



WILLIAM BLAIR

Higher Frequency Economic Data Shows Signs of Recovery

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Economics Weekly

Higher Frequency Economic Data Shows Signs of Recovery



Given the speed at which this crisis has unfolded, it has meant that one of the difficulties throughout for economists, analysts, and investors has been getting an accurate handle on the pace of economic activity, where the monthly economic data has come out severely lagging. **In this week's *Economics Weekly*, we look at a number of the higher frequency economic time series that have emerged from the crisis as useful measures in bridging this information gap.**

While the financial markets are excellent in giving their up-to-the-millisecond verdict on the current state of the economy and the financial system, they do not necessarily tell us what is actually taking place in the real economy. Meanwhile, the standard macroeconomic data we are most familiar with has lagged terribly. We won't, for example, know the second quarter's much anticipated GDP growth rate (which is now expected to be between 40% and 50% lower) until the end of July, by which time it will be old news and simply helpful in confirming what had originally been anticipated. Slightly better are reports such as the ISM and the employment report, or even the weekly initial jobless claims data; however, even here too the weekly data at times has felt somewhat dated.

Back during the last financial crisis when the Fed was faced with this very same dilemma, it turned to Mastercard, which at the time had been rolling out its own real-time data series gleaned from the millions of card transactions that take place across the globe daily. It gave it a good sense of where and on what consumers were spending.

Today, we've been a bit more spoilt for choice; part of the reason for this relates to the nature of the crisis, and the fact that many companies have very generously removed the normal paywalls behind which their data sits and/or simply made their data available to the public where it previously wasn't. They have been doing this as their contribution to do whatever it takes to help researchers, policymakers, analysts, academics, scientists, and whomever else feels that this would be useful data in helping tackle the crisis. Much of this data will then again be sealed off to the public once the crisis has passed.

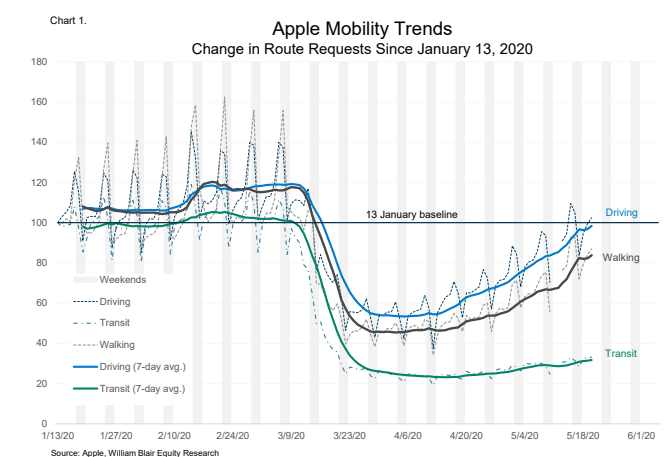
Below, we look at three new sources of real-time data: Apple Mobility Trends, Google Mobility Trends, and Homebase employment trends for hourly workers. One interesting thing to note is that while the worst day of the shutdowns seems to have occurred on Sunday, April 12, when approximately 75% of businesses were closed and people remained at home, the actual bottom in the stock market was reached almost a full three weeks previous to that on March 23.

Apple Mobility Trends

One of the more interesting data feeds has been that from Apple and its Mobility Trends. Apple has been sharing its data on the changes in routing requests made

across the globe for people traveling by automobile, walking, or public transit. The data reflects requests for directions through its maps function, though Apple also makes clear it does not keep a history of where users have been.

Chart 1 plots these trends for the United States, and data is also available by major city. The chart is encouraging and clearly shows that all travel activity reached its lowest point on April 12. Since then we have seen a steady recovery in activity, most prominently in automobile traffic, which is now just 1.6% below the baseline readings from January 13, 2020 (using a seven-day moving average). Walking has also increased, though not quite as dramatically, and is still 16% below the baseline. Public transportation volumes, however, have effectively flatlined at the trough and shown very few signs of improvement—they are currently still 68% below baseline.

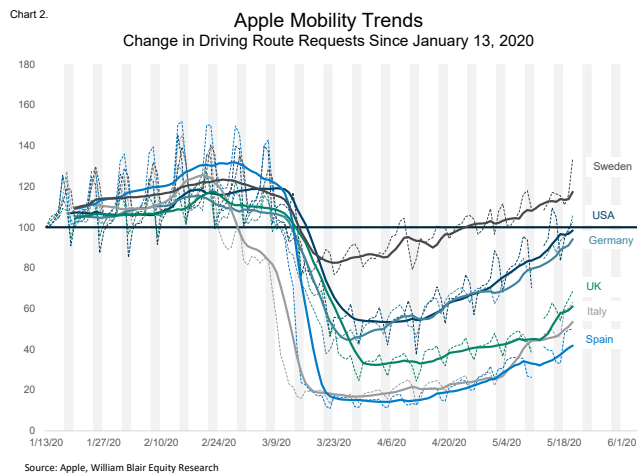


What's also interesting is the weekly patterns in the data itself. Professor of Finance Michael Pettis (Peking University's Guanghua School of Management) along with his students analyzed some high frequency traffic data for China. They made three observations specifically for China. First, traffic only partly recovered following the Chinese New Year relative to what it had previously done. Second, ridership is much higher during the weekdays than on weekends—as people commute to work. In 2019, they noted that ridership surged on Friday, likely related to a second wave of ridership as people went out on Friday nights. This year, however, there has been no Friday surge—suggesting that life is returning to normal from a work perspective, but not from a social/entertainment perspective. Their final observation was that weekday ridership rates were just 50% of normal—suggesting that it might still take a while to return to normal life.

Looking at the Apple data, we can see a similar weekly trend, where activity is lower on a Monday and steadily increases to spike on a Friday, before plunging on the weekend. **Unlike the Chinese, however, the U.S. data shows a consistence in the Friday spike—Americans are still choosing to venture out more on a Friday night than any other previous**

night—an important difference, which bodes well for the recovery.

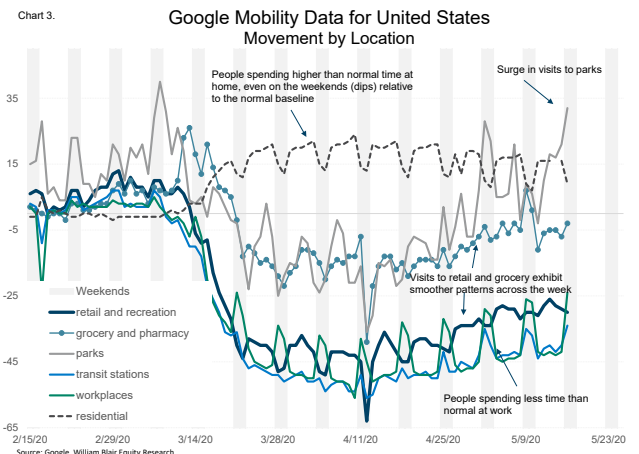
Chart 2 shows that the Spaniards and the Italians, like the Chinese, have been fairly good at not venturing out, but in the last few days as the lockdowns have started to be partly lifted, we started to see the familiar spikes taking place, similar to that of the Americans. Sweden, which had no lockdown, shows that activity receded, but is now back up above the baseline level of normal driving activity.



In short, this data suggests that the Americans and the Europeans are much keener to get back to their normal routines than the Chinese are—something which suggests that we may see a faster recovery in those countries. The potential downside, of course, is that it also increases the risks associated with a second wave of the virus. Devastatingly, there is also the unfortunate outcome that a large number of workers will no longer have a job to return to, or will have suffered ill health during the outbreak—suggesting that it may also take a long time for the work mobility trend to fully recover.

Google Mobility Trends

Google, meanwhile, has released similar mobility data (chart 3), though in a little more detail, specifically showing how at the virus's peak, individuals have been staying at home 24% more than normal. The data report also includes visits to parks, work, transit stations, retail and recreation facilities, and grocery stores and pharmacies. It also includes data by state and county.



For grocery and pharmacy visits, the worst day of activity again seems to have been Sunday, April 12, when presumably all of the grocery shopping and visits to the pharmacies were complete and Americans overwhelmingly opted to hunker down at home.

More recently we can see that visits to parks—i.e., open spaces with fresh air (and normally fewer people)—have shot back up well above the baseline, with visits now taking place as much on weekdays as weekends. Visits to grocery stores and pharmacies, meanwhile, have almost returned to normal.

What's interesting here, however, has been the absence of a great surge in grocery activity as the lockdowns have been eased across most states. It is certainly possible that this is related to continued fear of the virus, though it is also likely to reflect higher levels of food inventory at home, as well as the increased use of online shopping. Retail and recreation activity has tended to be much smoother and consistent throughout weekdays and weekends, and, while also steadily improving, is still 29% below normal levels of activity—in large part perhaps because shops are simply closed.

Finally, visits to work and the use of public transportation remain about 38% below normal levels—an improvement from mid-April, but still extremely low, and will clearly be the last of the trends to improve as staggered returns to work take place and many have found working from home to be just as effective, if not more so.

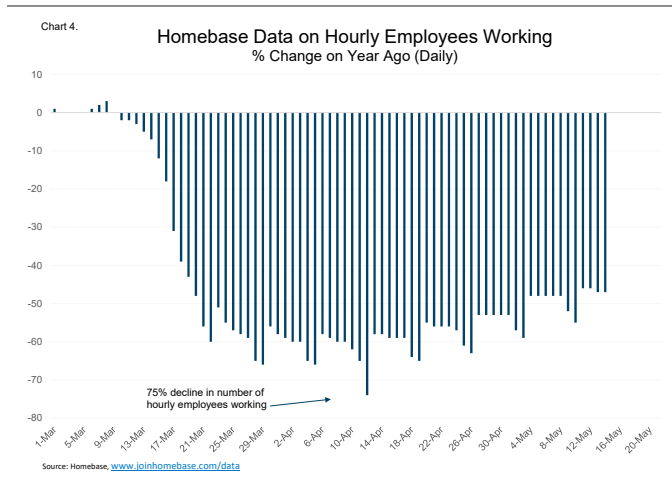
The slight downside to the Google data is that it does not seem to be updated as frequently as the Apple data. Hence, the last data point for the USA from Google is May 16, as opposed to Apple's May 20.

Homebase Employment Trends

Finally, Homebase provides a free tracking and scheduling tool for companies with hourly workers, and, because of the pandemic, has made its data public. Hourly workers

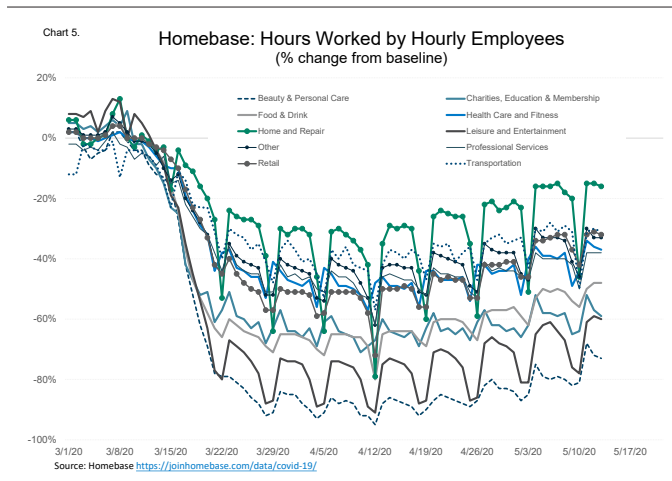
account for about 60% of total employment in the United States, and Homebase data covers 60,000 businesses and 1 million hourly employees.

Once again, in chart 4, we can see that the peak of the crisis was April 12, when there were a staggering 75% fewer hours worked and 74% fewer hourly workers working. The Homebase data also shows that 64% of local businesses at that time were shuttered. At present, we have once again seen a steady improvement whereby “only” 38% of local businesses are still closed, and though hours worked have improved, they are still 50% lower than the baseline period.



In terms of metropolitan areas, on May 13, the city with the best results was Jacksonville, which has gone from a low of a 71% decline in hours worked to just an 18% decline in the most recent reading. The worst city is still New York, which at its worst saw an 84% decline in hours worked, though today this has only improved to -66%.

Finally with respect to industries, we can see in chart 5 that the worst hit industry has been beauty and personal care—where hours worked remain 73% below normal (up from -95% on April 12). Hours worked for the home and repair industry were seemingly the least negatively impacted, recovering from a 79% plunge below normal on April 12 to being only 16% below the baseline today.



Conclusion

The speed at which this crisis has unfolded has meant that the normal batch of economic indicators that analysts and economists follow to gauge the economy’s performance have unfortunately proved to lag terribly and have been virtually useless in tracking the impact from the pandemic, in addition to any signs of a turning point. As a result, we have had to turn to the most timely real-time data we can get our hands on. Fortunately, a number of companies, such as Google, Apple, and Homebase in addition to others such as TomTom, have offered up some of their own data to the public in an effort to help researchers, analysts, companies, and policymakers fight the pandemic. What we have been able to glean from the data is a picture of a U.S. economy where approximately 75% of its workers and businesses shut up shop and stayed at home during the very worst day of the shutdowns, which seems to have been Sunday, April 12—almost three weeks after the low in the stock market.

The data also shows that activity is slowly improving in terms of visits to parks, grocery stores, and pharmacies, though visits to retail outlets have been slower (in large part because shops have been closed). The number of people returning to work and taking public transportation is still extremely low—and we know that many who have lost their jobs or suffered ill health as a result of this crisis will take even longer to return. What has been seemingly different from the Chinese data has been that both Americans and Europeans have been much keener to return to normal weekly patterns, while the Chinese have been returning to work, but have not been increasing their activity on Friday nights as they did before the pandemic. While there is still likely to be plenty more pain ahead, this data shows at least one sign that activity has started to improve and individuals in the West are keen to return to their regular weekly patterns when they can.

Highlights in the Week Ahead

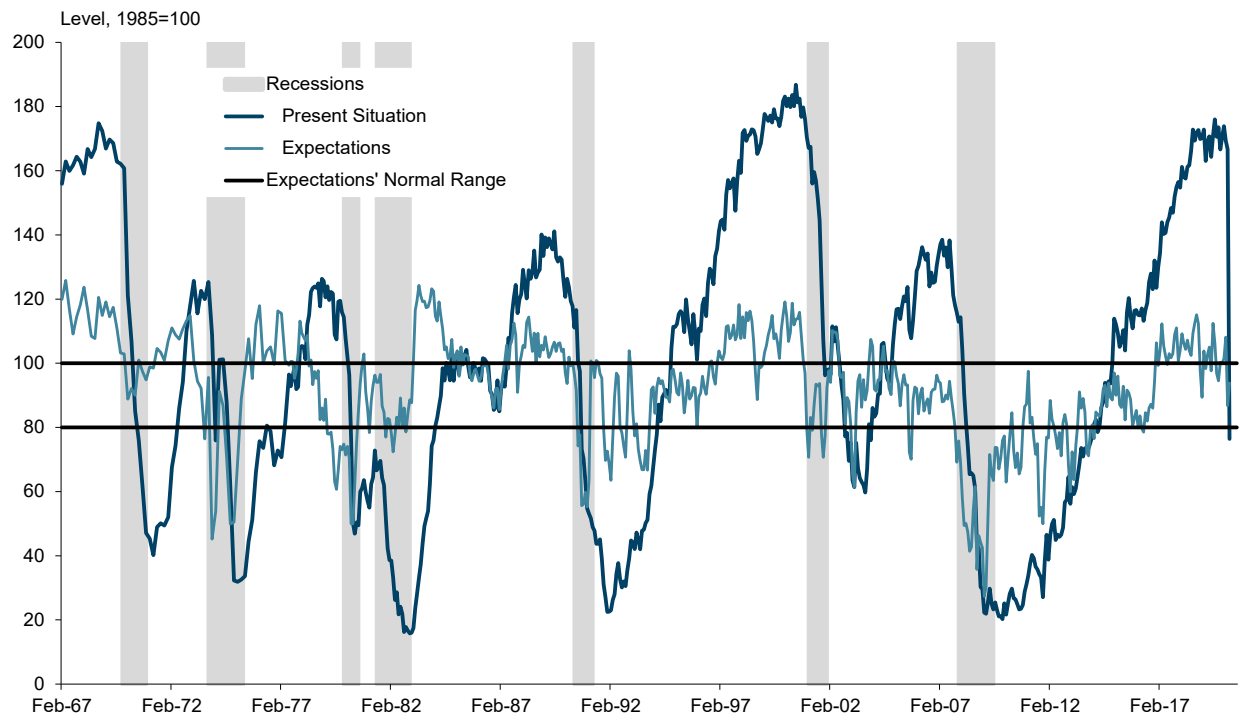
22 May 2020

Date	Time (EDT)	Indicator	Last	Consensus	WB Estimate	Actual
26 May	10:00 a.m.	Consumer Confidence (May)	86.9	87.0	87.0	
26 May	10:00 a.m.	New Home Sales (Apr)	-15.4%	-20.3%	-21.0%	
27 May	2:00 p.m.	Fed's Beige Book				
28 May	8:30 a.m.	GDP Q1 Second Revision	-4.8%	-4.8%	-4.8%	
28 May	8:30 a.m.	Durable Goods Orders (Apr)	-14.7%	-18.0%	-20.0%	
		Orders Less-transportation	-0.4%	-15.0%	-16.0%	
28 May	8:30 a.m.	Initial Jobless Claims (May 23)	2438	NA	2100	
29 May	8:30 a.m.	Personal Income (Apr)	-2.0%	-6.8%	-7.5%	
		Personal Spending	-7.5%	-12.6%	-14.0%	

Sources: Bloomberg, William Blair Equity Research

Indicator of the Week: Consumer Confidence

Consumer Confidence: Present Situation and Expectations



Source: Conference Board, William Blair London Economics

Economic Scorecard

Rolling monthly heat map, % Change on Year Ago (unless otherwise noted)

Growth

	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20
US Leading Indicators	4.9	4.0	3.4	2.9	2.7	2.4	2.4	1.7	1.5	1.0	0.3	0.2	0.3	0.3	0.7	0.4	-7.3	-11.5	
US Coincident Indicators	2.2	2.2	2.4	2.2	2.2	1.8	1.8	1.7	1.5	1.5	1.6	1.4	1.5	1.2	1.1	1.4	-0.3	-9.0	
US Lagging Indicators	3.0	2.9	2.9	3.1	3.2	2.9	2.4	2.8	3.5	2.9	2.8	2.6	2.5	2.2	1.6	1.7	3.2	7.3	

Consumer

Total Retail Sales	3.6	0.9	2.5	2	3.6	3.9	3	3.6	3.6	4.3	4	3.3	3.3	5.6	4.9	4.5	-5.7	-21.6	
Personal Income	4.7	5	4.5	4.7	4.7	4.8	4.7	4.6	4.1	4.1	4.3	4.1	4.4	3.7	3.9	3.9	1.4	1.4	
Real Disposable Personal Income	3.7	4.2	3.2	3.4	3.3	3.1	3	2.9	2.5	2.6	3	2.6	2.9	1.8	2.1	2.1	0.1	0.1	
Real Personal Consumption	3	1.7	2.4	2.3	2.8	2.7	2.6	2.6	2.6	2.5	2.7	2.3	2.3	3.3	3	3.2	-5	-5	
Personal Saving Rate (%)	7.2	8.8	8.3	8.8	8.4	8	7.8	7.8	7.4	7.7	7.8	7.6	7.7	7.5	7.7	8	13.1	13.1	
Consumer Confidence (Conference Board)**	136.4	126.6	121.7	131.4	124.2	129.2	131.3	124.3	135.8	134.2	126.3	126.1	126.8	128.2	130.4	132.6	118.8	86.9	

Employment

Employment Growth	1.5	1.6	1.7	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.4	1.3	1.4	1.4	1.4	1.6	0.9	-12.9	
ASA Temporary Staffing Index	1.1	-12.7	-0.6	-1.3	-1.9	-3.0	-2.4	-1.7	-4.6	-4.7	-5.1	-6.5	1.4	-6.9	-6.2	-6.8	-24.4	-36.6	
ISM Employment Index Manufacturing*	57.8	56.2	55.2	53.2	57.1	52.4	53.1	54.3	51.3	47.6	46.5	47.9	46.8	45.2	46.6	46.9	43.8	27.5	
ISM Employment Index Services*	57.8	56.2	56.4	55.6	55.9	54.5	57.1	55.2	55.7	53.7	51.7	53.9	54.9	54.8	53.1	55.6	47	30	
Unemployment Rate, %	3.7	3.9	4	3.8	3.8	3.6	3.6	3.7	3.7	3.7	3.5	3.6	3.5	3.5	3.6	3.5	4.4	14.7	
Average Hourly Earnings	3.4	3.4	3.3	3.5	3.4	3.3	3.3	3.4	3.5	3.5	3.1	3.2	3.3	3	3.1	3	3.3	7.9	
Initial Jobless Claims (avg. wkly. chg. '000s)	226	217	220	225	217	216	217	221	214	217	213	215	216	226	210	214	2667	5040	
Jop Openings	21.0	17.1	13.2	7.2	7.3	4.3	3.9	-1.3	-1.2	-1.1	-3.2	1.0	-9.5	-10.3	-6.8	-0.6	-15.9	-15.0	
Layoff Announcements	51.5	35.3	18.7	117.2	0.4	10.9	85.9	12.8	43.2	39	-24.8	-33.5	-16	-25.2	27.8	-26.3	266.9	1576.9	

Housing Market

Housing Starts	-7.4	-6.8	-3.2	-11.7	-9.9	-0.2	-4.9	3.8	1.4	7.6	2.2	11	13.9	42.1	27.1	37.8	6.1	-29.7	
New Home Sales	-14	-14	2.5	3.9	6	4.3	-8	18	8.4	17.2	19.4	26.9	13.8	28.2	20.7	10.8	-9.5		
Existing Home Sales	-8.2	-10.1	-8.6	-2.5	-5.6	-3.7	-1.1	-2.0	0.8	2.5	3.2	4.2	3.1	10.4	8.8	7.1	0.8	-17.2	
Median House Price (Existing Homes)	-10.2	-4	-7.3	-2	-7.4	7.8	-1.3	0.4	-5.9	1.7	-3.8	-1.8	6.3	-0.1	7.7	2.9	3.5		
Existing Homes Inventory (Mths' supply)	4.1	4.3	4.3	3.9	3.9	4	4	4	3.9	3.8	3.9	3.9	3.9	3.6	3.5	3.2	3.6		
New Homes Inventory (Mths' supply)	6.5	7.4	6.5	6.1	5.8	6.1	6.7	5.4	6	5.5	5.3	5.4	5.5	5.4	5	5.2	6.4		
NAHB Homebuilder Sentiment*	60	56	58	62	62	63	66	64	65	67	68	71	71	76	75	74	72	30	

Inflation

Consumer Price Index	2.2	1.9	1.6	1.5	1.9	2	1.8	1.6	1.8	1.7	1.7	1.8	2.1	2.3	2.5	2.3	1.5	0.3	
CPI Less-food & energy	2.2	2.2	2.2	2.1	2	2.1	2	2.1	2.2	2.4	2.4	2.3	2.3	2.3	2.3	2.4	2.1	1.4	
Producer Price Index	2.6	2.6	1.9	1.9	2	2.4	2.1	1.6	1.6	1.9	1.5	1	1	1.4	2.1	1.3	0.7	-1.2	
PPI Less-food & energy	2.7	2.9	2.6	2.5	2.3	2.5	2.4	2.2	2.2	2.3	2	1.6	1.2	1.3	1.7	1.4	1.4	0.6	
PCE Price Index	1.9	1.8	1.4	1.3	1.4	1.5	1.4	1.4	1.4	1.4	1.3	1.3	1.3	1.6	1.8	1.8	1.3		
PCE Prices Less-food & energy	2.0	2.0	1.8	1.6	1.5	1.6	1.5	1.6	1.6	1.8	1.7	1.6	1.5	1.6	1.7	1.8	1.7		

Business Activity - US

Industrial Production	4.1	3.8	3.6	2.7	2.3	0.7	1.7	1.0	0.4	0.3	-0.2	-0.8	-0.4	-0.8	-0.9	-0.3	-4.9	-15.0	
New Cap Gds Orders less-aircraft & parts	1.5	2.5	5.4	5	4.6	3.5	1.1	-1	-1.9	-1.3	1.2	-0.3	2.2	2.5	0.9	2.3	-1.3		
Business Inventories	4.5	4.9	5.3	4.9	5	5.3	5.3	5.2	4.8	4.2	3.7	3	2.8	2.2	1.1	-0.1	-0.3	0	
ISM Manufacturing PMI*	58.8	55	55.5	54.1	54.6	53.4	52.3	51.6	51.3	48.8	48.2	48.5	48.1	47.8	50.9	50.1	49.1	41.5	
Markit US Manufacturing PMI*	55.3	53.8	54.9	53	52.4	52.6	50.5	50.6	50.4	50.3	51.1	51.3	52.6	52.4	51.9	50.7	48.5	36.1	
ISM Non-Manufacturing Index*	60.2	58	56	58.5	56.3	55.7	55.4	55.4	54.8	56	53.5	54.4	53.9	54.9	55.5	57.3	52.5	41.8	
Markit US Services PMI*	54.7	54.4	54.2	56	55.3	53	50.9	51.5	53	50.7	50.9	50.6	51.6	52.8	53.4	49.4	39.8	26.7	

Business Activity - International

Germany Manufacturing PMI Markit/BME*	51.8	51.5	49.7	47.6	44.1	44.4	44.3	45	43.2	43.5	41.7	42.1	44.1	43.7	45.3	48	45.4	34.5	
Japan Manufacturing PMI Jibun Bank*	52.2	52.6	50.3	48.9	49.2	50.2	49.8	49.3	49.4	49.3	48.9	48.4	48.9	48.4	48.8	47.8	44.8	41.9	
Caixin China Manufacturing PMI*	50.2	49.7	48.3	49.9	50.8	50.2	50.2	49.4	49.9	50.4	51.4	51.7	51.8	51.5	51.1	40.3	50.1	49.4	
China Manufacturing PMI*	50	49.4	49.5	49.2	50.5	50.1	49.4	49.4	49.7	49.5	49.8	49.3	50.2	50.2	50	35.7	52	50.8	
UK Manufacturing PMI Markit/CIPS*	53.3	54.3	52.8	52.1	55.1	53.1	49.4	48	48	47.4	48.3	49.6	48.9	47.5	50	51.7	47.8	32.6	
France Manufacturing PMI Markit*	50.8	49.7	51.2	51.5	49.7	50	50.6	51.9	49.7	51.1	50.1	50.7	51.7	50.4	51.1	49.8	43.2	31.5	

Currencies***

Euro (EUR/USD)	-4.9	-4.5	-7.8	-6.7	-9.0	-7.1	-4.5	-2.7	-5.3	-5.3	-6.1	-1.4	-2.6	-2.2	-3.1	-3.0	-1.7	-2.3	
Renmimbi (USD/CNY)	5.3	5.7	6.5	5.7	7.0	6.4	7.7	3.7	0.9	4.8	4.1	0.9	1.0	1.2	3.2	4.5	5.5	4.9	
Yen (USD/Yen)	0.9	-2.7	-0.3	4.4	4.3	1.9	-0.5	-2.6	-2.8	-4.3	-4.9	-4.3	-3.6	-1.0	-0.5	-3.1	-3.0	-3.8	
Sterling (GBP/USD)	-5.7	-5.6	-7.6	-3.6	-7.0	-5.3	-5.0	-3.9	-7.4	-6.2	-5.7	1.4	1.4	3.9	0.7	-3.3	-4.7	-3.4	
Canadian \$ (USD/CAD)	3.1	8.5	6.6	2.7	3.5	4.2	4.3	-0.3	1.4	2.1	2.6	0.1	-0.1	-4.7	0.9	1.8	5.3	4.2	
Mexican Peso (USD/MXN)	9.3	0.0	2.7	2.4	6.9	1.2	-1.5	-3.4	2.7	5.1	5.4	-5.4	-4.1	-3.7	-1.4	1.9	21.8	27.6	

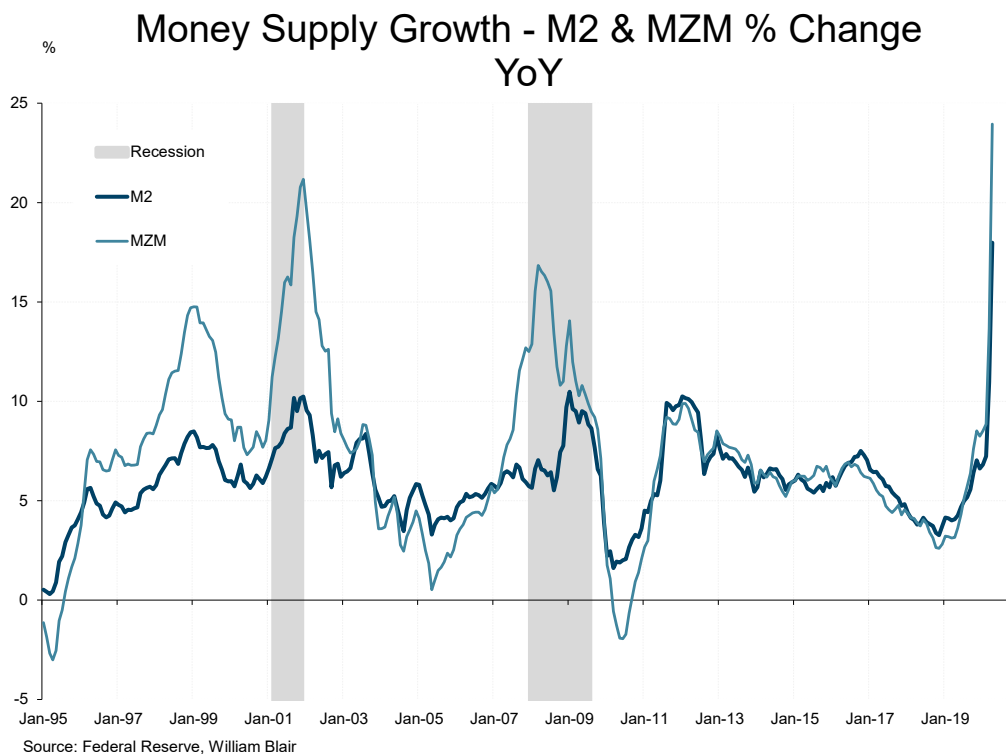
US Equities

S&P 500	4.3	-6.2	-4.2	2.6	7.3	11.2	1.7	8.2	5.8	0.9	2.2	12.0	13.8	28.9	19.3	6.1	-8.8	-1.1	
S&P 400 Midcap	-1.1	-12.5	-6.1	2.5	0.9	5.2	-7.0	-0.3	-0.9	-8.0	-4.2	7.1	7.0	24.1	9.4	-5.0	-23.9	-16.5	
S&P 600 Smallcap	2.1	-9.8	-2.6	5.7	0.1	2.9	-11.8	-6.3	-8.1	-16.4	-10.8	1.6	3.2	20.9	4.9	-9.1	-27.1	-20.9	
Russell 2000	-0.7	-12.2	-4.8	4.2	0.7	3.2	-10.3	-4.7	-5.8	-14.1	-10.2	3.4	6.0	23.7	7.6	-6.3	-25.1	-17.6	

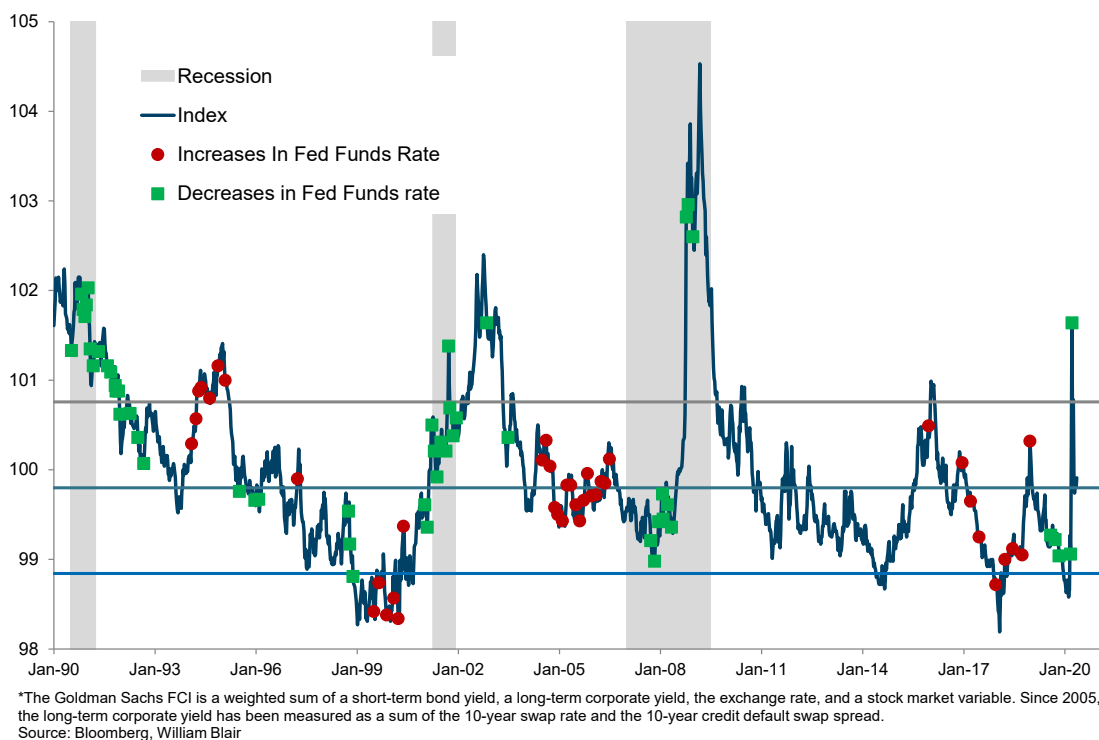
* Diffusion Index, **1985=100, ***Currencies - green/red = strengthening/weakening foreign currency vs dollar

Source: ISM, Federal Reserve, Census Bureau, Bureau of Labor Statistics, Conference Board, Bloomberg, William Blair

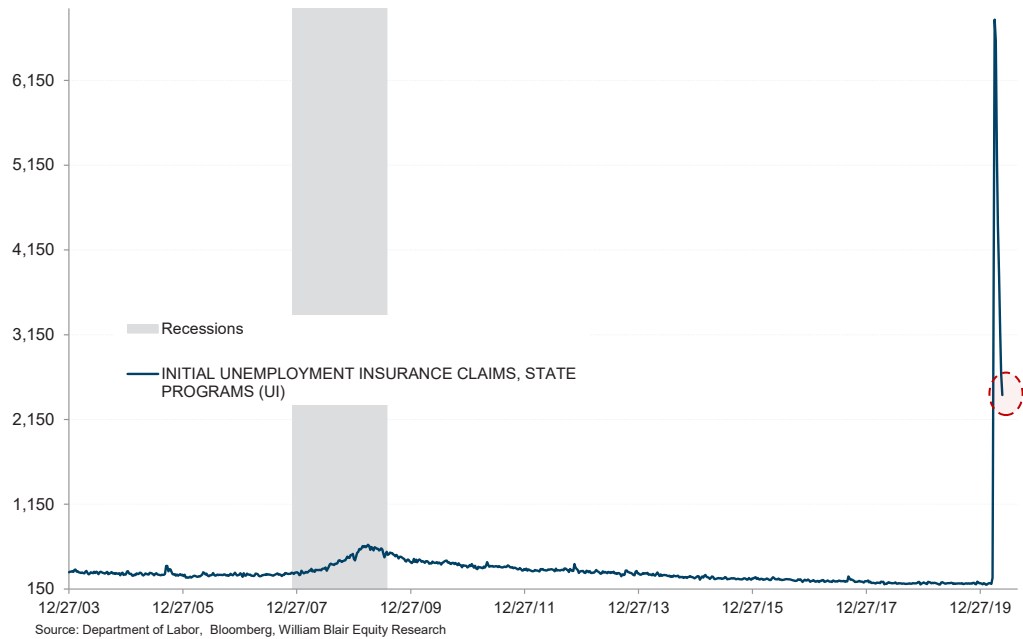
Other Economic Indicators



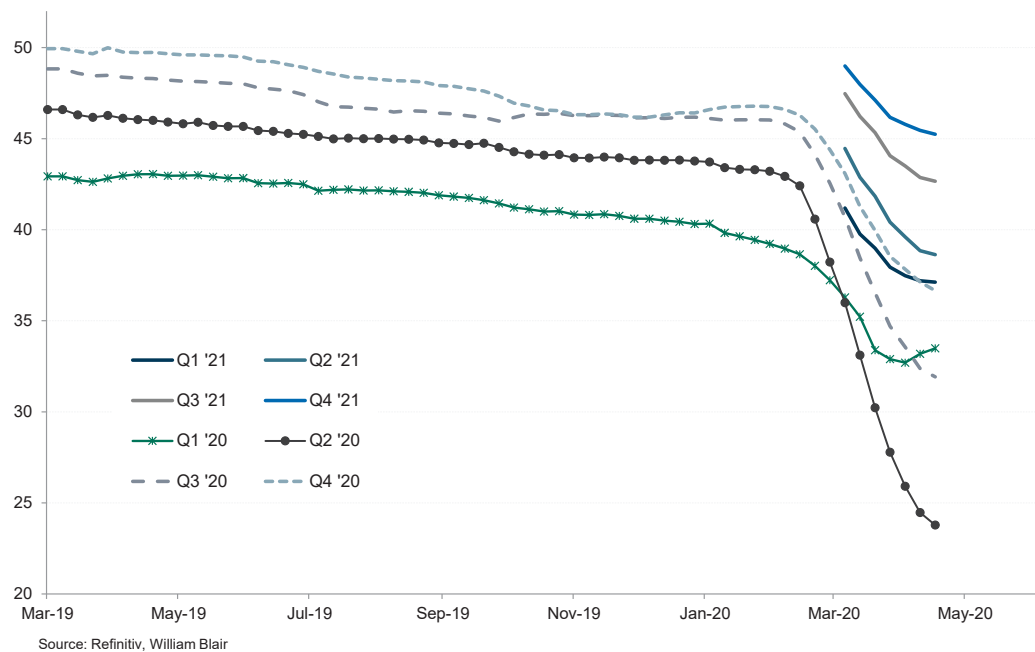
Financial Conditions Index*



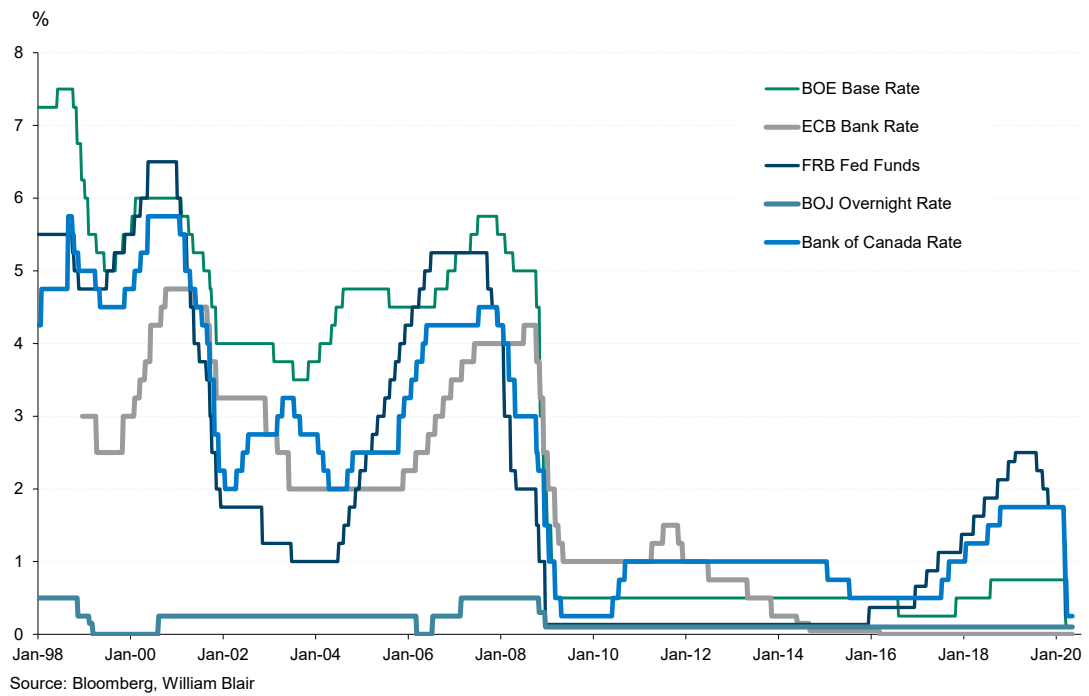
Initial Jobless Claims (‘000s, Seasonally Adjusted)



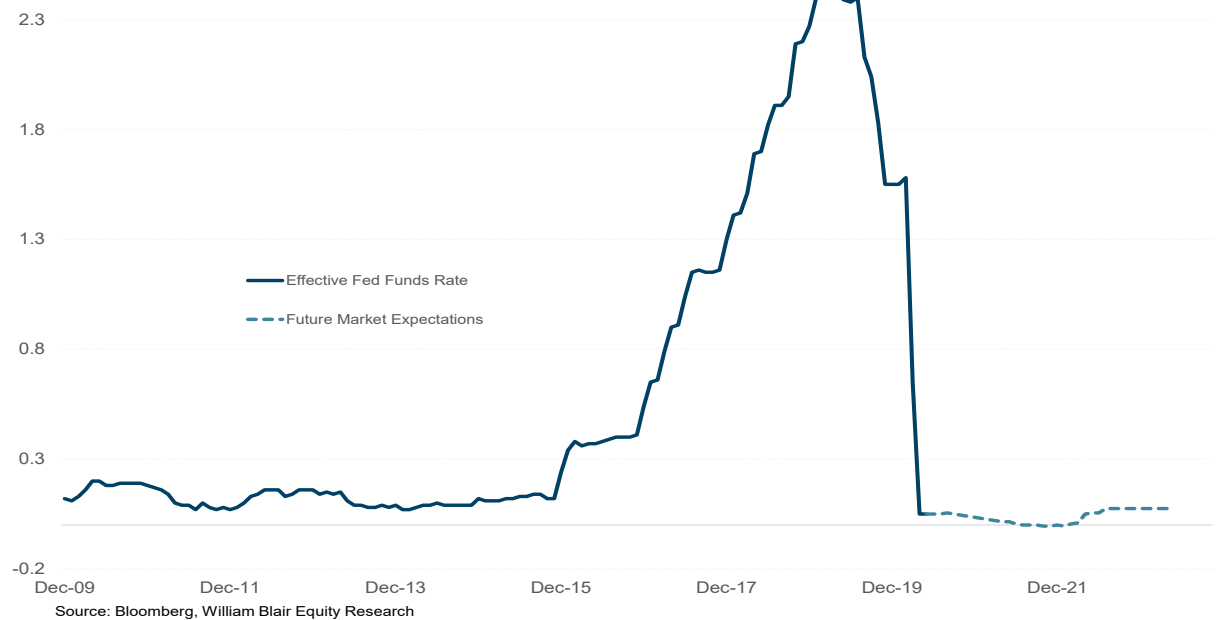
Progression of S&P 500 Bottom-Up EPS Estimates (2020 Q1 - 2021 Q4, \$/Shr)



Central Bank Target Short Term Interest Rates



Fed Funds Rate & Futures Market Expectations, %



S&P 500 Sector Performance

Global Industry Classification System	Current Weight* 21-May-20	Week Ago 14-May-20	Month Ago 21-Apr-20	Qtr-to-Date 31-Mar-20	Year-to-Date 31-Dec-19
S&P 500 Index	100.00	3.37	7.75	14.08	-8.74
S&P400 MidCap Index		8.11	13.66	17.37	-17.88
S&P600 SmallCap Index		9.70	11.37	12.64	-24.46
Dow Jones Industrials		3.59	6.32	11.67	-14.24
Nasdaq Composite		3.81	12.36	20.58	3.48
Communication Services	11.44	5.31	13.32	19.08	-1.43
Advertising	0.07	4.32	6.05	-3.33	-33.74
Alternate Carriers	0.04	5.67	0.00	2.66	-26.49
Broadcasting	0.15	7.88	11.27	20.40	-39.69
Cable & Satellite	1.15	7.52	8.42	15.50	-8.33
Integrated Telecommunication Services	1.71	1.10	-2.76	1.27	-18.30
Interactive Home Entertainment	0.41	0.43	7.97	19.48	16.16
Interactive Media & Services	5.80	6.83	22.89	27.46	7.81
Movies & Entertainment	1.63	5.10	8.90	18.81	-0.62
Publishing & Printing	0.03	5.80	34.69	27.20	-19.73
Wireless Telecommunication Svcs	0.46	-0.55	8.22	12.50	20.36
Consumer Discretionary	11.22	5.51	10.77	24.04	-0.26
Apparel Retail	0.42	19.37	17.54	13.21	-14.61
Apparel & Accessories & Luxury Goods	0.16	6.64	6.44	8.64	-47.39
Auto Parts & Equipment	0.10	11.76	21.19	38.81	-26.41
Automobile Manufacturers	0.23	15.44	20.07	20.98	-33.89
Automobile Retail	0.31	4.48	15.59	36.42	-8.72
Casinos & Gaming	0.21	9.07	19.52	24.53	-39.34
Computer & Electronics Retail	0.08	1.02	15.01	36.81	-11.19
Consumer Electronics	0.06	8.93	7.89	12.33	-13.69
Department Stores	0.02	5.77	3.79	21.90	-62.32
Distributors	0.07	8.56	15.83	18.44	-27.85
Footwear	0.46	8.91	10.63	13.92	-6.96
General Merchandise Stores	0.49	-0.06	5.68	21.21	-1.70
Home Furnishings	0.04	10.40	12.90	10.81	-39.77
Home Improvement Retail	1.37	4.36	22.57	31.75	7.64
Homebuilding	0.22	16.54	34.03	45.67	-5.23
Hotels, Resorts & Cruise Lines	0.29	16.80	15.09	19.80	-50.73
Household Appliances	0.03	10.23	21.21	38.70	-19.34
Housewares & Specialties	0.02	10.67	2.72	-3.16	-33.09
Internet Retail	5.21	3.21	6.26	25.56	25.69
Leisure Products	0.04	6.48	-4.89	-3.84	-34.85
Motorcycle Manufacturers	0.01	20.61	32.92	24.56	-36.60
Restaurants	1.21	5.83	7.86	19.14	-7.69
Specialized Consumer Services	0.01	10.55	22.32	20.68	-27.64
Specialty Stores	0.16	3.70	7.58	15.40	-1.71
Consumer Staples	7.88	0.67	-1.56	4.59	-9.42
Agricultural Products	0.08	2.81	0.34	-0.17	-24.23
Brewers	0.03	1.38	-12.61	-5.69	-31.74
Distillers & Vintners	0.19	5.73	10.89	18.98	-7.93
Drug Retail	0.14	2.32	-6.58	-13.11	-32.58
Food Distributors	0.10	9.38	6.88	15.01	-38.65
Food Retail	0.10	-2.01	-0.16	6.64	10.80
Household Products	1.67	-0.86	-4.44	3.79	-5.73
Hypermarkets & Supercentres	1.92	1.05	-1.80	8.21	4.12
Packaged Foods & Meats	1.17	-2.08	-2.43	4.44	-8.95
Personal Products	0.17	8.09	8.10	9.69	-17.69
Soft Drinks	1.61	0.78	0.45	6.19	-10.84
Tobacco	0.71	3.67	-1.74	-3.20	-20.30
Energy	2.91	6.52	17.58	30.21	-36.27
Integrated Oil & Gas	1.47	3.81	10.81	21.85	-32.97
Oil & Gas Drilling	0.01	7.50	0.82	19.18	-58.94
Oil & Gas Equipment & Services	0.21	11.54	23.68	38.69	-52.97
Oil & Gas Exploration & Production	0.59	9.33	27.24	44.23	-38.57
Oil & Gas Refining & Marketing & Transportation	0.35	10.68	37.18	44.89	-33.87
Oil & Gas Storage & Transportation	0.29	6.87	11.89	28.39	-32.44

Financials	9.63	3.80	3.08	5.35	-28.72
Asset Management & Custody Banks	0.78	3.78	6.94	11.13	-18.13
Consumer Finance	0.48	5.61	14.12	10.34	-37.42
Diversified Banks	2.82	4.18	1.77	0.25	-40.46
Financial Exchanges & Data	1.23	0.12	8.13	16.90	4.21
Insurance Brokers	0.55	-0.20	11.31	17.95	-5.37
Investment Banking & Brokerage	0.73	3.51	2.61	11.76	-23.46
Life & Health Insurance	0.42	7.32	8.77	9.05	-35.73
Multi-line Insurance	0.17	11.94	15.05	11.10	-40.18
Multi-Sector Holdings	0.96	2.34	-4.66	-4.32	-22.77
Property & Casualty Insurance	0.70	7.71	-5.09	-0.49	-21.36
Reinsurance	0.03	27.39	14.70	7.07	-25.58
Regional Banks	0.76	5.50	3.18	9.06	-38.99
Health Care	14.76	-0.25	2.49	11.95	-2.68
Biotechnology	2.43	-1.19	2.26	11.82	8.11
Health Care Distributors	0.26	11.57	9.56	8.44	2.89
Health Care Equipment	3.59	-0.06	0.74	11.58	-6.41
Health Care Facilities	0.18	10.36	3.66	16.82	-26.79
Health Care Services	0.76	2.21	7.53	10.74	-8.87
Health Care Supplies	0.17	6.90	10.85	16.52	-16.49
Health Care Technology	0.08	2.33	-2.14	6.56	-8.55
Life Sciences Tools & Services	1.08	2.27	7.90	19.04	-0.66
Managed Health Care	1.70	-0.23	5.86	17.04	-1.56
Pharmaceuticals	4.51	-2.03	0.31	9.31	-2.98
Industrials	7.75	6.99	6.31	7.88	-21.69
Aerospace & Defense	1.75	7.81	0.15	5.06	-30.65
Agricultural & Farm Machinery	0.18	12.63	6.53	3.37	-17.57
Air Freight & Logistics	0.48	5.48	-1.72	3.41	-16.44
Airlines	0.19	19.65	-1.43	-15.71	-58.33
Building Products	0.36	7.21	12.85	10.48	-20.95
Construction & Engineering	0.06	8.13	0.21	-0.07	-15.13
Construction Machinery & Heavy Trucks	0.47	5.31	5.93	5.56	-19.53
Diversified Support Svcs	0.18	6.75	28.84	33.19	-7.66
Electrical Components & Equipment	0.42	5.81	11.10	15.28	-16.89
Environmental & Facilities Services	0.31	1.04	3.34	7.10	-10.22
Human Resource & Employment Services	0.02	8.72	17.43	28.47	-23.20
Industrial Conglomerates	1.08	8.15	4.59	0.34	-23.58
Industrial Machinery	0.78	7.80	10.34	13.37	-18.81
Railroads	0.87	6.50	13.43	16.63	-9.01
Research & Consulting Svcs	0.40	1.97	9.09	14.15	-4.74
Trading Companies & Distributors	0.19	3.95	15.46	22.45	-7.85
Trucking	0.12	6.09	17.50	17.35	8.63
Information Technology	26.14	3.29	14.04	19.31	4.73
Application Software	2.22	5.76	15.16	21.81	11.63
Communications Equipment	0.96	2.61	8.36	12.99	-6.84
Data Processing & Outsourced Services	4.45	4.72	19.61	21.38	0.73
Electronic Components	0.17	7.78	14.26	15.34	-20.81
Electronic Equipment & Instruments	0.15	4.21	14.97	27.13	-5.08
Electronic Manufacturing Services	0.13	8.77	21.51	24.30	-16.53
Internet Software & Services	0.16	0.54	0.17	14.19	12.58
IT Consulting & Services	1.12	4.49	8.44	12.94	-11.90
Semiconductor Equipment	0.45	-1.14	12.01	16.06	-8.72
Semiconductors	4.02	3.95	13.29	18.96	2.42
Systems Software	6.54	1.50	9.88	16.57	15.94
Technology Distributors	0.06	7.53	8.46	14.95	-24.94
Technology Hardware, Storage & Peripherals	5.70	2.84	17.80	23.16	5.20
Materials	2.46	5.16	10.91	17.73	-13.58
Commodity Chemicals	0.18	9.10	20.55	22.11	-35.17
Construction Materials	0.10	4.70	-2.97	-6.31	-32.99
Copper	0.05	7.36	20.11	31.85	-32.16
Diversified Chemicals	0.03	8.60	24.05	40.41	-17.49
Fertilizers & Agricultural Chemicals	0.16	6.36	4.39	6.52	-23.89
Gold	0.20	-4.75	7.10	40.19	46.10
Industrial Gases	0.60	6.80	9.98	13.89	-6.14
Metal & Glass Containers	0.08	3.22	-2.29	-0.96	-0.97
Paper Packaging	0.22	2.72	6.05	7.21	-23.31
Specialty Chemicals	0.78	6.39	16.74	26.80	-11.66
Steel	0.05	6.70	10.96	11.05	-28.93

Real Estate	2.65	2.85	-2.46	2.83	-17.57
Health Care REITs	0.18	14.17	7.00	6.75	-39.95
Hotel & Resort REITs	0.03	13.84	8.23	3.54	-38.39
Industrial REITs	0.30	3.62	-2.63	6.59	-3.30
Office REITs	0.16	2.75	-5.29	-3.26	-34.04
Real Estate Service	0.05	13.67	1.95	8.06	-33.51
Residential REITs	0.34	3.26	-2.31	2.13	-24.33
Retail REITs	0.21	9.02	9.19	5.35	-47.57
Specialized REITs	1.38	-0.09	-5.10	1.89	-0.74
Utilities	3.04	0.41	-2.97	0.24	-13.98
Electric Utilities	2.05	0.17	-2.83	-0.49	-13.15
Gas Utilities	0.05	3.05	-2.98	-1.46	-12.58
Independent Power Producers & Energy Traders	0.03	4.14	-1.21	-9.49	-38.31
Water Utilities	0.09	3.74	-3.84	0.89	-1.82
Multi-Utilities	0.97	0.37	-3.25	2.15	-15.04

*Current Weight is market cap based, based on calculations by William Blair Intl. Ltd.

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DOW JONES: 24474.10

S&P 500: 2948.51

NASDAQ: 9284.88

Additional information is available upon request.

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Outperform (Buy)	71	Outperform (Buy)	20
Market Perform (Hold)	29	Market Perform (Hold)	8
Underperform (Sell)	1	Underperform (Sell)	0

*Percentage of companies in each rating category that are investment banking clients, defined as companies for which William Blair has received compensation for investment banking services within the past 12 months.

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