

# Muhlenkamp & Company

**Webcast February 28, 2019**

**Ron Muhlenkamp, Founder**  
**Jeff Muhlenkamp, Portfolio Manager**  
**Tony Muhlenkamp, President**



**Muhlenkamp & Company, Inc.**  
*Intelligent Investment Management*

# Welcome

- All participants are in a listen-only mode.
- We will conduct a question-and-response session after the presentation.
- This webcast is being recorded.

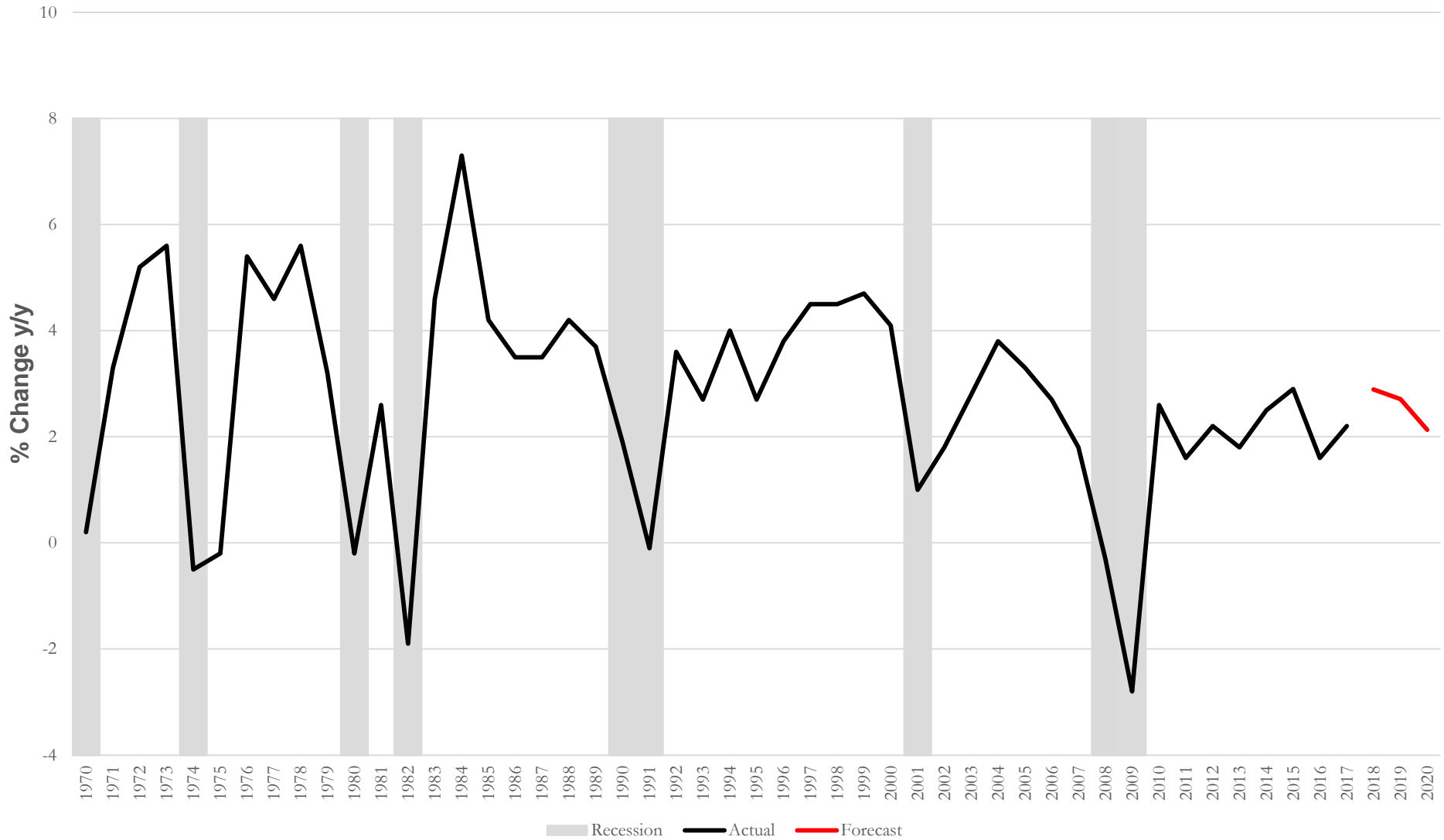


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<b>Our Checklist:</b>	<b>What we observe as the Current State:</b>	<b>Future Outlook:</b>
1. Consumer Spending	Slowdown in home buying	Slowdown ends?
2. Business Investment	Good	Good
3. Credit Default/Bank Health	Good except auto loans	Good except auto loans
4. Inflation	2-3%	Unsure
5. Federal Reserve and Treasury	Not raising ST rates, may slow balance sheet runoff	Unsure
6. Trade	China negotiations hold the stage	Deadline extended, some agreement likely
7. Europe	ECB done buying, Italy recession, Germany slowing, BREXIT looming	Unsure
8. Japan	Unchanged	No change
9. China	Growth slowing, gov't managing	Potentially disruptive



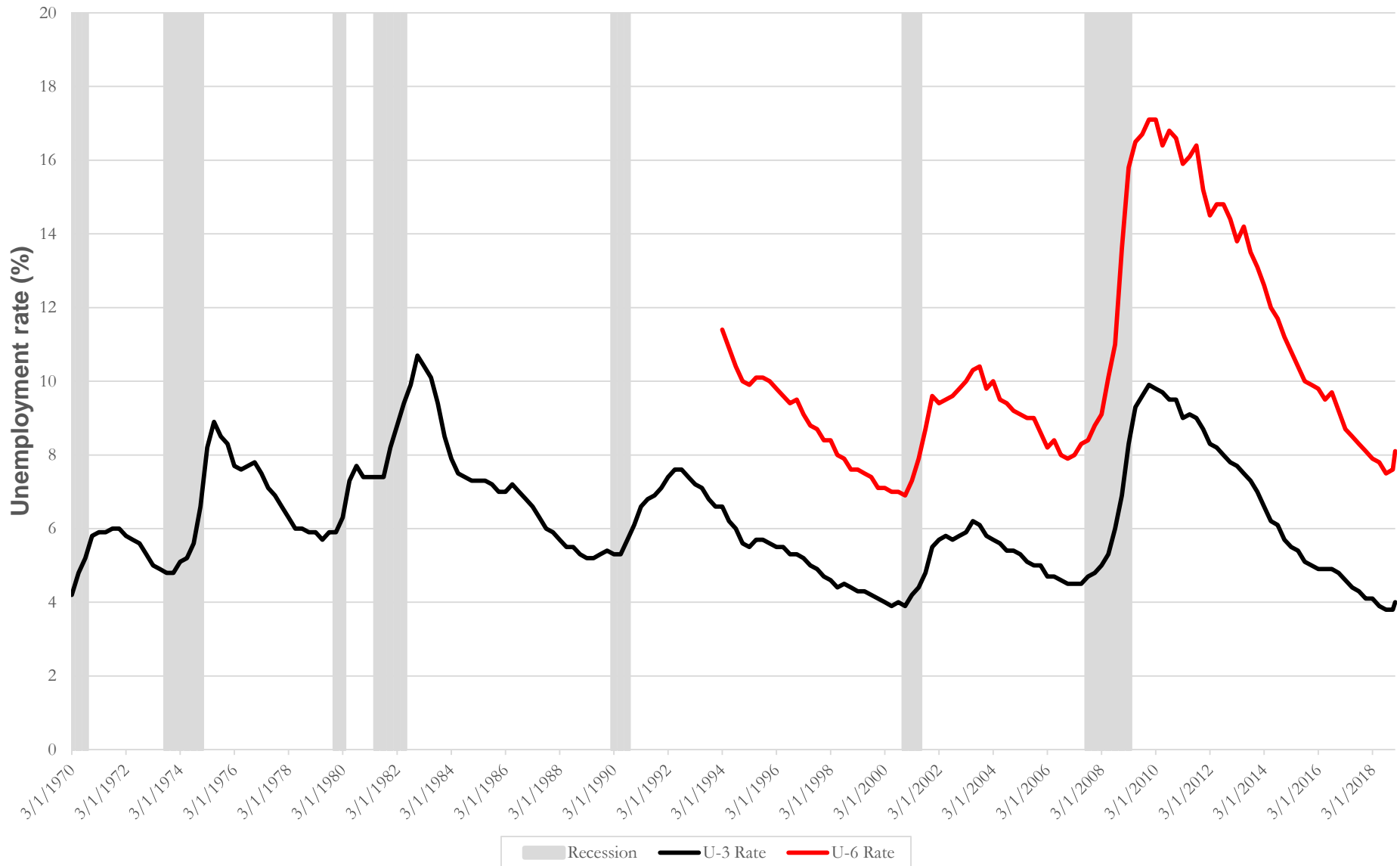
# US Real GDP 1970 - 2020(e)



Data Sources: Bloomberg  
OECD

# US Unemployment since 1970

## U-6 and U-3

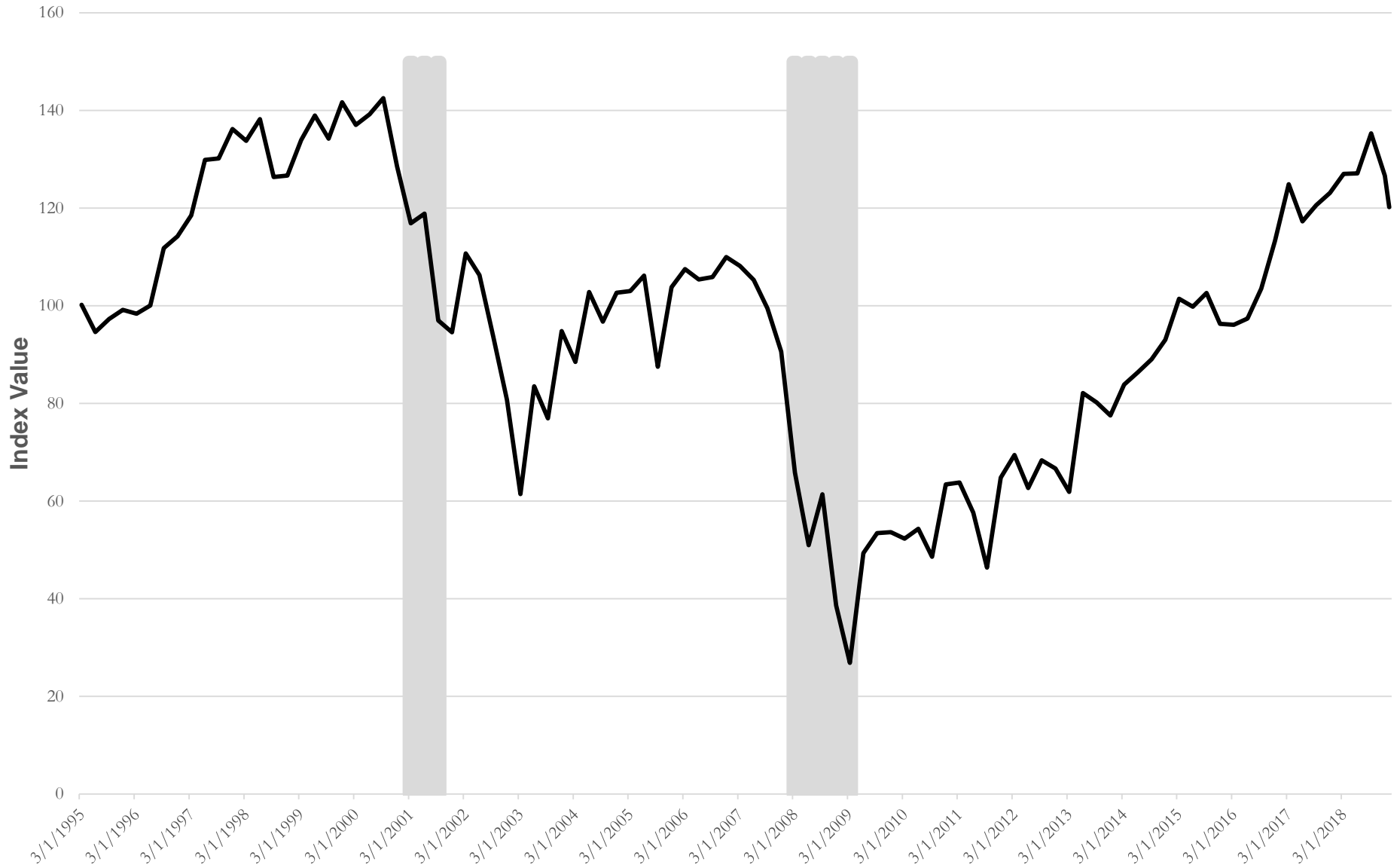


Data source: Bureau of Labor Statistics  
via Bloomberg terminal

Last data point 1/31/19

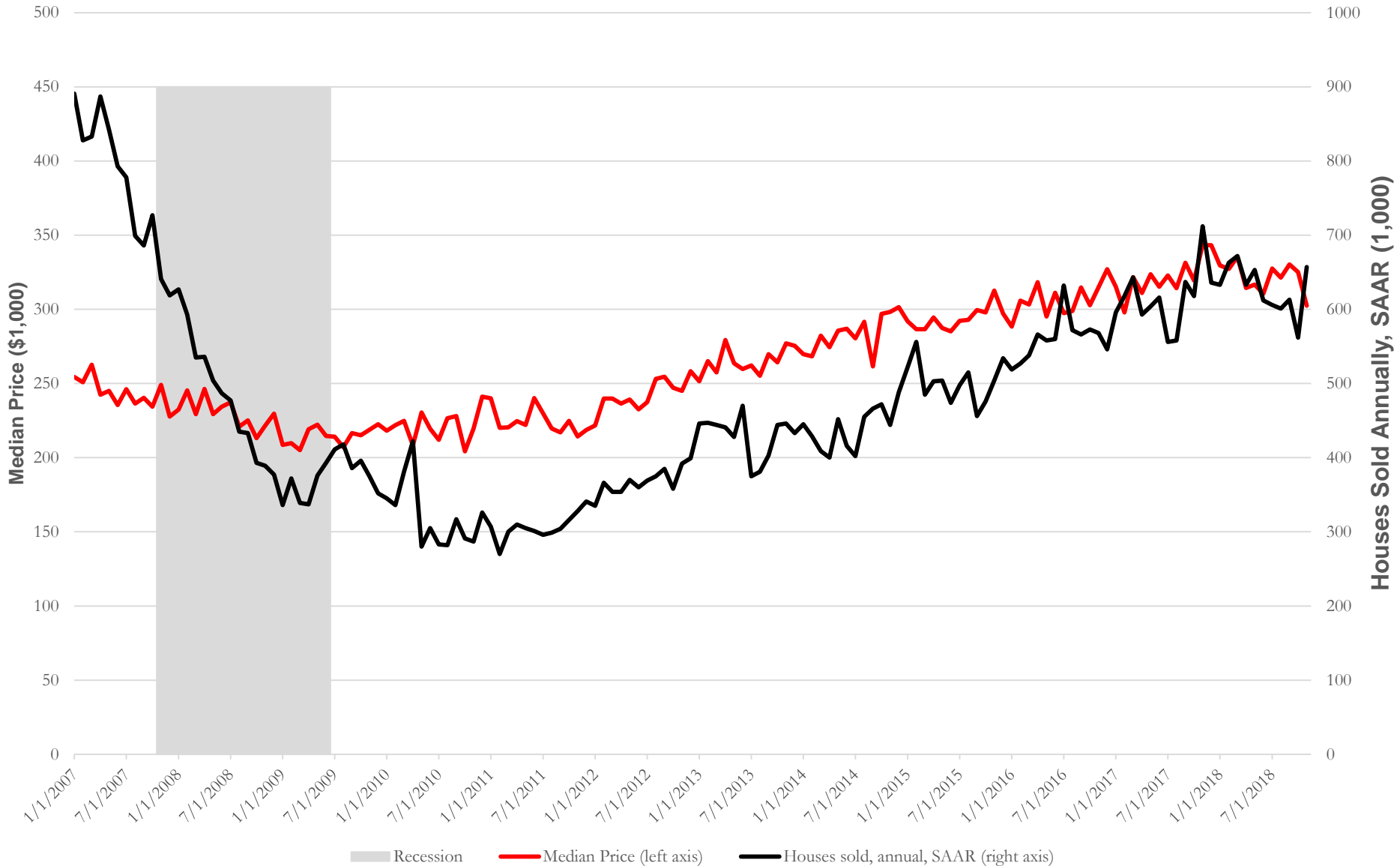
# Consumer Confidence

## Jan 1995 - Jan 2019



Data source: Conference Board  
values indexed 1985 = 100

# US New Home Sales and Median Prices Jan 2007 to Nov 2018



Recession

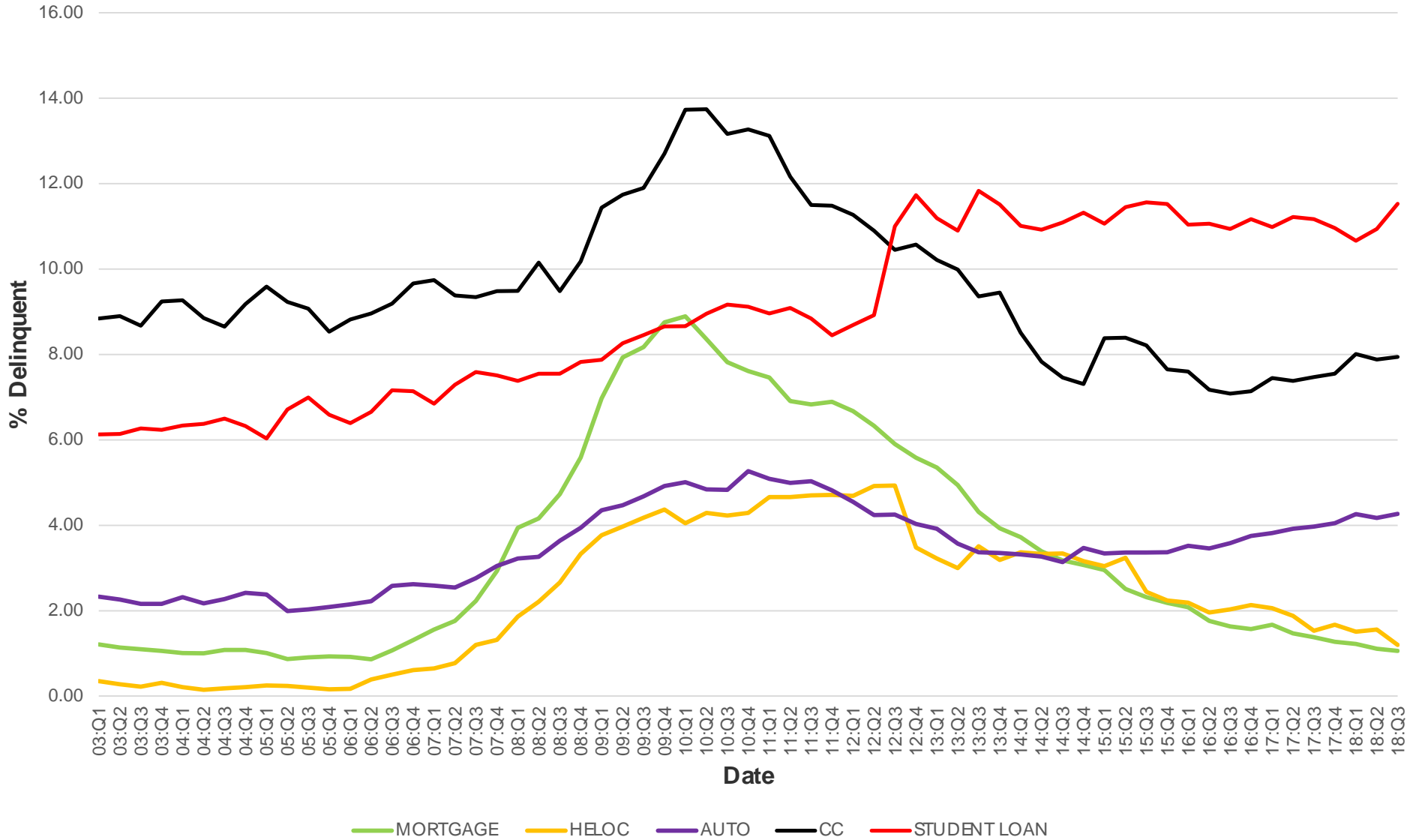
Median Price (left axis)

Houses sold, annual, SAAR (right axis)



Data source: US Census Bureau  
via Bloomberg.

# % of loan balance 90 days + delinquent by loan type 1Q 2003 to 3Q 2018

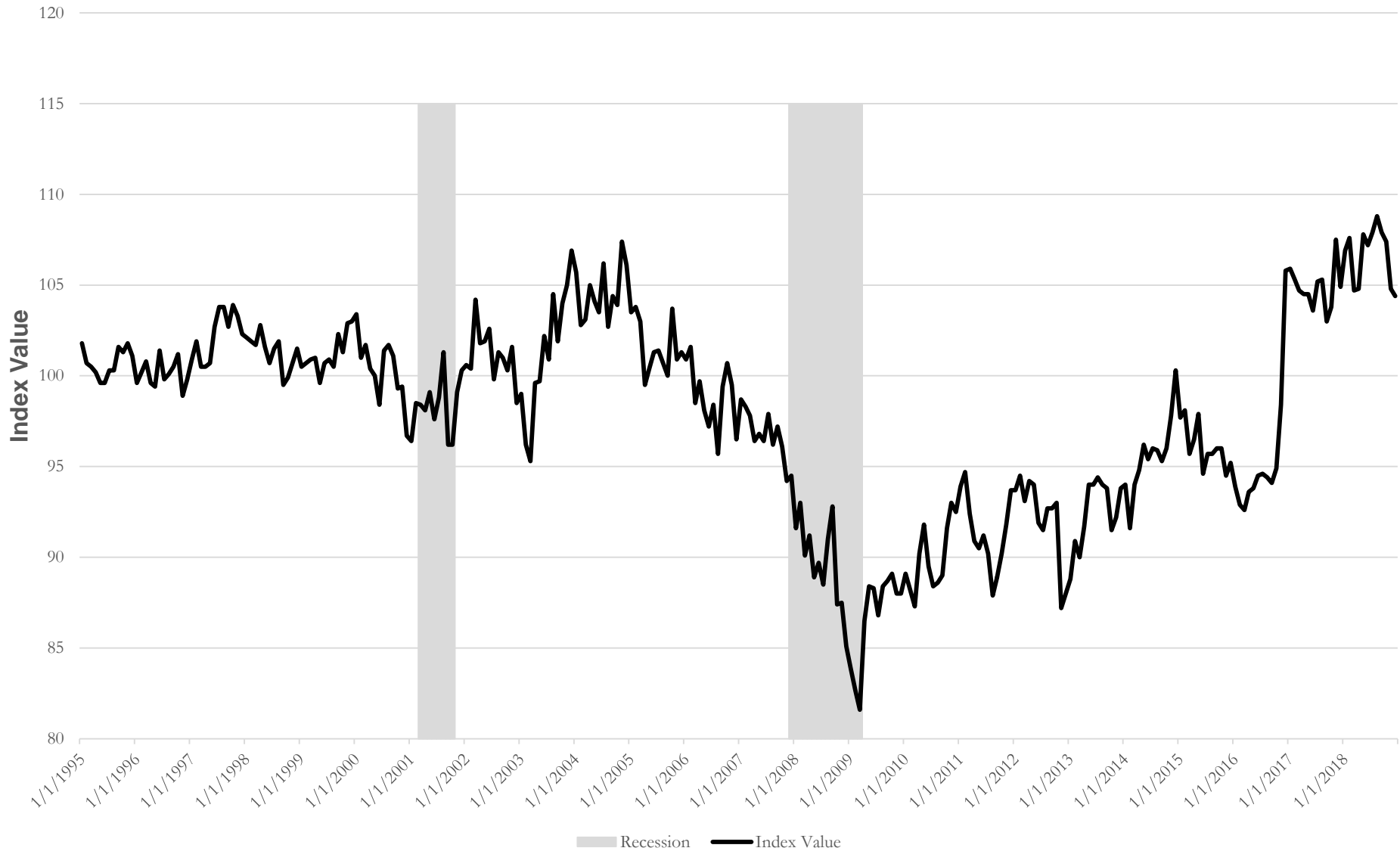


Data source: Federal Reserve Bank of New York



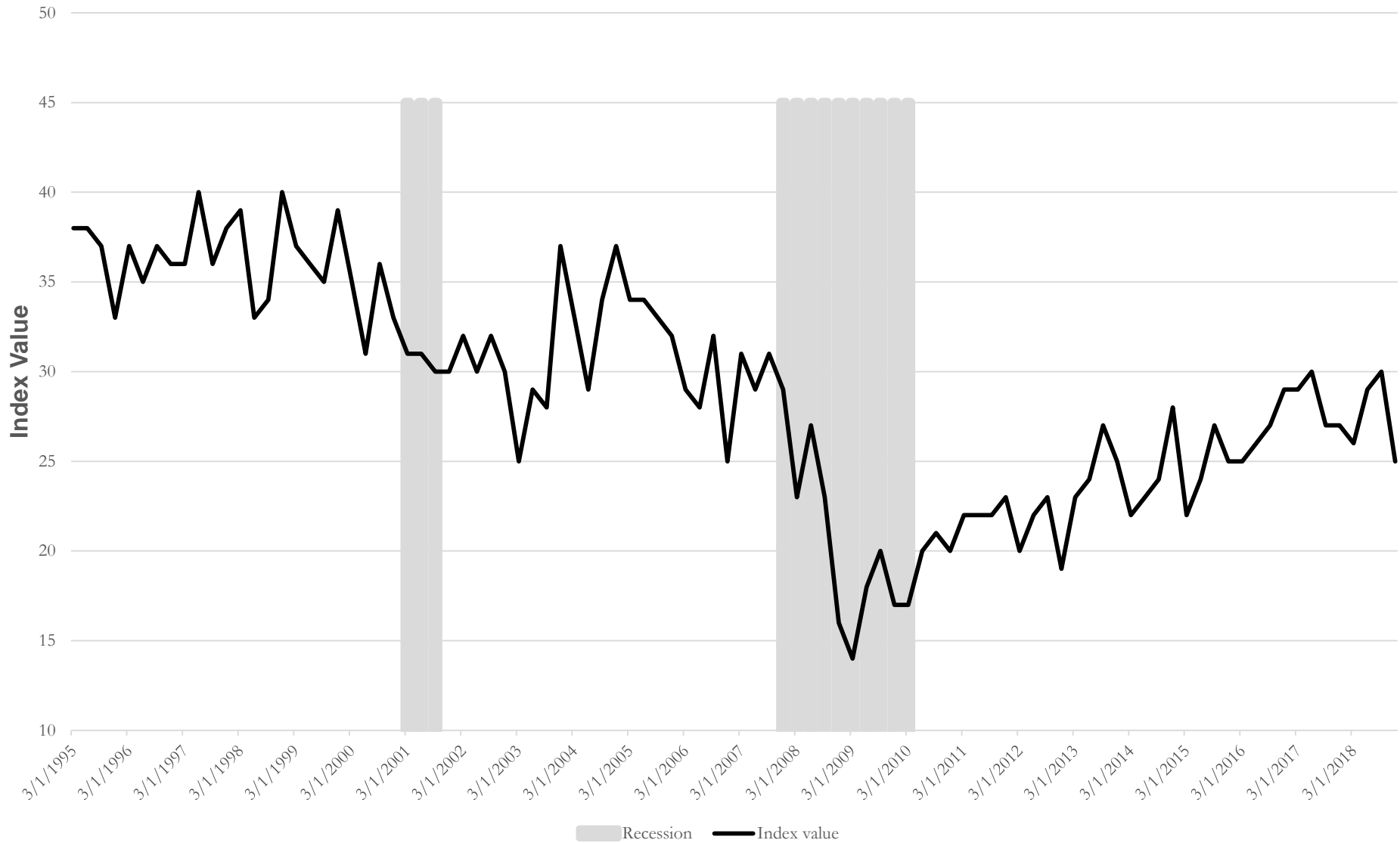


# NFIB Small Business Optimism Index Jan 1995 - Jan 2019



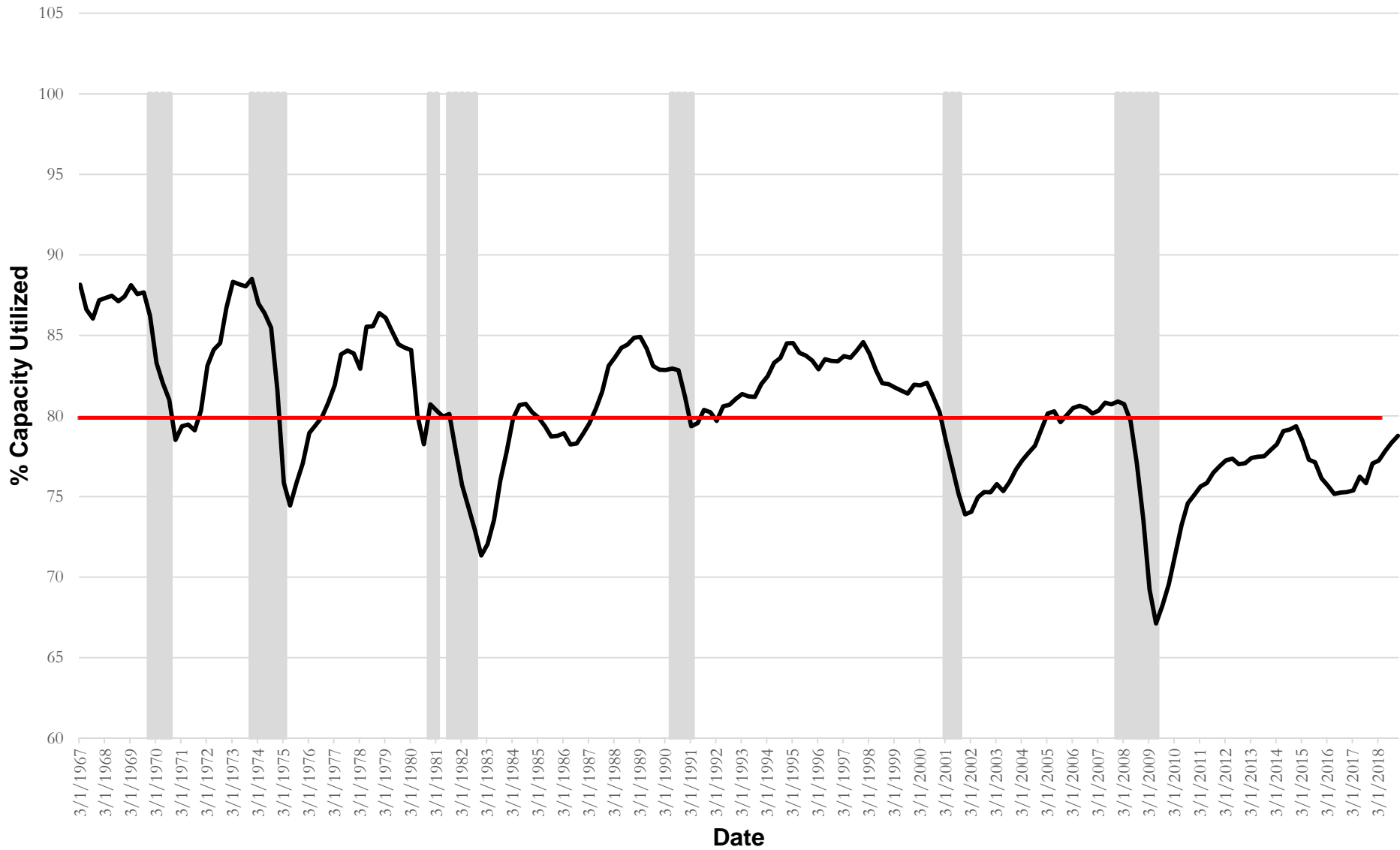
Data source: National Federation of Independent Business (NFIB)  
via Bloomberg. Data indexed 1986 = 100

# NFIB Small Business Capital Expenditure Plans Jan 1995 - Dec 2018



Data source: National Federation of Independent Business (NFIB)  
via Bloomberg.

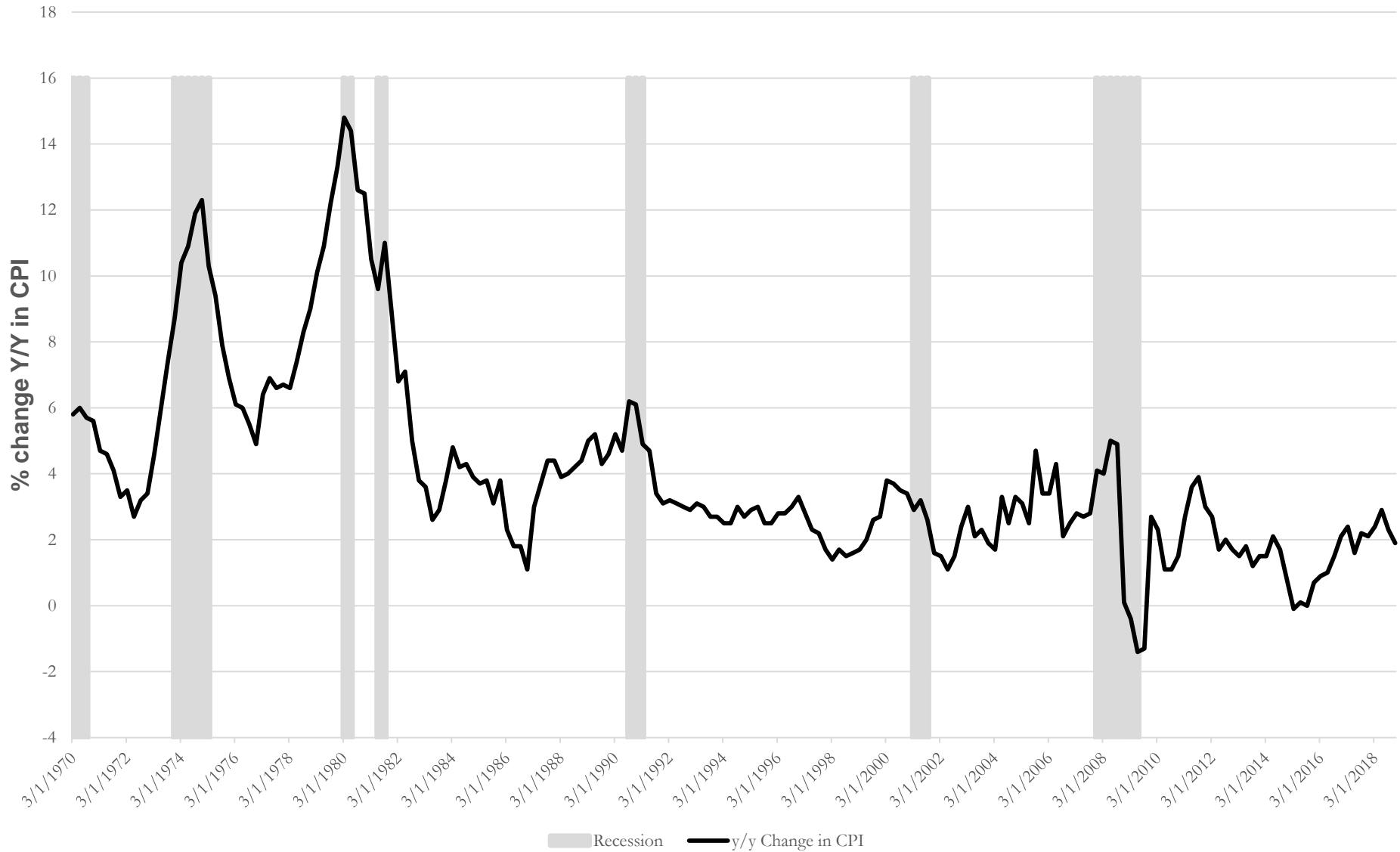
# Capacity Utilization 1967 - 2018



Data source: Federal Reserve  
via Bloomberg.

# US Inflation since 1970

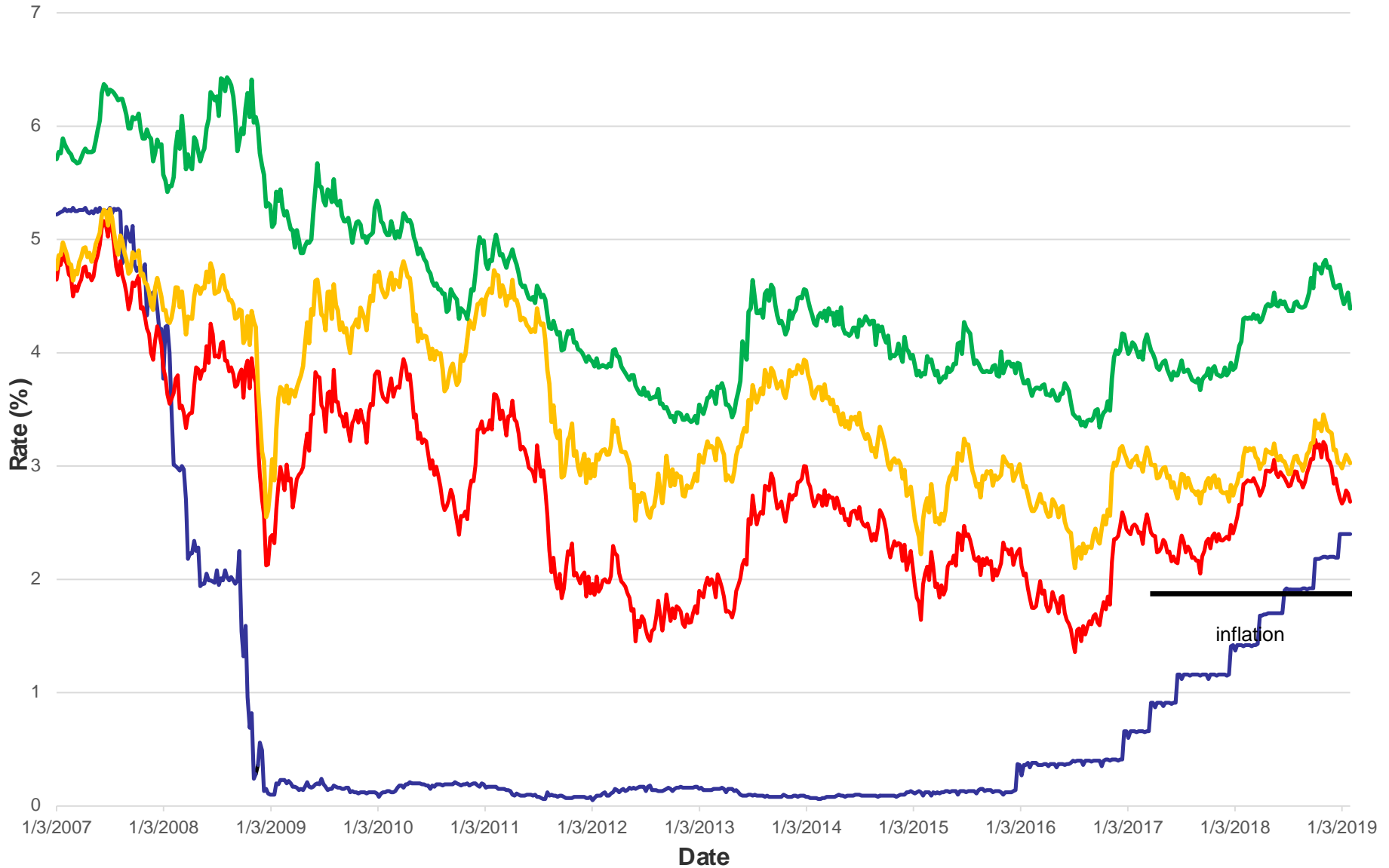
## Y/Y change in CPI



Data source: Bureau of Labor Statistics  
via Bloomberg terminal

Last data point 12/31/18

# US Nominal Interest and Mortgage Rates since 2007



— FF effective rate — US 10 Yr Tsy yield — US 30 Yr Tsy yield — US 30 Yr Mtg rate

Data source Bloomberg



Reserve Bank Credit Factors

Date Range 01/02/07 - 02/12/19



- U.S. Treasuries
- Mortgage-backed Securities
- Federal Agency Debt Securities
- Lending to Financial Institutions
- Lending to Key Credit Markets
- Central Bank Liquidity Swaps
- All Other Federal Reserve Assets

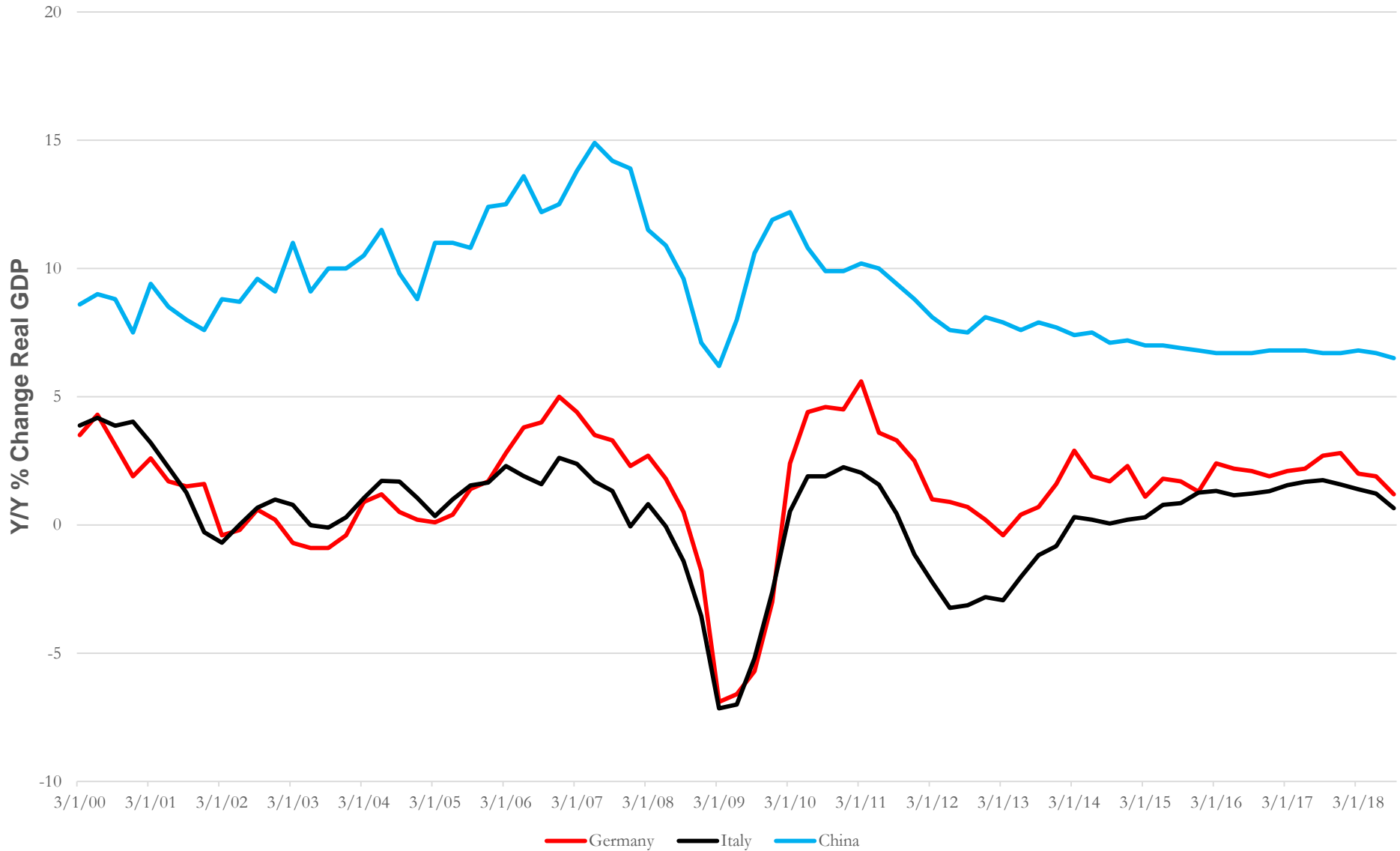
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 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000

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Data source: US Federal Reserve via Bloomberg.

# Real GDP Growth Italy, Germany, China



Data source: Bloomberg

# Negative Nominal Yields Persist

## Select Global Bond Yields as of 2/13/2019

Region	2 Year	3 Year	5 Year	7 Year	10 Year	30 Year
<b>Americas</b>						
United States	2.539	2.530	2.534	2.622	2.713	3.043
Canada	1.816	1.827	1.849	1.885	1.941	2.188
Brazil (USD)			3.783	4.461	5.331	5.705
Mexico (USD)	3.321	3.600	3.765	4.223	4.502	5.137
<b>EMEA</b>						
United Kingdom	0.732	0.739	0.843	0.931	1.202	1.701
France	-0.463	-0.339	-0.072	0.130	0.559	1.553
Germany	-0.567	-0.518	-0.335	-0.182	0.134	0.755
Italy	0.456	1.052	1.773	2.280	2.795	3.643
Spain	-0.267	-0.085	0.216	0.721	1.246	2.455
Portugal	-0.238	-0.017	0.368	1.051	1.592	2.666
Sweden	-0.435		-0.115	0.037	0.353	
Netherlands	-0.581	-0.546	-0.337	-0.101	0.230	0.807
Switzerland	-0.810	-0.739	-0.611	-0.484	-0.299	0.237
Greece			3.235	3.442	3.884	
<b>Asia/Pacific</b>						
Japan	-0.172	-0.173	-0.157	-0.158	-0.017	0.610
Australia	1.735	1.679	1.777	1.968	2.147	2.676
South Korea	1.788	N.A.	1.852		1.958	2.004
China	N.A.	2.590	N.A.	3.011	3.064	N.A.



Data source: Bloomberg



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## Questions and Responses

Click on the orange arrow in the upper right-hand corner of your screen to open the control panel where you may submit questions.

For some devices, look for the question mark at the top or bottom of your screen.

We will contact you if we did not have time to respond to your question during the event.



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*The comments made during this webcast are opinions and are not intended to be investment advice or a forecast of future events.*



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