

WEEK IN REVIEW

FRIDAY, JANUARY 7TH, 2022

1. RECORD 4.5 MILLION WORKERS QUIT THEIR JOBS IN NOVEMBER

Workers quit their jobs in record numbers in November with 4.53 million leaving their jobs, according to the Labor Department's Job Openings and Labor Turnover Survey. That represented an 8.9% increase from October and broke September's high-water mark of 4.36 million (per CNBC). Reasons for quitting jobs include concerns of the coronavirus, the need to care for family members, and the desire to start a new business. Restaurant and healthcare works were responsible for much of the surge in quits.

For November, the number of job openings totaled 10.56 million, lower than the 11 million estimated by FactSet and a decline from 11.09 million in October. The level, however, was well ahead of the 6.88 million total of those out of work and looking for jobs in November, according to the government's nonfarm payrolls report for that month.



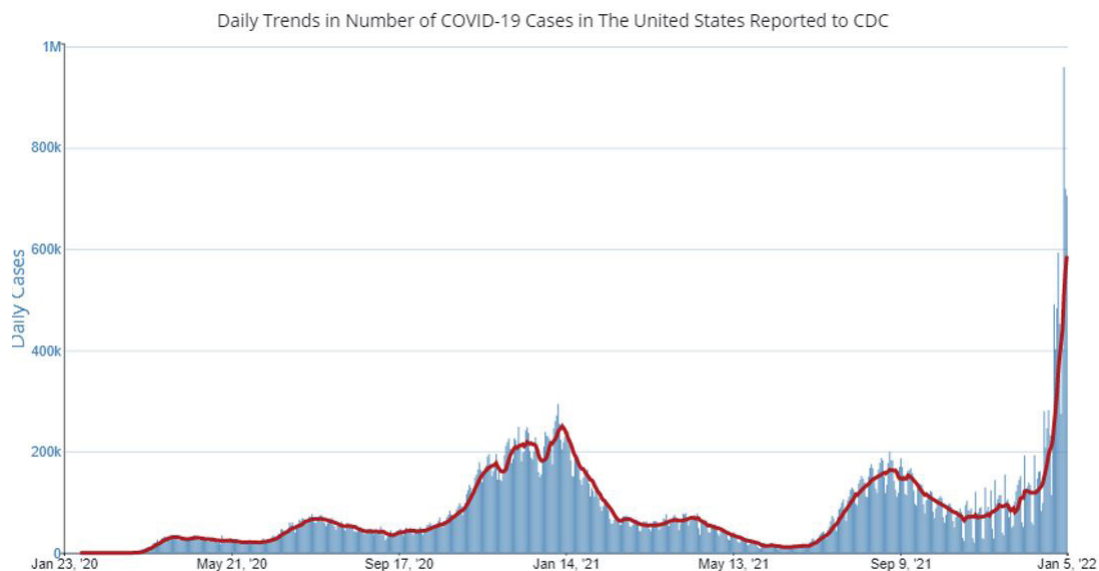
2. LONG-TERM TREASURY RATES MOVING HIGHER

The 10-year Treasury yield rose as high as 1.76% on Friday, as the rate spike in the new year resumed with investors assessing the Federal Reserve's faster-than-expected policy tightening (per CNBC). The benchmark rate ended in 2021 at 1.51%. The minutes from the Federal Reserve's December policy meeting, released Wednesday, showed that the central bank had begun plans to start reducing the number of bonds it holds. Fed officials said the reduction in its balance sheet would likely start sometime after the central bank begins raising interest rates.



3. CORONAVIRUS SURGES

The Omicron variant sweeping throughout the US is shutting down many schools and businesses. Some health-care experts have theorized that the US is moving from the pandemic phase to an endemic phase. The endemic phase entails essentially living with coronavirus as an ever-present part of life. The Omicron variant appears to cause less severe illnesses than the previous variants. If this becomes the dominant strain, coronavirus could be dealt with on an ongoing basis more similarly to the flu, RSV, and other more common illnesses.



THINKING AHEAD

The US job market is under continued strain with millions of workers quitting jobs and still over 10 million job openings in the economy. Pressures in the supply chain and job market appear to be pushing up long-term interest rates. The Omicron variant needs to be monitored for its ultimate impact on the economy.

Pallas Capital Advisors will continue to monitor economic, political, and corporate data for implications to markets.

The information contained herein is for informational purposes only, is not personalized investment advice and should not be construed as a recommendation to purchase or sell any particular security, sector or strategy to any individual person or entity. The decision to review or consider the purchase or sale of any security, sector or strategy mentioned should not be undertaken without consideration of your personal financial information, investment objectives and risk tolerance with your financial professional. Past performance should not be considered as an indicator of future results.

Investment Advice offered through Pallas Capital Advisors LLC, a registered investment advisor.

MASSACHUSETTS

45 Braintree Hill Office Park, Ste. 201
Braintree, MA 02184
781.971.5052

NEW HAMPSHIRE

36 Maplewood Ave
Portsmouth, NH 03801
603.292.3699

NEW JERSEY

1 Maynard Drive, Ste 2101
Park Ridge, NJ 07656
551.277.2686

RHODE ISLAND

38 Bellevue Ave, Ste. A
Newport, RI 02840
401.847.0505