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Poor economic data to start the year

The runup to the long weekend in which most financial institutions close in remembrance of Martin Luther King Jr. saw a slew of activity. Many Federal Reserve officials gave speeches, which is often the case in early January because there is little time between the holidays and the first Federal Open Market Committee (FOMC) meeting of the year (the statement will be released midday Jan. 27).

The FOMC won't have a lot of good news to consider, as the labor market continues to struggle—both initial and continuing jobless claims grew in number last week—retail sales are weak and consumer sentiment remains far below where it was in February of 2020 before the pandemic hit.

While Biden's inauguration dominates headlines, the confirmation hearings for Janet Yellen's nomination to head the U.S. Treasury Department will be closely watched by cash managers for any indications on fiscal policy that could help to reverse the poor economic data