

November 22, 2021

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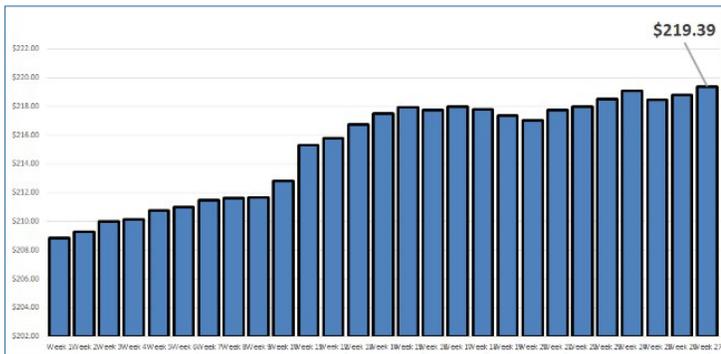
MORE EARNINGS, ECONOMIC RESULTS DURING THANKSGIVING HOLIDAY WEEK

Chart 1: Monthly Index Results, Year to Date

2021 by the month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	YTD
D J Industrials	(2.04)	3.17	6.62	2.71	1.93	(0.08)	1.25	1.22	(4.29)	5.84	(0.61)	16.32
S&P 500	(1.11)	2.61	4.24	5.24	0.55	2.22	2.27	2.90	(4.76)	6.91	2.01	25.08
NASDAQ Comp	1.42	0.93	0.41	5.40	(1.53)	5.49	1.16	4.00	(5.31)	7.27	3.61	24.59

(Source: Janney Investment Strategy Group)

Chart 2: 2022 S&P 500 Earnings Estimate



(Source: Janney Investment Strategy Group)

The third-quarter earnings season largely ended last week, as 95% of the S&P 500 had reported calendar third-quarter results. According to FactSet, the blended earnings growth rate for third-quarter S&P 500 earnings is 39.6 versus the 27.5% expected at the end of the quarter. The blended revenue growth rate is 17.8%. Of the S&P 500 companies that have reported for the third quarter, 82% beat consensus earnings expectations and 75% topped anticipated sales. In aggregate, companies are reporting earnings 10.0% above expectations. The most recent look at S&P 500 earnings estimates showed that the 2021 S&P 500 earnings estimate went up 33 cents to \$204.87 and the 2022 estimate increased 58 cents to \$219.39.

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Earnings reports are not likely to be a major issue this week. High-priced turkeys and November’s monthly option expirations might be.

More often than not, this week ends with the market higher. Through the past 28 years, the Dow Jones Industrial Average ended Thanksgiving week higher 19 times. Shoppers are well aware that the price of this year’s turkey will be significantly higher.

Chart 3: Sector Percentage Change for the Week



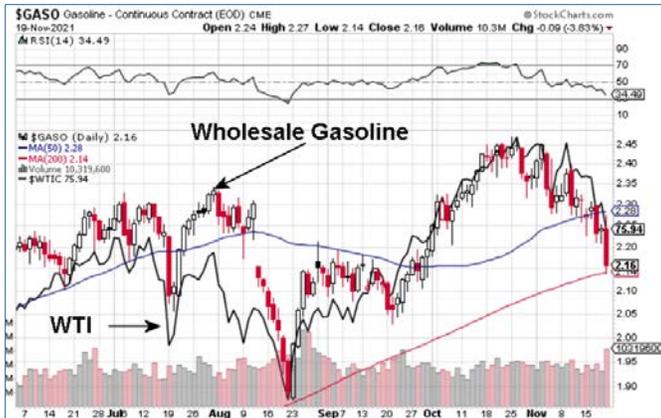
(Source: Janney Investment Strategy Group)

The Technology sector had the best gain last week, but the retailing component of the Discretionary sector got most of the headline attention. Strong consumer demand, a tight labor market, big asset price gains, and a spending shift toward goods from services highlighted what is expected to be a fairly strong holiday season. Although some retailers were hurt by tightening margins, pricing power was noted by other firms as one of the biggest positives.

The Technology sector fared well, led by another strong performance by semiconductors.

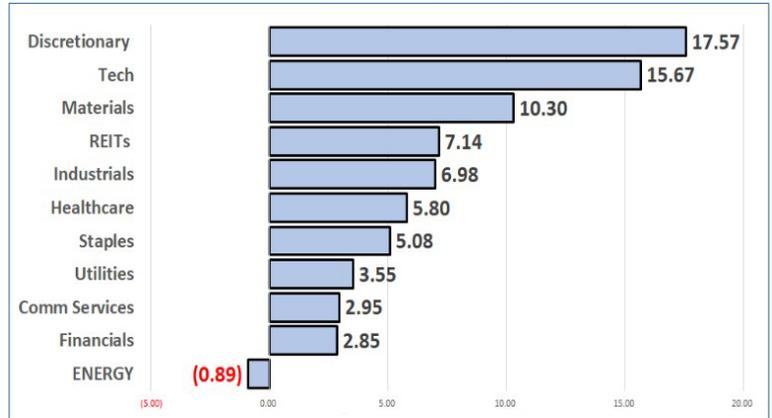
The Energy sector had one of its worst weeks this year as the price of West Texas Intermediate (WTI) crude ended the week down 3.1% on concerns about whether rising virus cases in some areas might affect global demand. WTI hit a high for this year on October 25, 2021, at \$85.41. It closed November 19 at \$75.94. This sector is now the only sector with a loss from the October 4 close through last week.

Chart 4: West Texas Intermediate Crude Oil Price



(Source: Janney Investment Strategy Group)

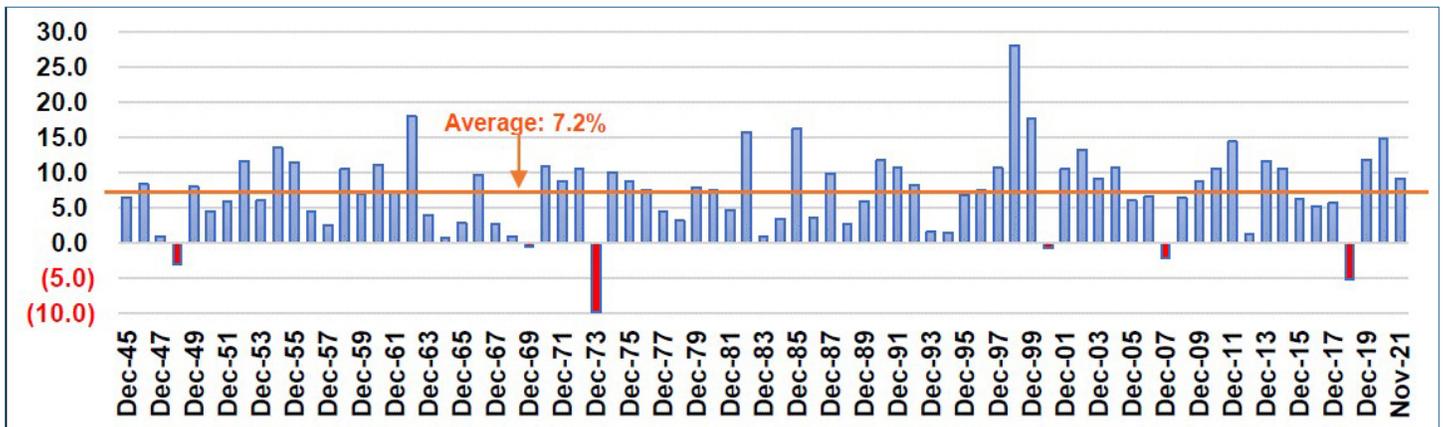
Chart 5: Percentage Results since Close on October 4, 2021



(Source: Janney Investment Strategy Group)

According to data assembled by CFRA-Standard & Poor's, from the October low of every year since 1945 through the year-end close, the S&P 500 gained an average 7.2% and posted a positive performance in 92% of the years. This year, the S&P 500 has risen 9.2% from the October 4 low through November 19.

Chart 6: S&P 500 Price Changes: October Low to December Close since 1945



(Source: CFRA-Standard & Poor's)

The Week Ahead

This week has a light earnings calendar as only 41 companies are due to report. On the other hand, there is a full slate of economic releases with everything crammed into the first three days of the week.

Market volume is typically light during Thanksgiving week. Concern about who will be the Fed leader ended as Biden nominated Jerome Powell for another term and nominated Lael Brainard as vice-chair. Continued discussion about various spending proposals as well the looming debt ceiling deadline could enliven activity.

This week typically has a positive bias, but there could be concern this week over the virus spread in Europe. German Chancellor Merkel said the virus situation in the country is worse than anything seen so far and tighter curbs are needed. The German Health Minister said vaccinations alone will not cut case numbers. Over the weekend, German officials reportedly debated the possibility of introducing a general vaccine mandate next year.

Economic Reports Due November 22, 2021 through November 26, 2021

Monday, November 22, 2021	10:00	Existing Home Sales	Wednesday, November 24, 2021	8:30	Adv. Retail Inventories
Tuesday, November 23, 2021	9:45	IHS Markit Manufacturing PMI - Prelim	Wednesday, November 24, 2021	8:30	Adv. Wholesale Inventories
Tuesday, November 23, 2021	9:45	IHS Markit Services PMI - Prelim	Wednesday, November 24, 2021	10:00	Personal Income
Wednesday, November 24, 2021	7:00	MBA Mortgage Applications Index	Wednesday, November 24, 2021	10:00	Personal Spending
Wednesday, November 24, 2021	8:30	Initial Claims	Wednesday, November 24, 2021	10:00	PCE Prices
Wednesday, November 24, 2021	8:30	Continuing Claims	Wednesday, November 24, 2021	10:00	PCE Prices - Core
Wednesday, November 24, 2021	8:30	GDP - Second Estimate	Wednesday, November 24, 2021	10:00	New Home Sales
Wednesday, November 24, 2021	8:30	GDP Chain Deflator - Second Estimate	Wednesday, November 24, 2021	10:00	Univ. of Michigan Consumer Sentiment - Final
Wednesday, November 24, 2021	8:30	Durable Orders	Wednesday, November 24, 2021	10:30	EIA Crude Oil Inventories
Wednesday, November 24, 2021	8:30	Durable Goods –ex transportation	Wednesday, November 24, 2021	12:00	EIA Natural Gas Inventories
Wednesday, November 24, 2021	8:30	Adv. Intl. Trade in Goods	Wednesday, November 24, 2021	2:00	FOMC Minutes

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