

Top Headline: Trump Is Impeached Again

On Wednesday, the House of Representatives approved an article of impeachment against President Trump on a charge of inciting his supporters to attack the Capitol Building. Speaker Pelosi has yet to say when she will send the article of impeachment to the Senate to begin Trump's impeachment trial. Even if the trial begins after President Trump leaves office, lawmakers could invoke the 14th amendment to prevent Trump from running for office again. Biden is scheduled to be inaugurated on Wednesday, January 20th.

Other News

President Elect Biden unveiled his \$1.9T economic relief plan on Thursday. If passed once his term begins, the plan would include \$415B for vaccine response, \$1,400 direct payment checks and an increase in federal unemployment benefits to \$400 a week, among other features. The injection of funds into the economy would relieve strained household balance sheets and greatly help the economy towards recovery.

On Tap This Week

Housing Starts and Permits for December will be released on Thursday, January 21st.

Past Week's Releases

Date	Indicator	Period	Prev.	Exp.	Act.	Comment
W 1/13	CPI	Dec	0.2%	0.4%	0.4%	Increased gasoline prices accounted for most of the rise in the CPI.
W 1/13	Core CPI	Dec	0.2%	0.1%	0.1%	
W 1/13	EIA Petroleum Status	1/8	-8.0M	N/A	-3.2M	Commercial crude oil inventories fell for the sixth consecutive period.
Th 1/14	Initial Jobless Claims ♦	1/9	784K r↓	785K	965K	The estimate is the highest since the week ending August 22 nd .
F 1/15	PPI	Dec	0.1%	0.4%	0.3%	The increase was driven by higher final demand for energy in December.
F 1/15	Core PPI	Dec	0.1%	0.1%	0.1%	
F 1/15	Consumer Sentiment ♦	Jan(p)	80.7	80.0	79.2	Political and civil unrest drove the decrease in consumer sentiment.
F 1/15	Baker-Hughes Rig Count	1/15	360	N/A	373	The increase can be attributed to rigs coming on-line in the Permian Basin.

Actual < Expected
 Actual > Expected
 ♦ Leading Indicator

Market Activity

Indicator	Open	Close	ΔWeek	Δ3M
DJIA	31098.1	30814.3	-0.91%	8.14%
S&P 500	3824.68	3768.25	-1.48%	8.18%
USD*	90.10	90.78	0.76%	-3.27%
10-Year Treasury*	1.12%	1.08%	-0.03%	0.35%

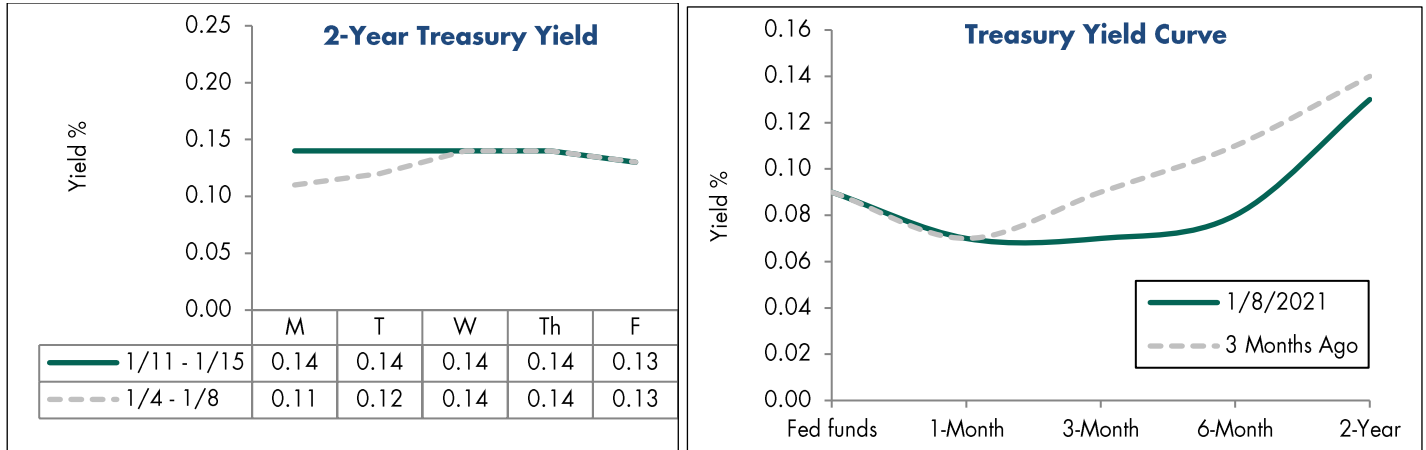
*ICE U.S. Dollar Index Spot Price

*Absolute change in yield over specified period

Upcoming Releases

Date	Indicator	Period	Prev.	Exp.
Th 1/21	Housing Starts ♦	Dec	1.55M	1.56M
Th 1/21	Housing Permits ♦	Dec	1.64M	1.60M
Th 1/21	Initial Jobless Claims ♦	1/16	965K	923K
F 1/22	Existing Home Sales	Dec	6.69M	6.55M
F 1/22	EIA Petroleum Status	1/15	-3.2M	N/A
F 1/22	Baker-Hughes Rig Count	1/22	373	N/A

Yield Curve Highlights



Detailed Economic Releases

1/13/2021	Prev.	Exp.	Act.
CPI	0.2%	0.4%	0.4%
Core CPI	0.2%	0.1%	0.1%

The Consumer Price Index increased an expected 0.4% during December. The increase reflects an 8.4% rise in the gasoline index, which accounted for more than 60% of the overall index increase. Core CPI increased as expected by 0.1% during the period, while its sub-indices showed mixed results. For the twelve-months ending in December, the CPI and Core CPI have risen 1.4% and 1.6%, respectively, signaling inflation during 2020 which was aided by fiscal and monetary support following a severe contraction of the CPI in the Spring.

Summary: CPI and Core CPI increased as expected, driven by a rise in gasoline prices.

1/13/2021	Prev.	Exp.	Act.
EIA Petroleum Status	-8.0M	N/A	-3.2M

U.S. commercial crude oil inventories decreased by 3.2M barrels this past week. Total inventories fell to 482.2M barrels, but remained 8.0% above their five-year average for this time of year. Total commercial petroleum inventories decreased by 9.4M barrels during the period. Year-over-year, total products supplied was down 5.8% averaging 18.8M barrels a day, signaling continued weak demand for oil and petroleum products.

Summary: Commercial crude oil inventories continue to fall, but total products supplied remains low.

1/14/2021	Prev.	Exp.	Act.
Initial Jobless Claims	784K r↓	785K	965K

Initial jobless claims for the week ending January 9th came in higher than expected at 965K claims. The 181K claim increase from the prior period rose the four-week moving average for initial claims up by 18.3K to 834K. The advance insured unemployment rate for the week ending January 2nd increased by 0.2% to 3.7%. The advance number for insured unemployment during the same week rose by 199K as continuously high coronavirus case levels put downward pressure on the labor market, particularly in high-contact sectors.

Summary: Initial jobless claims rose, nearly surpassing the 1M claim mark.

1/15/2021	Prev.	Exp.	Act.
PPI	0.1%	0.4%	0.3%
Core PPI	0.1%	0.1%	0.1%

The Producer Price Index increased a less than expected 0.3% in December. The overall rise reflects a 1.1% increase in demand for goods, with final demand for energy up 5.5% during the period. Meanwhile, final demand for services decreased by 0.1%. Core PPI increased as expected 0.1% during December with no single sub-index significantly contributing to the rise.

Summary: The PPI increased in December, pushed by higher final demand for energy.

1/15/2021	Prev.	Exp.	Act.
Consumer Sentiment	80.7	80.0	79.2

The preliminary estimate for January consumer sentiment fell 1.9% from the previous period to 79.2. The small decrease reflects drops in both the Current Economic Conditions Index and the Index of Consumer Expectations, which fell to 87.7 and 73.8, respectively. Negative influences on the overall index such as President Trump's impeachment and rising coronavirus related deaths, were offset by vaccine hopes and the announcement of Biden's economic plan, leaving consumer sentiment relatively level.

Summary: Consumer sentiment remained relatively level during the first two weeks of January.

1/15/2021	Prev.	Exp.	Act.
Baker-Hughes Rig Count	360	N/A	373

The number of active U.S. oil and gas rigs increased by 13 this past week to 373. The rise can be primarily attributed to rigs coming on-line in the Permian basin. Year-over-year, the number of active rigs is down by 423. The continued rise in active oil and gas rigs signals increased investment in the oil and gas industries even as the economy continues to reel from the coronavirus related downturn.

Summary: Oil and gas rigs continue to come on-line, but estimates remain far below those for the same period in 2020.

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