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THE ECONOMY AT A GLANCE

ECONOMIC HIGHLIGHTS

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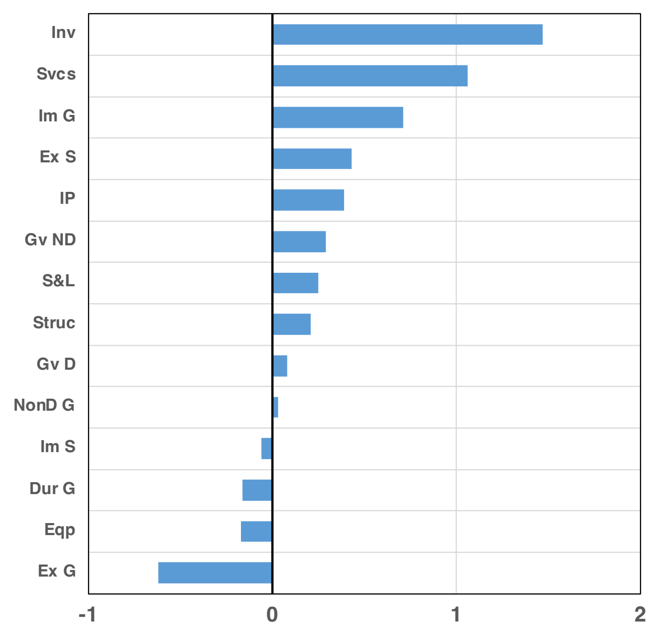
RAISING GDP FORECAST FOR 1Q23

We believe that key components of U.S. GDP are still expanding, despite the impact of inflation, the pandemic, and geopolitical developments. But growth is not consistent across all segments of the economy and, in many cases, growth rates are slowing. The risk of recession is real -- but a U.S. recession is not a foregone conclusion. We have raised our 1Q23 GDP estimate to 1.3% from our prior forecast of 0.2%. We look for the first quarter to start at a weak rate, but for the economy to improve as the year goes on. Our estimate for all of 2023 is now 1.8%, up from our prior forecast of 1.6%. The U.S. Federal Reserve is combating inflation with aggressive interest-rate hikes. Our preliminary forecast for GDP growth in 2024 remains 1.8%, as the Fed, with its tool chest again full after hiking rates during 1H23, can contemplate lowering interest rates to recharge economic growth. Our GDP estimates generally are in the range of other forecasters. The Wall Street Journal Economic Survey calls for GDP growth of 0.2% in 2023 and 1.9% in 2024. The Federal Reserve is now anticipating GDP growth of 0.5% for 2023, and for growth of 1.6% in 2024. Meanwhile, the IMF is calling for 2023 growth of 1.4%. The Philadelphia Federal Reserve's Survey of Professional Forecasters is calling for growth of 0.7% in 20232 and 1.8% in 2024.A recent GDPNow Forecast from the Federal Reserve Bank of Atlanta sees growth of 2.5% for 1Q23.

CONTRIBUTION TO 4Q GDP CHANGE (%)

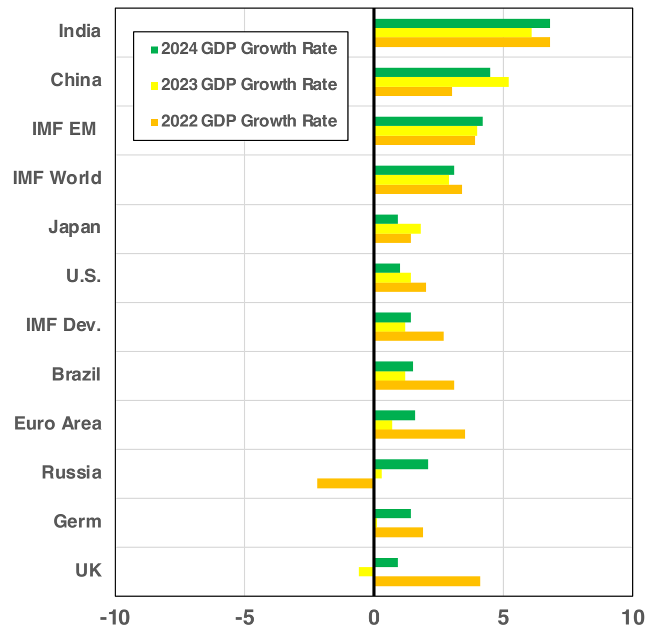


ECONOMIC HIGHLIGHTS (CONTINUED)

2023 A GLOBAL TROUGH YEAR

Global economic growth is expected to slide in 2023 before turning higher in 2024, according to the latest World Economic Outlook from the International Monetary Fund. The pick-up in 2024 is attributed largely to the expected economic impact of China's recent reopening, offset by the ongoing war in Ukraine and higher interest rates. By the numbers, the world economy is expected to expand 2.9% in 2023, after having grown 3.4% in 2022. In 2024, growth is expected to accelerate to 3.1%. All of these rates are below the long-term historical global growth rate of 3.8%. For industrialized economies, growth is forecast at a miniscule 1.2% in 2023 and 1.4% in 2024. The U.S. is expected to outperform in 2023 but lag in 2024. For emerging economies, growth forecasts call for 4.0% in 2023 and 4.2% in 2024. The clear leaders are expected to be China and India, with average growth for the two years of 4.8% and 6.4%, respectively. Even these growth nations have different drivers: population growth in India and productivity growth in China. We factor global growth forecasts into our asset-allocation models. Based in part on slow global growth rates, we recommend that investors over-weight portfolios toward U.S.-based securities. Generally, global stocks represent value, but the risks to growth are high.

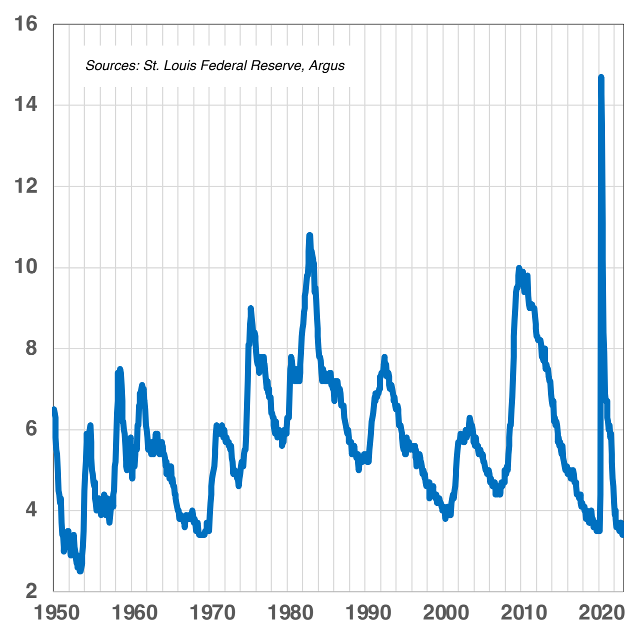
GLOBAL GDP GROWTH RATES & FORECASTS (%)



311,000 NEW JOBS IN FEBRUARY

The U.S. economy generated 311,000 new jobs in February, far ahead of the consensus expectations and our forecast of 190,000. The unemployment rate rose slightly to 3.6% from a cycle-low 3.4% in January. Average hourly earnings increased eight cents month-to-month and are 4.6% higher year-over-year and up 20 basis points month-to-month. Revisions to the jobs totals in the two prior months trimmed 34,000 jobs from the economy. In February, jobs gains occurred in leisure and hospitality, retail, professional and business services, government, healthcare, and construction. Industries notably absent from the outsized jobs gain include mining, quarrying, oil and gas extraction, manufacturing, wholesale trade, and financial activities. January's blockbuster jobs gains were revised only slightly lower to 504,000 from 517,000, suggesting the consumer segment of the economy may maintain its growth track for a few more months, despite the impact of the interest-rate hikes from the Fed, the Russian invasion of Ukraine, and high food prices.

U.S. UNEMPLOYMENT RATE (%)

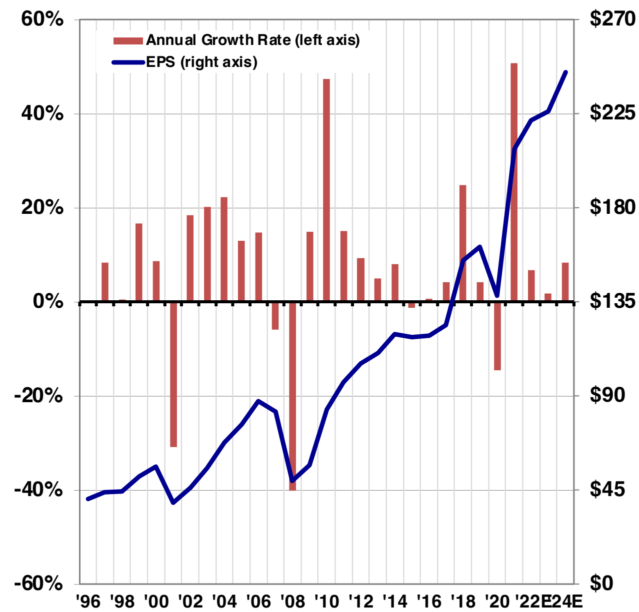


FINANCIAL MARKET HIGHLIGHTS

ARGUS LOWERS EPS FORECASTS

The 4Q22 earnings season is over and S&P 500 earnings from continuing operations likely declined 3% from 4Q21. Based on the slightly weaker-than-expected finish to the earnings year, we reduced our 2022 estimate of S&P 500 earnings from continuing operations to $222 from $224. If $222 turns out to be the final number, EPS will have grown about 5% from 2021. Given what appears to be a more-extended Fed rate-hiking campaign, as well as the lower 2022 base, we lowered our 2023 earnings estimate to $226 from $230. That implies 2% growth. Finally, we reduced our 2024 forecast to $245 from $250, which implies 8% growth, reflecting our expectations that earnings growth will begin to "normalize" once the Fed is finished. The S&P 500 two-year forward P/E on our revised 2023 and 2024 forecasts is 16.9; that is about 15% below the prior five-year average of 19.5. Reflecting much higher inflation and interest rates, as well as other inputs, our adjusted earnings-yield model continues to signal overvaluation in stocks.

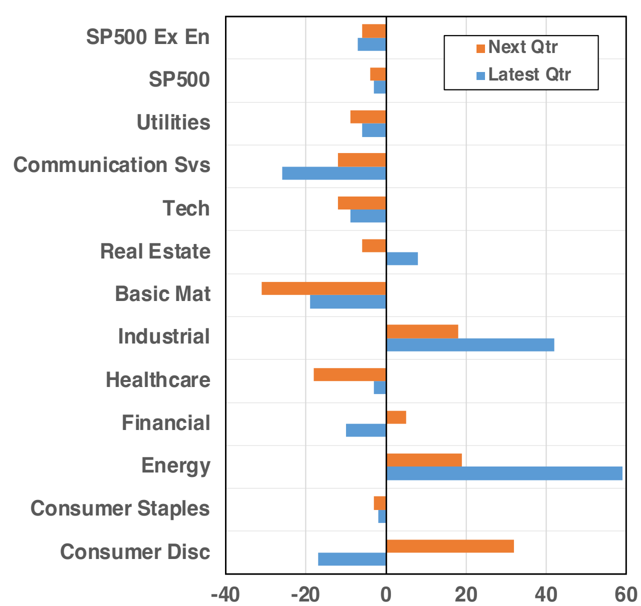
S&P 500 EPS TRENDS & ESTIMATES



EARNINGS EXPECTED TO WEAKEN IN 1Q

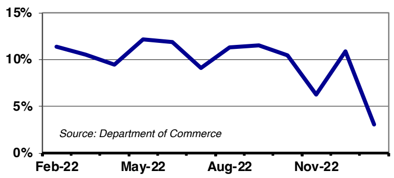
The fourth-quarter earnings season is now in the rear-view mirror. That's a good thing, as S&P 500 earnings fell for the first time since the pandemic. But a trend reversal is not expected until 2H23, and preliminary indications from Refinitiv call for an EPS decline of 3.9% in the first quarter. Let's take a deeper dive. Last quarter, the lagging sectors included Communication Services (sector earnings were down 26% year-over-year), Basic Materials (-19%), Consumer Discretionary (-17%), and Financial Services (-10%). The all-import Technology sector, which accounts for more than 20% of S&P 500 EPS, saw earnings decline 9%. The savior was Energy, as earnings from this group jumped 59%. Looking ahead, Technology is forecast to decline again, while Healthcare (which accounts for 15% of earnings) is expected to drop sharply as well. Energy is starting to cycle against difficult comparisons, and growth is expected to slow in 1Q23. The earnings trends are expected to smooth and improve by the fourth quarter. Current analyst estimates call for 13% 4Q year-over-year growth for Technology, and 29% for Communication Services. Both Consumer sectors are forecast for double-digit growth, and overall S&P 500 EPS growth in 4Q23 is estimated at 10%.

SECTOR EPS TRENDS (% CHANGE)

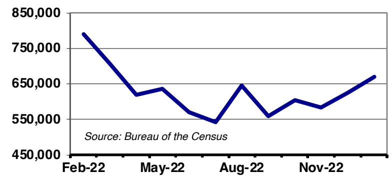


ECONOMIC TRADING CHARTS & CALENDAR

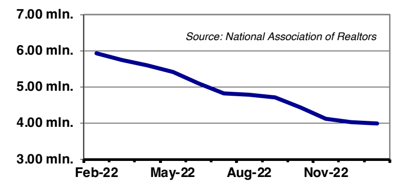
Release:	**Durable Goods Orders**
Date:	3/24/2023
Month:	February
Previous Report:	3.1%
Argus Estimate:	2.5%
Street Estimate:	NA



Release:	**New Home Sales**
Date:	3/23/2023
Month:	February
Previous Report:	670000
Argus Estimate:	655000
Street Estimate:	645000



Release:	**Existing Home Sales**
Date:	3/21/2023
Month:	February
Previous Report:	4.00 mln.
Argus Estimate:	3.95 mln.
Street Estimate:	4.20 mln.



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

ECONOMIC TRADING CHARTS & CALENDAR (CONTINUED)

Previous Week's Releases

Date	Release	Month	Previous Report	Argus Estimate	Street Estimate	Actual
14-Mar	Consumer Price Index	February	6.4%	6.2%	6.0%	6.0%
	CPI ex-Food & Energy	February	5.6%	5.2%	5.4%	5.5%
15-Mar	Retail Sales	February	6.4%	6.0%	NA	NA
	Retail Sales ex-autos	February	7.3%	7.0%	NA	NA
	Business Inventories	January	12.7%	5.0%	NA	NA
	Import Price Index	February	0.8%	1.0%	NA	NA
	PPI Final Demand	February	6.0%	5.5%	NA	NA
	PPI ex-Food & Energy	February	5.4%	5.0%	NA	NA
16-Mar	Housing Starts	February	1309 K	1300 K	1310 K	NA
17-Mar	Industrial Production	February	0.8%	0.5%	NA	NA
	Capacity Utilization	February	78.3%	78.0%	78.5%	NA
	Leading Index	February	-0.3%	-0.2%	-0.2%	NA
	U. of Michigan Sentiment	March	67.0	66.0	67.3	NA

Next Week's Releases

Date	Release	Month	Previous Report	Argus Estimate	Street Estimate	Actual
28-Mar	Wholesale Inventories	February	15.9%	NA	NA	NA
	Consumer Confidence	March	102.9	NA	NA	NA
30-Mar	GDP Annualized QoQ	4Q	2.7%	NA	NA	NA
	GDP Price Index	4Q	3.9%	NA	NA	NA
31-Mar	Personal Income	February	6.4%	NA	NA	NA
	Personal Spending	February	7.9%	NA	NA	NA
	PCE Deflator	February	5.4%	NA	NA	NA
	PCE Core Deflator	February	4.7%	NA	NA	NA