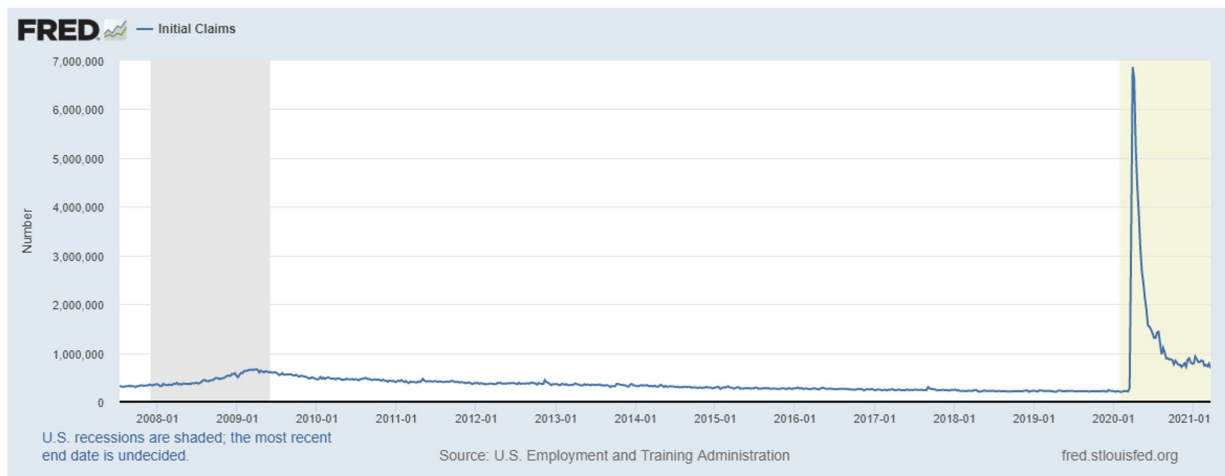


WEEK IN REVIEW

FRIDAY, MARCH 26TH 2021

1. INITIAL UNEMPLOYMENT CLAIMS FELL THIS WEEK

Initial claims fell to 684,000 this week, lower than the consensus forecast of 730,000 and last week's revised 781,000. Continuing claims fell to 3.87 million, also lower than the consensus of 4.04 million and last week's 4.13 million. Employment figures are slowly improving as the economy begins to get back on its feet.



Source: <https://fred.stlouisfed.org/series/ICSA>

2. CONSUMER SPENDING HAS VARIED GIVEN WEATHER ISSUES

Per CNBC, February saw US consumer spending fall the most in 10 months, as a cold snap gripped many parts of the country and the boost from a second round of stimulus checks to middle- and lower-income households faded, though the decline is likely temporary. Consumer spending, which accounts for more than two-thirds of US economic activity, dropped 1.0% last month after rebounding 3.4% in January, the Commerce Department said on Friday. That was the largest drop since April 2020, when the economy was reeling from the shutdown of nonessential businesses like restaurants to slow the spread of Covid-19 infections. Personal income tumbled 7.1% after surging 10.1% in January. Economists polled by Reuters had forecast consumer spending would decrease 0.7% in February and income would decline 7.3%. The volatile monthly numbers should be averaged to measure the trend. The trend is still positive for spending as the economy recovers from the pandemic.

3. COVID VACCINATIONS STEADILY CLIMB

Since vaccination efforts began in the US on December 14th, more than 133.3 million doses have been administered and more than 47.4 million people were fully vaccinated per the CDC. The US is currently administering around 2.4 million shots a day, up from 1 million at the beginning of January. Daily new coronavirus cases in the US have been declining since early January and are now averaging around 55,000 per day, the lowest since October 2020.

People Vaccinated	At Least One Dose	Fully Vaccinated
Total	87,343,622	47,419,832
% of Total Population	26.3%	14.3%
Population ≥ 18 Years of Age	87,092,275	47,350,657
% of Population ≥ 18 Years of Age	33.7%	18.3%
Population ≥ 65 Years of Age	38,838,306	24,506,522
% of Population ≥ 65 Years of Age	71%	44.8%

CDC | Data as of: Mar 25 2021 6:00am ET | Posted: Mar 25 2021 1:47PM ET

Source: <https://covid.cdc.gov/covid-data-tracker/#vaccinations>

4. ASTRAZENECA CONFIRMS THE EFFECTIVENESS OF ITS VACCINE

Per the Associated Press, AstraZeneca insisted that its COVID-19 vaccine provides strong protection even after counting additional illnesses in its US study, as the drugmaker responded to concerns raised by American officials in an unusually public rebuke that threatened to further erode confidence in the shot. In a late-night news release Wednesday, AstraZeneca said it had analyzed more data from that study and concluded the vaccine is 76% effective in preventing symptomatic COVID-19, instead of the 79% it had reported earlier in the week.

5. SUEZ CANAL REMAINS SHUT

Per the WSJ, ship operators have started rerouting tankers and containers away from the Suez Canal—in some cases sending them on a two-week extended voyage around the southern tip of Africa—as they increasingly bet on a prolonged closing of the key waterway. “This now looks like it will take a few weeks,” said Anoop Singh, the Singapore-based head of tanker analysis at shipping broker Braemar ACM.

Dredgers were working again Friday morning to remove hundreds of thousands of cubic feet of sand around the bow of the 1,300-foot *Ever Given*, operated by Taiwan-based Evergreen Group, in order to reach a water depth of roughly 50 feet needed to remove the ship, according to the Suez Canal Authority.

While European and Asian businesses are likely to feel the brunt of the disruption, importers in the US could also feel an impact. Demand for containers and berthing space soared late last year and into this year, well before the Suez crisis. Backups in container ports, especially along the West coast of the U.S., have grown during a normally slack period in shipping demand. That has tied up inventories for weeks in some cases, as ships wait to reach berths while unloaded containers sit for long periods at packed freight terminals.

THINKING AHEAD

The US economic trends continue to improve post-pandemic as unemployment comes down and consumer spending increases. US vaccinations steadily climb giving more hope to sustained economic activity in 2021. Economic activity may be hindered by supply chain issues such as lack of semiconductors or Suez canal blockages. Pallas Capital Advisors will continue to monitor economic, political, and corporate data for implications to markets.

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