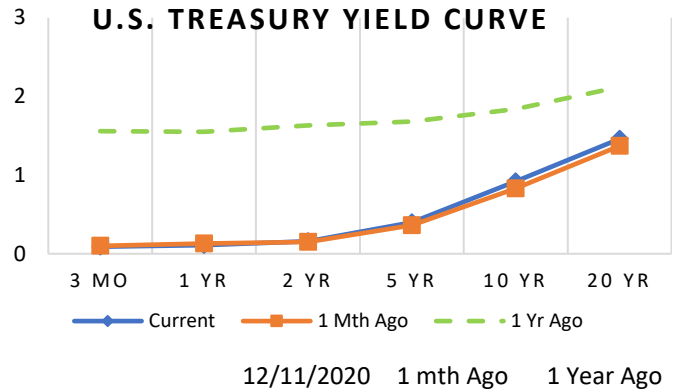


## Economic & Market Developments

- The NFIB Small Business Optimism Index fell to 101.4 for December, down from 104 in the previous month.
- JOLTs Job Openings came in at 6.652 million compared the consensus of 6.3 million. Job openings have been a bright spot in the labor market as they remain at 2017 levels despite the recent surge in COVID-19 cases.
- Initial Jobless Claims had a big miss last week as there were 853 thousand new applications for unemployment insurance. This was well above the expectations of 725 thousand.
- The Core Consumer Price Index (CPI) came in higher than expected at 1.65%.
- The University of Michigan's preliminary survey for Consumer Sentiment was positive, improving to 81.4 from 76.9 last month.

Total Returns (%)	1-WK	YTD	1-Year
<b>Equity</b>			
DJIA	-0.54	7.70	10.16
S&P 500	-0.95	15.39	18.78
NASDAQ	-1.22	42.92	48.59
MSCI World (ex-US)	-0.12	8.27	12.10
MSCI EAFE	-0.51	5.31	8.22
MSCI EM	0.54	15.36	21.87
<b>Fixed Income</b>			
BBG BARC US Agg Bond	0.35	7.21	7.01
BBG BARC US Agg 1-5 yr	0.08	4.10	4.29
BBG BARC High Yield 1-5 yr	0.23	3.65	4.92
BBG BARC Muni	0.17	4.45	4.48
TIPS	0.45	10.17	9.97

	P/E	P/E	Dividend
	Forward	Trailing	Yield (%)
	12M	12M	
<b>Global Equity Valuations</b>			
S&P 500	21.60	21.20	2.00
World ex-US	15.90	19.60	2.80
Emerging Markets	14.20	18.70	2.30



<b>Interest Rates (%)</b>			
Fed Funds Target	0.25	0.25	1.75
6-Month US Trsy	0.09	0.11	1.57
2-Year US Trsy	0.15	0.18	1.63
10-Year US Trsy	0.93	0.93	1.84
ICE BofA AAA	1.60	1.69	2.53
ICE BofA HY	4.56	4.97	5.52

<b>Mortgage Rates</b>			
15 Year Mortgage	2.26	2.34	3.19
30 Year Mortgage	2.71	2.84	3.73

## Chart of the Week

### Core Consumer Price Index (CPI)



### **Disclosures**

Bank of Ann Arbor is not affiliated with any of the sources referenced in this report. The information contained herein is proprietary (to Morningstar, The Northern Trust Company, and Koyfin) and shared with permission, or, publicly available through the Federal Reserve Bank of St Louis. Information contained within is not warranted by Bank of Ann Arbor. Bank of Ann Arbor is not responsible for any losses arising from use of this information. Investments are not insured by the FDIC and are not guaranteed by Bank of Ann Arbor. Investments may lose value. Investments can be subject to the volatility of the financial markets in the U.S. and abroad. Performance results are subject to market conditions. Past Performance is not a guarantee of future results.