



It was a great start to the New Year with the markets rising, despite the events on Wednesday. The S&P 500 rose 1.83% to end the week¹. The increase came despite a dismal jobs report as the December virus surge erased another 140,000 jobs². Optimism rose over vaccines and hopes for additional stimulus, along with a fresh round of PPP loans from the SBA³. Speaking of small businesses, it is imperative to support your local restaurants. With inside dining closed, restaurants have been hit harder than most businesses.

372,000 restaurant jobs were lost in December as closures rolled throughout the states. Having lost some 5.4million jobs last April⁴, many establishments have closed for good. They need your pickup and delivery business now more than ever.

What can I say about last Wednesday? All politics aside, it is time to put the election behind us and reconcile our differences. We will see a new administration sworn in on January 20 and we all need to come together as a people and country. My hopes and prayers are for a peaceful inauguration and healing in the months to come.

The next few weeks will be hectic here as we start year-end review meetings. Norma is calling to setup a time to talk so please watch for her call. If you would like to get a jump on the process, you can setup a time by visiting my scheduling site at <https://go.oncehub.com/ChuckVercellone>. I look forward to talking with everyone.

---Chuck

This Week's Inspiration/Activity:

"The greatest mistake a person can make is to be afraid of one."

Writer and Philosopher, Elbert Hubbard

Your activity for this week is to put fear aside and move forward on an activity or goal you believe in.

This Week in History –

January 16, 1919 -- The 18th Amendment to the U.S. Constitution, prohibiting the "manufacture, sale, or transportation of intoxicating liquors for beverage purposes," is ratified by the requisite number of states - starting Prohibition that will last until 1933⁵.

¹ see update below

² <https://www.marketwatch.com/story/u-s-loses-140-000-jobs-in-december-in-first-decline-since-onset-of-coronavirus-11610113382?mod=economic-report>

³ <https://www.reuters.com/article/us-health-coronavirus-usa-smallbusiness/u-s-small-businesses-to-get-more-cash-as-pandemic-loan-program-re-opens-idUSKBN29G13A>

⁴ <https://www.marketwatch.com/story/restaurants-lose-372-000-jobs-in-another-crushing-blow-from-the-coronavirus-across-u-s-11610130098?mod=economic-report>

⁵ <https://www.history.com/this-day-in-history/prohibition-ratified>

In this week's recap: Despite continued COVID-19 woes and unrest in Washington D.C., the stock market starts 2021 on a high.

Weekly Economic Update

Presented by Charles D. Vercellone, ChFC, January 11, 2021

THE WEEK ON WALL STREET

Shrugging off COVID-19 infections and the disruption at the Capitol on January 6, stocks powered higher to kick off a new year of trading.

The Dow Jones Industrial Average gained 1.61%, while the Standard & Poor's 500 increased by 1.83%. The Nasdaq Composite index, which led throughout 2020, picked up 2.43%. The MSCI EAFE index, which tracks developed overseas stock markets, rose 1.45%.^{1,2,3}

FIREWORKS TO START THE NEW YEAR

Stocks got off to an inauspicious start amid the stuttering pace of vaccine distribution and concern that the economic recovery might take longer than anticipated. Uncertainty over the looming Senate runoff election in Georgia added to the broad retreat that marked the first day of 2021 trading.

From there markets turned higher, aided by firming oil prices with subsequent support provided by the Georgia Senate election results, which lifted hopes of additional fiscal stimulus. Stocks managed through political unrest mid-week, with banks, economically sensitive stocks, and technology shares leading the way.

The yield on the 10-year Treasury rose above 1% for the first time since March as investors fled bonds in anticipation of new federal borrowing.⁴ Stocks touched all-time highs on the final trading day, capping a strong week of performance.⁵

EMPLOYMENT PICTURE

The U.S. economy lost 140,000 jobs in December, confirming fears of economic slowdown brought on by a resurgence of COVID-19 infections.

Not surprisingly, it was restaurants and bars that saw the greatest job losses, with the larger hospitality sector accounting for nearly all the job losses last month. Meanwhile, November job creation was revised upward, from 245,000 to 336,000.⁶

To help put the pandemic in perspective, December's job report capped the worst year for job losses since the tracking began in 1939. The unemployment rate remained unchanged at 6.7%.⁷

TIP OF THE WEEK



*When it comes to couples and money, a strategy is better than an assumption.
Discuss your financial goals together and stick to the approach you make to
pursue them.*

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Job Openings and Labor Turnover Survey (JOLTS).

Wednesday: Consumer Price Index (CPI).

Thursday: Initial Jobless Claims.

Friday: Retail Sales, Consumer Sentiment, Industrial Production.

Source: Econoday, January 8, 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

Tuesday: KB Home (KBH).

Thursday: Blackrock (BLK).

Friday: JPMorgan Chase (JPM), Citigroup (C), PNC Financial (PNC).

Source: Zacks, January 8, 2021

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

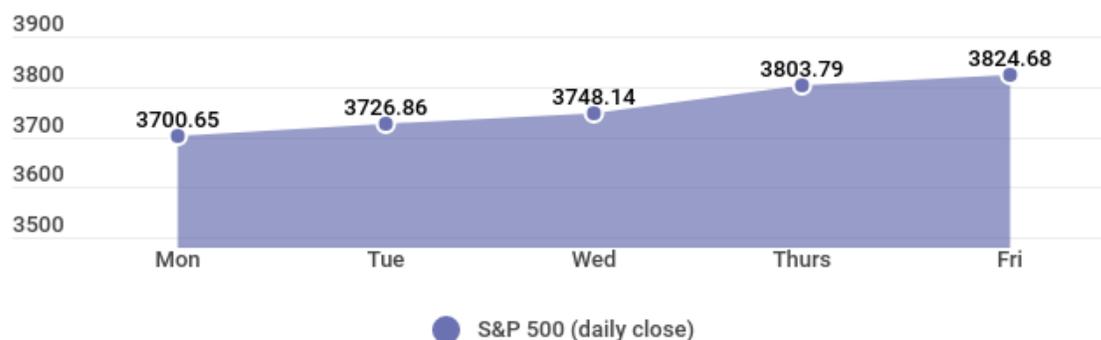
QUOTE OF THE WEEK



“Fun is a good thing, but only when it spoils nothing better.”

GEORGE SANTAYANA

Market Index	Close	Week	Y-T-D
DJIA	31,097.97	+1.61%	+1.61%
NASDAQ	13,201.98	+2.43%	+2.43%
MSCI-EAFE	2,178.63	+1.45%	+1.45%
S&P 500	3,824.68	+1.83%	+1.83%



	Treasury	Close	Week	Y-T-D
	10-Year Note	1.13%	+0.20%	+0.20%

Sources: The Wall Street Journal, January 8, 2021; Treasury.gov, January 8, 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, December 31, to Friday, January 8, close. Weekly performance for the MSCI-EAFE is measured from Thursday, December 31, open to the Thursday, January 7, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



Yesterday was Wednesday's tomorrow. Tomorrow is Sunday's yesterday. Given those circumstances, what day would today be?

LAST WEEK'S RIDDLE: The railings on a 60-yard-long walkway have ornamental sculptures every 12 yards on both sides, starting at the east and west ends of the walkway. How many total sculptures are there on the walkway?

ANSWER: 12 sculptures total, as there are 6 per side if they occur every 12 yards (0-12-24-36-48-60).

Know someone who could use information like this?

Please feel free to send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost.

The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice.

The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

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, January 8, 2021
2. The Wall Street Journal, January 8, 2021
3. The Wall Street Journal, January 8, 2021
4. The Wall Street Journal, January 6, 2021
5. CNBC, January 8, 2021
6. The Wall Street Journal, January 8, 2021
7. The Wall Street Journal, January 8, 2021

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