

News Roundup November 21, 2020

Cumberland Advisors In the News

Patricia Healy Featured

CUMBERLAND COMMENT: Government employment falls

Nov 16, 2020

The positive jobs growth news, showing an increase of 638,000 jobs in October and a full 1 percent reduction in the unemployment rate to 6.9%, masked a decline in government employment. Private jobs were up by 906,000, led by an increase of 271,000 in hospitality and leisure, a sector that has been hit particularly hard by pandemic shutdowns. Government jobs, however, fell by 268,000. The majority of the losses were in state and local education, 61,000 and 98,000, respectively. The loss of 147,000 temporary 2020 census workers contributed to a net loss in federal employment of 138,000. The loss of public education jobs as well as private education job losses of 21,500 is likely reflective of the extent of remote learning and the reduced need for support staff.

State and local employment constitute 13% of the total non-farm payroll, and slow growth in state and local employment after last decade's financial crisis contributed to a slow recovery.

Full

article:

<https://www.heraldtribune.com/story/business/briefs/2020/11/16/patricia-healy-government-employment-falls/6248751002/>

John Mousseau Quoted

Muni yields fall as new-issues oversubscribed; ICI reports inflows

Nov 18, 2020 – By Chip Barnett, Christine Albano

Dan Urbanowicz, director and fixed income portfolio manager at Washington Crossing Advisors said “following-through on the \$38 billion in orders for New Jersey’s G0 deal yesterday, most of the new issues today, including Massachusetts G0, are oversubscribed and repricing 5 to 10 basis points lower in yield.”

Elsewhere, market technicals are being impacted by the COVID-19 climate.

“We’re seeing a renewed supply/demand imbalance in the market,” he said.

The significant oversubscription was a sign of the times, according to John Mousseau, president of Cumberland Advisors.

“Pandemically affected yield sells,” he said after the pricing.

Full article (Paywall):
<https://www.bondbuyer.com/news/muni-yields-fall-new-issues-oversubscribed-inflows-return>

David R. Kotok Quoted

The US economy is about to shrink, JPMorgan warns

Nov 20, 2020 – By Matt Egan, CNN Business

The federal government can’t agree on how to treat the renewed economic weakness. Republicans and Democrats have repeatedly failed to reach a deal on new fiscal relief, setting up a scenario where 12 million Americans could lose benefits by the

end of the year.

“Congress has failed the country,” said David Kotok, chief investment officer of Cumberland Advisors.

Ian Shepherdson, chief economist at Pantheon Macroeconomics, slammed Congress for an “appalling dereliction of duty.”

The Treasury Department added to the mess Thursday by yanking \$455 billion of funds the Federal Reserve was using for emergency lending programs. The Fed issued a statement opposing the move, marking a rare public dispute between the central bank and Treasury Department -- in the middle of a crisis, no less.

Treasury Secretary Steven Mnuchin said those funds can be used by Congress to stimulate the economy, but there’s no guarantee a deal can be reached there. And this is a bizarre time to remove ammo the Fed is using to fight the crisis.

“Trump would have signed a bill pre-election. Now he is unpredictable and our national government seems to be in chaos,” Kotok said.

Full article:
<https://www.kitv.com/story/42943947/the-us-economy-is-about-to-shrink-jpmorgan-warns>

David R. Kotok Cited

USF Nursing Course to Address Covid-19, Burnout

Nov 20, 2020 -By Hannah Wallace

This February, the USF College of Nursing will offer a series of virtual courses for frontline nurses about staying safe and healthy—both physically and mentally—while working in a pandemic. “Frontline Nursing During Covid-19: A New Paradigm” will address pandemic-related concerns like Covid-19 pathology, self-care and risk-mitigation, empowerment and

self-advocacy, identifying limitations and asking for help.

The continuing-education webinars will be made available free for registrants throughout the country, thanks to a donation from Sarasota's David Kotok and Christine Schlesinger. Nurses who complete the program will be eligible for continuing-education credits, which are a necessary part of license renewal.

Full article:
<https://www.sarasotamagazine.com/health-and-fitness/2020/11/us-f-nursing-course-to-address-covid-19-burnout>

John Mousseau Quoted

Holiday calendar slumps to \$1.2B; munis firm after week-long rally

Nov 20, 2020 – By Chip Barnett, Christine Albano

The long end of the municipal market firmed Friday as the expected new-issue calendar slipped to about \$1 billion for the Thanksgiving-shortened trading week.

Yields on top-rated bonds fell about a basis point on AAA scales as yields fell about eight to 13 basis points in total since Nov. 13.

Treasury yields slipped as stocks turned mixed Friday while the markets watched the disagreements between the White House and the Federal Reserve over emergency lending programs such as the Municipal Liquidity Facility.

"The market is in full holiday mode," John Mousseau, president of Cumberland Advisors, said Friday, noting the \$3.7 billion New Jersey general obligation deal had tremendous follow-through when it broke free to trade Thursday but otherwise munis were quiet..

"Most people are looking to the period after Thanksgiving," to

get back into the market when new issuance picks up between then and the next holiday season, Mousseau said.

Full article (Paywall):
<https://www.bondbuyer.com/news/holiday-calendar-slumps-to-1-2b-munis-firm-after-week-long-rally>

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