JULEX CAPITAL

JULEX MACRO CHART BOOK

February 2021

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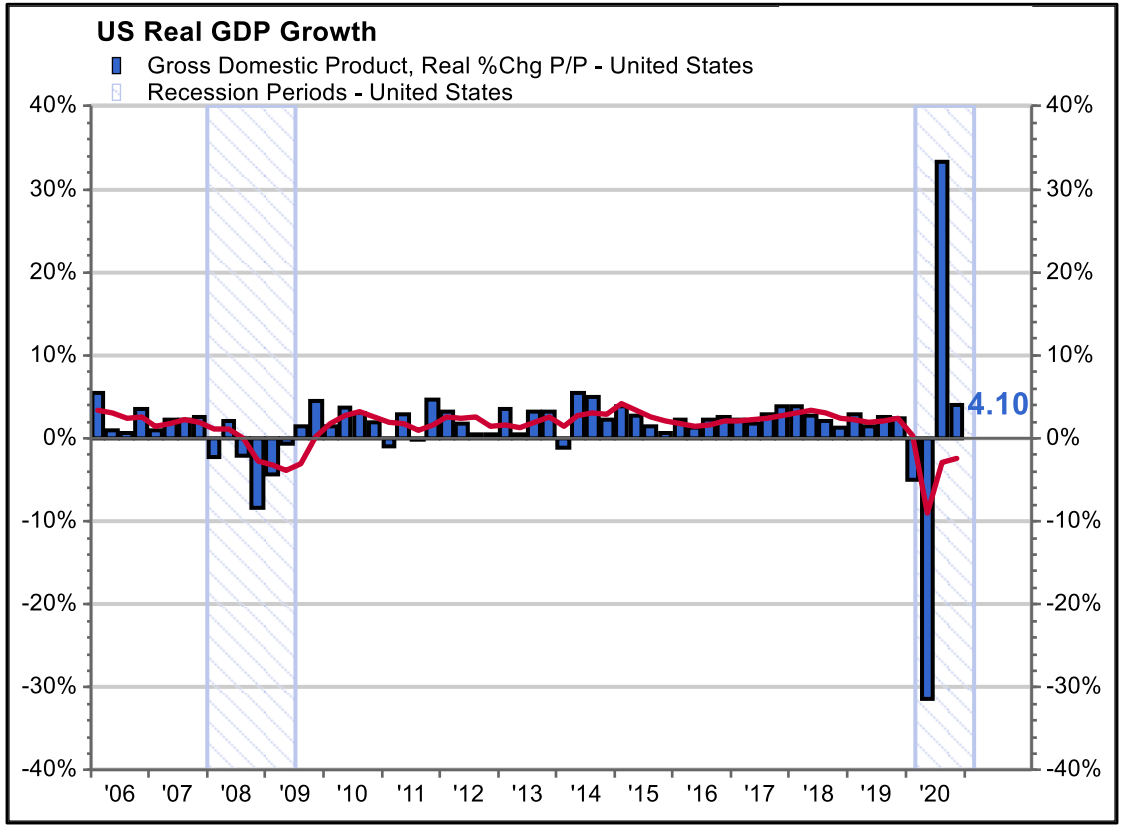
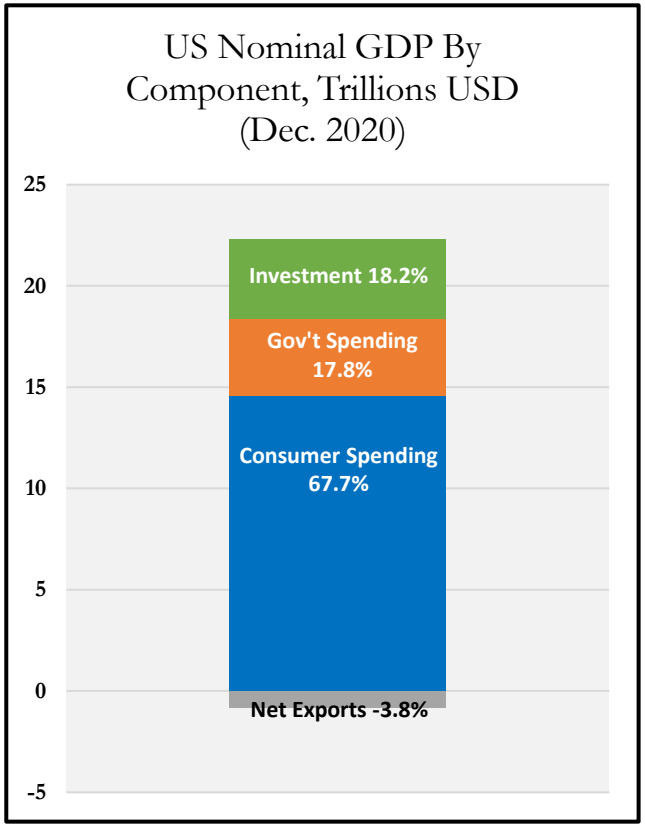
All Data From FactSet Unless Otherwise Noted.
www.julexcapital.com

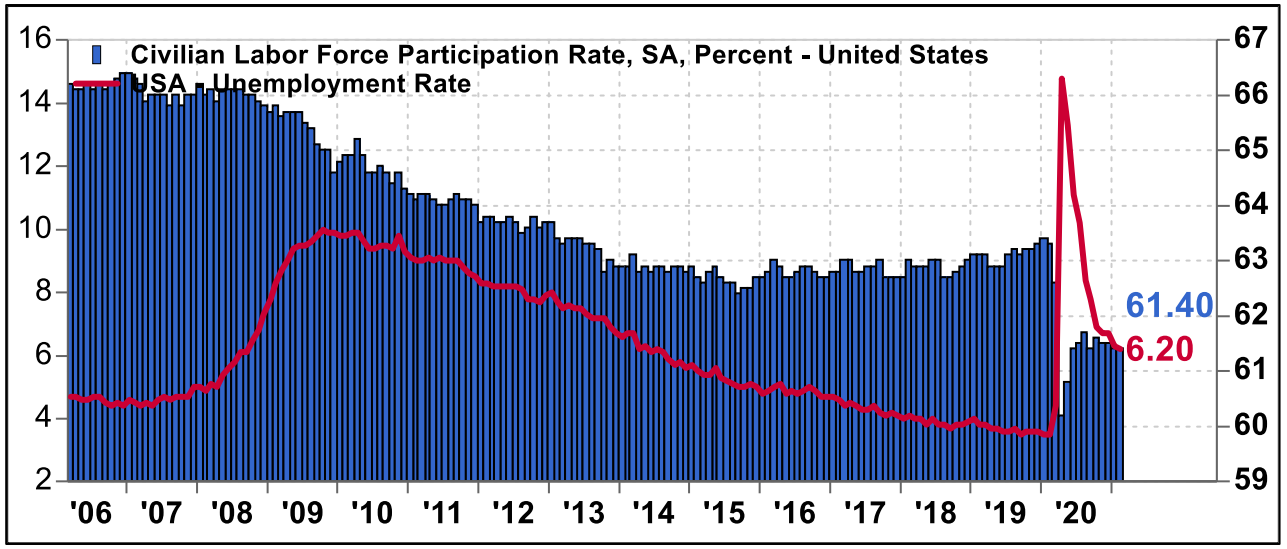
US Economy - GDP

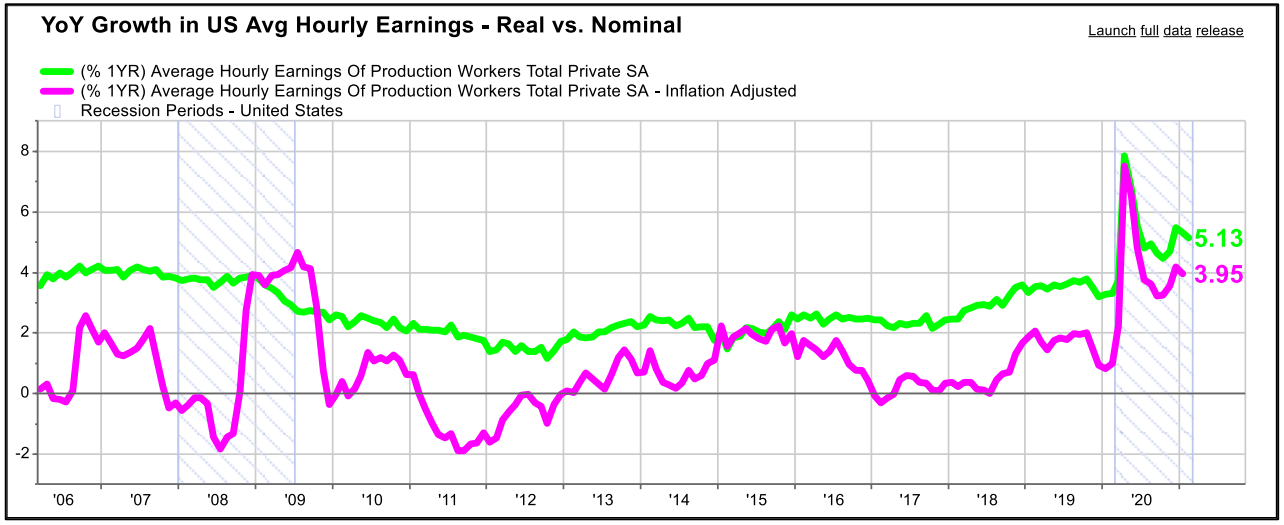




- The US economy grew by 4% annualized in Q4 2020, slightly lagging estimates.
- On the year, the economy contracted 3.5%, the worst mark since 1946.

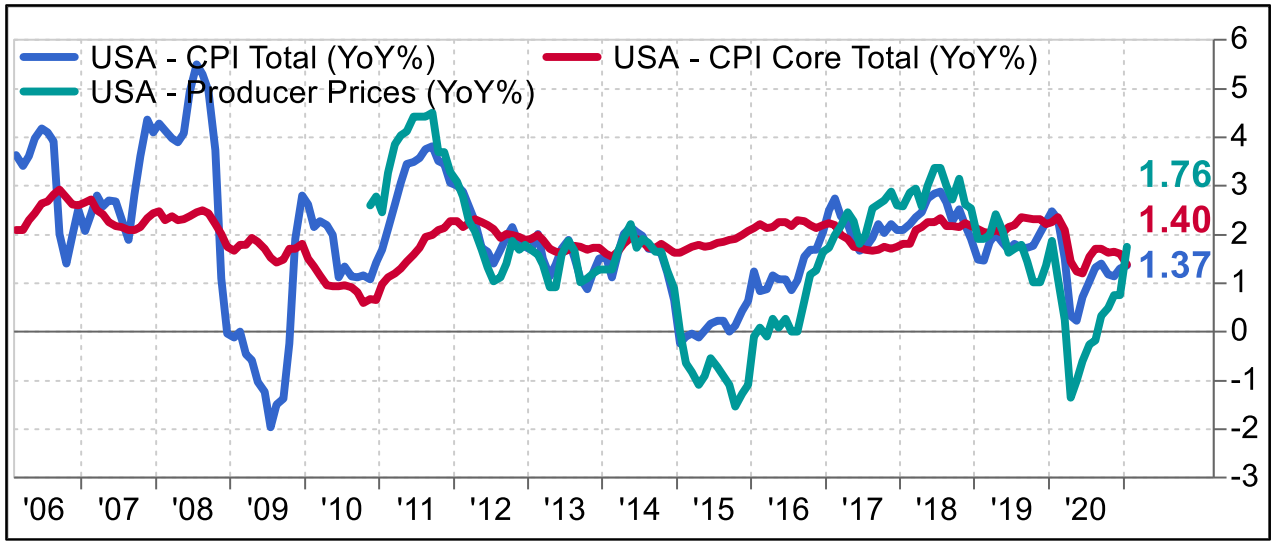
US Economy - Labor Market

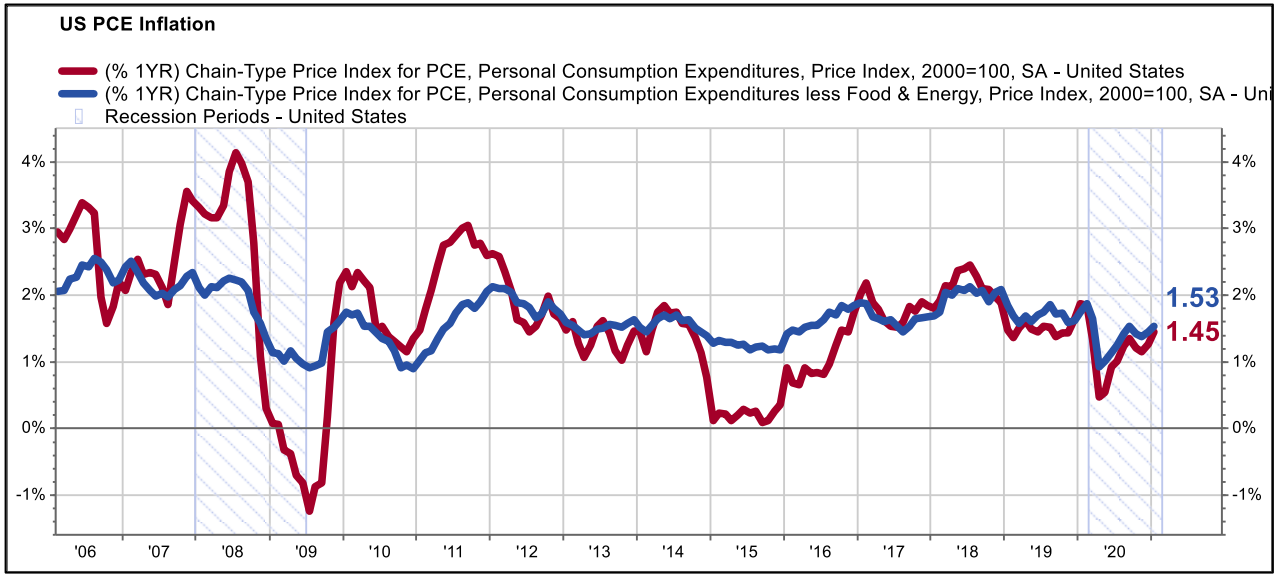




- The unemployment rate continues to trend down after employers added 379,000 jobs in February. Labor force participation rate remained much lower than its pre-pandemic levels.

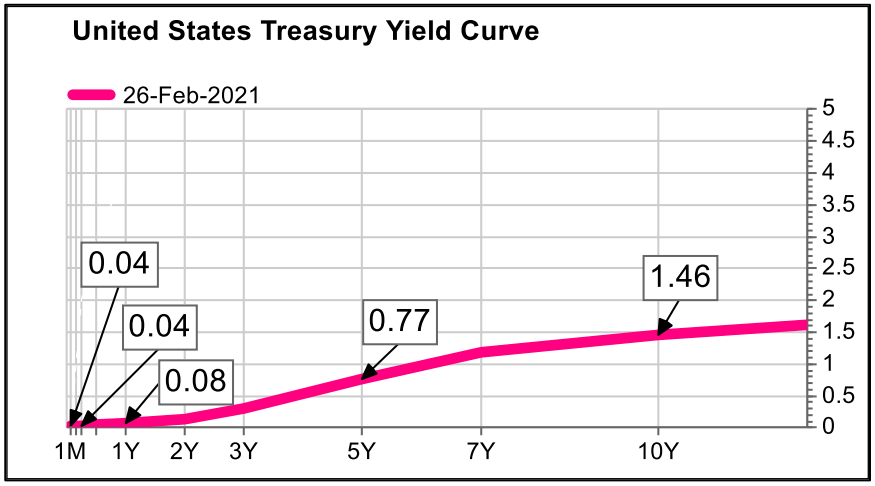
US Economy - Inflation

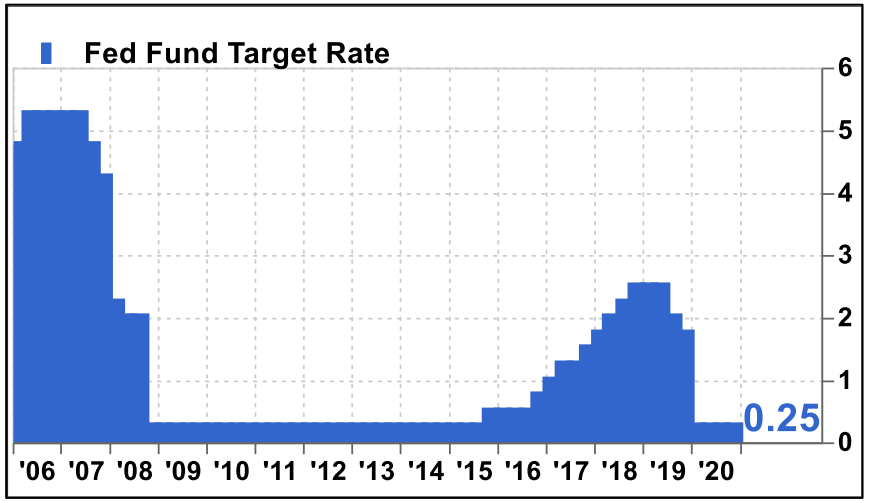


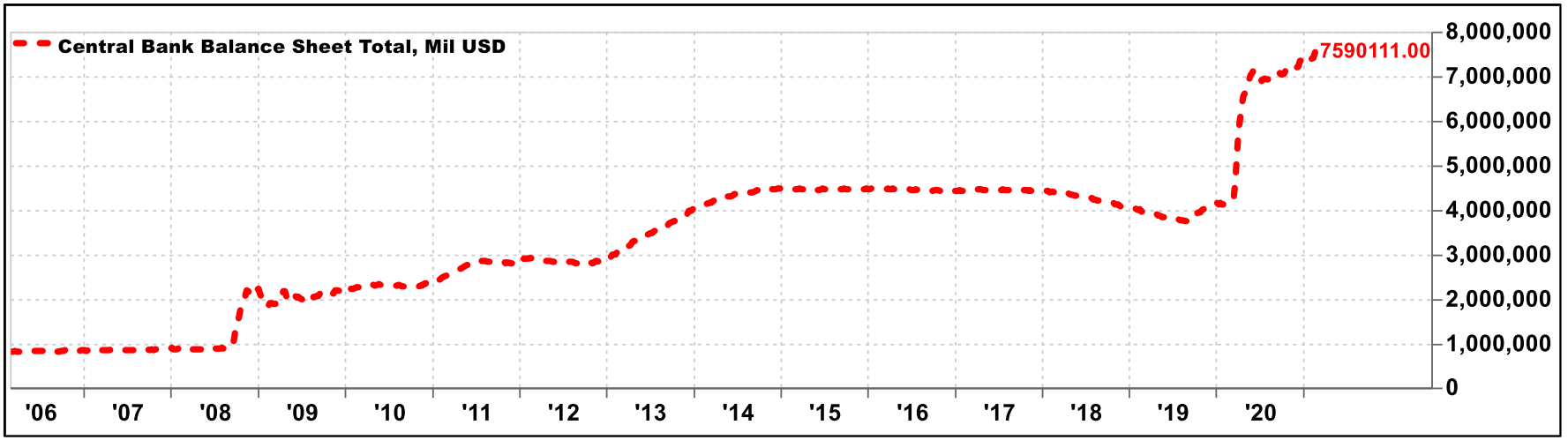


- Inflation spiked upward during the month, but remains well below both the Fed's 2% target and historical averages.

US Economy - Monetary Policies

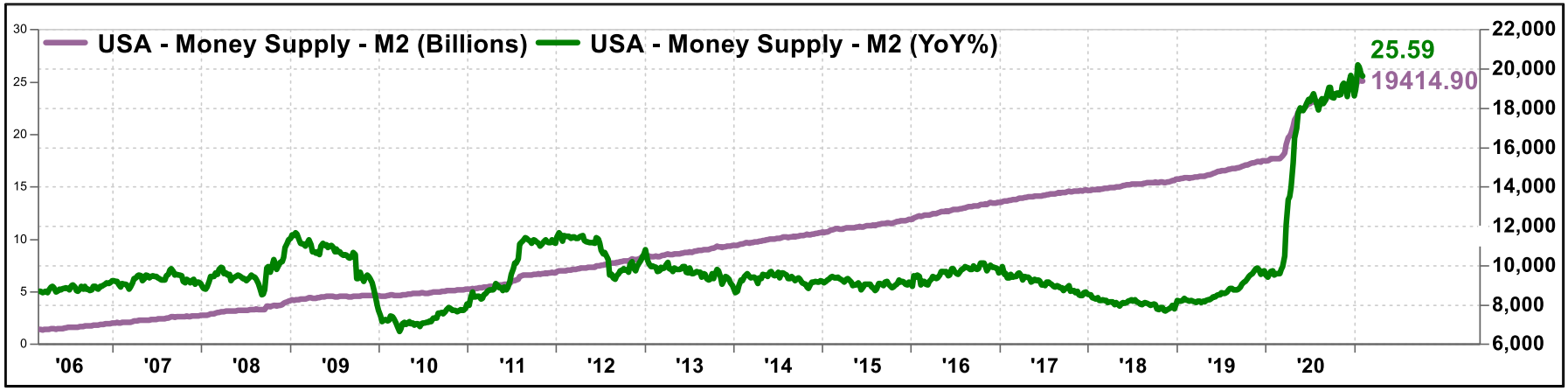


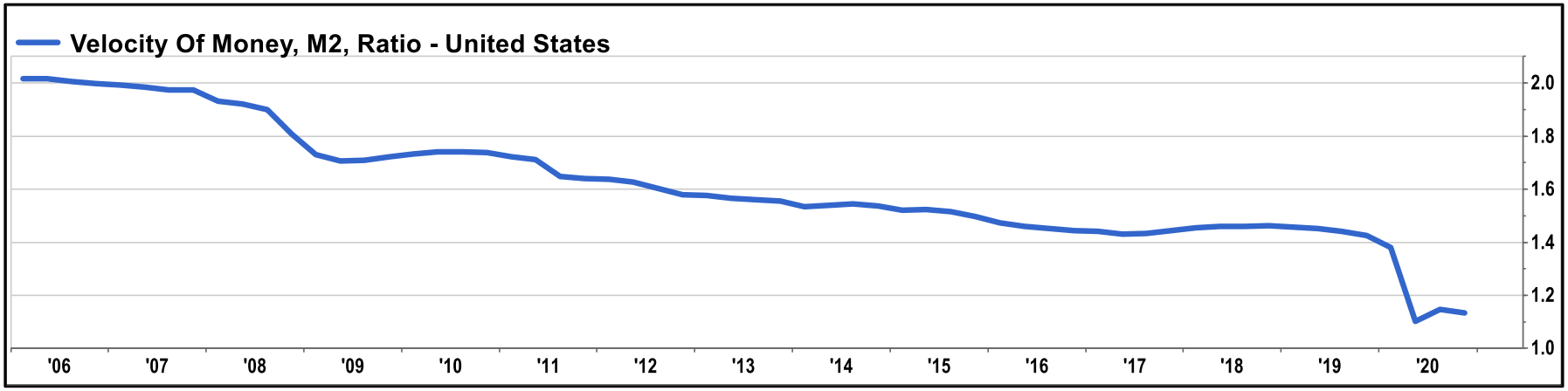




- The Fed Balance sheet continues to grow by about $100 billion a month
- The slope of the yield curve steepened significantly in February on inflation concerns. The long end of the curve increased by nearly 50% while short term rates fell closer to zero.

US Economy - Monetary Policies (Cont.)





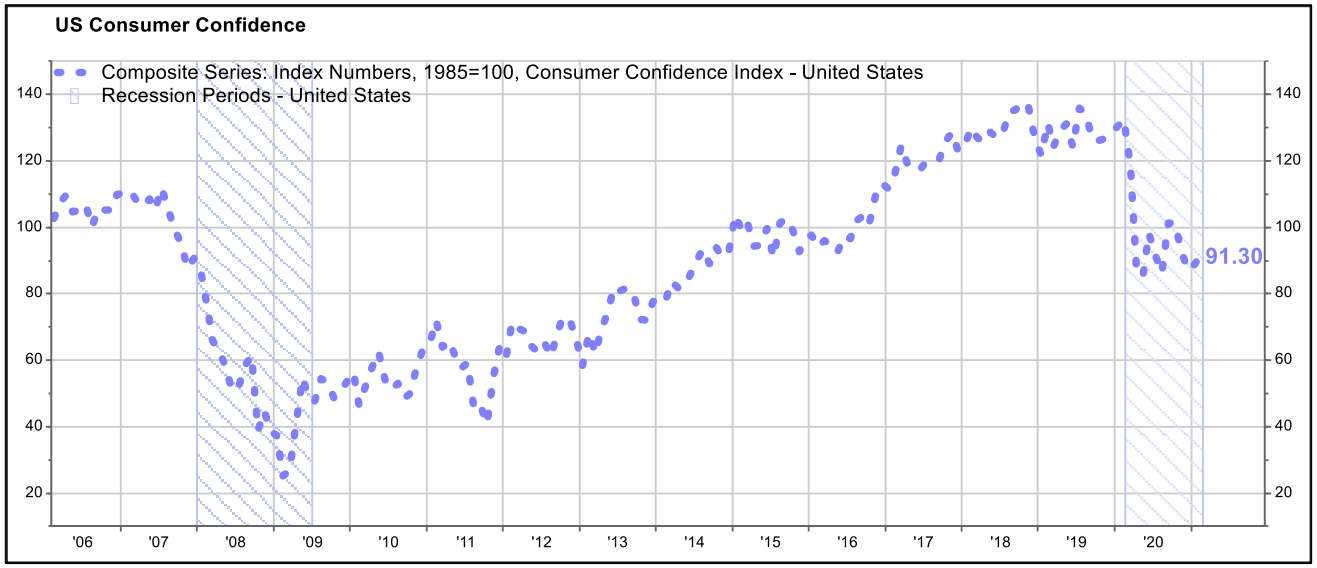
- As the money supply has increased, the velocity of money has decreased substantially, both as a natural result of high debt loads, and a byproduct of the economic shutdown.

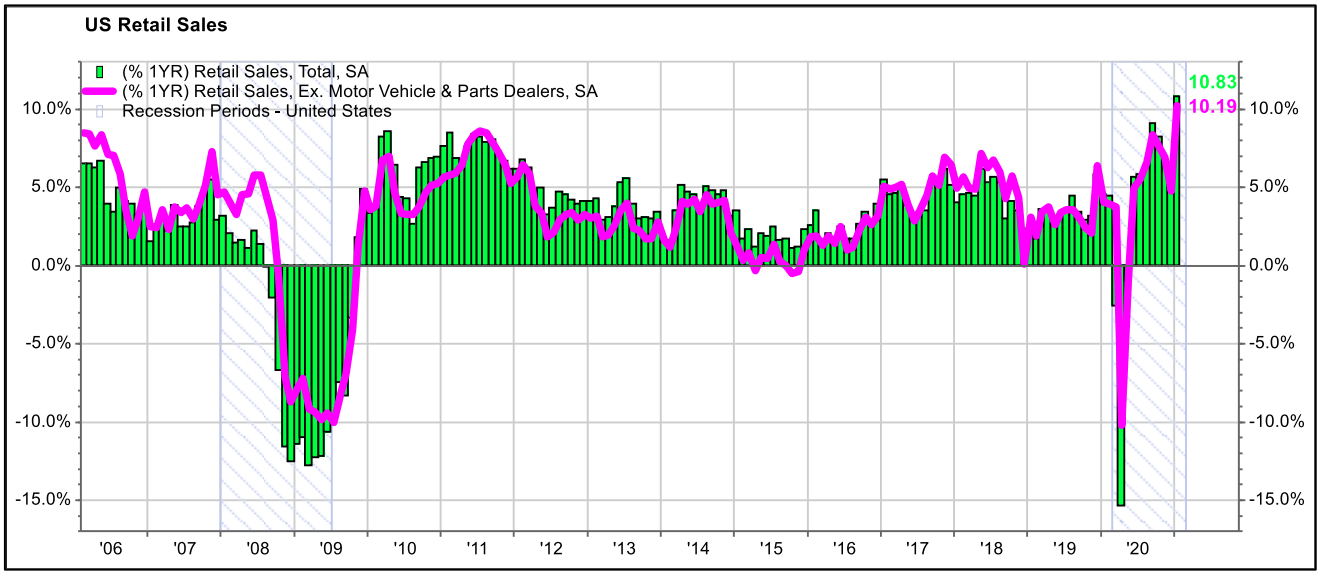
US Economy - Fiscal Policies

	2020 (Projected)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governement Revenues (Billions):											
Individual Income Taxes	1533.2	1717.9	1,683.5	1,587.1	1,546.1	1,540.8	1,394.6	1,316.4	1,132.2	1,091.5	898.5
Payroll Taxes	1313.5	1243.1	1,170.7	1,161.9	1,115.1	1,065.3	1,023.5	947.8	845.3	818.8	864.8
Corporate Income Taxes	151.1	230.2	204.7	297.0	299.6	343.8	320.7	273.5	242.3	181.1	191.4
Excise Taxes	90	98.9	95.0	83.8	95.0	98.3	93.4	84.0	79.1	72.4	66.9
Estate and Gift Taxes	18	16.7	23.0	22.8	21.4	19.2	19.3	18.9	14.0	7.4	18.9
Customs Duties	71	70.8	41.3	34.6	34.8	35.0	33.9	31.8	30.3	29.5	25.3
Miscellaneous	119	84.6	110.5	129.0	156.0	147.5	136.1	102.6	106.8	102.8	96.8
Total Revenue	3,295.5	3,462.2	3,328.7	3,316.2	3,268.0	3,249.9	3,021.5	2,775.1	2,450.0	2,303.5	2,162.7
Mandatory Spending (Billions):											
Social Security	1,090.9	1,038.5	982.2	939.2	910.3	881.9	844.9	807.8	767.7	724.9	700.8
Medicare	862.1	775.3	704.3	702.3	692.5	634.1	599.8	585.2	551.2	559.6	520.5
Medicaid	466.2	409.4	389.2	374.7	368.3	349.8	301.5	265.4	250.5	275.0	272.8
Income Security	1,131.6	303.1	285.3	293.8	303.8	301.0	310.9	339.5	353.6	404.0	437.3
Federal Retirement	173.1	170.0	163.1	162.6	163.8	161.5	157.5	152.5	143.5	144.2	138.4
Veterans' Programs	121.6	115.3	101.3	105.0	106.5	92.4	86.8	80.4	68.0	71.0	58.3
Other Programs	1,042.6	198.3	153.2	194.7	119.8	134.2	74.5	105.5	124.2	56.1	-17.8
Offsetting Receipts	-269.4	-275.4	-259.0	-253.4	-237.6	-258.4	-277.3	-304.7	-228.3	-208.9	-196.5
Total Mandatory Spending	4,618.8	2,734.5	2,519.7	2,518.8	2,427.3	2,296.5	2,098.5	2,031.6	2,030.5	2,026.0	1,913.7
Discretionary Spending (Billions):											
Defense	715.1	676.4	621.7	590.2	584.8	583.4	596.4	625.8	670.5	699.4	688.9
Nondefense	936.4	660.0	641.7	610.0	600.4	585.3	582.2	576.4	615.6	647.7	658.3
Total Discretionary Spending	1,651.5	1,336.4	1,263.4	1,200.2	1,185.2	1,168.7	1,178.7	1,202.1	1,286.1	1,347.1	1,347.2
Interest on Debt (Billions):	337.8	375.6	324.7	262.6	240.0	223.2	229.0	220.9	220.4	230.0	196.2
Total Spending:	6,608.1	4,446.6	4,107.8	3,981.6	3,852.6	3,688.4	3,506.1	3,454.6	3,536.9	3,603.1	3,457.1
Defecit:	3,312.6	984.4	779.0	665.4	584.7	438.5	484.6	679.5	1,087.0	1,299.6	1,294.4

- The Coronavirus moved the deficit up three times higher than during the Financial Crisis. It's the first time in history the U.S. will spend twice as much as it brings in from tax revenues.
- The record deficits were mainly driven by the COVID-19 relief packages, of which another is expected to be passed soon.

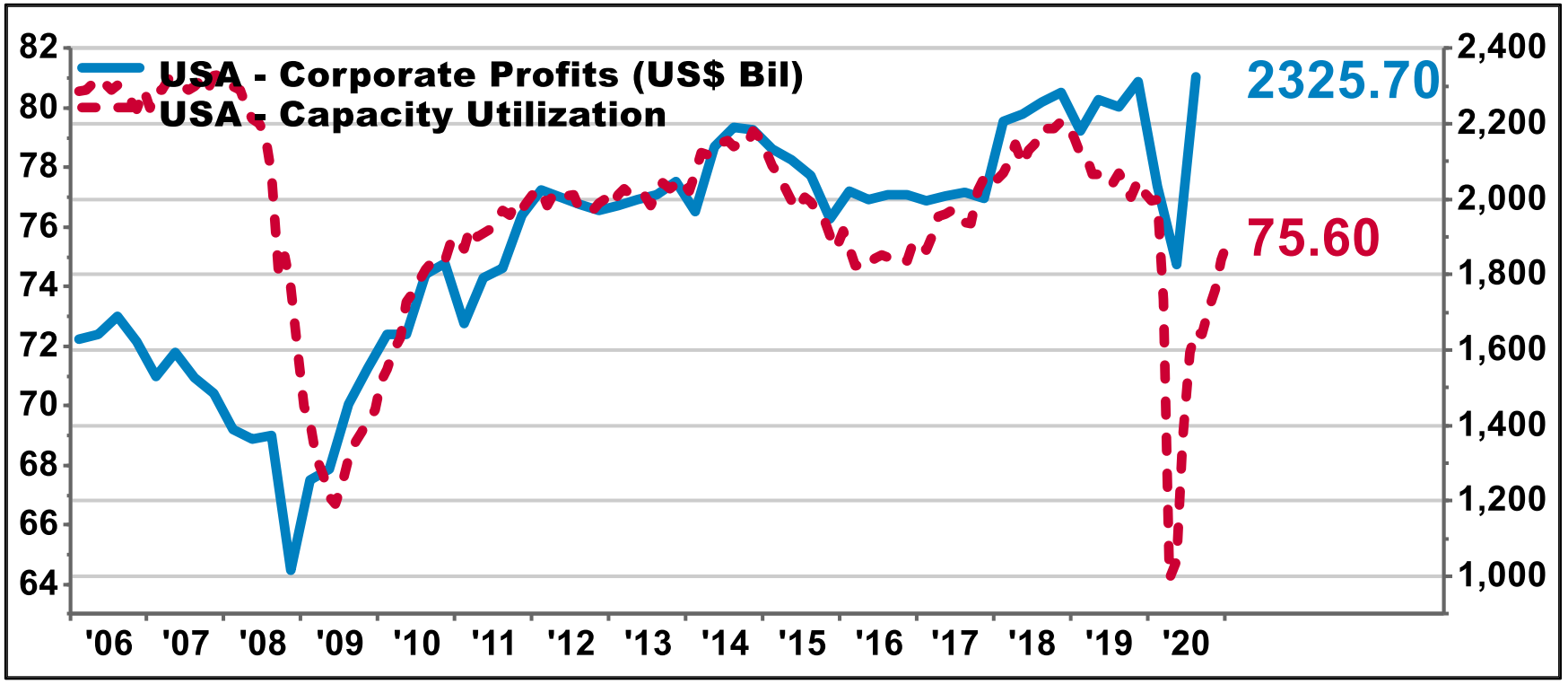
US Economy - Consumption





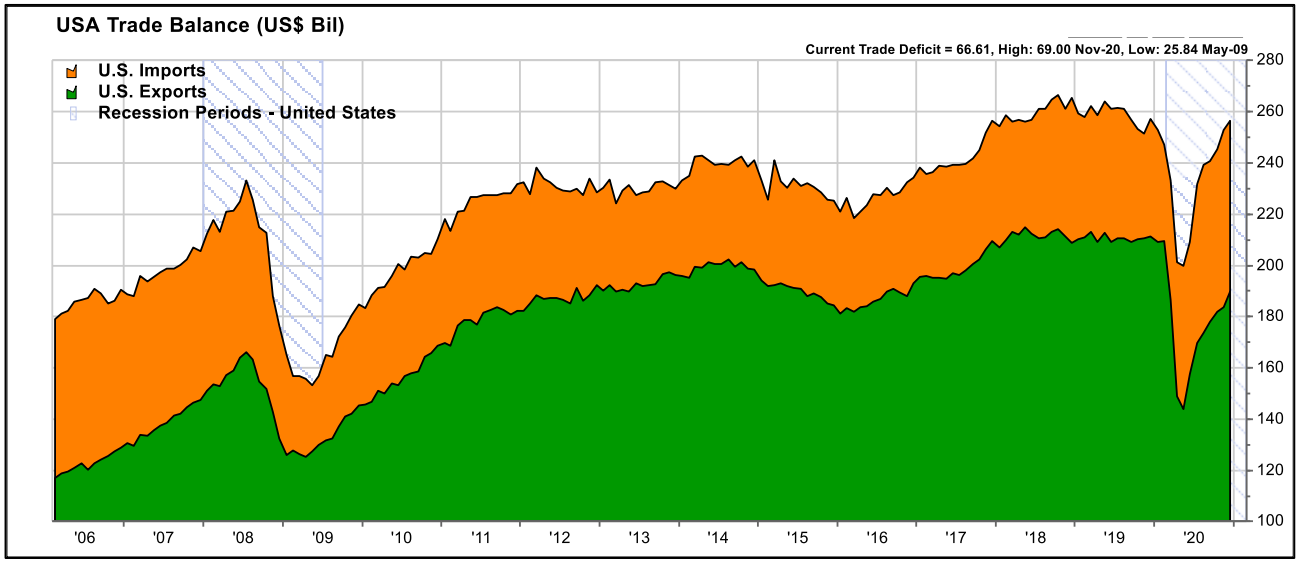
- Consumer confidence rose slightly in February, though it remains well below its pre-pandemic peak.
- U.S. retail sales have grown substantially since this time last year.

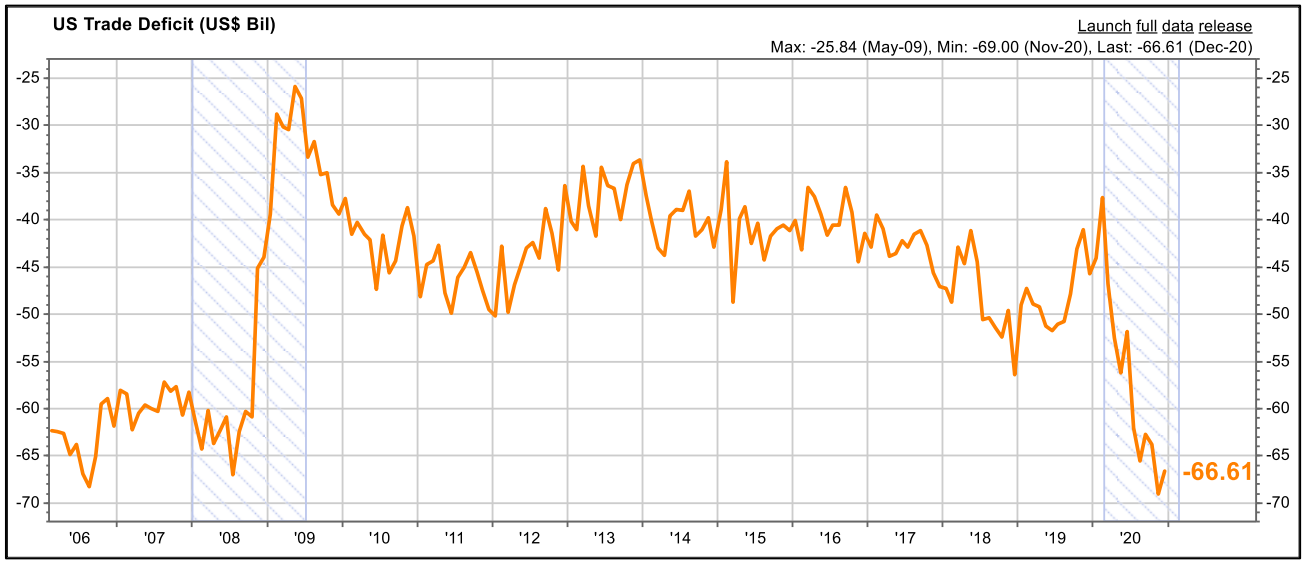
US Economy – Corporate



- Corporate profits continue to be at a record level.
- With 96% of S&P 500 companies reporting earnings for Q4, 79% have reported a positive EPS surprise.

US Economy – International Trade





- Imports remain near their pre-virus levels ($250 billion monthly) while exports have struggled to recover ($30 billion less than pre-virus levels).
- There is uncertainty regarding how the Biden administration will handle tariffs.

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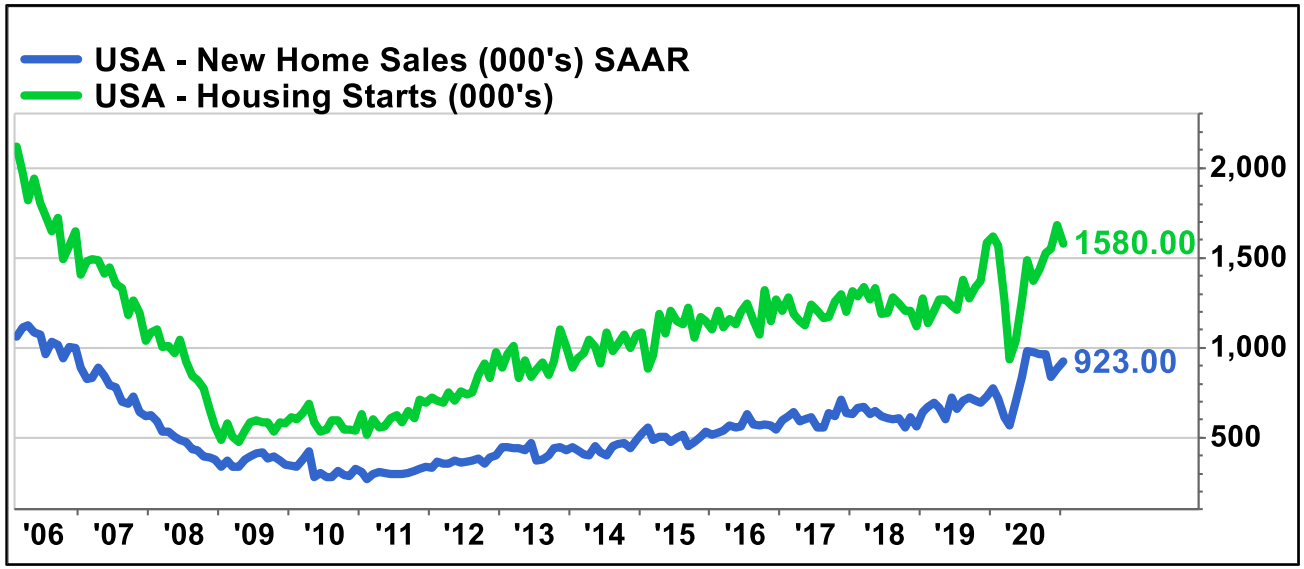
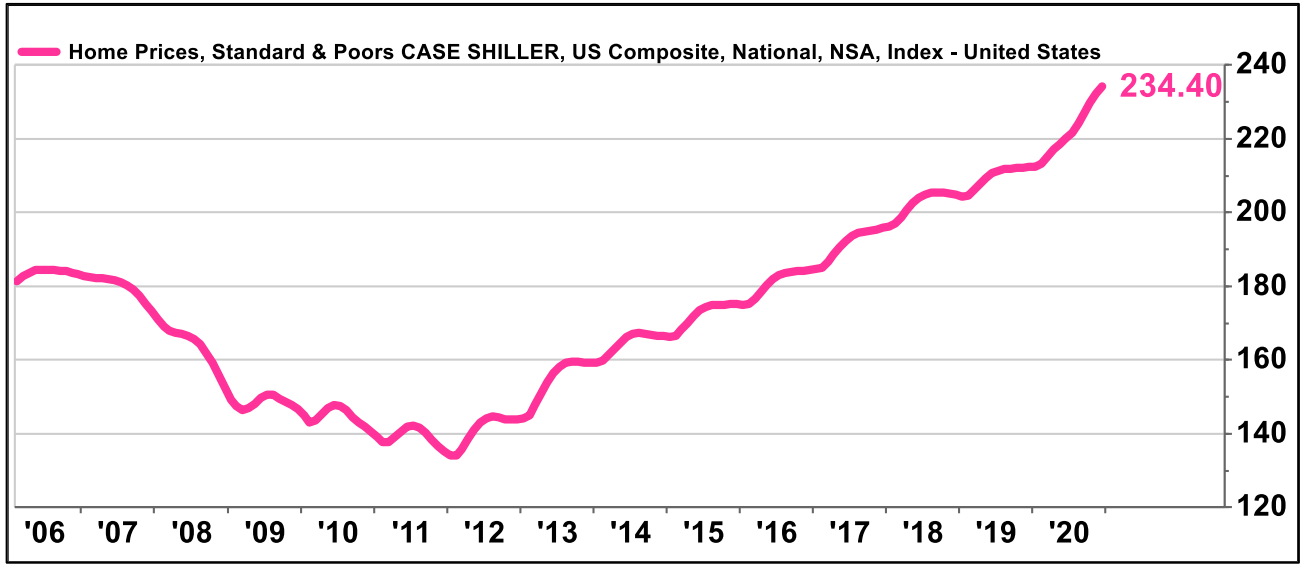
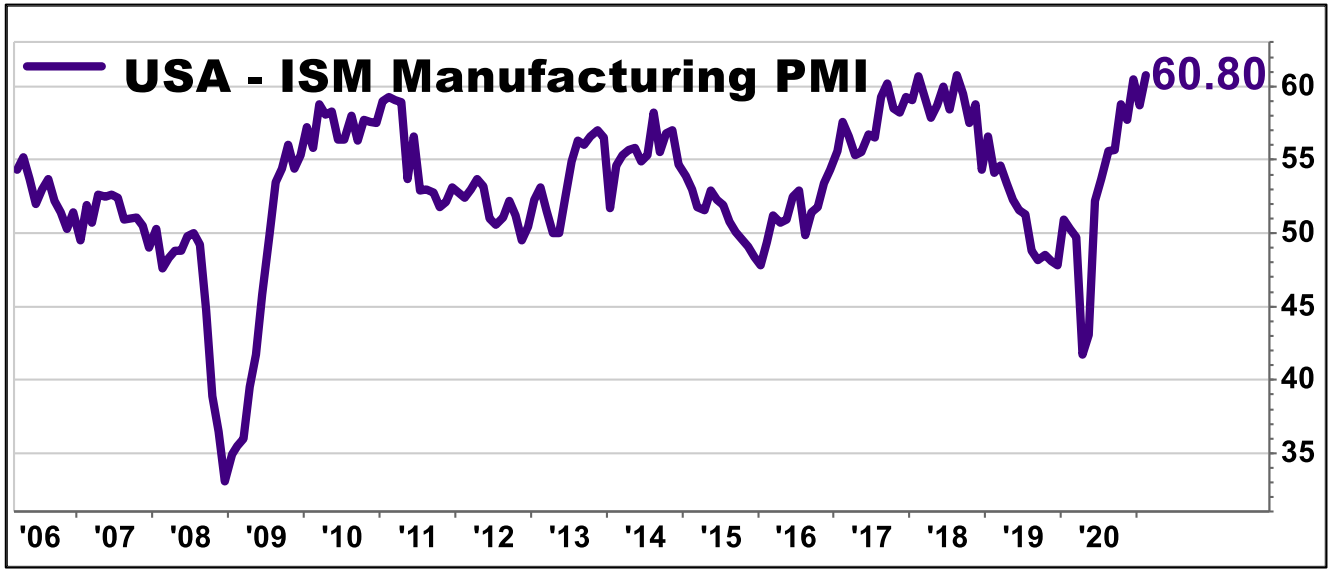
US Economy – Housing Market

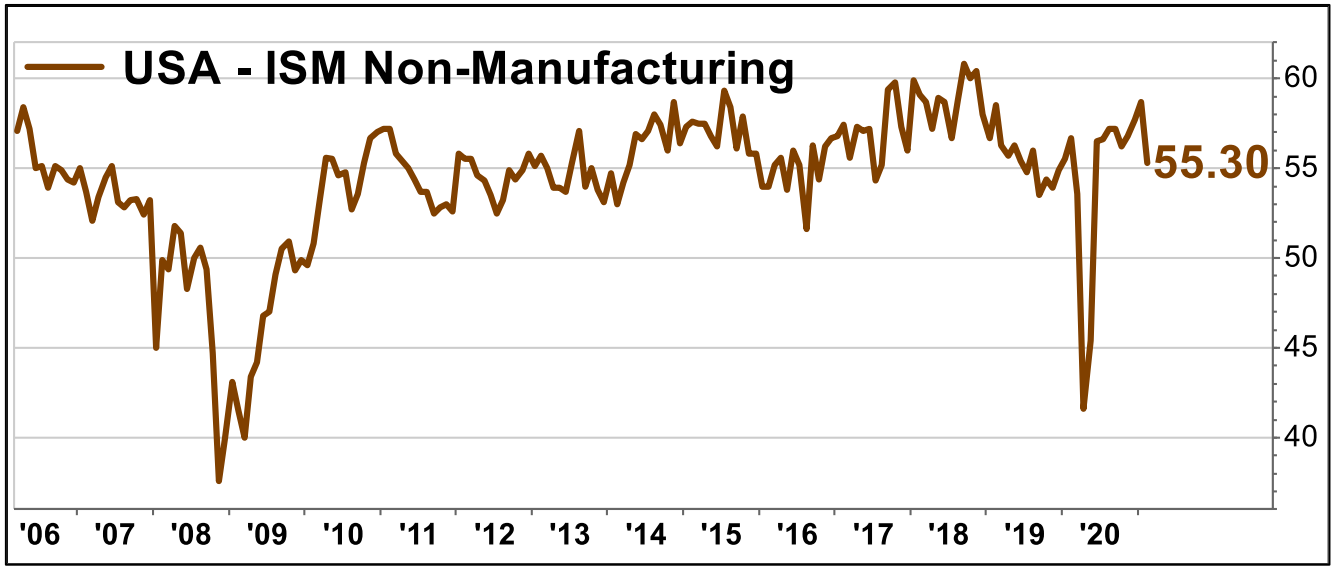




- Housing prices continue to climb due to low inventory and low mortgage rates.

US Economy – Leading Indicators and Surveys





- PMI numbers point to continued growth. The survey has almost rebounded to pre-pandemic highs.

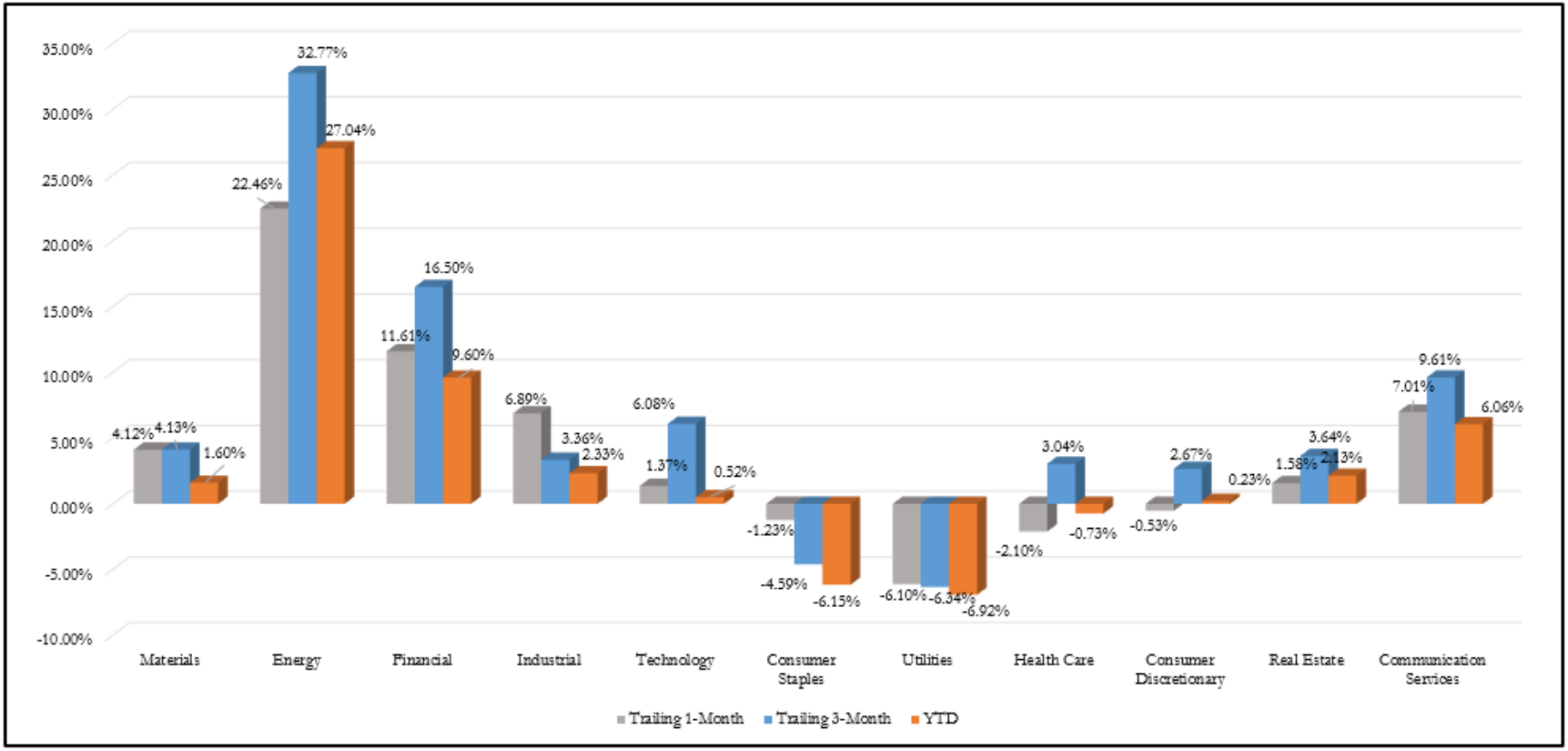
Asset Class Performance

Sector/Asset Class	ETF	2016	2017	2018	2019	2020	YTD	Trailing 3-month	Trailing 1-month
US Large Cap	SPY	12.00%	21.70%	-4.56%	31.22%	18.37%	1.73%	5.50%	2.78%
US Small Cap	IWM	21.60%	14.59%	-11.11%	25.39%	20.03%	11.35%	20.98%	6.20%
Large Cap Value	IVE	17.31%	15.25%	-9.19%	31.63%	1.21%	4.21%	7.71%	5.90%
Large Cap Growth	IVW	6.82%	27.22%	-0.19%	30.77%	33.19%	-0.58%	3.39%	-0.09%
Mid Cap Value	IWS	19.79%	13.15%	-12.41%	26.74%	4.80%	7.41%	12.33%	7.66%
Mid Cap Growth	IWP	7.22%	24.94%	-4.87%	35.04%	35.24%	1.32%	6.13%	1.71%
Small Cap Value	IWN	31.98%	7.69%	-12.99%	22.01%	4.66%	15.07%	24.26%	9.54%
Small Cap Growth	IWO	11.68%	22.25%	-9.42%	28.48%	34.68%	8.05%	18.10%	3.12%
International Equity	EFA	1.37%	25.10%	-13.81%	22.03%	7.59%	1.44%	6.53%	2.24%
Emerging Markets Equity	VWO	12.21%	31.48%	-14.77%	20.76%	15.19%	4.75%	11.04%	1.57%
US REITs	VNQ	8.60%	4.91%	-6.02%	28.87%	-4.68%	3.46%	6.28%	3.43%
Infrastructure MLP	AMLP	14.84%	-7.92%	-12.62%	5.98%	-32.19%	13.59%	16.63%	7.75%
Gold	GLD	8.03%	12.81%	-1.94%	17.86%	24.81%	-9.28%	-2.92%	-6.26%
Commodity	DJP	12.86%	0.74%	-13.07%	7.63%	-4.12%	10.78%	17.25%	7.68%
High Yield Bond	JNK	14.43%	6.48%	-3.27%	14.88%	4.95%	-0.35%	1.77%	0.15%
Broad Bond	AGG	2.41%	3.55%	0.10%	8.46%	7.48%	-2.25%	-2.17%	-1.52%
TIPs	TIP	4.68%	2.92%	-1.42%	8.35%	10.84%	-1.43%	-0.34%	-1.69%
Treasuries	IEF	1.01%	2.55%	0.99%	8.03%	10.01%	-3.43%	-3.66%	-2.36%
Long Term Treasuries	TLT	1.18%	9.18%	-1.61%	14.12%	18.15%	-9.16%	-10.27%	-5.73%
Short Term Treasuries	SHV	0.41%	0.67%	1.72%	2.36%	0.81%	-0.01%	0.01%	0.00%

Note: As of February 28th, 2021.

- **Small cap outpaced large cap and value outperformed growth on the month. Bonds were largely negative as yields increased.**

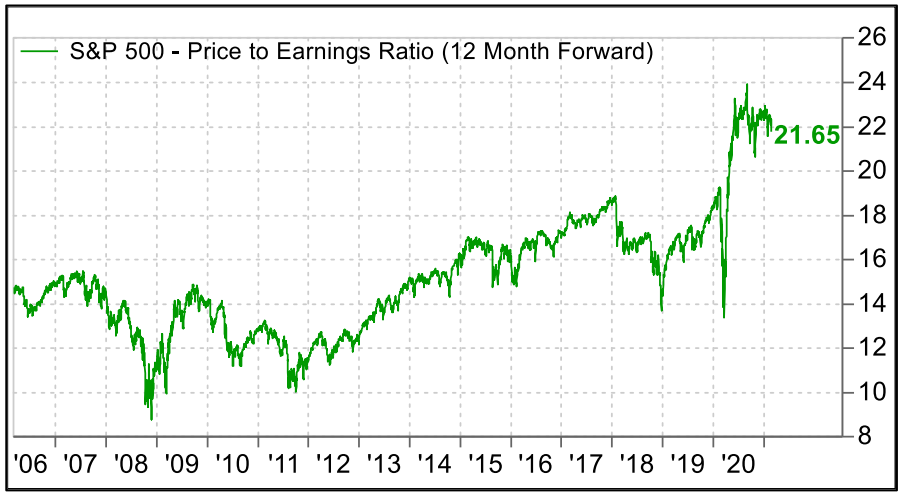
US Sector Performance

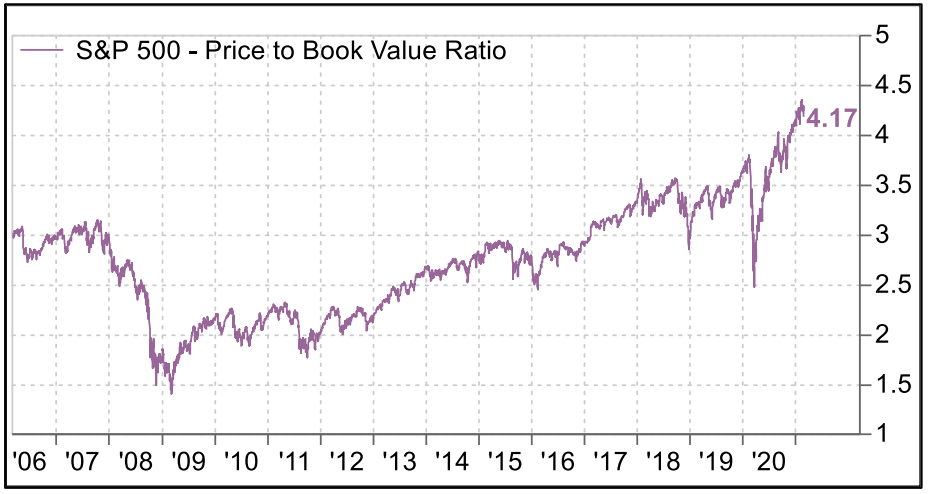


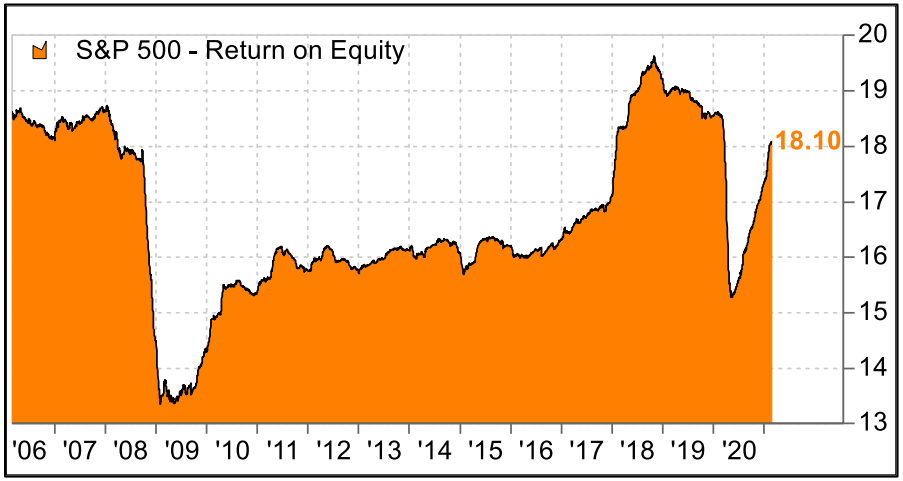
Note: As of February 28th, 2021.

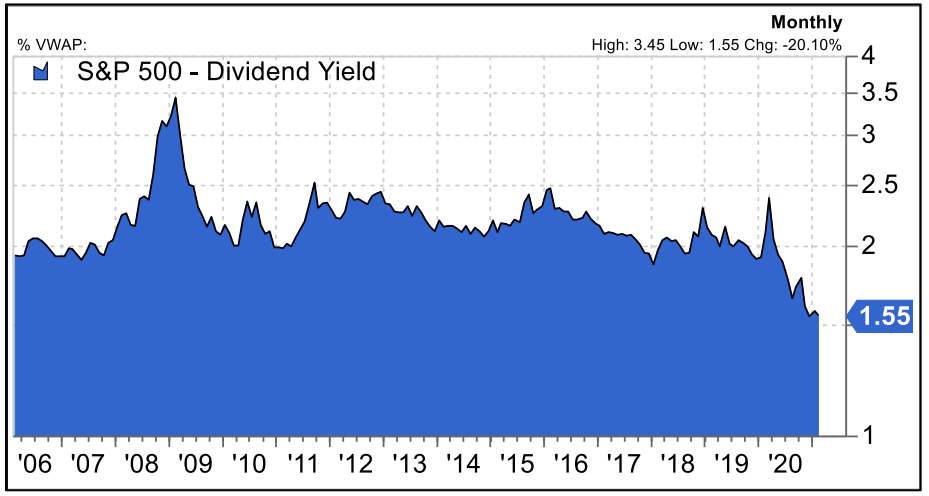
- **Energy companies saw strong gains as oil prices increased on the month.**

US Equity Market Fundamentals



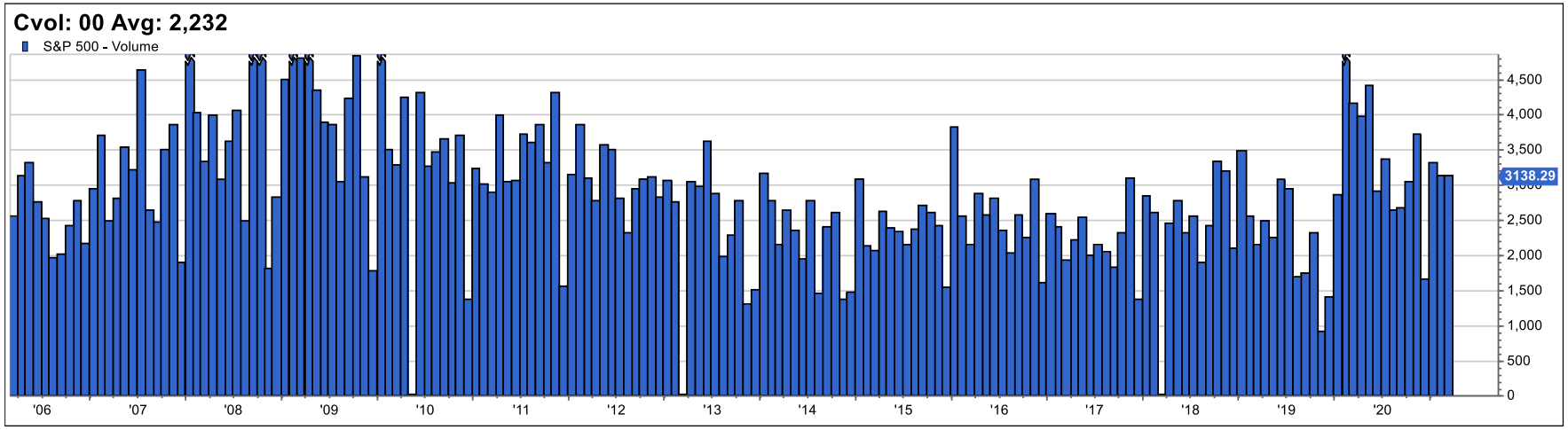


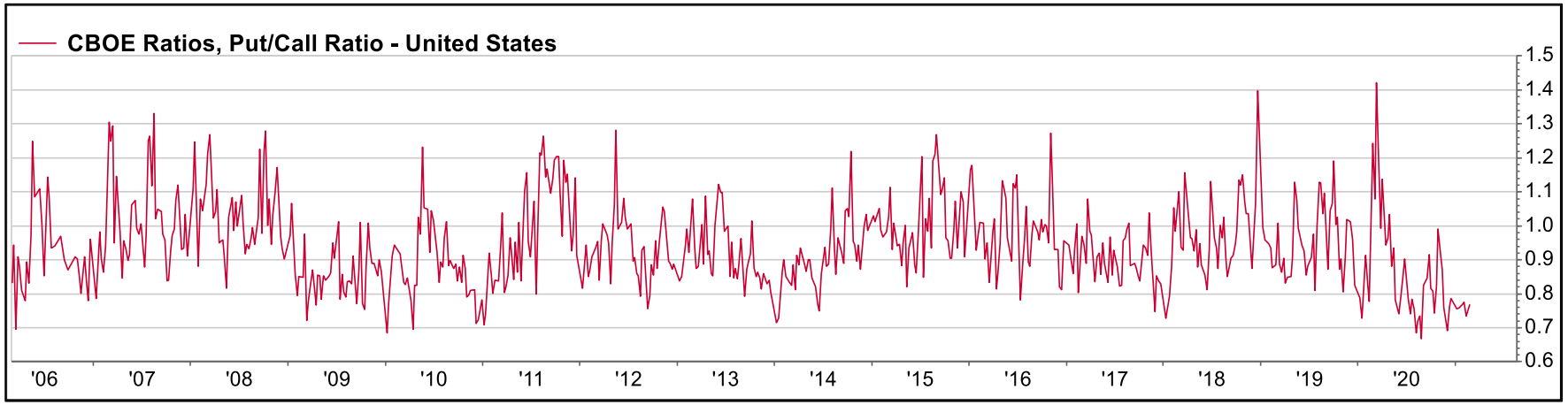




- **Valuations were mostly steady on the month.**

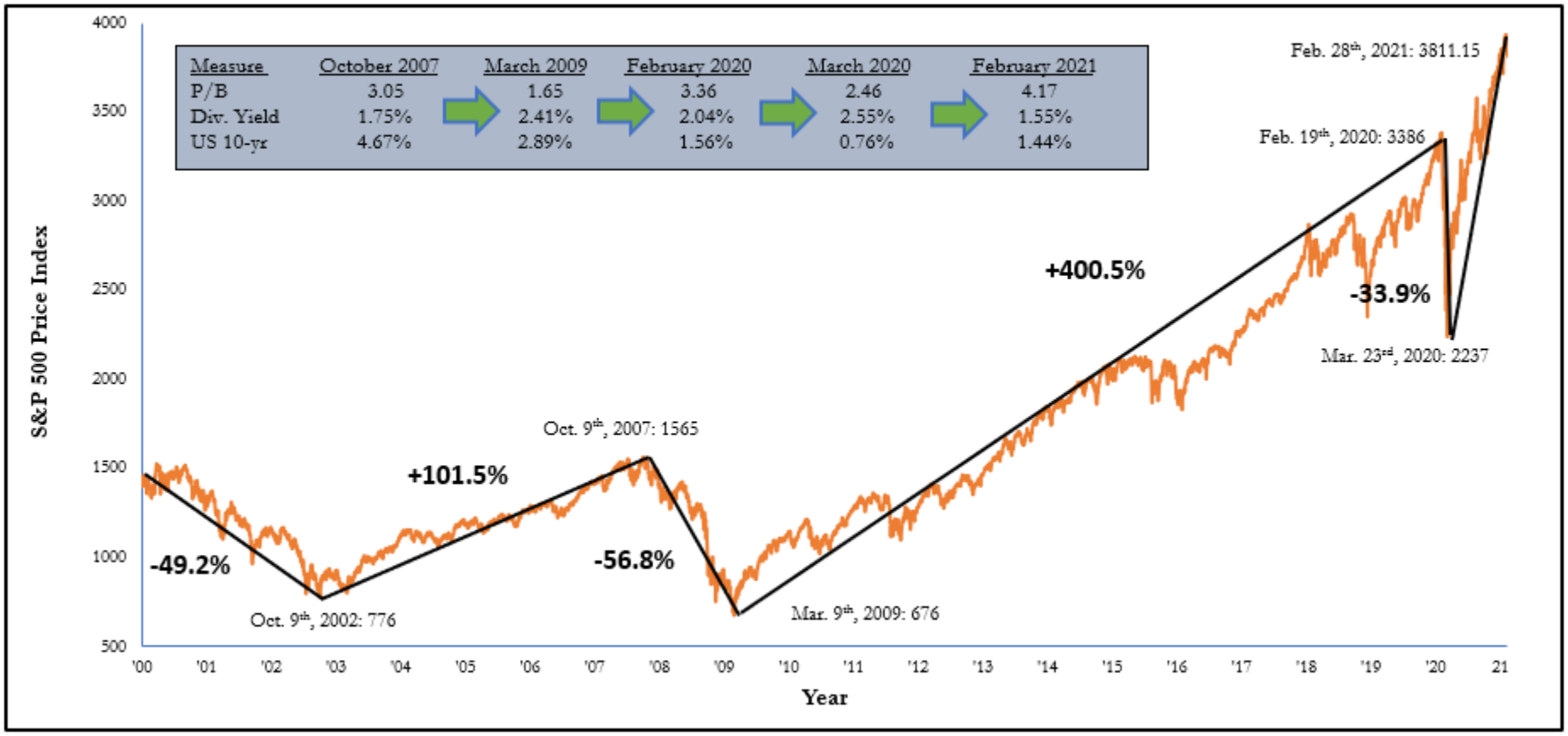
US Equity Market Technicals





- S&P 500 volume is slightly elevated compared to historical averages.
- Put/Call Ratio is well below historical averages, indicating strong bullish sentiment among investors.

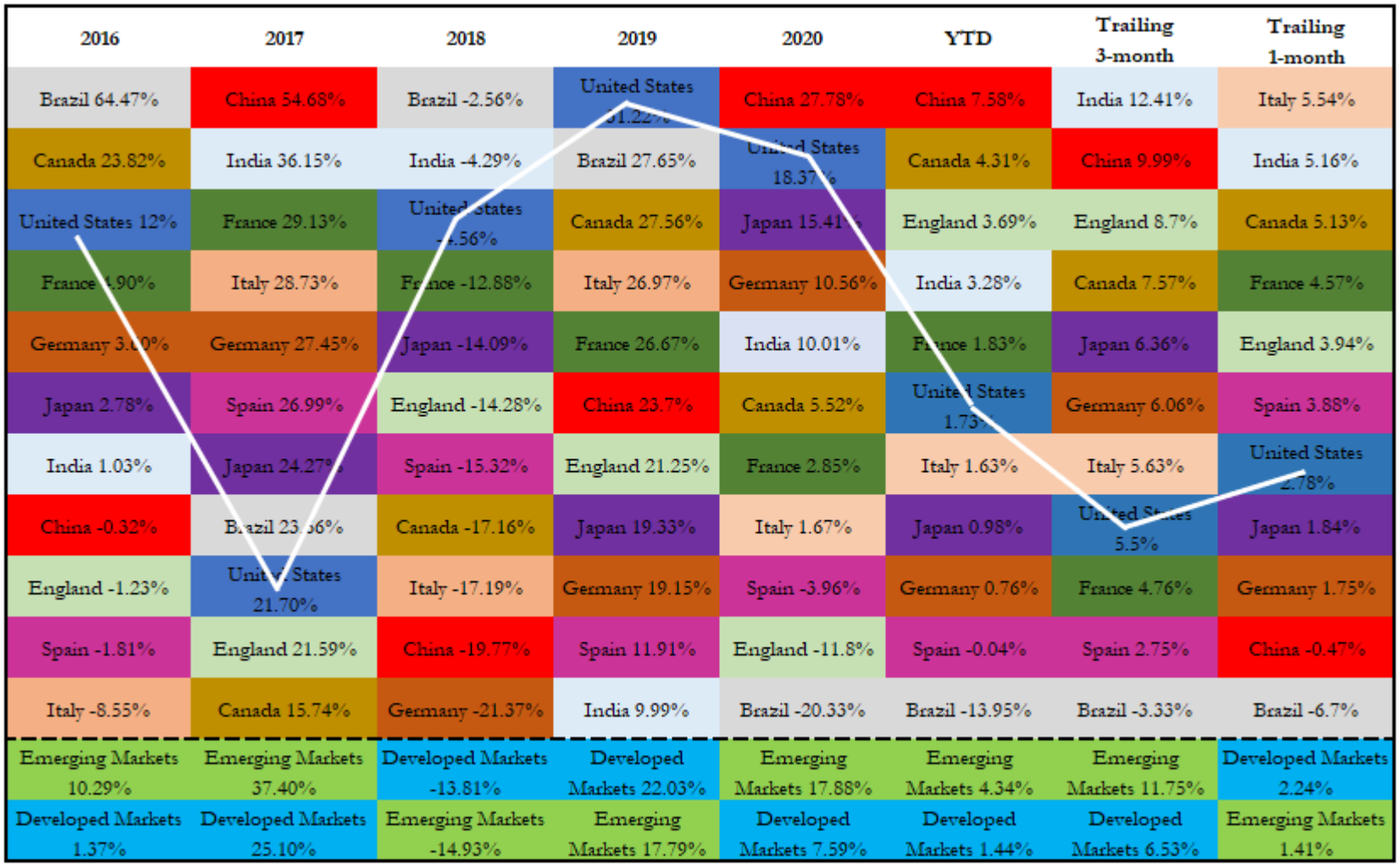
US Equity Trends



Note: As of February 28th, 2021.

Data Source: FactSet, Yahoo Finance, and www.treasury.gov

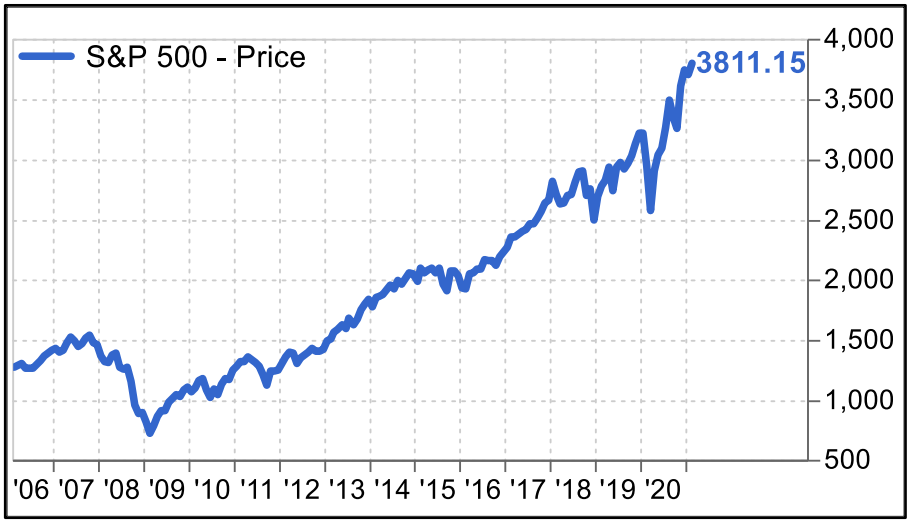
Global Equity Performance - Country Comparison

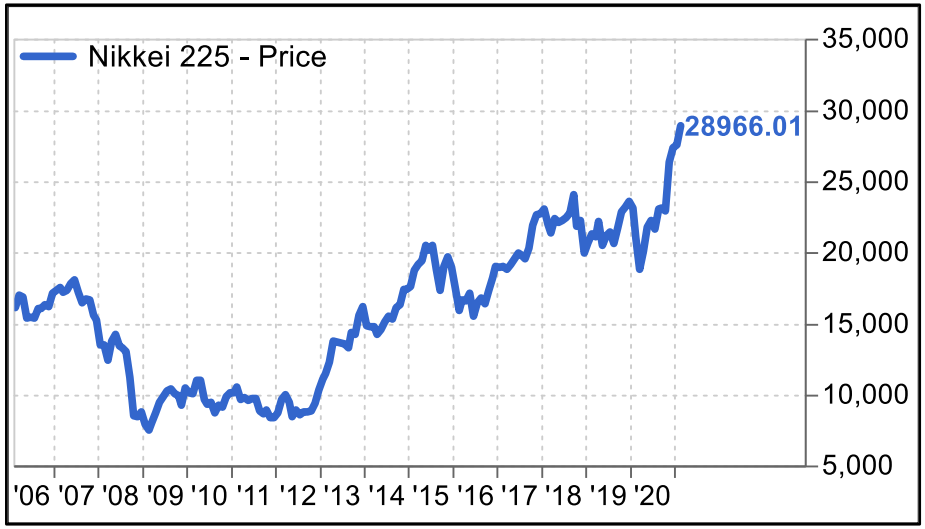


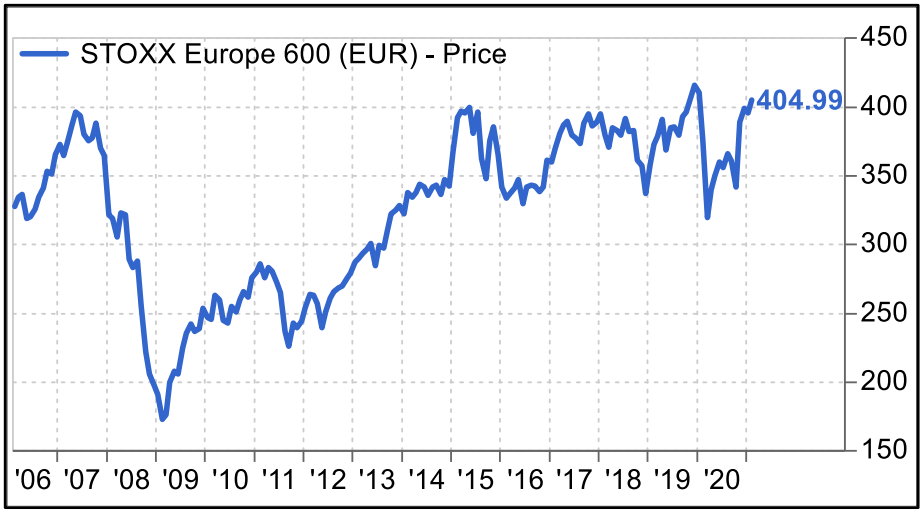
2016	2017	2018	2019	2020	YTD	Trailing 3-month	Trailing 1-month
Brazil 64.47%	China 54.68%	Brazil -2.56%	United States 31.22%	China 27.78%	China 7.58%	India 12.41%	Italy 5.54%
Canada 23.82%	India 36.15%	India -4.29%	Brazil 27.65%	United States 18.37%	Canada 4.31%	China 9.99%	India 5.16%
United States 12%	France 29.13%	United States -4.56%	Canada 27.56%	Japan 15.41%	England 3.69%	England 8.7%	Canada 5.13%
France 4.90%	Italy 28.73%	France -12.88%	Italy 26.97%	Germany 10.56%	India 3.28%	Canada 7.57%	France 4.57%
Germany 3.00%	Germany 27.45%	Japan -14.09%	France 26.67%	India 10.01%	France 1.83%	Japan 6.36%	England 3.94%
Japan 2.78%	Spain 26.99%	England -14.28%	China 23.7%	Canada 5.52%	United States 1.73%	Germany 6.06%	Spain 3.88%
India 1.03%	Japan 24.27%	Spain -15.32%	England 21.25%	France 2.85%	Italy 1.63%	Italy 5.63%	United States 2.78%
China -0.32%	Brazil 23.66%	Canada -17.16%	Japan 19.33%	Italy 1.67%	Japan 0.98%	United States 5.5%	Japan 1.84%
England -1.23%	United States 21.70%	Italy -17.19%	Germany 19.15%	Spain -3.96%	Germany 0.76%	France 4.76%	Germany 1.75%
Spain -1.81%	England 21.59%	China -19.77%	Spain 11.91%	England -11.8%	Spain -0.04%	Spain 2.75%	China -0.47%
Italy -8.55%	Canada 15.74%	Germany -21.37%	India 9.99%	Brazil -20.33%	Brazil -13.95%	Brazil -3.33%	Brazil -6.7%
Emerging Markets 10.29%	Emerging Markets 37.40%	Developed Markets -13.81%	Developed Markets 22.03%	Emerging Markets 17.88%	Emerging Markets 4.34%	Emerging Markets 11.75%	Developed Markets 2.24%
Developed Markets 1.37%	Developed Markets 25.10%	Emerging Markets -14.93%	Emerging Markets 17.79%	Developed Markets 7.59%	Developed Markets 1.44%	Developed Markets 6.53%	Emerging Markets 1.41%

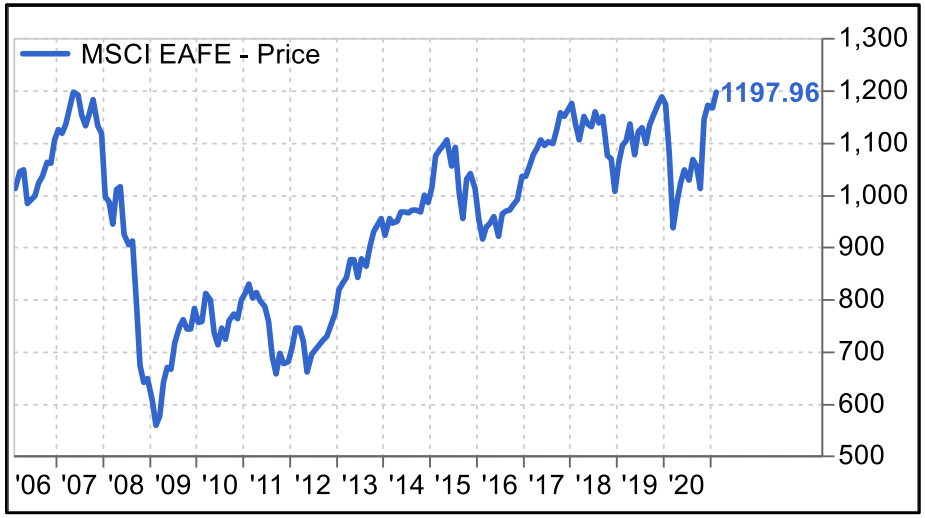
Note: As of Feb. 28th 2021. Numbers reflective of ETF performance.

Global Equity- Major Indices

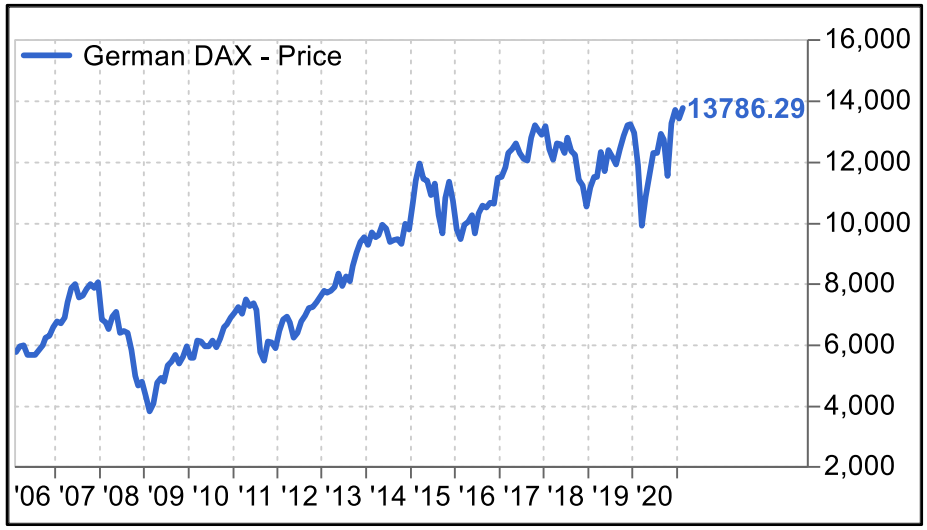


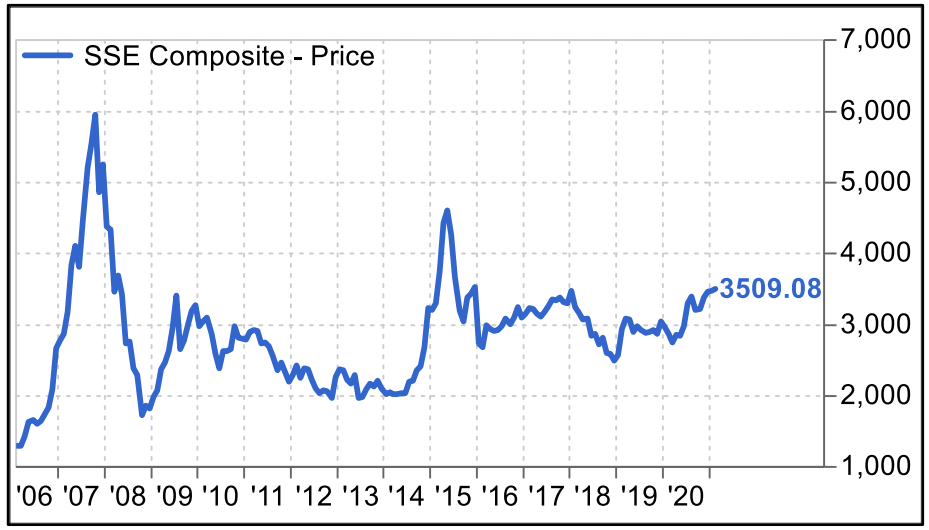


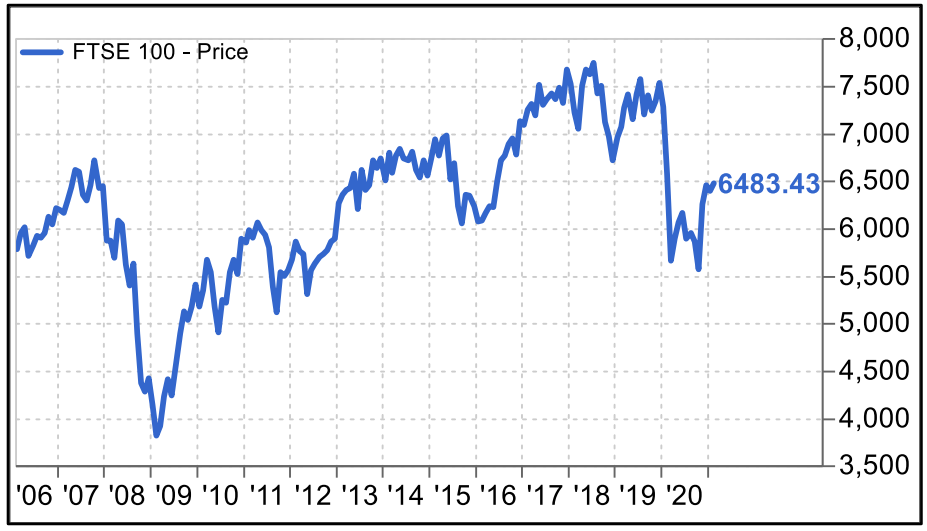


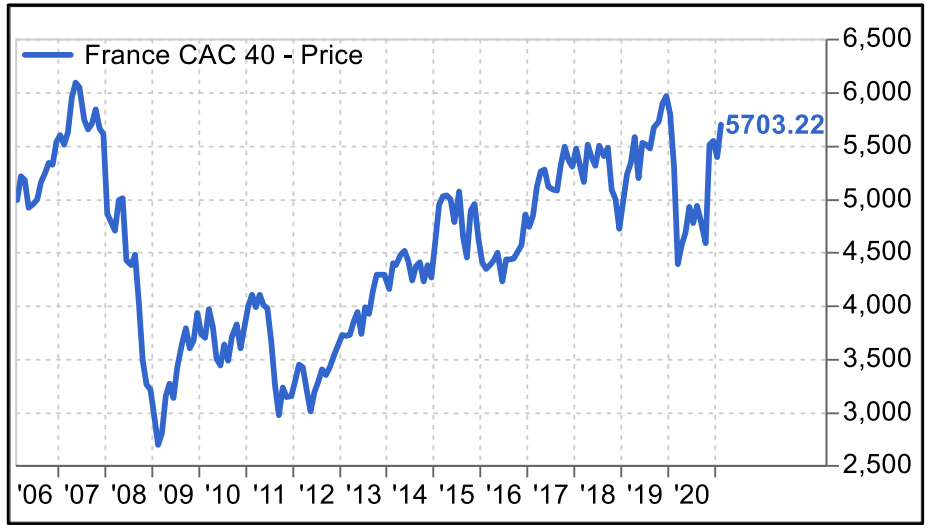


Global Equity- Major Indices

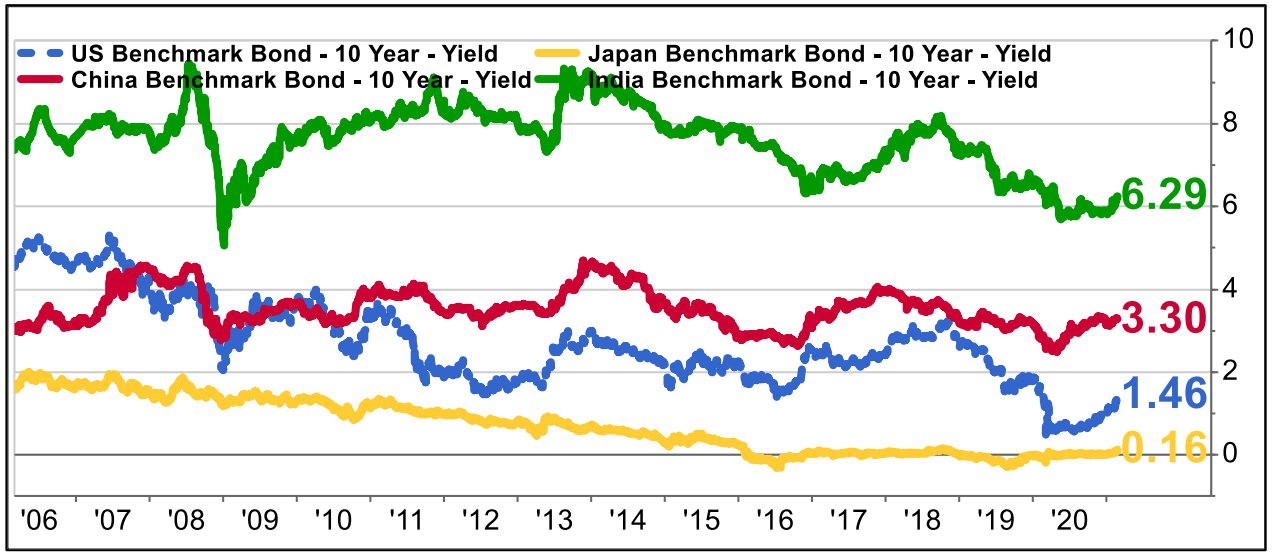


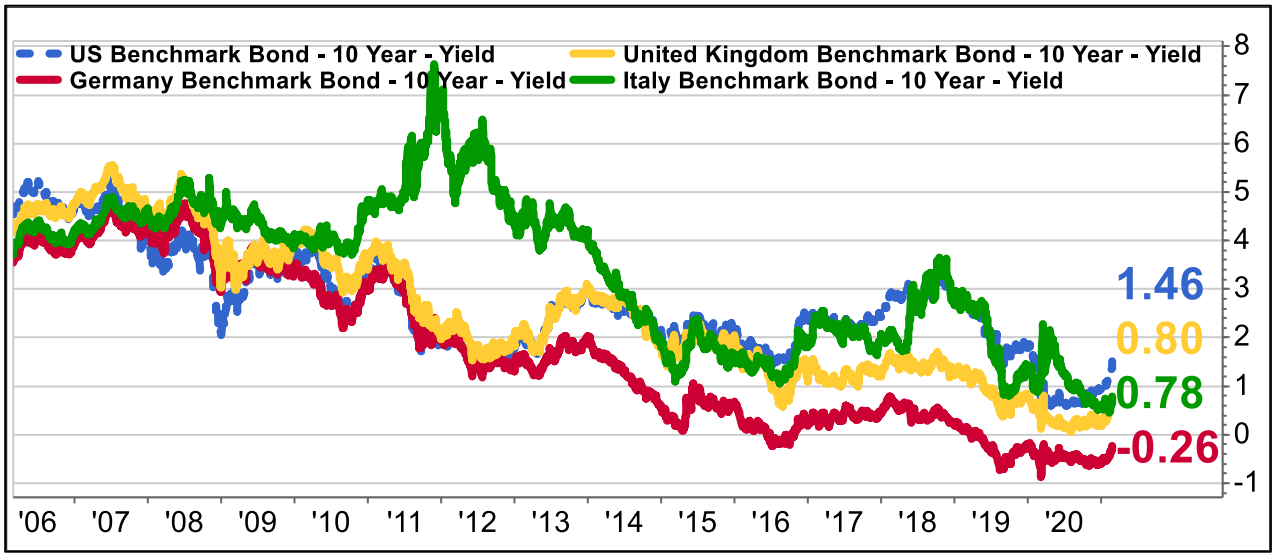






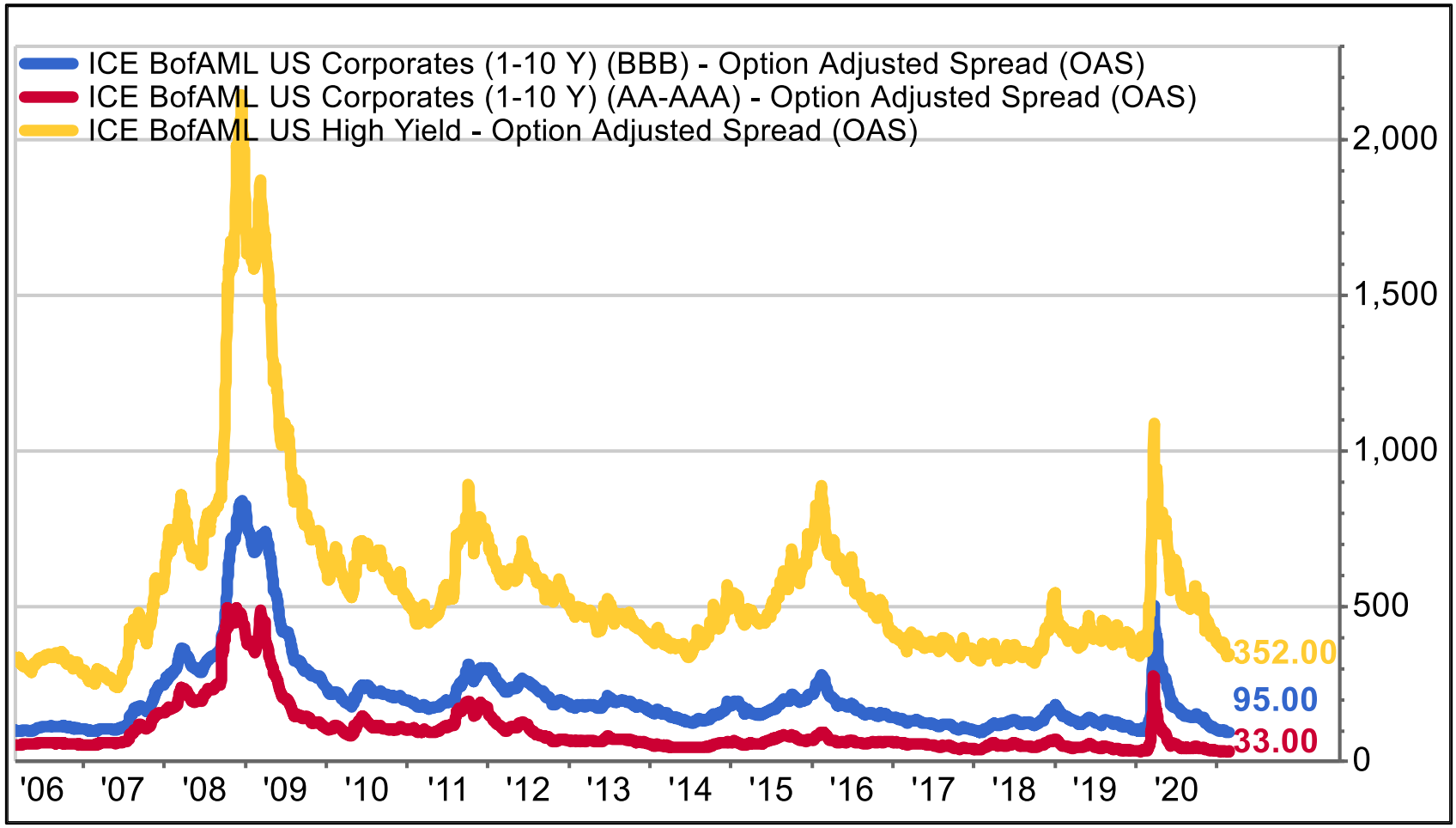
Global Fixed Income- Government Yields





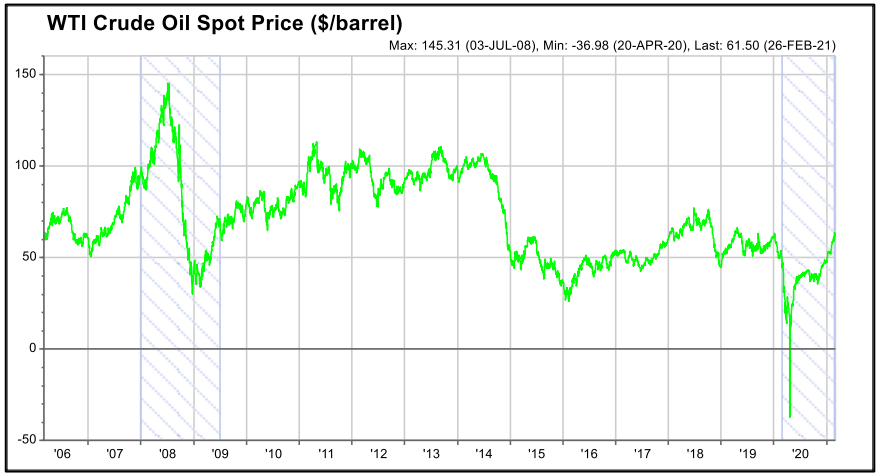
- Bond yields increased across the globe on inflation concerns.

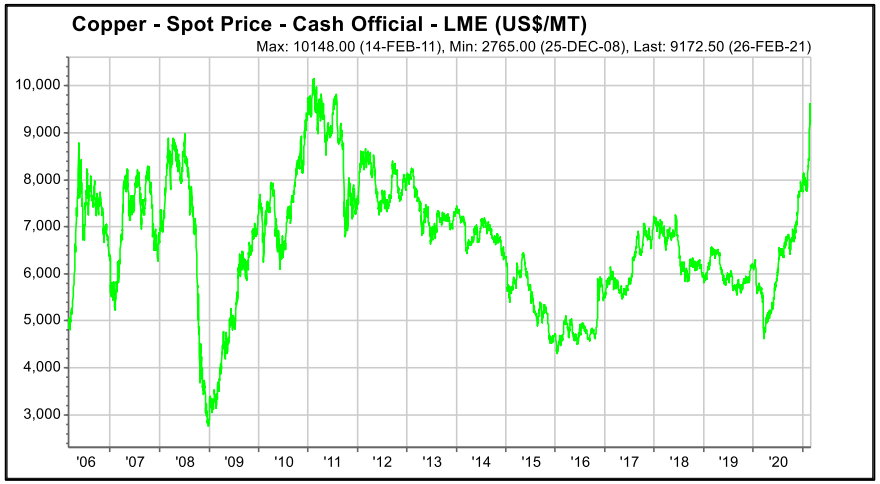
Credit Market - Corporate Spreads

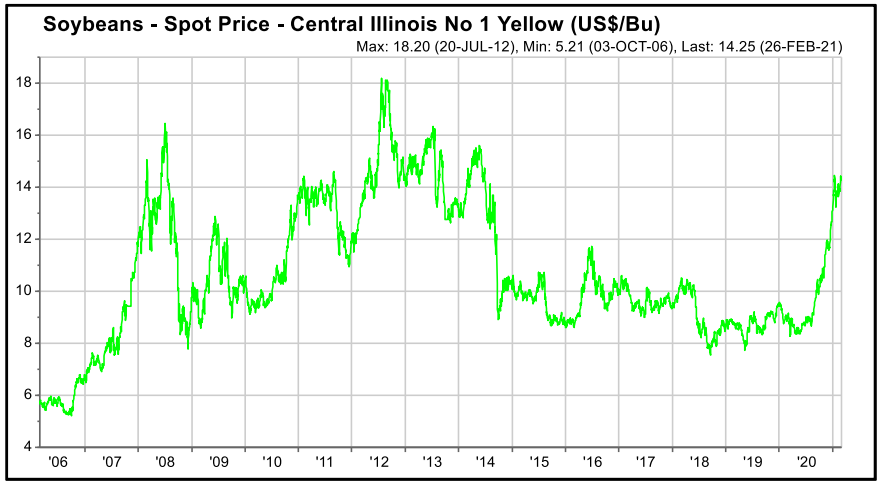


- Spreads on all types of debt were largely unchanged on the month.

Commodities

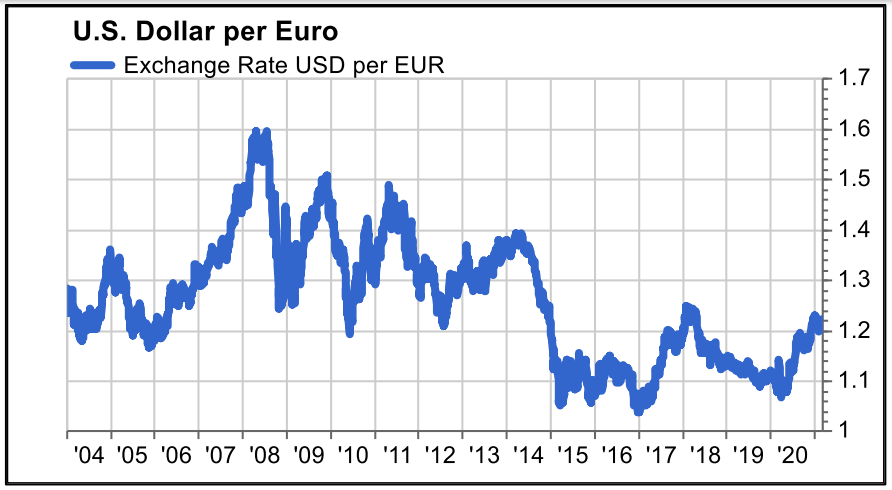


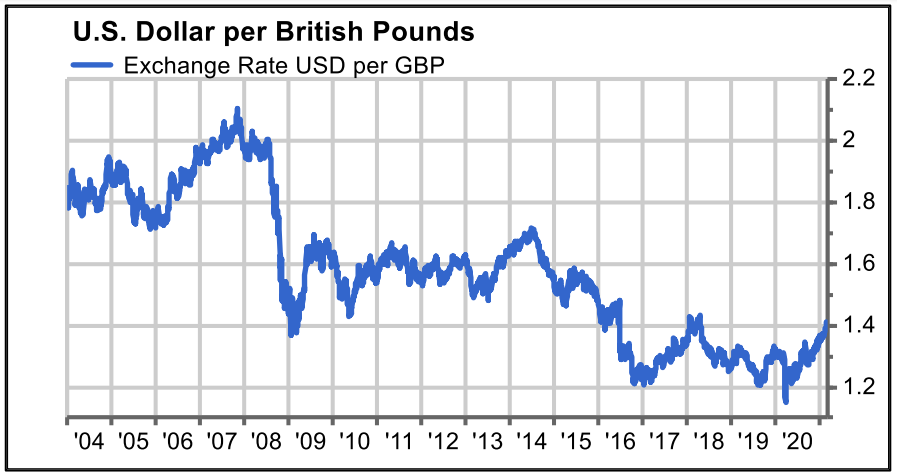


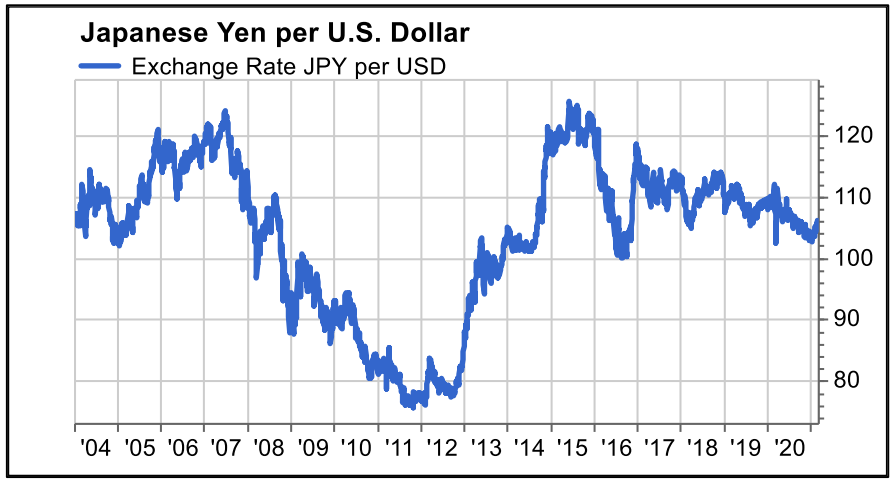


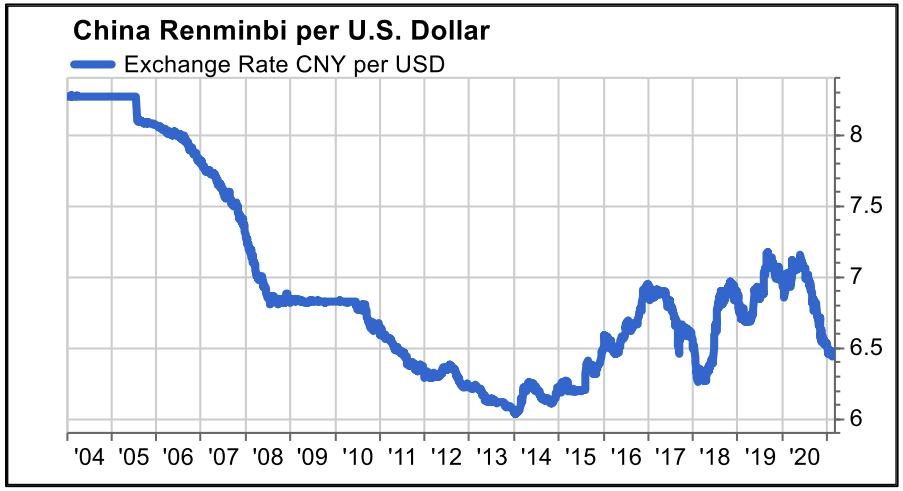
- As of 2/28/2021, WTI Crude: $61.50/Barrel; Gold: $1782.85/Troy Oz; Copper: $9172.50/MT; Soybean: $14.25/Bu.

Foreign Exchange









- As of 2/28/2021, FX rates are: 1.21 USD/EUR, 1.40 USD/GBP, 106.54 JPY/USD, 6.46 CNY/USD.
- The US Dollar has been depreciating against most major currencies.

Disclosures

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