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Noisy data

Last week saw a slew of data that indicates it will still be some time before we get a handle on this economy.

Core inflation for April, as measured annually by personal consumption expenditures (PCE), was reported at a 29-year high of 3.1%. Yet, personal income decreased, retail spending moderated and consumer confidence data (both University of Michigan and the Conference Board) all retreated. Get used to it. There's bound to be a great deal of noise in economic indicators for months to come.

The fact that the last of the direct stimulus payments to individuals have arrived plays a large role, of course, and inflation expectations can lead to cautious spending. But there is no denying that uncertainty still lingers, even though many younger people are now being vaccinated, the economy continues to open and pent-up demand remains palpable. With the Memorial Day Weekend behind us, summer has officially begun, and perhaps it will help to right-size activity and maybe even lead us to some sense of normalcy. Adding credence is that more people are rejoining the work force, with weekly initial jobless claims slipping (continuing claims falling, as well).