



# **Quarterly Economic and Market Update**

**December 2021**

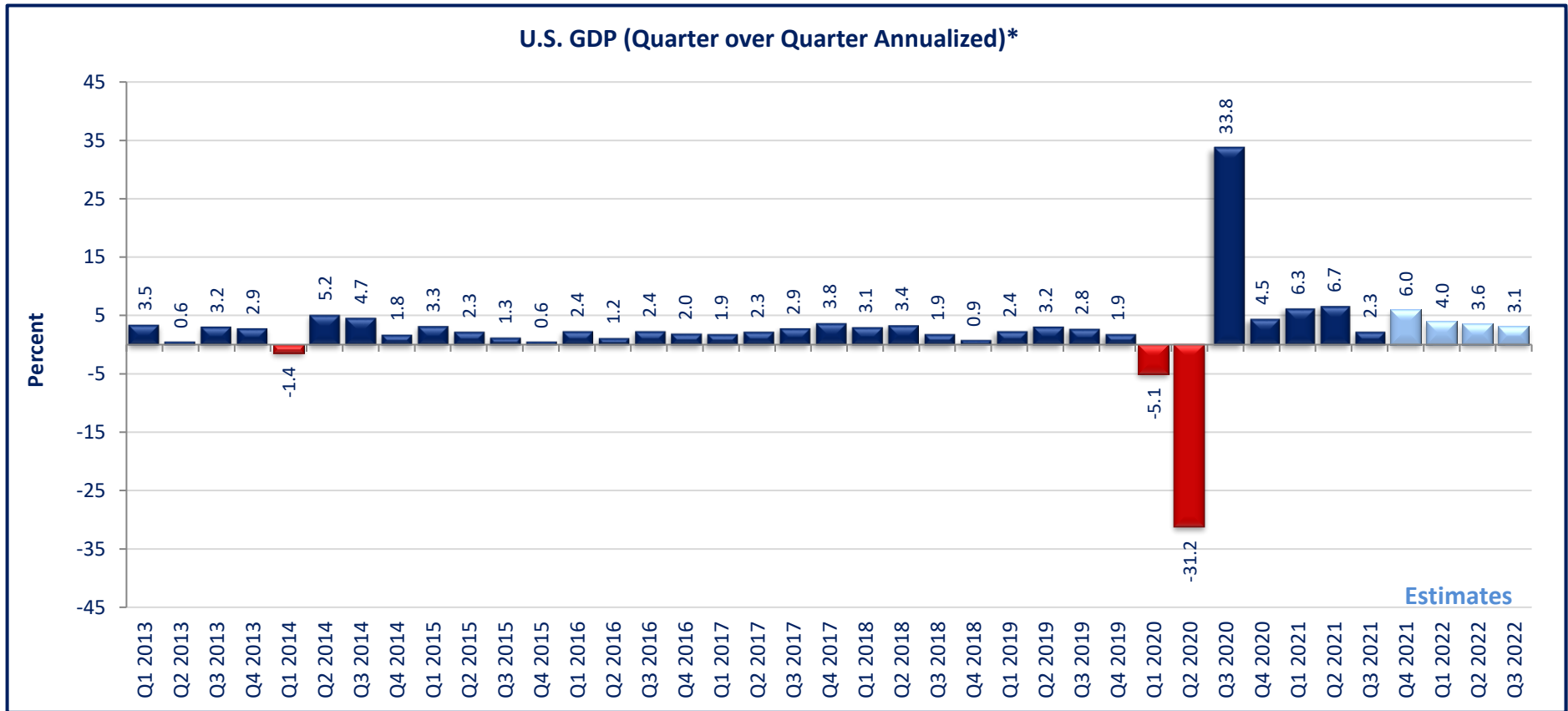
**Economic and Market Update**  
**12/31/2021**

Item	12/31/2021	9/30/2021	Change
U.S. Payrolls Monthly Change	199,000	379,000	(180,000)
Unemployment Rate	3.9%	4.7%	(0.8%)
Labor Force Participation	61.9%	61.7%	0.2%
Effective Fed Funds Rate	0.07%	0.06%	0.01%
3 Month T-Bill	0.04%	0.04%	0.01%
2 Year T-Note	0.73%	0.28%	0.46%
3 Year T-Note	0.96%	0.51%	0.45%
5 Year T-Note	1.26%	0.97%	0.30%
10 Year T-Note	1.51%	1.49%	0.02%
U.S. Fed Debt Avg Yield*	1.45%	1.47%	(0.02%)
30 Year Mortgage Rate	3.27%	3.18%	0.09%
1-5 Yr Agency Spread	-0.01%	0.00%	(0.01%)
1-5 Yr A-AAA Corporate Spread	0.34%	0.30%	0.04%
Dow Jones	36,338	33,844	7.4%
S&P 500	4,766	4,308	10.6%
Consumer Price Index YOY*	6.8%	5.4%	1.4%
U.S. Avg Regular Unleaded	\$3.29	\$3.19	\$0.09
Retail Sales YOY*	19.4%	14.2%	5.2%
Case-Shiller Home Prices YOY*	18.4%	19.7%	(1.3%)
Gold (per ounce)	\$1,829.20	\$1,756.95	\$72.25
Dollar Index	95.67	94.23	1.44
Consumer Confidence	115.8	109.8	6.0

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

Sources: FHN Main Street and Bloomberg

Economic and Market Update  
12/31/2021



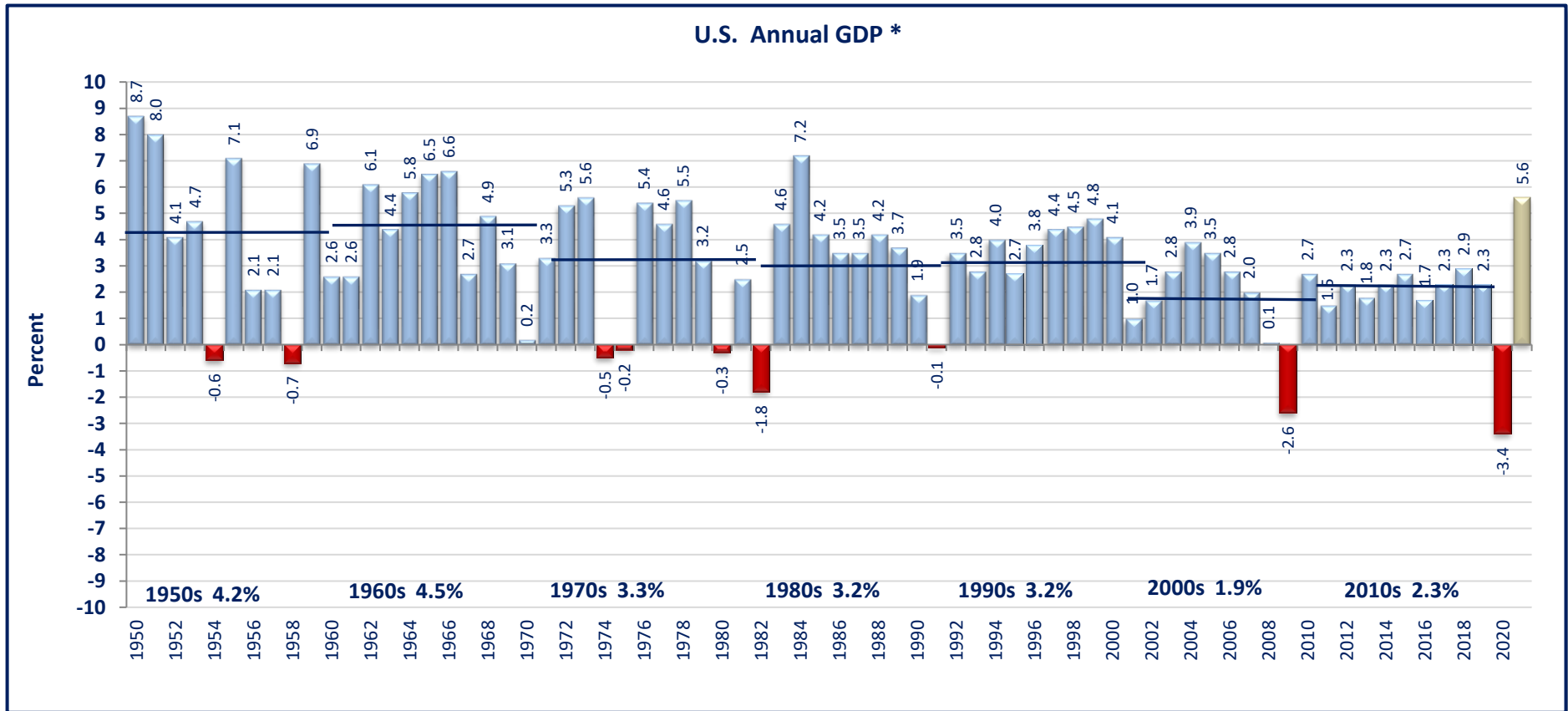
\* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 12/31/2021

# Economic and Market Update 12/31/2021



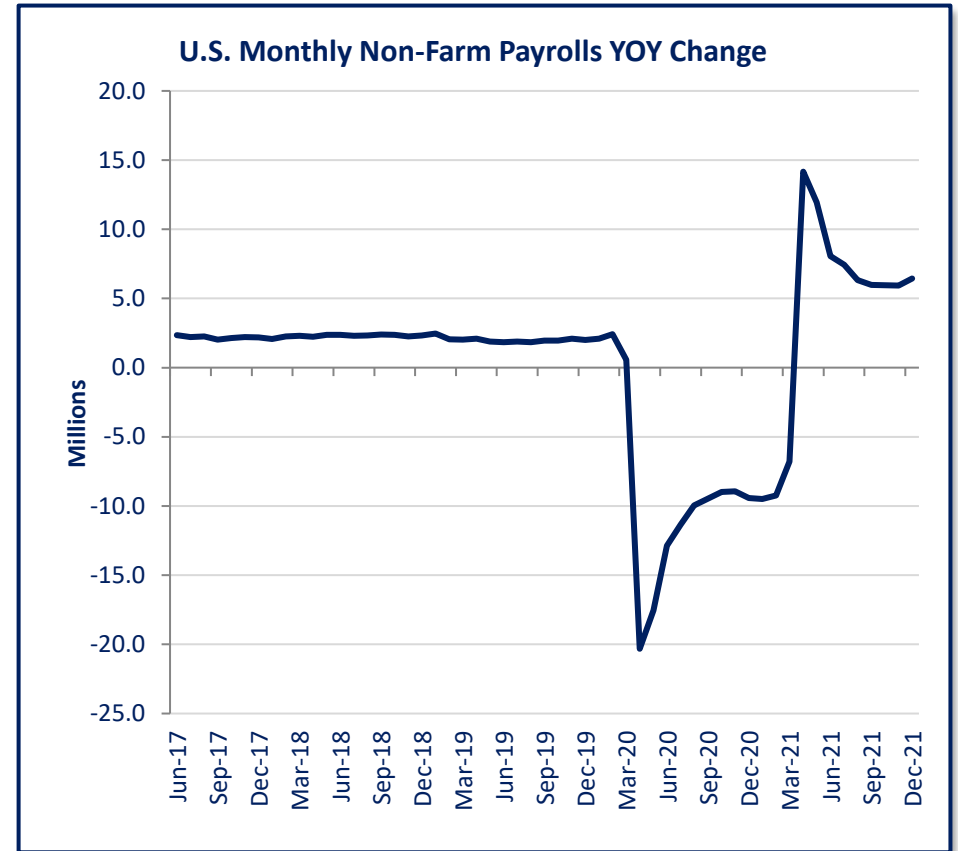
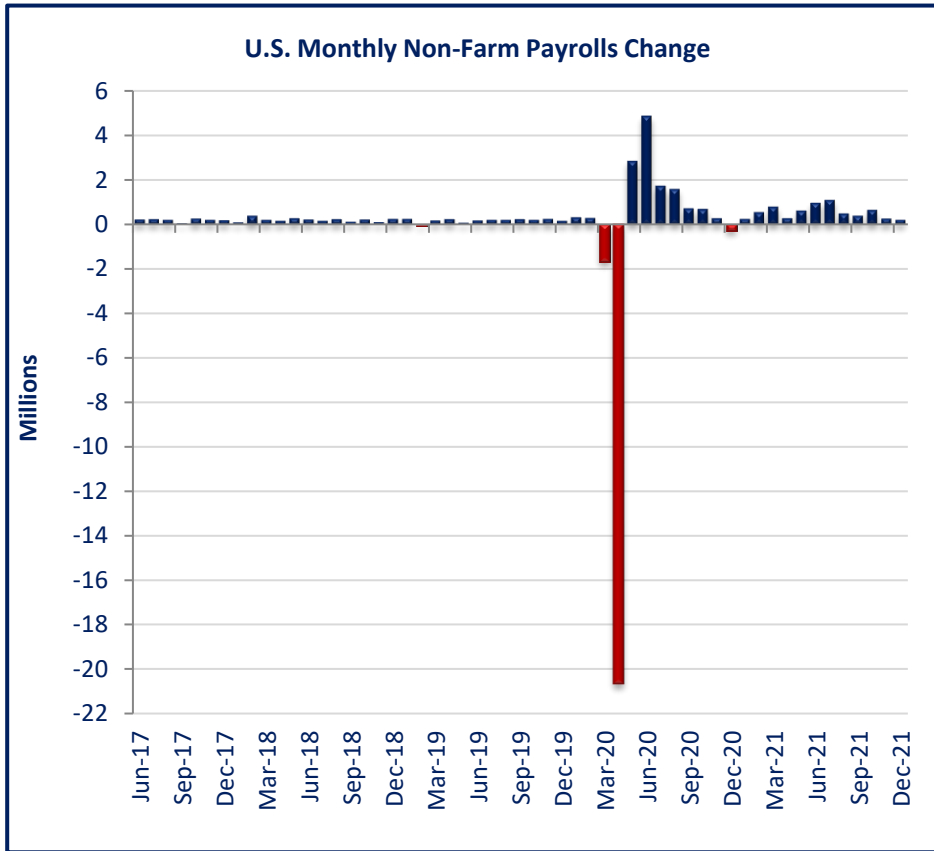
\* Real Rate (Inflation Adjusted)

Source: Bureau of Economic Analysis

Estimate: Bloomberg's Survey of Economists

As of: 12/31/2021

Economic and Market Update  
12/31/2021

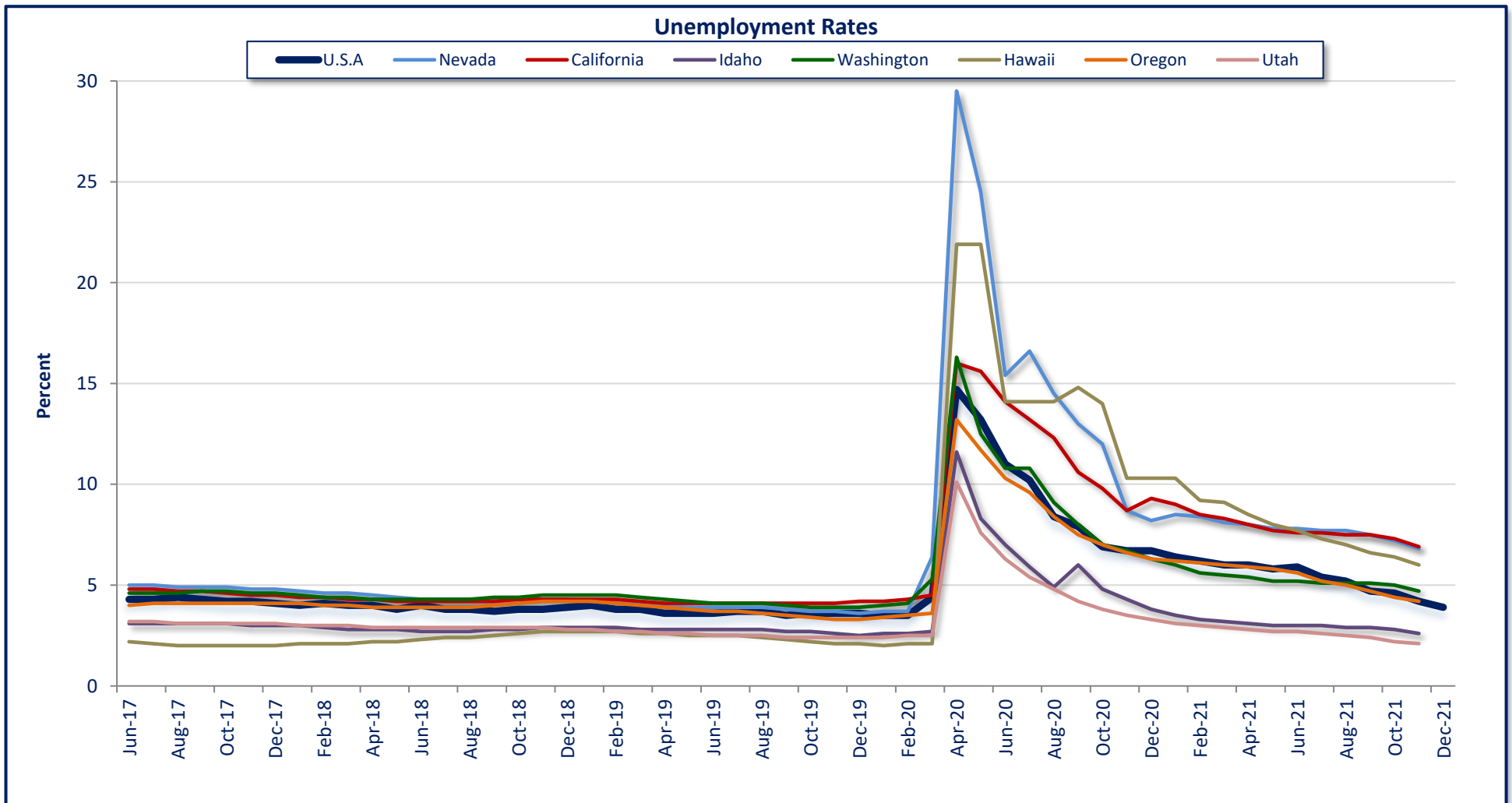


12 Month Average Job Change

537,333

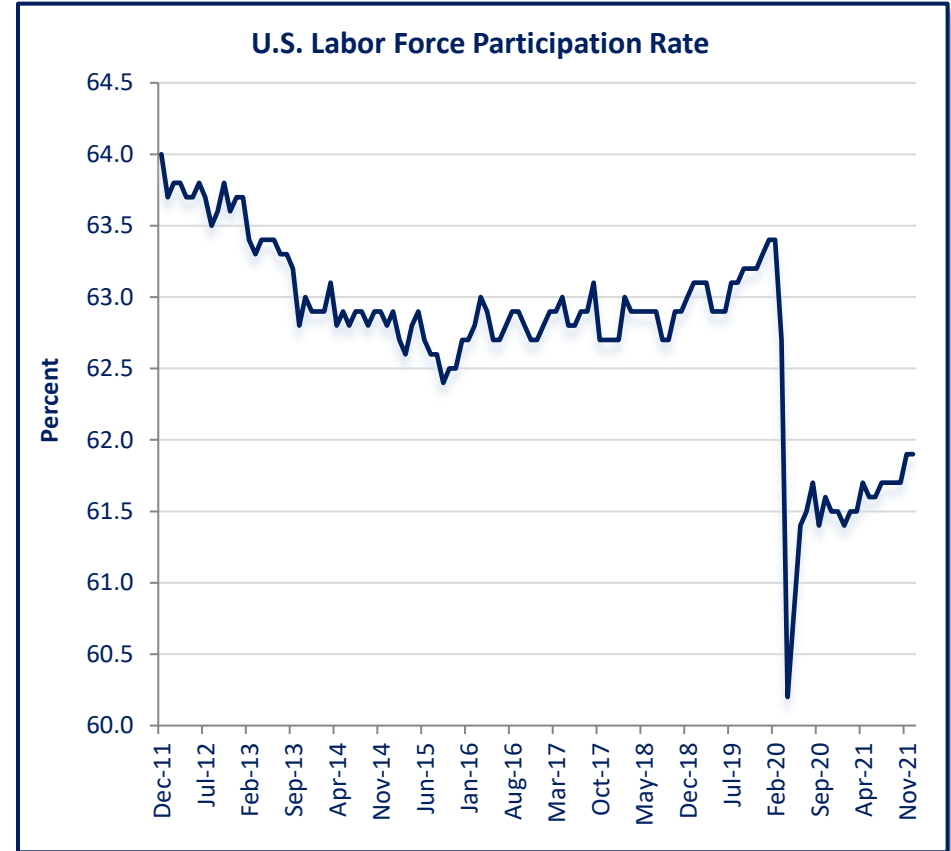
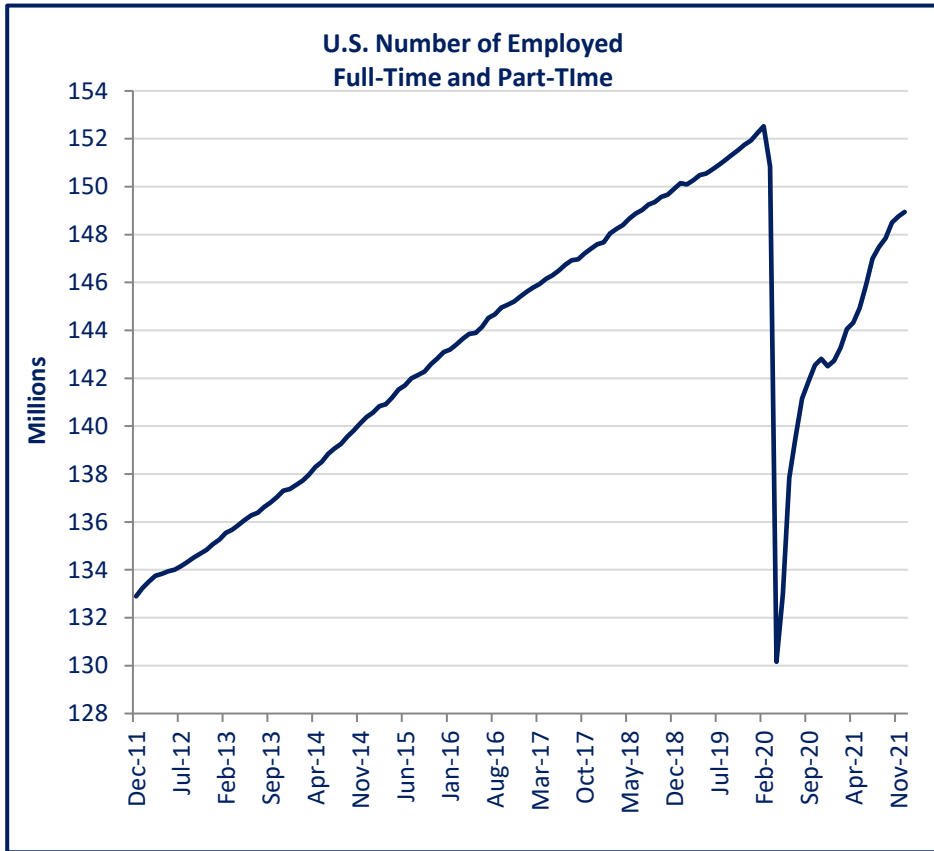
Source: Bureau of Labor Statistics

Economic and Market Update  
12/31/2021

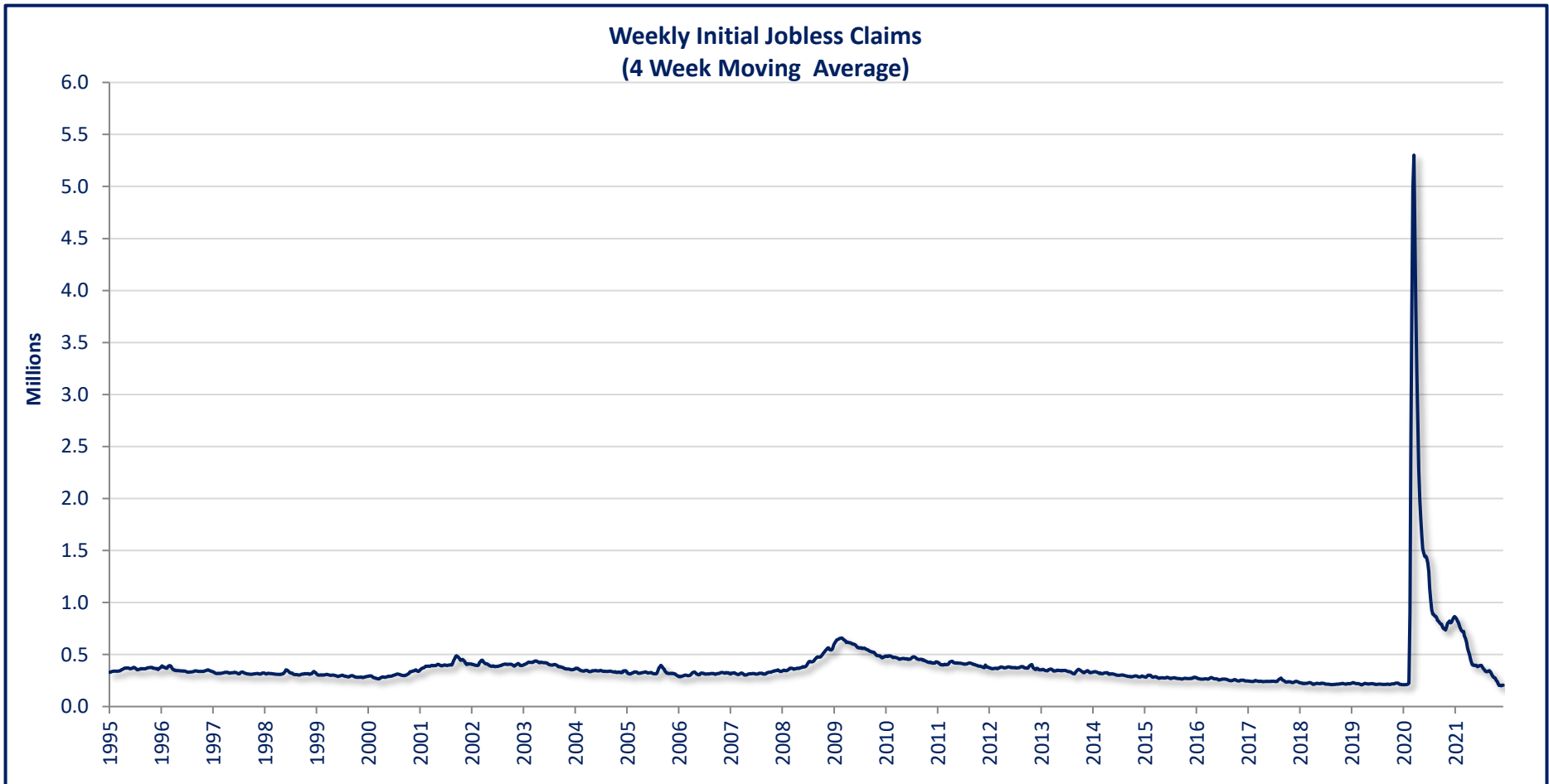


Source: Bureau of Labor Statistics

Economic and Market Update  
12/31/2021



Source: Bureau of Labor Statistics

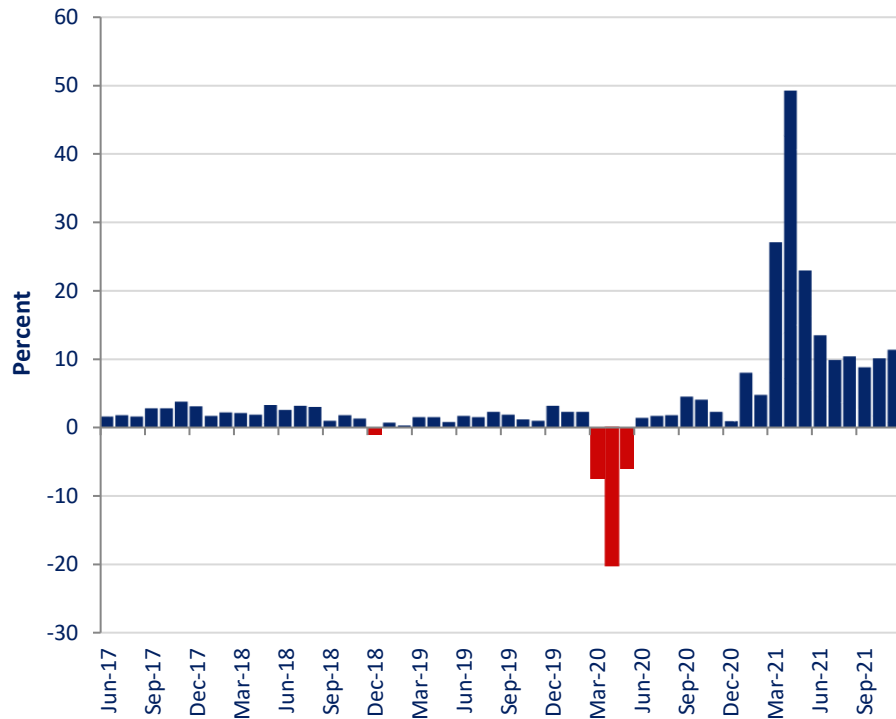


Weekly Initial Jobless Claims is the actual number of people who have filed for Unemployment benefits for the first time. The following five eligibility criteria must be met in order to file for unemployment benefits: 1. Meet the requirements of time worked during a 1 year period (full time or not). 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

Economic and Market Update  
12/31/2021

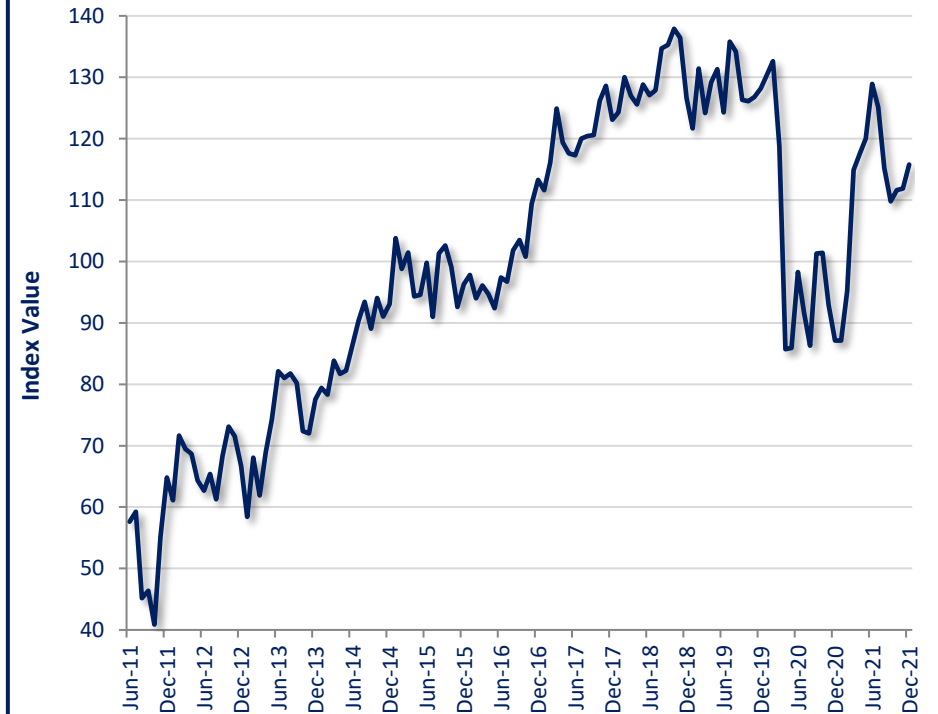
U.S. Real\* Retail Sales YOY % Change



\*Real: Inflation Adjusted

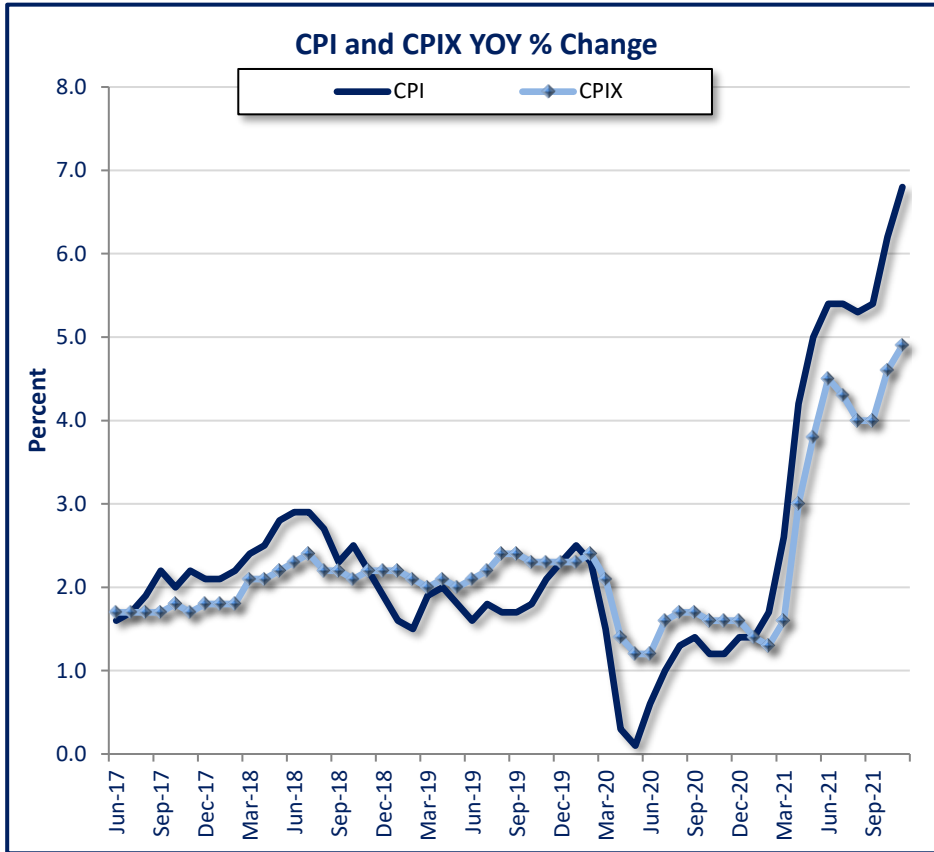
Source: U.S. Census Bureau

U.S. Consumer Confidence

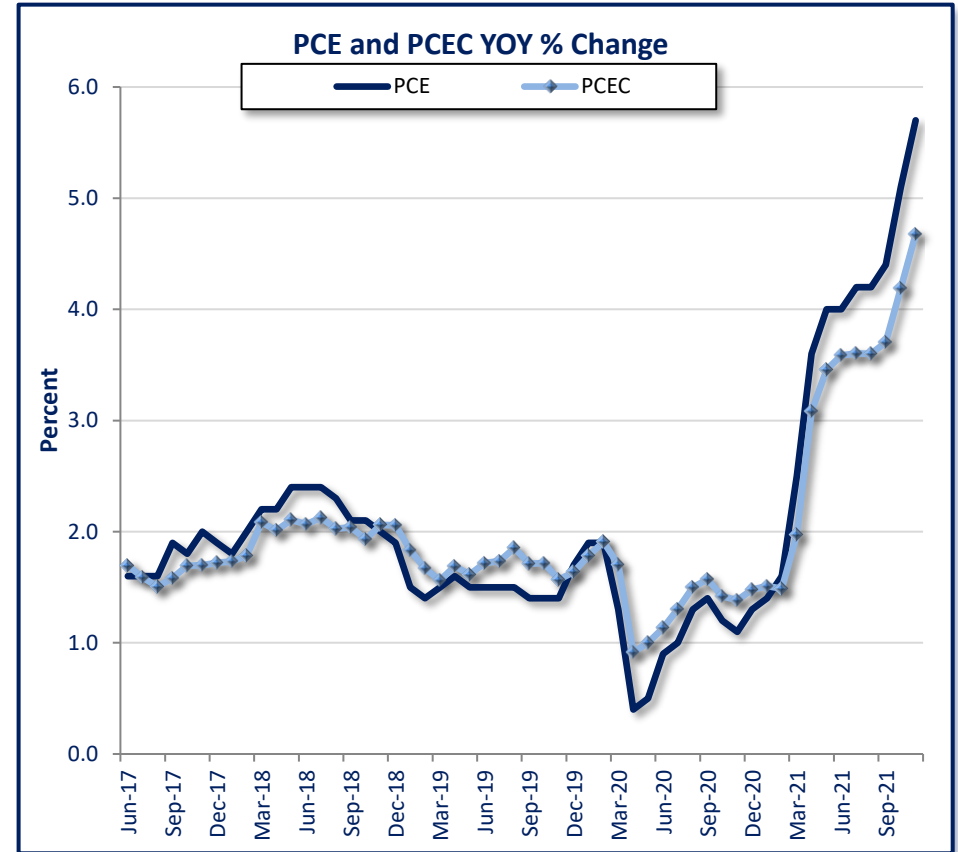


Source: Conference Board

Economic and Market Update  
12/31/2021

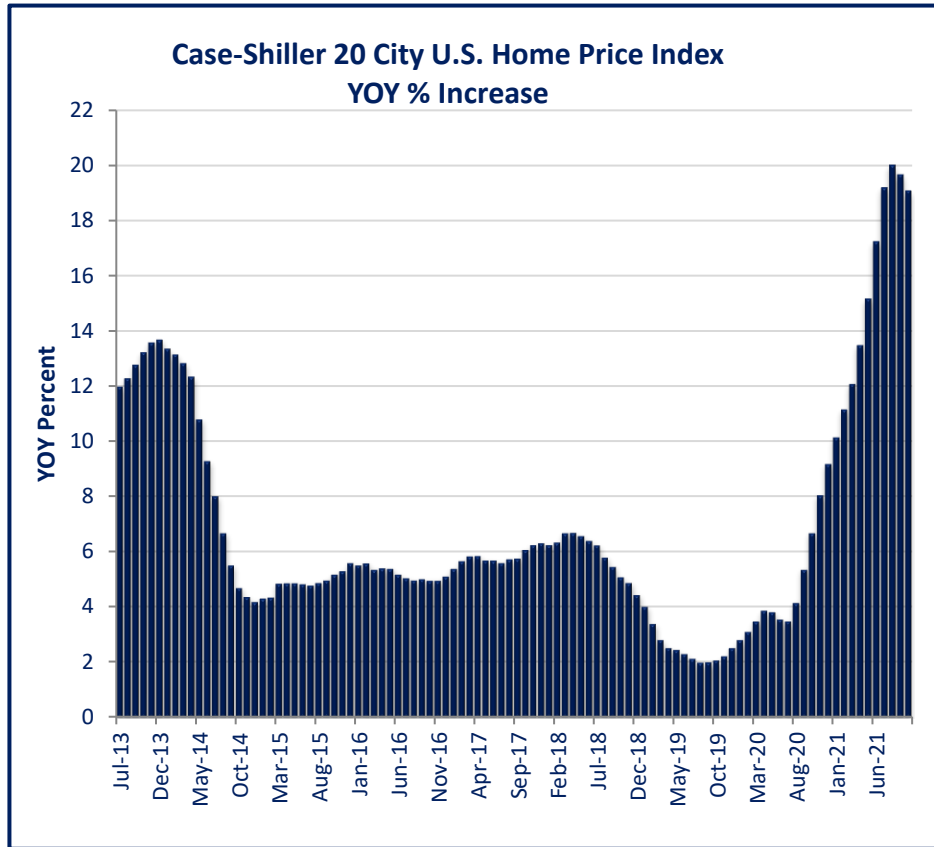


CPIX: Consumer Price Index, excluding food and energy

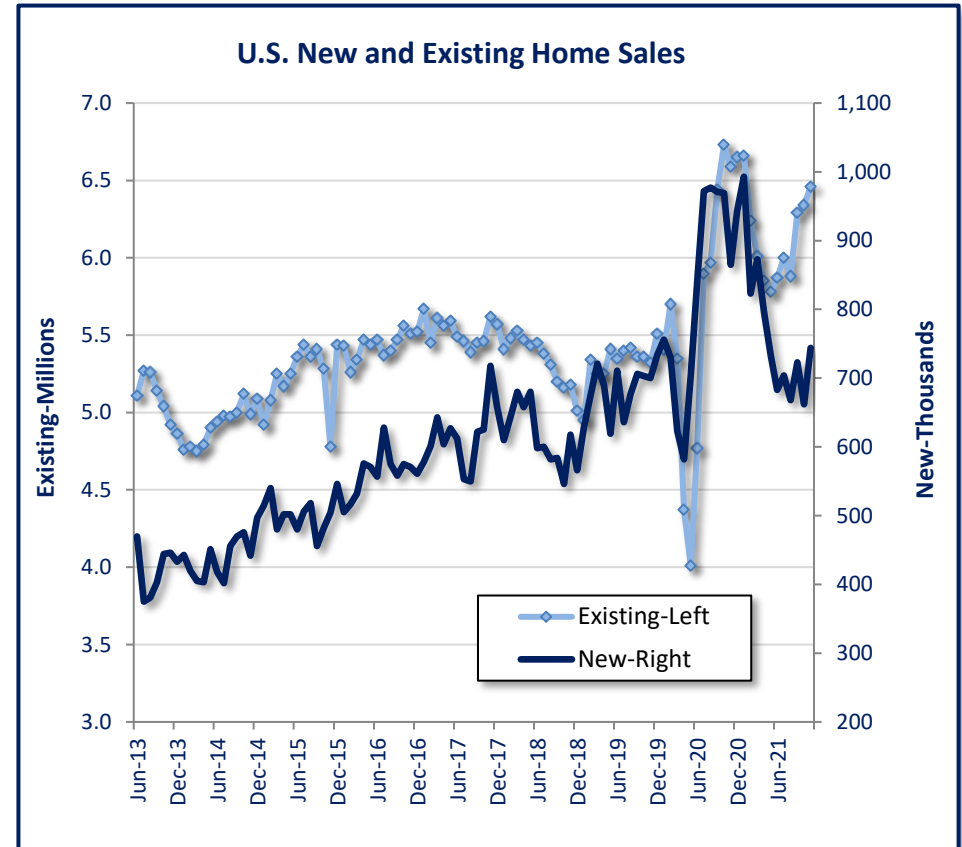


PCEC: Personal Consumption Expenditure Core

Source: Bureau of Labor Statistics and Bureau of Economic Analysis

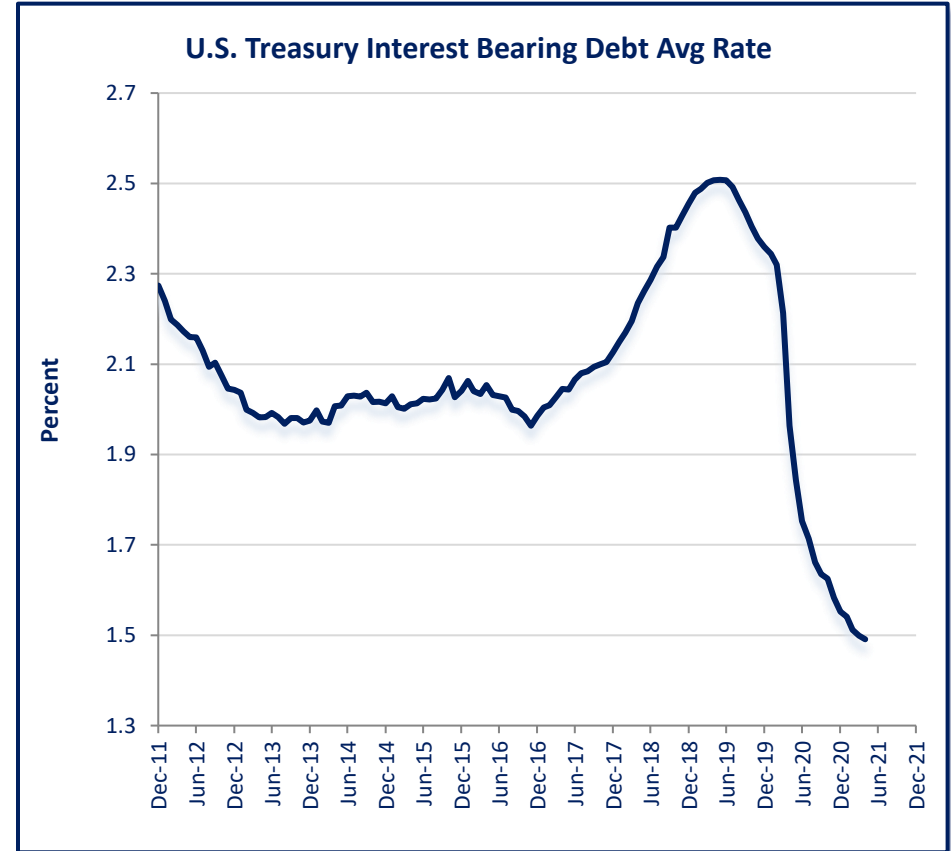
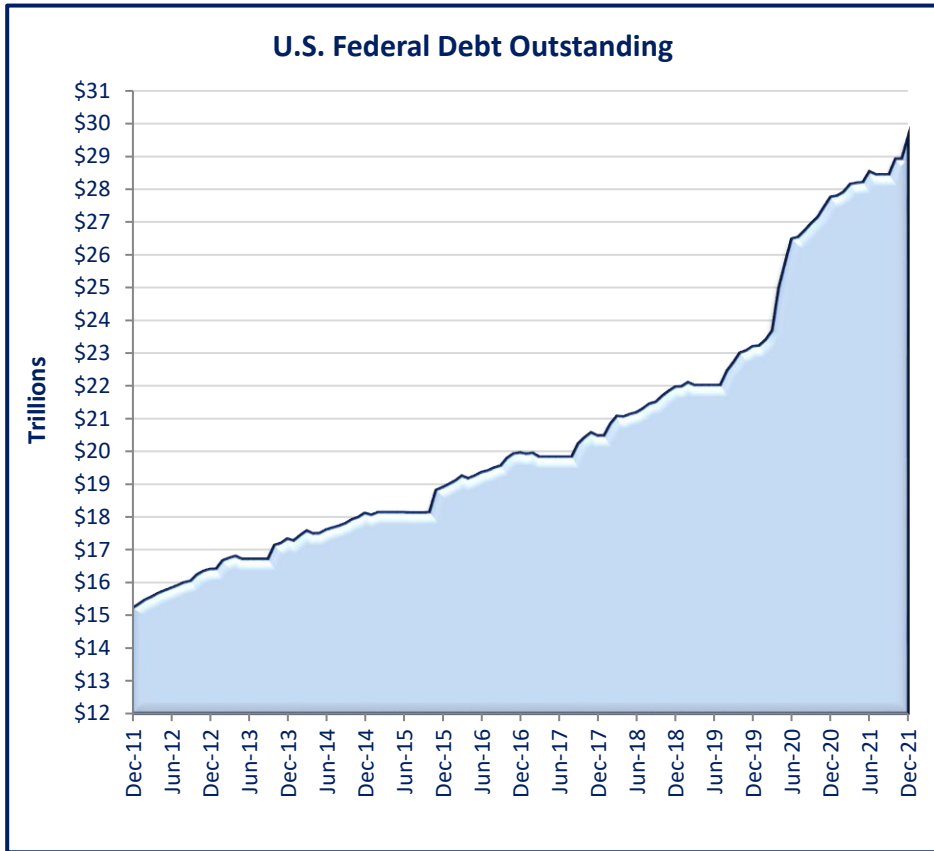


Source: Case-Shiller



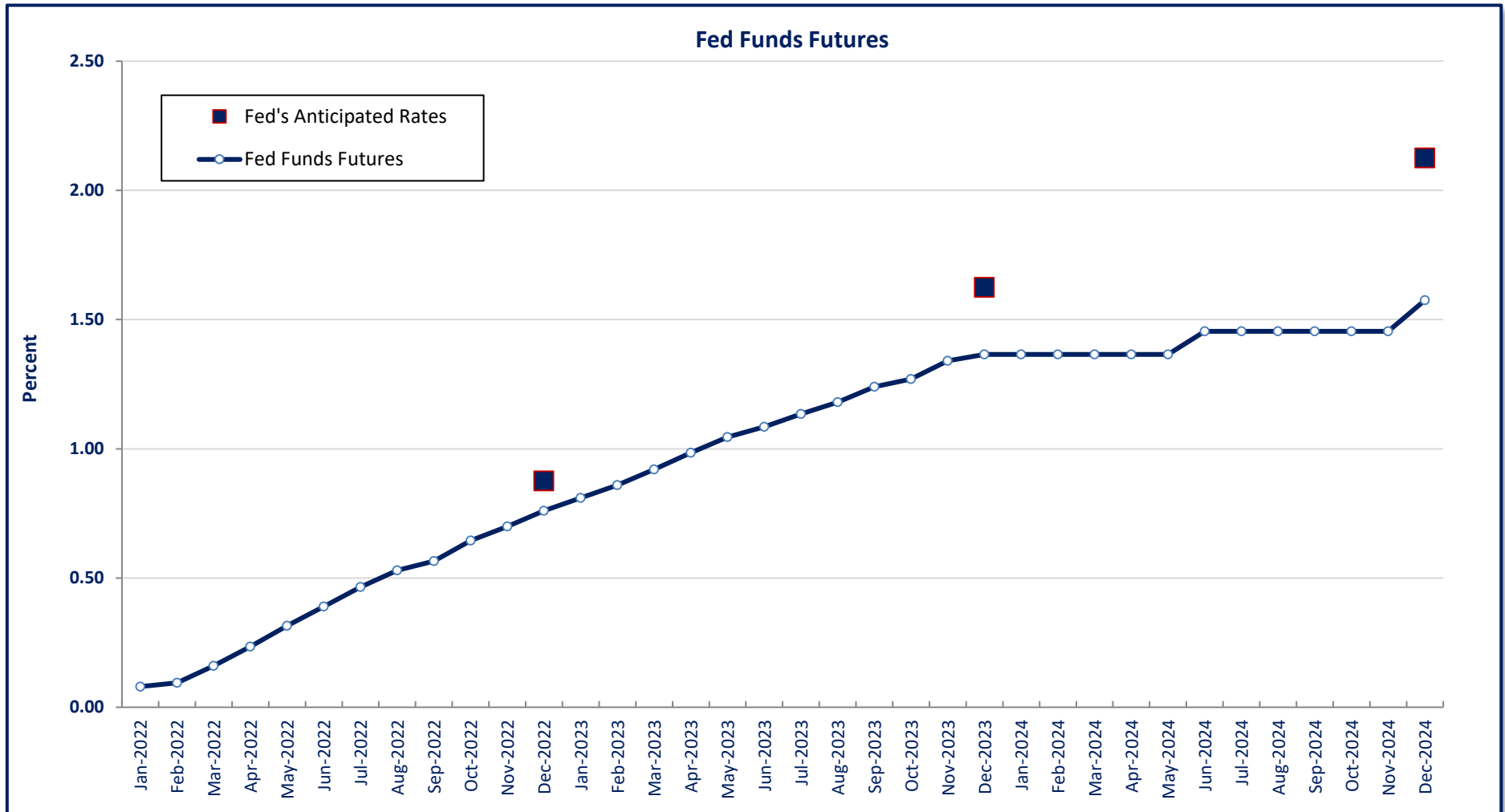
Sources: New (U.S. Census Bureau), Existing (National Assoc. of Realtors)  
Seasonally Adjusted Annual Rate

Economic and Market Update  
12/31/2021



Source: U.S. Treasury

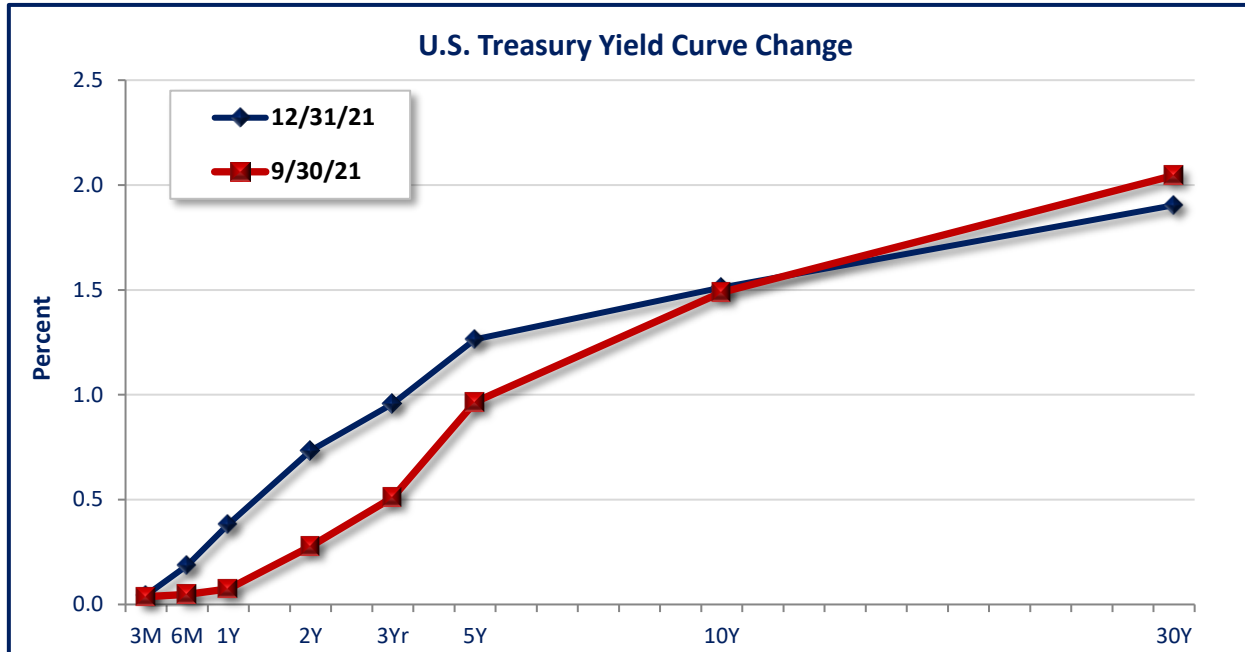
Economic and Market Update  
12/31/2021



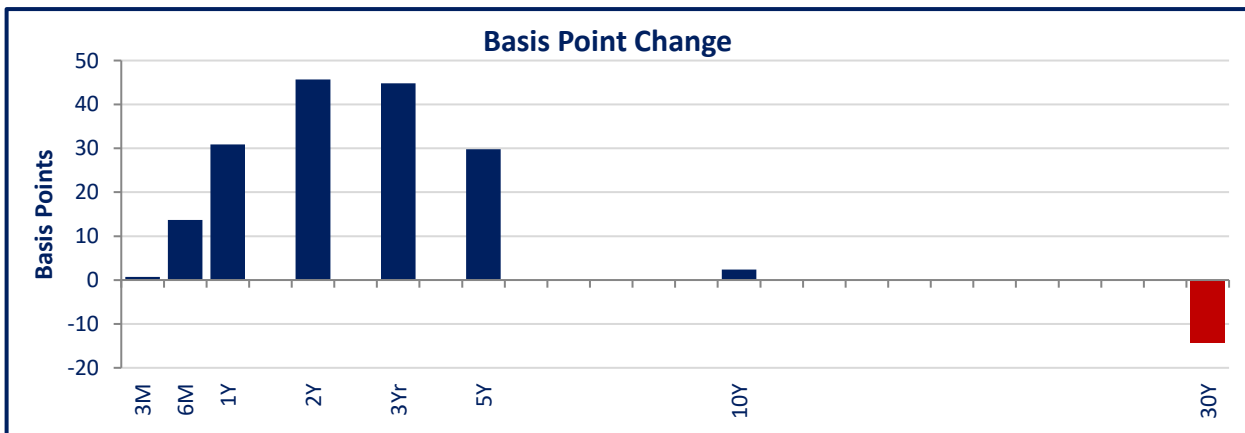
Fed Funds Anticipated Rate from the December 15, 2021 FOMC Meeting

Source: Bloomberg

Economic and Market Update  
12/31/2021

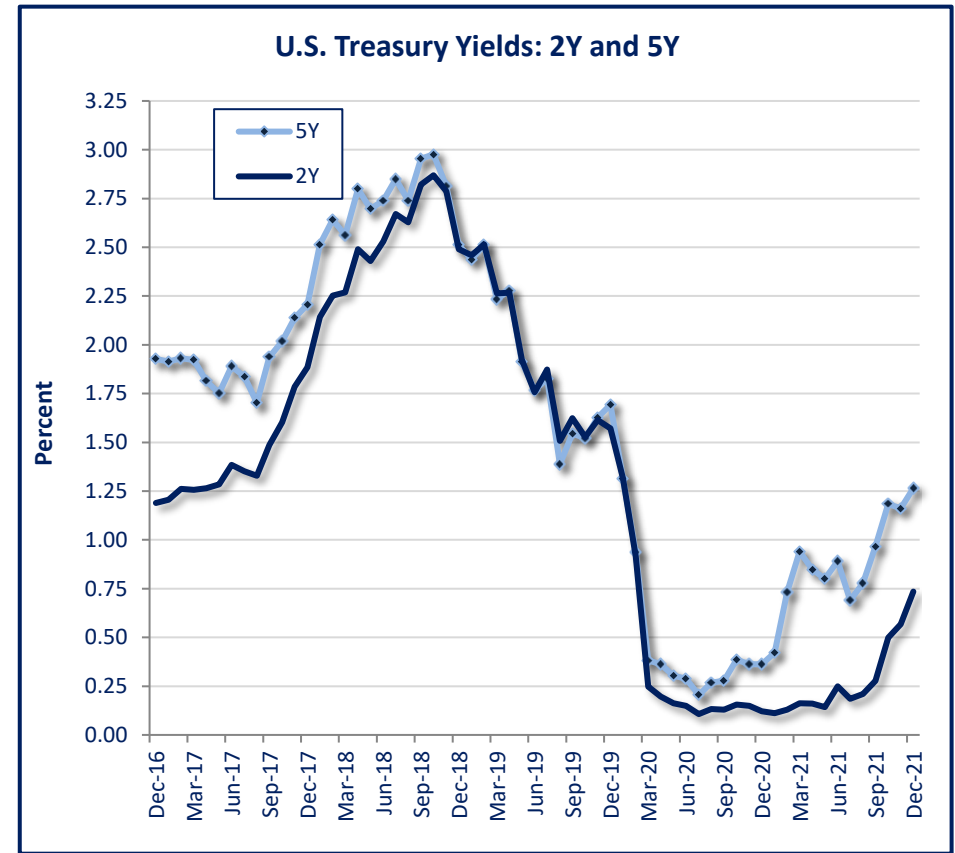
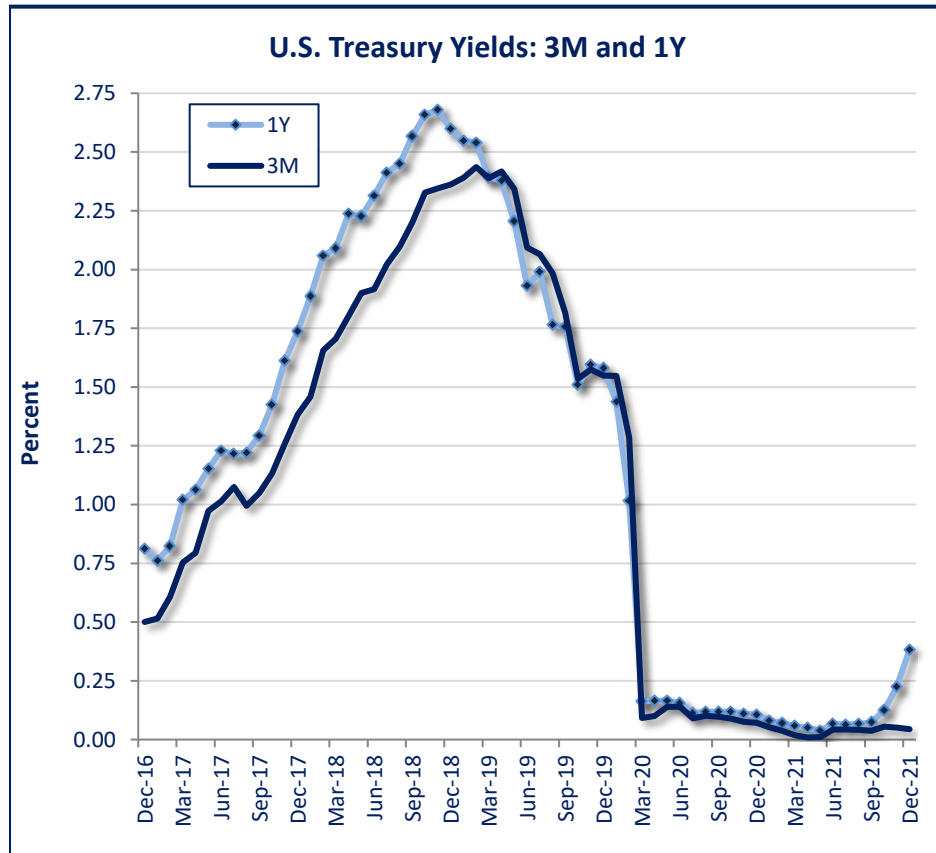


Maturity	12/31/21	9/30/21	Change
3M	0.04	0.04	0.01
6M	0.19	0.05	0.14
1Y	0.38	0.07	0.31
2Y	0.73	0.28	0.46
3Y	0.96	0.51	0.45
5Y	1.26	0.97	0.30
10Y	1.51	1.49	0.02
30Y	1.90	2.05	-0.14

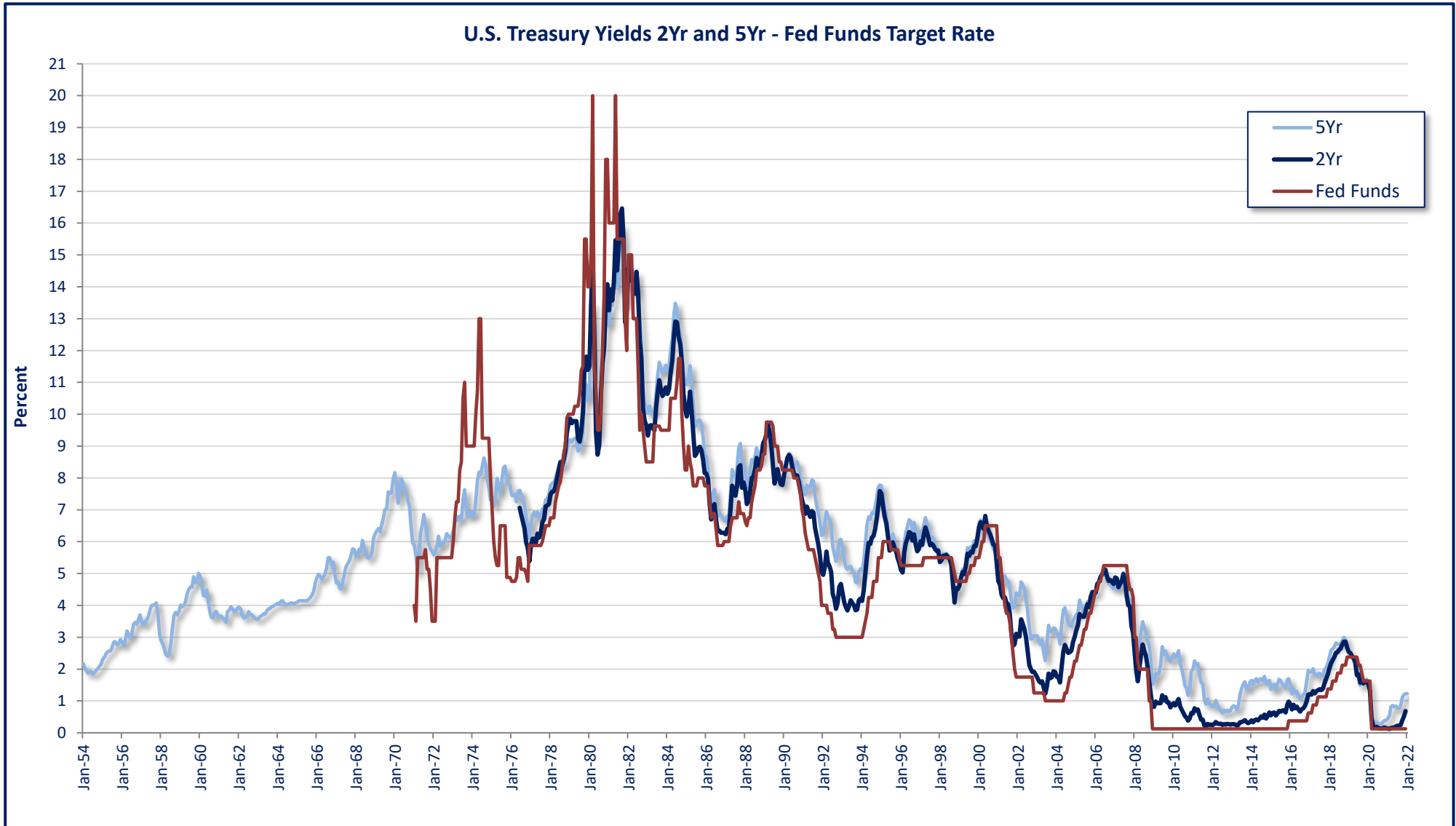


Source: Bloomberg  
Figures may not total due to rounding

Economic and Market Update  
12/31/2021



Source: Bloomberg

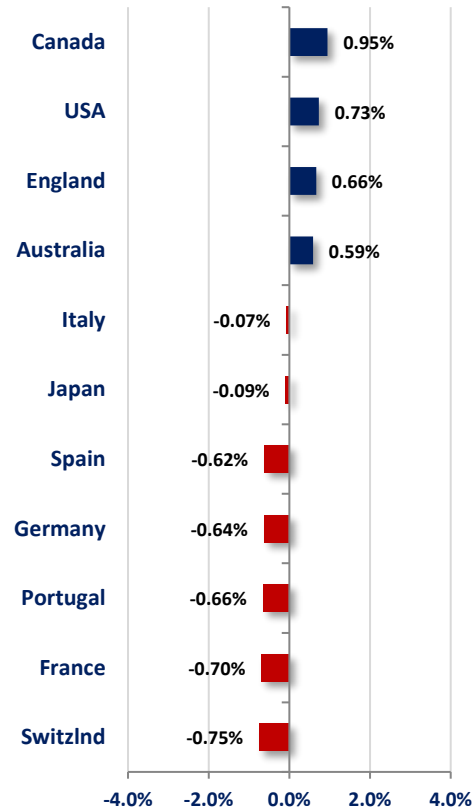


Source: Bloomberg

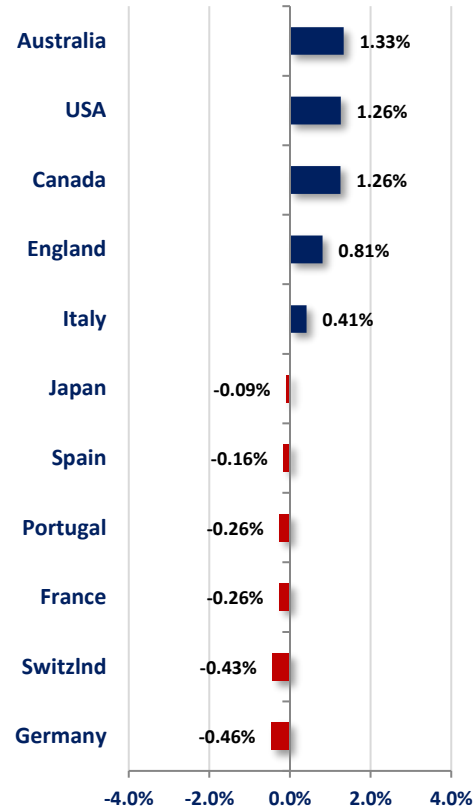
Economic and Market Update  
12/31/2021

Global Treasury Rates

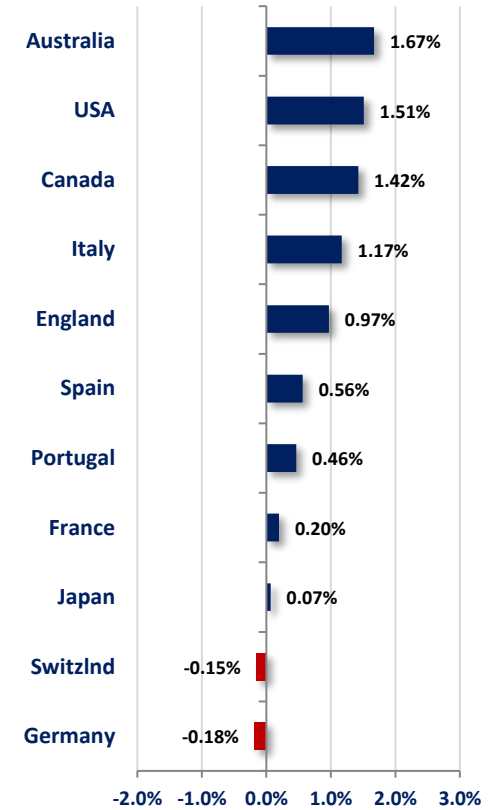
2 Year Yields



5 Year Yields

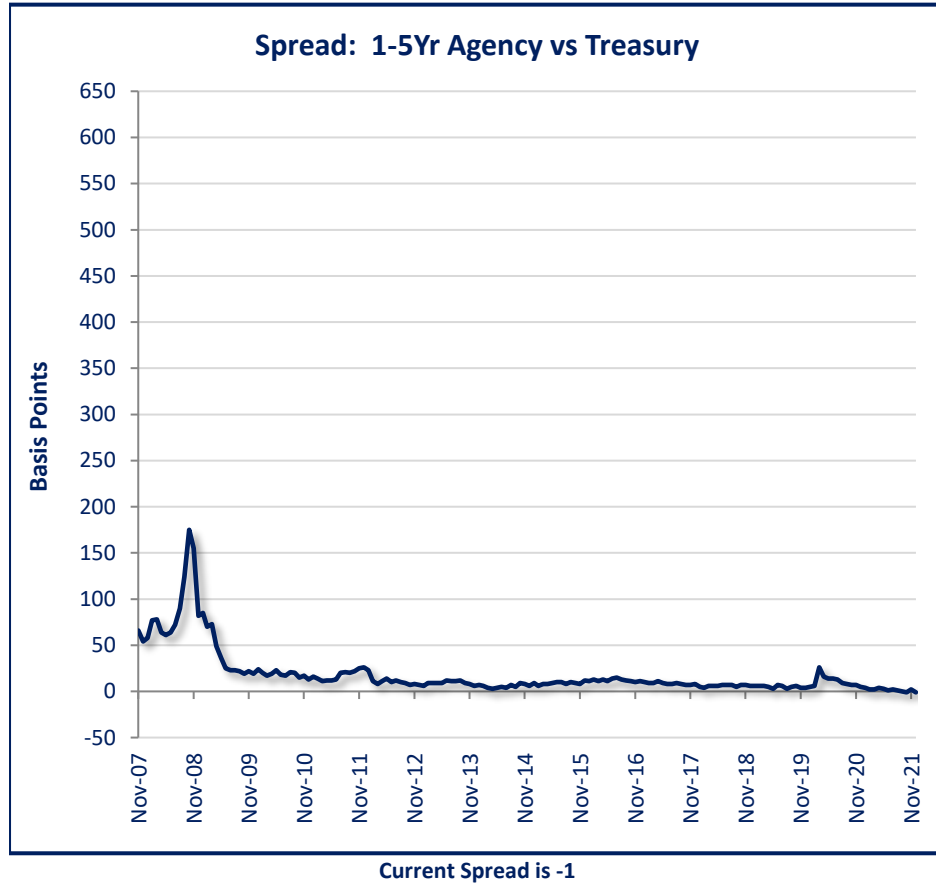


10 Year Yields

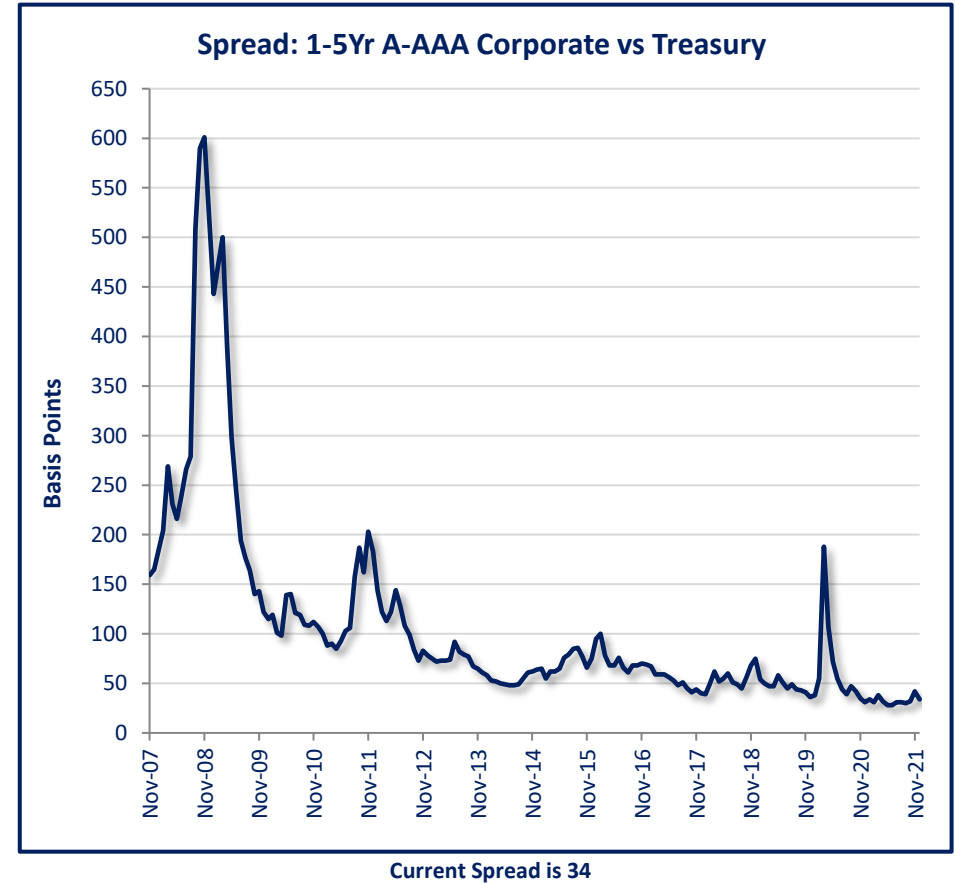


Source: Bloomberg

Economic and Market Update  
12/31/2021



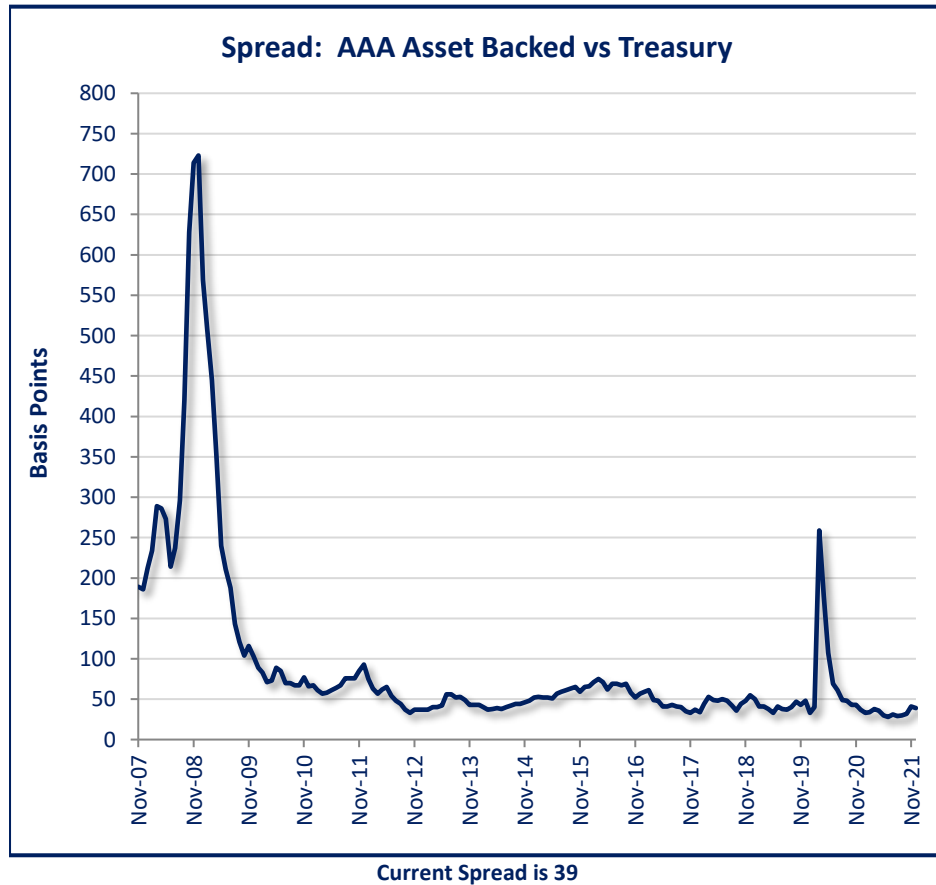
ICE BofAML Index (option adjusted spread vs. Treasury)  
1-5Yr Non-Callable Agency (GVPB)



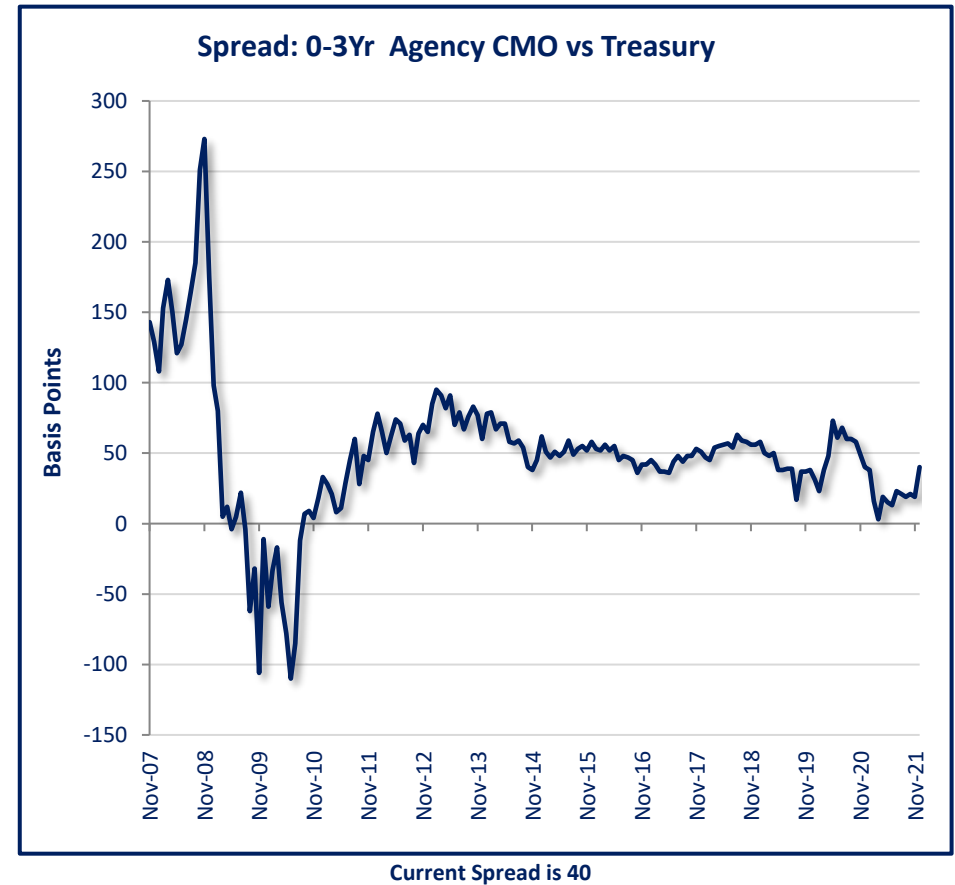
ICE BofAML Index (option adjusted spread vs. Treasury)  
Corporate A-AAA Excluding Yankee (CVAC)

Source: ICE BofAML Indices

Economic and Market Update  
12/31/2021



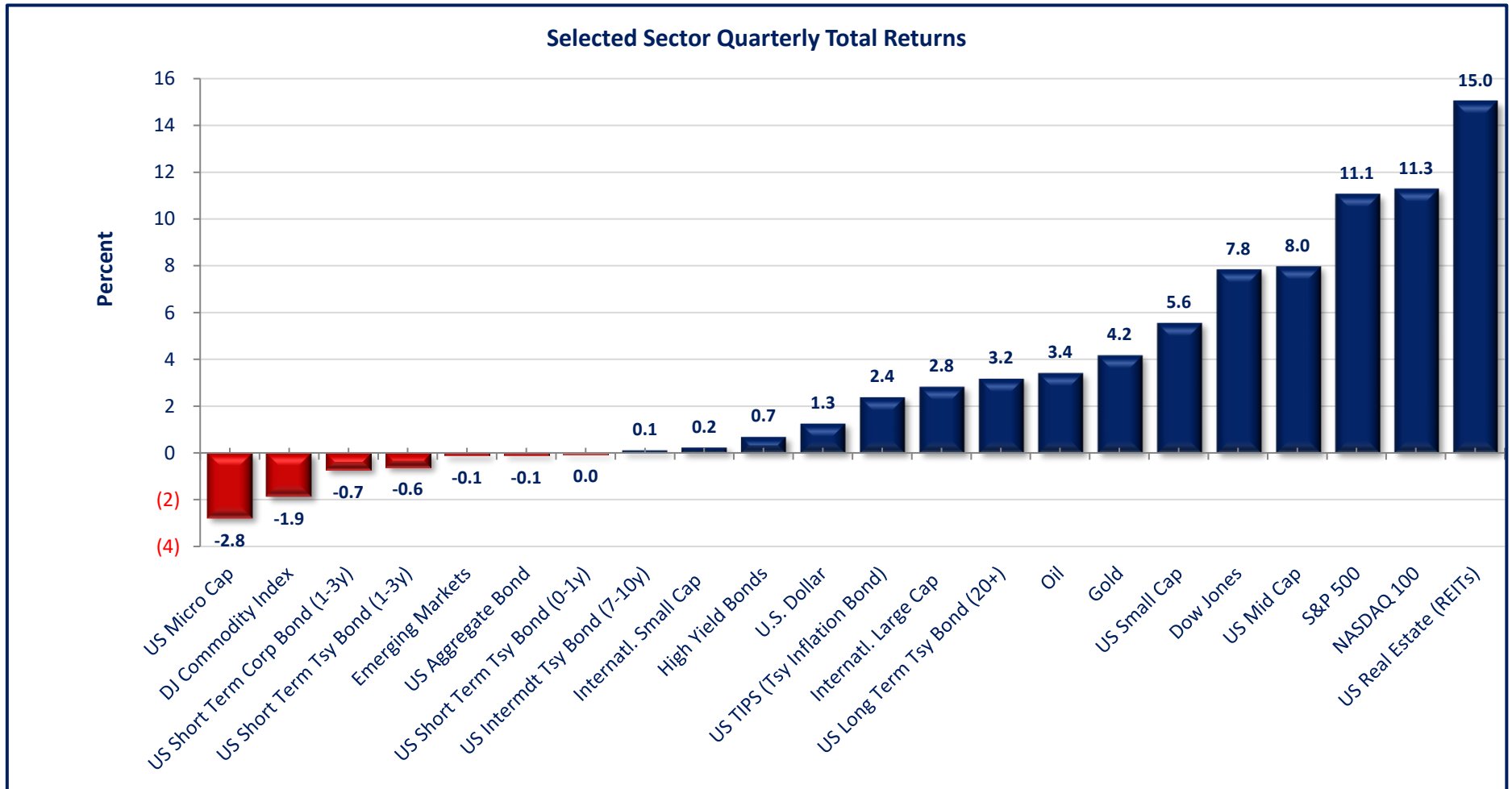
\*ICE BofAML Index (option adjusted spread vs. Treasury)  
AAA Rated ABS (ROA1)



\*ICE BofAML Index (option adjusted spread vs. Treasury)  
CMO Agency 0-3Yr PAC (CM1P)

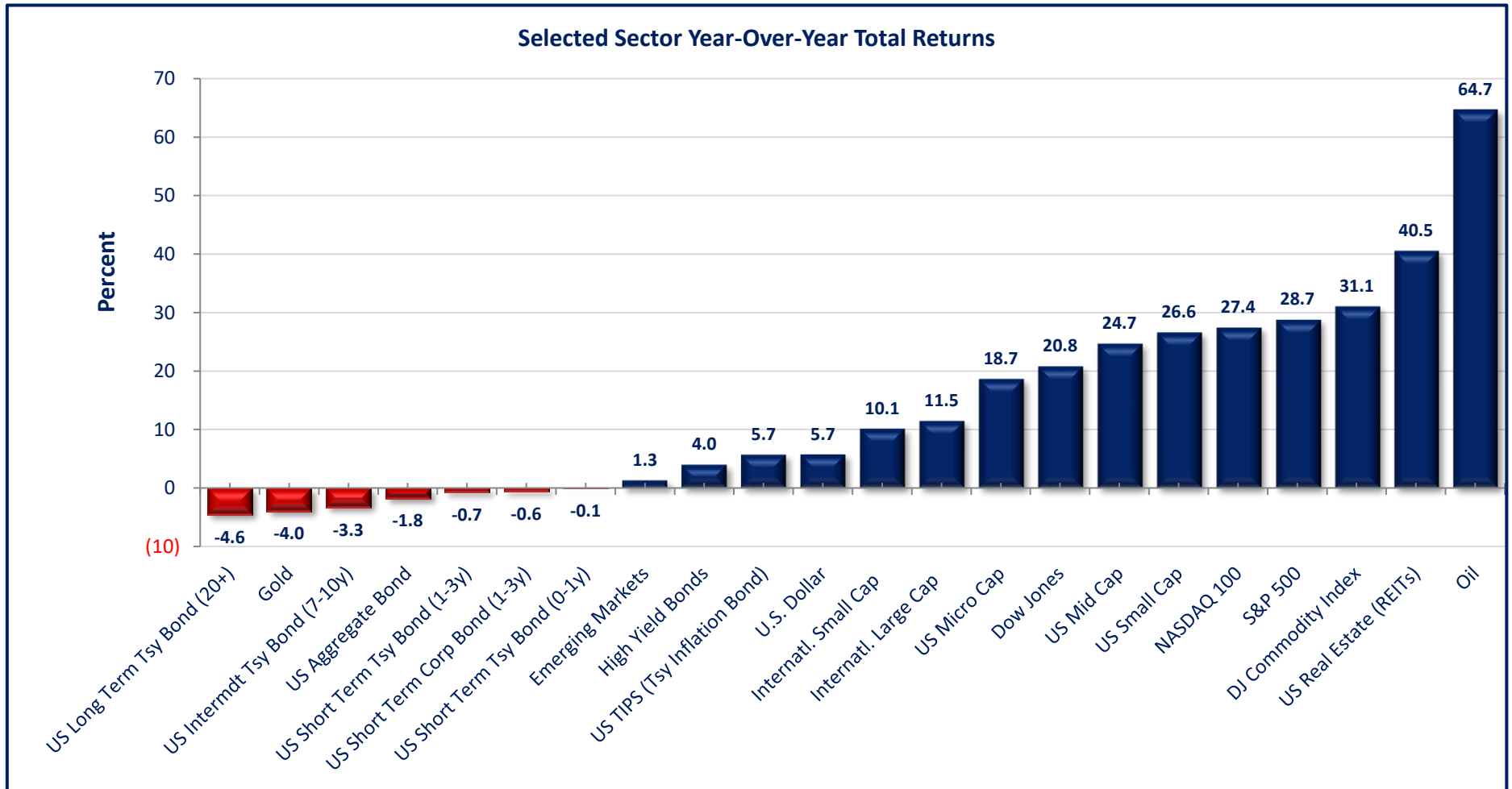
Source: ICE BofAML Indices

Economic and Market Update  
12/31/2021



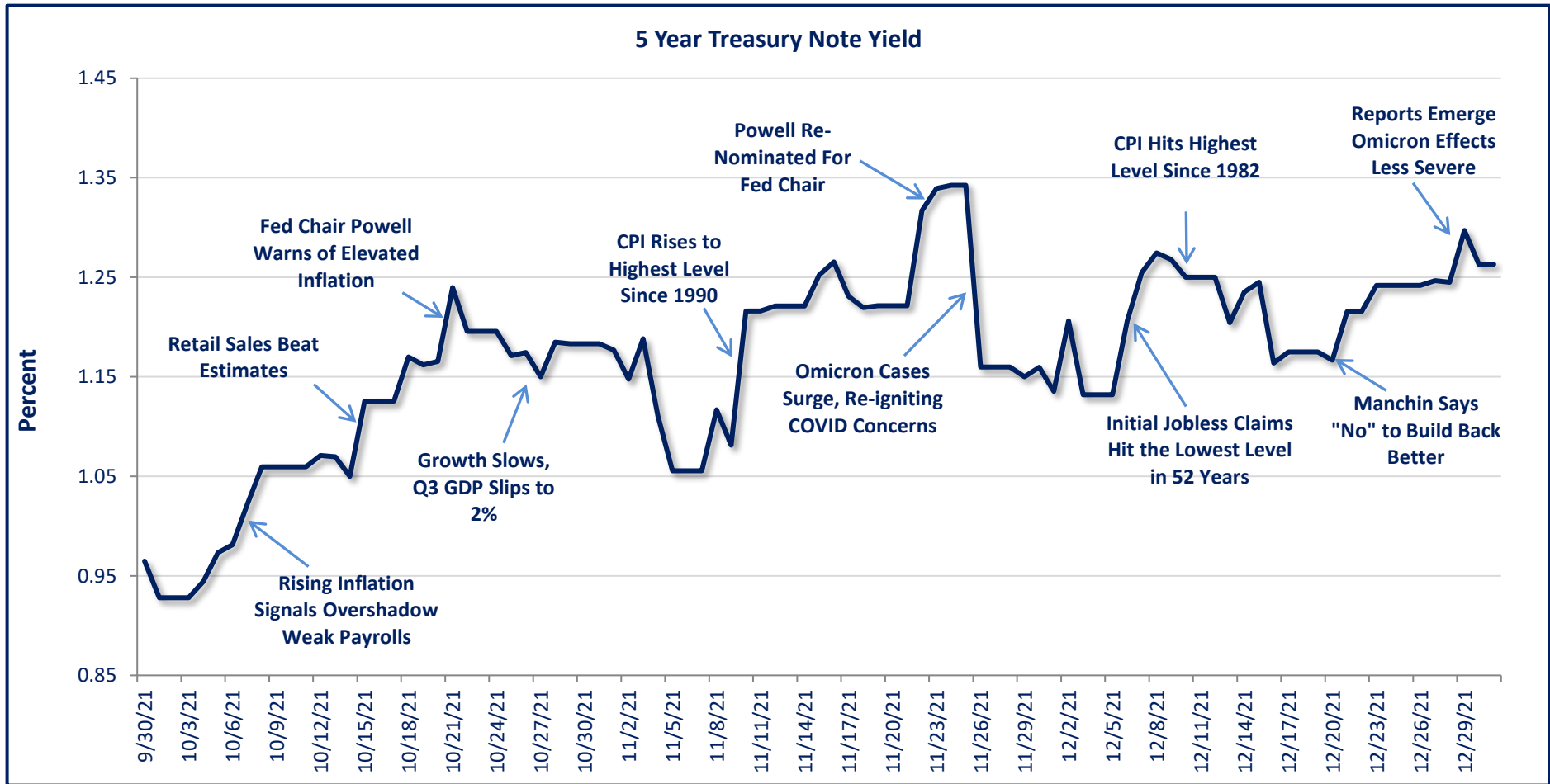
Source: Bloomberg

Economic and Market Update  
12/31/2021



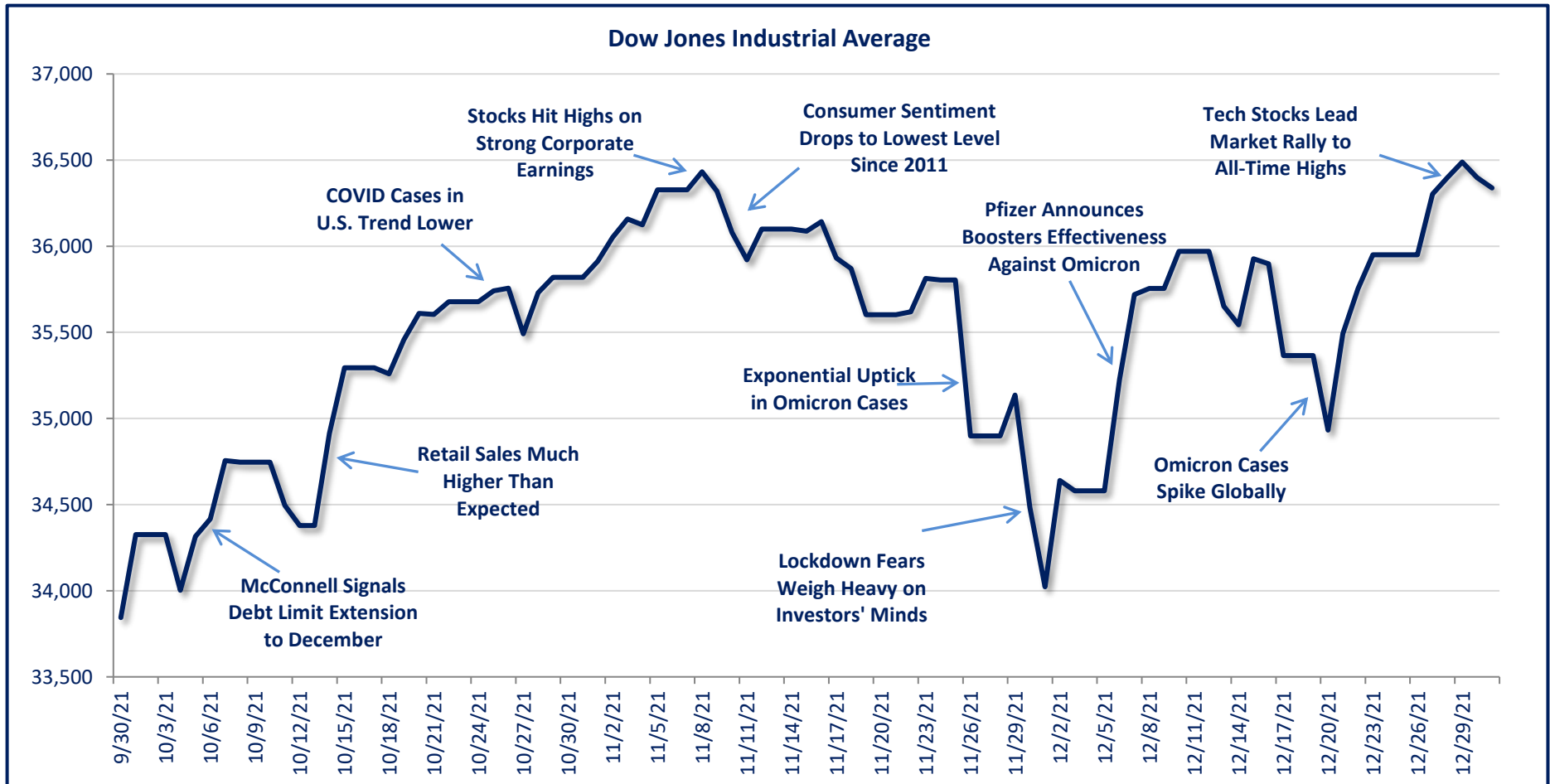
Source: Bloomberg

Economic and Market Update  
12/31/2021



Sources: Bloomberg, FHN Main Street

Economic and Market Update  
12/31/2021



Sources: Bloomberg, FHN Financial, FHN Main Street

## Disclosure

This report represents the opinions of FHN Financial Main Street Advisors, LLC and should not be considered predictive of any future market performance. Opinions are subject to change without notice. Forecasts, estimates, and certain information contained herein are based upon proprietary research and should not be considered investment advice or a recommendation of any particular security, investment strategy, or investment product.

Although this information has been obtained from sources which we believe to be reliable, we do not guarantee its accuracy, and it may be incomplete or condensed. This is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. All herein listed securities are subject to availability and change in price. Past performance is not indicative of future results, and changes in any assumptions may have a material effect on projected results. Ratings on all securities are subject to change.

FHN Financial Capital Markets, FHN Financial Portfolio Advisors, and FHN Financial Municipal Advisors are divisions of First Horizon Bank. FHN Financial Securities Corp., FHN Financial Main Street Advisors, LLC, and FHN Financial Capital Assets Corp. are wholly owned subsidiaries of First Horizon Bank. FHN Financial Securities Corp. is a member of FINRA and SIPC — <http://www.sipc.org/>.

FHN Financial Municipal Advisors is a registered municipal advisor. FHN Financial Portfolio Advisors is a portfolio manager operating under the trust powers of First Horizon Bank. FHN Financial Main Street Advisors, LLC is a registered investment advisor. None of the other FHN entities, including FHN Financial Capital Markets, FHN Financial Securities Corp., or FHN Financial Capital Assets Corp. are acting as your advisor, and none owe a fiduciary duty under the securities laws to you, any municipal entity, or any obligated person with respect to, among other things, the information and material contained in this communication. Instead, these FHN entities are acting for their own interests. You should discuss any information or material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

FHN Financial, through First Horizon Bank or its affiliates, offers investment products and services. Investment products are not FDIC insured, have no bank guarantee, and may lose value.

Source: ICE Data Indices, LLC ("ICE"), is used with permission. ICE, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES OR THEIR RESPECTIVE THIRD PARTY PROVIDERS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY WITH RESPECT TO THE QUALITY, ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND SUBSCRIBER'S USE IS AT SUBSCRIBER'S OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY DO NOT SPONSOR, ENDORSE, OR RECOMMEND FHN FINANCIAL MAIN STREET ADVISORS, LLC, OR ANY OF ITS PRODUCTS OR SERVICES.