

# WEEK IN REVIEW

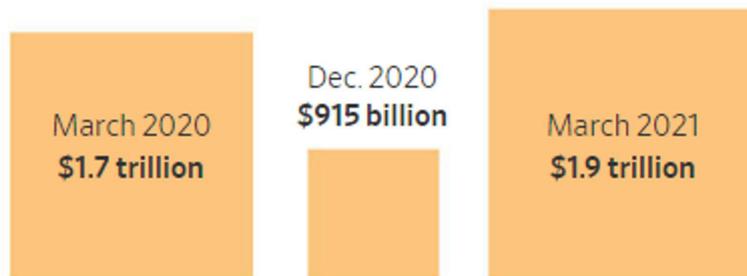
FRIDAY, MARCH 12TH 2021

## 1. CONGRESS PASSES STIMULUS BILL

The \$1.9 Trillion COVID-19 stimulus bill passed the House this week, which President Biden signed on Thursday. The relief bill, marking Mr. Biden's first major legislative achievement of his presidency, offers a \$1,400 check to many Americans, an extension of a \$300 weekly jobless-aid supplement, and a one-year expansion of the child tax credit that will provide periodic payments for many households. It also disburses money to schools, vaccine distribution efforts, state and local governments, provides support to struggling multiemployer pensions, and makes the biggest changes to the Affordable Care Act since its passage in 2010, among other measures.

This latest bill represents the third coronavirus relief package passed by the Federal government going back to March 2020.

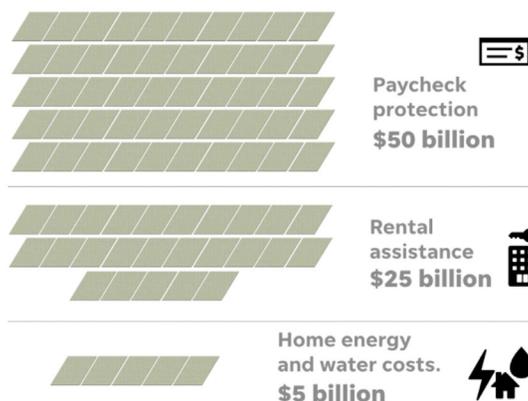
Total bill amount, by iteration



Source: <https://www.wsj.com/articles/whats-new-in-the-third-covid-19-stimulus-bill-11615285802>

In addition to the support for individuals, funds are also provided for small businesses, landlords, and renters. Examples include paycheck protection, rental assistance, and home energy costs.

Assistance to small business, landlords and renters:

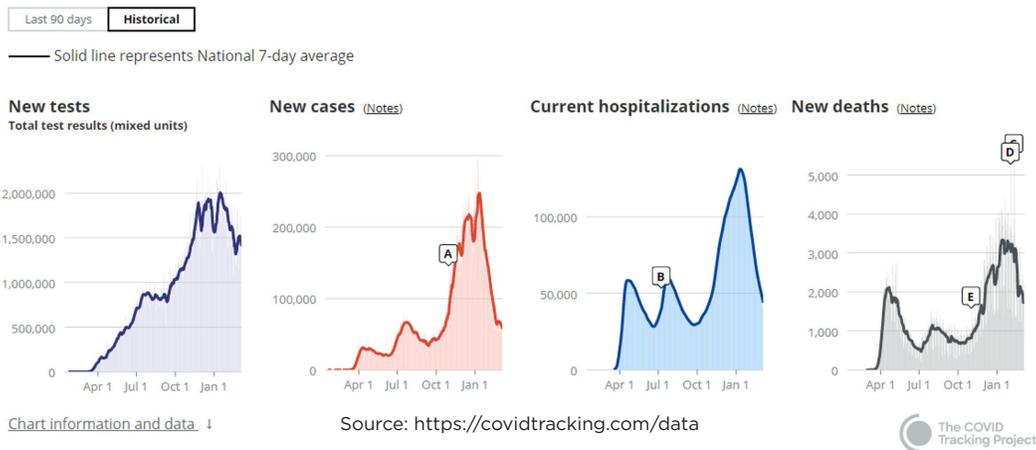


Source: <https://www.usatoday.com/in-depth/news/2021/03/10/covid-19-stimulus-bill-joe-bidens-plan-explained-6-graphics/4601454001/>

## 2. CORONAVIRUS CASES STABILIZED AT LOWER LEVEL

Daily new coronavirus cases in the US have been declining since early January and are now averaging around 60,000 per day, the lowest since October 2020. Current hospitalizations have followed by also declining to around 47,000 as of 03/07/2021. Since vaccination efforts began in the US on December 14th, more than 98.2 million doses have been administered and more than 33.8 million people were fully vaccinated per the CDC. The US is currently administering around 2.2 million shots a day, up from 1 million at the beginning of January.

### Overview of National COVID-19 Data



## 3. INFLATION DATA STILL UNDER CONTROL

Per Factset, data this week showed softer core prices which exclude volatile food and energy. Friday's February headline PPI rose by 0.5% m/m vs 0.4% expected while the y/y rate posted the fastest pace since October 2018. However, the core PPI (ex-food and energy) rose only 0.2% vs. consensus 0.3%, as service prices lagged. This follows February core CPI's similar miss Wednesday. Economists see core PCE prices up only 1.5% y/y in February. Despite modest core inflation readings, Treasury yields have risen this week, led by the long end.

# THINKING AHEAD

Washington finally passes another coronavirus stimulus bill costing \$1.9 trillion. Inflation remains under control with interest more stable this week. Coronavirus cases have dramatically improved since the beginning of the year, while over 30 million people are currently fully vaccinated. Pallas Capital Advisors will continue to monitor economic, political, and corporate data for implications to markets.

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