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Week in Review

September 25, 2020

U.S. Economy

The September manufacturing purchasing managers index registered at 53.5 while the services index measured 54.6. Weekly jobless claims rose slightly to 870,000 from 866,000. Continuing jobless claims fell from 12.747 million to 12.580 million.

Our Take: Both purchasing managers indexes are in expansionary territory as the economy continues to recover from the shutdown-induced recession. Jobs data, however, indicates that the continued recovery may be slowing down.

Powell Testimony

Federal Reserve Chairman Jerome Powell joined the Treasury Secretary Steven Mnuchin in Washington as part of a three-day testimony to Congress over the response to COVID-19. Since the beginning of the pandemic, the Fed and the Treasury have introduced a host of programs and initiatives designed to provide liquidity and help support the economy. Although the U.S. is experiencing an economic recovery, Chairman Powell noted more government spending would be needed to sustain it.

Our Take: Although the Fed remains committed to its support of the economy, the path forward remains uncertain. Failure of Congress to pass additional relief adds to worries of slower economic growth.

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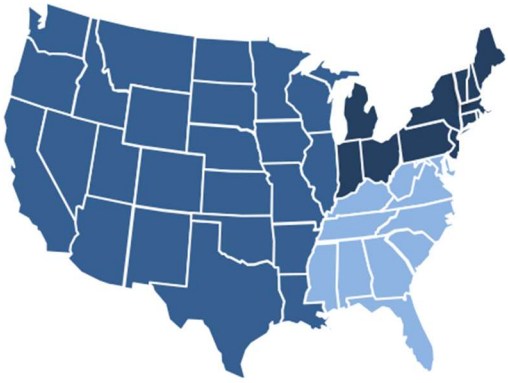

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