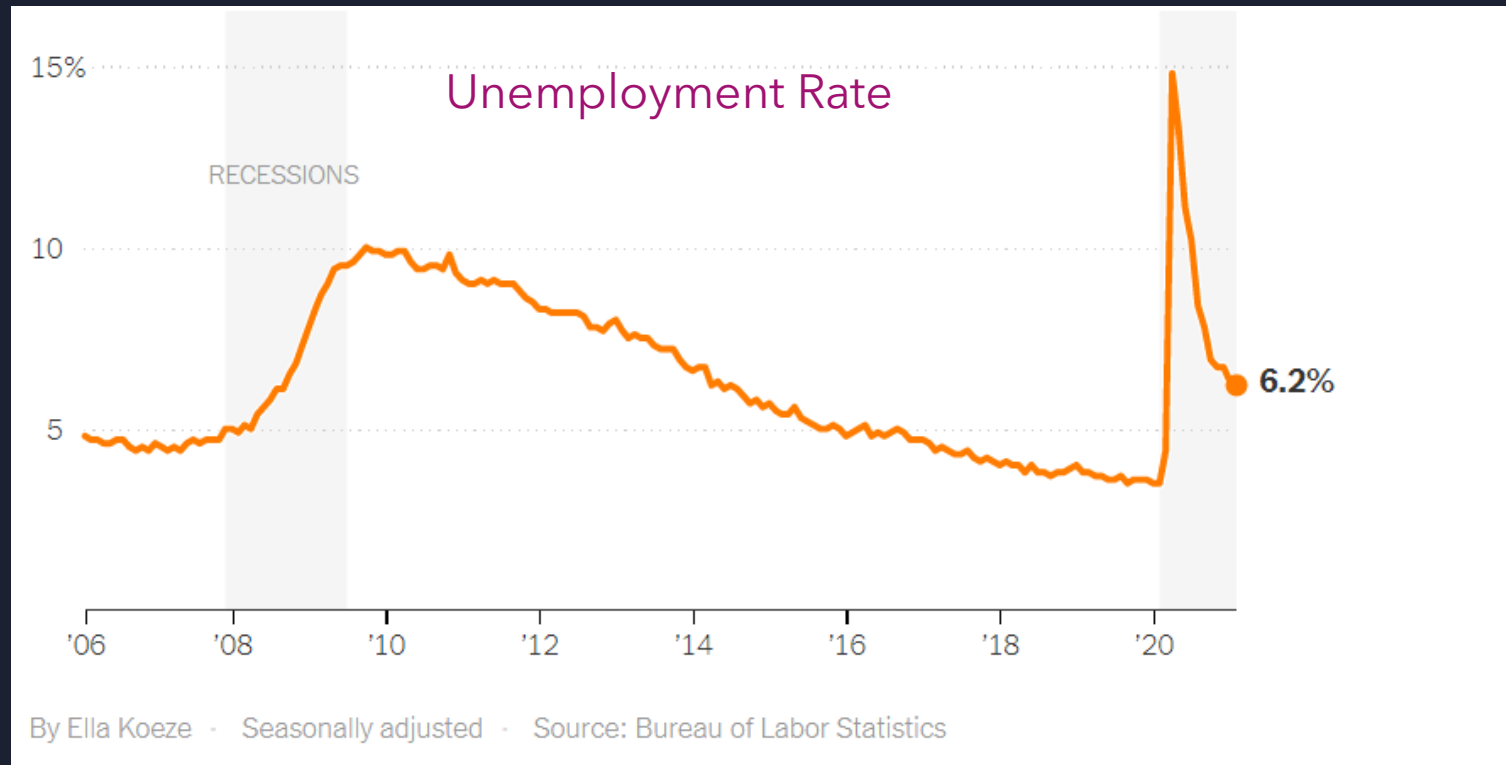
Total bill amount, by iteration



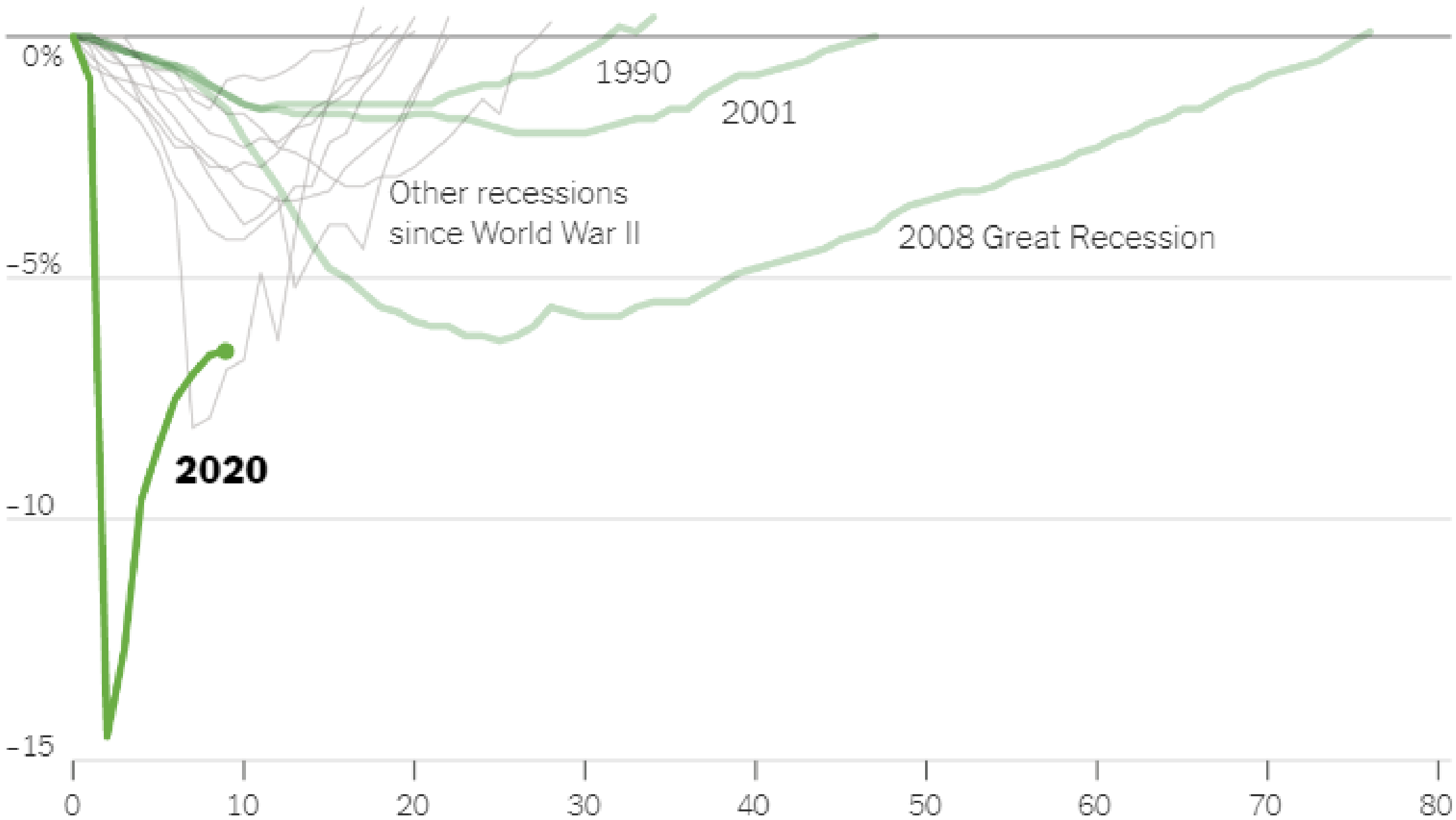
Unemployment Rate Surges to 15% And Falls 6.2%

Headed for 4.0-to-4.5%
By Yearend

Pre-Pandemic Level of 3.5%



Percentage change from peak employment in economic downturns



Months since employment peak

The Jobs Moving Toward Greater Promise and Peril

The 10 industries in which the "strong-impact scenario" differs most from the original projection, both positively and negatively.

Epidemiologists	+25.3%
Medical scientists, except epidemiologists	+23.2%
Web developers and digital interface designers	+10.5%
Biochemists and biophysicists	+10.0%
Network and computer systems administrators	+9.8%
Computer network architects	+9.7%
Information security analysts	+9.0%
Microbiologists	+8.6%
Biological technicians	+5.6%
Database administrators and architects	+5.4%
Hosts and hostesses, restaurant, lounge and coffee shop	-24.2%
Bartenders	-18.6%
Reservation and transportation ticket agents and travel clerks	-16.7%
Hotel, motel and resort desk clerks	-16.2%
Waiters and waitresses	-16.0%
Receptionists and information clerks	-13.5%
Cashiers	-13.5%
Flight attendants	-11.7%
Subway and streetcar operators	-11.5%
Bus drivers, transit and intercity	-10.9%

Source: B.L.S. • By The New York Times

Hardest Hit Are Lower Income, Especially Women

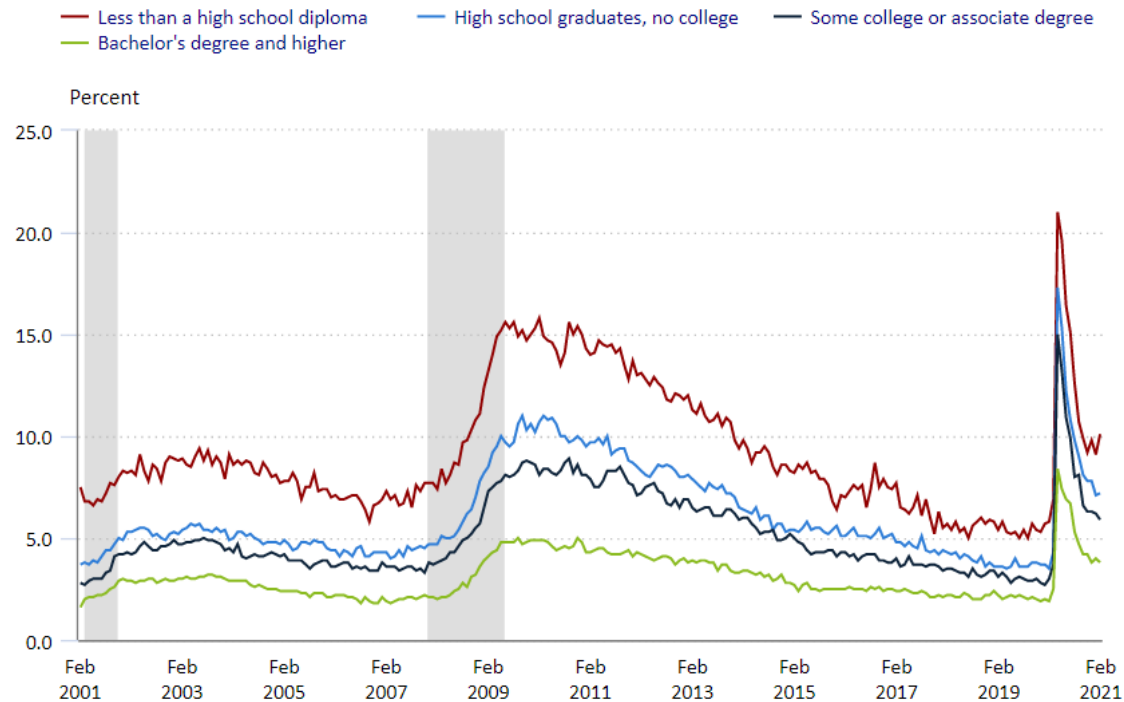


Higher Educated Suffered the Least

BA degree and higher,
Urate at 3.8%, up from 1.9%

Unemployment rates for persons 25 years and older by educational attainment, seasonally adjusted

Click and drag within the chart to zoom in on time periods



Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

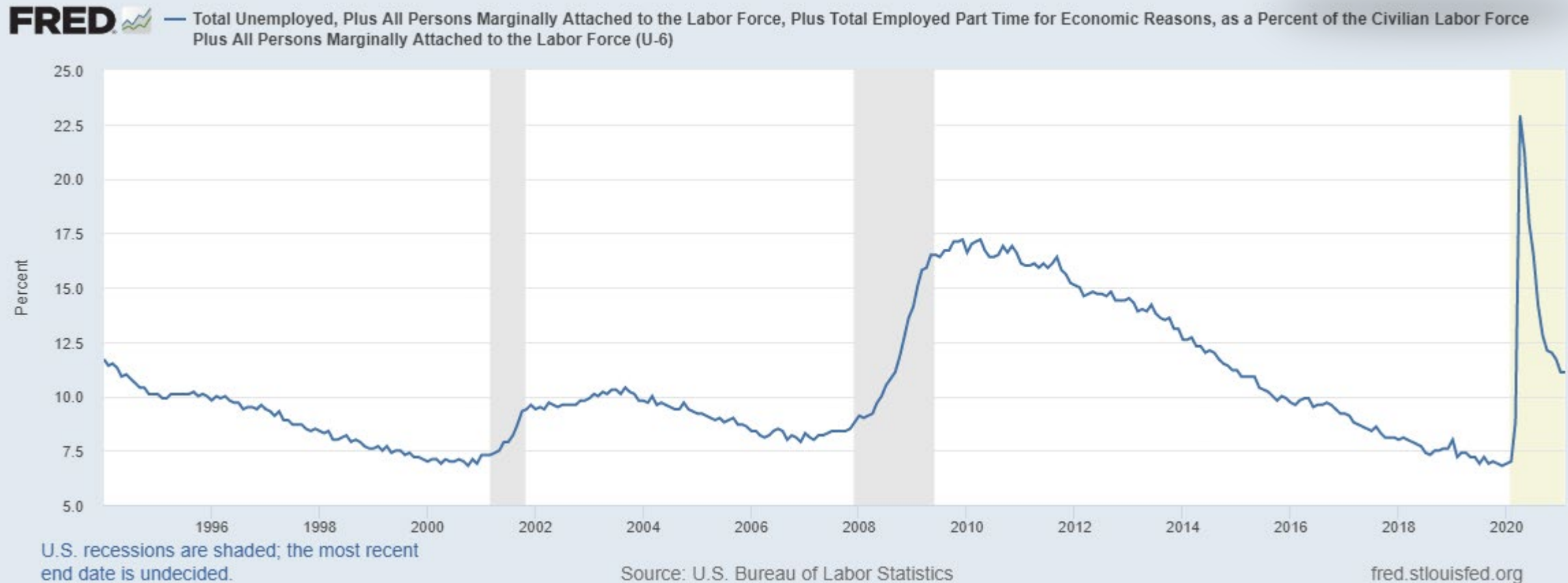
Source: U.S. Bureau of Labor Statistics.



Existing Home Sales Strong



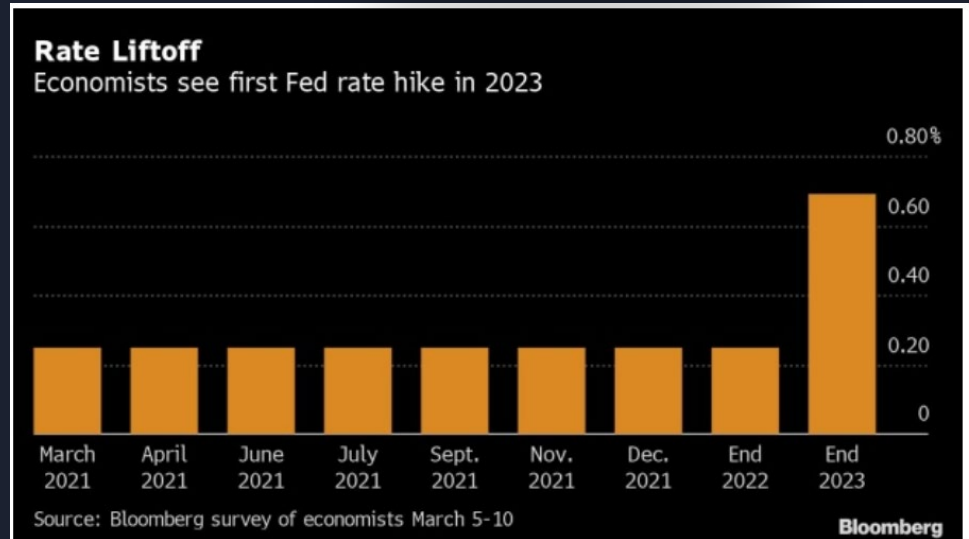
10 Million People Under-Employed



Fed Goal is Maximum
Employment at Sustainable
2% Inflation



Fed Expected To Hold Rates Near Zero Until 2023



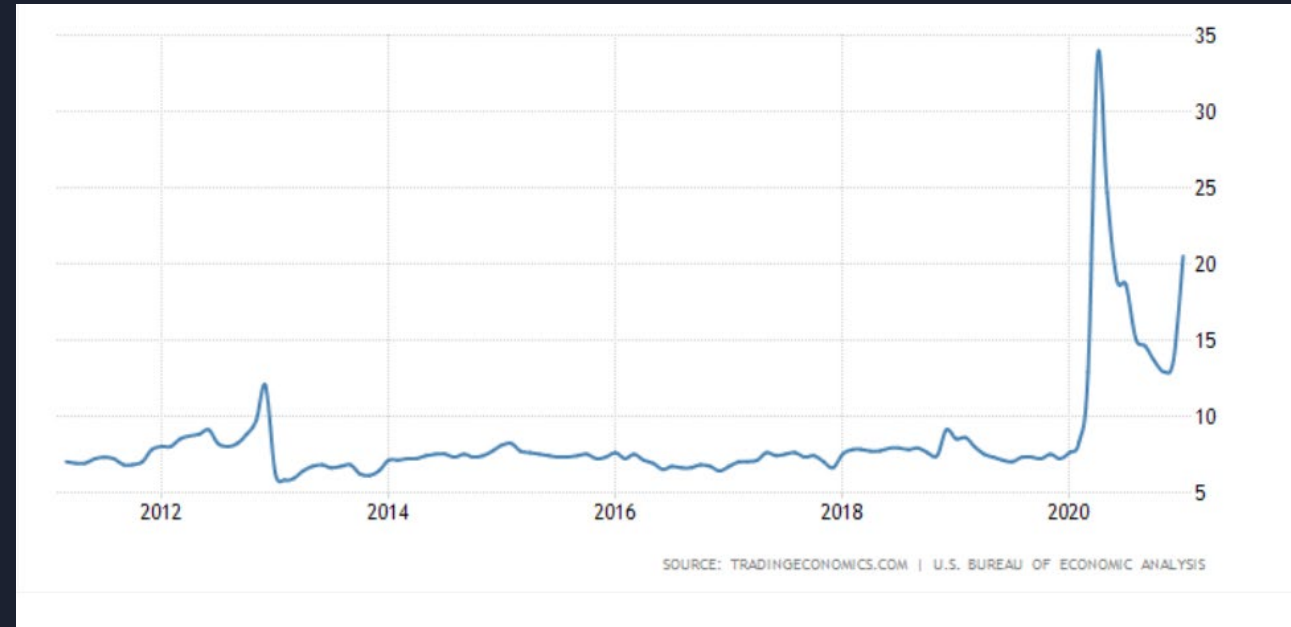
Pent-Up Demand

Personal saving as a % of disposable income



• Socking It Away

- Americans have been saving their government stimulus checks instead of spending money





COVID-19 VACCINE BREAKTHROUGH

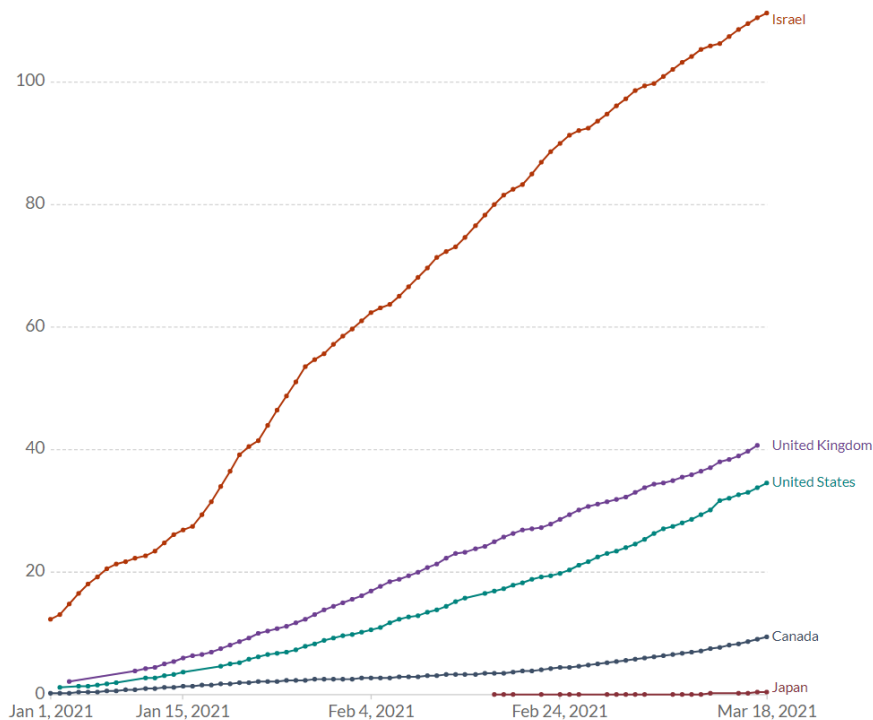
Vaccine Success
Turned Sentiment

US Vaccine Distribution Key to Recovery

COVID-19 vaccine doses administered per 100 people

Total number of vaccination doses administered per 100 people in the total population. This is counted as a single dose, and may not equal the total number of people vaccinated, depending on the specific dose regime (e.g. people receive multiple doses).

Our World
in Data



Source: Official data collated by Our World in Data

CC BY

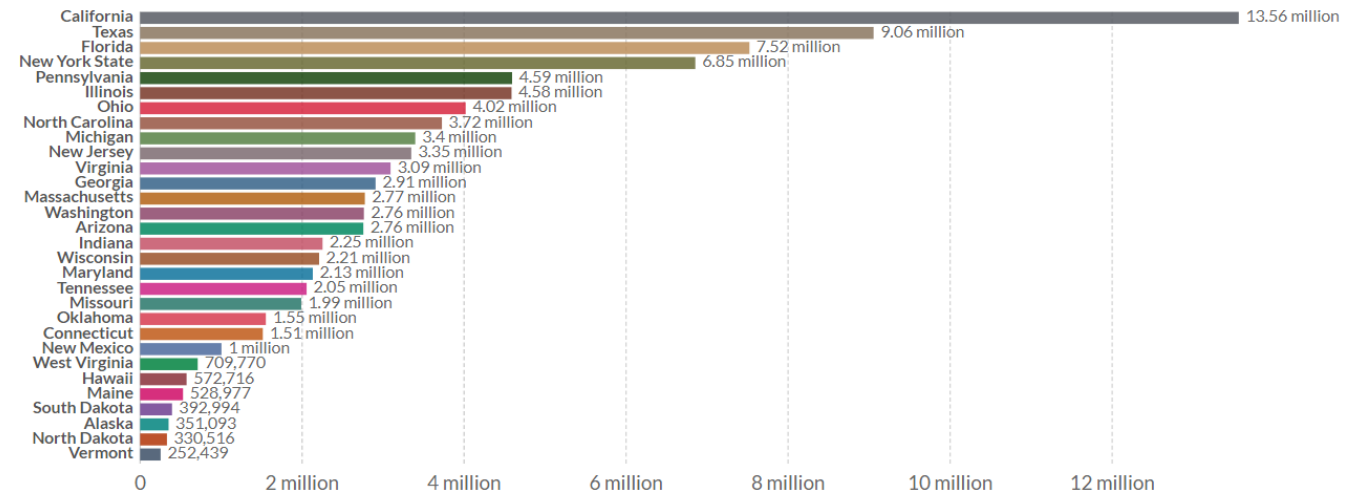
Dec 13, 2020 Mar 18, 2021

US: Total COVID-19 vaccine doses administered, Mar 18, 2021

Total number of vaccination doses administered. This is counted as a single dose, and may not equal the total number of people vaccinated, depending on the specific dose regime (e.g. people receive multiple doses).

Our World
in Data

+ Add state



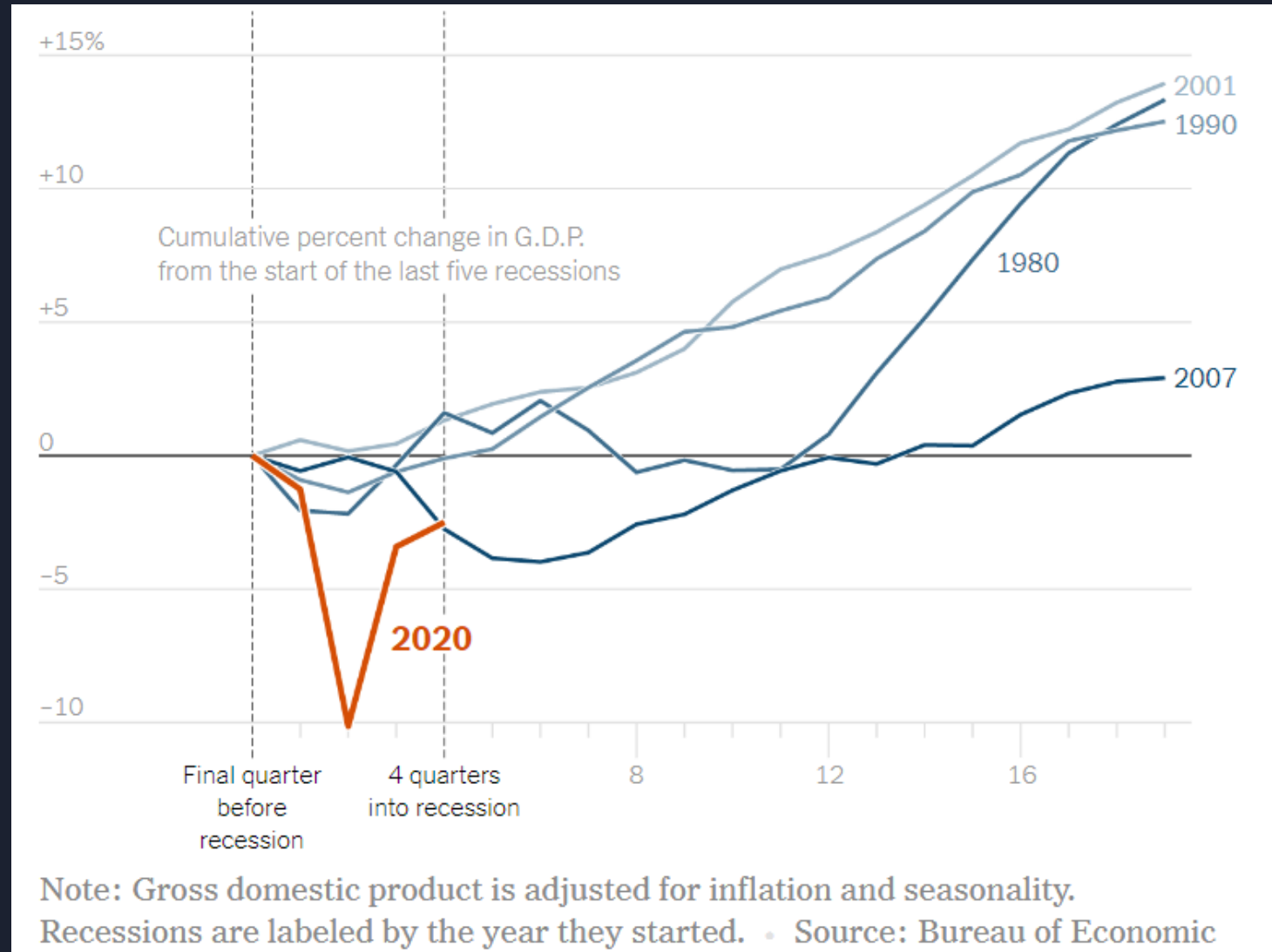
Source: Centers for Disease Control and Prevention - Last updated March 18, 13:50 (Eastern Time)

OurWorldInData.org/us-states-vaccinations • CC BY

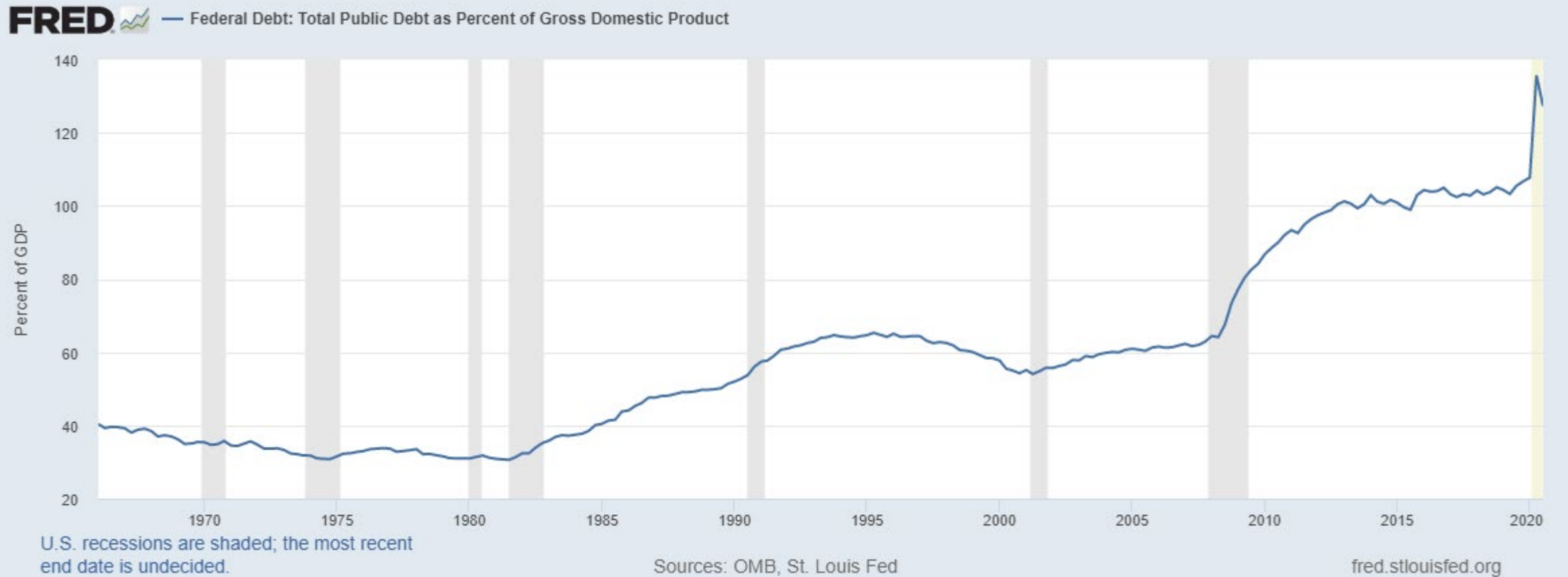
Jan 12, 2021

Mar 18, 2021

US Economy Rebounding Faster than the Great Recession



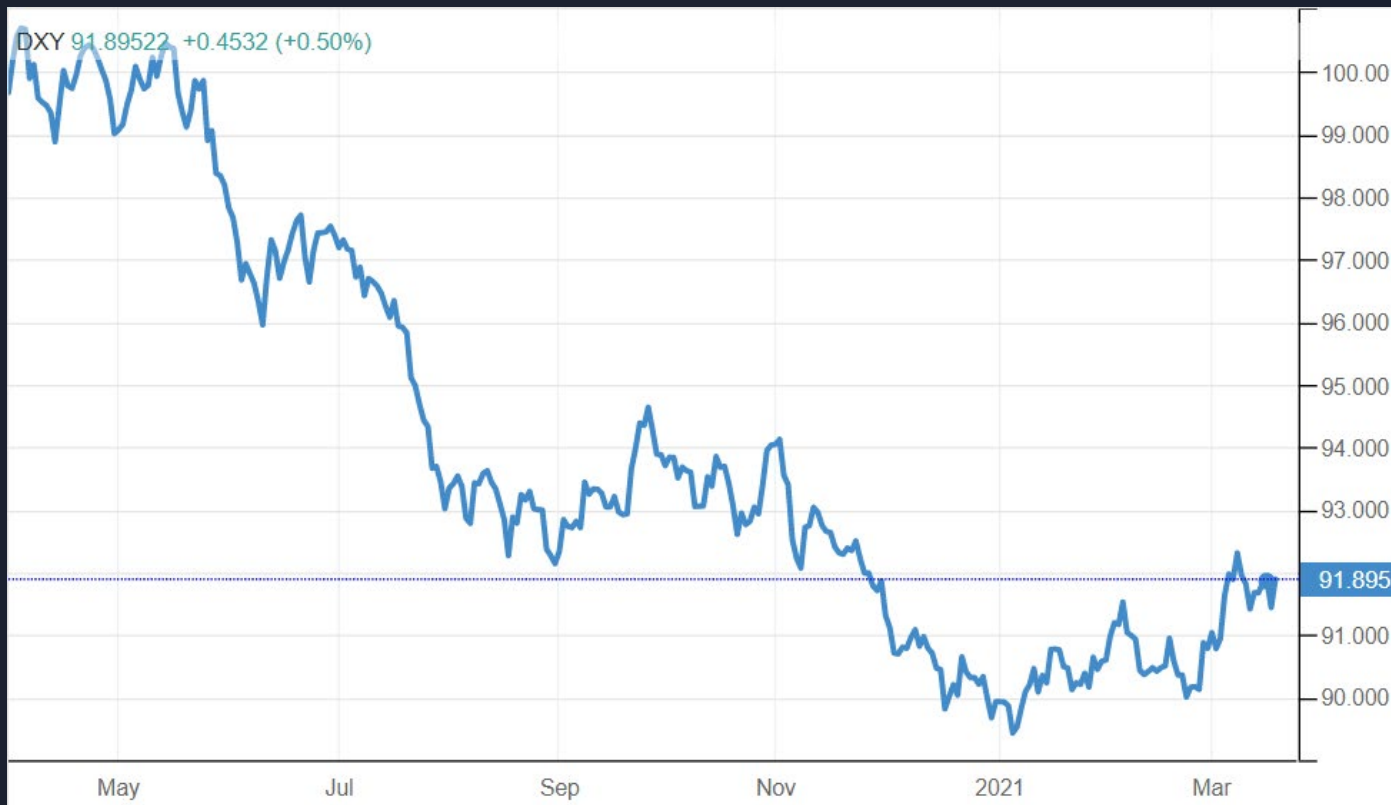
Federal Govt Debt to GDP Surges



Money Supply Surge Triggers Inflation Fear



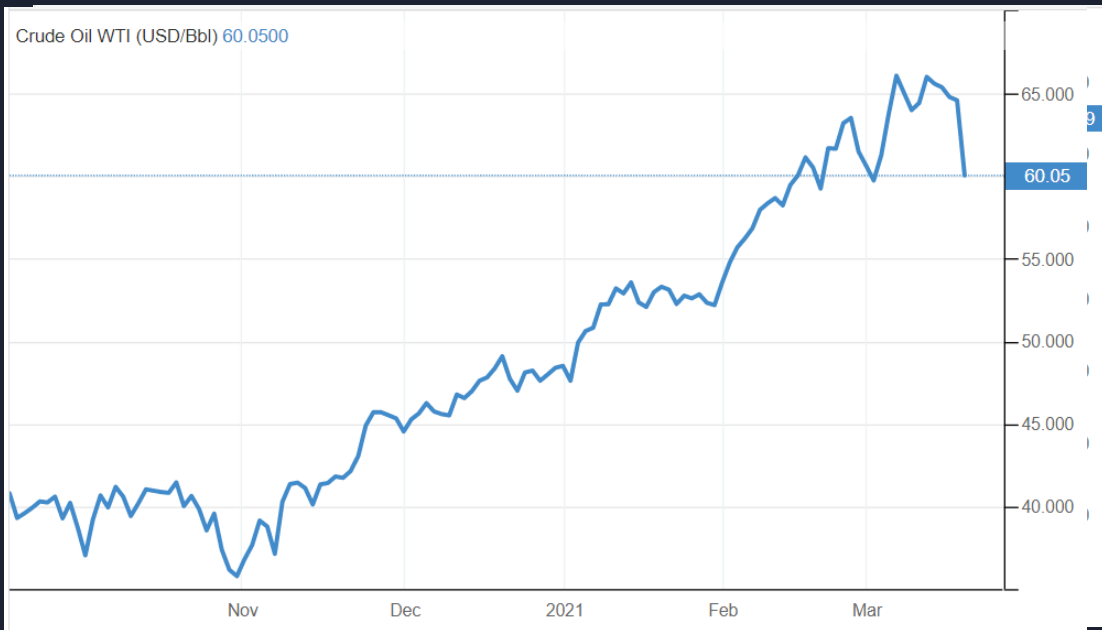
US Dollar Index Falls Since Pandemic Started



Commodity Prices Surge



Oil Prices Surge



Copper Prices

Core Inflation Peaked 40 Years Ago



Interest Rates Trend Downward for 40 Years, Real Rates Still Negative

10-Yr at 1.73%--Top of Trend is 2.8%



5-Year Real Yields Falling, 10-year Rising



Interest Rates Are Rising

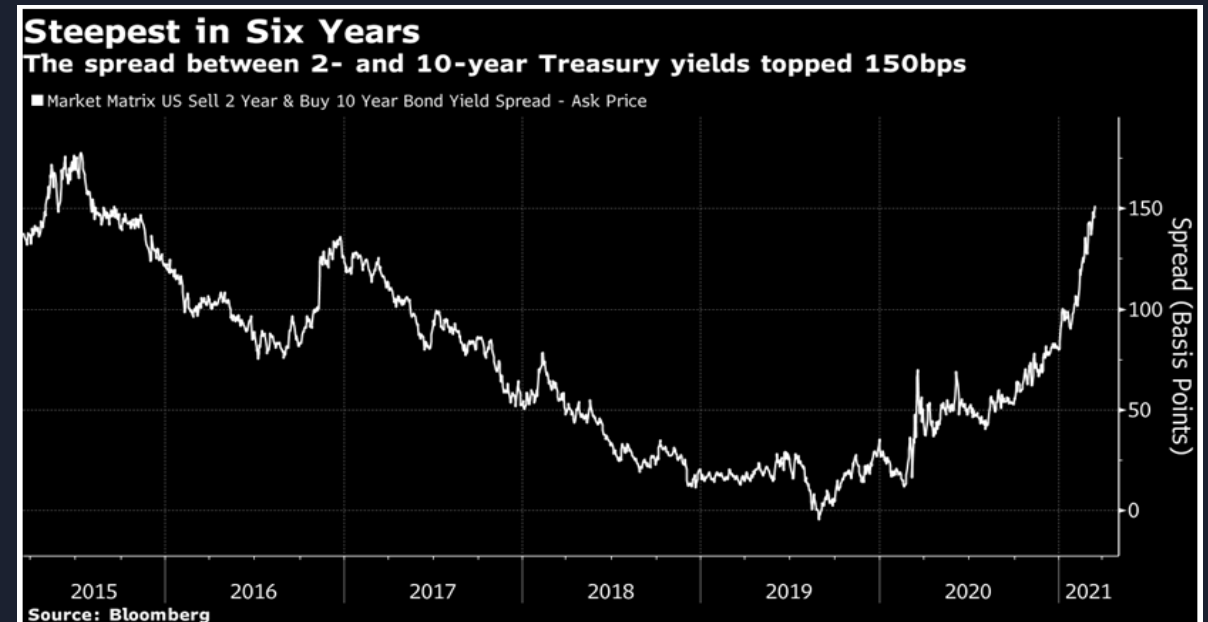


Expected Reflation

Clear Sign of Economic Optimism

Bond Market Sells Off, While Fed On Hold

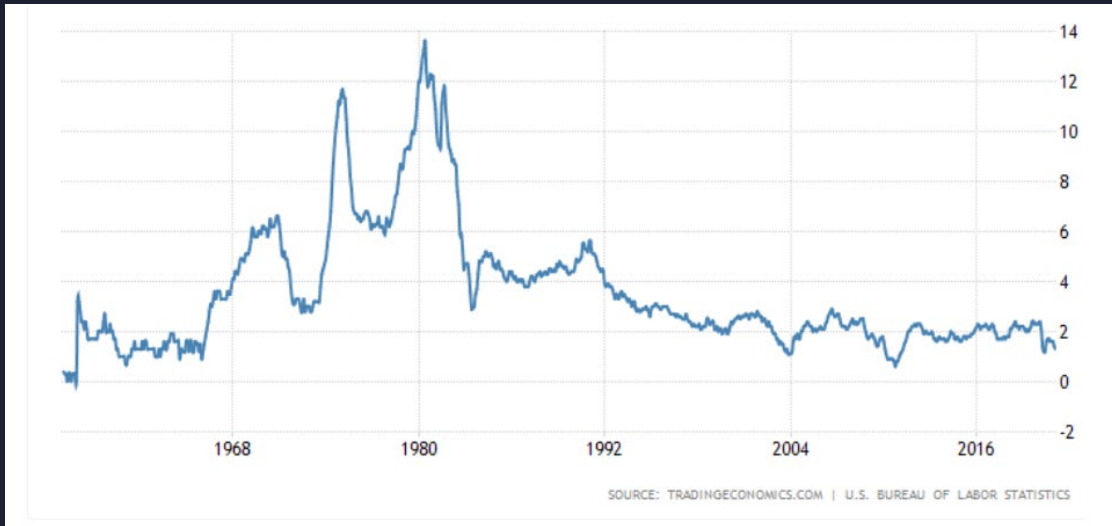
Yield Curve Steepens



Mortgage Rates Rising



Current Core Inflation Rate Below Fed Target

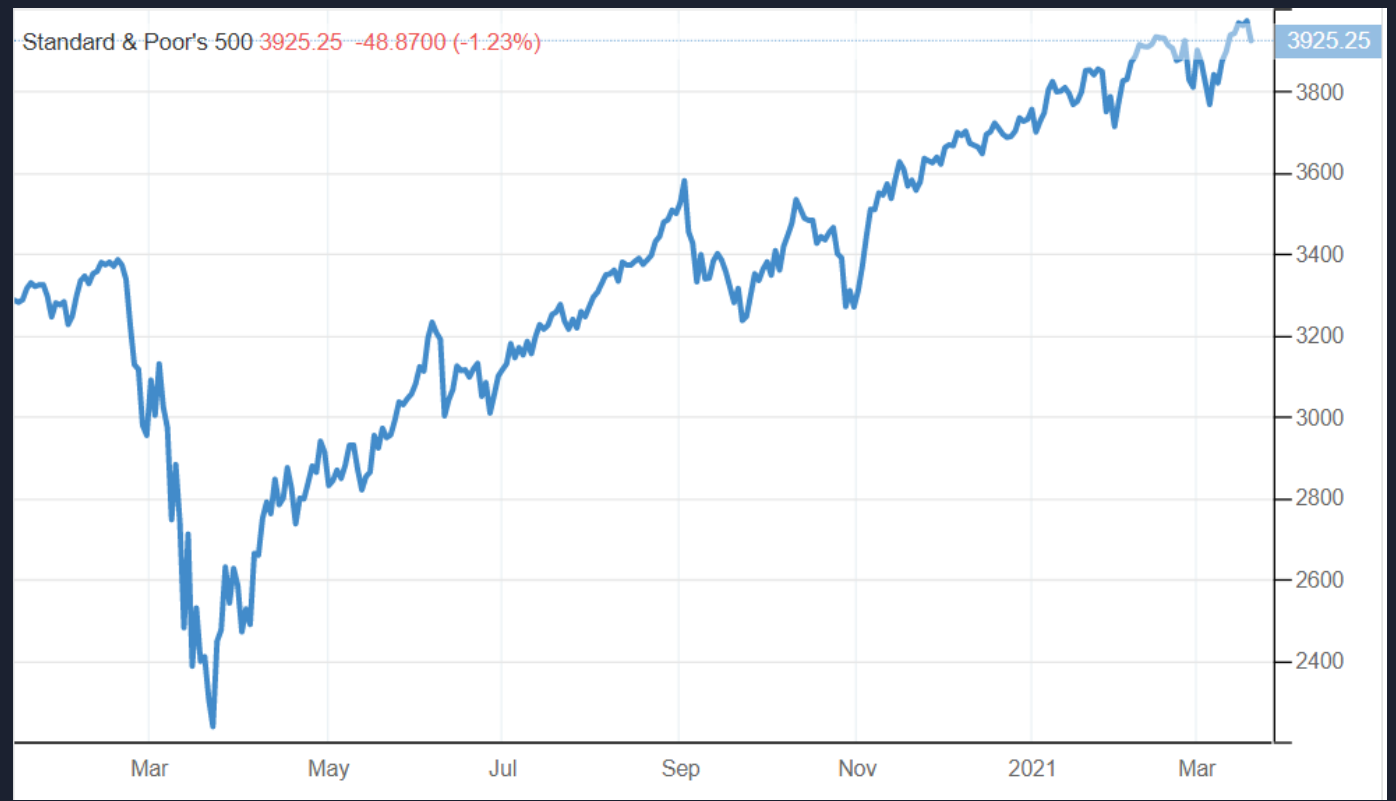


Fed Is Willing to Let
Inflation Rise Above 2%
to Maximize Employment

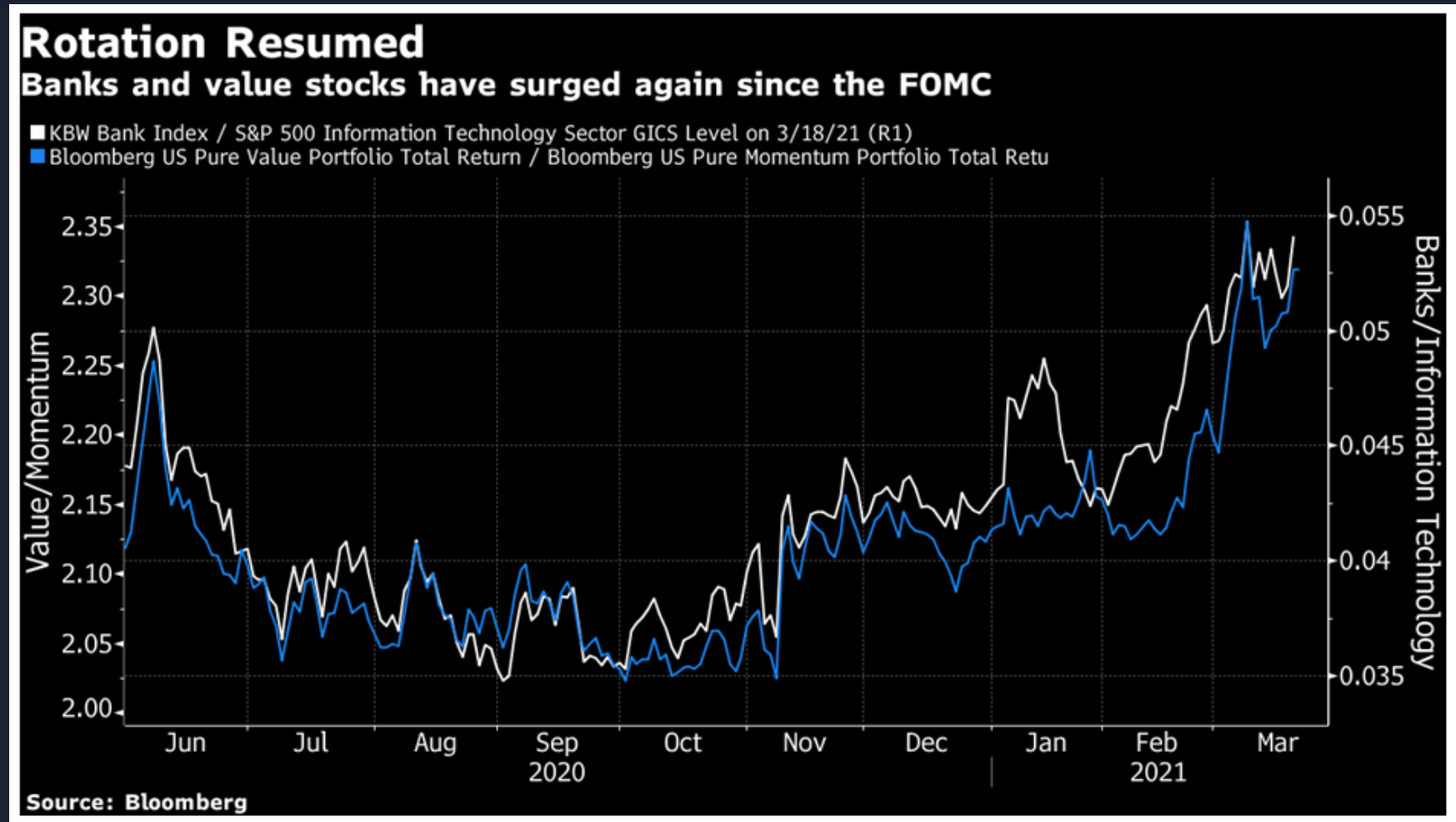
Stock Market Happy



Cost of Capital for Business Falls



Banks and Value Stocks Surge Since Fed Meeting



CEO Confidence Is At A 17-Year High

