



3-29-21

WEEKLY UPDATE

Economic and Market Performance

MARKET INDEX	CLOSE 3-26-21	WEEK GAIN/LOSS	Y-T-D GAIN/LOSS
DJIA	33,072.88	+1.4%	+8.1%
S&P 500	3,974.54	+1.6%	+5.8%
NASDAQ	13,138.72	-0.6%	+1.9%

U.S. states saw a bigger than expected drop in initial unemployment claims filings last week as claims fell to a fresh pandemic-era low with initial jobless claims coming in at 684,000. Continuing claims fell to 3.87 million.

During the same week last year, new claims rocketed to more than 3 million as the pandemic's initial impacts reverberated across the labor market. With increased vaccine distribution, jobless claims should continue to drop from still elevated levels. In 2019, new claims averaged just over 200,000 per week. New claims are also still above their high from the Global Financial Crisis, when weekly claims peaked at 665,000.

As Treasury Secretary Janet Yellen told the U.S. House Committee on Financial Services last week, "We should be clear-eyed about the hole we're digging out of" even as the data shows some signs of recovery, given that the country is still down by nearly 10 million jobs compared to its pre-pandemic peak.

Existing home sales decreased 6.6% in February to a seasonally adjusted annual rate of 6.22 million as the supply of existing homes for sale remains near all-time low levels. That is driving up price increases, which is going to create affordability pressures for prospective buyers along with rising mortgage rates. New home sales declined 18.2% month-over-month in February to a seasonally adjusted annual rate of 775,000 curtailed by the deep freeze in the Midwest and South during the month.

Durable goods orders declined 1.1% in February which is likely only a temporary pause in the strengthening demand for durable goods.

The third estimate for Q4 GDP was revised up to 4.3%.

Personal income fell 7.1% in February and personal spending decreased 1.0%. The personal savings rate fell to 13.6% in February from 19.8% in January.

The final reading of the University of Michigan Consumer Sentiment survey for March increased to 84.9, at a one-year high. Sentiment was boosted by another round of direct stimulus payments and faster than expected vaccination distribution.

During the past week, the stock market posted mixed results with the Dow gaining 1.4%, the S&P 500 rising 1.6% and the NASDAQ dropping 0.6% as the rotation from growth stocks into value stocks, which will benefit from the economic recovery, continues.



Intel-INTC provided a financial update and full-year 2021 business outlook. The company expects to exceed its previously communicated first-quarter 2021 non-GAAP revenue and earnings-per-share (EPS) guidance, driven by continued strong notebook demand. For the full-year 2021, Intel expects GAAP revenues of \$76 billion and EPS of \$4.00 and non-GAAP revenue of \$72 billion and EPS of \$4.55. Intel is working aggressively with supply chain partners and leveraging its manufacturing capabilities to help with the industry-wide component shortages. Intel plans to spend \$19 billion to \$20 billion on capital expenditures in 2021 with a major expansion of its semiconductor manufacturing capacity with plans for two new factories or fabs in Arizona. This expansion is expected to create over 3,000 permanent high-wage, high-tech jobs; over 3,000 construction jobs; and approximately 15,000 local long-term jobs.

REGENERON

Regeneron Pharmaceuticals-REGN said its COVID-19 antibody cocktail still reduced the risk of hospitalization and death by about 70% among COVID-19 patients at high risk of hospitalization when prescribed at a lower dose. Regeneron said that in addition to cutting the risk of hospitalization and death, its study found that its cocktail reduced the duration of Covid-19 symptoms. In both the small and midsize dose treatment groups, it took a median of 10 days for Covid-19 symptoms to resolve, compared with 14 days in the placebo groups.

Intel is one of our first **HI**-quality companies to announce that it expects to exceed its 2021 revenue and earnings outlook. We expect more companies to follow when first quarter financial results are announced as the economic recovery picks up steam amid increased vaccinations and the reopening of the economy. It was just over a year ago when pessimism pervaded the stock market as the initial onset of the pandemic led to a steep and swift bear market. Just a year later, optimism is prevalent as the stock market hits record highs on hopes of a sharp economic rebound. This brings to mind a Benjamin Graham quote. He stated, "The market is a pendulum that forever swings between unsustainable optimism (which makes stocks too expensive) and unjustified pessimism (which makes them too cheap). The intelligent investor is a realist who sells to optimists and buys from pessimists."

If you have any questions, please let us know.

Sincerely,

Ingrid R. Hendershot

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President