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THE ECONOMY AT A GLANCE

ECONOMIC HIGHLIGHTS

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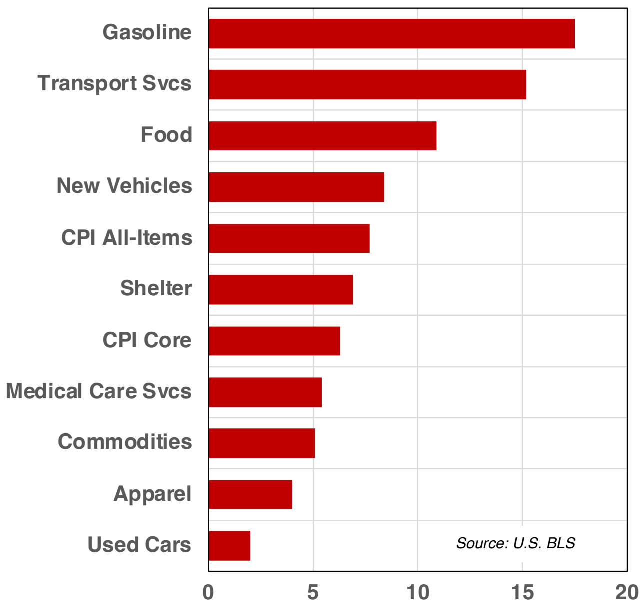
INFLATION TRENDS LOWER

The latest Consumer Price Index report indicated that inflation pressures eased in the United States in October, eliciting cheers from investors who have been waiting for months for a material downward move. The Bureau of Labor Statistics reported a 7.7% year-over-year increase in overall inflation in October, down from 8.2% in September. The core rate -- excluding the impact of food and energy prices -- also declined (to 6.3% in October from 6.6% in September). The overall rate primarily benefited from falling energy service prices (down 1.2% month-over-month), as well as from lower prices for used cars, apparel, and medical care services. The increase in food prices moderated a bit. But shelter and transportation prices continued to rise (both up 0.8% month-over-month) and fuel oil prices soared 19.8%. Looking ahead, we continue to think that the July CPI rate of 9.1% will be the peak reading for the index in 2022, as the housing market cools off, supplies of new vehicles are replenished, and the price of oil stays below $100 per barrel. Even so, the Federal Reserve still has a lot of wood to chop in order to bring core inflation down to its target of 2.0%. We continue to look for a 50-basis-point rate hike by the central bank at its meeting next month.

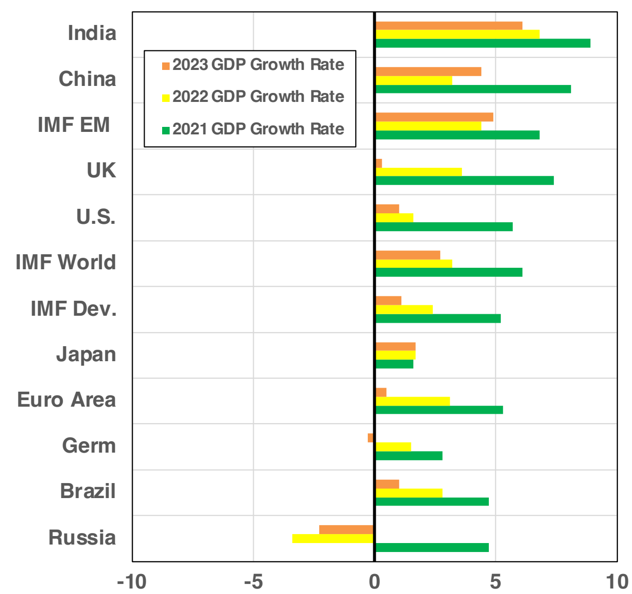
INFLATION FACTORS (% CHANGE Y/Y)



GLOBAL GROWTH FORECASTS REVISED DOWNWARD

Expectations for global economic growth in 2022-2023 have again been revised lower -- but there's not much more to cut looking out to 2023. This latest set of negative revisions reflected the inflation-driven cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering pandemic. Late last year, the International Monetary Fund projected global growth of 4.9% in 2022, versus 6.1% in 2021. In its April update, the IMF cut that outlook to 3.6% growth in 2022, with industrialized economies expanding 3.3% and emerging economies growing 3.8%. Those estimates seemed high, and indeed the 2022 global outlook is now down to 3.2%. Looking out to 2023, the current forecast now calls for 2.7% growth, down from a prior forecast of 3.6%, with developed economies growing at a 1.1% rate. If growth slows much further, investors will be facing a global recession. We factor these forecasts into our asset-allocation models, and (based in part on the current economic uncertainty) continue to recommend that investors over-weight portfolios toward U.S. securities. Generally, global stocks offer value, but the risks to growth are high.

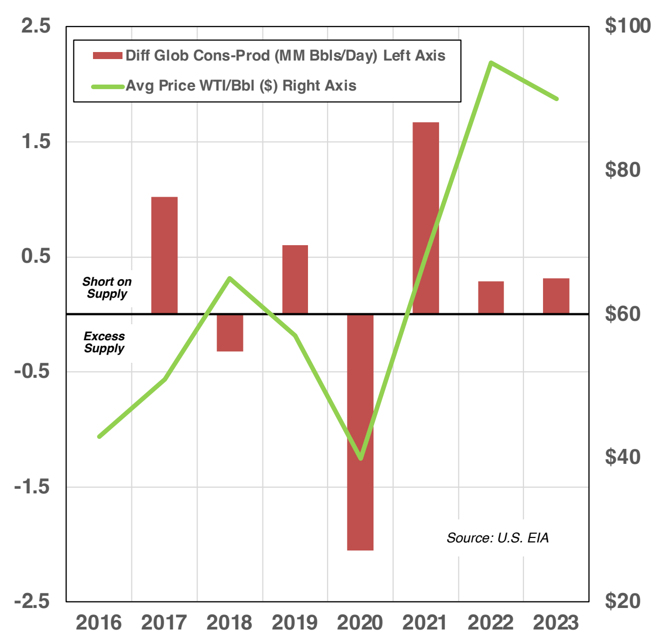
GLOBAL GDP GROWTH RATES & FORECASTS (%)



ARGUS RESEARCH ADJUSTS OIL PRICE FORECAST

Our forecast for the average price of a barrel of West Texas Intermediate crude oil in 2022 is now $95, up from last year's $68. We anticipate a trading range of $80-$140 for the year. The current price is near $87, up from a low of $75 at the beginning of the year but down from $123 in early March. The core drivers of oil prices in the near term are global demand and supply. According to the U.S. Energy Information Administration, there was a supply shortage in 2021: global consumption was 97.4 million barrels per day, while global production was only 95.7 million barrels. This was a reversal from 2020, when global demand was 91.8 million barrels per day and production was 93.9 million. In addition to the near-term drivers, there are wildcards from Russia's invasion of Ukraine and sanctions on Iran and Venezuela, which may cause prices to fluctuate dramatically. Forecasts call for supply to match demand in 2H22 -- but then to fall somewhat short of demand in 2023. Absent the wildcards, the global demand-supply outlook suggests that the days of sharp increases in oil prices are in the rear-view mirror.

OIL INDUSTRY DRIVERS

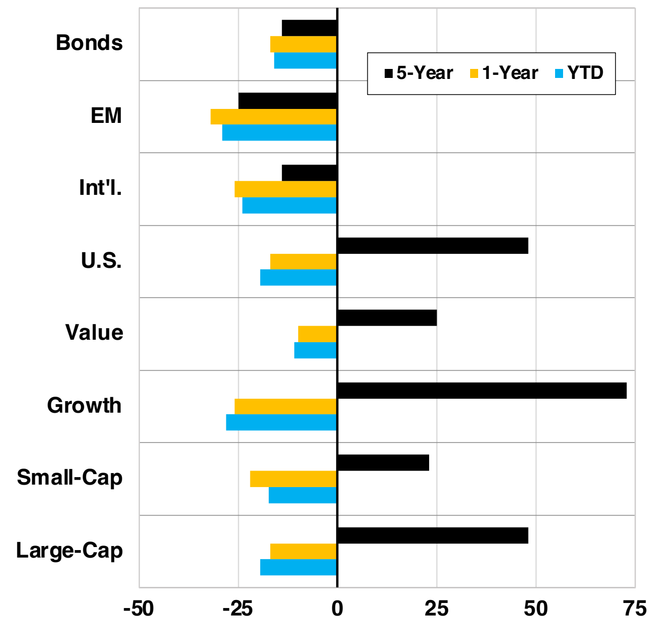


FINANCIAL MARKET HIGHLIGHTS

ARGUS'S FAVORED CLASSES, SEGMENTS

Stocks surged in October during the 3Q earnings season, but remain in a bear market for the year. Bond prices extended their slump during the month, and, as with stocks, remain lower year-to-date. Looking ahead, our Stock-Bond Barometer model modestly favors bonds over stocks for long-term portfolios. In other words, these asset classes should be near their target weights in diversified portfolios, with a slight tilt toward fixed income given the recent rise in yields. We are now balanced on large- and small-caps. We favor large-caps for growth exposure and financial strength, while small-caps are selling at historical discounts relative to large-caps and offer value. Our recommended exposure to small- and mid-caps is 15%-17% of equity allocation, in line with the benchmark weighting. U.S. stocks have outperformed global stocks over the trailing one- and five-year periods. We expect this long-term trend to continue, given volatile and often difficult-to-predict global economic, geopolitical, and currency conditions. That said, international stocks offer favorable near-term valuations, and we target 5%-10% of equity exposure to the group. Value has taken the performance lead in 2022 due to the negative impact of rising interest rates on growth stock valuations. Over the long term, we anticipate that growth, led by the Tech and Healthcare sectors, will top returns from value, led by the Energy and Materials sectors, due to favorable secular and demographic trends.

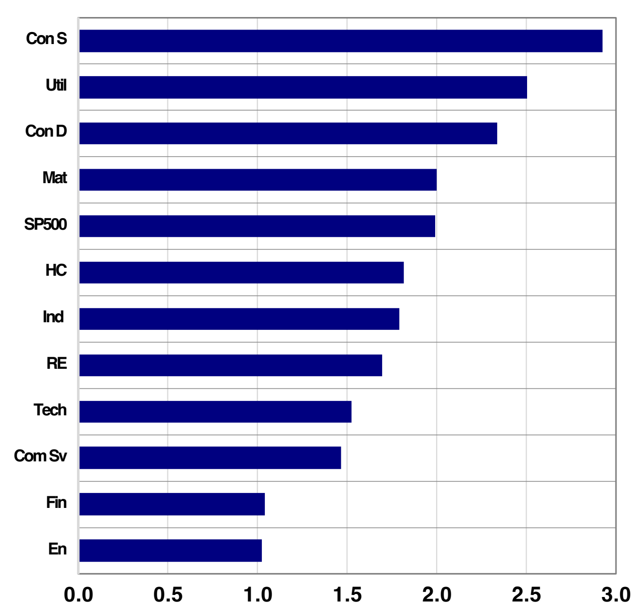
MARKET SEGMENT RETURNS 2022
(% THROUGH 11/1/22)



VALUES IN ENERGY, HEALTHCARE, INDUSTRIALS

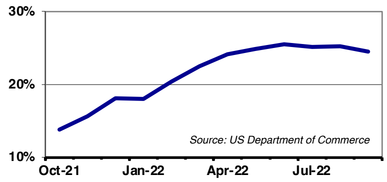
Investors seeking stocks that reasonably balance long-term growth prospects and current value characteristics may wish to look first at companies in the Energy, Financial Services, Healthcare, and Industrial sectors. These are among the industry groups currently trading at PEGY ratios -- (price/earnings)/(growth+yield) -- that are at or below the S&P 500's ratio of 2.0. To generate our PEGY ratios, we use the P/E ratio for each sector (based on forward earnings) for the numerator. For the denominator, we average the growth rates for the past five years along with two years of forward estimates in order to achieve a smoother and less volatile earnings trend. We then add the current yield to approximate the total return. Our Over-Weight sectors include Healthcare, Industrials, Basic Materials, and Energy. Our Under-Weight sectors include Consumer Staples, Consumer Discretionary, and Communication Services.

SECTOR PEGY RATIOS

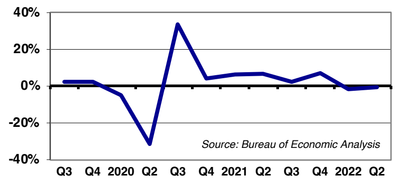


ECONOMIC TRADING CALENDAR

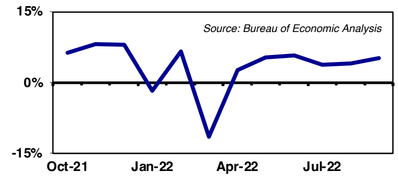
Release: **Wholesale Inventories**
Date: 11/30/2022
Month: October
Previous Report: 24.5%
Argus Estimate: 24.0%
Street Estimate: NA



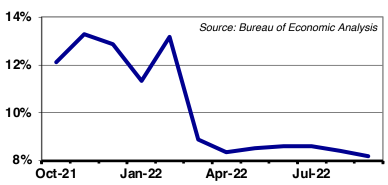
Release: **GDP Annualized QoQ**
Date: 11/30/2022
Month: 3Q
Previous Report: 2.6%
Argus Estimate: 2.6%
Street Estimate: 2.8%



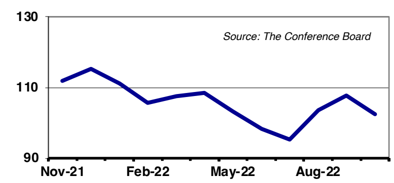
Release: **Personal Income**
Date: 12/1/2022
Month: October
Previous Report: 5.2%
Argus Estimate: 5.0%
Street Estimate: NA



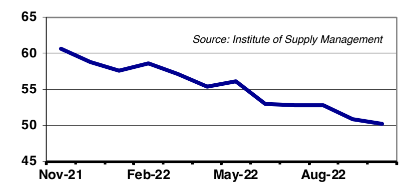
Release: **Personal Spending**
Date: 12/1/2022
Month: October
Previous Report: 8.2%
Argus Estimate: 7.5%
Street Estimate: NA



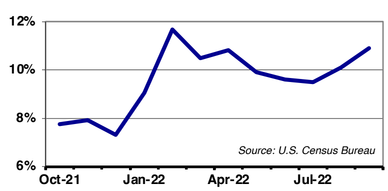
Release: **Consumer Confidence**
Date: 11/29/2022
Month: November
Previous Report: 102.5
Argus Estimate: 103.0
Street Estimate: 100.0



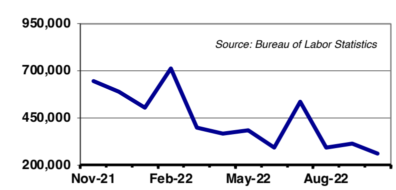
Release: **ISM Manufacturing**
Date: 12/1/2022
Month: November
Previous Report: 50.2
Argus Estimate: 50.0
Street Estimate: 50.0



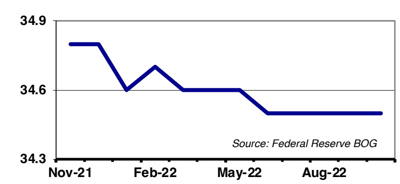
Release: **Construction Spending**
Date: 12/1/2022
Month: October
Previous Report: 10.9%
Argus Estimate: 10.0%
Street Estimate: NA



Release: **Nonfarm Payrolls**
Date: 12/2/2022
Month: November
Previous Report: 261000
Argus Estimate: 200000
Street Estimate: 200000



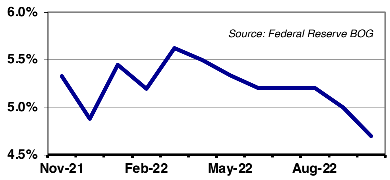
Release: **Average Weekly Hours**
Date: 12/2/2022
Month: November
Previous Report: 34.5
Argus Estimate: 34.5
Street Estimate: 34.5



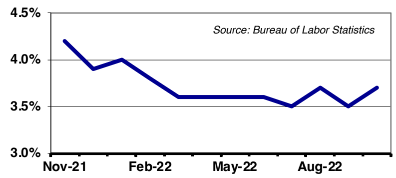
Previous Week's Releases and Next Week's Releases on next page.

ECONOMIC TRADING CALENDAR

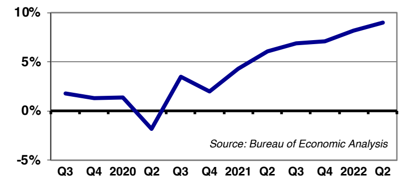
Release: **Average Hourly Earnings**
Date: 12/2/2022
Month: November
Previous Report: 4.7%
Argus Estimate: 4.7%
Street Estimate: 4.6%



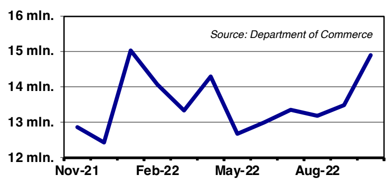
Release: **Unemployment Rate**
Date: 12/2/2022
Month: November
Previous Report: 3.7%
Argus Estimate: 3.7%
Street Estimate: 3.8%



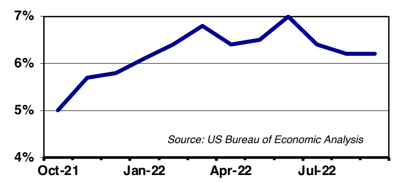
Release: **GDP Price Index**
Date: 11/30/22
Month: 3Q
Previous Report: 4.1%
Argus Estimate: 4.1%
Street Estimate: 4.1%



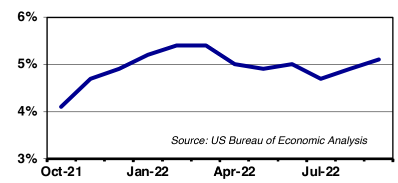
Release: **Total Vehicle Sales**
Date: 12/1/2022
Month: November
Previous Report: 14.90 mln.
Argus Estimate: 15.00 mln.
Street Estimate: 14.90 mln.



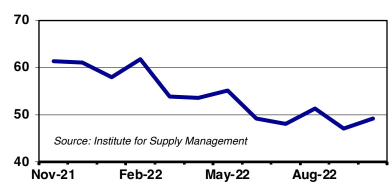
Release: **PCE Deflator**
Date: 12/1/2022
Month: October
Previous Report: 6.2%
Argus Estimate: 5.9%
Street Estimate: 6.0



Release: **PCE Core Deflator**
Date: 12/1/2022
Month: October
Previous Report: 5.1%
Argus Estimate: 5.0%
Street Estimate: 5.0%



Release: **ISM New Orders**
Date: 12/1/2022
Month: November
Previous Report: 49.2
Argus Estimate: 48.5
Street Estimate: 47.0



Previous Week's Releases

Date	Release	Month	Previous Report	Argus Estimate	Street Estimate	Actual
23-Nov	Durable Goods Orders	October	11.6%	11.0%	NA	NA
	New Home Sales	October	603 K	575 K	573 K	NA
	U of Michigan Sentiment	November	54.7	58.0	55.0	NA

Next Week's Releases

Date	Release	Month	Previous Report	Argus Estimate	Street Estimate	Actual
5-Dec	ISM Services Index	November	54.4	NA	NA	NA
	Factory Orders	October	12.0%	NA	NA	NA
6-Dec	Trade Balance	October	-$73.3 Bln.	NA	NA	NA
7-Dec	Nonfarm Productivity	3Q	0.3%	NA	NA	NA
	Unit Labor Costs	3Q	3.5%	NA	NA	NA
9-Dec	PPI Final Demand	November	8.0%	NA	NA	NA
	PPI ex-Food & Energy	November	6.7%	NA	NA	NA