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Weekly Economic Update

December 7, 2020

In this week's recap: Promising signs of a fiscal stimulus package inspire an upward week for stocks; retailers' extended "Black Friday" sales produce mixed results.

THE WEEK ON WALL STREET

Stocks marched higher last week on an improving outlook for the passage of a fiscal stimulus package.

The Dow Jones Industrial Average rose 1.03%, while the Standard & Poor's 500 tacked on 1.67%. The Nasdaq Composite index gained 2.12% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, gained 0.78%.^{1,2,3}

A RECORD WEEK FOR STOCKS

After opening the week with moderate losses amid rising COVID-19 infections, stocks turned higher as investor sentiment was buoyed by the resumption of fiscal stimulus negotiations. As lawmakers discussed various proposals, stocks managed to grind higher.

A better-than-expected jobless claims report on Thursday added fuel to the market rally, but the gains evaporated in late-day trading following news by a major pharmaceutical company that it would be slowing its rollout of the vaccine due to logistical challenges.⁴

A disappointing jobs report on Friday did not keep investors from bidding stocks higher as the week came to a close, sending the Dow Jones Industrials, S&P 500, and the NASDAQ Composite indices to record high closes.⁵

THE START OF HOLIDAY SHOPPING

The start of the holiday shopping season provides important insight into the state of the economy and overall consumer confidence. In response to the pandemic, consumers avoided in-store visits over the Thanksgiving weekend. This translated into a 22.4% decline in spending from last year's levels.⁶

However, spending prior to the Thanksgiving-to-Sunday period surged 65.7% from a year earlier, thanks to large retailers introducing Black Friday-like deals as early as mid-October.⁶

Of course, the pandemic has led to an acceleration in shopping online. Cyber Monday sales jumped 15.1% over last year's levels as consumers spent almost \$11 billion, making it the largest U.S. online shopping day ever.⁷

TIP OF THE WEEK



If you're a new parent, you have 18 years to save for your child's college education. Start now, because who knows what college may cost by then.

THE WEEK AHEAD: KEY ECONOMIC DATA

Wednesday: Gross Domestic Product (GDP), Job Openings and Labor Turnover Survey (JOLTS).

Thursday: Consumer Price Index (CPI), Jobless Claims.

Friday: Consumer Sentiment.

Source: Econoday, December 4, 2020

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

Monday: Coupa Software (COUP).

Tuesday: Autozone (AZO), MongoDB, Inc. (MDB), Chewy, Inc. (CHWY).

Wednesday: Campbell Soup Company (CPB), Slack Technologies (WORK).

Thursday: Lululemon Athletica, Inc. (LULU), Adobe, Inc. (ADBE), Broadcom (AVGO), Costco Wholesale Corp. (COST).

Source: Zacks, December 4, 2020

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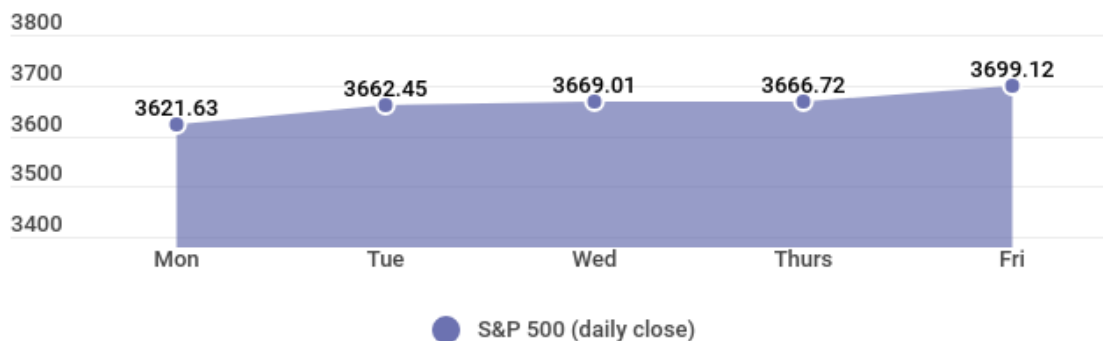
QUOTE OF THE WEEK




“It is wonderful what we can do if we are always doing.”

GEORGE WASHINGTON

Market Index	Close	Week	Y-T-D
DJIA	30,218.26	+1.03%	+5.89%
NASDAQ	12,464.23	+2.12%	+38.91%
MSCI-EAFE	2,096.28	+0.78%	+2.91%
S&P 500	3699.12	+1.67%	+14.50%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.97%	+0.12%	-0.95%

Sources: The Wall Street Journal, December 4, 2020; Treasury.gov, December 4, 2020

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 Friday, November 27, to Friday, December 4, close.

Weekly performance for the MSCI-EAFE is measured from Friday, November 27, open to the Thursday, December 3, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



I have keys that will open no locks. I have a space and a lock that's a key. You can enter but you can't leave, and yet - you can escape. What am I?

*LAST WEEK'S RIDDLE: You heard me before, yet you hear me once more. Then I die 'til you call me again.
What am I?*

ANSWER: An echo.

«representativename» may be reached at «representativephone» or «representativeemail»
«representativewebsite»

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.)

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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, December 4, 2020
2. The Wall Street Journal, December 4, 2020
3. The Wall Street Journal, December 4, 2020
4. The Wall Street Journal, December 3, 2020
5. CNBC, December 4, 2020
6. CNBC, November 30, 2020
7. CNBC, December 1, 2020