

PRESENTATION TO THE

16<sup>TH</sup> ANNUAL PACIFIC REGION  
INVESTMENT CONFERENCE

EQUITY MARKETS PANEL

December 2, 2016

Kamani B. Kuala'au  
Senior Vice President

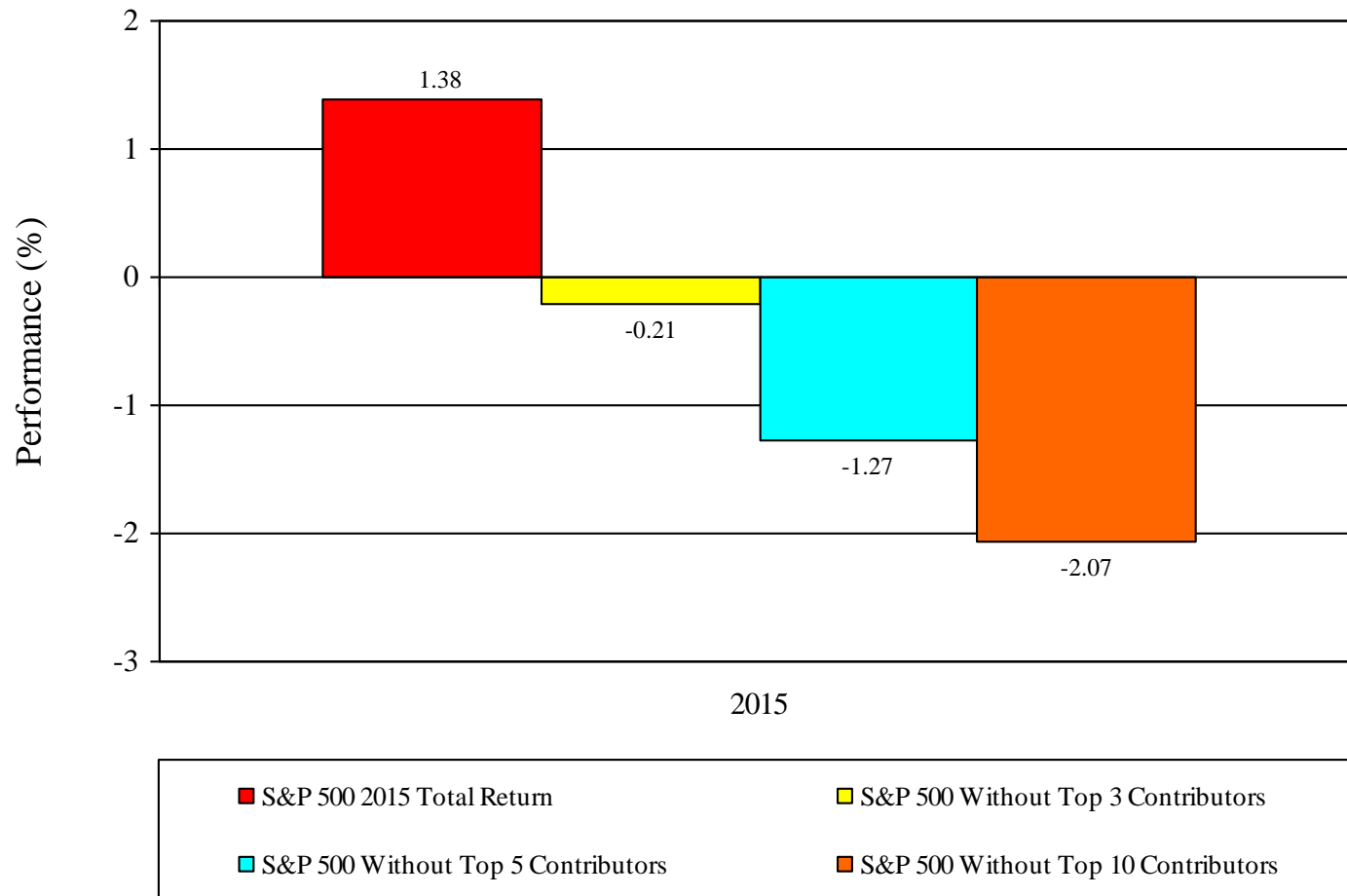


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*This report is intended for a one on one presentation.*

# 2015: A NARROW MARKET



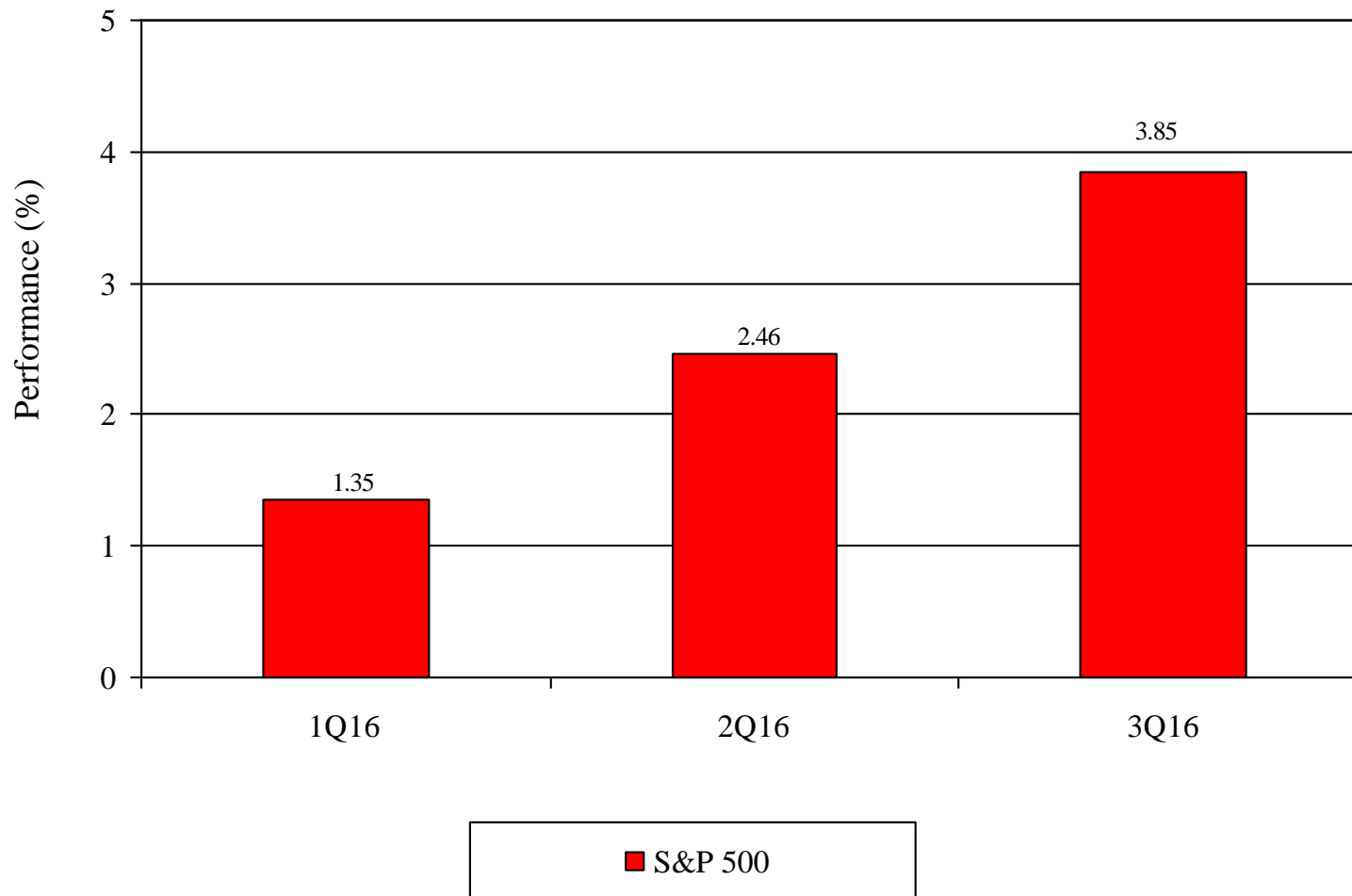
Source: ASC Research, FactSet.

Note: Alphabet Class A & Class C counted as a single stock.

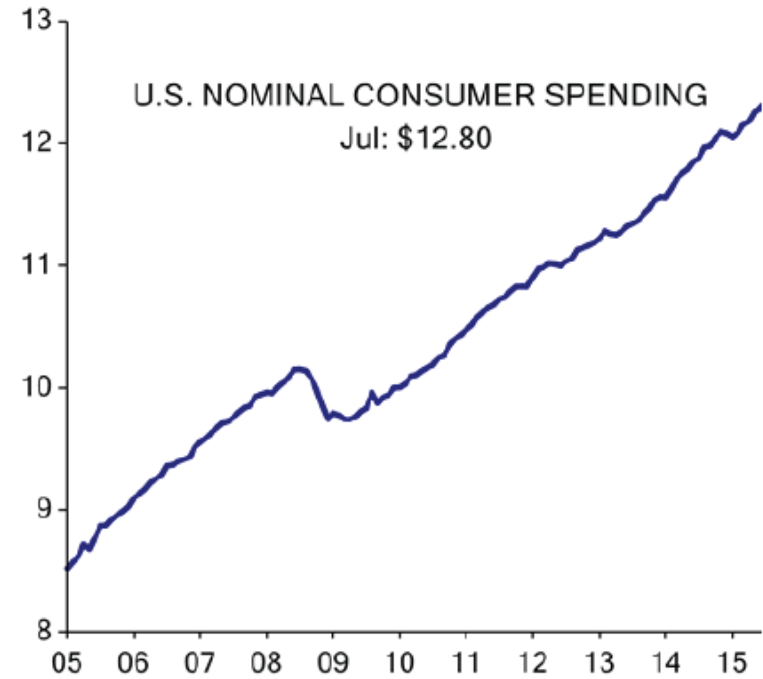


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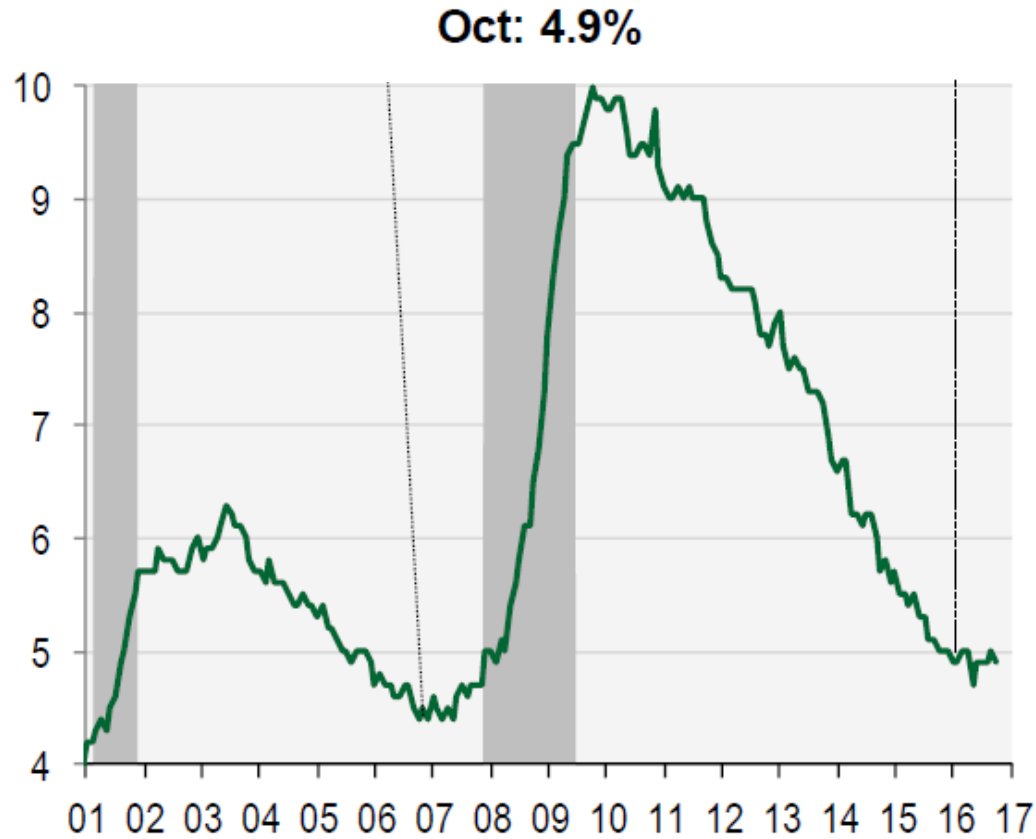
# PERFORMANCE



# U.S. NOMINAL INCOME AND CONSUMER SPENDING DATA

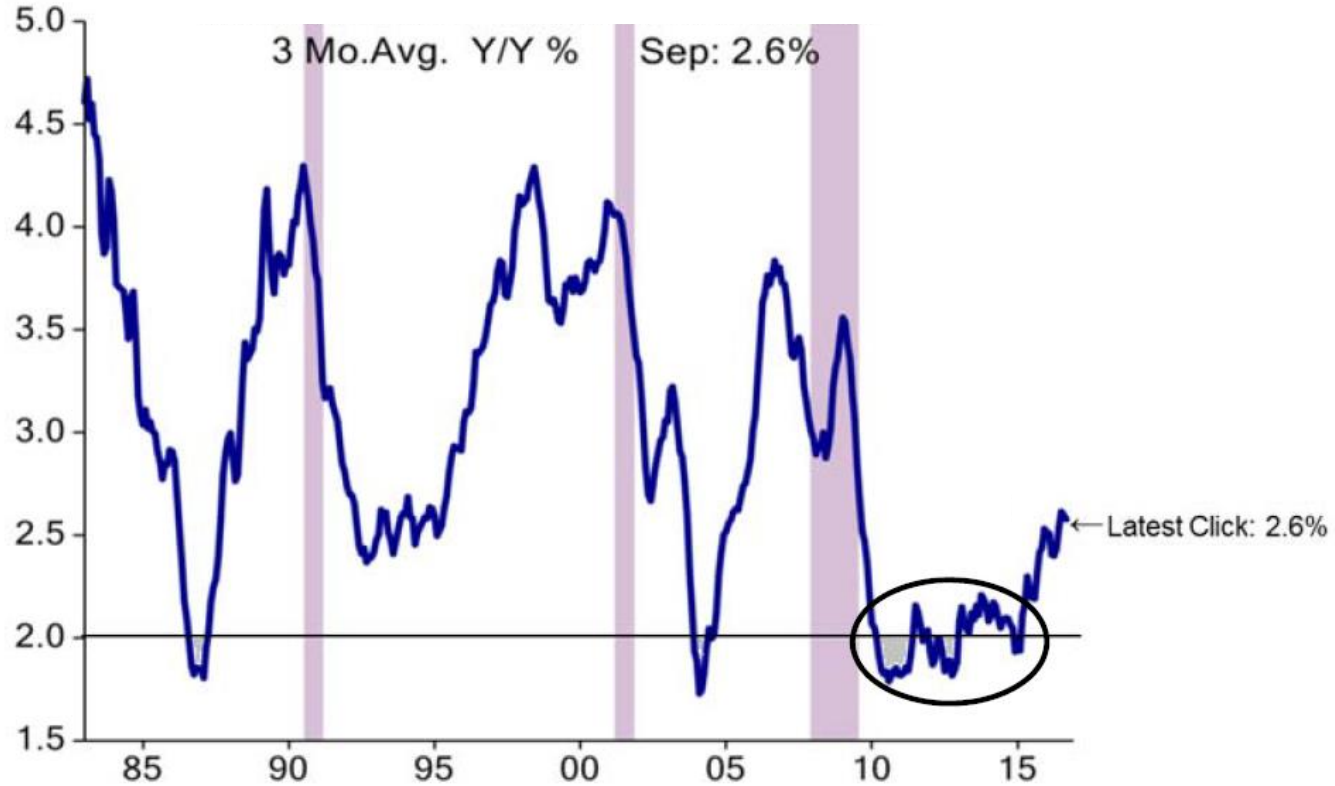


# U.S. UNEMPLOYMENT RATE

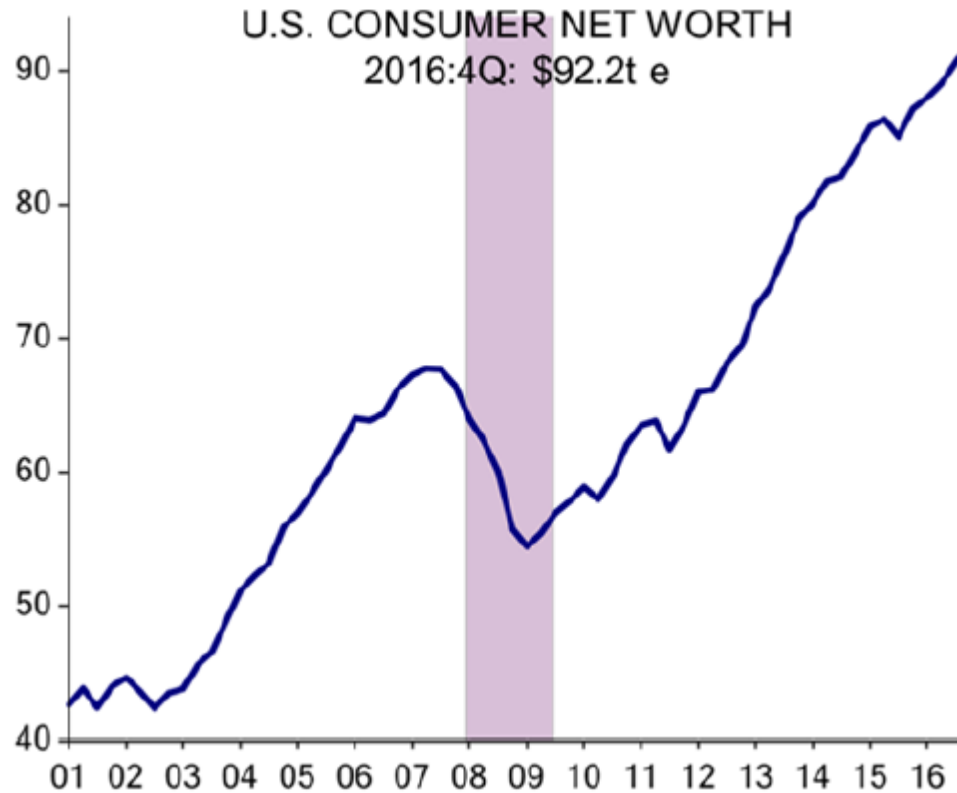


Report as of November 7, 2016.  
Source: Cornerstone Macro.

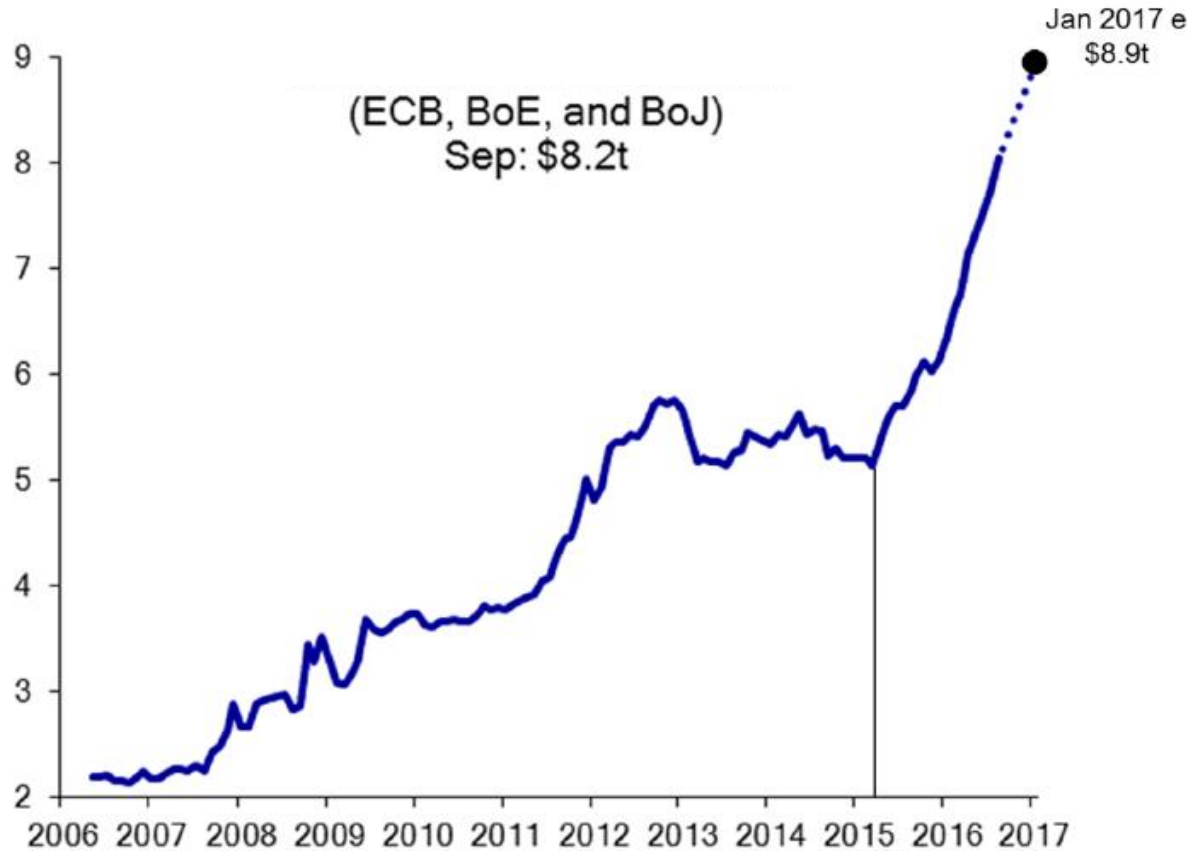
# U.S. AVERAGE HOURLY EARNINGS



# U.S. CONSUMER NET WORTH



# TOTAL BALANCE SHEETS





# U.S. 10-YEAR TREASURY YIELD



Report as of November 10, 2016.

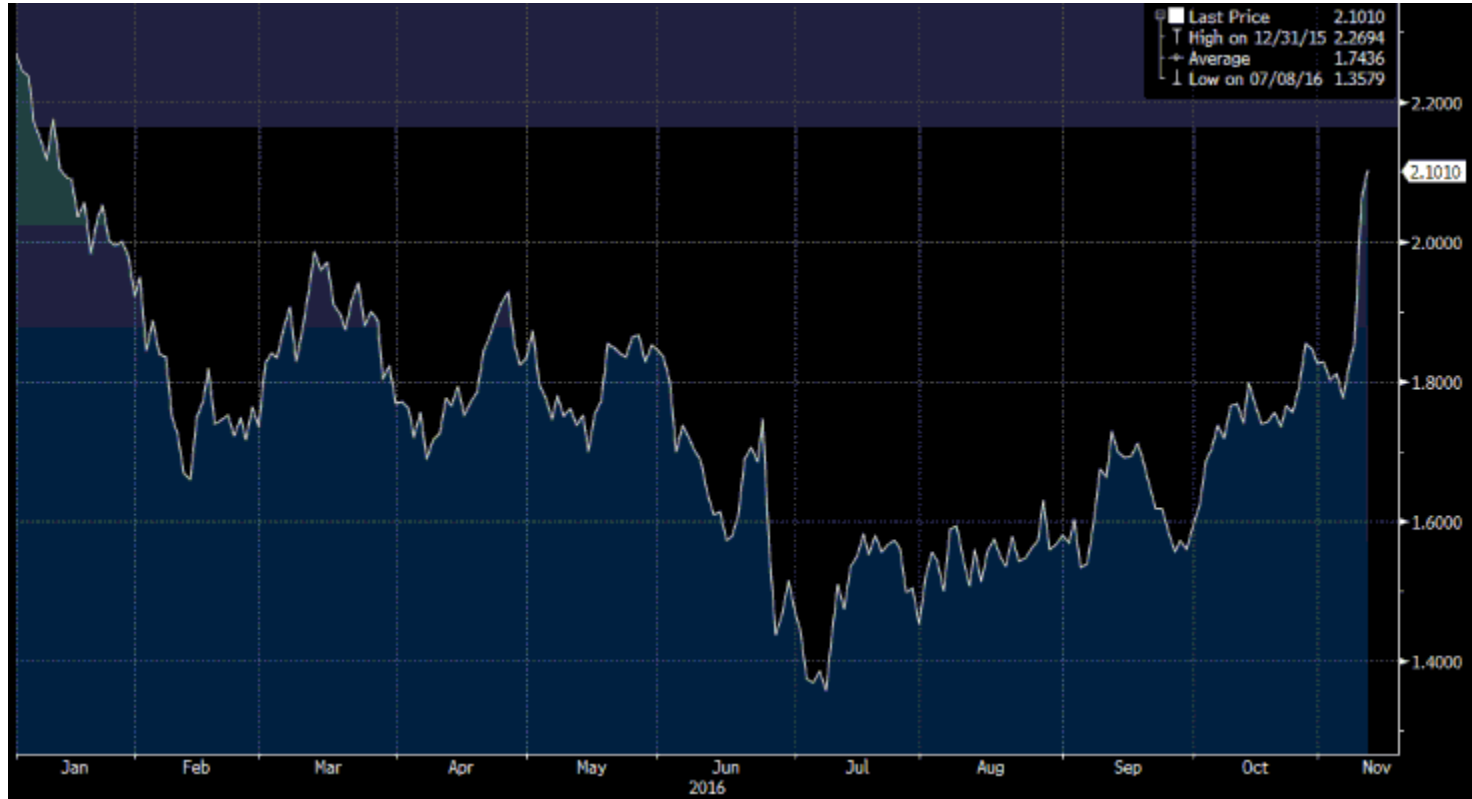
Source: Evercore ISI.



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# U.S. 10-YEAR YIELD

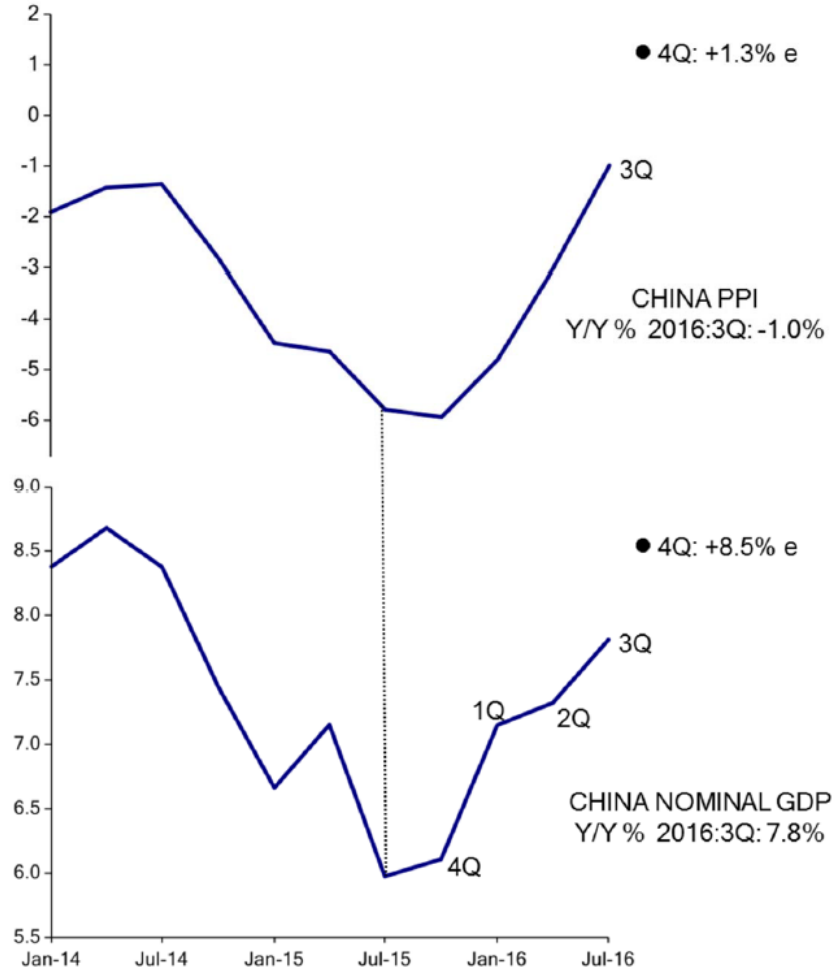
12/31/2015-11/9/2016



Report as of November 9, 2016.

Source: Bloomberg.

# CHINA NOMINAL GDP



# DOLLAR INDEX

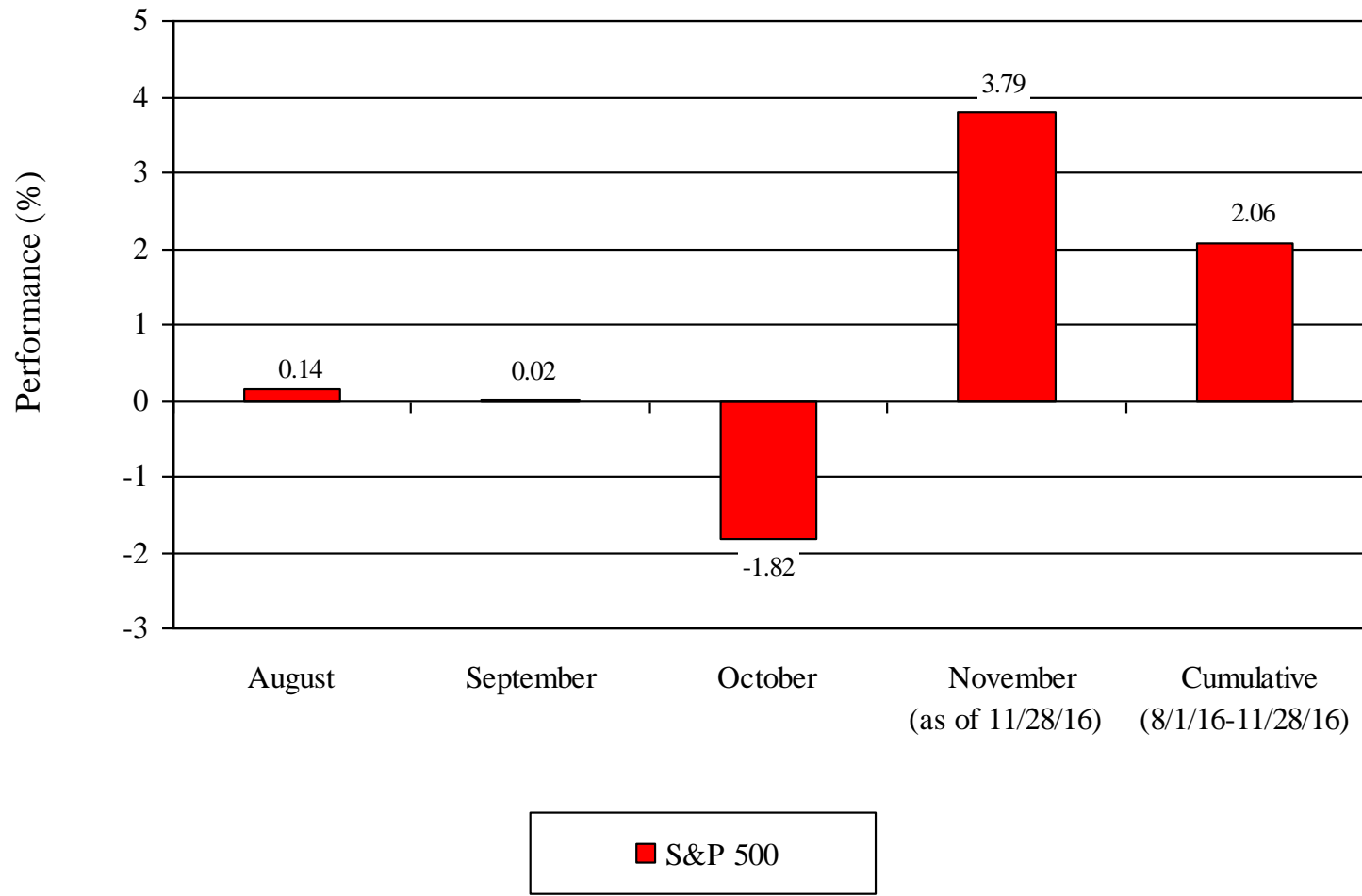


Report as of October 24, 2016.  
Source: Bloomberg, Evercore ISI.

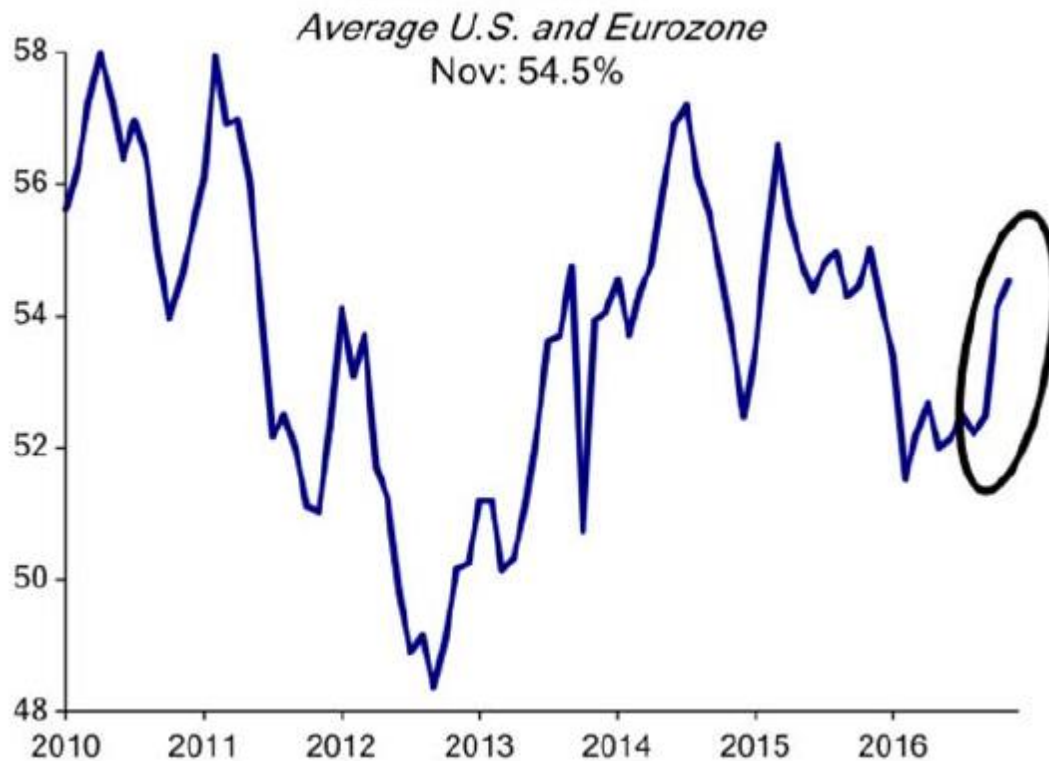


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# PERFORMANCE



# COMPOSITE PMI



# INFLATION SWAP FORWARD 5Y5Y



Report as of November 28, 2016.

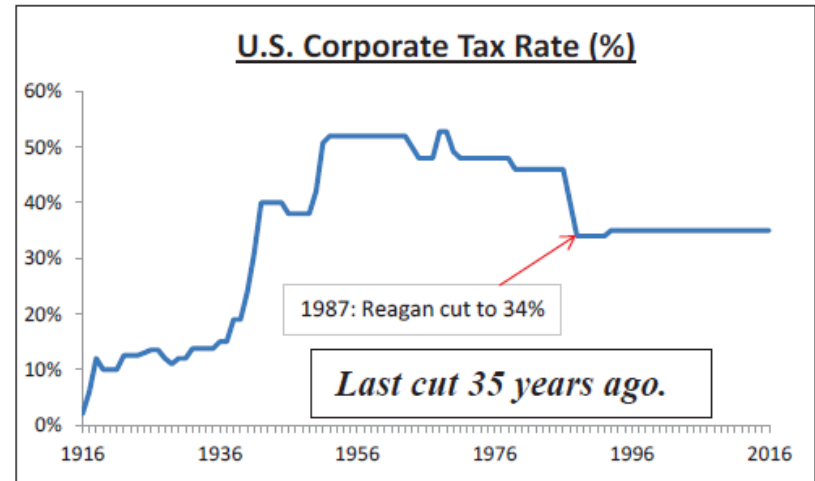
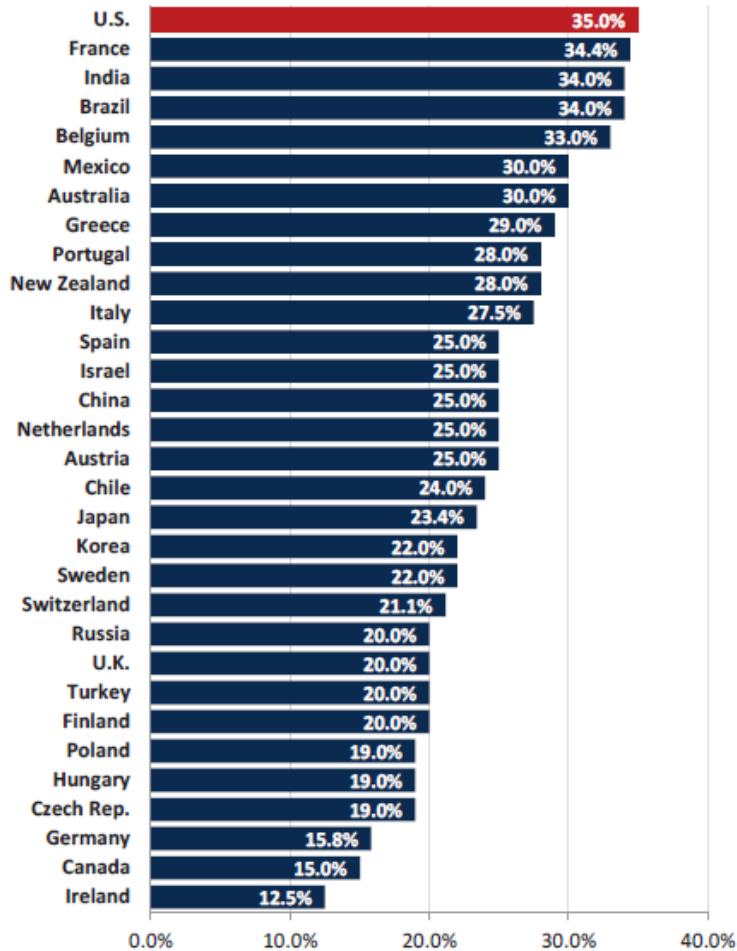
Source: Evercore ISI.



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# CORPORATE INCOME TAX RATES

**Corporate Income Tax Rate**



Report as of November 28, 2016.

Source: Wolfe Macro Research OECD;KPMG.

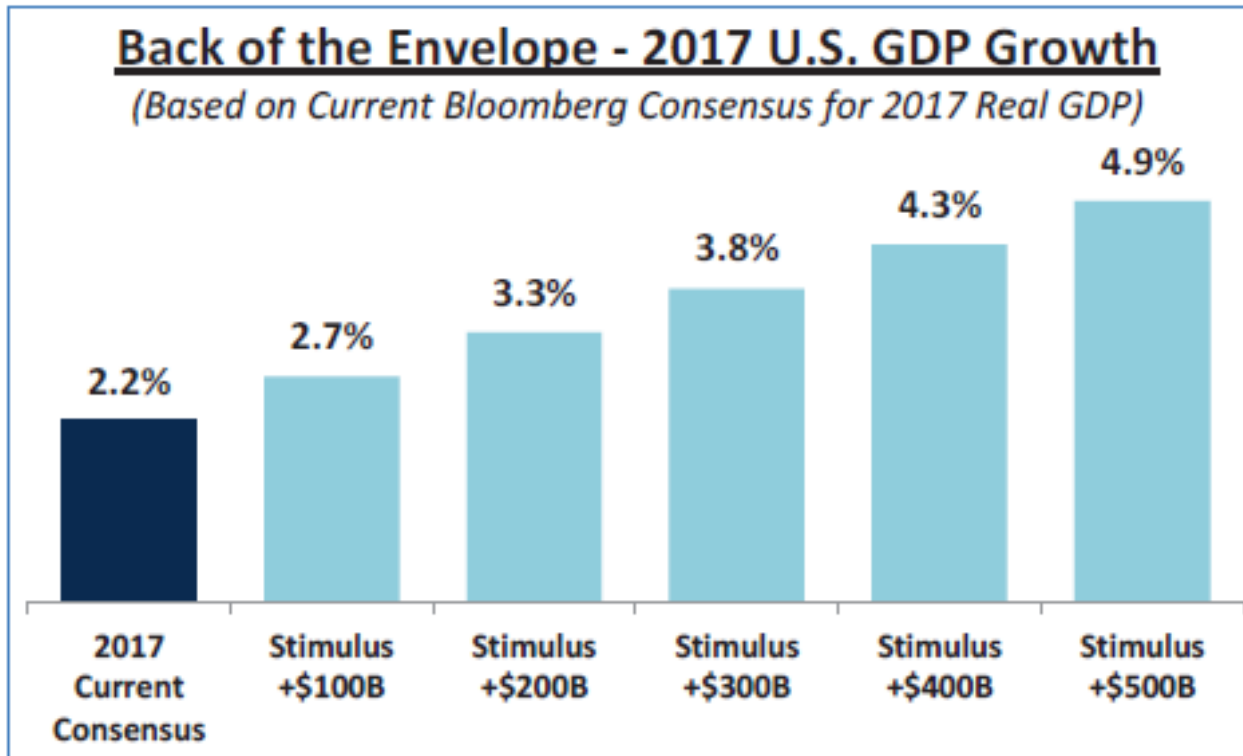
Note: Includes combined federal, state and provincial taxes for all in corporate tax rate. OECD and BRIC countries.



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# 2017 U.S. GDP GROWTH



Report as of November 28, 2016.

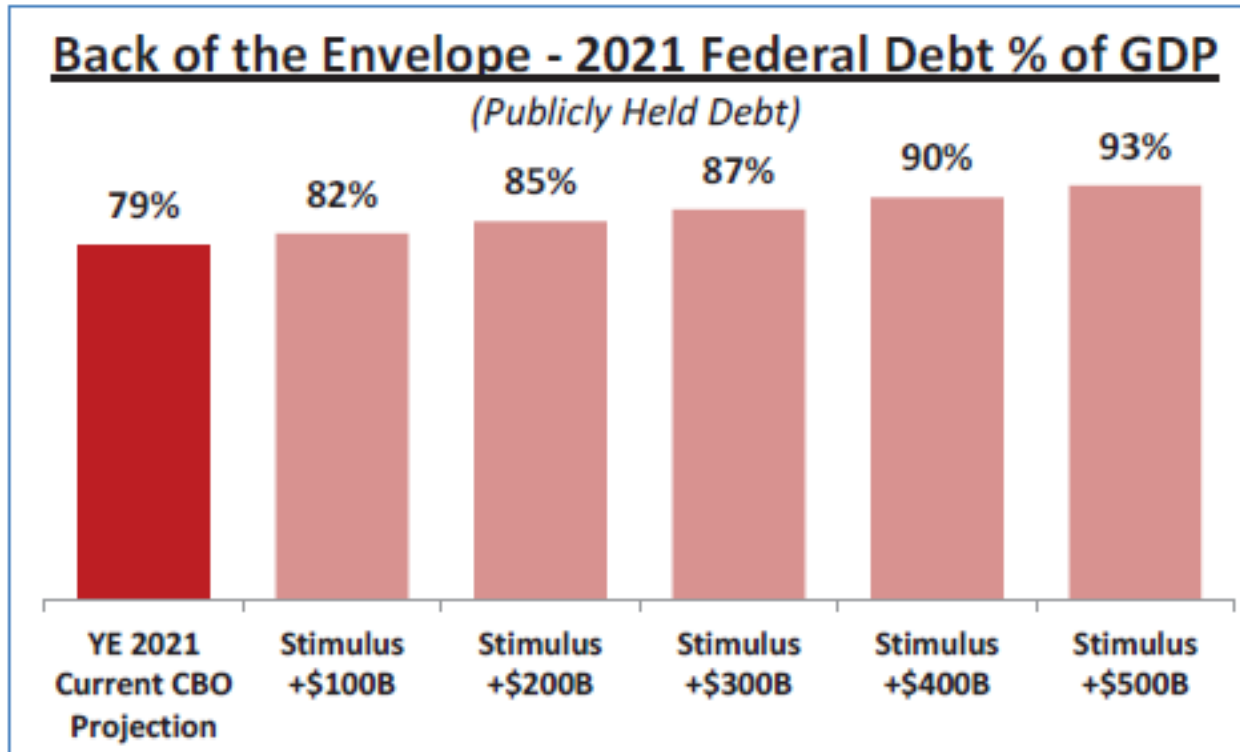
Source: Wolfe Research, Bloomberg, Congressional Budget Office (CBO), Bureau of Economic Analysis (BEA).

Note: "Back of the Envelope" calculation for the impact of fiscal stimulus on GDP growth and the federal debt as a percentage of GDP are Wolfe estimates based upon a 'static' analysis. These estimates do not include adjustments for a likely pick in economic growth, increase in tax revenues, or changes in inflation or interest rates.



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# 2021 FEDERAL DEBT % OF GDP



Report as of November 28, 2016.

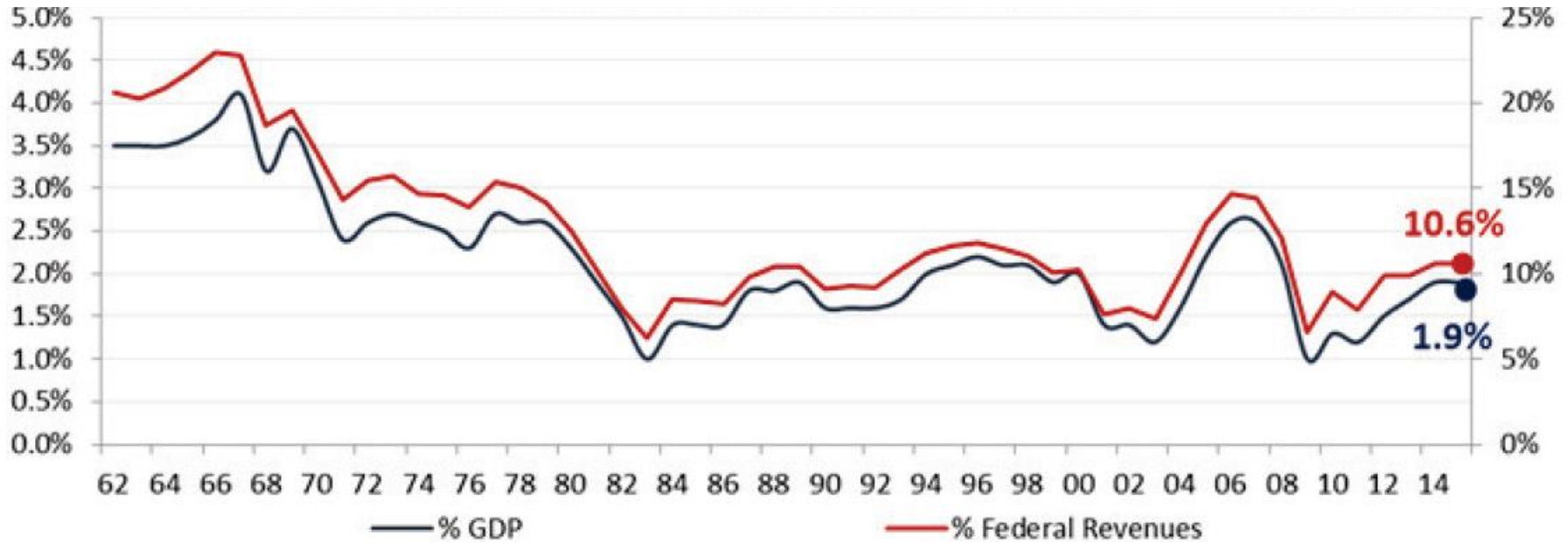
Source: Wolfe Research, Bloomberg, Congressional Budget Office (CBO), Bureau of Economic Analysis (BEA).

Note: "Back of the Envelope" calculation for the impact of fiscal stimulus on GDP growth and the federal debt as a percentage of GDP are Wolfe estimates based upon a 'static' analysis. These estimates do not include adjustments for a likely pick in economic growth, increase in tax revenues, or changes in inflation or interest rates.



# CORPORATE TAX REVENUES % OF GDP & REVENUES

FED



Report as of November 28, 2016.

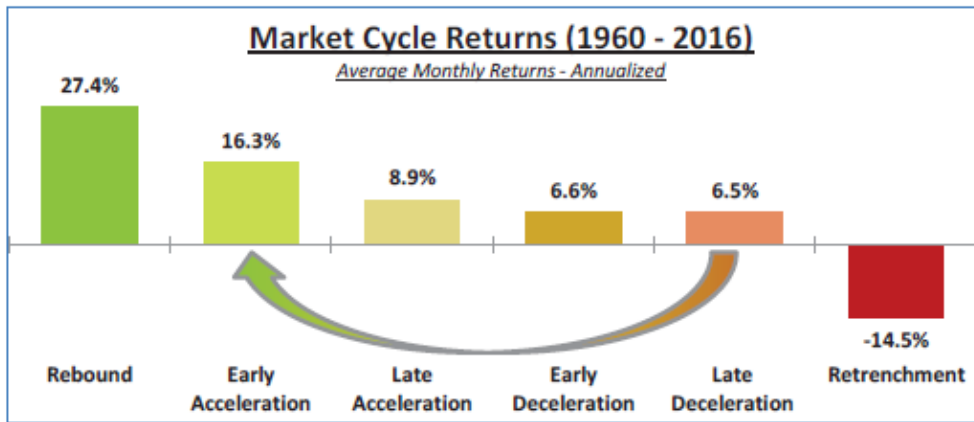
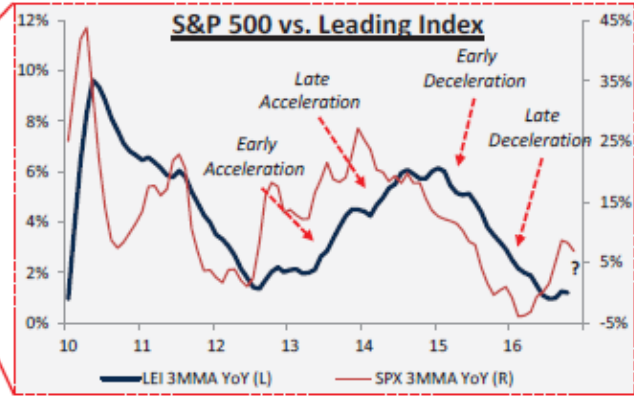
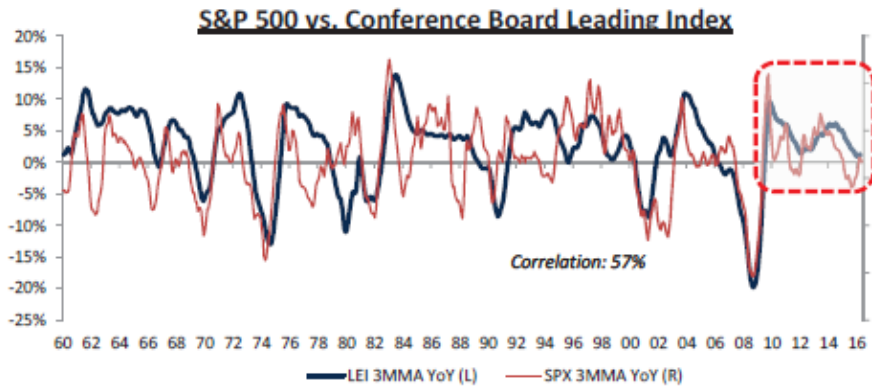
Source: Wolfe Research, Bloomberg, OMB, Tax Foundation; Tax Policy Center.



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# MARKET CYCLE



# GLOBAL OIL SCENARIOS

Estimated pace of draw-down of global inventory overhang under four scenarios – 200Mbbbl to 300Mbbbl needed

Scenario	Assumed OPEC Output (Mbd)		Cumulative change in global stocks from YE16 (Mbbbl)							
	FY17	YE17	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18
Scenario 1 No Deal	34.5	34.7	86	111	113	86	96	63	9	-74
Scenario 2 Face-Saving Freeze	33.8	33.8	46	43	-3	-69	-105	-178	<b>-297</b>	<b>-443</b>
Scenario 3 Weak Cut	33.3	33.3	0	-43	-114	-187	<b>-239</b>	<b>-313</b>	-396	-492
Scenario 4 Strong Cut	32.8	32.8	-30	-97	<b>-185</b>	<b>-272</b>	-339	-429	-524	-628

