

WEEKLY INSIGHT

January 7, 2021

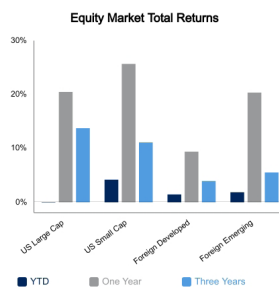
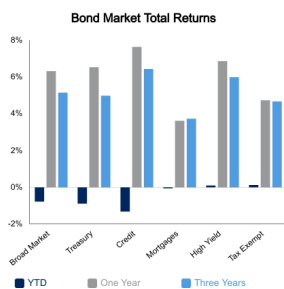
The Energy and Financials sectors have started off the new year on the right foot. The Energy sector is up 7.8% in the first three trading days of the year and the Financials sector is up 3.42%. This comes after a year where Energy underperformed by 33.68% and Financials were down 1.69%. The recent performance in Energy comes on the heels of production limitations from OPEC countries and the expectation for increased demand for the commodity from current levels. Year-to-date, WTI Crude Oil is up 4.72%. Over the three-month period, the commodity is up 27.15%. The commodity closed yesterday at \$50.63/bbl.

The final number for November's durable goods orders were released this week. The update confirmed the strength in durable goods orders with growth of 0.97% over the month. This is the seventh consecutive month orders have grown. Orders for transportation equipment continue to be a driving factor for growth. These equipment orders have grown six out of the last seven months.

Expectations for growth in manufacturing continues to be positive. Numbers from both the Markit and ISM Purchasing Managers' Indexes (PMI) for December show purchasing managers are expecting more orders. The Markit PMI number of 57.1 is one of the stronger numbers we have seen in a few years. The expectation was for the number to come in at 56.5. The positivity is led by managers in the manufacturing equipment sector. Consumer goods producers are a little more pessimistic. This pessimism can be attributed to the increase in COVID-19 cases.

The ADP Employment Survey shows 123,000 jobs were lost in December. The data comes from a survey of roughly 225,000 employers covering 14 million employees. Large companies saw the largest reduction, losing 147,000 jobs. Small company jobs contracted by 13,000. There was some growth in the medium-sized company space with the addition of 37,000 jobs. The impact of this contraction in jobs was most felt by service companies, which lost 105,000 jobs. Companies that provide goods only lost 18,000 jobs. The month's reading is the first decline since April.

The meeting minutes from the Federal Open Market Committee December meeting were released this week. The committee voted to keep benchmark short-term interest rates where they are at, close to zero. The minutes indicate the Fed's intention to give the public advance notice before deciding to scale back on bond purchases.



Interest Rates (%)	Current	12M Ago	3YR Ago
Fed Funds Rate (Upper)	0.25	1.75	1.50
3-Month T-Bill	0.08	1.51	1.39
10-Year Treasury	1.04	1.82	2.48
30-Year Treasury	1.81	2.31	2.81
10-Year Corporate AA	1.64	2.53	3.26
10-Year High Yield Corp.	3.99	4.64	5.27

Commodity Prices (\$)	Current	12M Ago	3YR Ago
Gold (\$/oz)	1,918.61	1,574.37	1,319.59
Oil (WTI \$/barrel)	50.63	57.15	53.11

Currencies	Current	12M Ago	3YR Ago
USD (Dollar Index Spot)	89.53	97.01	91.95
USD/EUR	0.81	0.90	0.83
USD/JPY	103.04	108.44	113.05

Jim Dombek, JD, CTFA
 Director of Trust Services
 & Counsel
 (815) 748-5011

Sandy Swanson, CTFA
 Senior Trust Officer
 (815) 748-1616

Stacia Little
 Trust Officer
 (815) 748-1609

Mary Phelan, CTFA
 Trust Officer &
 Operations Supervisor
 (815) 748-1607