

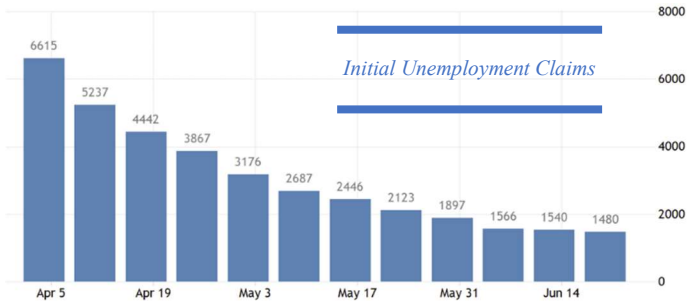
Unemployment Claims Fall, Manufactured Goods Orders Rise
June 25, 2020



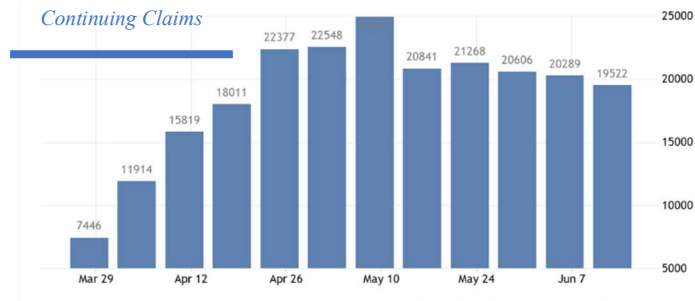
The stock market recaptured some of Wednesday's sell off. The S&P 500 rose 33 points, or 1.10% to close at 3084 while the Dow Jones Industrial Average jumped 300 points, or 1.18% to close at 25746. The Nasdaq Composite gained 108 points, or 1.09%, closing at 10017 and the Russell 2000 increased 24 points, or 1.70% to close at 1413.

The Department of Labor announced that initial jobless claims fell less than expected to 1.48 million Americans for the week ending June 20th, well above expectations of 1.3 million Americans. For context, this current number is more than double the peak weekly unemployment claims report during the 2008-2009 Great Recession. Continuing jobless claims fell to 19.5 million Americans in the week ended June 13th well below market forecasts of 20.0 million Americans.

The initial jobless claims report demonstrates that American businesses are still cutting jobs three months after the coronavirus forced partial economic shut down to battle the resultant disease. It also means that American businesses are still cutting jobs a full month into reopening of much of the economy. However, the continuing unemployment claims report suggests that even though there are a horrific number of people claiming new unemployment, we are actually creating even more jobs on a weekly basis than what we are losing.

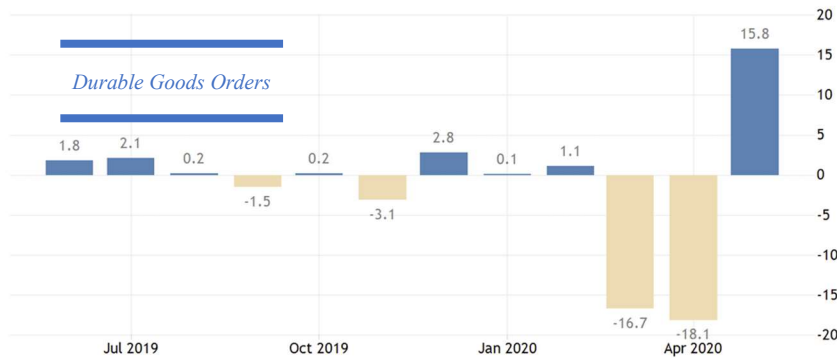


SOURCE: TRADINGECONOMICS.COM | U.S. DEPARTMENT OF LABOR



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New orders for U.S. manufactured durable goods (items that last more than one year) jumped 15.8 percent in



SOURCE: TRADINGECONOMICS.COM | U.S. CENSUS BUREAU

May 2020, well above expectations of a 10.9 percent increase. Demand for transportation equipment surged 80 percent with the automotive industry enjoying a 27 percent increase. When you remove the impact of transportation, durable goods still rose a very respectable 4 percent. Good news for an economy that needs a replenished order flow.

On the Covid-19 front, Texas Governor Greg Abbott said that the state continues to set new daily records for cases and hospitalizations. The Governor announced that he will now pause reopening efforts to "corral the spread".