

Economic and Market Perspective for 2020 and Beyond

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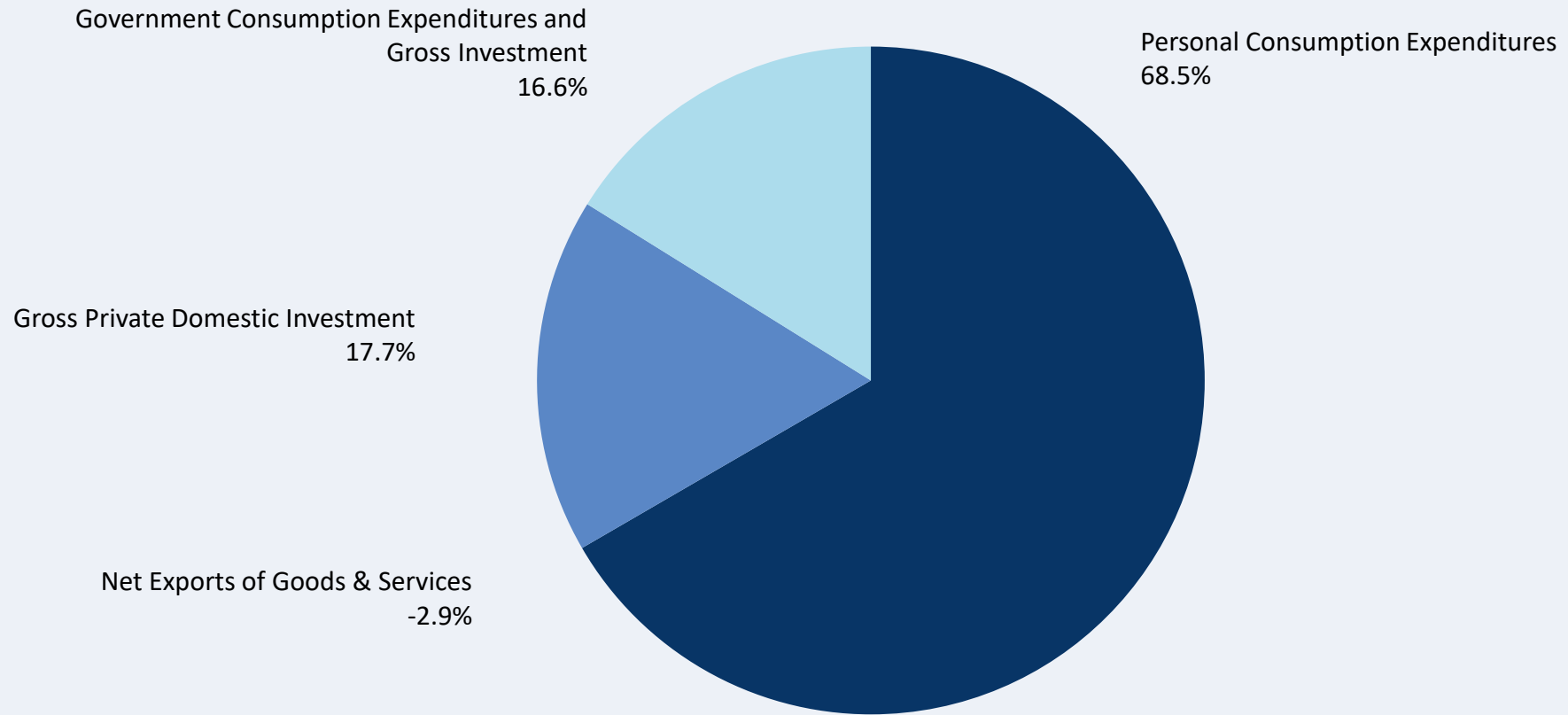
Perspectives for 2020 and Beyond

- Understanding the Economy and Markets in 2020
- What Impact Will the Election Have on the Economy and Markets?
- Moving Forward Beyond The Challenges of 2020

Poll Question #1

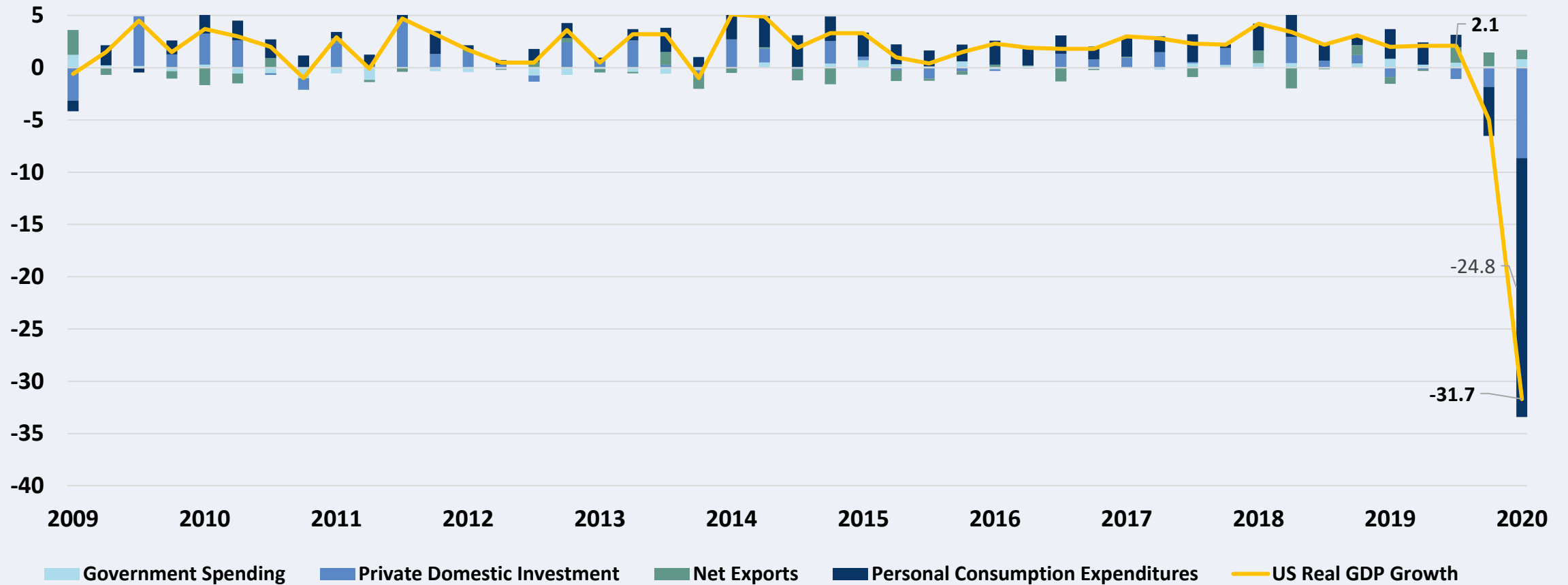
- What is the main driver of U.S. Economic Growth?
 - Government Spending and Investment
 - Private Direct Investment
 - Personal Consumption
 - Trade (Imports or Exports)

Understanding 2020: Drivers of GDP Growth



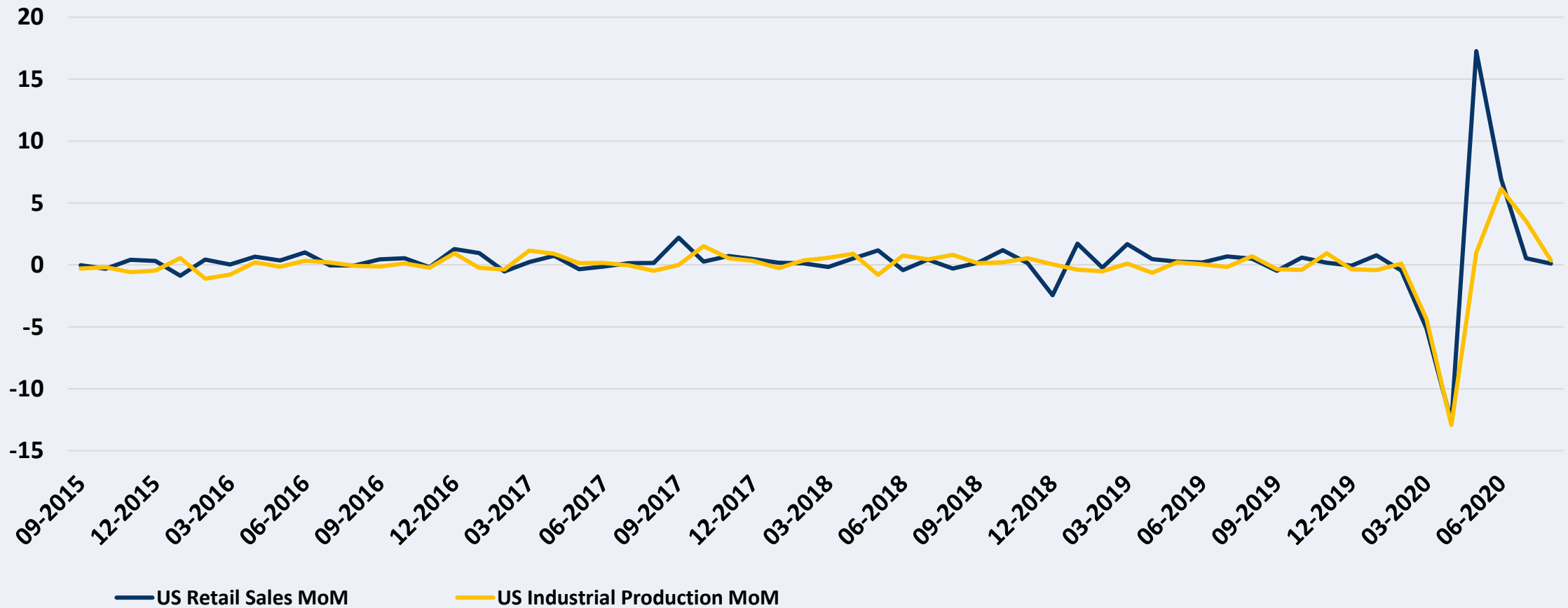
Source: Ycharts

Understanding 2020: GDP Growth Over Time



Source: Ycharts

Understanding 2020: Production and Sales



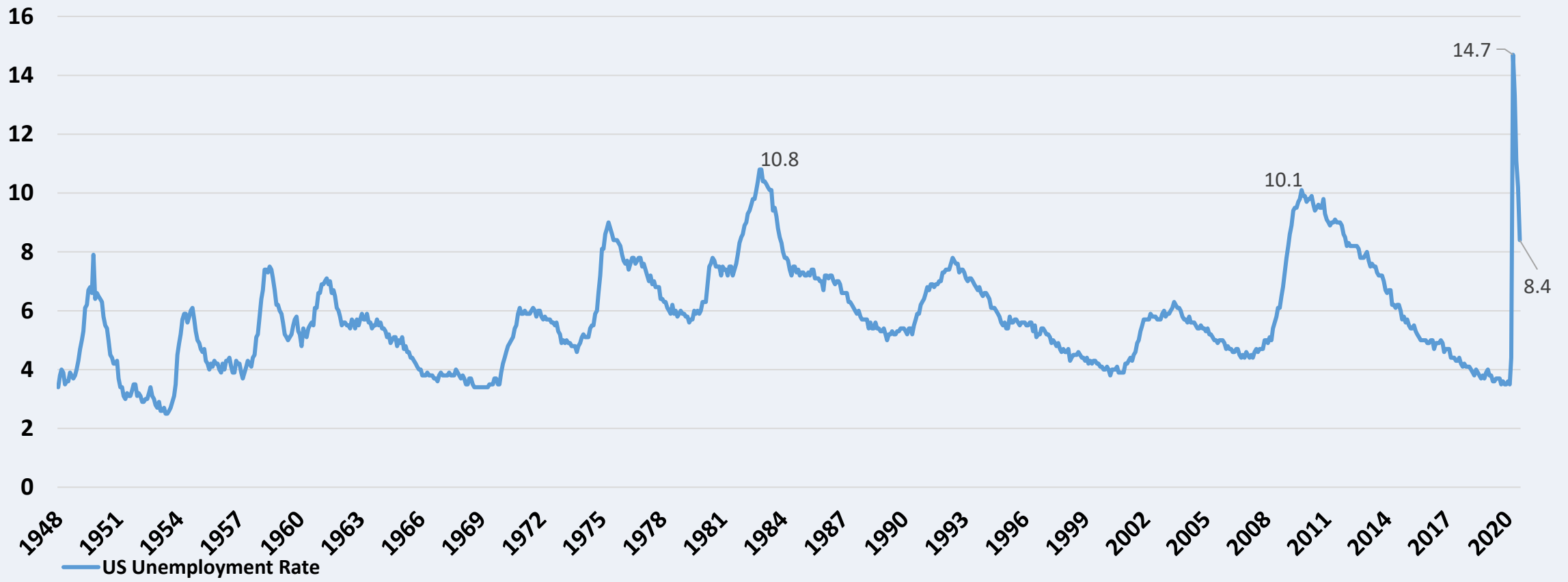
— US Retail Sales MoM
Source: Ycharts

— US Industrial Production MoM



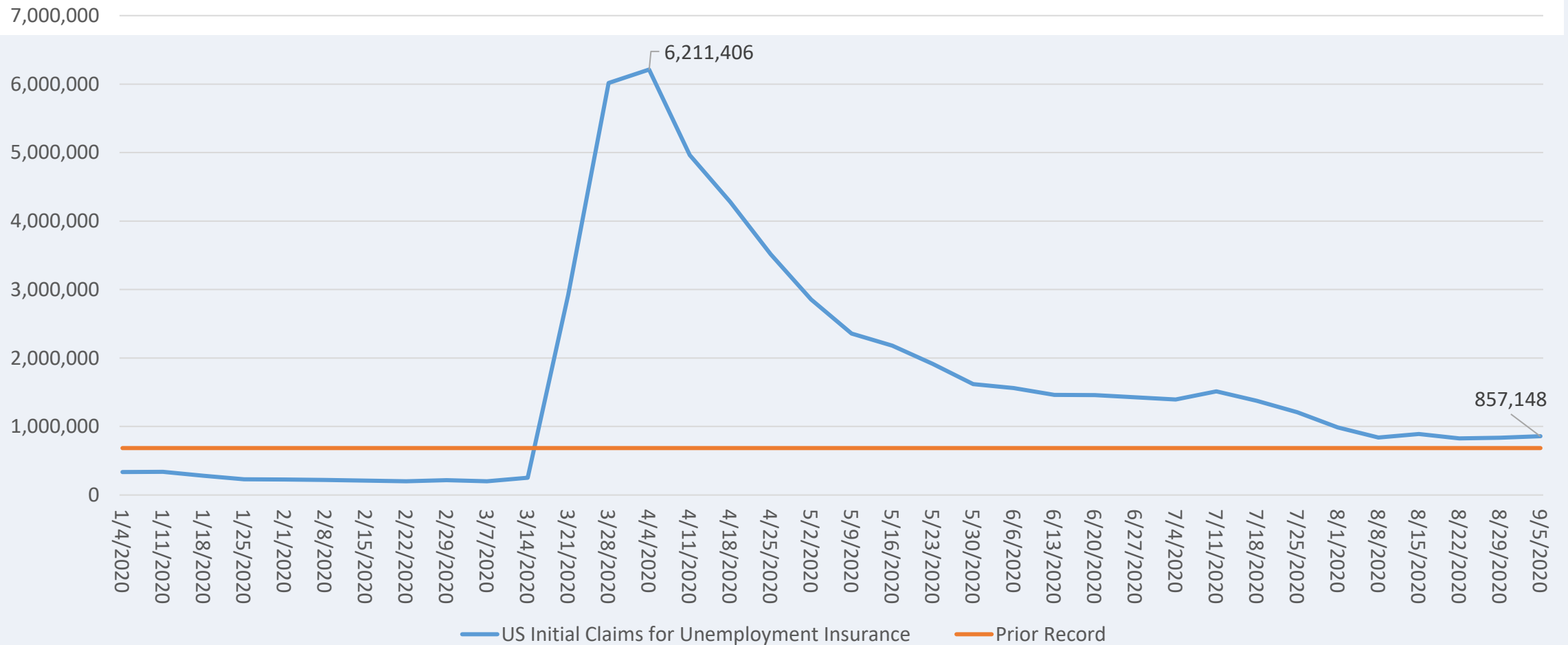
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Understanding 2020: Unemployment



Source: Ycharts

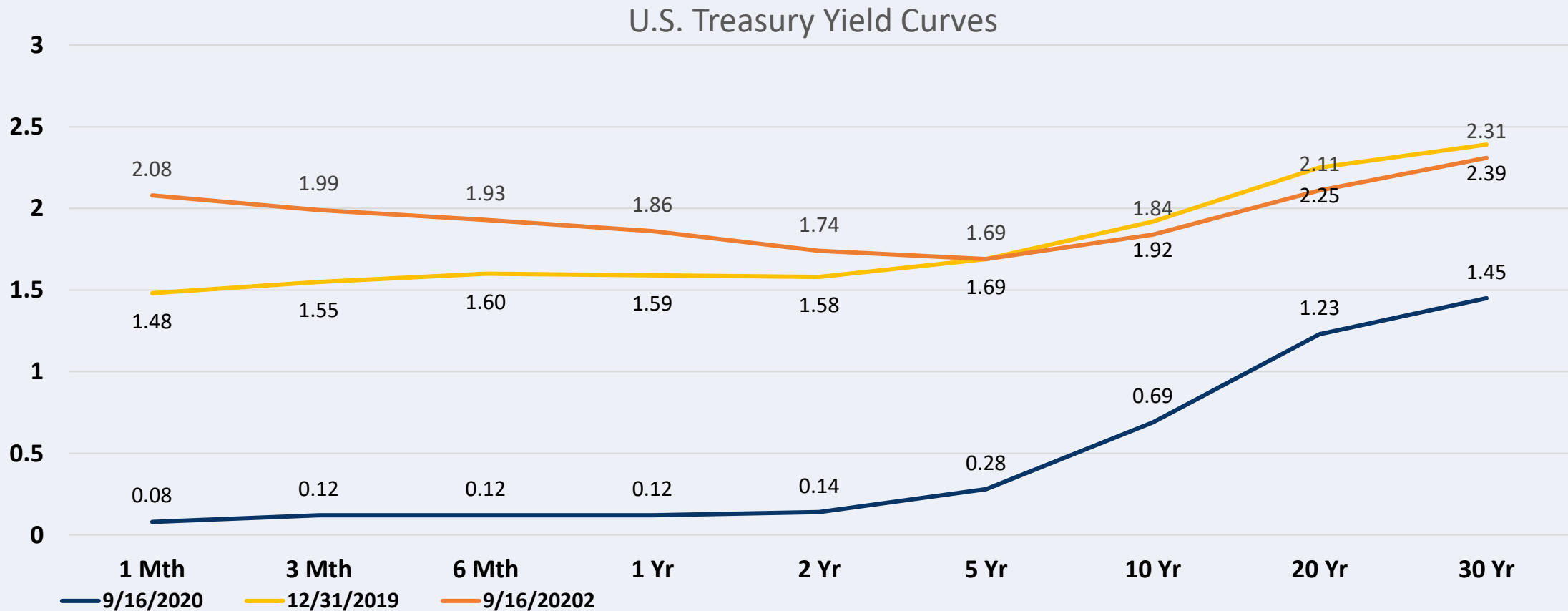
Understanding 2020: Weekly Jobless Claims



Source: Ycharts

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Understanding 2020: Monetary Policy



Understanding 2020: Monetary Policy



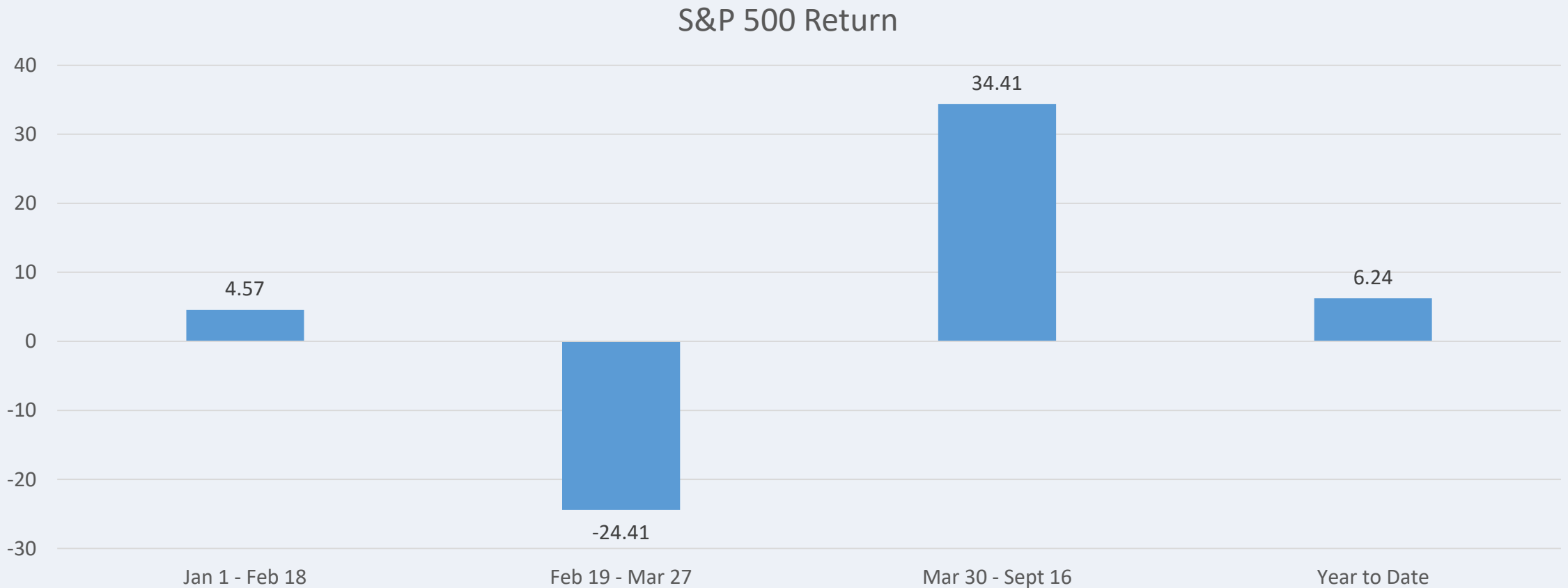
Source: Ycharts

Understanding 2020: Fiscal Policy Response



Sources: Ycharts, Congressional Budget Office, Federal Reserve Bank of St. Louis

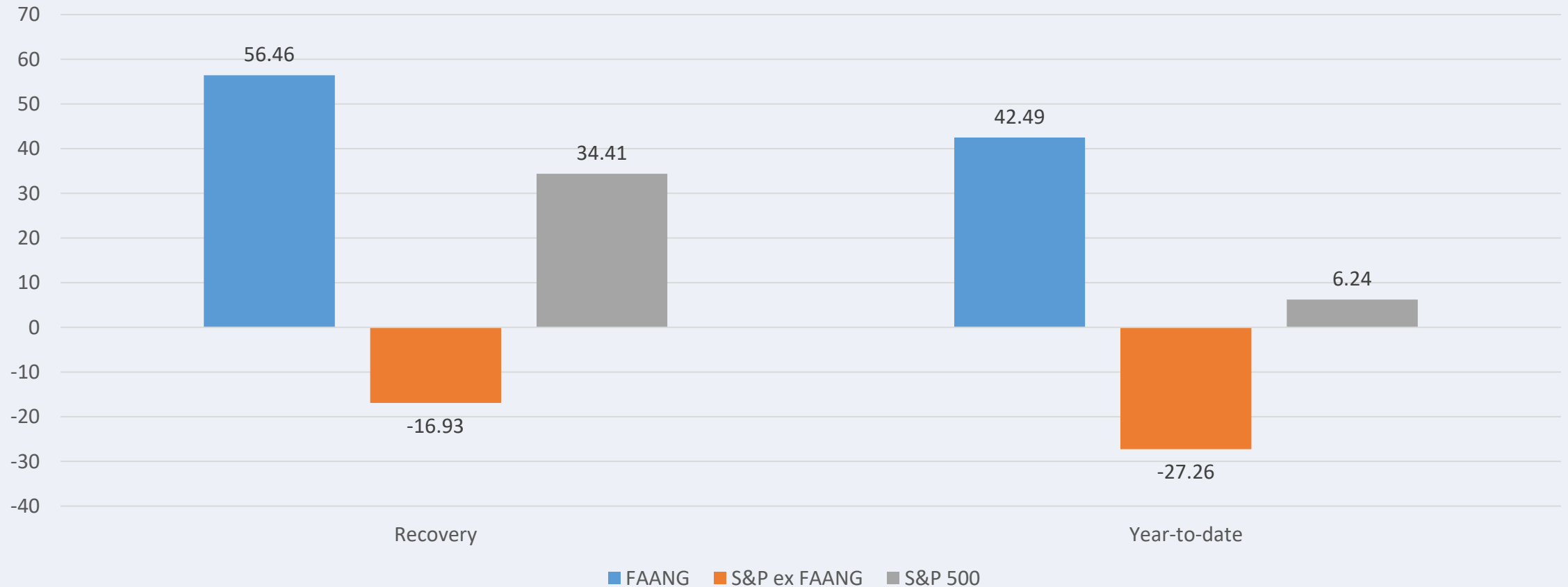
Understanding 2020: Stock Market Response



Source: Morningstar Direct



Understanding 2020: Stock Market Dispersion



Source: Morningstar Direct

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Poll Question #2

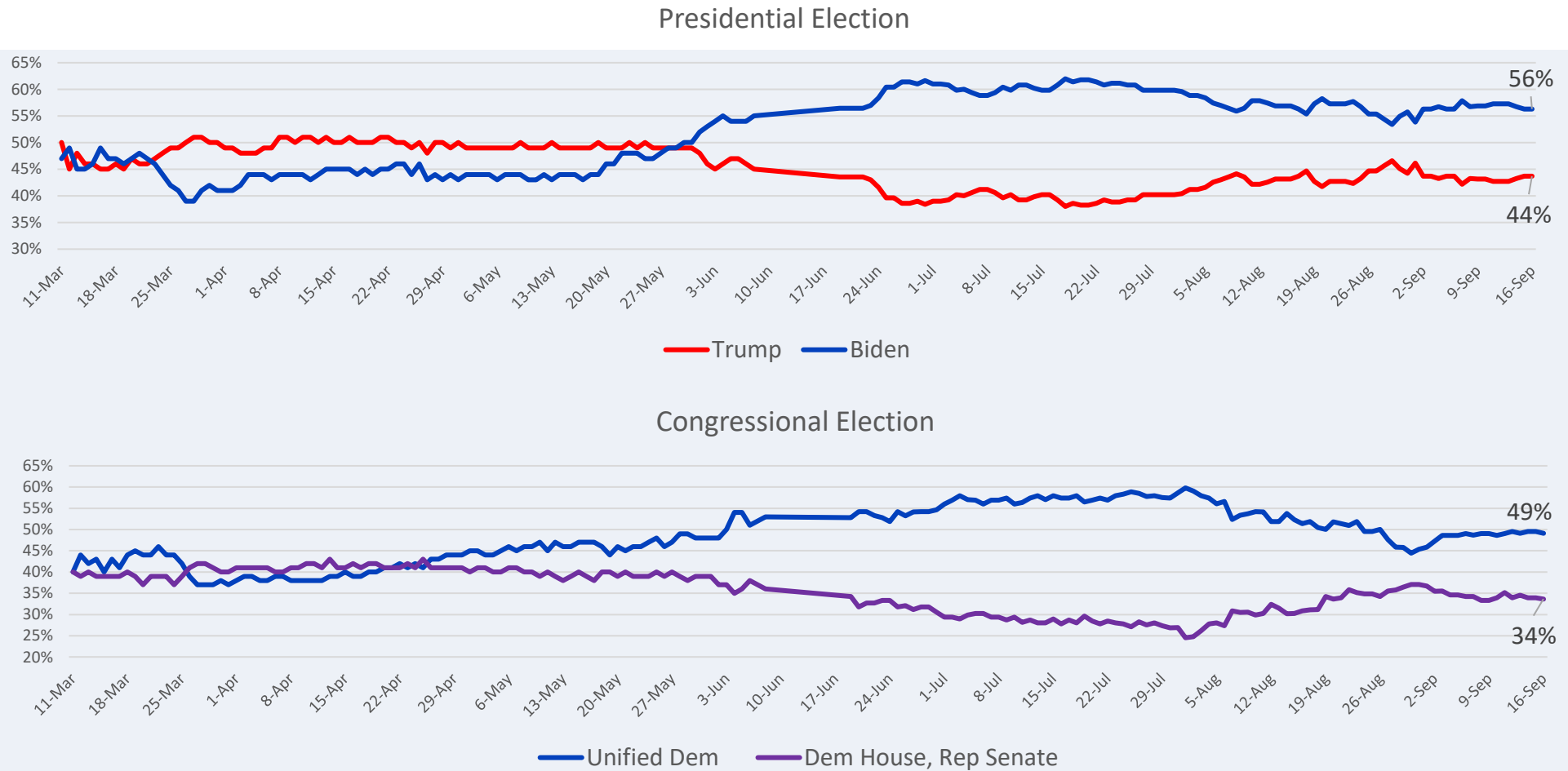
- Who was the last President to win reelection to a second elected term when a recession occurred within 2 years of election day?
 - Dwight Eisenhower
 - Abraham Lincoln
 - William McKinley
 - Andrew Jackson
 - It has never happened

Political Impact: Presidential Election

Year	Recession	Hold Power?	Sitting President	Elected President
1860	Oct. 1860 - Election Day	No	Buchanan	Lincoln
1868	April 1865 - Election Day	No	Johnson	Grant
1876	Oct. 1873 - Election Day	Yes	Grant	Hayes
1884	March 1882 - Election Day	No	Arthur	Cleveland
1888	March 1887 - April 1888	No	Cleveland	Harrison
1892	July 1890 - May 1891	No	Harrison	Cleveland
1896	Dec. 1895 - Election Day	No	Cleveland	McKinley
1900	June 1899 - Election Day	Yes	McKinley	McKinley
1904	Sept. 1902 - Aug. 1904	Yes	T. Roosevelt	T. Roosevelt
1908	May 1907 - June 1908	Yes	T. Roosevelt	Taft
1912	Jan. 1910 - Jan. 1912	No	Taft	Wilson
1920	Aug. 1918 - March 1919	No	Wilson	Harding
1924	May 1923 - July 1924	Yes	Coolidge	Coolidge
1928	Oct. 1926 - Nov. 1927	Yes	Coolidge	Hoover
1932	Aug. 1929 - Election Day	No	Hoover	F. Roosevelt
1960	April 1960 - Election Day	No	Eisenhower	Kennedy
1976	Nov. 1973 - March 1975	No	Carter	Reagan
1992	June 1990 - March 1991	No	GHW Bush	Clinton
2008	Dec. 2007 - Election Day	No	GW Bush	Obama

Source: National Bureau of Economic Research

Political Impact: Election Probabilities

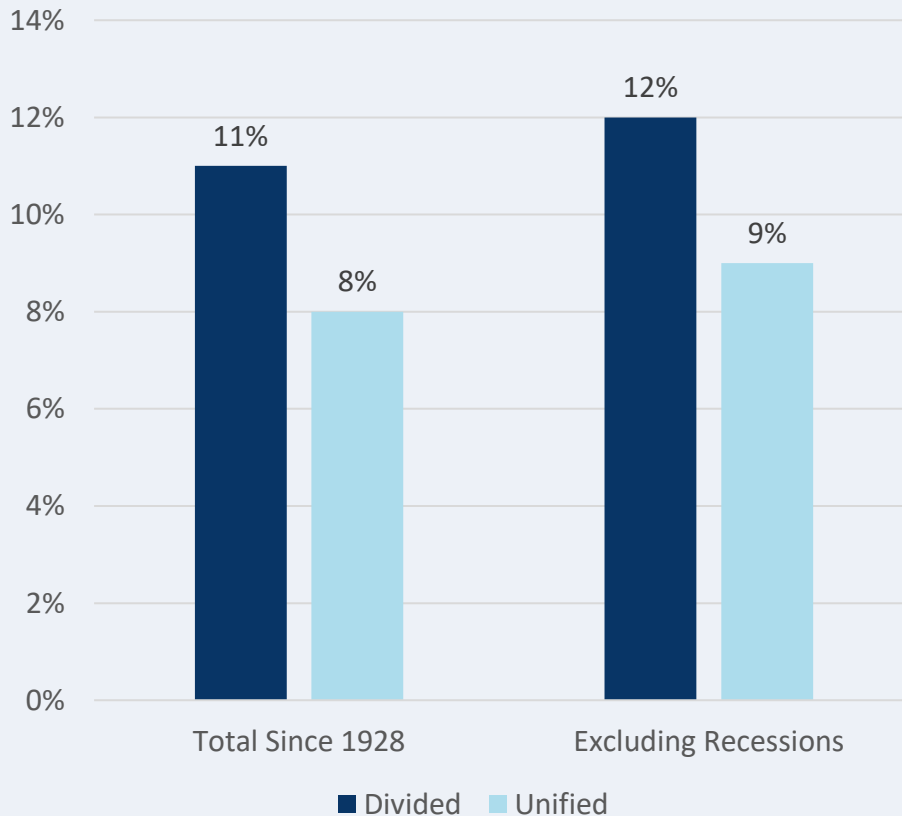


Source: Predictit.org

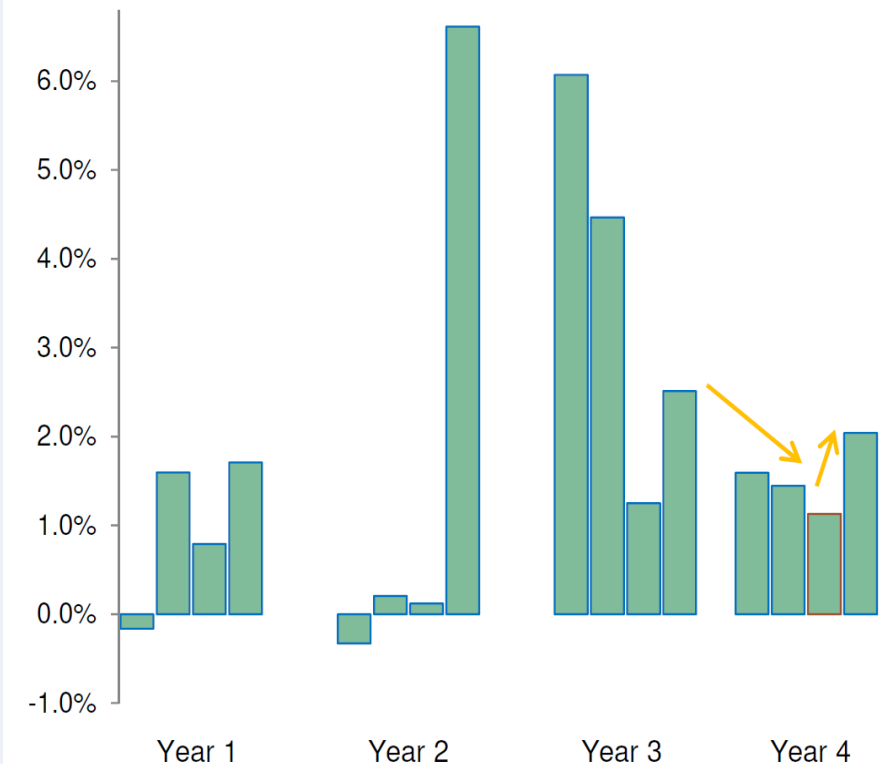
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Political Impact: Markets and Elections

S&P 500 Performance Based on US Gov't Control

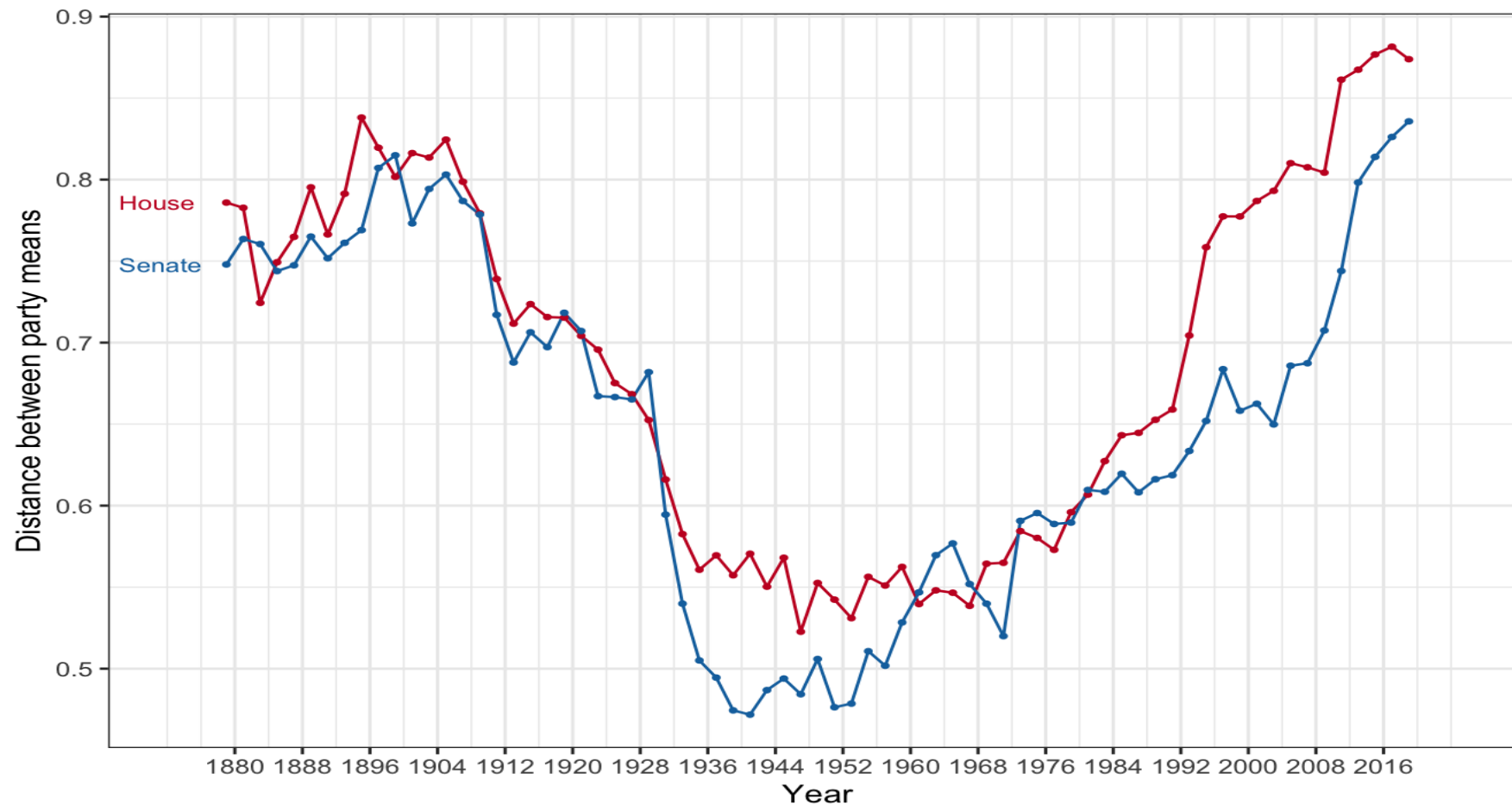


Quarterly S&P 500 returns by presidential year (since 1936)



Sources: AllianzGI, Morningstar Direct

Political Impact: Polarization



Source: VoteView.com, UCLA Department of Political Science

Moving Forward

AROUND HERE, HOWEVER, WE DON'T
LOOK BACKWARDS FOR VERY LONG.

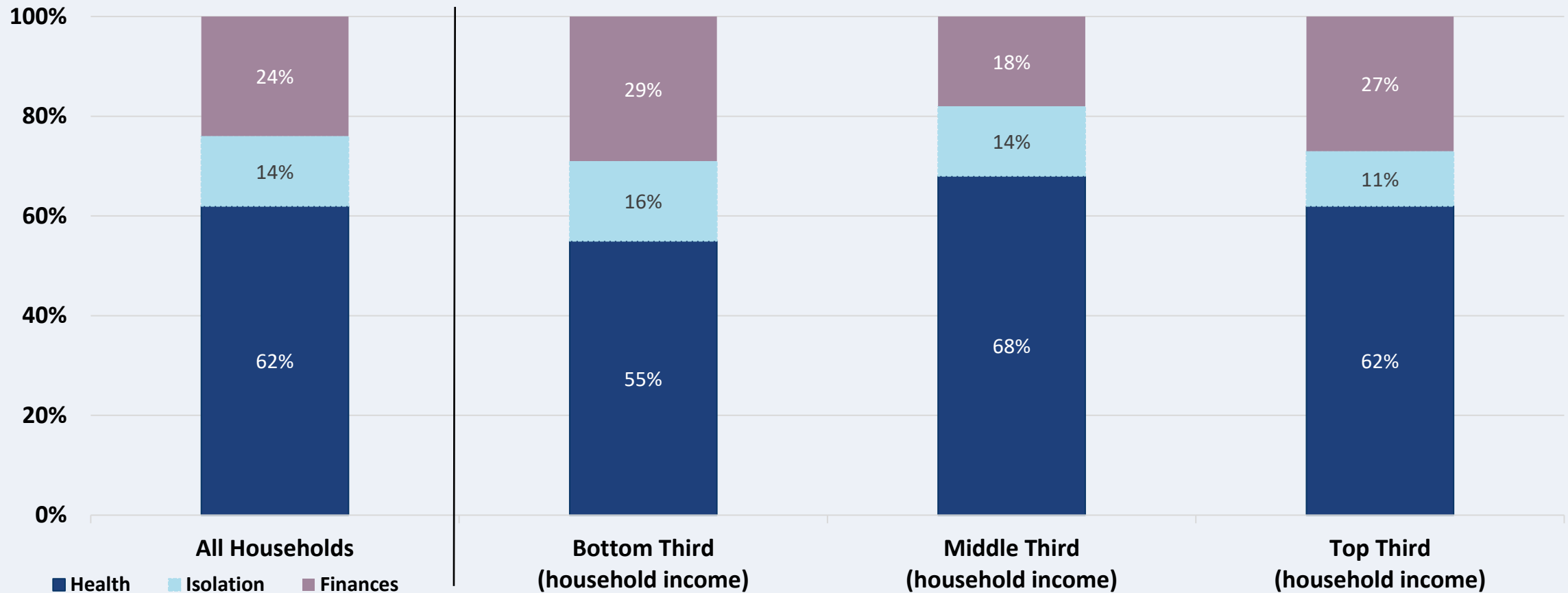
WE KEEP MOVING FORWARD, OPENING UP NEW DOORS AND
DOING NEW THINGS, BECAUSE WE'RE CURIOUS...
AND CURIOSITY KEEPS LEADING US DOWN NEW PATHS.

WALT DISNEY

Poll Question #3

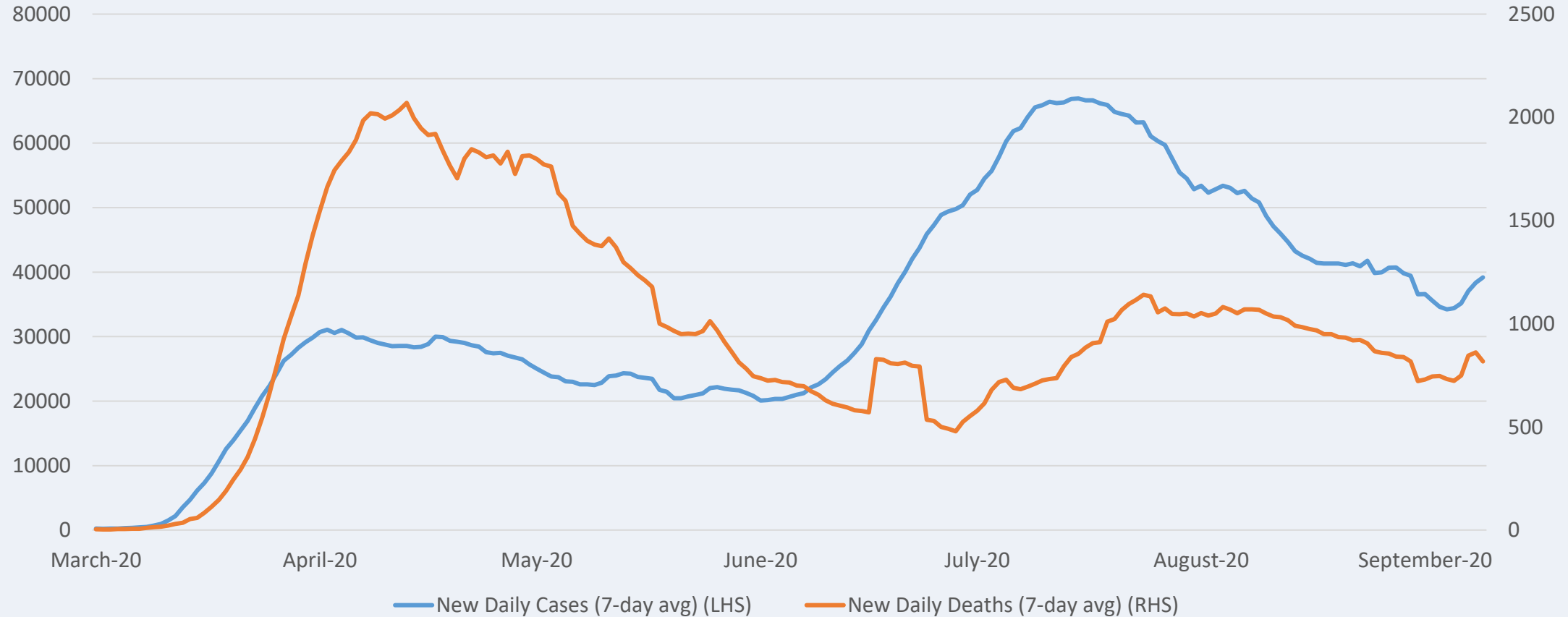
- What is American consumers' main worry about the impact of the global pandemic?
 - Health
 - Isolation
 - Finances

Moving Forward: Main COVID-19 Concerns



Source: University of Michigan

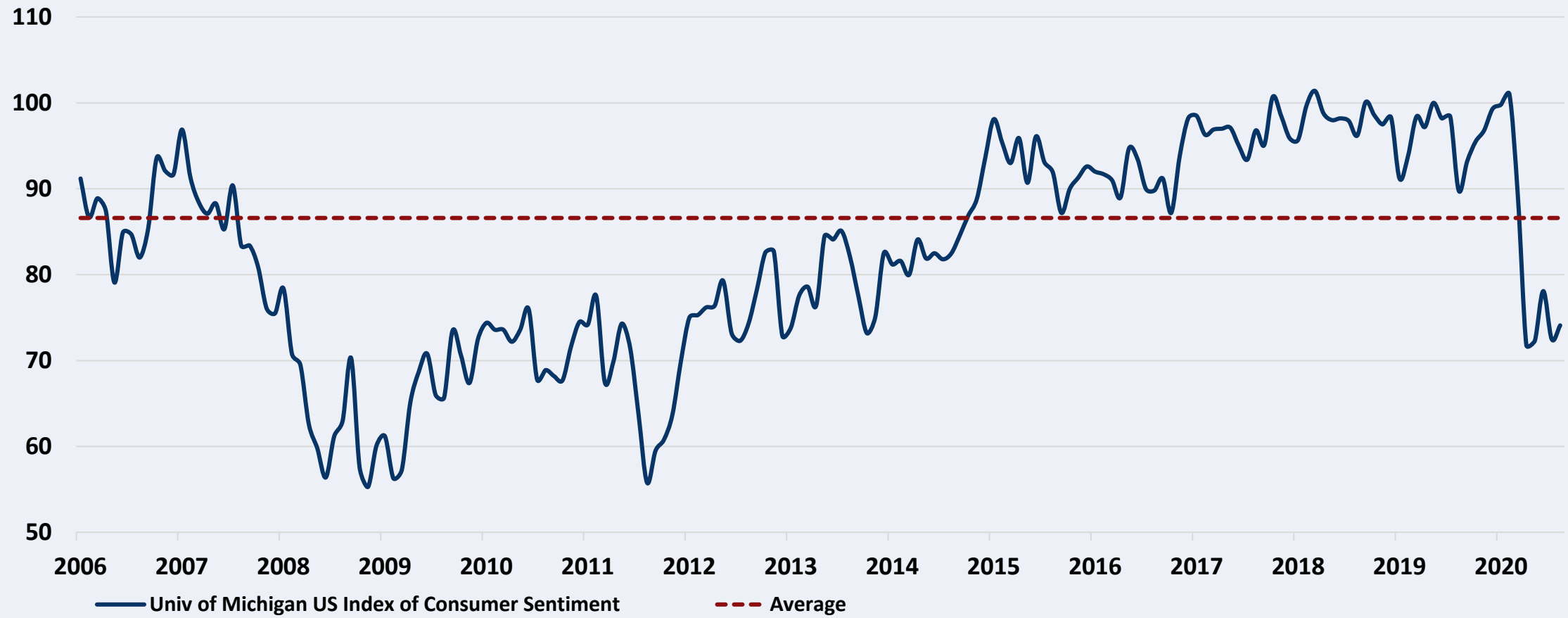
Moving Forward: COVID-19 Trajectories



Source: Ycharts, The COVID Tracking Project

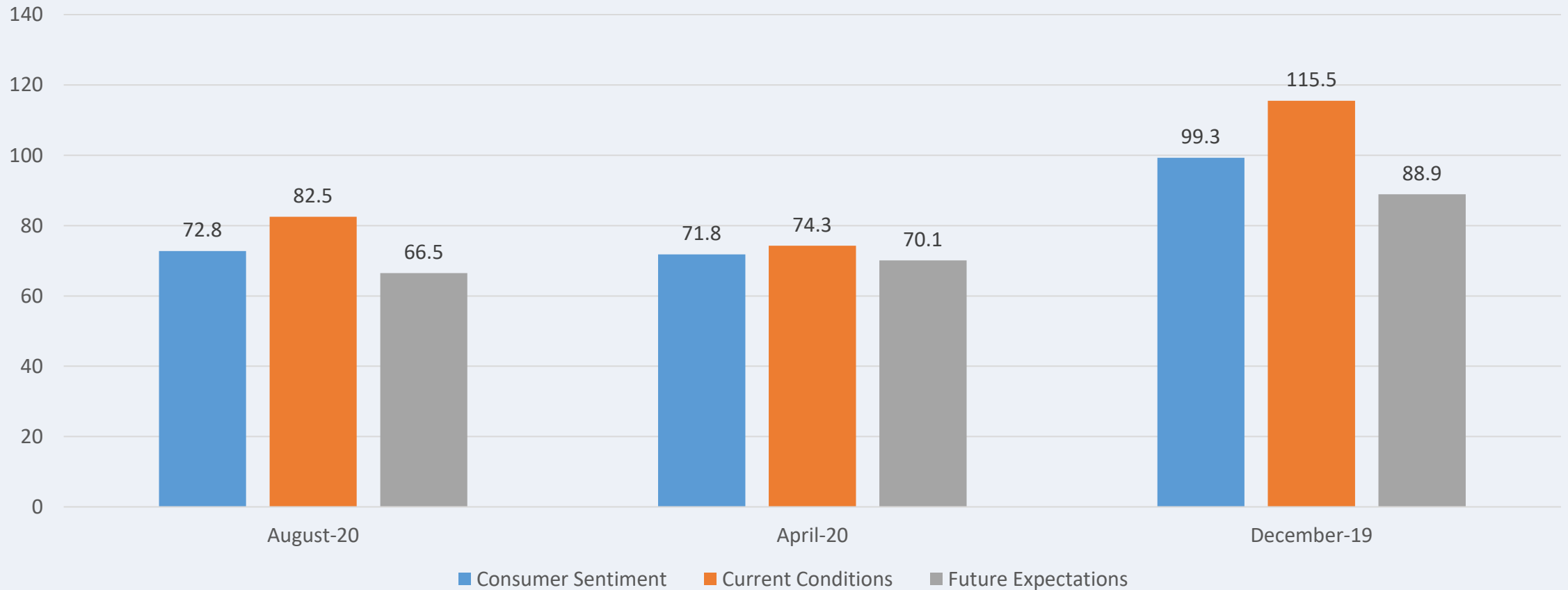
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Moving Forward: Consumer Sentiment



Source: Ycharts

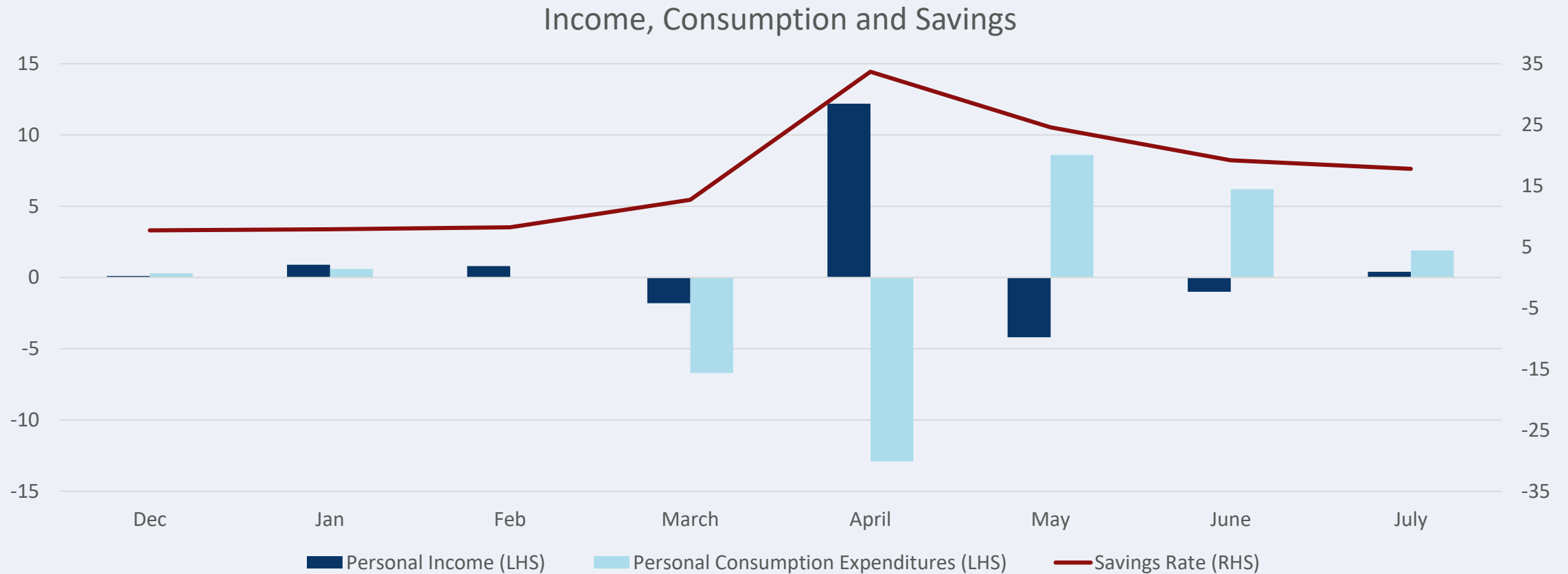
Moving Forward: Consumer Sentiment



Source: University of Michigan

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Moving Forward: Forestalled Not Foregone



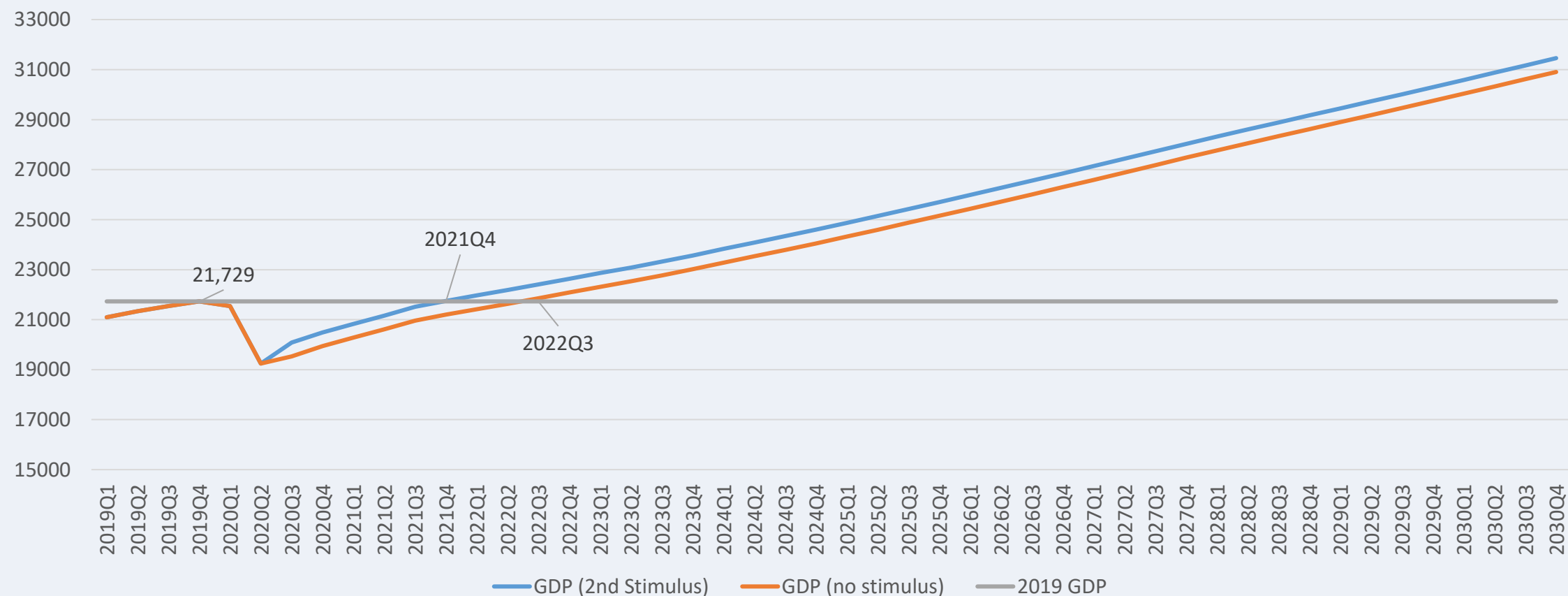
Source: Ycharts

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Poll Question #4

- When will U.S. GDP Recover to 2019 Levels?
 - End of 2020
 - Mid 2021
 - End of 2021
 - Mid 2022
 - End of 2022

Moving Forward: GDP Projection



Sources: Congressional Budget Office, US Department of Treasury, Wintrust Wealth Management

Questions?

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