

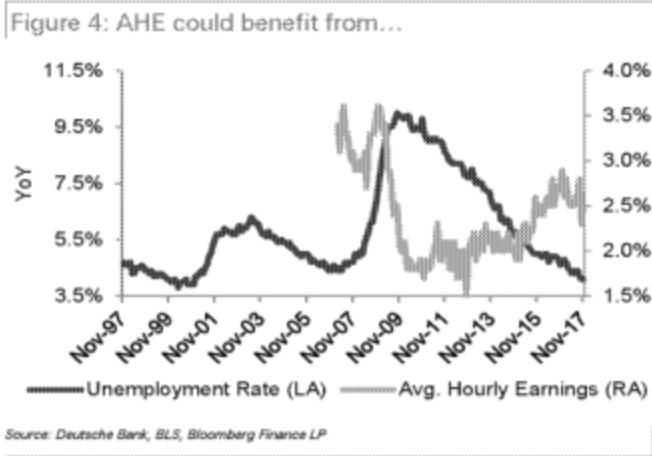


Online holiday shopping expected to grow 14% YoY  
 In aggregate, online holiday spending is expected to increase 14% YoY to \$107 billion as Adobe expects 18 days with more than \$2.0 billion in online sales this holiday season, which is more than double the number from last year. Deloitte expects online sales to represent 11% of total holiday sales between November and January. Notably, First Data reported e-commerce represented 29% of sales dollars over the two day Black Friday/Thanksgiving period, up from 25% last year and 14% in 2014.

Economic backdrop remains positive for U.S. consumer

Unemployment rate continues to improve; hopeful for AHE growth  
 Unemployment is at a very healthy 4.1% and expected to improve further. Additionally, while average hourly earnings has not been as inflationary initially expected, DB's economists believe risks to wage pressure are to the upside. In their view, the U.S. economy is now operating at or near full capacity, which could result in inflation pressure.

*Please see DB Economist  
 Torsten Slok's latest U.S.  
 consumer chart book for  
 additional detail.*



Financial assets and home prices continue to move higher  
 Financial asset performance has been robust YTD as the S&P 500 is up more than 20% through December 18<sup>th</sup>. Additionally, home prices continued their upward rise, which we expect to persist in 2018, though we are cognizant Republican led tax reform proposals could present downside risks for certain markets with relatively higher state and local taxes.

