

## Beacon Weekly Investment Insights

The final trading week of 2021 ended in mixed fashion with the Dow Industrials up 1.1%, the S&P 500 up 0.9%, and the Nasdaq Composite down 0.1%. For the year however, the Dow registered an 18.7% gain, the S&P a 26.7% gain, and the Nasdaq a 21.4% gain. Truly stunning performance given all of the headwinds faced on the healthcare and economic fronts.

Unfortunately, we cannot stop mentioning COVID-19, and the latest Omicron variant. Cases have exploded to the upside and while the early data is showing less serious effects, especially amongst the vaccinated population, the implications are being felt all throughout the economy. Staffing shortages are creating issues for many industries, but it has been publicized mostly in the travel industry with flight cancellations throughout the country during the busiest travel weeks of the year. This recent surge, along with more analysis of data, caused the CDC to shorten its guidance for quarantine time to allow people to get back to work quicker. Let's hope at some point in 2022, we can stop writing about this!

The economic calendar was on the lighter side last week, but there were a few data points worth mentioning. US home price growth moderated for the second consecutive month in October. The Case-Shiller National Home Price Index rose at a 19.1% rate year over year, down from 19.7% the month earlier. This report is on a two month delay, which is why it is an October reading. Housing has been one of the stronger drivers for the US economy and expectations are that demand will continue to remain strong.

Jobless claims for the week ending December 25, fell to 198,000 and have continued to trend near historical lows in recent weeks in a testament to a strengthening labor market. Obviously over the next few weeks, this data will be closely monitored for any effects from the Omicron variant.

This week, the economic calendar is quite full to start the New Year. Tuesday we will see the ISM Manufacturing Index which is expected to show US manufacturing still comfortably in expansionary territory. The Labor Department will also release the Job Opening and Labor Turnover Survey (JOLTS) which indicates the number of job openings relative to applicants. Thursday along with the weekly unemployment claims, we will see the Commerce Departments US trade deficit figures. Global supply chain backlogs along with persistent US consumer demand continues to fuel the deficit. Importantly, Friday, we will have the December Employment Report.

We wish everyone a happy and healthy 2022 and beyond!

<b>Market Scorecard:</b>	<b>12/31/2021</b>	<b>YTD Price Change</b>
Dow Jones Industrial Average	36,338.30	18.71%
S&P 500 Index	4,766.18	26.74%
NASDAQ Composite	15,644.97	21.44%
Russell 1000 Growth Index	3,074.99	26.42%
Russell 1000 Value Index	1,655.73	22.40%
Russell 2000 Small Cap Index	2,245.31	13.53%
MSCI EAFE Index	2,336.07	8.78%
US 10 Year Treasury Yield	1.51%	59 basis points
WTI Crude Oil	\$75.21	53.98%
Gold \$/Oz.	\$1,831.20	(3.23%)

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