

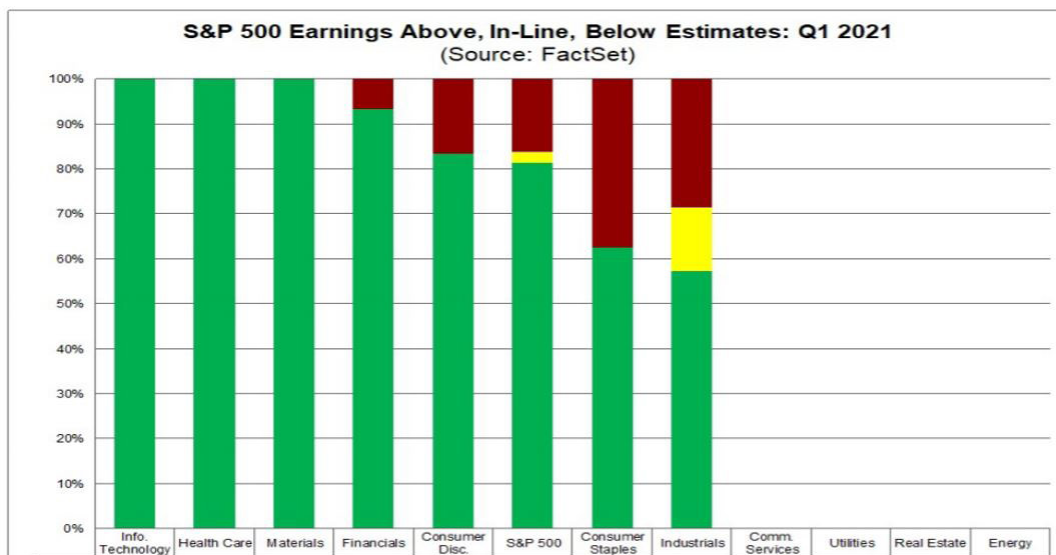
WEEK IN REVIEW

FRIDAY, APRIL 23RD 2021

1. S&P 500 EARNINGS SEASON OFF TO A STRONG START

Over 20% of the S&P 500 have now reported Q1 earnings (Factset), with over 85% beating estimates, which is above the 77% one-year average and the five-year average of 74%. In aggregate, companies are reporting earnings 24% above expectations, better than the 14.5% one-year average positive surprise rate and the five-year average of 6.9%. Pandemic winners like semis, housing, appliances, pools, outdoor recreation, restaurant takeout, and streaming remain bright spots.

Q1 2021: Scorecard



Source: FactSet

The financials sector was a focus sector for the market this past week, as 15 of the 22 companies in the S&P 500 reported earnings. Most of these companies were in the banking industry, including JPMorgan Chase, Wells Fargo, Bank of America, and Citigroup. Banks have the largest year-over-year earnings growth rate of all five industries in financials at 248%. One reason is that banks are reporting (or are expected to report) significantly lower provisions for loan losses in Q1 2021 relative to Q1 2020.

2. US ECONOMY ACCELERATING

Unemployment continues to improve with US initial jobless claims falling 39,000 week to week to 547,000, beating estimates of 625,000. This week's figure was the lowest since the pandemic began, though still more than double the March 2020 figure of 256,000. Continuing claims were also down 57,000 week to week to 3.674 million, though missed estimates for 3.534 million.



Source: U.S. Employment and Training Administration

3. COVID CASES AND VACCINATIONS RISE

Since vaccination efforts began in the US on December 14th, more than 216 million doses have been administered and more than 88 million people were fully vaccinated per the CDC. The US is currently administering around 3 million shots a day, up from 1 million at the beginning of January. Daily new coronavirus cases in the US are now averaging around 70,000 per day, up from recent lows.

Total Vaccine Doses	People Vaccinated	
	At Least One Dose	Fully Vaccinated
Delivered 277,938,875	134,445,595	87,592,646
Administered 215,951,909	40.5%	26.4%
Learn more about the distribution of vaccines.	Population ≥ 18 Years of Age	87,255,919
	133,010,036	33.8%
	51.5%	35,873,848
	Population ≥ 65 Years of Age	80.6%
	44,061,754	65.6%
	80.6%	

About these data
CDC | Data as of: April 21, 2021 6:00am ET. Posted: Wednesday, April 21, 2021 1:35 PM ET

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

THINKING AHEAD

The US economic recovery is accelerating as retail sales and unemployment improve better than consensus expectations. S&P 500 earnings season has kicked off with positive surprises in many industries. US vaccinations steadily climb despite the pause on the Johnson & Johnson vaccine. Pallas Capital Advisors will continue to monitor economic, political, and corporate data for implications to markets.

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