

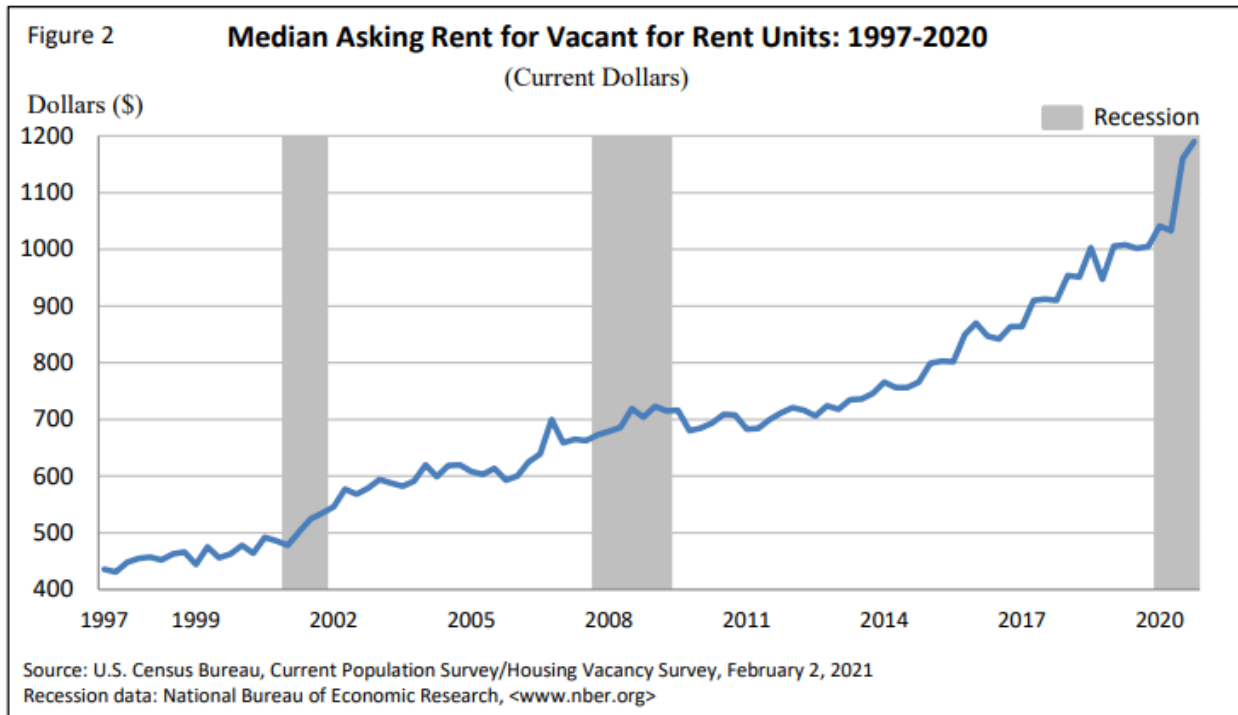
Summary: Economic indicators pointed to slow growth this week. The jobs report was disappointing, with nonfarm payroll increasing by just 49,000. The number of planned job cuts increased 3.3 percent from December to January. On the bright side, the unemployment rate decreased from 6.7 percent to 6.3 percent, and initial claims for unemployment insurance decreased this past week. ADP reported an increase in nonfarm private employment of 174,000 in January. Indicators for the manufacturing and services sectors improved, and consumer confidence increased. I found it interesting that median asking rent spiked during the recession.

### **Federal Government Indicators and Reports**

#### US Census

Monday, [Construction Spending](#): Total construction spending in the United States totaled \$1.49 trillion in December 2020, an increase of 1.0 percent from November 2020 and 5.7 percent from December 2019.

Tuesday, [Housing Vacancies and Homeownership](#): “National vacancy rates in the fourth quarter 2020 were 6.5 percent for rental housing and 1.0 percent for homeowner housing. . . . In the fourth quarter 2020, the median asking rent for vacant for rent units was \$1,190.”



Thursday, [Manufacturing](#): “New orders for manufactured goods in December, up eight consecutive months, increased \$5.2 billion or 1.1 percent to \$493.5 billion. . . . This followed a 1.3 percent November increase.”

Friday, [International Trade](#): “The goods and services deficit was \$66.6 billion in December, down \$2.4 billion from \$69.0 billion in November, revised.”

Bureau of Labor Statistics

Wednesday, [Metropolitan Area Employment](#): “Unemployment rates were higher in December than a year earlier in 379 of the 389 metropolitan areas, lower in 7 areas, and unchanged in 3 areas.” The unemployment rate for Tennessee was 6.2 percent in December 2020, an increase from 5.0 percent in November 2020 and 3.1 percent in December 2019.

Thursday, [Productivity and Cost](#): “Nonfarm business sector labor productivity decreased 4.8 percent in the fourth quarter of 2020. . . . Nonfarm business unit labor costs increased 5.2 percent over the last four quarters.”

Friday, [Employment Situation](#): “The unemployment rate fell by 0.4 percentage point to 6.3 percent in January, while nonfarm payroll employment changed little (+49,000). . . . The labor market continued to reflect the impact of the coronavirus (COVID-19) pandemic and efforts to contain it. In January, notable job gains in professional and business services and in both public and private education were offset by losses in leisure and hospitality, in retail trade, in health care, and in transportation and warehousing.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending January 30, the advance figure for seasonally adjusted initial claims was 779,000, a decrease of 33,000 from the previous week’s revised level. . . . The 4-week moving average was 848,250, a decrease of 1,250 from the previous week’s revised average.”

### **Economic Indicators and Confidence**

IHS Markit

Monday, [Manufacturing PMI](#): The index “indicated a robust improvement in the health of the U.S. manufacturing sector. Alongside a severe deterioration in vendor performance, the headline figure was pushed up to a record high by accelerated expansions in output and new orders.” The index “posted 59.2 in January, up from 57.1 in December.”

Wednesday, [Services PMI](#): The index “signalled a sharper expansion in business activity across the U.S. service sector. Excluding November’s recent high, the latest upturn was the fastest since March 2015, amid a stronger rise in new business.”

Wednesday, [Sector PMI](#): “All seven categories monitored by the US Sector PMI series registered an expansion of business activity during January, which marked the first broad-based upturn in private sector output since October 2020. Healthcare continued to record a faster rate of growth than all other parts of the private sector economy, although the gap narrowed in January amid a strong performance across the financials category.”

Institute for Supply Management

Monday, [Manufacturing PMI](#): “Economic activity in the manufacturing sector grew in January, with the overall economy notching an eighth consecutive month of growth.” The index “registered 58.7 percent, down 1.8 percentage points from the seasonally adjusted December reading of 60.5 percent.”

Wednesday, [Services PMI](#): “Economic activity in the services sector grew in January for the eighth month in a row.” The index “registered 58.7 percent, 1 percentage point higher than the seasonally adjusted December reading of 57.7 percent.”

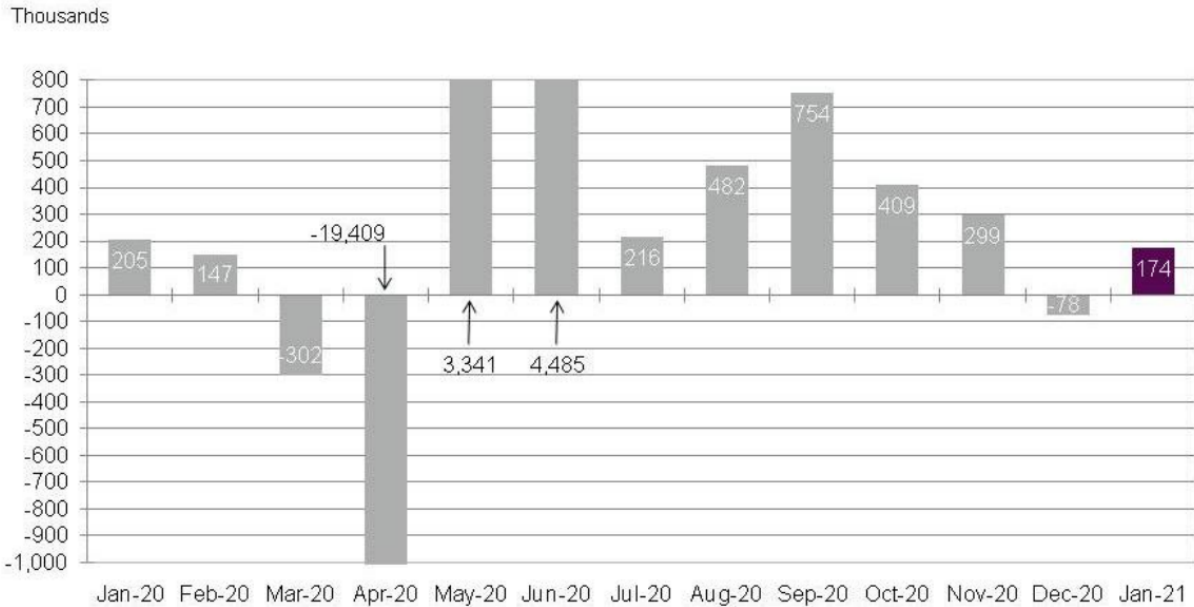
IBD/TIPP

Tuesday, [Economic Optimism](#): The index “revealed that consumer confidence is up for the second consecutive month. It rose 3.6% in February, moving from 50.1 last month to 51.9 this month, keeping the index in positive territory.”

ADP

Wednesday, [Employment Report](#): “Private sector employment increased by 174,000 jobs from December to January.”

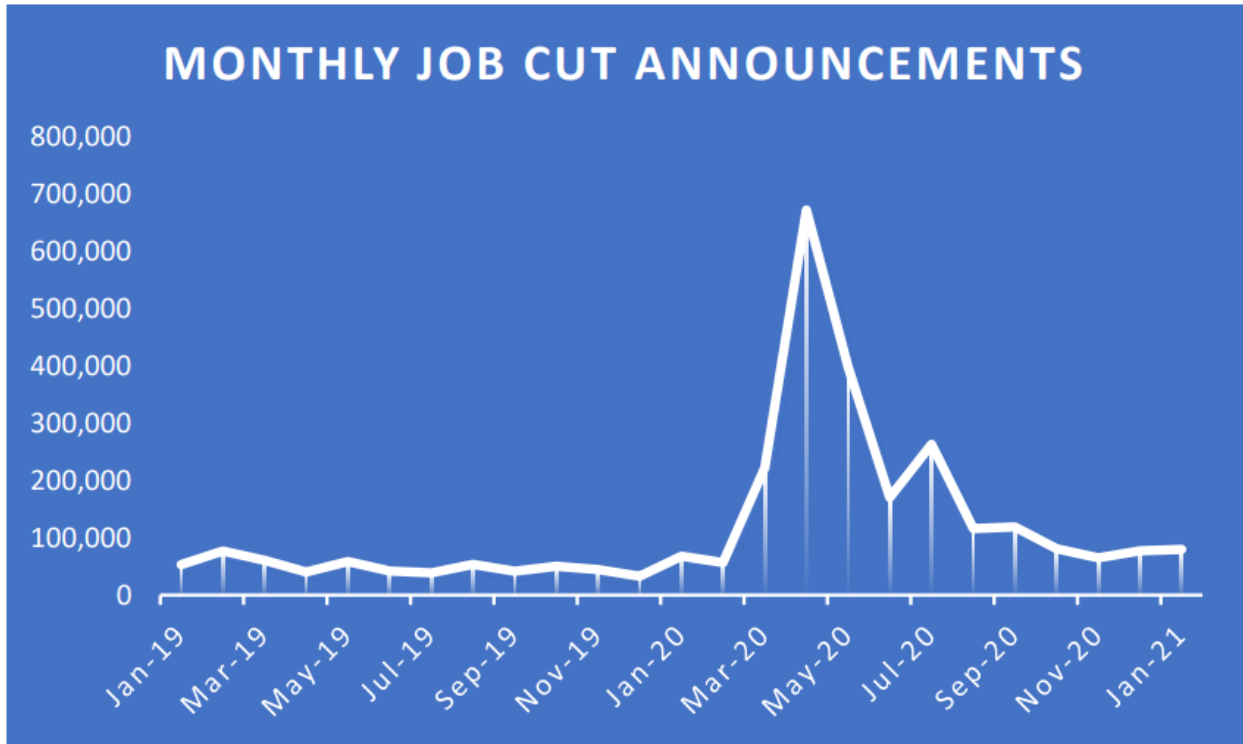
### Chart 1. Change in Total Nonfarm Private Employment



Sources: ADP Research Institute®

### Challenger

Thursday, [Job Cuts](#): “Planned job cuts announced by U.S.-based companies rose 3.3%, to 79,552, in January from 77,030 in December. . . . January’s total is 17.4% higher than the 67,735 cuts announced in the same month last year. It is the highest January total since 2009, when 241,749 cuts were announced. . . . The leading reason for job cut announcements in January was demand downturn, followed by restructuring. Market conditions accounted for 15,056 cuts in January. COVID-19 was cited for 4,620 job cuts in January.”



**Mortgages and Housing Markets**

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications increased 8.1 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with jumbo loan balances (greater than \$510,400) decreased to 3.12 percent from 3.17 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages increased to 2.44 percent from 2.43 percent.”