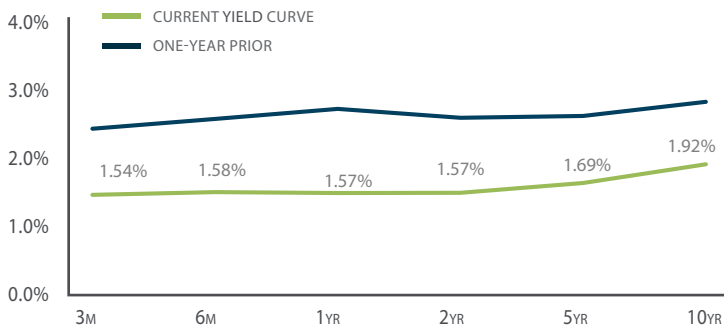




SD FIT MARKET UPDATE

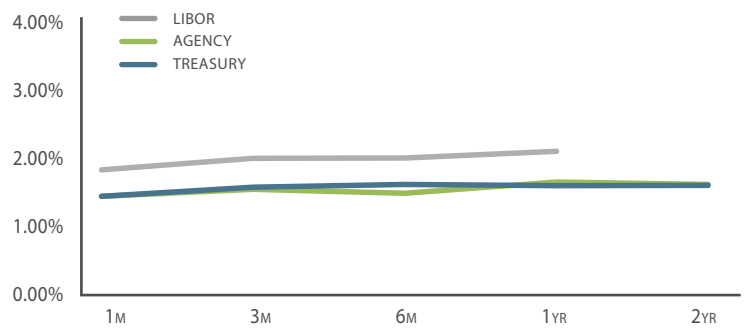
FEBRUARY 2020

Historical Yield Curve



Source: Bloomberg Finance L.P. 1/31/20

Indicative Rates



Source: Bloomberg Finance L.P. 1/31/20. Rates do not reflect transaction fees.

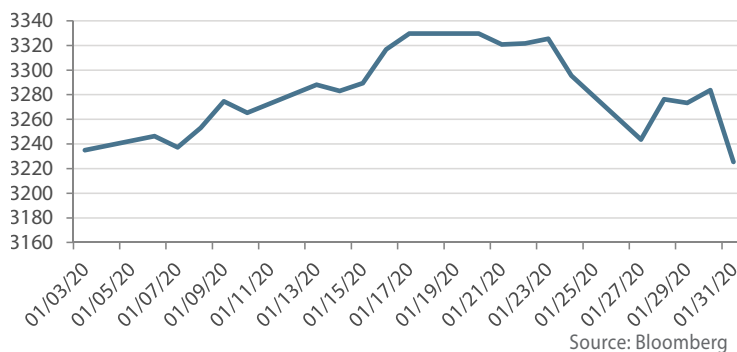
FEATURED MARKET DATA

Coronavirus Expected to Slow Global Growth

An announcement in the last week of January that major U.S. airlines will suspend flights to China for an extended period is unprecedented during peacetime. This news comes on top of growing uncertainty over the virus which has disrupted world-wide supply chains, closed thousands of retail outlets in China and reduced economists' expectations for 1st quarter GDP growth in China and other countries. Many are comparing this virus to SARS. When SARS hit in 2003, China was only the sixth biggest economy, whereas today it is number 2 in GDP and number 1 in world trade. Given the size of China's economy and quickly developing news, it is no surprise that as of January 31st the S&P 500 was more than 3% below its high on January 17th.

Source: Wall Street Journal

S&P 500 INDEX



Source: Bloomberg

RECENT NEWS

U.S. GDP Growth of 2% is New Normal

U.S. GDP grew in the 4th quarter at an annualized rate of 2.1% and grew 2.3% for all of 2019. The first, or "advanced," report of the 4th quarter results displayed slower consumer spending of 1.8% compared to 3.2% in the 3rd quarter. This decline was partly offset by larger exports and fewer imports, which reduce GDP. While 2% growth is slower than many would prefer, the good news is that this level has been sufficient to maintain a strong labor market. Furthermore, when compared to the Eurozone's 2019 growth of 1.2%, the U.S. appears relatively strong.

Source: Wall Street Journal

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
CPI (YoY)	01/14/20	DEC	2.4%	2.3%	2.1%
Core CPI (YoY)	01/14/20	DEC	2.3%	2.3%	2.3%
Retail Sales Ex. Auto (MoM)	01/16/20	DEC	0.5%	0.7%	0.0% (R)
Chicago Fed National Activity Index	01/22/20	DEC	0.13	-0.35	0.41 (R)
Durable Goods Orders Ex. Transportation (MoM)	01/28/20	DEC	0.3%	-0.1%	-0.4% (R)
Consumer Confidence	01/28/20	JAN	128.0	131.6	128.2 (R)
Core PCE (YoY)	01/31/20	DEC	1.6%	1.6%	1.5% (R)
Change in Nonfarm Payrolls	02/07/20	JAN	161K	--	145K
Unemployment Rate	02/07/20	JAN	3.5%	--	3.5%

Source: Bloomberg Finance L.P. 2/4/20

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