

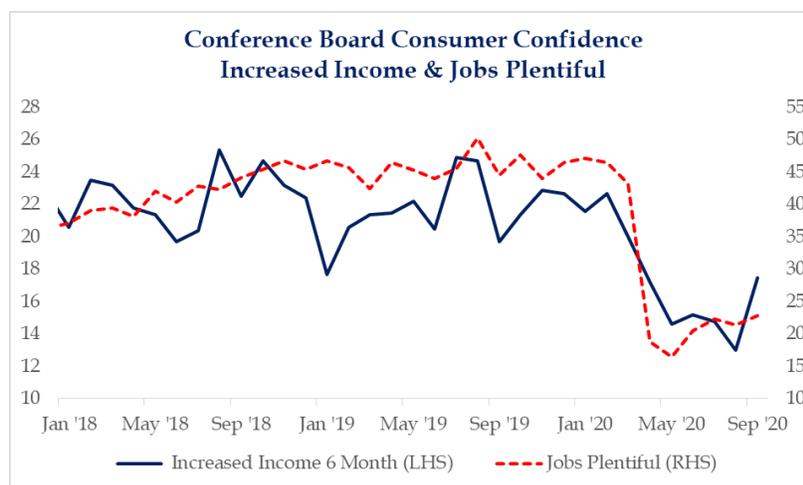
Strategas Daily Macro Brief

Prepared by Strategas Securities, a Baird Company

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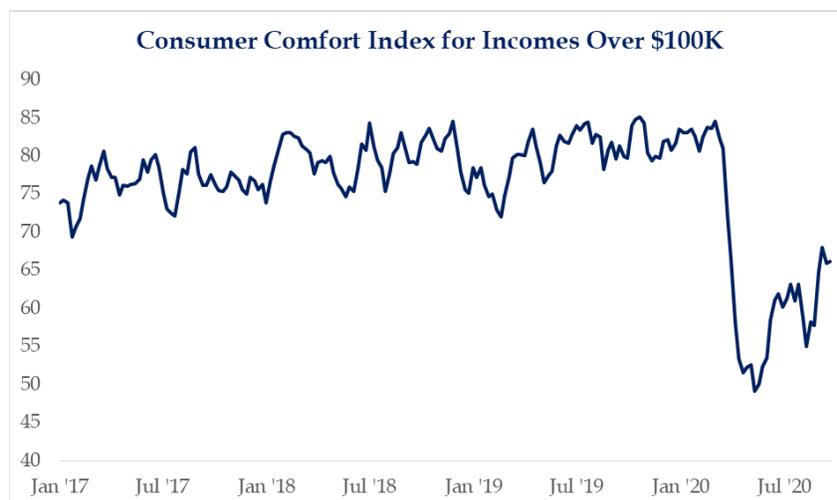
CONSUMER CONFIDENCE IS MOVING UP

As our Chief Economist Don Rissmiller has noted, consumer confidence is not back to pre-COVID levels but directionally is moving up. Yesterday's release saw the highest readings of income growth and future employment since March. We remain surprised by the resounding expectations of consumers, given the elevated levels of unemployment and the expiration of extended benefits.



HIGH EARNERS COMFORT TRENDING UP AS WELL

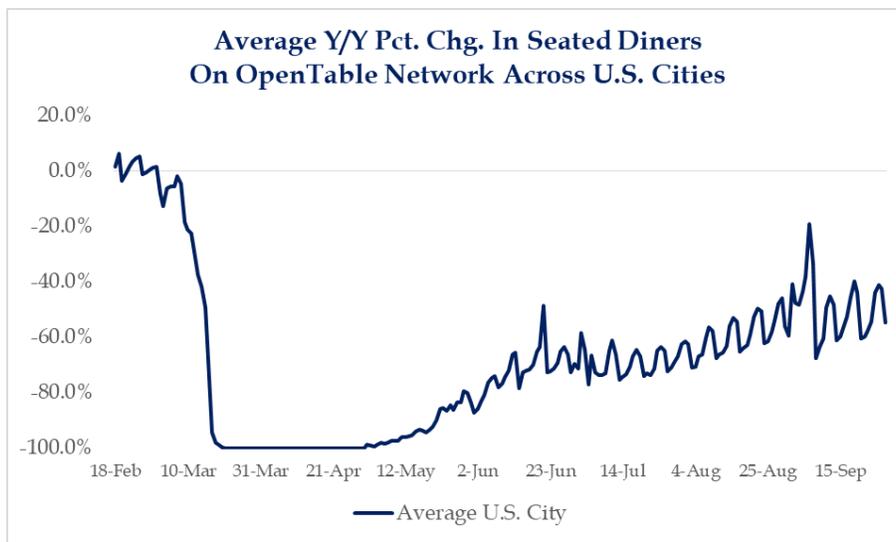
Spending among the high-income earners has been slower to recover than spending for lower-income cohorts but, the consumer comfort reading for incomes over \$100K continues to trend higher. While the measure has gained 17 points since its low back in May, it remains 15 points below the levels it was averaging pre-pandemic. As individuals learn to live with the virus, we would expect this comfort only to grow.



Please see the Appendix on page 3 for important disclosures.

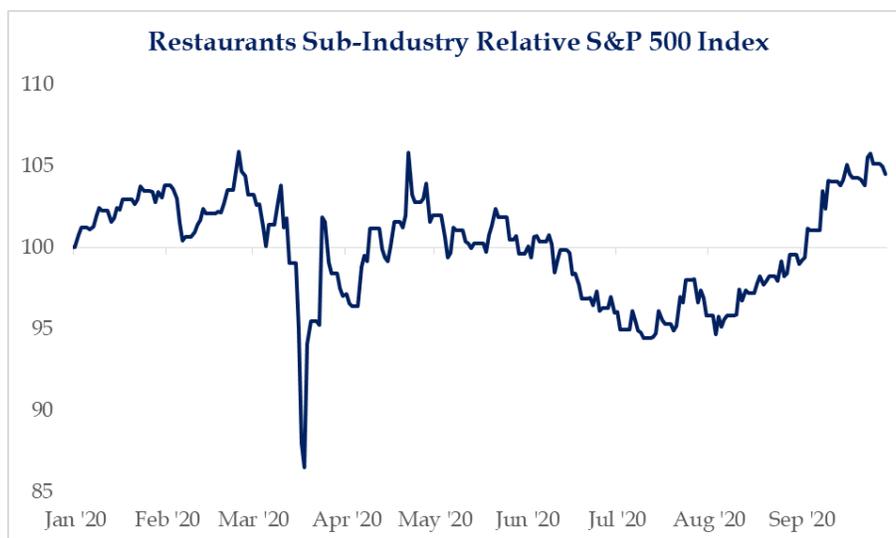
HEADWINDS FOR SMALL RESTAURANTS STILL PERSIST

The OpenTable Network, in our view, is an indicator of the health of small restaurants, and it continues to show the signs of trouble for the industry. Across 35 U.S. cities, seated diners remain down about 50%. As we head into fall and cooler weather prevails in the Northern cities, limitations on indoor seating will hurt even more. With most cities having far fewer individuals in them due to work from home policies and companies likely not hosting holiday parties this year, the troubles for small restaurants may be in the early stages.



PUBLICALLY TRADED RESTAURANTS OUTPERFORMING

Publicly traded restaurants have outperformed this year, which to many would come as a surprise. In our opinion, the access they have to capital markets has allowed investors to look through the slow down and think longer term. Furthermore, the members of the indexes have drive-thrus and delivery services, which allowed many locations to operate at or near pre-pandemic levels. Estimated sales growth for the overall subindustry is only expected to decline by -10% on a full-year basis.



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