



# TMA 2021 Economic Breakfast –

## *The Great Recovery*

**Presenter:**

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Chief Investment Officer  
Huntington Private Bank  
April 2021*

# Market Presence

- Founded in 1866 and headquartered in Columbus, Ohio
- \$123 billion in bank assets
- 7-state retail banking franchise: Ohio, Michigan, Pennsylvania, Indiana, West Virginia, Illinois, and Kentucky. Also, an office in Florida.
- 839 branches; 1,322 ATMs
- 31 Private Banking Offices
- \$19 billion in managed assets for individuals and institutional clients
- Listed on Nasdaq, Ticker: HBAN
- Member of S&P 500 Index

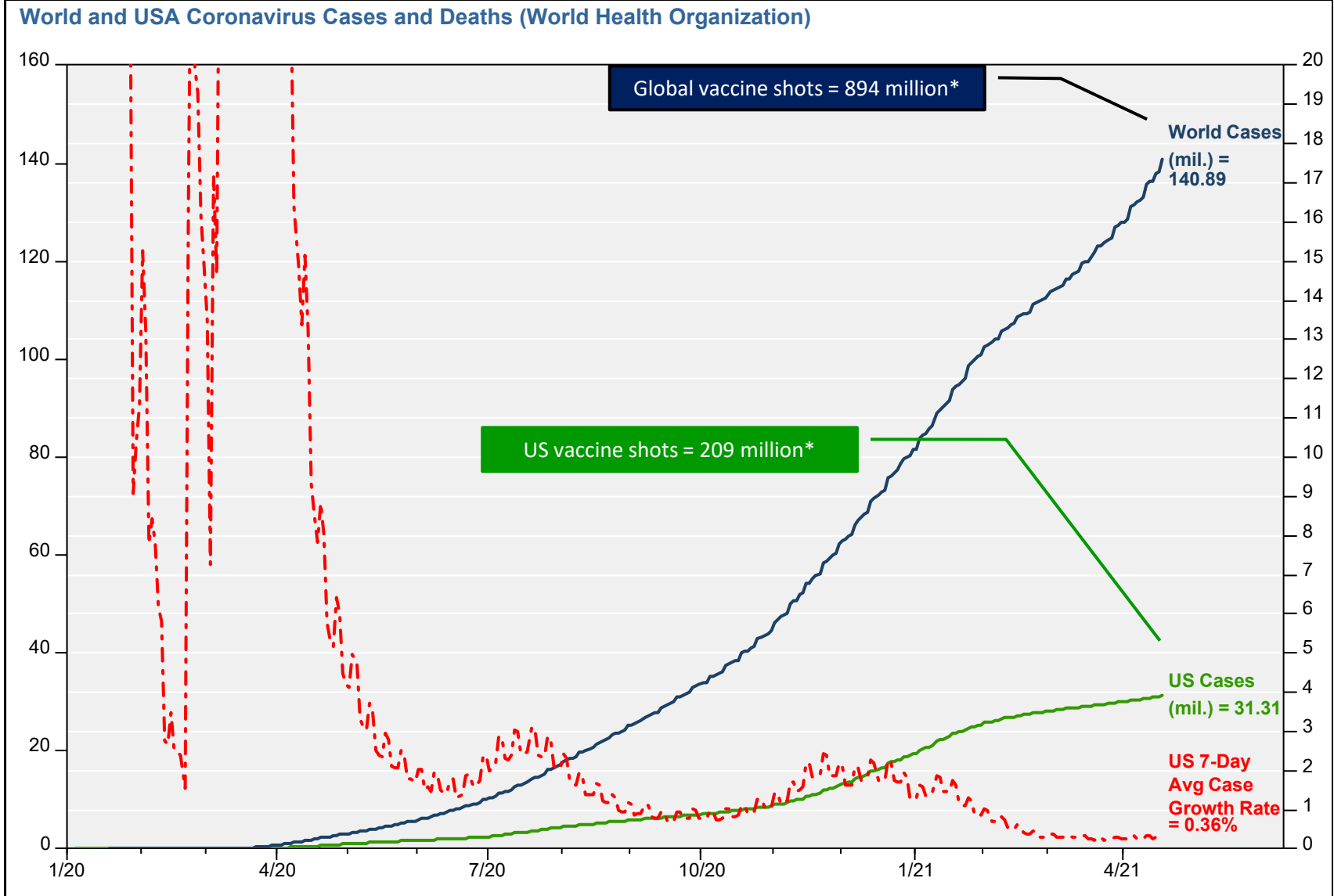


# Early 2021

## *Virus vs. the Vaccines*

# Global Coronavirus Cases –

*2021 is about getting the vaccines administered*



Sources = Factset / World Health Organization / Bloomberg Vaccine Tracker\*

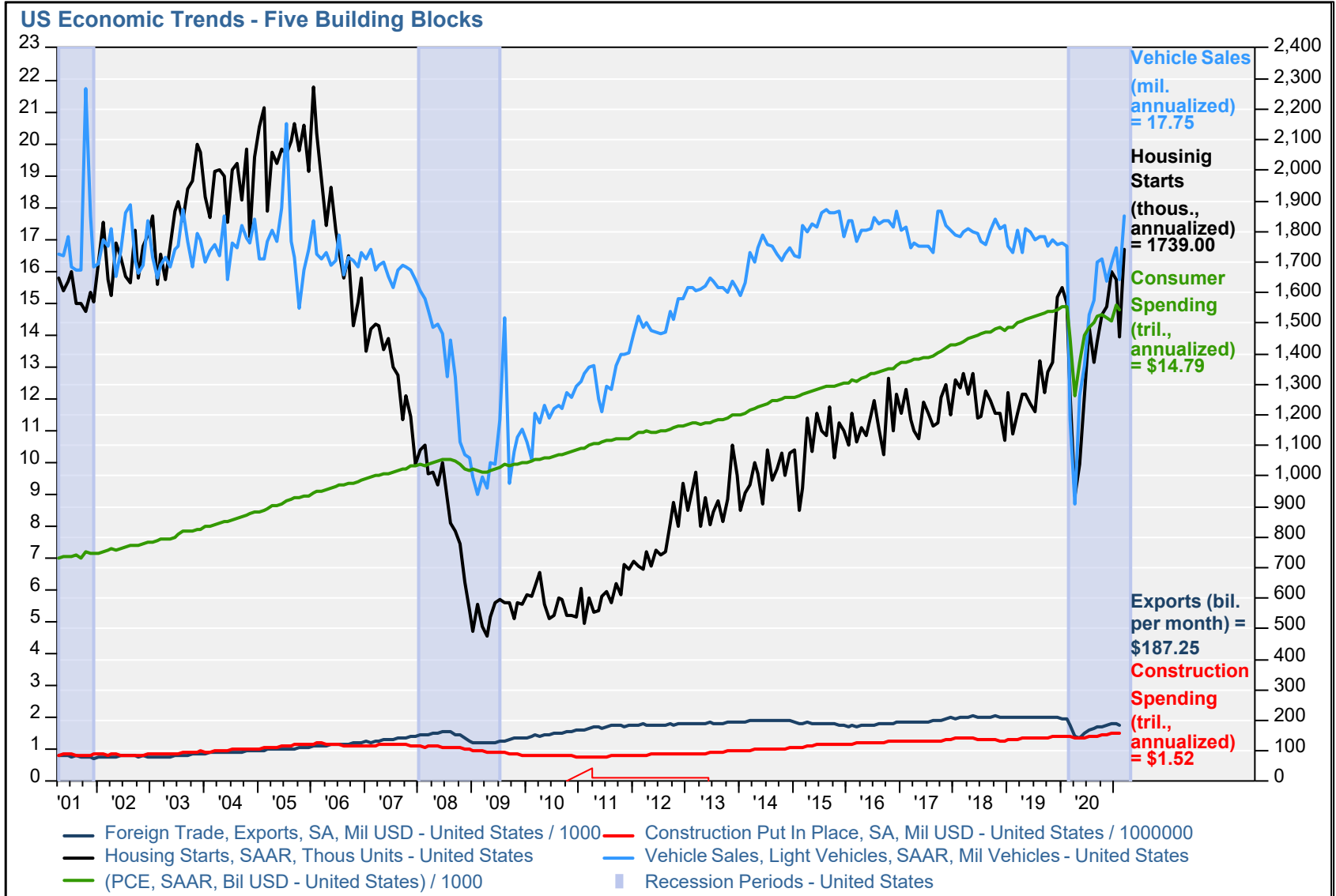


# US Economy

## *Lift Off*

# US Economic Trend –

## Recovery in activity is well underway

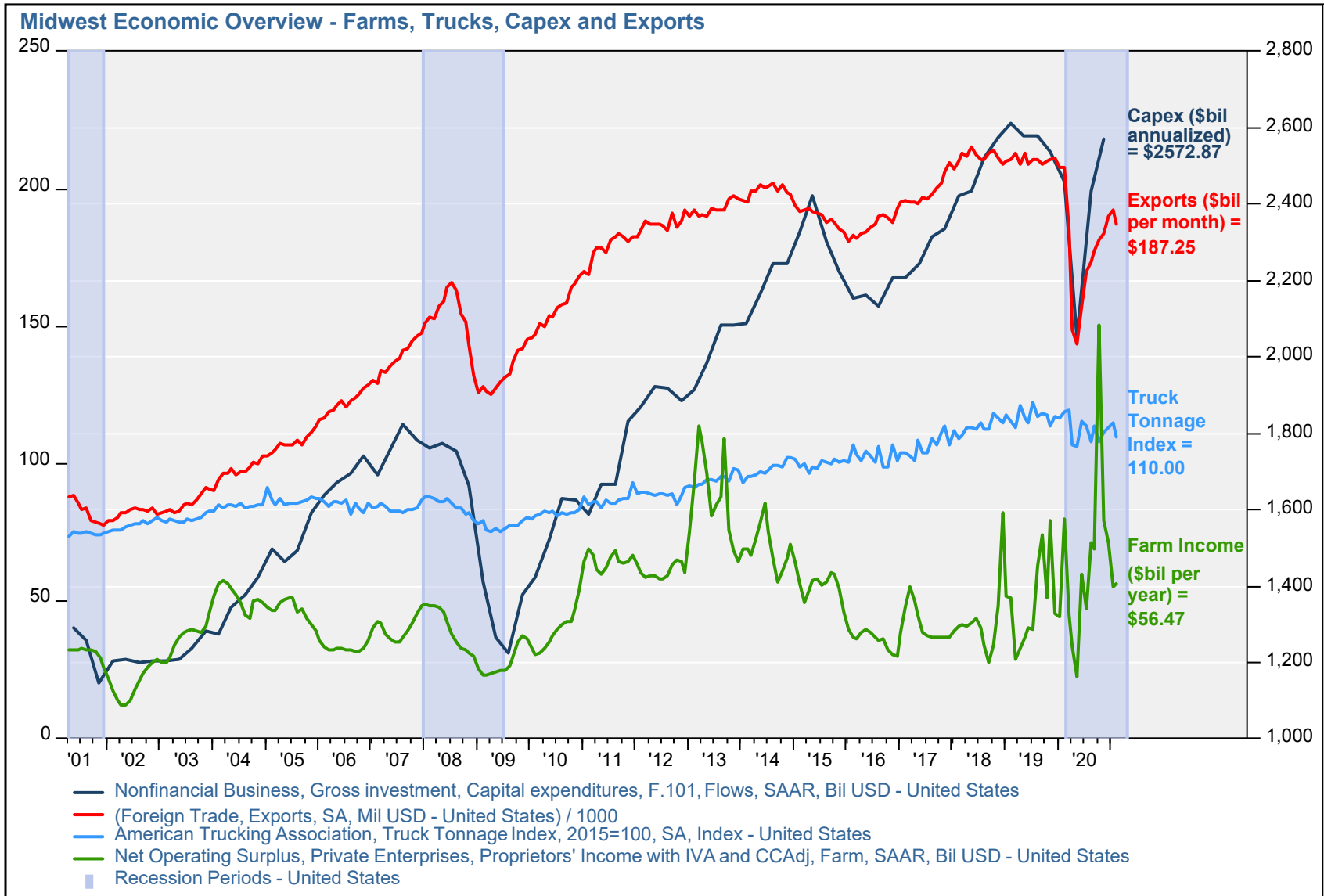


Source = Factset



# Midwest Economic Trends -

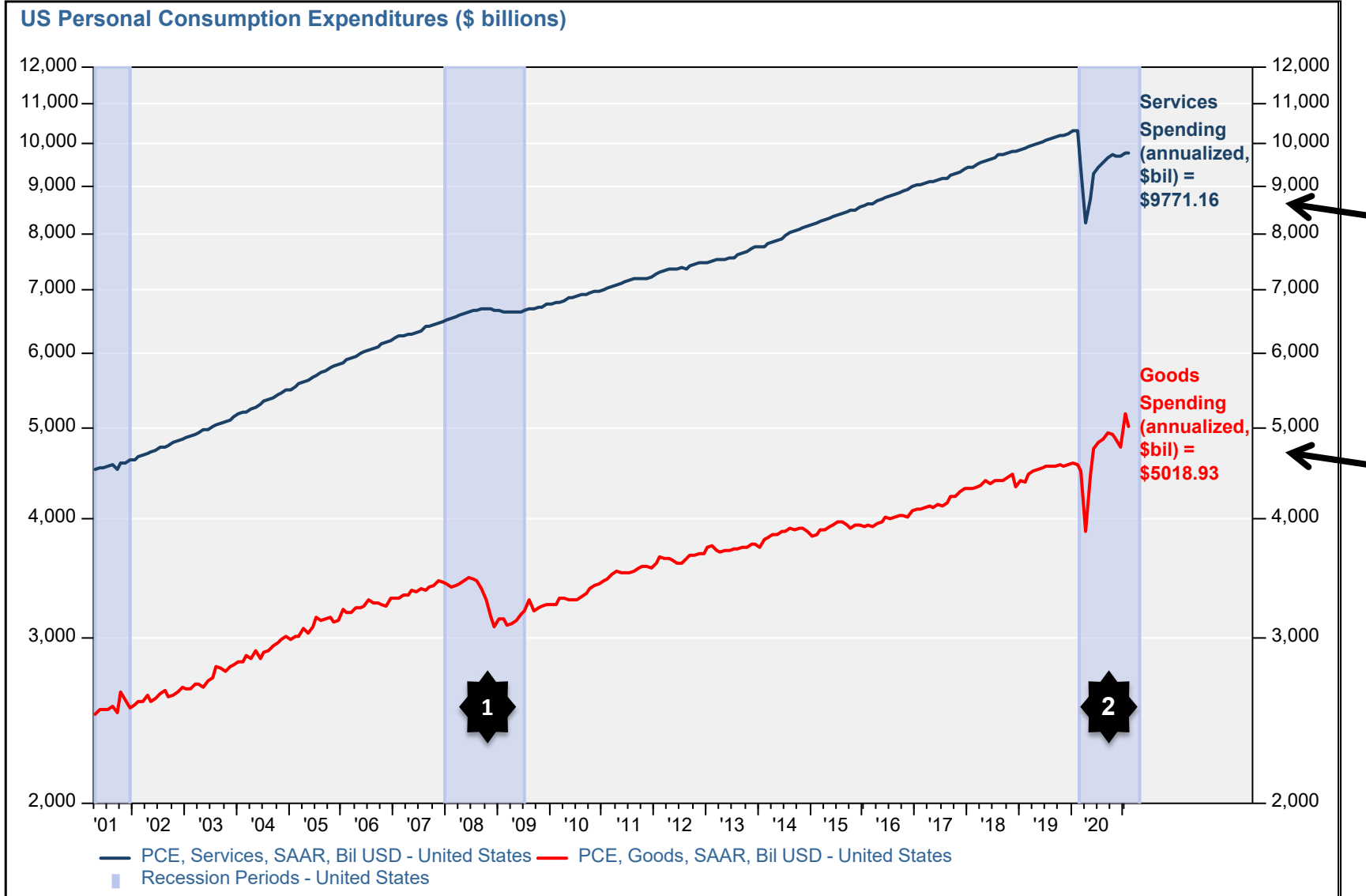
## Mixed recoveries



Source = Factset

# US Consumer Spending Trend –

*Goods has recovered; Services in-focus for 2021*

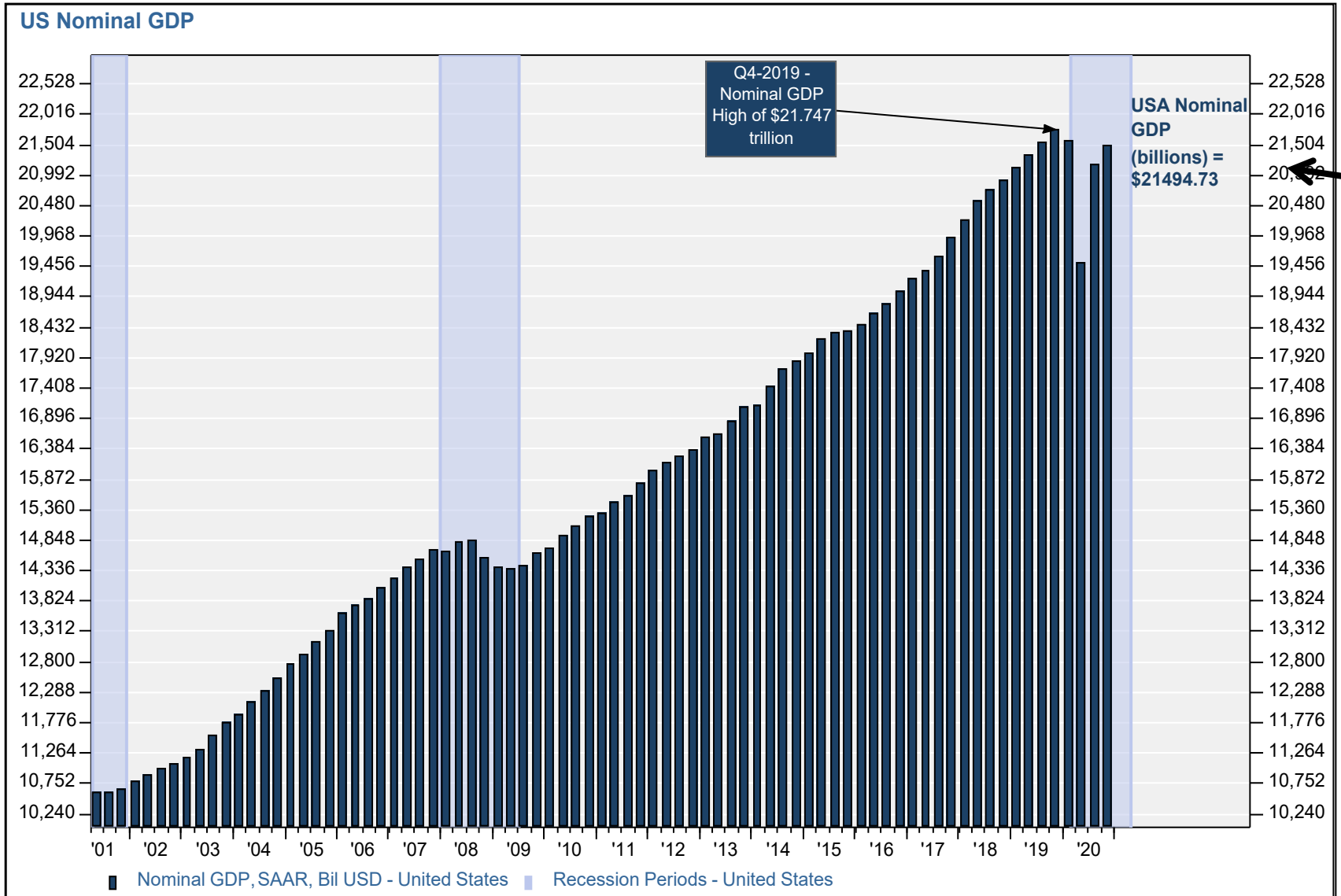


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# US Economic Trends –

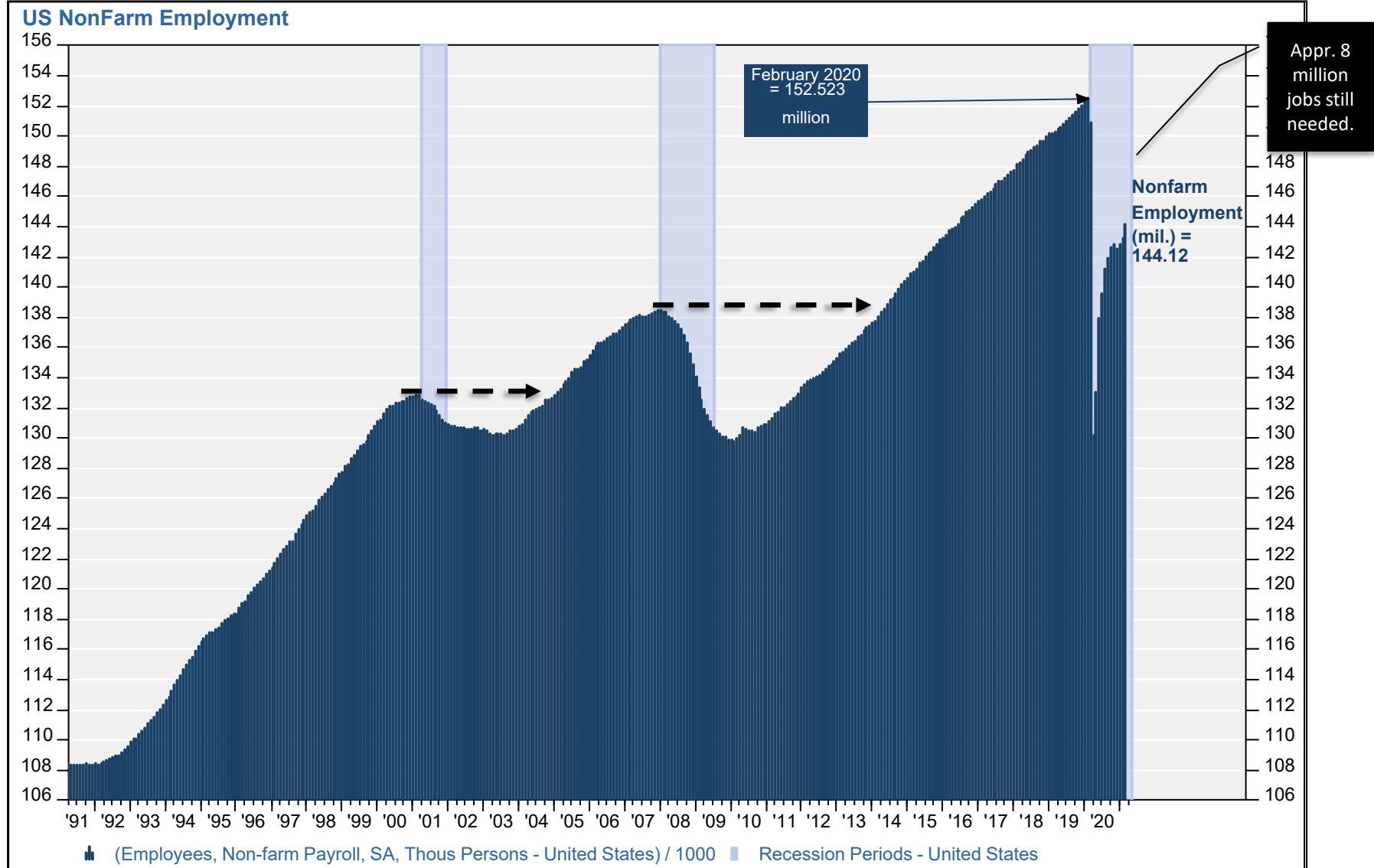
*Nominal GDP should fully recover this year*



Sources = Factset

# US Employment Trend –

## Rehiring should improve in the Spring



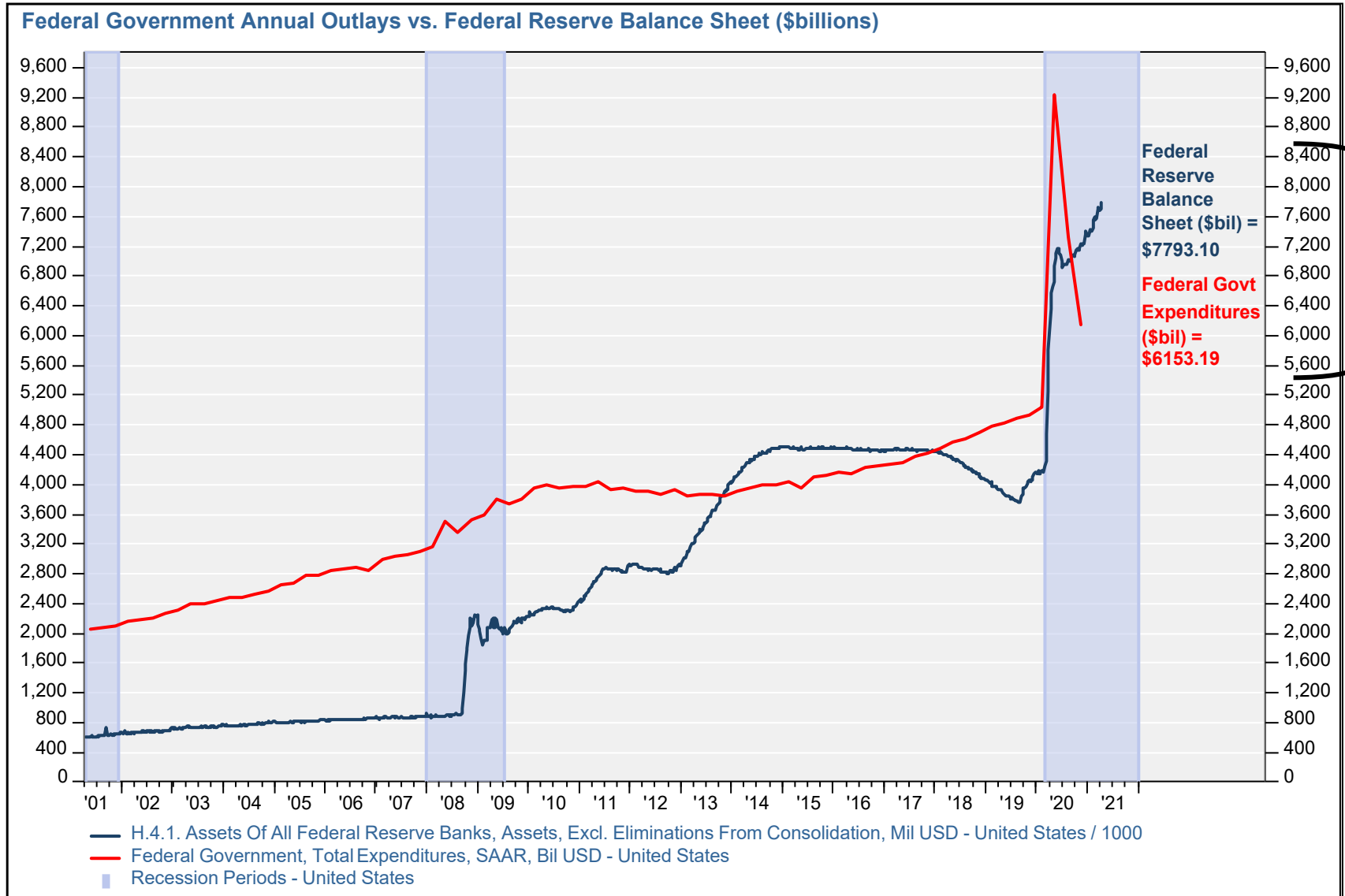
Sources = Factset

# US Policy

## *Twin Tailwinds*

# US Monetary & Fiscal Policy –

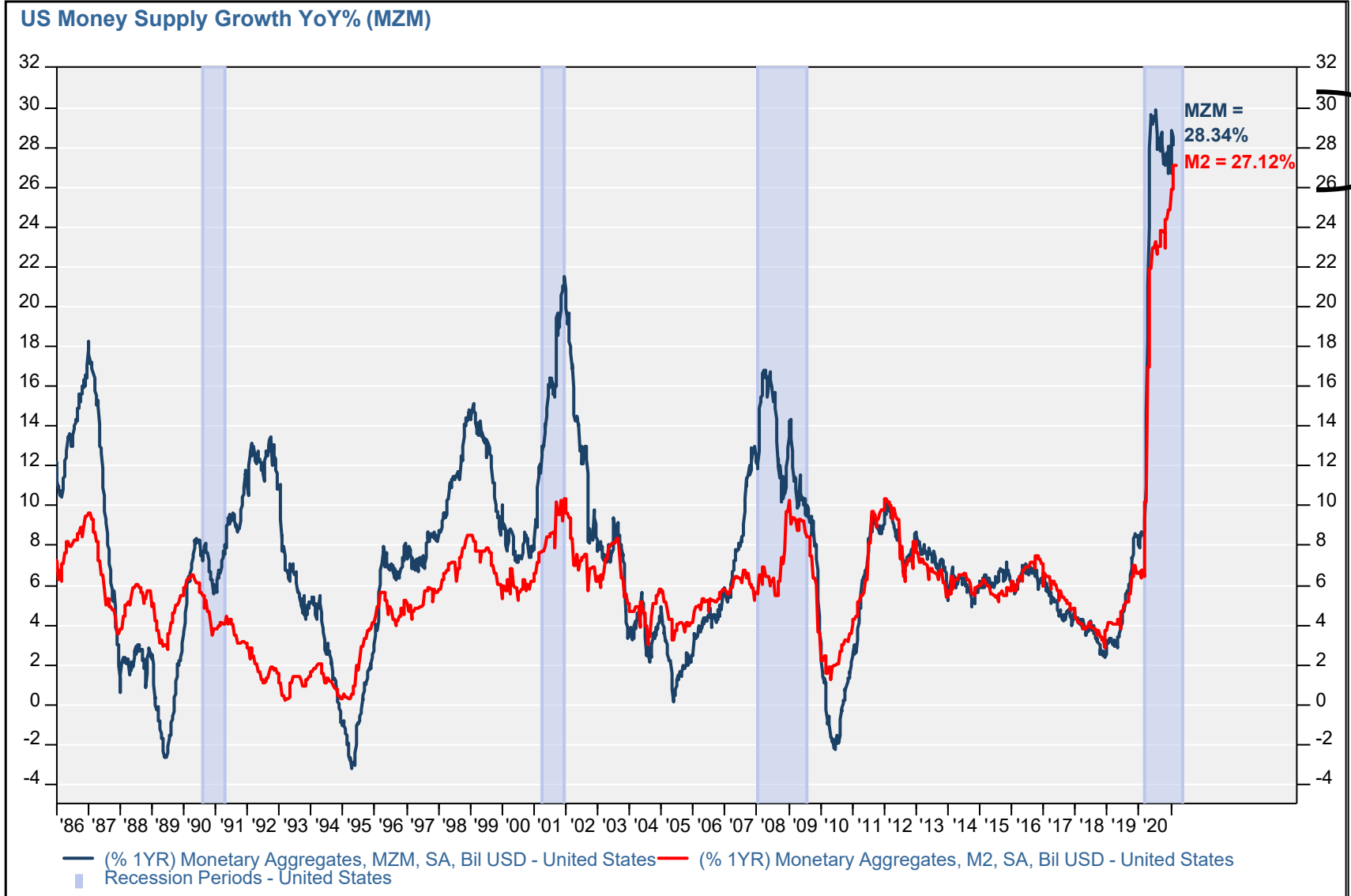
## Twin Tailwinds of Policy



Sources = Factset

# US Money Growth –

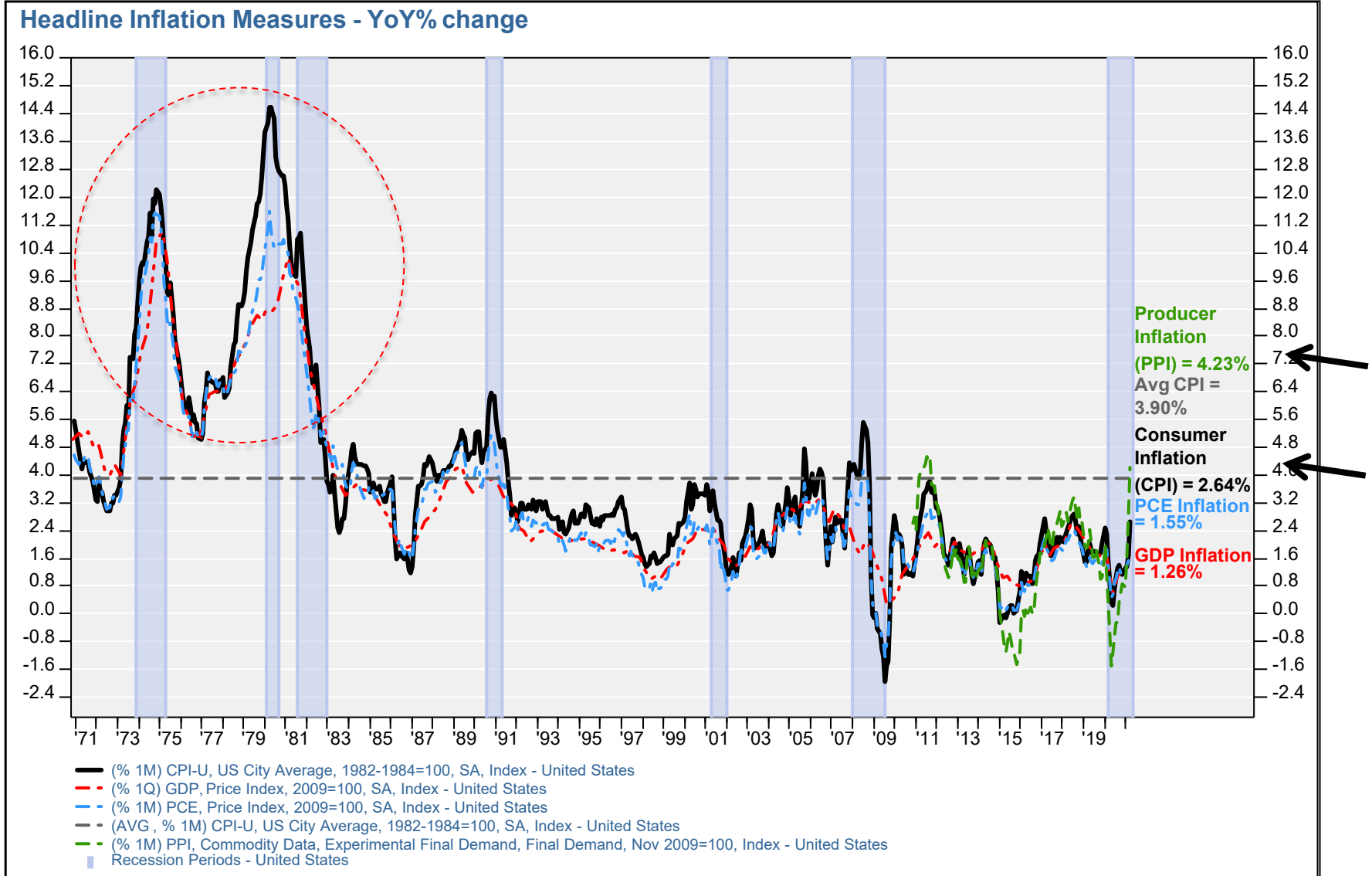
## Record levels of cash looking for a home



Source = Factset

# US Inflation –

*Staying calm...for now*



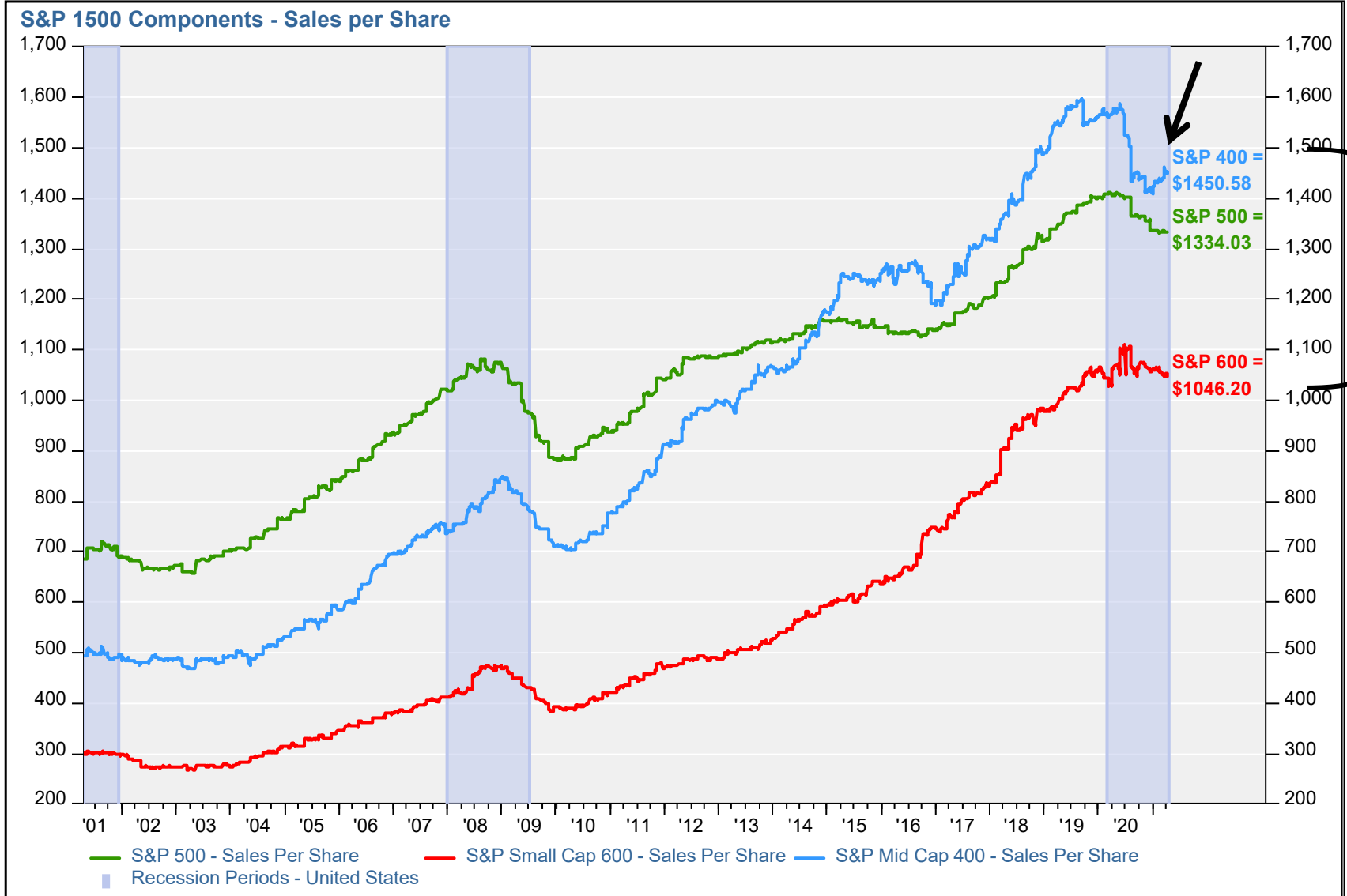
Source = Factset

# US Business

## *Gearing up for the future*

# US Business Trend –

## Mid-sized companies starting to recover Sales

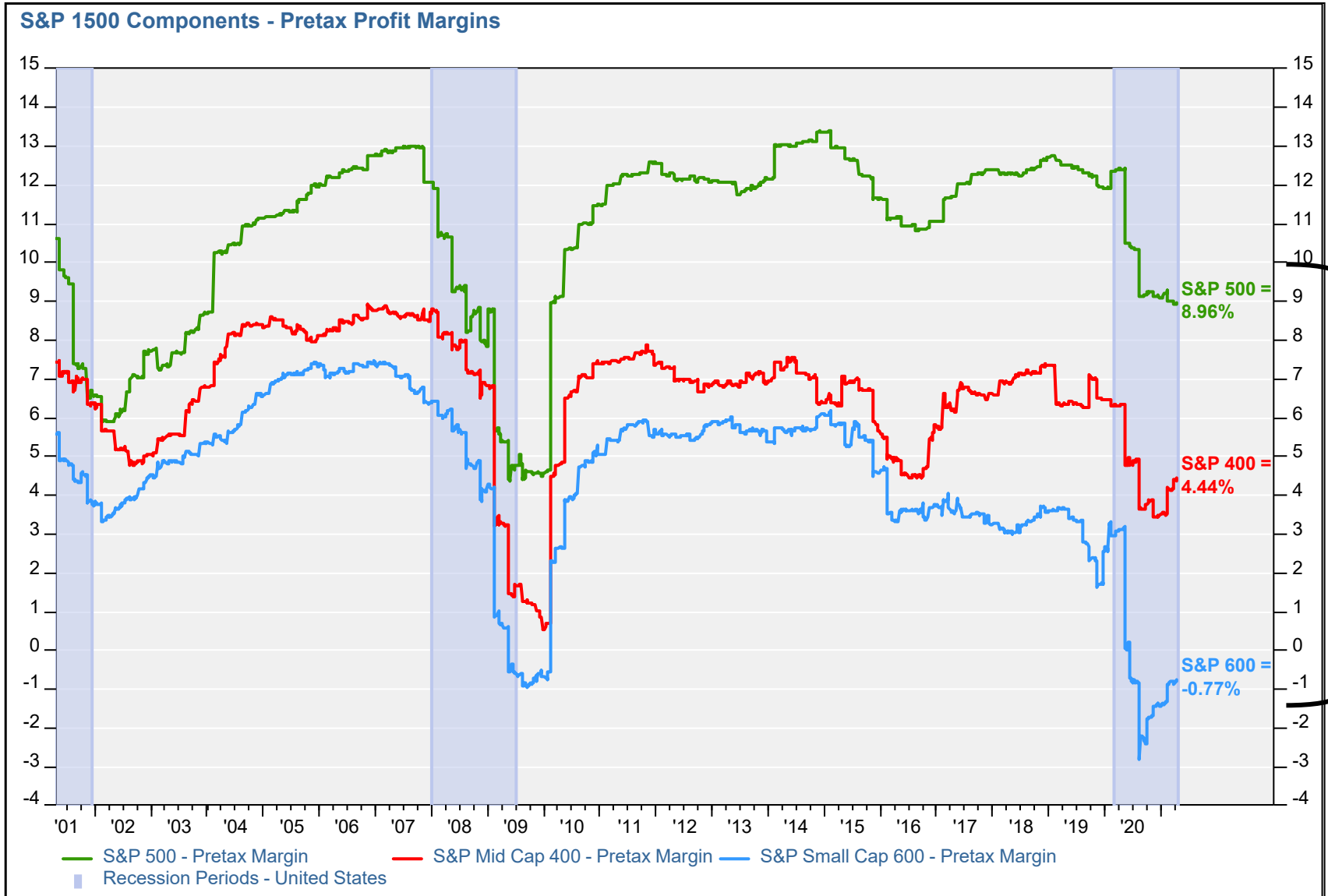


Source = Factset



# US Business Trend –

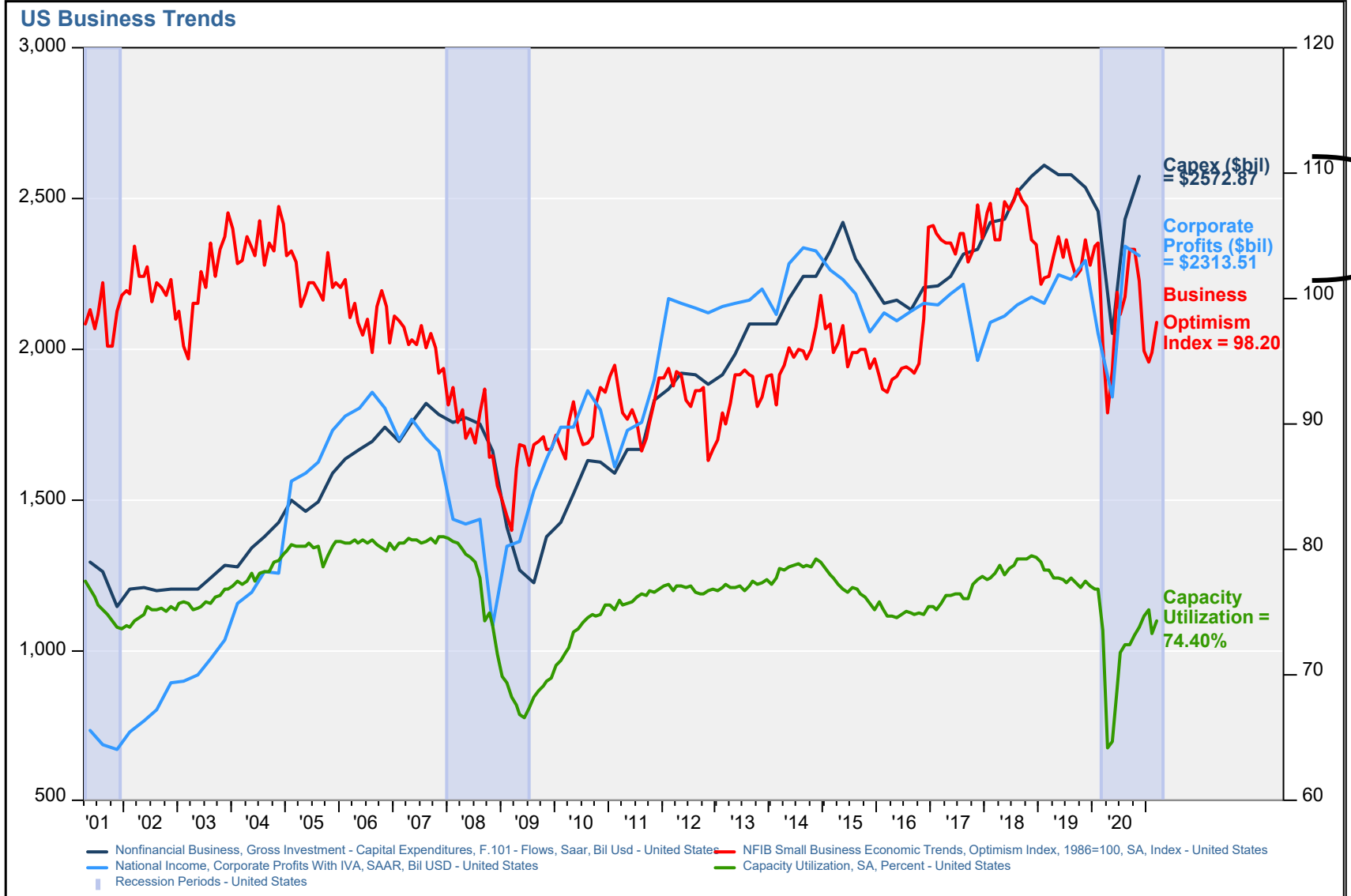
## Small and mid caps starting to recover Profit Margins



Source = Factset

# US Business Trend –

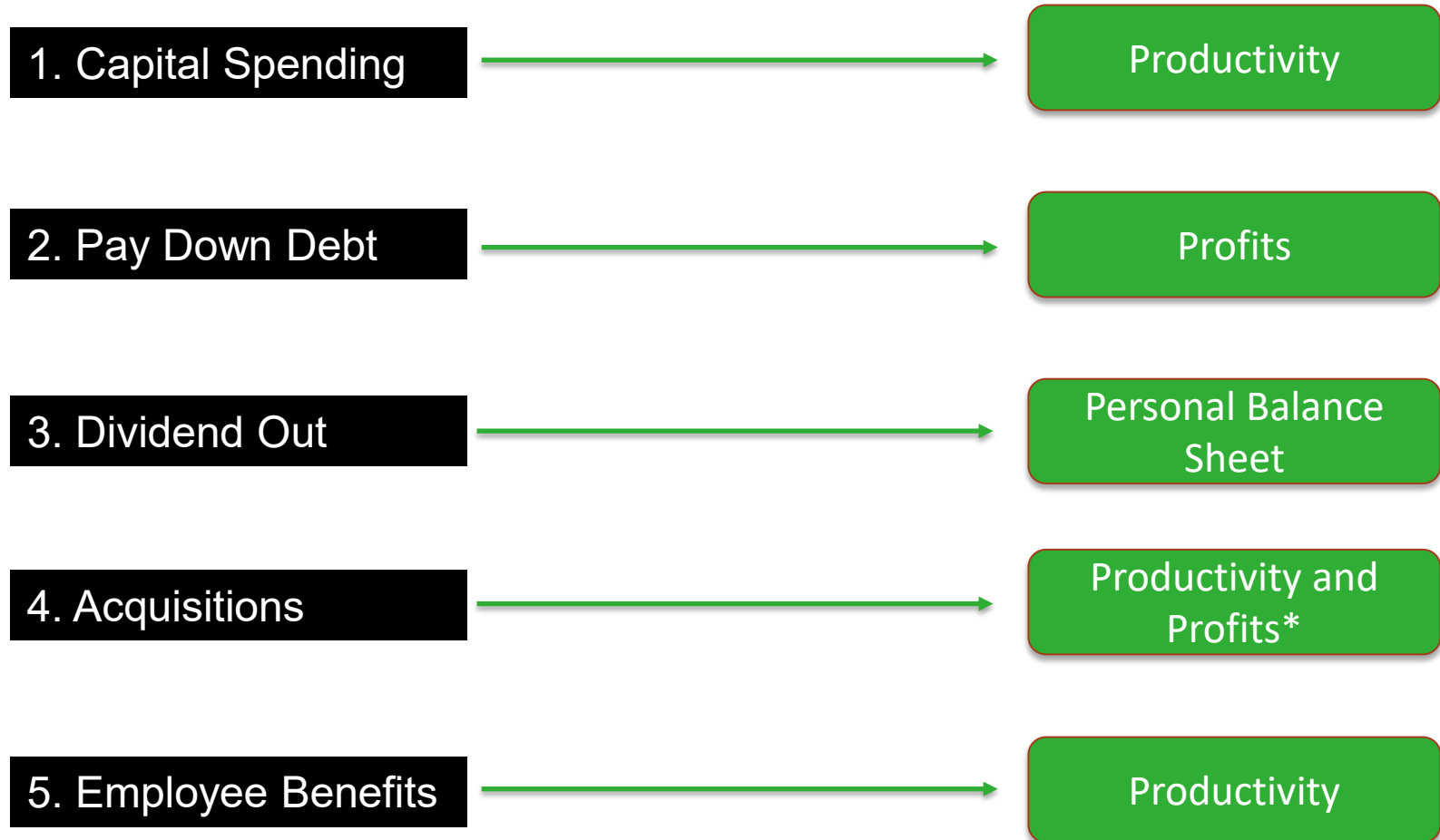
## Profits and CapEx recovering



Source = Factset

# Capital Allocation Themes –

*What is the best strategy for my company?*



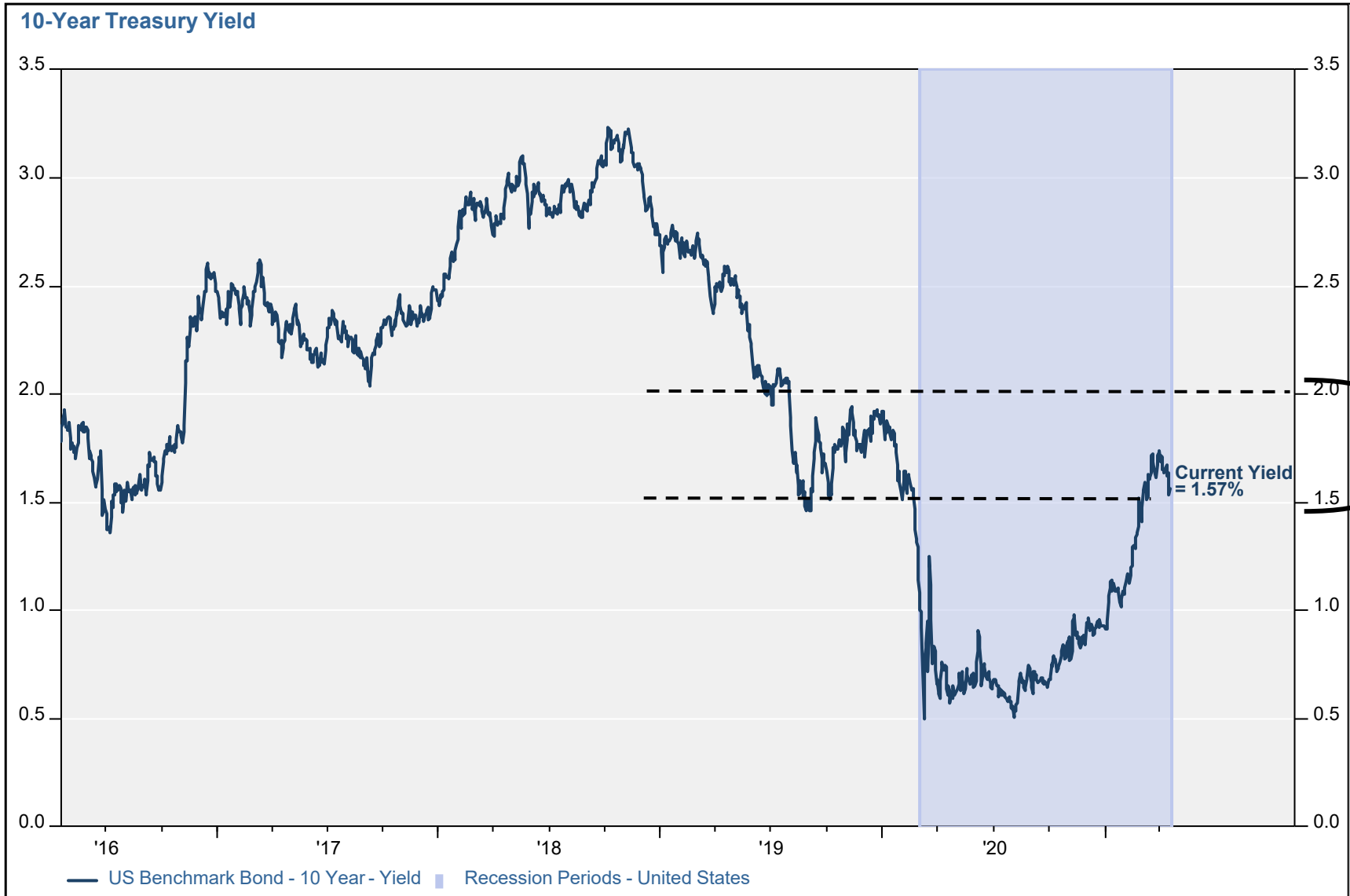
*\* - M&A that is focused of geography, technology, new product, market share or efficiency*

# Market Trends

## *Beyond the virus*

# US Bond Yield Trends –

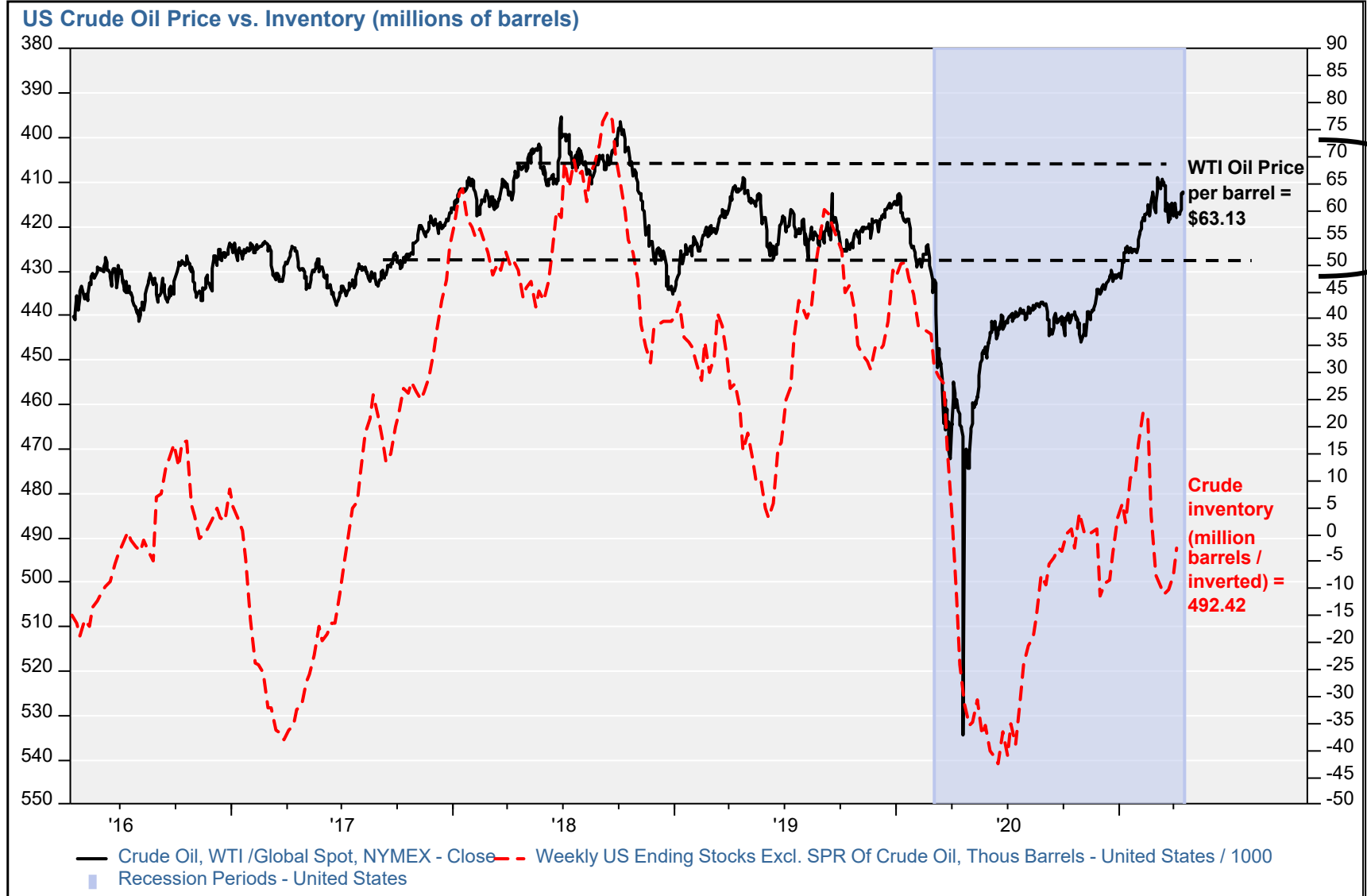
*10-year treasury yield back in its pre-pandemic range*



Source = Factset

# Crude Oil Trends –

*Crude Oil is back in its pre-pandemic range*



Source = Factset

# Stock and Copper Trends –

*Copper and Stocks are both well above their pre-pandemic ranges*



Source = Factset

**2021**

***1. Trends***

***2. Calls to Action***



# Great Recovery 2021 –

## *USA trends we see this year*

1. **The virus is being brought under control** in the US, though Europe is still struggling.
2. **2021 will be the year of the Great Recovery** versus 2020 as the year of the Great Lockdown.
3. **We suspect Washington will focus on debt-financed stimulus in 2021** (American Rescue Plan, American Jobs Plan and Made in America Plan), then pivot to other policy objectives in late-2021 and 2022.
4. **Central banks will stay on-hold in 2021**, as there is little appetite to cause any economic or market damage.
5. **Bond market yields are likely to drift higher as inflation drifts higher in the near-term.** The focus will be increasingly on inflation during 2021.
6. **Stock investors will be rained-on** by dividend increases/resumptions, stock splits and stock buyback announcements with the rebounding corporate profits in 2021.
7. **Stock markets remain sector, style and market cap rotational.** Unprecedented money growth, combined with a strong economic recovery and low yields could push stocks even higher into the Spring/Summer.
8. **Commodity prices have rebounded sharply higher** with the unprecedented money growth and a global economic rebound (ex Europe). Commodity gains are good for producers but will bring rising inflation in 2021.
9. **Downtowns of large US cities and small business are likely to continue to struggle** to get back on their feet in 2021. However, never underestimate the resiliency of both.
10. **Business will need to adapt** to evolving work, entertain, educate and shop-from-home habits by consumers.

# 2021 – Calls to Action

1. Business – What is my continuity/exit plan?
  2. Business – How do I secure the next generation of workers?
  3. Business – What am I doing to increase sales & productivity?
  4. Business – What am I doing to improve my balance sheet?
  5. Business – Am I ready to operate in a brave new virtual world?
- 

1. Consumer – Do I have my target cash need accumulated?
2. Consumer – How did my investments navigate 2020? How am I now positioned?
3. Consumer – What am I doing to improve my personal balance sheet?
4. Consumer – What family work/life adjustments will I need to make in 2021?
5. Consumer – Is my estate plan up-to-date?

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