

## THE WEEK IN REVIEW

The S&P 500, Dow Jones, and Nasdaq finished the week positive with gains of 2.6%, 4.1%, and 3.1%, respectively. The S&P 500 and the Dow Jones each hit record highs during the week while the Nasdaq has yet to reclaim the highs it hit in February amid recent pressure on areas of the market that enjoy the most enthusiastic long-term sales and earnings growth expectations. Investors were encouraged by the party-line passage of the Democrat-led \$1.9 trillion COVID-19 relief bill; President Biden signed the bill into law on Thursday. Of the bill's many provisions, the most significant include \$1,400 stimulus checks for most Americans (checks are set for disbursement this weekend), \$300 unemployment weekly benefits extended until September, and billions of dollars given to state and local governments.

Investors are hopeful that the relief bill, paired with pent up consumer demand, will allow the economy to surge in the spring. In a Monday interview on MSNBC, former Federal Reserve Chair and current Secretary of the Treasury, Janet Yellen, applauded the relief package, saying the bill puts the U.S. economy on track to reach full employment by 2022. Additionally, in a prime-time address to the nation on Thursday evening, President Biden directed states to make all adults eligible to receive the vaccine by May 1.

The Labor Department released February Consumer Price Index (CPI) data on Wednesday which showed prices rose 0.4% from January to February, while the year-over-year increase was 1.7%. The cost of gasoline rose, with its largest gain in a year, but slow demand for services like air travel and hotels kept underlying inflation tamed. Many economists and market participants expect inflation to accelerate in coming months primarily driven by income growth, vaccinations, and pandemic stimulus. U.S. job openings in January increased to 6,900,000, which was a 100,000 increase from December, indicating that the labor market is regaining its footing as more people receive the vaccine. Initial jobless claims came in at 712,000 for the week ending March 6, a decline of 42,000 from the previous week's 754,000. Continuing jobless claims fell to 4,100,000, marking another pandemic-era low. Small business optimism data rose to 95.8 in February from 95.0 in January, but is still lower than its 40-year average of 98.0. Capital spending from U.S. small businesses has been stronger than expected despite challenging weather conditions in February. The economic recovery has been uneven as state and local regulations differ across the country.

| ECONOMIC INDICATOR              | LATEST | 3MO PRIOR | CHANGE |
|---------------------------------|--------|-----------|--------|
| Consumer Price Index (Y/Y)      | 1.7%   | 1.2%      | ▲      |
| Core Consumer Price Index (Y/Y) | 1.3%   | 1.6%      | ▼      |
| JOLTS Job Openings (Millions)   | 6.917  | 6.873     | ▲      |
| Producer Price Index (Y/Y)      | 2.8%   | 0.8%      | ▲      |
| U. of Mich. Consumer Sentiment  | 83.0   | 80.7      | ▲      |

| INDEX                     | LEVEL    | WEEK  | YTD    | 12 MO  |
|---------------------------|----------|-------|--------|--------|
| DJ Industrial Average     | 32778.64 | 4.07% | 7.10%  | 54.61% |
| NASDAQ                    | 13319.86 | 3.09% | 3.35%  | 84.95% |
| S&P 500                   | 3943.34  | 2.64% | 4.99%  | 58.96% |
| MSCI EAFE                 | 2220.46  | 3.01% | 3.40%  | 48.85% |
| Bbg Barclays Aggregate US | 2324.22  | 0.10% | -2.83% | 1.42%  |

| KEY BOND RATES   | WEEK  | 1MO AGO | 1YR AGO |
|------------------|-------|---------|---------|
| 3-Month T-Bill   | 0.02% | 0.04%   | 0.30%   |
| 10-Year Treasury | 1.62% | 1.21%   | 0.80%   |

| REPORTS DUE NEXT WEEK                  | LATEST |
|--|--------|
| Retail Sales (M/M)                     | 5.3%   |
| Building Permits (Millions Annualized) | 1.886  |
| Housing Starts (Millions Annualized)   | 1.580  |
| Leading Economic Indicators (Y/Y)      | -1.5%  |

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.