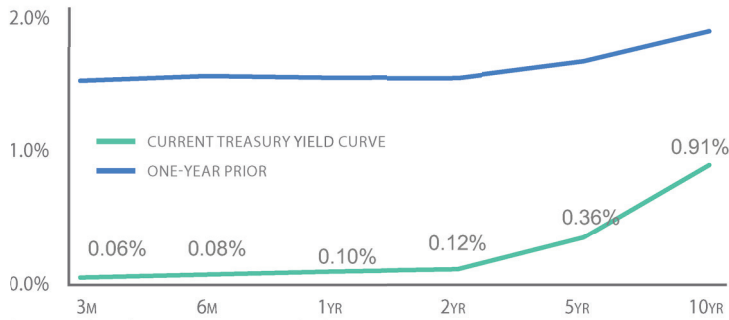
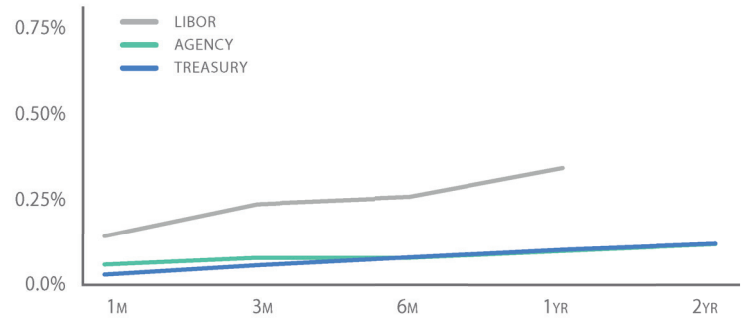


Historical Treasury Yield Curve



Source: Bloomberg Finance L.P. 12/31/20

Market Yields



Source: Bloomberg Finance L.P. 12/31/20

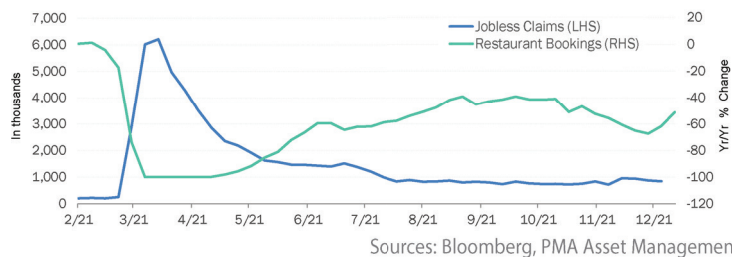
FEATURED MARKET DATA

Holiday Stress

Two main factors impacted consumers in December: 1) some regions of the U.S. saw increased restrictions due to rising Covid-19 cases and hospitalizations following the Thanksgiving holiday and 2) Congress spent most of the month in a standoff over whether to pass a new round of stimulus. A new relief package was passed late in December and President Trump signed the legislation on December 27th. Meanwhile, the high frequency data showed signs of renewed weakness as jobless claims rose in December to their highest levels in three months and restaurant bookings slid through the middle of the month. Despite the new aid package, economic strain may continue in January if the holidays lead to rising cases and new restrictions.

Source: Bloomberg, Wall Street Journal

High Frequency Data (2020)



Sources: Bloomberg, PMA Asset Management

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	12/10/20	NOV	1.1%	1.2%	1.2%
Core CPI (YoY)	12/10/20	NOV	1.5%	1.6%	1.6%
Retail Sales Ex. Auto (MoM)	12/16/20	NOV	0.1%	-0.9%	-0.1% (R)
Chicago Fed National Activity Index	12/21/20	NOV	0.75	0.27	1.01 (R)
Existing Home Sales	12/22/20	NOV	6.70m	6.69m	6.86m (R)
Durable Goods Orders Ex. Transportation (MoM)	12/23/20	NOV	0.5%	0.4%	1.9% (R)
New Home Sales	12/23/20	NOV	995K	841K	945K (R)
Change in Nonfarm Payrolls	01/08/21	DEC	73K	--	245K
Unemployment Rate	01/08/21	DEC	6.8%	--	6.7%

Source: Bloomberg Finance L.P. 1/5/21. Glossary terms on page 2.

RECENT NEWS

New Aid Coming for Americans

The new Covid-19 aid package will provide \$900 billion of relief to struggling Americans. The legislation provides direct payments to most adults and their dependents while also providing billions of dollars to help airlines, entertainment venues and farms. The legislation renews two unemployment assistance programs including up to 13 weeks of additional benefits and benefits to "gig" workers and others who don't generally qualify for jobless aid. In early December, nearly 14 million people were receiving benefits through these programs. The largest part of the relief package is allotted to help small businesses including extending the Paycheck Protection Program.

Source: Wall Street Journal

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Glossary of Terms

Term	What is it:
Building Permits	Records the number of permits for future housing construction.
Capacity Utilization	Tracks the extent to which capacity is being used in the production of goods and services.
Change in Nonfarm Payrolls	This indicator measures the change in the number of employees on business and government payrolls.
Chicago Fed National Activity Index	A nationwide measure of economic activity and inflation pressures. An index value of zero indicates that the national economy is expanding at its historical trend rate of growth.
Consumer Confidence	Index examines how consumers feel about jobs, the economy and spending.
Consumer Price Index (CPI)	Measures the average change in retail prices over time for a basket consisting of more than 200 categories of assorted goods and services paid directly by consumers.
Core Consumer Price Index (Core CPI)	This measure of CPI excludes food and energy costs.
Durable Goods Orders	A measure of new orders placed with domestic manufacturers for durable goods, which are items that last three years or more.
Existing Home Sales	Measures monthly sales of previously owned single-family homes.
GDP Annualized QoQ	Measures the annualized quarterly growth of the final market value of all goods and services produced within a country. GDP is the foremost report on how fast or slow the economy is growing.
Housing Starts	Records the number of new housing units started during a period.
Index of Leading Economic Indicators (LEI)	An index designed to predict the direction of the economy.
Initial Jobless Claims	Tracks new filings for unemployment insurance benefits.
ISM Manufacturing	Measures manufacturing activity based on a monthly survey of purchasing managers.
MBA Mortgage Applications	The Mortgage Bankers Association's weekly mortgage application survey includes home loan application activity for conventional and government loans for home purchases and refinances.
Mortgage Delinquencies	A measure of the percent of total conventional and government loans which are at least one payment past due, but not in the process of foreclosure.
Personal Consumption Expenditure (PCE)	The Federal Reserve's preferred measure of inflation tracks overall price changes for goods and services. Core PCE excludes food and energy.
Personal Income and Spending	Index records the income Americans receive, how much they spend, and what they save.
Retail Sales	Tracks the sale of new and used goods for personal or household consumption.
Retail Sales Ex. Auto	Retail sales excluding motor vehicles and parts.
S&P Case-Shiller Home Price Index	Tracks the value of single-family housing within the U.S. There are multiple indexes including the 20-City Composite.
Unemployment Rate	The U-3 unemployment rates tracks the percentage of the civilian workforce that is unemployed.

Source: Bloomberg, The Secrets of Economic Indicators by Bernard Baumohl; PMA Asset Management, LLC

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