

In this week's recap: Tech stocks and strong indicators lead a week of economic advancement.

Weekly Economic Update

Presented by Mary Ahearn, CFP®, April 12, 2021

THE WEEK ON WALL STREET

Strong economic data and a resurgent technology sector propelled stocks to solid gains last week.

The Dow Jones Industrial Average advanced 1.95%, while the Standard & Poor's 500 picked up 2.71%. The tech-heavy Nasdaq Composite index gained 3.12%. The MSCI EAFE index, which tracks developed overseas stock markets, gained 1.96%.^{1,2,3}

TECHNOLOGY LEADS

A blow-out jobs report and an all-time high in the ISM-Services Index, coupled with the continued rebound in technology stocks, powered the Dow Industrials and S&P 500 to record highs to open a new week of trading.⁴

After taking a breather mid-week, stocks resumed their climb amid lower bond yields, widening momentum in vaccination efforts, and falling concerns over corporate tax rate hikes. As bond yields settled lower, technology shares rallied, lifting the S&P 500 to another record high on Thursday, its 19th closing record high this year.⁵

Despite a surge in March producer prices, stocks added to their gains to close out a strong week of performance.⁶

TWO STEPS FORWARD, ONE STEP BACK

The labor market has been perhaps one of the more tenuous ingredients in the budding economic recovery, though recent employment data may suggest the labor market recovery is gathering steam.

March's employment report exceeded all expectations, posting an increase of 916,000 in nonfarm payrolls, with upward revisions of 156,000 jobs to the January and February increases.

Later, the JOLTS (Job Openings and Labor Turnover Survey) report saw a jump in job openings at a level not seen in two years. The weekly new jobless claims report, however, was mixed, as jobless claims came in higher than estimated, while continuing claims fell below the level seen just prior to the wave of pandemic-induced layoffs in late March 2020.^{7,8,9}

TIP OF THE WEEK



If you are serious about buying a home, getting pre-approved by a lender can give you a better chance of making a serious offer.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Consumer Price Index (CPI).

Wednesday: Federal Open Market Committee (FOMC) Minutes.

Thursday: Jobless Claims. Retail Sales. Industrial Production.

Friday: Housing Starts. Consumer Sentiment.

Source: Econoday, April 9, 2021

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Wednesday: J.P. MorganChase (JPM), Goldman Sachs (GS), Wells Fargo (WFC).

Thursday: Bank of America (BAC), UnitedHealthcare Group (UNH), Citigroup (C), Alcoa (AA), BlackRock, Inc. (BLK), Taiwan Semiconductor (TSM), J.B. Hunt Transportation (JBHT).

Friday: Morgan Stanley (MS), PNC Financial Services Group (PNC), PPG Industries (PPG).

Source: Zacks, April 9, 2021

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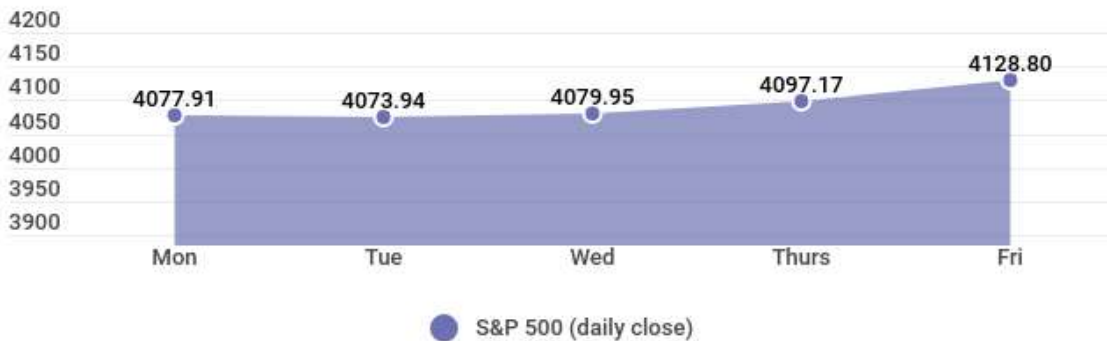
QUOTE OF THE WEEK



“Anything you don't understand is dangerous until you do understand it.”

LARRY NIVEN

| Market Index | Close | Week | Y-T-D |
|--------------|-----------|--------|---------|
| DJIA | 33,800.60 | +1.95% | +10.44% |
| NASDAQ | 13,900.19 | +3.12% | +7.85% |
| MSCI-EAFE | 2,262.69 | +1.96% | +5.36% |
| S&P 500 | 4,128.80 | +2.71% | +9.92% |



| | Treasury | Close | Week | Y-T-D |
|--|--------------|-------|--------|--------|
| | 10-Year Note | 1.67% | -0.02% | +0.74% |

Sources: The Wall Street Journal, April 9 2021; Treasury.gov, April 9, 2021

Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Thursday, April 1, to Friday, April 9, close. Weekly performance for the MSCI-EAFE is measured from Friday, April 2, open to Thursday, April 8, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



Ian bought a bag of apples on Friday and ate a third of them. On Saturday he ate half of the remaining apples. On Sunday he

looked in the bag and found that just two apples were left. How many apples were originally in the bag?

LAST WEEK'S RIDDLE: What can be seen in the middle of March and April, that can't be seen in the beginning or end of either month?

ANSWER: The letter "R."

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The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Nasdaq Composite is an index of the common stocks and similar securities listed on the Nasdaq stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

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CITATIONS:

1. The Wall Street Journal, April 9, 2021
2. The Wall Street Journal, April 9, 2021
3. The Wall Street Journal, April 9, 2021
4. CNBC, April 5, 2021
5. The Wall Street Journal, April 8, 2021
6. FoxBusiness.com, April 9, 2021
7. CNBC, April 2, 2021
8. Reuters, April 6, 2021
9. CNBC, April 8, 2021