

OBSERVATIONS

- Help wanted: Total job openings, according to last week's Job Openings and Labor Turnover Survey (JOLTS), reached 10.1 million available jobs — a fresh record high.¹
- In addition to the recent blockbuster jobs report, initial unemployment claims continue to decline with the latest release showing new claims dropping to 375,000 — new claims have now been below 400,000 for eight of the past 12-weeks.¹
- AMC reported 22 million movie tickets sold globally during Q2, that compares to 97 million in the same quarter of 2019. Meanwhile, AMC becomes the latest company to announce plans to accept Bitcoin, the firm notes that it will be able to accept the cryptocurrency as an online payment by year end.²
- Another day another crypto hack: PolyNetwork, a decentralized finance (DeFi) network, suffered what is believed to be the largest cryptocurrency hack ever — affecting tens of thousands of individuals. The hackers removed some \$600 million worth of cryptocurrencies before returning half back.³
- Susquehanna Financial research indicated that lead times (time between order and delivery) for semiconductors reached over 20 weeks, Pre pandemic those lead times averaged between 5 and 10 weeks.¹
- Amazon, Apple, Blackrock, Google, Humana, Uber, Lyft, Microsoft, U.S. Bancorp, Wells Fargo, are among the large companies to announce changes to back to work amidst the surge in delta variant covid cases. Meanwhile, a new survey shows that 40% of select large company HR executives noted that they have not yet changed existing back to work or hybrid work plans.⁴
- University of Michigan Consumer Sentiment Index drops to near ten-year lows after declining by the most since the pandemic began.

EXPECTATIONS

- The U.S. Dollar reached 5-month highs last week (relative to major world currencies), a move that reflects the increasing likelihood of monetary policy changes by the Federal Reserve – particularly in light of recent employment and inflation data and fiscal measures (infrastructure bill) moving forward.¹
- July inflation: Consumer Price Index (CPI) rose +0.5% on a MoM basis, the lowest MoM change since February 2021. Significant drivers were in food and energy, as CPI excluding food and energy rose +0.3% MoM. Significant cooling in used vehicles prices also helped inflation moderate, after increasing +10.0%, +7.3%, and +10.5% in April, May, and June, used vehicle prices increased a modest +0.2% in July. Our view continues to favor further moderating of realized inflation as the year progresses.⁵

ONE MORE THOUGHT: Bipartisan Infrastructure Bill Passes the Senate

President Biden's infrastructure agenda received a significant boost last week when the Senate passed (69 to 30) a bipartisan infrastructure bill worth nearly \$1.0 trillion spread over the next decade. The bipartisan bill includes approximately \$550 billion in additional federal spending on roads, bridges, transit systems, expanded broadband access, and water infrastructure. Within the \$1.0 trillion figure is approximately \$400 million of previously approved funds that Congress was expected to authorize for infrastructure projects over the next five years. In total, it will likely result in annual spending of \$190 billion for infrastructure projects between 2022 to 2027. However, final

¹ Bloomberg LP

² <https://investor.amctheatres.com/financial-performance/quarterly-results/default.aspx>, <https://www.cnbc.com/2021/08/09/amc-says-it-will-accept-bitcoin-as-payment-for-movie-tickets-by-year-end.html>

³ <https://decrypt.co/78163/polynetwork-suffers-record-breaking-600-3m-hack>

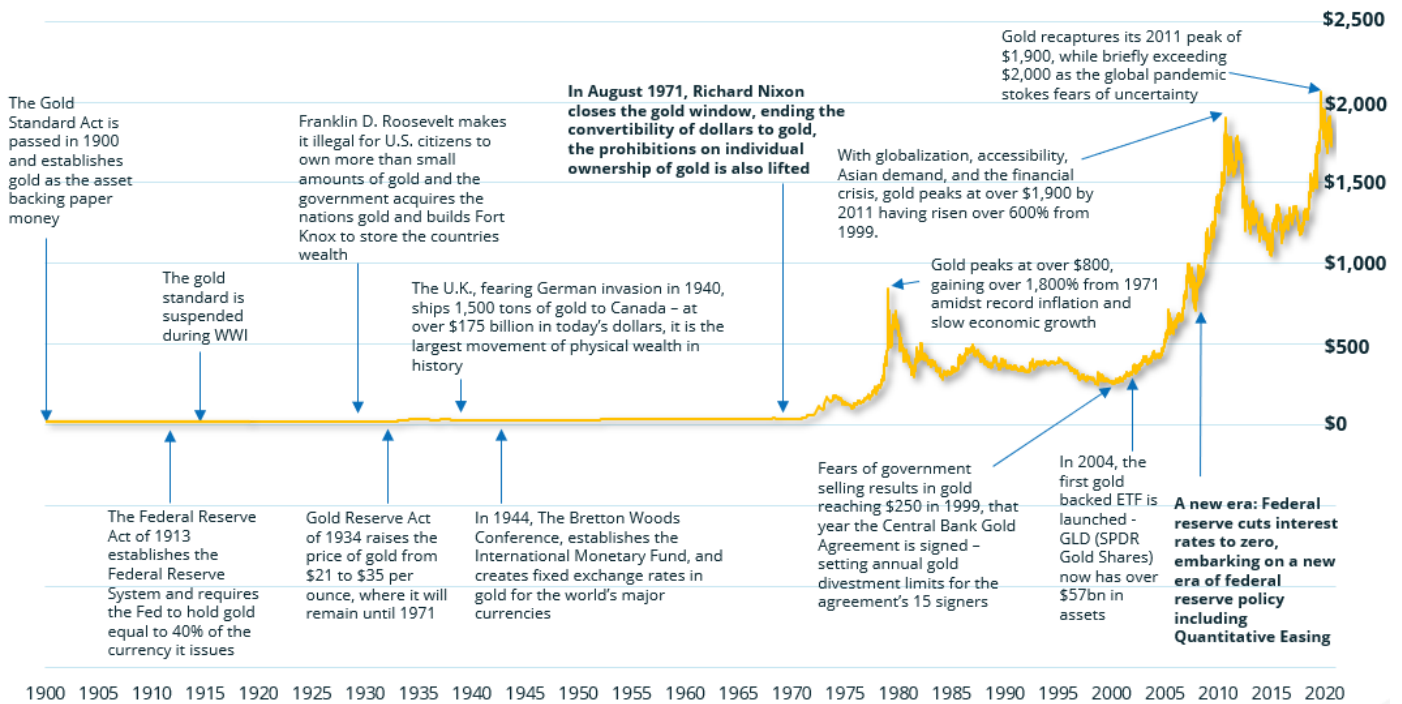
⁴ Barrons, CNBC Workforce Executive Council flash survey

⁵ <https://www.bls.gov/news.release/pdf/cpi.pdf>

passage through the House of Representatives is contingent upon the Senate passing a larger approximately \$3.5 trillion dollar package that includes many of the green and “human infrastructure” spending plans of progressive Democrats, including universal pre-k schooling, free community college, expanded Medicare and ACA offsets, and a slew of spending on clean energy and environmental initiatives. The Senate passed a \$3.5 trillion budgetary framework via a party line vote—50 to 49—last week which is the first step towards realizing this new spending package. However, the real negotiations now begin within the Democratic Party to determine the precise spending priorities and a few moderate Democrats have signaled that they are unlikely to support such a large spending package via a strict party-line vote. The Democrats will need every vote in the Senate to pass this new spending plan via the reconciliation process—which cannot be initiated until the new Federal fiscal year begins on 1-Oct—and it is not clear that President Biden will be able to keep all Democrats in-line to pass both legislative priorities fully through Congress.

CHART OF THE WEEK

Gold's Golden Anniversary: Nixon ends the gold window 50 years ago this week



Source: Clearstead, Bloomberg LP, as of 31-July, USFUNDS.com, FederalReserveHistory.org, Institutional Investor, FederalReserve.gov, Reuters

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