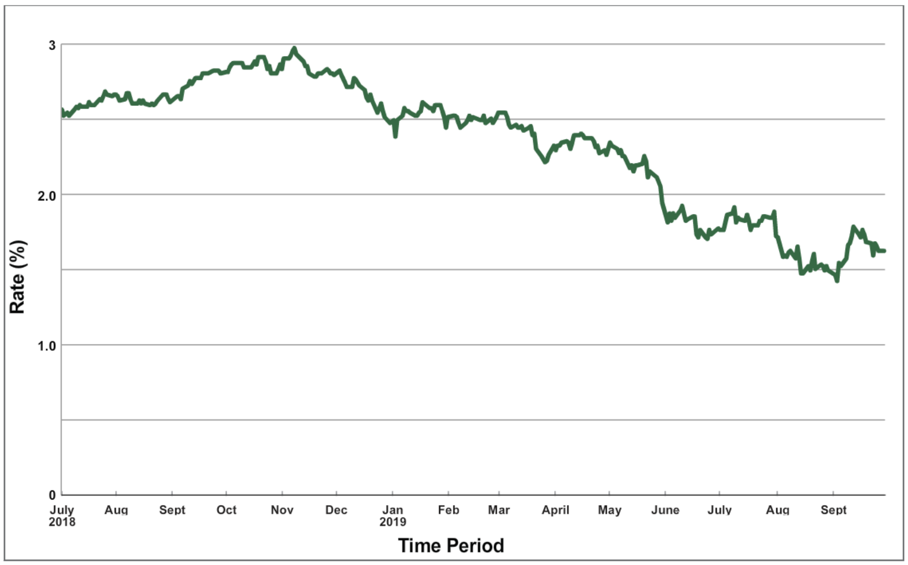
ATTACHMENT A
FINANCIAL MARKETS OVERVIEW

Financial Markets Overview

Fiscal year 2018-19 saw the trajectory of interest rates change. July 2018 began with two-year Treasuries yielding 2.57%. Gradually increasing rates saw yields on two-year Treasuries reach 2.98% early in November 2018. Two-year Treasuries yields then reversed course, ending the fiscal year at 1.75%, about a 40% decline from November 2018's high. Declines continued after the fiscal year's end, with two-year Treasuries yielding 1.63% at the end of September 2019.

Nominal Yields on Two Year Treasuries



(Source: U.S. Department of the Treasury)

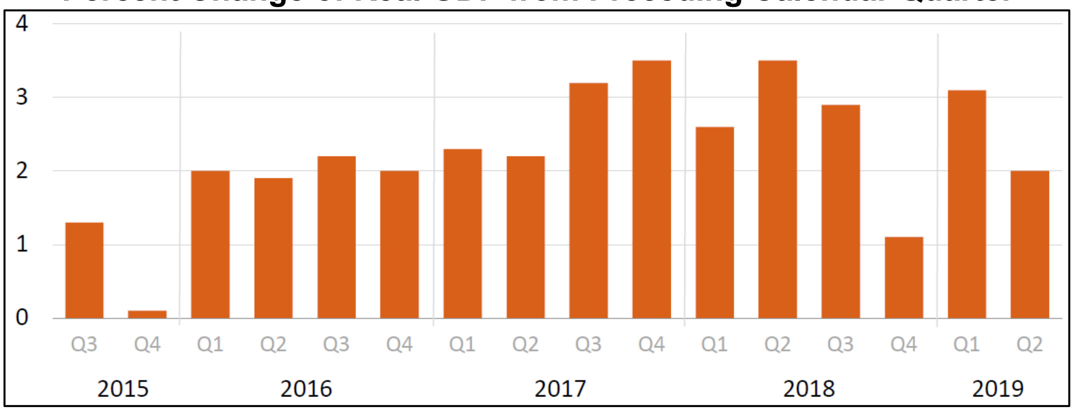
Eventually, the federal funds rate range followed a similar trend. July 2018 began with a federal funds rate range of 1.75% - 2.00%. September and December 2018 each had a 0.25% increase to the federal funds rate range, bringing the range to 2.25% - 2.50%, where it stayed for the rest of fiscal year 2018-19. Subsequently, decreases of 0.25% were implemented in both August and September 2019, resulting in a federal funds rate range of 1.75% - 2.00% at the end of September 2019.

Press conference comments during September 2019 by Jerome Powell, chair of the Federal Reserve, explained the reasons for September's rate reduction. Chair Powell noted, "weakness in global growth and trade policy uncertainty have weighed on the economy and pose ongoing risks. These factors, in conjunction with muted inflation pressures, have led us to shift our views about appropriate monetary policy over time toward a lower path for the federal funds rate…"

America's job market, in contrast to the rest of the world, has a positive outlook, according to Chair Powell, who during the same press conference said, "The job market remains strong. The unemployment rate has been near half-century lows for a year and a half, and job gains have remained solid in recent months. The pace of job gains has eased this year, but we had expected some slowing after last year's strong pace. Participation in the labor force by people in their prime working years has been increasing… We expect the job market to remain strong. The median of participants' projections for the unemployment rate remains below 4 percent over the next several years." Information from the Bureau of Economic Analysis and the Bureau of Labor Statistics both illustrate a strong American job market.

The Bureau of Economic Analysis (BEA) released new estimates of gross domestic product (GDP) toward the end of September 2019. BEA's "third" estimate is that in the second calendar quarter real GDP grew at 2.0 percent annualized. Growth in the second quarter came from consumer and government spending. Two percent reflects slower growth compared to the first calendar quarter, for which BEA estimated real GDP grew at 3.1 percent annualized.

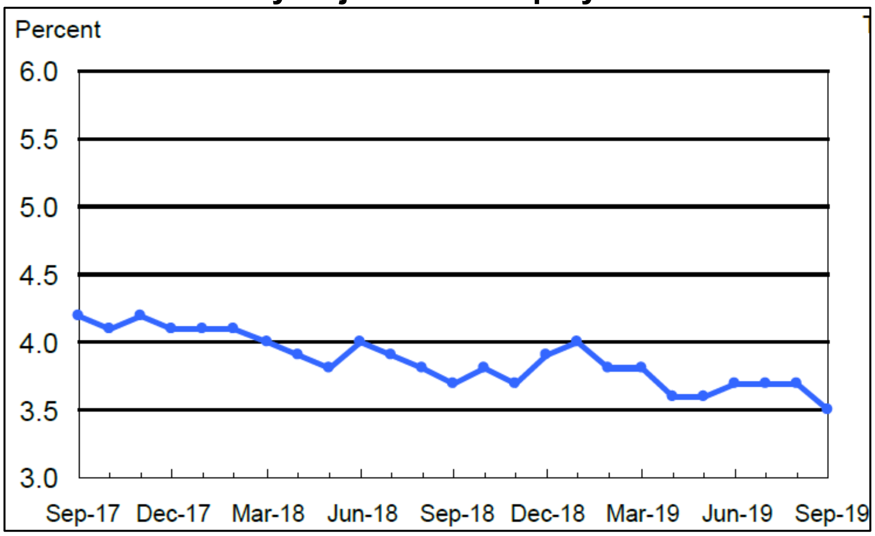
Percent Change of Real GDP from Preceding Calendar Quarter



(Source: U.S. Bureau of Economic Analysis)
(Seasonally adjusted annualized rates)

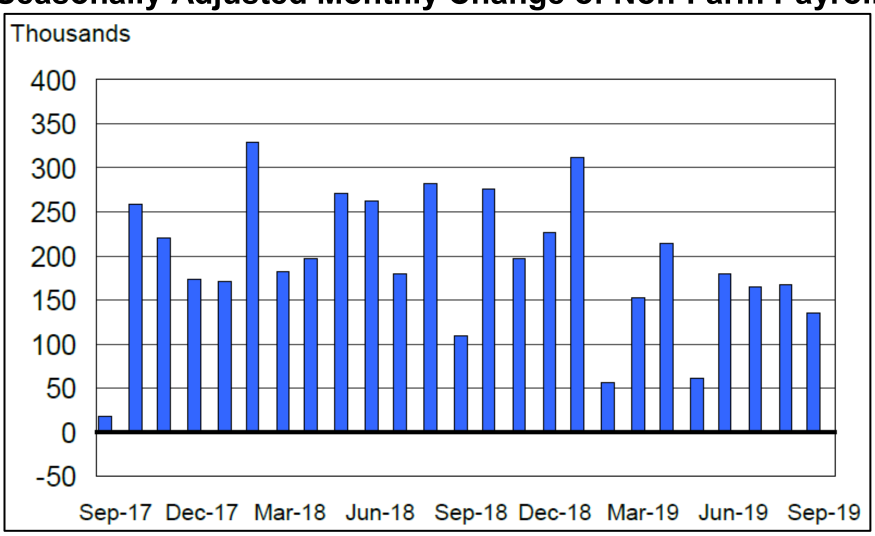
The Bureau of Labor Statistics (BLS) released September 2019's employment data in October. The unemployment rate decreased to 3.5 percent in September. Total non-farm payroll employment increased by 136,000 in September. Employment increases were noted in health care, services, government, and transportation. Accompanying September's job gains was a 2.9 percent increase in hourly pay over the previous 12 months. BLS also revised the increases in total non-farm payroll employment for both July and August. July's increase was changed from 159,000 to 166,000. August's increase was updated from 130,000 to 168,000.

Seasonally Adjusted Unemployment Rate



(Source: U.S. Bureau of Labor Statistics)

Seasonally Adjusted Monthly Change of Non-Farm Payroll



(Source: U.S. Bureau of Labor Statistics)