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| **RESOURCE LOG – JANUARY 2021** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| Stocks Retreat From Record Highs | The S&P 500 slipped 8.32 points, or 0.2%, to 3727.04. The Dow Jones Industrial Average lost 68.30 points, or 0.2%, to 30335.67. The Nasdaq composite dropped 49.20 points, or 0.4%, to 12850.22. All three indexes closed at record highs Monday.  The Russell 2000 of small companies logged a steeper decline, losing 1.9%  Stocks lost some momentum after Senate Majority Leader Mitch McConnell blocked an effort by Democrats to hold a vote on sending bigger stimulus checks to many Americans. | The Wall Street Journal | 12/30/2020 | Anna Hirtenstein and Gunjan Banerji |
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| Investors Bet on ‘Everything Rally’ | Investors ended one of Wall Street’s wildest years by piling into everything from bitcoin to emerging markets, raising expectations that a powerful economic comeback will fuel even more gains.  The vast climb, known as the “everything rally,” accelerated late in the year, sending the S&P 500 to its 33rd record of 2020 last week.  The S&P 500 ended the year up 68% from its March lows after losing more than one-third of its value in about a month. Government bond yields, which fall as prices rise, remain near all-time lows.  That means many bond investors ended the year with gains. And U.S. crude-oil prices are back near $50 a barrel after briefly dropping below $0 for the first time in April. | The Wall Street Journal | 01/04/2021 | Amrith Ramkumar |
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| What’s News | ♦ U.S. stocks tumbled on the first trading day of 2021, retreating f rom records set just days ago. The Dow fell 1.3% and the S&P 500 and Nasdaq both gave up 1.5%. | The Wall Street Journal | 01/05/2021 |  |
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| What’s News | ♦ Saudi Arabia said it would unilaterally cut 1 million barrels a day of crude production starting next month, signaling the kingdom’s worry that a resurgent coronavirus is threatening global economic recovery. | The Wall Street Journal | 01/06/2021 |  |
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| What’s News | ♦ Several auto makers reported relatively brisk U.S. sales to finish 2020, stoking optimism the business can continue its climb. | The Wall Street Journal | 01/06/2021 |  |
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| What’s News | ♦ U.S. stocks rose, with the Nasdaq jumping 1%, while the S&P 500 and Dow advanced 0.7% and 0.6%, respectively. | The Wall Street Journal | 01/06/2021 |  |
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| World Bank Warns of a ‘Lost Decade’ | Even before Covid-10, the World Bank had lowered its projections for global growth in the 10 years that began in 2020. The pandemic is exacerbating that trend, raising the prospect of a “lost decade” ahead, the World Bank said Tuesday, as it also cut its forecasts for the coming year.  Before the pandemic, the bank projected that potential global growth between 2020 and 2029 would slow to a yearly average of 2.1%, from 2.5% in the previous decade, as a result of aging populations and lower productivity growth.  The World Bank said the global economy is expected to grow 4% this year after contracting 4.3% in 2020.  For emerging-market and developing nations, the World Bank now sees growth averaging 3.3% a year from 2020 to 2029, down from its 4.0% forecast before the pandemic and 5.0% during the previous decade.  Emerging-market economies are forecast to grow 5% in 2021, up from 4.6% projected earlier, helped by China.  While advanced economies have been able to take advantage of low interest rates to finance stimulus measures cheaply, debt risks are growing in emerging-market and developing economies, many of which were already struggling with heavy debt burdens before the pandemic. | The Wall Street Journal | 01/06/2021 | Yuka Hayashi |
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| Yields Rise on Manufacturing Data | U.S. government-bond yields rose to the highest level in a month Tuesday, lifted by positive economic data in the run-up to results from elections for control of the Senate.  The yield on the benchmark 10-year Treasury note finished Tuesday’s trading session at 0.955%, according to Tradeweb.  “That’s the highest close since Dec. 4 and up from 0.915% Monday. Yields rise when bond prices fall. | The Wall Street Journal | 01/06/2021 | Sebastian Pellejero |
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| Dow Climbs 1.4% on Growth Bets | Investors piled into shares of economically sensitive companies and dumped big technology stocks and U.S. Treasurys, betting on a big boost in government spending under a Democratic-controlled Senate.  The Dow Jones Industrial Average, composed mostly of cyclical stocks, jumped 437.80 points, or 1.4%, to 30829.40, led by shares of banks and manufacturers that have been beaten down during the pandemic. The yield on the 10-year U.S. Treasury note soared above 1% for the first time since March as investors dumped government bonds in anticipation of more government borrowing and higher growth and inflation. Meanwhile, gold fell 2.3%, the biggest one-day loss since early November, as investors retreated from the haven asset. | The Wall Street Journal | 01/07/2021 | Caitlin McCabe and Sam Goldfarb |
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| Treasury Yield Climbs Above 1%  *Domestic Control of Senate after Georgia runoffs fuels bets that spending will increase* | The yield on the benchmark 10-year U.S. treasury note rose above 1% for the first time since March on Wednesday, reflecting increased bets on additional fiscal stimulus after Georgie’s runoff Senate elections.  The yield on the 10-year note settled at 1.04%, according to Tradeweb, up from 0.955% on Tuesday.  Yields, which rise when bond prices fall, started climbing Tuesday evening as early returns from Georgia’s two elections showed promising signs for the Democratic candidates.  Long-term treasury yields play a major role in the economy, helping set interest rates on everything from corporate bonds to mortgages. | The Wall Street Journal | 01/07/2021 | Sam Goldfarb and Joanne Chiu |
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| Stock Benchmarks Set Records | So far, many investors say they expect to see heavy spending by Democrats aimed at shoring up the U.S. economy as the Covid-19 pandemic enters its darkest phase. Several Democrat lawmakers have already said initial priorities after the inauguration include boosting emergency relief payments to individuals to $2,000. That spending could have another knock-on effect that hasn’t been seen in years: inflation. | The Wall Street Journal | 01/08/2021 | Michael Wursthorn and Joe Wallace |
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| Treasury Yield Surges To 1.07% | U.S. government-bond yields rose faster than many expected after Democrats won control of the Senate, with traders focusing on the potential of more economic stimulus and the return of long-muted inflation.  The yield on the 10-year U.S. Treasury note settled at 1.070% Thursday, according to data rom Tradeweb, up from 1.041%.  How much higher yields can go depends largely on whether the incoming Biden administration rolls out stimulus packages that go beyond pandemic relief into other areas, such as infrastructure construction…  Increased fiscal spending would be financed through the sale of more Treasury bonds, a supply surge that many expect to push prices down and yields up. A combination of rising rates and mounting debt loads increases investors’ expectations for inflation as the government prints money to cover higher debt costs. | The Wall Street Journal | 01/08/2021 | Matt Wirz and Julia-Ambra Verlaine |
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| Yields Surge With Bets On Inflation | The 30-year Treasury yield has jumped by almost a quarter of a percentage point since the start of the year to settle at 1.863% on Friday, according to Tradeweb. That is the highest yield since late February…  “Inflation expectations have been going up significantly just this (Past) week,” said William Dinning, chief investment officer of Waverton Investment Management, the U.K.-based fund manager formerly know as J.O. Hambro. “There is upward pressure” for Treasury yields to rise, he said, “but we know that the Federal Reserve is going to be out there buying the debt to keep a cap on yields,” he said.  When bond yields rise, prices fall and that means investors who own these bonds lose money, on paper at least. The sharp rise in Treasury yields has meant a poor return on the assets. The Bloomberg Barclays U.S. Treasury Bellwethers index shows 30-year bonds have returned minus 4.6% so far this year, according to FactSet. The returns on 10-year bonds is minus 1.5%. | The Wall Street Journal | 01/09-10/2021 | Paul J. Davies |
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| Pandemic Halts Seven Months of Jobs Expansion | Employers cut 140,000 jobs last month, the first decline since the pandemic hit the country last spring, the Labor Department said Friday. The jobless rate held steady at 6.7%, far below its April peak of 14.8% - a post-World War II high – but still almost twice its pre-pandemic level.  U.S. stocks initially fell following the report as investors looked ahead to the possibility of additional stimulus but finished up for the day. | The Wall Street Journal | 01/09-10/2021 | Josh Mitchell |
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| Rally Highlights Wagers on Recovery | Investors are showing signs of increasing exuberance, reflecting optimism about a vaccine-fueled global recovery and the changed economics of the post-coronavirus world.  The Dow Jones Industrial Average rose 1.6% for the first week of 2021, marking its fourth-straight weekly gain despite a mob storming the U.S. Capital Wednesday and a decline in nonfarm payrolls reported Friday.  The advance, which took the 30-stock index past 31000 in just 29 trading days, has been led by banks and energy firms. Bond yields have risen, taking the yield on the 10-year U.S. Treasury note to 1.105%, the highest since March.  …fund managers expect the market advance to continue, skeptics say stocks remain vulnerable to fallout from the pandemic, including still-high unemployment and questions about the pace of the vaccine rollout. Supercharged gains in assets from some favored stocks to cryptocurrencies to some commodities could turn out to be unsustainable. | The Wall Street Journal | 01/11/2021 | Michael Wursthorn |
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| What’s News | ♦ Municipal-bond issuance in 2020 was the highest in a decade, reflecting the collapse of interest rates and the increased costs cities and state governments are facing from Covid-19 shutdowns. | The Wall Street Journal | 01/13/2021 |  |
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| Output Curbs Propel Oil Rally | Oil is extending a steady recovery into 2021, aided by fresh signals that the world’s biggest producers won’t turn on the spigots and flood the market.  U.S. crude futures recently rose above $50 a barrel for the first time since last February…  Prices have hit new peaks since Saudi Arabia said last week it would unilaterally cut output in February as part of an agreement by the Organization of the Petroleum Exporting Countries and allies like Russia.  The supply curbs instilled faith that the cartel will remain flexible with output even if the pandemic worsens and hurts demand.  U.S. shale producers are also indicating they are in no rush to increase supply and instead plan to pay off debt and return cash to shareholders. | The Wall Street Journal | 01/13/2021 | Amrith Ramkumar and Collin Eaton |
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| Europe Inflation Expectation Jumps | European inflation expectations are rising as investors anticipate ongoing easy monetary policy and a global economic rebound boosted by U.S. fiscal spending.  Forecasts for higher prices are playing out in the bond market.  Inflation is closely tracked by investors because it impacts the valuation of financial products – particularly bonds, which lose out if prices rise too fast because their payouts are typically fixed. Inflation often comes in below expectations in much of the developed world. | The Wall Street Journal | 01/14/2021 | Anna Hirtenstein |
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| China’s Economy Powers Ahead | While the U.S. and Europe wait for vaccine rollouts to get fully back on track, China is the only major economy expected to report growth for 2020, helping it close the gap with the U.S.  China’s consumer market - lifted by its quick recovery from Covid-10 – keeps gaining momentum, making it a bigger driver of global companies earnings.  The upshot is a world more reliant on China for growth than ever before. For 2020, China’s economy is expected to account for 16.8% of global gross domestic product, adjusted for inflation, according to forecasts by Moody’s Analytic. That’s up from 14.2% in 2016, before the U.S. and Chine entered a trade war. The U.S. is expected to make up 22.2%, virtually unchanged from 22.3% in 2016.  China also benefited because it is hard for foreign manufacturing firms to relocate, even after pandemic disruptions left many executives wanting to diversify their supply chains.  China’s renewed strength has also left businesses more exposed to a country whose leaders have made clear they want to reduce China’s reliance on foreign companies in favor of building up more of its own corporations.  The U.S. remains the world’s No. 1 economy, with the largest consumer market, a much higher standard of living and a currency whose importance dwarfs that of the Chinese yuan. America’s GDP is 50% greater than China’s. | The Wall Street Journal | 01/14/2021 | Stella Yifan Xie, Eun-Young Jeong and Mike Cherney |
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| What’s News | ♦ Initial jobless claims posted their biggest weekly gain since the pandemic hit hard in March and the Fed’s Powell warned that the job market has a long way to go before it is strong again. | The Wall Street Journal | 01/15/2021 |  |
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| Oil Market Has Plenty of Wild Cards | Saudi Arabia’s decision to dramatically cut its oil output was a pleasant New Year’s surprise for energy investors. Developments in the world’s two largest economies could cut the party short.  The kingdom’s move helped send front-month Brent crude oil prices up by 7% in two weeks to above $55 a barrel.  But wild cards remain in the form of two formidable oil players: the U.S. and China. They are crude oil’s largest consumers and the former was the largest producer of oil in 2019, topping Saudi Arabia…  A Dallas Fed survey of oil-and-gas companies conducted in September showed that the majority expect the U.S. oil-rig count to increase substantially if West Texas Intermediate oil prices go above $50 a barrel, a milestone that has already been reached. | The Wall Street Journal | 01/15/2021 | Jinjoo Lee |
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| Stocks Fall After Weak Retail Sales Data | U.S. stocks fell on Friday after President-elect Joe Biden unveiled a $1.9 trillion Covid-19 relief plan and the December retail-sales report came in weaker than expected, underscoring the coronavirus pandemic’s continued effect on the economy.  The Dow Jones Industrial Average lost 177.26 points, or 0.6%, closing at 30814.26. The S&P 500 fell 27.29 points, or 0.7%, to 3768.25, and the Nasdaq Composite dropped 114.14 points, or 0.9%, to 12998.50.  Friday’s decline cemented a down week for equities…  For several months , the markets have been riding a number of strong trends that have powered everything from large-cap stocks to bitcoin to record highs.  Investors are hoping that additional spending will help steer the U.S. economy through a winter that has seen high Covid-19 infection rates and worsening economic data.  In bond markets, the yield on the 10-year Treasury note ticked lower to 1.097% from 1.128% Thursday. Yields fall when bond prices rise. | The Wall Street Journal | 01/16-17-2021 | Paul Vigna and Caitlin Ostroff |
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| Investment Outlook, Trading Boost Earnings for Big Banks | America’s top bankers signaled the economic recovery has held up better than they expected and should continue in the new year, releasing some of the stockpiles of cash they had set aside for a wave of soured loans.  Executives said they have grown more confident that vaccines will get people back to work and that fresh stimulus – and the potential for more under President-elect Joe Biden – will help consumers and businesses this year.  And there are signs that the recovery remains fragile.  The period continued the year’s divergence of consumer and Wall Street operations.  Banks also haven’t had to take losses on bad loans at nearly the pace initially feared. | The Wall Street Journal | 01/16-17/2021 | David Benoit and Ben Eisen |
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| Janet Yellen’s Debt Burden: $21.6 Trillion and Growing | A big question hangs over Janet Yellen this week at her confirmation hearing to become U.S. Treasury secretary: How much debt is too much?  In the past four years, U.S. government debt held by the public has increased by $7 trillion to $21.6 trillion.  At 100.1% of gross domestic product, the debt already exceeds the annual output of the economy, putting the U.S. in company with economies including Greece, Italy and Japan.  Central to the view is the expectation that interest rates will remain low for the foreseeable future, making it more affordable to financial the borrowing. | The Wall Street Journal | 01/19/2021 | Kate Davidson and Jon Hilsenrath |
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| China Growth Belies Low Productivity | A surge in state investments has helped lift the Chinese economy from the effects of Covid-19, but likely has worsened one of its deepest weaknesses: low productivity.  But the rebound has been unbalanced. It relied heavily on government expenditures and state-sector investments, while private spending remained weak.  That is amplifying a trend of declining growth in productivity – or output per worker and unit of capital – in the world’s second-largest economy, according to a new report by the International Monetary Fund.  Most recently, the government has also stepped up efforts to assert control over private businesses, especially those in the technology sector, a more that analysts say could further damp productivity growth. | The Wall Street Journal | 01/19/2021 | Lingling Wei |
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| Economic Calendar | **Thursday:** The European Central Bank expanded tis stimulus program last month in an effort to help boost the region’s ailing economy.  U.S. jobless claims have moved higher in recent weeks, an indication that companies are laying off more workers while Covid-19 cases rise and the economic recovery falters.  **Friday:** Surveys of purchasing managers are expected to show that Europe’s economies continued to falter as 2021 begins with their dominant services sectors contracting as a result of high infection rates and government restrictions. By contrast, economists expect surveys for the U.S . to show continued growth, even in the services sector. | The Wall Street Journal | 01/19/2021 |  |
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| Yellen Pitches Sweeping Virus Aid Package  *Biden’s Treasury pick faces GOP skepticism in inauguration-eve confirmation hearing* | Janet Yellen made the case for another sweeping economic aid package at her hearing to be the next Treasury secretary Tuesday, pushing back against Republican skepticism of the need for more deficit spending to bolster the recovery. | The Wall Street Journal | 01/20/2021 | Kate Davidson |
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| Stocks Climb To Records, Led By Tech Sector | The S&P 500 finished up 52.94 points, or 1.4%, to a record close of 3851.85. The Nasdaq composite rose 260.07 points, or 2%, to 13457.25, also a record close. The Dow Jones Industrial Average finished at a record as well after rising 257.880 points, or 0.8%, to 31188.38.  Earnings results so far have been better than expected, with 88% of companies beating estimates through Wednesday morning, according to FactSet.  The Advance has so far solidified the stock market’s upbeat week as President Biden was inaugurated Wednesday. Investors remain optimistic that fiscal stimulus is supporting businesses through the damage wrought by the covid-19 pandemic, with expectations of further spending by Democrats… | The Wall Street Journal | 01/21/2021 | Will Horner and Michael Wursthorn |
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| Inflation-Protected Bond Yields at Lows  *Near-record levels suggest investors expect spending, but not rates, to increase* | Investors are hanging on to bonds that protect against inflation even as they sell other U.S. government debt, a sign many trust the Federal Reserve to hold interest rates steady even if the economy picks up steam.  The yield on the 10-year Treasury inflation-protected security settled Wednesday at minus-1.040%, according to Tradeweb, compared with minus-1.032% on Tuesday.  The 10-year TIPS yield has climbed slightly from its record closing low of minus-1.115% set on Jan. 4 but not nearly as much as the yield on the regular 10-year Treasury note.  That yield, a benchmark rate for borrowing costs throughout the economy, has jumped to 1.098% as of Wednesday’s close, from 0.915% on Jan. 4. Yields rise when bond prices fall.  Taken together, these moves suggest investors increasingly expect higher inflation, but not rate increases from the Fed, analysts said.  Yields on Treasury inflation-protected securities, or TIPS, are a proxy for what investors call real Treasury yields-or the return on regular Treasurys after adjusting for inflation. | The Wall Street Journal | 01/21/2021 | Sam Goldfarb |
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| Business Activity In U.S. Ticks Up | The U.S. economy picked up momentum at the start of the year, while Europe showed a growing risk of a second recession amid tougher restrictions to contain coronavirus infections, surveys of purchasing managers showed.  Rapid growth in new recorded Covid-19 cases during the winter led to tougher restrictions on activity in parts of the U.S. and Europe, restraining the global economic recovery after the sharp downturn last spring. | The Wall Street Journal | 01/23-24/2021 | Paul Hannon and Kim Mackrael |
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| Investors Seek Out Riskiest Junk Debt | Investors’ rush into the lowest-rated junk debt has driven yields to record lows, reflecting Wall Street’s thirst for fixed-income returns and increasing confidence that even struggling businesses can survive the pandemic.  The yield on an index of triple-C rated corporate bonds settled Thursday at a record low of 6.42%, according to Bloomberg Barclays data. That was down from 7.4% entering the year. Yields fall when bond prices rise. | The Wall Street Journal | 01/23-24/2021 | Sebastian Pellejero |
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| What’s News | ♦ China overtook the U.S. as the world’s top destination for new foreign direct investment last year, as the Covid-19 pandemic amplifies an eastward shift in the global economy’s center of gravity. | The Wall Street Journal | 01/25/2021 |  |
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| If It Look Like a Bubble And Floats Like a Bubble… | I have been resisting the comparison between the dot.com bubble and today’s stock market, but the similarities have grown too strong to ignore. Here are five areas where the parallels are strong, along with one caution about applying the bubble level to the broader market.  **Exponential growth in the price of story stocks**  **A flood of early-stage IPOs tapping into the popular themes**  **New investors who don’t know what they are doing…**  But stocks are again being swung about by the sort of amateur mistakes made by a beginner hoping to wine big.  **Old-economy stocks soaring as they tap into the popular theme**  Even if you agree that today’s glamour stocks are overly frothy, there is still a question about whether that extends to the broader market. There’s a good reason to think not, as la=east not as a true bubble:  **The Federal Reserve has the market’s back**  Treasury yields are super-low, and the Fed has promised not to raise interest rates. That justifies higher prices for stocks with reliable long-term cash flows, including technology giants’ stocks such as apple or Facebook. Compared with a 10-year bond, U.S. stocks don’t look expensive. | The Wall Street Journal | 01/25/2021 | James Mackintosh |
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| Investors Bet on Extended Rally | Options activity is continuing at a breakneck pace in January, building on 2020’s record volumes. It is the latest sign of optimism cresting through markets as individual and institutional investors pick up bullish options to profit from stock gains and abandon bearish wagers.  Options are contracts that give investors the right to buy (a call option) or sell (a put option) shares, at specific prices, later. They are typically used to bet on stocks’ direction or hedge portfolios. | The Wall Street Journal | 01/25/2021 | Gunjan Banerji |
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| What’s News | ♦ The Nasdaq and S&P 500 closed at records, gaining 0.7% and 0.4%, respectively, while the Dow industrials retreated 0.1%. | The Wall Street Journal | 01/26/2021 |  |
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| IMF Raises Its Forecast for Global Growth | The world economy is gearing up for a strong recovery from the pandemic in 2021 after shrinking considerably less than initially feared last year, the International Monetary Fund said Tuesday, though it warned that the outlook is subject to exceptional uncertainty.  Global output is projected to grow 5.5% this year, up from the IMF’s October forecast of a 5.2% increase.  Continued government spending measures in Japan and the U.S., where Congress authorized a $900 billion package in late December, contributed to the improved forecasts. The IMF expected the U.S. economy to grow 5.1% this year and Japan’s to expand by 3.1%. However, it lowered its forecast for the euro area to 4.2% growth from 5.2%. | The Wall Street Journal | 01/27/2021 | Paul Kiernan |
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| Pent-up Savings Are Expected to Boost Recovery | Many U.S. consumers are starting 2021 flush with savings likely to help fuel the economic recovery this year.  Americans saved $1.4 trillion in the first three quarters of 2020, or about twice as much as in the same period of the prior year, according to analysis by Berenberg Economics.  An analysis by the Federal Reserve Bank of New York found that consumers socked away more than a third of the first stimulus checks…  The economic downturn caused by the covid-19 pandemic is different from a typical recession that leaves consumers low on funds and businesses cautious to rehire…  James Sweeney, chief economist at Credit Suisse, says the 2021 economic outlook brightened considerably after Congress approved the second round of stimulus payments in late December. “The household sector of the U.S. looks to be in good financial shape,” he said. | The Wall Street Journal | 01/27/2021 | Harriet Torry |
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| Biden Set to Halt New Oil, Gas Leasing  *Moratorium on federal land seen as first step toward ending drilling in U.S. and offshore* | The oil industry is emerging as a primary target of President Biden’s climate policy, setting the stage for a confrontation that could shape the future of the energy sector.  “the early actions of the administration are unilaterally shutting down and restricting the ability of American oil and gas producers to run their operations,” said Anne Bradbury, chief executive of the American Exploration and Production Council…  Mr. Biden revoked the permit for the Keystone XL pipeline from Canada and moved to stop oil companies from drilling in Alaska’s Arctic National Wildlife Refuge.  Mr. Biden has been under pressure from environmentalists to take aggressive action…  Industry leaders say that is unfairly punitive and risky.  The Interior Department subsequently issued an order suspending all onshore and offshore fossil fuel-related authorizations for 60 days unless they are approved by the department’s senior leadership. | The Wall Street Journal | 01/27/2021 | Timothy Puko, Ken Thomas and Andrew Restuccia |
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| Stocks Fall Ahead of Earnings Updates | Stocks closed slightly lower, a day after major indexes hit records and as investors got ready for many blue-chip earnings releases.  For the session, the S&P 500 fell 5.74 points, or 0.2%, to 3849.62 after hitting an intra-day record at 3870.90. The Technology-focused Nasdaq composite edged down 9.93 points, or 0.1%, to 13626.06. The Dow Jones Industrial Average fell 22.96 points, or 0.1%, to 30937.04. | The Wall Street Journal | 01/27/2021 | Caitlin Ostroff and Amber Burton |
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| What’s News | ♦ Major U.S. stocks indexes suffered their sharpest one-day losses since October, with the S&P 500 and Nasdaq both retreating 2.6% and the Dow falling 2%. | What’s News | 01/28/2021 |  |
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| What’s News | ♦ the Fed kept its easy-money policies in place, saying that business activity has softened with the resurgence of Covid-19 cases. | What’s News | 01/28/2021 |  |
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| Individual Investors Rout Hedge Funds | An eye-popping rally in shares of companies that were once left for dead including GameStop Corp., AMC Entertainment Holdings Inc. and BlackBerry Ltd. Has upended the natural order between hedge-fund investors and those trying their hand at trading from their sofas.  On Wednesday, GameStop shares hit a high of $380 intraday, briefly giving the videogame retailer a market value of $26.5 billion-more than that of Delta Air Lines Inc.  While the individuals are rejoicing at newfound riches, the pros are reeling from their losses.  War has broken out between professionals losing billions and the individual investors jeering at them on social media.  The frenzy of activity is stirring regulatory and legal concerns, as well as the attention of the Biden administration. | The Wall Street Journal | 01/28/2021 | Gunjan Banerji, Juliet Chung and Caitlin McCabe |
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| Stocks Dive on Vaccine Shortage | Major stocks indexes suffered their sharpest one-day losses since October amid concerns about Covid-19 vaccine distribution, while traders were also captivated by the frenzied trading in GameStop and other heavily shorted stocks.  The blue-chip index fell 633.87 points, or 2.1%, to 30303.17, extending its losing streak to five sessions, and the S&P 500 dropped 98.85 points, or 2.6%, to 3750.77. The Nasdaq composite lost 355.47 points, or 2.6%, to 13270.60. All three indexes posted their biggest one-day losses on a point and percentage basis Since Oct. 28. | The Wall Street Journal | 01/28/2021 | Will Horner and Paul Vigna |
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| Treasury Demand Eases Rate Doubts | A sharp climb in U.S. government bond yields has stalled, easing investors’ concerns that rising rates could undercut recent gains in riskier assets.  The yield on the benchmark 10-year U.S. Treasury note has hovered just above 1% for the past nine sessions after jumping from around 0.9% to almost 1.2% in just six days of trading. | The Wall Street Journal | 01/28/2021 | Sam Goldfarb |
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| What’s News | ♦ The U.S. economy shrank in 2020 the first time since the financial crisis, but grew rapidly in the fourth quarter and is forecast to continue recovering. | The Wall Street Journal | 01/29/2021 |  |
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| Brokers Cool Off Highflying Stocks | Popular online brokerages restricted trading in highflying stocks including GameStop Corp. and AMC Entertainment Holdings Inc., sapping some of the euphoria around shares of companies that individual investors have sent skyrocketing in recent days.  The rally in the shares fizzled Thursday: GameStop dropped 44%, and AMC lost 57%. | The Wall Street Journal | 01/29/2021 | Caitlin McCabe and Juliet Chung |
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| Emerging-Market Bond Boom Sparks Debt-Load Concerns | Developing economies borrowed at a blistering pace at the start of the year after a record 2020, prompting questions among investors about whether they are building up debt problems for the future.  Voracious investors demand for higher-yielding assets has fueled the bond boom. Many want to offset super low, or negative interest rates in the developed world. Funds that invest in developing countries have had net inflows for 15 straight weeks, including the one that ended Jan. 22, according to EPFR data.  “There’s still a lot of liquidity, the search for yield is still very strong,” said Shaniel Ramjee, a multiasset fund manager at Pictet Asset Management.  Markets have since reflated and the dollar has weakened broadly, making it easier to pay off dollar-denominated debts.  Some market watchers are now concerned that the mistakes of the past are being repeated. | The Wall Street Journal | 01/29/2021 | Anna Hirtenstein |
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| U.S. Economy confronts A Climb at Start of Year | The U.S. economy ended last year with a whimper. It is no sure thing that it will end this year with a bang.  The Commerce Department on Thursday reported that gross domestic product grew at a 4% annual rate in the fourth quarter from the previous, after growing at a 33.4% rate in the second quarter. These annualized figures show what would happen if the quarterly change lasted full a year. In actual terms, GDP grew 1% in the fourth quarter and 7.5% in the third – not enough to take the economy out of the hole the Covid-19 crisis put it into in the first half of the year. GDP last quarter was 2.5% lower than a year earlier.  More worryingly, the fourth quarter’s gain in GDP from the previous quarter came about because the fourth quarter started so well.  Beyond the mechanics, the weakening in GDP in the fourth quarter brings home how the economy remains in the pandemic’s grip. | The Wall Street Journal | 01/29/2021 | Justin Lahart |
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| What’s News | ♦ U.S. stocks sank on Friday to cap their worst week since October, with the Dow industrials and Nasdaq both losing 2% and the S&P 500 shedding 1.9%. | The Wall Street Journal | 01/30-31/2021 |  |
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| Wild Stock Ride Tests Robinhood  *Broker raises $1 billion to weather tumult as individual investors battle short sellers* | Robinhood and other brokerages have experienced a surge in trading volume in a small number of stocks, prompting the clearinghouses that help process and settle trades to ask them for more cash to cover the transactions.  A decision was made to restrict trading in about a dozen hot stocks and shore up the company’s finances. Robinhood also borrowed roughly $500 million from its banks this week, the people said.  The Securities and Exchange Commission said Friday it plans to closely review the actions of Robinhood and other brokerage firms that restricted investors’ ability to trade. | The Wall Street Journal | 01/30-31/2021 | Peter Rudegeair and Orla McCaffey |
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| Markets Close Out Turbulent January | U.S. stocks fell sharply Friday in their worst week since October, reflecting concern over the lingering economic impact of the coronavirus and ripples from the trading frenzy that has swept Wall Street this month.  The Dow Jones Industrial Average fell 2%, or 620.74 points, to 29982.62, and the S&P 500 declined 1.9%, or 73.14 points, to 3714.24, a day after both gained roughly 1%. The tech-heavy Nasdaq composite lost 2%, or 266.46 points, to 13070.69. | The Wall Street Journal | 01/30-31/2021 | Paul Vigna and Anna Hirtenstein |
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| Rise in Income Boosts Household Savings | U.S. household income rose for t he first time in three months in December as a new round of government-aid efforts kicked in, priming the economy for stronger growth this year once the pandemic recedes and businesses fully reopen.  The rise partly reflected enhanced unemployment benefits that were provided at the end of the year. Income is expected to rise further this quarter as the government distributes federal stimulus checks of $600 to most households. | The Wall Street Journal | 01/30-31/2021 | Josh Mitchell |

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