

January 8, 2021



**Unemployment:** Weekly Initial Jobless Claims fell to **787k** from 790k and exceeded expectations while the Participation Rate (Dec) remained unchanged at **61.5%**. Private nonfarm payrolls (Dec) **lost 95k** jobs when 98k were expected to be added. Average Hourly Earnings (YoY) (Dec) rose to **5.1%** from 4.4%. U6 Unemployment Rate fell to 11.7% from 12% (still high) and Unemployment Rate remained unchanged at 6.7% and fell short of expectations.



**Consumer Goods & Materials:** Core Durable Goods Orders (Month over Month) for November fell to **0.4%** from 1.9%.



**Non-Defense Capital Goods:** Factory Orders fell to **1.0%** for November but exceeded expectations.



**Housing and Building:** Existing Home Sales fell to 6.69M from 6.86m in November missing expectations while the House Price Index climbed (Year over Year) to 10.2% from 9.1% for October.



**Yield Curve:** 2's & 10's expanded last week. 2-year yields rose to **0.14%** from 0.13% and 10-year yields rose to **1.13%** from 0.93%. Prices & rates move in opposite directions.



**M2 Money Supply:** The money supply, including time deposits, fell to **\$19,071.8B** in January.



**Manufacturing & Services:** December Services PMI fell to **54.8** from 58.4 and missed expectations while ISM Manufacturing PMI rose to **60.7** from 57.5 and ISM Non-Manufacturing PMI rose to **57.2** from 55.9. 50 marks the line between contraction and expansion.



**S&P 500:** The S&P 500 rose last week 68.61 points, ending at **3,824.68** and is up 1.83% YTD. VIX (CBOE Volatility Index) fell slightly to 21.56 from 22.75.



**U. of Michigan Consumer Sentiment and Confidence:** Consumer Sentiment rose to 80.7, but missed expectations for December and CB Consumer Confidence fell to 88.6 from 92.9.

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Always remember that while this is a week in review, this does not trigger or relate to trading activity on your account with Financial Future Services. Broad diversification across several asset classes with a long term holding strategy is the best strategy in any market environment.

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